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**CHICAGO BOARD OF TRADE MARKET NEWS**

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

\$/Bu	Monday 6 April	Tuesday 7 April	Wednesday 8 April	Thursday 9 April	Friday 10 April
<b>Change</b>	-0.0150	-0.0200	-0.0375	-0.0125	-0.0100
<b>Closing Price</b>	3.8500	3.8300	3.7925	3.7800	3.7700
<b>Factors Affecting the Market</b>	May corn strove to continue the bounce back up from the end of last week. It touched \$3.90 per bushel but was unable to remain positive.	The attention of short-term traders seems focused upon recent bearish technical chart patterns rather than on unforeseen bullish factors.	Corn contracts drifted back down to retest last week's lows. May corn closed back below \$3.80 per bushel.	Support at \$3.75 per bushel was tested and held firm in the May corn contract. Cash basis was firm and will strengthen further if futures continue down.	After five days of consistent declines in the May corn contract, prices still have not closed below the March 31 low of \$3.7625 per bushel.

**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.**

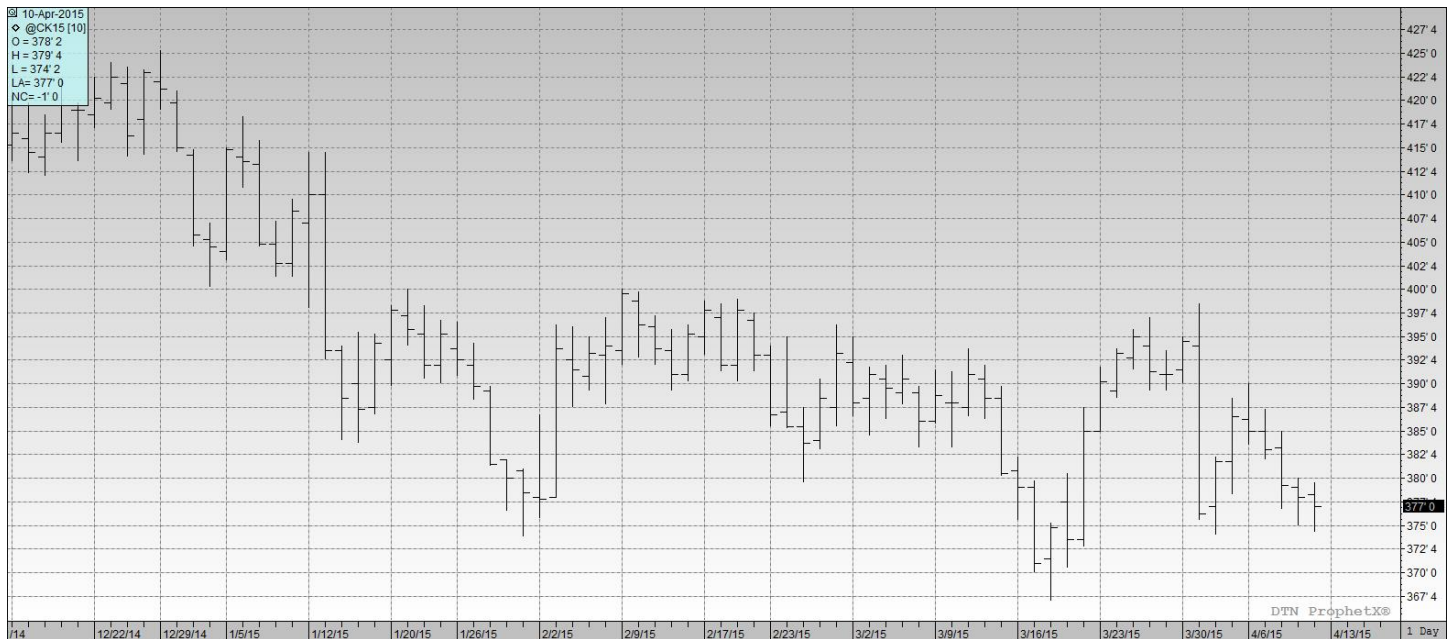
*The U.S. Grains Council is a private, non-profit partnership of producers and agribusinesses committed to building and expanding international markets for U.S. barley, corn, grain sorghum and their products. The Council is headquartered in Washington, D.C. and has nine international offices that oversee 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 published their April WASDE report this week and it held no significant price influencing surprises. In summary, the estimate for U.S. corn ending stocks increased from 1.777 to 1.827 billion bushels for the present 2014/15 season. That ending stocks level remains well under 2 billion bushels and cash corn prices are presently below \$4.00 per bushel through calendar year 2015. The onus is not on bullish traders to prove their case before feed grain prices can rally higher when the May corn contract is trading around \$3.75 per bushel and cash corn is trading 20 cents lower. Rather, the seemingly far more tentative assumption is that future circumstances will weigh on and further depress prices from present levels.

USDA data implied that Chinese demand for U.S. sorghum will remain strong throughout the present season. The forecast for China's feed use of sorghum was increased 1.5 million metric tons. This increased export demand was partly offset by decreased sorghum use. USDA is also expecting that an early sorghum harvest in Texas will supplement this season's strong demand and maintain an acceptable ending stocks level.

The estimate for Mexican demand of U.S. corn was reduced as it appears that favorable growing conditions will allow for an abundant winter crop. However, that reduced Mexican demand was offset by higher imports from other destinations such as Indonesia, China, Iran, Algeria, Peru and Columbia. Such growing global demand necessitates the United States produce another bumper crop in order for feed grain prices to remain capped a present levels.

## CBOT MAY CORN FUTURES



Source: Prophet X

Current Market Values:

Futures Price Performance: Week Ending April 10, 2015			
Commodity	10-Apr	2-Apr	Net Change
<b>Corn</b>			
May 15	377.00	386.50	-9.50
Jul 15	384.75	394.50	-9.75
Sep 15	392.50	401.75	-9.25
Dec 15	402.50	410.50	-8.00
<b>Soybeans</b>			
May 15	951.50	986.00	-34.50
Jul 15	956.00	991.25	-35.25
Aug 15	955.00	991.00	-36.00
Sep 15	946.75	980.50	-33.75
<b>Soymeal</b>			
May 15	309.20	327.30	-18.10
Jul 15	309.60	326.50	-16.90
Aug 15	309.00	325.20	-16.20
Sep 15	308.50	323.90	-15.40
<b>Soyoil</b>			
May 15	31.09	31.04	0.05
Jul 15	31.29	31.24	0.05
Aug 15	31.34	31.31	0.03
Sep 15	31.40	31.37	0.03
<b>SRW</b>			
May 15	526.50	536.25	-9.75
Jul 15	524.00	535.75	-11.75
Sep 15	532.50	544.25	-11.75
Dec 15	546.50	558.25	-11.75
<b>HRW</b>			
May 15	558.75	582.75	-24.00
Jul 15	562.50	586.00	-23.50
Sep 15	573.75	596.00	-22.25
Dec 15	589.50	610.25	-20.75
<b>MGEX (HRS)</b>			
May 15	581.00	595.50	-14.50
Jul 15	586.50	600.25	-13.75
Sep 15	592.75	607.75	-15.00
Dec 15	603.75	619.50	-15.75

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

## U.S. WEATHER/CROP PROGRESS

**U.S. Drought Monitor Weather Forecast:** Precipitation is expected to migrate from the Gulf Coast into the Midwest in the coming days. The Pacific Northwest is likely to see precipitation each day. The rest of the country is expected to remain dry. Warmer-than-normal temperatures are expected over most of the contiguous U.S. during the same time. The Pacific Northwest is the only exception to this with below-normal temperatures expected throughout the period.

The NWS 10-day outlooks call for normal to warm conditions over the U.S. with the exception of the northern West, which should experience below-normal temperatures. Precipitation during that timeframe is expected to be normal to above-normal across the country with the exception of the far West. 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 April 2, 2015					
Commodity	Gross Sales (MT)	Exports (MT)	YTD Exports (000MT)	YTD Bookings (000MT)	% Change YTD Bookings
Wheat	331,100	375,700	18,933.8	23,230.2	-23%
Corn	878,400	1,171,100	23,660.6	38,028.2	-9%
Sorghum	57,600	182,800	5,185.4	7,916.6	129%
Barley	100	300	125.8	140.1	-22%

Source: USDA, World Perspectives, Inc.

**Corn:** Corn: Net sales of 639,600 MT for delivery in 2014/15 were up 57 percent from the previous week and 45 percent from the prior four-week average. Increases were reported for Taiwan (209,000 MT), Mexico (200,300 MT), Japan (197,100 MT, including 155,700 MT switched from unknown destinations and decreases of 19,800 MT), South Korea (131,400 MT, including 64,700 MT switched from unknown destinations and decreases of 1,200 MT), Colombia (54,400 MT, including 51,400 MT switched from unknown destinations and decreases of 8,200 MT) and Cuba (25,000 MT). Decreases were reported for unknown destinations (184,500 MT) and Barbados (58,800 MT). Net sales of 62,900 MT for 2015/16 were reported for unknown destinations (36,200 MT), Guatemala (17,500 MT) and Japan (9,100 MT). Exports of 1,171,100 MT were up 71 percent from the previous week and 30 percent from the prior four-week average. The primary destinations were Mexico (289,600 MT), Japan (265,400 MT), South Korea (243,300 MT), Taiwan (137,000 MT), Iran (72,600 MT), Colombia (71,600 MT) and Costa Rica (44,100 MT). Optional Origin Sales: For 2014/15, outstanding optional origin sales total 68,000 MT, all South Korea.

**Barley:** Net sales of 100 MT for 2014/15 were reported for Taiwan. Exports of 300 MT were reported to South Korea (100 MT) and Taiwan (100 MT).

**Sorghum:** Net sales of 47,000 MT for 2014/15 resulted as increases for China (105,200 MT, including 58,000 MT switched from unknown destinations and decreases of 10,400 MT), were partially offset by decreases for unknown destinations (58,000 MT) and Canada (300 MT). Net sales of 217,000 MT for 2015/16 were reported

for unknown destinations (109,000 MT) and China (108,000 MT). Exports of 182,800 MT were up 6 percent from the previous week, but down 10 percent from the prior four-week average. The destination was China.

U.S. Export Inspections: Week Ending April 2, 2015					
Commodity (MT)	Export Inspections		Current Market YTD	Previous YTD	YTD as Percent of Previous
	Current Week	Previous Week			
<b>Corn</b>	1,027,876	763,786	23,289,497	23,721,666	98%
<b>Sorghum</b>	299,491	172,591	5,883,219	2,337,100	252%
<b>Soybeans</b>	564,823	657,553	44,886,823	40,676,979	110%
<b>Wheat</b>	370,086	323,132	19,131,598	26,558,312	72%
<b>Barley</b>	1,534	499	160,699	158,716	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 April 2, 2015						
Last Week	YC	% of Total	WC	% of Total	Sorghum	% of Total
<b>Gulf</b>	537,234	53%	2,834	21%	234,898	78%
<b>PNW</b>	333,653	33%	73	1%	64,079	21%
<b>Lakes</b>	0	0%	0	0%	0	0%
<b>Atlantic</b>	8,729	1%	0	0%	0	0%
<b>Interior Export Rail</b>	134,875	13%	10,478	78%	514	0%
<b>Total (Metric Tons)</b>	1,014,491	100%	13,385	100%	299,491	100%
<b>White Corn Shipments by Country (MT)</b>			10,478	to Mexico		
			2,834	to Japan		
			73	to Korea		
<b>Total White Corn (MT)</b>			13,385			
<b>Sorghum Shipments by Country (MT)</b>					299,467	to China
					24	to Korea
<b>Total Sorghum (MT)</b>					299,491	

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	+0.85 K	\$181.88	-	-
May	+0.75 K	\$177.94	+0.90 K	\$183.85
June	+0.61 N	\$175.48	+0.89 N	\$186.51
July	+0.61 N	\$175.48	+0.90 N	\$186.90

#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	\$270.46	+3.10 K	\$270.46
July	+2.50 Z	\$256.88	+2.50 Z	\$256.88
August	+2.50 Z	\$256.88	+2.30 Z	\$249.00

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	\$164	\$164	\$164
Quantity 5,000 MT			
Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT)			
Bulk 60% Pro.	April	May	June
New Orleans	\$715	\$705	\$705
*5-10,000 MT Minimum			

\*All prices are market estimates.



DDGS Price Table: April 10, 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	266	264
Rail delivered PNW	262	262	261
Rail delivered California	263	263	262
Mid-Bridge Laredo, TX	259	258	257
40 ft. Containers to South Korea (Busan)	320	315	315
40 ft. Containers to Taiwan ( Kaohsiung )	317	312	312
40 ft. Containers to Philippines ( Manila )	337	332	332
40 ft. Containers to Indonesia ( Jakarta )	328	325	325
40 ft. Containers to Malaysia (Port Kelang)	333	330	330
40 ft. Containers to Vietnam (HCMC)	332	329	329
40 ft. Containers to Japan (Yokohama)	335	330	330
40 ft containers to Thailand (LCMB)	333	330	330
40 ft Containers to Shanghai, China	313	311	311
KC & Elwood, IL Rail Yard (delivered Ramp)	245	244	244

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:** Strong interest in bulk DDGS exports is one reason that rates to the Gulf of Mexico were unchanged this past week while declining from \$2-3/MT domestically and down approximately \$5/MT in the containerized export market. The fact that an additional discount of about \$4/MT is being offered on containerized rates for the next two months out into the future indicates that DDGS merchandisers are willing to incentivize pricing agreements. That same pricing advantage is not being offered to domestic buyers who primarily purchase on an as needed basis in the spot market.

DDGS merchandisers seem to recognize that the May corn contract at current prices around \$3.75 per bushel probably has limited downside because that means cash corn is probably trading around \$3.55 per bushel. U.S. farmers are reluctant to sell at any lower price level as they will be losing money. Consequently, many DDGS merchandisers recognize that the market is presently offering them an opportunity to extend their corn purchases at favorable price levels. It is much easier for the merchandisers to justify corn purchases into the future and then offer favorable pricing to preferred customers when they can show their own senior management that there is a written sales agreement on future DDGS production.

**Ethanol Comments:** Large crude oil stocks have garnered a great deal of attention lately, but ethanol prices are primarily determined by price; and the price crude oil has been slowly trending higher in a trading range since the middle of March. The present U.S. ethanol stocks of 20.5 billion barrels are unchanged from the prior

week, but they are not growing. As well, the average daily production rate of 936,000 barrels per day (bpd) for week ending April 3, 2015 declined from the prior-week's rate of 952,000 bpd.

Controlled ethanol production is occurring even through the spot price of corn has recently fallen in comparison to the prices of ethanol and DDGS. The differential between the spot price of corn and the co-products is the following in different sections of the Corn Belt for week ending April 10, 2015:

- Illinois differential is \$2.32 per bushel in comparison to \$2.20 the prior week and \$5.47 a year ago.
- Iowa differential is \$1.99 per bushel in comparison to \$1.88 the prior week and \$5.31 a year ago.
- Nebraska differential is \$1.68 per bushel in comparison to \$1.51 the prior week and \$5.52 a year ago.
- South Dakota differential is \$2.19 per bushel in comparison to \$1.98 the prior week and \$5.84 a year ago.

## COUNTRY NEWS

**Brazil:** A fire at the Port of Santos has burned for over a week and has blocked truck access for grain deliveries, according to Reuters. The fire has been concentrated in a fuel storage area and firefighters have had a difficult time preventing reignition in fuel tanks after being extinguished. Ship movement in the port has been restricted and cannot refuel. The fire is not expected to impact this month's grain export volume, as the port has large stocks on hand, however this could change if truck traffic is delayed for long. Santos handles roughly half of Brazil's annual corn exports.

**Saudi Arabia:** The minister of water and electricity announced this week that Saudi Arabia will be looking to cease all barley production in favor of imports as part a of a broader national effort to curb wasting water supplies in the desert country, according to Bloomberg News.

**South Africa:** Africa's largest corn producer has imported yellow corn for the first time since April 2014, reports Bloomberg News. The worst drought since 1992 has negatively impacted the country's corn production, which has led the importation of 21,137 MT from Argentina. South Africa is expected to produce 9.67 MMT of corn this year, which would be the smallest harvest since 2007.

## 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	Unchanged	Handymax at \$32.00/MT
55,000 U.S. PNW-Japan	\$17.00	Unchanged	Handymax at \$18.00/MT
55,000 U.S. Gulf-China PNW to China	\$30.00 \$16.50	Unchanged 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	\$12.00	Unchanged	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	Unchanged Unchanged	West Coast Colombia at \$20.00
36-40,000 U.S. Gulf-Guatemala	\$20.50	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	\$28.00	Unchanged	5,000 discharge rate
55,000 U.S. Gulf-Egypt PNW to Egypt	\$24.00 \$23.50	Unchanged Unchanged	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 Unchanged	54-58,000 Supramax- Panamax 60-66,000 Post Panamax
56-60,000 Argentina-China Upriver with Top-Off	\$31.00	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:** World ocean freight markets were not expected to change much this week and they didn't. It was yet another quiet week with unchanged values. I guess that is good news for freight buyers and not so good for vessel owners. This seems to be a trend that is going to be difficult to break in the near future.

The shift in soybean business from North America to South America is underway with reports of Chinese cancellations of U.S. soybeans and a growing line up of ships waiting to load in Brazil. However, this has not had a significant impact on overall rates from either hemisphere.

Baltic Panamax Dry-Bulk Indices				
April 10, 2015	This Week	Last Week	Difference	Percent Change
Route				
P2A: Gulf/Atlantic – Japan	9,627	9,613	14	0.1%
P3A: PNW/Pacific– Japan	4,196	4,458	-262	-5.9%

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:

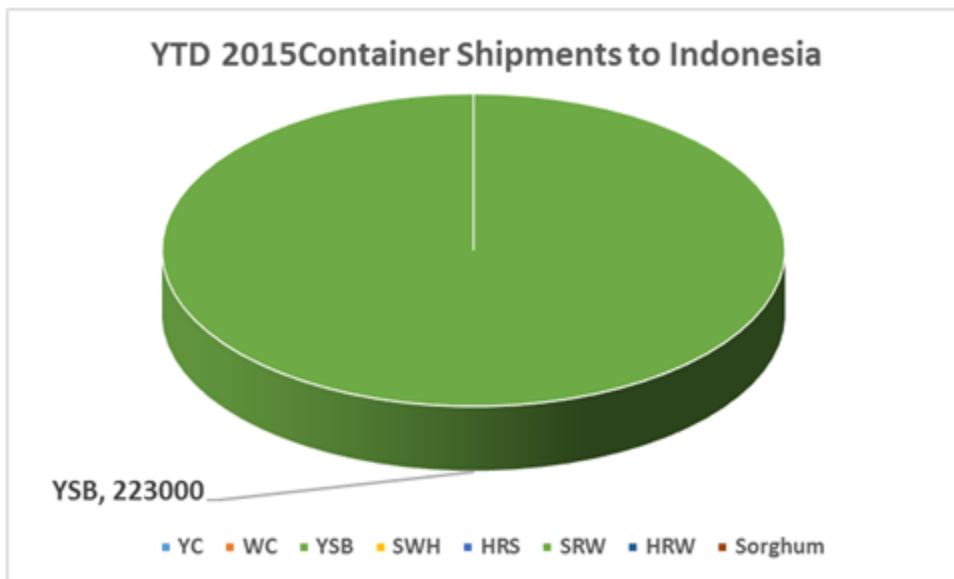
Week of April 10, 2015	
Four weeks ago:	\$4.25-\$4.50
Three weeks ago:	\$4.30-\$4.55
Two weeks ago:	\$4.20-\$4.50
One week ago:	\$4.45-\$4.75
This week:	\$4.30-\$4.40

Source: O'Neil Commodity Consulting

U.S. – Asia Market Spreads					
April 10, 2015	PNW	Gulf	Bushel Spread	MT Spread	Advantage
# 2 Corn	0.85	0.68	0.17	\$6.69	PNW
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 Indonesia.



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	\$25	\$26	\$22	-
	Brazil	\$23	\$26	\$24	\$21	\$20	\$18	-
Corn (White)	Argentina	\$30	\$33	\$31	\$25	\$26	\$22	-
	Brazil	\$23	\$26	\$24	\$21	\$20	\$18	-
Barley	Argentina	\$30	\$33	\$31	\$25	\$26	\$22	-
	Brazil	\$23	\$26	\$24	\$21	\$20	\$18	-
Sorghum	Argentina	\$30	\$33	\$31	\$25	\$26	\$22	-
	Brazil	\$23	\$26	\$24	\$21	\$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 8, 2015			
	Current Week	Last Week	Last Month
U.S. Prime	3.25	3.25	3.25
LIBOR (6 month)	0.40	0.40	0.40
LIBOR (1 year)	0.69	0.70	0.69

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