

**Transportation and Export Report for 15 June 2017****Ocean Freight Insights and Comments:**

This week turned out to be predominately a give back week. What the market lost last week, it gained back this week. So Dry-Bulk markets remain in a fairly narrow trading range without sufficient support to surge higher nor the willingness of vessel owners to drop rates in any meaningful way. Next week we will probably see markets give something back again. The forward curve on the Baltic Exchange shows a bit of hope for rates to improve slightly as we go out into the second half of 2017; but nothing that should provoke any excitement nor greatly improve the bottom line for most ship owners. If you own vessels you have to hope that 2018 will be better.

In relative terms, East Coast South America continues to be the hot spot as the vessel line up in Brazil grow and more vessels ballast to that market in hopes of better values.

The idle container vessel fleet remains large and young container vessels continue to be sold for scrap but consolidation and shipping alliances has kept container rates from dropping.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
15-Jun-17	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	13105	11705	1,400	12.0%
P3A - PNW/Pacific - Japan	6571	5437	1,134	20.9%
S1C -USGULF-China-So.Japan	16278	15850	428	2.7%

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

Four weeks ago:	\$ 5.80-\$6.35
Three weeks ago:	\$ 6.00-\$6.35
Two weeks ago:	\$ 6.00-\$6.35
One week ago:	\$ 5.35-\$5.80
This week	\$ 5.00-\$5.90

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

Mississippi River:	(10 elevators)	4-7 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-2 days
Texas Gulf	(6 elevators)	1-9 days (only 1 facility over 5 days)
Pacific Northwest:	(9 elevators)	5-17 days (only 1 facility over 9 days)

Panamax Market Spreads to Asia -China					
15-Jun-17	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.56	0.37	0.19	\$7.48	PNW
SOYBEANS	0.78	0.46	0.32	\$12.60	PNW
OCEAN FREIGHT	\$17.50	\$35.50	.46-.49	\$18.00	JULY

Recent Reported Vessel Fixtures:

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$36.25	Up \$0.25	Handymax at \$37.00 mt
55,000 U.S. PNW- Japan	\$18.50	Up \$0.50	Handymax at \$18.50 mt
55,000 U.S. Gulf – China PNW to China	\$35.50 \$17.50	Up \$0.50 Up \$0.50	North China
25,000 U.S. Gulf- Veracruz, México	\$14.00	Up \$0.25	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$12.00	Unchanged	Deep draft and 6,000 MT per day discharge rate.
25/35,000 U.S. Gulf- <u>East Coast Colombia</u> From Argentina	\$16.50 \$25.50	 Up \$0.75	<u>West Coast Colombia at \$24.25</u>
40-45,000 U.S. Gulf - Guatemala	\$24.00	Up \$1.00	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$25.00 \$28.000	Up \$0.50	8,000 mt daily discharge 3,000 mt daily discharge
25-30,000 US Gulf-Morocco	\$24.00	Up \$0.50	5,000 discharge rate
55,000 U.S. Gulf –Egypt PNW to Egypt	\$21.00 \$21.50	Up \$0.50	55,000 -60,000 mt St. Lawrence to Egypt \$21.50
60-70,000 U.S. Gulf – Europe – Rotterdam	\$13.75	Unchanged	Handymax at +\$1.50 more
Brazil, Santos –China Itacoatiara Port up River Amazonia - China	\$25.00 \$23.75 \$28.50	 Up \$0.75	54-58,000 Supramax-Panamax 60-66,000 Post Panamax
56-60,000 Argentina-China Up River with Top Off	\$32.00	Up \$1.00	

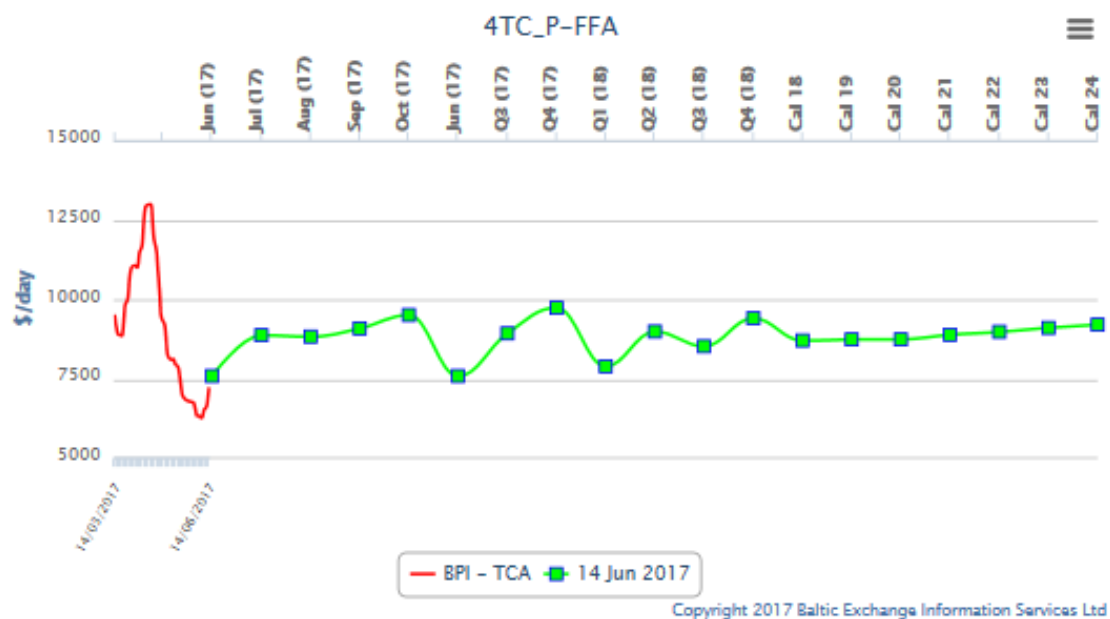
Nautical Miles: To Xiamen China (South China)

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

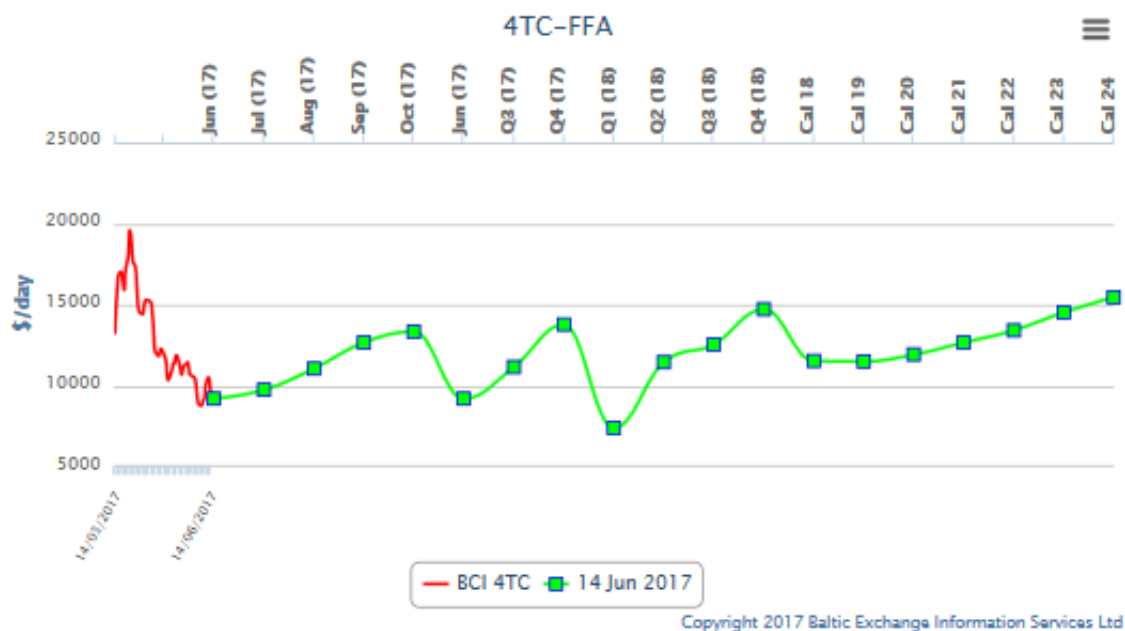
Santos Brazil (via Cape of Good Hope) - 10,441 nautical miles (33 days)

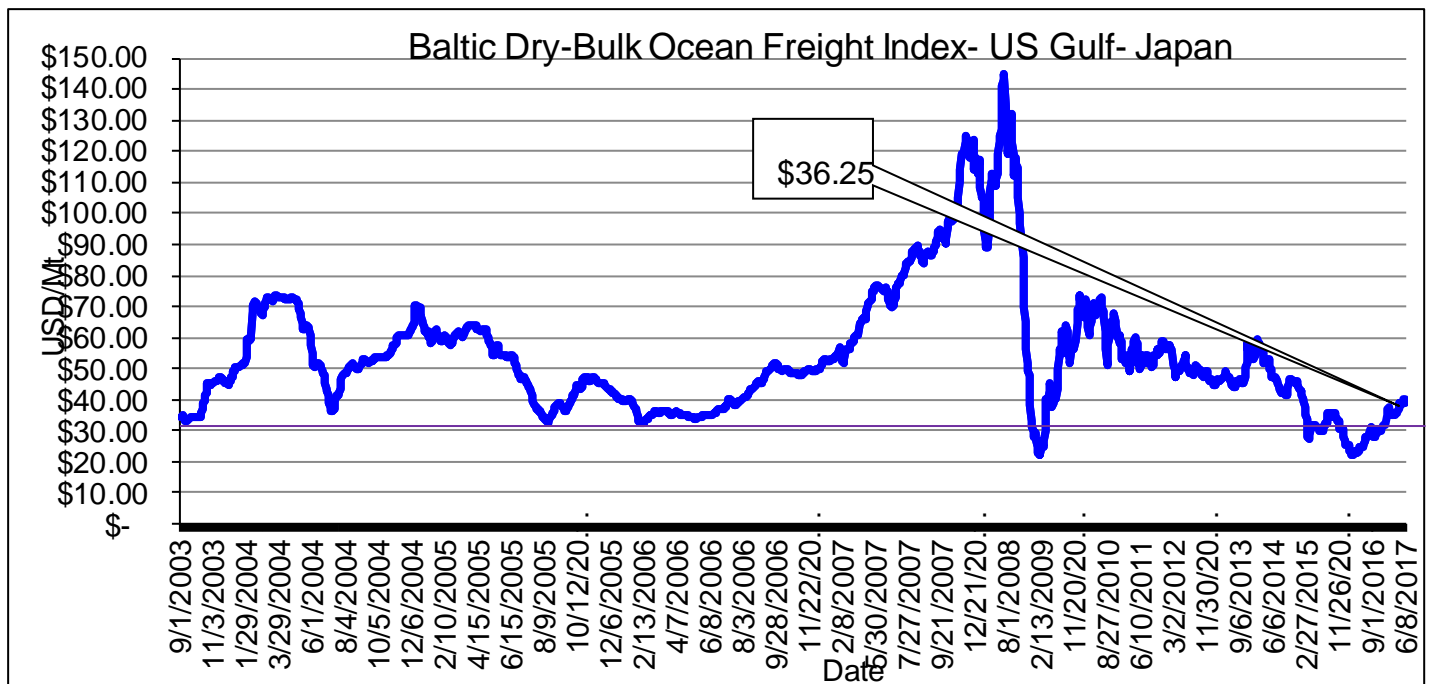
Rasario Argentina (via Cape Horn) - 10,751 nautical miles (34 days)

Forward Curve for Baltic BPI Panamax Vessel Freight

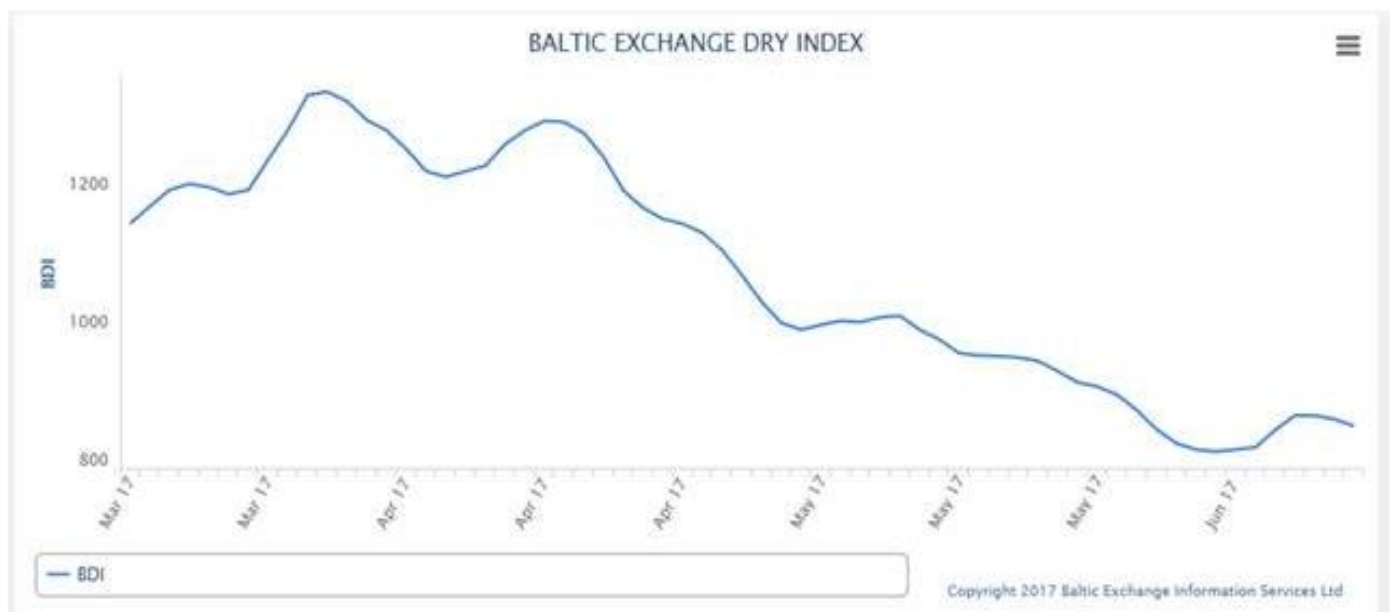


Capesize FFA Market

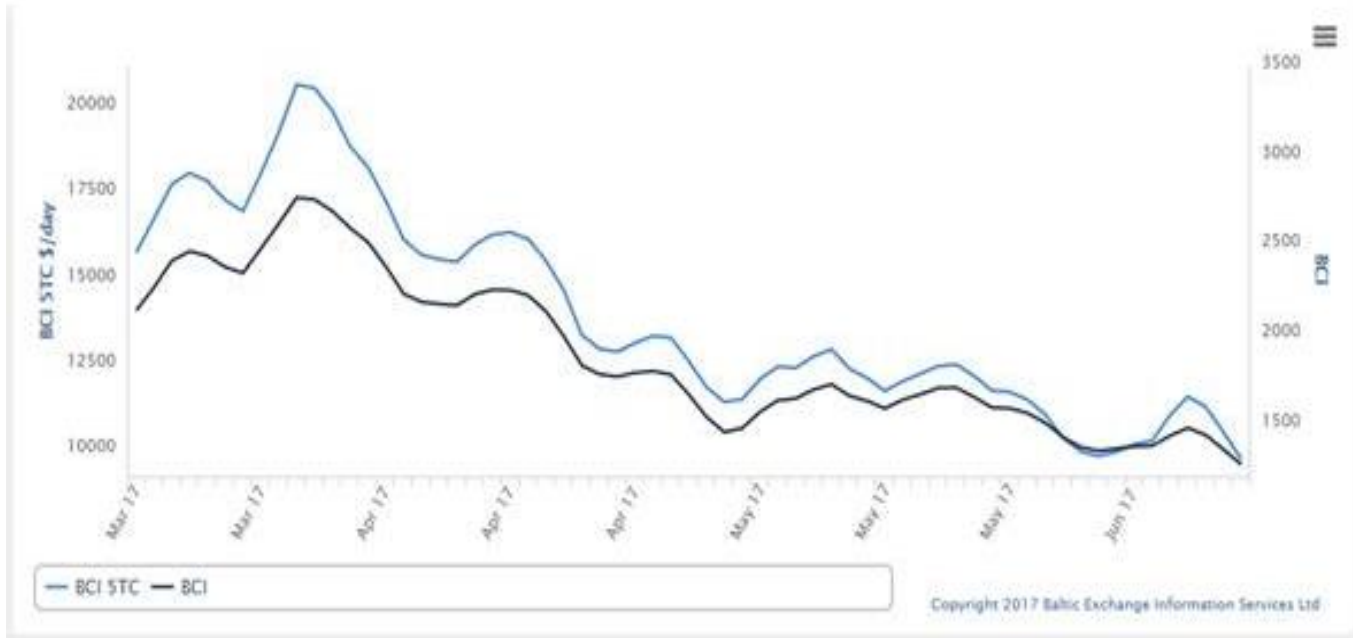




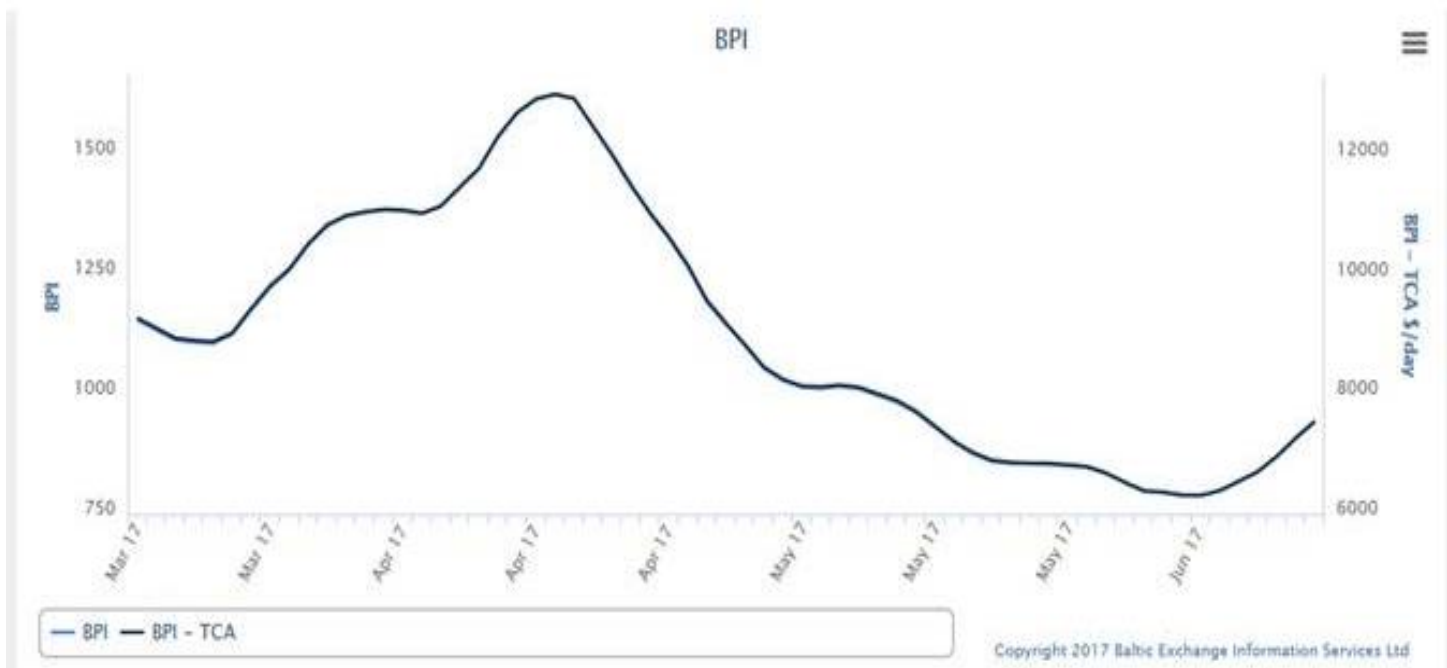
Baltic Dry-Bulk Index



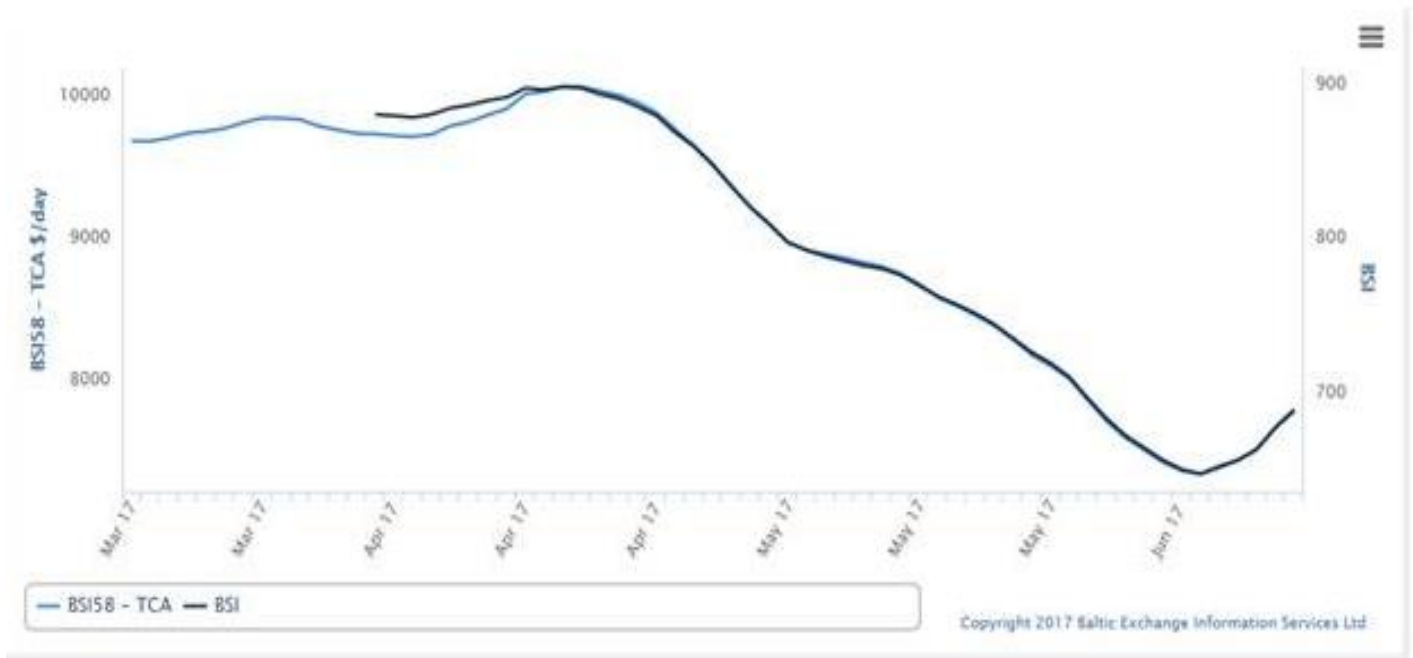
Baltic Capesize Index



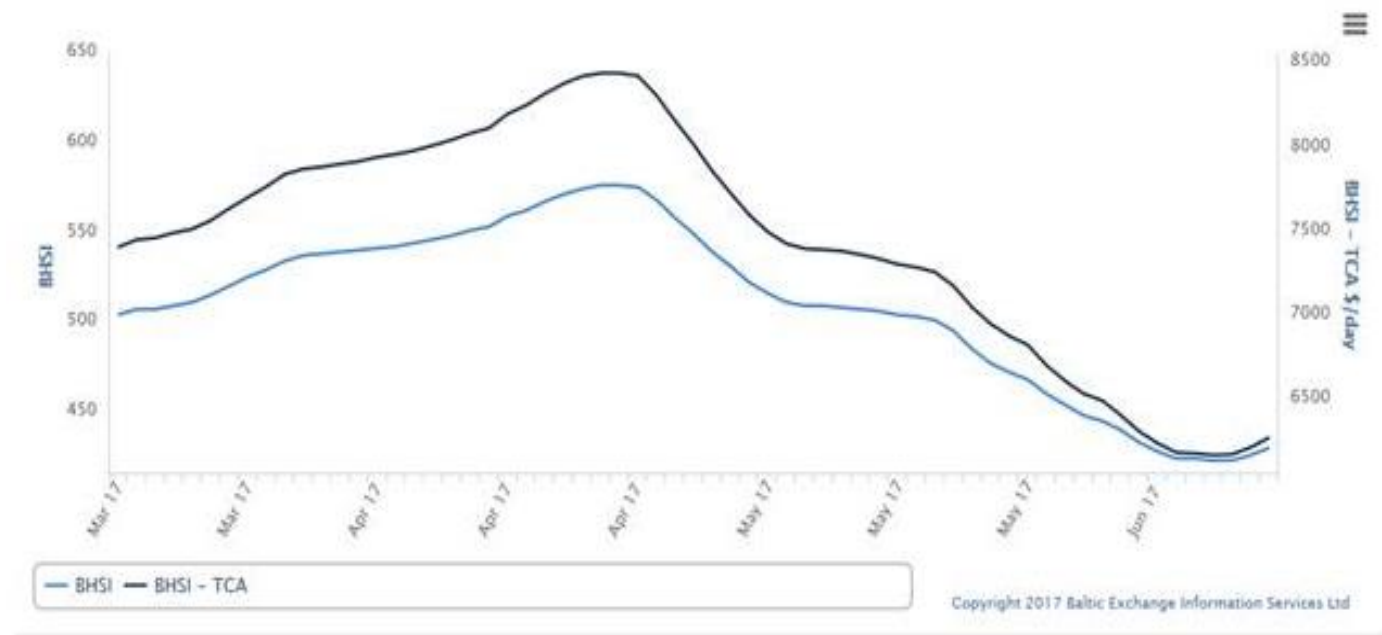
Baltic Panamax Index



Baltic Supramax Vessel Index



Baltic Handy Size



Yamamizu Shipping

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[Access Map](#)
[Yamamizu Index](#)

USG/Japan Index Result

Date From: 2016-04-01

Date To: 2017-06-15



China Import Dry Bulk Freight Index(CDFI)

2017-06-15

Index/Routes	Charterparty type	Cargo/Vessel type	Dwt/Cargo Capacity	Unit	Index/Rate	Change
Composite Index				Point	672.1	-6.51
VC Index				Point	632.46	-4.41
TCT Index				Point	731.57	-9.65
Santos(Brazil)— North China	VC	Soybean	60000/10%	\$/ton	24.055	0.332
Tacoma(West America)—North China	VC	Soybean	60000/10%	\$/ton	17.441	0.096
Mississippi(US Gulf) —North China	VC	Soybean	55000/10%	\$/ton	35.305	0.273

15 June 2017 FOB Vessel Export Market Values:

U.S. Yellow Corn (USD/MT FOB Vessel)				
# 2 YC	U.S. Gulf #2 YC		PNW #2 YC	
15.0 % Moisture	Basis	Flat Price	Basis	Flat Price
July	0.37	\$163.97	0.56	\$171.45
Aug.	0.32	\$165.15	0.53	\$173.42
Sept.	0.38	\$167.51	0.58	\$175.38
Oct.	0.45	\$174.30	0.65	\$182.17
Nov.	0.48	\$175.48	0.68	\$183.36
Dec.	0.50	\$176.27	0.73	\$185.32

The Gulf spread between #2 and #3 YC is currently about 02 cents per bushel (0.80 per MT)

SORGHUM (USD/MT FOB VESSEL)				
#2 YGS Fob Vessel	NOLA		TEXAS	
Max. 14.0% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
July	0.95	\$186.80	0.80	\$180.90
Aug. (Z)	0.95	\$193.99	0.80	\$188.08
Sept. (Z)	0.85	\$190.05	0.80	\$188.08
Oct.	0.85	\$190.05	0.80	\$188.08
Nov.	0.80	\$188.08	0.75	\$186.11

Nov. Fob vessel Texas Gulf #2 Sorghum is about 110 % the value of #2 Yellow Corn at NOLA

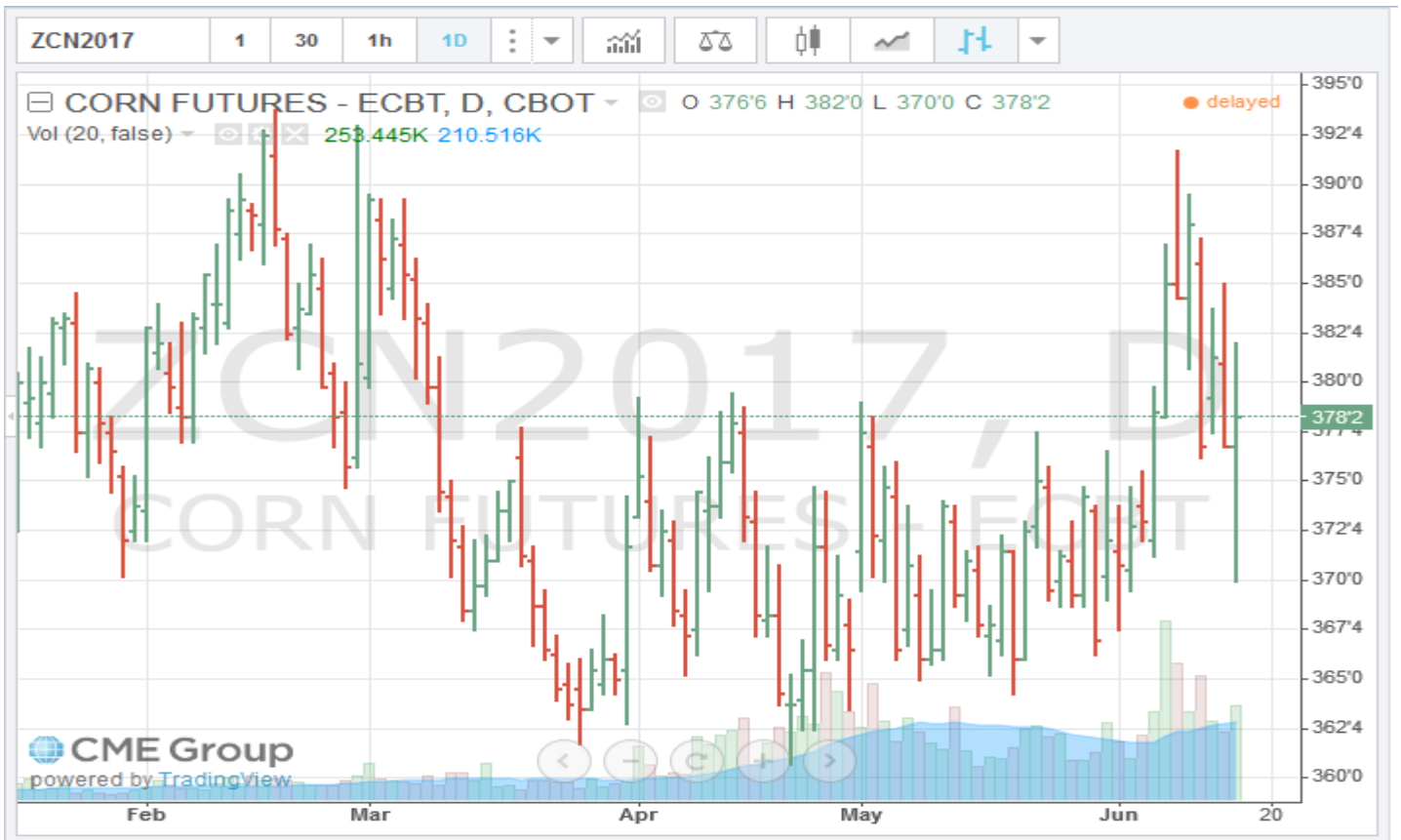
U.S. SRW Wheat Fob Vessel at the Center U.S. Gulf

SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	July	Aug.	Sept.	Oct.
FOB U.S. GULF	\$187.67	\$194.00	\$194.37	\$195.66
Basis	0.57	0.59	0.60	0.42
WN	4.5375			
WU	4.6900			
WZ	4.9050			

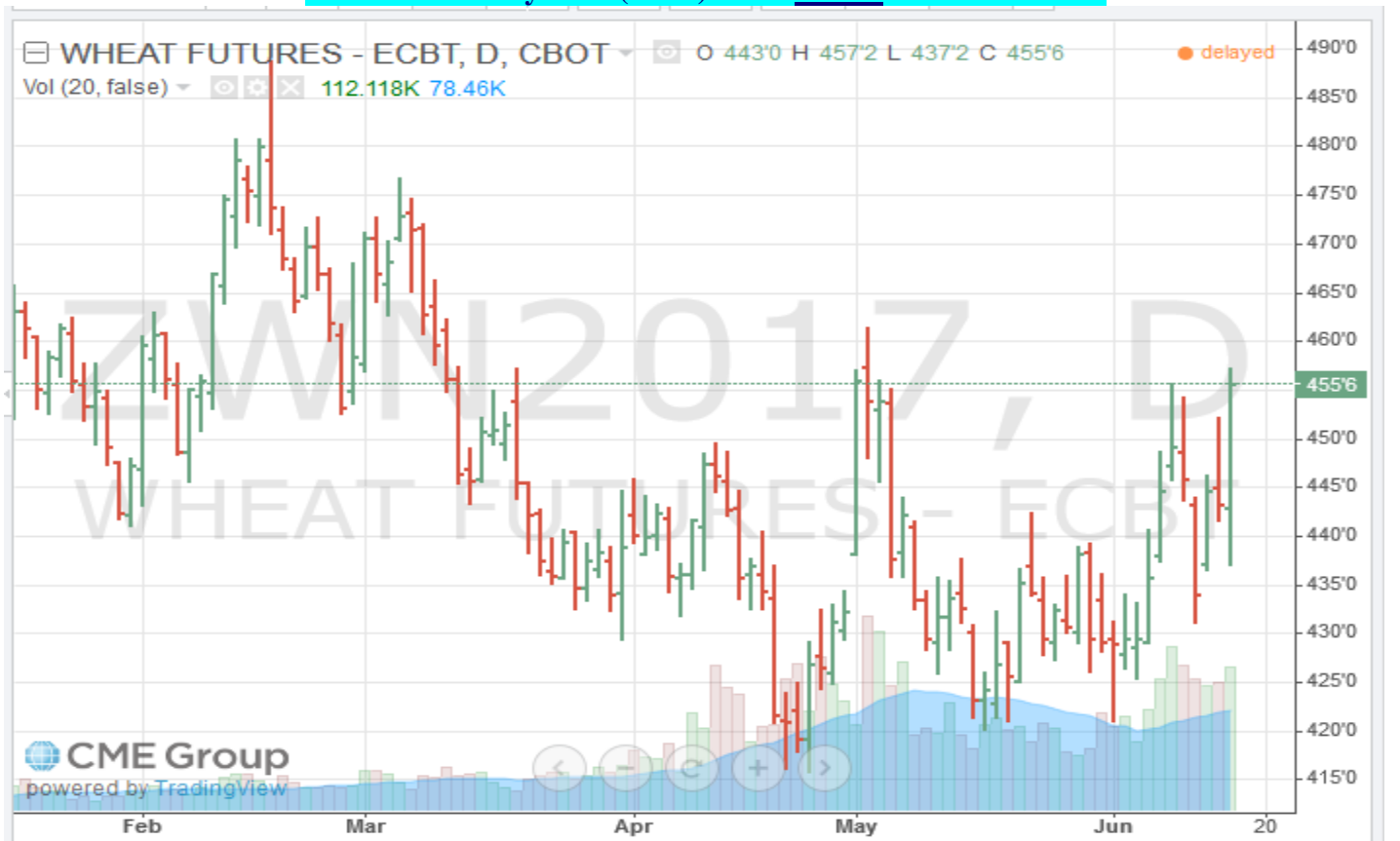
CME CORN FUTURES MARKET CLOSE- Thursday

CBOT CORN Month	Futures Symbol	Friday Close Bushel	Friday Close MT.	Last week Bushel	Last Week MT.	Difference Bushel
July	CN	\$3.7950	\$149.40	\$ 3.8575	\$151.86	(\$0.0625)
Sept.	CU	\$3.8750	\$152.55	\$ 3.9350	\$154.91	(\$0.0600)
Dec.	CZ	\$3.9775	\$156.59	\$ 4.0375	\$158.95	(\$0.0600)
Mar.	CH	\$4.0675	\$160.13	\$ 4.1175	\$162.10	(\$0.0500)
May	CK	\$4.1225	\$162.29	\$ 4.1675	\$164.07	(\$0.0450)

CME/CBOT July 2017 (CN7) Corn Futures Chart –



CME/CBOT July 2017 (WN7) SRW Wheat Futures Chart –

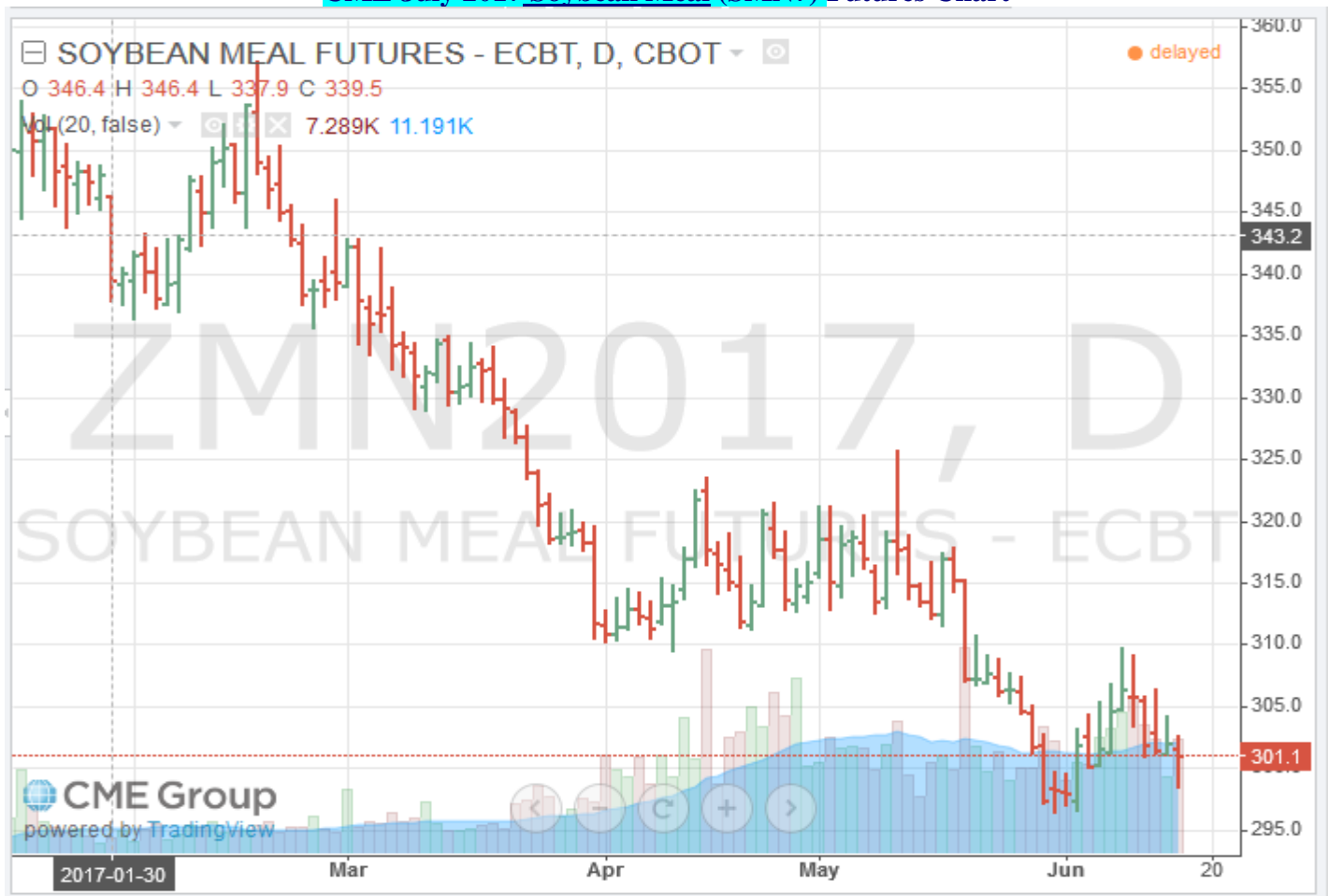


Soybean and SBM Markets Fob Vessel:

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
July	0.46	\$360.36	0.78	\$372.12
Aug.	0.45	\$361.46	0.80	\$374.32
Sept.	0.54	\$365.23	0.80	\$374.78
Oct.	0.60	\$368.90	0.90	\$379.93
Nov.	0.57	\$367.80	0.90	\$379.93
Soybean Futures				
July	\$ 9.3475			
Aug.	\$ 9.3875			
Sept.	\$ 9.4000			
Nov.	\$ 9.4400			
Jan.	\$ 9.5125			
Mar.	\$ 9.5675			

U.S. SBM (USD/MT FOB Vessel)		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
July	2.00	\$ 333.62
Aug.	3.00	\$ 336.70
Sept.	4.00	\$ 339.68
Oct.	4.00	\$ 340.34
Nov.	5.00	\$ 343.43
SBM Futures		
SMN	300.60	
SMQ	302.40	
SMU	304.10	
SMV	304.70	
SMZ	306.50	
SMF	307.40	

CME July 2017 Soybean (SN17) Futures Chart



U.S. EXPORT STATISTICS: Report Activity as of Week Ending 01 June 2017
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	436.8	54,016.5	56,520	96%	2,741.0
Sorghum	1.4	4,306.8	5,720	75%	0.0
Soybeans	418.4	58,597.2	55,790	105%	3,122.8
Wheat	2383.0	6,608.8	28,170	23%	0.0
Barley	0.7	28.4	110	26%	0.0

U.S. EXPORT INSPECTIONS:

Monday's report 12 June 2017 for the Export week ending 08 June 2017

	Export Inspections		Current Market Year YTD	Previous Year to Date	2016 YTD as Percent of 2015
	This Week	Previous Week			
Corn	1,041,534	1,177,107	45,380,519	31,177,858	146%
Sorghum	1,368	145,215	4,813,276	7,354,374	65%
Soybeans	508,220	286,944	51,608,222	43,818,042	118%
Wheat	773,992	524,308	860,447	621,155	139%
Barley	0	6,324	144	1,891	8%

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

U.S. EXPORT INSPECTIONS:

Monday's report 12 June 2017 for the Export week ending 08 June 2017

Last Week							
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans %
Lakes	39,014	4%	0	0%	0	0%	0 0%
Atlantic	0	0%	0	0%	0	0%	4,260 1%
Gulf	472,793	45%	0	0%	0	0%	256,029 50%
PNW	344,230	33%	0	0%	122	9%	140,308 28%
Interior Export Rail	184,699	18%	798	100%	1,246	91%	107,623 21%
Metric Tons	1,040,736		798		1,368		508,220

Sorghum Shipments:	metric tons	
	122	Korea Rep.
	1,246	Mexico
	1,368	Total

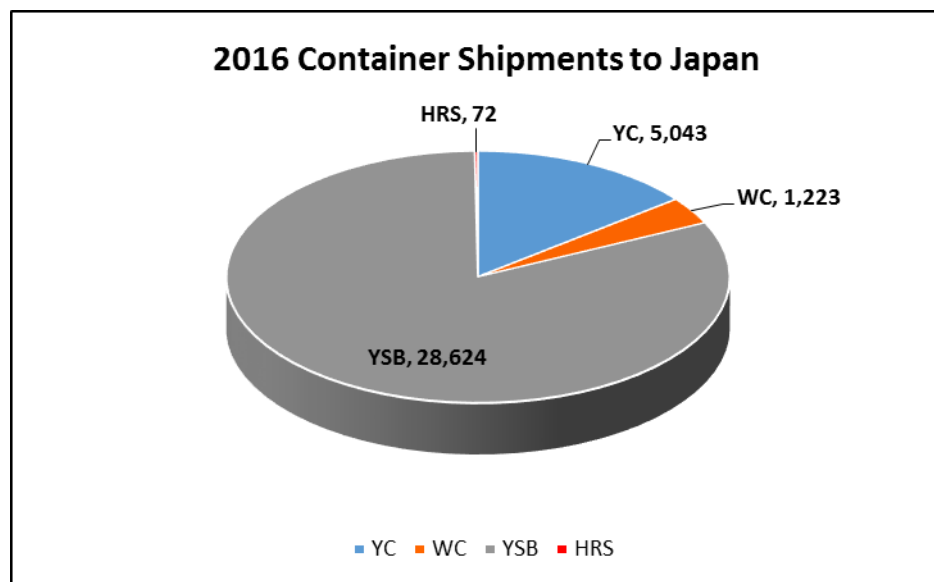
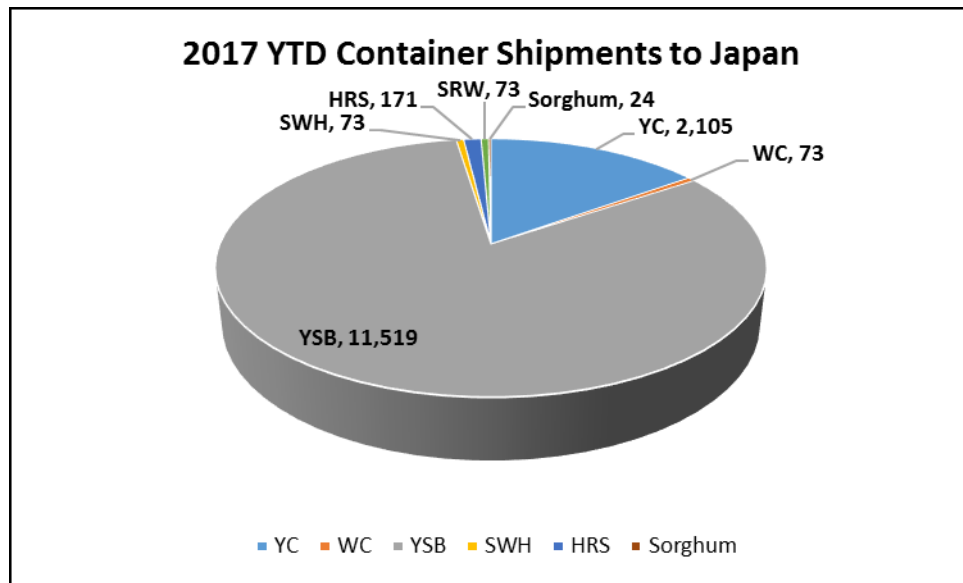
White Corn Shipments:	metric tons	
	798	Mexico
	798	Total

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-Jun-2017							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWW	HRW	Sorghum	TOTAL
China Main	5,070		2,301						7,371
China T	2,327		6,513						8,840
Hong Kong	636								636
Costa Rica									0
Indonesia			19,564						19,564
French Polynesia									0
Japan	685		318	73					1,076
Korea Republic									0
Dominican Rep.									0
Malaysia	612		2,839						3,451
Ireland									0
Philippines	245		832						1,077
Thailand			11,877						11,877
Bangladesh	294		514						808
Burma									0
Vietnam			2,693						2,693
Sub total	9,869	0	47,451	73	0	0	0	0	53,892
USDA Corrections/Additions to previous reports:									
China T									0
China Main									0
Hong Kong									0
Korea Rep.									0
Jordan									0
Japan									0
Philippines									0
Indonesia									0
Malaysia									0
Thailand									0
Vietnam									0
Spain									0
Canada									0
Sub total	0	0	0	0	0	0	0	0	0
Mt. Grand Total	9,869	0	47,451	73	0	0	0	0	53,892
Number of containers	429	0	2,063	3	0	0	0	0	

Jan - Dec 2016 Annual Totals versus 2017 Jan.-Dec. Year to Date Container Shipments (in MT)

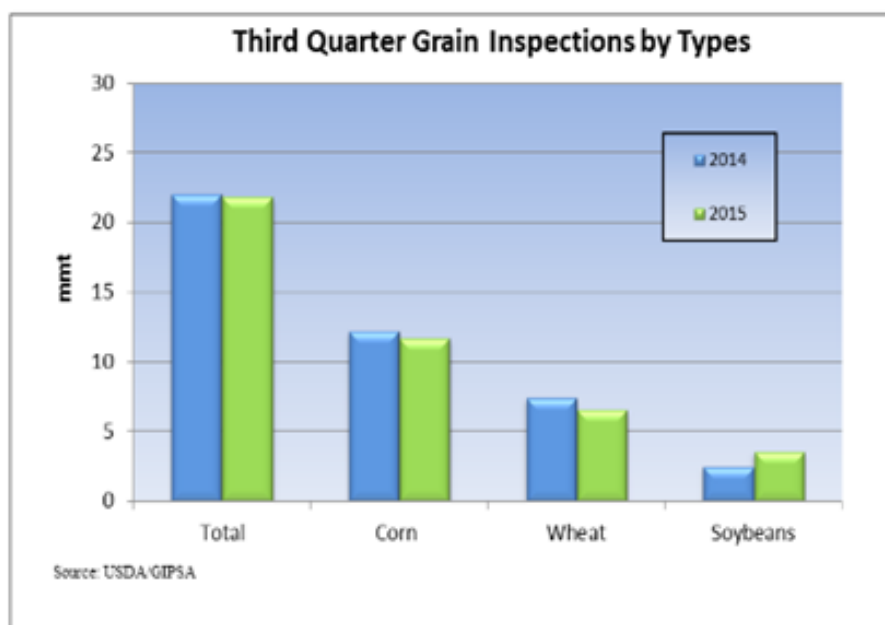


Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2016 YTD vs. 2017 YTD

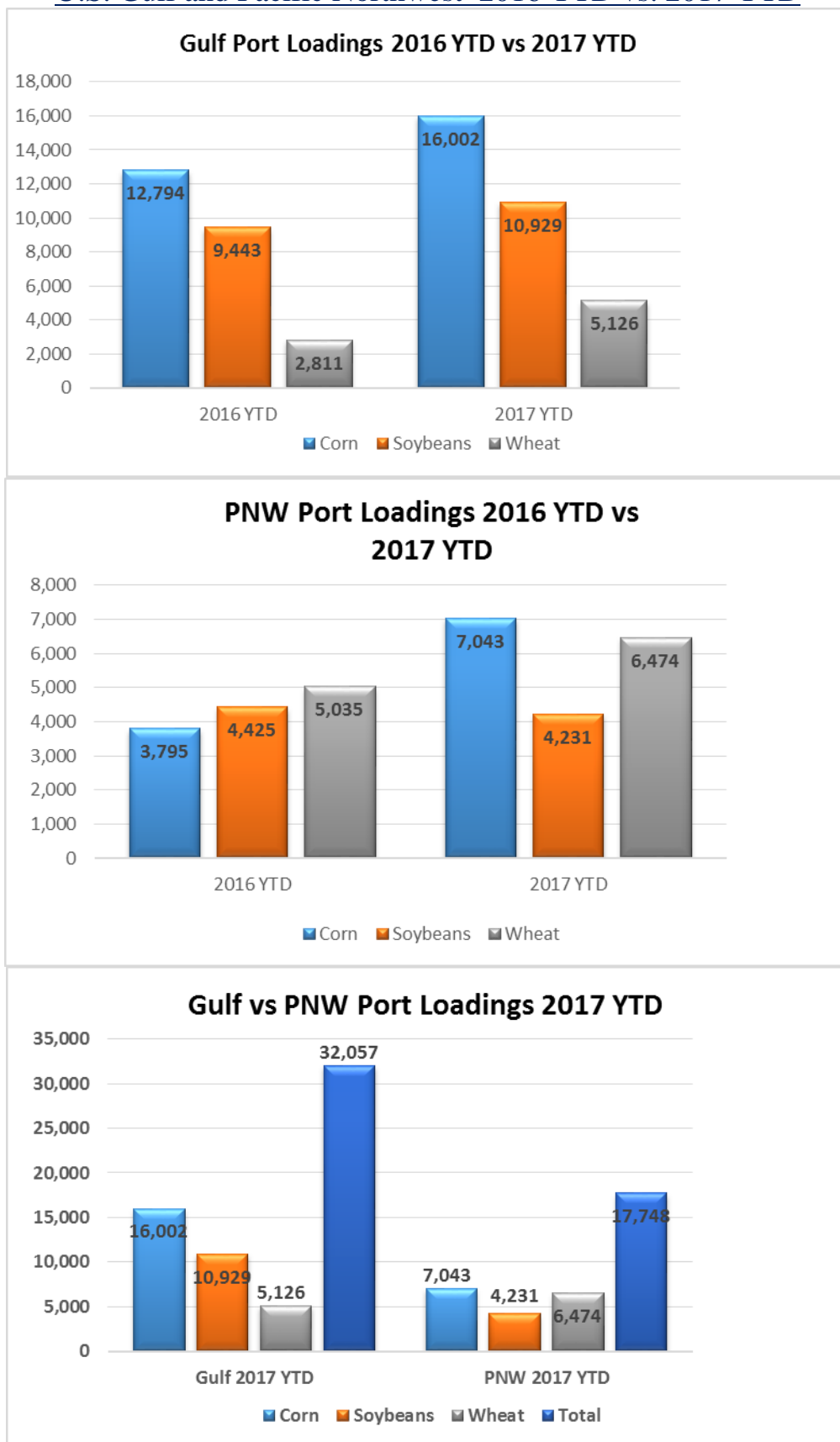
PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2016 YTD	12,794	9,443	2,811	25,048
2017 YTD	16,002	10,929	5,126	32,057
2017 as % of 2016	125%	116%	182%	128%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2016 YTD	3,795	4,425	5,035	13,255
2017 YTD	7,043	4,231	6,474	17,748
2017 as % of 2016	186%	96%	129%	134%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2017 Gulf YTD	16,002	10,929	5,126	32,057
2017 PNW YTD	7,043	4,231	6,474	17,748
TOTAL	23,045	15,160	11,600	49,805
Gulf Percentage	69%	72%	44%	64%
PNW Percentage	31%	28%	56%	36%



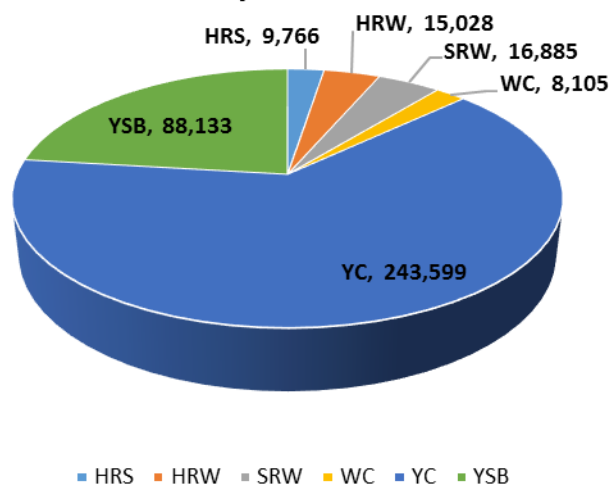
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2016 YTD vs. 2017 YTD



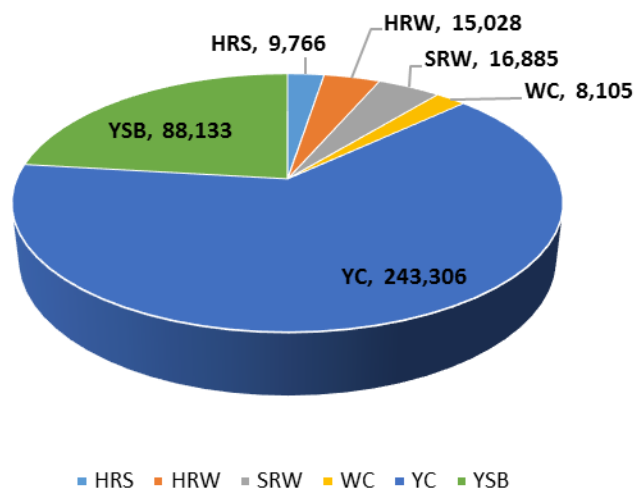
Source: USDA-data

2017 YTD Total Grain Exports reported by USDA (in MT)

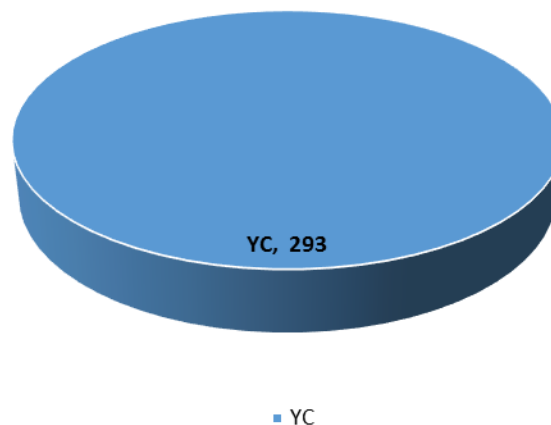
2017 YTD Exports to Costa Rica



Vessel



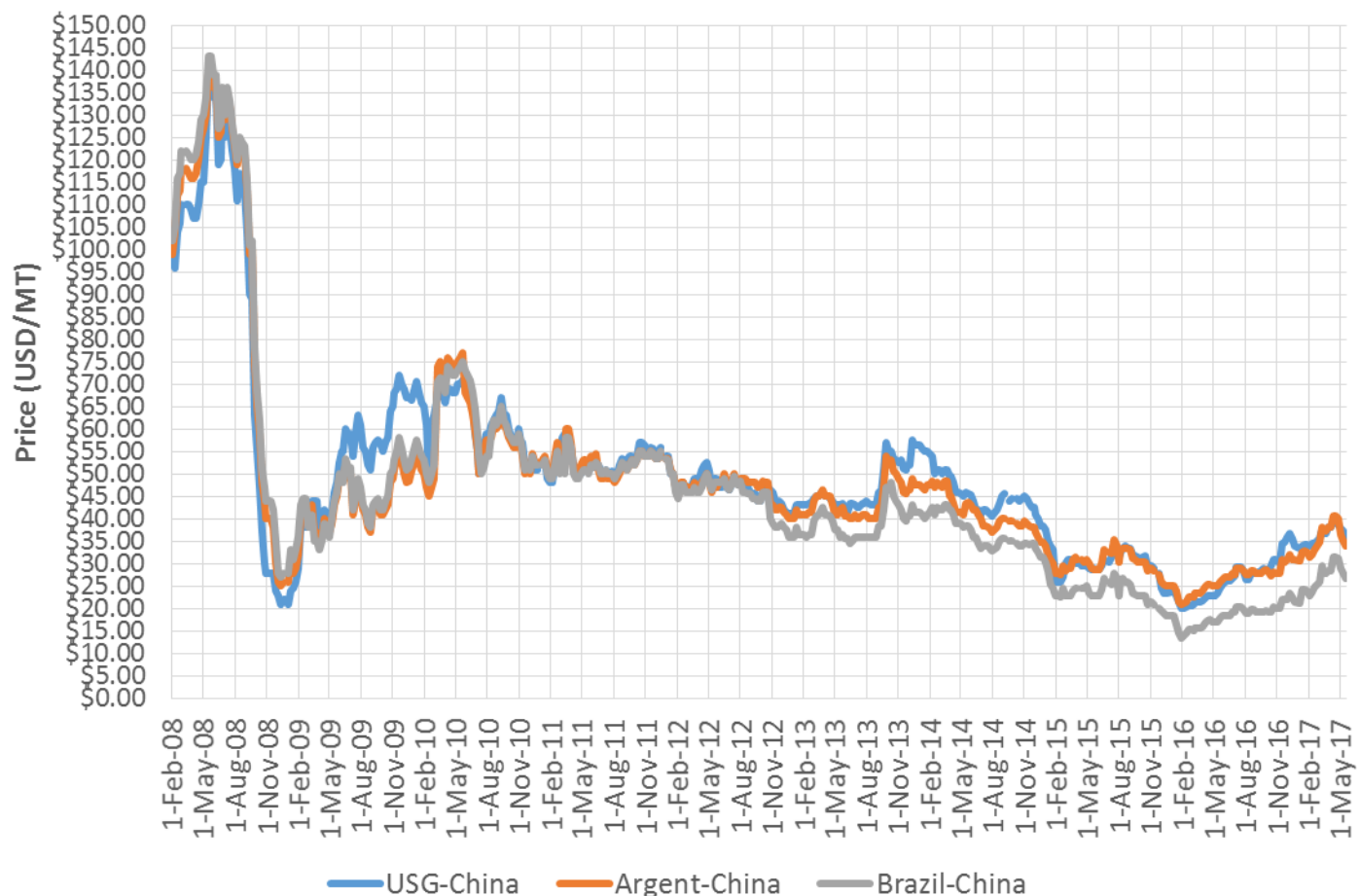
Container



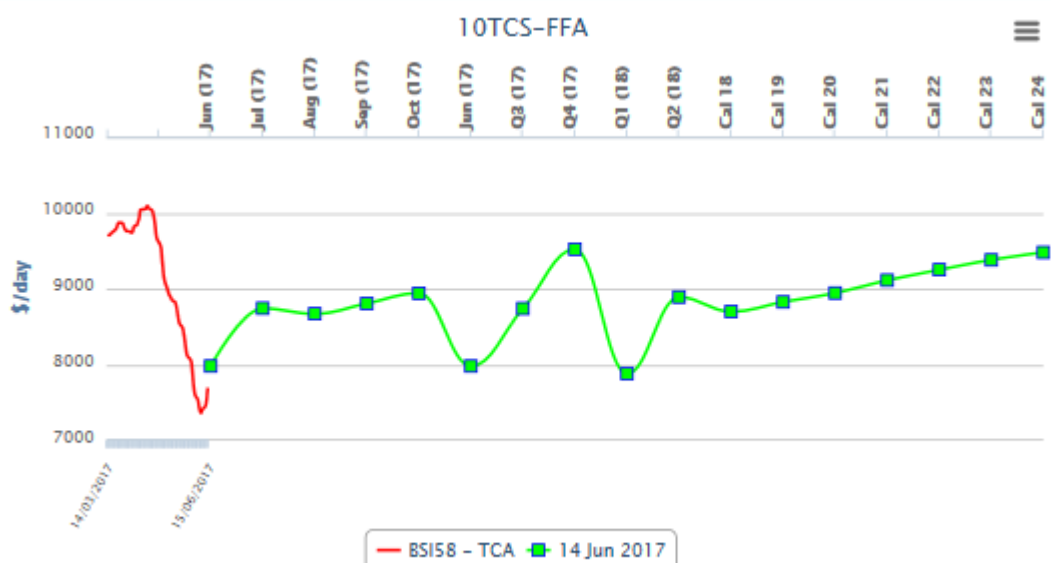
**Please keep in mind that USDA does not report DDGS sales, or they would show as the largest exports by container

Shipping News:

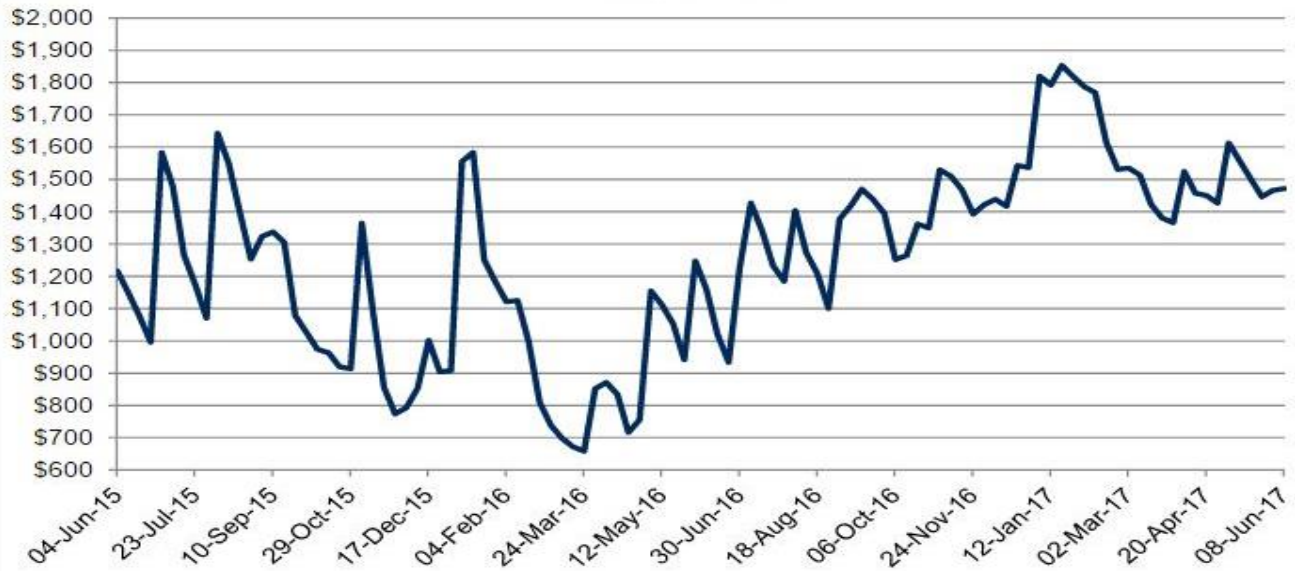
Ocean Freight to China



FFA SUPRAMAX 58 for the 5 time charter routes



World Container Index assessed by Drewry \$USD/ft container

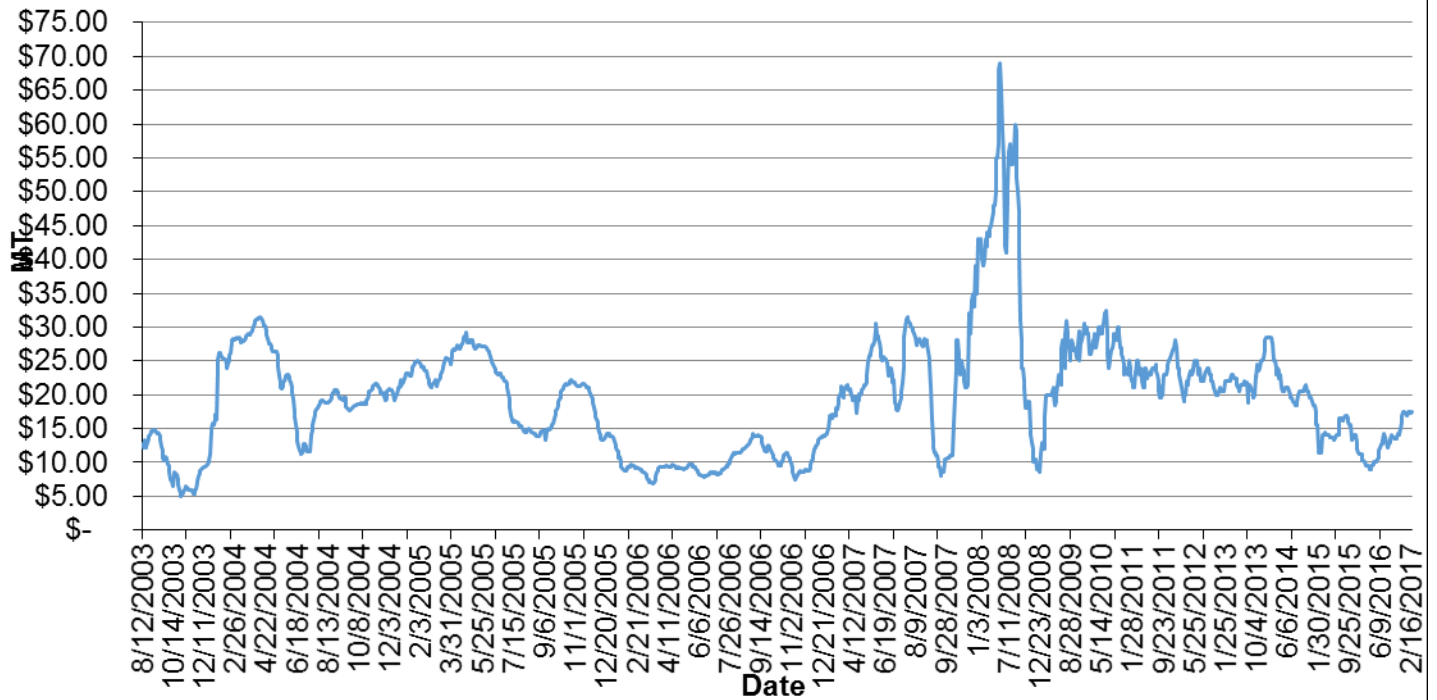


World Container Index assessed by Drewry

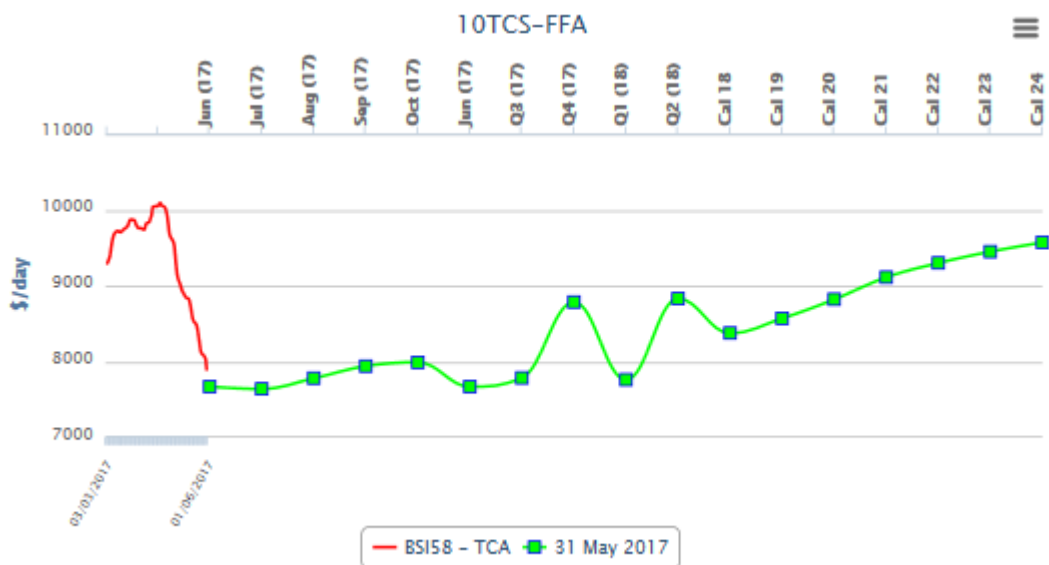
“idle fleet” of 435 ships (around 1.7 million TEUs) may be considered the 4th largest fleet in the world



US Gulf vs PNW Freight Spread



Supramax Capesize FFA Market



Shanghai Containerized Freight Index



Baltic Exchange exploring new freight indexes for grains

The Baltic Exchange is looking into launching freight indexes for grains and liquefied natural gas (LNG) as the London-run business targets new markets after its acquisition by Singapore Exchange last year, the Baltic's chief executive said. Founded in 1744 as a forum for chartering vessels, the Baltic Exchange now produces benchmark indexes for global shipping rates and owns a trading platform for the multi-billion dollar freight derivatives market.

U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement First Half July 2017

Placement FH July 2017	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	330	\$22.52	0.57	0.61
Illinois River (Pekin and South)	265	\$14.05	0.36	0.38
Mid-Mississippi	270	\$15.83	0.40	0.43
Lower Ohio	205	\$10.08	0.26	0.27
St. Louis	195	\$ 8.58	0.22	0.23

Secondary Rail Car Market for car placement period:
First Half July 2017.

Secondary Rail Car Market Placement FH July 2017	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ (75.00)	\$ -	\$ (0.02)	\$ -	\$ (0.74)	\$ -
UPRR Shuttle Trains	\$ (300.00)	\$ (200.00)	\$ (0.08)	\$ (0.05)	\$ (2.95)	\$ (1.97)

Best Regards,

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