

**Transportation and Export Report for 3 August 2017****Ocean Freight Insights and Comments:**

Last week we saw a small selloff in ocean freight rates. This week the market remained thin and continued to back down slightly. The trade is attributing this softness to “profit taking”. We need to remember that there is a fair amount of paper trading that takes place and there are technical traders who just play the market momentum up or down. The physical side the market was fairly quiet this week. Q4 2017 Panamax time charter rates are hovering around \$9,700-\$10,200/day but 2018 is going for just \$9,200/day. It is therefore difficult to think that we will see any major market moves in 2017 or the first half of 2018.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
3-Aug-17	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	15607	15477	130	0.8%
P3A - PNW/Pacific - Japan	8148	8141	7	0.1%
S1C -USGULF-China-So.Japan	16507	17506	-999	-5.7%

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

Four weeks ago:	\$ 4.30-\$4.65
Three weeks ago:	\$ 4.50-\$5.50
Two weeks ago:	\$ 4.50-\$5.50
One week ago:	\$ 5.50-\$6.00
This week	\$ 5.60-\$6.40

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

Mississippi River:	(10 elevators)	4-10 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-2 days
Texas Gulf	(6 elevators)	0-3 days
Pacific Northwest:	(9 elevators)	4-8 days

Panamax Market Spreads to Asia -China					
3-Aug-17	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.71	0.40	0.31	\$12.20	PNW
SOYBEANS	0.82	0.57	0.25	\$9.84	PNW
OCEAN FREIGHT	\$19.00	\$37.00	.46-.49	\$18.00	Sept.

Recent Reported Vessel Fixtures:

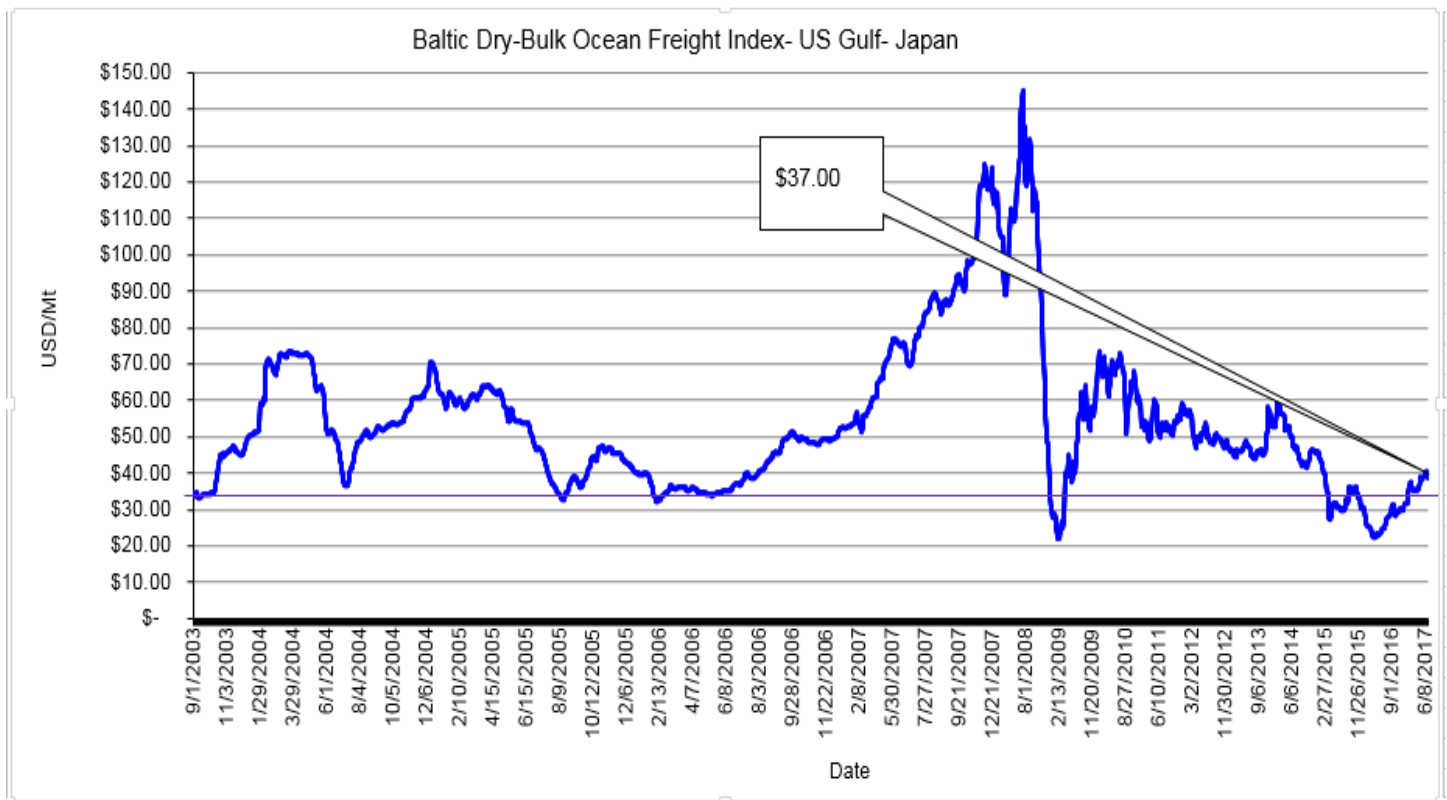
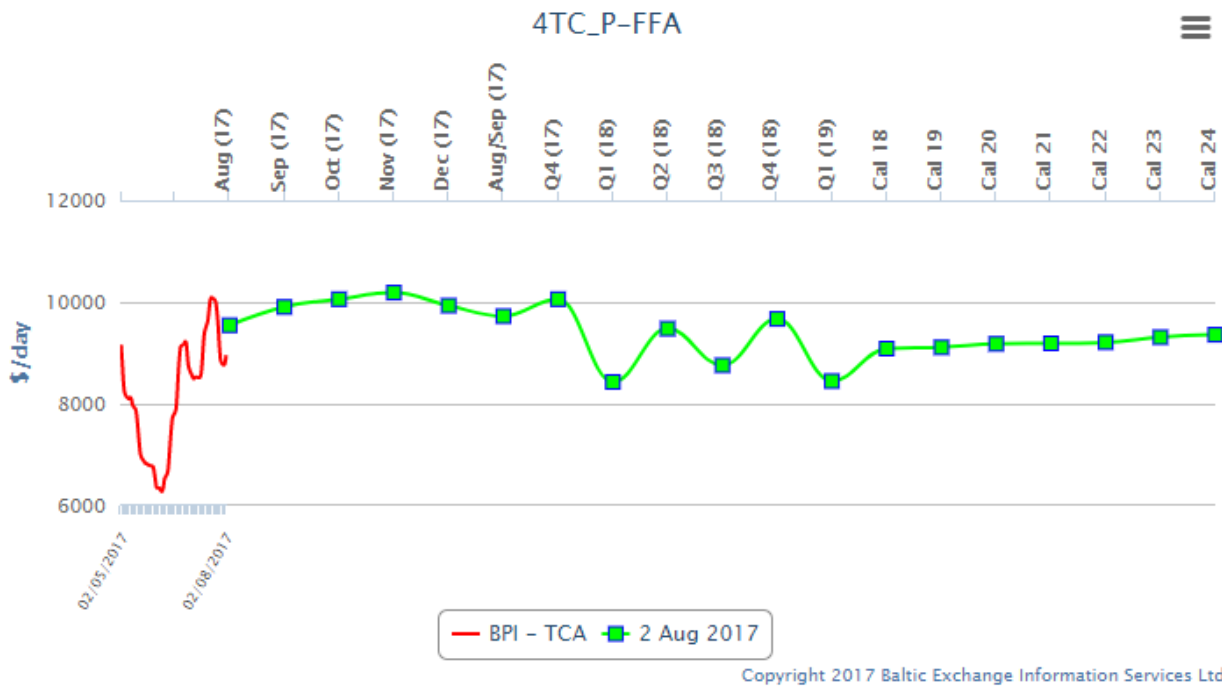
60,000 mt HSS US Gulf to China Aug 10-20 at \$34.50/mt FIO; 10000t Shex/8000t Shex CNR
 65,000 mt hss Santos Brazil to Port Kelang & Pasir Gudang Malaysia Aug. 15-24 at \$23.75 fio
 8000satpmshe bends - Engelhart Commodities Trading Partners

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 \$37.75 mt
55,000 U.S. PNW- Japan	\$19.00	Down \$0.25	Handymax at \$19.25 mt
55,000 U.S. Gulf – China PNW to China	\$36.00 \$18.25	Down \$0.50 Down \$0.25	North China
25,000 U.S. Gulf- Veracruz, México	\$14.00	Unchanged	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$11.75	Unchanged	Deep draft and 6,000 MT per day discharge rate.
25/35,000 U.S. Gulf- <u>East Coast Colombia</u> From Argentina	\$16.75 \$27.00	Unchanged	<u>West Coast Colombia at \$25.50</u>
40-45,000 U.S. Gulf - Guatemala	\$25.00	Unchanged	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$26.00 \$29.00	Down \$0.25	8,000 mt daily discharge 3,000 mt daily discharge
25-30,000 US Gulf-Morocco	\$25.00	Down \$0.25	5,000 discharge rate
55,000 U.S. Gulf –Egypt PNW to Egypt	\$22.50 \$22.50	Down \$0.25	55,000 -60,000 mt St. Lawrence to Egypt \$22.75
60-70,000 U.S. Gulf – Europe – Rotterdam	\$14.00	Unchanged	Handymax at +\$1.50 more
Brazil, Santos –China Itacoatiara Port up River Amazonia - China	\$28.00 \$26.50 \$31.00	Down \$0.50	54-58,000 Supramax-Panamax 60-66,000 Post Panamax
56-60,000 Argentina-China Up River with Top Off	\$34.25	Down \$0.25	

Nautical Miles: To Xiamen China (South China)

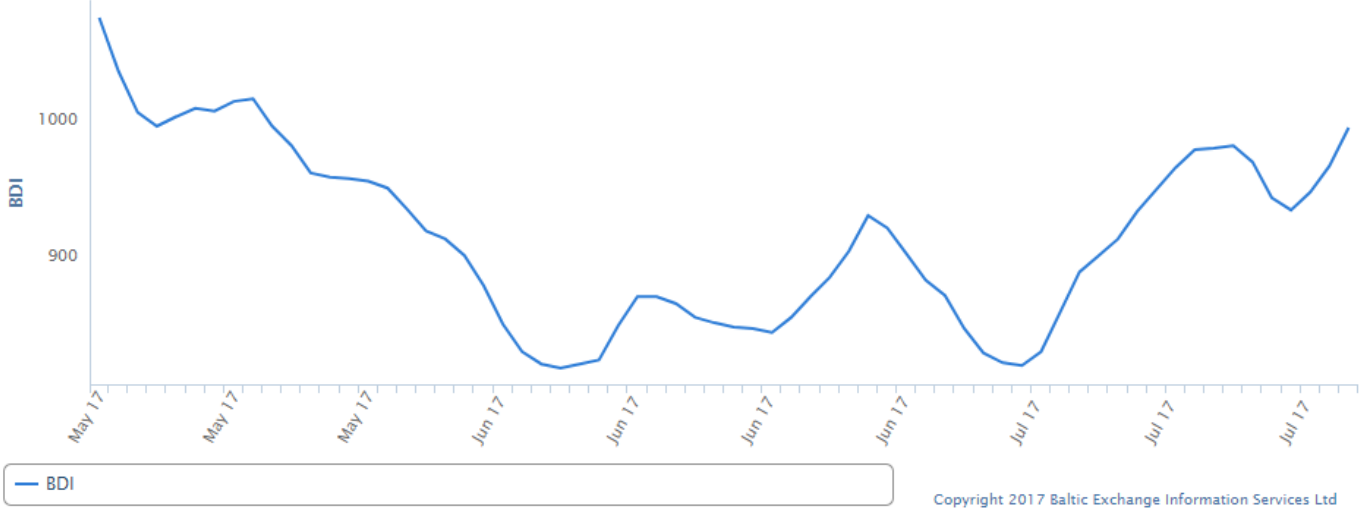
US Gulf (NOLA) (via Panamá Canal) – 10,232 nautical miles (32 days)
Santos Brazil (via Cape of Good Hope) - 10,441 nautical miles (33 days)
Rasario Argentina (via Cape Horn) - 10,751 nautical miles (34 days)

Forward Curve for Baltic BPI Panamax Vessel Freight

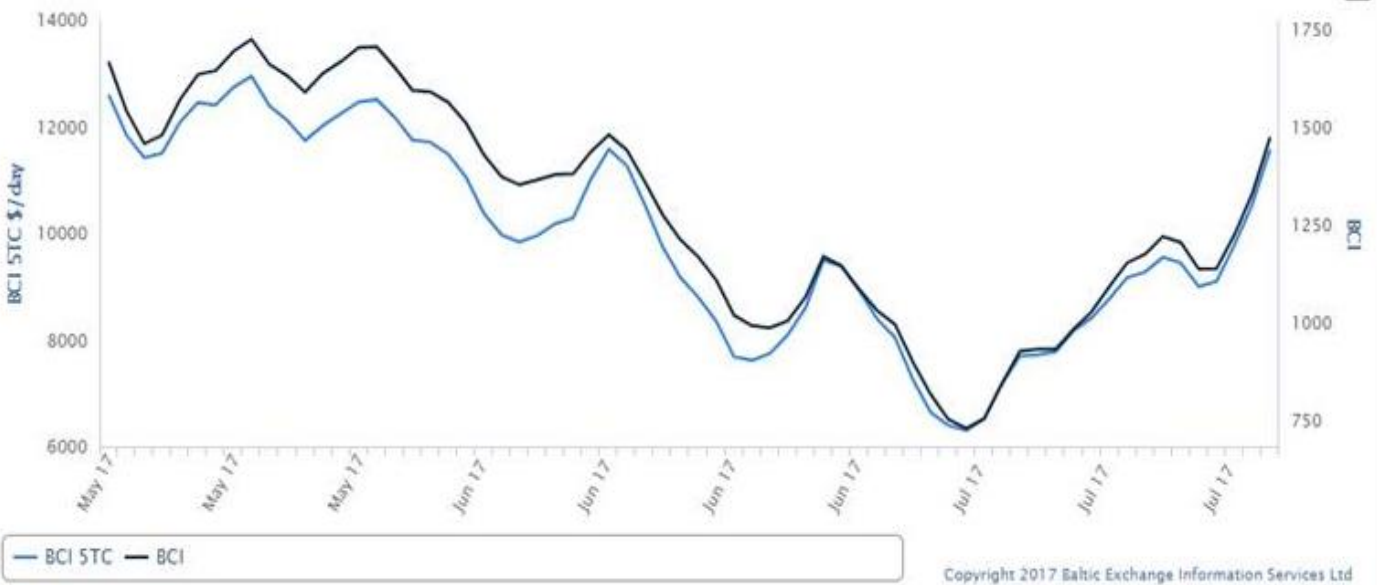


Baltic Dry Bulk Index

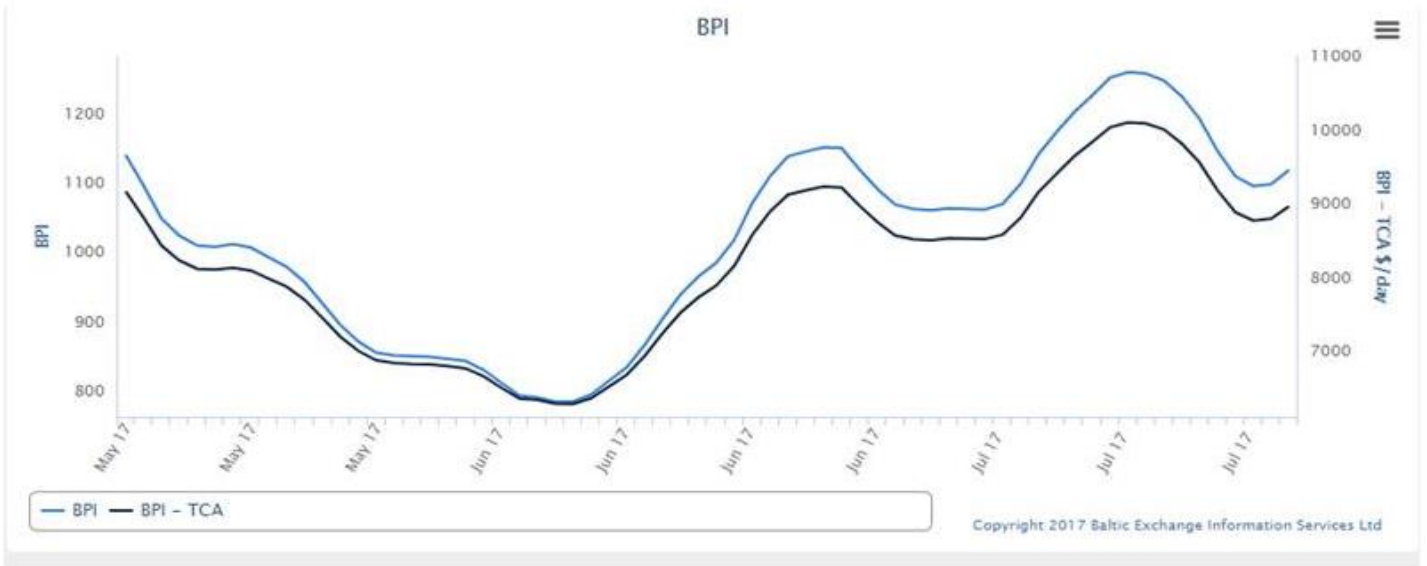
BALTIC EXCHANGE DRY INDEX



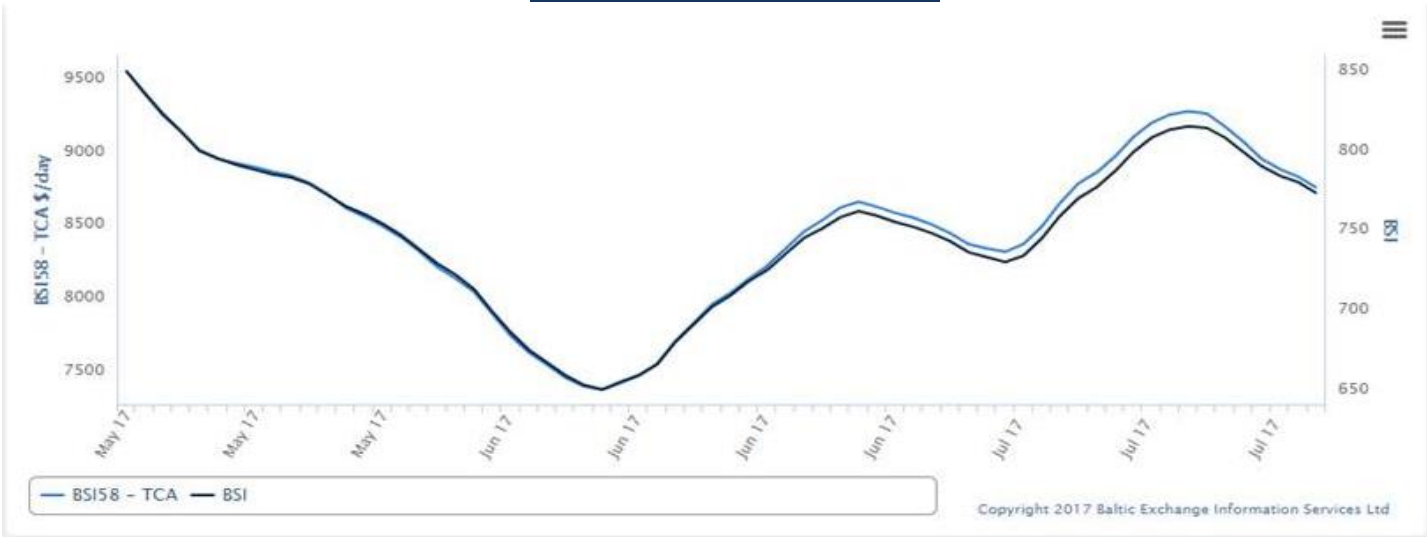
Baltic Capesize Index



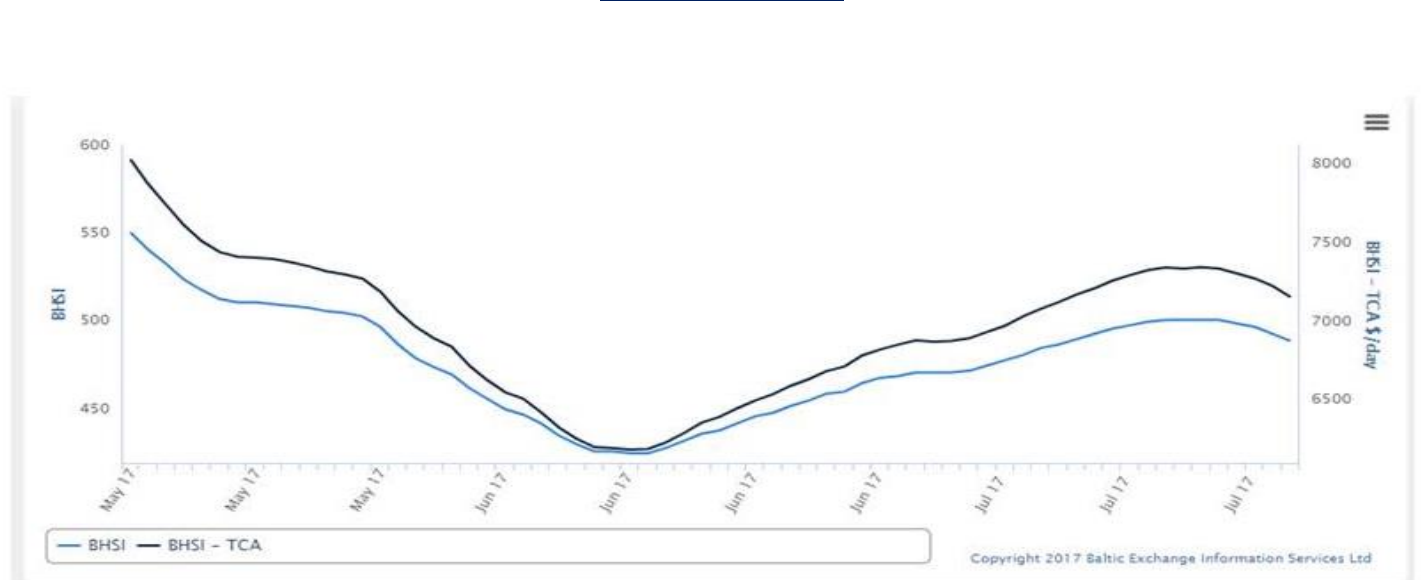
Baltic Panamax Index



Baltic Supramax Vessel Index



Baltic Handy Size



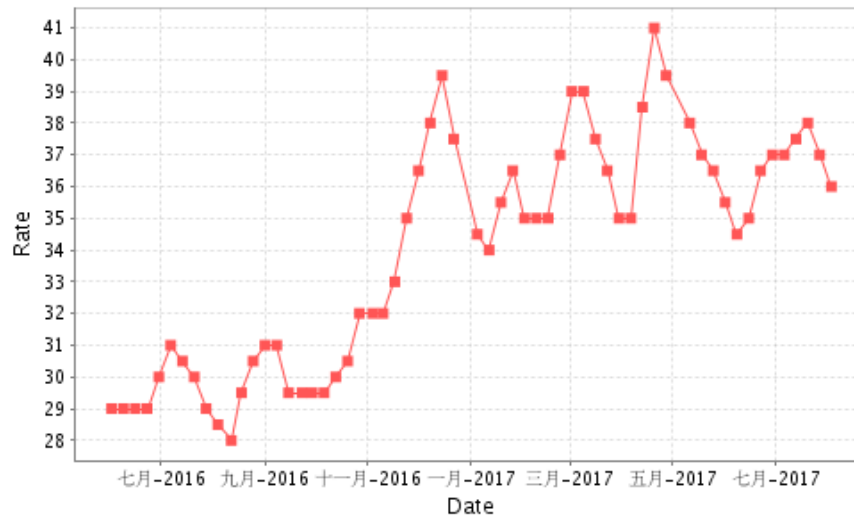
Yamamizu Shipping

[Profile](#)
[History](#)
[Organization](#)
[Service](#)
[Access Map](#)
[Yamamizu Index](#)

USG/Japan Index Result

Date From: 2016-06-01

Date To: 2017-08-05



China Import Dry Bulk Freight Index(CDFI)

2017-08-02

Index/Routes	Charterparty type	Cargo/Vessel type	Dwt/Cargo Capacity	Unit	Index/Rate	Change
Composite Index				Point	779.43	33.66
VC Index				Point	697.36	17.43
TCT Index				Point	902.54	58.02
Santos(Brazil)— North China	VC	Soybean	60000/10%	\$/ton	26.682	0.142
Tacoma(West America)—North China	VC	Soybean	60000/10%	\$/ton	18.359	0.104
Mississippi(US Gulf) —North China	VC	Soybean	55000/10%	\$/ton	36.595	0.095

3 August 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
Sept. (Z)	0.39	\$165.34	0.70	\$177.55
Oct.	0.39	\$165.34	0.83	\$182.67
Nov.	0.45	\$167.71	0.84	\$183.06
Dec.	0.48	\$168.89	0.85	\$183.45
Jan.	0.45	\$172.23	0.80	\$186.01
Feb.	0.48	\$173.42	0.83	\$187.19

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
Sept. (Z)	1.05	\$191.33	1.00	\$189.36
Oct.	1.05	\$191.33	1.00	\$189.36
Nov.	1.00	\$189.36	0.95	\$187.39
Dec.	1.00	\$189.36	0.90	\$185.42
Jan.	0.90	\$189.95	0.85	\$187.98

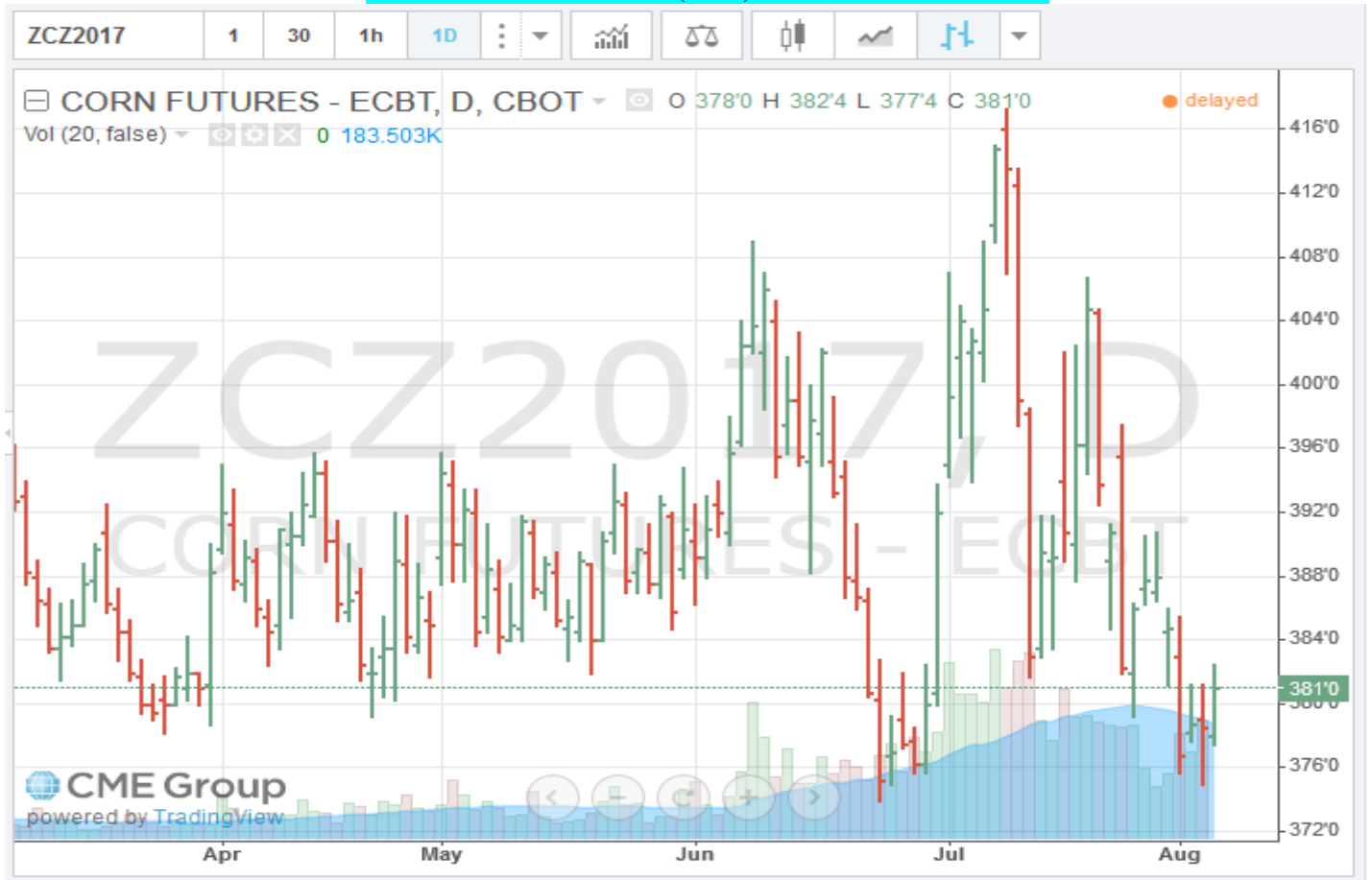
Fob vessel Texas Gulf #2 Sorghum is about 115 % the value of #2 Yellow Corn at NOLA

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

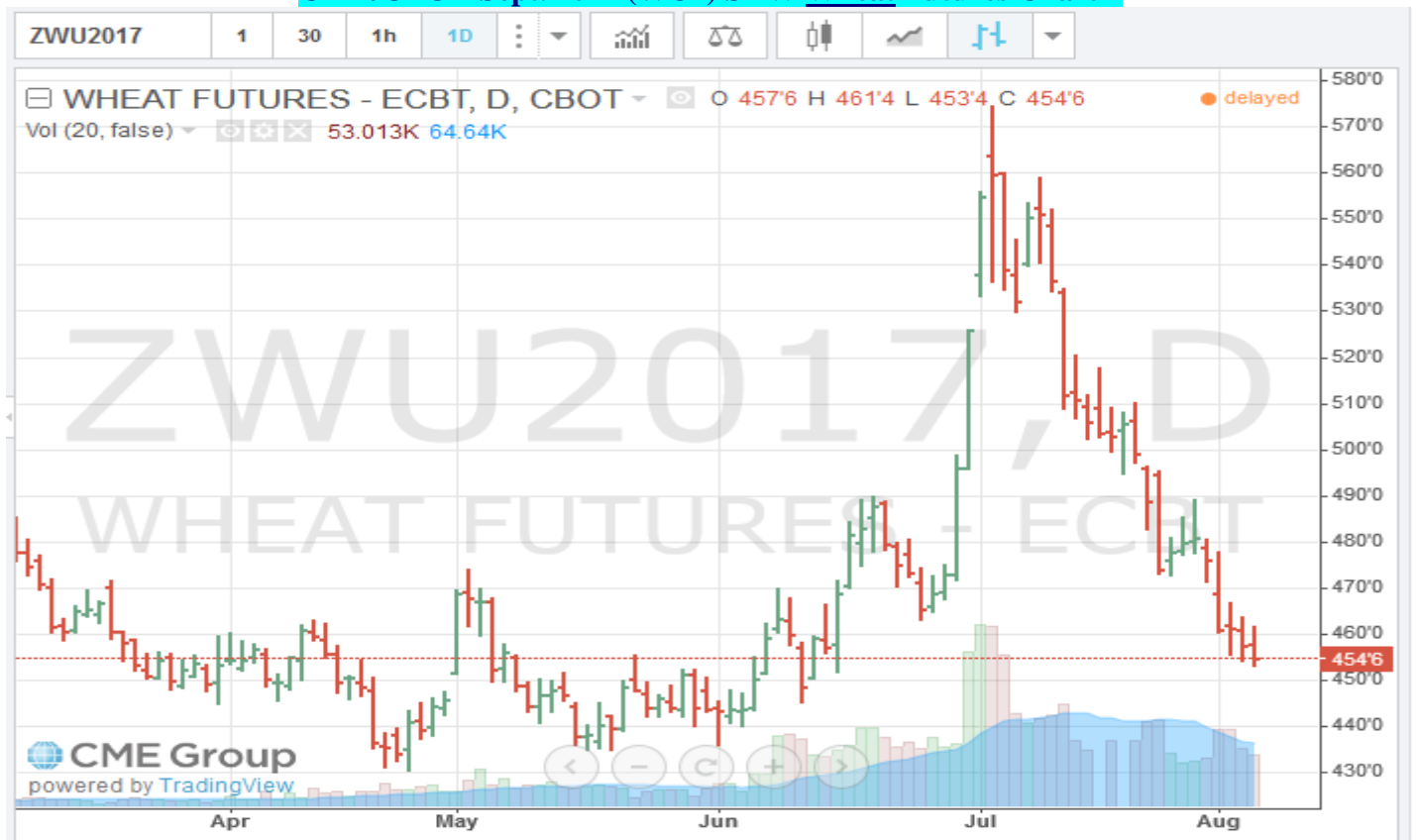
SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	Sept.	Oct.	Nov.	Dec.
FOB U.S. GULF	\$190.24	\$190.61	\$198.60	\$200.07
Basis	0.63	0.64	0.58	0.62
WU	4.5475			
WZ	4.8250			
WH	5.0375			

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
Sept.	CU	\$3.9100	\$153.93	\$ 3.6975	\$145.56	\$0.2125
Dec.	CZ	\$4.0475	\$159.34	\$ 3.8300	\$150.78	\$0.2175
Mar.	CH	\$4.1525	\$163.47	\$ 3.9350	\$154.91	\$0.2175
May	CK	\$4.2000	\$165.34	\$ 3.9875	\$156.98	\$0.2125
July	CN	\$4.2450	\$167.12	\$ 4.0375	\$158.95	\$0.2075

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
Sept. (X)	0.57	\$369.73	0.84	\$379.65
Oct.	0.61	\$373.96	0.90	\$384.61
Nov.	0.64	\$375.06	0.93	\$385.71
Dec.	0.66	\$375.79	0.95	\$386.45
Jan.	0.63	\$378.00	0.89	\$387.55
Soybean Futures				
Aug.	\$ 9.4925			
Sept.	\$ 9.5225			
Nov.	\$ 9.5675			
Jan.	\$ 9.6575			
Mar.	\$ 9.7350			
May	\$ 9.8025			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Sept.	0.00	\$ 334.61
Oct.	0.00	\$ 336.59
Nov.	2.00	\$ 340.45
Dec.	2.00	\$ 343.32
Jan.	3.00	\$ 344.42
SBM Futures		
SMQ	303.50	
SMU	305.30	
SMV	306.80	
SMZ	309.40	
SMF	310.60	
SMH	312.50	

CME Nov. 2017 Soybean (SX17) Futures Chart



CME Dec. 2017 Soybean Meal (SMZ7) Futures Chart



U.S. EXPORT STATISTICS: Report Activity as of Week Ending 20 July 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	300.3	56,322.0	56,520	100%	3,999.9
Sorghum	53.5	4,671.6	5,720	82%	66.0
Soybeans	358.7	60,667.5	57,150	106%	6,025.2
Wheat	514.2	9,917.7	26,540	37%	0.0
Barley	0.1	35.8	110	33%	0.0

U.S. EXPORT INSPECTIONS:

Monday's report 31 July 2017 for the Export week ending 27 July 2017

	Export Inspections		Current Market Year YTD	Previous Year to Date	2016 YTD as Percent of 2015
	This Week	Previous Week			
Corn	989,105	983,291	52,847,658	40,211,388	131%
Sorghum	221,325	106,940	5,526,569	8,150,936	68%
Soybeans	476,186	641,324	54,413,387	46,813,219	116%
Wheat	578,649	502,322	5,018,042	4,362,925	115%
Barley	2,196	0	7,515	11,862	63%

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

U.S. EXPORT INSPECTIONS:

Monday's report 31 July 2017 for the Export week ending 27 July 2017

Last Week							
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans %
Lakes	0	0%	0	0%	0	0%	3,183 1%
Atlantic	0	0%	0	0%	0	0%	24,073 5%
Gulf	549,249	56%	11,697	100%	216,398	98%	310,225 65%
PNW	260,358	27%	0	0%	0	0%	65,485 14%
Interior Export Rail	167,801	17%	0	0%	4,927	2%	73,220 15%
Metric Tons	977,408		11,697		221,325		476,186

Sorghum

Shipments:

metric tons

216,888 China Main

245 China T.

4,192 Mexico

221,325 Total

White Corn

Shipments:

metric tons

11,697 Colombia

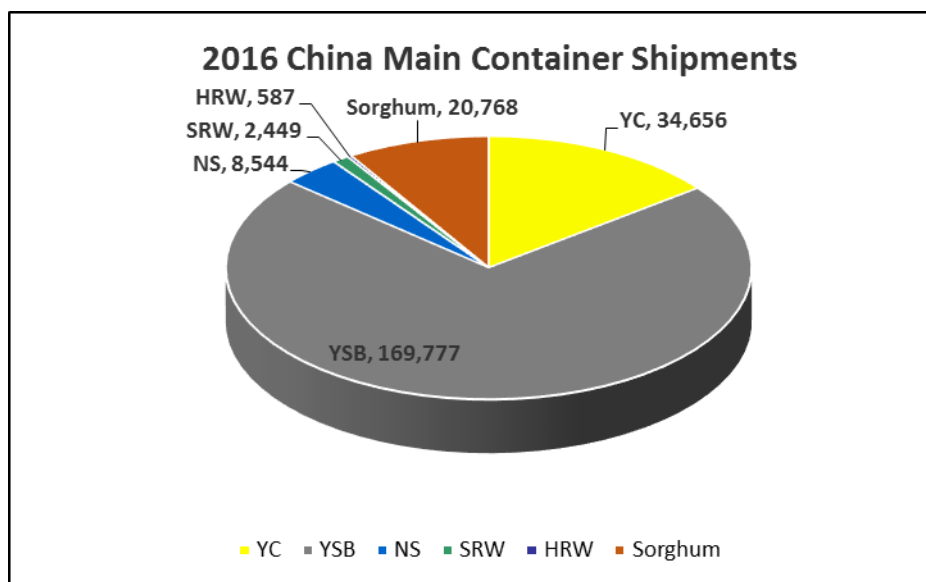
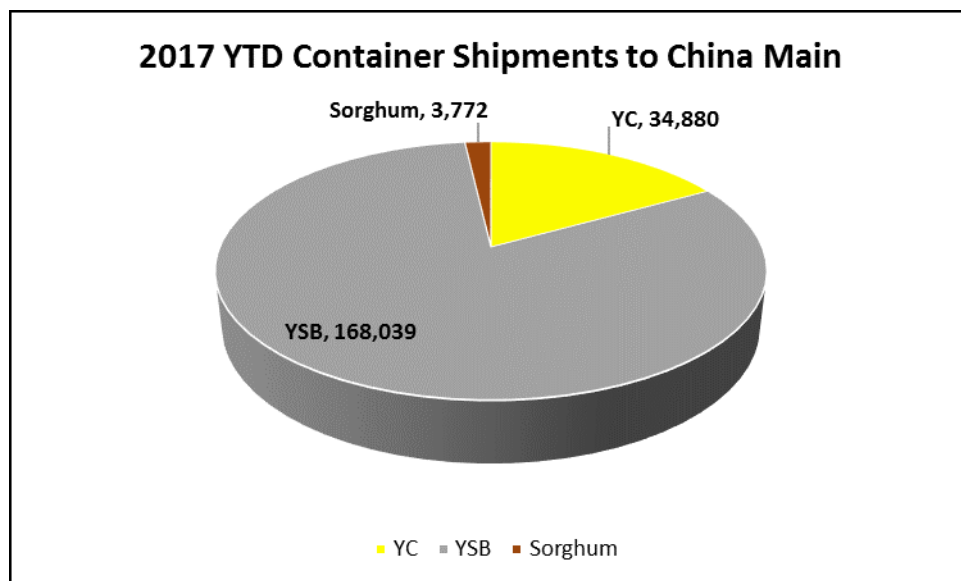
11,697 Total

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:		27-Jul-2017							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main	710		2,204					490	3,404
China T	7,224		6,145					245	13,614
Hong Kong	881								881
Costa Rica	147								147
Indonesia			19,099						19,099
French Polynesia	245								245
Japan			465						465
Korea Republic									0
Dominican Rep.									0
Malaysia			2,644						2,644
Honduras									0
Philippines	245		1,468						1,713
Thailand			3,379						3,379
Bangladesh			245						245
El Salvador									0
Vietnam			3,110						3,110
Sub total	9,452	0	38,759	0	0	0	0	735	45,591
USDA Corrections/Additions to previous reports:									
China T	4,090		3,618						7,708
China Main			1,371						1,371
Hong Kong	685								685
Korea Rep.	1,421								1,421
Sri Lanka						490			490
Japan			245						245
Philippines			318						318
Indonesia			15,390						15,390
Malaysia	562		1,298				1,078		2,938
Thailand			6,608				392		7,000
Vietnam			2,816						2,816
Bangladesh									0
Panama			98						98
Sub total	6,758	0	31,762	0	0	490	1,470	0	40,480
Mt. Grand Total	16,210	0	70,521	0	0	490	1,470	735	86,071
Number of containers	705	0	3,066	0	0	21	64	32	

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

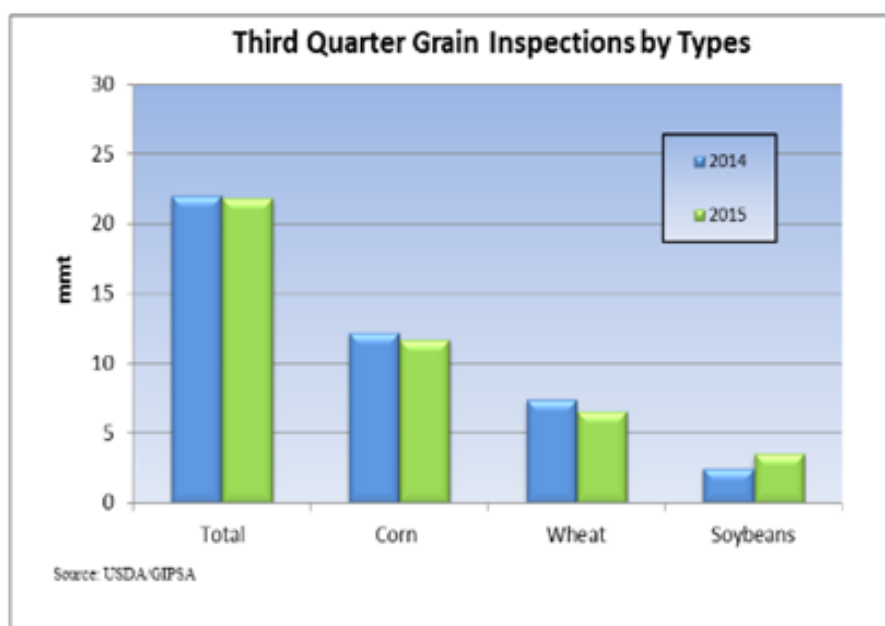


Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2016 YTD vs. 2017 YTD

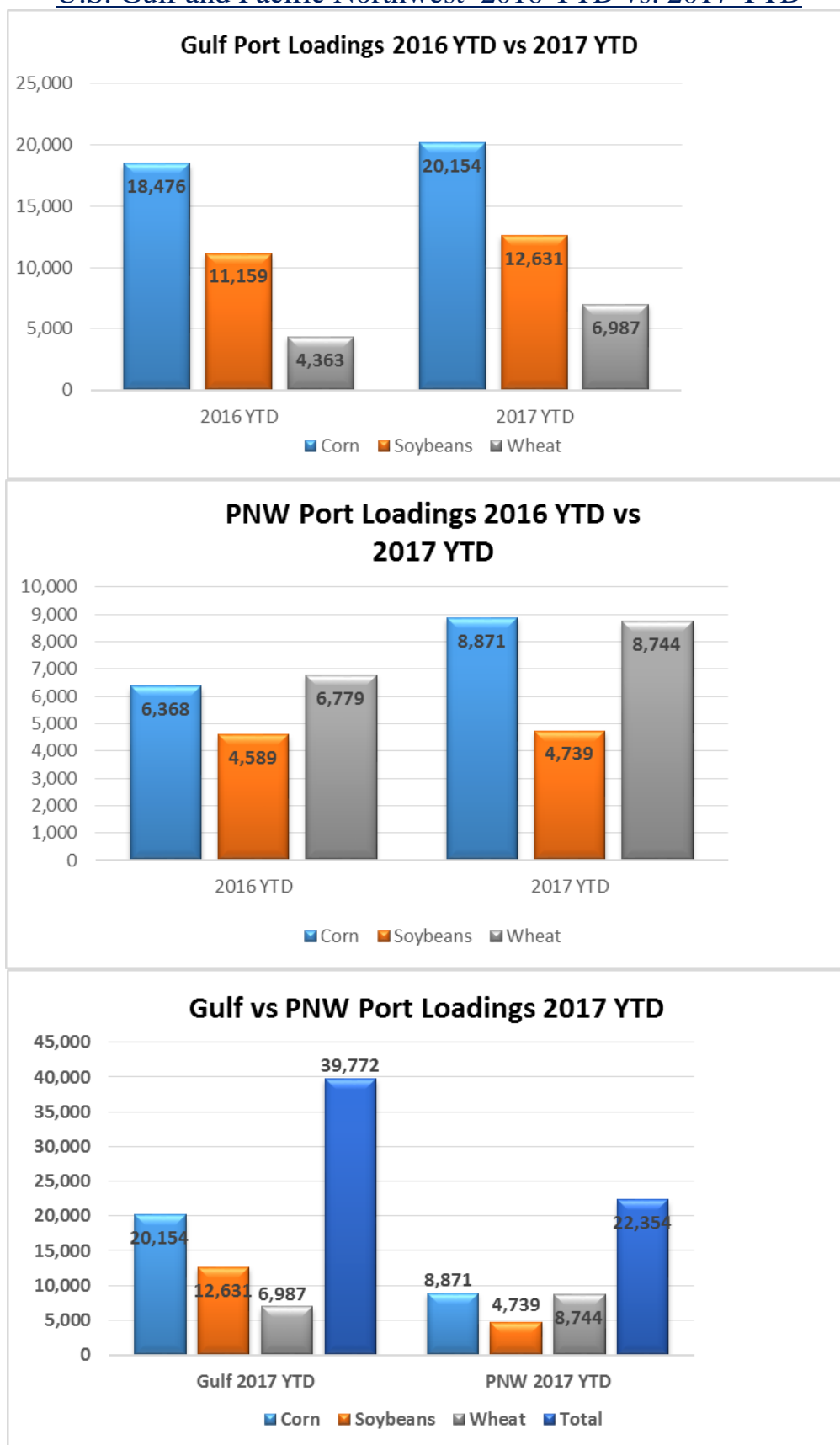
PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2016 YTD	18,476	11,159	4,363	33,998
2017 YTD	20,154	12,631	6,987	39,772
2017 as % of 2016	109%	113%	160%	117%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2016 YTD	6,368	4,589	6,779	17,736
2017 YTD	8,871	4,739	8,744	22,354
2017 as % of 2016	139%	103%	129%	126%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2017 Gulf YTD	20,154	12,631	6,987	39,772
2017 PNW YTD	8,871	4,739	8,744	22,354
TOTAL	29,025	17,370	15,731	62,126
Gulf Percentage	69%	73%	44%	64%
PNW Percentage	31%	27%	56%	36%



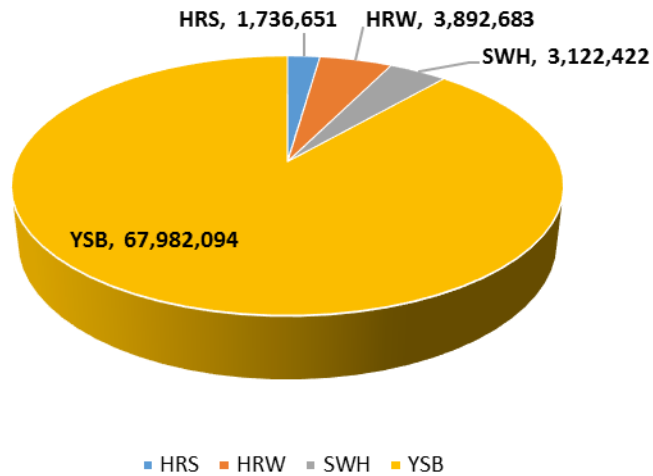
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2016 YTD vs. 2017 YTD



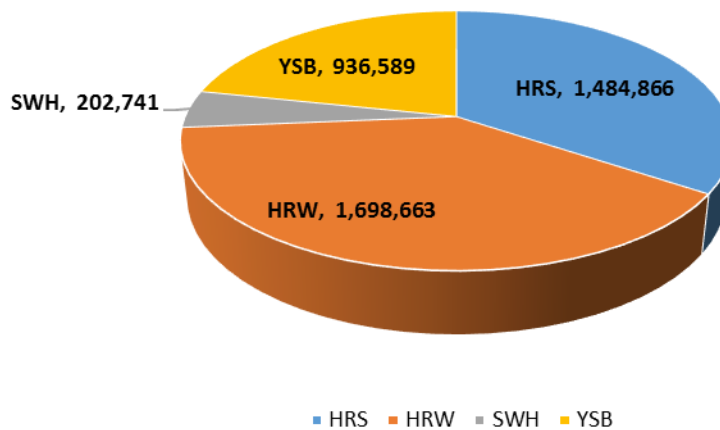
Source: USDA-data

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

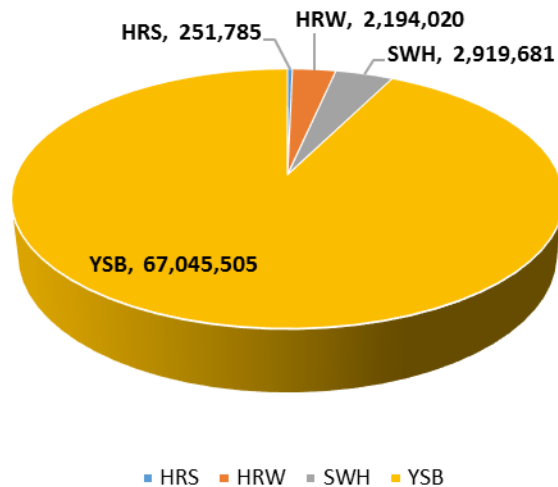
2017 YTD Exports to Thailand



Vessel



Container

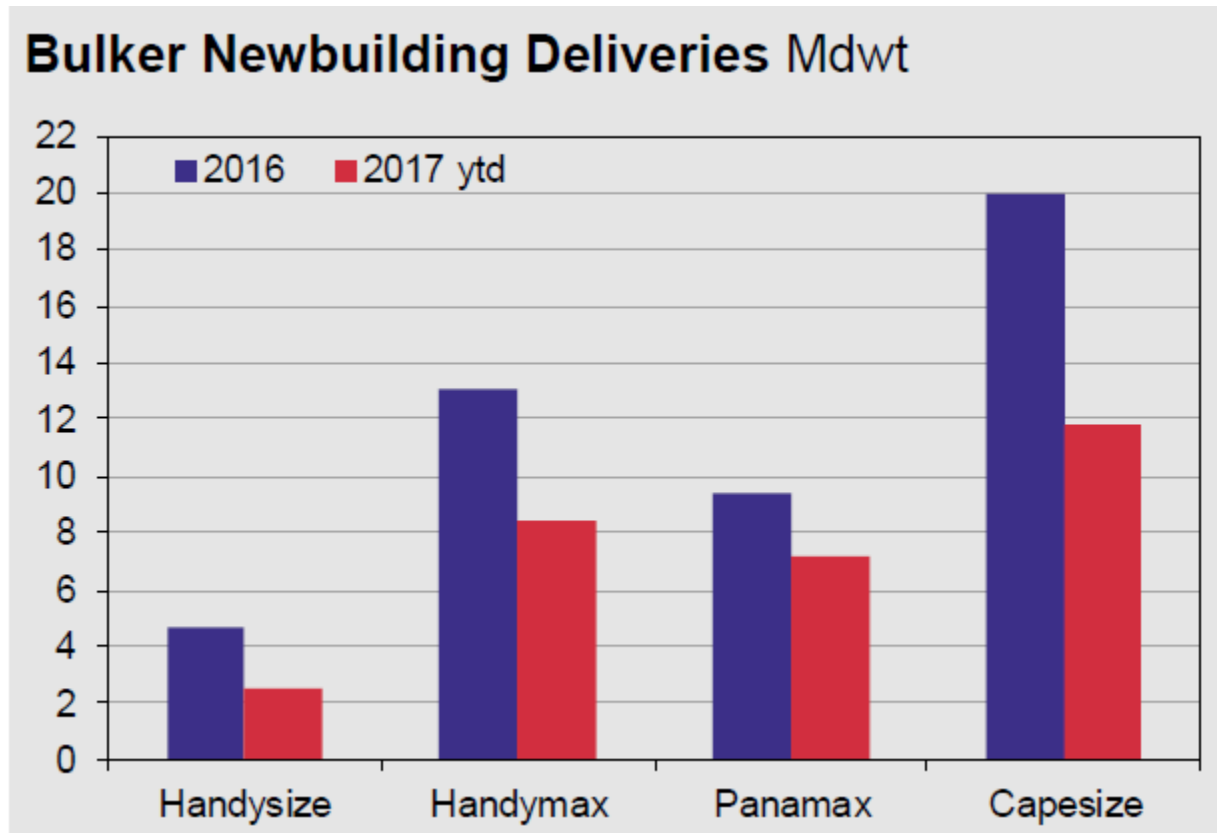


**Please keep in mind that USDA does not report DDGS sales, or they would show as the largest exports by container

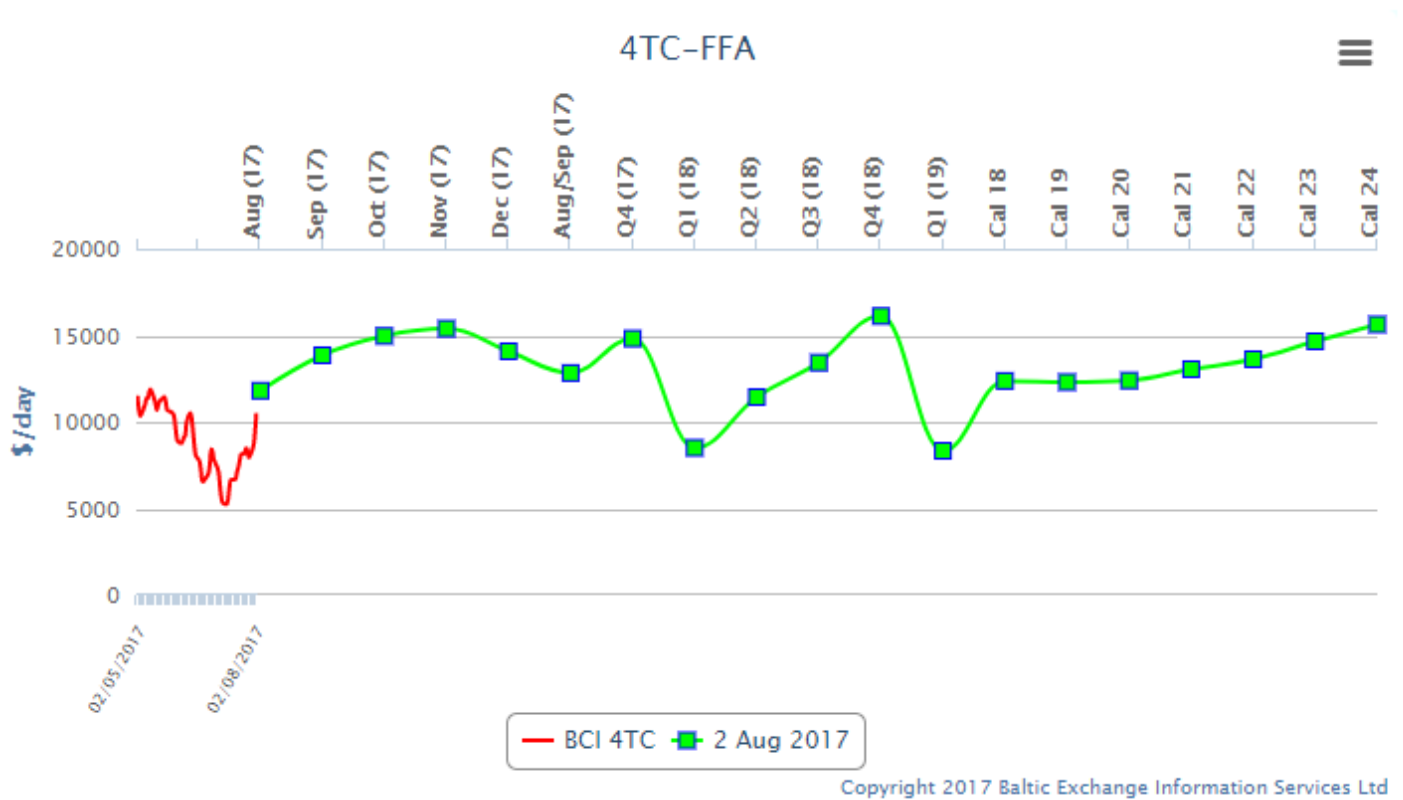
Shipping News:

Fleet data from SSY show 2017 dry bulk carrier newbuildings have reached 355 vessels (30.01 Mdw) in the year-to-date.

This comprises 57 Capes (11.85 Mdw), 88 Panamaxs (7.20 Mdw), 139 Handymax vessels of 40-64,999 dwt (8.43Mdw) and 71 Handysizes (2.53 Mdw).

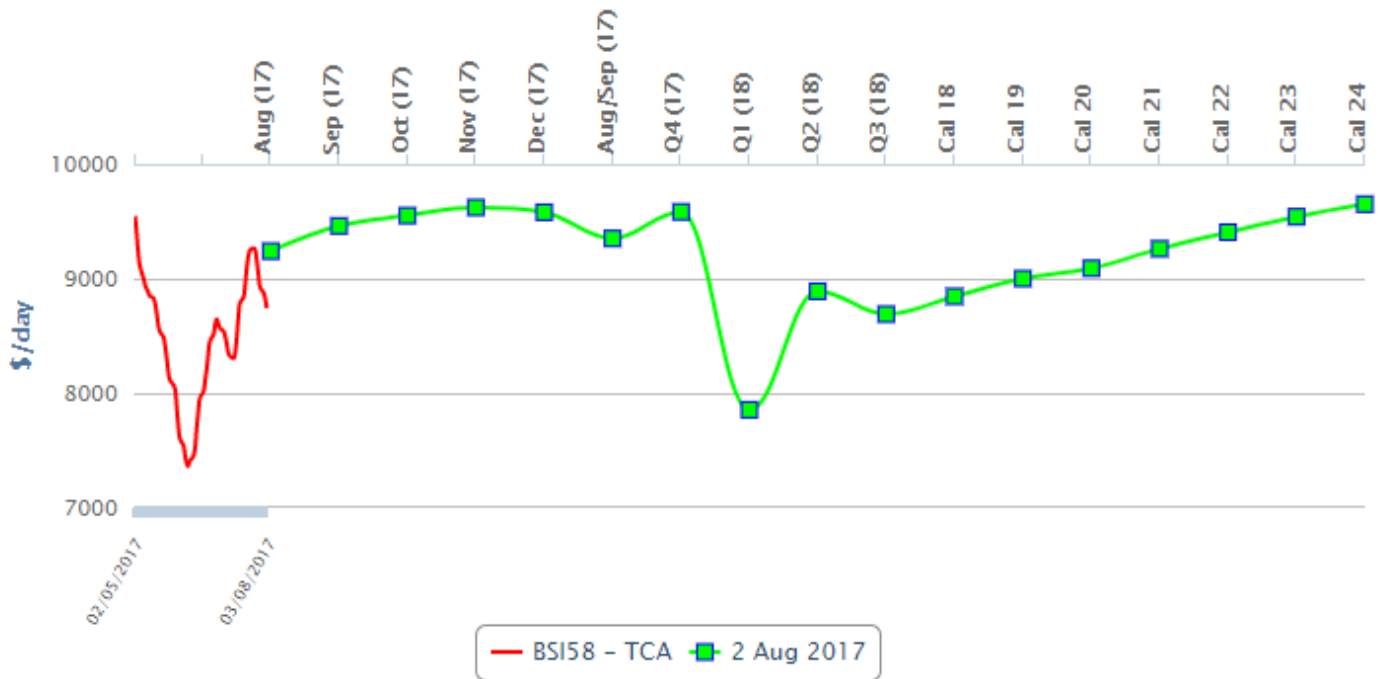


FFA Capesize for the 4 time charter routes



FFA SUPRAMAX 58 for the 5 time charter routes

10TCS-FFA



Copyright 2017 Baltic Exchange Information Services Ltd

Shanghai Containerized Freight Index



U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement First Half September 2017

Placemen FH Septmber 2017	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	385	\$26.27	0.67	0.71
Illinois River (Pekin and South)	340	\$18.03	0.46	0.49
Mid-Mississippi	340	\$19.94	0.51	0.54
Lower Ohio	340	\$16.72	0.42	0.45
St. Louis	270	\$11.88	0.30	0.32

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

Secondary Rail Car Market Placement FH September 2017	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ (250.00)	\$ (150.00)	\$ (0.06)	\$ (0.04)	\$ (2.46)	\$ (1.48)
UPRR Shuttle Trains	\$ (100.00)	\$ -	\$ (0.03)	\$ -	\$ (0.98)	\$ -

Best Regards,

Jay
Jay O'Neil
Senior Agricultural Economist
IGP at Kansas State University
and
O'Neil Commodity Consulting
785-410-2303 (cell)
785-532-2868 (office)
joneil@ksu.edu

Follow me on Twitter @ **igpjay**



*** The information in this market report is derived from sources believed to be reliable and accurate but can not be guaranteed. Forward looking projections are never completely accurate, and these markets move quickly.
All market data is subject to change with market conditions and Traders opinions.
Please obtain market updates and reconfirm all values with your regular freight supplier before making any trading decisions based on this data. This message and any attachments may contain confidential or privileged information and are only for the use of the intended recipient of this message. If you are not the intended recipient, please notify the sender by return email, and delete or destroy this and all copies of this message and all attachments. Any unauthorized disclosure, use, distribution, or reproduction of this message or any attachments is prohibited and may be unlawful.

This E-mail is covered by the Electronic Communications Privacy Act, 18 U.S.C. §§2510-2521, and is confidential.