

Transportation and Export Report for 5 July 2018

Ocean Freight Insights and Comments:

With the 4th of July holiday this is a short work week and therefore this will be a short report. Many in the market took extra days off. The Baltic indices we're mixed for the week and physical freight markets halted their slide at least temporarily while they wait for better definition.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
5-Jul-2018	This week	Last week	Difference	Percent change
P2A: Gulf/Atlantic-Japan	17922	18310	-388	-2%
P3A: Gulf/Pacific-Japan	9908	10983	-1075	-10%
S1C-US Gulf-China-So. Japan	19738	21172	-1434	-7%

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

Four weeks ago:	\$ 7.50-\$8.15
Three weeks ago:	\$ 7.55-\$8.10
Two weeks ago:	\$ 7.85-\$8.10
One week ago:	\$ 7.20-\$7.40
This week	\$ 7.20-\$7.40

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

Mississippi River:	(10 elevators)	1-8 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-1 days
Texas Gulf	(6 elevators)	0-1 days
Pacific Northwest:	(9 elevators)	1-17 days (only 2 facilities over 7 days)

Panamax Market Spreads to Asia-China

5-Jul-2018	PNW	GULF	Bushel Spread	MT Spread	Advantage
Corn	1.02	0.62	0.40	\$15.75	PNW
Soybeans	0.80	0.65	0.15	\$5.51	PNW
Ocean Freight	\$24.00	\$42.50	.44-.48	\$18.50	August

Recent Reported Vessel Fixtures:

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$43.50	Up \$0.25	Handymax \$44.00 mt
55,000 U.S. PNW- Japan	\$24.75	Up \$0.25	Handymax \$25.00 mt
66,000 U.S. Gulf – China	\$42.50	Up \$0.25	North or South China
PNW to China	\$24.00	Up \$0.25	
25,000 U.S. Gulf- Veracruz, México	\$16.25	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> From Argentina	\$19.750 \$34.00	Unchanged	<u>West Coast Colombia at \$28.50</u>
40-45,000 U.S. Gulf - Guatemala	\$28.75		
26-30,000 U.S. Gulf – Algeria	\$31.50 \$33.00	Unchanged	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$34.00	Unchanged	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	\$28.00 \$27.50	Unchanged	55,000 -60,000 mt Russia Black Sea to Egypt \$15.00
60-70,000 U.S. Gulf – Europe – Rotterdam	\$20.50	Unchanged	Handymax at +\$1.75 more
Brazil, Santos – China Brazil, Santos – China Itacoatiara-Port Up River North Brazil	\$35.25 \$34.50 \$38.00	Unchanged	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 60-66,000 mt
56-60,000 Argentina/Rosario- China Deep Draft	\$39.75		
		Unchanged	Up River with BB Top Off \$41.00

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

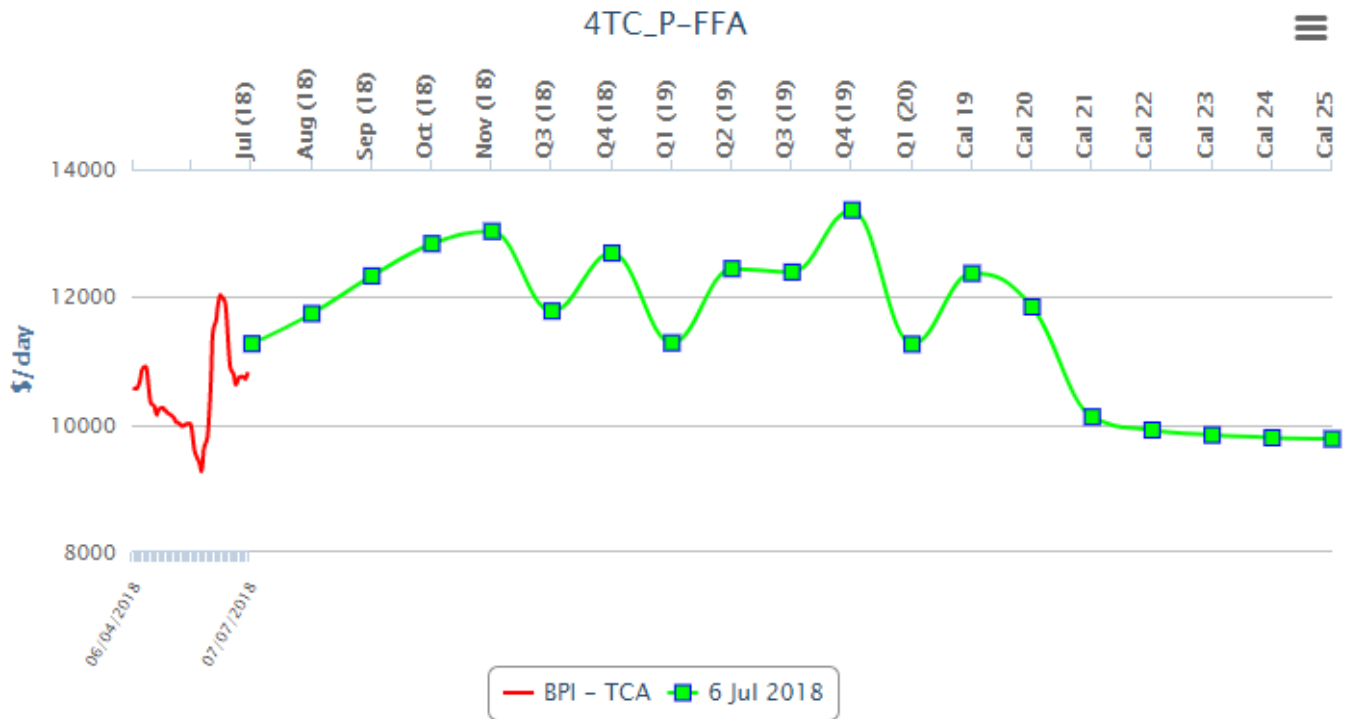
Nautical Miles: To Xiamen China (South China)

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

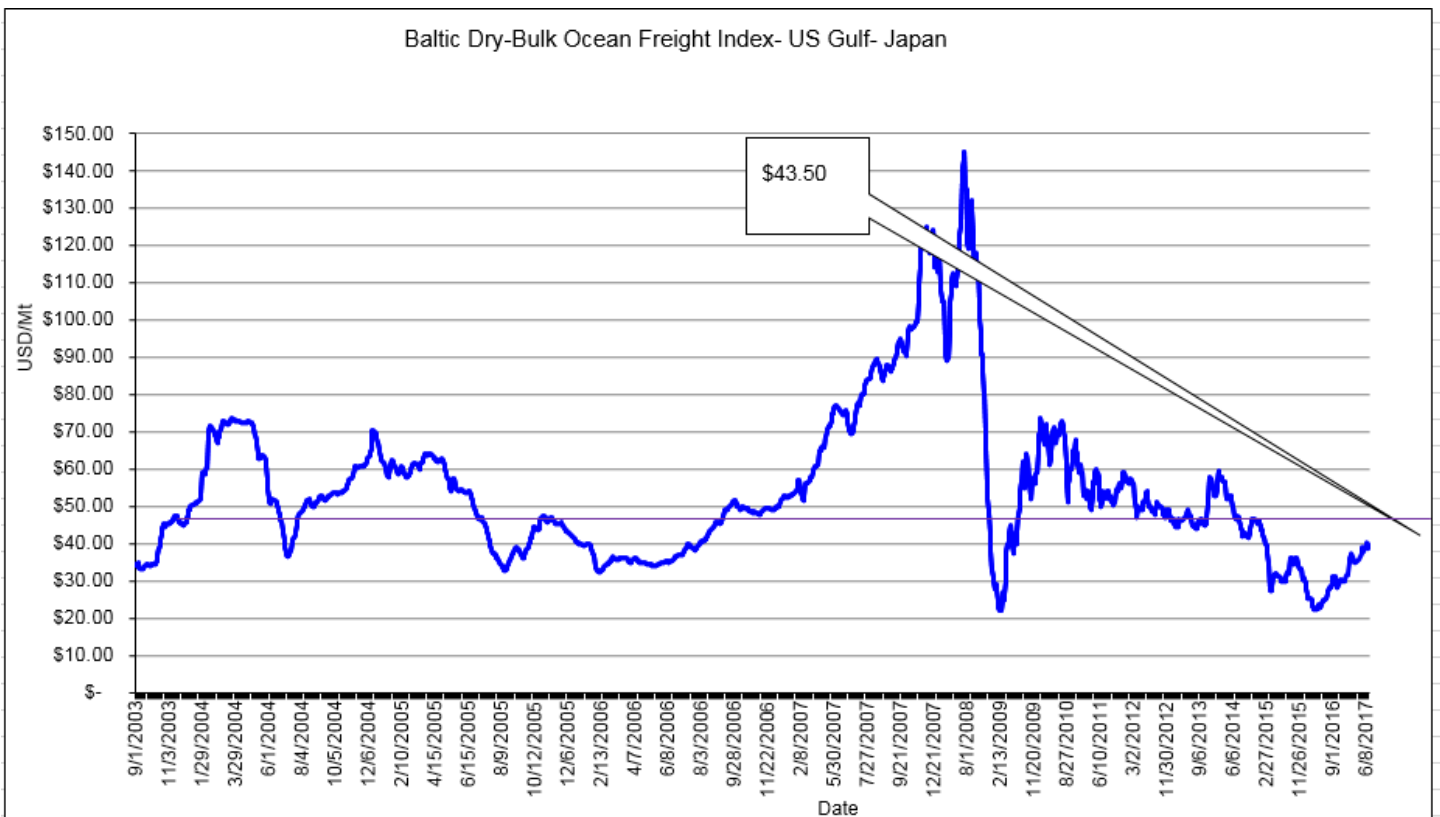
Santos Brazil (via Cape of Good Hope) - 10,441 nautical miles (33 days)

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

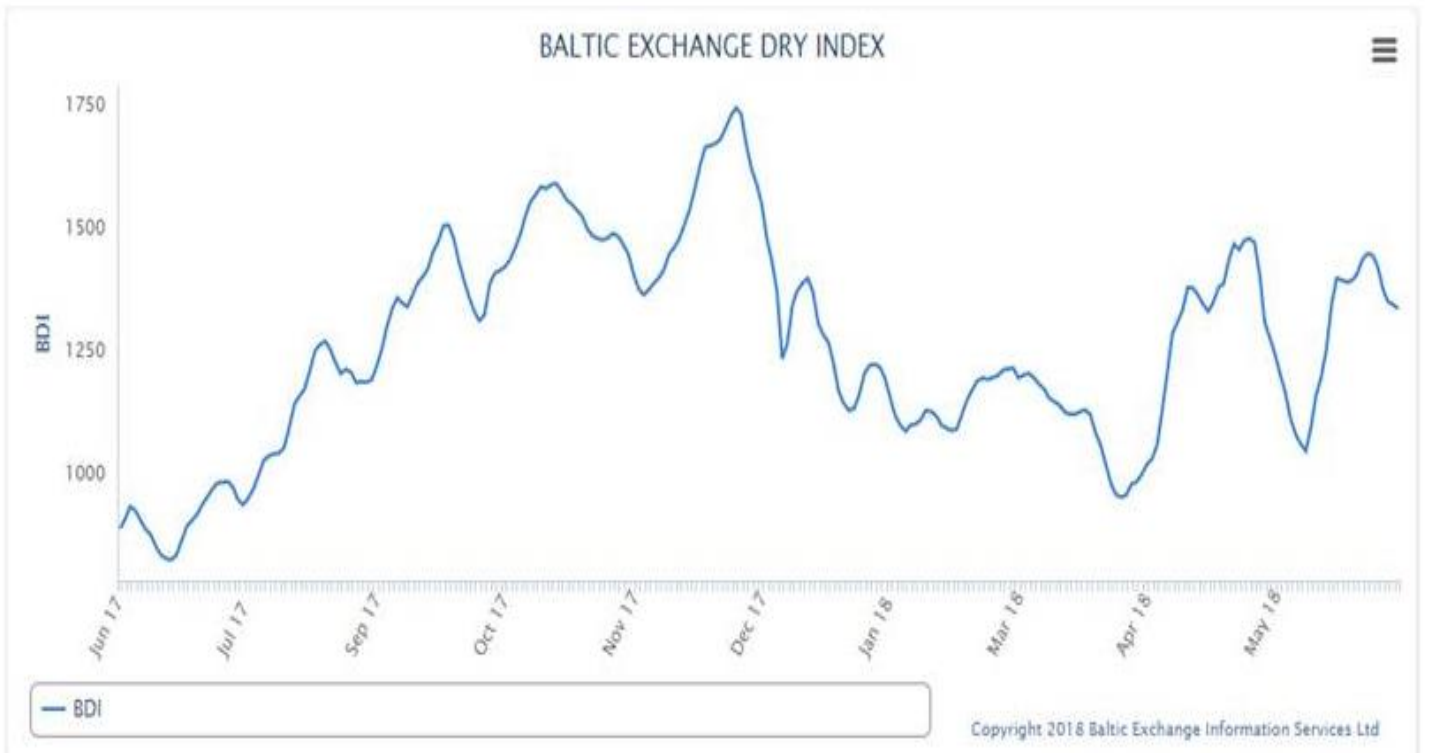
Forward Curve for Baltic BPI Panamax Vessel Freight



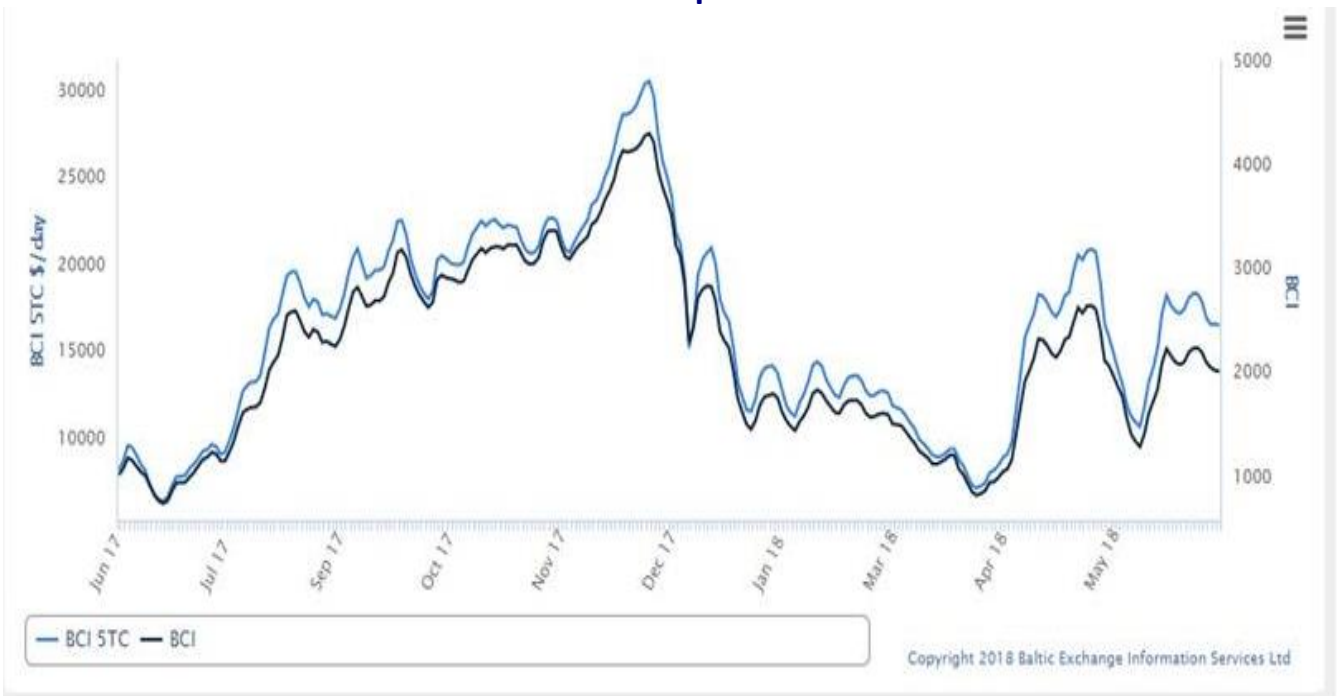
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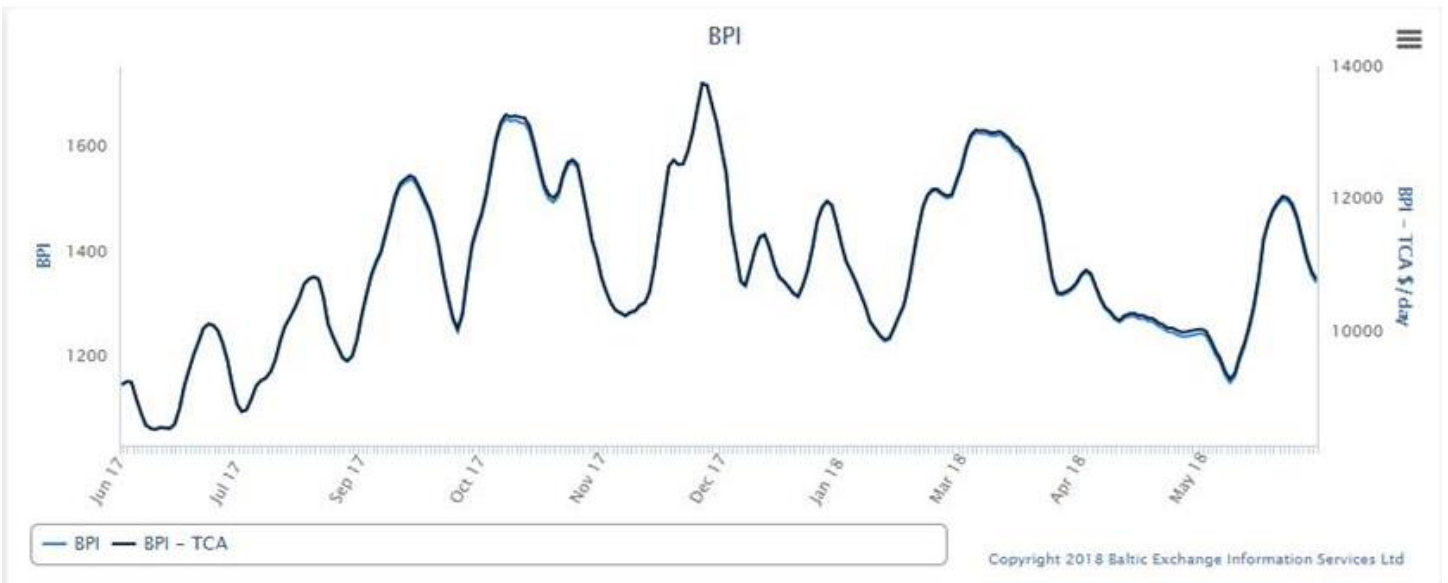
Baltic Dry-Bulk Index



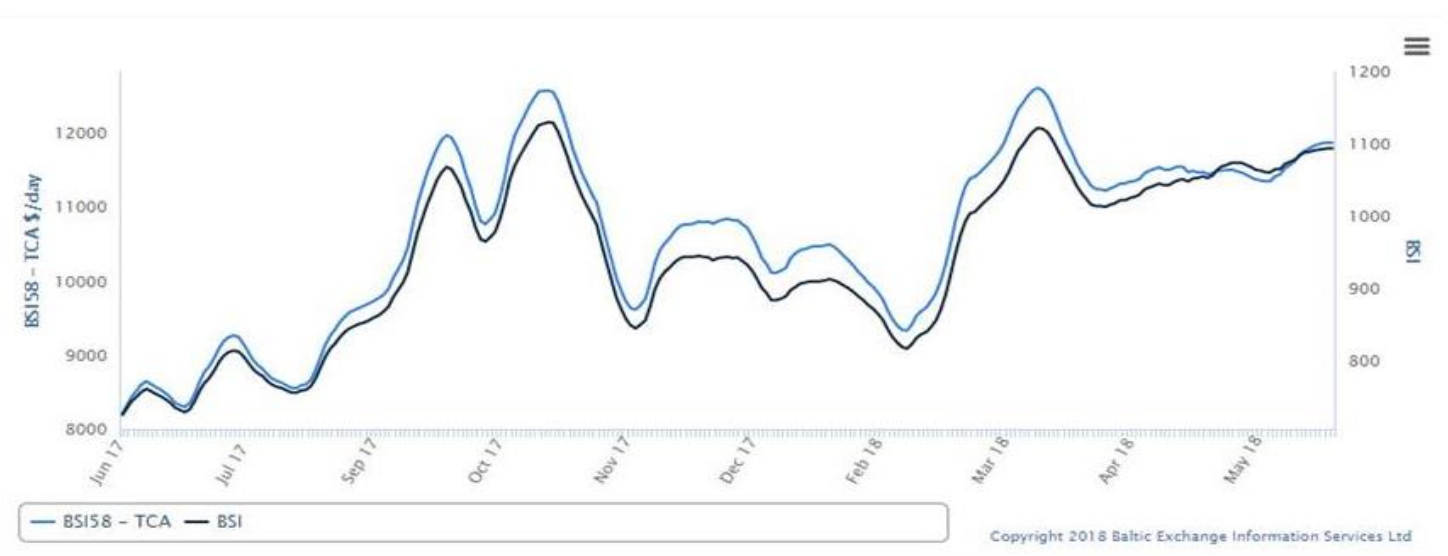
Baltic Capesize Index



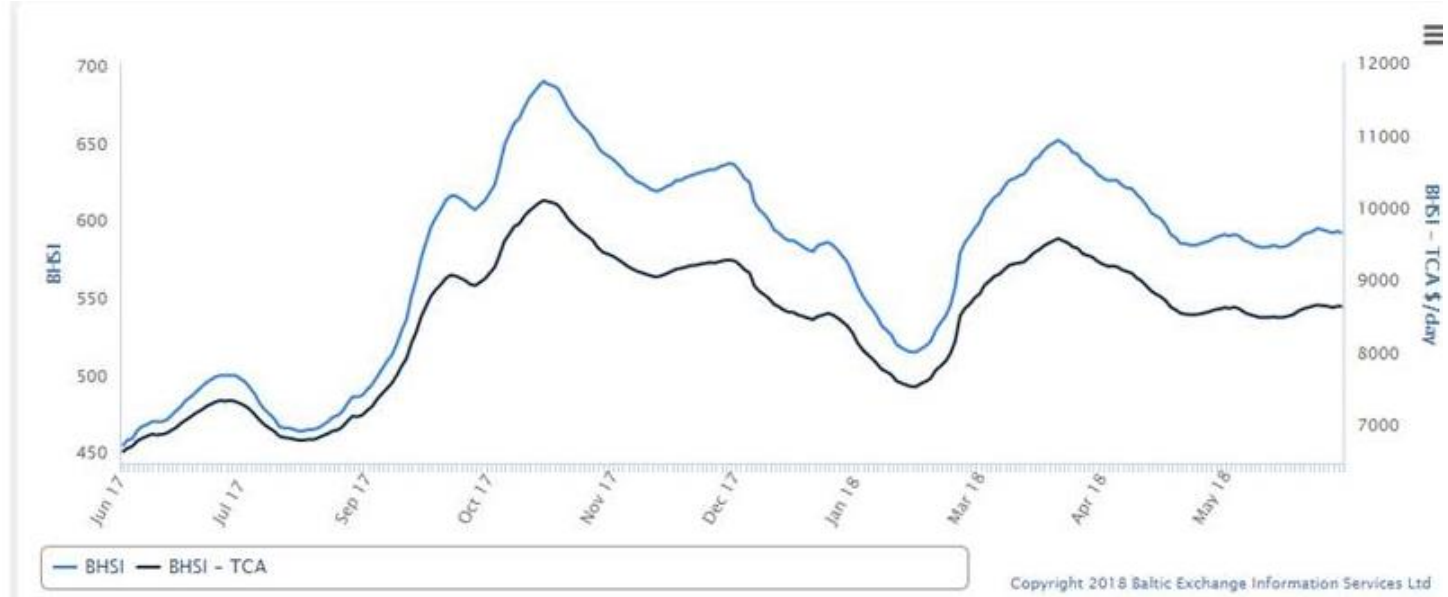
Baltic Panamax Index



Baltic Supramax Vessel Index



Baltic Handy Size



Yamamizu Shipping

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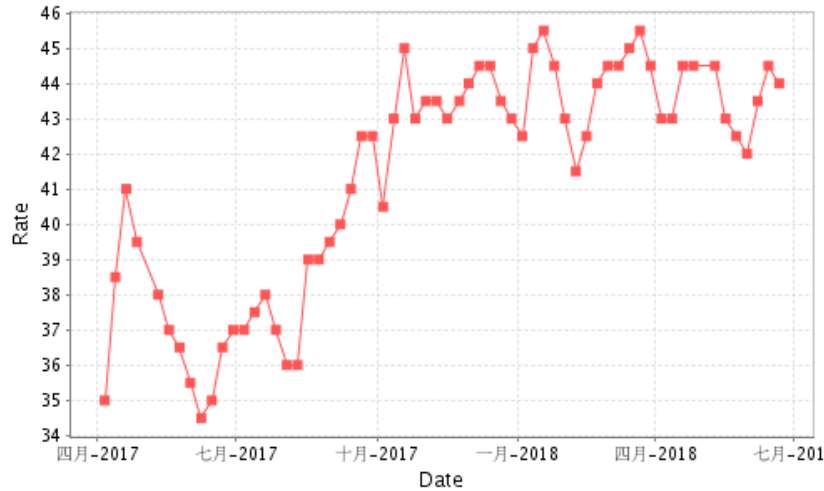
USG/Japan Index Result

Date From: 2017-04-03



Date To: 2018-06-28





China Import Dry Bulk Freight Index(CDFI)

2018-07-05

Route	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	976.12	15.29
Iron ore Freight Index			Point	1029.77	27.22
Soybean Freight Index			Point	987.16	2.12
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	34.395	0.122
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	23.659	0.009
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	42.736	0.039
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	44.490	0.020

5 July 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
August	0.62	\$163.08	1.02	\$178.83
Sept.	0.68	\$165.44	1.04	\$179.62
Oct.	0.70	\$171.05	1.10	\$186.80
Nov.	0.77	\$173.81	1.10	\$186.80
Dec.	0.77	\$173.81	1.12	\$187.59
Jan.	0.72	\$175.97	1.05	\$188.97

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
Aug. (Z)	1.15	\$188.77	1.00	\$182.86
Sept.	1.15	\$188.77	1.00	\$182.86
Oct.	1.15	\$188.77	1.00	\$182.86
Nov.	1.15	\$188.77	1.00	\$182.86
Dec.	1.20	\$190.74	1.03	\$184.04

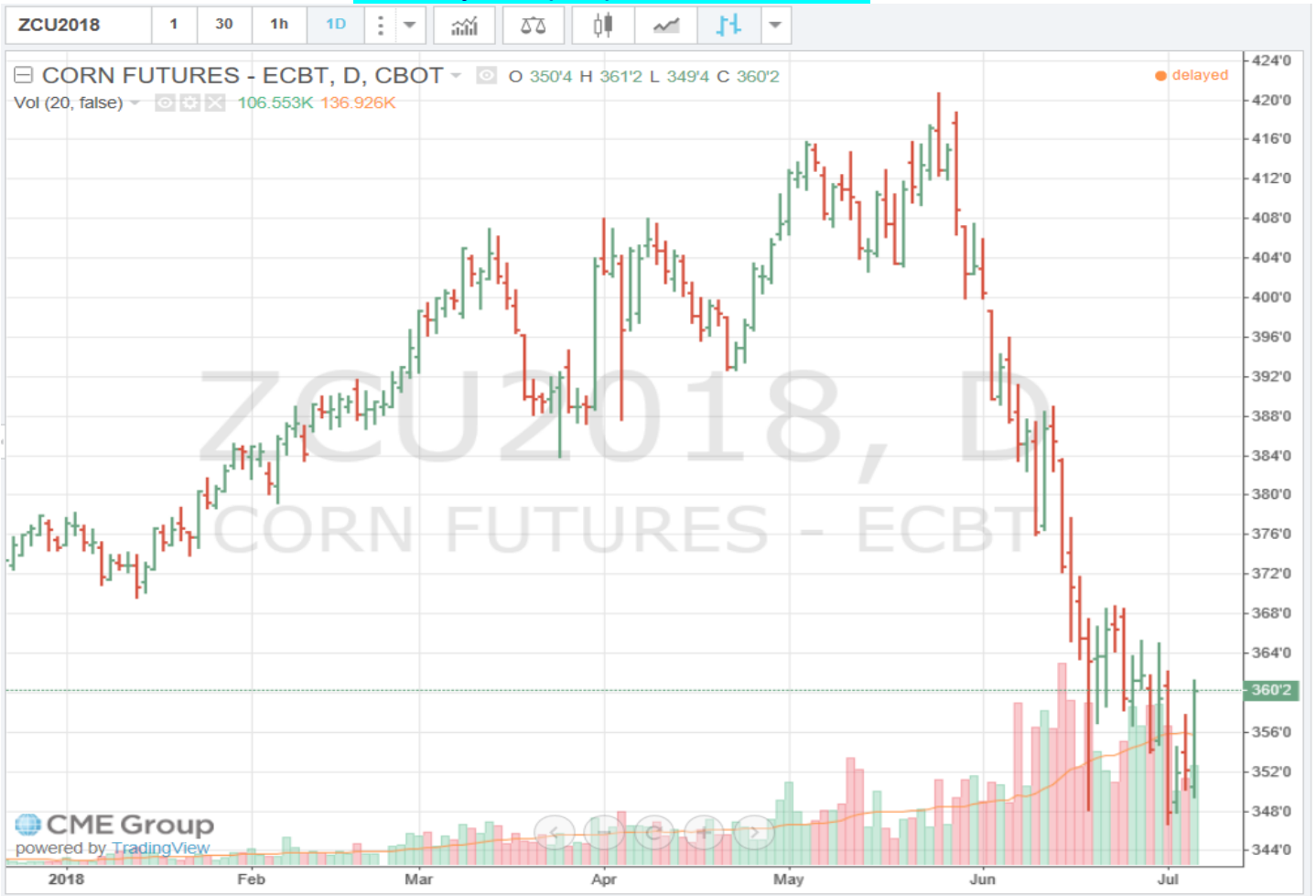
**** Please note that no one is quite sure of the exact value of export Sorghum at the moment. Fob vessel Texas Gulf #2 Sorghum is about ? the value of #2 Yellow Corn at NOLA**

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

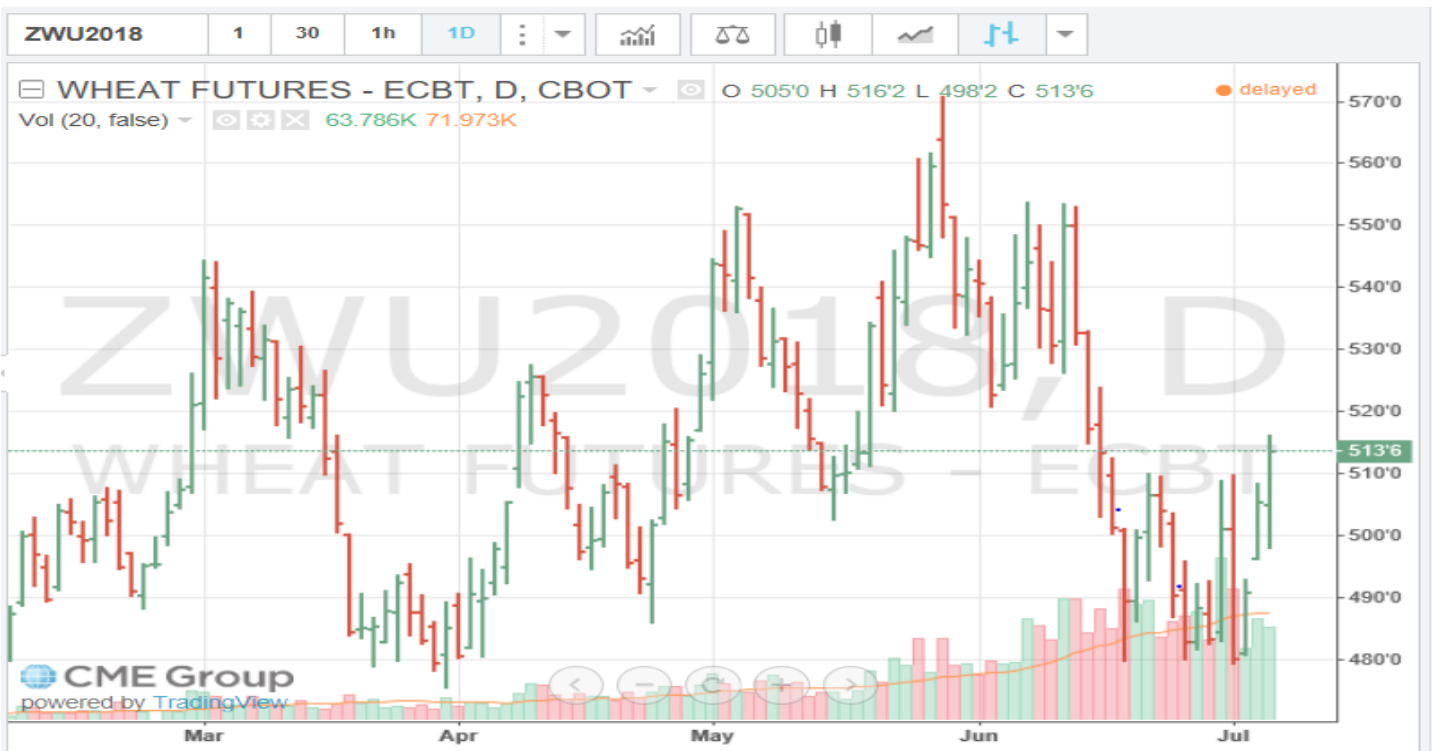
SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	July	Aug.	Sept.	Oct.
FOB U.S. GULF	\$212.74	\$213.30	\$215.13	\$216.69
Basis	0.75	0.75	0.80	0.70
WN	5.0400			
WU	5.0550			
WZ	5.1975			

CME Futures Market Close						
CORN Month	Futures Symbol	Friday Close Bushel	Friday Close MT.	Last week Bushel	Last Week MT.	Difference Bushel
July	CN	\$3.4350	\$135.23	\$ 3.7625	\$148.12	(\$0.3275)
Sept.	CU	\$3.5225	\$138.67	\$ 3.8525	\$151.66	(\$0.3300)
Dec.	CZ	\$3.6450	\$143.50	\$ 3.9675	\$156.19	(\$0.3225)
Mar.	CH	\$3.7500	\$147.63	\$ 4.0600	\$159.83	(\$0.3100)
May.	CK	\$3.8175	\$150.29	\$ 4.1225	\$162.29	(\$0.3050)

CBOT July 2018 (CN8) Corn Futures Chart –



CME/CBOT Sept. 2018 (WU8) SRW Wheat Futures Chart –



U.S. Soybean and SBM Markets Fob Vessel:

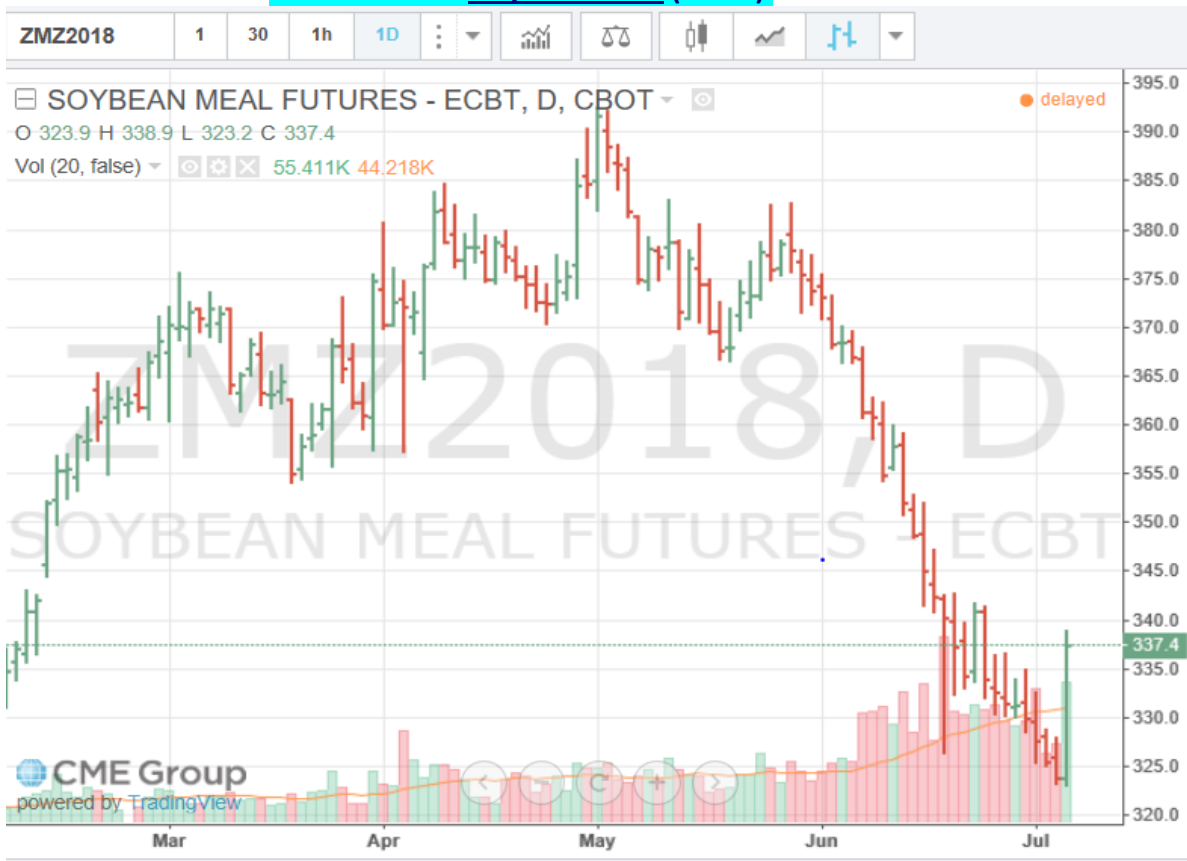
U.S. Yellow Soybeans (USD/MT) FOB Vessel				
# 2 YSB	U.S. Gulf #2 YSB		PNW #2 YSB	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
Aug.	0.65	\$332.25	0.80	\$337.76
Sept.	0.63	\$333.63	0.98	\$346.49
Oct.	0.70	\$340.15	1.03	\$352.28
Nov.	0.78	\$343.09	1.15	\$356.69
Dec.	0.74	\$345.11	1.15	\$360.18
Soybean Futures				
July	\$ 8.3550			
Aug.	\$ 8.3925			
Sept.	\$ 8.4500			
Nov.	\$ 8.5575			
Jan.	\$ 8.6525			
Mar.	\$ 8.7200			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Aug.	25.00	\$ 387.42
Sept.	26.00	\$ 387.97
Oct.	27.00	\$ 387.86
Nov.	28.00	\$ 387.97
Dec.	28.00	\$ 387.97
SBM Futures		
SMN	328.29	
SMQ	326.40	
SMU	325.90	
SMV	324.80	
SMZ	323.90	
SMF	322.50	

CME Nov. 2018 Soybean (SX18) Futures Chart:



CME Dec. 2018 Soybean Meal (SMZ8) Futures Chart



U.S. EXPORT STATISTICS: Report Activity as of Week Ending 21 June 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	913.5	57,252.6	58,420	98%	4,287.7
Sorghum	0.0	5,160.2	5,840	88%	38.0
Soybeans	366.0	56,809.9	56,200	101%	7,523.5
Wheat	616.5	5,551.9	25,860	21%	0.0
Barley	0.0	48.9	110	44%	0.0

U.S. EXPORT INSPECTIONS:

Monday's report 02 July 2018 for the Export week ending 28 June 2018

	Export Inspections		Current Market Year YTD	Previous Year to Date	2017 YTD as Percent of 2016 YTD (Wheat 2018 vs 2017)
	This Week	Previous Week			
Corn	1,537,871	1,540,434	45,759,861	48,713,138	94%
Sorghum	9,416	336	4,771,093	5,024,940	95%
Soybeans	849,204	516,711	49,673,709	52,539,547	95%
Wheat	324,181	364,312	1,482,422	2,807,551	53%
Barley	709	0	807	2,926	28%

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

U.S. EXPORT INSPECTIONS:

Monday's report 02 July 2018 for the Export week ending 28 June 2018

Last Week							
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans %
Lakes	19,335	1%	0	0%	0	0%	29,691 3%
Atlantic	0	0%	0	0%	0	0%	58,391 7%
Gulf	813,861	53%	4,263	36%	9,198	98%	486,581 57%
PNW	468,617	31%	0	0%	0	0%	123,746 15%
Interior Export Rail	223,812	15%	7,484	64%	218	2%	150,795 18%
Metric Tons	1,525,625		11,747		9,416		849,204

Sorghum Shipments:	metric tons	
	9,198	Rep S Africa
	122	Panama
	96	Mexico
	9,416	Total

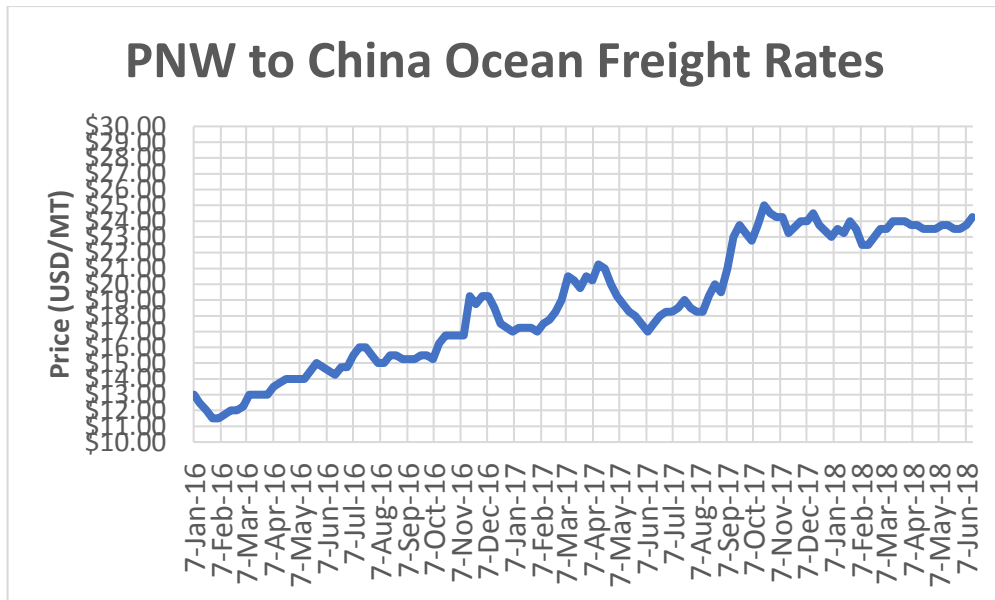
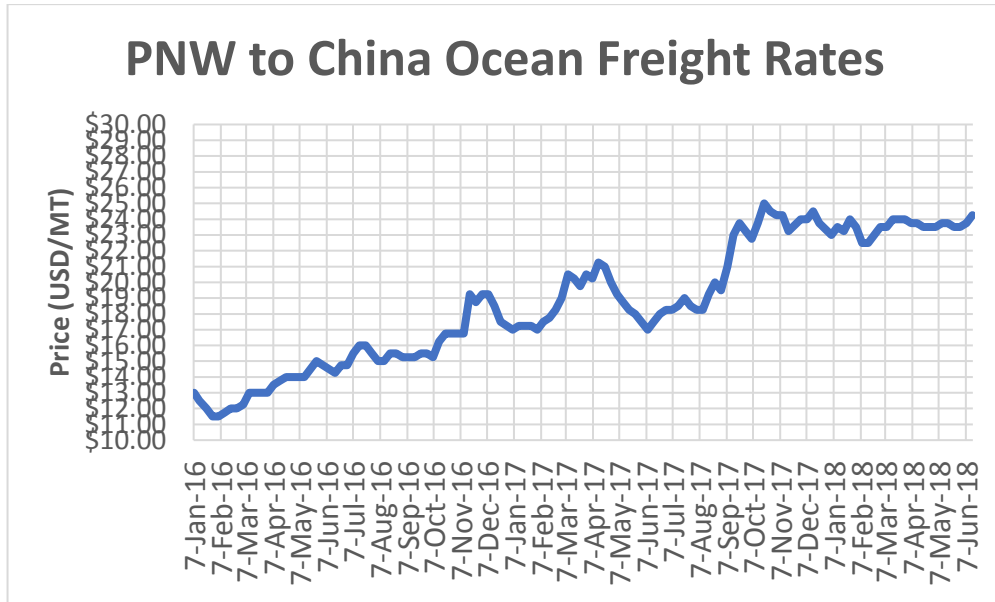
White Corn	metric tons	
Shipments:	4,263	Colombia
	7,484	Mexico
	11,747	Total

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		28-Jun-2018							
Last Week	metric tons	WC	YSB	SRW	NS	SWH	HRW	Sorghum	MT TOTAL
	YC								
China Main	343		2,717						3,060
China T	22,674		17,292						39,966
Hong Kong	293								293
Costa Rica									0
Indonesia			21,497						21,497
Panama								122	122
Japan			293						293
Korea Republic			244						244
Dominican Rep									0
Malaysia	1,640		9,229						10,869
Burma			465	293					758
Philippines	465		1,641						2,106
Thailand			13,660						13,660
Cambodia									0
Bangladesh									0
Vietnam			11,408						11,408
Sub total	25,415	0	78,446	293	0	0	0	122	92,868
USDA Corrections/Additions to previous reports:									
China T	48								48
China Main									0
Hong Kong									0
Korea Rep.									0
Costa Rica									0
Japan									0
Philippines									0
Indonesia			1,592						1,592
Malaysia									0
Thailand			514						514
Vietnam			832						832
Canada									0
Burma									0
Sub total	48	0	2,938	0	0	0	0	0	2,986
Mt. Grand Total	25,463	0	81,384	293	0	0	0	122	95,854
Number of containers	1,107	0	3,538	13	0	0	0	5	

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

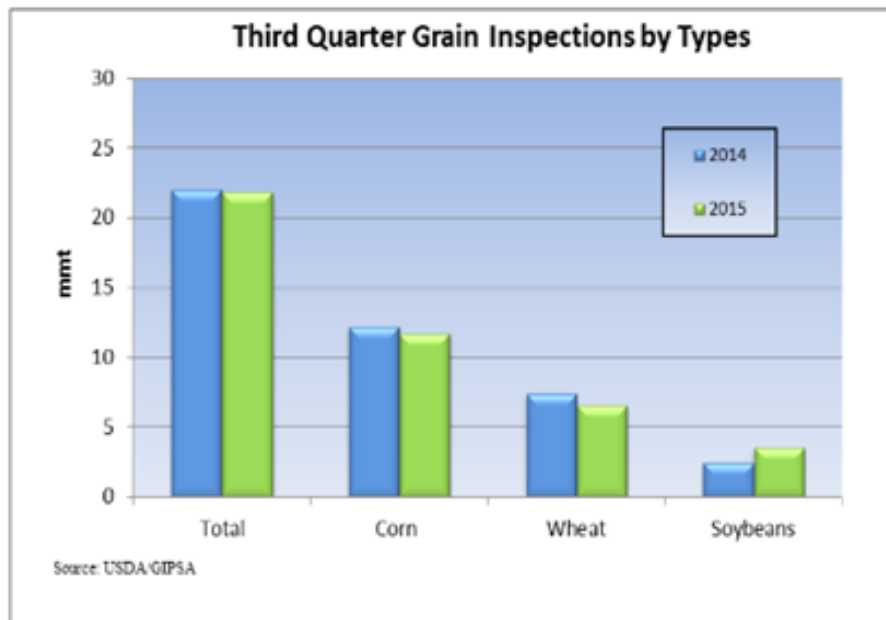


Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2017 YTD	17,640	11,494	6,005	35,139
2018 YTD	17,379	11,261	3,915	32,555
2018 as % of 2017	99%	98%	65%	93%

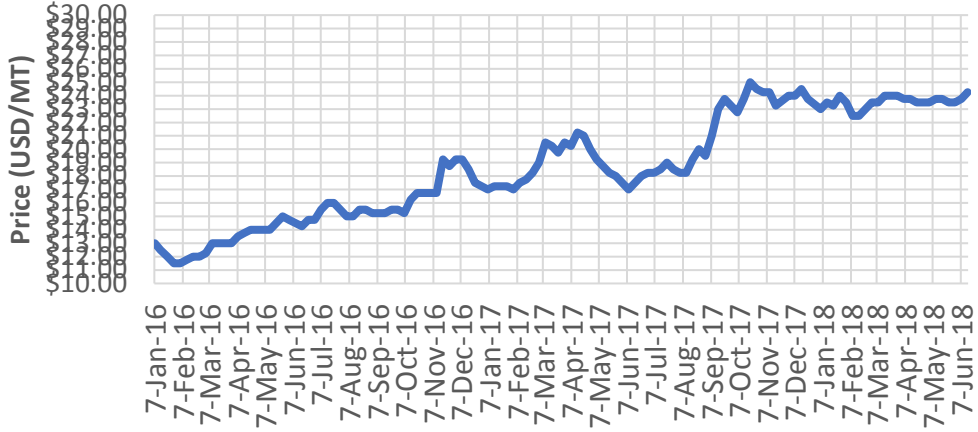
PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2017 YTD	7,941	4,518	7,767	20,226
2018 YTD	10,896	5,035	5,892	21,823
2018 as % of 2017	137%	111%	76%	108%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2018 Gulf YTD	17,379	11,261	3,915	32,555
2018 PNW YTD	10,896	5,035	5,892	21,823
TOTAL	28,275	16,296	9,807	54,378
Gulf Percentage	61%	69%	40%	60%
PNW Percentage	39%	31%	60%	40%

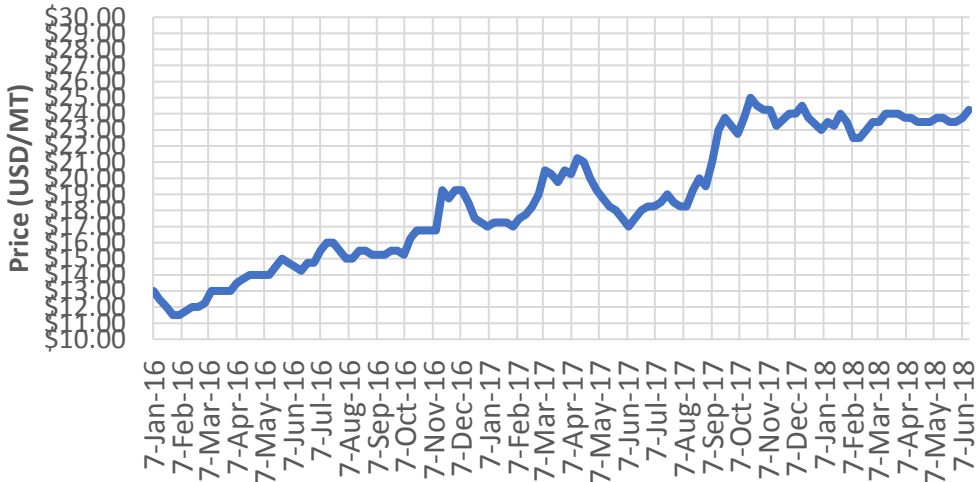


Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2017 YTD vs. 2018 YTD

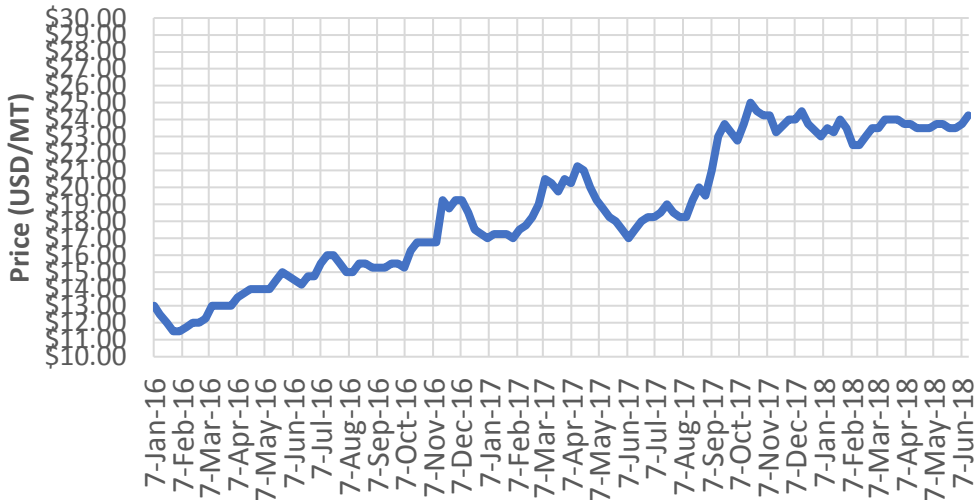
PNW to China Ocean Freight Rates



PNW to China Ocean Freight Rates



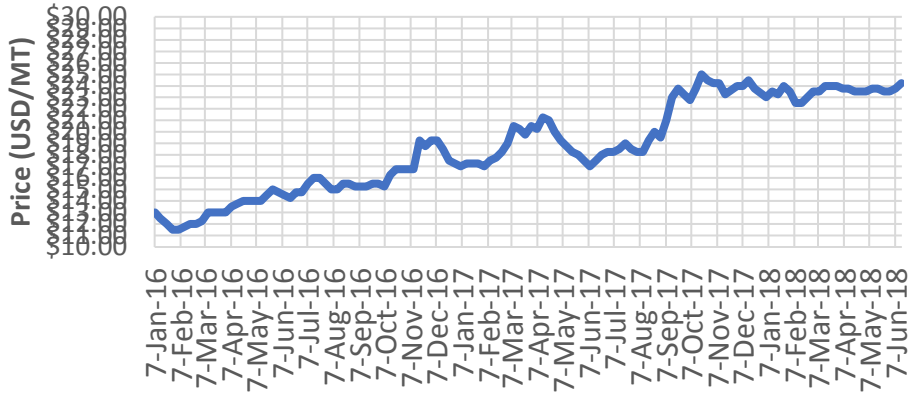
PNW to China Ocean Freight Rates



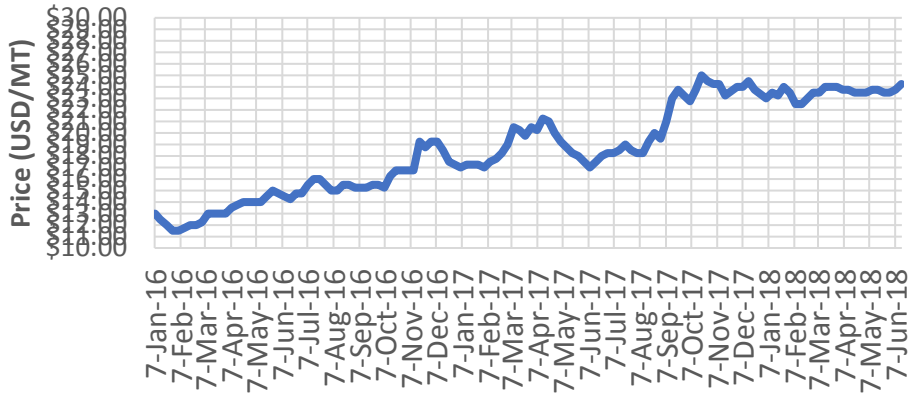
Source: USDA-data

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

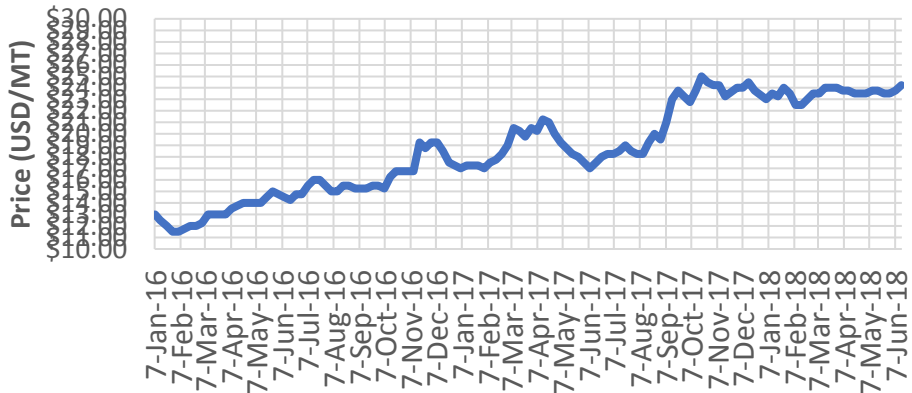
PNW to China Ocean Freight Rates



PNW to China Ocean Freight Rates



PNW to China Ocean Freight Rates

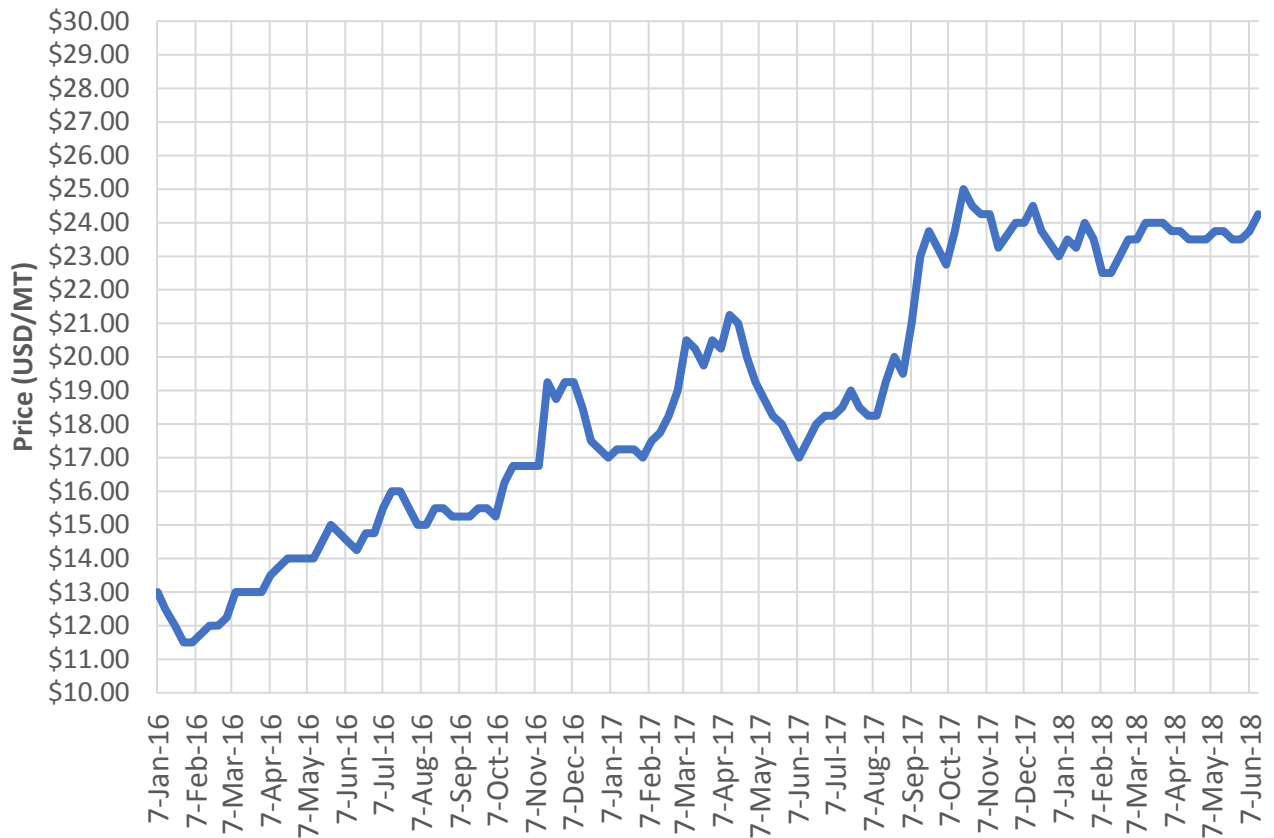


**Please keep in mind that USDA does not report DDGS sales, or they would show as the largest exports by container.

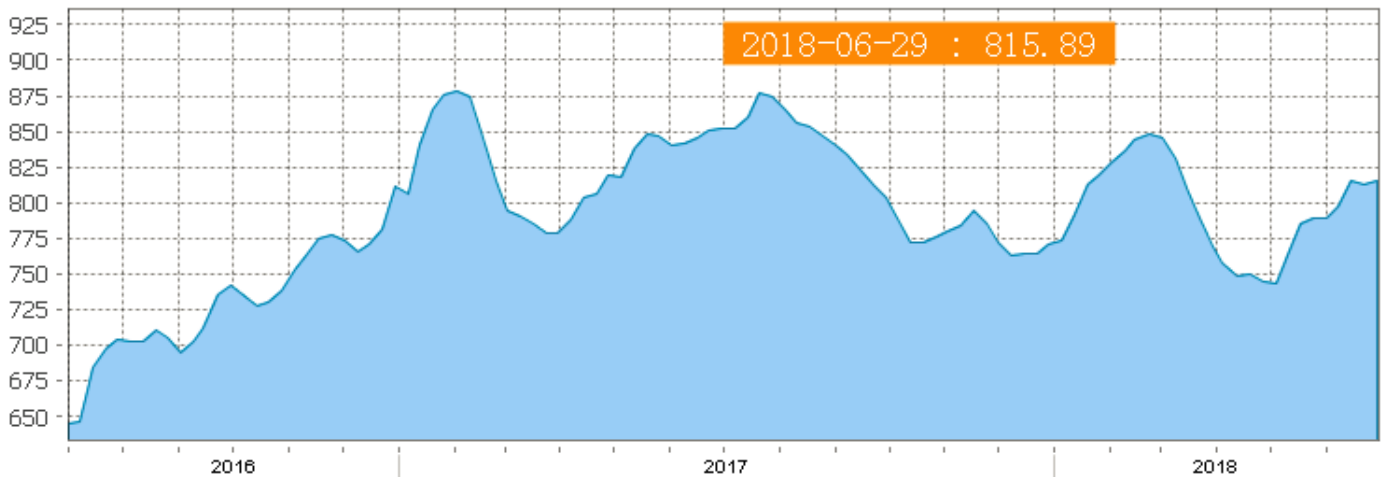
Source: USDA

Shipping News

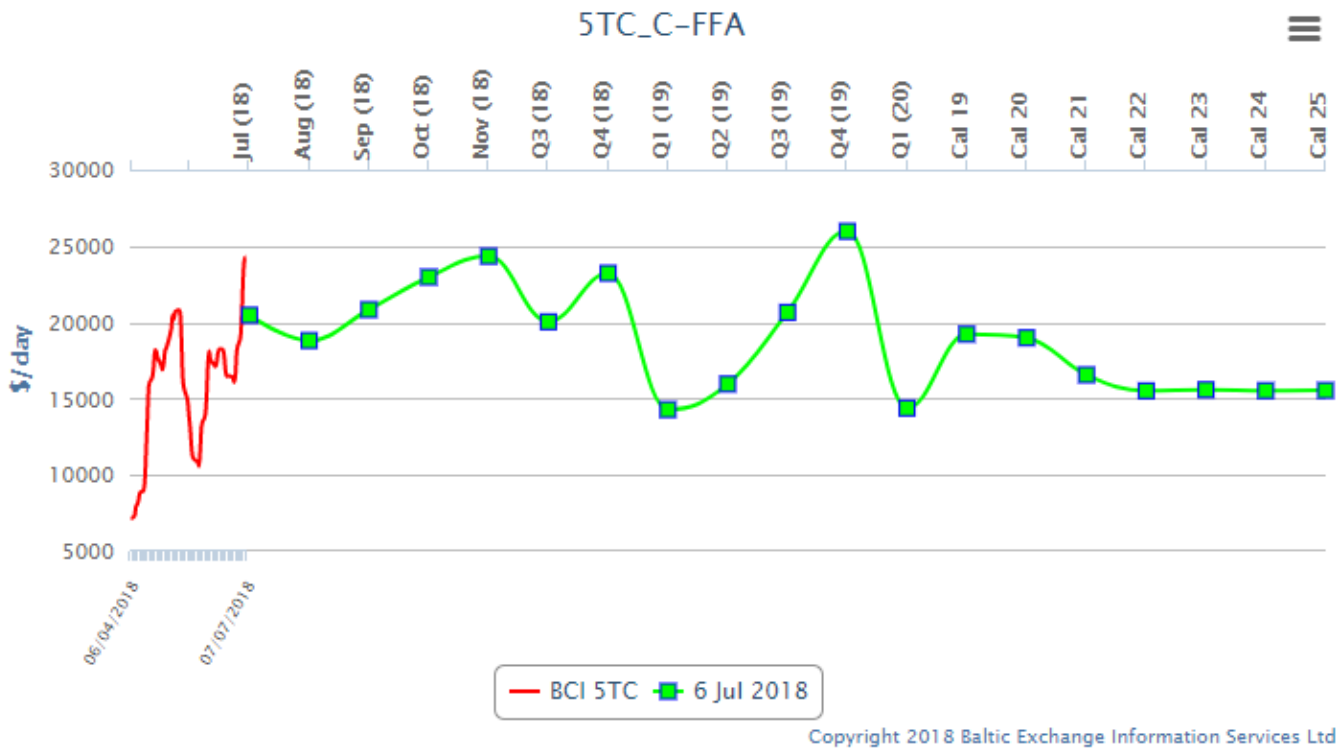
PNW to China Ocean Freight Rates



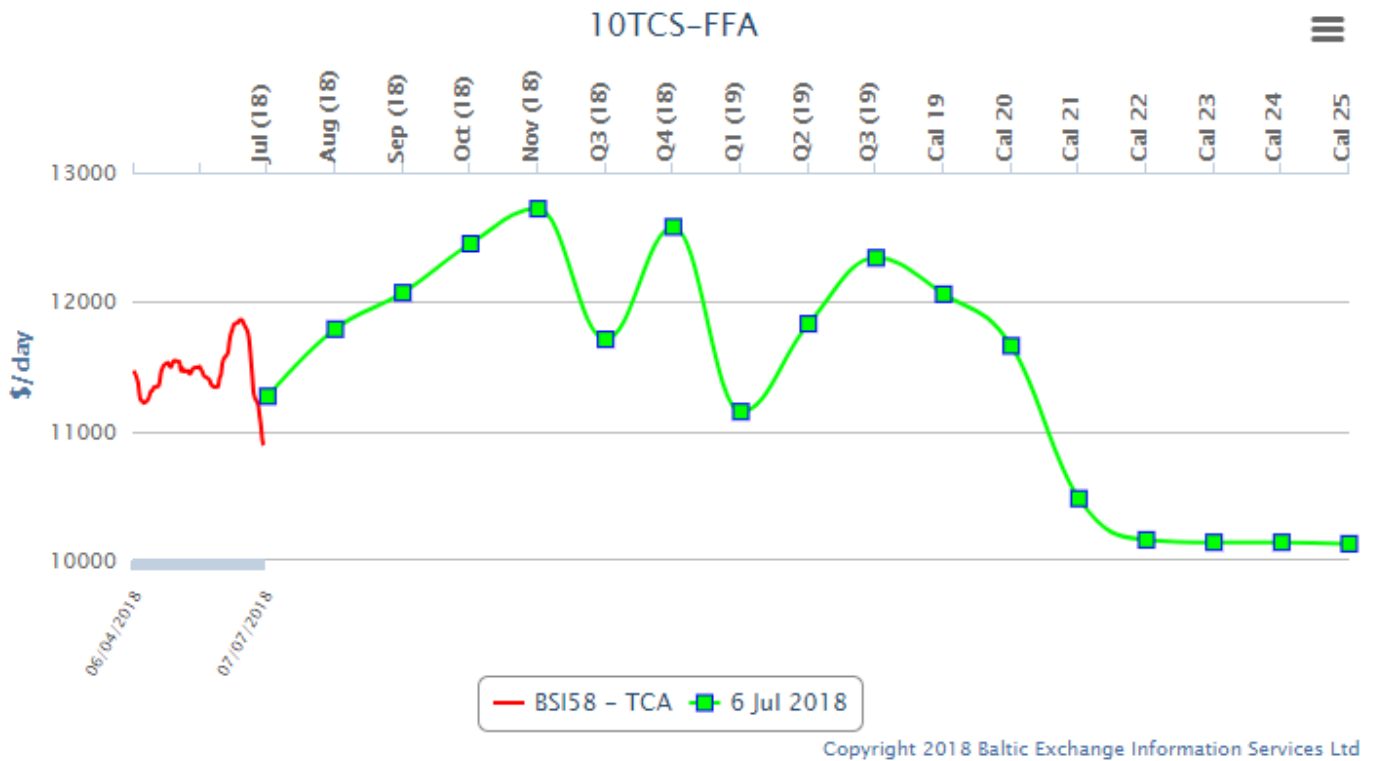
China Containerized Freight Index



FFA Capesize for the 4-time charter routes



FFA SUPRAMAX 58 for the 5 time charter routes



RIVER BARGE FREIGHT

Current Barge Freight for Placement First Half August 2018

Placement FH August 2018	% of Tariff	MT	Corn BU	Soybeans-Wheat BU
Upper Mississippi	445	\$ 30.36	0.77	0.83
Illinois River (Pekin and South)	410	\$ 21.74	0.55	0.59
Mid-Mississippi	410	\$ 24.04	0.61	0.65
Lower Ohio	335	\$ 16.47	0.42	0.45
St. Louis	310	\$ 13.63	0.35	0.37

Secondary Rail Car Market for car placement period: First Half August 2018.

Secondary Rail Car Market Placement FH August 2018	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ 200.00	\$ 400.00	\$ 0.05	\$ 0.10	\$ 1.97	\$ 3.94
UPRR Shuttle Trains	\$ 50.00	\$ 150.00	\$ 0.01	\$ 0.04	\$ 0.49	\$ 1.48

www.grains.ksu.edu/igp

Best Regards,

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