

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

Export Region	Class & Percent Protein 12% (Dry) Moisture Basis		JUL (N21)				JUL (N21)		AUG (U21)		SEP (U21)		OCT (Z21)		NOV (Z21)		DEC (Z21)		JAN (H22)	
			(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	9.43	0.41	15	226	346	80	338	80	338	80	335	80	335	80	335	80	333	80
	NS/DNS 14.0 (15.9)*	M	9.48	0.41	15	229	348	85	339	85	339	85	337	85	337	85	337	85	334	85
	NS/DNS 14.5 (16.5)*	M	9.53	0.40	15	231	350	90	341	90	341	90	339	90	339	90	339	90	336	90
Gulf of Mexico	NS/DNS 13.5 (15.3)*	M	10.38	0.51	19	255	381	175	376	185	376	185	374	185	374	185	375	190	373	190
	NS/DNS 14.0 (15.9)*	M	10.43	0.51	19	257	383	180	378	190	378	190	375	190	375	190	377	195	375	195
	NS/DNS 14.5 (16.5)*	M	10.53	0.51	19	262	387	190	382	200	382	200	379	200	379	200	381	205	378	205
	HRW Ord	K	7.91	0.21	8	203	291	180	296	185	296	185	309	210	309	210	309	210	305	190
	HRW 11.0 (12.5)	K	7.51	0.21	8	207	276	140	281	145	281	145	294	170	294	170	294	170	290	150
	HRW 11.5 (13.1)	K	7.76	0.21	8	212	285	165	290	170	290	170	303	195	303	195	303	195	299	175
	HRW 12.0 (13.6)	K	8.01	0.21	8	218	294	190	299	195	299	195	312	220	312	220	312	220	309	200
HRW 12.5 (14.2)	K	**See Below			223															
SRW	W	7.11	0.09	3	204	261	65	267	75	267	75	276	90	276	90	276	90	281	95	
Pacific N. West	NS/DNS 13.5 (15.3)*	M	10.03	0.46	17	248	369	140	361	145	365	155	374	185	375	190	377	195	375	195
	NS/DNS 14.0 (15.9)*	M	10.08	0.46	17	248	370	145	363	150	367	160	375	190	377	195	379	200	377	200
	NS/DNS 14.5 (16.5)*	M	10.23	0.46	17	251	376	160	369	165	372	175	381	205	383	210	385	215	382	215
	HRW Ord	K	7.81	0.11	4	218	287	170	292	175	294	180	305	200	305	200	307	206	307	195
	HRW 11.5 (13.1)	K	7.81	0.11	4	220	287	170	292	175	294	180	305	200	305	200	307	206	307	195
	HRW 12.0 (13.6)	K	7.91	0.11	4	223	291	180	296	185	297	190	309	210	309	210	311	216	310	205
	HRW 13.0 (14.8)	K	8.21	0.11	4	238	302	210	307	215	308	220	320	240	320	240	322	246	321	235
	SW Unspecified	\$	8.05	-0.55	-20	224	296	805	283	770	283	770	294	800	294	800	294	800	294	800
	SW 9.5 (10.8) Min	\$	8.05	-0.55	-20	225	296	805	283	770	283	770	294	800	294	800	294	800	294	800
	SW 10.5 (11.9) Max	\$	9.55	-0.55	-20	224	351	955	338	920	338	920	349	950	349	950	349	950	349	950
	SW 9.5 (10.8) Max	\$	**See Below			230														
WW with 10% Club	\$	9.80	-0.55	-20	235	360	980	347	945	347	945	358	975	358	975	358	975	358	975	
WW with 20% Club	\$	10.05	-0.55	-20	244	369	1005	356	970	356	970	367	1000	367	1000	367	1000	367	1000	

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

**Northern Durum** offers from the Great Lakes for June/July 2021 delivery are quoted at \$9.25/bu (\$340/MT). For **Desert Durum** offers, contact your supplier.

**\*\*See highlights section for more information on Gulf HRW 12.5 and SW 9.5 Max**

**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	JUL (N21)			AUG (Q21)		SEP (U21)		NOV (X21)		DEC (Z21)		JAN (F22)		MAR (H22)		MAY (K22)	
	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	237.27	6.4575	0.0875			6.5275	0.1200			6.6150	0.1350			6.6975	0.1525	6.7325	0.1625
Kansas City BOT HRW	224.60	6.1125	0.1100			6.1925	0.1025			6.3000	0.1125			6.3975	0.1125	6.4475	0.1000
Minneapolis MGE NS/DNS	317.10	8.6300	0.4050			8.3875	0.3075			8.3175	0.3250			8.2500	0.3300	8.1800	0.3300
Chicago BOT Corn	274.49	6.9725	0.6075			5.9200	0.6175			5.7975	0.6050			5.8625	0.5975	5.9025	0.5900
Chicago BOT Soybeans	533.43	14.518	1.2200	14.3325	1.3050	14.080	1.3375	13.990	1.2925			14.023	1.2850	13.7775	1.1600	13.688	1.0700

**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.

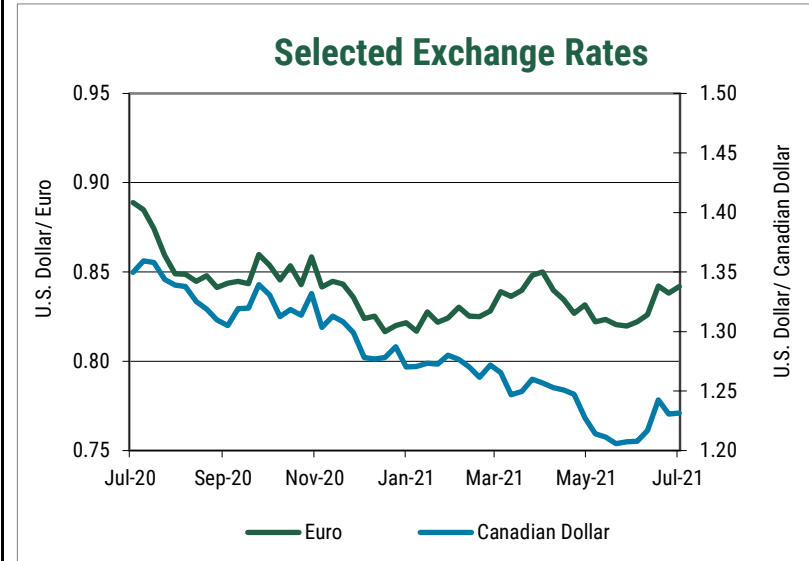
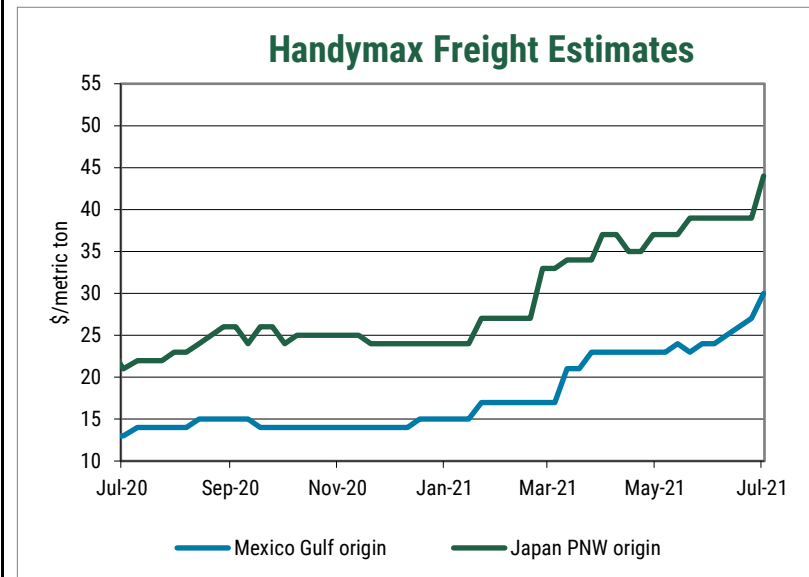
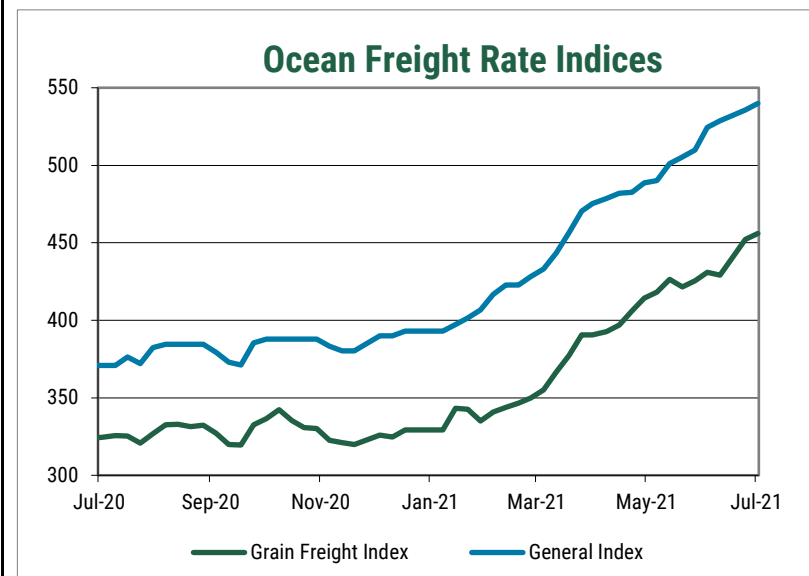
**All prices are based upon U.S. number two grade or better as certified by the Federal Grain Inspection Service (FGIS).**

Ocean Freight Rate Estimates for Nearby Delivery			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)	30	27		7/2/2021	456.0	539.9	475	
U.S. Gulf	W. South America (Peru/Ecu)			55	6/25/2021	452.2	535.8	460	
U.S. Gulf	S. South America (Chile)			57	6/18/2021	444.3	535.1	486	
U.S. Gulf	N. South America (Colombia)	40	39	55	6/11/2021	429.2	528.8	517	
U.S. Gulf	E. South America (Brazil)		40		6/4/2021	430.9	524.4	453	
U.S. Gulf	West Africa (Nigeria)	56			5/28/2021	425.4	509.8	487	
U.S. Gulf	East Mediterranean (Italy)	44			5/21/2021	421.6	505.4	520	
U.S. Gulf	West Mediterranean (Morocco)	56			5/14/2021	426.5	501.2	494	
U.S. Gulf	Persian Gulf (Iraq)			121	5/7/2021	418.3	490.0	485	
U.S. Gulf	Middle East (Egypt)			58	4/30/2021	414.4	488.6	508	
U.S. Gulf	Japan		75	75	4/23/2021	406.0	482.6	530	
Mid Atlantic	N. South America (Venezuela)	40			4/16/2021	397.1	481.9	563	
Mid Atlantic	West Africa (Nigeria)	59			4/9/2021	392.6	478.6	463	
Mid Atlantic	Middle East (Egypt)			43	4/1/2021	390.7	475.4	411	
St. Lawrence	N. South America (Venezuela)	21			3/26/2021	390.5	470.3	509	
St. Lawrence	Europe/Rotterdam			23	3/19/2021	377.2	456.5	558	
Great Lakes	East Mediterranean (Italy)	40			3/12/2021	366.6	443.4	576	
Great Lakes	West Mediterranean (Spain)	39			3/5/2021	355.2	433.1	521	
Great Lakes	Europe/Rotterdam	36			2/26/2021	349.9	428.1	549	
Great Lakes	West Mediterranean (Morocco)	45			2/19/2021	346.7	422.8	483	
PNW	W. South America (Peru/Ecu)	65			2/12/2021	343.7	422.8	475	
PNW	S. South America (Chile)	66			2/5/2021	340.9	416.8	467	
PNW	N. South America (Colombia)	40			1/29/2021	335.1	406.7	479	
PNW	Persian Gulf (Iraq)			104	1/22/2021	342.7	401.6	507	
PNW	Middle East (Egypt)			58	1/15/2021	343.1	397.2	542	
PNW	East Africa (Djibouti/Mombasa)		50	55	1/8/2021	329.4	392.9	491	
PNW	South Asia (Mal/Indon/Phil/Sing)			49	12/18/2020	329.4	392.9	491	
PNW	Taiwan		48	53	12/11/2020	324.7	389.9	546	
PNW	South Korea		40	45	12/4/2020	325.9	389.9	499	
PNW	Japan		39	44	11/20/2020	319.8	380.4	504	

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
7/2/21	N/A	95.79	1.328	5.040	1.231	15.65	0.842	111.0	73.21
6/25/21	112.2	95.60	1.318	4.958	1.231	15.63	0.838	110.8	72.22
6/18/21	113.3	95.38	1.333	5.066	1.242	15.64	0.842	110.1	72.69
6/11/21	111.4	95.13	1.298	5.115	1.217	15.61	0.826	109.7	72.16
7/2/20	120.1	45.17	1.445	5.317	1.359	16.09	0.886	107.5	70.26
7/2/16	N/A	15.000	1.326	3.269	1.284	8.786	0.896	102.6	63.84
1 year change	N/A	112.06%	-8.09%	-5.21%	-9.41%	-2.77%	-5.01%	3.29%	4.19%
5 year change	N/A	538.59%	0.16%	54.16%	-4.13%	78.11%	-6.04%	8.25%	14.67%



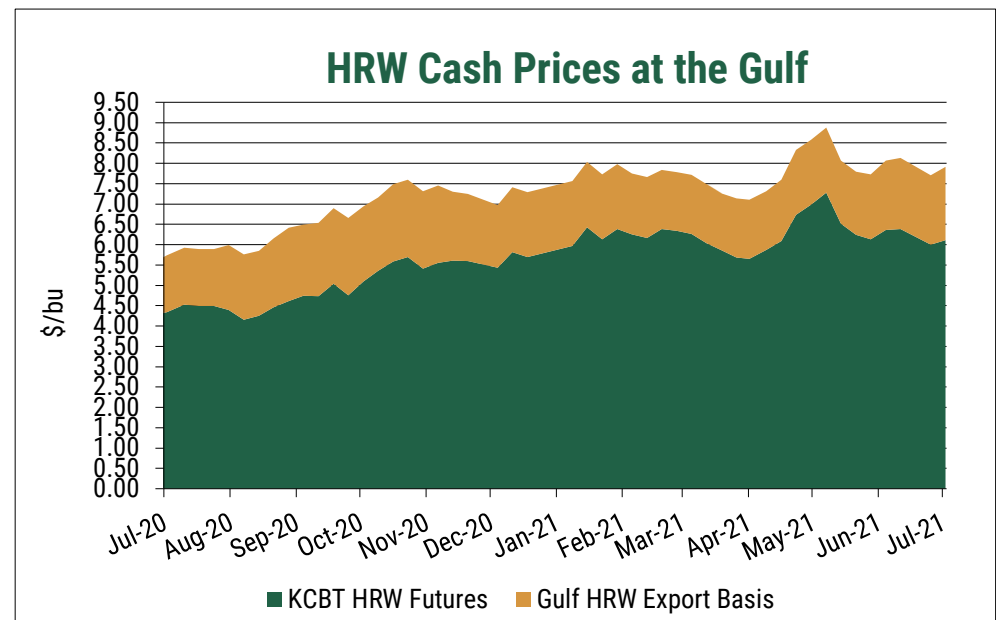
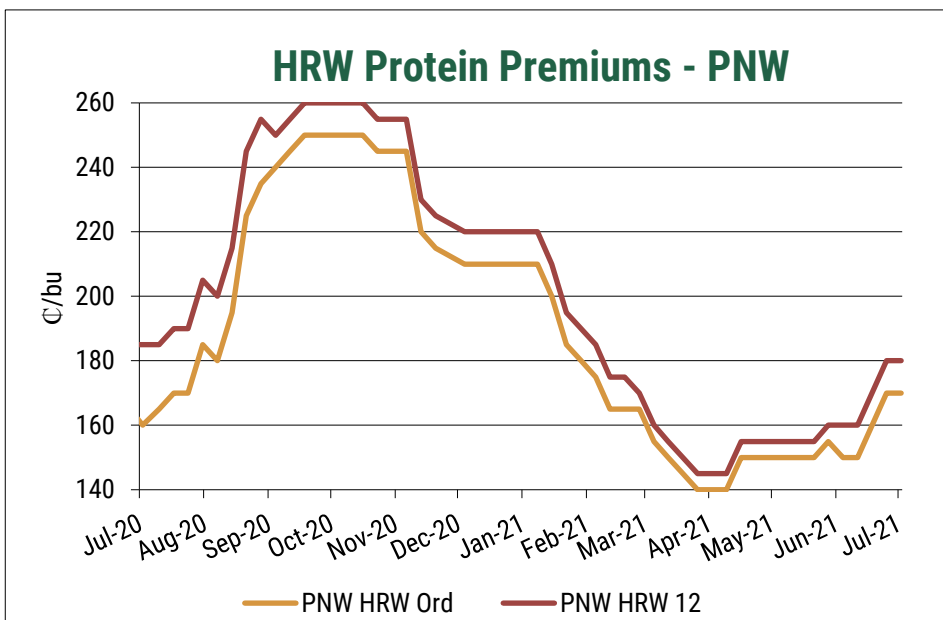
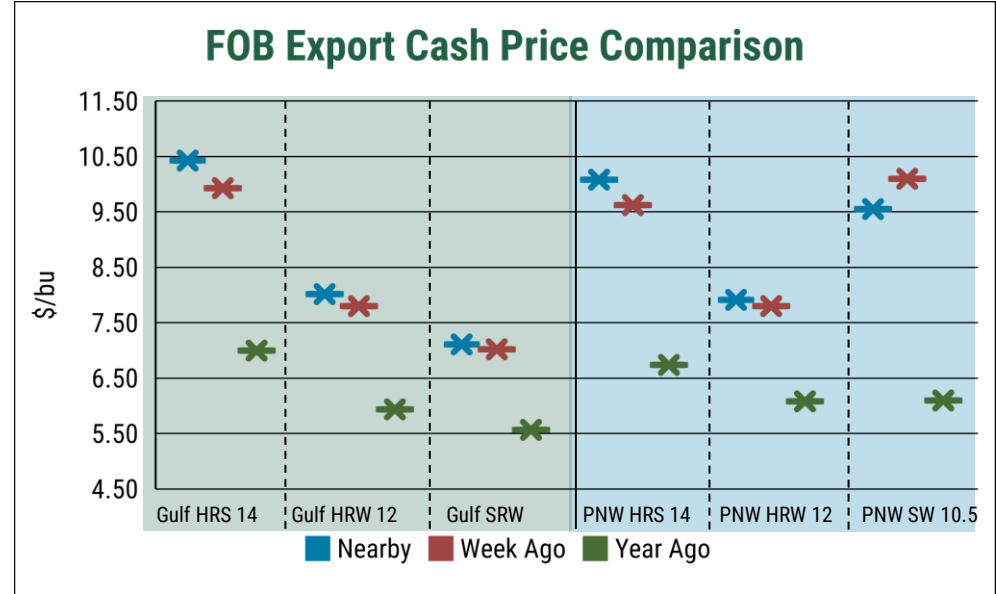
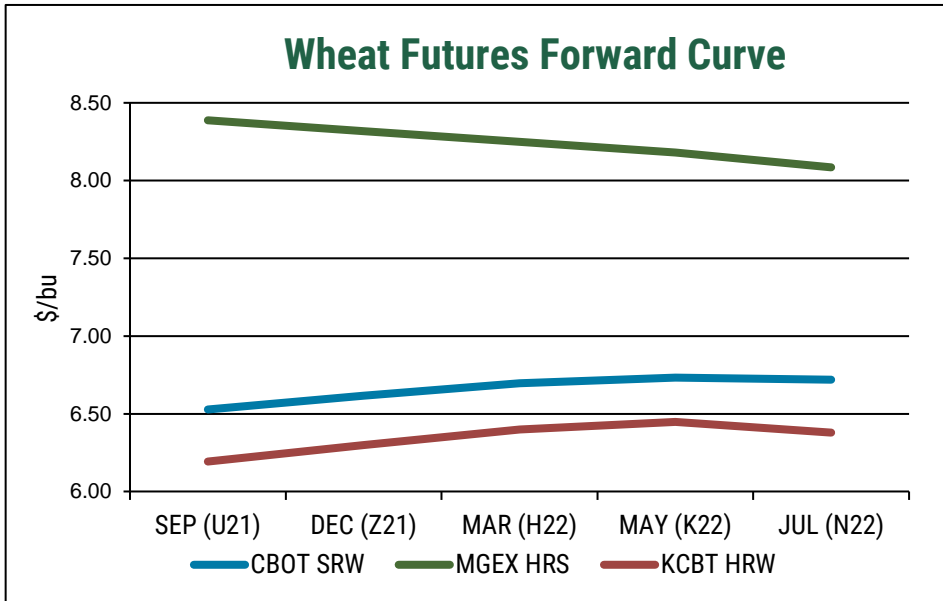
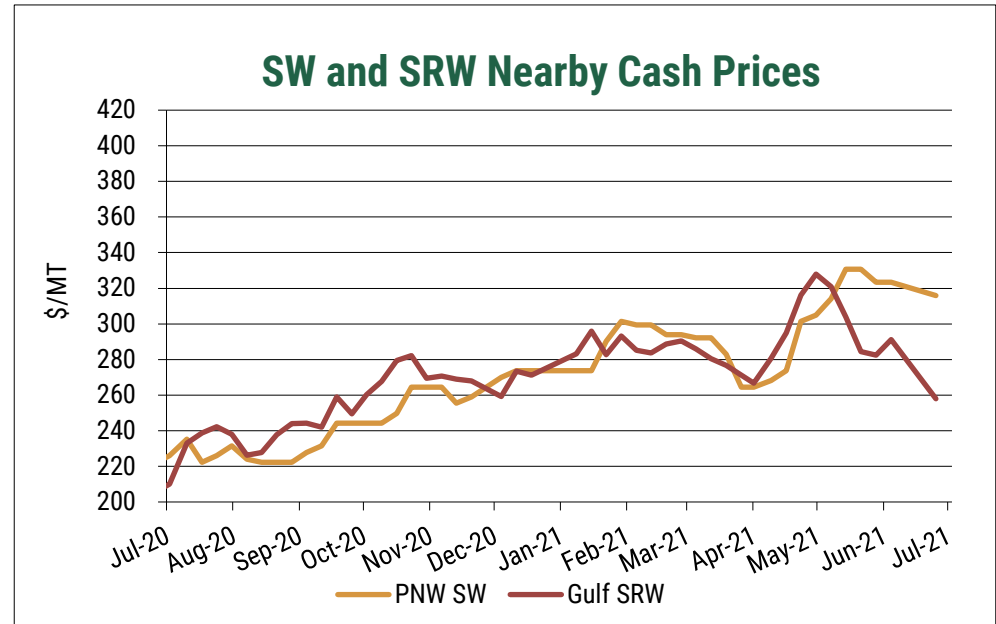
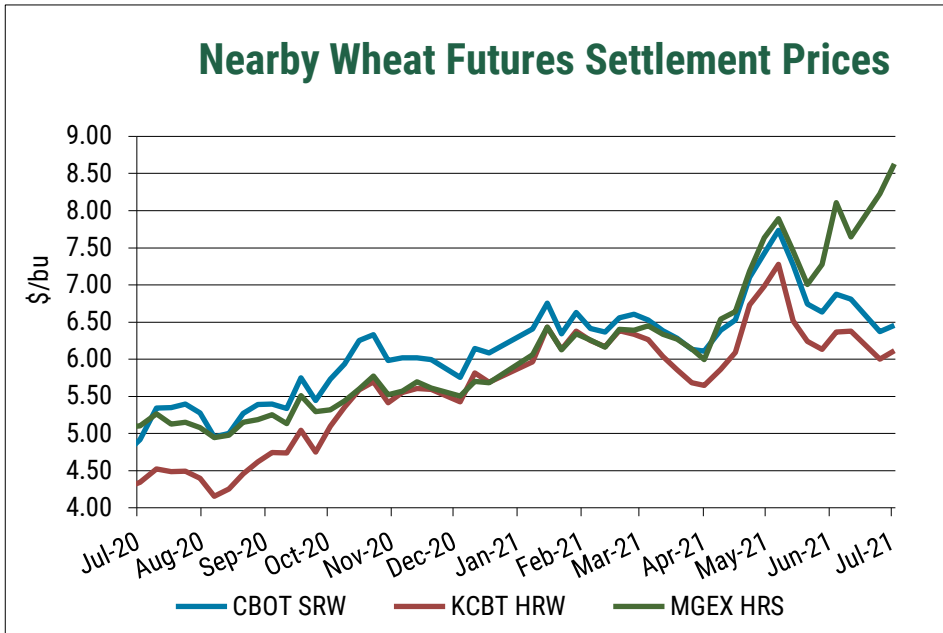
The weekly prices as reported by U.S. Wheat Associates are compiled through research from numerous market sources, including U.S. wheat exporters of all classes from various U.S. ports. The prices reported are representative of the value of number two grade and the proteins indicated. **They are not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

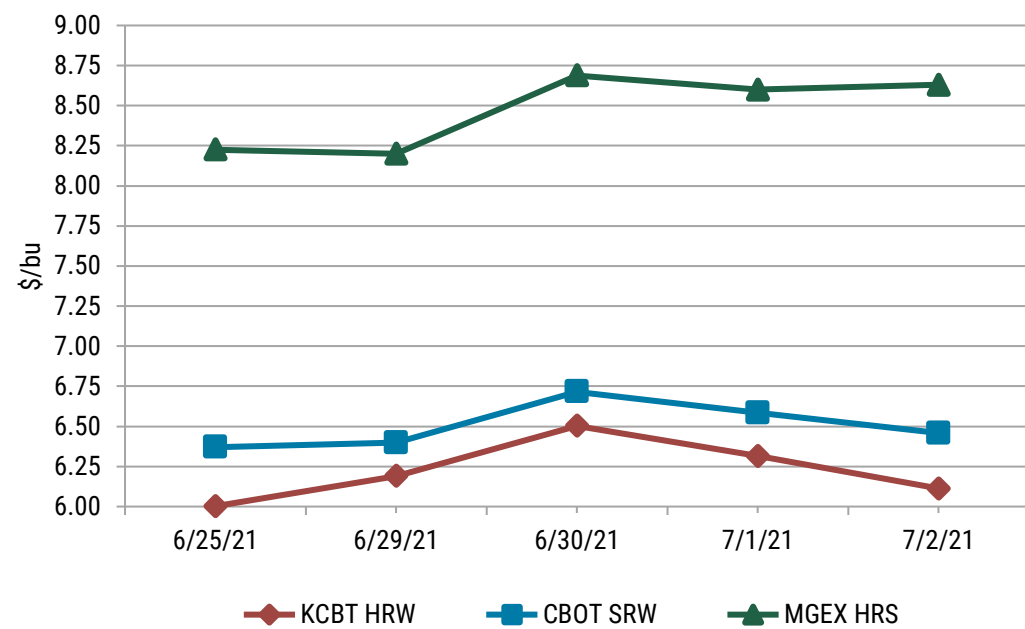
This contact will allow importers to review contract terms and better understand the U.S. grading system, role and function of the Federal Grain Inspection Service (FGIS).

Contact: For questions, please contact Michael Anderson at manderson@uswheat.org.



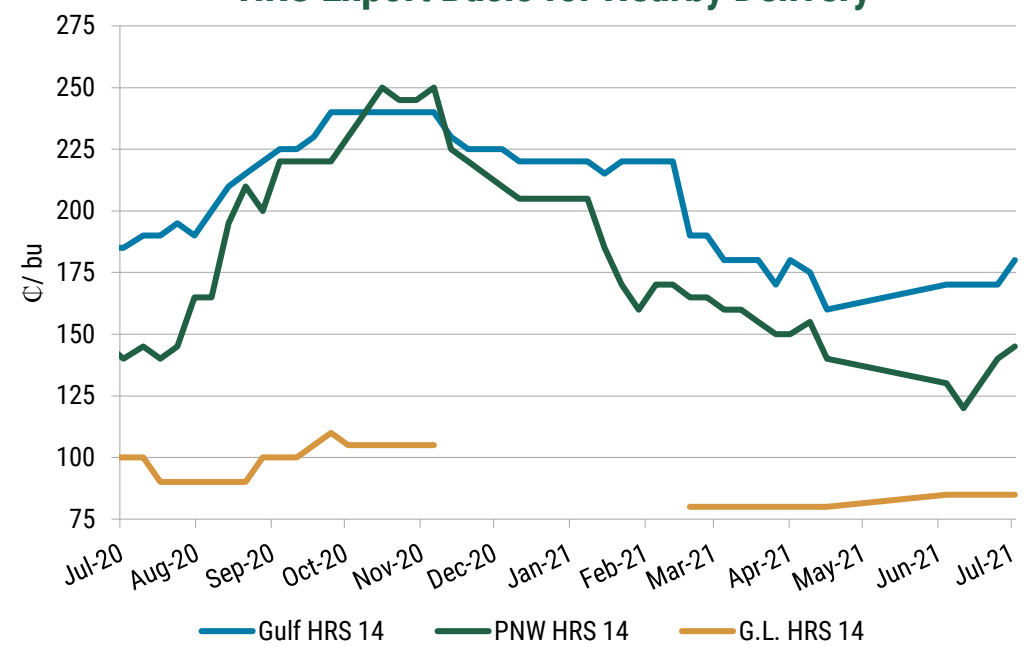


## Daily Futures Settlement Prices



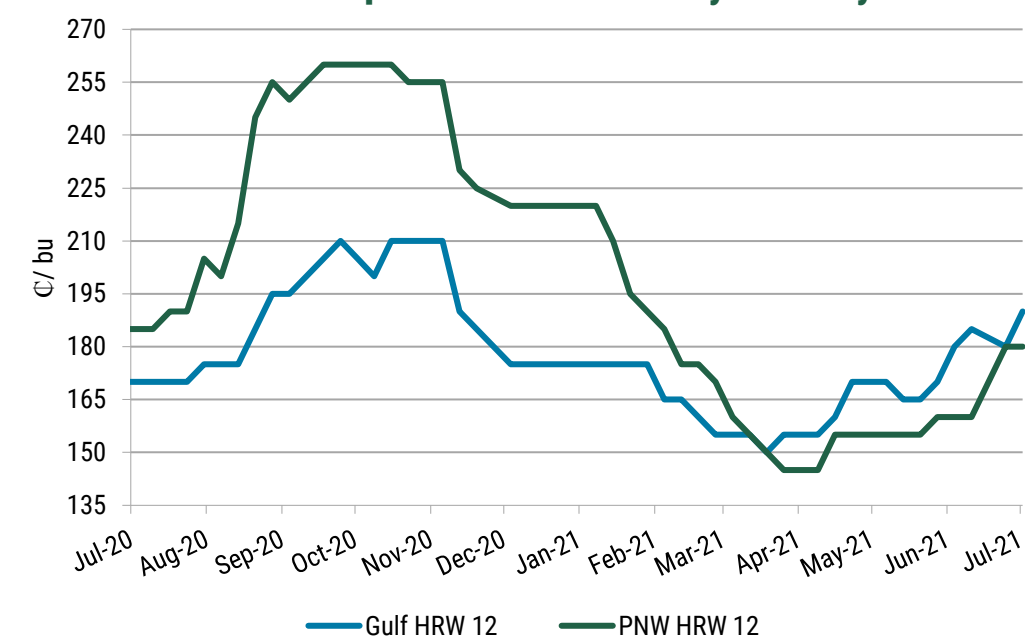
◆ KCBT HRW    ■ CBOT SRW    ▲ MGEX HRS

## HRS Export Basis for Nearby Delivery



— Gulf HRS 14    — PNW HRS 14    — G.L. HRS 14

## HRW Export Basis for Nearby Delivery



— Gulf HRW 12    — PNW HRW 12

- All futures prices were all up this week. CBOT soft red winter (SRW) futures gained 8 cents to close at \$6.45/bu. KCBT hard red winter (HRW) futures were up 11 cents to end at \$6.11/bu. Dry conditions continued to drive MGE hard red spring (HRS) futures up 41 cents to close at \$8.63/bu. CBOT corn futures rose 61 cents to end at \$6.97/bu. CBOT soybean futures gained \$1.22 to close at \$14.51/bu.
- Basis was up this week in the Gulf and the Pacific Northwest (PNW) for hard red spring (HRS) and hard red winter (HRW). Farmers remain reluctant to sell ahead of harvest due to concern over protein content. Dry weather conditions also factored into higher basis this week said traders. Despite dry weather and historic high temperatures basis eased on soft white from the Pacific Northwest.
- States growing hard red winter (HRW) are harvesting with some delays from rain in the Southern Plains. For the third week in a row no offers were made for HRW 12.5% protein exported from the Gulf. As harvest advances and more protein content is known, offers for higher protein HRW may change.
- New crop soft white (SW) proteins remain unclear at this time. Hot and dry conditions are raising concerns making grain traders reluctant to guarantee maximum proteins. For the third week in a row offers for SW 9.5 max remain limited. Please contact your supplier for more information.
- This week's U.S. wheat commercial sales of 226,300 metric tons (MT) were down 40% from last week's 374,100 MT and on the low end of trade expectations of 200,000 MT to 500,000 MT. Year-to-date commercial sales for delivery in 2021/22 total 6.4 million metric tons (MMT), 12% lower than last year. USDA expects total 2021/22 U.S. wheat exports will reach 24.5 MMT, 9% lower than last year, if realized.
- On June 28, USDA reported overall U.S. winter wheat conditions at 48% good to excellent, dropping one point from last week's 49%. The USDA also reported 33% of the winter wheat crop harvested, well ahead of the 5-year average of 40%. The U.S. spring wheat crop conditions is rated 20% good to excellent, dropping significantly from last week to the lowest level in decades. The USDA also reported 48 percent of the U.S. spring wheat crop headed, above the 5-year average of 39%. The latest USW Harvest Report can be found [here](#).
- The southern and central Great Plains experienced cooler temperatures and precipitation this past week, while the northern Great Plains saw sporadic rains and average temperatures. Any rainfall is welcome, but drought conditions continue to dominate. Warm temperatures and minimal precipitation are forecast in the week ahead. The drought worsened in the PNW with record-setting high temperatures (110-118°F / 43-48°C), Cooler, but still hot, weather is forecast over the next 7-10 days as the region continues to be in moderate to severe drought, with pockets of extreme drought that is stressing the crop. In the Midwest states, where much of the soft red winter wheat (SRW) is produced, an average of 2-7 inches (51-178 mm) of rain fell this week.
- Rising international freight rates are countering softer Black Sea wheat prices, reported AgriCensus. Ukrainian feed wheat prices dropped about \$4/mt over the last week with the arrival of new crop wheat. But freight to Asia increased around \$10/MT during the same week. "Sea freight is killing the FOB market," said one trader.
- Taiwan and the United States held talks to discuss a mutual Trade and Investment Framework Agreement (TIFA) this week. Taiwan's chief trade negotiator John Deng said he hopes the two countries can eventually sign a Free Trade Agreement (FTA). The U.S. Trade Representative's (USTR) office pledged deeper U.S. collaboration with Taiwan but did not commit to negotiations on an FTA. Taiwan bought over 1.0 MMT of U.S. wheat in 2020/21, making it the 7<sup>th</sup> largest buyer of U.S. wheat globally. So far in the 2021/22 marketing year, Taiwan has purchased 184.0 TMT.
- Russia will increase wheat exports in 2021/22 despite lower production, said Vladimir Petrichenko, General Director of proZerno, a Russian grain analyst that forecasts Russia to produce 82.0 MMT of wheat in 2021/22, down 5% year-on-year due to lower planted acres. Despite this, the large carry-over stocks will be more than enough to increase exports, said Petrichenko. SovEcon, a Black Sea based research firm, forecasts Russian wheat exports to total 38.4 MMT while the June USDA supply and demand report forecast Russian wheat exports to total 40.0 MMT. Russia has put into place an export tax which changes weekly. The tax, based on an average index price published by the Moscow Exchange (MOEX) decreased 10 cents from last week to \$41.20/MT for a total FOB price of \$258.90/MT. The tax rate will be applied between July 7-13 before the agriculture ministry reevaluates the tax rate.
- According to government data, Australia exported 2.7 MMT of wheat in May, up 80% compared to the 5-year average and the highest level in 11 years. This follows a record-setting April export program. Pacific neighbor Indonesia was the leading buyer, importing 457.5 TMT, followed by Vietnam, Kenya, and the Philippines. Since October 2020, Australia has shipped 15.7 MMT of wheat. Trade sources also reported that there is nearly no low protein wheat left to sell in Australia.
- The Baltic Dry Index (BDI), an assessment of the average cost to ship raw materials such as grains, coal, and iron ore, gained 5% on the week to end at 3,338.
- The U.S. Dollar Index increased from last week's 91.85. to close at 92.18.

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