



# U.S. Wheat Associates

## Weekly Price Report (page 1)

January 17, 2020

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Export Region	Percent Protein 12% (Dry) Moisture Basis		FEB (H2O)			FEB (H2O)		MAR (H2O)		APR (K2O)		MAY (K2O)		JUN (N2O)		JUL (N2O)		AUG (U2O)		Year Ago (nearbys) \$/MT
			(nearbys) FOB \$/bu	week change \$/bu	N/A	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	closed	N/A	N/A	closed	N/A	closed	N/A	257	130	257	130	259	130	259	130	262	130	N/A
	NS/DNS 14.0 (15.9)*	M	closed	N/A	N/A	closed	N/A	closed	N/A	260	140	260	140	263	140	263	140	266	140	N/A
	NS/DNS 14.5 (16.5)*	M	closed	N/A	N/A	closed	N/A	closed	N/A	262	145	262	145	265	145	265	145	267	145	N/A
Gulf of Mexico	NS/DNS 13.5 (15.3)*	M	7.20	0.02	1	265	160	265	160	271	170	271	170	274	170	274	170	277	170	264
	NS/DNS 14.0 (15.9)*	M	7.30	0.02	1	268	170	268	170	275	180	275	180	278	180	278	180	280	180	266
	NS/DNS 14.5 (16.5)*	M	7.35	0.02	1	270	175	270	175	277	185	277	185	279	185	279	185	282	185	268
	HRW Ord	K	6.14	0.00	0	226	120	228	125	230	125	230	125	233	125	233	125	236	125	234
	HRW 11.0 (12.5)	K	6.29	0.04	2	231	135	233	140	236	140	236	140	239	140	239	140	242	140	236
	HRW 11.5 (13.1)	K	6.44	0.00	0	237	150	239	155	241	155	241	155	244	155	244	155	247	155	239
	HRW 12.0 (13.6)	K	6.64	0.00	0	244	170	246	175	249	175	249	175	251	175	251	175	254	175	241
	HRW 12.5 (14.2)	K	6.84	0.00	0	251	190	253	195	256	195	256	195	259	195	259	195	262	195	243
SRW	C	7.11	0.16	6	261	140	263	145	261	140	261	140	261	140	261	140	263	140	225	
Pacific N. West	NS/DNS 13.5 (15.3)*	M	7.25	-0.03	-1	266	165	268	170	270	165	271	170	274	170	274	170	277	170	251
	NS/DNS 14.0 (15.9)*	M	7.25	-0.03	-1	266	165	268	170	270	165	271	170	274	170	274	170	277	170	253
	NS/DNS 14.5 (16.5)*	M	7.40	-0.03	-1	272	180	274	185	275	180	277	185	279	185	279	185	282	185	255
	HRW Ord	K	6.49	0.04	2	239	155	239	155	241	155	243	160	246	160	246	160	251	165	248
	HRW 11.5 (13.1)	K	6.54	0.04	2	240	160	240	160	243	160	245	165	248	165	248	165	253	170	250
	HRW 12.0 (13.6)	K	6.69	0.04	2	246	175	246	175	249	175	250	180	253	180	253	180	258	185	254
	HRW 13.0 (14.8)	K	7.24	0.04	2	266	230	266	230	269	230	271	235	273	235	273	235	278	240	261
	SW 9.5 (10.8) Min	\$	6.48	0.20	7	238	6.48	240	6.53	242	6.58	242	6.58	242	6.58	242	6.58	242	6.58	N/A
	SW 10.5 (11.9) Max	\$	6.45	0.15	6	237	6.45	239	6.50	241	6.55	241	6.55	241	6.55	241	6.55	241	6.55	241
	SW 9.5 (10.8) Max	\$	6.55	0.15	6	241	6.55	243	6.60	244	6.65	244	6.65	244	6.65	244	6.65	244	6.65	241
WW with 10% Club	\$	6.75	0.15	6	248	6.75	250	6.80	252	6.85	252	6.85	252	6.85	252	6.85	252	6.85	242	
WW with 20% Club	\$	7.00	0.15	6	257	7.00	259	7.05	261	7.10	261	7.10	261	7.10	261	7.10	261	7.10	243	

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

Northern Durum offers from the Lakes range from \$7.48 to \$7.89/bu (\$275 to \$290/MT), and offers from Gulf ports range from \$8.43 to \$8.84/bu (\$310 to \$325/MT). For Desert Durum offers, contact your supplier.

\***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

January 17, 2020

*Grey positions not quoted on specific exchange*

	MAR (H2O)		week change	MAY (K2O)		week change	JUL (N2O)		week change	AUG (Q2O)		week change	SEP (U2O)		week change	DEC (Z2O)		week change	JAN (Q2O)		week change	MAR (H21)		week change
	\$/MT	\$/bu	\$/bu	\$/bu	\$/bu	\$/bu	\$/bu	\$/bu	\$/bu	\$/bu	\$/bu	\$/bu	\$/bu	\$/bu	\$/bu	\$/bu	\$/bu	\$/bu	\$/bu	\$/bu	\$/bu	\$/bu	\$/bu	\$/bu
Chicago BOT SRW	209.62	5.7050	0.0600	5.7125	0.0475	5.7050	0.0225						5.7575	0.0200	5.8375	0.0175						5.9025	0.0225	
Kansas City BOT HRW	181.61	4.9425	(0.0050)	5.0150	(0.0075)	5.0925	(0.0050)						5.1750	0.0025	5.2850	0.0100						5.3900	0.0150	
Minneapolis MGE NS/DNS	205.76	5.6000	0.0175	5.6850	0.0200	5.7525	0.0150						5.8300	0.0175	5.9400	0.0100						6.0500	(0.0050)	
Chicago BOT Corn	143.02	3.8925	0.0350	3.9525	0.0250	4.0100	0.0150						4.0025	(0.0025)	4.0275	0.0000						4.1250	0.0000	
Chicago BOT Soybeans	341.62	9.2975	(0.1625)	9.4300	(0.1600)	9.5550	(0.1550)	9.5925	(0.1575)	9.5800	(0.1425)									9.5925	(0.1575)	9.5400	(0.1725)	

**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).



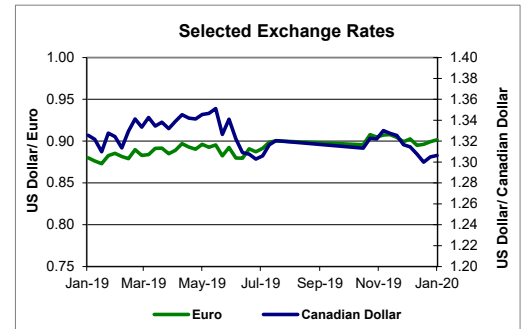
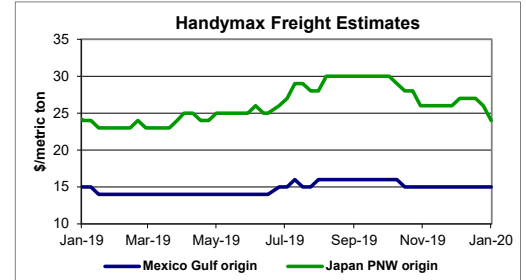
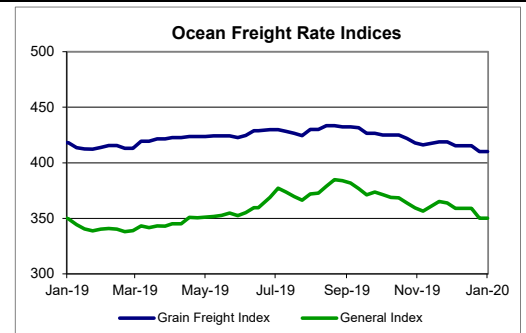
**U.S. Wheat Associates**  
 Weekly Price Report (page 2)  
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Ocean Freight Rate Estimates by Origin*		U.S. dollars/metric ton			Freight Index** Week Ending	General Index	Grain Freight Index	Number of Fixtures
Export Region	Import Region	Handy 25-30 TMT	Handymax 40-46 TMT	Panamax 54+ TMT				
US Gulf	Mexico (Veracruz)	17	15		1/17/2020	346.2	405.0	588
	W. South America (Peru/Ecu)	28			1/10/2020	350.1	410.1	580
	S. South America (Chile)	26			1/3/2020	358.9	415.4	537
	N. South America (Colombia)	20			12/20/2019	358.9	415.4	537
	E. South America (Brazil)	21			12/13/2019	363.8	418.8	604
	West Africa (Nigeria)	57			12/6/2019	365.2	418.8	491
	East Mediterranean (Italy)	41			11/22/2019	356.5	416.2	612
	West Mediterranean (Morocco)	35			11/15/2019	359.4	417.9	525
	Persian Gulf (Iraq)				11/8/2019	363.8	422.0	541
	Middle East (Egypt)				11/1/2019	368.4	425.0	442
	Japan		47	46	10/25/2019	368.8	425.0	500
Mid Atlantic	N. South America (Venezuela)	33			10/18/2019	371.3	425.0	563
	West Africa (Nigeria)	56			10/11/2019	373.6	426.5	617
	Middle East (Egypt)			56	10/4/2019	371.1	426.5	571
PNW	W. South America (Peru/Ecu)	26			8/9/2019	366.3	424.4	520
	S. South America (Chile)	30			8/2/2019	369.7	426.6	529
	N. South America (Colombia)	31			7/26/2019	373.7	428.3	565
	Persian Gulf (Iraq)			59	7/19/2019	377.1	429.9	559
	Middle East (Egypt)			28	7/12/2019	368.8	429.9	567
	East Africa (Djibouti/Mombasa)		43	41	7/2/2019	359.5	428.8	502
	South Asia (Mal/Indon/Phil/Sing)		37	29	6/28/2019	359.5	428.8	502
	Taiwan		25	24	6/21/2019	355.1	424.6	555
	South Korea		24	23	6/14/2019	352.4	422.6	527
		Japan		25	24	6/7/2019	354.7	424.3

Note: Rates for freight leaving the Great Lakes are quoted for 18,000 MT "Salties."  
 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
1/17/20	N/A	60.00	1.454	4.163	1.306	0.00	0.902	110.1	61.57
1/10/20	115.1	59.63	1.449	4.096	1.305	15.95	0.899	109.5	61.01
1/3/20	115.0	59.73	1.439	4.067	1.300	15.99	0.896	108.1	62.07
12/27/19	115.3	59.81	1.433	4.046	1.308	16.00	0.895	109.4	62.01
1/17/19	114.4	37.65	1.390	3.750	1.328	17.84	0.878	109.2	66.32
1/17/15	103.22	8.601	1.217	2.637	1.198	7.172	0.862	116.7	65.23
1 year change	N/A	59.35%	4.65%	11.01%	-1.60%	-100.00%	2.74%	0.83%	-7.17%
5 year change	N/A	597.58%	19.52%	57.90%	9.02%	-100.00%	4.57%	-5.62%	-5.62%



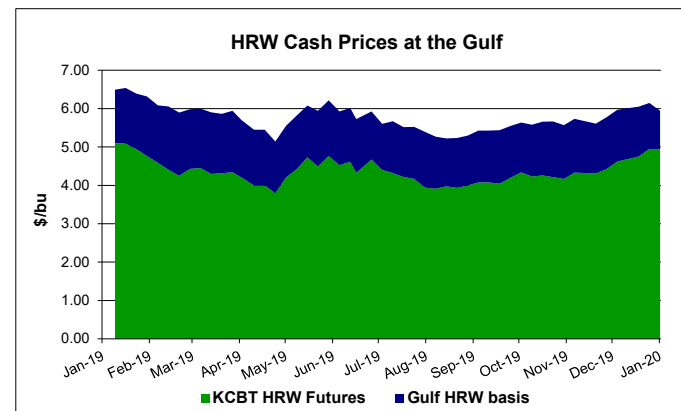
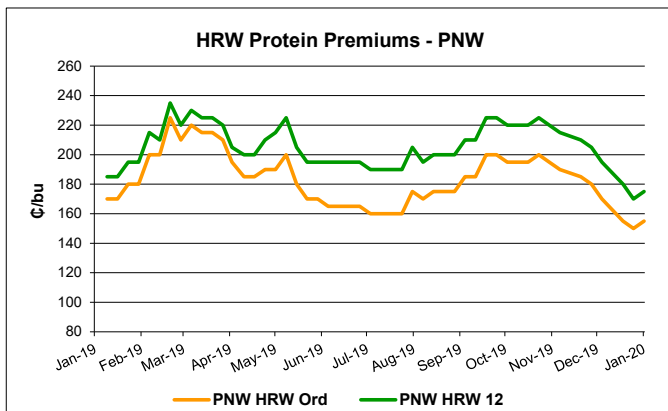
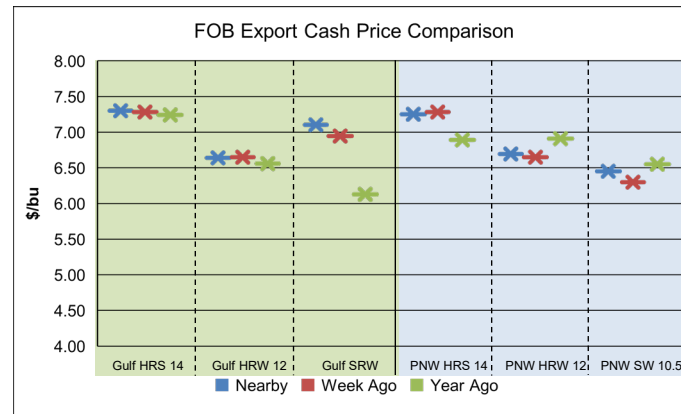
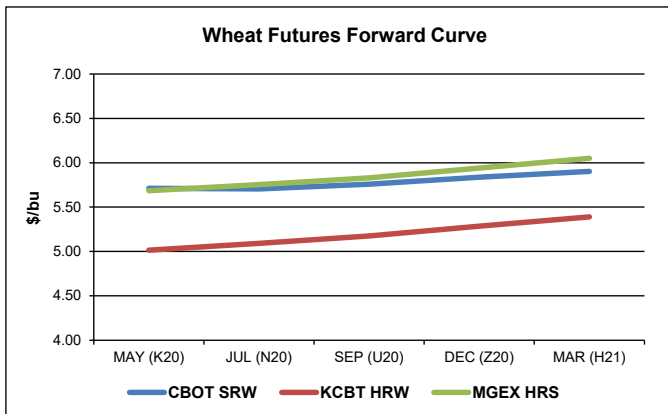
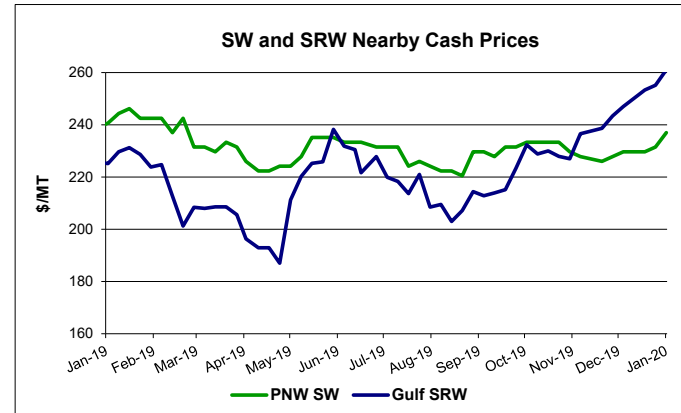
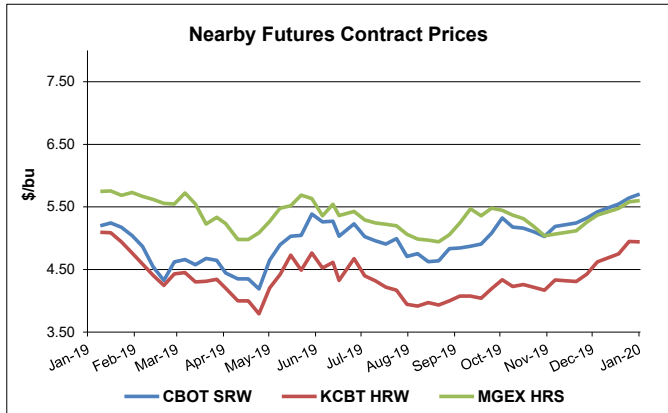
The weekly prices as reported by U.S. Wheat Associates are compiled through research from numerous market sources, including U.S. wheat exporters of all classes from various U.S. ports. The prices reported are representative of the value of number two grade and the proteins indicated. **They are not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

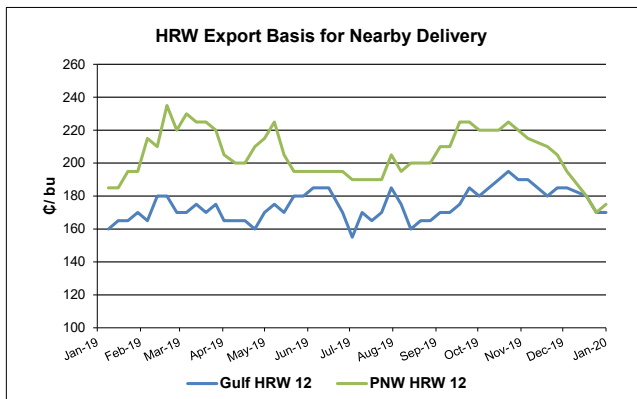
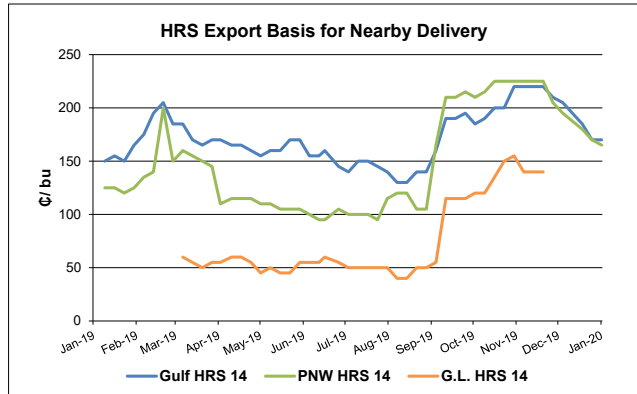
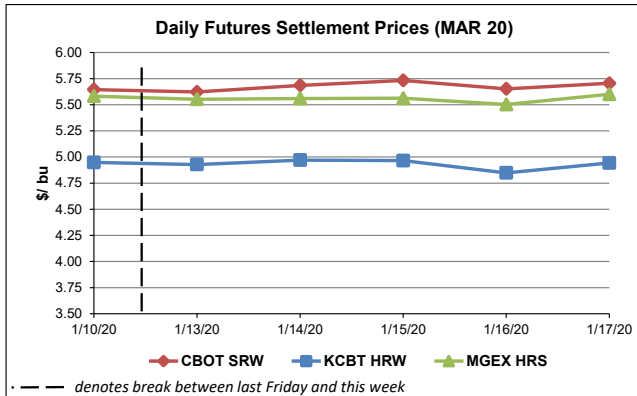
This contact will allow importers to review contract terms and better understand the U.S. grading system, role and function of the Federal Grain Inspection Service (FGIS).

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





**Highlights**



- Hard red spring (HRS) and soft red winter (SRW) futures prices rose week-over-week on technical buying, strong export business and a surge in corn futures. HRW futures prices remained stable week-over-week. HRS futures gained 2 cents to close at \$5.68/bu. SRW futures gained 6 cents to end at \$5.71/bu. HRW futures remained stable on the week at \$5.01/bu. CBOT corn futures gained 3 cents to close at \$3.95/bu. CBOT soybean futures lost 16 cents to end at \$9.43/bu.
- Increased farmer selling due to higher futures prices pressured Pacific Northwest (PNW) export basis and Gulf HRW export basis for February deliveries. Increased export demand supported PNW HRW export basis and soft white wheat export prices for February and March deliveries. Tight exportable supplies and stable demand supported SRW export basis week-over-week for nearby and deferred deliveries.
- This week's U.S. wheat commercial sales of 651,000 metric tons (MT) were up significantly from last week's 80,600 MT and above trade expectations of 200,000 MT to 500,000 MT. Year-to-date commercial sales for delivery in 2019/20 total 19.6 million metric tons (MMT). During last year's federal government shutdown (Dec. 22, 2018 to Jan. 25, 2019) USDA FAS did not release weekly commercial sales data. All year-over-year commercial sales comparisons between 2018/19 and 2019/20 will resume on Feb. 13, 2020.
- The Jan. 16 Drought Monitor reported widespread precipitation and warmer than normal temperatures between southern Illinois and southern Indiana, where a significant amount of SRW is grown. Moderate drought and abnormal dryness spread in north central Texas and southwestern Oklahoma. Moderate and severe drought persist in southwestern Kansas and southeastern Colorado. Looking ahead, above-normal precipitation is expected in the PNW and the Central and Southern Plains.
- According to Reuters, a month-long public transportation strike in France could negatively affect French wheat exports in the near future. The strike impacts French rail and dock services. Grain exporters could face a shortage of grain to ship in the second half of January if the strike continues.
- As of late November, United Kingdom (UK) 2019/20 wheat exports were more than five times higher than the same period in 2018 at 741,000 MT. According to Reuters, traders are rushing to export UK on concerns that the country could leave the European Union in October 2020 without a finalized agricultural trade deal.
- On Jan. 15, the U.S. signed a Phase One trade agreement with China. Chinese imports of U.S. soft white (SW), hard red spring (HRS) and hard red winter (HRW) wheat classes were trending up before abruptly ending when China implemented retaliatory tariffs on U.S. wheat and other agricultural commodities in March 2018. "The losses we demonstrated soon after China stopped importing U.S. wheat have only grown since then, so we hope the agreement signed today signals a potential turn-around," said Vince Peterson, President of U.S. Wheat Associates (USW). Adding to the optimism is China's separate agreement to work toward filling its 9.6 million metric ton (MMT) reduced tariff rate quota (TRQ) for wheat imports. If the changes are in fact implemented, and Chinese millers can respond to market signals, most of the TRQ should be used. For U.S. wheat farmers, the Phase One deal and TRQ compliance would create a very welcome opportunity for Chinese miller customers to once again apply the technical expertise and assistance USW provides to use wheat with specialized end-use applications that distinguishes U.S. wheat from domestic Chinese supplies.
- On Jan. 16, the U.S. Senate passed the U.S.-Mexico-Canada Agreement (USMCA). USMCA retains tariff-free access to imported U.S. wheat for those long-time flour milling customers in Mexico, a crucial step toward rebuilding trust in the U.S. as a reliable supplier in this important neighboring market. "Mexico continues to be our top importing country," said USW Chairman and Paulding, Ohio, farmer Doug Goyings. "Wheat farmers are relieved to see the agreement moving on to the President and I think the Mexican millers who want our wheat are relieved, too."
- The Baltic Dry Index fell slightly below last week's close to 768.
- The U.S. Dollar Index rose from last week's 97.35 to 97.61.