



November 14, 2019

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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 December Contract					
\$/Bu	Friday November 8	Monday November 11	Tuesday November 12	Wednesday November 13	Thursday November 14
Change	2.00	-4.00	4.50	-2.50	0.50
Closing Price	377.25	373.25	377.75	375.25	375.75
Factors Affecting the Market	December corn finished up 2 cents for the day but down 12 for the week after the Nov. WASDE failed to excite. USDA lowered U.S. corn ending stocks to 1.91 bill. bu. Lower yields were the primary catalyst for the lower stocks figure. Still, reductions were not as large as some hoped, leaving the report with a neutral outlook.	December corn fell 4 cents with little fresh news on the U.S. Veteran's Day holiday. The market is still reacting to the Nov. WASDE, with perhaps more focus on the export figure. U.S. harvest progress remains slow amid snowstorms and high-moisture corn is increasing drying costs and creating a propane shortage in the Midwest.	USDA's Export Inspections report showed a weekly increase in corn shipments, which helped the market higher. Wheat futures spiked higher on severe cold weather across the Plains this week and spread trade between wheat and corn added to the corn rally. Outside markets were mixed with the e U.S. dollar higher and U.S. stocks flat.	Corn harvest progress was less than expected (66% finished) which was mildly supportive today. Basis bids are higher this week with the slow progress forcing elevators to increasing asking prices. U.S. corn remains competitive against Brazil, which should help near-term exports. Outside markets were higher but largely ignored.	Lackluster trading left corn slightly higher amid a general lack of news. Midwest snows are largely over with warm weather returning next week to help the harvest. The South American weather needs watching, with rains needed to help with the recently planted corn crop. The U.S. dollar fell 14 points while crude oil was slightly lower.

Outlook: December corn futures are 1.5 cents (0.4 percent) lower this week as the market remains largely range bound. The November WASDE offered comparatively few surprises, given the hugely abnormal U.S. growing season, and that has left markets mostly trading demand-side fundamentals.

The November WASDE delivered on analysts' expectations for a lower U.S. 2019 corn yield figure, though USDA's adjustment was modest. USDA pegged the yield at 10.488 MT/ha (167.0 BPA), a 1 percent reduction. That yield adjustment rolled down to lower production forecasts by 2.997 MMT (188 million bushels), putting the latest 2019/20 crop at 347.008 MMT (13.661 billion bushels). Both the yield and production estimates were within the range of pre-report guesses.

On the demand side, USDA lowered its expectations for U.S. feed and residual and ethanol corn use by 0.635 MMT (25 million bushels) each. USDA also lowered its export forecast by 1.27 MMT (50 million bushels) to 46.992 MMT (1.85 billion bushels).

Between the lower production figure and the consumption adjustments, USDA lowered 2019/20 ending stocks by 0.483 MMT (19 million bushels), leaving an ending stocks/use ratio of 13.7 percent. That comparatively minor adjustment to carry out left the market with neither bullish nor bearish information to trade. December futures initially moved higher after the report but finished the day only 2 cents higher than they they began.

USDA increased its expectations for 2019/20 U.S. sorghum production by 229,000 MT (9 million bushels) after increasing its yield forecast by 3 percent. USDA further increased the sorghum export forecast by 254,000 MT (10 million bushels), leaving a modest reduction in ending stocks. USDA left its price forecast unchanged.

Other WASDE highlights include USDA's production estimate increases for Russia, Turkey, and several countries in Africa. The agency also lowered production forecasts for Mexico, Ukraine and the EU, with summer drought conditions hampering yields in the latter two countries. USDA also increased the export forecast for Brazil's 2018/19 crop and Russia's 2019/20 crop, given the strong pace of shipments in those countries so far. USDA is also expecting larger imports from Vietnam, South Korea, and Japan. In total, USDA lowered world corn production by 1.85 MMT and also reduced 2019/20 ending stocks by 6.59 MMT.


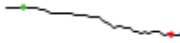
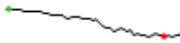
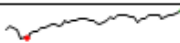
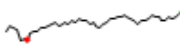
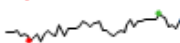


The weekly Export Sales report is delayed one day this week due to Monday's Veteran's Day holiday. However, the Export Inspections report (released on Tuesday) showed 560,000 MT of corn inspected for export last week. That figure was nearly double the prior week's volume and put YTD inspections at 4.3 MMT (down 61 percent). Other highlights from the report were 25,000 MT of sorghum exports (YTD inspections up 134 percent) and 2,500 MT of barley inspections (YTD shipments are up 162 percent).

USDA noted on Tuesday that 66 percent of the U.S. corn crop has been harvested, below the typical progress of 85 percent complete. The weekly progress was lower than many analysts expected, with snowstorms across the upper Midwest slowing fieldwork. Reported progress in next week's report could also be lower than expected as Minnesota, Wisconsin, and Michigan received additional snow this week. Looking forward, however, the weather is turning warmer for the Midwest through Thanksgiving.

Cash corn prices are slightly lower this week with the average price across the U.S. reaching \$142.13/MT. Basis has been firmer, averaging 15 cents under December futures, as the slow harvest progress is pushing elevator bids higher in effort to secure grain. Barge CIF NOLA and FOB NOLA values are up from last week with FOB offers reaching \$172.75/MT.

From a technical standpoint, December corn is range-bound and heading sideways with support at \$3.72. This week, the 50-day MA has proven to be strong resistance while bears have been unable to push prices lower due to strong commercial pricing interest and firm basis levels. The direction of the futures market now largely depends on demand-side factors, especially exports, with seemingly few worries remaining about U.S. and world supplies.

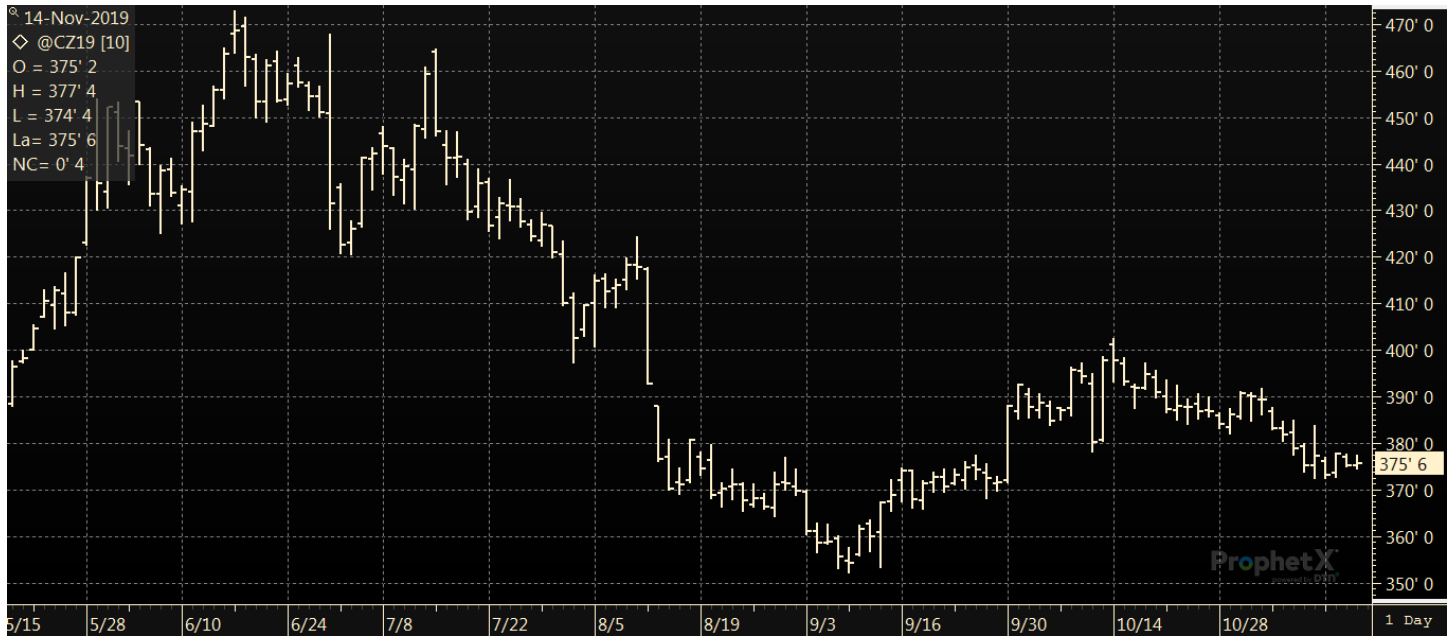
Interest Rates and Macroeconomic Markets, November 14, 2019

	Last*	Weekly Change	Weekly % Change	Monthly Change	Monthly % Change	1-Year History
Interest Rates						
U.S. Prime	4.8	0.0	0.0%	-0.3	-5.0%	
LIBOR (6 Month)	1.9	0.0	-0.1%	-0.1	-3.2%	
LIBOR (1 Year)	2.0	0.0	0.5%	0.0	-0.3%	
S&P 500	3,096.8	11.6	0.4%	98.8	3.3%	
Dow Jones Industrials	27,783.2	108.4	0.4%	757.3	2.8%	
U.S. Dollar	98.2	0.1	0.1%	0.6	0.6%	
WTI Crude	56.9	-0.3	-0.5%	3.0	5.5%	
Brent Crude	62.4	0.1	0.1%	2.4	4.1%	

Source: DTN ProphetX, World Perspectives, Inc.

* Last price as of 4:12 PM ET

CBOT December Corn Futures



Source: Prophet X

Current Market Values:

Futures Price Performance: Week Ending November 14, 2019			
Commodity	14-Nov	8-Nov	Net Change
Corn			
Dec 19	375.75	377.25	-1.50
Mar 20	384.75	386.50	-1.75
May 20	390.75	393.50	-2.75
Jul 20	396.50	399.75	-3.25
Soybeans			
Nov 19	900.25	919.50	-19.25
Jan 20	916.75	931.00	-14.25
Mar 20	929.50	944.00	-14.50
May 20	941.25	955.50	-14.25
Soymeal			
Dec 19	303.10	304.90	-1.80
Jan 20	305.30	307.00	-1.70
Mar 20	308.40	309.80	-1.40
May 20	311.00	312.60	-1.60
Soyoil			
Dec 19	30.78	31.50	-0.72
Jan 20	30.97	31.71	-0.74
Mar 20	31.24	31.98	-0.74
May 20	31.57	32.29	-0.72
SRW			
Dec 19	507.75	510.25	-2.50
Mar 20	511.00	514.25	-3.25
May 20	516.00	519.75	-3.75
Jul 20	519.50	524.00	-4.50
HRW			
Dec 19	422.25	421.50	0.75
Mar 20	430.75	430.50	0.25
May 20	438.00	438.25	-0.25
Jul 20	445.00	445.50	-0.50
MGEX (HRS)			
Dec 19	512.75	518.50	-5.75
Mar 20	527.75	535.00	-7.25
May 20	537.75	545.25	-7.50
Jul 20	547.50	554.50	-7.00

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

U.S. Weather/Crop Progress

U.S. Drought Monitor Weather Forecast: Over the next week, generally warmer than normal temperatures are expected in the western U.S. Farther east, the cold, polar air mass responsible for the early week chill in the central and eastern U.S. will exit to the east, leaving more moderate temperatures in its wake. Some rain is forecast by the National Weather Service Weather Prediction Center in east Texas on Thursday, with rain also occurring in the Southeast through Monday. Elsewhere, some precipitation is also expected in the Pacific Northwest, and generally dry conditions are forecast elsewhere.

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. Veterans' Day holiday, the weekly Export Sales report will be released Friday, November 15, 2019. Updated export statistics will be presented in next week's report.

U.S. Export Inspections: Week Ending November 7, 2019					
Commodity (MT)	Export Inspections		Current Market YTD	Previous YTD	YTD as Percent of Previous
	Current Week	Previous Week			
Barley	2,595	3,134	14,403	5,506	262%
Corn	560,105	283,704	4,321,316	11,138,340	39%
Sorghum	25,486	67,048	401,016	171,685	234%
Soybeans	1,331,631	1,482,444	10,886,450	9,978,438	109%
Wheat	528,875	293,971	11,459,833	9,309,375	123%

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 October 31, 2019						
Region	YC	% of Total	WC	% of Total	Sorghum	% of Total
Lakes	0	0%	0	0%	0	0%
Atlantic	0	0%	0	0%	0	0%
Gulf	348,876	65%	19,056	93%	10,000	39%
PNW	0	0%	0	0%	0	0%
Interior Export Rail	190,676	35%	1,497	7%	15,486	61%
Total (Metric Tons)	539,552	100%	20,553	100%	25,486	100%
White Corn Shipments by Country (MT)			3,127	to Costa Rica		
Total White Corn			3,127			
Sorghum Shipments by Country (MT)					64,355 2,645	to Mexico to S. Africa
Total Sorghum					25,486	

Source: USDA, World Perspectives, Inc.

FOB

Yellow Corn (USD/MT FOB Vessel)				
YC FOB Vessel Max. 15.0% Moisture	GULF		PNW	
	Basis (#2 YC)	Flat Price (#2 YC)	Basis (#2 YC)	Flat Price (#2 YC)
December	0.66+Z	\$173.91	1.12+Z	\$191.82
January	0.62+H	\$175.68	1.15+H	\$196.54
February	0.64+H	\$176.66	1.16+H	\$196.94

#2 White Corn (U.S. \$/MT FOB Vessel)			
Max. 15.0% Moisture	November	December	January
Gulf	\$198	\$206	\$208

Sorghum (USD/MT FOB Vessel)				
#2 YGS FOB Vessel Max 14.0% Moisture	NOLA		TEXAS	
	Basis	Flat Price	Basis	Flat Price
December	0.98+Z	\$186.51	0.80+Z	\$179.42
January	0.95+H	\$188.87	0.75+H	\$180.99
February	0.95+H	\$188.87	0.75+H	\$180.99

Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. \$/MT)			
	November	December	January
New Orleans	\$195	\$195	\$197
<i>Quantity 5,000 MT</i>			
Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT)			
Bulk 60% Pro.	November	December	January
New Orleans	\$502	\$502	\$502
<i>*5-10,000 MT Minimum</i>			

DDGS Price Table: November 14, 2019 (USD/MT) (Quantity, availability, payment and delivery terms vary)			
Delivery Point Quality Min. 35% Pro-fat combined	December	January	February
Barge CIF New Orleans	198	204	204
FOB Vessel GULF	207	209	212
Rail delivered PNW	235	237	237
Rail delivered California	233	235	235
Mid-Bridge Laredo, TX	235	235	235
FOB Lethbridge, Alberta	198	199	200
40 ft. Containers to South Korea (Busan)	222	223	225
40 ft. Containers to Taiwan (Kaohsiung)	223	224	226
40 ft. Containers to Philippines (Manila)	242	243	245
40 ft. Containers to Indonesia (Jakarta)	226	227	229
40 ft. Containers to Malaysia (Port Kelang)	228	229	231
40 ft. Containers to Vietnam (HCMC)	234	235	237
40 ft. Containers to Japan (Yokohama)	238	238	241
40 ft. containers to Thailand (LCMB)	238	239	241
40 ft. Containers to China (Shanghai)	228	229	233
40 ft. Containers to Bangladesh (Chittagong)	255	256	260
40 ft. Containers to Myanmar (Yangon)	258	259	263
KC Rail Yard (delivered ramp)	194	196	198
Elwood, IL Rail Yard (delivered ramp)	193	194	196

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.

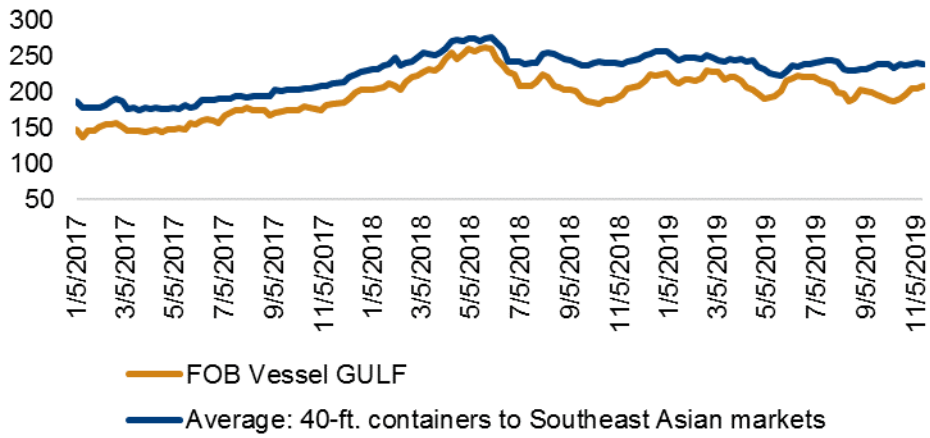
Distiller's Dried Grains with Solubles (DDGS)

DDGS Comments: Cash corn prices are 2 cents/bushel lower across the U.S. this week following the pressure in corn futures, though basis levels are steady/firmer. Prices for DDGS FOB ethanol plants are steady/slightly higher with Kansas City soymeal prices even with last week. DDGS are priced at 106 percent of cash corn values, up from last week and equal to the three-year average. The DDGS/soymeal price ratio is 0.46, down from last week but above the three-year average.

The U.S. DDGS market is higher this week while international prices are slightly lower for spot shipments. Barge CIF NOLA prices are \$6-9/MT higher while FOB NOLA DDGS are up \$3-4/MT. U.S. rail rates are \$4/MT higher on average with this week's winter storm complicating logistics.

Internationally, merchandisers report that Indonesia and Vietnam remain active buyers with several shipments secured for December and January. South Korean buyers have reportedly been looking for product but bids from that country are below firm asking prices. On average, 40-foot containers to Southeast Asia are down \$1/MT for December shipment while deferred positions are steady.

DDGS Indications: U.S. Gulf (FOB) and
40-foot containers to Southeast Asia
(\$/MT)



Source: World Perspectives, Inc.

Country News

Argentina: Ahead of the December 10 change in government, farmers are increasing the pace of their corn forward sales. An estimated 12.4 MMT of corn have been sold forward, versus 4.6 MMT a year ago. (Reuters)

Brazil: Conab pegs the corn crop at 98.4 MMT, slightly below last year, whereas USDA says its is 101 MMT, slightly higher than a year ago. Corn exports were at the rapid pace of 1.26 MMT during the first six working days of November. Private trade data indicates exports for the month could hit 4 MMT and the government agency Companhia Nacional de Abastecimento (Conab) has forecast total exports this year at 38 MMT. (S&P Global; Reuters)

France: Based on increased area, FranceAgriMer raised forecasted barley production to 13.7 MMT, up from 13.6 MMT, which is a 23 percent increase over last year's output. Due to higher yields, corn production was increased by 100 KMT to 12.6 MMT. (Reuters)

Malawi: Traders have been told to sell their corn to the Agriculture Development and Marketing Corp. or the National Food Reserve Agency within two weeks. The strategic grain reserve has fallen by 80 percent and the ministry has increased the corn acquisition price to 230 kwacha (\$0.31) per kilogram from 150 kwacha. (Bloomberg)

South Africa: A 15 percent yearly increase in corn prices will prompt at least a 10 percent reduction in 2019/20 planted area. With a planted area of 2.9 million hectares and improved yields, production will be 13.3 MMT, a 13 percent increase from 2018/19. Corn exports to other African markets will be 1.1 MMT, versus 1 MMT a year ago. (USDA/FAS/GAIN)

Ocean Freight Markets and Spreads

Bulk Freight Indices for HSS — Heavy Grain, Sorghum and Soybeans*			
November 14, 2019			
Route and Vessel Size	Current Week (USD/MT)	Change from Previous Report	Remarks
55,000 U.S. Gulf-Japan	\$46.50	Down \$2.00	Handymax \$47.00 mt
55,000 U.S. PNW- Japan	\$24.75	Down \$1.50	Handymax \$26.75 mt
66,000 U.S. Gulf – China	\$45.00	Down \$2.25	North China
PNW to China	\$24.00	Down \$1.75	
25,000 U.S. Gulf- Veracruz, México	\$17.50	Down \$0.50	3,000 MT daily discharge rate
30-35,000+ U.S. Gulf- Veracruz, México	\$14.75	Down \$0.50	Deep draft and 6,000 MT per day discharge rate.
25-35,000 U.S. Gulf – East Coast, Colombia	\$19.00	Down \$0.50	<u>West Coast Colombia at \$31.50</u> USG to E/C 50,000 mt at \$17.25
From Argentina	\$39.00		
43-45,000 U.S. Gulf - Guatemala	\$28.75	Down \$0.25	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$34.25	Down \$1.50	8,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$35.25	Unchanged	3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$35.25	Down \$1.50	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$28.00	Down \$1.50	60,000 -55,000 mt Romania/Russia/Ukraine \$15.00/15.00/15.50 (France \$17.50-\$18.00)
PNW to Egypt	\$28.50		
60-70,000 U.S. Gulf – Europe, Rotterdam	\$18.50	Down \$0.50	Handymax at +\$1.75 more
Brazil, Santos – China	\$34.50	Down \$1.50	54-59,000 Supramax-Panamax
Brazil, Santos – China	\$34.00	Down \$1.00	60-66,000 Post Panamax
Itacoatiara-Port Upriver North Brazil	\$35.25	Down \$1.00	60-66,000 mt
56-60,000 Argentina/Rosario – China, Deep Draft	\$37.25	Down \$1.50	Upriver with BB Top Off \$41.00

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: Not to sound like a broken record, but it was another ugly week for vessel owners as dry-bulk markets continued their slide lower. October offered no help for vessel owners, and November is not yet helping them either. Looking back one month to 17 October, we see that Panamax Dry-Bulk freight to China has fallen 13-16 percent. Rates for U.S. Gulf to China have dropped \$6.50/MT, falling from \$51.50 on 17 October to \$45.00 today. U.S. PNW to China freight rates have fallen from \$28.50 to \$24.00/MT. To make matters worse, the technical charts for Capesize and Panamax Index markets still look quite bearish. Vessel owners are obviously hoping markets will hit their bottom soon.

Baltic-Panamax Dry-Bulk Indices				
November 14, 2019	This Week	Last Week	Difference	Percent Change
Route				
P2A: Gulf/Atlantic – Japan	17,200	19,568	-2,368	-12.1
P3A: PNW/Pacific– Japan	7,964	9,582	-1,618	-16.9
S1C: U.S. Gulf-China-S. Japan	20,033	21,011	-978	-4.7

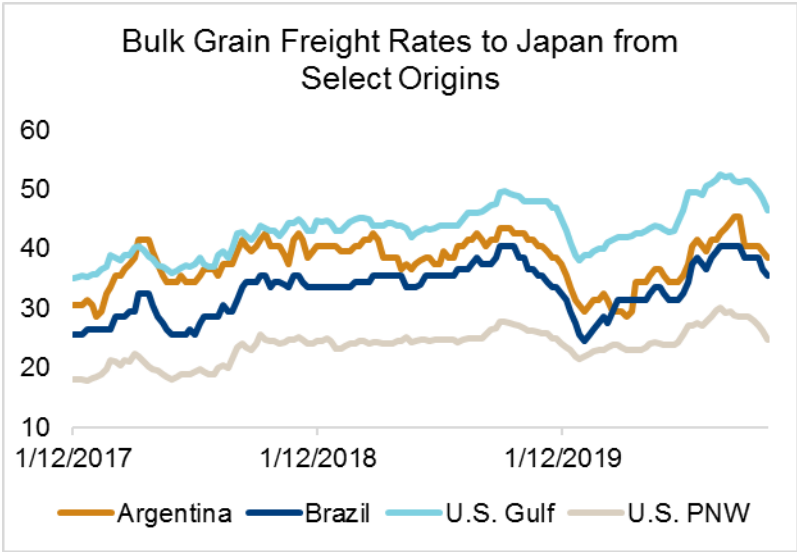
Source: O'Neil Commodity Consulting

Capesize Vessel Freight Values Western Australia to South China (iron ore)	
Four weeks ago:	\$9.05-9.50
Three weeks ago:	\$8.80-9.50
Two weeks ago:	\$8.50-9.90
One week ago:	\$8.85-9.25
This week	\$8.35-8.85

Source: O'Neil Commodity Consulting

U.S.-Asia Market Spreads					
November 14, 2019	PNW	Gulf	Bushel Spread	MT Spread	Advantage
#2 Corn	1.08	0.67	0.41	\$16.14	PNW
Soybeans	0.97	0.65	0.32	\$11.76	PNW
Ocean Freight	\$24.00	\$45.00	0.53-0.57	\$21.00	December

Source: O'Neil Commodity Consulting



Source: World Perspectives, Inc., O'Neil Commodity Consulting

Bulk Grain Freight Rates for Key Suppliers and Destinations
November 14, 2019

Origin	Destination	This Week	Monthly Change	Monthly % Change	Yearly Change	Yearly % Change	2-Year History
<i>Panamax/Supramax Vessels</i>							
U.S. Gulf		46.50	-5	-9.7%	-1.5	-3.1%	
U.S. PNW	Japan	24.75	-3.75	-13.2%	-2	-7.5%	
Argentina		38.50	-2	-4.9%	-4	-9.4%	
Brazil		35.50	-3	-7.8%	-3	-7.8%	
U.S. Gulf		45.00	-5.5	-10.9%	-2	-4.3%	
U.S. PNW	China	24.00	-4	-14.3%	-2	-7.7%	
Argentina		37.25	-4	-9.7%	-4.75	-11.3%	
Brazil		35.25	-5	-12.4%	-2.75	-7.2%	
U.S. Gulf		19.50	-1	-4.9%	-2	-9.3%	
Argentina	Europe	24.50	2	8.9%	-14	-36.4%	
Brazil		28.50	-1	-3.4%	-5	-14.9%	
Argentina	Saudi	42.50	1	2.4%	9	26.9%	
Brazil	Arabia	44.50	-1	-2.2%	7	18.7%	
U.S. Gulf		29.50	-3.00	-9.2%	-3.00	-9.2%	
U.S. PNW	Egypt	29.95	-2.05	-6.4%	-3.00	-9.1%	
Argentina		24.50	1.00	4.3%	-12.00	-32.9%	
Brazil		31.50	-1.00	-3.1%	-3.00	-8.7%	
<i>Handysized Vessels</i>							
U.S. Gulf		37.50	0.00	0.0%	2.00	5.6%	
U.S. Great Lakes	Morocco	41.35	-0.30	-0.7%	-3.65	-8.1%	
Argentina		27.50	0.00	0.0%	3.00	12.2%	
Brazil		35.50	2.00	6.0%	8.00	29.1%	
U.S. Great Lakes	Europe	39.45	-0.20	-0.5%	-4.75	-10.7%	
Brazil		28.10	-1.35	-4.6%	-4.15	-12.9%	
Argentina	Algeria	32.50	1.00	3.2%	5.00	18.2%	
Brazil		38.50	3.00	8.5%	10.00	35.1%	
U.S. Gulf		19.00	-1.00	-5.0%	-2.00	-9.5%	
U.S. PNW	Colombia	31.70	3.10	10.8%	3.10	10.8%	
Argentina		39.00	0.00	0.0%	4.50	13.0%	
<i>Shipping Indexes</i>							
Baltic Dry Index		1345	-571	-29.8%	220	19.6%	

Source: World Perspectives, Inc. and O'Neil Commodity Consulting