



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

DISTILLERS DRIED GRAINS WITH SOLUBLES (DDGS) 7

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 March Contract

\$/Bu	Monday 19 Jan	Tuesday 20 Jan	Wednesday 21 Jan	Thursday 22 Jan	Friday 23 Jan
Change	-	0.0325	-0.0225	-0.0425	0.0300
Closing Price	-	3.9025	3.8800	3.8375	3.8675
Factors Affecting the Market	Martin Luther King Holiday	The March corn contract started off weaker but turned higher by the end of the day and managed to close above \$3.90 bu.	Improved moisture forecasts for South America constrained interest in chasing prices higher.	Selling picked up in the March contract after a third attempt to trade above \$3.90 per bushel was rejected. Prices were in a trading range.	Sizable export sales of corn, particularly to an “unknown” destination, fueled rumors about China, which supported prices.

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.

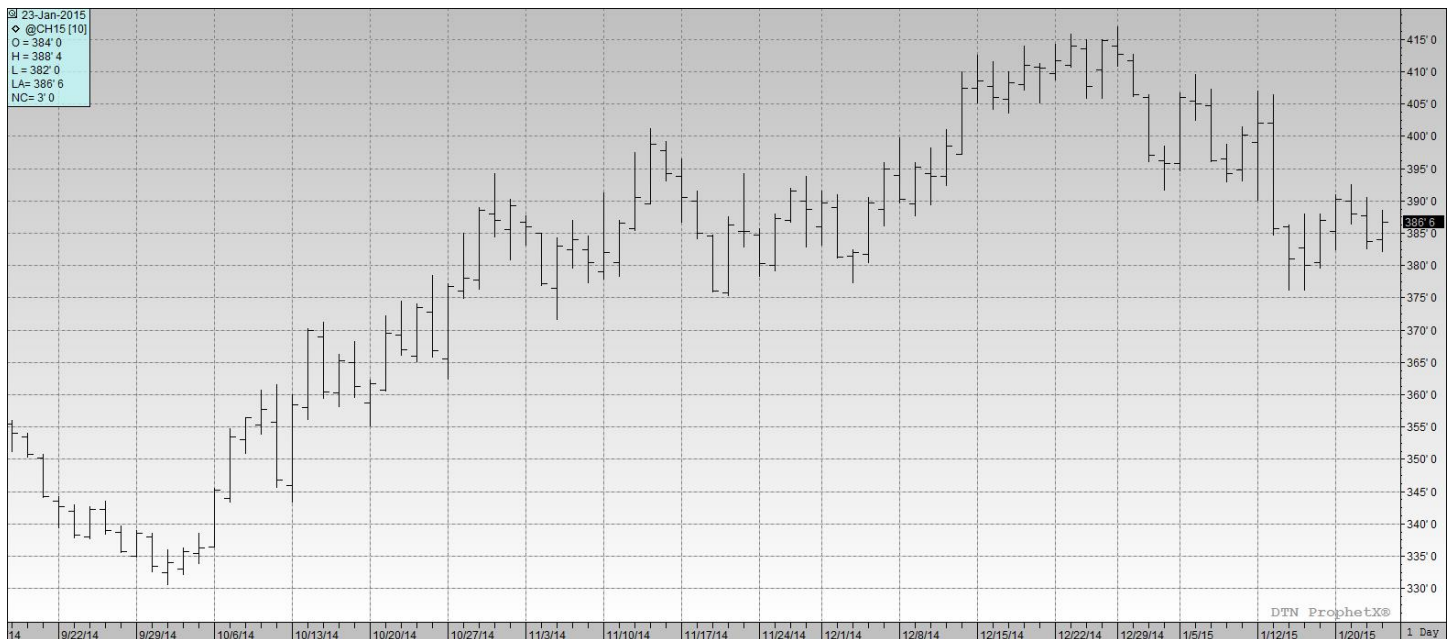
The U.S. Grains Council is a private, non-profit partnership of producers and agribusinesses committed to building and expanding international markets for U.S. barley, corn, grain sorghum and their products. The Council is headquartered in Washington, D.C. and has nine international offices that oversee 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.

Outlook: Corn contracts have remained rather stable compared to the recent price decline in soybeans. This has caused the price ratio between November 2015 soybeans and December 2015 corn to narrow back to levels not seen since March 2014. In other words, market forces seem to be buying back some U.S. corn acreage for this spring.

It is still too soon in the year for acreage discussion to be a dominant price influencing variable, but that will change going into the month of February. Some degree of weather premium will presumably start to return to corn futures contracts by about the middle of February. The size of that premium and the length of time it endures are entirely dependent upon future conditions that are presently unknown. Currently, the one confident prediction is that market volatility will increase for a time.

The present strong cash basis in corn markets may not encourage additional buying of corn futures by large speculators, but it could give them some reassurance that there is little reason to reduce the long positions that they are holding. Rather, those speculators will bide their time and wait for more definitive information about the success and size of Brazil's second corn harvest, potential U.S. corn acreage and developing weather conditions. The reluctance of U.S. farmers to sell indicates that many of them feel that probabilities are favorable for speculators eventually creating a better selling opportunity later this spring.

CBOT MARCH CORN FUTURES



Source: Prophet X

Current Market Values:

Futures Price Performance: Week Ending January 23, 2015			
Commodity	23-Jan	16-Jan	Net Change
Corn			
Mar 15	386.75	387.00	-0.25
May 15	395.25	394.25	1.00
Jul 15	402.75	401.00	1.75
Sep 15	409.25	406.75	2.50
Soybeans			
Jan 15	972.75	991.75	-19.00
Mar 15	979.50	997.50	-18.00
May 15	985.25	1003.00	-17.75
Jul 15	985.50	1002.50	-17.00
Soymeal			
Jan 15	331.50	326.20	5.30
Mar 15	323.70	320.50	3.20
May 15	321.90	320.70	1.20
Jul 15	321.20	320.50	0.70
Soyoil			
Jan 15	31.60	33.39	-1.79
Mar 15	31.79	33.52	-1.73
May 15	31.99	33.69	-1.70
Jul 15	31.99	33.60	-1.61
SRW			
Mar 15	530.00	532.75	-2.75
May 15	532.75	534.75	-2.00
Jul 15	536.50	538.25	-1.75
Sep 15	544.25	546.00	-1.75
HRW			
Mar 15	564.00	577.00	-13.00
May 15	569.00	579.50	-10.50
Jul 15	572.25	582.75	-10.50
Sep 15	583.75	593.75	-10.00
MGEX (HRS)			
Mar 15	576.00	584.50	-8.50
May 15	582.50	590.75	-8.25
Jul 15	590.75	598.75	-8.00
Sep 15	598.50	605.75	-7.25

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

U.S. WEATHER/CROP PROGRESS

U.S. Drought Monitor Weather Forecast: At least one storm system will track from the southern Plains eastward across the Gulf Coast states and northward along the Eastern Seaboard during January 23-26, 2015. As a result, a large swath along that path and the adjacent Appalachians should get at least an inch of precipitation, and totals may reach 3 inches in eastern Texas and along the central Gulf Coast. Farther north and west, including non-coastal New England and the northern Appalachians, only a few tenths of an inch are expected at best. Above-normal temperatures will settle across a large area from the middle Ohio Valley and central Great Lakes region westward through central and northern sections of the Plains and Rockies, plus the entire Intermountain West and West Coast. Daily high temperatures could average 15F to 24F above normal in the northern Plains and adjacent Rockies. In the Great Basin and most of California, 9F to 12F is expected. Only the southern sections of the Rockies and High Plains will average significantly colder than normal, with anomalies of -3F to -9F.

Conditions should be drier-than-normal for the ensuing period of January 27-31 across the northern halves of the West Coast and Intermountain West. The odds also favor drier than normal conditions in a broad area from the Plains eastward to the Piedmont and from the northern Mississippi Valley and central Great Lakes region southward to the central Gulf Coast. Meanwhile, enhanced chances for unusually heavy precipitation extend from the North Carolina Coastal Plains northward along the coast and through New England. In addition, the southern Great Plains, all of the High Plains, the southern Rockies, and the Southwest also have enhanced chances for surplus precipitation. Odds favor subnormal temperatures from the Mississippi Valley eastward, and warmer than normal conditions from the Plains westward to the Pacific. 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 January 15, 2015					
Commodity	Gross Sales (MT)	Exports (MT)	YTD Exports (000MT)	YTD Bookings (000MT)	% Change YTD Bookings
Wheat	537,600	279,100	14,277.1	19,392.9	-23%
Corn	2,305,500	762,400	13,777.6	30,346.3	2%
Sorghum	314,400	108,400	2,842.1	6,613.9	122%
Barley	2,400	16,600	107.1	136.7	8%

Source: USDA, World Perspectives, Inc.

Corn: Net sales of 2,185,400 MT for 2014/15--a marketing-year high--were up noticeably from the previous week and from the prior four-week average. Increases were reported for unknown destinations (483,700 MT), Japan (426,300 MT, including 9,000 MT switched from unknown destinations and decreases of 1,000 MT), South Korea (369,800 MT, including 60,000 MT switched from unknown destinations), Taiwan (256,500 MT), Mexico (173,600 MT), Colombia (137,300 MT, including 37,900 MT switched from unknown destinations and decreases of 7,300 MT) and Iran (66,000 MT). Exports of 762,400 MT were up 91 percent from the previous week and 31 percent from the prior four-week average. The primary destinations were Colombia (261,300 MT), Mexico (216,700 MT), Peru (90,400 MT), Japan (78,900 MT) and Guatemala (45,700 MT). Optional Origin Sales: For 2014/15, outstanding optional origin sales total 68,000 MT, all South Korea.

Barley: Net sales of 2,400 MT for 2014/15 were reported for Japan (1,500 MT) and Taiwan (900 MT). Exports of 16,600 MT were up noticeably from the previous week and from the prior four-week average. The primary destinations were Japan (16,500 MT) and Taiwan (100 MT).

Sorghum: Net sales of 307,700 MT for 2014/15 were up 12 percent from the previous week and 1 percent from the prior four-week average. Increases were for China (209,500 MT), unknown destinations (86,100 MT) and Japan (12,000 MT). Exports of 108,400 MT were up 25 percent from the previous week, but down 34 percent from the prior four-week average. The destination was China.

U.S. Export Inspections: Week Ending January 15, 2015

Commodity (MT)	Export Inspections		Current Market YTD	Previous YTD	YTD as Percent of Previous
	Current Week	Previous Week			
Corn	747,634	501,625	13,396,315	13,312,550	101%
Sorghum	234,499	123,194	3,415,121	1,144,619	298%
Soybeans	1,517,985	1,868,344	34,188,934	28,330,352	121%
Wheat	310,307	238,153	14,406,072	21,349,398	67%
Barley	16,500	0	118,428	94,760	125%

Source: USDA/AMS. *Marketing Year is June 1-May 31 for wheat and barley and Sept. 1-Aug. 31 for corn, sorghum and soybeans. Week-to-week reports will vary due to exporter reported corrections and cancellations to previous week's reports.

USDA Grain Inspections for Export Report: Week Ending October January 15, 2015

Last Week	YC	% of Total	WC	% of Total	Sorghum	% of Total
Gulf	597,294	80%	1,661	37%	232,545	99%
PNW	51,773	7%	122	3%	0	0%
Lakes	0	0%	0	0%	0	0%
Atlantic	0	0%	0	0%	0	0%
Interior Export Rail	94,090	13%	2,694	60%	1,954	1%
Total (Metric Tons)	743,157	100%	4,477	100%	234,499	100%
White Corn Shipments by Country (MT)			2,694	to Mexico		
			1,661	to Japan		
			122	to Korea		
Total White Corn (MT)			4,477			
Sorghum Shipments by Country (MT)					217,524	to China
					11,175	to Japan
					5,700	to Kenya
					100	to Mexico
Total Sorghum (MT)					234,499	

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)
February	+0.82 H	\$184.54	+1.10 H	\$195.56
March	+0.80 H	\$183.75	+1.06 H	\$193.99
April	+0.65 K	\$181.19	+1.06 K	\$197.33
May	+0.65 K	\$181.19	+1.07 K	\$197.73

#2 White Corn (U.S. \$/MT FOB Vessel)			
Max. 15.0% Moisture	February	March	April
Gulf	\$215	\$215	\$215

Sorghum (USD/MT FOB Vessel)				
#2 YGS FOB Vessel Max 14.0% Moisture	NOLA		TEXAS	
	Basis	Flat Price	Basis	Flat Price
January	+2.75 H	\$260.52	+2.75 H	\$260.52
February	+2.75 H	\$260.52	+2.75 H	\$260.52
March	+2.75 H	\$260.52	+2.75 H	\$260.52
April	+2.75 K	\$263.86	+2.75 K	\$263.86

Barley: Feed Barley (FOB USD/MT)			
	February	March	April
FOB PNW	\$255	\$255	\$255

Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. \$/MT)			
	February	March	April
New Orleans	\$187.50	\$187.50	\$187.50
Quantity 5,000 MT			
Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT)			
Bulk 60% Pro.	February	March	April
New Orleans	\$770	\$770	\$760
*5-10,000 MT Minimum			

*All prices are market estimates.

DDGS Price Table: January 23, 2015 (USD/MT) (Quantity, availability, payment and delivery terms vary)			
Delivery Point Quality Min. 35% Pro-fat combined	Feb.	Mar.	Apr.
Barge CIF New Orleans	253	252	250
FOB Vessel GULF	270	269	267
Rail delivered PNW	272	272	269
Rail delivered California	271	270	268
Mid-Bridge Laredo, TX	268	268	268
40 ft. Containers to South Korea (Busan)	318	316	316
40 ft. Containers to Taiwan (Kaohsiung)	314	312	312
40 ft. Containers to Philippines (Manila)	341	343	343
40 ft. Containers to Indonesia (Jakarta)	329	327	327
40 ft. Containers to Malaysia (Port Kelang)	328	326	327
40 ft. Containers to Vietnam (HCMC)	334	332	332
40 ft. Containers to Japan (Yokohama)	323	321	321
40 ft containers to Thailand (LCMB)	325	323	323
40 ft Containers to Shanghai, China	315	313	313
KC & Elwood, IL Rail Yard (delivered Ramp)	250	249	248

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.

DISTILLERS DRIED GRAINS WITH SOLUBLES (DDGS)

DDGS Comments: Bulk prices for DDGS improved this past week as the barge rate for CIF New Orleans declined by about \$15 and the FOB vessel rate at the Gulf was down about \$9/MT. It was reported that at least one Panamax vessel of DDGS was sold for \$264/MT for June shipment (loaded at NOLA). Presently, the bulk/river bids are more attractive than most container rates, but this past week there was a sizable decline in the rate for containerized DDGS to the Philippines (Manila). Consequently, it seems reasonable to assume that container rates to other Asian destinations may weaken modestly in the next week or two, as long as corn futures contracts remain near present levels.

Different DDGS merchandisers are consistently reporting that bids for containerized DDGS are below their offers. Merchandisers do not seem anxious, especially those who already have their business covered through March. Those merchandisers may be more focused on executing their contracts rather than making new sales, particularly in the front month of January. However, the price of soymeal has gotten cheaper in the Midwest region of the United States and by the end of this week that development seems to have put some pressure on domestic DDGS prices (FOB the ethanol plant).

There was a lot of back and forth pricing discussion this past week with limited activity. The slight easing of domestic values at the end of this week may be a catalyst that facilitates increased trading next week.

Ethanol Comments: Returns for ethanol producers during 2015 will be primarily dependent upon the price of corn and the price of gasoline. The previous Outlook section of this report discusses reasons why the price of corn seems to have a limited downside during the first half of 2015. As a result, the outlook for the price of gasoline during that time period will be of particular importance to U.S. ethanol producers.

The recent sharp decrease in U.S. gasoline prices has resulted in a substantial rebound in the average number of miles driven. Seasonally, the number of miles increases going into the summer and that increase is likely to be larger-than-normal in the first half of 2015. The prospects for growing demand should stabilize gasoline prices, and such an occurrence appears to already be in development. The price of gasoline could plateau for a limited time before starting to rebound somewhat, but resumption of the recent downtrend seems unlikely.

Ethanol stocks of 20.4 million barrels for the week ending January 16 were only slightly larger than the prior week's level of 20.2 million barrels. Adding further comfort was the fact that the percentage of total ethanol stocks in relation to year ago fell from 25.8 percent the prior week back to 19.8 percent. This occurred as average daily production of 979,000 barrels per day (bpd) remained basically the same as the prior week's production level of 978,000 bpd. Also reassuring is the fact that the differential between the cost of corn and the return for the co-products of ethanol and DDGS improved on average across the Corn Belt for the week ending Friday, January 23, 2015:

- Illinois differential is \$1.63 per bushel, in comparison to \$1.57 the prior week and \$3.61 a year ago.
- Iowa differential is \$1.32 per bushel, in comparison to \$1.29 the prior week and \$2.64 a year ago.
- Nebraska differential is \$1.26 per bushel, in comparison to \$1.22 the prior week and \$2.73 a year ago.
- South Dakota differential is \$1.60 per bushel, in comparison to \$1.60 the prior week and \$2.95 a year ago.

COUNTRY NEWS

Iraq: Barley plantings are down by more than half this season due to continued instability caused by the Islamic State, reports Reuters. The agriculture ministry has indicated that government-controlled Gwer district (bordering Islamic State territory) has left around 50,000 hectares of land unsown.

South Africa: South African farmers may plant 3.3 percent less corn in 2014/15 due to a drop in global prices, according to Bloomberg News. The targeted area this year is 2.6 million hectares compared to the 2.69 million hectares planted last year.

Russia: Deputy Prime Minister Arkady Dvorkovich stated that Russia could potentially implement a full grain export ban if the current slate of informal trade restrictions don't have the desired impact of stabilizing domestic prices, according to Reuters.

Ukraine: Ukrainian corn exports rose by 785 percent to total 1 MMT in 2014 compared to the amount exported in 2013, reports Reuters. This uptick in grain shipments has made Ukraine the world's second largest corn exporter after the U.S.

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	\$34.00	Down \$1.00	Handymax at \$35.00/MT
55,000 U.S. PNW-Japan	\$18.50	Down \$1.00	Handymax at \$20.50/MT
55,000 U.S. Gulf-China	\$33.00	Down \$1.00	North China
PNW to China	\$17.50	Down \$1.00	
25,000 U.S. Gulf-Veracruz, México	\$13.50	Down \$0.50	3,000 MT daily discharge rate
35-40,000 U.S. Gulf-Veracruz, México	\$11.50	Down \$0.50	Deep draft and 8,000 MT per day discharge rate.
25/35,000 U.S. Gulf-East Coast Colombia, from Argentina	\$15.00 \$23.00	Down \$0.50 Unchanged	West Coast Colombia at \$23.50
36-40,000 U.S. Gulf-Guatemala	\$24.00	Down \$0.50	Acajutla/Quetzal - 8,000 out
25-30,000 U.S. Gulf-Algeria	\$29.50 \$31.50	Down \$0.50 Down \$0.50	8,000 MT daily discharge 3,000 MT daily discharge
25-30,000 U.S. Gulf-Morocco	\$29.50	Down \$0.50	5,000 discharge rate
55,000 U.S. Gulf-Egypt	\$27.50	Down \$0.50	55,000 -60,000 MT St. Lawrence to Egypt \$27.50
PNW to Egypt	\$27.00	Down \$1.00	
60-70,000 U.S. Gulf-Europe-Rotterdam	\$14.50	Down \$0.50	Handymax at +\$1.50 more
Brazil, Santos-China	\$24.50 \$23.50	Down \$1.00 Down \$1.00	54-58,000 Supramax-Panamax 60-66,000 Post Panamax
56-60,000 Argentina-China Upriver with Top-Off	\$30.00	Down \$1.00	—

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: Global ocean freight markets are showing no mercy towards vessel owners. Every time it seems the market cannot go any lower, it does. The Baltic indices and physical markets continued their downward slide. I fully expect to see more vessel

layups. Owners are obviously not willing to sell at these price levels for three-to-six months out, but continue to take what they can get to keep vessels employed month-by-month. Capesize iron ore rates from western Australia to China do seem to have bottomed out and bounced slightly this week. The Lunar New Year celebrations are fast approaching.

Container markets for grain shipments are also weak, but seem a little more stable. Rates from Chicago area to China or Taiwan are running \$1,300-\$1,400 per container for a 40ft. box. The biggest concern in containerized grain markets are the 45-70 day delays in getting loaded containers put on a ship at West Coast ports. Empty containers for loading in the interior do not seem to be a particular problem. But the West Coast port loading delays are making it very problematic for sellers trying to comply with contract shipment dates.

Baltic Panamax Dry-Bulk Indices

January 23, 2015 Route	This Week	Last Week	Difference	Percent Change
P2A: Gulf/Atlantic – Japan	11,488	12,150	-662	-5.4%
P3A: PNW/Pacific– Japan	4,537	5,263	-726	-13.8%

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 January 23, 2015

Four weeks ago:	\$5.55-\$6.10
Three weeks ago:	\$5.00-\$5.40
Two weeks ago:	\$4.25-\$5.10
One week ago:	\$4.05-\$4.35
This week	\$4.30-\$4.60

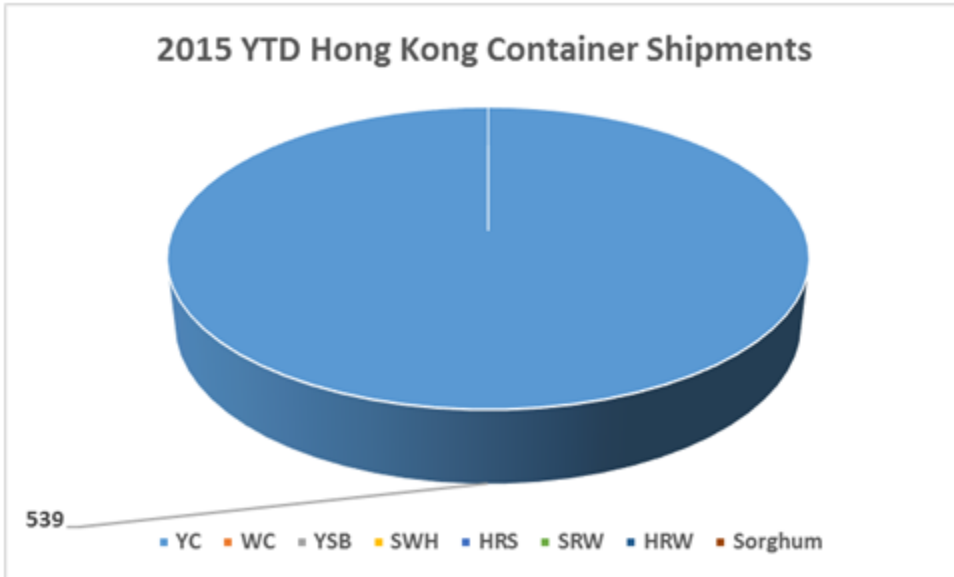
Source: O'Neil Commodity Consulting

U.S. – Asia Market Spreads

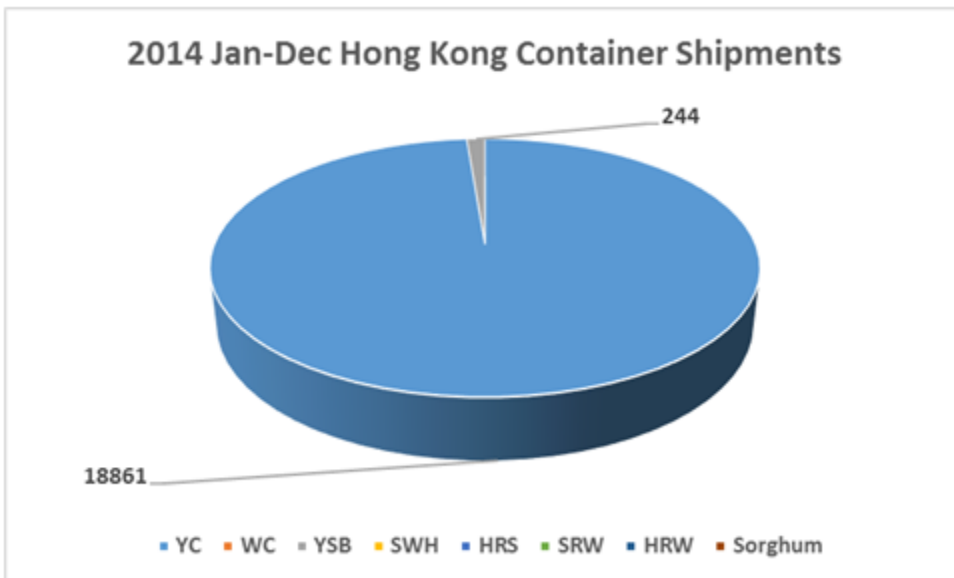
January 23, 2015	PNW	Gulf	Bushel Spread	MT Spread	Advantage
# 2 Corn	1.00	0.78	0.22	\$8.66	PNW
Soybeans	1.10	0.98	0.12	\$4.72	PNW
Ocean Freight	\$17.50	\$33.00	0.39-0.42	(\$15.50)	February

Source: O'Neil Commodity Consulting

The charts below represent January-December 2014 annual totals versus year-to-date 2015 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)								
Commodity	Origins	China	Japan	Korea	Colombia	Morocco	Egypt	Saudi Arabia
Corn (Yellow)	Argentina	\$31	\$33	\$32	\$28	\$25	\$23	-
	Brazil	\$23	\$25	\$24	\$24	\$20	\$17	-
Corn (White)	Argentina	\$31	\$33	\$32	\$28	\$25	\$23	-
	Brazil	\$23	\$25	\$24	\$24	\$20	\$17	-
Barley	Argentina	\$31	\$33	\$32	\$28	\$25	\$23	-
	Brazil	\$23	\$25	\$24	\$24	\$20	\$17	-
Sorghum	Argentina	\$31	\$33	\$32	\$28	\$25	\$23	-
	Brazil	\$23	\$25	\$24	\$24	\$20	\$17	-

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 (%): January 21, 2015			
	Current Week	Last Week	Last Month
U.S. Prime	3.25	3.25	3.25
LIBOR (6 month)	0.36	0.36	0.35
LIBOR (1 year)	0.61	0.63	0.61

Source: www.bankrate.com