

**Transportation and Export Report for 1 February 2018****Ocean Freight Insights and Comments:**

Last week I stated that ocean freight rates were moving up and down like the tide. This week they continued to act this way. Three two weeks ago the markets were lower week over week. Last week they went up, and what went up last week went back down this week. So, from a cost perspective, things are simply moving in circles. We are two weeks away from the Lunar New Year and I do not believe anyone wants to make any big moves prior to the holiday break.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
1-Feb-18	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	18080	19105	-1,025	-5.4%
P3A - PNW/Pacific - Japan	9883	10671	-788	-7.4%
S1C -USGULF-China-So.Japan	22139	23933	-1,794	-7.5%

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

Four weeks ago:	\$ 5.40-\$7.00
Three weeks ago:	\$ 6.20-\$6.75
Two weeks ago:	\$ 5.80-\$6.90
One week ago:	\$ 4.90-\$6.85
This week	\$ 6.60-\$7.10

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

Mississippi River:	(10 elevators)	3-13 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-2 days
Texas Gulf	(6 elevators)	2-23 days (only 1 facility over 5 days wait)
Pacific Northwest:	(9 elevators)	1-10 days

Panamax Market Spreads to Asia -China					
1-Feb-18	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.86	0.57	0.29	\$11.42	PNW
SOYBEANS	0.89	0.40	0.49	\$19.29	PNW
OCEAN FREIGHT	\$23.50	\$43.25	.50-.54	\$19.75	FEB.

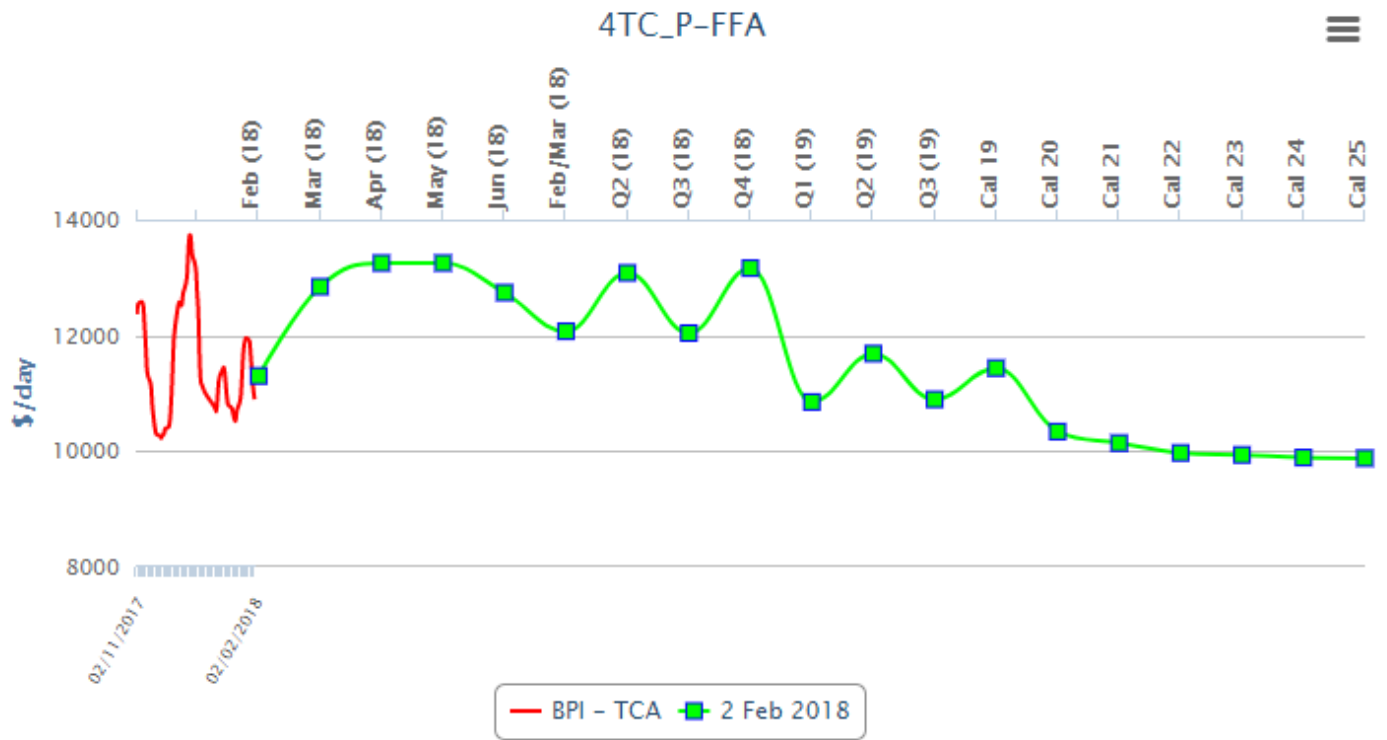
Recent Reported Vessel Fixtures:

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$44.25	Down \$0.50	Handymax \$45.00/mt
55,000 U.S. PNW- Japan	\$24.50	Down \$0.50	Handymax at \$25.50/mt
65,000 U.S. Gulf – China	\$43.25	Down \$0.50	North or South China
PNW to China	\$23.50	Down \$0.50	
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>	\$19.75	Down \$0.50	<u>West Coast Colombia at \$28.00</u>
From Argentina	\$33.00		
40-45,000 U.S. Gulf - Guatemala	\$28.00	Down \$0.50	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$31.00 \$33.00	Down \$0.50	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$30.25	Down \$0.50	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$28.25	Down \$0.50	55,000 -60,000 mt
PNW to Egypt	\$27.00		Russia Black Sea to Egypt \$14.25
60-70,000 U.S. Gulf – Europe – Rotterdam	\$16.75	Up \$0.50	Handymax at +\$2.00 more
Brazil, Santos – China	\$33.75	Down \$0.75	54-59,000 Supramax-Panamax
Brazil, Santos – China	\$32.75		60-66,000 Post Panamax
Itacoatiara-Port Up River North Brazil	\$37.25		60-66,000 mt
56-60,000 Argentina-China Deep draft	\$39.25	Down \$0.75	Up River with Top Off \$41.50

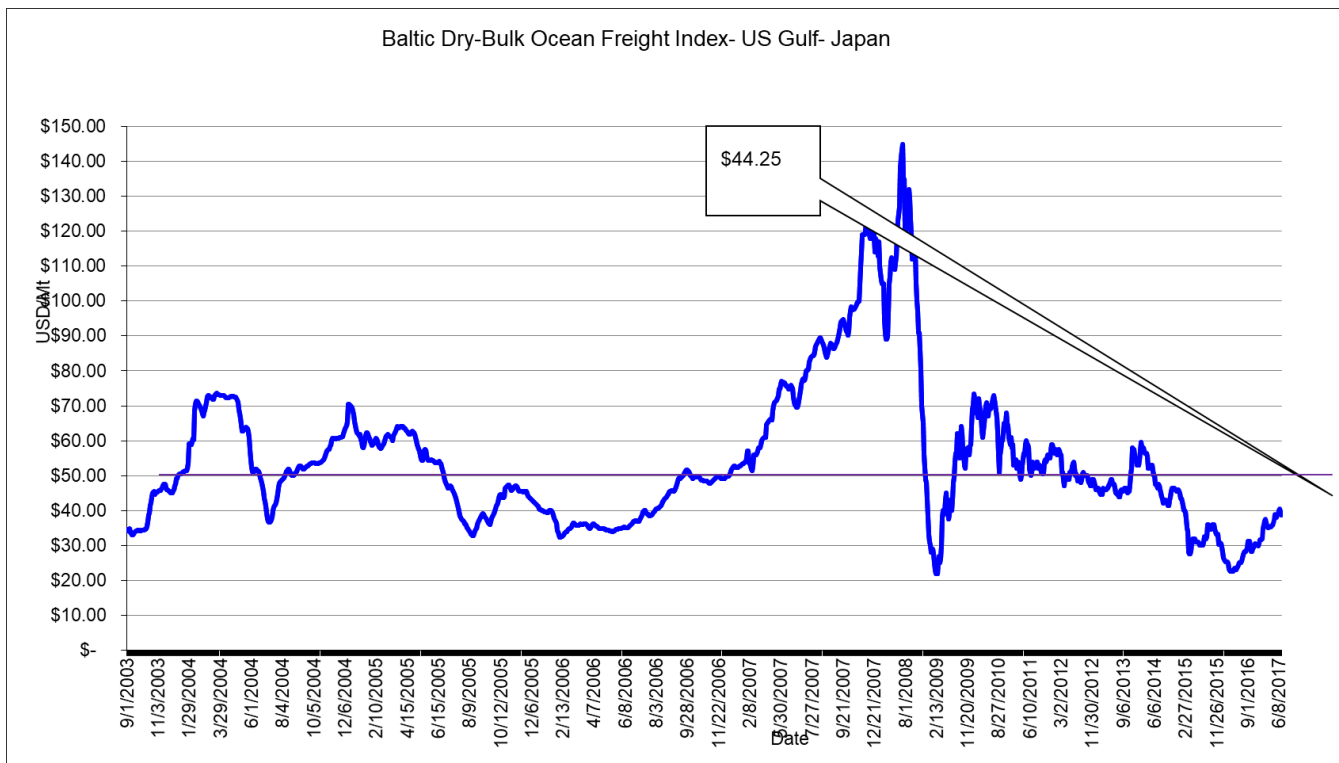
Nautical Miles: To Xiamen China (South China)

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



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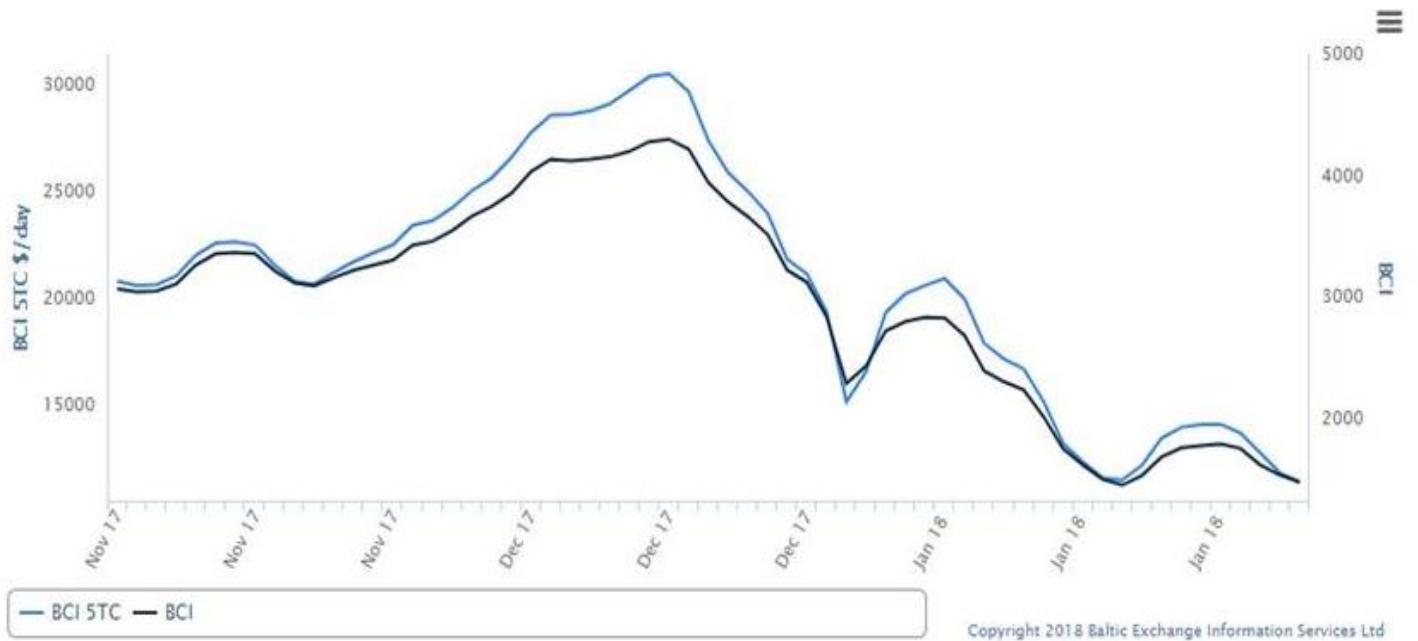


Baltic Exchange Dry Bulk Index

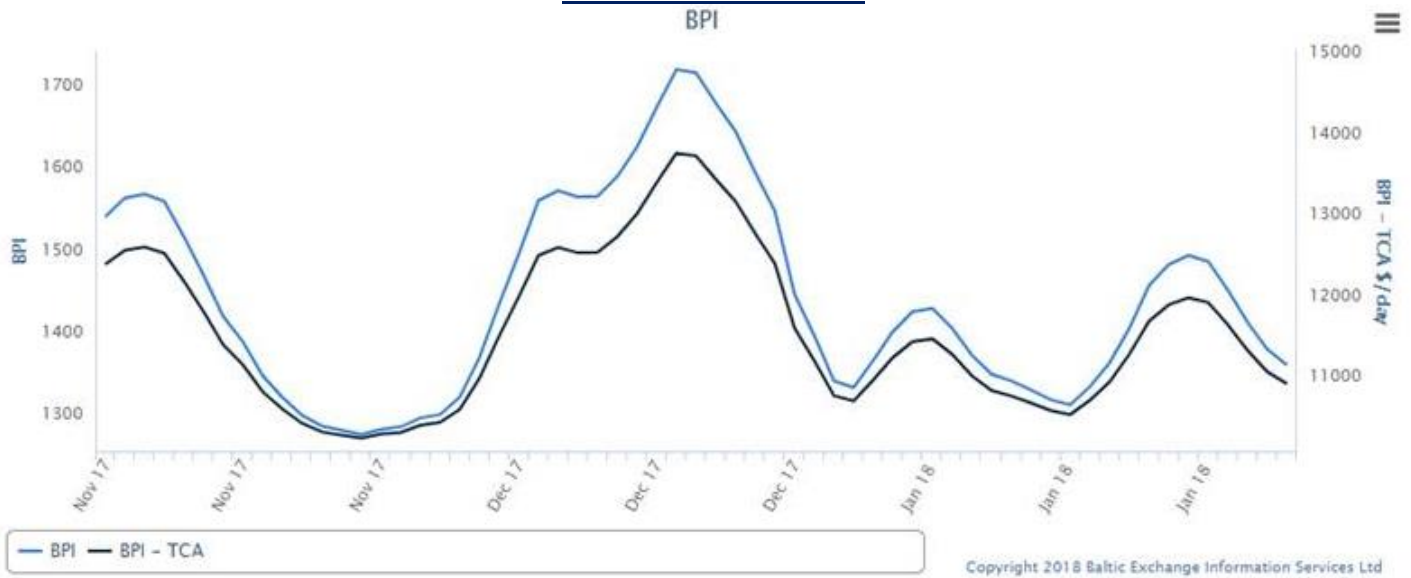
BALTIC EXCHANGE DRY INDEX



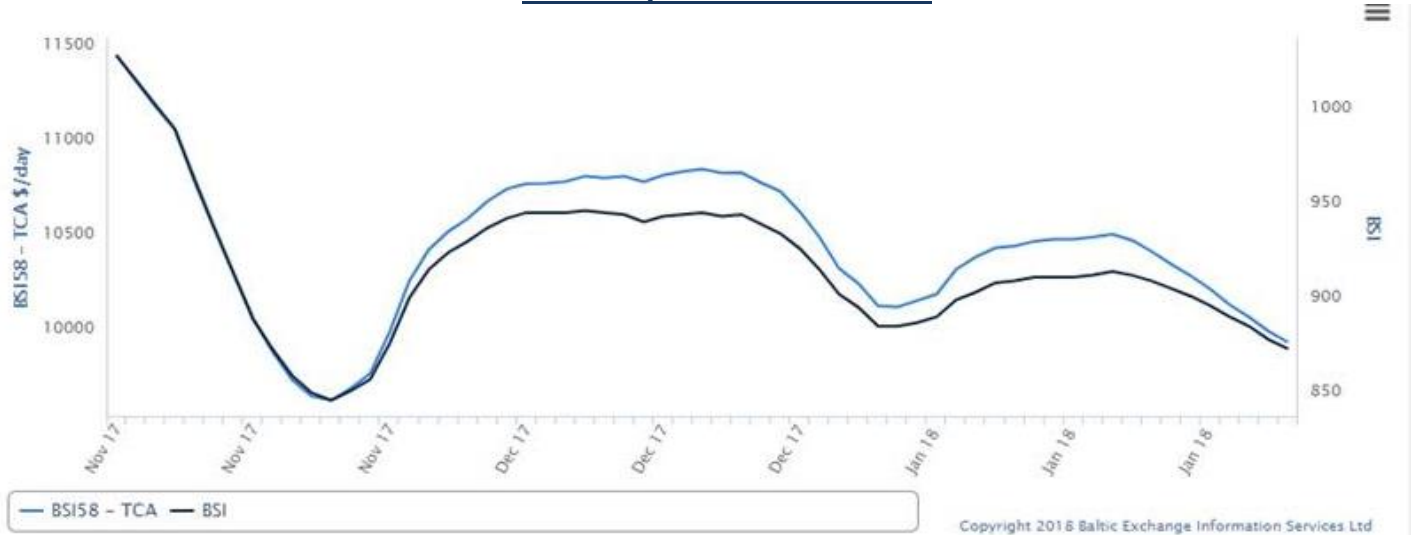
Baltic Capesize Index



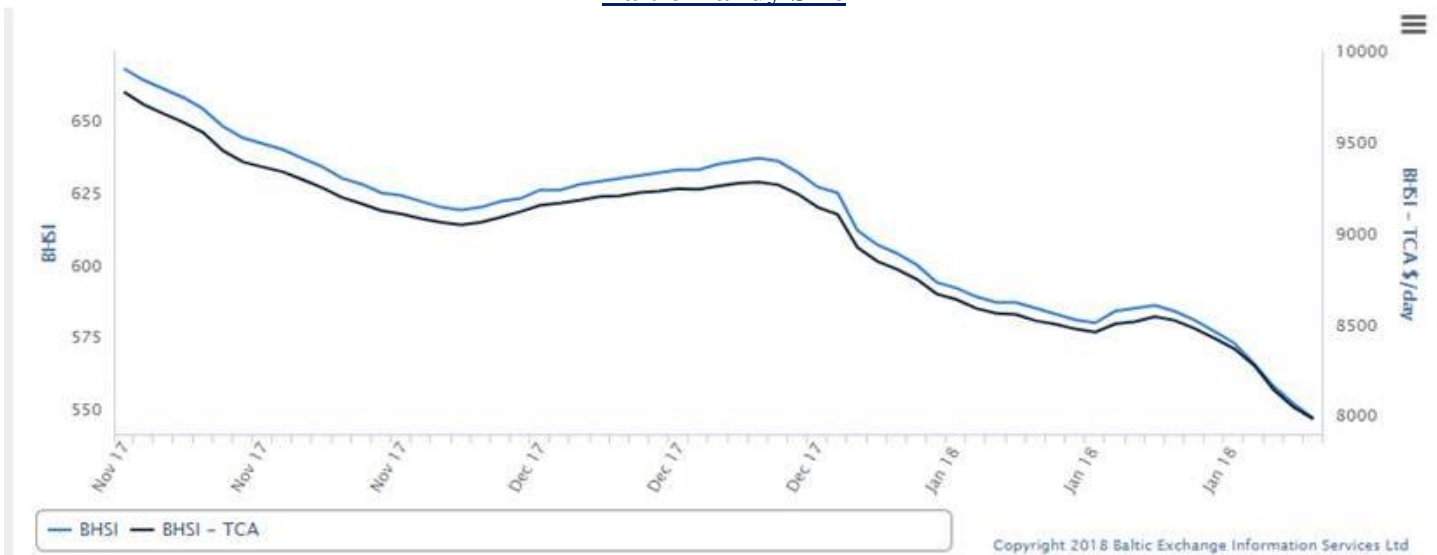
Baltic Panamax Index



Baltic Supramax Vessel Index



Baltic Handy Size



Yamamizu Shipping

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

USG/Japan Index Result

Date From: 2016-12-01

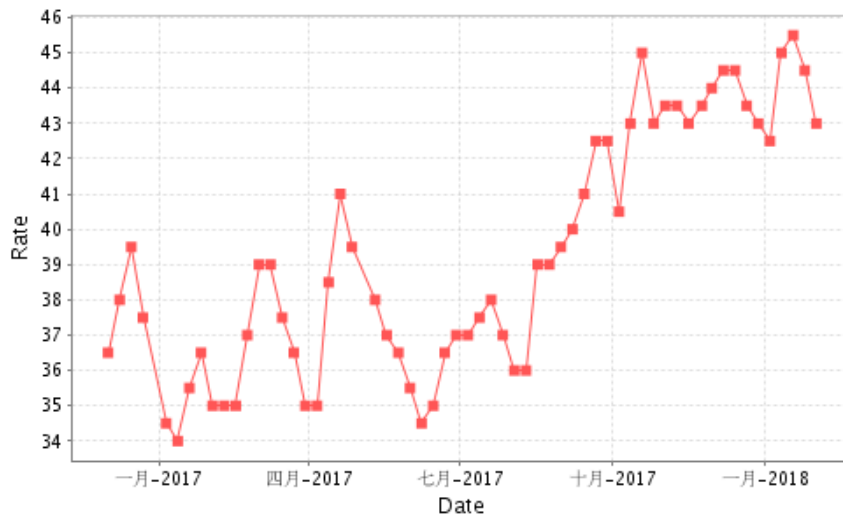
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Date To: 2018-02-03

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China Import Dry Bulk Freight Index(CDFI)

2018-01-31

Route	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	808.25	-11.74
Iron ore Freight Index			Point	748.78	-19.59
Soybean Freight Index			Point	974.35	-5.16
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	33.260	-0.230
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	23.500	-0.115
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	43.318	-0.159
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	44.978	-0.111

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 #3 YC	
15.0 % Moisture	Basis	Flat Price	Basis	Flat Price
Mar.	0.57	\$164.56	0.86	\$175.97
Apr.	0.48	\$164.36	0.76	\$175.38
May	0.48	\$164.36	0.78	\$176.17
June	0.41	\$164.66	0.73	\$177.25
July	0.42	\$165.05	0.75	\$178.04
Aug.	0.38	\$166.33	0.70	\$178.93

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% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
Mar.	1.70	\$209.04	1.60	\$205.11
Apr.	1.70	\$212.39	1.55	\$206.48
May	1.70	\$212.39	1.55	\$206.48
Jun.	1.65	\$213.47	1.50	\$207.57
July	1.65	\$213.47	1.53	\$208.75

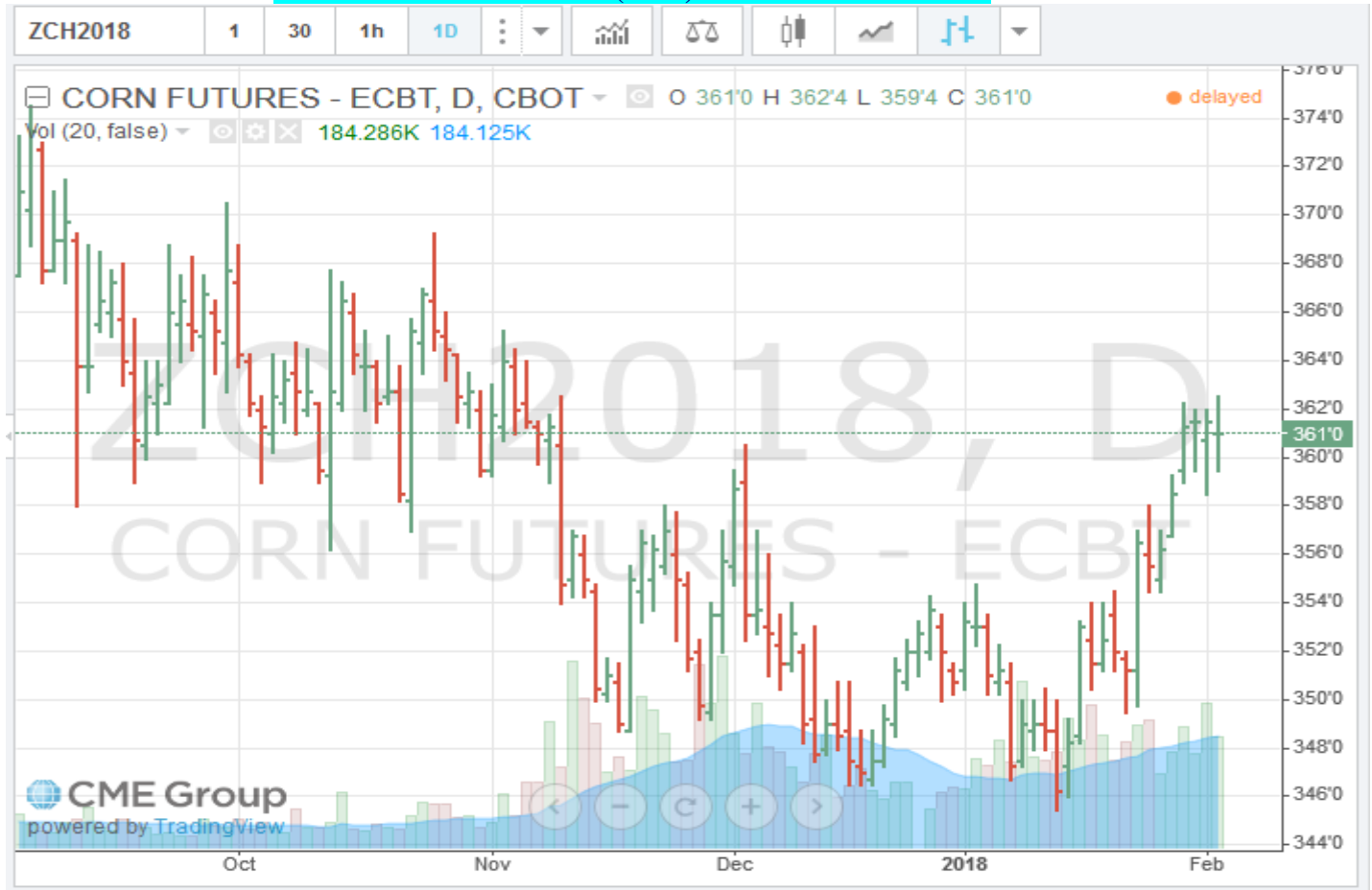
Fob vessel Texas Gulf #2 Sorghum is about 125 % the value of #2 Yellow Corn at NOLA
Sorghum has gotten to be a thin trade and interior and export handling margins have widened out to reflect the risk.

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

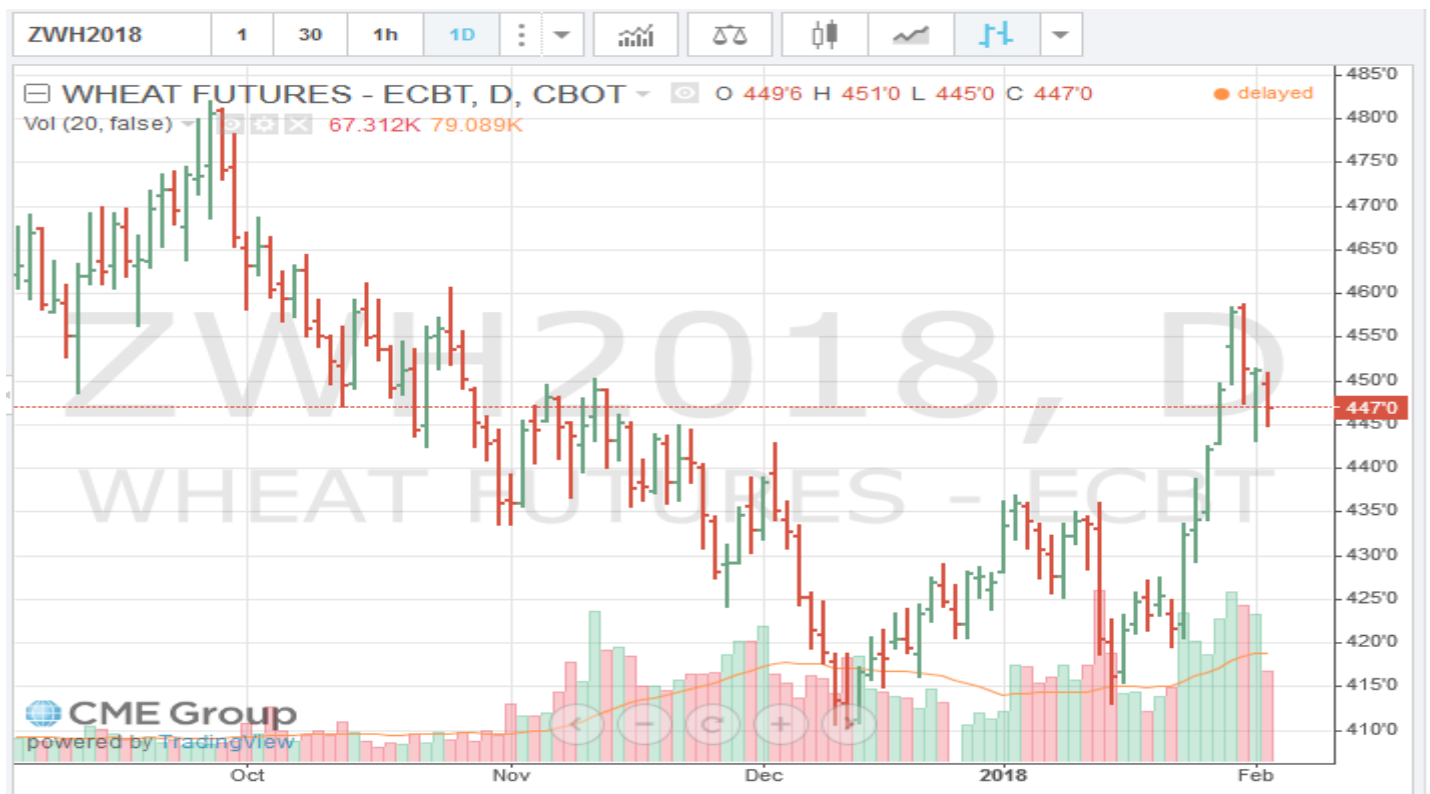
SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	Mar.	Apr.	May	June
FOB U.S. GULF	\$193.55	\$194.65	\$195.75	\$197.86
Basis	0.80	0.70	0.73	0.65
WH	4.4675			
WK	4.5975			
WN	4.7350			

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	\$3.6100	\$142.12	\$ 3.5525	\$139.85	\$0.0575
May	CK	\$3.6950	\$145.46	\$ 3.6375	\$143.20	\$0.0575
July	CN	\$3.7725	\$148.52	\$ 3.7175	\$146.35	\$0.0550
Sept.	CU	\$3.8450	\$151.37	\$ 3.7925	\$149.30	\$0.0525
Dec.	CZ	\$3.9250	\$154.52	\$ 3.8850	\$152.94	\$0.0400

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:

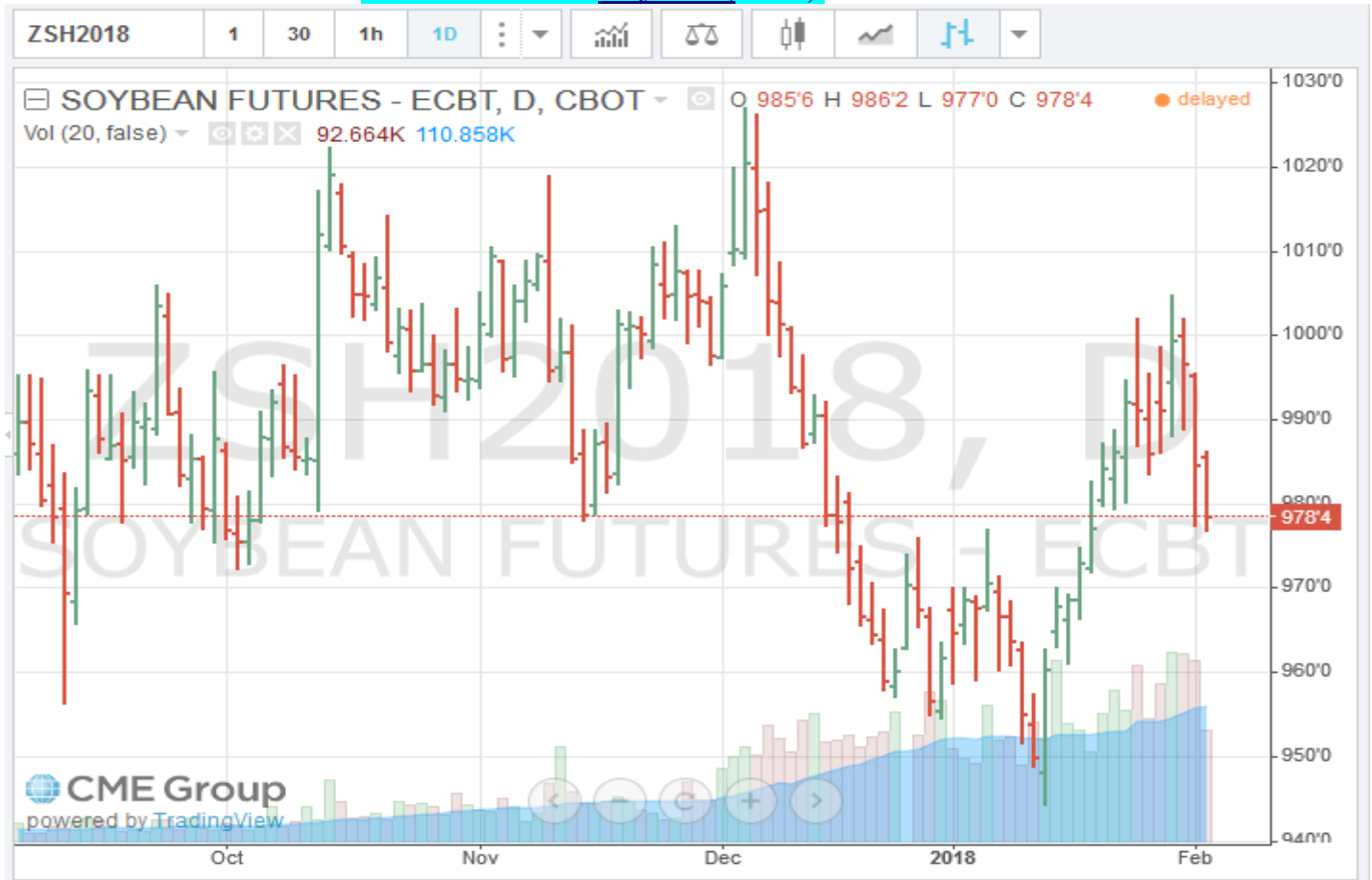
U.S. Yellow Soybeans (USD/MT) FOB Vessel				
# 2 YSB	U.S. Gulf #2 YSB		PNW #2 YSB	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
Mar.	0.40	\$374.32	0.89	\$392.33
Apr.	0.36	\$377.08	0.82	\$393.98
May	0.39	\$378.18	0.83	\$394.35
June	0.37	\$380.94	0.80	\$396.74
July	0.39	\$381.67	0.81	\$397.10
Soybean Futures				
Mar.	\$ 9.7875			
May	\$ 9.9025			
July	\$ 9.9975			
Aug.	\$ 10.0225			
Sept.	\$ 9.9775			
Nov.	\$ 9.9900			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port max 12.5 % moisture	47.5 Pro. SBM	
	Basis	Flat Price
Mar.	5.00	\$ 370.88
Apr.	3.00	\$ 373.09
May	4.00	\$ 374.19
June	2.00	\$ 374.96
July	2.00	\$ 374.96

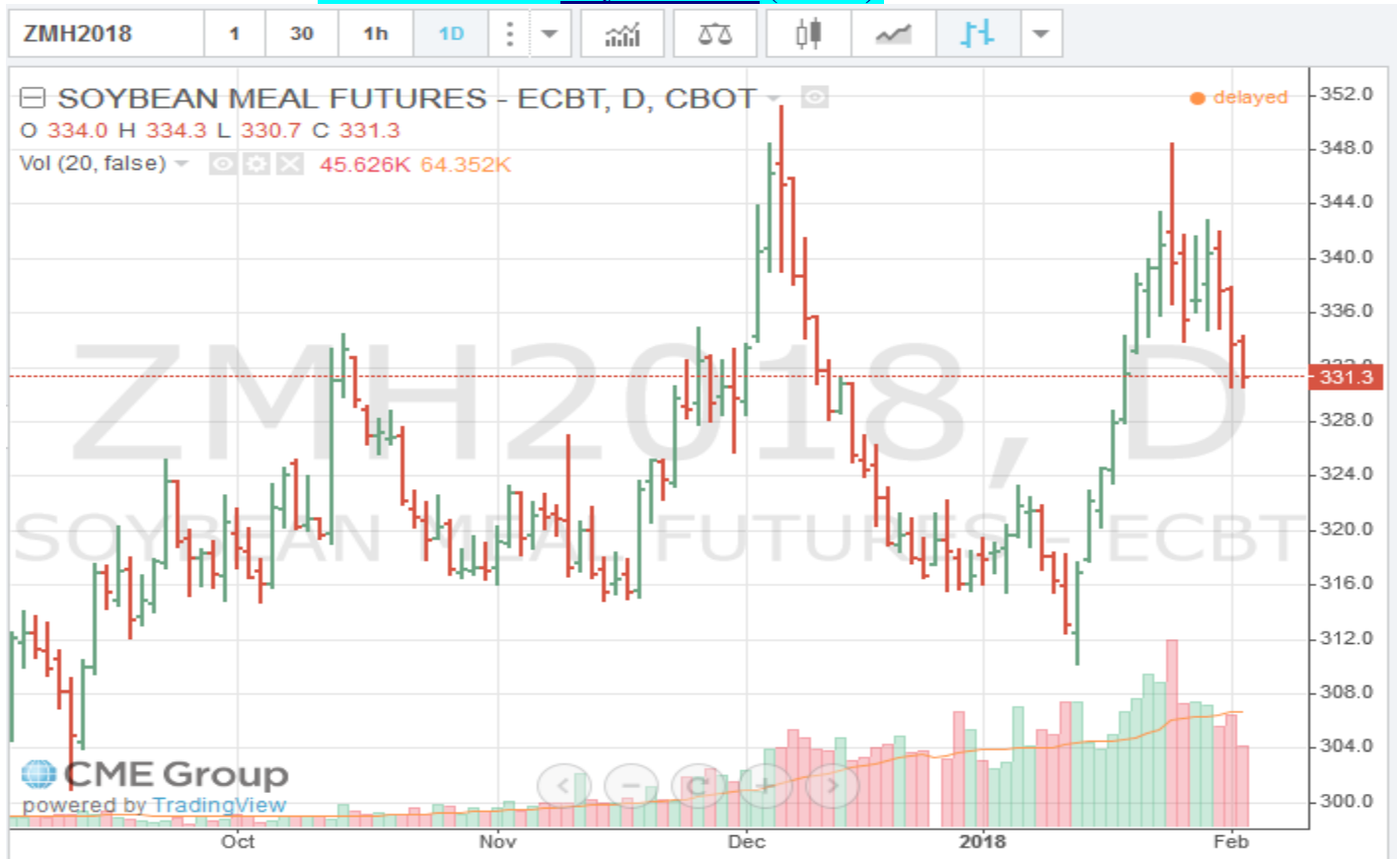
SBM Futures

SMH	331.40
SMK	335.40
SMN	338.10
SMQ	337.80
SMU	337.20
SMV	334.70

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 18 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	1528.1	30,401.3	48,900	62%	1,222.1
Sorghum	178.6	4,936.2	6,600	75%	0.0
Soybeans	710.1	43,235.6	58,790	74%	975.6
Wheat	435.8	20,121.6	26,540	76%	267.8
Barley	0.0	37.8	110	34%	35.1

U.S. EXPORT INSPECTIONS:

Monday's report 29 January 2018 for the Export week ending 25 January 2018

	Export Inspections		Current Market Year YTD	Previous Year to Date	2017 YTD as Percent of 2016 YTD
	This Week	Previous Week			
Corn	993,506	722,681	13,736,572	20,888,839	66%
Sorghum	151,702	168,583	2,088,187	2,540,193	82%
Soybeans	1,104,978	1,421,878	33,379,877	38,830,662	86%
Wheat	579,875	423,620	16,192,732	16,807,676	96%
Barley	0	0	19,088	30,495	63%

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

U.S. EXPORT INSPECTIONS:

Monday's report 29 January 2018 for the Export week ending 25 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%	30,487 3%
Gulf	545,799	59%	57,200	94%	135,935	90%	775,241 70%
PNW	291,912	31%	0	0%	10,662	7%	196,019 18%
Interior Export Rail	95,003	10%	3,592	6%	5,105	3%	103,231 9%
Metric Tons	932,714		60,792		151,702		1,104,978

Sorghum

Shipments:

metric tons

139,436 China Main

1,029 Djibouti

10,662 Japan

575 Mexico

151,702 Total

White Corn

metric tons

Shipments:

17,962

Colombia

7,754

Honduras

35,076

Mexico

60,792

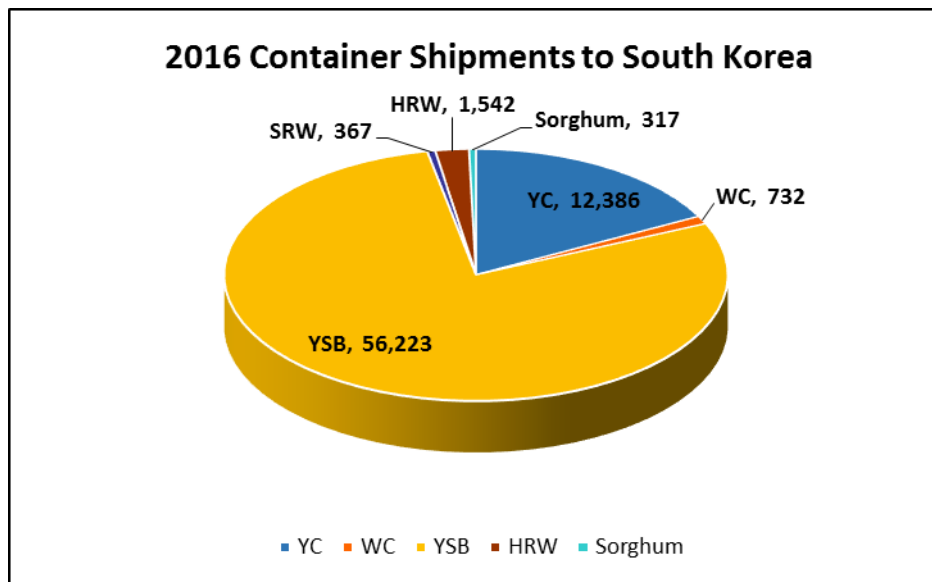
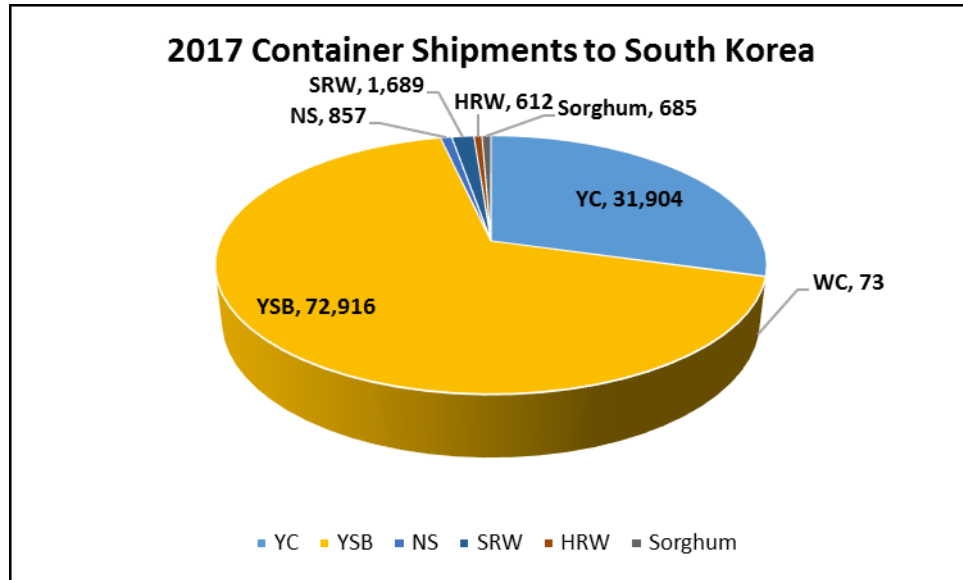
Total

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:		25-Jan-2018							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main	1,983		7,837					4,530	14,350
China T	11,114		22,851				294		34,259
Hong Kong	245								245
Costa Rica									0
Indonesia			23,115						23,115
French Polynesia									0
Japan	245		195						440
Korea Republic	1,543		2,130						3,673
Panama									0
Malaysia	465		1,053						1,518
Ireland									0
Philippines			1,639						1,639
Thailand			8,667						8,667
Bangladesh	465		171						636
Burma									0
Vietnam			6,734				367		7,101
Sub total	16,060	0	74,392	0	0	0	661	4,530	87,906
USDA Corrections/Additions to previous reports:									
China T									0
China Main								1,444	1,444
Hong Kong									0
Korea Rep.									0
Costa Rica									0
Japan									0
Philippines									0
Indonesia			2,424						2,424
Malaysia									0
Thailand									0
Vietnam			24						24
Mexico									0
Panama									0
Sub total	0	0	2,448	0	0	0	0	1,444	3,892
Mt. Grand Total	16,060	0	76,840	0	0	0	661	5,974	91,798
Number of containers	698	0	3,341	0	0	0	29	260	

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

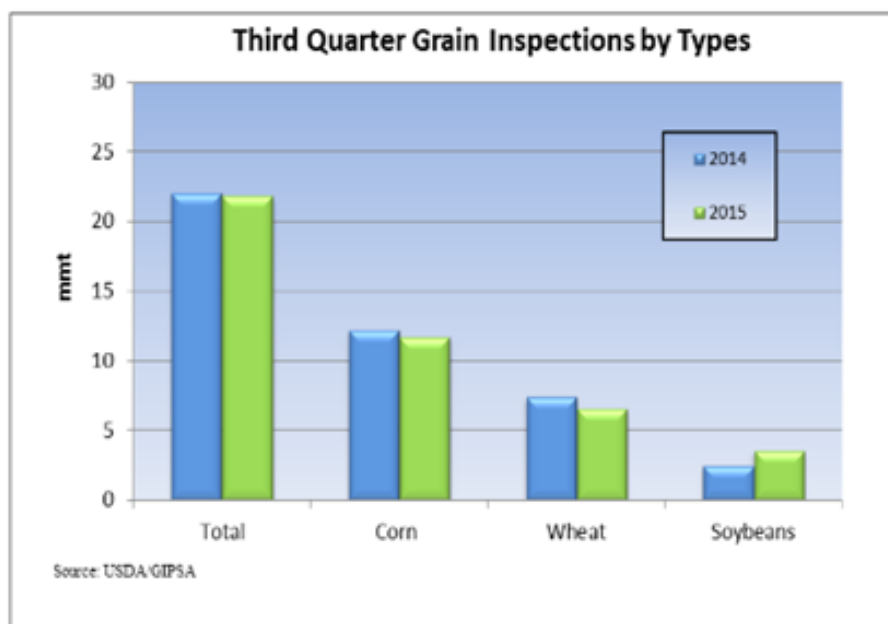


Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD

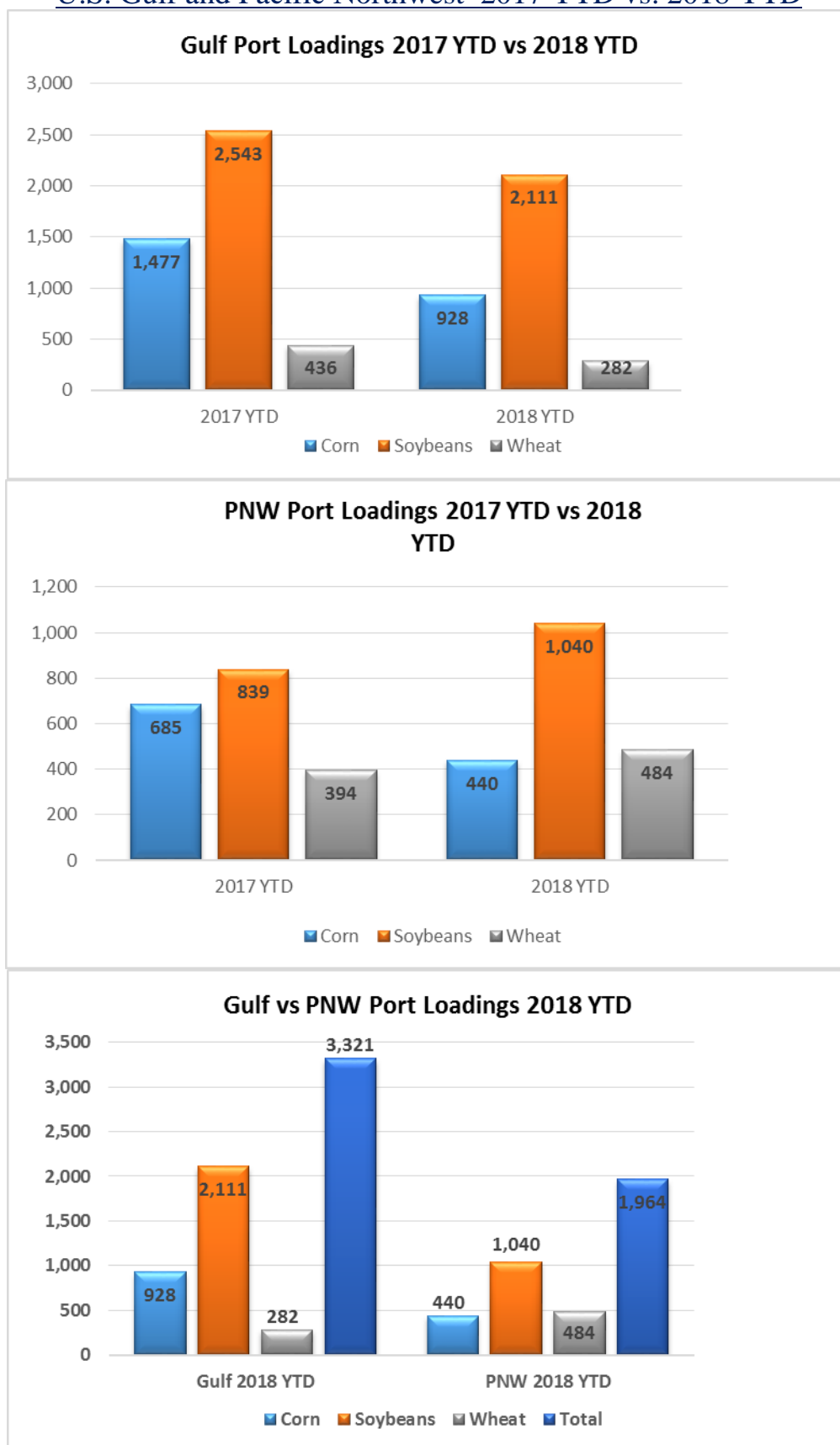
PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2017 YTD	1,477	2,543	436	4,456
2018 YTD	928	2,111	282	3,321
2018 as % of 2017	63%	83%	65%	75%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2017 YTD	685	839	394	1,918
2018 YTD	440	1,040	484	1,964
2018 as % of 2017	64%	124%	123%	102%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2018 Gulf YTD	928	2,111	282	3,321
2018 PNW YTD	440	1,040	484	1,964
TOTAL	1,368	3,151	766	5,285
Gulf Percentage	68%	67%	37%	63%
PNW Percentage	32%	33%	63%	37%



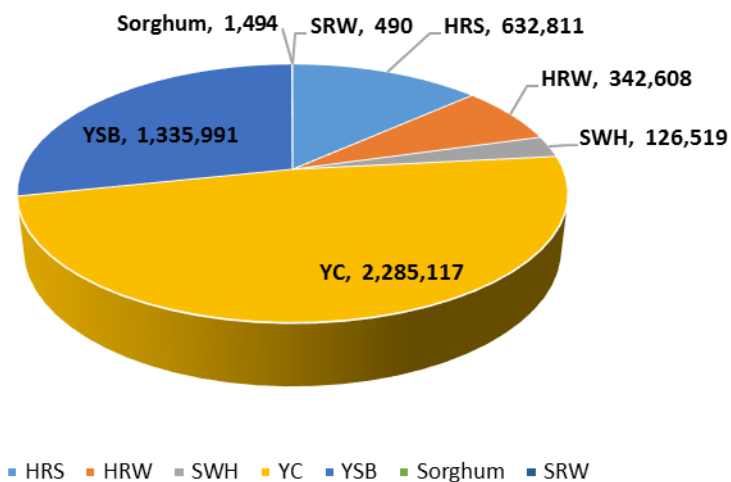
Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD



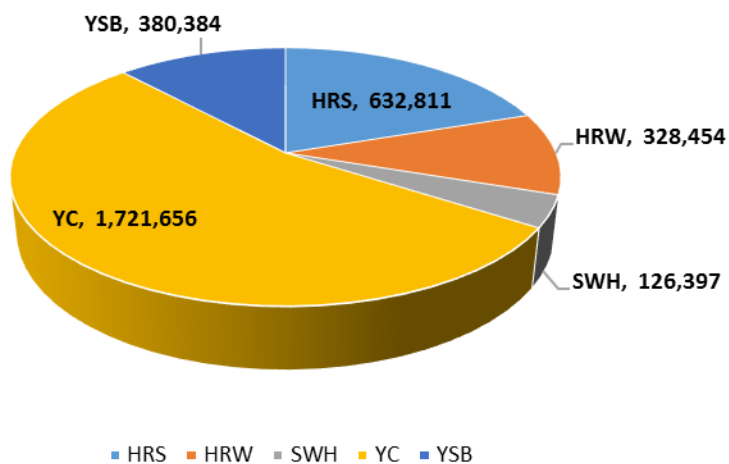
Source: USDA-data

2017 Total Grain Exports reported by USDA (in MT)

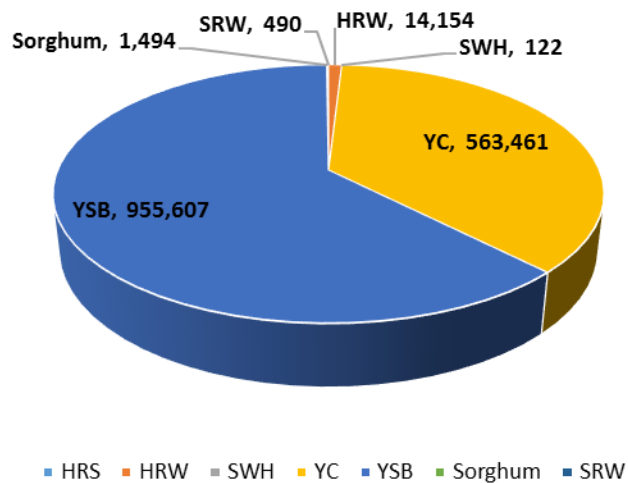
2017 Exports to China T



2017 Exports to China T by Vessel



2017 Exports to China T by Container

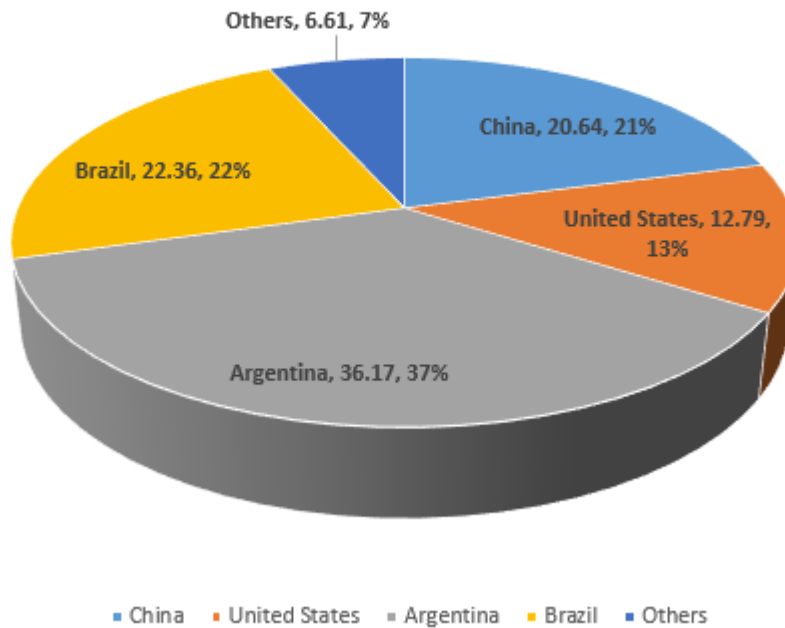


**Please keep in mind that USDA does not report DDGS sales, or they would show as the largest exports by container

Shipping News:

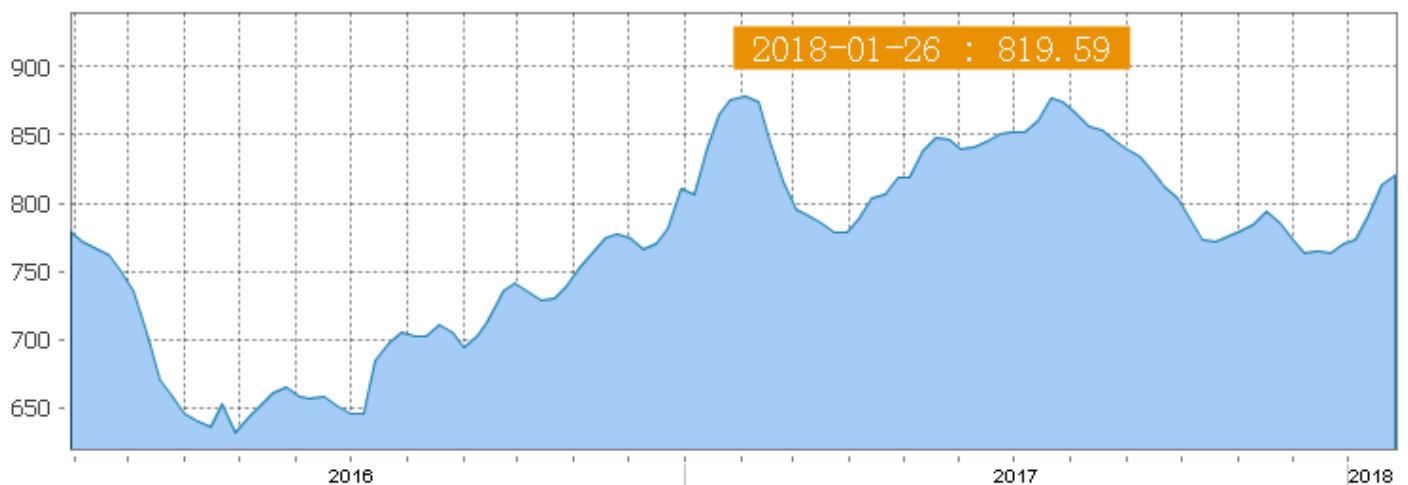
Who holds the majority of World Soybean Carryout? (In MMT)

Soybean Carryout as a Country and Percent of the World Carryout 17/18 (MMT)

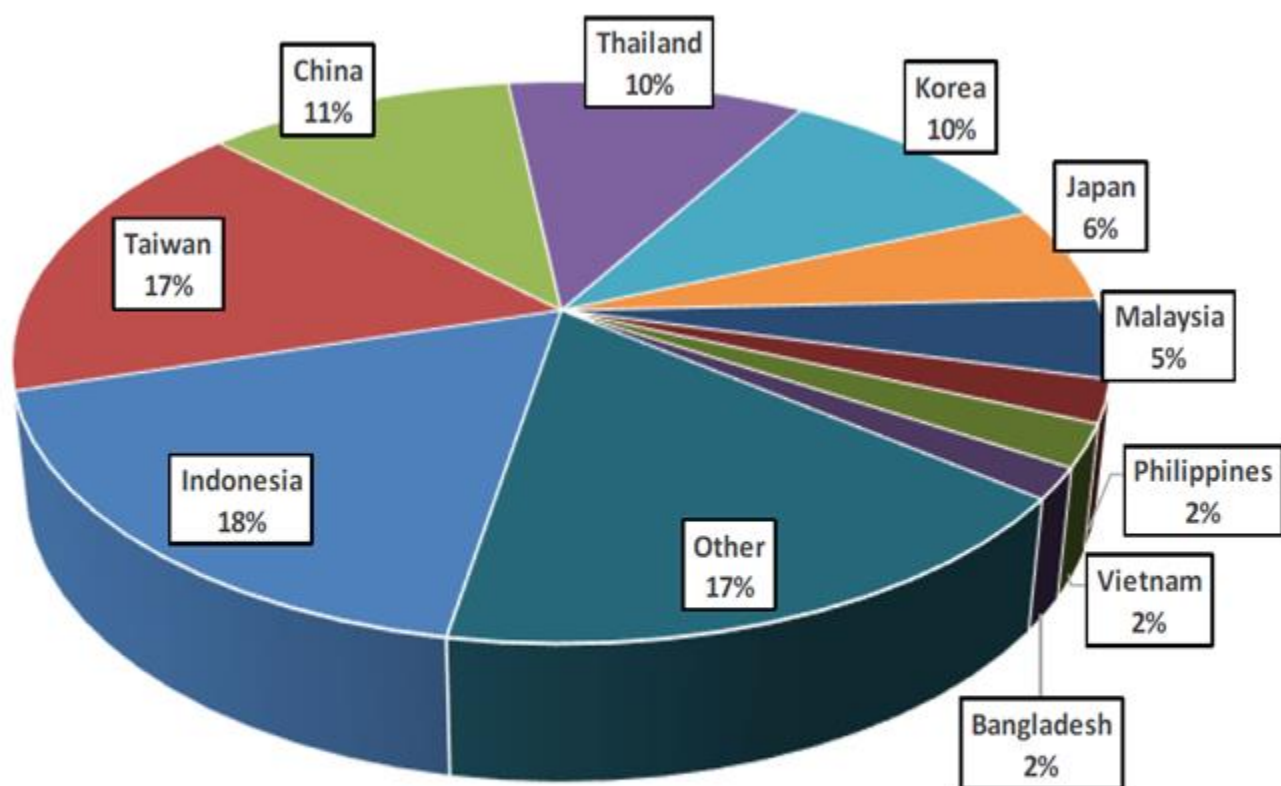


USDA-

China Containerized Freight Index



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

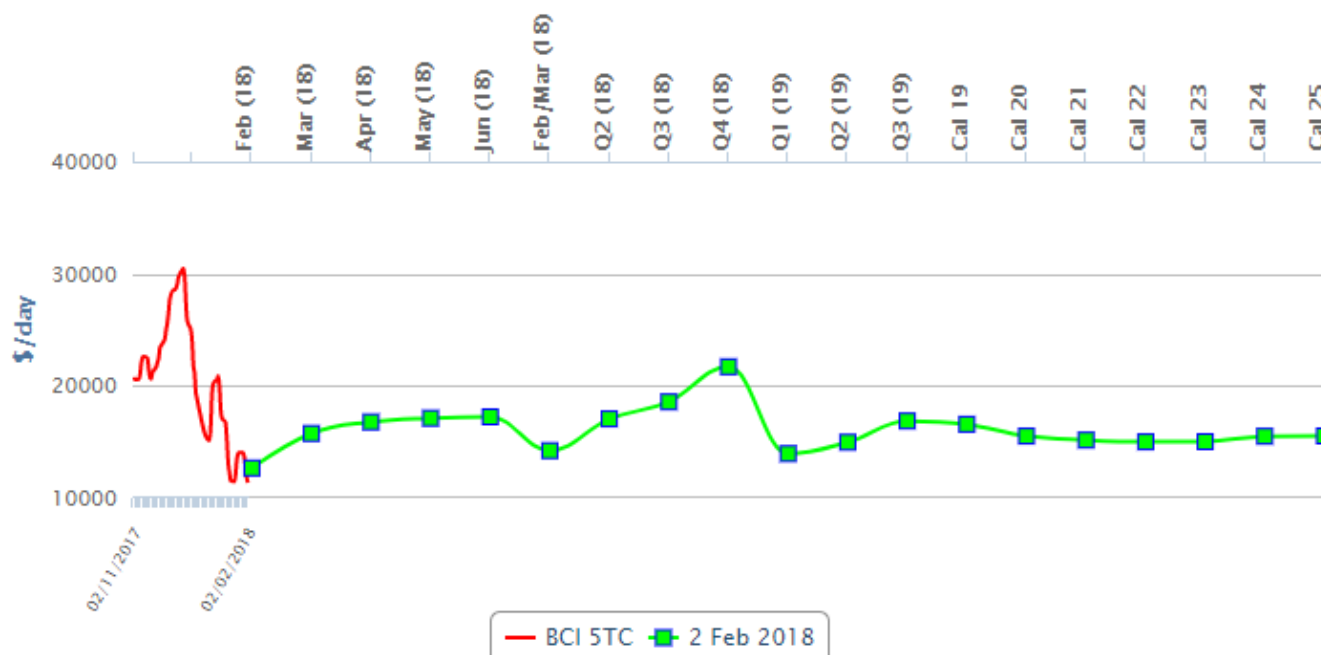


Source: USDA/Agricultural Marketing Service/Transportation Services Division analysis of Port Import Export Reporting Service (PIERS) data

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

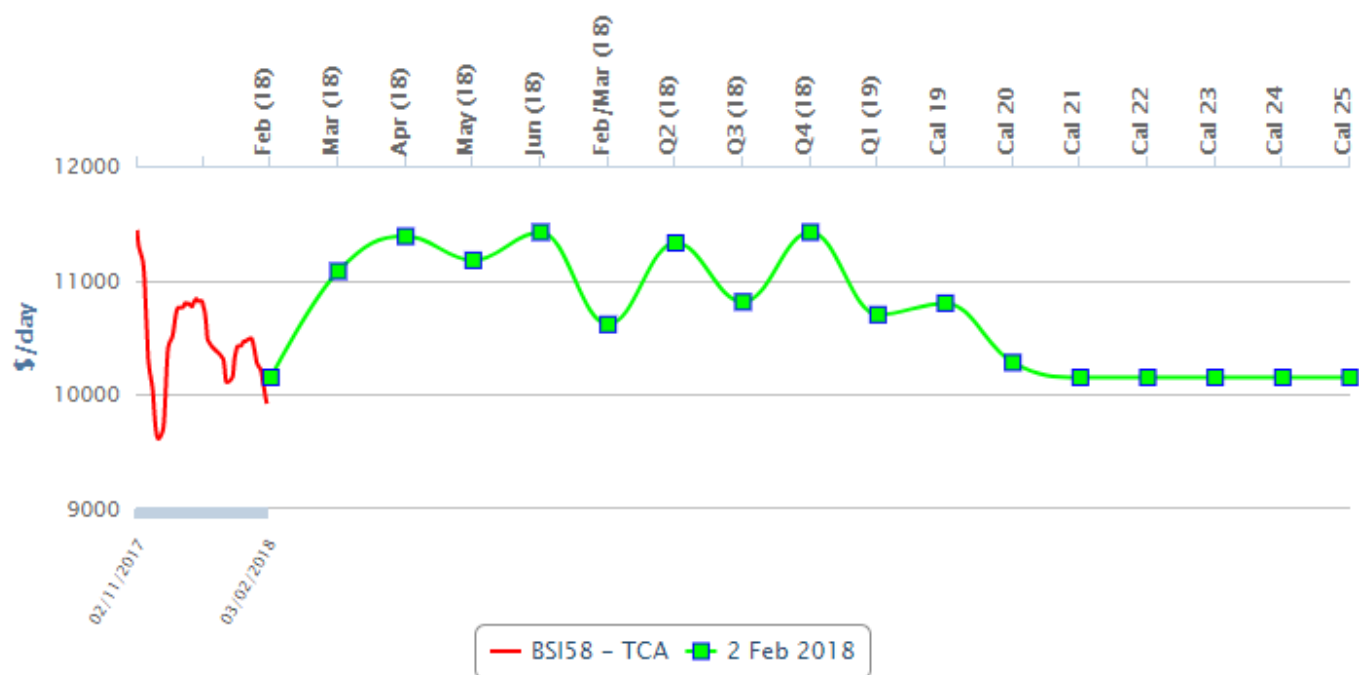
5TC_C-FFA



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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 First Half March 2018

Placement FH March 2018	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	Closed		0.00	0.00
Illinois River (Pekin and South)	305	\$16.17	0.41	0.44
Mid-Mississippi	Closed		0.00	0.00
Lower Ohio	235	\$11.55	0.29	0.31
St. Louis	220	\$ 9.68	0.25	0.26

Secondary Rail Car Market for car placement period: First Half March 2018.

Secondary Rail Car Market Placement FH March 2018	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ 100.00	\$ 200.00	\$ 0.03	\$ 0.05	\$ 0.98	\$ 1.97
UPRR Shuttle Trains	\$ (200.00)	\$ -	\$ (0.05)	\$ -	\$ (1.97)	\$ -

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**



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