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CHICAGO BOARD OF TRADE MARKET NEWS

Week in Review: CME Corn May Contract

\$/Bu	Friday 29 April	Monday 2 May	Tuesday 3 May	Wednesday 4 May	Thursday 5 May
Change	0.0325	0.0000	-0.1200	-0.0500	0.0120
Closing Price	3.9025	3.9025	3.7825	3.7325	3.7200
Factors Affecting the Market	Normal volume, back and forth in a 6-7 cent range with demand and weather in mind.	Market chatter focused on China's corn surplus being possibly larger, and how it will be disposed of.	Funds weighed good weather and bigger crops and sold 25,000 contracts, pushing corn below the 10- and 20-day moving averages.	Warm, dry conditions will boost planting progress as spillover from Tuesday pushed prices to just above technical support.	Excellent weather conditions weighed heavily on the market going into the weekend.

Outlook: The case for bullishness remains but the more bearish perspective has returned more prominently. The harvest of Brazil's safrinha corn crop is still two months away and may involve a larger planted area; the Argentine crop looks good and the U.S. crop is going into the ground quickly. A weaker dollar is helping U.S. corn exports and big money should see commodity prices at or near bottom, but it will take something new to actually pick them up off the bottom – be it adverse weather, a weakening dollar or speculative zeal.

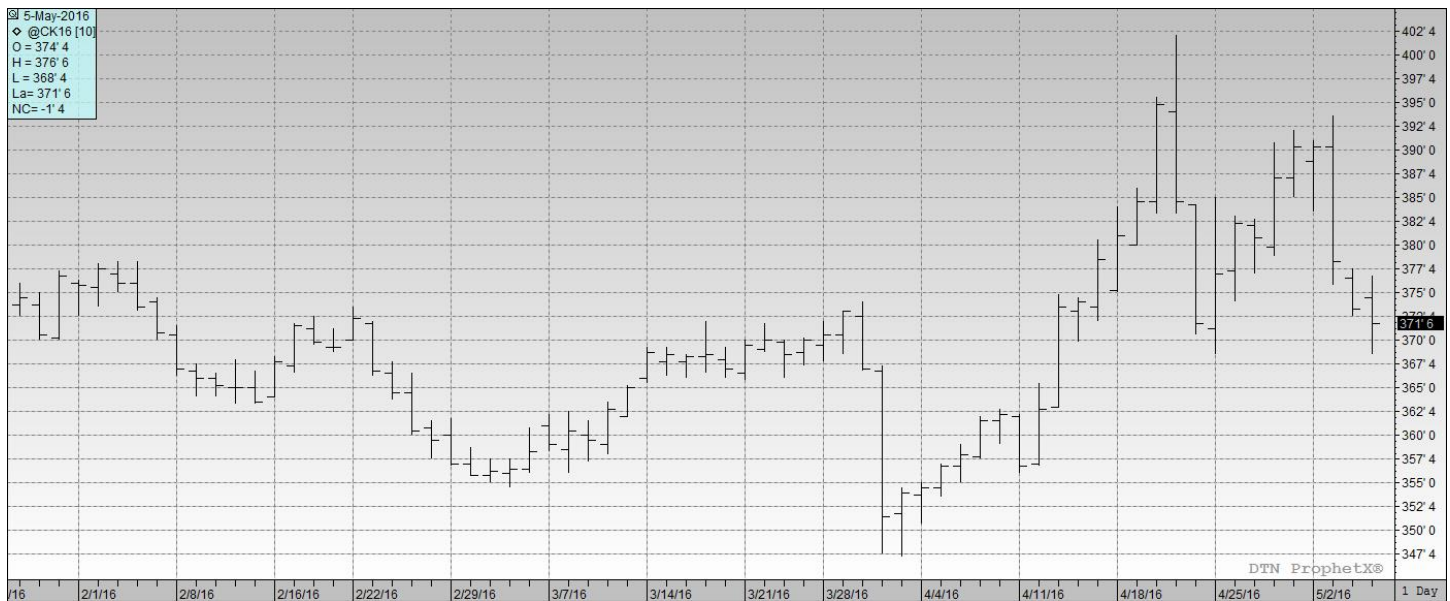
For more information on the contents of this newsletter or the U.S. Grains Council, its mission and programs, please contact Manuel Sanchez or Alvaro Cordero at (202) 789-0789.

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.

There is still discussion about whether there was any spillover effect in Chicago from the \$261 billion speculative trade one-day last week in China's commodity futures markets. There is certainly coincidence.

Weekly U.S. corn export sales were below expectations and overall marketing year sales are down nearly 13 percent. The mood ahead of next week's WASDE report may be profit taking.

CBOT MAY CORN FUTURES



Source: Prophet X

Current Market Values:

Futures Price Performance: Week Ending May 5, 2016			
Commodity	5-May	29-Apr	Net Change
Corn			
May 16	371.75	390.25	-18.50
Jul 16	373.75	391.75	-18.00
Sep 16	375.75	391.75	-16.00
Dec 16	381.50	395.25	-13.75
Soybeans			
May 16	1003.50	1021.00	-17.50
Jul 16	1012.25	1029.75	-17.50
Aug 16	1014.75	1030.50	-15.75
Sep 16	1006.50	1017.25	-10.75
Soymeal			
May 16	335.00	332.10	2.90
Jul 16	336.80	334.80	2.00
Aug 16	335.50	334.20	1.30
Sep 16	333.90	333.00	0.90
Soyoil			
May 16	32.01	32.88	-0.87
Jul 16	32.26	33.14	-0.88
Aug 16	32.38	33.26	-0.88
Sep 16	32.52	33.39	-0.87
SRW			
May 16	453.00	478.00	-25.00
Jul 16	463.25	488.50	-25.25
Sep 16	473.25	498.25	-25.00
Dec 16	490.50	516.00	-25.50
HRW			
May 16	440.25	465.25	-25.00
Jul 16	452.75	478.50	-25.75
Sep 16	469.00	494.25	-25.25
Dec 16	493.75	518.25	-24.50
MGEX (HRS)			
May 16	531.00	540.00	-9.00
Jul 16	531.75	547.00	-15.25
Sep 16	539.00	555.00	-16.00
Dec 16	550.25	565.50	-15.25

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

U.S. WEATHER/CROP PROGRESS

U.S. Crop Planting Progress				
Commodity	May 1, 2016	Last Week	Last Year	2011-15 Average
Corn	45%	30%	45%	30%
Sorghum	23%	20%	28%	26%
Barley	57%	45%	70%	47%

Source: USDA

U.S. Drought Monitor Weather Forecast: Over the next 5-7 days, temperatures are expected to be above normal over the eastern half of the United States with departures of 6-9 degrees above normal over the Southeast. The Pacific Northwest and northern Rocky Mountains also should see above-normal temperatures with departures of up to 12 degrees above normal. Cooler than normal temperatures are projected over the central Rocky Mountains into the Southwest with departures of 3-6 degrees below normal. Another active week appears likely as several storm systems develop over the West and eject out onto the Plains and move into the Northeast. Precipitation amounts are forecast to be greatest over the northern Rocky Mountains with amounts up to 5 inches over Wyoming. On the Plains, up to 3 inches are projected in portions of Missouri and east Texas while amounts of over 3 inches are expected in portions of the Mid-Atlantic. Most of the Great Basin, New England, and the Florida peninsula are forecast to receive widespread precipitation as well.

The 6-10 day outlooks show that the chances for above-normal temperatures are greatest over the East Coast, West Coast and Great Basin, while the best chances for below-normal temperatures will be over the northern and southern Plains. Forecasts show that the best chances for above-normal precipitation will be from the central and southern Plains to the East Coast. Chances for below-normal precipitation are best over the upper Midwest and 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

U.S. Export Sales and Exports: Week Ending April 28, 2016					
Commodity	Gross Sales (MT)	Exports (MT)	YTD Exports (000MT)	YTD Bookings (000MT)	% Change YTD Bookings
Wheat	196,500	385,200	17,595.5	20,146.1	-13%
Corn	898,400	1,226,000	24,580.1	37,856.1	-8%
Sorghum	180,100	229,000	6,248.3	6,820.2	-15%
Barley	100	100	24.0	27.3	-82%

Source: USDA, World Perspectives, Inc.

Corn: Net sales of 769,300 MT for 2015/2016 were down 64 percent from the previous week and 44 percent from the prior 4-week average. Increases were reported for Japan (458,600 MT, including 111,900 MT

switched from unknown destinations and decreases of 25,300 MT), Mexico (113,900 MT, including 57,000 MT switched from unknown destinations and decreases of 18,100 MT), Taiwan (88,700 MT, including 65,000 MT switched from unknown destinations and decreases of 700 MT), Peru (67,100 MT, including 57,000 MT switched from unknown destinations and decreases of 2,100 MT), China (65,100 MT, including 60,000 MT switched from unknown destinations), and Venezuela (60,000 MT). Reductions were reported for unknown destinations (246,200 MT), Nicaragua (18,800 MT), the French West Indies (8,600 MT) and Guatemala (2,000 MT). For 2016/2017, net sales of 60,500 MT were reported for Mexico (30,000 MT), Nicaragua (17,500 MT), and Peru (13,000 MT). Exports of 1,226,000 MT were up 13 percent from the previous week and 9 percent from the prior 4-week average. The primary destinations were Mexico (373,700 MT), Colombia (257,500 MT), Peru (140,900 MT), Japan (111,900 MT), Taiwan (101,000 MT), China (65,100 MT), and Venezuela (60,000 MT).

Optional Origin Sales: For 2015/2016, new optional origin sales totaling 50,000 MT were reported for unknown destinations. The current outstanding balance totals 392,000 MT, all unknown destinations.

Export Adjustments: Accumulated exports to Honduras were adjusted down 701 MT for week ending April 21st. This is an adjustment in the shipment tonnage.

Barley: There were no sales reported for 2015/2016 during the week. For 2016/2017, net sales of 500 MT were reported for Japan. Exports of 100 MT were reported to South Korea.

Sorghum: Net sales of 180,100 MT for 2015/2016 were up noticeably from the previous week and from the prior 4-week average. Increases reported for China (222,700 MT, including 50,000 MT switched from unknown destinations) and Mexico (2,300 MT), were partially offset by reductions for unknown destinations (44,900 MT). Exports of 229,000 MT were up noticeably from the previous week and 62 percent from prior 4-week average. The destinations were China (227,700 MT) and Mexico (1,300 MT).

U.S. Export Inspections: Week Ending April 28, 2016

Commodity (MT)	Export Inspections		Current Market YTD	Previous YTD	YTD as Percent of Previous
	Current Week	Previous Week			
Barley	0	0	31,219	162,538	19%
Corn	1,158,757	1,144,479	24,187,380	27,668,398	87%
Sorghum	155,602	166,493	6,757,154	6,780,392	100%
Soybeans	151,033	172,556	42,735,246	45,975,314	93%
Wheat	355,757	326,429	18,405,257	21,094,453	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 28, 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	719,804	66%	68,982	93%	150,426	97%
PNW	156,302	14%	0	0%	0	0%
Interior Export Rail	208,580	19%	5,089	7%	5,176	3%
Total (Metric Tons)	1,084,686	100%	74,071	100%	155,602	100%
White Corn Shipments by Country (MT)			5,732	to Colombia		
			68,339	to Mexico		
Total White Corn (MT)			74,071			
Sorghum Shipments by Country (MT)					112,452	to China
					2,474	to South Africa
					35,500	to Sudan
					5,176	to Mexico
Total Sorghum (MT)					155,602	

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 May	+0.56 N	\$169.18	-	-
June	+0.50 N	\$166.82	+0.68 N	\$173.91
July	+0.50 N	\$166.82	+0.68 N	\$173.91
August	+0.58 N	\$169.97	+0.65 U	\$173.51

#2 White Corn (U.S. \$/MT FOB Vessel)	
Max. 15.0% Moisture	July
Gulf	\$198

Sorghum (USD/MT FOB Vessel)				
#2 YGS FOB Vessel Max 14.0% Moisture	NOLA		TEXAS	
	Basis	Flat Price	Basis	Flat Price
May	+0.65 K	\$171.94	+0.65 K	\$171.94
June	+0.65 N	\$172.73	+0.65 N	\$172.73
LH July	+0.65 Z	\$175.78	+0.50 Z	\$175.78



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)			
	June	July	August
New Orleans	\$130	\$130	\$130

Quantity 5,000 MT

Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT)			
	June	July	August
Bulk 60% Pro.			
New Orleans	\$565	\$565	\$565

*5-10,000 MT Minimum

*All prices are market estimates.

DDGS Price Table: May 5, 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	175	172	170
FOB Vessel GULF	182	179	177
Rail delivered PNW	197	197	196
Rail delivered California	200	199	199
Mid-Bridge Laredo, TX	194	194	193
FOB Lethbridge, Alberta	171	169	169
40 ft. Containers to South Korea (Busan)	223	221	221
40 ft. Containers to Taiwan (Kaohsiung)	224	223	223
40 ft. Containers to Philippines (Manila)	238	236	236
40 ft. Containers to Indonesia (Jakarta)	235	233	233
40 ft. Containers to Malaysia (Port Kelang)	232	231	231
40 ft. Containers to Vietnam (HCMC)	230	228	228
40 ft. Containers to Japan (Yokohama)	237	234	234
40 ft. containers to Thailand (LCMB)	225	223	223
40 ft. Containers to Shanghai, China	220	215	215
KC & Elwood, IL Rail Yard (delivered Ramp)	177	176	174

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 exports have gone well thus far this year and exporters report that they are now raising prices to be closer in line with the value of corn. Indeed, reported export pricing for this past week was up to all locations, including a \$20/container increase to Japan and double digit increases to Southeast Asian markets. U.S. Census Bureau export data for U.S. exports of DDGS show a decline in sales to China but sales to Mexico remain on pace with last year and exports to Vietnam, South Korea, Indonesia, Turkey as well as other select markets are all sharply higher this year (see table below). Despite the declining exports to China, U.S. total DDGS exports to the world in the first half of 2015/16 at 5,366,764 MT are 17.5 percent higher than 4,567,106 MT exported during the first half of 2014/15.

U.S. Exports of DDGS to Top Destinations in the First Half of 2015/16 Marketing Year (MT)							
Country	October	November	December	January	February	March	Total
China	368,656	284,278	226,049	218,961	210,559	121,619	1,430,122
Mexico	164,314	132,385	166,321	195,669	145,025	142,117	945,831
Vietnam	88,305	65,638	65,703	45,744	53,373	71,840	390,603
Korea, South	46,159	59,356	110,916	45,046	36,434	83,196	381,107
Canada	52,623	41,813	66,002	47,617	37,370	37,849	283,274
Turkey	52,498	103,238	23,274	5,498	33,699	60,997	279,204
Thailand	34,962	52,668	46,592	46,838	51,837	42,328	275,225
Ireland	12,217	20,441	51,235	48,456	11,287	34,445	178,081
Indonesia	21,098	17,707	21,945	25,938	28,940	51,554	167,182
Japan	23,556	18,642	31,791	14,881	19,669	26,331	134,870
Taiwan	21,163	20,277	13,264	17,760	18,201	17,816	108,481
Spain	10,175	44,230	50,000	0	0	0	104,405
United Kingdom	28,701	0	29,933	19,455	0	19,391	97,480
Other Countries	105,156	79,244	85,331	68,717	138,989	113,462	590,899
Grand Total	1,029,583	939,917	988,356	800,580	785,383	822,945	5,366,764

Source: U.S. Census Bureau

Ethanol Comments: U.S. exports of ethanol were up 14 percent from March of 2015 with China the leading destination, which fits the central government's plan to reduce pollution. The U.S. achieved another high-water mark in ethanol exports to China in February with a total of 33.653 million liters (valued at \$18.21 million) compared with just 10,770 liters for the same month a year ago. Although February's numbers are only 30 percent of January's total, the total for just those two months is more than half of the volume that the U.S. sent to China in all of 2015.

The Energy Information Administration (EIA) increased the estimated stocks of ethanol to 22.2 million barrels (+572,000) as production fell by 4,000 barrels per day to 923,000 barrels per day, likely due to routine plant maintenance.

The margins between the corn price and the value of ethanol and coproducts were up in three out of the four key markets from a week ago (see below).

- Illinois differential is \$1.57 per bushel, in comparison to \$1.55 the prior week and \$2.52 a year ago.
- Iowa differential is \$1.64 per bushel, in comparison to \$1.58 the prior week and \$2.23 a year ago.
- Nebraska differential is \$1.76 per bushel, in comparison to \$1.82 the prior week and \$2.11 a year ago.
- South Dakota differential is \$2.02 per bushel, in comparison to \$1.74 the prior week and \$2.45 a year ago.

COUNTRY NEWS

Argentina: Farmers will start harvesting corn in a few weeks with exports expected to increase during the July/August period. Premiums may fall but farmer selling at this juncture is minimal and prices are going up. (WPI)

China: Beijing estimates a 3-million-hectare decline in corn planted area this year as a result of recent policy changes. Meanwhile, corn planting conditions may not be optimal in China after an April that threw very cold and wet (soil moisture at 40 percent) weather at the Northeast and put Shandong Province through a very hot and dry spell – all of which is typical for the tail end of an El Niño period. (Reuters; weathertrends360)

EU: The EU Commission estimates the 2016 corn harvest at 65.3 MMT, leading to sharply reduced imports and a 1 MMT increase in carryover stocks. This contrasts with last year when it was a leading importer of corn due to drought. (DG-Agri)

Kenya: Field trials for GM maize will be conducted over the next two years with commercialization expected in 2018. (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	\$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	Unchanged	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	\$17.00 \$16.00	Down \$0.50 Down \$0.50	54-58,000 Supramax-Panamax 60-66,000 Post Panamax
Itacoatiara Port up river Amazonia-China	\$27.25	Down \$0.50	48-53,000 MT (11.5-meter draft)
56-60,000 Argentina-China Upriver with Top-Off	\$25.00	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: I do not see any big changes in Dry-Bulk freight rates this week. The Baltic indices are down a little and it does seem that the past rally is over and that things will now set back a bit. As mentioned previously, the overall market fundamentals are not much changed and it will certainly take time for the global economy to pick up enough steam to create the volume of additional demand necessary to return the market to a profitable stance.

So in the meantime the market will bounce around and wait for better times. The biggest danger remains that of additional bankruptcies in the shipping industry and the risk that your cargo is on one of those vessels. I have received confirmation that 3-4 Handymax cargoes of U.S. wheat (both HRW and some SRW) have been sold to Brazil at rates of close to \$15.00/MT. The wheat is going into both northern and southern Brazilian ports.

Baltic-Panamax Dry-Bulk Indices				
May 5, 2016	This Week	Last Week	Difference	Percent Change
Route				
P2A: Gulf/Atlantic – Japan	8,725	9,454	-729	-7.7%
P3A: PNW/Pacific– Japan	4,816	5,142	-326	-6.3%

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 May 5, 2016	
Four weeks ago:	\$3.40-\$3.60
Three weeks ago:	\$3.70-\$3.85
Two weeks ago:	\$3.00-\$4.50
One week ago:	\$4.10-\$4.45
This week	\$4.05-\$4.20

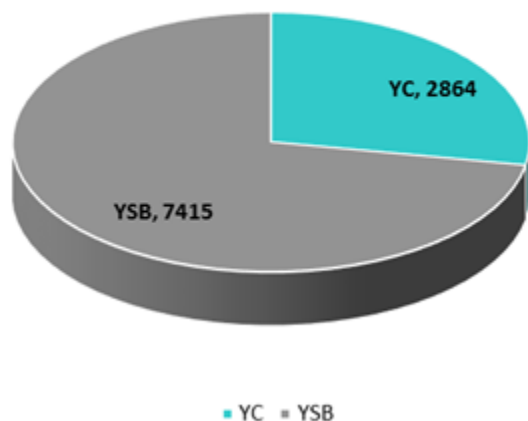
Source: O'Neil Commodity Consulting

U.S.-Asia Market Spreads					
May 5, 2016	PNW	Gulf	Bushel Spread	MT Spread	Advantage
#2 Corn	0.68	0.50	0.18	\$7.09	PNW
Soybeans	0.87	0.48	0.45	\$17.72	Gulf
Ocean Freight	\$14.00	\$23.00	0.23-0.24	(\$9.00)	June

Source: O'Neil Commodity Consulting

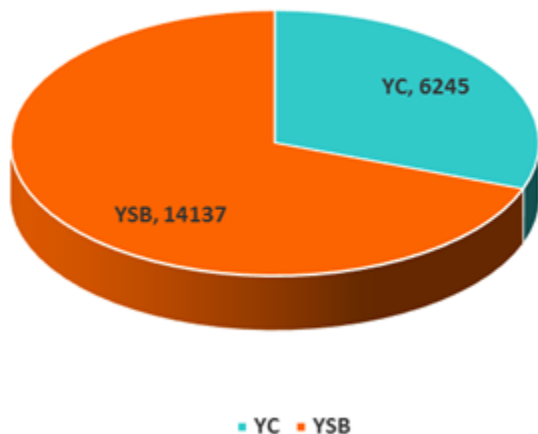
The charts below represent year-to-date 2016 versus January-December 2015 annual totals for container shipments to the Philippines.

2016 YTD Container Shipments to Philippines



Source: O'Neil Commodity Consulting

2015 Container Shipments to Philippines



Source: O'Neil Commodity Consulting

International Freight Rates for Feed Grains – Select Routes Estimated Spot Price (\$/MT) – Week Ending May 5, 2016								
Commodity	Origins	China	Japan	Korea	Colombia	Morocco	Egypt	Saudi Arabia
Corn (Yellow)	Argentina	\$22.00	\$21.50	\$22.40	-	\$15.50	\$16.90	\$21.50
	Brazil	\$16.00	\$15.50	\$16.30	-	\$7.00	\$7.90	\$10.20
Corn (White)	Argentina	\$22.00	\$21.50	\$22.40	-	\$15.50	\$16.90	\$21.50
	Brazil	\$16.00	\$15.50	\$16.30	-	\$7.00	\$7.90	\$10.20
Barley	Argentina	\$22.00	\$21.50	\$22.40	-	\$15.50	\$16.90	\$21.50
	Brazil	\$16.00	\$15.50	\$16.30	-	\$7.00	\$7.90	\$10.20
Sorghum	Argentina	\$22.00	\$21.50	\$22.40	-	\$15.50	\$16.90	\$21.50
	Brazil	\$16.00	\$15.50	\$16.30	-	\$7.00	\$7.90	\$10.20

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

Note: Morocco basis is for Panamax vessels.

Source: World Perspectives, Inc.

INTEREST RATES

Interest Rates (%): May 4, 2016			
	Current Week	Last Week	Last Month
U.S. Prime	3.50	3.50	3.50
LIBOR (6 month)	0.90	0.91	0.89
LIBOR (1 year)	1.23	1.24	1.21

Source: www.bankrate.com