

Transportation and Export Report for 10 March 2022

Freight and commodity markets continue to have a lot to digest and resolve. War in the Black Sea region is the common, and biggest, issue driving markets. The large jump in crude oil, and therefore in fuel prices, has significantly elevated freight cost and is going to keep transportation costs relatively high for weeks and months to come. This week Dry-Bulk Ocean freight is acting like the CME May wheat futures contract did last week, going straight up in the air. Probably moving up too much too fast for the moment?

While volatility remains the one constant is that the wild swings in prices are occurring at higher levels than just two months ago. The net result is simply higher values and serious challenges for buyers of commodities and freight. On the bright side, due to increased dredging, vessel drafts in the port of New Orleans have been increased to 48-49 feet (14.6-14.9 meters) This will allow for 2-5,000 additional tonnes of grain to be loaded on outbound ships where desired.

Container markets are showing some improvement, meaning slightly lower rates and slight improvement in some logistics. We still face the risk of a global economic downturn.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices					
10-Mar-2022		This Week	Last Week	Difference	Percent Change
P2A: Gulf/Atlantic - Japan	Index	35627	32264	3,363	10.4%
P3A: PNW/Pacific - Korea	Index	33275	30379	2,896	9.5%
S1C: US GULF-China-So.Japan	Index	28429	32929	-4,500	-13.7%
P7: Trial- Miss. River - Qingdao	per ton	79.40	72.32	7.1	9.8%
P8: Trial- Santos - Qingdao	per ton	69.42	62.47	7.0	11.1%

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

Four weeks ago:	\$7.00-\$8.45
Three weeks ago:	\$7.00-\$8.00
Two weeks ago:	\$8.50-\$10.40
One week ago:	\$10.30-\$10.40
This week	\$10.50-\$12.00

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

Mississippi River:	(10 elevators)	3-10 days (9 facilities operating.)
Mid-Stream loaders:	(6+ Rigs)	3-4 days
Texas Gulf	(5 elevators)	0-5 days (4 Facilities at Zero days)
Pacific Northwest:	(9 elevators)	0 - 9 days (4 facilities at 2 or less days)

AGP Grays Harbor/PNW is loading soymeal via a temporary mobile conveyor system. Expects to be back up with full repairs and improved system by June.

Panamax Market Spreads to Asia -China					
10-Mar-2022	GULF	PNW	Bushel Spread	Tonne Spread	Advantage
CORN	1.92	2.10	0.18	\$7.09	PNW
SOYBEANS	1.80	2.50	0.70	\$25.72	PNW
OCEAN FREIGHT	\$78.00	\$43.50	.88 -.94	\$34.50	APRIL

Current Grain Vessel Market Indications:

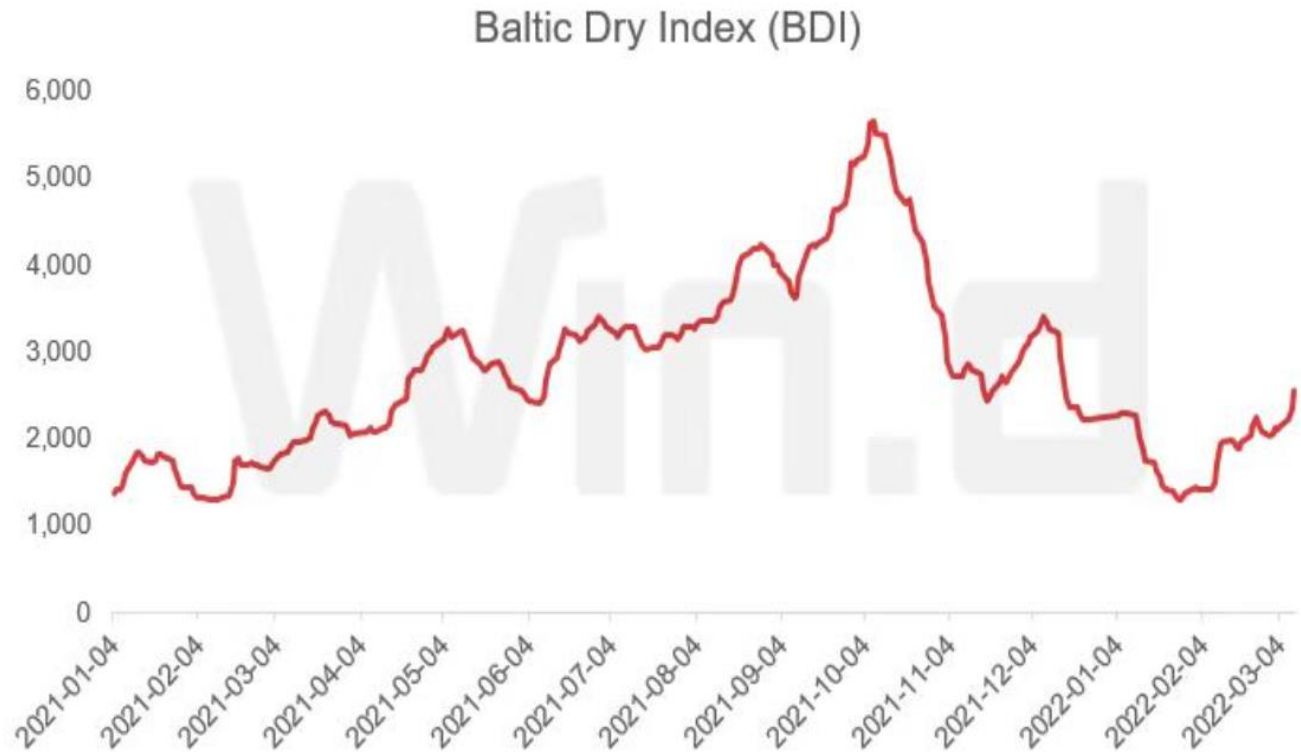
** Below rates are estimates for the nearby-30-day period. 60-90 days forward physical rates will usually be higher.

Soybean Panamax USG to Spain is running \$53.50 - \$55.00/mt.

Soybean Brazil to Spain about \$65.00 - 66.00/mt.

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$79.00	Up \$8.00	Handymax \$66.50 mt
55,000 U.S. PNW- Japan	\$44.25	Up \$5.00	Handymax at \$37.00 mt
65,000 U.S. Gulf – China	\$78.00	Up \$8.00	North or South China
PNW to China	\$43.50	Up \$5.00	
25,000 U.S. Gulf- Veracruz, México	\$28.50	Up \$2.00	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$25.00	Up \$2.00	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- Colombia	\$42.75	Up \$4.00	<u>West Coast Colombia at \$49.00</u>
50,000 USG- E/C Colombia	\$42.00		
<u>East Coast Colombia</u> From Argentina	\$54.50		
40-45,000 U.S. Gulf - Guatemala	\$51.00	Up \$4.00	Acajutla/Quetzal - 8,000 out
30,000 US Gulf-Morocco	\$68.50	Up \$8.00	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$68.00	Up \$8.00	55,000-60,000 mt Egypt
PNW to Egypt	\$68.00		Romania - Russia- Ukraine \$29.00-\$30.000- ? France \$44.00
58-74,000 U.S. Gulf – Europe – Rotterdam	\$29.50	Up \$3.00	Handymax at +\$2.50 more
Brazil, Santos –China	\$69.50	Up \$7.00	54-59,000 Supramax-Panamax
Brazil, Santos –China	\$67.00		60-66,000 Post Panamax
Up-River Port North Brazil	\$75.50		55-60,000 mt
56-60,000 Argentina-China Deep draft	\$74.50	Up \$7.00	Up-River with Top Off Plus \$3.75-\$4.00

The Baltic Dry Bulk Freight Index



Baltic Capesize Index



YAMAMIZU Index



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

From 2017-03-09 To 2022-03-09



China Import Dry Bulk Freight Index 2022-03-10

Description	Volume	Cargo	Unit	Rate	Change
Composite Index			Point	1722.1	60.21
Iron ore Freight Index			Point	1473.13	75.28
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	12.1	0.35
Soybean Freight Index			Point	1836.46	40.63
Santos(Brazil)— North China	66000/10%	Soybean	\$/ton	65.46	1.56
Tacoma(West America)—North China	63000/10%	Soybean	\$/ton	43.3	0.78
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	77.22	1.62

10 March 2022 U.S. FOB Vessel Export Market Values:

PNW Fob Vessel Grain Basis levels are a bit of a wild guess this week.

U.S. Yellow Corn (USD/MT) FOB Vessel					CORN	FUTURES
#2 YC	GULF # 2 YC		PNW # 3 YC		H=	7.5775
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE	K =	7.5575
April	1.92	\$373.11	2.10	\$380.20	N =	7.2600
May	1.80	\$368.38	1.95	\$374.29	U =	6.7750
June	1.60	\$348.80	2.15	\$370.45	Z=	6.5175
July	1.55	\$346.83	2.10	\$368.48	H =	6.4900
Aug.	1.70	\$333.64	2.25	\$355.29		
Sept.	1.60	\$329.71	2.20	\$353.33		

The Gulf spread between #2 & #3 YC is currently about .04 cents per bushel (1.60/mt) at USG but is out to .06/bushel in the PNW.

SORGHUM (USD/MT) FOB VESSEL		
#2 YGS Fob Vessel	TEXAS Gulf	
Max. 14.0% moisture	BASIS	FLAT PRICE
April	3.00	\$415.63
May	3.00	\$415.63
June	3.00	\$403.91
July	3.00	\$403.91
Aug.	2.90	\$380.88

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

SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	Apr.	May	Jun.	July
FOB U.S. GULF	\$458.19	\$456.35	\$441.01	\$441.01
Basis	1.60	1.55	1.55	1.55
WH	10.7375			.
WK	10.8700			
WN	10.4525			

PNW Fob Vessel Grain and Soy Basis levels remain a wild guess this week.

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
April	1.80	\$685.72	2.50	\$711.44
May	1.75	\$683.89	2.50	\$711.44
June	1.70	\$672.22	2.40	\$697.94
July	1.70	\$672.22	2.40	\$697.94
Aug.	1.80	\$658.72	2.50	\$684.44
Soybean Futures				
Mar.	\$ 17.0000			
May	\$ 16.8625			
July	\$ 16.5950			
Aug.	\$ 16.1275			
Sept.	\$ 15.3650			
Nov.	\$ 14.9225			

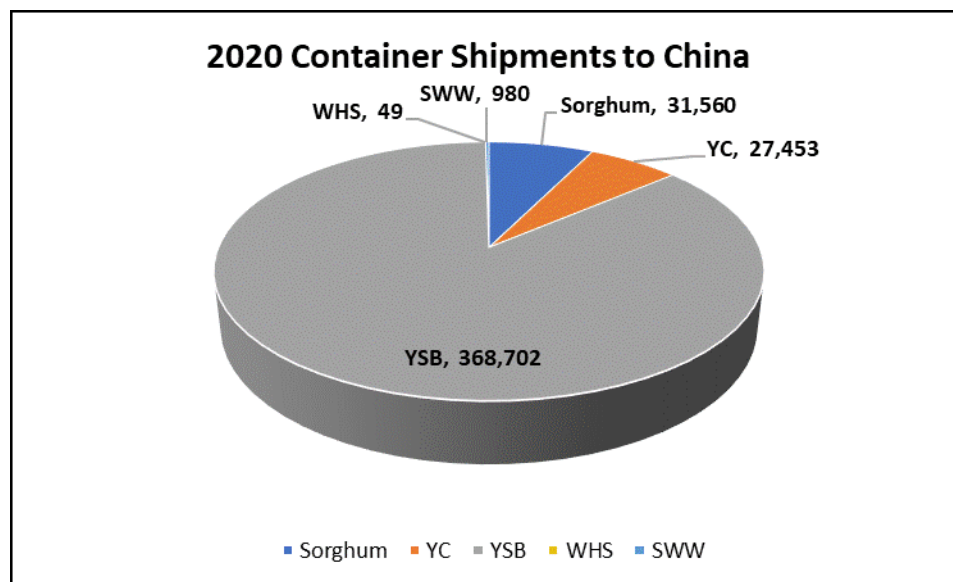
U.S. Soybean and SBM Markets Fob Vessel:

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
April	40.00	\$ 577.38
May	35.00	\$ 571.87
June	40.00	\$ 561.39
July	40.00	\$ 561.39
Aug.	48.00	\$ 556.10
SBM Futures		
SMH	\$ 506.80	
SMK	\$ 483.70	
SMN	\$ 469.20	
SMQ	\$ 456.40	
SMU	\$ 444.40	
SMV	\$ 432.80	

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).*

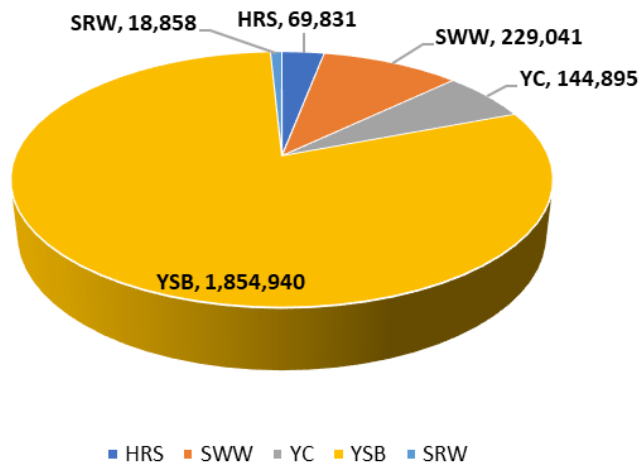
CONTAINER SHIPMENTS of GRAIN									
USDA Grain Inspections Report:		3-Mar-2022							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China	49		31,911					5,609	37,569
Taiwan	16,202		5,828						22,030
Hong Kong	831								831
Costa Rica									0
Indonesia			20,985						20,985
French Poly									0
Japan			1,272						1,272
Korea Rep.				220					220
Dominicn Rep									0
Malaysia	245		6,513						6,758
Colombia									0
Philippines	122		489						611
Thailand			1,298						1,298
Cambodia									0
Burma			245						245
Bahrain									0
Nepal			4,286						4,286
Vietnam			4,848			980			5,828
Sub Total:	17,449	0	77,675	220	0	980	0	5,609	101,933
USDA Corrections/Additions to previous reports:									
Taiwan			416						416
China			2,008						2,008
Hong Kong									0
Korea Rep.									0
French Poly									0
Japan									0
Philippines									0
Indonesia			490						490
Malaysia									0
Thailand									0
Vietnam			906						906
Bangladesh									0
Un Arab Em									0
Sub Total:	0	0	3,820	0	0	0	0	0	3,820
Mt. Grand Total	17,449	0	81,495	220	0	980	0	5,609	105,753
Number of Containers	759	0	3,543	10	0	43	0	244	

Jan - Dec 2020 Annual Totals versus 2021 Annual Total Container Shipments (in MT)

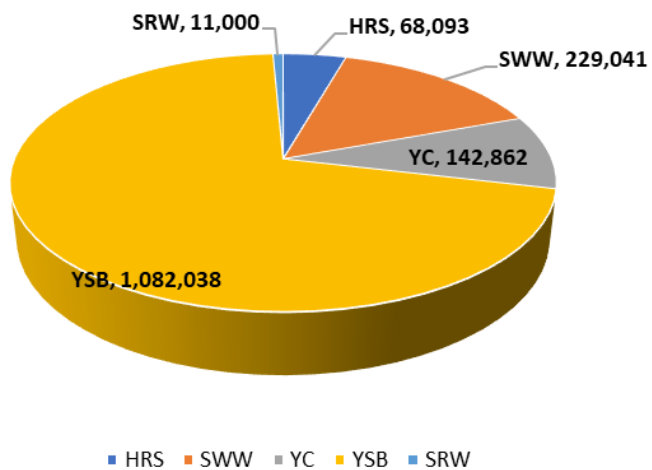


2021 Total Grain Exports reported by USDA (in MT)

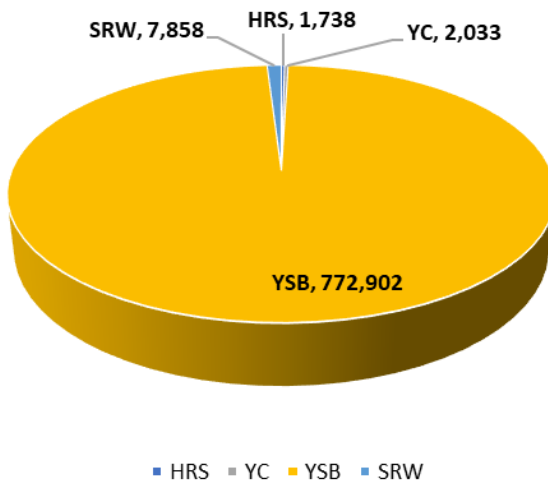
2021 Exports to Indonesia



2021 Vessel Shipments to Indonesia



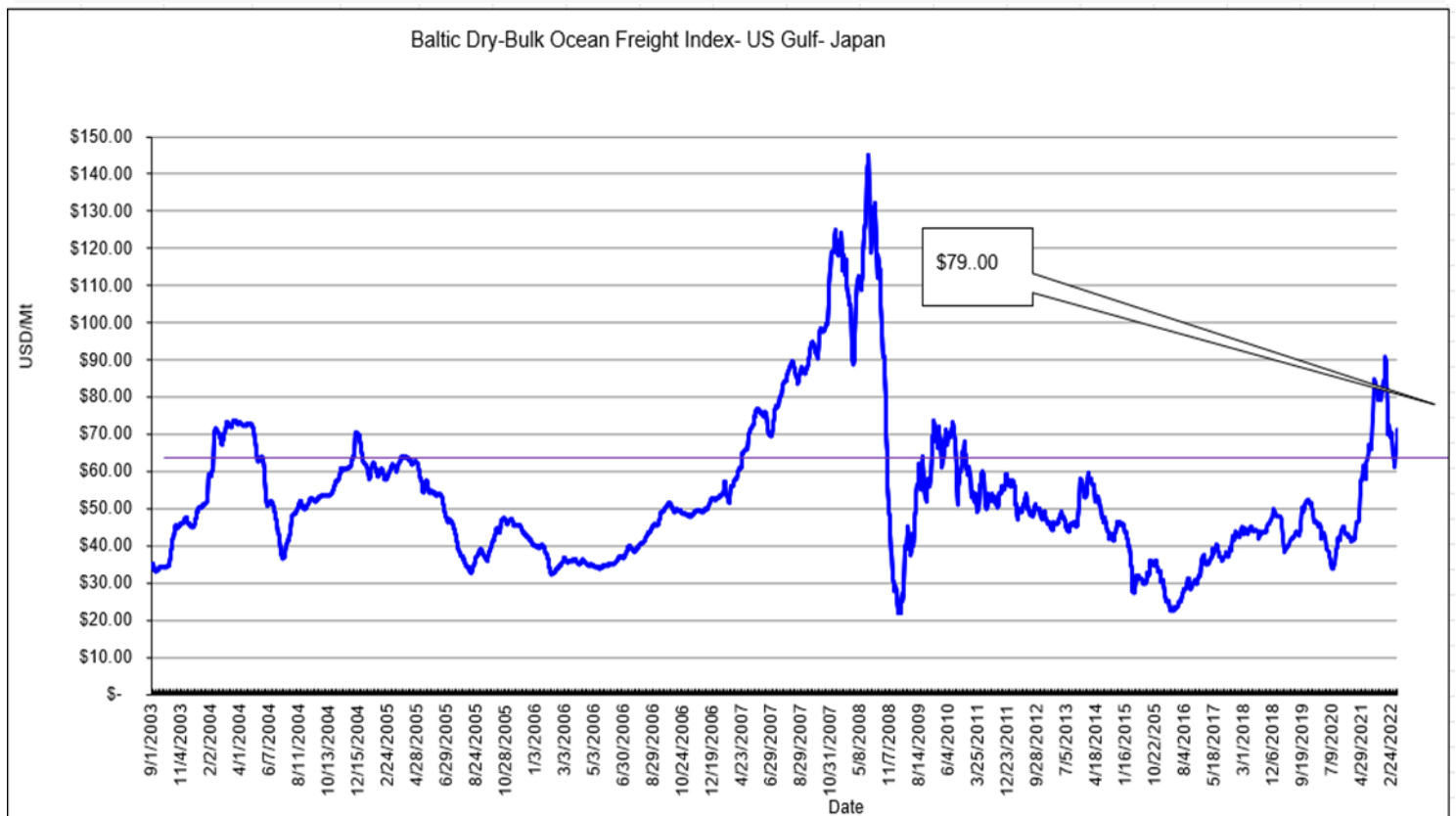
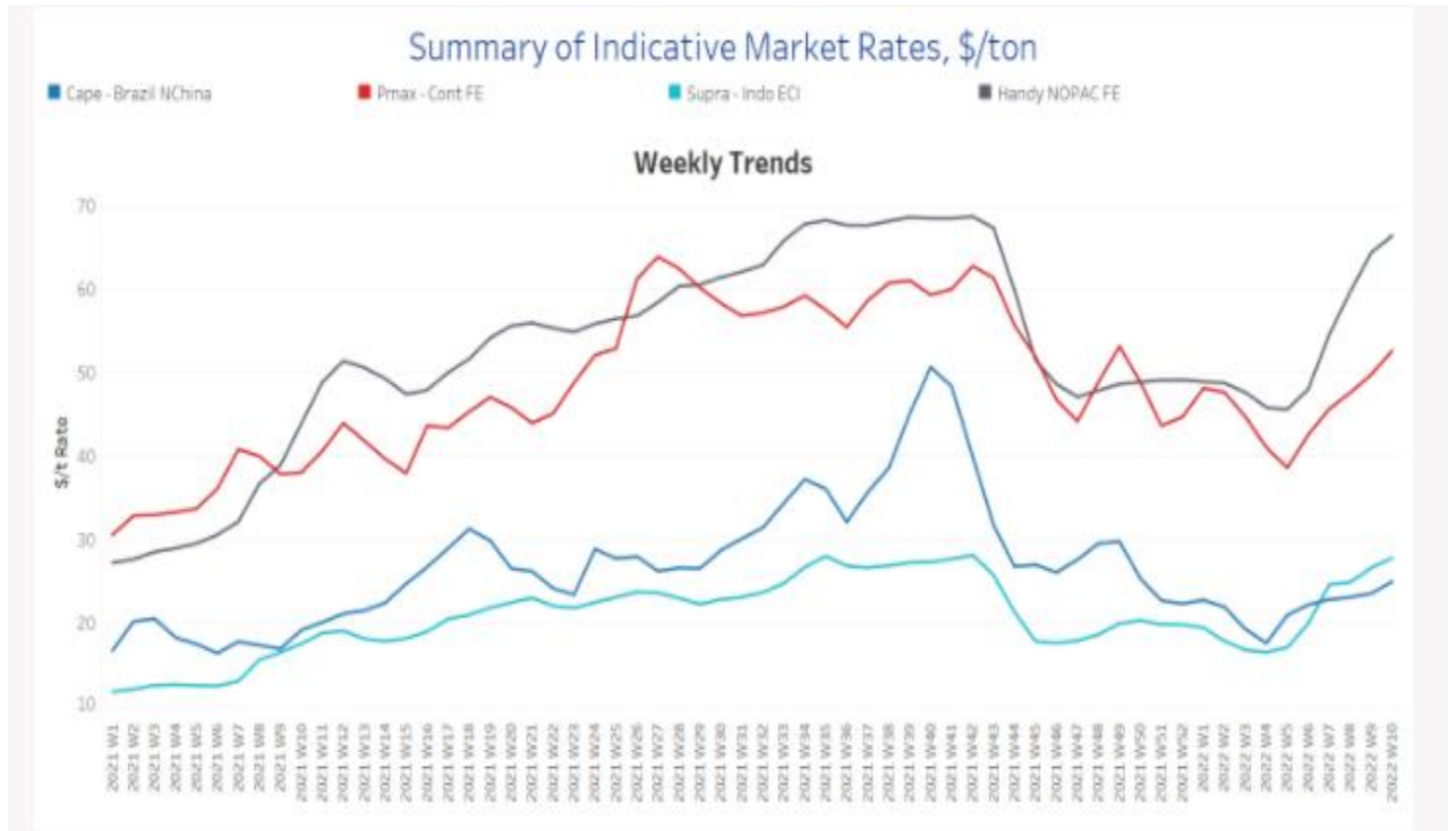
2021 Container Shipments to Indonesia



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

Source: USDA-data
Shipping News

BreakWave-



Russia-Ukraine News

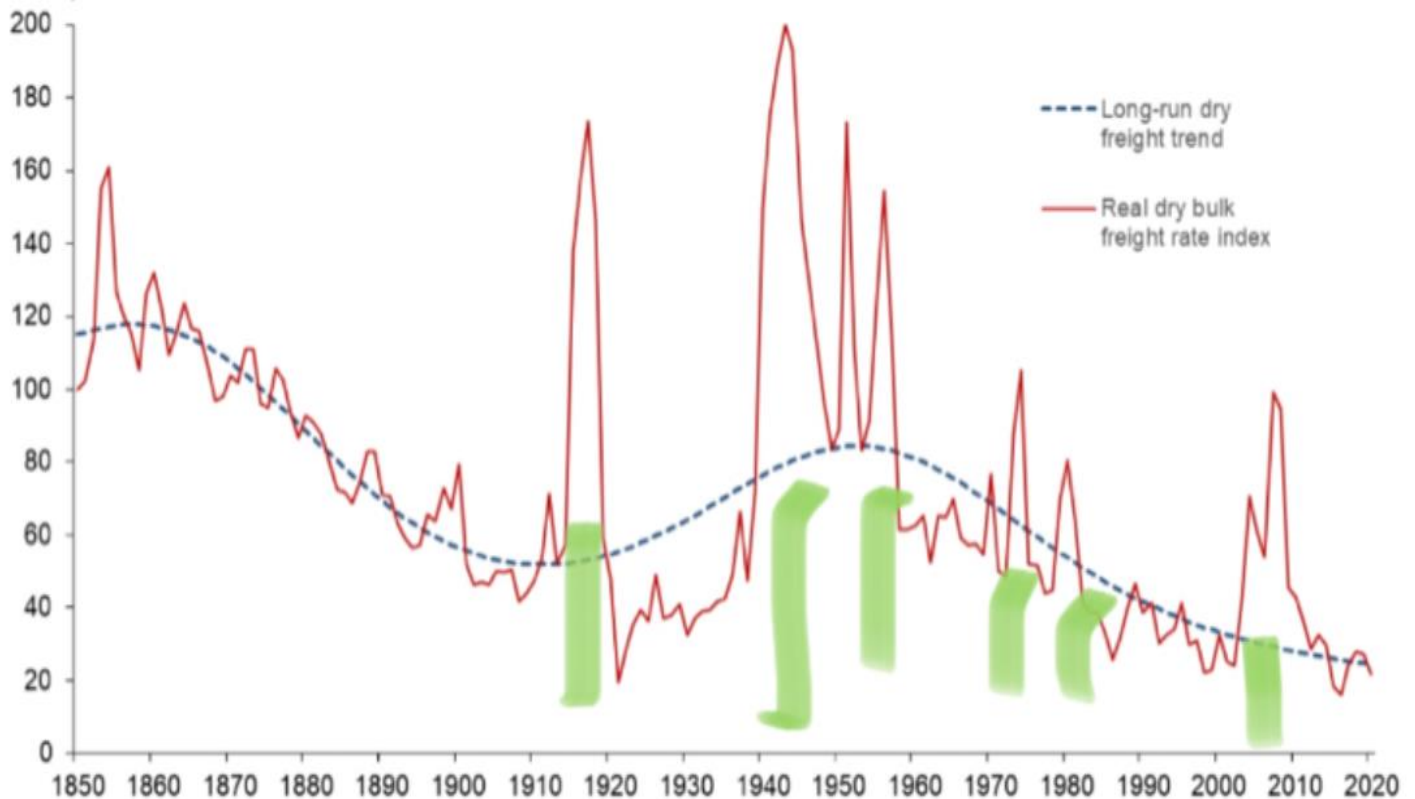
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#BlackSea being intervened in middle of hot district, remarkable chances observed of grasping about %40-%45 more on rates for loading from some ports in the basin +



Real Dry Bulk Freight Rate Index and Its Trend, 1850-2020

Index, 1850 = 100



NOTES: The solid red line represents the real dry bulk freight rate index, constructed from 10,488 observations of maritime freight rates. The dotted blue line is an estimate of the long-run trend.

SOURCE: "Dry Bulk Shipping and the Economic Crisis of 2020" by David Jacks and Martin Stuermer, Dallas

Novorossiysk Sees Bulker Traffic: Report

by Ship & Bunker News Team

Wednesday March 9, 2022

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Six bulk carriers are transiting the Black Sea heading to the port of **Novorossiysk**, according to maritime news provider Lloyd's List.

Although the company operating the port is on the **European Union** sanctions' list, it is financial transactions that are being targeted not the use of port facilities.

There were **11** bulk carriers at the port as of March 7, according to Lloyd's List Intelligence data cited by the report.

Most ships are in the handysize category, the report added.

While shipping traffic continues to head to Novorossiysk, ships are avoiding Ukrainian destinations.

Only two bulkers have called at **Odessa** since military conflict between Russia and Ukraine began, the report said.

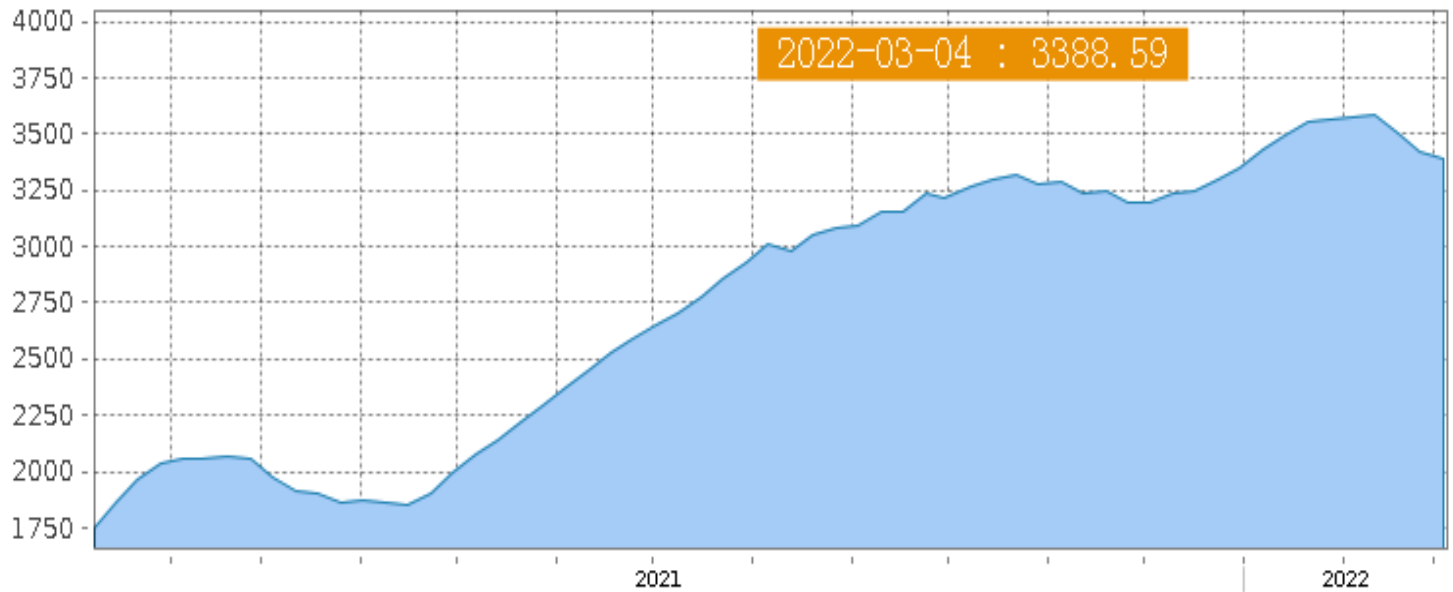
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Black Sea port of Novorossiysk. File Image / Pixabay.

China Containerized Freight Index



China Import Dry Bulk Freight Index



Secondary Rail Car Market for Car placement period: First Half April 2022

Secondary Rail Car Market Placement FH. April 2022	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ 1,500.00	\$ 2,000.00	\$ 0.38	\$ 0.50	\$ 14.76	\$ 19.68
UPRR Shuttle Trains	\$ 1,200.00	\$ 2,000.00	\$ 0.30	\$ 0.50	\$ 11.81	\$ 19.68

U.S. RIVER BARGE FREIGHT

Barge Freight for Loading Placement first Half April 2022

Placement FH. April 2022	% of Tariff	MT	Corn BU	Soybeans-Wheat BU
Upper Mississippi	925			
Illinois River (Pekin and South)	875	\$59.70	1.52	1.62
Mid-Mississippi	900			
Lower Ohio	800	\$39.33	1.00	1.07
St. Louis	775	\$34.09	0.87	0.93

Best Regards,

Jay

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