



U.S. Selected Exports and Trade

Wheat, Corn, Grain Sorghum and Soybean Complex

22nd January 2021

KSU Agriculture Today Podcast Link: <https://www.ksre.k-state.edu/news/radio-network/ag-today.html>

KSU Ag Manager Link: <https://www.agmanager.info/grain-marketing/publications/us-grain-exports-and-trade>

USDA Transportation Report: <https://www.ams.usda.gov/services/transportation-analysis/gtr>

USDA FAS Historical Grain Shipments: <https://apps.fas.usda.gov/export-sales/wkHistData.htm>,
<https://apps.fas.usda.gov/export-sales/complete.htm>

- This summary is based on reports for the period 8th to 14th January 2021
- Outstanding Export Sales (Unshipped Balances) on 14th January 2021
- Export Shipments in Current Marketing Year
- Daily Sales Reported 8th to 14th January 2021

U.S. export balances and cumulative exports (1,000 metric tons)

	Wheat						Corn	Soybeans	Total
For the week ending	HRW	SRW	HRS	SWW	DUR	All wheat			
Export balances¹									
1/7/2021	1,446	499	1,816	2,457	101	6,319	28,662	14,561	49,542
This week year ago	1,538	461	1,383	1,056	187	4,625	9,867	7,241	21,732
Cumulative exports-marketing year²									
2020/21 YTD	5,771	1,088	4,295	3,099	489	14,741	16,721	41,115	72,577
2019/20 YTD	5,612	1,663	4,201	2,860	624	14,960	9,434	23,173	47,568
YTD 2020/21 as % of 2019/20	103	65	102	108	78	99	177	177	153
Last 4 wks. as % of same period 2019/20*	101	108	124	247	58	140	293	231	240
Total 2019/20	9,526	2,318	6,960	4,751	922	24,477	42,622	43,994	111,094
Total 2018/19	8,591	3,204	6,776	5,164	479	24,214	48,924	46,189	119,327

¹ Current unshipped (outstanding) export sales to date.

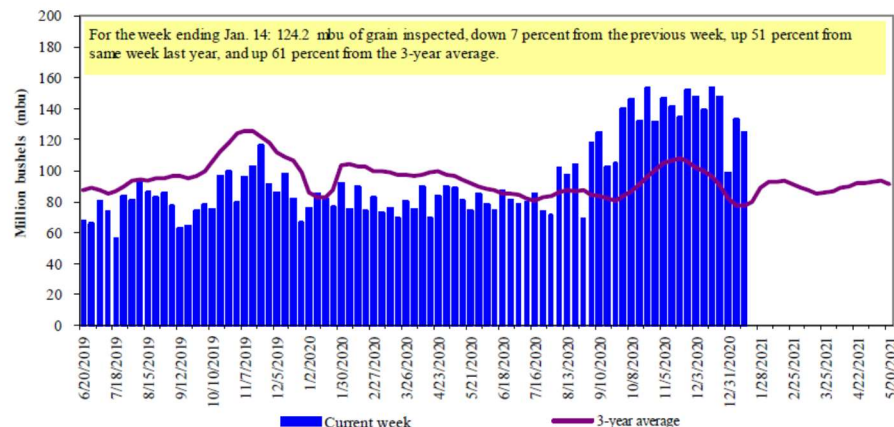
² Shipped export sales to date; 2020/21 marketing year now in effect for wheat, corn, and soybeans.

Note: marketing year: wheat = 6/01-5/31, corn and soybeans = 9/01-8/31. YTD = year-to-date; wks. = weeks; HRW= hard red winter; SRW = soft red winter; HRS= hard red spring; SWW= soft white wheat; DUR= durum.

Source: USDA, Foreign Agricultural Service.

➤ Grain Inspections Receded but Soybeans Continued To Rise

U.S. grain inspected for export (wheat, corn, and soybeans)

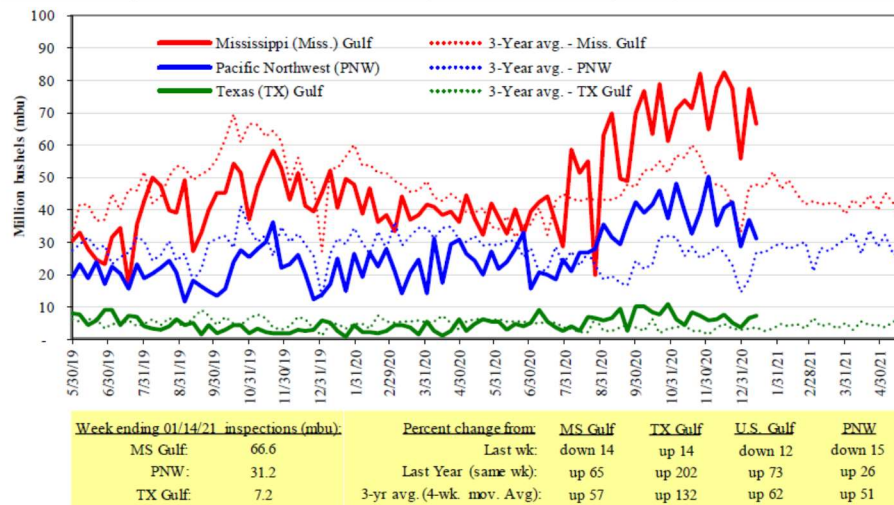


Note: 3-year average consists of 4-week running average.

Source: USDA, Federal Grain Inspection Service.

For the week ending January 14, total inspections of grain (corn, wheat, and soybeans) for export from all major U.S. export regions totaled 3.3 mmts. Total grain inspections were down 6% from the previous week, up 51% from last year, and up 61% above the 3-year average.

U.S. Grain inspections: U.S. Gulf and PNW¹ (wheat, corn, and soybeans)



Source: USDA, Federal Grain Inspection Service.

The decrease in inspections mainly reflected a 33% drop in corn inspections. Corn

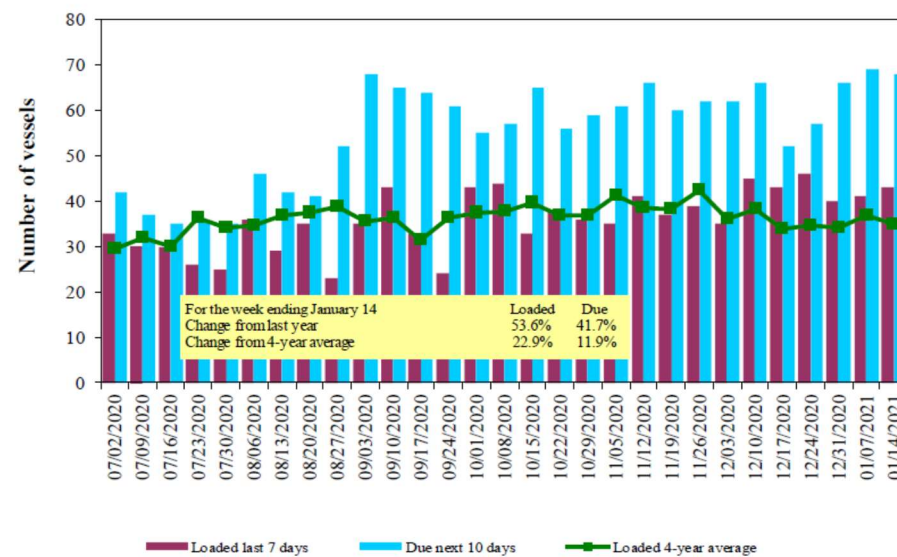
shipments were down, primarily to Asia. Wheat inspections decreased slightly, and soybean inspections increased 11% from the past week. Total grain inspections were down 14% from the previous week in the Pacific Northwest (PNW), and in the Mississippi Gulf.

➤ Export Shipments

For the week ending January 14th, 43 ocean going grain vessels were loaded in the Gulf ; 54% more than the same period last year.

Within the next 10 days (starting January 15th, 2021), 68 vessels were expected to be loaded; 42% more than the same period last year.

U.S. Gulf¹ vessel loading activity



¹U.S. Gulf includes Mississippi, Texas, and East Gulf.
Source: USDA, Agricultural Marketing Service.

As of January 14th, the rate for shipping a metric tonne of grain from the U.S. Gulf to Japan was \$46.00, 6% more than the previous week and unchanged from a year earlier.

The rate from PNW to Japan was \$64.50/mt, 8% more than the previous week and 7% more than the same period in 2019.

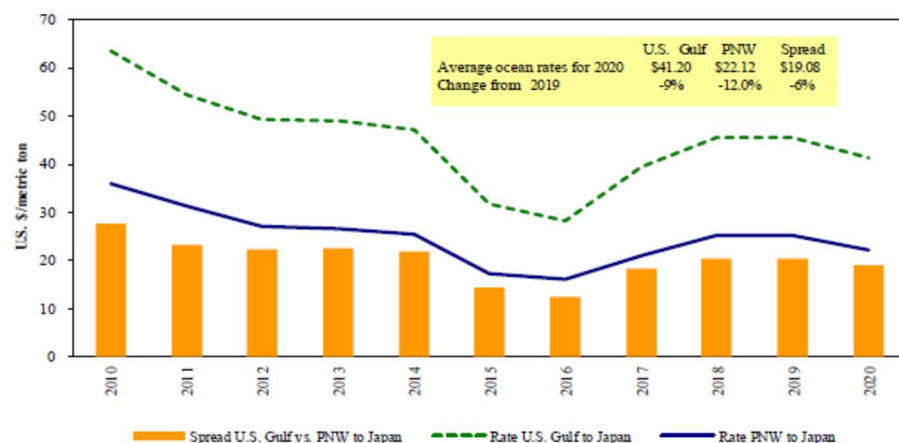
➤ **Bulk Ocean Freight Rates: A Review of 2020 and Outlook for 2021**

Ocean freight rates and vessel-loading activities are typically reliable indicators for forecasting cargo exports.

However, in 2020, volatility in the bulk ocean shipping market spawned similar turbulence in ocean freight rates for shipping bulk commodities, including grain. In a year marked by trade disputes and negotiations, as well as the COVID-19 pandemic, rates fluctuated continuously, culminating in the lowest yearly average of the last 3 years. In 2020, the average ocean freight rate for shipping bulk grain from the U.S. Gulf to Japan was \$41.20 / mt, 9% lower than in 2019.

From the Pacific Northwest (PNW) to Japan, the rate was \$22.12 / mt, 12% lower than in 2019 (fig. 1).

Figure 1. Grain vessel rates, United States to Japan.



Note: PNW = Pacific Northwest.

Source: O'Neil Commodity Consulting.

The spread—i.e., the difference between the U.S. Gulf- and PNW-to-Japan rates—averaged \$19.08 / mt, 6% less than in 2019.

The cost of shipping grain from the U.S. Gulf to Europe was \$16.61 / mt, 8% less than in 2019.

China's grain demand, especially of corn and soybeans, remains firm, as producers rebuild swine stocks. In addition, the Ethiopian Government granted license for importation of 3 mmts of cement, which supported bulk movements during the quarter

Current Market Analysis and Outlook

Typically, with slow trade activity in December and January, rates either drop or change very little during this time. Encouraged by large grain exports, rates have been increasing over the past 2 weeks (O'Neil Commodity Consulting).

However, future freight rate changes depend on many factors, including how successive waves of COVID-19 and lockdowns could affect global bulk trade. Events that could put downward pressure on ocean freight rates in 2021 include an ongoing dispute between China and Australia over restrictions of discharge of Australian coal cargo at Chinese ports. The dispute could squelch demand for Panamax vessels.

On the other hand, about 7% of the dry bulk fleet are currently idle or inactive, restricting vessel supply and possibly leading to higher rates.

In addition, Chinese traders are encouraged to import from the United States to satisfy Phase 1 of the U.S.–China trade deal (*which was enacted a year ago in January 2020*). The boom in shipments has put upward pressure on rates. As a result, U.S. soybean exports to China have been strong in the fourth quarter, with export inspections reaching 24.38 mmts, compared to 6.30 mmts during the third quarter. In December that vastly higher shipments on U.S.-China route were already causing congestion in the Panama Canal and depleting vessel supply in the region.

Finally, India's improving economic activity could boost that country's imports of coking and non-coking coal in 2021. These imports by India will strengthen the demand for Panamax vessels and put more upward pressure on rates.

surajudeen.olowolayemo@ams.usda.gov

➤ **Export Sales**

Export Sales For the week ending January 7th, unshipped balances of wheat, corn, and soybeans totaled 49.5 mmts. This was 3% lower than last week, but still represented a significant increase in outstanding sales from the same time last year.

- Net wheat export sales were 0.222 mmts, down 19% from the previous week.
- Net corn export sales were 1.438 mmts, up 92% from the past week.
- Net soybean export sales were 0.908 mmts, up significantly from the previous week.

➤ **Diesel Fuel Prices Continue To Rise**

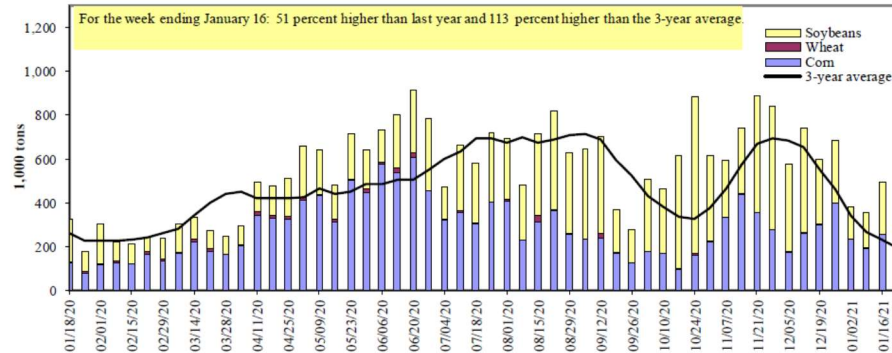
During the week ending January 18th, U.S. Average On-Highway Diesel Fuel Prices increased 2.6 cents to reach \$2.696 / gallon.

Diesel fuel prices have risen for 11 consecutive weeks as demand for truck and other transportation services climbed and fuel oil inventories fell.

The Department of Energy's Energy Information Administration forecasts diesel prices will average \$2.71 / gallon in 2021 and \$2.74 / gallon in 2022. These forecasts are based on expectations U.S. gross domestic product will rise in 2021, boosting demand for fuel energy.

➤ Barge Movements

Barge movements on the Mississippi River¹ (Locks 27 - Granite City, IL)

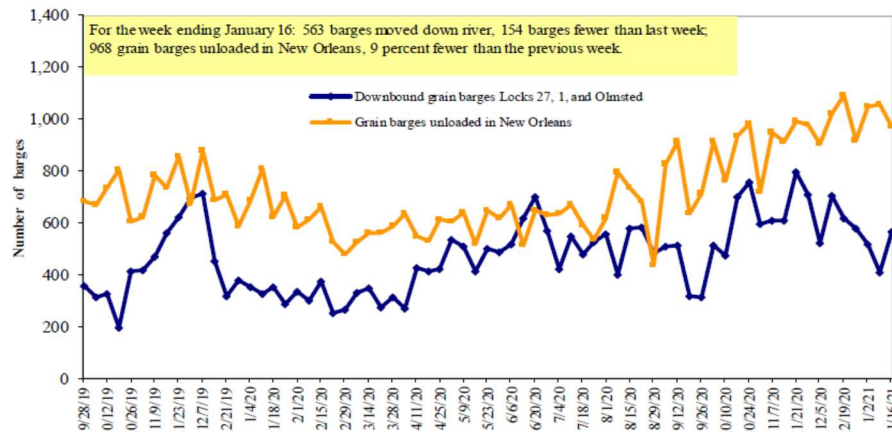


¹ The 3-year average is a 4-week moving average.

Source: U.S. Army Corps of Engineers.

For the week ending January 16th, barge grain movements totaled 914,831 tons. This was 40% higher than the previous week, 76% more than the same period last year.

Grain barges for export in New Orleans region



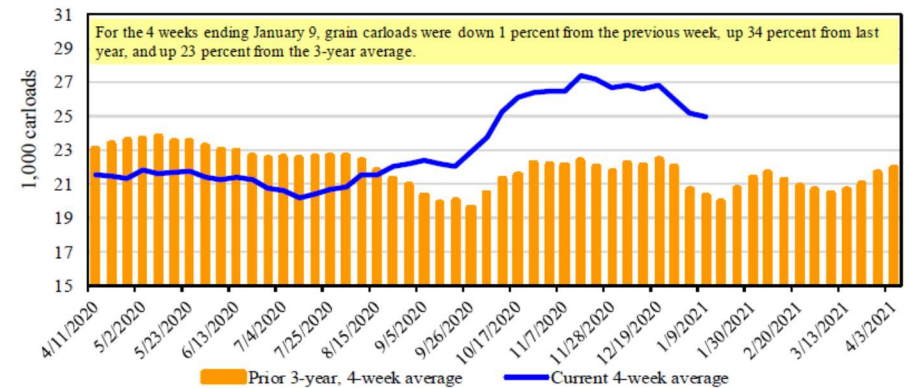
Note: Olmsted = Olmsted Locks and Dam

Source: U.S. Army Corps of Engineers and USDA, Agricultural Marketing Service.

For the week ending January 16th, 563 grain barges moved down river; 154 barges fewer than the previous week. There were 968 grain barges unloaded in New Orleans, 9% fewer than the previous week.

➤ Rail Movements

Total weekly U.S. Class I railroad grain carloads

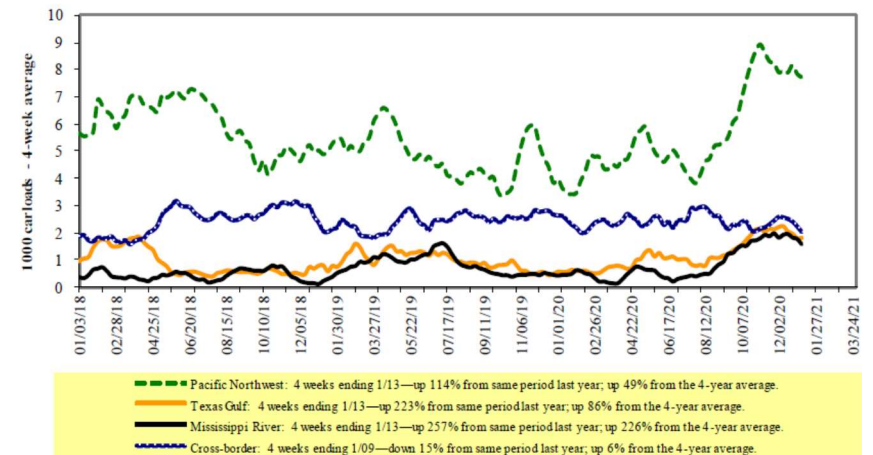


Source: Association of American Railroads.

U.S. Class I railroads originated 27,650 grain carloads during the week ending January 9th. This was a 12% increase from the previous week, 51% more than last year, and 32% more than the 3-year average.

Average January shuttle secondary railcar bids/offers (per car) were \$475 above tariff for the week ending January 14th. This was \$269 more than last week. There were no shuttle bids/offers this week last year. There were no non-shuttle bids/offers this week.

Rail deliveries to port



Source: USDA, Agricultural Marketing Service.

➤ **Wheat Export Shipments & Sales**

Net sales of 329,600 mts for 2020/2021 were up 49% from the previous week, but down 7% from the prior 4-week average. Increases primarily for Indonesia (105,900 mts, including 49,900 mts switched from unknown destinations and decreases of 700 mts), Japan (76,900 mts, including decreases of 600 mts), unknown destinations (75,500 mts), China (65,000 mts), and Mexico (46,200 mts, including decreases of 33,200 mts), were offset by reductions primarily for Nigeria (49,900 mts).

Exports of 264,000 mts were down 26% from the previous week and 33% from the prior 4-week average. The destinations were primarily to Indonesia (108,400 mts), Mexico (84,300 mts), Japan (27,400 mts), Taiwan (19,100 mts), and Peru (13,000 mts).

Optional Origin Sales: For 2020/2021, the current outstanding balance of 10,000 mts, all Spain.

➤ **Barley Export Shipments & Sales**

There were no new sales or exports reported this week.

➤ **Rice Export Shipments & Sales**

Net sales of 69,800 mts for 2020/2021 were up noticeably from the previous week and up 33% from the prior 4-week average. Increases were primarily for Haiti (17,000 mts, including decreases of 100 mts), Mexico (16,700 mts), Honduras (7,200 mts), Japan (6,900 mts), and Taiwan (5,500 mts).

Exports of 57,300 mts were up noticeably from the previous week, but down 21% from the prior 4-week average. The destinations were primarily to Mexico (24,100 mts), Haiti (22,400 mts), Canada (2,900 mts), Jordan (1,800 mts), and Japan (1,500 mts).

Exports for Own Account: For 2020/2021, the current exports for own account outstanding balance is 100 mts, all Canada.

Top 10 importers¹ of all U.S. wheat

For the week ending 1/7/2021	Total commitments ² 2020/21 current MY	2019/20 last MY	% change current MY from last MY	Exports ³ 3-yr. avg. 2017-19
	1,000 mt -			- 1,000 mt -
Mexico	2,757	2,819	(2)	3,213
Philippines	2,649	2,550	4	2,888
Japan	1,939	1,946	(0)	2,655
Nigeria	1,066	1,114	(4)	1,433
Korea	1,418	1,052	35	1,372
Indonesia	832	741	12	1,195
Taiwan	941	979	(4)	1,175
Thailand	701	691	1	727
Italy	549	683	(20)	622
Colombia	302	548	(45)	618
Top 10 importers	13,154	13,122	0	15,897
Total U.S. wheat export sales	21,060	19,585	8	23,821
% of projected exports	78%	74%		
change from prior week ²	222	651		
Top 10 importers' share of U.S. wheat export sales	62%	67%		67%
USDA forecast, January 2021	26,839	26,294	2	

¹ Based on USDA, Foreign Agricultural Service(FAS) marketing year ranking reports for 2018/19; Marketing year (MY) = Jun 1 - May 31.

² Cumulative exports (shipped) + outstanding sales (unshipped), FAS weekly export sales report, or export sales query. The total commitments change (net sales) from prior week could include revisions from the previous week's outstanding and/or accumulated sales.

³ FAS marketing year final reports (carryover plus accumulated export); yr. = year; avg. = average.

Note: A red number in parentheses indicates a negative number.

Source: USDA, Foreign Agricultural Service.

➤ Global Wheat Trade Marginally Increases on Gains for the EU and India

USDA – The USDA WASDE forecasts global wheat trade to be fractionally larger at 192.5 mmts on a trade year basis as increased exports for Canada, the European Union, and India more than offset reduced exports for Russia and Argentina.

Global imports for China and Jordan are raised, more than offsetting reductions for Algeria and the United Arab Emirates. China's projected imports are raised 500,000 tons to 9 mmts, which would be the largest amount imported since 1995/96. Amid rising domestic corn prices, China's demand for imported wheat remains strong for both food and feed uses.

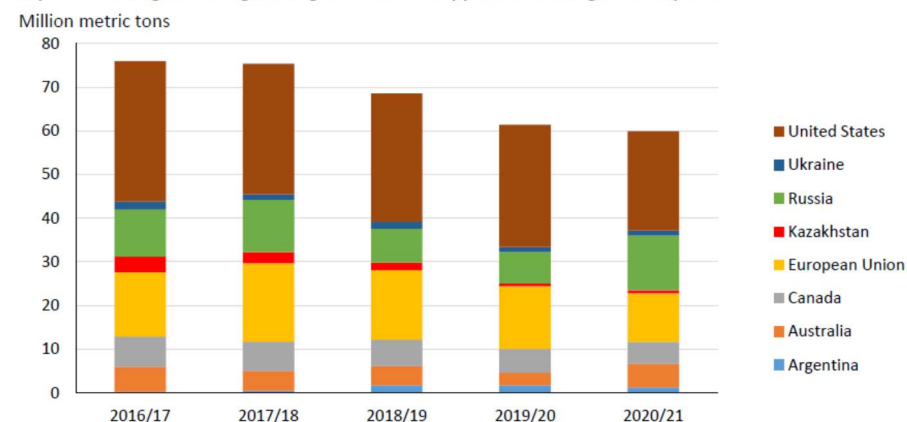
Exports for Russia are lowered 1 mmts to 39 mmts this month because of forthcoming export restrictions that are intended to curb domestic food price inflation. On the 15th of December 2020, Russian Government officials announced between the 15th of February to the 30th of June 2021 exports of specific grains, including wheat, rye, barley, and corn, will be limited to a quota of 17.5 mmts. Under the current specifications of the quota, all classes of wheat will face a minimum export tax of 25 Euros/mt, with exports above the quota it will be taxed at rate of 50% of the free on-board value and not less than 100 Euros/mt. In mid-January, Russia's Agricultural Ministry proposed an increase in the wheat export tax from 25 Euros/mt to 45 Euros/mt starting on the 15th of March. At this point in time it is not known if this higher export tax will be imposed as the situation continues to evolve.

The European Union is expected to be the main beneficiary of reduced Russian exports, with exports forecast up by 500,000 mts to 26.5 mmts. Exports for Canada are projected to be up 500,000 mts to 26.5 mmts, based on a robust pace of trade to date and increased opportunities to export to China.

Exports for Argentina were cut by 500,000 mts to 12 mmts, based on a reduced crop as well as shipping delays during December, related to strikes by port grain inspectors and farmers. The pace of sales has recently accelerated based on market expectations that the government may raise the export tax on wheat.

Exports for India are projected to be up 800,000 mts to 1.8 mmts as its domestic prices have become relatively competitive globally based on large domestic supplies and rising international prices. Shipments are expected to mainly go to regional markets such as Bangladesh, Nepal, and the United Arab Emirates.

Exporter ending stocks tightening on reduced supplies and rising consumption

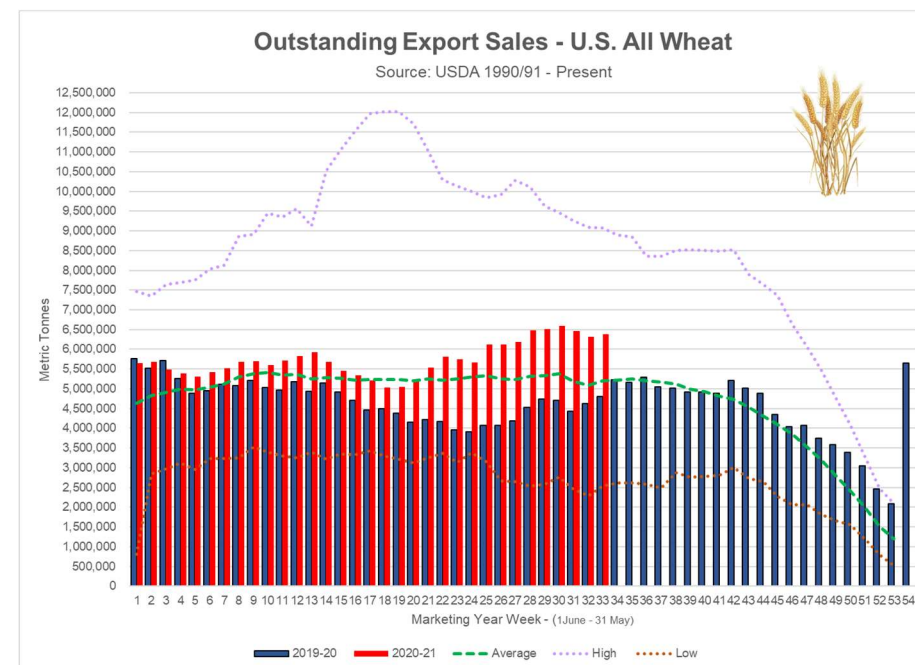
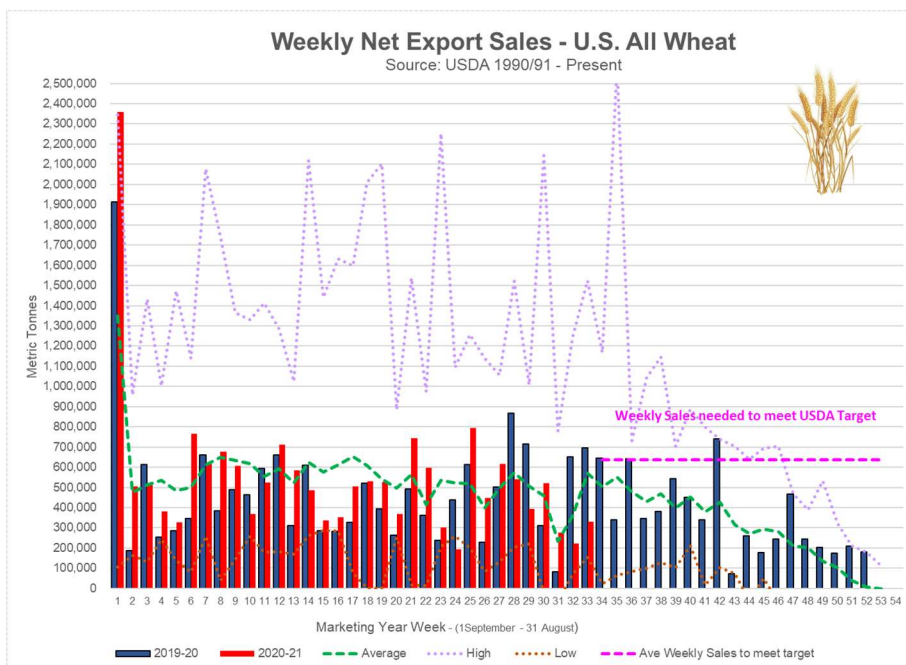
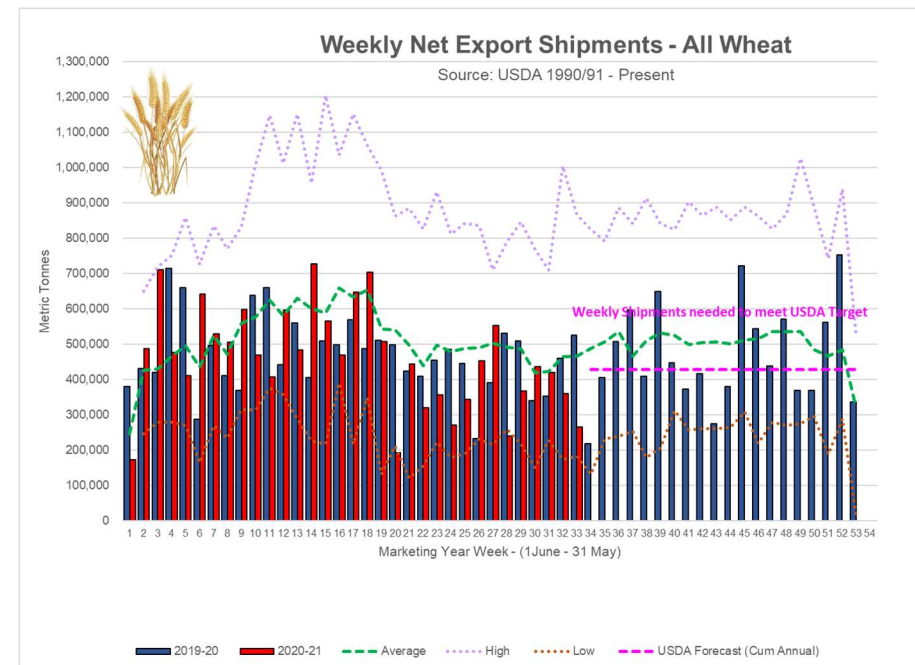
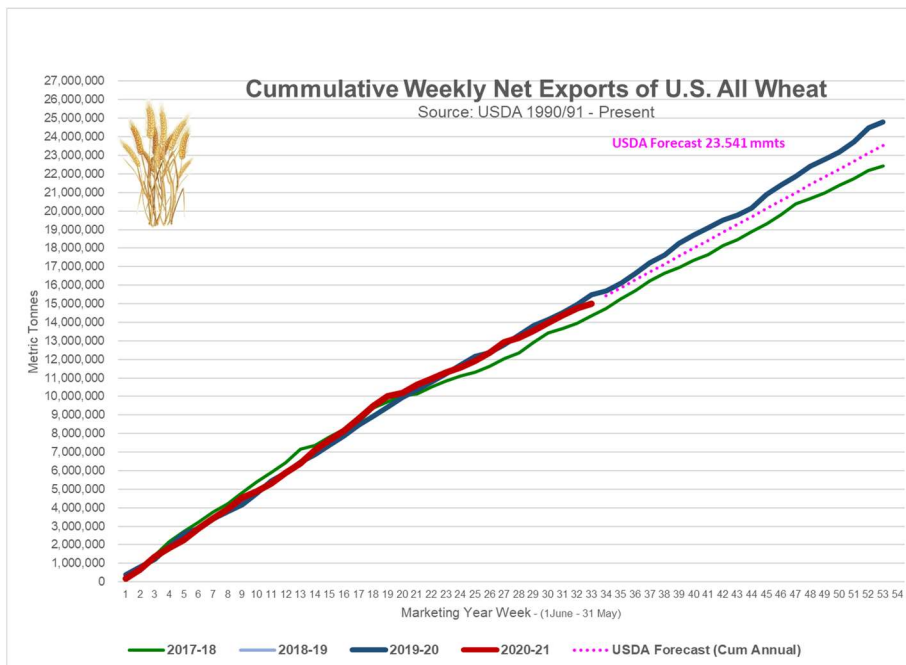


Sources: USDA, Foreign Agricultural Service, *Production, Supply, and Distribution* database and USDA, Economic Research Service calculations based on USDA, National Agricultural Statistics Service data.

Stocks held by major exporters are often considered the most relevant point of analysis as these are the stocks that are the most available to the world market, and have a greater impact on prices. To that point, ending stocks held by the top 8 exporters are forecast to be down slightly in 2020/21 to their lowest level since 2013/14. Tightening expectations for stocks are a major factor contributing to recent strengthening of global wheat prices.

With global production cut slightly and consumption raised marginally, global ending stocks were lowered 3.3 mmts this month to 313.2 mmts, but remain record high. Even with recent auction activity, China is still estimated to hold the largest majority (51%) of global wheat stocks.

India is projected as the second largest holder of stocks, accounting for 10% of the total.



➤ **Corn Export Shipments & Sales**

Net sales of 1,437,600 mts for 2020/2021 were unchanged from the previous week, but up 51% from the prior 4-week average. Increases primarily for Mexico (588,400 mts, including decreases of 14,300 mts), Japan (420,600 mts, including 50,000 mts switched from unknown destinations and decreases of 30,800 mts), Colombia (126,000 mts, including 93,500 mts switched from unknown destinations and decreases of 61,300 mts), Nicaragua (97,900 mts), and Morocco (81,000 mts), were offset by reductions primarily for unknown destinations (136,500 mts). For 2021/2022, total net sales of 46,400 mts were for Japan.

Exports of 886,700 mts were down 39% from the previous week and 24% from the prior 4-week average. The destinations were primarily to Mexico (198,000 mts), Colombia (168,000 mts), Japan (152,800 mts), South Korea (72,500 mts), and China (71,400 mts).

Optional Origin Sales: For 2020/2021, options were exercised to export 52,000 mts to Japan from other than the United States. The current outstanding balance of 1,299,400 mts is for South Korea (838,000 mts), unknown destinations (224,000 mts), Taiwan (140,000 mts), China (65,000 mts), and Ukraine (32,400 mts).

➤ **Grain Sorghum Export Shipments & Sales**

Net sales of 293,500 mts for 2020/2021 were up 54% from the previous week and up noticeably from the prior 4-week average. Increases were primarily for China (268,500 mts, including 30,000 mts switched from unknown destinations and decreases of 7,500 mts) and unknown destinations (25,000 mts).

Exports of 220,500 mts were up noticeably from the previous week and up 95% from the prior 4-week average. The destinations were China (220,400 mts) and South Korea (100 mts).

Top 5 importers¹ of U.S. corn

For the week ending 1/07/2021	Total commitments ²		% change current MY from last MY	Exports ³ 3-yr. avg. 2017-19
	2020/21 current MY	2019/20 last MY		
	- 1,000 mt -			
Mexico	9,947	9,061	10	14,869
Japan	5,926	3,235	83	11,221
Columbia	2,183	1,658	32	4,830
Korea	1,063	77	1,274	4,011
China	11,769	60	19,515	909
Top 5 importers	30,889	14,091	119	35,840
Total U.S. corn export sales	45,382	19,301	135	49,983
% of projected exports	70%	43%		
Change from prior week²	1,438	785		
Top 5 importers' share of U.S. corn export sales	68%	73%		72%
USDA forecast January 2021	64,885	45,242	43	
Corn use for ethanol USDA forecast, January 2021	125,730	123,241	2	

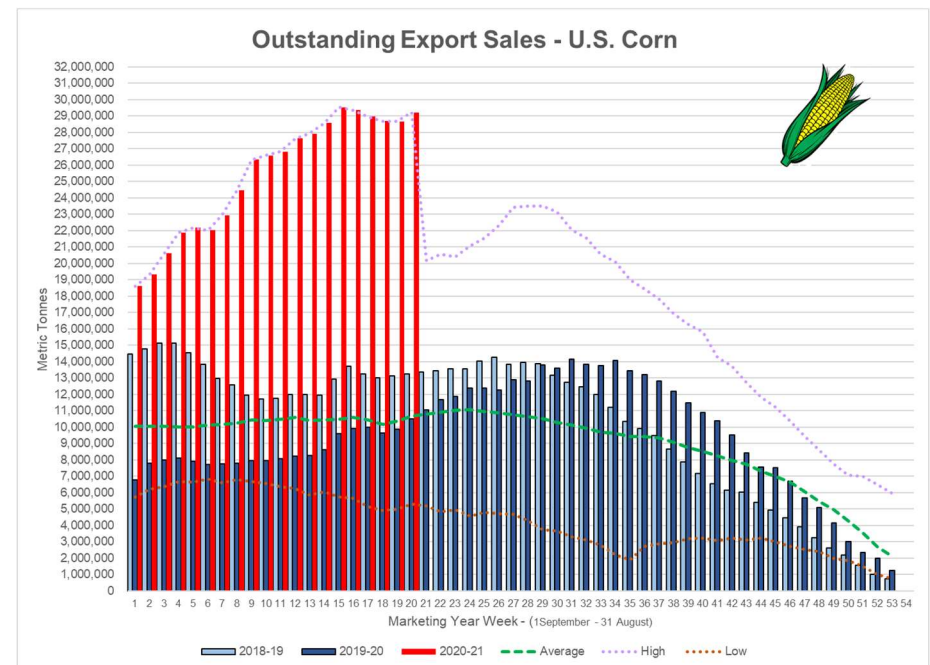
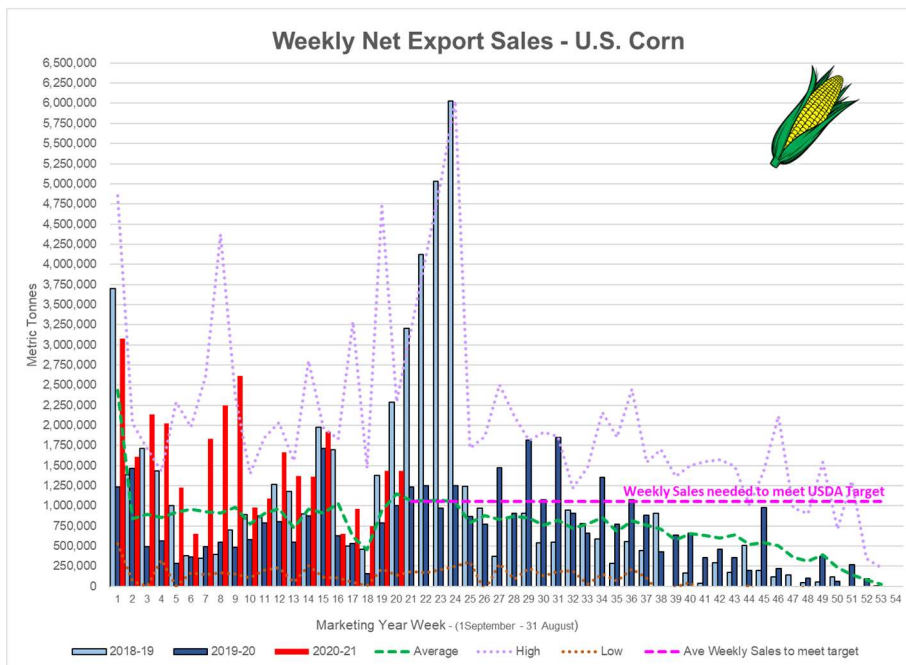
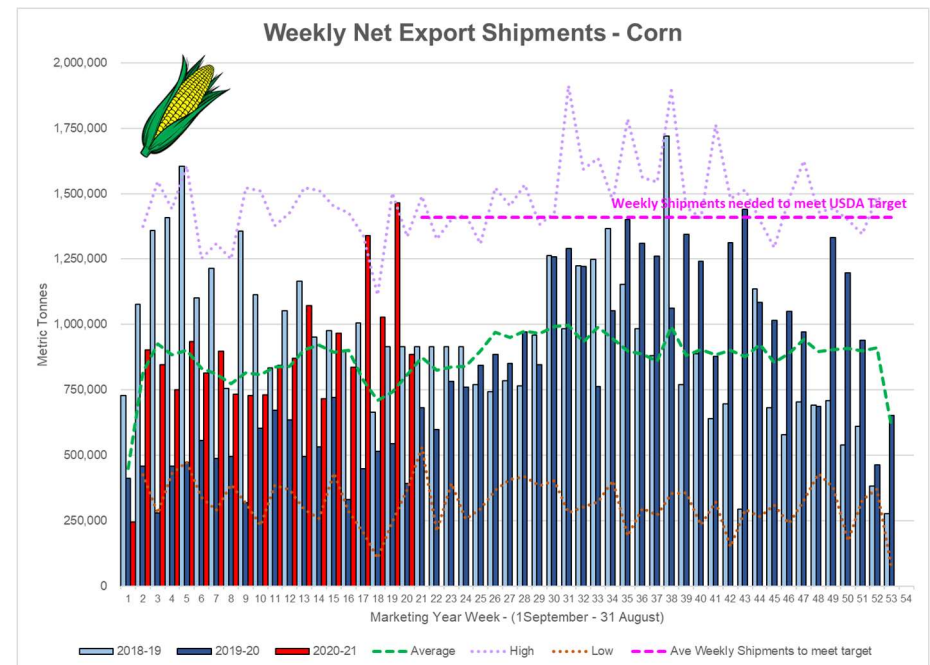
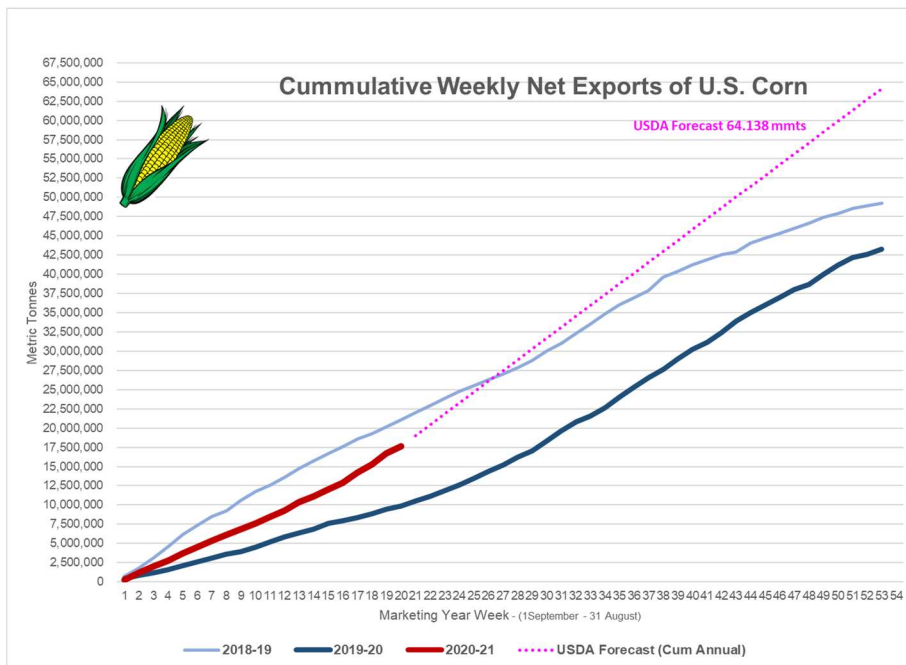
¹Based on USDA, Foreign Agricultural Service (FAS) marketing year ranking reports for 2018/19; marketing year (MY) = Sep 1 - Aug 31.

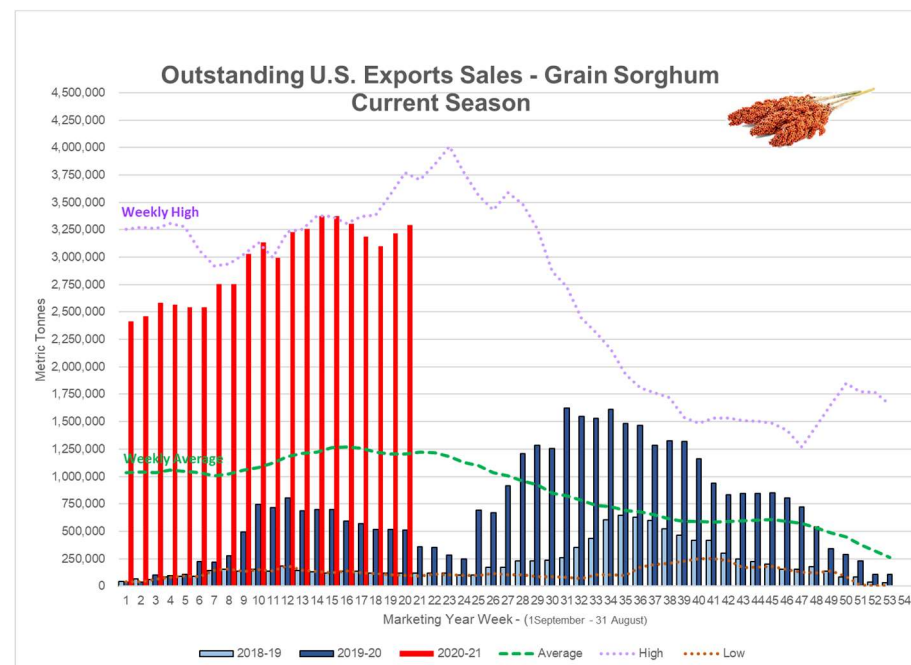
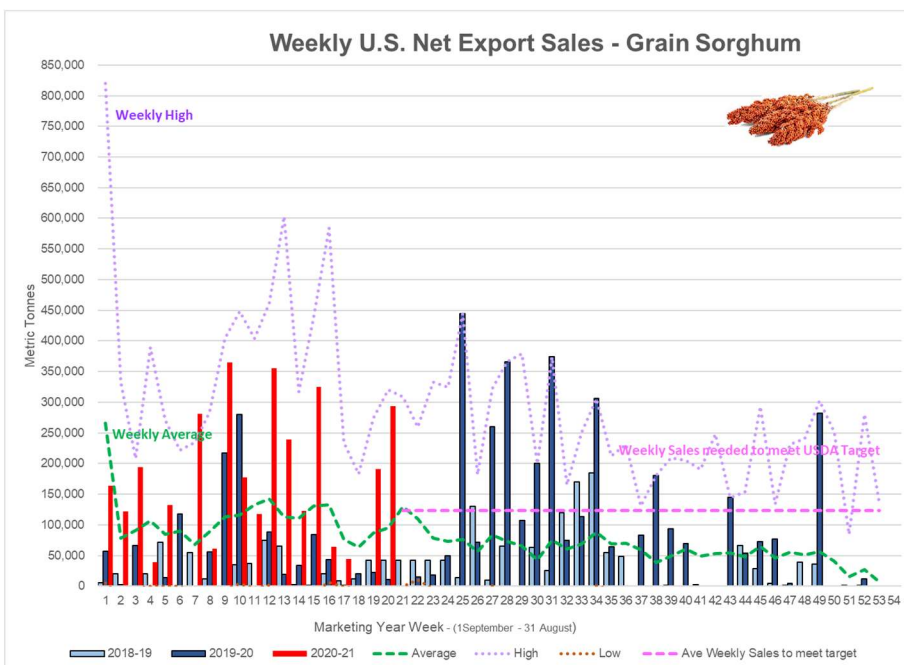
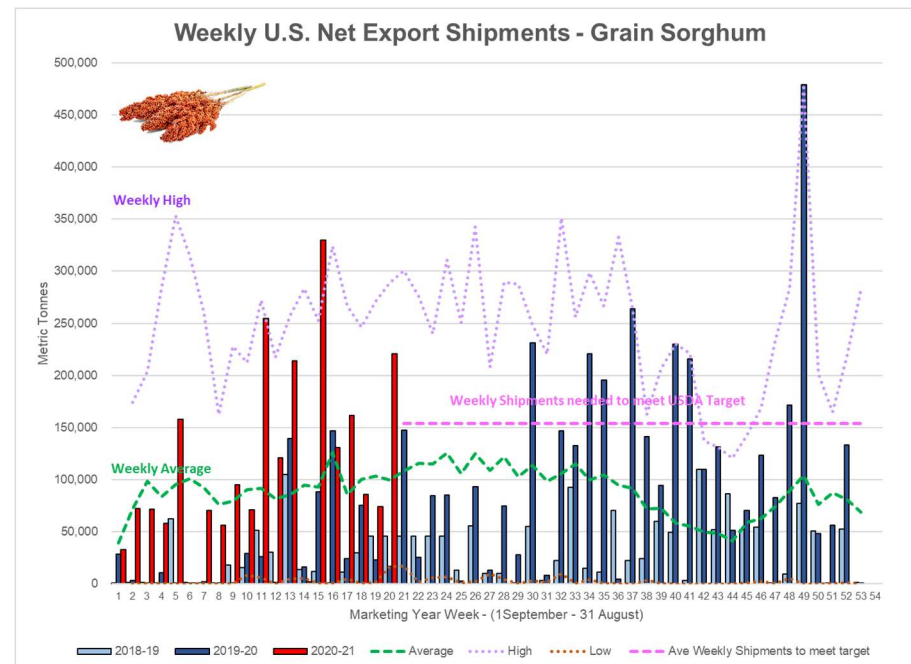
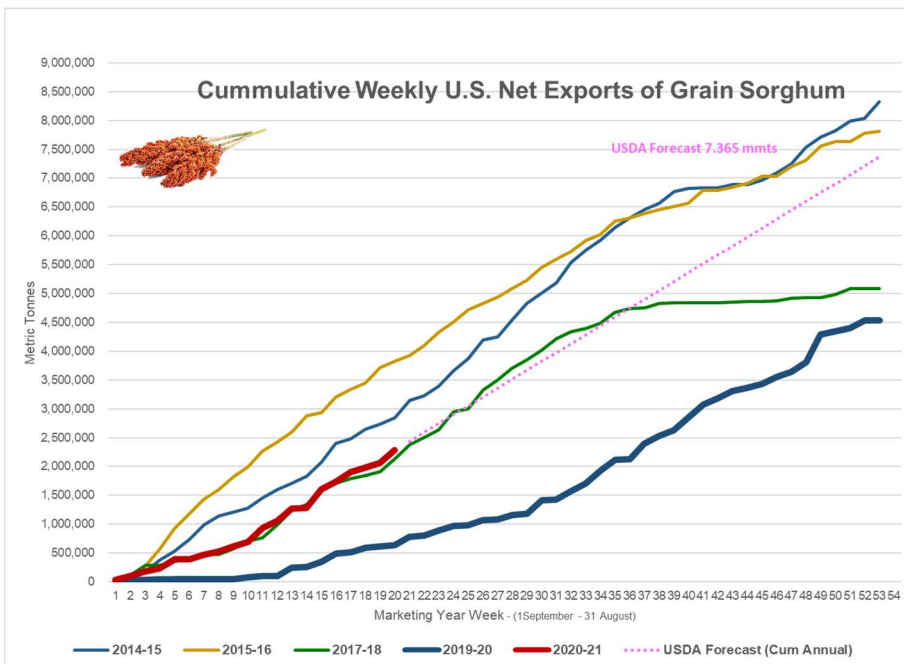
²Cumulative exports (shipped) + outstanding sales (unshipped), FAS weekly export sales report, or export sales query. Total commitments change (net sales) from prior week could include revisions from previous week's outstanding sales or accumulated sales.

³FAS marketing year ranking reports (carryover plus accumulated export); yr. = year; avg. = average.

Note: A red number in parentheses indicates a negative number; mt = metric ton.

Source: USDA, Foreign Agricultural Service.





➤ **Soybeans, Oil and Meal Export Shipments & Sales**

Soybeans: Net sales of 1,817,700 mts for 2020/2021 were up noticeably from the previous week and from the prior 4-week average. Increases primarily for China (864,100 mts, including 396,000 mts switched from unknown destinations and decreases of 17,900 mts), the Netherlands (236,000 mts, including 101,000 mts switched from unknown destinations and decreases of 500 mts), Mexico (113,400 mts, including decreases of 500 mts), Pakistan (67,300 mts, including 66,000 mts switched from unknown destinations and decreases of 2,300 mts), and Spain (60,200 mts, including 60,000 mts switched from unknown destinations), were offset by reductions for Bangladesh (5,000 mts) and Peru (800 mts).

For 2021/2022, net sales of 831,000 mts were for unknown destinations (452,000 mts), China (319,000 mts), and Spain (60,000 mts).

Exports of 2,379,100 mts were up 17% from the previous week and 9% from the prior 4-week average. The destinations were primarily to China (1,349,900 mts), Pakistan (137,300 mts, including 67,700 mts late--see below), the Netherlands (106,000 mts), Egypt (98,400 mts), and Thailand (94,200 mts).

Exports for Own Account: For 2020/2021, the current exports for own account outstanding balance is 6,100 mts, all Canada.

Late Reporting: For 2020/2021, exports totaling 67,700 mts were reported late to Pakistan.

Export Adjustments: Accumulated export of soybeans to Spain were adjusted down 66,924 mts for week ending November 26th. The correct destination for these shipments is Italy (41,924 mts) and Romania (25,000 mts) are included in this week's report. Accumulated export of soybeans to the Netherlands were adjusted down 59,317 mts for week ending December 31st. The correct destination for these shipments is Germany and is included in this week's report.

Soybean Cake and Meal: Net sales of 468,500 mts for 2020/2021--marketing-year high--were up 39% from the previous week and up noticeably from the prior 4-week average. Increases primarily for Morocco (106,500 mts), Colombia (69,800 mts), Ecuador (55,000 mts), Vietnam (50,000 mts, switched from unknown destinations), and Mexico (48,800 mts, including decreases of 3,000 mts), were offset by reductions primarily for unknown destinations (80,000 mts).

Top 5 importers¹ of U.S. soybeans

For the week ending 1/7/2021	Total	commitments ²	% change	Exports ³
	2020/21	2019/20	current MY	3-yr. avg.
	current MY	last MY	from last MY	2017-19
	1,000 mt -			- 1,000 mt -
China	33,547	11,388	195	19,106
Mexico	3,530	2,966	19	4,591
Egypt	1,902	1,359	40	2,980
Indonesia	1,149	1,000	15	2,360
Japan	1,265	1,295	(2)	2,288
Top 5 importers	41,394	18,008	130	31,324
Total U.S. soybean export sales	55,676	30,414	83	49,352
% of projected exports	92%	66%		
change from prior week ²	908	642		
Top 5 importers' share of U.S. soybean export sales	74%	59%		63%
USDA forecast, January 2021	60,763	45,831	133	

¹Based on USDA, Foreign Agricultural Service (FAS) marketing year ranking reports for 2018/19; marketing year (MY) = Sep 1 - Aug 31.

²Cumulative exports (shipped) + outstanding sales (unshipped), FAS weekly export sales report, or export sales query. The total commitments change (net sales) from prior week could include revisions from previous week's outstanding sales and/or accumulated sales.

³FAS marketing year ranking reports (carryover plus accumulated export); yr. = year; avg. = average.

Note: A red number in parentheses indicates a negative number; mt = metric ton.

Source: USDA, Foreign Agricultural Service.

Exports of 239,000 mts were up 13% from the previous week, but down 12% from the prior 4-week average. The destinations were primarily to the Philippines (47,600 mts), Ecuador (33,300 mts), Spain (29,100 mts), Canada (26,900 mts), and Guatemala (26,400 mts).

Soybean Oil: Net sales of 52,300 mts for 2020/2021 were up noticeably from the previous week and from the prior 4-week average. Increases primarily for Guatemala (22,900 mts, including decreases of 200 mts), the Dominican Republic (13,400 mts, including decrease 8,200 mts), South Korea (11,000 mts), Peru (4,100 mts), and Canada (700 mts), were offset by reductions primarily for Venezuela (100 mts).

Exports of 29,700 mts were down 40% from the previous, but up 22% from the prior 4-week average. The destinations were primarily to Peru (11,500 mts), Venezuela (7,500 mts), Colombia (6,600 mts), Guatemala (2,900 mts), and Mexico (700 mts).

