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CHICAGO BOARD OF TRADE MARKET NEWS

Week in Review: CME Corn May Contract

\$/Bu	Monday 10 March	Tuesday 11 March	Wednesday 12 March	Thursday 13 March	Friday 14 March
Change	-0.1075	0.0500	0.0525	-0.0350	0.0100
Closing Price	4.7825	4.8325	4.8850	4.8500	4.8600
Factors Affecting the Market	USDA published their WASDE report, and while the data was more bullish for corn than expected, the aggressive selling in soybeans influenced corn's trading tone.	The May contract gained back about half of the prior-day's losses as speculative investors were willing buyers at lower price levels.	The second half of Monday's losses were regained today as ethanol producer returns were strong and Ukraine was an uncertain factor.	The May corn contract stuck its head back above \$4.90 per bushel today but saw no reason to close above that level, and preferred to carve out a trading range.	Today's market action was the opposite of the prior day, with prices attempting to trade lower and then closing slightly higher; further creating a trading range.

For more information on the contents of this newsletter or the U.S. Grains Council, its mission and programs, please contact Kevin Roepke or Alvaro Cordero at (202) 326-0637.

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: USDA published their monthly update of World Agricultural Supply and Demand Estimates (WASDE) on March 10. In relation to pre-report trade estimates, USDA's reduction in U.S. corn ending stocks to 1.456 billion bushels for the present 2013/14 season was below the average of estimate of 1.488 billion bushels and was also below USDA's prior February estimate of 1.481 billion bushels. This further 25 million bushel reduction in ending stocks is in reaction to a persistently strong export pace for U.S. corn. By itself, this factor was moderately bullish. However, USDA's March reduction in U.S. soybean ending stocks was not as large as market participants had expected, and corn contracts seemed to fall under the influence of an aggressive sell-off in soybeans after the WASDE report was released. The selling in soybeans and corn happened in part because speculators had built up large long positions prior to the report and seemed to be uniformly waiting for an opportunity to take some profits after the report. After the report, the anticipatory sellers far outnumbered new buyers and the price setback in soybeans temporarily dampened buying enthusiasm in corn.

It took Tuesday and Wednesday before the corn market was able to fully recover all of the losses that took place in Monday's price setback. Throughout this week the spread between November 2014 soybeans and December 2014 corn prices continued to narrow from the peak that had occurred in mid-December of 2013. Prices action is attempting to encourage farmers to plant more corn this spring, but whether that encouragement has come a little too late or not will become evident when USDA publishes their Prospective Planting report on March 31. On the same day, USDA will also update the market about the amount of on-farm and off-farm stocks that exist after a half year of usage.

Monday's WASDE made no alterations to the balance sheet for U.S. sorghum or barley for the current 2013/14 season. Australia's barley production was increased and this partly offset a reduction in Australian sorghum production due to continuation of hot and dry weather conditions. The estimate for Chinese barley imports was increased. Chinese demand for U.S. sorghum is expected to be in direction competition with Mexican buyers. As well, the balance sheet for U.S. oats declined because of a 10 million bushel reduction in imports from Canada due to logistical problems. These various factors combine to imply that global feed grain supplies are sufficient but not burdensome. As a result, the outlook is that while corn basis has recently weakened in some areas of the United States, U.S. feed grain prices are expected to remain sensitive to outside market factors for the next few weeks as the market anxiously waits for more data to become available.

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CBOT MAY CORN FUTURES



Source: Prophet X

Current Market Values:

Futures Price Performance: Week Ending March 14, 2014			
Commodity	March 14	March 7	Net Change
Corn			
Mar 14	472.25	481.00	-8.75
May 14	486.00	489.00	-3.00
Jul 14	490.50	493.00	-2.50
Sep 14	488.50	487.50	1.00
Soybeans			
Mar 14	1376.00	1457.50	-81.50
May 14	1388.50	1457.75	-69.25
Jul 14	1371.75	1424.75	-53.00
Aug 14	1333.25	1373.00	-39.75
Soymeal			
Mar 14	449.00	465.00	-16.00
May 14	444.00	457.80	-13.80
Jul 14	431.40	445.00	-13.60
Aug 14	414.80	426.00	-11.20
Soyoil			



Mar 14	42.02	44.09	-2.07
May 14	42.29	44.32	-2.03
Jul 14	42.41	44.44	-2.03
Aug 14	42.26	44.21	-1.95
SRW			
Mar 14	690.25	646.25	44.00
May 14	687.25	654.00	33.25
Jul 14	690.25	659.00	31.25
Sep 14	698.25	666.25	32.00
HRW			
Mar 14	744.00	715.25	28.75
May 14	751.50	721.25	30.25
Jul 14	745.75	715.00	30.75
Sep 14	750.50	720.75	29.75
MGEX (HRS)			
Mar 14	751.00	752.00	-1.00
May 14	734.00	705.00	29.00
Jul 14	727.00	701.00	26.00
Sep 14	725.00	705.00	20.00

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

U.S. WEATHER/CROP PROGRESS

U.S. Drought Monitor Weather Forecast: The period of March 14-16 should bring moderate precipitation (0.5-to-2.0 inches) from the lower Mississippi Valley eastward across the Southeast. New England, far northwestern Washington, and deep south Texas are expected to measure 0.5 to 1.0 inch. Light amounts of up to 0.5 inch at best are expected elsewhere.

For the period of March 17-21, the odds favor above-normal precipitation along the immediate East Coast. In contrast, there are enhanced chances for drier-than-normal conditions in a broad area covering much of the central and western states. Specifically, along a stripe from the Ohio and middle Mississippi Valleys westward through the central Rockies, California, and Oregon and from there southward to the Mexican border and Gulf coast. Neither wet nor dry conditions are particularly favored anywhere else. 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 6, 2014					
Commodity	Gross Sales (MT)	Exports (MT)	YTD Exports (000MT)	YTD Bookings (000MT)	% Change YTD Bookings
Wheat	487,900	455,700	23,485.1	29,114.0	20%
Corn	992,900	907,400	19,240.6	38,218.0	159%
Sorghum	4,700	188,300	1,548.0	3,456.9	222%
Barley	0	100	121.8	164.7	24%

Source: USDA, World Perspectives, Inc.

Corn: Net sales of 683,400 MT for 2013/2014 were down 55 percent from the previous week and 37 percent from the prior four-week average. Increases were reported for Japan (262,400 MT, including 154,200 MT switched from China and 38,400 MT from unknown destinations, and decreases of 800 MT), South Korea (212,200 MT), Taiwan (145,500 MT, including 56,900 MT switched from unknown destinations and decreases of 800 MT), Colombia (108,300 MT, including 30,000 MT switched from unknown destinations) and Mexico (101,500 MT). Decreases were reported for unknown destinations (362,600 MT) and China (116,500 MT). Net sales of 103,600 MT for 2014/15 were reported for unknown destinations (101,600 MT) and Mexico (2,000 MT). Exports of 907,400 MT were down 20 percent from the previous week and 2 percent from the prior four-week average. The primary destinations were Japan (351,300 MT), Taiwan (126,000 MT), Mexico (118,700 MT), Saudi Arabia (80,000 MT) and Peru (64,900 MT). Optional Origin Sales: For 2013/2014, outstanding optional origin sales total 55,000 MT, all South Korea. Export Adjustments: Accumulated exports to China were adjusted down 56,932 MT for week ending November 14, 2013. The correct destination is Taiwan and is included in this week's report.

Barley: There were no net sales reported during the week. Exports of 100 MT were reported to Taiwan.

Sorghum: Net sales of 900 MT resulted as increases for China (117,000 MT, including 116,000 MT switched from unknown destinations and decreases of 1,700 MT), were more than offset by decreases for unknown destinations (116,000 MT) and Japan (100 MT). Exports of 188,300 MT--a marketing-year high--were up noticeably from the previous week and from the prior four-week average. The primary destinations were China (179,300 MT) and Japan (9,000 MT).

U.S. Export Inspections: Week Ending March 6, 2014					
Commodity (MT)	Export Inspections		Current Market YTD	Previous YTD	YTD as Percent of Previous
	Current Week	Previous Week			
Corn	933,974	1,057,113	18,946,600	9,625,932	197%
Sorghum	183,149	79,532	1,830,544	1,184,052	155%
Soybeans	1,079,967	986,702	37,965,044	31,679,731	120%
Wheat	429,081	609,867	24,362,961	19,639,942	124%
Barley	299	0	143,024	131,981	108%

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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 6, 2014						
Last Week	YC	% of Total	WC	% of Total	Sorghum	% of Total
Gulf	745,742	84%	43,710	87%	177,029	97%
PNW	50,548	6%	147	0%	2,547	1%
Lakes	0	0%	0	0%	0	0%
Atlantic	0	0%	0	0%	1,421	1%
Interior Export Rail	87,444	10%	6383	13%	2,152	1%
Total (Metric Tons)	883,734	100%	50,240	100%	183,149	100%
White Corn Shipments by Country (MT)			38,825	to Mexico		
			7,849	to Colombia		
			3,223	to Japan		
			343	to South Korea		
Total White Corn (MT)			50,240			
Sorghum Shipments by Country (MT)					181,927	to China
					1,222	to Mexico
Total Sorghum (MT)					183,149	

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	+1.10 K	\$234.63	+1.50 K	\$250.38
LH April	+1.05 K	\$232.66	+1.50 K	\$250.38
May	+0.92 K	\$227.55	+1.45 K	\$248.41
June	+0.83 N	\$225.77	+1.40 N	\$248.21



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#2 White Corn (U.S. \$/MT FOB Vessel)			
Max. 15.0% Moisture	March	April	May
Gulf	\$273	\$273	\$273

Sorghum (USD/MT FOB Vessel)				
#2 YGS FOB Vessel Max 14.0% Moisture	NOLA		TEXAS	
	Basis	Flat Price	Basis	Flat Price
March	+1.70 H	\$254.02	+1.70 H	\$254.02
April	+1.70 H	\$254.02	+1.70 H	\$254.02
May	+1.70 K	\$258.25	+1.70 K	\$258.25

Barley: Feed Barley (FOB USD/MT)			
	April	May	June
FOB PNW	\$260	\$260	\$260

*Industry contacts indicate that the old crop is nearly sold out.

Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. \$/MT)			
	April	May	June
New Orleans	\$225	\$225	\$225
Quantity 5,000 MT			
Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT)			
Bulk 60% Pro.	April	May	June
New Orleans	\$915	\$915	\$915
*5-10,000 MT Minimum			

*All prices are market estimates.

DDGS Price Table: March 14, 2014 (USD/MT) (Quantity, availability, payment and delivery terms vary)			
Delivery Point Quality Min. 35% Pro-fat combined	Mar	Apr	May
Mid-Bridge Laredo, TX	340	330	320
40 ft. Containers to South Korea (Busan)	370	364	360
40 ft. Containers to Taiwan (Kaohsiung)	362	352	348
40 ft. Containers to Philippines (Manila)	355	359	355
40 ft. Containers to Indonesia (Jakarta)	365	358	355
40 ft. Containers to Malaysia (Port Kelang)	367	360	357
40 ft. Containers to Vietnam (HCMC)	375	371	367
40 ft. Containers to Japan (Yokohama)	375	363	359
40 ft containers to Thailand (LCMB)	368	366	360
40 ft Containers to Shanghai, China	360	357	349
KC & Elwood, IL Rail Yard (delivered Ramp)	272	289	286

Source: WPI, *Prices are based on offer indications only; terms of delivery, payment and

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quality may vary from one supplier to another, impacting the actual value of the price.

DISTILLERS DRIED GRAINS WITH SOLUBLES (DDGS)

DDGS Comments: A number of foreign buyers of DDGS have decided to wait on the sidelines for the prospect of better pricing opportunities as they observe market factors such as the ongoing bird flu situation slowing Asian demand, plenty of cheap local grain causing Mexican demand for DDGS to recently slow, and Canadian demand slowing as ample canola meal competes against imports of DDGS and soybean meal from the United States. However, those foreign buyers may need to wait for at least several more weeks before there is any prospect of lower prices because a number of DDGS merchandisers are struggling to meet a backlog of orders that has occurred because of this season's severe winter weather in the United States.

The temporary tightness in the DDGS market will improve, but a substantial setback in prices does not seem likely in the next few weeks because the severe winter weather created such logistical delays that some ethanol plants have been forced to reduce production by half, which in turn reduced DDGS production in a similar proportion. One of the more active DDGS merchandisers reports that this situation has placed him in a position where he is currently running 30 to 45 days late on some of his outstanding contracts. Consequently, he has decided not to sell half of his April DDGS production in anticipation that many of his March obligations will roll over into April. Near-term tightness in the DDGS market could be further extended by the fact that a number of ethanol plants need to shut down for routine spring maintenance.

The foreign buyers who previously extended their coverage have the advantage of being able to put their purchases on hold while domestic DDGS buyers, who often have chosen to remain hand-to-mouth, find it necessary to remain consistently active. In the cold and snowy Northeast, the present low DDGS price for fob Buffalo New York is in the \$270's, with prices falling in April to around \$ 255-\$260 per short ton fob Buffalo. In other domestic locations, a similar \$15 reduction in prices seems to be available for the April, May, June period. Alternatively, there is little overseas for that April, May, June period. Rather, foreign buyers are primarily inquiring about the more distant months. All indications are that the extended purchasing strategies of the foreign buyers seems to be working best during this spring of increasing corn and DDGS prices.

Ethanol Comments: The WASDE report on Monday kept the estimated corn use in U.S. ethanol production at a consistent 5 billion bushels. This makes sense as the policy is finalized about whether the maximum blend rate will remain at 10 percent or slightly higher at 15 percent. It presently seems that the maximum blend rate will be 10 percent, which is unlikely to be any disadvantage to a healthy industry with products that are in strong demand.

Strong global demand for U.S. ethanol is implied in a further decline in stocks this week to 15.9 million barrels, which is a significant decline of 4.2 percent below the prior week's level of 16.6 million barrels. It is also 14.9 percent below the year ago stocks level of 18.7 million barrels. A limited amount of that drop results from a small decline in production to 869,000 barrels per day (bpd), which is down from the prior-week's level of 894,000 bpd. However, this reduced production level only accounts for a small amount of the 700,000 barrel weekly reduction in ethanol stocks. The end result is that the differential between corn and co-product processing values imply that returns are and will remain strong for ethanol producers across the Corn Belt. Differentials for this week ending March 14, 2014 are as follows:

- Illinois differential is \$5.90 per bushel in comparison to \$6.08 the prior week and \$2.31 a year ago.
- Iowa differential is \$3.95 per bushel in comparison to \$3.74 the prior week and \$1.64 a year ago.
- Nebraska differential is \$3.69 per bushel in comparison to \$3.47 the prior week and \$2.39 a year ago.
- South Dakota differential is \$4.03 per bushel in comparison to \$3.93 the prior week and \$2.25 a year ago.

COUNTRY NEWS

Argentina: Rosario, Argentina's largest grain exporting port, could remain blocked for a week after a ship ran aground in the port's main channel on the Parana River, according to Bloomberg News. The ship in question has been stuck aground since March 11 and is delaying shipments to 18 vessels that either cannot enter or exit the port. This hold up has a daily cost of around \$450,000 or \$3.2 million for the week.

Japan: The Ministry of Agriculture has announced that it will import 25,000 MT of feed wheat and 70,000 MT of feed barley as a result of an auction that closed on Wednesday, according to Reuters. The ministry had sought 120,000 MT of feed wheat and 200,000 MT of feed barley and will seek the same amounts in a tender closing March 19.

South Africa: Yellow corn prices rose to their highest level in three weeks to 209.67/MT over fears that political unrest may disrupt Ukrainian corn shipments, according to Bloomberg News. Ukraine is the second largest supplier of South African corn imports and accounts for 36 percent of all imports since September 2013.

Ukraine: Continued political unrest is forcing Middle Eastern buyers of Ukrainian grain to be hesitant to purchase grain for July shipments, reports Reuters. Ukraine has long been the premier barley supplier for Middle Eastern markets, but fears that simmering tensions with Russia could boil over has importers turning their eyes elsewhere. It is predicted that switching to other sources will substantially increase Middle Eastern import bills, with some commodities traders calling for an increase of \$150/MT.

On the other hand, Bloomberg News is reporting that the political unrest has done nothing to discourage Chinese investment in Ukraine. China Export-Import Bank has indicated that it has no plans to abandon project funding in Ukraine. The bank's assets in the country currently total some \$325 billion. Ukraine began shipments of barley to China in February under a \$3 billion loan agreement.

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	\$53.00	Up \$1.00	Handymax at \$54.00/MT
55,000 U.S. PNW- Japan	\$30.00	Up \$2.00	Handymax at \$31.00/MT
55,000 U.S. Gulf – China	\$51.00	Up \$1.00	North China

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PNW to China	\$28.00	Up \$2.00	
25,000 U.S. Gulf- Veracruz, México	\$20.50	Up \$0.50	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$18.00	Up \$0.50	Deep draft and 8,000 MT per day discharge rate.
25/35,000 U.S. Gulf- East Coast Colombia, Argentina	\$25.00 \$37.00	Unchanged Unchanged	West Coast Colombia at \$34.00
35,000 U.S. Gulf - Guatemala	\$34.00	Down \$1.00	Acajutla/Quetzal - 8,000 out
25-30,000 U.S. Gulf – Algeria	\$43.00 \$45.00	Unchanged Unchanged	8,000 MT daily discharge 3,000 MT daily discharge
25,000 U.S. Gulf-Morocco	\$45.00	Unchanged	5,000 discharge rate
55,000 U.S. Gulf – Egypt PNW to Egypt	\$38.00 \$39.00	Unchanged Unchanged	55,000 -60,000 MT St. Lawrence to Egypt \$38.50
60-70,000 U.S. Gulf – Europe – Rotterdam	\$24.00	Up \$1.00	Handymax at +\$1.50 more
Brazil, Santos – China	\$43.00 \$41.50	Up \$1.00 Up \$1.50	54-58,000 Supramax- Panamax 60-66,000 Post Panamax
56-60,000 Argentina-China Upriver with Top-Off	\$48.50	Up \$1.50	—

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: I wish there was exciting news to report, but ocean freight markets are just flowing along like the tides. Some weeks they are up a little and some weeks they are down a bit, and there is not yet any sign of new direction or true recovery. This week things went up a little, especially in the Capesize markets. Panamax and Handymax markets also showed some firmness. However, questions regarding the pace of the world economic recovery, and especially China's economic outlook, still weigh on the market outlook.

Grain cargo demand from South America and the U.S. remains robust and vessel line ups at ports continue to grow. The market is expecting Brazil to execute record soybean and corn exports this year, and there is already market talk of some Brazilian Soybeans being imported into the US. We are shipping HRW Wheat down there, so maybe they can reload with beans and come back this way?

Union labor disputes at the port of Vancouver, Canada are disrupting cargo movements through that port. It is reported that up to 50 Grain ships are in the queue waiting to load and that domestic and export lumber and wood chip shipments have been severely affected.

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Baltic Panamax Dry-Bulk Indices				
March 14, 2014	This Week	Last Week	Difference	Percent Change
Route				
P2A: Gulf/Atlantic – Japan	16,743	15,960	783	4.9%
P3A: PNW/Pacific – Japan	11,390	11,226	164	1.5%

Source: O'Neil Commodity Consulting

Below is a recent history of freight values for Capesize vessels of iron ore from Western Australia to China:

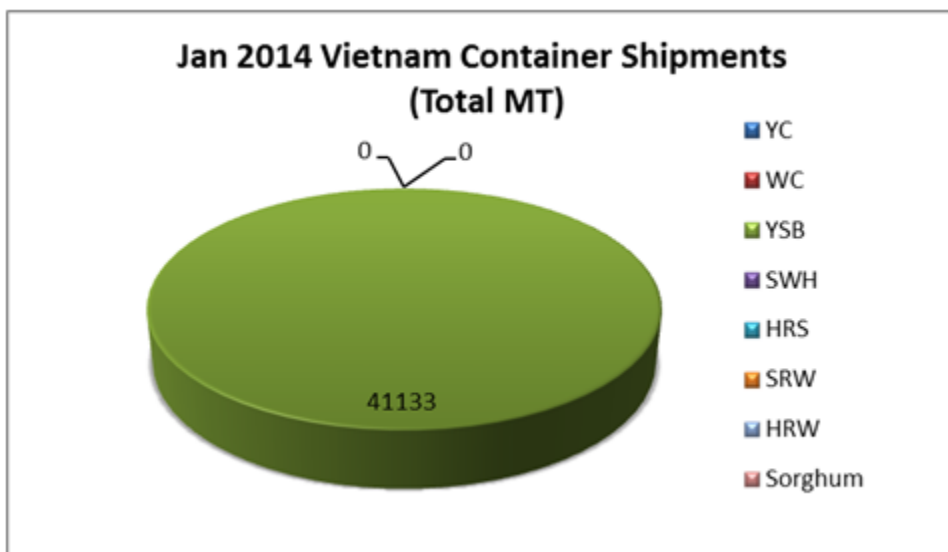
Week of March 14, 2014	
Four weeks ago	\$7.50-\$7.60
Three weeks ago:	\$8.25-\$8.60
Two weeks ago	\$9.05-\$9.45
One week ago:	\$9.00-\$10.50
This week	\$10.60-\$11.15

Source: O'Neil Commodity Consulting

U.S. – Asia Market Spreads					
March 14, 2014	PNW	Gulf	Bushel Spread	MT Spread	Advantage
# 2 Corn	1.50	1.08	0.42	\$16.53	PNW
Soybeans	1.50	1.00	0.50	\$18.37	PNW
Ocean Freight	\$26.00	\$51.00	0.58-0.63	(\$23.00)	April

Source: O'Neil Commodity Consulting

The charts below represent January-December 2013 and January-December 2012 annual totals versus January-February 2014 year-to-date container shipments for Vietnam.



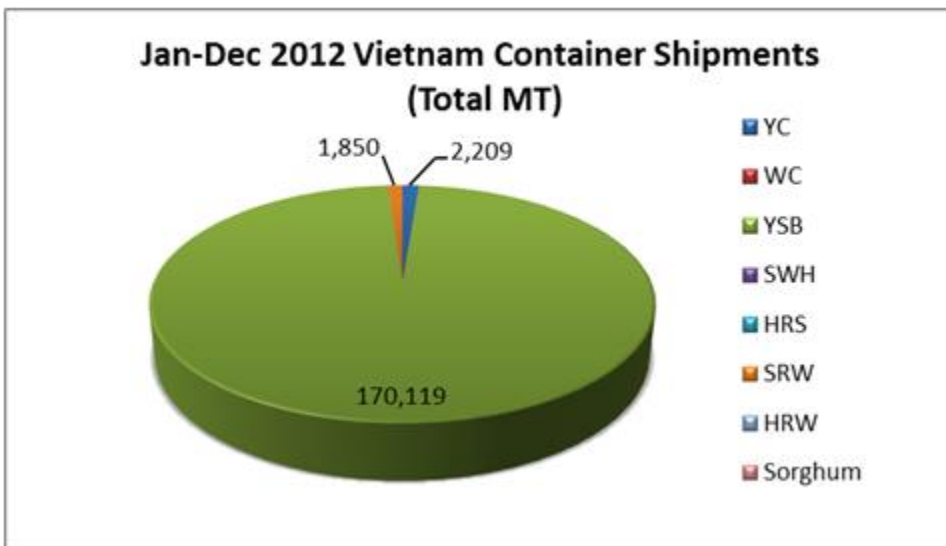
Source: O'Neil Commodity Consulting

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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	\$51	\$56	\$52	\$37	\$40	\$38	\$45
	Brazil	\$44	\$49	\$45	\$35	\$30	\$26	-



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Corn (White)	Argentina	\$51	\$56	\$52	\$37	\$40	\$38	\$45
	Brazil	\$44	\$49	\$45	\$35	\$30	\$26	-
Barley	Argentina	\$51	\$56	\$52	\$37	\$40	\$38	\$45
	Brazil	\$44	\$49	\$45	\$35	\$30	\$26	-
Sorghum	Argentina	\$51	\$56	\$52	\$37	\$40	\$38	\$45
	Brazil	\$44	\$49	\$45	\$35	\$30	\$26	-

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 12, 2014			
	Current Week	Last Week	Last Month
U.S. Prime	3.25	3.25	3.25
LIBOR (6 month)	0.33	0.33	0.33
LIBOR (1 year)	0.55	0.55	0.56

Source: www.bankrate.com