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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 12	Monday January 15	Tuesday January 16	Wednesday January 17	Thursday January 18
Change	-2.500	0.000	2.000	4.750	-1.5000
Closing Price	346.25	346.25	348.25	353.00	351.50
Factors Affecting the Market	The January WASDE featured a larger U.S. corn crop (14.604 billion bu.) and larger-than-expected Dec. 1 corn stocks. Traders sold corn following the report but commercial value-buying limited losses. The dollar fell nearly 100 points.	U.S. markets were closed due to holiday.	Commercial buying helped corn a few pennies higher but there remain few reasons to be long corn. Export inspections last week were bearish at 23 million bushels, keeping YTD totals down 36 percent. CFTC's data shows funds increasing their short position.	March corn underwent the biggest rally since November 17 as commercial buying occurred with few sellers willing to add to their short positions. The weather forecast is slightly drier for Brazil and Argentina, which could help the bulls' case.	Weekly ethanol production rebounded 6.5 percent but did not impress the corn market. USDA's export report was delayed due to Monday's U.S. holiday. The dollar continues to fall, which will help exports going forward. Outside markets are up on good weekly jobs numbers.

Outlook: Last Friday's WASDE was certainly bearish the corn market. The USDA increased 2017/18 corn production by 26 million bushels to 14.604 billion. The additional production came on the back of a decrease in harvested area (from 83.1 million acres to 82.7) and a 1.1 bushel/acre increase in yield (from 175.4 to 176.5). Feed and residual use was decreased 25 million bushels and no other consumption variables were increased in the balance sheet. The combination of these factors increased ending stocks 40 million bushels (2 percent) to 2.477 billion.

While the WASDE was bearish the corn market, it held a more positive tone for the sorghum market. USDA increased its yield forecast 2 bushels/acre to 72.1 and added 5 million bushels to feed and residual use. Exports were left unchanged, however, but USDA increased the bottom end of its price range forecast to \$2.85/bushel.

The USDA's weekly export sales report will be issued tomorrow, but Monday's Export Inspections report featured 584,000 MT of corn inspected for export, down from the prior week and putting YTD totals down 36 percent. The U.S. dollar has been falling sharply during the past week, however, and this may give U.S. exporters the competitive boost needed to ship more corn.

From a technical perspective, March corn futures are caught between heavily-short funds who see few bullish events in the world and value-buying commercials. Consequently, the contract has traded a narrow range right around \$3.50, getting sold off when the price rises much above that point and with commercials supporting the market when it gets below. The trend is sideways until some fundamental factor shakes the market loose.

Right now, it's difficult to tell what might move the market. The South American weather, with too much rain in Southern Brazil and too little in Argentina, is a possible bullish factor but its risks are already well priced into

the market. NOAA's long-term forecast today called for continued dryness in the Plains and a wetter-than-normal pattern in the eastern Midwest. The latter may develop into a delayed planting scenario, but it is far too early to call for this. The former may discourage planting/inhibit production, but again it is too early to tell. For now, March corn marches sideways while the world looks for some reason corn shouldn't be priced at \$3.50/bushel.

CBOT MARCH CORN FUTURES



Source: Prophet X

Current Market Values:

Futures Price Performance: Week Ending January 18, 2018			
Commodity	18-Jan	12-Jan	Net Change
Corn			
Mar 18	351.50	346.25	5.25
May 18	359.50	354.75	4.75
Jul 18	367.75	362.75	5.00
Sep 18	375.25	370.75	4.50
Soybeans			
Mar 18	973.00	960.50	12.50
May 18	984.25	972.00	12.25
Jul 18	994.00	981.25	12.75
Aug 18	996.75	983.75	13.00
Soymeal			
Mar 18	328.40	317.00	11.40
May 18	332.00	320.80	11.20
Jul 18	334.70	323.60	11.10
Aug 18	334.90	324.30	10.60
Soyoil			
Mar 18	32.23	33.13	-0.90
May 18	32.43	33.30	-0.87
Jul 18	32.63	33.49	-0.86
Aug 18	32.70	33.50	-0.80
SRW			
Mar 18	425.25	420.50	4.75
May 18	438.25	434.25	4.00
Jul 18	451.25	446.50	4.75
Sep 18	466.00	460.50	5.50
HRW			
Mar 18	429.50	426.25	3.25
May 18	443.00	439.75	3.25
Jul 18	459.25	455.25	4.00
Sep 18	475.50	471.25	4.25
MGEX (HRS)			
Mar 18	610.50	612.75	-2.25
May 18	619.75	620.50	-0.75
Jul 18	626.75	624.50	2.25
Sep 18	625.00	621.50	3.50

*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, the active pattern over the Pacific Northwest is anticipated to continue, with heavy rains along the coastal areas from northern California up to Seattle. Farther inland, precipitation should be widespread from Washington and Oregon into Idaho and western Montana, with the greatest amounts over the panhandle of Idaho. Precipitation from the central Rocky Mountains will pass through the central Plains and into the upper Midwest and Great Lakes. Much of the eastern half of the United States is projected to receive precipitation. During this period, temperatures are anticipated to be 3 to 6 degrees below normal west of the Continental Divide and 6 to 9 degrees above normal

to the east. This should help bring the snow levels down over the western United States, allowing for snow accumulation to take place.

The 6- to 10-day day outlooks show that temperatures are anticipated to remain cooler than normal over the western and north central United States, with the greatest probability of below-normal temperatures over Montana and Wyoming. Warmer than normal temperatures are projected over much of the eastern third of the country, with the greatest chances of above-normal temperatures along the eastern seaboard from Florida north into New England. The probability of above-normal precipitation is great over much of the United States outside of the desert Southwest. The highest chances of above-normal precipitation are over the Great Basin and lower Mississippi Valley.

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

U.S. EXPORT STATISTICS

Note: Due to the Monday, January 15 holiday, weekly U.S. export sales will be published on Friday, January 19. Updated U.S. export sales will be next published in the January 25, 2018 edition of *Market Perspectives*.

U.S. Export Inspections: Week Ending January 11, 2018					
Commodity (MT)	Export Inspections		Current Market YTD	Previous YTD	YTD as Percent of Previous
	Current Week	Previous Week			
Barley	245	0	18,427	29,656	62%
Corn	584,389	850,278	12,014,379	18,840,069	64%
Sorghum	119,096	1,623	1,763,469	2,154,611	82%
Soybeans	1,231,037	1,212,721	30,837,904	35,894,732	86%
Wheat	368,651	235,216	15,135,637	16,186,643	94%

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 11, 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	282,894	49%	6,600	62%	117,915	99%
PNW	158,455	28%	0	0%	0	0%
Interior Export Rail	132,448	23%	3,992	38%	1,181	1%
Total (Metric Tons)	573,797	100%	10,592	100%	119,096	100%
White Corn Shipments by Country (MT)			6,600	to El Salvador		
			3,992	to Mexico		
Total White Corn (MT)			10,592			
Sorghum Shipments by Country (MT)					116,526	to China
					1,658	to Japan
					912	to Mexico
Total Sorghum (MT)					119,096	

Source: USDA, World Perspectives, Inc.

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	\$163.57	-	-
February	0.60+H	\$162.00	0.95+H	\$175.78
March	0.58+H	\$161.21	0.91+H	\$174.20

#2 White Corn (U.S. \$/MT FOB Vessel)			
Max. 15.0% Moisture	February	March	April
Gulf	\$170	\$170	\$170

Sorghum (USD/MT FOB Vessel)				
#2 YGS FOB Vessel Max 14.0% Moisture	NOLA		TEXAS	
	Basis	Flat Price	Basis	Flat Price
February	1.70+H	\$205.30	1.60+H	\$201.37
March	1.70+H	\$205.30	1.65+H	\$203.33

Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. \$/MT)			
	February	March	April
New Orleans	\$165	\$160	\$155
Quantity 5,000 MT			
Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT)			
Bulk 60% Pro.	February	March	April
New Orleans	\$605	\$598	\$598
*5-10,000 MT Minimum			
Corn Gluten Meal (CGM) (Offers, Rail and Truck Delivered U.S. \$/ST)			
	February	March	
Rail Delvd. Chicago	\$495	\$495	
Rail Delvd. Savannah	\$512	-	
Truck Delvd. Chicago	\$484	\$484	

DDGS Price Table: January 18, 2018 (USD/MT) (Quantity, availability, payment and delivery terms vary)			
Delivery Point Quality Min. 35% Pro-fat combined	February	March	April
Barge CIF New Orleans	201	201	195
FOB Vessel GULF	207	209	206
Rail delivered PNW	225	225	223
Rail delivered California	227	227	226
Mid-Bridge Laredo, TX	226	226	226
FOB Lethbridge, Alberta	205	203	200
40 ft. Containers to South Korea (Busan)	226	226	232
40 ft. Containers to Taiwan (Kaohsiung)	228	228	235
40 ft. Containers to Philippines (Manila)	233	233	239
40 ft. Containers to Indonesia (Jakarta)	231	231	237
40 ft. Containers to Malaysia (Port Kelang)	229	229	237
40 ft. Containers to Vietnam (HCMC)	241	241	243
40 ft. Containers to Japan (Yokohama)	228	228	236
40 ft. containers to Thailand (LCMB)	229	229	235
40 ft. Containers to China (Shanghai)	231	231	232
40 ft. Containers to Bangladesh (Chittagong)	263	263	264
40 ft. Containers to Myanmar (Yangon)	258	258	259
KC & Elwood, IL Rail Yard (delivered Ramp)	194	194	194

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 mixed this week, with reported prices for CIF NOLA Barges falling but FOB Gulf prices increasing. Reportedly, trading volume has been light this week with sellers defending asking prices and buyers somewhat unwilling to chase prices higher. Prices for 40-foot containers to Southeast Asia are higher again this week, gaining \$5/MT on average. February shipments to Myanmar increased the most of any Asian destination this week, gaining \$7/MT, while shipments to Indonesia and China increased \$6/MT each.

Domestically, rising soybean meal prices are helping move additional product into livestock feed rations. The per-protein unit cost of DDGS reached \$5.53 this week, \$0.74 cents less than that of soybean meal. Four consecutive days of higher soybean meal futures have seemingly put in place an opportunity for DDGS.

COUNTRY NEWS

Argentina: The drought is expected to reduce corn yields in the Pampas grain belt. Consultancies Agritrend and Agripac have each dropped their estimates for production to around 39 MMT, the same amount harvested last year but down from the 42 MMT predicted earlier for this season. The Rosario Grains Exchange predicts 39.9 MMT of corn production but the Buenos Aires Grain Exchange is sticking with its 41 MMT forecast until the rains of January and February are better understood. Better yields in some areas could offset declines in the drought affected area. (Reuters)

Brazil: The official crop agency Conab slightly raised (0.5 percent) its forecast for the summer corn crop to 25.18 MMT. That is down 17 percent from a year earlier as farmers switched to planting more profitable soybeans. The summer corn crop area is down 9.2 percent. (SP Global)

Russia: Barley exports are at a record pace and could exceed 5 MMT, says UkrAgroConsult. November barley exports were nearly 500 KMT, an 87 percent increase over the same month a year earlier. Barley exports during the first five months of the 2017/18 marketing year were up 78 percent. (World-Grain)

Saudi Arabia: The state grain buying agency purchased over 1 MMT of barley at an average price of \$216.73/MT. That is a slight increase (0.75 percent) over the price paid in November. Suppliers were global including Australia, North and South America, Europe and the Black Sea. (Reuters)

Ukraine: Grain exports during the first six months of this marketing year are down nearly 10 percent. Exports have thus far included 3.8 MMT of barley and 6.7 MMT of corn. (World-Grain)

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	\$44.50	Down \$0.25	Handymax at \$45.00/MT
55,000 U.S. PNW-Japan	\$24.50	Unchanged	Handymax at \$25.25/MT
65,000 U.S. Gulf-China	\$43.50	Down \$0.50	North or South China
PNW to China	\$23.25	Down \$0.25	
25,000 U.S. Gulf-Veracruz, Mexico	\$16.00	Down \$0.25	3,000 MT daily discharge rate
35-40,000 U.S. Gulf-Veracruz, Mexico	\$14.00	Down \$0.25	Deep draft and 6,000 MT/day discharge rate.
25/35,000 U.S. Gulf-East Coast Colombia	\$20.00	Down \$0.25	West Coast Colombia at \$28.00
From Argentina	\$32.00	Down \$1.00	
40-45,000 U.S. Gulf-Guatemala	\$28.25	Down \$0.25	Acajutla/Quetzal-8,000 out
26-30,000 U.S. Gulf-Algeria	\$31.25	Down \$0.25	8,000 MT daily discharge
	\$33.00	Down \$0.50	3,000 MT daily discharge
25-30,000 US Gulf-Morocco	\$30.50	Down \$0.25	Discharge rate: 5,000
55,000 U.S. Gulf-Egypt	\$28.25	Down \$0.50	55,000-60,000 MT Russia Black Sea-Egypt \$14.25
PNW to Egypt	\$27.25	Down \$0.50	
60-70,000 U.S. Gulf-Europe-Rotterdam	\$16.50	Down \$0.75	Handymax at +\$2.00 more
Brazil, Santos-China	\$33.50	Down \$0.50	54-59,000 Supramax-Panamax 60-66,000 Post Panamax
Itacoatiara Port up River	\$32.25	Down \$0.75	
Amazonia North Brazil-China	\$35.75	Down \$0.75	
56-60,000 Argentina-China	\$39.00	Down \$0.75	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: Despite the market's attempts to hold up values the Q1 2018 slump in demand continues to weigh on Dry-Bulk markets. Grain volumes are down for Panamax and Supramax vessel cargo, and even the Capesize market has taken a big

hit from lower iron ore and coal demand. Demand may pick up after we transition into Q2 of the year, but for now the market is back to dealing with more vessels chasing a slow growth in cargo demand.

Vessel owners are still optimistic about the 2018 outlook, and we will have to see just how their hopes play out.

Baltic-Panamax Dry-Bulk Indices				
January 18, 2018	This Week	Last Week	Difference	Percent Change
Route				
P2A: Gulf/Atlantic – Japan	17,880	18,385	-505	-2.7%
P3A: PNW/Pacific– Japan	9,338	9,859	-521	-5.3%
S1C: U.S. Gulf-China-S. Japan	25,269	24,322	947	3.9%

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:

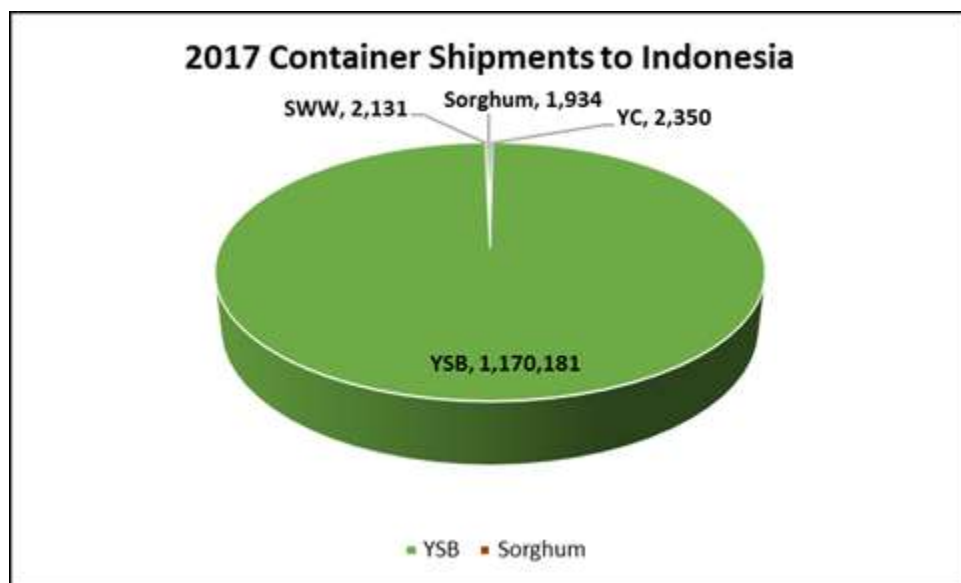
Week Ending January 18, 2018	
Four weeks ago:	\$9.75-\$10.00
Three weeks ago:	-
Two weeks ago:	\$5.40-\$7.00
One week ago:	\$ 6.20-\$6.75
This week	\$5.80-\$6.90

Source: O'Neil Commodity Consulting

U.S.-Asia Market Spreads					
January 18, 2018	PNW	Gulf	Bushel Spread	MT Spread	Advantage
#2 Corn	0.95	0.60	0.35	\$13.78	PNW
Soybeans	0.91	0.52	0.39	\$15.35	PNW
Ocean Freight	\$23.25	\$43.50	0.51-0.55	\$20.25	Feb.

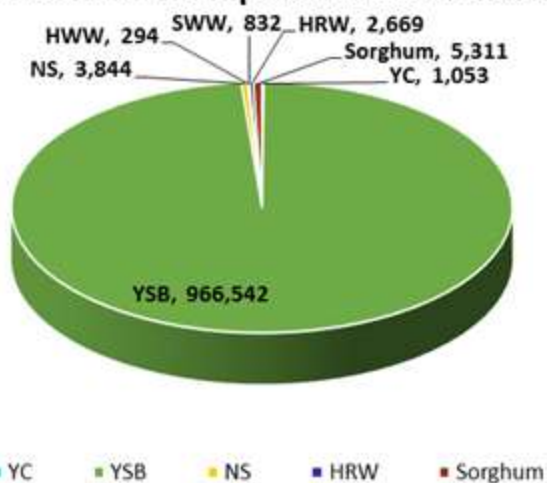
Source: O'Neil Commodity Consulting

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



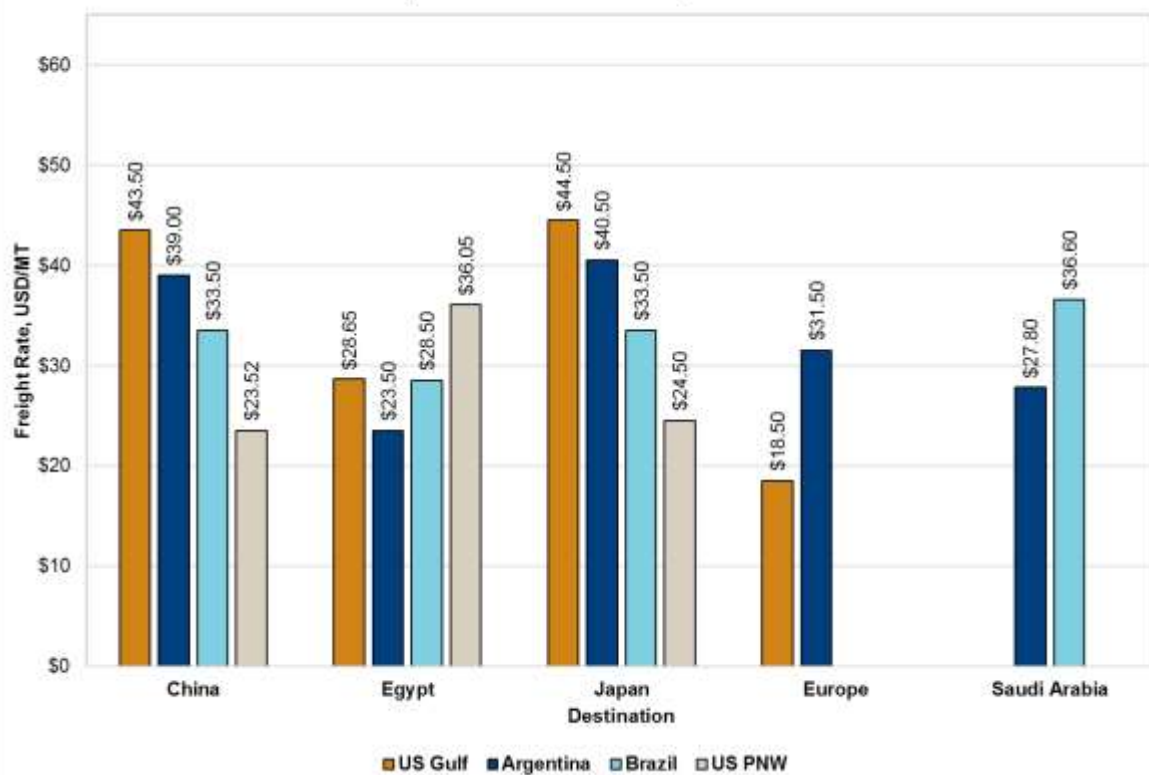
Source: O'Neil Commodity Consulting

2016 Container Shipments to Indonesia

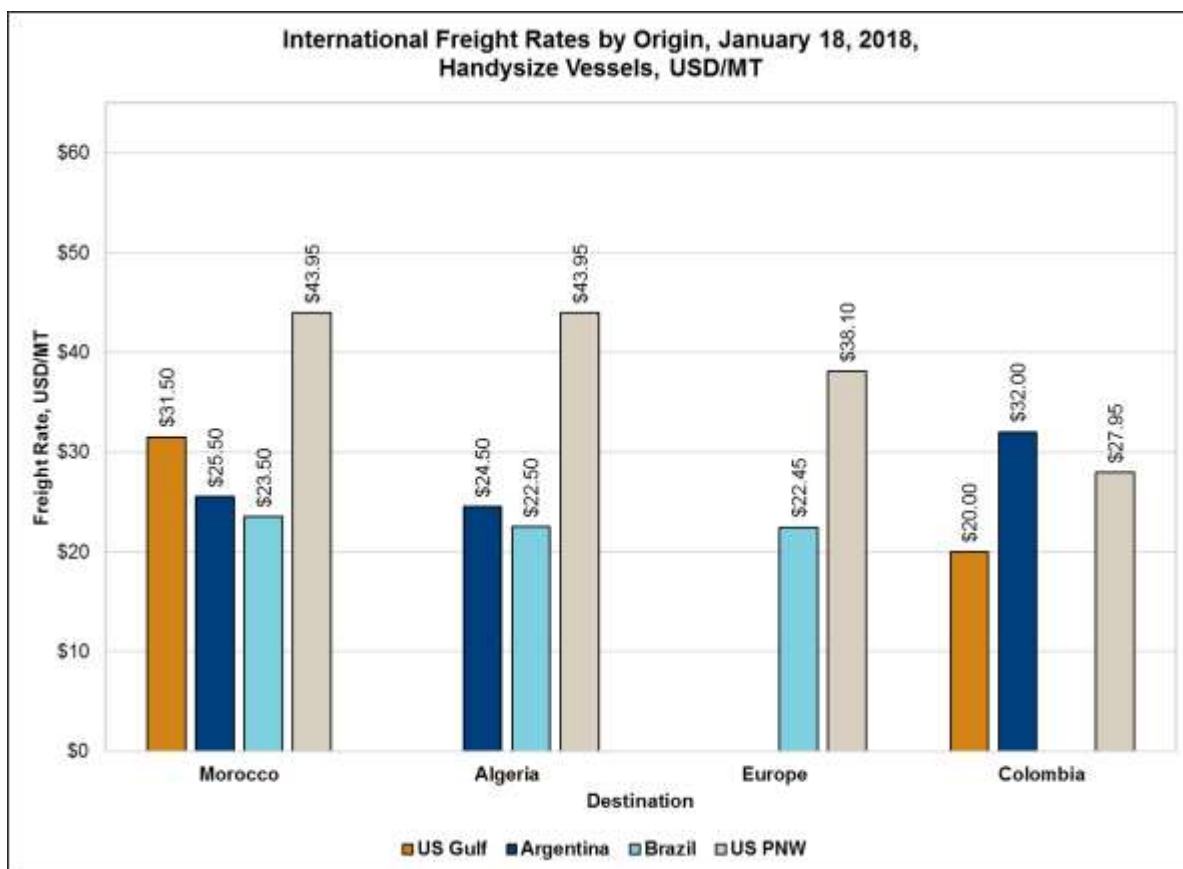


Source: O'Neil Commodity Consulting

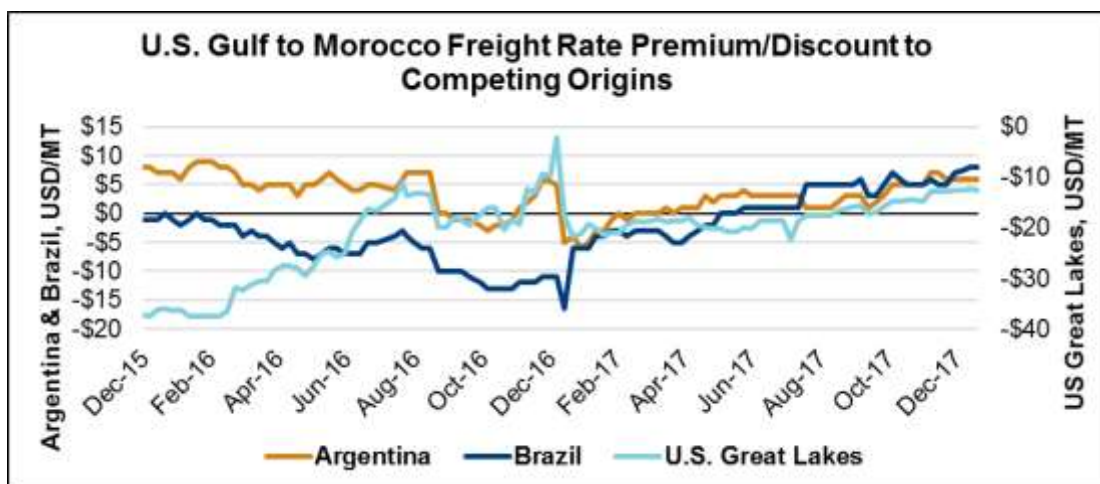
International Freight Rates by Origin, January 18, 2018, Supramax/Panamax Vessels, USD/MT



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 18, 2018			
	Current Week	Last Week	Last Month
U.S. Prime	4.5	4.5	4.5
LIBOR (6 month)	1.90	1.87	1.79
LIBOR (1 year)	2.20	2.15	2.07

Source: www.bankrate.com