



Market Perspectives

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June 22, 2023

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For more information on the contents of this newsletter or the U.S. Grains Council, its mission and programs, please contact Cary Sifferath at (202) 789-0789.

The U.S. Grains Council is a private, non-profit partnership of producers and agribusinesses committed to building and expanding international markets for U.S. barley, corn, grain sorghum and their products. The Council is headquartered in Washington, D.C. and has ten international offices that oversee programs in more than 50 countries. Financial support from our private industry members, including state checkoffs, agribusinesses, state entities and others, triggers federal matching funds from the USDA resulting in a combined program value of more than \$26 million.

Chicago Board of Trade Market News

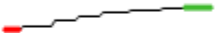
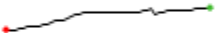
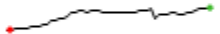

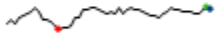
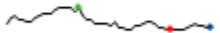
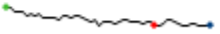
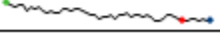
Week in Review: CME Corn July Contract					
Cents/Bu	Friday June 16	Monday June 19	Tuesday June 20	Wednesday June 21	Thursday June 22
Change	17.00		3.50	27.25	-10.50
Closing Price	640.25		643.75	671	660.5
Factors Affecting the Market	Corn futures jumped higher on a weekend forecast of more hot, dry weather for the Corn Belt. Sept. futures were in the lead with Dec. not far behind. Dec. futures are now \$1.07 above their mid-May lows. Funds were aggressive in covering their short positions and switching to the long side of the market.	CBOT Markets were closed in observance of the Juneteenth holiday.	Corn futures saw two-sided trade after showers moved across the western edge of the Midwest after a mostly dry weekend. Funds continue to cover shorts while commercials are also eager buyers. Dec. futures hit a five-month high on yield concerns. USDA said 877 KMT of corn was inspected for export, down from the prior week.	Monday's Crop Conditions report, released after the market close, showed just 55% of U.S. corn in good/excellent condition - the lowest rating for this week since 1988 and below the drought year of 2012. That sent futures sharply higher as yield concerns abound, despite showers across the Northern Plains this week.	After screaming higher Wed., futures pulled back and waited for new weather forecasts. The latest models show more heat and dryness for most of the Midwest, though some rains in the N. Plains and eastern Corn Belt could come next week. Ethanol output rose 3.2% last week as the summer driving season continues.

Outlook: December corn futures are 20 ¼ cents (3.2 percent) higher this week after worsening drought conditions in the Corn Belt prompted a round of short covering and panic buying at the CBOT. Rainfall in the key corn-producing states of Iowa, Illinois, and Indiana – among others – has been scant this year and the situation is drawing comparisons to the infamous drought year of 2012. Indeed, crops are heading into the key yield-defining period of July/August in worse condition and with more extreme drought than they did in 2012. USDA said just 55 percent of U.S. corn was rated good/excellent last week, the lowest value in 5 years and a score below that of 2012.

In response, futures have rallied sharply over the past two weeks with the December contract clearing the psychologically important \$6.00 mark earlier this week. Farmer selling picked up substantially this week, according to industry sources, as producers who had previously marketed little of this year's crop when looking at low-\$5 corn decided to take advantage of strong basis and \$6+ futures. Funds quickly reversed their former short position and are now net long corn (and other CBOT grains) futures amid the drought concerns. Looking forward, the weather and yield prospects will be the key arbiter of futures price action and the current hot, dry forecast for the Corn Belt suggests the rally is not done yet.

Ethanol production rose 3.3 percent last week to 1.052 million barrels per day as margins remain strong for the industry amid the "summer driving season", which is the seasonal peak in U.S. gasoline demand.

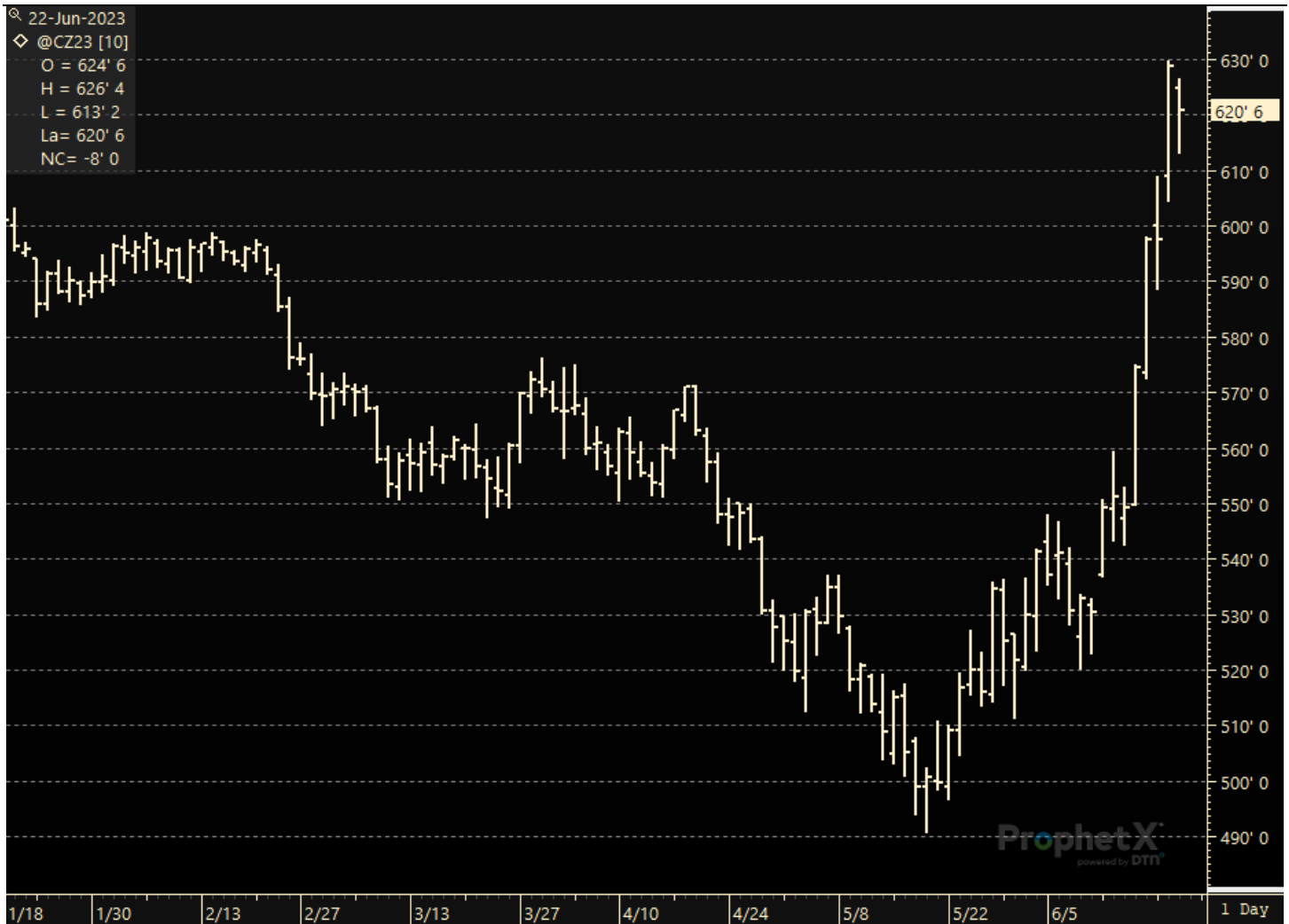
Ethanol stocks rose 2.6 percent from the prior week despite a 2 percent increase in gasoline consumption.

Interest Rates and Macroeconomic Markets, June 22, 2023						
	Last*	Weekly Change	Weekly % Change	Monthly Change	Monthly % Change	1-Year History
Interest Rates						
U.S. Prime	8.25	0.0	0.0%	0.0	0.0%	
LIBOR (6 Month)	5.68	0.0	0.5%	0.2	2.7%	
LIBOR (1 Year)	5.90	0.1	1.4%	0.4	6.6%	
S&P 500	4,376.3	-49.5	-1.1%	225.1	5.4%	
Dow Jones Industrials	33,921.6	-486.4	-1.4%	1,157.0	3.5%	
U.S. Dollar	102.4	0.3	0.3%	-1.9	-1.8%	
WTI Crude	69.3	-1.3	-1.9%	-2.5	-3.5%	
Brent Crude	74.0	-1.7	-2.3%	-2.2	-2.9%	

Source: DTN ProphetX, World Perspectives, Inc.

* Last price as of 3:44 PM ET

CBOT December Corn Futures



Source: DTN ProphetX

Current Market Values:

Futures Price Performance: Week Ending June 22, 2023			
Commodity	22-Jun	16-Jun	Net Change
Corn			
Jul 23	660.50	640.25	20.25
Sep 23	617.00	594.00	23.00
Dec 23	620.75	597.50	23.25
Mar 24	628.00	604.00	24.00
Soybeans			
Jul 23	1500.50	1466.50	34.00
Aug 23	1418.25	1407.50	10.75
Sep 23	1347.75	1358.00	-10.25
Nov 23	1339.50	1342.25	-2.75
Soymeal			
Jul 23	424.70	416.40	8.30
Aug 23	421.80	413.40	8.40
Sep 23	418.80	409.10	9.70
Oct 23	415.80	403.70	12.10
Soyoil			
Jul 23	55.77	59.69	-3.92
Aug 23	54.83	58.76	-3.93
Sep 23	54.17	58.23	-4.06
Oct 23	53.85	57.94	-4.09
SRW			
Jul 23	739.00	688.00	51.00
Sep 23	752.75	701.50	51.25
Dec 23	770.50	715.75	54.75
Mar 24	782.25	727.25	55.00
HRW			
Jul 23	871.00	842.00	29.00
Sep 23	872.50	839.00	33.50
Dec 23	873.25	837.00	36.25
Mar 24	869.50	830.75	38.75
MGEX (HRS)			
Jul 23	880.00	853.50	26.50
Sep 23	884.50	856.50	28.00
Dec 23	888.50	860.25	28.25
Mar 24	891.00	864.50	26.50

*Price unit: Cents and quarter-cents/bu. (5,000 bu.)

U.S. Weather/Crop Progress

U.S. Crop Planting Progress				
Commodity	June 20, 2023	Last Week	Last Year	5-year avg.
Corn	N/A	N/A	N/A	N/A
Sorghum	73%	64%	78%	82%
Barley	N/A	N/A	N/A	N/A

Source: USDA NASS, World Perspectives, Inc.

U.S. Crop Conditions Ratings: June 18, 2023					
Commodity	Very Poor	Poor	Fair	Good	Excellent
Corn	3%	9%	33%	47%	8%
Sorghum	5%	6%	35%	49%	8%
Barley	1%	7%	42%	48%	2%

Source: USDA NASS, World Perspectives, Inc.

U.S. Drought Monitor Weather Forecast: According to the Weather Prediction Center (WPC), over the next 6 days (June 22 - 27) above normal temperatures are forecast to dissipate and become more seasonal across the Great Lakes and Middle and Upper Mississippi Valley, and become confined to the south-central U.S. Parts of the Southern Plains could see record heat this week, as temperatures are likely to soar well above 100°F for many locations, with the potential for some locations to exceed 110°F. Much of the remainder of the lower 48 states is likely to experience seasonal to below normal temperatures. WPC predicts above normal precipitation across portions of the Central and Northern Plains and Upper Midwest, with the potential for several areas to receive in excess of 3 inches of rainfall. Above normal rainfall is also expected across much of the Eastern U.S., associated with a lingering storm system helping to usher in moisture from the western Atlantic.

During the next 6 to 10 days (June 27 - July 1), the Climate Prediction Center (CPC) favors near to below normal temperatures across much of California and the central Great Basin. Near to below normal temperatures are also predicted across much of the northern tier states from the Northern Plains to the Great Lakes, and southeastward into the Mid-Atlantic. Above normal temperatures are favored in the Pacific Northwest and New England. Above normal temperatures are strongly favored across the south-central U.S., with the potential for record heat across portions of the Southern Plains and Lower Mississippi Valley. Near and above normal precipitation is favored across much of the lower 48 states. However, below normal precipitation is more likely across the Four Corners region, extending eastward into the Southern Plains and Lower Mississippi Valley.

Follow this link to view current U.S. and international weather patterns and future outlook: [Weather and Crop Bulletin](#).

U.S. Export Statistics

Note: Due to the U.S. Juneteenth holiday on Monday, 19 June 2023, the weekly Export Sales report is delayed until Friday, 23 June 2023. Updated export statistics will be provided in next week's Market Perspectives report.

U.S. Export Inspections: Week Ending June 15, 2023					
Commodity (MT)	Export Inspections		Current Market YTD	Previous YTD	YTD as Percent of Previous
	Current Week	Previous Week			
Barley	0	0	0	0	0%
Corn	877,310	1,170,114	31,981,064	46,180,990	-31%
Sorghum	1,294	59,161	1,780,215	6,540,435	-73%
Soybeans	185,184	147,572	49,029,863	50,959,154	-4%
Wheat	237,820	247,958	556,270	986,934	-44%

Source: USDA AMS. *Marketing Year is June 1-May 31 for wheat and barley and Sept. 1-Aug. 31 for corn, sorghum and soybeans. Week-to-week reports will vary due to exporter reported conditions & cancellations to previous week's reports.

USDA Grain Inspections for Export Report: Week Ending June 15, 2023						
Region	YC	% of Total	WC	% of Total	Sorghum	% of Total
Lakes	0	0%	0	0%	0	0%
Atlantic	7,245	1%	0	0%	0	0%
Gulf	555,093	64%	14,985	98%	0	0%
PNW	67,590	8%	220	1%	0	0%
Interior Export Rail	232,129	27%	48	0%	1,294	100%
Total (Metric Tons)	862,057	100%	15,253	100%	1,294	100%
White Corn Shipments by Country (MT)			14,985 220 48	to El Salvador to S. Korea to Ireland		
Total White Corn			15,253			
Sorghum Shipments by Country (MT)					1,294	to Mexico
Total Sorghum					1,294	

Source: USDA, World Perspectives, Inc.

Yellow Corn (USD/MT FOB Vessel*)				
YC FOB Vessel Max. 15.0% Moisture	GULF		PNW	
	Basis	Flat Price	Basis	Flat Price
	(#2 YC)	(#2 YC)	(#2 YC)	(#2 YC)
July	0.53+N	\$280.89	1.19+N	\$306.87
August	0.94+U	\$279.91	1.60+U	\$306.02
September	0.69+U	\$270.16	1.38+U	\$297.36
October	0.77+Z	\$274.69	1.40+Z	\$299.62
November	0.85+Z	\$277.64	1.50+Z	\$303.43
December	0.89+Z	\$279.41	1.54+Z	\$304.87

Sorghum (USD/MT FOB Vessel*)				
#2 YGS FOB Vessel Max 14.0% Moisture	NOLA		TEXAS	
	Basis	Flat Price	Basis	Flat Price
July	N/A	N/A	1.15+N	\$305.30
August	N/A	N/A	1.60+U	\$305.89
September	N/A	N/A	1.35+U	\$296.05

#2 White Corn (U.S. \$/MT FOB Vessel*)				
Max. 15.0% Moisture	July	August	September	
Gulf	N/A	N/A	N/A	

Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. \$/MT*)				
	July	August	September	
New Orleans	\$230	\$230	\$230	
<i>Quantity 5,000 MT</i>				

Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT*)				
Bulk 60% Pro.	July	August	September	
New Orleans	\$680	\$680	\$680	
<i>*5-10,000 MT Minimum</i>				

**Prices are based on offer indications only. Quoted prices are believed to reflect current market conditions but may vary from actual offers. Terms of delivery, payment, and quality may vary from one supplier to another, impacting the actual value of the price.*

DDGS Price Table: June 22, 2023 (USD/MT)
(Quantity, availability, payment, and delivery terms vary)

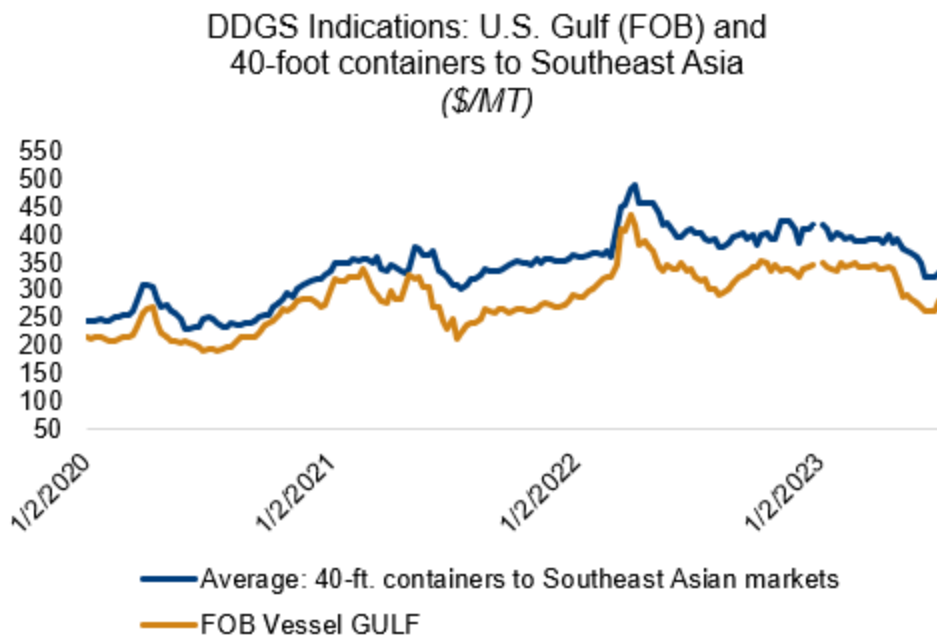
Delivery Point Quality Min. 35% Pro-fat combined	July	August	September
Barge CIF New Orleans	278	277	277
FOB Vessel GULF	281	280	279
Rail delivered PNW	298	297	297
Rail delivered California	307	307	307
Mid-Bridge Laredo, TX	298	298	298
FOB Lethbridge, Alberta	292	291	289
40 ft. Containers to South Korea (Busan)	312	312	312
40 ft. Containers to Taiwan (Kaohsiung)	335	335	335
40 ft. Containers to Philippines (Manila)	338	338	338
40 ft. Containers to Indonesia (Jakarta)	327	327	327
40 ft. Containers to Malaysia (Port Kelang)	319	319	319
40 ft. Containers to Vietnam (HCMC)	331	331	331
40 ft. Containers to Japan (Yokohama)	N/A	N/A	N/A
40 ft. containers to Thailand (LCMB)	335	335	335
40 ft. Containers to China (Shanghai)	N/A	N/A	N/A
40 ft. Containers to Bangladesh (Chittagong)	N/A	N/A	N/A
40 ft. Containers to Myanmar (Yangon)	N/A	N/A	N/A
KC Rail Yard (delivered ramp)	275	277	278
Elwood, IL Rail Yard (delivered ramp)	270	272	273

*Source: World Perspectives, Inc. *Prices are based on offer indications only; terms of delivery, payment and quality may vary from one supplier to another, impacting the actual value of the price.*

Distiller's Dried Grains with Solubles (DDGS)

DDGS Comments: DDGS are \$8-10/MT higher this week amid the widespread commodity rally. With corn and soymeal values climbing higher under fears about the impact of the Midwest drought, DDGS values have found equal support as end users move to cover needs ahead of further price spikes. The DDGS/cash corn ratio is up slightly from last week at 0.92 but still below the three-year average of 1.02 while the DDGS/Kansas City soymeal ratio is down from last week at 0.49 and below the three-year average of 0.50.

Barge CIF NOLA DDGS offers are \$22/MT higher this week amid firming barge freight and rising offers for product destined for the river system. FOB NOLA offers are higher as well but lag the gains of the CIF market with July offers up \$16/MT at \$281 and August/September up \$17 at \$279-280/MT. U.S. rail rates are up \$10/MT for the spot market and \$12 for August/September while offers for 40-foot containers to Southeast Asia are up \$6/MT at \$330 for July shipment.



Source: *World Perspectives, Inc.*

Country News

Algeria: State-owned ONAB tendered for 120 KMT of feed corn. (AgriCensus)

Brazil: AgRural reports that corn harvesting in the center-south is at 4.7 percent, versus 11.4 percent a year ago. Emater places corn harvesting in Rio Grande do Sul at nearly complete while Conab says the overall second crop corn harvest is at 5.3 percent complete. (Reuters)

EU: The EU Crop Monitor forecasts the 2023 maize yield at 7.61 MT/ha, versus 7.64 MT/ha in the previous monthly forecast. The all-barley (winter and spring) yield was lowered from 4.89 MT/ha to 4.76 MT/ha. Due to drought, Germany's DRV lowered its estimate for the corn crop by 0.10 MT to 3.74 MT/ha and the barley crop by 0.4 MT to 10.8 MT/ha. French barley prices have fallen due to favorable yields and lower demand. (Reuters; AgriCensus)

Mexico: The government has negotiated with tortilla makers a ban on the use of GMO white corn and will impose import tariffs to protect the market. (Reuters)

Taiwan: Feed miller MFIG purchased 65 KMT of Brazilian corn. (Reuters)

Ukraine: Winter barley harvesting has begun in the southern region of Odessa. (Reuters)

Zimbabwe: Corn production will increase by 5 percent to 1.5 MMT due to beneficial rainfall but corn imports will be 450 KMT, mostly from South Africa, to meet domestic demand. Corn for feed use will increase by 14 percent to 400 KMT due to growth of the poultry sector. Production is hampered by high input costs, poor infrastructure, and a ban on using GE seeds. (FAS GAIN)

Ocean Freight Markets and Spreads

Bulk Freight Indices for HSS — Heavy Grain, Sorghum and Soybeans*			
June 22, 2023			
Route and Vessel Size	Current Week (USD/MT)	Change from Previous Report	Remarks
55,000 U.S. Gulf-Japan	\$48.50	Unchanged	Handymax \$48.50 MT
55,000 U.S. PNW- Japan	\$26.50	Down \$0.50	Handymax at \$26.50 MT
66,000 U.S. Gulf – China	\$47.50	Unchanged	North or South China
PNW to China	\$26.00	Down \$0.50	
25,000 U.S. Gulf - Veracruz, México	\$22.00	Unchanged	3,000 MT daily discharge rate
30-36,000+ U.S. Gulf - Veracruz, México	\$18.50	Unchanged	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf - Colombia	\$27.25	Unchanged	West Coast Colombia at \$30.25
<u>50,000 MT U.S. Gulf to East Coast Colombia</u>	\$25.25		
From Argentina	\$35.25		
43-45,000 U.S. Gulf - Guatemala	\$29.75	Unchanged	Acajutla/Quetzal - 8,000 out
26-30,000 US Gulf - Morocco	\$31.50	Unchanged	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$28.50	Unchanged	55,000 - 60,000 MT Egypt Romania - Russia - Ukraine \$16.00 - \$17.50 - \$49.00 France \$23.00,Bulgaria \$16.00
PNW to Egypt	\$29.50		
60-70,000 U.S. Gulf – Europe, Rotterdam	\$26.00	Down \$0.50	Handymax at +\$2.50 more
Brazil, Santos – China	\$38.00	Unchanged	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 55-60,000 MT
Brazil, Santos – China	\$36.00		
Northern Coast Brazil - China	\$42.00		
56-60,000 Argentina/Rosario-China, Deep Draft	\$44.00	Unchanged	Upriver with Top-off, Plus \$3.85-4.75

Source: O'Neil Commodity Consulting

*Numbers for this table based on previous night's closing values.

Ocean Freight Comments

Transportation and Export Report: Jay O'Neil, O'Neil Commodity Consulting: Slow steaming seems to apply to dry bulk freight markets, just as it does to vessel speeds. Markets are simply going nowhere slowly. Every week there are reports of potential improvements in freight values and optimistic projections; but by week's end everything has lost steam and settled back without much change.

The most significant market news involves logistical concerns. As mentioned before, there has been an agreement reached between the PMA and ILWU on a new 6-year labor contract for West Coast container ports. The Panama Canal continues to struggle with low water conditions and has implemented reduced vessel drafts for transits. By July 19 the maximum draft for transits will be down to 11.7 meters or 38.5 fresh-water feet. This will obviously affect grain cargoes out of the U.S. Gulf, which could otherwise load out at 44 feet.

Baltic-Panamax Dry-Bulk Indices				
June 22, 2023	This Week	Last Week	Difference	Percent Change
Route				
P2A: Gulf/Atlantic – Japan	18,032	18,564	-532	-2.9
P3A: PNW/Pacific– Japan	10,054	10,268	-214	-2.1
S1C: U.S. Gulf-China-S. Japan	14,564	15,339	-775	-5.1

Source: O'Neil Commodity Consulting

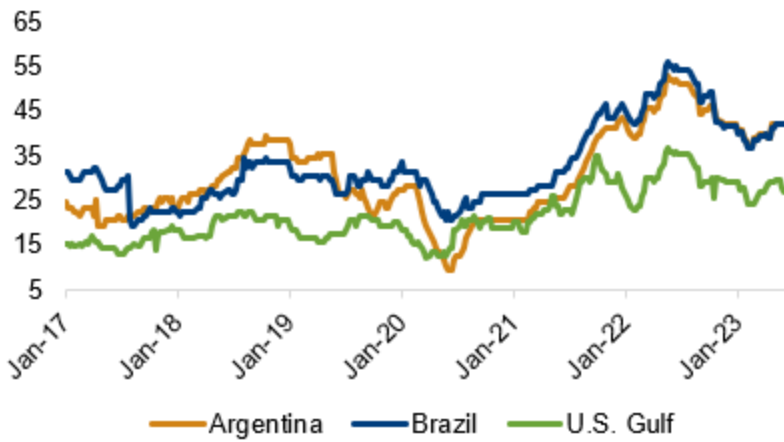
Capesize Vessel Freight Values	
Western Australia to South China (iron ore)	
Four weeks ago:	\$8.65-8.75
Three weeks ago:	\$7.50-8.12
Two weeks ago:	\$8.20-8.52
One week ago:	\$8.45-8.50
This week	\$7.95-8.00

Source: O'Neil Commodity Consulting

U.S.-Asia Market Spreads					
June 22, 2023	PNW	Gulf	Bushel Spread	MT Spread	Advantage
#2 Corn	1.23	0.53	0.70	\$27.56	GULF
Soybeans	1.55	0.70	0.85	\$31.23	GULF
Ocean Freight	\$26.50	\$47.50	0.53-0.57	\$21.00	July

Source: O'Neil Commodity Consulting

Bulk Grain Freight Rates to Europe from Select Origins



Source: World Perspectives, Inc.

Bulk Grain Freight Rates for Key Suppliers and Destinations
June 22, 2023

Origin	Destination	This Week	Monthly Change	Monthly % Change	Yearly Change	Yearly % Change	2-Year History
<i>Panamax/Supramax Vessels</i>							
U.S. Gulf	Japan	48.50	-1.50	-3.0%	-30.50	-38.6%	
U.S. PNW		27.00	-0.50	-1.8%	-18.00	-40.0%	
Argentina		45.00	-2.00	-4.3%	-30.50	-40.4%	
Brazil		39.00	-4.00	-9.3%	-29.50	-43.1%	
U.S. Gulf	China	47.50	-1.50	-3.1%	-30.50	-39.1%	
U.S. PNW		26.50	-0.50	-1.9%	-17.75	-40.1%	
Argentina		44.00	-1.00	-2.2%	-32.00	-42.1%	
Brazil		38.00	-1.00	-2.6%	-39.00	-50.6%	
U.S. Gulf	Europe	26.80	-3.00	-10.1%	-9.30	-25.8%	
Argentina		42.00	0.00	0.0%	-10.10	-19.4%	
Brazil		42.00	0.00	0.0%	-13.10	-23.8%	
Argentina	Saudi Arabia	64.00	0.00	0.0%	2.50	4.1%	
Brazil		65.00	0.00	0.0%	-0.50	-0.8%	
U.S. Gulf	Egypt	28.50	-0.50	-1.7%	-45.00	-61.2%	
U.S. PNW		29.00	-1.80	-5.8%	-35.00	-54.7%	
Argentina		56.00	0.00	0.0%	-17.50	-23.8%	
Brazil		63.00	0.00	0.0%	-17.50	-21.7%	
<i>Handysize Vessels</i>							
U.S. Gulf	Morocco	31.50	-0.50	-1.6%	-41.75	-57.0%	
U.S. Great Lakes		60.50	0.00	0.0%	-0.25	-0.4%	
Argentina		56.00	3.00	5.7%	-9.50	-14.5%	
Brazil		52.00	0.00	0.0%	-16.50	-24.1%	
U.S. Great Lakes	Europe	51.50	0.00	0.0%	-11.45	-18.2%	
Brazil		43.50	0.00	0.0%	-24.60	-36.1%	
Argentina	Algeria	56.00	3.00	5.7%	-11.50	-17.0%	
Brazil		53.00	0.00	0.0%	-16.50	-23.7%	
U.S. Gulf	Colombia	27.25	-0.75	-2.7%	-17.75	-39.4%	
U.S. PNW		20.00	0.00	0.0%	-29.80	-59.8%	
Argentina		35.25	-1.75	-4.7%	-21.00	-37.3%	
<i>Shipping Indexes</i>							
Baltic Dry Index		1056	-466	-30.6%	-1540	-59.3%	

Source: World Perspectives, Inc.

Note: Quoted rates are believed to reflect current market conditions but may vary from actual offers. Rates may differ based on delivery terms, demurrage, and other factors.