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CHICAGO BOARD OF TRADE MARKET NEWS

Week in Review: CME Corn December Contract					
\$/Bu	Monday 14 September	Tuesday 15 September	Wednesday 16 September	Thursday 17 September	Friday 18 September
Change	6.5000	-0.0300	-0.0450	-0.0625	-0.0250
Closing Price	3.9359	3.9050	3.8600	3.7975	3.7725
Factors Affecting the Market	The week began with corn futures continuing the upward momentum that began after USDA's data caused double-digit gains on Friday.	The December corn contract stalled and traders seemed uncertain if prices needed to continue upward prior to active harvest of a large crop.	Weaker price action seemed to imply there is a growing consensus that there is room for prices to weaken further until yield data is more certain.	The December contract closing below \$3.80 bu. reduced bullish momentum from Friday and Monday, but did not eliminate it; 3-4 day setbacks are common.	Four days of lower prices should not be construed as overly bearish because such action can simply be the result of profit taking.

Dear Market Perspectives Readers: Please note that starting next week the U.S. Grains Council's *Market Perspectives* report will be published on Thursday afternoons instead of Friday. The first Thursday edition will be published on Thursday, September 24, 2015. We appreciate your continued interest in this publication!

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: The December corn contract started off the week strong but the recent upward momentum ran out of steam. Fundamental factors were not strong enough to keep the December 2015 corn contract elevated above \$3.90 per bushel prior to harvest. Furthermore, current chart patterns encouraged technical traders to test corn contracts for additional price weakness during the second half of this week. In doing so, they may have created a short term buying opportunity for end users of corn.

The approach of harvest and the momentary exiting of long positions by large speculators are having somewhat of a bearish impact on prices, but the present decline will eventually slow as buying increases in the more distant corn contracts. It is even possible that this week's lower price action is a 3 to 4 day setback within a market which still has more upside. Therefore, end users of feed grains are encouraged to actively monitor corn contracts and to be nimble in purchasing, as March corn seems destined to spend some more time above \$4.00 bu. this spring. The ability to currently purchase the March 2016 corn contract well below \$4.00 per bushel is assumed to be a temporary buying opportunity; there seems to be a good probability that that contract will be trading higher than its current price next spring.

CBOT DECEMBER CORN FUTURES



Source: Prophet X

Current Market Values:

Futures Price Performance: Week Ending September 18, 2015			
Commodity	18-Sep	11-Sep	Net Change
Corn			
Dec 15	377.25	387.00	-9.75
Mar 16	388.50	398.25	-9.75
May 16	396.00	405.25	-9.25
Jul 16	401.75	410.00	-8.25
Soybeans			
Nov 15	867.25	874.25	-7.00
Jan 16	871.50	877.50	-6.00
Mar 16	874.75	879.00	-4.25
May 16	878.00	879.75	-1.75
Soymeal			
Oct 15	309.00	310.90	-1.90
Dec 15	307.80	309.30	-1.50
Jan 16	306.30	307.20	-0.90
Mar 16	304.50	304.80	-0.30
Soyoil			
Oct 15	26.05	26.65	-0.60
Dec 15	26.25	26.85	-0.60
Jan 16	26.57	27.18	-0.61
Mar 16	26.82	27.42	-0.60
SRW			
Dec 15	486.75	485.00	1.75
Mar 16	493.50	493.50	0.00
May 16	498.25	499.00	-0.75
Jul 16	502.25	503.25	-1.00
HRW			
Dec 15	482.25	482.25	0.00
Mar 16	496.50	496.00	0.50
May 16	506.50	506.00	0.50
Jul 16	516.00	515.50	0.50
MGEX (HRS)			
Dec 15	511.00	511.50	-0.50
Mar 16	525.25	526.00	-0.75
May 16	535.25	536.50	-1.25
Jul 16	545.50	546.50	-1.00

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

U.S. WEATHER/CROP PROGRESS

U.S. Crop Condition: September 13, 2015					
	Very Poor	Poor	Fair	Good	Excellent
Corn	3%	7%	22%	49%	19%
Sorghum	2%	5%	26%	56%	11%
Barley	-	-	-	-	-

Source: USDA

U.S. Drought Monitor Weather Forecast: For the immediate period, precipitation remains light for much of the CONUS. Several smaller systems track from the Northwest through the High Plains and exit out into Canada just north of the Great Lakes. For the next 6-10 day period, chances of above average temperatures are likely for the majority of the CONUS. The greatest chances are in the High Plains and down into the Great Basin and Southern California. Chances are likely that a small portion of the Northwest will experience below normal temperatures. Chances of below normal precipitation are likely for the Midwest, Great Lakes and Northeast regions. The probability of precipitation increases to the northwest and 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 September 10, 2015					
Commodity	Gross Sales (MT)	Exports (MT)	YTD Exports (000MT)	YTD Bookings (000MT)	% Change YTD Bookings
Wheat	411,800	542,600	5,882.7	10,734.0	-14%
Corn	729,000	806,600	1,074.1	9,339.3	-28%
Sorghum	4,000	108,900	109.3	3,258.1	44%
Barley	0	0	17.8	23.3	-71%

Source: USDA, World Perspectives, Inc.

Corn: Net sales of 533,000 MT for delivery in 2015/2016 were reported primarily for Mexico (381,00 MT, including 9,700 MT, late reporting), Japan (55,000 MT, including 5,000 MT switched from unknown destinations and decreases of 1,900 MT), Peru (39,500 MT, including 30,000 MT switched from unknown destinations), Taiwan (35,900 MT), and Costa Rica (23,300 MT, including 20,500 MT switched from unknown destinations), were partially offset by decreases for unknown destinations (25,100 MT), Colombia (18,300 MT), and Panama (5,000 MT). Exports of 806,600 MT were primarily to Mexico (346,400 MT, including 9,700 MT late reporting), Japan (192,200 MT), South Korea (60,700 MT), Peru (60,000 MT), Canada (46,400 MT), Colombia (40,600 MT), and Costa Rica (21,300 MT).

Barley: There were no sales or exports reported during the week.

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Sorghum: Net sales of 3,400 MT for 2015/2016 resulted as increases for China (57,400 MT, including 54,000 MT switched from unknown destinations and decreases of 600 MT), were partially offset by decreases for unknown destinations (54,000 MT). Exports of 108,900 MT were to China (107,400 MT) and Mexico (1,500 MT).

U.S. Export Inspections: Week Ending September 10, 2015

Commodity (MT)	Export Inspections		Current Market YTD	Previous YTD	YTD as Percent of Previous
	Current Week	Previous Week			
Barley	0	13,820	19,941	37,063	54%
Corn	711,178	905,985	1,194,131	1,492,064	80%
Sorghum	117,909	236,676	177,848	212,311	84%
Soybeans	370,901	94,262	394,499	335,564	118%
Wheat	647,551	456,140	6,171,199	7,765,282	79%

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 September 10, 2015

Last Week	YC	% of Total	WC	% of Total	Sorghum	% of Total
Lakes	32,034	5%	0	0%	0	0%
Atlantic	0	0%	0	0%	0	0%
Gulf	340,113	52%	48,180	81%	116,927	99%
PNW	118,753	18%	0	0%	0	0%
Interior Export Rail	160,622	25%	11,476	19%	982	1%
Total (Metric Tons)	651,522	100%	59,656	100%	117,909	100%
White Corn Shipments by Country (MT)			15,800	to Honduras		
			43,856	to Mexico		
Total White Corn (MT)			59,656			
Sorghum Shipments by Country (MT)					107,407	to China
					9,520	to Kenya
					982	to Mexico
Total Sorghum (MT)					117,909	

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 October	+0.59 Z	\$171.74	+0.96 Z	\$186.31
LH October	+0.62 Z	\$172.92	+0.96 Z	\$186.31
FH November	+0.65 Z	\$174.10	+0.78 Z	\$179.22
November	+0.67 Z	\$174.89	+0.78 Z	\$179.22
December	+0.70 Z	\$176.07	+0.98 Z	\$187.10

Sorghum (USD/MT FOB Vessel)				
#2 YGS FOB Vessel Max 14.0% Moisture	NOLA		TEXAS	
	Basis	Flat Price	Basis	Flat Price
September	+1.25 Z	\$197.73	+1.25 Z	\$197.73
October	+1.25 Z	\$197.73	+1.25 Z	\$197.73
November	+1.25 Z	\$197.73	+1.25 Z	\$197.73

Barley: Feed Barley (FOB USD/MT)			
	October	November	December
FOB PNW	-	-	\$225

Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. \$/MT)			
	October	November	December
New Orleans	\$162	\$162	\$162
Quantity 5,000 MT			
Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT)			
Bulk 60% Pro.	October	November	December
New Orleans	\$642	\$642	\$642
*5-10,000 MT Minimum			

*All prices are market estimates.

DDGS Price Table: September 18, 2015 (USD/MT) (Quantity, availability, payment and delivery terms vary)			
Delivery Point Quality Min. 35% Pro-fat combined	Oct.	Nov.	Dec.
Barge CIF New Orleans	177	176	177
FOB Vessel GULF	187	186	187
Rail delivered PNW	184	185	185
Rail delivered California	186	187	187
Mid-Bridge Laredo, TX	186	186	187
FOB Lethbridge, Alberta	153	156	156

40 ft. Containers to South Korea (Busan)	232	230	230
40 ft. Containers to Taiwan (Kaohsiung)	235	233	233
40 ft. Containers to Philippines (Manila)	255	253	253
40 ft. Containers to Indonesia (Jakarta)	245	255	246
40 ft. Containers to Malaysia (Port Kelang)	245	244	245
40 ft. Containers to Vietnam (HCMC)	252	252	253
40 ft. Containers to Japan (Yokohama)	252	250	250
40 ft. containers to Thailand (LCMB)	243	243	244
40 ft. Containers to Shanghai, China	209	208	208
KC & Elwood, IL Rail Yard (delivered Ramp)	195	196	197

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: Movement of DDGS inventory remains slow as buyers patiently wait for lower prices to materialize. The lower corn prices that occurred this past week in Chicago futures and in China seems to have increased the confidence of DDGS buyers that patiently waiting is the most appropriate strategy. Yet as the preceding market commentary notes (please see above), it is entirely possible that the past four-day decline in Chicago futures could be a temporary downward move in a market that will again trade higher. Such a technical chart pattern is not at all uncommon in Chicago futures as profit taking occurs. Therefore, buyers of DDGS are encouraged to monitor corn contracts and maintain active pricing discussions with DDGS merchandisers.

This week's DDGS pricing implies that merchandisers are skeptical that the price of U.S. corn has much further to fall, as domestic and bulk DDGS increased approximately \$3/MT. Alternatively, buyers of containerized DDGS were offered a substantial \$13/MT discount, but only for nearby purchases in the month of October. This seems to indicate that there is some inventory that merchandisers are anxious to move because the price of containerized DDGS in November and December declined by less than \$3/MT.

Ethanol Comments: Chinese President Xi Jinping will visit the United States next week and it would not be overly surprising if he announced the purchase of some quantity of U.S. ethanol. After all, Chinese buyers have already imported 126,000 MT of ethanol in 2015 (as reported by Reuters) which was almost five times the amount they purchased the prior year. Such growing demand has occurred because U.S. ethanol sells at an attractive discount to China's own domestically produced ethanol. This occurs because China's internal corn prices are far above the global rate and that has resulted in Chinese ethanol facilities running at about half capacity. It is cost effective for the 11 provinces that are required to blend ethanol with their gasoline to consider adding U.S. ethanol into the mix.

Export demand for U.S. ethanol seems a key reason that total stocks are able to continue declining even while production levels remain sizable: Total U.S. ethanol stocks for week ending September 11, 2015 fell to 18.3 million barrels from the prior week's level of 18.6 million barrels. Even more important, this stocks level is 2.7

percent below the prior year's level of 18.8 million barrels. Note that it has been a long time since total U.S. ethanol stocks were below the year-ago level!

The decline in ethanol stocks occurred even though the average daily production rate increased to 961,000 barrels per day (bpd) from the prior week's average daily rate of 958,000 bpd. This rate is also above the year-ago average of 931,000 bpd. Such developments seem positive, and hopefully better margins will follow. The differential between the spot market price for corn and the co-products of ethanol and DDGS seem to imply that margins still have not strengthened during the week ending September 18, 2015:

Illinois differential is \$1.68 per bushel in comparison to \$1.66 the prior week and \$2.40 a year ago.
Iowa differential is \$1.45 per bushel in comparison to \$1.61 the prior week and \$2.19 a year ago.
Nebraska differential is \$1.45 per bushel in comparison to \$1.54 the prior week and \$2.09 a year ago.
South Dakota differential is \$1.72 per bushel in comparison to \$1.85 the prior week and \$2.48 a year ago.

COUNTRY NEWS

South Africa: Drought has driven the price of yellow corn to its highest level in 19 years, to \$218 (2,957 rand) per metric ton. White corn, at \$238 (3,229 rand) per metric ton has risen in price six days in a row. The outlook remains dry. (Bloomberg)

France: Ecology Minister Segolene Royal and Agriculture Minister Stephane Le Foll announced that France plans to opt out of the authority from Brussels to grow nine different corn GMO events. (Wall Street Journal)

Vietnam: Prime Minister Nguyen Tan Dung announced a two-step plan to boost the use of E5 and E10 ethanol blended petrol. First will be an education program to inform consumers of ethanol's benefits, and second will be a Ministry of Finance study on creating a preferential tax program to reduce the cost of E5 and E10. (Biofuels Digest)

India: The production of summer-sown corn will fall more than 15 percent this year as a result of back-to-back drought years. Larger production in India's northern states is not enough to offset the losses in southern states. (Reuters)

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	\$34.00	Down \$0.50	Handymax at \$35.00/MT
55,000 U.S. PNW-Japan	\$18.00	Unchanged	Handymax at \$19.00/MT
55,000 U.S. Gulf-China	\$31.75	Down \$0.25	North China
PNW to China	\$17.00	Unchanged	
30,000 U.S. Gulf-Veracruz, México	\$15.00	Unchanged	4,000 MT daily discharge rate

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40-45,000 U.S. Gulf-Veracruz, México	\$13.00	Unchanged	Deep draft and 8,000 MT per day discharge rate.
25/35,000 U.S. Gulf-East Coast Colombia, from Argentina	\$17.25 \$29.50	Up \$0.75 Up \$0.50	West Coast Colombia at \$25.00
36-40,000 U.S. Gulf-Guatemala	\$24.25	Up \$0.25	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf-Algeria	\$32.00 \$33.00	Unchanged Unchanged	8,000 MT daily discharge 3,000 MT daily discharge
25-30,000 U.S. Gulf-Morocco	\$31.50	Unchanged	5,000 discharge rate
55,000 U.S. Gulf-Egypt PNW to Egypt	\$24.50 \$25.00	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	\$23.25 \$22.00	Down \$0.25 Down \$0.25	54-58,000 Supramax-Panamax 60-66,000 Post Panamax
Itacoatiara Port up river Amazonia-China	\$35.00	Up \$1.50	48-53,000 MT (11.5 meter draft)
56-60,000 Argentina-China Upriver with Top-Off	\$31.00	Down \$0.25	—

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 a bit of a mixed picture in global freight markets this week with the Baltic Freight Indices sliding back in the Atlantic and Mediterranean markets but firming in the Pacific. The Baltic Dry-Bulk Index in the Atlantic did post an uptick on Thursday night, and we will have to see if that can hold into next week. Once again the physical freight markets chose not to follow the rally in the Baltic indices and remain suspicious and defensive. U.S. harvest weather is excellent and we will see a good increase in soybean and corn harvest activity over the next two weeks. The big question is: will better corn and soybean supply and cheap prices encourage a significant uptick in export demand?

Baltic-Panamax Dry-Bulk Indices				
September 18, 2015	This Week	Last Week	Difference	Percent Change
Route				
P2A: Gulf/Atlantic – Japan	11,116	11,132	-16	-0.1%
P3A: PNW/Pacific– Japan	6,432	5,651	781	13.8%

Source: O'Neil Commodity Consulting

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

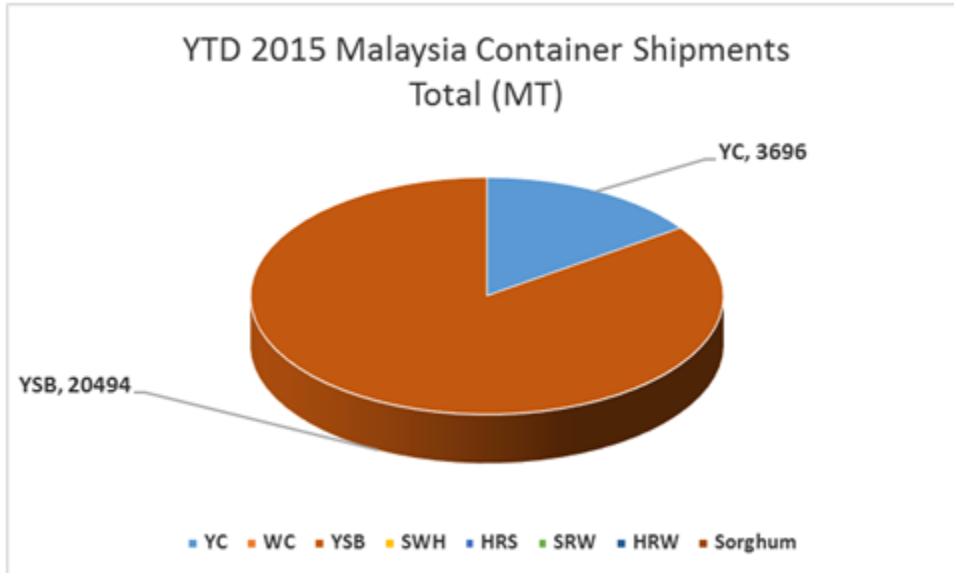
Week of September 18, 2015	
Four weeks ago:	\$4.25-\$5.30
Three weeks ago:	\$4.65-\$5.35
Two weeks ago:	\$5.15-\$5.75
One week ago:	\$5.15-\$5.75
This week	\$5.00-\$5.30

Source: O'Neil Commodity Consulting

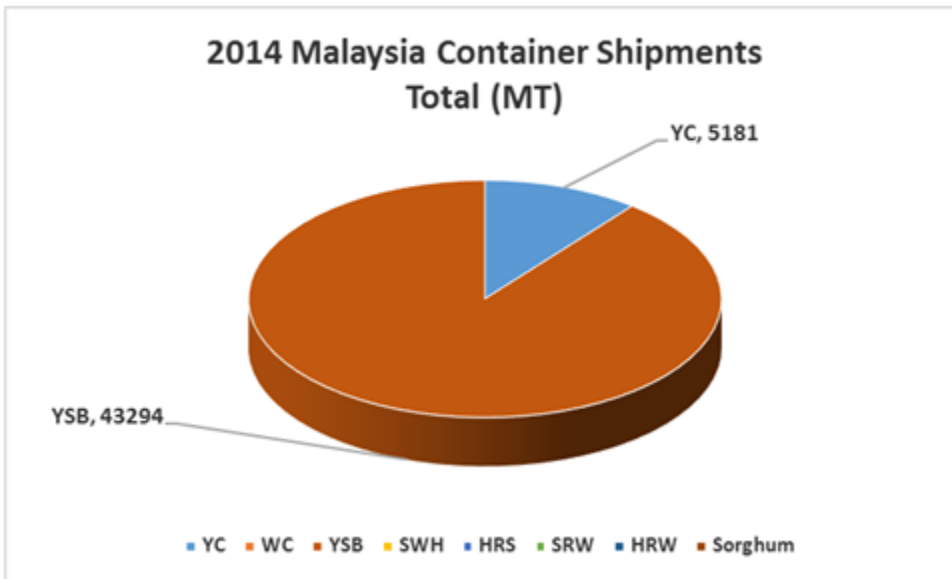
U.S.-Asia Market Spreads					
September 18, 2015	PNW	Gulf	Bushel Spread	MT Spread	Advantage
# 2 Corn	0.92	0.66	0.26	\$10.24	PNW
Soybeans	1.14	1.05	0.09	\$3.54	PNW
Ocean Freight	\$17.00	\$31.75	0.37-0.40	(\$14.75)	Oct.

Source: O'Neil Commodity Consulting

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



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 18, 2015								
Commodity	Origins	China	Japan	Korea	Colombia	Morocco	Egypt	Saudi Arabia
Corn (Yellow)	Argentina	\$29	\$31	\$30	\$25	\$25	\$22	-
	Brazil	\$22	\$24	\$23	\$21	\$19	\$17	-
Corn (White)	Argentina	\$29	\$31	\$30	\$25	\$25	\$22	-
	Brazil	\$22	\$24	\$23	\$21	\$19	\$17	-
Barley	Argentina	\$29	\$31	\$30	\$25	\$25	\$22	-
	Brazil	\$22	\$24	\$23	\$21	\$19	\$17	-
Sorghum	Argentina	\$29	\$31	\$30	\$25	\$25	\$22	-
	Brazil	\$22	\$24	\$23	\$21	\$19	\$17	-

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 (%): September 16, 2015			
	Current Week	Last Week	Last Month
U.S. Prime	3.25	3.25	3.25
LIBOR (6 month)	0.54	0.54	0.53
LIBOR (1 year)	0.86	0.86	0.84

Source: www.bankrate.com