

Transportation and Export Report for 15 October 2020

The Golden Week Holiday in China is over and Dry-Bulk vessel demand did not rebound as expected. Paper traders were active but had to take profits after being unable to move markets upward with the lack of support from physical markets. The Capesize market was the weakest this week and pulled other sectors lower. November Capes now trading at around \$25,000/day with Q1 2021 Panamax daily hire rates dropping to \$9,900/day.

U.S. containerized grain exports hit a yearly high this week at 177,994 tonnes, and 35,792 tonnes of that was soybeans to Mainland China.

Grain company financials are gradually improving. Bunge and ADM stocks have been doing very well and are now at one-year highs. I guess U.S. export Fobbing margins of \$.50-.60/bushel are helping.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices					
15-Oct-2020		This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	per day	21391	22255	-864	-3.9%
P3A - PNW/Pacific -Korea	per day	12068	11991	77	0.6%
S1C -USGULF-China-So.Japan	per day	24953	25181	-228	-0.9%
P7- Trial- Miss. River - Qingdao	per ton	41.071	41.629	-0.6	-1.3%
P8- Trial- Santos - Qingdao	per ton	29.921	30.143	-0.2	-0.7%

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

Four weeks ago:	\$7.10-\$7.45
Three weeks ago:	\$7.95-\$8.65
Two weeks ago:	\$8.25-\$8.90
One week ago:	\$10.45-\$11.00
This week	\$8.00-\$9.20

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

Mississippi River:	(10 elevators)	5-17 days (2 facilities not currently operating)
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-2 days
Texas Gulf	(5 elevators)	0-10 days (2 facilities at zero days wait)
Pacific Northwest:	(9 elevators)	2-13 days

Panamax Market Spreads to Asia -China					
15-Oct-2020	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	1.90	1.43	0.47	\$18.50	Both
SOYBEANS	1.98	1.55	0.43	\$16.93	PNW
OCEAN FREIGHT	\$23.00	\$42.00	.48 -.52	\$19.00	November

Recent Reported Vessel Fixtures:

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

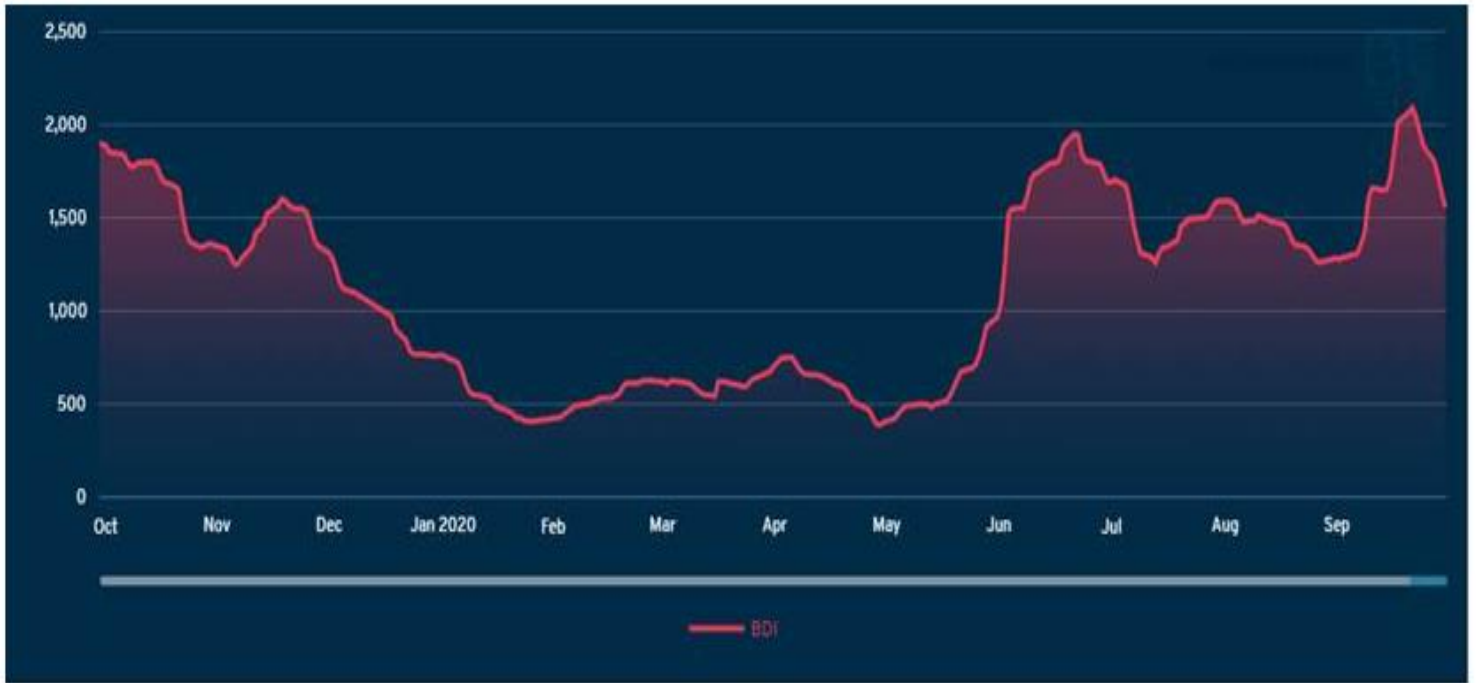
Soybean Panamax USG to Spain is running \$21.00-\$22.00/mt.

Soybean Brazil to Spain about \$24.00-25.00/mt.

30,000 mt Corn Northern Brazil to Vera Cruz, Mexico \$18.50-\$19.50/mt .To U.S. E/C about \$21.25-22.25/mt

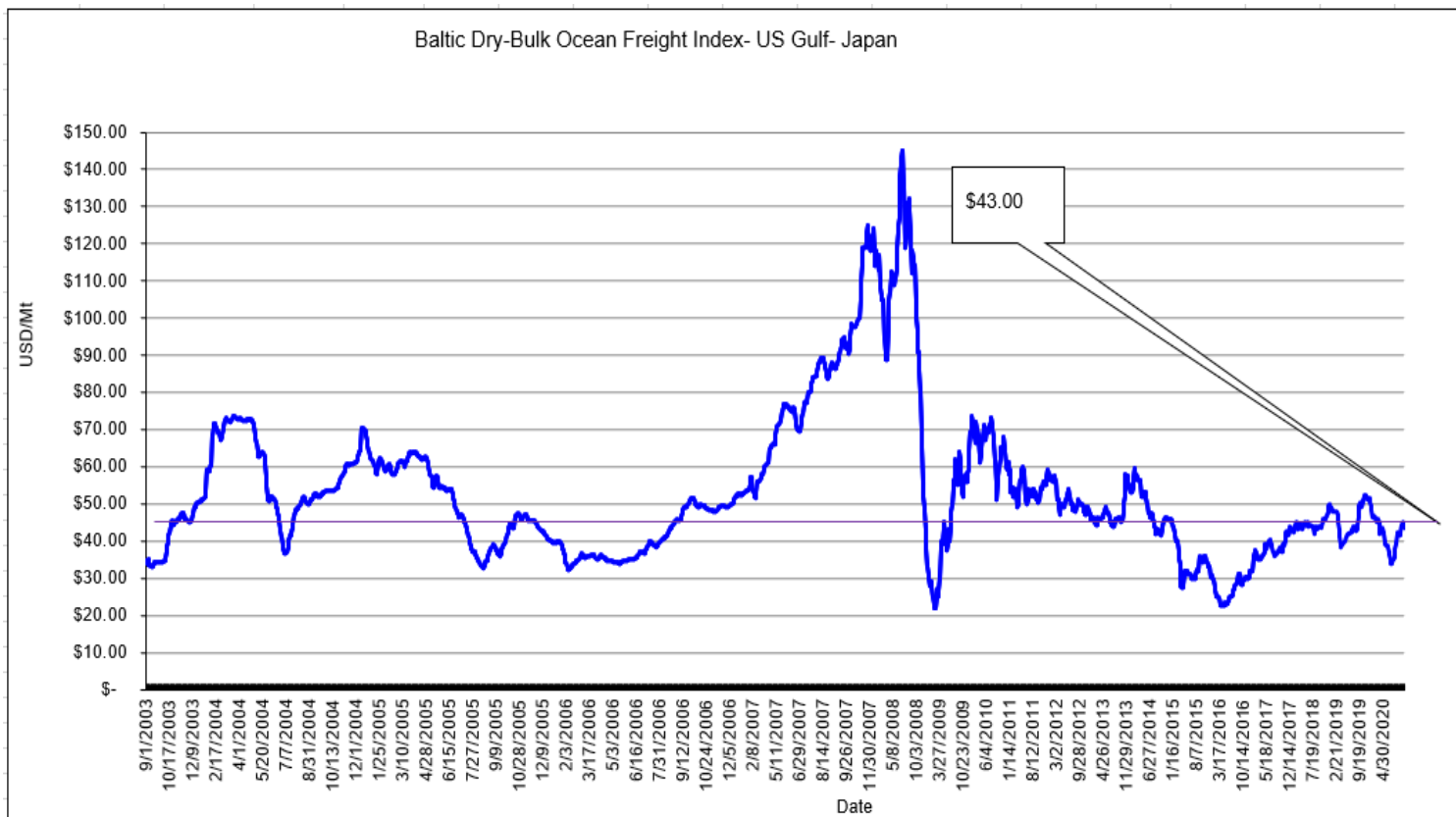
Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$43.00	Down \$0.25	Handymax \$45.00 mt
55,000 U.S. PNW- Japan	\$23.75	Unchanged	Handymax \$24.75 mt
66,000 U.S. Gulf – China	\$42.00	Down \$0.25	North China
PNW to China	\$23.00	Unchanged	
25,000 U.S. Gulf- Veracruz, México	\$17.50	Unchanged	3,000 MT daily discharge rate
30-36,000+ U.S. Gulf- Veracruz, México	\$14.50	Unchanged	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- Colombia	\$20.00	Unchanged	<u>West Coast Colombia at \$31.75</u>
<u>East Coast Colombia</u> From Argentina	<u>\$30.50</u> \$31.50		USG to E/C 50,000 mt at \$16.50
43-45,000 U.S. Gulf - Guatemala	\$29.00	Unchanged	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$38.75 \$40.75	Unchanged	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$40.00	Unchanged	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$28.00	Down \$0.25	60,000 -55,000 mt -Egypt
PNW to Egypt	\$29.00		Romania- Russia- Ukraine \$13.75-\$13.75 -\$14.00 France \$17.50
60-70,000 U.S. Gulf – Europe – Rotterdam	\$20.00	Down \$1.25	Handymax at +\$1.75 more
Brazil, Santos – China	\$31.75	Unchanged	54-59,000 Supramax-Panamax
Brazil, Santos – China	\$30.25		60-66,000 Post Panamax
Northern Coast Brazil	\$34.75		Upriver No. Brazil Plus -55,000 mt Plus \$7.50/mt
56-60,000 Argentina/Rosario- China Deep Draft	\$35.00	Unchanged	Upriver with BB Top Off Plus \$3.75 mt

The Baltic Freight Index

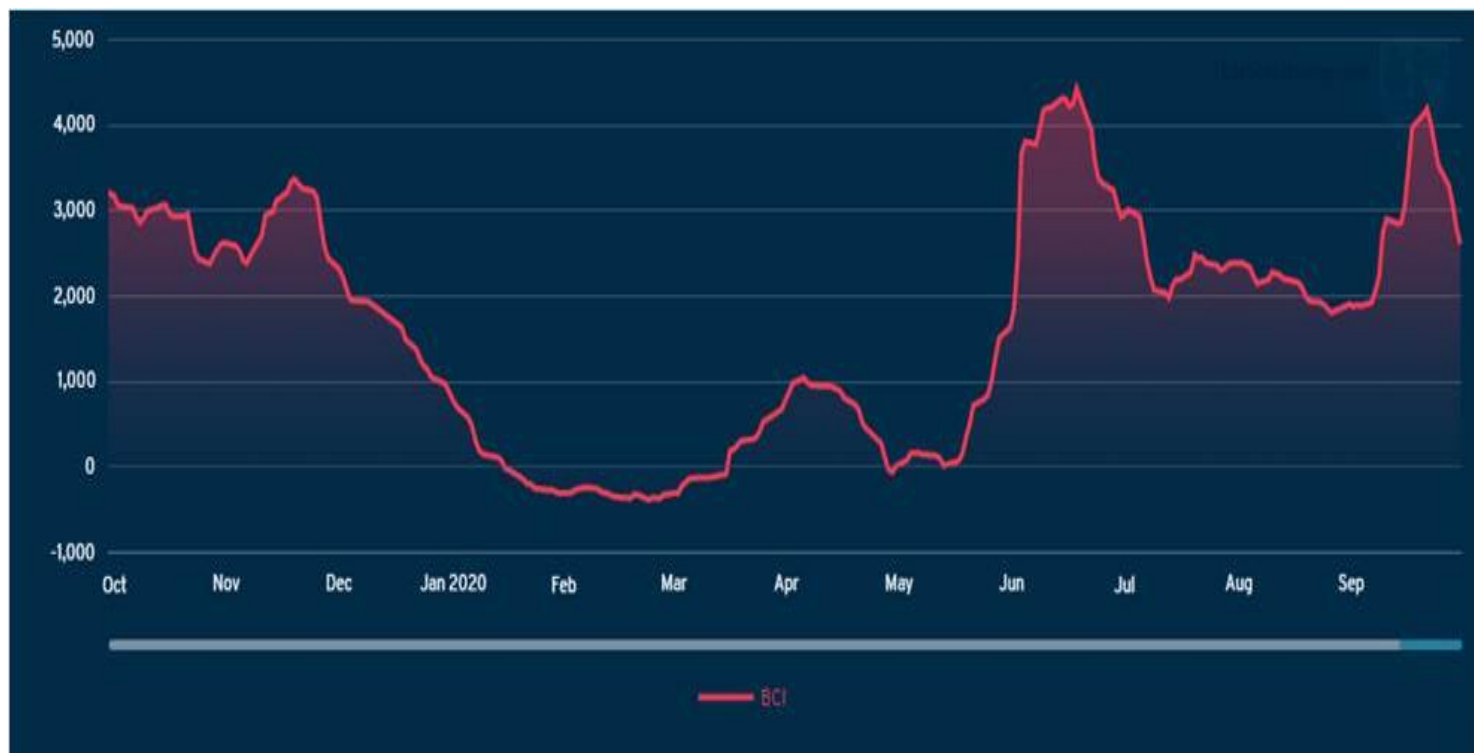


Baltic Panamax Index





Capesize Market Chart (Wild Market)

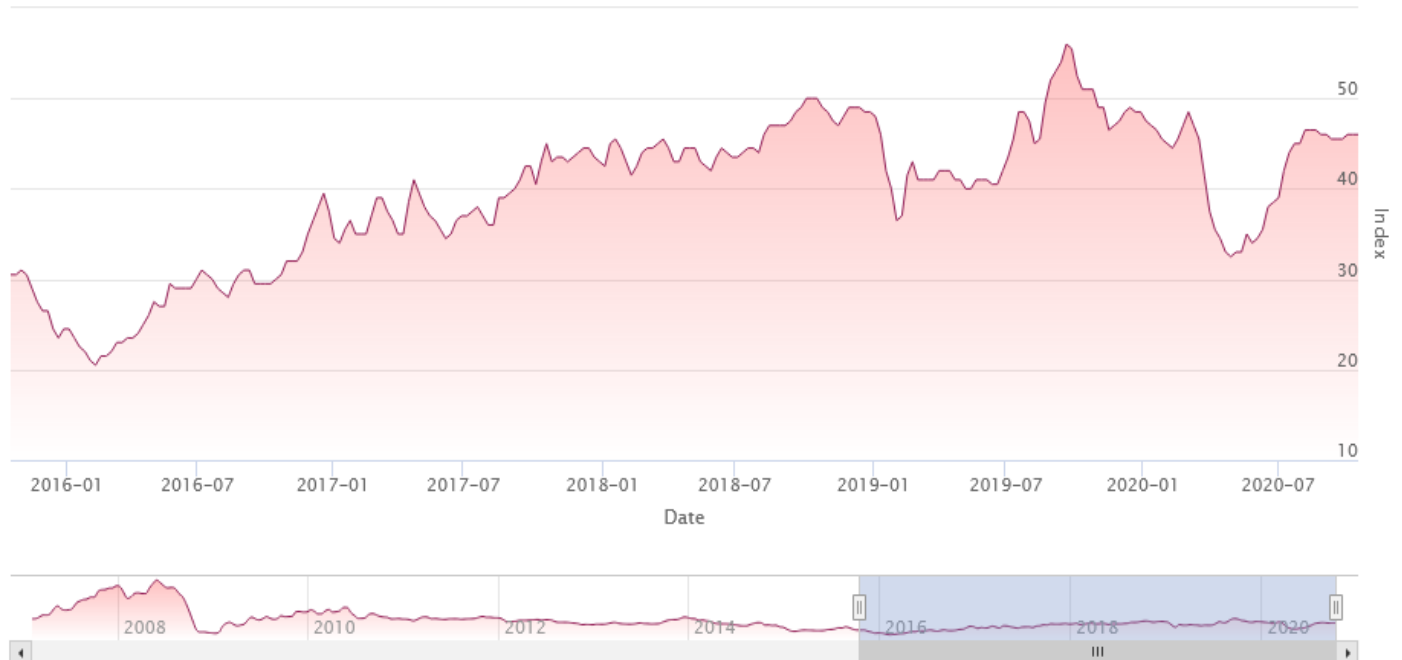


YAMAMIZU Index



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

From 2015-10-14 To 2020-10-14



China Import Dry Bulk Freight Index					
2020-10-15					
Description	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	879.5	-28.48
Iron ore Freight Index			Point	907.92	-52.63
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	7.964	-0.674
Tubarao(Brazil)-Qingdao(China)	170000/10%	Iron ore	\$/ton	18.313	-0.67
Soybean Freight Index			Point	924.67	-3.08
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	30.636	-0.1
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	23.029	-0.036
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	42.092	-0.175
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	44.3	-0.16

15 October 2020 U.S. FOB Vessel Export Market Values:

U.S. Yellow Corn (USD/MT) FOB Vessel				
#2 YC	GULF # 2 YC		PNW # 3 YC	
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
Nov.	1.43	\$215.24	1.90	\$233.75
Dec.	1.40	\$214.06	1.80	\$229.81
Jan.	1.30	\$211.80	1.65	\$225.58
Feb.	1.25	\$209.83	1.65	\$225.58
Mar.	1.12	\$204.71	1.54	\$221.25
Apr.	0.95	\$198.51	1.27	\$211.11

The Gulf spread between #2 & #3 YC is currently about .03 cents per bushel (1.18/mt) at USG but is out to .08/bushel in the PNW.

SORGHUM (USD/MT) FOB VESSEL				
#2 YGS Fob Vessel	NOLA		TEXAS	
Max. 14.0% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
Nov.	3.30	\$288.86	3.00	\$277.05
Dec.	3.30	\$288.86	3.00	\$277.17
Jan.	3.30	\$290.53	3.00	\$278.72
Feb.	3.30	\$290.53	3.00	\$278.72
Mar.	3.30	\$290.53	3.00	\$278.72

Fob vessel Texas Gulf #2 Sorghum is about 129% 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	
	Oct.	Nov.	Dec.	Jan.
FOB U.S. GULF	\$280.44	\$280.44	\$280.44	\$279.07
Basis	1.45	1.45	1.45	1.40
WZ	6.1825			.
WH	6.1950			
WK	6.1825			

15-Oct-2020	Close	Close	Last Week.	Last Week.	Last Week	
CME Corn Futures	Bushel	MT.	Bushel	Bu. Diff.	MT	MT Diff.
Dec.	\$ 4.0375	\$ 158.95	\$ 3.8700	0.16750	\$ 152.35	\$ 6.59
Mar.	\$ 4.0800	\$ 160.62	\$ 3.9475	0.1325	\$ 155.40	\$ 5.22
May	\$ 4.0925	\$ 161.11	\$ 3.9975	0.0950	\$ 157.37	\$ 3.74
July	\$ 4.0925	\$ 161.11	\$ 4.0300	0.0625	\$ 158.65	\$ 2.46
Sept.	\$ 3.9425	\$ 155.21	\$ 3.9025	0.0400	\$ 153.63	\$ 1.57
Dec.	\$ 3.9475	\$ 155.40	\$ 3.9250	0.0225	\$ 154.52	\$ 0.89

CBOT December 2020 (CZ20) CORN Futures Chart –



CME/CBOT December 2020 (WZ20) 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
Nov.	1.55	\$447.26	1.98	\$463.06
Dec.	1.55	\$447.17	1.95	\$461.86
Jan.	1.50	\$445.33	1.92	\$460.76
Feb.	1.68	\$445.88	2.09	\$460.95
Mar.	1.68	\$445.88	2.09	\$460.95
Soybean Futures				
Nov.	\$ 10.6225			
Jan.	\$ 10.6200			
Mar.	\$ 10.4550			
May	\$ 10.3925			
July	\$ 10.4100			
Aug.	\$ 10.3200			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Nov.	40.00	\$ 454.34
Dec.	40.00	\$ 454.34
Jan.	36.00	\$ 444.20
Feb.	36.00	\$ 433.50
Mar.	35.00	\$ 432.40
SBM Futures		
SMZ	\$ 372.10	
SMF	\$ 366.90	
SMH	\$ 357.20	
SMK	\$ 351.30	
SMN	\$ 349.60	
SMQ	\$ 344.50	

CME January 2021 Soybean (SF21) Futures Chart:



CME December 2020 Soybean Meal (SMZ20) Futures Chart



U.S. EXPORT STATISTICS: Report Activity as of Week Ending 01 October 2020

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 '21-22 (000 MT)
Corn	1,441.5	25,847.9	59,060	44%	206.0
Sorghum	132.4	2,935.2	6,600	44%	136.0
Soybeans	2,624.9	40,719.6	57,830	70%	60.0
Wheat	575.4	14,520.8	26,540	55%	55.9
Barley	0.0	42.0	110	38%	0.0

U.S. EXPORT INSPECTIONS:

Monday's report 12 October 2020 for the Export week ending 08 October 2020

	Export Inspections		Current Market Year YTD	Previous Year to Date	2020/21 YTD as Percent of 2019/20 YTD
	This Week	Previous Week			
Corn	632,184	884,157	4,319,958	2,506,319	172%
Sorghum	192	157,647	461,947	228,176	202%
Soybeans	2,157,012	2,004,867	9,095,531	5,162,862	176%
Wheat	514,086	678,715	10,437,123	9,498,368	110%
Barley	1,896	1,397	9,020	8,625	105%

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

U.S. EXPORT INSPECTIONS:

Monday's report 12 October 2020 for the Export week ending 08 October 2020

Last Week								
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans	%
Lakes	0	0%	0	0%	0	0%	0	0%
Atlantic	1886	0%	0	0%	0	0%	110,498	5%
Gulf	493,651	79%	11,000	100%	0	0%	1,062,257	49%
PNW	0	0%	0	0%	0	0%	801,326	37%
Interior Export Rail	125,647	20%	0	0%	192	100%	182,931	8%
Metric Tons	621,184		11,000		192		2,157,012	

Sorghum Shipments: metric tons

192 Mexico

192 Total

White Corn metric tons

Shipments: 11,000 Colombia

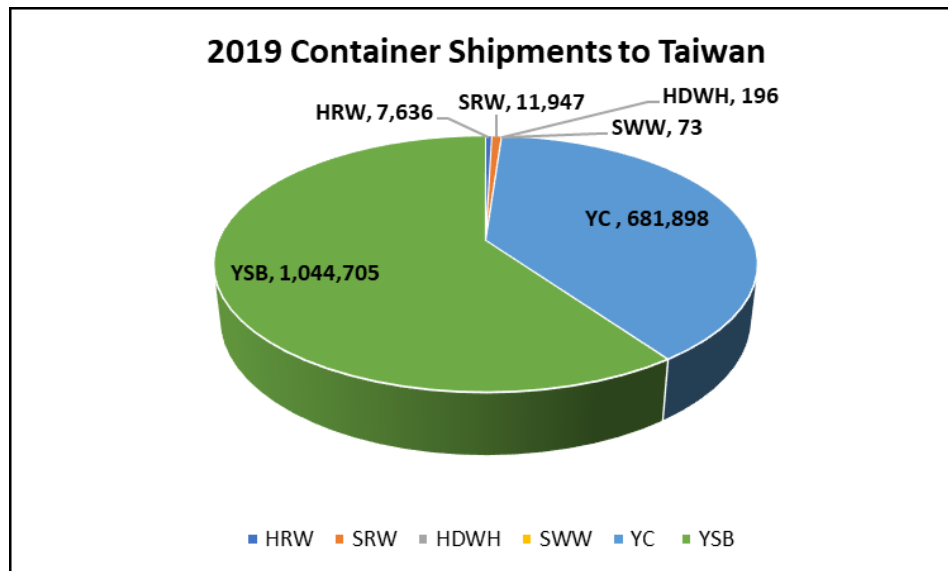
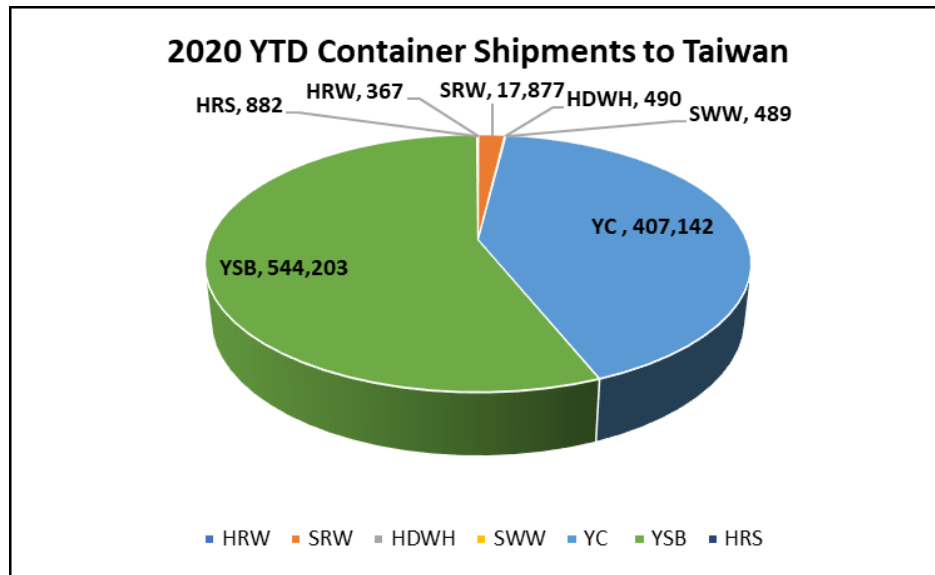
11,000 Total

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:		8-Oct-2020							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main			17,090						17,090
China T	13,416		35,292						48,708
Hong Kong	831								831
Costa Rica									0
Indonesia			18,045	636					18,681
French Poly									0
Japan			1,298						1,298
Korea Rep.	1,468								1,468
Nepal			783						783
Malaysia	98		9,136	318					9,552
Ireland									0
Philippines			832						832
Thailand			5,363						5,363
Switzerland									0
India									0
Bangladesh									0
Burma									0
Vietnam			6,390						6,390
Sub Total:	15,813	0	94,229	954	0	0	0	0	110,996
USDA Corrections/Additions to previous reports:									
China T	1,371		2,254						3,625
China Main									0
Hong Kong	147								147
Korea Rep.									0
Cambodia									0
Japan			314						314
Philippines			220						220
Indonesia			1,421						1,421
Malaysia									0
Thailand									0
Vietnam			1,149						1,149
Jordan									0
Costa Rica	122								122
Sub Total:	1,640	0	5,358	0	0	0	0	0	6,998
Mt. Grand Total	17,453	0	99,587	954	0	0	0	0	117,994
Number of Containers	759	0	4,330	41	0	0	0	0	

Jan - Dec 2019 Annual Totals versus 2020 Jan.-Dec. YTD Total Container Shipments (in MT)



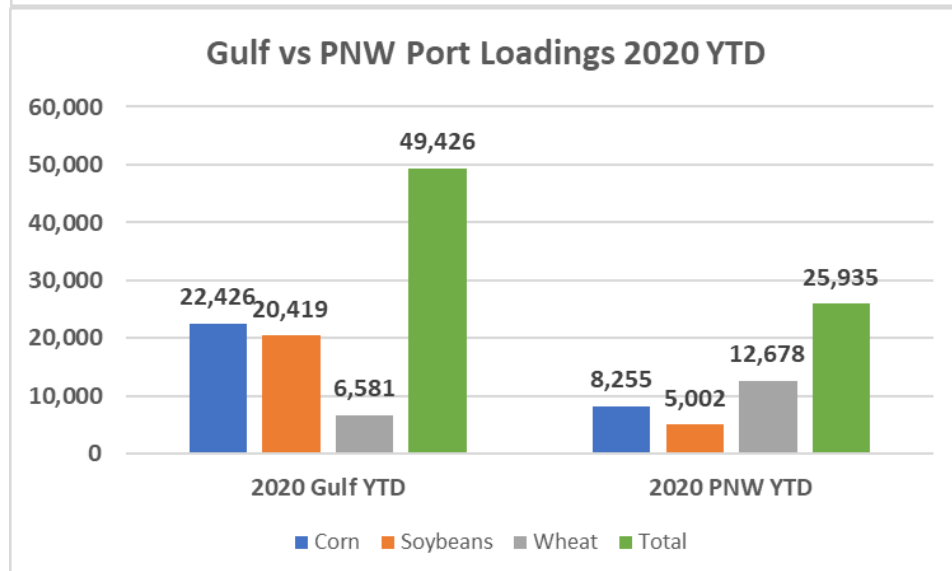
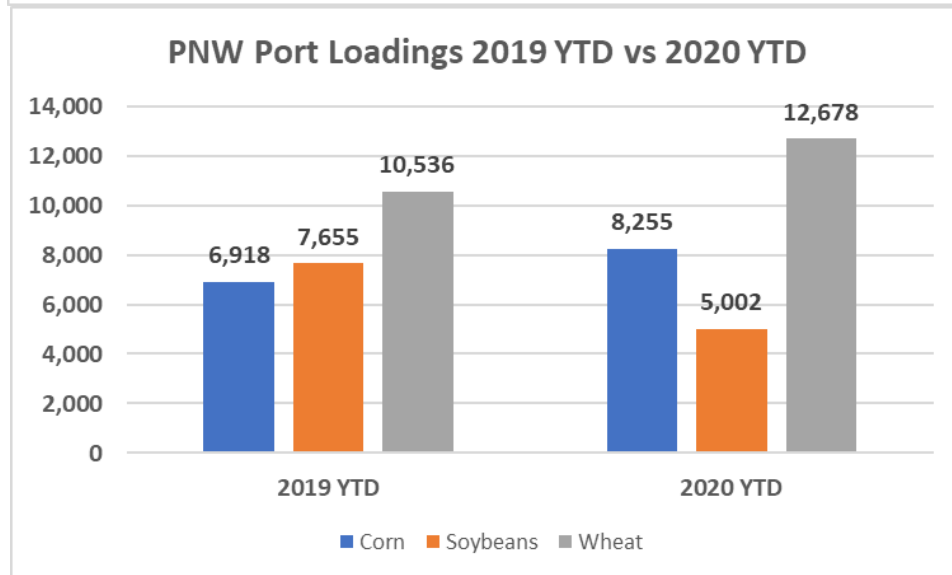
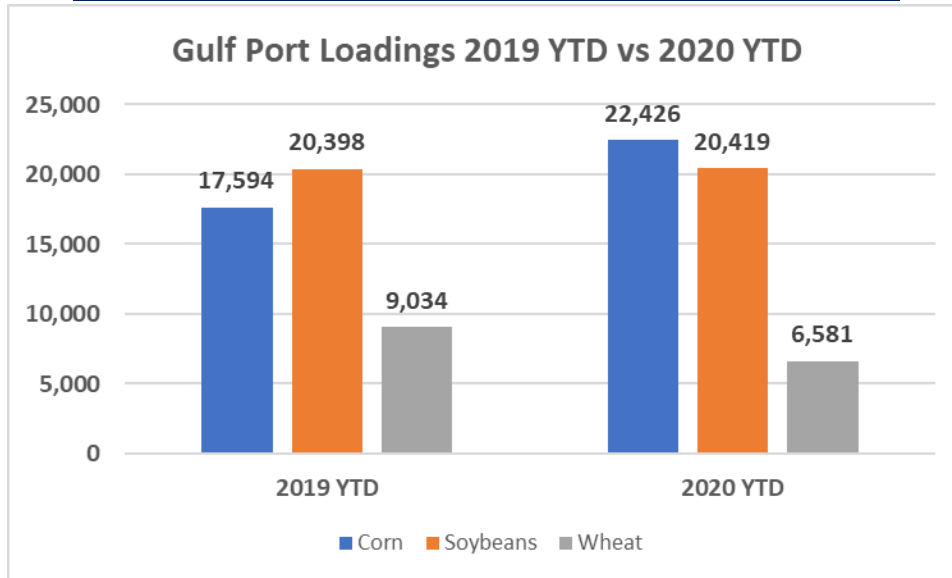
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2019 YTD vs. 2020 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2019 YTD	17,594	20,398	9,034	47,026
2020 YTD	22,426	20,419	6,581	49,426
2020 as % of 2019	127%	100%	73%	105%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2019 YTD	6,918	7,655	10,536	25,109
2020 YTD	8,255	5,002	12,678	25,935
2020 as % of 2019	119%	65%	120%	103%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2020 Gulf YTD	22,426	20,419	6,581	49,426
2020 PNW YTD	8,255	5,002	12,678	25,935
TOTAL	30,681	25,421	19,259	75,361
Gulf Percentage	73%	80%	34%	66%
PNW Percentage	27%	20%	66%	34%

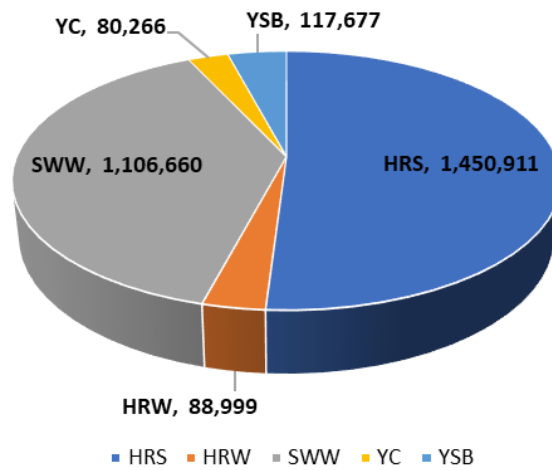
Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2019 YTD vs. 2020 YTD



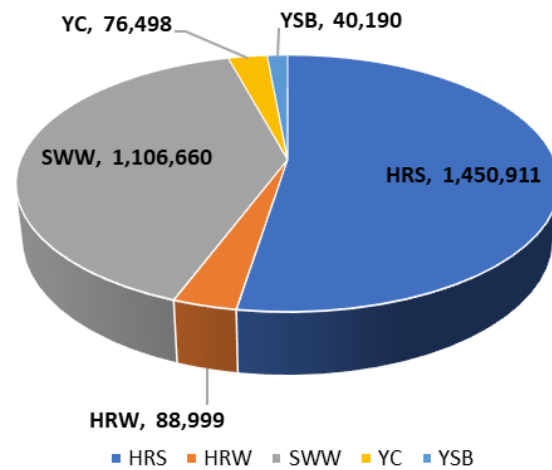
Source: USDA-data

2020 YTD Total Grain Exports reported by USDA (in MT)

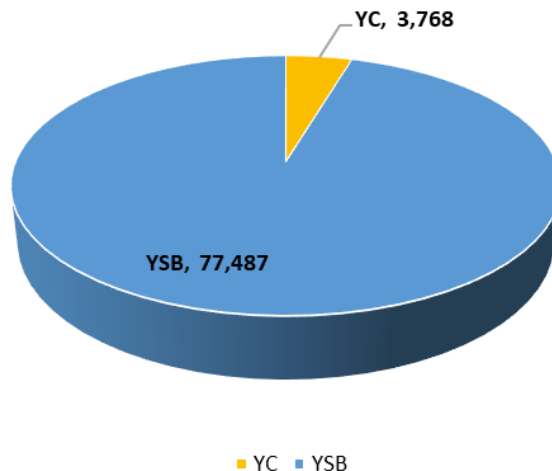
2020 YTD Exports to Philippines



YTD Vessel Shipments to Philippines



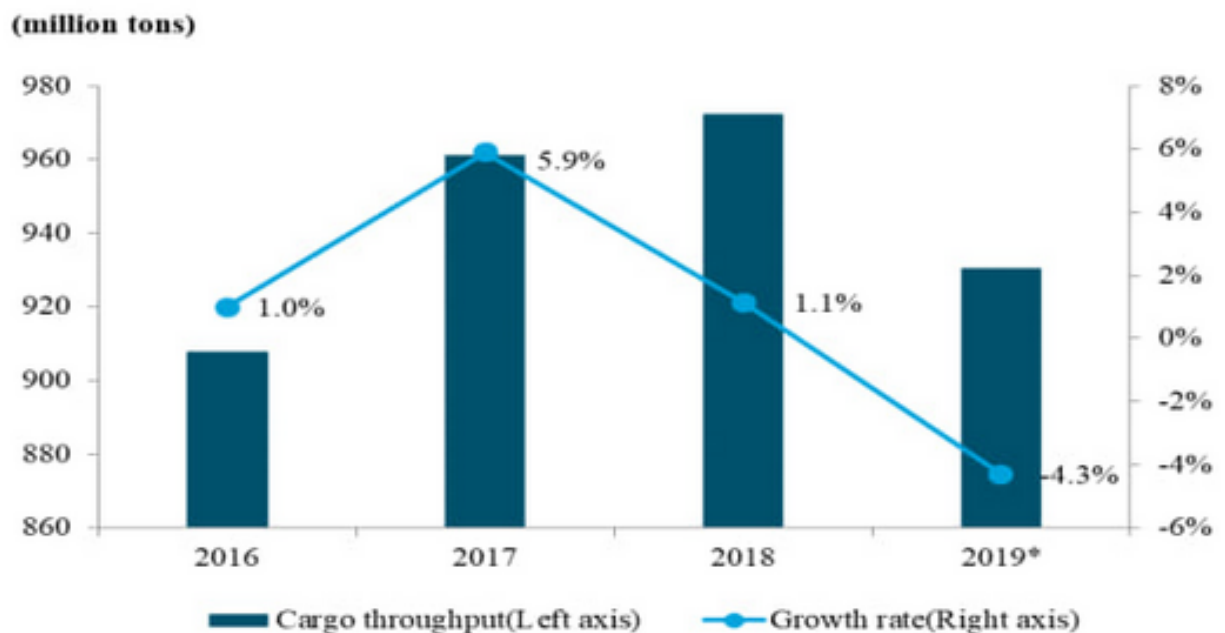
YTD Container Shipments to Philippines



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



In 2019, constrained by unfavorable factors such as unstable consumption performance, declining private investment, and worsening trade deficit, the economic growth of the US, a major North American economy, slowed down, which dealt a heavy blow to the West Coast ports, especially Los Angeles and Long Beach. Economic growth of Mexico and Brazil in South America was weak, and trade growth in the Latin America region was restrained, which slowed down the production of America... [See More](#)

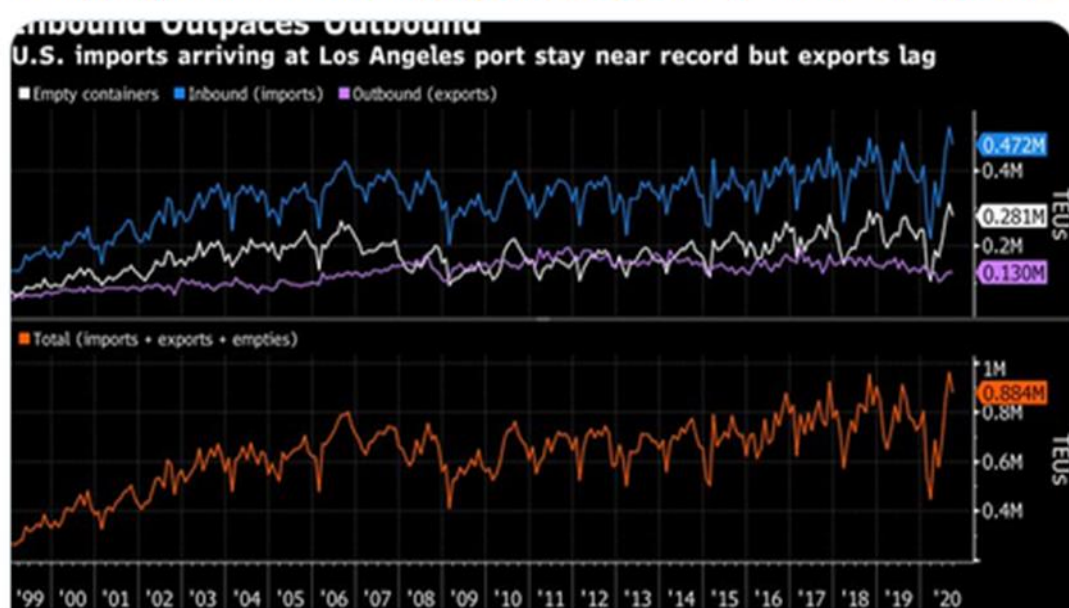


Note: * indicates projections.

Source: Websites of various port authorities, sorted by SISI.

Esteban Moscariello @moscarielloe · 2m

With the U.S. importing more goods than it's exporting, shipments of American cotton, grain and hay are getting squeezed due to limited availability of shipping containers [bloomberg.com/news/articles/...](https://www.bloomberg.com/news/articles/2020-08-11/u-s-imports-arrive-at-record-level-but-exporters-struggle) a través de @markets



U.S. Trade Imbalance Hits Crop Exports With Lack of Containers

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

U.S. Trade Imbalance Hits Crop Exports With Lack of Containers

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With the U.S. importing more goods than it's exporting, shipments of American cotton, grain and hay are getting squeezed due to limited availability of shipping containers.

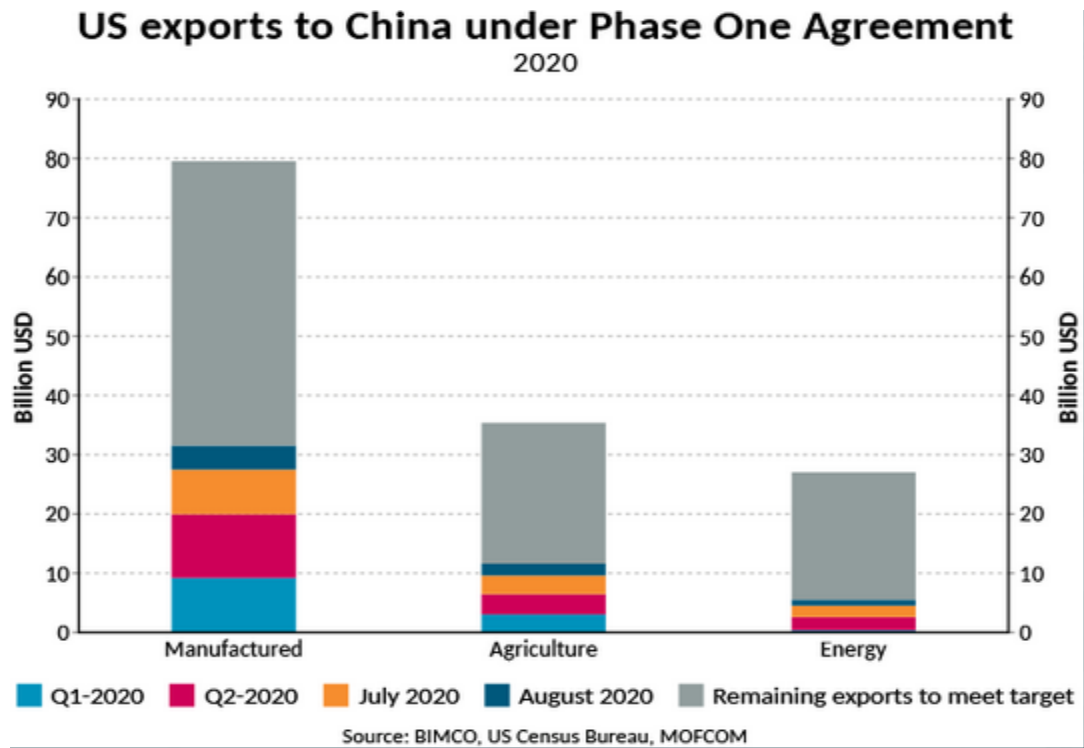
Peter Friedmann, executive director of the Agriculture Transportation Coalition, warned that customers in Asia will avoid U.S. supplies if container shipments from competitors in Australia or South America are cheaper.

"If we can't deliver affordably, dependably, then our foreign customers will go somewhere else," Friedmann said in a webinar Wednesday hosted by the Port of Los Angeles, the U.S.'s largest such facility for containers.

Containers come to the U.S. carrying goods such as TVs and shoes generally are either shipped back to Asia empty or filled with grain or other raw materials. Shippers in Asia sometimes would rather have a container come back empty rather than delayed by picking up goods in the middle of the U.S. in states such as Texas or Wisconsin, Friedmann said.

"The price margins are very thin, so they can only afford to pay so much for freight," Friedmann said. "Our objective is to get more of those containers."

Last year, 9% of U.S. waterborne grain shipments were in containers, according to the [U.S. Department of Agriculture](#).



Andrey Sizov @sizov_andre · 11h

Doesn't look like a good start for new #GMO #wheat. Brazil is the key market for Argentina 😞😞😞

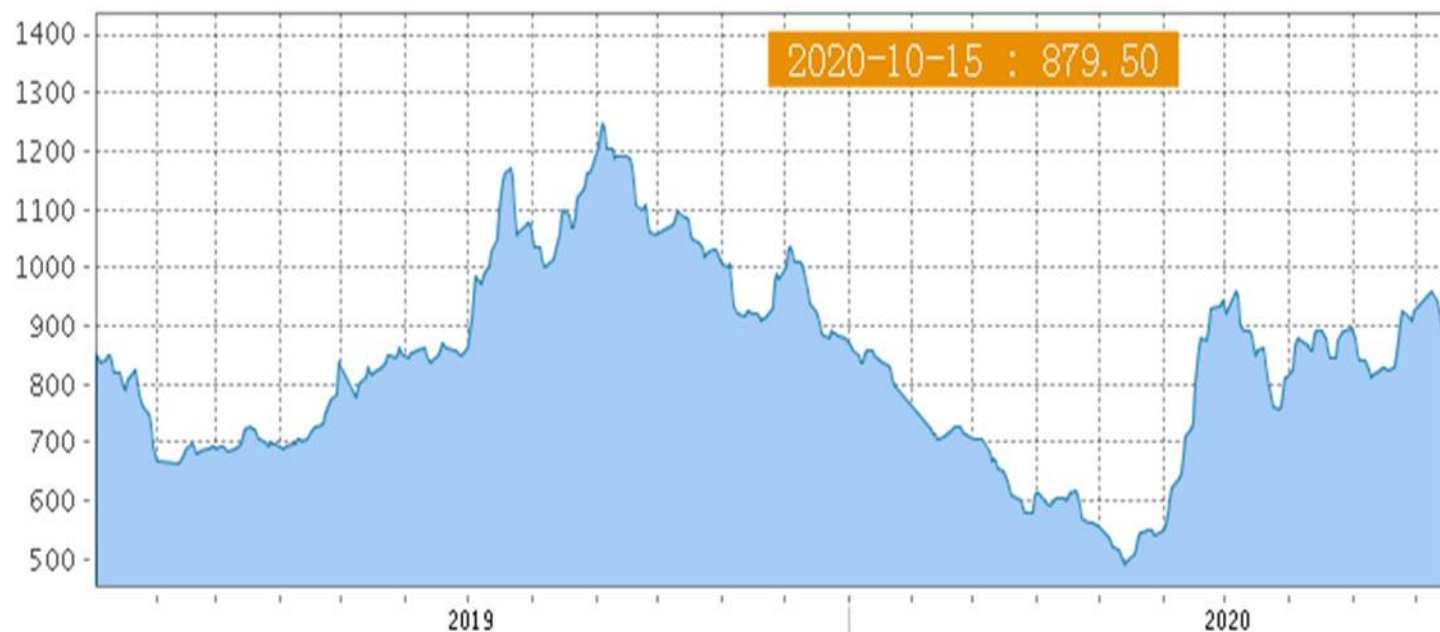


Marcelo Teixeira @tx_marcelo · 11h

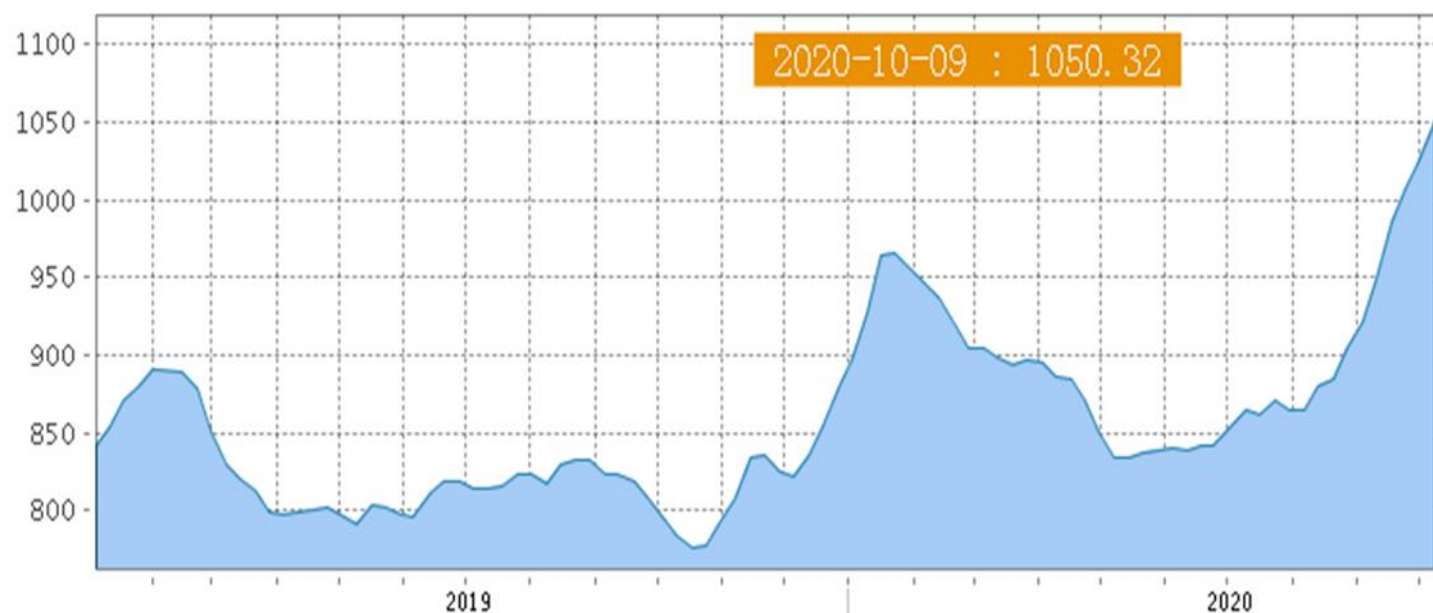
#Brazil's #wheat industry group @abitrigo says mills are not willing to buy any GM wheat that could be produced in Argentina
@sizov_andre @RussianGrainTra @GRAINSOILSEEDS @GoddessofGrain
@amendiondo @moscarielloe @uswheatassoc
bit.ly/33YXWk2



China Import Dry Bulk Freight Index



China Containerized Freight Index



U.S. RIVER BARGE FREIGHT
Current Barge Freight for Placement First Half November 2020

Placement FH November 2020	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	540	\$36.85	0.94	1.00
Illinois River (Pekin and South)	475	\$32.41	0.82	0.88
Mid-Mississippi	500	\$29.32	0.74	0.80
Lower Ohio	400	\$19.67	0.50	0.54
St. Louis	400	\$17.59	0.45	0.48

Secondary Rail Car Market for car placement period: First Half November 2020.

Secondary Rail Car Market Placement FH. November 2020	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ 900.00	\$ 1,400.00	\$ 0.23	\$ 0.35	\$ 8.86	\$ 13.78
UPRR Shuttle Trains	\$ 600.00	\$ 1,000.00	\$ 0.15	\$ 0.25	\$ 5.91	\$ 9.84

Best Regards,

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

joneil@ksu.edu

Follow me on Twitter @ igpjay



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