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CONTENTS

CHICAGO BOARD OF TRADE MARKET NEWS 2

CBOT DECEMBER CORN FUTURES 3

U.S. WEATHER/CROP PROGRESS 4

U.S. EXPORT STATISTICS 5

FOB..... 6

DISTILLER’S DRIED GRAINS WITH SOLUBLES (DDGS) 7

COUNTRY NEWS 8

OCEAN FREIGHT MARKETS AND SPREAD 9

OCEAN FREIGHT COMMENTS 9

INTEREST RATES..... 13

For more information on the contents of this newsletter or the U.S. Grains Council, its mission and programs, please contact 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.

CHICAGO BOARD OF TRADE MARKET NEWS

Week in Review: CME Corn December Contract					
\$/Bu	Friday August 4	Monday August 7	Tuesday August 8	Wednesday August 9	Thursday August 10
Change	3.250	5.750	-3.000	2.500	-15.2500
Closing Price	381.00	386.75	383.75	386.25	371.00
Factors Affecting the Market	The coming WASDE helped the market stay above key support. The market won't go "too low" with the report only one week away. Outside markets were higher on good non-farm payroll numbers and lower unemployment.	Weekend rain missed parts of the Corn Belt, sending the market higher. Selling pressure is limited with the WASDE this week and prices near recent lows. Outside markets were quiet and largely steady.	Weather forecasts are concerning but the market is bracing for a bearish WASDE. Monday's Crop Progress showed 60 percent of corn as G/E. Corn exports are down and the dollar's 18-point gain didn't help.	Very quiet, pre-WASDE trading left the market basically unchanged. Ethanol production and stocks increased, a potentially bearish combination if not for Thursday's WASDE.	A corn yield of 169.5 BPA and a 15.9 percent ending stocks/use ratio sent corn sharply lower. Both were more bearish than the market expected. Geopolitical concerns rattled outside markets, and the dollar fell 10 points.

Outlook: The August WASDE held no shortage of surprises. Chief among them was USDA's 2017/18 corn yield forecast of 169.5 bushels per acre (BPA). The trade had been expecting a much smaller yield, between 163-166 BPA, and today's report was undoubtedly bearish. Moreover, 2017/18 ending stocks were only reduced by 52 million bushels to 2,273 million, leaving an ending stocks/use ratio of 15.9 percent. Combined with steady world corn ending stocks, the report left almost no room for the corn market to move higher until the September WASDE.

The USDA reduced its yield estimate by 1.2 BPA from the July WASDE, which when combined with no changes to harvested acres, pulled U.S. 2017/18 corn production down 102 million bushels to 14,153 million. USDA also reduced Feed & Residual use as well as its expectations for U.S. corn exports. The USDA now estimates 1,850 million bushels of corn will be exported this marketing year. Brazil's large crop is putting pressure on U.S. corn exports but reports of that country's bumper crop being stored in poor conditions may increase U.S. export opportunities later in the marketing year.

From a technical perspective, December corn passed a major milestone. The contract closed below \$3.74, the major support point above which the contract has traded for most of 2017. With this support broken, the next downside target lies at \$3.58 ½, the August 2016 contract low. From there, the next support point is \$3.14 ¾, the August 2016 low on corn's continuous monthly chart. Notably, USDA is still predicting farm prices between \$2.90 -3.70/bushel this year, and these technical targets align well with the lower end of this range. Additionally, funds are still long corn futures, and should they decide to liquidate their positions, additional downside could be prominent. For now, December corn looks to be headed lower, unless unexpectedly strong demand appears.

CBOT DECEMBER CORN FUTURES



Source: Prophet X

Current Market Values:

Futures Price Performance: Week Ending August 10, 2017			
Commodity	10-Aug	4-Aug	Net Change
Corn			
Sep 17	357.25	366.50	-9.25
Dec 17	371.00	381.00	-10.00
Mar 18	383.00	392.50	-9.50
May 18	389.25	398.00	-8.75
Soybeans			
Aug 17	930.75	949.25	-18.50
Sep 17	934.00	952.25	-18.25
Nov 17	940.25	956.75	-16.50
Jan 18	949.00	965.75	-16.75
Soymeal			
Aug 17	294.20	303.50	-9.30
Sep 17	295.80	305.30	-9.50
Oct 17	297.50	306.80	-9.30
Dec 17	300.20	309.40	-9.20
Soyoil			
Aug 17	33.74	33.60	0.14
Sep 17	33.79	33.69	0.10
Oct 17	33.91	33.80	0.11
Dec 17	34.16	34.03	0.13
SRW			
Sep 17	440.50	454.75	-14.25
Dec 17	468.75	482.50	-13.75
Mar 18	490.25	503.75	-13.50
May 18	505.25	517.75	-12.50
HRW			
Sep 17	448.25	459.50	-11.25
Dec 17	475.75	487.25	-11.50
Mar 18	493.75	505.25	-11.50
May 18	507.75	519.25	-11.50
MGEX (HRS)			
Sep 17	703.25	716.25	-13.00
Dec 17	715.50	729.25	-13.75
Mar 18	715.25	730.50	-15.25
May 18	703.25	720.50	-17.25

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

U.S. WEATHER/CROP PROGRESS

U.S. Crop Condition: August 7, 2017					
Commodity	Very Poor	Poor	Fair	Good	Excellent
Corn	4%	9%	27%	47%	13%
Sorghum	2%	7%	30%	52%	9%
Barley	8%	12%	35%	37%	8%

Source: USDA

U.S. Drought Monitor Weather Forecast: Since the Tuesday morning cutoff for this week's map, rain has continued to fall on the central and southern High Plains and over a swath from south central Texas to the mid-Atlantic. For August 9-15, the National Weather Service's Weather Prediction Center forecasts more rain across the drought-stricken regions of the upper Midwest and Great Plains. The upper Midwest and northern Plains can expect to see about an inch of rain while locations in the southern Plains and Mid-Atlantic may see amounts approaching 3 inches. Rainfall should keep temperatures in these regions near or below normal. Conditions in the Pacific Northwest are not expected to show considerable improvement over the coming week with the forecast of minimal rainfall amounts and continued warm temperatures.

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

U.S. EXPORT STATISTICS

U.S. Export Sales and Exports: Week Ending August 3, 2017					
Commodity	Gross Sales (MT)	Exports (MT)	YTD Exports (000MT)	YTD Bookings (000MT)	% Change YTD Bookings
Wheat	528,700	568,200	5,381.7	10,527.6	-2%
Corn	191,500	973,500	52,292.2	56,410.7	14%
Sorghum	4,500	102,000	4,552.1	4,831.4	-41%
Barley	0	500	6.0	36.3	208%

Source: USDA/FAS

Corn: Net sales of 52,000 MT for 2016/2017 resulted as increases for Japan (88,100 MT, including 92,700 MT, switched from unknown destinations and decreases of 5,700 MT), Mexico (87,600 MT), Peru (56,800 MT, switched from unknown destinations), Colombia (16,400 MT, switched from unknown destinations), and Honduras (13,500 MT, including 12,300 MT switched from unknown destinations). Reductions were reported for unknown destinations (248,100 MT) and Panama (500 MT). For 2017/2018, net sales of 628,400 MT were reported primarily for Colombia (275,000 MT), Mexico (194,100 MT), and unknown destinations (124,800 MT). Reductions were reported for Nicaragua (9,000 MT), Costa Rica (1,000 MT), and Taiwan (300 RB). Exports of 973,500 MT were down 11 percent from the previous week, but unchanged from the prior 4-week average. The primary destinations were Japan (328,100 MT), Mexico (245,400 MT), Colombia (108,900 MT), South Korea (74,200 MT), and China (68,800 MT).

Optional Origin Sales The current optional origin outstanding balance for 2016/2017 of 122,000 MT is for South Korea (68,000 MT) and unknown destinations (54,000 MT). The current outstanding balance for 2017/2018 of 112,000 MT is for unknown destinations.

Barley: No net sales were reported for the week. Exports of 500 MT were reported to Japan.

Sorghum: Net sales reductions of 2,200 MT for 2016/2017 were reported for China. For 2017/2018, net sales of 145,500 MT were reported for unknown destinations (138,000 MT) and Japan (7,500 MT). Exports of 102,000 MT were down 39 percent from the previous week, but up 6 percent from the prior 4-week average. The destinations were China (99,300 MT) and Mexico (2,800 MT).

U.S. Export Inspections: Week Ending August 3, 2017

Commodity (MT)	Export Inspections		Current Market YTD	Previous YTD	YTD as Percent of Previous
	Current Week	Previous Week			
Barley	2,468	2,245	10,032	15,027	67%
Corn	979,006	993,045	53,838,868	41,699,904	129%
Sorghum	105,951	222,653	5,633,848	8,371,080	67%
Soybeans	685,697	492,537	55,091,471	47,828,398	115%
Wheat	586,149	584,503	5,611,586	4,802,567	117%

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 August 3, 2017

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	474,646	50%	31,900	98%	98,949	93%
PNW	312,114	33%	0	0%	0	0%
Interior Export Rail	159,747	17%	599	2%	7,002	7%
Total (Metric Tons)	946,507	100%	32,499	100%	105,951	100%
White Corn Shipments by Country (MT)			31,900	to Costa Rica		
			599	to Mexico		
Total White Corn (MT)			32,499			
Sorghum Shipments by Country (MT)					101,030	to China
					1,813	to Kenya
					2,398	to Mexico
					710	to Sudan
Total Sorghum (MT)					105,951	

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)
August	+0.43 U	\$157.57	-	-
September	+0.42 U	\$157.18	+0.70 Z	\$173.61
October	+0.45 Z	\$163.77	+0.83 Z	\$178.73

Sorghum (USD/MT FOB Vessel)

#2 YGS FOB Vessel Max 14.0% Moisture	NOLA		TEXAS	
	Basis	Flat Price	Basis	Flat Price
August	-	-	+1.05 Z	\$187.39
September	+1.05 Z	\$187.39	+1.05 Z	\$187.39

Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. \$/MT)			
	August	September	October
New Orleans	\$137.50	\$137.50	\$137.50
<i>Quantity 5,000 MT</i>			
Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT)			
Bulk 60% Pro.	August	September	October
New Orleans	\$590	\$590	\$590
<i>*5-10,000 MT Minimum</i>			
Corn Gluten Meal (CGM) (Offers, Rail and Truck Delivered U.S. \$/ST)			
	August	September	October
Rail Delvd. Savannah	-	\$530	-
Rail Delvd. Chicago	-	\$510	-
Truck Delvd. Chicago	\$520	\$520	-

DDGS Price Table: August 10, 2017 (USD/MT) (Quantity, availability, payment and delivery terms vary)			
Delivery Point Quality Min. 35% Pro-fat combined	August	September	October
Barge CIF New Orleans	162	163	165
FOB Vessel GULF	174	175	176
Rail delivered PNW	190	190	191
Rail delivered California	193	193	194
Mid-Bridge Laredo, TX	190	191	191
FOB Lethbridge, Alberta	164	165	170
40 ft. Containers to South Korea (Busan)	185	186	190
40 ft. Containers to Taiwan (Kaohsiung)	186	186	188
40 ft. Containers to Philippines (Manila)	193	194	197
40 ft. Containers to Indonesia (Jakarta)	189	190	193
40 ft. Containers to Malaysia (Port Kelang)	186	185	188
40 ft. Containers to Vietnam (HCMC)	195	196	192
40 ft. Containers to Japan (Yokohama)	188	189	197
40 ft. containers to Thailand (LCMB)	188	188	190
40 ft. Containers to China (Shanghai)	191	193	193
40 ft. Containers to Bangladesh (Chittagong)	215	216	214
40 ft. Containers to Myanmar (Yangon)	213	214	214
KC & Elwood, IL Rail Yard (delivered Ramp)	152	153	154

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: Pricing strength has returned to the DDGS market. Ethanol plants sold most of their September inventories last week and, in the face of tightening supplies, domestic prices have risen. Barge CIF NOLA prices rose again after last week's pause in the market, gaining \$1.50/MT to reach \$161.50/MT. FOB U.S. Gulf DDGS prices did not follow in lock step, falling \$3/MT to \$174/MT as international interest waned in the face of higher prices. Merchandisers are defending asking prices, however, despite trades being completed at the low end of current values.

Merchandisers are reporting "difficult" container sales on the international front this week as overseas buying interest is not yet ready to follow U.S. prices higher. Prices for 40-foot containers to Southeast Asia increased \$1/MT this week, on average, reaching \$193.30/MT. August shipments to the Philippines rose \$7/MT while

those to Indonesia rose \$2/MT. Other August shipment prices were largely steady. For September shipment, price increases were noted for almost every route.

Domestically, DDGS are priced at 95 percent of cash corn values and 38 percent of soybean meal, both down modestly from the week prior. The per-protein unit cost analysis favors DDGS by a \$1.80/unit margin this week, equal to last week's value.

The latest export data from USDA FAS shows June U.S. DDGS exports rose nearly 20 percent from May. June's exports reached 889,114 MT which was lower than the volume shipped in June 2016. Mexico was the largest buyer in June, taking 175,000 MT, followed by South Korea (which imported 123,000 MT).

COUNTRY NEWS

Argentina: Sales of fertilizer are up 3.9 MMT this year and farmers have increased their purchases of advanced-technology corn seed as they prepare for crop sowing to start in September. (Reuters)

Brazil: Endrigo Dalcin of the farmers' group Aprosoja says that abundant production and a lack of storage is causing large amounts of corn to be stored outdoors in piles. Storage capacity is half the amount recommended by the UN's FAO. The weather is dry now but rains will come later this year and the inadequately stored corn will become subject to rot, pests and rodents. (Bloomberg)

China: The National Meteorological Center reports that rain in north China last week eased the drought and likely improved the output prospects for some of the corn planted in the region. Some areas could even exceed last year's totals, but the latest estimate from China's Agricultural Supply and Demand Estimates is that adverse weather will reduce corn production this year by -1.2 MMT for an overall production total of 210.7 MMT. (Bloomberg)

China State Grain Reserve Corn Sales						
Date	Crop Year	Amount Offered	Amount Sold	Percent	Price Yuan	Price USD
August 3	2014	597,552	72,885	12	1,439	214.03
August 4	2014	2,900,000	826,019	29	1,406	209.12
August 8	2013-15	215,294	36,752	17	1,523	226.52
August 10	2014	301,800	130,000	43	1,423	213.46
	2013	526,090	20,103	4	1,290	191.86

Source: National Grain Trade Center

EU: The European Commission reports that the ample supply of grains and low prices automatically triggered import duties. An import duty of €5.16/MT will be applied to maize, sorghum and rye. (Bloomberg)

Kenya: The National Biosafety Authority announced that field trials will begin for biotech corn and cotton. The government had announced a ban on all GM crops in 2012 but a review of their safety led a task force to recommend approval on a case-by-case basis. (Business Daily Africa)

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	\$37.00	Unchanged	Handymax at \$37.75/MT
55,000 U.S. PNW-Japan	\$19.00	Unchanged	Handymax at \$19.25/MT
55,000 U.S. Gulf-China	\$36.00	Unchanged	North China
PNW to China	\$18.25	Unchanged	
25,000 U.S. Gulf-Veracruz, México	\$14.00	Unchanged	3,000 MT daily discharge rate
35-40,000 U.S. Gulf-Veracruz, México	\$11.75	Unchanged	Deep draft and 6,000 MT per day discharge rate.
25/35,000 U.S. Gulf-East Coast Colombia, from Argentina	\$16.75 \$27.00	Unchanged Unchanged	West Coast Colombia at \$25.50
40-45,000 U.S. Gulf-Guatemala	\$25.00	Unchanged	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf-Algeria	\$26.00 \$29.00	Unchanged	8,000 MT daily discharge 3,000 MT daily discharge
25-30,000 U.S. Gulf-Morocco	\$25.00	Unchanged	5,000 discharge rate
55,000 U.S. Gulf-Egypt	\$22.50	Unchanged	55,000 -60,000 MT
PNW to Egypt	\$22.50	Unchanged	St. Lawrence to Egypt \$22.75
60-70,000 U.S. Gulf-Europe-Rotterdam	\$14.25	Up \$0.25	Handymax at +\$1.50 more
Brazil, Santos-China	\$28.00	Unchanged	54-58,000 Supramax-Panamax 60-66,000 Post Panamax
Itacoatiara Port upriver	\$26.50	Unchanged	
Amazonia-China	\$31.00	Unchanged	
56-60,000 Argentina-China Upriver with Top-Off	\$34.25	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: Ocean freight markets are trying to shake off that sinking feeling. It was an up and down market for most of the week, but it looks to be ending on a more positive note for vessel owners. A degree of optimism has returned to the Baltic Indices and the faces of owners and their bankers. Though many Dry-Bulk vessel owners have decreased their annual financial losses, they still remain in the red. So, we will have to see if the markets can actually sustain a rally or if this simply turns out to be another false start. Physical markets have been slower to react this week and I am therefore leaving most rates unchanged; we'll wait to see what next week brings.

I continue to doubt that we will experience any substantial upward turn in vessel rates in 2017.

Baltic-Panamax Dry-Bulk Indices				
August 10, 2017	This Week	Last Week	Difference	Percent Change
Route				
P2A: Gulf/Atlantic – Japan	16,532	15,607	925	5.9%
P3A: PNW/Pacific– Japan	8,832	8,148	684	8.4%
S1C: U.S. Gulf-China-S. Japan	16,417	16,507	-90	-0.5%

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 Ending August 10, 2017	
Four weeks ago:	\$4.30 - \$5.65
Three weeks ago:	\$4.50 - \$5.50
Two weeks ago:	\$5.50 - \$6.00
One week ago:	\$5.60 - \$6.40
This week	\$6.15 - \$6.50

Source: O'Neil Commodity Consulting

U.S.-Asia Market Spreads					
August 10, 2017	PNW	Gulf	Bushel Spread	MT Spread	Advantage
#2 Corn	0.72	0.45	0.27	\$10.63	PNW
Soybeans	0.88	0.62	0.26	\$10.24	PNW
Ocean Freight	\$19.00	\$37.00	0.46-0.49	\$18.00	Sept.

Source: O'Neil Commodity Consulting

The charts below represent YTD 2017 versus 2016 annual totals for container shipments to Hong Kong.



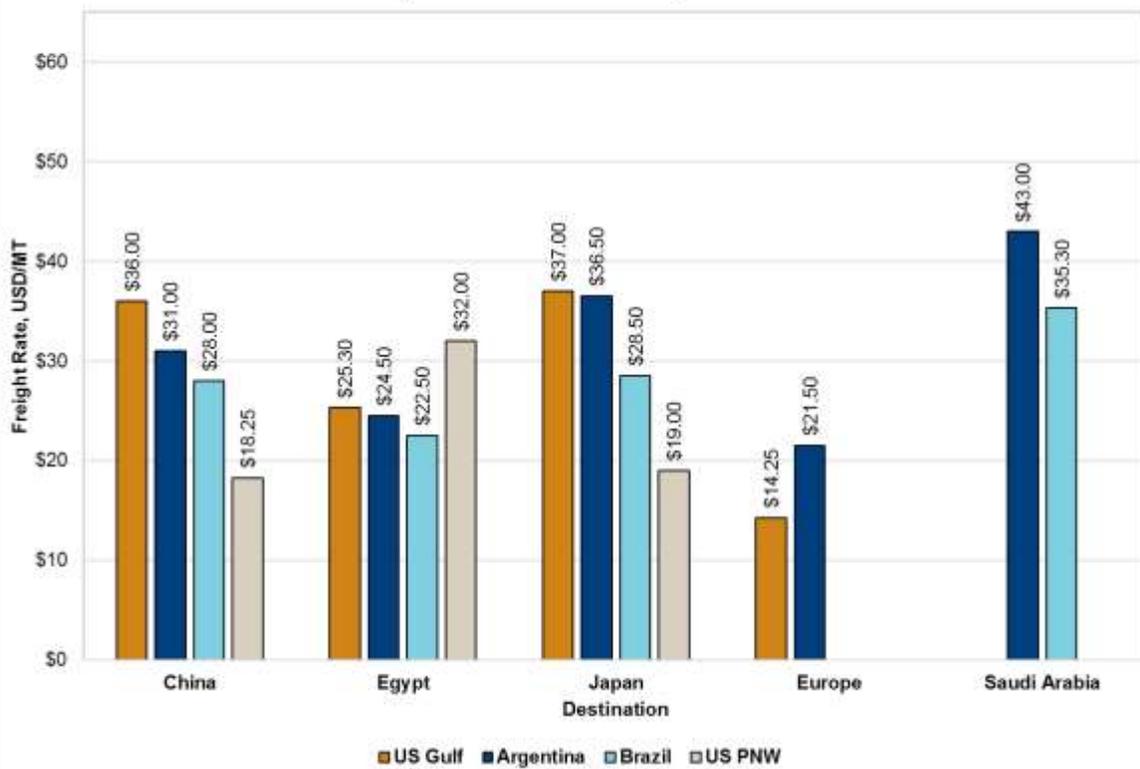
Source: O'Neil Commodity Consulting

2016 Container Shipments to Hong Kong

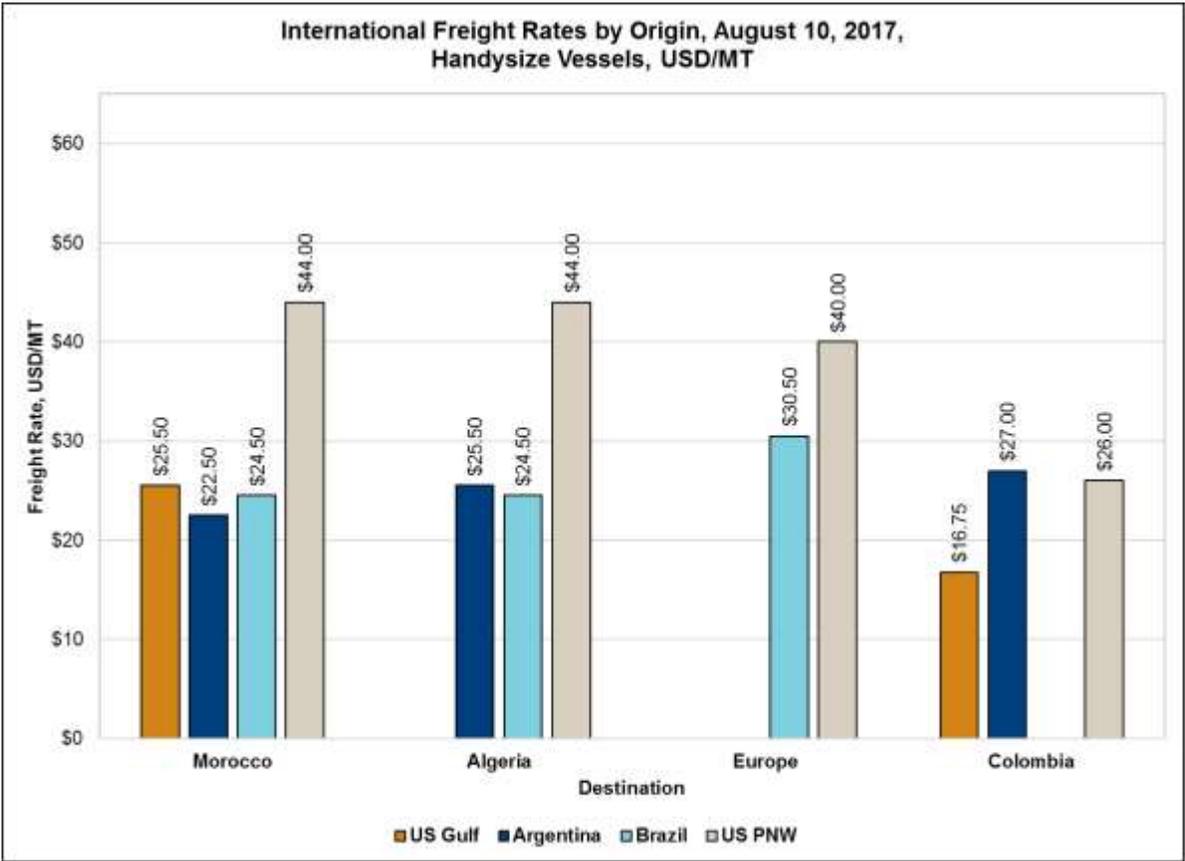


Source: O'Neil Commodity Consulting

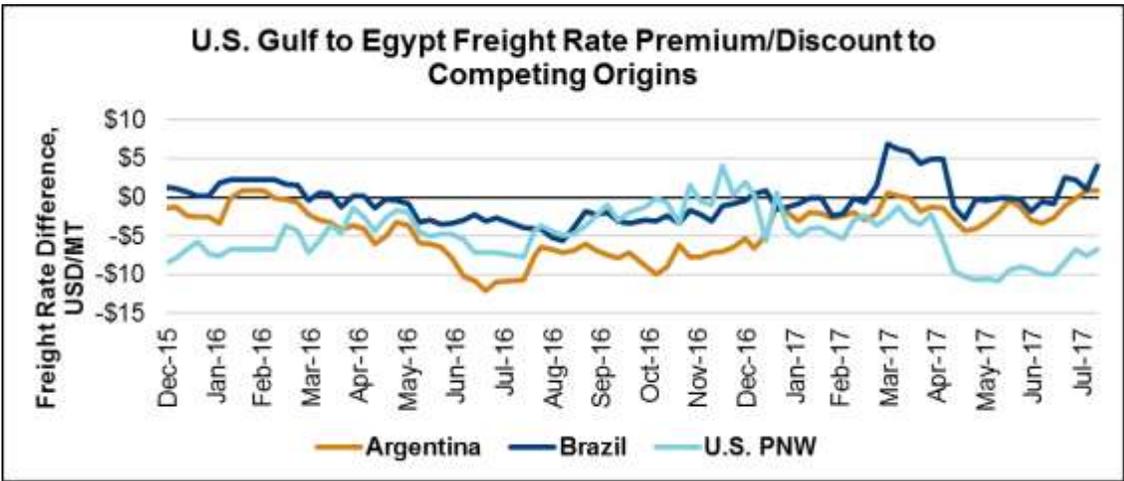
International Freight Rates by Origin, August 10, 2017, Supramax/Panamax Vessels, USD/MT



Source: DTN, O'Neil Commodity Consulting and WPI



Source: DTN, O'Neil Commodity Consulting and WPI



Source: DTN, O'Neil Commodity Consulting and WPI

INTEREST RATES

Interest Rates (%): August 10, 2017			
	Current Week	Last Week	Last Month
U.S. Prime	4.25	4.25	4.25
LIBOR (6 month)	1.45	1.45	1.46
LIBOR (1 year)	1.73	1.73	1.75

Source: www.bankrate.com