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CHICAGO BOARD OF TRADE MARKET NEWS

Week in Review: CME Corn December Contract					
\$/Bu	Monday 27 July	Tuesday 28 July	Wednesday 29 July	Thursday 30 July	Friday 31 July
Change	-0.1925	0.0200	-0.0725	0.0550	-0.0250
Closing Price	3.8350	3.8550	3.7825	3.8375	3.8125
Factors Affecting the Market	The Dec. corn contract began the week by gapping below \$4.00 bu. and turned into a cascade of selling as buyers backed away and charts turned negative.	Corn contracts closed slightly higher and within a narrow trading range after the shock of a 30 cent sell-off during the two prior trading days.	An early attempt to work higher was rejected and the Dec. contract was then shoved down to close below \$3.80 per bushel.	There seemed to be a lack of interest in selling Dec. corn below \$3.80 bu. but the rebound was limited as buyers were hesitant to step back into the market.	Remaining stationary has become the dominant action of December corn as market participants wait upon a more defining price influence.

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: Large speculative traders are normally judged by their end of month returns and price volatility commonly increases during that time period as the tug-of-war intensifies. It is not uncommon for prices to eventually become over-extended in one direction or another during this period. Such a move to the downside appears to have occurred this past week and is presenting feed grain users a favorable buying opportunity.

Prospects of the December corn contract being aggressively sold below \$3.80 per bushel prior to the August crop report seems low. Furthermore, the number of traders before forced out of losing long positions will decline and the number of traders wishing to take profits on short positions will increase. Such a composite of factors is expected to cause corn contracts to work higher prior to the release of USDA's yield estimates for U.S. feed grains on August 12. From August forward, USDA's average U.S. corn yield estimate of 166.8 bushels per acre will be altered as subjective crop condition reports are overridden by actual field surveys. These two items tend to harmonize rather efficiently by the end of the growing season, but time still remains and so the outlook is that market attention will remain heavily focused on yields in the near-term, before being increasing replaced by discussions about demand.

CBOT DECEMBER CORN FUTURES



Source: Prophet X

Current Market Values:

Futures Price Performance: Week Ending July 31, 2015			
Commodity	31-July	24-July	Net Change
Corn			
Sep 15	371.00	392.50	-21.50
Dec 15	381.25	402.75	-21.50
Mar 16	392.00	412.75	-20.75
May 16	398.25	418.25	-20.00
Soybeans			
Aug 15	980.75	991.25	-10.50
Sep 15	953.25	967.25	-14.00
Nov 15	940.25	965.00	-24.75
Jan 16	945.75	970.75	-25.00
Soymeal			
Aug 15	354.60	354.80	-0.20
Sep 15	338.70	345.40	-6.70
Oct 15	327.30	336.80	-9.50
Dec 15	323.90	333.40	-9.50
Soyoil			
Aug 15	29.98	30.48	-0.50
Sep 15	30.10	30.56	-0.46
Oct 15	30.21	30.64	-0.43
Dec 15	30.39	30.85	-0.46
SRW			
Sep 15	499.25	511.75	-12.50
Dec 15	504.75	519.75	-15.00
Mar 16	510.50	527.00	-16.50
May 16	514.50	531.25	-16.75
HRW			
Sep 15	492.25	507.25	-15.00
Dec 15	512.00	527.25	-15.25
Mar 16	525.75	541.75	-16.00
May 16	535.25	550.50	-15.25
MGEX (HRS)			
Sep 15	523.50	545.00	-21.50
Dec 15	541.00	562.50	-21.50
Mar 16	558.25	578.25	-20.00
May 16	569.50	588.25	-18.75

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

U.S. WEATHER/CROP PROGRESS

U.S. Crop Condition: July 31, 2014					
	Very Poor	Poor	Fair	Good	Excellent
Corn	2%	7%	21%	53%	17%
Sorghum	2%	4%	26%	59%	9%
Barley	1%	5%	25%	51%	18%

Source: USDA

U.S. Drought Monitor Weather Forecast: The NWS WPC Seven-Day Quantitative Precipitation Forecast (QPF) calls for generally dry conditions across most of the western U.S. with the exception of some modest accumulation (1-2 inches) in northern portions of the Great Basin, northern Rockies and North Cascades. In contrast, the central and northern Plains and western portions of the Midwest are forecasted to receive 1-3 inches while heavy precipitation is forecasted in southern Georgia and Florida with totals in the 3-7 inch range.

The CPC 10-day outlooks call for a high probability of above-normal temperatures east of the Rockies as well as along the West Coast while most of the interior West will be below normal. Across the West (with the exception of extreme southeastern Arizona and southwestern New Mexico), there's a high probability of below-normal precipitation while the central and northern Plains, western portions of the Midwest, Northeast and Southeast have a high probability of above-average precipitation. 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 July 23, 2015					
Commodity	Gross Sales (MT)	Exports (MT)	YTD Exports (000MT)	YTD Bookings (000MT)	% Change YTD Bookings
Wheat	711,000	366,700	2,632.0	7,685.1	-21%
Corn	427,300	1,072,700	40,543.1	47,129.2	-3%
Sorghum	110,500	163,700	7,248.0	8,513.1	76%
Barley	100	0	2.9	8.8	-65%

Source: USDA, World Perspectives, Inc.

Corn: Net sales of 364,900 MT for delivery in 2014/15 were up 63 percent from the previous week, but down 13 percent from the prior four-week average. Increases were reported for Japan (362,200 MT, including 235,900 MT switched from unknown destinations and decreases of 54,400 MT), Colombia (90,000 MT, including 30,000 MT switched from unknown destinations and decreases of 2,500 MT), Egypt (22,900 MT, including 21,000 MT switched from unknown destinations), Guatemala (22,800 MT, including 18,900 MT switched from unknown destinations), Ireland (20,000 MT) and Mexico (15,100 MT). Decreases were reported for unknown destinations (226,900 MT) and the French West Indies (7,000 MT). Net sales of 443,300 MT for

2015/16 were reported primarily for Mexico (279,500 MT), unknown destinations (70,600 MT), Japan (60,000 MT) and Guatemala (15,000 MT). Decreases were reported for Taiwan (10,000 MT). Exports of 1,072,700 MT were down 7 percent from the previous week, but down unchanged from the prior four-week average. The primary destinations were Japan (494,900 MT), Mexico (163,500 MT), South Korea (129,300 MT), Saudi Arabia (73,600 MT), Colombia (68,500 MT) and Peru (24,800 MT). Optional Origin Sales: For 2014/15, outstanding optional origin sales total 52,500 MT, all Egypt.

Barley: Net sales of 100 MT for 2015/16 were reported for South Korea. There were no exports reported during the week.

Sorghum: Net sales of 107,200 MT for 2014/15 were reported for China (104,200 MT, including 58,000 MT switched from unknown destinations and decreases of 3,300 MT) and unknown destinations (3,000 MT). Net sales of 108,000 MT for 2015/16 were reported for unknown destinations (58,000 MT) and China (50,000 MT). Exports of 163,700 MT were up 41 percent from the previous week and up noticeably from the prior four-week average. The destination was China.

U.S. Export Inspections: Week Ending July 23, 2015					
Commodity (MT)	Export Inspections		Current Market YTD	Previous YTD	YTD as Percent of Previous
	Current Week	Previous Week			
Corn	1,108,281	1,162,399	40,194,128	41,829,044	96%
Sorghum	159,154	168,200	7,958,003	4,133,541	193%
Soybeans	120,413	307,359	48,683,740	43,010,886	113%
Wheat	439,330	493,179	2,814,321	3,648,820	77%
Barley	122	0	4,921	30,547	16%

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 July 23, 2015						
Last Week	YC	% of Total	WC	% of Total	Sorghum	% of Total
Gulf	676,386	61%	4,575	55%	159,154	100%
PNW	245,389	22%	220	3%	0	0%
Lakes	52,062	5%	0	0%	0	0%
Atlantic	0	0%	0	0%	0	0%
Interior Export Rail	126,156	11%	3,493	42%	0	0%
Total (Metric Tons)	1,099,993	100%	8,288	100%	159,154	100%
White Corn Shipments by Country (MT)			4,575	to Japan		
			3,493	to Mexico		
			220	to Korea		
Total White Corn (MT)			8,288			



Sorghum Shipments by Country (MT)					159,154	to China
Total Sorghum (MT)					159,154	

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 August	+0.67 U	\$172.43	+0.76 U	\$175.97
September	+0.60 U	\$169.68	+0.78 Z	\$180.80
FH October	+0.60 Z	\$173.71	+0.80 Z	\$181.58
October	+0.60 Z	\$173.71	+0.80 Z	\$181.58

Sorghum (USD/MT FOB Vessel)				
#2 YGS FOB Vessel Max 14.0% Moisture	NOLA		TEXAS	
	Basis	Flat Price	Basis	Flat Price
July	+2.50 Z	\$248.51	+2.50 Z	\$248.51
August	+1.75 Z	\$218.98	+1.75 Z	\$218.98
September	+1.75 Z	\$218.98	+1.75 Z	\$218.98

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

Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. \$/MT)			
	World	September	October
New Orleans	\$143	\$143	\$143
Quantity 5,000 MT			
Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT)			
	August	September	October
Bulk 60% Pro. New Orleans	\$684	\$684	\$684
*5-10,000 MT Minimum			

*All prices are market estimates.

DDGS Price Table: July 31, 2015 (USD/MT) (Quantity, availability, payment and delivery terms vary)			
Delivery Point Quality Min. 35% Pro-fat combined	Aug.	Sep.	Oct.
Barge CIF New Orleans	205	206	207
FOB Vessel GULF	214	215	217
Rail delivered PNW	211	211	212
Rail delivered California	214	214	215
Mid-Bridge Laredo, TX	216	216	217
FOB Lethbridge, Alberta	181	183	185
40 ft. Containers to South Korea (Busan)	265	259	259
40 ft. Containers to Taiwan (Kaohsiung)	265	259	259
40 ft. Containers to Philippines (Manila)	285	279	279
40 ft. Containers to Indonesia (Jakarta)	277	275	276
40 ft. Containers to Malaysia (Port Kelang)	277	275	276
40 ft. Containers to Vietnam (HCMC)	283	281	282
40 ft. Containers to Japan (Yokohama)	282	276	276
40 ft. containers to Thailand (LCMB)	271	269	270
40 ft. Containers to Shanghai, China	258	255	257
KC & Elwood, IL Rail Yard (delivered Ramp)	209	210	211

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: Last week the point was made in this commentary section that further declines in corn futures could result in lower DDGS offers this week; that occurrence has indeed taken place. The most sizable price declines were approximately \$10/MT for bulk DDGS being shipped by barge to the Gulf of Mexico or by rail to the Pacific Northwest of the United States. South Korean buyers were offered attractive \$7-9/MT rate reductions for DDGS purchases in September and October. Vietnamese and Thai buyers were offered \$4-5/MT rate reductions for that same time-period, and \$1-3/MT reductions were offered for containerized rates to other destinations.

DDGS merchandisers indicate that the amount of total volume purchased is a major component in their ability to offer better pricing terms. There seems to be strong interest among merchandisers to take advantage of the current setback in corn futures contracts by working with DDGS buyers; a general consensus among the merchandiser is that favorable U.S. corn yields are already expected and any sort of disappointment could shock traders when the data is released on August 12, 2015. The result is that the vast majority of merchandisers have strong interest in discussing possible pricing strategies with DDGS buyers during the next week and a half.

Ethanol Comments: The national average retail price of regular gasoline declined by about 6 cents to \$2.75 per gallon on July 27, 2015. Such weakness could be somewhat concerning for ethanol producers, however, the fact that this price is 79 cents below the year-ago level should be incentive for good seasonal demand. Furthermore, while crude oil stocks are up substantially total U.S. gasoline stocks are below year-ago levels. Steady gasoline production should result in stable ethanol consumption.

The difference between total U.S. ethanol stocks and the year-ago level has fallen to 5.7 percent. The reason for this change may be partly because of increases in year-ago stocks rather than increases in current stocks, but it is still a favorable development because it implies that additional downward pressure on ethanol price is limited. That fact is important to ethanol producers because their present tighter margins are primarily the result of year over year reductions in returns from ethanol rather than DDGS. Speaking of the difference between the co-products (ethanol & DDGS) and corn, the differential is the following for week ending July 31, 2015:

- Illinois differential is \$1.80 per bushel in comparison to \$1.61 the prior week and \$3.42 a year ago.
- Iowa differential is \$1.69 per bushel in comparison to \$1.46 the prior week and \$3.26 a year ago.
- Nebraska differential is \$1.38 per bushel in comparison to \$1.19 the prior week and \$3.12 a year ago.
- South Dakota differential is \$2.15 per bushel in comparison to \$1.90 the prior week and \$3.68 a year ago.

COUNTRY NEWS

Brazil: The first corn cargo from the new Brazilian grain terminal at Tegram in the northeastern state of Maranhao has been shipped, according to Reuters. Trading company CGG has shipped 65,000 MT of corn to the Middle East and is predicted to ship 1 MMT by year's end. The port was constructed to alleviate the heavy congestion inherent in Brazil's southern grain terminals.

China: Chinese demand for Australian sorghum has begun to slow amidst concerns that the government may impose a tariff to curb the large amount of the grain being imported in conjunction with a potential reduction of China's domestic corn price, according to Reuters. Sorghum imports could fall by as much as 30 percent in 2015/16 as buyers have started cutting back on orders. Chinese imports of Australian sorghum are forecast to total a record-setting 483,000 MT in 2015/16, which is up from the 464,000 MT in 2014/15. Chinese sorghum consumption this year will be 11.1 MMT, which is a large increase over the 3.2 MMT consumed in 2012.

Further on China: Bloomberg reports that the International Grains Council (IGC) has raised its estimate for Chinese corn production by 5 MMT to now total a record-setting 225 MMT. Global corn production is expected to be 966 MMT this year.

South Africa: Africa's largest corn producer is likely to once again cut the forecast for this year's crop, reports Bloomberg News. The current estimate is that farmers will bring in between 9.6-9.75 MMT, which is a major decrease from last year's bumper crop of 14.3 MMT.

Ukraine: Black Sea feed wheat bookings to Asia have increased as far out as December as millers increasingly look to use it as a corn substitute in feed rations, reports Reuters. South Korea, Thailand and the Philippines have ordered around 3 MMT of feed wheat worth \$600 million for shipment between July and December. Thailand alone is ordering around 150,000 MT of wheat per month. One trader attributed the shift in ordering to the fact that Ukrainian feed wheat has been available at a cheaper rate than Brazilian corn. The 100,000 MT of feed wheat slated for September/October shipment to the Philippines was sold at \$210-\$220/MT cost and freight, while Brazilian corn was recently quoted at \$220/MT cost and freight (although prices have since slid to around \$190/MT). USDA reports that Ukrainian feed wheat exports are expected to be 12.5 MMT this year.

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	\$35.00	Down \$0.50	Handymax at \$35.50/MT
55,000 U.S. PNW-Japan	\$18.50	Down \$0.50	Handymax at \$19.00/MT
55,000 U.S. Gulf-China	\$32.50	Down \$1.00	North China
PNW to China	\$17.50	Down \$0.50	
30,000 U.S. Gulf-Veracruz, México	\$13.50	Down \$1.00	4,000 MT daily discharge rate
40-45,000 U.S. Gulf-Veracruz, México	\$12.25	Down \$0.75	Deep draft and 8,000 MT per day discharge rate.
25/35,000 U.S. Gulf-East Coast Colombia, from Argentina	\$13.25 \$26.25	Down \$1.25 Down \$1.00	West Coast Colombia at \$21.50
36-40,000 U.S. Gulf-Guatemala	\$22.50	Down \$1.00	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf-Algeria	\$31.00	Down \$1.00	8,000 MT daily discharge
25-30,000 U.S. Gulf-Morocco	\$32.00	Down \$1.00	3,000 MT daily discharge
25-30,000 U.S. Gulf-Morocco	\$31.00	Unchanged	5,000 discharge rate
55,000 U.S. Gulf-Egypt	\$24.00	Down \$1.00	55,000 -60,000 MT St. Lawrence to Egypt \$25.00
PNW to Egypt	\$25.00	Down \$2.00	
65-75,000 U.S. Gulf-Europe-Rotterdam	\$15.50	Down \$0.50	Handymax at +\$1.50 more
Brazil, Santos-China	\$26.50	Down \$0.50	54-58,000 Supramax-Panamax 60-66,000 Post Panamax
	\$25.50	Down \$0.50	
Itacoatiara Port up river Amazonia-China	\$35.50	Down \$0.50	48-53,000 MT (11.5 meter draft)
56-60,000 Argentina-China Upriver with Top-Off	\$33.50	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 Baltic Indices spent the week reversing the market gains of the previous three weeks. Only the Capesize market held its ground and managed to squeak out modest gains.

This market action has taken a lot of wind out of the sails of those who, once again, thought this might have been the market turn around they have long awaited. Hope does spring eternal, but all that vessel owners are quickly-fading small market rallies. The overall market is still faced with an imbalance of ships versus cargo demand and that is not going to substantially change for many months or even years to come. What has changed is that more charters have switched to buying in the spot market and this will create further seasonal volatility and logistical imbalances.

Baltic Panamax Dry-Bulk Indices				
July 31, 2015	This Week	Last Week	Difference	Percent Change
Route				
P2A: Gulf/Atlantic – Japan	14,245	15,327	-1,082	-7.1%
P3A: PNW/Pacific– Japan	6,577	7,910	-1,333	-16.9%

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:

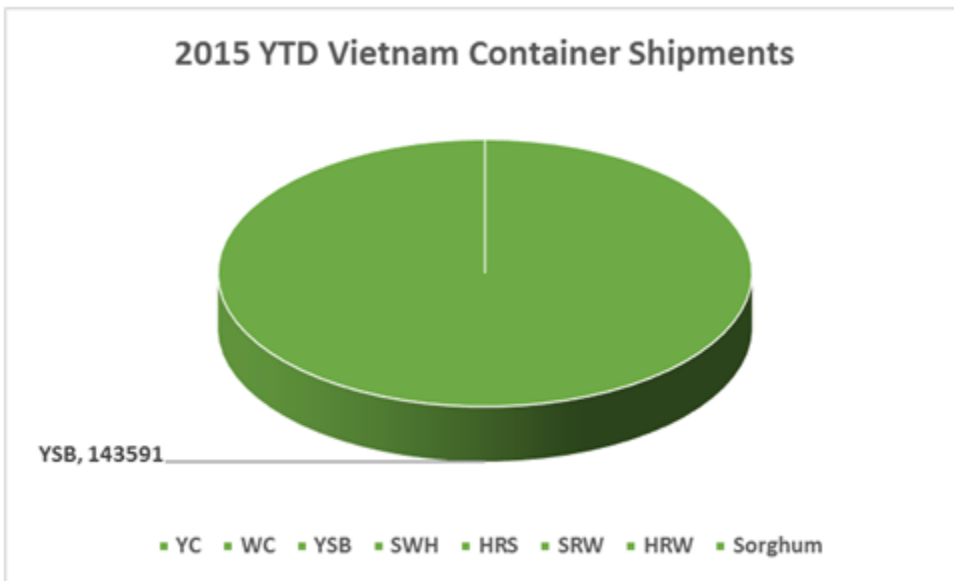
Week of July 31, 2015	
Four weeks ago:	\$5.40-\$5.70
Three weeks ago:	\$5.20-\$5.65
Two weeks ago	\$5.50-\$5.80
One week ago:	\$5.50-\$6.00
This week	\$6.10-\$6.40

Source: O'Neil Commodity Consulting

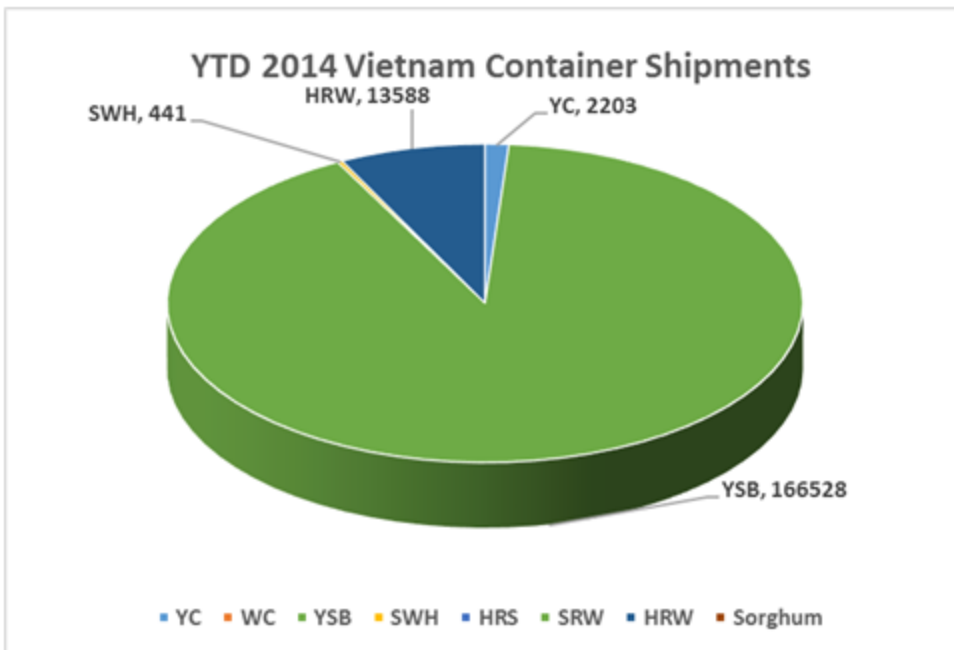
U.S. – Asia Market Spreads					
July 31, 2015	PNW	Gulf	Bushel Spread	MT Spread	Advantage
# 2 Corn	0.77	0.60	0.17	\$6.69	PNW
Soybeans	0.90	0.75	0.15	\$5.91	PNW
Ocean Freight	\$17.50	\$32.50	0.38-0.41	(\$15.00)	August

Source: O'Neil Commodity Consulting

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



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 31, 2015								
Commodity	Origins	China	Japan	Korea	Colombia	Morocco	Egypt	Saudi Arabia
Corn (Yellow)	Argentina	\$32	\$34	\$33	\$25	\$25	\$23	-
	Brazil	\$25	\$27	\$26	\$21	\$19	\$18	-
Corn (White)	Argentina	\$32	\$34	\$33	\$25	\$25	\$23	-
	Brazil	\$25	\$27	\$26	\$21	\$19	\$18	-
Barley	Argentina	\$32	\$34	\$33	\$25	\$25	\$23	-
	Brazil	\$25	\$27	\$26	\$21	\$19	\$18	-
Sorghum	Argentina	\$32	\$34	\$33	\$25	\$25	\$23	-
	Brazil	\$25	\$27	\$26	\$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 29, 2015			
	Current Week	Last Week	Last Month
U.S. Prime	3.25	3.25	3.25
LIBOR (6 month)	0.47	0.47	0.44
LIBOR (1 year)	0.81	0.78	0.78

Source: www.bankrate.com