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CHICAGO BOARD OF TRADE MARKET NEWS

Week in Review: CME Corn July Contract

\$/Bu	Monday 4 May	Tuesday 5 May	Wednesday 6 May	Thursday 7 May	Friday 8 May
Change	-0.0175	0.0150	0.0400	-0.0525	0.0150
Closing Price	3.6125	3.6275	3.6675	3.6150	3.6300
Factors Affecting the Market	The July corn contract spent the day trading within a narrow 3 cent trading range as market participants waited to see USDA's planting progress figures.	U.S. corn planting progress occurred faster than-the-average expectation; allowing a sell-off to occur, but corn futures bounced back.	Further upside momentum occurred from the prior-day's bounce back. However, the recovery did not punch through higher resistance.	Yesterday's indecisive close encouraged traders with short positions in corn to shove prices back down in an attempt to test Tuesday's lows.	The nearby July contract seems to have more support as a growing number of corn end-users purchase the more distant futures contracts.

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.

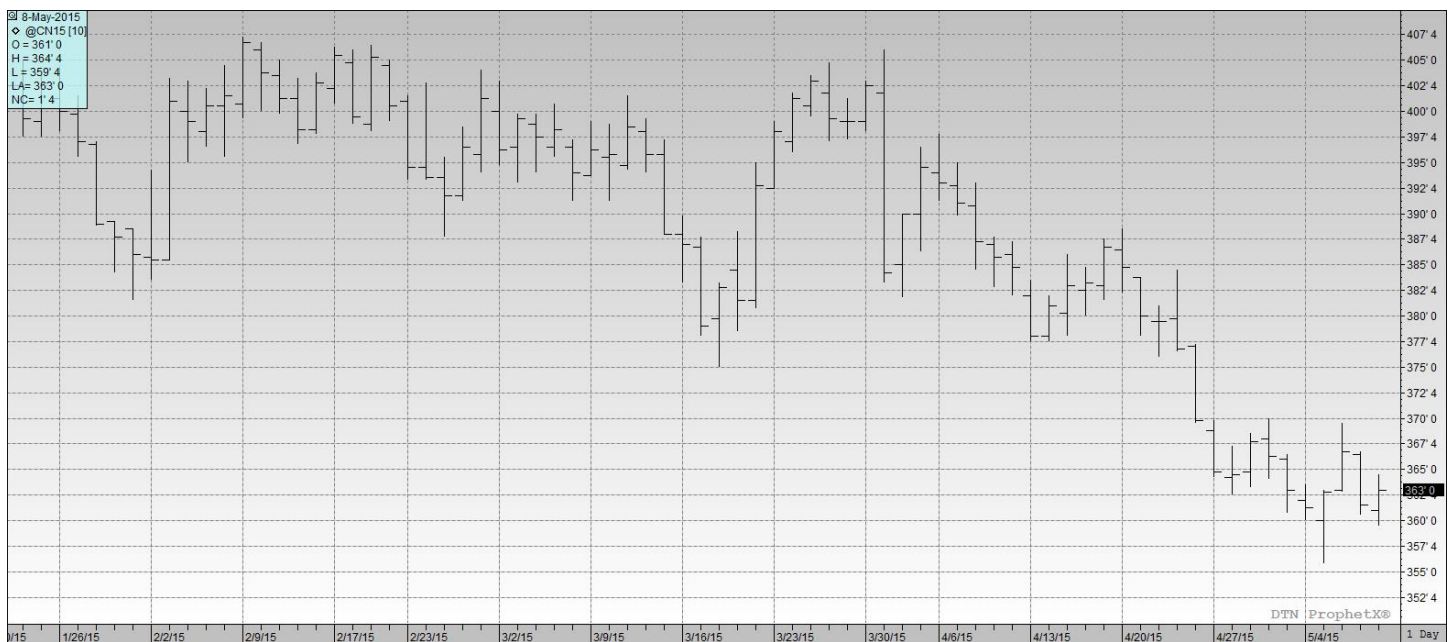
The U.S. Grains Council is a private, non-profit partnership of producers and agribusinesses committed to building and expanding international markets for U.S. barley, corn, grain sorghum and their products. The Council is headquartered in Washington, D.C. and has nine international offices that oversee 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: Planting progress for U.S. corn was 55 percent complete by May 3 and surpassed the five-year average rate of 38 percent complete. The tremendous efficiency of U.S. farmers is reflected in the fact that total corn planting could progress by more than 35 percent in one week's time, from 19 percent the prior week to 55 percent complete. Such progress increases the prospects of the average U.S. yield meeting or exceeding trend-line yields. Of course, planting progress is not the only, or even the dominant, factor in determining the success of final production.

Current soil moisture levels are favorable across the U.S. Corn Belt and that also increases probabilities for a successful crop, assuming favorable moisture levels remain throughout the growing season. Last year the planting pace of U.S. corn was only 28 percent complete by May 3 due to heavy rains, which acts as a constraint on this season's five-year average planting rate. Similarly, a window of time also opened last year and the five-year average was surpassed before the planting season was complete. Then, the soil moisture levels and temperatures continued to remain favorable through the entire growing season to produce an average yield well above trend. Present conditions increase the probabilities that such a scenario could happen again, but there is a vulnerability in treating increased probabilities as certainties.

Throughout history the probability of having corn yields significantly above trend has been less than 20 percent. This season's planting progress, present weather and seed varieties presumably increase that prospect. But even if that probability is doubled or tripled, it still seems unwise to sell at present price levels and then say, "prove me wrong." Multiple end-users of corn are aware of the opportunity that is being offered with the average corn price below \$4.00 per bushel out through December of 2016.

CBOT JULY CORN FUTURES



Source: Prophet X

Current Market Values:

Futures Price Performance: Week Ending May 8, 2015			
Commodity	8-May	1-May	Net Change
Corn			
May 15	358.50	359.75	-1.25
Jul 15	363.00	363.00	0.00
Sep 15	368.50	369.75	-1.25
Dec 15	378.25	380.25	-2.00
Soybeans			
May 15	984.50	968.50	16.00
Jul 15	976.25	964.75	11.50
Aug 15	969.50	959.00	10.50
Sep 15	957.00	946.75	10.25
Soymeal			
May 15	315.20	314.70	0.50
Jul 15	313.40	311.90	1.50
Aug 15	310.80	310.40	0.40
Sep 15	308.70	308.80	-0.10
Soyoil			
May 15	32.80	31.44	1.36
Jul 15	32.96	31.58	1.38
Aug 15	32.98	31.62	1.36
Sep 15	32.99	31.65	1.34
SRW			
May 15	476.50	470.00	6.50
Jul 15	481.50	474.00	7.50
Sep 15	489.25	482.75	6.50
Dec 15	506.25	500.75	5.50
HRW			
May 15	510.50	493.25	17.25
Jul 15	508.50	500.50	8.00
Sep 15	518.00	510.50	7.50
Dec 15	534.50	530.00	4.50
MGEX (HRS)			
May 15	528.50	520.25	8.25
Jul 15	541.00	534.50	6.50
Sep 15	552.75	545.00	7.75
Dec 15	567.50	557.75	9.75

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

U.S. WEATHER/CROP PROGRESS

U.S. Crop Planting Progress				
Commodity	3-May-15	Last Week	Last Year	2010-14 Average
Corn	55%	19%	28%	38%
Sorghum	29%	24%	28%	28%
Barley	75%	56%	44%	47%

Source: USDA

U.S. Drought Monitor Weather Forecast: For the upcoming period of May 8-11, a large, slow-moving system will churn out into the country's mid-section, bringing with it potentially heavy rains on the order of 2-4 inches. These widespread rains are forecasted along the Front Ranges of Colorado and Wyoming and into most of the Great Plains and Midwest. Temperatures are expected to be well above normal in the Pacific Northwest (3-9 degrees F) and east of the Mississippi (3-9 degrees F). Well below-normal temperatures are likely (6-15 degrees F) in southern California, the Great Basin, the Rocky Mountains and Front Range, the northern Plains and up into Minnesota and western Wisconsin.

For the 10-day period, above-normal temperatures are expected across the Pacific Northwest (including Montana) and the Atlantic Seaboard. Below-normal readings are expected for most of California, the Four-Corner region, the central and southern Plains and the Midwest. As for precipitation, below-normal rainfall is more likely in the northern and central Plains, the Midwest and Ohio Valley. The prospects for above-normal precipitation are located across the Great Basin, Desert Southwest, Texas and the Gulf Coast region. 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 30, 2015					
Commodity	Gross Sales (MT)	Exports (MT)	YTD Exports (000MT)	YTD Bookings (000MT)	% Change YTD Bookings
Wheat	105,500	286,200	20,767.6	23,078.2	-27%
Corn	1,026,900	1,135,200	27,977.0	41,158.6	-7%
Sorghum	7,200	225,800	6,139.7	8,070.9	107%
Barley	2,600	900	127.2	148.7	-18%

Source: USDA, World Perspectives, Inc.

Corn: Net sales of 841,800 MT for delivery in 2014/15 were up 1 percent from the previous week and 15 percent from the prior four-week average. Increases were reported for Taiwan (277,900 MT, including 18,000 MT switched from China and decreases of 1,100 MT), Mexico (203,300 MT), Japan (163,400 MT, including 78,500 MT switched from unknown destinations and decreases of 38,900 MT), South Korea (126,000 MT, including 65,000 MT switched from China and decreases of 9,500 MT), Colombia (109,600 MT, including 91,000 MT switched from unknown destinations and decreases of 2,000 MT) and Honduras (27,900 MT, including 19,100 MT switched from unknown destinations). Decreases were reported for China (83,000 MT),

unknown destinations (24,400 MT) and Canada (3,800 MT). Net sales of 55,400 MT for 2015/16 were reported for Japan (50,000 MT), unknown destinations (3,400 MT) and the Leeward Islands (2,000 MT). Exports of 1,135,200 MT were down 11 percent from the previous week, but up 4 percent from the prior four-week average. The primary destinations were Japan (400,100 MT), Mexico (206,100 MT), Colombia (176,800 MT), South Korea (134,600 MT) and Taiwan (60,800 MT).

Barley: Net sales of 2,600 MT for 2014/15 were reported for South Korea (2,000 MT) and Taiwan (600 MT). Exports of 900 MT were reported to Taiwan (700 MT) and Canada (200 MT).

Sorghum: Net sales reductions of 1,700 MT for 2014/15 resulted as increases for China (107,500 MT, switched from unknown destinations) and Japan (300 MT), were more than offset by decreases for unknown destinations (109,400 MT). Net sales of 112,000 MT for 2015/16 were reported for unknown destinations (58,000 MT) and China (54,000 MT). Exports of 225,800 MT were up 41 percent from the previous week, but down 1 percent from the prior four-week average. The destinations were China (216,500 MT) and Japan (9,300 MT).

U.S. Export Inspections: Week Ending April 30, 2015					
Commodity (MT)	Export Inspections		Current Market YTD	Previous YTD	YTD as Percent of Previous
	Current Week	Previous Week			
Corn	1,051,078	1,361,125	27,654,107	29,243,735	95%
Sorghum	274,897	160,734	6,776,482	3,021,027	224%
Soybeans	172,066	311,866	45,974,824	41,454,078	111%
Wheat	325,930	553,228	21,070,272	29,004,108	73%
Barley	0	24	162,538	159,687	102%

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 30, 2015						
Last Week	YC	% of Total	WC	% of Total	Sorghum	% of Total
Gulf	696,097	69%	36,702	99%	272,179	99%
PNW	172,773	17%	195	1%	0	0%
Lakes	10,557	1%	0	0%	0	0%
Atlantic	4,721	0%	0	0%	0	0%
Interior Export Rail	130,033	13%	0	0%	2,718	1%
Total (Metric Tons)	1,014,181	100%	36,897	100%	274,897	100%
White Corn Shipments by Country (MT)			30,156	to Mexico		
			6,546	to Honduras		
			195	to Korea		
Total White Corn (MT)			36,897			
Sorghum Shipments					218,118	to China



by Country (MT)						
					47,500	to Sudan
					9,255	to Japan
					24	to Korea
Total Sorghum (MT)					274,897	

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 May	+0.75 N	\$172.43	-	-
FH June	+0.73 N	\$171.64	+0.91 N	\$178.73
June	+0.72 N	\$171.25	+0.91 N	\$178.73
July	+0.68 N	\$169.68	+0.91 N	\$178.73

#2 White Corn (U.S. \$/MT FOB Vessel)			
Max. 15.0% Moisture	May	June	July
Gulf	\$200	\$200	\$200

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	\$263.17	+3.10 K	\$263.17
July	+2.50 Z	\$247.33	+2.50 Z	\$247.33
August	+2.50 Z	\$247.33	+2.30 Z	\$239.45

Barley: Feed Barley (FOB USD/MT)			
	May	June	July
FOB PNW	\$240	\$240	\$240

Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. \$/MT)			
	May	June	July
New Orleans	\$142.50	\$142.50	\$142.50
Quantity 5,000 MT			
Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT)			
Bulk 60% Pro.	May	June	July

New Orleans	\$682.50	\$682.50	\$682.50
*5-10,000 MT Minimum			

*All prices are market estimates.

DDGS Price Table: May 8, 2015 (USD/MT) (Quantity, availability, payment and delivery terms vary)			
Delivery Point Quality Min. 35% Pro-fat combined	May	Jun.	Jul.
Barge CIF New Orleans	231	230	226
FOB Vessel GULF	240	239	235
Rail delivered PNW	241	241	236
Rail delivered California	238	237	234
Mid-Bridge Laredo, TX	234	233	230
40 ft. Containers to South Korea (Busan)	281	279	278
40 ft. Containers to Taiwan (Kaohsiung)	282	280	277
40 ft. Containers to Philippines (Manila)	301	298	296
40 ft. Containers to Indonesia (Jakarta)	295	293	292
40 ft. Containers to Malaysia (Port Kelang)	297	295	294
40 ft. Containers to Vietnam (HCMC)	296	294	292
40 ft. Containers to Japan (Yokohama)	291	288	286
40 ft. containers to Thailand (LCMB)	287	286	284
40 ft. Containers to Shanghai, China	278	276	274
KC & Elwood, IL Rail Yard (delivered Ramp)	223	221	219

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: Buyers have been observing some differences in price action this past week between the Chicago corn futures contracts and cash DDGS prices. For example, nearby corn futures contracts tested price support and attempted to break through to lower levels. However, the selling of corn futures by speculators has been increasingly met by global end-users who seem to perceive favorable prices that extend out into the future. Growing interest in such activity is one reason that DDGS prices were steady to firmer this past week. Both domestic and containerized rates averaged unchanged to only \$1/MT higher, but the rate for bulk DDGS was up about \$7/MT at the Gulf of Mexico. Another attractive feature of the containerized rates is that they decline on average by approximately \$7/MT from May to July. The rate for bulk DDGS to the Gulf of Mexico similarly decline by about \$6/MT over that same time period, and even the domestic rates decline by about \$4/MT. This condition seems to be incentivizing DDGS buyers to extend some coverage into the future. One merchandiser noted that he sold over 18,000 MT this past week with prices as follows:

- Qingdao: \$268 June-July;
- Busan: \$264 June-August;

- Lat Krabang: \$272; and,
- Haiphong: \$282.

A number of Chinese buyers would like to see if still lower DDGS prices can be obtained, as there is some uncertainty regarding the stability of Chinese demand and import policies by their own government. The result is that a number of buyers from China and other destinations such as Vietnam are patiently waiting – but they all seem to appreciate DDGS merchandisers keeping them informed of developing market conditions.

Ethanol Comments: Ethanol stocks remained unchanged from the prior week at 20.8 million barrels, but that condition may soon change because of the decline in seasonal downtime for maintenance. Production for the week ending May 1 fell to an average daily rate of 887,000 barrels per day (bpd), well below the prior week's average rate of 921,000 bpd and even below the year-ago level of 894,000 bpd. In the meantime, the differential between the price of corn and the spot price of corn and co-products improved slightly across the Corn Belt during week ending May 8, 2015:

- Illinois differential is \$2.59 per bushel in comparison to \$2.52 the prior week and \$3.19 a year ago.
- Iowa differential is \$2.30 per bushel in comparison to \$2.23 the prior week and \$3.01 a year ago.
- Nebraska differential is \$2.18 per bushel in comparison to \$2.11 the prior week and \$2.83 a year ago.
- South Dakota differential is \$2.53 per bushel in comparison to \$2.49 the prior week and \$3.47 a year ago.

COUNTRY NEWS

China: Falling global corn prices could incentivize an increase of corn imports into China as the prices of domestic corn remain high, reports Reuters. The disparity between international and domestic prices stands at \$16/MT. China currently permits 7.2 MMT of annual corn imports at a 1 percent tariff, which is almost universally purchased by large state-owned concerns, which forces the private sector to buy their corn from more expensive domestic sources. China's state corn reserves are currently holding a record 150 MMT, which is equivalent to eight months' consumption.

Ukraine: Agriculture Minister Oleksiy Pavlenko announced that Ukraine is unlikely to export more than 32 MMT of grain in 2014/15, which is down from an earlier forecast of 37 MMT, reports Reuters. For comparison, Ukraine exported 32.8 MMT in the 2013/14 season. The 2014 grain harvest was a record 63.8 MMT and as of April 30, had exported 29.3 MMT (2.6 MMT in April), which included 1.95 MMT of corn. Pavlenko indicated in his comments that high volumes of corn could be exported over the next couple of months.

Zimbabwe: The government is distributing grain from its stockpiles and has announced plans to import \$700 million worth of grain for human and livestock consumption following a drought that has badly damaged this year's crop, according to Bloomberg News. Zimbabwe consumes around 1.7 MMT of corn annually and will likely need to import 700,000 MT before the harvest in March 2016. Agriculture Minister Joseph Made announced that the government intends to work with private millers for grain purchases and is not immediately seeking food aid from the international community. The corn harvest for the entire region of southern Africa is estimated by the FAO to be 26 percent lower than it was in 2014.

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	\$30.25	Down \$0.50	Handymax at \$31.00/MT
55,000 U.S. PNW-Japan	\$16.25	Down \$0.75	Handymax at \$17.00/MT
55,000 U.S. Gulf-China	\$29.00	Down \$0.50	North China
PNW to China	\$15.00	Down \$1.00	
25,000 U.S. Gulf-Veracruz, México	\$14.00	Down \$0.50	3,000 MT daily discharge rate
35-40,000 U.S. Gulf-Veracruz, México	\$11.50	Down \$0.50	Deep draft and 8,000 MT per day discharge rate.
25/35,000 U.S. Gulf-East Coast Colombia, from Argentina	\$12.50 \$23.50	Down \$0.25 Down \$0.50	West Coast Colombia at \$19.75
36-40,000 U.S. Gulf-Guatemala	\$20.25	Unchanged	Acajutla/Quetzal - 8,000 out
25-30,000 U.S. Gulf-Algeria	\$28.00 \$29.50	Down \$0.50 Down \$0.50	8,000 MT daily discharge 3,000 MT daily discharge
25-30,000 U.S. Gulf-Morocco	\$27.00	Down \$0.50	5,000 discharge rate
55,000 U.S. Gulf-Egypt	\$23.50	Down \$0.50	55,000 -60,000 MT St. Lawrence to Egypt \$24.00
PNW to Egypt	\$23.00	Down \$0.50	
60-70,000 U.S. Gulf-Europe-Rotterdam	\$14.00	Unchanged	Handymax at +\$1.50 more
Brazil, Santos-China	\$24.00 \$22.00	Down \$1.00 Down \$0.75	54-58,000 Supramax-Panamax 60-66,000 Post Panamax
56-60,000 Argentina-China Upriver with Top-Off	\$30.25	Down \$0.75	—

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: The conversations in global ocean freight markets have turned from "are things turning around yet?" to "have the markets reached bottom yet?" and most of the past optimism seems to have faded. Goldman Sachs put out a news story yesterday that projected that dry-bulk cargo rates would not see an end to their down-turn until 2020. They noted that the daily charter rate for a Capesize vessel has fallen from a high of over \$100,000/day in 2008 to less than \$10,000/day, while the average utilization rate of the dry bulk shipping fleet is set to decline from around 90 percent between 2008 and 2010 to 70 percent over 2015-2019. This infers that we have at least a 20-25

percent oversupply of dry-bulk vessels in the world fleet. The world container fleet is probably in worse shape as it continues to expand without regard to oversupply. The Baltic Indices fell back again this week and appear to be heading back to previous three-year lows.

Baltic Panamax Dry-Bulk Indices				
May 8, 2015	This Week	Last Week	Difference	Percent Change
Route				
P2A: Gulf/Atlantic – Japan	9,323	10,104	-781	-7.7%
P3A: PNW/Pacific– Japan	3,907	4,213	-386	-7.3%

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:

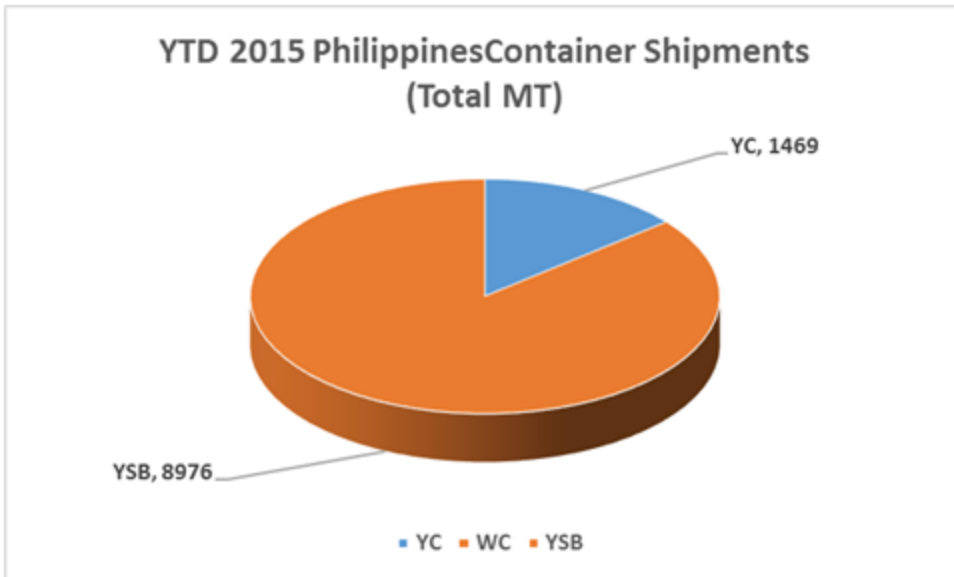
Week of May 8, 2015	
Four weeks ago:	\$4.30-\$4.35
Three weeks ago:	\$4.35-\$4.50
Two weeks ago:	\$4.40-\$4.50
One week ago:	\$4.40-\$4.50
This week:	\$4.40-\$4.65

Source: O'Neil Commodity Consulting

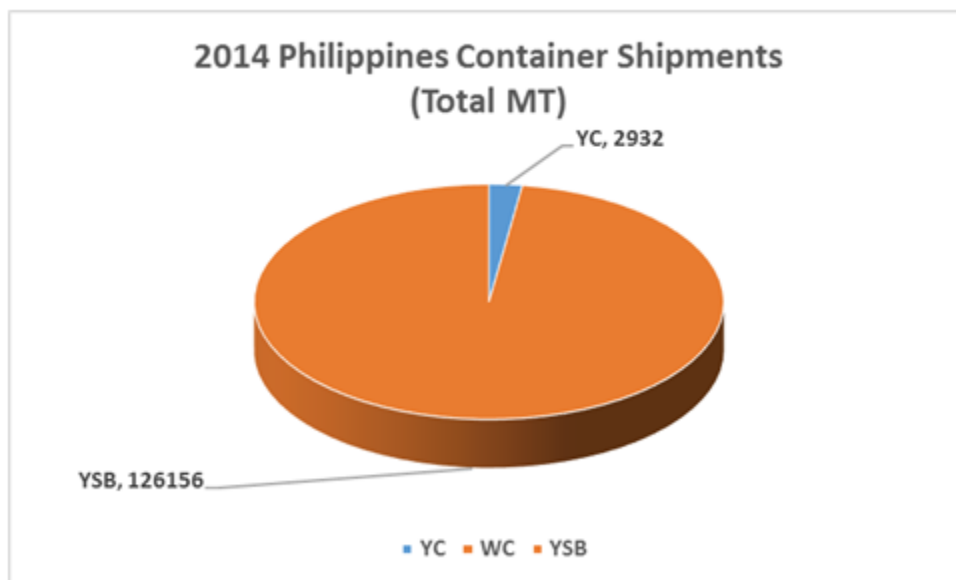
U.S. – Asia Market Spreads					
May 8, 2015	PNW	Gulf	Bushel Spread	MT Spread	Advantage
# 2 Corn	0.96	0.73	0.23	\$9.05	PNW
Soybeans	1.20	0.80	0.40	\$15.75	Gulf
Ocean Freight	\$15.00	\$29.00	0.35-0.38	(\$14.00)	June

Source: O'Neil Commodity Consulting

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



Source: O'Neil Commodity Consulting



Source: O'Neil Commodity Consulting

International Freight Rates for Feed Grains – Select Routes Estimated Spot Price (\$/MT) (Week Ending April 17)								
Commodity	Origins	China	Japan	Korea	Colombia	Morocco	Egypt	Saudi Arabia
Corn (Yellow)	Argentina	\$28.50	\$31	\$29.50	\$25	\$26	\$24	-
	Brazil	\$22	\$24.50	\$23	\$21	\$20	\$18	-
Corn (White)	Argentina	\$28.50	\$31	\$29.50	\$25	\$26	\$24	-
	Brazil	\$22	\$24.50	\$23	\$21	\$20	\$18	-
Barley	Argentina	\$28.50	\$31	\$29.50	\$25	\$26	\$24	-
	Brazil	\$22	\$24.50	\$23	\$21	\$20	\$18	-
Sorghum	Argentina	\$28.50	\$31	\$29.50	\$25	\$26	\$24	-
	Brazil	\$22	\$24.50	\$23	\$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 (%): May 6, 2015			
	Current Week	Last Week	Last Month
U.S. Prime	3.25	3.25	3.25
LIBOR (6 month)	0.41	0.41	0.40
LIBOR (1 year)	0.72	0.71	0.69

Source: www.bankrate.com