

**Transportation and Export Report for 21 September 2017****Ocean Freight Insights and Comments:**

It is a bit difficult to pin point Dry-bulk ocean freight rates today. Technically the Baltic indices still look bullish and seem to want to move higher but the physical market appears to be losing some steam and is showing sign of fatigue. It has been a good run up over the past two months and it is always hard for any market to keep moving in just one direction for very long. Though China iron ore and coal imports should remain steady and supply market support, and the North American fall harvest is right in front of us; I do see vessel owners starting to pull back on the number of vessel scrapings and even sneak in some new build vessel orders. This is not a strategy that will support long term profitability for vessel owners and operators. They need to avoid killing the golden goose. But for this week markets seem to be mostly steady and looking for new input. Be advised that the port of Brunswick Georgia USA was damaged in the last hurricane and repairs to the facility and the resumption of Grain loading is unknown and questionable.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
21-Sep-17	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	19207	19252	-45	-0.2%
P3A - PNW/Pacific - Japan	13302	12782	520	4.1%
S1C -USGULF-China-So.Japan	22956	21661	1,295	6.0%

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

Four weeks ago:	\$ 6.80-\$7.75
Three weeks ago:	\$ 6.85-\$7.30
Two weeks ago:	\$ 7.25-\$7.60
One week ago:	\$ 7.75-\$8.05
This week	\$ 7.70-\$8.10

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

Mississippi River:	(10 elevators)	4-12 days
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-0 days
Texas Gulf	(6 elevators)	2-10 days
Pacific Northwest:	(9 elevators)	0-7 days

Panamax Market Spreads to Asia -China					
21-Sep-17	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.88	0.48	0.40	\$15.75	PNW
SOYBEANS	0.80	0.61	0.19	\$7.48	PNW
OCEAN FREIGHT	\$23.75	\$42.50	.48-.51	\$18.75	OCT.

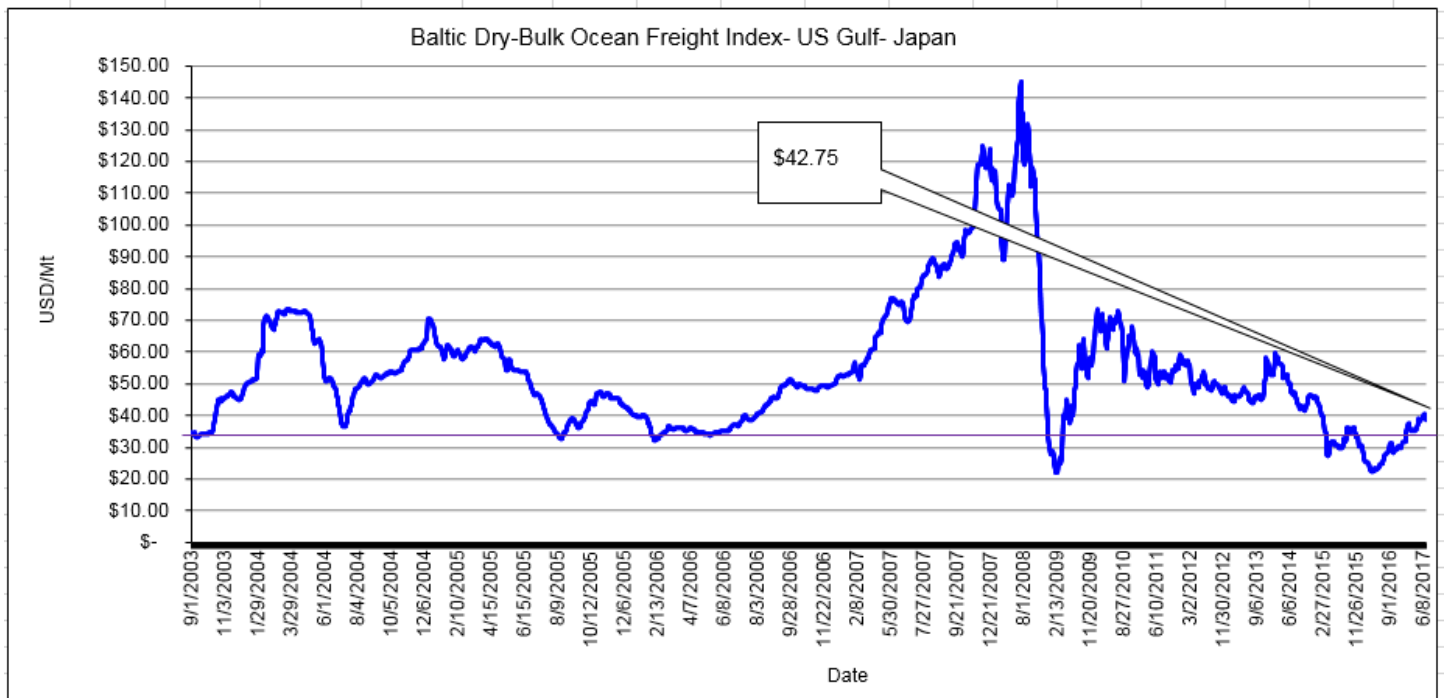
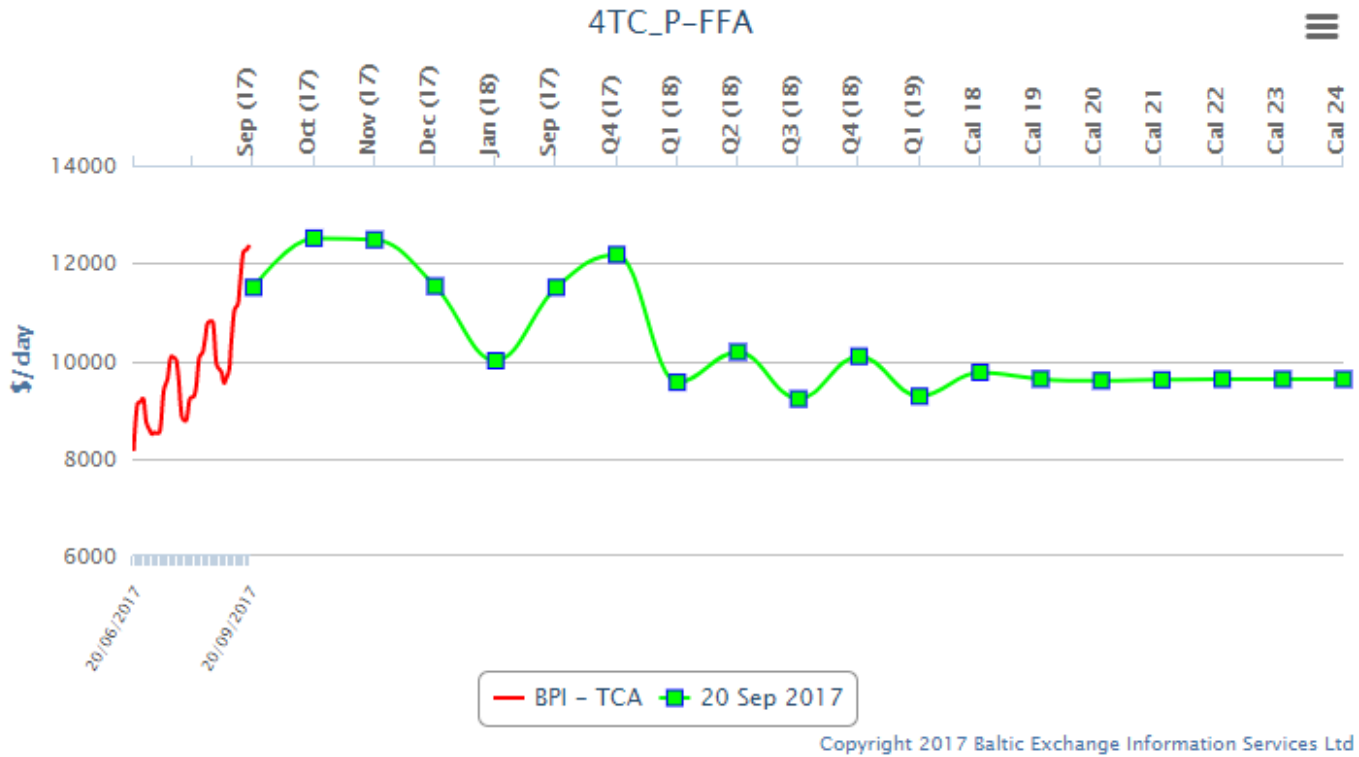
Recent Reported Vessel Fixtures:

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$42.75	Up \$0.25	Handymax at \$43.00 mt
55,000 U.S. PNW- Japan	\$24.00	Up \$0.50	Handymax at \$24.00 mt
65,000 U.S. Gulf – China	\$42.50	Up \$0.50	North China
PNW to China	\$23.75	Up \$0.75	
25,000 U.S. Gulf- Veracruz, México	\$16.50	Unchanged	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$14.00	Down \$0.25	Deep draft and 6,000 MT per day discharge rate.
25/35,000 U.S. Gulf- <u>East Coast Colombia</u>	\$20.00	Unchanged	<u>West Coast Colombia at \$28.00</u>
From Argentina	\$30.00		
40-45,000 U.S. Gulf - Guatemala	\$28.00	Unchanged	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$29.50 \$32.50	Up \$0.25	8,000 mt daily discharge 3,000 mt daily discharge
25-30,000 US Gulf-Morocco	\$28.75	Up \$0.25	5,000 discharge rate
55,000 U.S. Gulf –Egypt	\$26.50	Up \$0.25	55,000 -60,000 mt
PNW to Egypt	\$26.00		St. Lawrence to Egypt \$26.50
60-70,000 U.S. Gulf – Europe – Rotterdam	\$17.00	Unchanged	Handymax at +\$1.50 more
Brazil, Santos –China	\$34.00	Up \$0.25	54-58,000 Supramax-Panamax
Itacoatiara Port up River	\$33.00		60-66,000 Post Panamax
Amazonia North Brazil - China	\$36.50		
56-60,000 Argentina-China Up River with Top Off	\$40.50	Up \$0.50	

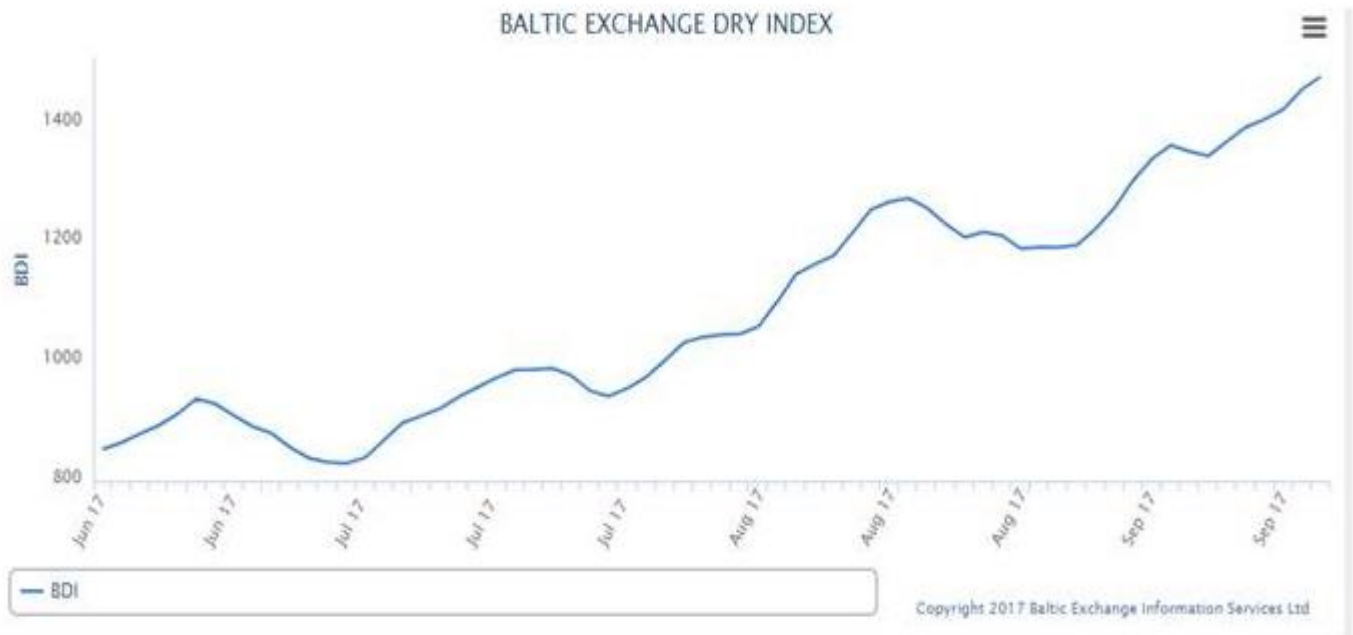
Nautical Miles: To Xiamen China (South China)

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)

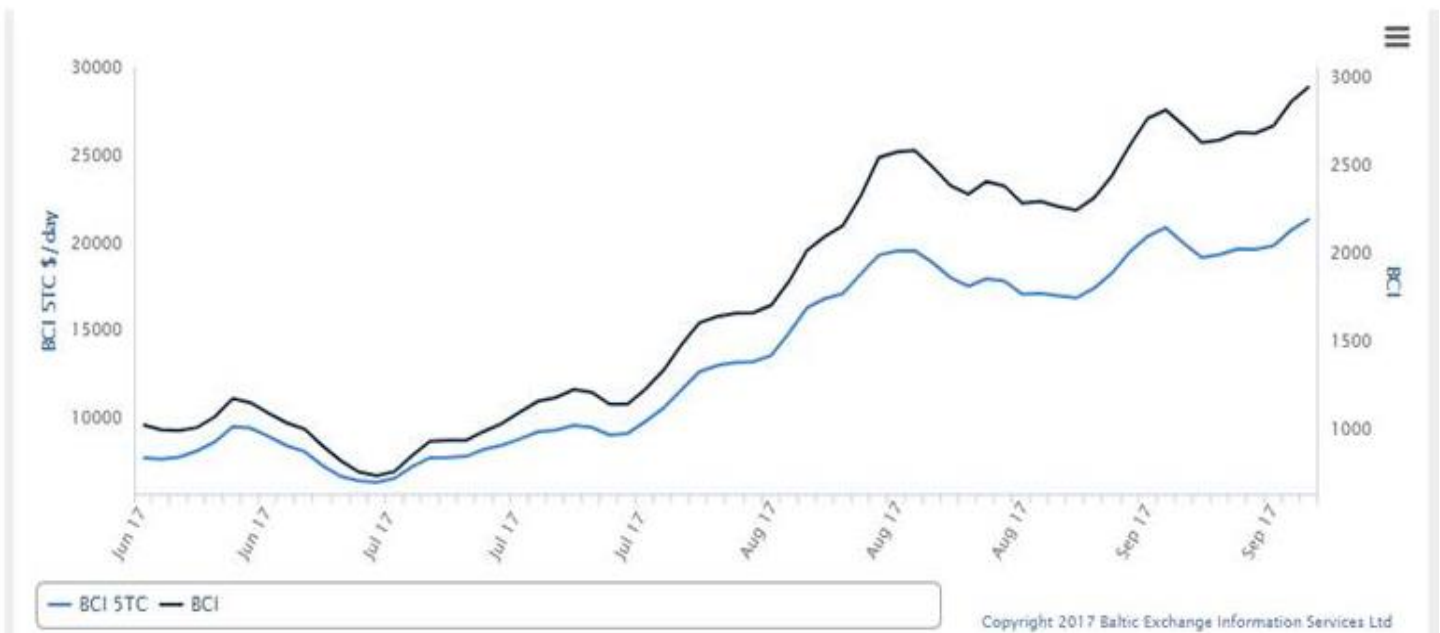
Forward Curve for Baltic BPI Panamax Vessel Freight



Baltic Dry Bulk Index

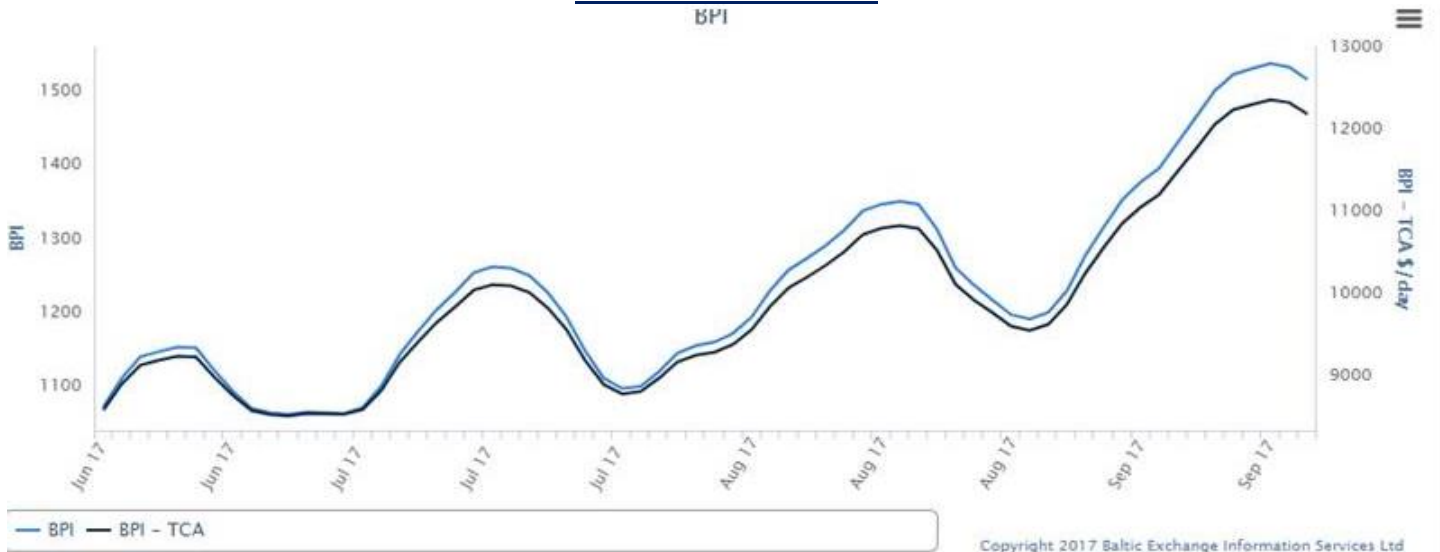


Baltic Capesize Index



Baltic Panamax Index

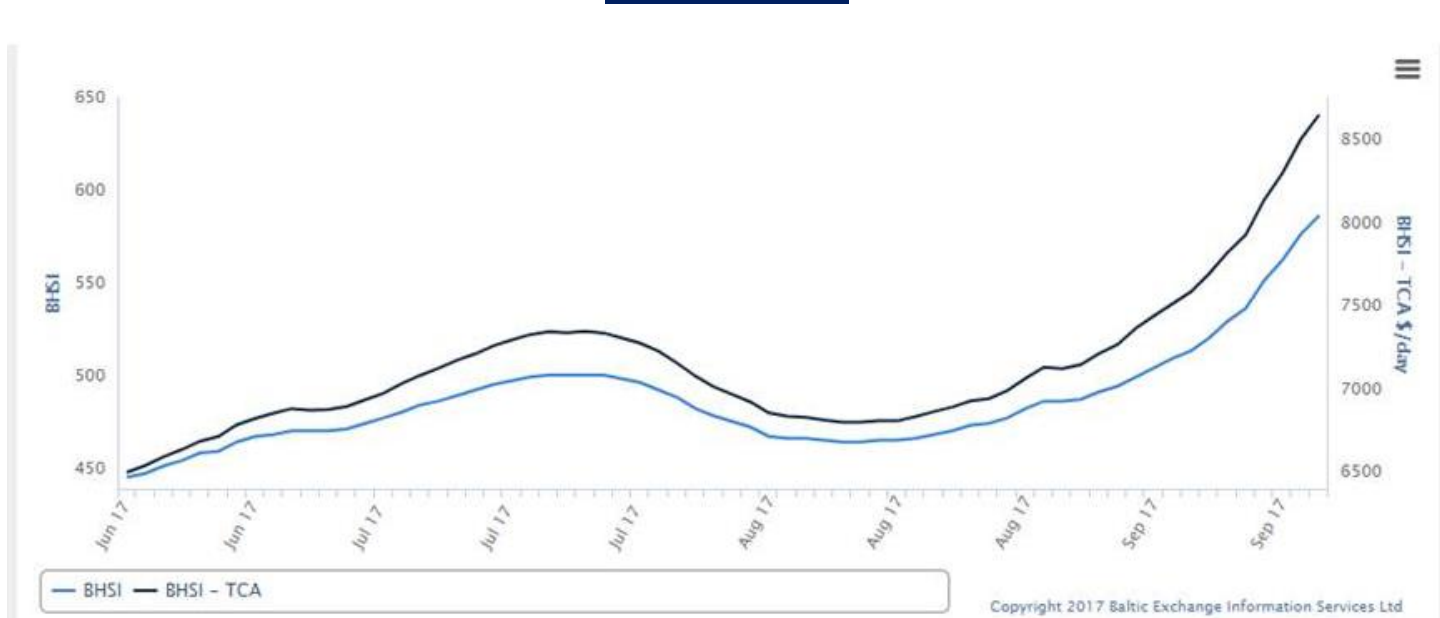
BPI



Baltic Supramax Vessel Index



Baltic Handy Size



Yamamizu Shipping

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USG/Japan Index Result

Date From: 2016-07-01

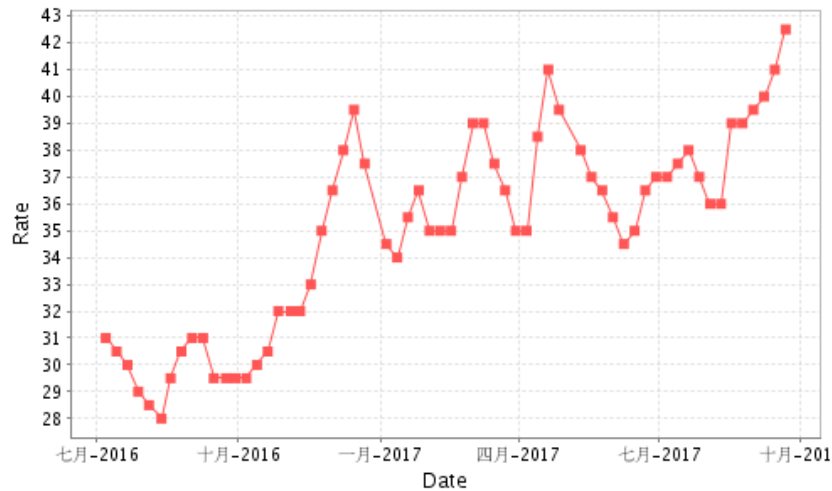
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Date To: 2017-09-22

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China Import Dry Bulk Freight Index(CDFI)

2017-09-21

Index/Routes	Charterparty type	Cargo/Vessel type	Dwt/Cargo Capacity	Unit	Index/Rate	Change
Composite Index				Point	1167	33.25
VC Index				Point	924.49	20.52
TCT Index				Point	1530.76	52.34
Santos(Brazil)— North China	VC	Soybean	60000/10%	\$/ton	32.71	-0.09
Tacoma(West America)—North China	VC	Soybean	60000/10%	\$/ton	23.605	0.05
Mississippi(US Gulf) —North China	VC	Soybean	55000/10%	\$/ton	44.3	-0.115

21 September 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
Oct.	0.48	\$156.78	0.88	\$172.53
Nov.	0.54	\$159.14	0.83	\$170.56
Dec.	0.59	\$161.11	0.83	\$170.56
Jan.	0.48	\$161.80	0.78	\$173.61
Feb.	0.50	\$162.59	0.83	\$175.58
Mar.	0.52	\$163.38	0.85	\$176.37

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%	BASIS	FLAT PRICE	BASIS	FLAT PRICE
Oct.	1.40	\$193.00	1.35	\$191.03
Nov.	1.40	\$193.00	1.35	\$191.03
Dec.	1.40	\$193.00	1.35	\$191.03
Jan.	1.30	\$194.08	1.30	\$194.08
Jan.	1.30	\$194.08	1.30	\$194.08

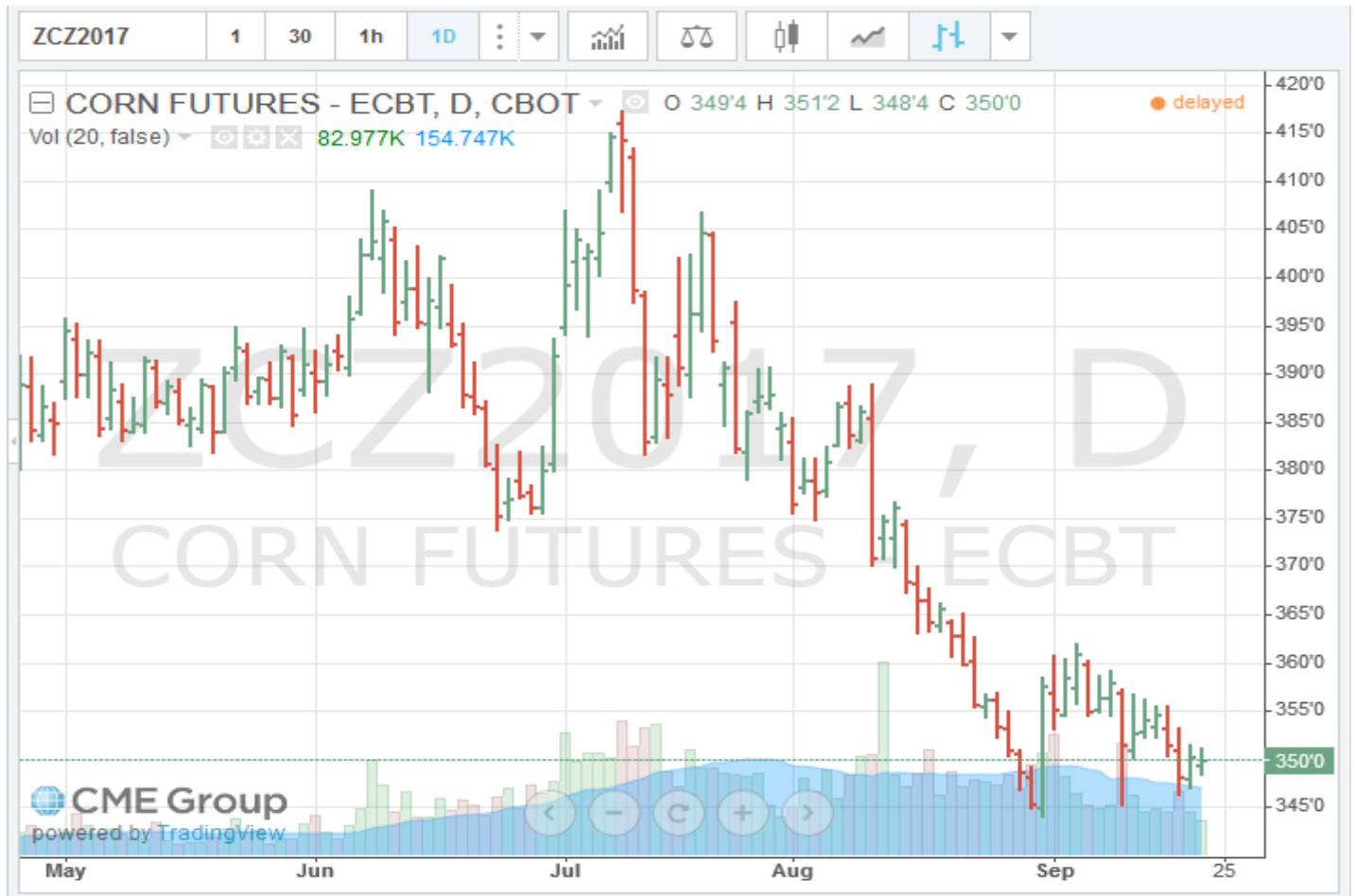
Fob vessel Texas Gulf #2 Sorghum is about 111 % the value of #2 Yellow Corn at NOLA Sorghum has gotten to be a thin trade and interior and export handling margins have widened out to reflect the risk.

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

SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	Oct.	Nov.	Dec.	Jan.
FOB U.S. GULF	\$195.66	\$197.50	\$196.39	\$198.05
Basis	0.80	0.85	0.82	0.67
WZ	4.5250			
WH	4.7200			
WK	4.8500			

CME CORN FUTURES MARKET CLOSE- Thursday						
CBOT		Friday	Friday	Last week	Last Week	Difference
CORN	Futures	Close	Close	Bushel	MT.	Bushel
Month	Symbol	Bushel	MT.			
Sept.	CU	\$3.5025	\$137.89	\$ 3.5425	\$139.46	(\$0.0400)
Dec.	CZ	\$3.6300	\$142.91	\$ 3.6650	\$144.28	(\$0.0350)
Mar.	CH	\$3.7125	\$146.15	\$ 3.7475	\$147.53	(\$0.0350)
May	CK	\$3.7800	\$148.81	\$ 3.8125	\$150.09	(\$0.0325)
July	CN	\$3.8475	\$151.47	\$ 3.8775	\$152.65	(\$0.0300)

CME/CBOT December 2017 (CZ7) Corn Futures Chart –



CME/CBOT Dec. 2017 (WZ7) SRW Wheat Futures Chart –

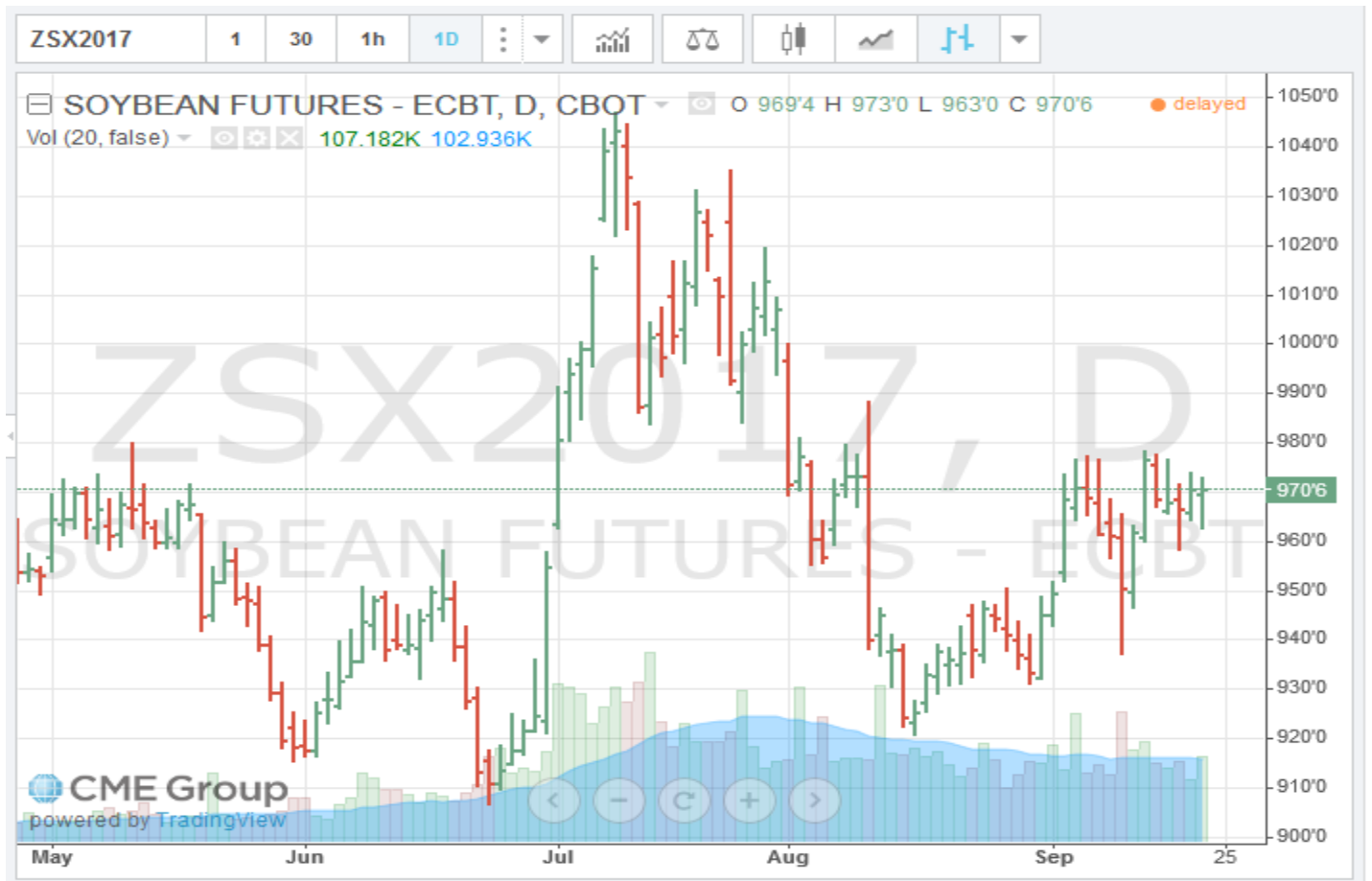


Soybean and SBM Markets Fob Vessel:

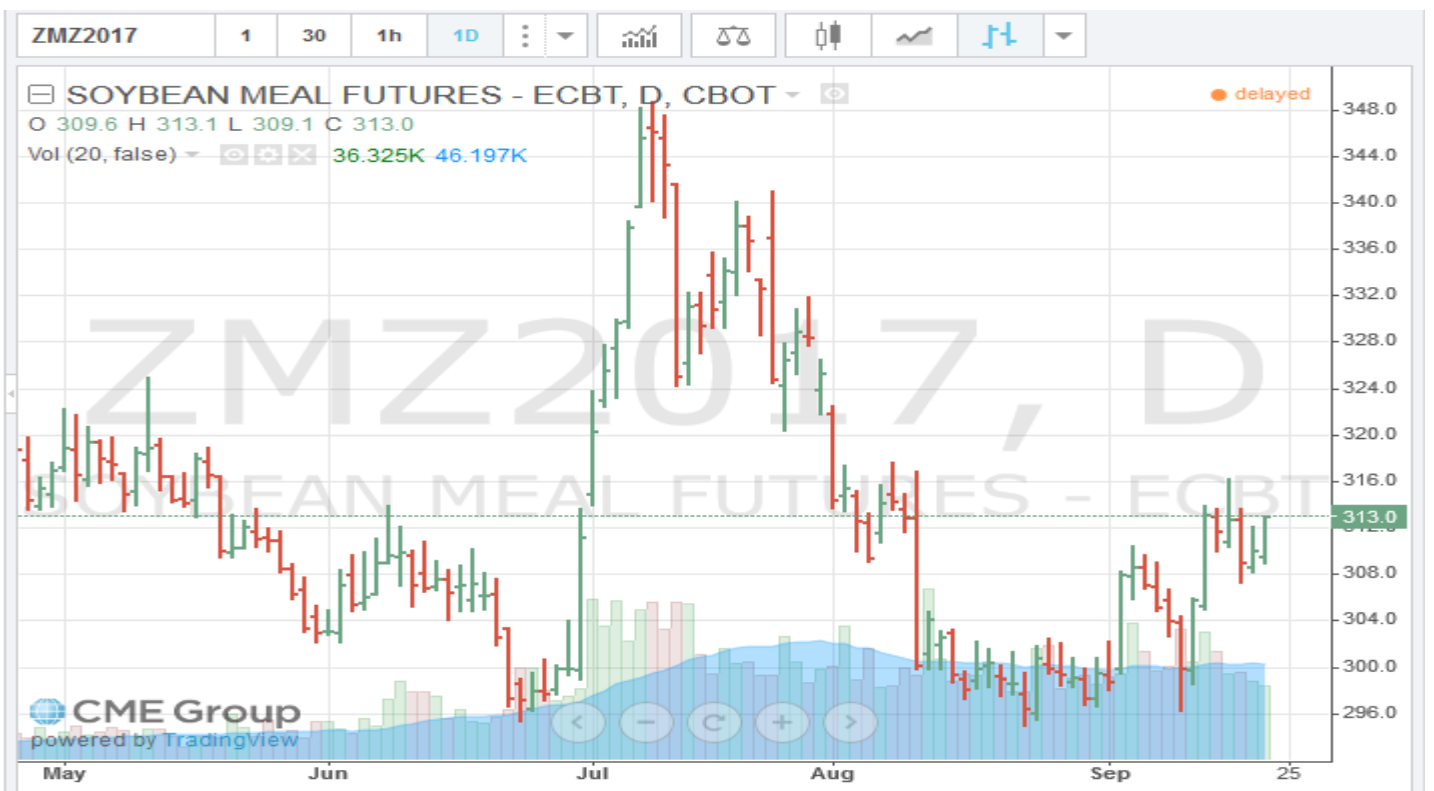
U.S. Yellow Soybeans (USD/MT) FOB Vessel				
# 2 YSB	U.S. Gulf #2 YSB		PNW #2 YSB	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
Oct.	0.61	\$379.10	0.80	\$386.08
Nov.	0.61	\$379.10	0.85	\$387.92
Dec.	0.60	\$382.50	0.88	\$392.79
Jan.	0.60	\$382.50	0.95	\$395.36
Feb.	0.56	\$384.43	0.92	\$397.65
Soybean Futures				
Nov.	\$ 9.7075			
Jan.	\$ 9.8100			
Mar.	\$ 9.9025			
May.	\$ 9.9850			
July	\$ 10.0500			
Aug.	\$ 10.0525			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Oct.	0.00	\$ 340.67
Nov.	0.00	\$ 344.97
Dec.	0.00	\$ 344.97
Jan.	-1.00	\$ 346.07
Feb.	-1.00	\$ 349.27
SBM Futures		
SMV	309.00	
SMZ	312.90	
SMF	314.90	
SMH	317.80	
SMK	320.10	
SMN	322.30	

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 14 September 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	543.8	11,029.9	46,990	23%	207.8
Sorghum	53.0	1,137.5	5,330	21%	0.0
Soybeans	2419.1	19,331.9	61,240	32%	1.0
Wheat	322.1	13,082.9	26,540	49%	30.0
Barley	0.0	36.3	110	33%	0.0

U.S. EXPORT INSPECTIONS:

Monday's report 18 September 2017 for the Export week ending 14 September 2017

	Export Inspections		Current Market Year YTD	Previous Year to Date	2017 YTD as Percent of 2016 YTD
	This Week	Previous Week			
Corn	676,819	676,243	1,353,062	2,931,453	46%
Sorghum	66,399	51,382	117,781	225,539	52%
Soybeans	928,575	1,106,758	2,035,333	1,913,434	106%
Wheat	464,375	508,855	8,723,280	8,577,542	102%
Barley	0	0	14,122	21,763	65%

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

U.S. EXPORT INSPECTIONS:

Monday's report 18 September 2017 for the Export week ending 14 September 2017

Last Week							
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans %
Lakes	33,131	5%	0	0%	0	0%	12,733 1%
Atlantic	0	0%	0	0%	0	0%	2,277 0%
Gulf	433,846	64%	0	0%	64,887	98%	770,883 83%
PNW	0	0%	0	0%	0	0%	68,753 7%
Interior Export Rail	206,848	31%	2,994	100%	1,512	2%	73,929 8%
Metric Tons	673,825		2,994		66,399		928,575

Sorghum Shipments:	metric tons	
	64,887	China Main
	24	Japan
	1,488	Mexico
	66,399	Total

White Corn Shipments:	metric tons	
	2,994	Mexico
	2,994	Total

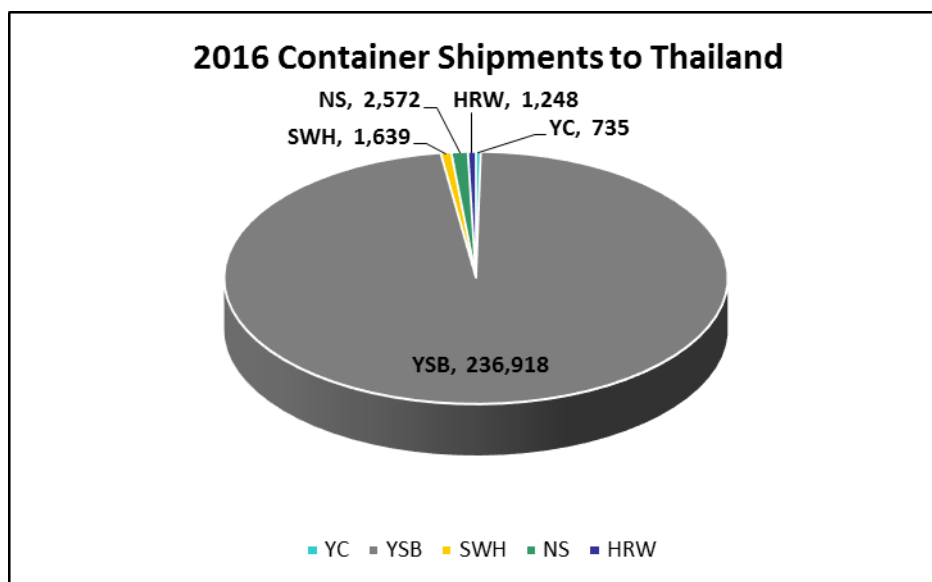
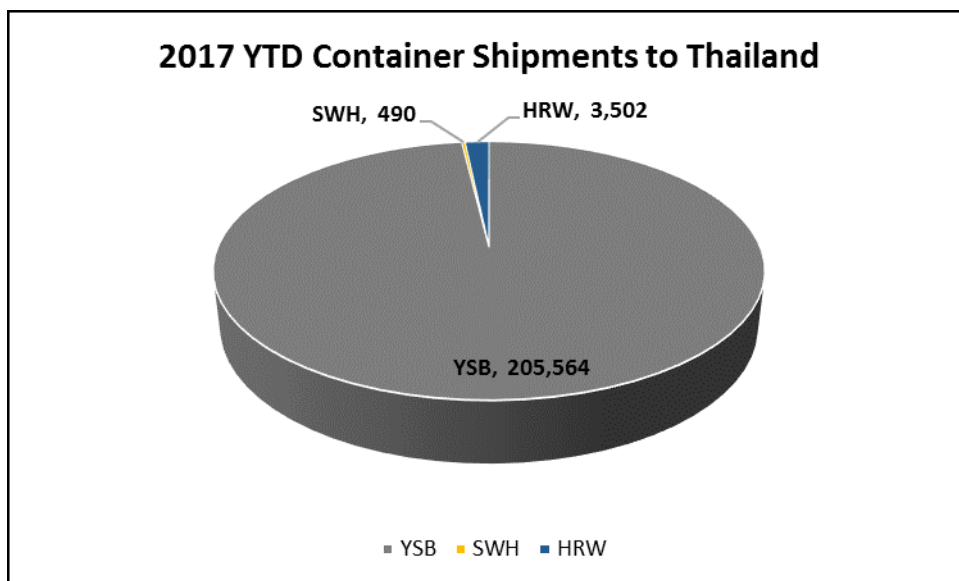
Export Inspection Highlights

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).*

- **The lengthy correction report at the bottom half is due to one of USDA's agencies not sending data in for an extended period. These corrections are dated back to January 1, 2017.*

CONTAINER SHIPMENTS of GRAIN									
USDA Grain Inspections Report:		14-Sep-2017							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main			8,009						8,009
China T	12,048		12,048						24,096
Hong Kong	562								562
Costa Rica	73								73
Indonesia			18,925						18,925
French Polynesia									0
Japan			122					24	146
Korea Republic	906		122						1,028
Panama									0
Malaysia	269		3,330						3,599
Sri Lanka	465								465
Philippines	269		611						880
Thailand			6,070						6,070
Bangladesh									0
Burma			416						416
Vietnam			2,987						2,987
Sub total	14,592	0	52,640	0	0	0	0	24	63,853
USDA Corrections/Additions to previous reports:									
China T									0
China Main									0
Hong Kong									0
Korea Rep.									0
Canada				200					200
Japan									0
Philippines									0
Indonesia			27,401						27,401
Malaysia			1,004						1,004
Thailand			3,429						3,429
Vietnam			1,836			2,889			4,725
Israel									0
Panama									0
Sub total	0	0	33,670	200	0	2,889	0	0	36,759
Mt. Grand Total	14,592	0	86,310	200	0	2,889	0	24	100,612
Number of containers	634	0	3,753	9	0	126	0	1	

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

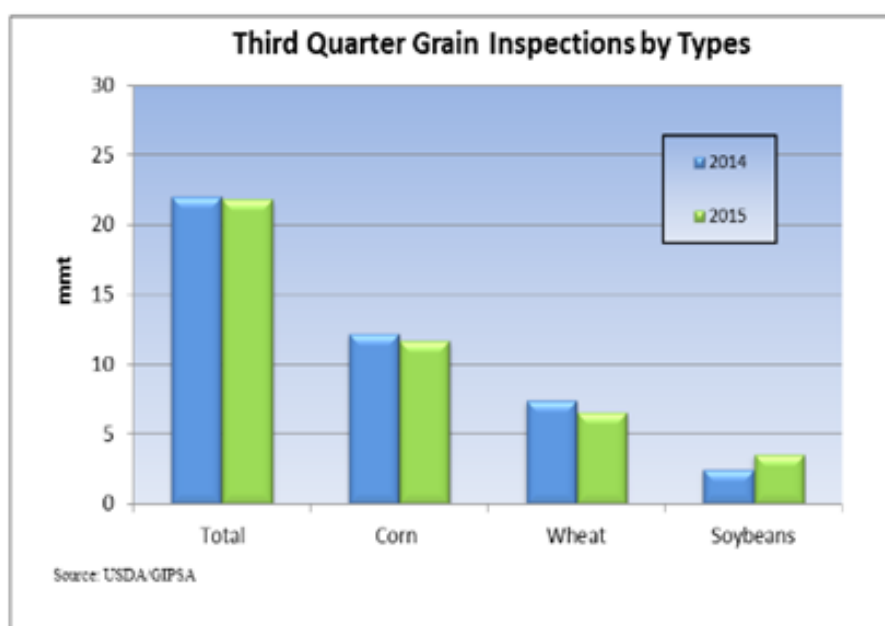


Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2016 YTD vs. 2017 YTD

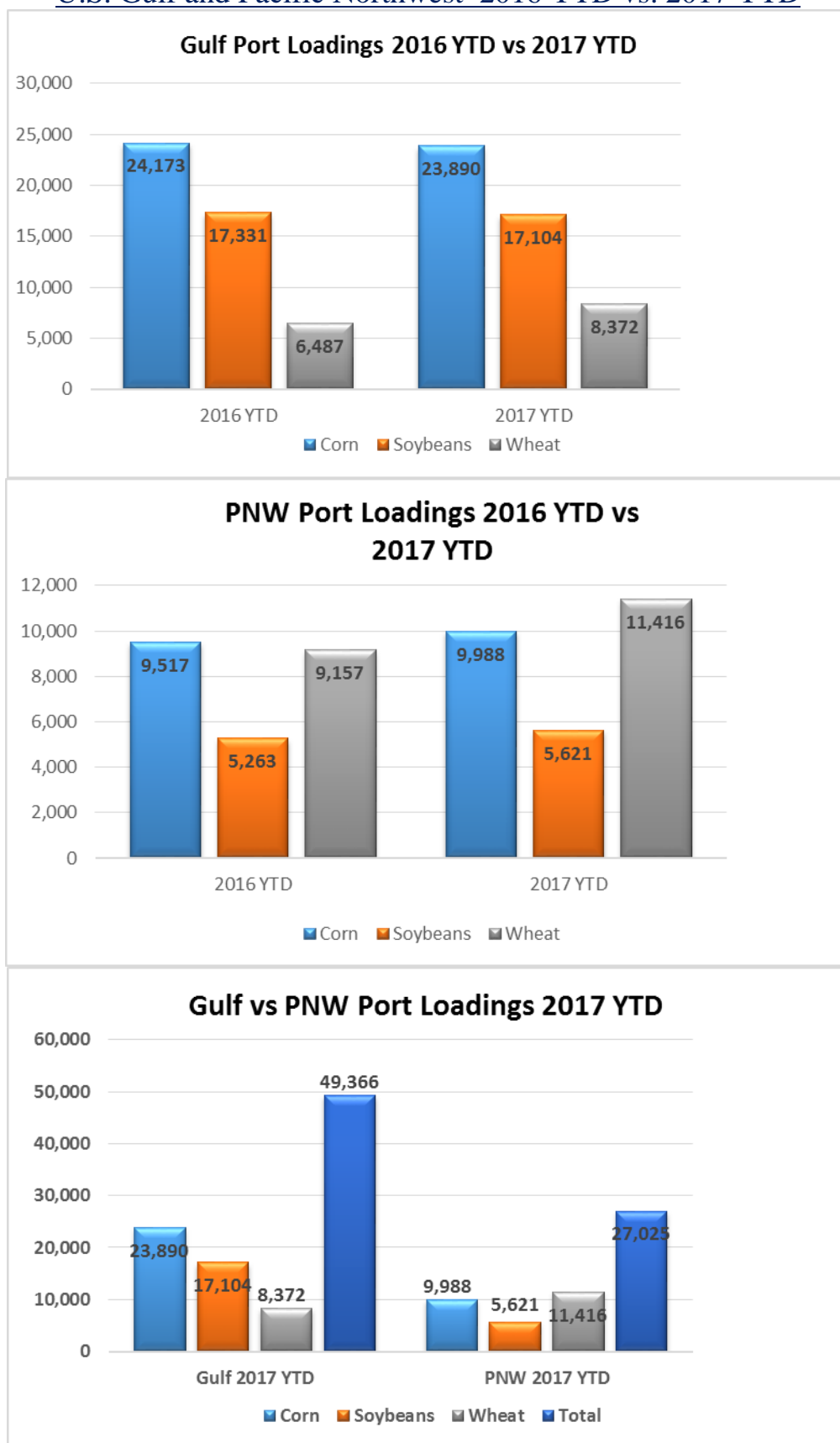
PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2016 YTD	24,173	17,331	6,487	47,991
2017 YTD	23,890	17,104	8,372	49,366
2017 as % of 2016	99%	99%	129%	103%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2016 YTD	9,517	5,263	9,157	23,937
2017 YTD	9,988	5,621	11,416	27,025
2017 as % of 2016	105%	107%	125%	113%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2017 Gulf YTD	23,890	17,104	8,372	49,366
2017 PNW YTD	9,988	5,621	11,416	27,025
TOTAL	33,878	22,725	19,788	76,391
Gulf Percentage	71%	75%	42%	65%
PNW Percentage	29%	25%	58%	35%



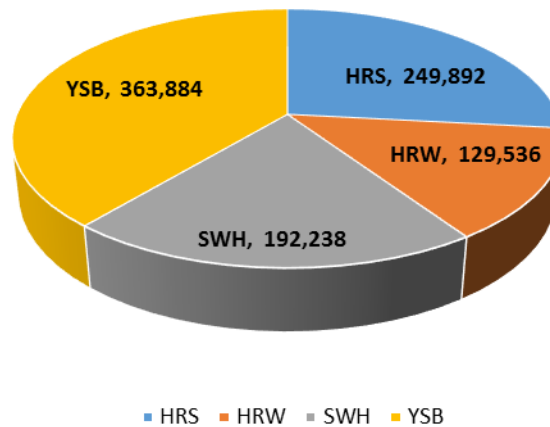
Grain Inspections for Export by U.S. Port Regions:
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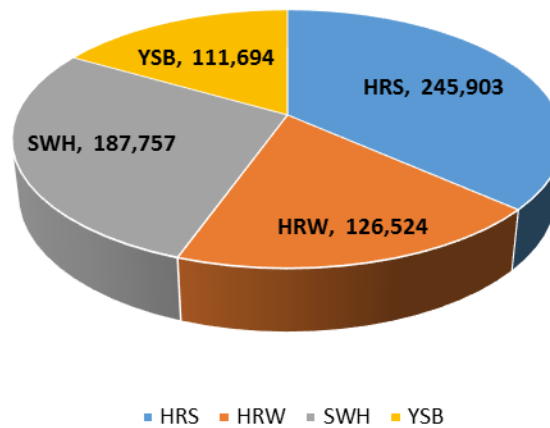
Source: USDA-data

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

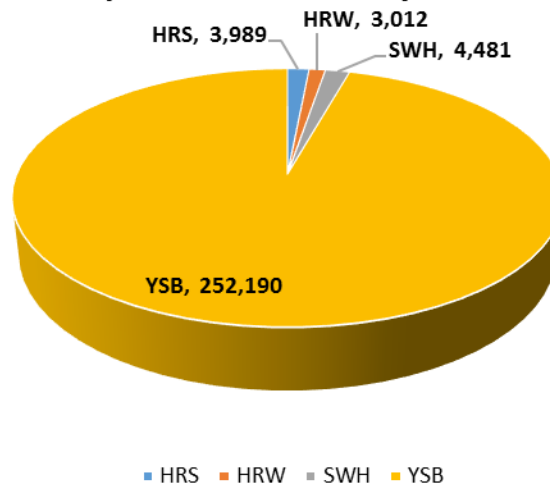
2017 YTD Exports to Thailand



YTD Exports to Thailand by Vessel



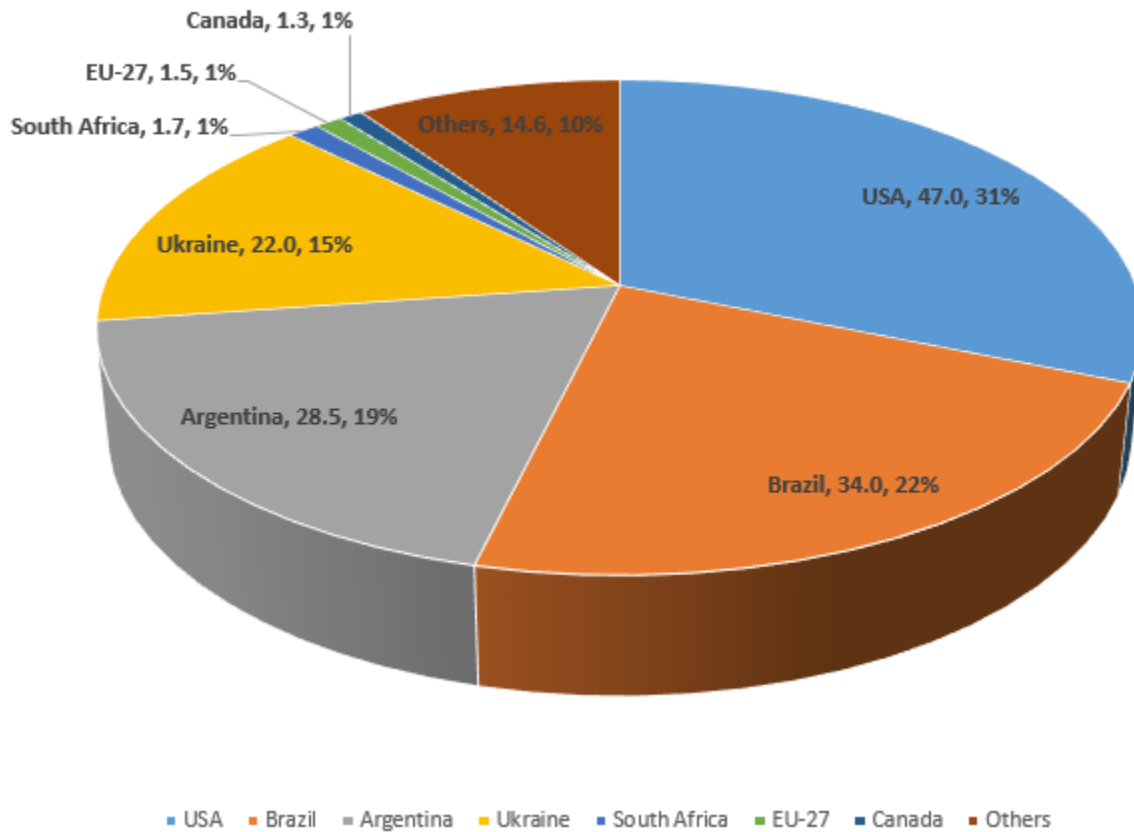
YTD Exports to Thailand by Container



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

Shipping News:

Exporters' Share in World Corn Trade 2017-18 (MMT)



First Brazilian Corn Vsl Headed to Veracruz, Mexico



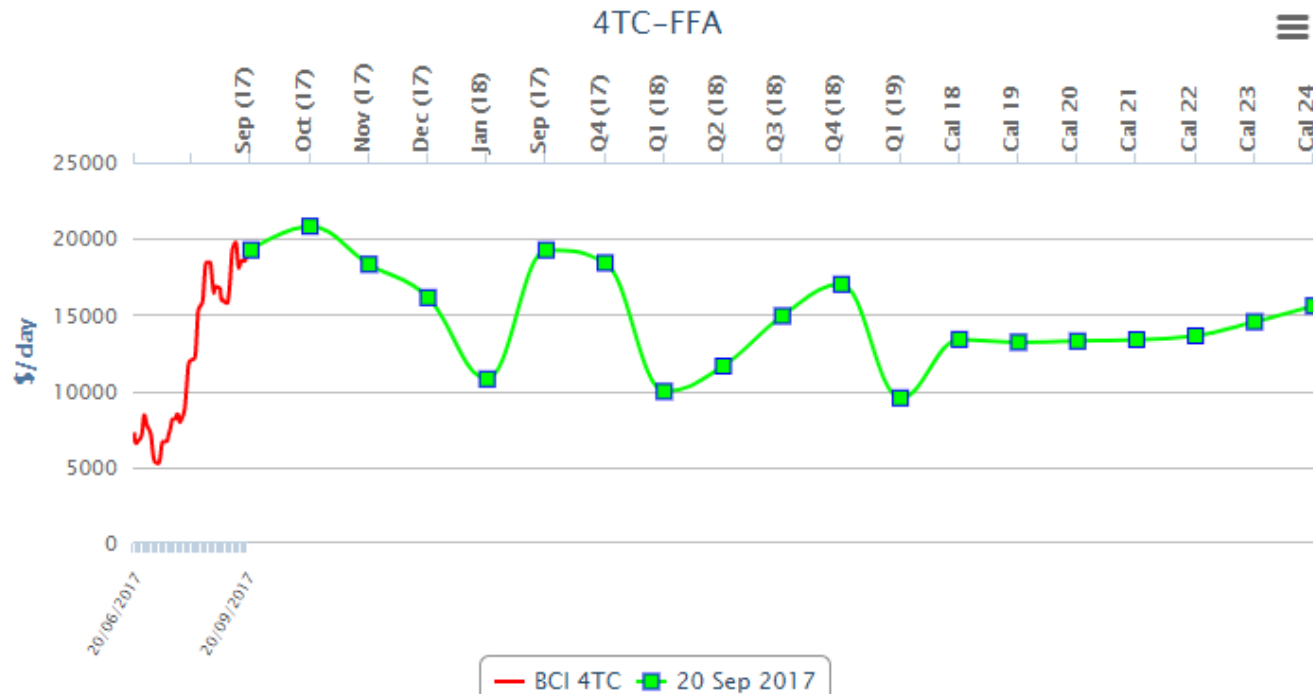
Ocean freight cost was probably close to \$20.00/mt

Shanghai Containerized Freight Index



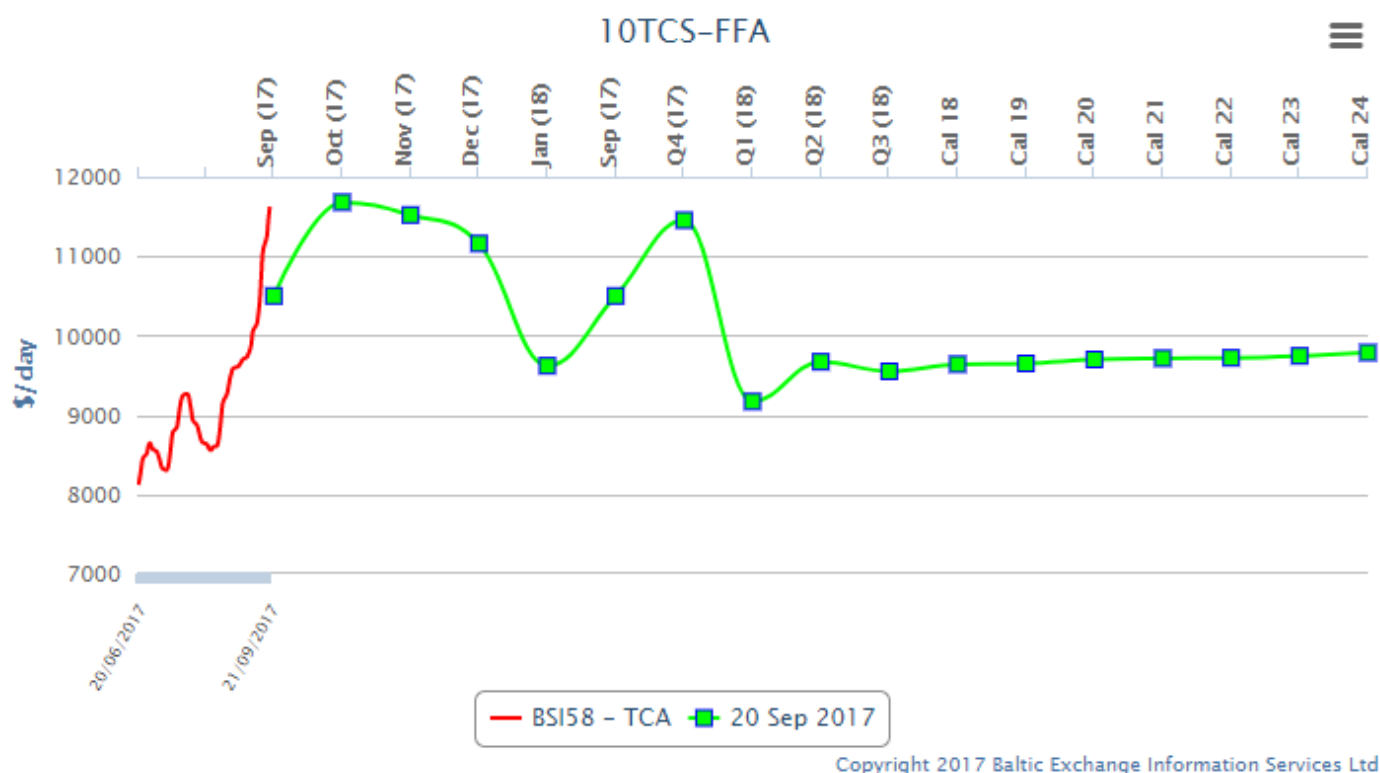
FFA Capesize for the 4 time charter routes

4TC-FFA



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FFA SUPRAMAX 58 for the 5 time charter routes



U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement First Half October 2017

Placemen FH October 2017	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	485	\$33.09	0.84	0.90
Illinois River (Pekin and South)	465	\$24.65	0.63	0.67
Mid-Mississippi	465	\$27.27	0.69	0.74
Lower Ohio	460	\$22.61	0.57	0.62
St. Louis	370	\$16.27	0.41	0.44

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

Secondary Rail Car Market Placement FH October 2017	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ 200.00	\$ 750.00	\$ 0.05	\$ 0.19	\$ 1.97	\$ 7.38
UPRR Shuttle Trains	\$ -	\$ 750.00	\$ -	\$ 0.19	\$ -	\$ 7.38

Best Regards,

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