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CHICAGO BOARD OF TRADE MARKET NEWS

Week in Review: CME Corn December Contract					
\$/Bu	Monday 2 December	Tuesday 3 December	Wednesday 4 December	Thursday 5 December	Friday 6 December
Change	0.0000	0.0675	0.0525	-0.0300	0.075
Closing Price	4.2450	4.3125	4.3650	4.3350	4.3425
Factors Affecting the Market	Bullish export inspection numbers enabled corn contracts to stabilize and then rebound before the end of the trading day.	Corn contracts continued to work higher as winter weather moved into the Northern Plains with high winds and snow.	Additional supportive news came in the form of good ethanol production and corn purchases by Mexico.	The March contract settled down three cents and is likely to establish a trading range prior to next week's WASDE.	The March contract was able to close out the week above \$4.30 per bushel and above the 10 and 40 day moving averages.

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.

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Outlook: USDA will publish their WASDE report on Tuesday, December 10. Market participants are uncertain about the contents of this particular report and there is a wide range between estimates of analysts. This fact increases the prospects of an aggressive price reaction once the data is published.

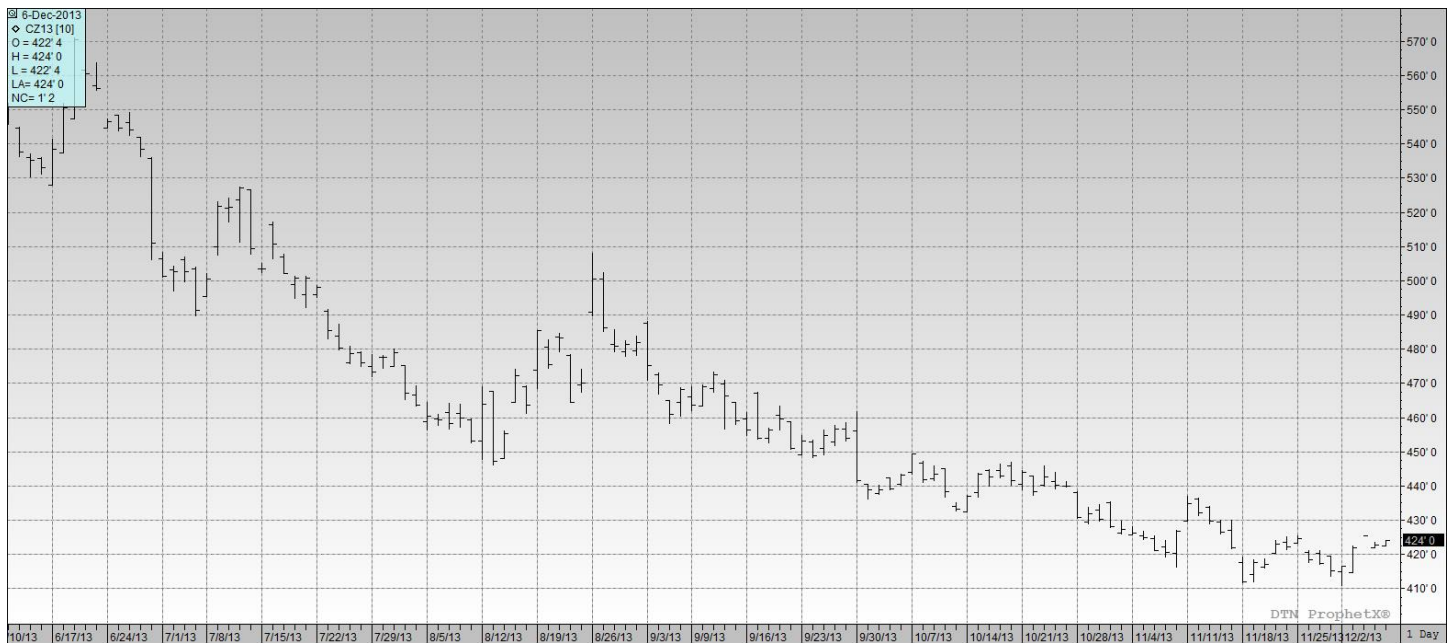
A good deal of bearish news has recently been factored into corn futures, such as EPA's potential reduction of the ethanol mandate, Chinese rejection of corn shipments containing trace amounts of the unapproved variety MIR162 and technical chart weakness. Bearish traders need some fresh news to continue driving the corn futures lower and a substantial increase in the yield estimate could give them what they are looking for, but any such adjustment to yields is not expected in Tuesday's WASDE. Instead, the final corn yield estimate will be published on January 10, 2014.

There is also potential for a number of more bullish factors. These include an increasing in global ending stocks for feed grains because of recent reductions in South American corn planting. The estimate for U.S. corn ending stocks could also decline in Tuesday's WASDE due to a strong export pace and healthy domestic demand from profitable ethanol and livestock feeding industries. Lastly, speculative funds continue to hold a large short position. The combination of market conditions are such that it appears easier for next Tuesday's report to spark a limited short-covering rally than a continued sell-off.

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CBOT DECEMBER CORN FUTURES



Source: Prophet X

Current Market Values:

Futures Price Performance: Week Ending December 6, 2013			
Commodity	December 6	November 29	Net Change
Corn			
Dec 13	424.00	415.25	8.75
Mar 14	434.25	424.50	9.75
May 14	442.75	432.75	10.00
Jul 14	449.75	440.00	9.75
Soybeans			
Jan 14	1325.50	1336.50	-11.00
Mar 14	1310.50	1317.75	-7.25
May 14	1296.50	1297.75	-1.25
Jul 14	1287.75	1288.00	-0.25
Soymeal			
Dec 13	447.30	456.60	-9.30
Jan 14	427.40	436.60	-9.20
Mar 14	419.10	424.50	-5.40
May 14	408.80	411.00	-2.20
Soyoil			

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Dec 13	40.28	40.22	0.06
Jan 14	40.49	40.46	0.03
Mar 14	40.89	40.86	0.03
May 14	41.29	41.27	0.02
CBOT Wheat			
Dec 13	637.25	655.00	-17.75
Mar 14	651.00	668.75	-17.75
May 14	656.50	673.75	-17.25
Jul 14	654.00	670.75	-16.75
KCBOT Wheat			
Dec 13	705.25	713.25	-8.00
Mar 14	695.50	709.25	-13.75
May 14	696.25	708.25	-12.00
Jul 14	688.50	700.50	-12.00
MGE Wheat			
Dec 13	663.00	686.75	-23.75
Mar 14	681.00	707.50	-26.50
May 14	690.75	713.25	-22.50
Jul 14	698.25	718.50	-20.25

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

U.S. WEATHER/CROP PROGRESS

U.S. Drought Monitor Weather Forecast: During the December 6-9 time period, precipitation is forecast along much of the eastern U.S., from the Southern Plains extending into New England. An above-normal chance of precipitation is also present across areas of the West, particularly in the Southwest. Temperatures are expected to be below-normal across the country, with the exception of the East Coast during this time.

For the period of December 10-14, the odds favor above-normal temperatures in the Southeast. Normal to below-normal temperatures are favored across the rest of the CONUS and in southern and central Alaska. Above normal-precipitation is likely across most of the eastern third of the country, in northern Alaska, and from the Pacific coast, through the Rockies and into the northern Plains. The eastern Southwest and the Central and Southern Plains, as well as the southwestern Midwest are likely to see below-normal precipitation. 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 November 28, 2013					
Commodity	Gross Sales (MT)	Exports (MT)	YTD Exports (000MT)	YTD Bookings (000MT)	% Change YTD Bookings
Wheat	255,000	369,400	17,318.1	22,605.6	37%

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Corn	686,300	1,042,100	8,101.2	26,000.1	113%
Sorghum	7,000	5,500	671.8	2,107.6	152%
Barley	0	300	67.7	118	-2%

Source: USDA, World Perspectives, Inc.

Corn: Net sales of 593,600 MT for 2013/14 marketing year were reported for China (362,600 MT, including 306,000 MT switched from unknown destinations and decreases of 4,000 MT), South Korea (123,000 MT, including 60,000 MT switched from unknown destinations), Cuba (100,000 MT), Mexico (62,100 MT), Japan (34,000 MT) and Peru (30,000 MT). Decreases were reported for unknown destinations (158,800 MT) and Guatemala (1,900 MT). Exports of 1,042,100 MT were primarily to China (587,900 MT), Mexico (172,400 MT), Japan (130,200 MT), South Korea (66,900 MT) and Guatemala (20,900 MT). Optional Origin Sales: For 2013/14, outstanding optional origin sales total 100,000 MT, all Mexico.

Barley: There were no sales reported during the week. Exports of 300 MT were to Taiwan.

Sorghum: Net sales of 6,200 MT for 2013/14 resulted as increases for China (7,000 MT), were partially offset by decreases for Japan (800 MT). Exports of 5,500 MT were to Japan (4,300 MT) and China (1,200 MT). Optional Origin Sales: For 2013/14, outstanding optional origin sales total 60,000 MT, all China.

U.S. Export Inspections: Week Ending November 28, 2013

Commodity (MT)	Export Inspections		Current Market YTD	Previous YTD	YTD as Percent of Previous
	Current Week	Previous Week			
Corn	905,825	768,609	8,145,135	5,316,912	153%
Sorghum	6,807	63,960	840,849	702,084	120%
Soybeans	1,432,188	1,833,433	17,382,560	16,481,710	105%
Wheat	421,848	342,840	17,937,685	12,559,177	143%
Barley	0	3,854	71,608	121,205	59%

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 November 28, 2013

Last Week (000 bushels)	YC	% of Total	WC	% of Total	Sorghum	% of Total
Gulf	15,515	44%	329	56%	157	59%
PNW	12,897	37%	5	1%	0	0%
Lakes	0	0%	0	0%	0	0%
Atlantic	64	0%	0	0%	0	0%
Interior Export Rail	6,594	19%	257	43%	111	41%
Total (1,000 bu)	35,070	100%	591	100%	268	100%
Total (Metric Tons)	890,813		15,012		6,807	
White Corn Shipments by Country (MT)			6,096	to Mexico		



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			8,357	to Colombia		
			432	to Japan		
			127	to Korea		
Total White Corn (MT)			15,012			
Sorghum Shipments by Country (MT)					3,988	to Japan
					1,549	to Mexico
					1194	to China
					76	to Korea
Total Sorghum (MT)					6,807	

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 December	+1.00 H	\$210.32	-	-
January	+1.00 H	\$210.32	+1.65 H	\$235.91
February	+0.87 H	\$205.20	+1.45 H	\$228.03
March	+0.84 H	\$204.02	+1.40 H	\$226.07

#2 White Corn (U.S. \$/MT FOB Vessel)			
Max. 15.0% Moisture	December	January	February
Gulf	\$245	\$245	\$245

Sorghum (USD/MT FOB Vessel)				
#2 YGS FOB Vessel Max 14.0% Moisture	NOLA		TEXAS	
	Basis	Flat Price	Basis	Flat Price
November	+1.50 H	\$230.00	+1.50 H	\$230.00
December	+1.50 H	\$230.00	+1.50 H	\$230.00

Barley: Feed Barley (FOB USD/MT)			
	December	January	February
FOB PNW	\$235	\$235	\$235

Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. \$/MT)			
	December	January	February
New Orleans	\$250	\$250	\$250



Quantity 5,000 MT			
Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT)			
Bulk 60% Pro.	December	January	February
New Orleans	\$785	\$785	\$785
*5-10,000 MT Minimum			

*All prices are market estimates.

DDGS Price Table: December 6, 2013 (USD/MT) (Quantity, availability, payment and delivery terms vary)			
Delivery Point	Dec	Jan	Feb
Quality Min. 35% Pro-fat combined			
40 ft. Containers to South Korea (Busan)	355	352	349
40 ft. Containers to Taiwan (Kaohsiung)	352	349	347
40 ft. Containers to Philippines (Manila)	366	363	360
40 ft. Containers to Indonesia (Jakarta)	365	362	359
40 ft. Containers to Malaysia (Port Kelang)	365	362	359
40 ft. Containers to Vietnam (HCMC)	366	363	361
40 ft. Containers to Japan (Yokohama)	359	356	354
40 ft. containers to Thailand (LCMB)	363	360	358
40 ft. Containers to Shanghai, China	352	349	347
KC & Elwood, IL Rail Yard (delivered Ramp)	289	280	285

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: Foreign buyers of DDGS should have sufficient supplies of DDGS due to the current favorable margins of U.S. ethanol producers, a topic that is discussed in the ethanol section of this week's report. However, it is also noted in the Outlook section that next week's WASDE report (published by USDA) could influence futures prices. The prospects seem better for a limited bounce higher in corn prices rather than a continued sell-off.

Logistical costs are once again a topic that DDGS merchandisers have brought up for discussion. Ethanol facilities are finding it easier to secure their corn needs as harvest winds down and trucks become more available, though containers are starting to become more difficult to procure. In addition to General Rate Increases (GRI's) charged by international transportation companies, DDGS shippers are also having to pay more to find a container line that has the necessary equipment – especially in Chicago. The reason for this is because shipping lines have engaged their winter deployment strings which results in an overall reduction in capacity during the slack season. Consequently, any reduction in DDGS price could be offset by an increase in logistical rates. The most advantageous strategy in present market conditions seems to be for the buyer to work in conjunction with the merchandiser in arranging long-term volume in order to obtain more favorable container rates from logistical companies.

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Ethanol Comments: Strong domestic and export demand is implied in the inverted ethanol prices and limited stock levels. Data about the rate of U.S. ethanol exports continues to lag behind because it is not reported in the weekly energy market data produced by the Energy Information Administration. Instead, ethanol exports data is reported by the U.S. Census Department and has a significant lag.

The combination of export and domestic demand for ethanol seems impressive because production continues at relatively high levels and stocks are not rebuilding. U.S. ethanol production totaled 913,000 barrels per day (bpd) for the week ending November 29. That was a modest decline from the prior week's production level of 927,000 bpd but 9.4 percent above the year-ago production level of 835,000 bpd. Yet, the total U.S. ethanol stocks of 15.1 million barrels were 21.8 percent below the year ago stocks level of 19.3 million barrels. Further evidence of strong demand is the fact that the differentials between corn and the co-products values are more than double the year-ago levels cross the Corn Belt:

- Illinois differential is \$4.81 per bushel in comparison to \$4.62 the prior week and \$1.65 a year ago.
- Iowa differential is \$4.32 per bushel in comparison to \$4.28 the prior week and \$1.18 a year ago.
- Nebraska differential is \$3.80 per bushel in comparison to \$4.01 the prior week and \$1.62 a year ago.
- South Dakota differential is \$4.48 per bushel in comparison to \$4.49 the prior week and \$1.46 a year ago.

COUNTRY NEWS

Australia: The Australia Bureau of Agriculture has reported that the barley harvest will surpass an earlier September estimate of 7.7 MMT and may total some 8.6 MMT this year, according to Bloomberg News.

China: China is still evaluating a cargo of U.S.-sourced GMO corn, reports Reuters. The strain in question is Syngenta MIR162, which China was originally expected to approve for importation in March 2012. The strain has been approved in Japan, South Korea, Russia and the EU.

France: Tunisia has purchased 100,000 MT of French feed wheat and 75,000 MT of barley, reports Reuters.

Japan: The Ministry of Agriculture announced that it received no bids for the importation of feed wheat and barley in a tender that closed Wednesday, according to Reuters. The government sought 120,000 MT of feed wheat and 200,000 MT of feed barley and will seek the same amount in a tender to be held on December 11.

Ukraine: China and Ukraine signed an agreement that could bring Ukraine \$8 billion in investments, according to Reuters. The agricultural aspect of the agreement focused on ensuring a steady supply of Ukrainian barley, corn and wheat to the Chinese market.

Zimbabwe: Reduced production in tandem with droughts and floods have cause a critical food shortage in Zimbabwe, reports Bloomberg News. Corn production has fallen to 800,000 MT, which is down from 1.4 MMT two years ago. Grain prices have jumped to 53 cents per kg, which is up from 33 cents per kg one year ago. The government has imported 130,000 MT of corn since May from South Africa, while Zambia has pledged to export 150,000 MT to the country.

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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	\$54.50	Up \$1.50	Handymax at \$55.50/MT
55,000 U.S. PNW- Japan	\$29.00	Up \$1.00	Handymax at \$31.00/MT
55,000 U.S. Gulf – China PNW to China	\$52.00 \$27.00	Up \$1.00 Up \$1.00	North China
25,000 U.S. Gulf- Veracruz, México	\$20.50	Up \$0.50	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$17.50	Up \$0.50	Deep draft and 8,000 MT per day discharge rate.
25/35,000 U.S. Gulf- East Coast Colombia, Argentina	\$26.00 \$35.00	Up \$3.50 Unchanged	West Coast Colombia at \$34.00 West Coast Colombia from Argentina at \$43.00
35,000 U.S. Gulf - Guatemala	\$32.00	Up \$1.00	Acajutla/Quetzal - 8,000 out
25-30,000 U.S. Gulf – Algeria	\$40.50 \$42.50	Up \$1.50 Up \$1.50	8,000 MT daily discharge 3,000 MT daily discharge
25,000 U.S. Gulf-Morocco	\$43.00	Up \$2.00	5,000 discharge rate
55,000 U.S. Gulf – Egypt PNW to Egypt	\$36.00 \$39.50	Unchanged Unchanged	55,000 -60,000 MT St. Lawrence to Egypt \$35.50
60-70,000 U.S. Gulf – Europe – Rotterdam	\$24.00	Up \$0.50	Handymax at +\$1.50 more
Brazil, Santos – China	\$40.50 \$38.00	Up \$1.00 Up \$1.00	54-58,000 Supramax- Panamax 60-66,000 Post Panamax
56-60,000 Argentina-China Upriver with Top-Off	\$45.50	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: Given the U.S. holiday, this will be an abbreviated report.

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World ocean freight markets seemed to find a temporary bottom and bounce off of it this week. Capesize and Panamax markets were slightly higher. Handysize and Handymax markets remain hot and continue to rise with the heat.

Much of the support appears to be coming from improved U.S. Grain exports. This is particularly true for the Handysize and Handymax markets. In viewing this week's freight fixtures and the Panamax forward curve chart, you will notice that the market is still inverted and that the optimism in the spot and 30-day market is not carrying over into the forward positions for January-February.

Baltic Panamax Dry-Bulk Indices				
December 6, 2013	This Week	Last Week	Difference	Percent Change
Route				
P2A: Gulf/Atlantic – Japan	23,337	20,140	3,197	15.9%
P3A: PNW/Pacific – Japan	11,541	10,126	1,415	14.0%

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 December 6, 2013	
Four weeks ago	\$8.25-\$9.15
Three weeks ago	\$8.70-\$9.20
Two weeks ago	\$9.25-\$10.25
One week ago	\$9.85-\$10.25
This week	\$9.85-\$10.25

Source: O'Neil Commodity Consulting

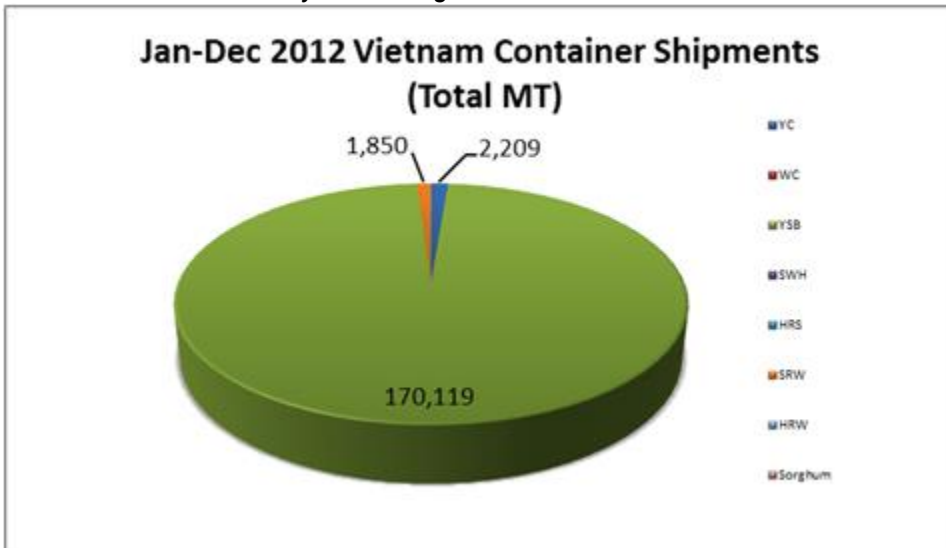
U.S. – Asia Market Spreads					
December 6, 2013	PNW	Gulf	Bushel Spread	MT Spread	Advantage
# 2 Corn	1.65	1.00	0.65	\$25.59	BOTH
Soybeans	1.85	1.35	0.50	\$18.37	PNW
Ocean Freight	\$27.00	\$52.00	0.64-0.68	(\$25.00)	Jan.

Source: O'Neil Commodity Consulting

The charts below represent January-December 2011 and January-December 2012 annual totals versus January-October 2013 year-to-date container shipments for Vietnam.



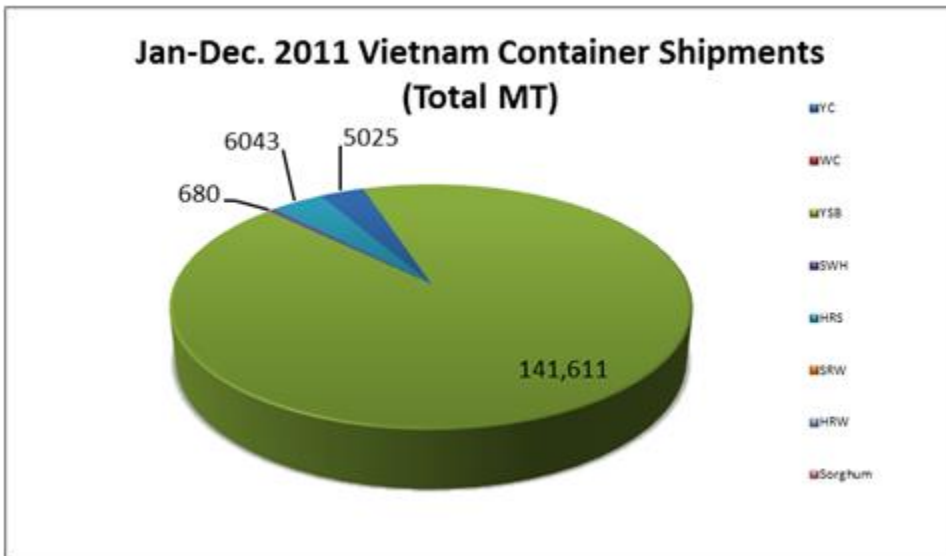
Source: O'Neil Commodity Consulting



Source: O'Neil Commodity Consulting

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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	\$49	\$51	\$52	\$38	\$41	\$42	-
	Brazil	\$42	\$44	\$45	\$35	\$33	\$35	-
Corn (White)	Argentina	\$49	\$51	\$52	\$38	\$41	\$42	-
	Brazil	\$42	\$44	\$45	\$35	\$33	\$35	-
Barley	Argentina	\$49	\$51	\$52	\$38	\$41	\$42	-
	Brazil	\$42	\$44	\$45	\$35	\$33	\$35	-
Sorghum	Argentina	\$49	\$51	\$52	\$38	\$41	\$42	-
	Brazil	\$42	\$44	\$45	\$35	\$33	\$35	-

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 (%): December 4, 2013

	Current Week	Last Week	Last Month
U.S. Prime	3.25	3.25	3.25
LIBOR (6 month)	0.34	0.35	0.35
LIBOR (1 year)	0.58	0.58	0.60

Source: www.bankrate.com