

Transportation and Export Report for 25 May 2023

Nothing terribly new to report in Dry Bulk freight markets this week. The week was relatively quiet, and as such, slipped back a little further. Most of the weakness came from the Atlantic, where cargo demand was difficult to find.

Once again, freight brokers are calling for better support and higher rates in the weeks to come. Hope springs eternal. It is primarily a case of vessel owners hoping we have hit bottom and a bounce will come. Panamax FFA June paper dropped to \$9,700/day and Q3 traded down to 11,500/day with Q4 trading down to \$11,600/day.

The BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices					
24-May-2023		This Week	Last Week	Difference	Percent Change
P2A: Gulf/Atlantic - HK-Korea	Index	19159	19875	-716	-3.6%
P3A: PNW/Pacific - RV Korea-Taiwan	Index	9054	9588	-534	-5.6%
S1C: US GULF-China-So.Japan	Index	22164	22861	-697	-3.0%
P7: Trial- Miss. River - Qingdao	per ton	48.10	48.53	-0.43	-0.9%
P8: Trial- Santos - Qingdao	per ton	36.90	36.61	0.29	0.8%

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

Four weeks ago:	\$8.10-\$8.40
Three weeks ago:	\$8.70-\$8.80
Two weeks ago:	\$9.10-\$9.30
One week ago:	\$9.10-\$9.70
This week	\$8.65-\$8.75

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

Mississippi River:	(9 elevators)	2-6 days
Mid-Stream loaders:	(6+ Rigs)	0-2 days
Texas Gulf	(5 elevators)	0-6 days (only 1 Facilities over zero days)
Pacific Northwest:	(9 elevators)	0-7 days (3 facilities over 3 days)

Panamax Market Spreads to Asia -China					
24-May-2023	GULF	PNW	Bushel Spread	Tonne Spread	Advantage
CORN	0.65	1.32	0.67	\$26.38	GULF
SOYBEANS	0.90	1.80	0.90	\$33.07	GULF
OCEAN FREIGHT	\$49.00	\$27.00	.56-.60	\$22.00	JUNE

There are a number of corn vessels being loaded out of the PNW to Asia, so railroad freight rebates must be calculated and considered.

Current Grain Vessel Market Indications:

**** Rates are estimates for the nearby-30-day period. 60-90 days forward physical rates will usually be higher.**

Soybean Panamax USG to Spain is running \$27.00 - \$28.00/mt.

Soybean Brazil to Spain about \$35.50 - \$37.00/mt.

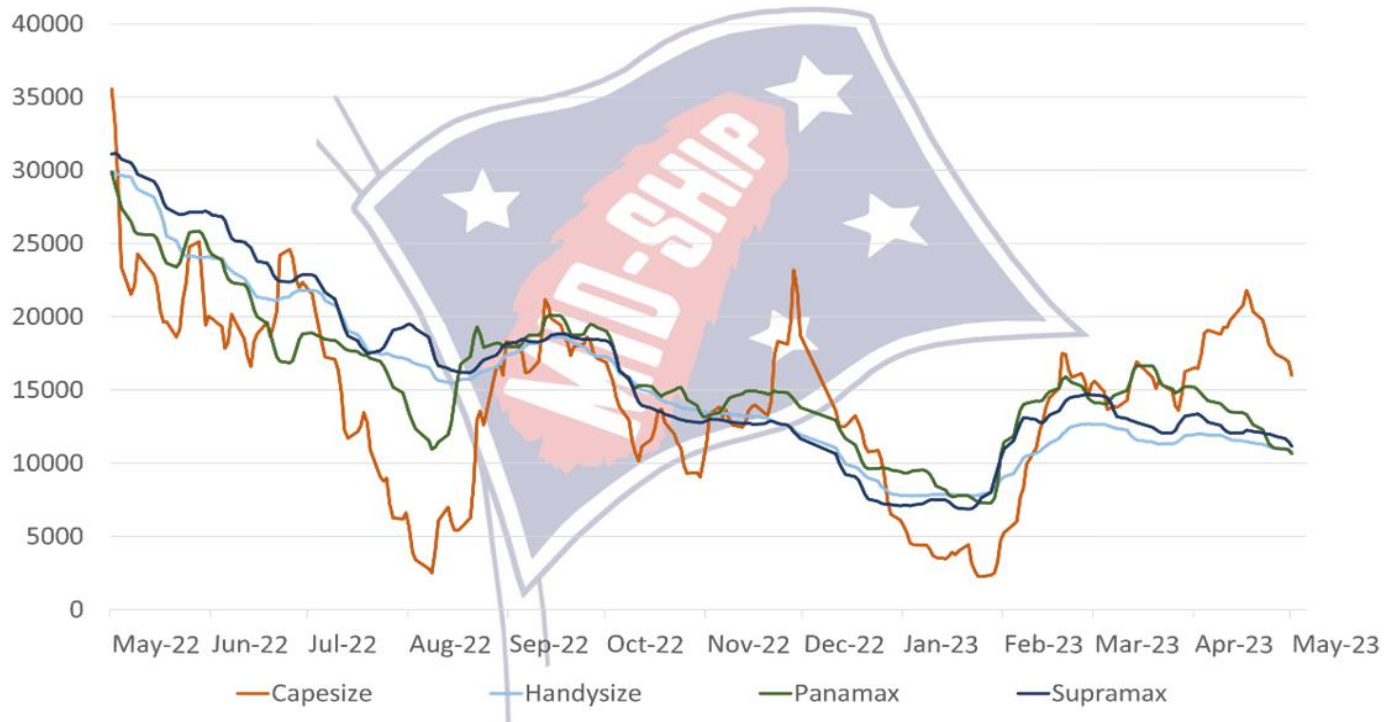
Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$50.00	Down \$1.00	Handymax \$55.00 mt
55,000 U.S. PNW- Japan	\$27.50	Down \$0.75	Handymax at \$29.50 mt
65,000 U.S. Gulf – China	\$49.00	Down \$1.00	North or South China
PNW to China	\$27.00	Down \$0.75	
25,000 U.S. Gulf- Veracruz, México	\$22.25	Down \$.25	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$18.75	Down \$0.25	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- Colombia	\$28.00	Down \$0.50	<u>West Coast Colombia at \$31.00</u>
50,000 USG- E/C Colombia	\$26.00		
<u>East Coast Colombia</u> From Argentina	\$37.00		
40-45,000 U.S. Gulf - Guatemala	\$31.00	Down \$0.50	Acajutla/Quetzal - 8,000 out
30,000 US Gulf-Morocco	\$32.00	Down \$1.00	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$29.00	Down \$1.00	55,000-60,000 mt Egypt
PNW to Egypt	\$30.00		Romania - Russia- Ukraine \$17.00 -\$23.00 - \$50.00 - France \$23.50, Bulgaria \$17.00
58-74,000 U.S. Gulf – Europe – Rotterdam	\$28.00	Down \$1.00	Handymax at +\$2.50 more
Brazil, Santos –China	\$39.00	Down \$3.00	54-59,000 Supramax-Panamax
Brazil, Santos –China	\$37.00		60-66,000 Post Panamax
Up-River Port North Brazil	\$43.00		55-60,000 mt
56-60,000 Argentina-China	\$45.00	Down \$3.00	Up-River with Top Off Plus \$3.85-\$4.75
Deep draft			

Baltic Dry Bulk Freight Index



The Baltic Dry Bulk Freight Index- Cape-Panamax-Supra and Handy

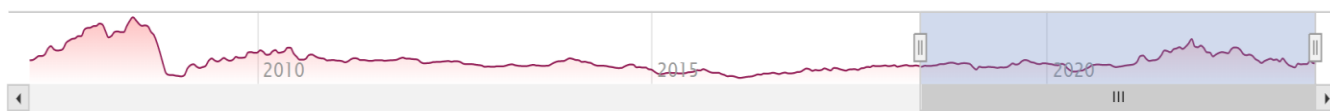
Baltic Average of the Time Charter routes per Segment



YAMAMIZU Index

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

From 2018-05-24 To 2023-05-24

China Import Dry Bulk Freight Index
2023-05-24

Description	Volume	Cargo	Unit	Rate	Change
Composite Index			Point	1012.33	-8.74
Iron ore Freight Index			Point	1005.33	-8.19
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	\$/ton	8.704	-0.092
Soybean Freight Index			Point	1093.12	-7.36
Santos(Brazil)— North China	66000/10%	Soybean	\$/ton	36.86	-0.19
Tacoma(West America)—North China	63000/10%	Soybean	\$/ton	27	-0.18
Mississippi(US Gulf)—North China	66000/10%	Soybean	\$/ton	48.86	-0.43

24 May 2023 U.S. FOB Vessel Export Market Values:

U.S. Yellow Corn (USD/MT) FOB Vessel					CORN	FUTURES
#2 YC	GULF # 2 YC		PNW # 3 YC		N =	5.8725
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE	U =	5.1525
June	0.65	\$256.78	1.32	\$283.15	Z =	5.2000
July	0.60	\$254.81	1.26	\$280.79	H =	5.2950
Aug.	1.15	\$248.12	1.80	\$273.70	K =	5.3500
Sept.	0.90	\$238.27	1.56	\$264.26	N =	5.3675
Oct.	0.90	\$240.14	1.55	\$265.73		
Nov.	0.91	\$240.54	1.56	\$266.13		

PNW rail markets for June-July are extremely thin, and rail road incentives to Exporters to promote movement west are making values difficult to pin point. PNW Fob vessel values are therefore a bit of a guessing game.

The Gulf spread between #2 YC & #3 YC is currently about .03 cents per bushel (1.10/mt) at USG but is out to .04/bushel in the PNW.

SORGHUM (USD/MT) FOB VESSEL		
#2 YGS Fob Vessel	TEXAS Gulf	
Max. 14.0% moisture	BASIS	FLAT PRICE
June	1.50	\$290.24
July	1.50	\$290.24
Aug. (Z)	1.90	\$279.51
Oct. (Z)	1.70	\$271.64
Nov.	1.70	\$271.64

Fob vessel Texas Gulf #2 Sorghum is about 117 % the value of #2 Yellow Corn at NOLA.

SRW Wheat is now at 95% the value of Corn Fob the USG for May-June-July

U.S. SRW Wheat Fob Vessel at the Center U.S. Gulf				
SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	June	July	Aug.	Sept.
FOB U.S. GULF	\$250.41	\$246.36	\$251.97	\$258.21
Basis	0.56	0.45	0.48	0.65
WN	6.2550			
WU	6.3775			
WZ	6.5575			

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
June	0.90	\$519.73	1.80	\$552.80
July	0.80	\$516.06	1.70	\$549.13
Aug. (X)	1.70	\$497.87	2.55	\$529.10
Oct.	1.03	\$473.25	1.86	\$503.75
Nov.	0.98	\$471.42	1.80	\$501.55
Soybean Futures				
July	\$ 13.2450			
Aug.	\$ 12.5875			
Sept.	\$ 11.9550			
Nov.	\$ 11.8500			
Jan.	\$ 11.9475			
Mar.	\$ 11.9750			

Soybean cargo demand at PNW ports is thin and rail delivery markets there are very difficult to accurately pinpoint. The above Fob vessel values in the PNW are therefore based on best guesses off interior values.

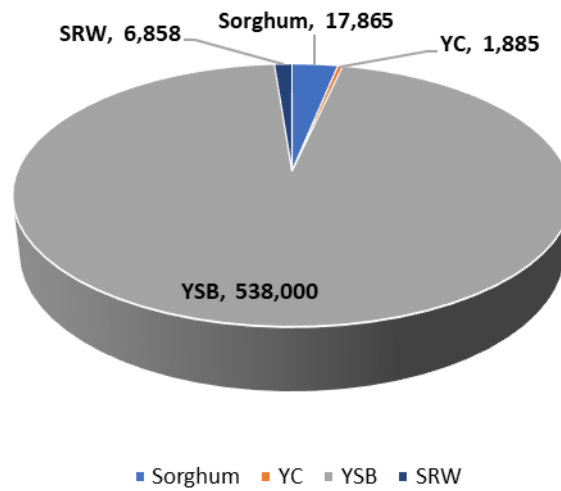
U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
June	22.00	\$ 467.68
July	24.00	\$ 469.89
Aug.	30.00	\$ 472.64
Sept.	38.00	\$ 472.31
Oct.	43.00	\$ 467.79
SBM Futures		
SMN	\$ 402.20	
SMQ	\$ 398.70	
SMU	\$ 390.40	
SMV	\$ 381.30	
SMZ	\$ 378.90	
SMF	\$ 376.80	

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).*

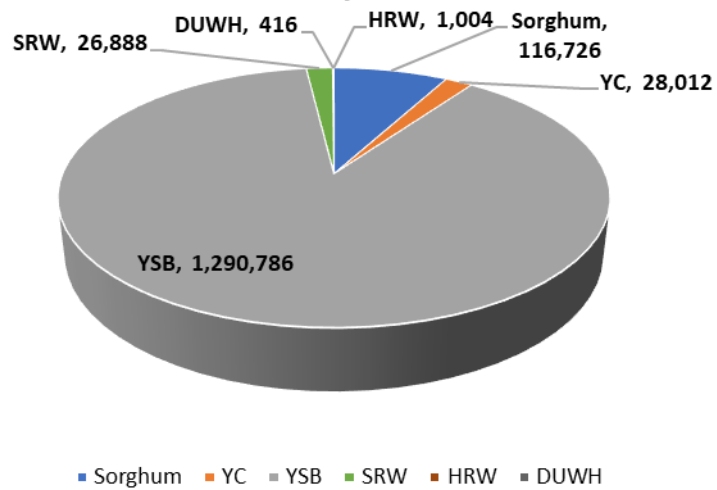
CONTAINER SHIPMENTS of GRAIN									
USDA Grain Inspections Report:		18-May-2023							
Last Week		metric tons							MT
	YC	WC	YSB	SRW	NS	HRW	SWH	Sorghum	TOTAL
China	931		5,288					196	6,415
Taiwan	3,939		1,614						5,553
Hong Kong	342								342
Costa Rica									0
Indonesia			9,771						9,771
French Poly									0
Japan			2,933						2,933
Korea Rep.			294						294
Dominicn Rep									0
Malaysia	245								245
Netherlands									0
Philippines			534						534
Thailand			980						980
Nepal									0
Burma									0
Senegal			196						196
Cambodia									0
Vietnam			539		538				1,077
Sub Total:	5,457	0	22,149	0	538	0	0	196	28,340
USDA Corrections/Additions to previous reports:									
Taiwan									0
China									0
Hong Kong									0
Korea Rep.									0
Un Kingdom									0
Japan			294						294
Philippines									0
Indonesia			122						122
Malaysia									0
Thailand									0
Vietnam			49						49
Burma									0
Cambodia									0
Sub Total:	0	0	465	0	0	0	0	0	465
Mt. Grand Total	5,457	0	22,614	0	538	0	0	196	28,805
Number of Containers	237	0	983	0	23	0	0	9	

[2023 YTD Totals versus 2022 Annual Totals Container Shipments \(in MT\)](#)

2023 YTD Container Shipments to China

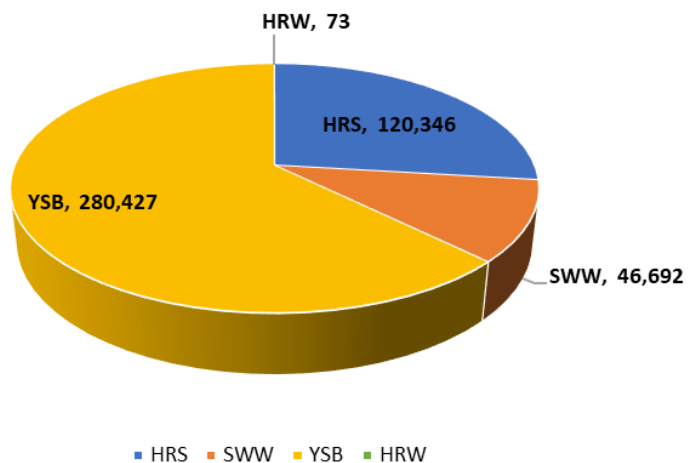


2022 Container Shipments to China

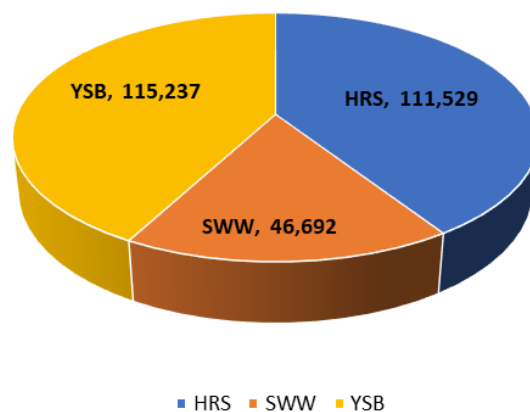


2023 YTD Grain Exports reported by USDA (in MT)

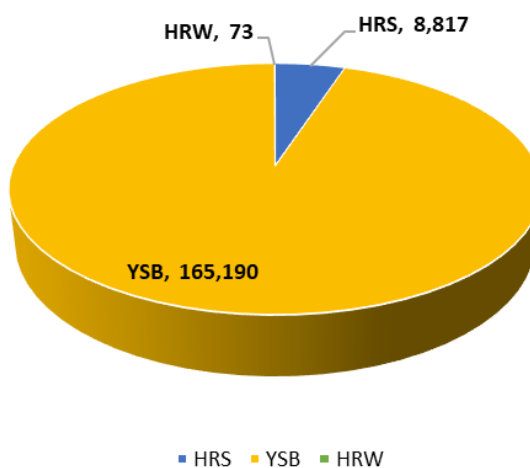
2023 YTD Exports to Vietnam



YTD Vessel Shipments to Vietnam



YTD Container Shipments to Vietnam



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

Source: USDA-data
Shipping News

U.S. Container Freight Markets

Tom Craig @LTDMManagement · 2h

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Container rate war 'plain as daylight'. Is it a race to the bottom by idiot executives who will not refuse unprofitable cargo? And [#forwarders](#) and [#BCOs](#) who only care about cheap rates. IMHO. [#supplychain](#) [#logistics](#) [#maritime](#)



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Container rate war 'plain as daylight' - Splash247

Container carriers are embarking on a rates war, according to one leading analyst, while other experts contacted by Splash remain ...

[US Rail News:](#)

UPRR Fall Rate Increases Announced:

- Effective September 1, 2023 Union Pacific will implement selective rate adjustments on Export Soybeans in UP 4051 to the following markets:
 - Soybeans will increase by \$175 to all destinations
- Effective October 1, 2023 Union Pacific will implement selective rate adjustments on Corn, Barley, and Milo in UP 4051 to the following markets:
 - Domestic Corn and Feed Barley will increase by \$175 to all destinations
 - Export Corn rates will increase by \$175 to all destinations
 - Milo rates will increase by \$175 to all destinations
 - Mileage scale increase of 5%

The new rate changes will be applied for Heavy covered hoppers (capacity greater than or equal to 5,001 cubic feet OR total allowable gross weight on rail exceeds 286,000 pounds). Light covered hoppers (capacity less than or equal to 5,000 cubic feet OR total allowable gross weight on rail is less than or equal to 285,999 pounds) will be 10.6% less than the Heavy covered hopper rates.

U.S. River Markets

US Lawmakers Propose Labeling Corn Ethanol an 'Advanced Biofuel'

- Bill brings together lawmakers from corn and oil states
- Growth of EVs is threatening demand for liquid fuels

US representatives from Iowa, Illinois, Texas and Oklahoma are introducing a bill that would allow corn-based ethanol to qualify as an “advanced biofuel” — a bid to boost the gasoline additive’s green credentials.

The bipartisan legislation is bringing together lawmakers from Midwestern states that grow corn along with regions tied to oil production. It’s a rare move that shows how factions that were once at odds are now working together as the proliferation of electric vehicles is threatening demand for both biofuels and traditional gasoline.

“Liquid fuels are the backbone of our society, which is why I’m ecstatic to support this legislation,” Representative Wesley Hunt, a Republican from Texas who is among those introducing the bill, said in a statement. “Congress must promote programs that encourage the internal combustion engine, which will remain commonplace in our society for generations to come.”

In years past, lawmakers from oil-producing states and those from the Corn Belt have clashed over how much ethanol should be blended into gasoline. But as consumers turn to EVs to reduce their carbon footprint, crop growers and fossil-fuel producers are looking to the biofuel as a way to boost the appeal of gasoline-powered cars.

Biofuel use in the US is governed by a policy known as the Renewable Fuel Standard, or RFS. Corn-based ethanol is currently prohibited from qualifying as an advanced biofuel, even if it can meet the required scientific thresholds, under that regulation.

China Import Dry Bulk Freight Index



China Containerized Freight Index



Secondary Rail Car Market for Car placement period: First Half June 2023

Secondary Rail Car Market Placement FH June 2023	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shuttle Trains	\$ (300)	\$ (200)	\$ (0.08)	\$ (0.05)	\$ (2.95)	\$ (1.97)
UPRR Shuttle Trains	\$ (400)	\$ (250)	\$ (0.10)	\$ (0.06)	\$ (3.94)	\$ (2.46)

Barge Placement First Half June 2023

Placement FH June 2023	% of Tariff	MT	Corn BU	Soybeans-Wheat BU
Upper Mississippi	375	\$ 25.59	0.65	0.70
Illinois River (Pekin and South)	280	\$ 19.11	0.49	0.52
Mid-Mississippi	300	\$ 14.75	0.37	0.40
Lower Ohio	230	\$ 11.31	0.29	0.31
St. Louis	205	\$ 9.02	0.23	0.25

Best Regards,

Jay

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