



## CONTENTS

CHICAGO BOARD OF TRADE MARKET NEWS .....	1
CBOT MARCH CORN FUTURES .....	2
U.S. WEATHER/CROP PROGRESS .....	4
U.S. EXPORT STATISTICS .....	5
FOB.....	7
DISTILLER'S DRIED GRAINS WITH SOLUBLES (DDGS) .....	8
COUNTRY NEWS .....	9
OCEAN FREIGHT MARKETS AND SPREAD .....	10
OCEAN FREIGHT COMMENTS .....	10
INTEREST RATES.....	13

## CHICAGO BOARD OF TRADE MARKET NEWS

### Week in Review: CME Corn May Contract

\$/Bu	Friday 1 April	Monday 4 April	Tuesday 5 April	Wednesday 6 April	Thursday 7 April
<b>Change</b>	0.0250	0.0050	0.0225	0.0250	0.0340
<b>Closing Price</b>	354.00	3.5450	3.5675	3.5800	3.6140
<b>Factors Affecting the Market</b>	Volume was above average and a rally in soybeans brought corn back to close at the day's high.	A very quiet session but weekly corn exports at over 1 million tons was better than expected.	Modest buying by funds and farmers refusing to sell at this level supported gains.	Funds rolling (buy May and sell July) their positions forward at the same time farmers hold tight.	Cold, wet weather in the eastern corn belt combined with a big sale to Japan kept the market climbing.

**Outlook:** USDA's March 31 Planting Intentions report shocked the market and prompted an all-time record volume that day of 930,250 corn contracts traded. Funds were reportedly short 1 billion bushels. However, a 93.6-million-acre corn planting number is unsustainable. It includes proposed increases such as 24 percent more corn acres in dry, short-season North Dakota. The number will likely drop by one to two million acres and then there is the uncertainty of weather and yield. However, it would take an *unlikely* [emphasis] large yield

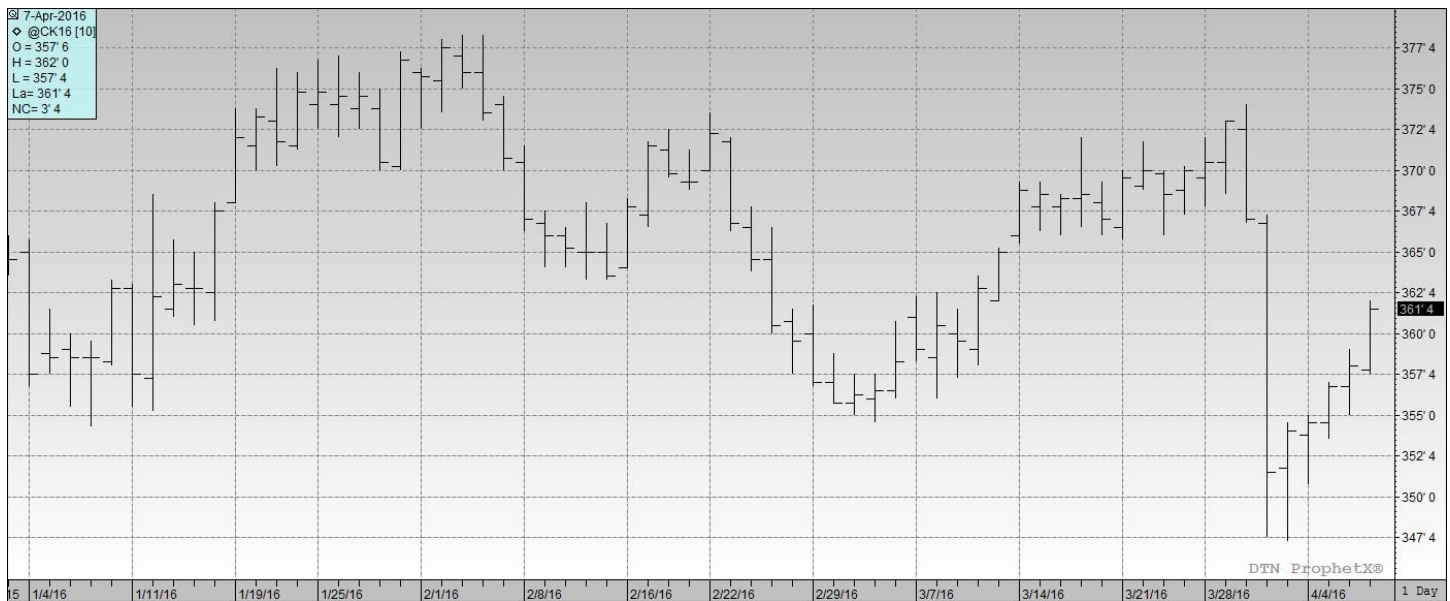
**For more information on the contents of this newsletter or the U.S. Grains Council, its mission and programs, please contact Manuel Sanchez or Alvaro Cordero at (202) 789-0789.**

*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.*

drop to achieve a corn ending supply number less than the current marketing year. Only time will tell whether too many farmers were short-sighted in not better forward selling and thus hedging their 2016 crop.

Still, there are bargain hunters and the market has just managed five straight days of gains, climbing 10 cents on the May contract since last week's bearish USDA report. Meanwhile, South America has been pricing its corn aggressively but heavy rains in Argentina have slowed harvest and getting corn to the ports, which has spiked the spot market.

## CBOT MAY CORN FUTURES



Source: Prophet X

Current Market Values:

Futures Price Performance: Week Ending April 7, 2016			
Commodity	7-Apr	1-Apr	Net Change
<b>Corn</b>			
May 16	361.50	354.00	7.50
Jul 16	364.00	357.75	6.25
Sep 16	367.00	361.75	5.25
Dec 16	374.25	369.75	4.50
<b>Soybeans</b>			
May 16	904.50	918.25	-13.75
Jul 16	912.75	926.00	-13.25
Aug 16	915.75	928.50	-12.75
Sep 16	916.25	928.50	-12.25
<b>Soymeal</b>			
May 16	266.80	272.30	-5.50
Jul 16	269.40	275.10	-5.70
Aug 16	270.80	276.30	-5.50
Sep 16	272.10	277.40	-5.30
<b>Soyoil</b>			
May 16	34.10	34.45	-0.35
Jul 16	34.37	34.67	-0.30
Aug 16	34.48	34.78	-0.30
Sep 16	34.59	34.88	-0.29
<b>SRW</b>			
May 16	457.00	475.75	-18.75
Jul 16	464.50	483.00	-18.50
Sep 16	474.25	492.50	-18.25
Dec 16	489.00	506.75	-17.75
<b>HRW</b>			
May 16	454.25	477.75	-23.50
Jul 16	465.50	488.50	-23.00
Sep 16	480.00	502.50	-22.50
Dec 16	500.50	523.00	-22.50
<b>MGEX (HRS)</b>			
May 16	513.50	529.00	-15.50
Jul 16	522.25	538.00	-15.75
Sep 16	532.00	547.00	-15.00
Dec 16	545.00	559.25	-14.25

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

## U.S. WEATHER/CROP PROGRESS

U.S. Crop Planting Progress				
Commodity	April 3, 2016	Last Week	Last Year	2011-15 Average
Corn	N/A	N/A	N/A	N/A
Sorghum	13%	N/A	8%	13%
Barley	6%	N/A	9%	7%

Source: USDA

**U.S. Drought Monitor Weather Forecast:** The next 5 days (April 7-11, 2016) should feature a swath of moderate to heavy rain from central Kansas and eastern Oklahoma northeastward through the Ohio Valley, lower Great Lakes region, the Appalachians, and the Northeast. Totals are forecast to range from just under an inch to near 2.5 inches, with the largest amounts expected in and around central and southern Missouri, and across New England. Moderate precipitation is also anticipated in much of California, with at least half an inch forecast everywhere but the southeastern deserts and west-central sections of the state, and locally 1.5 to 3.5 inches in the higher elevations statewide. The southern half of Nevada and the higher elevations of Arizona are expecting 0.5 to locally 2.0 inches. In contrast, little precipitation is expected in the northern tier of the West and Rockies, along the High Plains, in the northern Great Plains, and near the Gulf of Mexico. Light to moderate amounts (up to several tenths of an inch) are expected elsewhere. It should be a warm 5 days for most of the Plains and central and northern sections of the Far West, with daily maxima averaging 10F to 15F above normal in the northern Intermountain West and adjacent Rockies. Conversely, unseasonably cold weather should dominate the East, with temperatures on average topping out 10F to 15F below normal from the upper Mississippi Valley, Great Lakes, and Northeast southward into the Ohio Valley, central Appalachians, and mid-Atlantic region.

The next 5 days (April 12-16, 2016) should bring drier than normal conditions to the Great Lakes, adjacent Midwest, and middle Mississippi Valley, but odds favor wetter-than-normal weather for a large swath of the nation, including the East (outside Florida), the Tennessee and lower Mississippi Valleys, much of the southern Great Plains, and all but the northern tier of the country from the High Plains to the West Coast.

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 31, 2016					
Commodity	Gross Sales (MT)	Exports (MT)	YTD Exports (000MT)	YTD Bookings (000MT)	% Change YTD Bookings
Wheat	110,400	392,700	15,994.5	19,197.1	-17%
Corn	1,083,100	1,137,500	19,972.4	32,588.4	-14%
Sorghum	58,200	142,900	5,597.5	6,502.5	-18%
Barley	100	0	23.5	27.2	-81%

Source: USDA, World Perspectives, Inc.

**Corn:** Net sales of 945,200 MT for 2015/2016 were up 20 percent from the previous week, but down 5 percent from the prior 4-week average. Increases were reported for Mexico (339,000 MT, including 30,000 MT switched from unknown destinations and decreases of 98,300 MT), Japan (220,300 MT, including 82,800 MT switched from unknown destinations and decreases of 31,200 MT), Taiwan (138,500 MT, including 65,000 MT switched from unknown destinations), Peru (84,500 MT, including 33,000 MT switched from unknown destinations), and Saudi Arabia (65,400 MT, including 65,000 MT switched from unknown destinations). Reductions were reported for unknown destinations (32,500 MT), Guatemala (3,300 MT), and South Korea (700 MT). For 2016/2017, net sales of 175,100 MT were reported for Japan (129,000 MT), Mexico (101,000 MT), and Guatemala (5,000 MT). Reductions were reported for unknown destinations (59,900 MT). Exports of 1,137,500 MT--a marketing-year-high--were unchanged from the previous week, but up 12 percent from the prior 4-week average. The primary destinations were Mexico (371,400 MT), South Korea (129,200 MT), Colombia (129,000 MT), Taiwan (82,900 MT), Japan (82,800 MT), Peru (66,700 MT), and Saudi Arabia (65,400 MT).

**Optional Origin Sales:** For 2015/2016, the current outstanding balance totals 398,000 MT, all unknown destinations.

**Barley:** Net sales of 100 MT for 2015/2016 were reported for South Korea. For 2016/2017, net sales of 1,100 MT were reported for Japan. There were no exports reported during the week.

**Sorghum:** Net sales reductions of 100 MT for 2015/2016 resulted as increases for China (160,600 MT, including 106,000 MT switched from unknown destinations) and Mexico (3,600 MT), were more than offset by reductions for unknown destinations (159,000 MT) and Pakistan (5,300 MT). Exports of 142,900 MT were down 37 percent from the previous week and 9 percent from prior 4-week average. The destinations were China (110,600 MT), Pakistan (29,800 MT), and Mexico (2,600 MT).

U.S. Export Inspections: Week Ending March 31, 2016					
Commodity (MT)	Export Inspections		Current Market YTD	Previous YTD	YTD as Percent of Previous
	Current Week	Previous Week			
Barley	0	171	30,436	160,699	19%
Corn	1,054,042	989,062	19,612,232	23,311,250	84%
Sorghum	116,447	300,029	6,058,171	5,884,934	103%
Soybeans	204,974	567,846	41,624,221	44,892,343	93%
Wheat	318,348	351,785	16,806,632	19,163,549	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 31, 2016						
Region	YC	% of Total	WC	% of Total	Sorghum	% of Total
Lakes	0	0%	0	0%	0	0%
Atlantic	0	0%	0	0%	0	0%
Gulf	571,153	56%	39,945	100%	110,599	95%
PNW	377,192	37%	24	0%	0	0%
Interior Export Rail	65,728	6%	0	0%	5,848	5%
<b>Total (Metric Tons)</b>	<b>1,014,073</b>	<b>100%</b>	<b>39,969</b>	<b>100%</b>	<b>116,447</b>	<b>100%</b>
White Corn Shipments by Country (MT)			9,614	to Colombia		
			30,331	to Mexico		
			24	to Korea		
<b>Total White Corn (MT)</b>			<b>39,969</b>			
Sorghum Shipments by Country (MT)					110,599	to China
					147	to Indonesia
					5,701	to Mexico
<b>Total Sorghum (MT)</b>					<b>116,447</b>	

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)
FH April	+0.56 K	\$164.36	-	-
April	+0.54 K	\$163.57	-	-
May	+0.53 K	\$163.18	+0.60 K	\$165.94
June	+0.47 N	\$161.80	+0.58 N	\$163.67
July	+0.47 N	\$161.80	+0.58 N	\$166.13

#2 White Corn (U.S. \$/MT FOB Vessel)		
Max. 15.0% Moisture	May	June
Gulf	\$208	\$208

Sorghum (USD/MT FOB Vessel)				
#2 YGS FOB Vessel Max 14.0% Moisture	NOLA		TEXAS	
	Basis	Flat Price	Basis	Flat Price
April	+0.70 K	\$169.87	+0.70 K	\$169.87
May	+0.65 K	\$167.90	+0.65 K	\$167.90
June	+0.65 N	\$168.89	+0.65 N	\$168.89

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

Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. \$/MT)		
	May	June
New Orleans	\$130	\$130
Quantity 5,000 MT		
Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT)		
Bulk 60% Pro.	May	June
New Orleans	\$534	\$534
*5-10,000 MT Minimum		

\*All prices are market estimates.



DDGS Price Table: April 7, 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	154	151	151
FOB Vessel GULF	162	159	159
Rail delivered PNW	180	177	177
Rail delivered California	182	180	180
Mid-Bridge Laredo, TX	178	177	176
FOB Lethbridge, Alberta	149	150	150
40 ft. Containers to South Korea (Busan)	195	190	190
40 ft. Containers to Taiwan (Kaohsiung)	200	192	192
40 ft. Containers to Philippines (Manila)	208	202	202
40 ft. Containers to Indonesia (Jakarta)	213	203	203
40 ft. Containers to Malaysia (Port Kelang)	209	199	199
40 ft. Containers to Vietnam (HCMC)	206	200	200
40 ft. Containers to Japan (Yokohama)	209	200	200
40 ft. containers to Thailand (LCMB)	205	195	195
40 ft. Containers to Shanghai, China	200	200	200
KC & Elwood, IL Rail Yard (delivered Ramp)	157	156	157

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:** DDGS prices were down on average \$4/container but that was largely due to declines in the U.S. market. There was no change over this past week for prices reported on shipments to Southeast Asia, and prices were unchanged for containers going to Shanghai.

The April edition of the Grain Crushing and Coproducts report from USDA's National Agricultural Statistics Service (NASS) indicates that U.S. production of DDGS in February was 1.8 million tons, down from January but up by 11 percent from February of 2015. U.S. exports of DDGS in February were down at 785,383 MT, with China remaining the top market and taking over a quarter of all sales.

Separately, February production of both corn gluten feed (312,012 tons) and corn gluten meal (83,643 tons) were down from January levels but up from February of a year ago.

**Ethanol Comments:** The April edition of the Grain Crushing and Coproducts report from USDA's National Agricultural Statistics Service (NASS) indicates that corn use in February for alcohol was 470.2 million bushels, up 7 percent from a year ago, and corn used for fuel alcohol was at 420.8 million bushels. Exports of U.S. ethanol in February were 67 million gallons, down 23 percent from January. Year to date, U.S. ethanol exports are up a smidgen from a year ago to 154.1 million gallons. Alcohol is competitive with gasoline in Brazil and



that nation increased its imports in February of U.S. alcohol with 9.5 million gallons of denatured and 12.5 million gallons of un-denatured.

U.S. ethanol production this past week was 976,000 barrels per day, down 16,000 barrels per day from a week ago. Stocks as of April 1 were at 22.2 million barrels, down 800,000 from a week earlier.

The margin between the corn price and the value of ethanol and coproducts was up this past week in three out of four market basket states. (See below.)

- Illinois differential is \$1.34 per bushel, in comparison to \$1.17 the prior week and \$2.20 a year ago.
- Iowa differential is \$1.30 per bushel, in comparison to \$1.17 the prior week and \$1.88 a year ago.
- Nebraska differential is \$1.50 per bushel, in comparison to \$1.59 the prior week and \$1.68 a year ago.
- South Dakota differential is \$1.53 per bushel, in comparison to \$1.40 the prior week and \$1.98 a year ago.

## COUNTRY NEWS

---

**Argentina:** The April estimate for the 2015/16 corn crop is 27.5 MMT, up 500,000 MT from the March estimate. (Informa)

**Brazil:** The government forecasted the corn crop at 84.66 MMT versus a March estimate of 83.52 MMT. Yield is marked at 5.47 tons per hectare, versus 5.4 tons per hectare last year. (Thompson Reuters)

**China:** It is speculated that China's new corn policy will prompt farmers to instead grow more soybeans, though the extent of this substitution is unclear. (Various)

**Japan:** Japan bought 145,544 tons of old crop corn, providing a boost to the U.S. market. (Thomson Reuters)

## 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	\$24.00	Up \$0.50	Handymax at \$24.75/MT
55,000 U.S. PNW-Japan	\$14.50	Up \$0.50	Handymax at \$15.00/MT
55,000 U.S. Gulf-China	\$22.25	Up \$0.50	North China
PNW to China	\$13.50	Up \$0.50	
30,000 U.S. Gulf-Veracruz, México	\$12.75	Up \$0.25	4,000 MT daily discharge rate
40-45,000 U.S. Gulf-Veracruz, México	\$10.75	Up \$0.25	Deep draft and 8,000 MT per day discharge rate.
25/35,000 U.S. Gulf-East Coast Colombia, from Argentina	\$13.25 \$25.25	Up \$0.25 Up \$0.25	West Coast Colombia at \$20.00
36-40,000 U.S. Gulf-Guatemala	\$20.00	Unchanged	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf-Algeria	\$28.50 \$30.25	Up \$0.50 Up \$0.50	8,000 MT daily discharge 3,000 MT daily discharge
25-30,000 U.S. Gulf-Morocco	\$27.50	Up \$0.50	5,000 discharge rate
55,000 U.S. Gulf-Egypt	\$19.50	Up \$0.50	55,000 -60,000 MT St. Lawrence to Egypt \$19.50
PNW to Egypt	\$22.25	Up \$0.50	
65-75,000 U.S. Gulf-Europe-Rotterdam	\$12.25	Up \$0.50	Handymax at +\$1.25 more
Brazil, Santos-China	\$16.75 \$15.75	Up \$0.75 Up \$0.75	54-58,000 Supramax-Panamax 60-66,000 Post Panamax
Itacoatiara Port up river Amazonia-China	\$27.00	Up \$0.75	48-53,000 MT (11.5-meter draft)
56-60,000 Argentina-China Upriver with Top-Off	\$24.70	Up \$0.75	—

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:** As you can see in the chart below, the Baltic freight indices put forth a pretty good rally this week. The Panamax index rose 24 percent in the Atlantic; the Pacific was up 13 percent. All vessel sectors enjoyed improved daily hire rates for the week. I understand the need for a market bounce but frankly cannot understand the justification for such a big jump. Sellers have been able to push up the market for fixtures going forward for 6-9 months and this has provided

for limited support for the spot and 30 markets. The daily hire rate for Panamax vessels has climbed from under \$3,000 per day up to about \$5,000 per day in the current market.

I think the market is looking at the volume of vessel sales and the consolidation taking place in the industry and believing that this can justify higher rates. For me this situation does not reduce the number of ships in the fleet and therefore the size of the surplus; it only means that vessels are changing hands. It is, however, true that new vessel construction has come to a virtual standstill and that vessel scrapping have been high. So maybe the shipping industry has finally learned its lesson and is beginning to turn the corner on things. But, it will surely be a long gradual turn and not a sharp turn around.

### Baltic-Panamax Dry-Bulk Indices

April 6, 2016	This Week	Last Week	Difference	Percent Change
Route				
P2A: Gulf/Atlantic – Japan	9,275	7,488	1,787	23.9%
P3A: PNW/Pacific– Japan	4,403	3,897	506	13.0%

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 April 6, 2016

Four weeks ago:	\$2.90-\$3.00
Three weeks ago:	\$2.95-\$3.00
Two weeks ago:	\$3.05-\$3.45
One week ago:	\$3.03-\$3.05
This week:	\$3.40-\$3.60

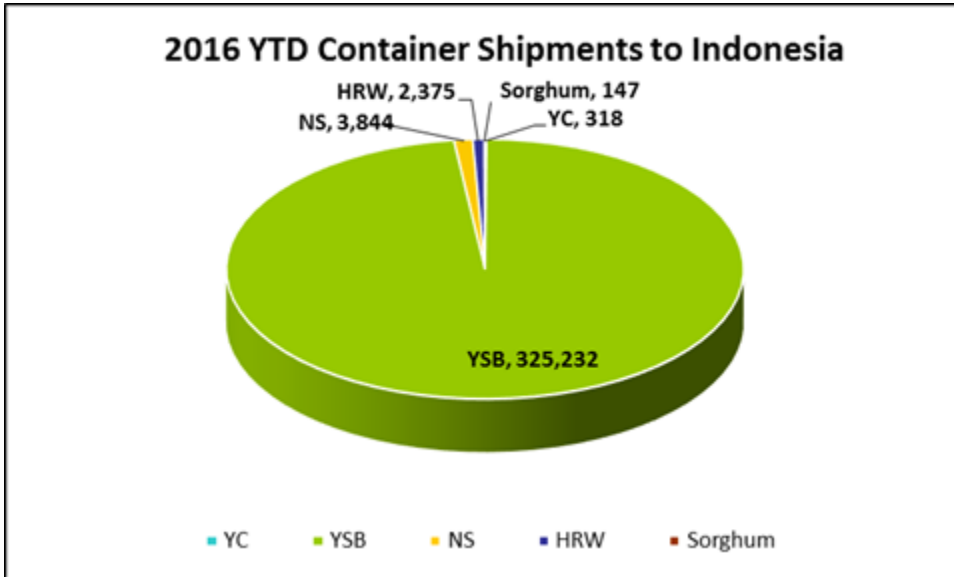
Source: O'Neil Commodity Consulting

### U.S.-Asia Market Spreads

April 6, 2016	PNW	Gulf	Bushel Spread	MT Spread	Advantage
#2 Corn	0.60	0.52	0.08	\$3.15	PNW
Soybeans	0.91	0.45	0.46	\$18.11	Gulf
Ocean Freight	\$13.50	\$22.25	0.22-0.24	(\$8.75)	April

Source: O'Neil Commodity Consulting

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



Source: O'Neil Commodity Consulting



Source: O'Neil Commodity Consulting

International Freight Rates for Feed Grains – Select Routes Estimated Spot Price (\$/MT) – Week Ending April 7, 2016								
Commodity	Origins	China	Japan	Korea	Colombia	Morocco	Egypt	Saudi Arabia
Corn (Yellow)	Argentina	\$24.50	\$25.00	\$24.10	-	\$14.00	\$15.00	\$19.00
	Brazil	\$18.00	\$18.50	\$17.60	-	\$7.50	\$8.50	\$12.50
Corn (White)	Argentina	\$24.50	\$25.00	\$24.10	-	\$14.00	\$15.00	\$19.00
	Brazil	\$18.00	\$18.50	\$17.60	-	\$7.50	\$8.50	\$12.50
Barley	Argentina	\$24.50	\$25.00	\$24.10	-	\$14.00	\$15.00	\$19.00
	Brazil	\$18.00	\$18.50	\$17.60	-	\$7.50	\$8.50	\$12.50
Sorghum	Argentina	\$24.50	\$25.00	\$24.10	-	\$14.00	\$15.00	\$19.00
	Brazil	\$18.00	\$18.50	\$17.60	-	\$7.50	\$8.50	\$12.50

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 (%): April 6, 2016			
	Current Week	Last Week	Last Month
U.S. Prime	3.50	3.50	3.50
LIBOR (6 month)	0.89	0.91	0.90
LIBOR (1 year)	1.21	1.23	1.19

Source: [www.bankrate.com](http://www.bankrate.com)