

# Weekly Price Report October 23, 2020

## U.S. Wheat FOB & Export Basis Estimates

Export Region	Class & Percent Protein 12% (Dry) Moisture Basis		DEC (Z20)				DEC (Z20)		JAN (H21)		FEB (H21)		MAR (H21)		APR (K21)		MAY (K21)		JUN (N21)	
			(nearbys) FOB \$/bu	week change \$/bu	7 \$/MT	1 year ago \$/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	6.78	0.18	7	238	249	100	Closed	Closed	Closed	Closed	Closed	Closed	254	100	254	100	256	100
	NS/DNS 14.0 (15.9)*	M	6.83	0.18	7	241	251	105	Closed	Closed	Closed	Closed	Closed	Closed	256	105	256	105	257	105
	NS/DNS 14.5 (16.5)*	M	6.88	0.18	7	243	253	110	Closed	Closed	Closed	Closed	Closed	Closed	258	110	258	110	259	110
Gulf of Mexico	NS/DNS 13.5 (15.3)*	M	8.13	0.18	7	263	299	235	298	225	297	220	295	215	296	215	296	215	298	215
	NS/DNS 14.0 (15.9)*	M	8.18	0.18	7	267	300	240	300	230	298	225	297	220	298	220	298	220	300	220
	NS/DNS 14.5 (16.5)*	M	8.28	0.18	7	271	304	250	304	240	302	235	300	230	302	230	302	230	303	230
	HRW Ord	K	7.60	0.11	4	205	279	190	274	170	274	170	274	170	275	165	275	165	276	165
	HRW 11.0 (12.5)	K	7.60	0.11	4	207	279	190	274	170	274	170	274	170	275	165	275	165	276	165
	HRW 11.5 (13.1)	K	7.70	0.11	4	216	283	200	278	180	278	180	278	180	278	175	278	175	279	175
	HRW 12.0 (13.6)	K	7.80	0.11	4	223	287	210	282	190	282	190	282	190	282	185	282	185	283	185
	HRW 12.5 (14.2)	K	7.90	0.11	4	231	290	220	285	200	285	200	285	200	286	195	286	195	287	195
	SRW	W	7.68	0.07	3	229	282	135	280	130	280	130	280	130	279	130	279	130	275	130
Pacific N.West	NS/DNS 13.5 (15.3)*	M	8.18	0.13	5	274	300	240	298	225	293	210	293	210	294	210	291	200	292	200
	NS/DNS 14.0 (15.9)*	M	8.23	0.13	5	276	302	245	300	230	295	215	295	215	296	215	293	205	294	205
	NS/DNS 14.5 (16.5)*	M	8.38	0.13	5	285	308	260	306	245	300	230	300	230	302	230	298	220	300	220
	HRW Ord	K	8.15	0.06	2	227	299	245	296	230	296	230	296	230	297	225	297	225	298	225
	HRW 11.5 (13.1)	K	8.15	0.06	2	229	299	245	296	230	296	230	296	230	297	225	297	225	298	225
	HRW 12.0 (13.6)	K	8.25	0.06	2	236	303	255	300	240	300	240	300	240	300	235	300	235	301	235
	HRW 13.0 (14.8)	K	8.45	0.06	2	255	310	275	307	260	307	260	307	260	308	255	308	255	309	255
	SW Unspecified	\$	7.20	0.40	15	233	265	720	255	695	254	690	254	690	250	680	250	680	250	680
	SW 9.5 (10.8) Min	\$	7.25	0.40	15	234	266	725	257	700	255	695	255	695	252	685	252	685	252	685
	SW 10.5 (11.9) Max	\$	7.20	0.40	15	233	265	720	255	695	254	690	254	690	250	680	250	680	250	680
	SW 9.5 (10.8) Max	\$	7.25	0.40	15	237	266	725	257	700	255	695	255	695	252	685	252	685	252	685
WW with 10% Club	\$	7.30	0.40	15	246	268	730	259	705	257	700	257	700	254	690	254	690	254	690	
WW with 20% Club	\$	7.35	0.40	15	255	270	735	261	710	259	705	259	705	255	695	255	695	255	695	

**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	DEC (Z20)			JAN (F21)		MAR (H21)		MAY (K21)		JUL (N21)		AUG (Q21)		SEP (U21)		NOV (X21)	
	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	232.50	6.3275	0.0750			6.3250	0.0900	6.3050	0.0950	6.1800	0.0900			6.2025	0.0975		
Kansas City BOT HRW	209.35	5.6975	0.1100			5.7650	0.1025	5.8225	0.1025	5.8500	0.0950			5.8975	0.0900		
Minneapolis MGE NS/DNS	212.19	5.7750	0.1775			5.8700	0.1550	5.9150	0.1400	5.9575	0.1125			5.9400	0.0875		
Chicago BOT Corn	165.05	4.1925	0.1725			4.2025	0.1325	4.2125	0.1275	4.2025	0.1150			3.9850	0.0350		
Chicago BOT Soybeans				10.8100	0.3075	10.6750	0.2975	10.6150	0.2825	10.5975	0.2450	10.4900	0.2250	10.1300	0.1725	9.8275	0.1250

**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.

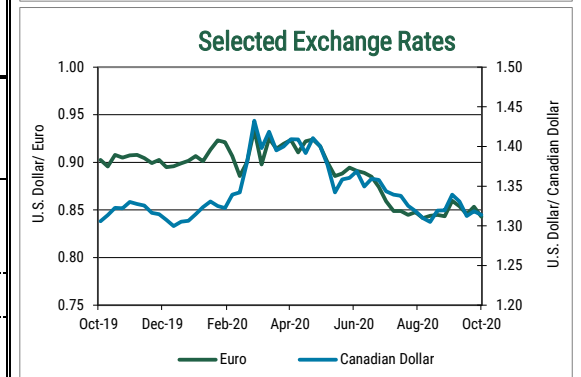
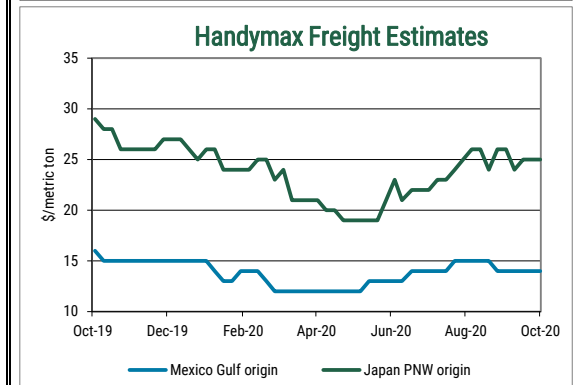
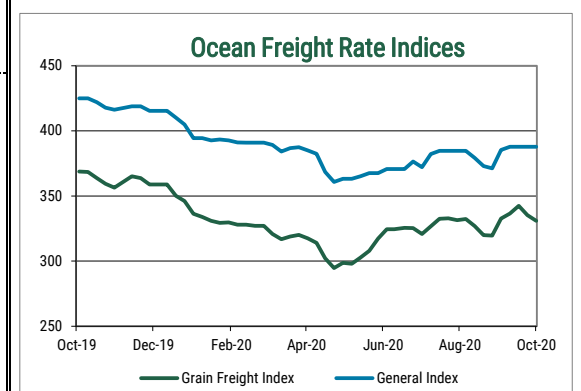
**All prices are based upon U.S. number two grade or better as certified by the Federal Grain Inspection Service (FGIS).**

Ocean Freight Rate Estimates by Origin*		U.S. dollars/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				
U.S. Gulf	Mexico (Veracruz)	17	14		10/23/2020	330.9	387.9	500
U.S. Gulf	W. South America (Peru/Ecu)			14	10/16/2020	335.4	387.9	467
U.S. Gulf	S. South America (Chile)			20	10/9/2020	342.4	387.9	452
U.S. Gulf	N. South America (Colombia)	20	16	12	10/2/2020	336.6	387.9	405
U.S. Gulf	E. South America (Brazil)		23		9/25/2020	332.7	385.4	458
U.S. Gulf	West Africa (Nigeria)	32			9/18/2020	319.6	371.3	413
U.S. Gulf	East Mediterranean (Italy)	41			9/11/2020	320.0	373.0	445
U.S. Gulf	West Mediterranean (Morocco)	40			9/4/2020	327.0	379.3	404
U.S. Gulf	Persian Gulf (Iraq)			65	8/28/2020	332.3	384.6	469
U.S. Gulf	Middle East (Egypt)			28	8/21/2020	331.5	384.6	433
U.S. Gulf	Japan		45	42	8/14/2020	332.8	384.6	435
Mid Atlantic	N. South America (Venezuela)	16			8/7/2020	332.6	384.6	434
Mid Atlantic	West Africa (Nigeria)	29			7/31/2020	326.8	382.3	404
Mid Atlantic	Middle East (Egypt)			25	7/24/2020	320.8	372.2	537
St. Lawrence	N. South America (Venezuela)	16			7/17/2020	325.3	376.4	456
St. Lawrence	Europe/Rotterdam			15	7/10/2020	325.6	370.7	410
Great Lakes	East Mediterranean (Italy)	55			7/2/2020	324.5	370.7	434
Great Lakes	West Mediterranean (Spain)	52			6/26/2020	324.5	370.7	434
Great Lakes	Europe/Rotterdam	43			6/19/2020	317.4	367.6	478
Great Lakes	West Mediterranean (Morocco)	44			6/12/2020	307.9	367.6	506
PNW	W. South America (Peru/Ecu)	26			6/5/2020	302.7	365.1	419
PNW	S. South America (Chile)	30			5/29/2020	297.9	363.3	397
PNW	N. South America (Colombia)	31			5/22/2020	298.6	363.3	443
PNW	Persian Gulf (Iraq)			51	5/15/2020	294.7	360.8	537
PNW	Middle East (Egypt)			29	5/8/2020	302.1	368.4	346
PNW	East Africa (Djibouti/Mombasa)		43	41	5/1/2020	314.0	382.5	362
PNW	South Asia (Mal/Indon/Phil/Sing)			19	4/24/2020	317.6	385.0	511
PNW	Taiwan		27	26	4/17/2020	320.1	387.5	457
PNW	South Korea		26	25	4/10/2020	318.9	386.8	360
PNW	Japan		25	24	4/3/2020	316.9	384.2	538

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
10/23/20	N/A	78.13	1.401	5.623	1.314	15.68	0.843	104.7	76.16
10/16/20	116.1	77.52	1.411	5.645	1.318	15.67	0.853	105.4	77.85
10/9/20	115.6	77.14	1.382	5.526	1.312	15.68	0.846	105.6	76.79
10/2/20	117.1	76.87	1.397	5.660	1.331	15.72	0.854	105.4	78.20
10/24/19	116.2	45.17	0.682	4.040	1.307	16.08	0.901	108.6	64.05
10/24/15	N/A	9.506	1.382	3.898	1.311	8.008	0.902	120.8	62.18
1 year change	N/A	72.96%	105.56%	39.19%	0.52%	-2.48%	-6.39%	-3.58%	18.91%
5 year change	N/A	721.87%	1.43%	44.28%	0.26%	95.81%	-6.56%	-13.33%	22.48%



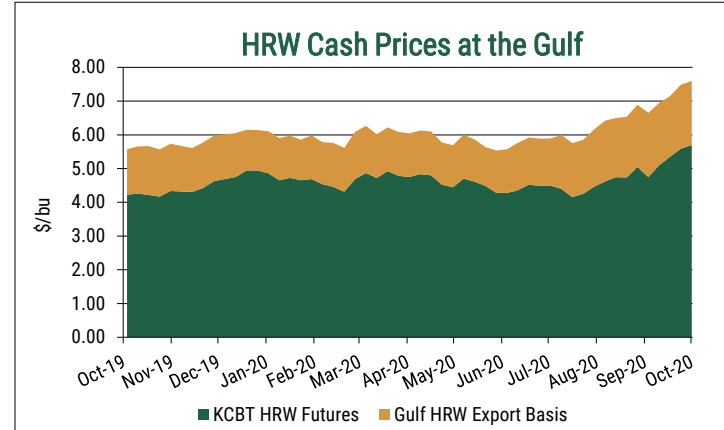
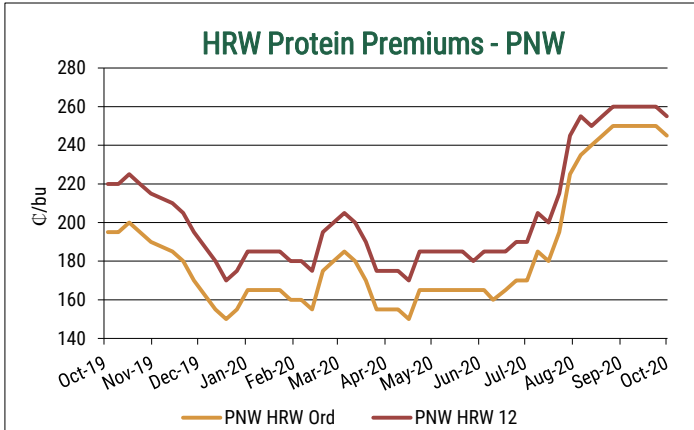
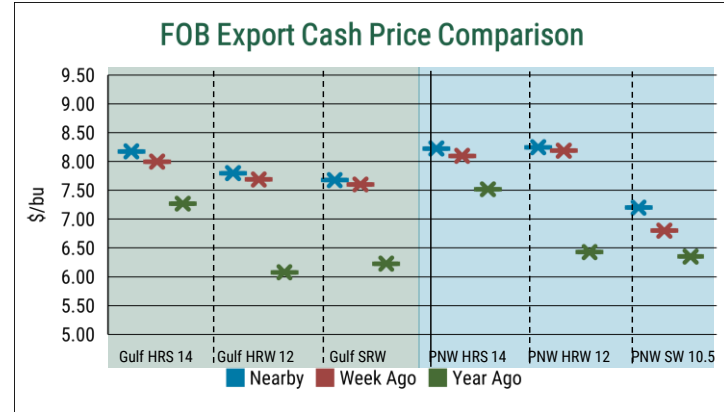
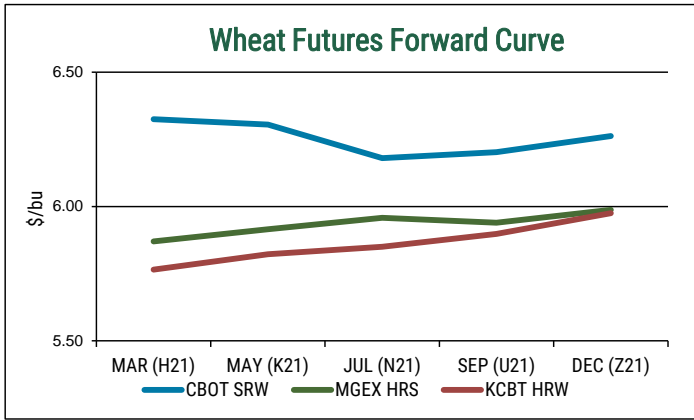
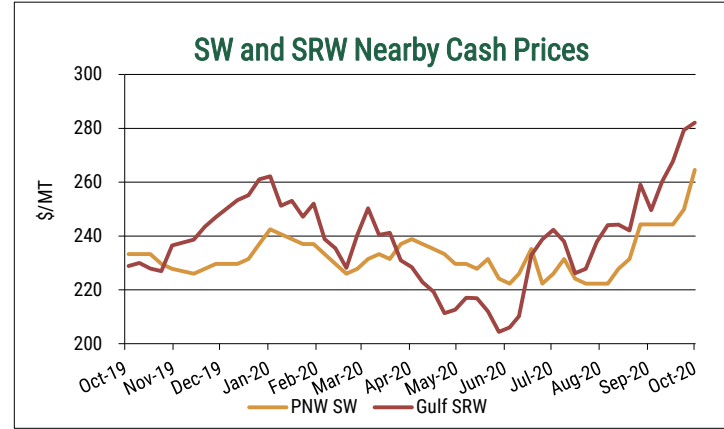
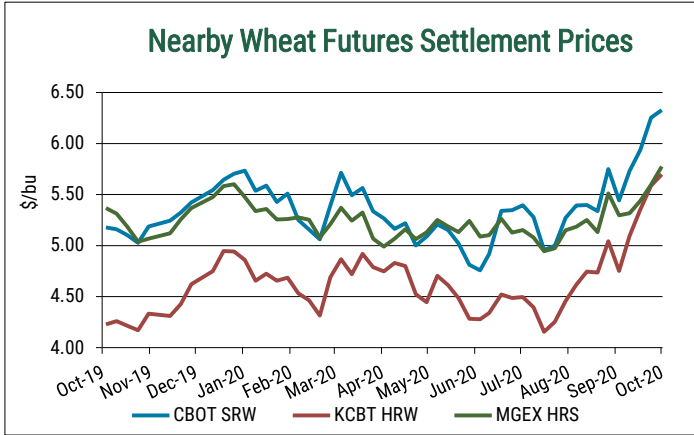
The weekly prices as reported by U.S. Wheat Associates are compiled through research from numerous market sources, including U.S. wheat exporters of all classes from various U.S. ports. The prices reported are representative of the value of number two grade and the proteins indicated. **They are not 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.

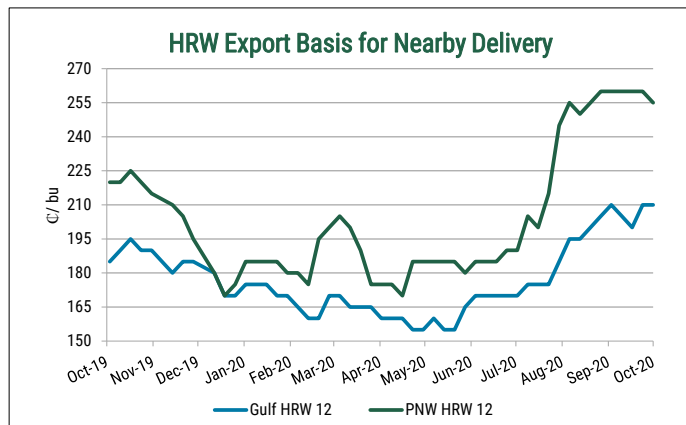
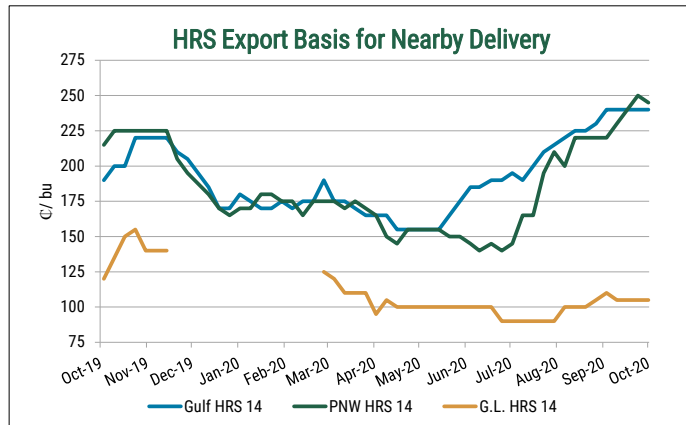
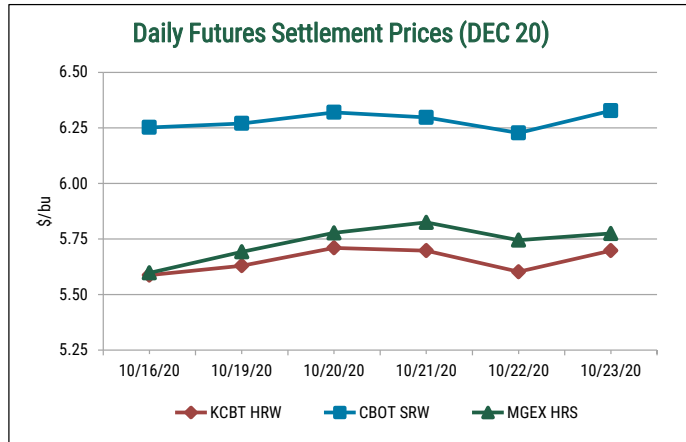
U.S. Wheat Associates recommends regular contact with exporters of U.S. wheat in order to receive offers representative of your requirements.

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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- Technical buying and continued dryness in Russia supported all wheat future prices week-over-week. CBOT soft red winter (SRW) futures added 7 cents to close at \$6.33/bu. KCBT hard red winter (HRW) futures gained 11 cents to end at \$5.70/bu. MGE hard red spring (HRS) futures jumped 18 cents to close at \$5.77/bu. CBOT corn futures added 17 cents to end at \$4.19/bu. CBOT January soybean futures gained 31 cents to close at \$10.81/bu.
- Gulf SRW export basis and Pacific Northwest (PNW) soft white (SW) export prices increased for December and January deliveries on extremely limited elevation capacity. Gulf and PNW HRS export basis remained steady and high for nearby and deferred deliveries.
- According to USDA, U.S. farmers have now planted 77% of the total intended winter wheat area for harvest in 2021, up 9 points on the week. That is 3 points ahead of this time last year and 5 points ahead of the 5-year average. As of Oct. 19, 51% of the country's winter wheat has emerged, led by Nebraska at 72% and South Dakota at 71%.
- U.S. Wheat Associates (USW) is pleased to announce publication of the 2020 Crop Quality Report. The report is now available online in English, Spanish, French and Italian. Arabic, Chinese and, for the first time, Portuguese, are expected in early November. With essential, objective information to help buyers get the wheat they need at the best value possible, we hope you find this report valuable. In addition to the Crop Quality Report, we are sharing regional quality reports from our partners and additional U.S. crop quality resources.
- This week's commercial sales of 367,000 metric tons (MT) for delivery in 2020/21, as of Oct. 15, were 31% below last week's 528,000 MT and on the low end of trade expectations of 200,000 MT to 800,000 MT. Year-to-date commercial sales now total 15.4 million metric tons (MMT), 9% ahead of last year's pace. USDA expects the United States will export 26.5 MMT in 2020/21, up 1% from last year, if realized.
- This week, beneficial precipitation alleviated areas under moderate drought in western Montana, however most of the Northern plains remain abnormally to severely dry. Moderate drought to severe drought spread from northwestern Kansas to the Texas Panhandle. Extreme drought now covers most of the Nebraska Panhandle and eastern Colorado. To date, nearly all the winter wheat producing regions in the Great Plains are abnormally to extremely dry. According to DTN, dryness is stressing wheat in the Southern Plains. Kansas winter wheat conditions are 31% good to excellent compared to 55% a year ago. Wheat is likely to go into dormancy with on-going dryness and drought issues. No precipitation is forecast across the Southern Plains while scattered snow is expected to alleviate dryness across parts of the Northern Plains.
- As of Oct. 21, Ukrainian farmers have planted 4.60 million hectares (11.4 million acres) of winter wheat for harvest in 2021, or 76% of the total intended area. According to Reuters, weather in Ukraine have been the worst in 10 years and only 10% to 15% of arable land was suitable for sowing winter crops for the 2021 harvest due to severe, prolonged drought.
- Rabobank estimates the 2020/21 Australian wheat crop will rebound 91% on the year to 28.8 MMT, slightly above USDA's forecast and only 9% below the 2016/17 record, if realized. Wet weather could challenge harvest progress across southern Queensland and northern New South Wales, says Australian newspaper *Queensland Country Life*. "The threat of storms and rain has turned the 2020 harvest into a race against nature to get the crops harvested and into storage before the inevitable major rain event," the newspaper reported on Oct. 22.
- The Buenos Aires Grain Exchange (BAGE) cut its 2020/21 Argentina wheat production estimate by 700,000 MT to 16.8 MMT, 11% less than last year, if realized, on persistent dryness. According to BAGE, Argentinian farmers have now begun the wheat harvest and 3% of the crop is in the bin.
- The Baltic Dry Index (BDI), an assessment of the average cost to ship raw materials like grains, coal and iron ore fell 5% on the week to end at 1,401.
- The U.S. Dollar Index fell from last week's 93.68 to close at 92.76.
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