

Weekly Price Report July 24, 2020

U.S. Wheat FOB & Export Basis Estimates

Export Region	Class & Percent Protein 12% (Dry) Moisture Basis	AUG (U20)				AUG (U20)		SEP (U20)		OCT (Z20)		NOV (Z20)		DEC (Z20)		JAN (H21)		FEB (H21)	
		(nearbys)	week change		yr change	FOB	Basis	FOB	Basis	FOB	Basis	FOB	Basis	FOB	Basis	FOB	Basis	FOB	Basis
		FOB \$/bu	\$/bu	\$/MT	\$/MT	\$/MT	\$/bu	\$/MT	\$/bu	\$/MT	\$/bu	\$/MT	\$/bu	\$/MT	\$/bu	\$/MT	\$/bu	\$/MT	\$/bu
Great Lakes	NS/DNS 13.5 (15.3)* M	5.95	0.03	1	214	219	80	219	80	235	110	235	110	236	115	241	115	241	115
	NS/DNS 14.0 (15.9)* M	6.05	0.02	1	216	222	90	222	90	238	120	238	120	240	125	245	125	245	125
	NS/DNS 14.5 (16.5)* M	6.10	0.02	1	217	224	95	224	95	240	125	240	125	242	130	247	130	247	130
Gulf of Mexico	NS/DNS 13.5 (15.3)* M	7.05	0.08	3	250	259	190	259	190	266	195	266	195	266	195	271	195	271	195
	NS/DNS 14.0 (15.9)* M	7.10	0.07	3	252	261	195	261	195	268	200	268	200	268	200	273	200	273	200
	NS/DNS 14.5 (16.5)* M	7.25	0.07	3	254	266	210	266	210	273	215	273	215	273	215	278	215	278	215
	HRW Ord K	5.90	0.01	0	215	217	140	217	140	224	150	224	150	222	145	227	145	227	145
	HRW 11.0 (12.5) K	6.00	0.01	0	217	220	150	220	150	228	160	228	160	226	155	230	155	230	155
	HRW 11.5 (13.1) K	6.10	0.01	0	222	224	160	224	160	232	170	232	170	230	165	234	165	234	165
	HRW 12.0 (13.6) K	6.20	0.01	0	228	228	170	228	170	235	180	235	180	234	175	238	175	238	175
	HRW 12.5 (14.2) K	6.30	0.01	0	233	231	180	231	180	239	190	239	190	237	185	241	185	241	185
SRW W	6.60	0.10	4	218	242	120	246	130	250	135	250	135	248	130	250	130	250	130	
Pacific N. West	NS/DNS 13.5 (15.3)* M	6.60	0.08	3	230	243	145	244	150	253	160	255	165	258	175	262	170	262	170
	NS/DNS 14.0 (15.9)* M	6.60	0.08	3	234	243	145	244	150	253	160	255	165	258	175	262	170	262	170
	NS/DNS 14.5 (16.5)* M	6.70	0.07	3	239	246	155	248	160	257	170	258	175	262	185	265	180	265	180
	HRW Ord K	6.20	0.01	0	224	228	170	229	175	239	190	241	195	243	200	245	195	243	190
	HRW 11.5 (13.1) K	6.30	0.01	0	226	231	180	233	185	243	200	245	205	246	210	249	205	247	200
	HRW 12.0 (13.6) K	6.40	0.01	0	235	235	190	237	195	246	210	248	215	250	220	252	215	250	210
	HRW 13.0 (14.8) K	6.60	0.01	0	254	242	210	244	215	254	230	256	235	257	240	260	235	258	230
	SW Unspecified \$	6.15	0.10	4	231	226	615	228	620	230	625	231	630	233	635	235	640	235	640
	SW 9.5 (10.8) Min \$	6.18	0.10	4	235	227	618	229	623	231	628	233	633	234	638	236	643	236	643
	SW 10.5 (11.9) Max \$	6.15	0.10	4	231	226	615	228	620	230	625	231	630	233	635	235	640	235	640
	SW 9.5 (10.8) Max \$	6.40	0.20	7	233	235	640	237	645	239	650	241	655	243	660	244	665	244	665
WW with 10% Club \$	6.45	0.10	4	233	237	645	239	650	241	655	243	660	244	665	246	670	246	670	
WW with 20% Club \$	6.65	0.05	2	234	244	665	246	670	248	675	250	680	252	685	254	690	254	690	

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 Exchange Settlements

Exchange & Commodity	SEP (U20)			NOV (X20)		DEC (Z20)		JAN (F21)		MAR (H21)		MAY (K21)		JUL (N21)		AUG (Q21)	
	close	wk chng		close	wk chng	close	wk chng	close	wk chng	close	wk chng	close	wk chng	close	wk chng	close	wk chng
	\$/MT	\$/bu	\$/bu	\$/bu	\$/bu	\$/bu	\$/bu	\$/bu	\$/bu	\$/bu	\$/bu	\$/bu	\$/bu	\$/bu	\$/bu	\$/bu	\$/bu
Chicago BOT SRW	198.23	5.3950	0.0475			5.4525	0.0475			5.5100	0.0475	5.5400	0.0550	5.5075	0.0750		
Kansas City BOT HRW	165.16	4.4950	0.0075			4.6050	0.0050			4.7150	0.0000	4.7875	0.0025	4.8450	0.0125		
Minneapolis MGE NS/DNS	189.32	5.1525	0.0250			5.2825	0.0125			5.4175	0.0075	5.5125	0.0050	5.6000	0.0025		
Chicago BOT Corn	128.44	3.2625	(0.0675)			3.3500	(0.0475)			3.4600	(0.0375)	3.5300	(0.0300)	3.5850	(0.0225)		
Chicago BOT Soybeans	330.23	8.9875	0.0650	8.9925	0.0425			9.0475	0.0550	9.0075	0.0475	9.0125	0.0650	9.0700	0.0700	9.0725	0.0675

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; c/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:

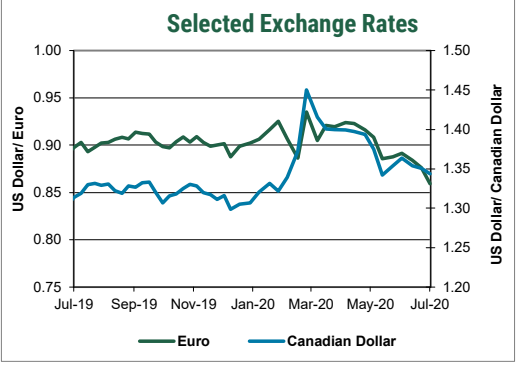
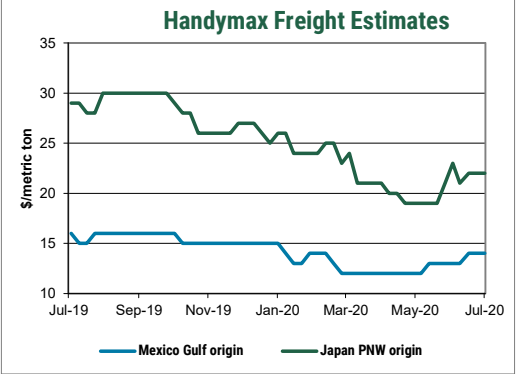
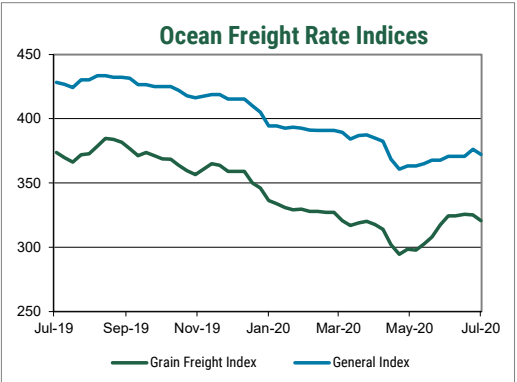
To compute cash price, add basis level and current futures to get price per bushel. Multiply by 36.743 to get price per metric ton.

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. dollars/metric ton			Freight Index**	General Index	Grain Freight Index	Number of Fixtures
Export Region	Import Region	Handy 25-30 TMT	Handymax 40-46 TMT	Panamax 54+ TMT				
U.S. Gulf	Mexico (Veracruz)	16	14		24/07/2020	320.8	372.2	537
U.S. Gulf	W. South America (Peru/Ecu)			17	17/07/2020	325.3	376.4	456
U.S. Gulf	S. South America (Chile)			22	10/07/2020	325.6	370.7	410
U.S. Gulf	N. South America (Colombia)	19	16	12	02/07/2020	324.5	370.7	434
U.S. Gulf	E. South America (Brazil)		22		26/06/2020	324.5	370.7	434
U.S. Gulf	West Africa (Nigeria)	60			19/06/2020	317.4	367.6	478
U.S. Gulf	East Mediterranean (Italy)	39			12/06/2020	307.9	367.6	506
U.S. Gulf	West Mediterranean (Morocco)	37			05/06/2020	302.7	365.1	419
U.S. Gulf	Persian Gulf (Iraq)			64	29/05/2020	297.9	363.3	397
U.S. Gulf	Middle East (Egypt)			26	22/05/2020	298.6	363.3	443
U.S. Gulf	Japan		41	39	15/05/2020	294.7	360.8	537
Mid Atlantic	N. South America (Venezuela)	16			08/05/2020	302.1	368.4	346
Mid Atlantic	West Africa (Nigeria)	60			01/05/2020	314.0	382.5	362
Mid Atlantic	Middle East (Egypt)			62	24/04/2020	317.6	385.0	511
St. Lawrence	N. South America (Venezuela)	9			17/04/2020	320.1	387.5	457
St. Lawrence	Europe/Rotterdam			8	10/04/2020	318.9	386.8	360
Great Lakes	East Mediterranean (Italy)	42			03/04/2020	316.9	384.2	538
Great Lakes	West Mediterranean (Spain)	40			27/03/2020	320.8	389.3	552
Great Lakes	Europe/Rotterdam	41			20/03/2020	327.1	391.0	510
Great Lakes	West Africa (Morocco/Algeria)	43			13/03/2020	327.2	391.0	579
PNW	W. South America (Peru/Ecu)	26			06/03/2020	327.9	391.0	590
PNW	S. South America (Chile)	30			28/02/2020	327.9	391.2	577
PNW	N. South America (Colombia)	29			21/02/2020	329.8	392.7	479
PNW	Persian Gulf (Iraq)			51	14/02/2020	329.3	393.4	536
PNW	Middle East (Egypt)			27	07/02/2020	330.9	392.7	486
PNW	East Africa (Djibouti/Mombasa)		43	41	31/01/2020	333.9	394.4	418
PNW	South Asia (Mal/Indon/Phil/Sing)			22	24/01/2020	336.4	394.4	571
PNW	Taiwan		23	22	17/01/2020	346.2	405.0	588
PNW	South Korea			21	10/01/2020	350.1	410.1	580
PNW	Japan		22	22	03/01/2020	358.9	415.4	537



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
7/24/20	N/A	71.89	1.411	5.211	1.344	15.96	0.859	105.7	71.72
7/17/20	119.5	71.47	1.428	5.379	1.358	15.92	0.874	107.0	71.84
7/10/20	119.7	70.86	1.439	5.332	1.359	15.96	0.885	106.9	70.70
7/3/20	N/A	70.61	1.441	5.311	1.350	16.09	0.889	107.5	71.42
7/25/19	115.3	43.33	1.439	3.778	1.316	16.54	0.897	108.6	63.24
7/25/15	N/A	9.167	1.370	3.302	1.305	7.807	0.912	123.9	58.28
1 year change	N/A	65.90%	-1.92%	37.91%	2.09%	-3.51%	-4.24%	-2.67%	13.40%
5 year change	N/A	684.17%	3.02%	57.80%	3.00%	104.42%	-5.74%	-14.66%	23.05%

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.**

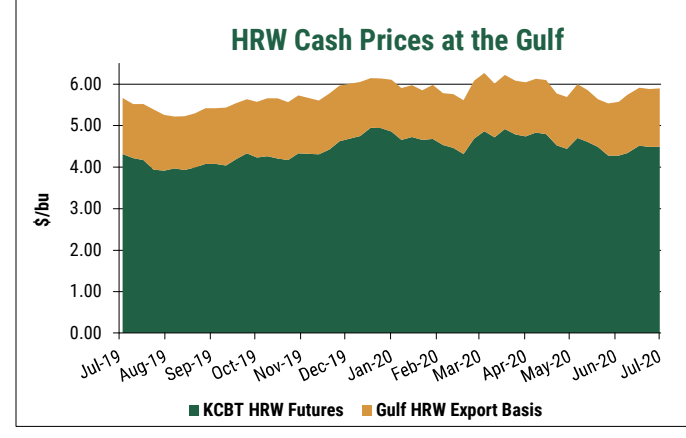
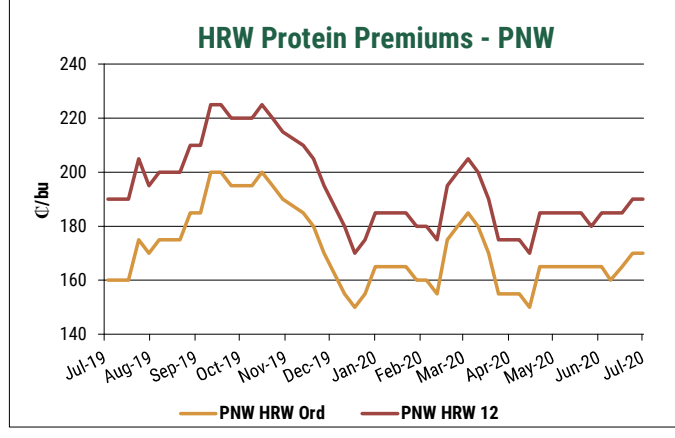
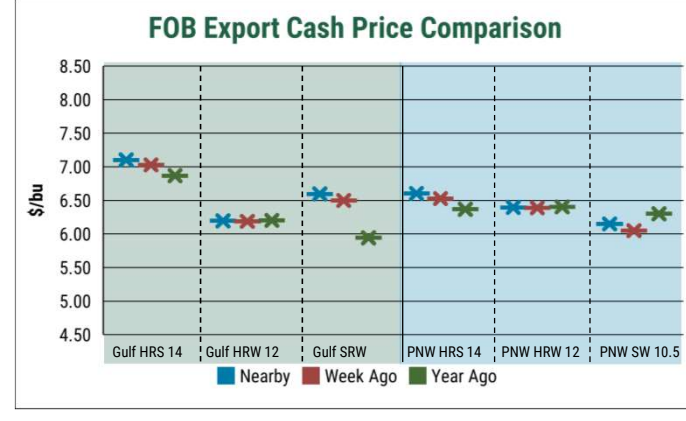
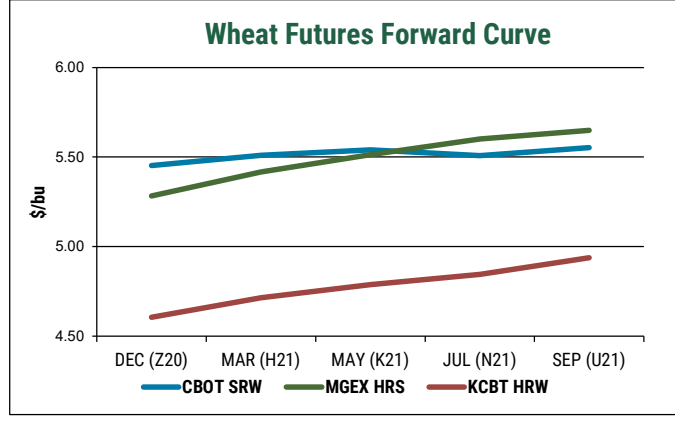
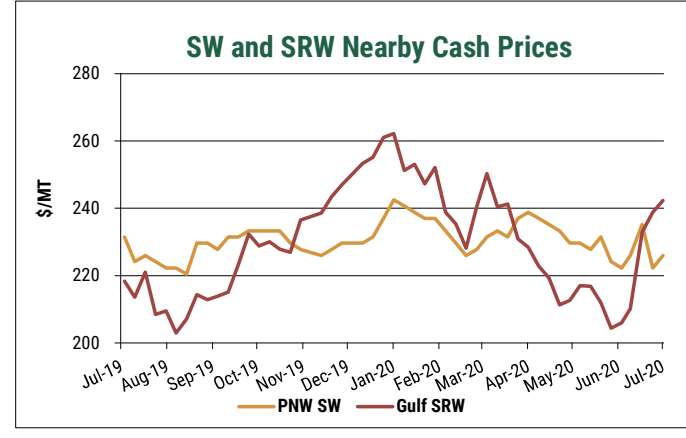
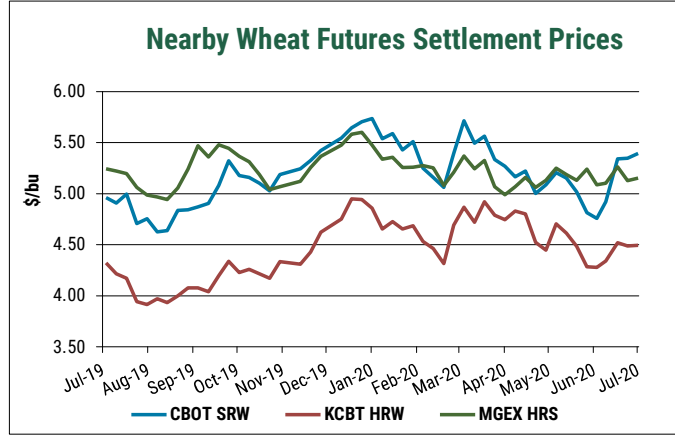
These factors may include: (1) payment terms (differing from cash against documents which are the terms used in the U.S. Wheat Associates price report); (2) various quality factors, and method of quality certification; (3) loading terms (USW prices represent Free on Board and do not include loading rate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

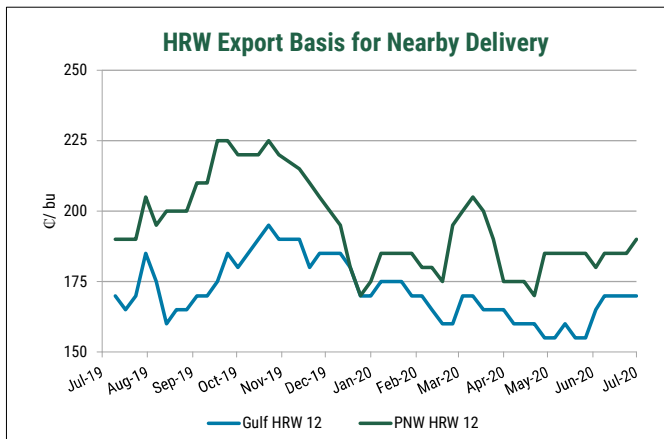
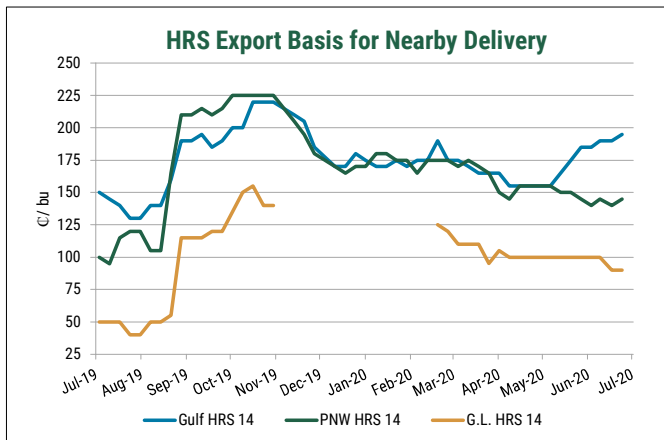
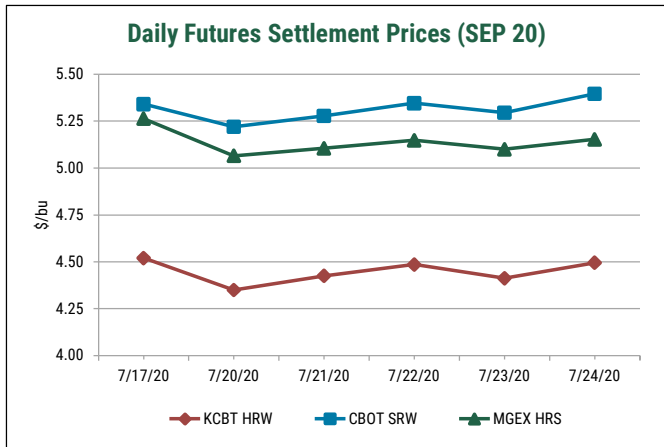
U.S. Wheat Associates recommends regular contact with exporters of U.S. wheat in order to receive offers representative of your requirements.

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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- Wheat futures ended the week on an upward note with technical buying driving the market to its highest level in a week. CBOT Soft Red Winter (SRW) gained 5 cents to land at \$5.39/bu. KCBT HRW futures ended unchanged week-on-week at \$4.49/bu. MGE hard red spring (HRS) futures closed up 2 cents at \$5.15/bu. CBOT corn futures lost 4 cents closing at \$3.27/bu while CBOT soybeans gained six cents to end at \$8.98/bu.
- Basis prices across all U.S. wheat classes rose this week. Tight storage space in the Pacific Northwest (PNW) due to brisk soybean exports to China added to export prices overall. Wheat basis to the Gulf was up as well due to stiff competition with a high volume of other commodities moving to port.
- USDA reported that the new crop U.S. HRW harvest was 74% complete, moving well ahead of last year's pace. Over the next week, weather is expected to be favorable for crop development and harvest. South Dakota reported exceptionally good yields and high protein. Read the U.S. Wheat Associates (USW) July 24 Harvest Report to read more.
- The spring wheat crop was 90% headed as of July 20. Crop conditions held steady as farmers hope for hot dry weather over the next few weeks to aid in protein development. Harvest for early planted fields is expected to begin in the next 10 to 14 days.
- This week's U.S. wheat commercial sales of 617,000 metric tons (MT) were down 19% from last week's 764,000 but slightly above trade expectations of 300,000 to 600,000 MT. Year-to-date commercial sales for delivery in 2020/21 total 8.94 million metric tons (MMT) 5% higher than last year's 8.52 MMT. USDA expects total 2020/21 U.S. wheat exports will reach 25.9 MMT, 2% lower than last year if realized.
- Parts of the Texas panhandle and northwest Oklahoma received as much as five inches (12.7 cm) of rain since last week that should build soil moisture for planting the next HRW crop. But for most of Texas and eastern Oklahoma, conditions remained dry. Extreme drought persisted in southwestern Oklahoma. Some areas of the Midwest received welcome rain but Ohio missed out all-together. Other Plains states also welcomed rain that alleviated drought conditions in much of Kansas, northeast North Dakota and parts of Nebraska, but conditions in much of Wyoming worsened to extreme drought, the northeast however received some rain. Areas of dryness worsened in eastern Kansas, northwestern Nebraska and parts of the Dakotas. Parts of eastern Montana received decent moisture while the Pacific Northwest remained dry.
- The USDA raised its most recent forecast for Australian wheat production in 2020/21 by 1.0 MMT. Following welcome rains in the eastern states after years of drought, Australian wheat production is now estimated at 27.0 MMT, 7% higher year-on-year and 14% above the 10-year average.
- Rain in Alberta has recently been excessive and downgraded crop conditions [according to?]. In Saskatchewan, rain and warm weather kept most cereals in a normal state of development. Manitoba saw wheat and other cereal crops in good to average condition but there is concern over increasing insect and disease pressure.
- The USDA cut its wheat production forecast for Kazakhstan by 700,000 MT and export estimates by 900,000 MT. Poor weather and a lack of moisture dragged down estimates. Early plantings fell by as much as 50%. Despite the reduced export estimates, Kazakhstan is expected to export 6.2 MMT, a 7% increase compared to last year.
- Ukrainian wheat stocks are at a 10-year low of 1.8 MMT after the country exported a record amount in 2019/20. Ukraine exported 20.5 MMT of wheat, up 31% compared to the previous season.
- The International Grains Council (IGC) cut its global grain production forecast for wheat and course grains in 2020/21 by 13.0 MMT led by lower production estimates in the US, EU and Russia. IGC lowered its wheat estimates by 6.0 MMT to 762.0 MMT and carryover stocks were 288.0 MMT with the trade forecast of 180.0 MMT left unchanged.
- The Baltic Dry Index (BDI), an assessment of the average cost to ship raw materials like grains, coal and iron ore fell week-over-week closing at 1,388 for the week.
- More Resources:

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