

Wheat Market Outlook and Price Report: June 29, 2020
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i) Background and Rationale for the Report

The following wheat market outlook and price report will be published on a weekly basis on the Saskatchewan Wheat Website. The report provides producers with an overview of world wheat markets, a market forecast, and benchmark prices at both the primary elevator and export positions (FOB Vancouver or elsewhere).

The report is made up of several sections. Following this section, a World Wheat overview is provided, which includes a summary of wheat market fundamentals, world production and trade, and a wheat market outlook. This is followed by several price tables, which include primary elevator bids at various Saskatchewan locations (table 1), grain spreads (table 2), and FOB port prices and basis (as measured by subtracting the primary elevator price (Rosetown) from the relevant port location price for individual crops) (table 3). Table 3 is preceded by a description of the various assumptions, definitions and methodology used in arriving at the FOB port prices and in the export basis calculation.

ii) Wheat Market Outlook June 29, 2020

International Grains Council (IGC): June Global Wheat Balance Sheet, June 25, 2020:

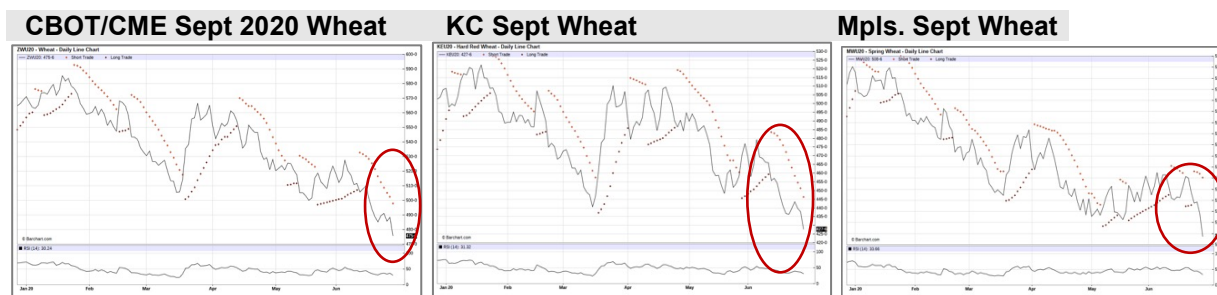
	17/18	18/19 est.	19/20 f'cast	20/21 proj.	
million tons				28.05	25.06
WHEAT					
Production	762	732	762	766	768
Trade	176	169	181	178	180
Consumption	740	740	749	750	751
Carryover stocks	269	261	274	290	290
<i>year/year change</i>	22	-8	13		16
Major exporters ^{b)}	83	70	64	68	65

- The IGC raised their 2020/21 **global wheat production estimate** by 2 million mt to 768 million mt, a 6 million mt increase over last year's production. Improved outlooks for Australia and China more than offsetting a downward revision for the European Union.
- **Trade** was also increase by 2 million mt to 180 million mt.
- **Consumption** increased by 1 million mt to 751 million mt.
- The IGC '20/21 **carryover** estimate remained the same from last month's estimate at 290 million mt, but this is 16 million mt (6%) higher than last year's carryover.
- Note the '20/21 carryover by major exporters was reduced by 3 million mt.

➤ **Global wheat production and trade:**

There is a lot of competition in the wheat markets as wheat is produced around the world. Below is a brief synopsis on last week's market events in the major wheat origins.

- **Futures:** Jul '20 contract **Chicago winter wheat** closed at 474-0, down 12-6 cents on Friday, *down 7-2 cents for the week.*
- Jul '20 contract **Kansas hard red winter wheat** closed at 421-2, down 8-4 cents in Friday's trade, *down 7 cents for the week.*
- **Minneapolis** Jul '20 contract **hard red spring wheat** closed at 498-4, down 12-4 in Friday's trade, *down 25-8 cents for the week*, while Sep '20 hard red spring wheat closed at 508-6, down 10-2 cents on Friday, *down 26-4 cents for the week.*
 - A disastrous week in wheat, and we think Chicago wheat may have at least another 25c/bu downside.



Canadian Wheat:

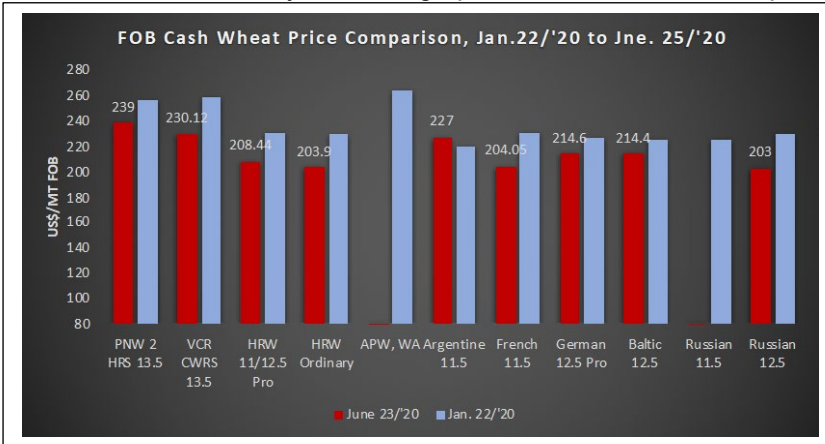
- *Good rains in Western Canada have put pressure on HRS wheat, as well as canola prices, and markets are reducing weather premiums.*
- Last week's rumours of Chinese buying interest in US spring wheat did not materialize!
- Seeding progress: **Canada:** Most of Saskatchewan received at least a small amount of rainfall this week,
- though most farmers would welcome more rain. In Saskatchewan, 68% of fall cereals, 69% of spring cereals are at their normal stages of development, so almost 1/3rd is somewhat behind normal for this time of year. Cropland topsoil moisture is rated as 2% surplus, 69% adequate, 22% short and 7% very short.
- In Alberta, hail and severe storms hit some areas across the southern half of the province, followed by another system impacting both south and north. A large area mainly in the Central, North West and Peace Regions along with the western parts of the North East Region received well over 30 mm of precipitation, with many areas getting up to 80 mm. In Alberta, 83% of spring wheat was reported in in Gd/ Exc. condition.
- **US spring wheat:** Development of the U.S. spring wheat crop continues to be behind the average pace, but ahead of last year's abnormally slow pace. According to this week's USDA Crop Progress Report, about 12% of the U.S. spring wheat crop has headed out compared to 22% on average and 6% last year. Crop condition ratings dropped this week with 75% of the crop rated in good to excellent condition, down from 81% the previous week. Condition ratings increased slightly for Montana and South Dakota but declined in North Dakota (69% Gd./Exc. from 78% the previous week) and Minnesota.
- **E Europe:** The market is waiting for the first winter yields in the Black Sea. *Russian spring wheat has better rain in the forecast, but Kazakhstan still looks predominantly dry.*

- Weekly Canadian sales: According to the weekly CGC data, Canadian **wheat exports** for week 46 amounted to 410,000 mt, bringing year-to-date exports to 15.3 million mt, 6% smaller than last years (-935 k mt).

('000 mt)	(CGC) Grain Handling Summary Wheat		Wk. 46	(June 21/'20)
	Prod. Dlvs.	Terminal Rcpts.	Bulk exports	Dom. Disappearance
Wk. 46	505.5	341.8	409.9	87.6
Week ago	565.5	537.2	322.6	32.4
YTD	19,420.9	17,602.0	15,317.0	3,486.5
Last YTD	19,163.1	18,439.7	16,251.8	3,627.3
YTD less Last YTD	257.8	-837.7	-934.8	-140.8
YTD over Last YTD	101%	95%	94%	96%

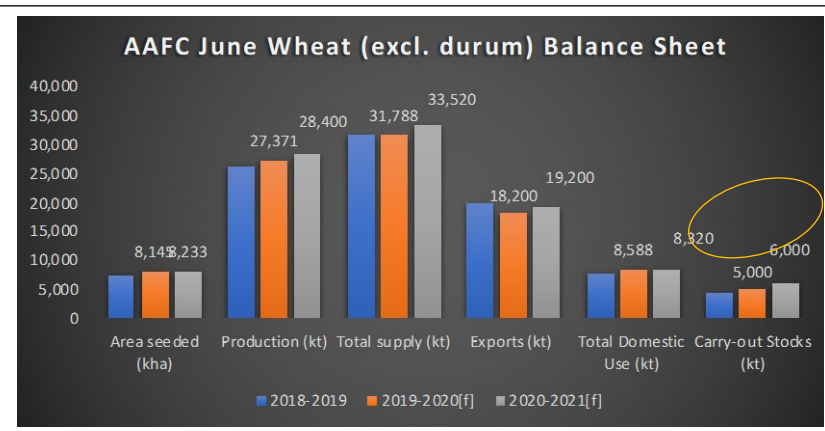
Mercantile based on weekly CGC Handling Data

- Canadian wheat exports have gained ground over the past six weeks. Too bad this is happening when prices are the lowest level of the year. The graph below shows the FOB price comparisons for different origin wheat from Jan. 22/'20 to June 25/'20.



- FOB wheat prices are down by US\$12-29/mt over the 6-month period, depending on origin/ type of wheat. Values for CWRS and French wheat have fallen the most.

- Commercial wheat stocks in Canada increased to 2.3 million mt.



- So far, **AAFC** has been assuming 20.3 million acres for wheat (excluding durum), with big wheat ending stocks of 5 million mt for '19/20 and of 6 million mt for '20/21. A Reuters pre-report poll to today's StatsCan acreage report showed that the average pre-report estimate for wheat acres is at 19.7 million acres.

- In their **seeded acreage report** this morning,

StatsCan reduced their 2020 Canadian spring wheat acreage by 846,000 acres from their May report to 17.9 million acres (18.8 million ac. in 2019)! This acreage is 5% smaller than last years. Seeded durum acres were increased by 460,000 acres to 5.69 million acres (4.89 million acres in 2019). This acreage is 16% higher than last year's durum acreage.

- Given the current Canadian elevator bids we prefer to wait before selling cash. For futures traders, we still prefer selling Chicago Dec wheat.

- Durum:** The driest part of the Prairies is a corridor from Leader south to Maple Creek. The other dry area is between Moose Jaw, Assiniboine and Weyburn including other parts of SE Saskatchewan. However, the forecast shows 60 – 70% probability of precipitation from Saturday through late next week, so hopefully these dry areas can get some much-needed moisture.

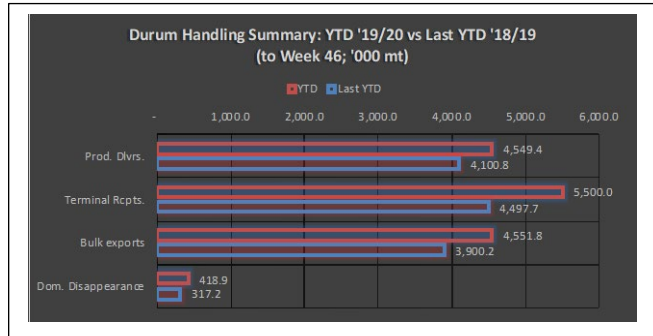
- US durum:** The condition of the North Dakota durum crop has declined in recent weeks. The weekly USDA Crop Progress Report showed 51% of the crop rated in good to excellent condition,

down from 73% the previous week and over 80% the week prior. The primary factor for the decline in condition is the lack of moisture. The main durum producing region has received very little rainfall since planting began and the lack of moisture is starting to stress the crop and reduce yield potential. Producers report short stands and smaller heads on the crop. About 3% of the North Dakota durum crop has headed out.

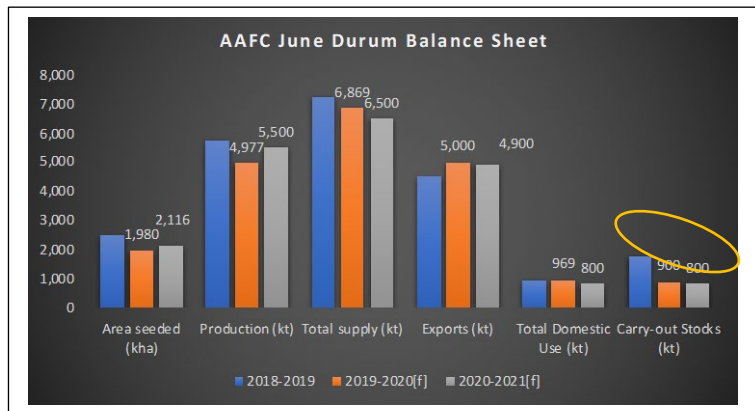
- **Durum exports** for week 46 were 100,000 mt for a season total of 4.56 million mt, 17% (+651,000 mt) bigger than last year.

We continue to expect export sales for durum to remain strong into the summer.

- In their June durum balance sheet, **AAFC** is assuming 5.2 million acres for 2020 durum, while Mercantile has been using 5.6 million acres. The Reuters pre-StatsCan report poll showed that the average pre-report trade estimate for durum acres is at 5.5 million acres, with a range of 5-5.8 million acres.

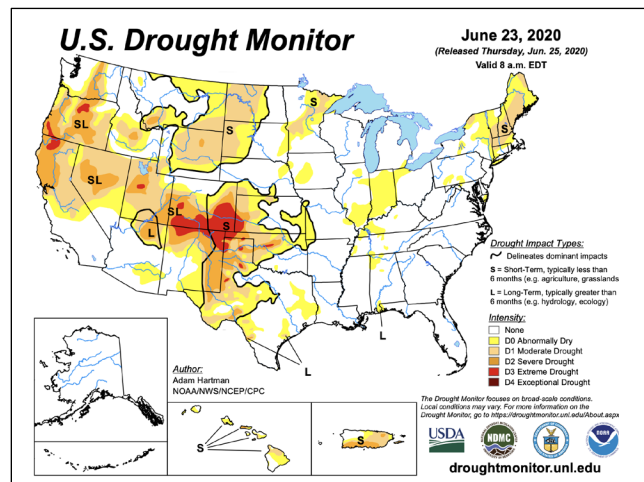


- In their **seeded acreage report** this morning, **StatsCan** increased seeded durum acres by 460,000 acres from their May report to 5.69 million acres (4.89 million acres in 2019). This acreage is a huge adjustment (in the right direction), it is 16% higher than last year's durum acreage, and now slightly exceeds our own durum acreage estimate. Durum demand is strong, but we may see a slowdown while the EU crop is being harvested. Moderate carry-in stocks in Canada and strong projected export demand in 2020/21 are supportive to new crop durum.



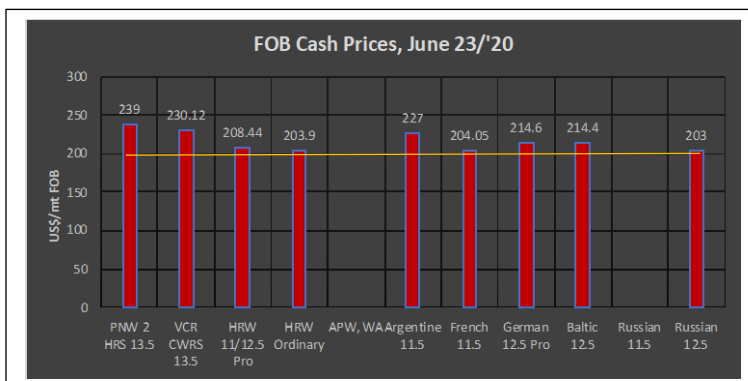
US wheat:

- *Winter wheat harvest progress across the United States and technical selling pressured all wheat futures prices during the week.*
- US wheat conditions: Sporadic rains across the HRW growing region slowed harvest progress in Texas, Oklahoma and Kansas, and aided crop development in unharvested areas. SRW harvest continues to move forward. Nearly 13% of the spring wheat crop has headed and remains in good condition, but portions of the growing region could use precipitation. The PNW SW crop received beneficial rains in Idaho and Washington and favourable pre-harvest weather in Oregon. The northern durum growing region continues to need rain.
- Despite worsening dryness across the western Great Plains, total U.S. winter wheat ratings improved two points on the week to 54% good to excellent. Total U.S. spring



wheat ratings fell 6 points from last week to 75% good to excellent on worsening dryness across the Northern Plains.

- US wheat sales added to 517,000 mt, within trade expectations of 300,000 to 600,000 mt. *China did not come for US commodities as was rumoured/ hoped for last week, and N American wheat remains relatively expensive in international markets!*
- The FOB value for 13.5 pro HRS in the PNW for June decreased by \$9.50/mt from last week to \$233.00/mt, while June White wheat from the PNW remained at \$225/mt.



Australian wheat:

- Australian wheat futures made their third straight weekly close at contract lows. Crop prospects are still seen as excellent, and ASW at \$210 for December-January is competitive into Asia against Black Sea wheat. Widening freight spreads are helping.
- Dec-Jan APW is worth around \$225 Fob Western Australia.

Argentine wheat:

- The percentage of Argentine wheat seeded rose 10% to 71% complete, but BAGE cited ongoing dryness as a threat, with fieldwork in many places having stopped.
- Argentine wheat (12% pro) closed at \$225-235/mt.

EU wheat:

- Matif wheat made its 4th straight lower weekly close despite downgrades to the EU crop by the IGC (- 3.3 million mt) and the EU Commission (- 4.3 million mt to just 117 million mt soft wheat, with France at a new low of 30.3 million mt). We suspect these estimates may be too low given recent rains.
- Tender business and importer business are *very thin*, but there was no sign of any other importers wanting to emulate China's coronavirus demands.
- EU shipments hit an all-wheat total of 35 million mt.
- Fob values in the EU were weaker: French 11.5 pro dropped \$3.94/mt to \$202.67/mt, while German 12.5 pro wheat dropped by \$3.61/mt over the week to \$215.43/mt.

Black Sea wheat:

- CME Black Sea July wheat futures closed at 5-week lows, while the Dec fell to 14- week lows.
- The Ukraine took its wheat estimate down to 24.5 million mt, and the Govt is expected to propose a wheat export quota of just 17.2 million mt (21 million mt in 19/20).
- There still is tightness in the nearby Black Sea wheat market because of lack of farmer selling. This could extend into the first half of August while Russian farmers have a record sunflower seed crop to sell, which fetches higher prices than wheat and which is hard to store.
- Russian and Kazakh spring wheat regions have improved chances of rainfall this week, but they remain unseasonably cool. Both Russian and Kazakh spring wheat crops are far from mature and will need rain and warmth to yield well.
- Russian wheat for June shipment weakened by \$1.00/mt to \$202.00/mt for 12.5 pro wheat.

➤ Significant purchases/ trades:

- Trade in wheat has slowed; the only major trade we saw last week was **Japan's** weekly MOA for 101,000 mt, of which the US sold 54,000 mt.

- There was NO tender business last week.
- **Pakistan** authorised private sector imports, but with no specified volume.
- This week, **Jordan** tenders Tuesday for 120,000 mt November-December wheat and **S Korea** is in the market for 70,000 mt feed wheat for end Nov arrival.
- The **Baltic Dry Index** (BDI) jumped 12% on the week to end at 1,738.

➤ **Wheat Market Outlook:**

Significant events:

- The **IGC raised its forecast for global wheat production** in the 2020/21 season by 2 million mt to 768 million mt (762 million mt last season), with improved outlooks for Australia and China more than offsetting a downward revision for the European Union.
- Winter wheat **harvest progress** across the United States and **technical selling** pressured all wheat futures prices during the week.
- **StatsCan** reduced their 2020 Canadian spring wheat acreage by 846,000 acres from their May report to 17.9 million acres (18.8 million ac. in 2019)! This acreage is 5% smaller than last years.
- **StatsCan** increased seeded durum acres by 460,000 acres from their May report to 5.69 million acres (4.89 million acres in 2019).
- Canadian wheat exports have gained ground over the past six weeks. Too bad this is happening when prices are the lowest level of the year.
- **China** did not come for US commodities as was rumoured/ hoped for last week, and N American wheat remains relatively expensive in international markets.
- Crop prospects for **Australian wheat** are still seen as excellent, and ASW at \$210 for December-January is competitive into Asia against Black Sea wheat. Widening freight spreads are helping.
- Both **Russian and Kazak spring wheat crops** are far from mature and will need rain and warmth to yield well.
- **Good rains in Western Canada** have put pressure on HRS wheat, as well as canola prices, and markets are reducing weather premiums.
- **Ocean freight rates** are rising.
- **Global Wheat News:**
 - The European Commission (EC) lowered its forecast for total **European Union (EU) soft wheat production** to 117 MMT, down 3% from last month's estimate and 20% lower than last year's output on extreme dryness in France and Germany during the growing season.
 - Total **French soft (non-durum) wheat ratings** are stable week-over-week at 56% good to excellent as beneficial precipitation and mild temperatures in early June alleviated the effects of an extremely dry spring. However, this week's soft wheat ratings are 24 points lower than this time last year and are the country's lowest total ratings since Jun 2011.
 - **Argentinian wheat planting** for the 2020/21 season jumped from last week to 71% complete, 9 points ahead of the 5-year average. According to the Buenos Aires Grain Exchange (BAGE), as of June 25, 21% of the country's wheat is in excellent condition, 5 points ahead of last week on recent precipitation but 21 points behind last year on persistent dryness through the planting season.
 - IKAR, a Russian agriculture consultancy increased its **2020 Russian wheat production** estimate to 79.5 MMT, up 2% from its previous estimate and 8% more than last year, if realized. IKAR increased its estimate for Russian wheat exports to 37.0 MMT, up 2.0 MMT from its previous forecast. That would be 10% more wheat exported in 2020/21 than the year prior. Agritel, a European agriculture consultancy, believes Russia will begin its winter wheat harvest within the next two weeks.
 - The **Baltic Dry Index** (BDI) jumped 12% on the week to end at 1,738.

➤ **Outlook:**

The IGC raised its forecast for global wheat production in the 2020/21 season by 2 million mt to 768 million mt (762 million mt last season), with improved outlooks for Australia and China more than offsetting a downward revision for the European Union. According to StatsCan this morning, Canadian wheat acres are up over last year to 25.2 million acres and the largest in 6-years. Canadian wheat is off to a good start as well. Nevertheless, with the exception of Australia and possibly Russia, national crop estimates around the world are declining - paradoxically at the same time as most futures markets are falling to multi-week or multi-month lows. Major exporter stocks are also expected to hit multi-year lows, *but worries about the demand side of the balance sheets have eroded the confidence of traders and continue to pressure the market.*

Traders believe that there will be more than adequate milling supplies and feed wheat is too expensive compared to other feed grains, so this will reduce wheat demand. We need a major weather event or the USDA to report much lower planted corn acres in the Northern Hemisphere to change this view.

There is a bounce back by SRW and corn futures this morning, but in SRW's case this is only about 1/3 of what it lost on Friday. The USDA quarterly Grain Stocks and Planted Acreage reports come out tomorrow morning; these reports can have a violent impact on markets, but the years it had that effect were years where trade had much more trepidation about crop numbers and size.

Given the current Canadian elevator bids, we prefer to wait before selling cash. For futures traders, we still prefer selling Chicago December wheat.

iii) Primary Elevator Price Tables and Grade Spreads

Table 1: Canadian Primary Elevator Bids, in Canadian Dollars per Bu and per MT

Date: 29-06-2020					
NW Sask	Spot		NW Sask	Deferred	
	(bu.)	(mt)		Sept.'20 (bu.)	Sept.'20 (mt)
1 CWRS 13.5	\$6.34	\$232.96	1 CWRS 13.5	6.03	\$221.57
1 CWAD 13.0	\$7.79	\$286.24	1 CWAD 13.0	7.62	\$279.99
1 CPSR 11.5	\$5.56	\$204.30	1 CPSR 11.5	5.29	\$194.38
SW Sask			SW Sask		
1 CWRS 13.5	\$6.19	\$227.45	1 CWRS 13.5	5.89	\$216.42
1 CWAD 13.0	\$7.75	\$284.77	1 CWAD 13.0	7.55	\$277.42
1 CPSR 11.5	\$5.45	\$200.25	1 CPSR 11.5	5.20	\$191.07
NE Sask			NE Sask		
1 CWRS 13.5	\$6.05	\$222.30	1 CWRS 13.5	5.81	\$213.48
1 CWAD 13.0	\$8.10	\$297.63	1 CWAD 13.0	7.97	\$292.85
1 CPSR 11.5	\$5.41	\$198.79	1 CPSR 11.5	5.13	\$188.50
SE Sask			SE Sask		
1 CWRS 13.5	\$6.02	\$221.20	1 CWRS 13.5	5.81	\$213.48
1 CWAD 13.0	\$8.11	\$297.99	1 CWAD 13.0	7.93	\$291.38
1 CPSR 11.5	\$5.36	\$196.95	1 CPSR 11.5	5.11	\$187.76

Table 2: Grade Spreads, in Canadian Dollars per Bu and per MT

Avg. Grade Spread/ Pro Discounts	Cdn\$/bu.	Cdn.\$/mt
1 CWRS 14.0	0.05	1.89
1 CWRS 13.5	Base Grade	Base Grade
2 CWRS 13.5	(0.10)	-3.67
1 CWRS 12.5	(0.15)	-5.51
1 CWAD 13.0	Base Grade	Base Grade
1 CWAD 13.5	0.00	0.00
2 CWAD 13.0	(0.10)	-3.67
2 CWAD 12.5	(0.20)	-7.35

iv) FOB Wheat Prices and Export Basis Calculation

Background and Rationale:

Reporting FOB prices at port position and primary elevator prices allows the reader to gain an understanding of both local and international wheat prices and to understand the relationship between the two, as measured by the export basis. Export basis can be defined as FOB port position prices minus the primary elevator prices at any given prairie delivery location and is therefore reflective of transportation costs plus any premiums being captured by terminal grain elevator companies or the railway companies, at any given time.

In general, a widening basis is indicative of decreasing system performance in terms of either reduced port capacity or rail service, or both. A narrowing basis is indicative of increased available port capacity and/or better availability of the railways to provide ample service to grain shippers. In this regard, tracking these prices over time has value both in terms of producers being able to time the selling of their grain but also in terms of evaluating and setting policy related to various transportation and capacity issues.

Gray (2015) has calculated a normal basis to be in the range of C\$72/tonne. During the 2013/14 crop year the export basis for wheat widened to approximately C\$250/tonne, which indicated an inability of the grain handling and transportation system to adequately handle the record crop produced that year. This occurrence has highlighted the need to improve the level of rail service and take measures to expand port capacity where possible. It has also underscored the need for better price transparency and market information within the grain sector.

Assumptions, Definitions, and Methodology

The following background information should assist in understanding and interpreting international market signals and to relate them to the 'local' Saskatchewan wheat market:

- The price information generated for the weekly report is designed to show farmers at what price levels several wheat classes are trading at local primary elevators (Table 1) and in

nearly international markets (table 3). To express the Export Basis¹ (see *Export Basis* in table 3) defined as Canadian FOB Prices minus primary elevator bids, the FOB prices are translated into Canadian dollars from US dollars and compared to current actual primary elevator Street prices at Rosetown, Saskatchewan (see *Street Prices* in table 3). Rosetown is used as a proxy for all primary elevators in the basis calculation. The actual handling and transportation costs from the West Coast to delivered elevator (Rosetown area) range from ~C\$58.00-C\$74.72/mt, depending on number of cars moved and elevator used.

- Approximate relationship between U.S. wheat classes and Canadian wheat classes:
 - DNS 14% in the Pacific North West (PNW) ≈ 1 CWRS 13.5% in Vancouver
 - HRS in the Pacific North West (PNW) ≈ 2 CWRS 13.0% in Vancouver
 - HRW in the Pacific North West (PNW) ≈ 3 CWRS in Vancouver
 - SW (lowest price wheat) ≈ CPS red (mostly fed domestically)
 - HAD (Lakes) ≈ CWAD (Thunder Bay/ Lawrence)
 - Abbreviations: DNS (Dark Northern Spring Wheat); HRS (Hard Red Spring Wheat); HRW (Hard Red Winter Wheat); SW (Soft Wheat); HAD (Hard Amber Durum Wheat); CWRS (Canadian Western Red Spring Wheat); CPS (Canada Prairie Spring Wheat); CWAD (Canadian Western Amber Durum Wheat)
- Hard wheat price calculations:
Exporters in Western Canada generally derive their primary elevator wheat prices from HRS values at the West Coast (Pacific Northwest - PNW). Similarly, HRW values are used for lower grade (3) CWRS.
 - West Coast HRS and HRW values essentially dominate the international hard wheat trade and determine its basic value.
 - If premiums are paid for 1 CWRS 13.5, elevator companies are often able to retain the premium
- Durum wheat price calculations:
The primary export route for Canadian durum wheat is still through Thunder Bay, not the West Coast of Canada.
 - Nevertheless, the Pacific Coast has increased in importance for durum over time with 38% of total export volume crop year to date.
 - Italy is the single biggest buyer of Canadian durum wheat with 27% of total Canadian durum exports year-to-date (East Coast shipments).
- Optional origin grain sales:
Most major international grain companies sell 'optional origin' wheat to their customers and often cover their sales 'at best' closer to the shipment position. The Canadian grain system is not conducive to servicing optional origin sales because the volume of wheat

¹ Gray, R.S. (2015). The Economic Impacts of Elevated Export Basis Levels on Western Canadian Grain Producers 2012/13, 2013/14 and 2014/15.

“The difference between FOB Vancouver prices and the SaSaskatchewanatchewan elevator cash bids to producers is referred to as export basis: Basis can refer to the difference between any two prices. As the largest volume port, Vancouver FOB, minus the elevator bid prices representative measure of the “export” basis for grains in Western Canada.”

kept in storage in port today is much smaller than prior to deregulation of the Canadian wheat market.

TAIbertale 3: Relevant FOB Prices and calculated Basis, US & Canadian Dollars per MT

Relevant FOB Prices and Export Basis				29-06-2020
Type of Wheat	FOB Prices CDA ¹ (calculated)		Street Prices	Export Basis ²
	West Coast (Cdn./mt\$)	Great Lakes (Cdn.\$/mt)	Rosetown (Cdn.\$/mt)	Basis: West Coast-Centr. SK (Cdn\$/mt)
DNS 14.0	\$333.26	\$393.58		
HRS	\$325.72			
HRW 11.5	\$297.07			
SWW 12.0	\$296.06			
1 CWRS 13.5 ³	\$333.26		\$226.71	\$106.55
2 CWRS 13.0 ³	\$325.72		\$206.50	\$119.22
3 CWRS ³	\$297.07		\$188.13	\$108.94
CPS ³	\$289.03		\$205.40	\$83.63
1 CWAD ⁴		\$386.54	\$257.21	\$129.33
Competing wheat:	US\$/mt			
Russia 12.5 (Black Sea, 25k mt)	\$202.00	June		
French 11.5 (Rouen)	\$202.67	June		
ASW 10.5 (W Coast)	\$225.00	N/C		
Argentine 12.0	\$225.00	June		

¹ FOB Prices CDA = FOB US\$ converted into Canadian Currency

² Export Basis = FOB Prices CDA minus Cdn. Street Price

³ DNS 14% ≈ 1 CRWS 13.5%; HRS ≈ 2 CWRS 13.0%; HRW ≈ 3CWRS; SWW ≈ CPS

⁴ Values derived to Lakehead FOB

ADDENDUM

Futures Driven Basis Calculation, Canadian Dollars per MT

Canadian Wheat - World Price Parities				29-06-2020
Canadian Funds	Grade			
PNW value/Vancouver	2CWRS	3CWRS	Winter wht.	CPS
Sept/Oct delivery	\$8.67	\$7.89	\$5.75	\$5.75
Parity Track Rosetown	\$7.18	\$6.40	\$6.37	\$6.37
Track Bid Rosetown Area	\$5.62	\$5.12	\$5.59	\$5.59
Gross Margin at Elevator (\$/bu)*	\$1.56	\$1.28	\$0.78	\$0.78
Gross Margin at Elevator (\$/mt)*	\$57.20	\$46.92	\$28.64	\$28.64

* to cover elevation, elevator market risk, margin