

Transportation and Export Report for 24 September 2020

There was a change in Dry-Bulk freight direction and timing this week. The week started out slow but, in contrast with recent trends, the market rallied at weeks end. Improved Iron Ore and Coal cargo demand boosted the Capesize market, which in turn lent support to the Panamax sector. Panamax vessel rates were also supported by healthy grain demand from the U.S. Gulf to Asia. As the Physical markets showed signs of life, the paper traders jumped back in. October and Q-4 Panamax rates traded at \$12,600-\$12,750/day. The U.S. Gulf Grain vessel lineup is getting bigger. Two US Gulf export facilities have 8 and 16 vessels in port waiting to load, with more ships arriving this week. Someone will be paying a lot of demurrage. Fob Sorghum at the U.S. Gulf is now priced over SRW Wheat for October-January.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices					
24-Sep-2020		This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	per day	20991	19705	1,286	6.5%
P3A - PNW/Pacific - Japan	per day	12142	11822	320	2.7%
S1C -USGULF-China-So.Japan	per day	24181	23614	567	2.4%
P7- Trial- Miss. River - Qingdao	per ton	41.443	40.414	1.0	2.5%
P8- Trial- Santos - Qingdao	per ton	30.700	31.021	-0.3	-1.0%

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

Four weeks ago:	\$7.25-\$8.50
Three weeks ago:	\$7.50-\$8.20
Two weeks ago:	\$7.00-\$7.80
One week ago:	\$7.10-\$7.45
This week	\$7.95- \$8.65

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

Mississippi River:	(10 elevators)	5-15 days (2 facilities not currently operating)
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-2 days
Texas Gulf	(5 elevators)	0-14 days (only 1 facility over 4 days)
Pacific Northwest:	(9 elevators)	1-11 days

Panamax Market Spreads to Asia -China					
24-Sep-2020	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	1.88	1.40	0.48	\$18.90	Both
SOYBEANS	1.75	1.40	0.35	\$13.78	PNW
OCEAN FREIGHT	\$23.00	\$42.25	.49 -.52	\$19.25	October

Recent Reported Vessel Fixtures:

**** Below rates are estimates for the nearby-30-day slots. 60-90 days forward rates will usually be higher.**

66,000 mt US Gulf to China Oct.16-25 at \$41.75 fio 10000sshex/8000sshex - Oldendorff -

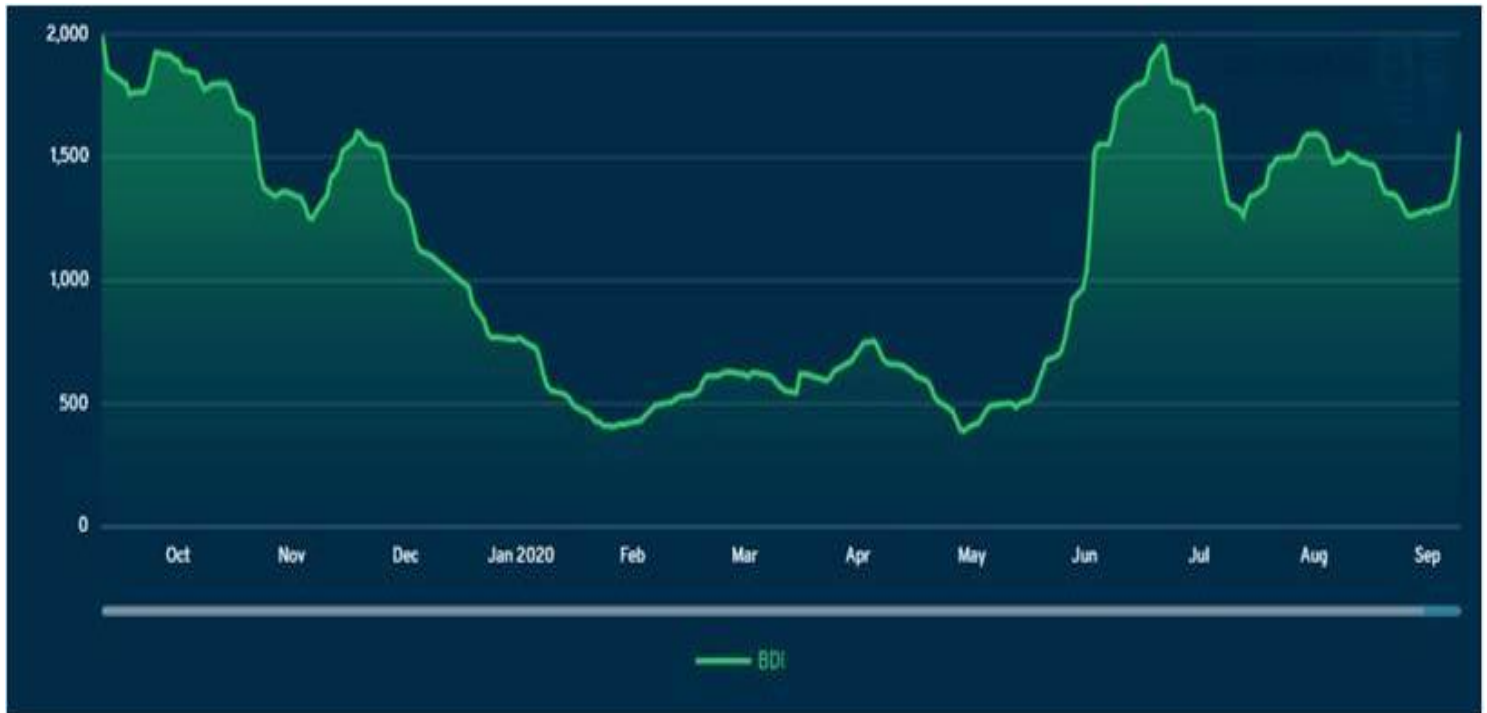
Soybean Panamax USG to Spain is running \$21.00-\$22.005/mt.

Soybean Brazil to Spain about \$24.00-25.00/mt.

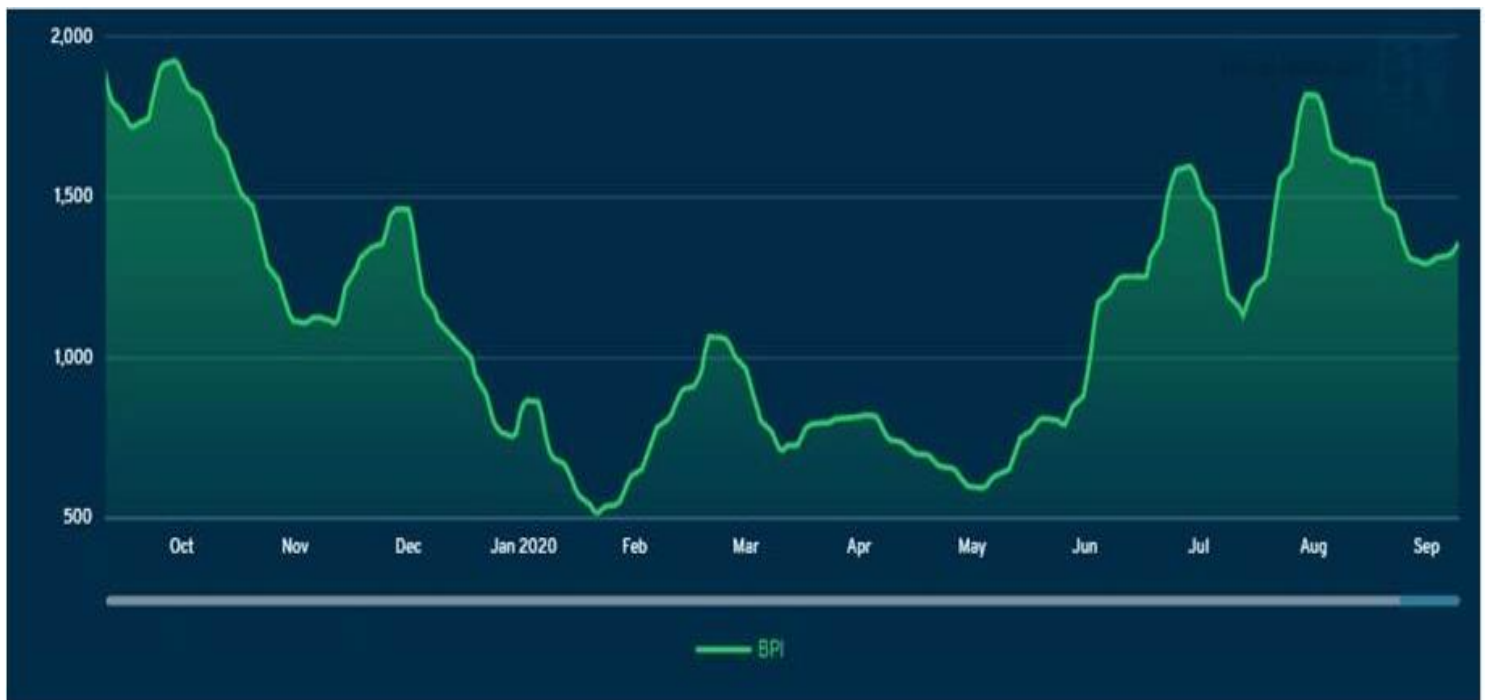
30,000 mt Corn Northern Brazil to Vera Cruz, Mexico \$18.50-\$19.50/mt .To U.S. E/C about \$21.25-22.25/mt

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$43.25	Down \$0.25	Handymax \$45.50 mt
55,000 U.S. PNW- Japan	\$23.75	Unchanged	Handymax \$25.00 mt
66,000 U.S. Gulf – China	\$42.25	Down \$0.25	North China
PNW to China	\$23.00	Unchanged	
25,000 U.S. Gulf- Veracruz, México	\$17.50	Unchanged	3,000 MT daily discharge rate
30-36,000+ U.S. Gulf- Veracruz, México	\$14.50	Unchanged	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- Colombia	\$20.00	Unchanged	<u>West Coast Colombia at \$31.75</u>
<u>East Coast Colombia</u> From Argentina	<u>\$30.50</u> \$31.50		USG to E/C 50,000 mt at \$16.50
43-45,000 U.S. Gulf - Guatemala	\$29.00	Unchanged	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$38.75 \$40.75	Unchanged	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	\$40.00	Unchanged	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$28.25	Down \$0.25	60,000 -55,000 mt
PNW to Egypt	\$29.00		Romania- Russia- Ukraine <u>\$13.75-\$13.75 -\$14.00</u> France <u>\$17.50</u>
60-70,000 U.S. Gulf – Europe – Rotterdam	\$20.00	Up \$0.75	Handymax at +\$1.75 more
Brazil, Santos – China	\$32.75	Down \$0.25	54-59,000 Supramax-Panamax
Brazil, Santos – China	\$31.25		60-66,000 Post Panamax
Northern Coast Brazil	\$35.75		Upriver No. Brazil Plus -55,000 mt Plus \$7.50/mt
56-60,000 Argentina/Rosario- China Deep Draft	\$36.00	Down \$0.50	Upriver with BB Top Off Plus \$3.75 mt

The Baltic Freight Index



Baltic Panamax Index



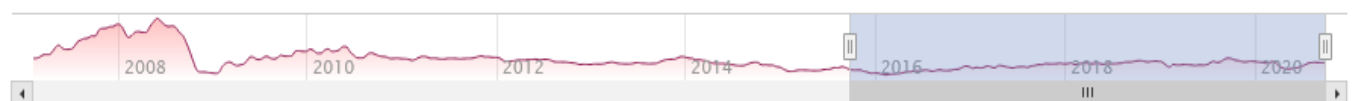
Baltic Dry-Bulk Ocean Freight Index- US Gulf- Japan



YAMAMIZU Index

Zoom **1m** 3m 6m YTD 1y 3y 5y All

From 2015-09-23 To 2020-09-23



China Import Dry Bulk Freight Index
2020-09-24

Description	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	906.03	31.86
Iron ore Freight Index			Point	964.69	58.92
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	8.655	0.427
Tubarao(Brazil)-Qingdao(China)	170000/10%	Iron ore	\$/ton	19.298	1.62
Soybean Freight Index			Point	938.54	-0.08
Santos(Brazil)—North China	60000/10%	Soybean	\$/ton	31.429	-0.043
Tacoma(West America)—North China	60000/10%	Soybean	\$/ton	23.014	0.014
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	42.325	0.05
Mississippi(US Gulf)—North China	55000/10%	Soybean	\$/ton	44.66	0.07

Greg Miller @GMJournalist · 5m

UPDATE: #China regulator meeting didn't reverse trans-Pacific #container spike: (1) Drewry just assessed HK-LA rates at \$4,081/FEU – UP again; (2) Maersk NOT reinstating Golden Week blank sailings & (3) MSC just announced two NEW Golden Week blank sailings



Red-hot ocean rates could spark government intervention - FreightWaves
China could decide enough is enough if trans-Pacific container spot rates rise too high. The risk of government intervention is rising.

freightwaves.com

24 September 2020 U.S. FOB Vessel Export Market Values:

U.S. Yellow Corn (USD/MT) FOB Vessel				
#2 YC	GULF # 2 YC		PNW # 3 YC	
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
Oct.	1.40	\$198.81	1.88	\$217.70
Nov.	1.35	\$196.84	1.82	\$215.34
Dec.	1.30	\$194.87	1.75	\$212.59
Jan.	1.20	\$194.87	1.58	\$209.83
Feb.	1.13	\$192.12	1.58	\$209.83
Mar.	1.10	\$190.93	1.55	\$208.65

The Gulf spread between #2 & #3 YC is currently about .03 cents per bushel (1.18/mt) at USG but is out to .12/bushel in the PNW.

SORGHUM (USD/MT) FOB VESSEL				
#2 YGS Fob Vessel	NOLA		TEXAS	
Max. 14.0% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
Oct.	3.25	\$271.64	2.95	\$259.83
Nov.	3.25	\$271.64	2.95	\$259.83
Dec.	3.25	\$271.64	2.95	\$259.83
Jan.	3.20	\$273.61	2.90	\$261.80
Feb.	3.15	\$271.64	2.85	\$259.83

Fob vessel Texas Gulf #2 Sorghum is about 131% 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	
	Oct.	Nov.	Dec.	Jan.
FOB U.S. GULF	\$253.44	\$251.60	\$249.76	\$248.75
Basis	1.40	1.35	1.30	1.20
WZ	5.4975			.
WH	5.5700			
WK	5.6200			

24-Sep-2020	Close	Close	Last Week.	Last Week.	Last Week	
CME Corn Futures	Bushel	MT.	Bushel	Bu. Diff.	MT	MT Diff.
Dec.	\$ 3.6350	\$ 143.10	\$ 3.6500	(0.01500)	\$ 143.69	\$ (0.59)
Mar.	\$ 3.7225	\$ 146.55	\$ 3.7500	(0.0275)	\$ 147.63	\$ (1.08)
May	\$ 3.7775	\$ 148.71	\$ 3.8150	(0.0375)	\$ 150.19	\$ (1.48)
July	\$ 3.8150	\$ 150.19	\$ 3.8525	(0.0375)	\$ 151.66	\$ (1.48)
Sept.	\$ 3.7775	\$ 148.71	\$ 3.8250	(0.0475)	\$ 150.58	\$ (1.87)
Dec.	\$ 3.8325	\$ 150.88	\$ 3.8775	(0.0450)	\$ 152.65	\$ (1.77)

CBOT December 2020 (CZ20) CORN Futures Chart –



CME/CBOT December 2020 (WZ20) 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
Oct.	1.40	\$418.87	1.75	\$431.73
Nov.	1.40	\$418.87	1.75	\$431.73
Dec.	1.35	\$418.23	1.70	\$431.09
Jan.	1.33	\$417.50	1.70	\$431.09
Feb.	1.33	\$415.29	1.68	\$428.15
Soybean Futures				
Nov.	\$ 10.0000			
Jan.	\$ 10.0325			
Mar.	\$ 9.9725			
May	\$ 9.9475			
July	\$ 9.9700			
Aug.	\$ 9.9125			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Oct.	30.00	\$ 401.09
Nov.	30.00	\$ 404.07
Dec.	30.00	\$ 404.07
Jan.	30.00	\$ 402.85
Feb.	32.00	\$ 400.98
SBM Futures		
SMV	\$ 333.80	
SMZ	\$ 336.50	
SMF	\$ 335.40	
SMH	\$ 331.70	
SMK	\$ 327.70	
SMN	\$ 327.00	

CME November 2020 Soybean (SX20) Futures Chart:



CME December 2020 Soybean Meal (SMZ20) Futures Chart



U.S. EXPORT STATISTICS: Report Activity as of Week Ending 10 September 2020

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 '21-22 (000 MT)
Corn	1672.6	20,456.1	59,060	35%	206.0
Sorghum	121.8	2,569.5	6,600	39%	0.0
Soybeans	2548.7	32,343.0	57,830	56%	60.0
Wheat	338.0	13,132.6	26,540	49%	17.2
Barley	0.0	39.2	110	36%	0.0

U.S. EXPORT INSPECTIONS:

Monday's report 21 September 2020 for the Export week ending 17 September 2020

	Export Inspections		Current Market Year YTD	Previous Year to Date	2020/21 YTD as Percent of 2019/20 YTD
	This Week	Previous Week			
Corn	755,111	939,113	1,966,144	1,130,528	174%
Sorghum	71,452	141,268	245,816	85,675	287%
Soybeans	1,310,854	1,625,688	3,567,160	2,168,234	165%
Wheat	469,939	692,422	8,624,311	8,018,650	108%
Barley	0	0	5,727	3,036	189%

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

U.S. EXPORT INSPECTIONS:

Monday's report 21 September 2020 for the Export week ending 17 September 2020

Last Week								
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans	%
Lakes	0	0%	0	0%	0	0%	68,911	5%
Atlantic	0	0%	0	0%	0	0%	54,610	4%
Gulf	357,149	49%	30,923	92%	71,403	100%	895,148	68%
PNW	268,848	37%	0	0%	0	0%	202,250	15%
Interior Export Rail	95,672	13%	2,519	8%	49	0%	89,935	7%
Metric Tons	721,669		33,442		71,452		1,310,854	

Sorghum Shipments: metric tons
 71,403 China Main
 49 Italy

 71,452 Total

White Corn metric tons
 Shipments: 24 Ireland
 33,418 Mexico

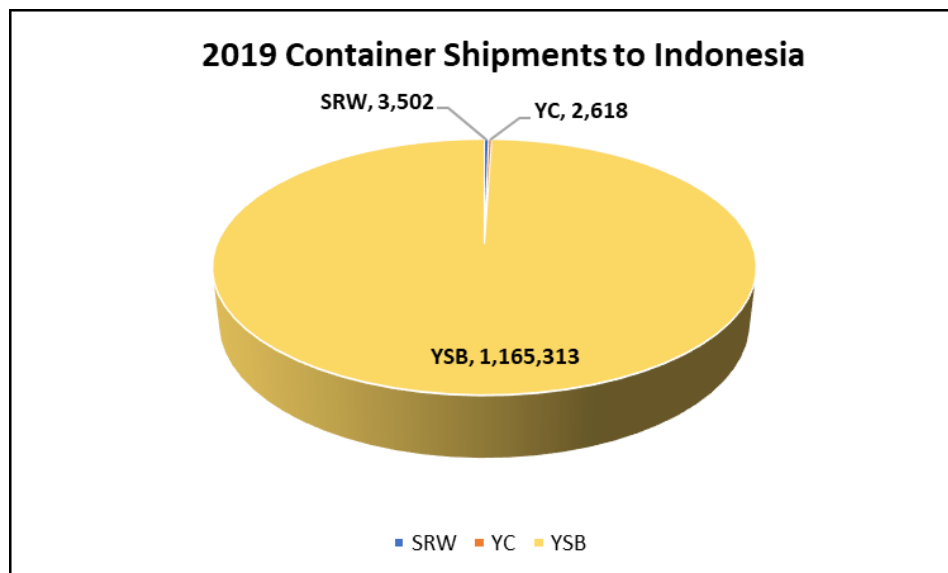
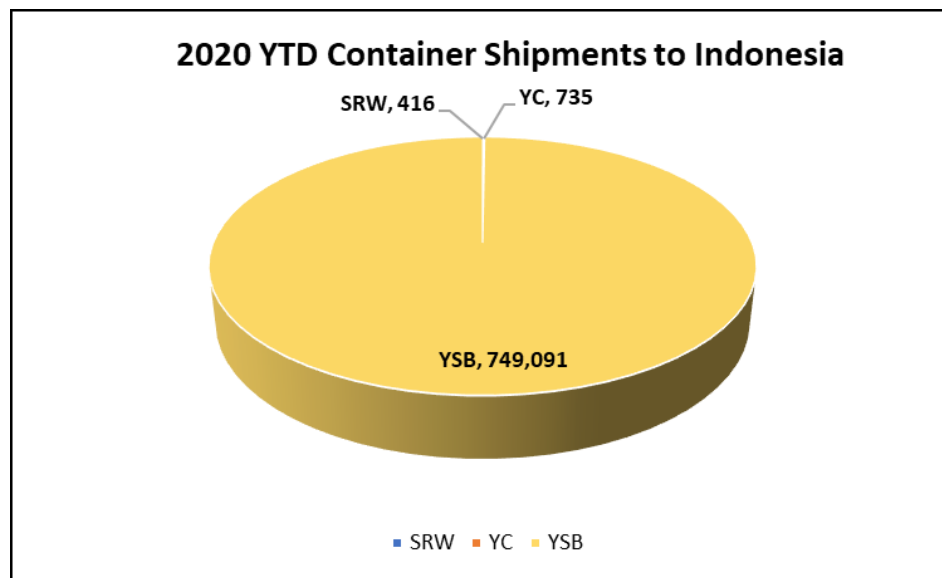
 33,442 Total

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:		17-Sep-2020							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main	3,062		2,840						5,902
China T	9,007		16,503						25,510
Hong Kong	1,199								1,199
Costa Rica									0
Indonesia			11,728						11,728
French Poly									0
Japan			2,080						2,080
Korea Rep.			612	392					1,004
Nepal									0
Malaysia	490		8,668						9,158
Ireland		24							24
Philippines			1,641						1,641
Thailand			3,108						3,108
Cambodia				489					489
Italy								49	49
Bangladesh									0
Burma									0
Vietnam	269		9,229	196					9,694
Sub Total:	14,027	24	56,409	1,077	0	0	0	49	71,586
USDA Corrections/Additions to previous reports:									
China T			367						367
China Main									0
Hong Kong									0
Korea Rep.			98						98
Cambodia			563						563
Japan									0
Philippines									0
Indonesia			2,670						2,670
Malaysia									0
Thailand									0
Vietnam							1,029		1,029
Jordan									0
Nigeria									0
Sub Total:	0	0	3,698	0	0	0	1,029	0	4,727
Mt. Grand Total	14,027	24	60,107	1,077	0	0	1,029	49	76,313
Number of Containers	610	1	2,613	47	0	0	45	2	

Jan - Dec 2019 Annual Totals versus 2020 Jan.-Dec. YTD Total Container Shipments (in MT)



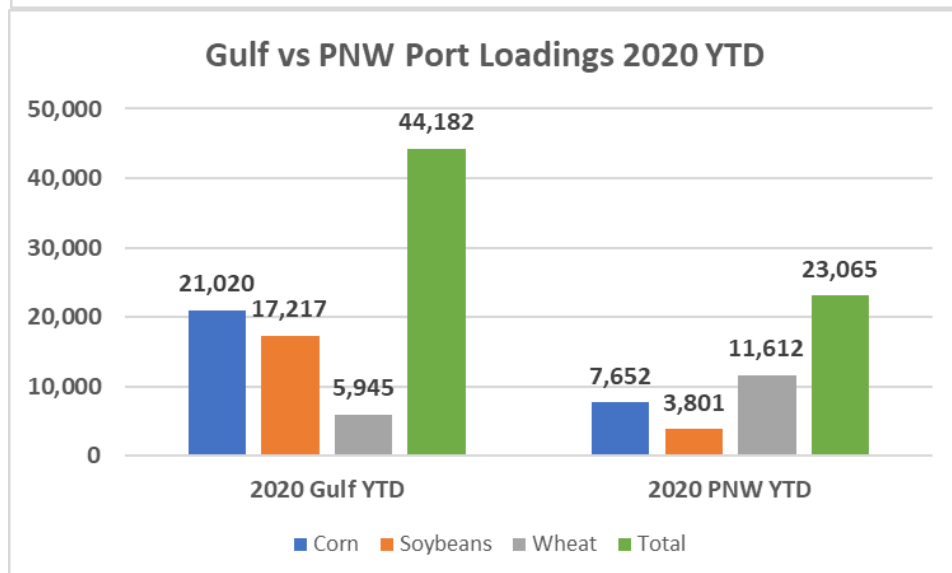
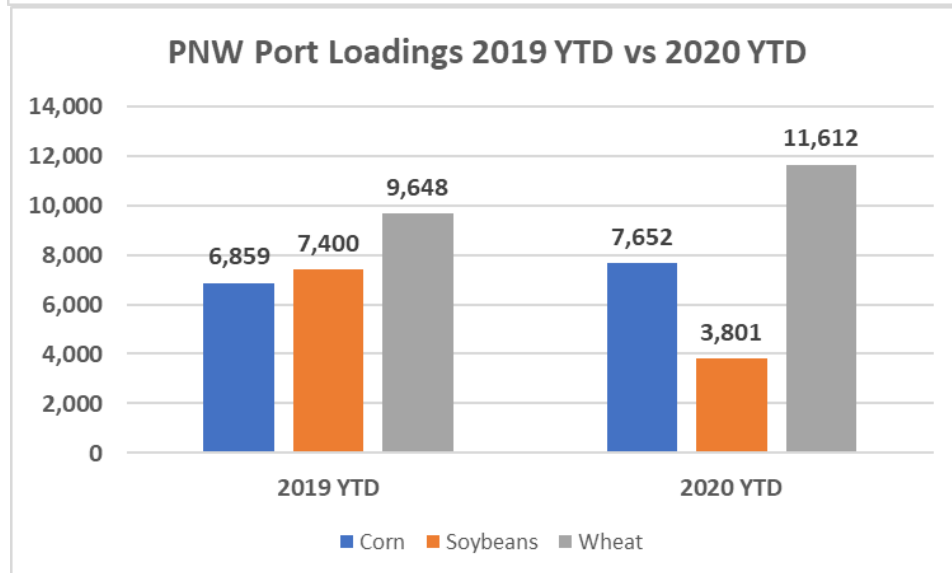
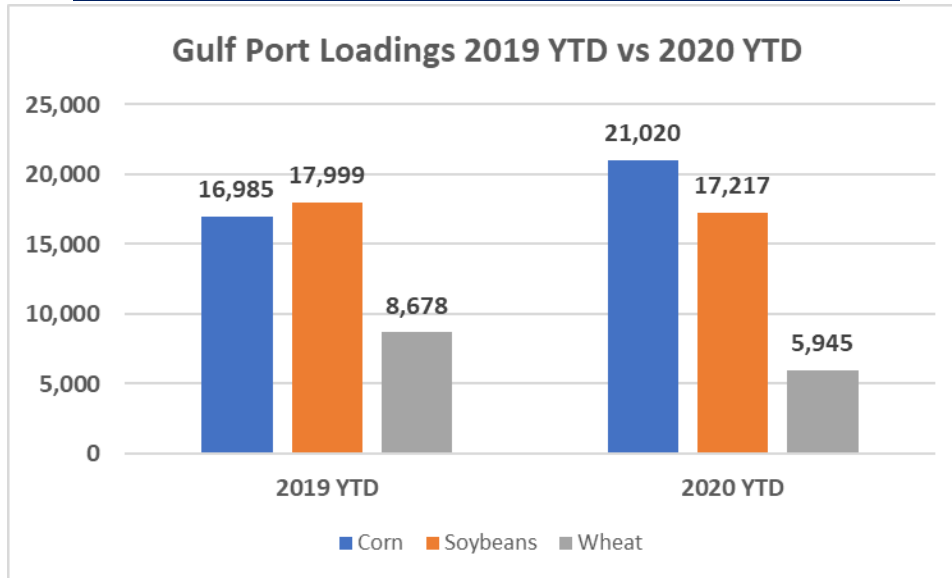
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2019 YTD vs. 2020 YTD

PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2019 YTD	16,985	17,999	8,678	43,662
2020 YTD	21,020	17,217	5,945	44,182
2020 as % of 2019	124%	96%	69%	101%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2019 YTD	6,859	7,400	9,648	23,907
2020 YTD	7,652	3,801	11,612	23,065
2020 as % of 2019	112%	51%	120%	96%

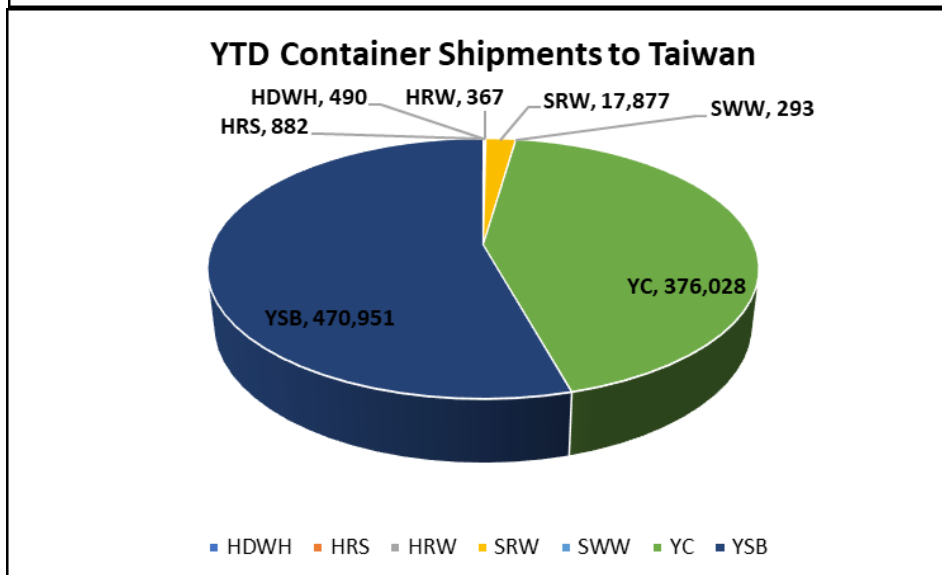
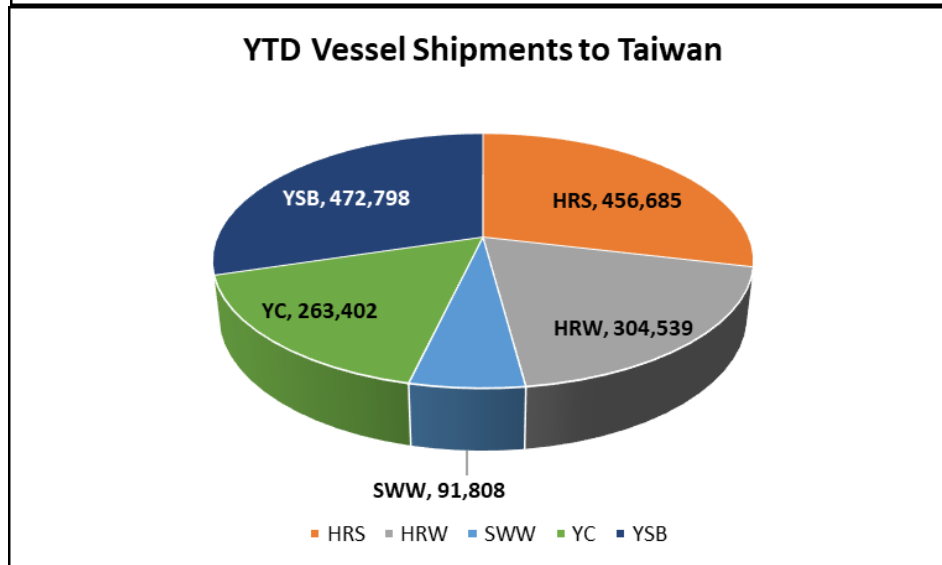
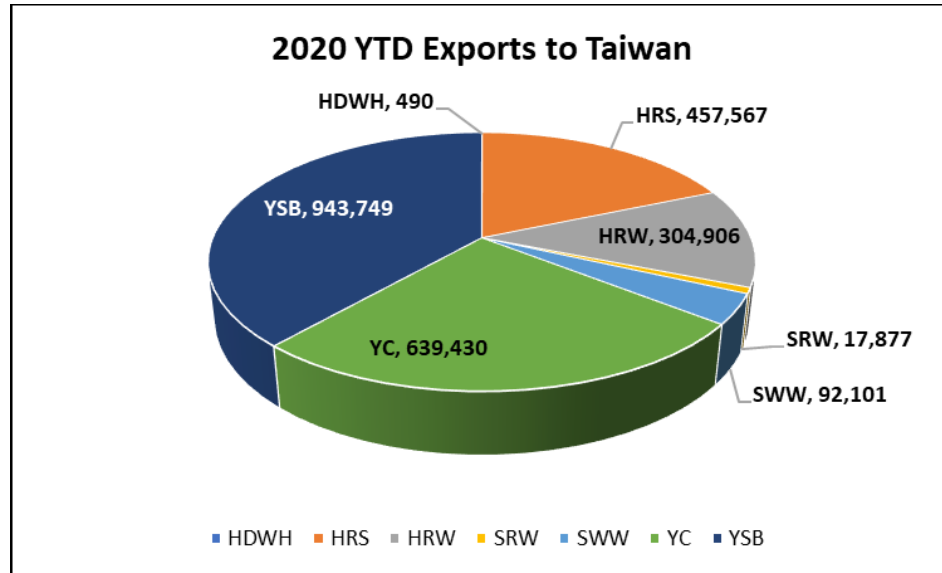
PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2020 Gulf YTD	21,020	17,217	5,945	44,182
2020 PNW YTD	7,652	3,801	11,612	23,065
TOTAL	28,672	21,018	17,557	67,247
Gulf Percentage	73%	82%	34%	66%
PNW Percentage	27%	18%	66%	34%

Grain Inspections for Export by U.S. Port Regions (1,000MT):
U.S. Gulf and Pacific Northwest 2019 YTD vs. 2020 YTD



Source: USDA-data

2020 YTD Total Grain Exports reported by USDA (in MT)



*Please keep in mind that USDA does not report DDGS sales

Shipping News

We are hearing about proliferating backups especially at LA-LB. This @Maersk statement suggests things could get worse. "We encourage customers to add more buffer to supply chain schedules to allow for potential disruptions/delays." maersk.com/news/articles/...

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Update on Transpacific West Coast peak season for North American customers

21 September 2020

[Asia Pacific](#)[North America](#)[All the Way](#)[Contingency](#)[Routes](#)

We continue to see strong demand and volumes in the Asia/North America Transpacific trade with imports into the US. The outlook for the remainder of Q4 remains uncertain but we will continue to strive to match our trade capacity in line with market demand.

Here's a snapshot of the situation and the trends we are seeing

Vessels

To respond to demand, we have reinstated the Transpacific Eastbound services that we had structurally blanked in Q2 (TP8 & TP11) due to decreased demand resulting from the global pandemic. For Golden Week holiday, we are planning fewer blank sailings than previous years. Since the start of the peak season period, we have closely managed/added capacity to accommodate our customers increasing demand levels.

Other

Chassis shortages: A significant number of chassis are being used to store full import containers, resulting in increased dwell times. We highly recommend the return of empty containers – to free up chassis and improve operational velocity in terminals and storage yards.

Labor shortages: We are seeing a dip in labor availability with truckers, Warehouse & Distribution workers and Longshore Labor. This is the result of a combination of CDC guidelines in social distancing in warehouses, some truckers have parked their trucks and returned to their home country – and for our Longshore labor – we are seeing more casuals.

Empty containers: The equipment flow this year from Asia has been very one-sided with import flows the dominant player. To balance the flow – and restore containers to Asia asap - we are eager for export cargo and empty returns to ensure equipment availability in Asia.

As you can see, the peak season is being defined by a number of volume-related challenges and we encourage customers to add more buffer to supply chain schedules to allow for potential disruptions/delays.

Should you have any questions, please contact your local Maersk professional.

Lawrence Gross @Intermodalist · 1h

L.A./Long Beach have posted some eye-popping y/y gains in August, but TEUs were up "only" 5.8% from July, while my (preliminary) numbers show Southeast US ports up over 20% from prior month, and +13% for Northeast...so the pendulum may be starting to swing back east.



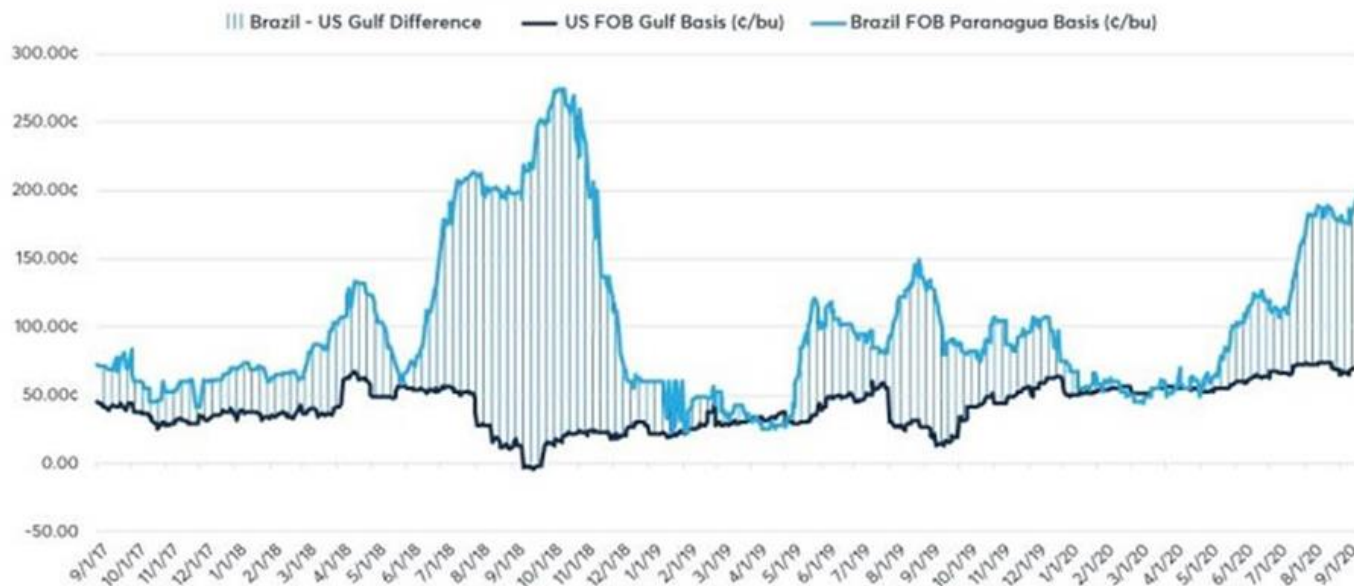
Olaf Merk @o_merk · Sep 18

"On one ship, the captain died of a heart attack, and the crew stored his corpse in the freezer for nearly two weeks before it found a port that would repatriate the body." An excellent article by @business on global shipping

Bloomberg Asia @BloombergAsia · Sep 18

Hundreds of thousands of sailors are stranded at sea. Some have been there since last year, and all are at the mercy of government restrictions and employers to get home again trib.al/D4aX332

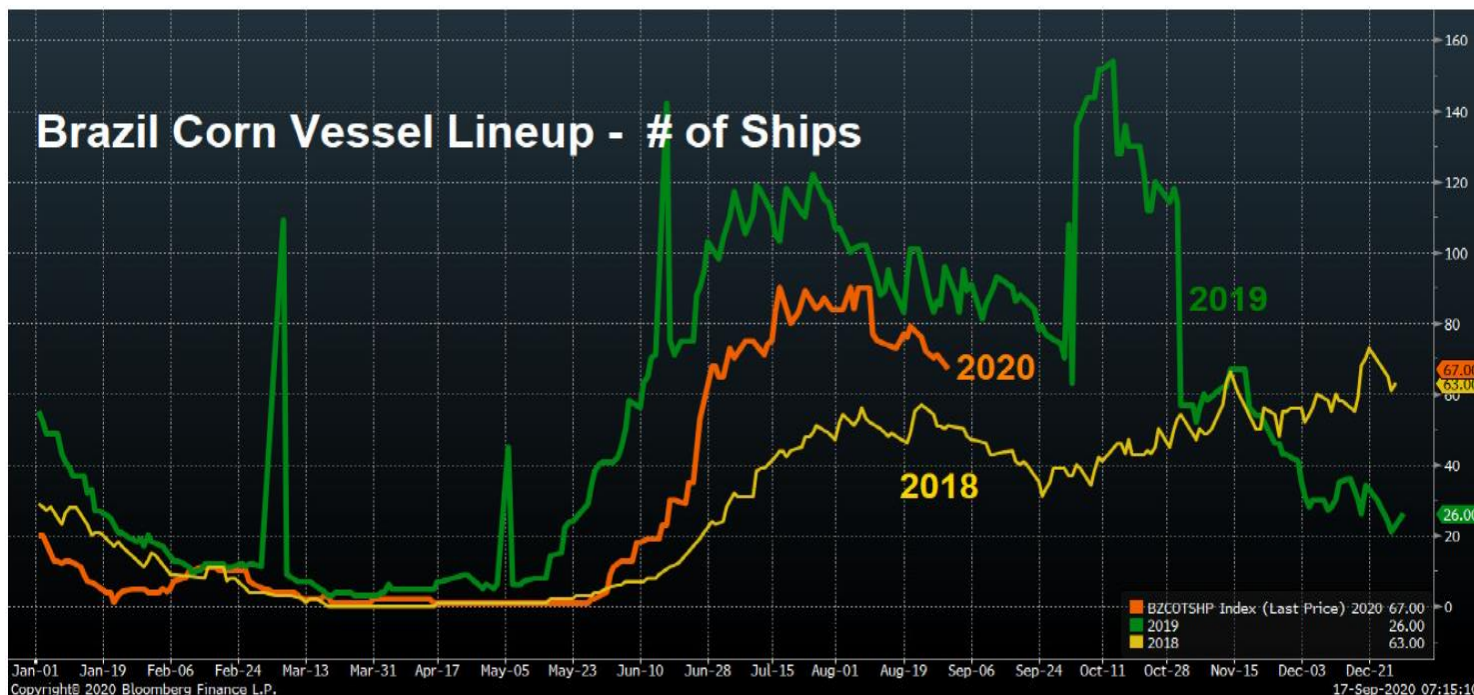
Soybean Basis: FOB US vs. FOB Brazil



CME Group

Source: Bloomberg (BGGRSB1M, SYBBBRF1)

Brazil Corn Vessel Lineup - # of Ships



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17-Sep-2020 07:15:10

50,000 mt of Corn from Northern Brazil unloading at new port in Veracruz Mexico



With the arrival of the bulk carrier Amis Orchid, Puertos Especializados Transnacionales (PETRA), a subsidiary of [@GrupoGramosa](#), began operations at its specialized terminal for handling agricultural bulk in the North Bay of [@API_VERACRUZ](#) [ptc.mx](#) [@USGC](#)



PTC @PTCMX · Sep 23

Con el arribo del buque granelero Amis Orchid, Puertos Especializados Transnacionales (PETRA) filial de [@GrupoGramosa](#) inició operaciones en su terminal especializada para el manejo de granel agrícola en la Bahía Norte de [@API_VERACRUZ](#) [ptc.mx](#)





Illinois River Lock and Dam work closure at La Grange extended to October 13, 2020





Stephanie K Loomis • 3rd+

Vice President of FCL Product, USA and Canada at Vanguard Logistics Services

1w •

...

The continual demise of the 20 foot container. I have long stated that 20s are the "bastard" child of the shipping industry. Long used by those with already "undesired" cargo: heavy equipment, canned food, fasteners, etc and other "low value" commodities. The carrier network has continually showed the industry in ever increasing rates that they would prefer not to move 20s. When I started in the industry, almost 30 years ago, 20s were 75% of a 40 foot container. Now the industry standard is 90% if not more. This is NOT a competitive way to move your cargo. And you will get more easily rolled or not make it on the rail until you can find another 20 foot buddy to ride with. Do what you can to reconfigure your cargo to move in 40s. You, your forwarder, and the carriers will be much happier. [#carriers](#) [#20footers](#) [#equipment](#) [#rates](#) [#surcharges](#) [#transportation](#) [#logistics](#)



US inland shippers increasingly prioritizing 40-foot containers

joc.com • 1 min read

****Beautiful picture of KSU North campus and my old IGP office in the bottom right.**



Clockwise from bottom left: Kansas Crop Improvement Association, Kansas Wheat Innovation Center (where Grain Craft's lab will be installed), the Hal Ross Flour Mill (Kansas State University), OH Kruse Feed Mill (KSU), The Bioprocessing & Industrial Value Added Products (BIVAP) Mill (KSU), and The IGP Laboratory (KSU).

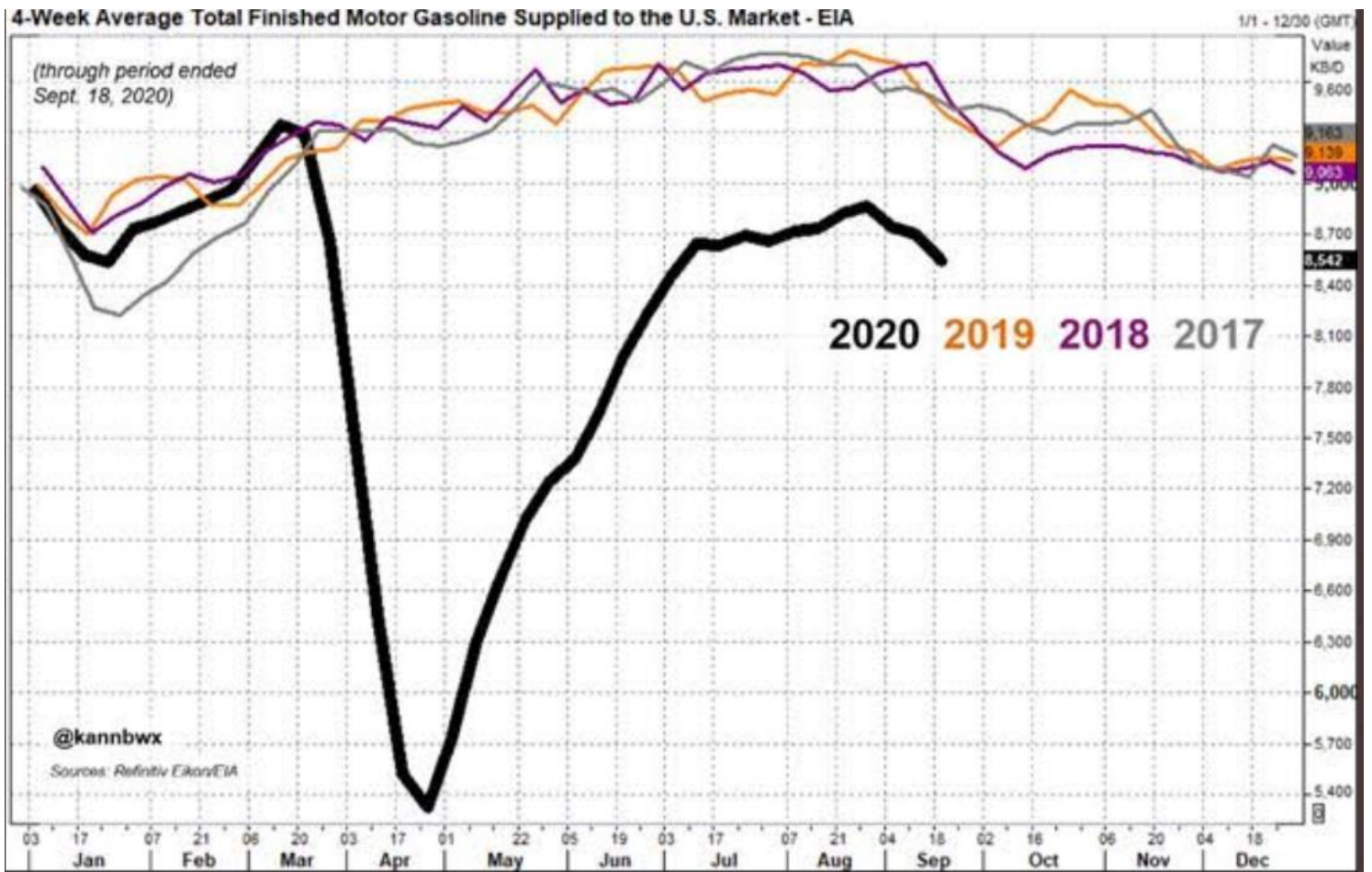
**Also have to shout out to my friends at KS Wheat (Great people).
(Go Cats.... But Boy they seem to need a lot of help this year)**

China Import Dry Bulk Freight Index



China Containerized Freight Index





Reuters @Reuters · 1h

Police in Vietnam have confiscated an estimated 345,000 used condoms which had been cleaned and resold as new, state media reported reut.rs/3kLjGWk



593

2.4K

1.5K



U.S. RIVER BARGE FREIGHT
Current Barge Freight for Placement Last Half October 2020

Placement LH October 2020	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	540	\$36.85	0.94	1.00
Illinois River (Pekin and South)	Closed	\$ -	0.00	0.00
Mid-Mississippi	495	\$29.03	0.74	0.79
Lower Ohio	485	\$23.84	0.61	0.65
St. Louis	380	\$16.71	0.42	0.45

Secondary Rail Car Market for car placement period: Last Half October 2020.

Secondary Rail Car Market Placement LH. October 2020	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ 1,000.00	\$ 1,450.00	\$ 0.25	\$ 0.36	\$ 9.84	\$ 14.27
UPRR Shuttle Trains	\$ 1,000.00	\$ 1,400.00	\$ 0.25	\$ 0.35	\$ 9.84	\$ 13.78

Best Regards,

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*** The information in this market report is derived from sources believed to be reliable and accurate but cannot be guaranteed. Forward looking projections are never completely accurate, and these markets move quickly.
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