

**Transportation and Export Report for 25 January 2018****Ocean Freight Insights and Comments:**

If you are following this report closely and or watching any of the Dry-Bulk freight charts, you will notice that Bulk freight has been volatile over the past few months. The market is moving up and down like the tide. But the overall long term direction has been to the up side. So the message here is to pick your moment to buy and not be too greedy. This week had buying support from those covering needs prior to the Lunar (Chinese) New Year. This is common during this period each year. The next issue for the freight markets is, what kind of cargo interest develops after the Lunar New Year Holiday? I would expect to see another short period of soft demand before we trend back up in Q2-Q3 of 2018. So; be careful in picking your entry point.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
25-Jan-18	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	19105	17880	1,225	6.9%
P3A - PNW/Pacific - Japan	10671	9338	1,333	14.3%
S1C -USGULF-China-So.Japan	23933	25269	-1,336	-5.3%

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

Four weeks ago:	\$ 8.75-\$10.00
Three weeks ago:	\$ 5.40-\$7.00
Two weeks ago:	\$ 6.20-\$6.75
One week ago:	\$ 5.80-\$6.90
This week	\$ 4.90-\$6.85

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)	0-1 days
Texas Gulf	(6 elevators)	0-7 days (only 1 facility over 3 days wait)
Pacific Northwest:	(9 elevators)	2-7 days

Panamax Market Spreads to Asia -China					
25-Jan-18	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.93	0.59	0.34	\$13.39	PNW
SOYBEANS	0.91	0.46	0.45	\$17.72	PNW
OCEAN FREIGHT	\$24.00	\$43.75	.50-.54	\$19.75	FEB.

Recent Reported Vessel Fixtures:

65,000 mt hss Barcarena, North Brazil to China Feb.1-10 at \$38.00/mt fio 8,000 sshex-bends Chinese

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$44.75	Up \$0.25	Handymax \$45.00/mt
55,000 U.S. PNW- Japan	\$25.00	Up \$0.50	Handymax at \$25.50/mt
65,000 U.S. Gulf – China	\$43.75	Up \$0.25	North or South China
PNW to China	\$24.00	Up \$0.75	
25,000 U.S. Gulf- Veracruz, México	\$16.00	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- <u>East Coast Colombia</u> From Argentina	\$20.25 \$34.00	Up \$0.25	<u>West Coast Colombia at \$28.50</u>
40-45,000 U.S. Gulf - Guatemala	\$28.50	Up \$0.25	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$31.50 \$33.50	Up \$0.25	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$30.75	Up \$0.25	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$28.75	Up \$0.50	55,000 -60,000 mt
PNW to Egypt	\$27.50		Russia Black Sea to Egypt \$14.50
60-70,000 U.S. Gulf – Europe – Rotterdam	\$16.25	Down \$0.25	Handymax at +\$2.00 more
Brazil, Santos – China	\$34.75	Up \$1.25	54-59,000 Supramax-Panamax
Brazil, Santos – China	\$33.50		60-66,000 Post Panamax
Itacoatiara-Port Up River North Brazil	\$38.00		60-66,000 mt
56-60,000 Argentina-China Deep draft	\$40.00	Up \$1.00	Up River with Top Off \$42.00

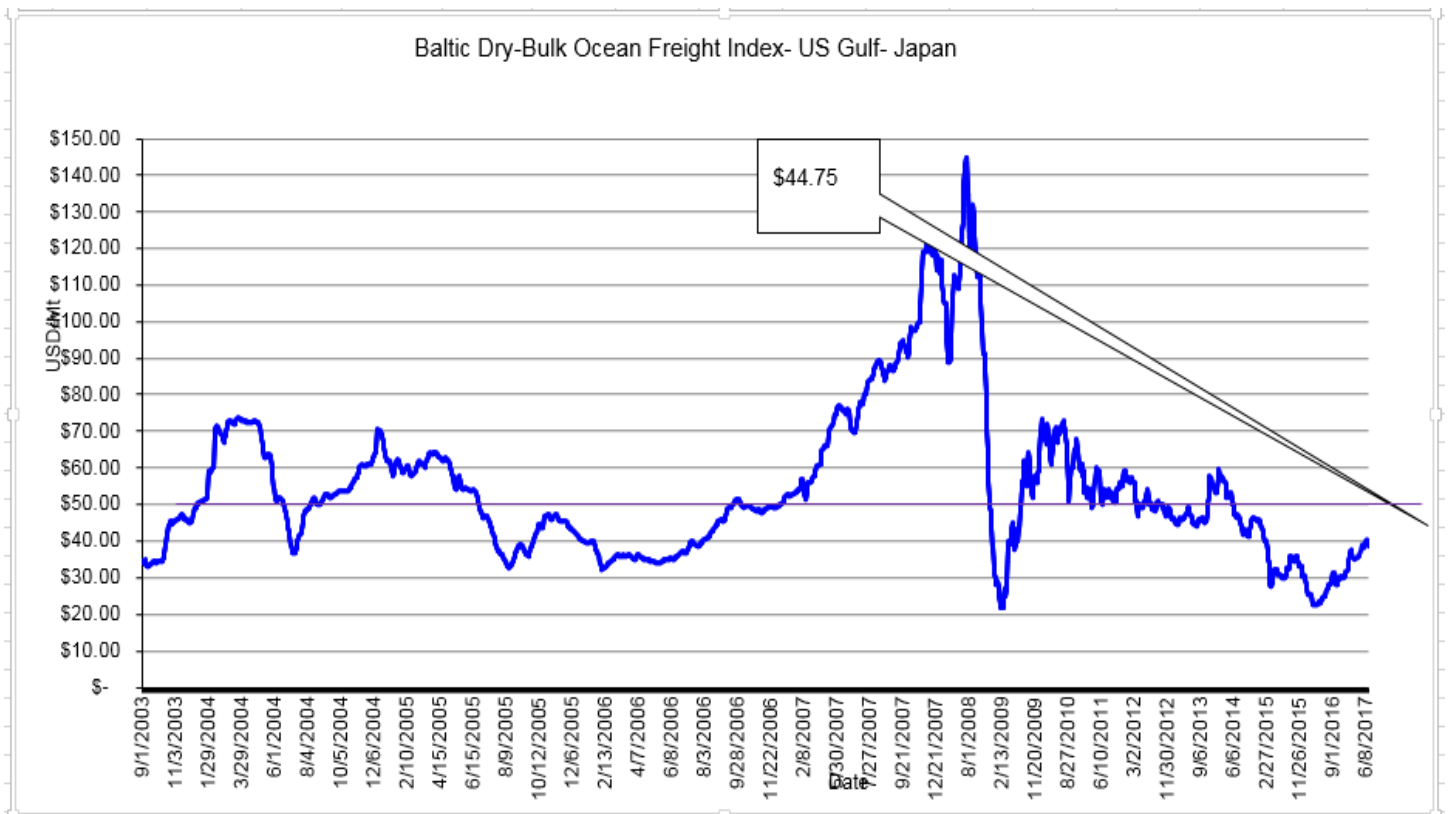
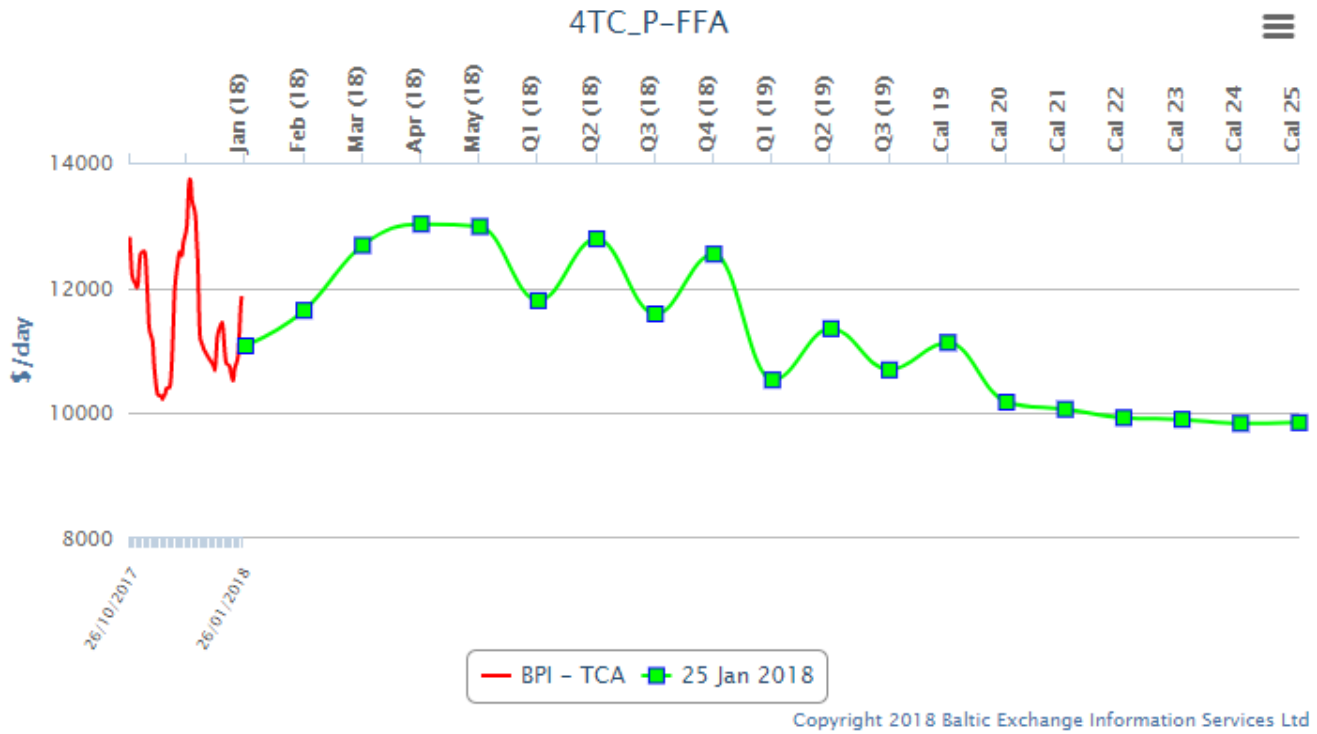
Nautical Miles: To Xiamen China (South China)

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)

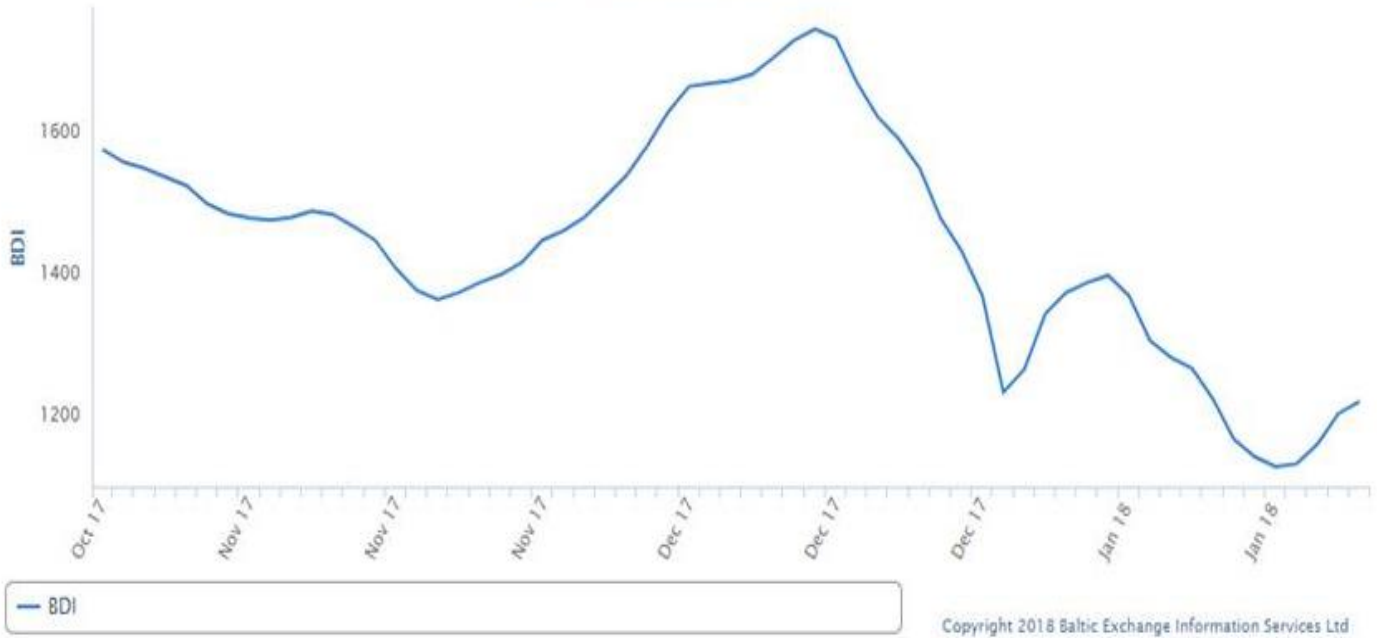
Rasario Argentina (via Cape Horn) - 10,751 nautical miles (34 days)

Forward Curve for Baltic BPI Panamax Vessel Freight

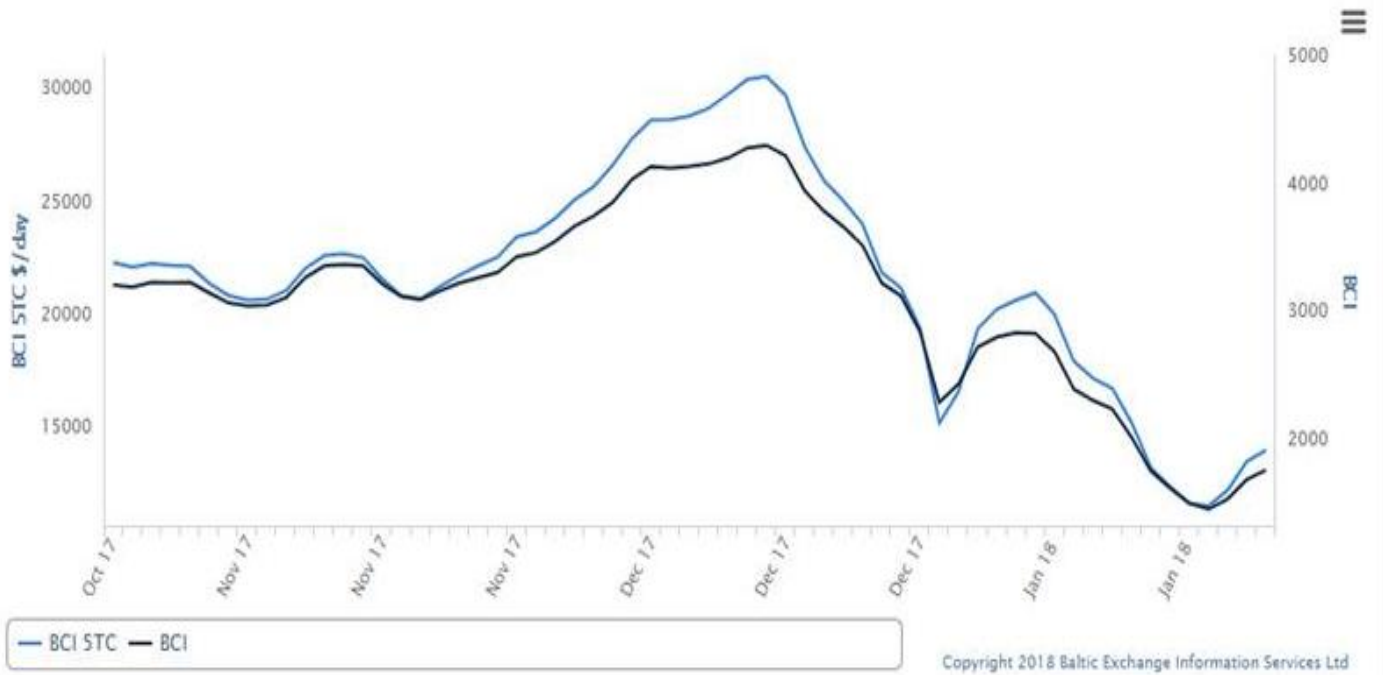


Baltic Exchange Dry Bulk Index

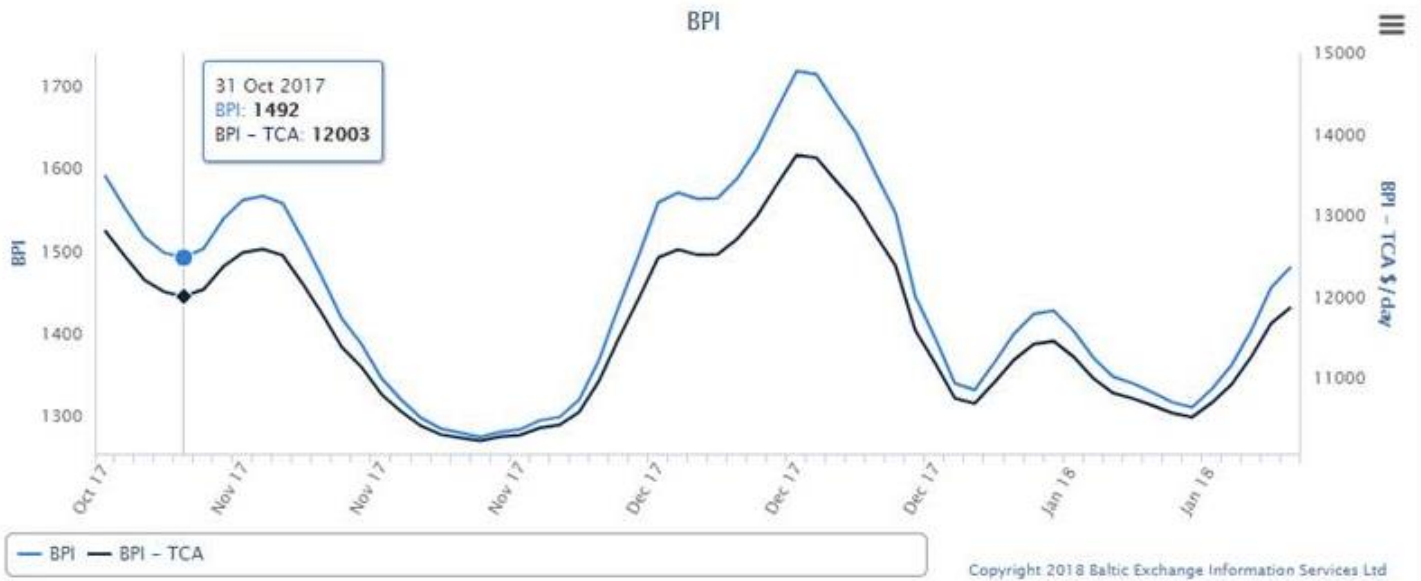
BALTIC EXCHANGE DRY INDEX



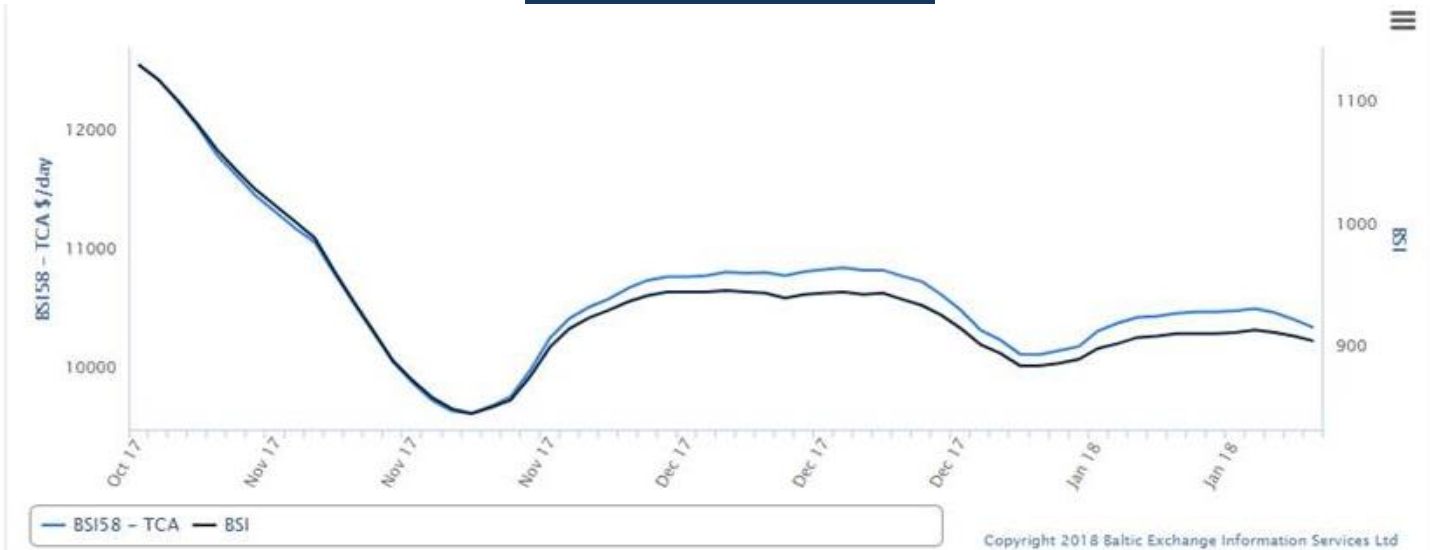
Baltic Capesize Index



Baltic Panamax Index



Baltic Supramax Vessel Index



Baltic Handy Size



Yamamizu Shipping

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[Service](#)
[Access Map](#)
[Yamamizu Index](#)

USG/Japan Index Result

Date From: 2016-11-01

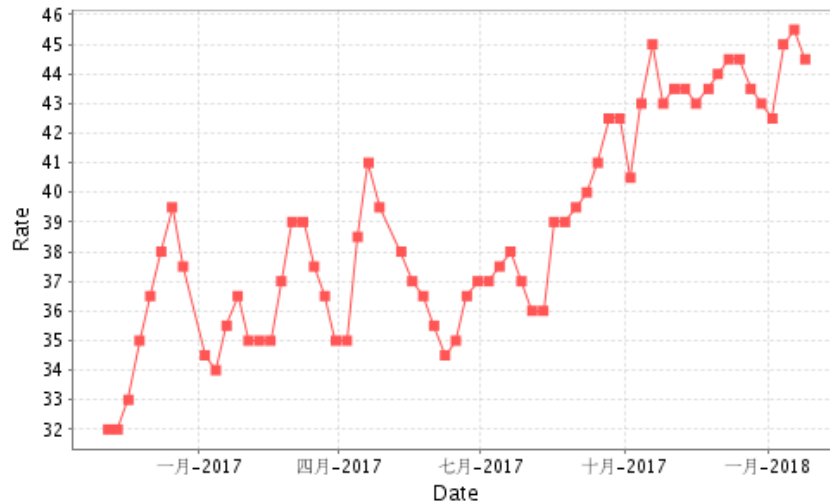
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Date To: 2018-01-26

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Query

Reset



China Import Dry Bulk Freight Index(CDFI)

2018-01-25

Route	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	813.97	13.52
Soybean Freight Index			Point	978.40	5.10
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	33.500	0.237
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	23.545	0.124
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	43.350	0.136
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	45.022	0.083

25 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.	0.59	\$163.08	0.92	\$176.07
Mar.	0.55	\$161.51	0.90	\$175.29
Apr.	0.46	\$161.31	0.79	\$174.30
May	0.46	\$161.31	0.80	\$174.69
June	0.39	\$161.70	0.75	\$175.88
July	0.40	\$162.10	0.77	\$176.66

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.	1.75	\$208.75	1.65	\$204.81
Mar.	1.75	\$208.75	1.65	\$204.81
Apr.	1.70	\$210.13	1.60	\$206.23
May	1.70	\$210.13	1.60	\$206.19
June	1.60	\$209.34	1.55	\$207.37

Fob vessel Texas Gulf #2 Sorghum is about 126 % 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

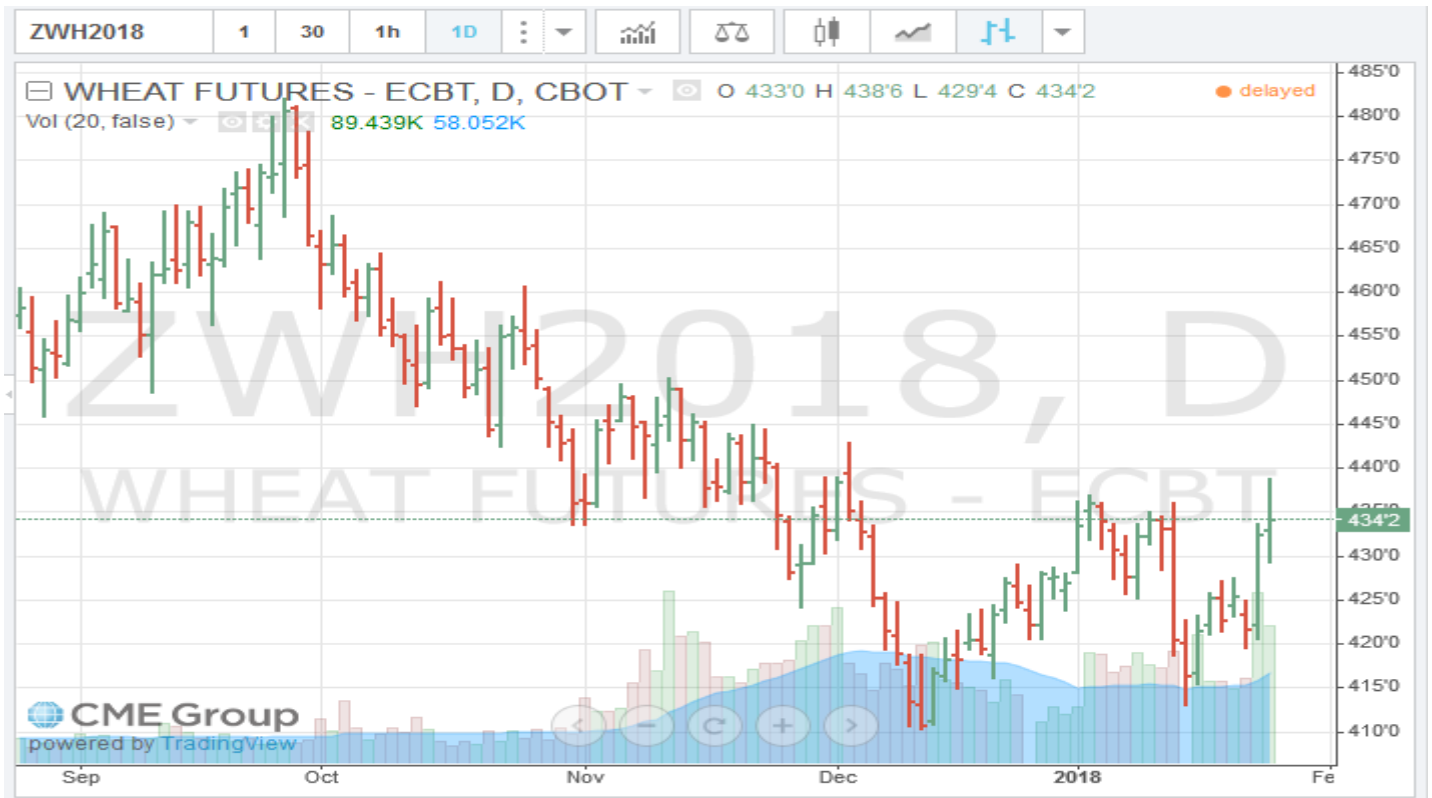
SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	Feb.	Mar.	Apr.	May
FOB U.S. GULF	\$189.04	\$189.04	\$190.05	\$191.16
Basis	0.80	0.80	0.70	0.73
WH	4.3450			
WK	4.4725			
WN	4.5975			

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	\$3.5525	\$139.85	\$ 3.5300	\$138.97	\$0.0225
May	CK	\$3.6375	\$143.20	\$ 3.6100	\$142.12	\$0.0275
July	CN	\$3.7175	\$146.35	\$ 3.6925	\$145.37	\$0.0250
Sept.	CU	\$3.7925	\$149.30	\$ 3.7675	\$148.32	\$0.0250
Dec.	CZ	\$3.8850	\$152.94	\$ 3.8600	\$151.96	\$0.0250

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



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

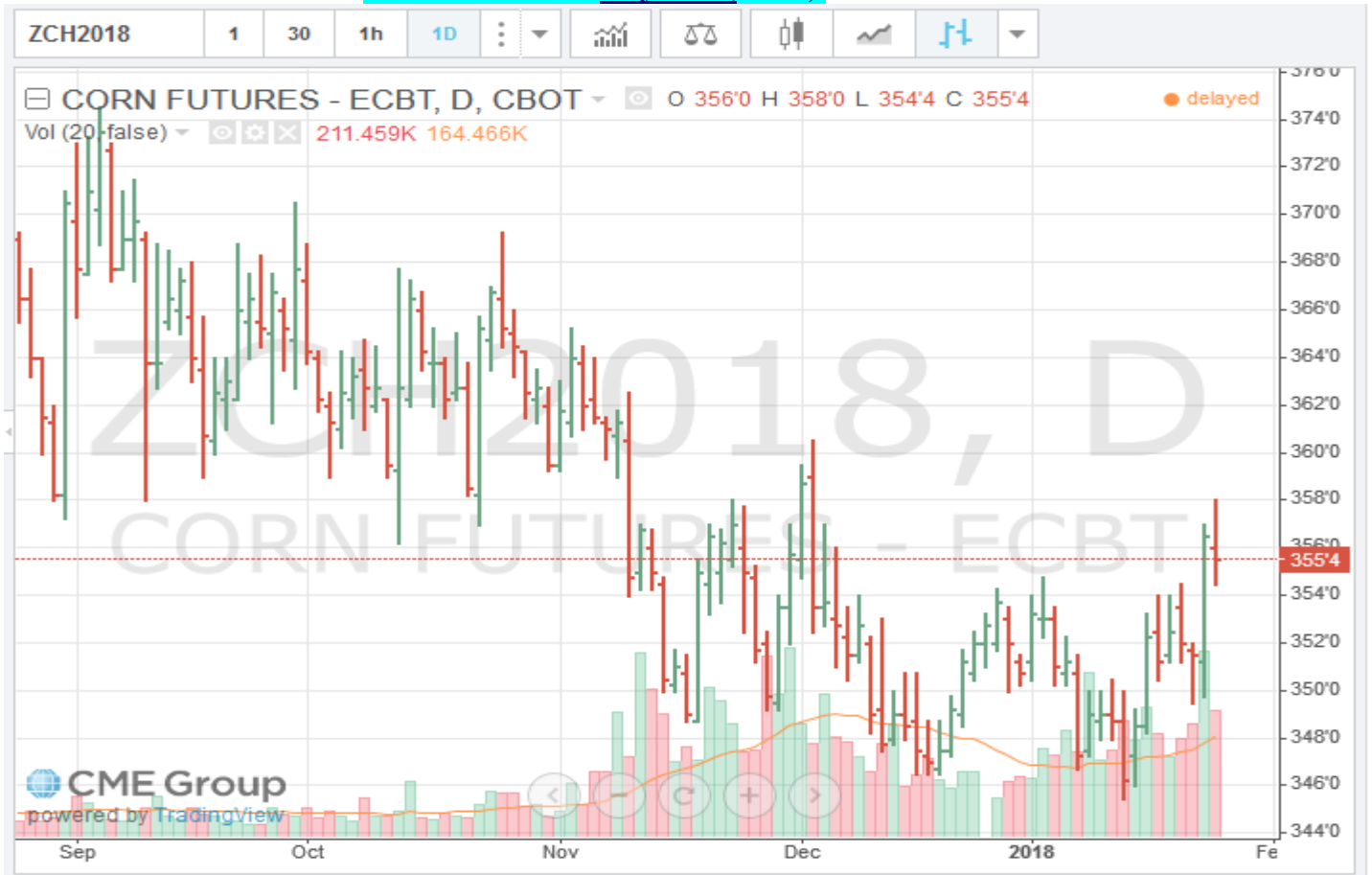


U.S. Soybean and SBM Markets Fob Vessel:

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.	0.46	\$385.71	0.91	\$402.25
Mar.	0.45	\$385.35	0.91	\$402.25
Apr.	0.38	\$386.26	0.81	\$402.06
May.	0.39	\$386.63	0.82	\$402.43
June	0.38	\$387.00	0.79	\$402.06
Soybean Futures				
Mar..	\$ 9.9225			
May.	\$ 10.0375			
July	\$ 10.1325			
Aug.	\$ 10.1525			
Sept.	\$ 10.1000			
Nov.	\$ 10.0700			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Feb.	3.00	\$ 382.02
Mar.	3.00	\$ 382.02
Apr.	2.00	\$ 383.12
May	2.00	\$ 382.24
June	3.00	\$ 383.34
SBM Futures		
SMH	340.40	
SMK	343.50	
SMN	345.50	
SMQ	344.70	
SMU	343.90	
SMV	341.40	

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 11 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	1901.9	28,996.6	48,900	59%	1,137.1
Sorghum	188.9	4,770.2	6,600	72%	0.0
Soybeans	1451.9	42,694.2	58,790	73%	832.5
Wheat	264.8	19,694.3	26,540	74%	241.3
Barley	1.4	37.8	110	34%	7.1

U.S. EXPORT INSPECTIONS:

Monday's report 22 January 2018 for the Export week ending 18 January 2018

	Export Inspections		Current Market Year YTD	Previous Year to Date	2017 YTD as Percent of 2016 YTD
	This Week	Previous Week			
Corn	668,946	588,781	12,687,717	19,826,337	64%
Sorghum	220	120,149	1,764,742	2,300,140	77%
Soybeans	1,419,430	1,244,294	32,271,766	37,190,456	87%
Wheat	337,980	369,749	15,474,715	16,475,616	94%
Barley	0	245	18,427	29,920	62%

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

U.S. EXPORT INSPECTIONS:

Monday's report 22 January 2018 for the Export week ending 18 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%	39,650	3%
Gulf	320,638	49%	0	0%	0	0%	739,314	52%
PNW	216,341	33%	171	2%	0	0%	531,751	37%
Interior Export Rail	124,012	19%	7,784	98%	220	100%	108,715	8%
Metric Tons	660,991		7,955		220		1,419,430	

Sorghum

Shipments:

metric tons

122 China Main

98 China T

220 Total

White Corn

Shipments:

metric tons

171

7,784

7,955

Korea Rep.

Mexico

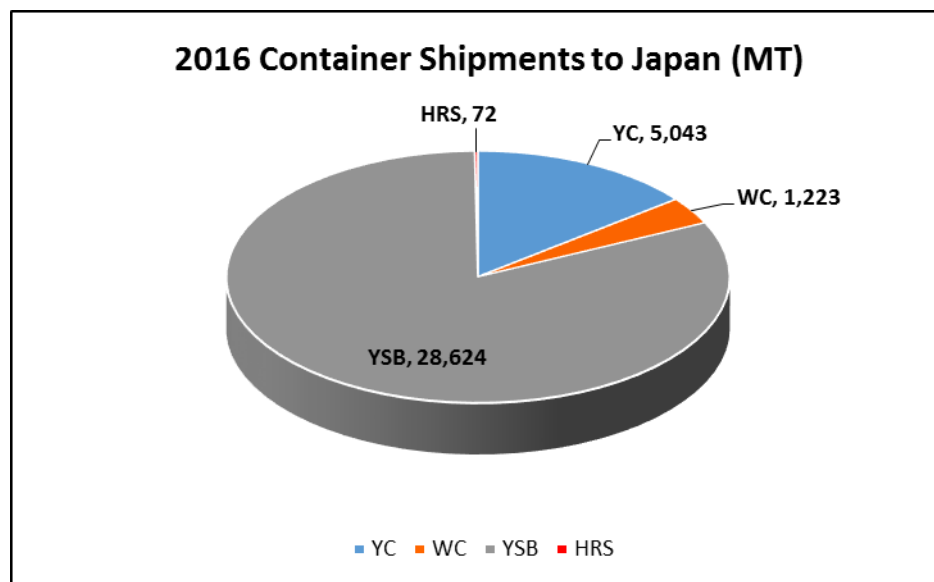
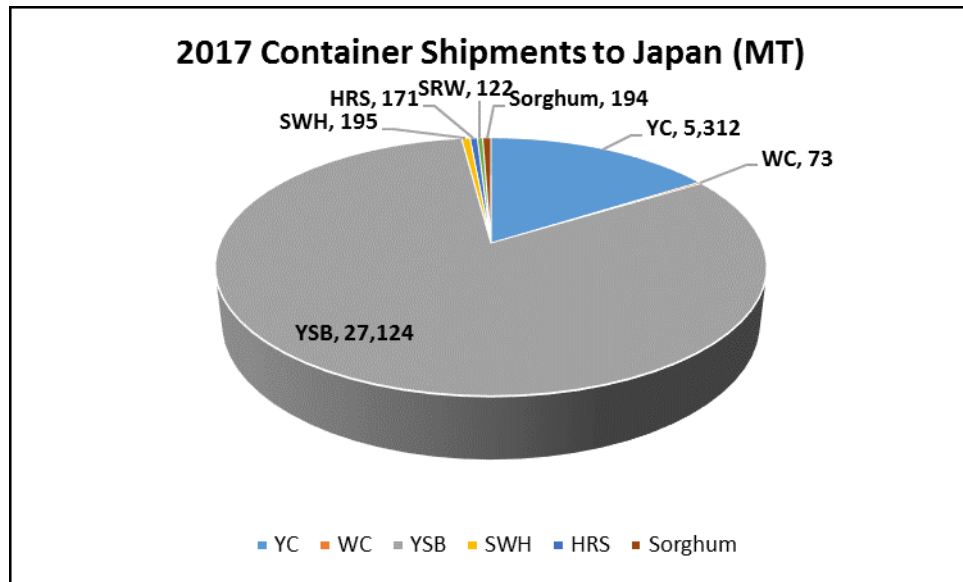
Total

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:		18-Jan-2018							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main	686		6,099					122	6,907
China T	7,921		20,547					98	28,566
Hong Kong	24								24
Costa Rica									0
Indonesia			23,710						23,710
French Polynesia									0
Japan			536						536
Korea Republic	857		1,984						2,841
Panama									0
Malaysia	367		2,864						3,231
Ireland									0
Philippines			954						954
Thailand			3,844						3,844
Bangladesh			930						930
Burma				147					147
Vietnam			6,783						6,783
Sub total	9,855	0	68,251	147	0	0	0	220	70,613
USDA Corrections/Additions to previous reports:									
China T	490		3,917						4,407
China Main								1,053	1,053
Hong Kong									0
Korea Rep.									0
Costa Rica									0
Japan									0
Philippines									0
Indonesia			2,817						2,817
Malaysia			122						122
Thailand									0
Vietnam									0
Mexico									0
Panama									0
Sub total	490	0	6,856	0	0	0	0	1,053	8,399
Mt. Grand Total	10,345	0	75,107	147	0	0	0	1,273	79,012
Number of containers	450	0	3,266	6	0	0	0	55	

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

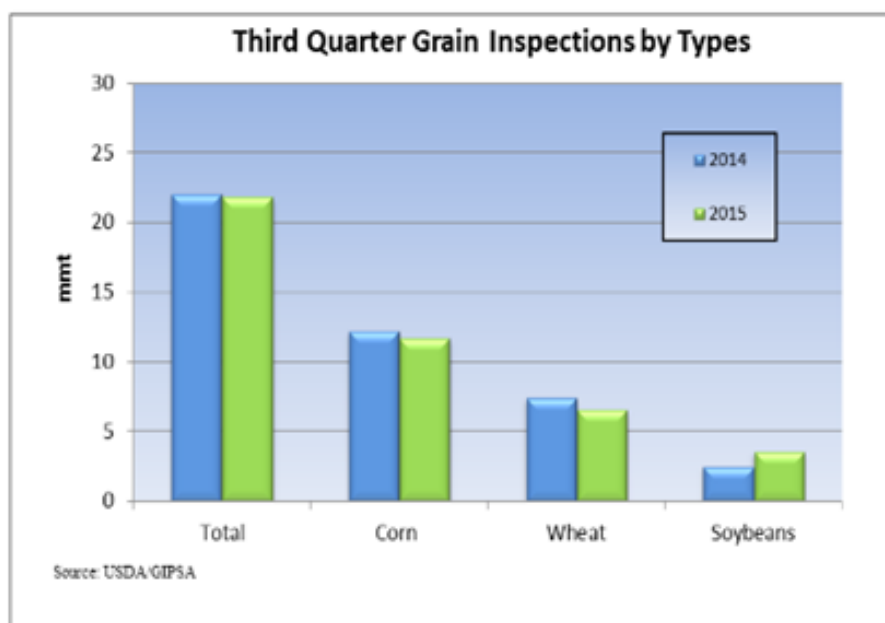


Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD

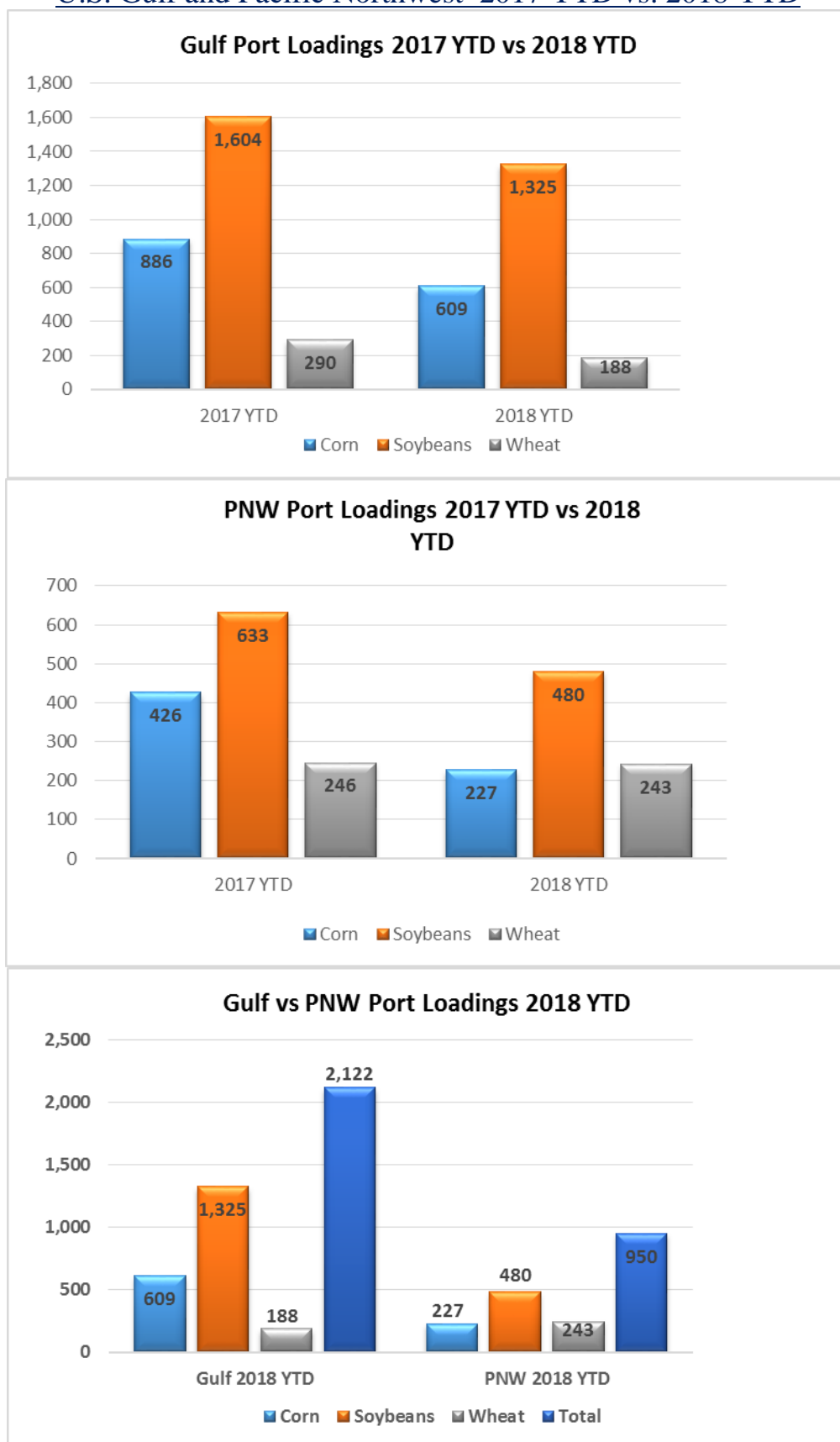
PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2017 YTD	886	1,604	290	2,780
2018 YTD	609	1,325	188	2,122
2018 as % of 2017	69%	83%	65%	76%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2017 YTD	426	633	246	1,305
2018 YTD	227	480	243	950
2018 as % of 2017	53%	76%	99%	73%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2018 Gulf YTD	609	1,325	188	2,122
2018 PNW YTD	227	480	243	950
TOTAL	836	1,805	431	3,072
Gulf Percentage	73%	73%	44%	69%
PNW Percentage	27%	27%	56%	31%



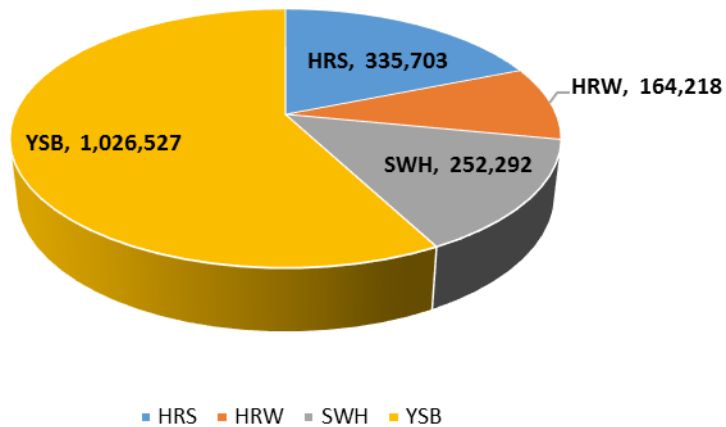
Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD



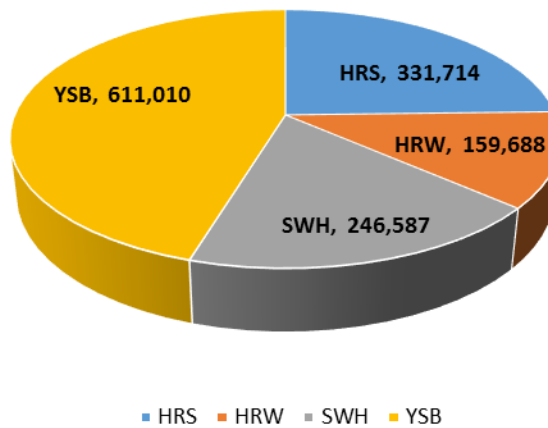
Source: USDA-data

2017 Total Grain Exports reported by USDA (in MT)

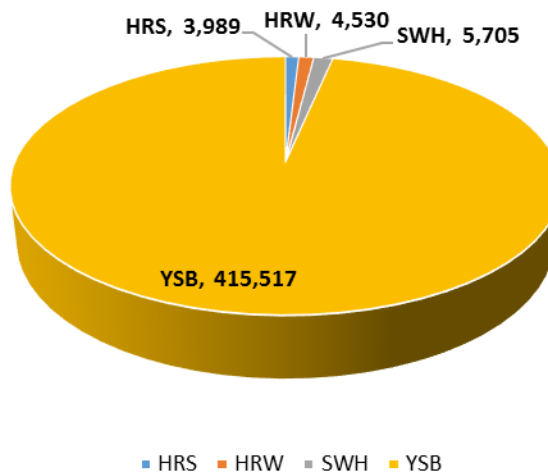
2017 Exports to Thailand



2017 Exports to Thailand by Vessel



2017 Exports to Thailand by Container

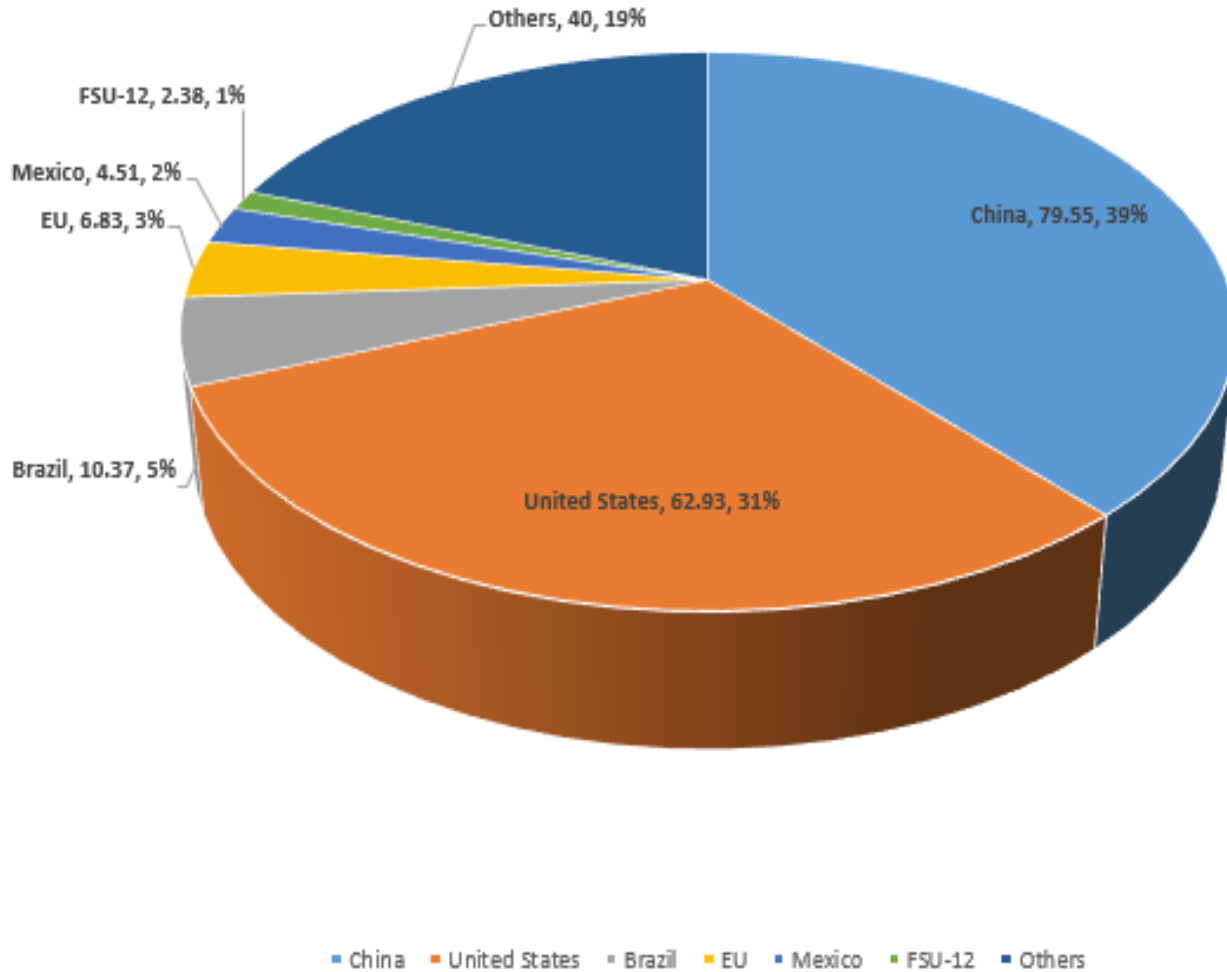


**Please keep in mind that USDA does not report DDGS sales, or they would show as the largest exports by container

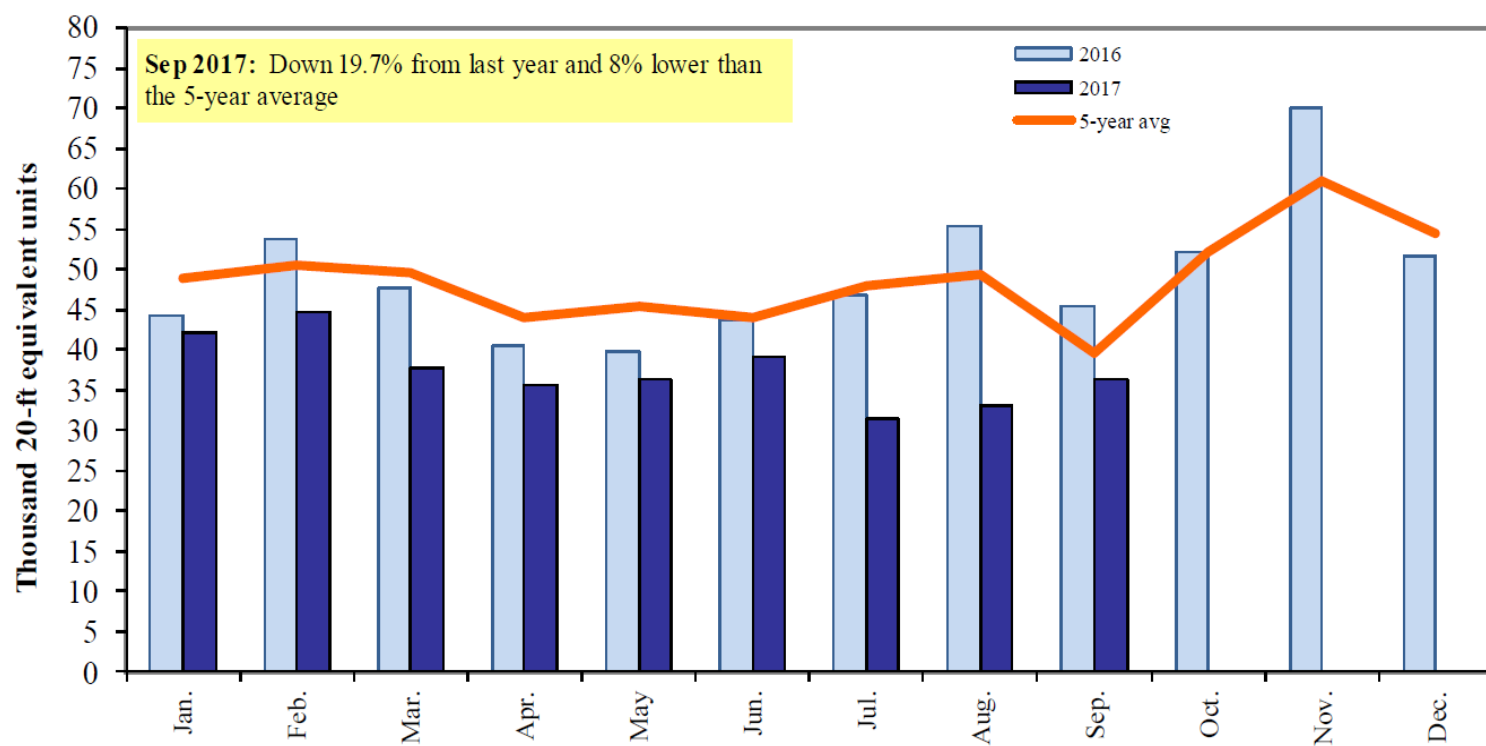
Shipping News:

Who holds the majority of World Corn Carryout? (In MMT)

Corn Carryout as a Country and Percent of the World Carryout 17/18

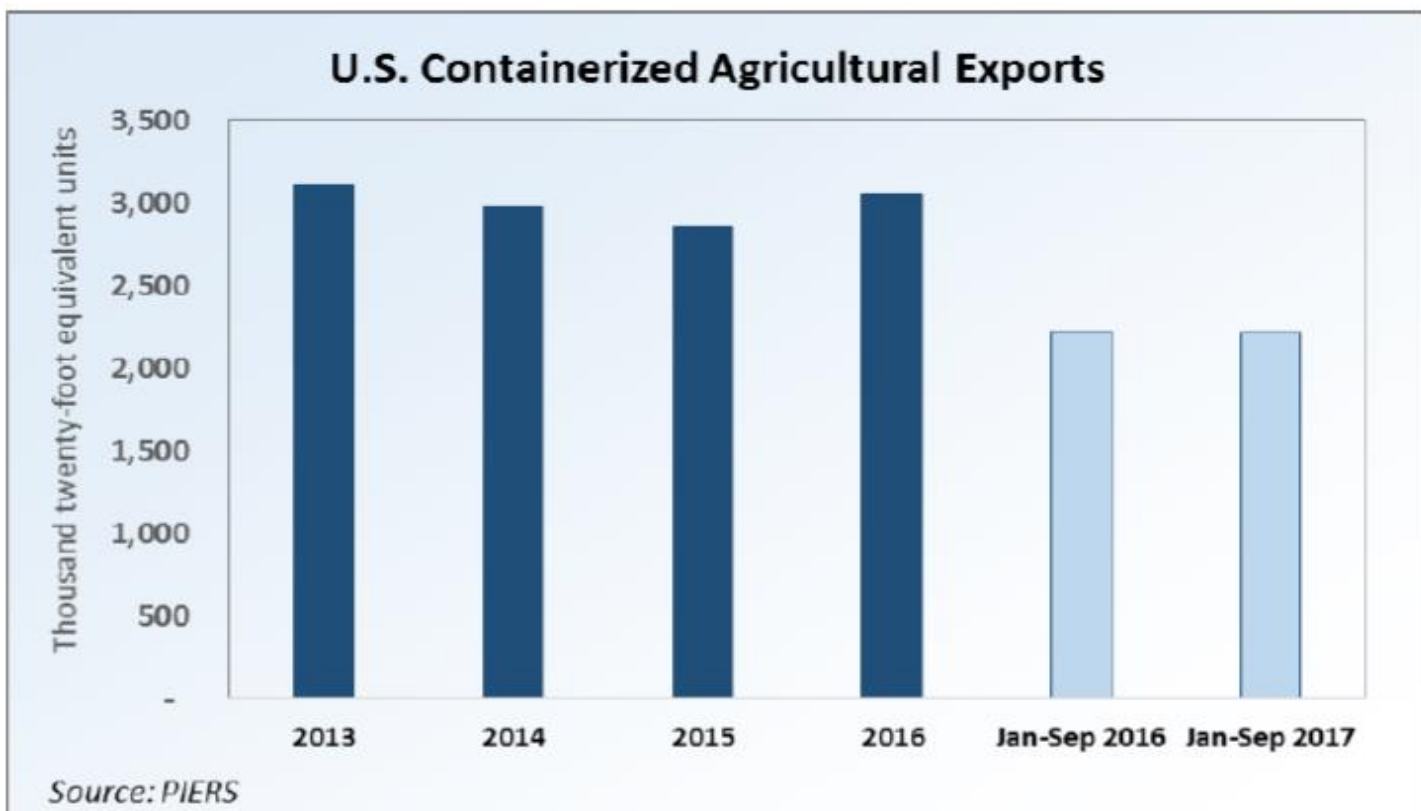


Monthly Shipments of Containerized Grain to Asia

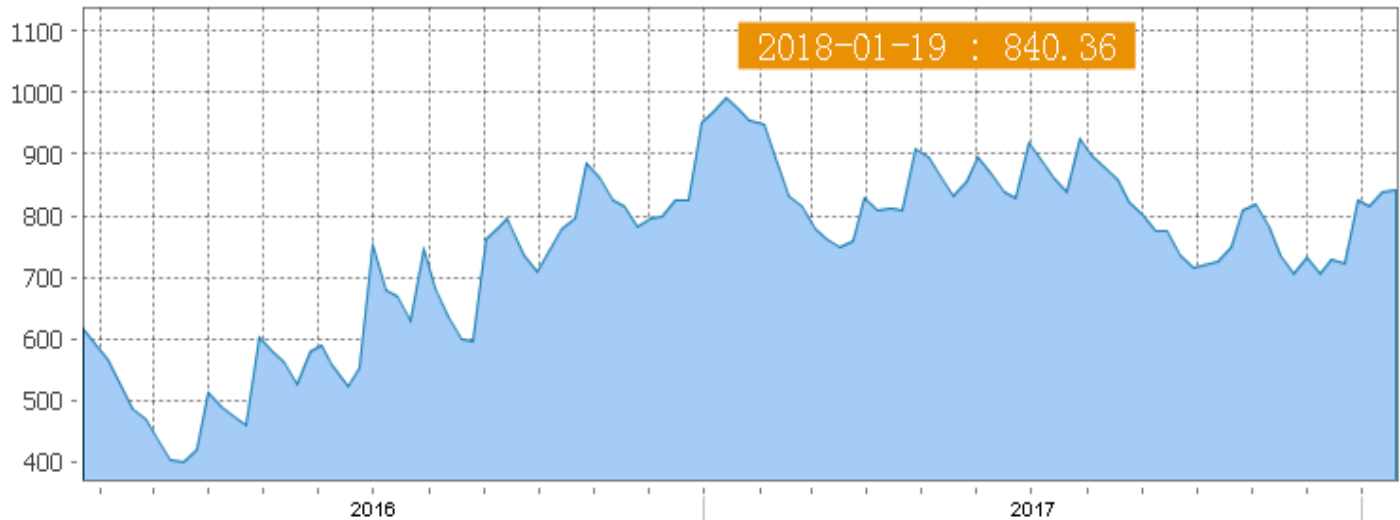


Source: USDA/Agricultural Marketing Service/Transportation Services Division analysis of Port Import Export Reporting Service (PIERS) data.

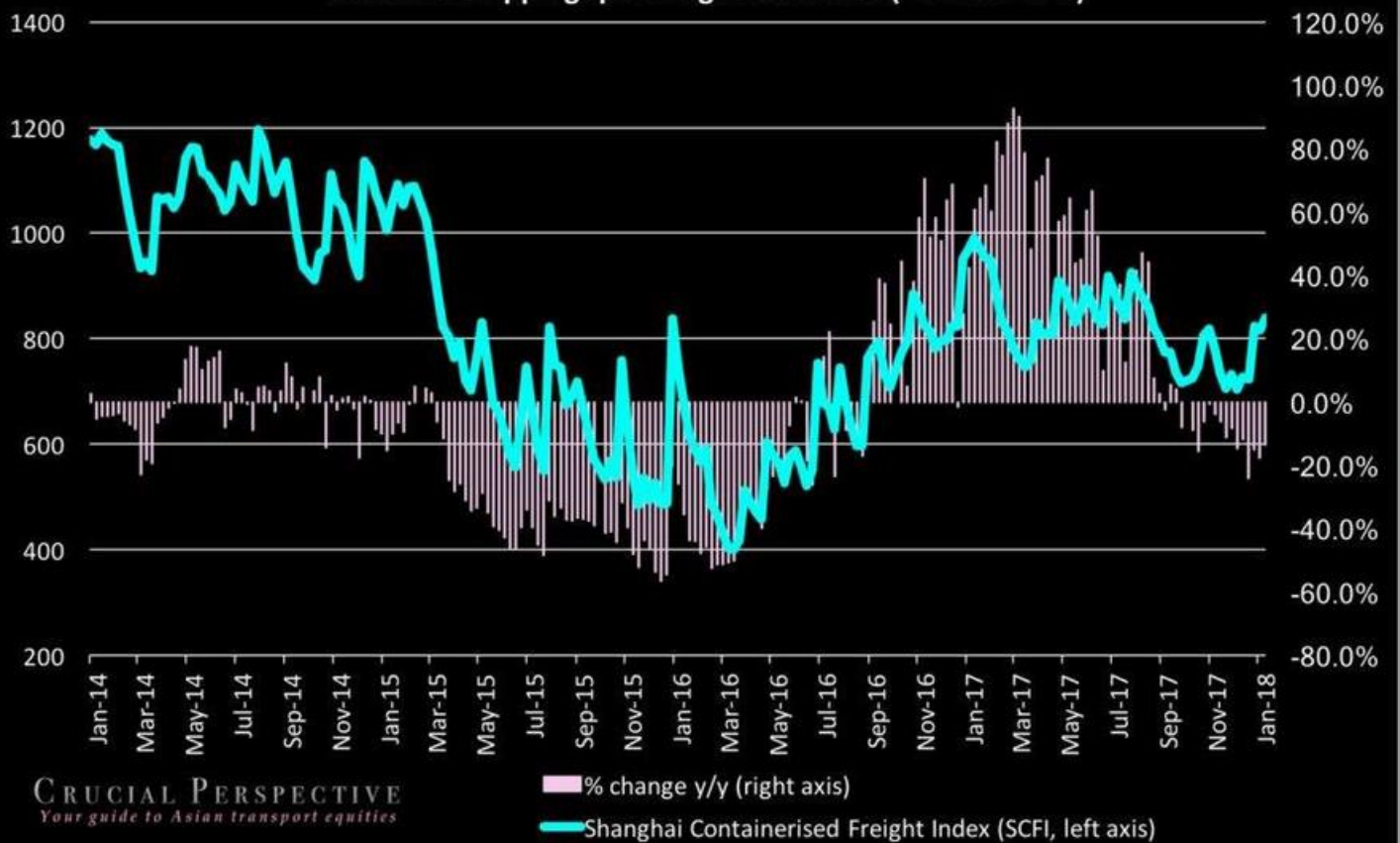
USDA-



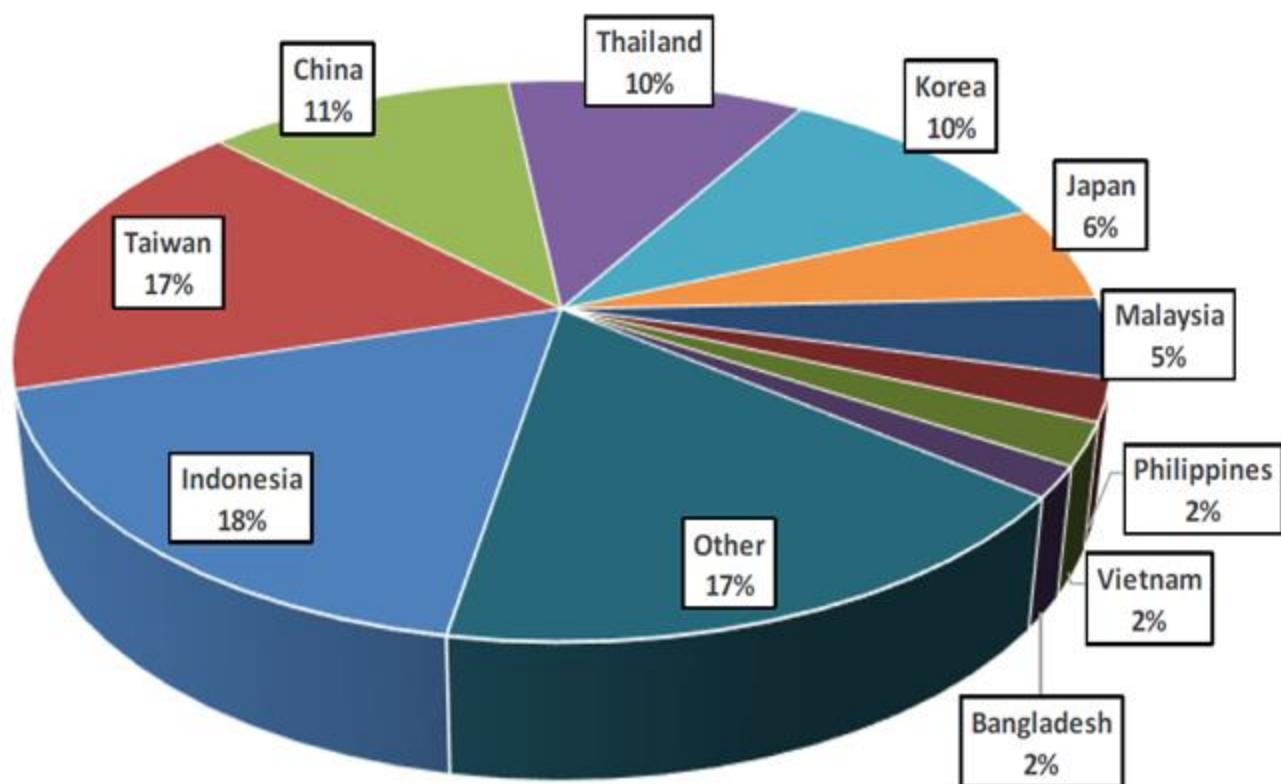
Shanghai Containerized Freight Index



Container shipping spot freight rate index (2014 to 2017)



Top 10 Destination Markets for U.S. Containerized Grain Exports, January-September 2017

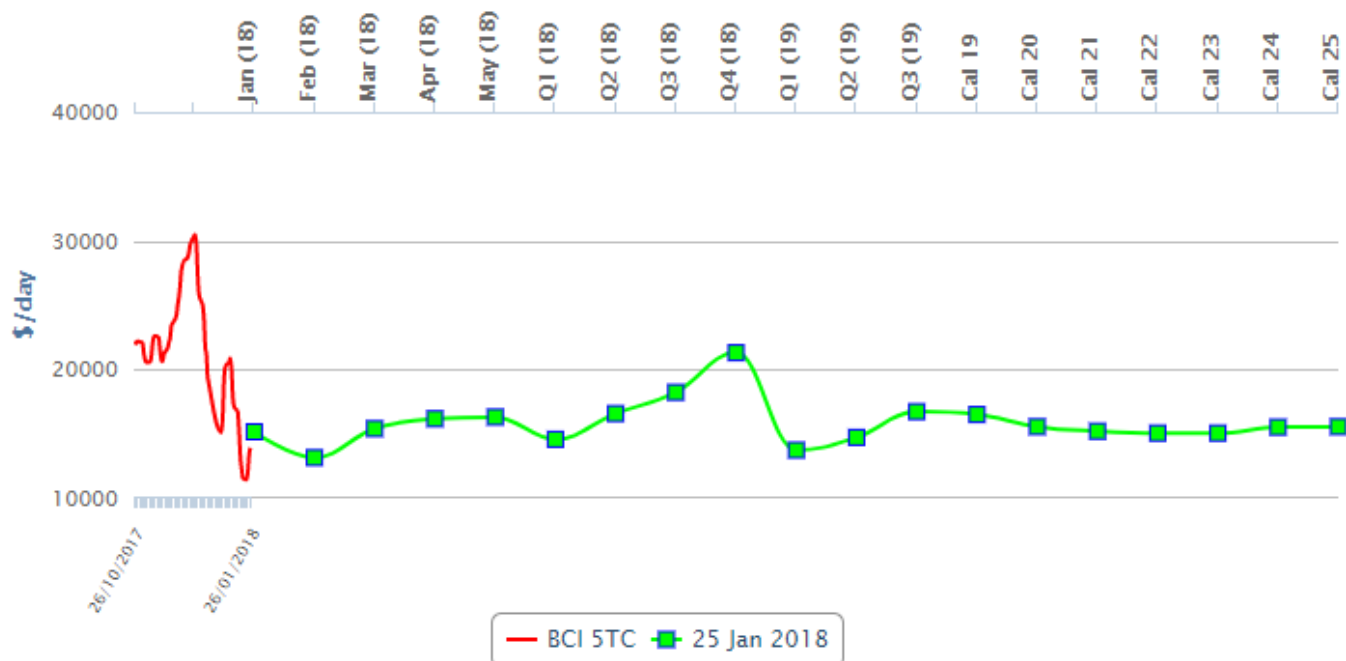


Source: USDA/Agricultural Marketing Service/Transportation Services Division analysis of Port Import Export Reporting Service (PIERS) data

Note: The following Harmonized Tariff Codes are used to calculate containerized grains movements: 100190, 100200, 100300, 100400, 100590, 100700, 110100, 230310, 110220, 110290, 120100, 230210, 230990, 230330, and 120810.

FFA Capesize for the 4 time charter routes

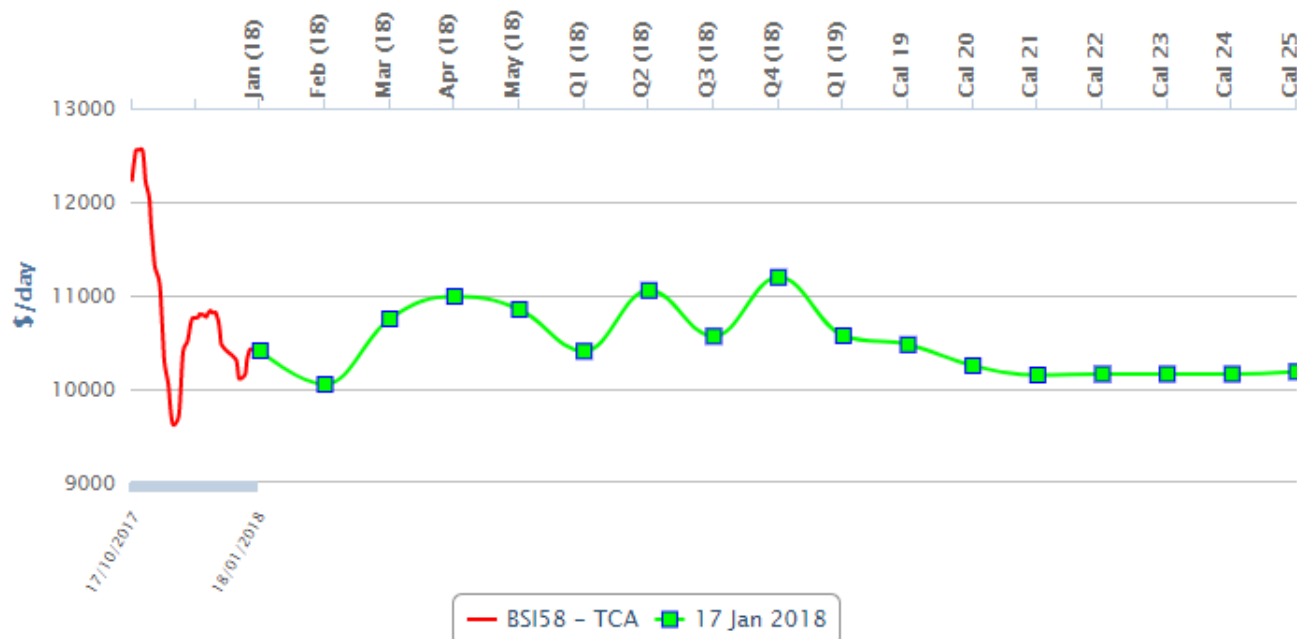
5TC_C-FFA



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FFA SUPRAMAX 58 for the 5 time charter routes

10TCS-FFA



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U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement Last Half February 2018

Placement LH February 2018	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	Closed		0.00	0.00
Illinois River (Pekin and South)	310	\$16.44	0.42	0.45
Mid-Mississippi	Closed		0.00	0.00
Lower Ohio	230	\$11.31	0.29	0.31
St. Louis	230	\$10.12	0.26	0.28

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	\$ 300.00	\$ 450.00	\$ 0.08	\$ 0.11	\$ 2.95	\$ 4.43
UPRR Shuttle Trains	\$ (100.00)	\$ 50.00	\$ (0.03)	\$ 0.01	\$ (0.98)	\$ 0.49

Best Regards,

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