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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 December Contract					
\$/Bu	Friday September 22	Monday September 25	Tuesday September 26	Wednesday September 27	Thursday September 28
Change	3.250	0.250	-1.500	1.750	-1.5000
Closing Price	353.50	353.75	352.25	354.00	352.50
Factors Affecting the Market	Spillover buying in soybeans supported corn futures, though buying action was limited. Expectations for good harvest progress this weekend kept a lid on the rally. Basis widened through the Midwest, further limiting gains. The dollar was flat ahead of Germany's election.	Dry Midwest weather and a bearish export inspections report left corn basically unchanged. Only 29.1 million bu. of corn were exported last week, a bearish slow start for 2017/18. Germany's election pressured the euro and sent the dollar 51 points higher.	Corn futures continued sideways trade with no fresh news. Monday's Crop Progress report showed U.S. corn is behind in maturity and harvest progress. Fortunately, no rain is expected for the Midwest. Commercial buying is light ahead of the harvest.	Corn is decidedly in a consolidation (sideways trading) pattern with no news to spark a rally or correction. Early yield reports are indicating above average yields. The trade is focused on Friday's Grain Stock report, which should show a 16 percent ending stock/use ratio.	Harvest pressure, which should increase this week, sent futures lower. Commercial buying is light and basis is wide. Export Sales were disappointing again, with 2017/18 off to a very slow start. The dollar is down for the first time in three days.

Outlook: December corn futures are facing a dramatic lack of news. This has left the contract to drift sideways, caught between poor exports to start the new marketing year, a potentially bearish Grain Stocks report, and early yield reports that corroborate USDA's large yield projections. Still, the contract has not re-tested its current harvest low of \$3.44 ¼ and likely won't until decisive bearish news is uncovered.

The average estimate for USDA's September Grain Stocks report is that corn stocks will total 2.35 billion bushels (51 MMT) implying a 2016/17 ending stocks/use ratio of 16 percent. Anything over this figure will be considered decidedly bearish while figures less than expected will be only mildly bullish.

U.S. exports have gotten off to a slow start in the 2017/18 marketing year. Marketing year total exports have reached 84.5 million bushels (1.84 MMT), only a little more than half of last year's total at this same time. YTD bookings are similarly down, totaling 446 million bushels (9.7 MMT) versus 729 million (15.9 MMT) this time last year. The large Brazilian crop is certainly pressuring U.S. exports early in the year and USDA's current projections of a 19 percent decrease in exports looks accurate. So far, the weekly pace of corn exports has been below that which is needed to meet USDA's projection.

The U.S. corn harvest stands at only 11 percent complete, versus 20 percent for the 5-year average. Hurricanes Harvey and Irma caused problems for the early harvest in the Delta and southern portions of the Corn Belt, but good weather has improved conditions there and harvest is underway. On balance, the U.S. corn crop is below-average maturity for the last week of September, and norther states are lagging significantly behind in maturation. Fortunately, warm, dry weather is expected for the Upper Midwest which will aid in maturation and drying.

Early yield reports from the Delta and southern Illinois are pointing to trendline or higher yields, with some farmers reporting record yields. While it is simply too early to draw nation-wide conclusions from these reports, early indications are the USDA's 169.9 BPA national average yield may not be far from the truth. In total, the U.S. corn crop looks to be more than ample again this year. This will continue to pressure prices, unless significantly reduced yields are discovered as harvest moves north and/or export demand suddenly picks up.

CBOT DECEMBER CORN FUTURES



Source: Prophet X

Current Market Values:

Futures Price Performance: Week Ending September 28, 2017			
Commodity	28-Sep	22-Sep	Net Change
Corn			
Dec 17	352.50	353.50	-1.00
Mar 18	365.25	366.00	-0.75
May 18	373.75	374.50	-0.75
Jul 18	381.25	381.50	-0.25
Soybeans			
Nov 17	959.50	984.25	-24.75
Jan 18	970.25	994.50	-24.25
Mar 18	979.50	1003.50	-24.00
May 18	988.00	1011.50	-23.50
Soymeal			
Oct 17	306.80	315.00	-8.20
Dec 17	311.50	319.00	-7.50
Jan 18	313.60	321.00	-7.40
Mar 18	316.90	323.70	-6.80
Soyoil			
Oct 17	32.59	33.99	-1.40
Dec 17	32.82	34.22	-1.40
Jan 18	33.00	34.38	-1.38
Mar 18	33.25	34.62	-1.37
SRW			
Dec 17	455.00	449.50	5.50
Mar 18	474.25	469.50	4.75
May 18	487.25	483.00	4.25
Jul 18	498.75	494.25	4.50
HRW			
Dec 17	453.00	450.25	2.75
Mar 18	470.75	468.00	2.75
May 18	484.25	480.50	3.75
Jul 18	501.00	497.50	3.50
MGEX (HRS)			
Dec 17	645.00	634.75	10.25
Mar 18	656.75	646.00	10.75
May 18	659.75	648.75	11.00
Jul 18	658.25	647.50	10.75

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

U.S. WEATHER/CROP PROGRESS

U.S. Crop Condition: September 25, 2017					
Commodity	Very Poor	Poor	Fair	Good	Excellent
Corn	4%	9%	26%	47%	14%
Sorghum	2%	6%	28%	52%	12%

Source: USDA

U.S. Drought Monitor Weather Forecast: In the next day or so, a cold front will push eastward across the Midwest and Northeast, bringing to an end a late-season heat wave. Meanwhile, significant precipitation will fall across southern sections of the Rockies and Plains, with 5-day rainfall totals reaching 2 to 4 inches or more from New Mexico into western and southern Texas. Some flooding can be expected in parts of the middle and lower Rio Grande Valley, where rainfall could locally total at least 4 to 8 inches. During the weekend, dry weather should return to the south-central U.S., while late-season warmth should return (or continue) across most parts of the country. An exception will be the northern Plains and the Northwest, where cool, showery weather will develop over the weekend. Little or no rain will fall during the next 5 days in the Midwestern and Eastern States (except across Florida's peninsula), as well as California and the Great Basin.

The NWS 6- to 10-day outlook for October 3-7 calls for the likelihood of above-normal temperatures nationwide, except for cooler-than-normal conditions in California, the Great Basin, and the Northwest. Meanwhile, below-normal rainfall from the mid-South into the Northeast should contrast with wetter-than-normal weather in southern sections of Texas and Florida and from the Pacific Northwest into the upper Great Lakes region.

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 September 21, 2017					
Commodity	Gross Sales (MT)	Exports (MT)	YTD Exports (000MT)	YTD Bookings (000MT)	% Change YTD Bookings
Wheat	448,500	425,700	8,663.0	13,518.5	-4%
Corn	396,700	727,500	2,145.7	11,350.1	-39%
Sorghum	71,000	162,000	285.5	1,199.5	21%
Barley	700	700	9.6	36.9	177%

Source: USDA/FAS

Corn: Net sales of 320,200 MT for 2017/2018 were reported for Mexico (95,200 MT), Peru (82,500 MT, including 25,000 MT switched from unknown destinations), Colombia (60,700 MT, including 50,000 MT switched from unknown destinations and decreases of 800 MT), Japan (36,200 MT, switched from unknown destinations), and Costa Rica (15,500 MT, switched from unknown destinations). Reductions were reported for unknown destinations (24,500 MT) and El Salvador (4,800 MT). Exports of 727,500 MT were primarily to Mexico (267,600 MT), Colombia (161,900 MT), Peru (101,900 MT), and Japan (101,200 MT).

Optional Origin Sales: For 2017/2018, optional origin outstanding balance of 168,000 MT, all unknown destinations.

Barley: Net sales of 700 MT for 2017/2018 were reported for South Korea. Exports of 700 MT were reported to Japan (600 MT) and South Korea (100 MT).

Sorghum: Net sales of 62,000 MT for 2017/2018 resulted as increases for China (51,500 MT, switched from unknown destinations) and Japan (22,500 MT switched from unknown destinations) were partially offset by reductions for unknown destinations (12,000 MT). Exports of 162,000 MT were reported to China (101,500 MT), Japan (55,000 MT), and Mexico (5,500 MT).

U.S. Export Inspections: Week Ending September 21, 2017					
Commodity (MT)	Export Inspections		Current Market YTD	Previous YTD	YTD as Percent of Previous
	Current Week	Previous Week			
Barley	0	0	14,122	22,961	62%
Corn	738,779	687,996	2,103,018	4,288,916	49%
Sorghum	130,018	67,452	248,852	348,579	71%
Soybeans	1,030,051	931,414	3,068,223	2,300,104	133%
Wheat	499,995	468,704	9,227,604	9,476,928	97%

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 September 21, 2017						
Region	YC	% of Total	WC	% of Total	Sorghum	% of Total
Lakes	0	0%	0	0%	0	0%
Atlantic	4,595	1%	0	0%	0	0%
Gulf	411,091	57%	17,627	80%	129,011	99%
PNW	60,250	8%	0	0%	0	0%
Interior Export Rail	240,925	34%	4,291	20%	1,007	1%
Total (Metric Tons)	716,861	100%	21,918	100%	130,018	100%
White Corn Shipments by Country (MT)			7,056	to Colombia		
			14,862	to Mexico		
Total White Corn (MT)			21,918			
Sorghum Shipments by Country (MT)					101,511	to China
					27,500	to Japan
					1,007	to Mexico
Total Sorghum (MT)					130,018	

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 September	0.45+Z	\$156.49	-	-
October	0.50+Z	\$158.46	0.88+Z	\$173.42
November	0.55+Z	\$160.42	0.83+Z	\$171.45
December	0.58+Z	\$161.61	0.83+Z	\$171.45

Note on the White Corn export market: industry contacts report that the export market for White Corn is still undefined, but expect that values will start to solidify within the next few weeks.

Sorghum (USD/MT FOB Vessel)				
#2 YGS FOB Vessel Max 14.0% Moisture	NOLA		TEXAS	
	Basis	Flat Price	Basis	Flat Price
November	1.40+Z	\$193.89	1.25+Z	\$187.98
December	1.40+Z	\$193.89	1.25+Z	\$187.98

Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. \$/MT)			
	October	November	December
New Orleans	\$145	\$145	\$145
Quantity 5,000 MT			
Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT)			
Bulk 60% Pro.	October	November	December
New Orleans	\$577	\$577	\$577
*5-10,000 MT Minimum			
Corn Gluten Meal (CGM) (Offers, Rail and Truck Delivered U.S. \$/ST)			
	October	November	December
Rail Delvd. Chicago	\$510	\$510	\$510
Rail Delvd. Savannah	\$520	-	-
Truck Delvd. Chicago	\$505	\$505	\$505

DDGS Price Table: September 28, 2017 (USD/MT) (Quantity, availability, payment and delivery terms vary)			
Delivery Point Quality Min. 35% Pro-fat combined	October	November	December
Barge CIF New Orleans	161	162	162
FOB Vessel GULF	175	174	174
Rail delivered PNW	187	188	189
Rail delivered California	189	190	191
Mid-Bridge Laredo, TX	186	187	188
FOB Lethbridge, Alberta	162	163	164
40 ft. Containers to South Korea (Busan)	195	196	197
40 ft. Containers to Taiwan (Kaohsiung)	195	196	196
40 ft. Containers to Philippines (Manila)	202	203	204
40 ft. Containers to Indonesia (Jakarta)	196	196	197
40 ft. Containers to Malaysia (Port Kelang)	196	196	197
40 ft. Containers to Vietnam (HCMC)	203	204	204
40 ft. Containers to Japan (Yokohama)	201	202	203
40 ft. containers to Thailand (LCMB)	197	198	198
40 ft. Containers to China (Shanghai)	206	204	206
40 ft. Containers to Bangladesh (Chittagong)	219	220	221
40 ft. Containers to Myanmar (Yangon)	218	219	220
KC & Elwood, IL Rail Yard (delivered Ramp)	158	159	160

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 this week as buyers are reluctant to purchase after the past few weeks' rise in prices. Support from soybean meal has helped merchandisers and ethanol plants defend asking prices in light of quieter demand. Last week's ethanol production fell 3.6 percent, which will further support DDGS prices in the near-term.

Domestically, FOB ethanol plant prices are \$2-3/ST higher while Kansas City Soybean meal gained \$7-10/ST. Consequently, DDGS per-protein unit cost advantage against soybean meal increased to \$1.84 this week. FOB ethanol plant DDGS are 102 percent of cash corn values.

FOB Gulf prices are steady this week. FOB soybean meal offering prices are up \$3/MT, leaving DDGS values at 51 percent of soybean meal. FOB Gulf corn prices are steady and DDGS are valued at 111 percent of Gulf corn offers. DDGS/corn prices are now in-line with historic levels and a strong fundamental shift will be required in one market to significantly change the valuation ratio.

Internationally, merchandisers are reporting Vietnamese buyers are actively looking for product through December shipment though interest has slowed this week. Prices for 40-foot containers to Southeast Asia were steady this week, averaging \$198/MT, with prices for product destined to China registering the only gains (up \$2/MT) for the week.

COUNTRY NEWS

China: The General Administration of Customs reported that August corn imports at 380 KMT were 14 times greater than the same period a year ago. July's imports were 910 KMT, the fourth highest amount on record.

The northeastern province of Heilongjiang province where much of China's corn is grown will offer investor subsidies and favorable tax policies to encourage a 160 percent increase in corn processing capacity. Most of the 13 MMT increase in capacity over the next three years is expected to go to ethanol production since there is already ample capacity for other products such as starch. New starch/sweetener plants should have annual capacities of 600 KMT to 1.2 MMT of production. (Reuters; Platts)

China State Grain Reserve Corn Sales						
Date	Crop Year	Amount Offered	Amount Sold	Percent	Price Yuan	Price USD
Sept. 28	2013	101,366	101,366	100%	1,353	202.91
	2014	-	451,922	-	1,448	217.15

Source: Bloomberg/National Grain Trade Center

Kenya: The Agriculture Ministry said that the maize flour subsidy program would continue offering two kilos at Sh90 (\$0.86) and one kilo for 47Sh (\$0.46). Ongoing heavy rains have slowed harvesting from the main North Rift production area. However, the government will not extend the duty waiver on maize imports. The Parliament has had to cut other programs in order to fund the maize subsidy and to pay for a repeat presidential election on October 17. (Daily Nation)

New Zealand: DDGS imports from the U.S. are at 113 KMT in 2016-17, triple from the level achieved last year. (Ethanol producer Magazine)

Zimbabwe: Maize production will reach 2.1 MMT thanks to good weather plus government and donor support in supplying fertilizer. An additional 400 KMT of sorghum and millet will be produced. (NewsDay; The Chronicle)

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	\$42.25	Down \$0.50	Handymax at \$42.75
55,000 U.S. PNW-Japan	\$23.50	Down \$0.50	Handymax at \$24.00
55,000 U.S. Gulf-China	\$41.75	Down \$0.75	North China
PNW to China	\$23.25	Down \$0.50	
25,000 U.S. Gulf-Veracruz, México	\$16.50	Unchanged	3,000 MT daily discharge rate
35-40,000 U.S. Gulf-Veracruz, México	\$14.00	Unchanged	Deep draft and 6,000 MT per day discharge rate.
25/35,000 U.S. Gulf-East Coast Colombia, from Argentina	\$20.00 \$30.00	Unchanged Unchanged	West Coast Colombia at \$28.00
40-45,000 U.S. Gulf-Guatemala	\$28.00	Unchanged	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf-Algeria	\$29.25	Down \$0.25	8,000 MT daily discharge
	\$32.25	Down \$0.25	3,000 MT daily discharge
25-30,000 U.S. Gulf-Morocco	\$28.50	Down \$0.25	5,000 MT discharge rate
55,000 U.S. Gulf-Egypt PNW to Egypt	\$26.25	Down \$0.25	55,000-60,000 MT
	\$25.50	Down \$0.50	St. Lawrence to Egypt \$24.50
60-70,000 U.S. Gulf-Europe-Rotterdam	\$16.75	Down \$0.25	Handymax at +\$1.50 more
Brazil, Santos-China	\$33.75	Down \$0.25	54-58,000 Supramax-Panamax 60-66,000 Post Panamax
Itacoatiara Port upriver	\$32.75	Down \$0.25	
Amazonia-China	\$36.25	Down \$0.25	
56-60,000 Argentina-China Upriver with Top-Off	\$40.25	Down \$0.25	—

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 freight markets seem to be quieting down after their recent run up. The Chinese are on holiday this week and vessel owners and operators are looking for the bids that were here last week. The few reported trades that have been seen are at slightly lower rates. All-in-all it looks like the market has simply reversed last week's gains and is now looking for new direction. Perhaps the market rally has gone as far as needed for the time being?

In addition to China cancelling one-third of their domestic iron ore mining licenses, a good portion of this past market rally has been technical. It is difficult to project that China will continue to grow imports steadily into 2018 without changing policies again. The market also has to be concerned over the recent spate of new-build vessel orders. Will vessel owners paint themselves right back into the same corner?

Baltic-Panamax Dry-Bulk Indices				
September 28, 2017	This Week	Last Week	Difference	Percent Change
Route				
P2A: Gulf/Atlantic – Japan	17,830	19,207	-1,377	-7.2%
P3A: PNW/Pacific– Japan	11,230	13,302	-2,072	-15.6%
S1C: U.S. Gulf-China-S. Japan	22,706	22,956	-250	-1.1%

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 September 28, 2017	
Four weeks ago:	\$6.90 - \$7.30
Three weeks ago:	\$7.25 - \$7.50
Two weeks ago:	\$7.75 - \$8.05
One week ago:	\$7.70 - \$8.10
This week	\$7.30 - \$7.90

Source: O'Neil Commodity Consulting

U.S.-Asia Market Spreads					
September 28, 2017	PNW	Gulf	Bushel Spread	MT Spread	Advantage
#2 Corn	0.83	0.54	0.29	\$11.42	PNW
Soybeans	0.75	0.58	0.17	\$6.69	PNW
Ocean Freight	\$23.25	\$41.75	0.48-0.51	\$18.50	Oct.

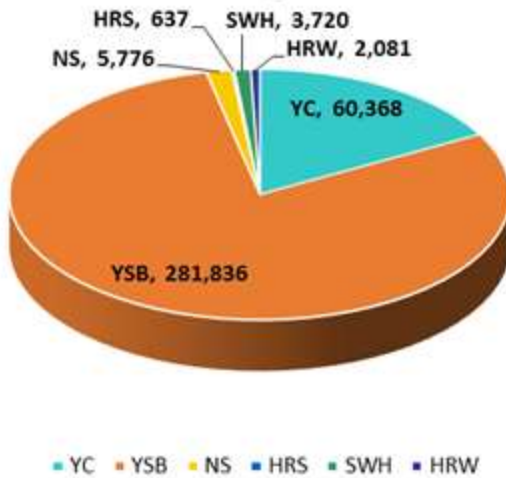
Source: O'Neil Commodity Consulting

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



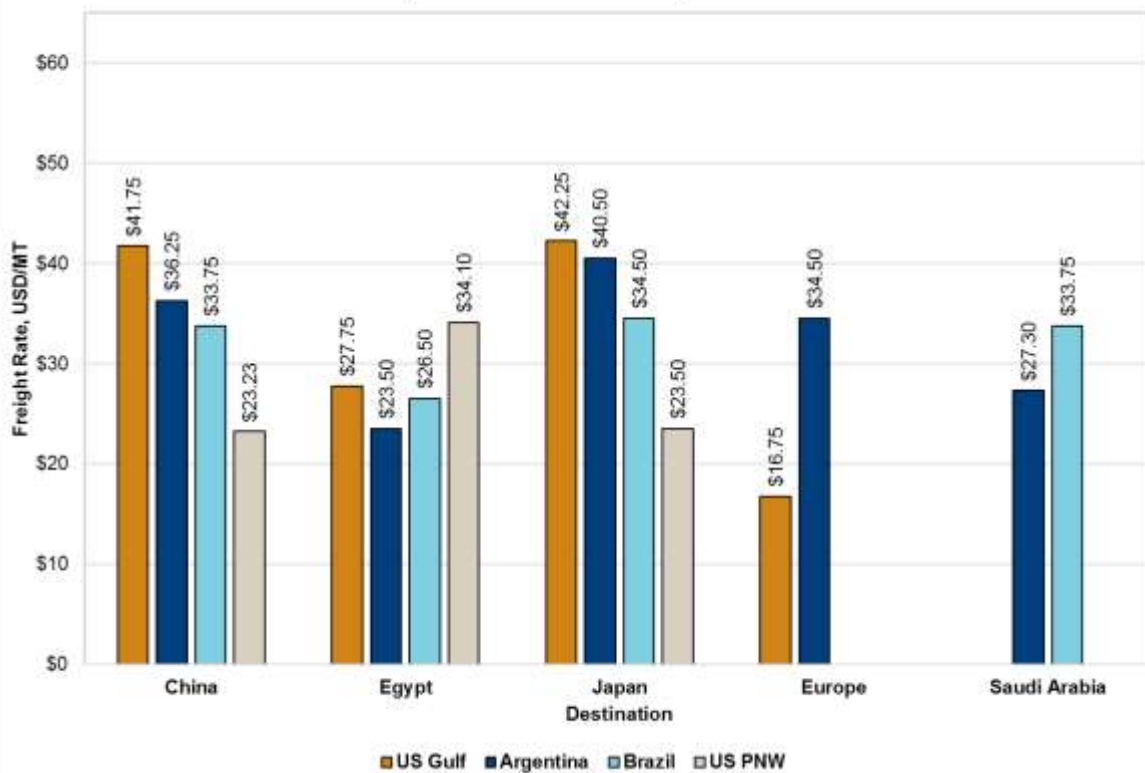
Source: O'Neil Commodity Consulting

2016 Container Shipments to Vietnam

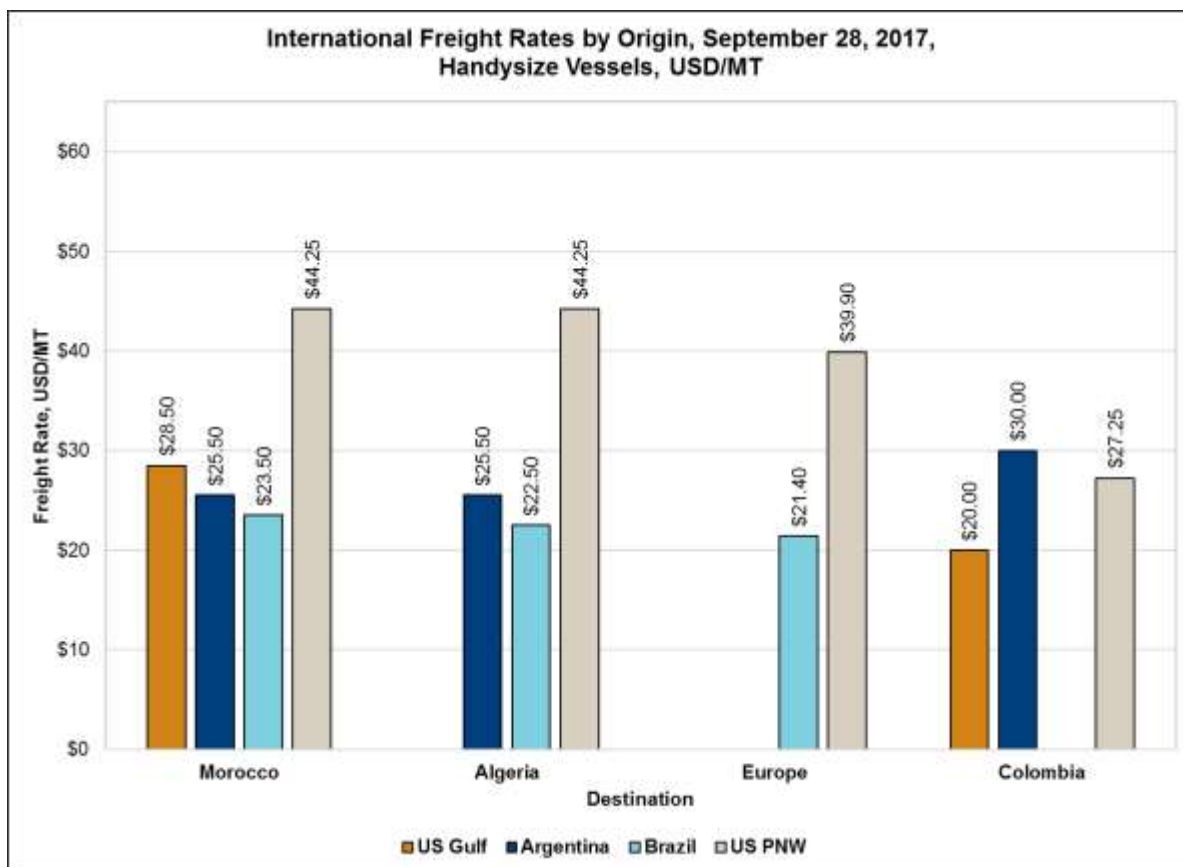


Source: O'Neil Commodity Consulting

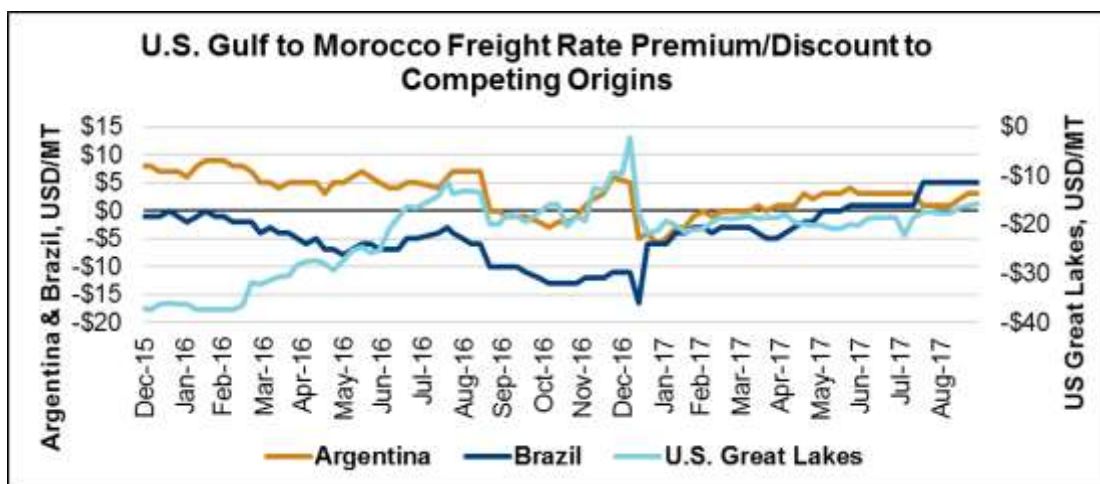
International Freight Rates by Origin, September 28, 2017, Supramax/Panamax Vessels, USD/MT



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



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



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

INTEREST RATES

Interest Rates (%): September 28, 2017			
	Current Week	Last Week	Last Month
U.S. Prime	4.25	4.25	4.25
LIBOR (6 month)	1.50	1.48	1.45
LIBOR (1 year)	1.78	1.74	1.71

Source: www.bankrate.com