

## Transportation and Export Report for 25 February 2021

To quote John Maynard Keynes - "Markets can remain irrational longer than you can remain solvent". Last week was a record week for the FFA paper markets. 88,198 lots traded (54% of which were Panamax). This was an all-time record volume for FFA markets. Both volume and weekly volatility exceed the wild days of 2007-08. In addition to general market enthusiasm, it was evident that a "market squeeze" has been taking place. Paper trading activity was more volatile than physical markets. At weeks end Panamax paper rates were up 165% for the current year. Is this rate structure sustainable? Market fundamentals have not changed; but market optimism certainly has. Volatility remains king and it has become a very bumpy ride. We still have an imbalance in vessel supply in the Atlantic vs Pacific (short supply in the Atlantic). This will correct itself as the spread between oceans is way out of whack.

March Capes are down to \$10,850 with Q2 at \$15,000 and Q3 at \$19,000. March Panamax market is sitting at \$19,500 with Q2 at \$17,000. Aside from this week's changes in market spreads, the interesting feature is that Panamax rates continue to outshine Capsize. Historically Capsize vessels would command a 2.0-2.5 premium over Panamax vessels.

### BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices					
25-Feb-2021		This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	per day	28455	31636	-3,181	-10.1%
P3A - PNW/Pacific -Korea	per day	20467	21296	-829	-3.9%
S1C -USGULF-China-So.Japan	per day	35914	31333	4,581	14.6%
P7- Trial- Miss. River - Qingdao	per ton	55.771	56.693	-0.9	-1.6%
P8- Trial- Santos - Qingdao	per ton	45.564	48.314	-2.8	-5.7%

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

Four weeks ago: \$6.35-\$7.20  
 Three weeks ago: \$5.90-\$6.05  
 Two weeks ago: \$5.75-\$6.05  
 One week ago: \$6.10-\$8.50  
 This week: \$6.70-\$7.25

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

Mississippi River: (10 elevators) 2-6 days (1 facility not currently operating)  
 Miss. River Mid-Stream loaders: (6+ Rigs) 0-2 days  
 Texas Gulf (6 elevators) 2-13 days (only 2 facilities over 5 days)  
 Pacific Northwest: (9 elevators) 1-10 days

Panamax Market Spreads to Asia -China					
25-Feb-2021	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	1.44	0.89	0.55	\$21.65	BOTH
SOYBEANS	1.55	0.82	0.73	\$28.74	GULF
OCEAN FREIGHT	\$31.00	\$56.00	.64-.68	\$25.00	March

**Recent Reported Vessel Fixtures:**

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

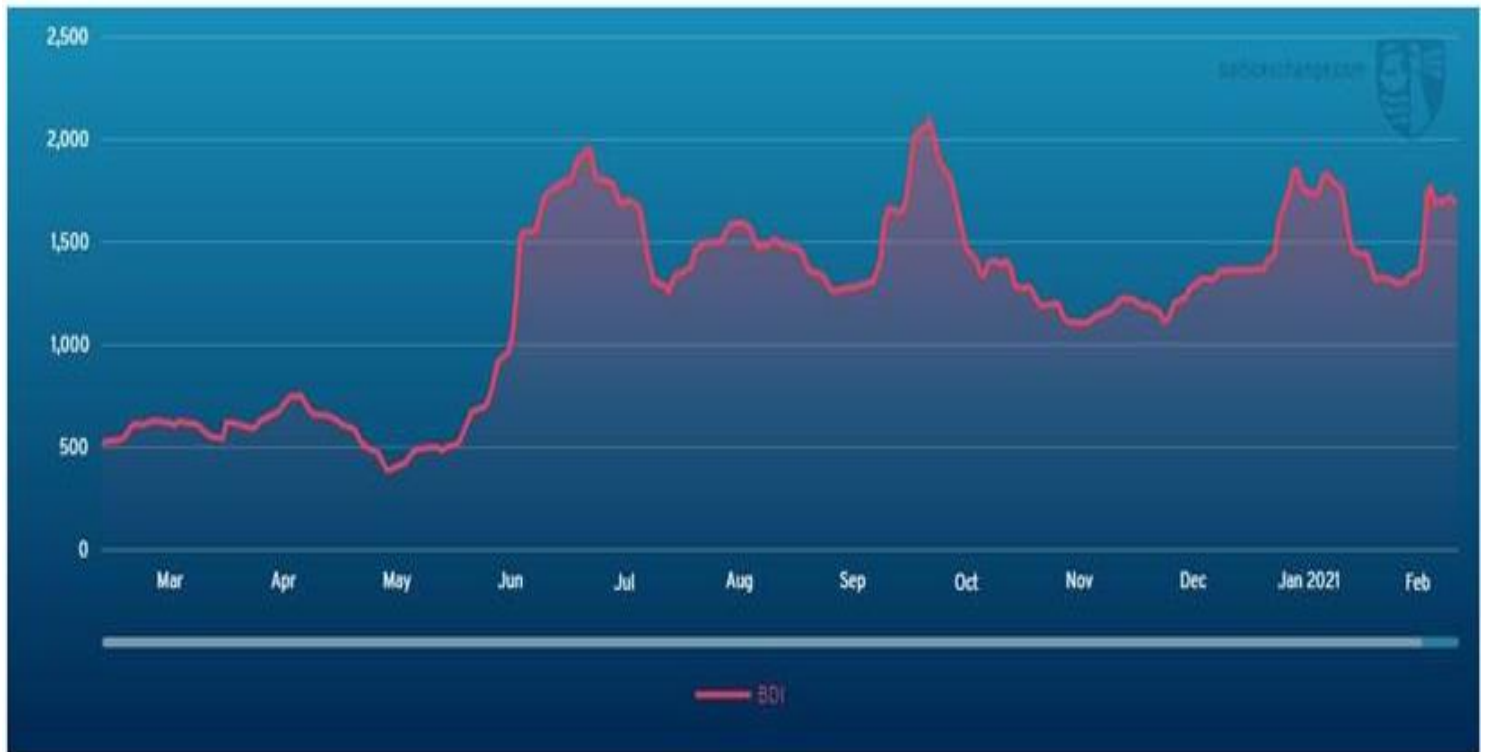
Soybean Panamax USG to Spain is running \$32.75-\$34.50/mt.

Soybean Brazil to Spain about \$40.25 -42.50/mt.

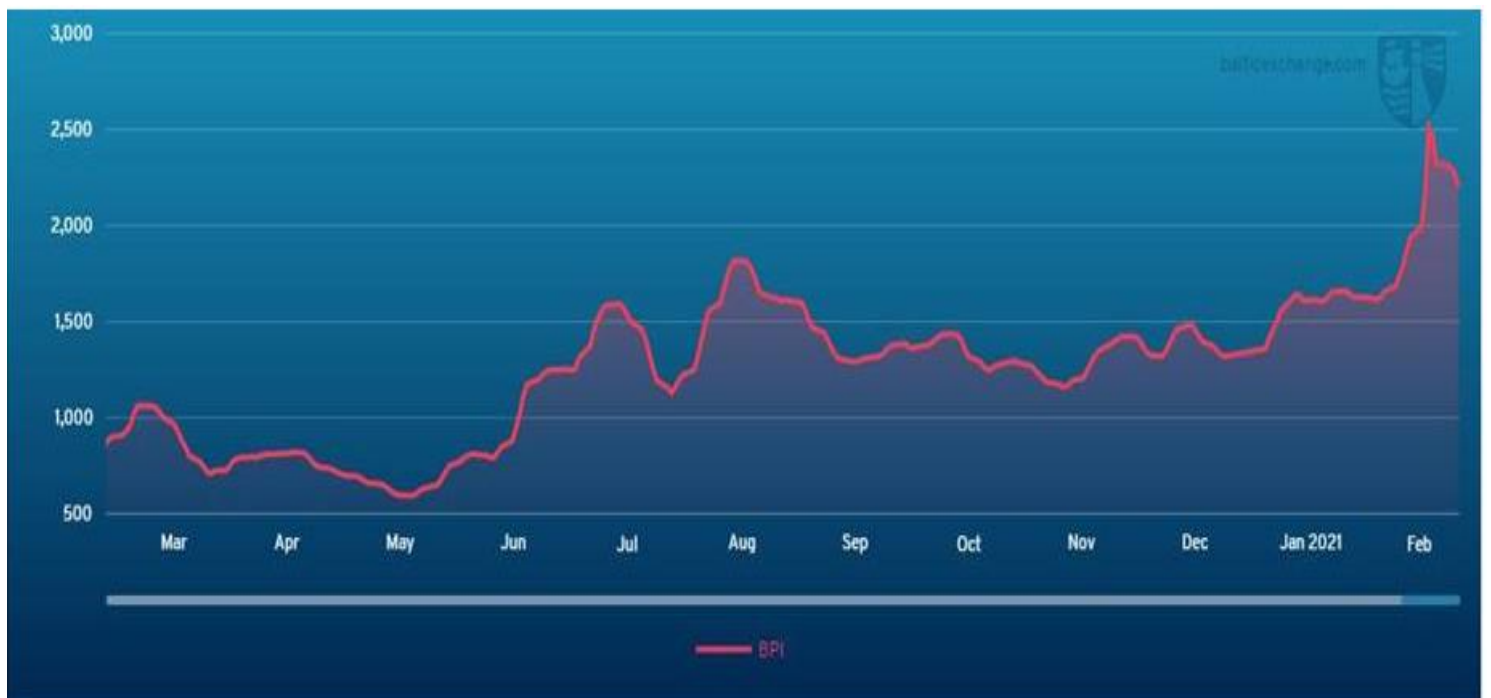
30,000 mt Corn Northern Brazil to Vera Cruz, Mexico \$28.75-\$31.50 mt .To U.S. E/C about \$33.00-\$34.50/mt

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$57.50	Up \$3.50	Handymax \$59.00 mt
55,000 U.S. PNW- Japan	\$32.25	Unchanged	Handymax \$33.00 mt
66,000 U.S. Gulf – China	\$56.00	Up \$3.00	North China
PNW to China	\$31.00	Unchanged	
25,000 U.S. Gulf- Veracruz, México	\$24.50	Up \$0.50	3,000 MT daily discharge rate
30-36,000+ U.S. Gulf- Veracruz, México	\$21.00	Up \$0.50	Deep draft and 6,000 MT per day discharge rate.
		Down \$1.00	
30-38,000 U.S. Gulf- Colombia 50,000 mt USG to E/C Colombia	\$29.00 <u>\$28.00</u>		<u>West Coast Colombia at \$42.00</u>
From Argentina	\$40.50		
43-45,000 U.S. Gulf - Guatemala	\$35.00	Down\$1.00	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$40.00 \$42.50	Up \$1.75	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$39.50	Down \$1.00	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$42.50	Up \$2.00	60,000 -55,000 mt -Egypt
PNW to Egypt	\$41.50		Romania- Russia- Ukraine \$16.00-\$16.50 -\$17.00 France \$22.00
60-70,000 U.S. Gulf – Europe – Rotterdam	\$20.00	Unchanged	Handymax at +\$1.75-\$2.00 more
Brazil, Santos – China	\$46.50	Down \$1.00	54-59,000 Supramax-Panamax
Brazil, Santos – China	\$46.00		60-66,000 Post Panamax
Northern Coast Brazil	\$47.00		Upriver No. Brazil Plus -55,000 mt Plus \$7.50/mt
56-60,000 Argentina/Rosario- China Deep Draft	\$52.25	Down \$1.00	Upriver with BB Top Off Plus \$3.75 mt

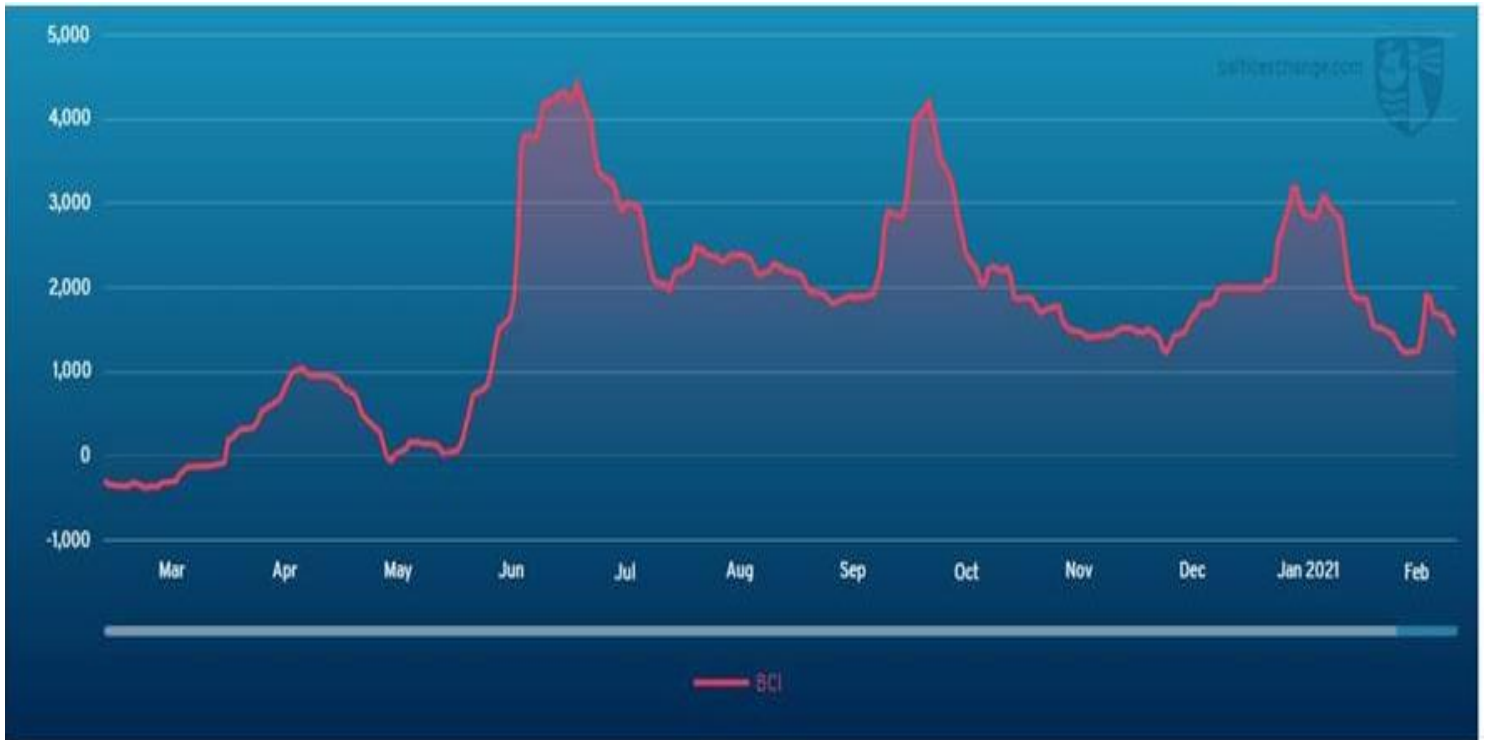
## The Baltic Dry Freight Index



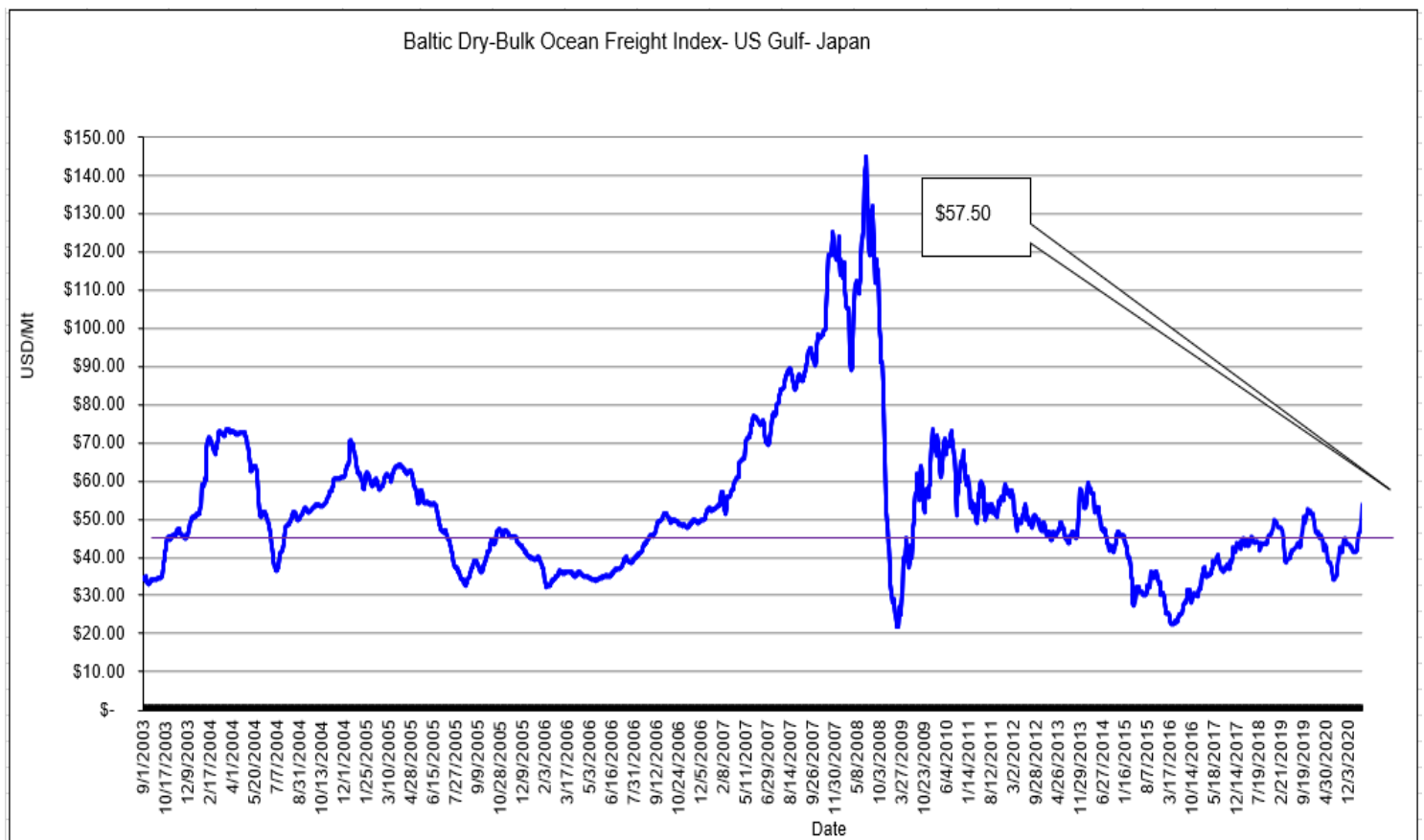
## Baltic Panamax Index



## Capesize Market Chart



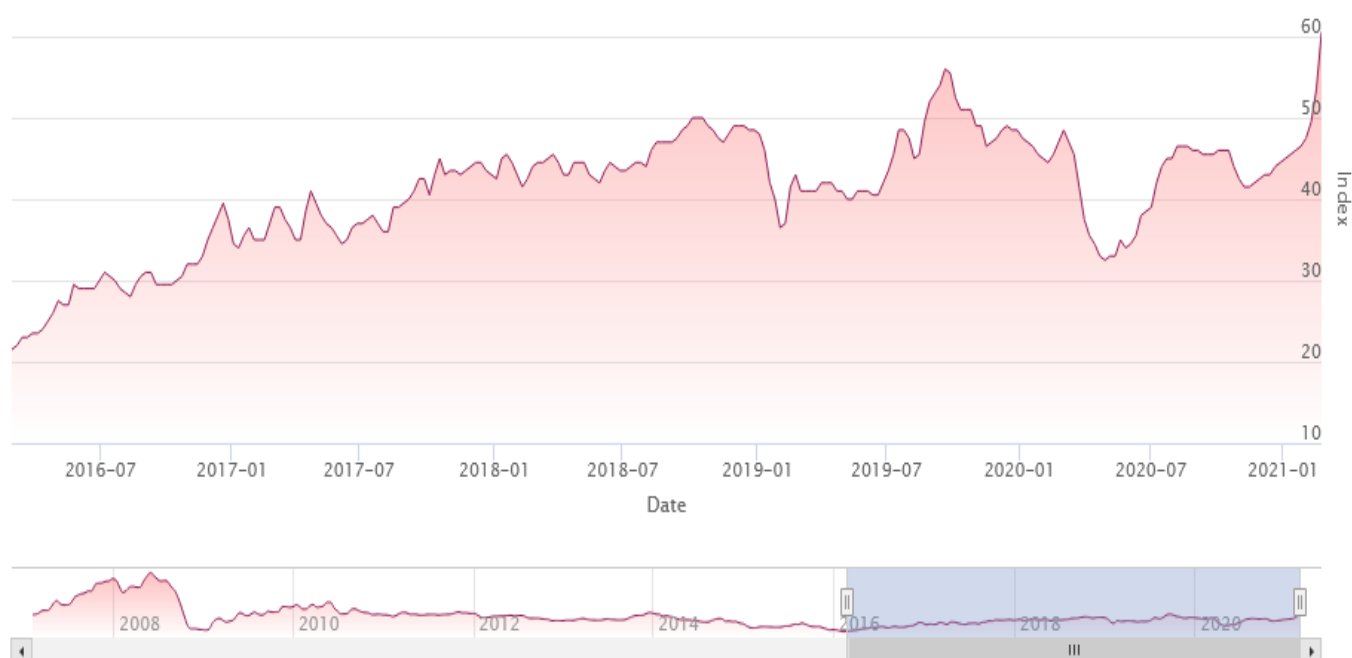
## Baltic Dry-Bulk Ocean Freight Index- US Gulf- Japan



## YAMAMIZU Index


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

From 2016-02-24 To 2021-02-24



### China Import Dry Bulk Freight Index

2021-02-25

Description	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	1046.7	10.14
Iron ore Freight Index			Point	835.55	7.74
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	7.123	0.431
Soybean Freight Index			Point	1304.25	0.77
Santos(Brazil)— North China	66000/10%	Soybean	\$/ton	45.667	0.175
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	46.592	0.275
Tacoma(West America)—North China	63000/10%	Soybean	\$/ton	30.817	-0.075
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	56.217	-0.167

**25 February 2021 U.S. FOB Vessel Export Market Values:**

<b>U.S. Yellow Corn (USD/MT) FOB Vessel</b>				
#2 YC	GULF # 2 YC		PNW # 3 YC	
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
<b>Mar.</b>	0.89	<b>\$253.43</b>	1.44	<b>\$275.08</b>
<b>Apr.</b>	0.86	<b>\$250.28</b>	1.44	<b>\$273.11</b>
<b>May</b>	0.86	<b>\$250.28</b>	1.44	<b>\$273.11</b>
<b>Jun.</b>	0.95	<b>\$249.89</b>	1.53	<b>\$272.72</b>
<b>July</b>	0.93	<b>\$249.10</b>	1.53	<b>\$272.72</b>
<b>Aug.</b>	1.44	<b>\$250.77</b>	2.02	<b>\$273.61</b>

The Gulf spread between #2 & #3 YC is currently about .03 cents per bushel (1.18/mt) at USG but is out to .06/bushel in the PNW.

<b>SORGHUM (USD/MT) FOB VESSEL</b>		
#2 YGS Fob Vessel	TEXAS Gulf	
Max. 14.0% moisture	BASIS	FLAT PRICE
<b>Mar.</b>	3.20	<b>\$344.37</b>
<b>Apr.</b>	3.20	<b>\$342.40</b>
<b>May</b>	3.15	<b>\$340.43</b>
<b>June</b>	3.20	<b>\$338.47</b>
<b>July</b>	3.15	<b>\$336.50</b>

Fob vessel Texas Gulf #2 Sorghum is about 136% the value of #2 Yellow Corn at NOLA.  
And is over the price of Fob SRW Wheat at the U.S. Gulf.

**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	\$298.26	\$296.06	\$288.71	\$280.54
Basis	1.40	1.30	1.10	1.00
WH	6.7175			.
WK	6.7575			
WN	6.6350			

25-Feb-2021	Close	Close	Last Week.	Last Week.	Last Week	
CME Corn Futures	Bushel	MT.	Bushel	Bu. Diff.	MT	MT Diff.
Mar.	\$ 5.5475	\$ 218.39	\$ 5.5025	0.0450	\$ 216.62	\$ 1.77
May	\$ 5.4975	\$ 216.42	\$ 5.4900	0.0075	\$ 216.13	\$ 0.30
July	\$ 5.3975	\$ 212.49	\$ 5.3900	0.0075	\$ 212.19	\$ 0.30
Sept.	\$ 4.9300	\$ 194.08	\$ 4.8350	0.0950	\$ 190.34	\$ 3.74
Dec.	\$ 4.7400	\$ 186.60	\$ 4.5925	0.1475	\$ 180.80	\$ 5.81
Mar.	\$ 4.8150	\$ 189.56	\$ 4.6675	0.1475	\$ 183.75	\$ 5.81

### CBOT May 2021 (CK21) CORN Futures Chart –



### CME/CBOT May 2021 (WK21) SRW Wheat Futures Chart –



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

<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>	0.82	<b>\$546.74</b>	1.55	<b>\$573.56</b>
<b>Apr.</b>	0.85	<b>\$548.39</b>	1.54	<b>\$573.75</b>
<b>May</b>	0.90	<b>\$550.23</b>	1.50	<b>\$572.28</b>
<b>June</b>	1.07	<b>\$552.71</b>	1.60	<b>\$572.19</b>
<b>July</b>	1.07	<b>\$552.71</b>	1.59	<b>\$571.82</b>
<b>Soybean Futures</b>				
<b>Mar.</b>	\$ 14.0600			
<b>May</b>	\$ 14.0750			
<b>July</b>	\$ 13.9725			
<b>Aug.</b>	\$ 13.5650			
<b>Sept.</b>	\$ 12.7550			
<b>Nov.</b>	\$ 12.3075			

<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>Mar.</b>	45.00	<b>\$ 517.18</b>
<b>Apr.</b>	42.00	<b>\$ 512.66</b>
<b>May</b>	40.00	<b>\$ 510.46</b>
<b>June</b>	41.00	<b>\$ 508.69</b>
<b>July</b>	41.00	<b>\$ 508.69</b>
<b>SBM Futures</b>		
<b>SMH</b>	\$ 424.10	
<b>SMK</b>	\$ 423.00	
<b>SMN</b>	\$ 420.40	
<b>SMQ</b>	\$ 408.80	
<b>SMU</b>	\$ 396.30	
<b>SMV</b>	\$ 383.60	



### CME May 2021 Soybean (SK21) Futures Chart:



### CME May 2021 Soybean Meal (SMK21) Futures Chart



## U.S. EXPORT STATISTICS: Report Activity as of Week Ending 11 February 2021

### 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 '21-22 (000 MT)
Corn	1,225.5	58,554.3	66,040	89%	1,082.0
Sorghum	55.2	5,931.1	7,490	79%	703.0
Soybeans	466.3	59,860.7	61,240	98%	4,592.9
Wheat	544.1	23,403.8	26,810	87%	816.3
Barley	2.0	32.6	200	16%	14.5

### U.S. EXPORT INSPECTIONS:

Monday's report 22 February 2021 for the Export week ending 18 February 2021

	Export Inspections		Current Market Year YTD	Previous Year to Date	2020/21 YTD as Percent of 2019/20 YTD
	This Week	Previous Week			
Corn	1,231,810	1,314,960	23,997,794	13,310,308	180%
Sorghum	124,101	71,084	3,461,982	1,328,470	261%
Soybeans	721,845	922,181	50,916,438	28,832,628	177%
Wheat	324,597	418,816	17,758,763	18,157,632	98%
Barley	2,395	1,597	28,628	28,432	101%

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

### U.S. EXPORT INSPECTIONS:

Monday's report 22 February 2021 for the Export week ending 18 February 2021

Last Week							
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans %
Lakes	0	0%	0	0%	0	0%	0 0%
Atlantic	0	0%	0	0%	0	0%	33,626 5%
Gulf	933,497	76%	0	0%	123,146	99%	397,208 55%
PNW	174,634	14%	343	100%	49	0%	166,639 23%
Interior Export Rail	123,336	10%	0	0%	906	1%	124,372 17%
Metric Tons	1,231,467		343		124,101		721,845

Sorghum Shipments: metric tons  
                             49      Korea Rep  
                           124,052    China  
                           124,101    Total

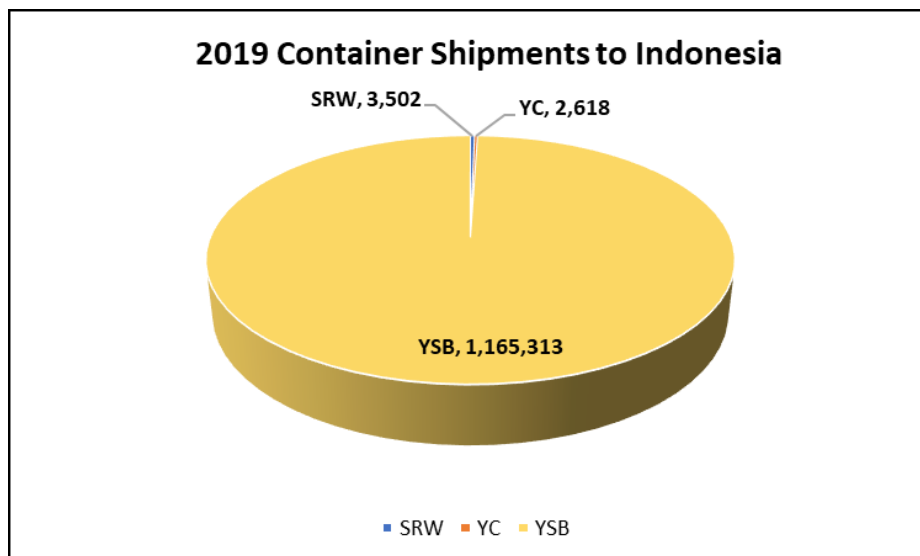
White Corn metric tons  
 Shipments:      343      Korea Rep  
                           343      Total

## 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:		18-Feb-2021							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China			16,380		465			906	17,751
Taiwan	10,868		10,647						21,515
Hong Kong	171								171
Costa Rica									0
Indonesia			11,284		636				11,920
French Poly									0
Japan			439						439
Korea Rep.			1,004						1,004
Oman	930								930
Malaysia			6,659						6,659
Egypt	24								24
Philippines			808						808
Thailand			3,305						3,305
Bahrain	490								490
Cambodia			1,053						1,053
Bangladesh									0
Burma									0
Vietnam			7,929						7,929
Sub Total:	12,483	0	59,508	0	1,101	0	0	906	73,998
USDA Corrections/Additions to previous reports:									
Taiwan	930								930
China									0
Hong Kong									0
Korea Rep.									0
Cambodia									0
Japan									0
Philippines									0
Indonesia			98						98
Malaysia									0
Thailand									0
Vietnam									0
Bangladesh									0
Costa Rica									0
Sub Total:	930	0	98	0	0	0	0	0	1,028
<b>Mt. Grand Total</b>	<b>13,413</b>	<b>0</b>	<b>59,606</b>	<b>0</b>	<b>1,101</b>	<b>0</b>	<b>0</b>	<b>906</b>	<b>75,026</b>
Number of Containers	583	0	2,592	0	48	0	0	39	

Jan - Dec 2019 Annual Totals versus 2020 Annual Total Container Shipments (in MT)



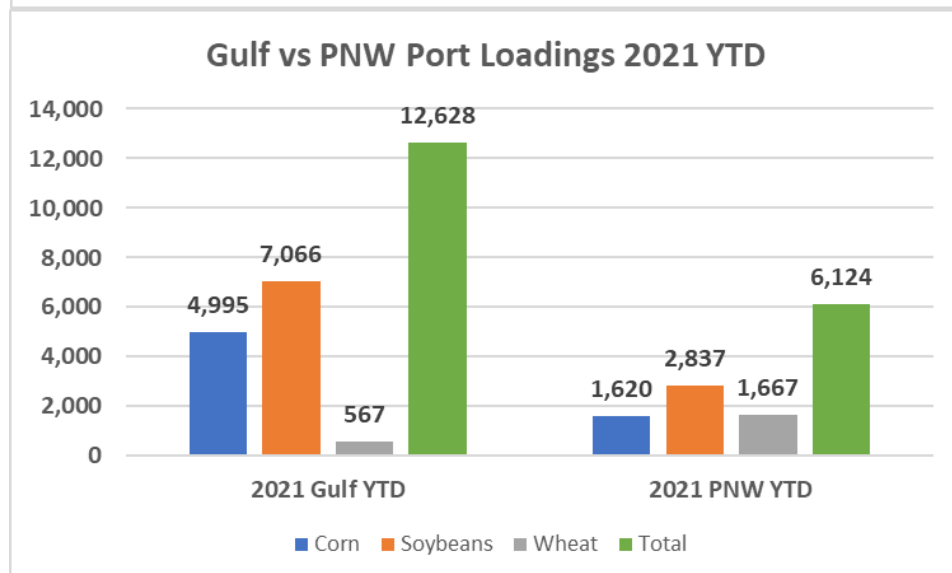
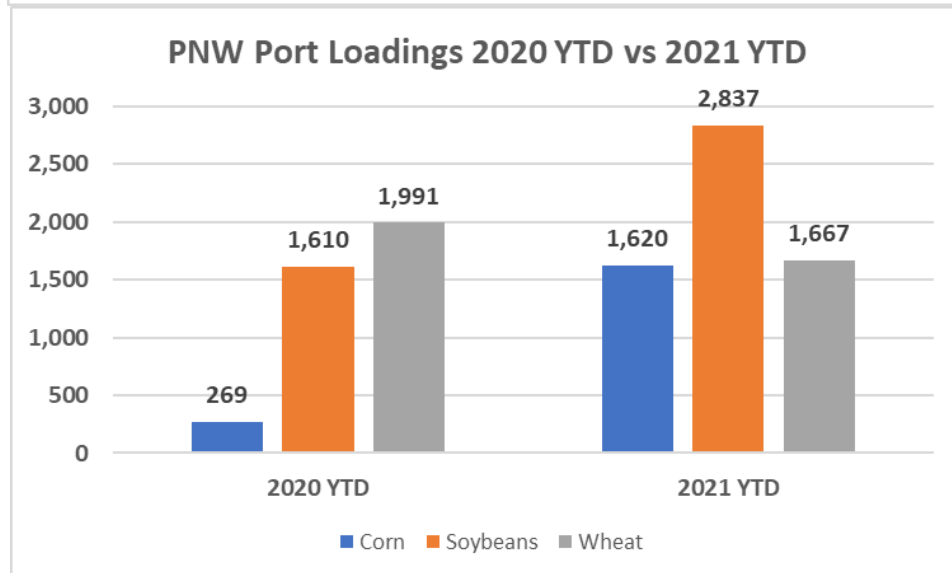
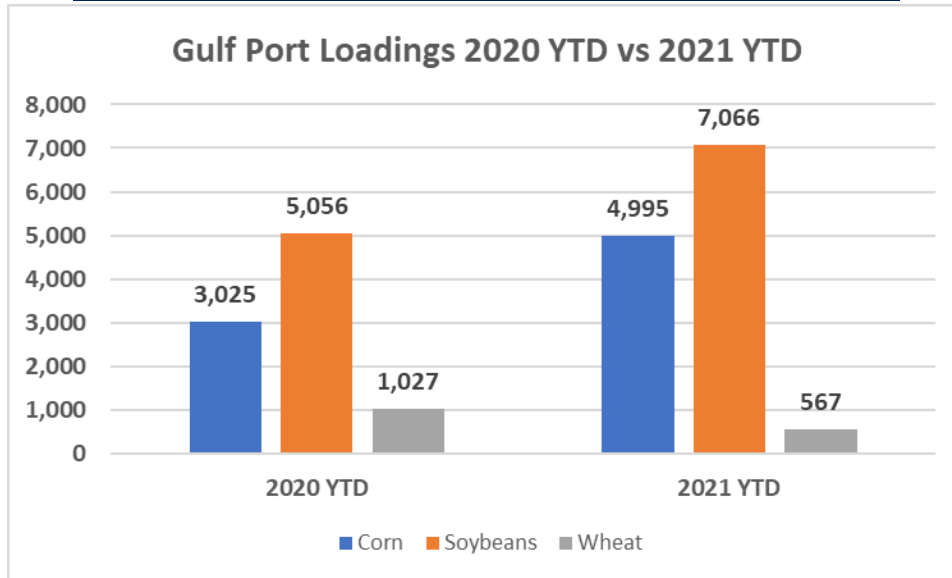
Grain Inspections for Export by U.S. Port Regions:  
U.S. Gulf and Pacific Northwest 2020 YTD vs. 2021 YTD

<b>PORT LOADINGS US Gulf</b>				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
<b>GULF</b>				
2020 YTD	3,025	5,056	1,027	9,108
2021 YTD	4,995	7,066	567	12,628
2021 as % of 2020	165%	140%	55%	139%

<b>PORT LOADINGS US PNW</b>				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
<b>PNW</b>				
2020 YTD	269	1,610	1,991	3,870
2021 YTD	1,620	2,837	1,667	6,124
2021 as % of 2020	602%	176%	84%	158%

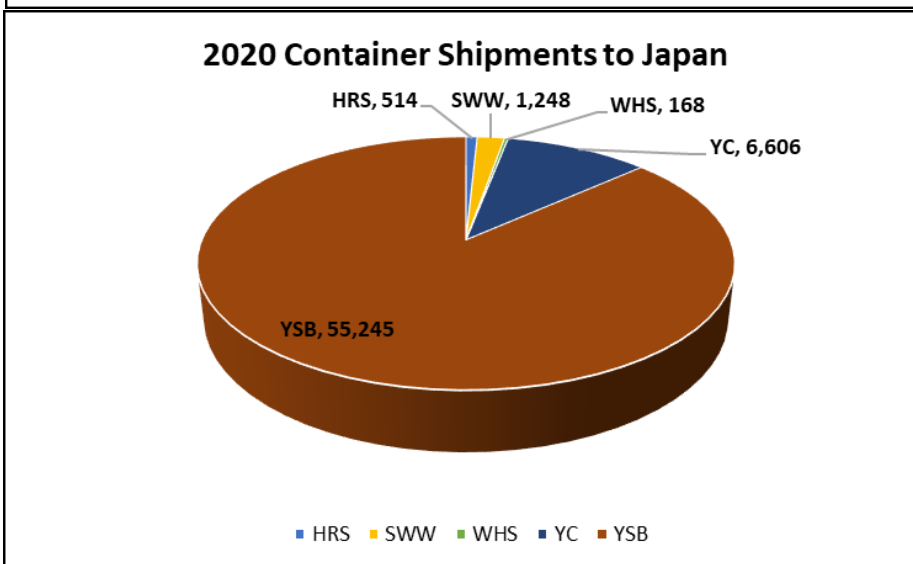
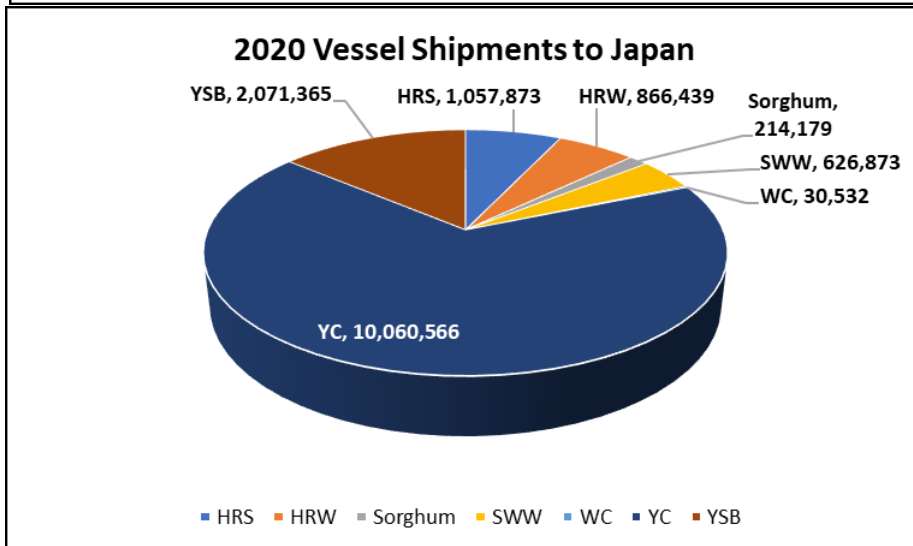
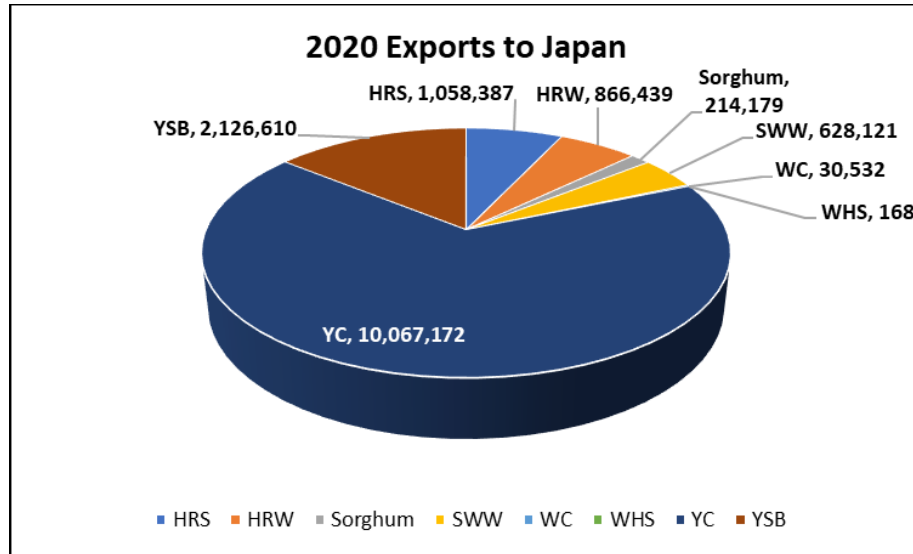
<b>PORT LOADINGS GULF vs. PNW</b>				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2021 Gulf YTD	4,995	7,066	567	12,628
2021 PNW YTD	1,620	2,837	1,667	6,124
TOTAL	6,615	9,903	2,234	18,752
<b>Gulf Percentage</b>	76%	71%	25%	67%
<b>PNW Percentage</b>	24%	29%	75%	33%

Grain Inspections for Export by U.S. Port Regions (1,000MT):  
U.S. Gulf and Pacific Northwest 2020 YTD vs. 2021 YTD



Source: USDA-data

## 2020 Total Grain Exports reported by USDA (in MT)



\*Please keep in mind that USDA does not report DDGS sales

## Shipping News

Yep, Ships are not supposed to do that-

Ship Breaking up.



Howard O'Neil  
To Howard O'Neil

January 17--M/V Arvin. May-Day, May-Day. Yeah, Ships are not supposed to do that – That is the problem with 46 year old vessels that should have been scrapped years ago.

**Dry Bulk ETF** @DryBulkETF · 17h

Terrifying video of cargo ship breaking in two under heavy seas in the Black Sea:

[youtu.be/YxCWHY2P5wc](https://youtu.be/YxCWHY2P5wc)



3



5



**Peter Sand** @BIMCO\_PS · 8h

BIMCO's SNOW: 2.5m tonnes of US soya beans exported in containers in four months [shar.es/aowpiJ](https://shar.es/aowpiJ)

Surely you have already heard of several knock-on effects on container shipping - here is more to that story. @loriannlarocco @CostasParis @Splash\_247



Peter Sand @BIMCO\_PS · 4h

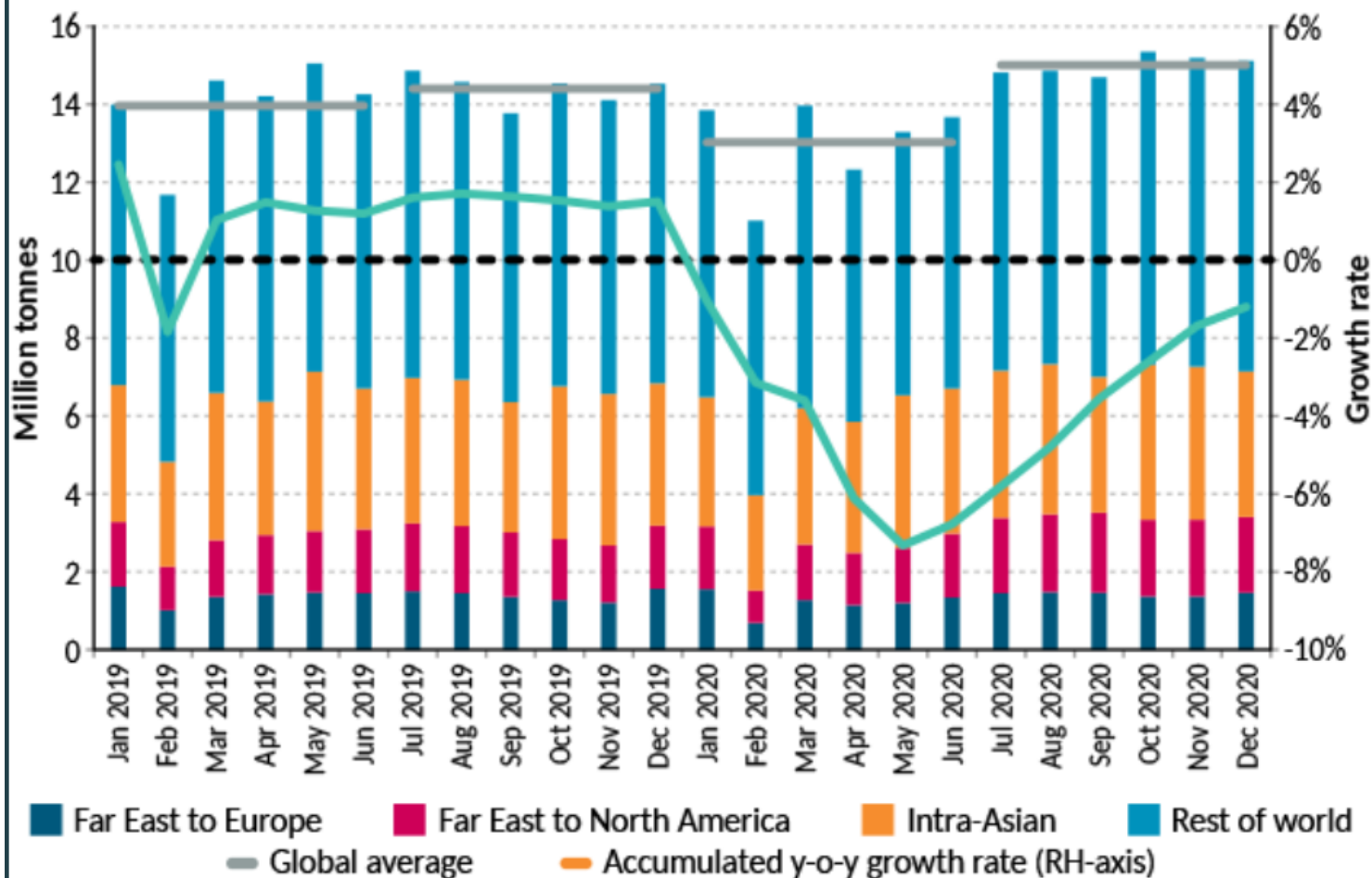
...

"As manufacturing in consuming countries has struggled to recover to its pre-pandemic levels, imports have outgrown demand for a number of goods in order to fill the gap. This development is hugely beneficial for [#containershipping](#)."

Full insights here: [bit.ly/3bAhayS](https://bit.ly/3bAhayS)

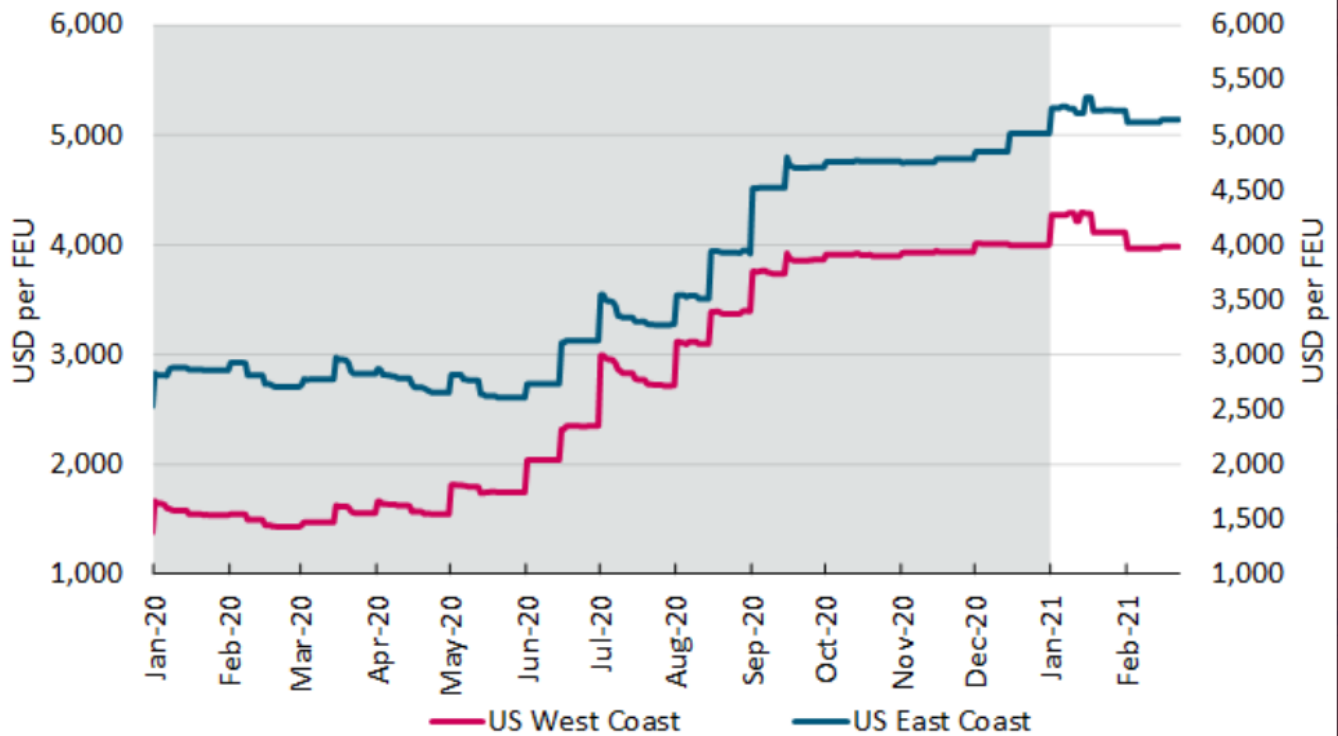
## Global container shipping demand

2019-2020



Source: BIMCO, CTS

## Container shipping spot freight rates out of Far East 2020 - 2021

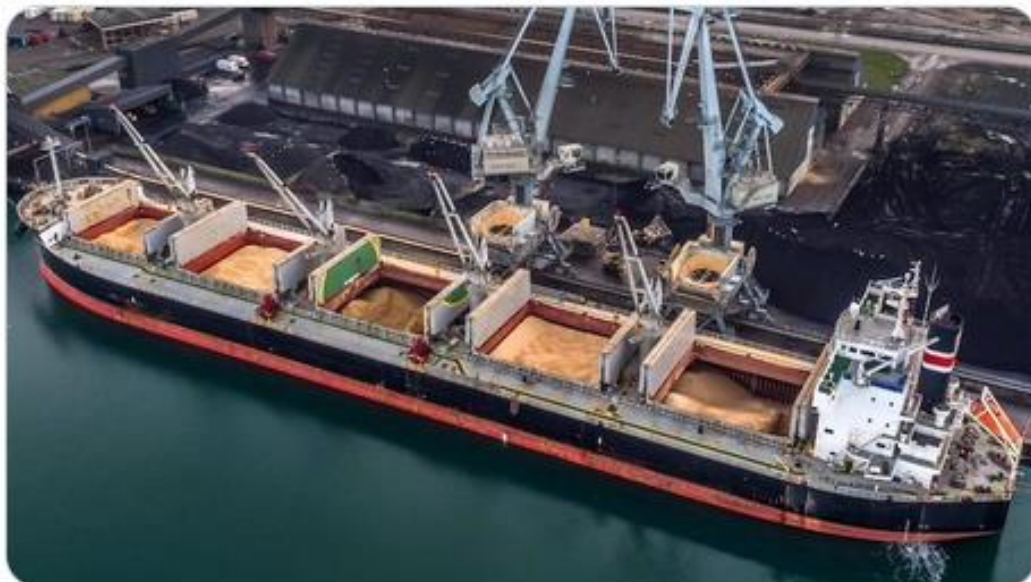


Source: BIMCO, Xeneta

Note: rates to US include destination terminal handling charges

**Splash** @Splash\_247 · 8h

Supramax spot rates hit \$20,000 for the first time in a decade, handies smash records [dlvr.it/RtRpRP](https://dlvr.it/RtRpRP)



## Bad weather slowed Brazil's soybean loadings in January

Delays to shiploading last month have resulted in a soybean supply gap to top buyer China



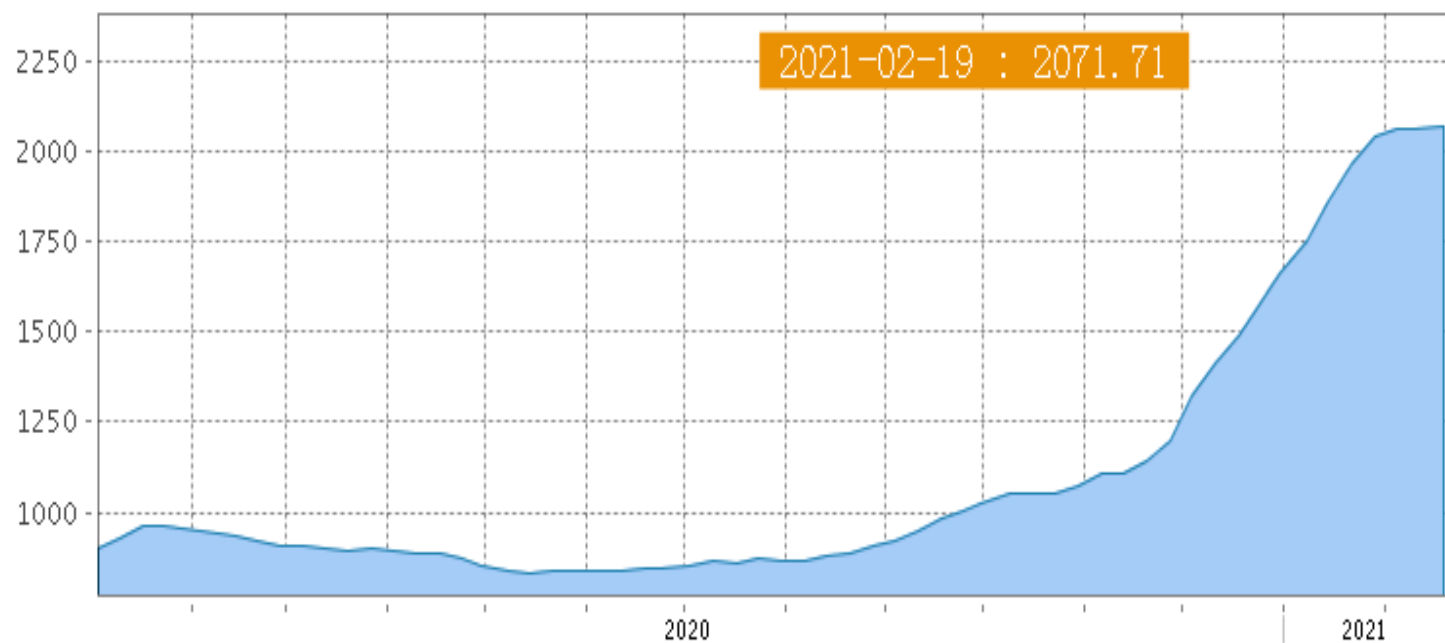
**Mary Kennedy** @MaryCKenn · 1h

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ACBL: UPDATE - Conditions have improved on the Illinois River so ACBL as of 2/25/21 has started sending boats back into the Illinois river. With operations getting back underway, please expect some delays as there has been little movement the past couple of weeks.



## China Containerized Freight Index



## China Import Dry Bulk Freight Index



**U.S. RIVER BARGE FREIGHT**  
**Current Barge Freight for Placement Last Half March 2021**

Placement LH March 2021	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	Closed	\$ -	0.00	0.00
Illinois River (Pekin and South)	380	\$25.93	0.66	0.71
Mid-Mississippi	Closed	\$ -	0.00	0.00
Lower Ohio	295	\$14.50	0.37	0.39
St. Louis	260	\$11.44	0.29	0.31

**Secondary Rail Car Market for car placement period: Last Half March 2021.**

Secondary Rail Car Market Placement LH. March 2021	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ (125.00)	\$ (50.00)	\$ (0.03)	\$ (0.01)	\$ (1.23)	\$ (0.49)
UPRR Shuttle Trains	\$ (50.00)	\$ 50.00	\$ (0.01)	\$ 0.01	\$ (0.49)	\$ 0.49

Best Regards,

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Follow me on Twitter @ [igpjay](#)



\*\*\* The information in this market report is derived from sources believed to be reliable and accurate but cannot 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.  
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