

## Transportation and Export Report for 13 April 2023

There are plausible reasons to expect higher ocean freight rates in 2023-24; the low level of new vessel orders, high compliant fuel cost, higher labor costs, and stiff CII emissions regulations; but the driving force behind rate movement is cargo demand. And this is the needed item that is not yet supporting higher rates. Though vessel owners are anticipating increased cargo demand from China, economics there have yet to motivate import demand levels that would provide support a substantial rally in ocean freight markets. Panamax FFA paper for Q2 was flat at \$1,550/day, with Q3 trading down to \$16,500/day and Q4 at \$15,750/day. U.S. Container markets are trying to manage current, and anticipated labor slowdowns in the port of LA/LB. U.S. West Coast port Contract negotiations seem to be going nowhere and parties are getting frustrated.

### The BALTIC DRY-BULK PANAMAX INDEX CHANGES

| Panamax Ocean Freight Indices      |         |           |           |            |                |
|------------------------------------|---------|-----------|-----------|------------|----------------|
| 13-Apr-2023                        |         | This Week | Last Week | Difference | Percent Change |
| P2A: Gulf/Atlantic - HK-Korea      | Index   | 25609     | 26465     | -856       | -3.2%          |
| P3A: PNW/Pacific - RV Korea-Taiwan | Index   | 14175     | 14904     | -729       | -4.9%          |
| S1C: US GULF-China-So.Japan        | Index   | 19029     | 18514     | 515        | 2.8%           |
| P7: Trial- Miss. River - Qingdao   | per ton | 55.10     | 56.27     | -1.17      | -2.1%          |
| P8: Trial- Santos - Qingdao        | per ton | 44.40     | 46.83     | -2.43      | -5.2%          |

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

|                  |               |
|------------------|---------------|
| Four weeks ago:  | \$8.25-\$8.90 |
| Three weeks ago: | \$8.85-\$8.65 |
| Two weeks ago:   | \$8.55-\$7.85 |
| One week ago:    | \$8.60-\$8.70 |
| This week        | \$8.60-\$8.40 |

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

|                     |               |  |
|---------------------|---------------|--|
| Mississippi River:  | (9 elevators) | 2-7 days (only 1 facility over 4 days) |
| Mid-Stream loaders: | (6+ Rigs)     | 0-1 days                               |
| Texas Gulf          | (5 elevators) | 0-4 days ( 3 Facilities at zero days)  |
| Pacific Northwest:  | (9 elevators) | 0-6 days (4 facilities at zero days)   |

| Panamax Market Spreads to Asia -China |         |         |               |              |           |
|---------------------------------------|---------|---------|---------------|--------------|-----------|
| 13-Apr-2023                           | GULF    | PNW     | Bushel Spread | Tonne Spread | Advantage |
| CORN                                  | 0.90    | 1.55    | 0.65          | \$25.59      | BOTH      |
| SOYBEANS                              | 1.10    | 2.05    | 0.95          | \$34.91      | GULF      |
| OCEAN FREIGHT                         | \$55.25 | \$29.50 | .65-.70       | \$25.75      | MAY       |

### Current Grain Vessel Market Indications:

**\*\* 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 \$31.00 - \$32.00/mt.

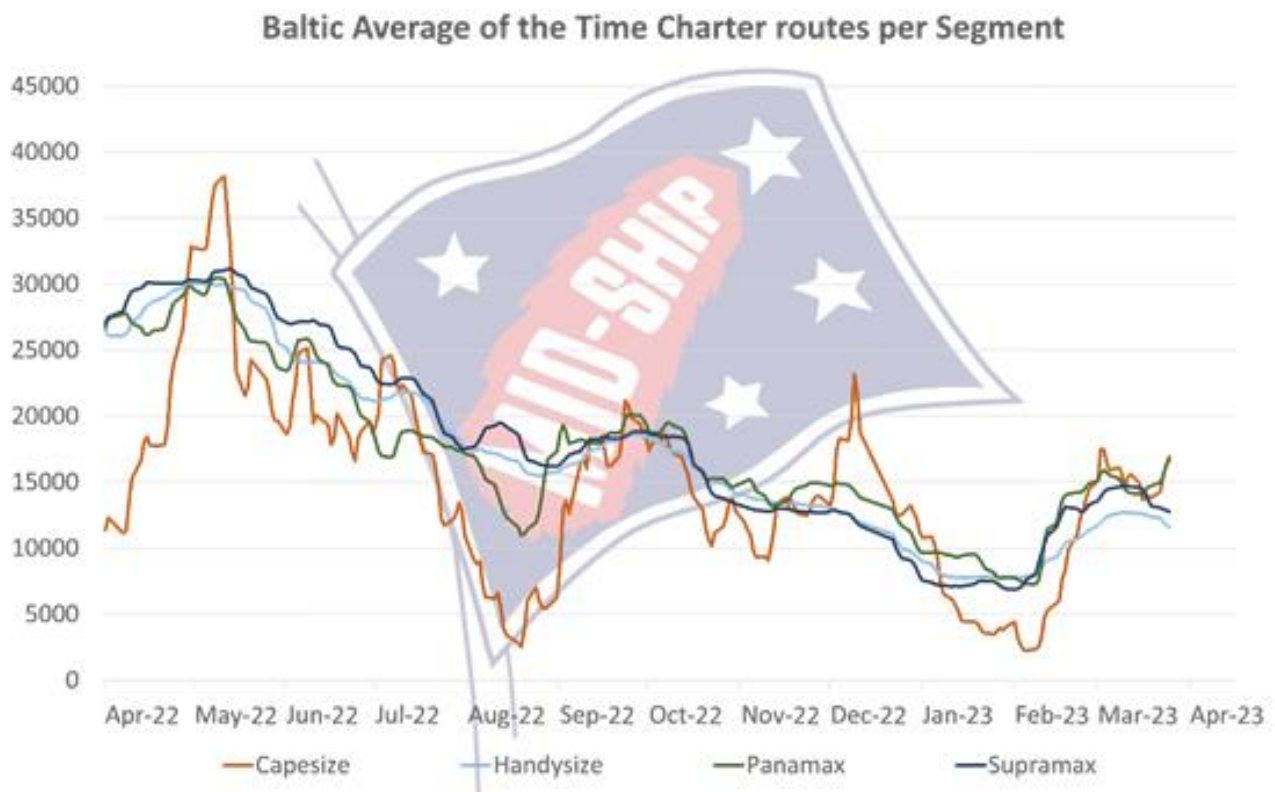
Soybean Brazil to Spain about \$41.00 - \$42.50/mt.

| Route and Vessel Size                        | Current Week USD/MT | Change from previous week | Remarks  |
|--|---------------------|---------------------------|--|
| 55,000 U.S. Gulf-Japan                       | \$55.75             | Up \$0.25                 | Handymax \$55.00 mt  |
| 55,000 U.S. PNW- Japan                       | \$30.00             | Unchanged                 | Handymax at \$29.50 mt   |
| 65,000 U.S. Gulf – China                     | \$55.25             | Up \$0.25                 | North or South China   |
| PNW to China                                 | \$29.50             | Unchanged                 |  |
| 25,000 U.S. Gulf- Veracruz, México           | \$23.25             | Down \$0.25               | 3,000 MT daily discharge rate  |
| 35-40,000 U.S. Gulf- Veracruz, México        | \$20.00             | Unchanged                 | Deep draft and 6,000 MT per day discharge rate.  |
| 30-38,000 U.S. Gulf- Colombia                | \$31.00             | Unchanged                 | <u>West Coast Colombia at \$34.00</u>  |
| 50,000 USG- E/C Colombia                     | \$29.00             |                           |  |
| <u>East Coast Colombia</u><br>From Argentina | \$40.00             |                           |  |
| 40-45,000 U.S. Gulf - Guatemala              | \$33.50             | Down \$0.50               | Acajutla/Quetzal - 8,000 out   |
| 30,000 US Gulf-Morocco                       | \$36.00             | Unchanged                 | 5,000 discharge rate   |
| 55-60,000 U.S. Gulf –Egypt                   | \$32.50             | Unchanged                 | 55,000-60,000 mt Egypt   |
| PNW to Egypt                                 | \$33.00             |                           | Romania - Russia- Ukraine<br>\$17.00 - \$23.00 - \$52.00 -<br>France \$24.50, Bulgaria \$17.00 |
| 58-74,000 U.S. Gulf – Europe – Rotterdam     | \$28.50             | Up \$0.50                 | Handymax at +\$2.50 more   |
| Brazil, Santos –China                        | \$48.00             | Down \$2.00               | 54-59,000 Supramax-Panamax   |
| Brazil, Santos –China                        | \$46.00             |                           | 60-66,000 Post Panamax   |
| Up-River Port North Brazil                   | \$52.00             |                           | 55-60,000 mt   |
| 56-60,000 Argentina-China                    | \$51.00             | Down \$2.000              | Up-River with Top Off Plus<br>\$3.85-\$4.75  |
| Deep draft                                   |                     |                           |  |

## Baltic Dry Bulk Freight Index



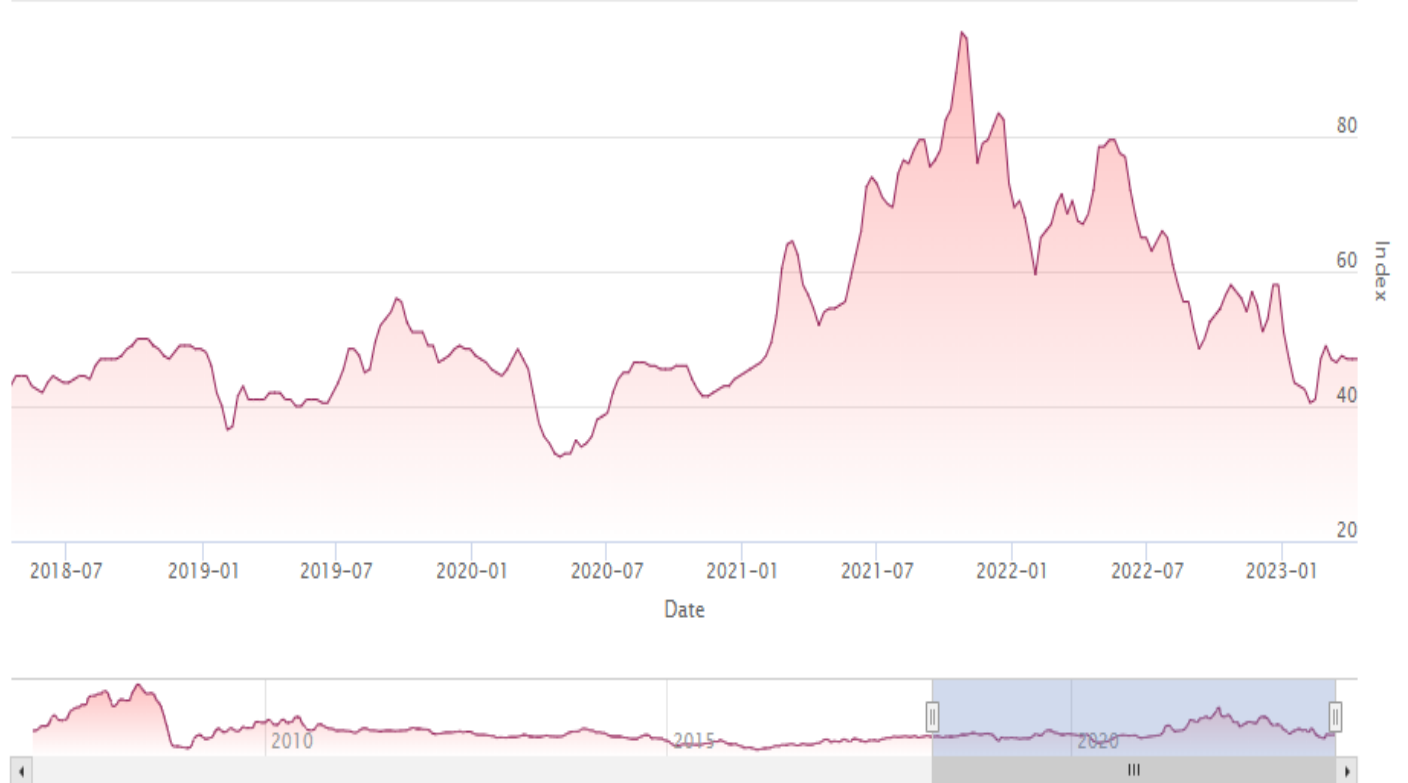
## The Baltic Dry Bulk Freight Index- Cape-Panamax-Supra and Handy



## YAMAMIZU Index


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

From 2018-04-12 To 2023-04-12



| China Import Dry Bulk Freight Index     |            |          |        |         |        |
|---|------------|----------|--------|---------|--------|
| 2023-04-13                              |            |          |        |         |        |
| Description                             | Volume     | Cargo    | Unit   | Rate    | Change |
| Composite Index                         |            |          | Point  | 1094.53 | 6.07   |
| Iron ore Freight Index                  |            |          | Point  | 1032.02 | 20.94  |
| Dampier(West Australia)-Qingdao (China) | 170000/10% | Iron ore | \$/ton | 8.412   | 0.457  |
| Soybean Freight Index                   |            |          | Point  | 1286.65 | -7.33  |
| Santos(Brazil)— North China             | 66000/10%  | Soybean  | \$/ton | 45.18   | -0.26  |
| Tacoma(West America)—North China        | 63000/10%  | Soybean  | \$/ton | 30.12   | -0.19  |
| Mississippi(US Gulf)—North China        | 66000/10%  | Soybean  | \$/ton | 55.4    | -0.3   |

**13 April 2023 U.S. FOB Vessel Export Market Values:**

| <b>U.S. Yellow Corn (USD/MT) FOB Vessel</b> |                    |                 |                   |                 | CORN | FUTURES |
|---|--------------------|-----------------|-------------------|-----------------|------|---------|
| #2 YC                                       | <b>GULF # 2 YC</b> |                 | <b>PNW # 3 YC</b> |                 | K =  | 6.5225  |
| Max. 14.5% moisture                         | BASIS              | FLAT PRICE      | BASIS             | FLAT PRICE      | N =  | 6.2550  |
| <b>May</b>                                  | 0.90               | <b>\$292.21</b> | 1.55              | <b>\$317.80</b> | U =  | 5.6100  |
| <b>June</b>                                 | 1.09               | <b>\$289.16</b> | 1.70              | <b>\$313.17</b> | Z =  | 5.5375  |
| <b>July</b>                                 | 0.96               | <b>\$284.04</b> | 1.60              | <b>\$309.23</b> | H =  | 5.6200  |
| <b>Aug.</b>                                 | 1.40               | <b>\$275.97</b> | 2.02              | <b>\$300.38</b> | K =  | 5.6750  |
| <b>Sept.</b>                                | 1.23               | <b>\$269.28</b> | 1.88              | <b>\$294.87</b> |      |         |
| <b>Oct.</b>                                 | 1.20               | <b>\$265.24</b> | 1.85              | <b>\$290.83</b> |      |         |

PNW rail markets for March-April are extremely thin, and rail road incentives to Exporters to promote movement west are making values difficult to pin point. PNW Fob vessel values are therefore a bit of a guessing game.

The Gulf spread between #2 YC & #3 YC is currently about .03 cents per bushel (1.10/mt) at USG but is out to .04/bushel in the PNW.

| <b>SORGHUM (USD/MT) FOB VESSEL</b> |                   |                 |
|------------------------------------|-------------------|-----------------|
| #2 YGS Fob Vessel                  | <b>TEXAS Gulf</b> |                 |
| Max. 14.0% moisture                | BASIS             | FLAT PRICE      |
| <b>May</b>                         | 2.10              | <b>\$339.45</b> |
| <b>June</b>                        | 2.15              | <b>\$330.89</b> |
| <b>July</b>                        | 2.10              | <b>\$328.92</b> |
| <b>Aug. (Z)</b>                    | 2.40              | <b>\$312.48</b> |
| <b>Oct.</b>                        | 2.25              | <b>\$306.58</b> |

Fob vessel Texas Gulf #2 Sorghum is about 119 % the value of #2 Yellow Corn at NOLA.

**SRW Wheat is now at 97% the value of Corn Fob the USG for May-June-July**

| <b>U.S. SRW Wheat Fob Vessel at the Center U.S. Gulf</b> |               |                   |                |             |
|--|---------------|-------------------|----------------|-------------|
| <b>SRW Wheat</b>   | <b>USD/MT</b> | <b>Fob Vessel</b> | <b>US Gulf</b> |             |
|  | <b>May</b>    | <b>June</b>       | <b>July</b>    | <b>Aug.</b> |
| FOB U.S. GULF  | \$283.66      | \$279.62          | \$270.43       | \$272.36    |
| Basis  | 1.05          | 0.85              | 0.60           | 0.55        |
| WK   | 6.6700        |                   |                |             |
| WN   | 6.7600        |                   |                |             |
| WU   | 6.8625        |                   |                |             |

| <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>May</b>                                      | 1.10                    | <b>\$591.94</b> | 2.05              | <b>\$626.84</b> |
| <b>June</b>                                     | 1.30                    | <b>\$589.09</b> | 2.25              | <b>\$623.99</b> |
| <b>July</b>                                     | 1.15                    | <b>\$583.58</b> | 2.10              | <b>\$618.48</b> |
| <b>Aug.</b>                                     | 1.12                    | <b>\$564.29</b> | 2.07              | <b>\$599.19</b> |
| <b>Oct.</b>                                     | 1.45                    | <b>\$535.53</b> | 2.40              | <b>\$570.44</b> |
| <b>Soybean Futures</b>                          |                         |                 |                   |                 |
| <b>May</b>                                      | \$ 15.0100              |                 |                   |                 |
| <b>July</b>                                     | \$ 14.7325              |                 |                   |                 |
| <b>Aug.</b>                                     | \$ 14.2375              |                 |                   |                 |
| <b>Sept.</b>                                    | \$ 13.4450              |                 |                   |                 |
| <b>Nov.</b>                                     | \$ 13.1250              |                 |                   |                 |
| <b>Jan.</b>                                     | \$ 13.1875              |                 |                   |                 |

Soybean cargo demand at PNW ports is thin and rail delivery markets there are very difficult to accurately pinpoint. The above Fob vessel values in the PNW are therefore based on best guesses.

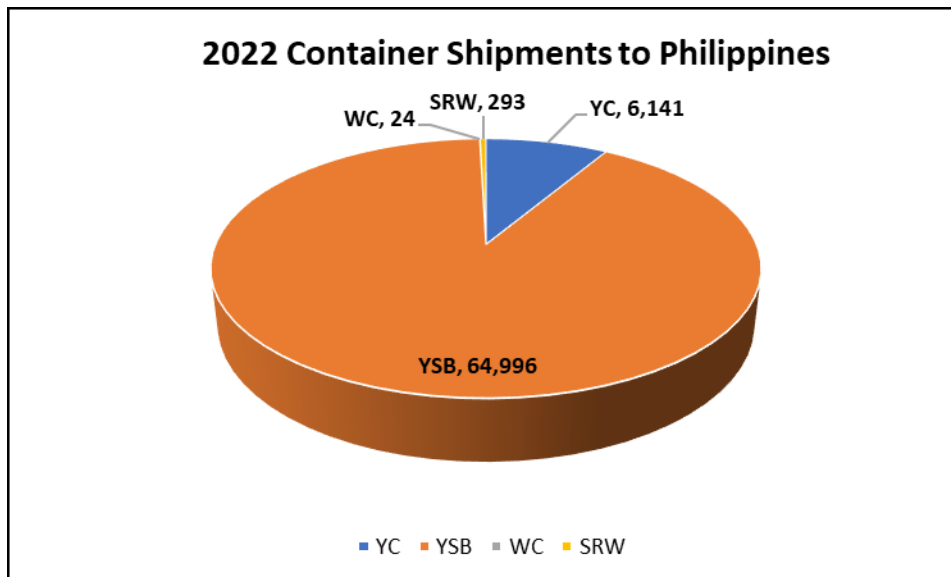
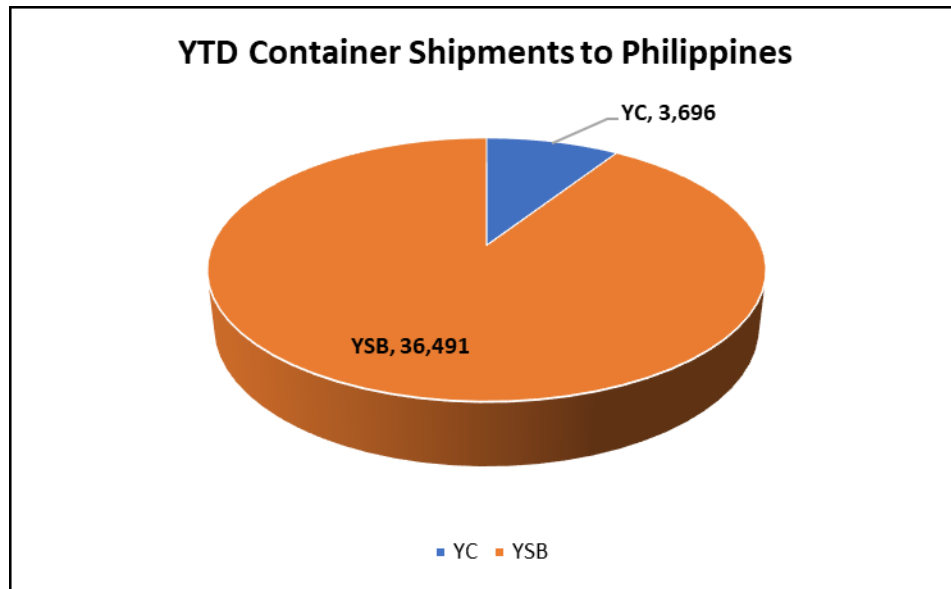
### **U.S. Soybean and SBM Markets Fob Vessel:**

| <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>May</b>                          | 30.00                | <b>\$ 544.19</b> |
| <b>June</b>                         | 30.00                | <b>\$ 541.22</b> |
| <b>July</b>                         | 30.00                | <b>\$ 541.22</b> |
| <b>Aug.</b>                         | 30.00                | <b>\$ 529.31</b> |
| <b>Nov.</b>                         | 50.00                | <b>\$ 514.76</b> |
| <b>SBM Futures</b>                  |                      |                  |
| <b>SMK</b>                          | \$ 463.60            |                  |
| <b>SMN</b>                          | \$ 460.90            |                  |
| <b>SMQ</b>                          | \$ 450.10            |                  |
| <b>SMU</b>                          | \$ 434.20            |                  |
| <b>SMV</b>                          | \$ 419.70            |                  |
| <b>SMZ</b>                          | \$ 416.90            |                  |

**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:                  |              | 6-Apr-2023 |               |              |              |          |          |              |               |
| Last Week                                       | metric tons  |            |               |              |              |          |          |              | MT            |
|   | YC           | WC         | YSB           | SRW          | NS           | HRW      | SWH      | Sorghum      | TOTAL         |
| China   |              |            | 10,016        |              |              |          |          | 3,284        | 13,300        |
| Taiwan  | 3,840        |            | 1,417         | 2,253        |              |          |          |              | 7,510         |
| Hong Kong                                       | 366          |            |               |              |              |          |          |              | 366           |
| Costa Rica                                      |              |            |               |              |              |          |          |              | 0             |
| Indonesia                                       |              |            | 15,686        |              |              |          |          |              | 15,686        |
| French Poly                                     |              |            |               |              |              |          |          |              | 0             |
| Japan   |              |            | 1,614         |              |              |          |          |              | 1,614         |
| Korea Rep.                                      |              |            | 465           |              |              |          |          |              | 465           |
| Ireland   |              | 72         |               |              |              |          |          |              | 72            |
| Malaysia  |              |            | 269           |              |              |          |          |              | 269           |
| Netherlands                                     | 97           |            |               |              |              |          |          |              | 97            |
| Philippines                                     |              |            | 245           |              |              |          |          |              | 245           |
| Thailand  |              |            |               |              |              |          |          |              | 0             |
| Nepal   |              |            | 980           |              |              |          |          |              | 980           |
| Burma   |              |            |               |              |              |          |          |              | 0             |
| India   |              |            |               |              |              |          |          |              | 0             |
| Cambodia  |              |            | 196           |              |              |          |          |              | 196           |
| Vietnam   |              |            | 2,131         |              | 1,470        |          |          |              | 3,601         |
| Sub Total:                                      | 4,303        | 72         | 33,019        | 2,253        | 1,470        | 0        | 0        | 3,284        | 44,401        |
| USDA Corrections/Additions to previous reports: |              |            |               |              |              |          |          |              |               |
| Taiwan  | 24           |            |               |              |              |          |          |              | 24            |
| China   |              |            | 49            |              |              |          |          |              | 49            |
| Hong Kong                                       |              |            |               |              |              |          |          |              | 0             |
| Korea Rep.                                      |              |            | 1,027         |              |              |          |          |              | 1,027         |
| Un Kingdom                                      |              |            |               |              |              |          |          |              | 0             |
| Japan   |              |            |               |              |              |          |          |              | 0             |
| Philippines                                     |              |            |               |              |              |          |          |              | 0             |
| Indonesia                                       |              |            | 1,127         |              |              |          |          |              | 1,127         |
| Malaysia  |              |            | 73            |              |              |          |          |              | 73            |
| Thailand  |              |            |               |              | 294          |          |          |              | 294           |
| Vietnam   |              |            | 49            |              |              |          |          |              | 49            |
| Burma   |              |            |               |              |              |          |          |              | 0             |
| Cambodia  |              |            |               |              |              |          |          |              | 0             |
| Sub Total:                                      | 24           | 0          | 2,325         | 0            | 294          | 0        | 0        | 0            | 2,643         |
| <b>Mt. Grand Total</b>                          | <b>4,327</b> | <b>72</b>  | <b>35,344</b> | <b>2,253</b> | <b>1,764</b> | <b>0</b> | <b>0</b> | <b>3,284</b> | <b>47,044</b> |
| Number of Containers                            | 188          | 3          | 1,537         | 98           | 77           | 0        | 0        | 143          |               |

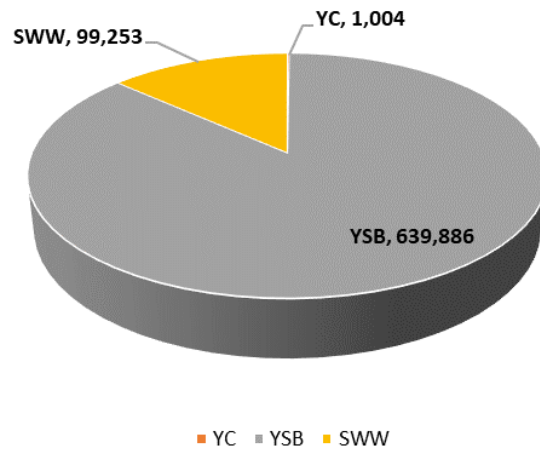
2023 YTD Totals versus 2022 Annual Totals Container Shipments (in MT)



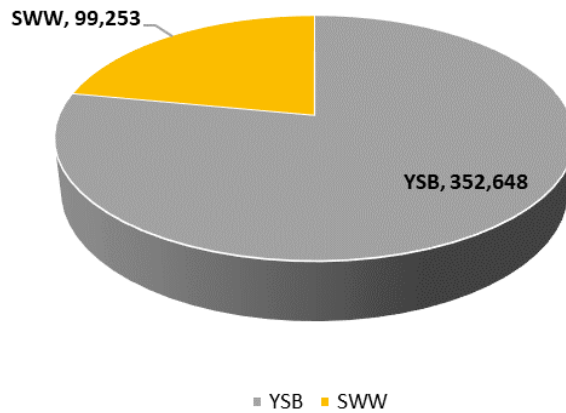


2023 YTD Grain Exports reported by USDA (in MT)

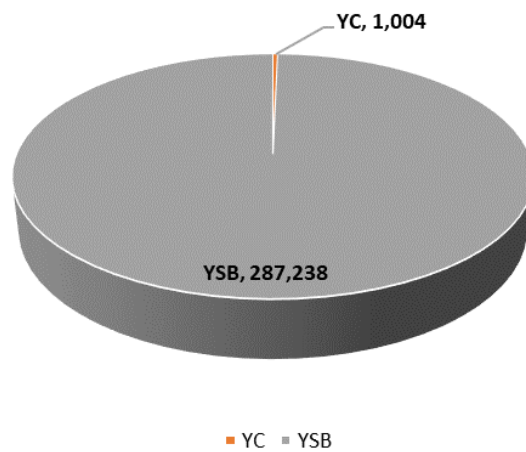
**2023 YTD Exports to Indonesia**



**YTD Vessel Shipments to Indonesia**



**YTD Container Shipments to Indonesia**



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

Source: USDA-data

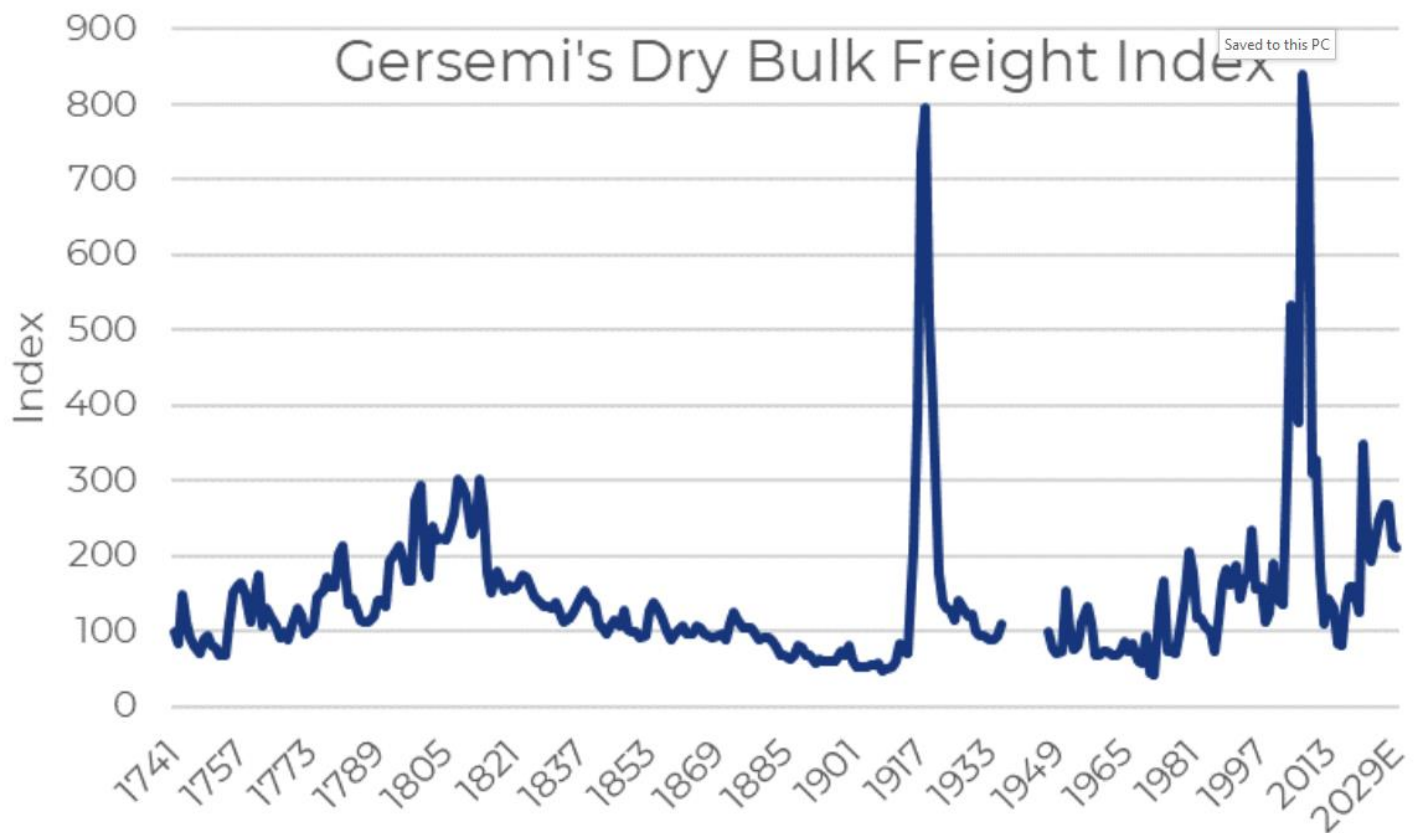
## Shipping News

Joakim Hannisdahl @JHannisdahl · Apr 12

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Looking at Gersemi's [#DryBulk](#) [#shipping](#) earnings index going back to 1741, 2021 was the best year on record besides war-time and the 2003-'08 super-cycle

We expect earnings to stay elevated also in the years to come



## U.S. Container Freight Markets



### **Statement from the Pacific Maritime Association**

**April 7, 2023**

The largest ILWU local on the West Coast has taken a concerted action to withhold labor at the Ports of Los Angeles and Long Beach, resulting in widespread worker shortages. A majority of the jobs for last night's shift went unfilled, including all jobs for cargo-handling equipment operators needed to load and unload cargo. The workers who did show up were released because there was not a full complement of ILWU members to operate the terminals.

ILWU Local 13 withheld labor again for this morning's shift. The action by the Union has effectively shut down the Ports of Los Angeles and Long Beach – the largest gateway for maritime trade in the United States.

The Union's coordinated actions are occurring while negotiations for a new coastwise contract continue. This latest work action comes three weeks after ILWU Local 13 in Southern California stopped complying with a contract provision providing employers the right to assign staggered shifts during meal periods.

These actions undermine confidence in West Coast ports, and threaten to further accelerate the diversion of discretionary cargo to Atlantic and Gulf Coast ports. The health of the Southern California and state economy depend on the ability of the Ports of Los Angeles and Long Beach to stem this market share erosion.

# # #

**Tom Craig** @LTDManagement · 13h

...

#ILWU had another job action that limited LA-Long Beach #ports. Is the union trying to get #PMA to negotiate a contract that has dragged on? Is there a strike on the horizon that would shut USWC ports? What is going on with negotiations that has made this situation? Bad faith by?



🔄 4 📌 2 📄 420 ⬆

**AllThingsVentured** ✓ @AllVentured · 20m

...

1/ We have now entered the labor slowdown phase of the contract negotiation with the West Coast port union (the ILWU) and port operators.

The union will use all manner of excuse to withhold labor and workers will intentionally work slow until resolution.



worldcargonews.com

Labour "shortage" hits LA Long Beach

PMA accuses ILWU of taking "a concerted action to withhold labour at the ports of Los Angeles an...

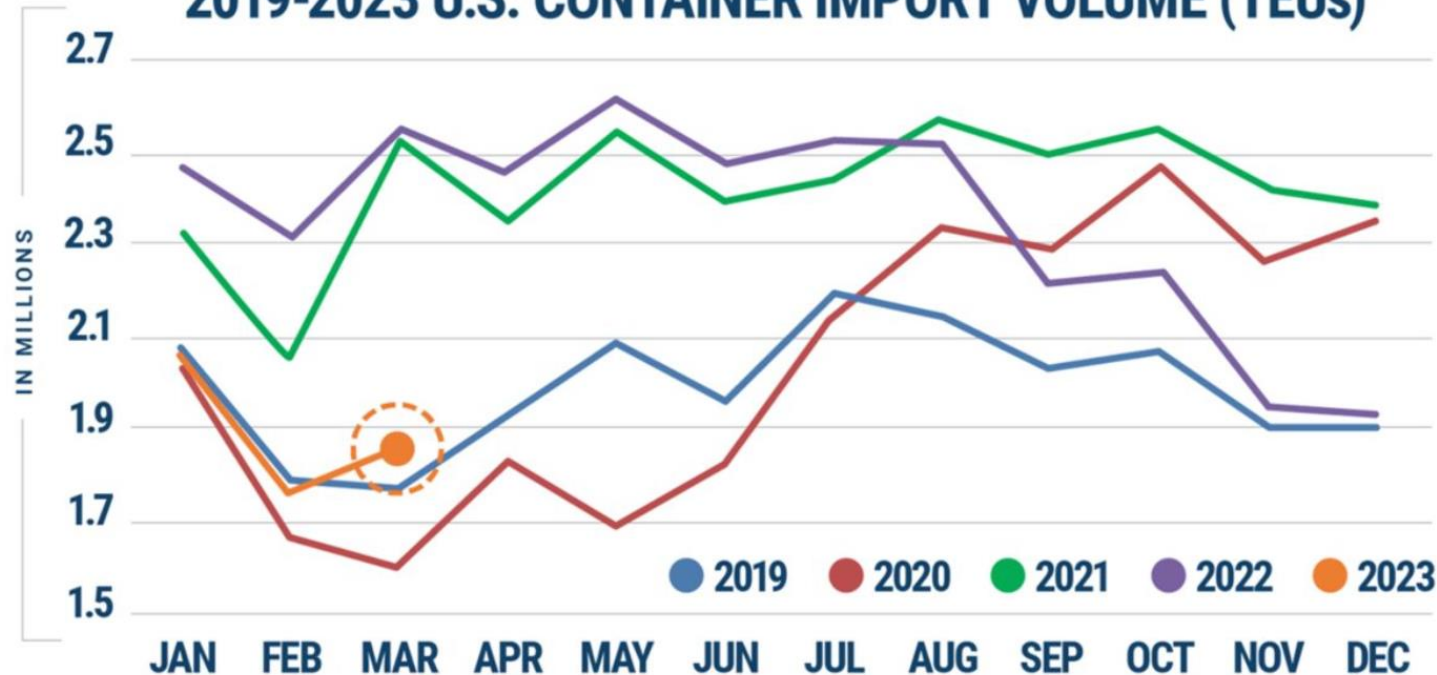


Sal Mercogliano (WGOW Shipping) 🚢 ⚓ 🐪 ... @mercoglia... · 6h ...

Big call by "analysts" to predict that Feb would be the bottom of the cycle as it has been for the last 5 years.

Next they will predict the summer to be the peak.

## 2019-2023 U.S. CONTAINER IMPORT VOLUME (TEUs)



AllThingsVentured  @AllVentured · 1h

...

3/ The problem is that both sides have incentives to drag this out.

With the ability to hold the entire US economy hostage at a cost of hundreds of \$millions per day, the ILWU is the most powerful and one of the highest paid unions in the world. They can and will get their way.

## INTERNATIONAL LONGSHORE WAREHOUSE UNION SALARIES

How much do International Longshore Warehouse Union employees earn on average in the United States?

International Longshore Warehouse Union pays an average salary of \$173,632 and salaries range from a low of \$149,581 to a high of \$201,182. Individual salaries will, of course, vary depending on the job, department, location, as well as the individual skills and education of each employee.

Avg. Base Salary (USD)

**\$173,632**/year ▼  
[View Hourly Rate](#)



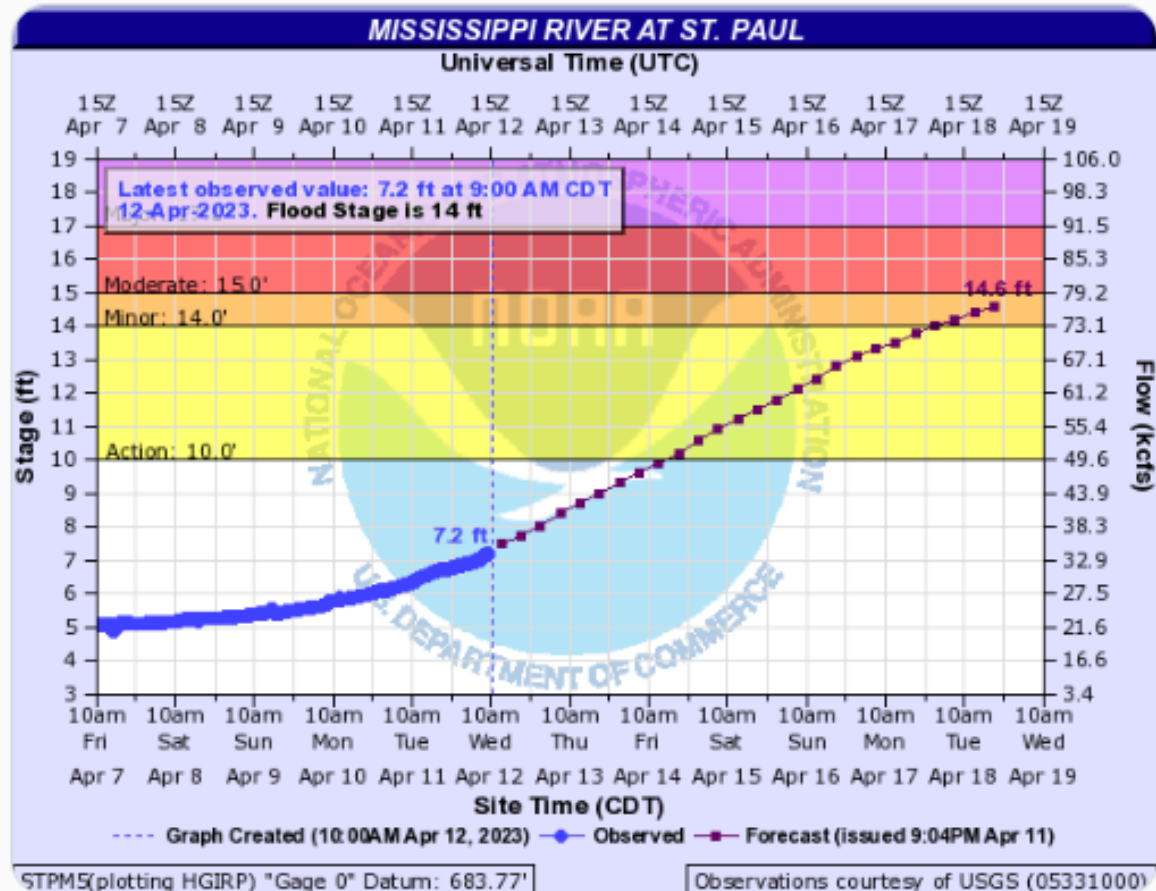
[US Rail News:](#)

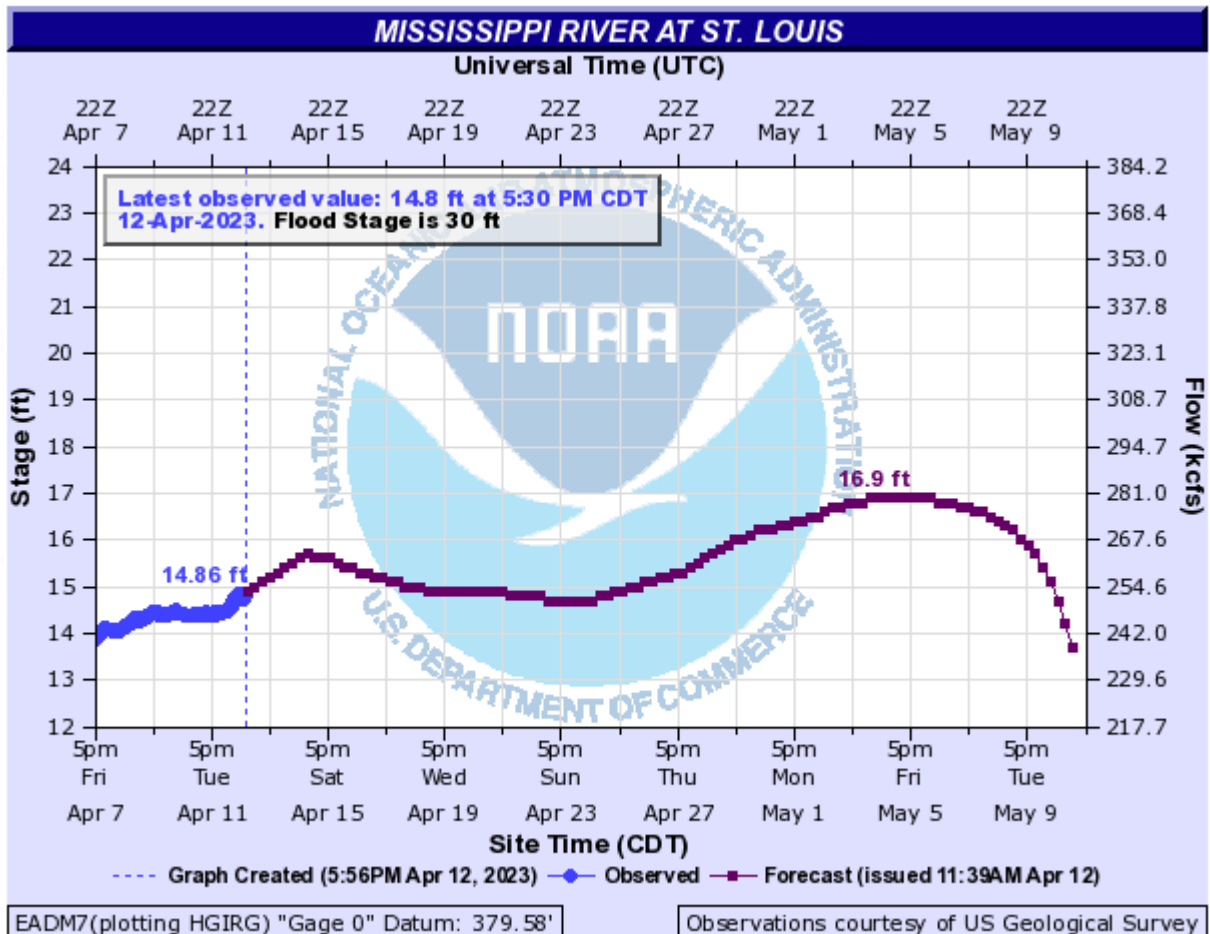
## U.S. River Markets

Mary Kennedy @MaryCKenn · 7h

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The melt is on. ACBL: Upper Miss High Water– St Paul on a rise predicated off snow melt in the area. We anticipate St Paul to hit 12' April 16 or 17 & crest at 14.3 April 20. Once gauge hits 12' in St Paul many docks will be unable to load and unload barges due to these levels.

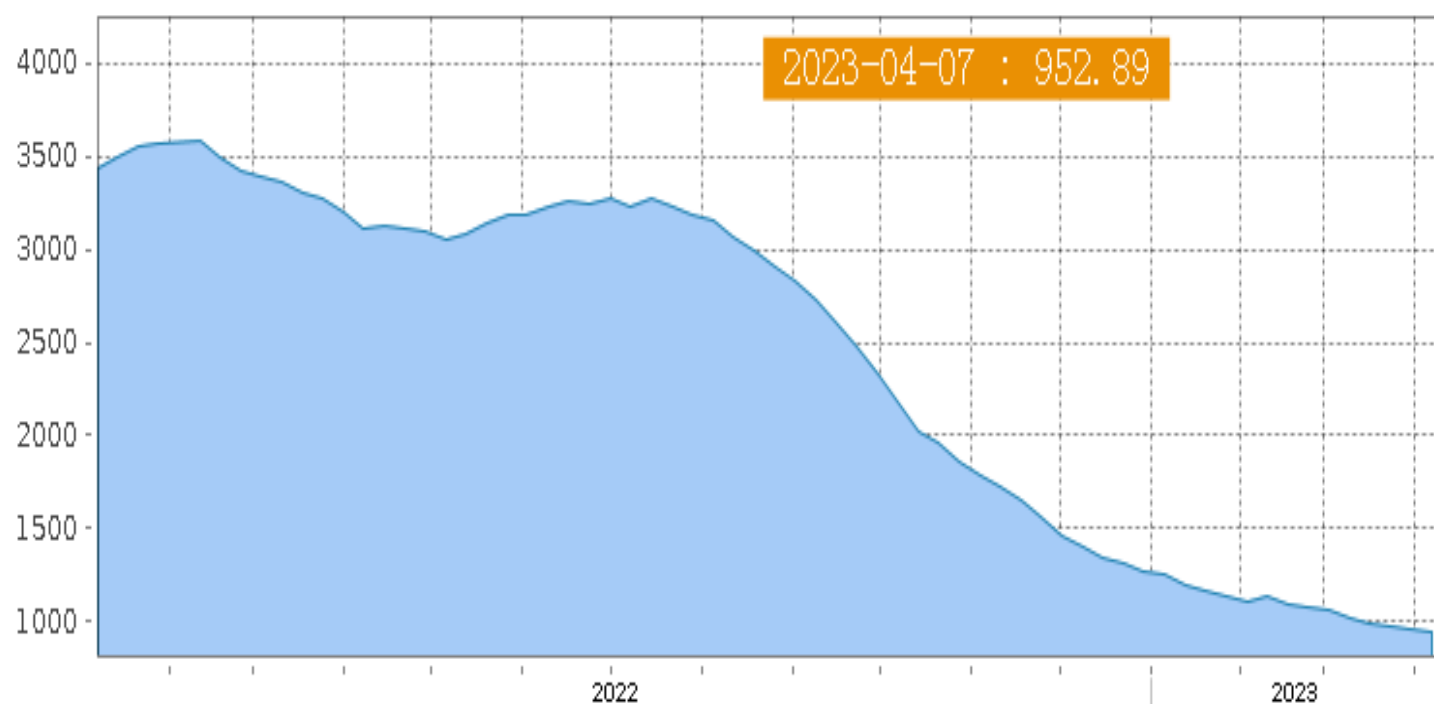




Area Hydrograph



## China Containerized Freight Index



## China Import Dry Bulk Freight Index



### Secondary Rail Car Market for Car placement period: First Half May 2023

| Secondary Rail Car Market<br>Placement FH May 2023 | BID<br>USD | ASK<br>USD | BID<br>BU. | ASK<br>BU. | BID<br>MT | ASK<br>MT |
|--|------------|------------|------------|------------|-----------|-----------|
| BNSF Shuttle Trains                                | \$ (200)   | \$ (100)   | \$ (0.05)  | \$ (0.03)  | \$ (1.97) | \$ (0.98) |
| UPRR Shuttle Trains                                | \$ (350)   | \$ (200)   | \$ (0.09)  | \$ (0.05)  | \$ (3.44) | \$ (1.97) |

### **Barge Placement First Half May 2023**

| Placement FH May 2023            | % of   |          | Corn | Soybeans-Wheat |
|----------------------------------|--------|----------|------|----------------|
|                                  | Tariff | MT       | BU   | BU             |
| Upper Mississippi                | 540    | \$ 36.85 | 0.94 | 1.00           |
| Illinois River (Pekin and South) | 485    | \$ 33.09 | 0.84 | 0.90           |
| Mid-Mississippi                  | 505    | \$ 24.83 | 0.63 | 0.68           |
| Lower Ohio                       | 380    | \$ 18.68 | 0.47 | 0.51           |
| St. Louis                        | 370    | \$ 16.27 | 0.41 | 0.44           |

Best Regards,

Jay

Jay O'Neil  
HJ O'Neil Commodity Consulting  
785-410-2303 (cell)

[joneil@ksu.edu](mailto:joneil@ksu.edu)

Follow me on Twitter @ igpjay



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