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CHICAGO BOARD OF TRADE MARKET NEWS

Week in Review: CME Corn December Contract					
\$/Bu	Monday 29 June	Tuesday 30 June	Wednesday 1 July	Thursday 2 July	Friday 3 July
Change	0.0025	0.2925	0.0025	0.0550	-
Closing Price	4.0225	4.3150	4.3175	4.3725	-
Factors Affecting the Market	The December corn contract remained firmly above \$4.00 bu. but was hesitant to trade higher until Tuesday's release of acreage and stocks data.	USDA's acreage and stocks data was lower than the market expected and that enabled corn contracts to take another step higher.	The ability of the December contract to remain above \$4.25 bu. implied that higher prices are not just an impulsive reaction.	Corn contracts closed out the week with strong-looking charts. Weather forecasts will be the major price influence on Monday. No trade on Friday.	Independence Day Observed

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.

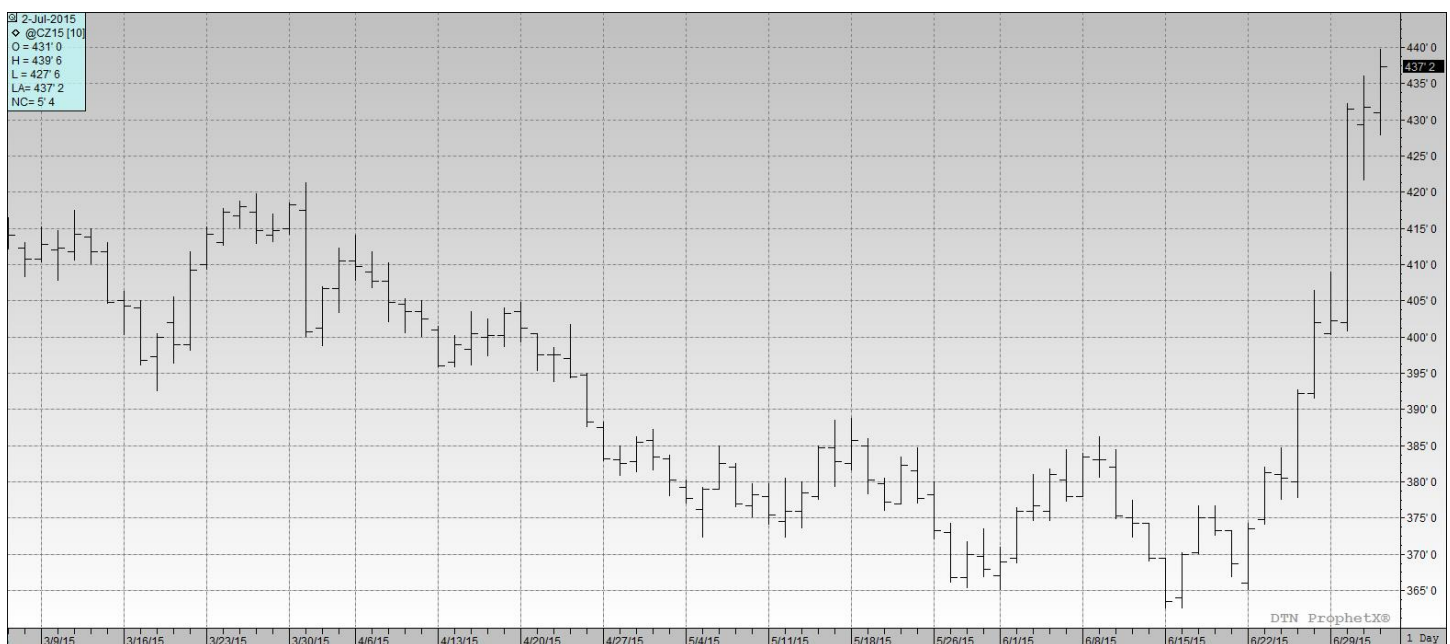
Outlook: Corn prices are being supported by an array of data that was released this past week. Data relating to U.S. corn condition was released on Monday in USDA's Crop Progress report. This data showed a further 3 percent decline in the good-to-excellent categories for average U.S. corn. The 68 percent rating this season is below last year's rating of 75 percent. The implication of potentially lower yields placed more emphasis upon the data for acreage and stocks that was released the next day.

Acreage data indicated that U.S. farmers planted 88.9 million acres of corn this summer. That amount is 2 percent below the year-ago level and it was below the average of what market analysts were expecting. The 24 percent increase in sorghum acreage to 8.84 million acres did not counteract concerns about the prospects of reduced corn production.

Corn stocks data showed that total U.S. supplies on June 1 were 15 percent large than the year-ago level, but the total 4.45 billion bushels in storage was below the average of market expectation of 4.512 billion bushels. Furthermore, the lower stocks level implied that corn usage during the March to May period was 3.3 billion bushels (bb.), which is above the year ago usage during that same period of 3.16 bb. This data largely alleviated concerns about potentially weaker demand due to factors such as the culling of 50 million poultry animals due to bird flu.

The composite of USDA data enabled corn the price of futures contracts to rebound this week that offer the majority of U.S. farmers an ability to secure profitable returns on their remaining old-crop corn stocks. Other global feed grain producers are expected to also increase their marketing rates.

CBOT DECEMBER CORN FUTURES



Source: Prophet X

Current Market Values:

Futures Price Performance: Week Ending July 2, 2015			
Commodity	2-July	26-June	Net Change
Corn			
Jul 15	419.75	385.00	34.75
Sep 15	428.50	392.50	36.00
Dec 15	437.25	402.00	35.25
Mar 16	446.50	412.75	33.75
Soybeans			
Jul 15	1045.25	1002.00	43.25
Aug 15	1038.25	997.75	40.50
Sep 15	1031.50	989.50	42.00
Nov 15	1030.25	986.00	44.25
Soymeal			
Jul 15	357.40	341.30	16.10
Aug 15	350.10	334.80	15.30
Sep 15	346.10	329.60	16.50
Oct 15	343.60	326.50	17.10
Soyoil			
Jul 15	33.36	33.22	0.14
Aug 15	33.48	33.31	0.17
Sep 15	33.56	33.38	0.18
Oct 15	33.68	33.46	0.22
SRW			
Jul 15	585.75	562.25	23.50
Sep 15	590.50	568.00	22.50
Dec 15	599.25	576.00	23.25
Mar 16	608.00	583.25	24.75
HRW			
Jul 15	576.00	559.25	16.75
Sep 15	591.75	569.00	22.75
Dec 15	611.25	588.50	22.75
Mar 16	623.50	601.50	22.00
MGEX (HRS)			
Jul 15	599.75	595.75	4.00
Sep 15	621.50	609.25	12.25
Dec 15	635.75	622.25	13.50
Mar 16	648.00	632.75	15.25

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

U.S. WEATHER/CROP PROGRESS

U.S. Crop Planting Progress

Commodity	28-June-15	Last Week	Last Year	2010-14 Average
Sorghum	93%	85%	92%	95%

Source: USDA

U.S. Crop Condition: July 2, 2014

	Very Poor	Poor	Fair	Good	Excellent
Corn	2%	6%	24%	54%	14%
Sorghum	3%	3%	26%	56%	12%
Barley	1%	4%	22%	58%	15%

Source: USDA

U.S. Drought Monitor Weather Forecast: Over the next seven days, a significant system will continue to push through the Tennessee River Valley, with the heaviest rains projected to be centered over southern Missouri, northern Arkansas and Tennessee where amounts could surpass 5 inches. In general, it looks to be a fairly active summer pattern over the United States, with many areas having the opportunity for rain. The central plains (up to 1.40 inches), southern Rocky Mountains (up to 2.0 inches), and south Texas (up to 1.60 inches) look to be the areas of the greatest precipitation potential. With the rain potential, temperatures over most of the country are expected to be 3-5 degrees below normal. The Pacific Northwest is the anomaly as dry conditions are expected to continue and daytime high temperatures are expected to be 12-15 degrees above normal.

The 10-day outlooks show that the best chances for below-normal temperatures are over the high plains and Midwest. The greatest chances of above-normal temperatures will continue to be in the Pacific Northwest as well as over much of the Gulf Coast and Florida. The greatest probability of above-normal precipitation will be from the Great Basin into the central plains and up into the northeast. Below-normal precipitation chances are greatest over the Gulf Coast and Florida, the northern high plains, and the Pacific Northwest. 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 June 25, 2015

Commodity	Gross Sales (MT)	Exports (MT)	YTD Exports (000MT)	YTD Bookings (000MT)	% Change YTD Bookings
Wheat	370,500	362,300	1,127.3	5,845.5	-25%
Corn	728,300	1,024,900	36,215.7	45,674.5	-3%
Sorghum	29,000	57,300	6,892.6	8,399.3	92%
Barley	-	500	1.7	8.5	-63%

Source: USDA, World Perspectives, Inc.

Corn: Net sales of 594,300 MT for delivery in 2014/15 were up 20 percent from the previous week and 14 percent from the prior four-week average. Increases were reported for Japan (162,500 MT, including 70,600 MT switched from unknown destinations and decreases of 84,700 MT), Mexico (157,700 MT), Egypt (109,100 MT, including 58,000 MT switched from unknown destinations), Colombia (66,100 MT), South Korea (61,500 MT, including 60,000 MT switched from unknown destinations and decreases of 700 MT) and Iran (59,100 MT, switched from unknown destinations). Decreases were reported for unknown destinations (246,500 MT), the Dominican Republic (16,300 MT) and Honduras (1,100 MT). Net sales of 238,900 MT for 2015/16 were reported for Mexico (137,000 MT), unknown destinations (53,800 MT), Peru (30,000 MT), Taiwan (13,000 MT) and Jamaica (4,300 MT). Exports of 1,024,900 MT were down 9 percent from the previous week, but up 4 percent from the prior four-week average. The primary destinations were Mexico (289,500 MT), Japan (163,000 MT), Egypt (120,100 MT), Iran (65,100 MT), China (60,100 MT), South Korea (59,700 MT) and Guatemala (56,300 MT). Optional Origin Sales: For 2014/15, outstanding optional origin sales total 52,500 MT, all Egypt.

Barley: There were no sales reported during the week. Exports of 500 MT were reported to Taiwan (400 MT) and Canada (100 MT).

Sorghum: Net sales of 29,000 MT for 2014/15 were reported for China. Net sales of 54,000 MT for 2015/16 were reported for unknown destinations. Exports of 57,300 MT were up noticeably from the previous week, but down 16 percent from the prior four-week average. The destination was China.

U.S. Export Inspections: Week Ending June 25, 2015					
Commodity (MT)	Export Inspections		Current Market YTD	Previous YTD	YTD as Percent of Previous
	Current Week	Previous Week			
Corn	1,040,514	1,115,832	35,927,166	37,861,022	95%
Sorghum	102,912	980	7,529,751	3,569,620	211%
Soybeans	296,860	178,094	47,886,763	42,602,049	112%
Wheat	316,515	309,894	1,164,660	1,850,980	63%
Barley	1,273	685	3,943	4,295	92%

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 June 25, 2015						
Last Week	YC	% of Total	WC	% of Total	Sorghum	% of Total
Gulf	729,505	73%	38,960	100%	102,912	100%
PNW	119,313	12%	0	0%	0	0%
Lakes	0	0%	0	0%	0	0%
Atlantic	4,604	0%	0	0%	0	0%
Interior Export Rail	148,132	15%	0	0%	0	0%
Total (Metric Tons)	1,001,554	100%	38,960	100%	102,912	100%
White Corn Shipments			32,700	to Mexico		



by Country (MT)					
			3,190	to Colombia	
			3,070	to Japan	
Total White Corn (MT)			38,960		
Sorghum Shipments by Country (MT)					57,272 to China
					31,800 to Djibouti
					13,840 to Kenya
Total Sorghum (MT)					102,912

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 July	+0.75 N	\$194.77	+0.92 N	\$201.46
LH July	+0.73 N	\$193.99	+0.92 N	\$201.46
August	+0.67 U	\$195.07	+0.90 U	\$204.12
FH September	+0.68 U	\$195.46	+0.94 U	\$205.70
September	+0.73 U	\$197.43	+0.94 U	\$205.70

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	\$275.48	+2.80 N	\$275.48
July	+2.50 Z	\$270.56	+2.50 Z	\$270.56
August	+2.50 Z	\$270.56	+2.30 Z	\$262.68

Barley: Feed Barley (FOB USD/MT)			
	July	August	September
FOB PNW	\$230	\$230	\$230

Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. \$/MT)			
	July	August	September
New Orleans	\$152	\$152	\$152
<i>Quantity 5,000 MT</i>			
Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT)			
	July	August	September
Bulk 60% Pro.			
New Orleans	\$700	\$700	\$700

*5-10,000 MT Minimum

*All prices are market estimates.

DDGS Price Table: July 2, 2015 (USD/MT) (Quantity, availability, payment and delivery terms vary)			
Delivery Point Quality Min. 35% Pro-fat combined	Jul.	Aug.	Sep.
Barge CIF New Orleans	200	200	200
FOB Vessel GULF	210	210	210
Rail delivered PNW	220	220	220
Rail delivered California	220	220	220
Mid-Bridge Laredo, TX	205	205	205
FOB Lethbridge, Alberta	195	195	195
40 ft. Containers to South Korea (Busan)	254	253	255
40 ft. Containers to Taiwan (Kaohsiung)	255	254	257
40 ft. Containers to Philippines (Manila)	270	269	271
40 ft. Containers to Indonesia (Jakarta)	266	266	267
40 ft. Containers to Malaysia (Port Kelang)	265	264	266
40 ft. Containers to Vietnam (HCMC)	271	270	272
40 ft. Containers to Japan (Yokohama)	262	261	264
40 ft. containers to Thailand (LCMB)	264	263	265
40 ft. Containers to Shanghai, China	249	248	250
KC & Elwood, IL Rail Yard (delivered Ramp)	209	208	209

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 rally in Chicago corn futures this past week pulled DDGS prices higher too, but DDGS merchandisers did a good job at attempting to constrain prices to a smaller percentage increase. This is possible because a number of ethanol facilities had effectively hedged themselves against a possible price increase in corn. Those facilities were able to keep their prices fixed right up until the release of USDA's data, and a number of savvy buyers accepted the opportunity. One merchandiser reported that he sold 9,900 MT this past week, and 6,900 MT of the sales occurred at 1:00 AM on June 30 – just a few hours before USDA's reports were published!

The active sales that occurred early in the week have helped keep down the average DDGS prices that are being reported within this week's pricing table. Rates for bulk DDGS were particularly attractive early in the week. After USDA's reports were published, merchandisers were forced by the escalating corn contracts to increase DDGS prices by up to \$20/MT. As a result, DDGS buyers have become relatively quiet and are waiting to see how corn pricing conditions develop, and that will be primarily determined by next week's updated weather forecasts.

It is not uncommon for corn contracts to experience a mid-summer high around the July 4th weekend. However, feed prices are unlikely to sell-off if next week's weather forecasts predict a continued pattern of heavy rains moving across the U.S. Corn Belt. DDGS buyers are encouraged to contact local DDGS merchandisers early next week in order to obtain updated weather forecasts.

Ethanol Comments: Increases in the price of corn this past week completely offset more subtle increases in the price paid for ethanol and/or DDGS. As a result, there was a further weekly decline in the differential of the spot corn price and the co-products. Consequently, it makes sense that there were also declines in both the weekly production rate of ethanol and total U.S. ethanol stocks.

The average daily ethanol production for the week ending June 26 declined to 968,000 barrels per day (bpd) from the prior-week's rate of 994,000 bpd. As well, total U.S. ethanol stocks declined in that same period to 19.5 from the prior week's level of 19.8 million barrels.

The differential between the cost of corn and the co-products are in decline at each of the primary locations of the Corn Belt for week ending July 2, 2015:

- Illinois differential is \$1.74 per bushel in comparison to \$1.80 the prior week and \$3.09 a year ago.
- Iowa differential is \$1.52 per bushel in comparison to \$1.70 the prior week and \$2.93 a year ago.
- Nebraska differential is \$1.37 per bushel in comparison to \$1.51 the prior week and \$2.68 a year ago.
- South Dakota differential is \$2.12 per bushel in comparison to \$2.28 the prior week and \$3.16 a year ago.

COUNTRY NEWS

China: The agriculture ministry has announced that China is planning to cut corn acreage in 2016 in favor of planting a wider variety of crops, reports Reuters. The four provinces in northeastern China that produce around 40 percent of the country's corn are the primary targets of this crop scheme. The ministry noted that deteriorating soil and water conditions are forcing the country to reassess its policy of pursuing annual bumper harvests in order to address environmental concerns. Instead, the government will look to boost imports and make food safety a higher priority. It is estimated that China currently has 120 MMT of corn stockpiled (eight months of consumption).

France: Unseasonably hot and dry weather has been linked to a series of fires that have broken out and are currently disrupting the French grain harvest, according to Bloomberg News. 140 field fires across 606 hectares have been recorded in the Eure-et-Loir department with many caused by sparks thrown off by combines and other harvesting equipment. So far, the fires have mostly impacted winter barley and it is unclear to what extent they will affect the final harvest totals. French farmers planted 1.3 million hectares of barley and prior forecasts have already called for smaller yields this year due to the weather.

South Africa: Africa's largest producer has the potential to be a net-importer of corn for the first time in seven years, reports Bloomberg News. South Africa could import 716,000 MT of yellow corn this year, which would

be the first time since the 2007/08 season that it imports more corn than it exports. The country has imported 79,850 MT of Argentine corn since April.

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 \$32.50/MT
55,000 U.S. PNW-Japan	\$18.00	Unchanged	Handymax at \$19.50/MT
55,000 U.S. Gulf-China	\$30.25	Unchanged	North China
PNW to China	\$17.00	Unchanged	
30,000 U.S. Gulf-Veracruz, México	\$14.25	Unchanged	4,000 MT daily discharge rate
40-45,000 U.S. Gulf-Veracruz, México	\$12.25	Unchanged	Deep draft and 8,000 MT per day discharge rate.
25/35,000 U.S. Gulf-East Coast Colombia, from Argentina	\$14.25 \$26.25	Unchanged Unchanged	West Coast Colombia at \$22.50
36-40,000 U.S. Gulf-Guatemala	\$22.50	Up \$0.25	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf-Algeria	\$30.00	Unchanged	8,000 MT daily discharge
	\$31.05	Unchanged	3,000 MT daily discharge
25-30,000 U.S. Gulf-Morocco	\$29.50	Unchanged	5,000 discharge rate
55,000 U.S. Gulf-Egypt	\$25.25	Unchanged	55,000 -60,000 MT
PNW to Egypt	\$26.75	Unchanged	St. Lawrence to Egypt \$26.00
65-75,000 U.S. Gulf-Europe-Rotterdam	\$15.00	Unchanged	Handymax at +\$1.50 more
Brazil, Santos-China	\$26.00 \$25.00	Unchanged Unchanged	54-58,000 Supramax-Panamax 60-66,000 Post Panamax
Itacoatiara Port up river Amazonia-China	\$34.50	Unchanged	48-53,000 MT (11.5 meter draft)
56-60,000 Argentina-China Upriver with Top-Off	\$32.50	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: It was another rather quiet week of steaming in circles.

The Baltic Dry-Bulk indices were up a little as they tried to fight the downward trend. However, the physical voyage market did not follow and remained mostly unchanged for the week. The U.S. markets will take a long 4th of July holiday this weekend and keep things quiet for the next three-to-four days.

Baltic Panamax Dry-Bulk Indices				
July 2, 2015	This Week	Last Week	Difference	Percent Change
Route				
P2A: Gulf/Atlantic – Japan	12,327	11,845	482	4.1%
P3A: PNW/Pacific– Japan	6,157	5,886	271	4.6%

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:

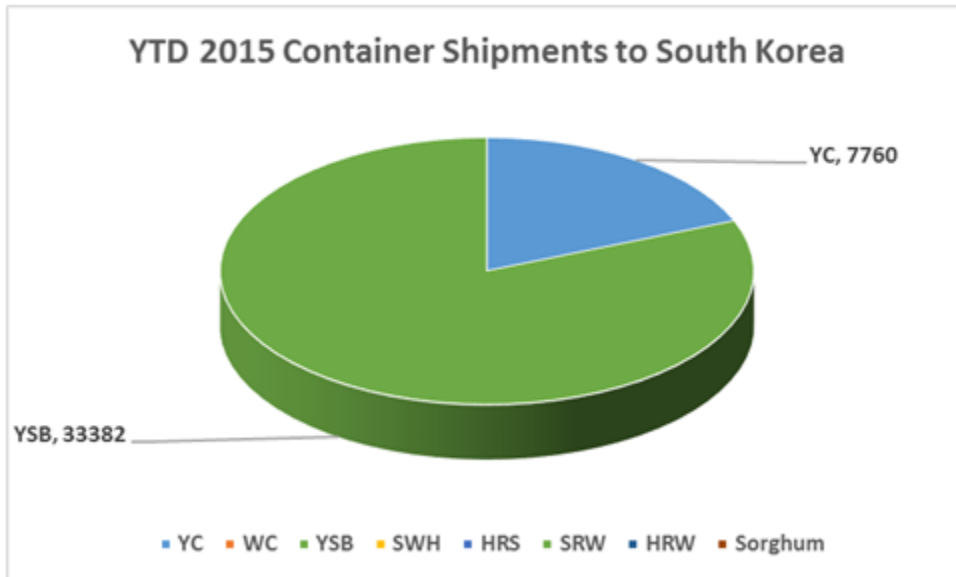
Week of July 2, 2015	
Four weeks ago:	\$5.05-\$5.15
Three weeks ago:	\$4.95-\$5.10
Two weeks ago	\$4.95-\$5.10
One week ago:	\$5.75-\$5.90
This week	\$5.40-\$5.70

Source: O'Neil Commodity Consulting

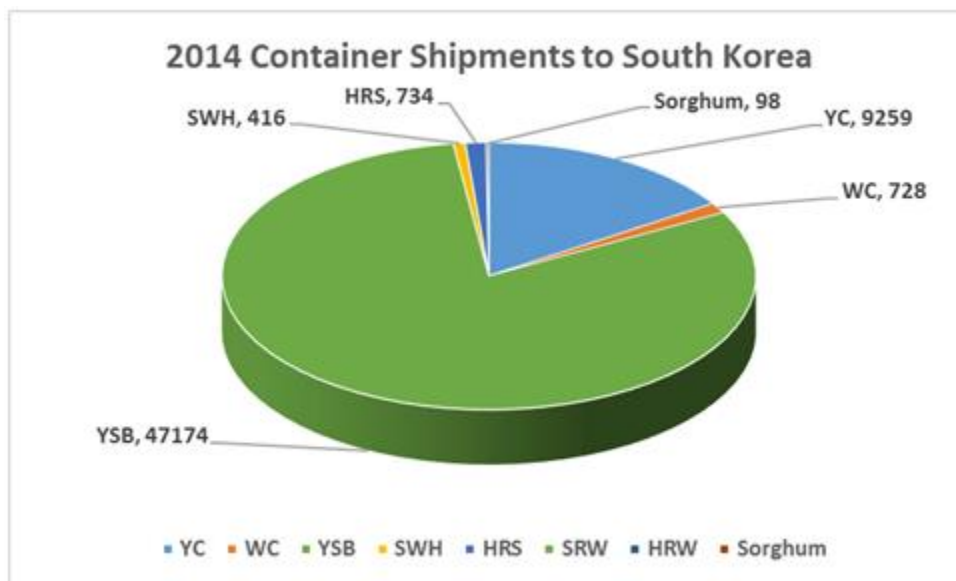
U.S. – Asia Market Spreads					
July 2, 2015	PNW	Gulf	Bushel Spread	MT Spread	Advantage
# 2 Corn	0.90	0.68	0.22	\$8.66	PNW
Soybeans	1.00	0.80	0.20	\$7.87	PNW
Ocean Freight	\$17.00	\$30.25	0.34-0.36	(\$13.25)	August

Source: O'Neil Commodity Consulting

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



Source: O'Neil Commodity Consulting



Source: O'Neil Commodity Consulting

International Freight Rates for Feed Grains – Select Routes Estimated Spot Price (\$/MT) – Week ending July 2, 2015								
Commodity	Origins	China	Japan	Korea	Colombia	Morocco	Egypt	Saudi Arabia
Corn (Yellow)	Argentina	\$31	\$34	\$32	\$25	\$25	\$23	-
	Brazil	\$23	\$25	\$24	\$21	\$19	\$18	-
Corn (White)	Argentina	\$31	\$34	\$32	\$25	\$25	\$23	-
	Brazil	\$23	\$25	\$24	\$21	\$19	\$18	-
Barley	Argentina	\$31	\$34	\$32	\$25	\$25	\$23	-
	Brazil	\$23	\$25	\$24	\$21	\$19	\$18	-
Sorghum	Argentina	\$31	\$34	\$32	\$25	\$25	\$23	-
	Brazil	\$23	\$25	\$24	\$21	\$19	\$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 (%): July 1, 2015			
	Current Week	Last Week	Last Month
U.S. Prime	3.25	3.25	3.25
LIBOR (6 month)	0.44	0.44	0.42
LIBOR (1 year)	0.78	0.77	0.75

Source: www.bankrate.com