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CHICAGO BOARD OF TRADE MARKET NEWS

Week in Review: CME Corn May Contract

\$/Bu	Friday 8 April	Monday 11 April	Tuesday 12 April	Wednesday 13 April	Thursday 14 April
Change	0.075	-0.0550	0.0600	0.1075	0.0500
Closing Price	3.6225	3.5675	3.6275	3.73.50	3.7400
Factors Affecting the Market	Crude oil drove commodity markets generally higher, with corn only a residual beneficiary.	Good corn planting progress and despite solid export inspections and South American weather issues, funds sold.	Cash started flowing into commodities with funds buying up to 10,000 corn contracts.	Funds bought potentially 40,000 corn contracts (3 percent/volume basis) sending the May contract upward toward key resistance.	Profit-taking kept the market down much of the session but corn pocketed a third day of higher value over concerns with Brazil's droughty conditions.

Outlook: Traders had been lamenting the lack of volatility on which to make profits, but that changed this week as a flood of fresh capital poured into the market. The fresh speculative money was the story of the week as contracts were pushed higher. By Wednesday, the July contract was trading above its 20- and 40-day moving averages. There were some fundamentals underlying the shift, including adverse weather in South America

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.

(dryness in central Brazil; wetness in Argentina) and renewed demand from China, but it was also driven by sheer money flow. That put the market into a position for a correction.

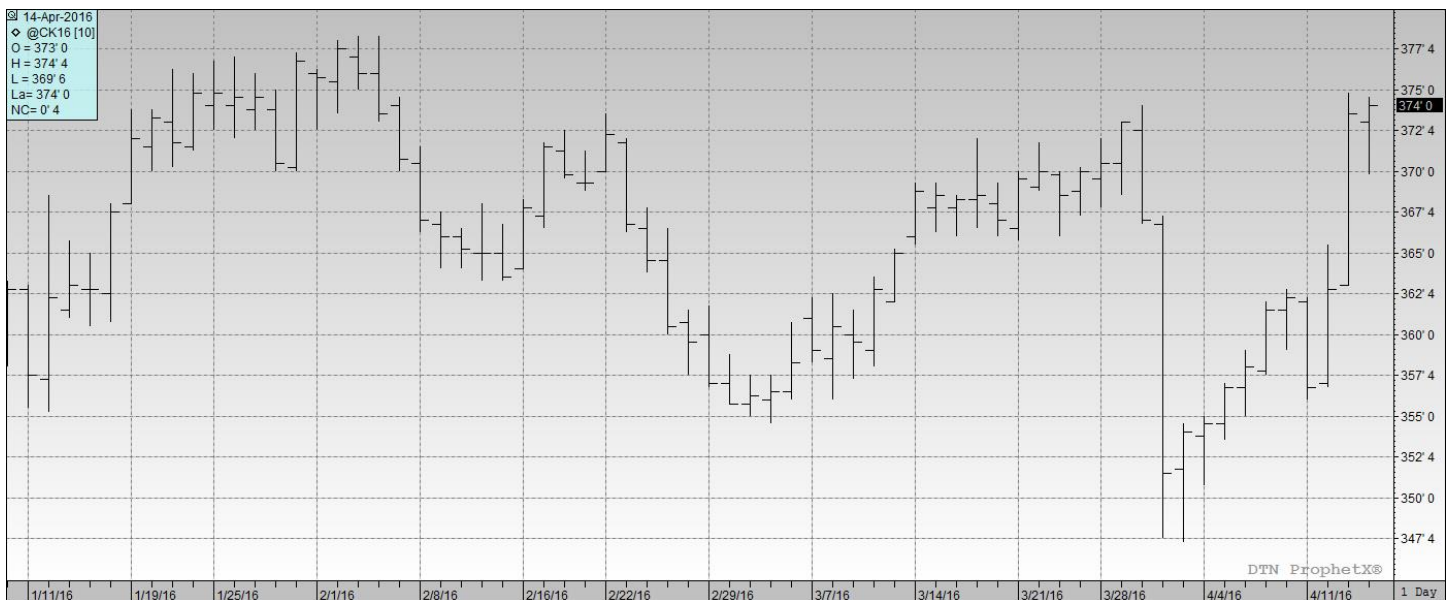
Farmers sold heavily into the rally, both old and new crops. Soybean prices pushed far enough higher that many farmers began talking about ignoring what they'd said to USDA's surveyors about their planting intentions and to instead plant more soybeans this year.

Nonetheless, U.S. corn planting progress was at 4 percent this past week, exceeding expectations and the forecast is that a lot of corn will get planted over the next 10 to 14 days. Technology enables American corn farmers to plant nearly 40 percent of their crop in a single week.

USDA's April WASDE report provided no dramatic changes to the picture. U.S. corn stocks were raised less than one percent above the trade's expectation, with a similar small change made to world surplus stocks. Corn for ethanol grinding this marketing year was raised by 25 million bushels, offset by a 50-million-bushel decline in the projected feed/residual use of corn.

U.S. weekly corn export sales were slightly above expectations for the current crop at 1.135 MMT, and in the middle of trade estimates for new crop at 111,000 MT.

CBOT MAY CORN FUTURES



Source: Prophet X

Current Market Values:

Futures Price Performance: Week Ending April 14, 2016			
Commodity	14-Apr	8-Apr	Net Change
Corn			
May 16	374.00	362.25	11.75
Jul 16	378.00	365.00	13.00
Sep 16	379.50	368.00	11.50
Dec 16	385.50	375.00	10.50
Soybeans			
May 16	948.00	916.75	31.25
Jul 16	956.25	925.00	31.25
Aug 16	958.00	927.50	30.50
Sep 16	957.25	927.75	29.50
Soymeal			
May 16	290.10	273.70	16.40
Jul 16	292.90	276.10	16.80
Aug 16	294.10	277.30	16.80
Sep 16	295.20	278.70	16.50
Soyoil			
May 16	33.69	33.94	-0.25
Jul 16	33.97	34.21	-0.24
Aug 16	34.07	34.32	-0.25
Sep 16	34.19	34.44	-0.25
SRW			
May 16	459.75	460.25	-0.50
Jul 16	466.75	466.75	0.00
Sep 16	476.75	476.25	0.50
Dec 16	492.75	490.75	2.00
HRW			
May 16	455.00	460.00	-5.00
Jul 16	465.75	470.75	-5.00
Sep 16	480.00	484.75	-4.75
Dec 16	500.50	504.75	-4.25
MGEX (HRS)			
May 16	522.50	521.00	1.50
Jul 16	527.50	529.50	-2.00
Sep 16	535.25	539.00	-3.75
Dec 16	547.00	551.75	-4.75

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

U.S. WEATHER/CROP PROGRESS

U.S. Crop Planting Progress				
Commodity	April 10, 2016	Last Week	Last Year	2011-15 Average
Corn	4%	N/A	1%	4%
Sorghum	15%	13%	14%	17%
Barley	19%	6%	22%	15%

Source: USDA

U.S. Drought Monitor Weather Forecast: Heavy precipitation is expected in some of the driest parts of the Plains during the next 5 days (April 14-18, 2016). Generally, 3 to locally over 6 inches is forecast from the Texas Panhandle northward through western sections of Oklahoma, Kansas, and Nebraska as well as eastern Colorado. Forecast totals decrease markedly outside of this area, but amounts approaching or exceeding an inch are expected for much of the Plains from southern Texas northward through the central Dakotas. Moderate to locally heavy precipitation is also anticipated for southeastern Georgia and northeastern Florida, but only light precipitation, if any, is anticipated in the remaining areas of dryness and drought across the contiguous 48 states.

Over the ensuing 5 days (April 19-23, 2016), the odds favor wetter than normal weather from the southern half of the Plains eastward across the Gulf Coast States. In contrast, enhanced chances for subnormal precipitation exist for the areas of dryness and drought in the central Appalachians, Northeast, northern Plains, Rockies, Intermountain West, and Far West.

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

U.S. EXPORT STATISTICS

U.S. Export Sales and Exports: Week Ending April 7, 2016					
Commodity	Gross Sales (MT)	Exports (MT)	YTD Exports (000MT)	YTD Bookings (000MT)	% Change YTD Bookings
Wheat	125,800	309,200	16,303.8	19,321.8	-17%
Corn	1,338,400	1,008,400	20,980.8	33,724.1	-13%
Sorghum	69,700	128,300	5,725.9	6,559.3	-18%
Barley	0	200	23.7	27.2	-81%

Source: USDA, World Perspectives, Inc.

Corn: Net sales of 1,135,800 MT for 2015/2016 were up 20 percent from the previous week and 21 percent from the prior 4-week average. Increases were reported for Japan (396,700 MT, including 57,500 MT switched from South Korea, 55,000 MT switched from unknown destinations, and decreases of 2,800 MT), South Korea (240,800 MT, including 54,500 MT switched from unknown destinations and decreases of 7,200 MT), Mexico (161,500 MT, including 30,000 MT switched from unknown destinations and decreases of 14,800 MT),

unknown destinations (136,400 MT), and Colombia (53,000 MT). For 2016/2017, net sales of 111,400 MT were reported for Japan (55,600 MT), Mexico (50,500 MT), El Salvador (4,500 MT), and Nicaragua (800 MT). Exports of 1,008,400 MT were down 11 percent from the previous week and 3 percent from the prior 4-week average. The primary destinations were Mexico (357,400 MT), Japan (214,400 MT), South Korea (168,900 MT), Taiwan (144,200 MT), and Colombia (69,400 MT).

Optional Origin Sales: For 2015/2016, new optional origin sales totaling 58,000 MT were reported for unknown destinations. Sales totaling 116,000 MT were exercised to export from the United States with a destination of Japan and South Korea. Sales totaling 35,000 MT were exercised to export from other than the United States. The current outstanding balance totals 305,000 MT, all unknown destinations.

Barley: There were no sales reported for 2015/2016 during the week. For 2016/2017, net sales of 2,000 MT were reported for Japan. Exports of 200 MT were reported to South Korea.

Sorghum: Net sales of 56,800 MT for 2015/2016 reported for Turkey (45,000 MT) and Mexico (24,100 MT), were partially offset by reductions for China (12,300 MT). Exports of 128,300 MT were down 10 percent from the previous week and 23 percent from prior 4-week average. The destinations were China (125,800 MT), Mexico (2,400 MT), and South Korea (100 MT).

U.S. Export Inspections: Week Ending April 7, 2016

Commodity (MT)	Export Inspections		Current Market YTD	Previous YTD	YTD as Percent of Previous
	Current Week	Previous Week			
Barley	220	0	30,656	162,243	19%
Corn	1,121,902	1,091,905	20,771,997	24,170,593	86%
Sorghum	179,822	116,686	6,238,232	6,122,632	102%
Soybeans	386,768	226,828	42,032,843	45,342,708	93%
Wheat	339,226	327,881	17,155,391	19,635,223	87%

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 April 7, 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	530,666	50%	68,897	100%	107,999	60%
PNW	368,302	35%	0	0%	64,781	36%
Interior Export Rail	154,037	15%	0	0%	7,042	4%
Total (Metric Tons)	1,053,005	100%	68,897	100%	179,822	100%
White Corn Shipments by Country (MT)			68,897	to Mexico		
Total White Corn (MT)			68,897			
Sorghum Shipments by Country (MT)					125,280	to China
					47,500	to Sudan
					7,042	to Mexico
Total Sorghum (MT)					179,822	

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 May	+0.58 K	\$170.07	-	-
May	+0.54 K	\$168.49	+0.60 K	\$170.86
June	+0.50 N	\$168.49	+0.58 N	\$171.64
July	+0.50 N	\$168.49	+0.58 N	\$171.64

#2 White Corn (U.S. \$/MT FOB Vessel)		
Max. 15.0% Moisture	June	July
Gulf	\$205	\$205

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	\$174.79	+0.70 K	\$174.79
May	+0.65 K	\$172.82	+0.65 K	\$172.82
June	+0.65 N	\$174.40	+0.65 N	174.40

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

*Numbers reflect the week of April 7, 2016.

Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. \$/MT)			
	May	June	July
New Orleans	\$140	\$140	\$140
Quantity 5,000 MT			
Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT)			
	May	June	July
Bulk 60% Pro. New Orleans	\$536	\$536	-
*5-10,000 MT Minimum			

*All prices are market estimates.

DDGS Price Table: April 14, 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	153	152	152
FOB Vessel GULF	161	160	159
Rail delivered PNW	184	182	182
Rail delivered California	186	183	183
Mid-Bridge Laredo, TX	182	179	179
FOB Lethbridge, Alberta	155	159	159
40 ft. Containers to South Korea (Busan)	197	190	190
40 ft. Containers to Taiwan (Kaohsiung)	200	191	191
40 ft. Containers to Philippines (Manila)	213	200	200
40 ft. Containers to Indonesia (Jakarta)	209	200	200
40 ft. Containers to Malaysia (Port Kelang)	207	197	197
40 ft. Containers to Vietnam (HCMC)	207	199	199
40 ft. Containers to Japan (Yokohama)	214	198	198
40 ft. containers to Thailand (LCMB)	205	194	194
40 ft. Containers to Shanghai, China	200	192	192
KC & Elwood, IL Rail Yard (delivered Ramp)	160	158	158

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 shipments in February to China were down 3.83 percent from January and the price is sliding along with volume. Meanwhile, U.S. hay exports to China hit a record in February (83,844 MT) and

prices are rising. Traders report ample interest in DDGS in other Asian markets based on lower prices. Moreover, since DDGS pricing is a result of many factors including ethanol grind, corn prices and demand, some expect a correction back upwards. This is reinforced by increased demand in both the U.S. and Mexico as hog rations have shifted to maximum DDGS inclusion rates.

This week's market survey of DDGS prices in 16 markets reinforces the aforementioned qualitative input from the trade. Indeed, the average of all markets shows a slight rise in prices, mostly due to larger increases in Lethbridge, Alberta; Laredo, Texas; and the Pacific Northwest offsetting smaller declines in Asian markets. The rally this week in the corn market no doubt has had some impact. The dynamics moving forward create uncertainty, particularly weather in South America.

Ethanol Comments: The Energy Information Administration (EIA) raised the estimated stocks of ethanol by 100,000 barrels to 22.3 million. The agency calculated a 38,000 barrel-per-day reduction in ethanol production down to 938,000 barrels-per-day.

The margin between the corn price and the value of ethanol and coproducts took a significant jump upwards in all four market basket states. (see below).

- Illinois differential is \$1.60 per bushel, in comparison to \$1.34 the prior week and \$2.32 a year ago.
- Iowa differential is \$1.53 per bushel, in comparison to \$1.30 the prior week and \$1.99 a year ago.
- Nebraska differential is \$1.71 per bushel, in comparison to \$1.50 the prior week and \$1.89 a year ago.
- South Dakota differential is \$1.90 per bushel, in comparison to \$1.53 the prior week and \$2.19 a year ago.

COUNTRY NEWS

Brazil: The Agriculture Ministry said it will ask to suspend a 10 percent tariff on imports of corn from non-Mercosur origins such as the United States due to prices hovering at record levels amid tight supplies. (Reuters)

China: Corn prices continued their slide with the government's steady release of corn stocks, dropping another \$1.50/MT down to an average of \$276.50/MT. Meanwhile, Cargill's Gert-Jan van den Akker said that it is "fifty-fifty" whether China would export its surplus of corn or turn it into ethanol. (Reuters) BMI says that China's corn production will shift to a huge deficit in the coming years, going from a 5.2 MMT surplus in 2015 to a 6.4 MMT deficit by 2020.

France: The agriculture ministry (FranceAgriMer) reduced its estimate of 2015/16 ending stocks for barley by 31 percent to 1.1 MMT, and cut its estimate of surplus corn stocks by 7.6 percent down to 2.4 MMT. (Reuters)

South Africa: The corn crop is already down 40 percent from last year and now hitting the critical flowering stage. Hopes of importing 1.5 MMT of white corn has turned gloomy due to lack of supply and prices now at \$350/MT. (WPI)

Ukraine: Corn planting has begun and area is expected to be 0.5-1.0 million hectares greater than last year due to the abandonment of wheat plantings last fall in a drought. By contrast, wheat and sunflower plantings will reduce corn area in Romania and Bulgaria by 3 percent. (WPI)

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	\$24.50	Up \$0.50	Handymax at \$25.25/MT
55,000 U.S. PNW-Japan	\$14.75	Up \$0.25	Handymax at \$15.25/MT
55,000 U.S. Gulf-China PNW to China	\$22.75 \$13.75	Up \$0.50 Up \$0.25	North China
30,000 U.S. Gulf-Veracruz, México	\$12.75	Unchanged	4,000 MT daily discharge rate
40-45,000 U.S. Gulf-Veracruz, México	\$10.75	Unchanged	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	Unchanged Unchanged	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	\$28.75	Up \$0.25	8,000 MT daily discharge
25-30,000 U.S. Gulf-Morocco	\$30.50	Up \$0.25	3,000 MT daily discharge
25-30,000 U.S. Gulf-Morocco	\$27.75	Up \$0.25	5,000 discharge rate
55,000 U.S. Gulf-Egypt PNW to Egypt	\$19.75 \$22.50	Up \$0.25 Up \$0.25	55,000 -60,000 MT St. Lawrence to Egypt \$19.50
65-75,000 U.S. Gulf-Europe- Rotterdam	\$12.50	Up \$0.25	Handymax at +\$1.25 more
Brazil, Santos-China	\$17.25 \$16.25	Up \$0.50 Up \$0.50	54-58,000 Supramax- Panamax 60-66,000 Post Panamax
Itacoatiara Port up river Amazonia- China	\$27.50	Up \$0.50	48-53,000 MT (11.5-meter draft)
56-60,000 Argentina-China Upriver with Top-Off	\$25.25	Up \$0.50	—

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: The Baltic indices continued to rally this week, albeit at a slower rate of increase than last week. But, once again the physical market did not move by the same degree of change, so the physical ocean freight market is lagging behind the Baltic index movement. This is no surprise and certainly not unusual. We did, however, see a slight uptick in physical rates and that is reflected in the freight matrix chart below. Over the past month daily hire rates for Dry-Bulk Panamax vessels have doubled as they moved up from \$2,400/day to just over \$5,000/day today. Without question the recent improvement in daily hire rates has been helpful to vessel owners, but it has not taken them out of the financial woods yet. We will have to see if this rally can be sustained, or improved, and see how many vessel owners take advantage of the rates before they potentially drop again.

Baltic-Panamax Dry-Bulk Indices				
April 14, 2016	This Week	Last Week	Difference	Percent Change
Route				
P2A: Gulf/Atlantic – Japan	9,896	9,271	625	6.7%
P3A: PNW/Pacific– Japan	4,611	4,457	154	3.5%

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:

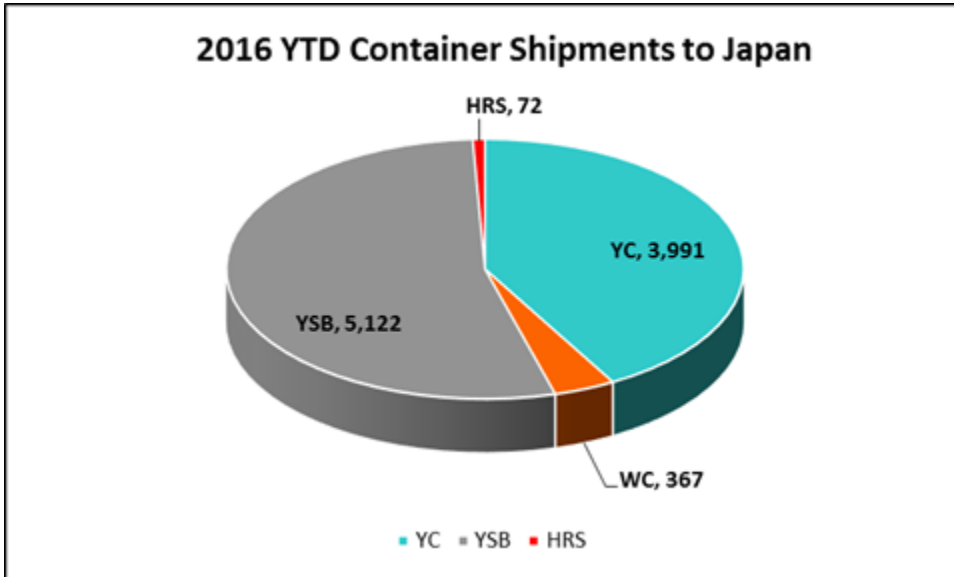
Week of April 14, 2016	
Four weeks ago:	\$2.95-\$3.00
Three weeks ago:	\$3.05-\$3.45
Two weeks ago:	\$3.03-\$3.05
One week ago:	\$3.40-\$3.60
This week	\$3.70-\$3.85

Source: O'Neil Commodity Consulting

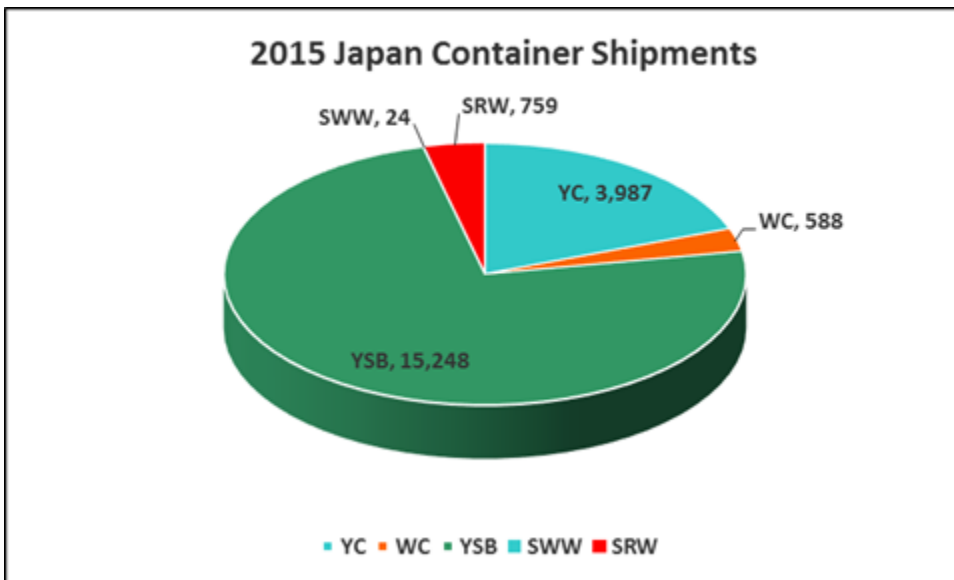
U.S.-Asia Market Spreads					
April 14, 2016	PNW	Gulf	Bushel Spread	MT Spread	Advantage
#2 Corn	0.69	0.53	0.16	\$6.30	PNW
Soybeans	0.95	0.45	0.45	\$17.72	Gulf
Ocean Freight	\$13.75	\$22.75	0.22-0.24	(\$9.00)	May

Source: O'Neil Commodity Consulting

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



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 14, 2016								
Commodity	Origins	China	Japan	Korea	Colombia	Morocco	Egypt	Saudi Arabia
Corn (Yellow)	Argentina	\$22.50	\$23.70	\$22.75	-	\$12.50	\$13.25	\$17.25
	Brazil	\$16.50	\$17.20	\$16.25	-	\$6.50	\$7.25	\$10.75
Corn (White)	Argentina	\$22.50	\$23.70	\$22.75	-	\$12.50	\$13.25	\$17.25
	Brazil	\$16.50	\$17.20	\$16.25	-	\$6.50	\$7.25	\$10.75
Barley	Argentina	\$22.50	\$23.70	\$22.75	-	\$12.50	\$13.25	\$17.25
	Brazil	\$16.50	\$17.20	\$16.25	-	\$6.50	\$7.25	\$10.75
Sorghum	Argentina	\$22.50	\$23.70	\$22.75	-	\$12.50	\$13.25	\$17.25
	Brazil	\$16.50	\$17.20	\$16.25	-	\$6.50	\$7.25	\$10.75

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 13, 2016			
	Current Week	Last Week	Last Month
U.S. Prime	3.50	3.50	3.50
LIBOR (6 month)	0.89	0.89	0.94
LIBOR (1 year)	1.21	1.21	1.22

Source: www.bankrate.com