

**Transportation and Export Report for 22 February 2018****Ocean Freight Insights and Comments:**

Today is the first work day back from the Lunar New Year Holiday (it is now the year of the dog). Asian exchanges and markets are back up and running. Trading volumes are understandably low and slow as everyone gradually returns to work. As expected, vessel owner's and Traders are anticipating that demand will ramp back up and that freight values will rise. We are therefore looking at slightly higher offers in the market today. Next week's activity will provide a better indication of just how strong cargo demand is and where rates can go. Grain shipments from East Coast South America are increasing but vessel lineups at both the U.S. Gulf and PNW remain fairly strong, especially for Sorghum cargoes out of the Texas Gulf.

**BALTIC DRY-BULK PANAMAX INDEX CHANGES**

Panamax Ocean Freight Indices				
22-Feb-18	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	18257	16795	1,462	8.7%
P3A - PNW/Pacific - Japan	10713	9245	1,468	15.9%
S1C -USGULF-China-So.Japan	22867	21939	928	4.2%

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

Four weeks ago:	\$ 4.90-\$6.85
Three weeks ago:	\$ 6.60-\$7.10
Two weeks ago:	\$ 6.20-\$6.70
One week ago:	\$ 6.40-\$6.85
This week	\$ 5.85-\$7.15

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

Mississippi River:	(10 elevators)	5-12 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-3 days
Texas Gulf	(6 elevators)	0-22 days (only 1 facility over 5 days wait)
Pacific Northwest:	(9 elevators)	5-14 days

Panamax Market Spreads to Asia -China					
22-Feb-18	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.85	0.64	0.21	\$8.27	PNW
SOYBEANS	0.85	0.42	0.43	\$16.93	PNW
OCEAN FREIGHT	\$23.00	\$43.00	.50-.54	\$20.00	April

**Recent Reported Vessel Fixtures:**

<b>Route and Vessel Size</b>	<b>Current Week USD/MT</b>	<b>Change from previous week</b>	<b>Remarks</b>
55,000 U.S. Gulf-Japan	\$44.00	Up \$1.00	Handymax \$44.25/mt
55,000 U.S. PNW- Japan	\$23.75	Up \$0.50	Handymax at \$24.25 /mt
65,000 U.S. Gulf – China	\$43.00	Up \$0.75	North or South China
PNW to China	\$23.00	Up \$0.50	
25,000 U.S. Gulf- Veracruz, México	\$16.00	Up \$0.50	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$13.75	Up \$0.25	Deep draft and 6,000 MT per day discharge rate.
25/35,000 U.S. Gulf- <u>East Coast Colombia</u>	\$19.50	Up \$0.50	<u>West Coast Colombia at \$28.00</u>
From Argentina	\$33.50		
40-45,000 U.S. Gulf - Guatemala	\$28.00	Up \$0.75	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$31.00	Up \$0.75	8,000 mt daily discharge
	\$32.75		3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$30.25	Up \$0.75	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	\$28.00	Up \$0.75	55,000 -60,000 mt
	\$26.75		Russia Black Sea to Egypt \$14.25
60-70,000 U.S. Gulf – Europe – Rotterdam	\$16.50	Up \$0.50	Handymax at +\$1.75 more
Brazil, Santos – China	\$33.00	Up \$0.50	54-59,000 Supramax-Panamax
Brazil, Santos – China	\$32.00		60-66,000 Post Panamax
Itacoatiara-Port Up River North Brazil	\$36.50		60-66,000 mt
56-60,000 Argentina-China Deep draft	\$38.50	Up \$0.50	Up River with Top Off \$41.00

- The above rate estimates reflect the 30-45 day forward ocean freight markets.

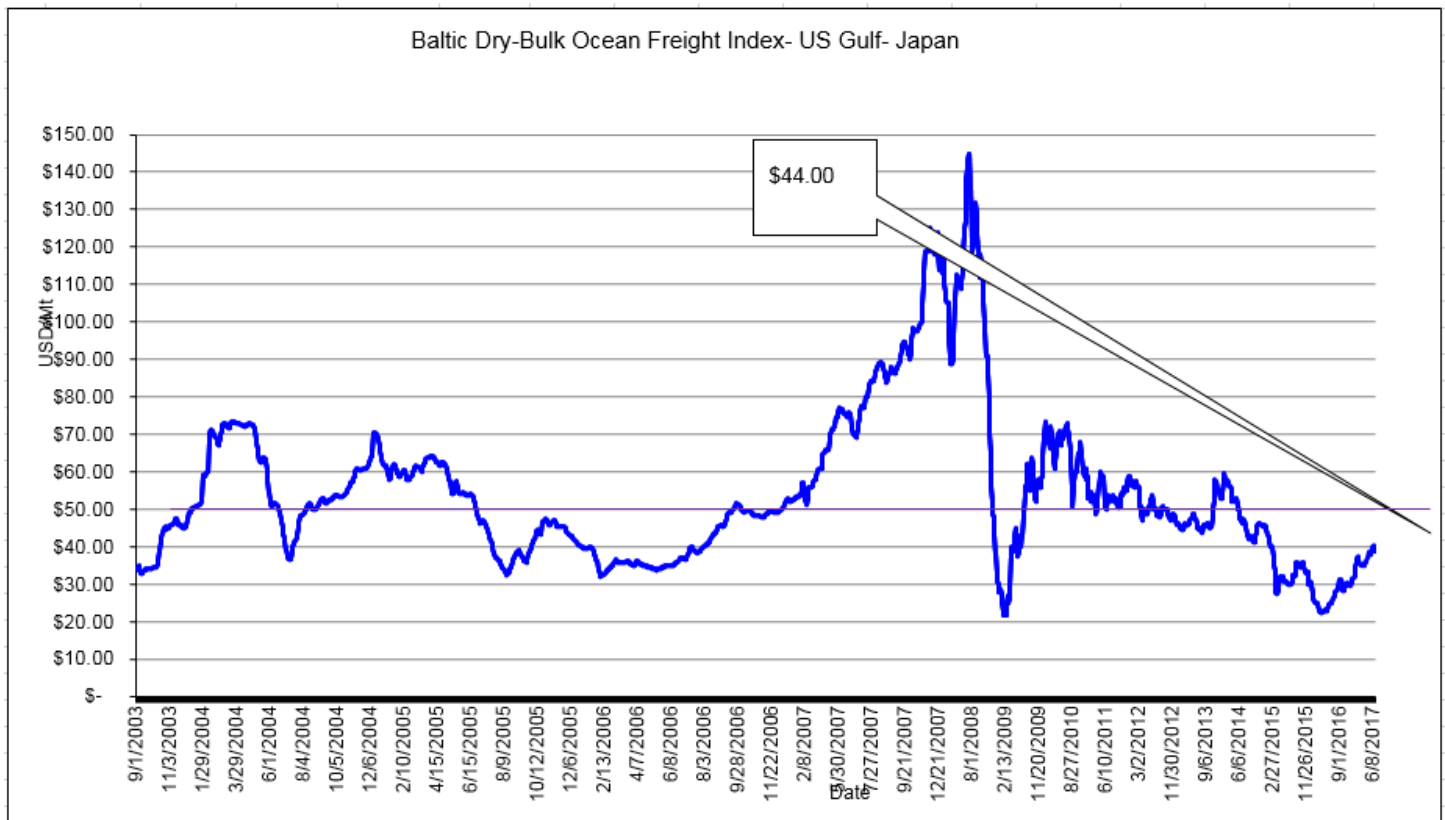
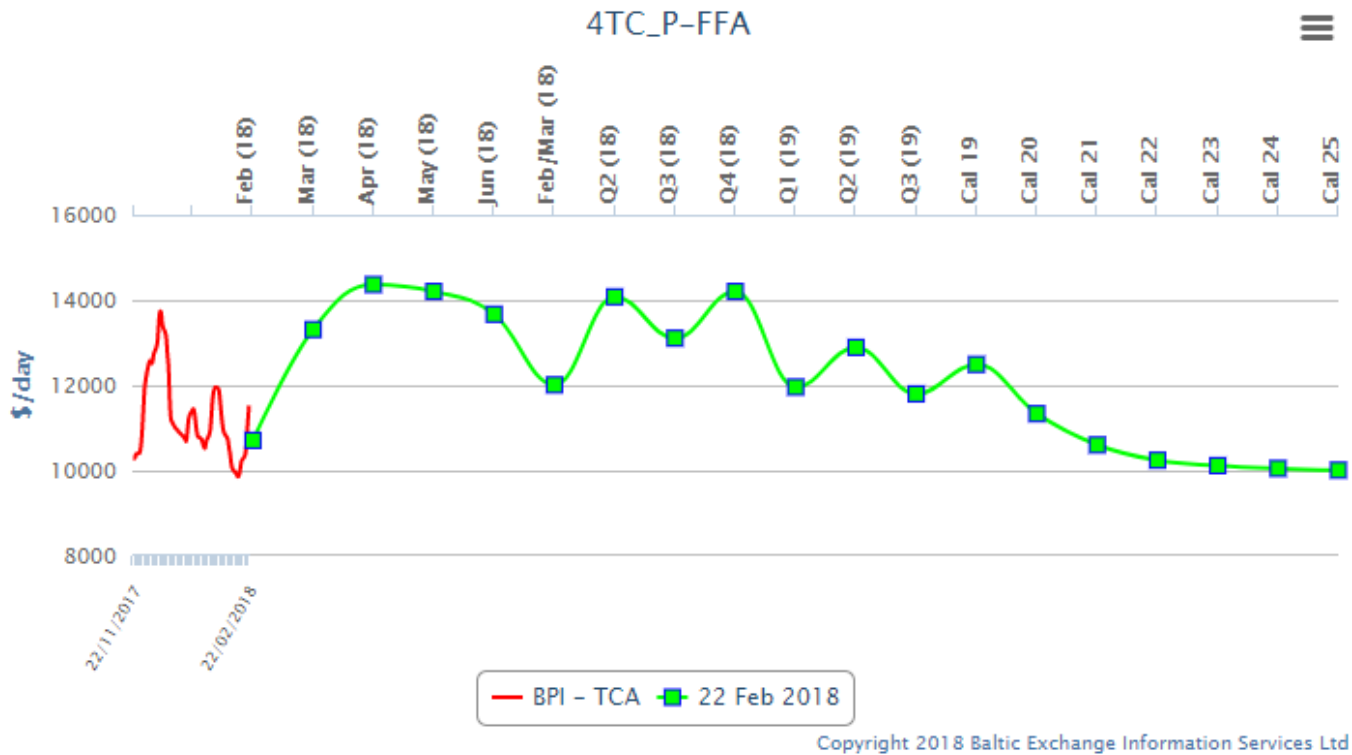
**Nautical Miles: To Xiamen China (South China)**

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

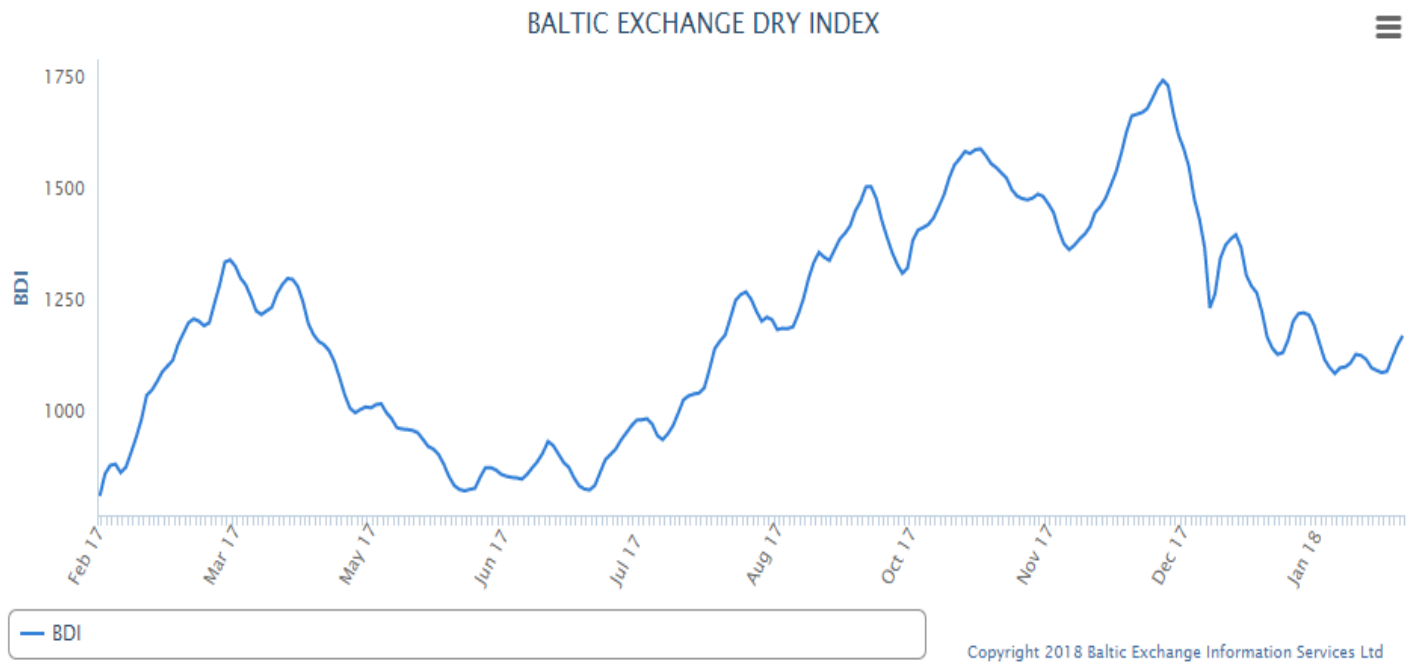
**Santos Brazil (via Cape of Good Hope) - 10,441 nautical miles (33 days)**

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

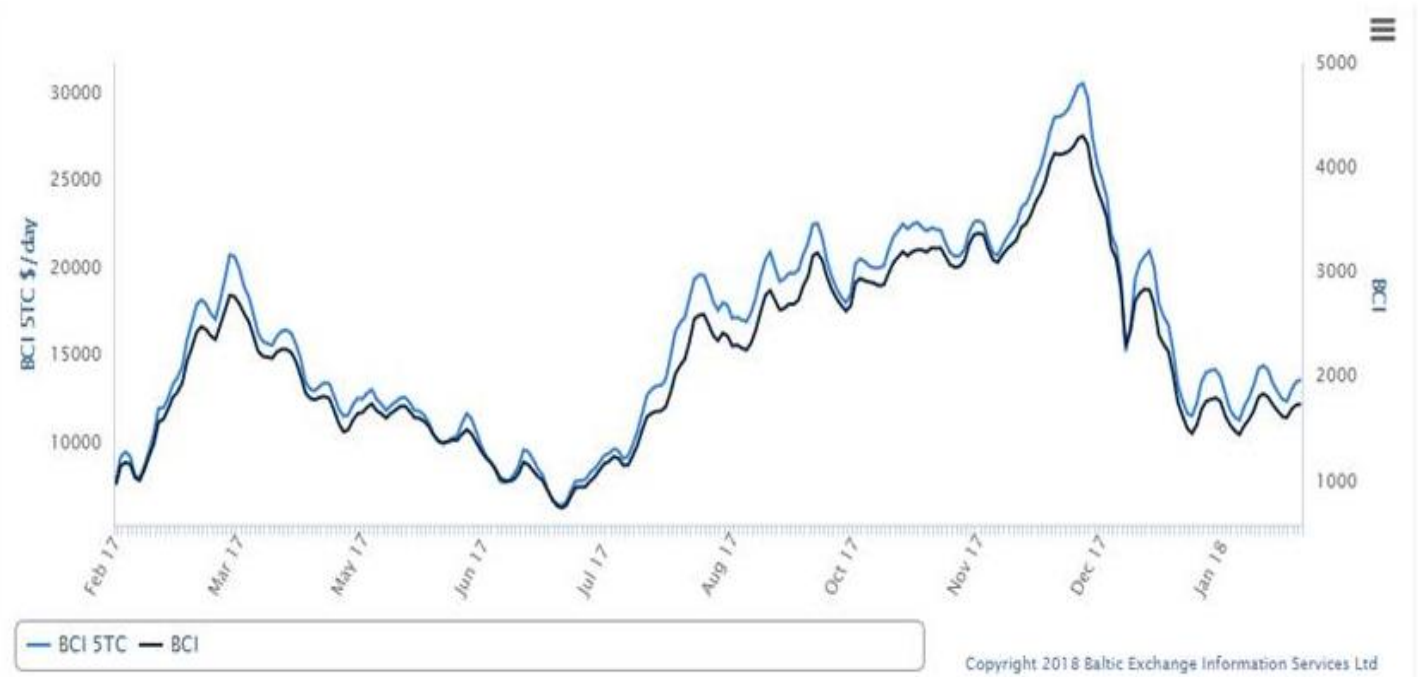
## Forward Curve for Baltic BPI Panamax Vessel Freight



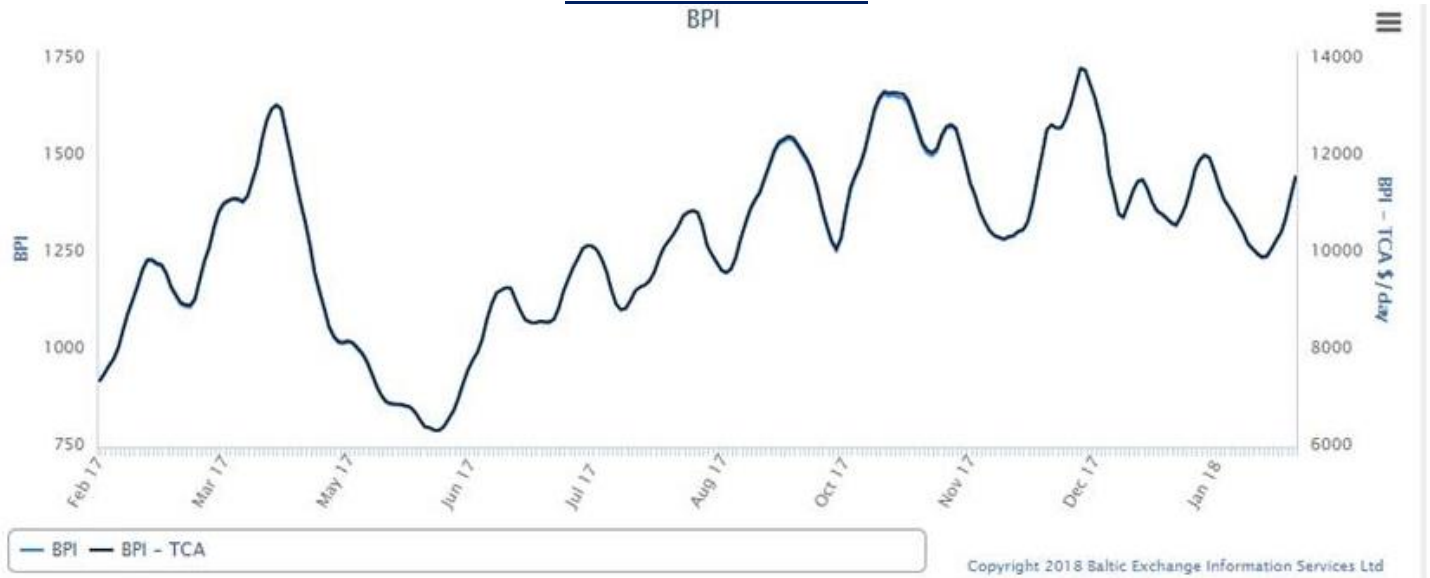
## Baltic Dry-Bulk Index



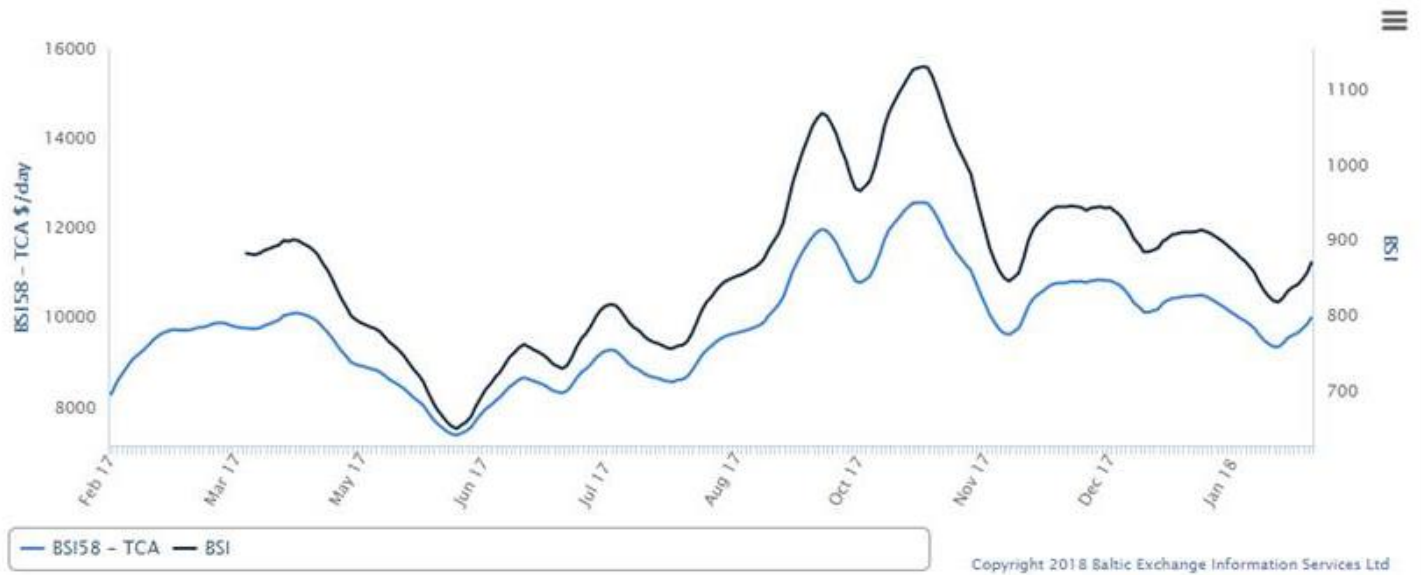
## Baltic Capesize Index



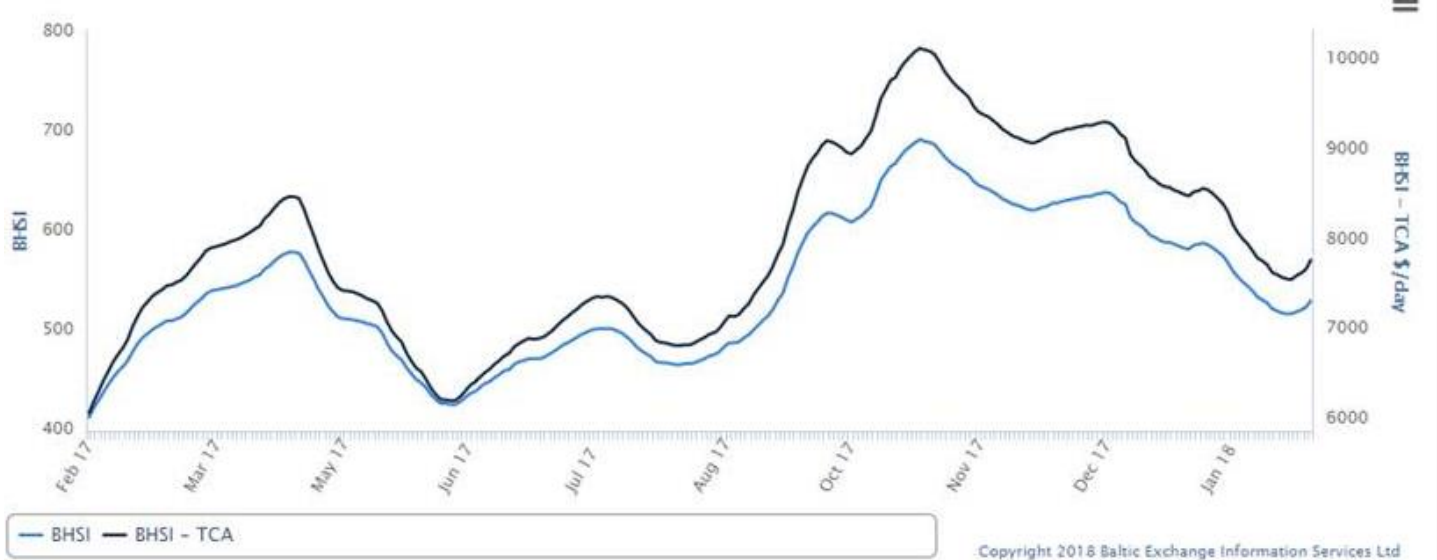
### Baltic Panamax Index



### Baltic Supramax Vessel Index



### Baltic Handy Size



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## USG/Japan Index Result

Date From: 2016-12-01

V

Date To: 2018-02-23

V

Query

Reset



## China Import Dry Bulk Freight Index(CDFI)

2018-02-22

Route	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	835.13	27.76
Soybean Freight Index			Point	948.71	23.92
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	31.980	1.120
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	22.885	0.475
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	42.875	0.619
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	44.511	0.583

**22 February 2018 U.S. FOB Vessel Export Market Values:**

<b>U.S. Yellow Corn (USD/MT) FOB Vessel</b>				
# 2 YC	U.S. Gulf #2 YC		PNW #3 YC	
15.0 % Moisture	Basis	Flat Price	Basis	Flat Price
<b>Mar.</b>	0.71	<b>\$172.33</b>	0.93	<b>\$180.99</b>
<b>Apr.</b>	0.64	<b>\$172.73</b>	0.85	<b>\$180.99</b>
<b>May</b>	0.60	<b>\$171.15</b>	0.87	<b>\$181.78</b>
<b>June</b>	0.52	<b>\$171.05</b>	0.81	<b>\$182.47</b>
<b>July</b>	0.52	<b>\$171.05</b>	0.82	<b>\$182.86</b>
<b>Aug.</b>	0.49	<b>\$172.63</b>	0.75	<b>\$182.86</b>

The Gulf spread between #2 & #3 YC is currently about 02 cents per bushel (0.80/mt)

<b>SORGHUM (USD/MT) FOB VESSEL</b>				
#2 YGS Fob Vessel	NOLA		TEXAS	
Max. 14.0%	BASIS	FLAT PRICE	BASIS	FLAT PRICE
<b>Mar.</b>	1.40	<b>\$199.50</b>	1.20	<b>\$191.62</b>
<b>Apr.</b>	1.30	<b>\$198.71</b>	0.90	<b>\$182.96</b>
<b>May</b>	1.25	<b>\$196.74</b>	0.90	<b>\$182.96</b>
<b>Jun.</b>	1.20	<b>\$197.82</b>	0.90	<b>\$186.01</b>
<b>July</b>	1.10	<b>\$193.89</b>	0.80	<b>\$182.08</b>

Fob vessel Texas Gulf #2 Sorghum is about 111% the value of #2 Yellow Corn at NOLA

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

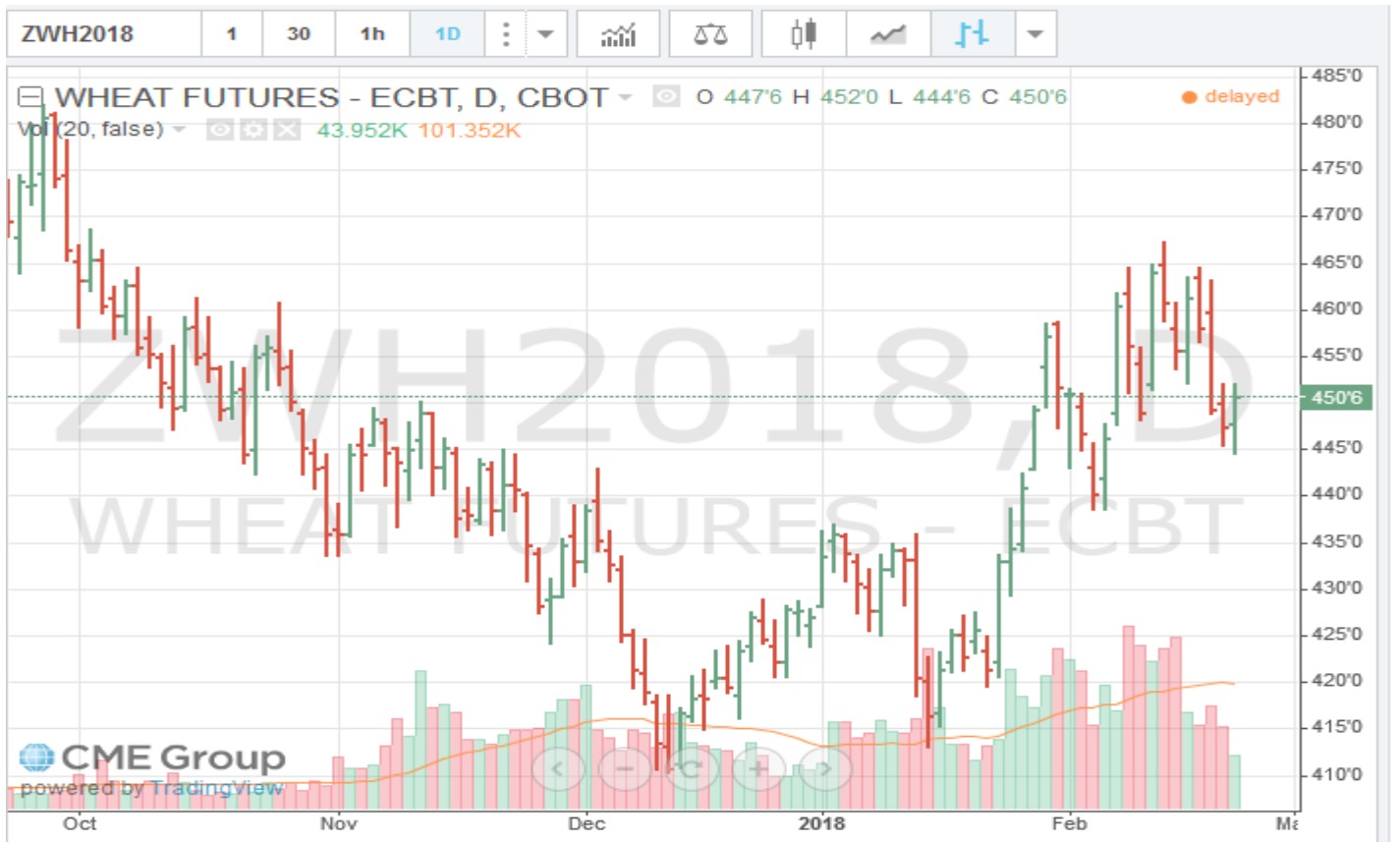
<b>SRW Wheat</b>	<b>USD/MT</b>	<b>Fob Vessel</b>	<b>US Gulf</b>	
	<b>Mar.</b>	<b>Apr.</b>	<b>May</b>	<b>June</b>
FOB U.S. GULF	\$193.36	\$194.46	\$195.57	\$197.31
Basis	0.75	0.65	0.68	0.58
WH	4.5125			
WK	4.6425			
WN	4.7900			

<b>CME Futures Market Close</b>						
CORN	Futures	Friday	Friday	Last week	Last Week	Difference
Month	Symbol	Close	Close	Bushel	MT.	Bushel
Mar.	CH	\$3.6675	\$144.38	\$ 3.6725	\$144.58	(\$0.0050)
May	CK	\$3.7475	\$147.53	\$ 3.7475	\$147.53	\$0.0000
July	CN	\$3.8250	\$150.58	\$ 3.8250	\$150.58	\$0.0000
Sept.	CU	\$3.8950	\$153.34	\$ 3.8875	\$153.04	\$0.0075
Dec.	CZ	\$3.9725	\$156.39	\$ 3.9650	\$156.09	\$0.0075

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



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

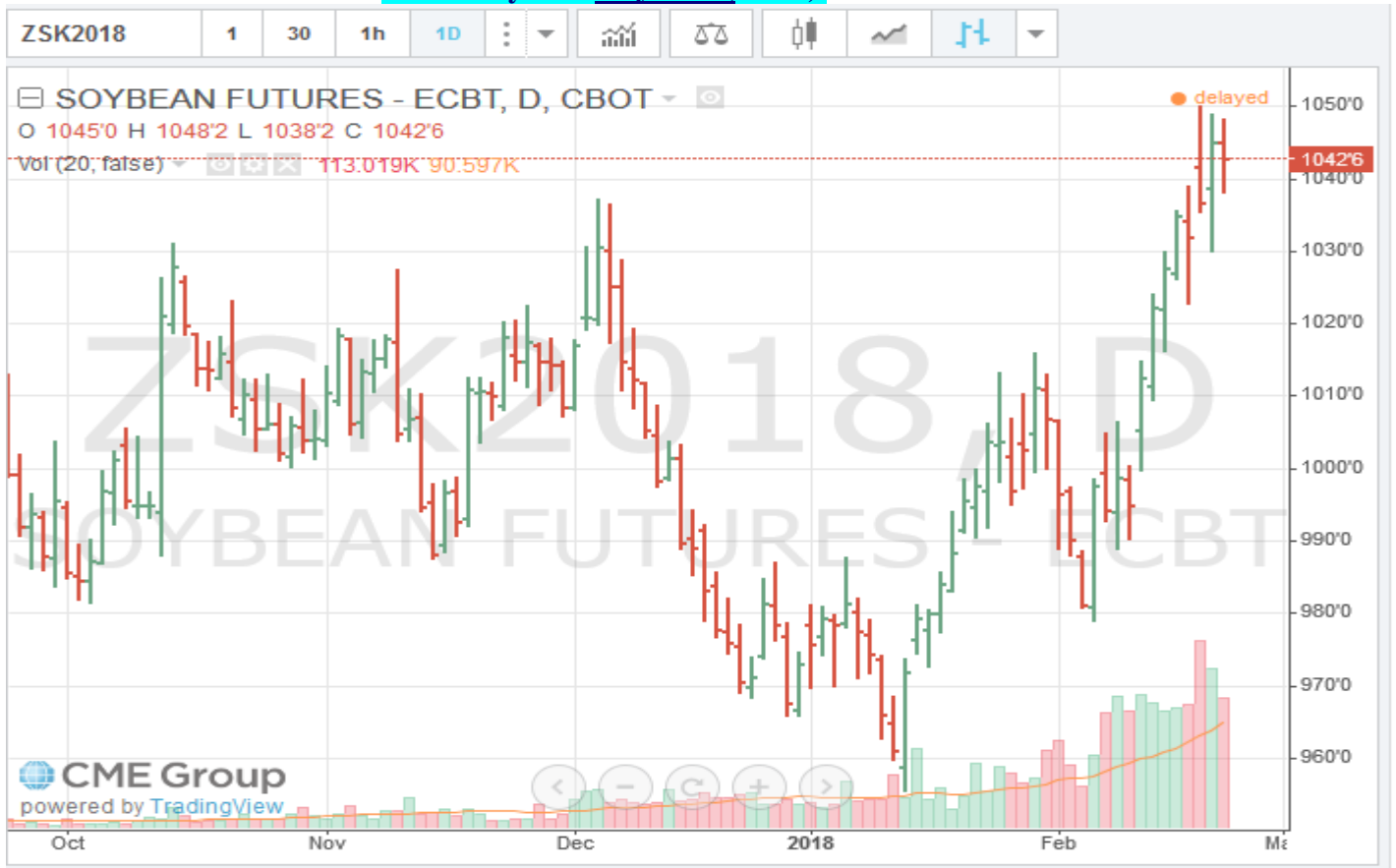


## U.S. Soybean and SBM Markets Fob Vessel:

<b>U.S. Yellow Soybeans (USD/MT) FOB Vessel</b>				
# 2 YSB	U.S. Gulf #2 YSB		PNW #2 YSB	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
<b>Mar.</b>	0.46	<b>\$396.09</b>	0.83	<b>\$409.69</b>
<b>Apr.</b>	0.42	<b>\$398.76</b>	0.80	<b>\$412.72</b>
<b>May</b>	0.45	<b>\$399.86</b>	0.82	<b>\$413.45</b>
<b>June</b>	0.43	<b>\$402.52</b>	0.78	<b>\$415.38</b>
<b>July</b>	0.45	<b>\$403.26</b>	0.81	<b>\$416.49</b>
<b>Soybean Futures</b>				
<b>Mar.</b>	\$ 10.3200			
<b>May</b>	\$ 10.4325			
<b>July</b>	\$ 10.5250			
<b>Aug.</b>	\$ 10.5300			
<b>Sept.</b>	\$ 10.3850			
<b>Nov.</b>	\$ 10.2775			

<b>U.S. SBM (USD/MT) FOB Vessel</b>		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
<b>March</b>	20.00	<b>\$ 437.58</b>
<b>April</b>	18.00	<b>\$ 438.35</b>
<b>May</b>	15.00	<b>\$ 435.05</b>
<b>June</b>	12.00	<b>\$ 431.19</b>
<b>July</b>	12.00	<b>\$ 431.19</b>
<b>SBM Futures</b>		
<b>SMH</b>	376.90	
<b>SMK</b>	379.60	
<b>SMN</b>	379.10	
<b>SMQ</b>	374.60	
<b>SMU</b>	370.60	
<b>SMV</b>	364.40	

### CME May 2018 Soybean (SK18) Futures Chart



### CME May 2018 Soybean Meal (SMK8) Futures Chart



## U.S. EXPORT STATISTICS: Report Activity as of Week Ending 08 February 2018

### 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	2061.7	35,996.0	52,070	69%	1,350.6
Sorghum	126.9	5,379.1	6,600	82%	0.0
Soybeans	855.0	44,822.6	57,150	78%	1,231.8
Wheat	434.5	21,115.2	25,860	82%	400.6
Barley	0.0	37.8	110	34%	39.1

## U.S. EXPORT INSPECTIONS:

Monday's report 19 February 2018 for the Export week ending 15 February 2018

	Export Inspections		Current Market Year YTD	Previous Year to Date	2017 YTD as Percent of 2016 YTD
	This Week	Previous Week			
Corn	938,099	846,108	16,644,605	24,449,896	68%
Sorghum	195,150	33,072	2,514,236	3,044,994	83%
Soybeans	960,066	1,338,875	37,011,315	42,722,063	87%
Wheat	422,298	499,825	17,546,208	18,388,515	95%
Barley	220	539	20,606	30,927	67%

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

## U.S. EXPORT INSPECTIONS:

Monday's report 19 February 2018 for the Export week ending 15 February 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%	66,559 7%
Gulf	499,378	54%	0	0%	126,053	65%	586,891 61%
PNW	306,487	33%	122	2%	59,403	30%	199,980 21%
Interior Export Rail	124,229	13%	7,883	98%	9,694	5%	106,636 11%
Metric Tons	930,094		8,005		195,150		960,066

Sorghum

Shipments:

metric tons

194,468	China Main
294	China T
98	Korea Rep
290	Mexico
<u>195,150</u>	<u>Total</u>

White Corn metric tons

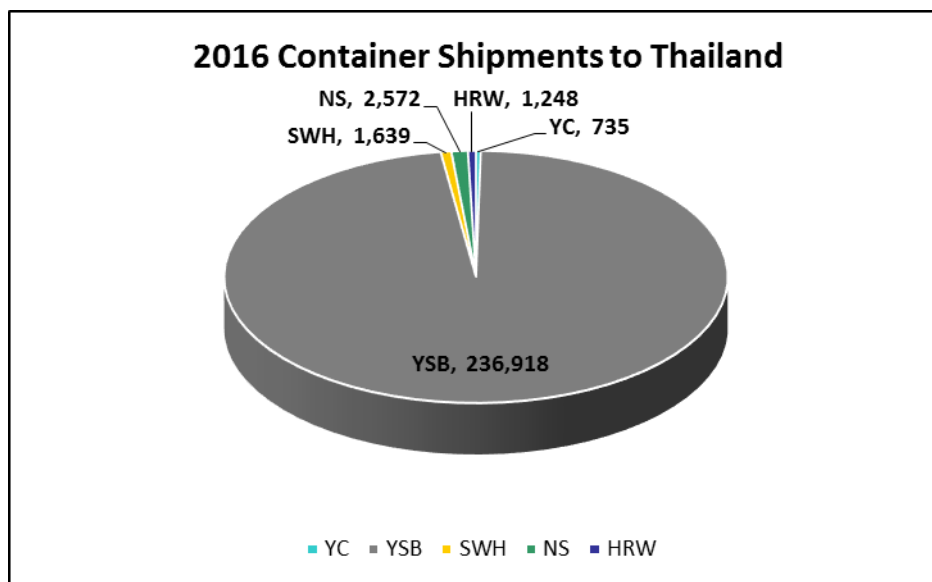
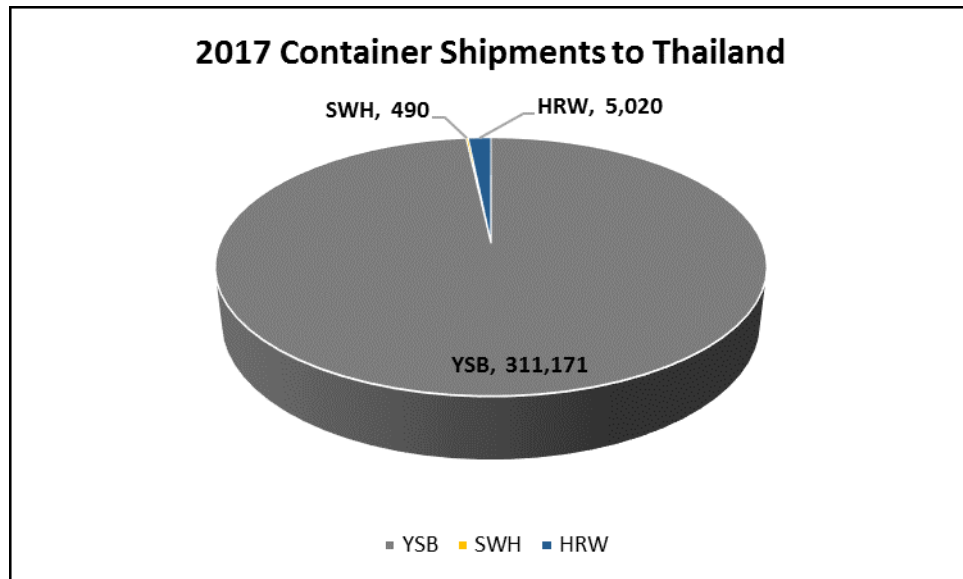
Shipments:	122	Korea Rep
	7,883	Mexico
	<u>8,005</u>	<u>Total</u>

## 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:		15-Feb-2018							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main			7,543					9,012	16,555
China T	11,456		23,404					294	35,154
Hong Kong	366		245						611
Costa Rica									0
Indonesia			19,347						19,347
French Polynesia									0
Japan			440						440
Korea Republic	1,664		1,224					98	2,986
Panama	1,102		5,044						6,146
Malaysia									0
Spain	24								24
Philippines	735		733						1,468
Thailand			9,845						9,845
Bangladesh			490						490
Burma									0
Vietnam			6,439						6,439
Sub total	15,347	0	74,754	0	0	0	0	9,404	92,576
USDA Corrections/Additions to previous reports:									
China T			587						587
China Main								343	343
Hong Kong									0
Korea Rep.									0
Costa Rica									0
Japan									0
Philippines								49	49
Indonesia			3,551						3,551
Malaysia			490						490
Thailand									0
Vietnam			1,176				490		1,666
Mexico									0
Burma							220		220
Sub total	0	0	5,804	0	0	0	710	392	6,906
<b>Mt. Grand Total</b>	<b>15,347</b>	<b>0</b>	<b>80,558</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>710</b>	<b>9,796</b>	<b>99,482</b>
Number of containers	667	0	3,503	0	0	0	31	426	

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

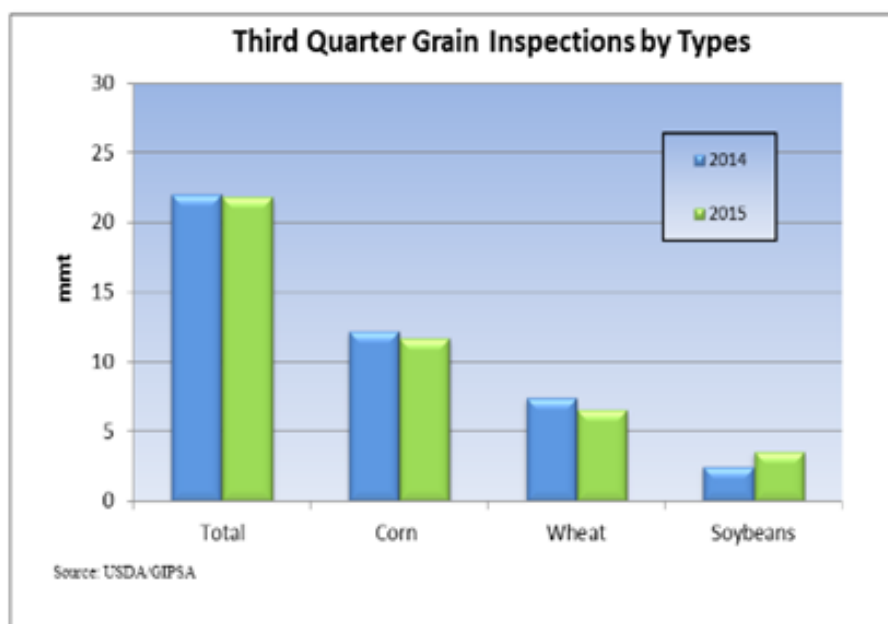


Grain Inspections for Export by U.S. Port Regions:  
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD

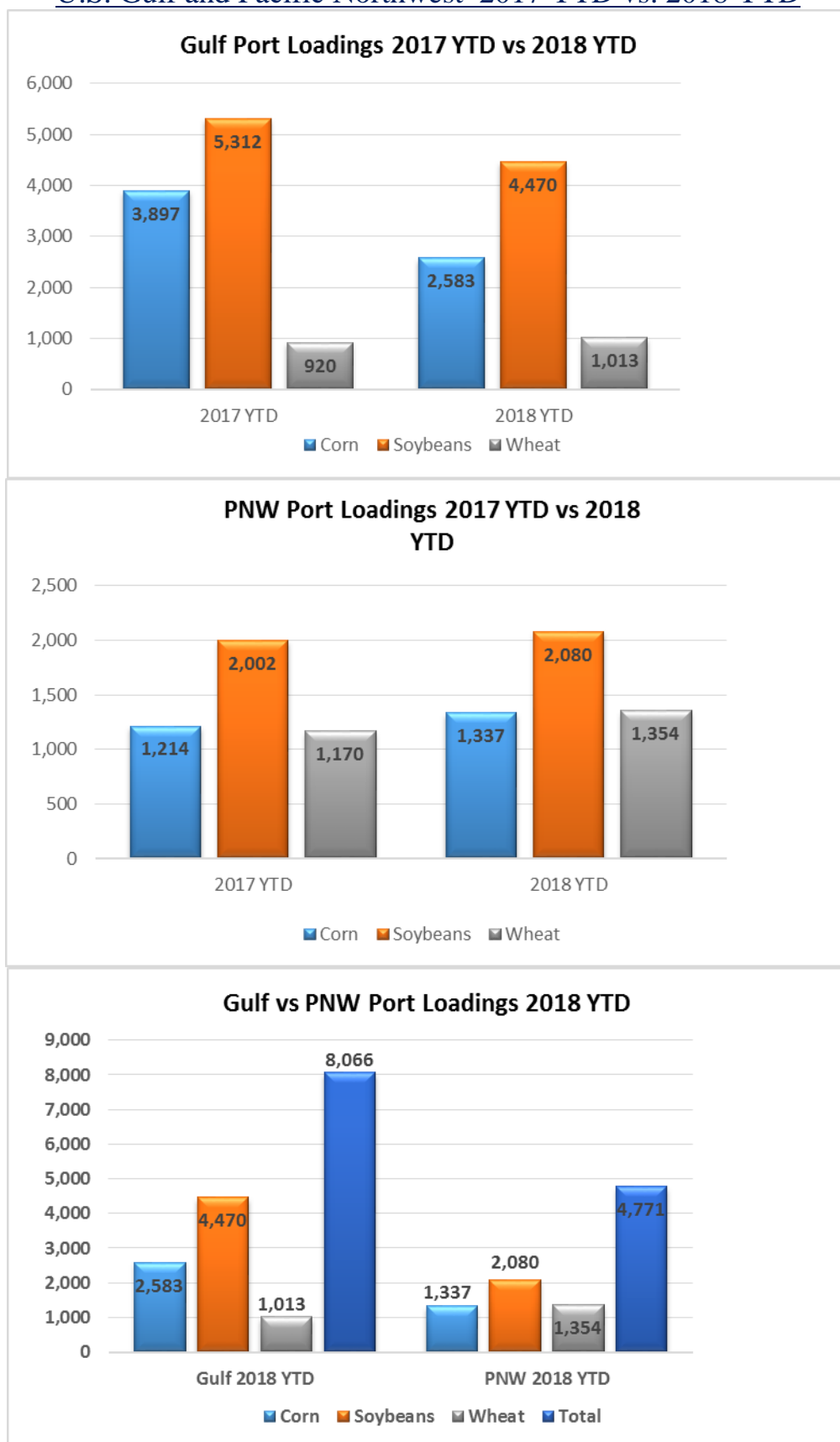
PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
<b>GULF</b>				
2017 YTD	3,897	5,312	920	10,129
2018 YTD	2,583	4,470	1,013	8,066
2018 as % of 2017	66%	84%	110%	80%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
<b>PNW</b>				
2017 YTD	1,214	2,002	1,170	4,386
2018 YTD	1,337	2,080	1,354	4,771
2018 as % of 2017	110%	104%	116%	109%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2018 Gulf YTD	2,583	4,470	1,013	8,066
2018 PNW YTD	1,337	2,080	1,354	4,771
TOTAL	3,920	6,550	2,367	12,837
Gulf Percentage	66%	68%	43%	63%
PNW Percentage	34%	32%	57%	37%

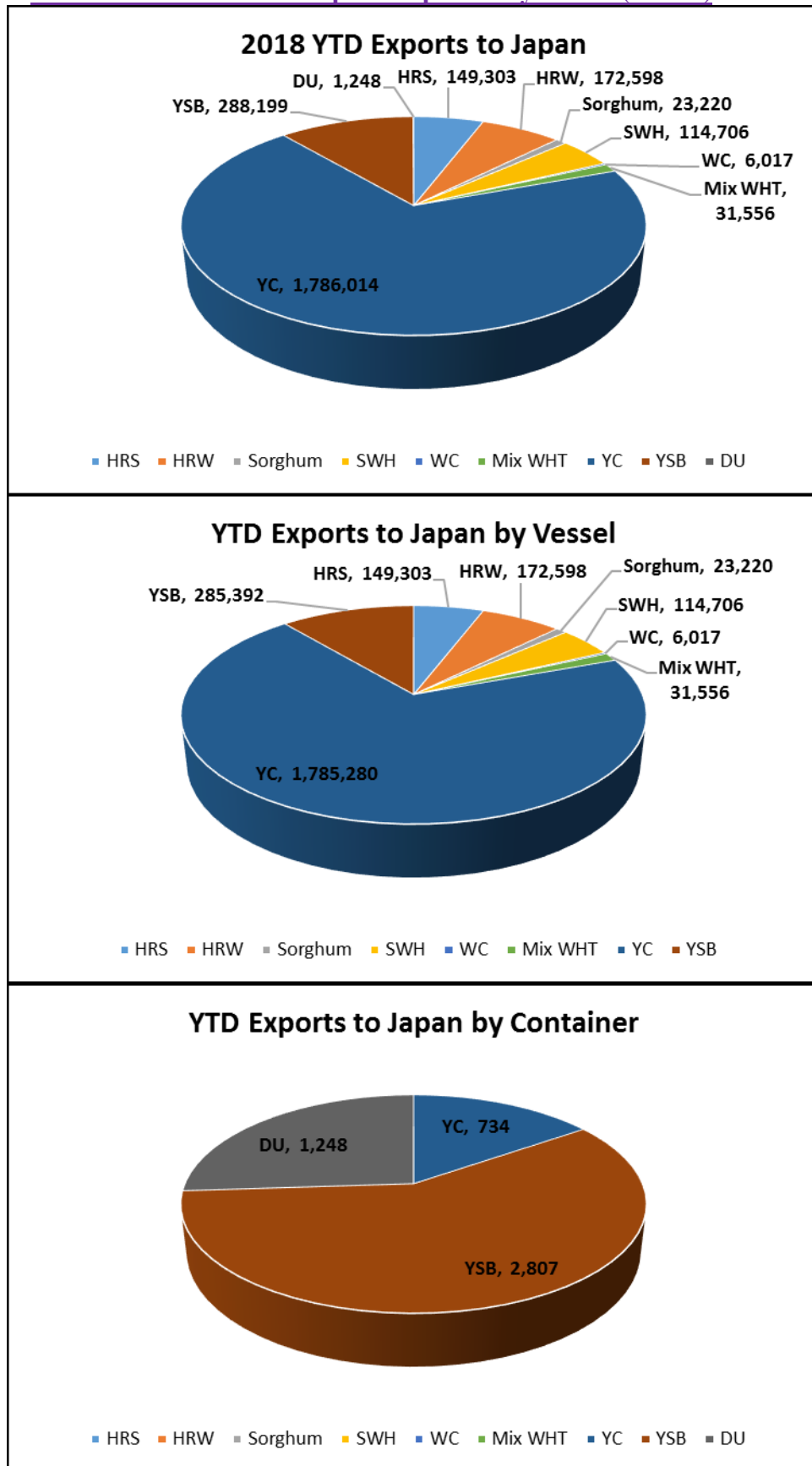


Grain Inspections for Export by U.S. Port Regions (1,000MT):  
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD



Source: USDA-data

## 2018 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

Source: USDA

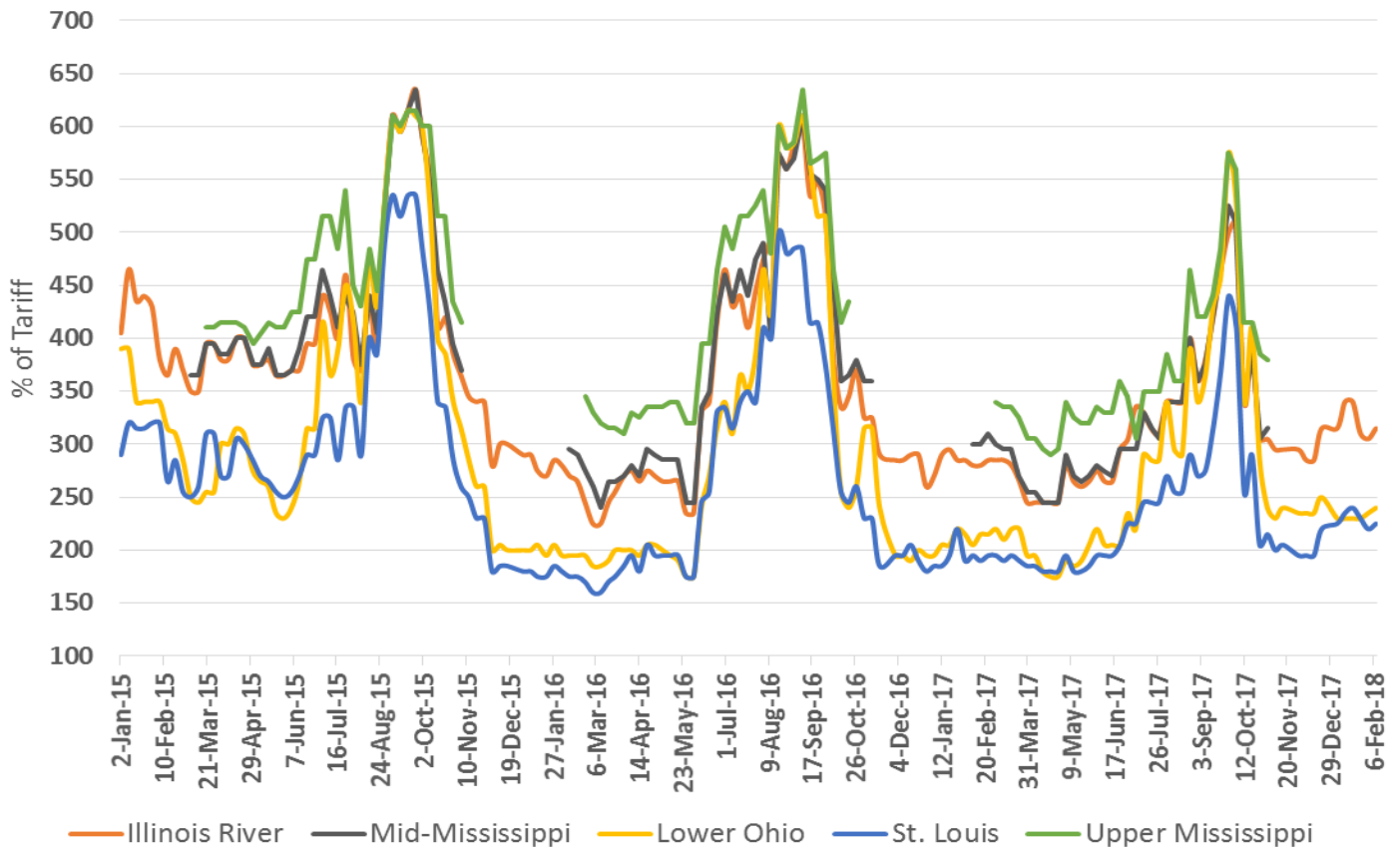
## Shipping News:

Good Reuters article on Mexico Corn shipments and NAFTA-

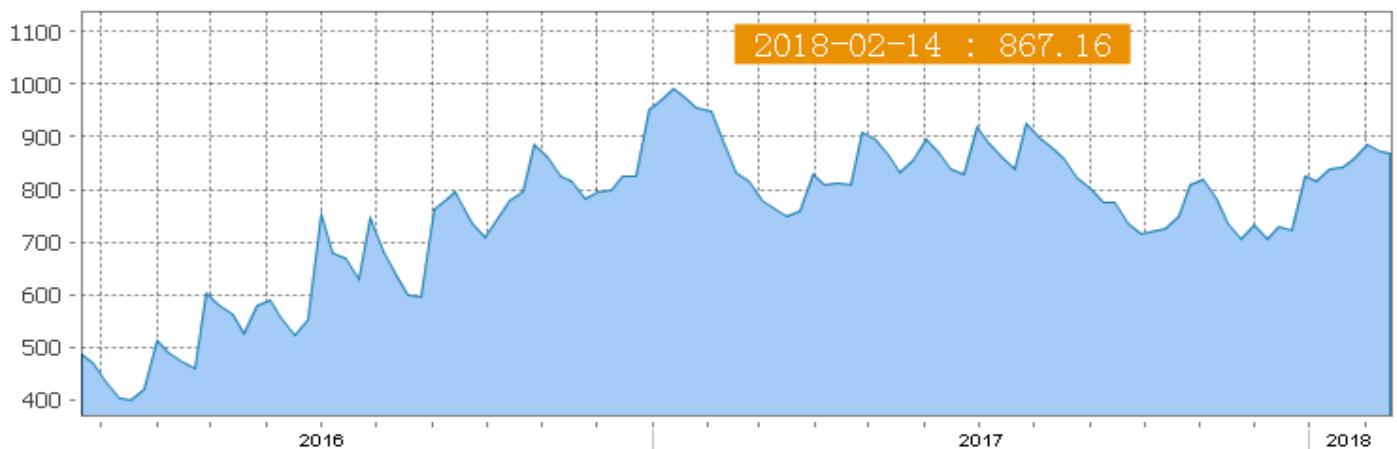
Reuters article on Mexico and NAFTA-

<https://www.reuters.com/article/us-trump-effect-corn-exclusive/exclusive-as-trump-trashes-nafta-mexico-turns-to-brazilian-corn-idUSKCN1G61J4>

### U.S. River Barge Freight as % of Tariff

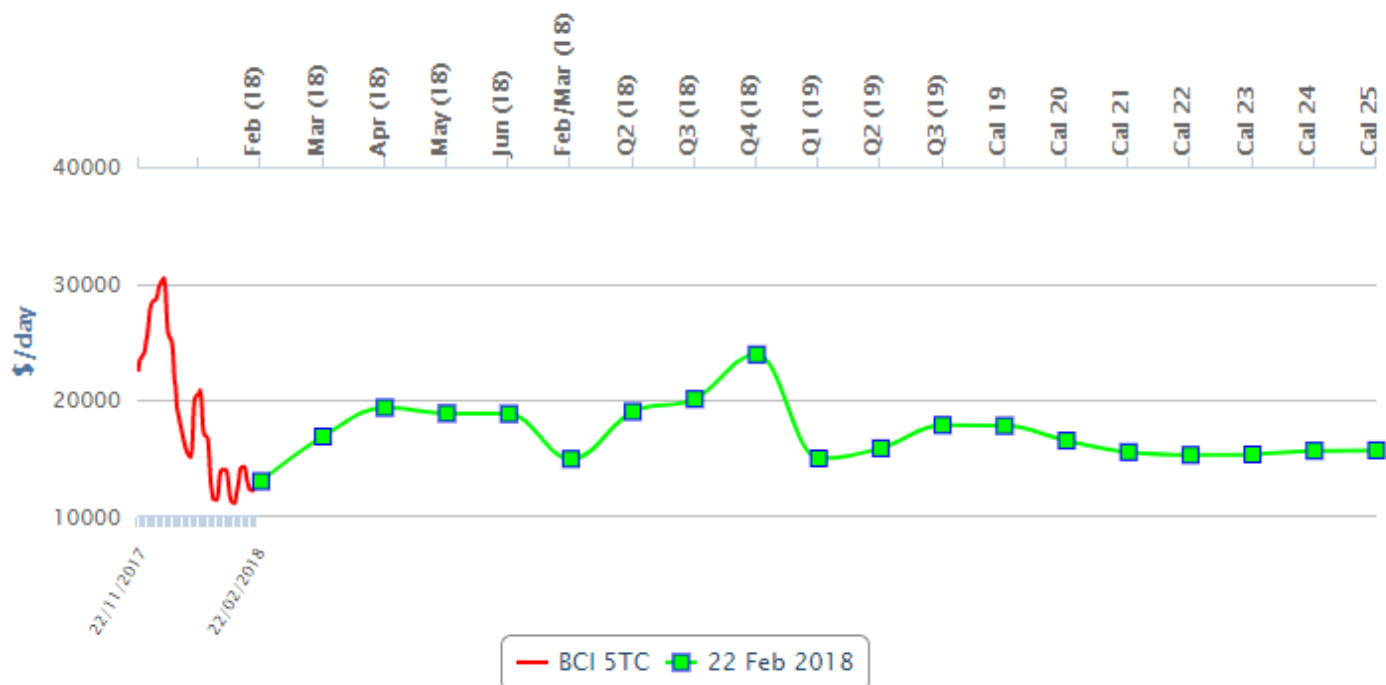


### Shanghai Containerized Freight Index



## FFA Capesize for the 4 time charter routes

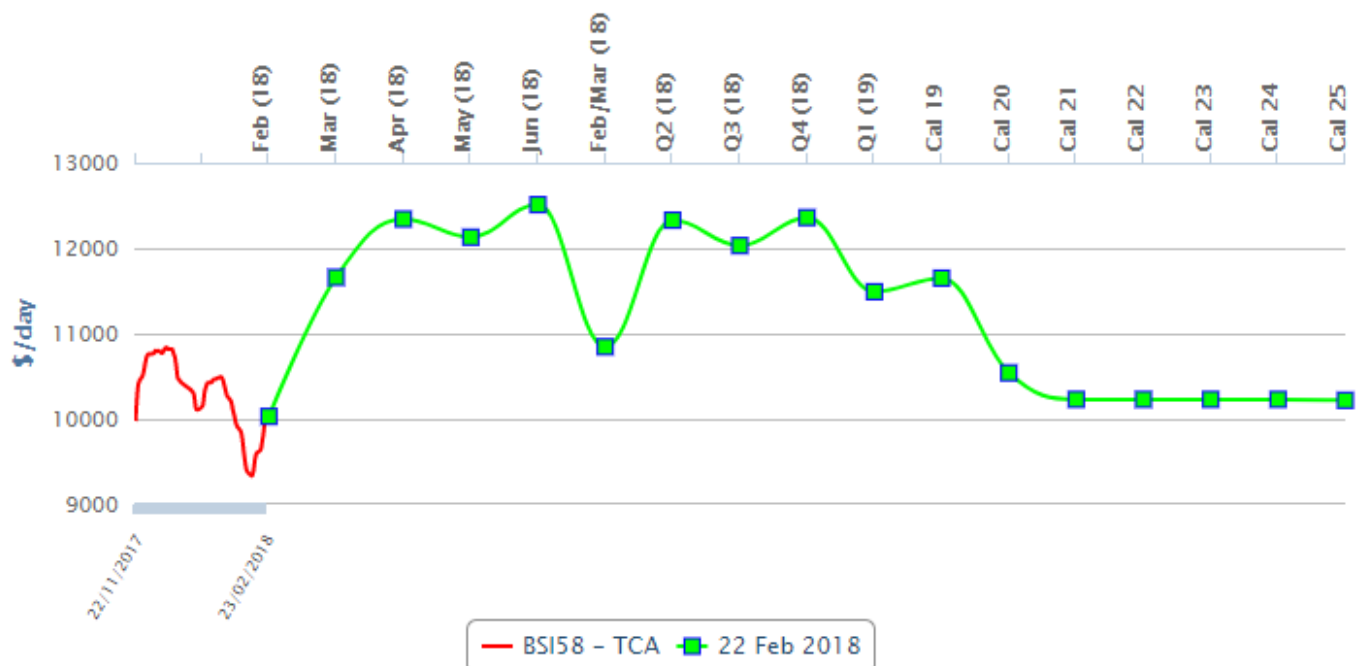
5TC\_C-FFA



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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 March 2018**

Placement LH March 2018	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	385	\$26.27	0.67	0.71
Illinois River (Pekin and South)	345	\$18.29	0.46	0.50
Mid-Mississippi	355	\$20.82	0.53	0.57
Lower Ohio	280	\$13.77	0.35	0.37
St. Louis	235	\$10.34	0.26	0.28

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

Secondary Rail Car Market Placement LH March 2018	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ 500.00	\$ 850.00	\$ 0.13	\$ 0.21	\$ 4.92	\$ 8.37
UPRR Shuttle Trains	\$ 200.00	\$ 700.00	\$ 0.05	\$ 0.18	\$ 1.97	\$ 6.89

\* Secondary Rail Cars for February loading are in the range of \$2,000-\$3,000 per car.



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**IGP-KSU**  
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**Purchasing**

**April 9-20, 2018**

  
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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](mailto: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.  
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