



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	8
OCEAN FREIGHT MARKETS AND SPREAD	9
OCEAN FREIGHT COMMENTS	9
INTEREST RATES.....	12

CHICAGO BOARD OF TRADE MARKET NEWS

Week in Review: CME Corn May/July Contracts					
\$/Bu	Friday 22 April	Monday 25 April	Tuesday 26 April	Wednesday 27 April	Thursday 28 April
Change	-0.01275	0.0525	0.0525	-0.0150	0.0700
Closing Price	3.7175	3.7700	3.8225	3.8075	3.9160
Factors Affecting the Market	There were 20,000 contracts sold and there was no end-of-day bounce to reverse the plunge.	Market opened substantially higher on large volume but fell back in the closing minutes	A rally at the end closed it out at the day's highs with shorts covered amidst continued talk about Brazil's safrinha crop.	A late rally pulled the market up from session lows.	The July contract was pushed up by a strong export sales number from USDA.

Outlook: The funds last week reduced their net long position in corn by 50 percent. The surprise rally brought a glimmer of profitability to some farmers but the thinking then turned to the likelihood of a major correction. There was somewhat of a correction but many were stumped when big buying resumed on Tuesday. There were rumors of an Asian (China) fund that was defending its long position.

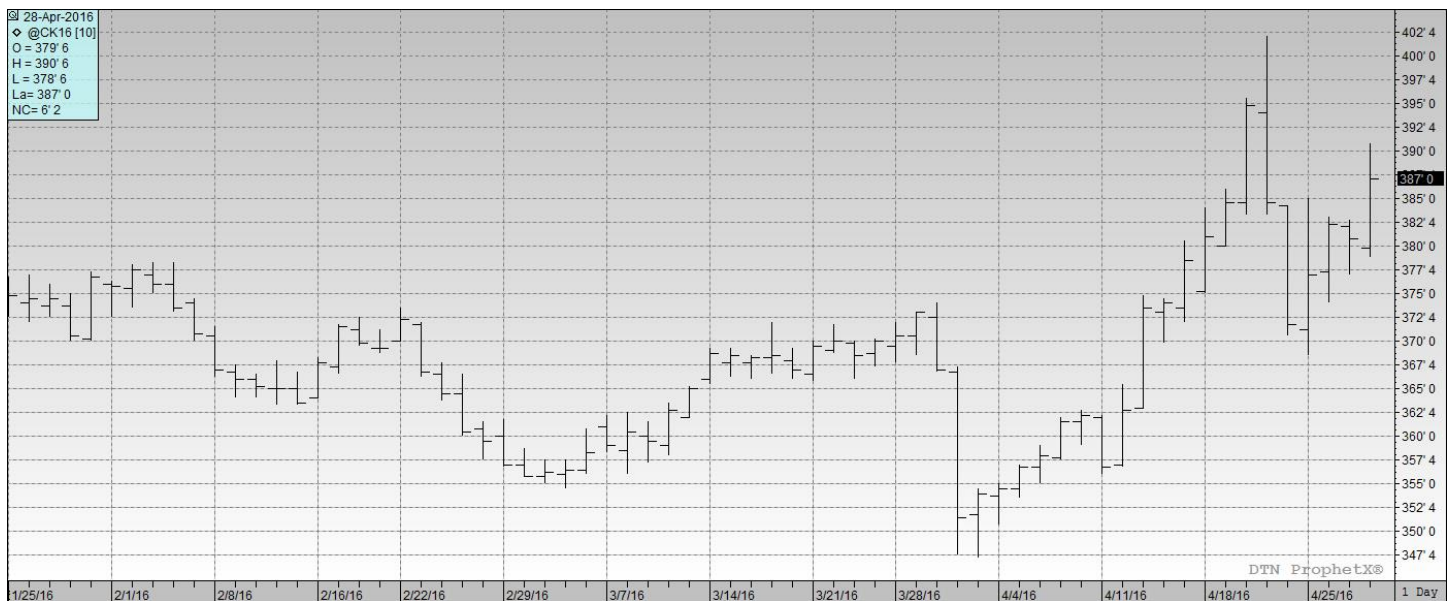
For more information on the contents of this newsletter or the U.S. Grains Council, its mission and programs, please contact Manuel Sanchez or Alvaro Cordero at (202) 789-0789.

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.

Certainly a weak dollar makes commodities more attractive. It also did not hurt that weekly U.S. corn export sales were once again significant (85.1 million bushels; 2.16 MMT). On the bearish side, U.S. corn planting has been robust, with a national average of 30 percent in the ground but over 40 percent planted in the two largest production states, Iowa and Illinois. And word that the U.S. economy had been slower in the first quarter than previously thought sent equities lower. But, rumor that some outside money is betting on La Niña and the weather is definitely a risky proposition.

Tomorrow (Friday) is first notice day against May futures and there may be some deliveries, but not a lot. Meanwhile, some expect a seasonal downturn in prices early in the month.

CBOT MAY CORN FUTURES



Source: Prophet X

Current Market Values:

Futures Price Performance: Week Ending April 28, 2016			
Commodity	28-Apr	22-Apr	Net Change
Corn			
May 16	387.00	371.75	15.25
Jul 16	391.25	375.50	15.75
Sep 16	390.50	375.50	15.00
Dec 16	394.50	381.00	13.50
Soybeans			
May 16	1018.00	987.00	31.00
Jul 16	1027.50	996.25	31.25
Aug 16	1028.50	998.50	30.00
Sep 16	1016.50	989.00	27.50
Soymeal			
May 16	330.60	311.70	18.90
Jul 16	333.40	314.60	18.80
Aug 16	332.60	314.50	18.10
Sep 16	331.60	314.30	17.30
Soyoil			
May 16	33.05	33.99	-0.94
Jul 16	33.27	34.30	-1.03
Aug 16	33.38	34.40	-1.02
Sep 16	33.51	34.53	-1.02
SRW			
May 16	475.50	467.00	8.50
Jul 16	485.50	474.00	11.50
Sep 16	495.25	483.50	11.75
Dec 16	512.25	500.25	12.00
HRW			
May 16	461.00	461.75	-0.75
Jul 16	474.50	473.50	1.00
Sep 16	490.25	487.75	2.50
Dec 16	514.00	510.00	4.00
MGEX (HRS)			
May 16	530.00	525.50	4.50
Jul 16	542.25	533.25	9.00
Sep 16	550.50	542.50	8.00
Dec 16	561.75	553.00	8.75

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

U.S. WEATHER/CROP PROGRESS

U.S. Crop Planting Progress				
Commodity	April 24, 2016	Last Week	Last Year	2011-15 Average
Corn	30%	13%	16%	16%
Sorghum	20%	16%	23%	24%
Barley	45%	33%	52%	36%

Source: USDA

U.S. Drought Monitor Weather Forecast: In the two days since the issuance of the April 26 USDM, additional heavy rain has fallen across the drought and abnormally dry areas of the central Plains, and precipitation of varying amounts has occurred over the drought and abnormally dry areas of other parts of the CONUS. During April 28-May 2, a large upper-level weather system and associated frontal systems are forecast to bring moderate precipitation totals of 0.5 to 2.0 inches, with locally higher amounts, to parts of the intermountain basin to central and northern Rockies, much of the Great Plains to Mississippi and Ohio Valleys, and the mid-Atlantic to Southeast. Less than half an inch is predicted for the Far West, southern portions of the Southwest, northern Great Lakes, New England, and central to southern Florida. The upper-level low is expected to keep temperatures below average for much of the country, with above-normal temperatures limited to the Far West and Southeast to southern Plains.

The odds favor above-normal precipitation across the Southwest, Gulf of Mexico and Atlantic coasts during May 3-7, 2016. There are enhanced chances for subnormal precipitation across the Pacific Northwest to western Great Lakes and much of the CONUS from the Rockies to Appalachians. Enhanced chances for colder-than-normal conditions exist for the southern Plains to New England, while warmer-than-normal weather is favored across the West to northern Plains and southern Florida.

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 21, 2016					
Commodity	Gross Sales (MT)	Exports (MT)	YTD Exports (000MT)	YTD Bookings (000MT)	% Change YTD Bookings
Wheat	381,500	440,000	17,211.8	19,968.8	-14%
Corn	2,241,000	1,090,600	23,354.9	37,087.5	-8%
Sorghum	54,500	101,300	6,019.3	6,640.1	-18%
Barley	0	100	23.9	27.3	-81%

Source: USDA, World Perspectives, Inc.

Corn: Net sales of 2,160,600 MT for 2015/2016--a marketing-year high--were up 80 percent from the previous week and up noticeably from the prior 4-week average. Increases were reported for Japan (567,400 MT,

including 99,700 MT switched from unknown destinations and decreases of 8,900 MT), unknown destinations (483,200 MT), Mexico (267,600 MT), Taiwan (226,600 MT), South Korea (196,200 MT), Colombia (161,900 MT), including 107,100 MT switched from unknown destinations and decreases of 8,500 MT), and Algeria (90,000 MT). For 2016/2017, net sales of 440,000 MT were reported for unknown destinations (195,300 MT), Japan (160,000 MT), Mexico (51,500 MT), and Guatemala (33,200 MT). Exports of 1,090,600 MT were down 15 percent from the previous week and 4 percent from the prior 4-week average. The primary destinations were Colombia (285,400 MT), Mexico (280,600 MT), Japan (235,900 MT), Taiwan (71,300 MT), South Korea (55,000 MT), and Honduras (38,300 MT).

Optional Origin Sales: For 2015/2016, new optional origin sales totaling 5,800 MT were reported for Vietnam. Sales totaling 23,000 MT for unknown destinations were switched to Vietnam. Options were exercised to export 28,800 MT to Vietnam from other than the United States. The current outstanding balance totals 342,000 MT, all unknown destinations.

Barley: There were no sales reported for 2015/2016 during the week. For 2016/2017, net sales of 200 MT were reported for Japan. Exports of 100 MT were reported to South Korea.

Sorghum: Net sales of 50,500 MT for 2015/2016 resulted as increases for unknown destinations (53,500 MT) and Mexico (1,000 MT), were partially offset by reductions for China (4,100 MT). Exports of 101,300 MT were down 47 percent from the previous week and 41 percent from prior 4-week average. The destinations were China (99,900 MT) and Mexico (1,400 MT).

U.S. Export Inspections: Week Ending April 21, 2016					
Commodity (MT)	Export Inspections		Current Market YTD	Previous YTD	YTD as Percent of Previous
	Current Week	Previous Week			
Barley	0	563	31,219	162,538	19%
Corn	1,136,995	1,100,778	23,021,139	26,612,509	87%
Sorghum	166,254	195,509	6,601,313	6,501,585	102%
Soybeans	279,310	268,312	42,580,759	45,802,758	93%
Wheat	406,164	458,465	18,021,686	20,768,024	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 21, 2016						
Region	YC	% of Total	WC	% of Total	Sorghum	% of Total
Lakes	21,073	2%	0	0%	0	0%
Atlantic	0	0%	0	0%	0	0%
Gulf	755,728	69%	40,365	100%	157,255	95%
PNW	187,045	17%	0	0%	0	0%
Interior Export Rail	132,662	12%	122	0%	8,999	5%
Total (Metric Tons)	1,096,508	100%	40,487	100%	166,254	100%
White Corn Shipments by Country (MT)			15,719	to Colombia		
			17,396	to Honduras		
			7,250	to Mexico		
			122	to Japan		
Total White Corn (MT)			40,487			
Sorghum Shipments by Country (MT)					157,255	to China
					8,999	to Mexico
Total Sorghum (MT)					166,254	

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	+0.56 K	\$174.40	-	-
May	+0.56 K	\$174.40	+0.67 K	\$178.73
June	+0.52 N	\$174.50	+0.65 N	\$179.62
July	+0.52 N	\$174.50	+0.65 N	\$179.62

#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	\$179.91	+0.70 K	\$179.91
May	+0.65 K	\$177.94	+0.65 K	\$177.94
June	+0.65 N	\$179.62	+0.65 N	\$179.62

Barley: Feed Barley (FOB USD/MT)		
	May	June
FOB PNW	\$190	\$190

*Numbers reflect the week of April 21, 2016.

Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. \$/MT)			
	May	June	July
New Orleans	\$130	\$130	\$130
<i>Quantity 5,000 MT</i>			
Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT)			
	May	June	July
Bulk 60% Pro.			
New Orleans	\$540	\$550	\$550
<i>*5-10,000 MT Minimum</i>			

*All prices are market estimates.

DDGS Price Table: April 28, 2016 (USD/MT) (Quantity, availability, payment and delivery terms vary)			
Delivery Point Quality Min. 35% Pro-fat combined	May	June	July
Barge CIF New Orleans	170	168	166
FOB Vessel GULF	178	176	174
Rail delivered PNW	195	195	195
Rail delivered California	197	197	197
Mid-Bridge Laredo, TX	192	192	192
FOB Lethbridge, Alberta	170	170	168
40 ft. Containers to South Korea (Busan)	210	208	208
40 ft. Containers to Taiwan (Kaohsiung)	212	210	210
40 ft. Containers to Philippines (Manila)	219	217	217
40 ft. Containers to Indonesia (Jakarta)	222	220	220
40 ft. Containers to Malaysia (Port Kelang)	219	218	218
40 ft. Containers to Vietnam (HCMC)	218	216	216
40 ft. Containers to Japan (Yokohama)	217	215	215
40 ft. containers to Thailand (LCMB)	212	210	210
40 ft. Containers to Shanghai, China	215	210	210
KC & Elwood, IL Rail Yard (delivered Ramp)	178	176	176

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: The bullish tone in the futures market continues to give DDGS prices a firm foundation. The average change for DDGS containers in all surveyed locations rose an additional \$2, but the increase was much larger for June shipment over May deliveries. It is believed that some buyers are holding off, hoping that the market will turn down. Price reporting indicates they will have to wait a while, and in trading, hope is not a strategy.

Meanwhile, USDA Chief Economist Robert Johansson told Reuters that the agency expects demand for feed from China's livestock sector to remain strong and that could help drive up U.S. sales of corn substitutes such as sorghum, barley and DDGS. He said, "We hope we can continue to sell products to feed sectors in China as long as our prices are competitive in the market."

Ethanol Comments: The Energy Information Administration (EIA) reduced the estimated stocks of ethanol to 21.6 million barrels (-1.9 percent) as production fell by 12,000 barrels per day to 927,000 barrels per day (-1.3 percent).

The margin between the corn price and the value of ethanol and coproducts took a break this past week from its previous upward trajectory in key markets (see below).

- Illinois differential is \$1.55 per bushel, in comparison to \$1.65 the prior week and \$2.40 a year ago.
- Iowa differential is \$1.58 per bushel, in comparison to \$1.68 the prior week and \$2.11 a year ago.
- Nebraska differential is \$1.82 per bushel, in comparison to \$1.85 the prior week and \$1.95 a year ago.
- South Dakota differential is \$1.79 per bushel, in comparison to \$1.94 the prior week and \$2.30 a year ago.

COUNTRY NEWS

Brazil: Bunge's CEO says that dryness in Brazil will shave 5 to 10 MMT off of the current corn crop. USDA has forecast an 84 MMT corn crop in Brazil. (Reuters)

China: The government is expected to soon announce its new corn policy but the average corn price rose last week by \$10 to \$284.98/MT. The Ministry of Agriculture has said that China will export 1.7 MMT of corn in 2016 and 2.3 MMT next year, but some believe that 5 MMT is a plausible amount. Surplus corn stocks hit 200 MMT in April and USDA's Fred Gale says they will continue to grow until peaking in 2017/18. (Reuters, China Daily, WPI)

South Africa: The Crop Estimates Committee lowered its forecast for maize production to 7.05 MMT from last month's 7.07 MMT estimate, but the trade believes that 7.0 MMT is a more realistic number and that up to 3.8 MMT of maize will need to be imported. (Bloomberg)

Zambia: Millers are asking for government permission to export maize bran, which is in surplus supply and could be used by neighboring countries. (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	\$25.00	Unchanged	Handymax at \$26.00/MT
55,000 U.S. PNW-Japan	\$15.00	Unchanged	Handymax at \$15.50/MT
55,000 U.S. Gulf-China	\$23.00	Unchanged	North China
PNW to China	\$14.00	Unchanged	
30,000 U.S. Gulf-Veracruz, México	\$13.00	Unchanged	4,000 MT daily discharge rate
40-45,000 U.S. Gulf-Veracruz, México	\$11.25	Up \$0.25	Deep draft and 8,000 MT per day discharge rate.
25/35,000 U.S. Gulf-East Coast Colombia, from Argentina	\$13.50 \$25.50	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	\$29.00 \$30.75	Unchanged Unchanged	8,000 MT daily discharge 3,000 MT daily discharge
25-30,000 U.S. Gulf-Morocco	\$28.00	Unchanged	5,000 discharge rate
55,000 U.S. Gulf-Egypt	\$20.00	Unchanged	55,000 -60,000 MT St. Lawrence to Egypt \$19.50
PNW to Egypt	\$22.75	Unchanged	
65-75,000 U.S. Gulf-Europe-Rotterdam	\$13.00	Unchanged	Handymax at +\$1.25 more
Brazil, Santos-China	\$17.50 \$16.50	Down \$0.50 Down \$0.50	54-58,000 Supramax-Panamax 60-66,000 Post Panamax
Itacoatiara Port up river Amazonia-China	\$27.75	Down \$0.50	48-53,000 MT (11.5-meter draft)
56-60,000 Argentina-China Upriver with Top-Off	\$25.00	Down \$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: It appears the recent Baltic Index and physical market rally in the Dry-Bulk sector may have topped out and now is in a bit of a correction mode, at least for the moment. Some of the bloom may be coming off the rose. I think it is important for vessel owners to understand that things do not go up forever, especially when the market remains in an oversupply situation. Sellers need to simply take advantage of any rallies they get.

Vessel owners are doing their best not to engage in new build orders and the suffering ship yards are trying to lure them back with big discounts. I hope owners do not take the bait. Vessel scrapping continues at a good pace and we have even seen four to six 2002-built (14-year old) Post Panamax container ships (5,447 TEU each) go to the scrap yard over the past 6 months.

I've gotten some outside input on my estimate of corn and wheat rates from the U.S. Gulf to Northern Brazil. Depending on the vessel size and discharge guarantee freight brokers have given me quotes of between \$13 and 17.00/MT. So my guess of \$15-16.00/MT was not far off. This movement is most likely to ship in a geared Handymax vessel.

Baltic-Panamax Dry-Bulk Indices

April 28, 2016	This Week	Last Week	Difference	Percent Change
Route				
P2A: Gulf/Atlantic – Japan	9,454	10,421	-967	-9.3%
P3A: PNW/Pacific– Japan	5,142	4,997	145	2.9%

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 28, 2016

Four weeks ago:	\$3.03-\$3.05
Three weeks ago:	\$3.40-\$3.60
Two weeks ago:	\$3.70-\$3.85
One week ago:	\$3.00-\$4.50
This week	\$4.10-\$4.45

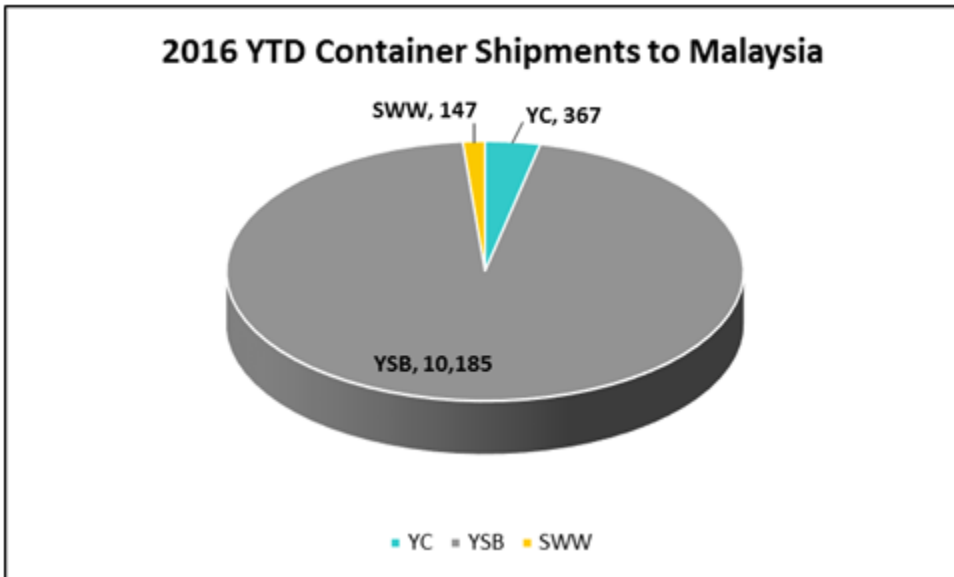
Source: O'Neil Commodity Consulting

U.S.-Asia Market Spreads

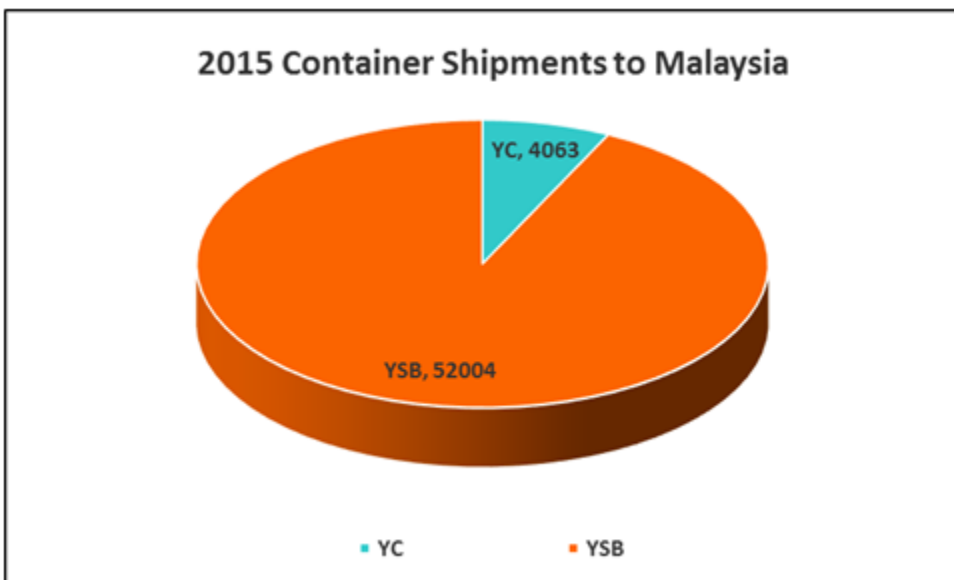
April 28, 2016	PNW	Gulf	Bushel Spread	MT Spread	Advantage
#2 Corn	0.66	0.48	0.18	\$7.09	PNW
Soybeans	0.87	0.50	0.45	\$17.72	Gulf
Ocean Freight	\$14.00	\$23.00	0.23-0.24	(\$9.00)	May

Source: O'Neil Commodity Consulting

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



Source: O'Neil Commodity Consulting



Source: O'Neil Commodity Consulting

INTEREST RATES

Interest Rates (%): April 27, 2016			
	Current Week	Last Week	Last Month
U.S. Prime	3.50	3.50	3.50
LIBOR (6 month)	0.91	0.90	0.91
LIBOR (1 year)	1.24	1.22	1.23

Source: www.bankrate.com