

**Transportation and Export Report for 21 December 2017****Ocean Freight Insights and Comments:**

All the Shipping news wires this week have the same verbiage; “Markets are slow and quiet”. This of course is code for we are in holiday mode and the markets are soft. The end of the year is always like this and the trick is to determine the markets attitude once everyone returns from the holidays in January. Keep in mind however that the first quarter of any year is usually the slowest period and therefore the low end of the annual rate structure. I don’t expect to see much different this year. Q1 will likely be a bit softer than the last quarter of 2017 but then we will probably start to see an uptick in rates as we move farther into the balance of the year. Higher freight rates will not harm Traders but will directly impact market bids to farmers. Given the higher Dry-bulk rates verses containerized Grain rates from the U.S. to Asia; I do expect to see a slight increase in the percentage of containerized grain sales in 2018.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
21-Dec-17	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	18407	20280	-1,873	-9.2%
P3A - PNW/Pacific - Japan	10374	11671	-1,297	-11.1%
S1C -USGULF-China-So.Japan	23767	25419	-1,652	-6.5%

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

Four weeks ago:	\$ 7.50-\$8.80
Three weeks ago:	\$ 7.50-\$8.15
Two weeks ago:	\$ 8.75-\$9.90
One week ago:	\$ 8.70-\$9.90
This week	\$ 9.75-\$10.00

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

Mississippi River:	(10 elevators)	4-8 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-0 days
Texas Gulf	(6 elevators)	0-4 days
Pacific Northwest:	(9 elevators)	0-8 days

Panamax Market Spreads to Asia -China					
21-Dec-17	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.78	0.50	0.28	\$11.02	PNW
SOYBEANS	0.82	0.50	0.32	\$12.60	PNW
OCEAN FREIGHT	\$23.75	\$43.50	.50-.53	\$19.75	Jan.

Recent Reported Vessel Fixtures:

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$44.25	Down \$0.75	Handymax \$45.00/mt
55,000 U.S. PNW- Japan	\$24.75	Down \$0.50	Handymax at \$25.25/mt
65,000 U.S. Gulf – China	\$43.50	Down \$0.75	North or South China
PNW to China	\$23.75	Down \$0.75	
25,000 U.S. Gulf- Veracruz, México	\$17.00	Down \$0.25	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$14.50	Down \$0.25	Deep draft and 6,000 MT per day discharge rate.
25/35,000 U.S. Gulf- <u>East Coast Colombia</u>	\$20.75	Down \$0.25	<u>West Coast Colombia at \$29.00</u>
From Argentina	\$33.50		
40-45,000 U.S. Gulf - Guatemala	\$29.00	Down \$0.25	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$31.75	Down \$.75	8,000 mt daily discharge
	\$33.75		3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$30.75	Down \$0.75	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$29.00	Down \$0.50	55,000 -60,000 mt
PNW to Egypt	\$28.00		Russia Black Sea to Egypt \$15.75
60-70,000 U.S. Gulf – Europe – Rotterdam	\$18.25	Down \$0.50	Handymax at +\$2.00 more
Brazil, Santos – China	\$32.75	Down \$1.00	54-59,000 Supramax-Panamax
Brazil, Santos – China	\$31.75		60-66,000 Post Panamax
Itacoatiara-Port Up River North Brazil	\$35.25		60-66,000 mt
56-60,000 Argentina-China Deep draft	\$38.50	Down \$1.75	Up River with Top Off \$41.00

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)

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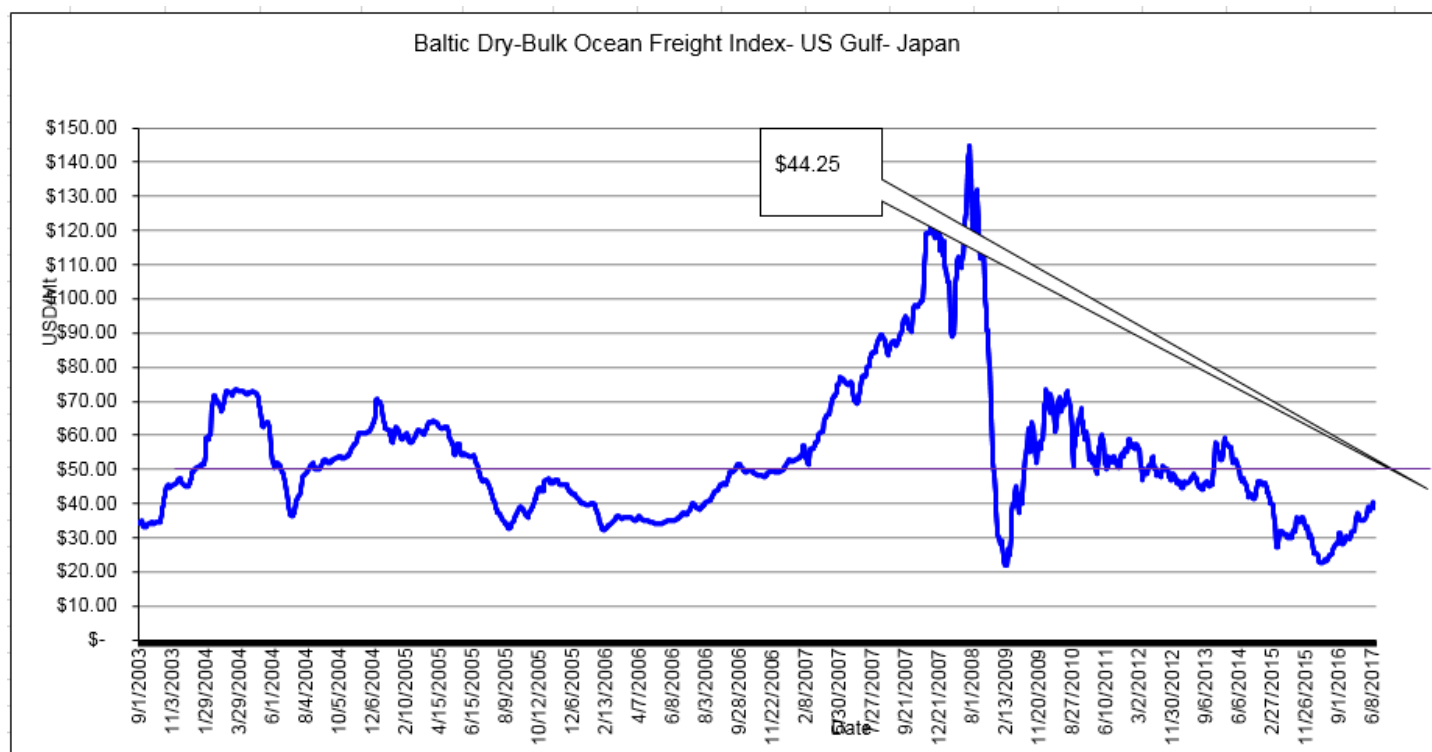
\$/day

22/09/2017 21/12/2017

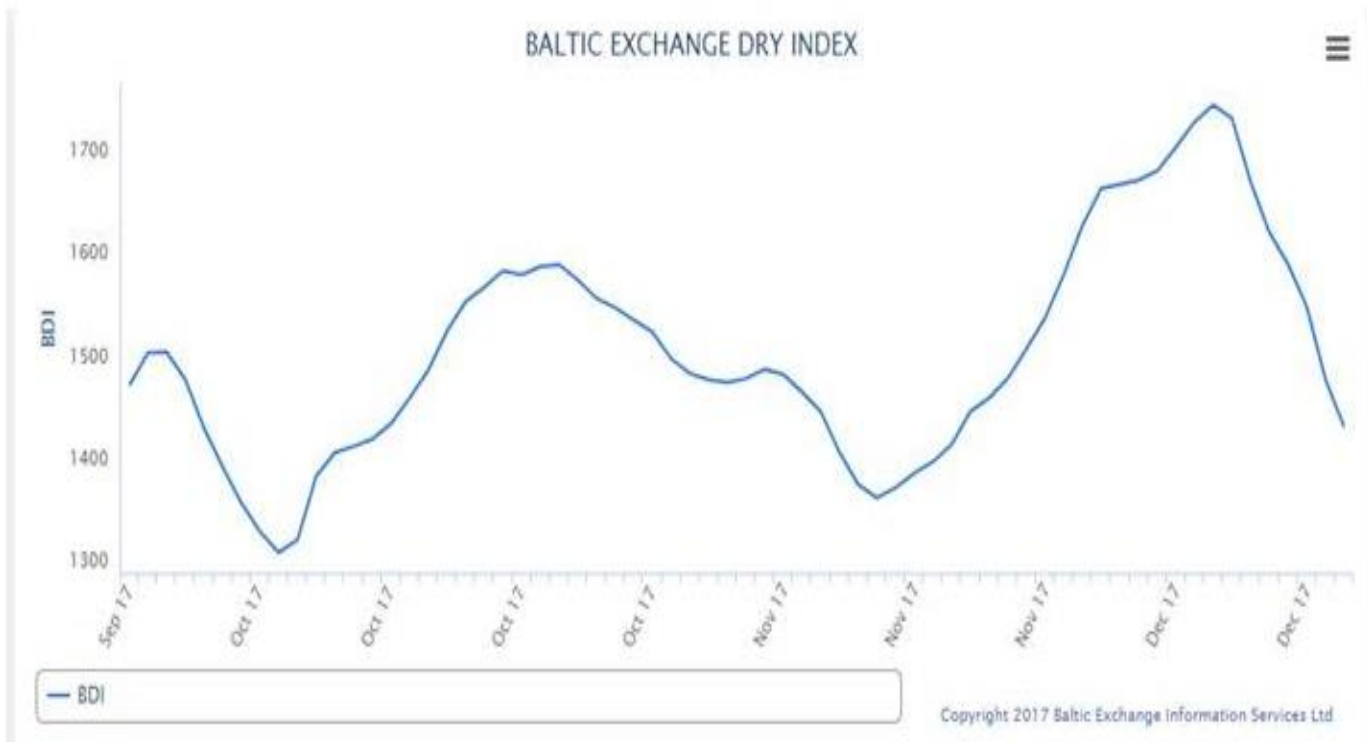
Dec (17) Jan (18) Feb (18) Mar (18) Apr (18) Dec (17) Q1 (18) Q2 (18) Q3 (18) Q4 (18) Q1 (19) Q2 (19) Cal 18 Cal 19 Cal 20 Cal 21 Cal 22 Cal 23 Cal 24

— BPI - TCA —■ 21 Dec 2017

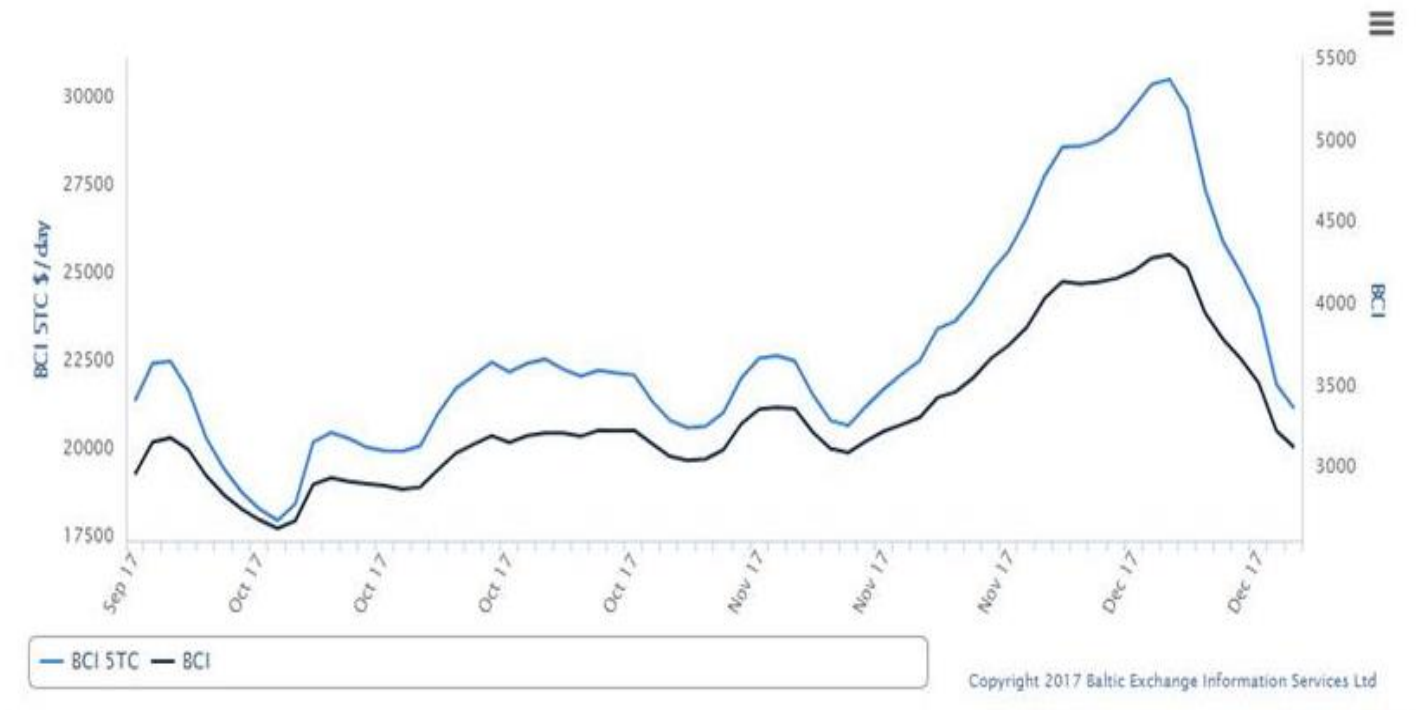
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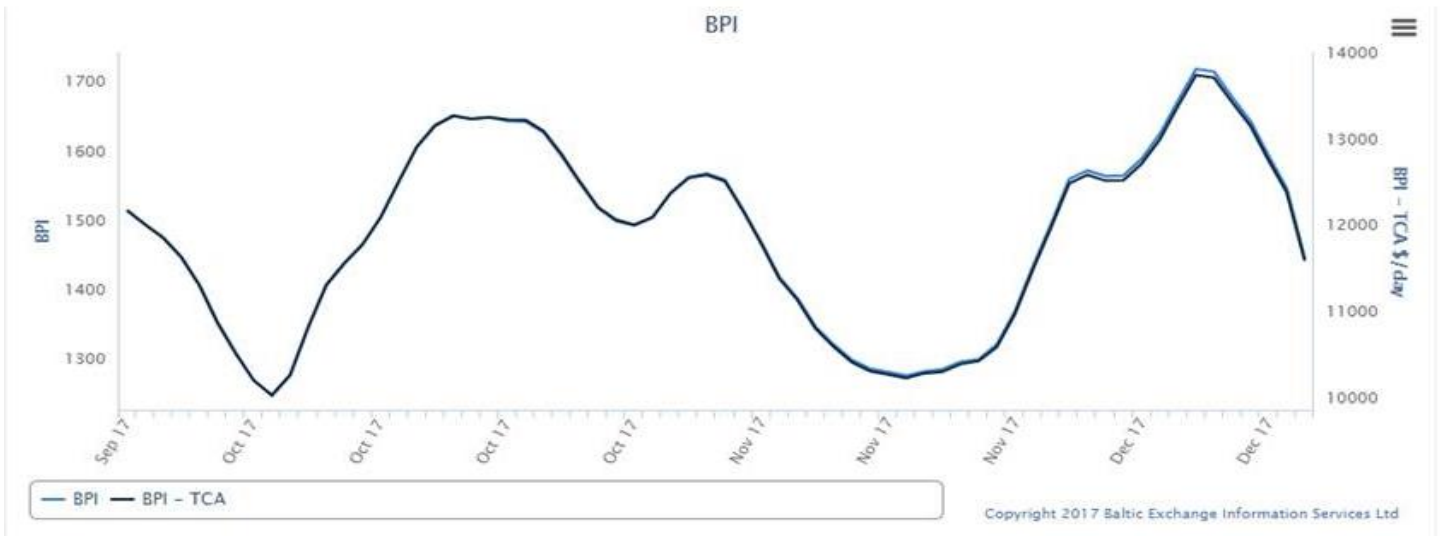
Baltic Exchange Dry Bulk Index



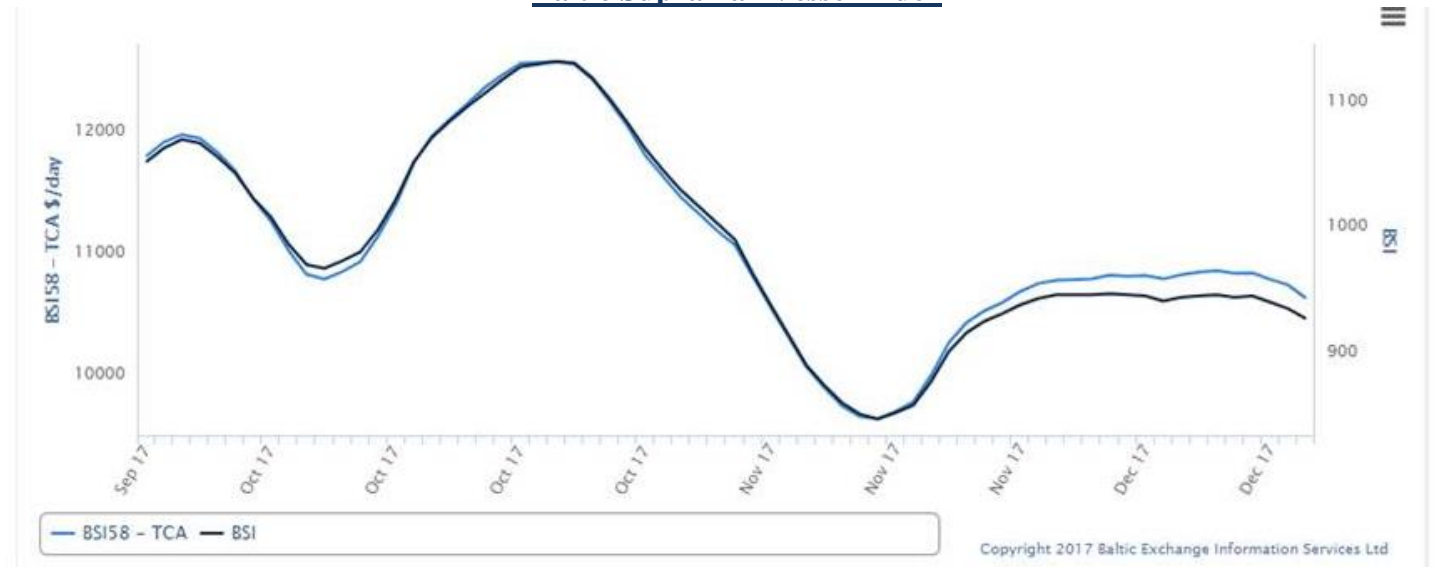
Baltic Capesize Index



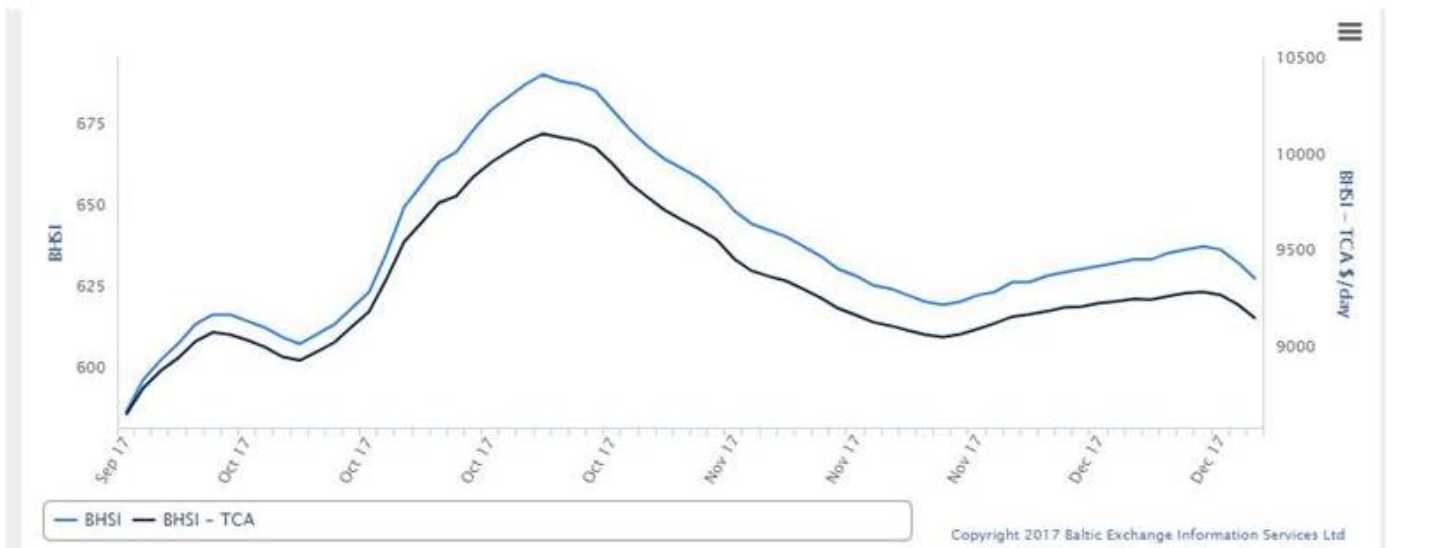
Baltic Panamax Index



Baltic Supramax Vessel Index



Baltic Handy Size



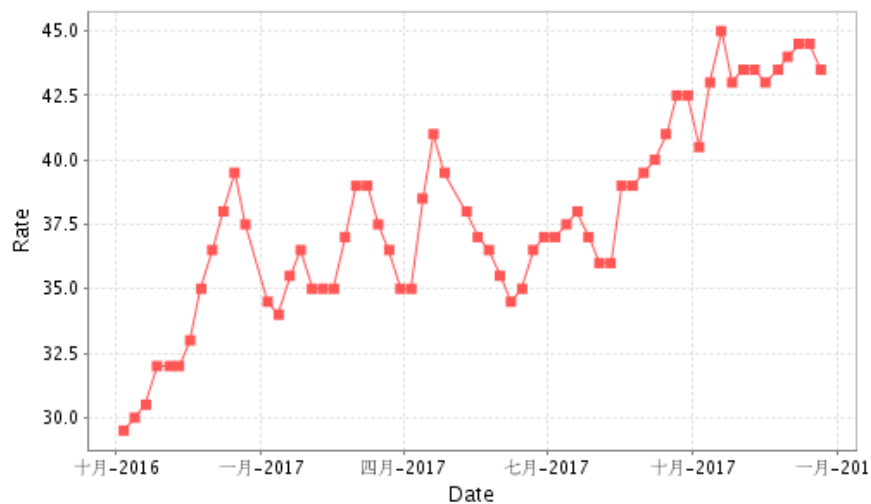
Yamamizu Shipping

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

USG/Japan Index Result

Date From: 2016-10-03

Date To: 2017-12-22



China Import Dry Bulk Freight Index(CDFI) 2017-12-21

Route	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	887.9	-36.46
Iron ore Freight Index			Point	902.01	-60.65
Santos(Brazil)— North China	60000/10%	Soybean	\$/ton	31.3	-0.105
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	23.505	-0.185
Mississippi(US Gulf) —North China	66000/10%	Soybean	\$/ton	43.35	-0.391
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	44.983	-0.389

21 December 2017 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
Jan.	0.50	\$157.96	0.78	\$168.99
Feb.	0.52	\$158.75	0.79	\$169.38
Mar.	0.54	\$159.54	0.80	\$169.77
Apr.	0.45	\$159.24	0.73	\$170.27
May	0.46	\$159.64	0.78	\$172.23
June	0.41	\$160.92	0.75	\$174.30

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
Jan.	1.40	\$193.39	1.40	\$193.39
Feb.	1.40	\$193.39	1.40	\$193.39
Mar.	1.40	\$193.39	1.40	\$193.39
Apr.	1.40	\$196.64	1.40	\$196.64
May	1.40	\$196.64	1.40	\$196.64

Fob vessel Texas Gulf #2 Sorghum is about 122% 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	
	Jan.	Feb.	Mar.	April
FOB U.S. GULF	\$180.78	\$181.14	\$181.51	\$183.35
Basis	0.65	0.66	0.67	0.60
WH	4.2700			
WK	4.3900			
WN	4.5175			

CME CORN FUTURES MARKET CLOSE- Thursday						
CBOT		Friday	Friday	Last week		Difference
CORN	Futures	Close	Close	Last week	Last Week	
Month	Symbol	Bushel	MT.	Bushel	MT.	Bushel
Mar.	CH	\$3.5125	\$138.28	\$ 3.5150	\$138.38	(\$0.0025)
May	CK	\$3.5950	\$141.53	\$ 3.6000	\$141.72	(\$0.0050)
July	CN	\$3.6775	\$144.78	\$ 3.6850	\$145.07	(\$0.0075)
Sept.	CU	\$3.7500	\$147.63	\$ 3.7550	\$147.83	(\$0.0050)
Dec.	CZ	\$3.8375	\$151.07	\$ 3.8400	\$151.17	(\$0.0025)

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 14.0 % Moisture	U.S. Gulf #2 YSB		PNW #2 YSB	
	Basis	Flat Price	Basis	Flat Price
Jan.	0.50	\$366.97	0.82	\$378.73
Feb.	0.42	\$367.80	0.77	\$380.66
Mar.	0.43	\$368.17	0.79	\$381.40
Apr.	0.35	\$369.45	0.69	\$381.95
May.	0.37	\$370.19	0.70	\$382.31

Soybean Futures

Jan.	\$ 9.4875
Mar.	\$ 9.5900
May.	\$ 9.7050
July	\$ 9.8100
Aug.	\$ 9.6350
Sept.	\$ 9.7675

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port max 12.5 % moisture	47.5 Pro. SBM	
	Basis	Flat Price
Jan.	-8.00	\$ 341.89
Feb.	-9.00	\$ 344.53
Mar.	-8.00	\$ 345.63
Apr.	-10.00	\$ 347.29
May	-9.00	\$ 348.39

SBM Futures

SMF	314.20
SMH	318.10
SMK	321.50
SMN	325.00
SMQ	325.40
SMU	324.90

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 07 December 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	878.3	23,766.1	48,900	49%	1,029.5
Sorghum	324.0	3,585.1	6,600	54%	0.0
Soybeans	1685.7	37,794.1	60,560	62%	427.7
Wheat	678.5	18,075.1	26,540	68%	104.8
Barley	0.0	38.0	110	35%	7.1

U.S. EXPORT INSPECTIONS:

Monday's report 18 December 2017 for the Export week ending 14 December 2017

	Export Inspections		Current Market Year YTD	Previous Year to Date	2017 YTD as Percent of 2016 YTD
	This Week	Previous Week			
Corn	605,329	717,919	9,201,223	15,428,802	60%
Sorghum	195,225	150,651	1,425,926	1,555,426	92%
Soybeans	1,780,256	1,238,928	25,876,668	29,692,929	87%
Wheat	585,637	354,527	13,696,561	14,590,204	94%
Barley	563	440	17,693	27,978	63%

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

U.S. EXPORT INSPECTIONS:

Monday's report 18 December 2017 for the Export week ending 14 December 2017

Last Week							
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans %
Lakes	3,227	1%	0	0%	0	0%	0 0%
Atlantic	0	0%	0	0%	0	0%	115,115 6%
Gulf	301,066	50%	0	0%	128,137	66%	1,178,793 66%
PNW	106,546	18%	0	0%	63,997	33%	397,576 22%
Interior Export Rail	192,494	32%	1,996	100%	3,091	2%	88,772 5%
Metric Tons	603,333		1,996		195,225		1,780,256

Sorghum

Shipments:

metric tons

814

Mexico

194,411

China Main

195,225

Total

White Corn

metric tons

Shipments:

1,996

Mexico

1,996

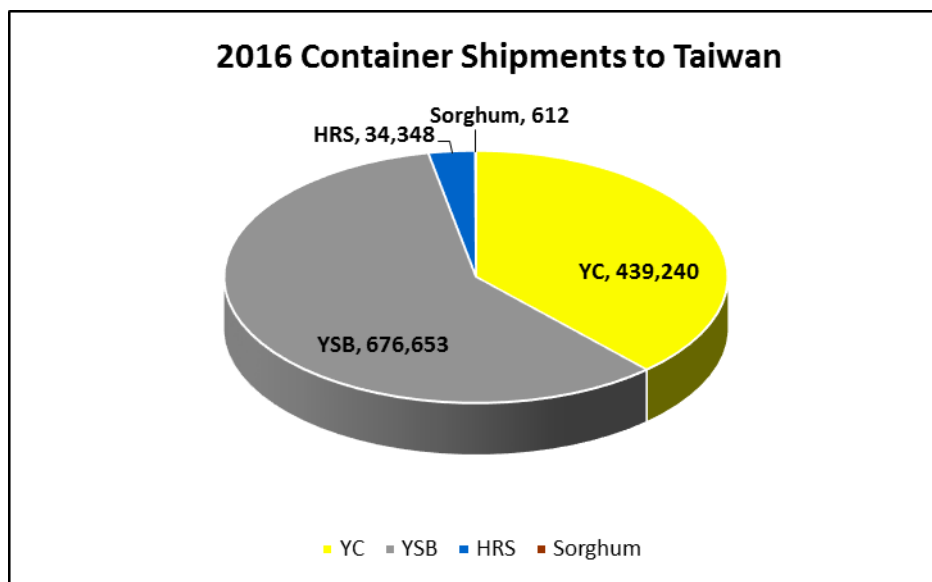
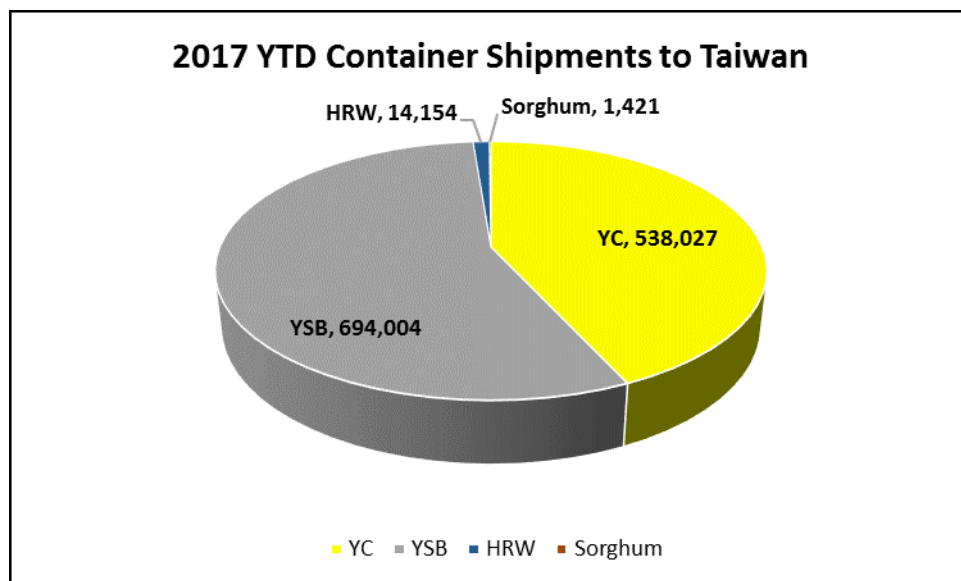
Total

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:		14-Dec-2017							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main	1,665		5,487					2,277	9,429
China T	11,816		29,315						41,131
Hong Kong	1,027								1,027
Costa Rica	171								171
Indonesia			16,773						16,773
French Polynesia									0
Japan	1,224		734						1,958
Korea Republic	2,400		3,086	367					5,853
Lebanon									0
Malaysia			3,819						3,819
Ireland									0
Philippines	147		2,571	98					2,816
Thailand			4,457						4,457
Sri Lanka						514			514
Guyana				196					196
Vietnam			5,973						5,973
Sub total	18,450	0	72,215	661	0	514	0	2,277	87,434
USDA Corrections/Additions to previous reports:									
China T	24		612						636
China Main			1,175						1,175
Hong Kong									0
Korea Rep.									0
Canada									0
Japan									0
Philippines									0
Indonesia			465						465
Malaysia									0
Thailand			734						734
Vietnam									0
Mexico			5,488						5,488
Panama									0
Sub total	24	0	8,474	0	0	0	0	0	8,498
Mt. Grand Total	18,474	0	80,689	661	0	514	0	2,277	95,932
Number of containers	803	0	3,508	29	0	22	0	99	

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

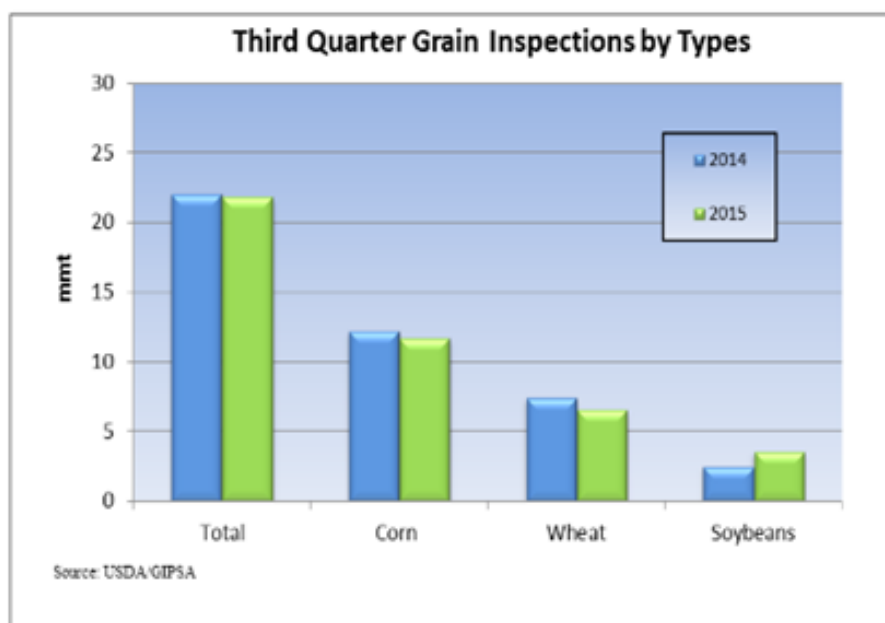


Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2016 YTD vs. 2017 YTD

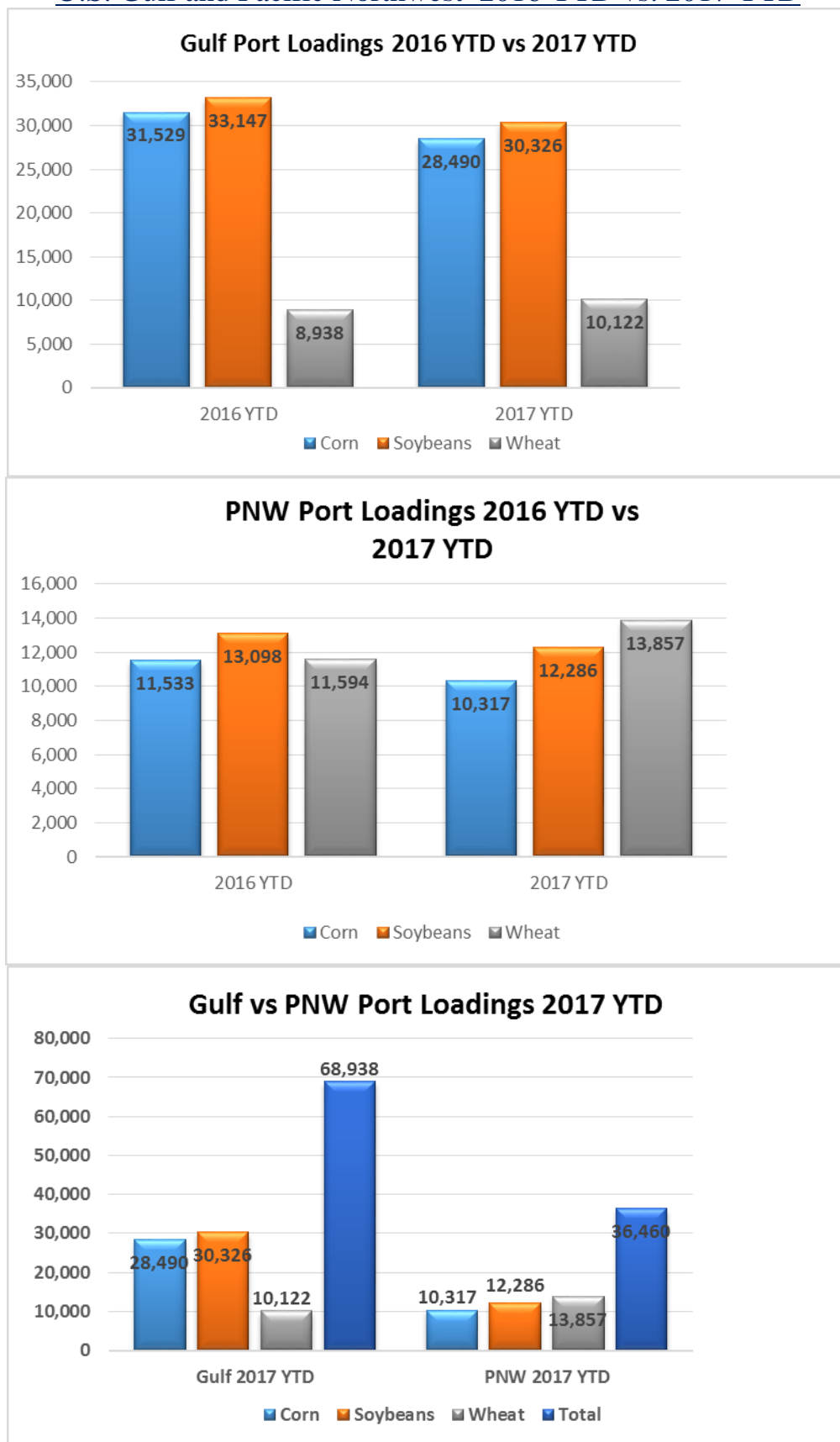
PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2016 YTD	31,529	33,147	8,938	73,614
2017 YTD	28,490	30,326	10,122	68,938
2017 as % of 2016	90%	91%	113%	94%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2016 YTD	11,533	13,098	11,594	36,225
2017 YTD	10,317	12,286	13,857	36,460
2017 as % of 2016	89%	94%	120%	101%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2017 Gulf YTD	28,490	30,326	10,122	68,938
2017 PNW YTD	10,317	12,286	13,857	36,460
TOTAL	38,807	42,612	23,979	105,398
Gulf Percentage	73%	71%	42%	65%
PNW Percentage	27%	29%	58%	35%

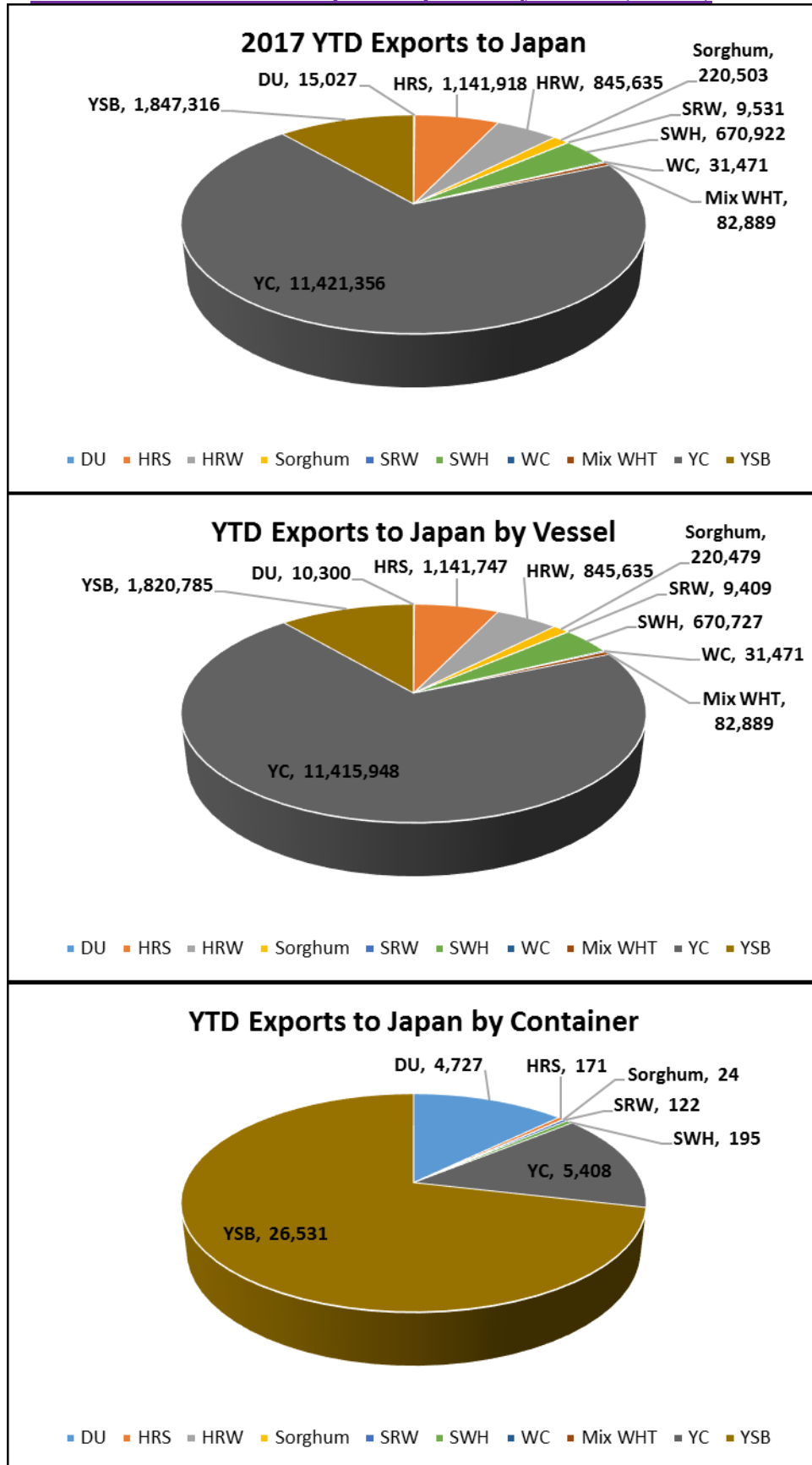


Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2016 YTD vs. 2017 YTD



Source: USDA-data

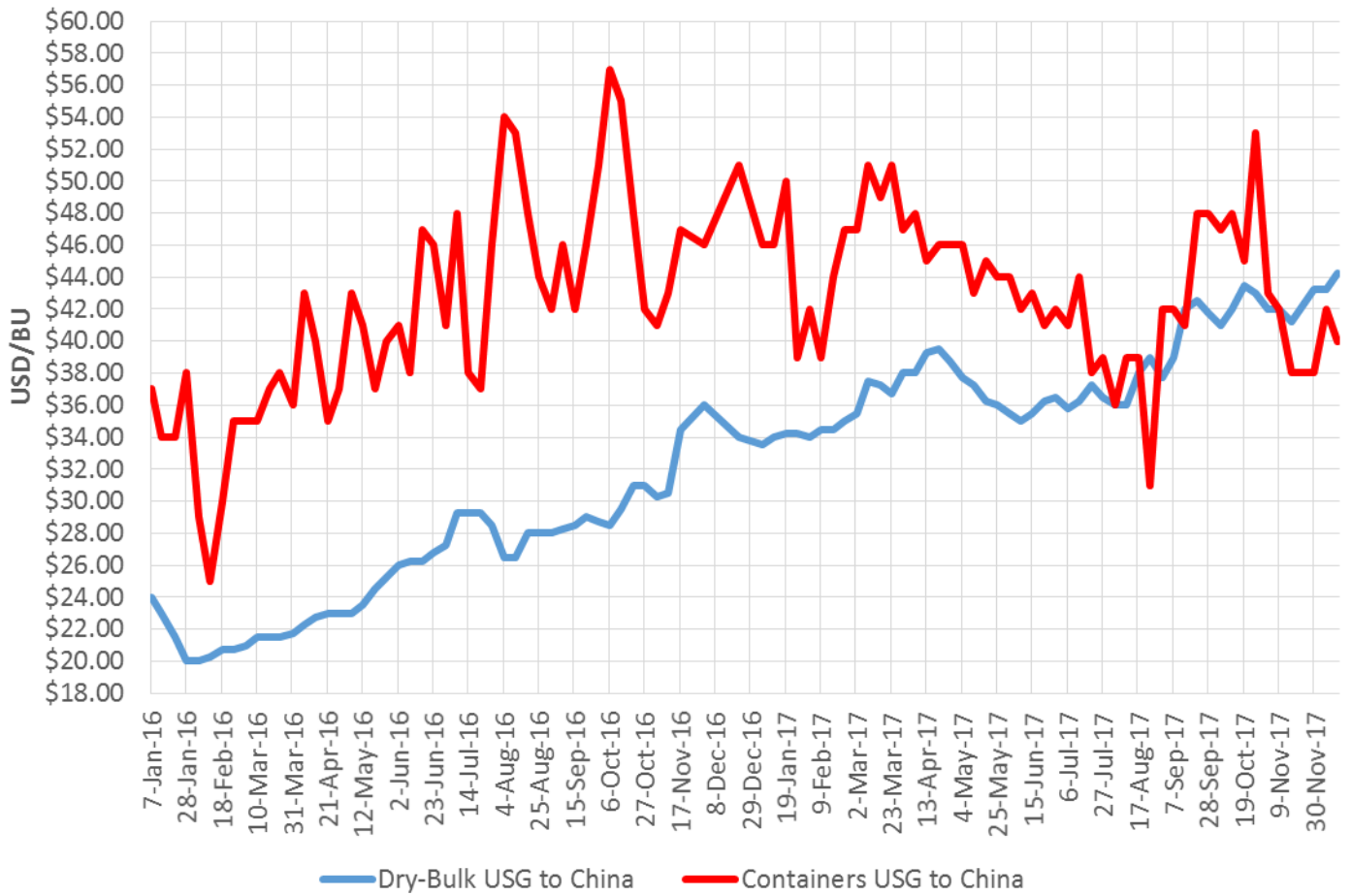
2017 YTD Total Grain Exports reported by USDA (in MT)



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

Shipping News:

FOB Dry-Bulk vs Container to China



Medstone SA @medstonesa · 10h

#China #Australia : More Than 300 CapeSize Bulk Carriers Are held up in the "Mother Of all Maritime Traffic Jam" Off the 2 Countries (some over a month outside ports) Due To China's Huge & Global Commodity Supply Chain (Reuters/Meds)

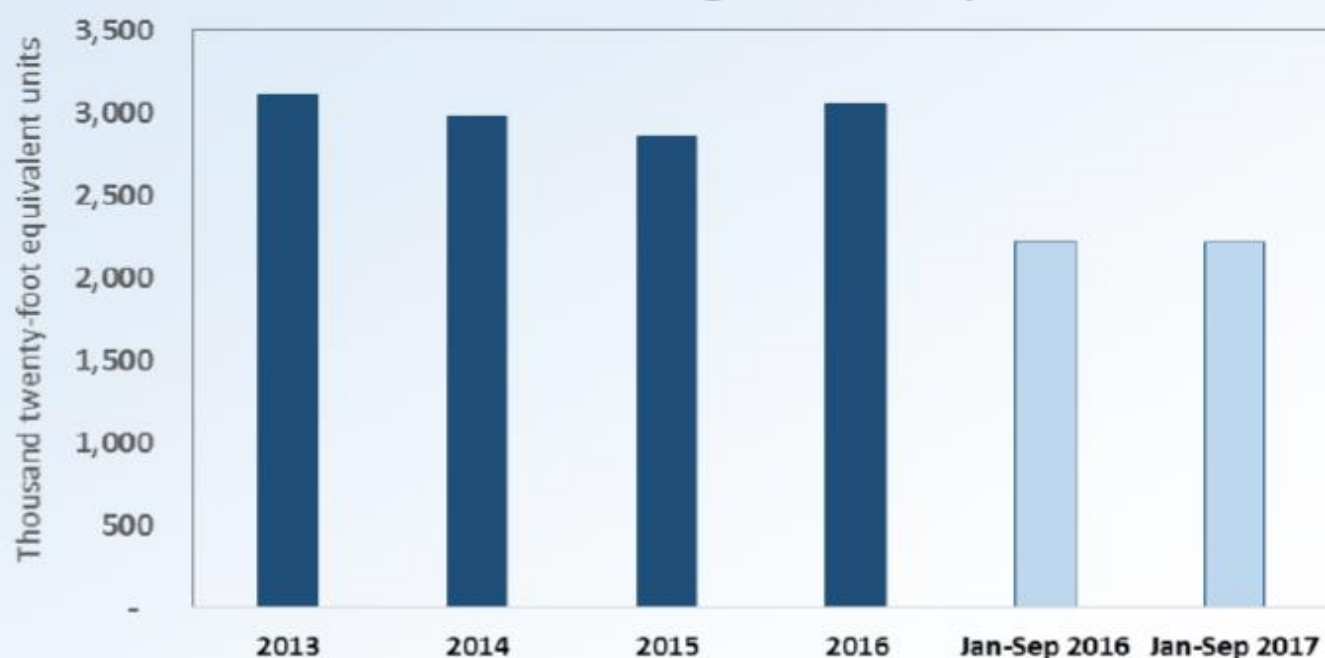


Does Bitcoin have a future in shipping?
in International Shipping News 05/12/2017

Google now receives more search requests for Bitcoin than for Kim Kardashian, Beyoncé and Taylor Swift combined. This week, a shipping company announced that it is working on a deal that will be paid in Bitcoin, which is believed to be an industry first. But does Bitcoin have a future in shipping?

Firstly, what is Bitcoin? It is digital and seen as an alternative currency. Unlike the notes or coins, it largely exists online and is not printed by governments or traditional banks.

U.S. Containerized Agricultural Exports



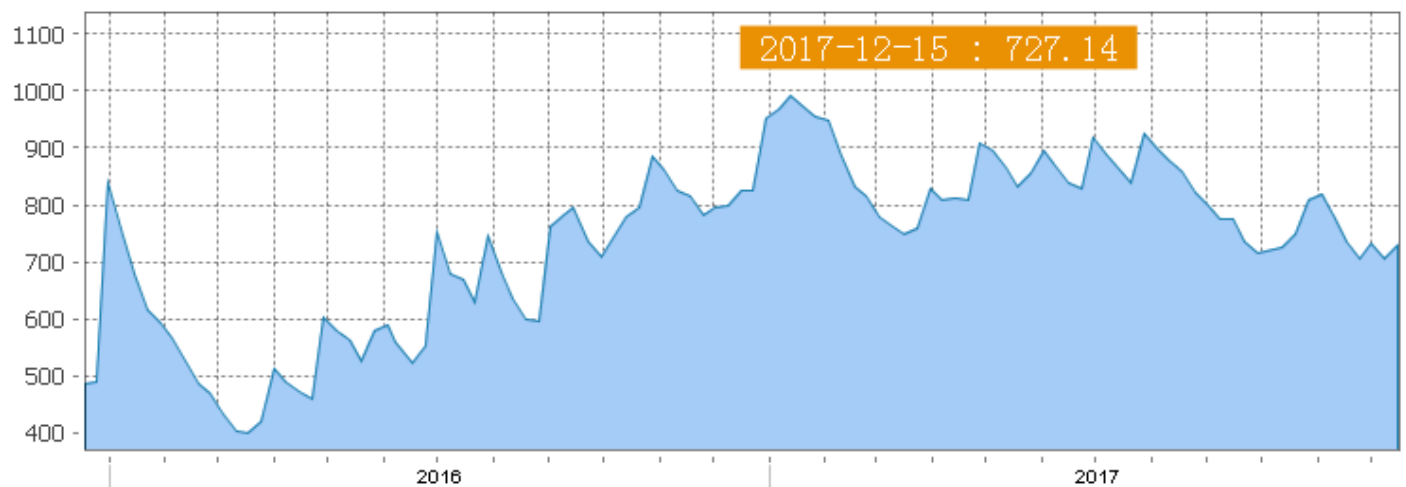
Source: PIERS

U.S. Waterborne Containerized Exports, Jan-Sep 2017

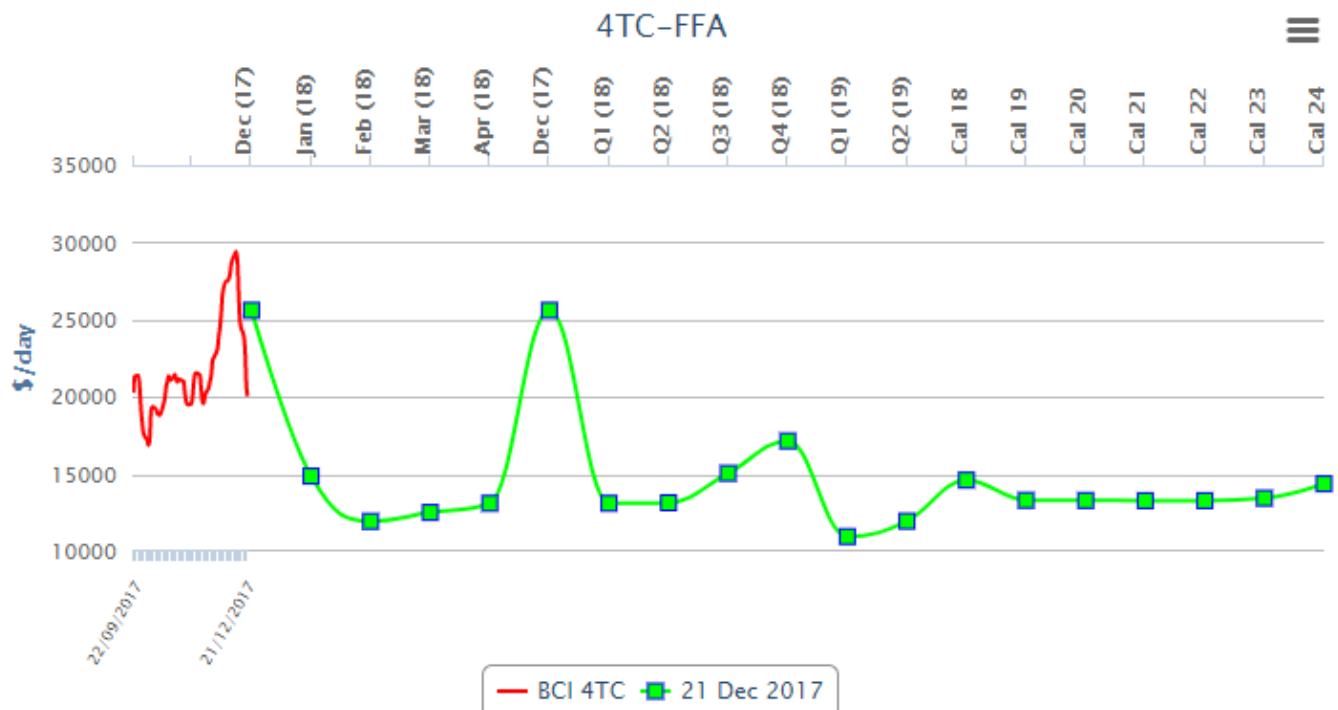
Commodity	TEU	Percent change from 2016
Animal feed	432,785	-19%
Grocery items	280,234	-10%
Soybeans	169,884	23%
Meat	167,939	6%
Cotton	140,207	63%
Poultry	132,566	2%
Vegetables	114,632	1%
Edible nuts	76,261	-12%
Grain products	59,385	22%
Fruit	57,807	12%
Other	578,922	3%
Total	2,210,622	-1%

Source: PIERS

Shanghai Containerized Freight Index

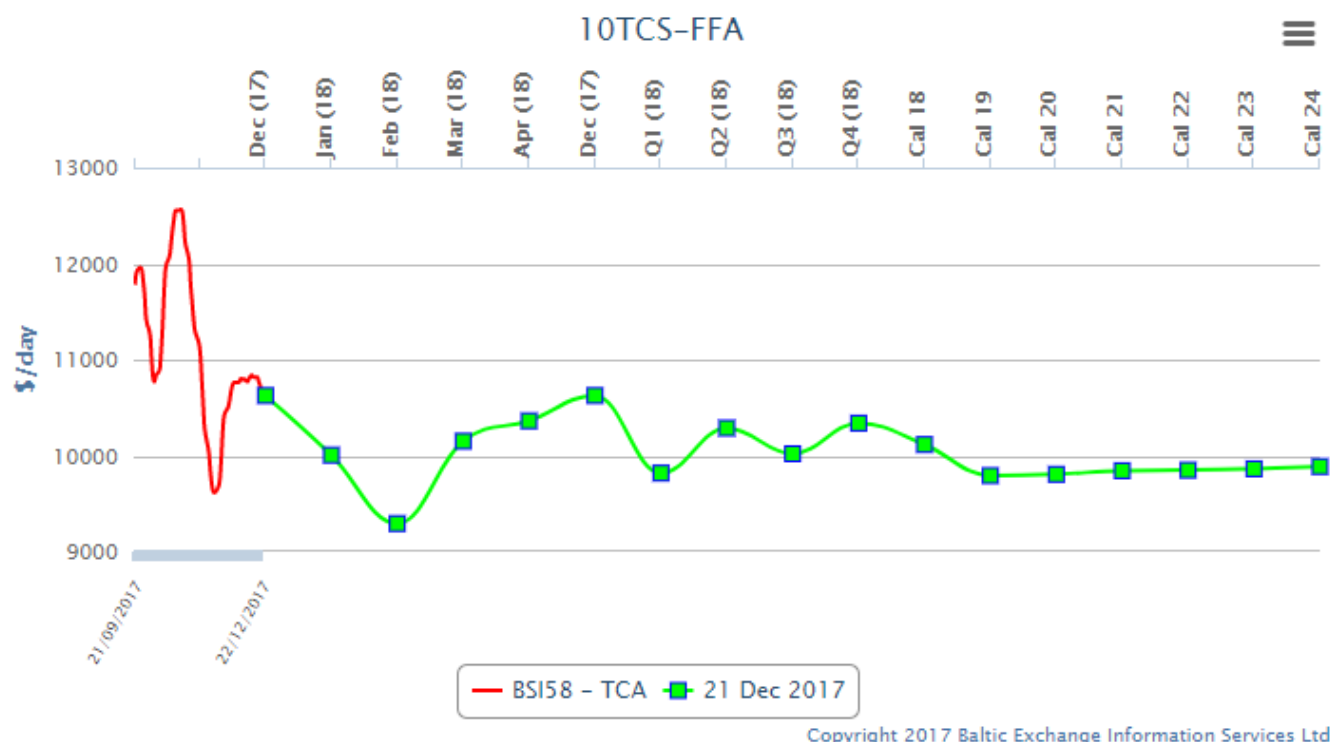


FFA Capesize for the 4 time charter routes



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FFA SUPRAMAX 58 for the 5 time charter routes



U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement Last Half January 2018

Placemen LH January 2018	% of Tariff	MT	Corn BU	Soybeans-Wheat BU
Upper Mississippi	Closed		0.00	0.00
Illinois River (Pekin and South)	315	\$16.70	0.42	0.45
Mid-Mississippi	Closed		0.00	0.00
Lower Ohio	250	\$12.29	0.31	0.33
St. Louis	220	\$ 9.68	0.25	0.26

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

Secondary Rail Car Market Placement LH January 2018	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ 50.00	\$ 200.00	\$ 0.01	\$ 0.05	\$ 0.49	\$ 1.97
UPRR Shuttle Trains	\$ (175.00)	\$ (50.00)	\$ (0.04)	\$ (0.01)	\$ (1.72)	\$ (0.49)

Best Regards,

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