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CHICAGO BOARD OF TRADE MARKET NEWS

Week in Review: CME Corn December Contract					
\$/Bu	Monday 31 August	Tuesday 1 September	Wednesday 2 September	Thursday 3 September	Friday 4 September
Change	0.0025	-0.0625	-0.0150	-0.0600	0.0150
Closing Price	3.7525	3.6900	3.6750	3.6160	3.6300
Factors Affecting the Market	Dec. corn continues within the narrow trading range from last week. Crop conditions will largely determine if prices trade lower this week.	Crop conditions for corn showed little change and that enabled the Dec. corn contract to trade steadily lower and close below the price level of \$3.70/bushel.	Corn contracts acted weak through the day, and while there was a limited rebound at the close the direction of least resistance is down.	The price level of \$3.60/bushel appears ready to be tested in the Dec. corn contract. Traders seem willing to buy below that price level.	Dec corn held firm at \$3.60/bushel. Prices may trade lower Tuesday morning but they are predicted to strengthen some before USDA data is released on Friday.

Outlook: The 2015/16 crop year for U.S. corn and sorghum began on September 1, 2015. The crop year starts with attractive price levels for end-users of feed grains. Corn futures prices for the crop year are averaging below \$3.75 per bushel. Livestock and poultry producers have the means to lock in favorable

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.

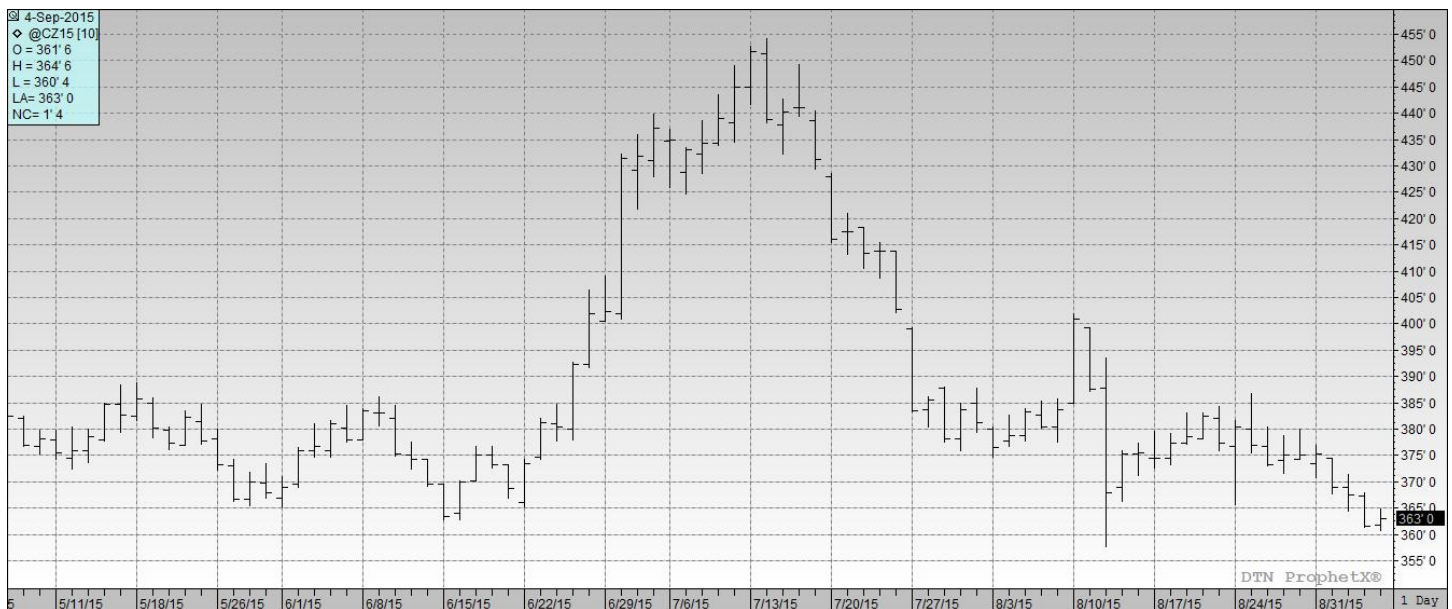
The U.S. Grains Council is a private, non-profit partnership of producers and agribusinesses committed to building and expanding international markets for U.S. barley, corn, grain sorghum and their products. The Council is headquartered in Washington, D.C. and has nine international offices that oversee 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.

margins. Ethanol producers also have the means to fix their corn costs at attractive levels, and that can be an advantageous opportunity whenever margins are compressed thin within a competitive market.

Next Friday (September 11, 2015) USDA will publish an update of their latest yield estimates. Changes to corn yield estimates are not expected to be significant in size because there is presently limited harvest data available. Corn contracts could experience a small bounce from current price levels next week prior to the release of USDA's data, but no aggressive price action is expected before or after the reports on Friday. Rather, the outlook is that the majority of market participants will instead seek to evaluate when the seasonal low is being established in order to extend their purchasing strategies. The rate of feed grain export sales commitments are expected to increase when there is a general perception that corn contract prices have created a harvest bottom.

Domestic feed demand will be better defined when USDA publishes the quarterly stocks data at the end of the month on Wednesday, September 30, 2015. This data will show the beginning feed grain stocks for the current 2015/16 season; this data will directly influence the projections for this season's ending stocks. That more distant report is expected to have a more prolonged influence upon price action than will the September adjustments to yield data that will be released next week.

CBOT DECEMBER CORN FUTURES



Current Market Values:

Futures Price Performance: Week Ending September 4, 2015			
Commodity	4-Sep	28-Aug	Net Change
Corn			
Sep 15	349.50	363.25	-13.75
Dec 15	363.00	375.00	-12.00
Mar 16	374.50	386.50	-12.00
May 16	381.50	393.00	-11.50
Soybeans			
Sep 15	877.25	893.25	-16.00
Nov 15	866.50	885.50	-19.00
Jan 16	869.75	890.75	-21.00
Mar 16	871.00	892.25	-21.25
Soymeal			
Sep 15	313.90	321.40	-7.50
Oct 15	308.10	315.40	-7.30
Dec 15	306.80	312.70	-5.90
Jan 16	304.80	310.50	-5.70
Soyoil			
Sep 15	26.44	27.79	-1.35
Oct 15	26.53	27.92	-1.39
Dec 15	26.73	28.17	-1.44
Jan 16	27.03	28.44	-1.41
SRW			
Sep 15	457.75	477.00	-19.25
Dec 15	467.75	483.75	-16.00
Mar 16	476.25	491.75	-15.50
May 16	482.25	497.00	-14.75
HRW			
Sep 15	448.50	457.75	-9.25
Dec 15	474.75	483.50	-8.75
Mar 16	489.00	497.75	-8.75
May 16	498.50	507.75	-9.25
MGEX (HRS)			
Sep 15	486.25	490.50	-4.25
Dec 15	503.25	511.50	-8.25
Mar 16	519.25	529.00	-9.75
May 16	530.25	540.50	-10.25

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

U.S. WEATHER/CROP PROGRESS

U.S. Crop Condition: September 4, 2014					
	Very Poor	Poor	Fair	Good	Excellent
Corn	3%	7%	22%	49%	19%
Sorghum	2%	5%	25%	56%	12%
Barley	-	-	-	-	-

Source: USDA

U.S. Drought Monitor Weather Forecast: For the upcoming 4-day period, September 4-7, 2015, a swath of rain (1.5-2.0 inches) is forecast across eastern Arizona, much of western and central New Mexico, and western Colorado. For the southern Atlantic Coast, 1.5-3.5 inches of rain is predicted. Beneficial precipitation is also expected for western Washington (1.5 inches), northern Montana (2-4 inches), and western sections of both Virginia and North Carolina (1.5 inches). For the ensuing 5-day period, September 8-12, there are elevated odds for above-median precipitation for most of the central and eastern CONUS. Further, there are elevated odds for below-median precipitation for the northwestern CONUS.

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 27, 2015					
Commodity	Gross Sales (MT)	Exports (MT)	YTD Exports (000MT)	YTD Bookings (000MT)	% Change YTD Bookings
Wheat	282,700	530,400	4,839.7	10,066.2	-12%
Corn	190,600	1,077,200	45,204.6	47,419.4	-3%
Sorghum	1,300	50,300	8,039.5	8,554.5	69%
Barley	500	400	3.9	24.3	-37%

Source: USDA, World Perspectives, Inc.

Corn: Net sales of 112,700 MT for delivery in 2014/2015 were up noticeably from previous week and from the prior 4-week average. Increases reported for Japan (173,700 MT, including 169,100 MT switched from unknown destinations and decreases of 2,100 MT), South Korea (64,000 MT, including 65,000 MT switched from unknown destinations and decreases of 1,000 MT), Egypt (55,000 MT), Colombia (26,900 MT, including 22,500 MT switched from unknown destinations and decreases of 5,000 MT), and Honduras (16,100 MT, including 14,900 MT switched from unknown destinations), were partially offset by decreases for unknown destinations (252,400 MT), the French West Indies (6,000 MT), Canada (5,600 MT), and El Salvador (3,300 MT). Net sales of 328,300 MT for 2015/2016 were reported primarily for unknown destinations (132,200 MT), Panama (60,000 MT), Canada (47,300 MT), Mexico (45,600 MT), and Japan (32,200 MT). Decreases were reported for Jamaica (12,000 MT) and the French West Indies (2,000 MT). Exports of 1,077,200 MT were up 31 percent from the previous week and 20 percent from the prior 4-week average. The primary destinations

were Japan (341,800 MT), Mexico (324,000 MT), South Korea (64,200 MT), Colombia (61,700 MT), Egypt (55,000 MT), Taiwan (48,700 MT), and Honduras (47,500 MT).

Barley: Net sales of 500 MT for 2015/2016 were reported for Taiwan. Exports of 400 MT were reported to Japan.

Sorghum: Net sales reductions of 2,400 MT for 2014/2015 resulted as increases for Mexico (1,300 MT), were more than offset by decreases for China (3,700 MT). Net sales of 56,200 MT for 2015/2016 were reported for unknown destinations (55,000 MT) and Mexico (1,200 MT). Exports of 50,300 MT were down 70 percent from the previous week and 73 percent from the prior 4-week average. The destinations were China (49,000 MT) and Mexico (1,300 MT).

U.S. Export Inspections: Week Ending August 27, 2015

Commodity (MT)	Export Inspections		Current Market YTD	Previous YTD	YTD as Percent of Previous
	Current Week	Previous Week			
Corn	1,000,175	883,987	44,720,509	46,836,029	95%
Sorghum	50,480	165,474	8,792,296	5,141,005	171%
Soybeans	184,285	210,324	49,792,297	43,397,299	115%
Wheat	601,639	316,738	5,042,313	6,536,434	77%
Barley	0	0	6,072	35,912	17%

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 27, 2015

Last Week	YC	% of Total	WC	% of Total	Sorghum	% of Total
Gulf	563,450	59%	40,059	84%	49,000	97%
PNW	206,828	22%	0	0%	0	0%
Lakes	25,661	3%	0	0%	0	0%
Atlantic	12,455	1%	0	0%	0	0%
Interior Export Rail	144,138	15%	7,584	16%	1,480	3%
Total (Metric Tons)	952,532	100%	47,643	100%	50,480	100%
White Corn Shipments by Country (MT)			5,170	to Costa Rica		
			42,473	to Mexico		
Total White Corn (MT)			47,643			
Sorghum Shipments by Country (MT)					49,857	to China
					623	to Mexico
Total Sorghum (MT)					50,480	

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)
September	+0.70 U	\$165.15	-	-
FH October	+0.70 Z	\$170.46	+0.97 Z	\$181.09
October	+0.72 Z	\$171.25	+0.97 Z	\$181.09
November	+0.74 Z	\$172.04	+0.78 Z	\$173.61

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	\$196.05	+1.35 Z	\$196.05
October	+1.05 Z	\$184.24	+1.35 Z	\$184.24
November	+1.10 Z	\$186.21	+1.35 Z	\$186.21

Barley: Feed Barley (FOB USD/MT)			
	September	October	November
FOB PNW	-	\$235	\$235

Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. \$/MT)			
	September	October	November
New Orleans	\$164	\$164	\$164
Quantity 5,000 MT			
Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT)			
	September	October	November
Bulk 60% Pro. New Orleans	\$667.50	\$667.50	\$667.50

*5-10,000 MT Minimum

*All prices are market estimates.

DDGS Price Table: September 4, 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	171	173	174
FOB Vessel GULF	194	195	196
Rail delivered PNW	196	195	195
Rail delivered California	200	201	201
Mid-Bridge Laredo, TX	199	198	198
FOB Lethbridge, Alberta	165	167	167
40 ft. Containers to South Korea (Busan)	242	232	232
40 ft. Containers to Taiwan (Kaohsiung)	240	230	230
40 ft. Containers to Philippines (Manila)	260	250	250
40 ft. Containers to Indonesia (Jakarta)	262	252	252
40 ft. Containers to Malaysia (Port Kelang)	259	249	249
40 ft. Containers to Vietnam (HCMC)	267	257	257
40 ft. Containers to Japan (Yokohama)	257	247	247
40 ft. containers to Thailand (LCMB)	240	235	235
40 ft. Containers to Shanghai, China	214	209	209
KC & Elwood, IL Rail Yard (delivered Ramp)	177	176	175

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)

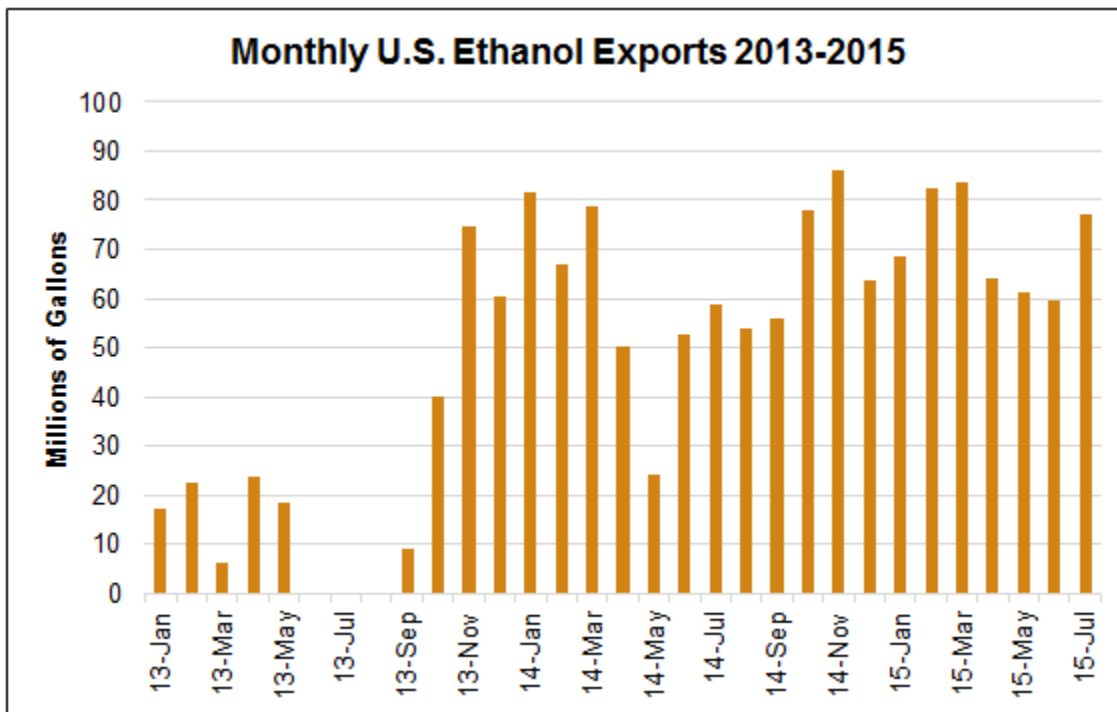
DDGS Comments: Spot market prices for DDGS were largely unchanged this past week, but prices declined for purchase into the future. For example, there was no change in the nearby price for containerized DDGS, though prices one to two months into the future declined on average by \$9/MT. As well, there was a consistent \$5/MT reduction in DDGS prices for anyone purchasing bulk delivery to the Gulf. In contrast, the domestic buyers who predominately like to purchase in the spot market saw all of their prices increase modestly during the past week.

Many domestic buyers seem to be watching for a potential harvest bottom to occur in corn prices before they purchase bulk DDGS for rail shipment. Of course, obtaining a favorable freight rate is the other side of the coin that must be timed correctly. Both rail and barge rates can increase as demand picks up during grain harvest. Therefore, it can be particularly advantageous for DDGS buyers to work in conjunction with merchandisers to secure the best combinations of prices for the future. Such a partnership can be particularly beneficial for foreign buyers who are less familiar with the U.S. rail and barge systems than are the DDGS merchandisers.

Ethanol Comments: The Brazilian Real is a currency that has been in sharp decline against the U.S. dollar since last fall and has lost more than 25 percent of its comparative value. Nevertheless, the United States has

maintained its status of the world's largest exporter of ethanol. Recent demand from nations such as Canada, South Korea, India and the Philippines has all exceeded Chinese purchases of U.S.-produced ethanol.

U.S. ethanol exports in July were up 26 percent over the average of the prior three months, keeping the nation in the top spot globally for overseas sales. World trade in biofuels has been rising and while historically volatile on a month-to-month basis, U.S. exports have been relatively more consistent over the past year. The chart below depicts U.S. monthly ethanol exports from 2013 to the most recently published 2015 export figures.



Source: U.S. Department of Commerce Foreign Trade Statistics
Data reported is the most recently available.

Please note that the U.S. Energy Information Administration (EIA) does not maintain a data series of weekly U.S. ethanol exports, but they do monitor the weekly changes in ethanol stocks, production and imports. The composite of changes in these other data series can imply that U.S. ethanol exports are either increasing or decreasing. For example, the most recent data for week ending August 28 shows that total U.S. ethanol stocks increased by 2 percent to 19 million barrels, up from the prior week's level of 18.6 million barrels. This increase occurred as there was a slight reduction in the average daily production rate of 948,000 barrels per day (bpd), down slightly from the prior week's level of 952,000 bpd. One primary reason for the increase in total stocks is because ethanol imports more than offset the decline in production; U.S. ethanol imports averaged 12,000 bpd during the week ending August 28. Considering this combination of data, a more sizable increase in ethanol exports is necessary in order to cause a further decline in total U.S. ethanol stocks.

Current abundant ethanol stocks are a primary reason for the narrow differential between the cost of corn and the co-products; that differential is the following for the week ending September 4, 2015:

- Illinois differential is \$1.72 per bushel, in comparison to \$1.64 the prior week and \$3.58 a year ago.
- Iowa differential is \$1.57 per bushel, in comparison to \$1.63 the prior week and \$3.40 a year ago.
- Nebraska differential is \$1.44 per bushel, in comparison to \$1.45 the prior week and \$3.25 a year ago.
- South Dakota differential is \$2.22 per bushel, in comparison to \$2.15 the prior week and \$3.91 a year ago.

COUNTRY NEWS

Argentina: Agricultural policy is being actively discussed among candidates who are competing against each other for the nation's presidential election that will take place on October 25. Candidate Mauricio Macri is gaining some attention in the farm community by declaring that he will lift export quotas on corn shipments abroad, according to Reuters. Macri has served as mayor of Buenos Aires and is considered business friendly.

China: Trade data imply that recent volatility within the Chinese economy has not eliminated the need to feed animals and the interest of buyers to do so in the most cost-effective manner: Chinese combined imports of U.S. corn, DDGS, sorghum and barley hit a new record high in July, according to Reuters. The price of these imports is substantially below China's domestically produced corn.

European Union: Low rainfall and high temperatures have taken a toll this season on the EU corn crop. Production this season is estimated by the MARS service to be down more than 20 percent from last year's record production and almost 9 percent below the 5-year average, reports Reuters. Some of the hardest hit corn-producing regions were in France, Spain, Italy, Southern Germany and Poland.

Indonesia: Feed grain buyers from Indonesia and other Asian nations are taking advantage of current low global prices by extending coverage of their feed needs through calendar year 2015, according to Reuters. Indonesian buyers have purchased both U.S. corn and DDGS for needs through December. Meanwhile, Vietnamese buyers commented that they are also covered through December and are now looking to make purchases through February 2016.

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	\$36.00	Unchanged	Handymax at \$37.00/MT
55,000 U.S. PNW-Japan	\$19.00	Unchanged	Handymax at \$19.50/MT
55,000 U.S. Gulf-China	\$33.50	Unchanged	North China
PNW to China	\$18.00	Unchanged	
30,000 U.S. Gulf-Veracruz, México	\$15.25	Unchanged	4,000 MT daily discharge rate
40-45,000 U.S. Gulf-Veracruz,	\$13.25	Unchanged	Deep draft and 8,000 MT

September 4, 2015

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México			per day discharge rate.
25/35,000 U.S. Gulf-East Coast Colombia, from Argentina	\$17.00 \$29.50	Up \$0.25 Up \$0.50	West Coast Colombia at \$25.00
36-40,000 U.S. Gulf-Guatemala	\$24.50	Up \$0.25	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf-Algeria	\$32.50 \$33.50	Unchanged Unchanged	8,000 MT daily discharge 3,000 MT daily discharge
25-30,000 U.S. Gulf-Morocco	\$32.50	Unchanged	5,000 discharge rate
55,000 U.S. Gulf-Egypt PNW to Egypt	\$25.50 \$26.00	Unchanged Unchanged	55,000 -60,000 MT St. Lawrence to Egypt \$25.00
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	\$35.50	Unchanged	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: The Baltic exchange indices slipped a little lower this week. Trading volumes were again light, and the Chinese holiday helped to create a quiet and softer tone to freight markets. Rates in the physical market are probably slightly slower this week but, due to very light trading activity, most rates have been left unchanged for the week and we'll wait to see how things develop next week. Corn and soybean harvests have started in the southern growing areas of the U.S., but it will be another 20-35 days before it reaches the primary production areas. With the relatively low commodity prices, most in the market are expecting farmers to hold back on harvest time selling, so we are unlikely to experience a harvest flood of grain or much logistical pressure.

Baltic-Panamax Dry-Bulk Indices				
September 4, 2015	This Week	Last Week	Difference	Percent Change
Route				
P2A: Gulf/Atlantic – Japan	12,480	13,805	-1,325	-9.6%
P3A: PNW/Pacific– Japan	6,189	6,609	-420	-6.4%

Source: O'Neil Commodity Consulting

September 4, 2015

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

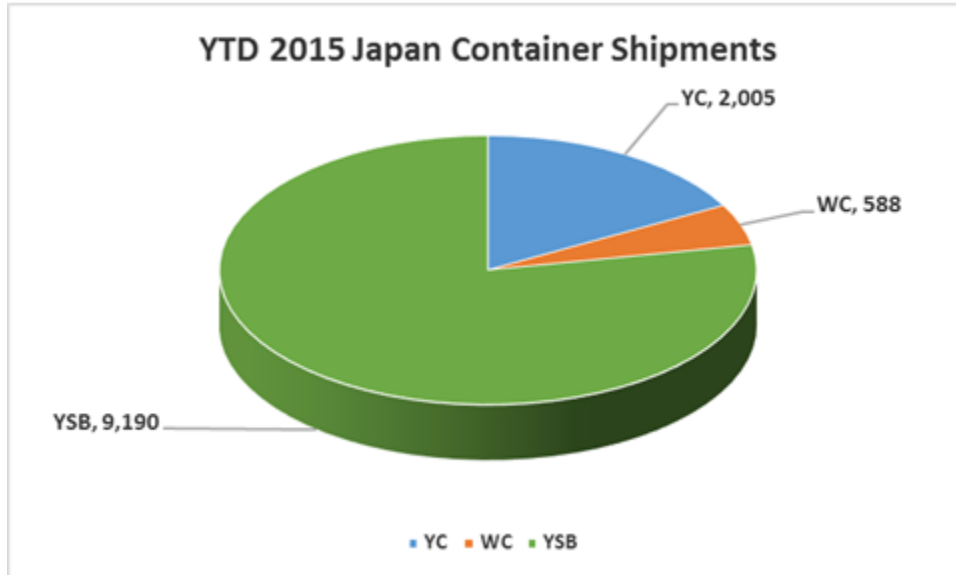
Week of September 4, 2015	
Four weeks ago:	\$7.00-\$7.75
Three weeks ago:	\$5.85-\$6.40
Two weeks ago:	\$5.75-\$6.00
One week ago:	\$4.25-\$5.30
This week	\$4.65-\$5.35

Source: O'Neil Commodity Consulting

U.S.-Asia Market Spreads					
September 4, 2015	PNW	Gulf	Bushel Spread	MT Spread	Advantage
# 2 Corn	0.96	0.66	0.30	\$11.81	PNW
Soybeans	1.12	1.00	0.12	\$4.72	PNW
Ocean Freight	\$18.00	\$33.50	0.39-0.42	(\$15.50)	Oct.

Source: O'Neil Commodity Consulting

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



Source: O'Neil Commodity Consulting



Source: O'Neil Commodity Consulting

International Freight Rates for Feed Grains – Select Routes Estimated Spot Price (\$/MT) – Week ending September 4, 2015								
Commodity	Origins	China	Japan	Korea	Colombia	Morocco	Egypt	Saudi Arabia
Corn (Yellow)	Argentina	\$32	\$34	\$33	\$26	\$26	\$23	-
	Brazil	\$23	\$26	\$24	\$22	\$20	\$18	-
Corn (White)	Argentina	\$32	\$34	\$33	\$26	\$26	\$23	-
	Brazil	\$23	\$26	\$24	\$22	\$20	\$18	-
Barley	Argentina	\$32	\$34	\$33	\$26	\$26	\$23	-
	Brazil	\$23	\$26	\$24	\$22	\$20	\$18	-
Sorghum	Argentina	\$32	\$34	\$33	\$26	\$26	\$23	-
	Brazil	\$23	\$26	\$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.

Note: Posted prices reflect no change from the week ending August 21, 2015.

INTEREST RATES

Interest Rates (%): September 2, 2015			
	Current Week	Last Week	Last Month
U.S. Prime	3.25	3.25	3.25
LIBOR (6 month)	0.54	0.52	0.49
LIBOR (1 year)	0.84	0.85	0.81

Source: www.bankrate.com