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CHICAGO BOARD OF TRADE MARKET NEWS

Week in Review: CME Corn December Contract					
\$/Bu	Monday 17 August	Tuesday 18 August	Wednesday 19 August	Thursday 20 August	Friday 21 August
Change	-0.0100	0.0275	0.0125	0.0400	-0.0525
Closing Price	3.7450	3.7725	3.7850	3.8250	3.7725
Factors Affecting the Market	The December corn contract opened and closed at exactly the same price level of \$3.7450 per bushel and remained within a narrow range.	Today's trading range was less than five cents wide and marked the second day that prices extended horizontally into the future.	Dec. corn stuck its head above the \$3.80/bu. price level today but closed lower as there is no strong bullish catalyst.	Four cents up was the strongest rally for the week. The Dec. corn contract was able to close back above the level of \$3.80/bu.	The Dec. contract worked higher most of the week, but ended on a low and now looks poised to continue lower next week.

Outlook: After the release of bearish USDA data and a sharp sell-off last week, the December corn contract has spent this past week within a narrow trading range while working slightly higher. Unfortunately, this type of price action is not indicative of a rebound or even a bottom formation. Rather, such price action is normally a temporary rebound before recent lows are again retested. End-users of feed grains who perceive such

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.

developments can use the temporary rebound as a beneficial lull in time to contact clientele and devise purchasing strategies in case the anticipated setback in prices should materialize. Obviously nothing is lost if that event does not materialize, but more favorable pricing and stronger customer relations are likely the result if devised strategies are correct.

Feed grain producers are seldom excited to observe a setback in the price of corn contracts, but when that event occurs it may be possible for them to negotiate better basis contracts for the future. That could be advantageous if prices work higher the following season. That event is eventually anticipated to happen, but there could momentarily be still lower price levels for the nearby corn contract because there are still some speculators who need to reduce their long positions. As well, the global corn export market is expected to be competitive during the fourth quarter of calendar year 2015 while demand is slow due to abundant supplies and the current reluctance of end-users to build stocks. Longer-term, the outlook is that feed grain prices in the second half of next year will average higher than the fourth quarter of 2015.

CBOT DECEMBER CORN FUTURES



Source: Prophet X

Current Market Values:

Futures Price Performance: Week Ending August 21, 2015			
Commodity	21-Aug	14-Aug	Net Change
Corn			
Sep 15	365.25	364.00	1.25
Dec 15	377.25	375.50	1.75
Mar 16	388.75	387.00	1.75
May 16	394.75	394.00	0.75
Soybeans			
Sep 15	905.25	925.25	-20.00
Nov 15	889.50	916.50	-27.00
Jan 16	893.50	922.00	-28.50
Mar 16	893.25	921.25	-28.00
Soymeal			
Sep 15	326.90	325.20	1.70
Oct 15	317.80	317.00	0.80
Dec 15	314.60	314.20	0.40
Jan 16	311.80	312.60	-0.80
Soyoil			
Sep 15	27.36	29.08	-1.72
Oct 15	27.44	29.19	-1.75
Dec 15	27.67	29.40	-1.73
Jan 16	27.96	29.68	-1.72
SRW			
Sep 15	499.50	506.50	-7.00
Dec 15	504.00	511.75	-7.75
Mar 16	508.00	516.75	-8.75
May 16	510.50	520.50	-10.00
HRW			
Sep 15	471.00	489.75	-18.75
Dec 15	492.75	510.00	-17.25
Mar 16	507.00	524.00	-17.00
May 16	516.75	534.00	-17.25
MGEX (HRS)			
Sep 15	501.50	518.50	-17.00
Dec 15	518.00	533.75	-15.75
Mar 16	534.75	549.25	-14.50
May 16	546.00	559.00	-13.00

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

U.S. WEATHER/CROP PROGRESS

U.S. Crop Condition: August 21, 2014					
	Very Poor	Poor	Fair	Good	Excellent
Corn	3%	7%	21%	51%	18%
Sorghum	2%	5%	25%	57%	11%
Barley	2%	7%	26%	48%	17%

Source: USDA

U.S. Drought Monitor Weather Forecast: During the next 6-10 days, the probability of cooler-than-normal temperatures is high in the Ohio and Tennessee River Valley's extending into the Great Lakes and Midwest. Chances are likely that the rest of the country will experience warmer-than-normal temperatures, especially in the Northeast, Southeast, and Southwest.

Over the same period, precipitation associated with the large system centered over Wisconsin will move through the Great Lakes area. Further south, the precipitation will slowly move eastward and dissipate as the low pressure moves into Canada. Another, less powerful and drier system will follow producing the heaviest precipitation in the Midwest. Ridging continues to hold its grip in the West while monsoonal precipitation may bring light drought relief in the Southwest.

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 August 13, 2015					
Commodity	Gross Sales (MT)	Exports (MT)	YTD Exports (000MT)	YTD Bookings (000MT)	% Change YTD Bookings
Wheat	378,000	606,200	3,952.1	9,259.6	-15%
Corn	324,100	918,100	43,306.7	47,438.5	-3%
Sorghum	8,700	112,100	7,824.2	8,508.0	70%
Barley	15,000	100	3.3	23.8	-36%

Source: USDA, World Perspectives, Inc.

Corn: Net sales of 282,700 MT for delivery in 2014/2015 were up noticeably from previous week and 84 percent from the prior 4-week average. Increases reported for Japan (166,300 MT, including 79,800 MT switched from unknown destinations and decreases of 9,300 MT), Mexico (89,000 MT, including 23,000 MT switched from unknown destinations and decreases of 300 MT), Peru (72,200 MT, including 63,700 MT switched from unknown destinations), Colombia (66,300 MT, including 55,000 MT switched from unknown destinations), and Venezuela (60,000 MT, including 30,000 MT switched from unknown destinations and 30,000 MT switched from Panama), were partially offset by decreases for unknown destinations (229,200 MT), Panama (30,000 MT), Honduras (11,400 MT), Egypt (3,300 MT), and Saudi Arabia (2,800 MT). Net sales of

576,400 MT for 2015/2016 were reported primarily for unknown destinations (210,300 MT), Mexico (132,000 MT), Japan (108,800 MT), and Colombia (66,000 MT). Decreases were reported for the Leeward Windward Islands (1,000 MT) and Canada (600 MT). Exports of 918,100 MT were up 9 percent from the previous week, but down 10 percent from the prior 4-week average. The primary destinations were Mexico (236,100 MT), Japan (212,300 MT), Venezuela (90,000 MT), Colombia (83,700 MT), Saudi Arabia (73,400 MT), Peru (66,700 MT), and Guatemala (42,200 MT).

Barley: Net sales of 15,000 MT for 2015/2016 were reported for Morocco. Net sales reductions of 15,000 MT for 2016/2017 were reported for Morocco. Exports of 100 MT were reported to South Korea.

Sorghum: There were no sales reported during the week, as increases for unknown destinations (8,500 MT) , were offset by decreases for China (8,500 MT). Net sales of 55,000 MT for 2015/2016 were reported for China. Exports of 112,100 MT were down 38 percent from the previous week and 40 percent from the prior 4-week average. The destination was China.

U.S. Export Inspections: Week Ending August 13, 2015

Commodity (MT)	Export Inspections		Current Market YTD	Previous YTD	YTD as Percent of Previous
	Current Week	Previous Week			
Corn	890,083	819,736	42,825,022	44,848,358	95%
Sorghum	173,526	208,272	8,576,342	4,739,587	181%
Soybeans	375,763	164,766	49,396,733	43,206,572	114%
Wheat	560,083	419,277	4,123,691	5,182,126	80%
Barley	0	661	6,072	33,119	18%

Source: USDA/AMS. *Marketing Year is June 1-May 31 for wheat and barley and September 1-August 31 for corn, sorghum and soybeans. Week-to-week reports will vary due to exporter reported conditions and cancellations to previous week's reports.

USDA Grain Inspections for Export Report: Week Ending August 13, 2015

Last Week	YC	% of Total	WC	% of Total	Sorghum	% of Total
Gulf	628,554	79%	38,891	100%	171,101	99%
PNW	94,686	12%	0	0%	0	0%
Lakes	23,599	3%	0	0%	0	0%
Atlantic	0	0%	0	0%	0	0%
Interior Export Rail	104,353	13%	0	0%	2,425	1%
Total (Metric Tons)	851,192	100%	38,891	100%	173,526	100%
White Corn Shipments by Country (MT)			6,411	to Honduras		
			32,480	To Mexico		
Total White Corn (MT)			38,891			
Sorghum Shipments by Country (MT)					171,101	to China
					2,425	to Kenya

Total Sorghum (MT)					173,526
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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 September	+0.63 U	\$168.59	+0.83 Z	\$181.19
September	+0.61 U	\$167.81	+0.83 Z	\$181.19
FH October	+0.61 Z	\$172.53	+0.78 Z	\$179.22
October	+0.64 Z	\$173.71	+0.78 Z	\$179.22
November	+0.70 Z	\$176.07	+0.97 Z	\$186.70

Sorghum (USD/MT FOB Vessel)				
#2 YGS FOB Vessel Max 14.0% Moisture	NOLA		TEXAS	
	Basis	Flat Price	Basis	Flat Price
September	+1.35 Z	\$201.66	+1.35 Z	\$201.66
October	+1.05 Z	\$189.85	+1.05 Z	\$189.85
November	+1.10 Z	\$191.82	+1.10 Z	\$191.82

Barley: Feed Barley (FOB USD/MT)			
	August	September	October
FOB PNW	\$260	\$260	\$260

Prices reflect values from the week ending August 14, 2015.

Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. \$/MT)			
	September	October	November
New Orleans	\$160	\$160	\$160
<i>Quantity 5,000 MT</i>			
Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT)			
	September	October	November
Bulk 60% Pro.			
New Orleans	\$660	\$660	\$660
<i>*5-10,000 MT Minimum</i>			

*All prices are market estimates.

DDGS Price Table: August 21, 2015 (USD/MT) (Quantity, availability, payment and delivery terms vary)			
Delivery Point Quality Min. 35% Pro-fat combined	Sep.	Oct.	Nov.
Barge CIF New Orleans	190	185	185
FOB Vessel GULF	200	197	197
Rail delivered PNW	200	200	200
Rail delivered California	202	202	202
Mid-Bridge Laredo, TX	194	190	190
FOB Lethbridge, Alberta	175	175	175
40 ft. Containers to South Korea (Busan)	245	245	245
40 ft. Containers to Taiwan (Kaohsiung)	244	244	244
40 ft. Containers to Philippines (Manila)	261	261	261
40 ft. Containers to Indonesia (Jakarta)	260	260	260
40 ft. Containers to Malaysia (Port Kelang)	259	259	259
40 ft. Containers to Vietnam (HCMC)	263	263	263
40 ft. Containers to Japan (Yokohama)	253	253	253
40 ft. containers to Thailand (LCMB)	257	257	257
40 ft. Containers to Shanghai, China	241	241	241
KC & Elwood, IL Rail Yard (delivered Ramp)	194	194	195

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: DDGS prices have been reduced this past week as merchandisers seek to encourage buyers to increase the volume of purchases into the future. Chinese buyers have not been able to full take advantage of lower offers due to uncertainties about their own domestic regulations coming from the Chinese government that could momentarily influence DDGS imports as the Chinese government accesses their own corn stocks. This is creating an opportunity for other buyers as DDGS merchandisers extend lower offers to buyers of bulk volume and buyers within the United States' market.

The price for DDGS delivered by barge to the Gulf of Mexico declined on average by \$8/MT for nearby purchases and by \$14/MT for the October to November time period. This pricing arrangement means that bulk DDGS are currently being offered into the future with a \$3-\$5/MT discount under the already inexpensive spot delivery. While bulk buyers were offered the largest discounts this past week, containerized rates also declined on average by \$5/MT. Various Asian buyers may wish to consider these offers in conjunction with the fact that there is expected to be no General Rate Increase (GRI) on freight before November.

Domestic U.S. buyers of DDGS were also offered substantial price declines this past week that averaged \$11/MT for spot delivery by rail, along with additional \$1-2/MT discounts for rail delivered DDGS one to two

months into the future. This composite of opportunities is presently being offered because DDGS merchandisers are anxious to sell their remaining inventory for the busy fourth quarter of calendar year 2015.

Ethanol Comments: The fact that total U.S. ethanol stocks of 18.6 million barrels are now only 1.7 percent larger than the year-ago stocks level of 18.3 million barrels strengthens the correlation of ethanol with the price action of RBOB gasoline contracts. Unfortunately, gasoline contracts have been in a constant decline since mid-summer. The cost of corn has also been in decline since the second half of July however that has not offset the price weakness of the co-products during the same time period. The result is that recent margins for ethanol producers have been relatively stable but consistently remain well below the year-ago level. The spot differential between the cost of corn and the co-products was the following for week ending August 21, 2015:

- Illinois differential is \$1.77 per bushel, in comparison to \$1.69 the prior week and \$3.55 a year ago.
- Iowa differential is \$1.81 per bushel, in comparison to \$1.74 the prior week and \$3.29 a year ago.
- Nebraska differential is \$1.48 per bushel, in comparison to \$1.41 the prior week and \$3.31 a year ago.
- South Dakota differential is \$2.16 per bushel, in comparison to \$2.18 the prior week and \$3.90 a year ago.

COUNTRY NEWS

China: Chinese officials are requiring all imports of feeds such as barley, sorghum and distiller grains to be registered; the registration process will begin on September 1. China's domestic buyers have increased imports of such feeds as an alternative to expensive state-held corn reserves and now the Chinese government intends to monitor those imports. Longer-term, China's sizable domestic corn stocks seem likely to shrink because the Chinese government is reintroducing a 13 percent value added tax on all fertilizer imports as it seeks to curb what it calls "overuse." The Chinese government intends to bring growth in commercial fertilizer use to zero by 2020, according to a story by Reuters.

France: French corn production could decline this season by up to 28 percent below last year's record according to Reuters. Hot and dry weather has reduced corn yield potential and total production is estimated to be approximately 13.2 MMT. The weather did not have the same negative affect on French barley production, which is estimated to be slightly above last year's production at 11.8 MMT.

Russia: While Russia is poised to produce its second largest grain harvest on record due to a favorable wheat crop, its corn crop is currently estimated to be 12 MMT and could be revised downward because of less-than-ideal weather in the nation's southern regions, according to Reuters.

Ukraine: Ukrainian grain exports to China are 800,000 MT so far year and total corn exports to China are anticipated to reach 3 MMT this year, according to Reuters. Corn and barley are the primary grain exports from Ukraine to China.

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	\$35.75	Up \$0.25	Handymax at \$36.25/MT
55,000 U.S. PNW-Japan	\$19.00	Up \$0.25	Handymax at \$19.50/MT
55,000 U.S. Gulf-China	\$33.75	Up \$0.25	North China
PNW to China	\$18.00	Up \$0.25	
30,000 U.S. Gulf-Veracruz, México	\$14.25	Up \$0.25	4,000 MT daily discharge rate
40-45,000 U.S. Gulf-Veracruz, México	\$12.75	Up \$0.25	Deep draft and 8,000 MT per day discharge rate.
25/35,000 U.S. Gulf-East Coast Colombia, from Argentina	\$15.50 \$28.00	Up \$0.50 Up \$1.00	West Coast Colombia at \$23.50
36-40,000 U.S. Gulf-Guatemala	\$23.25	Up \$0.25	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf-Algeria	\$32.50	Up \$0.50	8,000 MT daily discharge
25-30,000 U.S. Gulf-Morocco	\$33.50	Up \$0.50	3,000 MT daily discharge
25-30,000 U.S. Gulf-Morocco	\$32.50	Up \$0.50	5,000 discharge rate
55,000 U.S. Gulf-Egypt	\$25.50	Up \$0.50	55,000 -60,000 MT
PNW to Egypt	\$26.00	Unchanged	St. Lawrence to Egypt \$25.00
65-75,000 U.S. Gulf-Europe-Rotterdam	\$15.50	Unchanged	Handymax at +\$1.50 more
Brazil, Santos-China	\$26.00 \$25.00	Down \$0.75 Down \$0.75	54-58,000 Supramax-Panamax 60-66,000 Post Panamax
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	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: Ocean freight values bounced around this week but did not move very far in either direction. The Capesize market fell back a bit while the Panamax and other markets were mostly stable to slightly better on the voyage market sector. We remain in the slow summer period and are still 45-60 days away from the North American fall harvest. The biggest concern in the markets this week is the slide in the Chinese and U.S. stock markets and the economic implications that come with this. If global economies are not growing and expanding at a good rate, cargo

demand will not increase and the surplus in shipping capacity will not be absorbed. This does not bode well for shipping company financials – nor my IRA retirement account. For me this means I'll probably have to work more years until retirement. For the shipping industry it will likely mean that many need to retire and get out of the business sooner.

Baltic-Panamax Dry-Bulk Indices				
August 21, 2015	This Week	Last Week	Difference	Percent Change
Route				
P2A: Gulf/Atlantic – Japan	14,600	14,777	-177	-1.2%
P3A: PNW/Pacific– Japan	6,690	6,421	269	4.2%

Source: O'Neil Commodity Consulting

Below is a recent history of freight values for Capesize vessels of iron ore from Western Australia to China:

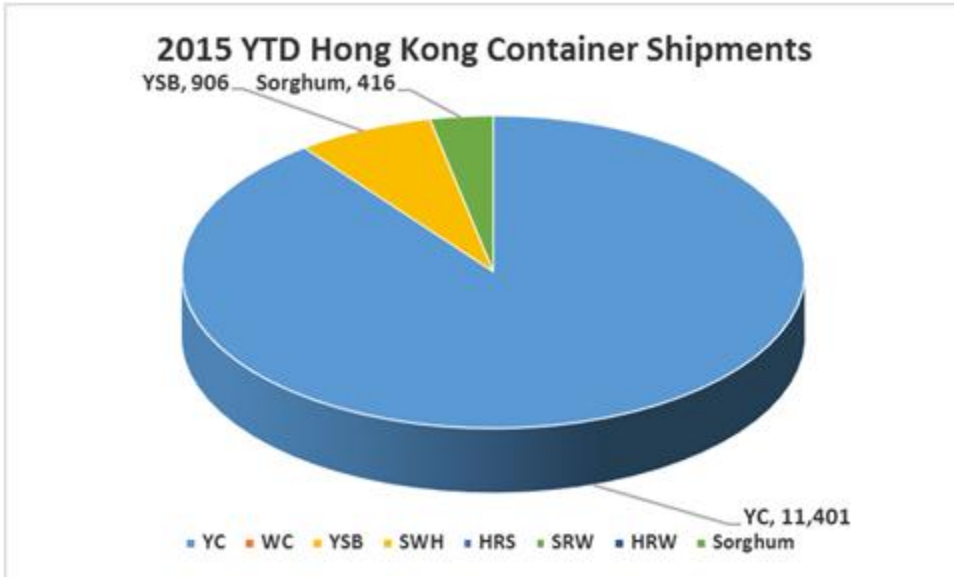
Week of August 21, 2015	
Four weeks ago:	\$5.50-\$6.00
Three weeks ago:	\$6.10-\$6.40
Two weeks ago	\$7.00-\$7.75
One week ago:	\$5.85-\$6.40
This week	\$5.75-\$6.00

Source: O'Neil Commodity Consulting

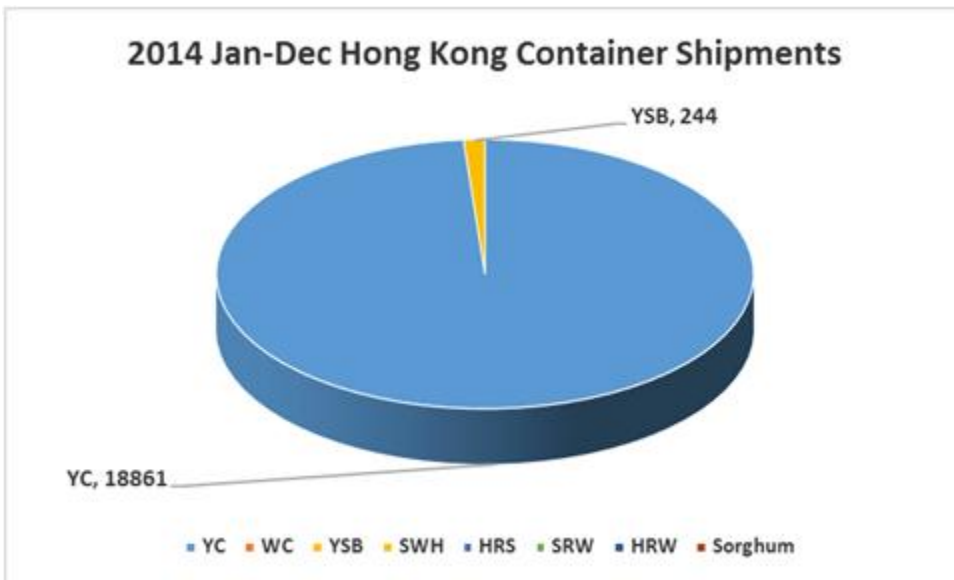
U.S.-Asia Market Spreads					
August 21, 2015	PNW	Gulf	Bushel Spread	MT Spread	Advantage
# 2 Corn	0.83	0.58	0.25	\$9.84	PNW
Soybeans	1.05	0.99	0.06	\$2.36	PNW
Ocean Freight	\$18.00	\$33.75	0.40-0.43	(\$15.75)	Sept.

Source: O'Neil Commodity Consulting

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



Source: O'Neil Commodity Consulting



Source: O'Neil Commodity Consulting

August 21, 2015

Developing Markets • Enabling Trade • Improving Lives

International Freight Rates for Feed Grains – Select Routes Estimated Spot Price (\$/MT) – Week ending August 21, 2015								
Commodity	Origins	China	Japan	Korea	Colombia	Morocco	Egypt	Saudi Arabia
Corn (Yellow)	Argentina	\$31	\$34	\$32	\$27	\$26	\$24	-
	Brazil	\$24	\$27	\$25	\$22	\$20	\$19	-
Corn (White)	Argentina	\$31	\$34	\$32	\$27	\$26	\$24	-
	Brazil	\$24	\$27	\$25	\$22	\$20	\$19	-
Barley	Argentina	\$31	\$34	\$32	\$27	\$26	\$24	-
	Brazil	\$24	\$27	\$25	\$22	\$20	\$19	-
Sorghum	Argentina	\$31	\$34	\$32	\$27	\$26	\$24	-
	Brazil	\$24	\$27	\$25	\$22	\$20	\$19	-

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 (%): August 19, 2015			
	Current Week	Last Week	Last Month
U.S. Prime	3.25	3.25	3.25
LIBOR (6 month)	0.53	0.52	0.47
LIBOR (1 year)	0.84	0.84	0.78

Source: www.bankrate.com