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CHICAGO BOARD OF TRADE MARKET NEWS

Week in Review: CME Corn July Contract

\$/Bu	Monday 11 May	Tuesday 12 May	Wednesday 13 May	Thursday 14 May	Friday 15 May
Change	-0.0250	0.0050	0.0125	0.0575	-0.0250
Closing Price	3.6050	3.6100	3.6225	3.6800	3.6550
Factors Affecting the Market	The July corn contract closed weaker; partly because traders expected that USDA data would show another week of active corn planting.	Corn contracts found support after the May WASDE estimated that U.S. corn ending stocks in 2015/16 would decline.	Bearish momentum stabilized and July corn was reluctant to trade below \$3.60 per bushel.	A sudden upward rebound in wheat futures and recent price stability combined to enable corn contracts to work higher.	Commercial end-users of corn seem willing to buy corn at current price levels and unwilling to chase prices higher.

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.

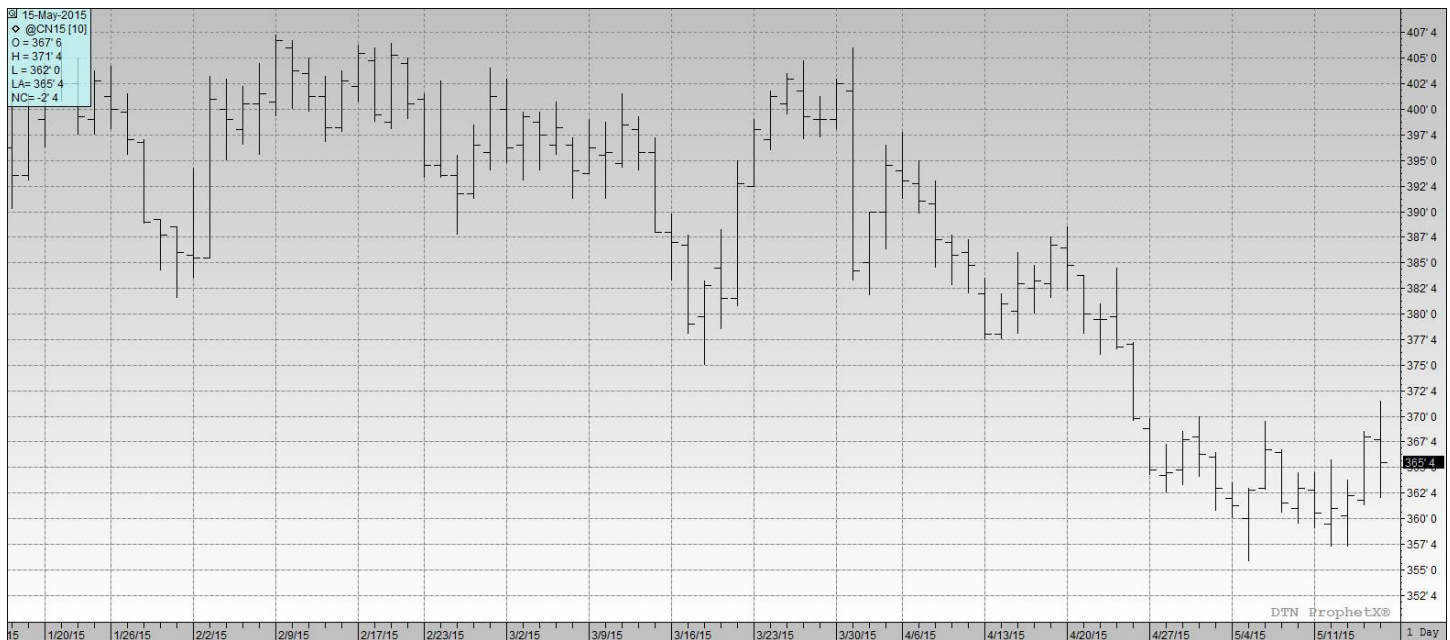
The U.S. Grains Council is a private, non-profit partnership of producers and agribusinesses committed to building and expanding international markets for U.S. barley, corn, grain sorghum and their products. The Council is headquartered in Washington, D.C. and has nine international offices that oversee 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 first estimates of 2015/16 crops in the May 12 WASDE report. U.S. ending stocks are expected to decline slightly for both corn and sorghum during the 2015/16 season, which will begin on September 1 for each of these crops.

The current 2014/15 season is forecast to close with U.S. ending stocks of corn at 1.851 billion bushels. The 2015/16 corn crop, that is currently being planted, is tentatively estimated to produce an average yield of 166.8 bushels per acre. This is a sizable yield, but down 4.2 bushels per acre from last year. Reduced yield and acreage is forecast to produce a smaller corn crop than last fall's record, but that is basically offset by the sizable corn stocks that are being carried over from this season.

The comfortable carryover of feed grains reserves from this season into the 2015/16 crop year is anticipated to result in a slight increase in global supplies. However, USDA notes that this is dependent on both the United States and China each producing another large crop. The May WASDE specifically states that 90 percent of the variability in U.S. corn yields is determined by precipitation and temperatures during the month of July.

CBOT JULY CORN FUTURES



Source: Prophet X

Current Market Values:

Futures Price Performance: Week Ending May 15, 2015			
Commodity	8-May	1-May	Net Change
Corn			
Jul 15	365.50	363.00	2.50
Sep 15	372.50	368.50	4.00
Dec 15	382.75	378.25	4.50
Mar 16	393.50	389.50	4.00
Soybeans			
Jul 15	953.25	976.25	-23.00
Aug 15	946.50	969.50	-23.00
Sep 15	937.00	957.00	-20.00
Nov 15	934.50	952.00	-17.50
Soymeal			
Jul 15	303.30	313.40	-10.10
Aug 15	301.20	310.80	-9.60
Sep 15	299.50	308.70	-9.20
Oct 15	297.10	305.50	-8.40
Soyoil			
Jul 15	33.07	32.96	0.11
Aug 15	33.12	32.98	0.14
Sep 15	33.16	32.99	0.17
Oct 15	33.17	32.97	0.20
SRW			
Jul 15	511.00	481.50	29.50
Sep 15	517.50	489.25	28.25
Dec 15	532.00	506.25	25.75
Mar 16	546.25	522.25	24.00
HRW			
Jul 15	541.75	508.50	33.25
Sep 15	551.25	518.00	33.25
Dec 15	567.75	534.50	33.25
Mar 16	580.00	547.50	32.50
MGEX (HRS)			
Jul 15	561.25	541.00	20.25
Sep 15	572.75	552.75	20.00
Dec 15	587.25	567.50	19.75
Mar 16	600.25	581.75	18.50

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

U.S. WEATHER/CROP PROGRESS

U.S. Crop Planting Progress				
Commodity	10-May-15	Last Week	Last Year	2010-14 Average
Corn	75%	55%	55%	57%
Sorghum	32%	29%	35%	33%
Barley	88%	75%	54%	58%

Source: USDA

U.S. Drought Monitor Weather Forecast: Over the next seven days, temperatures over the eastern United States are anticipated to be above-normal with departures of up to 6 degrees. Most of the rest of the United States will have temperatures at or below normal, with the greatest departures (up to 9 degrees below normal) over the west coast. An active pattern looks to continue over much of the Plains states and into the Southeast. Precipitation forecast amounts of more than 6 inches are being projected over east Texas and up to 3 inches through the Dakotas. The latest seven-day projections have precipitation chances over almost the entire country.

The 10-day outlooks show the likelihood of above-normal temperatures over the southeast and Pacific Northwest, while there are above-normal chances of temperatures being below normal through the Plains, Midwest and Southwest. There are below-normal chances of precipitation over the upper Midwest and Great Lakes regions. A good portion of the United States has above-normal chances of seeing precipitation above normal, with the best chances over the Southeast and Great Basin. 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 May 7, 2015					
Commodity	Gross Sales (MT)	Exports (MT)	YTD Exports (000MT)	YTD Bookings (000MT)	% Change YTD Bookings
Wheat	133,200	297,500	21,065.1	23,193.6	-27%
Corn	645,700	1,109,300	29,086.4	41,528.7	-7%
Sorghum	40,800	165,800	6,305.4	8,111.2	104%
Barley	*	500	127.7	148.7	-19%

Source: USDA, World Perspectives, Inc.

Corn: Net sales of 370,000 MT for delivery in 2014/15--a marketing-year-low--were down 56 percent from the previous week and 53 percent from the prior four-week average. Increases were reported for Japan (189,400 MT, including 137,800 MT switched from unknown destinations and decreases of 8,400 MT), Saudi Arabia (144,700 MT, including 75,800 MT switched from unknown destinations and decreases of 100 MT), Mexico (121,900 MT), Colombia (108,600 MT, including 30,800 MT switched from unknown destinations and decreases of 300 MT), Taiwan (78,700 MT) and Guatemala (41,200 MT, including 38,200 MT switched from unknown destinations). Decreases were reported for unknown destinations (245,600 MT), Iran (66,000 MT) and South Korea (60,200 MT). Net sales of 2,600 MT for 2015/16 resulted as increases for Jamaica (8,600

MT), were partially offset by decreases for Nicaragua (6,000 MT). Exports of 1,109,300 MT were down 2 percent from the previous week, but up 3 percent from the prior four-week average. The primary destinations were Japan (358,400 MT), Mexico (217,100 MT), South Korea (114,200 MT), Colombia (110,100 MT), Saudi Arabia (75,700 MT) and Peru (43,700 MT).

Barley: There were no sales reported during the week. Exports of 500 MT were reported to Japan (300 MT) and Taiwan (200 MT).

Sorghum: Net sales of 40,300 MT for 2014/15 resulted as increases for China (153,300 MT, including 113,000 MT switched from unknown destinations and decreases of 500 MT), were partially offset by decreases for unknown destinations (113,000 MT). Net sales of 108,000 MT for 2015/16 were reported for China (54,000 MT) and unknown destinations (54,000 MT). Exports of 165,800 MT were down 27 percent from the previous week and 31 percent from the prior four-week average. The destination was China.

U.S. Export Inspections: Week Ending May 7, 2015

Commodity (MT)	Export Inspections		Current Market YTD	Previous YTD	YTD as Percent of Previous
	Current Week	Previous Week			
Corn	1,135,906	1,055,889	28,804,304	30,464,069	95%
Sorghum	171,730	278,807	6,952,122	3,098,910	224%
Soybeans	263,263	172,556	46,238,577	41,694,523	111%
Wheat	378,407	325,930	21,448,679	29,633,754	72%
Barley	0	0	162,538	197,196	82%

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 May 7, 2015

Last Week	YC	% of Total	WC	% of Total	Sorghum	% of Total
Gulf	856,920	79%	50,285	100%	169,967	99%
PNW	63,276	6%	0	0%	0	0%
Lakes	14,206	1%	0	0%	0	0%
Atlantic	0	0%	0	0%	0	0%
Interior Export Rail	151,219	14%	0	0%	1,763	1%
Total (Metric Tons)	1,085,621	100%	50,285	100%	171,730	100%
White Corn Shipments by Country (MT)			21098	to New Zealand		
			20,624	to Mexico		
			5,500	to El Salvador		
			3,063	to Japan		
Total White Corn (MT)			50,285			
Sorghum Shipments by Country (MT)					167,520	to China



					4,210	to Ethiopia
Total Sorghum (MT)					171,730	

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)
FH June	+0.75 N	\$173.43	+0.96 N	\$181.68
LH June	+0.74 N	\$173.02	+0.96 N	\$181.68
June	+0.80 N	\$175.38	+0.95 N	\$181.29
July	+0.74 N	\$173.02	+0.88 N	\$178.53

#2 White Corn (U.S. \$/MT FOB Vessel)			
Max. 15.0% Moisture	June	July	August
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
June	+2.80 N	\$254.12	+2.80 N	\$254.12
July	+2.50 Z	\$249.10	+2.50 Z	\$249.10
August	+2.50 Z	\$249.10	+2.30 Z	\$241.23

Barley: Feed Barley (FOB USD/MT)			
	June	July	August
FOB PNW	\$235	\$235	\$235

Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. \$/MT)			
	June	July	August
New Orleans	\$140	\$142.50	\$142.50
<i>Quantity 5,000 MT</i>			
Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT)			
Bulk 60% Pro.	June	July	August
New Orleans	\$678	\$682.50	\$682.50
<i>*5-10,000 MT Minimum</i>			

*All prices are market estimates.

DDGS Price Table: May 15, 2015 (USD/MT) (Quantity, availability, payment and delivery terms vary)			
Delivery Point Quality Min. 35% Pro-fat combined	Jun.	Jul.	Aug.
Barge CIF New Orleans	231	231	226
FOB Vessel GULF	241	241	236
Rail delivered PNW	250	250	248
Rail delivered California	248	248	243
Mid-Bridge Laredo, TX	240	240	240
40 ft. Containers to South Korea (Busan)	287	282	282
40 ft. Containers to Taiwan (Kaohsiung)	290	280	280
40 ft. Containers to Philippines (Manila)	305	295	295
40 ft. Containers to Indonesia (Jakarta)	299	297	297
40 ft. Containers to Malaysia (Port Kelang)	302	300	300
40 ft. Containers to Vietnam (HCMC)	301	299	299
40 ft. Containers to Japan (Yokohama)	305	300	30
40 ft. containers to Thailand (LCMB)	292	289	289
40 ft. Containers to Shanghai, China	285	280	280
KC & Elwood, IL Rail Yard (delivered Ramp)	226	225	223

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 nearby rate for bulk DDGS at the Gulf of Mexico was unchanged, but the price in more distant months moved higher. Domestic buyers found that DDGS prices were higher by \$4/MT or more in all months into the future. Rail delivered rates to California were up the most, by more than \$10/MT. This domestic price action stood in contrast to the unchanged offers being presented to Asian buyers of containerized DDGS. One reason for this better offer to Asian buyers is because domestic purchasers are active primarily in the nearby spot market. DDGS merchandisers simply need to charge a higher rate when inventory flow is less certain.

Asian buyers seem to recognize that merchandisers are ready to work with them. As a result, one merchandiser reported that he was able to sell 13,400 MT to Vietnam, Taiwan, China and Korea for shipment from June through August.

Ethanol Comments: A favorable development this past week was a substantial decline of 17 percent in total U.S. ethanol stocks compared to the year-ago level. This is important because ethanol prices tend to be weighed down whenever stocks are larger than the year-ago level by more than 20 percent. Further good news is found in the fact that weekly stocks declined by 2.2 percent, to 20.3 million barrels. This decline in ethanol stocks occurred while daily average production increased to a rate of 912,000 barrels per day (bpd).

This does not seem to be an aggressive production rate as it is the same as the four-week average and below the year-ago production level of 922,000 bpd.

In the immediate near-term, there is unlikely to be any substantial increase in ethanol production because the differentials between the spot price of corn and the co-products gives little indication of improved financial conditions for ethanol producers in primary regions of the U.S. Corn Belt. Those differentials are as follows for week ending May 15, 2015:

- Illinois differential is \$2.49 per bushel in comparison to \$2.59 the prior week and \$3.45 a year ago.
- Iowa differential is \$2.39 per bushel in comparison to \$2.30 the prior week and \$3.27 a year ago.
- Nebraska differential is \$2.18 per bushel in comparison to \$2.18 the prior week and \$3.10 a year ago.
- South Dakota differential is \$2.61 per bushel in comparison to \$2.53 the prior week and \$3.74 a year ago.

COUNTRY NEWS

Africa: The UN's World Food Program has announced that Zimbabwe is likely to face large food security issues this year as it has lost 300,000 hectares of its corn crop (23 percent of land under cultivation) due to mid-season droughts, reports Bloomberg News. Furthermore, Malawi, Mozambique and Madagascar are also facing food shortages. Botswana's crop has been described as showing signs of "total failure."

Further, South Africa (the continent's largest corn producer) is currently undergoing its worst drought since 1992, which is inflicting a potential 32 percent drop in corn production and has caused yellow corn prices to jump by 12 percent. South Africa is traditionally a major supplier of corn for southern Africa, and its troubles could ripple across the region. Reuters is reporting that South Africa is likely to import GM corn from Brazil and Argentina to supplement drought-blighted domestic supplies.

Argentina: Construction workers at the grain exporting hub of Rosario blocked truck delivery access to some terminals earlier this week in an effort to disrupt grain flow, according to Reuters. The cause of the strike was the suspension of a major construction project that impacted 1,300 workers. The strike comes at a time of the year when grain exports are high during the middle of the corn harvest, but protests would have to be long in duration to have a major impact as the ports generally have large stocks on hand.

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	\$30.00	Down \$0.25	Handymax at \$30.75/MT
55,000 U.S. PNW-Japan	\$16.25	Unchanged	Handymax at \$17.00/MT
55,000 U.S. Gulf-China	\$28.75	Down \$0.25	North China
PNW to China	\$15.25	Up \$0.25	
25,000 U.S. Gulf-Veracruz, México	\$14.00	Unchanged	3,000 MT daily discharge

			rate
35-40,000 U.S. Gulf-Veracruz, México	\$11.50	Unchanged	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	Unchanged Unchanged	West Coast Colombia at \$20.00
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	Unchanged	8,000 MT daily discharge 3,000 MT daily discharge
25-30,000 U.S. Gulf-Morocco	\$27.00	Unchanged	5,000 discharge rate
55,000 U.S. Gulf-Egypt PNW to Egypt	\$23.50 \$24.00	Unchanged Up \$1.00	55,000 -60,000 MT St. Lawrence to Egypt \$24.00
60-70,000 U.S. Gulf-Europe-Rotterdam	\$14.50	Up \$0.50	Handymax at +\$1.50 more
Brazil, Santos-China	\$23.00	Down \$1.00	54-58,000 Supramax-
Itacoatiara Port up river Amazonia-China	\$21.75 \$31.00	Down \$0.25 -	Panamax 60-66,000 Post Panamax
56-60,000 Argentina-China Upriver with Top-Off	\$29.25	Down \$1.00	—

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: I cannot say that world ocean freight markets really did much this week. It was mostly a continuing situation of sailing in circles. The Capesize iron ore market did rally about \$1.00/MT on the western Australia-to-China route, but other markets just tried to limit the negative news. Most news stories continue to discuss the oversized fleet and how much time it will take to soak up the excess of ships. The uncertainty over the world economic picture just makes the calculations all the more difficult.

Baltic Panamax Dry-Bulk Indices				
May 15, 2015	This Week	Last Week	Difference	Percent Change
Route				
P2A: Gulf/Atlantic – Japan	8,723	9,323	-600	-6.4%
P3A: PNW/Pacific– Japan	4,634	3,907	727	18.6%

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:

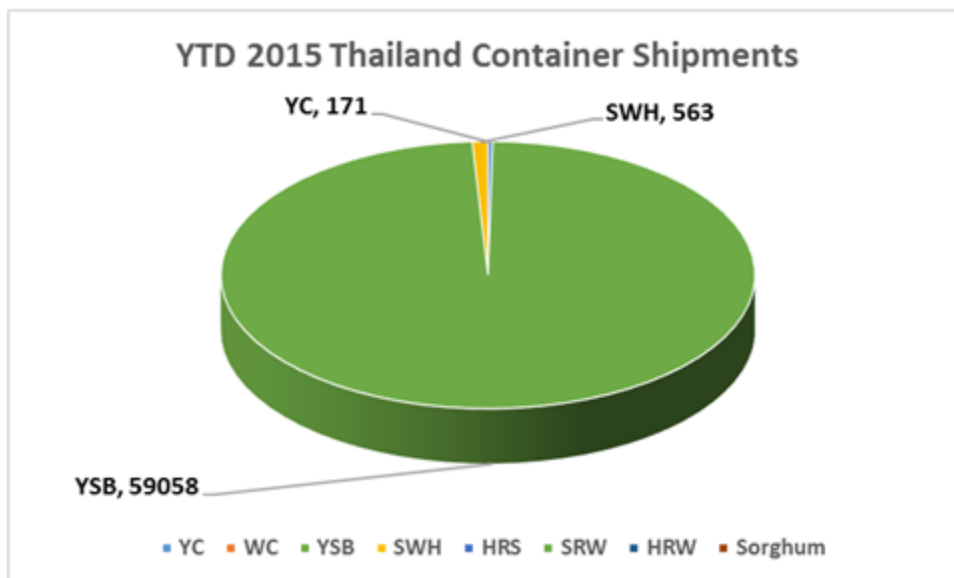
Week of May 15, 2015	
Four weeks ago:	\$4.35-\$4.50
Three weeks ago:	\$4.40-\$4.50
Two weeks ago:	\$4.40-\$4.50
One week ago:	\$4.40-\$4.65
This week:	\$4.80-\$5.60

Source: O'Neil Commodity Consulting

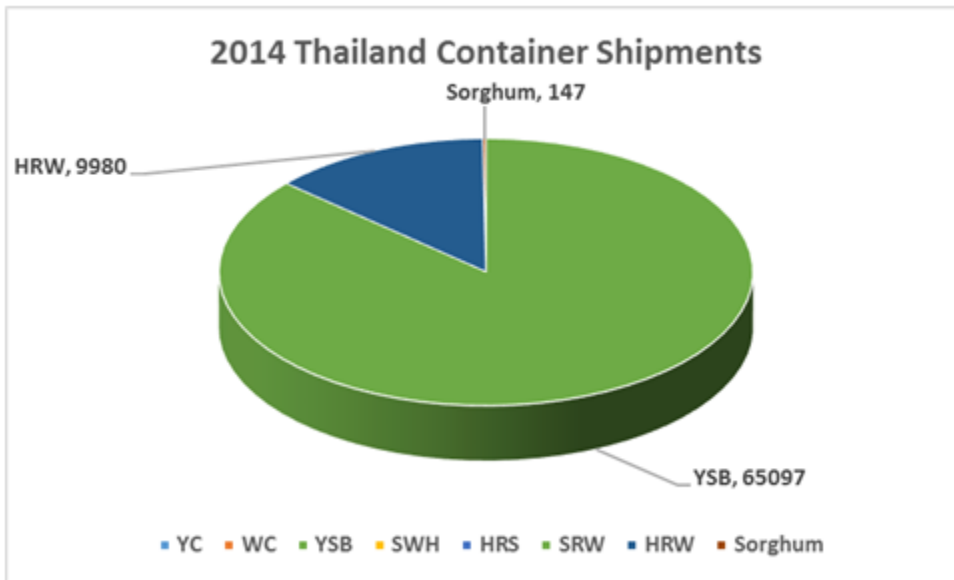
U.S. – Asia Market Spreads					
May 15, 2015	PNW	Gulf	Bushel Spread	MT Spread	Advantage
# 2 Corn	0.98	0.74	0.24	\$9.45	PNW
Soybeans	1.23	0.95	0.28	\$11.02	PNW
Ocean Freight	\$15.25	\$28.75	0.34-0.37	(\$13.50)	June

Source: O'Neil Commodity Consulting

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



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	\$30	\$33	\$31	\$26	\$26	\$24	-
	Brazil	\$23	\$25	\$24	\$22	\$20	\$18	-
Corn (White)	Argentina	\$30	\$33	\$31	\$26	\$26	\$24	-
	Brazil	\$23	\$25	\$24	\$22	\$20	\$18	-
Barley	Argentina	\$30	\$33	\$31	\$26	\$26	\$24	-
	Brazil	\$23	\$25	\$24	\$22	\$20	\$18	-
Sorghum	Argentina	\$30	\$33	\$31	\$26	\$26	\$24	-
	Brazil	\$23	\$25	\$24	\$22	\$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 13, 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)	0.73	0.72	0.69

Source: www.bankrate.com