U.S. GRAINS COUNCIL

Market Perspectives

www.grains.org

November 17, 2022

CONTENTS

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.

Week in Review: CME Corn December Contract					
Cents/Bu	**Friday November 11**	**Monday November 14**	**Tuesday November 15**	**Wednesday November 16**	**Thursday November 17**
Change	**Friday**	**Monday**	**Tuesday**	**Wednesday**	**Thursday**
Closing Price	658.00	657.25	666.75	665.25	667.50
Factors Affecting the Market	After a dreary week with four consecutive days of losses, it was somewhat of a turnaround Friday. On high volume, corn traded a few cents higher most of the session. Feed and ethanol demand keeps it supported above the 100-MA at $6.51/bushel.	Speculators have cut their net long position in corn by 22 percent though corn export inspections came in at the top of trade estimates and double the week earlier. The sideways chop continues and though the December contract only involved a fractional loss, deferred contracts took larger losses.	A spot sale of corn to Mexico in the morning failed to ignite the market. Instead, it was initial perceptions that Russia had sent missiles into Poland and fear the war would deepen that sent grain and oilseed futures markedly higher. At one point, the December contract traded within a penny of the 20-day MA.	The realization that there was no Russian provocation on NATO and the corridor agreement could get extended sent wheat tumbling lower but December corn managed an inside day of trading. Lower ethanol inventory coupled with very large flash sales of corn to Mexico resulted in a mere 1.5 cent loss on the day.	The market opened lower based on the corridor extension but recovered for a surprisingly firm close. Suprising because ethanol production was down last week, oil has dropped 4% this week, favorable weather in S. America, and exports good this week but still behind.

Outlook: Following the recent pattern of choppy, sideways trading, over the past five days the December corn futures contract had three up days and just two that traded downward. The result is a contract that is up by 14.25 cents (2.1 percent) since the last report. This is impressive considering the number of headwinds: petroleum is down, the Black Sea shipping corridor was extended for 120 days, ethanol output dropped, weather has improved in South America, etc. But it obviously is not all bleak – see below.

Speculative long positions in corn were trimmed last week by 22 percent to 153,241 contracts. It is unclear whether this week's net gain in value will alter that perspective or not. CFTC's Commitment of Traders report tomorrow will show whether the market remains risk off or has regained confidence in market direction.

As of Sunday, USDA's Crop Progress report indicates the U.S. corn crop is 93 percent harvested, which is above both last year's pace and the 5-year average. The Midwest is cold and dry, which should enable progress toward bringing this harvest to an end.

At 484,001 MT, weekly export inspections as of November 10 were up 108 percent from a week earlier, though remaining well behind the U.S. forecast. Net export sales last week were 1,169,700 MT, which was near the top of the range of analysts' estimates for the USDA report. Overall commitments remain down 52 percent from a year ago but a flash sale of 1,866,900 MT of corn to Mexico this week constituted the fifth highest single day of sales on record. The sale is split with 1,242,060 MT for delivery in MY 2022/23, and 624,840 MT slated for delivery in MY 2023/24.

The Energy Information Agency reported ethanol production last week was 1.011 million barrels/day, which was down 3.8 percent from a week earlier but the fifth week in a row of over one million barrels. Importantly, the agency lowered its estimate of the ethanol inventory by 4 percent, indicating continued strong demand. The agency's Short-Term Energy Outlook (STEO) increased forecasted ethanol demand by 0.6 percent to 911,000 barrels per day for 2022, and the U.S. generated 1.24 billion ethanol blending credits in October, up nearly 10 percent from September.

This week the International Grains Council reduced its already low estimate for 2022/23 global corn carryover stocks by another 0.4 percent to 257 MMT, the lowest level since 2013/14.

Interest Rates and Macroeconomic Markets, November 17, 2022

	Last*	Weekly Change	Weekly % Change	Monthly Change	Monthly % Change	1-Year History
Interest Rates						
U.S. Prime	7.00	0.0	0.0%	0.8	12.0%	
LIBOR (6 Month)	5.08	-0.1	-1.4%	0.3	7.3%	
LIBOR (1 Year)	5.46	-0.2	-3.0%	0.1	2.3%	
S&P 500	3,910.2	-46.2	-1.2%	244.4	6.7%	
Dow Jones Industrials	33,291.3	-424.0	-1.3%	2,957.8	9.8%	
U.S. Dollar	107.1	-1.1	-1.1%	-5.8	-5.2%	
WTI Crude	82.6	-3.9	-4.5%	-1.9	-2.3%	
Brent Crude	90.7	-3.0	-3.2%	-1.7	-1.9%	

Source: DTN ProphetX, World Perspectives, Inc.

** Last price as of 11:05 AM ET*

CBOT December Corn Futures

Source: DTN ProphetX

Current Market Values:

Futures Price Performance: Week Ending November 3, 2022			
Commodity	**10-Nov**	**4-Nov**	**Net Change**
Corn			
Dec 22	667.50	658.00	9.50
Mar 23	669.00	663.00	6.00
May 23	667.25	662.75	4.50
Jul 23	661.50	658.25	3.25
Soybeans			
Nov 22	1417.00	1450.00	-33.00
Jan 23	1422.25	1453.75	-31.50
Mar 23	1428.50	1459.25	-30.75
May 23	1430.75	1460.00	-29.25
Soymeal			
Dec 22	405.70	407.40	-1.70
Jan 23	402.50	403.60	-1.10
Mar 23	398.70	398.50	0.20
May 23	396.30	396.00	0.30
Soyoil			
Dec 22	72.13	76.97	-4.84
Jan 23	70.22	74.54	-4.32
Mar 23	68.48	72.38	-3.90
May 23	67.03	70.52	-3.49
SRW			
Dec 22	806.75	813.75	-7.00
Mar 23	825.00	835.25	-10.25
May 23	835.25	846.50	-11.25
Jul 23	839.00	852.50	-13.50
HRW			
Dec 22	938.00	943.50	-5.50
Mar 23	929.00	939.00	-10.00
May 23	923.75	935.75	-12.00
Jul 23	915.25	928.50	-13.25
MGEX (HRS)			
Dec 22	953.75	945.75	8.00
Mar 23	962.00	958.25	3.75
May 23	966.50	964.25	2.25
Jul 23	964.50	962.50	2.00

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

U.S. Drought Monitor Weather Forecast: Cold weather will continue to dominate much of the country through the weekend and into early next week. At the height of the cold wave, temperatures could fall to 20°F or below as far south as the Tennessee Valley, while freezes may reach nearly to the Gulf Coast in Louisiana, Mississippi, Alabama, and northern Florida. Meanwhile, continental U.S. storminess during the next 5 days will be minimal. However, snow squalls will continue for several days downwind of the Great Lakes. In addition, rain may develop in the western Gulf Coast region. Elsewhere, aside from snow showers in the Rockies and adjacent High Plains, dry weather will prevail during the next 5 days from the Pacific Coast eastward across the Central and Southern Plains, the middle and lower Mississippi Valley, and much of the Southeast.

The Climate Prediction Center's 6–10 day outlook for November 22–26 calls for the likelihood of near- or above-normal temperatures nationwide, except for lingering cooler-than-normal conditions in the middle and northern Atlantic States and parts of the south-central U.S.

Meanwhile, near- or below-normal precipitation from California to the Plains, Midwest, and mid-South should contrast with wetter-than-normal weather in the Northwest and large sections of the Gulf and Atlantic Coast States.

Follow this link to view current U.S. and international weather patterns and future outlook: Weather and Crop Bulletin.

U.S. Export Statistics

U.S. Export Sales and Exports: Week Ending November 10, 2022					
Commodity	**Gross Sales (MT)**	**Exports (MT)**	**YTD Exports (000 MT)**	**YTD Bookings (000 MT)**	**% Change YTD Bookings**
Wheat	338,300	118,600	3.9	14.0	-53%
Corn	1,305,900	564,400	4,966.0	353.9	-90%
Sorghum	0	1,900	14,585.9	35,983.8	4%
Barley	0	0	4,966.5	15,899.4	-52%

Source: USDA, World Perspectives, Inc.

Corn: Net sales of 1,169,700 MT for 2022/2023 primarily for Mexico (919,800 MT, including decreases of 30,800 MT), Canada (91,300 MT), Saudi Arabia (65,000 MT), Japan (47,200 MT, including 62,200 MT switched from unknown destinations and decreases of 15,000 MT), and Panama (26,000 MT), were offset by reductions for Colombia (19,500 MT) and Costa Rica (15,600 MT). Exports of 564,400 MT were primarily to Mexico (265,300 MT), China (206,400 MT), Japan (62,200 MT), Colombia (21,000 MT), and Jamaica (4,600 MT).

Barley: No net sales or exports were reported for the week.

Sorghum: No net sales were reported for the week. Exports of 1,900 MT were to Mexico.

U.S. Export Inspections: Week Ending November 10, 2022					
Commodity (MT)	**Export Inspections**		**Current Market YTD**	**Previous YTD**	**YTD as Percent of Previous**
	Current Week	**Previous Week**			
Barley	147	0	1,708	9,743	18%
Corn	484,001	232,510	4,932,666	7,001,078	70%
Sorghum	2,559	4,671	220,449	514,703	43%
Soybeans	1,857,872	2,606,157	14,691,125	16,624,859	88%
Wheat	76,408	181,989	9,905,517	10,320,335	96%

*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 November 10, 2022						
Region	**YC**	**% of Total**	**WC**	**% of Total**	**Sorghum**	**% of Total**
Lakes	0	0%	0	0%	0	0%
Atlantic	4,649	1%	0	0%	0	0%
Gulf	314,639	98%	21,006	100%	0	0%
PNW	1,102	0%	0	0%	0	0%
Interior Export Rail	142,605	0%		0%		100%
Total (Metric Tons)	320,390	100%	21,006	100%	0	100%
White Corn Shipments by Country (MT)			21,006	to Colombia		
Total White Corn			**21,006**			
Sorghum Shipments by Country (MT)					2,539	to Mexico
Total Sorghum					**2,559**	

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)
Nov	2.44+Z	$358.94	2.20+Z	$349.57
Dec	1.89+Z	$337.09	2.24+Z	$350.87
Jan	1.54+H	$323.90	2.01+H	$342.60
Feb	1.39+H	$318.29	2.01+H	$342.60
Mar	1.27+H	$313.27	1.96+H	$340.63
Apr	1.13+K	$307.07	1.96+K	$339.94

Sorghum (USD/MT FOB Vessel*)				
#2 YGS FOB Vessel Max 14.0% Moisture	NOLA		TEXAS	
	Basis	Flat Price	Basis	Flat Price
October	N/A	N/A	2.75+Z	$371.14
November	N/A	N/A	2.70+Z	$369.17
December	N/A	N/A	2.65+H	$367.60

#2 White Corn (U.S. $/MT FOB Vessel*)			
Max. 15.0% Moisture	October	November	December
Gulf	N/A	N/A	N/A

Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. $/MT*)			
	October	November	December
New Orleans	$290	$290	$290
Quantity 5,000 MT			

Corn Gluten Meal (CGM) (FOB Vessel U.S. $/MT*)			
Bulk 60% Pro.	October	November	December
New Orleans	$775	$775	$775
**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.*

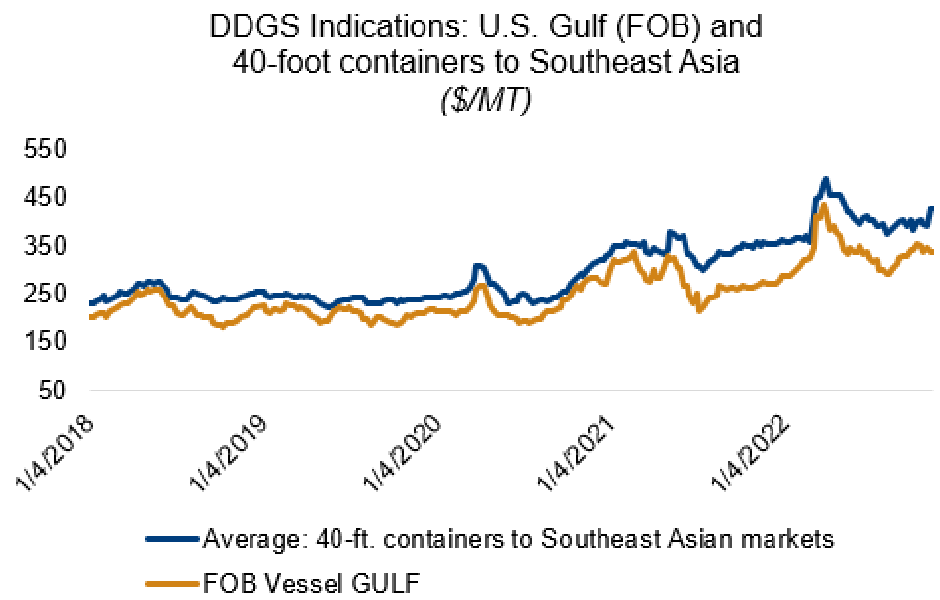
DDGS Price Table: November 10, 2022 (USD/MT) (Quantity, availability, payment, and delivery terms vary)			
Delivery Point **Quality Min. 35% Pro-fat combined**	**November**	**December**	**January**
Barge CIF New Orleans	331	323	325
FOB Vessel GULF	336	335	335
Rail delivered PNW	340	341	348
Rail delivered California	354	357	360
Mid-Bridge Laredo, TX	339	341	347
FOB Lethbridge, Alberta	332	333	341
40 ft. Containers to South Korea (Busan)	N/A	N/A	N/A
40 ft. Containers to Taiwan (Kaohsiung)	350	350	360
40 ft. Containers to Philippines (Manila)	430	430	435
40 ft. Containers to Indonesia (Jakarta)	430	430	440
40 ft. Containers to Malaysia (Port Kelang)	392	392	402
40 ft. Containers to Vietnam (HCMC)	395	395	405
40 ft. Containers to Japan (Yokohama)	395	395	405
40 ft. containers to Thailand (LCMB)	N/A	N/A	N/A
40 ft. Containers to China (Shanghai)	418	418	425
40 ft. Containers to Bangladesh (Chittagong)	N/A	N/A	N/A
40 ft. Containers to Myanmar (Yangon)	485	485	495
KC Rail Yard (delivered ramp)	N/A	N/A	N/A
Elwood, IL Rail Yard (delivered ramp)	283	284	285

*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: Prices for DDGS delivered to the Gulf were slightly lower this week, again reflecting improvements in the Mississippi River system. By contrast, rail delivery points inland saw increases as the potential for a labor strike is deemed to be growing. The deadline for ratifying new contracts is Monday. There is little change in container quotes to Asia, though softening cash corn prices could change this. On the flipside, last week's drop in ethanol production could create some near-term tightness.

The value of DDGS relative to corn as of November 10 was 1.02 percent. DDGS carries a premium to corn and soybean meal for two reasons: 1) it accelerates weight gain and so more producers want it, but the supply available is a small fraction of corn and soymeal output. There are also seasonal factors such as livestock headed to the feedlot when fuel ethanol demand and consequently production slows for the winter.



Source: World Perspectives, Inc.

Country News

Brazil: Corn exports reached 2.2 MMT in the first half of November. Corn-based ethanol production will increase 37 percent this year with around 10.79 MMT of corn utilized. This represents 9 percent of the 116 MMT 2022 corn crop. (FAS GAIN; AgriCensus)

EU: FranceAgriMer reports that French farmers have nearly completed sowing of winter barley for next year's harvest and have finished harvesting this year's maize crop. The maize harvest was completed 28 days ahead of last year. (Reuters)

Jordan: At least three companies bid to supply 120 KMT of feed barley in a tender by the state grain buying agency. (Reuters)

Russia: The government lowered the export tax on corn but raised it on barley. (AgriCensus)

South Korea: MFG purchased 134 KMT of corn in a tender and FLC purchased 60 KMT of corn from Midstar. NOFI bought corn for February arrival, but KFA passed on a purchase opportunity. (AgriCensus)

Tunisia: Government agency ODC purchased 50 KMT of barley. (AgriCensus)

Ukraine: Farmers have sown 600,000 hectares of winter barley. About 39 percent of the maize crop has been harvested, which is 30 percent slower than last year. (AgriCensus; World Grain)

Ocean Freight Markets and Spreads

Bulk Freight Indices for HSS — Heavy Grain, Sorghum and Soybeans* November 17, 2022			
Route and Vessel Size	**Current Week (USD/MT)**	**Change from Previous Report**	**Remarks**
55,000 U.S. Gulf-Japan	$58.00	Up $0.50	Handymax $58.00 mt
55,000 U.S. PNW- Japan	$33.25	Down $0.75	Handymax at $33.25 mt
66,000 U.S. Gulf – China	$57.00	Up $0.50	North or South China
PNW to China	$33.00	Down $0.25	
25,000 U.S. Gulf - Veracruz, México	$23.75	Down $0.25	3,000 MT daily discharge rate
30-36,000+ U.S. Gulf - Veracruz, México	$20.00	Down $0.25	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf - Colombia	$32.25	Down $0.75	West Coast Colombia at $37.00
50,000 MT U.S. Gulf to East Coast Colombia	$30.00		
From Argentina	$39.50		
43-45,000 U.S. Gulf - Guatemala	$39.50	Down $1.00	Acajutla/Quetzal - 8,000 out
26-30,000 US Gulf - Morocco	$51.50	Down $4.00	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	$50.00	Down $4.50	55,000-60,000 mt Egypt
			Romania - Russia- Ukraine
PNW to Egypt	$51.00		$19.00 -$28.00 - $38.00 -
			France $30.00, Bulgaria $20.00
60-70,000 U.S. Gulf – Europe, Rotterdam	$28.00	Up $1.00	Handymax at +$2.50 more
Brazil, Santos – China	$48.25	Up $0.75	54-59,000 Supramax-Panamax
Brazil, Santos – China	$46.75		60-66,000 Post Panamax
Northern Coast Brazil - China	$52.25		55-60,000 mt
56-60,000 Argentina/Rosario-China, Deep Draft	$51.75	Up $0.75	Up-River 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: It is still an up and down Dry Bulk market situation with no defined direction. This market is mostly steaming in circles hoping to find support. Capesize markets have uncovered some improved demand in iron ore cargo, but the Panamax and smaller vessels still suffer from a reduction in demand ton-days. Most of the buying activity in these markets has shifted out to Q1of 2023.

The low water situation on the Mississippi River has continued to improve and barge deliveries are slowly increasing. U.S. Railroad labor contract negotiations continue without resolution but the potential for a strike has been moved forward into mid-December. ILWU union container report contract negotiations also continue without resolution and talks are now expected to go into early 2023.

Baltic-Panamax Dry-Bulk Indices				
November 16, 2022 Route	**This Week**	**Last Week**	**Difference**	**Percent Change**
P2A: Gulf/Atlantic – Japan	22,436	20,741	1,695	8.2
P3A: PNW/Pacific– Japan	13,417	14,829	-1,412	-9.5
S1C: U.S. Gulf-China-S. Japan	26,200	23,761	2,439	10.3

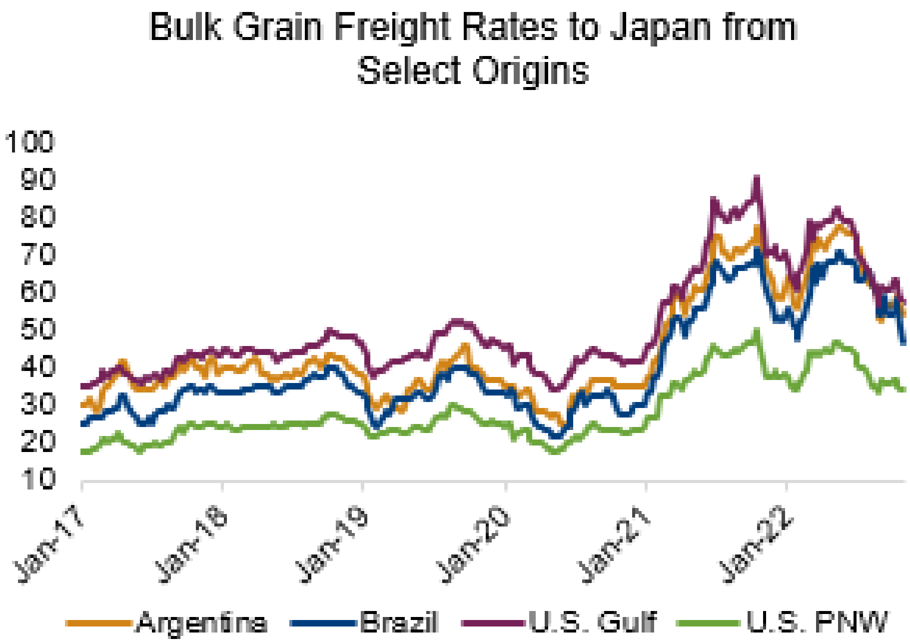
Source: O'Neil Commodity Consulting

Capesize Vessel Freight Values Western Australia to South China (iron ore)	
Four weeks ago:	$8.75-$9.30
Three weeks ago:	$9.10-$8.80
Two weeks ago:	$8.40-$8.80
One week ago:	$8.50-$9.10
This week	$8.50-$8.30

Source: O'Neil Commodity Consulting

U.S.-Asia Market Spreads					
November 16, 2022	**PNW**	**Gulf**	**Bushel Spread**	**MT Spread**	**Advantage**
#2 Corn	1.75	2.20	0.45	$17.72	PNW
Soybeans	1.83	2.50	0.67	$24.62	GULF
Ocean Freight	$57.00	$33.00	.61-.65	$24.00	December

Source: O'Neil Commodity Consulting



Source: World Perspectives, Inc.

Bulk Grain Rates for Key Suppliers and Destinations
November 17, 2022

Origin	Destination	This Week	Monthly Change	Monthly %	Yearly Chang	Yearly %	2-Year History
Panamax/Supramax Vessels							
U.S. Gulf	Japan	57.50	-6.25	-9.8%	-20.50	-26.3%	
U.S. PNW		34.00	-3.00	-8.1%	-8.00	-19.0%	
Argentina		54.50	-2.00	-3.5%	-17.00	-23.8%	
Brazil		46.50	-8.00	-14.7%	-18.00	-27.9%	
U.S. Gulf	China	56.50	-6.25	-10.0%	-20.50	-26.6%	
U.S. PNW		33.25	-3.25	-8.9%	-8.00	-19.4%	
Argentina		512.00	454.00	782.8%	444.75	661.3%	
Brazil		47.50	-11.00	-18.8%	-14.50	-23.4%	
U.S. Gulf	Europe	30.00	0.70	2.4%	1.00	3.4%	
Argentina		47.50	1.20	2.6%	6.00	14.5%	
Brazil		51.50	2.20	4.5%	8.00	18.4%	
Argentina	Saudi Arabia	59.50	-2.00	-3.3%	1.00	1.7%	
Brazil		67.50	2.00	3.1%	3.00	4.7%	
U.S. Gulf	Egypt	54.50	-5.75	-9.5%	-8.50	-13.5%	
U.S. PNW		60.30	9.55	18.8%	6.80	12.7%	
Argentina		60.50	3.00	5.2%	10.00	19.8%	
Brazil		65.50	1.00	1.6%	4.00	6.5%	
Handysized Vessels							
U.S. Gulf	Morocco	55.50	-5.75	-9.4%	-7.00	-11.2%	
U.S. Great Lakes		73.00	24.25	49.7%	23.00	46.0%	
Argentina		53.50	3.00	5.9%	12.00	28.9%	
Brazil		56.50	3.00	5.6%	10.00	21.5%	
U.S. Great Lakes	Europe	71.30	20.35	39.9%	19.10	36.6%	
Brazil		59.20	9.60	19.4%	6.10	11.5%	
Argentina	Algeria	54.50	2.00	3.8%	8.00	17.2%	
Brazil		57.50	3.00	5.5%	11.00	23.7%	
U.S. Gulf	Colombia	30.50	-5.75	-15.9%	-10.00	-24.7%	
U.S. PNW		52.00	10.95	26.7%	6.70	14.8%	
Argentina		40.00	-3.75	-8.6%	-16.00	-28.6%	
Shipping Indexes							
Baltic Dry Index		14.63	-1929.37	-99.2%	-2703.4	-99.5%	

Source: World Perspectives, Inc.