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CHICAGO BOARD OF TRADE MARKET NEWS

Week in Review: CME Corn May Contract

\$/Bu	Monday 9 March	Tuesday 10 March	Wednesday 11 March	Thursday 12 March	Friday 13 March
Change	0.0275	-0.0075	0.0300	-0.0250	-0.0800
Closing Price	3.8875	3.8800	3.9100	3.8850	3.8050
Factors Affecting the Market	A rather slow trading day in a six cent trading range as the market prepares for Tuesday's WASDE report.	The March WASDE report was considered supportive for corn, but the price reaction was undecided.	The May contract was able to close back up above \$3.90 bu., but that was a struggle.	Closing prices for May corn consistently remained between \$3.88 and \$3.91 bu. for the week.	An anticipated sell-off in the soy complex may be helping create a buying opportunity for corn end-users.

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.

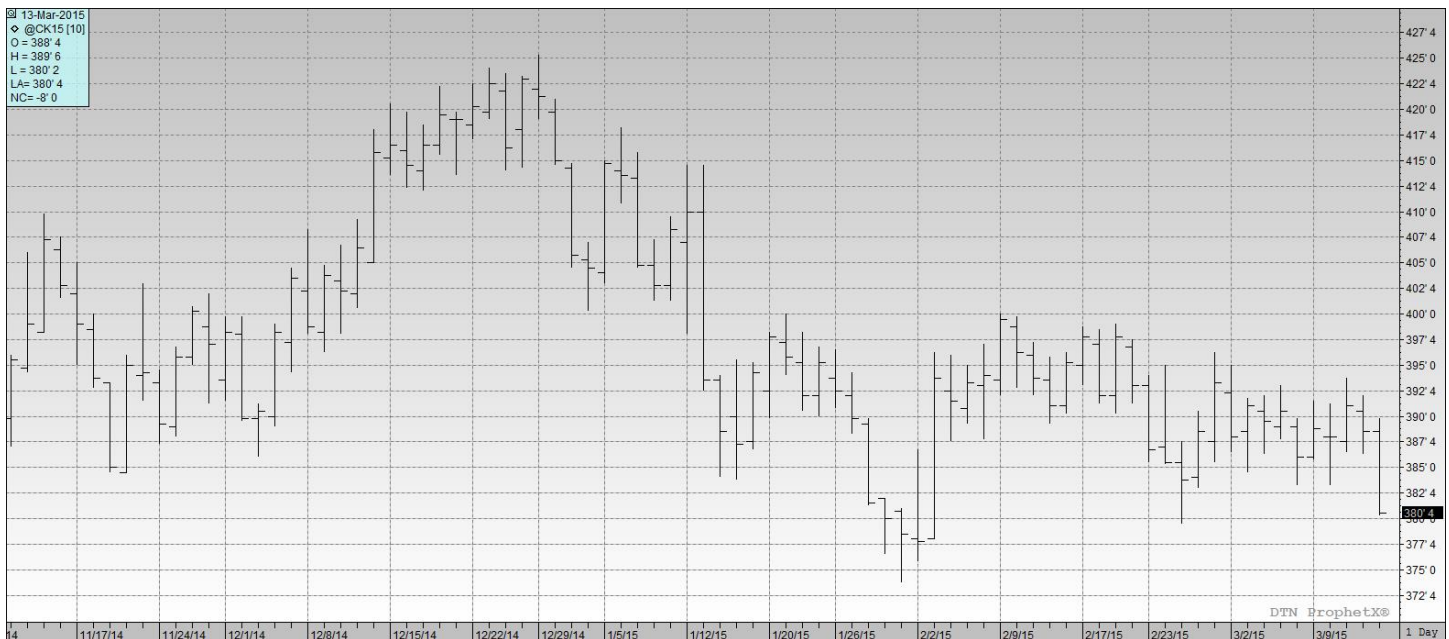
Outlook: The March WASDE was released on Tuesday and it seemed to surprise some individuals in the market by reducing U.S. corn ending stocks for a fifth consecutive month, to 1.777 billion bushels. This additional 50 million bushel decline from the February estimate of 1.827 billion bushels reduced the stock-to-use ratio to 13 percent.

The 50 million bushel decrease in U.S. corn ending stocks for the current 2014/15 season was the result of an increase in the estimate for export sales. U.S. domestic demand was unchanged as a reduction in ethanol was offset by an increase in feed use. The result was another modest increase higher to the estimated U.S. farm prices of corn, projected to range from \$3.50 to \$3.90 per bushel for the current season.

Favorable prices for buyers have also created better-than-expected demand for both sorghum and barley. That consistent demand has resulted in the estimated price of sorghum increasing by 10 cents to a new trading range of \$3.70 to \$4.10 per bushel, even though the ending stocks for U.S. sorghum remains unchanged. Barley prices were also increased by 10 cents to a new projected range of \$5.20 to \$5.50 per bushel.

World demand for coarse grains is strong and the estimate for global consumption was increased by 2.7 MMT. At the same time, the estimate for global coarse grain production was reduced by 1.6 MMT. The composite of changing supply and demand factors resulted in global coarse grain ending stocks for the present 2014/15 season being reduced by 5 MMT, with 4.4 MMT of that production resulting from lower corn stocks. The outlook is that the existing solid global demand for coarse grains could further increase if market participants become increasingly concerned about production prospects for the approaching 2015/16 season.

CBOT MAY CORN FUTURES



Source: Prophet X

Current Market Values:

Futures Price Performance: Week Ending March 13, 2015			
Commodity	13-Mar	6-Mar	Net Change
Corn			
Mar 15	374.00	379.25	-5.25
May 15	380.50	386.00	-5.50
Jul 15	388.00	394.00	-6.00
Sep 15	395.50	401.25	-5.75
Soybeans			
Mar 15	968.25	979.25	-11.00
May 15	974.00	985.00	-11.00
Jul 15	978.00	990.50	-12.50
Aug 15	976.50	989.00	-12.50
Soymeal			
Mar 15	338.00	337.00	1.00
May 15	327.00	327.70	-0.70
Jul 15	323.70	325.00	-1.30
Aug 15	322.10	324.00	-1.90
Soyoil			
Mar 15	30.19	31.14	-0.95
May 15	30.49	31.28	-0.79
Jul 15	30.69	31.46	-0.77
Aug 15	30.76	31.53	-0.77
SRW			
Mar 15	508.75	485.75	23.00
May 15	502.00	482.50	19.50
Jul 15	503.25	486.50	16.75
Sep 15	512.50	495.50	17.00
HRW			
Mar 15	541.75	520.75	21.00
May 15	539.25	522.25	17.00
Jul 15	543.75	527.50	16.25
Sep 15	555.25	539.25	16.00
MGEX (HRS)			
Mar 15	554.50	542.00	12.50
May 15	567.50	556.50	11.00
Jul 15	572.50	561.75	10.75
Sep 15	580.25	569.00	11.25

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

U.S. WEATHER/CROP PROGRESS

U.S. Drought Monitor Weather Forecast: Through March 17, two low-pressure systems are forecast to impact the lower-48 states. One is forecast to move across the northern-tier, while another is forecast to bring significant rains (more than 3.0 inches) to the Gulf Coast and Lower Mississippi Valley. These two systems are forecast to phase over the Northeast, with precipitation spreading from west to east across that region. Some flow into the front range of the Rockies, with upper-level support, is likely to bring some spring snows to southwestern Colorado.

For the period of March 17 -21, below median precipitation is favored along the West Coast and from the Great Lakes to the Southeast, while an upper-level trough supports above median precipitation over the Southwest, most of the Rockies and portions of the southern and central Great Plains. 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 5, 2015					
Commodity	Gross Sales (MT)	Exports (MT)	YTD Exports (000MT)	YTD Bookings (000MT)	% Change YTD Bookings
Wheat	477,500	430,500	17,232.9	22,254.0	-24%
Corn	556,700	1,165,300	20,047.8	36,045.1	-6%
Sorghum	219,800	59,300	4,253.2	7,841.7	127%
Barley	3,000	200	123.4	142.6	-13%

Source: USDA, World Perspectives, Inc.

Corn: Net sales of 418,000 MT for 2014/15 were down 50 percent from the previous week and 52 percent from the prior four-week average. Increases were reported for South Korea (281,000 MT, including 208,000 MT switched from unknown destinations and 60,000 MT switched from Japan), Colombia (136,300 MT, including 24,000 MT switched from unknown destinations), Mexico (92,000 MT, including 23,000 MT switched from unknown destinations and decreases of 13,200 MT), Japan (83,000 MT, including 45,900 MT switched from unknown destinations and decreases of 8,200 MT), Morocco (47,300 MT, switched from unknown destinations) and Chile (36,600 MT, switched from unknown destinations). Decreases were reported for unknown destinations (343,300 MT). Net sales of 96,400 MT for 2015/16 were reported for New Zealand (81,400 MT) and Japan (15,000 MT). Exports of 1,165,300 MT were down 16 percent from the previous week, but up 31 percent from the prior four-week average. The primary destinations were South Korea (344,100 MT), Mexico (279,600 MT), Japan (269,800 MT, including 31,900 MT late reporting), Colombia (117,400 MT), Morocco (47,400 MT), Chile (36,600 MT) and Costa Rica (27,000 MT). Optional Origin Sales: For 2014/15, outstanding optional origin sales total 68,000 MT, all South Korea.

Barley: Net sales of 3,000 MT for 2014/15 were reported for Japan. Exports of 200 MT were reported to Taiwan.

Sorghum: Net sales of 218,000 MT for 2014/15 were up 20 percent from the previous week and 57 percent from the prior four-week average. Increases were for China (155,000 MT), unknown destinations (54,000 MT)

and Japan (9,000 MT). Net sales of 215,000 MT for 2015/16 were reported for unknown destinations (162,000 MT) and China (53,000 MT). Exports of 59,300 MT--a marketing-year low--were down 81 percent from the previous week and 76 percent from the prior four-week average. The destination was China.

U.S. Export Inspections: Week Ending March 5, 2015					
Commodity (MT)	Export Inspections		Current Market YTD	Previous YTD	YTD as Percent of Previous
	Current Week	Previous Week			
Corn	1,180,686	1,281,604	19,767,306	18,949,229	104%
Sorghum	54,088	204,819	4,817,621	1,834,933	263%
Soybeans	625,713	650,667	42,547,126	37,972,414	112%
Wheat	376,210	480,754	17,398,101	24,372,554	71%
Barley	4,272	3,294	154,886	143,024	108%

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 March 5, 2015						
Last Week	YC	% of Total	WC	% of Total	Sorghum	% of Total
Gulf	595,939	51%	3,839	64%	51,200	95%
PNW	452,927	39%	0	0%	0	0%
Lakes	0	0%	0	0%	0	0%
Atlantic	4,730	0%	0	0%	686	1%
Interior Export Rail	121,056	10%	2,195	36%	2,202	4%
Total (Metric Tons)	1,174,652	100%	6,034	100%	54,088	100%
White Corn Shipments by Country (MT)			3,839	to Colombia		
			2,195	to Mexico		
Total White Corn (MT)			6,034			
Sorghum Shipments by Country (MT)					54,016	to China
					72	to Mexico
Total Sorghum (MT)					54,088	

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	\$176.96	-	-
April	+0.66 K	\$175.78	+0.95 K	\$187.95
May	+0.62 K	\$174.20	+0.95 K	\$187.95
June	+0.62 N	\$177.16	+0.94 N	\$189.75

#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	+2.65 K	\$254.12	+2.65 K	\$254.12
April	+2.65 K	\$254.12	+2.65 K	\$254.12

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
Quantity 5,000 MT			
Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT)			
Bulk 60% Pro.	March	April	May
New Orleans	\$725	\$725	\$725
*5-10,000 MT Minimum			

*All prices are market estimates.

DDGS Price Table: March 13, 2015 (USD/MT) (Quantity, availability, payment and delivery terms vary)			
Delivery Point Quality Min. 35% Pro-fat combined	Mar.	Apr.	May.
Barge CIF New Orleans	257	257	257
FOB Vessel GULF	266	268	268
Rail delivered PNW	262	261	261
Rail delivered California	264	262	262
Mid-Bridge Laredo, TX	259	259	258
40 ft. Containers to South Korea (Busan)	320	323	324
40 ft. Containers to Taiwan (Kaohsiung)	316	319	320
40 ft. Containers to Philippines (Manila)	355	358	359
40 ft. Containers to Indonesia (Jakarta)	331	334	335
40 ft. Containers to Malaysia (Port Kelang)	330	333	334
40 ft. Containers to Vietnam (HCMC)	328	331	332
40 ft. Containers to Japan (Yokohama)	319	322	323
40 ft containers to Thailand (LCMB)	323	326	327
40 ft Containers to Shanghai, China	315	315	315
KC & Elwood, IL Rail Yard (delivered Ramp)	239	239	239

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: There was a changing flow in buying activity of DDGS this past week. The market started off with strong inquires and there was a substantial amount of trading for the April-June time period. The fact of an approaching General Rate Increase (GRI) in freight costs presumably incentivized buyers with a desire to fix some more prices. However, merchandisers increased their asking prices by mid-week in response to the strong demand, which caused buyers to momentarily back away.

The increasing likelihood of weaker prices in the global soy complex may also have been an additional incentive for DDGS buyers to slow down their purchases. Buyers seem to recognize that a decline in meal prices could momentarily help weigh on corn futures contracts, and that in-turn could translate into better spot market prices for DDGS. Such thinking seems entirely logical. Of course, the development of a perceived opportunity is of limited values if there is only reaction once the event is gone. DDGS buyers can request that merchandisers inform them when specific price objectives are obtainable.

Ethanol Comments: USDA reduced the estimated amount of corn used for ethanol production during the current 2014/15 season by 50 million bushels from 5.25 to 5.20 billion bushels. The primary reason for this

adjustment is apparently to harmonize with the recently released data about ethanol production in the Grain Crushing and Co-Products Production report. However, such action could be premature because this assumption of reduced production is not supported by either the monthly December ethanol production number or the more current weekly ethanol production figures that run through February.

The most current weekly ethanol production figure is an average daily production rate of 944,000 barrels per day (bpd) for the week-ending March 6, 2015. That is actually a 13,000 bpd increase from the prior-week's level. Total ethanol stocks also declined for the second week by 1.6 percent, to 21.2 million barrels. However, it is acknowledged that further increased consumption is necessary because stocks are a sizable 33.1 percent above the year-ago level of 15.9 million barrels. The need to utilize existing ethanol stocks is expected to keep a cap on ethanol producer margins for the time being. Nevertheless, the differential between the spot price of corn and the co-products of ethanol did improve for the week-ending Friday, March 13:

- Illinois differential is \$2.04 per bushel in comparison to \$1.97 the prior week and \$5.90 a year ago.
- Iowa differential is \$1.67 per bushel in comparison to \$1.55 the prior week and \$3.95 a year ago.
- Nebraska differential is \$1.57 per bushel in comparison to \$1.41 the prior week and \$3.69 a year ago.
- South Dakota differential is \$1.88 per bushel in comparison to \$1.72 the prior week and \$4.03 a year ago.

COUNTRY NEWS

Argentina: Argentine farmers have threatened further protests if the government does not address their grievances, according to Reuters. Farmers have already suspended grain sales this week to protest frequently altered export quotas on corn that make it very difficult for them to plan their sales.

Brazil: Corn production could be hurt by dry weather this year, according to Reuters. Corn planting is currently underway but forecasts for April are predicting persistent dry weather.

Indonesia: Corn imports are expected to fall to 2.5 MMT this year, down from the 3.5 MMT Indonesia imported in 2014, reports Reuters. While ample global supplies and corresponding lower prices have led Indonesia to overbuy for January and February with more on the way in March, imports are expected to start falling off in April.

Ukraine: The Ukrainian recession could cause the country's largest decline in corn since 2005 as increasingly high interest rates make borrowing too expensive for farmers, reports Bloomberg News. Corn production may fall by 19 percent to 23 MMT as farmers are unable to purchase fertilizers, pesticides or high yield seed. The Ukrainian government recently raised interest rates to 30 percent.

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	Unchanged	Handymax at \$33.00/MT
55,000 U.S. PNW-Japan	\$18.00	Unchanged	Handymax at \$18.50/MT
55,000 U.S. Gulf-China	\$31.00	Unchanged	North China
PNW to China	\$16.75	Up \$0.25	
25,000 U.S. Gulf-Veracruz, México	\$13.50	Unchanged	3,000 MT daily discharge rate
35-40,000 U.S. Gulf-Veracruz, México	\$11.50	Unchanged	Deep draft and 8,000 MT per day discharge rate.
25/35,000 U.S. Gulf-East Coast Colombia, from Argentina	\$14.50 \$24.50	Unchanged Unchanged	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	Unchanged Unchanged	8,000 MT daily discharge 3,000 MT daily discharge
25-30,000 U.S. Gulf-Morocco	\$27.50	Unchanged	5,000 discharge rate
55,000 U.S. Gulf-Egypt PNW to Egypt	\$24.50 \$24.00	Unchanged Unchanged	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 Unchanged	54-58,000 Supramax- Panamax 60-66,000 Post Panamax
56-60,000 Argentina-China Upriver with Top-Off	\$29.00	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: Global ocean freight markets attempted to continue their upward movement this week, but seemed to have topped out at week's end. Despite slightly higher values in the Baltic Indices, the physical markets appear to be mostly unchanged from last week's levels. It is very difficult to muster a substantial price rally in a market that remains oversupplied with vessels. It is particularly disconcerting to read the headlines in some of the vessel news

wires where they are once again asking the question- "Is now the time to buy new vessels?" When will they ever learn? Will it ever stop, or will the greed factor condemn this market for years to come?

I have heard U.S. traders discussing the possibility of French corn being imported into the U.S. East Coast due to the weak Euro. I'm not sure that this is going to actually happen, but would guess the freight rate to be close to \$14.00/MT or so.

Baltic Panamax Dry-Bulk Indices				
March 13, 2015	This Week	Last Week	Difference	Percent Change
Route				
P2A: Gulf/Atlantic – Japan	9,036	9,021	15	0.2%
P3A: PNW/Pacific– Japan	5,364	5,225	139	2.7%

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:

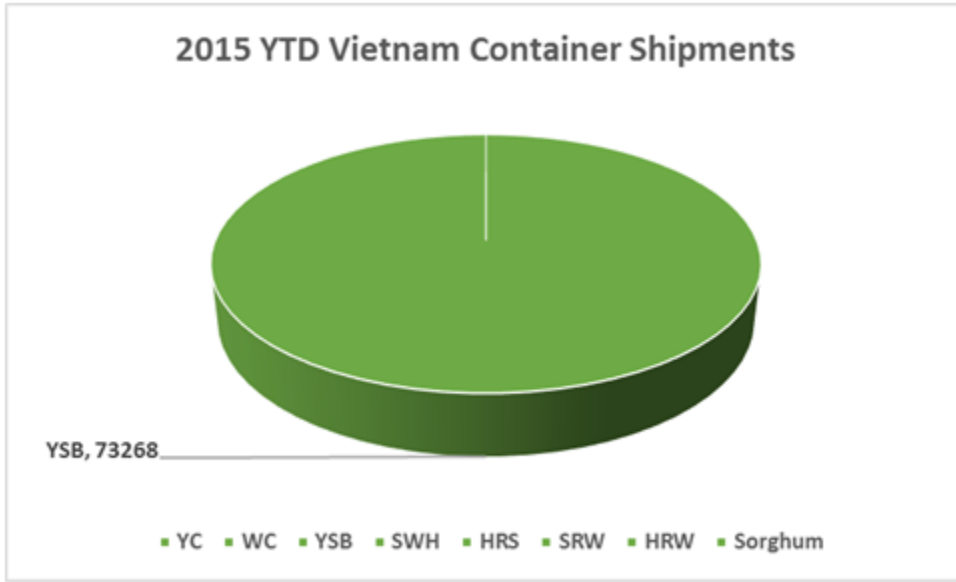
Week of March 13, 2015	
Four weeks ago:	\$4.30-\$4.70
Three weeks ago:	\$4.35-\$4.90
Two weeks ago	\$4.25-\$4.50
One week ago:	\$4.30-\$4.55
This week	\$4.35-\$4.55

Source: O'Neil Commodity Consulting

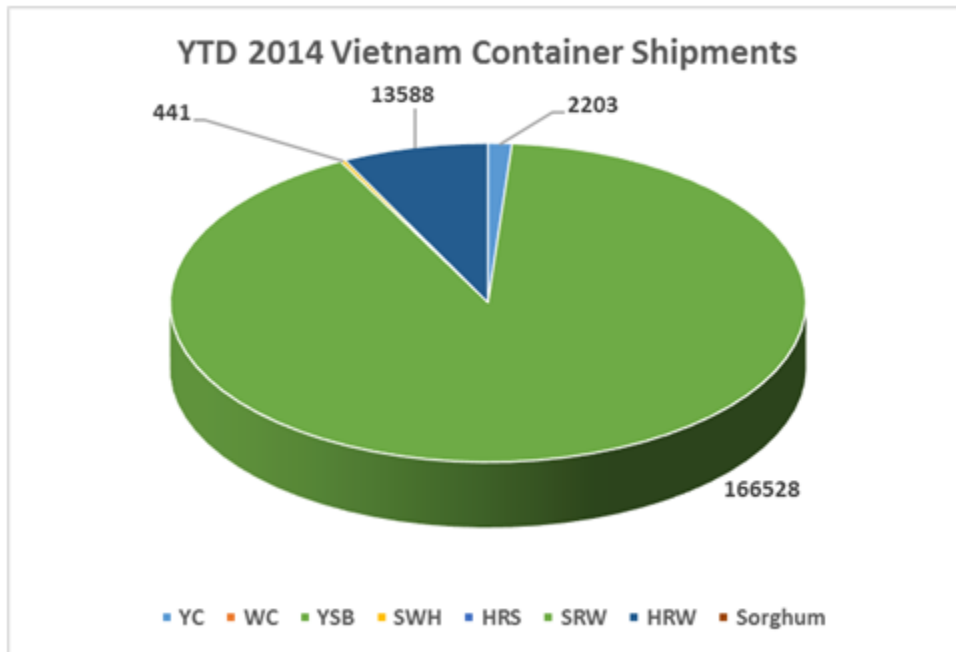
U.S. – Asia Market Spreads					
March 13, 2015	PNW	Gulf	Bushel Spread	MT Spread	Advantage
# 2 Corn	0.94	0.60	0.34	\$13.39	PNW
Soybeans	1.25	0.70	0.55	\$21.65	Gulf
Ocean Freight	\$16.75	\$31.00	0.36-0.39	(\$14.25)	April

Source: O'Neil Commodity Consulting

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



Source: O'Neil Commodity Consulting



Source: O'Neil Commodity Consulting

March 13, 2015

Developing Markets • Enabling Trade • Improving Lives

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	\$29	\$32	\$30	\$24	\$25	\$22	-
	Brazil	\$22	\$25	\$23	\$20	\$19	\$18	-
Corn (White)	Argentina	\$29	\$32	\$30	\$24	\$25	\$22	-
	Brazil	\$22	\$25	\$23	\$20	\$19	\$18	-
Barley	Argentina	\$29	\$32	\$30	\$24	\$25	\$22	-
	Brazil	\$22	\$25	\$23	\$20	\$19	\$18	-
Sorghum	Argentina	\$29	\$32	\$30	\$24	\$25	\$22	-
	Brazil	\$22	\$25	\$23	\$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 11, 2015			
	Current Week	Last Week	Last Month
U.S. Prime	3.25	3.25	3.25
LIBOR (6 month)	0.40	0.38	0.38
LIBOR (1 year)	0.69	0.67	0.63

Source: www.bankrate.com