



CONTENTS

CHICAGO BOARD OF TRADE MARKET NEWS 1

CBOT MARCH CORN FUTURES 2

U.S. WEATHER/CROP PROGRESS 4

U.S. EXPORT STATISTICS 4

FOB..... 6

DISTILLER’S DRIED GRAINS WITH SOLUBLES (DDGS) 8

COUNTRY NEWS 9

OCEAN FREIGHT MARKETS AND SPREAD 10

OCEAN FREIGHT COMMENTS 11

INTEREST RATES..... 13

CHICAGO BOARD OF TRADE MARKET NEWS

Week in Review: CME Corn May Contract

\$/Bu	Friday 18 March	Monday 21 March	Tuesday 22 March	Wednesday 23 March	Thursday 24 March
Change	-0.0150	0.0250	0.0050	-0.0150	0.0150
Closing Price	3.6700	3.6950	3.7000	3.6850	3.6990
Factors Affecting the Market	In a battle between a rising dollar and short covering, the overhang of actual surplus corn supply won.	Turnaround Monday on 1-plus MMT in corn export inspections, plus the pull from wheat.	Despite the Brussels bombing and a spike in the dollar, corn had the highest close in over a month.	The stronger dollar weighed on the market and a wider than usual trading range (4 cents) stood out.	There was some spreading with options expiring and funds bought 5,000 contracts all pushing the market to a positive close for the week.

Outlook: Weekly corn sales and export shipments were below market expectations. The trade expected 900,000 MT to 1.1 MMT in old crop sales but USDA only identified 803,200 MT. A 260,000 MT sale to Taiwan was a positive for corn and the holiday shortened week gave May corn a 3-cent boost. Still, the U.S. has sold 15 percent less corn this year than during the same period during the last marketing year, which is bound to show up in next week’s stocks report.

For more information on the contents of this newsletter or the U.S. Grains Council, its mission and programs, please contact Manuel Sanchez or Alvaro Cordero at (202) 789-0789.

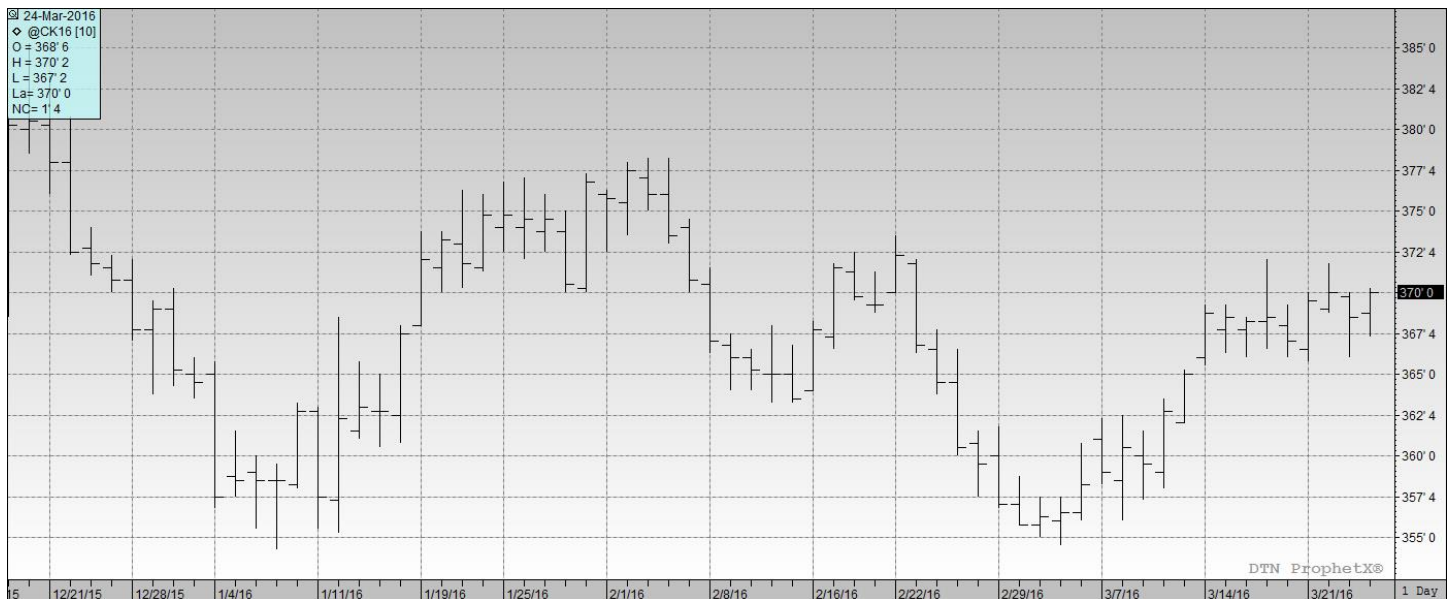
The U.S. Grains Council is a private, non-profit partnership of producers and agribusinesses committed to building and expanding international markets for U.S. barley, corn, grain sorghum and their products. The Council is headquartered in Washington, D.C. and has ten international offices that oversee programs in more than 50 countries. Financial support from our private industry members, including state checkoffs, agribusinesses, state entities and others, triggers federal matching funds from the USDA resulting in a combined program value of more than \$26 million.

The soybean/corn price ratio (\$2.38/1.00) has flipped in favor of soybeans but weather over the next six to eight weeks will have greater influence over what actually gets planted. Informa has projected 89.5 million acres will get planted, a 1.5 million-acre increase over last year.

In addition to next week's USDA Planting Intentions report, the market will be looking at the March quarterly stocks report. At this juncture, the market doesn't know precisely how much supply has actually been going to feed use.

Deciphering the corn production number out of Argentina requires some deciphering. The Argentine government forecasted this week a 2015/16 corn crop of 37 MMT. That number is substantially higher than the 27 MMT projected by USDA. The reason is because the government is both optimistic, and it includes silage in its estimate. The government thinks the crop will be nearly 12 percent larger than last year. Meanwhile, traders are making big export sales though there is now the expectation of equally large demurrage charges as logistics swamp the current port infrastructure.

CBOT MAY CORN FUTURES



Source: Prophet X

Current Market Values:

Futures Price Performance: Week Ending March 24, 2016			
Commodity	24-Mar	18-Mar	Net Change
Corn			
May 16	370.00	367.00	3.00
Jul 16	374.50	371.75	2.75
Sep 16	379.25	376.75	2.50
Dec 16	387.25	385.50	1.75
Soybeans			
May 16	910.50	897.50	13.00
Jul 16	917.75	904.25	13.50
Aug 16	920.00	906.50	13.50
Sep 16	919.50	906.25	13.25
Soymeal			
May 16	275.30	266.60	8.70
Jul 16	277.80	269.30	8.50
Aug 16	278.90	270.50	8.40
Sep 16	280.00	271.60	8.40
Soyoil			
May 16	33.18	33.42	-0.24
Jul 16	33.41	33.65	-0.24
Aug 16	33.51	33.73	-0.22
Sep 16	33.61	33.83	-0.22
SRW			
May 16	463.00	463.00	0.00
Jul 16	470.75	470.25	0.50
Sep 16	480.75	480.00	0.75
Dec 16	495.25	494.00	1.25
HRW			
May 16	471.75	469.50	2.25
Jul 16	482.75	480.00	2.75
Sep 16	496.25	493.75	2.50
Dec 16	515.75	514.00	1.75
MGEX (HRS)			
May 16	514.00	509.00	5.00
Jul 16	522.50	517.50	5.00
Sep 16	532.50	527.50	5.00
Dec 16	546.00	541.75	4.25

*Price unit: Cents and quarter-cents/bu (5,000 bu)

U.S. WEATHER/CROP PROGRESS

U.S. Drought Monitor Weather Forecast: During the next 5 days, from March 24-28, an active weather pattern will cover many parts of the nation. A spring storm will cross the Midwest on Thursday and northern New England on Friday. Heavy snow will end early March 24 across the upper Midwest but continue across parts of Wisconsin and Lower Michigan. Meanwhile, locally severe thunderstorms can be expected across the South through March 24, possibly as far north as the Ohio Valley. During the weekend, a new storm system will emerge from the Rockies and begin to develop across the nation's mid-section, trailed by a surge of cold air. The track of the second storm is expected to be farther south than the earlier system, possibly resulting in beneficial precipitation across the south-central U.S. In contrast, dry weather will prevail through March 28 in southern California and the Desert Southwest.

The NWS 6- to 10-day outlook for March 29-April 2 calls for the likelihood of near- to above-normal temperatures across the eastern half of the U.S. and in the Pacific Northwest, while colder-than-normal conditions can be expected across the remainder of the West. Meanwhile, near- to above-normal precipitation in most of the country should contrast with drier-than-normal weather across the southern High Plains, northern California, and the Pacific Northwest.

Follow this link to view current U.S. and international weather patterns and the future outlook: [Weather and Crop Bulletin](#).

U.S. EXPORT STATISTICS

Export Sales and Exports: Week Ending March 17, 2016

Commodity	Gross Sales (MT)	Exports (MT)	YTD Exports (000MT)	YTD Bookings (000MT)	% Change YTD Bookings
Wheat	425,200	355,900	15,259.4	18,938.1	-16%
Corn	935,300	997,500	17,699.0	30,852.6	-16%
Sorghum	177,100	143,300	5,228.9	6,509.7	-19%
Barley	0	200	23.5	27.2	-81%

Source: USDA, World Perspectives, Inc.

Corn: Net sales of 803,200 MT for 2015/2016 were down 35 percent from the previous week and 27 percent from the prior 4-week average. Increases were reported for Japan (350,400 MT, including 121,700 MT switched from unknown destinations and decreases of 101,700 MT), Colombia (142,100 MT), Saudi Arabia (73,700 MT, including 70,000 MT switched from unknown destinations), Taiwan (70,400 MT, including 60,000 MT switched from unknown destinations and decreases of 100 MT), South Korea (62,500 MT, including 63,000 MT switched from unknown destinations and decreases of 500 MT), and Peru (60,900 MT, including 33,000 MT switched from unknown destinations and decreases of 1,500 MT). Reductions were reported for unknown destinations (209,500 MT). For 2016/2017, net sales of 99,900 MT were reported for unknown destinations (65,000 MT), Costa Rica (56,500 MT), and Nicaragua (12,000 MT). Reductions were for Japan (33,600 MT). Exports of 997,500 MT were up 14 percent from the previous week and 13 percent from the prior 4-week

average. The primary destinations were Mexico (297,300 MT), Japan (284,300 MT), Peru (93,900 MT), Saudi Arabia (73,700 MT), South Korea (62,500 MT), and Colombia (35,800 MT).

Optional Origin Sales: For 2015/2016, new optional origin sales totaling 58,000 MT were reported for unknown destinations. The current outstanding balance totals 398,000 MT, all unknown destinations.

Barley: There were no sales reported during the week. Exports of 200 MT were reported to South Korea.

Sorghum: Net sales of 57,600 MT for 2015/2016 resulted as increases for China (108,000 MT), South Africa (37,500 MT, including 35,000 MT switched from unknown destinations), Japan (10,100 MT), and Mexico (1,000 MT), were partially offset by reductions for unknown destinations (96,500 MT) and Pakistan (2,500 MT). Exports of 143,300 MT were down 5 percent from the previous week and 1 percent from prior 4-week average. The destinations were China (67,000 MT), South Africa (37,500 MT), Pakistan (26,500 MT), Japan (10,100 MT), and Mexico (2,200 MT).

U.S. Export Inspections: Week Ending March 17, 2016					
Commodity (MT)	Export Inspections		Current Market YTD	Previous YTD	YTD as Percent of Previous
	Current Week	Previous Week			
Barley	220	0	30,265	158,666	19%
Corn	1,013,668	815,149	17,568,738	21,505,320	82%
Sorghum	198,233	148,823	5,611,945	5,411,137	104%
Soybeans	575,087	715,847	40,852,492	43,664,447	94%
Wheat	467,658	407,042	16,133,958	18,438,380	88%

Source: USDA/AMS. *Marketing Year is June 1-May 31 for wheat and barley and September 1-August 31 for corn, sorghum and soybeans. Week-to-week reports will vary due to exporter reported conditions and cancellations to previous week's reports.



USDA Grain Inspections for Export Report: Week Ending March 17, 2016						
Last Week	YC	% of Total	WC	% of Total	Sorghum	% of Total
Lakes	0	0%	0	0%	0	0%
Atlantic	0	0%	0	0%	0	0%
Gulf	627,735	67%	75,329	100%	191,538	97%
PNW	123,138	13%	0	0%	0	0%
Interior Export Rail	187,417	20%	49	0%	6,695	3%
Total (Metric Tons)	938,290	100%	75,378	100%	198,233	100%
White Corn Shipments by Country (MT)			4,509	to Honduras		
			8,262	to Japan		
			31,500	to Mexico		
			31,058	to S. Africa		
			49	to Korea		
Total White Corn (MT)			75,378			
Sorghum Shipments by Country (MT)					117,455	to China
					10,111	to Japan
					26,472	to Pakistan
					37,500	to S. Africa
					6,695	to Mexico
Total Sorghum (MT)					198,233	

Source: USDA, World Perspectives, Inc.

FOB

Yellow Corn (USD/MT FOB Vessel)				
YC FOB Vessel Max. 15.0% Moisture	GULF		PNW	
	Basis (#2 YC)	Flat Price (#2 YC)	Basis (#2 YC)	Flat Price (#2 YC)
LH March	+0.49 K	\$164.95	-	-
April	+0.49 K	\$164.95	+0.61 K	\$169.68
May	+0.45 K	\$163.38	+0.60 K	\$169.28
June	+0.45 N	\$165.15	+0.63 N	\$172.23

#2 White Corn (U.S. \$/MT FOB Vessel)		
Max. 15.0% Moisture	LH April	May
Gulf	\$226	\$226



Sorghum (USD/MT FOB Vessel)				
#2 YGS FOB Vessel Max 14.0% Moisture	NOLA		TEXAS	
	Basis	Flat Price	Basis	Flat Price
April	+0.83 K	\$178.34	+0.83 K	\$178.34
May	+0.83 K	\$178.34	+0.83 K	\$178.34
June	+0.83 N	\$180.11	+0.70 N	\$174.99

Barley: Feed Barley (FOB USD/MT)			
	April	May	June
FOB PNW	\$140	\$140	\$140

Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. \$/MT)			
	April	May	June
New Orleans	\$128	\$135	\$135
Quantity 5,000 MT			
Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT)			
Bulk 60% Pro.	April	May	June
New Orleans	\$540	\$535	\$532.50
*5-10,000 MT Minimum			

*All prices are market estimates.

DDGS Price Table: March 24, 2016 (USD/MT) (Quantity, availability, payment and delivery terms vary)			
Delivery Point Quality Min. 35% Pro-fat combined	Apr.	May	Jun.
Barge CIF New Orleans	164	163	161
FOB Vessel GULF	172	170	169
Rail delivered PNW	197	195	193
Rail delivered California	198	196	194
Mid-Bridge Laredo, TX	193	193	193
FOB Lethbridge, Alberta	163	160	160
40 ft. Containers to South Korea (Busan)	201	200	199
40 ft. Containers to Taiwan (Kaohsiung)	203	202	201
40 ft. Containers to Philippines (Manila)	211	211	211
40 ft. Containers to Indonesia (Jakarta)	215	215	213
40 ft. Containers to Malaysia (Port Kelang)	211	210	210
40 ft. Containers to Vietnam (HCMC)	211	210	208
40 ft. Containers to Japan (Yokohama)	212	212	212
40 ft. containers to Thailand (LCMB)	207	207	205
40 ft. Containers to Shanghai, China	205	205	205
KC & Elwood, IL Rail Yard (delivered Ramp)	167	166	165

Source: WPI, *Prices are based on offer indications only; terms of delivery, payment and quality may vary from one supplier to another, impacting the actual value of the price.

DISTILLER'S DRIED GRAINS WITH SOLUBLES (DDGS)

DDGS Comments: Indications are that the market was off this past week, especially the barge market. The river opened early but the reality of plenty of physical barge applications but no business to apply against them weighed on the market. There are anecdotal reports of steeper declines but average prices were down \$2/container nearly across the board, with a larger decline for product delivered by rail in Illinois. The contrarian was FOB Gulf prices, which were up \$2/container for April and May, and up \$1/container for June.

One trader described the markets as being in a state of confusion due to strong ethanol production but slower export sales. This has placed emphasis on nearby shipments, including pushing hard on April shipments.

Ethanol Comments: This past week's ethanol production was down 4,000 barrels per day to 995,000 bpd, and U.S. weekly ethanol stocks were off 334,000 barrels to 22.52 million barrels. However, assuming ethanol production follows its seasonal pattern, it should begin to pick up pace in the weeks ahead leading to a peak in July. Moreover, the amount of corn being used to produce ethanol is on a pace to meet USDA's projection.

Meanwhile, U.S. ethanol exports to China soared to 111,426,533 liters in January from 40,099,685 liters (+178 percent) at an average price of \$0.38 per liter (\$482.69/MT)). This is a high-water mark for January and the second-highest in the last twelve months. These exports had hit a record 123,677,115 liters in October at an average price of \$0.46 per liter (\$590.19/MT). As there are only four state-owned entities in China that are

licensed to produce ethanol, the nation's high domestic corn prices have made U.S. ethanol quite attractive, particularly when the firms' operating margins have deteriorated so significantly in the past year. The following tables compare U.S. ethanol exports worldwide with those specifically to China:

U.S. Ethanol Exports Worldwide				
Year	Value (000 USD)	Volume (Liters)	Price (USD/Liter)	Price (USD/MT)
2012	\$1,901,486	2,769,111,678	\$0.69	\$872.08
2013	\$1,554,929	2,334,195,374	\$0.67	\$846.01
2014	\$2,064,116	3,159,091,275	\$0.65	\$829.80
2015	\$1,780,611	3,163,153,875	\$0.56	\$714.91

Source: USDA GATS

U.S. Ethanol Exports to China				
Year	Value (000 USD)	Volume (Liters)	Price (USD/Liter)	Price (USD/MT)
2012	\$128	234,439	\$0.55	\$693.40
2013	\$11,075	13,642,088	\$0.81	\$1,031.02
2014	\$8,319	12,898,771	\$0.64	\$819.08
2015	\$132,640	267,021,337	\$0.50	\$630.86

Source: USDA GATS

India should be in the market in 2016/17 to nearly triple its ethanol imports over 2015/16 as less sugarcane bumps up against a mandated 10 percent fuel blending requirement. But, New Delhi imposes excise and value added taxes in a manner that prevents U.S. sales.

The margin between the corn price and the value of ethanol and coproducts was up this past week in all four market basket states:

- Illinois differential is \$1.33 per bushel, in comparison to \$1.30 the prior week and \$2.05 a year ago.
- Iowa differential is \$1.27 per bushel, in comparison to \$1.22 the prior week and \$1.83 a year ago.
- Nebraska differential is \$1.48 per bushel, in comparison to \$1.38 the prior week and \$1.68 a year ago.
- South Dakota differential is \$1.48 per bushel, in comparison to \$1.44 the prior week and \$1.79 a year ago.

COUNTRY NEWS

Argentina: According to the Buenos Aires Grain Exchange report of last Thursday, the corn harvest was at about 4 percent, but quick progress should be made in coming days if good weather conditions materialize as forecast. Yields could be slightly higher than expected, and production could be close to 27 MMT even though the Buenos Aires Grain Exchange is still forecasting 25 MMT. (WPI)

China: Plunging prices are causing Chinese grain farmers to rethink about planting corn, which is unprofitable. Corn stocks are large and farmers may cut production area but seek to use better quality seed for what they do produce. The new government support policy will be issued in the coming days but it is already clear that it will place less emphasis on production volume and more on farmland improvement and technology application. (Xinhua News Agency)

Kenya: Maize production will rise about 2 percent to 2.85 MMT and imports will rise 10 percent to 1 MMT as production continues to fall short of demand due to problems with disease and soil conditions. (WPI)

Saudi Arabia: Corn imports will rise about 15 percent in 2016/17 to 3.5 MMT with the U.S. supplying about 40 percent of it. (WPI)

Zimbabwe: With the purchase of 469 KMT completed, Harare is expected to contract for at least an additional 230 KMT. (Bloomberg)

OCEAN FREIGHT MARKETS AND SPREAD

Bulk Freight Indices for HSS — Heavy Grain, Sorghum and Soybeans*			
Route and Vessel Size	Current Week (USD/MT)	Change from Previous Report	Remarks
55,000 U.S. Gulf-Japan	\$23.00	Down \$0.50	Handymax at \$24.00/MT
55,000 U.S. PNW-Japan	\$14.00	Unchanged	Handymax at \$14.75/MT
55,000 U.S. Gulf-China	\$21.50	Unchanged	North China
PNW to China	\$13.00	Unchanged	
30,000 U.S. Gulf-Veracruz, México	\$12.50	Unchanged	4,000 MT daily discharge rate
40-45,000 U.S. Gulf-Veracruz, México	\$10.50	Unchanged	Deep draft and 8,000 MT per day discharge rate.
25/35,000 U.S. Gulf-East Coast	\$12.75	Unchanged	West Coast Colombia at \$19.50
Colombia, from Argentina	\$24.75	Unchanged	
36-40,000 U.S. Gulf-Guatemala	\$20.00	Unchanged	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf-Algeria	\$27.50	Unchanged	8,000 MT daily discharge 3,000 MT daily discharge
25-30,000 U.S. Gulf-Morocco	\$29.75	Unchanged	
25-30,000 U.S. Gulf-Morocco	\$26.50	Unchanged	5,000 discharge rate
55,000 U.S. Gulf-Egypt	\$18.50	Unchanged	55,000 -60,000 MT St. Lawrence to Egypt \$19.00
PNW to Egypt	\$21.75	Unchanged	
65-75,000 U.S. Gulf-Europe-Rotterdam	\$11.75	Unchanged	Handymax at +\$1.25 more
Brazil, Santos-China	\$15.75	Unchanged	54-58,000 Supramax-Panamax
	\$14.75	Unchanged	60-66,000 Post Panamax
			48-53,000 MT (11.5-meter draft)

Itacoatiara Port up river Amazonia-China	\$26.00	Unchanged	
56-60,000 Argentina-China Upriver with Top-Off	\$23.50	Unchanged	—

Source: O'Neil Commodity Consulting

*Numbers for this table based on previous night's closing values.

OCEAN FREIGHT COMMENTS

Transportation and Export Report: Jay O'Neil, O'Neil Commodity Consulting: Global ocean freight markets bounced around this week but ended up doing little more than sailing in circles. Markets were a little weaker for the first three days of the week and on Thursday seemed to bounce a bit in an attempt to gain back a little of the lost ground. I guess that is all the excitement we can expect out of this type of market. As expected, the smaller size vessels weathered the market better than the Cape and Panamax sizes. There is additional talk of growing operational difficulties with financially troubled vessel owners, and shippers will have to be mindful of this. Chinese soybean buyers have shifted a good portion of their business to Brazil but all-in-all, and with the singular exception of Paranagua, logistics there seem to be moving fairly well. The added efficiencies of the new Northern Brazilian ports are greatly aiding in the smoother movement of soybeans out of Brazil. A number of Chinese soybean buyers I've spoken with say they are only covered for the next 75 days and that they have been bearish on prices and waiting on the market to fall. Now that they have been disappointed by this strategy we will have to see how fast they come in to cover. Comments by speakers at the JCI conference in Shanghai this week may help motivate them to action – at least mine might?

Baltic-Panamax Dry-Bulk Indices

March 24, 2016	This Week	Last Week	Difference	Percent Change
Route				
P2A: Gulf/Atlantic – Japan	6,614	6,633	-19	-0.3%
P3A: PNW/Pacific– Japan	4,169	4,520	-351	-7.8%

Source: O'Neil Commodity Consulting

Below is a recent history of freight values for Capesize vessels of iron ore from Western Australia to South China:

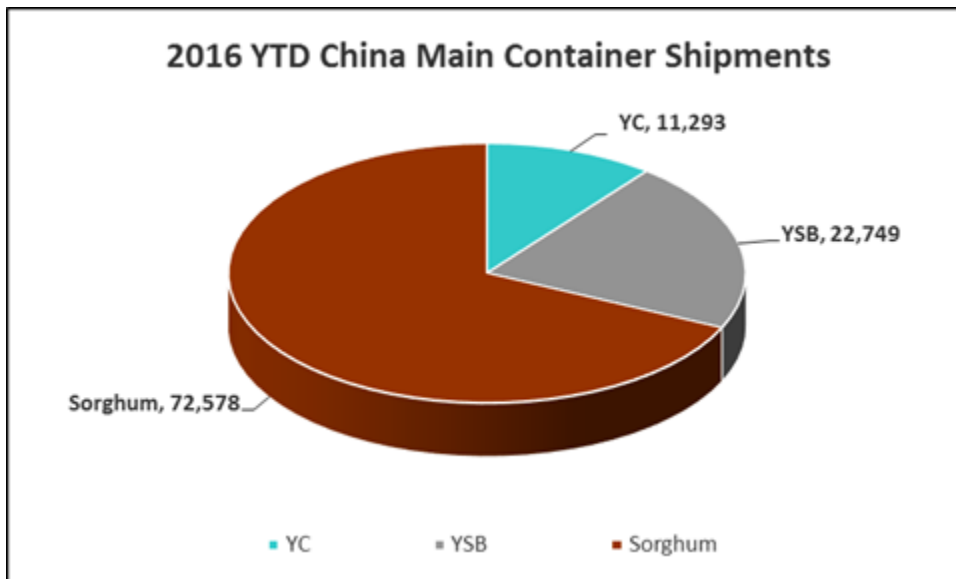
Week of March 24, 2016	
Four weeks ago:	\$2.75-\$3.00
Three weeks ago:	\$2.90-\$3.00
Two weeks ago:	\$2.90-\$3.00
One week ago:	\$2.95-\$3.00
This week	\$3.05-\$3.45

Source: O'Neil Commodity Consulting

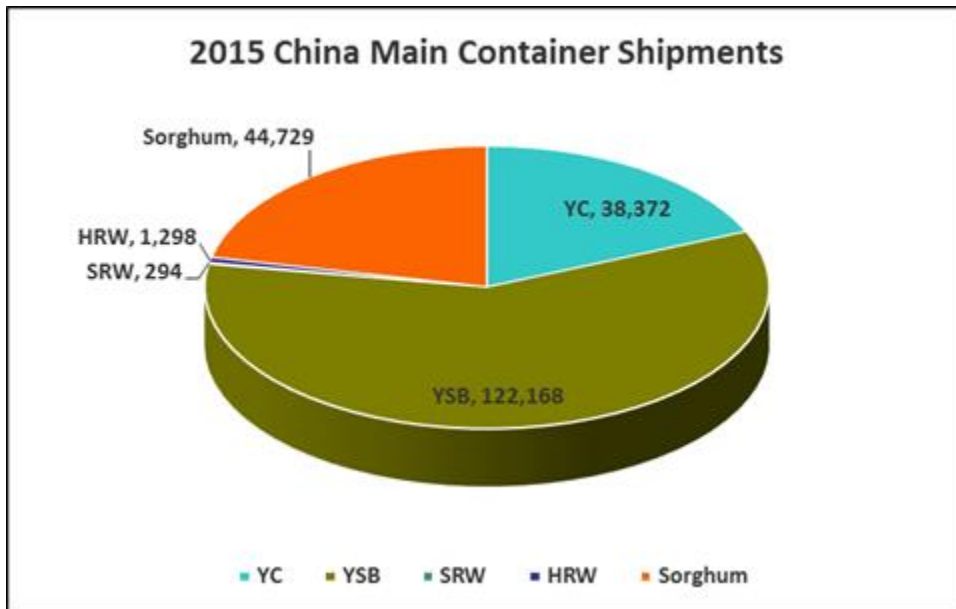
U.S.-Asia Market Spreads					
March 24, 2016	PNW	Gulf	Bushel Spread	MT Spread	Advantage
#2 Corn	0.60	0.47	0.13	\$5.12	PNW
Soybeans	0.90	0.48	0.42	\$16.53	Gulf
Ocean Freight	\$13.00	\$21.50	0.22-0.23	(\$8.50)	April

Source: O'Neil Commodity Consulting

The charts below represent year-to-date 2016 versus January-December 2015 annual totals for container shipments to China.



Source: O'Neil Commodity Consulting



Source: O'Neil Commodity Consulting

International Freight Rates for Feed Grains – Select Routes Estimated Spot Price (\$/MT) – Week Ending March 24, 2016								
Commodity	Origins	China	Japan	Korea	Colombia	Morocco	Egypt	Saudi Arabia
Corn (Yellow)	Argentina	\$21.70	\$22.00	\$21.30	-	\$13.50	\$14.50	\$17.10
	Brazil	\$16.20	\$16.50	\$15.80	-	\$8.00	\$9.00	\$11.60
Corn (White)	Argentina	\$21.70	\$22.00	\$21.30	-	\$13.50	\$14.50	\$17.10
	Brazil	\$16.20	\$16.50	\$15.80	-	\$8.00	\$9.00	\$11.60
Barley	Argentina	\$21.70	\$22.00	\$21.30	-	\$13.50	\$14.50	\$17.10
	Brazil	\$16.20	\$16.50	\$15.80	-	\$8.00	\$9.00	\$11.60
Sorghum	Argentina	\$21.70	\$22.00	\$21.30	-	\$13.50	\$14.50	\$17.10
	Brazil	\$16.20	\$16.50	\$15.80	-	\$8.00	\$9.00	\$11.60

Note: Bid-ask spreads can vary in width and initial offers may be higher on less active routes.

Source: World Perspectives, Inc.

INTEREST RATES

Interest Rates (%): March 23, 2016			
	Current Week	Last Week	Last Month
U.S. Prime	3.50	3.50	3.50
LIBOR (6 month)	0.90	0.91	0.88
LIBOR (1 year)	1.21	1.22	1.14

Source: www.bankrate.com