

# Fryer's Feedgrain Report

## CORN

| Futures      | CBOT (¢) |        |        | Ethanol | RBOB    | Matif (€)   | S. Africa White July |               | Dalian Sep |       |
|--------------|----------|--------|--------|---------|---------|-------------|----------------------|---------------|------------|-------|
|              | July     | Sep    | Dec    | July    | July    | Jun         | Zar                  | \$            | CNY        | ¢/bu  |
| Previous     | 393.50   | 402.50 | 413.25 | 1.4900  | 2.1807  | 169.75      | 2'186                | 174.46        | 1'780      | 705.3 |
| Close May 31 | 394.00   | 403.25 | 413.75 | 1.4860  | 2.1656  | 169.00      | 2'180                | 172.06        | 1'767      | 700.2 |
| Change       | 0.50     | 0.75   | 0.50   | -0.0040 | -0.0151 | -0.75       | -6                   | -2.40         | -13        | -5.2  |
| SX8/CZ8      | 2.50     |        |        |         |         | €\$: 1.1655 |                      | \$/ZAR 12.670 | \$/CNY     | 6.410 |

| Fob (\$) | US 2 YC Gulf |        | Argentine up-river |        | Brazil Cargo |        | Ukraine |           | C&F Asia | Jul-Aug |
|----------|--------------|--------|--------------------|--------|--------------|--------|---------|-----------|----------|---------|
|          | prem         | \$/mt  | prem               | \$/mt  | prem         | \$/mt  | prem    | \$/mt     | US       | 220-225 |
| Jun      | 75           | 184.65 | 68                 | 181.89 | n/a          | n/a    | 90      | 190.55    | S. Am    | 220-225 |
| July     | 73           | 183.86 | 66                 | 181.10 | 90           | 190.55 | 90      | 190.55    | Ukraine  | 225-230 |
| Aug      | 69           | 185.92 | 63                 | 183.56 | 80           | 190.26 | 85      | 192.22    |          |         |
| Sep      | 75           | 188.29 | 63                 | 183.56 | 80           | 190.26 | 90      | 194.19    |          |         |
|          |              |        | Peso               | 24.96  | Real         | 3.727  |         | UAH 26.11 |          |         |

**Crops/Weather:** Temps across the US remain above normal, rain is confined to the N Plains and Midwest, but dryness will expand to almost all regions next week with ongoing high temps. Argentina is mostly dry and cold, Brazil again has showers in the south but the rest of the country is completely dry. Europe is wet in the west, still too dry in the east but cool.

**Markets:** CBOT corn ended at the low end of a 5¢ trading range as the trade wondered how Mexico and Canada would react to the US move on tariffs. Weather remains mostly supportive with dryness expected to continue in Brazil, the Black Sea and the US (where it is accompanied by high temps), whilst the weekly ethanol update was also mildly supportive with a 1% fall in production and a 4% drop in stocks. US old crop export sales today are expected at 700kt-1 Mmt with new crop at 150-350kt.

Argentine premiums were little changed but domestic prices rose \$5. BAGE put the harvest at 37% complete (39% last year) and kept the crop at 32 Mmt. The AgMin figure of 42 Mmt is in line with BAGE once the adjustment for silage maize is made. Brazilian weather issues seem to have slipped under the radar recently on the truckers' strike, but there is still a very wide range on Safrinha crop estimates (49-57 Mmt) and some total production estimates remain below 80 Mmt against the USDA's 87 Mmt. Cumulative rainfall is now below that of 2016, which produced a year-on-year 22% drop in yield, and a similar decline this year would give a crop of just 75 Mmt basis the USDA's acreage.

Matif was mixed, weaker on old crop but firmer on new, leaving the June-Nov carry at €4 against a near flat Fob market. EU weekly imports were another sizeable 332kt, which lifted the season total to 15.8 Mmt, putting the annualised pro rata at just under 18.5 Mmt (see last night's wire). With the CBOT unchanged there was no movement in Black Sea markets with old crop offers still at \$192 and looking for bids, whilst the bid-offer on new crop remained at +70/80CZ for the Oct-Dec and +70/80CH for the Jan-March. The Black Sea forecast remains dry but for now temperatures remain well below normal with no threats of heat.

**Outlook:** Hot dry conditions characterise the US with very low soil moisture levels in the Plains, the market is certainly not trading a sub 80 Mmt Brazilian crop, and there is no rain in the Black Sea for at least another 2 weeks. Downside still looks very limited barring some blow-up in the world trade order. Overnight is up 2¢.

## FEED BARLEY

## OATS

| Fob US\$ | French/EU | UK     | Black Sea | W Aus   | Argentina | C&F Saudi | Chi (¢) |
|----------|-----------|--------|-----------|---------|-----------|-----------|---------|
| 50kt     |           | 25kt   |           |         | BB/Neco   |           | N       |
| Jun      | 204.55    | 213.89 | -         | 230-235 | 195-205   | 230-235   | 238.75  |
| July     | 200.60    | 215.70 | 195-202   | 230-235 | 195-205   | 225-230   | 244.75  |
| Aug      | 200.77    | 201.51 | 195-202   | -       | -         | 225-230   | 6.00    |
| Sep      | 203.29    | 203.30 | 200-204   | -       | -         | 225-230   |         |

**Crops/Weather:** Good rains and near normal temps will continue across most of Canada's growing regions whilst Europe remains very wet in the west with heavy rains and hail storms. Hot dry conditions and low soil moisture are also becoming a concern in NE Europe, whilst dryness persists in the Black Sea. Precip in Argentina is being pushed out east and temps have dropped sharply with some frost/freezes occurring. Australia still looks completely dry in the east but some showers have occurred in the west, India's monsoon continues to progress normally.

**Brussels:** Weekly shipments were 26kt for a season total 5.1 Mmt, now just 50kt above last year (see last night's wire).

**Markets:** EU barley premium bids were unchanged but sellers disappeared on fears of a late harvest due to ongoing heavy rain. In the Black Sea there was again talk of some very cheap offers but no one could actually find them, although unlike France and Spain which is put at 15 days late, the Balkan crop is expected to be early. We have left prices nominally unchanged. There was again no change in S Hemisphere Fob values.