

**Transportation and Export Report for 30 November 2017****Ocean Freight Insights and Comments:**

Do you see any fundamental reason for the Dry-bulk Indices to be up well over one thousand points this week? I don't either but they are and I guess we should remember not to fight the market too hard as they can run right over you. But I'm still leery of the justification and staying power for this type of rally late in the year. Vessel owners; this is a gift that you better take advantage of. Curiously however, the past six month rise in Dry-Bulk grain cargo rates has not significantly benefited containerized grain export business. With the exception of the Non-GMO soybean trade, container grain sellers tell me that their business is down year over year, especially to major buyers like China, Indonesia and Taiwan. Is this just an issue of timing on the buyer's part or is it something more? Hopefully it is just a change in timing. Container rates for grain export have not really moved up and Shipping Lines are asking sellers if they will have sufficient demand to fill empties in the JFM period. Another question has been; do we have enough bulk export capacity in the U.S.? With Lake Charles doing very little volume, Mississippi facilities -ADM Paulina closed and ADM AMA closed for a period of about one year; I'd have to say we certainly have an excess of grain export capacity in the USA. Vessel line ups in the US Gulf and PNW are not robust. We need business or we will just carry more grain out another year.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
30-Nov-17	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	18052	16916	1,136	6.7%
P3A - PNW/Pacific - Japan	10209	8839	1,370	15.5%
S1C -USGULF-China-So.Japan	24706	22781	1,925	8.5%

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

Four weeks ago:	\$ 8.15-\$8.50
Three weeks ago:	\$ 7.50-\$8.25
Two weeks ago:	\$ 7.50-\$8.80
One week ago:	\$ 7.50-\$8.15
This week	\$ 8.75-\$9.90

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

Mississippi River:	(10 elevators)	5-9 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-0 days
Texas Gulf	(6 elevators)	1-4 days
Pacific Northwest:	(9 elevators)	0-12 days

Panamax Market Spreads to Asia -China					
30-Nov-17	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.77	0.46	0.31	\$12.20	PNW
SOYBEANS	0.81	0.45	0.36	\$14.17	PNW
OCEAN FREIGHT	\$24.00	\$43.00	.48-.52	\$19.00	DEC.

Recent Reported Vessel Fixtures:

66,000 mt hss US Gulf to China Dec. 1-20 at \$43.25 fio 10,000/8,000 sshexbends -Cofco

60,000 mt Corn US PNW to China Dec.15-24 at \$23.75 fio 8,000 sshebends – Cofco

60,000 mt Corn US PNW to South Korea Dec.14-20 at \$24.00 fio 10,000/7,250 sshex – Ausca Shipping

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$44.25	Up \$2.00	Handymax \$44.75/mt
55,000 U.S. PNW- Japan	\$24.75	Up \$0.75	Handymax at \$25.50/mt
65,000 U.S. Gulf – China	\$43.25	Up \$2.00	North or South China
PNW to China	\$24.00	Up \$0.75	
25,000 U.S. Gulf- Veracruz, México	\$16.75	Up \$0.50	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$14.50	Up \$0.50	Deep draft and 6,000 MT per day discharge rate.
25/35,000 U.S. Gulf- <u>East Coast Colombia</u>	\$20.75	Up \$0.75	<u>West Coast Colombia at \$28.50</u>
From Argentina	\$32.75		
40-45,000 U.S. Gulf - Guatemala	\$28.75	Up \$0.75	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$31.75	Up \$1.50	8,000 mt daily discharge
	\$33.75		3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$30.75	Up \$1.50	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$29.00	Up \$1.50	55,000 -60,000 mt
PNW to Egypt	\$28.005		Russia Black Sea to Egypt \$16.00
60-70,000 U.S. Gulf – Europe – Rotterdam	\$18.00	Up \$1.50	Handymax at +\$2.25 more
Brazil, Santos – China	\$33.75	Up \$1.00	54-59,000 Supramax-Panamax
Brazil, Santos – China	\$32.75		60-66,000 Post Panamax
Itacoatiara-Port Up River North Brazil	\$36.25		60-66,000 mt
56-60,000 Argentina-China Deep draft	\$40/00	Up \$1.00	Up River with Top Off \$41.50

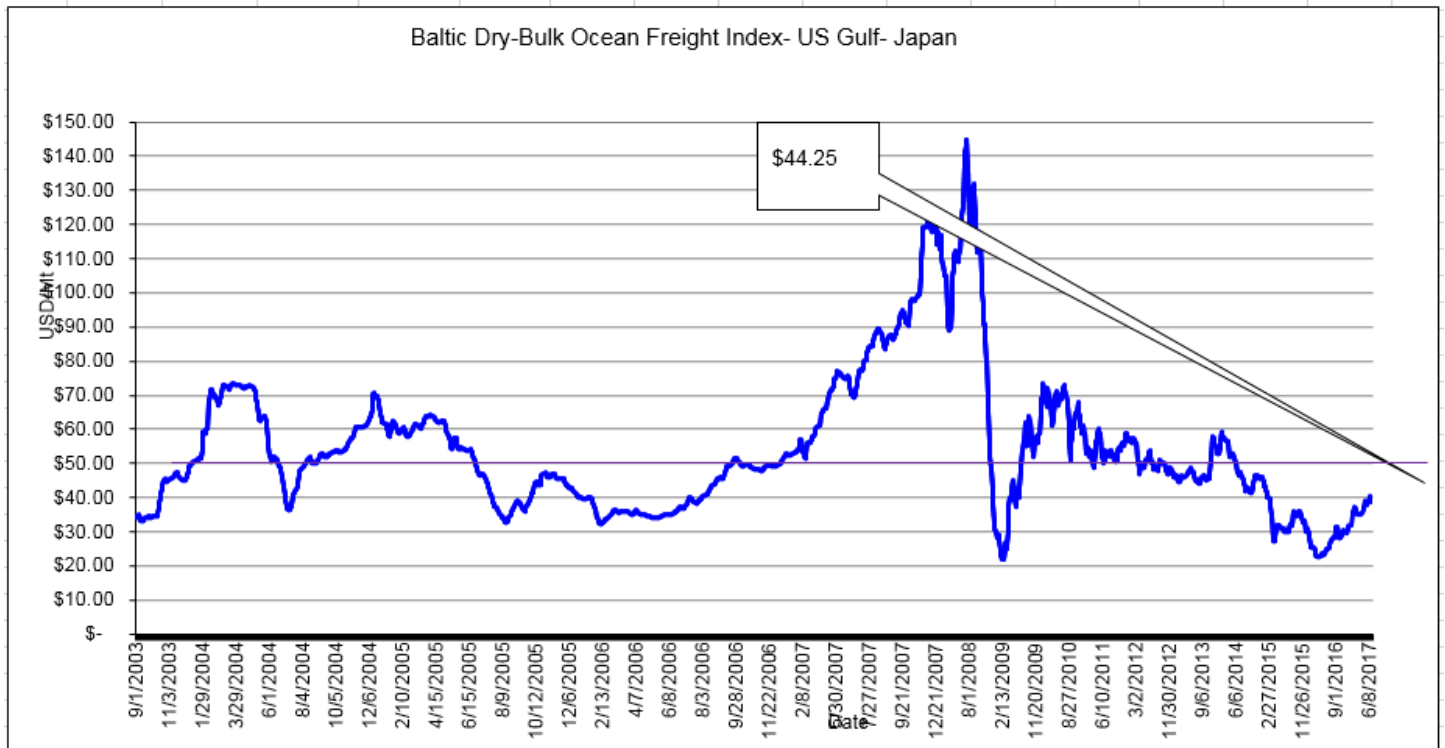
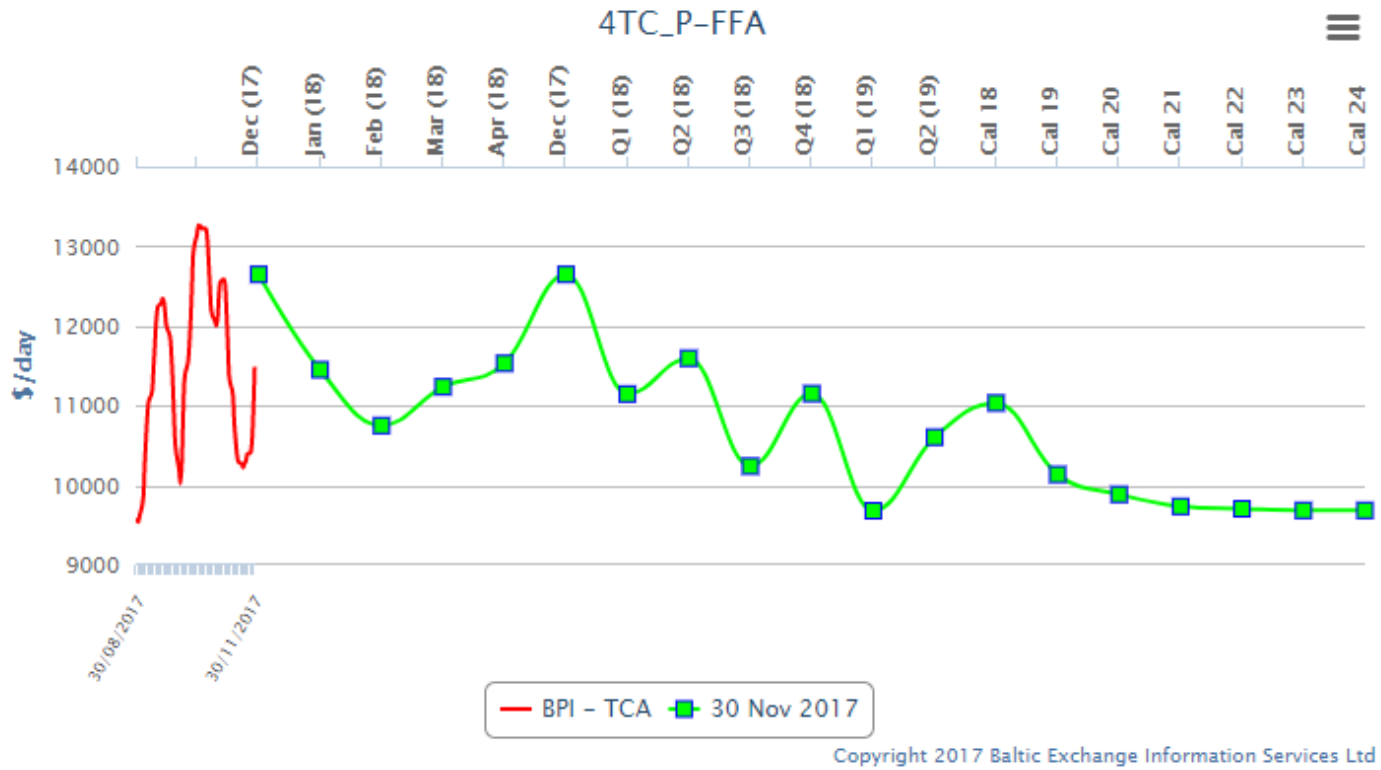
Nautical Miles: To Xiamen China (South China)

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

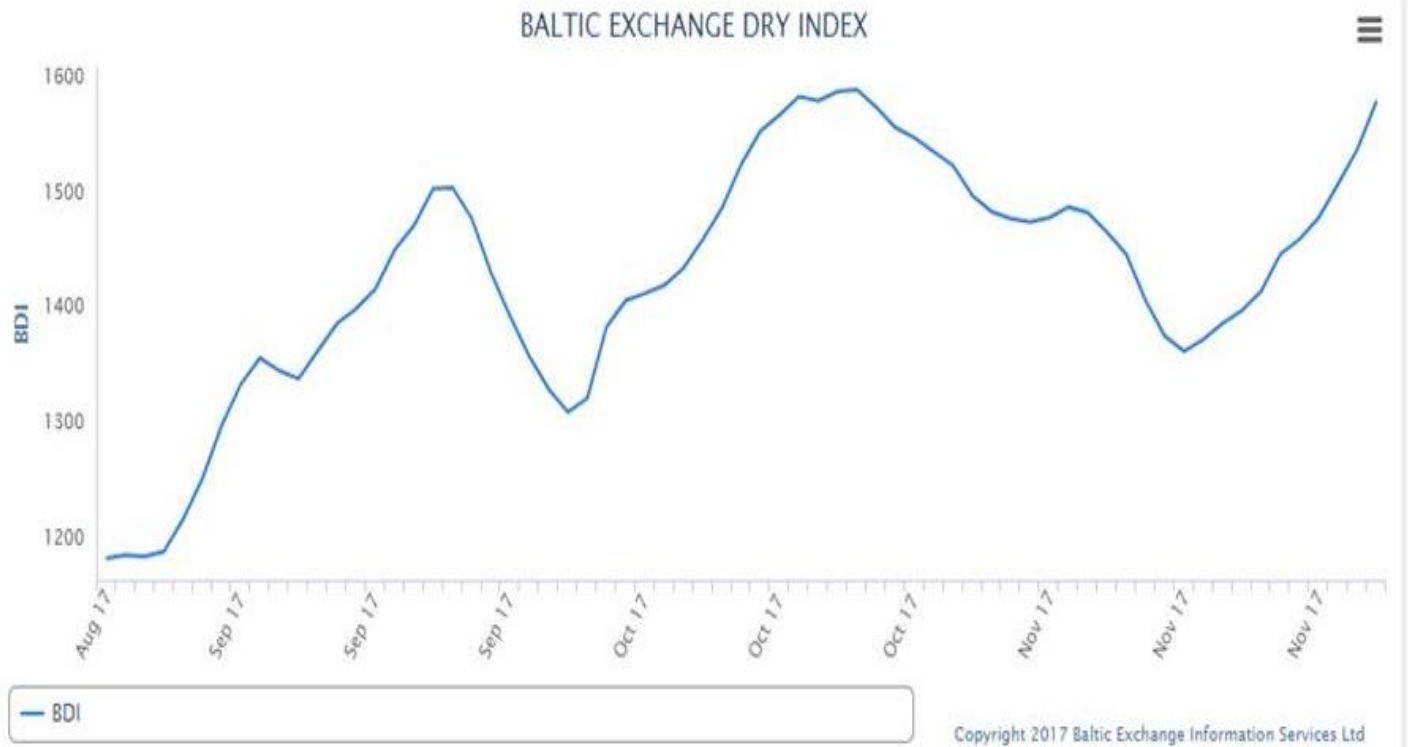
Santos Brazil (via Cape of Good Hope) - 10,441 nautical miles (33 days)

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

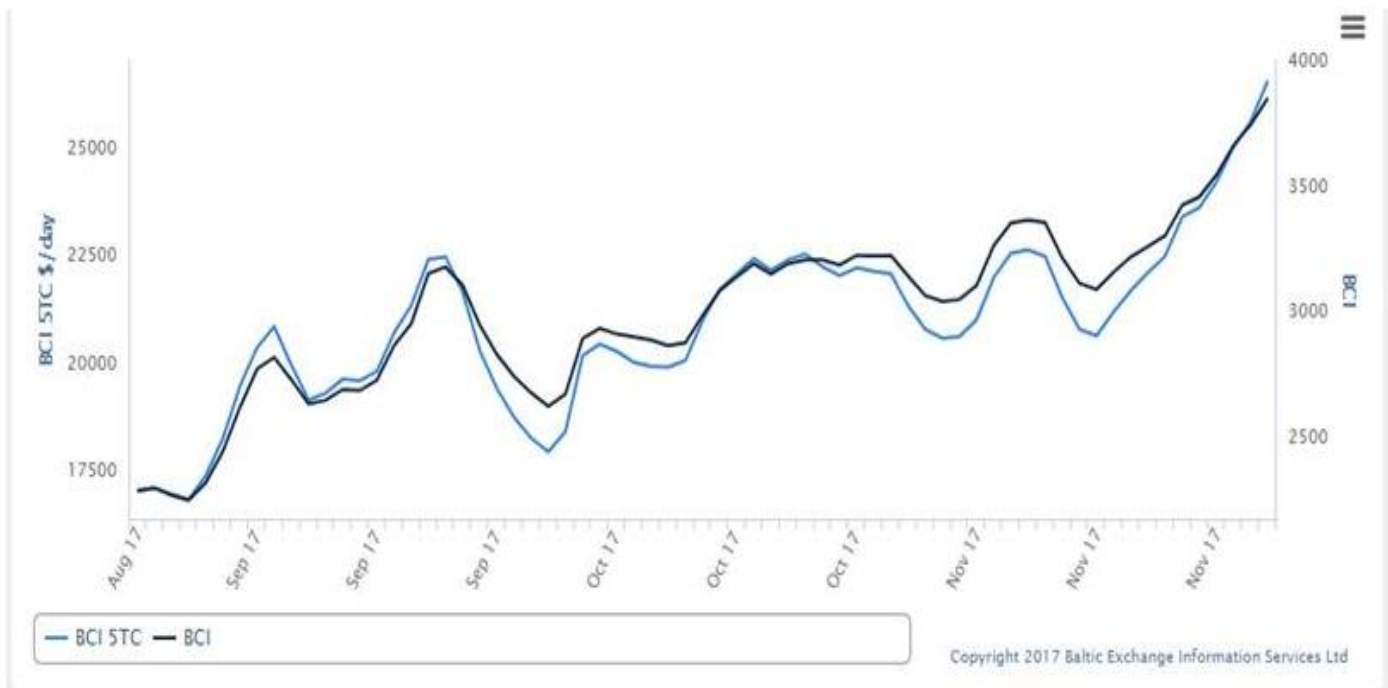
Forward Curve for Baltic BPI Panamax Vessel Freight



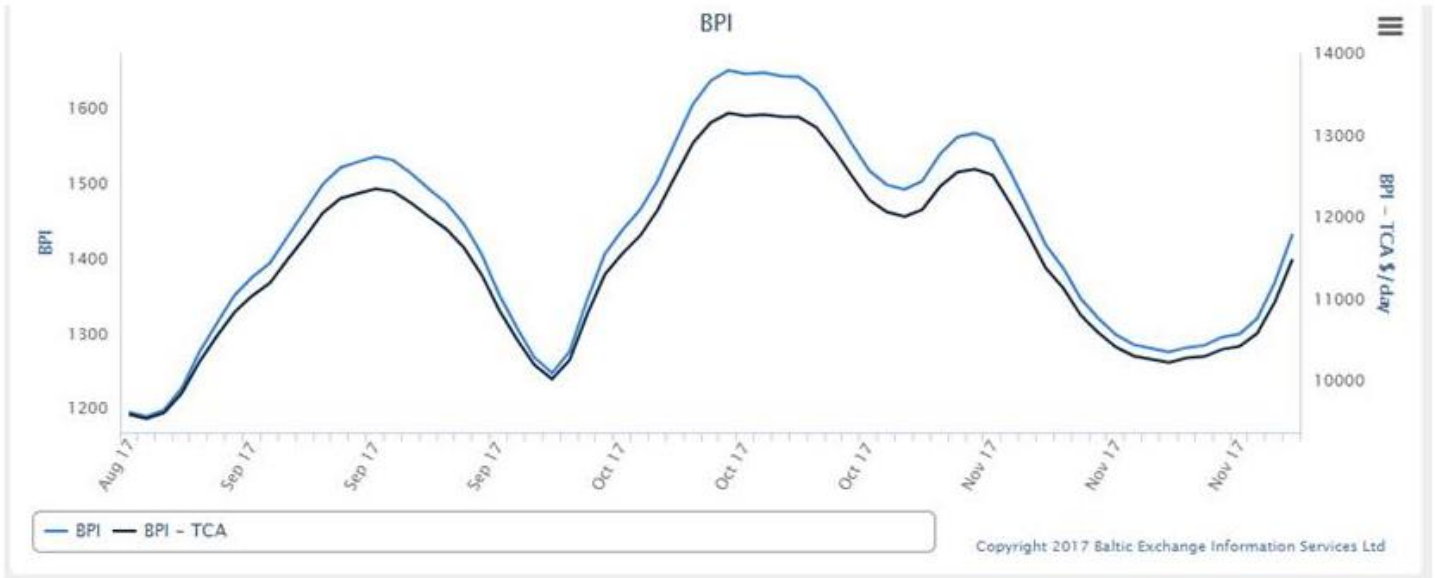
Baltic Exchange Dry Bulk Index



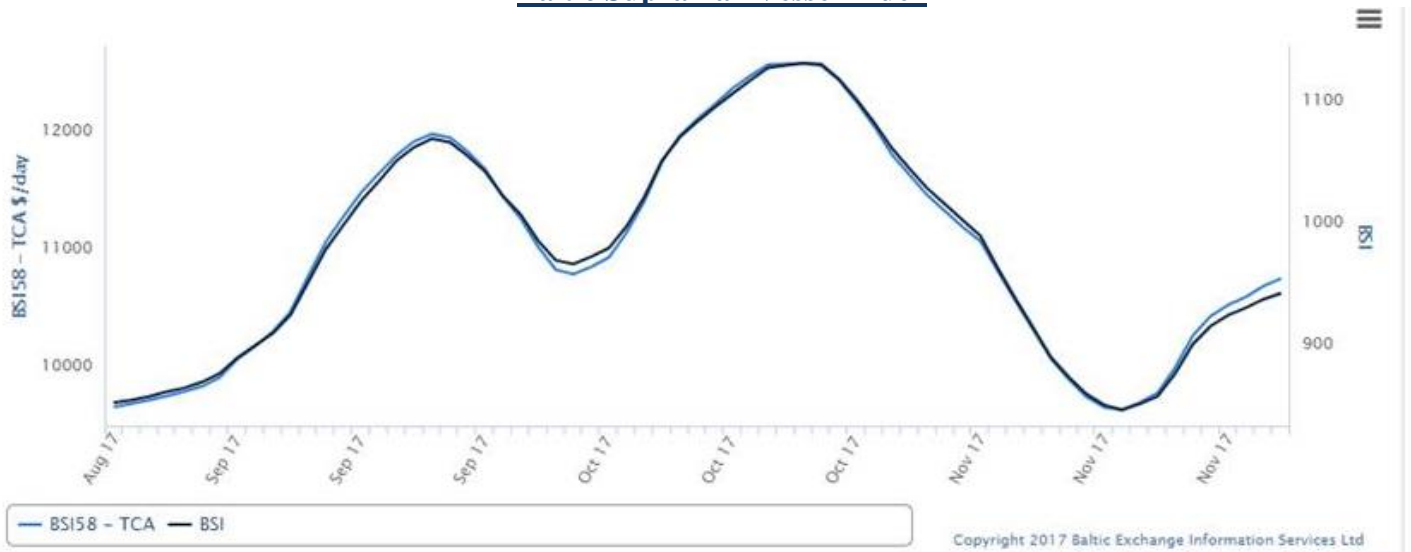
Baltic Capesize Index



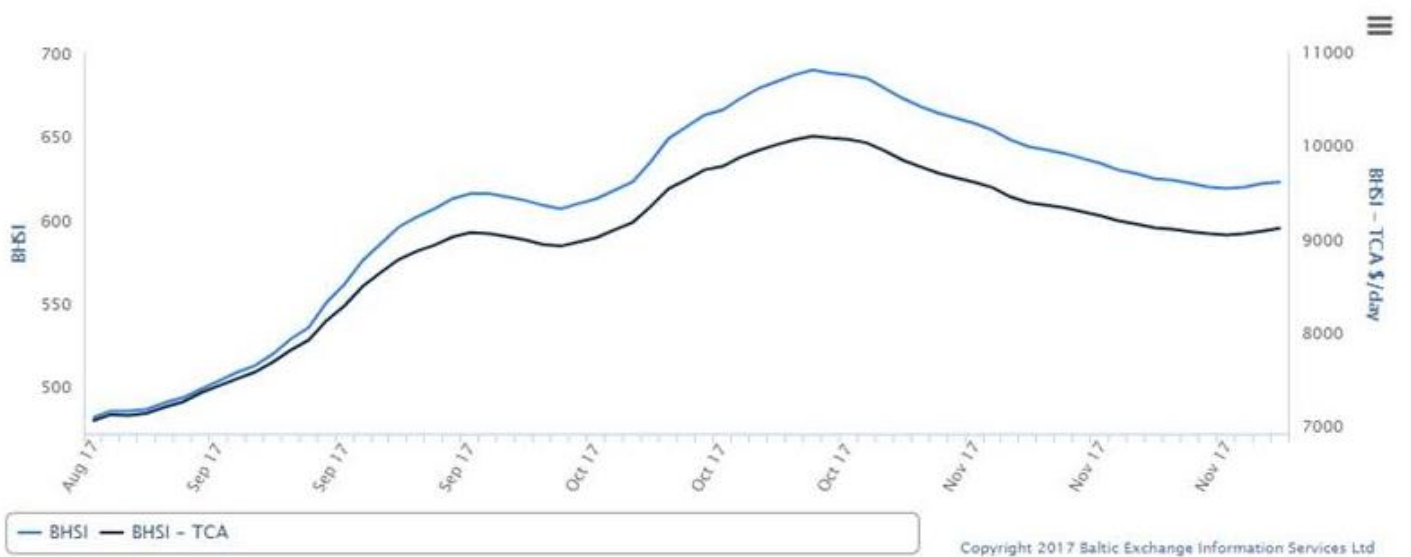
Baltic Panamax Index



Baltic Supramax Vessel Index



Baltic Handy Size



Yamamizu Shipping

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

USG/Japan Index Result

Date From: 2016-09-01

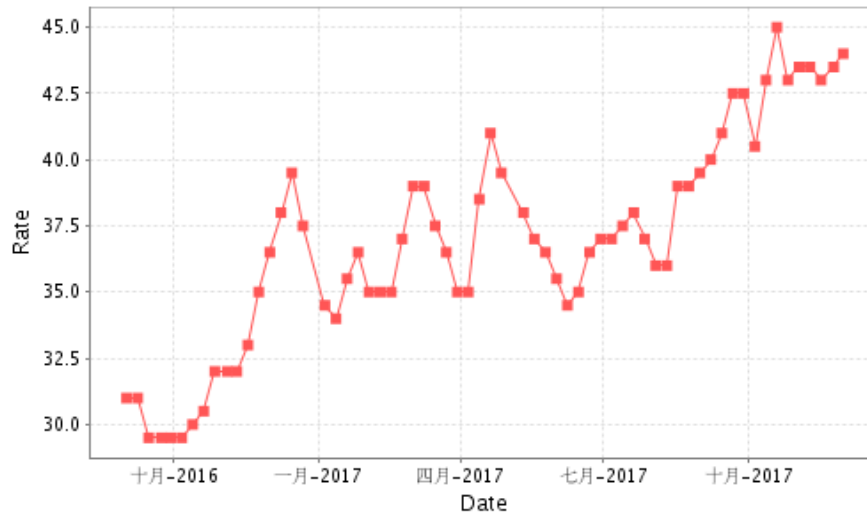
V

Date To: 2017-12-01

V

Query

Reset



China Import Dry Bulk Freight Index(CDFI)

2017-11-30

Route	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	950.53	14.67
Iron ore Freight Index			Point	1028.98	14.12
Santos(Brazil)— North China	60000/10%	Soybean	\$/ton	30.87	0.25
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	22.935	0.295
Mississippi(US Gulf) —North China	66000/10%	Soybean	\$/ton	41.909	1.854
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	43.46	1.9

30 November 2017 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
Dec. (H)	0.46	\$162.49	0.77	\$170.36
Jan.	0.50	\$158.95	0.77	\$170.36
Feb.	0.52	\$159.74	0.78	\$170.76
Mar.	0.53	\$160.13	0.81	\$171.94
Apr.	0.42	\$160.92	0.75	\$172.73
May	0.45	\$162.10	0.77	\$173.51

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
Dec. (H)	1.35	\$193.20	1.30	\$191.23
Jan.	1.35	\$193.20	1.30	\$191.23
Feb.	1.35	\$193.20	1.30	\$191.23
Mar.	1.35	\$193.20	1.30	\$191.23
Apr.	1.35	\$196.35	1.30	\$194.38

Fob vessel Texas Gulf #2 Sorghum is about 115 % 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	
	Dec.	Jan.	Feb.	Mar.
FOB U.S. GULF	\$184.45	\$184.08	\$184.45	\$184.82
Basis	0.69	0.68	0.69	0.70
WZ	4.0925			
WH	4.3300			
WK	4.4500			

CME CORN FUTURES MARKET CLOSE- Thursday						
CBOT		Friday	Friday	Last week	Last Week	Difference
CORN	Futures	Close	Close	Bushel	MT.	Bushel
Month	Symbol	Bushel	MT.			
Dec.	CZ	\$3.4175	\$134.54	\$ 3.3650	\$132.47	\$0.0525
Mar.	CH	\$3.5575	\$140.05	\$ 3.4900	\$137.39	\$0.0675
May	CK	\$3.6375	\$143.20	\$ 3.5750	\$140.74	\$0.0625
July	CN	\$3.7150	\$146.25	\$ 3.6525	\$143.79	\$0.0625
Sept.	CU	\$3.7850	\$149.01	\$ 3.7250	\$146.65	\$0.0600

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



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

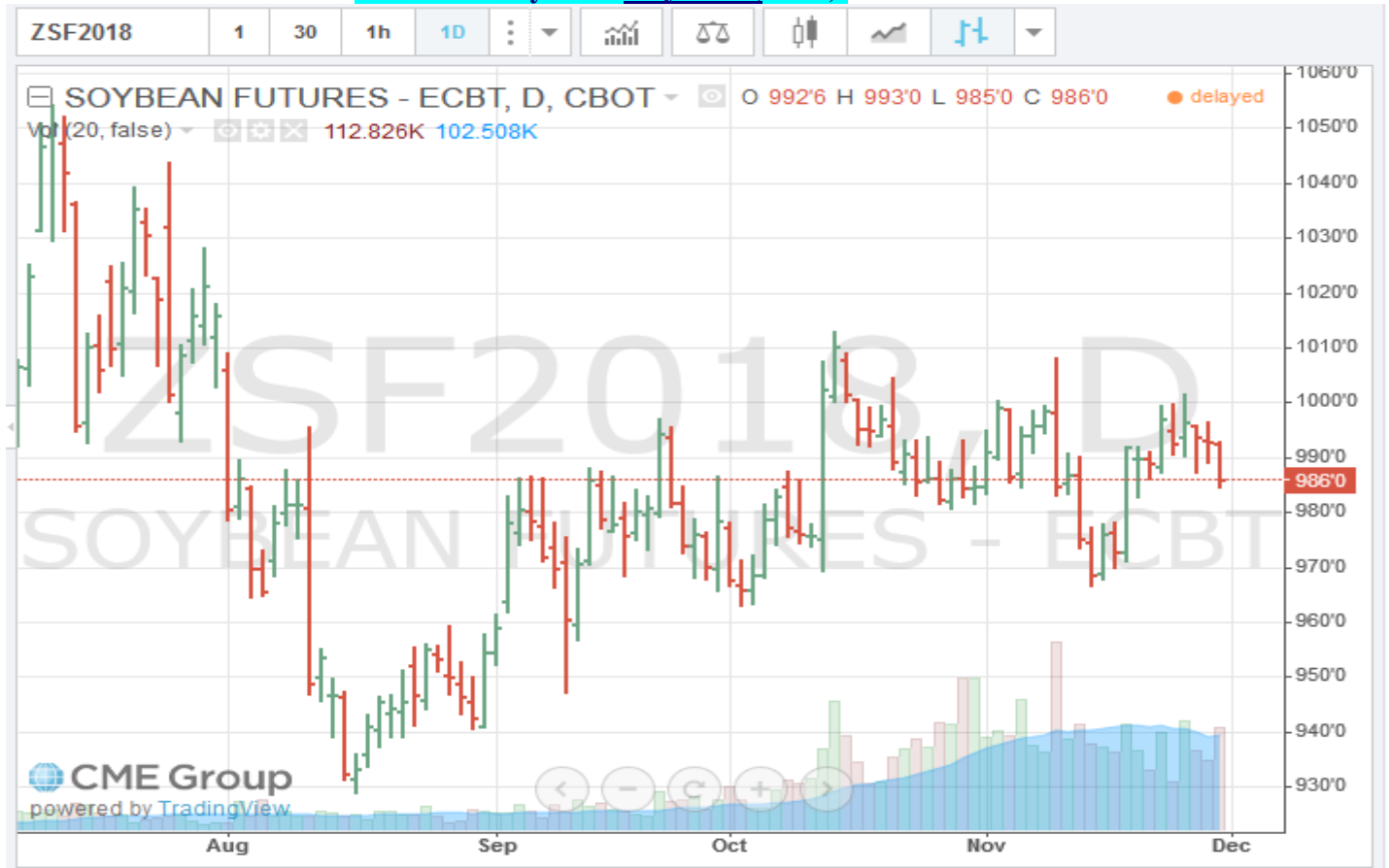


Soybean and SBM Markets Fob Vessel:

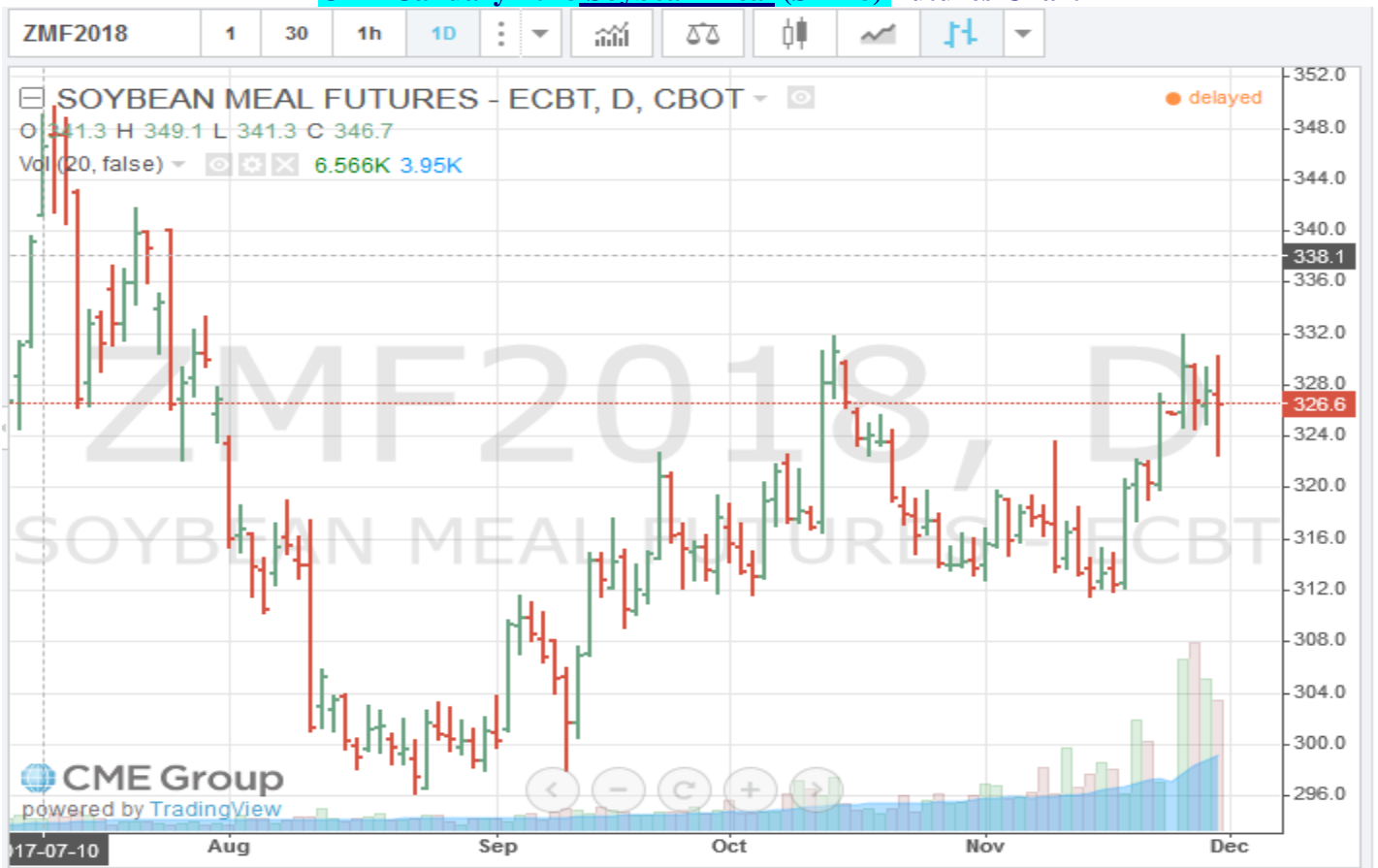
U.S. Yellow Soybeans (USD/MT) FOB Vessel				
# 2 YSB	U.S. Gulf #2 YSB		PNW #2 YSB	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
Dec.	0.45	\$378.73	0.81	\$391.96
Jan.	0.48	\$379.83	0.81	\$391.96
Feb.	0.43	\$382.41	0.70	\$392.33
Mar.	0.45	\$383.14	0.72	\$393.06
Apr.	0.41	\$385.62	0.70	\$396.28
Soybean Futures				
Jan.	\$ 9.8575			
Mar.	\$ 9.9775			
May.	\$ 10.0850			
July	\$ 10.1725			
Aug.	\$ 10.1800			
Sept.	\$ 10.0850			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Dec.	-4.00	\$ 353.35
Jan.	-4.00	\$ 355.56
Feb.	-5.00	\$ 358.09
Mar.	-3.00	\$ 360.30
Apr.	-4.00	\$ 362.06
SBM Futures		
SMZ	324.50	
SMF	326.50	
SMH	329.80	
SMK	332.40	
SMN	334.30	
SMQ	334.10	

CME January. 2017 Soybean (SF18) Futures Chart



CME January 2018 Soybean Meal (SMF8) Futures Chart



U.S. EXPORT STATISTICS: Report Activity as of Week Ending 16 November 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	1233.2	21,423.6	48,900	44%	1,029.5
Sorghum	324.0	2,533.1	5,330	48%	0.0
Soybeans	1220.9	33,452.2	61,240	55%	244.2
Wheat	270.0	16,980.4	27,220	62%	90.7
Barley	0.0	38.0	110	35%	7.1

U.S. EXPORT INSPECTIONS:

Monday's report 27 November 2017 for the Export week ending 23 November 2017

	Export Inspections		Current Market Year YTD	Previous Year to Date	2017 YTD as Percent of 2016 YTD
	This Week	Previous Week			
Corn	375,951	456,329	5,928,036	10,862,375	55%
Sorghum	82,993	53,812	582,891	709,398	82%
Soybeans	2,087,458	2,492,800	16,955,707	19,263,595	88%
Wheat	301,039	285,143	11,728,349	12,435,055	94%
Barley	0	122	16,006	25,605	63%

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

U.S. EXPORT INSPECTIONS:

Monday's report 27 November 2017 for the Export week ending 23 November 2017

Last Week								
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans	%
Lakes	0	0%	0	0%	0	0%	22,001	1%
Atlantic	0	0%	0	0%	490	0%	67,417	4%
Gulf	448,460	71%	5,475	100%	103,023	96%	972,144	62%
PNW	0	0%	0	0%	0	0%	456,868	29%
Interior Export Rail	184,776	29%	0	0%	4,248	4%	60,162	4%
Metric Tons	633,236		5,475		107,761		1,578,592	

Sorghum Shipments:	metric tons	
	1,629	Mexico
	106,132	China Main
	107,761	Total

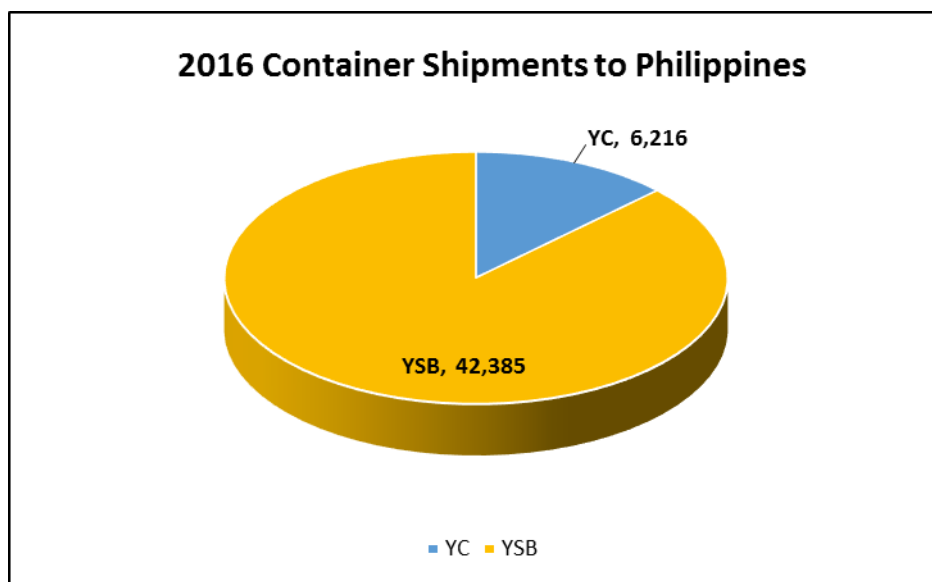
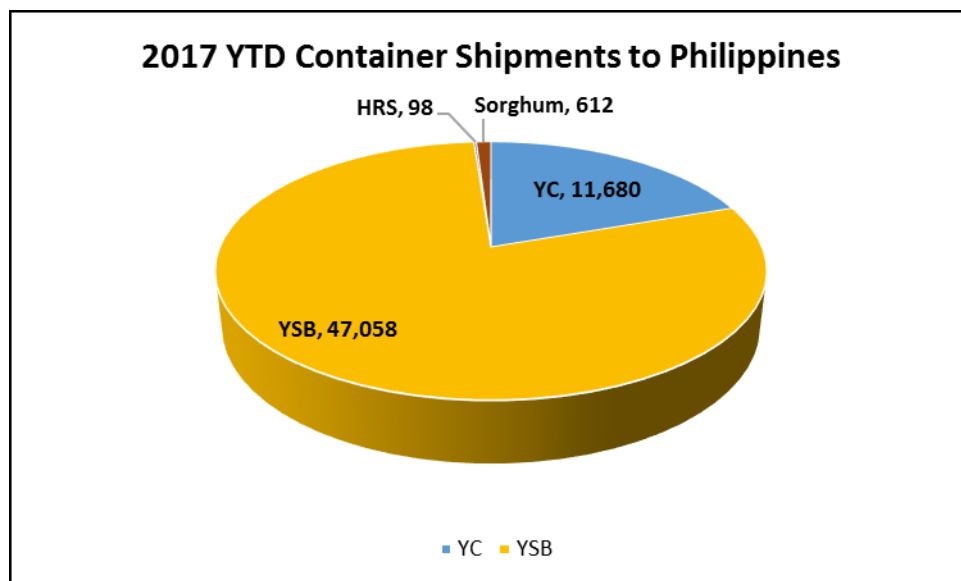
White Corn Shipments:	metric tons	
	5,475	Mexico
	5,475	Total

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:		23-Nov-2017							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main	980		7,861					2,619	11,460
China T	15,328		23,536						38,864
Hong Kong	880								880
Costa Rica									0
Indonesia	465		15,915						16,380
French Polynesia									0
Japan			122						122
Korea Republic	1,347								1,347
Panama									0
Malaysia	490		3,323						3,813
Ireland									0
Philippines	465		98						563
Thailand			5,585						5,585
Sri Lanka	416								416
Burma									0
Vietnam			3,722						3,722
Sub total	20,371	0	60,162	0	0	0	0	2,619	79,014
USDA Corrections/Additions to previous reports:									
China T			637						637
China Main									0
Hong Kong									0
Korea Rep.									0
Canada									0
Japan									0
Philippines									0
Indonesia			1,323						1,323
Malaysia									0
Thailand									0
Vietnam			196						196
Kenya									0
Panama									0
Sub total	0	0	2,156	0	0	0	0	0	2,156
Mt. Grand Total	20,371	0	62,318	0	0	0	0	2,619	81,170
Number of containers	886	0	2,709	0	0	0	0	114	

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

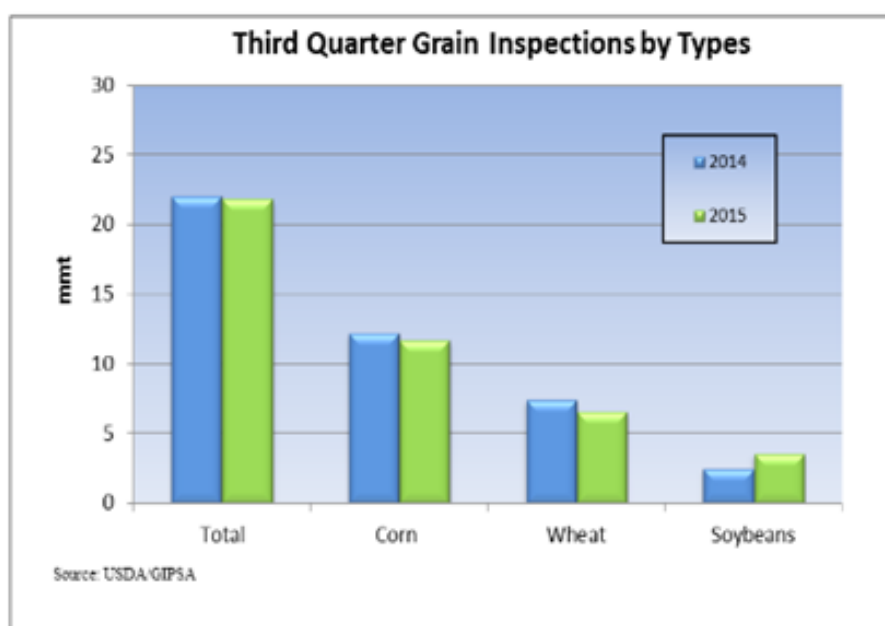


Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2016 YTD vs. 2017 YTD

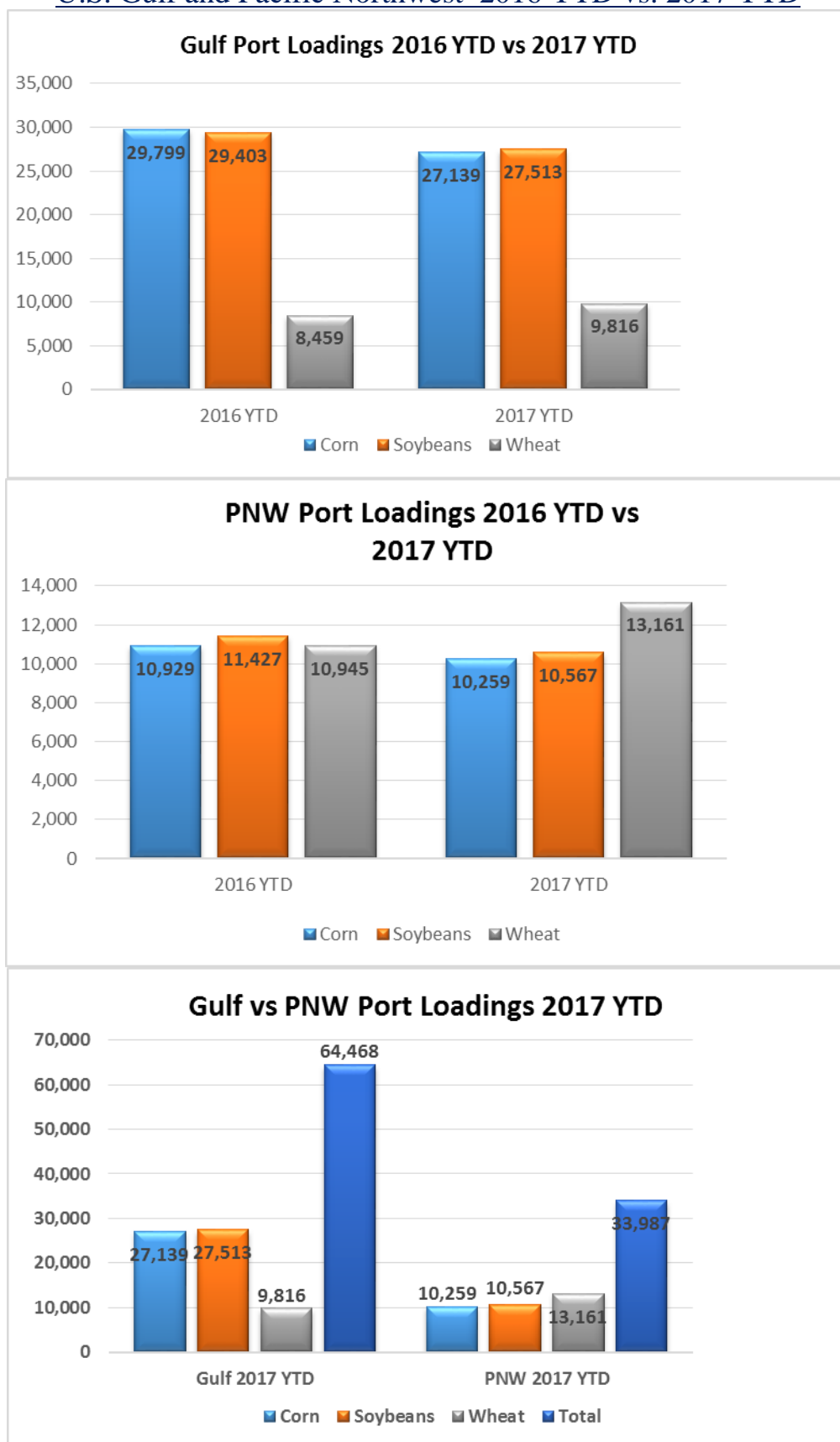
PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2016 YTD	29,799	29,403	8,459	67,661
2017 YTD	27,139	27,513	9,816	64,468
2017 as % of 2016	91%	94%	116%	95%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2016 YTD	10,929	11,427	10,945	33,301
2017 YTD	10,259	10,567	13,161	33,987
2017 as % of 2016	94%	92%	120%	102%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2017 Gulf YTD	27,139	27,513	9,816	64,468
2017 PNW YTD	10,259	10,567	13,161	33,987
TOTAL	37,398	38,080	22,977	98,455
Gulf Percentage	73%	72%	43%	65%
PNW Percentage	27%	28%	57%	35%



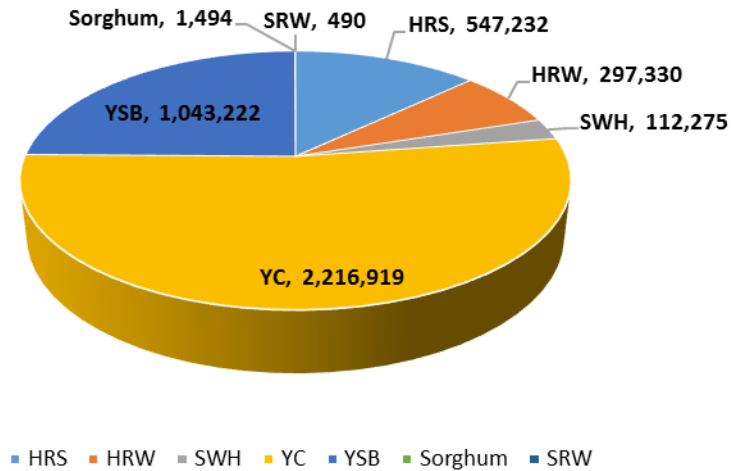
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2016 YTD vs. 2017 YTD



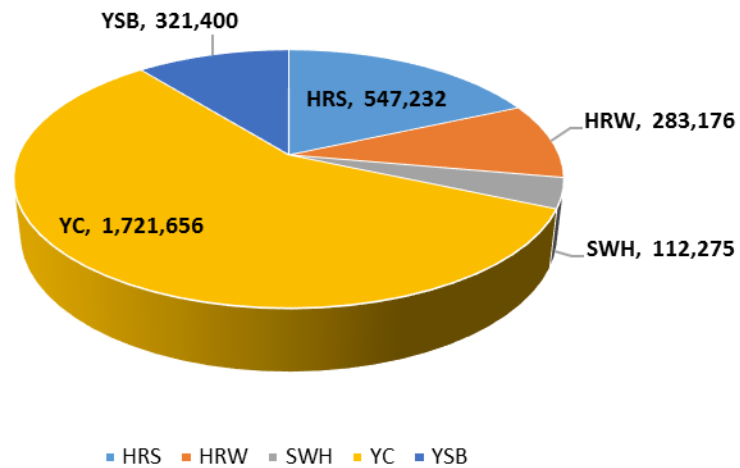
Source: USDA-data

2017 YTD Total Grain Exports reported by USDA (in MT)

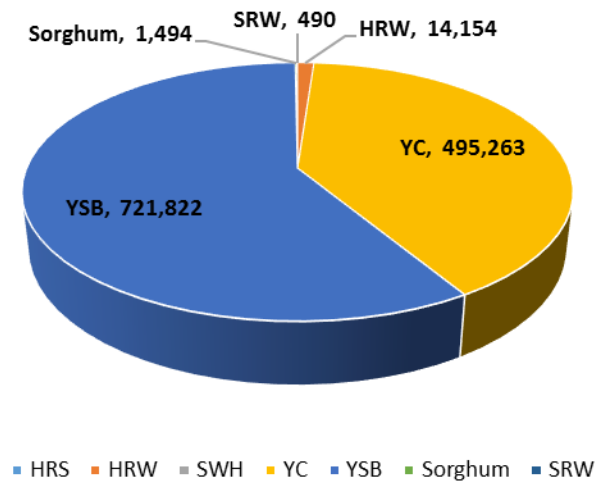
2017 YTD Exports to China T



YTD Exports to China T by Vessel



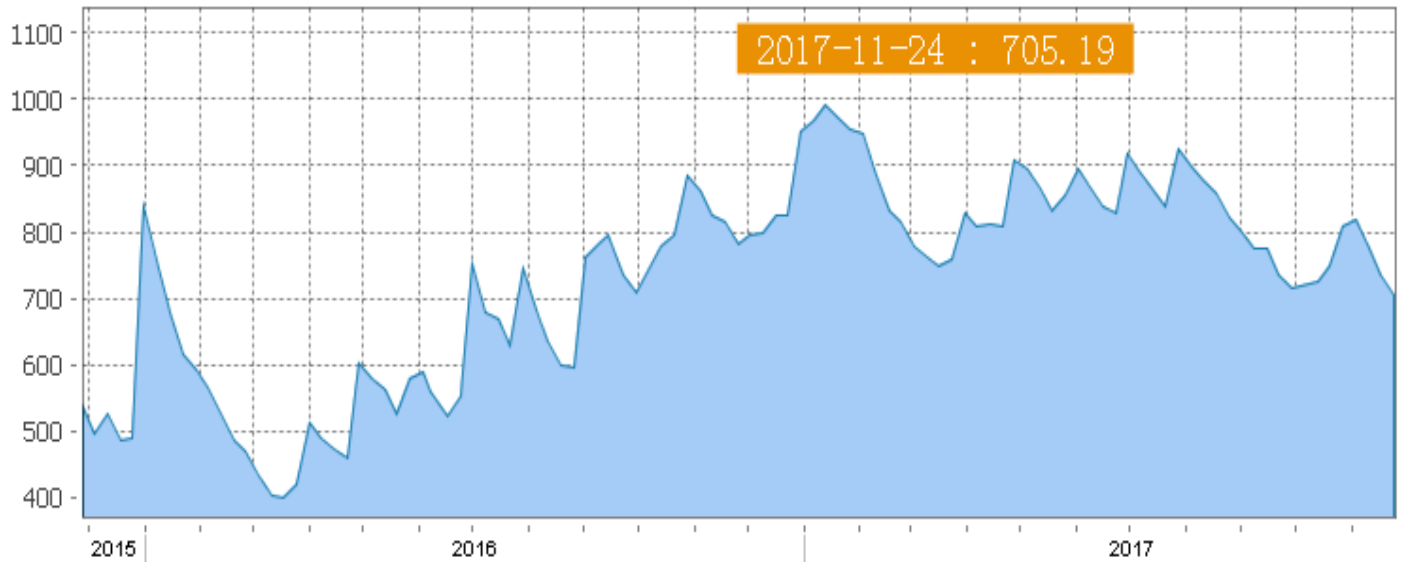
YTD Exports to China T by Container



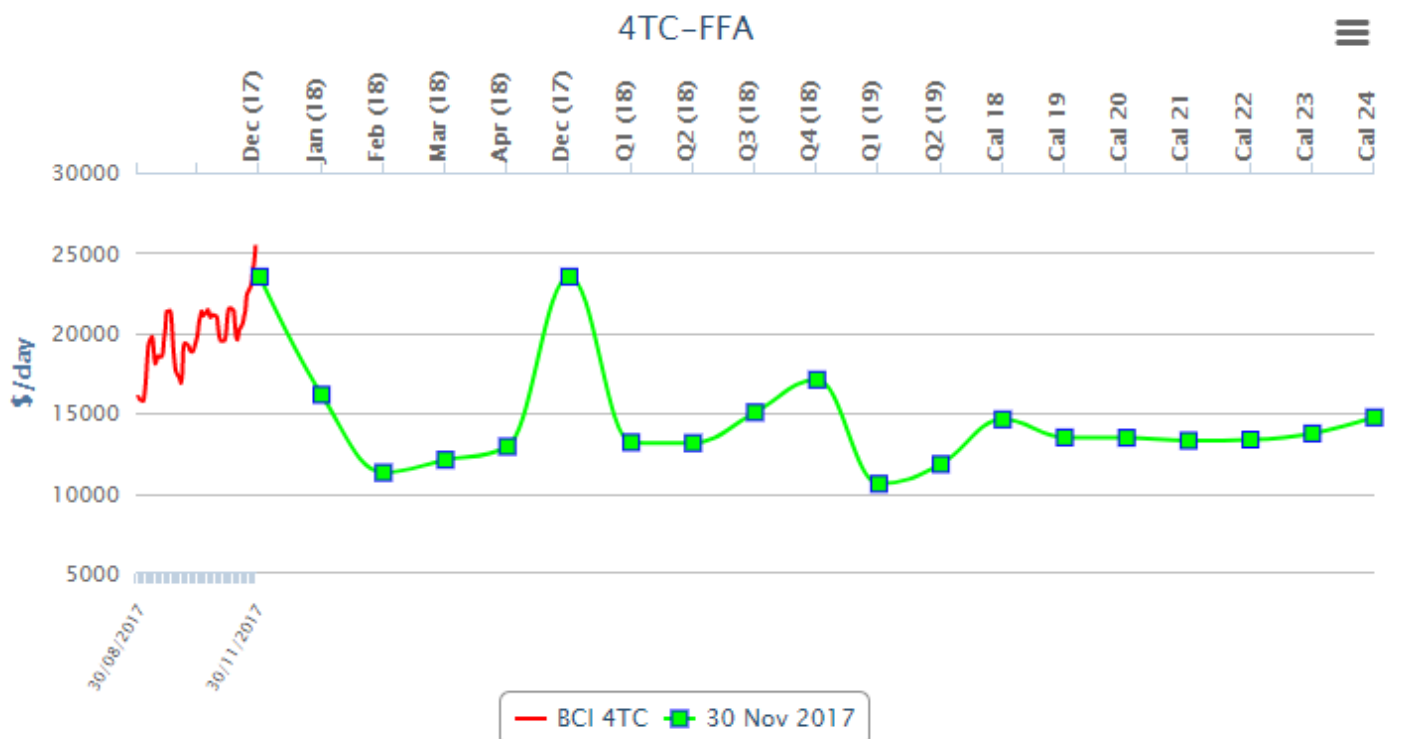
**Please keep in mind that USDA does not report DDGS sales, or they would show as the largest exports by container

Shipping News:

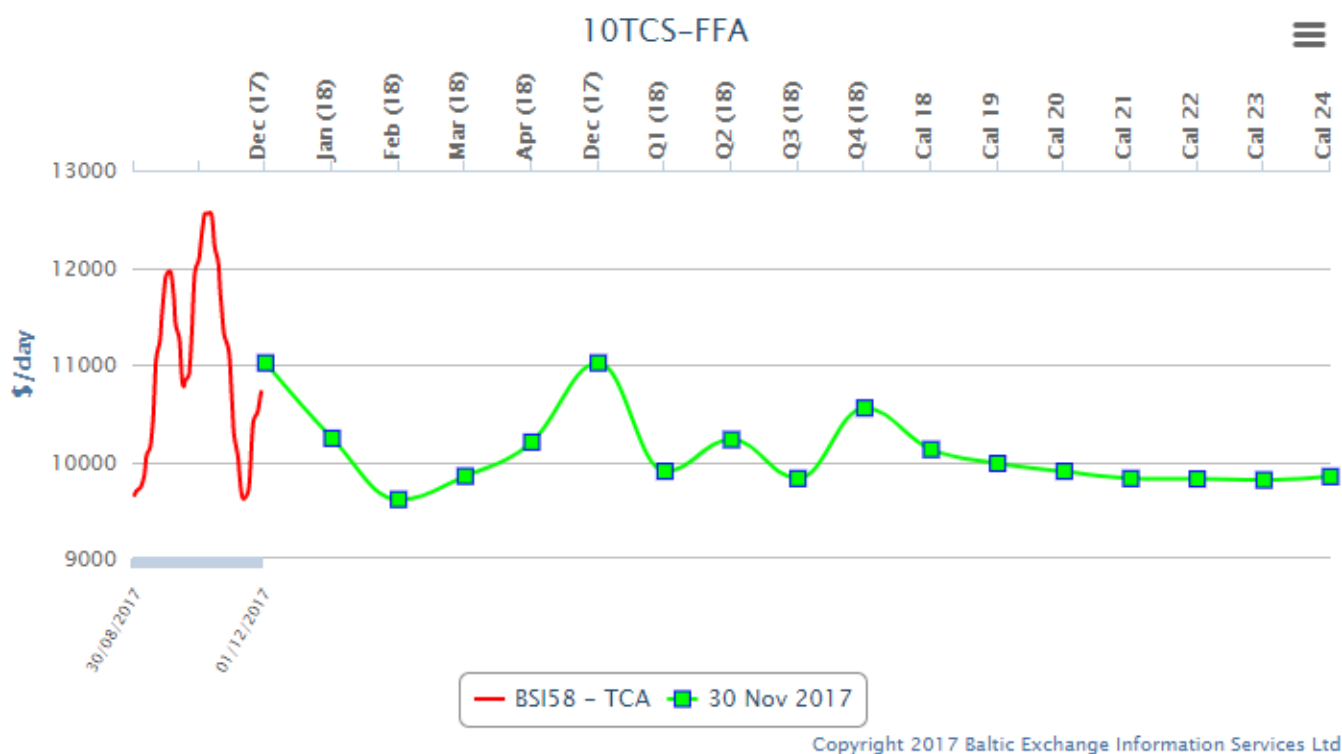
Shanghai Containerized Freight Index



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 December 2017

Placemen LH December 2017	% of Tariff	MT	Corn BU	Soybeans-Wheat BU
Upper Mississippi	Closed		0.00	0.00
Illinois River (Pekin and South)	295	\$15.64	0.40	0.43
Mid-Mississippi	Closed		0.00	0.00
Lower Ohio	235	\$11.55	0.29	0.31
St. Louis	195	\$ 8.58	0.22	0.23

Secondary Rail Car Market for car placement period: Last Half December 2017.

Secondary Rail Car Market Placement LH December 2017	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ (50.00)	\$ 50.00	\$ (0.01)	\$ 0.01	\$ (0.49)	\$ 0.49
UPRR Shuttle Trains	\$ (400.00)	\$ (250.00)	\$ (0.10)	\$ (0.06)	\$ (3.94)	\$ (2.46)

Best Regards,

Jay
Jay O'Neil
Senior Agricultural Economist
IGP at Kansas State University
and
O'Neil Commodity Consulting
785-410-2303 (cell)
785-532-2868 (office)
joneil@ksu.edu

Follow me on Twitter @ **igpjay**



**** The information in this market report is derived from sources believed to be reliable and accurate but can not be guaranteed. Forward looking projections are never completely accurate, and these markets move quickly.
All market data is subject to change with market conditions and Traders opinions.
Please obtain market updates and reconfirm all values with your regular freight supplier before making any trading decisions based on this data. This message and any attachments may contain confidential or privileged information and are only for the use of the intended recipient of this message. If you are not the intended recipient, please notify the sender by return email, and delete or destroy this and all copies of this message and all attachments. Any unauthorized disclosure, use, distribution, or reproduction of this message or any attachments is prohibited and may be unlawful.
This E-mail is covered by the Electronic Communications Privacy Act, 18 U.S.C. §§2510-2521, and is confidential.*