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CHICAGO BOARD OF TRADE MARKET NEWS

Week in Review: CME Corn May Contract

\$/Bu	Monday 23 March	Tuesday 24 March	Wednesday 25 March	Thursday 26 March	Friday 27 March
Change	0.0525	0.0300	0.0175	-0.0375	-0.0025
Closing Price	3.9025	3.9325	3.9500	3.9125	3.9100
Factors Affecting the Market	Corn futures began the week stronger. Traders were expected to spend this week adjusting positions prior to USDA reports next Tuesday.	May corn worked steadily higher toward key resistance around \$3.96 per bushel. That level may hold until Tuesday’s data is released.	There was an announcement that Mexico made a sizable purchase of corn. Present price levels were still attractive.	Traders continue to adjust positions as the soy complex was prone to weaken and corn contracts stayed stable.	There was less than five cents change in the closing prices of the May corn contract during this week. Next week is likely to be different.

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.

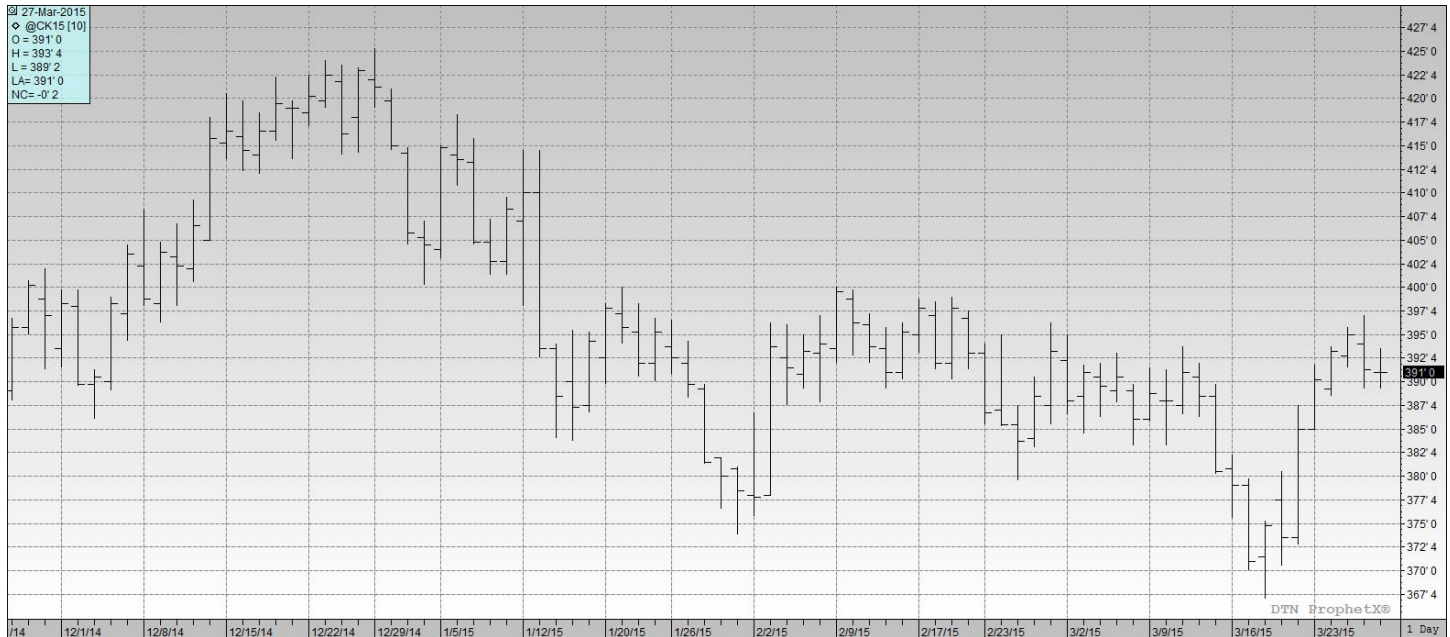
Outlook: Price action is anticipated to become more volatile next week as USDA publishes the important Prospective Plantings and Grain Stocks reports at 12:00 noon in Washington D.C. These reports are released each season at the end of March and the resulting price action is commonly aggressive. The price action of the various grain contracts normally move in the same direction but differ in intensity. This season the condition is somewhat unique because the composite of data is anticipated to be supportive for corn contracts and negative for the soy complex. Assuming how pronounced the data is to one extent or another, the prospect is for increased price volatility as it is virtually impossible for either these two crops to be entirely decoupled from the influence of the other during planting season.

Chicago futures contracts often react in accordance with the extent that the actual data released by USDA deviates from the average expectations of surveyed analysts. Dow Jones conducted a survey that shows the average estimate for U.S. corn acreage is 88.684 million acres (range 87-89.7). That is an expected decline of 1.9 million U.S. corn acres from last season's 90.6 million acres. In conjunction, the total amount of U.S. corn stocks available on March 1 is estimated to be 7.628 billion bushels. That is 620 million bushels above last year's level on March 1 of 7.008 billion bushels.

The average estimate for U.S. soybean acreage is 85.872 million acres (range 83-87.5). That is an expected increase of 2.17 million U.S. soybean acres from last season's 83.7 million acres. In conjunction, the total amount of U.S. soybean stocks available on March 1 is estimated to be 1.341 billion bushels. That is 347 million bushels above last year's level on March 1 of .994 billion bushels.

Either corn or soybeans is likely to assume the role of price leadership directly after the report, with the other and wheat assuming more passive roles. However, a consensus seems to be that corn at some point will assume the leadership role between the end of March and the first of June. Consequently, the release of bullish corn data on Tuesday is expected to result in corn contracts being bought sooner and if more bearish soybean data temporarily assumes the leadership role, then the anticipated result is that corn contracts will be bought later. Either way, the outlook is that there will be no substantial price weakness in corn contracts prior to the first of June.

CBOT MAY CORN FUTURES



Source: Prophet X

Current Market Values:

Futures Price Performance: Week Ending March 27, 2015			
Commodity	27-Mar	20-Mar	Net Change
Corn			
May 15	391.00	385.00	6.00
Jul 15	399.00	392.75	6.25
Sep 15	406.50	400.25	6.25
Dec 15	414.75	409.25	5.50
Soybeans			
May 15	967.25	973.75	-6.50
Jul 15	972.25	978.00	-5.75
Aug 15	971.25	977.25	-6.00
Sep 15	956.75	962.50	-5.75
Soymeal			
May 15	321.40	324.00	-2.60
Jul 15	320.40	321.90	-1.50
Aug 15	319.10	320.60	-1.50
Sep 15	317.20	319.20	-2.00

Soyoil			
May 15	30.60	30.68	-0.08
Jul 15	30.83	30.89	-0.06
Aug 15	30.91	30.95	-0.04
Sep 15	30.97	31.00	-0.03
SRW			
May 15	507.75	530.00	-22.25
Jul 15	512.00	533.75	-21.75
Sep 15	521.00	542.75	-21.75
Dec 15	535.00	556.00	-21.00
HRW			
May 15	553.00	569.50	-16.50
Jul 15	557.75	575.00	-17.25
Sep 15	568.75	586.25	-17.50
Dec 15	584.00	600.50	-16.50
MGEX (HRS)			
May 15	575.00	589.50	-14.50
Jul 15	580.25	593.75	-13.50
Sep 15	587.25	601.50	-14.25
Dec 15	597.25	611.75	-14.50

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

U.S. WEATHER/CROP PROGRESS

U.S. Drought Monitor Weather Forecast: Warm, mostly dry weather over the West will contrast with chilly, wet conditions east of the Mississippi Valley. The greatest likelihood for drought-easing rainfall will be from Texas and the northern Delta into the Northeast. Spotty showers are expected over the Rockies and Northwest, though the light rain coupled with persistent warmth will not ease drought or aid spring runoff prospects. Mostly dry, warm weather is expected over California and the Southwest.

The NWS 10-day outlook calls for near- to above-normal temperatures nationwide, except for colder-than-normal conditions across the nation's northeastern quadrant. Meanwhile, above-normal precipitation from the northern Plains and Upper Midwest into the Great Lakes and Northeast will contrast with drier-than-normal conditions in the south, particularly from California into the Four Corners and southern 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 19, 2015					
Commodity	Gross Sales (MT)	Exports (MT)	YTD Exports (000MT)	YTD Bookings (000MT)	% Change YTD Bookings
Wheat	147,000	498,100	18,219.9	22,748.2	-24%
Corn	643,400	1,065,900	21,806.4	36,982.3	-8%
Sorghum	62,900	287,600	4,830.0	8,082.4	134%
Barley	600	1,300	125.1	140.0	-21%

Source: USDA, World Perspectives, Inc.

Corn: Net sales of 435,000 MT for 2014/15 were down 13 percent from the previous week and 29 percent from the prior four-week average. Increases were reported for Japan (191,800 MT, including 122,700 MT switched from unknown destinations and decreases of 88,100 MT), Mexico (92,300 MT, including 23,000 MT switched from unknown destinations and decreases of 16,200 MT), Taiwan (87,200 MT, including 63,000 MT switched from unknown destinations), China (60,800 MT) and Saudi Arabia (54,100 MT, including 47,600 MT switched from unknown destinations). Decreases were reported for unknown destinations (336,000 MT). Net sales of 29,000 MT for 2015/16 were reported for Panama (16,900 MT), Mexico (10,700 MT) and Japan (1,400 MT). Exports of 1,065,900 MT were up 54 percent from the previous week and 4 percent from the prior four-week average. The primary destinations were Japan (310,500 MT), Mexico (295,700 MT, including 30,900 MT late reporting), Taiwan (80,000 MT), Colombia (68,900 MT), South Korea (67,900 MT), Saudi Arabia (54,100 MT) and Indonesia (32,600 MT, including 21,000 MT late reporting). Optional Origin Sales: For 2014/15, outstanding optional origin sales total 68,000 MT, all South Korea.

Barley: Net sales of 500 MT for 2014/15 were reported for Taiwan. Net sales of 100 MT for 2015/16 were reported for Taiwan. Exports of 1,300 MT were reported to Taiwan.

Sorghum: Net sales of 58,900 MT for 2014/15 were reported mainly for China. Net sales of 228,000 MT for 2015/16 were reported for unknown destinations. Exports of 287,600 MT were unchanged from the previous week, but up 31 percent from the prior four-week average. The destination was China.

U.S. Export Inspections: Week Ending March 19, 2015					
Commodity (MT)	Export Inspections		Current Market YTD	Previous YTD	YTD as Percent of Previous
	Current Week	Previous Week			
Corn	994,666	735,311	21,497,379	21,076,073	102%
Sorghum	240,113	353,403	5,411,137	2,157,644	251%
Soybeans	519,464	584,532	43,652,493	39,659,819	110%
Wheat	511,069	520,490	18,405,762	25,421,055	72%
Barley	898	2,882	158,666	156,822	101%

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 19, 2015						
Last Week	YC	% of Total	WC	% of Total	Sorghum	% of Total
Gulf	479,382	50%	31,500	80%	236,269	98%
PNW	380,645	40%	366	1%	0	0%
Lakes	0	0%	0	0%	0	0%
Atlantic	4,729	0%	0	0%	1,592	1%
Interior Export Rail	90,360	9%	7,684	19%	2,252	1%
Total (Metric Tons)	955,116	100%	39,550	100%	240,113	100%
White Corn Shipments by Country (MT)			39,184	to Mexico		
			366	to North Korea		
Total White Corn (MT)			39,550			
Sorghum Shipments by Country (MT)					227,153	to China
					7,960	to Chad
					5,000	to South Africa
Total Sorghum (MT)					240,113	

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)
LH April	+0.68 K	\$180.70	+0.99 K	\$192.90
May	+0.63 K	\$178.73	+0.98 K	\$192.51
June	+0.60 N	\$180.70	+0.92 N	\$193.30
July	+0.60 N	\$180.70	+0.93 N	\$193.69

#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
May	+2.75 K	\$262.19	+2.75 K	\$262.19
August	+2.30 Z	\$253.82	+2.30 Z	\$253.82

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	\$162.50	\$162.50	\$162.50
Quantity 5,000 MT			
Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT)			
Bulk 60% Pro.	April	May	June
New Orleans	\$725	\$725	\$715
*5-10,000 MT Minimum			

*All prices are market estimates.

DDGS Price Table: March 27, 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	257	257	257
FOB Vessel GULF	267	267	267
Rail delivered PNW	259	257	257
Rail delivered California	263	263	263
Mid-Bridge Laredo, TX	258	258	257
40 ft. Containers to South Korea (Busan)	324	324	324
40 ft. Containers to Taiwan (Kaohsiung)	322	322	322
40 ft. Containers to Philippines (Manila)	344	344	344
40 ft. Containers to Indonesia (Jakarta)	334	334	334
40 ft. Containers to Malaysia (Port Kelang)	332	332	332
40 ft. Containers to Vietnam (HCMC)	341	341	341
40 ft. Containers to Japan (Yokohama)	333	333	333
40 ft containers to Thailand (LCMB)	333	333	333
40 ft Containers to Shanghai, China	313	313	313
KC & Elwood, IL Rail Yard (delivered Ramp)	251	250	250

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 bulk rates for DDGS averaged up \$2-3/MT to the Gulf of Mexico this past week while rail rates to the West Coast of the United States declined by an equivalent amount. The variability in containerized DDGS to Asian clients was much larger for the week ending March 27; the price of a 40-foot container to Yokohama, Japan averaged up \$10/MT while the rate to the Philippines averaged down by \$15/MT. An interesting coincidence is that the total increases and decreases in rates resulted in zero change for the weekly average of all containerized DDGS rates.

DDGS buyers may note that there are two offsetting influences for DDGS prices in the next three or four months. A bullish point of consideration is that increased volatility could drive corn futures contracts higher, into at least the first of June. (Please see the discussion in the preceding Outlook section). However, this action could be offset in part by a seasonal pattern for DDGS prices to weaken in relation to the price of corn going into the summer. Such a decline in the price of DDGS in relation to corn tends to occur because there is less domestic demand for DDGS as a forage replacement for beef cows as pasture conditions improve in the spring.

DDGS prices in the next three or four months will also be influenced by the level of U.S. ethanol production. If the present U.S. stocks of ethanol are drawn down by increasing summer driving demand, then a steady supply of ethanol and DDGS will be produced into summer, which in turn will give DDGS merchandisers more room to negotiate on price.

Lastly, logistical costs must be factored into the equation of the final delivered price for DDGS, and there was positive news this past week as the majority of competing ocean carriers have decided to wave or reduce the General Rate Increase (GRI) that was forecast to occur on the first of April. DDGS market participants will bring all such factors into consideration while awaiting the outcome of Tuesday's data release in order to better define the most appropriate strategy.

Ethanol Comments: There was a slight increase in the average daily ethanol production rate to 953,000 barrels per day (bpd) for week ending March 20. This was modestly above the prior week's production rate of 947,000 bpd. There was also an increase in total ethanol stocks to 21.3 million barrels, which is up 2.4 percent from the prior week's level of 20.8 percent.

Until increased driving demand starts to pull down reserves, any additional growth in ethanol stocks could further dampen producer margins. The prospect of tightening ethanol margins seems to be implied by the narrowing of the differential between the spot price of corn and the co-products of ethanol and DDGS in three of the four reporting regions for the week ending Friday, March 27:

- Illinois differential is \$1.93 per bushel, in comparison to \$2.05 the prior week and \$8.31 a year ago.
- Iowa differential is \$1.65 per bushel, in comparison to \$1.83 the prior week and \$6.33 a year ago.
- Nebraska differential is \$1.51 per bushel, in comparison to \$1.68 the prior week and \$5.98 a year ago.
- South Dakota differential is \$1.90 per bushel, in comparison to \$1.79 the prior week and \$6.69 a year ago.

COUNTRY NEWS

South Africa: The Crop Estimates Committee has maintained its prediction for a corn crop that could be the smallest in eight years, reports Bloomberg News. Farmers could harvest up to 9.67 MMT this year, which would be the smallest seen since 2007. While the forecast for yellow corn production was increased slightly to total 5.03 MMT (a 1.2 percent increase), prices for the grain have risen by 12 percent in recent weeks.

Ukraine: UkrAgroConsult has reduced its predictions for the 2015 corn harvest due to a smaller planting area, according to Reuters. Corn production could fall to 23 MMT, which is down from an earlier prediction of 25.9 MMT.

Zambia: Zambia may sell as much as 1/3 of its record corn harvest abroad, according to Bloomberg News. The 2014 harvest totaled 3.2 MMT and the agricultural ministry has indicated that it is looking to sell around 1 MMT. This bumper crop comes as South Africa and Botswana suffer from severe drought, while Malawi and Mozambique are enduring damaging floods.

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	\$30.50 \$17.00	Down \$0.50 Unchanged	North China
25,000 U.S. Gulf-Veracruz, México	\$14.50	Unchanged	3,000 MT daily discharge rate
35-40,000 U.S. Gulf-Veracruz, México	\$12.50	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	Unchanged Unchanged	West Coast Colombia at \$21.00
36-40,000 U.S. Gulf-Guatemala	\$21.00	Up \$0.50	Acajutla/Quetzal - 8,000 out
25-30,000 U.S. Gulf-Algeria	\$29.00	Unchanged	8,000 MT daily discharge
25-30,000 U.S. Gulf-Morocco	\$30.50	Unchanged	3,000 MT daily discharge
25-30,000 U.S. Gulf-Morocco	\$28.00	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	\$24.50	Up \$0.50	54-58,000 Supramax-

March 27, 2015

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	\$23.50	Up \$0.50	Panamax 60-66,000 Post Panamax
56-60,000 Argentina-China Upriver with Top-Off	\$31.50	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: There has not been much new action or movement in global ocean freight markets. Chartering activity was again rather thin with rates mostly unchanged for the week.

I have been attending a very interesting USSEC Asia Transportation conference in Singapore. After listening to various speakers and chatting with freight brokers here, I don't find anyone who is particularly bullish about freight in the near future. The general consensus seems to be that it will still take another year or two to work through the vessel surplus and return to a better balance.

It is believed that Chinese demand for sorghum will continue strong for the foreseeable future and that U.S. DDGS sales to China will remain robust. Rumor is that there are 17 DDGS vessels schedule to load out of the Mississippi River during the Jan.-Sept. period.

Baltic Panamax Dry-Bulk Indices				
March 27, 2015	This Week	Last Week	Difference	Percent Change
Route				
P2A: Gulf/Atlantic – Japan	9,632	9,755	-123	-1.3%
P3A: PNW/Pacific– Japan	4,982	5,307	-325	-6.1%

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:

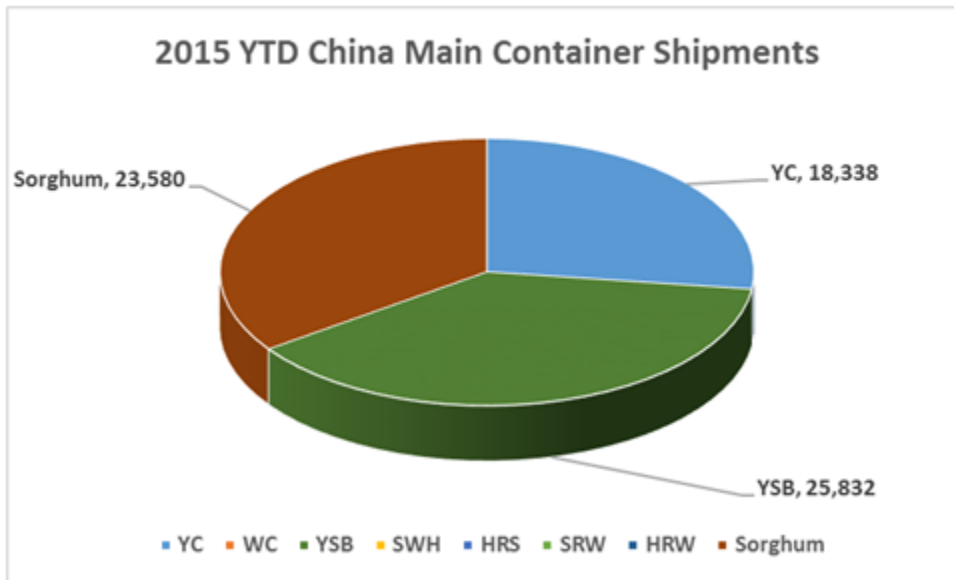
Week of March 27, 2015	
Four weeks ago:	\$4.40-\$4.70
Three weeks ago:	\$4.35-\$4.90
Two weeks ago	\$4.25-\$4.50
One week ago:	\$4.30-\$4.55
This week	\$4.20-\$4.50

Source: O'Neil Commodity Consulting

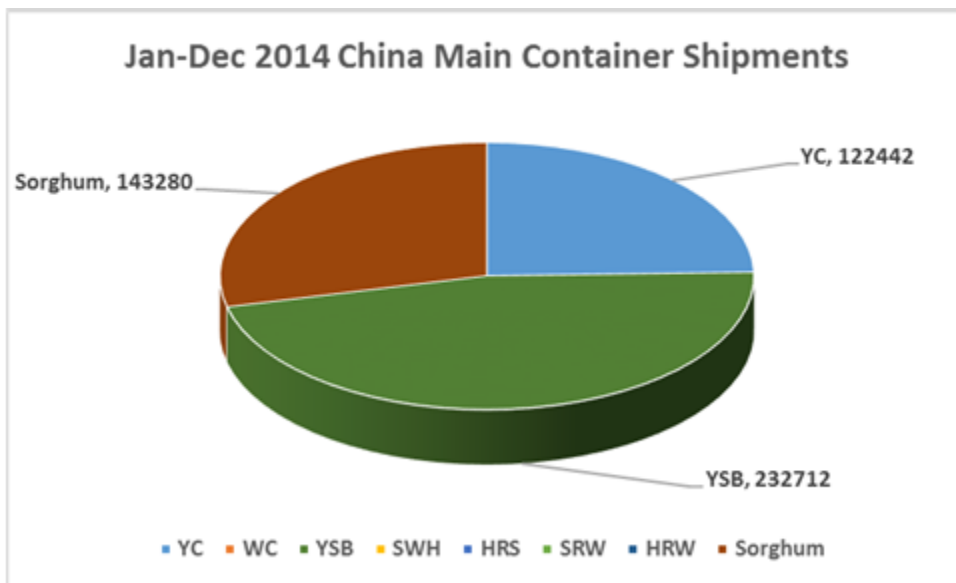
U.S. – Asia Market Spreads					
March 27, 2015	PNW	Gulf	Bushel Spread	MT Spread	Advantage
# 2 Corn	0.98	0.64	0.34	\$13.39	Both
Soybeans	1.30	0.85	0.45	\$17.72	Gulf
Ocean Freight	\$17.00	\$30.50	0.34-0.37	(\$14.00)	April

Source: O'Neil Commodity Consulting

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



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	\$26	\$24	\$20	\$20	\$18	-
Corn (White)	Argentina	\$30	\$33	\$31	\$24	\$26	\$22	-
	Brazil	\$23	\$26	\$24	\$20	\$20	\$18	-
Barley	Argentina	\$30	\$33	\$31	\$24	\$26	\$22	-
	Brazil	\$23	\$26	\$24	\$20	\$20	\$18	-
Sorghum	Argentina	\$30	\$33	\$31	\$24	\$26	\$22	-
	Brazil	\$23	\$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 25, 2015			
	Current Week	Last Week	Last Month
U.S. Prime	3.25	3.25	3.25
LIBOR (6 month)	0.39	0.40	0.38
LIBOR (1 year)	0.67	0.71	0.67

Source: www.bankrate.com