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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 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.

CHICAGO BOARD OF TRADE MARKET NEWS

Week in Review: CME Corn March Contract					
\$/Bu	Friday January 5	Monday January 8	Tuesday January 9	Wednesday January 10	Thursday January 11
Change	0.250	-4.000	1.750	0.000	-0.2500
Closing Price	351.25	347.25	349.00	349.00	348.75
Factors Affecting the Market	March corn stayed within the confines of its narrow trading range with no new news to shake it loose. Cash prices continue to trade sideways even as Brazilian FOB prices are rising. Outside markets were higher on a good jobs report featuring 4.1 percent unemployment.	March corn fell close to its 2017 low of \$3.46 1/4 as the bearish factors already known continue to pressure the market. Ethanol production is slowing with the cold weather, adding another bearish story. Outside markets were mostly higher.	Bargain hunting and lack of willingness to push the market to a new contract low before Friday's USDA reports produced a Turnaround Tuesday. Cash corn prices are steady while the dollar is higher for a third straight day. Crude oil gained \$1.23/barrel.	Light volume trading produced the same closing price as yesterday. Ethanol production fell 3.5 percent. A Dow Jones' survey suggests analysts are expecting only minor changes to USDA's balance sheet in Friday's report.	March corn was down 1/4 cent to unchanged as traders simply wait for tomorrow's reports. The export sales report again pointed out how slow exports are this year. The dollar fell 48 points which may help boost export demand. U.S. stocks are higher after a one-day respite.

Outlook: March corn is trading sideways in a comfortable range near \$3.50, waiting for tomorrow's USDA reports. Tomorrow's reports, however, aren't expected to produce major changes to the U.S. or world balance sheets. If that is the case, corn will be relegated to continue its slow, sideways trade until U.S. planting prospects are better determined.

USDA's Export Sales report featured 676,300 MT of gross sales with 889,800 MT of exports. The export volume was nearly double the weekly pace needed to meet USDA's export projections, but after months of poor export volumes, this was a drop in the bucket. Year-to-date bookings (exports plus unshipped sales) are down 25 percent but exports are off 36 percent. Rising Brazilian corn prices could give U.S. exporters an opportunity, but steady U.S. cash prices do not reflect this dynamic yet.

Ethanol production fell for a second straight week in Wednesday's EIA report, dropping 3.5 percent from the prior week and coming in under 1,000 million barrels/day for the first time in 12 weeks. Ethanol stocks were steady even as gasoline consumption increased 2 percent. Blender margins remain solid which will continue to support the ethanol markets. Additionally, livestock feeding efficiency will be lower with the cold weather, boosting DDGS demand. Ethanol has been a bright spot for the corn market this year and is likely to continue this role once warmer weather allows production to bounce back.

Tomorrow's USDA report could feature an increase in U.S. sorghum acres. Farmers planted 5.7 million acres to sorghum last year, and some industry experts are calling for increases this year. Sorghum prices have been rising in the U.S. (FOB NOLA sorghum priced at \$192/MT versus \$167.50/MT this time last year) and, with the decline of wheat area, farmers may plant more sorghum in 2018. Some analysts are hearing reports of sorghum seed sales being stronger than expected.

From a technical perspective, March corn is range-bound and headed sideways now. It will be all about the fundamentals in tomorrow's USDA report. Looking ahead, there's simply not a whole lot that the USDA can use to surprise the market. A sudden change in foreign production or a larger-than-expected change to U.S. December 1 stocks are seemingly the most likely possibilities. Historically, however, the January WASDE is

not a market-shocking report and, given this, corn is likely to begin next week's trade right around \$3.50/bushel.

CBOT MARCH CORN FUTURES



Source: Prophet X

Current Market Values:

Futures Price Performance: Week Ending January 11, 2018			
Commodity	11-Jan	5-Jan	Net Change
Corn			
Mar 18	348.75	351.25	-2.50
May 18	357.00	359.25	-2.25
Jul 18	365.00	367.50	-2.50
Sep 18	373.00	375.25	-2.25
Soybeans			
Jan 18	940.50	961.50	-21.00
Mar 18	950.00	970.75	-20.75
May 18	961.00	981.50	-20.50
Jul 18	970.50	991.00	-20.50
Soymeal			
Jan 18	309.60	317.90	-8.30
Mar 18	313.10	321.90	-8.80
May 18	316.70	324.40	-7.70
Jul 18	319.60	327.20	-7.60
Soyoil			
Jan 18	32.97	33.65	-0.68
Mar 18	33.15	33.76	-0.61
May 18	33.32	33.91	-0.59
Jul 18	33.51	34.06	-0.55
SRW			
Mar 18	433.25	430.75	2.50
May 18	446.75	442.75	4.00
Jul 18	458.75	455.75	3.00
Sep 18	471.75	469.50	2.25
HRW			
Mar 18	440.25	437.50	2.75
May 18	453.75	451.00	2.75
Jul 18	469.25	466.50	2.75
Sep 18	485.00	482.25	2.75
MGEX (HRS)			
Mar 18	629.00	626.75	2.25
May 18	635.25	632.25	3.00
Jul 18	639.00	635.25	3.75
Sep 18	629.50	623.00	6.50

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

U.S. WEATHER/CROP PROGRESS

U.S. Drought Monitor Weather Forecast: Over the next 5-7 days, precipitation is widespread over much of the contiguous United States, with all but areas of the Southwest expecting to record some precipitation. The Pacific Northwest and northern Rocky Mountains are anticipated to have significant precipitation with liquid amounts of 3-4 inches along the coasts of northern California, Oregon, and Washington as well as over much of northern Idaho and western Montana. Significant precipitation is also anticipated over the Ohio River Valley and into the Mid-Atlantic, where 1.50-2.50 inches of liquid precipitation is forecast over widespread areas. Cooler than normal temperatures are anticipated over most areas east of the continental divide with departures

of up to 15 degrees below normal while the western areas are anticipated to be warmer than normal with departures of 5-10 degrees above normal.

The 6- to 10-day outlooks show that the trend of warmer over the West and cooler over the East will likely continue. Temperatures have the greatest chance of being below normal over the Mid-Atlantic into the Southeast and above normal over the Southwest. Precipitation chances are projected to be greatest over the Great Basin and Pacific Northwest as well along the Mississippi River Valley. Drier than normal conditions are anticipated to mainly be over the areas of west Texas and southern New Mexico as well as along the coastal regions of the Southeast, with higher than normal chances of dry conditions along much of the east coast.

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 January 4, 2018					
Commodity	Gross Sales (MT)	Exports (MT)	YTD Exports (000 MT)	YTD Bookings (000 MT)	% Change YTD Bookings
Wheat	110,900	288,200	13,944.8	19,541.2	-8%
Corn	676,300	889,800	11,547.8	27,108.8	-25%
Sorghum	172,000	53,700	1,843.8	4,581.4	50%
Barley	0	1,300	21.2	36.4	119%

Source: USDA, World Perspectives, Inc.

Corn: Net sales of 437,700 MT for 2017/2018 were up noticeably from the previous week, but down 54 percent from the prior 4-week average. Increases were reported for Japan (163,700 MT, including 32,800 MT switched from unknown destinations and decreases of 3,200 MT), Colombia (86,400 MT, including 72,500 MT switched from unknown destinations and decreases of 4,900 MT), Taiwan (70,800 MT), Vietnam (60,000 MT), Peru (30,400 MT, including 33,500 MT switched from unknown destinations and decreases of 5,600 MT), and Costa Rica (30,300 MT, including 27,600 MT switched from Honduras). Reductions were reported for Honduras (26,600 MT) and the French West Indies (7,300 MT). Exports of 889,800 MT were up 35 percent from the previous week and 38 percent from the prior 4-week average. The destinations were primarily to Mexico (226,300 MT), Colombia (200,500 MT), Peru (157,400 MT), South Korea (133,500 MT), and Japan (116,900 MT).

Optional Origin Sales: The current optional origin outstanding balance of 657,500 MT is for South Korea (342,000 MT) and unknown destinations (315,500 MT).

Barley: No net sales were reported for the week. Exports of 1,300 MT were reported to Japan.

Sorghum: Net sales of 170,700 MT for 2017/2018 were up noticeably from the previous week, but down 40 percent from the prior 4-week average. Increases were reported for China (104,700 MT, including decreases of 1,300 MT) and unknown destinations (66,000 MT). Exports of 53,700 MT were down 29 percent from the previous week and 61 percent from the prior 4-week average. The destinations were China (52,700 MT) and Mexico (1,000 MT).

U.S. Export Inspections: Week Ending January 4, 2018					
Commodity (MT)	Export Inspections		Current Market YTD	Previous YTD	YTD as Percent of Previous
	Current Week	Previous Week			
Barley	0	0	18,182	28,785	63%
Corn	849,226	726,499	11,428,938	17,929,224	64%
Sorghum	839	123,689	1,643,589	1,980,235	83%
Soybeans	1,183,089	1,210,704	29,577,235	34,472,191	86%
Wheat	234,418	275,069	14,765,190	15,801,144	93%

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 January 4, 2018						
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	565,989	68%	13,728	87%	0	0%
PNW	132,564	16%	122	1%	0	0%
Interior Export Rail	134,827	16%	1,996	13%	839	100%
Total (Metric Tons)	833,380	100%	15,846	100%	839	100%
White Corn Shipments by Country (MT)			13,728	to Colombia		
			122	to South Korea		
			1,996	to Mexico		
Total White Corn (MT)			15,846			
Sorghum Shipments by Country (MT)					839	to Mexico
Total Sorghum (MT)					839	

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 January	0.64+H	\$162.49	-	-
February	0.60+H	\$160.92	0.86+H	\$171.15
March	0.56+H	\$159.34	0.87+H	\$171.55

Sorghum (USD/MT FOB Vessel)				
#2 YGS FOB Vessel Max 14.0% Moisture	NOLA		TEXAS	
	Basis	Flat Price	Basis	Flat Price
January	-	-	1.55+H	\$198.32
February	1.50+H	\$196.35	1.55+H	\$198.32
March	1.55+H	\$198.32	1.60+H	\$200.28

Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. \$/MT)			
	February	March	April
New Orleans	\$165	\$165	\$150
Quantity 5,000 MT			
Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT)			
Bulk 60% Pro.	January	February	March
New Orleans	\$605	\$600	\$595
*5-10,000 MT Minimum			
Corn Gluten Meal (CGM) (Offers, Rail and Truck Delivered U.S. \$/ST)			
	January	February	
Rail Delvd. Chicago	\$495	\$495	
Rail Delvd. Savannah	-	\$510	
Truck Delvd. Chicago	\$484	\$484	

DDGS Price Table: January 11, 2018 (USD/MT) (Quantity, availability, payment and delivery terms vary)			
Delivery Point Quality Min. 35% Pro-fat combined	January	February	March
Barge CIF New Orleans	193	188	187
FOB Vessel GULF	204	202	201
Rail delivered PNW	223	221	220
Rail delivered California	225	223	222
Mid-Bridge Laredo, TX	220	219	219
FOB Lethbridge, Alberta	202	200	197
40 ft. Containers to South Korea (Busan)	223	222	222
40 ft. Containers to Taiwan (Kaohsiung)	225	225	225
40 ft. Containers to Philippines (Manila)	229	230	230
40 ft. Containers to Indonesia (Jakarta)	225	225	225
40 ft. Containers to Malaysia (Port Kelang)	225	225	225
40 ft. Containers to Vietnam (HCMC)	237	237	237
40 ft. Containers to Japan (Yokohama)	224	224	225
40 ft. containers to Thailand (LCMB)	225	225	226
40 ft. Containers to China (Shanghai)	225	225	226
40 ft. Containers to Bangladesh (Chittagong)	257	257	257
40 ft. Containers to Myanmar (Yangon)	251	251	252
KC & Elwood, IL Rail Yard (delivered Ramp)	185	185	185

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: DDGS prices are steady/slightly lower this week with lower supplies and rising feed demand. Cash soybean meal values are steady while FOB ethanol plant DDGS fell \$2/MT this week, leaving the per-protein unit cost of DDGS \$0.66 lower than soybean meal. Barge CIF NOLA prices are steady this week while FOB NOLA prices are \$2/MT lower on light trading volume. FOB NOLA prices are 124% of FOB NOLA corn values, which is at the upper end of the ratio's two-year trading range. Prices for 40-foot containers destined for southeast Asia are \$1/MT higher on average, but with light trading volume.

Merchandisers are reporting a quiet week as buyers are sidelined due to firm and steady asking prices. Buyers are hoping for a downward break in prices, but most sellers are sticking to asking prices with cold weather

keeping domestic feed demand elevated. Moreover, natural gas prices are higher which may further slow ethanol production and keep DDGS supplies tight.

COUNTRY NEWS

Canada: The Canadian Grains Commission reports that the 2017 barley crop planted area and yield was lower than in 2016, but the quality was very good with high kernel weights and plumpness. The area planted to barley was down 10 percent and yields were down 4 percent. (World-Grain)

China: Sinograin sold all 26.7 KMT of 2014 corn offered for sale at an average price of 1,870 yuan (\$287.71)/MT. The higher price was obtained due to the better quality offered and the fact that Chinese corn futures prices have risen 12 percent over the past quarter. (Reuters)

Mexico: Members of the National Tortilla Council agreed not to raise the price of their product after government economy ministry officials promised to help contain high costs of corn and fuel. The government is trying to stymie public perceptions of inflation in an election year and tortilla makers had sought a 20 percent increase in prices. (Reuters)

South Africa: Johannesburg corn prices had been rallying due to concerns about renewed drought but subsequently fell based on carryover inventories for 2017 and new prospects for rain in production areas. Yellow maize for March delivery fell by 1.6 percent to 2,012 rand (\$162.09)/MT and white maize prices dropped by 2.2 percent to 1,981.6 rand (\$159.59)/MT. (AgriMoney)

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	\$44.75	Up \$1.75	Handymax at \$45.00/MT
55,000 U.S. PNW-Japan	\$24.50	Up \$0.50	Handymax at \$25.25/MT
65,000 U.S. Gulf-China	\$44.00	Up \$1.50	North or South China
PNW to China	\$23.50	Up \$0.50	
25,000 U.S. Gulf-Veracruz, Mexico	\$16.25	Up \$0.25	3,000 MT daily discharge rate
35-40,000 U.S. Gulf-Veracruz, Mexico	\$14.25	Up \$0.25	Deep draft and 6,000 MT/day discharge rate.
25/35,000 U.S. Gulf-East Coast Colombia	\$20.25	Unchanged	West Coast Colombia at \$28.50
From Argentina	\$33.00	Unchanged	
40-45,000 U.S. Gulf-Guatemala	\$28.50	Unchanged	Acajutla/Quetzal-8,000 out
26-30,000 U.S. Gulf-Algeria	\$31.50	Up \$0.50	8,000 MT daily discharge
	\$33.50	Up \$0.50	3,000 MT daily discharge
25-30,000 US Gulf-Morocco	\$30.75	Up \$0.50	Discharge rate: 5,000
55,000 U.S. Gulf-Egypt	\$28.75	Up \$0.50	55,000-60,000 MT Russia Black Sea-Egypt \$15.00
PNW to Egypt	\$27.75	Up \$0.50	
60-70,000 U.S. Gulf-Europe-Rotterdam	\$17.25	Up \$0.50	Handymax at +\$2.00 more
Brazil, Santos-China	\$34.00	Up \$2.00	54-59,000 Supramax-Panamax 60-66,000 Post Panamax
Itacoatiara Port up River	\$33.00	Up \$2.00	
Amazonia North Brazil-China	\$36.50	Up \$2.00	
56-60,000 Argentina-China	\$39.75	Up \$2.00	Upriver with top-off \$42.00

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: Dry-bulk ocean freight markets attempted to rally back from last week's big fall. At week's end things are slightly improved week-over-week, but most of the strength from early in the week has diminished. We are still seeing good volatility in the Baltic indices. Yesterday the SC1-U.S. Gulf to China index was up 939 points on the day; today it is down 594 points. Physical markets are slightly better as vessel owners remain optimistic and stubborn and try to hold out for the higher figures they desire. Last week the U.S. Gulf Panamax market to China was down \$1.25/MT; this week it is up \$1.50/MT, so there is no big overall net change in things.

Baltic-Panamax Dry-Bulk Indices				
January 11, 2018	This Week	Last Week	Difference	Percent Change
Route				
P2A: Gulf/Atlantic – Japan	18,385	17,917	468	2.6%
P3A: PNW/Pacific– Japan	9,859	9,632	227	2.4%
S1C: U.S. Gulf-China-S. Japan	24,322	22,256	2,066	9.3%

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:

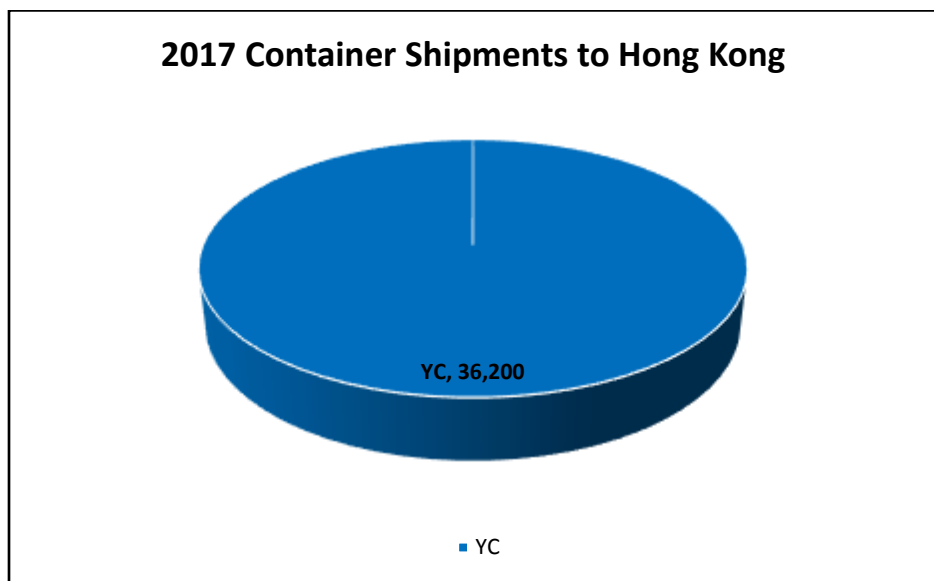
Week Ending January 11, 2018	
Four weeks ago:	\$9.70-9.90
Three weeks ago:	\$9.75-10.00
Two weeks ago:	-
One week ago:	\$5.40-7.00
This week	\$ 6.20-\$6.75

Source: O'Neil Commodity Consulting

U.S.-Asia Market Spreads					
January 11, 2018	PNW	Gulf	Bushel Spread	MT Spread	Advantage
#2 Corn	0.96	0.61	0.35	\$13.78	PNW
Soybeans	0.92	0.52	0.40	\$15.75	PNW
Ocean Freight	\$23.50	\$44.00	0.52-0.56	\$20.50	Feb.

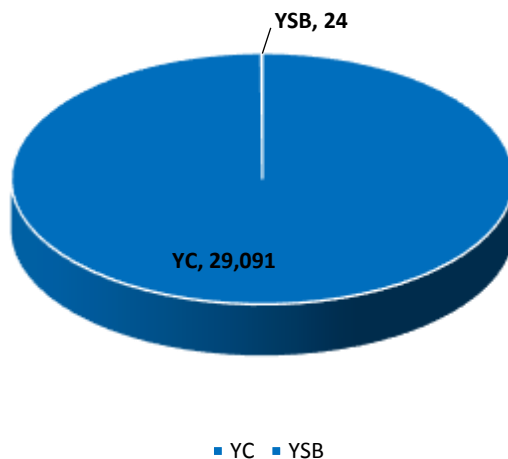
Source: O'Neil Commodity Consulting

The charts below represent 2017 annual totals versus 2016 annual totals for container shipments to Hong Kong.



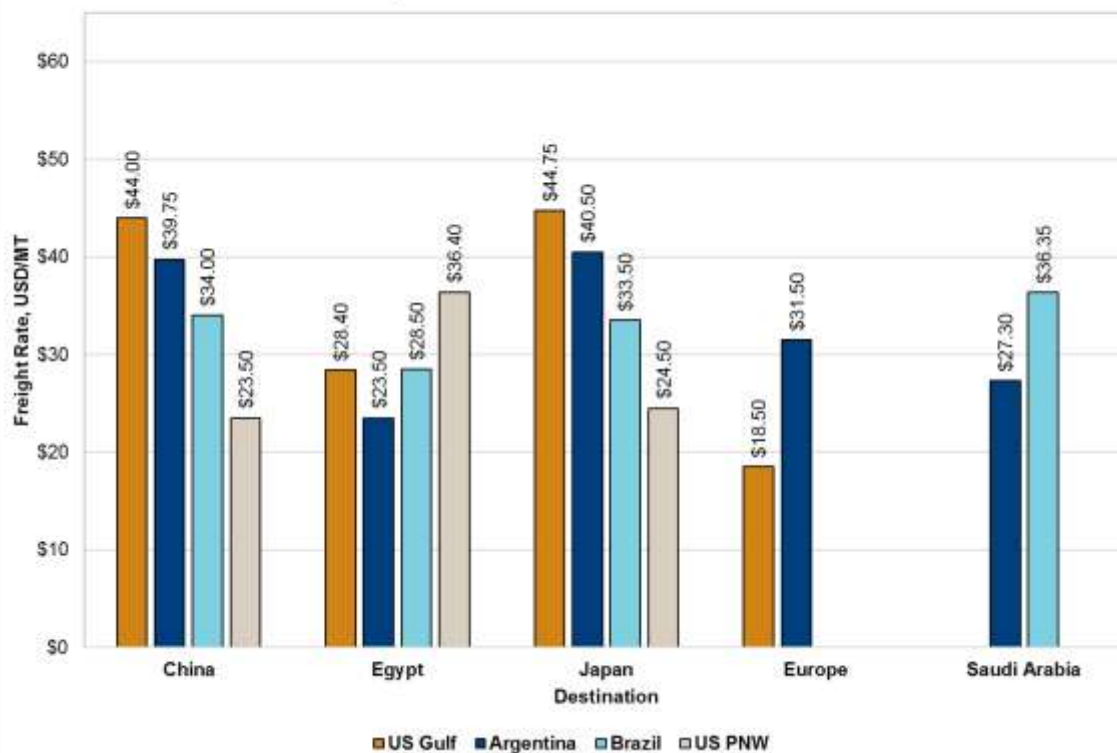
Source: O'Neil Commodity Consulting

2016 Container Shipments to Hong Kong

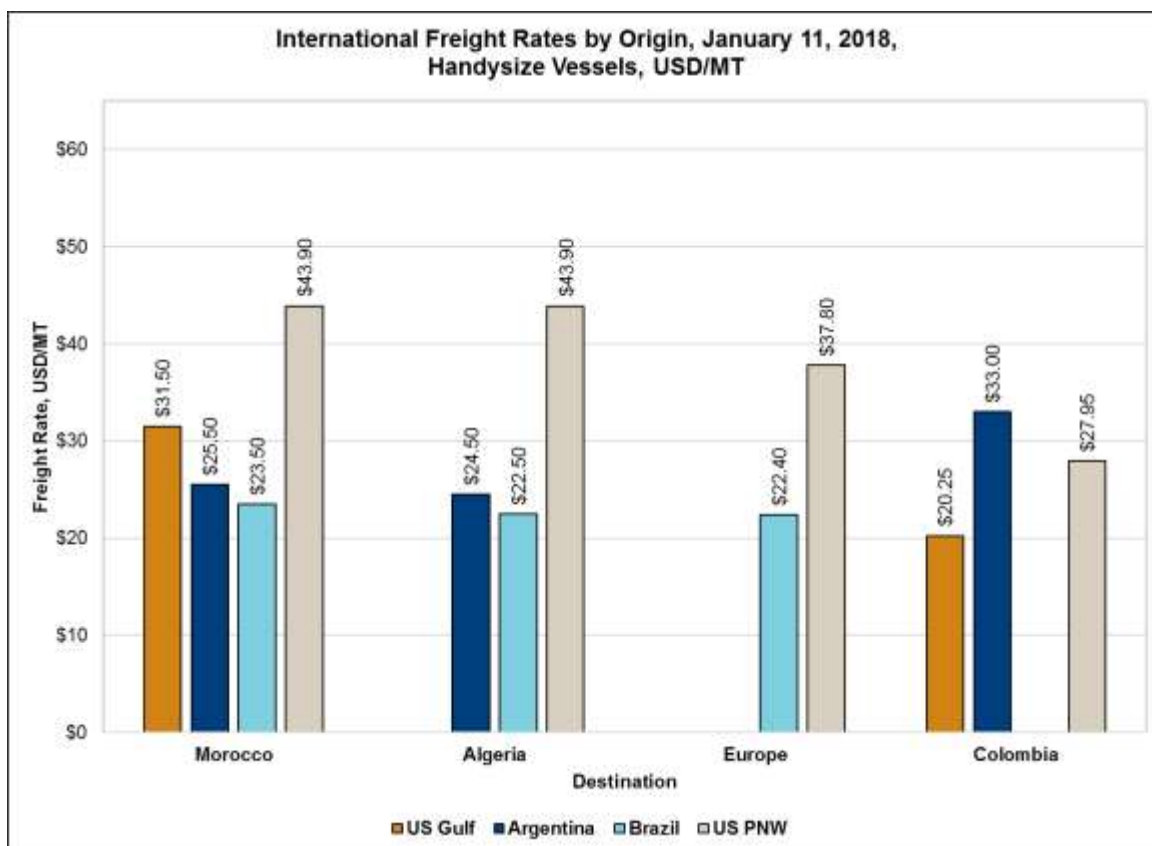


Source: O'Neil Commodity Consulting

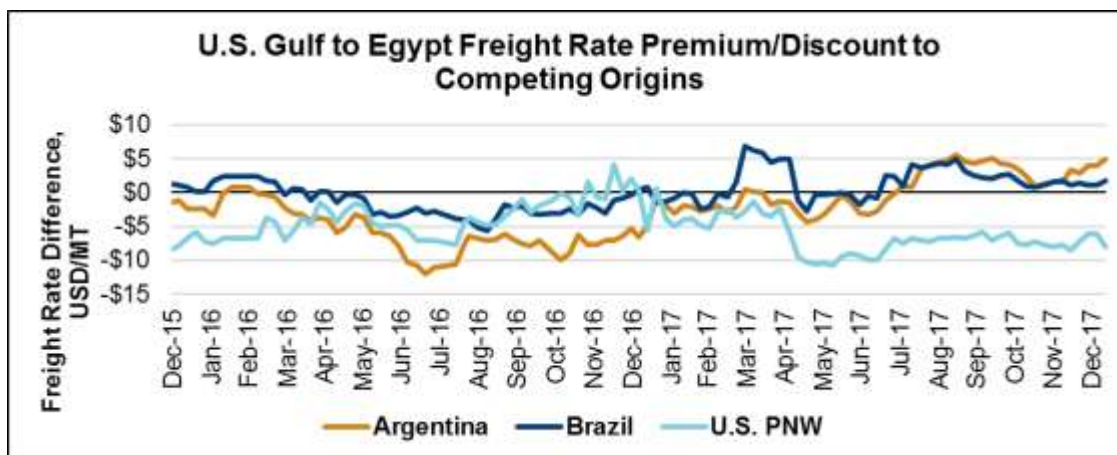
International Freight Rates by Origin, January 11, 2018,
Supramax/Panamax Vessels, USD/MT



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



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

INTEREST RATES

Interest Rates (%): January 11, 2018			
	Current Week	Last Week	Last Month
U.S. Prime	4.5	4.50	4.25
LIBOR (6 month)	1.87	1.84	1.75
LIBOR (1 year)	2.15	2.11	2.03

Source: www.bankrate.com