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CHICAGO BOARD OF TRADE MARKET NEWS

Week in Review: CME Corn May Contract

\$/Bu	Monday 2 March	Tuesday 3 March	Wednesday 4 March	Thursday 5 March	Friday 6 March
Change	-0.0525	0.0300	-0.0150	0.0100	-0.0450
Closing Price	3.8800	3.9100	3.8950	3.9050	3.8600
Factors Affecting the Market	The May corn contract continued to extend its sideways pattern, but remained within Friday's trading range.	May corn traded lower to test support at \$3.85 per bushel before rallying back up to close above \$3.90 bu.	The price range for May corn continued to narrow and was less than four cents for the entire trading day.	Corn contracts were able to retain a narrow sideways pattern even though the soy complex and wheat were in steep decline.	Weakness in the soy complex seemed to pull down on corn contracts, but May did not close below \$3.85 bu.

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: This section has previously highlighted the possibility of a setback in soy complex prices that could allow for limited downward pressure on corn contracts; which event could create a buying opportunity for end-users of corn. That anticipated price action seems to presently be in development.

Corn contracts have been carving out a narrow trading range for more than a month. The development of a horizontal trading range has occurred because many market participants share an opinion that the weight of potentially bullish scenarios in the global corn market is larger than the composite of potentially bearish developments. However, circumstance offered buyers no opportunity to purchase lower and it was too early in the season to give potentially bullish developments enough credence to drive prices higher. But now, the progression of time into March and a limited sell-off in corn contracts is a composite that could attract more attention.

The interest in buying corn contracts at lower price levels is unlikely to dissipate until after the planting intentions and progress are better defined; which conditions will become more certain around the first part of May. Until then, the outlook is that the probability for significant price movement in corn contracts is greater to the upside.

CBOT MAY CORN FUTURES



Source: Prophet X

Current Market Values:

Futures Price Performance: Week Ending March 6, 2015			
Commodity	6-Mar	27-Feb	Net Change
Corn			
Mar 15	379.25	384.50	-5.25
May 15	386.00	393.25	-7.25
Jul 15	394.00	401.25	-7.25
Sep 15	401.25	408.25	-7.00
Soybeans			
Mar 15	979.25	1030.75	-51.50
May 15	985.00	1031.75	-46.75
Jul 15	990.50	1034.75	-44.25
Aug 15	989.00	1031.00	-42.00
Soymeal			
Mar 15	337.00	353.70	-16.70
May 15	327.70	342.40	-14.70
Jul 15	325.00	339.00	-14.00
Aug 15	324.00	337.10	-13.10
Soyoil			
Mar 15	31.14	32.80	-1.66
May 15	31.28	32.95	-1.67
Jul 15	31.46	33.11	-1.65
Aug 15	31.53	33.11	-1.58
SRW			
Mar 15	485.75	517.50	-31.75
May 15	482.50	513.00	-30.50
Jul 15	486.50	516.75	-30.25
Sep 15	495.50	525.00	-29.50
HRW			
Mar 15	520.75	534.50	-13.75
May 15	522.25	539.50	-17.25
Jul 15	527.50	546.00	-18.50
Sep 15	539.25	558.75	-19.50
MGEX (HRS)			
Mar 15	542.00	556.00	-14.00
May 15	556.50	566.50	-10.00
Jul 15	561.75	572.50	-10.75
Sep 15	569.00	579.25	-10.25

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

U.S. WEATHER/CROP PROGRESS

U.S. Drought Monitor Weather Forecast: The NWS WPC5-Day Quantitative Precipitation Forecast calls for light- to-moderate liquid precipitation accumulations (generally less than two inches) in the southeastern quarter of the U.S. with the greatest accumulations (one-to-two inches) centered over Arkansas, Tennessee and West Virginia. The West, Northern Plains and Upper Midwest are forecasted to be generally dry. The 10-day outlooks call for a high probability of above-normal temperatures across the West, High Plains, Upper Midwest and the Southeast while below-normal temperatures are forecasted for eastern New Mexico, Texas and the Northeast. A high probability of above-normal precipitation is forecasted across the Pacific Northwest, northern California and along the southern tier from New Mexico to the Southeast. 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 February 26, 2015					
Commodity	Gross Sales (MT)	Exports (MT)	YTD Exports ('000MT)	YTD Bookings ('000MT)	% Change YTD Bookings
Wheat	500,300	485,600	16,802.4	21,808.8	-24%
Corn	970,400	1378.8	18,882.5	35,627.1	-5%
Sorghum	184,100	319,400	4,193.8	7,623.7	121%
Barley	1,300	0	123.3	139.6	-15%

Source: USDA, World Perspectives, Inc.

Corn: Net sales of 828,100 MT for 2014/15 were up 16 percent from the previous week, but down 5 percent from the prior four-week average. Increases were reported for Saudi Arabia (285,300 MT, including 135,000 MT switched from unknown destinations), Japan (262,000 MT, including 210,600 MT switched from unknown destinations and decreases of 64,600 MT), Mexico (218,000 MT), Colombia (113,900 MT, including 65,000 MT switched from Peru, 30,000 MT switched from unknown destinations and decreases of 8,700 MT), Taiwan (66,100 MT) and South Korea (64,900 MT). Decreases were reported for unknown destinations (301,900 MT). Net sales of 158,700 MT for 2015/2016 were reported for Japan (157,400 MT) and unknown destinations (1,300 MT). Exports of 1,378,800 MT--a marketing-year high--were up 59 percent from the previous week and 91 percent from the prior four-week average. The primary destinations were Japan (402,500 MT), Mexico (231,200 MT), Colombia (162,200 MT), Saudi Arabia (145,300 MT), Egypt (131,000 MT), South Korea (67,000 MT), the Dominican Republic (42,900 MT) and Peru (33,000 MT, late reporting). Optional Origin Sales: For 2014/15, outstanding optional origin sales total 68,000 MT, all South Korea.

Barley: Net sales of 1,300 MT for 2014/15 were reported for Canada (1,200 MT) and Japan (100 MT). There were no exports reported during the week.

Sorghum: Net sales of 182,400 MT for 2014/15 resulted as increases for China (380,400 MT, including 253,000 MT switched from unknown destinations and decreases of 1,600 MT), were partially offset by decreases for unknown destinations (198,000 MT). Net sales of 57,000 MT for 2015/2016 were reported for China (60,000 MT). Decreases were reported for unknown destinations (3,000 MT). Exports of 319,400 MT

were up 51 percent from the previous week and 75 percent from the prior four-week average. The destination was China.

U.S. Export Inspections: Week Ending February 26, 2015					
Commodity (MT)	Export Inspections		Current Market YTD	Previous YTD	YTD as Percent of Previous
	Current Week	Previous Week			
Corn	1,279,816	908,797	18,584,834	18,013,027	103%
Sorghum	204,819	268,807	4,763,533	1,647,395	289%
Soybeans	635,164	978,097	41,905,232	36,885,126	114%
Wheat	450,093	529,038	16,966,135	23,933,880	71%
Barley	3,294	4,890	150,614	142,725	106%

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 February 26, 2015						
Last Week	YC	% of Total	WC	% of Total	Sorghum	% of Total
Gulf	860,840	70%	50,917	98%	200,412	98%
PNW	250,708	20%	146	0%	0	0%
Lakes	0	0%	0	0%	0	0%
Atlantic	0	0%	0	0%	367	0%
Interior Export Rail	116,207	9%	998	2%	4,040	2%
Total (Metric Tons)	1,227,755	100%	52,061	100%	204,819	100%
White Corn Shipments by Country (MT)			45,427	to Mexico		
			6,488	to Nicaragua		
			146	to Korea		
Total White Corn (MT)			52,061			
Sorghum Shipments by Country (MT)					204,819	to China
Total Sorghum (MT)					204,819	

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)



March	+0.69 K	\$179.12	+1.05 K	\$193.30
April	+0.60 K	\$175.58	+0.98 K	\$190.54
May	+0.60 K	\$175.58	+0.98 K	\$190.54
June	+0.60 N	\$178.73	+0.97 N	\$193.30

#2 White Corn (U.S. \$/MT FOB Vessel)			
Max. 15.0% Moisture	March	April	May
Gulf	\$220	\$220	\$220

Sorghum (USD/MT FOB Vessel)				
#2 YGS FOB Vessel Max 14.0% Moisture	NOLA		TEXAS	
	Basis	Flat Price	Basis	Flat Price
March	+2.60 K	\$254.32	+2.60 K	\$254.32
April	+2.60 K	\$254.32	+2.60 K	\$254.32

Barley: Feed Barley (FOB USD/MT)			
	March	April	May
FOB PNW	\$265	\$265	\$265

Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. \$/MT)			
	March	April	May
New Orleans	\$165	\$165	\$165
<i>Quantity 5,000 MT</i>			
Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT)			
Bulk 60% Pro.	March	April	May
New Orleans	\$747.5	\$730	\$730
<i>*5-10,000 MT Minimum</i>			

**All prices are market estimates.*

DDGS Price Table: March 6, 2015 (USD/MT)			
(Quantity, availability, payment and delivery terms vary)			
Delivery Point	Mar.	Apr.	May.
Quality Min. 35% Pro-fat combined			
Barge CIF New Orleans	258	257	257
FOB Vessel GULF	269	267	267
Rail delivered PNW	270	270	270

Rail delivered California	267	265	265
Mid-Bridge Laredo, TX	260	260	260
40 ft. Containers to South Korea (Busan)	311	311	311
40 ft. Containers to Taiwan (Kaohsiung)	307	307	307
40 ft. Containers to Philippines (Manila)	346	346	346
40 ft. Containers to Indonesia (Jakarta)	322	322	322
40 ft. Containers to Malaysia (Port Kelang)	321	321	321
40 ft. Containers to Vietnam (HCMC)	319	319	319
40 ft. Containers to Japan (Yokohama)	310	310	310
40 ft containers to Thailand (LCMB)	314	314	314
40 ft Containers to Shanghai, China	305	303	303
KC & Elwood, IL Rail Yard (delivered Ramp)	248	245	245

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: Domestic DDGS buyers experienced rate increases of \$7-10/MT for the April to June time period. As well, there were sizable rate increases for barges and bulk rail rates to the Gulf of Mexico. Such increases are in part due to higher logistical costs. Containerized DDGS are anticipated to soon see similar cost increases because shipping lines have apparently given notice to clients of their intention to implement a general rate increase (GRI) after the first of April. That GRI is expected to increase costs for a 40-foot container of DDGS to Asia by at least \$6/MT.

Knowledge of this impending GRI seems to be one reason for increased buyer interest. At the moment, business activity remains limited because the spread between offers and bids is commonly more than \$10/MT. Vietnamese buyers were actively making price inquiries, but no trades were reported. Chinese buyers were also making a lot of inquiries, and 20,000 MT of DDGS were sold for Shanghai and Qingdao at around \$295-297/MT.

DDGS merchandisers seem anxious and ready to work with buyers in seeking pricing opportunities for this spring because they recognize that volatility in corn futures contracts has a tendency to increase after the first of March. This increase is due to uncertainties about acreage and planting conditions; merchandisers also recognize that ethanol plants will be slowing down production for spring maintenance. Under such conditions, it is much easier for both the merchandisers and the established clientele if production obligations are known beforehand.

Ethanol Comments: Ethanol stocks are slowly in decline: Total stocks were 21.5 million barrels for the week ending February 27. That is slightly lower than the prior week's level of 21.6 million barrels, but admittedly a concerning 29.6 percent larger than the prior year's level of 16.6 million barrels.

Total ethanol stocks are not anticipated to increase significantly more this spring if weekly production stays on course with its present decline from 947,000 barrels per day (bpd) down to 931,000 bpd for the most current week. That is still more than 4.1 percent above the year-ago production rate of 894,000 bpd, but lower gasoline prices should stimulate greater gasoline consumption this spring and into the summer driving season.

The differential between the cost of corn and the return for the co-products of ethanol and DDGS improved across the Corn Belt for week ending Friday, March 6, 2015:

Illinois differential is \$1.97 per bushel, in comparison to \$1.78 the prior week and \$6.08 a year ago.
Iowa differential is \$1.55 per bushel, in comparison to \$1.41 the prior week and \$3.74 a year ago.
Nebraska differential is \$1.41 per bushel, in comparison to \$1.28 the prior week and \$3.47 a year ago.
South Dakota differential is \$1.72 per bushel, in comparison to \$1.67 the prior week and \$3.93 a year ago.

COUNTRY NEWS

Argentina: Argentine farmers are suspending grain sales for three days this week in order to protest government policies (including export quotas) that hurt their profits, reports Reuters. The strike will begin on Wednesday, March 11.

Cuba: An important U.S. agricultural delegation began three days of meetings on Monday in an effort to forge business contacts, according to Reuters. The 95-person delegation was composed of two former agriculture secretaries, numerous state agricultural officials and members from state farm bureaus. Cuba imports around \$2 billion in agricultural products annually, and this mission is seeking to have U.S. exports make up \$1 billion of that total. Exports in 2014 totaled \$291 million, which was down from 2008's high of \$710 million.

Ukraine: Food and Agriculture Minister Oleksiy Pavlenko has announced that Ukraine will send a delegation to China next month in an effort to negotiate a new agreement that would double corn exports, reports Reuters. Exports to China in 2014 totaled nearly 1 MMT. Ukraine is expected to be the world's fourth-largest corn producer in 2014/15, with total exports of 16 MMT (down from 19.9 MMT last year). The minister also indicated that he is seeking to increase trade with the EU to make up for sales traditionally destined for Russia.

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	\$32.00	Up \$1.00	Handymax at \$29.50/MT
55,000 U.S. PNW-Japan	\$18.00	Up \$1.00	Handymax at \$18.00/MT
55,000 U.S. Gulf-China	\$31.00	Up \$1.00	North China
PNW to China	\$16.50	Up \$1.00	
25,000 U.S. Gulf-Veracruz, México	\$13.50	Up \$0.50	3,000 MT daily discharge rate
35-40,000 U.S. Gulf-Veracruz, México	\$11.50	Up \$0.50	Deep draft and 8,000 MT per day discharge rate.

March 6, 2015

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25/35,000 U.S. Gulf-East Coast Colombia, from Argentina	\$14.50 \$24.50	Unchanged Up \$1.00	West Coast Colombia at \$22.00
36-40,000 U.S. Gulf-Guatemala	\$21.00	Unchanged	Acajutla/Quetzal - 8,000 out
25-30,000 U.S. Gulf-Algeria	\$28.50 \$30.00	Up \$1.00 Unchanged	8,000 MT daily discharge 3,000 MT daily discharge
25-30,000 U.S. Gulf-Morocco	\$27.50	Up \$1.00	5,000 discharge rate
55,000 U.S. Gulf-Egypt PNW to Egypt	\$24.50 \$24.00	Up \$0.50 Up \$0.50	55,000 -60,000 MT St. Lawrence to Egypt \$24.50
60-70,000 U.S. Gulf-Europe- Rotterdam	\$14.00	Unchanged	Handymax at +\$1.50 more
Brazil, Santos-China	\$23.00 \$22.50	Unchanged Up \$0.75	54-58,000 Supramax- Panamax 60-66,000 Post Panamax
56-60,000 Argentina-China Upriver with Top-Off	\$29.00	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: The Baltic Indices now have a two-week winning streak going. They were up again in a very thin and quiet trade. However, I must once again say that the physical rates have not fully followed this trend. The Capesize market was weak most of the week, and only got a little bump up at week's end. Most of the value improvement occurred in the smaller-size vessel markets. Keep in mind that spot values are the weakest and can probably be booked at slightly cheaper rates than indicated below.

Although things have bounced upward a bit, I don't see any meaningful improvement in rates until we get towards the second half of this calendar year. I heard one trade estimate that said all the global freight market needs is 3 billion MT of additional business and it would be profitable again. That, of course, is a big wish that even Santa can't deliver this year, so vessel owners will continue to struggle in a market that is probably close to 15-20 percent over built.

The average daily earnings for Panamax, is \$4,699/day, up just \$157/day from last week. Supramax average daily earnings are \$5,857/day, and Capesize vessels are at average daily earnings of \$4762/day, which is slightly lower than last week.

The West Coast PMA-ILWU container port labor negotiations came to a tentative settlement a week ago and are still waiting for ratification by the union general membership. But the ports are back to work at full speed and trying to get through the large backlog.

Baltic Panamax Dry-Bulk Indices

March 6, 2015 Route	This Week	Last Week	Difference	Percent Change
P2A: Gulf/Atlantic – Japan	9,021	8,763	258	2.9%
P3A: PNW/Pacific– Japan	5,225	3,387	838	19.1%

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 6, 2015

Four weeks ago:	\$4.15-\$4.30
Three weeks ago:	\$4.30-\$4.70
Two weeks ago:	\$4.35-\$4.90
One week ago:	\$4.25-\$4.50
This week:	\$4.30-\$4.55

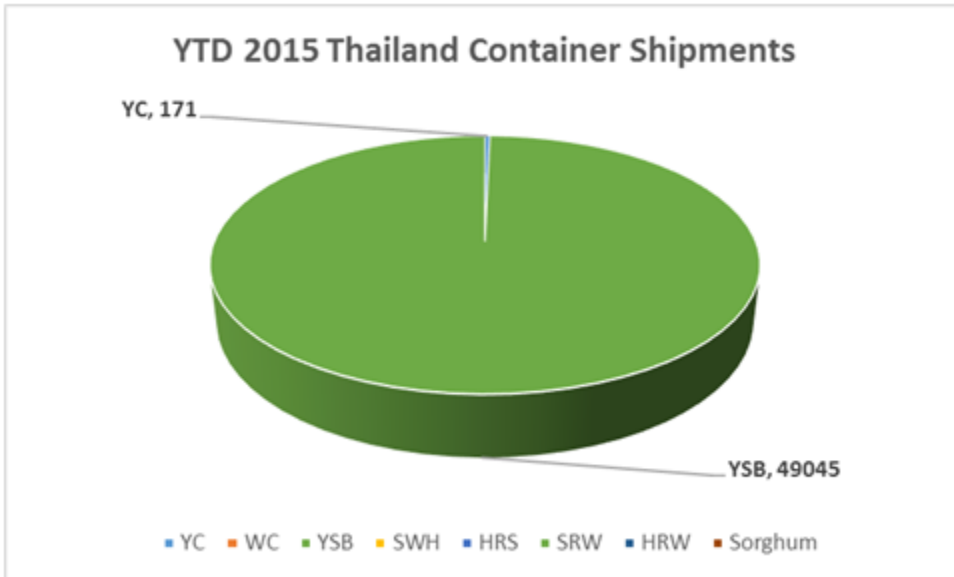
Source: O'Neil Commodity Consulting

U.S. – Asia Market Spreads

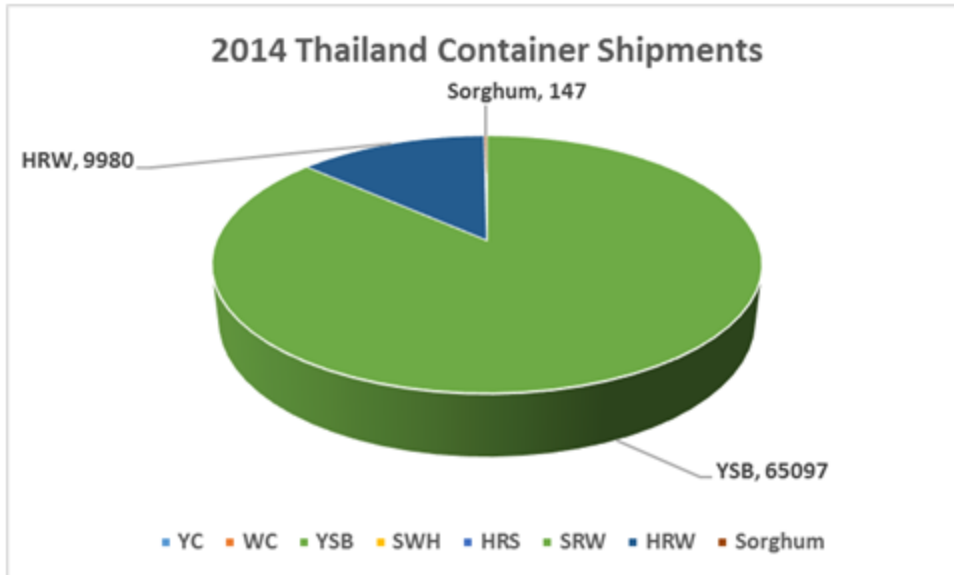
March 6, 2015	PNW	Gulf	Bushel Spread	MT Spread	Advantage
# 2 Corn	0.95	0.59	0.36	\$14.17	Both
Soybeans	1.28	0.75	0.53	\$20.86	Gulf
Ocean Freight	\$16.50	\$31.00	0.37-0.39	(\$14.50)	April

Source: O'Neil Commodity Consulting

The charts below represent January-December 2014 annual totals versus year-to-date 2015 container shipments to the Thailand.



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	\$30	\$32	\$31	\$24	\$25	\$22	-
	Brazil	\$23	\$26	\$25	\$20	\$19	\$18	-
Corn (White)	Argentina	\$30	\$32	\$31	\$24	\$25	\$22	-
	Brazil	\$23	\$26	\$25	\$20	\$19	\$18	-
Barley	Argentina	\$30	\$32	\$31	\$24	\$25	\$22	-
	Brazil	\$23	\$26	\$25	\$20	\$19	\$18	-
Sorghum	Argentina	\$30	\$32	\$31	\$24	\$25	\$22	-
	Brazil	\$23	\$26	\$25	\$20	\$19	\$18	-

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 4, 2015			
	Current Week	Last Week	Last Month
U.S. Prime	3.25	3.25	3.25
LIBOR (6 month)	0.38	0.38	0.36
LIBOR (1 year)	0.67	0.67	0.62

Source: www.bankrate.com