

**Transportation and Export Report for 18 January 2018****Ocean Freight Insights and Comments:**

Despite the market 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 DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
17-Jan-18	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	17880	18385	-505	-2.7%
P3A - PNW/Pacific - Japan	9338	9859	-521	-5.3%
S1C -USGULF-China-So.Japan	25269	24322	947	3.9%

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

Four weeks ago:	\$ 8.70-\$9.90
Three weeks ago:	\$ 8.75-\$10.00
Two weeks ago:	\$ 5.40-\$7.00
One week ago:	\$ 6.20-\$6.75
This week	\$ 5.80-\$6.90

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

Mississippi River:	(10 elevators)	2-8 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-2 days
Texas Gulf	(6 elevators)	0-8 days (only 1 facility over 3 days wait)
Pacific Northwest:	(9 elevators)	2-8 days

Panamax Market Spreads to Asia -China					
11-Jan-18	PNW	GULF	Bushel Spread	MT Spread	Advantage
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	.51-.55	\$20.25	FEB.

Recent Reported Vessel Fixtures:

60,000 mt hss Rouen +La Pallice to Dalian China Jan. 18-25 at \$40.60 fio 8,000/4,000 sshex bends ADMI

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$44.50	Down \$0.25	Handymax \$45.00/mt
55,000 U.S. PNW- Japan	\$24.50	Unchanged	Handymax at \$25.25/mt
65,000 U.S. Gulf – China PNW to China	\$43.50 \$23.25	Down \$050 Down \$0.25	North or South China
25,000 U.S. Gulf- Veracruz, México	\$16.00	Down \$0.25	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$14.00	Down \$0.25	Deep draft and 6,000 MT per day discharge rate.
25/35,000 U.S. Gulf- <u>East Coast Colombia</u> From Argentina	\$20.00 \$32.00	Down \$0.25	<u>West Coast Colombia at \$28.00</u>
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 \$33.00	Down \$0.25	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$30.50	Down \$0.25	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	\$28.25 \$27.25	Down \$0.50	55,000 -60,000 mt Russia Black Sea to Egypt \$14.25
60-70,000 U.S. Gulf – Europe – Rotterdam	\$16.50	Down \$0.75	Handymax at +\$2.00 more
Brazil, Santos – China Brazil, Santos – China Itacoatiara-Port Up River North Brazil	\$33.50 \$32.25 \$35.75	Down \$0.75	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 60-66,000 mt
56-60,000 Argentina-China Deep draft	\$39.00	Down \$0.75	Up River with Top Off \$42.00

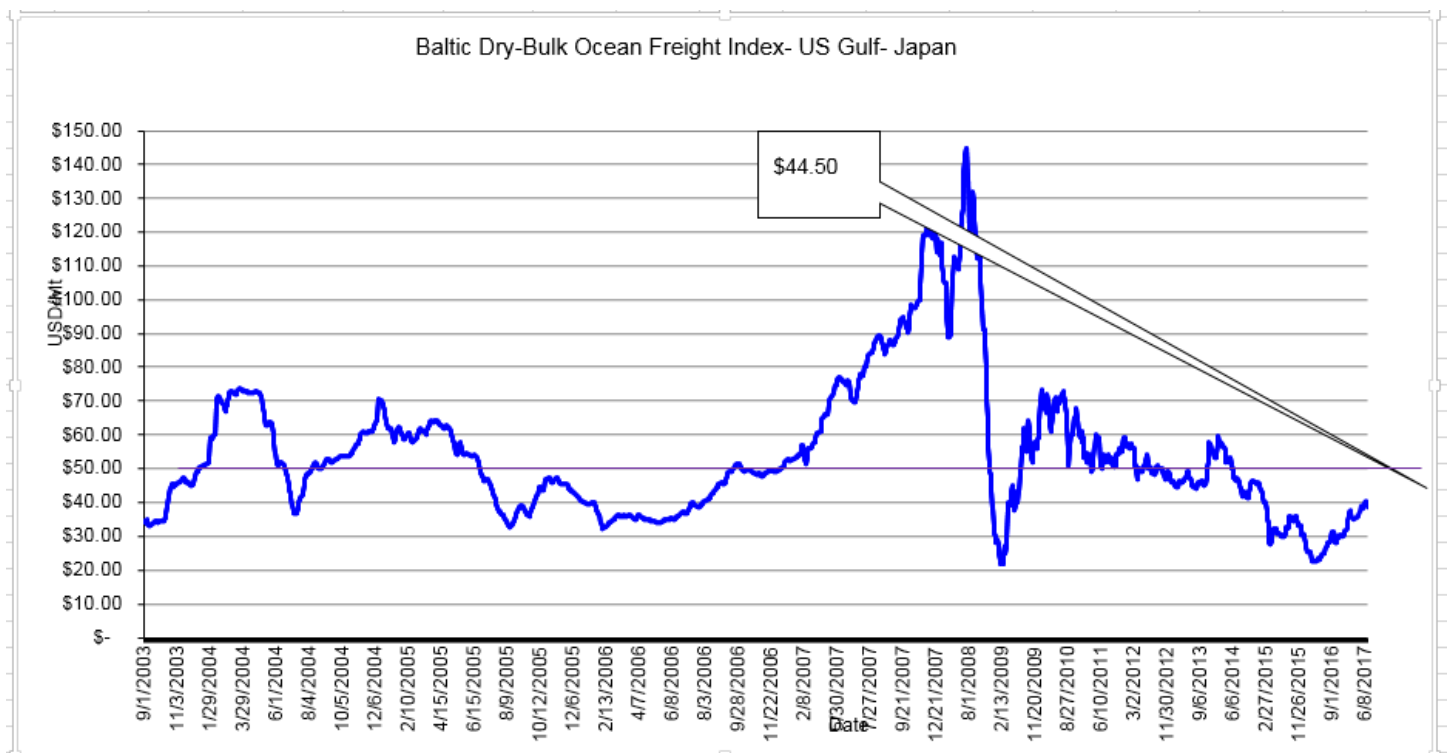
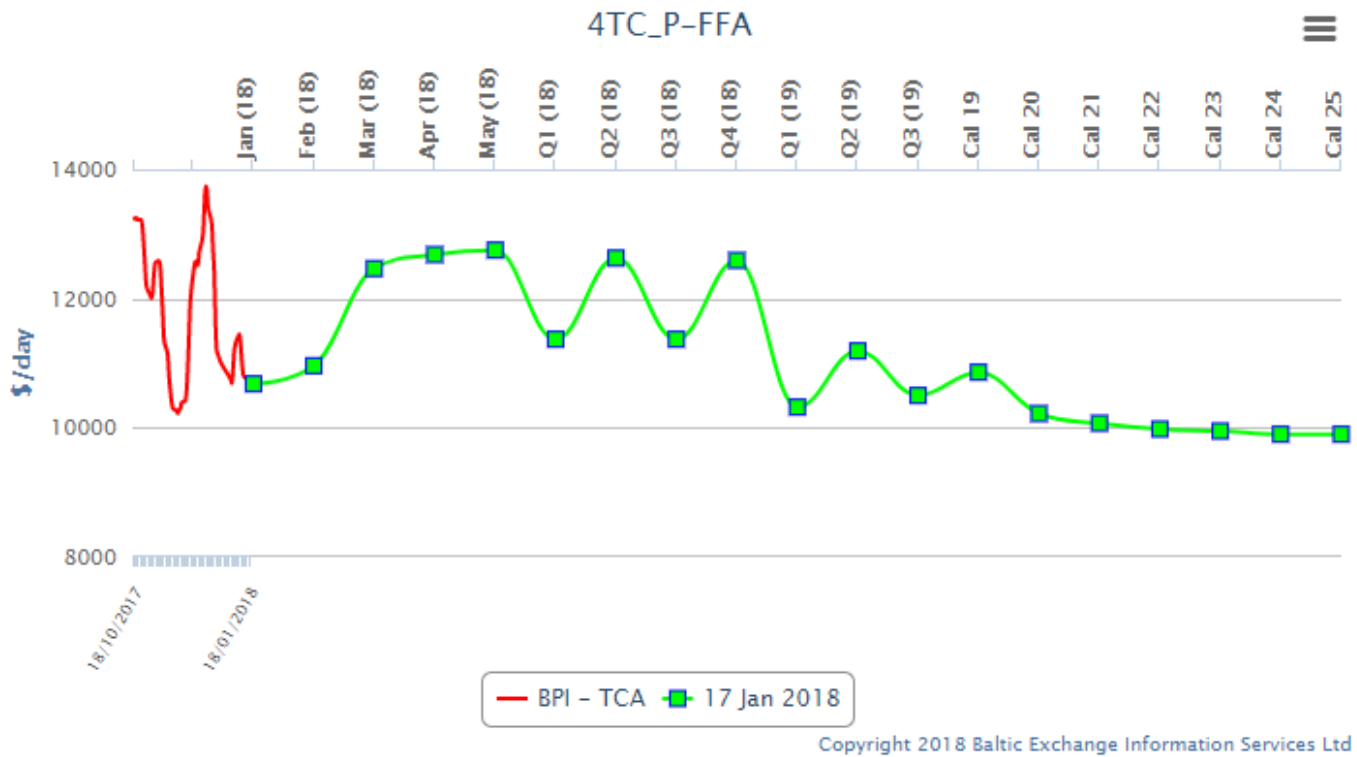
Nautical Miles: To Xiamen China (South China)

US Gulf (NOLA) (via Panamá Canal) – 10,232 nautical miles (32 days)

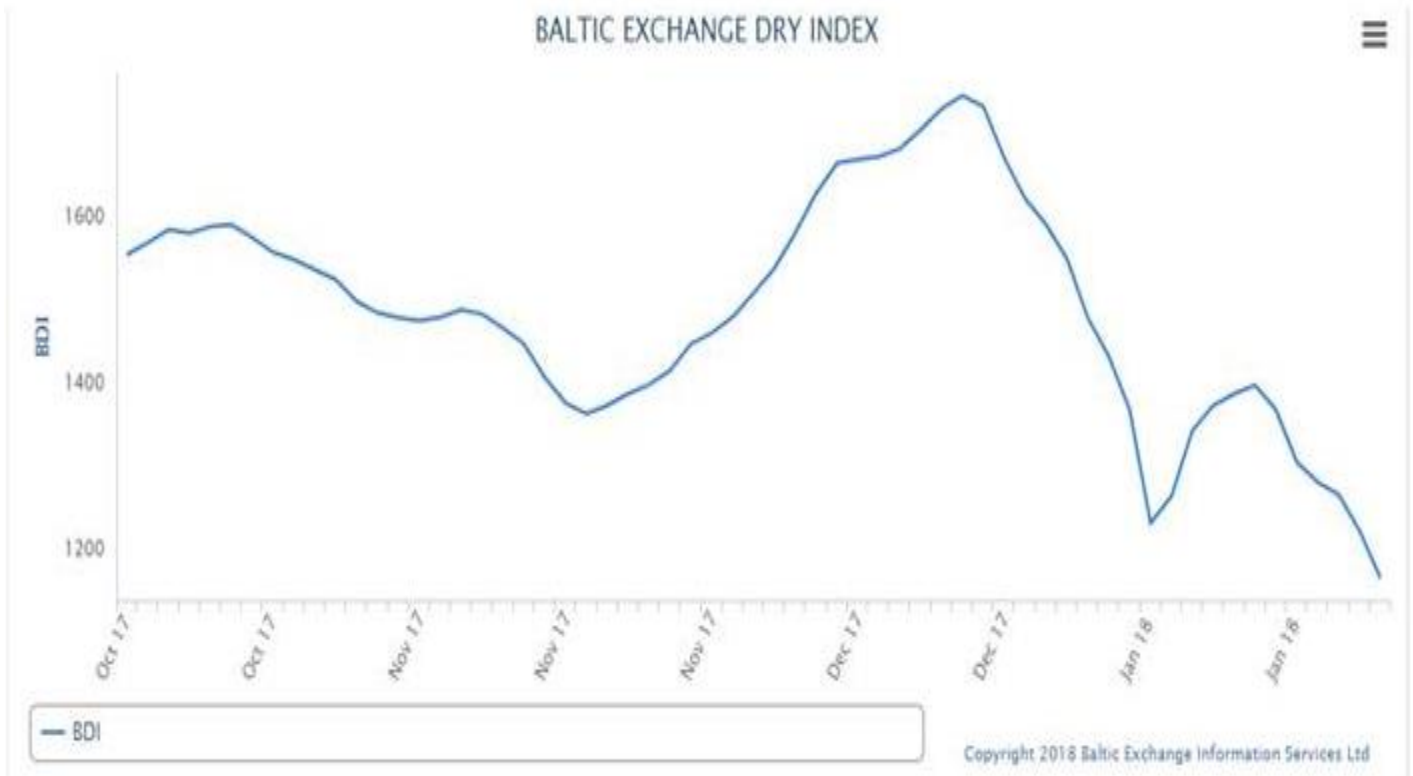
Santos Brazil (via Cape of Good Hope) - 10,441 nautical miles (33 days)

Rasario Argentina (via Cape Horn) - 10,751 nautical miles (34 days)

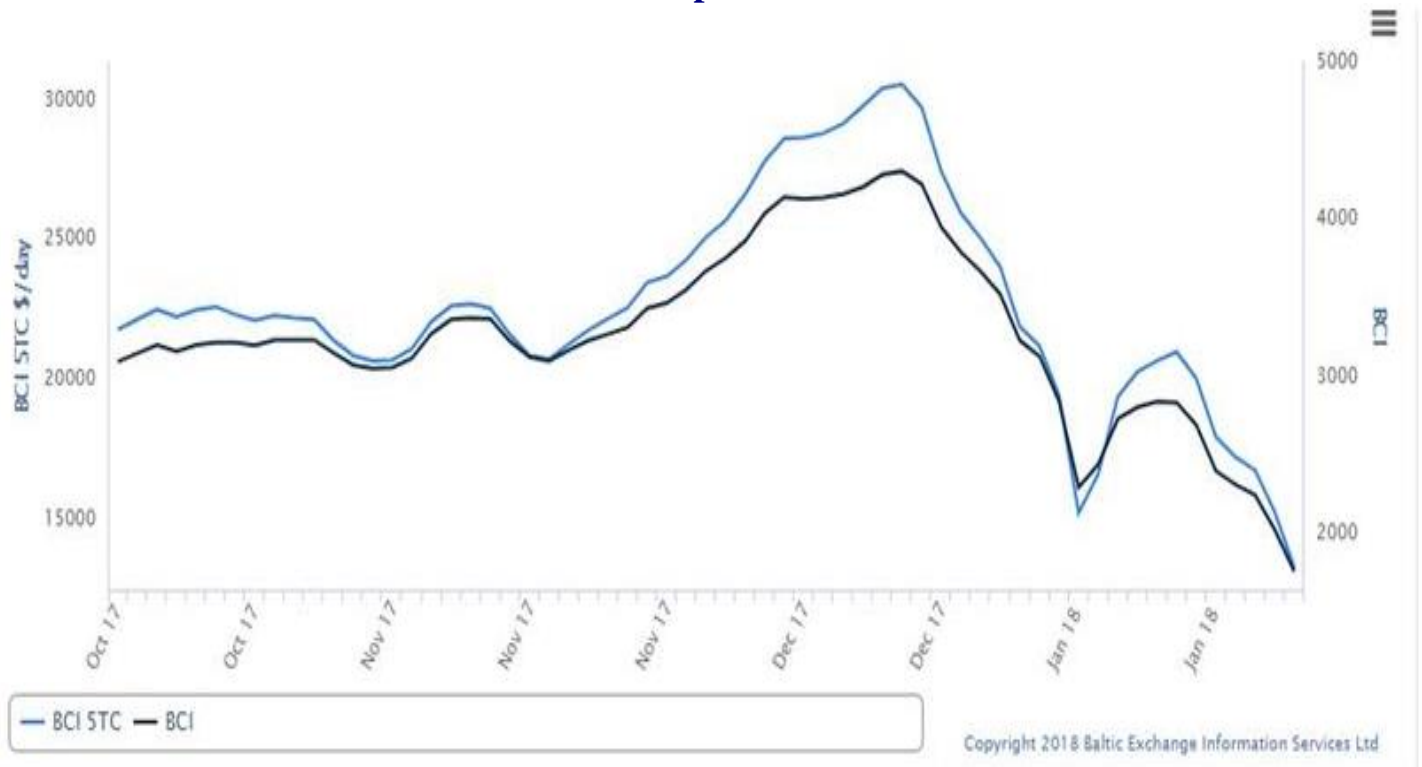
Forward Curve for Baltic BPI Panamax Vessel Freight



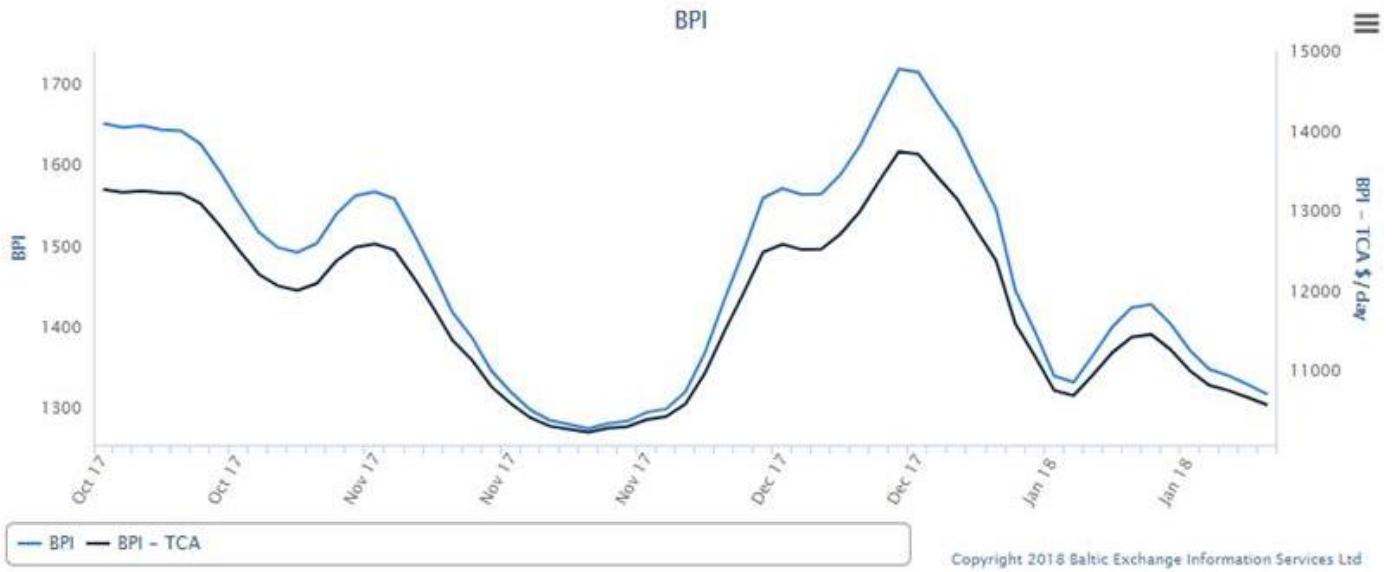
Baltic Exchange Dry Bulk Index



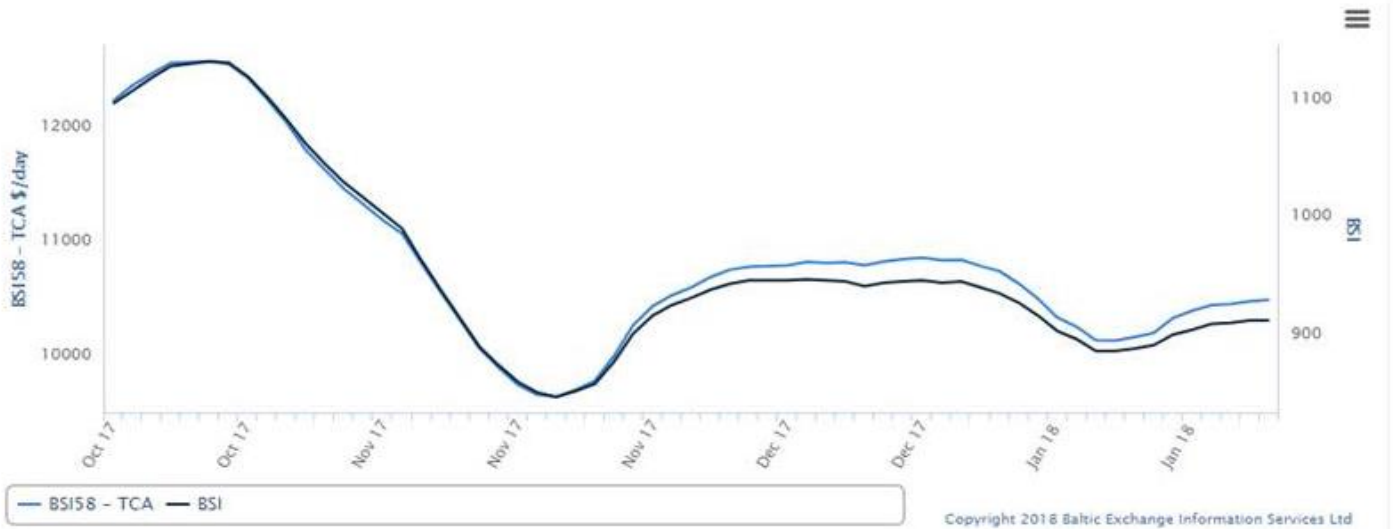
Baltic Capesize Index



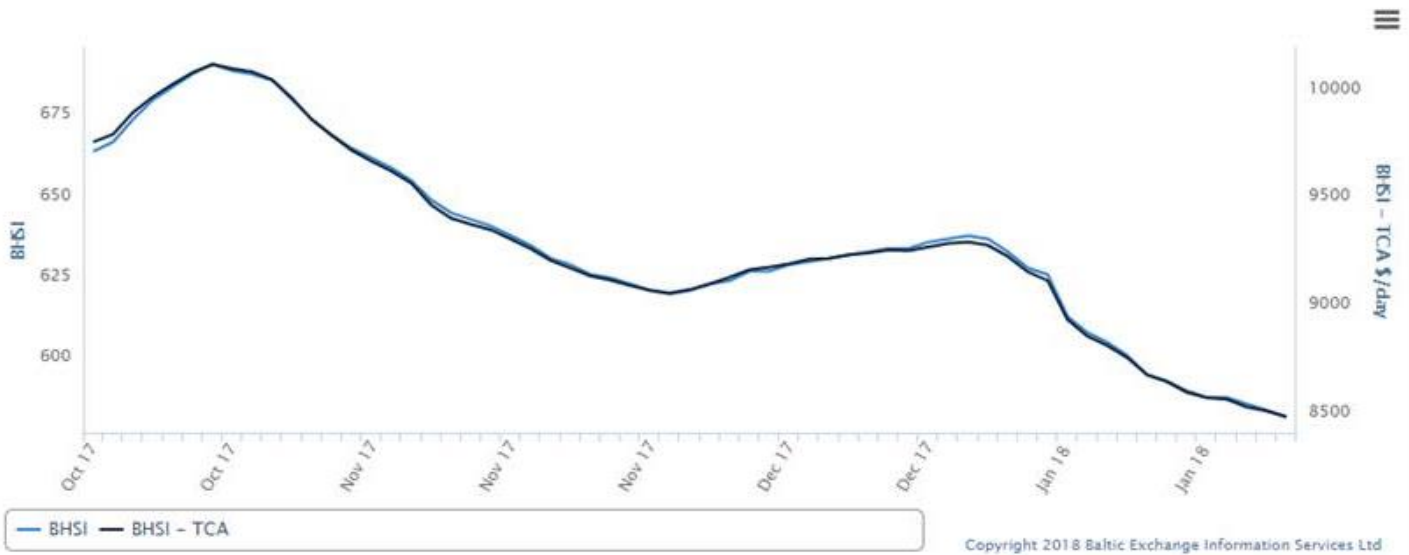
Baltic Panamax Index



Baltic Supramax Vessel Index



Baltic Handy Size



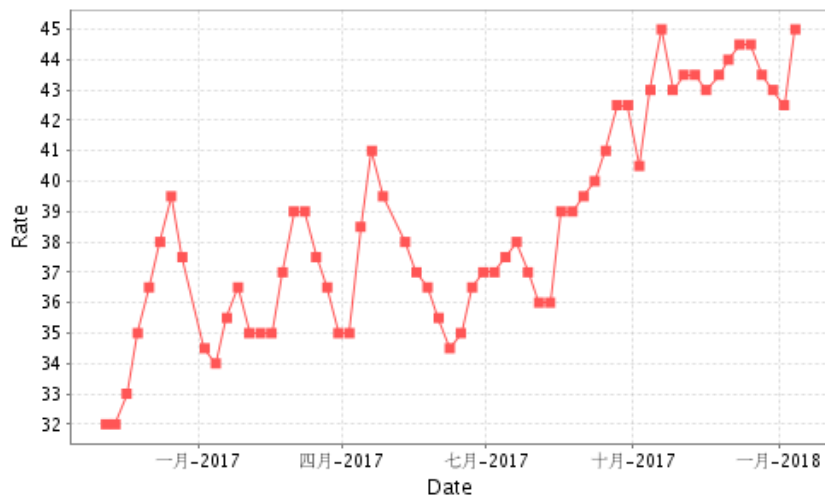
Yamamizu Shipping

[Profile](#)
[History](#)
[Organization](#)
[Service](#)
[Access Map](#)
[Yamamizu Index](#)

USG/Japan Index Result

Date From: 2016-11-01

Date To: 2018-01-18



China Import Dry Bulk Freight Index(CDFI)

2018-01-17

Route	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	776.58	-15.88
Iron ore Freight Index			Point	708.76	-29.69
Soybean Freight Index			Point	954.70	-2.38
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	32.265	-0.040
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	23.145	-0.095
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	42.918	-0.138
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	44.611	-0.195

18 January 2018 U.S. FOB Vessel Export Market Values:

U.S. Yellow Corn (USD/MT) FOB Vessel				
# 2 YC	U.S. Gulf #2 YC		PNW #2 YC	
15.0 % Moisture	Basis	Flat Price	Basis	Flat Price
Feb.	0.60	\$162.59	0.95	\$176.37
Mar.	0.58	\$161.80	0.91	\$174.79
Apr.	0.47	\$160.62	0.81	\$174.01
May	0.48	\$161.01	0.84	\$175.19
June	0.41	\$161.51	0.78	\$176.07
July	0.42	\$161.90	0.80	\$176.86

The Gulf spread between #2 and #3 YC is currently about 02 cents per bushel (0.80 per MT)

SORGHUM (USD/MT) FOB VESSEL				
#2 YGS Fob Vessel	NOLA		TEXAS	
Max. 14.0%	BASIS	FLAT PRICE	BASIS	FLAT PRICE
Feb.	1.70	\$205.89	1.65	\$203.93
Mar.	1.70	\$205.89	1.65	\$203.93
Apr.	1.70	\$209.04	1.60	\$205.15
May	1.70	\$209.04	1.60	\$205.11
June	1.60	\$208.35	1.55	\$206.39

Fob vessel Texas Gulf #2 Sorghum is about 127 % the value of #2 Yellow Corn at NOLA Sorghum has gotten to be a thin trade and interior and export handling margins have widened out to reflect the risk.

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

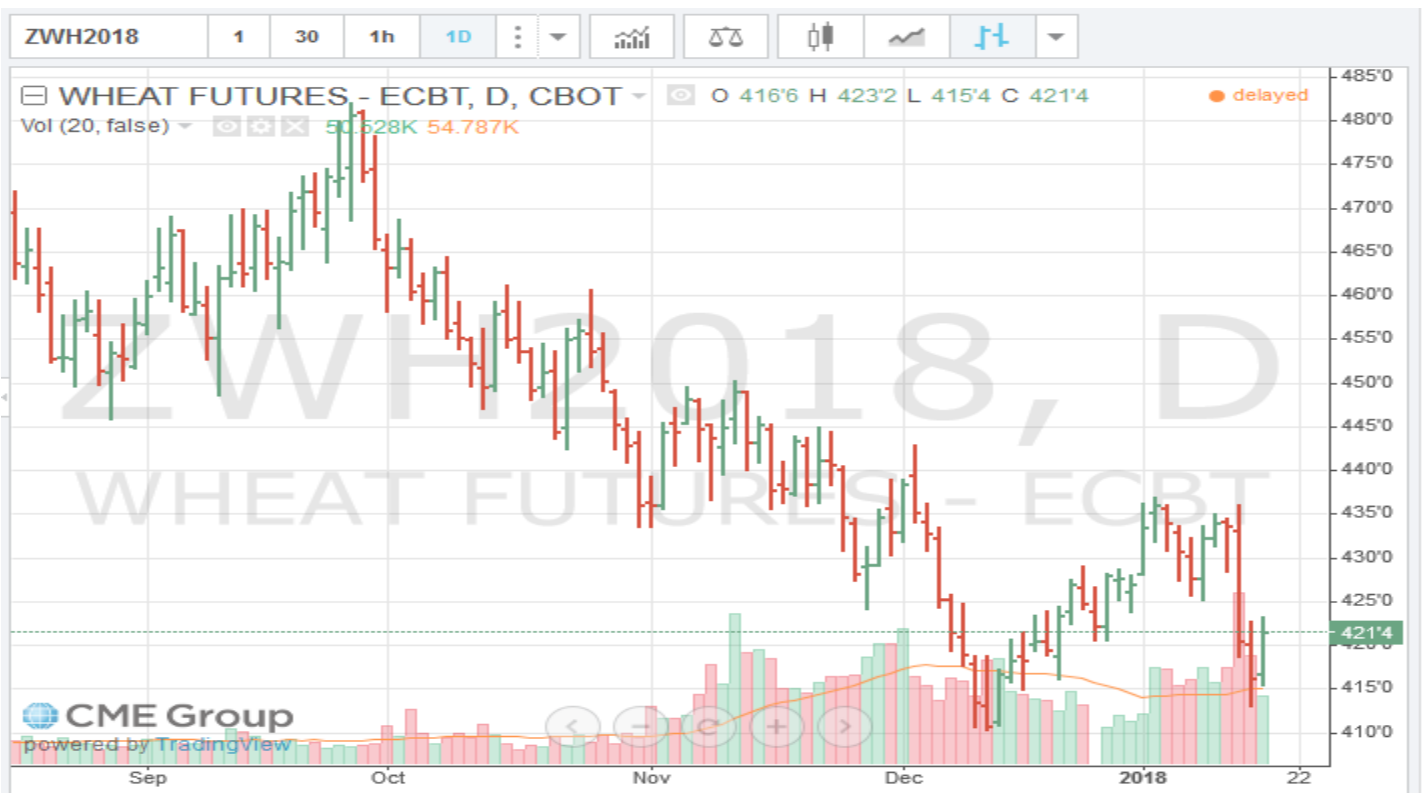
SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	Feb.	Mar.	Apr.	May
FOB U.S. GULF	\$183.17	\$184.27	\$184.64	\$185.37
Basis	0.77	0.80	0.68	0.70
WH	4.2150			
WK	4.3450			
WN	4.4775			

CME CORN FUTURES MARKET CLOSE- Thursday						
CBOT CORN Month	Futures Symbol	Friday Close Bushel	Friday Close MT.	Last week Bushel	Last Week MT.	Difference Bushel
Mar.	CH	\$3.5300	\$138.97	\$ 3.5100	\$138.18	\$0.0200
May	CK	\$3.6100	\$142.12	\$ 3.5925	\$141.43	\$0.0175
July	CN	\$3.6925	\$145.37	\$ 3.6775	\$144.78	\$0.0150
Sept.	CU	\$3.7675	\$148.32	\$ 3.7500	\$147.63	\$0.0175
Dec.	CZ	\$3.8600	\$151.96	\$ 3.8450	\$151.37	\$0.0150

CME/CBOT March 2018 (CH8) Corn Futures Chart –



CME/CBOT March 2018 (WH8) SRW Wheat Futures Chart –

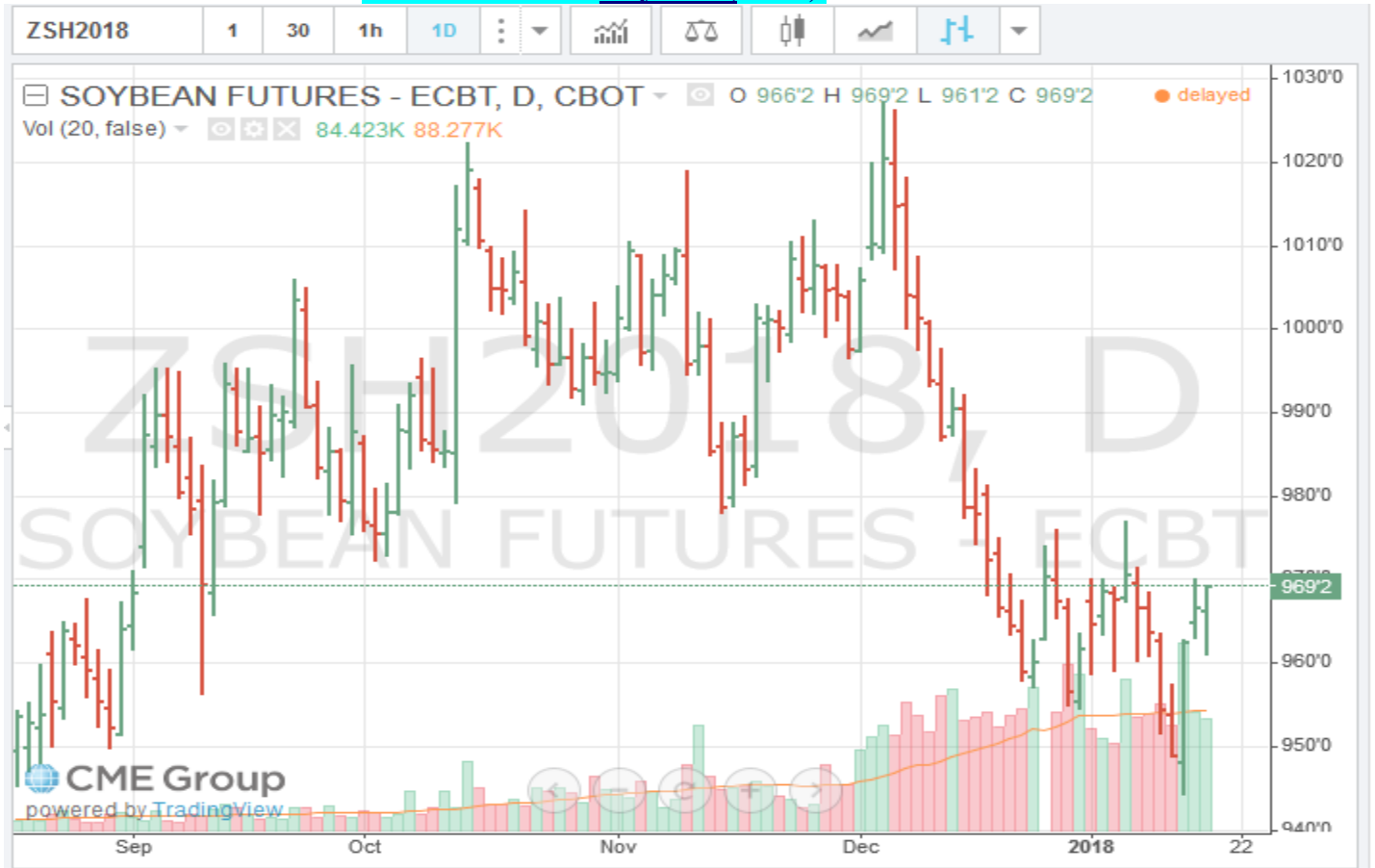


U.S. Soybean and SBM Markets Fob Vessel:

U.S. Yellow Soybeans (USD/MT) FOB Vessel				
# 2 YSB	U.S. Gulf #2 YSB		PNW #2 YSB	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
Feb.	0.52	\$379.19	0.91	\$393.52
Mar.	0.49	\$378.09	0.88	\$392.42
Apr.	0.41	\$378.64	0.78	\$392.24
May.	0.42	\$379.01	0.80	\$392.97
June	0.37	\$378.09	0.77	\$392.79
Soybean Futures				
Mar..	\$ 9.6875			
May.	\$ 9.8000			
July	\$ 9.8950			
Aug.	\$ 9.9200			
Sept.	\$ 9.8950			
Nov.	\$ 9.8875			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Feb.	-5.00	\$ 356.00
Mar.	-5.00	\$ 356.00
Apr.	-3.00	\$ 361.18
May	-3.00	\$ 361.40
June	-3.00	\$ 361.40
SBM Futures		
SMH	324.30	
SMK	327.90	
SMN	330.60	
SMQ	330.80	
SMU	330.70	
SMV	329.10	

CME March 2018 Soybean (SH18) Futures Chart



CME March 2018 Soybean Meal (SMH8) Futures Chart



U.S. EXPORT STATISTICS: Report Activity as of Week Ending 04 January 2017
Thursday-Weekly U.S. Export Sales

Commodity	New Sales (000 MT)	YTD Export Commitments **(000 MT)	Total Projected Export Program for Year (000 MT)	Percent of Export Projection	Total Sales for Next Marketing Year '17- 18 (000 MT)
Corn	676.3	27,108.8	48,900	55%	1,134.6
Sorghum	172.0	4,581.5	6,600	69%	0.0
Soybeans	824.4	41,453.9	60,560	68%	544.8
Wheat	110.9	19,541.2	26,540	74%	203.8
Barley	0.0	36.4	110	33%	7.1

U.S. EXPORT INSPECTIONS:

Monday's report 15 January 2018 for the Export week ending 11 January 2018

	Export Inspections		Current Market Year YTD	Previous Year to Date	2017 YTD as Percent of 2016 YTD
	This Week	Previous Week			
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%
Barley	245	0	18,427	29,656	62%

For further Export Sales details: <http://www.fas.usda.gov/export-sales/esrd1.html>

U.S. EXPORT INSPECTIONS:

Monday's report 15 January 2018 for the Export week ending 11 January 2018

Last Week							
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans %
Lakes	0	0%	0	0%	0	0%	0 0%
Atlantic	0	0%	0	0%	0	0%	63,337 5%
Gulf	282,894	49%	6,600	62%	117,915	99%	812,608 66%
PNW	158,455	28%	0	0%	0	0%	257,773 21%
Interior Export Rail	132,448	23%	3,992	38%	1,181	1%	97,319 8%
Metric Tons	573,797		10,592		119,096		1,231,037

Sorghum Shipments:	metric tons	
	912	Mexico
	116,526	China Main
	1,658	Japan
	119,096	Total

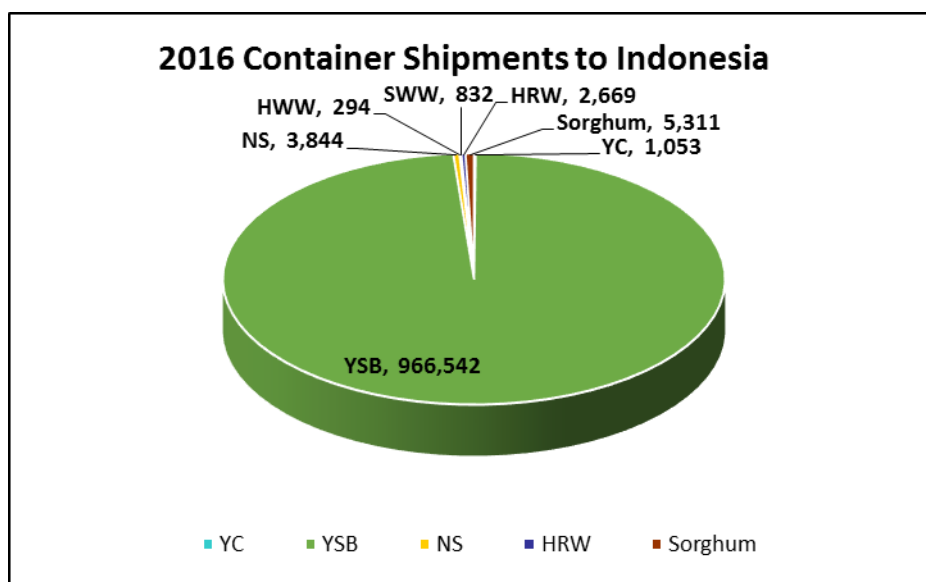
White Corn Shipments:	metric tons	
	6,600	El Salvador
	3,992	Mexico
	10,592	Total

Export Inspection Highlights

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:		11-Jan-2018							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main	1,225		2,841					269	4,335
China T	10,209		20,689						30,898
Hong Kong	1,835								1,835
Costa Rica									0
Indonesia			14,515						14,515
French Polynesia									0
Japan			488						488
Korea Republic	587		905	514					2,006
Panama									0
Malaysia	220		3,771						3,991
Ireland									0
Philippines			1,616						1,616
Thailand			6,611						6,611
Sri Lanka									0
Burma			1,225						1,225
Vietnam			3,696						3,696
Sub total	14,076	0	56,357	514	0	0	0	269	66,295
USDA Corrections/Additions to previous reports:									
China T	857		2,278						3,135
China Main								784	784
Hong Kong	195								195
Korea Rep.									0
Costa Rica									0
Japan			122						122
Philippines									0
Indonesia			1,322						1,322
Malaysia			881						881
Thailand									0
Vietnam									0
Mexico									0
Panama									0
Sub total	1,052	0	4,603	0	0	0	0	784	6,439
Mt. Grand Total	15,128	0	60,960	514	0	0	0	1,053	72,734
Number of containers	658	0	2,650	22	0	0	0	46	

Jan - Dec 2016 Annual Totals versus 2017 Jan.-Dec. Annual Container Shipments (in MT)

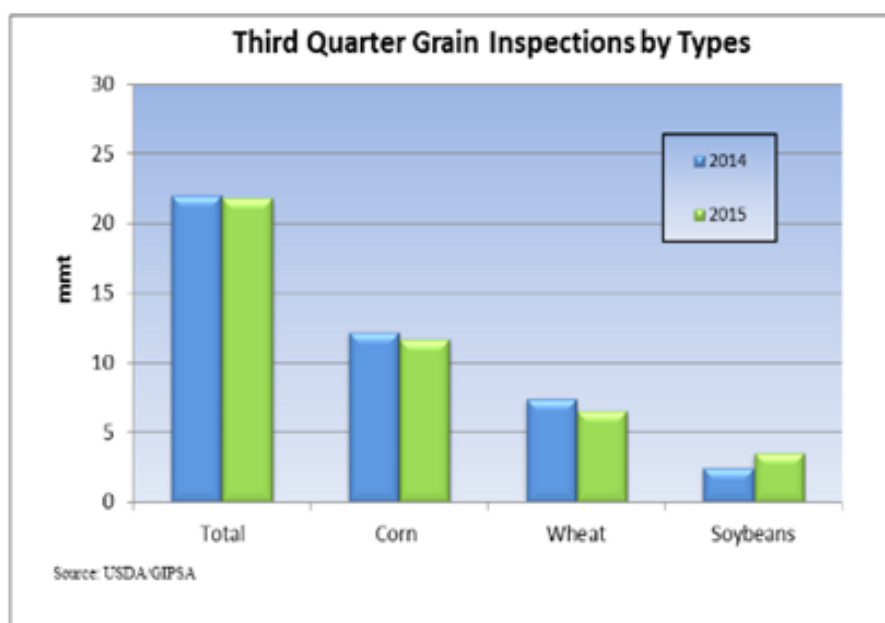


Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD

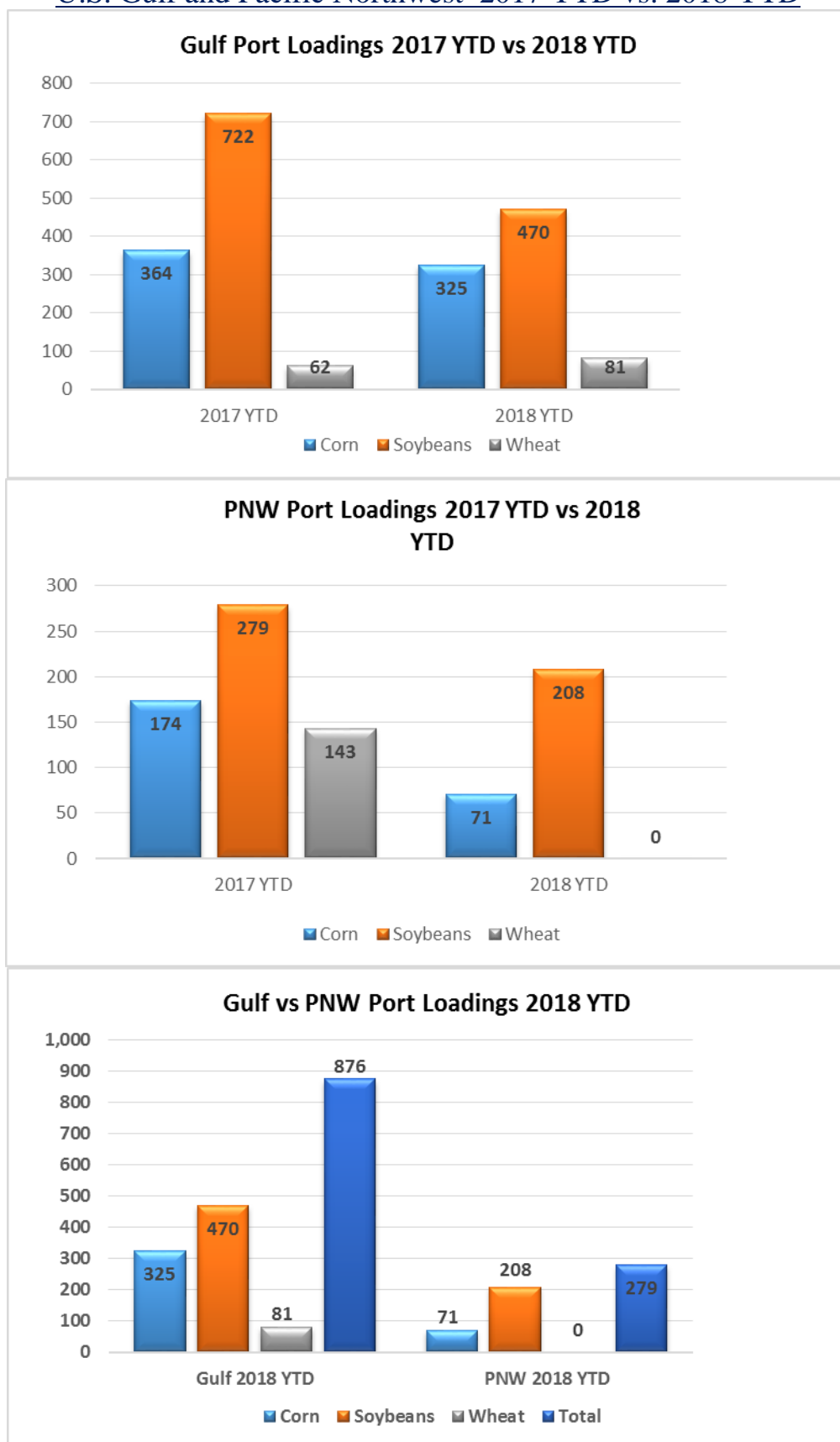
PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2017 YTD	364	722	62	1,148
2018 YTD	325	470	81	876
2018 as % of 2017	89%	65%	131%	76%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2017 YTD	174	279	143	596
2018 YTD	71	208	0	279
2018 as % of 2017	41%	75%	0%	47%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2018 Gulf YTD	325	470	81	876
2018 PNW YTD	71	208	0	279
TOTAL	396	678	81	1,155
Gulf Percentage	82%	69%	100%	76%
PNW Percentage	18%	31%	0%	24%



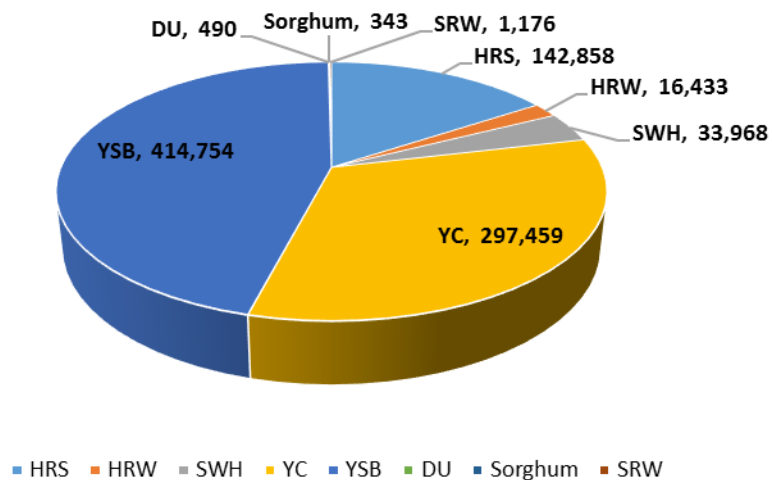
Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD



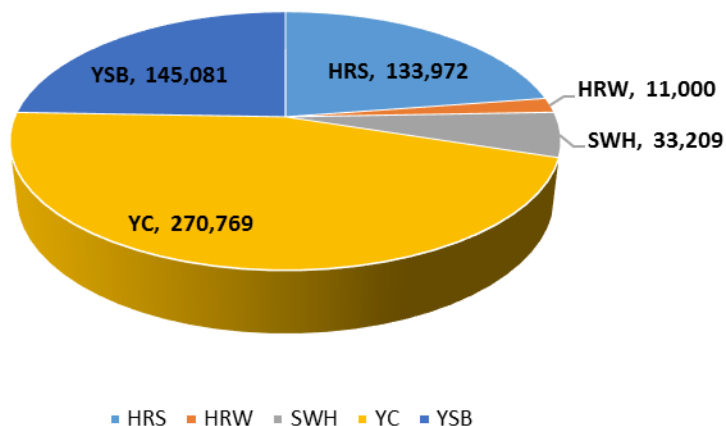
Source: USDA-data

2017 Total Grain Exports reported by USDA (in MT)

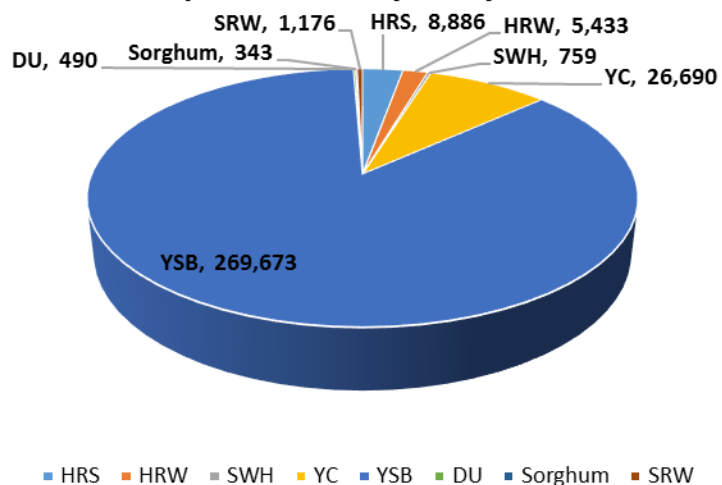
2017 Exports to Malaysia



2017 Exports to Malaysia by Vessel



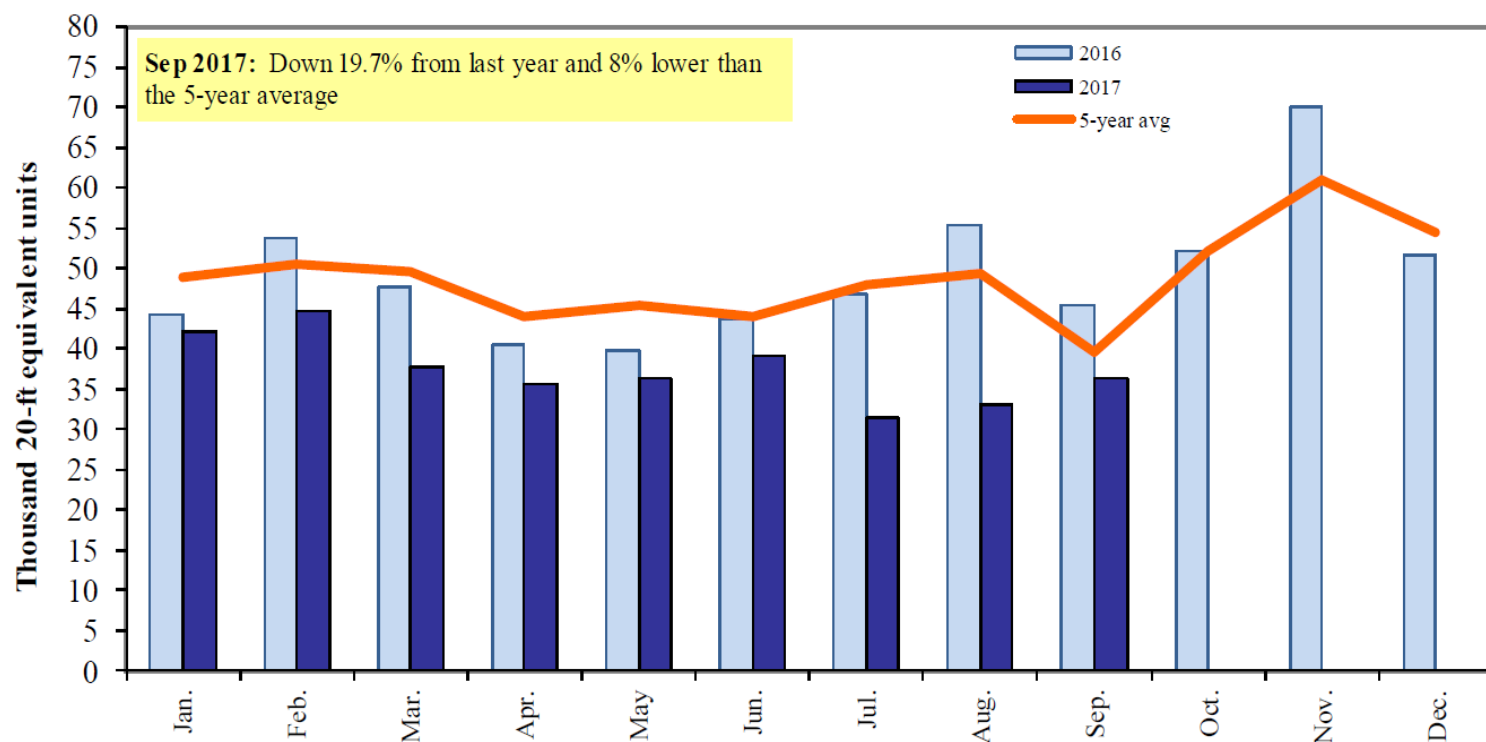
2017 Exports to Malaysia by Container



**Please keep in mind that USDA does not report DDGS sales, or they would show as the largest exports by container

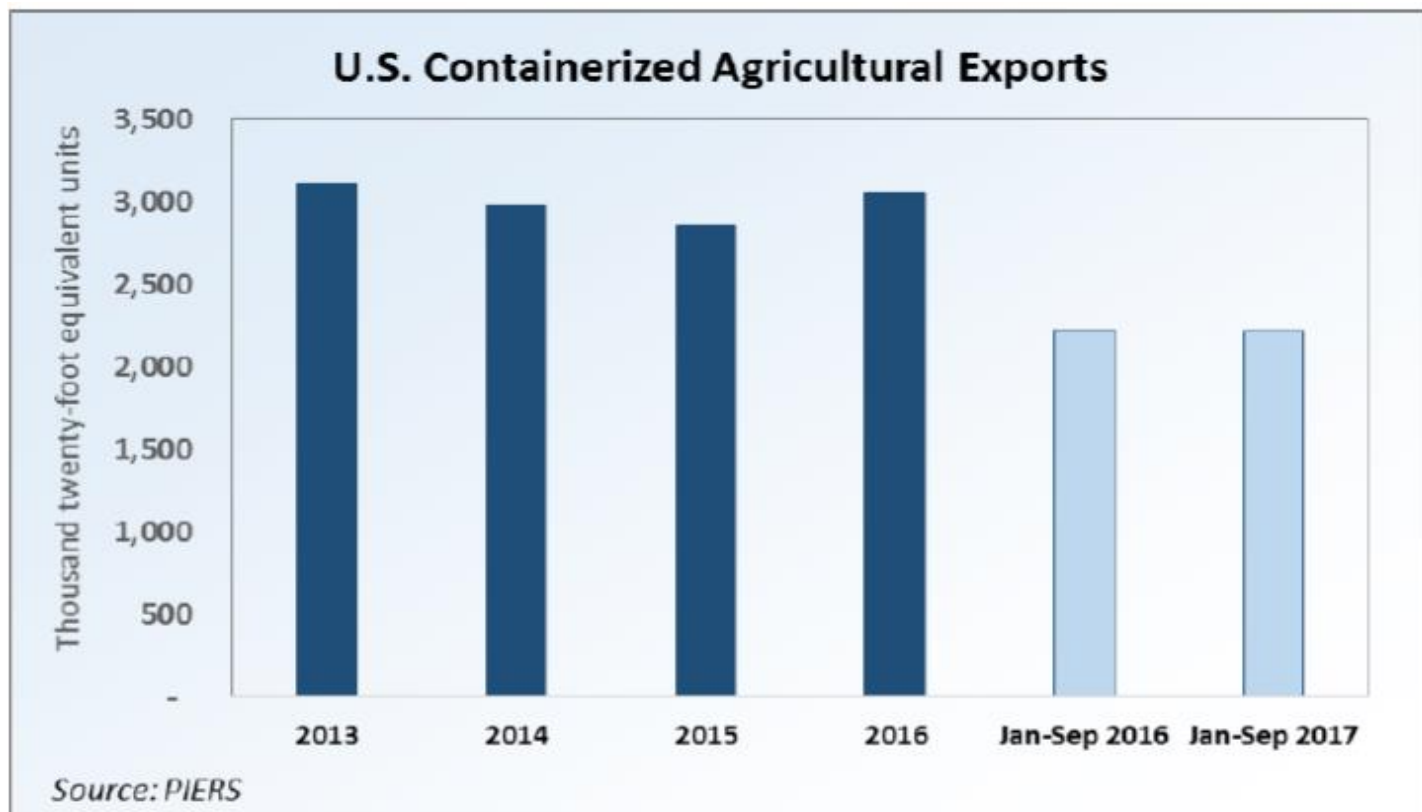
Shipping News:

Monthly Shipments of Containerized Grain to Asia

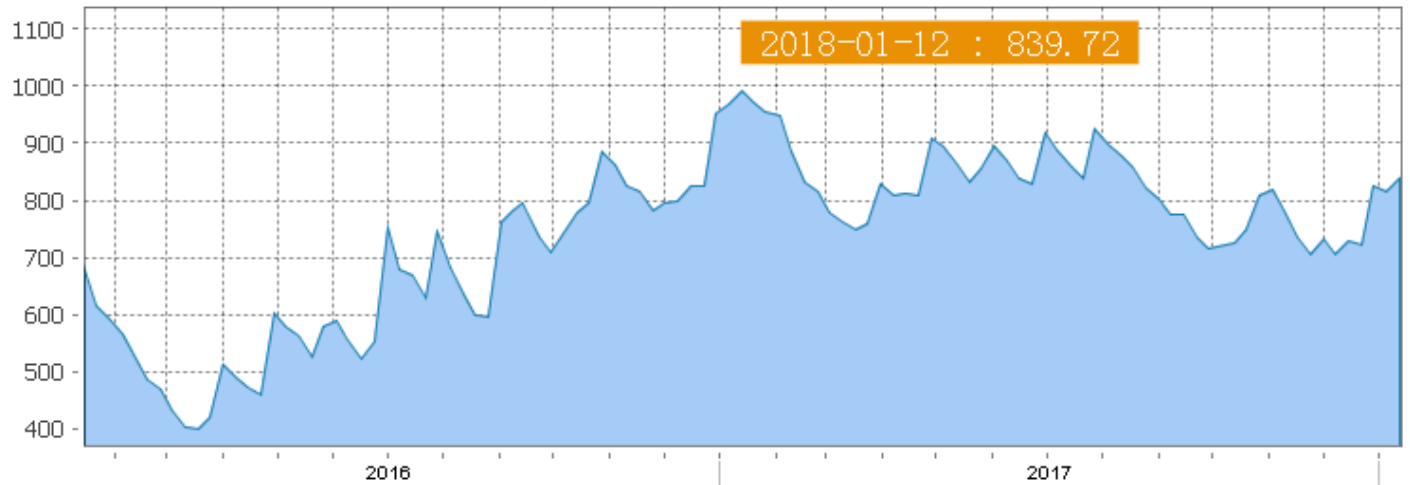


Source: USDA/Agricultural Marketing Service/Transportation Services Division analysis of Port Import Export Reporting Service (PIERS) data.

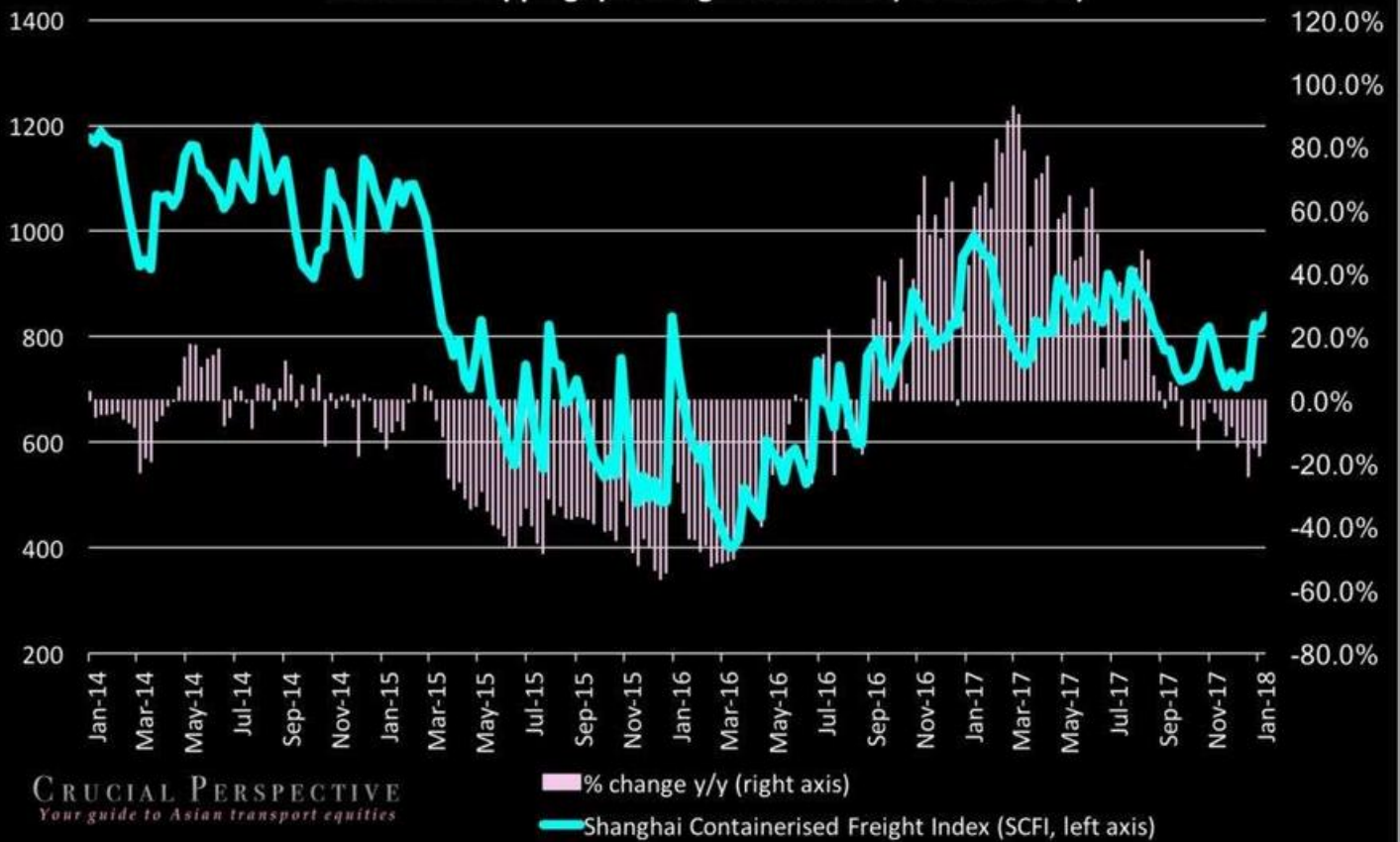
USDA-



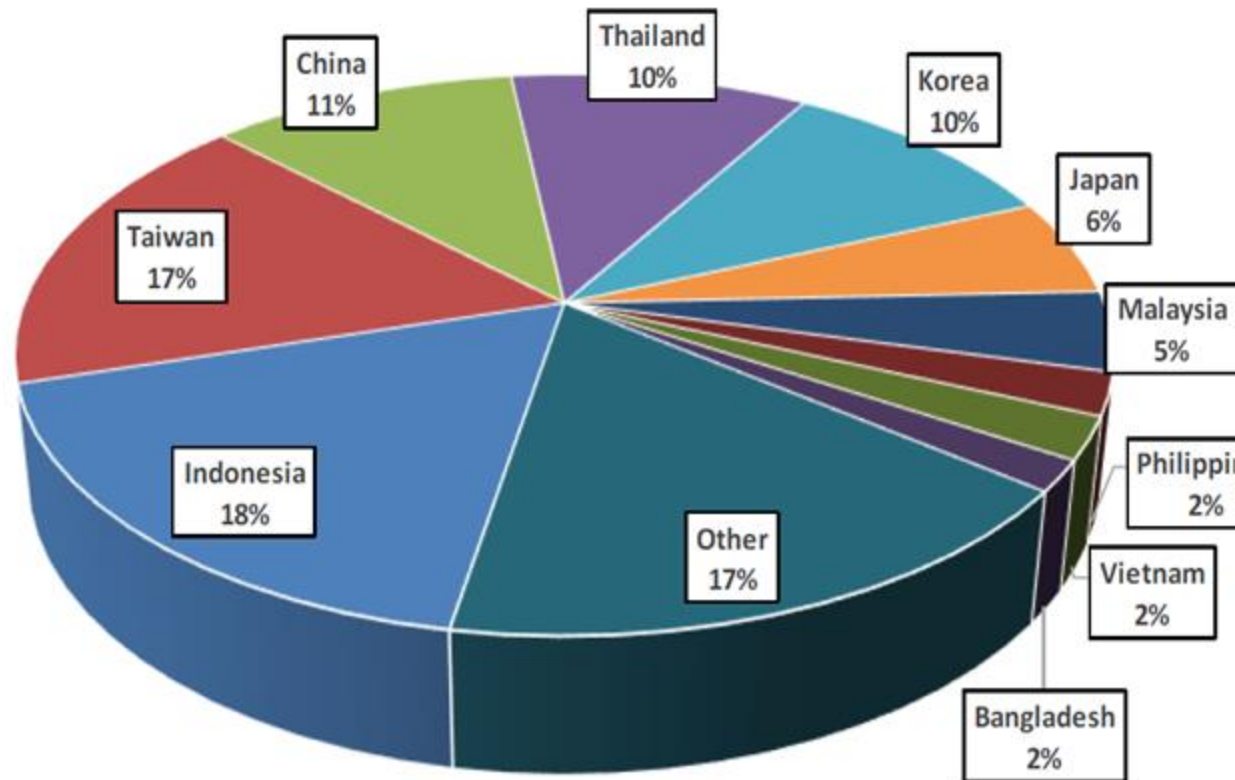
Shanghai Containerized Freight Index



Container shipping spot freight rate index (2014 to 2017)



Top 10 Destination Markets for U.S. Containerized Grain Exports, January-September 2011



Source: USDA/Agricultural Marketing Service/Transportation Services Division analysis of Port Import Export Reporting Service data

Note: The following Harmonized Tariff Codes are used to calculate containerized grains movements: 100190, 100200, 100300, 100590, 100700, 110100, 230310, 110220, 110290, 120100, 230210, 230990, 230330, and 120810.

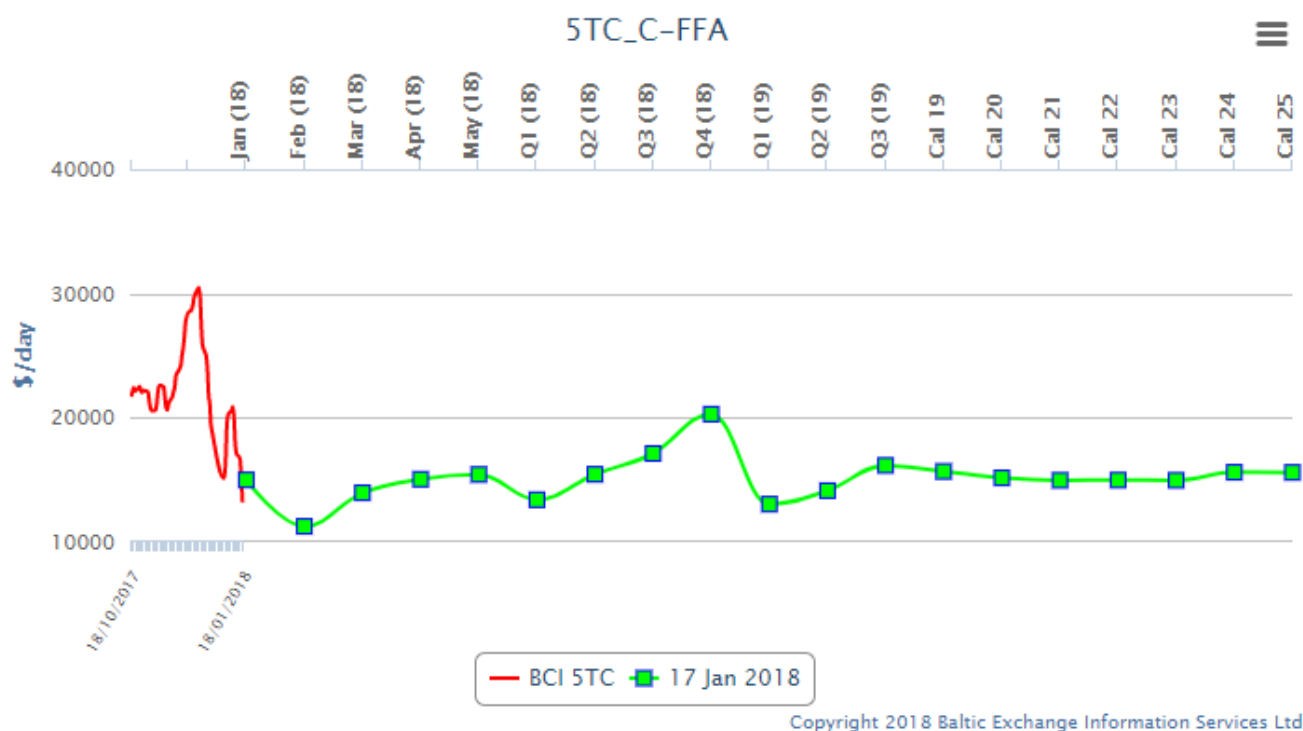


Turkey to construct canal to alleviate traffic in th...

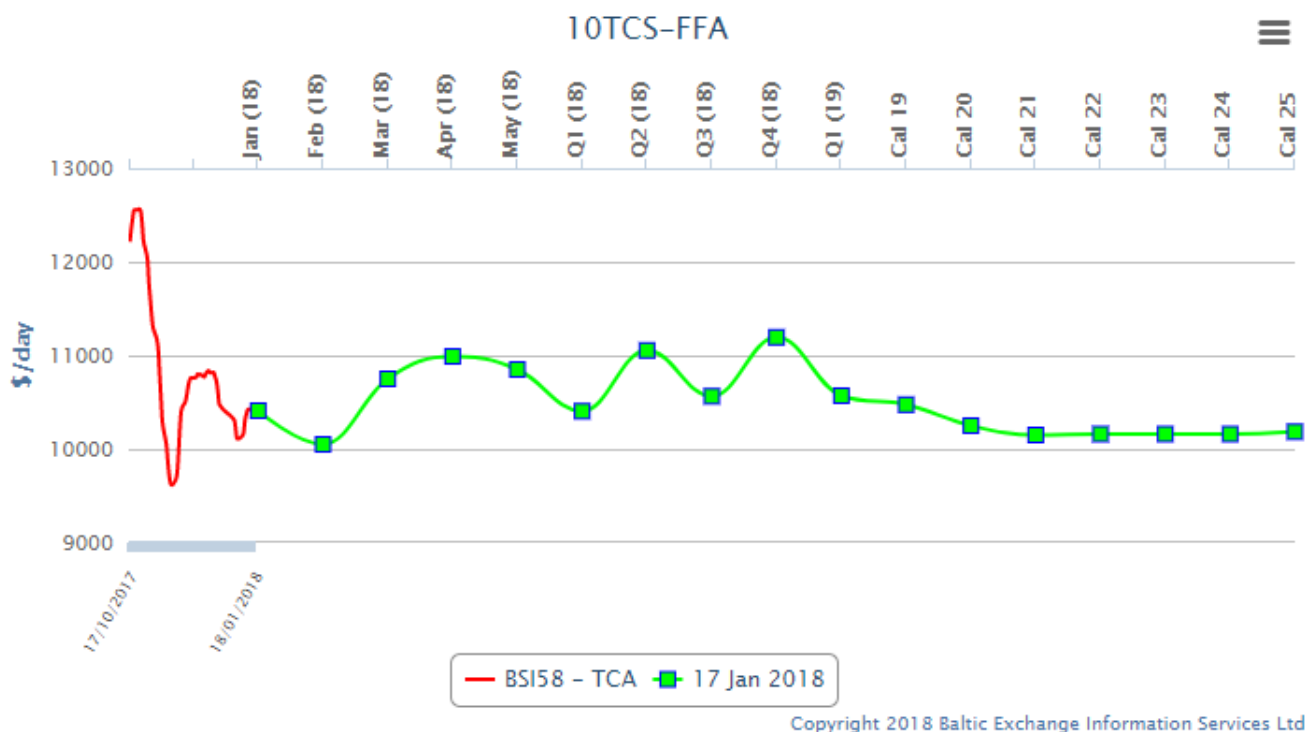
Turkey is to start construction this year of a 45 km canal to ease traffic on the Bosphorus. The Kanal Istanbul will also make the European half of Istanbul into an island....

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FFA Capesize for the 4 time charter routes



FFA SUPRAMAX 58 for the 5 time charter routes



U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement Last Half February 2018

Placement LH February 2018	% of Tariff	MT	Corn BU	Soybeans-Wheat BU
Upper Mississippi	Closed		0.00	0.00
Illinois River (Pekin and South)	340	\$18.03	0.46	0.49
Mid-Mississippi	Closed		0.00	0.00
Lower Ohio	230	\$11.31	0.29	0.31
St. Louis	240	\$10.56	0.27	0.29

Secondary Rail Car Market for car placement period: Last Half February 2018.

Secondary Rail Car Market Placement LH February 2018	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ 175.00	\$ 300.00	\$ 0.04	\$ 0.08	\$ 1.72	\$ 2.95
UPRR Shuttle Trains	\$ (50.00)	\$ 50.00	\$ (0.01)	\$ 0.01	\$ (0.49)	\$ 0.49

Best Regards,

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