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CHICAGO BOARD OF TRADE MARKET NEWS

Week in Review: CME Corn May Contract

\$/Bu	Monday 16 March	Tuesday 17 March	Wednesday 18 March	Thursday 19 March	Friday 20 March
Change	-0.0150	-0.0800	0.0375	-0.0125	0.1150
Closing Price	3.7900	3.7100	3.7475	3.7350	3.8500
Factors Affecting the Market	Punching through support around \$3.80 bu. caused the May corn contract to continue lower in harmony with Friday's sell-off.	May corn declined 20 cents in the past four trading days. Short-term traders are influenced by bearish charts.	A low of \$3.67 per bushel was established by the May contract before it turned around to close slightly higher.	The price direction of May corn was uncertain as the contract traded up through \$3.80 bu. but closed lower.	Corn futures rebounded to gain back all of this week's losses as well as much of the price weakness from last Friday.

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.

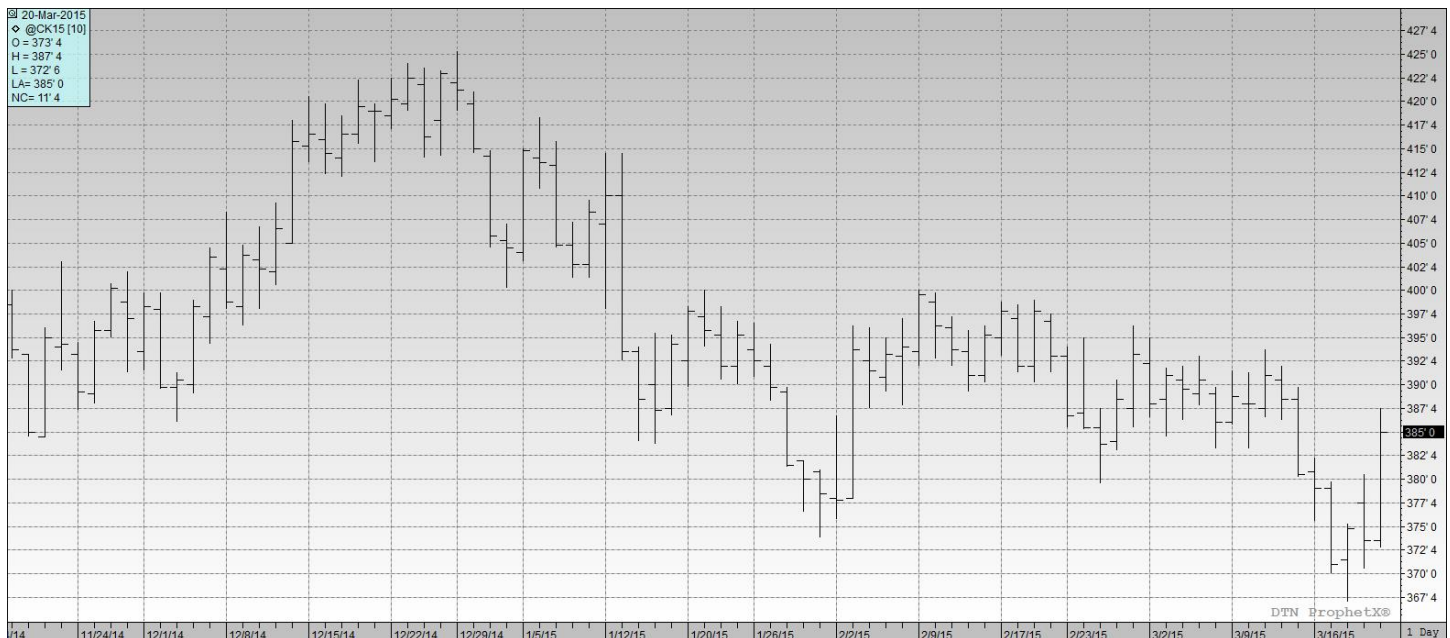
The U.S. Grains Council is a private, non-profit partnership of producers and agribusinesses committed to building and expanding international markets for U.S. barley, corn, grain sorghum and their products. The Council is headquartered in Washington, D.C. and has nine international offices that oversee 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: Back on February 27 this Outlook section discussed the prospects of the soy complex leading corn contracts into a short-term sell-off and that such an event could be a favorable buying opportunity for end-users of corn. Such an event has happened and the highest probability now seems to be that corn futures will strengthen back-up prior to USDA publishing the Prospective Plantings and Grain Stocks reports on March 31.

The Grain Stocks report will be important because it gives an update about the amount of grain on hand at the start of March, both on-farm and off-farm. U.S. farmers have been patient sellers of corn and that has given some support to basis throughout the Corn Belt. That measured selling could result in Grain Stocks data showing that there is abundant product that needs to be moved before the next harvest. However, the potential production of the next harvest will be the more weighty matter in the minds of market participants.

The Prospective Plantings report will be the first surveyed indicator of what U.S. feed grain acreage is likely to be. Futures contracts can react aggressively in accordance with the contents of this report. The smaller the potential acreage, the greater the anxiousness about weather's influence in future yields. U.S. weather will be heavily monitored, but so will planting conditions in the Black Sea region and China. Unfavorable weather in any of these locations could result in excited price action. Corn producers generally seem to be waiting in anticipation for such a chain of events to develop and create a better marketing opportunity for much of the current stocks that are being held.

CBOT MAY CORN FUTURES



Source: Prophet X

Current Market Values:

Futures Price Performance: Week Ending March 20, 2015			
Commodity	20-Mar	13-Mar	Net Change
Corn			
May 15	385.00	380.50	4.50
Jul 15	392.75	388.00	4.75
Sep 15	400.25	395.50	4.75
Dec 15	409.25	404.75	4.50
Soybeans			
May 15	973.75	974.00	-0.25
Jul 15	978.00	978.00	0.00
Aug 15	977.25	976.50	0.75
Sep 15	962.50	962.75	-0.25
Soymeal			
May 15	324.00	327.00	-3.00
Jul 15	321.90	323.70	-1.80
Aug 15	320.60	322.10	-1.50
Sep 15	319.20	320.60	-1.40
Soyoil			
May 15	30.68	30.49	0.19
Jul 15	30.89	30.69	0.20
Aug 15	30.95	30.76	0.19
Sep 15	31.00	30.81	0.19
SRW			
May 15	530.00	502.00	28.00
Jul 15	533.75	503.25	30.50
Sep 15	542.75	512.50	30.25
Dec 15	556.00	526.00	30.00
HRW			
May 15	569.50	539.25	30.25
Jul 15	575.00	543.75	31.25
Sep 15	586.25	555.25	31.00
Dec 15	600.50	571.50	29.00
MGEX (HRS)			
May 15	589.50	567.50	22.00
Jul 15	593.75	572.50	21.25
Sep 15	601.50	580.25	21.25
Dec 15	611.75	590.25	21.50

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

U.S. WEATHER/CROP PROGRESS

U.S. Drought Monitor Weather Forecast: Through March 24, two low-pressure systems will track their way across the Deep South. The first system may bring upwards of 2 inches in the Southeast. The second system may bring 2 or more inches to eastern Texas, and, depending on the track, the Carolina Coast. To the north, more snow is expected in the Northeast as a clipper system interacts with a coastal low. The heaviest snows may fall in Upstate New York and along the New England coastline. Elsewhere, two small Pacific storms will affect the Northwest during this period. For temperatures, the highest probabilities of below and above-normal values are in the Northeast and Southwest, respectively.

Looking further out through the end of the month, warmer-than-normal temperatures continue their dominance in the West, while a series of short-wave impulses support cooler-than-normal temperatures in the Northeast. The Climate Prediction Center precipitation probabilities are below average for the West, Southwest and Deep South. Above average probabilities are forecasted for the Northwest, Upper Plains and East Coast. 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 12, 2015					
Commodity	Gross Sales (MT)	Exports (MT)	YTD Exports (000MT)	YTD Bookings (000MT)	% Change YTD Bookings
Wheat	507,600	488,900	17,721.7	22,645.8	-23%
Corn	550,200	692,700	20,740.5	36,547.3	-6%
Sorghum	181,900	289,200	4,542.4	8,023.5	132%
Barley	0	300	123.8	139.5	-22%

Source: USDA, World Perspectives, Inc.

Corn: Net sales of 502,300 MT for 2014/15 were up 20 percent from the previous week, but down 31 percent from the prior four-week average. Increases were reported for Japan (243,100 MT, including 90,200 MT switched from unknown destinations and decreases of 27,500 MT), Colombia (108,300 MT), Mexico (69,100 MT), Taiwan (60,400 MT, including 60,000 MT switched from unknown destinations and decreases of 200 MT), Peru (57,900 MT) and Morocco (44,800 MT, including 45,000 MT switched from unknown destinations and decreases of 200 MT). Decreases were reported for unknown destinations (132,700 MT) and Egypt (4,800 MT). Net sales of 64,800 MT for 2015/16 were reported for unknown destinations (38,200 MT), Mexico (13,500 MT), Colombia (6,000 MT), Guatemala (5,900 MT) and Honduras (1,200 MT). Exports of 692,700 MT were down 41 percent from the previous week and 33 percent from the prior four-week average. The primary destinations were Japan (163,400 MT), South Korea (133,000 MT), Mexico (92,800 MT), Taiwan (72,200 MT), Colombia (61,000 MT), Egypt (55,200 MT) and Morocco (44,800 MT). Optional Origin Sales: For 2014/15, outstanding optional origin sales total 68,000 MT, all South Korea.

Barley: Net sales reductions of 3,100 MT for 2014/15 were reported for Japan. Net sales of 3,100 MT for 2015/16 were reported for Japan. Exports of 300 MT were reported to Taiwan (200 MT) and Canada (100 MT).

Sorghum: Net sales of 181,800 MT resulted as increases for China (297,700 MT, including 116,000 MT switched from unknown destinations) and Japan (8,200 MT, including 8,100 MT switched from unknown destinations), were partially offset by decreases for unknown destinations (124,100 MT). Net sales of 166,300 MT for 2015/16 were reported for China (107,300 MT) and unknown destinations (59,000 MT). Exports of 289,200 MT were up noticeably from the previous week and 34 percent from the prior four-week average. The destinations were China (281,000 MT) and Japan (8,200 MT).

U.S. Export Inspections: Week Ending March 12, 2015					
Commodity (MT)	Export Inspections		Current Market YTD	Previous YTD	YTD as Percent of Previous
	Current Week	Previous Week			
Corn	735,311	1,180,784	20,502,713	19,925,971	103%
Sorghum	352,178	54,088	5,169,799	2,033,707	254%
Soybeans	583,944	625,713	43,132,270	38,923,299	111%
Wheat	519,592	376,210	17,918,890	24,868,950	72%
Barley	1,485	4,272	156,371	155,624	100%

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 12, 2015						
Last Week	YC	% of Total	WC	% of Total	Sorghum	% of Total
Gulf	460,230	64%	11,000	97%	243,412	69%
PNW	133,414	18%	392	3%	107,910	31%
Lakes	0	0%	0	0%	0	0%
Atlantic	147	0%	0	0%	856	0%
Interior Export Rail	130,128	18%	0	0%	0	0%
Total (Metric Tons)	723,919	100%	11,392	100%	352,178	100%
White Corn Shipments by Country (MT)			11,000	to Colombia		
			392	to Korea		
Total White Corn (MT)			11,392			
Sorghum Shipments by Country (MT)					343,958	to China
					8,220	to Japan
Total Sorghum (MT)					352,178	

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	\$178.73	-	-
April	+0.66 K	\$177.55	+0.94 K	\$188.57
May	+0.62 K	\$175.97	+0.95 K	\$188.97
June	+0.62 N	\$179.03	+0.92 N	\$190.84

#2 White Corn (U.S. \$/MT FOB Vessel)			
Max. 15.0% Moisture	April	May	June
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	+2.95 Z	\$277.25	+2.95 Z	\$277.25
April	+2.30 Z	\$251.66	+2.30 Z	\$251.66

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

Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. \$/MT)			
	April	May	June
New Orleans	\$162.5	\$162.5	\$160
Quantity 5,000 MT			
Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT)			
Bulk 60% Pro.	April	May	June
New Orleans	\$715	\$707.5	\$700
*5-10,000 MT Minimum			

*All prices are market estimates.

DDGS Price Table: March 20, 2015 (USD/MT) (Quantity, availability, payment and delivery terms vary)			
Delivery Point Quality Min. 35% Pro-fat combined	Apr.	May	Jun.
Barge CIF New Orleans	255	254	254
FOB Vessel GULF	266	265	265
Rail delivered PNW	263	262	261
Rail delivered California	264	264	263
Mid-Bridge Laredo, TX	256	256	256
40 ft. Containers to South Korea (Busan)	322	322	322
40 ft. Containers to Taiwan (Kaohsiung)	320	320	320
40 ft. Containers to Philippines (Manila)	359	359	359
40 ft. Containers to Indonesia (Jakarta)	335	335	335
40 ft. Containers to Malaysia (Port Kelang)	334	334	334
40 ft. Containers to Vietnam (HCMC)	338	338	338
40 ft. Containers to Japan (Yokohama)	323	323	323
40 ft containers to Thailand (LCMB)	329	329	329
40 ft Containers to Shanghai, China	315	315	315
KC & Elwood, IL Rail Yard (delivered Ramp)	246	246	246

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: The different perspectives of participants within the global DDGS market became readily apparent this past week. Consider the following interesting conditions: This week, the most active pricing inquiries from foreign buyers were being made by Chinese clients, while other Asian DDGS buyers were more detached from the market. That pattern of price inquiries was the opposite last week.

Curiously, it was U.S. exporters who were most active in making actual purchases. These domestic buyers were willing to pay \$15-20/MT more than the bids coming out of Asia. This differing willingness to purchase implies that local market conditions can have a substantial influence on perspectives: The domestic DDGS buyers observed the recent sell-off in corn futures contracts and seemed to view that event as a buying opportunity before U.S. feed grain prices become increasingly volatile this spring. (Please see the preceding discussion in the Outlook section.) Alternatively, Chinese buyers are likely being influenced by the more bearish outlook for soy meal prices in their own local market.

The perspective of DDGS merchandisers seems to be that they are comfortable with unchanged price levels, but they are not willing to discount prices further while corn futures contracts rebound in Chicago. The result is that there was a slight decline in the bulk rate of DDGS to the Gulf of Mexico this past week while the average domestic and containerized prices were virtually unchanged. The modest increases in the rates for

containerized DDGS to Vietnam and Thailand may have had more to do with logistics than any other factor; this factor is expected to become increasingly important after the first of April due to the prospect of a general rate increase (GRI).

Ethanol Comments: Ethanol prices have basically remained within a horizontal trading range during the past three months. Last year, there was a rebound in prices during that same time period. In comparative terms, this season's price action is already weaker and an additional sharp setback in price seems unwarranted under present conditions.

The fact that crude oil stocks are well above a year ago is touted as a bearish condition by some ethanol market observers, but the stocks of petroleum products are not nearly so ominous. Crude oil stocks are large because refiners have made acquisitions of product at price levels that are perceived to be very favorable. Refiners will soon begin to increase production from those enlarged stocks in order meet the anticipated growth of summer driving demand.

It is also possible that market perceptions could become more bearish if rumors of imports of Brazilian ethanol do evolve into something of significance. So far, no ethanol imports at all are confirmed by EIA data. Rather, the data shows that total U.S. ethanol stocks declined by 1.7 percent, from 21.2 million barrels the prior week down to 20.8 million barrels for the week ending March 13. The average daily production rate for this same week of 947,000 barrels per day (bpd) is basically equivalent to the prior-week's rate of 944,000 bpd. Therefore, the present stability in average ethanol producer margins does make sense. The differential between the spot price of corn and the co-products of ethanol is not a producer margin but it is a useful indicator that implies continued stability through the week ending Friday, March 20:

- Illinois differential is \$2.05 per bushel in comparison to \$2.04 the prior week and \$7.89 a year ago.
- Iowa differential is \$1.83 per bushel in comparison to \$1.67 the prior week and \$5.48 a year ago.
- Nebraska differential is \$1.68 per bushel in comparison to \$1.57 the prior week and \$5.11 a year ago.
- South Dakota differential is \$1.79 per bushel in comparison to \$1.88 the prior week and \$6.26 a year ago.

COUNTRY NEWS

China: China has ordered 600,000 MT of Ukrainian corn with the expectation for further bookings throughout the year, reports Reuters. The shipments come under the auspices of a loan-for-grain deal that China had previously signed with Ukraine. Some of the Ukrainian shipments for April/May were quoted at \$240/MT including cost and freight. China received 1 MMT of Ukrainian corn last year through the loan-for-grain deal.

Japan: Japan is reducing its purchases of feed wheat in favor of cheaper corn, according to Bloomberg. The government anticipates purchasing 680,000 MT of wheat this year, a reduction of 24 percent from last year. Purchases of feed barley have also been cut by 47 percent to total some 690,000 MT.

South Africa: Africa's largest corn producer is experiencing its worst drought since 1992, which has caused the country to import corn for the first time in 11 months, according to Bloomberg News. South Africa will need

to import 934,000 MT of yellow corn through March 2016. Three shipments of 30,000 MT each are already en route from Argentina. This drought comes on the heels of one of the largest crops in recent memory.

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 PNW to China	\$31.00 \$17.00	Unchanged Up \$0.25	North China
25,000 U.S. Gulf-Veracruz, México	\$14.50	Up \$1.00	3,000 MT daily discharge rate
35-40,000 U.S. Gulf-Veracruz, México	\$12.00	Up \$0.50	Deep draft and 8,000 MT per day discharge rate.
25/35,000 U.S. Gulf-East Coast Colombia, from Argentina	\$13.50 \$24.50	Down \$1.00 Unchanged	West Coast Colombia at \$21.00
36-40,000 U.S. Gulf-Guatemala	\$20.50	Down \$0.50	Acajutla/Quetzal - 8,000 out
25-30,000 U.S. Gulf-Algeria	\$29.00 \$30.50	Up \$0.50 Up \$0.50	8,000 MT daily discharge 3,000 MT daily discharge
25-30,000 U.S. Gulf-Morocco	\$28.00	Up \$0.50	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	\$24.00 \$23.00	Up \$1.00 Up \$0.50	54-58,000 Supramax- Panamax 60-66,000 Post Panamax
56-60,000 Argentina-China Upriver with Top-Off	\$31.00	Up \$2.00	—

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: It was another relatively quiet week in global ocean freight markets. Chartering activity was rather thin with most of the interest focused on the East Coast South America (ECSA) to Asia trade. With the exception of the Capesize market, rates are

unchanged to up slightly due to vessel owner/operator resistance to book at lower levels. I don't foresee any dramatic price moves in the coming weeks.

As the owners bear less stress for ballast cost, it makes the decision to ballast to ECSA easier with the hope of getting a better market when they arrive. That is where all roads seem to lead today.

Baltic Panamax Dry-Bulk Indices				
March 20, 2015	This Week	Last Week	Difference	Percent Change
Route				
P2A: Gulf/Atlantic – Japan	9,755	9,036	719	8.0%
P3A: PNW/Pacific– Japan	5,307	5,364	-57	-1.1%

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:

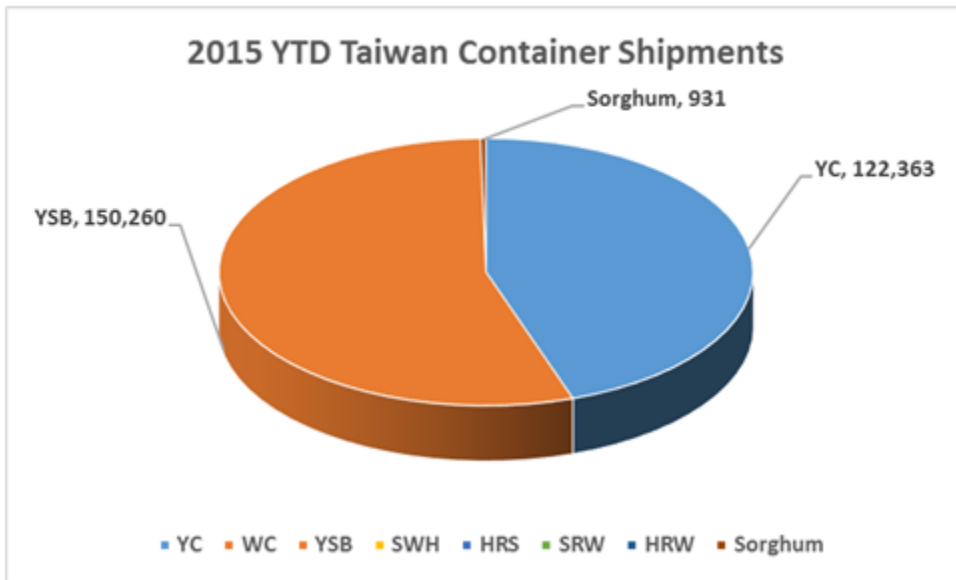
Week of March 20, 2015	
Four weeks ago:	\$4.35-\$4.90
Three weeks ago:	\$4.25-\$4.50
Two weeks ago	\$4.30-\$4.55
One week ago:	\$4.35-\$4.55
This week	\$4.40-\$4.50

Source: O'Neil Commodity Consulting

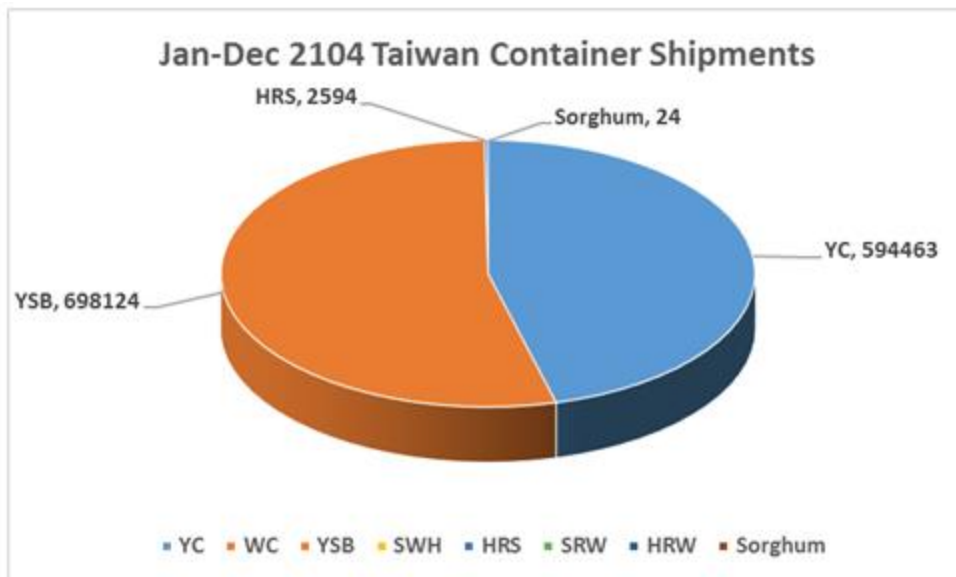
U.S. – Asia Market Spreads					
March 20, 2015	PNW	Gulf	Bushel Spread	MT Spread	Advantage
# 2 Corn	0.99	0.64	0.35	\$13.78	PNW
Soybeans	1.25	0.85	0.40	\$15.75	Gulf
Ocean Freight	\$17.00	\$31.00	0.36-0.38	(\$14.00)	April

Source: O'Neil Commodity Consulting

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



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	\$33	\$31	\$24	\$26	\$22	-
	Brazil	\$23.5	\$26	\$24	\$20	\$20	\$18	-
Corn (White)	Argentina	\$30	\$33	\$31	\$24	\$26	\$22	-
	Brazil	\$23.5	\$26	\$24	\$20	\$20	\$18	-
Barley	Argentina	\$30	\$33	\$31	\$24	\$26	\$22	-
	Brazil	\$23.5	\$26	\$24	\$20	\$20	\$18	-
Sorghum	Argentina	\$30	\$33	\$31	\$24	\$26	\$22	-
	Brazil	\$23.5	\$26	\$24	\$20	\$20	\$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 18, 2015			
	Current Week	Last Week	Last Month
U.S. Prime	3.25	3.25	3.25
LIBOR (6 month)	0.40	0.40	0.38
LIBOR (1 year)	0.71	0.69	0.67

Source: www.bankrate.com