

Transportation and Export Report for 5 May 2022

There is not much new to report in Dry bulk freight markets. Freight rates are still steaming in circles and waiting for something to change so they can break-out of the current dull pattern. For the last month markets have moved up and down in a narrow one dollar per tonne range .

Chinese port congestion remains a concern, and it is creating backlogs and inefficiencies in logistical supply chains, but there is no light at the end of this tunnel yet.

Container markets are, of course, dealing with the same Chinese port congestion issues and difficult logistics. But Container Shipping Lines however are enjoying all-time record profitability. Maersk expects to end the year with profits of \$30 billion USD.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices					
5-May-2022		This Week	Last Week	Difference	Percent Change
P2A: Gulf/Atlantic - Japan	Index	38659	37150	1,509	4.1%
P3A: PNW/Pacific - Korea	Index	23610	23033	577	2.5%
S1C: US GULF-China-So.Japan	Index	41457	41529	-72	-0.2%
P7: Trial- Miss. River - Qingdao	per ton	79.31	77.81	1.5	1.9%
P8: Trial- Santos - Qingdao	per ton	69.04	66.79	2.3	3.4%

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

Four weeks ago:	\$8.80-\$10.40
Three weeks ago:	\$8.80-\$9.50
Two weeks ago:	\$8.75-\$9.50
One week ago:	\$9.75-\$12.25
This week	\$12.00-\$12.25

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

Mississippi River:	(9 elevators)	2-10 days (1 facility over 4 days)
Mid-Stream loaders:	(6+ Rigs)	1-2 days
Texas Gulf	(5 elevators)	0-9 days (1 Facility over 4 days)
Pacific Northwest:	(9 elevators)	0 - 8 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 mid-June.

Panamax Market Spreads to Asia -China					
5-May-2022	GULF	PNW	Bushel Spread	Tonne Spread	Advantage
CORN	1.01	1.80	0.79	\$31.10	PNW
SOYBEANS	1.46	2.20	0.74	\$27.19	PNW
OCEAN FREIGHT	\$78.50	\$44.00	.88 -.94	\$34.50	JUNE

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 \$56.25 - \$57.250/mt.

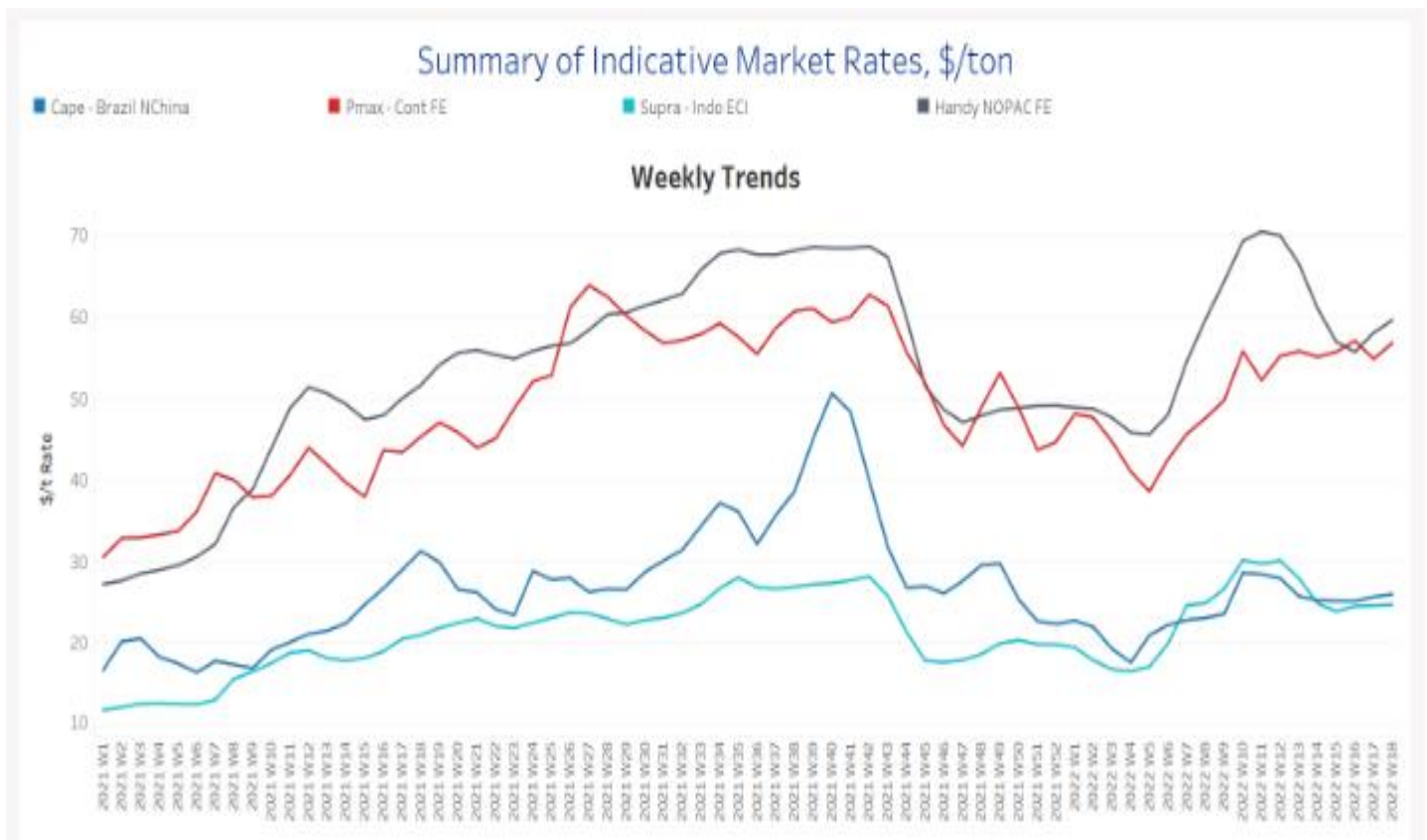
Soybean Brazil to Spain about \$66.75 - 68.50/mt.

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$79.50	Up \$0.50	Handymax \$80.00 mt
55,000 U.S. PNW- Japan	\$44.50	Up \$0.25	Handymax at \$45.00 mt
65,000 U.S. Gulf – China	\$78.50	Unchanged	North or South China
PNW to China	\$44.00	Up \$0.50	
25,000 U.S. Gulf- Veracruz, México	\$29.25	Unchanged	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$25.50	Unchanged	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- Colombia	\$43.50	Unchanged	<u>West Coast Colombia at \$52.00</u>
50,000 USG- E/C Colombia	\$43.00		
<u>East Coast Colombia</u> From Argentina	\$55.00		
40-45,000 U.S. Gulf - Guatemala	\$52.50	Unchanged	Acajutla/Quetzal - 8,000 out
30,000 US Gulf-Morocco	\$72.00	Unchanged	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$71.25	Unchanged	55,000-60,000 mt Egypt
PNW to Egypt	\$71.75		Romania - Russia- Ukraine \$31.00 -?? - ? France \$43.00
58-74,000 U.S. Gulf – Europe – Rotterdam	\$32.50	Up \$0.50	Handymax at +\$2.50 more
Brazil, Santos –China	\$70.50	Up \$0.50	54-59,000 Supramax-Panamax
Brazil, Santos –China	\$68.00		60-66,000 Post Panamax
Up-River Port North Brazil	\$76.50		55-60,000 mt
56-60,000 Argentina-China Deep draft	\$75.50	Up \$0.50	Up-River with Top Off Plus \$3.85-\$4.75

The Baltic Dry Bulk Freight Index



Baltic Panamax Index

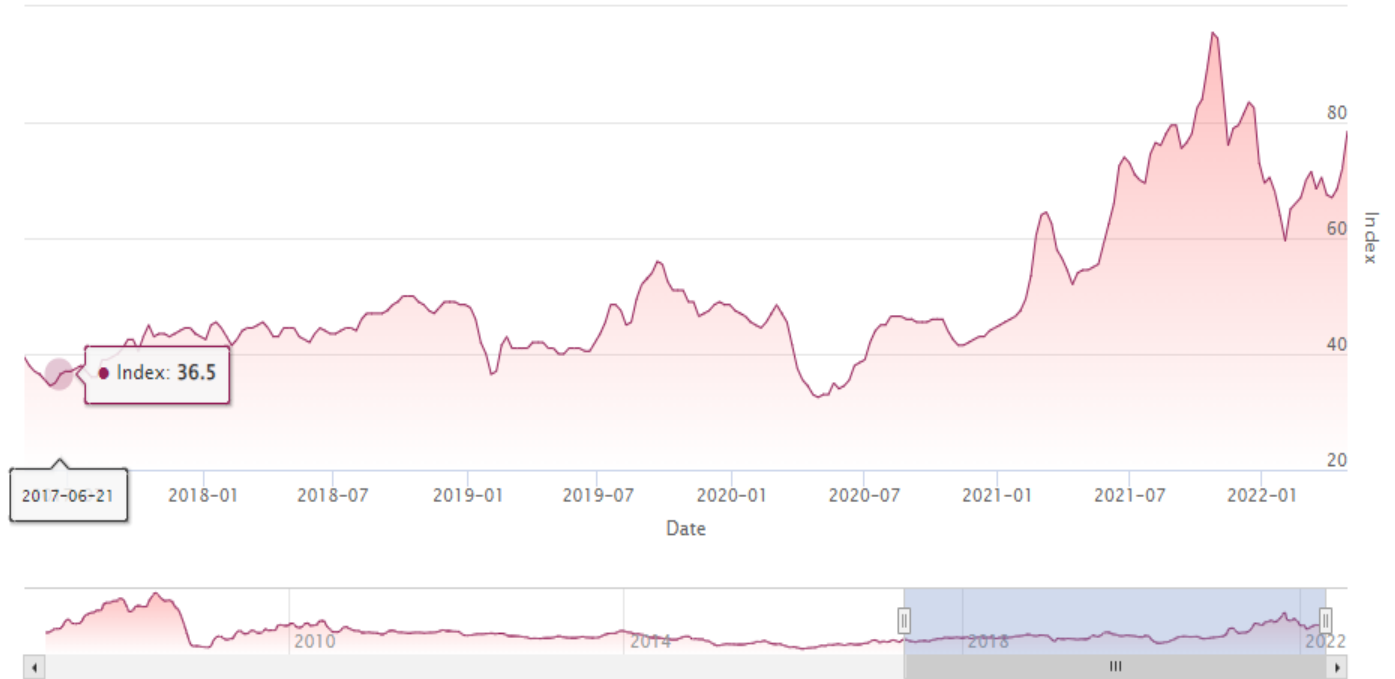


YAMAMIZU Index



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

From 2017-04-27 To 2022-04-27



China Import Dry Bulk Freight Index					
2022-04-28					
Description	Volume	Cargo	Unit	Rate	Change
Composite Index			Point	1585.67	-2.8
Iron ore Freight Index			Point	1368.57	5.77
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	12.206	0.251
Soybean Freight Index			Point	1852.09	-7.41
Santos(Brazil)— North China	66000/10%	Soybean	\$/ton	66.58	-0.3
Tacoma(West America)—North China	63000/10%	Soybean	\$/ton	43.55	-0.14
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	76.98	-0.27

5 May 2022 U.S. FOB Vessel Export Market Values:

U.S. Yellow Corn (USD/MT) FOB Vessel					CORN	FUTURES
#2 YC	GULF # 2 YC		PNW # 3 YC		K =	8.0375
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE	N =	7.9750
June	1.01	\$353.72	1.80	\$384.82	U =	7.5625
July	0.94	\$350.96	1.70	\$380.88	Z =	7.3850
Aug.	1.35	\$350.87	2.08	\$379.60	H =	7.4225
Sept. (Z)	1.55	\$351.75	2.25	\$379.31	K =	7.4325
Oct.	1.55	\$351.75	2.25	\$379.31		
Nov.	1.58	\$352.93	2.30	\$381.28		

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
June	2.00	\$395.15
July	2.00	\$392.69
Aug. (Z)	2.35	\$383.25
Oct.	2.20	\$377.34
Nov.	2.20	\$377.34

Fob vessel Texas Gulf #2 Sorghum is about 112 % 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	
	June	July	Aug.	Sept.
FOB U.S. GULF	\$441.47	\$434.12	\$434.40	\$436.24
Basis	0.95	0.75	0.75	0.80
WK	10.9600			
WN	11.0650			
WU	11.0725			

PNW Fob Vessel Soybean Basis levels continue to require a bit of a guess work.

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
June	1.46	\$658.81	2.20	\$686.00
July	1.40	\$656.60	2.15	\$684.16
Aug.	1.70	\$649.16	2.50	\$678.56
Oct.	1.70	\$610.58	2.70	\$647.33
Nov.	1.75	\$612.42	2.50	\$639.98
Soybean Futures				
May	\$ 16.7850			
July	\$ 16.4700			
Aug.	\$ 15.9675			
Sept.	\$ 15.2750			
Nov.	\$ 14.9175			
Jan.	\$ 14.9475			

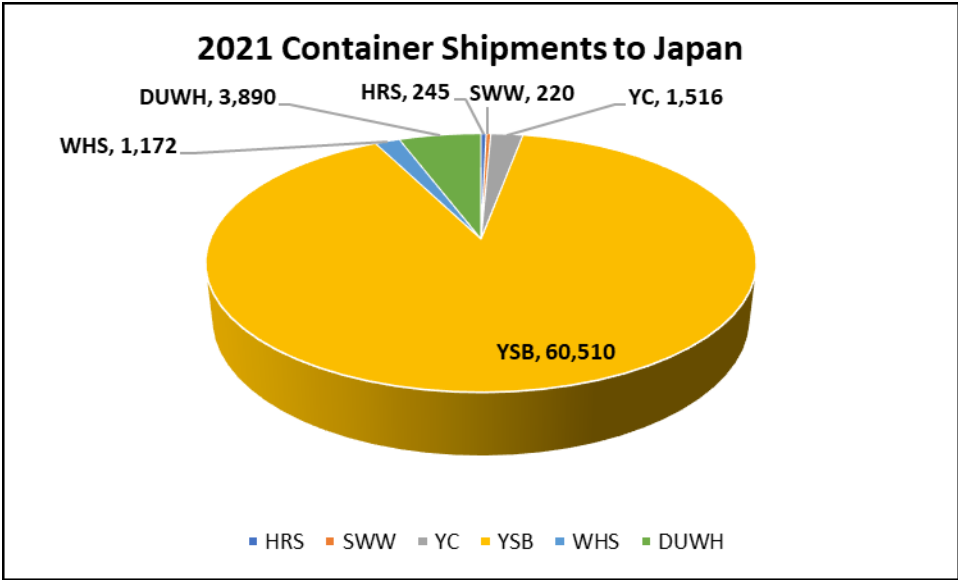
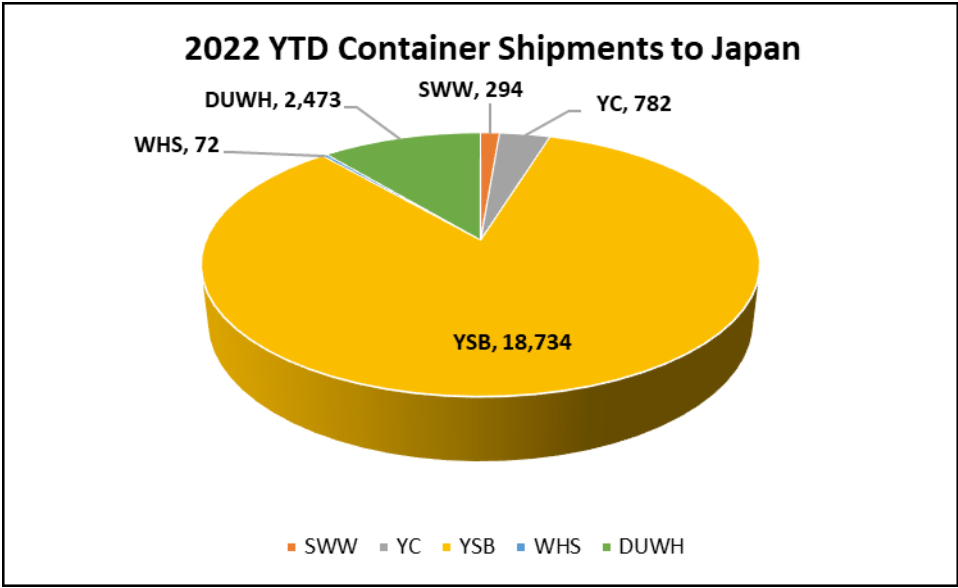
U.S. Soybean and SBM Markets Fob Vessel:

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
June	50.00	\$ 518.06
July	50.00	\$ 518.06
Aug.	50.00	\$ 509.80
Oct.	60.00	\$ 506.05
Nov.	60.00	\$ 506.16
SBM Futures		
SMK	\$ 426.90	
SMN	\$ 419.90	
SMQ	\$ 412.40	
SMU	\$ 405.60	
SMV	\$ 399.00	
SMZ	\$ 399.10	

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).*

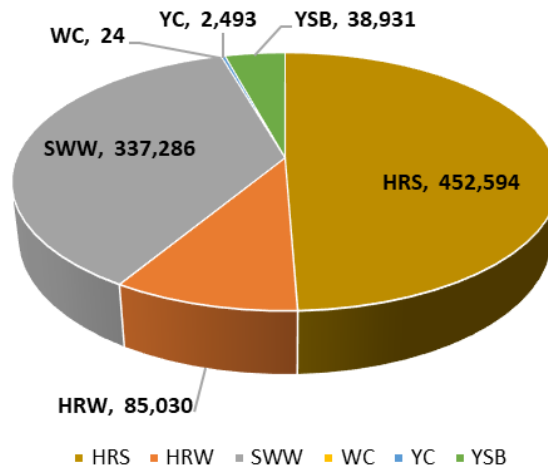
CONTAINER SHIPMENTS of GRAIN									
USDA Grain Inspections Report:		28-Apr-2022							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	DUWH	Sorghum	TOTAL
China			22,112					3,844	25,956
Taiwan	7,542		15,449						22,991
Hong Kong	147								147
Costa Rica									0
Indonesia			14,592						14,592
French Poly									0
Japan			1,076						1,076
Korea Rep.	685	122	636						1,443
Ireland									0
Malaysia	588		3,453						4,041
Colombia									0
Philippines	245		1,445						1,690
Thailand			1,859						1,859
Switzerland									0
Burma									0
Reunion									0
Nepal			1,029						1,029
Vietnam			4,505						4,505
Sub Total:	9,207	122	66,156	0	0	0	0	3,844	79,329
USDA Corrections/Additions to previous reports:									
Taiwan	3,893		119						4,012
China			3,966					367	4,333
Hong Kong	269								269
Korea Rep.			367						367
Ghana			117						117
Japan									0
Philippines	220		122						342
Indonesia									0
Malaysia			1,114						1,114
Thailand						465			465
Vietnam									0
Burma									0
Ireland									0
Sub Total:	4,382	0	5,805	0	0	465	0	367	11,019
Mt. Grand Total	13,589	122	71,961	0	0	465	0	4,211	90,348
Number of Containers	591	5	3,129	0	0	20	0	183	

Jan - Dec 2021 Annual Totals versus 2022 YTD Container Shipments (in MT)

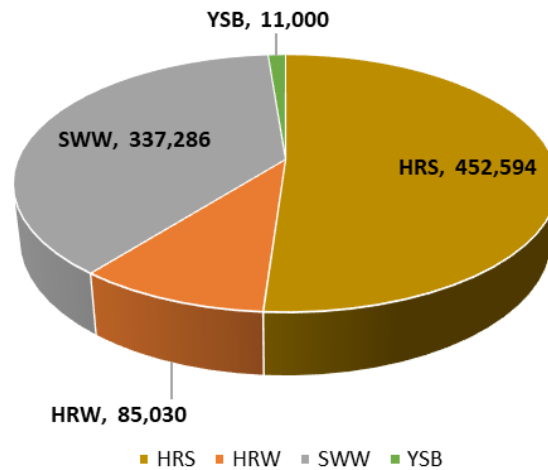


2022 YTD Total Grain Exports reported by USDA (in MT)

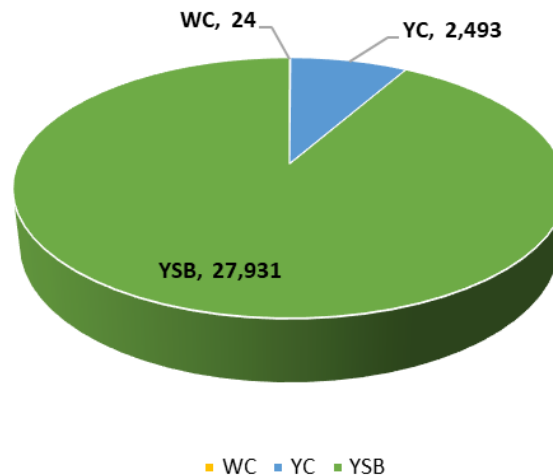
2022 YTD Exports to Philippines



YTD Vessel Shipments to Philippines



YTD Container Shipments to Philippines



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

Source: USDA-data

Shipping News

Is there a "good" correlation between Crude Oil prices and Dry bulk Freight Rates ?





BUILDING AMERICA®

2022/23 Grain Selective Rate Adjustments (Fall Program)

Announcement Number: AG2022-16

5-4-2022

Effective September 1, 2022 Union Pacific will implement selective rate adjustments on Export Soybeans in UP 4051 to the following markets:

- Soybeans to PNW will increase by \$450
- Soybeans to Mexico Rule 11 Gateways, Gulf & River will increase by \$200

Effective October 1, 2022 Union Pacific will implement selective rate adjustments on Corn, Barley, and Milo in UP 4051 to the following markets:

- Domestic Corn and Feed Barley will increase by \$250
- Processor Rates in items 2605 and 2606 will increase by \$150
- Corn rates to Mexico Rule 11 Gateways, PNW, Gulf and River will increase by \$250, except Frankfort and Hanover, KS to Corpus Christi, TX will increase \$350.
- Milo rates will increase by \$250 unless otherwise noted in this [file](#).
- Mileage scale increase of 5%

The new rate changes will be applied for Heavy covered hoppers (capacity greater than or equal to 5,001 cubic feet OR total allowable gross weight on rail exceeds 286,000 pounds). Light covered hoppers (capacity less than or equal to 5,000 cubic feet OR total allowable gross weight on rail is less than or equal to 285,999 pounds) will be 10.6% less than the Heavy covered hopper rates.

Published items will supersede this general announcement. If you have any questions, please contact your Union Pacific Representative.

Karen Braun  @kannbwX · 43m

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#China's COVID lockdowns have worsened global supply chain woes. One-fifth of the world's container ship fleet is estimated to be stuck in port congestion (not just in China), and the number of ships awaiting berth at Shanghai are up 34% from last month.




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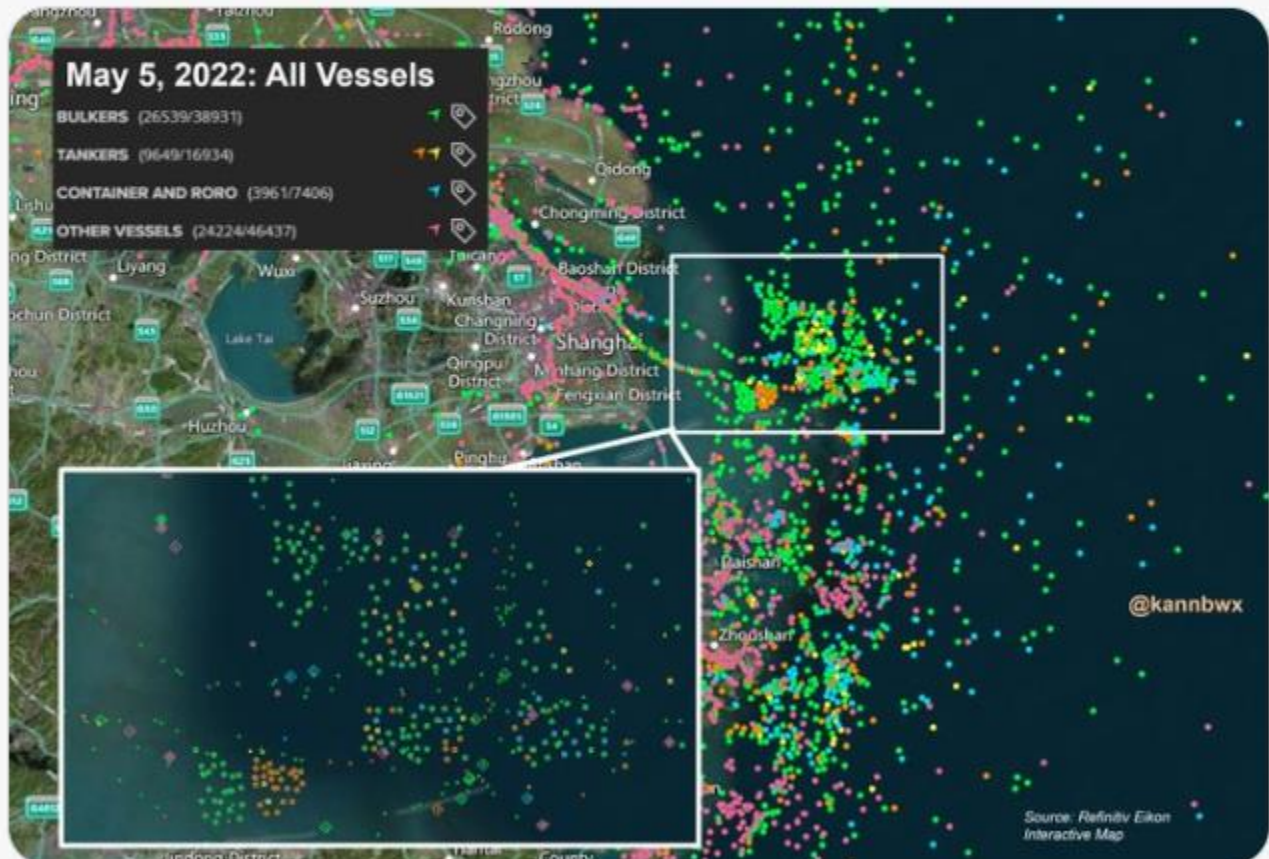
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Karen Braun  @kannbwx

 See new Tweets

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Here's a look at Shanghai. Zooming in on that one clump of vessels shows they are mostly stationary (at anchor) waiting for their turn. Shipping something from a warehouse in [#China](#) to one in the USA now takes 74 days longer than usual.



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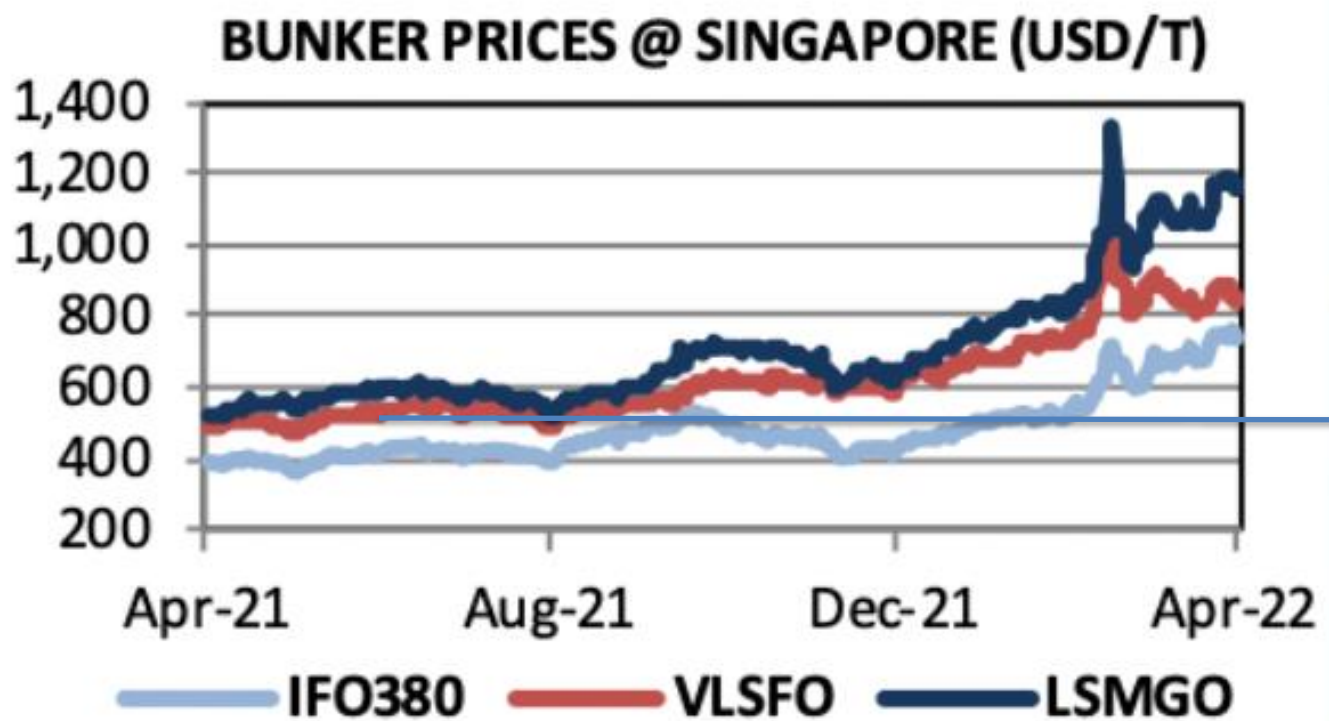


Baltic Dry-Bulk Ocean Freight Index- US Gulf- Japan



Capesize FFA Index





BreakWave @DryBulkETF · Apr 28

Braemar on longer term **dry bulk** fundamentals: "...we are likely to embark on a very commodity-intensive decade. Strong **shipping** demand coinciding with longer distances being travelled at reduced speeds and limited yard capacity might prove we are indeed short of ships."



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Karen Braun  @kannbwx · 1h

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Here's a comparison of vessel traffic for [#soybeans](#) late April 2022 vs 2021. It is easy to see this year's thinning out of ships closer to the ports. May 2021 soy exports out of [#Brazil](#) were second highest ever for any month on record at 15 mmt.



Russia-Ukraine News

Lloyd's List  @LloydsList · 6m

Ukraine ships first seaborne grain cargo since invasion



lloydslist.maritimeintelligence.informa.com


Ukraine ships first seaborne grain cargo since invasion

Both Romania and Bulgaria are preparing infrastructure for further consignments of Ukrainian produce



Lana Synkovska @LSynkovska · 9h

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 **UPDATED:** after Egypt rejected to accept this vessel of stolen Ukrainian grain, its route have been changed (destination: Syria/Lebanon). Ukrainian officials carry on intense work to prevent sales of stolen Ukrainian grain abroad 🇺🇦💪



Lana Synkovska @LSynkovska · 19h

One more try of russian thieves to sell Ukrainian grain abroad - this time to Egypt! [twitter.com/Andy021101964/...](https://twitter.com/Andy021101964/)



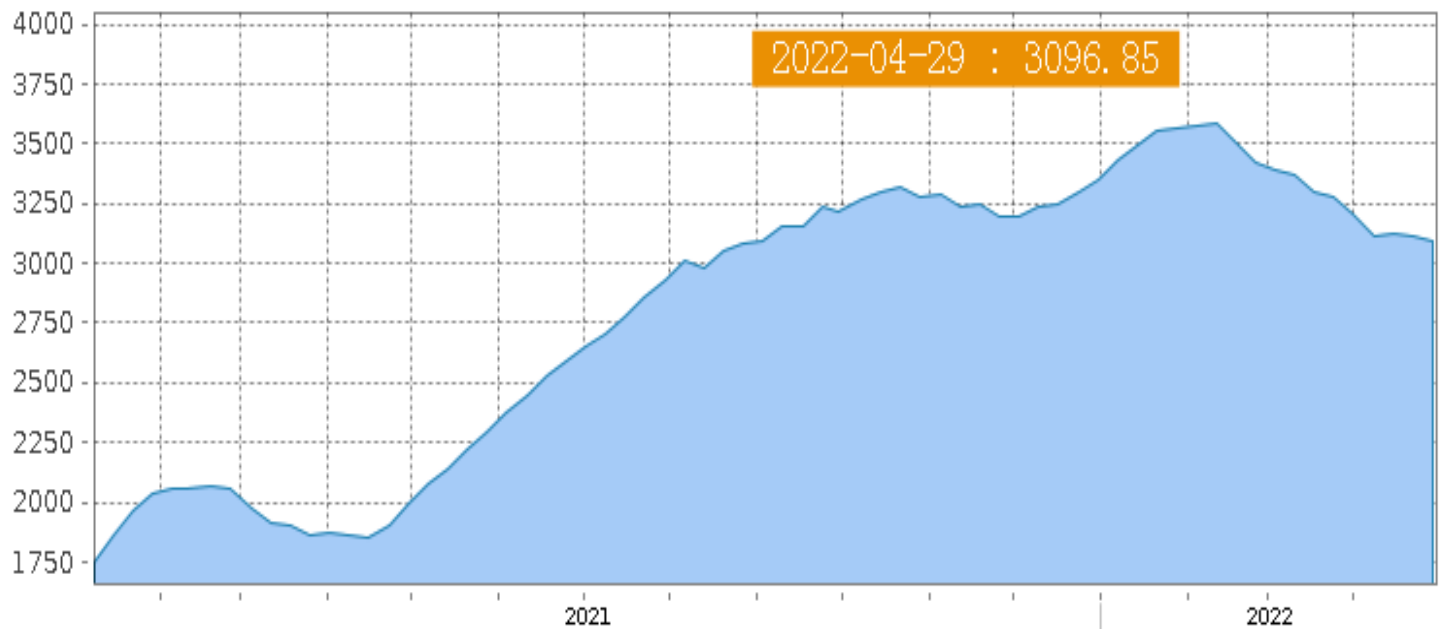
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China Containerized Freight Index



China Import Dry Bulk Freight Index



Secondary Rail Car Market for Car placement period: Last Half May 2022

Secondary Rail Car Market Placement LH.May 2022	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ 800.00	\$ 1,400.00	\$ 0.20	\$ 0.35	\$ 7.87	\$ 13.78
UPRR Shuttle Trains	\$ 2,700.00	\$ 5,000.00	\$ 0.68	\$ 1.25	\$ 26.57	\$ 49.21

U.S. RIVER BARGE FREIGHT

Barge Freight for Loading Placement Last Half May 2022

Placement LH May 2022	% of Tariff	MT	Corn BU	Soybeans-Wheat BU
Upper Mississippi	625	\$42.65	1.08	1.16
Illinois River (Pekin and South)	515	\$35.14	0.89	0.96
Mid-Mississippi	565	\$27.78	0.71	0.76
Lower Ohio	515	\$25.32	0.64	0.69
St. Louis	415	\$17.59	0.45	0.48

Best Regards,

Jay

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