



CONTENTS

CHICAGO BOARD OF TRADE MARKET NEWS	1
CBOT MARCH CORN FUTURES	3
U.S. WEATHER/CROP PROGRESS	5
U.S. EXPORT STATISTICS	5
FOB.....	7
DISTILLER'S DRIED GRAINS WITH SOLUBLES (DDGS)	9
COUNTRY NEWS.....	10
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 25 March	Monday 28 March	Tuesday 29 March	Wednesday 30 March	Thursday 31 March
Change	N/A	0.0500	0.02500	-0.0600	-0.1640
Closing Price	N/A	3.7050	3.7300	3.6700	3.5040
Factors Affecting the Market	Market Closed.	Corn was initially lower but was pulled back positive by wheat.	May hit its highest close for the month as funds removed some of their short positions.	A uniquely volatile day with a 7-cent trading range, hitting a new high (\$3.74) on short covering before farmer selling and profit taking sent it falling back to the support level.	The market had fallen 5 cents before the USDA reports were even released and then plunged to \$3.47 with perhaps 40,000 contracts sold.

Outlook: The market has been relatively firm for three weeks but today's balance sheet changes prompted by USDA's quarterly stocks and prospective plantings reports has moved the goal posts. Corn is now at new

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.

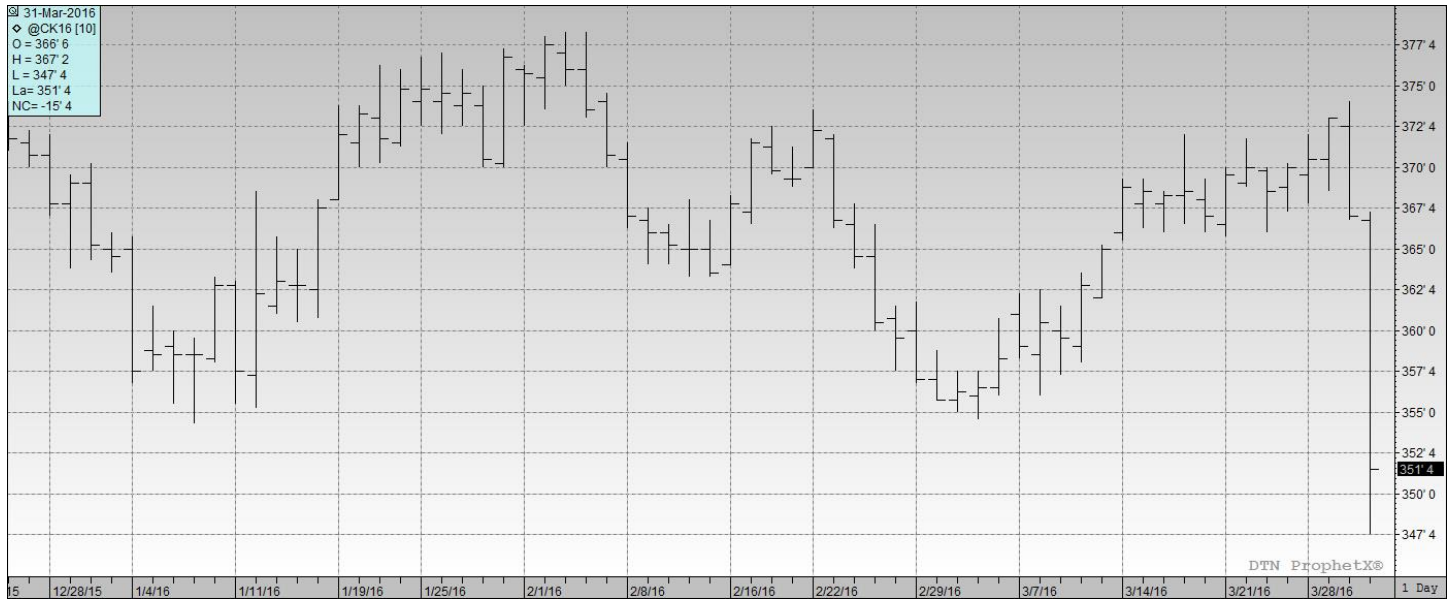
contract lows. The quarterly corn stocks number was actually slightly below the average of estimates from analysts (off-farm sorghum stocks are large). And the export sales report was unsurprising, but there is getting past the shock of the prospective plantings number – 93.601 million acres when the average guess was that it would be 90.05 million. If this comes to fruition, some predict corn at the low to mid two-dollar range at harvest.

Corn had been playing the wet blanket before the reports, and apparently justifiably so. Funds likely regret that they had been chipping away at their short positions ahead of the reports. The previous levels of technical support (100-day moving average of \$3.74) and resistance (50-day moving average of \$3.67) are now in the past. Warmer weather is in the forecast for the Corn Belt as the jet stream shifts northward, which will facilitate the planting of those additional millions of acres. Expect planting to take off in the second half of April.

The situation is not completely bearish. Not reflected in today's USDA report is the excess rain in the Delta, which has already negated some corn acres and the switch from corn to soybeans in the region could be 1 to 2.5 million acres. Meanwhile, a large amount of the forecasted new corn acres will be in the Plains, an area with lower yields and notorious for weather issues. There is a question about whether farmers will be able to obtain enough anhydrous in a timely manner for that much area. And if it is not based on a reasonable cost, a switch to soybeans may make more sense. There is the external factor of a Federal Reserve that has taken a dovish stance, sending the dollar lower. Finally, weather can provide bearish support but it can also provide bullish momentum.

Please note that the U.S. Grains Council is pleased to release a grains conversion calculator app. The app converts English units to metric units and vice-versa for grains and related measures. It is available in the Apple's App Store, Google Play Store, Amazon's Appstore or Microsoft's Windows Store by searching for "grain conversion calculator." The iPhone app is available [here](#).

CBOT MAY CORN FUTURES



Source: Prophet X

Current Market Values:

Futures Price Performance: Week Ending March 31, 2016			
Commodity	31-Mar	24-Mar	Net Change
Corn			
May 16	351.50	370.00	-18.50
Jul 16	355.75	374.50	-18.75
Sep 16	360.50	379.25	-18.75
Dec 16	368.75	387.25	-18.50
Soybeans			
May 16	910.75	910.50	0.25
Jul 16	917.75	917.75	0.00
Aug 16	920.50	920.00	0.50
Sep 16	920.75	919.50	1.25
Soymeal			
May 16	270.30	275.30	-5.00
Jul 16	273.10	277.80	-4.70
Aug 16	274.40	278.90	-4.50
Sep 16	275.60	280.00	-4.40
Soyoil			
May 16	34.22	33.18	1.04
Jul 16	34.44	33.41	1.03
Aug 16	34.53	33.51	1.02
Sep 16	34.63	33.61	1.02
SRW			
May 16	473.50	463.00	10.50
Jul 16	480.75	470.75	10.00
Sep 16	490.25	480.75	9.50
Dec 16	504.00	495.25	8.75
HRW			
May 16	476.25	471.75	4.50
Jul 16	487.00	482.75	4.25
Sep 16	501.00	496.25	4.75
Dec 16	521.00	515.75	5.25
MGEX (HRS)			
May 16	529.50	514.00	15.50
Jul 16	537.75	522.50	15.25
Sep 16	547.00	532.50	14.50
Dec 16	559.50	546.00	13.50

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

U.S. WEATHER/CROP PROGRESS

U.S. Drought Monitor Weather Forecast: A storm system will cross the Great Lakes region on March 29, producing a mix of rain and snow. The storm's trailing cold front will reach the Atlantic Seaboard on March 30, but should stall across the lower Southeast. Precipitation totals associated with the storm (and its cold front) could reach 2 to 5 inches – in the form of heavy showers and locally severe thunderstorms – across the Southeast, and 1 to 2 inches along and north of the path of the low-pressure system. During the first few days of April, warm, dry weather will dominate the West, while a blast of cold air and snow showers will engulf the Great Lakes and Northeastern States. During the next 5 days, the southern Plains will remain mostly dry with rapid temperature fluctuations.

The NWS 6- to 10-day outlook for April 5-9 calls for the likelihood of above-normal temperatures from the Pacific Coast to the Plains, while colder-than-normal conditions will dominate the eastern U.S. – especially the Northeast. Meanwhile, near- to below-normal precipitation in many areas of the country will contrast with expectations for wetter-than-normal weather across the Great Basin and neighboring areas, as well as the Great Lakes region and the Northeastern and Mid-Atlantic States.

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 24, 2016					
Commodity	Gross Sales (MT)	Exports (MT)	YTD Exports (000MT)	YTD Bookings (000MT)	% Change YTD Bookings
Wheat	358,800	342,400	15,601.8	19,255.2	-16%
Corn	905,500	1,136,000	18,834.9	31,643.2	-15%
Sorghum	1,100	225,700	5,454.6	6,502.6	-17%
Barley	0	0	23.5	27.2	-81%

Source: USDA, World Perspectives, Inc.

Corn: Net sales of 790,600 MT for 2015/2016 were down 2 percent from the previous week and 27 percent from the prior 4-week average. Increases were reported for Taiwan (266,000 MT), South Korea (127,000 MT, including 60,000 MT switched from unknown destinations), Japan (126,600 MT, including 90,600 MT switched from unknown destinations and decreases of 64,100 MT), Colombia (112,400 MT), and El Salvador (65,200 MT, including 35,800 MT switched from unknown destinations and 15,600 MT switched from Colombia). Reductions were reported for unknown destinations (175,400 MT) and the French West Indies (4,000 MT). For 2016/2017, net sales of 69,600 MT were reported for unknown destinations (72,200 MT) and Nicaragua (3,000 MT). Reductions were for Japan (5,600 MT). Exports of 1,136,000 MT--a marketing-year-high--were up 14 percent from the previous week and 22 percent from the prior 4-week average. The primary destinations were Japan (333,600 MT), Mexico (292,000 MT), Colombia (180,800 MT), El Salvador (78,000 MT), China (64,100 MT), Panama (41,300 MT), and Mozambique (39,500 MT).

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

Barley: There were no sales or exports reported during the week. For 2016/2017, net sales of 100 MT were reported for Japan.

Sorghum: Net sales reductions of 7,200 MT for 2015/2016 resulted as increases for Pakistan (54,000 MT, including 56,300 MT switched from unknown destinations and decreases of 2,400 MT) and Mexico (1,100 MT), were more than offset by reductions for unknown destinations (60,000 MT) and China (2,200 MT). Exports of 225,700 MT were up 58 percent from the previous week and 78 percent from prior 4-week average. The destinations were China (150,900 MT), Pakistan (74,000 MT), and Mexico (900 MT).

U.S. Export Inspections: Week Ending March 24, 2016					
Commodity (MT)	Export Inspections		Current Market YTD	Previous YTD	YTD as Percent of Previous
	Current Week	Previous Week			
Barley	171	220	30,436	159,165	19%
Corn	977,686	1,014,034	18,546,814	22,269,106	83%
Sorghum	300,029	227,983	5,941,724	5,583,728	106%
Soybeans	567,528	577,083	41,422,016	44,322,000	93%
Wheat	327,118	470,199	16,463,617	18,761,512	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 24, 2016						
Last Week	YC	% of Total	WC	% of Total	Sorghum	% of Total
Lakes	0	0%	0	0%	0	0%
Atlantic	4,662	1%	0	0%	0	0%
Gulf	624,525	71%	96,850	100%	233,940	78%
PNW	122,502	14%	343	0%	49,850	17%
Interior Export Rail	128,804	15%	0	0%	16,239	5%
Total (Metric Tons)	880,493	100%	97,193	100%	300,029	100%
White Corn Shipments by Country (MT)			22,715	to Colombia		
			27,358	to El Salvador		
			7,256	to Nicaragua		
			39,521	to S. Africa		
			343	to Korea		
Total White Corn (MT)			97,193			
Sorghum Shipments by Country (MT)					174,299	to China
					23,170	to Kenya
					56,321	to Pakistan
					30,000	to S. Africa
					16,239	to Mexico
Total Sorghum (MT)					300,029	

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	+0.54 K	\$159.64	-	-
April	+0.51 K	\$158.46	+0.60 K	\$162.00
May	+0.50 K	\$158.06	+0.60 K	\$162.00
June	+0.47 N	\$158.55	+0.60 N	\$163.67

#2 White Corn (U.S. \$/MT FOB Vessel)		
Max. 15.0% Moisture	April	May
Gulf	\$222	\$222



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	\$171.05	+0.83 K	\$171.05
May	+0.83 K	\$171.05	+0.83 K	\$171.05
June	+0.83 N	\$172.73	+0.70 N	\$167.61

Barley: Feed Barley (FOB USD/MT)			
	April	May	June
FOB PNW	\$135	\$135	\$135

Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. \$/MT)			
	April	May	June
New Orleans	\$130	\$130	\$130
Quantity 5,000 MT			
Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT)			
Bulk 60% Pro.	April	May	June
New Orleans	\$540	\$537.50	\$537.50
*5-10,000 MT Minimum			

*All prices are market estimates.

DDGS Price Table: March 31, 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	160	158	158
FOB Vessel GULF	169	167	166
Rail delivered PNW	191	189	189
Rail delivered California	192	190	190
Mid-Bridge Laredo, TX	189	187	187
FOB Lethbridge, Alberta	161	160	160
40 ft. Containers to South Korea (Busan)	196	192	192
40 ft. Containers to Taiwan (Kaohsiung)	198	193	193
40 ft. Containers to Philippines (Manila)	208	205	205
40 ft. Containers to Indonesia (Jakarta)	208	203	202
40 ft. Containers to Malaysia (Port Kelang)	206	201	201
40 ft. Containers to Vietnam (HCMC)	207	202	201
40 ft. Containers to Japan (Yokohama)	209	203	203
40 ft. containers to Thailand (LCMB)	203	197	196
40 ft. Containers to Shanghai, China	200	200	200
KC & Elwood, IL Rail Yard (delivered Ramp)	164	163	163

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 is a co-product of corn and so USDA's prediction of a lot cheaper corn is a bearish factor on DDGS. Prices are being pushed downward with the average of \$6 per container this past week. The average for a container of DDGS to destinations in Asia during April was \$203, but that number falls below \$200 to \$199 per container for May and June shipment. Under the law of supply and demand, these lower prices should have some positive impact on demand. USDA forecasts that DDGS production will be 4 percent greater this year, and Chicago futures are indicating it will be less expensive to obtain.

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Ethanol Comments: Total stocks of ethanol were up 2.2 percent this past week to 23 million barrels, even though production fell by 3,000 barrels per day to an average 992,000 barrels per day.

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

- Illinois differential is \$1.17 per bushel, in comparison to \$1.33 the prior week and \$1.93 a year ago.
- Iowa differential is \$1.17 per bushel, in comparison to \$1.27 the prior week and \$1.65 a year ago.
- Nebraska differential is \$1.59 per bushel, in comparison to \$1.48 the prior week and \$1.51 a year ago.
- South Dakota differential is \$1.40 per bushel, in comparison to \$1.48 the prior week and \$1.90 a year ago.

COUNTRY NEWS

Brazil: The largest purchase of Argentine corn in over 15 years occurred this week in Brazil with a reported 500 MMT lined up for shipment through May. Brazil had exported 10 MMT of corn on a trade prompted by the low value of the Real but now the government has dropped the import duty (PIS/Confins) and will sell stocks to cool an overheated market. (Reuters)

Bulgaria/Romania: Higher profit and lower vulnerability to summer drought will encourage farmers to switch about 5 percent of the acreage previously in corn over to sunflowers. (WPI)

China: The government will end a 9-year corn reserve program, likely switching to a form of target prices, and sell 40-50 MMT of surplus corn. (Reuters)

Saudi Arabia: The 2015/16 marketing year will see imports of 8.5 MMT of barley and 3.5 MMT of corn, and the goal is to increase the use of prepared feeds. (USDA/FAS/GAIN)

Ukraine: Demand for spring crops (soybeans, corn and sunflower) is so great that their production area could surpass that of the winter crops (wheat, rye) that have long been dominant. Even barley will see more spring planting than winter sown crop this year. Corn is more expensive to produce but can be more profitable than barley. (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	\$23.50	Up \$0.50	Handymax at \$24.50/MT
55,000 U.S. PNW-Japan	\$14.00	Unchanged	Handymax at \$14.75/MT
55,000 U.S. Gulf-China	\$21.75	Up \$0.25	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	\$13.00	Up \$0.25	West Coast Colombia at \$19.75
Colombia, from Argentina	\$25.00	Up \$0.25	

March 31, 2016

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36-40,000 U.S. Gulf-Guatemala	\$20.00	Unchanged	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf-Algeria	\$28.00 \$29.75	Up \$0.50 Unchanged	8,000 MT daily discharge 3,000 MT daily discharge
25-30,000 U.S. Gulf-Morocco	\$27.00	Up \$0.50	5,000 discharge rate
55,000 U.S. Gulf-Egypt PNW to Egypt	\$19.00 \$21.75	Up \$0.50 Unchanged	55,000 -60,000 MT St. Lawrence to Egypt \$19.00
65-75,000 U.S. Gulf-Europe- Rotterdam	\$11.75	Unchanged	Handymax at +\$1.25 more
Brazil, Santos-China	\$16.00 \$15.00	Up \$0.25 Up \$0.25	54-58,000 Supramax- Panamax 60-66,000 Post Panamax
Itacoatiara Port up river Amazonia- China	\$26.25	Up \$0.25	48-53,000 MT (11.5-meter draft)
56-60,000 Argentina-China Upriver with Top-Off	\$24.00	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: Ocean freight markets in the Atlantic got a little bounce this week. The Baltic indices are higher in the Atlantic but still under pressure in the Pacific. As usual the physical markets have not moved as much and remain a buyers' market. The smaller size vessels are faring better than the big ones and that trend is likely to continue for quite a while. China remains the big story. Everyone knows their demand for raw materials has slowed substantially and we are now watching to see the impact of China's new corn support program and how it affects (slows) the flow of feed grain imports. Corn, sorghum, barley, DDGS and Cassava will certainly be impacted.

Baltic-Panamax Dry-Bulk Indices				
March 31, 2016	This Week	Last Week	Difference	Percent Change
Route				
P2A: Gulf/Atlantic – Japan	7,488	6,614	874	13.2%
P3A: PNW/Pacific– Japan	3,897	4,169	-272	-6.5%

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:

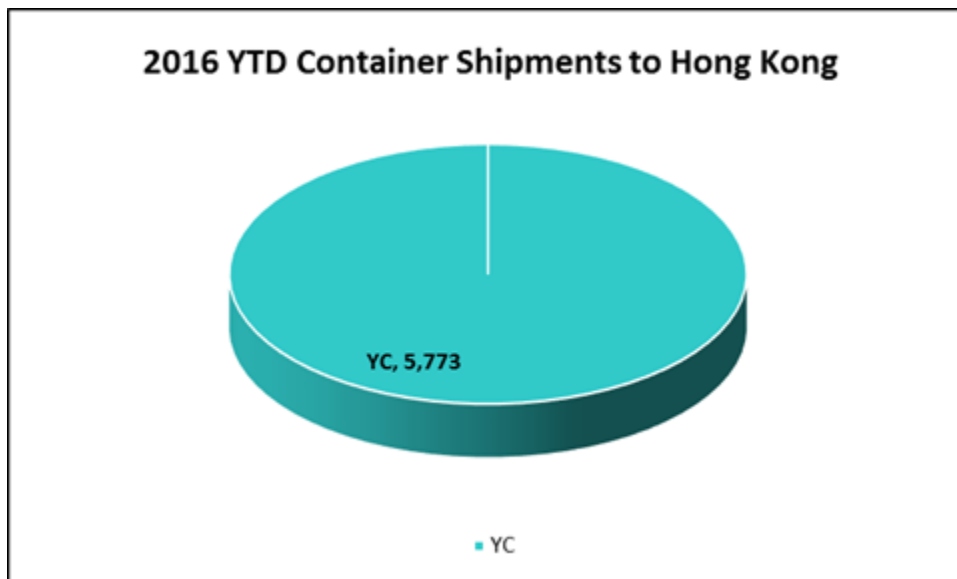
Week of March 31, 2016	
Four weeks ago:	\$2.90-\$3.00
Three weeks ago:	\$2.90-\$3.00
Two weeks ago:	\$2.95-\$3.00
One week ago:	\$3.05-\$3.45
This week	\$3.03-\$3.05

Source: O'Neil Commodity Consulting

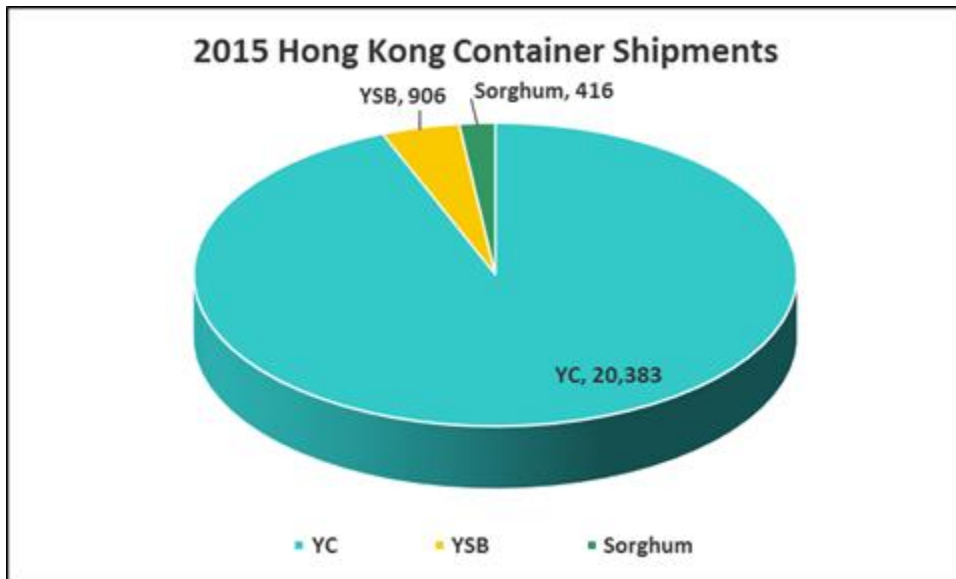
U.S.-Asia Market Spreads					
March 31, 2016	PNW	Gulf	Bushel Spread	MT Spread	Advantage
#2 Corn	0.60	0.50	0.10	\$3.94	PNW
Soybeans	0.90	0.42	0.50	\$19.68	Gulf
Ocean Freight	\$13.00	\$21.75	0.22-0.23	(\$8.75)	April

Source: O'Neil Commodity Consulting

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



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 31, 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 30, 2016			
	Current Week	Last Week	Last Month
U.S. Prime	3.50	3.50	3.50
LIBOR (6 month)	0.91	0.90	0.88
LIBOR (1 year)	1.23	1.21	1.16

Source: www.bankrate.com