



CONTENTS

CHICAGO BOARD OF TRADE MARKET NEWS 1

CBOT DECEMBER CORN FUTURES 2

U.S. WEATHER/CROP PROGRESS 3

U.S. EXPORT STATISTICS 4

FOB..... 5

DISTILLERS DRIED GRAINS WITH SOLUBLES (DDGS) 7

COUNTRY NEWS 7

OCEAN FREIGHT MARKETS AND SPREAD 8

OCEAN FREIGHT COMMENTS 9

INTEREST RATES..... 11

CHICAGO BOARD OF TRADE MARKET NEWS

Week in Review: CME Corn December Contract					
\$/Bu	Monday 15 September	Tuesday 16 September	Wednesday 17 September	Thursday 18 September	Friday 19 September
Change	0.0450	-0.075	0.0200	-0.0350	-0.675
Closing Price	3.4300	3.4375	3.4175	3.3825	3.3150
Factors Affecting the Market	Limited commercial buying enabled the December contract to close higher, but the market looks and feels weak.	The market closed basically unchanged. Buyers seem reluctant to enter the market before harvest is half finished.	Corn contracts appear more stable than either soybeans or wheat. However, corn will not be able to rally alone.	Export sales were favorable considering the lack of Chinese buying. Yet, the December contract appears destined to retest its low.	From a corn producer's perspective, settling out the week on a new low is disappointing.

For more information on the contents of this newsletter or the U.S. Grains Council, its mission and programs, please contact Kevin Roepke or Alvaro Cordero at (202) 326-0637.

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: Current price action in the corn contracts is likely to be something that people look back on in seven months and wonder, “Why didn’t I buy more?” Corn contracts are currently trading below \$4.00 per bushel all the way out through December 2016. The probability that corn contracts will coast through 2015 and 2016 below the price of \$4.00 per bushel is remote.

The statement that yields are better than expected has turned into a repeated cliché among grain market analysts. USDA is presently projecting a U.S. national corn yield of 171.7 bushels per acre. Price action seems to indicate that many traders believe that the average U.S. corn yield may be larger than this latest estimate. Currently, the average of corn contracts for the remainder of the 2014/15 season can be purchased for less than \$3.50 per bushel. The average price of corn contracts for the entire 2015/16 season can be purchased for less than \$3.90 per bushel. It is hard to conceive of any corn end-user that cannot lock in a favorable margin when such prices are being offered.

CBOT DECEMBER CORN FUTURES



Source: Prophet X

Current Market Values:

Futures Price Performance: Week Ending September 19, 2014			
Commodity	19-Sep	12-Sep	Net Change



Corn			
Dec 14	331.50	338.50	-7.00
Mar 15	344.25	351.00	-6.75
May 15	353.00	359.50	-6.50
Jul 15	360.00	366.75	-6.75
Soybeans			
Nov 14	957.00	985.25	-28.25
Jan 15	965.25	992.50	-27.25
Mar 15	972.75	998.50	-25.75
May 15	979.50	1005.25	-25.75
Soymeal			
Oct 14	324.10	338.50	-14.40
Dec 14	315.40	327.90	-12.50
Jan 15	312.90	324.70	-11.80
Mar 15	311.80	322.50	-10.70
Soyoil			
Oct 14	32.46	32.55	-0.09
Dec 14	32.58	32.77	-0.19
Jan 15	32.83	33.03	-0.20
Mar 15	33.11	33.33	-0.22
SRW			
Dec 14	474.50	502.50	-28.00
Mar 15	491.00	520.00	-29.00
May 15	502.50	530.75	-28.25
Jul 15	512.00	539.00	-27.00
HRW			
Dec 14	560.25	593.25	-33.00
Mar 15	566.00	601.25	-35.25
May 15	569.50	606.00	-36.50
Jul 15	562.25	596.25	-34.00
MGEX (HRS)			
Dec 14	535.50	578.00	-42.50
Mar 15	552.75	593.50	-40.75
May 15	565.25	605.25	-40.00
Jul 15	577.50	605.75	-28.25

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

U.S. WEATHER/CROP PROGRESS

U.S. Crop Condition: September 14, 2014					
	Very Poor	Poor	Fair	Good	Excellent

September 19, 2014

Developing Markets • Enabling Trade • Improving Lives

Corn	2%	5%	19%	52%	22%
Sorghum	3%	9%	31%	46%	11%

U.S. Drought Monitor Weather Forecast: During the September 19-22, 2014 time period, the remnants of Tropical Storm Odile are expected to bring heavy precipitation and flooding to the Southwest, particularly in southern Arizona and New Mexico. Beyond that event, precipitation is expected from the Southwest, through the Plains, and into the Ohio River Valley. At the same time, above normal temperatures are expected along the northern tier of the nation with warmer than average minimum temperatures across the nation with the exception of the East Coast.

For the ensuing 5 days (September 23-27, 2014), the odds favor normal to above-normal temperatures across the western U.S. and along the Gulf of Mexico Coast. Below-normal temperatures are favored around the Great Lakes and into New England. Above-normal precipitation is likely along the Gulf of Mexico Coast and in the Four Corners area of the Southwest. Below-normal precipitation is expected in the Plains and throughout much of the West. 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 11, 2014					
Commodity	Gross Sales (MT)	Exports (MT)	YTD Exports (000MT)	YTD Bookings (000MT)	% Change YTD Bookings
Wheat	384,900	771,800	7,544.5	12,440.4	-27%
Corn	703,000	722,400	1,417.9	13,039.2	-1%
Sorghum	332,500	111,500	111.5	2,255.2	137%
Barley	42,600	900	22.5	81.6	40%

Source: USDA, World Perspectives, Inc.

Corn: Net sales of 659,700 MT for 2014/2015 were reported primarily for Peru (142,500 MT, including 60,000 MT switched from unknown destinations), Japan (126,000 MT, including 4,500 MT switched from unknown destinations), Mexico (104,500 MT), Guatemala (84,200 MT, including 35,800 MT switched from Costa Rica and 21,400 MT switched from unknown destinations), and South Korea (68,300 MT, including 65,000 MT switched from unknown destinations). Decreases were reported for Costa Rica (32,300 MT), Canada (8,300 MT), and Egypt (3,200 MT). Exports of 722,400 MT were primarily to Mexico (175,200 MT), Japan (91,400 MT), South Korea (87,000 MT), Colombia (69,000 MT), Egypt (64,800 MT), Peru (61,400 MT), Guatemala (40,100 MT), and Venezuela (37,000 MT).

Barley: Net sales of 42,600 MT for 2014/2015--marketing-year high--were reported for unknown destinations (25,000 MT), Japan (17,000 MT), and Taiwan (600 MT). Net sales reductions of 25,000 MT for 2015/2016 were reported for unknown destinations. Exports of 900 MT were reported to Taiwan (800 MT) and South Korea (100 MT).

Sorghum: Net sales of 332,400 MT for 2014/2015 were reported for China. Exports of 111,500 MT were reported to China.

September 19, 2014

Developing Markets • Enabling Trade • Improving Lives

U.S. Export Inspections: Week Ending September 11, 2014					
Commodity (MT)	Export Inspections		Current Market YTD	Previous YTD	YTD as Percent of Previous
	Current Week	Previous Week			
Corn	741,230	1,197,385	1,466,782	720,119	204%
Sorghum	147,410	64,313	210,009	247,303	85%
Soybeans	255,020	173,732	333,608	130,969	255%
Wheat	545,621	532,569	7,614,624	11,473,841	66%
Barley	196	955	37,063	51,198	72%

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

USDA Grain Inspections for Export Report: Week Ending September 11, 2014						
Last Week	YC	% of Total	WC	% of Total	Sorghum	% of Total
Gulf	472,803	64%	0	0%	147,117	100%
PNW	66,508	9%	196	100%	122	0%
Lakes	19,388	3%	0	0%	0	0%
Atlantic	62,557	8%	0	0%	0	0%
Interior Export Rail	119,974	16%	0	0%	171	0%
Total (Metric Tons)	741,230	100%	196	100%	147,410	100%
White Corn Shipments by Country (MT)				Unreported		
Total White Corn (MT)			196			
Sorghum Shipments by Country (MT)					108,270	to China
					20,160	to Kenya
					15,000	to South Africa
					3,980	to Zimbabwe
Total Sorghum (MT)					147,410	

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	+1.20 Z	\$177.75	-	-
October	+1.22 Z	\$178.53	+1.55 Z	\$191.52
November	+1.22 Z	\$178.53	+1.50 Z	\$189.56
December	+1.17 Z	\$176.56	+1.48 Z	\$188.77

Sorghum (USD/MT FOB Vessel)				
#2 YGS FOB Vessel Max 14.0% Moisture	NOLA		TEXAS	
	Basis	Flat Price	Basis	Flat Price
October	+2.45 Z	\$226.96	+2.45 Z	\$226.96
November	+2.45 Z	\$226.96	+2.45 Z	\$226.96

Barley: Feed Barley (FOB USD/MT)			
	October	November	December
FOB PNW	\$250	\$250	\$250

Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. \$/MT)			
	October	November	December
New Orleans	\$175	\$175	\$175
Quantity 5,000 MT			
Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT)			
Bulk 60% Pro.	October	November	December
New Orleans	\$695	\$695	\$695
*5-10,000 MT Minimum			

*All prices are market estimates.

DDGS Price Table: September 19, 2014 (USD/MT) (Quantity, availability, payment and delivery terms vary)			
Delivery Point Quality Min. 35% Pro-fat combined	Oct.	Nov.	Dec.
Barge CIF New Orleans	184	184	185
FOB Vessel GULF	188	189	190
Rail delivered PNW	190	191	194
Rail delivered California	197	199	201
Mid-Bridge Laredo, TX	198	199	202
40 ft. Containers to South Korea (Busan)	217	217	219
40 ft. Containers to Taiwan (Kaohsiung)	209	209	212
40 ft. Containers to Philippines (Manila)	225	225	228
40 ft. Containers to Indonesia (Jakarta)	223	223	225
40 ft. Containers to Malaysia (Port Kelang)	225	225	228
40 ft. Containers to Vietnam (HCMC)	233	233	236
40 ft. Containers to Japan (Yokohama)	230	230	235
40 ft containers to Thailand (LCMB)	226	226	228
40 ft Containers to Shanghai, China	215	215	218

September 19, 2014

Developing Markets • Enabling Trade • Improving Lives

KC & Elwood, IL Rail Yard (delivered Ramp)	138	138	140
--	-----	-----	-----

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: Domestic DDGS prices declined on average another \$5.00/MT on offers for the October-December time period. The only positive domestic price was for deliveries to Mid-Bridge Laredo, TX. Offers on containerized DDGS averaged down an additional \$9.00/MT for that same time period. The desire by merchandisers to move product is evidenced by the fact that the spot prices for both domestic and containerized exports are on average \$3.00/MT lower for December.

Market reports vary from merchandisers and seem to indicate that sales activity is presently inconsistent but picking up. An example of the different ends of the spectrum is presented by a merchandiser in one region reporting that prices increased \$5 to \$10 /MT, while a merchandiser in a different region indicated that demand was still soft. Further investigation leads to the conclusion that the difference between these regions has a lot to do with their mix of clientele. Domestic buyers are becoming more aggressive than are their foreign counterparts. Many of the domestic buyers have facilities located in the Corn Belt, and their increased buying activity seems to indicate that they perceive a bottom is presently taking shape in the corn market.

Ethanol Comments: Data indicates that ethanol producer margins were impacted hard this past week as the delivered ethanol prices declined by up to 27 cents per gallon. Such a substantial one-week decline caused the differentials between ethanol and the co-products to fall well below last week and year-ago levels. Difficulties are compounded by the fact that ethanol stocks increased in one week by 4.4 percent to 18.8 million barrels. This stock level is 16.2 percent above the year ago. It would be preferable for weekly production to decline under conditions of building stocks, but that is not the case. Weekly production increased from a prior weekly average of 927,000 barrels per day (bpd) to 931,000 bpd for the week ending 12 September.

There was a large decline in the differential between the price of corn and prices for ethanol co-products in all four of the reporting regions for the week ending 19 September 2014:

- Illinois differential is \$2.40 per bushel, in comparison to \$2.94 the prior week and \$3.57 a year ago.
- Iowa differential is \$2.19 per bushel, in comparison to \$2.78 the prior week and \$3.28 a year ago.
- Nebraska differential is \$2.09 per bushel, in comparison to \$2.71 the prior week and \$2.71 a year ago.
- South Dakota differential is \$2.48 per bushel, in comparison to \$3.24 the prior week and \$3.27 a year ago.

COUNTRY NEWS

September 19, 2014

Developing Markets • Enabling Trade • Improving Lives

EU: All indications are that a record corn crop is being produced in the European Union. Some forecasters are predicting that total EU corn production could top 70 MMT, reports Reuters. France is the largest corn producer in the EU and is expected to produce more than 17 MMT.

Israel: Israel imports almost all of its feed grain for the country's domestic poultry and dairy operations. Current price levels within the global market have encouraged private Israel buyers to enter the market. The following purchases were recently completed: 80,000 MT of corn and another 50,000 MT of feed wheat from Ukraine for shipment in November 2014 through January 2015 (per a WPI report)..

South Korea: South Korea is also shopping around in global corn markets, with a purchase order of more than 200,000 MT by Nonghyup Feed Inc. (NOFI). This company is South Korea's largest feed maker. The South Korean Corn Processing Industry Association (KOCOPIA) is also in the market for corn, reports 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	\$45.50	Down \$1.00	Handymax at \$46.00/MT
55,000 U.S. PNW-Japan	\$25.50	Down \$0.50	Handymax at \$26.00/MT
55,000 U.S. Gulf-China PNW to China	\$44.50 \$24.50	Down \$1.00 Down \$0.50	North China
25,000 U.S. Gulf-Veracruz, México	\$16.00	Unchanged	3,000 MT daily discharge rate
35-40,000 U.S. Gulf-Veracruz, México	\$13.50	Unchanged	Deep draft and 8,000 MT per day discharge rate.
25/35,000 U.S. Gulf-East Coast Colombia, from Argentina	\$20.00 \$30.00	Down \$0.50 Unchanged	West Coast Colombia at \$28.00
36-40,000 U.S. Gulf-Guatemala	\$27.00	Unchanged	Acajutla/Quetzal - 8,000 out
25-30,000 U.S. Gulf-Algeria	\$35.00	Unchanged	8,000 MT daily discharge
25-30,000 U.S. Gulf-Morocco	\$37.00	Unchanged	3,000 MT daily discharge
25-30,000 U.S. Gulf-Morocco	\$35.00	Unchanged	5,000 discharge rate
55,000 U.S. Gulf-Egypt PNW to Egypt	\$33.00 \$32.00	Unchanged Down \$0.50	55,000 -60,000 MT St. Lawrence to Egypt \$33.00
60-70,000 U.S. Gulf-Europe- Rotterdam	\$20.00	Down \$0.50	Handymax at +\$1.50 more
Brazil, Santos-China	\$35.00 \$34.00	Down \$0.50 Down \$0.50	54-58,000 Supramax- Panamax 60-66,000 Post Panamax
56-60,000 Argentina-China Upriver with Top-Off	\$39.50	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: You can call this a down week or maybe an adjustment week, but any way you look at it world Dry-Bulk ocean freight indices and physical rates were lower. In fact, rates declined each day of this week and took back most of the market gains of the last two weeks.

The North American fall harvest has not yet gained enough momentum to create a big enough demand to help hold the market up. We have seen Chinese vessels showing up for new crop U.S. soybeans in the Gulf, but there isn't much to put in them yet. Only a few such cargoes have been loaded and so the market anxiously awaits what it hopes will be better farmer selling and more cargo demand in the coming weeks.

Baltic Panamax Dry-Bulk Indices				
September 19, 2014	This Week	Last Week	Difference	Percent Change
Route				
P2A: Gulf/Atlantic – Japan	14,171	14,835	-664	-4.5%
P3A: PNW/Pacific – Japan	7,319	7,688	-369	-4.8%

Source: O'Neil Commodity Consulting

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

Week of September 19, 2014	
Four weeks ago	\$8.90-\$9.30
Three weeks ago:	\$8.75-\$9.15
Two weeks ago	\$8.40-\$8.80
One week ago:	\$8.50-\$8.95
This week	\$7.80-\$8.50

Source: O'Neil Commodity Consulting

U.S. – Asia Market Spreads					
September 19, 2014	PNW	Gulf	Bushel Spread	MT Spread	Advantage
# 2 Corn	1.59	1.25	0.34	\$13.39	PNW
Soybeans	2.45	1.75	0.70	\$25.72	GULF
Ocean Freight	\$24.50	\$44.50	0.52-0.56	(\$20.00)	October

Source: O'Neil Commodity Consulting

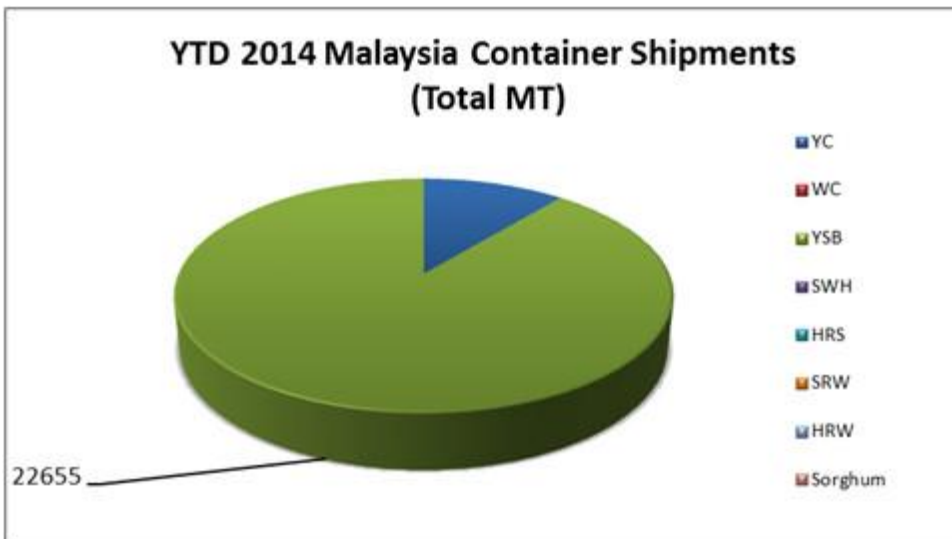
The charts below represent January-December 2013 annual totals versus year-to-date 2014 container shipments to Malaysia.

September 19, 2014

Developing Markets • Enabling Trade • Improving Lives



Source: O'Neil Commodity Consulting



Source: O'Neil Commodity Consulting

International Freight Rates for Feed Grains – Select Routes Estimated Spot Price (\$/MT)								
Commodity	Origins	China	Japan	Korea	Colombia	Morocco	Egypt	Saudi Arabia
Corn (Yellow)	Argentina	43	47	45	30	32	31	43
	Brazil	35	39	37	26	25	22	-
Corn (White)	Argentina	43	47	45	30	32	31	43
	Brazil	35	39	37	26	25	22	-
Barley	Argentina	43	47	45	30	32	31	43

September 19, 2014

Developing Markets • Enabling Trade • Improving Lives

	Brazil	35	39	37	26	25	22	-
Sorghum	Argentina	43	47	45	30	32	31	43
	Brazil	35	39	37	26	25	22	

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 17, 2014			
	Current Week	Last Week	Last Month
U.S. Prime	3.25	3.25	3.25
LIBOR (6 month)	0.33	0.33	0.33
LIBOR (1 year)	0.59	0.56	0.55

Source: www.bankrate.com