Transportation and Export Report for 5 March 2020

Ocean Freight Insights and Comments:

Inch by inch Dry-Bulk markets are trying to claw their way upward. But it has been a difficult struggle that has moved in small rate increments of $0.25-$0.50/mt in most routes. It is interesting to note that the Capesize markets have not been able to make any gains over the last few weeks, and this will ultimately influence the Panamax sectors if it does not change. COVID19 virus issues still haunt freight markets but the container sector seems to be working out much of their port logistics problems; now they just need more business. Some container shipping lines are attempting to improve margins by tacking on exorbitant virus surcharges.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
5-Mar-2020	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	17855	14088	3,767	26.7%
P3A - PNW/Pacific - Japan	7386	5360	2,026	37.8%
S1C -USGULF-China-So.Japan	20636	20183	453	2.2%
P7- Trial- Miss. River - Qingdao	43110	42107	1,003	2.4%
P8- Trial- Santos - Qingdao	31871	30579	1,292	4.2%

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

Four weeks ago:	$6.00-$6.15
Three weeks ago:	$5.75-$6.00
Two weeks ago:	$5.80-$5.90
One week ago:	$5.50-$5.70
This week	$5.25-$5.45

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

Mississippi River:	(10 elevators)	2-9 days (2 facilities not currently operating)
Miss. River Mid-Stream loaders: (6+ Rigs)		0-3 days
Texas Gulf	(5 elevators)	0-12 days (only 1 facility is over 4 days)
Pacific Northwest:	(9 elevators)	1-9 days (only 3 facilities over 4 days)

Panamax Market Spreads to Asia -China					
5-Mar-2020	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.98	0.69	0.29	$11.42	PNW
SOYBEANS	0.96	0.61	0.35	$13.78	PNW
OCEAN FREIGHT	$23.00	$42.50	.50-.53	$19.50	April

Recent Reported Vessel Fixtures:

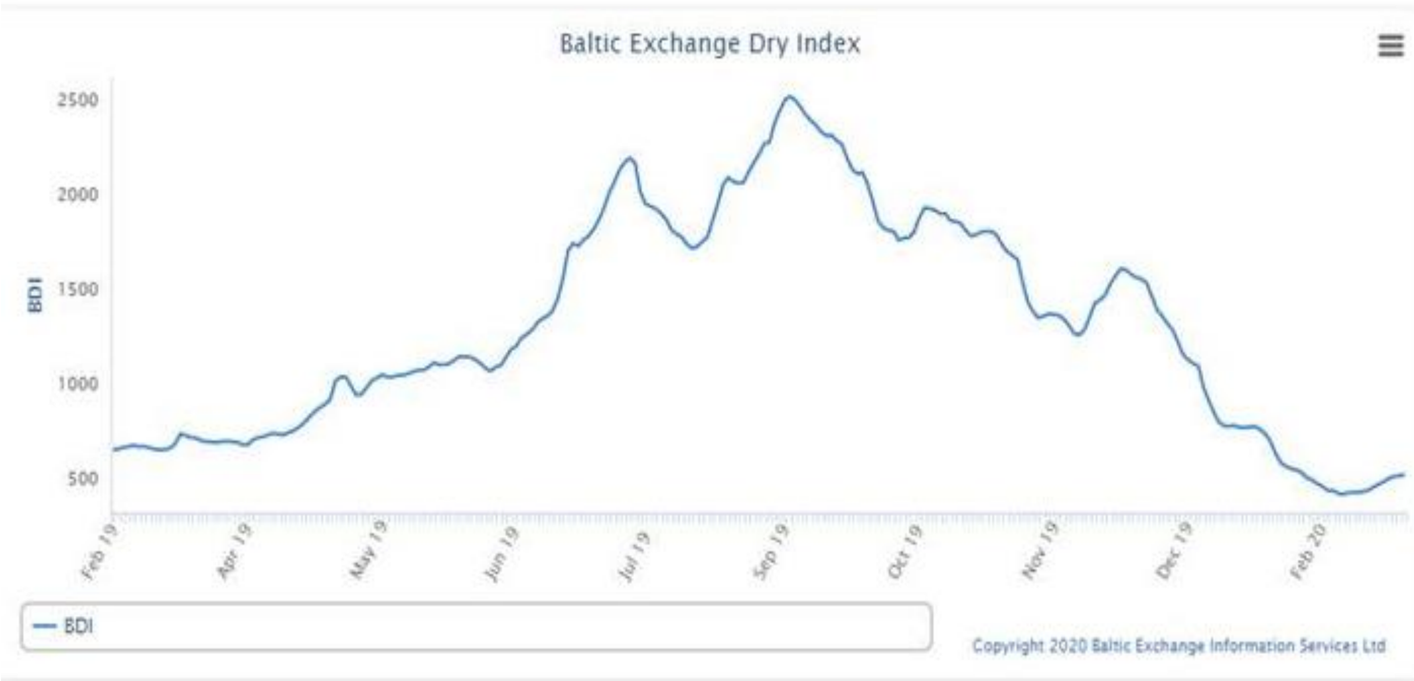
** Below rates are estimates for the nearby slots. 60-90 days forward rates will be higher.

Soybean Panamax USG to Spain is running $18.75/mt.
Soybean Brazil to Spain at about $21.75/mt.
30,000 mt Corn Northern Brazil to Vera Cruz, Mexico $18.50-$19.00/mt .To U.S. E/C about $20.50-21.25/mt

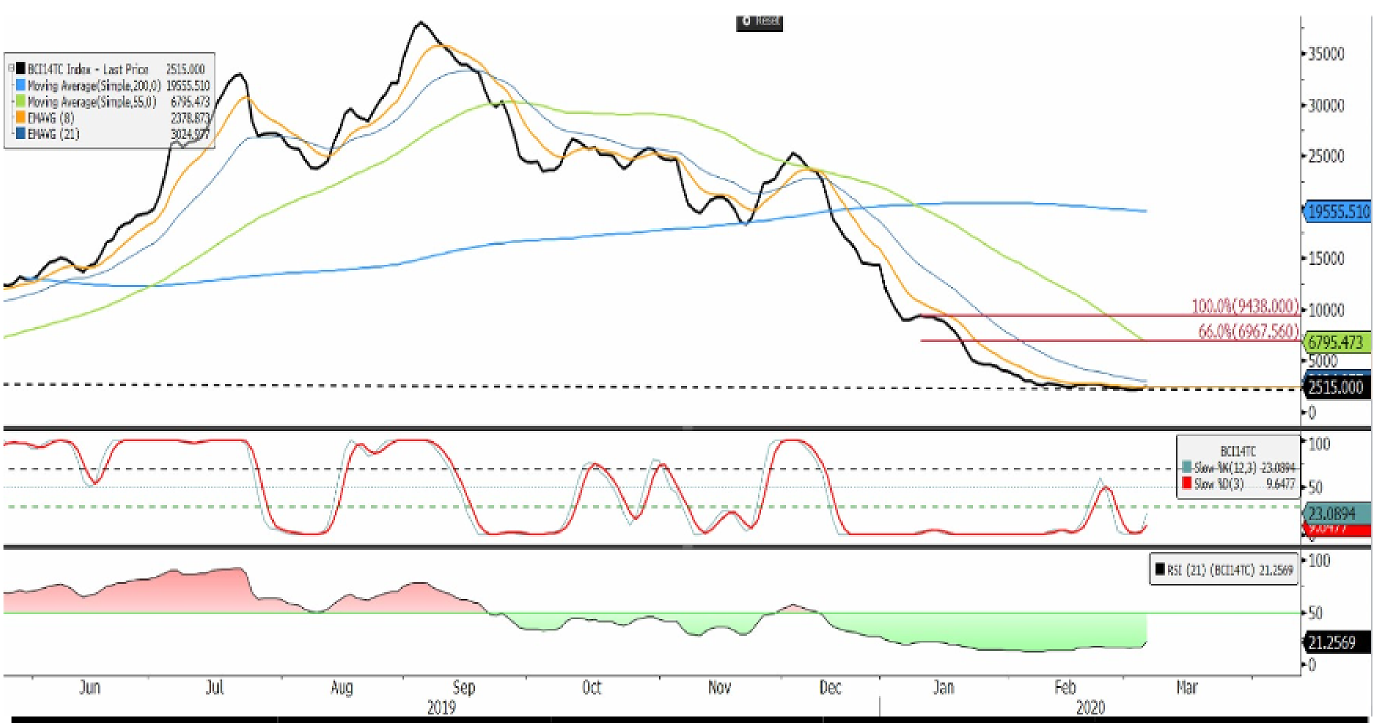
Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	$43.75	Up $0.25	Handymax $44.25 mt
55,000 U.S. PNW- Japan	$23.75	Up $0.25	Handymax $24.50 mt
66,000 U.S. Gulf – China PNW to China	$42.50 $23.00	Up $0.50 Up $0.25	North China
25,000 U.S. Gulf- Veracruz, México	$16.25	Up $0.25	3,000 MT daily discharge rate
30-36,000+ U.S. Gulf- Veracruz, México	$14.00	Up $0.25	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- East Coast Colombia From Argentina	$19.00 $33.00	Unchanged	West Coast Colombia at $26.75 USG to E/C 50,000 mt at $16.00
43-45,000 U.S. Gulf - Guatemala	$28.25	Unchanged	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	$34.00 $34.50	Up $0.50	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	$34.25	Up $0.25	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	$26.00 $26.00	Up $0.50	60,000 -55,000 mt Romania- Russia- Ukraine $12.25 -$112.50 -$12.25 France $16.50
60-70,000 U.S. Gulf – Europe – Rotterdam	$14.50	Unchanged	Handymax at +$1.75 more
Brazil, Santos – China Brazil, Santos – China Northern Coast Brazil	$32.50 $31.00 $35.00	Up $0.50	54-59,000 Supramax-Panamax 60-66,000 Post Panamax Upriver No. Brazil Plus -55,000 mt Plus $7.50/mt
56-60,000 Argentina/Rosario- China Deep Draft	$35.00	Up $0.50	Upriver with BB Top Off $39.5

- **The above rate estimates reflect the 20-30-day forward ocean freight markets.**

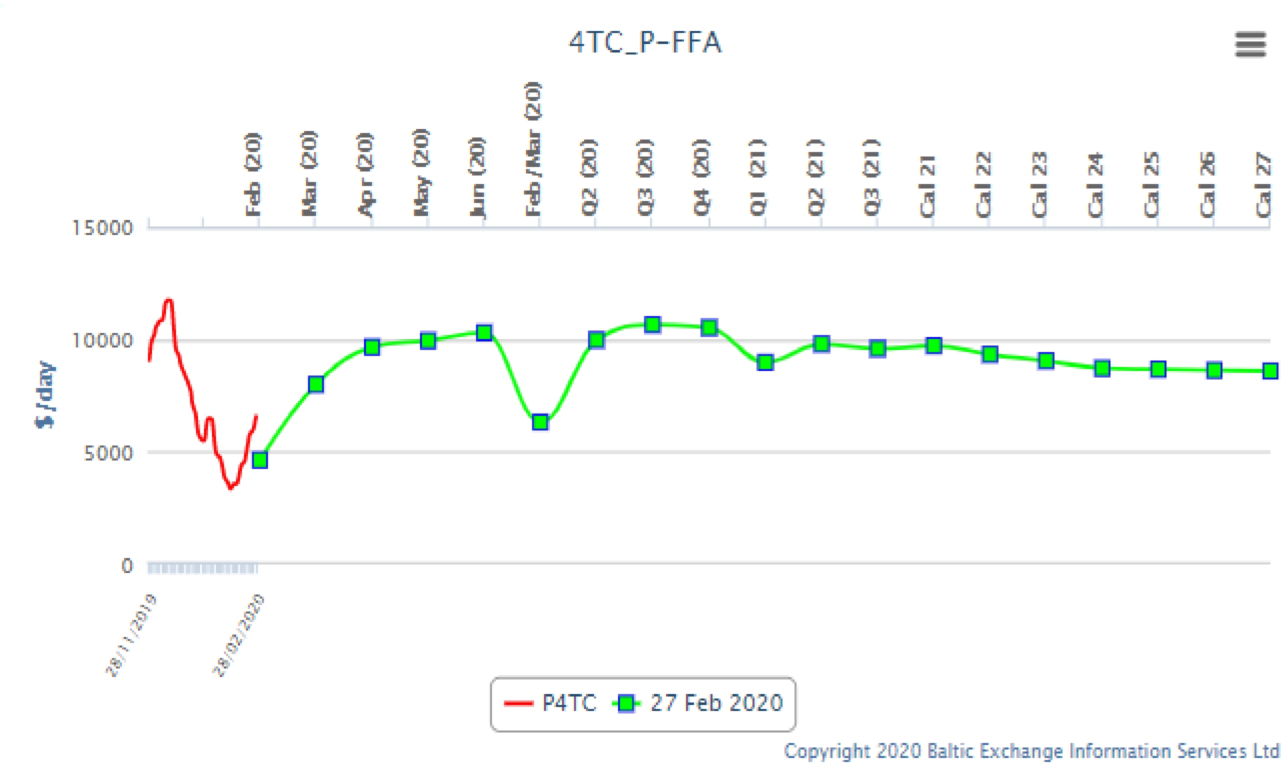
Baltic Dry Bulk Index.



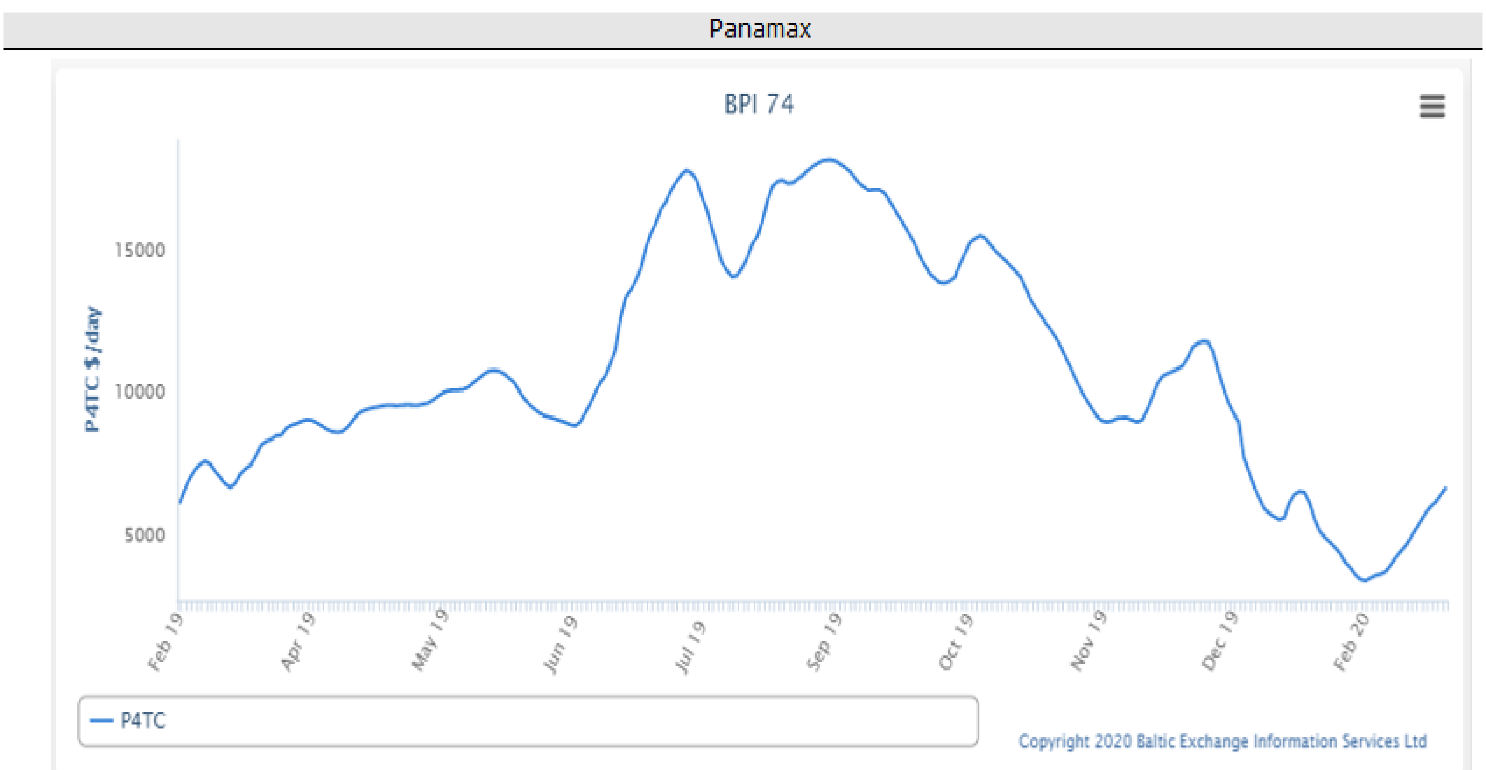
Capesize Index



Baltic Panamax Forward Curve Chart

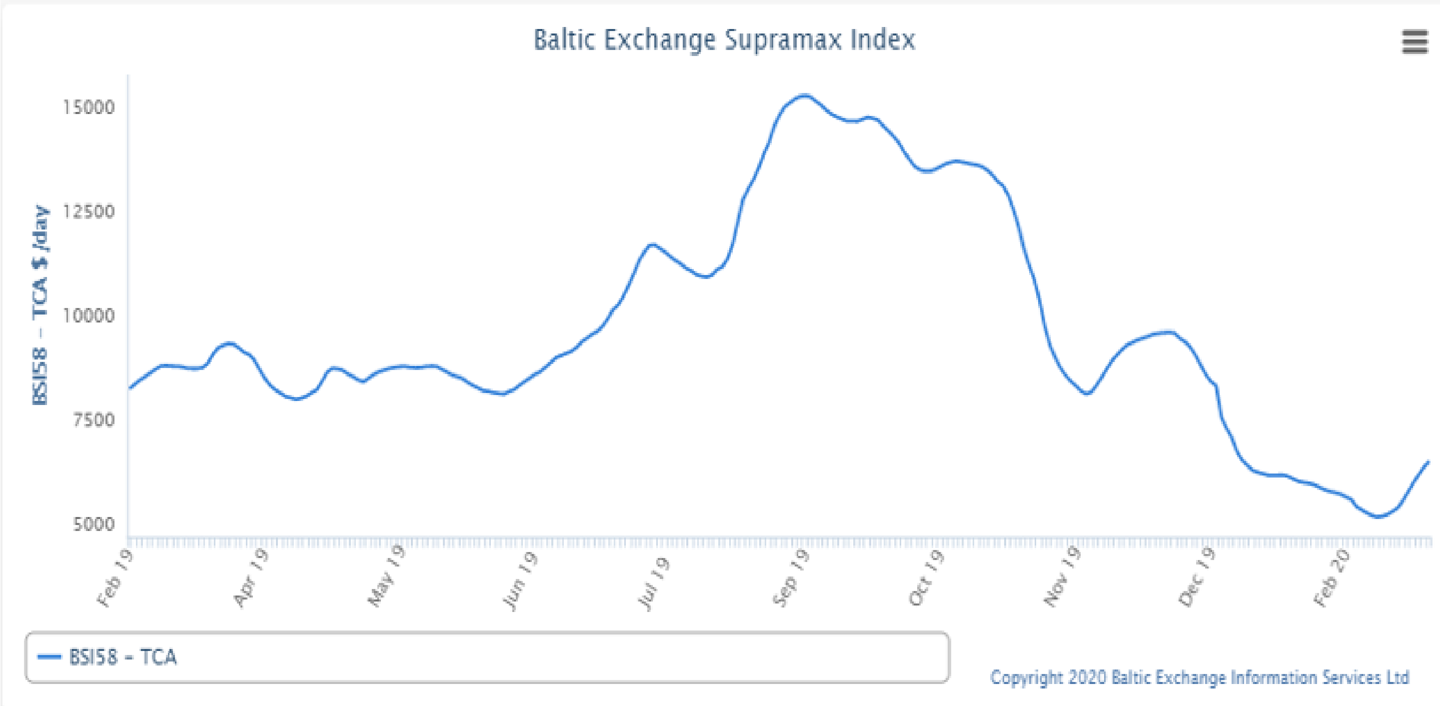


Baltic Panamax Index

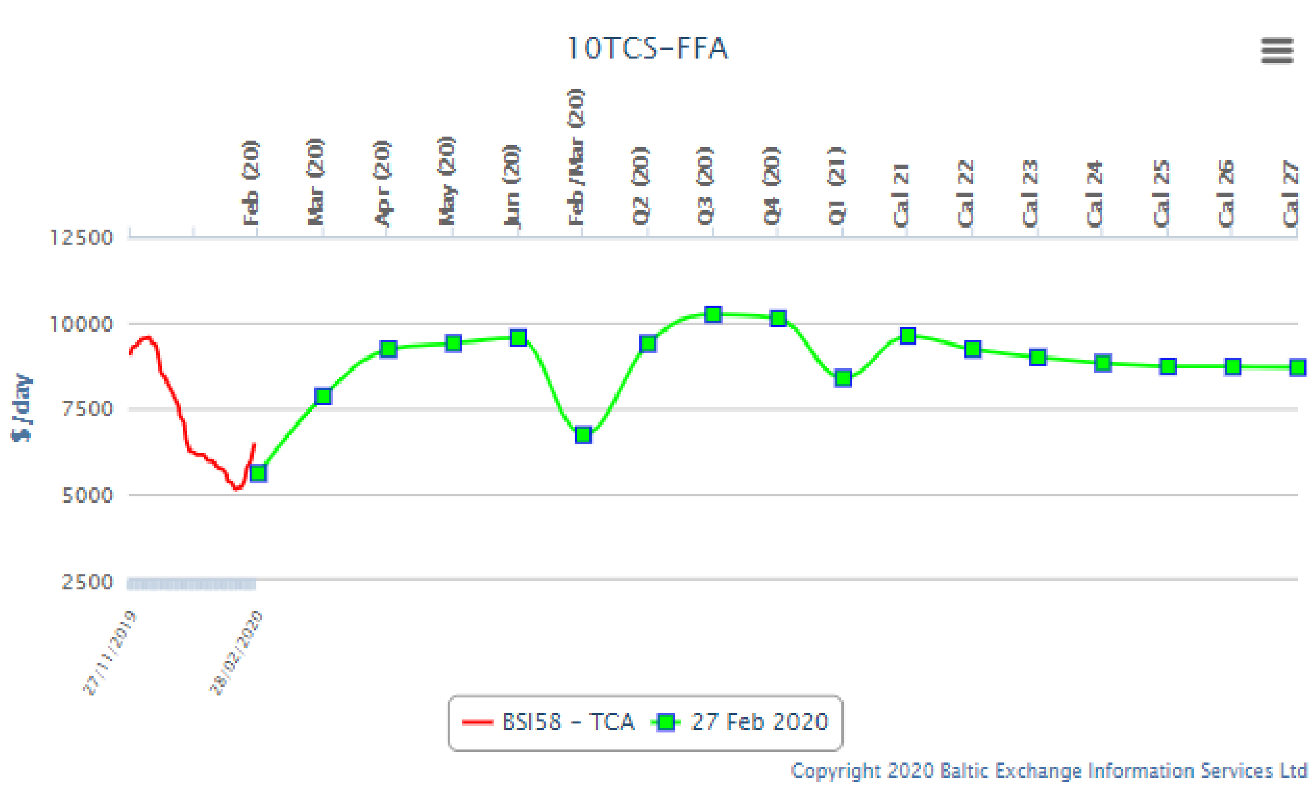


Baltic Supramax Vessel Index

Supramax

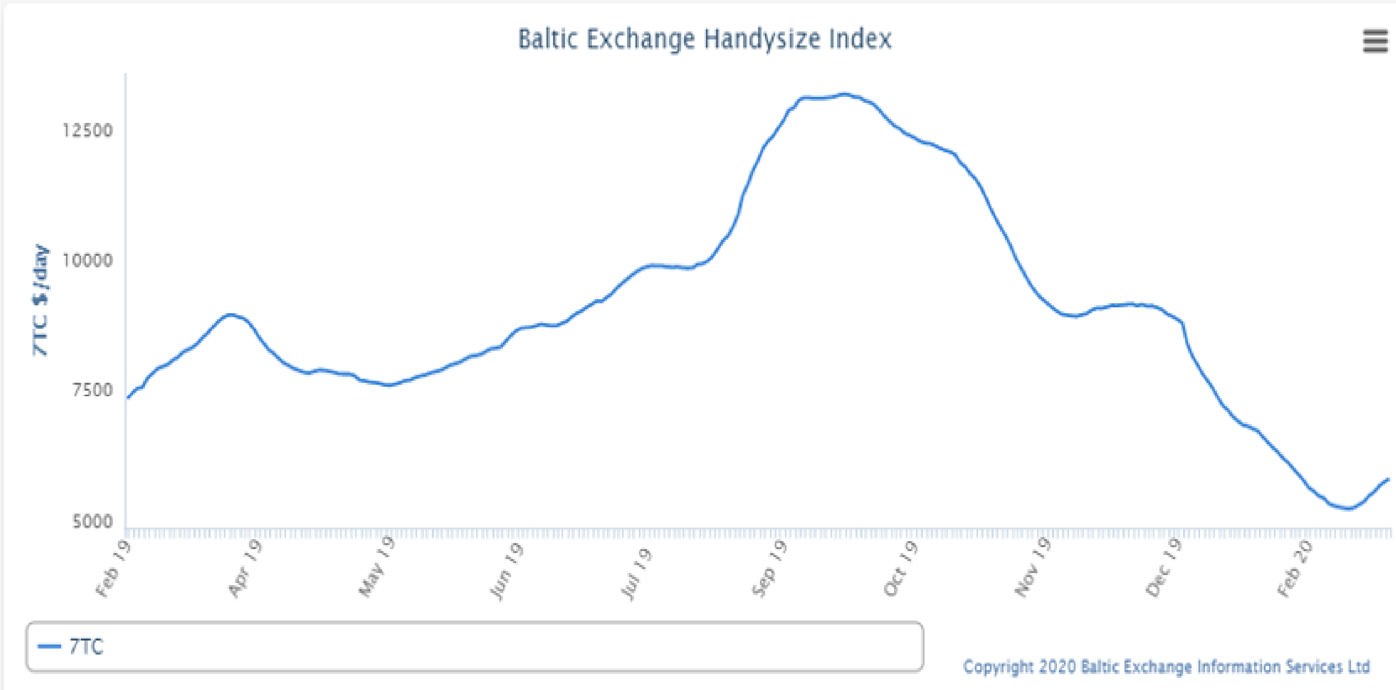


Supramax Dry-Bulk Forward Curve

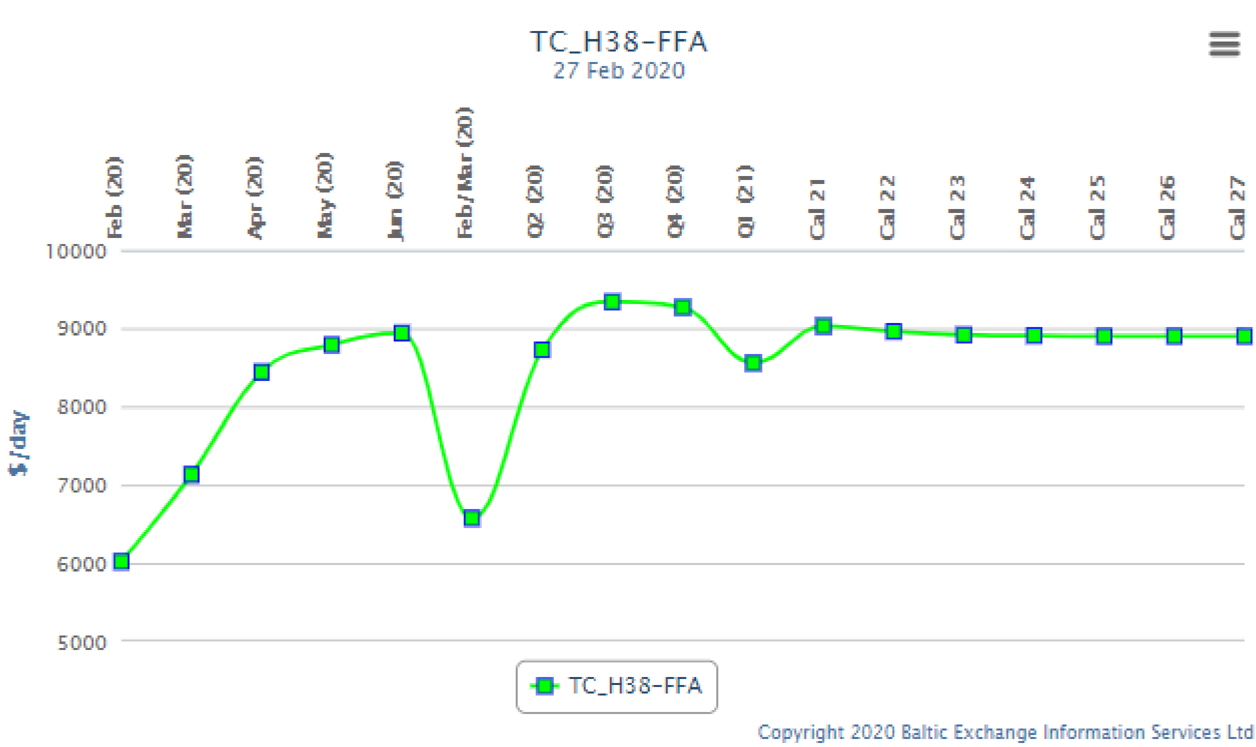


Baltic Handy Size Vessel Index

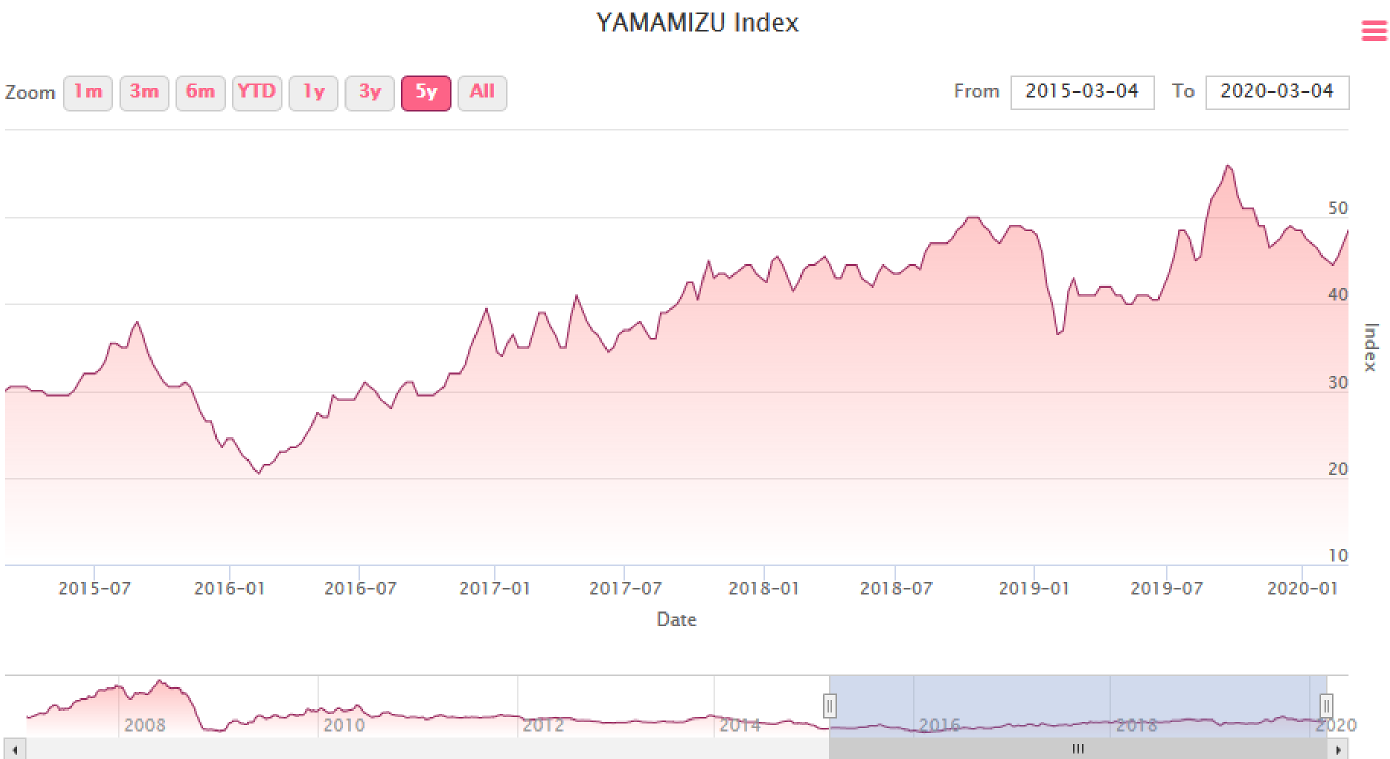
Handysize



Baltic Handy Size Forward Curve



YAMAMIZU Index



China Import Dry Bulk Freight Index 2020-03-05					
Description	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	704.49	-0.36
Iron ore Freight Index			Point	611.38	-5.62
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	$/ton	5.009	-0.083
Soybean Freight Index			Point	933.13	4.46
Santos(Brazil)—North China	60000/10%	Soybean	$/ton	31.134	0.186
Tacoma(West America)—North China	60000/10%	Soybean	$/ton	23.038	0.094
Mississippi(US Gulf)—North China	66000/10%	Soybean	$/ton	42.307	0.15
Mississippi(US Gulf)—North China	55000/10%	Soybean	$/ton	44.258	0.15

5 March 2020 U.S. FOB Vessel Export Market Values:

U.S. Yellow Corn (USD/MT) FOB Vessel				
#2 YC	GULF # 2 YC		PNW # 3 YC	
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
April	0.69	**$177.45**	0.98	**$188.87**
May	0.67	**$176.66**	0.98	**$188.87**
June	0.62	**$175.09**	0.98	**$189.26**
July	0.63	**$175.48**	1.00	**$190.05**
Aug.	0.65	**$175.19**	1.03	**$190.15**
Sept.	0.65	**$175.19**	1.05	**$190.93**

The Gulf spread between #2 & #3 YC is currently about .03 cents per bushel (1.18/mt)

SORGHUM (USD/MT) FOB VESSEL				
#2 YGS Fob Vessel	NOLA		TEXAS	
Max. 14.0% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
April	1.30	**$201.46**	1.15	**$195.56**
May	1.30	**$201.46**	1.15	**$195.56**
June	1.30	**$201.86**	1.15	**$195.95**
July	1.30	**$201.86**	1.15	**$195.95**
Aug.	1.30	**$200.78**	1.15	**$194.87**

Fob vessel Texas Gulf #2 Sorghum is about 110% the value of #2 Yellow Corn at NOLA. But trading at a 85% - 89% of corn to farmers in Western Kansas.

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	$232.86	$232.86	$234.97	$234.97
Basis	1.15	1.15	1.20	1.20
WH	5.2425			.
WK	5.1875			
WN	5.1950			

6-Mar-2020 CME Corn Futures	Close Bushel	This Week MT.	Last Week. Bushel	Last Week. Bu. Diff.	Last Week MT	MT Diff.
Mar.	$ 3.8450	$ 151.37	$ 3.6450	0.2000	$ 143.50	$ 7.87
May	$ 3.8175	$ 150.29	$ 3.6800	0.1375	$ 144.87	$ 5.41
July	$ 3.8275	$ 150.68	$ 3.7250	0.1025	$ 146.65	$ 4.04
Sept.	$ 3.8000	$ 149.60	$ 3.7275	0.0725	$ 146.74	$ 2.85
Dec.	$ 3.8375	$ 151.07	$ 3.7750	0.0625	$ 148.61	$ 2.46
Mar..	$ 3.9350	$ 154.91	$ 3.8750	0.0600	$ 152.55	$ 2.36

CBOT May. 2020 (CK20) CORN Futures Chart –

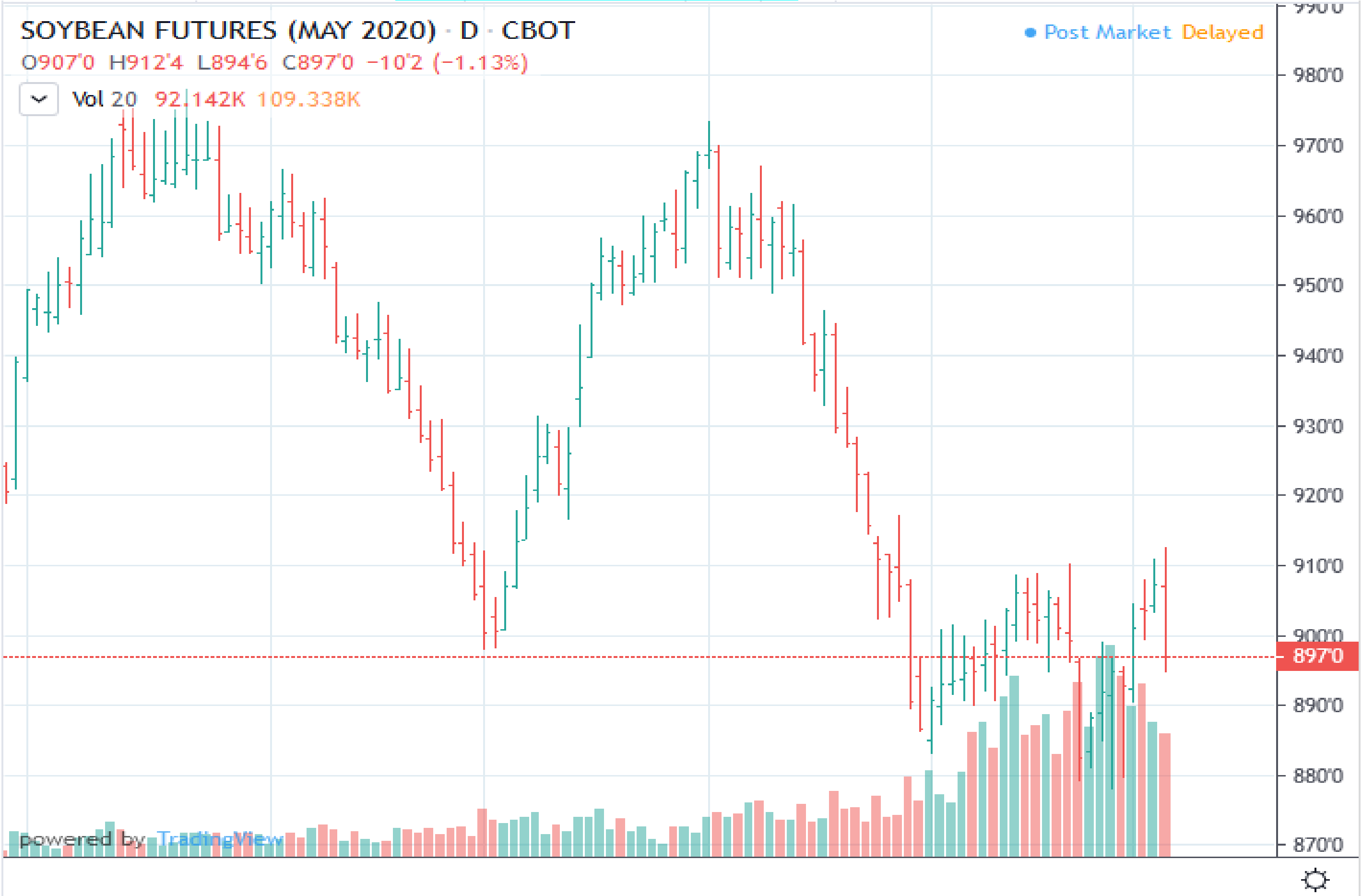
CME/CBOT May 2020 (WK20) SRW Wheat Futures Chart –

U.S. Soybean and SBM Markets Fob Vessel:

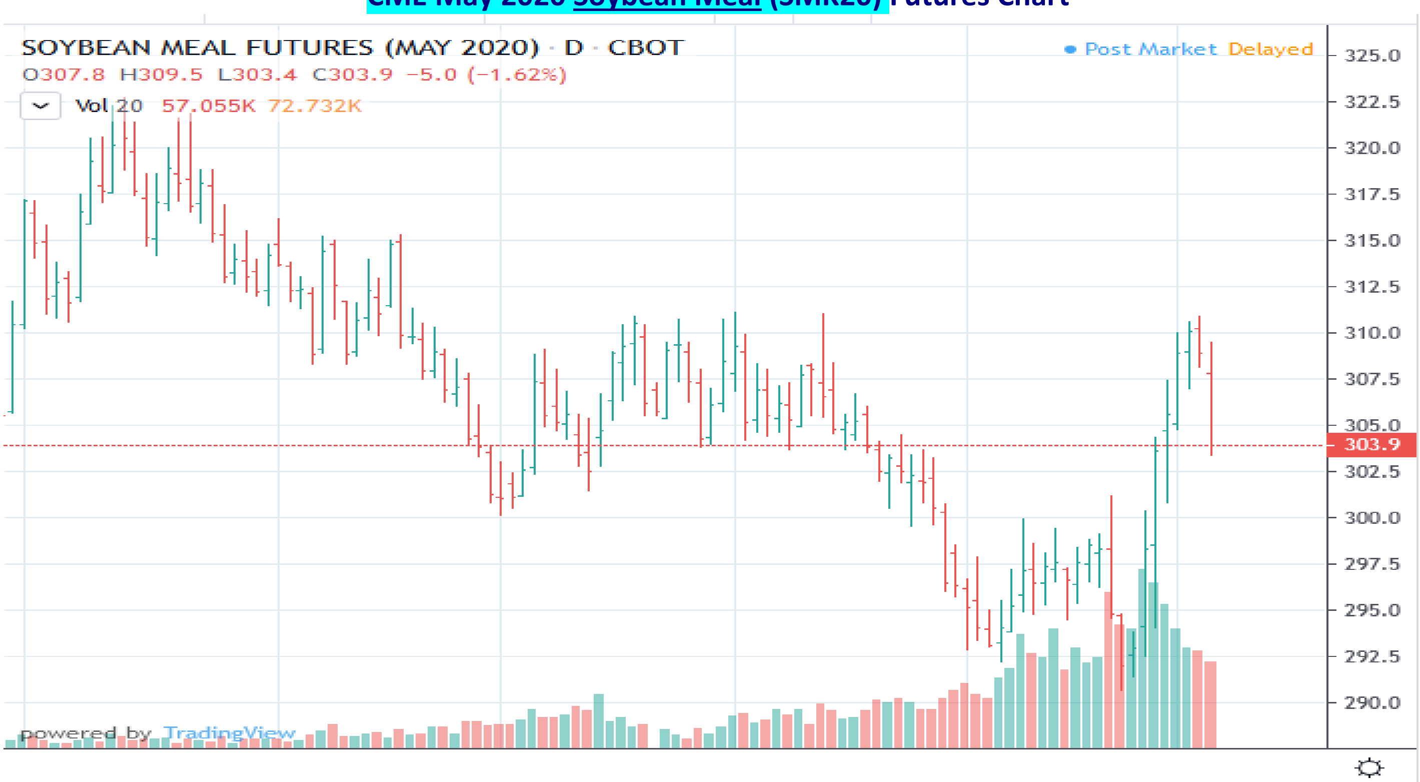
U.S. Yellow Soybeans (USD/MT) FOB Vessel				
# 2 YSB	**U.S. Gulf #2 YSB**		**PNW #2 YSB**	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
April	0.61	**$349.06**	0.96	**$361.92**
May	0.63	**$352.74**	0.97	**$365.23**
June	0.65	**$353.47**	1.04	**$367.80**
July	0.66	**$356.78**	1.01	**$369.64**
Aug.	0.68	**$357.51**	1.05	**$371.11**
Soybean Futures				
Mar.	$ 8.8900			
May	$ 8.9700			
July	$ 9.0500			
Aug.	$ 9.0650			
Sept.	$ 9.0575			
Nov.	$ 9.0850			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	**47.5 Pro. SBM**	
max 12.5 % moisture	Basis	Flat Price
April	18.00	**$ 354.89**
May	16.00	**$ 352.69**
June	14.00	**$ 355.45**
July	15.00	**$ 356.55**
Aug.	16.00	**$ 357.65**
SBM Futures		
SMH	300.40	
SMK	303.90	
SMN	308.40	
SMQ	308.40	
SMU	308.10	
SMV	308.20	

CME May 2020 Soybean (SK20) Futures Chart:



CME May 2020 Soybean Meal (SMK20) Futures Chart



U.S. EXPORT STATISTICS: Report Activity as of Week Ending 20 February 2020
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 '20-21 (000 MT)
Corn	**956.4**	**25,873.2**	**43,820**	**59%**	**1,373.6**
Sorghum	**444.7**	**1,667.2**	**3,050**	**55%**	**33.0**
Soybeans	**357.7**	**33,720.3**	**49,670**	**68%**	**342.1**
Wheat	**393.2**	**22,636.9**	**27,220**	**83%**	**399.1**
Barley	**0.3**	**49.1**	**110**	**45%**	**31.0**

U.S. EXPORT INSPECTIONS:
Monday's report 02 March 2020 for the Export week ending 27 February 2020

	Export Inspections		Current Market Year YTD	Previous Year to Date	2019/20 YTD as Percent of 2018/19 YTD
	This Week	Previous Week			
Corn	**896,221**	**912,922**	**14,117,930**	**25,818,110**	**55%**
Sorghum	**73,207**	**16,661**	**1,401,677**	**885,024**	**158%**
Soybeans	**670,608**	**596,274**	**29,556,691**	**25,969,580**	**114%**
Wheat	**654,097**	**436,937**	**18,825,725**	**17,010,229**	**111%**
Barley	**699**	**0**	**29,131**	**6,974**	**418%**

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

U.S. EXPORT INSPECTIONS:
Monday's report 02 March 2020 for the Export week ending 27 February 2020

Last Week								
(Metric Tons)	**YC**	**%**	**WC**	**%**	**Sorghum**	**%**	**Soybeans**	**%**
Lakes	0	0%	0	0%	0	0%	0	0%
Atlantic	0	0%	0	0%	0	0%	18,560	3%
Gulf	467,334	55%	49,122	96%	69,313	95%	365,127	54%
PNW	235,904	28%	0	0%	220	0%	63,098	9%
Interior Export Rail	141,641	17%	2,220	4%	3,674	5%	223,823	33%
Metric Tons	844,879		51,342		73,207		670,608	

Sorghum Shipments:

metric tons	
69,313	China Main
220	Korea Rep
3,674	Mexico
73,207	Total

White Corn Shipments:

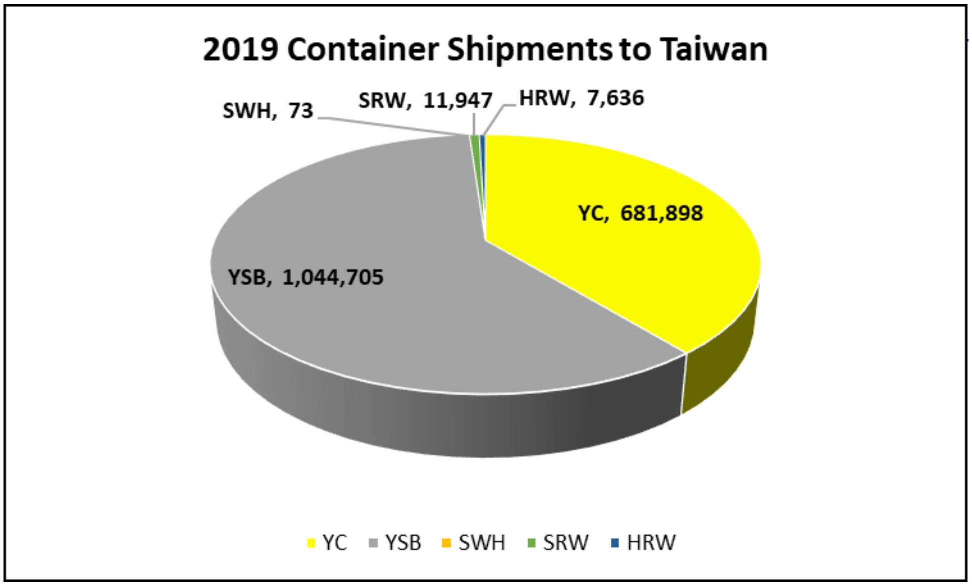
metric tons	
6,820	El Salvador
7,346	Honduras
2,952	Japan
24	Jordan
34,200	Mexico
51,342	Total

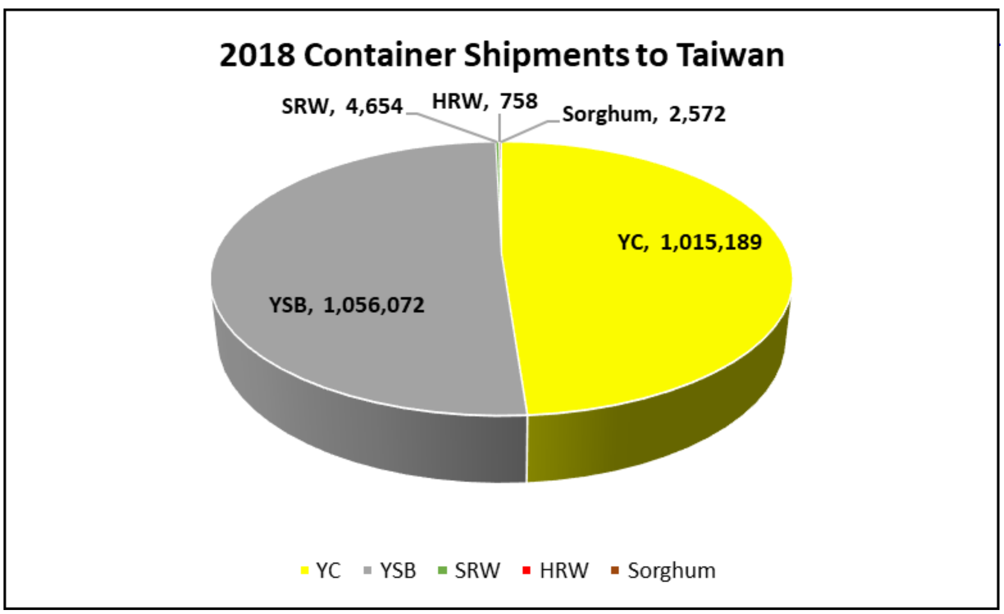
Export Inspection Highlights

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:			27-Feb-2020						
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main									0
China T	10,258		8,888						19,146
Hong Kong	1,028								1,028
Costa Rica	73								73
Indonesia			23,482						23,482
French Poly									0
Japan			783						783
Korea Republic									0
Nepal			4,506						4,506
Malaysia	343		46,169						46,512
India									0
Philippines			21,203						21,203
Thailand			14,202						14,202
Panama									0
Jordan	24	24							48
Bangladesh									0
Burma									0
Vietnam			38,662						38,662
Sub total	11,726	24	157,895	0	0	0	0	0	130,935
USDA Corrections/Additions to previous reports:									
China T			367						367
China Main									0
Hong Kong									0
Korea Rep.									0
Singapore									0
Japan					318				318
Philippines									0
Indonesia			857						857
Malaysia									0
Thailand									0
Vietnam									0
Saudi Arabia									0
Nigeria									0
Sub total	0	0	1,224	0	318	0	0	0	1,542
Mt. Grand Total	**11,726**	**24**	**159,119**	**0**	**318**	**0**	**0**	**0**	132,477
Number of containers	510	1	6,918	0	14	0	0	0	

Jan - Dec 2018 Annual Totals versus 2019 Jan.-Dec. YTD Total Container Shipments (in MT)





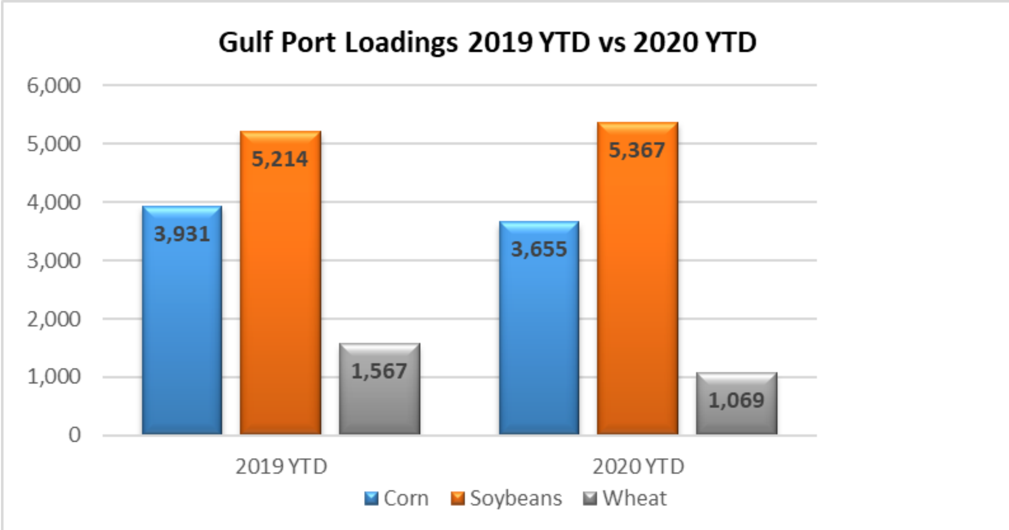
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2019 YTD vs. 2020 YTD

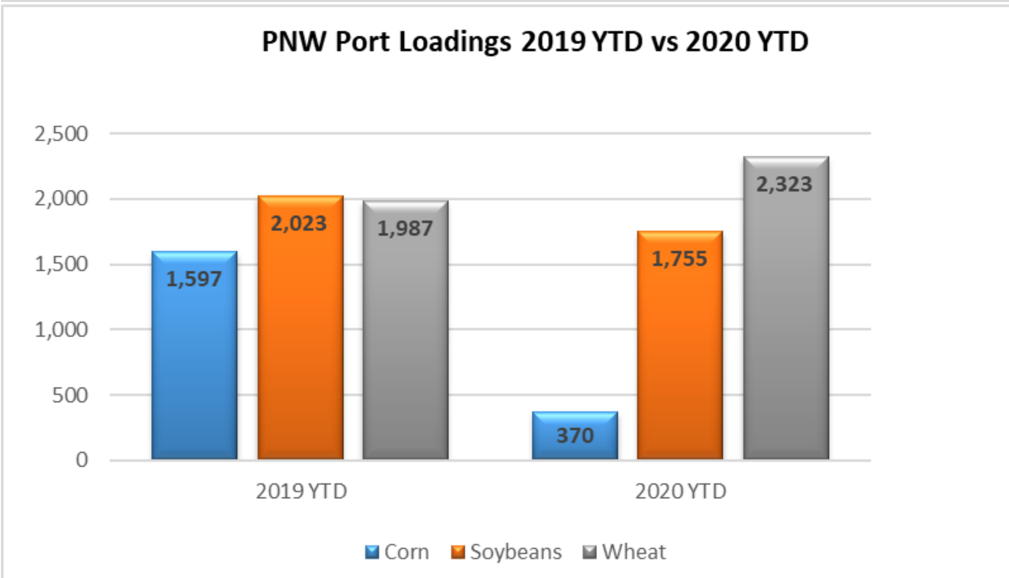
PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2019 YTD	3,931	5,214	1,567	10,712
2020 YTD	3,655	5,367	1,069	10,091
2020 as % of 2019	93%	103%	68%	94%

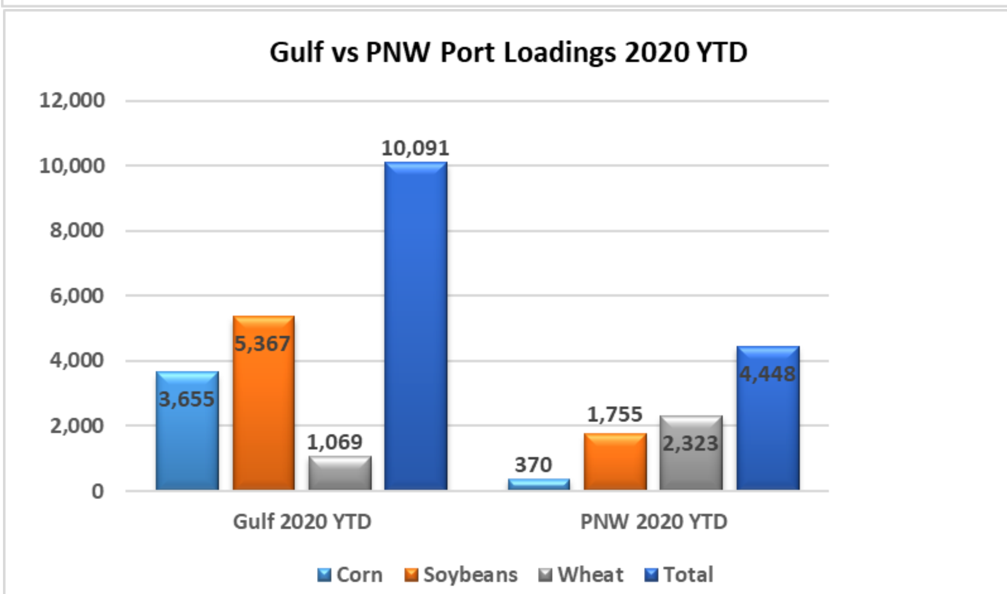
PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2019 YTD	1,597	2,023	1,987	5,607
2020 YTD	370	1,755	2,323	4,448
2020 as % of 2019	23%	87%	117%	79%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2020 Gulf YTD	3,655	5,367	1,069	10,091
2020 PNW YTD	370	1,755	2,323	4,448
TOTAL	4,025	7,122	3,392	14,539
Gulf Percentage	91%	75%	32%	69%
PNW Percentage	9%	25%	68%	31%

Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2019 YTD vs. 2020 YTD

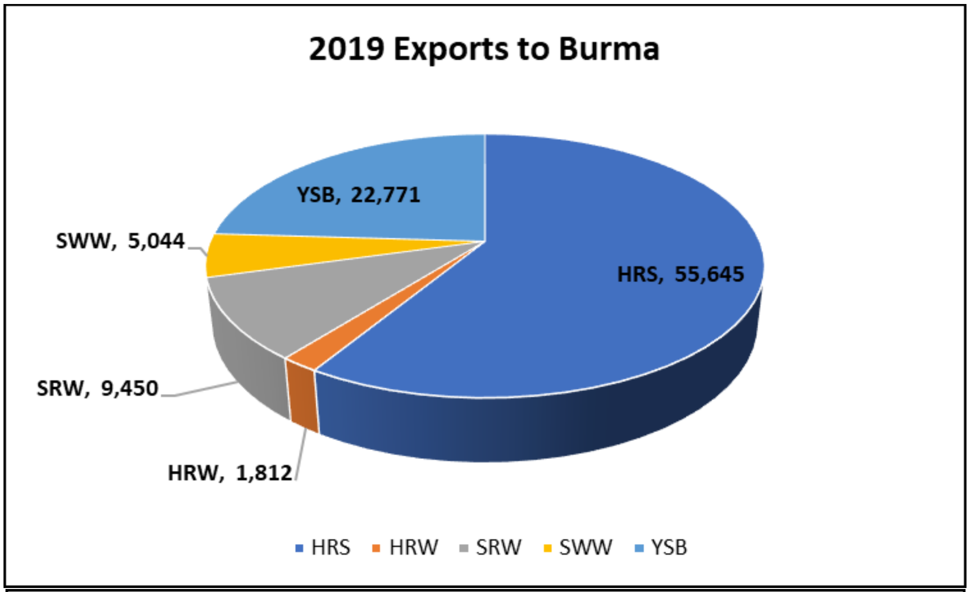


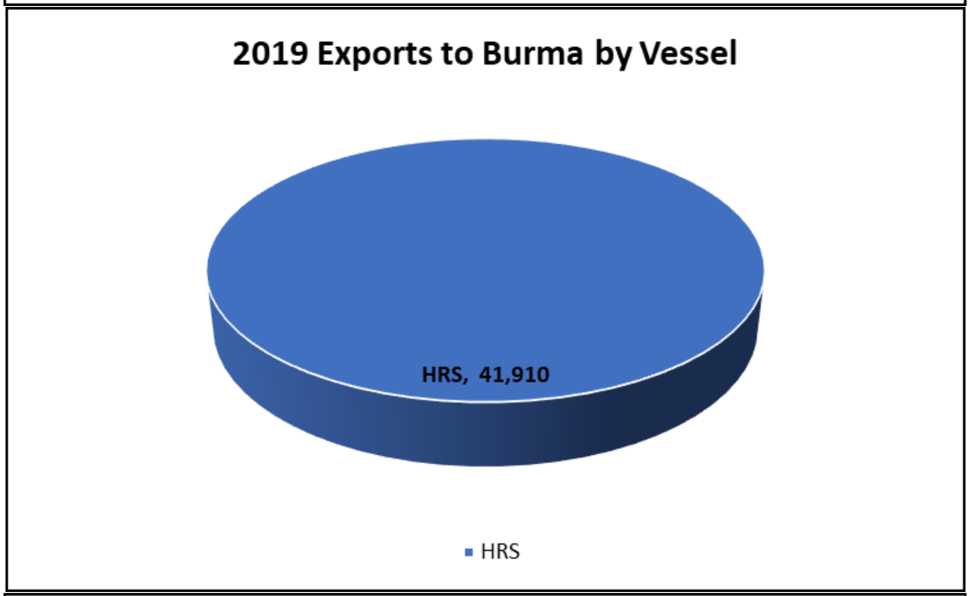


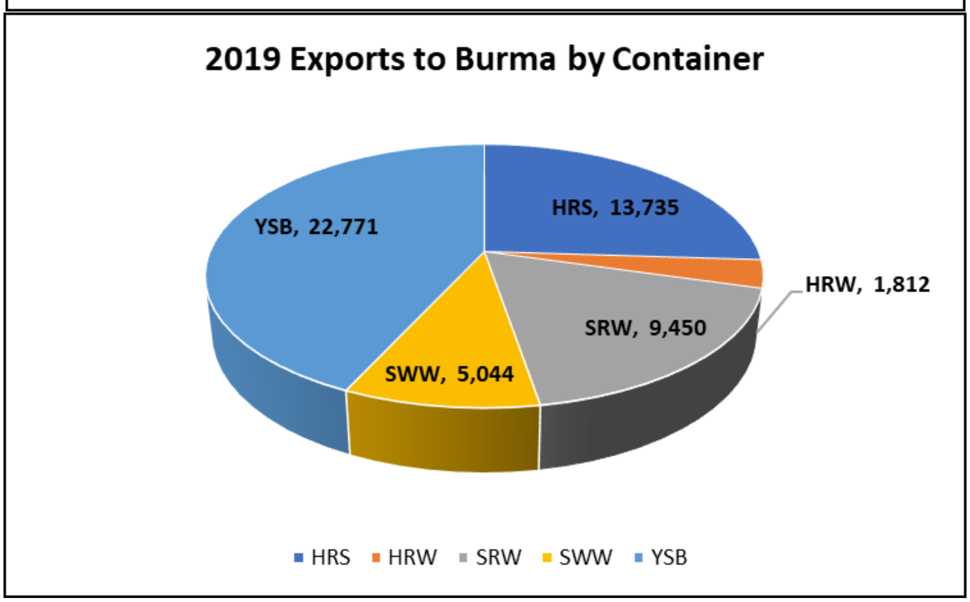


Source: USDA-data

2019 YTD Total Grain Exports reported by USDA (in MT)

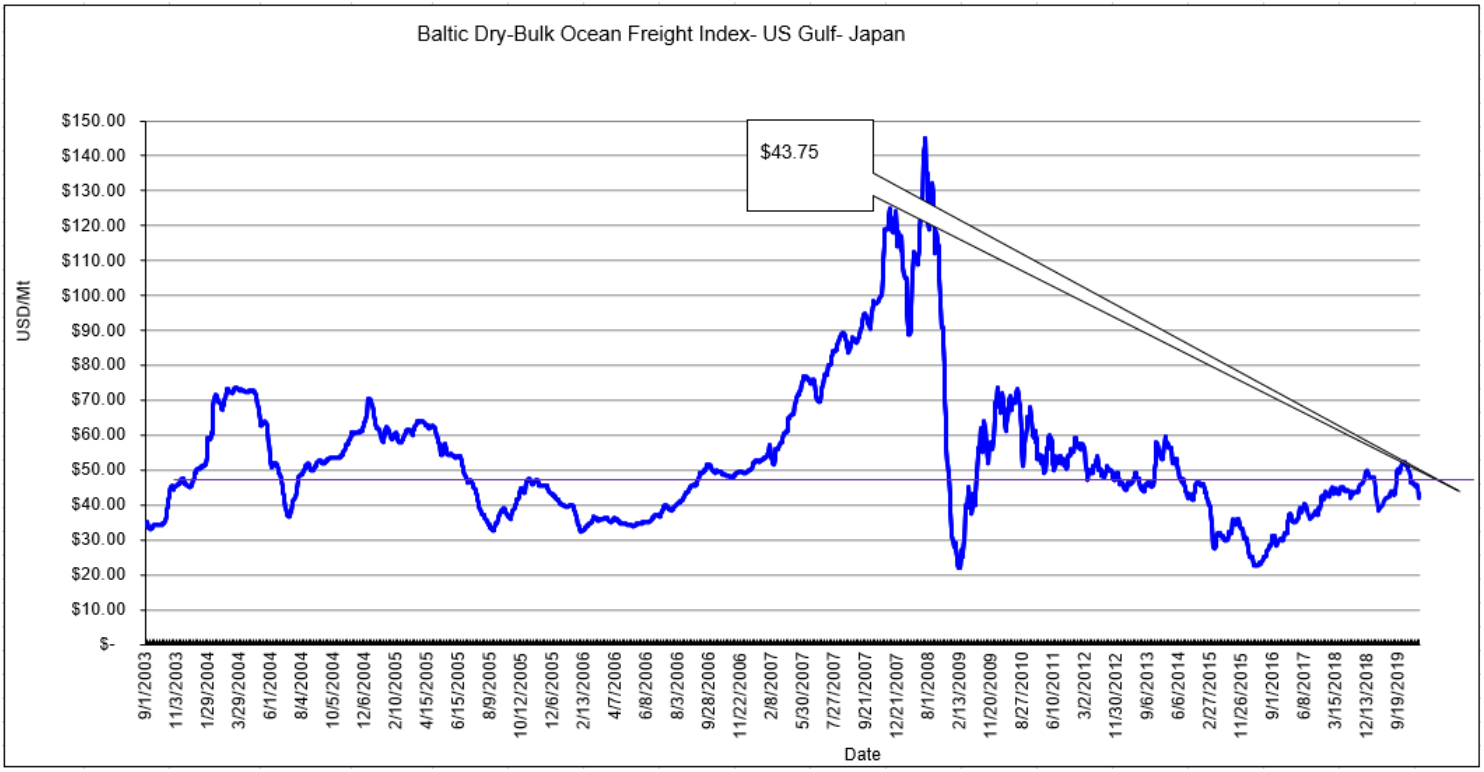


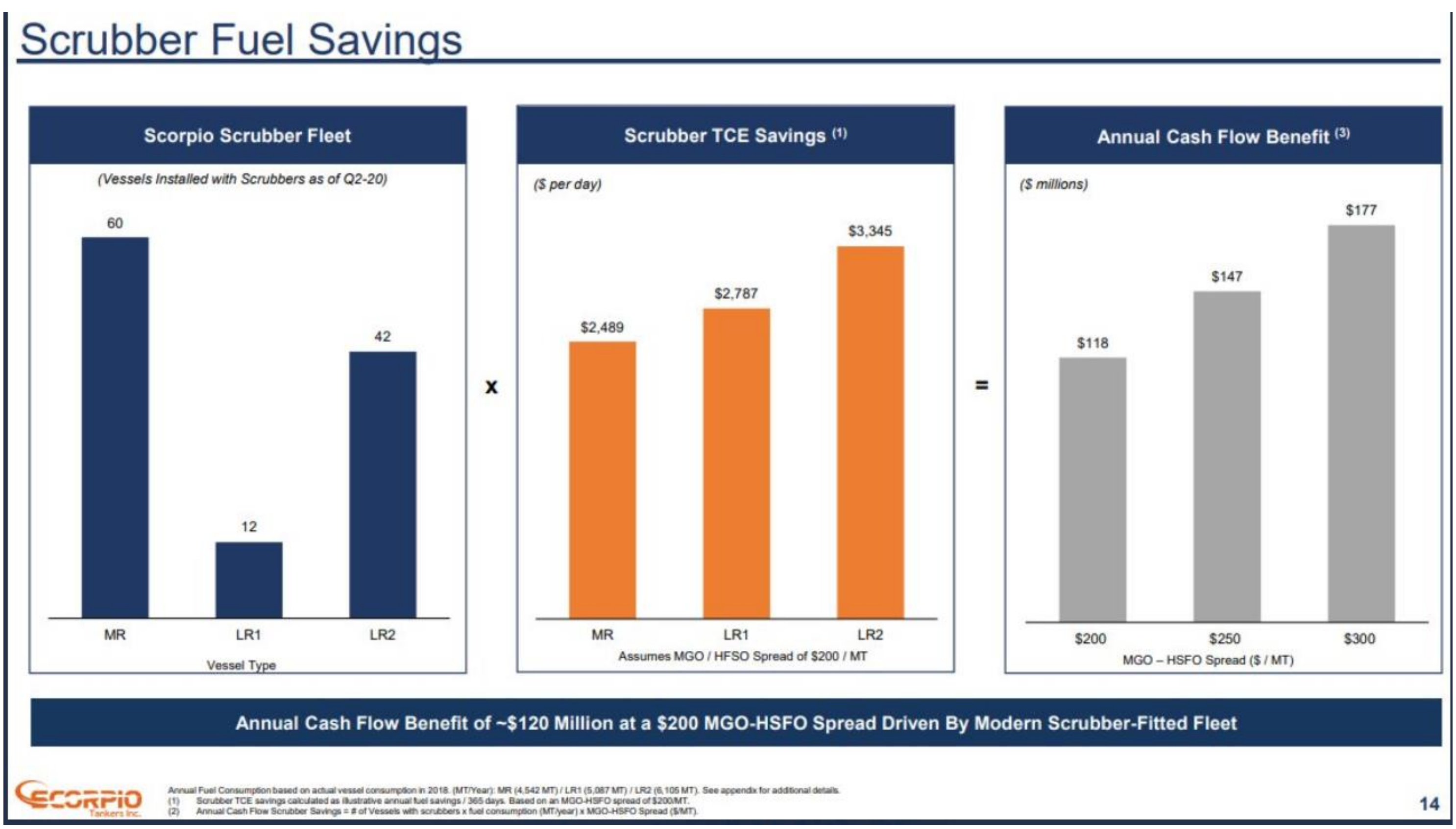




*Please keep in mind that USDA does not report DDGS sales

Shipping News





Splash 247.com

Maersk doubles down on Panama Canal freshwater surcharge

MARCH 3RD, 2020 SAM CHAMBERS

AMERICAS, CONTAINERS, EUROPE, OPERATIONS 0 COMMENTS

Maersk risks irking the shipper community by doubling down on Panama Canal tariffs.

In the wake of the canal authority's decision to raise a $10,000 per transit fresh water surcharge for all ships longer than 38.1 m, a measure that came into effect last month to fight an ongoing drought in the Central American nation, liners have had to ponder what to pass on to clients. Setting the ball rolling, Marseille-based CMA CGM and subsidiary APL eight days ago announced a $15 per teu canal transit surcharge.

Maersk yesterday came up with its own Panama Canal surcharge, twice as high as its French rival. Effective April 1, shippers will be hit with a $30 per teu surcharge for all cargoes transiting the waterway.

In January, acknowledging the climate crisis, the Panama Canal Authority announced a $10,000 fresh water surcharge for all transits, effective February 15. In addition, a variable fee ranging from a minimum of 1% to a maximum of 10% of the vessel's toll will be applied. The percentage to be applied will depend on Gatun Lake's level at the time of transit. The lake is a key part of the waterway, where water levels have dropped alarmingly over the last 12 months. The official lake level will be published daily, as well as forecasted for the following two months.

The Central American nation has battled enormous droughts of late, which saw the canal's watershed being approximately 20% below normal levels last year and stark images of previously submerged trees reemerging along the edges of the expanded canal.

Canal administrator Ricaurte Vasquez told a news conference in January that the measures were needed to tackle the impact of climate change.

Sam Chambers

China Import Dry Bulk Freight Index

China Containerized Freight Index

U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement First Half April 2020

Placement FH April 2020	% of Tariff	MT	Corn BU	Soybeans-Wheat BU
Upper Mississippi	360	$24.56	0.62	0.67
Illinois River (Pekin and South)	310	$16.44	0.42	0.45
Mid-Mississippi	320	$18.77	0.48	0.51
Lower Ohio	225	$11.06	0.28	0.30
St. Louis	215	$ 9.46	0.24	0.26

Secondary Rail Car Market for car placement period: First Half April 2020.

Secondary Rail Car Market Placement FH. April 2020	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shutle Trains	$ (125.00)	$ (75.00)	$ (0.03)	$ (0.02)	$ (1.23)	$ (0.74)
UPRR Shuttle Trains	$ (125.00)	$ (25.00)	$ (0.03)	$ (0.01)	$ (1.23)	$ (0.25)

Best Regards,

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