



May 2, 2019

CONTENTS

Chicago Board of Trade Market News 2

CBOT July Corn Futures..... 3

U.S. Weather/Crop Progress 5

U.S. Export Statistics 5

FOB 7

Distiller’s Dried Grains with Solubles (DDGS)..... 8

Country News 9

Ocean Freight Markets and Spread 10

Ocean Freight Comments..... 10

For more information on the contents of this newsletter or the U.S. Grains Council, its mission and programs, please contact Cary Sifferath 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.

Chicago Board of Trade Market News

Week in Review: CME Corn July Contract					
\$/Bu	Friday April 26	Monday April 29	Tuesday April 30	Wednesday May 1	Thursday May 2
Change	4.00	0.50	0.75	6.00	2.00
Closing Price	361.25	361.75	362.50	368.50	370.50
Factors Affecting the Market	Forecasts of heavy rain into May sparked some bullishness that sent corn higher. Funds are still short, which may limit rallies. Demand remains as expected, with exports steady. Outside markets were mixed with equities higher and the dollar fractionally lower.	Snow in parts of the Northern Plains left corn to trade in the green for most of the day. The market is not yet convinced the planting situation is dire, and farmers can certainly plant a lot of ground quickly. Outside markets were supportive today with the dollar down 19 basis points.	Corn managed a slightly higher close after trading to bigger gains early in the day. USDA said Monday that export inspections were slightly above the pace needed to meet USDA's forecast. Planting remains delayed, with Corn Belt states lagging their typical planting pace.	Planting uncertainties pushed corn higher as funds covered part of their short position. Soil temperatures are still cool/cold for the Upper Midwest while soil moistures are high through most of the Corn Belt – not ideal planting conditions. Outside markets were down.	July corn finished the 5th straight day up on continued poor planting prospects. Weather forecasts remain rainy and cool, which will delay field work this weekend. U.S. corn exports were above-average last week, despite river flooding and some closures.

Outlook: July corn futures are 10.75 cents (3.1 percent) higher than last Thursday's close as planting delays and weather outlooks across the corn belt are sparking some supply concerns. Demand for U.S. corn remains steady and favorable, but most of the market's attention is on 2019 supply expectations.

On Monday, USDA reported that 15 percent of the U.S. corn crop is planted, down from the five-year average pace of 27 percent. The 6- to 10-day weather outlook is calling for below-normal temperatures across the Midwest with above-normal rainfall through the Southern Plains and eastern Corn Belt. The weather forecast is hardly favorable to fieldwork and will likely further exacerbate the slow start to the 2019 planting season.

If the planting delays become too severe, there is likely to be some acreage switched from corn to soybeans, or other crops. However, there are also reports that spring wheat acreage will be lower this year, and that farmers in that area are likely to plant corn instead. The new crop soybean/corn futures ratio is falling steadily, hitting 2.24 at today's close, which should offer economic incentives for farmers to retain corn acres. At this juncture, however, it is still too early to determine what the final crop acreage mix will be.

USDA's weekly Export Sales report featured net sales of 587 KMT and weekly exports of 1.37 MMT. The export figure was up 9 percent from the prior week, keeping YTD exports up 13 percent. YTD bookings are down 10 percent, slightly below USDA's anticipated yearly decrease in exports of 6 percent. Other highlights include 15.1 KMT of sorghum exports and 300 MT of barley exports. Barley exports are up 53 percent YTD.

U.S. cash corn prices are higher this week as FOB Gulf values moved upward on logistics constraints. The average U.S. price reached \$3.42/bushel this week, up 3 percent from the prior week but down 8 percent from this time last year.

From a technical standpoint, July corn is starting to get interesting. After making several new contract lows, the market posted a significant reversal and has since moved nearly 20 cents higher from its latest contract low. Funds, which are heavily short corn and other ag commodities, have covered some of their position, though not at an aggressive pace as the planting delays continue. July corn is likely making the season switch to trading like a “weather market”, which could mean heightened volatility and a general upward trajectory. Though this has been said several times about the 2018/19 corn crop, it looks like seasonal lows have been made and the near-term outlook is for higher prices.

Interest Rates and Macroeconomic Markets, May 2, 2019						
	Last*	Weekly Change	Weekly % Change	Monthly Change	Monthly % Change	1-Year History
Interest Rates						
U.S. Prime	5.5	0.0	0.0%	0.0	0.0%	
LIBOR (6 Month)	2.6	0.0	-0.3%	0.0	-1.6%	
LIBOR (1 Year)	2.7	0.0	-0.5%	0.0	-1.4%	
S&P 500	2,915.8	-10.3	-0.4%	36.5	1.3%	
Dow Jones Industrials	26,297.2	-164.9	-0.6%	-87.5	-0.3%	
U.S. Dollar	97.8	-0.3	-0.3%	0.5	0.5%	
WTI Crude	61.8	-3.4	-5.2%	-0.3	-0.5%	
Brent Crude	70.7	-3.6	-4.9%	1.3	1.9%	

Source: DTN ProphetX, World Perspectives, Inc.
 *Last price as of 2:45 PM EDT.

CBOT July Corn Futures



Source: Prophet X

Current Market Values:

Futures Price Performance: Week Ending May 2, 2019			
Commodity	2-May	26-Apr	Net Change
Corn			
May 19	362.00	351.25	10.75
Jul 19	370.50	361.25	9.25
Sep 19	377.75	369.50	8.25
Dec 19	387.00	380.75	6.25
Soybeans			
May 19	830.50	853.75	-23.25
Jul 19	843.25	867.00	-23.75
Aug 19	849.50	873.25	-23.75
Sep 19	854.75	878.25	-23.50
Soymeal			
May 19	292.40	299.90	-7.50
Jul 19	296.90	303.70	-6.80
Aug 19	298.30	304.80	-6.50
Sep 19	299.80	306.30	-6.50
Soyoil			
May 19	27.23	27.52	-0.29
Jul 19	27.50	27.84	-0.34
Aug 19	27.63	27.99	-0.36
Sep 19	27.78	28.15	-0.37
SRW			
May 19	433.25	435.00	-1.75
Jul 19	444.00	442.50	1.50
Sep 19	451.75	450.25	1.50
Dec 19	467.75	467.25	0.50
HRW			
May 19	393.00	399.75	-6.75
Jul 19	405.00	407.50	-2.50
Sep 19	416.25	418.00	-1.75
Dec 19	438.50	439.75	-1.25
MGEX (HRS)			
May 19	505.25	498.00	7.25
Jul 19	520.75	511.75	9.00
Sep 19	529.25	521.00	8.25
Dec 19	542.00	535.75	6.25

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

U.S. Weather/Crop Progress

U.S. Crop Planting Progress				
Commodity	April 28, 2019	Last Week	Last Year	5-year avg.
Corn	15%	6%	15%	27%
Sorghum	20%	17%	26%	25%
Barley	28%	17%	24%	41%

Source: USDA

U.S. Drought Monitor Weather Forecast: During the next couple of days, showers and thunderstorms across the nation's mid-section will gradually shift into the South, East, and lower Midwest. Five-day rainfall totals could reach 1 to 5 inches or more along an axis stretching from the southeastern Plains into the lower Great Lakes region. In contrast, areas west of the Rockies will experience mostly dry weather and a gradual warming trend. During the weekend, a new surge of cold air will arrive across the northern Plains and upper Midwest, accompanied by rain and snow showers.

The NWS 6- to 10-day outlook for May 7-11 calls for the likelihood of wetter-than-normal weather nearly nationwide. Below-normal precipitation should be limited to northern California and the Pacific Northwest. Meanwhile, warmer-than-normal conditions across the Southeast and the Far West should contrast with below-normal temperatures in most other regions, including a large area stretching from the Southwest into large sections of the Rockies, Plains, and upper Midwest.

Follow this link to view current U.S. and international weather patterns and future outlook: [Weather and Crop Bulletin](#).

U.S. Export Statistics

U.S. Export Sales and Exports: Week Ending April 25, 2019					
Commodity	Gross Sales (MT)	Exports (MT)	YTD Exports (000 MT)	YTD Bookings (000 MT)	% Change YTD Bookings
Wheat	194,000	555,100	20,649.7	25,461.6	8%
Corn	668,200	1,366,000	34,863.0	46,057.3	-10%
Sorghum	185,200	15,100	907.0	1,510.4	-70%
Barley	1,700	300	38.5	61.3	53%

Corn: Net sales of 586,500 MT for 2018/2019 were down 25 percent from the previous week and 17 percent from the prior 4-week average. Increases were reported for Japan (301,400 MT, including 38,500 MT switched from unknown destinations and decreases of 3,200 MT), Mexico (127,200 MT, including decreases of 4,700 MT), South Korea (67,200 MT, including decreases of 65,000 MT), Colombia (40,200 MT, including 22,000 MT switched from unknown destinations and decreases of 100 MT), and Guatemala (27,000 MT, including 24,000 MT switched from unknown destinations). Reductions were primarily for unknown destinations (28,800 MT). For 2019/2020, net sales of 209,500 MT were for Mexico (180,000 MT) and Japan (29,500 MT). Exports of 1,366,000 MT were up 9 percent from the previous week and 16 percent from the prior 4-week average. The destinations were primarily to Japan (362,300 MT), South Korea (264,600 MT), Mexico (262,500 MT), Taiwan (90,000 MT), and Colombia (76,300 MT, including 21,900 MT late reporting).

Optional Origin: For 2018/2019, options were exercised to export 66,000 MT to South Korea from the United States. The current outstanding balance of 453,500 MT is for South Korea (308,000 MT), Taiwan (65,000 MT),

unknown destinations (48,000 MT), and Mexico (32,500 MT). For 2019/2020, the current outstanding balance of 185,000 MT is for unknown destinations (120,000 MT) and South Korea (65,000 MT).

Barley: Net sales of 1,700 MT for 2018/2019 were reported for South Korea. Exports of 300 MT were down 73 percent from the previous week and 78 percent from the prior 4-week average. The destination was South Korea.

Sorghum: Net sales of 185,000 MT for 2018/2019 were up 9 percent from the previous week and 96 percent from the prior 4-week average. Increases were reported for China (124,000 MT), unknown destinations (50,000 MT), Mexico (10,600 MT, including decreases of 200 MT), and Japan (500 MT). Exports of 15,100 MT were down 84 percent from the previous week and 65 percent from the prior 4-week average. The destination was primarily to Japan (10,500 MT).

U.S. Export Inspections: Week Ending April 25, 2019					
Commodity (MT)	Export Inspections		Current Market YTD	Previous YTD	YTD as Percent of Previous
	Current Week	Previous Week			
Barley	0	0	9,108	21,340	43%
Corn	1,366,230	1,355,316	34,647,491	31,305,305	111%
Sorghum	17,415	94,208	1,183,047	4,603,522	26%
Soybeans	491,600	386,068	31,542,177	43,517,833	72%
Wheat	630,402	819,179	21,385,379	21,904,051	98%

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 conditions & cancellations to previous week's reports.

USDA Grain Inspections for Export Report: Week Ending April 25, 2019						
Region	YC	% of Total	WC	% of Total	Sorghum	% of Total
Lakes	0	0%	0	0%	0	0%
Atlantic	0	0%	0	0%	0	0%
Gulf	633,761	49%	71,140	90%	0	0%
PNW	498,264	39%	0	0%	10,457	60%
Interior Export Rail	155,182	12%	7,883	10%	6,958	40%
Total (Metric Tons)	1,287,207	100%	79,023	100%	17,415	100%
White Corn Shipments by Country (MT)			6,464	to Colombia		
			33,946	to Honduras		
			38,613	to Mexico		
Total White Corn (MT)			79,023			
Sorghum Shipments by Country (MT)					10,457	to Japan
					6,958	to Mexico
Total Sorghum (MT)					17,415	

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)
June	0.57+N	\$168.30	0.98+N	\$184.44
July	0.52+N	\$166.33	1.00+N	\$185.23
August	0.49+U	\$168.00	0.95+U	\$186.11

#2 White Corn (U.S. \$/MT FOB Vessel)		
Max. 15.0% Moisture	June	July
Gulf	\$179	\$179

Sorghum (USD/MT FOB Vessel)				
#2 YGS FOB Vessel Max 14.0% Moisture	NOLA		TEXAS	
	Basis	Flat Price	Basis	Flat Price
June	1.00+N	\$185.23	0.90+N	\$181.29
July	0.95+N	\$183.26	0.85+N	\$179.32
August	0.95+U	\$186.11	0.73+U	\$177.45

Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. \$/MT)			
	June	July	August
New Orleans	\$162	\$158	\$154
<i>Quantity 5,000 MT</i>			
Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT)			
Bulk 60% Pro.	June	July	August
New Orleans	\$510	\$500	\$490
<i>*5-10,000 MT Minimum</i>			

DDGS Price Table: May 2, 2019 (USD/MT)
(Quantity, availability, payment and delivery terms vary)

Delivery Point Quality Min. 35% Pro-fat combined	June	July	August
Barge CIF New Orleans	181	180	179
FOB Vessel GULF	191	190	191
Rail delivered PNW	193	192	192
Rail delivered California	196	196	196
Mid-Bridge Laredo, TX	195	195	195
FOB Lethbridge, Alberta	178	179	179
40 ft. Containers to South Korea (Busan)	216	217	217
40 ft. Containers to Taiwan (Kaohsiung)	215	216	216
40 ft. Containers to Philippines (Manila)	229	230	230
40 ft. Containers to Indonesia (Jakarta)	230	230	231
40 ft. Containers to Malaysia (Port Kelang)	223	223	224
40 ft. Containers to Vietnam (HCMC)	229	229	229
40 ft. Containers to Japan (Yokohama)	227	227	227
40 ft. containers to Thailand (LCMB)	225	226	227
40 ft. Containers to China (Shanghai)	219	221	222
40 ft. Containers to Bangladesh (Chittagong)	258	259	260
40 ft. Containers to Myanmar (Yangon)	251	252	252
KC Rail Yard (delivered ramp)	179	180	180
Elwood, IL Rail Yard (delivered ramp)	175	176	177

*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.*

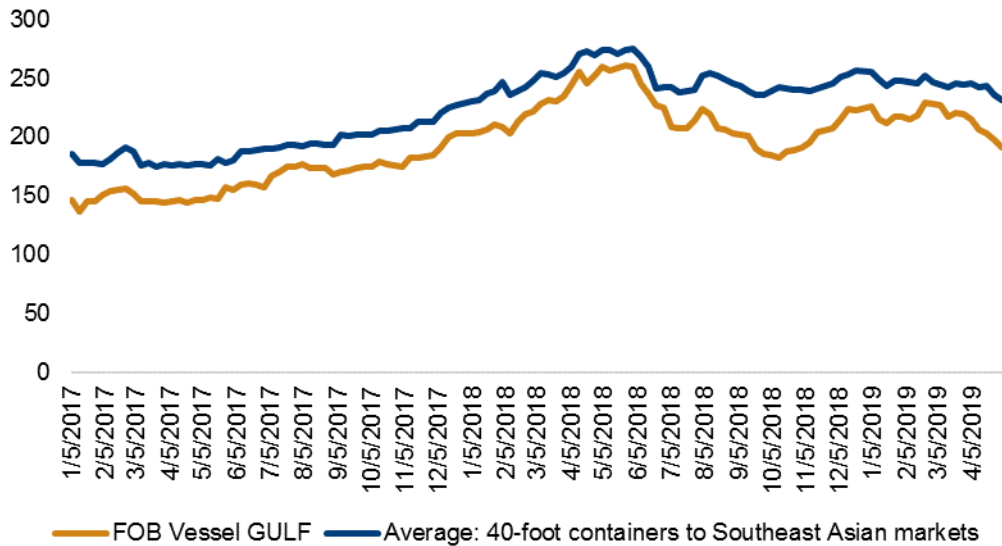
Distiller's Dried Grains with Solubles (DDGS)

DDGS Comments: Cash corn values were \$3.42/bushel this week while FOB ethanol plant DDGS are down from last week to \$135.17/MT. The DDGS/cash corn value is 100 percent, below the two-year average of 107 percent.

DDGS indications saw another week of downward correction. In the U.S., improved river/transportation logistics have helped drive down values. With last-half May delivery becoming hard to realize, the nearby month moves to June and FOB vessel U.S. Gulf indications are at \$191/MT for that month. Further, U.S. rail rates saw a significant downward correction from last week to this week.

Merchandisers report steady business from international buyers, including in Vietnam and Indonesia; 40-foot containers to Southeast Asian destinations are down \$5/MT, on average.

DDGS Indications: U.S. Gulf (FOB) and 40-foot containers to Southeast Asia (\$/MT)



Source: World Perspectives, Inc.

Country News

Argentina: The Buenos Aires Grain Exchange reports that corn harvesting has reached 28 percent. (AgriCensus)

Brazil: President Jair Bolsonaro pledged to raise truck freight rates to reflect higher diesel prices and avoid another strike by truckers. If actually enforced, Steve Cachia of brokerage Cerealpar says farmers will have to pay an estimated \$50-80/MT more but market sources say it will slow the internal movement of corn and soybeans. (AgriCensus)

China: The General Administration of Customs reports that corn imports were 420 KMT in March, a five-fold increase from the same period a year ago. Analysts believe that corn imports could hit a record high in 2019 and there has been an increase in imports of other farm products.

Meanwhile, the fall armyworm has damaged almost 9,000 hectares of corn in southern China. It is a prolific flyer in its moth stage and Wang Zhenying at the Institute of Plant Protection (Chinese Academy of Agricultural Sciences) believes it could find its way into the more important corn producing areas in northern China by June or July. The moth could destroy up to 20 percent of production, but Wang says proper monitoring and control should limit the damage to around 5 percent. (China Business Times; Reuters)

EU: French maize sowing has reached the halfway point as weather conditions start a decline. In Germany, soil conditions are relatively dry to severe. As a result, barley prices are creeping up. (AgriCensus)

India: The poultry industry is requesting 2 MMT of corn imports to address the shortage that has driven feed costs 40 percent higher. The government has thus far only approved 100 KMT of corn imports and there are limits to using wheat in poultry rations. More corn imports may be approved after the end of elections on 19 May, but Brazil says it has received approval from Delhi to ship poultry into the country. (The Hindu; AgriCensus)

South Korea: KOCOPIA is late in lining up corn for July arrival and ended up paying \$202.47/MT. (AgriCensus)

Turkey: The Turkish Grain Board (TMO) paid an average \$183/MT on a tender for 300 KMT of corn delivered in 12.5 KMT parcels to six different ports (24 positions). (AgriCensus)

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	\$42.50	Up \$0.25	Handymax at \$42.75/MT
55,000 U.S. PNW-Japan	\$23.00	Unchanged	Handymax at \$23.50/MT
66,000 U.S. Gulf-China	\$42.25	Up \$0.50	North China
PNW to China	\$22.50	Unchanged	
25,000 U.S. Gulf-Veracruz, Mexico	\$16.50	Unchanged	3,000 MT daily discharge rate
35-40,000 U.S. Gulf-Veracruz, Mexico	\$14.00	Unchanged	Deep draft and 6,000 MT/day discharge rate.
25/35,000 U.S. Gulf-East Coast Colombia	\$20.00	Unchanged	West Coast Colombia at \$29.50
From Argentina	\$33.00	Unchanged	
40-45,000 U.S. Gulf-Guatemala	\$29.25	Unchanged	Acajutla/Quetzal-8,000 out
26-30,000 U.S. Gulf-Algeria	\$33.50	Up \$0.25	8,000 MT daily discharge
	\$34.50	Up \$0.25	3,000 MT daily discharge
25-30,000 US Gulf-Morocco	\$35.25	Up \$0.50	Discharge rate: 5,000
55,000-60,000 U.S. Gulf-Egypt	\$27.75	Up \$0.25	55,000-60,000 MT
PNW to Egypt	\$28.25	Unchanged	Russia Black Sea Romania - Egypt \$10.50-\$12.60 (France \$17.00-\$17.50)
60-70,000 U.S. Gulf-Europe-Rotterdam	\$16.75	Up \$1.00	Handymax at +\$1.75 more
Brazil, Santos-China	\$32.50	Unchanged	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 60-66,000 MT
Brazil, Santos-China	\$32.75	Unchanged	
Itacoatiara-Port Upriver North Brazil	\$36.25	Unchanged	
56-60,000 Argentina/Rosario-China Deep Draft	\$35.75	Unchanged	Upriver with BB top-off \$38.00

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 another mixed week in dry-bulk vessel markets. Vessel owner optimism remains high, but it continues to be a difficult job to move rates up and keep them there.

This week ended quietly with the Russians and some others on holiday and no one pushing bids upward. IMO2020 low-sulfur fuel requirements are still the elephant in the room. Higher fuel costs are coming onboard and as such operating cost are starting to increase. We are already seeing additional “slow steaming” to economize on fuel. Container shipping executives are talking about the need to raise rates \$300-\$400/TEU to compensate for the added fuel costs. The clock is ticking, and freight buyers need to be prepared for what is to come. I foresee trouble ahead for all concerned.

Baltic-Panamax Dry-Bulk Indices				
May 2, 2019	This Week	Last Week	Difference	Percent Change
Route				
P2A: Gulf/Atlantic – Japan	17,050	17,059	-9	-0.1%
P3A: PNW/Pacific– Japan	8,125	7,896	229	2.9%
S1C: U.S. Gulf-China-S. Japan	16,607	16,975	-368	-2.2%

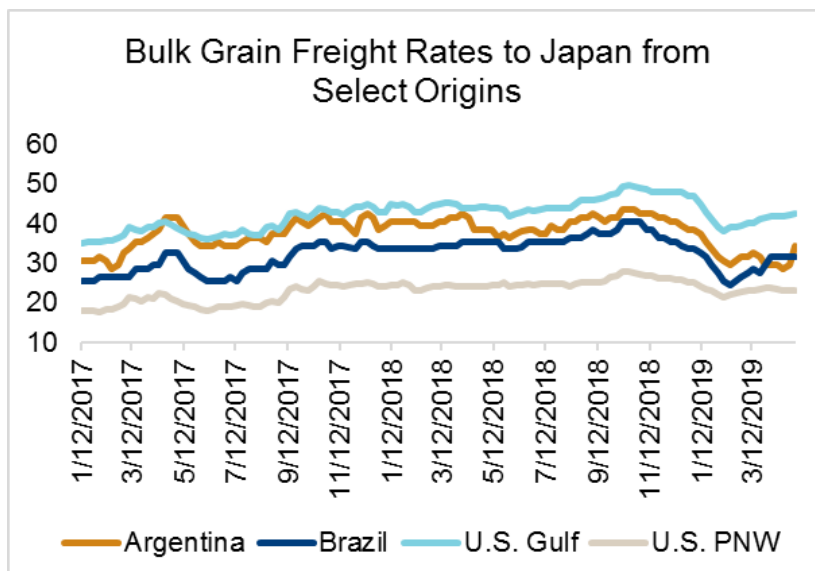
Source: O'Neil Commodity Consulting

Capesize Vessel Freight Values Western Australia to South China (iron ore)	
Four weeks ago:	\$4.35-\$4.55
Three weeks ago:	\$4.40-\$4.80
Two weeks ago:	\$5.00-\$5.40
One week ago:	\$5.45-\$6.00
This week	\$5.50-\$7.35

Source: O'Neil Commodity Consulting

U.S.-Asia Market Spreads					
May 2, 2019	PNW	Gulf	Bushel Spread	MT Spread	Advantage
#2 Corn	0.94	0.53	0.41	\$16.14	PNW
Soybeans	0.82	0.37	0.45	\$17.72	PNW
Ocean Freight	\$22.50	\$42.25	0.50-0.54	\$19.75	June

Source: O'Neil Commodity Consulting



Source: World Perspectives, Inc., O'Neil Commodity Consulting

Bulk Grain Freight Rates for Key Suppliers and Destinations
May 2, 2019

Origin	Destination	This Week	Monthly Change	Monthly % Change	Yearly Change	Yearly % Change	2-Year History
<i>Panamax/Supramax Vessels</i>							
U.S. Gulf		42.50	0.5	1.2%	-1.75	-4.0%	
U.S. PNW	Japan	23.00	-0.75	-3.2%	-1	-4.2%	
Argentina		34.50	5	16.9%	-4	-10.4%	
Brazil		31.50	0	0.0%	-4	-11.3%	
U.S. Gulf		42.25	1.5	3.7%	-1	-2.3%	
U.S. PNW	China	22.50	-0.75	-3.2%	-1	-4.3%	
Argentina		35.75	0.25	0.7%	-1.25	-3.4%	
Brazil		32.50	0.25	0.8%	-2	-5.8%	
U.S. Gulf		15.50	-1	-6.1%	-4	-20.5%	
Argentina	Europe	35.50	1	2.9%	7	24.6%	
Brazil		30.50	0	0.0%	3	10.9%	
Argentina	Saudi Arabia	32.50	-2	-5.8%	1	3.2%	
Brazil		37.50	1	2.7%	4	11.9%	
U.S. Gulf		27.50	-1.00	-3.5%	-1.00	-3.5%	
U.S. PNW	Egypt	27.85	-0.30	-1.1%	-7.25	-20.7%	
Argentina		31.50	0.00	0.0%	1.00	3.3%	
Brazil		29.50	0.00	0.0%	3.00	11.3%	
<i>Handysize Vessels</i>							
U.S. Gulf		34.50	-1.00	-2.8%	3.00	9.5%	
U.S. Great Lakes	Morocco	44.90	0.00	0.0%	2.95	7.0%	
Argentina		25.50	2.00	8.5%	3.00	13.3%	
Brazil		26.50	1.00	3.9%	1.00	3.9%	
U.S. Great Lakes	Europe	43.90	0.00	0.0%	9.85	28.9%	
Brazil		30.20	-2.30	-7.1%	2.90	10.6%	
Argentina	Algeria	28.50	1.00	3.6%	3.00	11.8%	
Brazil		27.50	1.00	3.8%	0.00	0.0%	
U.S. Gulf		20.00	0.00	0.0%	0.25	1.3%	
U.S. PNW	Colombia	29.90	-0.15	-0.5%	1.75	6.2%	
Argentina		33.00	-0.50	-1.5%	-0.50	-1.5%	
<i>Shipping Indexes</i>							
Baltic Dry Index		889	200	29.0%	-495	-35.8%	

Source: World Perspectives, Inc. and O'Neil Commodity Consulting