

**Transportation and Export Report for 1 June 2017****Ocean Freight Insights and Comments:**

I do not want to sound like a broken record; but there is not much new to say about these freight markets other than the fact that they slipped lower again this week. Global ocean freight markets simply got too optimistic about the future during the first two quarters of 2017 and now they are waking up to reality. Some operators gave up “Slow steaming” practices and this added to market efficiencies and the vessel over supply situation. Desperate owners push for all they can get out of market rallies and then end up shooting themselves in the foot. This week’s soft markets are being blamed on a short holiday week; but we know this is not the root cause. Though cargo demand will not likely support a rally in the coming weeks; we are most likely to be entering a period of sideways market action until the U.S. Fall harvest.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices				
1-Jun-17	This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	11736	12059	-323	-2.7%
P3A - PNW/Pacific - Japan	5880	6326	-446	-7.1%
S1C -USGULF-China-So.Japan	16939	18189	-1,250	-6.9%

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

Four weeks ago:	\$ 5.50-\$ 6.10
Three weeks ago:	\$ 5.60-\$ 6.35
Two weeks ago:	\$ 5.80-\$ 6.35
One week ago:	\$ 6.00-\$ 6.35
This week	\$ 6.05-\$ 6.40

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

Mississippi River:	(10 elevators)	4-13 days (only 1 facility over 6 days)
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-4 days
Texas Gulf	(6 elevators)	1-8 days
Pacific Northwest:	(9 elevators)	1-13 (only 1 facilities over 7 days.)

Panamax Market Spreads to Asia -China					
1-Jun-17	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	0.61	0.36	0.25	\$9.84	PNW
SOYBEANS	0.70	0.46	0.24	\$9.45	PNW
OCEAN FREIGHT	\$17.50	\$35.50	.46-.49	\$18.00	JULY

Recent Reported Vessel Fixtures:

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$36.50	Down \$0.50	Handymax at \$37.00 mt
55,000 U.S. PNW- Japan	\$18.50	Down \$0.50	Handymax at \$19.00 mt
55,000 U.S. Gulf – China	\$35.50	Down \$0.50	North China
PNW to China	\$17.50	Down \$0.50	
25,000 U.S. Gulf- Veracruz, México	\$14.00	Down \$0.25	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$12.25	Down \$0.25	Deep draft and 6,000 MT per day discharge rate.
25/35,000 U.S. Gulf- <u>East Coast Colombia</u> From Argentina	\$16.00 \$25.00	Down \$0.25	<u>West Coast Colombia at \$23.00</u>
40-45,000 U.S. Gulf - Guatemala	\$23.00	Up \$0.75	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	\$24.25 \$27.25	Down \$0.25	8,000 mt daily discharge 3,000 mt daily discharge
25-30,000 US Gulf-Morocco	\$23.25	Down \$0.25	5,000 discharge rate
55,000 U.S. Gulf –Egypt PNW to Egypt	\$21.00 \$22.00	Down \$0.25	55,000 -60,000 mt St. Lawrence to Egypt \$22.00
60-70,000 U.S. Gulf – Europe – Rotterdam	\$14.25	Unchanged	Handymax at +\$1.50 more
Brazil, Santos –China	\$25.00	Down \$0.50	54-58,000 Supramax-Panamax
Itacoatiara Port up River	\$24.00		60-66,000 Post Panamax
Amazonia - China	\$28.50		
56-60,000 Argentina-China Up River with Top Off	\$32.50	Down \$0.50	

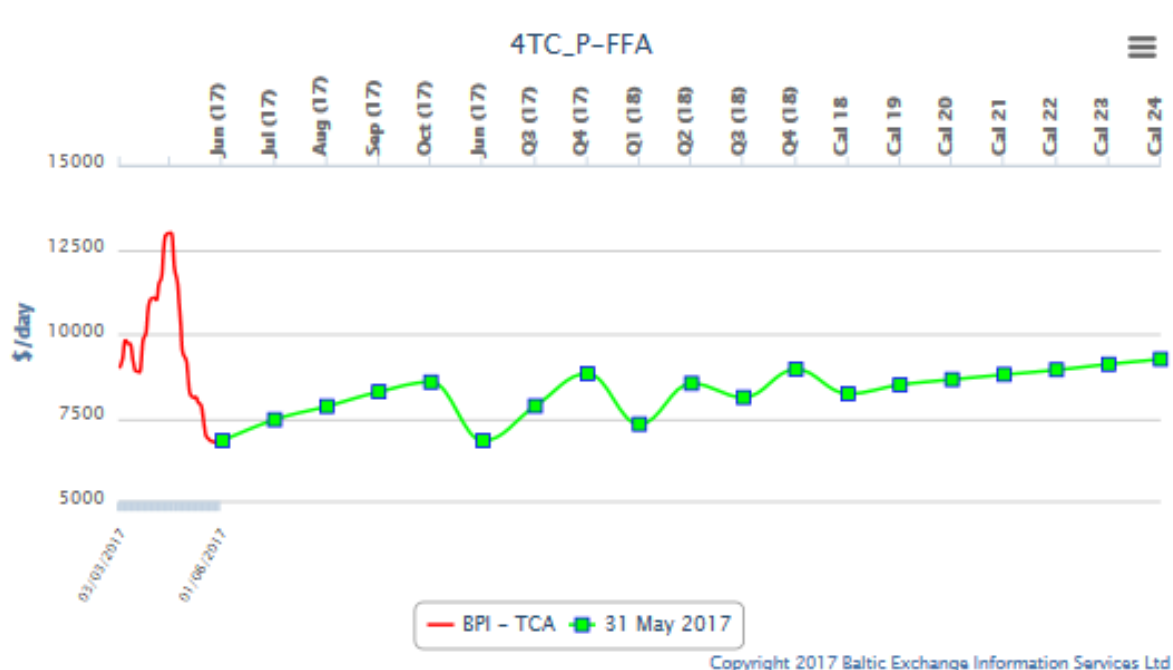
Nautical Miles: To Xiamen China (South China)

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

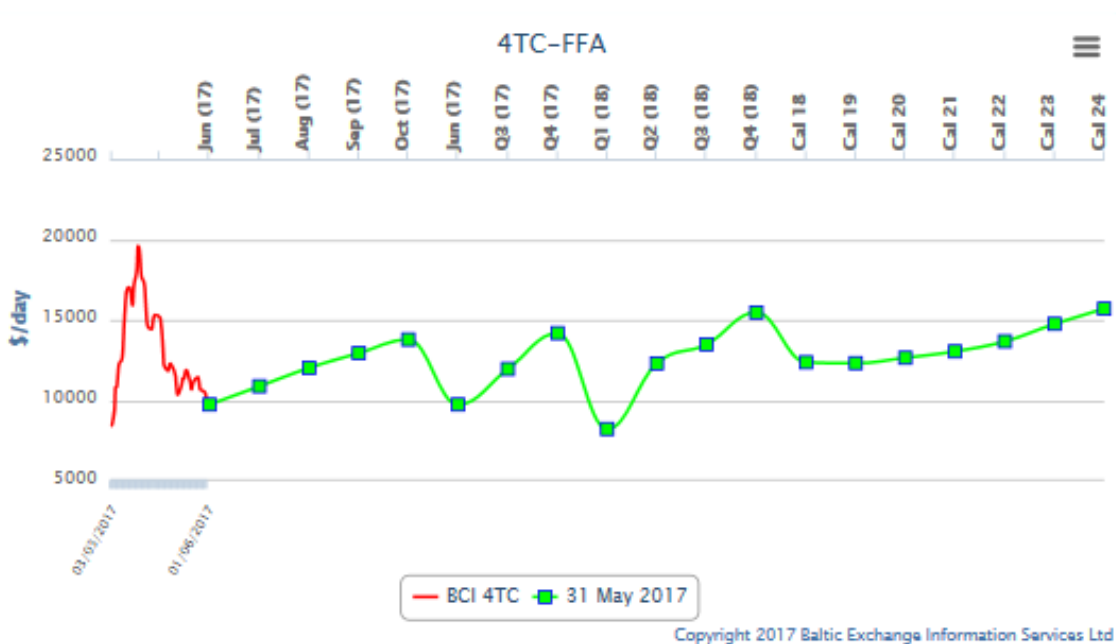
Santos Brazil (via Cape of Good Hope) - 10,441 nautical miles (33 days)

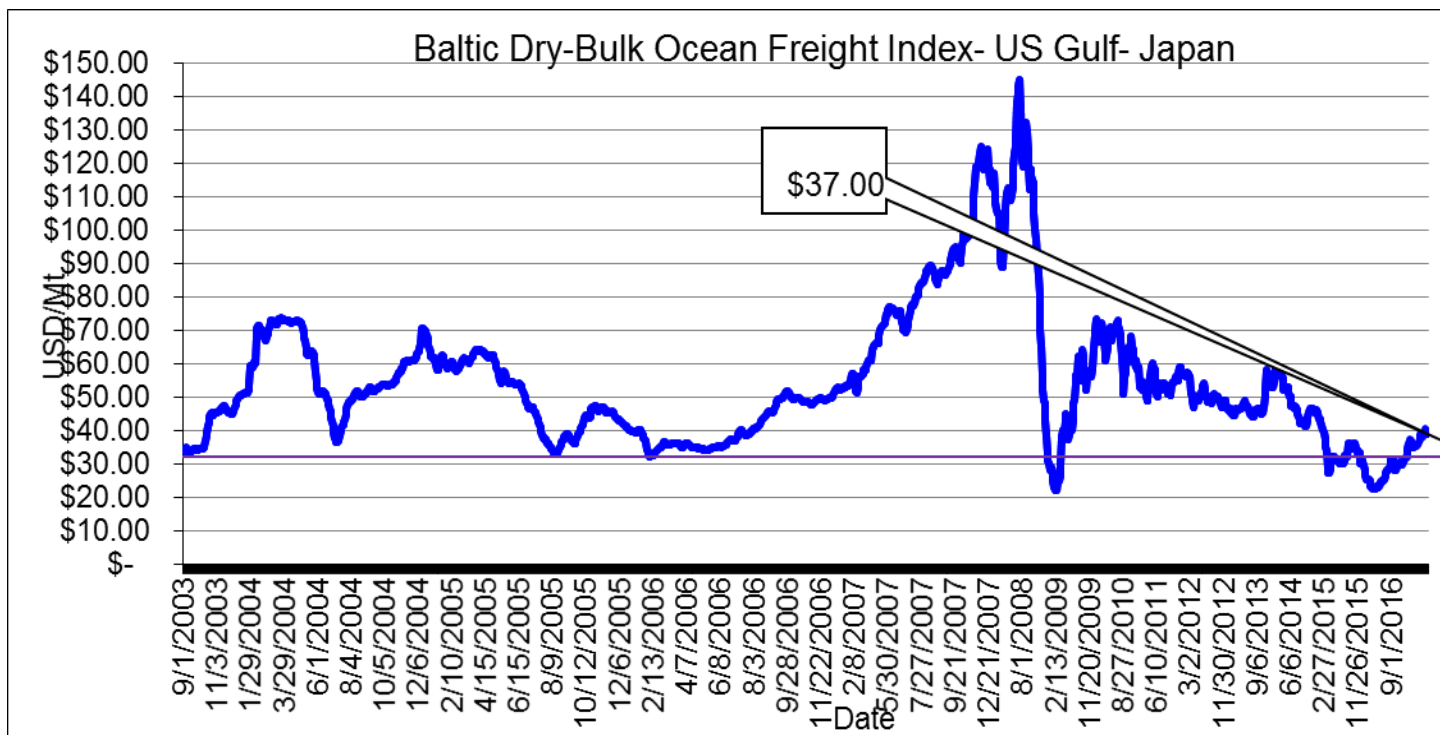
Rasario Argentina (via Cape Horn) - 10,751 nautical miles (34 days)

Forward Curve for Baltic BPI Panamax Vessel Freight

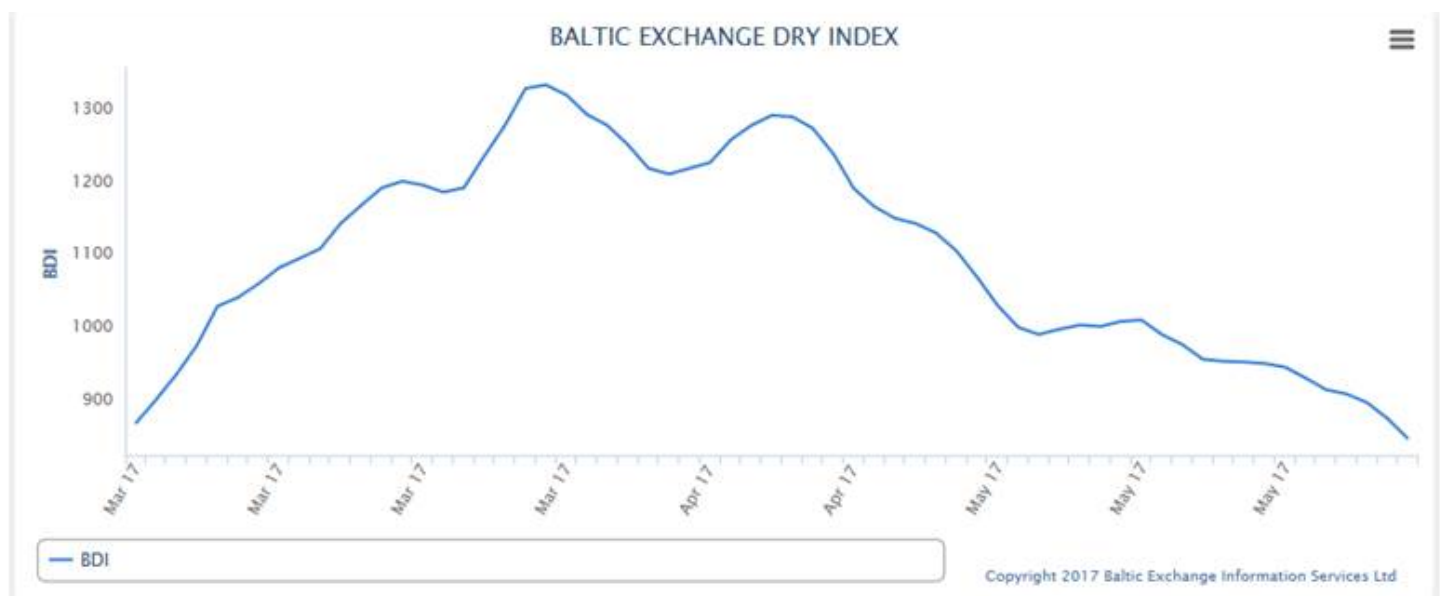


Capesize FFA Market

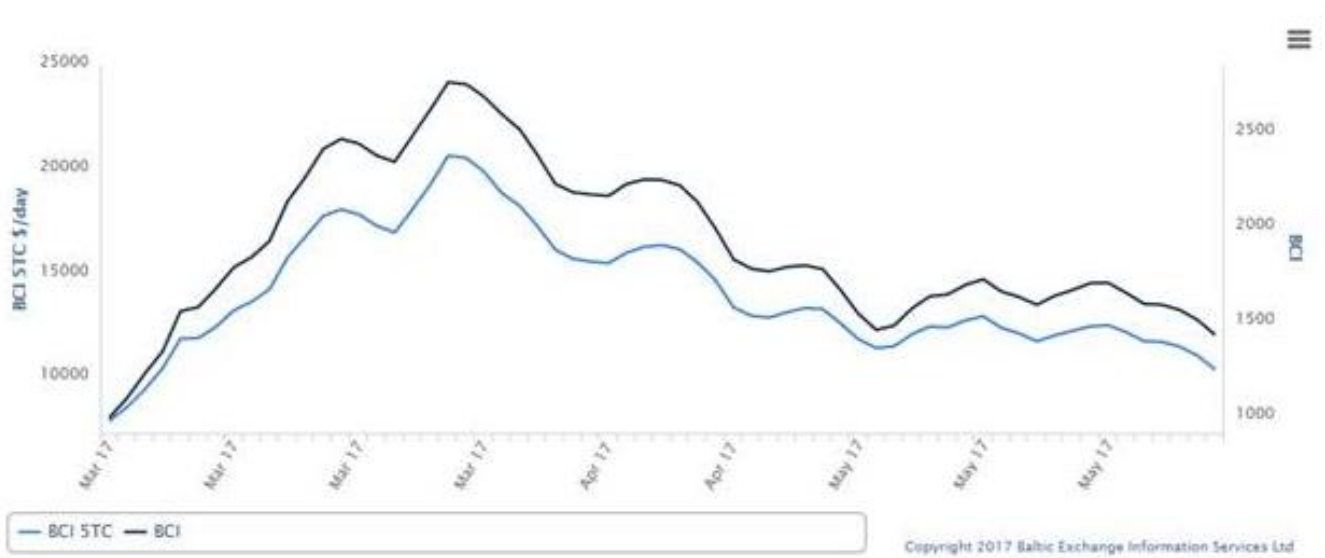




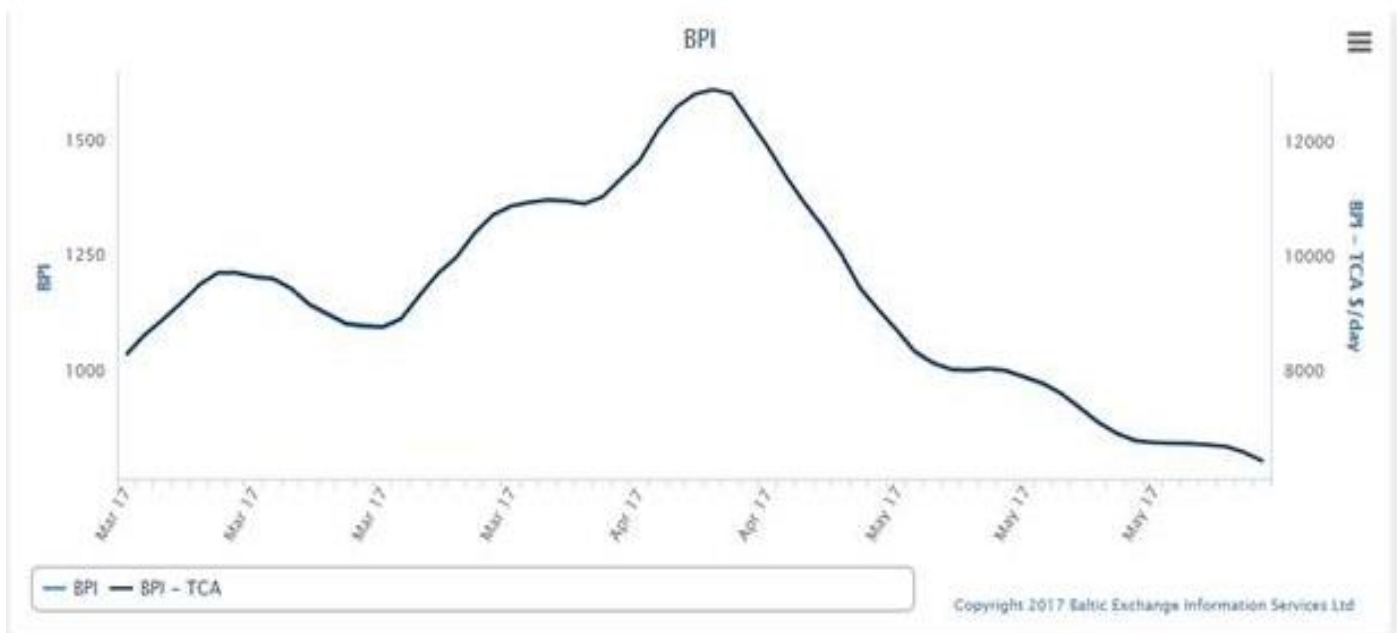
Baltic Dry-Bulk Index



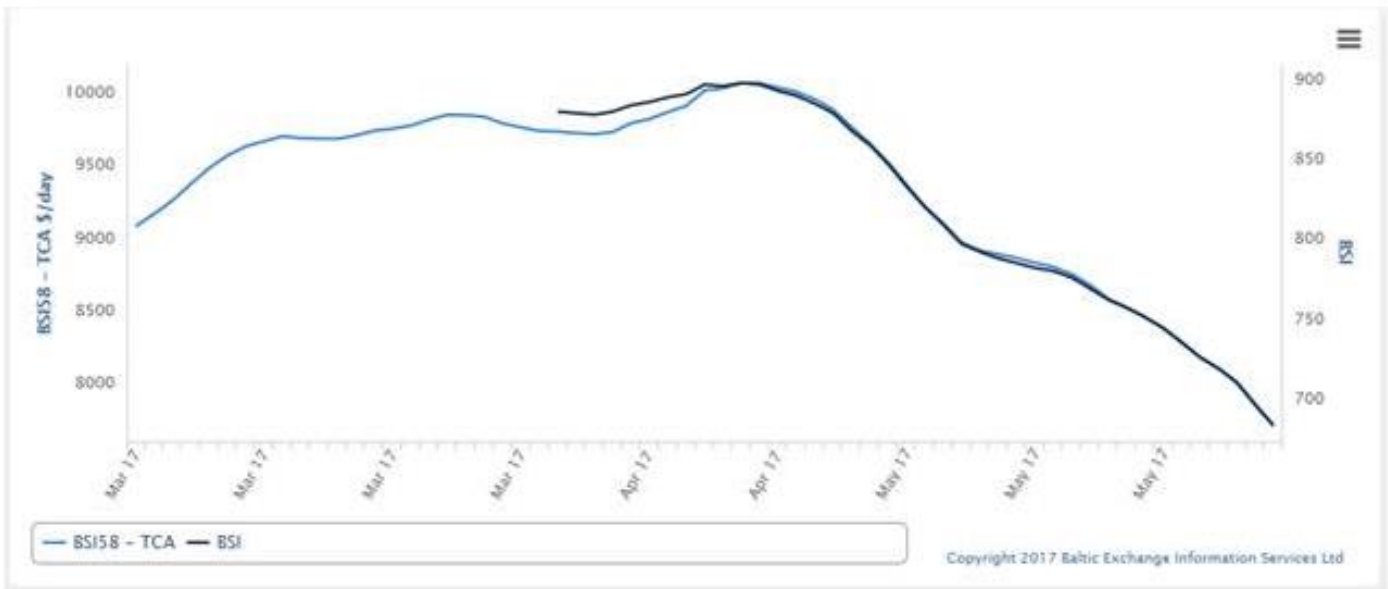
Baltic Capesize Index



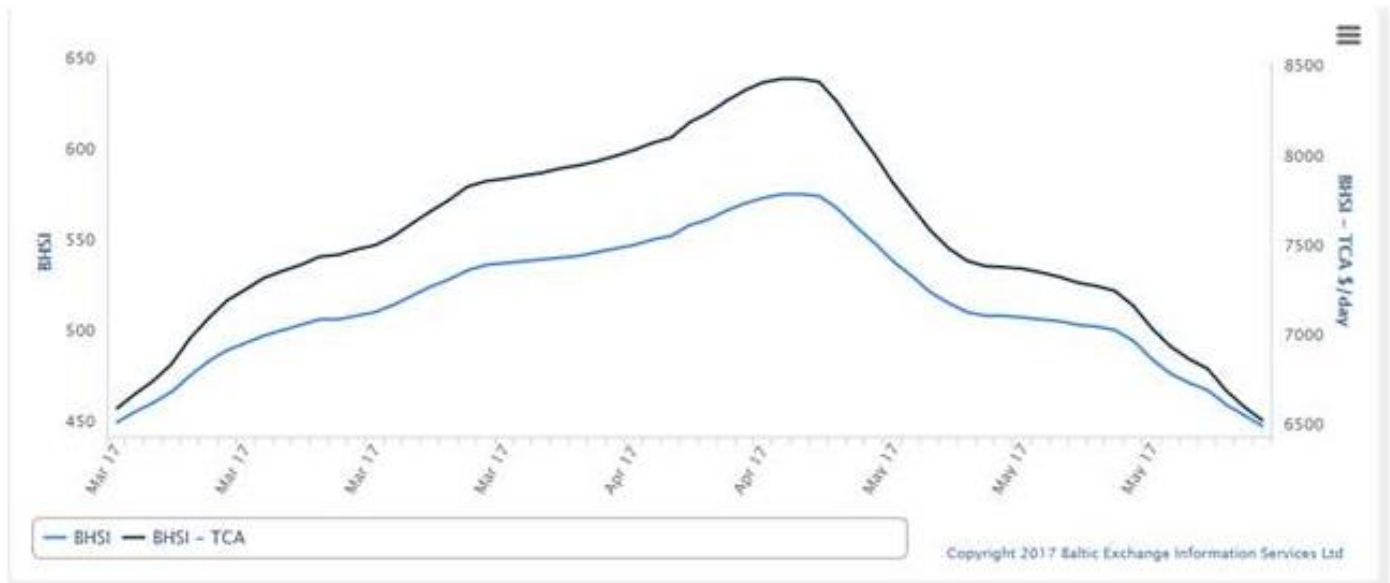
Baltic Panamax Index



Baltic Supramax Vessel Index



Baltic Handy Size



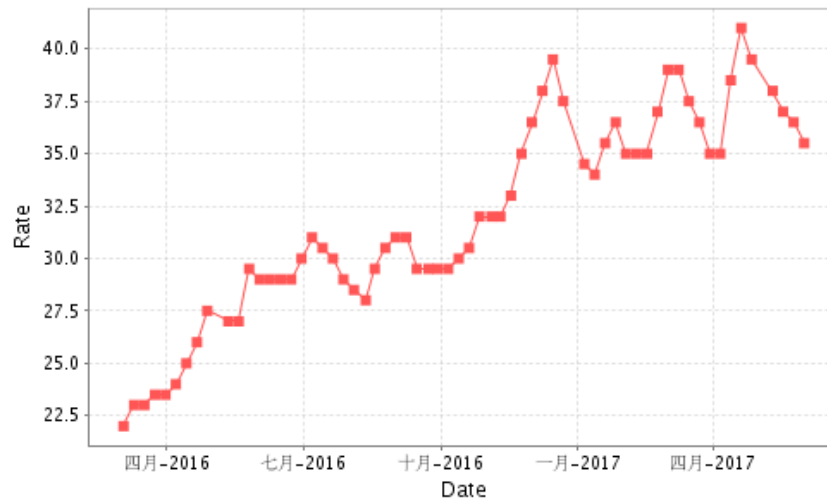
Yamamizu Shipping

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

USG/Japan Index Result

Date From: 2016-03-02

Date To: 2017-06-01



China Import Dry Bulk Freight Index(CDFI)

2017-06-01

Index/Routes	Charterparty type	Cargo/Vessel type	Dwt/Cargo Capacity	Unit	Index/Rate	Change
Composite Index				Point	698.69	-14.5
VC Index				Point	659.03	-11.45
TCT Index				Point	758.18	-19.09
Santos(Brazil)— North China	VC	Soybean	60000/10%	\$/ton	23.732	-0.148
Tacoma(West America)—North China	VC	Soybean	60000/10%	\$/ton	17.473	-0.127
Mississippi(US Gulf) —North China	VC	Soybean	55000/10%	\$/ton	35.482	-0.198

1 June 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
July	0.36	\$160.03	0.61	\$169.87
Aug.	0.33	\$162.00	0.63	\$173.81
Sept.	0.40	\$164.75	0.65	\$174.60
Oct.	0.45	\$170.95	0.70	\$180.80
Nov.	0.48	\$172.14	0.71	\$181.19
Dec.	0.50	\$172.92	0.75	\$182.77

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
July	0.95	\$183.26	0.75	\$175.38
Aug. (Z)	0.95	\$190.64	0.75	\$182.77
Sept. (Z)	0.85	\$186.70	0.75	\$182.77
Oct.	0.80	\$184.73	0.70	\$180.80
Nov.	0.80	\$184.73	0.70	\$180.80

Nov. Fob vessel Texas Gulf #2 Sorghum is about 110 % the value of #2 Yellow Corn at NOLA

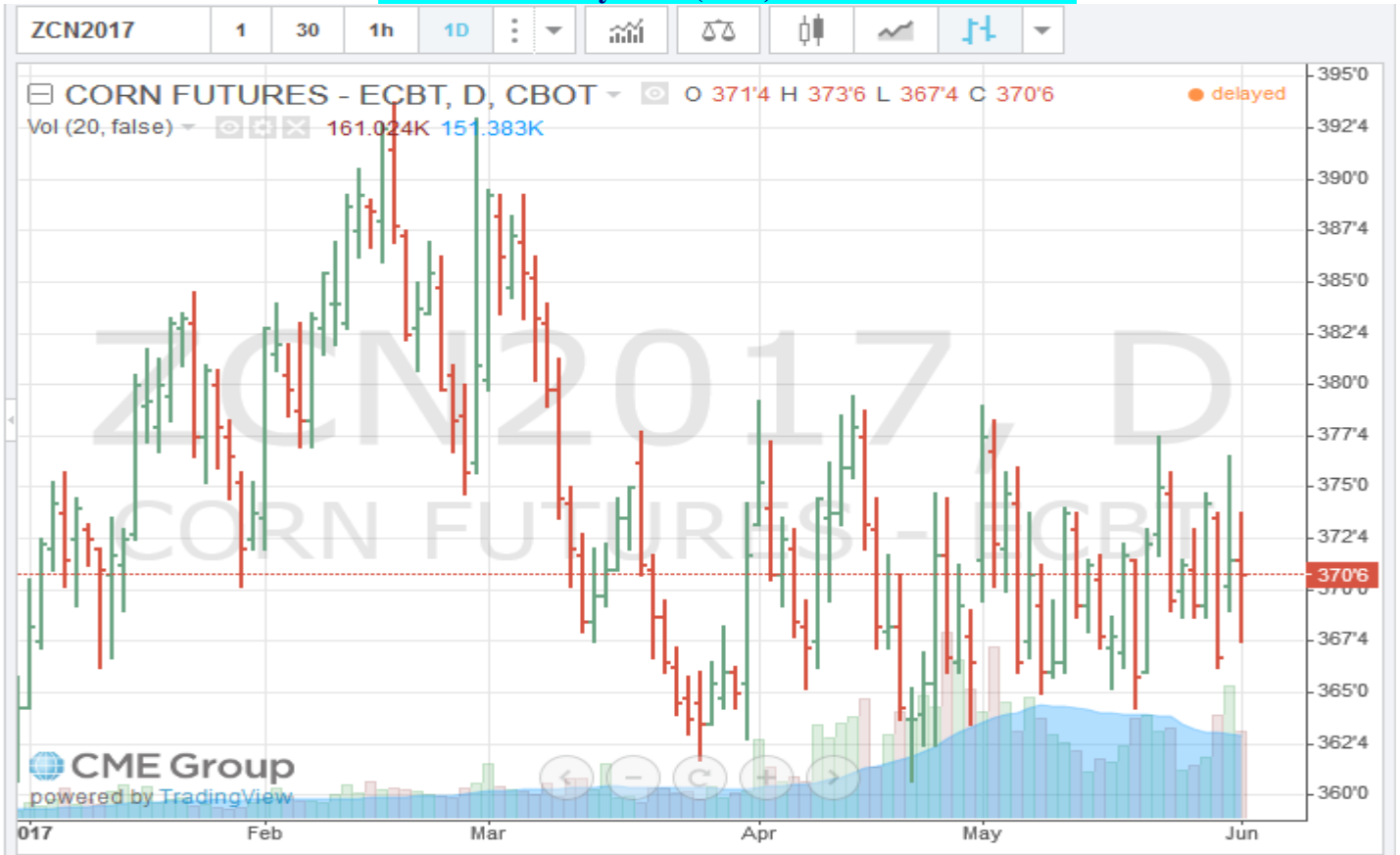
U.S. SRW Wheat Fob Vessel at the Center U.S. Gulf

SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	July	Aug.	Sept.	Oct.
FOB U.S. GULF	\$178.94	\$179.49	\$181.33	\$185.92
Basis	0.58	0.45	0.50	0.40
WN	4.2900			
WU	4.4350			
WZ	4.6600			

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
July	CN	\$3.7050	\$145.86	\$ 3.6925	\$145.37	\$0.0125
Sept.	CU	\$3.7850	\$149.01	\$ 3.7700	\$148.42	\$0.0150
Dec.	CZ	\$3.8925	\$153.24	\$ 3.8750	\$152.55	\$0.0175
Mar.	CH	\$3.9900	\$157.08	\$ 3.9750	\$156.49	\$0.0150
May	CK	\$4.0500	\$159.44	\$ 4.0350	\$158.85	\$0.0150

CME/CBOT July 2017 (CN7) Corn Futures Chart –



CME/CBOT July 2017 (WN7) SRW Wheat Futures Chart –



Soybean and SBM Markets Fob Vessel:

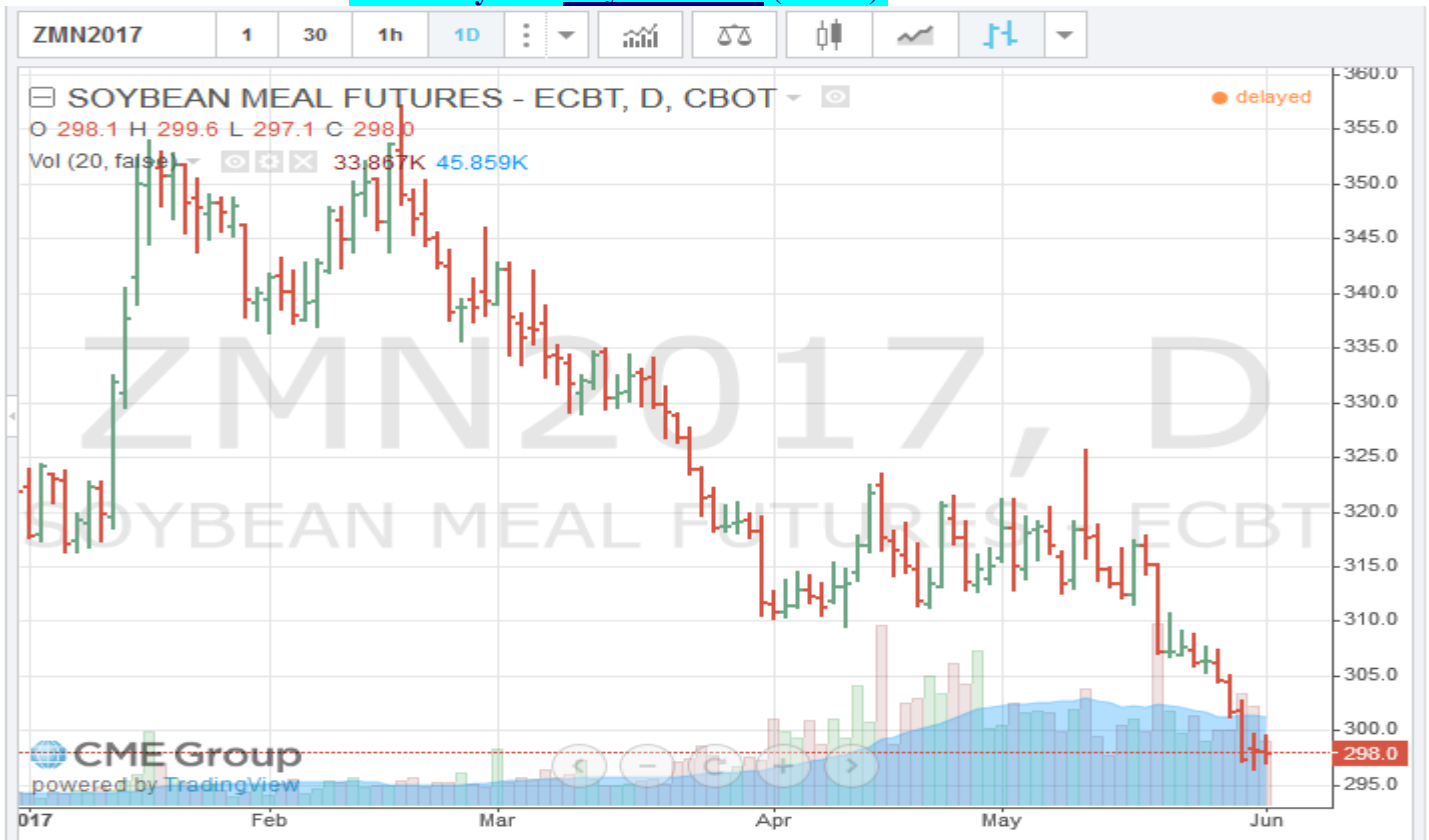
U.S. Yellow Soybeans (USD/MT FOB Vessel)				
# 2 YSB	U.S. Gulf #2 YSB		PNW #2 YSB	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
July	0.46	\$352.09	0.70	\$360.91
Aug.	0.50	\$354.66	0.75	\$363.85
Sept.	0.57	\$357.24	0.80	\$365.69
Oct.	0.60	\$359.26	0.90	\$370.28
Nov.	0.60	\$359.26	0.90	\$370.28
Soybean Futures				
July	\$ 9.1225			
Aug.	\$ 9.1525			
Sept.	\$ 9.1525			
Nov.	\$ 9.1775			
Jan.	\$ 9.2550			
Mar.	\$ 9.3175			

U.S. SBM (USD/MT FOB Vessel)		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
July	2.00	\$ 330.20
Aug.	4.00	\$ 334.17
Sept.	7.00	\$ 338.91
Oct.	8.00	\$ 341.22
Nov.	8.00	\$ 343.10
SBM Futures		
SMN	297.50	
SMQ	299.10	
SMU	300.40	
SMV	301.50	
SMZ	303.20	
SMF	304.00	

CME July 2017 Soybean (SN17) Futures Chart



CME July 2017 Soybean Meal (SMN7) Futures Chart



U.S. EXPORT STATISTICS: Report Activity as of Week Ending 18 May 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	473.1	53,255.8	56,520	94%	2,473.4
Sorghum	0.6	4,307.3	5,720	75%	0.0
Soybeans	474.8	57,827.9	55,790	104%	2,884.9
Wheat	261.8	28,398.3	28,170	101%	3,454.1
Barley	0.0	25.5	110	23%	27.8

U.S. EXPORT INSPECTIONS:

Monday's report 30 May 2017 for the Export week ending 25 May 2017

	Export Inspections		Current Market Year YTD	Previous Year to Date	2016 YTD as Percent of 2015
	This Week	Previous Week			
Corn	1,194,729	1,168,073	43,142,993	28,402,381	152%
Sorghum	121,397	60,062	4,666,693	7,093,318	66%
Soybeans	335,519	354,165	50,789,530	43,570,374	117%
Wheat	602,913	674,559	27,031,777	20,075,311	135%
Barley	239	3,417	39,109	31,928	122%

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

U.S. EXPORT INSPECTIONS:

Monday's report 30 May 2017 for the Export week ending 25 May 2017

Last Week							
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans %
Lakes	0	0%	0	0%	0	0%	14,314 4%
Atlantic	0	0%	0	0%	0	0%	7,883 2%
Gulf	545,615	46%	4,396	100%	99,103	82%	152,141 45%
PNW	480,937	40%	0	0%	11,001	9%	67,250 20%
Interior Export Rail	163,781	14%	0	0%	11,293	9%	93,931 28%
Metric Tons	1,190,333		4,396		121,397		335,519

Sorghum Shipments:	metric tons	
	99,103	China Main
	11,001	Japan
	11,293	Mexico
	121,397	Total

White Corn Shipments:	metric tons	
	4,396	Colombia
	4,396	Total

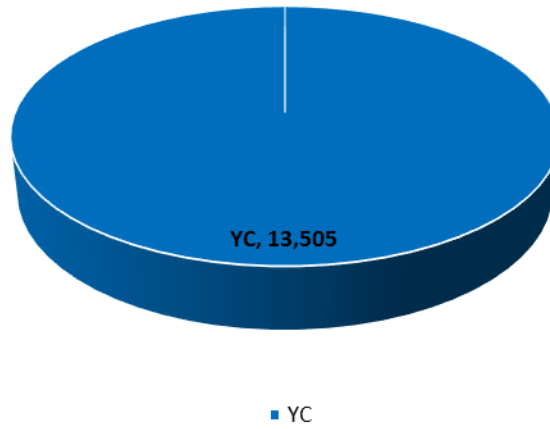
Export Inspection Highlights

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).*

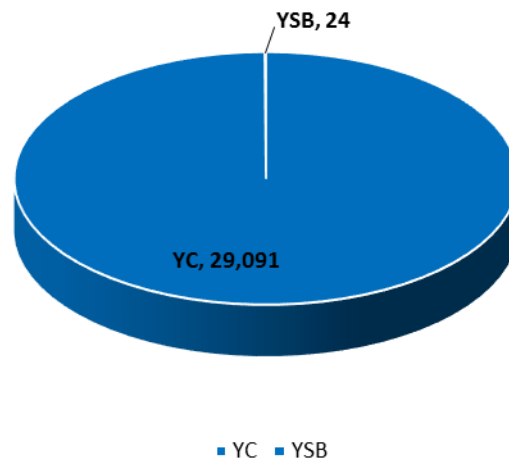
CONTAINER SHIPMENTS of GRAIN									
USDA Grain Inspections Report:		25-May-2017							
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China Main	3,258		6,148						9,406
China T	5,095		8,399						13,494
Hong Kong	318								318
Costa Rica									0
Indonesia			17,630						17,630
French Polynesia									0
Japan			342						342
Korea Republic	1,052		342						1,394
Dominican Rep.									0
Malaysia	1,323		4,507						5,830
Ireland									0
Philippines			293						293
Thailand			2,302						2,302
Bangladesh			490						490
Burma			735						735
Vietnam			4,723						4,723
Sub total	11,046	0	45,911	0	0	0	0	0	51,009
USDA Corrections/Additions to previous reports:									
China T			1,567						1,567
China Main			1,077						1,077
Hong Kong									0
Korea Rep.			122						122
Jordan									0
Japan									0
Philippines									0
Indonesia			2,937						2,937
Malaysia									0
Thailand									0
Vietnam			465						465
Spain	24								24
Canada									0
Sub total	24	0	6,168	0	0	0	0	0	6,192
Mt. Grand Total	11,070	0	52,079	0	0	0	0	0	57,201
Number of containers	481	0	2,264	0	0	0	0	0	

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

2017 YTD Container Shipments to Hong Kong



2016 Container Shipments to Hong Kong

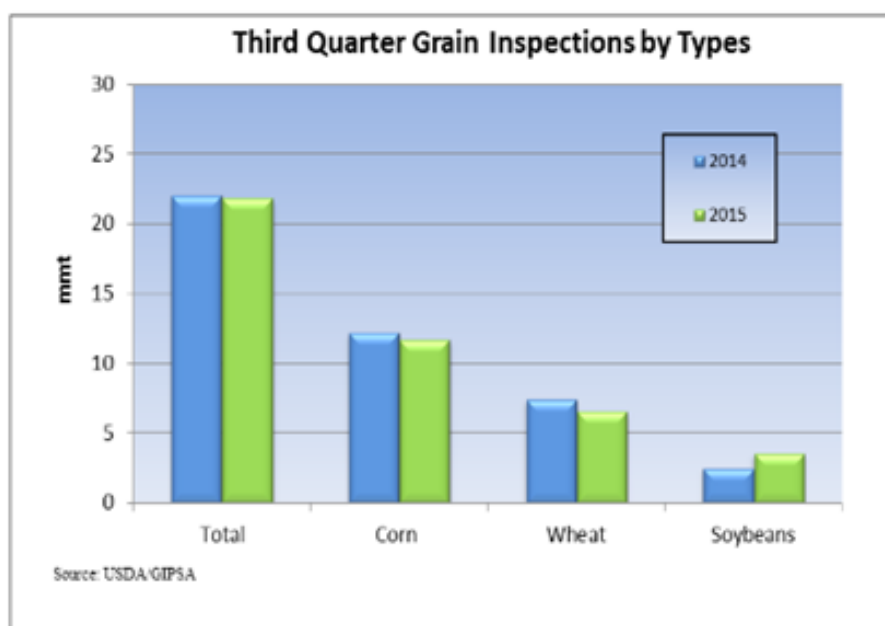


Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2016 YTD vs. 2017 YTD

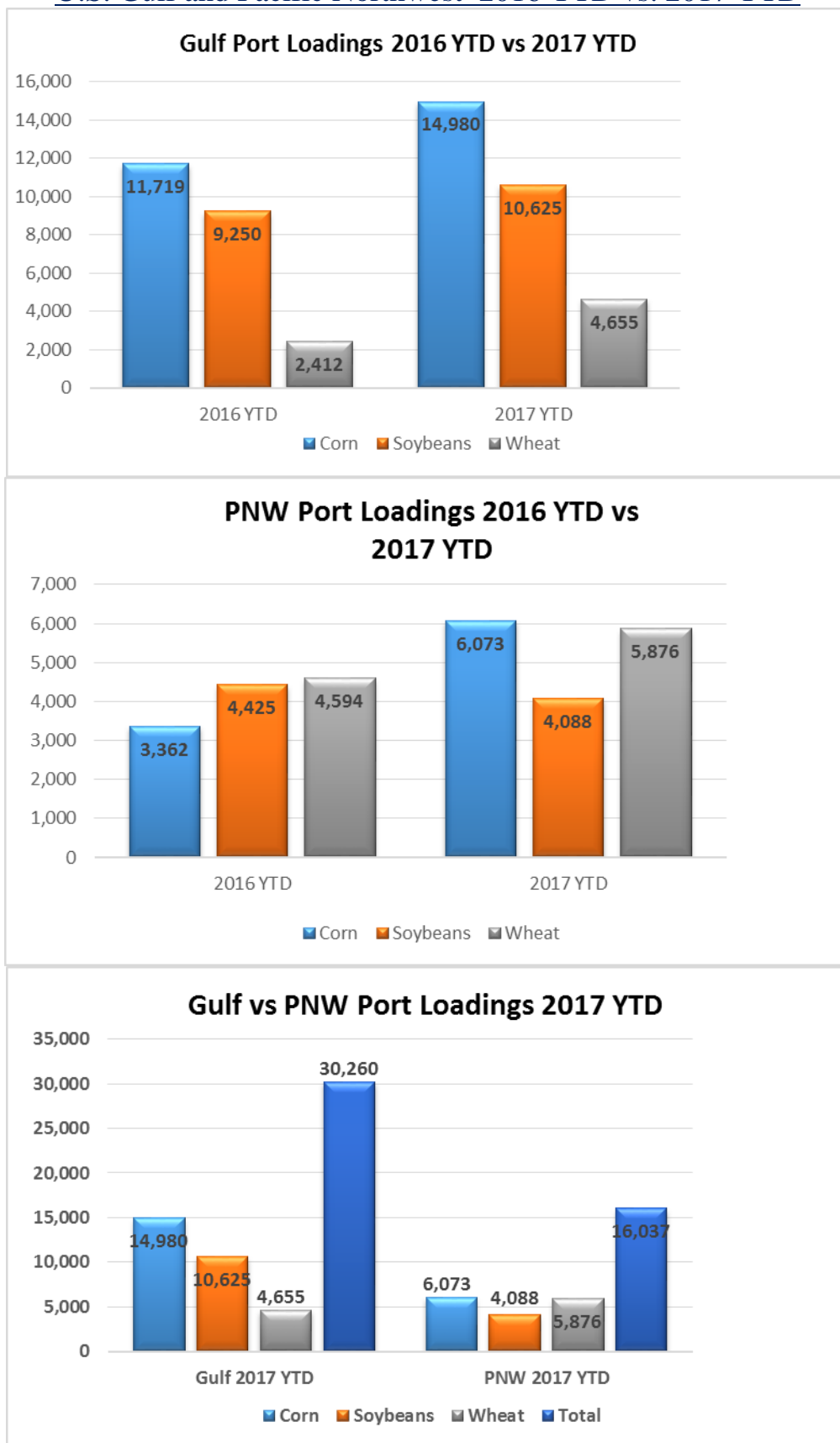
PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2016 YTD	11,719	9,250	2,412	23,381
2017 YTD	14,980	10,625	4,655	30,260
2017 as % of 2016	128%	115%	193%	129%

PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2016 YTD	3,362	4,425	4,594	12,381
2017 YTD	6,073	4,088	5,876	16,037
2017 as % of 2016	181%	92%	128%	130%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2017 Gulf YTD	14,980	10,625	4,655	30,260
2017 PNW YTD	6,073	4,088	5,876	16,037
TOTAL	21,053	14,713	10,531	46,297
Gulf Percentage	71%	72%	44%	65%
PNW Percentage	29%	28%	56%	35%



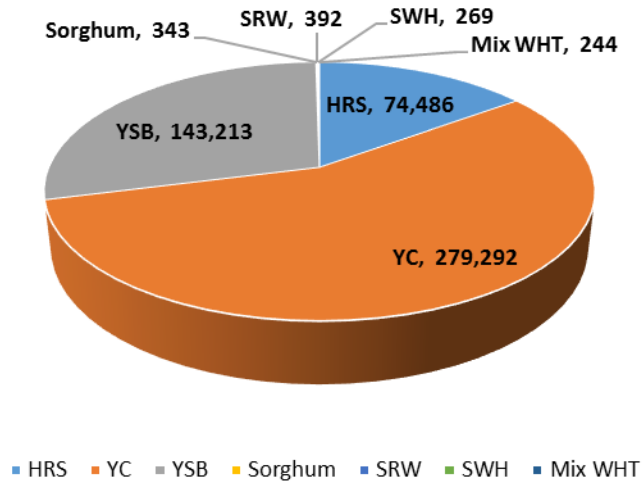
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2016 YTD vs. 2017 YTD



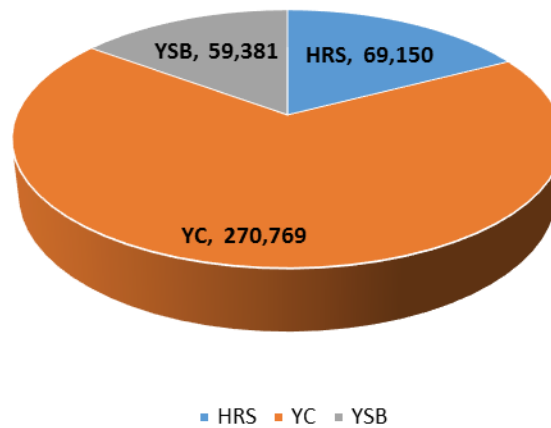
Source: USDA-data

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

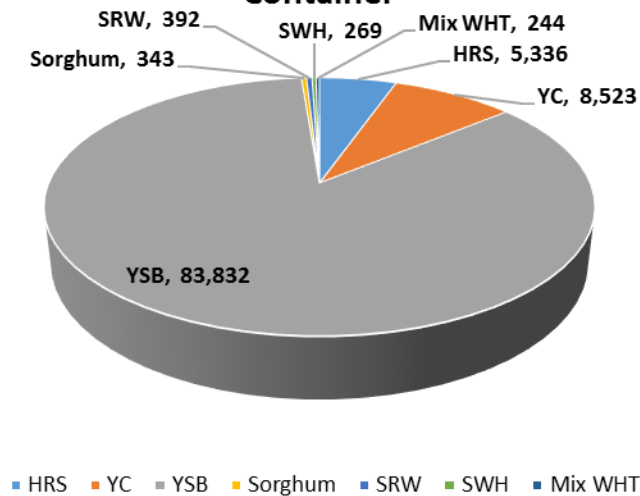
2017 YTD Exports to Malaysia



Vessel



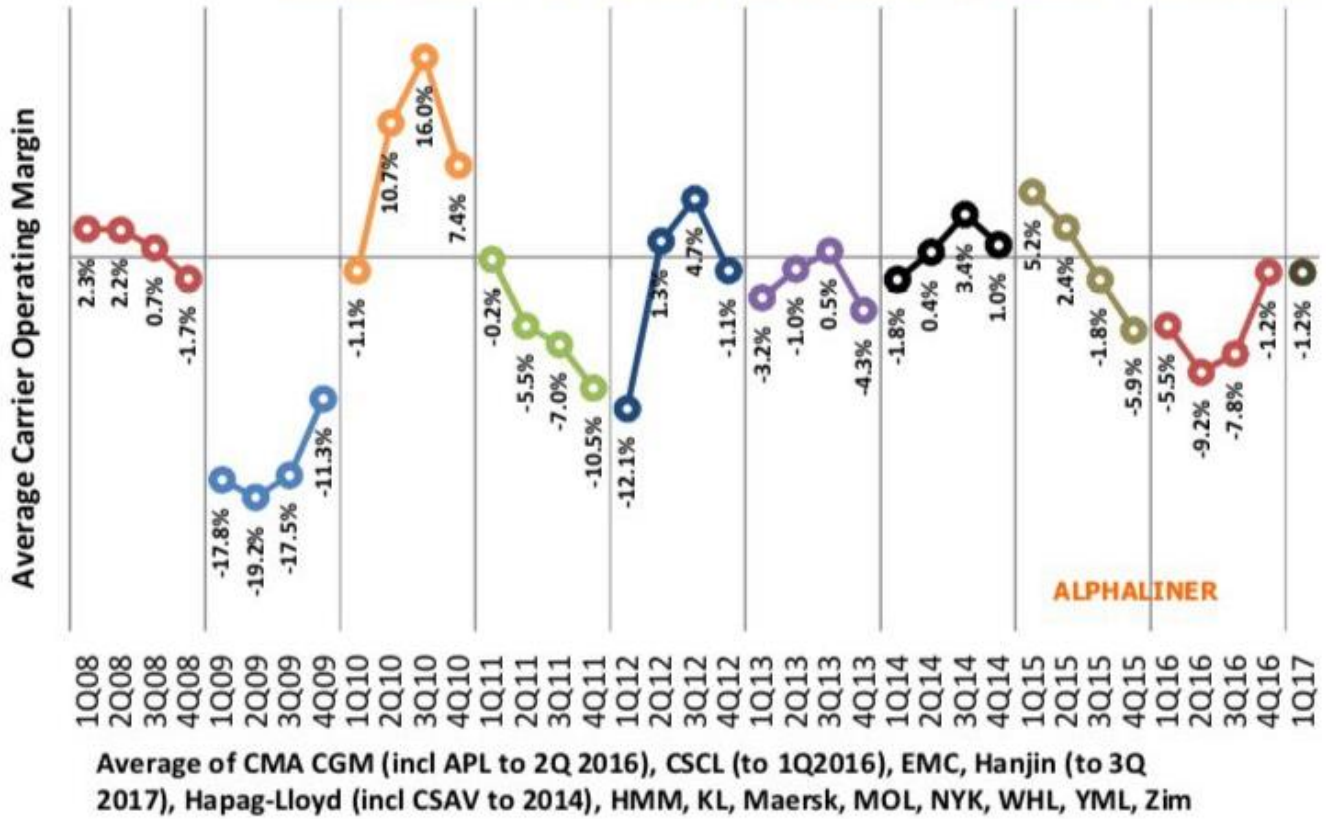
Container



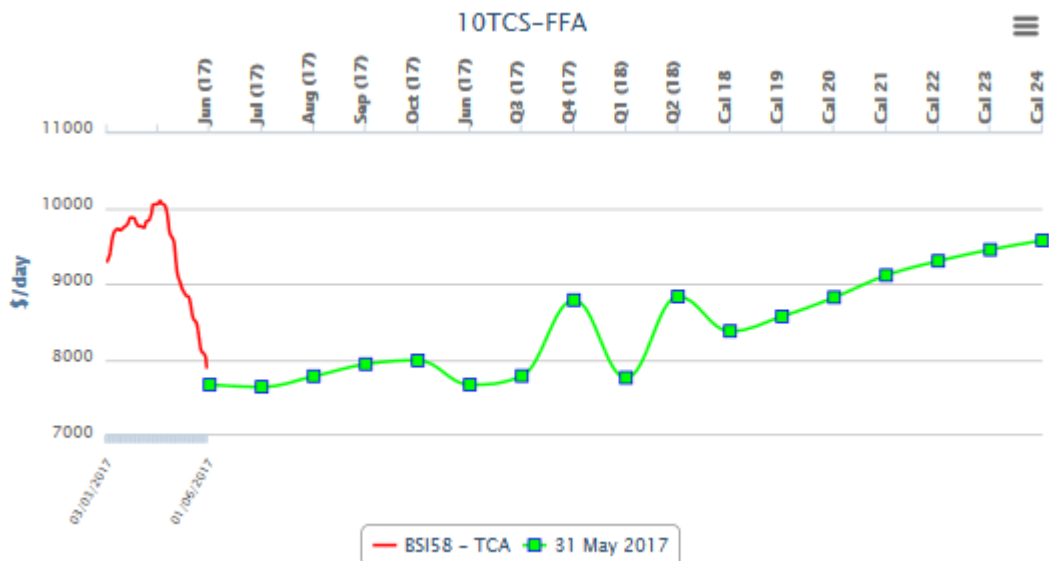
**Please keep in mind that USDA does not report DDGS sales, or they would show as the largest exports by container

Shipping News:

Main Carriers : Average Operating Margin by Quarter : 2008-2017



Supramax Capesize FFA Market



German Shipping Firm Rickmers to File Bankruptcy

Company becomes the latest victim of crisis sweeping across global shipping industry



Rickmers has a fleet of 114 container ships. The German company failed to agree on refinancing with a creditor, forcing it to file for insolvency. PHOTO: MATT ROURKE/ASSOCIATED PRESS

By *William Wilkes*

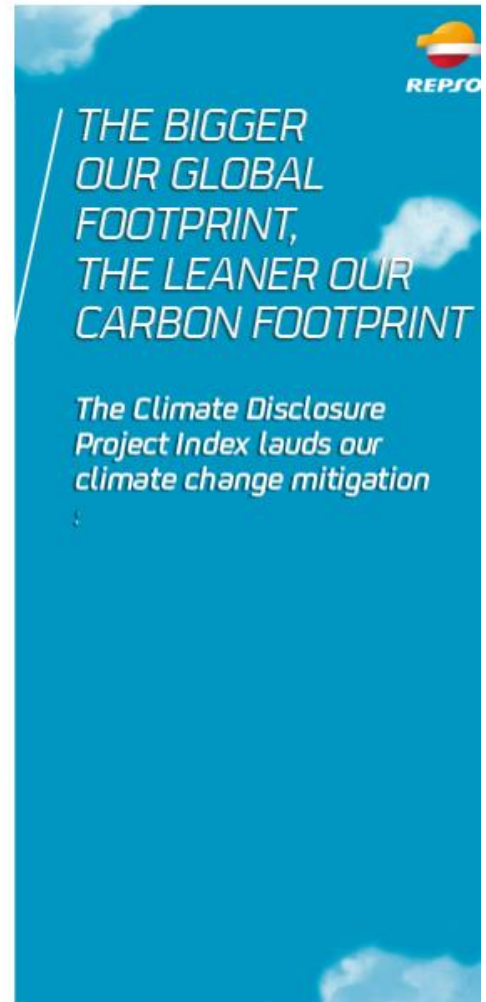
0 COMMENTS

Updated May 31, 2017 3:34 p.m. ET

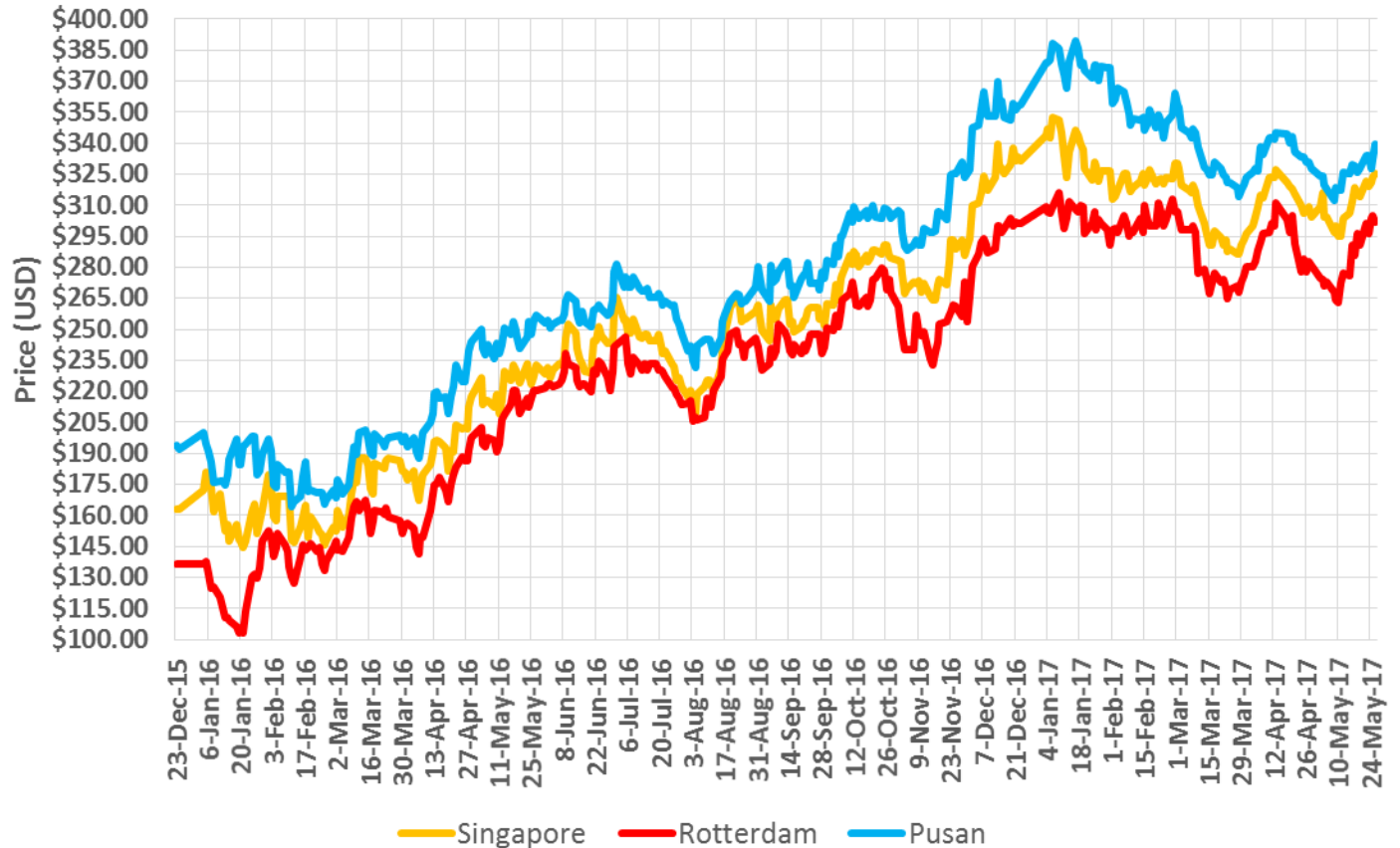
FRANKFURT—German shipping firm Rickmers Holding AG said it would file for insolvency Wednesday, making it the latest victim of the crisis engulfing the global shipping sector.

The company, which has a fleet of 114 container ships, said it failed to agree on refinancing with creditor HSH Nordbank AG, forcing it to file for insolvency. Rickmers said HSH Nordbank “surprisingly denied” a term sheet needed for restructuring of one of its subsidiaries.

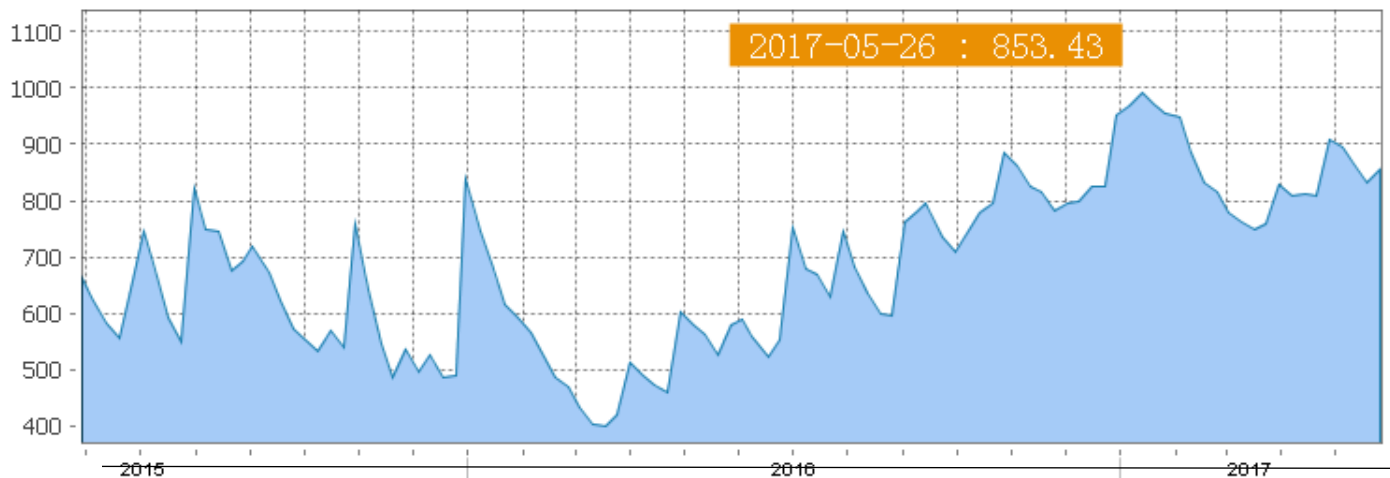
A spokesman for HSH Nordbank said the bank’s board carefully examined Rickmer’s proposals, but decided they weren’t economically viable.



Bunker Fuel Prices for Singapore vs. Rotterdam vs. Pusan



Shanghai Containerized Freight Index



U.S. RIVER BARGE FREIGHT

Current Barge Freight for Placement First Half July 2017

Placement FH July 2017	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	335	\$22.86	0.58	0.62
Illinois River (Pekin and South)	275	\$14.58	0.37	0.40
Mid-Mississippi	280	\$16.42	0.42	0.45
Lower Ohio	220	\$10.82	0.27	0.29
St. Louis	195	\$ 8.58	0.22	0.23

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

Secondary Rail Car Market Placement FH July 2017	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ 25.00	\$ 150.00	\$ 0.01	\$ 0.04	\$ 0.25	\$ 1.48
UPRR Shuttle Trains	\$ (200.00)	\$ (100.00)	\$ (0.05)	\$ (0.03)	\$ (1.97)	\$ (0.98)

Best Regards,

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