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CHICAGO BOARD OF TRADE MARKET NEWS

Week in Review: CME Corn December Contract					
\$/Bu	Friday 9 October	Monday 12 October	Tuesday 13 October	Wednesday 14 October	Thursday 15 October
Change	-0.0850	-0.0200	0.0375	-0.0550	-0.0350
Closing Price	3.8275	3.8075	3.8450	3.7900	3.7550
Factors Affecting the Market	USDA's October WASDE projected a slight decline in ending stocks offset by a half bushel increase in the average U.S. yield to 168 bu., but corn futures dropped.	The December corn contract settled near support at \$3.80 bu. and formed an indecisive chart pattern that could signal the start of a reversal.	Prices started off weaker but turned to work upward and closed near the high of the day, and that should strengthen the resolve of bullish traders.	Corn contracts could not hold on to higher prices but instead came under the influence of increased selling from bearish looking charts.	December corn closed resting on key support at \$3.75 bu. This level will likely be tested tomorrow if the export sales pace for U.S. corn is low.

Outlook: Corn futures have declined since the release of USDA data last Friday projecting that the average yield will increase by a half bushel per acre to 168 bu. Less attention was seemingly paid to that fact that the estimate for harvested area was reduced by 500,000 acres to a lower total of 80.7 million acres. The reduction in harvested acres more than offset the increase in average yield and that caused total projected corn

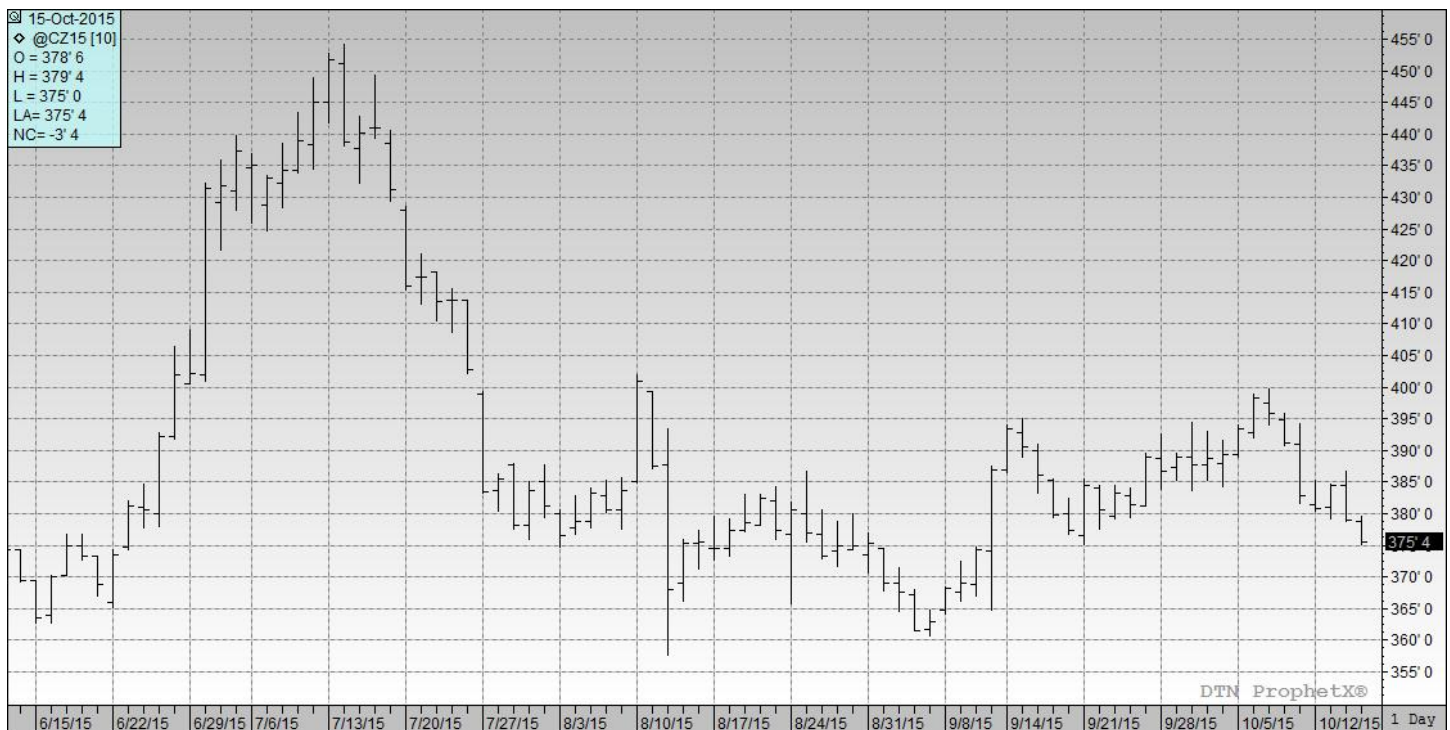
For more information on the contents of this newsletter or the U.S. Grains Council, its mission and programs, please contact Manuel Sanchez or Alvaro Cordero at (202) 789-0789.

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 ten 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.

production to decline slightly from 13.585 to 13.555 billion bushels. Thus, this week's setback in prices is not because of increased production but rather because disappointed bullish traders lacked sufficient justification to fuel additional upside momentum during harvest. Their selling and limited hedge activity is the cause of lower corn contracts; however, note that the decline is occurring in an orderly manner because there are a substantial number of traders who desire to buy corn at lower levels. The competitive buying among those traders will increase as prices move lower until a point is reached that the number of buyers outnumbers sellers. It is at that point that the majority of global buyers wish to make purchases, but buying at the low is always easier said than done.

The current 2015/16 crop marketing year for U.S. corn began on September 1 and this season's pace of export sales has been slower than normal. For example, most recent data shows that only about 23 percent of the annual estimate for total exports has been sold so far when the more recent rate has averaged closer to 45 percent sold by this time. The current slower sales pace is not because lower prices have diminished demand, but because of the common hope among buyers to purchase at reduced prices, preferably at the bottom. The outlook is that once a bottom in prices is more clearly defined, then that pent-up demand will enter the market with full force. It is entirely feasible that before the calendar year is over there will be increasing announcements of large corn exports, and that news will likely facilitate more purchasing.

CBOT DECEMBER CORN FUTURES



Source: Prophet X

Current Market Values:

Futures Price Performance: Week Ending October 15, 2015			
Commodity	15-Oct	9-Oct	Net Change
Corn			
Dec 15	375.50	382.75	-7.25
Mar 16	386.50	393.50	-7.00
May 16	392.75	400.00	-7.25
Jul 16	397.75	405.25	-7.50
Soybeans			
Nov 15	905.25	885.75	19.50
Jan 16	909.00	890.50	18.50
Mar 16	912.25	894.25	18.00
May 16	916.00	899.00	17.00
Soymeal			
Dec 15	314.00	307.80	6.20
Jan 16	312.80	306.90	5.90
Mar 16	310.70	305.00	5.70
May 16	308.90	303.50	5.40
Soyoil			
Dec 15	28.58	28.34	0.24
Jan 16	28.87	28.61	0.26
Mar 16	29.09	28.82	0.27
May 16	29.26	29.00	0.26
SRW			
Dec 15	502.50	509.25	-6.75
Mar 16	510.50	516.75	-6.25
May 16	515.25	521.75	-6.50
Jul 16	518.75	526.00	-7.25
HRW			
Dec 15	496.25	500.25	-4.00
Mar 16	511.25	514.75	-3.50
May 16	521.00	524.25	-3.25
Jul 16	530.75	534.50	-3.75
MGEX (HRS)			
Dec 15	523.50	529.50	-6.00
Mar 16	537.25	542.00	-4.75
May 16	547.00	550.50	-3.50
Jul 16	556.25	559.50	-3.25

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

U.S. WEATHER/CROP PROGRESS

U.S. Crop Condition: October 11, 2015					
	Very Poor	Poor	Fair	Good	Excellent
Corn	3%	7%	22%	48%	20%
Sorghum	2%	6%	26%	55%	11%
Barley	-	-	-	-	-

Source: USDA

U.S. Drought Monitor Weather Forecast: For the upcoming 5-day period (October 15-19), a rather dry weather pattern should exist east of the Rockies, with only light to moderate precipitation expected in the Great Lakes region and New England, and extreme southern Florida. In the West, however, widespread and heavy rainfall (1-3 inches) is possible in the Southwest (southeast California, Nevada, Arizona, Utah, western New Mexico, southwest Colorado) and western Washington, with lighter amounts in Idaho, Oregon, and western Wyoming and Montana. Temperatures should average below normal in the eastern third of the Nation, with much above normal readings from the Plains westward.

For the ensuing 5 days (October 20-24), the odds favor above-median precipitation throughout much of the middle third of the U.S., in the Northwest and Southeast, with a tilt toward sub-median precipitation in California and along the mid-Atlantic and New England coasts. Above-normal temperatures are favored in much of the lower 48 States, with only near-normal readings expected in the Carolinas and New Mexico.

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 October 1, 2015					
Commodity	Gross Sales (MT)	Exports (MT)	YTD Exports (000MT)	YTD Bookings (000MT)	% Change YTD Bookings
Wheat	301,000	567,500	7,629.6	11,382.1	-18%
Corn	617,600	489,900	3,173.1	11,033.5	-28%
Sorghum	15,000	353,000	915.7	3,484.0	37%
Barley	500	0	18.4	23.9	-79%

Source: USDA, World Perspectives, Inc.

Please note that due to the Columbus Day Holiday on Monday, October 12, export sales data will not be released until Friday, October 16. Next week's edition of Market Perspectives will include updated export statistics. The table above and text below reflect data from the week ending October 1, 2015.

The following text reflects data from the week ending October 1, 2015.

Corn: Net sales of 519,700 MT for 2015/2016 were down 31 percent from the previous week. Increases reported for Mexico (338,300 MT), Panama (52,200 MT), Bangladesh (44,000 MT, including 40,000 MT switched from unknown destinations), Jamaica (43,000 MT), and Japan (37,200 MT, including 10,400 MT switched from unknown destinations and decreases of 24,000 MT), were partially offset by decreases for unknown destinations (50,300 MT) and Taiwan (1,800 MT). Net sales reductions of 53,100 MT for 2016/2017 were reported for Panama (51,900 MT) and Honduras (1,200 MT). Exports of 489,900 MT were down 40 percent from the previous week. The primary destinations were Mexico (184,100 MT), Japan (120,900 MT), Bangladesh (44,000 MT), Colombia (31,300 MT), Guatemala (31,200 MT), Panama (21,100 MT), and El Salvador (17,000 MT).

Barley: Net sales of 500 MT for 2015/2016 were reported for Japan (300 MT) and South Korea (200 MT). There were no exports reported during the week.

Sorghum: Net sales of 4,000 MT for 2015/2016 resulted as increases for Venezuela (49,400 MT, including 50,000 MT switched from China and decreases of 600 MT), China (6,600 MT), Indonesia (600 MT), and Japan (400 MT), were partially offset by decreases for unknown destinations (53,000 MT). Exports of 353,000 MT were up 24 percent from the previous week and 67 percent from the prior-4 week average. The destinations were China (294,600 MT), Venezuela (49,400 MT), Japan (4,500 MT), and Mexico (4,400 MT).

U.S. Export Inspections: Week Ending October 8, 2015

Commodity (MT)	Export Inspections		Current Market YTD	Previous YTD	YTD as Percent of Previous
	Current Week	Previous Week			
Barley	490	73	21,018	66,895	31%
Corn	573,298	469,697	3,794,024	4,978,671	76%
Sorghum	369,398	297,378	1,410,520	941,479	150%
Soybeans	1,831,696	1,155,816	4,428,376	3,951,607	112%
Wheat	290,717	561,409	8,323,608	10,067,642	83%

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 October 8, 2015

Last Week	YC	% of Total	WC	% of Total	Sorghum	% of Total
Lakes	17,095	3%	0	0%	0	0%
Atlantic	13,055	2%	0	0%	1,960	1%
Gulf	303,213	55%	21,604	99%	364,205	99%
PNW	123,047	22%	122	1%	0	0%
Interior Export Rail	95,162	17%	0	0%	3,233	1%
Total (Metric Tons)	551,572	100%	21,726	100%	369,398	100%
White Corn Shipments by Country (MT)			21,604	to Mexico		
			122	to Korea		



Total White Corn (MT)			21,726			
Sorghum Shipments by Country (MT)					291,500	to China
					23,015	to Colombia
					4,150	to Ethiopia
					47,500	to Sudan
					3,233	to Mexico
Total Sorghum (MT)					369,398	

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 October	+0.72 Z	\$176.17	-	-
November	+0.73 Z	\$176.56	+0.90 Z	\$183.26
December	+0.75 Z	\$177.35	+0.90 Z	\$183.26
January	+0.69 H	\$179.32	+0.87 H	\$186.41

Sorghum (USD/MT FOB Vessel)				
#2 YGS FOB Vessel Max 14.0% Moisture	NOLA		TEXAS	
	Basis	Flat Price	Basis	Flat Price
October	+1.25 Z	\$197.04	+1.25 Z	\$197.04
November	+1.15 Z	\$193.10	+1.15 Z	\$193.10
December	+1.05 Z	\$189.16	+1.05 Z	\$189.16

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

Prices reflect the week ending October 8, 2015.

Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. \$/MT)			
	November	December	January
New Orleans	\$160	\$160	\$160
Quantity 5,000 MT			
Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT)			
Bulk 60% Pro.	November	December	January
New Orleans	\$615	\$615	\$615
*5-10,000 MT Minimum			

*All prices are market estimates.

DDGS Price Table: October 15, 2015 (USD/MT) (Quantity, availability, payment and delivery terms vary)			
Delivery Point Quality Min. 35% Pro-fat combined	Nov	Dec	Jan
Barge CIF New Orleans	174	175	176
FOB Vessel GULF	183	183	184
Rail delivered PNW	189	190	193
Rail delivered California	191	192	195
Mid-Bridge Laredo, TX	185	185	188
FOB Lethbridge, Alberta	168	170	173
40 ft. Containers to South Korea (Busan)	208	209	222
40 ft. Containers to Taiwan (Kaohsiung)	209	209	228
40 ft. Containers to Philippines (Manila)	221	221	240
40 ft. Containers to Indonesia (Jakarta)	219	220	233
40 ft. Containers to Malaysia (Port Kelang)	221	221	234
40 ft. Containers to Vietnam (HCMC)	224	225	238
40 ft. Containers to Japan (Yokohama)	214	214	233
40 ft. containers to Thailand (LCMB)	219	220	233
40 ft. Containers to Shanghai, China	209	209	228
KC & Elwood, IL Rail Yard (delivered Ramp)	171	173	174

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: Buyers of DDGS seem to recognize that it is common for grain prices to stabilize once harvest is more than 50 percent complete. Since that point in time is near, increasing attention is being paid by market participants to chart patterns in order to create purchasing strategies. For example, DDGS merchandisers report that Chinese buyers are slowly returning to the market and seeking DDGS offers for prices in the first quarter of calendar year 2016. Other Asian purchasers of DDGS seem anxious to stay ahead of this potentially significant competition, and there have been sales to firms from Vietnam, Korea and Thailand at the recent low prices.

Domestic purchases of DDGS normally increase for the feeding of cattle as cooler weather approaches, but feedlots often prefer to buy immediate needs in the nearby spot market. The lack of extended coverage makes it much more difficult for these domestic end-users to take advantage of seasonal lows. The result is that their current costs for feed are often less but their total costs for the season are more.

Ethanol Comments: USDA's October estimate of corn used in ethanol and co-product production was unchanged from the September estimate of 5.250 billion bushels. This projection implies stable growth in demand as total corn use for ethanol increases from 5.124 billion bushels in the 2013/14 season and 5.207 billion bushels in 2014/15. The assumption makes sense when considering the fact that the price of crude oil

appears to be stabilizing into a horizontal trading range and at levels that will encourage strong consumption of gasoline. However, the following data also implies that competition is keeping ethanol stocks ample, and that may cause margins to remain thin for ethanol producers.

Total U.S. ethanol stocks increased slightly for week ending October 9, 2015 to 19 million barrels. This is slightly above the week-ago level of 18.8 million barrels and 3.3 percent above the year-ago level of 18.4 million barrels. Maintaining these stocks was a steady average daily production rate of 949,000 barrels per day (bpd). This rate of production is basically unchanged from the prior week's average of 950,000 bpd. The result was a limited but consistent decline in the reported differential between the price of corn and co-products across the U.S. Corn Belt. The following data shows differentials in the four regions of the Corn Belt for the week ending October 9, 2015:

- Illinois differential is \$1.64 per bushel, in comparison to \$1.72 the prior week and \$2.06 a year ago.
- Iowa differential is \$1.47 per bushel, in comparison to \$1.54 the prior week and \$1.94 a year ago.
- Nebraska differential is \$1.62 per bushel, in comparison to \$1.70 the prior week and \$1.72 a year ago.
- South Dakota differential is \$1.71 per bushel, in comparison to \$1.74 the prior week and \$1.97 a year ago.

COUNTRY NEWS

Europe: The EU harvested 28.5 MMT of barley this year, down just 4 percent from last year's huge crop, of which 9 MMT is expected to reach malting quality, down around 5 percent from a year ago. As a result prices are expected to stay weak. (Reuters)

Europe: European farmers will not be growing Syngenta's newest corn seed technology as the company announced that it has withdrawn its applications for their approval by Brussels. In short, the company sees no pathway forward for commercially using genetically engineered corn in Europe. (Bloomberg)

Russia: Jack Watts of the UK's Agriculture and Horticulture Development Board says that if grain prices rise, the ruble stays weak and Moscow keeps its tax on wheat exports, Russian farmers will shift to plant corn instead. (Dow Jones)

Vietnam: Lacking adequate fueling stations and support from the government, five of seven ethanol production plants have been forced to close. Kien Chinh of ethanol maker Tung Lam says the effort now is to get farmers to grow sweet potatoes as feedstock to produce ethanol. (Vietnam News Service)

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	\$33.25	Up \$0.50	Handymax at \$34.00/MT
55,000 U.S. PNW-Japan	\$17.75	Unchanged	Handymax at \$18.25/MT
55,000 U.S. Gulf-China	\$31.75	Up \$0.50	North China
PNW to China	\$16.75	Unchanged	
30,000 U.S. Gulf-Veracruz, México	\$15.25	Unchanged	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	\$16.50 \$28.50	Down \$1.50 Down \$1.50	West Coast Colombia at \$23.00
36-40,000 U.S. Gulf-Guatemala	\$22.50	Down \$1.75	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-Rotterdam	\$15.00	Down \$1.00	Handymax at +\$1.50 more
Brazil, Santos-China	\$23.00 \$21.75	Unchanged Unchanged	54-58,000 Supramax-Panamax 60-66,000 Post Panamax
Itacoatiara Port up river Amazonia-China	\$34.00	Unchanged	48-53,000 MT (11.5 meter draft)
56-60,000 Argentina-China Upriver with Top-Off	\$30.50	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: I must admit that this is not a very exciting global freight market. But when there is nowhere to go, there's nowhere to go. I guess we can say things are just steaming in circles. We go up or down 1-4 percent one week and then take it all back the next. Month over month there is not much progress in either direction. This is good news for freight buyers who continue to get good deals and it continues to be a big frustration for vessel owners. I do not see anything on the horizon that will cause a big change. The North American soybean harvest is now a little over 62 percent

complete with the corn harvest at 42-plus percent. U.S export sales, however, are lagging and U.S. farmers are not very willing sellers at current prices. U.S. barge and rail freight markets are indicating that there is no shortage of transportation equipment available, nor any big logistical snarls. Grain buyers, it's all here and available at good values – come and get it!

Baltic-Panamax Dry-Bulk Indices				
October 14, 2015	This Week	Last Week	Difference	Percent Change
Route				
P2A: Gulf/Atlantic – Japan	11,745	11,227	518	4.6%
P3A: PNW/Pacific– Japan	6,550	6,457	93	1.4%

Source: O'Neil Commodity Consulting

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

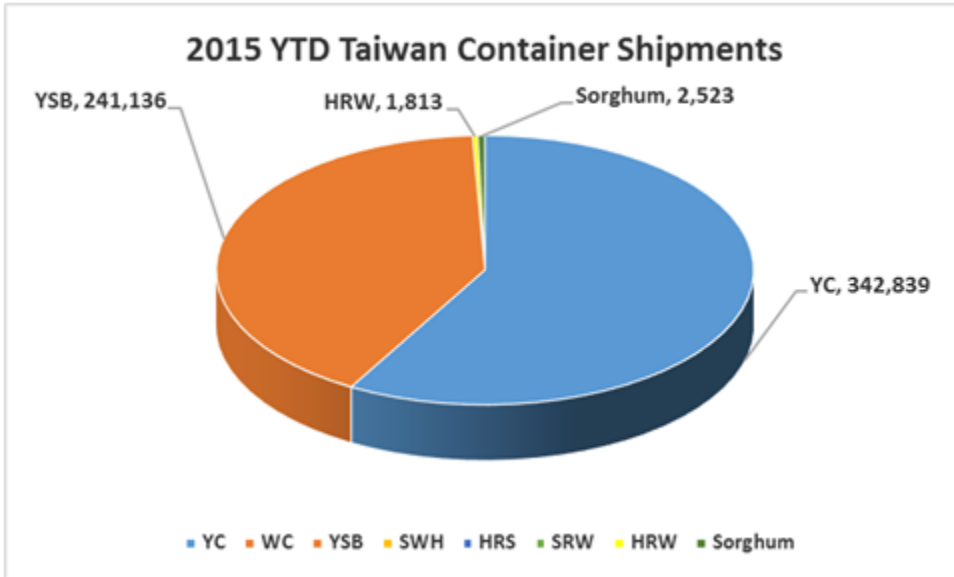
Week of October 15, 2015	
Four weeks ago:	\$5.00-\$5.30
Three weeks ago:	\$5.80-\$6.20
Two weeks ago:	\$5.85-\$6.20
One week ago:	\$5.80-\$6.00
This week:	\$5.40-\$5.55

Source: O'Neil Commodity Consulting

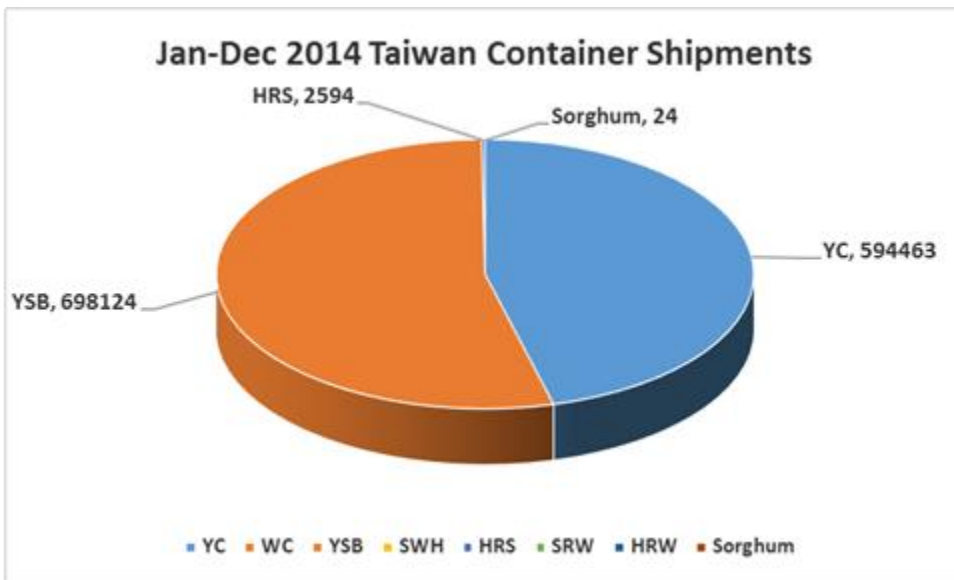
U.S.-Asia Market Spreads					
October 15, 2015	PNW	Gulf	Bushel Spread	MT Spread	Advantage
# 2 Corn	0.91	0.70	0.21	\$8.27	PNW
Soybeans	1.12	1.02	0.10	\$3.94	PNW
Ocean Freight	\$16.75	\$31.50	0.37-0.40	(\$14.75)	Nov.

Source: O'Neil Commodity Consulting

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



Source: O'Neil Commodity Consulting



Source: O'Neil Commodity Consulting

October 15, 2015

Developing Markets • Enabling Trade • Improving Lives

International Freight Rates for Feed Grains – Select Routes Estimated Spot Price (\$/MT) – Week Ending October 15, 2015								
Commodity	Origins	China	Japan	Korea	Colombia	Morocco	Egypt	Saudi Arabia
Corn (Yellow)	Argentina	\$30	\$32	\$31	\$25	\$25	\$22	-
	Brazil	\$22	\$24	\$23	\$21	\$19	\$17	-
Corn (White)	Argentina	\$30	\$32	\$31	\$25	\$25	\$22	-
	Brazil	\$22	\$24	\$23	\$21	\$19	\$17	-
Barley	Argentina	\$30	\$32	\$31	\$25	\$25	\$22	-
	Brazil	\$22	\$24	\$23	\$21	\$19	\$17	-
Sorghum	Argentina	\$30	\$32	\$31	\$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 (%): October 14, 2015			
	Current Week	Last Week	Last Month
U.S. Prime	3.25	3.25	3.25
LIBOR (6 month)	0.52	0.53	0.54
LIBOR (1 year)	0.84	0.85	0.86

Source: www.bankrate.com