

## Transportation and Export Report for 23 February 2023

Dry Bulk markets finally hit bottom and got a bounce up this week. FFA paper markets are leading the rally and trying to convince everyone that the forward outlook is now bullish. They believe things can only go up from here. Physical markets want to follow the new optimism but are not as confident about things as the paper traders seem to be. We still need to see increases in physical cargo demand and not just FFA paper buying. Hope springs eternal.

March Panamax daily hire rates are up \$2,000/day this week to \$11,000/day, with Q2 2023 at \$14,000/day.

### BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices					
23-Feb-2023		This Week	Last Week	Difference	Percent Change
P2A: Gulf/Atlantic - HK-Korea	Index	18409	14,955	3,454	23.1%
P3A: PNW/Pacific - RV Korea-Taiwan	Index	9912	8,157	1,755	21.5%
S1C: US GULF-China-So.Japan	Index	18164	11557	6,607	57.2%
P7: Trial- Miss. River - Qingdao	per ton	47.88	46.06	1.82	4.0%
P8: Trial- Santos - Qingdao	per ton	37.00	33.21	3.79	11.4%

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

Four weeks ago:	\$6.80-\$6.70
Three weeks ago:	\$6.70-\$6.35
Two weeks ago:	\$6.30-\$6.15
One week ago:	\$6.15-\$6.10
This week	\$6.10- \$6.30

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

Mississippi River:	(9 elevators)	2-7 days
Mid-Stream loaders:	(6+ Rigs)	0-1 days
Texas Gulf	(6 elevators)	0-5 days (2 Facilities at 0 days)
Pacific Northwest:	(9 elevators)	1-6 days

Panamax Market Spreads to Asia -China					
23-Feb-2023	GULF	PNW	Bushel Spread	Tonne Spread	Advantage
CORN	0.84	1.56	0.72	\$28.34	GULF
SOYBEANS	0.98	2.05	1.07	\$39.32	GULF
OCEAN FREIGHT	\$48.00	\$26.00	.56-.60	\$22.00	March

### Current Grain Vessel Market Indications:

**\*\* Rates are estimates for the nearby-30-day period. 60-90 days forward physical rates will usually be higher.**

Soybean Panamax USG to Spain is running \$28.50 - \$29.50/mt.

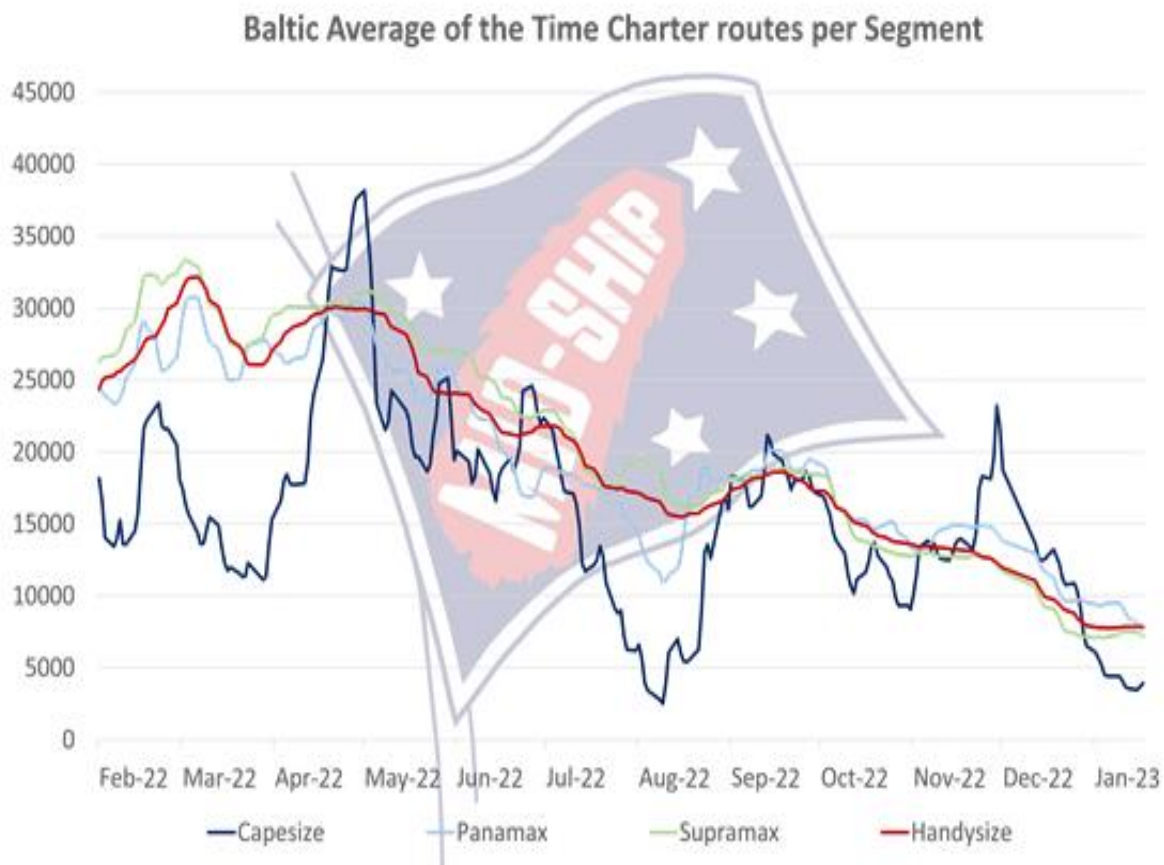
Soybean Brazil to Spain about \$35.00 - \$37.00/mt.

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$48.50	Up \$0.50	Handymax \$48.00 mt
55,000 U.S. PNW- Japan	\$26.50	Up \$0.50	Handymax at \$26.50 mt
65,000 U.S. Gulf – China	\$48.00	Up \$1.00	North or South China
PNW to China	\$26.00	Up \$0.50	
25,000 U.S. Gulf- Veracruz, México	\$21.50	Unchanged	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$18.00	Unchanged	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- Colombia	\$27.00	Unchanged	<u>West Coast Colombia at \$30.00</u>
50,000 USG- E/C Colombia	\$25.00		
<u>East Coast Colombia</u> From Argentina	\$35.00		
40-45,000 U.S. Gulf - Guatemala	\$34.50	Unchanged	Acajutla/Quetzal - 8,000 out
30,000 US Gulf-Morocco	\$32.00	Up \$0.50	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$29.50	Up \$0.50	55,000-60,000 mt Egypt
PNW to Egypt	\$30.00		Romania - Russia- Ukraine \$14.50 - \$17.00 - \$32.00 - France \$23.00, Bulgaria \$15.50
58-74,000 U.S. Gulf – Europe – Rotterdam	\$24.00	Unchanged	Handymax at +\$2.50 more
Brazil, Santos –China	\$37.75	Up \$0.50	54-59,000 Supramax-Panamax
Brazil, Santos –China	\$35.50		60-66,000 Post Panamax
Up-River Port North Brazil	\$41.50		55-60,000 mt
56-60,000 Argentina-China	\$40.50	Up \$0.50	Up-River with Top Off Plus \$3.85-\$4.75
Deep draft			

## Baltic Dry Bulk Freight Index



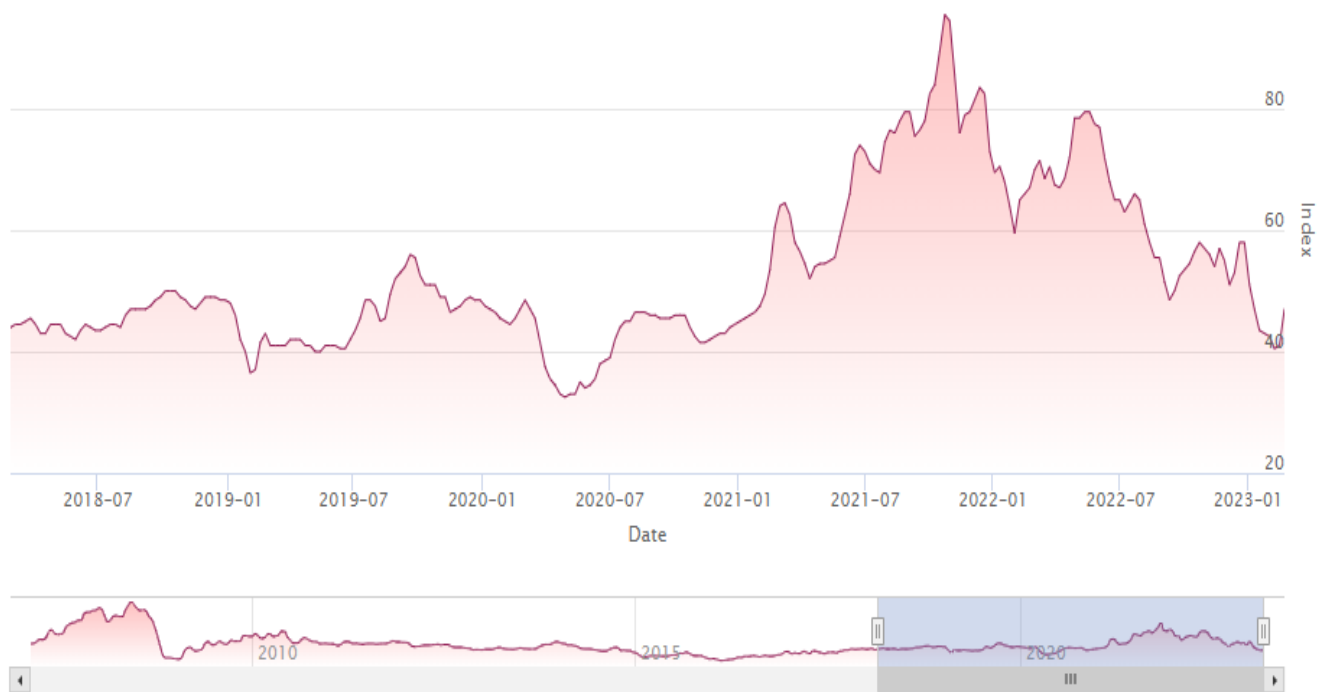
## The Baltic Dry Bulk Freight Index- Cape-Panamax-Supra and Handy



## YAMAMIZU Index

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

From 2018-02-21 To 2023-02-21



## China Import Dry Bulk Freight Index

2023-02-23

Description	Volume	Cargo	Unit	Rate	Change
Composite Index			Point	900.46	17.45
Iron ore Freight Index			Point	793.16	15.71
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	6.487	0.204
Soybean Freight Index			Point	1055.26	16.38
Santos(Brazil)— North China	66000/10%	Soybean	\$/ton	35.22	0.63
Tacoma(West America)—North China	63000/10%	Soybean	\$/ton	25.81	0.42
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	47.94	0.59

**23 February 2023 U.S. FOB Vessel Export Market Values:**

<b>U.S. Yellow Corn (USD/MT) FOB Vessel</b>					CORN	FUTURES
#2 YC	<b>GULF # 2 YC</b>		<b>PNW # 3 YC</b>		H =	6.6025
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE	K =	6.5925
<b>Mar.</b>	0.84	<b>\$293.00</b>	1.56	<b>\$321.34</b>	N=	6.5075
<b>Apr.</b>	0.87	<b>\$293.78</b>	1.59	<b>\$322.13</b>	U =	6.0000
<b>May</b>	0.87	<b>\$293.78</b>	1.58	<b>\$321.73</b>	Z=	5.8550
<b>June</b>	0.97	<b>\$294.37</b>	1.65	<b>\$321.14</b>	H =	5.9325
<b>July</b>	0.92	<b>\$292.40</b>	1.60	<b>\$319.17</b>		
<b>August</b>	1.25	<b>\$285.42</b>	1.95	<b>\$312.97</b>		

With no firm rail Corn bids to the PNW for March-April, it is impossible to accurately pinpoint Fob vessel markets out west. Are there no bids because of the lack of available corn or because there is little to no export business; probably a combination of both. PNW Fob vessel values are therefore a best guess.

The Gulf spread between #2 YC & #3 YC is currently about .03 cents per bushel (1.10/mt) at USG but is out to .04/bushel in the PNW.

<b>SORGHUM (USD/MT) FOB VESSEL</b>		
#2 YGS Fob Vessel	<b>TEXAS Gulf</b>	
Max. 14.0% moisture	BASIS	FLAT PRICE
<b>Mar.</b>	2.50	<b>\$358.35</b>
<b>Apr.</b>	2.50	<b>\$357.95</b>
<b>May</b>	2.50	<b>\$357.95</b>
<b>Jun.</b>	2.45	<b>\$352.64</b>
<b>July</b>	2.45	<b>\$352.64</b>

Fob vessel Texas Gulf #2 Sorghum is about 122 % the value of #2 Yellow Corn at NOLA.

<b>U.S. SRW Wheat Fob Vessel at the Center U.S. Gulf</b>				
<b>SRW Wheat</b>	<b>USD/MT</b>	<b>Fob Vessel</b>	<b>US Gulf</b>	
	<b>Apr.</b>	<b>May</b>	<b>June</b>	<b>July</b>
FOB U.S. GULF	\$316.18	\$316.18	\$314.61	\$299.18
Basis	1.10	1.10	1.00	0.58
WH	7.3825			.
WK	7.5050			
WN	7.5625			

<b>U.S. Yellow Soybeans (USD/MT) FOB Vessel</b>				
# 2 YSB	<b>U.S. Gulf #2 YSB</b>		<b>PNW #2 YSB</b>	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
<b>Mar.</b>	0.98	<b>\$599.74</b>	2.05	<b>\$639.06</b>
<b>Apr.</b>	0.98	<b>\$597.17</b>	2.05	<b>\$636.49</b>
<b>May</b>	0.95	<b>\$596.07</b>	1.95	<b>\$632.81</b>
<b>June</b>	1.00	<b>\$595.06</b>	1.95	<b>\$629.96</b>
<b>July</b>	0.93	<b>\$592.49</b>	1.88	<b>\$627.39</b>
<b>Soybean Futures</b>				
<b>Mar.</b>	\$ 15.3425			
<b>May</b>	\$ 15.2725			
<b>July</b>	\$ 15.1950			
<b>Aug.</b>	\$ 14.8850			
<b>Sept.</b>	\$ 14.2075			
<b>Nov.</b>	\$ 13.8775			

Soybean cargo demand at PNW ports is declining and rail delivery markets there are thin and difficult to accurately pinpoint. The above Fob vessel values in the PNW are therefore based on best guesses.

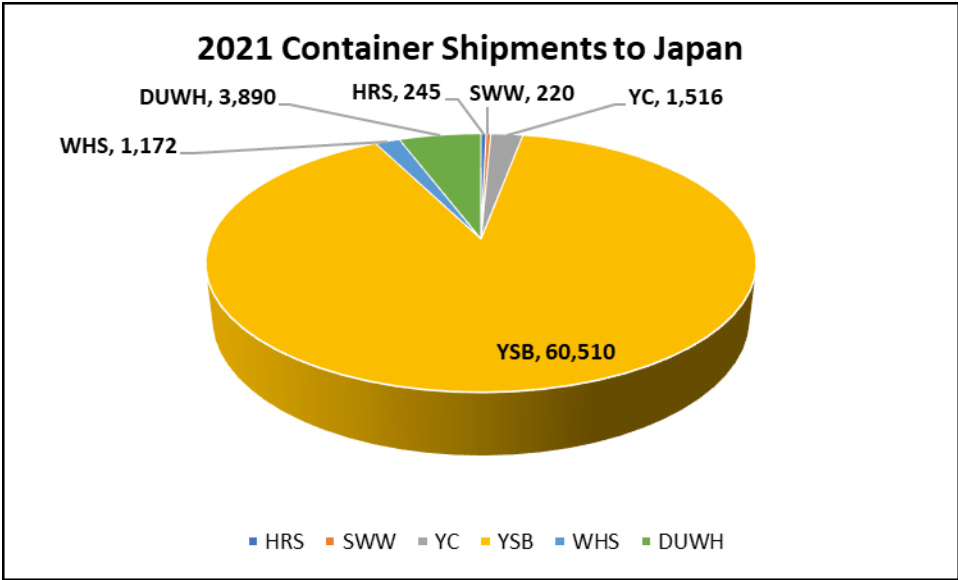
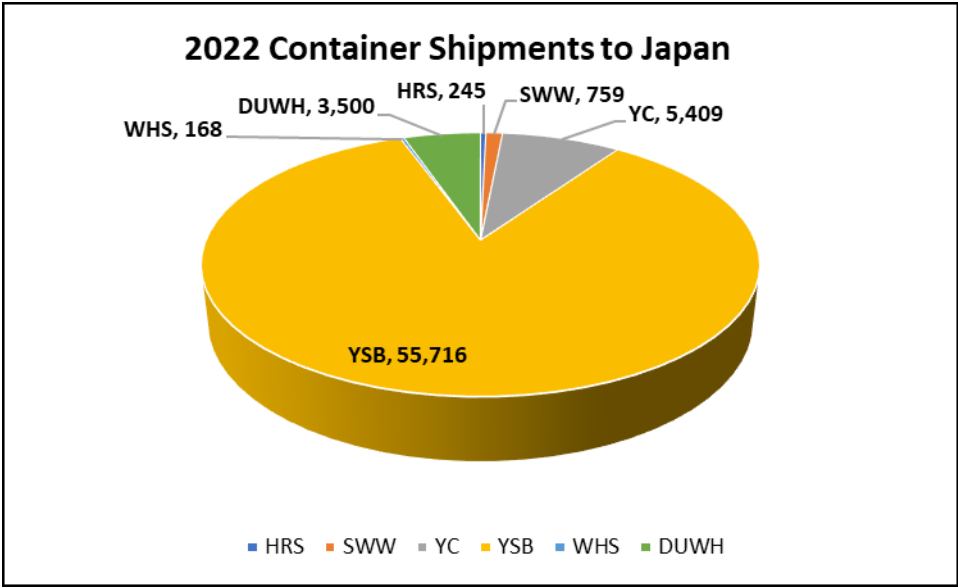
### **U.S. Soybean and SBM Markets Fob Vessel:**

<b>U.S. SBM (USD/MT) FOB Vessel</b>		
Fob U.S. Gulf Port	<b>47.5 Pro. SBM</b>	
max 12.5 % moisture	Basis	Flat Price
<b>Apr.</b>	58.00	<b>\$ 590.94</b>
<b>May</b>	41.00	<b>\$ 572.20</b>
<b>June</b>	38.00	<b>\$ 559.63</b>
<b>July</b>	36.00	<b>\$ 557.42</b>
<b>Aug.</b>	45.00	<b>\$ 553.34</b>
<b>SBM Futures</b>		
<b>SMH</b>	\$ 493.10	
<b>SMK</b>	\$ 478.00	
<b>SMN</b>	\$ 469.60	
<b>SMQ</b>	\$ 456.90	
<b>SMU</b>	\$ 441.00	
<b>SMV</b>	\$ 428.10	

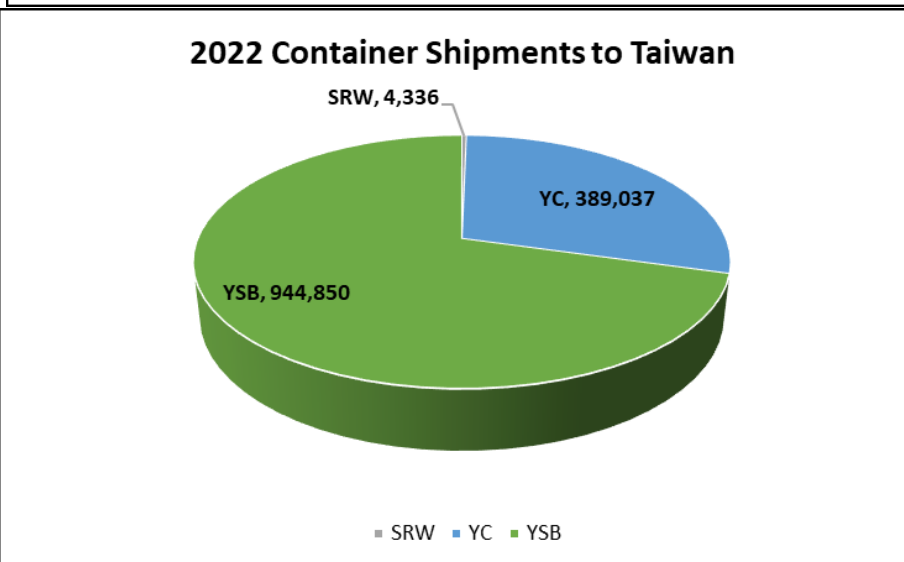
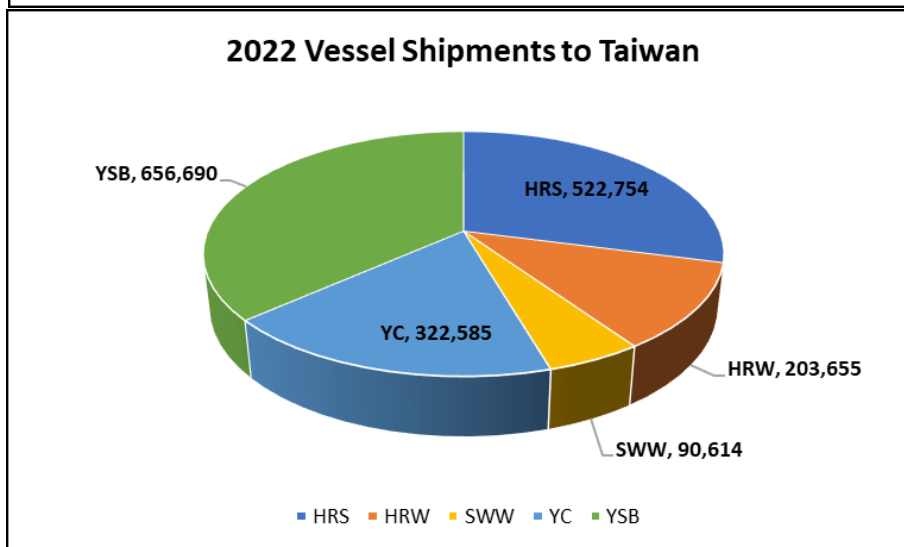
**Data sheet below:** *USDA weekly export inspections report with corrections to the last three weeks' grain export inspections reports. (This usually covers a 2-5-week prior time frame).*

CONTAINER SHIPMENTS of GRAIN									
USDA Grain Inspections Report:		16-Feb-2023							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	DUWH	SWH	Sorghum	TOTAL
China			26,565						26,565
Taiwan	6,069		4,918						10,987
Hong Kong	514								514
Costa Rica									0
Indonesia			18,121						18,121
French Poly									0
Japan			1,858						1,858
Korea Rep.	49		539						588
Dominic Rep									0
Malaysia			6,808						6,808
Netherlands	2,984								2,984
Philippines			1,125						1,125
Thailand			4,014						4,014
Nepal									0
Burma									0
Panama								122	122
Haiti	441								441
Vietnam			10,820						10,820
Sub Total:	10,057	0	74,768	0	0	0	0	122	84,947
USDA Corrections/Additions to previous reports:									
Taiwan	637		294						931
China			49						49
Hong Kong									0
Korea Rep.	122								122
Un Kingdom									0
Japan									0
Philippines									0
Indonesia	49		686						735
Malaysia			391						391
Thailand			857						857
Vietnam			98						98
Burma									0
Cambodia									0
Sub Total:	808	0	2,375	0	0	0	0	0	3,183
<b>Mt. Grand Total</b>	<b>10,865</b>	<b>0</b>	<b>77,143</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>122</b>	<b>88,130</b>
Number of Containers	472	0	3,354	0	0	0	0	5	

2021 Annual Totals versus 2022 Annual Totals Container Shipments (in MT)



2022 Total Grain Exports reported by USDA (in MT)



\*Please keep in mind that USDA does not report DDGS sales  
Source: USDA-data

## Pay as you grow

Manufacturing unit labour cost, \$ per hour



Source: Haver Analytics

**Mike Lee** @GreenSquareAC · 2h

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Russia will compensate part of the cost of transporting agricultural products. Manufacturers & suppliers of ag products, including exporters, will be able to claim up to 25% of the costs of transporting agricultural products, delivered in Q3 & 4 2022 and Q1 & II of 2023.





**FOR IMMEDIATE RELEASE: February 23, 2023**

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## **ILWU-PMA Update on Contract Talks**

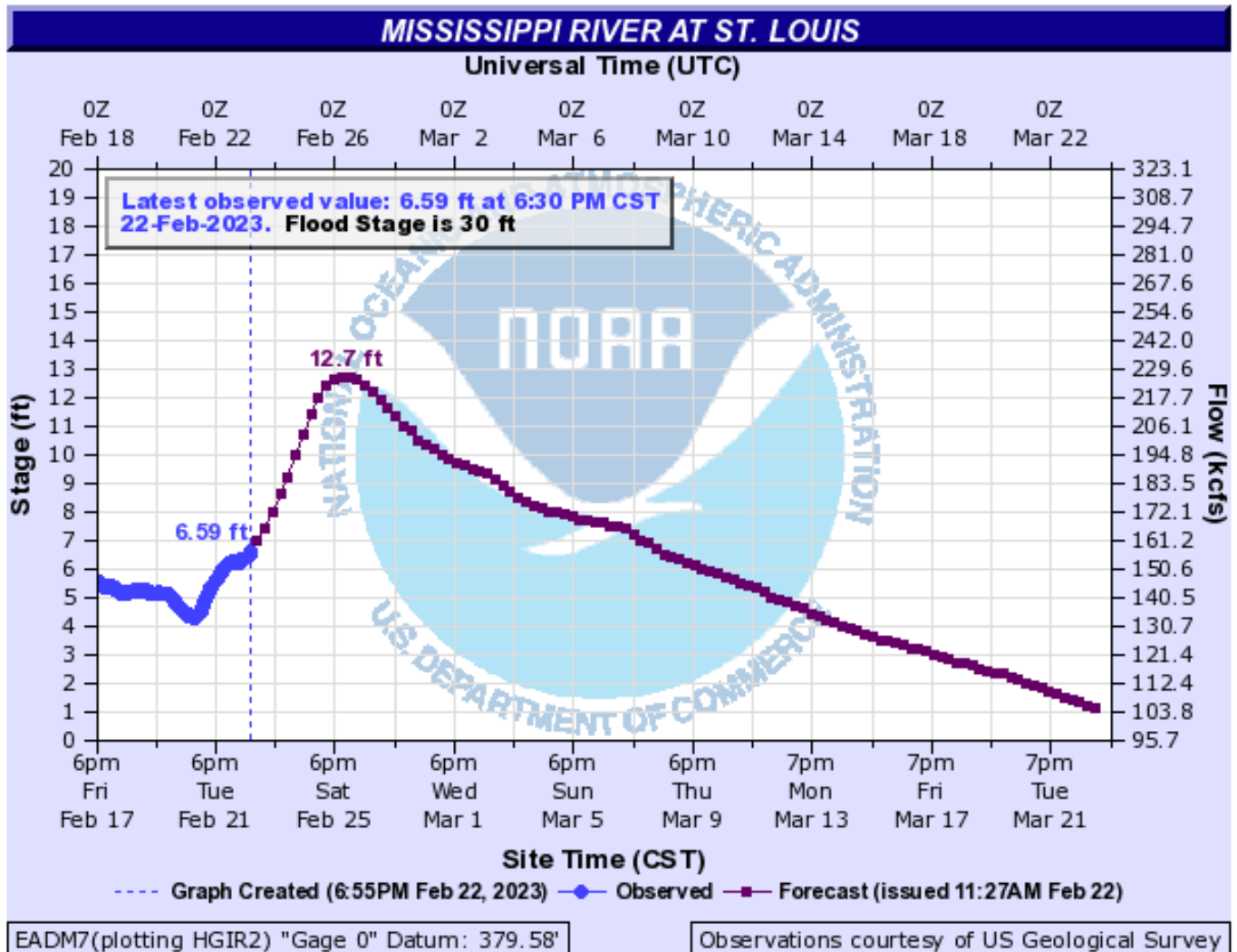
**SAN FRANCISCO, CA (February 23, 2023)** – The International Longshore and Warehouse Union (ILWU) and the Pacific Maritime Association (PMA) announced today that they continue to negotiate and remain hopeful of reaching a deal soon. The parties have agreed not to discuss negotiations in the media as collective bargaining continues.

Negotiations for a new collective bargaining agreement covering more than 22,000 dockworkers at 29 West Coast ports began on Tuesday, May 10, 2022, in San Francisco. The parties have reached a tentative agreement on certain key issues, including health benefits, and remain committed to resolving remaining issues as expeditiously as possible. Talks are continuing on an ongoing basis until an agreement is reached.

Negotiations are not open to the media or the public, and news articles purporting to know what is happening at the bargaining table are speculative at best. During negotiations, West Coast ports have continued to operate.

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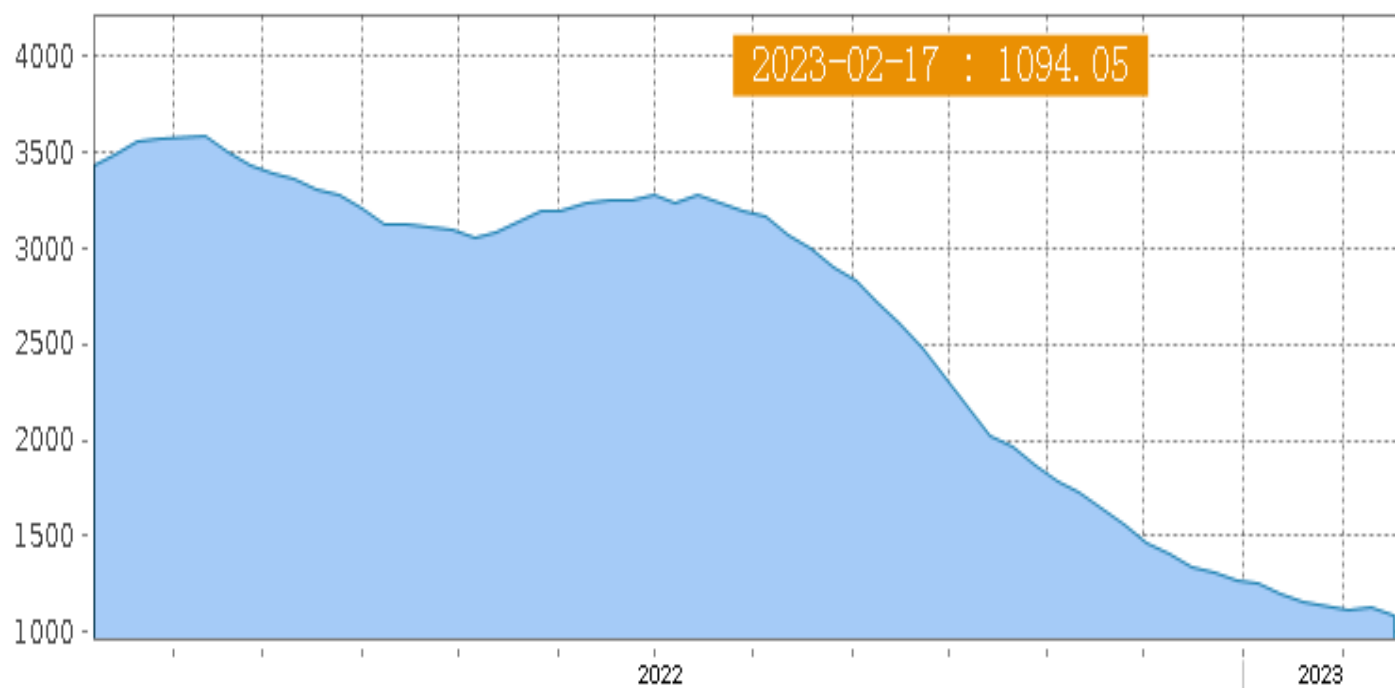
U.S. River Markets -



## China Import Dry Bulk Freight Index



## China Containerized Freight Index



### Secondary Rail Car Market for Car placement period: Last Half March 2023

Secondary Rail Car Market Placement FH March 2023	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ (250)	\$ (150)	\$ (0.06)	\$ (0.04)	\$ (2.46)	\$ (1.48)
UPRR Shuttle Trains	\$ (250)	\$ (100)	\$ (0.06)	\$ (0.03)	\$ (2.46)	\$ (0.98)

### U.S. RIVER BARGE FREIGHT

#### **Barge Freight for Loading Placement Last Half March 2023**

Placement FH March 2023	% of Tariff	MT	Corn BU	Soybeans-Wheat BU
Upper Mississippi	Closed	\$ -	0.00	0.00
Illinois River (Pekin and South)	510	\$ 34.80	0.88	0.95
Mid-Mississippi	Closed	\$ -	0.00	0.00
Lower Ohio	460	\$ 22.61	0.57	0.62
St. Louis	390	\$ 17.15	0.44	0.47

Best Regards,

Jay

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