



Market Perspectives

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June 23, 2022

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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 17	Monday June 20	Tuesday June 21	Wednesday June 22	Thursday June 23
Change	-3.75		-23.75	7.25	-21.25
Closing Price	784.50		760.75	768.00	746.75
Factors Affecting the Market	Corn futures rallied sharply at the opening and followed through on Thurs.' break above trendline resistance, but weaker wheat and soybean prices pulled the market lower at the day's end. Few traders wanted to add risk heading into a 3-day weekend with favorable weather forecast for the US Midwest. Outside markets were mixed.	U.S. markets were closed in observance of the Federal Juneteenth holiday.	Corn pulled back and ended below the 20-day MA after the U.S. crop weathered last week's heatwave with little adverse effect. This week's forecast is favorable for crop development, which led to fund selling and some farmer hedge selling. Brazil's corn production is growing with above- expected yields and 11% harvest completion.	Corn futures traded an inside day on the charts as markets consolidated after Tues.' declines. USDA said corn good/excellent ratings fell 2% last week but remain above average. Basis is strong along the river system, supporting spot futures. US long-term weather forecasts remain hot and dry in July, which could spark another rally in futures.	Corn futures sold off sharply but bull spreading kept the July contract relatively well supported. July futures briefly traded below the 100-day MA but closed above that point. Crude oil futures declined again and pushed corn lower, as did the 23-bps rally in the USD. Macro-economic trends have been more influential recently and sparked fund liquidation.

Outlook: July corn futures are 37 ³/₄ cents (4.8 percent) lower in a holiday-shortened trading week with favorable weather in the Midwest and a broader market selloff creating the weakness. Technical conditions are starting to breakdown as well, leading to additional fund liquidation selling. Outside markets also offered little support to corn futures with crude oil futures pulling back to \$104/barrel and the U.S. dollar trading near 20-year highs.

The U.S. corn crop appears to have endured last week's heatwave largely unscathed, with the share of the crop rated good/excellent totaling 70 percent. That rating was down 2 percent from the prior week but 2 percent above the five-year average. According to the USDA's latest report, 95 percent of the crop is emerged, in-line with the five-year average. The weather forecast for the coming week features below-average temperatures for most of the corn belt with near-average precipitation. Temperatures should remain moderate heading into early July, but the long-term forecast still favors a hot, dry trend that will likely be bullish.

The weekly Export Sales report is delayed due to Monday's Federal holiday in the U.S., but the Export Inspections report featured 1.184 MMT of inspections. That figure was down 3 percent from the prior week but above pre-report estimates and put marketing year-to-date inspections at 46.162 MMT, down 18 percent. Despite the lower inspections figure last week, basis along the river and barge rates remain firm and at or above five-year highs as commercial and export demand remains strong.

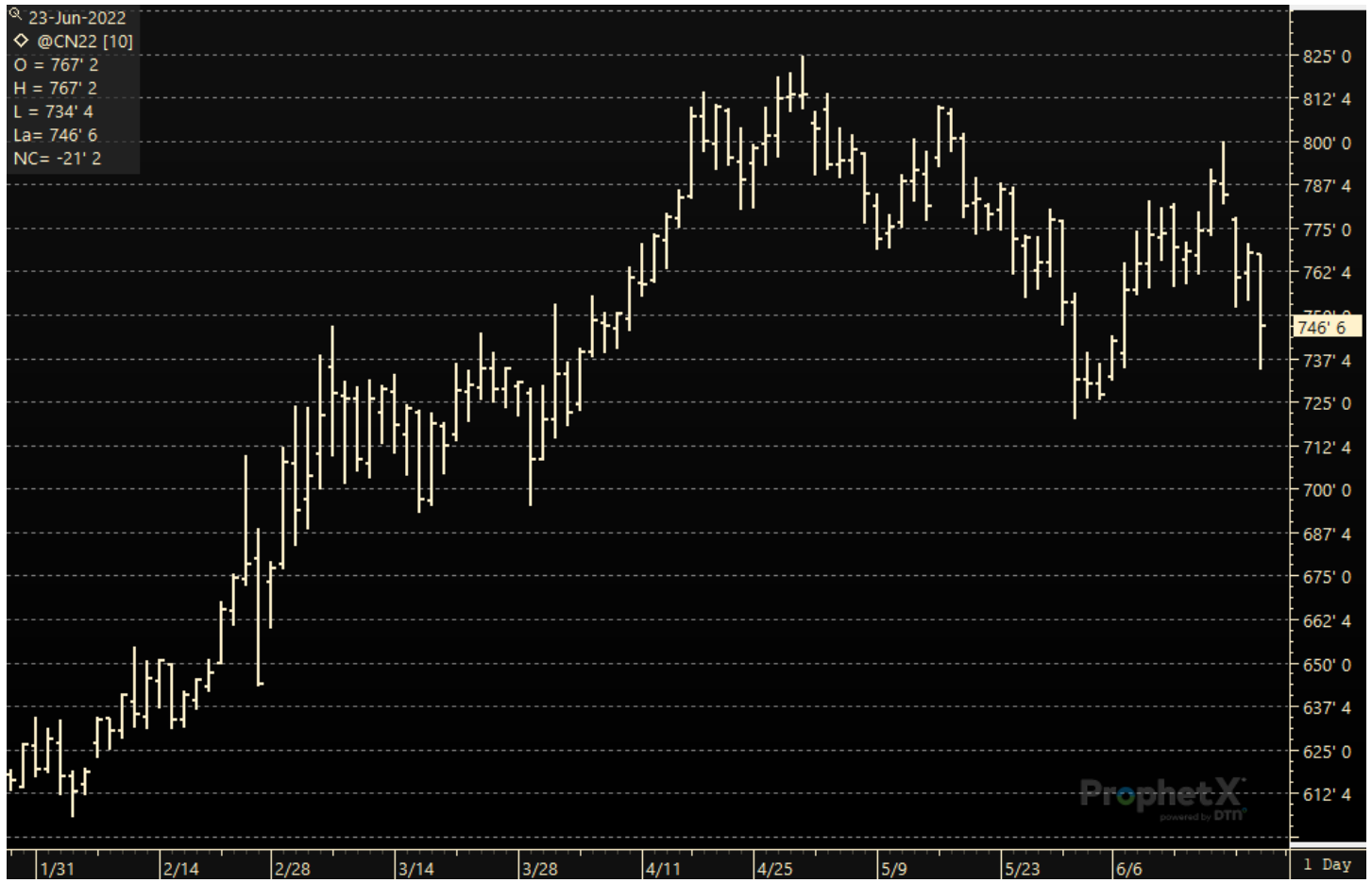
From a technical standpoint, July corn futures failed to follow through on last week's rally above trendline resistance and that bullish development now looks like a false signal. The contract has survived the week's selling better than new crop futures due to strong bull spreading and steady commercial demand. So far, U.S. farmers have not been significant sellers on the decline, which has helped keep basis firm in most regions and support the spot contract. July futures briefly traded below the 100-day moving average on Thursday, but that break triggered short-covering and some end-user buying that helped push the contract off the day's lows. July corn looks to be stabilizing heading into first notice day at the end of this month and the outlook for new crop futures is largely weather-dependent. This week's shift towards favorable U.S. weather allowed the market to pull back from recent highs, but the long-term weather forecast remains bullish.

Interest Rates and Macroeconomic Markets, June 23, 2022						
	Last*	Weekly Change	Weekly % Change	Monthly Change	Monthly % Change	1-Year History
Interest Rates						
U.S. Prime	4.75	0.8	18.8%	0.8	18.8%	
LIBOR (6 Month)	2.83	0.1	2.8%	0.8	37.6%	
LIBOR (1 Year)	3.58	0.0	-0.9%	0.9	33.4%	
S&P 500	3,779.8	113.0	3.1%	-278.0	-6.9%	
Dow Jones Industrials	30,540.5	613.4	2.0%	-2,096.7	-6.4%	
U.S. Dollar	104.4	0.8	0.7%	2.6	2.5%	
WTI Crude	104.2	-13.4	-11.4%	-9.9	-8.7%	
Brent Crude	110.0	-9.8	-8.2%	-4.2	-3.6%	

Source: DTN ProphetX, World Perspectives, Inc.

* Last price as of 3:06 PM ET

CBOT July Corn Futures



Source: DTN ProphetX

Current Market Values:

Futures Price Performance: Week Ending June 23, 2022			
Commodity	23-Jun	17-Jun	Net Change
Corn			
Jul 22	746.75	784.50	-37.75
Sep 22	666.75	737.75	-71.00
Dec 22	655.50	731.00	-75.50
Mar 23	661.00	735.25	-74.25
Soybeans			
Jul 22	1593.25	1702.00	-108.75
Aug 22	1507.25	1622.25	-115.00
Sep 22	1437.00	1554.25	-117.25
Nov 22	1415.50	1537.50	-122.00
Soymeal			
Jul 22	426.70	438.10	-11.40
Aug 22	406.00	422.50	-16.50
Sep 22	393.10	411.70	-18.60
Oct 22	386.60	405.20	-18.60
Soyoil			
Jul 22	67.71	73.79	-6.08
Aug 22	65.51	72.26	-6.75
Sep 22	64.60	71.63	-7.03
Oct 22	64.08	71.21	-7.13
SRW			
Jul 22	937.25	1034.25	-97.00
Sep 22	949.25	1046.75	-97.50
Dec 22	964.50	1061.25	-96.75
Mar 23	974.50	1071.75	-97.25
HRW			
Jul 22	1005.00	1105.00	-100.00
Sep 22	1010.75	1112.00	-101.25
Dec 22	1020.50	1121.50	-101.00
Mar 23	1027.25	1127.25	-100.00
MGEX (HRS)			
Jul 22	1080.50	1169.50	-89.00
Sep 22	1079.75	1170.00	-90.25
Dec 22	1086.00	1175.50	-89.50
Mar 23	1097.25	1181.75	-84.50

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

U.S. Weather/Crop Progress

U.S. Crop Conditions Ratings: June 19, 2022				
Commodity	Very Poor	Poor	Fair	Good
Corn	1%	5%	24%	57%
Sorghum	5%	10%	39%	45%
Barley	5%	14%	30%	45%

Source: USDA NASS, World Perspectives, Inc.

U.S. Drought Monitor Weather Forecast: A storm system near the coast of the Carolinas will bring chances for heavy rainfall to parts of the Eastern Seaboard over the next couple of days (June 23-24). Meanwhile, another storm system will intensify and move eastward from the Northern Plains to the Great Lakes. The trailing frontal boundary associated with this system will bring increased chances of rainfall to much of the eastern U.S. However, rainfall is likely to be hit-or-miss and remain below-normal for many locations, especially along the Lower and Middle Mississippi Valley. The passage of the frontal boundary in the eastern U.S. should bring more seasonal daytime temperatures by the start of the work week (Monday, June 27). An active Southwest Monsoon circulation is forecast to bring increased precipitation and below-normal maximum temperatures to parts of the Four Corners region, with below-normal maximum temperatures extending into the Central Plains.

The Climate Prediction Center's 6-10 day outlook (valid June 28 to July 2, 2022) favors above-normal temperatures across much of California, the Great Basin, and Eastern Rockies. Above-normal temperature probabilities also extend from the Central and Southern Plains eastward to the Appalachians and southward to the Gulf Coast. Near to below-normal temperatures are favored across the Northern Tier of the contiguous U.S. (CONUS), as mean mid-level high pressure is expected to remain farther to the south. Below-normal temperatures and above-normal precipitation are favored for much of the Four Corners region, associated with a robust Southwest Monsoon circulation. Near to above-normal precipitation probabilities also extend along the Northern Tier from the Pacific Northwest to the Great Lakes, associated with storm activity. Increased chances of below-normal precipitation across the northern Great Basin and from the Middle Mississippi Valley to the Northeast are associated with dry northerly mean surface flow and surface high pressure, respectively.

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, 20 June 2022, the weekly Export Sales report from USDA is delayed until Friday, 24 June 2022. Updated export statistics will be provided in next week's Market Perspectives report.

U.S. Export Inspections: Week Ending June 16, 2022					
Commodity (MT)	Export Inspections		Current Market YTD	Previous YTD	YTD as Percent of Previous
	Current Week	Previous Week			
Barley	0	0	0	783	0%
Corn	1,184,268	1,221,332	46,162,509	55,995,028	82%
Sorghum	71,415	140,248	6,540,435	6,441,292	102%
Soybeans	427,344	608,116	50,903,522	57,254,057	89%
Wheat	331,328	411,916	969,953	1,249,142	78%

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 16, 2022						
Region	YC	% of Total	WC	% of Total	Sorghum	% of Total
Lakes	17,408	1%	0	0%	0	0%
Atlantic	30,787	3%	0	0%	0	0%
Gulf	620,410	53%	22,366	63%	0	0%
PNW	298,122	26%	98	0%	67,074	94%
Interior Export Rail	199,512	17%	12,973	37%	4,341	6%
Total (Metric Tons)	1,166,239	100%	35,437	100%	71,415	100%
White Corn Shipments by Country (MT)			22,366 12,973 98	to Colombia to Mexico to Jordan		
Total White Corn			35,437			
Sorghum Shipments by Country (MT)					69,253 1,942 220	to China to Mexico to Japan
Total Sorghum					71,415	

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	1.09+N	\$336.94	1.96+N	\$371.06
August	1.80+U	\$333.35	2.71+U	\$369.09
September	1.50+U	\$321.54	2.46+U	\$359.25
October	1.57+Z	\$319.72	2.24+Z	\$346.34
November	1.64+Z	\$322.52	2.09+Z	\$340.43
December	1.60+Z	\$320.85	1.99+Z	\$336.50

Sorghum (USD/MT FOB Vessel*)				
#2 YGS FOB Vessel Max 14.0% Moisture	NOLA		TEXAS	
	Basis	Flat Price	Basis	Flat Price
	(#2 YC)	(#2 YC)	(#2 YC)	(#2 YC)
July	N/A	N/A	1.55+N	\$355.00
August	N/A	N/A	2.00+U	\$341.22
September	N/A	N/A	1.95+Z	\$334.82

#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	\$290	\$290	\$290	
Quantity 5,000 MT				

Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT*)				
Bulk 60% Pro.	July	August	September	
New Orleans	\$780	\$780	\$780	
*5-10,000 MT Minimum				

*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 23, 2022 (USD/MT)
 (Quantity, availability, payment, and delivery terms vary)

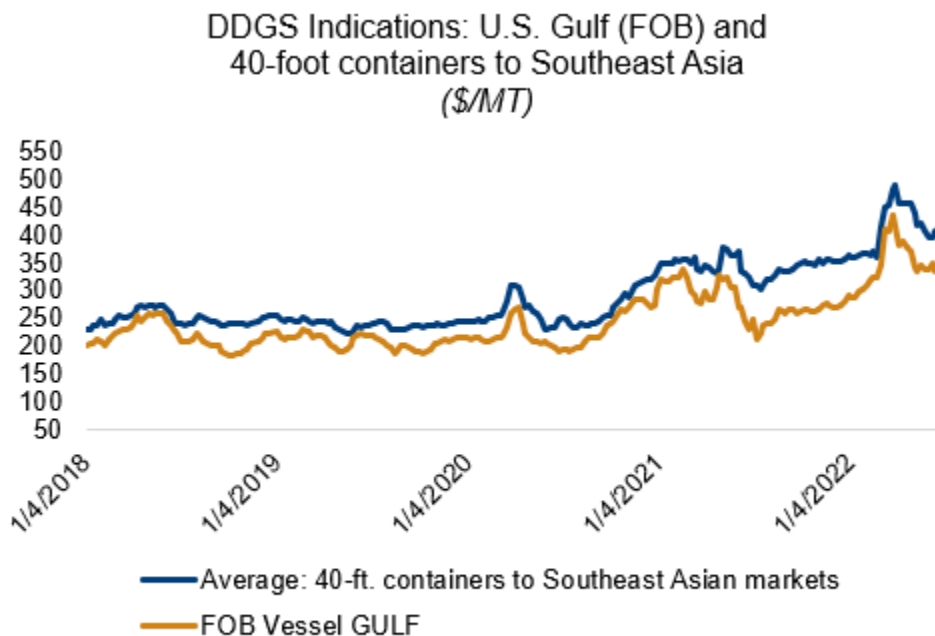
Delivery Point Quality Min. 35% Pro-fat combined	July	August	September
Barge CIF New Orleans	322	321	321
FOB Vessel GULF	338	338	339
Rail delivered PNW	349	349	351
Rail delivered California	354	355	357
Mid-Bridge Laredo, TX	351	349	352
FOB Lethbridge, Alberta	334	334	333
40 ft. Containers to South Korea (Busan)			
40 ft. Containers to Taiwan (Kaohsiung)	405	405	405
40 ft. Containers to Philippines (Manila)	408	408	408
40 ft. Containers to Indonesia (Jakarta)	390	390	390
40 ft. Containers to Malaysia (Port Kelang)	395	395	395
40 ft. Containers to Vietnam (HCMC)	395	395	395
40 ft. Containers to Japan (Yokohama)			
40 ft. containers to Thailand (LCMB)	405	405	405
40 ft. Containers to China (Shanghai)			
40 ft. Containers to Bangladesh (Chittagong)	528	528	528
40 ft. Containers to Myanmar (Yangon)	474	474	474
KC Rail Yard (delivered ramp)	308	309	309
Elwood, IL Rail Yard (delivered ramp)	307	308	308

*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 prices are another \$10/MT lower this week as physical markets remain thinly traded and futures prices pulled back sharply this week. The break in new crop corn futures as well as recent declines in soymeal futures has given way to lower pricing ideas. The DDGS/Kansas City soymeal ratio at 0.54, equal with last week's ratio and above the three-year average of 0.48. The DDGS/cash corn ratio is at 0.86 this week, up from 0.86 last week and below the three-year average of 1.06.

The volatility in outside grain and feed markets has impacted the DDGS market and indications are wide-ranging. Barge CIF NOLA offers are \$4-6/MT higher, on average, with barge freight driving much of the increase. FOB NOLA offers are up \$4-5/MT for spot shipment and up \$2-3/MT for deferred positions. Prices for 40-foot containers to Southeast Asia are widely mixed this week with lower offers for product into the Philippines, Indonesia, and Malaysia (averaging \$9/MT declines) but higher rates for product to Vietnam, Bangladesh, and Myanmar. The average price for containerized DDGS to Southeast Asia hit \$414/MT this week.



Source: World Perspectives, Inc.

Country News

Brazil: Despite the drought, a record *safrinha* corn crop is expected. The consultancy AgroConsult pegged the safrinha crop at 89.3 MMT, a 1.7 MMT increase over its previous forecast. Meanwhile, IMEA says the harvest is going the fastest in five years and AgRural reports that country-wide it is 11 percent complete. However, one constraint is the price of trucking fuel which is up 36 percent from a year ago. (Reuters; AgWeb; AgriCensus; SPGlobal)

China: Data from China's General Administration of Customs reveals that May imports of corn from Ukraine were 126.7 KMT, versus 1.26 MMT for the same period a year ago. (Refinitiv)

EU: The drought has impacted corn more than barley with the summer maize crop lowered by 0.6 percent to 5.73 MMT, but spring barley increased by 0.2 percent to 4.19 MMT. The winter barley crop estimate is now 5.73 MMT, a 0.9 percent reduction from the May estimate. (MARS)

Japan: MAFF reports that the ratio of corn in animal feed compounds fell slightly from a year earlier to 47.3 percent in April. Meanwhile, the share of barley in feed rose slightly to 3.9 percent. (Reuters)

Jordan: Government agency MIT purchased 120 KMT of barley for October-November shipment. (AgriCensus)

South Korea: MFG took advantage of the drop in futures and purchased 185 KMT of corn for September delivery. (AgriCensus)

Malaysia: The government suspended import fees on livestock grains and feed. (AgriCensus)

Tunisia: Government agency ODC booked 50 KMT of barley for July-August delivery. (AgriCensus)

Ukraine: Corn exports reached 585 KMT in first-half June, though still less than half of total grain exports. Meanwhile, winter barley harvesting has begun. (AgriCensus)

Ocean Freight Markets and Spreads

Bulk Freight Indices for HSS — Heavy Grain, Sorghum and Soybeans*			
June 23, 2022			
Route and Vessel Size	Current Week (USD/MT)	Change from Previous Report	Remarks
55,000 U.S. Gulf-Japan	\$79.00	Down \$0.50	Handymax \$79.00/MT
55,000 U.S. PNW- Japan	\$45.00	Down \$0.25	Handymax at \$45.00/MT
66,000 U.S. Gulf – China	\$78.00	Down \$0.50	North or South China
PNW to China	\$44.25	Down \$0.25	
25,000 U.S. Gulf - Veracruz, México	\$30.50	Unchanged	3,000 MT daily discharge rate
30-36,000+ U.S. Gulf - Veracruz, México	\$26.75	Unchanged	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf - Colombia	\$45.00	Unchanged	West Coast Colombia at \$53.00
50,000 MT U.S. Gulf to East Coast Colombia	\$44.50		
From Argentina	\$56.25		
43-45,000 U.S. Gulf - Guatemala	\$52.50	Unchanged	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	Unquoted		
26-30,000 US Gulf - Morocco	\$73.25	Down \$0.25	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$73.50	Down \$0.50	55,000-60,000 MT Egypt Romania - Russia - Ukraine \$38.00 -\$38.00 - ? France \$48.50, Bulgaria \$44.00
PNW to Egypt	\$74.00		
60-70,000 U.S. Gulf – Europe, Rotterdam	\$35.25	Down \$0.50	Handymax at +\$2.50 more
Brazil, Santos – China	\$71.00	Down \$0.50	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 55-60,000 MT
Brazil, Santos – China	\$68.50		
Northern Coast Brazil - China	\$77.00		
56-60,000 Argentina/Rosario-China, Deep Draft	\$76.00	Down \$0.50	Upriver with Top-off Plus \$3.85-4.75/MT

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: Dry-bulk freight markets are reluctantly following commodity market in a downward slump. In freight markets, it has been a story of reduced steel demand in China and a related drop in iron ore imports, along with an overall soft global economic picture and fears of a potential coming recession. All freight sectors are feeling the pain as daily hire rates have continued to drop. Q3 Panamax daily hire rates slipped to \$22,575/day with Q4 paper down to \$20,900/day. An ominous economic shadow has been cast across shipping markets.

Container market rates are also softening. U.S. consumer demand is finally dropping off and, with it, demand for containers. Spot rates are now below annual contract rates, and one has to wonder if the market will really need all the new-build container ships?

U.S. West Coast labor contract negotiations are ongoing with no sign of an agreement. The 1 July contract expiration will certainly pass without a new agreement in place.

Baltic-Panamax Dry-Bulk Indices				
June 23, 2022	This Week	Last Week	Difference	Percent Change
Route				
P2A: Gulf/Atlantic – Japan	33,380	34,055	-675	-2.0
P3A: PNW/Pacific– Japan	22,108	23,483	-1,375	-5.9
S1C: U.S. Gulf-China-S. Japan	25,225	25,839	-614	-2.4

Source: O'Neil Commodity Consulting

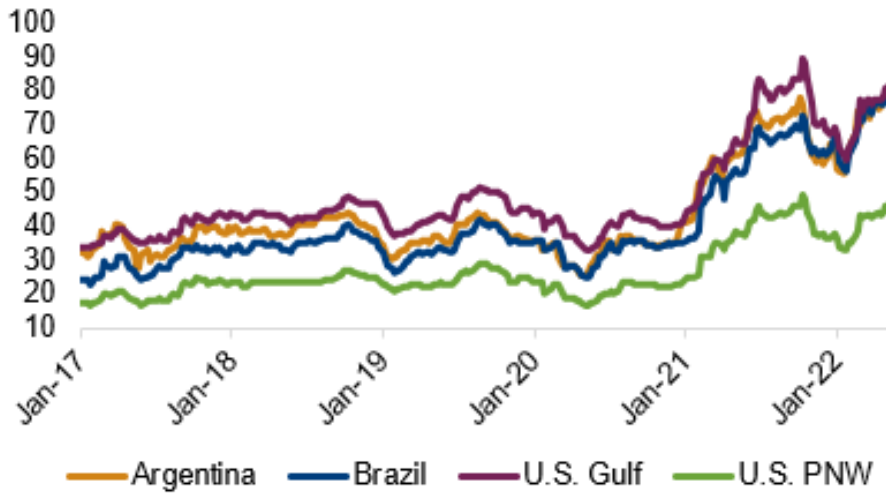
Capesize Vessel Freight Values	
Western Australia to South China (iron ore)	
Four weeks ago:	\$15.20-16.30
Three weeks ago:	\$13.60-12.70
Two weeks ago:	\$12.90-12.15
One week ago:	\$12.20-12.70
This week	\$12.50-13.15

Source: O'Neil Commodity Consulting

U.S.-Asia Market Spreads					
June 23, 2022	PNW	Gulf	Bushel Spread	MT Spread	Advantage
#2 Corn	2.05	1.15	0.90	\$35.43	GULF
Soybeans	2.20	1.20	1.00	\$36.74	GULF
Ocean Freight	\$44.25	\$78.00	0.86-0.92	\$33.75	July

Source: O'Neil Commodity Consulting

Bulk Grain Freight Rates to China from Select Origins



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

Bulk Grain Freight Rates for Key Suppliers and Destinations
June 23, 2022

Origin	Destination	This Week	Monthly Change	Monthly % Change	Yearly Change	Yearly % Change	2-Year History
<i>Panamax/Supramax Vessels</i>							
U.S. Gulf		79.00	-2.50	-3.1%	4.00	5.3%	
U.S. PNW	Japan	45.00	-2.00	-4.3%	2.00	4.7%	
Argentina		75.50	-2.00	-2.6%	8.00	11.9%	
Brazil		68.50	-2.00	-2.8%	7.00	11.4%	
U.S. Gulf		78.00	-2.50	-3.1%	4.00	5.4%	
U.S. PNW	China	44.25	-2.25	-4.8%	2.25	5.4%	
Argentina		76.00	-1.50	-1.9%	7.50	10.9%	
Brazil		77.00	-1.50	-1.9%	13.50	21.3%	
U.S. Gulf		36.10	-0.90	-2.4%	13.10	57.0%	
Argentina	Europe	66.50	3.00	4.7%	41.00	160.8%	
Brazil		70.50	4.00	6.0%	39.00	123.8%	
Argentina	Saudi Arabia	97.50	4.00	4.3%	40.00	69.6%	
Brazil		97.50	4.00	4.3%	42.00	75.7%	
U.S. Gulf		73.50	0.00	0.0%	15.00	25.6%	
U.S. PNW	Egypt	75.00	0.20	0.3%	17.80	31.1%	
Argentina		76.50	4.00	5.5%	39.00	104.0%	
Brazil		83.50	4.00	5.0%	38.00	83.5%	
<i>Handysize Vessels</i>							
U.S. Gulf		73.25	-0.75	-1.0%	16.75	29.6%	
U.S. Great Lakes	Morocco	96.80	27.50	39.7%	40.80	72.9%	
Argentina		69.50	4.00	6.1%	41.00	143.9%	
Brazil		72.50	4.00	5.8%	37.00	104.2%	
U.S. Great Lakes	Europe	92.30	25.50	38.2%	37.30	67.8%	
Brazil		35.80	-2.40	-6.3%	3.50	10.8%	
Argentina	Algeria	71.50	4.00	5.9%	40.00	127.0%	
Brazil		73.50	4.00	5.8%	41.00	126.2%	
U.S. Gulf		45.00	-0.50	-1.1%	5.00	12.5%	
U.S. PNW	Colombia	55.00	5.00	10.0%	15.00	37.5%	
Argentina		56.25	-0.50	-0.9%	3.75	7.1%	
<i>Shipping Indexes</i>							
Baltic Dry Index		2596	-773	-22.9%	-594	-18.6%	

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

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.