



# Weekly Price Report July 02, 2020

Export Region	Percent Protein 12% (Dry) Moisture Basis		JUL (U20)**			JUL (U20)**		AUG (U20)		SEP (U20)		OCT (Z20)		NOV (Z20)		DEC (Z20)		JAN (H21)		Year Ago (nearbys) \$/MT
			(nearbys) FOB \$/bu	week change \$/bu	\$/MT	FOB \$/MT	Basis ¢/bu	FOB \$/MT	Basis ¢/bu	FOB \$/MT	Basis ¢/bu	FOB \$/MT	Basis ¢/bu	FOB \$/MT	Basis ¢/bu	FOB \$/MT	Basis ¢/bu	FOB \$/MT	Basis ¢/bu	
Great Lakes	NS/DNS 13.5 (15.3)*	M	6.00	0.01	1	221	90	217	80	217	80	233	110	233	110	235	115	240	115	217
	NS/DNS 14.0 (15.9)*	M	6.10	0.01	1	224	100	221	90	221	90	237	120	237	120	238	125	244	125	219
	NS/DNS 14.5 (16.5)*	M	6.15	0.01	1	226	105	222	95	222	95	238	125	238	125	240	130	245	130	221
Gulf of Mexico	NS/DNS 13.5 (15.3)*	M	6.90	0.01	1	254	180	254	180	254	180	260	185	260	185	260	185	266	185	254
	NS/DNS 14.0 (15.9)*	M	6.95	0.02	1	255	185	255	185	255	185	262	190	262	190	262	190	267	190	256
	NS/DNS 14.5 (16.5)*	M	7.10	0.01	1	261	200	261	200	261	200	268	205	268	205	268	205	273	205	258
	HRW Ord	K	5.74	0.16	6	211	140	211	140	211	140	217	145	219	150	219	150	224	150	210
	HRW 11.0 (12.5)	K	5.84	0.16	6	215	150	215	150	215	150	221	155	223	160	223	160	227	160	212
	HRW 11.5 (13.1)	K	5.94	0.11	4	218	160	218	160	218	160	225	165	227	170	227	170	231	170	220
	HRW 12.0 (13.6)	K	6.04	0.06	2	222	170	222	170	222	170	228	175	230	180	230	180	235	180	227
	HRW 12.5 (14.2)	K	6.14	0.01	0	226	180	226	180	226	180	232	185	234	190	234	190	238	190	234
SRW	C	5.72	0.11	4	210	80	210	80	210	80	217	90	217	90	217	90	220	90	222	
Pacific N. West	NS/DNS 13.5 (15.3)*	M	6.50	-0.04	-1	239	140	237	135	241	145	246	145	248	150	249	155	256	160	232
	NS/DNS 14.0 (15.9)*	M	6.50	-0.04	-1	239	140	237	135	241	145	246	145	248	150	249	155	256	160	232
	NS/DNS 14.5 (16.5)*	M	6.60	-0.04	-1	243	150	241	145	244	155	249	155	251	160	253	165	260	170	236
	HRW Ord	K	5.94	0.01	0	218	160	215	150	218	160	223	160	227	170	228	175	233	175	220
	HRW 11.5 (13.1)	K	6.04	0.01	0	222	170	218	160	222	170	227	170	230	180	232	185	236	185	221
	HRW 12.0 (13.6)	K	6.19	0.06	2	227	185	224	175	227	185	232	185	236	195	238	200	242	200	231
	HRW 13.0 (14.8)	K	6.49	0.06	2	238	215	235	205	238	215	243	215	247	225	249	230	253	230	249
	SW Unspecified	\$	6.15	0.10	4	226	615	226	615	226	615	230	625	230	625	230	625	230	625	233
	SW 9.5 (10.8) Min	\$	6.18	0.10	4	227	618	227	618	227	618	231	628	231	628	231	628	231	628	237
	SW 10.5 (11.9) Max	\$	6.15	0.10	4	226	615	226	615	226	615	230	625	230	625	230	625	230	625	233
	SW 9.5 (10.8) Max	\$	6.30	0.10	4	231	630	231	630	231	630	235	640	235	640	235	640	235	640	233
	WW with 10% Club	\$	6.45	0.10	4	237	645	237	645	237	645	241	655	241	655	241	655	241	655	234
	WW with 20% Club	\$	6.70	0.10	4	246	670	246	670	246	670	250	680	250	680	250	680	250	680	236

\*\* JUL (U20) indicates basis and FOB prices for delivery in July 2020 are based on the September 2020 wheat futures contracts.

Durum: a range of prices are available depending upon various quality attributes and logistics.

Northern Durum offers from the Lakes range from \$7.62 to \$7.76/bu (\$280 to \$285/MT), and offers from Gulf ports range from \$8.30 to \$8.44/bu (\$305 to \$310/MT). For Desert Durum offers, contact your supplier.

Hard white: a range of prices are available depending upon various quality attributes and logistics

\*Hard Red Spring: HRS price indications in this report are for a 65% DHV content out of the PNW and a 40% DHV content out of the Gulf; for specific NS/DNS DHV premium spreads, contact your supplier.

Futures Settlements as of July 02, 2020	Grey positions not quoted on specific exchange																
	SEP (U20)	SEP (U20)	week change	NOV (X20)	week change	DEC (Z20)	week change	JAN (F21)	week change	MAR (H21)	week change	MAY (K21)	week change	JUL (N21)	week change	AUG (Q21)	week change
	\$/MT	\$/bu	\$/bu	\$/bu	\$/bu	\$/bu	\$/bu	\$/bu	\$/bu	\$/bu	\$/bu	\$/bu	\$/bu	\$/bu	\$/bu	\$/bu	\$/bu
Chicago BOT SRW	180.78	4.9200	0.1625			4.9975	0.1575			5.0750	0.1475	5.1250	0.1375	5.1375	0.1300		
Kansas City BOT HRW	159.46	4.3400	0.0625			4.4675	0.0575			4.5850	0.0425	4.6600	0.0400	4.7175	0.0325		
Minneapolis MGE NS/DNS	187.48	5.1025	0.0150			5.2375	0.0025			5.3775	(0.0025)	5.4775	(0.0025)	5.5700	(0.0025)		
Chicago BOT Corn	135.23	3.4350	0.2425			3.5350	0.2825			3.6500	0.2825	3.7075	0.2625	3.7475	0.2375		
Chicago BOT Soybeans	327.01	8.9000	0.3275	8.9675	0.4500			9.0125	0.4575	8.9475	0.3425	8.9225	0.3100	8.9775	0.2950	8.9825	0.2875

Legend: M = Minneapolis Grain Exchange; K = Kansas City Board of Trade; C = Chicago Board of Trade;

\$ = cash price quote; N/A = quote not available; closed = Great Lakes are closed to vessels for winter; ¢/bu = cents per bushel;

Futures Contract Month: H = March; K = May; N = July; U = September; Z = December

NS/DNS=Northern Spring/Dark Northern Spring (subclasses of Hard Red Spring); HRW=Hard Red Winter; SRW=Soft Red Winter; SW=Soft White; WW=Western White (White Club & Soft White)

F.O.B. = "Free on board" - Seller is responsible for placing grain at the end of the loading spout. Buyer is responsible for providing the ocean vessel and for all other costs after the grain is delivered on board.

Basis: The difference between the cash price and futures month for specific quality, shipping period and geographical location.

Cash: Durum, SW and WW are quoted in dollars per bushel (\$/bu.) rather than basis for each contract month.

Convert: To compute cash price, add basis level and current futures to get price per bushel. Multiply by 36.743 to get price per metric ton.

Example: Basis = 70 and Future Price = \$9.00, the price per bushel is \$9.00 + .70 = \$9.70/bu. Price per metric ton is \$9.70 \* 36.743 = \$356/MT.

All prices are based upon U.S. number two grade or better as certified by the Federal Grain Inspection Service (FGIS).



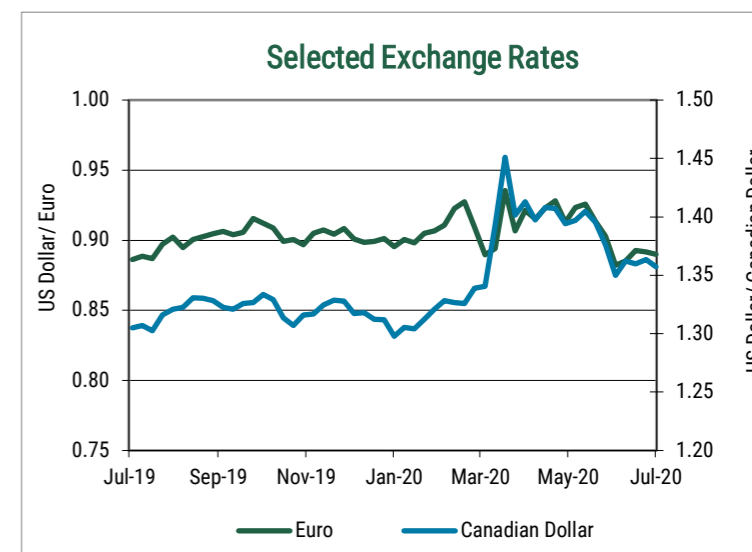
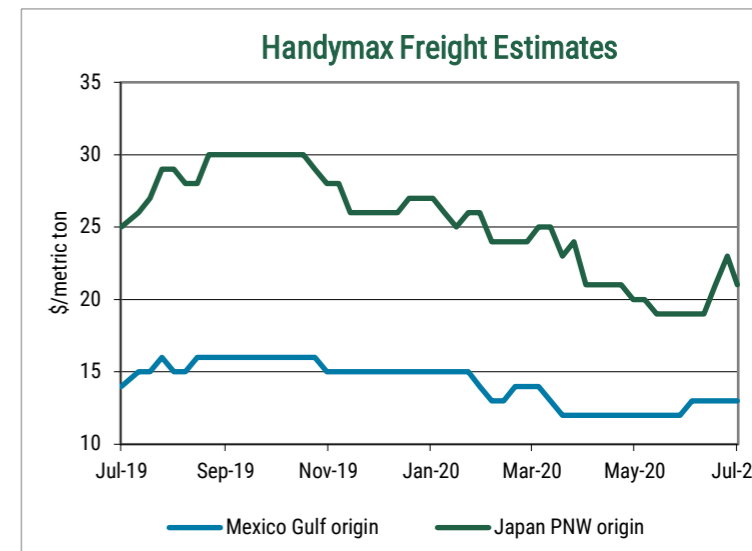
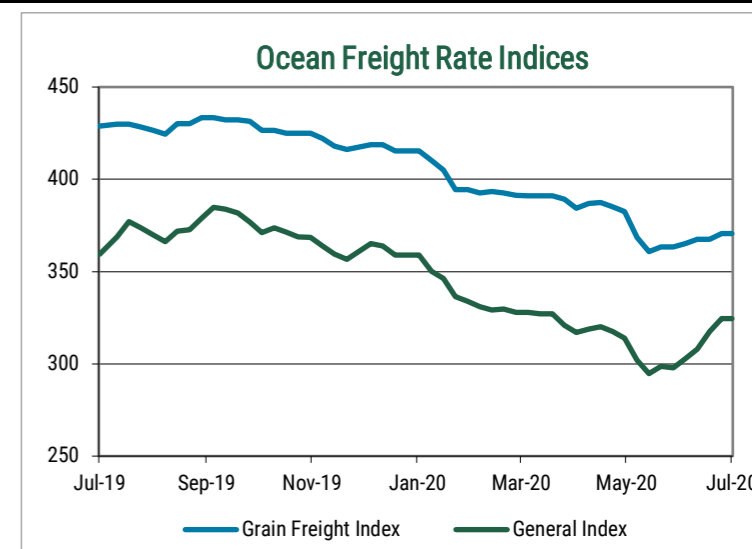
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Ocean Freight Rate Estimates by Origin*		U.S. \$/metric ton			Freight Index** Week Ending	General Index	Grain Freight Index	Number of Fixtures
Export Region	Import Region	Handy 25-30 TMT	Handymax 40-46 TMT	Panamax 54+ TMT				
US Gulf	Mexico (Veracruz)	16	13		7/2/2020	324.5	370.7	434
	W. South America (Peru/Ecu)			14	6/26/2020	324.5	370.7	434
	S. South America (Chile)			19	6/19/2020	317.4	367.6	478
	N. South America (Colombia)	19	16	10	6/12/2020	307.9	367.6	506
	E. South America (Brazil)	14			6/5/2020	302.7	365.1	419
	West Africa (Nigeria)	59			5/29/2020	297.9	363.3	397
	East Mediterranean (Italy)	39			5/22/2020	298.6	363.3	443
	West Mediterranean (Morocco)	37			5/15/2020	294.7	360.8	537
	Persian Gulf (Iraq)			64	5/8/2020	302.1	368.4	346
	Middle East (Egypt)			25	5/1/2020	314.0	382.5	362
Mid Atlantic	Japan		40	39	4/24/2020	317.6	385.0	511
	N. South America (Venezuela)	16			4/17/2020	320.1	387.5	457
	West Africa (Nigeria)	58			4/10/2020	318.9	386.8	360
St. Lawrence	Middle East (Egypt)			62	4/3/2020	316.9	384.2	538
	N. South America (Venezuela)	9			3/27/2020	320.8	389.3	552
	Europe/Rotterdam			8	3/20/2020	327.1	391.0	510
Great Lakes	East Mediterranean (Italy)	42			3/6/2020	329.0	391.0	590
	West Mediterranean (Spain)	40			2/28/2020	327.9	391.2	577
	Europe/Rotterdam	42			2/21/2020	329.8	392.7	479
	West Mediterranean (Morocco)	43			2/14/2020	329.3	393.4	536
PNW	East Mediterranean (Italy)	26			2/7/2020	330.9	392.7	486
	S. South America (Chile)	30			1/31/2020	333.9	394.4	418
	N. South America (Colombia)	29			1/24/2020	336.4	394.4	571
	Persian Gulf (Iraq)			51	1/17/2020	346.2	405.0	588
	Middle East (Egypt)			25	1/10/2020	350.1	410.1	580
	East Africa (Djibouti/Mombasa)		43	41	1/3/2020	358.9	415.4	537
	South Asia (Mal/Indon/Phil/Sing)			20	12/20/2019	358.9	415.4	537
	Taiwan		19	18	12/13/2019	363.8	418.8	604
	South Korea		19	18	12/6/2019	365.2	418.8	491
	Japan		21	20	11/22/2019	356.5	416.2	612

Sources: \*Trade representatives and recent shipments, \*\*Maritime Research, Inc., \*\*\*Nominal Major Currencies, Federal Reserve Board

## Summary of Foreign Currency Exchange Rates (versus \$1 U.S.)

Week Ending	Index***	Argentina	Australia	Brazil	Canada	Egypt	EU	Japan	Russia
7/2/20	N/A	70.57	1.444	5.354	1.357	16.07	0.890	107.5	70.55
6/25/20	120.7	70.15	1.452	5.356	1.364	16.12	0.892	107.2	68.96
6/18/20	120.6	69.59	1.460	5.378	1.360	16.13	0.893	107.0	69.32
6/11/20	119.6	69.31	1.459	4.976	1.362	16.13	0.885	106.9	70.06
7/3/19	114.8	42.03	1.423	3.826	1.305	16.57	0.887	107.8	63.31
7/3/15	N/A	9.103	1.332	3.153	1.263	7.649	0.904	123.3	55.57
1 year change	N/A	67.90%	1.49%	39.95%	3.98%	-3.02%	0.37%	-0.26%	11.43%
5 year change	N/A	675.23%	8.44%	69.83%	7.47%	110.09%	-1.50%	-12.77%	26.95%



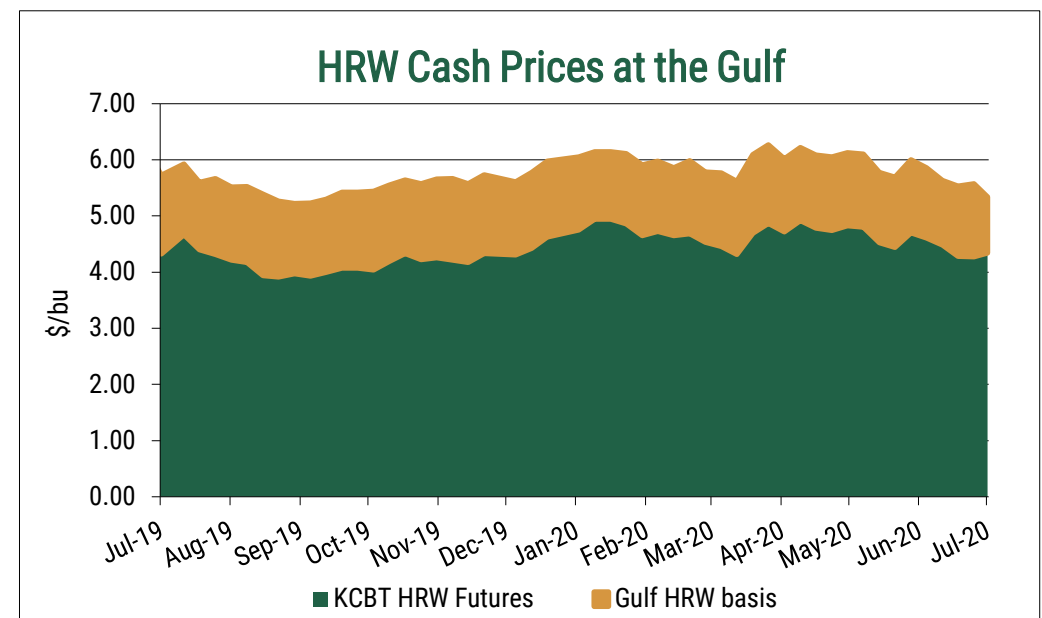
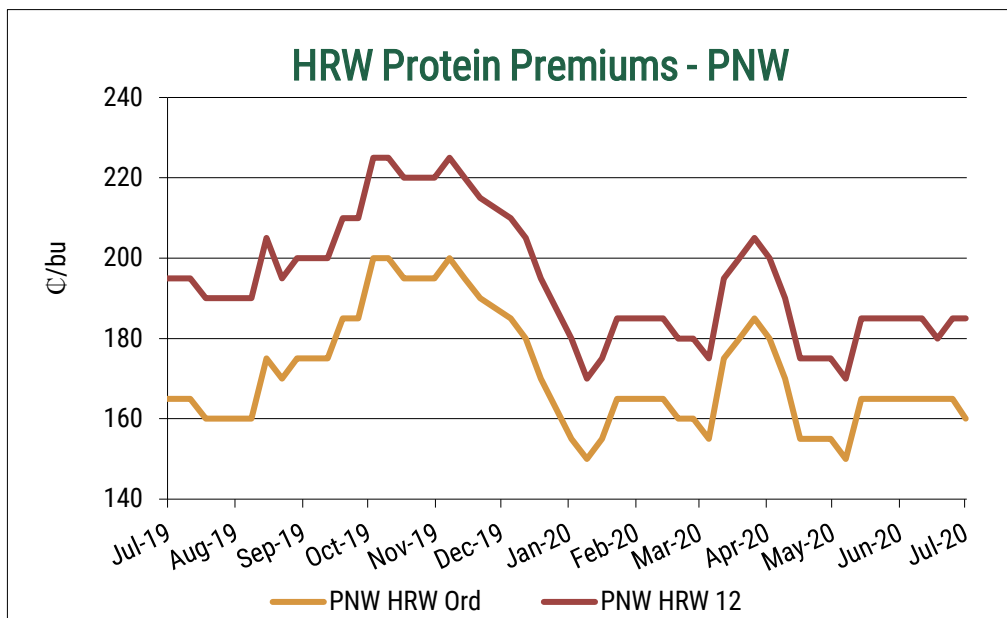
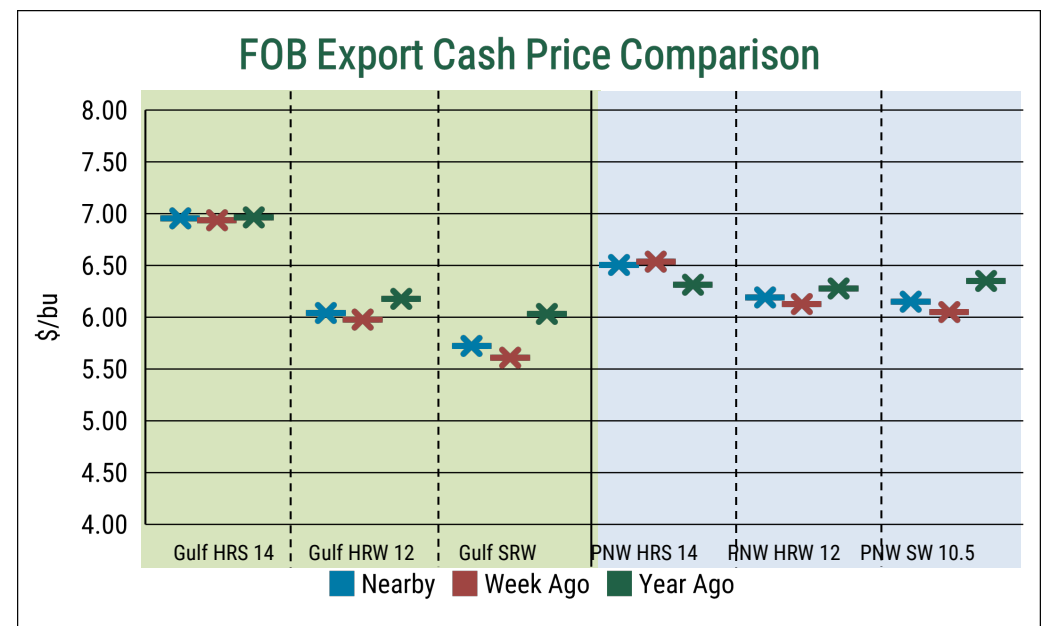
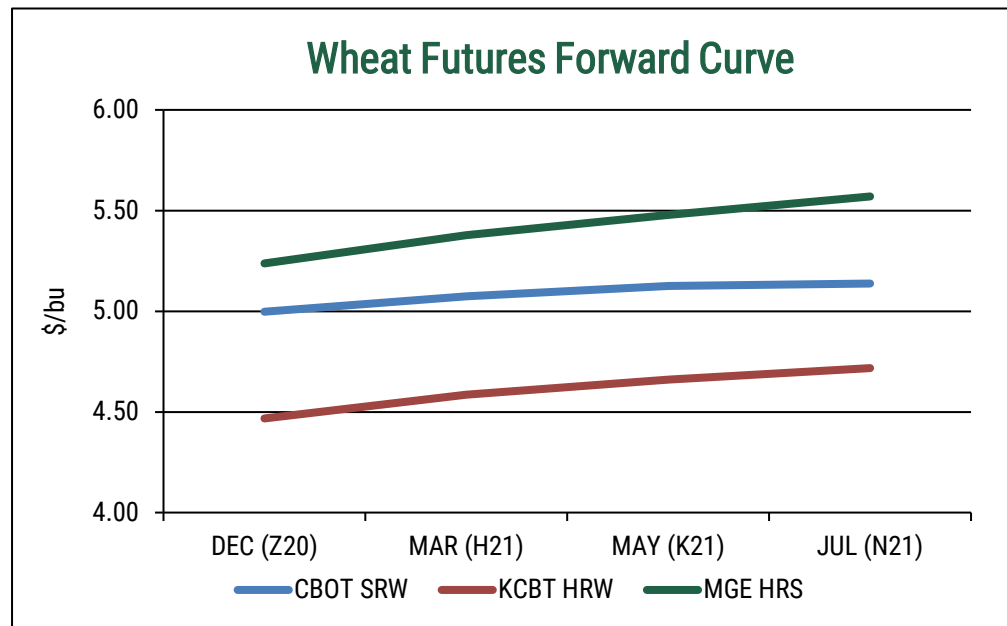
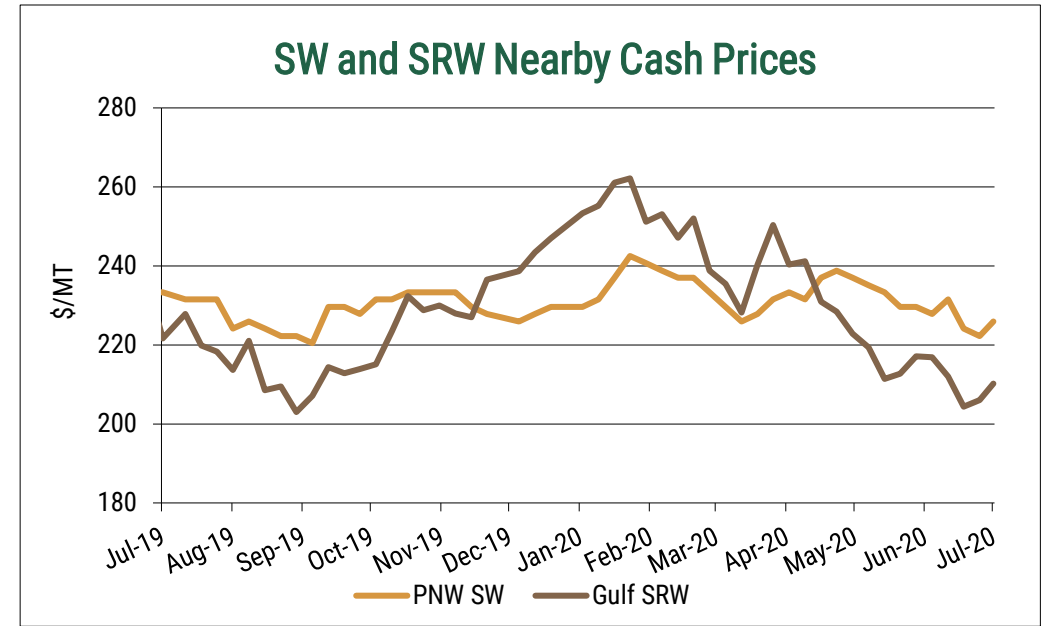
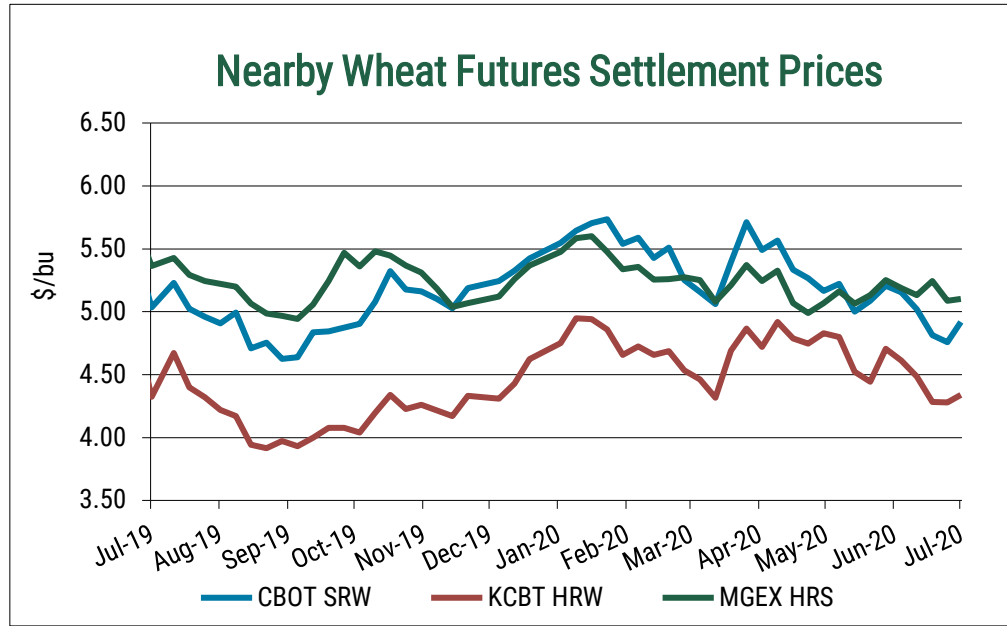
The weekly prices as reported by U.S. Wheat Associates are compiled through research from numerous market sources, including U.S. wheat exporters of all classes from various U.S. ports. The prices reported are representative of the value of number two grade and the proteins indicated. **They are not intended to represent offers nor should importers of U.S. wheat rely upon them as such. Additional factors may alter these prices significantly.**

These factors may include: (1) payment terms (differing from cash against documents which are the terms used in the U.S. Wheat Associates price report); (2) various quality factors, and method of quality certification; (3) loading terms (USW prices represent Free on Board and do not include loading rate guarantees, stevedoring costs or other elevator tariff charges); (4) different delivery periods than indicated in monthly prices reported by U. S. Wheat Associates.

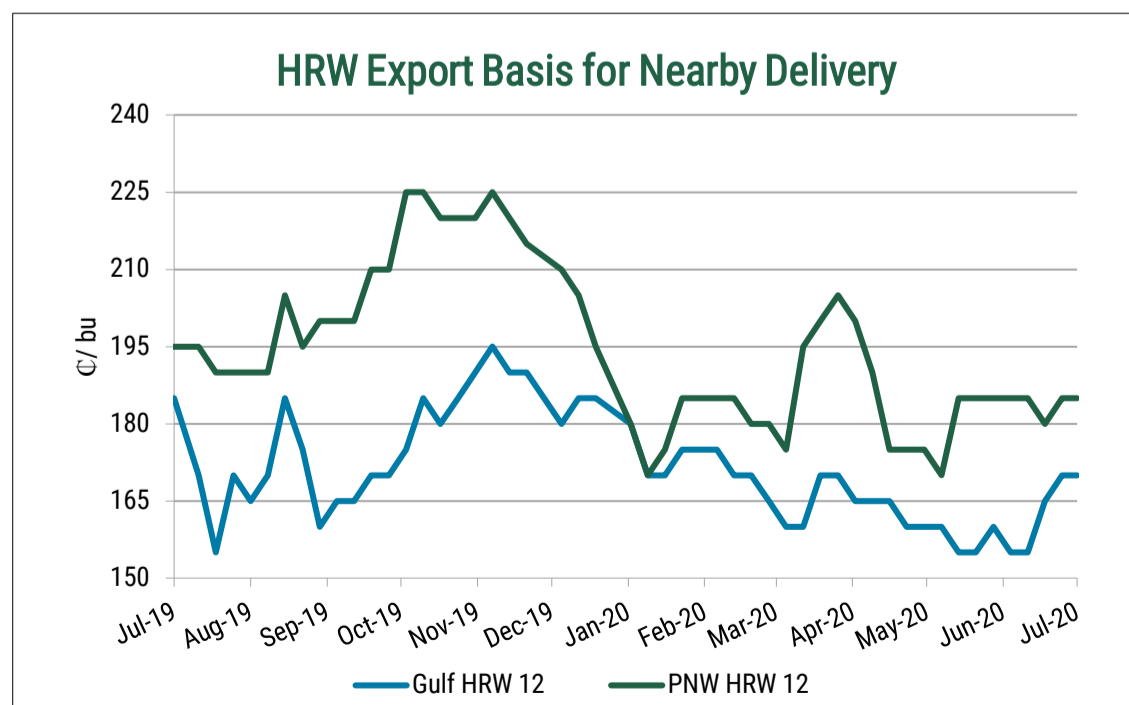
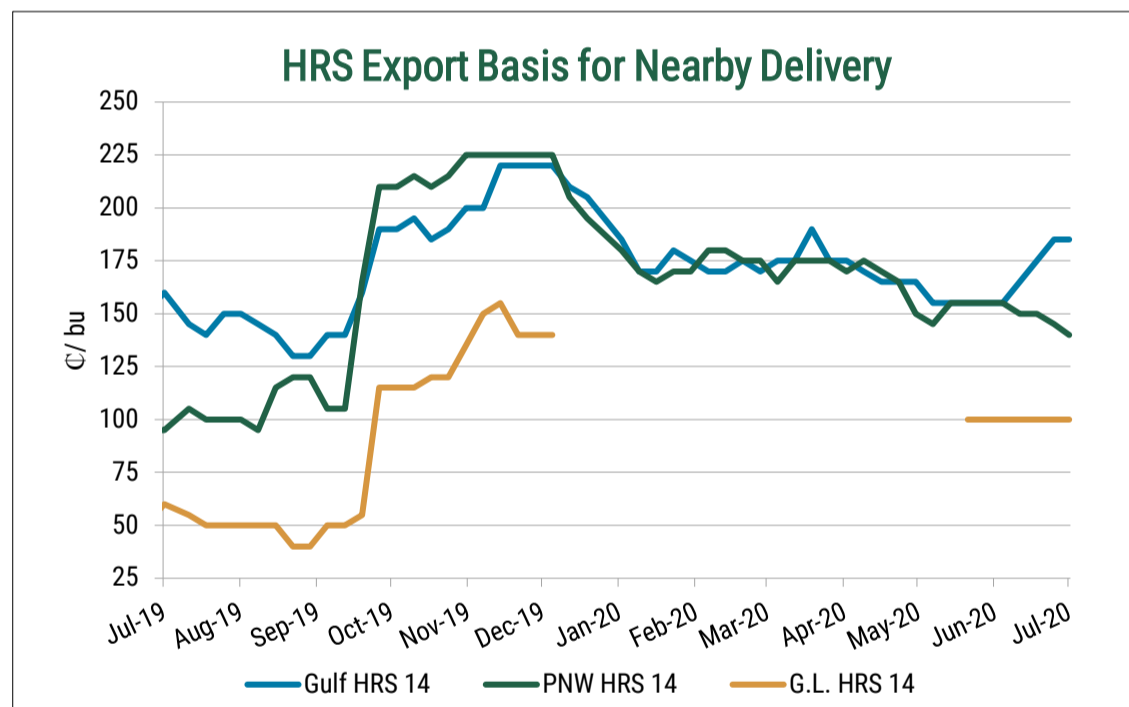
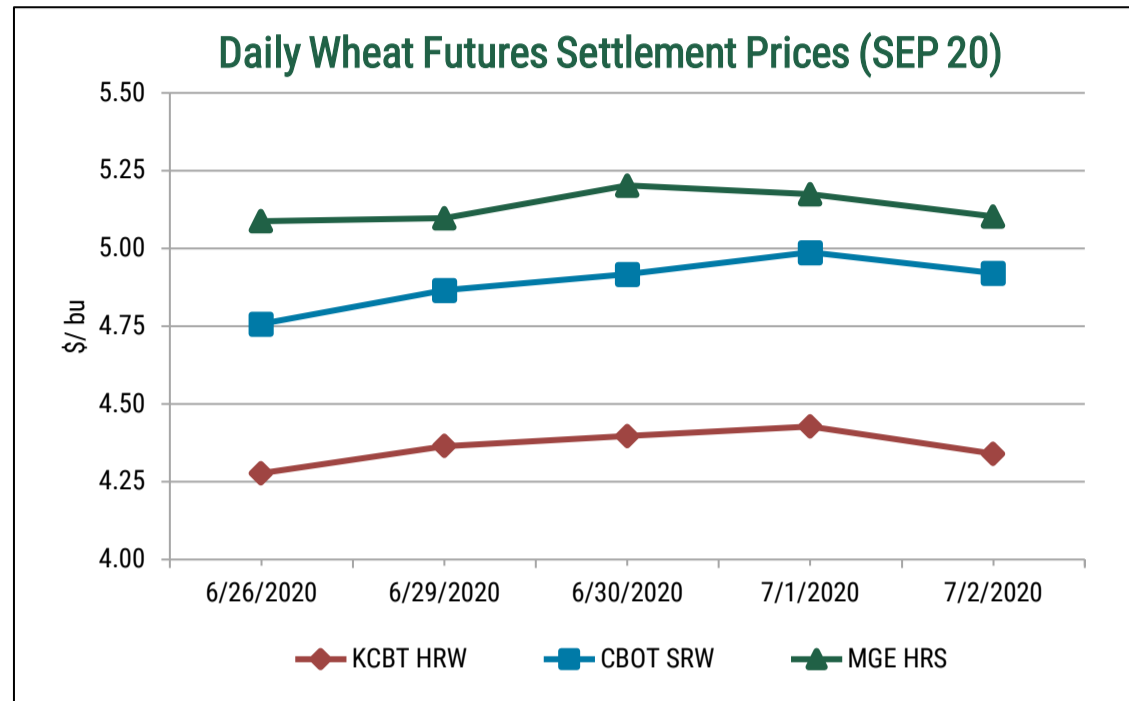
U.S. Wheat Associates recommends regular contact with exporters of U.S. wheat in order to receive offers representative of your requirements.

This contact will allow importers to review contract terms and better understand the U.S. grading system, role and function of the Federal Grain Inspection Service (FGIS).

Contact: For questions, please contact Claire Hutchins at (703) 650-0244 or chutchins@uswheat.org.



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- A significantly lower U.S. corn planted area estimate and a slightly lower U.S. wheat planted area estimate between USDA's March and June acreage reports (see below) supported all U.S. wheat futures prices week-over-week. September CBOT soft red winter (SRW) futures added 16 cents to end at \$4.92/bu. September KCBT hard red winter (HRW) futures gained 6 cents to close at \$4.34/bu. September MGE hard red spring (HRS) futures added 1 cent to end at \$5.10/bu. CBOT corn futures added 24 cents to close at \$3.43/bu. CBOT soybean futures gained 33 cents to end at \$8.90/bu.
- All U.S. Wheat Associates (USW) basis and FOB prices for all classes of wheat for July delivery are now over the September 2020 (U20) wheat futures contracts.
- Reduced export demand pressured Gulf SRW export basis for July and August deliveries. Higher protein results from the 2020 winter wheat harvest in central and western Kansas narrowed Gulf HRW protein premium spreads week-over-week. Beneficial precipitation and abundant old crop exportable supplies pressured Pacific Northwest (PNW) HRS basis for July delivery. The approaching 2020 HRW harvest in PNW tributary states pressured HRW export basis for nearby and deferred deliveries. Minimal farmer selling and increased export demand supported PNW soft white wheat (SW) prices for July and August deliveries.
- According to USDA's June [Acreage Report](#), all wheat planted area for harvest in 2020 totaled 44.3 million acres, down from its March estimate of 44.7 million acres. USDA reports U.S. farmers planted 21.5 million acres of HRW, 5.63 million acres of SRW and 3.42 million acres of white winter wheat, 11.5 million acres of HRS and 1.50 million acres of durum. USDA reduced its corn planted area estimate by 5% from its March report to 92.0 million acres in June. Estimates for soybean planted area were relatively stable between March and June at 83.8 million acres.
- Despite sustained dryness in the Southern Plains, total U.S. winter wheat ratings remained stable on the week at 52% good to excellent. Total crop ratings in Kansas improved from last week to 46% good to excellent. Montana winter wheat ratings increased two points from last week to 87% good to excellent. In Colorado, winter wheat rated as good to excellent increased 1 point from last week to 30% this week.
- The new crop U.S. HRW reached the Kansas and Nebraska border this week and the SRW harvest is well underway from Arkansas to Alabama. According to USDA, as of June 29, 41% of the country's total winter wheat area is harvested. [Click here](#) to read more about the 2020 U.S. wheat harvest.
- Despite localized precipitation across the Northern Plains, the region remains extremely dry. U.S. spring wheat ratings fell 6 points from last week to 69% good to excellent. Total crop ratings in North Dakota fell from 69% good to excellent last week to 59% this week. Minnesota spring wheat ratings were relatively stable week-over-week at 80% good to excellent. In Montana, spring wheat rated as good to excellent fell 4 points from last week to 81%.
- This week's commercial sales of 414,000 metric tons (MT) for delivery in 2020/21, through June 25, were down 20% from last week's 519,000 MT but within trade expectations of 250,000 MT to 600,000 MT. Year-to-date commercial sales for delivery in 2020/21 total 7.27 million metric tons (MMT), 1% ahead of last year's pace. USDA expects all 2020/21 U.S. wheat exports will total 25.9 MMT, down 2% from 2019/20, if realized.
- High winds and above normal temperatures have further degraded conditions in parts of Oklahoma and western Texas where wheat harvest is over. On the western side of Kansas, some areas received 1.5 inches of rain but for much of the High Plains including Nebraska, little to no rain increased the areas considered abnormally dry. In the Dakotas, rain helped reduce areas of moderate drought. Rain in eastern Washington and Oregon led to slight reductions in drought conditions while western Idaho saw its conditions rapidly improve following substantial rainfall there.
- Vedmosti Daily, a Russian publication, stated that if Russia's grain harvest is more 125.0 MMT with an export potential of at least 45.0 MMT, the Russian government may not apply a grain export quota for the 2020/21 trade season.
- Ukraine's government and unions have agreed to their annual grain trade rules. However, they did not agree on an export quota, instead agreeing to make that decision at their Aug. 10, 2020, meeting. Ukraine harvested 28.3 MMT of grain last year but, due to poor weather, expects to harvest 25.0 MMT of grain in 2020. Ukraine's 2019/20 wheat exports were 20.5 MMT, 31 percent above the year before.
- A new grain export duty scheme put in place by Argentina's government increases the tax burden on farmers. The overall tax burden takes 68.3 percent of the profits from the agriculture sector compared to the 56.9 percent farmers faced in June 2019. The export duties were authorized by Congress last year in an emergency law which entitles the government to raise duties by up to 15 percent for wheat.
- USDA reports that due to adverse weather, Morocco's wheat harvest will be historically low. The wheat harvest is expected to be 60 percent below the 10-year average. The USDA added that the Moroccan government will suspend customs duties on common wheat for all of 2020.
- Stats Canada trimmed its estimate for the Canadian wheat crop. An increase in durum wheat sowing was offset by lower spring wheat sowing. Total wheat area is down 1.8 percent to slightly under 25 million acres, up 1.5 percent for the year but still below trade expectations. Spring wheat was cut by 4.5 percent to 17.9 million acres. Winter wheat was lowered 5 percent to 1.3 million acres while durum wheat was raised 5.7 million acres.
- Uruguay, Argentina and Brazil are closely watching a swarm of locusts currently in the northeast of Argentina, near their shared borders. Due to low temperatures the locusts are not moving but they were reported to have damaged corn crops in Santa Fe and Formosa provinces said Senasa, Argentina's food safety and quality office. Brazil's agriculture ministry declared a state of emergency in preparation for the swarm.
- India's purchase of locally grown wheat in 2020 rose 13.7 percent compared to last year. Food Corporation of India (FCI) which buys grain from farmers on behalf of the Indian government purchased a record 38.8 MMT of wheat or almost 5.0 MMT more than last year; an FCI official said that could increase to 41 MMT this year. With record production spurred by excellent weather conditions and government subsidies that [studies show](#) exceed the levels India agreed to as a World Trade Organization member, USDA expects the Indian government to increase its wheat stocks from 53 million to 55 MMT compared to 41 MMT in 2019.
- The Baltic Dry Index (BDI), an assessment of the average cost to ship raw materials like grains, coal and iron ore increased 3% on the week to close at 1,803.
- The U.S. Dollar Index fell from last week's 97.43 to end at 97.26.