

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

It was a fairly quiet week in Dry-Bulk freight markets. Price support that was present over the last two weeks faded. As the Capesize vessel sector dropped back, it pulled the Panamax sector with it. So, in the end, we have basically erased the gains of the first half of the week and returned to the levels of last Thursday.

Now we wait to see who blinks first, buyers or sellers. Market sediment is still upbeat so, even if we slip back a bit in the month of March, we are likely to see gradually rising rates as we go into the second and third quarter of the year. All this is, of course, dependent on not getting into a significant global trade war; that would be very damaging for all.

Buyers of containerized grains should also expect to be subjected to higher freight cost as we go forward.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
22-Mar-18	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	19515	19633	-118	-0.6%
P3A - PNW/Pacific - Japan	13671	13517	154	1.1%
S1C -USGULF-China-So.Japan	25150	25636	-486	-1.9%

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

Four weeks ago:	\$ 6.75-\$7.15
Three weeks ago:	\$ 6.75-\$7.15
Two weeks ago:	\$ 6.20-\$6.65
One week ago:	\$ 6.05-\$6.55
This week	\$ 5.90-\$6.20

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)	0-4 days
Texas Gulf	(6 elevators)	2-15 days (only 1 facility over 3 days wait)
Pacific Northwest:	(9 elevators)	5-10 days

Panamax Market Spreads to Asia -China					
22-Mar-18	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	1.23	0.85	0.38	\$14.96	PNW
SOYBEANS	1.00	0.69	0.31	\$11.39	PNW
OCEAN FREIGHT	\$24.00	\$44.25	.51.55	\$20.25	April

Recent Reported Vessel Fixtures:

60,000 mt hss Brazil to N. China May 1-30 at \$35.50 fio 8,000 shex bends Agricore

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$45.25	Unchanged	Handymax \$45.50 mt
55,000 U.S. PNW- Japan	\$24.50	Unchanged	Handymax at \$25.00 mt
65,000 U.S. Gulf – China	\$44.25	Unchanged	North or South China
PNW to China	\$24.00	Unchanged	
25,000 U.S. Gulf- Veracruz, México	\$16.50	Unchanged	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$14.25	Unchanged	Deep draft and 6,000 MT per day discharge rate.
25/35,000 U.S. Gulf- <u>East Coast Colombia</u>	\$20.00	Unchanged	<u>West Coast Colombia at \$28.25</u>
From Argentina	\$34.50		
40-45,000 U.S. Gulf - Guatemala	\$28.25	Unchanged	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$32.00 \$3375	Unchanged	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$31.25	Unchanged	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$29.00	Unchanged	55,000 -60,000 mt
PNW to Egypt	\$27.75		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	\$35.00	Unchanged	54-59,000 Supramax-Panamax
Brazil, Santos – China	\$34.25		60-66,000 Post Panamax
Itacoatiara-Port Up River North Brazil	\$38.50		60-66,000 mt
56-60,000 Argentina/Rosario- China Deep Draft	\$40.25	Unchanged	Up River with BB Top Off \$42.75

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

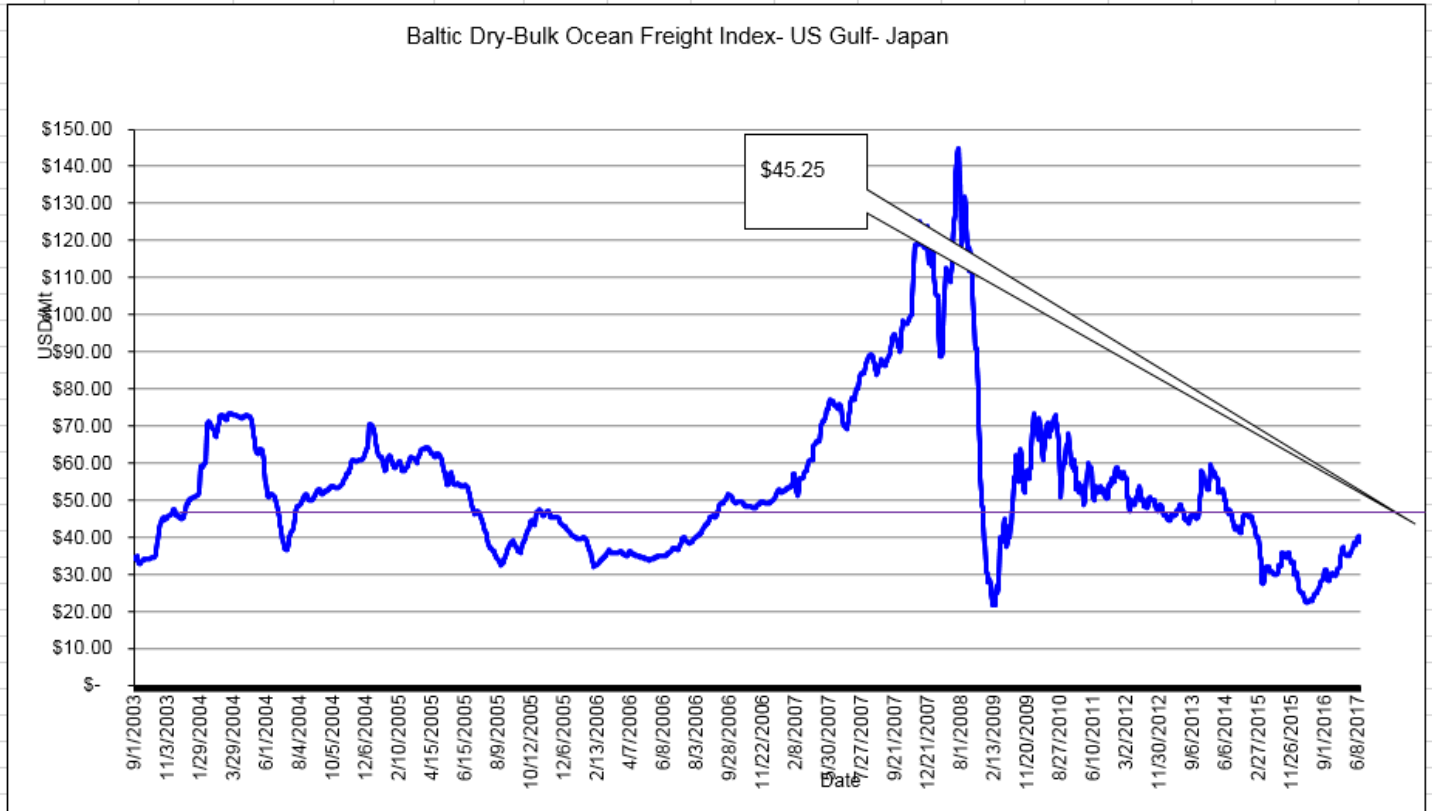
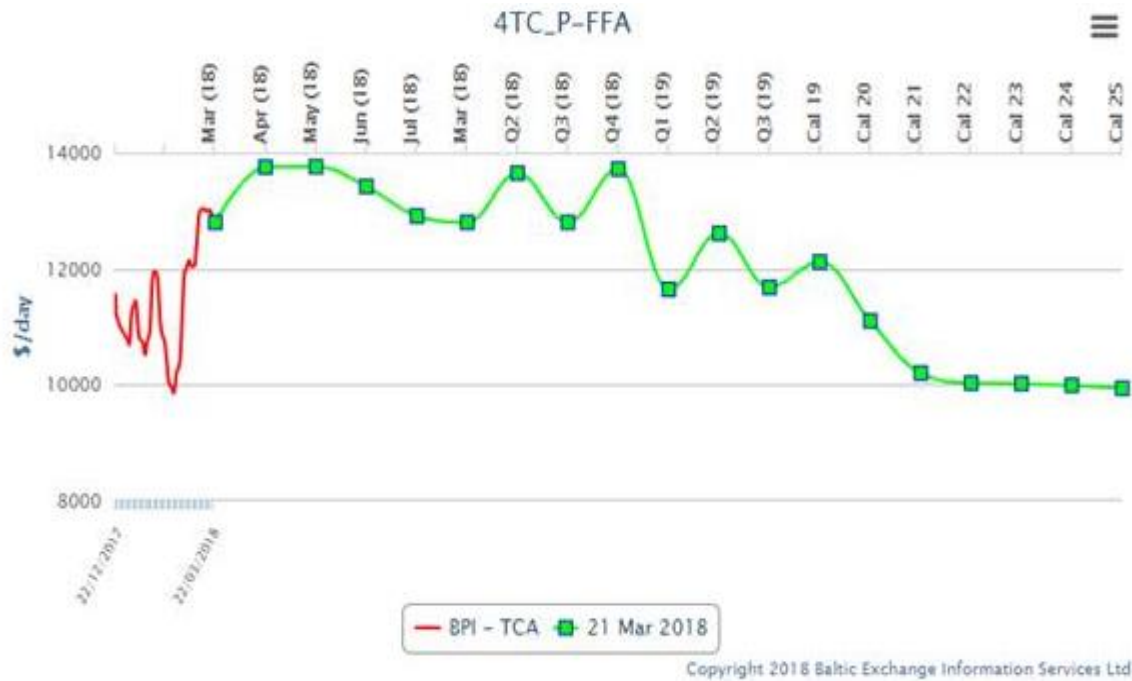
Nautical Miles: To Xiamen China (South China)

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

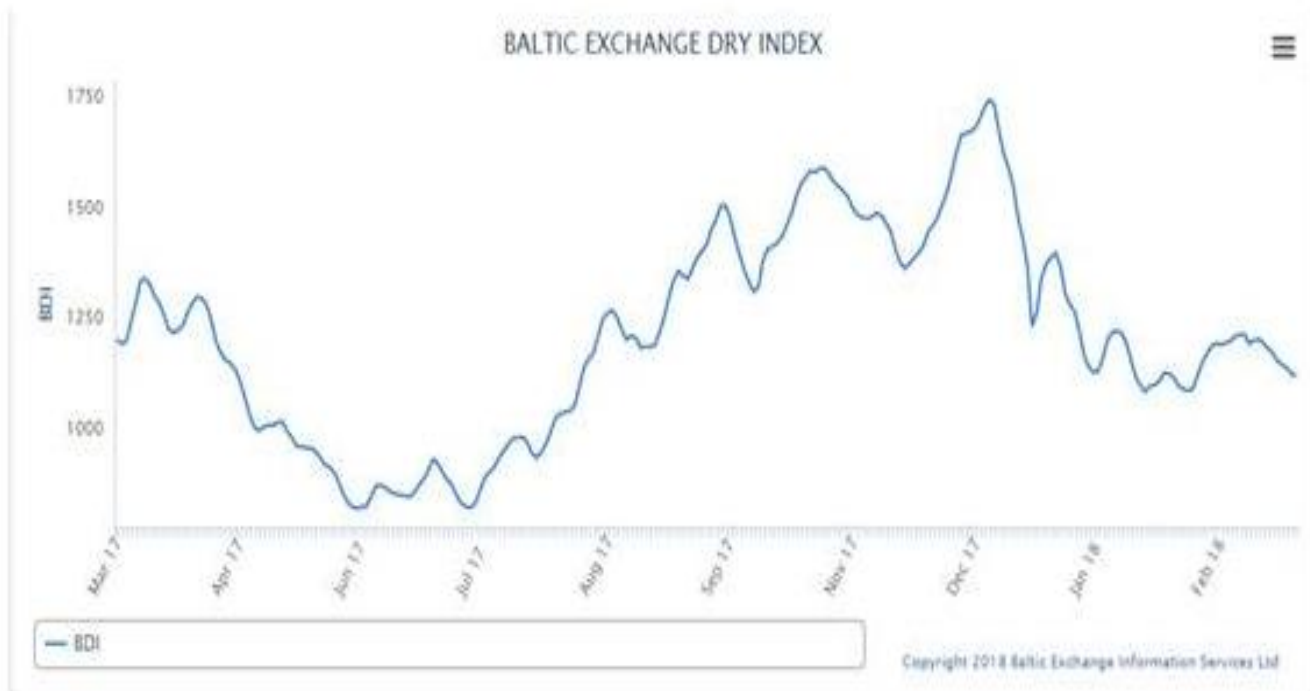
Santos Brazil (via Cape of Good Hope) - 10,441 nautical miles (33 days)

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

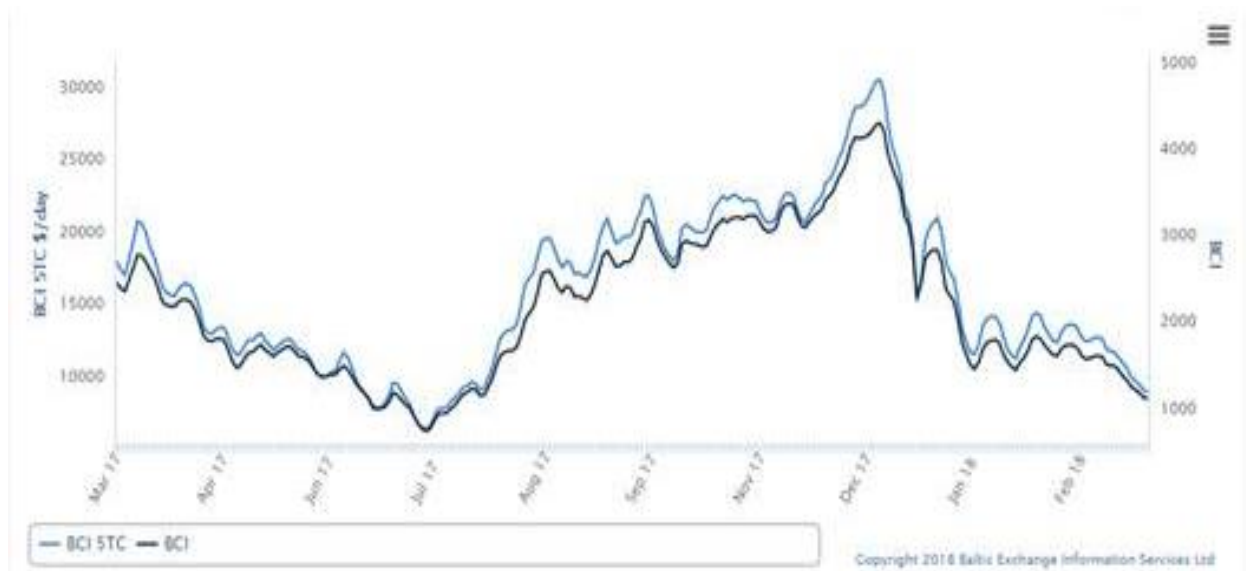
Forward Curve for Baltic BPI Panamax Vessel Freight



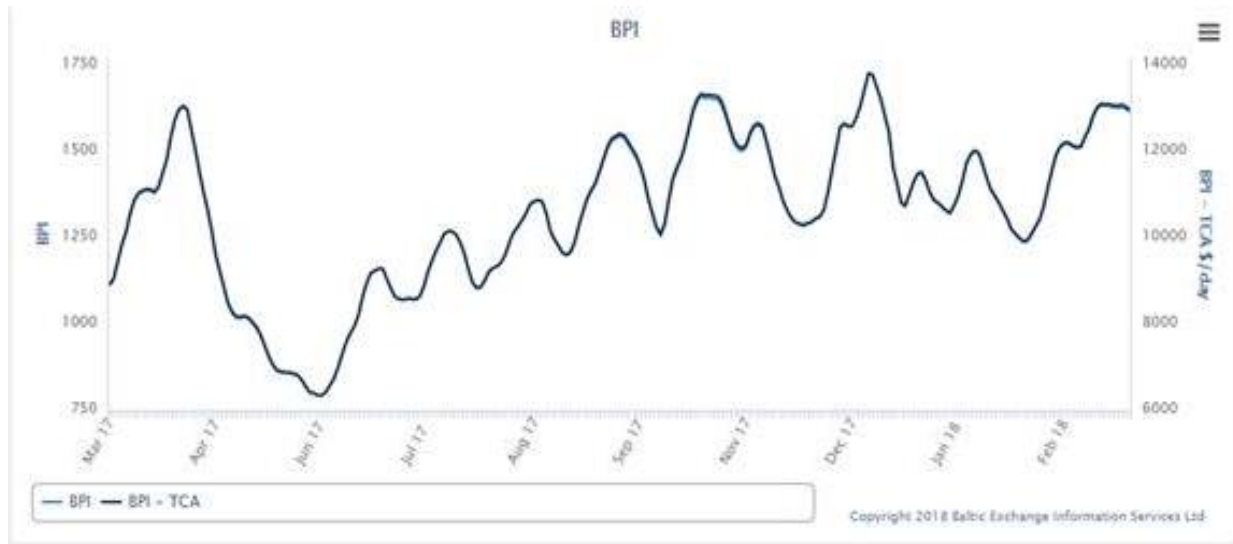
Baltic Dry-Bulk Index



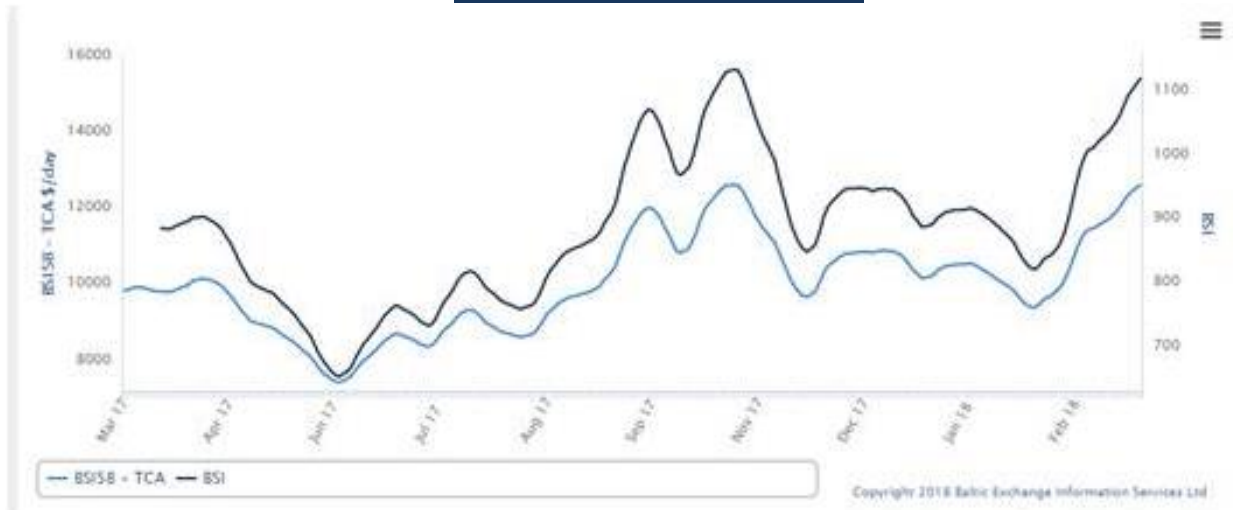
Baltic Capesize Index



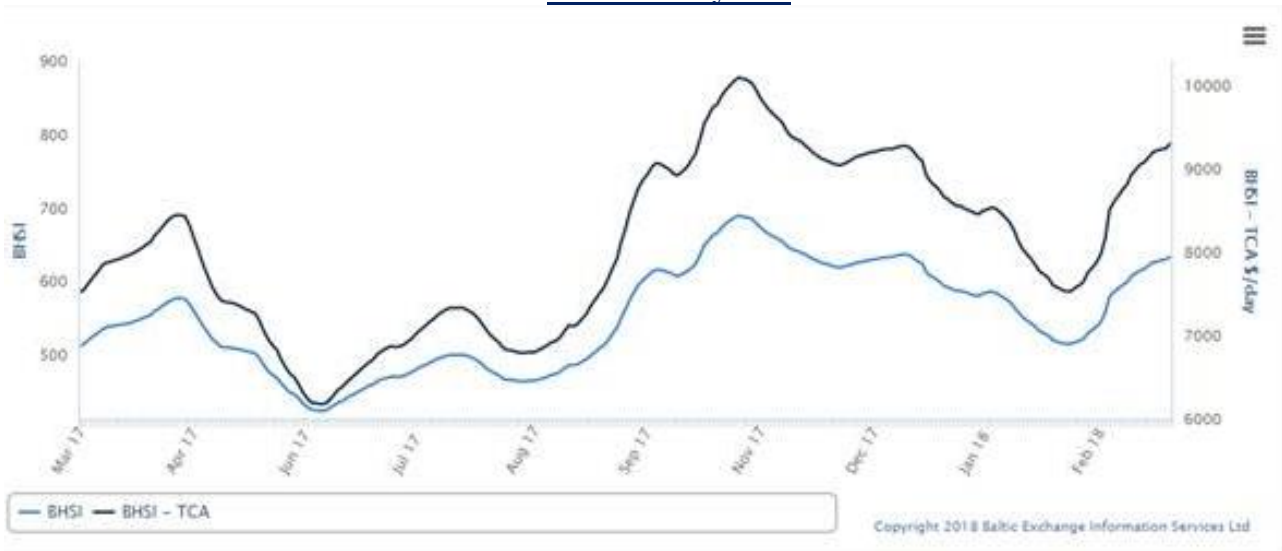
Baltic Panamax Index



Baltic Supramax Vessel Index



Baltic Handy Size



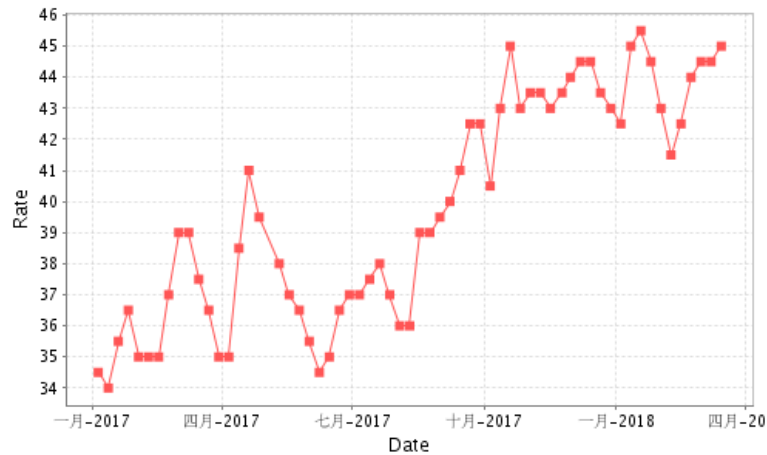
Yamamizu Shipping

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USG/Japan Index Result

Date From: 2017-01-02 V Date To: 2018-03-22 V

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[Reset](#)



China Import Dry Bulk Freight Index(CDFI) 2018-03-21

Route	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	823.92	-1.69
Iron ore Freight Index			Point	714.60	-6.32
Soybean Freight Index			Point	1002.83	3.51
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	34.265	0.085
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	24.325	0.305
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	44.553	0.026
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	45.929	0.217

** This week, due to my travel schedule and the time difference,
 THE BELOW CME FUTURES AND CASH PRICES ARE BASED ON THURSDAYS MARKET OPEN.

22 March 2018 U.S. FOB Vessel Export Market Values:

U.S. Yellow Corn (USD/MT) FOB Vessel				
# 2 YC	U.S. Gulf #2 YC		PNW #3 YC	
15.0 % Moisture	Basis	Flat Price	Basis	Flat Price
April	0.85	\$180.99	1.22	\$195.56
May	0.86	\$181.39	1.23	\$195.95
June	0.77	\$181.09	1.12	\$194.87
July	0.77	\$181.09	1.08	\$193.30
Aug.	0.74	\$182.37	1.08	\$195.76
Sept.	0.75	\$182.77	1.12	\$197.33

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

SORGHUM (USD/MT) FOB VESSEL				
#2 YGS Fob Vessel	NOLA		TEXAS	
Max. 14.0% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
April	1.25	\$196.74	1.05	\$188.87
May	1.25	\$196.74	1.05	\$188.87
June	1.20	\$198.02	0.95	\$188.18
July	1.05	\$192.12	0.90	\$186.21
Aug.	1.05	\$194.58	0.87	\$187.49

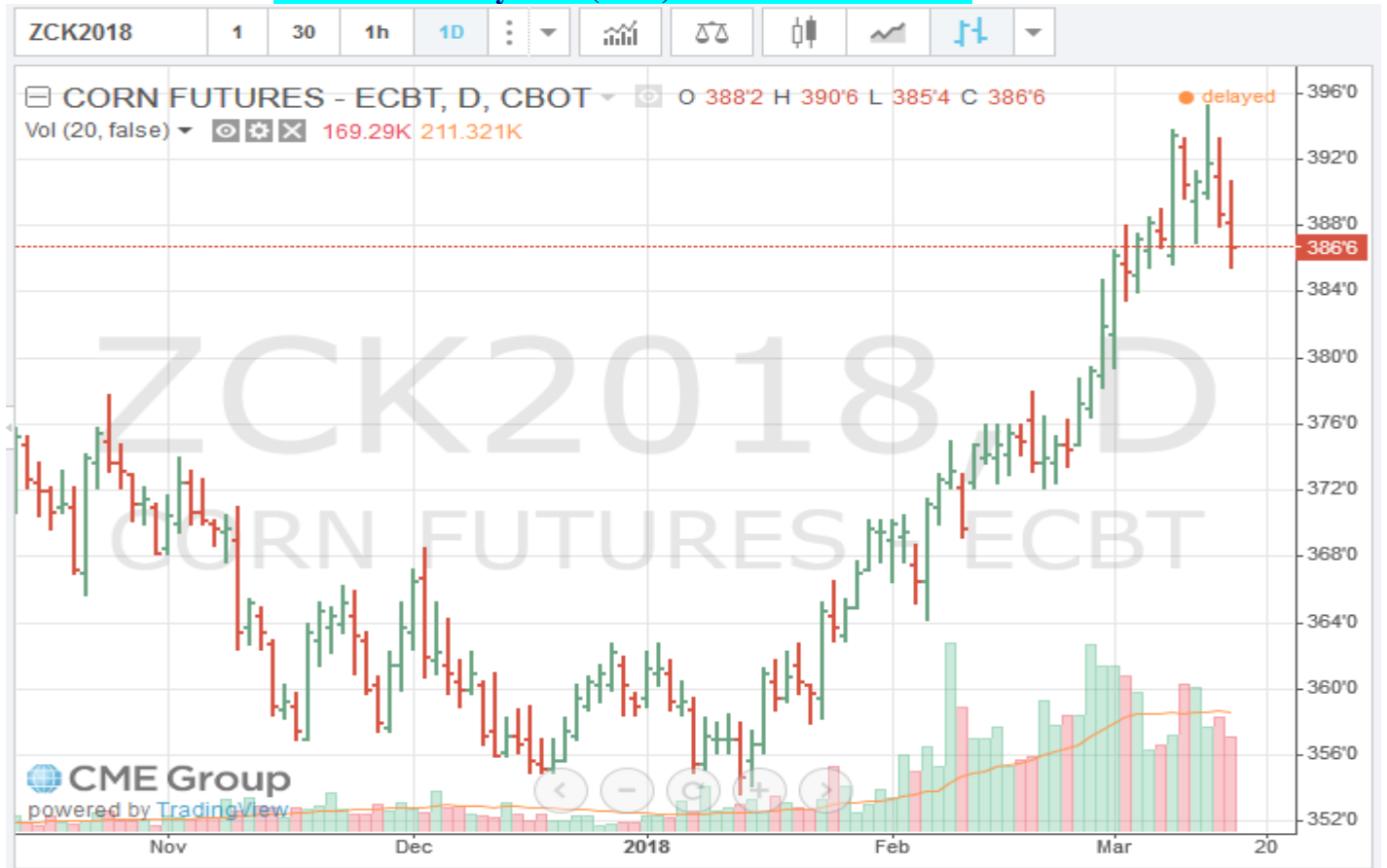
Fob vessel Texas Gulf #2 Sorghum is about 103% the value of #2 Yellow Corn at NOLA

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

SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	April	May	June	July
FOB U.S. GULF	\$202.64	\$202.64	\$202.82	\$202.82
Basis	0.95	0.95	0.80	0.80
WK	4.5650			
WN	4.7200			
WU	4.8800			

CME Futures Market Close						
CORN	Futures	Friday	Friday	Last week	Last Week	Difference
Month	Symbol	Close	Close	Bushel	MT.	Bushel
May	CK	\$3.7475	\$147.53	\$ 3.8675	\$152.26	(\$0.1200)
July	CN	\$3.8300	\$150.78	\$ 3.9450	\$155.31	(\$0.1150)
Sept.	CU	\$3.8925	\$153.24	\$ 4.0000	\$157.47	(\$0.1075)
Dec.	CZ	\$3.9650	\$156.09	\$ 4.0625	\$159.93	(\$0.0975)
Mar.	CH	\$4.0350	\$158.85	\$ 4.1300	\$162.59	(\$0.0950)

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:

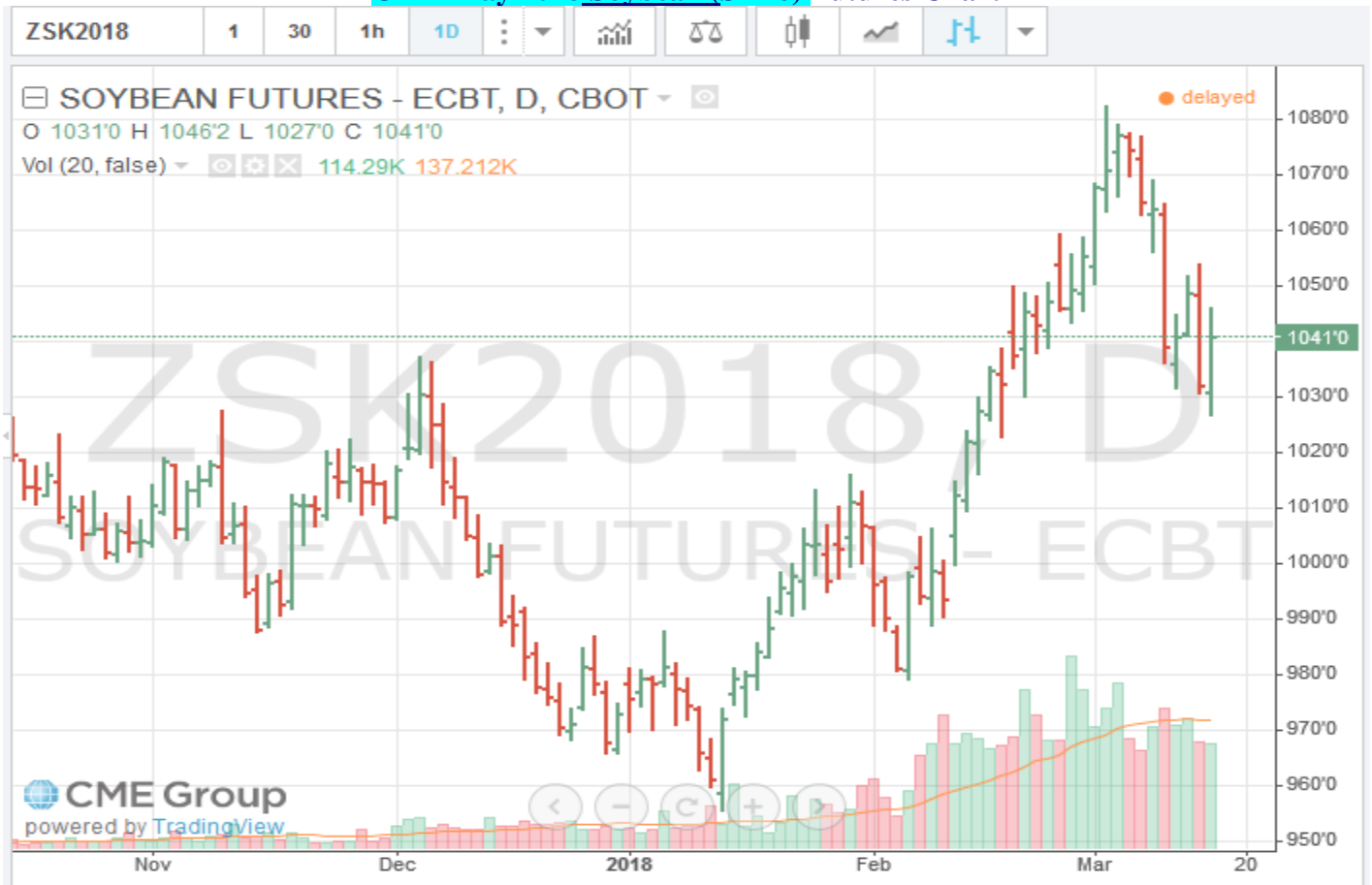
U.S. Yellow Soybeans (USD/MT) FOB Vessel				
# 2 YSB	U.S. Gulf #2 YSB		PNW #2 YSB	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
April	0.69	\$402.89	1.01	\$414.65
May	0.69	\$402.89	1.07	\$416.85
June	0.64	\$404.91	1.02	\$418.87
July	0.68	\$406.38	1.05	\$419.98
Aug.	0.68	\$406.90	1.04	\$420.12
Soybean Futures				
May	\$ 10.2750			
July	\$ 10.3800			
Aug.	\$ 10.3940			
Sept.	\$ 10.2900			
Nov.	\$ 10.2300			
Jan.	\$ 10.2675			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port max 12.5 % moisture	47.5 Pro. SBM	
	Basis	Flat Price
April	20.00	\$ 427.44
May	19.00	\$ 426.34
June	16.00	\$ 425.90
July	16.00	\$ 425.90
Aug.	20.00	\$ 427.77

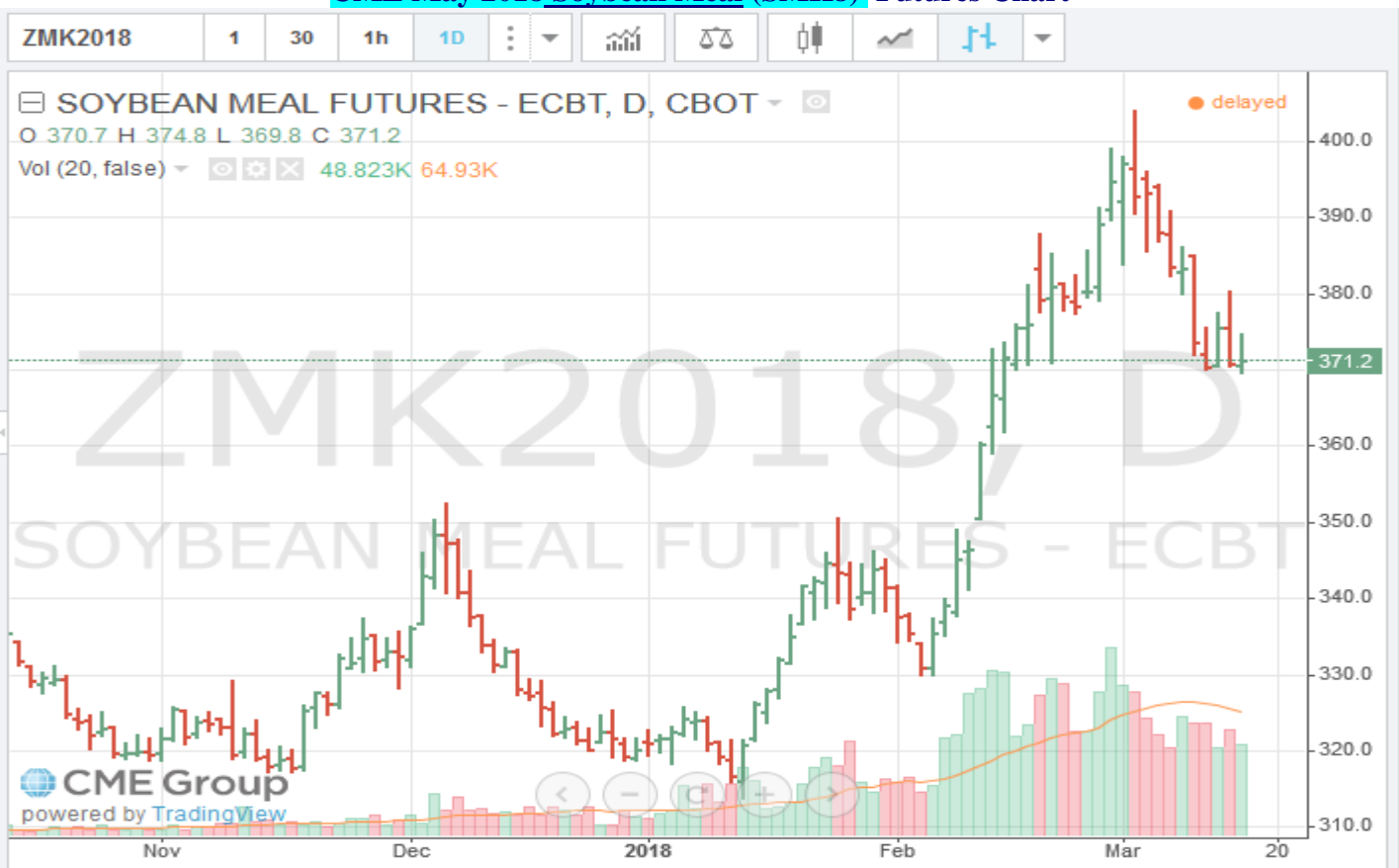
SBM Futures

SMK	367.70
SMN	370.30
SMQ	368.00
SMU	365.70
SMV	362.80
SMZ	361.80

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 19 March 2018 for the Export week ending 15 March 2018

	Export Inspections		Current Market Year YTD	Previous Year to Date	2017 YTD as Percent of 2016 YTD
	This Week	Previous Week			
Corn	1,409,281	1,377,244	21,732,957	30,282,814	72%
Sorghum	248,263	194,539	3,429,369	3,438,423	100%
Soybeans	490,536	930,100	40,219,615	45,799,822	88%
Wheat	443,269	428,815	19,135,024	20,714,873	92%
Barley	245	0	21,071	31,311	67%

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

U.S. EXPORT INSPECTIONS:

Monday's report 19 March 2018 for the Export week ending 15 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%	19,979	4%
Gulf	871,009	62%	11,382	99%	243,978	98%	226,839	46%
PNW	445,534	32%	122	1%	196	0%	136,749	28%
Interior Export Rail	81,234	6%	0	0%	4,089	2%	106,969	22%
Metric Tons	1,397,777		11,504		248,263		490,536	

Sorghum Shipments:	metric tons	
	247,366	China Main
	490	Korea Rep
	407	Indonesia
	248,263	Total

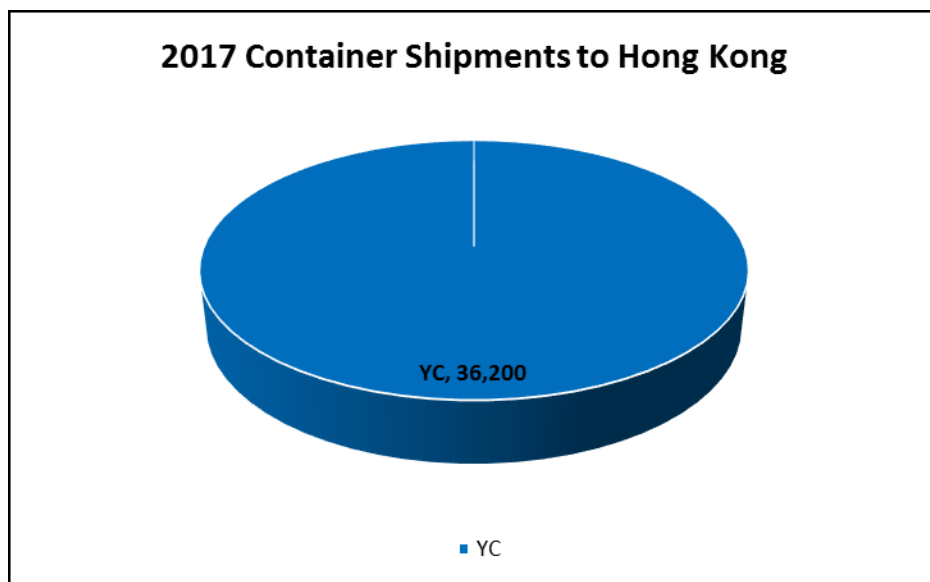
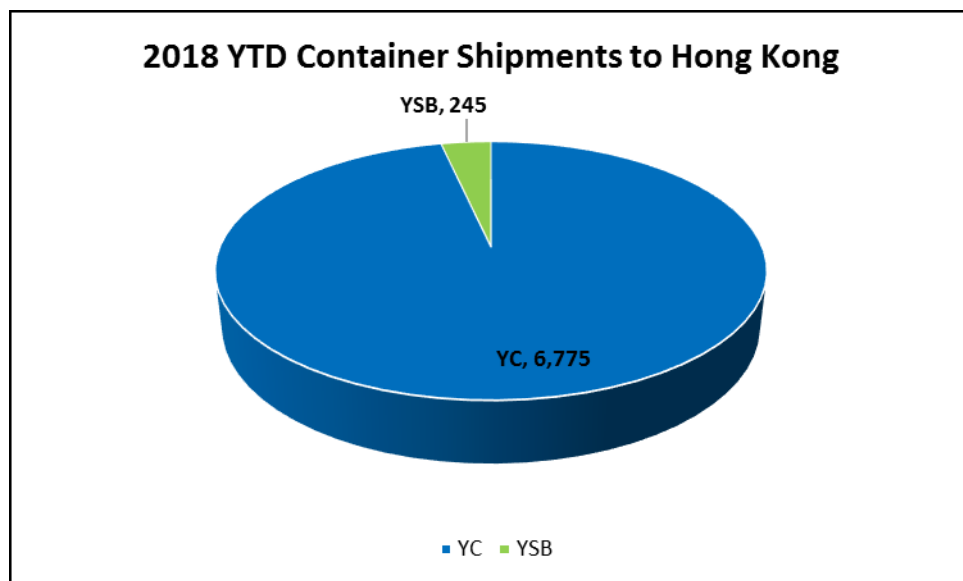
White Corn	metric tons	
Shipments:	6,050	Colombia
	3,907	Honduras
	1,425	Japan
	122	Korea Rep
	11,504	Total

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:		15-Mar-2018							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main	1,248		2,401					3,388	7,037
China T	14,421		20,721				343		35,485
Hong Kong	563								563
Costa Rica									0
Indonesia			25,591						25,591
French Polynesia									0
Japan			489				245		734
Korea Republic	710							294	1,004
Guyana							122		122
Malaysia	8,251		2,908				294		11,453
India			367						367
Philippines	608		637				98		1,343
Thailand			6,587						6,587
Burma			294				440		734
Bangladesh									0
Vietnam			3,573						3,573
Sub total	25,801	0	63,568	0	0	0	1,542	3,682	90,286
USDA Corrections/Additions to previous reports:									
China T			759						759
China Main								2,449	2,449
Hong Kong									0
Korea Rep.									0
Costa Rica									0
Japan									0
Philippines	245								245
Indonesia			4,482						4,482
Malaysia			1,518						1,518
Thailand			1,029						1,029
Vietnam									0
Mexico									0
Un Arab Em				955					955
Sub total	245	0	7,788	955	0	0	0	2,449	11,437
Mt. Grand Total	26,046	0	71,356	955	0	0	1,542	6,131	101,723
Number of containers	1,132	0	3,102	42	0	0	67	267	

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



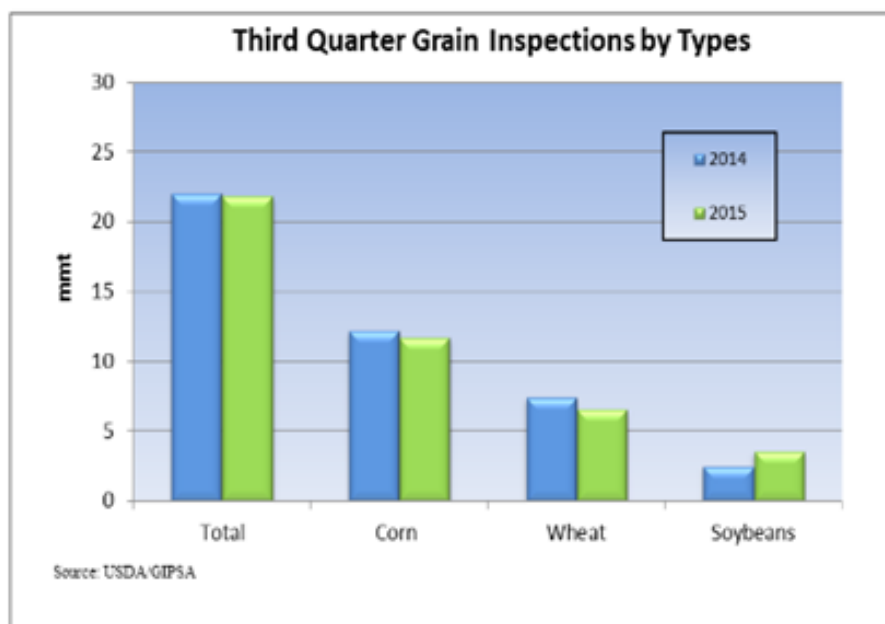
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD

Due to programming problems with USDA, these numbers aren't up to date.

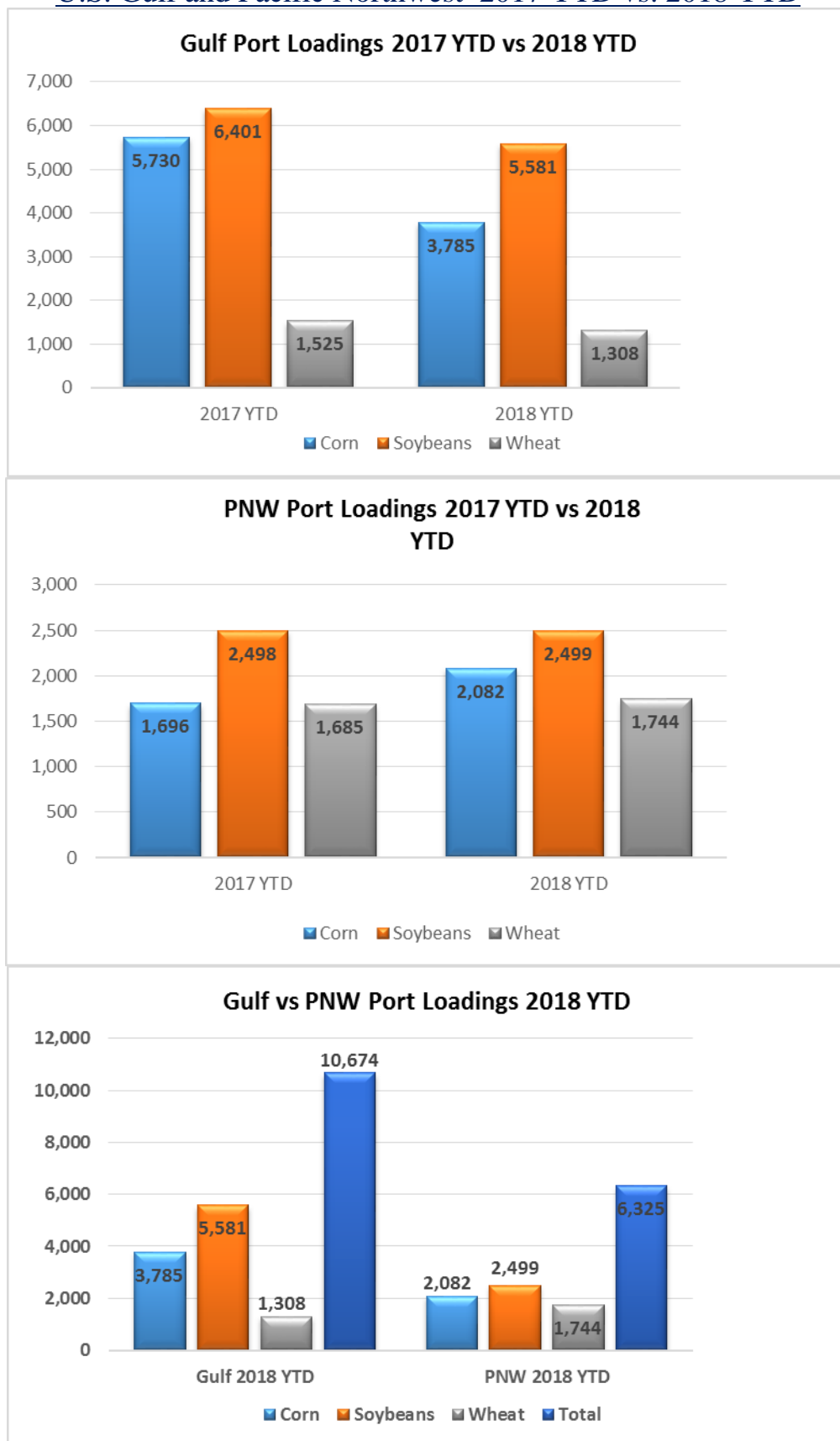
PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2017 YTD	5,730	6,401	1,525	13,656
2018 YTD	3,785	5,581	1,308	10,674
2018 as % of 2017	66%	87%	86%	78%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
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%



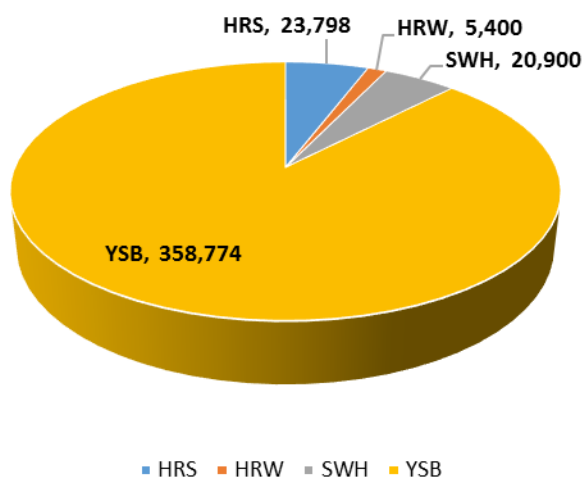
Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD



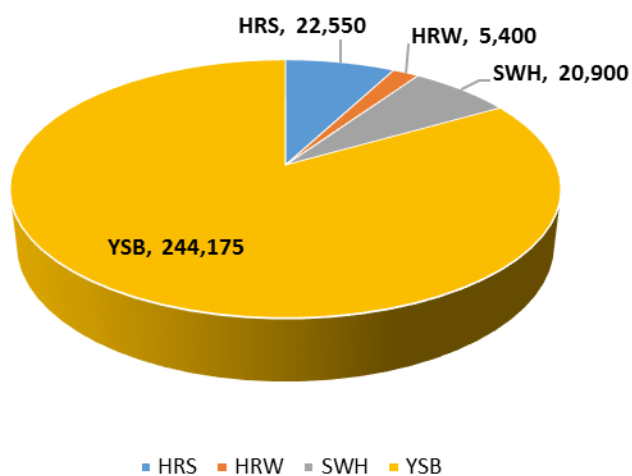
Source: USDA-data

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

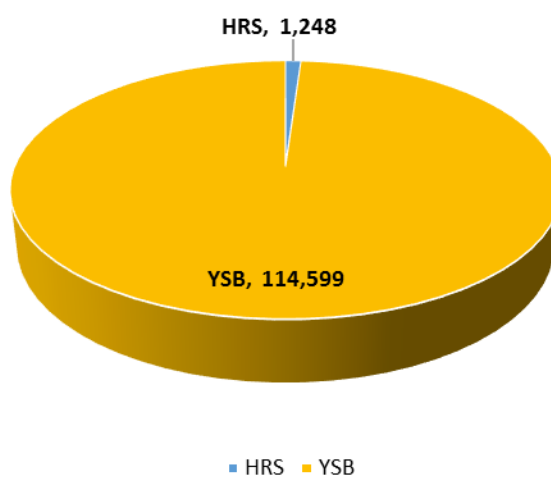
2018 YTD Exports to Thailand



YTD Exports to Thailand by Vessel



YTD Exports to Thailand by Container

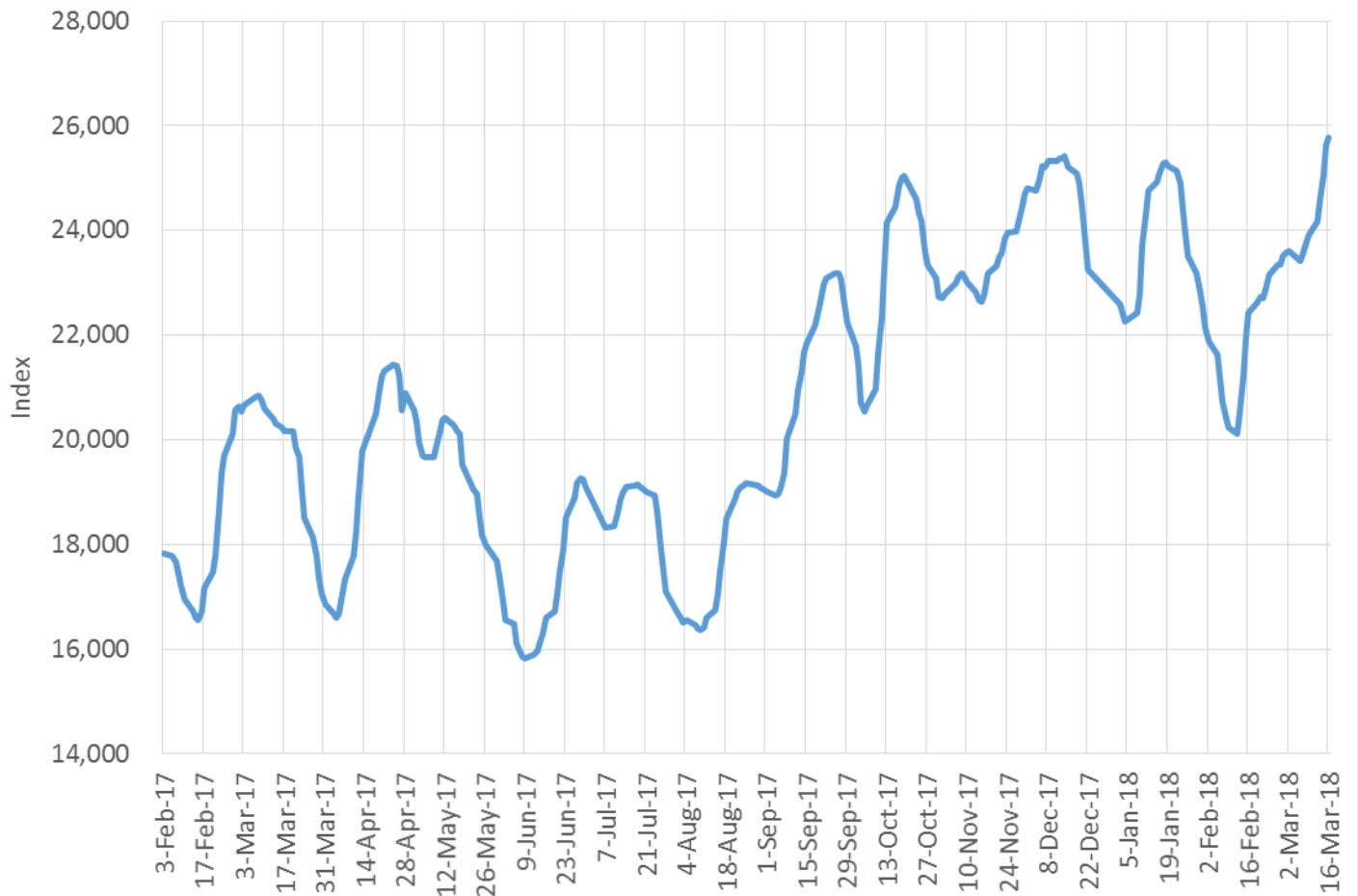


**Please keep in mind that USDA does not report DDGS sales, or they would show as the largest exports by container

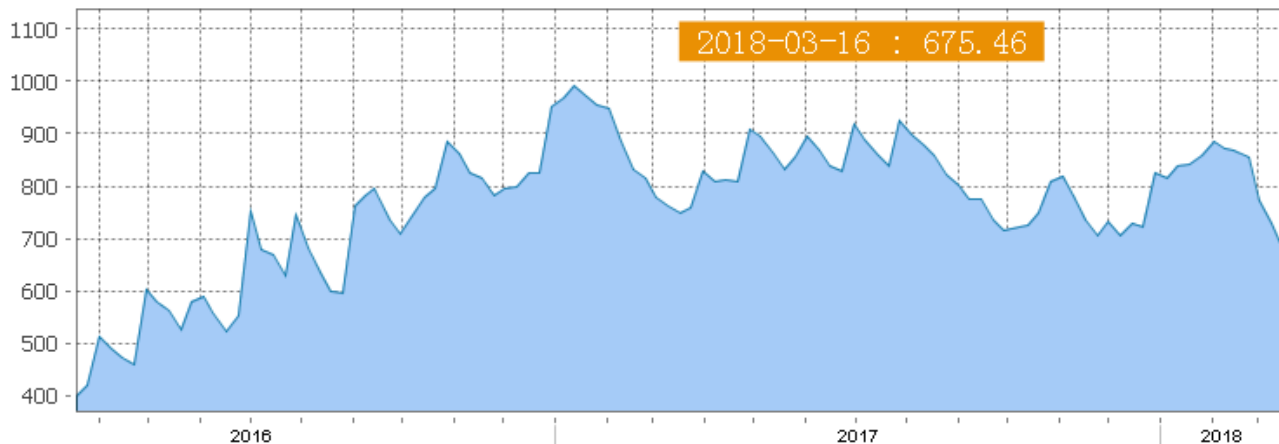
Source: USDA

Shipping News:

S1C Supramax US Gulf to China-South Japan Index



Shanghai Containerized Freight Index



FFA Capesize for the 4 time charter routes



FFA SUPRAMAX 58 for the 5 time charter routes



U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement Last Half April 2018

Placement LH April 2018	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	500	\$34.12	0.87	0.93
Illinois River (Pekin and South)	440	\$23.33	0.59	0.63
Mid-Mississippi	440	\$25.80	0.66	0.70
Lower Ohio	365	\$17.94	0.46	0.49
St. Louis	315	\$13.85	0.35	0.38

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

Secondary Rail Car Market Placement LH April 2018	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ 600.00	\$ 1,000.00	\$ 0.15	\$ 0.25	\$ 5.91	\$ 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

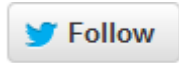

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Best Regards,

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