

Weekly Price Report October 09, 2020

U.S. Wheat FOB & Export Basis Estimates

Export Region	Class & Percent Protein 12% (Dry) Moisture Basis		NOV (Z20)				NOV (Z20)		DEC (Z20)		JAN (H21)		FEB (H21)		MAR (H21)		APR (K21)		MAY (K21)	
			(nearbys)	week change		1 year ago	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	6.44	0.12	4	242	237	100	237	100	Closed	Closed	Closed	Closed	Closed	Closed	245	100	245	100
	NS/DNS 14.0 (15.9)*	M	6.49	0.12	4	244	238	105	238	105	Closed	Closed	Closed	Closed	Closed	Closed	247	105	247	105
	NS/DNS 14.5 (16.5)*	M	6.54	0.12	4	245	240	110	240	110	Closed	Closed	Closed	Closed	Closed	Closed	249	110	249	110
Gulf of Mexico	NS/DNS 13.5 (15.3)*	M	7.79	0.12	4	271	286	235	286	235	288	225	286	220	284	215	287	215	287	215
	NS/DNS 14.0 (15.9)*	M	7.84	0.12	4	273	288	240	288	240	289	230	288	225	286	220	289	220	289	220
	NS/DNS 14.5 (16.5)*	M	7.94	0.12	4	275	292	250	292	250	293	240	291	235	289	230	293	230	293	230
	HRW Ord	K	7.16	0.21	8	204	263	180	261	175	263	170	263	170	263	170	263	165	263	165
	HRW 11.0 (12.5)	K	7.16	0.21	8	206	263	180	261	175	263	170	263	170	263	170	263	165	263	165
	HRW 11.5 (13.1)	K	7.26	0.21	8	215	267	190	265	185	266	180	266	180	266	180	267	175	267	175
	HRW 12.0 (13.6)	K	7.36	0.21	8	222	270	200	268	195	270	190	270	190	270	190	270	185	270	185
	HRW 12.5 (14.2)	K	7.46	0.21	8	229	274	210	272	205	274	200	274	200	274	200	274	195	274	195
	SRW	W	7.29	0.20	8	223	268	135	266	130	266	125	266	125	266	125	266	125	266	125
Pacific N. West	NS/DNS 13.5 (15.3)*	M	7.79	0.22	8	279	286	235	281	220	280	205	280	205	278	200	280	195	280	195
	NS/DNS 14.0 (15.9)*	M	7.84	0.22	8	280	288	240	282	225	282	210	282	210	280	205	282	200	282	200
	NS/DNS 14.5 (16.5)*	M	7.99	0.22	8	290	293	255	288	240	288	225	288	225	286	220	287	215	287	215
	HRW Ord	K	7.86	0.26	10	228	289	250	283	235	285	230	285	230	285	230	285	225	285	225
	HRW 11.5 (13.1)	K	7.86	0.26	10	229	289	250	283	235	285	230	285	230	285	230	285	225	285	225
	HRW 12.0 (13.6)	K	7.96	0.26	10	237	292	260	287	245	288	240	288	240	288	240	289	235	289	235
	HRW 13.0 (14.8)	K	8.16	0.26	10	255	300	280	294	265	296	260	296	260	296	260	296	255	296	255
	SW Unspecified	\$	6.65	0.00	0	231	244	665	244	665	243	660	243	660	239	650	239	650	239	650
	SW 9.5 (10.8) Min	\$	6.70	0.00	0	233	246	670	246	670	244	665	244	665	241	655	241	655	241	655
	SW 10.5 (11.9) Max	\$	6.65	0.00	0	231	244	665	244	665	243	660	243	660	239	650	239	650	239	650
	SW 9.5 (10.8) Max	\$	6.70	0.00	0	235	246	670	246	670	244	665	244	665	241	655	241	655	241	655
WW with 10% Club	\$	6.75	0.00	0	243	248	675	248	675	246	670	246	670	243	660	243	660	243	660	
WW with 20% Club	\$	6.80	0.00	0	254	250	680	250	680	248	675	248	675	244	665	244	665	244	665	

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	218.17	5.9375	0.2050			5.9775	0.1825	5.9975	0.1625	5.9425	0.1325			5.9800	0.1275		
Kansas City BOT HRW	196.76	5.3550	0.2600			5.4450	0.2600	5.5050	0.2525	5.5475	0.2375			5.6025	0.2275		
Minneapolis MGE NS/DNS	199.79	5.4375	0.1200			5.5750	0.1275	5.6675	0.1250	5.7575	0.1250			5.8275	0.1225		
Chicago BOT Corn	155.50	3.9500	0.1525			4.0225	0.1300	4.0650	0.1175	4.0950	0.1100			3.9550	0.0725		
Chicago BOT Soybeans				10.6575	0.4100	10.4825	0.2950	10.4375	0.2675	10.4525	0.2450	10.3650	0.2150	10.0625	0.1575	9.8025	0.1025

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.

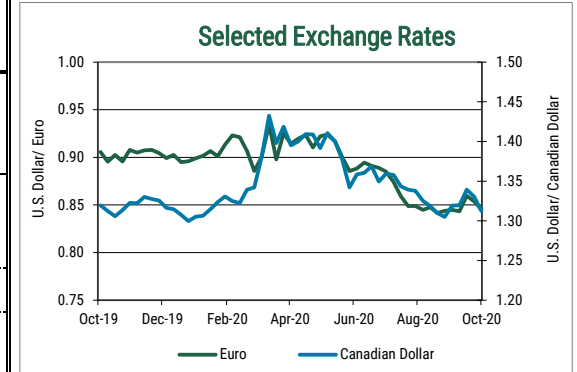
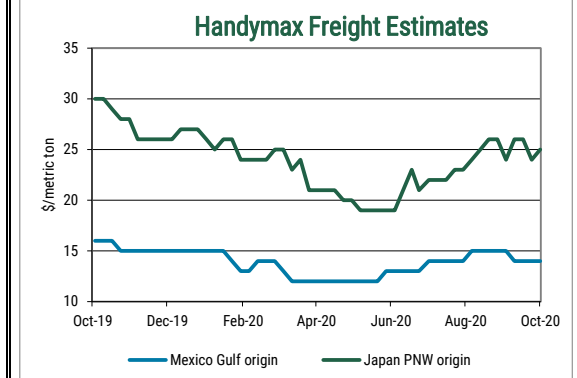
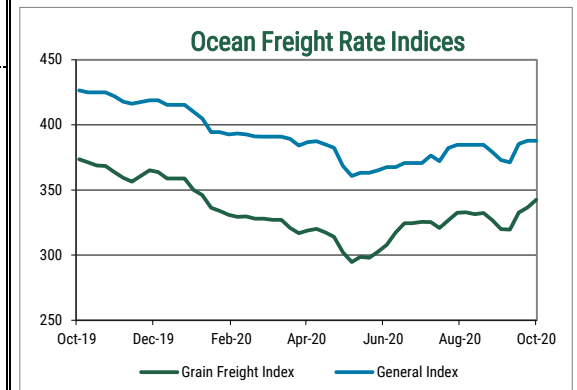
All prices are based upon U.S. number two grade or better as certified by the Federal Grain Inspection Service (FGIS).

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		10/9/2020	342.4	387.9	452
U.S. Gulf	W. South America (Peru/Ecu)			12	10/2/2020	336.6	387.9	405
U.S. Gulf	S. South America (Chile)			18	9/25/2020	332.7	385.4	458
U.S. Gulf	N. South America (Colombia)	20	16	10	9/18/2020	319.6	371.3	413
U.S. Gulf	E. South America (Brazil)		23		9/11/2020	320.0	373.0	445
U.S. Gulf	West Africa (Nigeria)	32			9/4/2020	327.0	379.3	404
U.S. Gulf	East Mediterranean (Italy)	41			8/28/2020	332.3	384.6	469
U.S. Gulf	West Mediterranean (Morocco)	40			8/21/2020	331.5	384.6	433
U.S. Gulf	Persian Gulf (Iraq)			66	8/14/2020	332.8	384.6	435
U.S. Gulf	Middle East (Egypt)			29	8/7/2020	332.6	384.6	434
U.S. Gulf	Japan		45	43	7/31/2020	326.8	382.3	404
Mid Atlantic	N. South America (Venezuela)	16			7/24/2020	320.8	372.2	537
Mid Atlantic	West Africa (Nigeria)	29			7/17/2020	325.3	376.4	456
Mid Atlantic	Middle East (Egypt)			25	7/10/2020	325.6	370.7	410
St. Lawrence	N. South America (Venezuela)	16			7/2/2020	324.5	370.7	434
St. Lawrence	Europe/Rotterdam			15	6/26/2020	324.5	370.7	434
Great Lakes	East Mediterranean (Italy)	55			6/19/2020	317.4	367.6	478
Great Lakes	West Mediterranean (Spain)	52			6/12/2020	307.9	367.6	506
Great Lakes	Europe/Rotterdam	43			6/5/2020	302.7	365.1	419
Great Lakes	West Mediterranean (Morocco)	44			5/29/2020	297.9	363.3	397
PNW	W. South America (Peru/Ecu)	26			5/22/2020	298.6	363.3	443
PNW	S. South America (Chile)	30			5/15/2020	294.7	360.8	537
PNW	N. South America (Colombia)	32			5/8/2020	302.1	368.4	346
PNW	Persian Gulf (Iraq)			52	5/1/2020	314.0	382.5	362
PNW	Middle East (Egypt)			29	4/24/2020	317.6	385.0	511
PNW	East Africa (Djibouti/Mombasa)		43	41	4/17/2020	320.1	387.5	457
PNW	South Asia (Mal/Indon/Phil/Sing)			19	4/10/2020	318.9	386.8	360
PNW	Taiwan		27	26	4/3/2020	316.9	384.2	538
PNW	South Korea		26	25	3/27/2020	320.8	389.3	552
PNW	Japan		25	24	3/20/2020	327.1	391.0	510

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
10/9/20	N/A	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
9/25/20	118.3	75.78	1.422	5.555	1.339	15.74	0.860	105.6	78.14
9/18/20	115.6	75.38	1.370	5.360	1.320	15.74	0.844	104.5	75.61
10/10/19	117.3	45.17	0.676	4.109	1.329	16.23	0.909	108.0	64.44
10/10/15	N/A	9.390	1.370	3.768	1.296	7.808	0.883	120.1	61.36
1 year change	N/A	70.78%	104.40%	34.48%	-1.25%	-3.38%	-6.96%	-2.17%	19.16%
5 year change	N/A	721.53%	0.90%	46.63%	1.24%	100.84%	-4.26%	-12.07%	25.13%



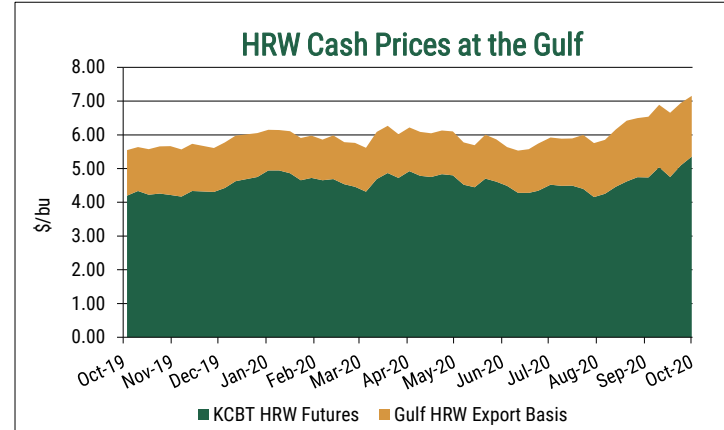
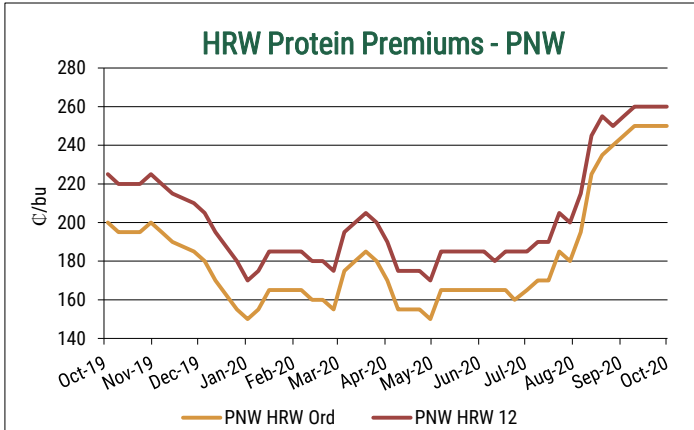
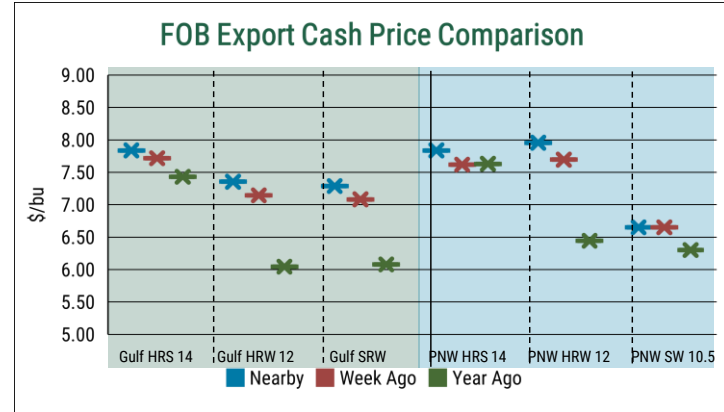
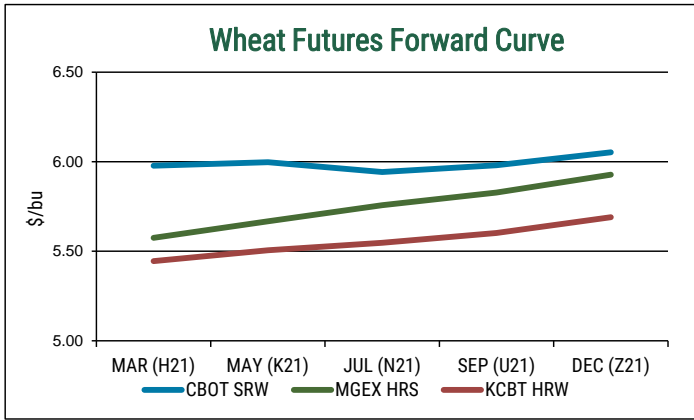
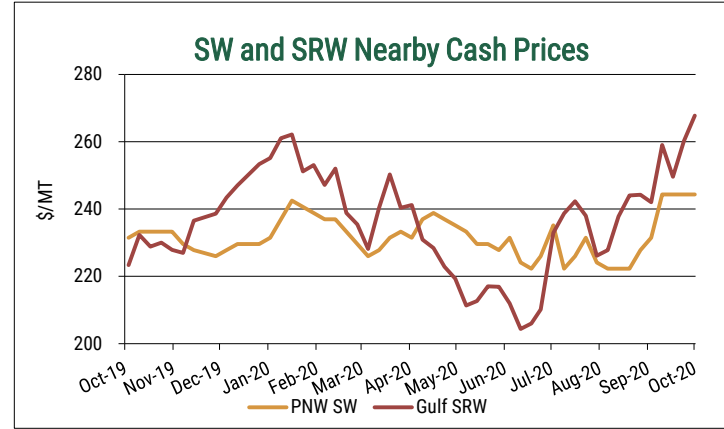
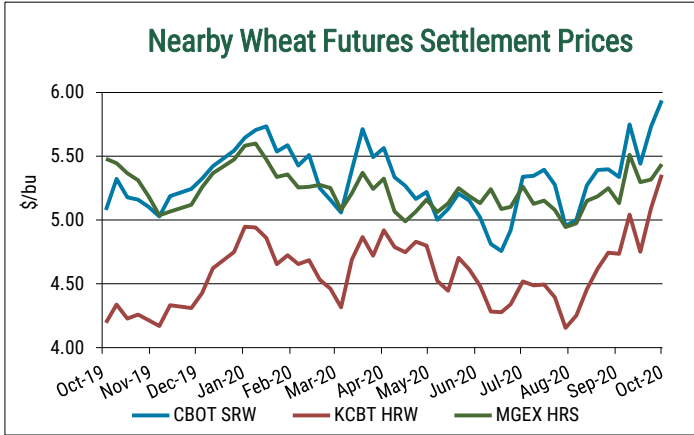
The weekly prices as reported by U.S. Wheat Associates are compiled through research from numerous market sources, including U.S. wheat exporters of all classes from various U.S. ports. The prices reported are representative of the value of number two grade and the proteins indicated. **They are not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

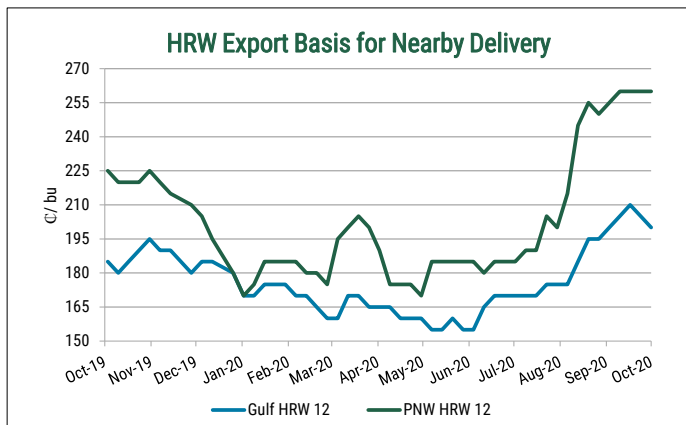
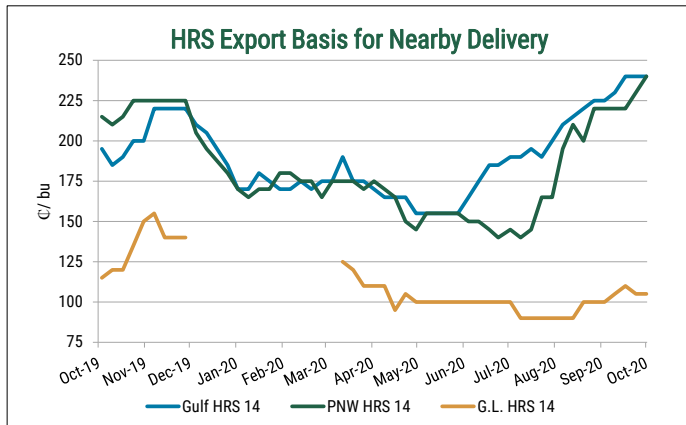
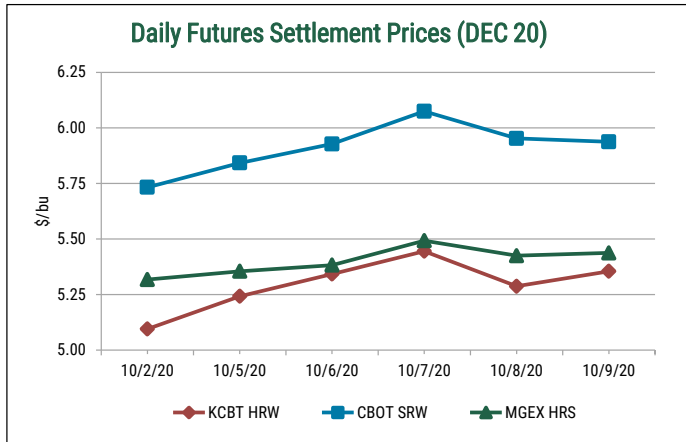
U.S. Wheat Associates recommends regular contact with exporters of U.S. wheat in order to receive offers representative of your requirements.

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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- Significant technical buying supported all futures prices week-over-week. CBOT soft red winter (SRW) futures jumped up 20 cents to end at \$5.94/bu. KCBT hard red winter (HRW) futures added 26 cents to close at \$5.35/bu. MGE hard red spring (HRS) futures gained 12 cents to end at \$5.44/bu. CBOT corn future added 15 cents to close at \$3.95/bu. CBOT January soybean futures jumped up 41 cents to end at \$10.66/bu.
- This week, substantially higher futures prices stimulated farmer selling which pressured Gulf HRW export basis for November and December deliveries. Extremely limited elevation capacity supported Pacific Northwest (PNW) HRS export basis for nearby and deferred deliveries. Limited elevation capacity offset increased farmer selling which held PNW HRW export basis and soft white (SW) export prices stable week-over-week.
- The entire 2020 U.S. northern durum crop is in the bin, as of Oct. 9. Early northern durum samples are showing stable protein levels, lower moisture content and higher average test weights compared to the 2019 harvest.
- According to USDA, U.S. farmers have now planted 52% of the total intended winter wheat area for harvest in 2021, up 17 points on the week. That is 4 points ahead of this time last year and 5 points ahead of the 5-year average. As of Oct. 5, 24% of the country's winter wheat is emerged, led by South Dakota at 38% and Washington state at 54%.
- USDA's October World Agriculture Supply and Demand (WASDE) report called for reduced U.S. wheat supplies, higher domestic use, unchanged exports and lower ending stocks. The season-average farm gate price for wheat was raised 20 cents per bushel to \$4.70/bu from the agency's September report. Worldwide, the global outlook calls for larger wheat supplies, increased consumption, greater exports and higher ending stocks. Russia is expected to harvest its second largest wheat crop on record. USDA reduced Canadian, United States, Ukrainian and Argentinian wheat production estimates month-over-month. China is set to be the world's third largest importer of wheat from all origins in 2020/21 at 7.50 million metric tons (MMT).
- This week's commercial sales of 531,000 metric tons (MT) for delivery in 2020/21, as of Oct. 1, were up 5% from last week's 506,000 MT and on the high end of trade expectations of 250,000 MT to 600,000 MT. Year-to-date commercial sales now total 14.5 MMT, 8% 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, severe drought expanded in eastern Montana and central North Dakota. Areas under extreme drought expanded in the Nebraska Panhandle, eastern Colorado and western Oklahoma. According to DTN, extremely warm, dry conditions are forecast across the Southern Plains over the next two weeks and soil moisture levels for the region's wheat fields and pastures is in decline. Dry weather is expected to persist across the Northern Plains over the next few days.
- Argentina's Buenos Aires Grain Exchange (BAGE) reported that continued dry conditions have cut wheat yield potential. The Rosario Grain Exchange (BCR) recently backed up that prediction, stating that initial expectations of a record 2020/21 crop of up to 22.0 MMT are now sharply reduced to 18.0 MMT. In other news, Argentina's Ministry of Agriculture, Livestock and Fisheries approved for commercial cultivation a genetically-modified strain of wheat that the developer suggests offers drought tolerance. Its commercial use, however, is pending approval for by Brazil, which is Argentina's largest wheat importing customer.
- While USDA increased its estimate of Russian wheat production for 2020/21 to 83.0 MMT, the country's agricultural ministry recently raised its wheat production forecast to 86.6 MMT based on better than expected spring wheat yields. The ministry also reported that seeding progress accelerated in the past week despite dry conditions and now stands at 70% of expected area. Agriculture Minister Dmitry Patrushev was quoted by *InterFax* this week saying Russia could set a grain export quota for January to June 2021 "if there is a need to secure domestic supplies."
- Rain in Ukraine the week of Sept.29 has slightly improved conditions for winter wheat planting, but has slowed down the harvest, *AgriCensus* reported. Ukraine has faced drought conditions since July that has hit much of the country's major producing regions. Almost half of winter wheat sowing was done with 2.90 million hectares planted of 6.10 million hectares planned.
- Agricultural web publication *Grain Central* reported that harvest is now under way in all Australia's wheat producing states except Victoria. Rain in South Australia has slowed the first week of harvest but ideal conditions in Western Australia, northern New South Wales and Queensland helped accelerate harvest pace, *Grain Central* said. The Australian Bureau of Agriculture, Water and the Environment (ABARES) in September pegged production at 28.9 MMT, which would be 28% more than the 10-year average and 91% more than the 2019/20 harvest. USDA currently expects Australia to produce 28.5 MMT of wheat for 2020/21.
- The United Kingdom's (UK) Department for Environment, Food and Rural Affairs this week provisionally estimated the 2020 UK wheat crop at 10.1 MMT, a 37% drop from 2019. If confirmed this would be the smallest crop since 1981. *AgriCensus* reports that while French wheat "remains expensive compared with other European origins," China has maintained demand with additional trades concluded with China over the past week.
- The Baltic Dry Index (BDI), an assessment of the average cost to ship raw materials like grains, coal and iron ore fell slightly on the week to end at 1,970.
- The U.S. Dollar index fell from last week's 93.84 to close at 93.05.
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