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CHICAGO BOARD OF TRADE MARKET NEWS

Week in Review: CME Corn December Contract					
\$/Bu	Friday 18 September	Monday 21 September	Tuesday 22 September	Wednesday 23 September	Thursday 24 September
Change	-0.0250	0.0725	-0.0400	-0.0275	-0.0175
Closing Price	3.7725	3.8450	3.8050	3.8325	3.8150
Factors Affecting the Market	Today was the fourth day of a price setback after the recent rally. A rebound is likely Monday if the setback is primarily from profit taking.	Prices did rebound on Monday, and this implies that strong support will exist at the prior contract low of \$3.6025 bu. on September 4.	The Dec. corn contract has remained relatively firm when considering the favorability of weekly crop conditions.	A consolidation pattern is being created in the Dec. corn contract and the expectation is that prices will soon break out more decisively.	The width of the daily trading range continued to narrow for the Dec. corn contract as traders wait for a catalyst to spark action.

Outlook: The December corn contract has spent the last week carving out a uniform consolidation pattern known as a pennant. A pennant is a technical chart pattern that normally implies that prices will resume the previous move, often after some effort is exerted by means of heavy volume. The current pennant would imply that the continuation in price direction is upward. However, the pole that the present pennant is attached to is not very long – about 35 cents. That short pole lessens the credibility of an assumption that will immediately

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.

continue upward. An additional dampening effect is that this technical formation is being created just as the U.S. corn harvest is coming into full swing, for a crop with conditions that are consistently rated favorably.

These facts, along with global competition, means that the required volume to move corn contracts higher may not occur without some additional support that helps diminish the confidence of traders with a bearish mindset. Fortunately, there may be some support from wheat contracts due to recent dry weather conditions in Russia and Australia, and from the soy complex if there are announced purchases by China. Such events can change mindsets to perceive sell-offs as buying opportunities. The outlook is that corn contracts may currently struggle to break out to the upside, but market perspectives will become increasingly bullish from this point forward.

CBOT DECEMBER CORN FUTURES



Source: Prophet X

Current Market Values:

Futures Price Performance: Week Ending September 24, 2015			
Commodity	24-Sep	18-Sep	Net Change
Corn			
Dec 15	381.50	377.25	4.25
Mar 16	392.75	388.50	4.25
May 16	400.00	396.00	4.00
Jul 16	405.50	401.75	3.75
Soybeans			
Nov 15	868.00	867.25	0.75
Jan 16	872.50	871.50	1.00
Mar 16	876.75	874.75	2.00
May 16	879.50	878.00	1.50
Soymeal			
Oct 15	302.40	309.00	-6.60
Dec 15	301.90	307.80	-5.90
Jan 16	300.90	306.30	-5.40
Mar 16	299.40	304.50	-5.10
Soyoil			
Oct 15	26.98	26.05	0.93
Dec 15	27.18	26.25	0.93
Jan 16	27.49	26.57	0.92
Mar 16	27.73	26.82	0.91
SRW			
Dec 15	497.25	486.75	10.50
Mar 16	504.25	493.50	10.75
May 16	508.75	498.25	10.50
Jul 16	512.00	502.25	9.75
HRW			
Dec 15	490.00	482.25	7.75
Mar 16	504.50	496.50	8.00
May 16	514.50	506.50	8.00
Jul 16	523.50	516.00	7.50
MGEX (HRS)			
Dec 15	514.00	511.00	3.00
Mar 16	527.75	525.25	2.50
May 16	538.00	535.25	2.75
Jul 16	548.00	545.50	2.50

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

U.S. WEATHER/CROP PROGRESS

U.S. Crop Condition: September 20, 2015					
	Very Poor	Poor	Fair	Good	Excellent
Corn	3%	7%	22%	49%	19%
Sorghum	2%	6%	26%	54%	12%
Barley	-	-	-	-	-

Source: USDA

U.S. Drought Monitor Weather Forecast: A cold front infused with tropical moisture will remain the focus for locally heavy showers, primarily from the southern High Plains into the upper Midwest. Additional rainfall in the vicinity of the front could reach 1 to 3 inches in a few spots. Meanwhile, a low-pressure system will drift westward toward the middle and southern Atlantic Coast, bringing a mid- to late-week increase in rainfall. Five-day rainfall totals could reach 2 to 5 inches or more in the Carolinas and parts of neighboring states. Warm, mostly dry weather will cover the remainder of the country, except for some late-week showers in the Northwest. The NWS 6- to 10-day outlook for September 29 – October 3 calls for the likelihood of above-normal temperatures nationwide, with near-normal temperatures confined to the Pacific Coast States. Meanwhile, wetter-than-normal conditions over the Southeast and from the north-central Plains into the western Corn Belt will contrast with drier than normal conditions across the central and eastern Great Lakes Region and from the lower Four Corners into central and northern Texas.

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 17, 2015					
Commodity	Gross Sales (MT)	Exports (MT)	YTD Exports (000MT)	YTD Bookings (000MT)	% Change YTD Bookings
Wheat	332,400	614,900	6,497.7	11,016.8	-14%
Corn	519,000	795,400	1,869.4	9,765.6	-30%
Sorghum	69,600	169,300	278.5	3,316.4	42%
Barley	0	0	17.8	23.3	-71%

Source: USDA, World Perspectives, Inc.

Corn: Net sales of 426,300 MT for delivery in 2015/2016 were down 20 percent from the previous week. Increases were reported primarily for Mexico (159,600 MT), Colombia (154,700 MT, including 93,600 MT switched from unknown destinations and decreases of 1,100 MT), Bangladesh (54,300 MT, including 50,000 MT switched from unknown destinations), Guatemala (39,900 MT), and Taiwan (18,100 MT), were partially offset by decreases for unknown destinations (23,800 MT) and Japan (4,700 MT). Exports of 795,400 MT were down 1 percent from the previous week. The primary destinations were Mexico (281,500 MT), Japan (187,700

MT), Colombia (163,600 MT), Bangladesh (54,300 MT), Peru (32,600 MT), Canada (28,000 MT), and Guatemala (21,800 MT).

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

Sorghum: Net sales of 58,200 MT for 2015/2016 were up noticeably from the previous week. Increases reported for China (228,900 MT, including 167,000 MT switched from unknown destinations and decreases of 1,400 MT) and Mexico (6,400 MT), were partially offset by decreases for unknown destinations (167,000 MT) and Japan (10,000 MT). Exports of 169,300 MT were to China (167,900 MT) and Mexico (1,400 MT).

U.S. Export Inspections: Week Ending September 17, 2015

Commodity (MT)	Export Inspections		Current Market YTD	Previous YTD	YTD as Percent of Previous
	Current Week	Previous Week			
Barley	514	0	20,455	37,827	54%
Corn	735,535	722,155	1,940,643	2,546,301	76%
Sorghum	218,553	118,276	396,768	339,218	117%
Soybeans	502,846	372,458	898,902	803,742	112%
Wheat	604,918	654,151	6,823,084	8,274,437	82%

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 17, 2015

Last Week	YC	% of Total	WC	% of Total	Sorghum	% of Total
Lakes	10,175	1%	0	0%	0	0%
Atlantic	32,571	4%	0	0%	0	0%
Gulf	404,668	55%	0	0%	216,861	99%
PNW	117,392	16%	0	0%	0	0%
Interior Export Rail	170,729	23%	0	0%	1,692	1%
Total (Metric Tons)	735,535	100%	0	100%	218,553	100%
White Corn Shipments by Country (MT)			N/A			
Total White Corn (MT)			0			
Sorghum Shipments by Country (MT)					217,547	to China
					1,006	to Mexico
Total Sorghum (MT)					218,553	

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	\$173.42	+0.96 Z	\$187.98
LH October	+0.62 Z	\$174.60	+0.96 Z	\$187.98
FH November	+0.65 Z	\$175.78	+0.78 Z	\$180.90
November	+0.67 Z	\$176.56	+0.78 Z	\$180.90
December	+0.70 Z	\$177.75	+0.97 Z	\$188.38

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	\$199.40	+1.25 Z	\$199.40
October	+1.25 Z	\$199.40	+1.25 Z	\$199.40
November	+1.25 Z	\$199.40	+1.25 Z	\$199.40

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	\$155	\$155	\$155
Quantity 5,000 MT			
Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT)			
Bulk 60% Pro.	October	November	December
New Orleans	\$630	\$630	\$630
*5-10,000 MT Minimum			

*All prices are market estimates.

DDGS Price Table: September 24, 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	171	173	173
FOB Vessel GULF	181	183	183
Rail delivered PNW	186	189	189
Rail delivered California	190	193	194
Mid-Bridge Laredo, TX	191	193	193
FOB Lethbridge, Alberta	157	159	159

40 ft. Containers to South Korea (Busan)	220	220	220
40 ft. Containers to Taiwan (Kaohsiung)	225	225	225
40 ft. Containers to Philippines (Manila)	235	235	235
40 ft. Containers to Indonesia (Jakarta)	237	237	237
40 ft. Containers to Malaysia (Port Kelang)	234	234	234
40 ft. Containers to Vietnam (HCMC)	242	242	242
40 ft. Containers to Japan (Yokohama)	232	232	232
40 ft. containers to Thailand (LCMB)	230	230	230
40 ft. Containers to Shanghai, China	222	222	222
KC & Elwood, IL Rail Yard (delivered Ramp)	189	190	191

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 merchandisers report that even when interest is expressed in barge shipment and there is active railcar delivery to Chicago for trans-loading, there presently seems to be no export demand. Thus, merchandisers are seeking to encourage foreign buyers to come to the table by extending reduced rates. In that regard, containerized rates declined on average by \$10/MT. Meanwhile, spot rates to certain destinations – specifically Yokohama, Japan and Manila, Philippines – declined by \$20/MT.

Please note that nearby spot market offers for October are lower than the more distant November and December time period for both foreign and domestic buyers. There was a small \$1/MT decrease in the average domestic price for spot market DDGS, but that was primarily because of the influence of lower prices that are being offered for bulk purchases of DDGS by barge. The domestic price for DDGS being shipped by rail to the West Coast of the United States actually increased by \$3-6/MT.

Ethanol Comments: Total U.S. ethanol stocks increased to 18.9 million barrels for the week ending September 18, 2015. This is a 3.3 percent increase from the prior week's level of 18.3 million barrels. The increase occurred even though there was a modest decline in the average daily production rate of 938,000 barrels per day (bpd) from the prior week's average daily rate of 961,000 bpd. However, the increase in stocks during a period of lesser production can be explained by ethanol imports at an average daily rate of 44,000 bpd. Thus, the build-up in stocks makes sense and is not necessarily a sign of weaker demand.

Demand for ethanol should actually increase if lower gasoline prices encourage more consumption: The retail price for gasoline has decreased for five weeks in a row. The U.S. Energy Information Administration reported the national average retail price of gasoline to be \$2.327 per gallon on September 21, which is almost 5 cents below the prior week's price and more than a \$1.00 below the year-ago price.

U.S. ethanol export statistics will be published next week, September 30, and the results will be analyzed in this section. Further, weekly margin (differential) data will be published tomorrow, Friday September 25, and subsequently analyzed in next week's report.

COUNTRY NEWS

Brazil: Sergio Mendes, director of the cereals export association ANEC expresses concern that a strike by the Federal Agricultural Agents Union (Anffa) could adversely impact some corn exports. Brazil is likely to be the world's number two corn exporter this year. (Reuters)

India: The latest Ministry of Agriculture/GOI estimate for the 2014/15 Kharif season corn crop places production at 15.5 MMT, down 5.43 percent from an earlier estimate, and overall coarse cereal production at 27.88 MMT, down 6.5 percent. Some believe that the faltering monsoon will have produced even less grain than currently estimated.

Romania: The corn harvest is 40 percent complete with production expected to be down 25 percent from last year due to an extremely hot and dry summer.

Ukraine: The unusually dry weather this summer places one private estimate of the current corn crop at 25 MMT, though other analysts say it could drop to 23 MMT. That would be 15 percent lower than USDA's current forecast and a 20 percent reduction from corn production a year earlier. (Dow Jones)

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	\$33.50	Down \$0.50	Handymax at \$34.50/MT
55,000 U.S. PNW-Japan	\$17.75	Down \$0.25	Handymax at \$18.25/MT
55,000 U.S. Gulf-China	\$31.50	Down \$0.25	North China
PNW to China	\$16.75	Down \$0.25	
30,000 U.S. Gulf-Veracruz, México	\$15.25	Up \$0.25	4,000 MT daily discharge rate
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	\$17.75 \$30.00	Up \$0.50 Up \$0.50	West Coast Colombia at \$25.25
36-40,000 U.S. Gulf-Guatemala	\$24.25	Unchanged	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	\$24.50	Unchanged	55,000 -60,000 MT St. Lawrence to Egypt \$25.00
PNW to Egypt	\$25.00	Unchanged	
65-75,000 U.S. Gulf-Europe-	\$15.75	Up \$0.75	Handymax at +\$1.50 more

September 24, 2015

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Rotterdam			
Brazil, Santos-China	\$23.00 \$21.75	Down \$0.25 Down \$0.25	54-58,000 Supramax-Panamax 60-66,000 Post Panamax
Itacoatiara Port up river Amazonia-China	\$34.00	Down \$1.00	48-53,000 MT (11.5 meter draft)
56-60,000 Argentina-China Upriver with Top-Off	\$30.50	Down \$0.50	—

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: Global ocean freight markets continue to be conflicted. Those trading the Baltic Indices and paper market seem to want to push things upward. The physical market, however, is not so willing to follow. And investors, mostly the fund money, continue to ask: is this the right time to invest in vessels? Is the market finally poised for a turnaround? This is an intriguing question but it will take a lot more than wishful thinking and hoping to make it happen. I read a very interesting freight article today that suggested that it may take ten more years before vessel owners witness a true turnaround in values. I obviously can't predict the exact timing of a potential market turn, but do not believe it will come this year or next. So hang on to your hats; we are likely to experience rough seas ahead and more financial fallout.

Baltic-Panamax Dry-Bulk Indices				
September 24, 2015	This Week	Last Week	Difference	Percent Change
Route				
P2A: Gulf/Atlantic – Japan	11,259	11,116	143	1.3%
P3A: PNW/Pacific– Japan	6,529	6,432	97	1.5%

Source: O'Neil Commodity Consulting

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

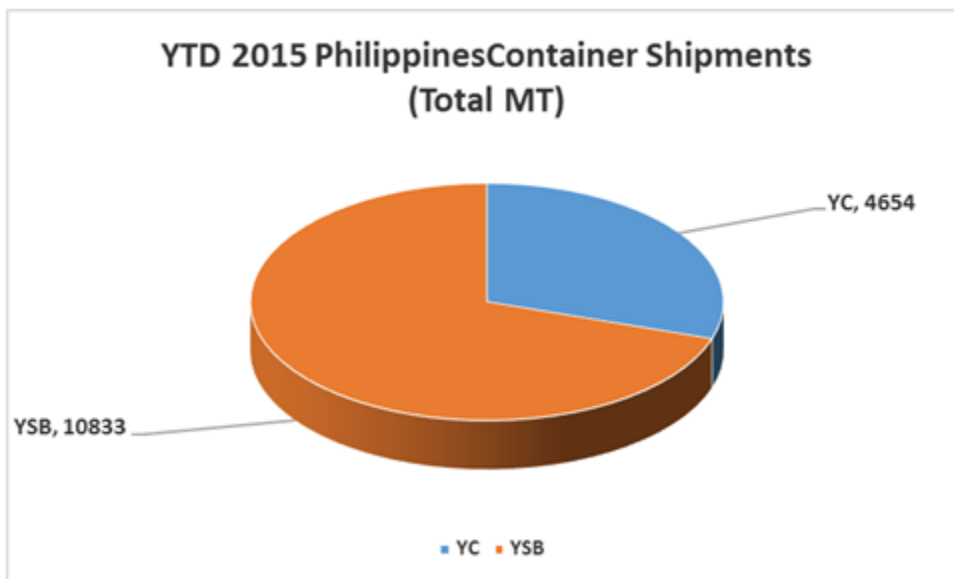
Week of September 24, 2015	
Four weeks ago:	\$4.65-\$5.35
Three weeks ago:	\$5.15-\$5.75
Two weeks ago:	\$5.15-\$5.75
One week ago:	\$5.00-\$5.30
This week	\$5.80-\$6.20

Source: O'Neil Commodity Consulting

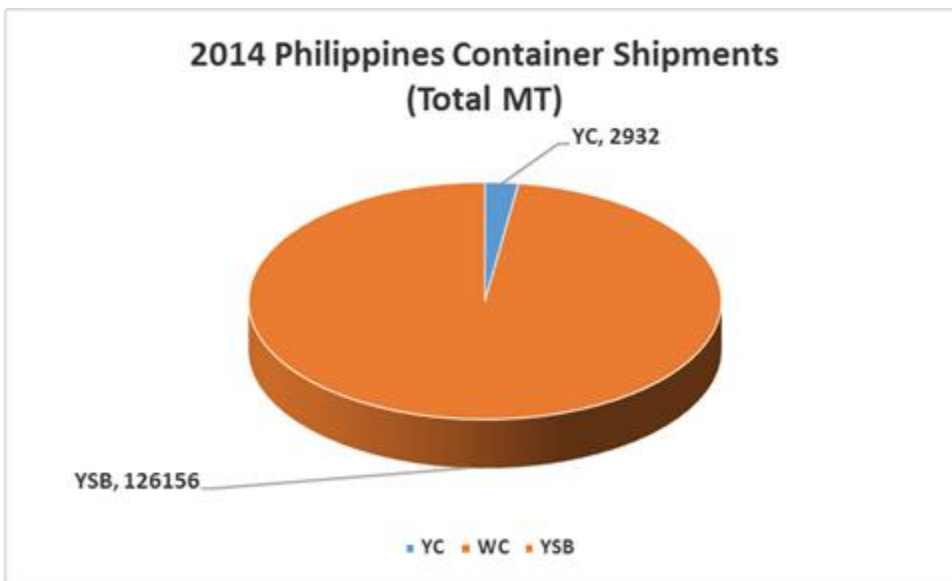
U.S.-Asia Market Spreads					
September 24, 2015	PNW	Gulf	Bushel Spread	MT Spread	Advantage
# 2 Corn	0.95	0.64	0.31	\$12.20	PNW
Soybeans	1.12	1.00	0.12	\$4.72	PNW
Ocean Freight	\$16.75	\$31.50	0.37-0.40	(\$14.75)	Oct.

Source: O'Neil Commodity Consulting

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



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.

Note: Prices reflect those from the week ending September 18, 2015.

Source: World Perspectives, Inc.

INTEREST RATES

Interest Rates (%): September 23, 2015			
	Current Week	Last Week	Last Month
U.S. Prime	3.25	3.25	3.25
LIBOR (6 month)	0.53	0.54	0.52
LIBOR (1 year)	0.82	0.86	0.85

Source: www.bankrate.com