

## Transportation and Export Report for 13 January 2022

Last week we wondered which shipping sector, Capesize or Panamax, was the leading market indicator. This week we see that it was the Capesize, and that sector had another bad week as it continued its downward slide. With thin cargo demand other vessel segments had no choice but to follow the Capes. For the most part markets are right back to where they were two weeks ago. In historical fashion, the first quarter of 2022 is shaping up to be the weakest quarter of the year. But we still have a way to go, and volatility will always be with us.

As the U.S. Army Corps of Engineers gradually deepens Mississippi River path from the Gulf to the port of New Orleans, U.S. exporters will be able to load bigger grain cargoes. The general rule for Panamax vessels is that for each additional foot of draft, vessels will be able to load about 2,000 additional tonnes of grain cargo. Container logistics remain a mess and will likely remain so for some months.

### BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices					
13-Jan-2022		This Week	Last Week	Difference	Percent Change
P2A: Gulf/Atlantic - Japan	per day	33114	38375	-5,261	-13.7%
P3A: PNW/Pacific - Korea	per day	19434	24098	-4,664	-19.4%
S1C: US GULF-China-So.Japan	per day	38619	58328	-19,709	-33.8%
P7: Trial- Miss. River - Qingdao	per ton	66.20	70.94	-4.7	-6.7%
P8: Trial- Santos - Qingdao	per ton	54.72	60.37	-5.7	-9.4%

### Recent history of freight values for Capesize vessels of Iron-Ore from West Australia to South China:

Four weeks ago:	\$14.00-\$14.50
Three weeks ago:	\$9.50-\$13.00
Two weeks ago:	\$9.15-\$12.00
One week ago:	\$8.75-\$10.00
This week	\$7.85-\$9.65

### US Vessel Line-Ups/Estimated vessel berthing delays at U.S. Export Grain Elevators:

Mississippi River:	(10 elevators)	5-13 days (9 facilities operating.) (2 facility over 6 days)
Mid-Stream loaders:	(6+ Rigs)	4-5 days
Texas Gulf	(5 elevators)	0-7 days (only 1 facility over 3 days)
Pacific Northwest:	(9 elevators)	4 - 13 days (AGP Grays Harbor- partial loading)

- AGP in the PNW is reportedly back loading soymeal via an alternative conveyor system

Panamax Market Spreads to Asia -China					
13-Jan-2022	GULF	PNW	Bushel Spread	Tonne Spread	Advantage
CORN	1.15	1.90	0.75	\$29.53	PNW
SOYBEANS	1.40	2.25	0.85	\$31.23	BOTH
OCEAN FREIGHT	\$67.50	\$36.50	.79 -.84	\$31.00	February

### Current Grain Vessel Market Indications:

**\*\* Below rates are estimates for the nearby-30-day period. 60-90 days forward physical rates will usually be higher.**

Soybean Panamax USG to Spain is running \$42.50 - \$43.50/mt.

Soybean Brazil to Spain about \$52.00 - \$53.50/mt.

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$68.50	Down \$2.00	Handymax \$70.50 mt
55,000 U.S. PNW- Japan	\$37.50	Down \$1.25	Handymax at \$38.75/mt
65,000 U.S. Gulf – China	\$67.50	Down \$2.00	North or South China
PNW to China	\$36.50	Down \$1.50	
25,000 U.S. Gulf- Veracruz, México	\$25.50	Down \$0.50	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$22.25	Down \$0.50	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- Colombia	\$36.00	Down \$1.00	<u>West Coast Colombia at \$43.50</u>
50,000 USG- E/C Colombia	\$35.00		
<u>East Coast Colombia</u> From Argentina	\$52.00		
40-45,000 U.S. Gulf - Guatemala	\$44.50	Down \$1.00	Acajutla/Quetzal - 8,000 out
30,000 US Gulf-Morocco	\$56.00	Down \$1.25	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$56.25	Down \$1.50	55,000-60,000 mt Egypt
PNW to Egypt	\$56.75		Romania - Russia- Ukraine \$23.00-\$24.00-\$24.00 France \$32.00
58-74,000 U.S. Gulf – Europe – Rotterdam	\$25.25	Down \$1.00	Handymax at +\$2.50 more
Brazil, Santos –China	\$57.50	Down \$2.00	54-59,000 Supramax-Panamax
Brazil, Santos –China	\$56.00		60-66,000 Post Panamax
Up-River Port North Brazil	\$64.50		55-60,000 mt
56-60,000 Argentina-China Deep draft	\$62.50	Down \$2.00	Up-River with Top Off Plus \$3.75-\$4.00

## The Baltic Panamax Dry Freight Index



## Baltic Capesize Index

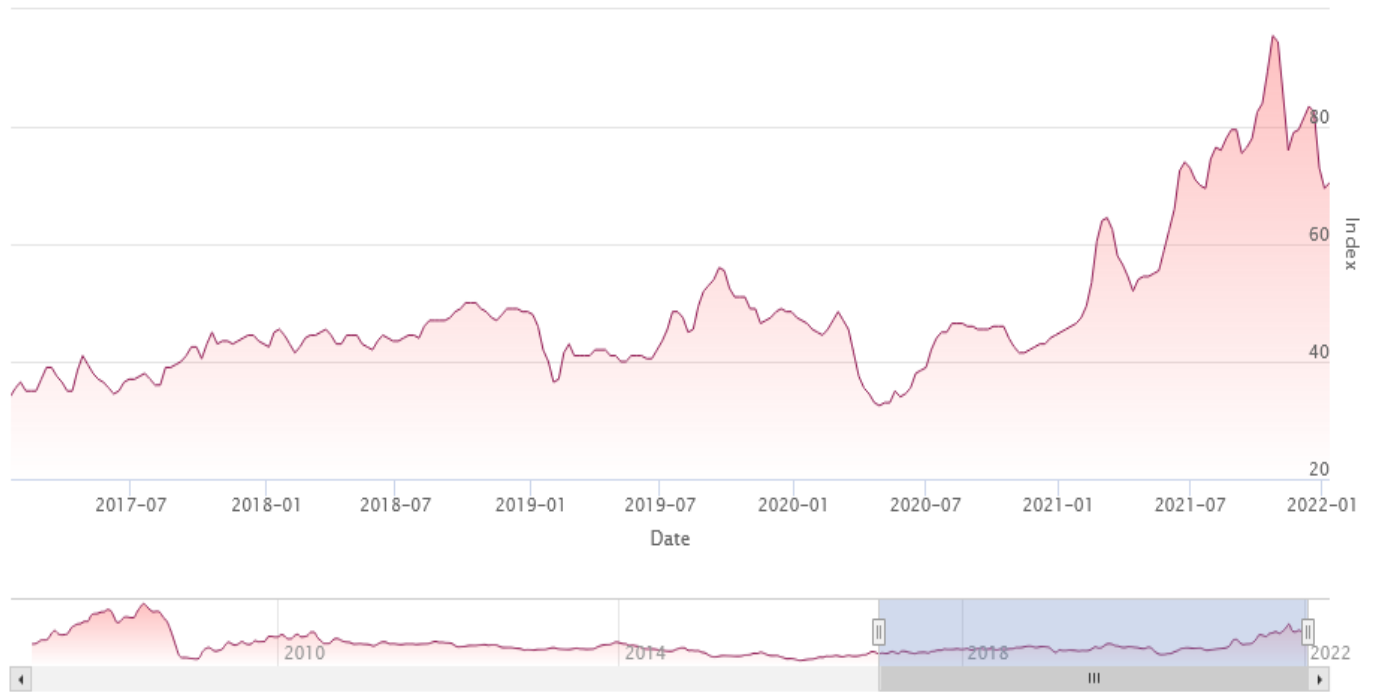


# YAMAMIZU Index



Zoom **1m** 3m 6m YTD 1y 3y **5y** All

From 2017-01-12 To 2022-01-12



China Import Dry Bulk Freight Index					
2022-01-13					
Description	Volume	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	1202.85	-29.31
Iron ore Freight Index			Point	989.28	-38.19
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	7.848	-0.394
Soybean Freight Index			Point	1572.95	-12.98
Santos(Brazil)— North China	66000/10%	Soybean	\$/ton	55.5	-0.51
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	56.3	-0.51
Tacoma(West America)—North China	63000/10%	Soybean	\$/ton	36.58	-0.33
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	67.41	-0.45

**13 January 2022 U.S. FOB Vessel Export Market Values:**

<b>U.S. Yellow Corn (USD/MT) FOB Vessel</b>					CORN	FUTURES
#2 YC	GULF # 2 YC		PNW # 3 YC		H=	5.8750
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE	K =	5.8950
<b>Feb.</b>	1.15	<b>\$276.56</b>	1.90	<b>\$306.09</b>	N =	5.8775
<b>Mar.</b>	1.01	<b>\$271.05</b>	1.73	<b>\$299.39</b>	U =	5.6725
<b>Apr.</b>	0.90	<b>\$267.50</b>	1.65	<b>\$297.03</b>	Z=	5.5775
<b>May</b>	0.85	<b>\$265.54</b>	1.63	<b>\$296.24</b>	H =	5.6575
<b>Jun.</b>	0.80	<b>\$262.88</b>	1.60	<b>\$294.37</b>		
<b>July</b>	0.80	<b>\$262.88</b>	1.60	<b>\$294.37</b>		

The Gulf spread between #2 & #3 YC is currently about .04 cents per bushel (1.60/mt) at USG but is out to .06/bushel in the PNW.

<b>SORGHUM (USD/MT) FOB VESSEL</b>		
#2 YGS Fob Vessel	TEXAS Gulf	
Max. 14.0% moisture	BASIS	FLAT PRICE
<b>Feb.</b>	2.15	<b>\$315.93</b>
<b>Mar.</b>	2.15	<b>\$315.93</b>
<b>Apr.</b>	2.15	<b>\$316.71</b>
<b>May</b>	2.15	<b>\$316.71</b>
<b>Jun.</b>	2.15	<b>\$316.03</b>

Fob vessel Texas Gulf #2 Sorghum is about 114 % the value of #2 Yellow Corn at NOLA.

**U.S. SRW Wheat Fob Vessel at the Center U.S. Gulf**

SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	<b>Feb.</b>	<b>Mar.</b>	<b>Apr.</b>	<b>May</b>
FOB U.S. GULF	\$325.82	\$326.92	\$326.65	\$326.65
Basis	1.40	1.43	1.40	1.40
WH	7.4675			.
WK	7.4900			
WN	7.4250			

<b>U.S. Yellow Soybeans (USD/MT) FOB Vessel</b>				
# 2 YSB	<b>U.S. Gulf #2 YSB</b>		<b>PNW #2 YSB</b>	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
<b>Feb.</b>	1.40	<b>\$557.49</b>	2.25	<b>\$588.72</b>
<b>Mar.</b>	1.15	<b>\$548.30</b>	2.00	<b>\$579.53</b>
<b>Apr.</b>	1.05	<b>\$548.30</b>	1.85	<b>\$577.70</b>
<b>May</b>	1.05	<b>\$548.30</b>	1.85	<b>\$577.70</b>
<b>Jun.</b>	1.03	<b>\$550.32</b>	1.83	<b>\$579.72</b>
<b>Soybean Futures</b>				
<b>Mar.</b>	\$ 13.7725			
<b>May</b>	\$ 13.8725			
<b>July</b>	\$ 13.9475			
<b>Aug.</b>	\$ 13.7525			
<b>Sept.</b>	\$ 13.2900			
<b>Nov.</b>	\$ 13.4500			

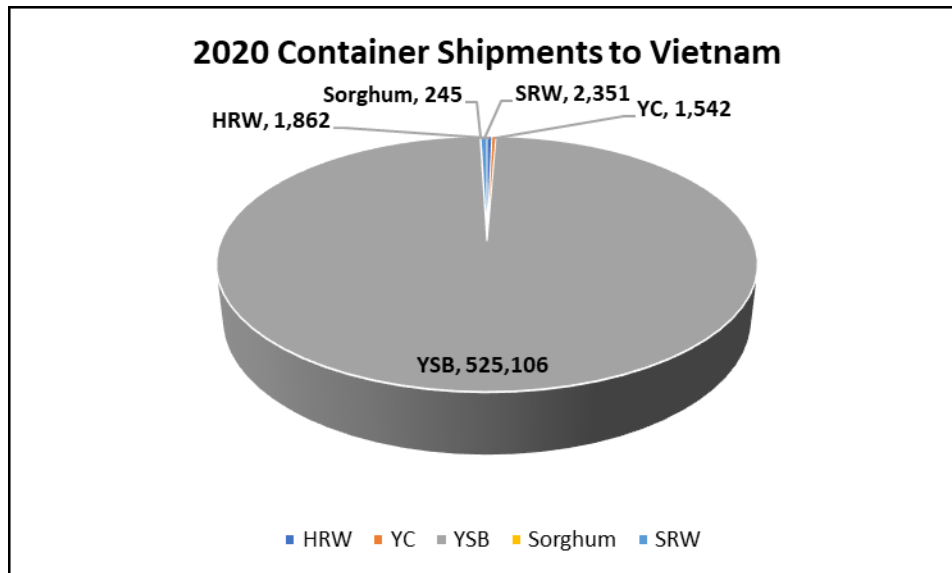
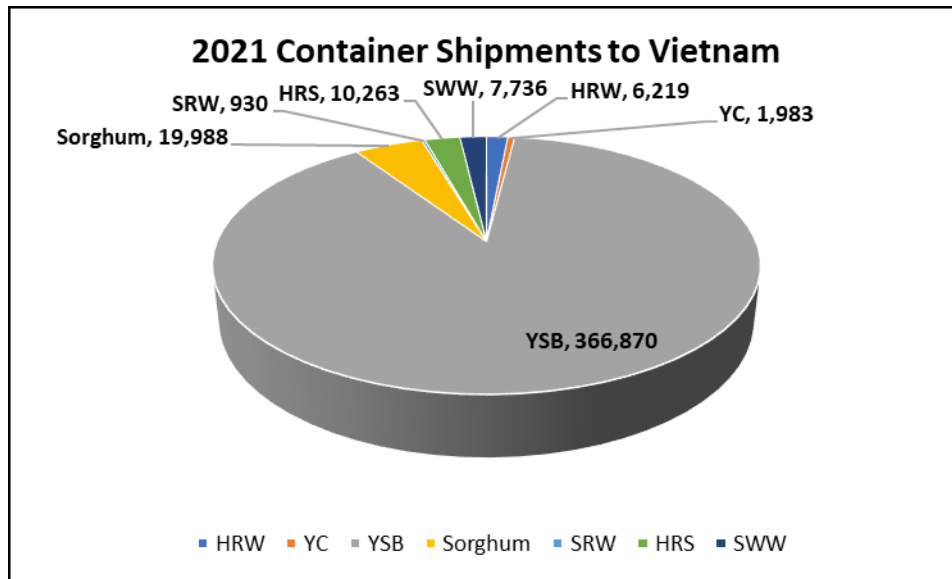
### **U.S. Soybean and SBM Markets Fob Vessel:**

<b>U.S. SBM (USD/MT) FOB Vessel</b>		
Fob U.S. Gulf Port	<b>47.5 Pro. SBM</b>	
max 12.5 % moisture	Basis	Flat Price
<b>Feb.</b>	40.00	<b>\$ 494.91</b>
<b>Mar.</b>	35.00	<b>\$ 489.40</b>
<b>Apr.</b>	35.00	<b>\$ 487.31</b>
<b>May</b>	35.00	<b>\$ 487.31</b>
<b>Jun.</b>	35.00	<b>\$ 486.75</b>
<b>SBM Futures</b>		
<b>SMH</b>	\$ 408.90	
<b>SMK</b>	\$ 407.00	
<b>SMN</b>	\$ 406.50	
<b>SMQ</b>	\$ 401.70	
<b>SMU</b>	\$ 393.30	
<b>SMV</b>	\$ 383.80	

**Data sheet below:** *USDA weekly export inspections report with corrections to the last three weeks' grain export inspections reports. (This usually covers a 2-5-week prior time frame).*

CONTAINER SHIPMENTS of GRAIN									
USDA Grain Inspections Report:		6-Jan-2022							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China	490		22,278						22,768
Taiwan	5,434		10,846						16,280
Hong Kong	195								195
Costa Rica									0
Indonesia			7,541						7,541
French Poly									0
Japan			856						856
Korea Rep.	245		1,912	122					2,279
El Salvador			24						24
Malaysia			490						490
Colombia									0
Philippines			98						98
Thailand			857						857
Cambodia			171						171
Burma									0
Un Kingdom									0
Nepal			1,786						1,786
Vietnam			4,185						4,185
Sub Total:	6,364	0	51,044	122	0	0	0	0	57,530
USDA Corrections/Additions to previous reports:									
Taiwan	954		122						1,076
China			1,615						1,615
Hong Kong									0
Korea Rep.			906						906
Switzerland									0
Japan			390						390
Philippines	24								24
Indonesia			1,467						1,467
Malaysia			490						490
Thailand			563						563
Vietnam			2,544				637		3,181
Bangladesh									0
Canada									0
Sub Total:	978	0	8,097	0	0	0	637	0	9,712
<b>Mt. Grand Total</b>	<b>7,342</b>	<b>0</b>	<b>59,141</b>	<b>122</b>	<b>0</b>	<b>0</b>	<b>637</b>	<b>0</b>	<b>67,242</b>
Number of Containers	319	0	2,571	5	0	0	28	0	

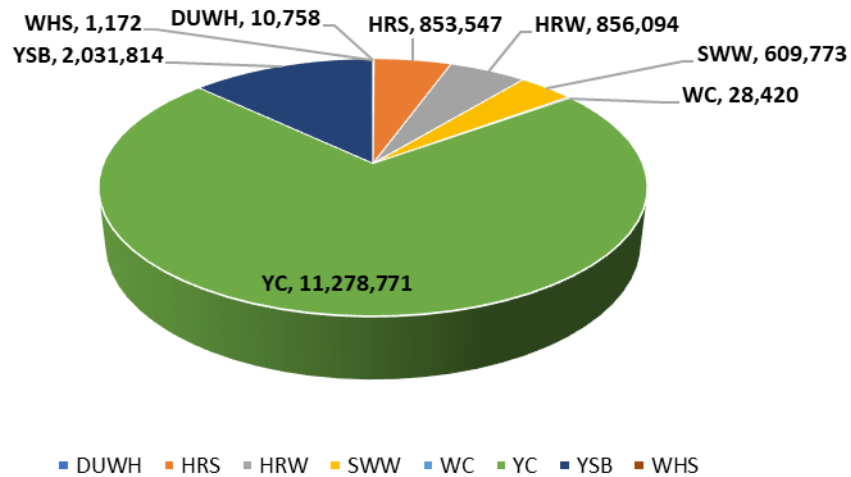
Jan - Dec 2020 Annual Totals versus 2021 Annual Total Container Shipments (in MT)



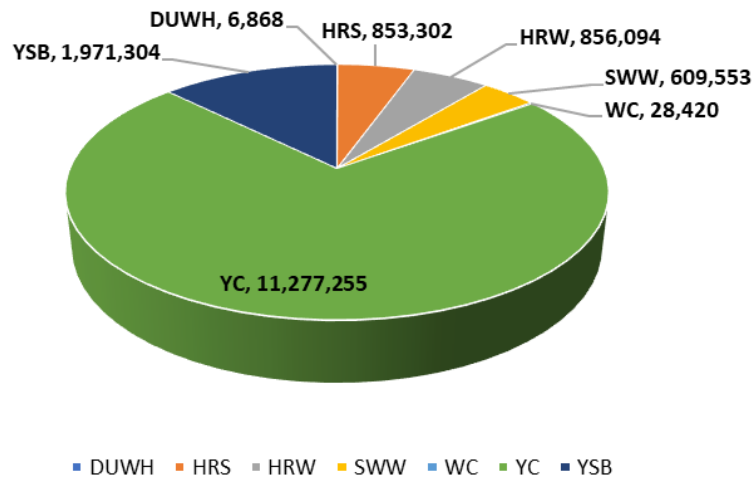


2021 Total Grain Exports reported by USDA (in MT)

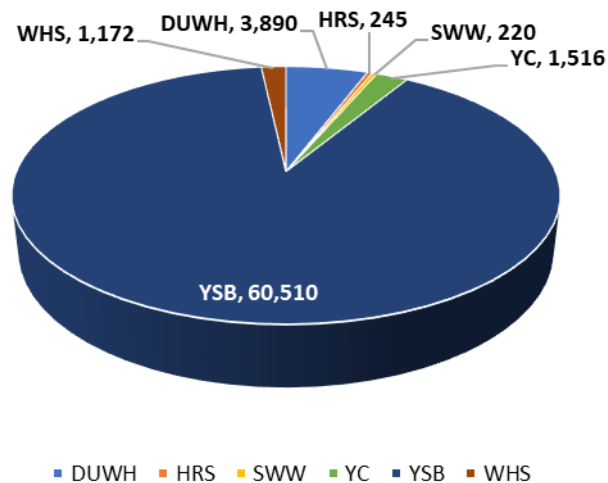
**2021 Exports to Japan**



**2021 Vessel Shipments to Japan**



**2021 Container Shipments to Japan**



\*Please keep in mind that USDA does not report DDGS sales

Source: USDA-data

## Shipping News

### **PNW Vessel Pilots-**

January 11, 2022

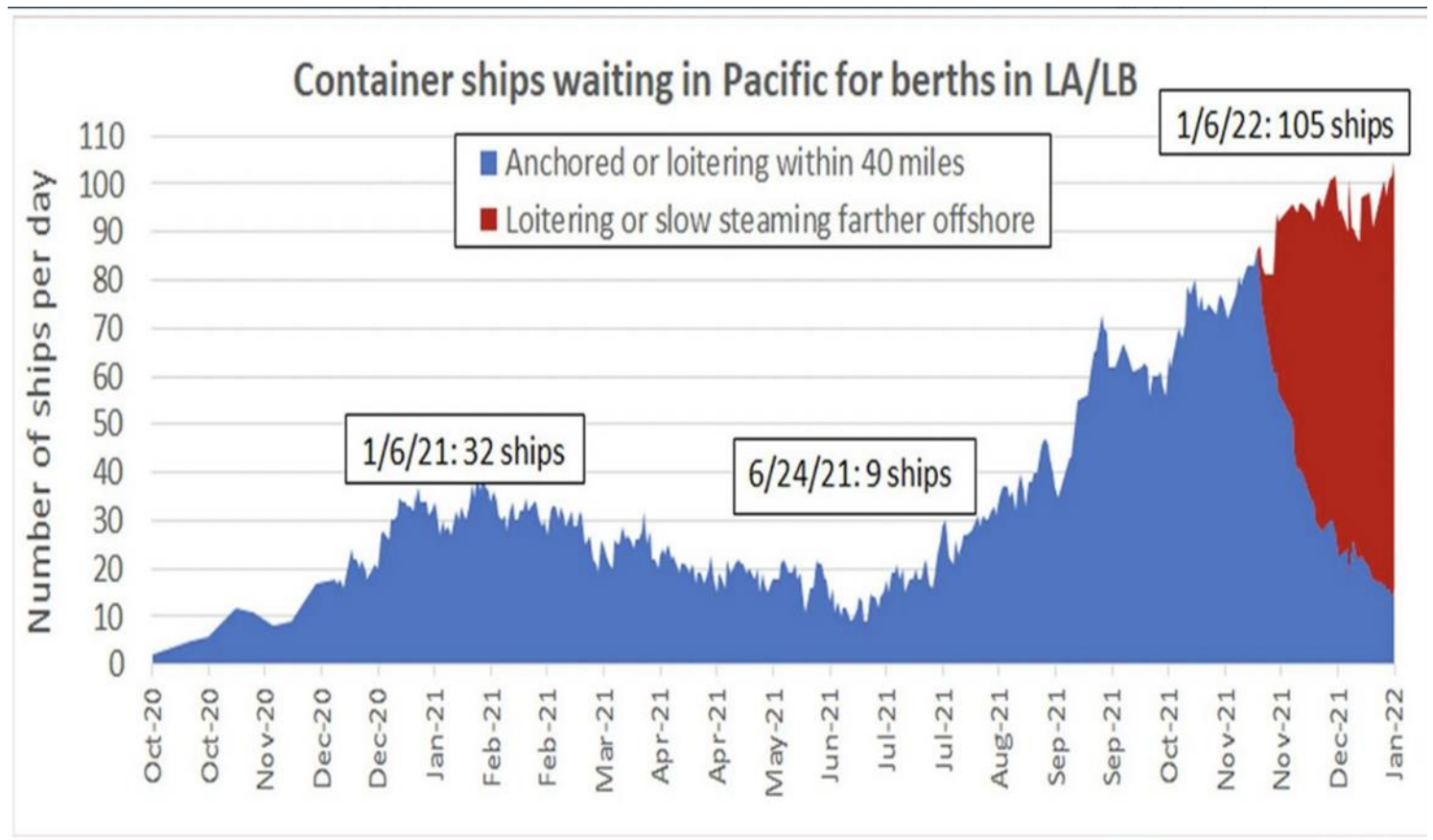
To Our Customers,

Due to recent injuries, the widespread advance of the Omicron variant, and the current level of vessel traffic, PSP is finding itself unable to cover the demand of vessel moves with the current staffing level of pilots. Please know that PSP, and especially our dispatchers, are working 24/7 to meet all of you needs and requests to the best of our ability in these times.

Thank you in advance for your patience and understanding,

Eric Klapperich

VP Puget Sound Pilots (PSP)

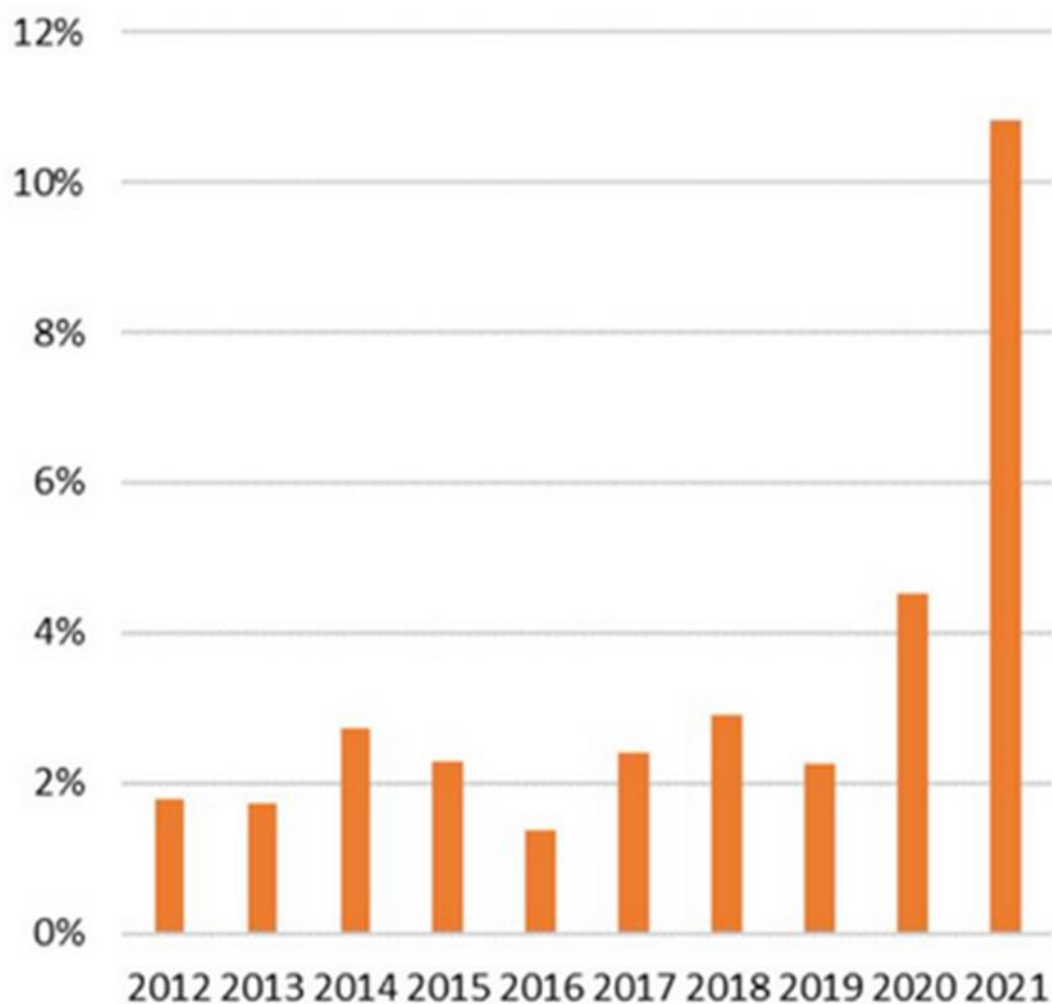


Sam Chambers @SamChambers · 13h

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Sea-Intelligence data shows that pre-pandemic typically 2% of containership capacity was caught up in delays, a figure that shot up to 11% in 2021 [splash247.com/containers-tak...](https://splash247.com/containers-tak...)

### Annual capacity removed (2021: Only Jan-Nov avg.)

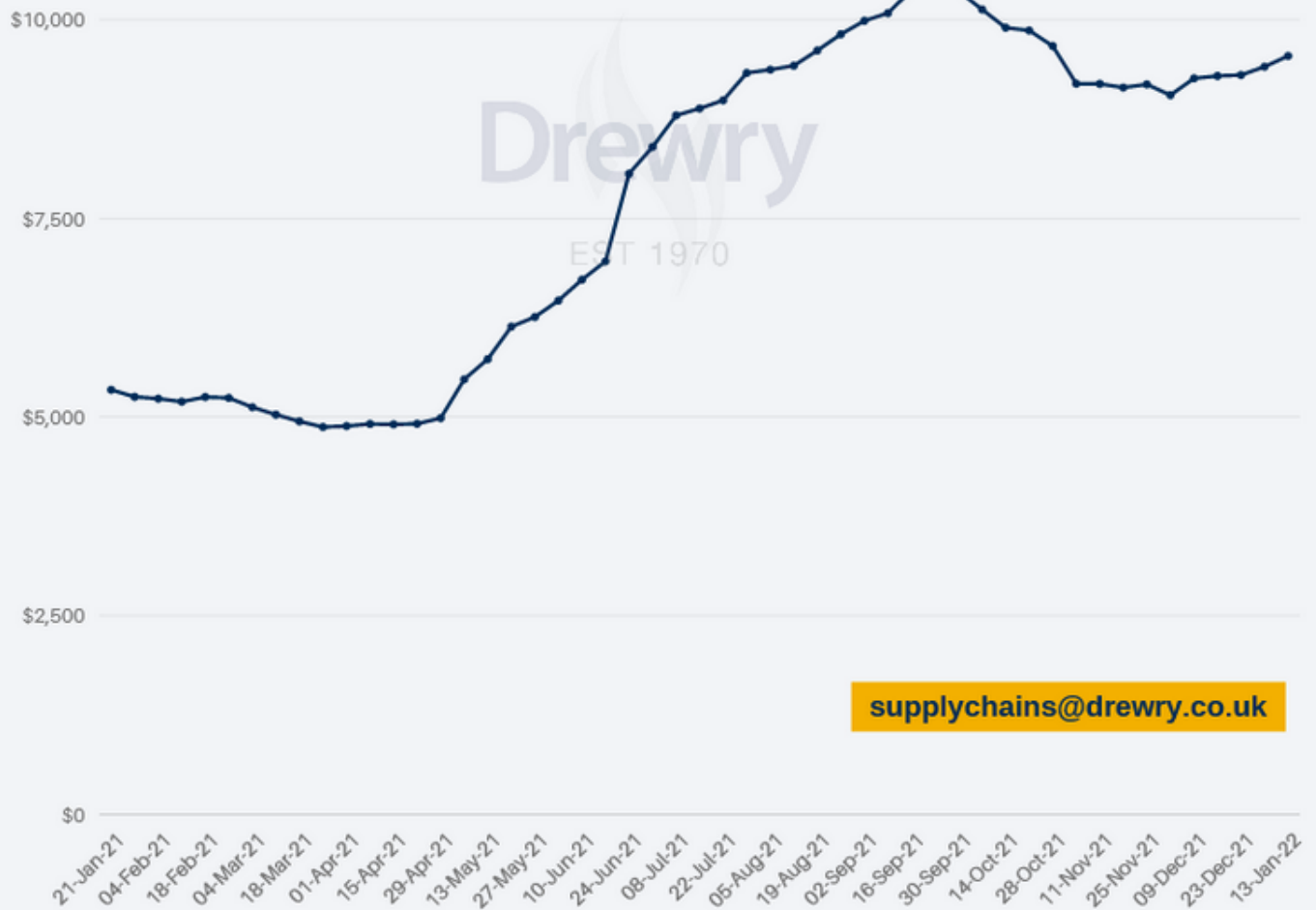


Source: Sea-Intelligence

## World Container Index - 13 January 2022

### World Container Index

Assessed by Drewry \$ per 40ft container



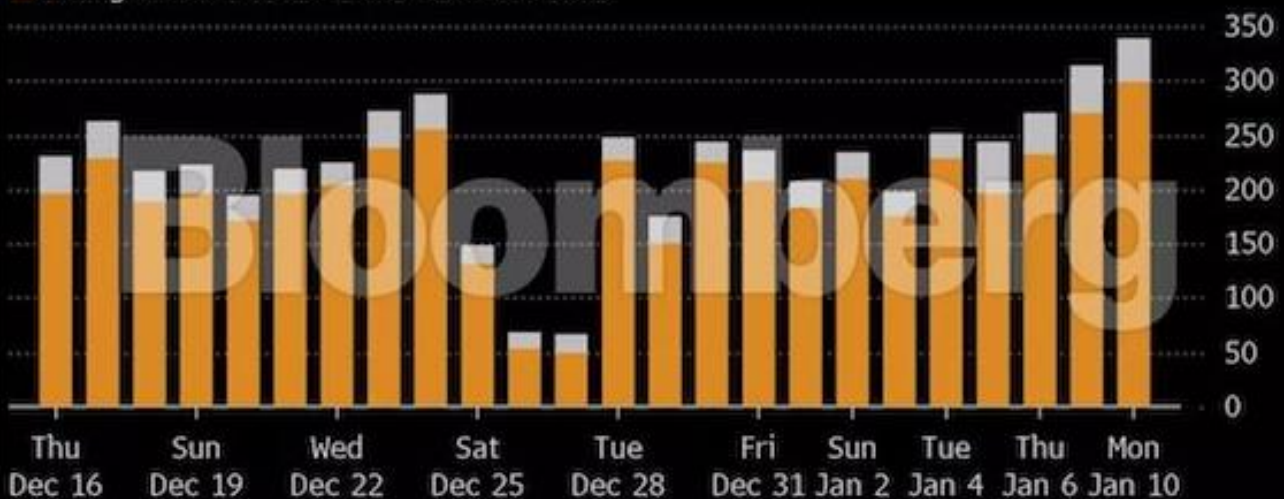
## Container ships waiting in Pacific for berths in LA/LB



## Heading to Shanghai

Shanghai and Xiamen port calls increase as ships re-route from Ningbo

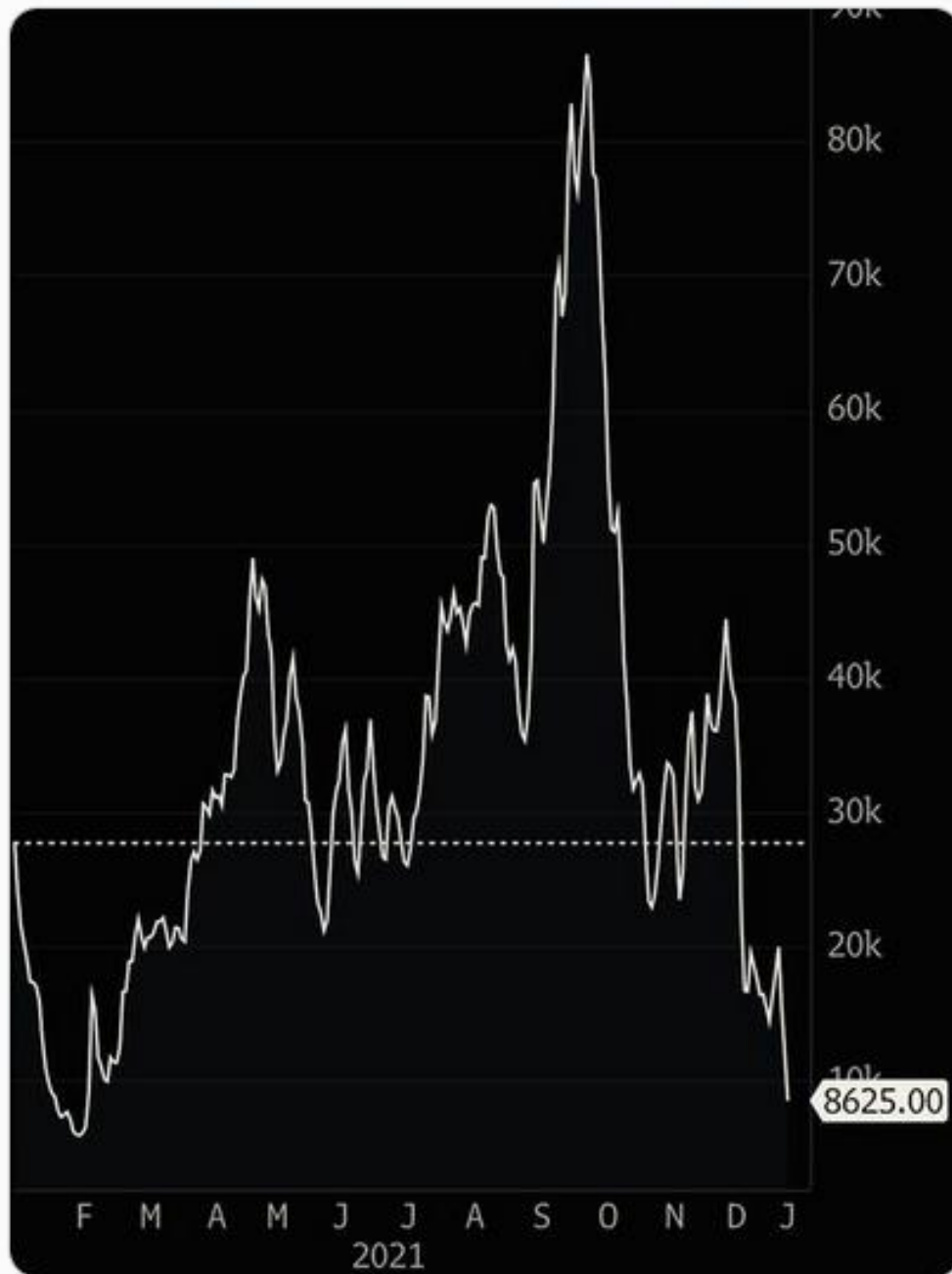
Shanghai Port Calls Xiamen Port Calls



BreakWave @DryBulkETF · 3h

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For the first time in 11 months the Australia to China Capesize freight rate dips below 10,000/day. It peaked at 86,000/d in early October.





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...

Europe gets almost one-third of its natural gas from Russia, limiting its ability to penalize Moscow and making it largely unwilling to wield sanctions against Russian energy exports



[wsj.com](https://www.wsj.com)

### Energy Dependence Ties Europe's Hands in U.S.-Russia Crisis

Europe gets almost one-third of its natural gas from Russia, limiting its ability to penalize Moscow and making it largely unwilling to wield ...

# EXCLUSIVE-Argentine grains ships cutting cargoes by 30% amid 'record' river decline, ports chamber says - Reuters News

🔥 11-Jan-2022 01:23:03 PM

To view this story on Refinitiv Workspace, click [here](#)

By Maximilian Heath

BUENOS AIRES, Jan 11 (Reuters) - Argentine grains ships leaving the main farming hub of Rosario are having to cut cargoes by some 30% due to a renewed "record" plunge in water levels of the Parana River, the head of the local ports chamber told Reuters on Tuesday.

The Parana, which carries some 80% of Argentina's farm exports, is key for shipments of soy, wheat and corn from the South American country, which is the world's top exporter of processed soy and the second largest of corn.

"The ships are leaving with 30% less cargo", said Guillermo Wade, manager of Argentina's Chamber of Port and Maritime Activities (CAPyM), adding that this equated to 13,000 tonnes less cargo in a Handymax ship and 16,000 tonnes less in a Panamax.

"Today was the record of the river level decline."

The Parana had risen since hitting a 77-year low in the middle of last year that had hindered grains transport, but has now dropped again to hit a new low-point at Rosario amid a heat-wave gripping the country and low rainfall upriver.

(Reporting by Maximilian Heath; Editing by Adam Jourdan and Sandra Maler)



## China Containerized Freight Index



## China Import Dry Bulk Freight Index



## **U.S. RIVER BARGE FREIGHT**

### **Current Barge Freight for Loading Placement First Half February 2022**

Placement FH February 2022	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	Closed			
Illinois River (Pekin and South)	625	\$42.65	1.08	1.16
Mid-Mississippi	Closed			
Lower Ohio	570	\$28.02	0.71	0.76
St. Louis	560	\$24.63	0.63	0.67

### **Secondary Rail Car Market for Car placement period: First Half February 2022.**

Secondary Rail Car Market Placement FH. February 2022	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ 1,000.00	\$ 1,800.00	\$ 0.25	\$ 0.45	\$ 9.84	\$ 17.72
UPRR Shuttle Trains	\$ 1,000.00	\$ 1,800.00	\$ 0.25	\$ 0.45	\$ 9.84	\$ 17.72

Best Regards,

Jay  
Jay O'Neil  
HJ O'Neil Commodity Consulting  
785-410-2303 (cell)

[joneil@ksu.edu](mailto:joneil@ksu.edu)

Follow me on Twitter @ [igpjay](#)



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