

**Transportation and Export Report for 6 July 2017****Ocean Freight Insights and Comments:**

The market continues to steam in circles. For a week or so the market goes up, and then, over the next week or two, it gives back previous gains. This is, once again, the story of current freight markets. Not surprisingly; every time the marker rallies there are reports of additional freight sellers showing up. So we are still fighting the same old balancing game.

Today, for the first time, I heard news of 35,000 mt of Dutch Non-GMO DDGS being sold into Turkey for July-August in five shipments of 7,000 mt each. The freight was about \$38.00/mt. This was sold at a big discount to equivalent Spot Fob values in Holland.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
6-Jul-17	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	14459	15339	-880	-5.7%
P3A - PNW/Pacific - Japan	8089	8125	-36	-0.4%
S1C -USGULF-China-So.Japan	18381	19242	-861	-4.5%

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

Four weeks ago:	\$ 5.35-\$5.80
Three weeks ago:	\$ 5.00-\$5.90
Two weeks ago:	\$ 4.85-\$5.45
One week ago:	\$ 4.55-\$5.25
This week	\$ 4.55-\$5.20

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

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

Panamax Market Spreads to Asia -China					
6-Jul-17	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.55	0.30	0.25	\$9.84	PNW
SOYBEANS	0.76	0.50	0.26	\$10.24	PNW
OCEAN FREIGHT	\$18.25	\$35.75	.44-.48	\$17.50	August

Recent Reported Vessel Fixtures:

60,000 mt HSS US Gulf to China July 15-25 Jul at \$33.65 fio 10000shex/8000shex – Bunge

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$37.00	Down \$0.50	Handymax at \$37.50 mt
55,000 U.S. PNW- Japan	\$19.00	Unchanged	Handymax at \$19.50 mt
55,000 U.S. Gulf – China	\$35.75	Down \$0.75	North China
PNW to China	\$18.25	Unchanged	
25,000 U.S. Gulf- Veracruz, México	\$14.25	Unchanged	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$12.25	Unchanged	Deep draft and 6,000 MT per day discharge rate.
25/35,000 U.S. Gulf- <u>East Coast Colombia</u>	\$17.25	Unchanged	<u>West Coast Colombia at \$25.50</u>
From Argentina	\$26.00		
40-45,000 U.S. Gulf - Guatemala	\$25.00	Unchanged	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$25.50 \$28.50	Down \$0.25	8,000 mt daily discharge 3,000 mt daily discharge
25-30,000 US Gulf-Morocco	\$24.50	Down \$0.25	5,000 discharge rate
55,000 U.S. Gulf –Egypt	\$22.00	Down \$0.25	55,000 -60,000 mt
PNW to Egypt	\$22.00		St. Lawrence to Egypt \$22.25
60-70,000 U.S. Gulf – Europe – Rotterdam	\$13.25	Unchanged	Handymax at +\$1.50 more
Brazil, Santos –China	\$26.00	Down \$0.25	54-58,000 Supramax-Panamax
Itacoatiara Port up River	\$25.00		60-66,000 Post Panamax
Amazonia - China	\$29.50		
56-60,000 Argentina-China Up River with Top Off	\$33.00	Unchanged	

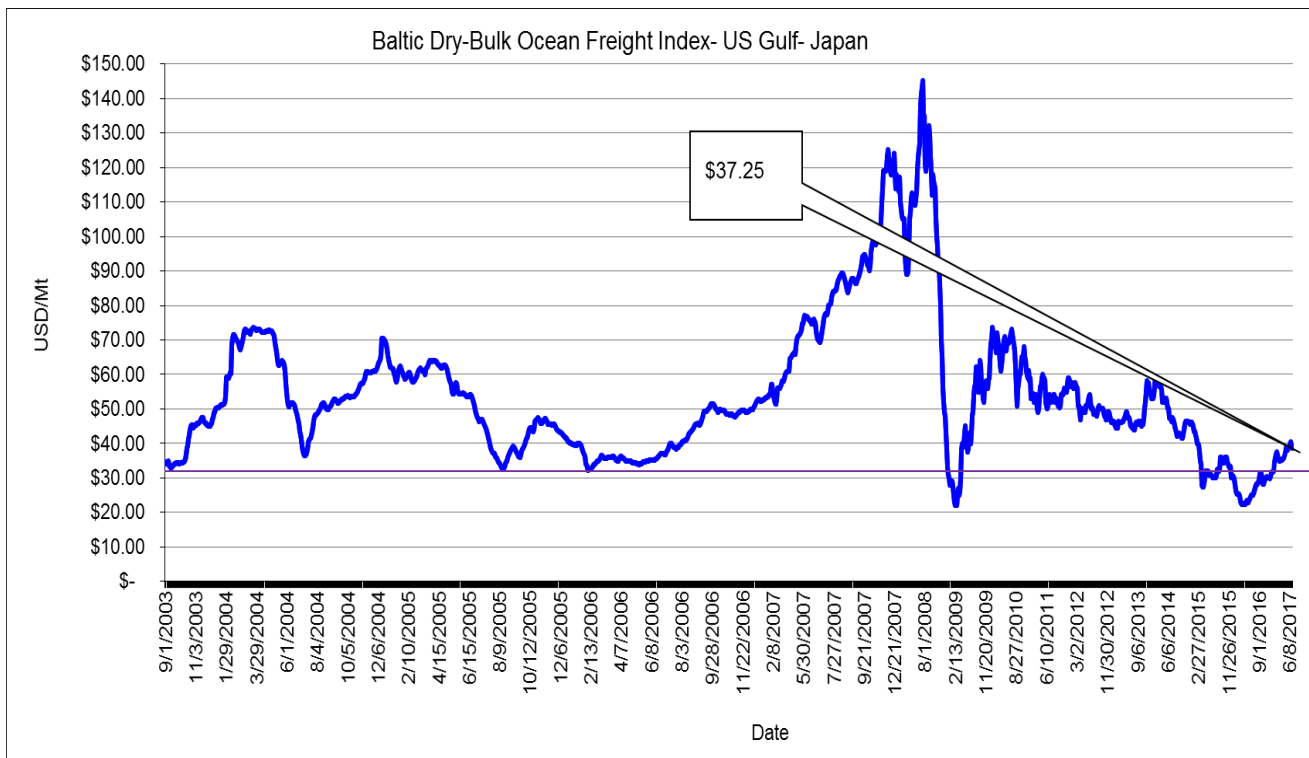
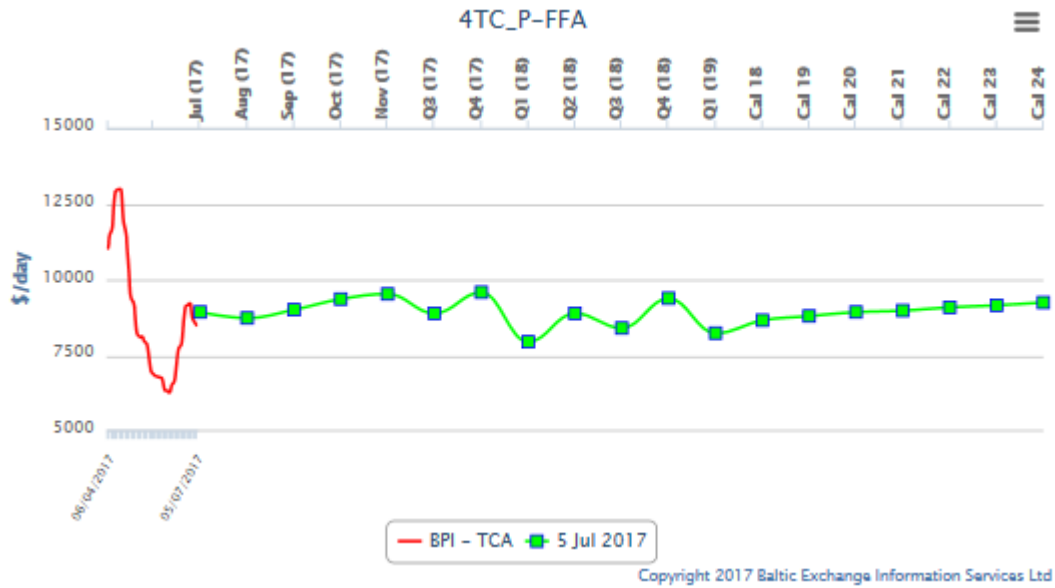
Nautical Miles: To Xiamen China (South China)

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

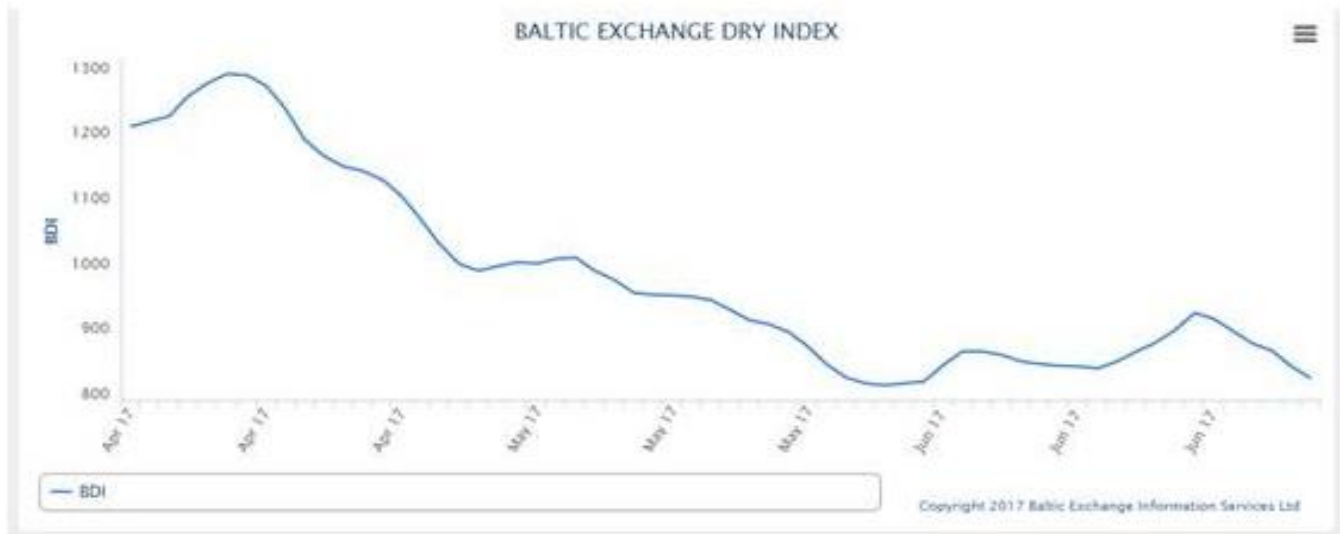
Santos Brazil (via Cape of Good Hope) - 10,441 nautical miles (33 days)

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

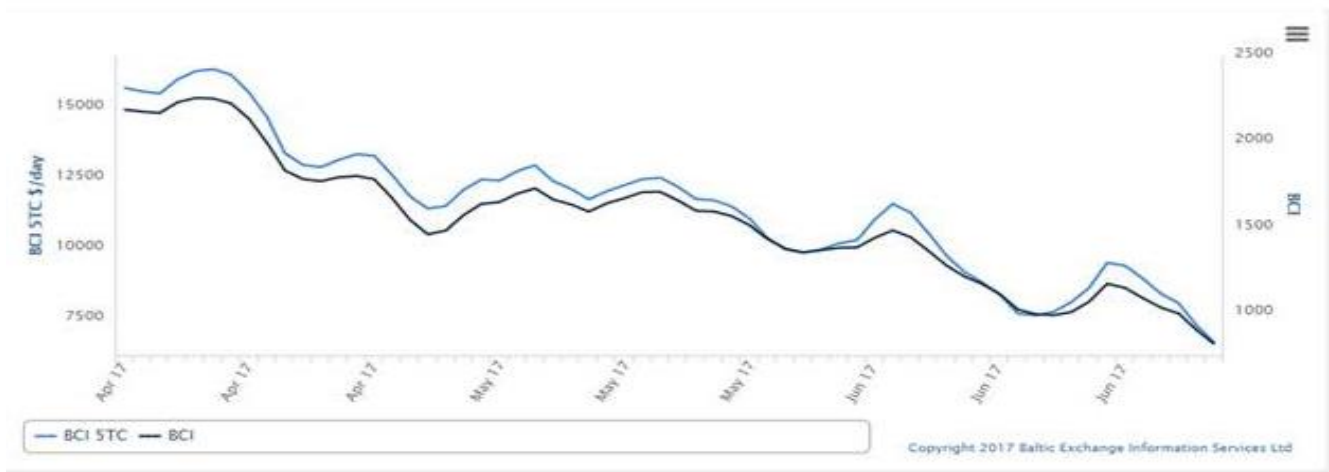
Forward Curve for Baltic BPI Panamax Vessel Freight



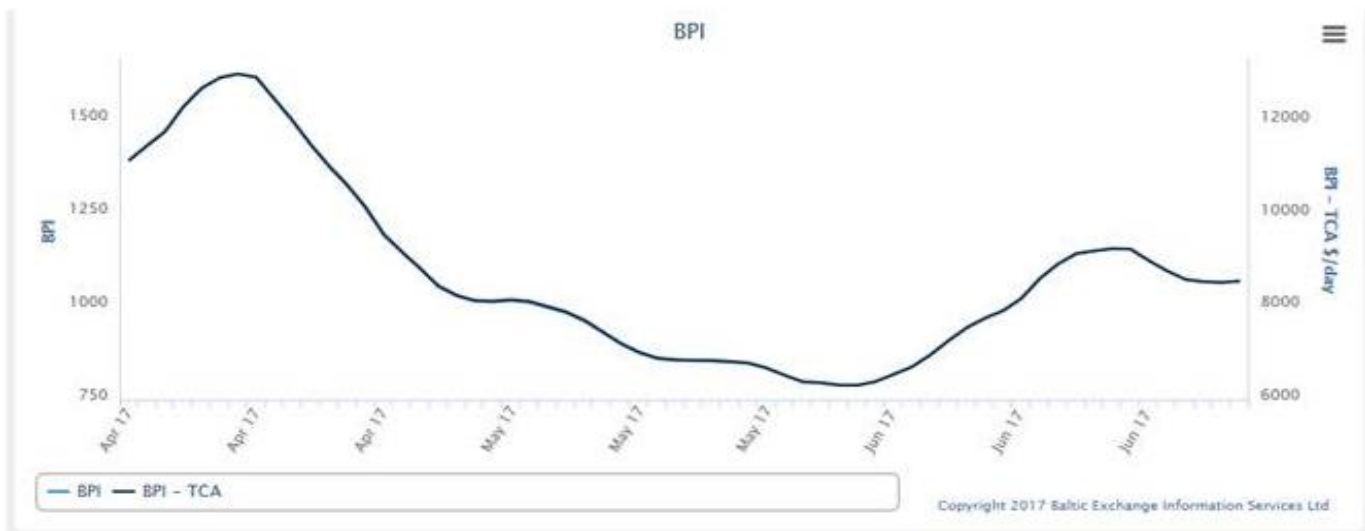
Baltic Dry Bulk Index



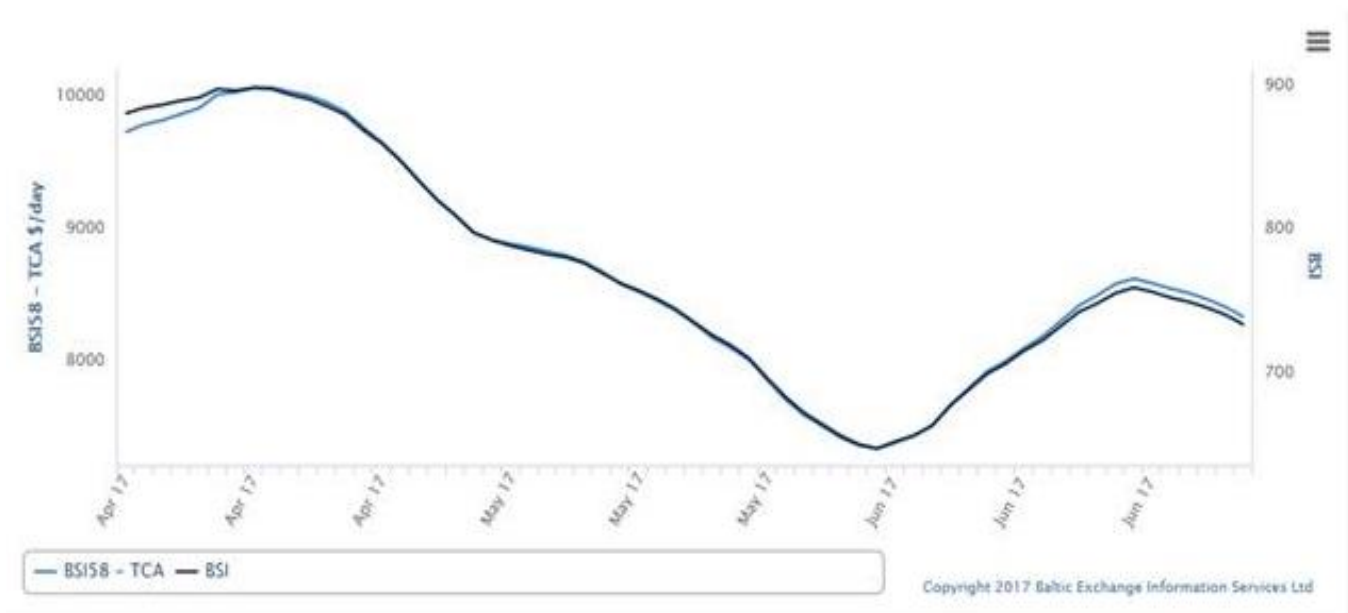
Baltic Capesize Index



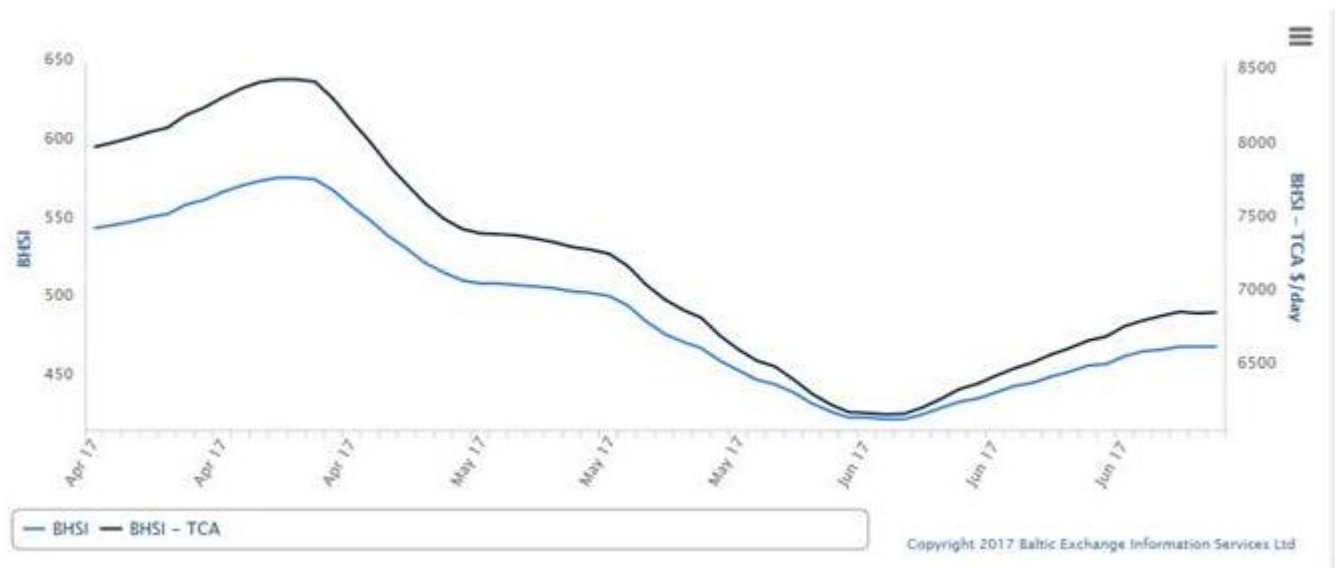
Baltic Panamax Index



Baltic Supramax Vessel Index



Baltic Handy Size



Yamamizu Shipping

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

USG/Japan Index Result

Date From: 2016-05-02

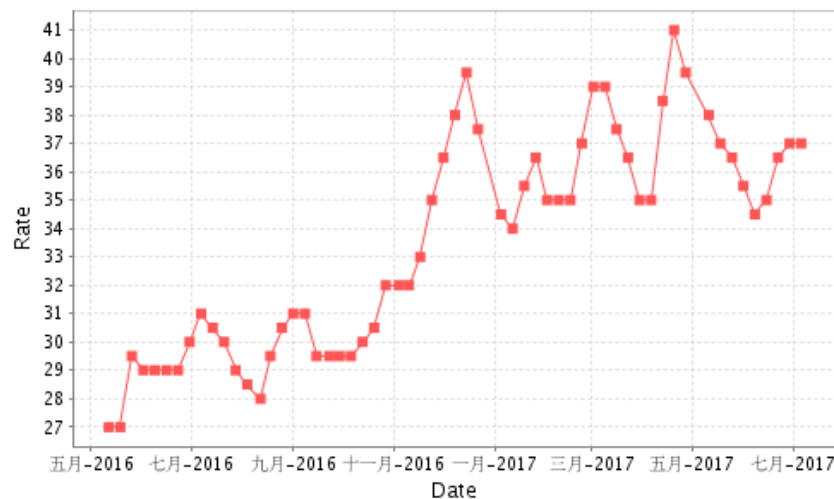
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Date To: 2017-07-06

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Query

Reset



China Import Dry Bulk Freight Index(CDFI)

2017-06-29

Index/Routes	Charterparty type	Cargo/Vessel type	Dwt/Cargo Capacity	Unit	Index/Rate	Change
Composite Index				Point	687.47	-0.87
VC Index				Point	637.04	-2.03
TCT Index				Point	763.11	0.87
Santos(Brazil)— North China	VC	Soybean	60000/10%	\$/ton	25.665	-0.117
Tacoma(West America)—North China	VC	Soybean	60000/10%	\$/ton	17.986	-0.046
Mississippi(US Gulf) —North China	VC	Soybean	55000/10%	\$/ton	36.245	-0.178

6 July 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
Aug.	0.30	\$165.54	0.55	\$175.38
Sept.	0.35	\$167.51	0.64	\$178.93
Oct.	0.42	\$175.09	0.68	\$185.32
Nov.	0.46	\$176.66	0.70	\$186.11
Dec.	0.49	\$177.84	0.73	\$187.29
Jan.	0.43	\$179.22	0.69	\$189.46

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
Aug. (Z)	0.90	\$193.99	0.85	\$192.02
Sept. (Z)	0.85	\$192.02	0.85	\$192.02
Oct.	0.85	\$192.02	0.85	\$192.02
Nov.	0.85	\$192.02	0.85	\$192.02
Dec.	0.85	\$192.02	0.85	\$192.02

Nov. Fob vessel Texas Gulf #2 Sorghum is about 116 % 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	
	Aug.	Sept.	Oct.	Nov.
FOB U.S. GULF	\$215.68	\$218.26	\$222.76	\$223.86
Basis	0.48	0.55	0.45	0.48
WN	5.1900			
WU	5.3900			
WZ	5.6125			

CME CORN FUTURES MARKET CLOSE- Thursday						
CBOT		Friday	Friday			
CORN	Futures	Close	Close	Last week	Last Week	Difference
Month	Symbol	Bushel	MT.	Bushel	MT.	Bushel
July	CN	\$3.8025	\$149.70	\$ 3.5975	\$141.63	\$0.2050
Sept.	CU	\$3.9050	\$153.73	\$ 3.6950	\$145.46	\$0.2100
Dec.	CZ	\$4.0275	\$158.55	\$ 3.8000	\$149.60	\$0.2275
Mar.	CH	\$4.1225	\$162.29	\$ 3.8950	\$153.34	\$0.2275
May	CK	\$4.1725	\$164.26	\$ 3.9575	\$155.80	\$0.2150

CME/CBOT Dec. 2017 (CZ7) Corn Futures Chart –



CME/CBOT Sept. 2017 (WU7) SRW Wheat Futures Chart –



Soybean and SBM Markets Fob Vessel:

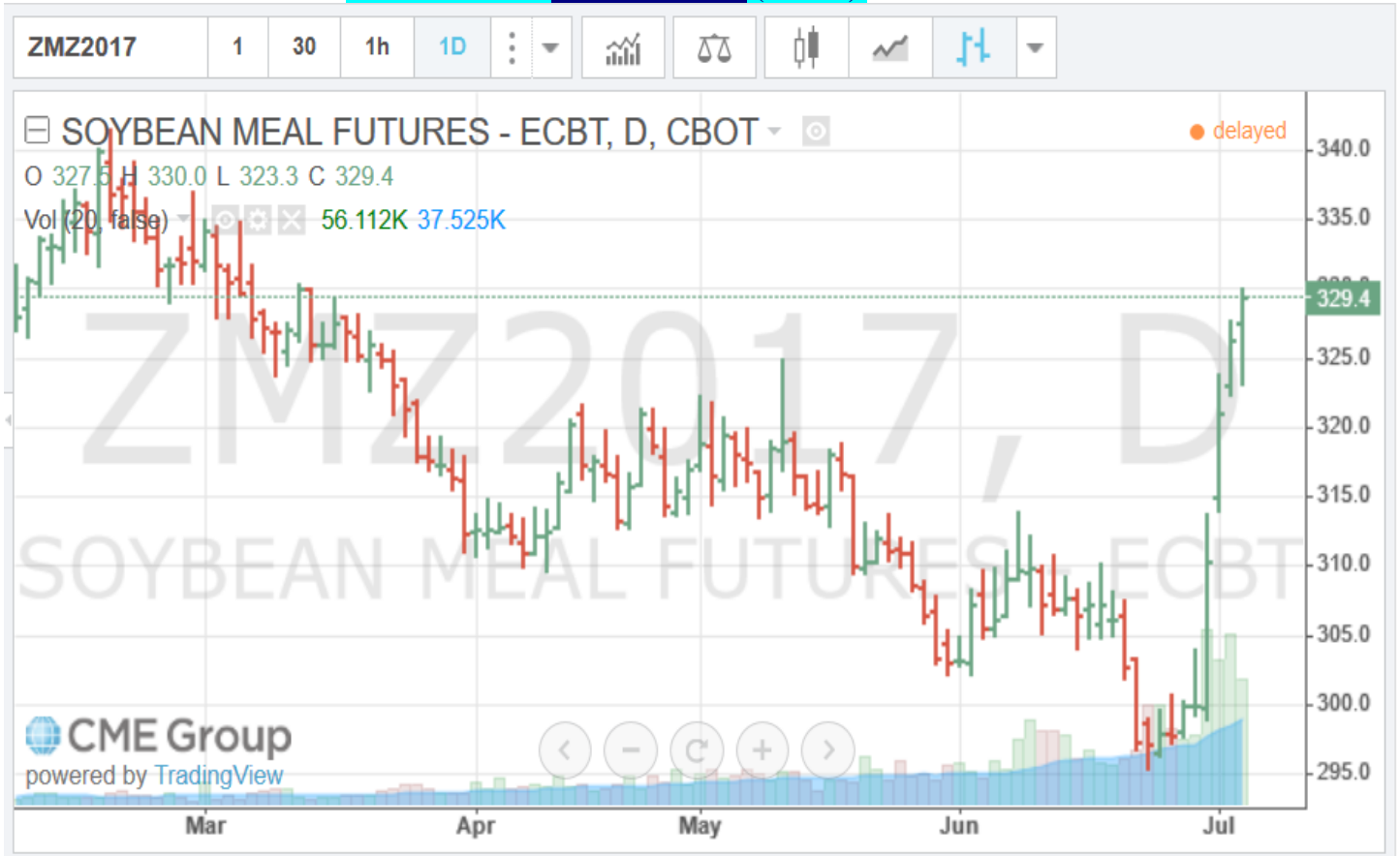
U.S. Yellow Soybeans (USD/MT) FOB Vessel				
# 2 YSB	U.S. Gulf #2 YSB		PNW #2 YSB	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
Aug.	0.50	\$380.57	0.76	\$390.12
Sept.	0.54	\$382.04	0.85	\$393.43
Oct.	0.55	\$387.37	0.88	\$399.49
Nov.	0.57	\$388.10	0.90	\$400.23
Dec.	0.60	\$389.20	0.93	\$401.33
Soybean Futures				
July	\$ 9.8075			
Aug.	\$ 9.8575			
Sept.	\$ 9.9075			
Nov.	\$ 9.9925			
Jan.	\$ 10.0675			
Mar.	\$ 10.0300			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Aug.	2.00	\$ 357.21
Sept.	3.00	\$ 360.63
Oct.	4.00	\$ 363.94
Nov.	4.00	\$ 367.90
Dec.	5.00	\$ 369.01
SBM Futures		
SMN	320.00	
SMQ	322.00	
SMU	324.10	
SMV	326.10	
SMZ	329.70	
SMF	331.20	

CME Nov. 2017 Soybean (SX17) Futures Chart



CME Oct. 2017 Soybean Meal (SMV7) Futures Chart



U.S. EXPORT STATISTICS: Report Activity as of Week Ending 22 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	340.1	55,462.2	56,520	98%	2,947.0
Sorghum	2.1	4,431.6	5,720	77%	0.0
Soybeans	391.5	59,361.0	55,790	106%	3,442.6
Wheat	596.3	8,017.2	27,220	29%	0.0
Barley	0.0	29.2	110	27%	0.0

U.S. EXPORT INSPECTIONS:

Monday's report 03 July 2017 for the Export week ending 29 June 2017

	Export Inspections		Current Market Year YTD	Previous Year to Date	2016 YTD as Percent of 2015
	This Week	Previous Week			
Corn	1,094,280	969,602	48,696,217	35,058,979	139%
Sorghum	16,183	75,760	5,024,940	7,571,830	66%
Soybeans	266,386	327,484	52,496,489	44,622,110	118%
Wheat	505,031	658,960	2,792,292	2,277,858	123%
Barley	0	542	2,926	5,105	57%

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

U.S. EXPORT INSPECTIONS:

Monday's report 03 July 2017 for the Export week ending 29 June 2017

Last Week							
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans %
Lakes	19,594	2%	0	0%	0	0%	0 0%
Atlantic	0	0%	0	0%	0	0%	4,629 2%
Gulf	594,764	55%	7,150	45%	10,794	67%	142,500 53%
PNW	297,877	28%	49	0%	0	0%	65,732 25%
Interior Export Rail	166,064	15%	8,782	55%	5,389	33%	53,525 20%
Metric Tons	1,078,299		15,981		16,183		266,386

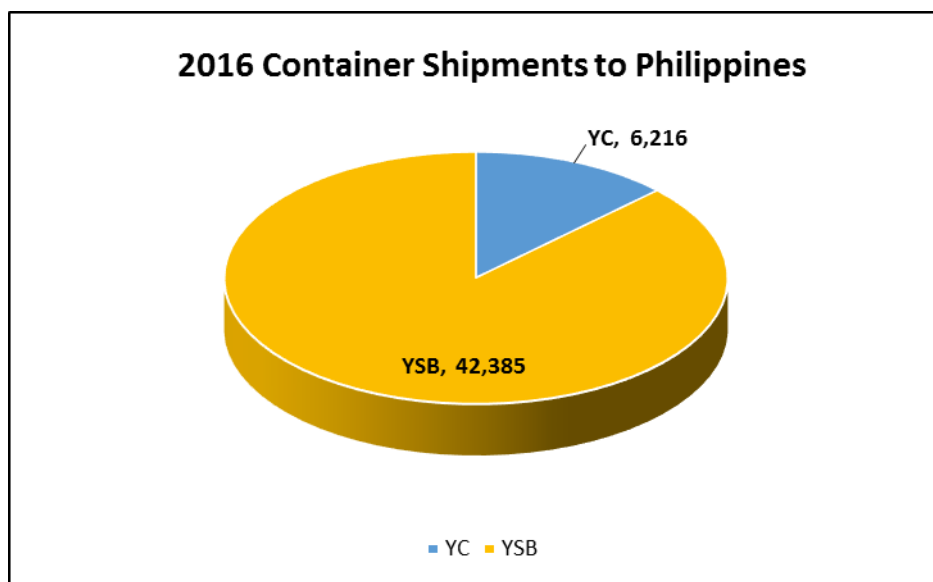
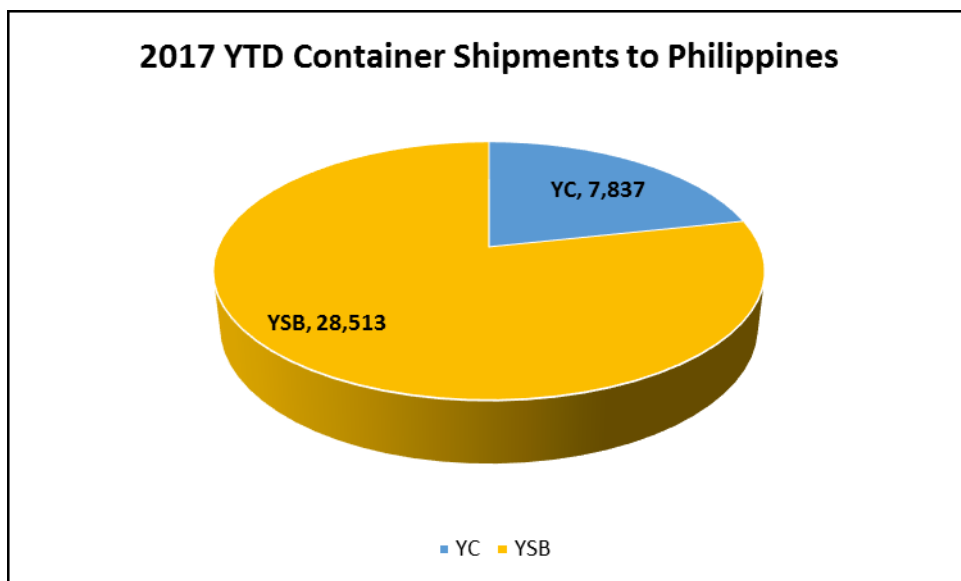
Sorghum					metric tons	
Shipments:	metric tons			White Corn	metric tons	
	10,500	Japan		Shipments:	7,150	El Salvador
	294	Somalia			8,782	Mexico
	5,389	Mexico			49	Korea Rep
	16,183	Total			15,981	Total

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:		29-Jun-2017							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWW	HRW	Sorghum	TOTAL
China Main	2,450		2,840						5,290
China T	6,024		5,290				1,518		12,832
Hong Kong	513								513
Costa Rica									0
Indonesia			16,645						16,645
French Polynesia									0
Japan	636		514						1,150
Korea Republic	1,077		294						1,371
Dominican Rep.									0
Malaysia	1,052		2,008						3,060
Honduras									0
Philippines	490		1,787						2,277
Thailand			8,571						8,571
Bangladesh			465						465
El Salvador			24						24
Vietnam			4,210						4,210
Sub total	12,242	0	42,648	0	0	0	1,518	0	51,709
USDA Corrections/Additions to previous reports:									
China T									0
China Main									0
Hong Kong									0
Korea Rep.								48	48
Jordan									0
Japan									0
Philippines									0
Indonesia									0
Malaysia			2,007						2,007
Thailand									0
Vietnam									0
Bangladesh									0
Canada									0
Sub total	0	0	2,007	0	0	0	0	48	2,055
Mt. Grand Total	12,242	0	44,655	0	0	0	1,518	48	53,764
Number of containers	532	0	1,942	0	0	0	66	2	

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

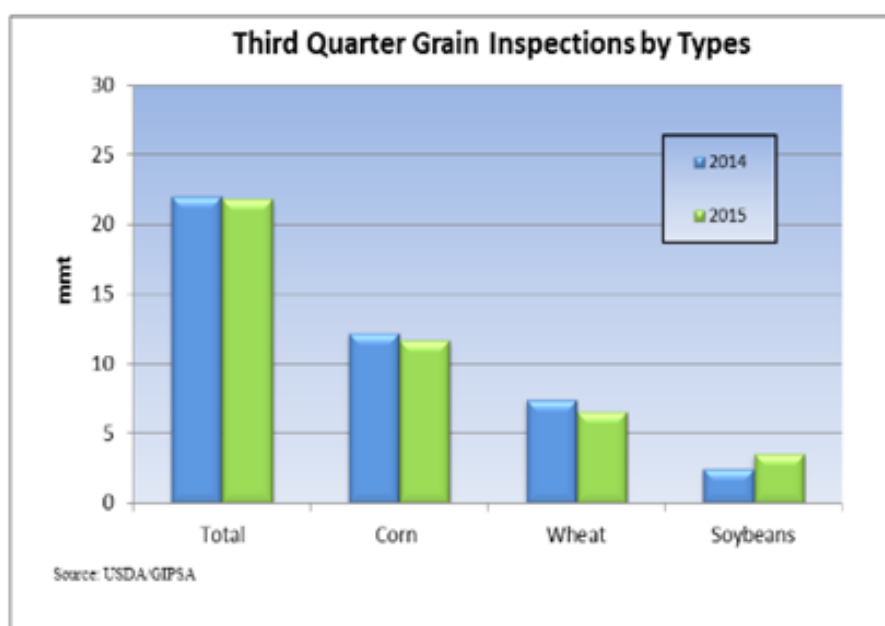


Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2016 YTD vs. 2017 YTD

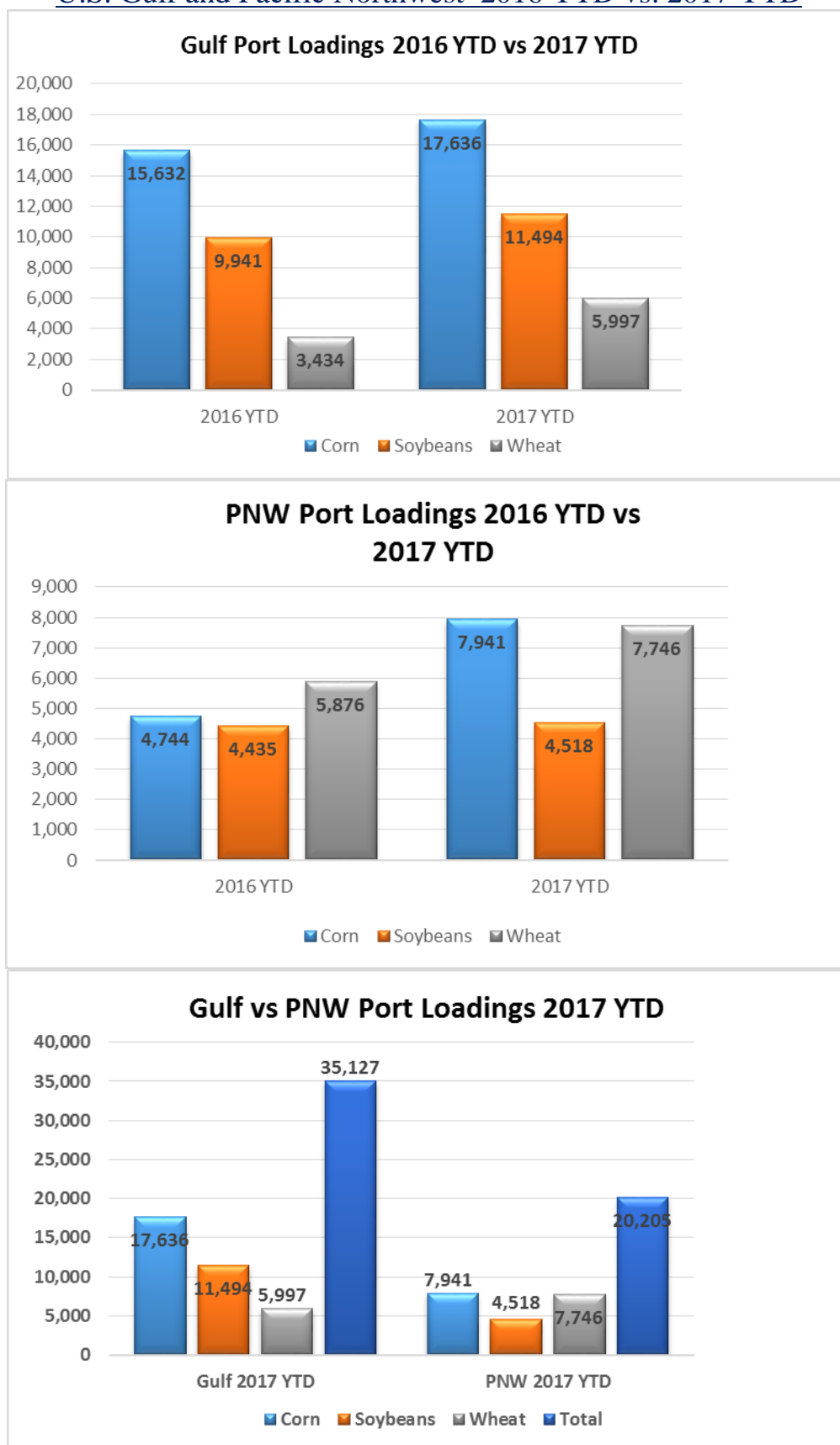
PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2016 YTD	15,632	9,941	3,434	29,007
2017 YTD	17,636	11,494	5,997	35,127
2017 as % of 2016	113%	116%	175%	121%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2016 YTD	4,744	4,435	5,876	15,055
2017 YTD	7,941	4,518	7,746	20,205
2017 as % of 2016	167%	102%	132%	134%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2017 Gulf YTD	17,636	11,494	5,997	35,127
2017 PNW YTD	7,941	4,518	7,746	20,205
TOTAL	25,577	16,012	13,743	55,332
Gulf Percentage	69%	72%	44%	63%
PNW Percentage	31%	28%	56%	37%



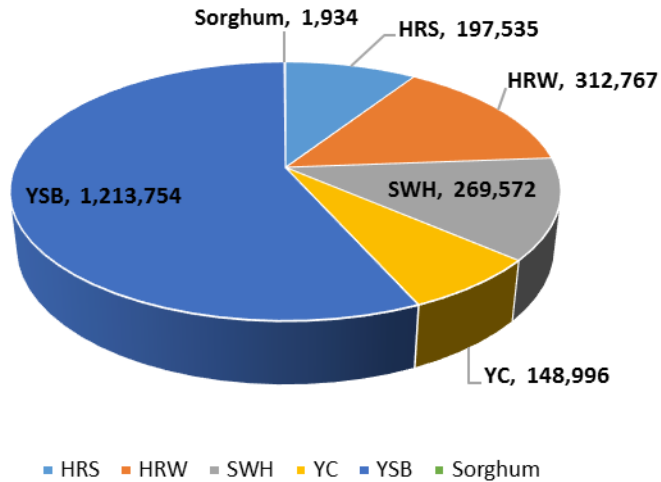
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2016 YTD vs. 2017 YTD



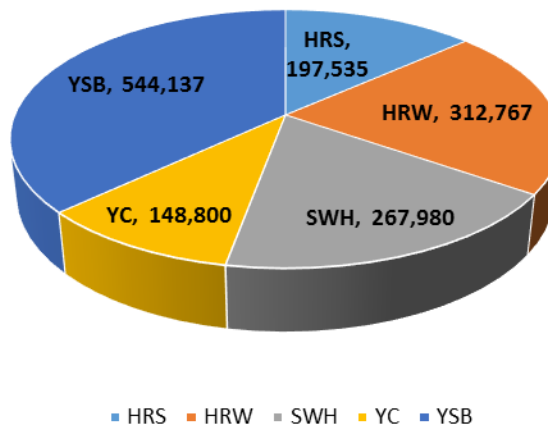
Source: USDA-data

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

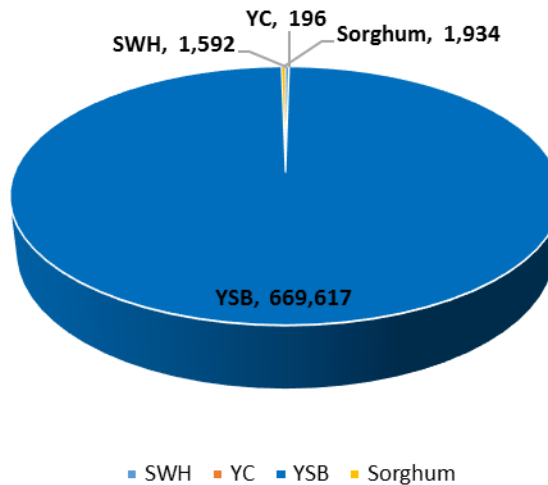
2017 YTD Exports to Indonesia



Vessel



Container

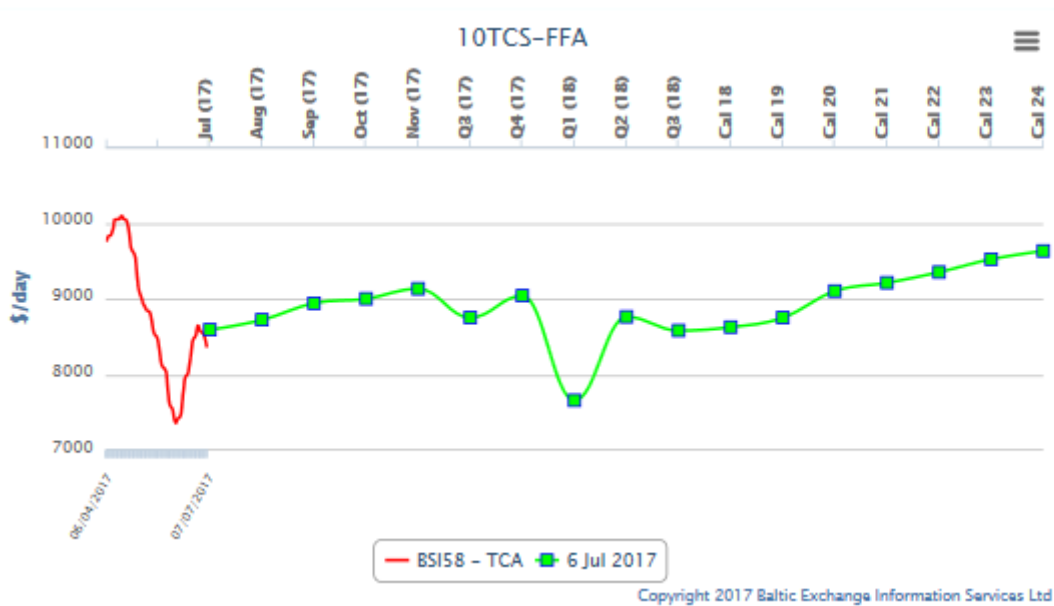


**Please keep in mind that USDA does not report DDGS sales, or they would show as the largest exports by container

Shipping News:

Dutch Ethanol plants say that they cannot buy any more Ukrainian corn for the summer and are now importing rail corn from Bulgaria and Romania. The rail train transit time is just 3 days.

FFA SUPRAMAX 58 for the 5 time charter routes



Scrapping vs NBs in 2016 (Est.)

	Dry Bulk	Container	Tanker	Offshore
New Building	47.23m DWT (564 VSLS)	904,805 TEU (131 VSLS)	33.3m DWT (429 VSLS)	2.7m DWT (304VSLS)
Scrapping	28m DWT (375 VSLS)	654,411 TEU (194 VSLS)	1.6m DWT (54 VSLS)	2.9m DWT (193 VSLS)
Growth Rate (DWT/TEU)	2.2%	1.3%	5.6%	-0.2%
Growth in Vessel No.	189	-63	375	111

Data Source: Clarksons Database

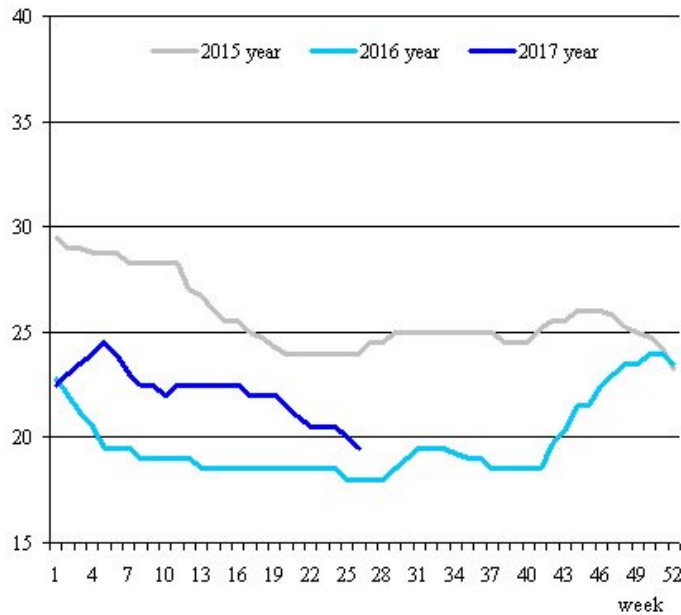
Agricultural Marketing Service

Vessel costs from U.S. Gulf versus Argentina and Brazil to Shanghai, August 2014			
Cargo Mean Quantity	U.S. Gulf	Argentina	Brazil
	56,000 mt ¹	60,000 mt	66,000 mt
Nautical miles (nm)	9,977	11,186	11,031
Voyage days	39	42.5	42
Panama Canal	1		
Laytime both ends	20	24	23
Total voyage duration days	60	66.5	65
Port and Canal fees	\$550,000	\$430,000	\$180,000
Percentage of total costs	16.2	13.0	6.0
Total costs	\$3,400,000	\$3,303,500	\$3,015,000
Freight rate:	\$56.67	\$55.06	\$45.68

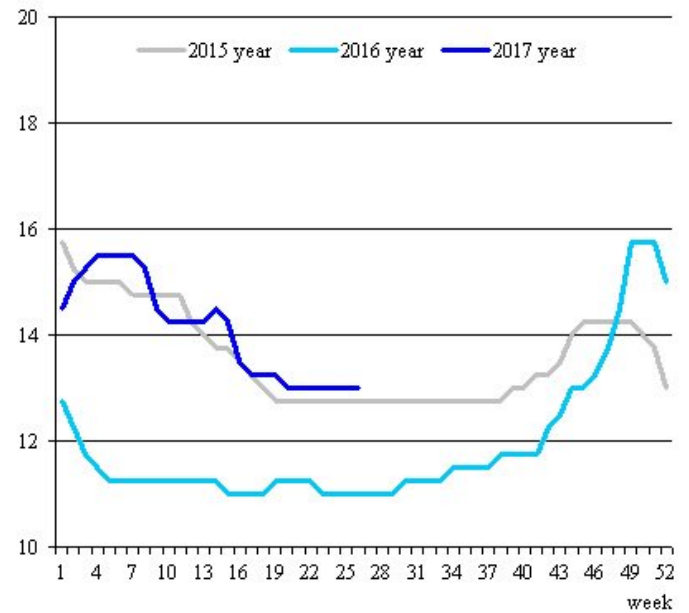
¹Metric tons

Source: O'Neil Commodity Consulting

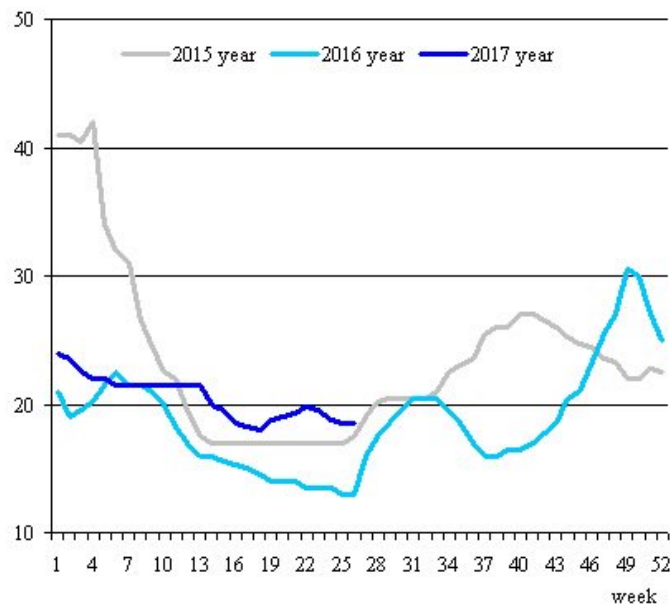
Wheat, 5,000t, Odessa - Adriatic Sea ports, \$/tonne



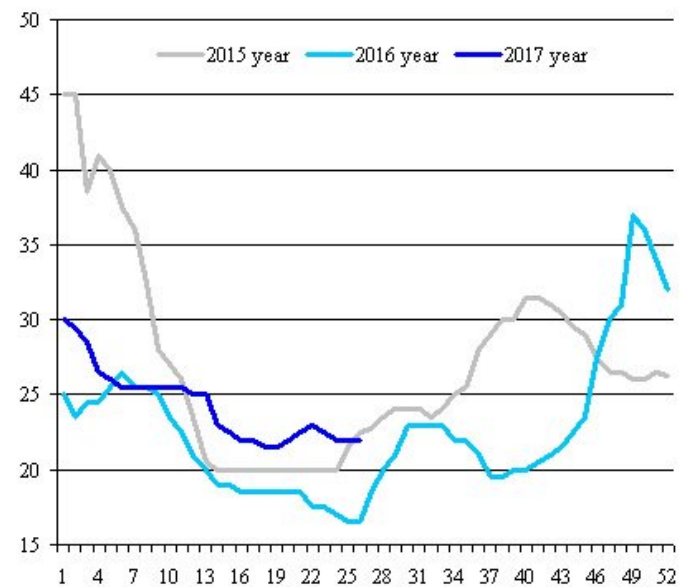
Square billets, 5,000t, Novorossiysk - Marmara Sea ports, \$/tonne



Wheat, 3,000t, Azov - Marmara Sea ports, \$/tonne



Scrap, 3,000t, Rostov - Marmara Sea ports, \$/tonne



Shanghai Containerized Freight Index



U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement First Half August 2017

Placement FH August 2017	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	305	\$20.81	0.53	0.57
Illinois River (Pekin and South)	335	\$17.76	0.45	0.48
Mid-Mississippi	295	\$17.30	0.44	0.47
Lower Ohio	220	\$10.82	0.27	0.29
St. Louis	225	\$ 9.90	0.25	0.27

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

Secondary Rail Car Market	BID	ASK	BID	ASK	BID	ASK
Placemen FH August 2017	USD	USD	BU.	BU.	MT	MT
BNSF Shuttle Trains	\$ (275.00)	\$ (150.00)	\$ (0.07)	\$ (0.04)	\$ (2.71)	\$ (1.48)
UPRR Shuttle Trains	\$ (225.00)	\$ (150.00)	\$ (0.06)	\$ (0.04)	\$ (2.21)	\$ (1.48)

Best Regards,

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