

**Transportation and Export Report for 15 March 2018****Ocean Freight Insights and Comments:**

Dry-Bulk freight rates maintained their slow gradual movement upward this week but appear to be running out of momentum at weeks end. From a rate or daily hire rate perspective, there really is no big news in global freight markets. Owners are feeling better knowing that the worst is behind them and that things ought to get gradually better. This of course is contingent on the continued growth in the global economy and the hope that a true Trade war does not break out. The other requirement to a healthier Dry-Bulk market is expectation that vessel owners do not get greedy and start another growth spurt in new vessel orders.

For those who buy freight, or buy commodities on a CIF basis; you will need to budget for slightly higher freight as we move into Q3 and Q4 of 2018. I am not as optimistic about the potential upward movement on containerized grain freight rates. Container Shipping Lines are still expanding capacity.

**BALTIC DRY-BULK PANAMAX INDEX CHANGES**

Panamax Ocean Freight Indices				
15-Mar-18	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	19633	19203	430	2.2%
P3A - PNW/Pacific - Japan	13517	13162	355	2.7%
S1C -USGULF-China-So.Japan	25636	22767	2,869	12.6%

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

Four weeks ago:	\$ 5.85-\$7.15
Three weeks ago:	\$ 6.75-\$7.15
Two weeks ago:	\$ 6.75-\$7.15
One week ago:	\$ 6.20-\$6.65
This week	\$ 6.05-\$6.55

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

Mississippi River:	(10 elevators)	3-12 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-2 days
Texas Gulf	(6 elevators)	0-16 days (only 1 facility over 3 days wait)
Pacific Northwest:	(9 elevators)	6-14 days

Panamax Market Spreads to Asia -China					
15-Mar-18	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	1.25	0.80	0.45	\$17.72	PNW
SOYBEANS	1.00	0.70	0.30	\$11.02	PNW
OCEAN FREIGHT	\$24.00	\$44.50	.52.55	\$20.50	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	\$45.25	Up \$0.25	Handymax \$45.50mt
55,000 U.S. PNW- Japan	\$24.50	Up \$0.50	Handymax at \$24.25 /mt
65,000 U.S. Gulf – China PNW to China	\$44.50 \$24.00	Up \$0.50 Up \$0.50	North or South China
25,000 U.S. Gulf- Veracruz, México	\$16.50	Up \$0.25	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$14.25	Up \$0.25	Deep draft and 6,000 MT per day discharge rate.
25/35,000 U.S. Gulf- <u>East Coast Colombia</u> From Argentina	\$20.00 \$34.50	Up \$0.50	<u>West Coast Colombia at \$28.25</u>
40-45,000 U.S. Gulf - Guatemala	\$28.25	Up \$0.25	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$32.00 \$33.75	Up \$0.50	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$31.25	Up \$0.50	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	\$29.00 \$27.75	Up \$0.50	55,000 -60,000 mt Russia Black Sea to Egypt \$14.75
60-70,000 U.S. Gulf – Europe – Rotterdam	\$16.75	Unchanged	Handymax at +\$1.75 more
Brazil, Santos – China Brazil, Santos – China Itacoatiara-Port Up River North Brazil	\$35.00 \$34.25 \$38.50	Unchanged	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 60-66,000 mt
56-60,000 Argentina-China Deep draft	\$40.25	Unchanged	Up River with Top Off \$42.75

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

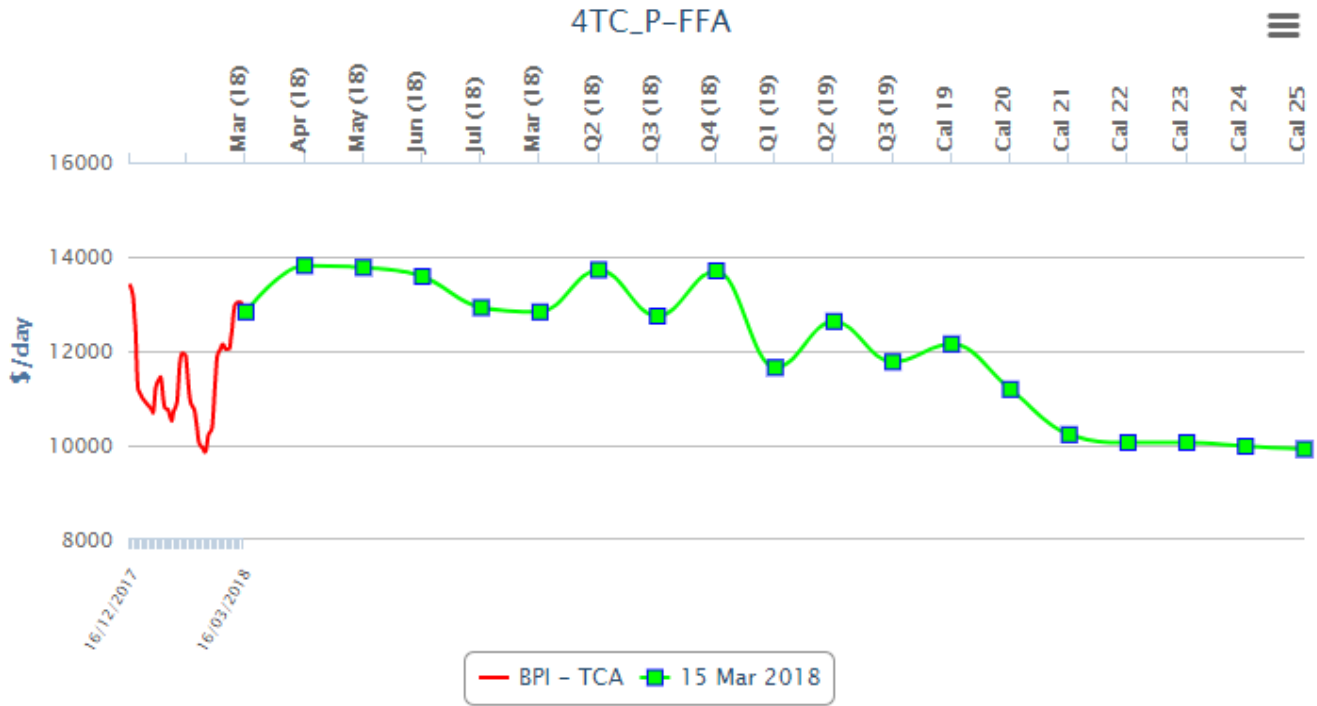
**Nautical Miles: To Xiamen China (South China)**

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

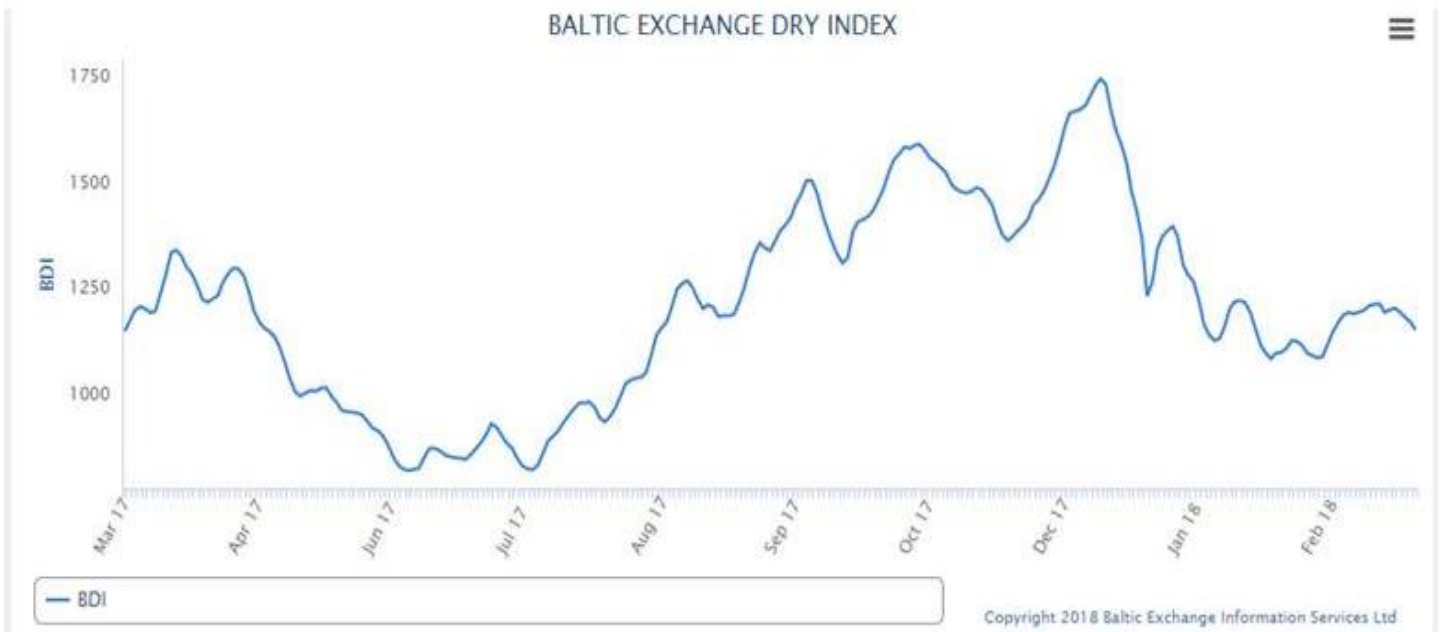
**Santos Brazil (via Cape of Good Hope) - 10,441 nautical miles (33 days)**

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

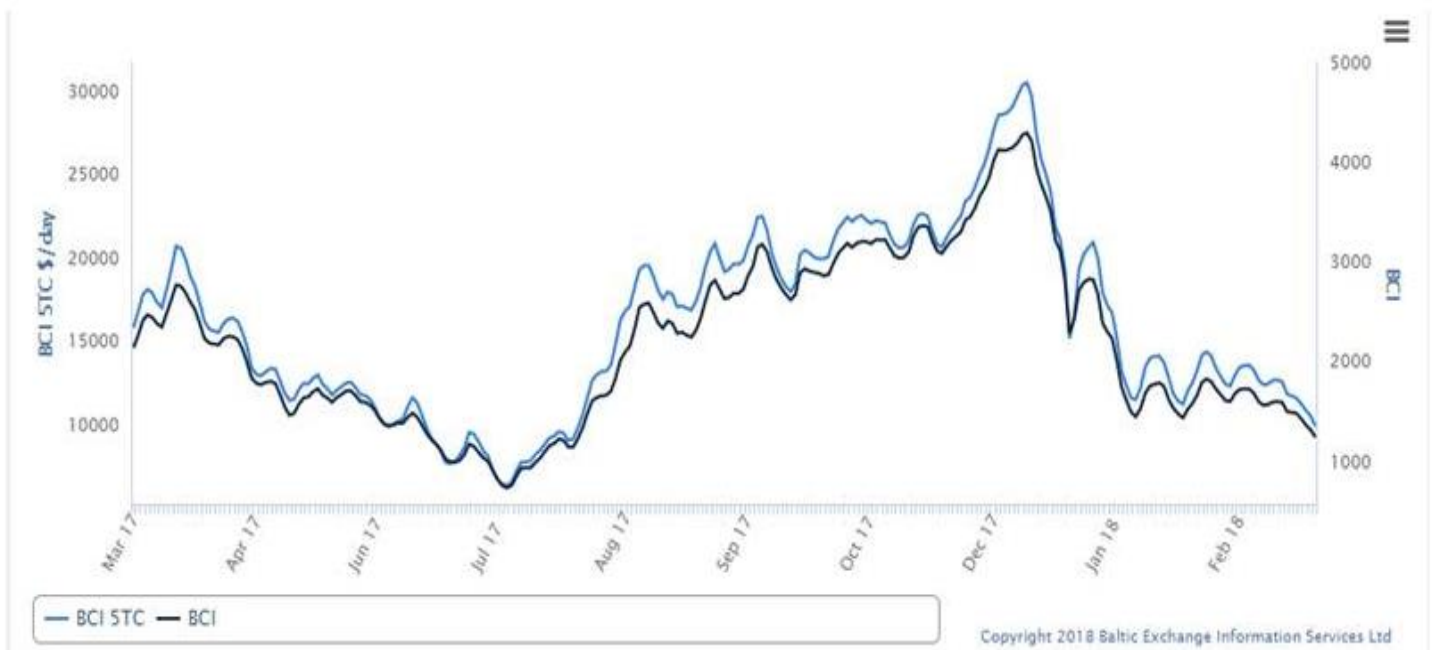
## Forward Curve for Baltic BPI Panamamax Vessel Freight



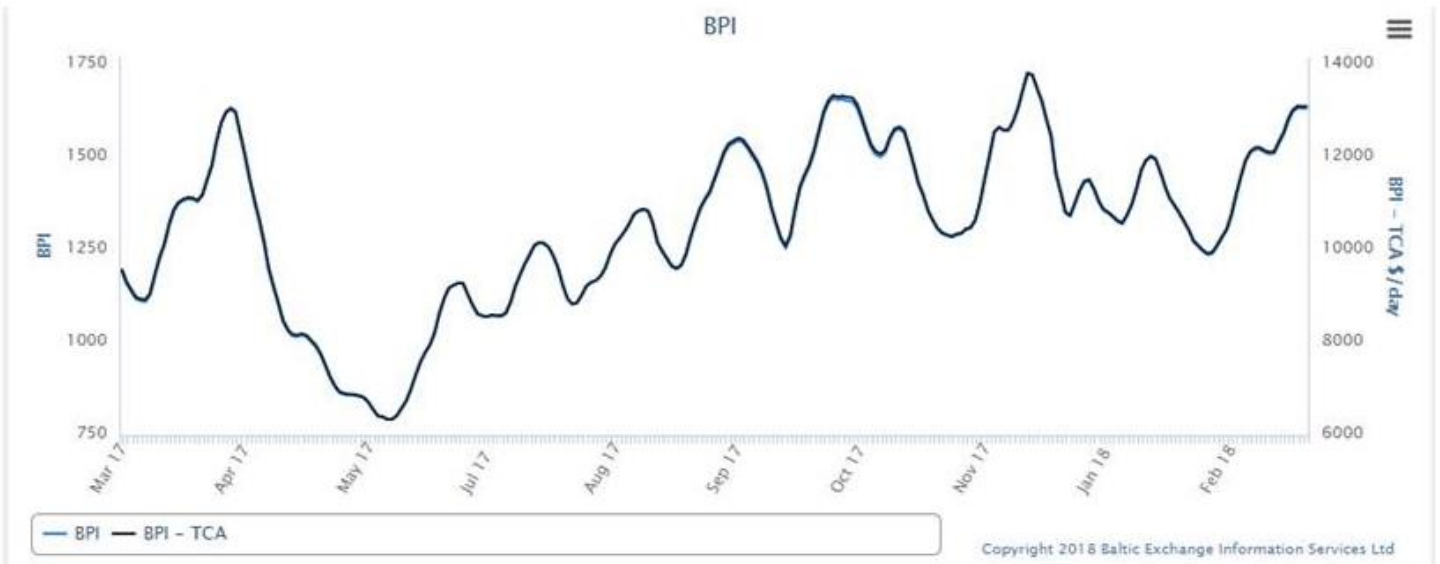
## Baltic Dry-Bulk Index



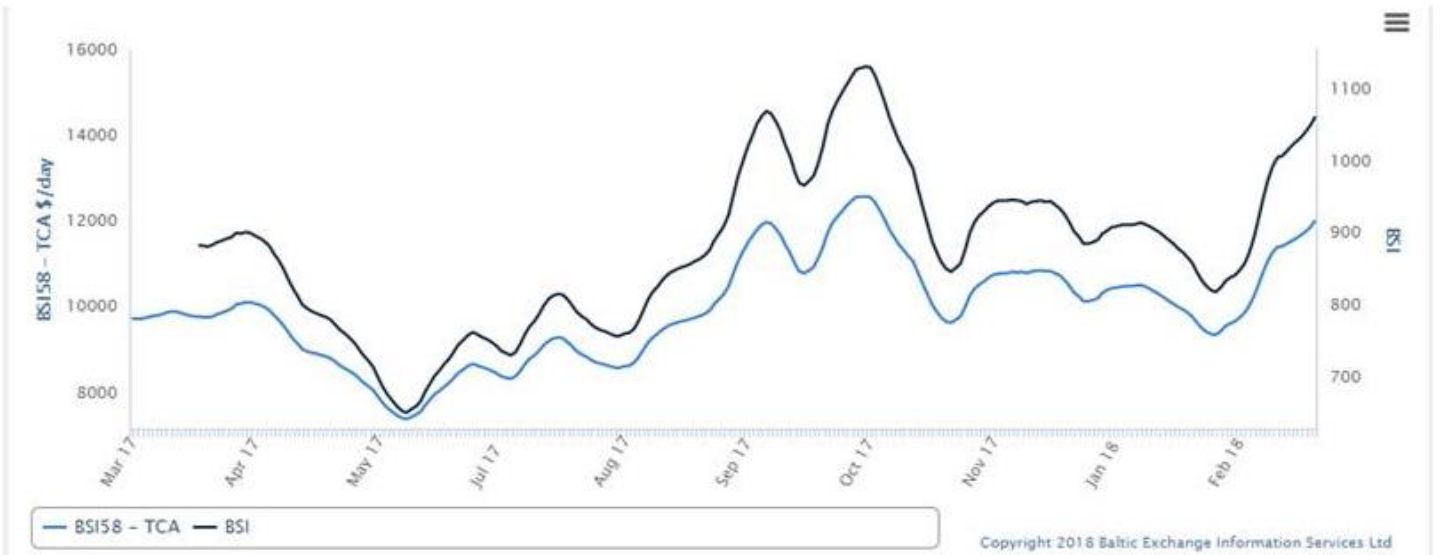
## Baltic Capesize Index



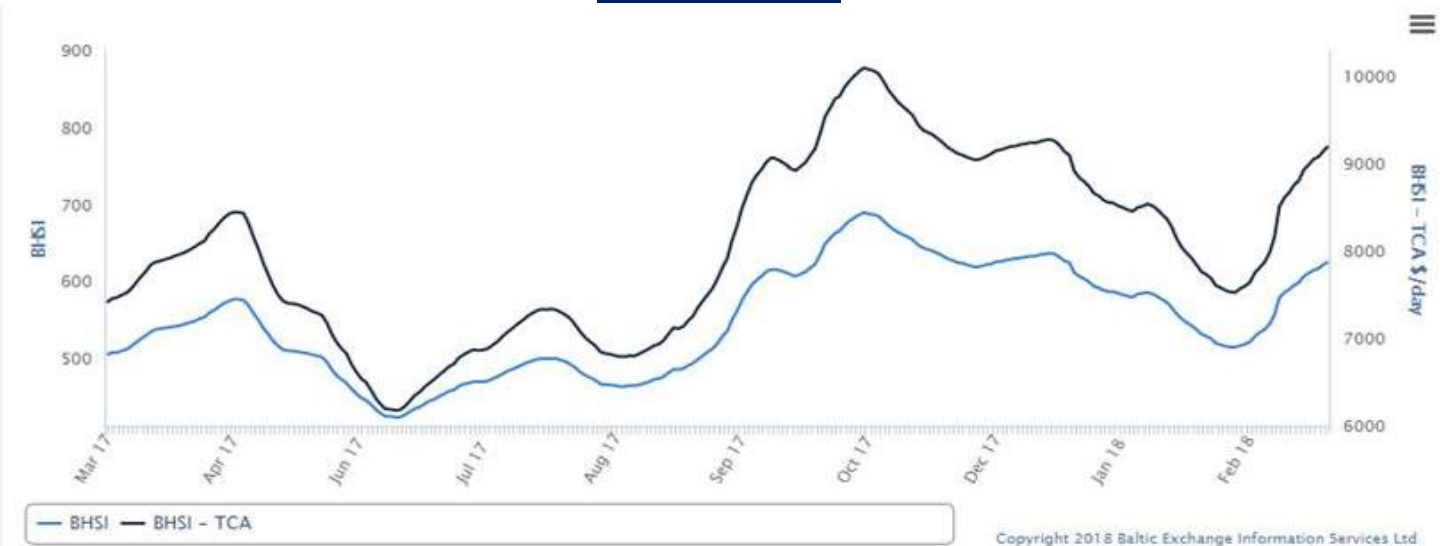
### Baltic Panamax Index



### Baltic Supramax Vessel Index



### Baltic Handy Size



# Yamamizu Shipping

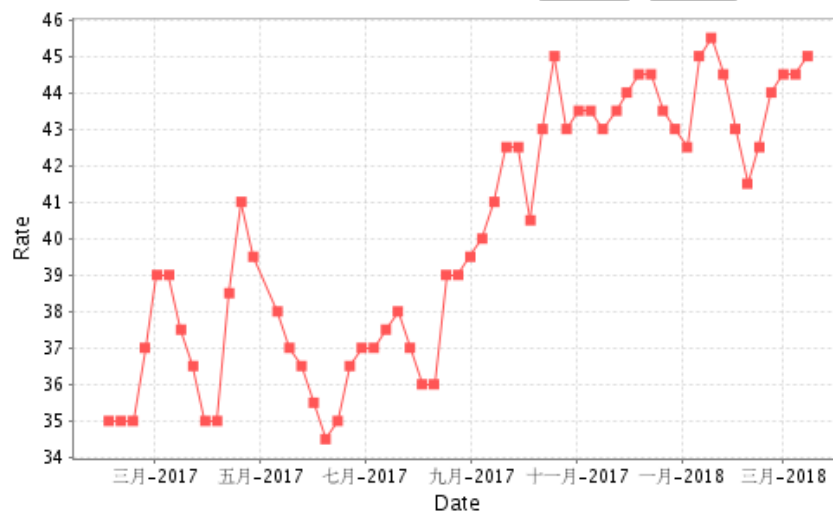
[Profile](#)
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[Yamamizu Index](#)

## USG/Japan Index Result

Date From: 2017-02-01

Date To: 2018-03-16





## China Import Dry Bulk Freight Index(CDFI)

2018-03-15

Route	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	828.89	1.49
Iron ore Freight Index			Point	734.05	-0.86
Soybean Freight Index			Point	996.52	0.04
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	34.050	0.005
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	23.975	0.020
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	44.416	-0.015
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	45.696	-0.021

**15 March 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>April</b>	0.82	<b>\$184.54</b>	1.22	<b>\$200.28</b>
<b>May</b>	0.83	<b>\$184.93</b>	1.21	<b>\$199.89</b>
<b>June</b>	0.75	<b>\$184.83</b>	1.15	<b>\$200.58</b>
<b>July</b>	0.76	<b>\$185.23</b>	1.14	<b>\$200.19</b>
<b>Aug.</b>	0.75	<b>\$187.00</b>	1.14	<b>\$202.35</b>
<b>Sept.</b>	0.75	<b>\$187.00</b>	1.15	<b>\$202.74</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% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
<b>April</b>	1.25	<b>\$201.46</b>	0.95	<b>\$189.65</b>
<b>May</b>	1.25	<b>\$201.46</b>	0.95	<b>\$189.65</b>
<b>June</b>	1.20	<b>\$202.55</b>	0.90	<b>\$190.74</b>
<b>July</b>	1.05	<b>\$196.64</b>	0.85	<b>\$188.77</b>
<b>Aug.</b>	1.05	<b>\$198.81</b>	0.85	<b>\$190.93</b>

Fob vessel Texas Gulf #2 Sorghum is about 103% the value of #2 Yellow Corn at NOLA

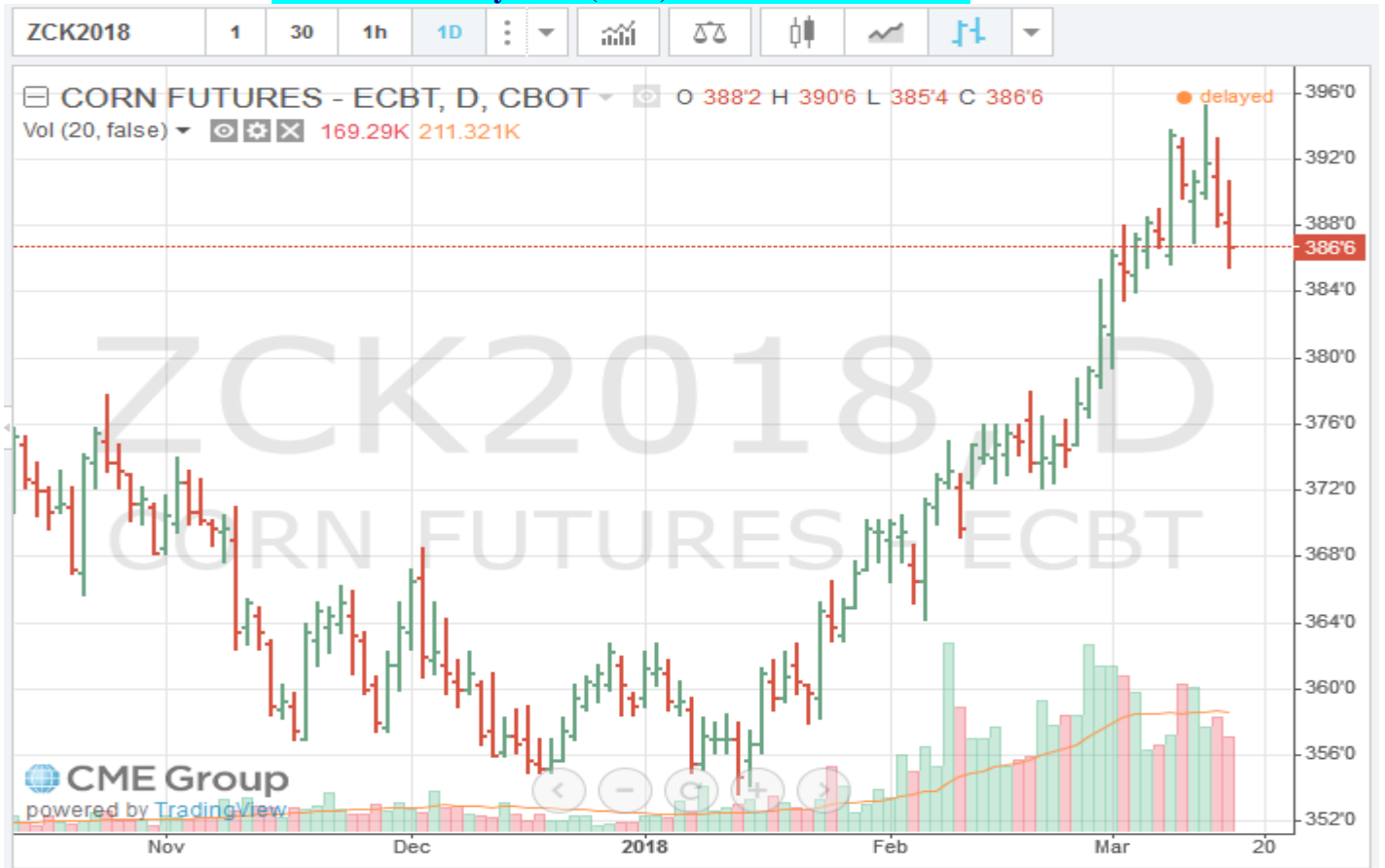
**U.S. SRW Wheat Fob Vessel at the Center U.S. Gulf**

<b>SRW Wheat</b>	<b>USD/MT</b>	<b>Fob Vessel</b>	<b>US Gulf</b>	
	<b>April</b>	<b>May</b>	<b>June</b>	<b>July</b>
<b>FOB U.S. GULF</b>	<b>\$210.81</b>	<b>\$210.81</b>	<b>\$212.38</b>	<b>\$212.01</b>
Basis	0.95	0.95	0.82	0.81
WK	4.7875			
WN	4.9600			
WU	5.1250			

<b>CME Futures Market Close</b>						
CORN	Futures	Friday	Friday	Last week	Last Week	Difference
Month	Symbol	Close	Close	Bushel	MT.	Bushel
May	CK	\$3.8675	\$152.26	\$ 3.8575	\$151.86	\$0.0100
July	CN	\$3.9450	\$155.31	\$ 3.9350	\$154.91	\$0.0100
Sept.	CU	\$4.0000	\$157.47	\$ 4.0050	\$157.67	(\$0.0050)
Dec.	CZ	\$4.0625	\$159.93	\$ 4.0500	\$159.44	\$0.0125
Mar.	CH	\$4.1300	\$162.59	\$ 4.1025	\$161.51	\$0.0275



### CME/CBOT May 2018 (CK8) Corn Futures Chart --



### CME/CBOT May 2018 (WK8) SRW Wheat Futures Chart --



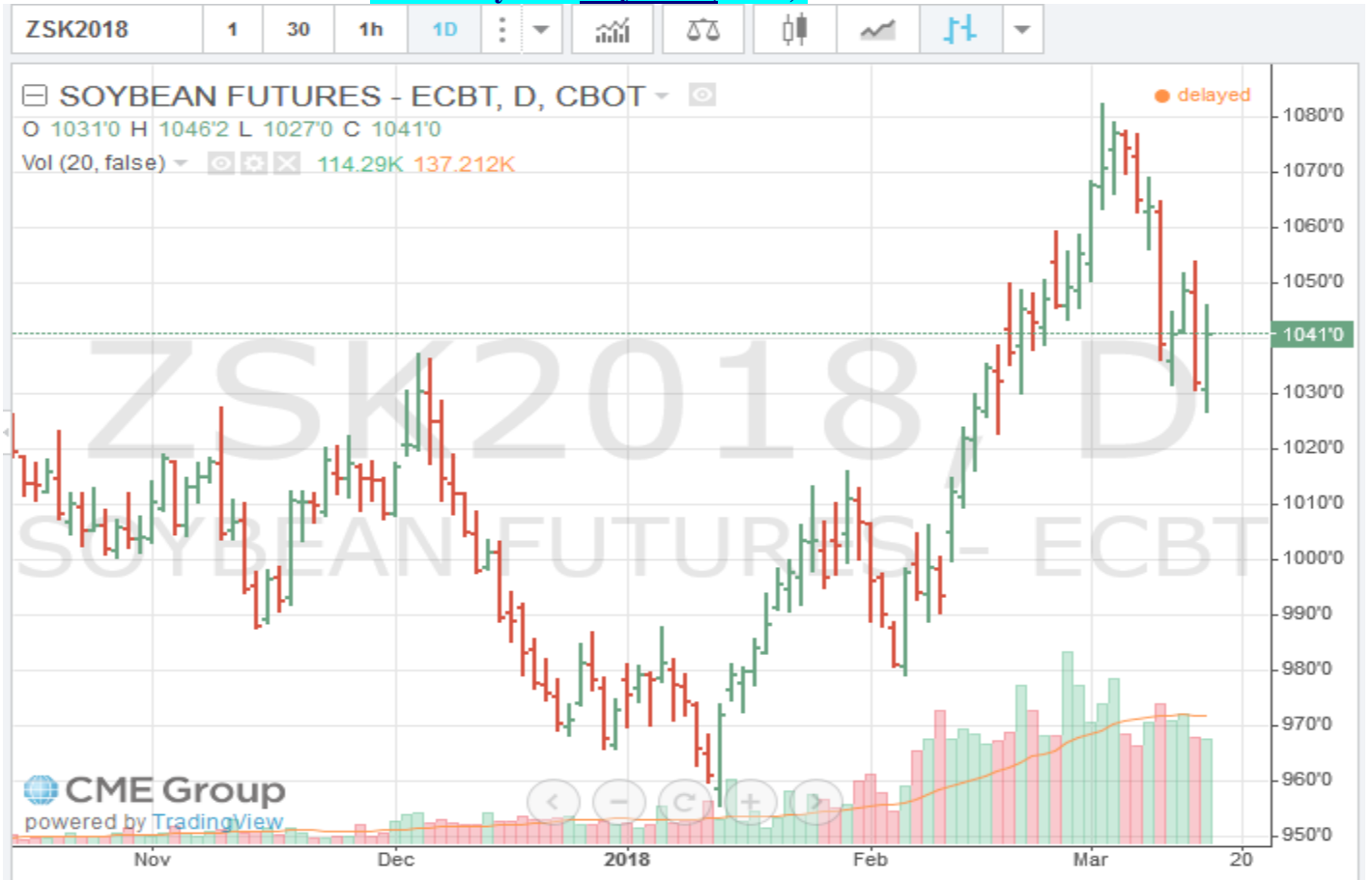


## U.S. Soybean and SBM Markets Fob Vessel:

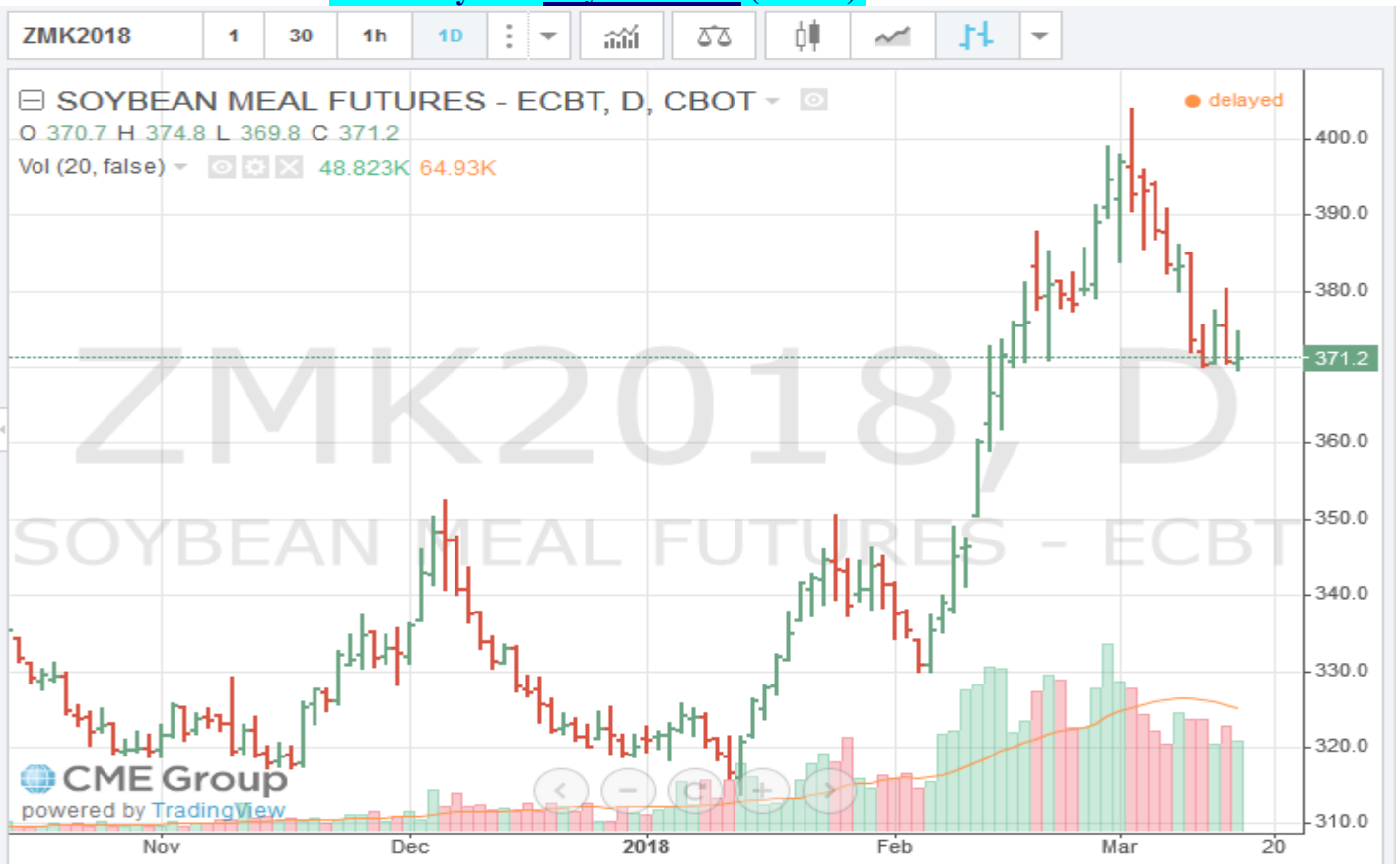
U.S. Yellow Soybeans (USD/MT) FOB Vessel				
# 2 YSB	U.S. Gulf #2 YSB		PNW #2 YSB	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
<b>April</b>	0.69	<b>\$407.76</b>	1.01	<b>\$419.52</b>
<b>May</b>	0.69	<b>\$407.76</b>	1.07	<b>\$421.72</b>
<b>June</b>	0.64	<b>\$409.78</b>	1.02	<b>\$423.74</b>
<b>July</b>	0.68	<b>\$411.25</b>	1.05	<b>\$424.84</b>
<b>Aug.</b>	0.68	<b>\$411.80</b>	1.04	<b>\$425.03</b>
<b>Soybean Futures</b>				
<b>May</b>	\$ 10.4075			
<b>July</b>	\$ 10.5125			
<b>Aug.</b>	\$ 10.5275			
<b>Sept.</b>	\$ 10.4000			
<b>Nov.</b>	\$ 10.3350			
<b>Jan.</b>	\$ 10.3600			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
<b>April</b>	20.00	<b>\$ 431.08</b>
<b>May</b>	19.00	<b>\$ 429.98</b>
<b>June</b>	16.00	<b>\$ 428.43</b>
<b>July</b>	16.00	<b>\$ 428.43</b>
<b>Aug.</b>	20.00	<b>\$ 429.86</b>
<b>SBM Futures</b>		
<b>SMK</b>	371.00	
<b>SMN</b>	372.60	
<b>SMQ</b>	369.90	
<b>SMU</b>	367.30	
<b>SMV</b>	364.10	
<b>SMZ</b>	373.00	

### 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 March 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	2735.9	43,631.6	56,520	77%	1,586.4
Sorghum	6.4	5,222.0	6,220	84%	0.0
Soybeans	1310.1	49,274.6	56,200	88%	1,797.3
Wheat	180.6	22,189.5	25,180	88%	593.1
Barley	0.0	52.8	130	41%	39.4

**U.S. EXPORT INSPECTIONS:**

Monday's report 12 March 2018 for the Export week ending 08 March 2018

	Export Inspections		Current Market Year YTD	Previous Year to Date	2017 YTD as Percent of 2016 YTD
	This Week	Previous Week			
Corn	1,376,999	979,555	20,323,431	28,924,825	70%
Sorghum	193,486	336,838	3,178,657	3,378,446	94%
Soybeans	910,237	1,013,752	39,704,734	45,055,761	88%
Wheat	389,358	400,937	18,652,298	20,063,994	93%
Barley	0	220	20,826	31,263	67%

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

**U.S. EXPORT INSPECTIONS:**

Monday's report 12 March 2018 for the Export week ending 08 March 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%	21,185	2%
Gulf	666,417	49%	6,600	62%	190,155	98%	412,834	45%
PNW	564,871	41%	0	0%	0	0%	354,949	39%
Interior Export Rail	135,119	10%	3,992	38%	3,331	2%	121,269	13%
Metric Tons	1,366,407		10,592		193,486		910,237	

Sorghum Shipments:	metric tons	
	179,252	China Main
	13,720	Kenya
	24	Italy
	490	Indonesia
	193,486	Total

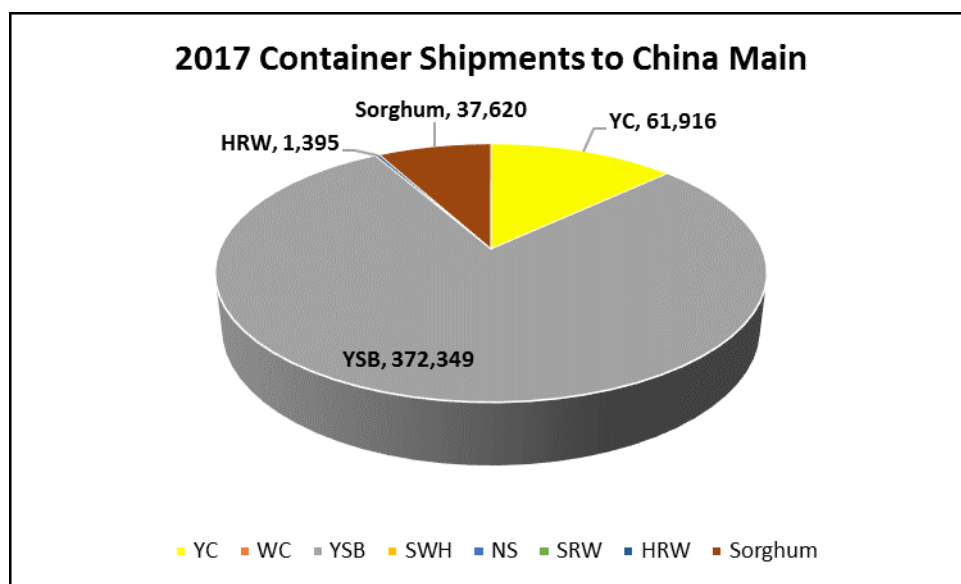
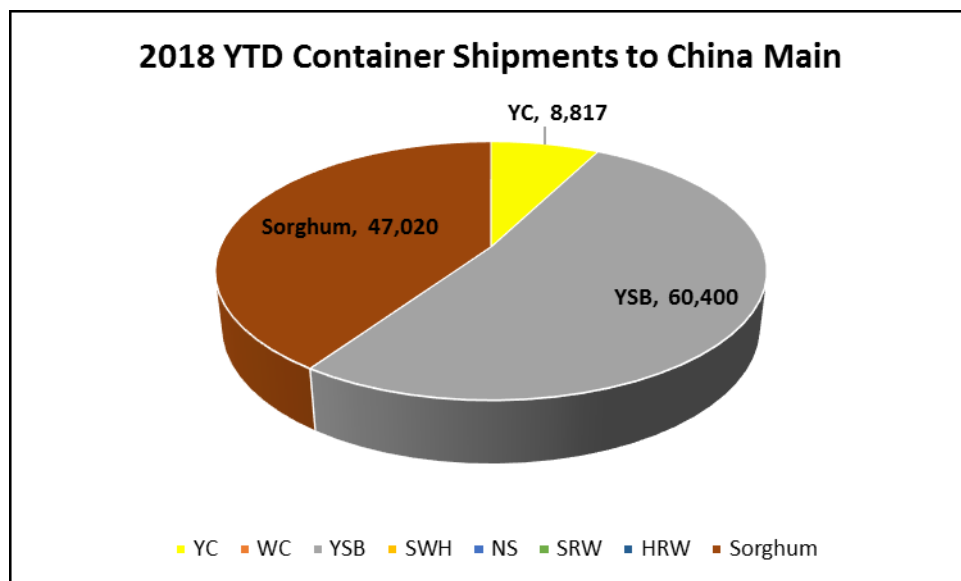
White Corn Shipments:	metric tons	
	6,600	El Salvador
	3,992	Mexico
	10,592	Total

## 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:		8-Mar-2018							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main	98		9,307					2,817	12,222
China T	21,937		22,435				416		44,788
Hong Kong	244								244
Costa Rica	171								171
Indonesia			18,563					490	19,053
French Polynesia									0
Japan			856						856
Korea Republic	318		563						881
Guyana							122		122
Malaysia	1,199		6,728						7,927
Italy								24	24
Philippines	882		758				97		1,737
Thailand			6,953						6,953
Burma							294		294
Bangladesh			930						930
Vietnam			2,987						2,987
Sub total	24,849	0	70,080	0	0	0	929	3,331	94,978
USDA Corrections/Additions to previous reports:									
China T	6,292		4,064						10,356
China Main			882						882
Hong Kong	24								24
Korea Rep.	661		342						1,003
Costa Rica									0
Japan			122						122
Philippines									0
Indonesia	318		4,114						4,432
Malaysia	1,910		1,714						3,624
Thailand			490						490
Vietnam			1,787						1,787
Mexico									0
Burma									0
Sub total	9,205	0	13,515	0	0	0	0	0	22,720
<b>Mt. Grand Total</b>	<b>34,054</b>	<b>0</b>	<b>83,595</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>929</b>	<b>3,331</b>	<b>117,698</b>
Number of containers	1,481	0	3,635	0	0	0	40	145	

Jan - Dec 2017 Annual Totals versus 2018 Jan.-Dec. Year to Date Container Shipments (in MT)

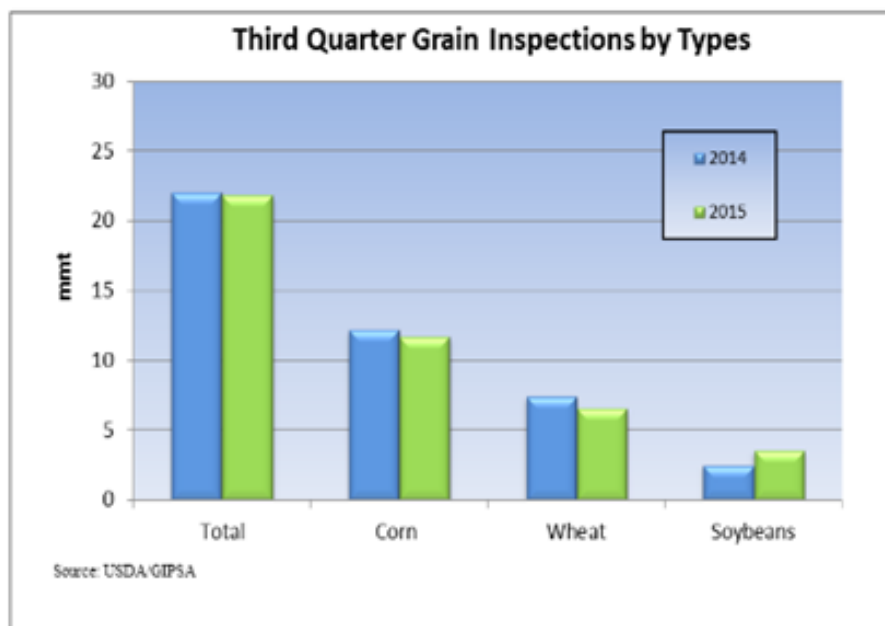


Grain Inspections for Export by U.S. Port Regions:  
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD

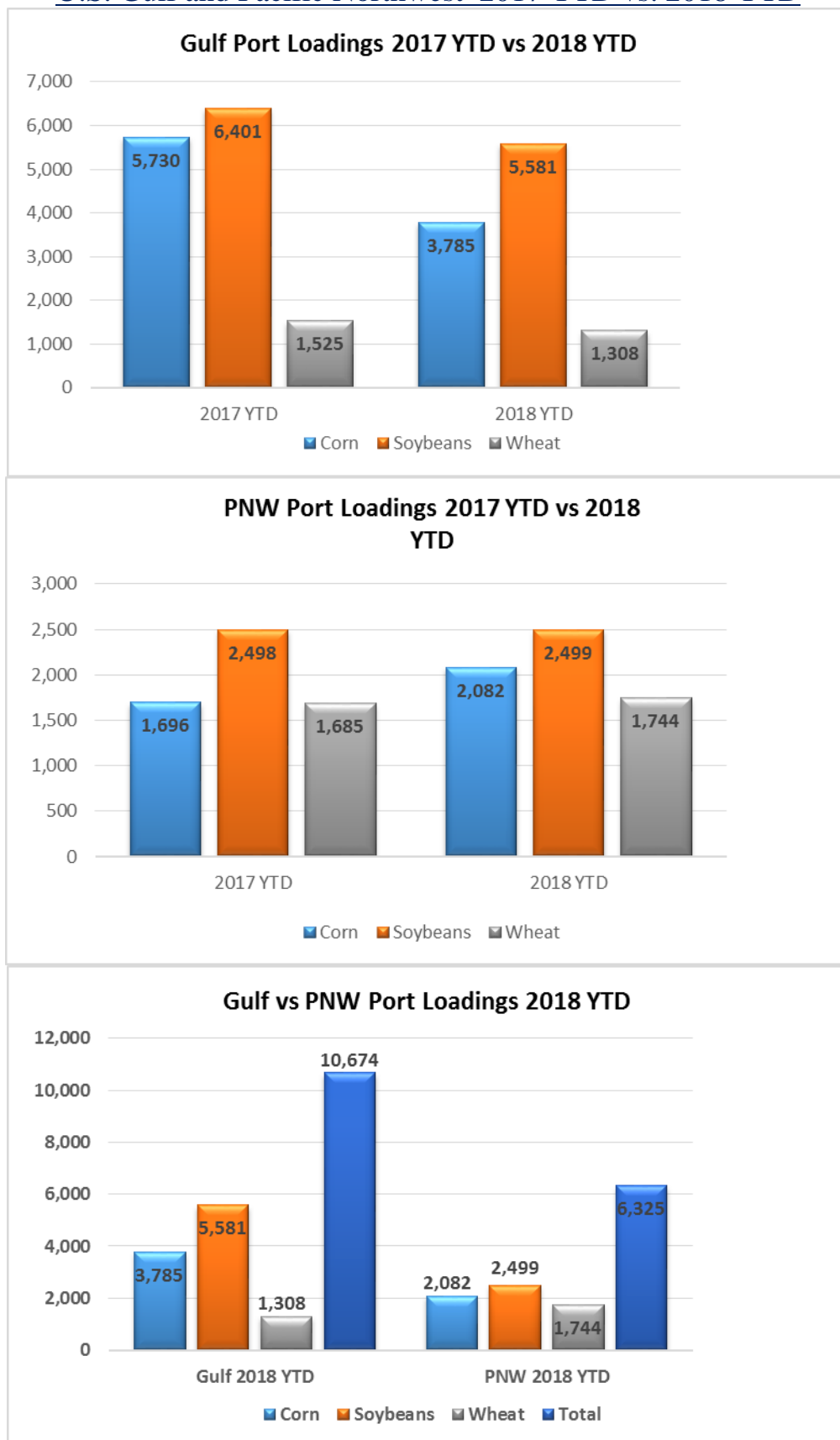
PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
<b>GULF</b>				
2017 YTD	5,730	6,401	1,525	13,656
2018 YTD	3,785	5,581	1,308	10,674
2018 as % of 2017	66%	87%	86%	78%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
<b>PNW</b>				
2017 YTD	1,696	2,498	1,685	5,879
2018 YTD	2,082	2,499	1,744	6,325
2018 as % of 2017	123%	100%	104%	108%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2018 Gulf YTD	3,785	5,581	1,308	10,674
2018 PNW YTD	2,082	2,499	1,744	6,325
TOTAL	5,867	8,080	3,052	16,999
Gulf Percentage	65%	69%	43%	63%
PNW Percentage	35%	31%	57%	37%



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

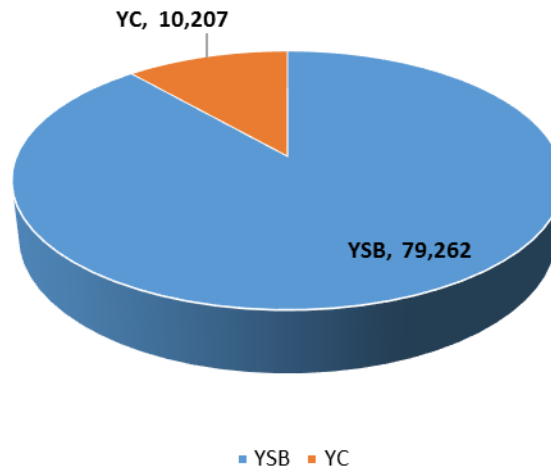


Source: USDA-data

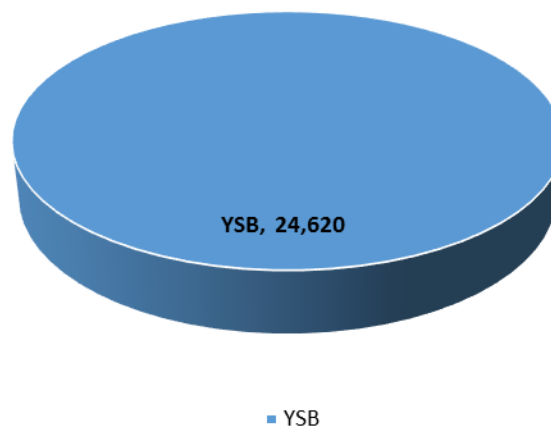


**2018 YTD Total Grain Exports reported by USDA (in MT)**

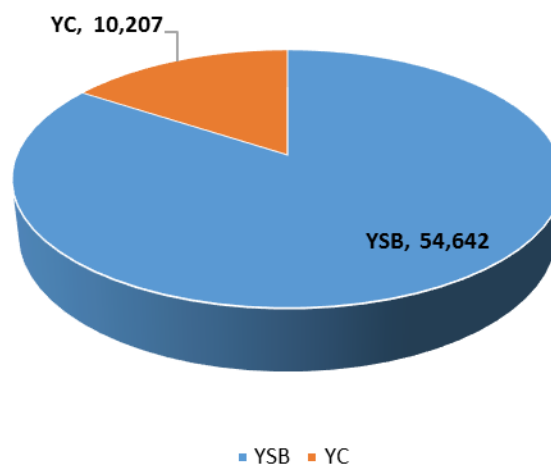
**2018 YTD Exports to Malaysia**



**YTD Exports to Malaysia by Vessel**



**YTD Exports to Malaysia by Container**

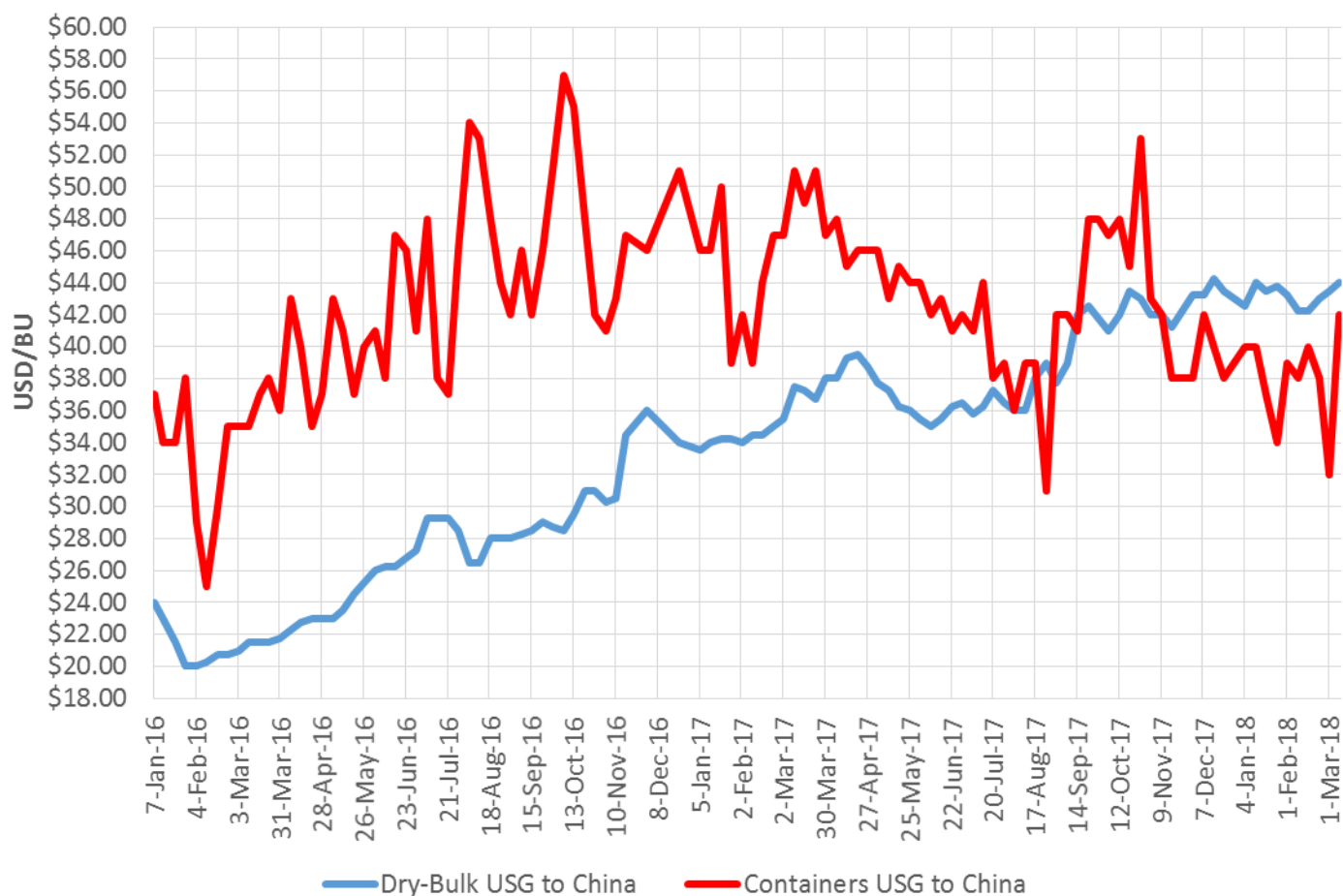


\*\*Please keep in mind that USDA does not report DDGS sales, or they would show as the largest exports by container

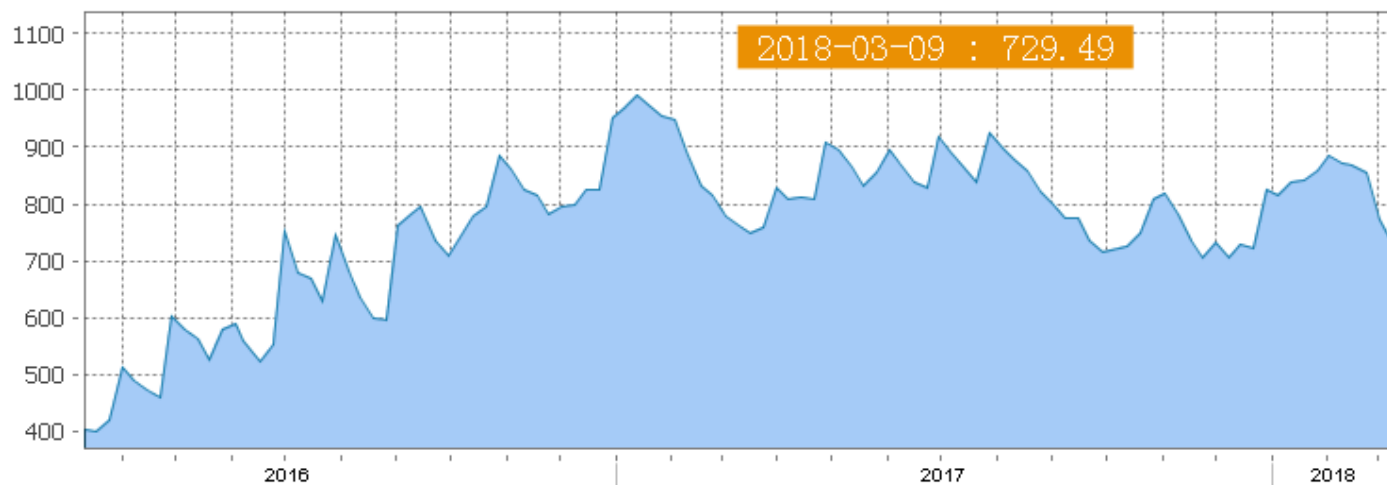
Source: USDA

## Shipping News:

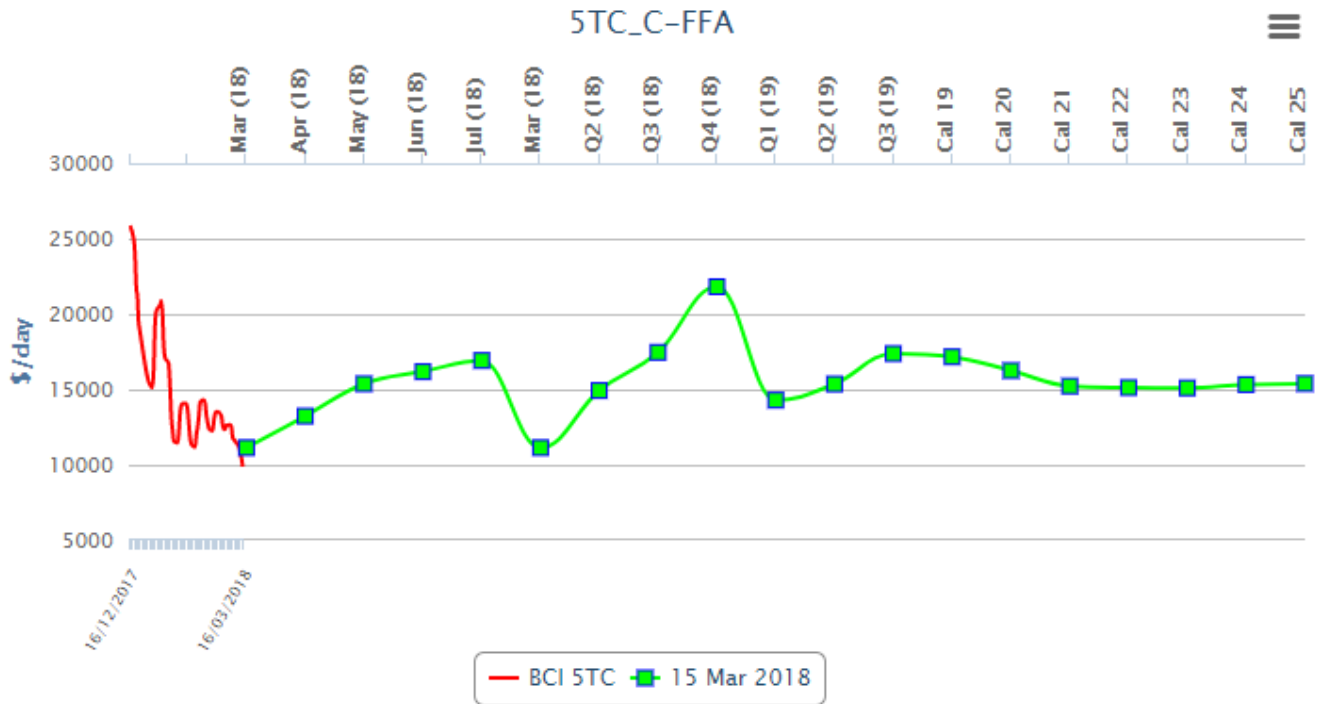
### FOB Dry-Bulk vs Container to China



### Shanghai Containerized Freight Index

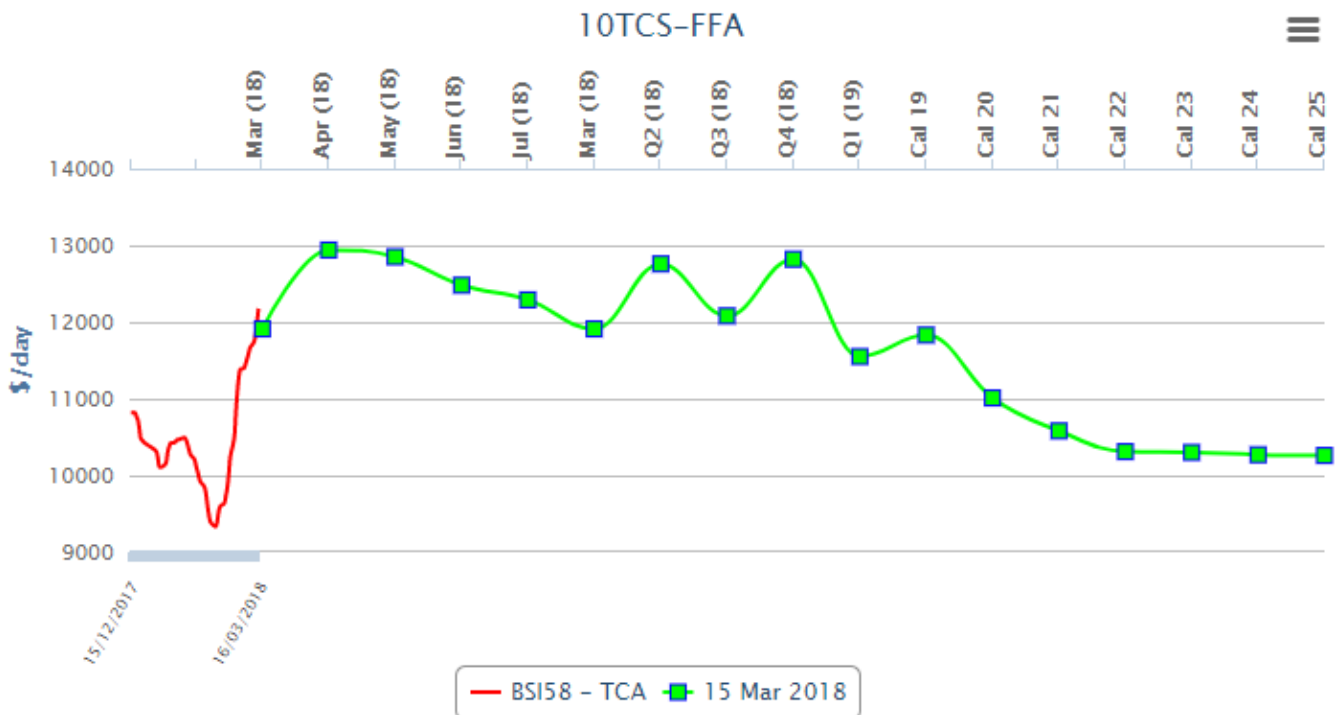


## FFA Capesize for the 4 time charter routes



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## FFA SUPRAMAX 58 for the 5 time charter routes



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## U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement First Half April 2018

Placement FH April 2018	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	500	\$34.12	0.87	0.93
Illinois River (Pekin and South)	415	\$22.00	0.56	0.60
Mid-Mississippi	415	\$24.34	0.62	0.66
Lower Ohio	390	\$19.17	0.49	0.52
St. Louis	285	\$12.53	0.32	0.34

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

Secondary Rail Car Market Placement FH April 2018	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ 650.00	\$ 1,000.00	\$ 0.16	\$ 0.25	\$ 6.40	\$ 9.84
UPRR Shuttle Trains	\$ 300.00	\$ 600.00	\$ 0.08	\$ 0.15	\$ 2.95	\$ 5.91



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# IGP-KSU Grain Purchasing

April 9-20, 2018



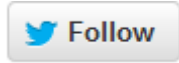
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Best Regards,

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)

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