



## Distillers' Dried Grains Update

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12/10/2017

# US DDGs Exports Down Slightly during January-August 2017

DDGs exports from the US declined by 3% in the period January-August 2017 vs the same period in 2016.

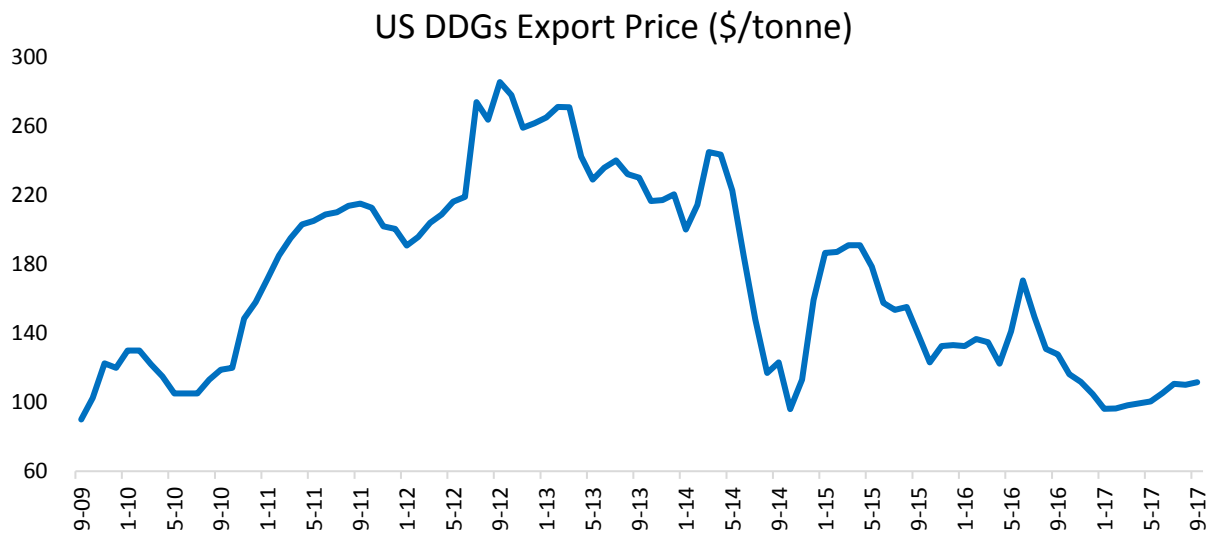
The largest decreases were witnessed in China where export fell from 1.93 million tonnes between January-August 2016 to 330,000 tonnes in the same period of 2017. The large drop is a result of a Chinese anti-dumping duty on US DDGs. Exports to Vietnam also declined sharply, down from 667,000 tonnes to 6,000 tonnes in the same period.

However, this has not impacted the overall export volumes as other countries made up for the Chinese and Vietnamese shortfall.

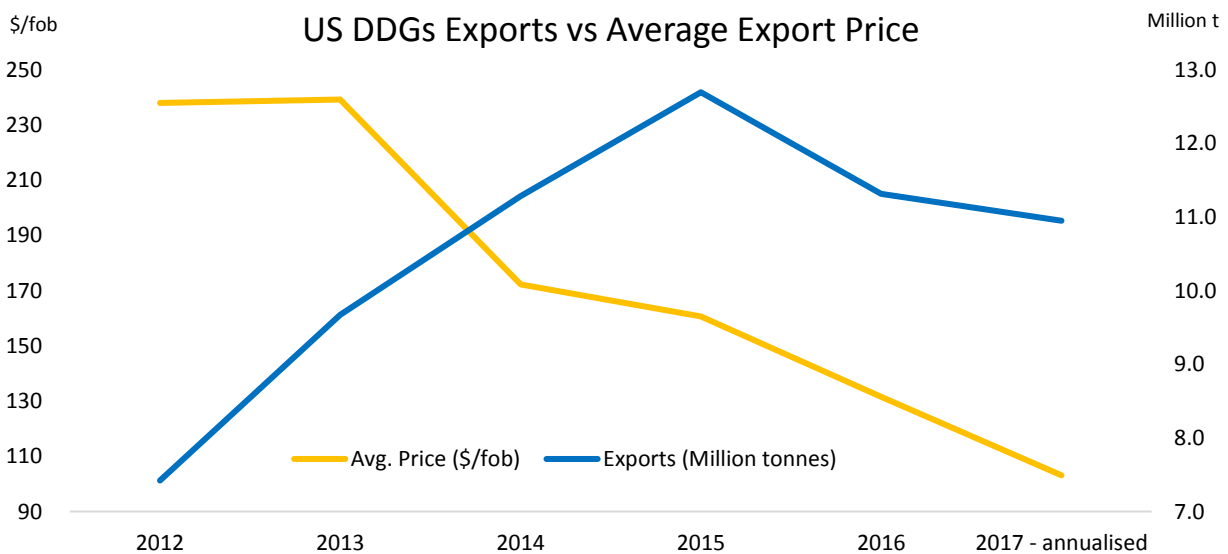
For example, exports to Turkey doubled to reach 1.1 million tonnes, while shipments to Spain and New Zealand increased by 157% and 292%, respectively. For further details of the US's DDGs trade partners, please see the appendix below.

In terms of prices, January 2017 started with multi year lows at \$96 fob, not seen since October 2014. That compares with a high of \$286 in September 2012.

The below table shows the monthly export prices of DDGs from September 2009. (Source: USDA)



The below table shows the relationship between export prices and export availability. (Source: USDA)



## APPENDIX

The below table displays exports of DDGs from the US.

|                    | 2012             | 2013             | 2014              | 2015              | 2016              | Jan - Aug 2016   | Jan - Aug 2017   | % Change  |
|--------------------|------------------|------------------|-------------------|-------------------|-------------------|------------------|------------------|-----------|
| <b>China</b>       | 2,158,243        | 4,441,647        | 4,333,451         | 6,461,071         | 2,341,646         | 1,932,265        | 329,831          | -83       |
| <b>Mexico</b>      | 1,503,305        | 1,280,554        | 1,577,727         | 1,650,235         | 1,907,573         | 1,297,490        | 1,451,096        | 12        |
| <b>Vietnam</b>     | 371,481          | 357,396          | 638,396           | 650,336           | 1,156,394         | 667,492          | 6,062            | -99       |
| <b>South Korea</b> | 345,584          | 394,900          | 690,046           | 635,197           | 889,319           | 511,328          | 601,287          | 18        |
| <b>Turkey</b>      | 175,965          | 289,358          | 498,412           | 207,914           | 789,613           | 516,530          | 1,091,533        | 111       |
| <b>Thailand</b>    | 209,820          | 265,974          | 363,092           | 396,356           | 751,041           | 416,700          | 456,839          | 10        |
| <b>Canada</b>      | 593,721          | 474,912          | 456,538           | 512,229           | 518,265           | 341,512          | 490,435          | 44        |
| <b>Indonesia</b>   | 165,197          | 236,799          | 282,941           | 229,315           | 355,383           | 244,777          | 400,910          | 64        |
| <b>Japan</b>       | 377,620          | 384,432          | 488,178           | 241,031           | 315,082           | 208,673          | 321,612          | 54        |
| <b>Ireland</b>     | 89,556           | 225,421          | 260,518           | 248,281           | 255,958           | 163,407          | 210,693          | 29        |
| <b>Taiwan</b>      | 207,652          | 237,657          | 243,138           | 196,053           | 220,789           | 136,418          | 179,786          | 32        |
| <b>Spain</b>       | 15,626           | 12,716           | 84,154            | 150,743           | 195,132           | 89,167           | 229,187          | 157       |
| <b>Colombia</b>    | 87,556           | 93,727           | 141,320           | 123,892           | 181,762           | 111,290          | 138,536          | 24        |
| <b>Israel</b>      | 170,057          | 131,733          | 179,558           | 124,148           | 176,902           | 124,540          | 197,999          | 59        |
| <b>Morocco</b>     | 117,090          | 120,336          | 94,422            | 110,080           | 165,841           | 111,157          | 159,539          | 44        |
| <b>UK</b>          | 0                | 96,096           | 130,386           | 152,177           | 162,250           | 93,931           | 146,462          | 56        |
| <b>Philippines</b> | 163,794          | 61,581           | 116,517           | 106,483           | 161,590           | 98,790           | 89,944           | -9        |
| <b>Egypt</b>       | 97,295           | 113,721          | 167,919           | 95,482            | 141,440           | 77,369           | 84,684           | 9         |
| <b>Costa Rica</b>  | 82,166           | 70,425           | 71,778            | 83,258            | 84,896            | 62,183           | 60,009           | -3        |
| <b>New Zealand</b> | 16               | 0                | 72,003            | 26,922            | 71,408            | 27,249           | 106,916          | 292       |
| <b>Pakistan</b>    | 52               | 50               | 4,153             | 3,912             | 65,239            | 59,351           | 42,510           | -28       |
| <b>El Salvador</b> | 49,992           | 37,860           | 57,547            | 60,404            | 57,647            | 41,539           | 46,568           | 12        |
| <b>Malaysia</b>    | 61,836           | 47,532           | 44,919            | 36,884            | 56,945            | 29,320           | 54,396           | 86        |
| <b>Guatemala</b>   | 81,732           | 51,559           | 58,086            | 42,817            | 46,684            | 31,242           | 40,263           | 29        |
| <b>Honduras</b>    | 34,913           | 38,771           | 35,278            | 40,016            | 42,338            | 29,902           | 30,808           | 3         |
| <b>Bangladesh</b>  | 6,422            | 15,305           | 16,464            | 17,547            | 35,602            | 14,322           | 66,127           | 362       |
| <b>Cambodia</b>    | 11,806           | 19,658           | 25,091            | 24,087            | 30,031            | 14,734           | 33,152           | 125       |
| <b>Burma</b>       | 0                | 0                | 1,455             | 5,597             | 24,596            | 10,621           | 21,762           | 105       |
| <b>Peru</b>        | 10,820           | 14,246           | 36,602            | 848               | 21,250            | 0                | 10,377           |           |
| <b>Portugal</b>    | 3,100            | 2,500            | 4,121             | 0                 | 17,550            | 14,250           | 45,653           | 220       |
| <b>Panama</b>      | 16,054           | 10,185           | 14,269            | 16,468            | 15,059            | 9,970            | 11,400           | 14        |
| <b>Tunisia</b>     | 11,948           | 0                | 4,753             | 0                 | 14,389            | 14,078           | 10,000           | -29       |
| <b>Jamaica</b>     | 16,305           | 17,575           | 19,759            | 12,610            | 13,432            | 9,835            | 10,839           | 10        |
| <b>Nicaragua</b>   | 10,103           | 2,628            | 5,362             | 5,471             | 13,342            | 9,818            | 11,460           | 17        |
| <b>Others</b>      | 173,862          | 122,561          | 65,396            | 26,942            | 18,047            | 8,868            | 114,363          |           |
| <b>Total</b>       | <b>7,420,689</b> | <b>9,669,815</b> | <b>11,283,749</b> | <b>12,694,806</b> | <b>11,314,435</b> | <b>7,530,118</b> | <b>7,303,038</b> | <b>-3</b> |

Source: USDA

The below table displays US DDGs production, imports and exports from a supply/demand perspective.

| Marketing Year (Sep-Aug) | Supply         |                     |                                           |       | Disappearance                             |                   |                     |
|--------------------------|----------------|---------------------|-------------------------------------------|-------|-------------------------------------------|-------------------|---------------------|
|                          | Production     |                     | Import                                    | Total | Exports                                   | Feed and residual | Total disappearance |
|                          | Ethanol plants | Beverage distillers | Brewers' and distillers' dregs and wastes |       | Brewers' and distiller's dregs and wastes |                   |                     |
| Million Metric Tonnes    |                |                     |                                           |       |                                           |                   |                     |
| 1992/93                  | 0.8            | 0.8                 | 0.1                                       | 1.8   | 0.2                                       | 1.6               | 1.8                 |
| 1993/94                  | 1.1            | 0.6                 | 0.1                                       | 1.8   | 0.2                                       | 1.6               | 1.8                 |
| 1994/95                  | 1.3            | 0.5                 | 0.1                                       | 1.9   | 0.7                                       | 1.2               | 1.9                 |
| 1995/96                  | 1.1            | 0.8                 | 0.1                                       | 2.0   | 0.6                                       | 1.4               | 2.0                 |
| 1996/97                  | 1.3            | 0.8                 | 0.1                                       | 2.2   | 0.7                                       | 1.5               | 2.2                 |
| 1997/98                  | 1.6            | 0.9                 | 0.1                                       | 2.5   | 0.6                                       | 1.9               | 2.5                 |
| 1998/99                  | 1.7            | 0.8                 | 0.1                                       | 2.6   | 0.7                                       | 1.9               | 2.6                 |
| 1999/00                  | 2.1            | 0.9                 | 0.1                                       | 3.1   | 0.8                                       | 2.3               | 3.1                 |
| 2000/01                  | 2.3            | 0.9                 | 0.1                                       | 3.2   | 0.8                                       | 2.4               | 3.2                 |
| 2001/02                  | 2.7            | 0.9                 | 0.1                                       | 3.7   | 0.9                                       | 2.8               | 3.7                 |
| 2002/03                  | 4.4            | 0.9                 | 0.1                                       | 5.4   | 0.8                                       | 4.6               | 5.4                 |
| 2003/04                  | 5.7            | 0.9                 | 0.1                                       | 6.7   | 0.7                                       | 6.0               | 6.7                 |
| 2004/05                  | 7.0            | 0.9                 | 0.1                                       | 8.0   | 1.0                                       | 7.0               | 8.0                 |
| 2005/06                  | 9.2            | 0.9                 | 0.1                                       | 10.2  | 1.2                                       | 9.0               | 10.2                |
| 2006/07                  | 12.4           | 0.9                 | 0.2                                       | 13.5  | 1.8                                       | 11.7              | 13.5                |
| 2007/08                  | 19.8           | 0.9                 | 0.1                                       | 20.8  | 3.9                                       | 16.9              | 20.8                |
| 2008/09                  | 26.0           | 0.9                 | 0.3                                       | 27.2  | 5.0                                       | 22.2              | 27.2                |
| 2009/10                  | 32.4           | 0.9                 | 0.4                                       | 33.7  | 8.3                                       | 25.4              | 33.7                |
| 2010/11                  | 35.6           | 0.9                 | 0.4                                       | 36.9  | 8.3                                       | 28.6              | 36.9                |
| 2011/12                  | 35.3           | 0.9                 | 0.4                                       | 36.6  | 7.6                                       | 29.1              | 36.7                |
| 2012/13                  | 32.5           | 1.0                 | 0.4                                       | 33.9  | 8.2                                       | 25.6              | 33.8                |
| 2013/14                  | 35.5           | 1.0                 | 0.5                                       | 37.0  | 12.0                                      | 25.0              | 37.0                |
| 2014/15*                 | 34.8           | 1.0                 | 0.4                                       | 36.2  | 11.5                                      | 24.7              | 36.2                |
| 2015/16*                 | 35.7           | 1.0                 | 0.3                                       | 37.0  | 11.6                                      | 25.4              | 37.0                |
| 2016/17*                 | 37.2           | 1.0                 | 0.3                                       | 38.5  | 11.3                                      | 27.2              | 38.5                |
| 2017/18*                 | 37.4           | 1.0                 | 0.3                                       | 38.7  | 11.5                                      | 27.2              | 38.7                |

Source: US Bureau of Census / \*estimates

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ISSN: 1777-5566

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