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**CHICAGO BOARD OF TRADE MARKET NEWS**

**Week in Review: CME Corn May Contract**

<b>\$/Bu</b>	<b>Monday 30 March</b>	<b>Tuesday 31 March</b>	<b>Wednesday 1 April</b>	<b>Thursday 2 April</b>	<b>Friday 3 April</b>
<b>Change</b>	0.0350	-0.1825	0.0550	0.0475	-
<b>Closing Price</b>	3.9450	3.7625	3.8175	3.8650	-
<b>Factors Affecting the Market</b>	The announced export sale of 5.2 million bushels of U.S. corn and pre-report uncertainty enabled corn contracts to close higher.	The May corn contract sold-off sharply when USDA's planting intentions and stocks data was above expectations.	Corn contracts bounced after prices fell on Tuesday. The decline was treated as a favorable buying opportunity.	Market attention is focusing on uncertain U.S. spring weather and May corn has now regained more than half of Tuesday's loses.	Holiday

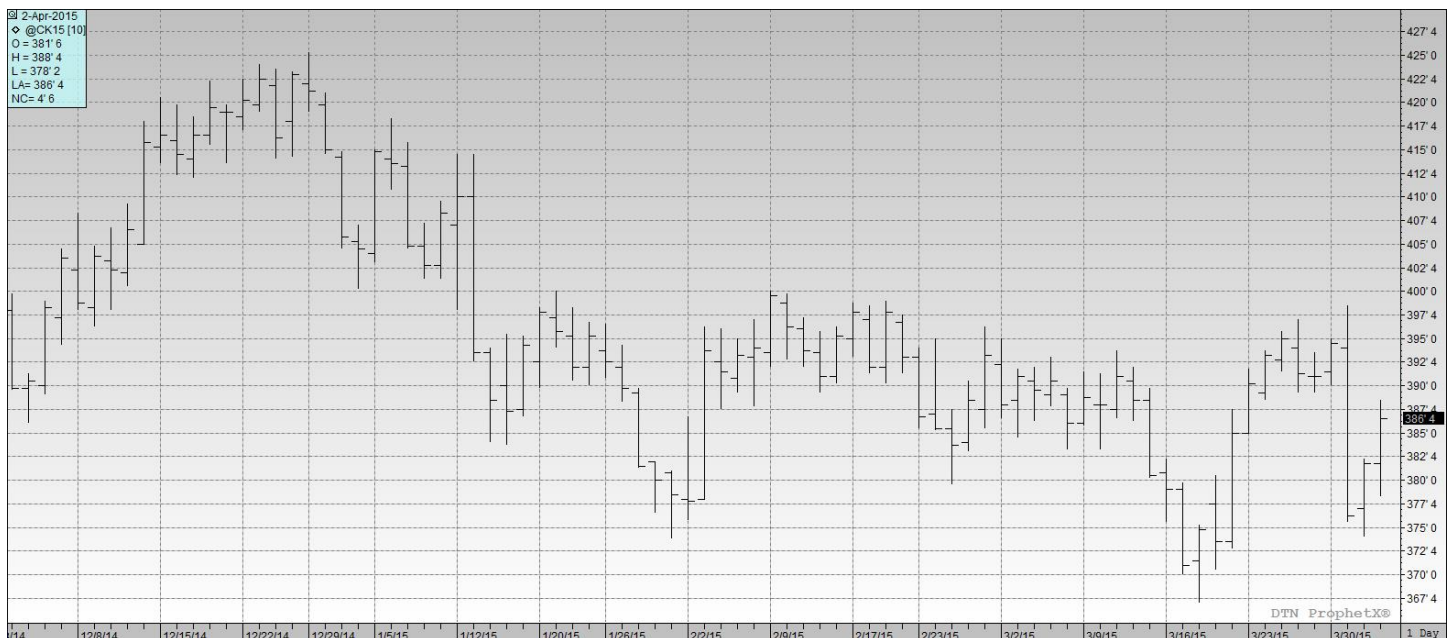
**For more information on the contents of this newsletter or the U.S. Grains Council, its mission and programs, please contact Manuel Sanchez or Alvaro Cordero at (202) 789-0789.**

*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:** USDA's Prospective Plantings and Grain Stocks reports of March 31 were considered bearish because data within both was larger than expected. The Prospective Planting report estimated U.S. farmers would plant 89.2 million acres of corn this spring. That was a 2 percent reduction from last year but larger than the average estimate of 88.7 million acres. USDA's quarterly Grain Stocks report estimated that the total amount of corn in the United States on March 1 was 7.74 billion bushels, which is up 11 percent from a year ago. On-farm corn stocks were up 13 percent and off-farm corn stocks up 7 percent. That estimate of corn stocks on hand was larger than the average estimate of 7.63 billion bushels. As noted last week, Chicago futures contracts often react in accordance with how USDA's data deviates from expectations. As a result, corn futures contracts sold off immediately after USDA's data was released.

A third year of declining corn acreage and off-farm corn stocks that are up only 7 percent after a year of record production are not bearish factors, but there is always some pent up trading tension that needs to be adjusted immediately after important USDA reports are published. The fact that the data was less bullish than the market's expectations resulted in the long positions being reduced, which caused a momentary sell-off. However, a sizable pool of traders was waiting to buy corn contracts at lower price levels when the opportunity presented itself. The buying of those traders become increasingly active as the December contract traded through \$4.00 per bushel. Such price action continues to support the outlook that substantial price weakness in corn contracts is unlikely prior to June 1.

## CBOT MAY CORN FUTURES



Source: Prophet X

Current Market Values:

Futures Price Performance: Week Ending April 2, 2015			
Commodity	2-Apr	27-Mar	Net Change
<b>Corn</b>			
May 15	386.50	391.00	-4.50
Jul 15	394.50	399.00	-4.50
Sep 15	401.75	406.50	-4.75
Dec 15	410.50	414.75	-4.25
<b>Soybeans</b>			
May 15	986.00	967.25	18.75
Jul 15	991.25	972.25	19.00
Aug 15	991.00	971.25	19.75
Sep 15	980.50	956.75	23.75
<b>Soymeal</b>			
May 15	327.30	321.40	5.90
Jul 15	326.50	320.40	6.10
Aug 15	325.20	319.10	6.10
Sep 15	323.90	317.20	6.70
<b>Soyoil</b>			
May 15	31.04	30.60	0.44
Jul 15	31.24	30.83	0.41
Aug 15	31.31	30.91	0.40
Sep 15	31.37	30.97	0.40
<b>SRW</b>			
May 15	536.25	507.75	28.50
Jul 15	535.75	512.00	23.75
Sep 15	544.25	521.00	23.25
Dec 15	558.25	535.00	23.25
<b>HRW</b>			
May 15	582.75	553.00	29.75
Jul 15	586.00	557.75	28.25
Sep 15	596.00	568.75	27.25
Dec 15	610.25	584.00	26.25
<b>MGEX (HRS)</b>			
May 15	595.50	575.00	20.50
Jul 15	600.25	580.25	20.00
Sep 15	607.75	587.25	20.50
Dec 15	619.50	597.25	22.25

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

## U.S. WEATHER/CROP PROGRESS

**U.S. Drought Monitor Weather Forecast:** Rain from the lower and middle Mississippi Valley into New England will contrast with mostly dry conditions across the Southeast and Gulf Coast as well as from the Plains into the Southwest. A strong cold front will bring temporary relief from unseasonable warmth over the Plains, though above-normal temperatures will return by the weekend. Rainfall associated with the front will be light on the Plains and generally confined to central and northern-most portions of the region. However, rain will intensify as the cold front marches east, with five-day totals of 1-3 inches possible from the northern Delta into the Ohio Valley and Northeast. In contrast, dry conditions are expected from the Carolinas to the immediate Gulf Coast. Out west, some showers and high-elevation snow will overspread the Northwest during the weekend, while the Southwest and Four Corners Region remain dry.

The NWS 10-day outlook calls favorably cooler-and wetter-than-normal weather from the Pacific Coast into the Great Basin, including California. Likewise, wetter-than-normal weather is also expected from the Mississippi Valley and Gulf Coast States into the Northeast. In contrast, drier-than-normal conditions will prevail across the Rockies and Great Plains. East of the Rockies, abnormal warmth over southern portions of the Corn Belt and Mid-Atlantic States will contrast from cooler-than-normal weather across the northern Great Lakes and New England. 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 26, 2015					
Commodity	Gross Sales (MT)	Exports (MT)	YTD Exports (000MT)	YTD Bookings (000MT)	% Change YTD Bookings
Wheat	240,200	338,200	18,558.1	22,910.3	-24%
Corn	752,300	683,400	22,489.4	37,388.6	-9%
Sorghum	135,300	172,600	5,002.6	7,869.6	127%
Barley	-	400	125.5	140.1	-22%

Source: USDA, World Perspectives, Inc.

**Corn:** Net sales of 406,600 MT for delivery in 2014/15 were down 7 percent from the previous week and 26 percent from the prior four-week average. Increases were reported for Mexico (234,600 MT), Colombia (99,600 MT, including 22,000 MT switched from unknown destinations and decreases of 5,500 MT), Barbados (63,300 MT, switched from Guatemala), Japan (58,300 MT) and Peru (37,000 MT). Decreases were reported for unknown destinations (64,100 MT), Taiwan (56,700 MT), Guatemala (46,800 MT), the French West Indies (5,000 MT) and Costa Rica (1,700 MT). Net sales of 25,100 MT for 2015/16 were reported for unknown destinations. Exports of 683,400 MT were down 36 percent from the previous week and 37 percent from the prior four-week average. The primary destinations were Mexico (147,400 MT), South Korea (135,200 MT), Japan (126,900 MT), Colombia (122,400 MT), the Dominican Republic (34,100 MT), Taiwan (27,400 MT) and Costa Rica (19,900 MT). Optional Origin Sales: For 2014/15, outstanding optional origin sales total 68,000 MT, all South Korea. Export Adjustments: Accumulated exports to Japan were adjusted down 376 MT for week ending February 5. These sales were inadvertently reported as being shipped, but should have been reported as being cancelled.

**Barley:** There were no sales reported during the week. Exports of 400 MT were reported to Taiwan (300 MT) and Canada (100 MT).

**Sorghum:** Net sales reductions of 212,700 MT for 2014/15 were down noticeably from the previous week and from the prior four-week average. Increases were reported for China (9,300 MT). Decreases were reported for Japan (222,000 MT). Net sales of 110,000 MT for 2015/16 were reported for China. Exports of 172,600 MT were down 40 percent from the previous week and 28 percent from the prior four-week average. The destination was China.

U.S. Export Inspections: Week Ending March 26, 2015					
Commodity (MT)	Export Inspections		Current Market YTD	Previous YTD	YTD as Percent of Previous
	Current Week	Previous Week			
Corn	762,276	994,715	22,259,704	22,411,102	99%
Sorghum	172,591	240,113	5,583,728	2,303,241	242%
Soybeans	655,720	520,541	44,320,167	40,167,352	110%
Wheat	322,016	543,687	18,760,396	25,928,515	72%
Barley	499	898	159,165	158,117	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 26, 2015						
Last Week	YC	% of Total	WC	% of Total	Sorghum	% of Total
Gulf	365,097	51%	40,711	93%	172,591	100%
PNW	252,597	35%	0	0%	0	0%
Lakes	0	0%	0	0%	0	0%
Atlantic	10,229	1%	0	0%	0	0%
Interior Export Rail	90,748	13%	2,894	7%	0	0%
<b>Total (Metric Tons)</b>	<b>718,671</b>	<b>100%</b>	<b>43,605</b>	<b>100%</b>	<b>172,591</b>	<b>100%</b>
White Corn Shipments by Country (MT)			23,100	to Costa Rica		
			17,611	to Colombia		
			2,894	to Mexico		
<b>Total White Corn (MT)</b>			<b>43,605</b>			
Sorghum Shipments by Country (MT)					172,591	to China
<b>Total Sorghum (MT)</b>					<b>172,591</b>	

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	+0.70 K	\$179.71	+0.99 K	\$191.13
May	+0.63 K	\$176.96	+0.98 K	\$190.74
June	+0.60 N	\$178.93	+0.92 N	\$191.52
July	+0.60 N	\$178.93	+0.93 N	\$191.92

#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	+3.10 K	\$274.20	+3.10 K	\$274.20
July	+2.50 Z	\$260.02	+2.50 Z	\$260.02
August	+2.50 Z	\$260.02	+2.30 Z	\$253.15

Barley: Feed Barley (FOB USD/MT)			
	April	May	June
FOB PNW	\$262.50	\$262.50	\$262.50

Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. \$/MT)			
	April	May	June
New Orleans	\$152.50	\$152.50	\$152.50
Quantity 5,000 MT			
Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT)			
Bulk 60% Pro.	April	May	June
New Orleans	\$711	\$711	\$711
*5-10,000 MT Minimum			

\*All prices are market estimates.

DDGS Price Table: April 2, 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	256	256	256
FOB Vessel GULF	267	267	267
Rail delivered PNW	267	267	267
Rail delivered California	262	262	262
Mid-Bridge Laredo, TX	258	258	258
40 ft. Containers to South Korea (Busan)	326	323	323
40 ft. Containers to Taiwan ( Kaohsiung )	324	321	321
40 ft. Containers to Philippines ( Manila )	342	340	340
40 ft. Containers to Indonesia ( Jakarta )	334	331	331
40 ft. Containers to Malaysia (Port Kelang)	336	333	333
40 ft. Containers to Vietnam (HCMC)	343	340	340
40 ft. Containers to Japan (Yokohama)	338	335	335
40 ft containers to Thailand (LCMB)	335	333	333
40 ft Containers to Shanghai, China	316	314	314
KC & Elwood, IL Rail Yard (delivered Ramp)	248	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:** DDGS buyers were encouraged back on March 13 to request that DDGS merchandisers inform them when specific pricing objectives became available. A potentially favorable pricing opportunity occurred this week when corn contracts sold off sharply immediately after the publication of USDA's Prospective Plantings and Stocks reports. However, there seemingly was a substantial pool of buyers who were waiting on such a sell-off to occur because they quickly reacted and started making purchases. The result is that corn contracts quickly regained more than half of Tuesday's losses.

Ethanol plants and other domestic users of U.S. corn will actively monitor developing weather conditions across the Corn Belt this spring. Last year the U.S. weather condition remained favorable throughout the growing season, but that is not typical. Domestic buyers know that the price of corn can spike suddenly if spring weather becomes excessively wet and delays the planting of U.S. corn. Such concerns may explain why domestic DDGS buyers paid up to \$5/MT more this past week even though the price of containerized DDGS for foreign buyers was unchanged to slightly lower. Foreign buyers may wish to request that DDGS merchandisers keep them informed on a daily basis about changing U.S. weather and soil moisture conditions as corn planting gets underway.

**Ethanol Comments:** Total U.S. ethanol stocks declined by a sizable 3.6 percent, from 21.3 million barrels to 20.5 million barrels, for the week ending March 27. Increased consumption seems primarily responsible for this

decline in stocks as the average daily rate of production of 952,000 barrels per day (bpd) was basically unchanged from the prior-week's level of 953,000 bpd.

U.S. gasoline, and accompanying ethanol, consumption is anticipated to be strong this spring as the national average retail price of regular gasoline is presently about \$2.45 per gallon, which is more than \$1.10 per gallon under the year-ago price. As the old adage in goes, "the best fix for low prices is low prices." This summer it will be less expensive to fill up the tank and take the family on a weekend vacation and the season often kicks off over the weekend of Easter.

Due to the Good Friday holiday this week, there will be no report of ethanol and co-product processing values from the primary regions of the U.S. Corn Belt.

## COUNTRY NEWS

**China:** U.S. farmers are planting the largest amount of sorghum since 2008 as China increasingly turns to it as a feed grain in preference to corn, according to Reuters. More than half of the 8 MMT sorghum slated for export this year will likely be shipped to China. Exporters have also already sold around 800,000 MT of next year's crop. U.S. farmers will likely plant 8.129 million acres of sorghum, which is 1 million acres more than was planted last year, but far below the record 27 million acres planted in 1957. This year, sorghum is predicted to be worth around \$100 more per acre than corn.

Further, WPI reports that China imported seven times more sorghum and double the amount of barley in February 2015 compared to February 2014.

**Malawi:** Severe flooding in Malawi has caused significant damage to the country's croplands and the government has set aside \$20 million in order to import corn, reports WPI.

**South Africa:** Farmers stand in opposition to a proposal from South Africa's president that would limit farm size and ownership, reports WPI. The farmers believe that this initiative will result in reduced corn production.

## 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	\$31.00	Down \$1.00	Handymax at \$32.00/MT
55,000 U.S. PNW-Japan	\$17.00	Down \$1.00	Handymax at \$18.50/MT
55,000 U.S. Gulf-China	\$30.00	Down \$0.50	North China
PNW to China	\$16.50	Down \$0.50	
25,000 U.S. Gulf-Veracruz, México	\$14.50	Unchanged	3,000 MT daily discharge rate
35-40,000 U.S. Gulf-Veracruz, México	\$12.00	Down \$0.50	Deep draft and 8,000 MT per day discharge rate.



25/35,000 U.S. Gulf-East Coast Colombia, from Argentina	\$13.00 \$24.00	Down \$0.50 Down \$0.50	West Coast Colombia at \$20.00
36-40,000 U.S. Gulf-Guatemala	\$20.50	Up \$0.50	Acajutla/Quetzal - 8,000 out
25-30,000 U.S. Gulf-Algeria	\$28.50 \$30.00	Down \$0.50 Down \$0.50	8,000 MT daily discharge 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	\$24.00 \$23.50	Down \$0.50 Down \$0.50	55,000 -60,000 MT St. Lawrence to Egypt \$24.00
60-70,000 U.S. Gulf-Europe- Rotterdam	\$14.00	Unchanged	Handymax at +\$1.50 more
Brazil, Santos-China	\$24.50 \$23.50	Unchanged Down \$0.50	54-58,000 Supramax- Panamax 60-66,000 Post Panamax
56-60,000 Argentina-China Upriver with Top-Off	\$31.00	Down \$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:** World freight markets are not giving me much to write about. For the most part, things are steaming in circles and not going very far. It seems we have reached a point where no one wants to sell at lower levels while at the same time there is no motivation for buyers of freight to pay up. So, we've seen rates go up \$0.50/MT one week and back down the same amount the next. The only market that saw some support this week was in the Capesize sector.

The fact that any true turn around in rates may take a year or two (rather a month or two) seems to be sinking into the heads of vessel owners and their bankers. The new order book for vessels has dropped to almost nothing (which is what is needed) and a number of orders for new dry-bulk vessels have been changed over to tanker vessel orders. So the market is finally reacting in the proper way.

Baltic Panamax Dry-Bulk Indices				
April 2, 2015	This Week	Last Week	Difference	Percent Change
Route				
P2A: Gulf/Atlantic – Japan	9,613	9,614	-1	<-0.1%
P3A: PNW/Pacific– Japan	4,458	4,907	-449	-9.2%

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:

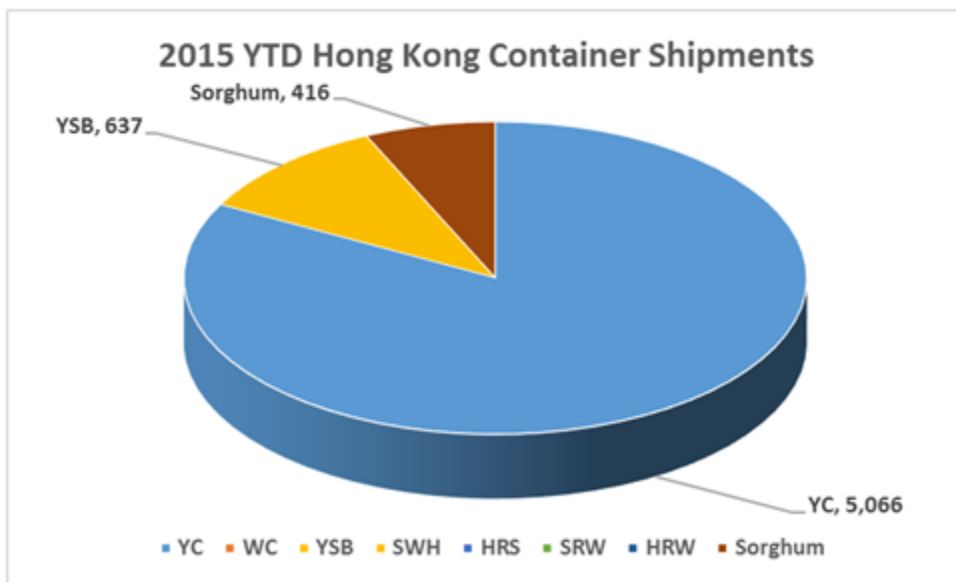
Week of April 2, 2015	
Four weeks ago:	\$4.35-\$4.90
Three weeks ago:	\$4.25-\$4.50
Two weeks ago:	\$4.30-\$4.55
One week ago:	\$4.20-\$4.50
This week:	\$4.50-\$4.80

Source: O'Neil Commodity Consulting

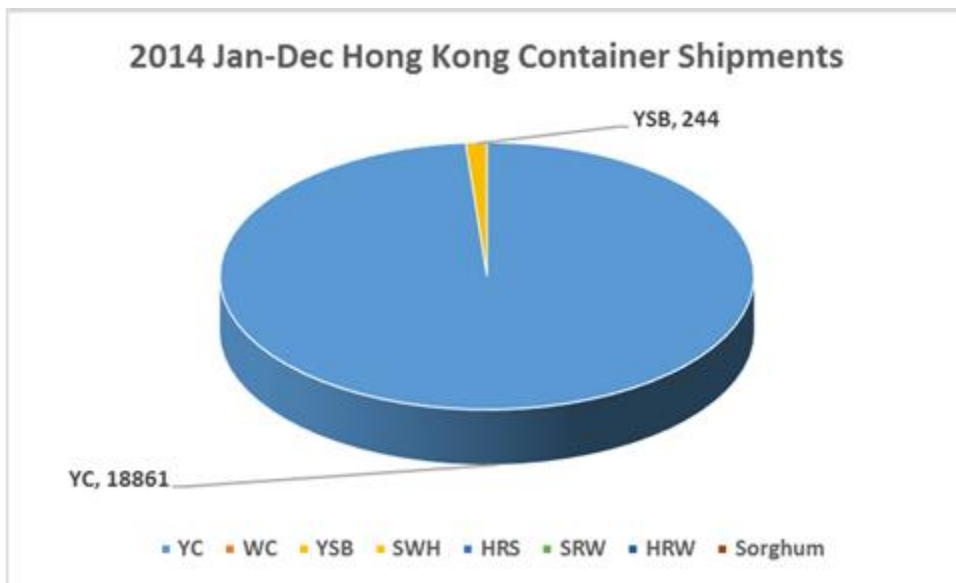
U.S. – Asia Market Spreads					
April 2, 2015	PNW	Gulf	Bushel Spread	MT Spread	Advantage
# 2 Corn	0.89	0.66	0.23	\$9.05	Both
Soybeans	1.27	0.75	0.52	\$20.47	Gulf
Ocean Freight	\$16.50	\$30.00	0.34-0.37	(\$13.50)	May

Source: O'Neil Commodity Consulting

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



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 (%): April 1, 2015			
	Current Week	Last Week	Last Month
U.S. Prime	3.25	3.25	3.25
LIBOR (6 month)	0.40	0.39	0.38
LIBOR (1 year)	0.70	0.67	0.67

Source: [www.bankrate.com](http://www.bankrate.com)