



March 14, 2019

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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 May Contract					
\$/Bu	Friday March 8	Monday March 11	Tuesday March 12	Wednesday March 13	Thursday March 14
Change	-1.00	-2.25	3.75	0.75	3.75
Closing Price	364.25	362.00	365.75	366.50	370.25
Factors Affecting the Market	Advancing South American crops and USDA's surprise move to add 100 million bushels to U.S. ending stocks pressured the market. The increase came mostly from lower export forecasts. USDA left production estimates for Brazil and Argentina unchanged.	Selling in wheat futures along with favorable outlooks for Brazil/Argentine crops sent corn lower. U.S. weather remains supportive, but the spring is still early. CFTC data showed funds short 198,000 contracts. Outside markets were mixed. the dollar fell 41 bps.	Corn moved higher on fund short-covering. Brazil's CONAB increased the country's production estimates to 92.8 MMT. In the U.S., more cold and snow will hit later this week, threatening the winter wheat crop and increasing the odds of planting delays.	Rumors of international sales helped corn slightly higher though S. American weather remains bearish U.S. prices. Cash corn prices are higher with cold weather stalling Midwest logistics. Outside markets were supportive (higher equities, lower USD).	Fund short-covering and unconfirmed reports of large international sales helped corn higher. Gulf and PNW values are higher on bad weather and tight logistics. USDA's Export Sales report put YTD sales down 6%. The USD gained 33 bps; U.S. equities were mixed.

Outlook: May corn futures are 6 cents (1.6 percent) higher this week as Monday's new contract low led the way for a mild round of fund short-covering. Funds were active sellers last week on wheat weakness and continued good weather across South America. The 8 March WASDE was slightly bearish U.S. corn but, as expected, was not a major market-moving report. Going forward, the corn market looks to be driven by South American weather/production/export forecasts, U.S. export prospects, and the odds of a late planting in the U.S.

The March WASDE saw USDA make relatively few changes to the 2018/19 U.S. corn balance sheet. The agency reduced its forecast for corn used in ethanol production by 0.4 percent while dropping the U.S. export forecast 3.1 percent. Because of those changes, USDA added 2.54 MMT (100 million bushels, or 5.8 percent) to U.S. ending stocks.

Elsewhere in the WASDE, USDA increased its expectations for Feed and Residual use of sorghum by 16 percent. The agency reduced Food, Seed, and Industrial use by 54.5 percent and decreased the U.S. export forecast 15 percent. In total, the agency left ending stocks unchanged as domestic feed use increases are expected to outweigh the slow export pace. The USDA lowered barley imports by 20 percent, which translated to a 2.2 percent reduction in 2018/19 barley ending stocks.

The South American corn crop remains under favorable weather forecasts and government agencies there are increasing their expectations for 2018/19 production. Brazil's CONAB raised the country's corn crop to 92.8 MMT while Argentina is expected to peg its crop near 42.4 MMT this month, versus 46.5 MMT last month. The good crops in South America could hamper U.S. exports, but U.S. prices are currently very competitive on an FOB basis.

The USDA's weekly Export Sales report featured 0.646 MMT of sales this week and 0.372 MMT of net sales. Both figures were down from the prior week. Exports last week reached 0.786 MMT, up 26 percent from the prior week. YTD bookings (exports plus unshipped sales) are down 6 percent. The report also featured 9.7 KMT of sorghum exports and 200 MT of barley exports. Barley bookings are up 14 percent YTD.

One factor that remains medium-term supportive for the corn markets is the increasing potential for a late-planted corn crop. The U.S. Midwest has been mired in cold, wet weather this winter/spring that could result in farmers being delayed for field work. U.S. farmers are amazingly adept at getting large areas of land planted quickly when given the window, so few agencies are lowering their planted acreage forecasts so far. However, should the poor weather continue into late March and April, the odds increase that planting will be delayed, and some acreage could switch to other crops. However, it is too early to suggest to what extent that may be.

From a technical standpoint, May corn futures are in a downtrend but have found support at a new contract low and are rallying from there. Funds hold a massive short position in corn, and most other CBOT ag products, that could result in higher prices as they decide to cover those positions. Commercial traders have been active buyers on the break, which has offered some support to the market. The odds for improved geopolitical relations/exports should be a bullish consideration as well.

Interest Rates and Macroeconomic Markets, March 14, 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)	2.7	0.0	-0.4%	-0.1	-2.4%	
LIBOR (1 Year)	2.9	0.0	-0.9%	-0.1	-1.9%	
S&P 500	2,809.8	60.9	2.2%	64.1	2.3%	
Dow Jones Industrials	25,722.0	248.8	1.0%	282.6	1.1%	
U.S. Dollar	96.8	-0.8	-0.8%	-0.2	-0.2%	
WTI Crude	58.6	1.9	3.4%	4.2	7.7%	
Brent Crude	67.2	0.9	1.4%	2.6	4.1%	

Source: DTN ProphetX, World Perspectives, Inc.
 *Last price as of 3:07 PM EDT.

CBOT May Corn Futures



Source: Prophet X

Current Market Values:

Futures Price Performance: Week Ending March 14, 2019			
Commodity	14-Mar	8-Mar	Net Change
Corn			
Mar 19	361.50	354.75	6.75
May 19	370.25	364.25	6.00
Jul 19	379.50	373.50	6.00
Sep 19	386.25	380.25	6.00
Soybeans			
Mar 19	889.50	883.75	5.75
May 19	898.50	895.75	2.75
Jul 19	912.25	909.75	2.50
Aug 19	918.25	916.00	2.25
Soymeal			
Mar 19	301.80	299.10	2.70
May 19	305.90	303.70	2.20
Jul 19	309.70	307.60	2.10
Aug 19	311.30	309.30	2.00
Soyoil			
Mar 19	29.40	29.39	0.01
May 19	29.57	29.65	-0.08
Jul 19	29.89	29.96	-0.07
Aug 19	30.03	30.11	-0.08
SRW			
Mar 19	448.25	432.75	15.50
May 19	452.75	439.50	13.25
Jul 19	459.75	447.50	12.25
Sep 19	468.50	457.00	11.50
HRW			
Mar 19	429.75	424.75	5.00
May 19	436.50	430.75	5.75
Jul 19	445.00	440.25	4.75
Sep 19	456.25	453.50	2.75
MGEX (HRS)			
Mar 19	547.25	555.75	-8.50
May 19	550.50	549.25	1.25
Jul 19	553.50	551.25	2.25
Sep 19	560.75	557.75	3.00

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

U.S. Weather/Crop Progress

U.S. Drought Monitor Weather Forecast: The central U.S. is anticipating a very strong storm from the 12th to the 14th, with the threat of blizzard conditions from the Rockies to the Central and Northern Plains to the Upper Midwest, and severe storms with hurricane-force winds from the Southern Plains to the Mid-Mississippi River Valley. Heavy rains in the Midwest and Great Plains may melt snow and lead to significant flooding. The storm

is expected to impact 70 million people. Looking further out into the next week, much of the nation may see dry, cool weather, with below-average temperatures and below-average precipitation forecast across most of the eastern half of contiguous U.S. Looking two weeks ahead, increased chances of above-normal precipitation are forecast for the southern Florida Peninsula and the western half of the contiguous U.S. The eastern half, on the other hand, is forecast to continue seeing drier-than-normal conditions.

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 March 7, 2019					
Commodity	Gross Sales (MT)	Exports (MT)	YTD Exports (000 MT)	YTD Bookings (000 MT)	% Change YTD Bookings
Wheat	319,500	743,300	17,017.1	22,844.7	3%
Corn	646,700	785,800	27,055.1	40,897.6	-6%
Sorghum	10,000	9,700	708.7	882.4	-83%
Barley	1,100	200	32.5	60.2	14%

Corn: Net sales of 372,000 MT for 2018/2019 were reported for South Korea (120,200 MT, late reporting), Japan (110,600 MT, including 22,500 MT switched from unknown destinations and decreases of 27,000 MT), Guatemala (73,700 MT), Taiwan (68,900 MT, including decreases of 1,100 MT), and Colombia (61,800 MT, switched from unknown destinations). Reductions were primarily for unknown destinations (53,200 MT), Morocco (30,000 MT), Peru (21,800 MT), and Mexico (20,000 MT). For 2019/2020, net sales of 474,600 MT were primarily for Mexico (269,600 MT) and Japan (202,000 MT, late reporting). Exports of 785,800 MT were primarily to Japan (319,700 MT), Mexico (225,600 MT), Colombia (135,700 MT), Guatemala (30,500 MT), and El Salvador (26,200 MT).

Optional Origin: For 2018/2019, the current outstanding balance of 642,500 MT is for South Korea (515,000 MT), Taiwan (65,000 MT), Mexico (32,500 MT), and Tunisia (30,000 MT). For 2019/2020, the current outstanding balance is 120,000 MT, all unknown destinations.

Barley: Net sales of 1,100 MT for 2018/2019 were report for South Korea. Exports of 200 MT were to Taiwan.

Sorghum: Net sales of 9,500 MT for 2018/2019 were reported for Japan, including decreases of 500 MT. Exports of 9,700 MT were to Japan (9,500 MT) and Mexico (200 MT).

U.S. Export Inspections: Week Ending March 7, 2019					
Commodity (MT)	Export Inspections		Current Market YTD	Previous YTD	YTD as Percent of Previous
	Current Week	Previous Week			
Barley	0	122	6,974	20,826	33%
Corn	765,618	865,617	26,563,990	20,354,166	131%
Sorghum	63,583	58,736	948,607	3,281,795	29%
Soybeans	874,363	848,357	26,832,281	39,730,303	68%
Wheat	592,001	488,829	17,602,154	18,711,821	94%

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 March 7, 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	451,311	63%	50,299	100%	51,671	81%
PNW	160,618	22%	0	0%	9,540	15%
Interior Export Rail	103,390	14%	0	0%	2,372	4%
Total (Metric Tons)	715,319	100%	50,299	100%	63,583	100%
White Corn Shipments by Country (MT)			18,799	to Colombia		
			31,500	to Mexico		
Total White Corn (MT)			50,299			
Sorghum Shipments by Country (MT)					51,671	to Spain
					9,540	to Japan
					2,372	to Mexico
Total Sorghum (MT)					63,583	

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)
April	0.67+K	\$172.14	1.20+K	\$193.00
May	0.62+K	\$170.17	1.14+K	\$190.64
June	0.55+N	\$171.05	1.02+N	\$189.56

#2 White Corn (U.S. \$/MT FOB Vessel)

Max. 15.0% Moisture	March	April	May
Gulf	\$190	\$192	\$192

Sorghum (USD/MT FOB Vessel)

#2 YGS FOB Vessel Max 14.0% Moisture	NOLA		TEXAS	
	Basis	Flat Price	Basis	Flat Price
April	0.95+K	\$183.16	0.80+K	\$177.25
May	0.95+K	\$183.16	0.85+K	\$179.22
June	0.95+N	\$186.80	0.80+N	\$180.90

Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. \$/MT)			
	March	April	May
New Orleans	\$163	\$157	\$152
<i>Quantity 5,000 MT</i>			
Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT)			
Bulk 60% Pro.	March	April	May
New Orleans	\$537	\$532	\$527
<i>*5-10,000 MT Minimum</i>			

DDGS Price Table: March 14, 2019 (USD/MT) (Quantity, availability, payment and delivery terms vary)			
Delivery Point Quality Min. 35% Pro-fat combined	April	May	June
Barge CIF New Orleans	201	200	199
FOB Vessel GULF	218	215	213
Rail delivered PNW	218	218	218
Rail delivered California	227	226	226
Mid-Bridge Laredo, TX	225	225	224
FOB Lethbridge, Alberta	201	199	199
40 ft. Containers to South Korea (Busan)	231	231	231
40 ft. Containers to Taiwan (Kaohsiung)	228	229	229
40 ft. Containers to Philippines (Manila)	241	242	242
40 ft. Containers to Indonesia (Jakarta)	238	238	238
40 ft. Containers to Malaysia (Port Kelang)	237	237	237
40 ft. Containers to Vietnam (HCMC)	240	240	240
40 ft. Containers to Japan (Yokohama)	242	242	242
40 ft. containers to Thailand (LCMB)	238	239	239
40 ft. Containers to China (Shanghai)	232	233	233
40 ft. Containers to Bangladesh (Chittagong)	267	268	268
40 ft. Containers to Myanmar (Yangon)	260	261	261
KC Rail Yard (delivered ramp)	190	190	190
Elwood, IL Rail Yard (delivered ramp)	186	186	186

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.

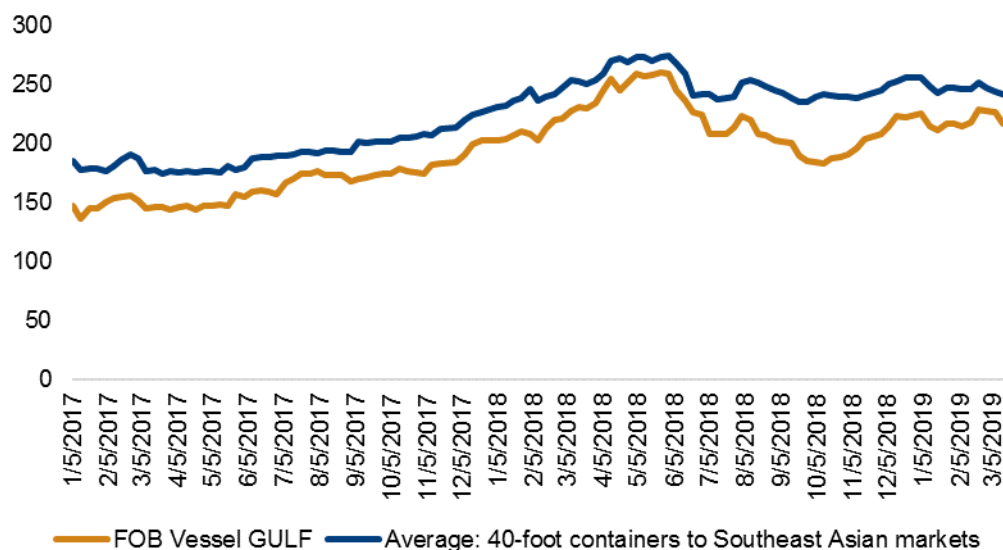
Distiller's Dried Grains with Solubles (DDGS)

DDGS Comments: Cash corn values are \$3.37/bushel this week while FOB ethanol plant DDGS are mostly unchanged from last week to \$149.75/MT. The DDGS/cash corn value is 113 percent, above the two-year average of 107 percent.

DDGS prices are unchanged to down this week compared to last week. FOB vessel U.S. Gulf for April delivery is at \$218/MT, down from last week. In part, lower liquidity as a result of challenging river logistics supported values from dropping further. Internationally, 40-foot containers to Southeast Asia (March delivery) were down \$2/MT for April delivery, on average. Values for the Philippines were unchanged while values to Indonesia, Malaysia and Thailand fell.

Merchandisers reported sales to Vietnam, Thailand and Indonesia this week.

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



Source: World Perspectives, Inc.

Country News

Argentina: Corn basis firmed as rain slowed logistics and thus port arrivals. (AgriCensus)

Brazil: CONAB raised its estimate for the second crop of corn by 1.3 MMT to 66.596 MMT and now places total annual production at 92.807 after adjusting the first crop slightly lower. Exports are unchanged. (Reuters)

South Korea: Nonghyup Feed Inc. (NOFI), which has now bought 2 MMT in a month, made its most recent purchase of corn at sub-\$190/MT and is tendering for 69 KMT more. KOKOPIA snubbed Ukraine by buying U.S. corn at \$208.88/MMT. (AgriCensus; Reuters)

Taiwan: MFIG has issued a tender to purchase around 65 KMT of corn. (Reuters)

Tunisia: The state grain buying agency, Organization of Consumer Protection, has tendered for feed barley and other grains. (AgriCensus)

Turkey: State buying agency TMO purchased 300 KMT of corn at discount. (AgriCensus)

Ukraine: After producing around 35 MMT of corn, exports are up 70.3 percent. Now agro-holdings are considering storing the remainder due to low world prices but more likely will trickle out the remaining supply ahead of the new crop. A mild winter and early spring will make an early start on planting the next crop of corn estimated to be 29-30 MMT. (AgriCensus)

Vietnam: Corn prices have fallen as AFS has reduced feed demand. (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	\$40.00	Unchanged	Handymax at \$40.75/MT
55,000 U.S. PNW-Japan	\$23.00	Unchanged	Handymax at \$22.50/MT
66,000 U.S. Gulf-China	\$38.25	Down \$0.50	North China
PNW to China	\$22.50	Unchanged	
25,000 U.S. Gulf-Veracruz, Mexico	\$16.25	Unchanged	3,000 MT daily discharge rate
35-40,000 U.S. Gulf-Veracruz, Mexico	\$13.75	Unchanged	Deep draft and 6,000 MT/day discharge rate.
25/35,000 U.S. Gulf-East Coast Colombia	\$20.00	Up \$0.50	West Coast Colombia at \$29.50
From Argentina	\$33.50	Up \$0.50	
40-45,000 U.S. Gulf-Guatemala	\$29.25	Up \$0.25	Acajutla/Quetzal-8,000 out
26-30,000 U.S. Gulf-Algeria	\$32.25	Unchanged	8,000 MT daily discharge
	\$33.25	Unchanged	3,000 MT daily discharge
25-30,000 US Gulf-Morocco	\$34.25	Unchanged	Discharge rate: 5,000
55,000-60,000 U.S. Gulf-Egypt	\$26.75	Unchanged	55,000-60,000 MT Russia Black Sea Romania - Egypt \$14.00-\$14.50 (France \$17.50-\$18.00)
PNW to Egypt	\$27.50	Unchanged	
60-70,000 U.S. Gulf-Europe-Rotterdam	\$15.75	Unchanged	Handymax at +\$1.75 more
Brazil, Santos-China	\$29.50	Unchanged	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 60-66,000 MT
Brazil, Santos-China	\$29.25	Unchanged	
Itacoatiara-Port Upriver North Brazil	\$32.50	Unchanged	
56-60,000 Argentina/Rosario-China Deep Draft	\$33.25	Unchanged	Upriver with BB top-off \$36.50

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: Dry-bulk markets remain lethargic. As such, there is not too much new to say about these markets. Vessel owners are disappointed with the lack of technical follow-through and cargo support. Additional cargo demand is needed to sustain a market rally, and everyone is still waiting for global economic development to improve. Unfortunately, the economic news of late has been trending in the opposite direction.

In other news, we continue to experience very high water flows on the Mississippi River and through the Port of New Orleans. Due to the resulting silting in the Southwest Pass exiting the River to the Gulf, vessel drafts have been restricted to 41 feet (a reduction of 6 feet in draft). Export vessel loading capacity has also been reduced. Let's hope things up North dry out soon. Planting season is supposed to be starting.

Baltic-Panamax Dry-Bulk Indices				
March 14, 2019	This Week	Last Week	Difference	Percent Change
Route				
P2A: Gulf/Atlantic – Japan	12,427	13,189	-762	-5.8%
P3A: PNW/Pacific– Japan	7,762	8,698	-936	-10.8%
S1C: U.S. Gulf-China-S. Japan	16,694	16,700	-6	0.0%

Source: O'Neil Commodity Consulting

Capesize Vessel Freight Values Western Australia to South China (iron ore)	
Four weeks ago:	\$4.85-\$5.20
Three weeks ago:	\$5.15-\$5.50
Two weeks ago:	\$4.95-\$5.30
One week ago:	\$4.65-\$5.00
This week	\$4.80-\$5.45

Source: O'Neil Commodity Consulting

U.S.-Asia Market Spreads					
March 14, 2019	PNW	Gulf	Bushel Spread	MT Spread	Advantage
#2 Corn	1.07	0.68	0.39	\$15.35	Gulf
Soybeans	0.87	0.58	0.29	\$10.66	PNW
Ocean Freight	\$22.50	\$38.25	0.40-0.43	\$15.75	April

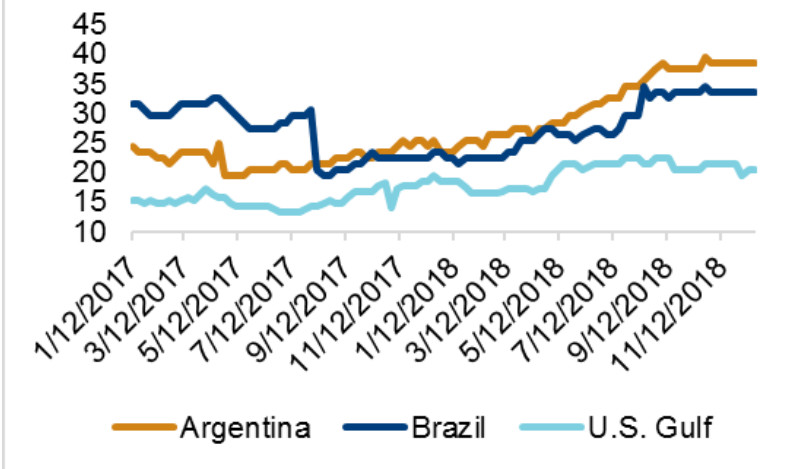
Source: O'Neil Commodity Consulting

Bulk Grain Freight Rates for Key Suppliers and Destinations
March 14, 2019

Origin	Destination	This Week	Monthly Change	Monthly % Change	Yearly Change	Yearly % Change	2-Year History
<i>Panamax/Supramax Vessels</i>							
U.S. Gulf		40.00	1	2.6%	-5.25	-11.6%	
U.S. PNW	Japan	23.00	1	4.5%	-1.5	-6.1%	
Argentina		32.50	3	10.2%	-8	-19.8%	
Brazil		28.50	4	16.3%	-6	-17.4%	
U.S. Gulf		38.75	1	2.6%	-5.75	-12.9%	
U.S. PNW	China	22.50	1	4.7%	-1.5	-6.3%	
Argentina		33.25	2.25	7.3%	-5.25	-13.6%	
Brazil		29.50	2.25	8.3%	-5.5	-15.7%	
U.S. Gulf		16.50	0	0.0%	-0.75	-4.3%	
Argentina	Europe	34.50	1	3.0%	8	30.2%	
Brazil		30.50	1	3.4%	7	29.8%	
Argentina	Saudi Arabia	32.50	2	6.6%	1	3.2%	
Brazil		35.50	2	6.0%	2	6.0%	
U.S. Gulf		27.50	1.00	3.8%	0.00	0.0%	
U.S. PNW	Egypt	27.65	-0.45	-1.6%	-7.45	-21.2%	
Argentina		32.50	1.00	3.2%	5.00	18.2%	
Brazil		28.50	1.00	3.6%	3.00	11.8%	
<i>Handysize Vessels</i>							
U.S. Gulf		34.50	1.00	3.0%	4.00	13.1%	
U.S. Great Lakes	Morocco	45.15	-0.20	-0.4%	0.75	1.7%	
Argentina		23.50	1.00	4.4%	1.00	4.4%	
Brazil		24.50	1.00	4.3%	-1.00	-3.9%	
U.S. Great Lakes	Europe	44.10	-0.20	-0.5%	5.75	15.0%	
Brazil		30.55	0.90	3.0%	7.25	31.1%	
Argentina	Algeria	27.50	1.00	3.8%	4.00	17.0%	
Brazil		26.50	2.00	8.2%	0.00	0.0%	
U.S. Gulf		20.00	0.50	2.6%	0.00	0.0%	
U.S. PNW	Colombia	29.20	-0.70	-2.3%	1.00	3.5%	
Argentina		33.50	-0.50	-1.5%	-1.00	-2.9%	
<i>Shipping Indexes</i>							
Baltic Dry Index		645	50	8.4%	-491	-43.2%	

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

Bulk Grain Freight Rates to Europe from Select Origins



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