U.S. Selected Exports, Trade and Transportation

Wheat, Corn, Grain Sorghum, Cotton and Soybean Complex

10th May 2024

IGP Market Information: http://www.dtnigp.com/index.cfm

KSU Agriculture Today Podcast Link: https://agtodayksu.libsyn.com/timeliness-of-corn-and-soybean-plantingworld-grain-supply-and-demand

KSU Ag Manager Link: https://www.agmanager.info/grain-marketing/publications/us-grain-exports-and-trade

USDA Transportation Report: https://www.ams.usda.gov/services/transportation-analysis/gtr

USDA FAS Historical Grain Shipments: https://apps.fas.usda.gov/export-sales/wkHistData.htm, https://apps.fas.usda.gov/export-sales/complete.htm

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- **This summary based on reports for the 3rd to 10th of May 2024**
- **Outstanding Export Sales (Unshipped Balances) on the 2nd of May 2023**
- **Export Shipments in Current Marketing Year**
- **Daily Sales Reported for the 3rd to 10th of May 2024**

U.S. EXPORT ACTIVITY

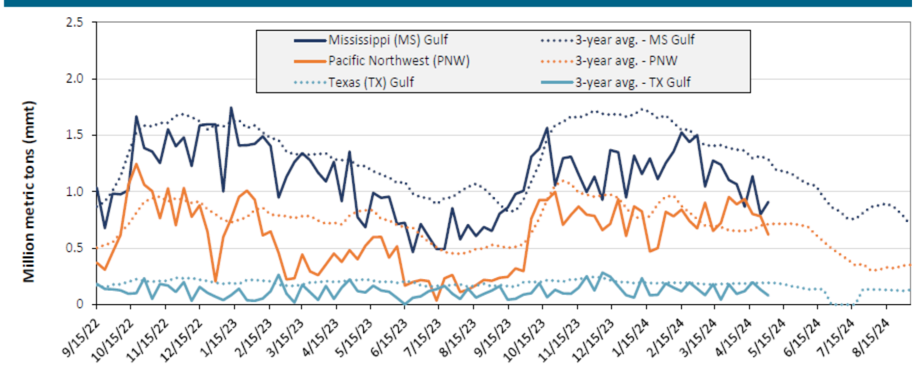
Export Sales

For the week ending the 25th of April, unshipped balances of wheat, corn, and soybeans for marketing year (MY) 2023/24 totaled 19.12 mmts, down 5 percent from last week and up 2 percent from the same time last year.

- Net weekly wheat export sales were −0.020 mmts, down 125% from last week.
- Net corn export sales for MY 2023/24 were 0.76 mmts, down 42% from last week.
- Net soybean export sales were 0.41 mmts, up 96 percent from last week.

Vessel Loadings

Figure 16. U.S. grain inspections for U.S. Gulf and PNW (wheat, corn, and soybeans)



Source: USDA, Federal Grain Inspection Service.

Table 12. U.S. export balances and cumulative exports (1,000 metric tons)

Grain Exports		Wheat: Hard red winter (HRW)	Wheat: Soft red winter (SRW)	Wheat: Hard red spring (HRS)	Wheat: Soft white wheat (SWW)	Wheat: Durum	Wheat: All wheat	Corn	Soybeans	Total
Current unshipped (outstanding) export sales	For the week ending 4/25/2024	487	504	625	424	23	2,062	13,522	3,533	19,117
	This week year ago	566	396	765	580	113	2,419	12,766	3,634	18,819
	Last 4 wks. as % of same period 2022/23	117	176	117	99	21	118	113	97	111
Current shipped (cumulative) exports sales	2023/24 YTD	3,112	3,785	5,786	3,554	499	16,735	33,214	38,375	88,323
	2022/23 YTD	4,544	2,519	4,983	4,098	340	16,483	25,371	47,070	88,923
	YTD 2023/24 as % of 2022/23	68	150	116	87	147	102	131	82	99
	Total 2022/23	4,872	2,695	5,382	4,414	395	17,759	39,469	52,208	109,435
	Total 2021/22	7,172	2,786	5,254	3,261	196	18,669	59,764	57,189	135,622

Note: The marketing year for wheat is Jun. 1 to May 31 and, for corn and soybeans, Sep. 1 to Aug. 31. YTD = year-to-date; wks. = weeks.
Source: USDA, Foreign Agricultural Service.

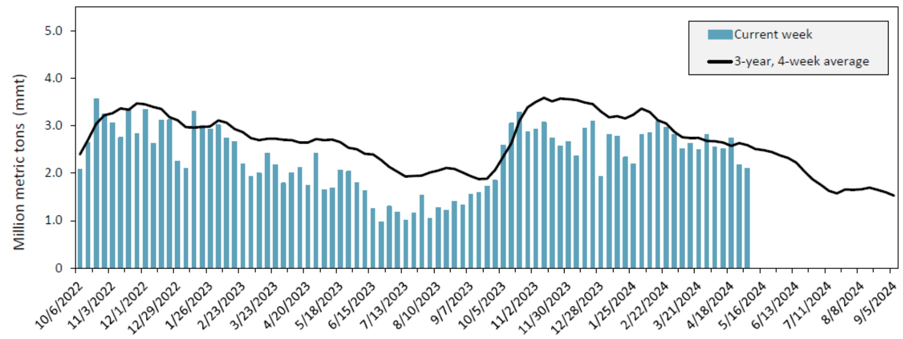
Table 17. Weekly port region grain ocean vessel activity (number of vessels)

Date	Gulf: In port	Gulf: Loaded 7-days	Gulf: Due next 10-days	Pacific Northwest: In port
5/2/2024	19	26	31	7
4/25/2024	24	24	37	9
2023 range	(8...38)	(17...34)	(21...56)	(1...24)
2023 average	22	26	39	10

Note: The data are voluntarily submitted and may not be complete.
Source: USDA, Agricultural Marketing Service.

➢ Export Inspections

Figure 15. U.S. grain inspected for export (wheat, corn, and soybeans)



Notes: 3-year average consists of 4-week running average.
Source: USDA, Federal Grain Inspection Service.

GRAINS INSPECTED AND/OR WEIGHED FOR EXPORT

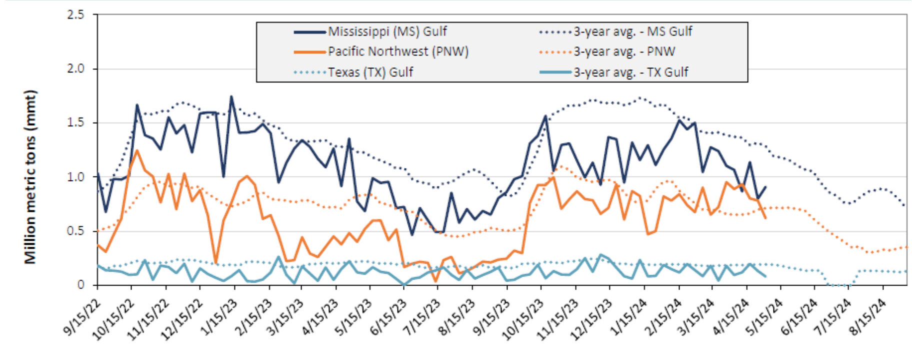
Week Ending the 2nd of May 2024

GRAIN	05/02/2024 (WEEK ENDING)	04/25/2024 (WEEK ENDING)	05/04/2023 (WEEK ENDING)	PREVIOUS MARKET YEAR TO DATE	CURRENT MARKET YEAR TO DATE
BARLEY	0	0	0	2,180	2,154
CORN	1,285,986	1,298,351	974,450	32,982,910	24,877,828
FLAXSEED	24	0	0	48	200
MIXED	0	0	0	572	0
OATS	0	0	200	3,994	6,686
RYE	0	0	0	72	0
SORGHUM	137,094	72,212	49,588	4,580,291	1,467,756
SOYBEANS	348,654	276,092	397,791	39,122,085	47,855,242
SUNFLOWER	288	576	100	5,525	2,508
WHEAT	321,124	502,769	216,035	17,264,375	18,472,325
Total	2,093,170	2,150,000	1,638,164	93,962,052	92,684,699

CROP MARKETING YEARS BEGIN JUNE 1st FOR WHEAT, RYE, OATS, BARLEY AND FLAXSEED, SEPTEMBER 1st FOR CORN, SORGHUM, SOYBEANS AND SUNFLOWER SEEDS. INCLUDES WATERWAY SHIPMENTS TO CANADA.
Source: https://www.ams.usda.gov/mnreports/wa_gr101.txt

- For the week ending the 2nd of May, 26 oceangoing grain vessels were loaded in the Gulf—4 percent more than the same period last year.
- Within the next 10 days (as of the 2nd of May), 31 vessels were expected to be loaded—6 percent fewer than the same period last year.
- As the 2nd of May, the rate for shipping a metric ton (mt) of grain from the U.S. Gulf to Japan was $62.00, unchanged from the previous week.
- The rate from the Pacific Northwest to Japan was $33.25 per mt, unchanged from the previous week.

Figure 16. U.S. grain inspections for U.S. Gulf and PNW (wheat, corn, and soybeans)



Source: USDA, Federal Grain Inspection Service.

Week ending 05/02/24 inspections (mmt):
MS Gulf: 0.91
PNW: 0.62
TX Gulf: 0.08

Percent change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	up 14	down 40	up 6	down 21
Last year (same 7 days)	down 8	down 42	down 12	up 46
3-year average (4-week moving average)	down 29	down 58	down 33	down 13

Table 16. Grain inspections for export by U.S. port region (1,000 metric tons)

Port regions	Commodity	For the week ending 05/02/2024	Previous week*	Current week as % of previous	2024 YTD*	2023 YTD*	2024 YTD as % of 2023 YTD	Last 4-weeks as % of:		2023 total*
								Last year	Prior 3-yr. avg.	
Pacific Northwest	Corn	379	525	72	6,608	1,991	332	201	125	5,267
	Soybeans	44	0	n/a	2,502	3,334	75	41	37	10,286
	Wheat	129	259	50	3,672	3,600	102	200	119	9,814
	All Grain	**619**	**783**	**79**	**13,539**	**9,121**	**148**	**187**	**110**	**25,913**
Mississippi Gulf	Corn	619	522	119	8,872	9,306	95	86	63	23,630
	Soybeans	188	169	112	9,899	11,550	86	68	81	26,878
	Wheat	102	110	93	2,074	986	210	148	142	3,335
	All Grain	**910**	**800**	**114**	**20,900**	**21,841**	**96**	**85**	**72**	**53,843**
Texas Gulf	Corn	9	10	88	188	90	209	277	145	397
	Soybeans	0	0	n/a	0	49	0	n/a	n/a	267
	Wheat	2	52	3	565	894	63	33	39	1,593
	All Grain	**81**	**134**	**60**	**2,322**	**1,855**	**125**	**86**	**69**	**5,971**
Interior	Corn	272	238	114	4,694	3,308	142	179	165	10,474
	Soybeans	114	97	117	2,727	2,329	117	165	110	6,508
	Wheat	78	42	186	958	873	110	112	133	2,281
	All Grain	**464**	**386**	**120**	**8,487**	**6,554**	**129**	**163**	**143**	**19,467**
Great Lakes	Corn	0	0	n/a	0	0	n/a	n/a	n/a	57
	Soybeans	0	8	0	8	29	28	n/a	36	192
	Wheat	11	41	27	111	75	148	432	174	581
	All Grain	**11**	**49**	**22**	**119**	**104**	**114**	**488**	**91**	**831**
Atlantic	Corn	7	5	142	157	56	279	337	271	166
	Soybeans	2	2	128	421	1,073	39	21	10	2,058
	Wheat	0	0	n/a	10	39	27	n/a	n/a	101
	All Grain	**9**	**6**	**138**	**588**	**1,169**	**50**	**75**	**38**	**2,325**
All Regions	Corn	1,286	1,298	99	20,519	14,760	139	128	93	40,004
	Soybeans	349	276	126	15,612	18,469	85	80	80	46,459
	Wheat	321	503	64	7,392	6,467	114	136	112	17,738
	All Grain	**2,093**	**2,159**	**97**	**46,008**	**40,758**	**113**	**119**	**92**	**108,664**

*Note: Data includes revisions from prior weeks; "All grain" includes corn, soybeans, wheat, sorghum, oats, barley, rye, sunflower, flaxseed, and mixed grains; "All regions" includes listed regions and other minor regions not listed; YTD= year-to-date; n/a = not available or no change.
Source: USDA, Federal Grain Inspection Service.

Barge

For the week ending the 2nd of May, 26 oceangoing grain vessels were loaded in the Gulf—4 percent more than the same period last year. Within the next 10 days (as of the 2nd of May), 31 vessels were expected to be loaded—6 percent fewer than the same period last year.

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Rail

U.S. Class I railroads originated 23,278 grain carloads during the week ending the 27th of April. This was a 5-percent decrease from the previous week, 6 percent fewer than last year, and 10 percent fewer than the 3-year average.

Average May shuttle secondary railcar bids/offers (per car) were $34 below tariff for the week ending the 2nd of May. This was $50 more than last week and $252 more than this week last year. Average non-shuttle secondary railcar bids/offers per car were $125 above tariff. This was $63 less than last week and $119 more than this week last year.

Ocean

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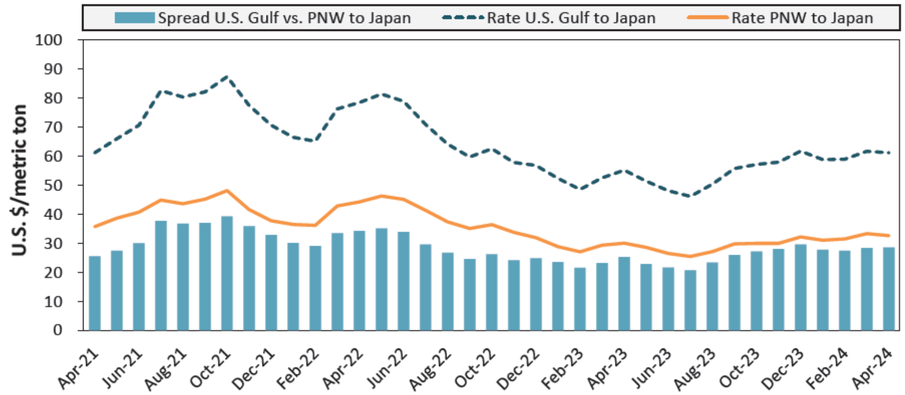
Ocean Freight

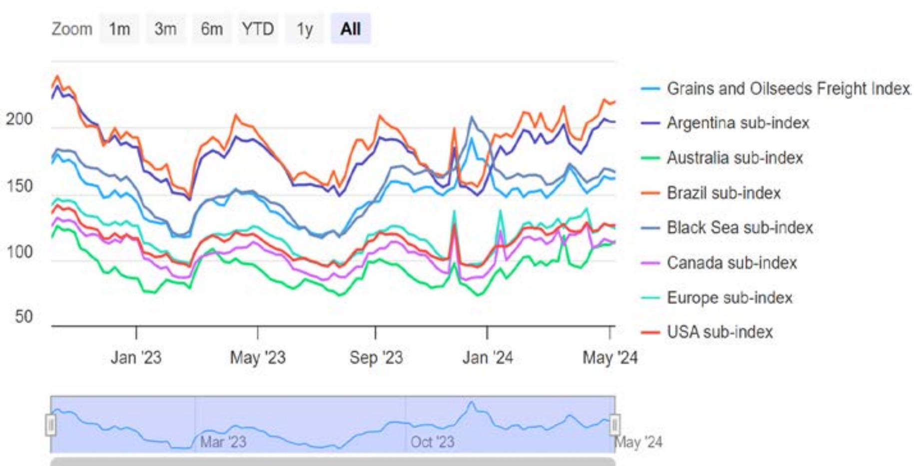
➢ **Vessel Rates**

Figure 18. U.S. Grain vessel rates, U.S. to Japan



Note: PNW = Pacific Northwest
Source: O'Neil Commodity Consulting.

➢ **IGC Grains Freight Index – 7th May 2024**



	7 May	Weekly Change	Annual Change	52 Week Low	52 Week High
IGC Grains and Oilseeds Freight Index	162	+1	14 %	117	192
Argentina sub-Index	205	-	11 %	148	207
Australia sub-Index	114	+3	26 %	73	118
Brazil sub-Index	220	+2	17 %	155	222
Black Sea sub-Index	166	-2	15 %	117	209
Canada sub-Index	113	-1	5 %	85	127
Europe sub-Index	124	-2	2 %	96	139
USA sub-Index	126	-	11 %	95	128

	7 May	Weekly Change	Annual Change	52 Week Low	52 Week High
Australia - Iran	$27	+1	23 %	$17	$30
Brazil - EU	$29	-	20 %	$20	$43
USA (Gulf) - Japan	$56	+1	15 %	$42	$62

Source: IGC https://www.igc.int/en/markets/marketinfo-freight.aspx

Baltic Dry Freight Index – Daily = 2203

Source: https://www.tradingview.com/chart/?symbol=INDEX%3ABDI

The Baltic Dry Index is reported daily by the Baltic Exchange in London. The index provides a benchmark for the price of moving the major raw materials by sea. The index is a composite of three sub-indices that measure different sizes of dry bulk carriers: Capesize, which typically transport iron ore or coal cargoes of about 150,000 tonnes; Panamax, which usually carry coal or grain cargoes of about 60,000 to 70,000 tonnes; and Supramax, with a carrying capacity between 48,000 and 60,000 tonnes.

Not restricted to Baltic Sea countries, the index provides "an assessment of the price of moving the major raw materials by sea. Taking in 23 shipping routes measured on a time-charter basis, for dry bulk carriers carrying a range of commodities including coal, iron ore, grain, and other commodities. Because dry bulk primarily consists of materials that function as raw material inputs to the production of intermediate or finished goods, the index is also seen as an efficient economic indicator of future economic growth and production.

A weekly round-up of tanker and dry bulk market

10 May 2024 Baltic Exchange - This report is produced by the Baltic Exchange - Source: https://www.balticexchange.com/en/data-services/WeeklyRoundup.html.

Capesize: Following the UK Bank holiday, Tuesday marked a strong start for the Capesize market with rising rates in both the Pacific and Atlantic regions, driven by increased miner activity and healthy cargo volumes particularly in the Pacific. The C5 index moved up by $0.84 to $11.650. There were significant gains in the North Atlantic with a tightening tonnage list that led to the C8 index climbing by $10,142 to $27,571, and the C9 index also saw a notable increase of $4,125, reaching $49,500. The trend continued into Wednesday, albeit with slightly reduced activity in the Pacific, maintaining an upward trajectory. Towards the end of the week the Pacific saw heightened activity but a stabilization of the Pacific market with steady cargo volumes, while the Atlantic experienced minor adjustments, leading to a softer condition overall. The BCI 5TC experienced a slight decrease of $937, closing the week at $27,301.

Panamax: The Panamax market returned a week of steady gains with little sign of the firm trend abating, with fundamentals appearing strong in favor of the owners. The Atlantic appeared predominantly fronthaul led with a steady mineral flow ex US East Coast as well as solid grain demand ex NC South America, reports of a scrubber fitted 81,000-dwt delivery Gibraltar trip via NC South America achieving $31,000 redelivery Singapore-Japan. There was very little to report on trans-Atlantic, with minimal activity. In Asia, the market witnessed significant gains, route P5 yielding a $2,662 gain week-on-week highlighting the spike in activity ex Indonesia with exceptional demand seen, reports of various deals concluded around the $20/21,000 mark for trips via Indonesia redelivery India, delivery SE Asia. There was limited period reporting but did include rumors earlier in the week of an 81,000-dwt delivery to China agreeing $20,000 basis 5 to 7 months employment.

Ultramax/Supramax: All eyes focused on the Asian arena this week as rates pushed higher with stronger demand from Indonesia seeing owners' expectations rise. This also led to slightly stronger levels being achieved further north. By contrast, the Atlantic remained rather subdued, by the impact of various holidays. A lack of demand from areas such as the Continent – Mediterranean and US Gulf saw the positive sentiment erode. There did remain an appetite for period cover, a newbuilding 64,000-dwt was fixed ex yard at $19,000 for one year elsewhere a 57,000-dwt open WC India was heard to have fixed one year at $15,000. From the Atlantic, a 60,000-dwt was heard fixed delivery East Mediterranean to the US Gulf in the low $13,000s, whilst a 61,000-dwt fixed a scrap run from the North Continent to East Mediterranean at $15,000. From Asia, a 52,000-dwt open SE Asia fixed a trip via Indonesia redelivery

Table 18. Ocean freight rates for selected shipments, week ending 05/04/2024

Export region	Import region	Grain types	Entry date	Loading date	Volume loads (metric tons)	Freight rate (US$/metric ton)
U.S. Gulf	Japan	Heavy grain	Mar 28, 2024	Apr 20/30, 2024	50,000	71.00
U.S. Gulf	Japan	Heavy grain	Mar 9, 2024	Apr 25/May 4, 2024	54,000	67.00
U.S. Gulf	Japan	Heavy grain	Mar 20, 2024	Apr 1/5, 2024	50,000	69.50
U.S. Gulf	China	Corn	Feb 28, 2024	Mar 1/10, 2024	66,000	61.50
U.S. Gulf	China	Heavy grain	Sep 12, 2023	Oct 1/ Nov 1, 2023	66,000	54.50
U.S. Gulf	Jamaica	Wheat	Nov 2, 2023	Dec 1/10, 2023	9,460	63.50
U.S. Gulf	Guyana	Wheat	Nov 2, 2023	Dec 1/10, 2023	8,250	84.00
U.S. Gulf	S. Korea	Heavy grain	Oct 10, 2023	Nov 25/Dec 5, 2023	58,000	65.35
PNW	N. China	Heavy grain	Oct 19, 2023	Nov 16/22, 2023	66,000	28.00
PNW	Thailand	Heavy grain	Oct 20, 2023	Dec 5/15, 2023	66,000	22.50
Brazil	N. China	Heavy grain	May 3, 2024	May 20/30, 2024	65,000	46.00
Brazil	China	Heavy grain	Apr 19, 2024	May 4/11, 2024	60,000	53.25
Brazil	N. China	Heavy grain	Apr 18, 2024	May 5/15, 2024	63,000	48.50
Brazil	China	Heavy grain	Mar 28, 2024	Apr 11/21, 2024	66,000	49.00
Brazil	China	Heavy grain	Mar 19, 2024	May 1/30, 2024	63,000	48.40
Brazil	Philippines	Soybean Meal	Feb 23, 2024	Apr 15/25, 2024	40,000	61.00
France	Morocco	Wheat	Feb 6, 2024	Feb 10/14, 2024	30,000	16.10
France	Mauritania	Wheat	Feb 6, 2024	Feb 10/14, 2024	30,000	23.50

Note: 50 percent of food aid from the United States is required to be shipped on U.S.-flag vessels. Rates shown are per metric ton (1 metric ton = 2,204.62 pounds), free on board (F.O.B), except where otherwise indicated. op = option
Source: Maritime Research, Inc.

GTR 05-09-24

China at $19,000. Further north, a 61,000-dwt open China fixed a NoPac round in the upper $17,000s.

Handysize: A rather subdued week with holidays across both basins with limited visible activity and fresh enquiry surfacing. Pressure remained on owners across the Continent and the Mediterranean with a 32,000-dwt rumored to have ballast from Annada to fixed passing Canakkale via the Black Sea to Rosyth with a cargo of grains at $8,250 whilst a 39,000-dwt open in Tyne fixed from Bremen to the US East Coast with a cargo of lumber at $14,500. There were rumors of a 37,000-dwt fixed from the Eastern Mediterranean to Brazil with an intended cargo of fertilizer in the low $7,000s. Asia in contrast showed positivity as a 35,000-dwt fixed from Port Hedland via Australia to China with an intended cargo of minerals at $22,000 and a 34,000-dwt fixed from Caofeidan via North China to Vietnam with a cargo of metallurgical coke at $15,500. The Arabian Gulf also showed signs of more activity with a 35,000-dwt fixing from Dohar to Madagascar in the $13,000s with bagged cargo.

Baltic Dry Index Scales to Six-week High

7 May 2024 Reuters - The Baltic Exchange's dry bulk sea freight index extended its rally on Tuesday to hit its highest in more than six weeks, supported by a jump in the large vessel segment.

The overall index, which factors in rates for capesize, panamax and supramax shipping vessels, added 207 points, or 11.03%, to 2,083, touching its highest level since March 25.

"The dry bulk market has continued to outperform expectations... Spot Cape activity remains elevated in the key loading regions of Australia (iron ore), Brazil (iron ore) and West Africa (bauxite)," Jefferies analysts wrote in a note.

The capesize index jumped 21.2%, to 3,239 points.

"Overall, we expect the market is likely to stay strong in the near to medium term, particularly in the capesize segment," said Filipe Gouveia, BIMCO shipping market analyst.

"Capesizes have been benefiting from strong Chinese iron ore import demand," Gouveia added.

Average daily earnings for capesize vessels, which typically transport 150,000-ton cargoes of iron ore and coal, among others, increased $4,698 to $26,864.

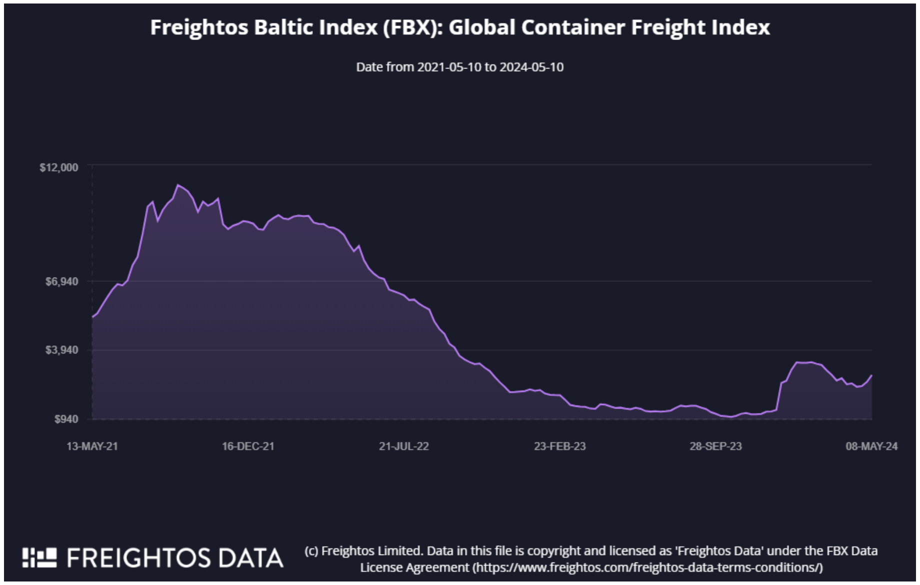
The panamax index was up by 65 points, or about 3.5%, to 1,949.

Average daily earnings for panamax vessels, which usually carry about 60,000-70,000 tons of coal or grain cargo, added $593 to $17,545.

Iron ore futures prices were largely unchanged following a strong increase the previous day, as investors reacted to proposed property stimulus measures and post-holiday period restocking at furnaces.

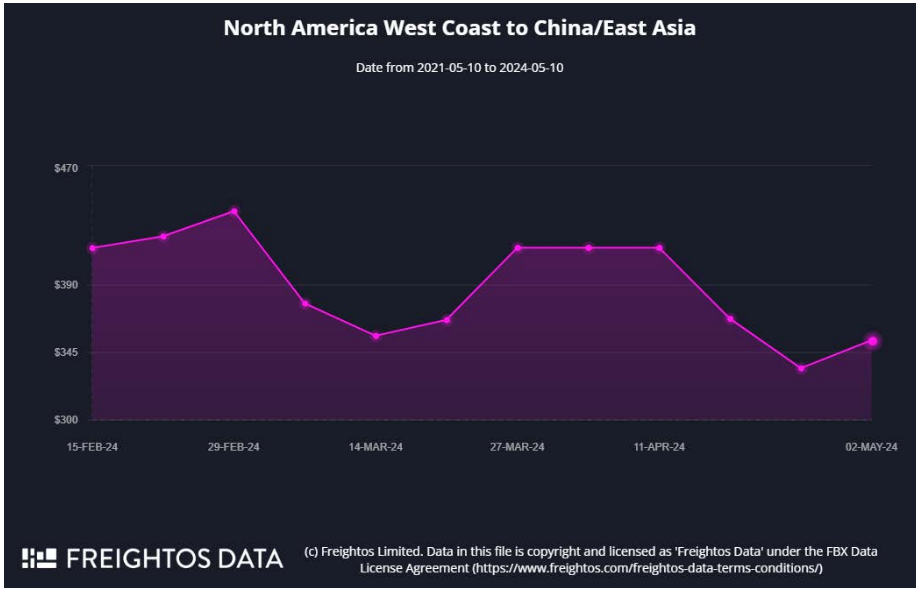
Among smaller vessels, the supramax index also edged up three points to 1,461.

Freightos Baltic Index (FBX): Global Container Freight Index



Source: https://fbx.freightos.com/

Freightos West Coast N.A. – China/East Asia Container Index - Daily



Source: https://fbx.freightos.com/

FBX stands for Freightos Baltic Index. It is the leading international Freight Rate Index, in cooperation with the Baltic Exchange, providing market rates for 40' containers (FEUs).

Prices used in the index are rolling short term Freight All Kind (FAK) spot tariffs and related surcharges between carriers, freight forwarders and high-volume shippers. Index values are calculated by taking the median price for all prices (to ignore the influence of outliers on active lanes) with weighting by carrier. 50 to 70 million price points are collected every month. The weekly freight index is calculated as an average of the five business days from the same week and published each Friday.

➢ Weekly Update: Ocean rates leveling off, but remain elevated on Red Sea impacts

08 May 2024 AJOT — **Key insights:**

- Ex-Asia ocean rates have climbed about $1,000/FEU on early-month GRIs as Red Sea diversions keeping capacity tight combined with signs of unseasonal increases in demand have carriers hopeful that these rate increases will stick.
- Reports of rolled containers to N. Europe may reflect improved volumes and the start of a restocking cycle by importers on this lane.
- Some rail congestion in LA/Long Beach may point to climbing demand to N. America too, possibly due to some shippers pulling peak season shipments forward out of concern that Red Sea diversions or potential labor disruptions at East Coast and Gulf ports might cause delays during the normal busy season.
- In air cargo, there is some optimism that volume strength will continue into Q2. Rates out of China dipped slightly last week to $5.43/kg to N. America and $4.08/kg to N. Europe, but remain well above typical slow season levels due to continued strong e-commerce volumes. Middle East and S. Asia export rates have leveled off but remain elevated on some Red Sea-driven shift to air.

Ocean rates - Freightos Baltic Index:

- Asia-US West Coast prices (FBX01 Weekly) increased 10% to $3,404/FEU.
- Asia-US East Coast prices (FBX03 Weekly) climbed 10% to $4,703/FEU.
- Asia-N. Europe prices (FBX11 Weekly) increased 6% to $3,550/FEU.
- Asia-Mediterranean prices (FBX13 Weekly) increased 4% to $4,445/FEU

Air rates - Freightos Air index

- China - N. America weekly prices fell 4% to $5.43/kg
- China - N. Europe weekly prices fell 7% to $4.08/kg.
- N. Europe - N. America weekly prices fell 2% to $1.77/kg.

Analysis

Ex-Asia ocean rates that started climbing last week on May 1st GRIs have now added about $1,000/FEU across these lanes compared to the end of April, with the latest daily rates reaching about the $4,000/FEU mark to the US West Coast and N. Europe, $5,000/FEU to the Mediterranean and about $5,400/FEU to the East Coast.

Should these rate increases stick, the common driver supporting them would be the combination of increasing demand with the market's overall capacity being fully employed due to Red Sea diversions – with Houthi attacks continuing this week – even as the global fleet continues to grow on new vessel deliveries.

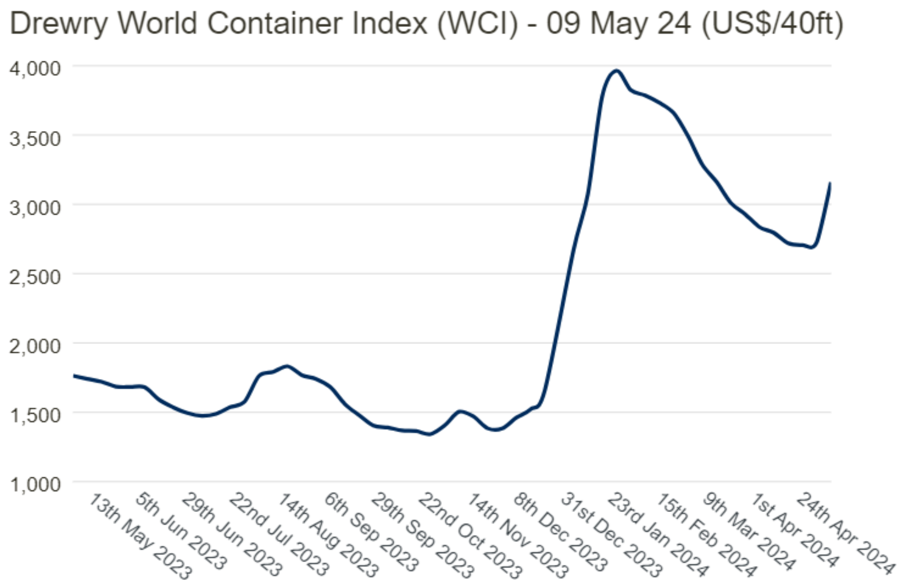
Diversions and disruptions leading to tight capacity on the overall network level help explain the elevated rates observed even on non-Suez Canal lanes. And Red Sea adjustments continue to disrupt some schedules and cause backlogs in places like India and Dubai with the recent bad weather causing delays in Asian origin hubs also not helping strains on capacity.

If price increases are maintained, they would reflect already tight capacity coinciding with a somewhat unexpected and unseasonal climb in demand. In N. Europe, recent reports of tight capacity and rolled containers are being attributed by some to improved volumes and the possible start of restocking by European importers.

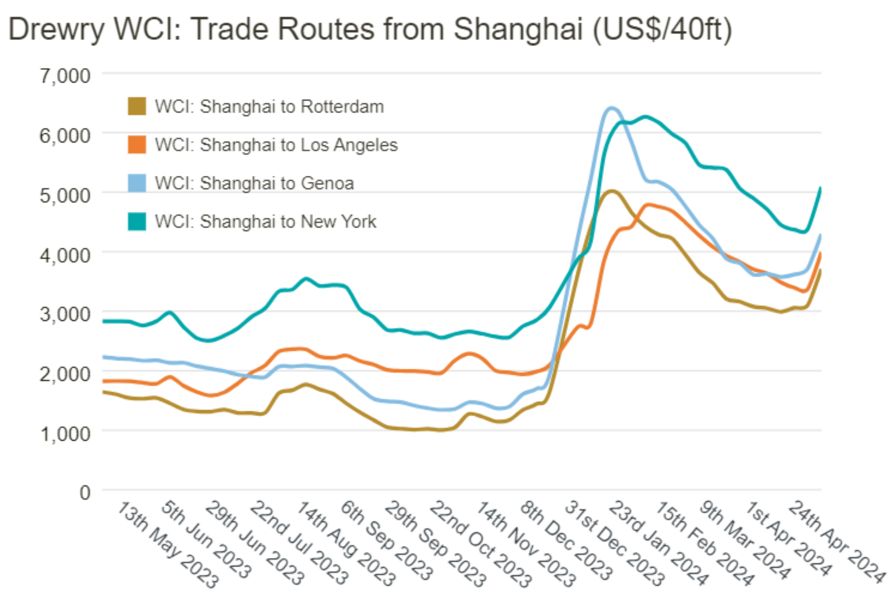
For transpacific trade signs of an increase in imports include reports of some rail congestion for arriving imports at the ports of LA and Long Beach. With April and May typically slow months for ocean freight, an increase in volumes now may reflect some shippers pulling peak season shipments forward out of concern that Red Sea diversions or potential labor disruptions at East Coast and Gulf ports might cause delays during the normal busy season.

In air cargo, there is some optimism that Q1's unexpected volume strength will continue into Q2. Freightos Air Index rates out of China dipped slightly last week to $5.43/kg to N. America and $4.08/kg to N. Europe, but remain well above typical slow season levels due to continued strong e-commerce volumes. Prices out of the Middle East and S. Asia have leveled off but likewise remain elevated as some Red Sea-driven shift to air is keeping demand strong."

➢ **Drewry World Container Index**



09 May 2024 – Source: https://www.drewry.co.uk/supply-chain-advisors/world-container-index-weekly-update/. Drewry's World Container Index increased 16% to $3,159 per 40ft container this week.



Our detailed assessment for Thursday, 09 May 2024

The composite index increased 16% to $3,159 per 40ft container this week and has increased by 81% when compared with the same week last year.

The latest Drewry WCI composite index of $3,159 per 40ft container is 122% more than average 2019 (pre-pandemic) rates of $1,420.

The average composite index for the year-to-date is $3,227 per 40ft container, which is $512 higher than the 10-year average rate of $2,714 (which was inflated by the exceptional 2020-22 Covid period).

Freight rates from Shanghai to Rotterdam increased 20% or $606 to $3,709 per 40ft container. Similarly, rates from Shanghai to Los Angeles surged 18% or $617 to $3,988 per feu. Likewise, rates from Shanghai to Genoa and Shanghai to New York spiked 16% to $4,295 and $5,089 per 40ft box respectively. Moreover, rates from New York to Rotterdam inched up 1% or $4 to $629 per container. Conversely, rates from Rotterdam to New York decreased 2% or $50 to $2,160 per 40ft box. Likewise, rates from Rotterdam to Shanghai declined 6% or $44 to $695 per feu. While rates from Los Angeles to Shanghai remain stable. Drewry expects freight rates ex-China to continue increasing in the upcoming week amid a huge demand spike and tight capacity.

Route	Route code	25-Apr-24	02-May-24	09-May-24	Weekly change (%)	Annual change (%)
Composite Index	WCI-COMPOSITE	$2,706	$2,725	$3,159	16% ▲	81% ▲
Shanghai - Rotterdam	WCI-SHA-RTM	$3,056	$3,103	$3,709	20% ▲	131% ▲
Rotterdam - Shanghai	WCI-RTM-SHA	$749	$739	$695	-6% ▼	17% ▲
Shanghai - Genoa	WCI-SHA-GOA	$3,615	$3,717	$4,295	16% ▲	95% ▲
Shanghai - Los Angeles	WCI-SHA-LAX	$3,395	$3,371	$3,988	18% ▲	118% ▲
Los Angeles - Shanghai	WCI-LAX-SHA	$700	$700	$699	0%	-31% ▼
Shanghai - New York	WCI-SHA-NYC	$4,369	$4,382	$5,089	16% ▲	80% ▲
New York - Rotterdam	WCI-NYC-RTM	$624	$625	$629	1% ▲	-29% ▼
Rotterdam - New York	WCI-RTM-NYC	$2,214	$2,210	$2,160	-2% ▼	-52% ▼

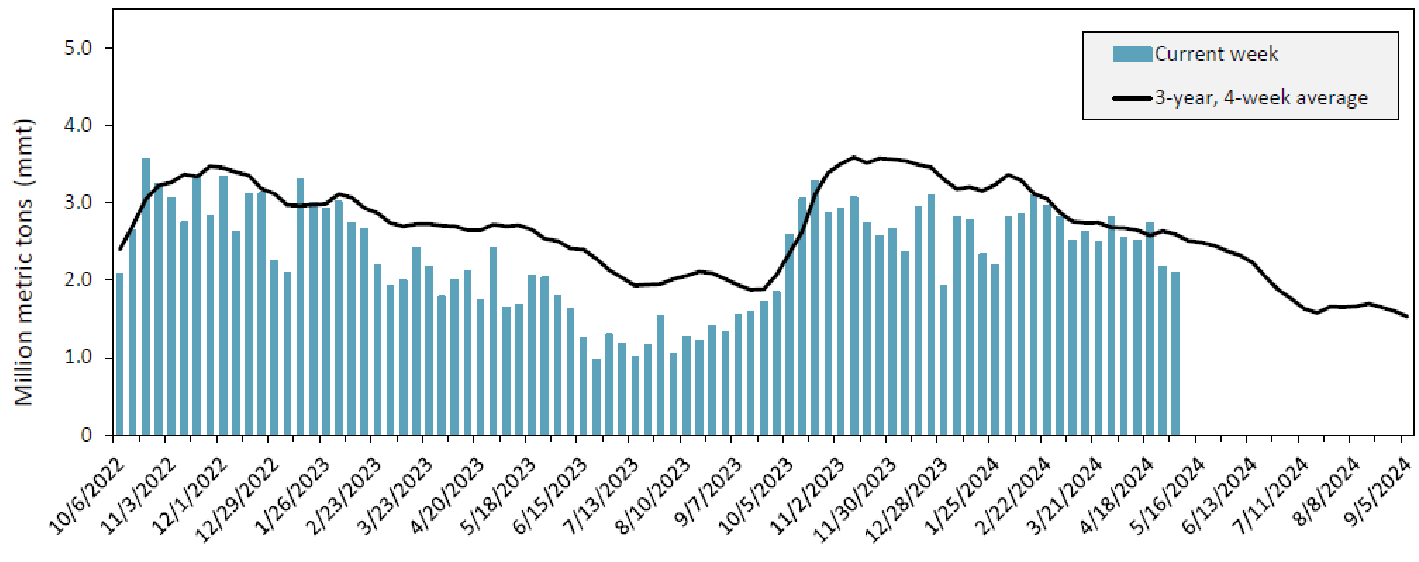
Cereal Grains

➢ Wheat Export Shipments and Sales

Net sales of 41,100 metric tons (MT) for 2023/2024 were down noticeably from the previous week, but up noticeably from the prior 4-week average. Increases primarily for South Korea (22,000 MT), Brazil (16,500 MT, including 15,000 MT switched from unknown destinations), the Philippines (8,600 MT), Mexico (5,400 MT, including decreases of 3,600 MT), and Canada (4,900 MT), were offset by reductions for unknown destinations (15,000 MT), China (2,700 MT), Honduras (500 MT), and Thailand (100 MT). Net sales of 406,000 MT for 2024/2025 primarily for Mexico (123,200 MT), Panama (121,900 MT), Japan (54,600 MT), unknown destinations (45,000 MT), and Honduras (21,200 MT), were offset by reductions for Vietnam (10,000 MT).

Exports of 337,500 MT were down 34 percent from the previous week and 39 percent from the prior 4-week average. The destinations were primarily to the Philippines (128,600 MT), Mexico (97,500 MT), China (52,300 MT), South Korea (22,000 MT), and Brazil (16,500 MT).

Figure 15. U.S. grain inspected for export (wheat, corn, and soybeans)

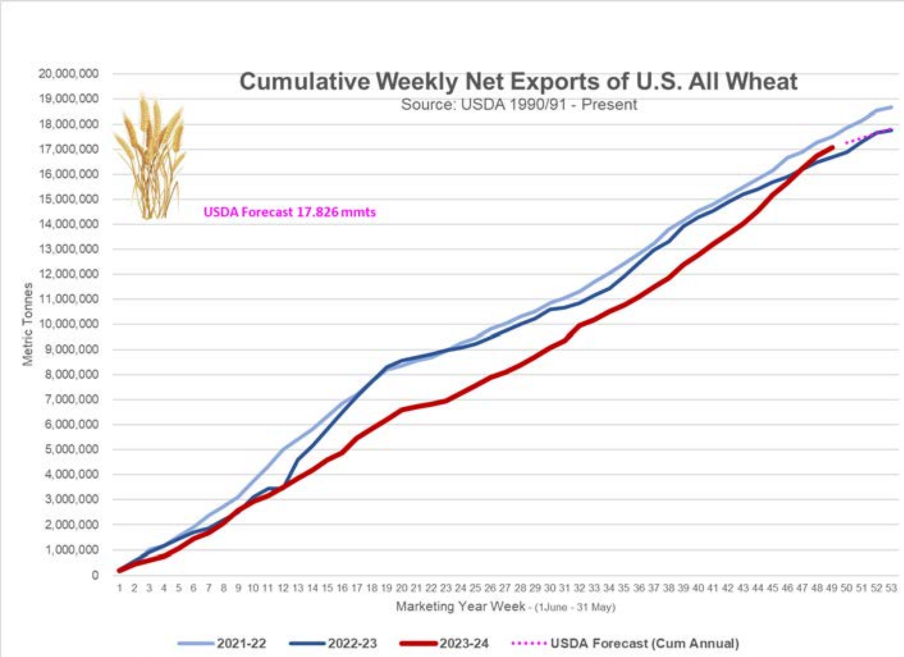


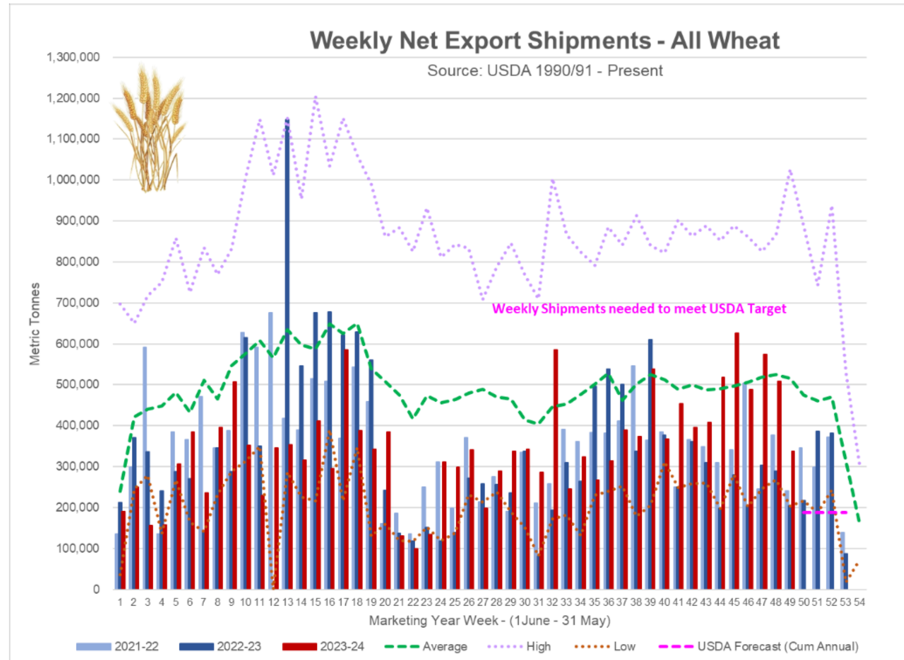
Notes: 3-year average consists of 4-week running average.
Source: USDA, Federal Grain Inspection Service.

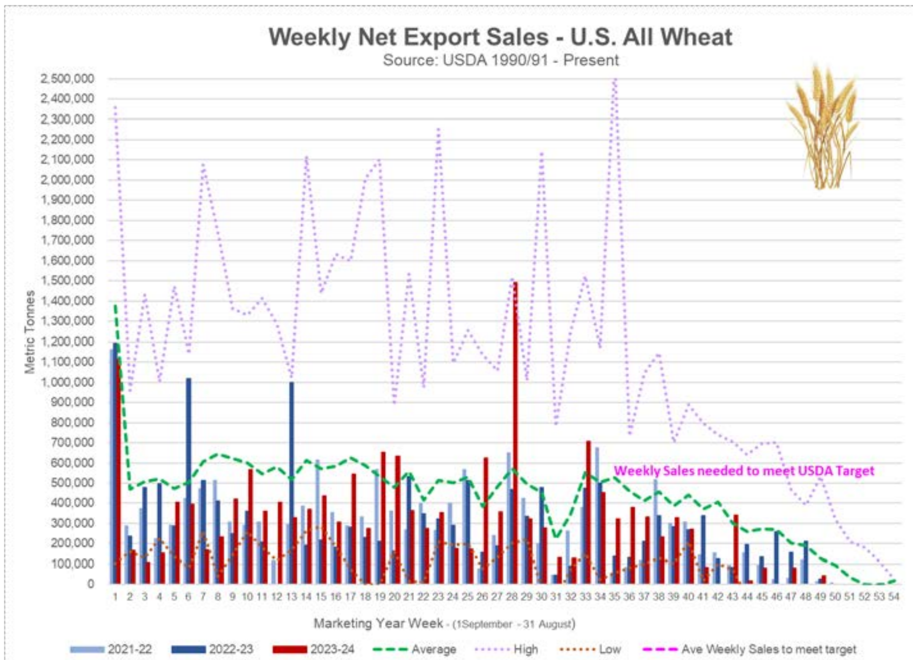
➢ Rice Export Shipments and Sales

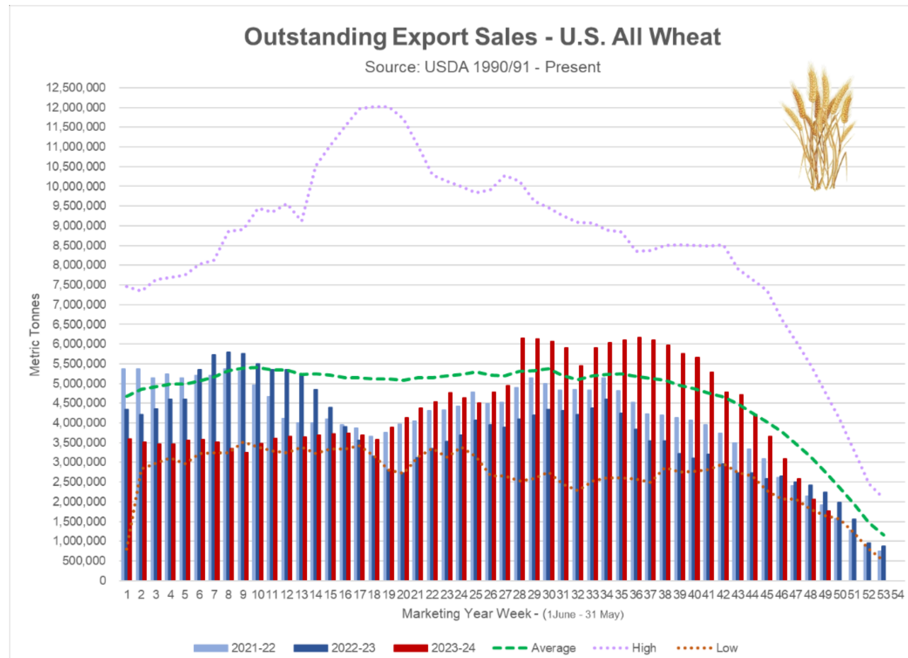
Net sales of 8,300 MT for 2023/2024 were down 86 percent from the previous week and 78 percent from the prior 4-week average. Increases primarily for Haiti (14,200 MT), Canada (1,000 MT), Taiwan (300 MT), Mexico (200 MT), and the Bahamas (100 MT), were offset by reductions for South Korea (7,800 MT) and Venezuela (100 MT). Total net sales of 7,800 MT for 2024/2025 were for South Korea.

Exports of 17,700 MT were down 79 percent from the previous week and 75 percent from the prior 4-week average. The destinations were primarily to Mexico (5,500 MT), Venezuela (5,400 MT), Canada (3,500 MT), Saudi Arabia (900 MT), and Japan (500 MT).


Cumulative Weekly Net Exports of U.S. All Wheat
Source: USDA 1990/91 - Present
USDA Forecast 17.826 mmts
Metric Tonnes
Marketing Year Week - (1June - 31 May)
2021-22
2022-23
2023-24
USDA Forecast (Cum Annual)


Weekly Net Export Shipments - All Wheat
Source: USDA 1990/91 - Present
Weekly Shipments needed to meet USDA Target
Metric Tonnes
Marketing Year Week - (1June - 31 May)
2021-22
2022-23
2023-24
Average
High
Low
USDA Forecast (Cum Annual)


Weekly Net Export Sales - U.S. All Wheat
Source: USDA 1990/91 - Present
Weekly Sales needed to meet USDA Target
Metric Tonnes
Marketing Year Week - (1September - 31 August)
2021-22
2022-23
2023-24
Average
High
Low
Ave Weekly Sales to meet target


Outstanding Export Sales - U.S. All Wheat
Source: USDA 1990/91 - Present
Metric Tonnes
Marketing Year Week - (1June - 31 May)
2021-22
2022-23
2023-24
Average
High
Low

Coarse Grains

➢ Corn Export Shipments and Sales

Net sales of 889,200 MT for 2023/2024 were up 17 percent from the previous week and 23 percent from the prior 4-week average. Increases primarily for Mexico (193,400 MT, including decreases of 11,900 MT), Japan (118,200 MT, including 159,300 MT switched from unknown destinations and decreases of 3,300 MT), South Korea (113,600 MT), Colombia (103,700 MT, including 50,000 MT switched from unknown destinations and decreases of 22,400 MT), and Taiwan (70,300 MT), were offset by reductions for unknown destinations (24,500 MT) and Malaysia (500 MT). Net sales of 49,100 MT for 2024/2025 were reported for Mexico (42,200 MT), El Salvador (3,900 MT), and Honduras (3,000 MT).

Table 13. Top 5 importers of U.S. corn

For the week ending 4/25/2024	Total commitments (1,000 mt)		% change current MY from last MY	Exports 3-year average 2020-22 (1,000 mt)
	YTD MY 2023/24	YTD MY 2022/23		
Mexico	19,328	13,891	39	15,227
China	2,126	8,034	-74	12,616
Japan	8,420	5,465	54	10,273
Colombia	4,816	1,927	150	4,398
Korea	2,052	711	188	2,563
Top 5 importers	**36,743**	**30,029**	**22**	**45,077**
Total U.S. corn export sales	**46,736**	**38,136**	**23**	**56,665**
% of YTD current month’s export projection	88%	90%	-	-
Change from prior week	758	-316	-	-
Top 5 importers’ share of U.S. corn export sales	**79%**	**79%**	**-**	**80%**
USDA forecast April 2024	**53,343**	**42,192**	**26**	**-**
Corn use for ethanol USDA forecast, April 2024	**137,160**	**131,471**	**4**	**-**

Note: The top 5 importers are based on USDA, Foreign Agricultural Service (FAS) marketing year ranking reports for marketing year (MY) 2022/23 (Sep. 1 – Aug. 31). “Total commitments” = cumulative exports (shipped) + outstanding sales (unshipped), from FAS weekly export sales report, or export sales query. Total commitments’ change (net sales) from prior week could include revisions from previous week's outstanding sales or accumulated sales. In rightmost column, “Exports” = carryover plus accumulated exports (as defined in FAS marketing year ranking reports). mt = metric ton; yr. = year; avg. = average; YTD = year to date; "-" = not applicable.
Source: USDA, Foreign Agricultural Service.

Exports of 1,231,200 MT were down 11 percent from the previous week and 21 percent from the prior 4-week average. The destinations were primarily to Mexico (415,600 MT), Japan (336,900 MT), Saudi Arabia (118,500 MT), Colombia (114,900 MT), and China (82,000 MT).

Export Adjustments: Accumulated exports of corn to El Salvador were adjusted down 1,525 MT for week ending April 18th. This shipment was reported in error.

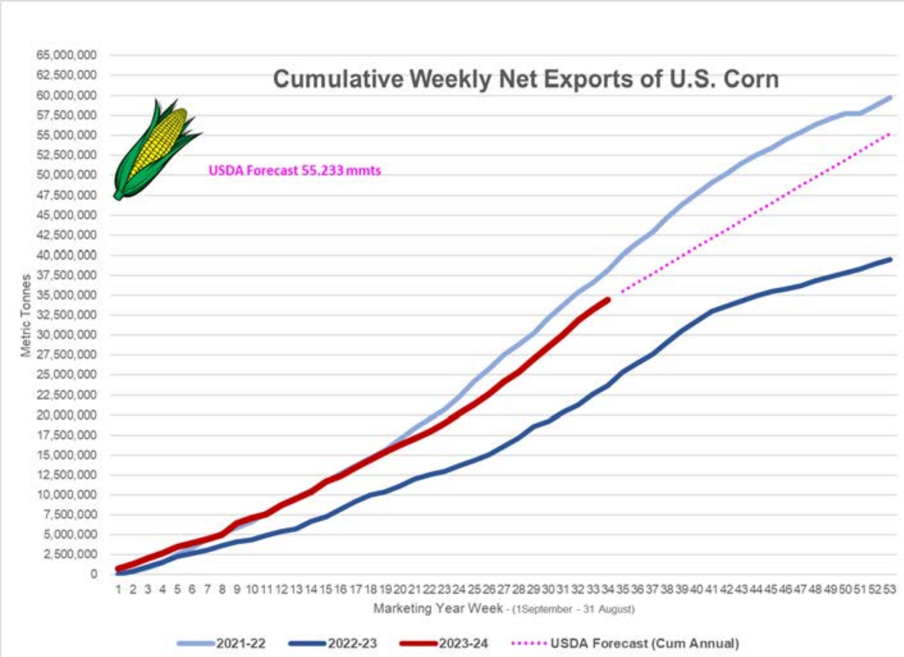
➢ Grain Sorghum Export Shipments and Sales

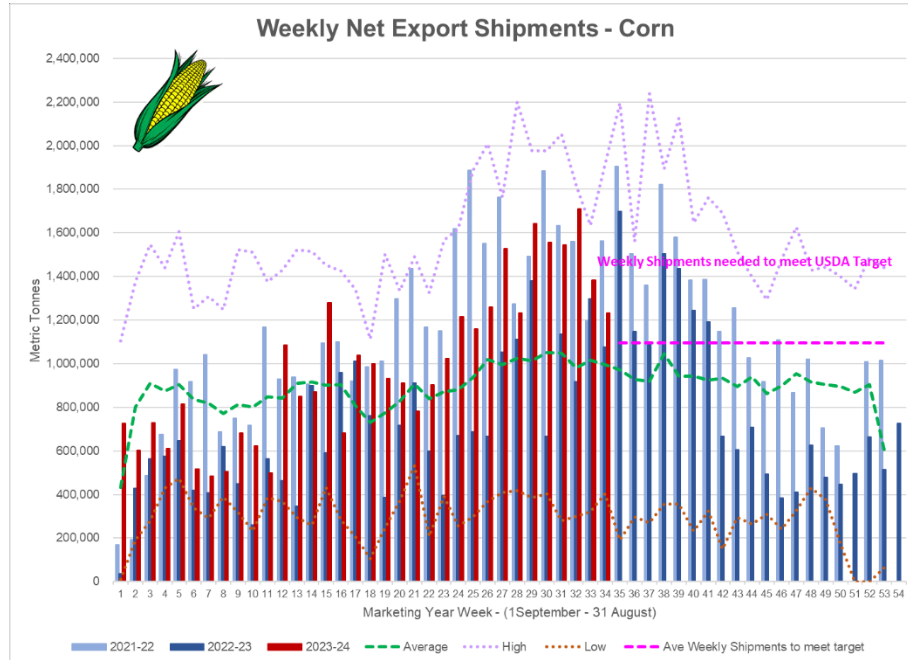
Net sales of 61,500 MT for 2023/2024 were up noticeably from the previous week and from the prior 4-week average. Increases reported for China (126,500 MT, including 65,000 MT switched from unknown destinations), were offset by reductions for unknown destinations (65,000 MT).

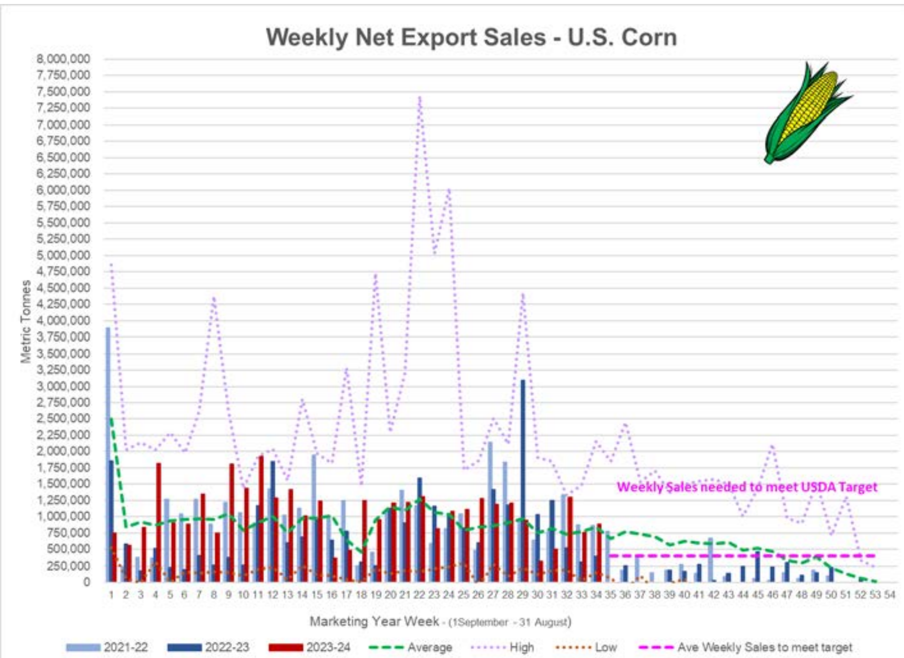
Exports of 138,900 MT were up 84 percent from the previous week and 26 percent from the prior 4-week average. The destination was China (138,800 MT).

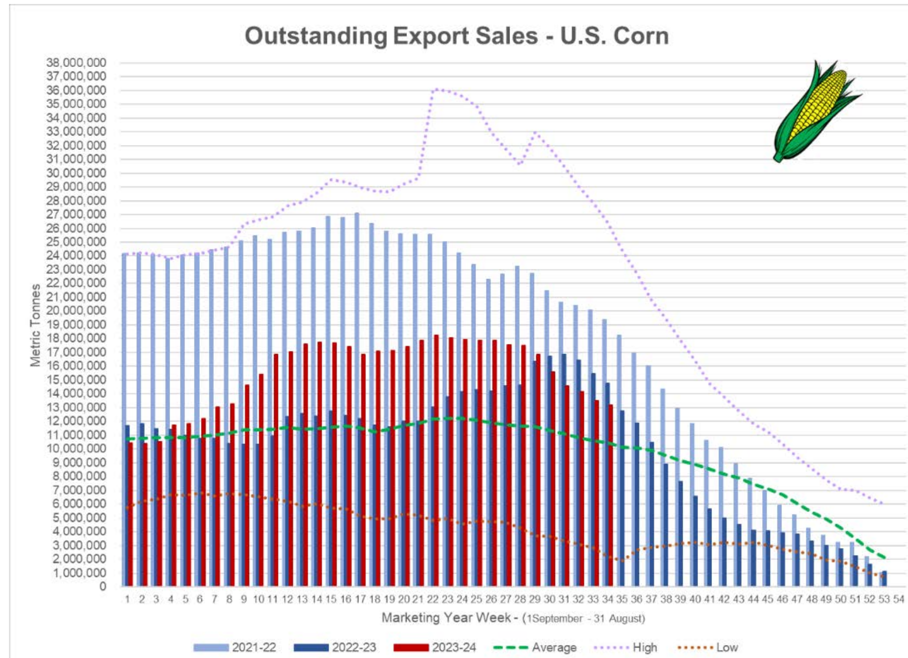
➢ Barley Export Shipments and Sales

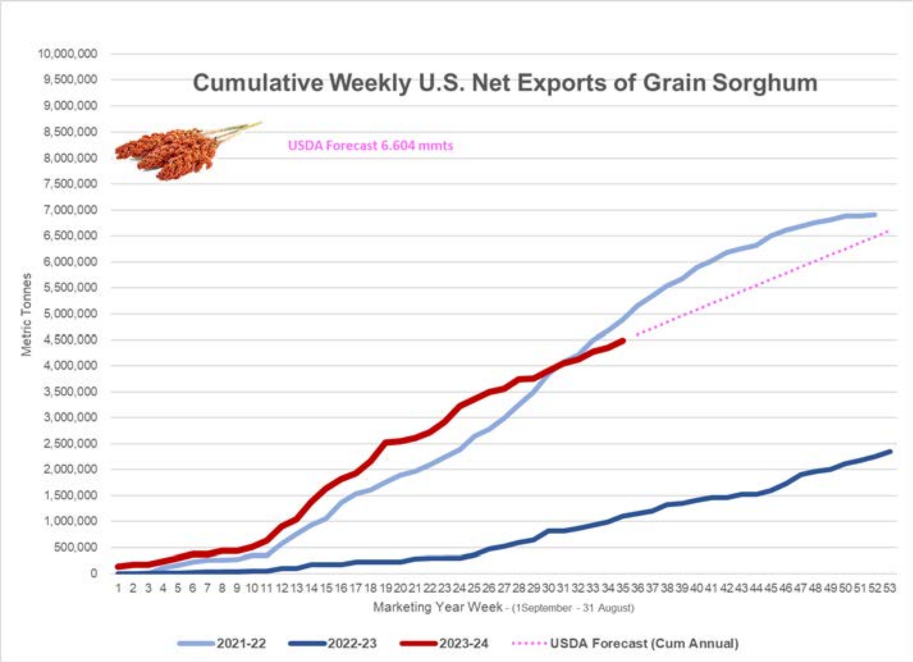
No net sales or exports were reported for the week.

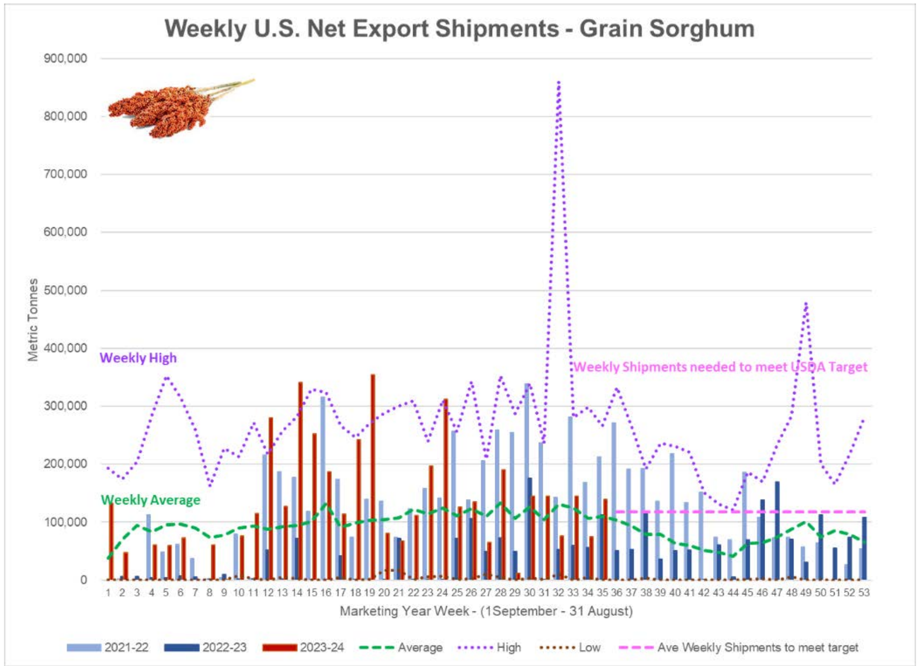

Cumulative Weekly Net Exports of U.S. Corn
USDA Forecast 55.233 mmts
Metric Tonnes
Marketing Year Week - (1September - 31 August)
2021-22
2022-23
2023-24
USDA Forecast (Cum Annual)

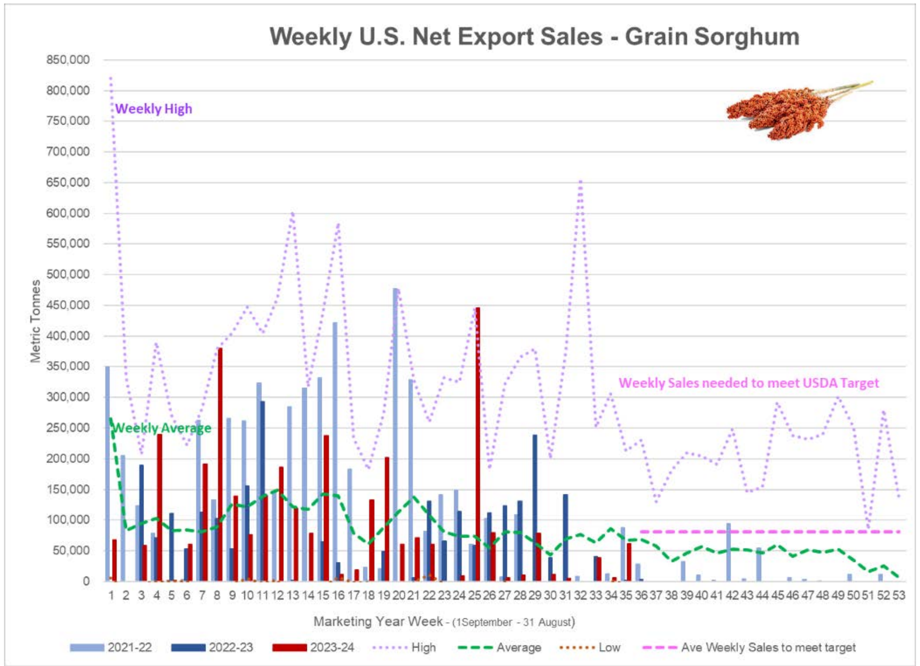

Weekly Net Export Shipments - Corn
Weekly Shipments needed to meet USDA Target
Metric Tonnes
Marketing Year Week - (1September - 31 August)
2021-22
2022-23
2023-24
Average
High
Low
Ave Weekly Shipments to meet target

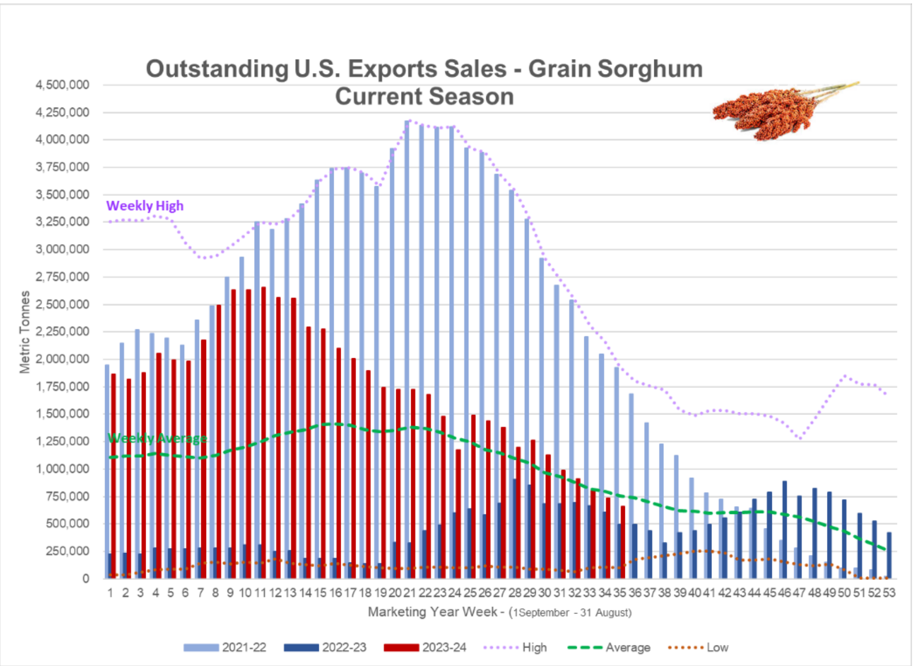

Weekly Net Export Sales - U.S. Corn
Weekly Sales needed to meet USDA Target
Metric Tonnes
Marketing Year Week - (1September - 31 August)
2021-22
2022-23
2023-24
Average
High
Low
Ave Weekly Sales to meet target

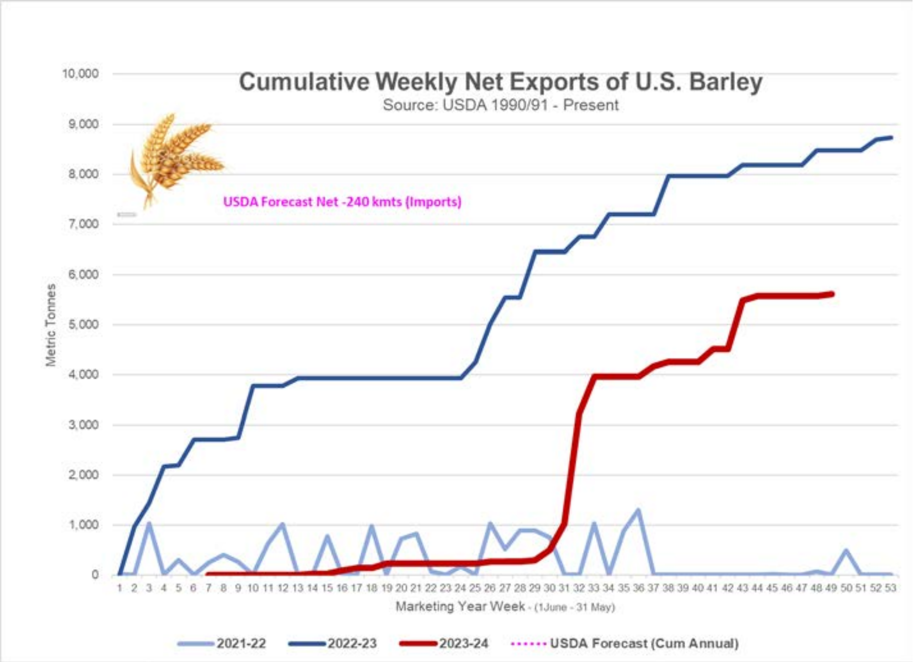

Outstanding Export Sales - U.S. Corn
Metric Tonnes
Marketing Year Week - (1September - 31 August)
2021-22
2022-23
2023-24
Average
High
Low

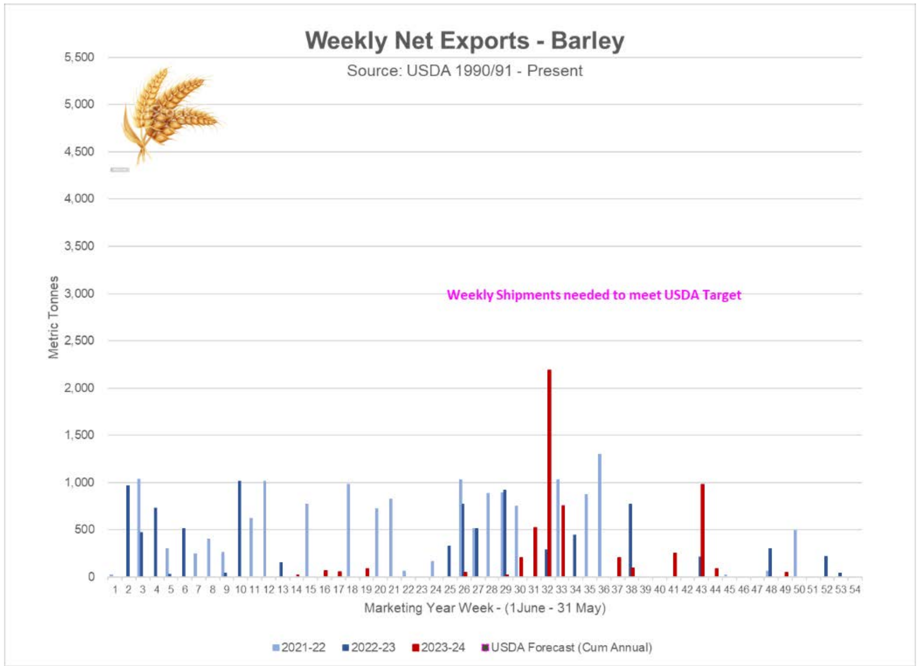

Cumulative Weekly U.S. Net Exports of Grain Sorghum
USDA Forecast 6.604 mmts
Metric Tonnes
Marketing Year Week - (1September - 31 August)
2021-22
2022-23
2023-24
USDA Forecast (Cum Annual)

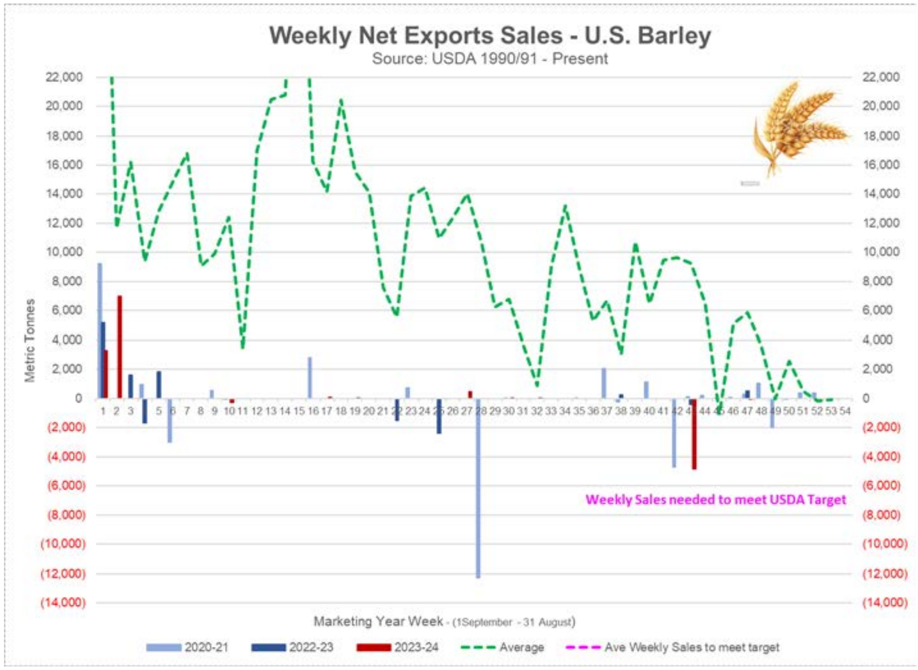

Weekly U.S. Net Export Shipments - Grain Sorghum
Weekly High
Weekly Average
Weekly Shipments needed to meet USDA Target
Metric Tonnes
Marketing Year Week - (1September - 31 August)
2021-22
2022-23
2023-24
Average
High
Low
Ave Weekly Shipments to meet target

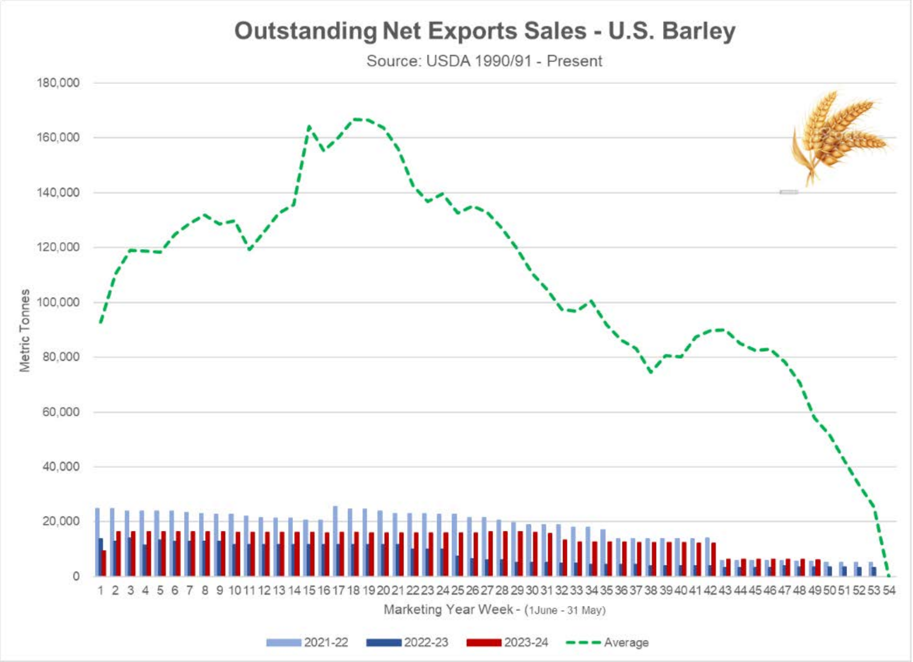

Weekly U.S. Net Export Sales - Grain Sorghum
Weekly High
Weekly Average
Weekly Sales needed to meet USDA Target
Metric Tonnes
Marketing Year Week - (1September - 31 August)
2021-22
2022-23
2023-24
High
Average
Low
Ave Weekly Sales to meet target


Outstanding U.S. Exports Sales - Grain Sorghum
Current Season
Weekly High
Weekly Average
Metric Tonnes
Marketing Year Week - (1September - 31 August)
2021-22
2022-23
2023-24
High
Average
Low


Cumulative Weekly Net Exports of U.S. Barley
Source: USDA 1990/91 - Present
USDA Forecast Net -240 kmts (Imports)
Metric Tonnes
Marketing Year Week - (1June - 31 May)
2021-22
2022-23
2023-24
USDA Forecast (Cum Annual)


Weekly Net Exports - Barley
Source: USDA 1990/91 - Present
Weekly Shipments needed to meet USDA Target
Metric Tonnes
Marketing Year Week - (1June - 31 May)
2021-22
2022-23
2023-24
USDA Forecast (Cum Annual)


Weekly Net Exports Sales - U.S. Barley
Source: USDA 1990/91 - Present
Weekly Sales needed to meet USDA Target
Metric Tonnes
Marketing Year Week - (1September - 31 August)
2020-21
2022-23
2023-24
Average
Ave Weekly Sales to meet target


Outstanding Net Exports Sales - U.S. Barley
Source: USDA 1990/91 - Present
Metric Tonnes
Marketing Year Week - (1June - 31 May)
2021-22
2022-23
2023-24
Average

Oilseed Complex

➢ Soybeans, Oil & Meal Export Shipment & Sales

Soybeans:

Net sales of 428,900 MT for 2023/2024 were up 4 percent from the previous week and 21 percent from the prior 4-week average. Increases were primarily for unknown destinations (168,800 MT), Egypt (70,800 MT, including 30,000 MT switched from unknown destinations and decreases of 8,200 MT), Turkey (60,000 MT), Algeria (45,000 MT), and China (18,000 MT). Net sales of 4,600 MT for 2024/2025 were reported for Japan (2,600 MT) and Taiwan (2,000 MT).

Exports of 304,500 MT were up 13 percent from the previous week, but down 27 percent from the prior 4-week average. The destinations were primarily to China (91,500 MT), Egypt (84,800 MT), Mexico (50,200 MT), Indonesia (23,400 MT), and Japan (14,800 MT).

Table 14. Top 5 importers of U.S. soybeans

For the week ending 4/18/2024	Total commitments (1,000 mt)		% change current MY from last MY	Exports 3-year average 2020-22 (1,000 mt)
	YTD MY 2023/24	YTD MY 2022/23		
China	23,823	31,045	-23	32,321
Mexico	4,498	4,311	4	4,912
Egypt	717	1,102	-35	2,670
Japan	1,787	1,960	-9	2,259
Indonesia	1,577	1,277	24	1,973
Top 5 importers	**32,402**	**39,695**	**-18**	**44,133**
Total U.S. soybean export sales	**41,494**	**50,414**	**-18**	**56,656**
% of YTD current month's export projection	90%	93%	-	-
Change from prior week	211	311	-	-
Top 5 importers' share of U.S. soybean export sales	**78%**	**79%**	**-**	**78%**
USDA forecast, April 2024	**46,266**	**54,213**	**-15**	**-**

Note: The top 5 importers are based on USDA, Foreign Agricultural Service (FAS) marketing year ranking reports for marketing year (MY) 2022/23 (Sep. 1 – Aug. 31). "Total commitments" = cumulative exports (shipped) + outstanding sales (unshipped), from FAS weekly export sales report, or export sales query. Total commitments' change (net sales) from prior week could include revisions from previous week's outstanding sales or accumulated sales. In rightmost column, "Exports" = carryover plus accumulated export (as defined in FAS marketing year ranking reports). mt = metric ton; yr. = year; avg. = average; YTD = year to date; "-" = not applicable.
Source: USDA, Foreign Agricultural Service.

Exports for Own Account: For 2023/2024, the current exports for own account outstanding balance of 3,300 MT are for Canada (1,400 MT), Taiwan (900 MT), Bangladesh (500 MT), and Malaysia (500 MT).

Soybean Oil:

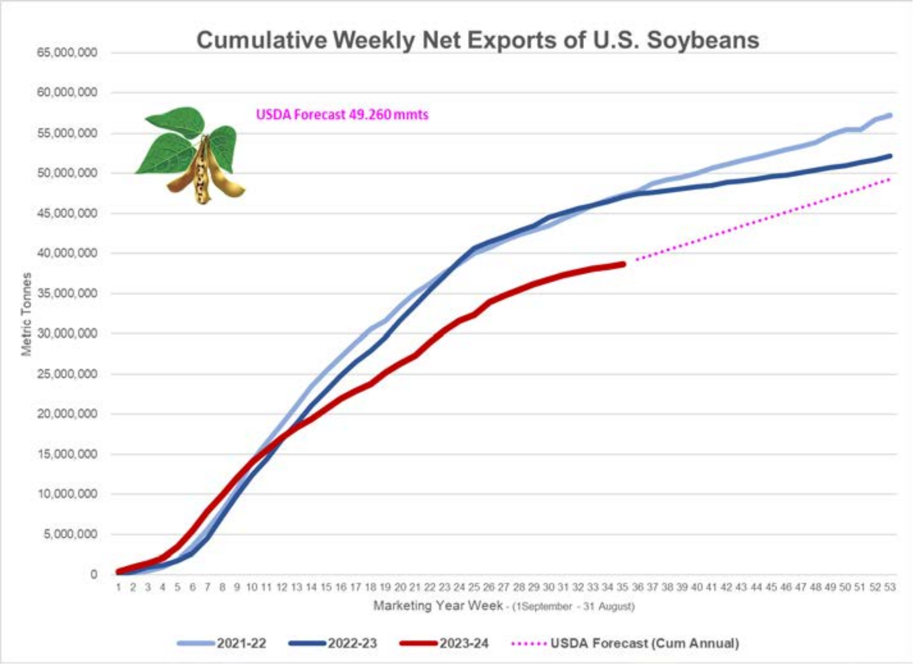
Net sales of 11,600 MT for 2023/2024 were up 61 percent from the previous week and 66 percent from the prior 4-week average. Increases were reported for Jamaica (7,000 MT), Canada (3,800 MT), and Mexico (800 MT). Total net sales of 4,600 MT for 2024/2025 were for Canada.

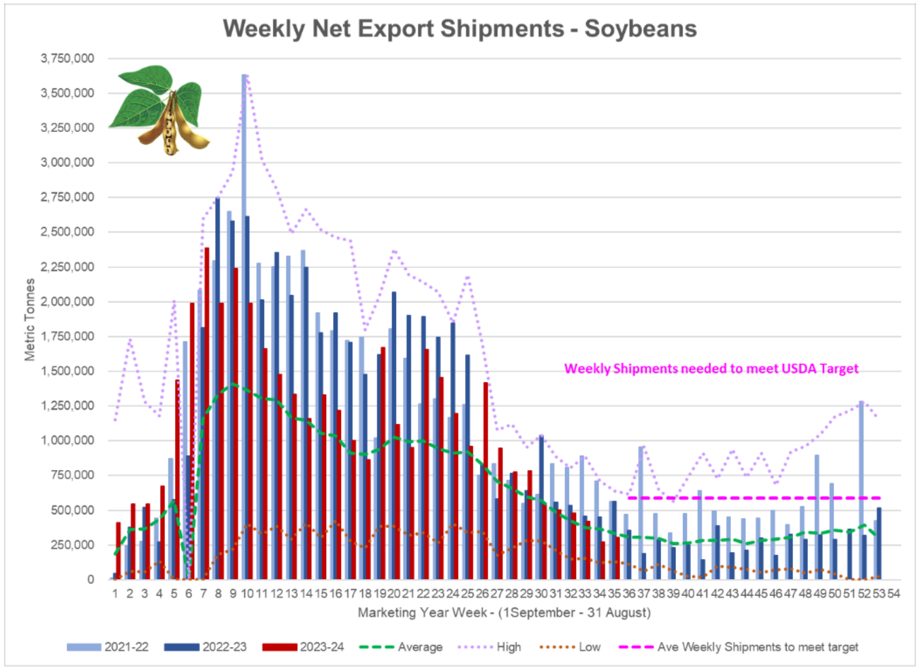
Exports of 1,900 MT were down 18 percent from the previous week and 8 percent from the prior 4-week average. The destinations were to Mexico (1,300 MT) and Canada (600 MT).

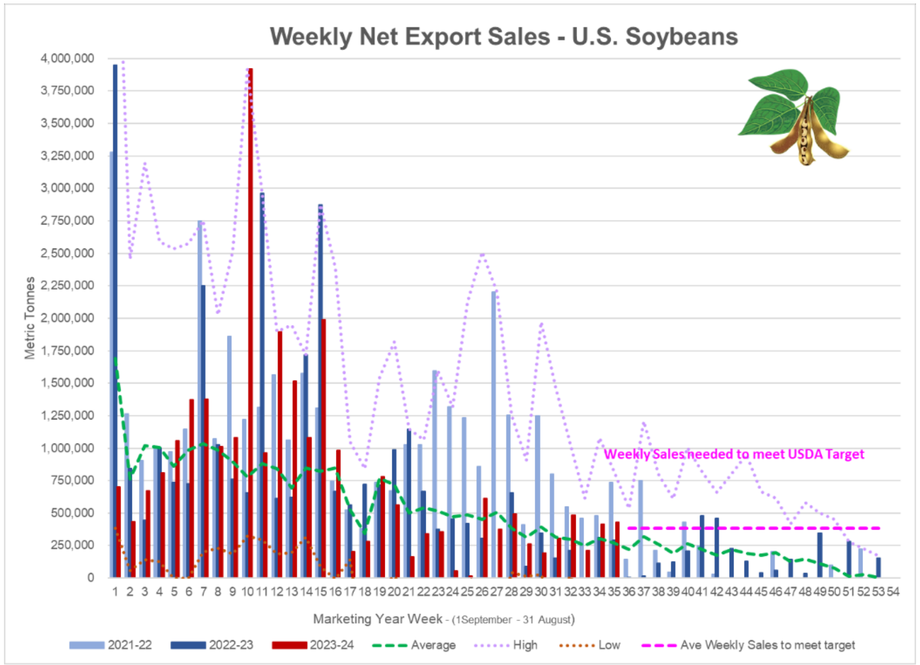
Soybean Cake and Meal:

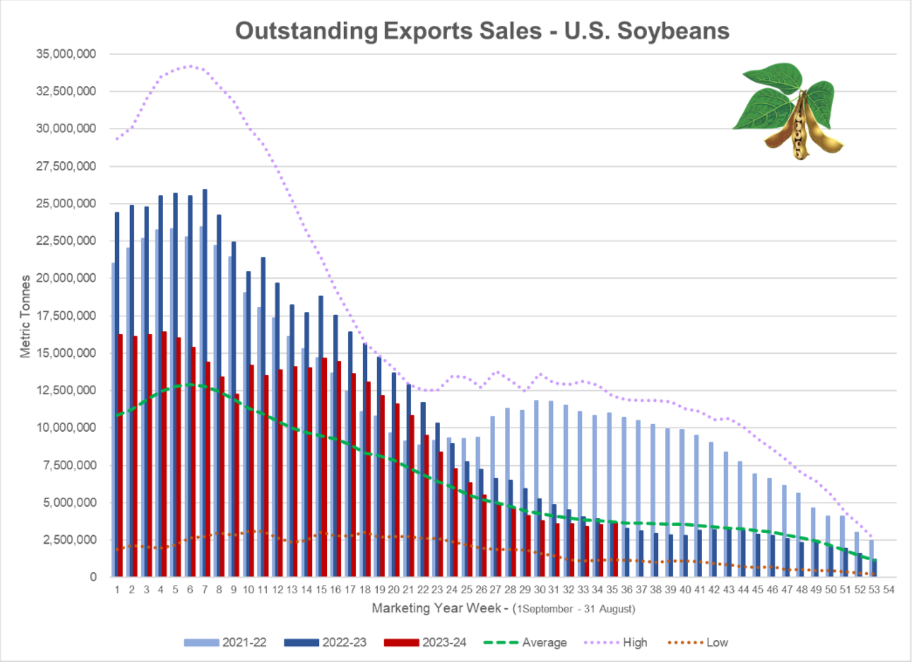
Net sales of 209,300 MT for 2023/2024 were up 60 percent from the previous week and 11 percent from the prior 4-week average. Increases primarily for Saudi Arabia (30,000 MT), Algeria (30,000 MT), unknown destinations (19,600 MT), Mexico (18,200 MT, including decreases of 5,700 MT), and the Philippines (17,000 MT), were offset by reductions primarily for Guatemala (6,100 MT), Trinidad and Tobago (2,000 MT), Burma (500 MT), Nepal (400 MT), and Indonesia (300 MT). Net sales of 19,200 MT for 2024/2025 were reported for Canada (16,800 MT) and the Philippines (2,400 MT).

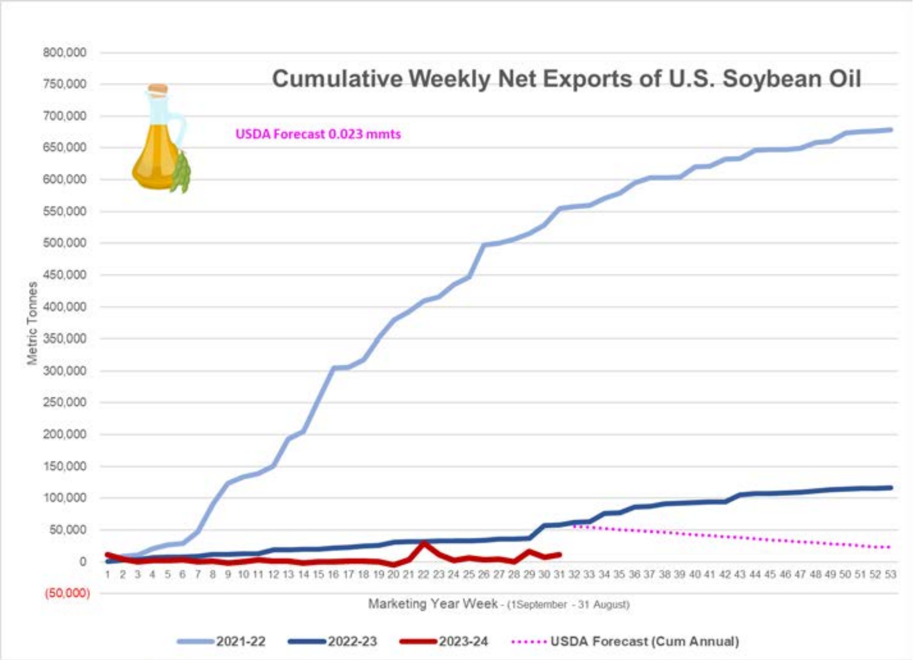
Exports of 235,000 MT were down 21 percent from the previous week and 16 percent from the prior 4-week average. The destinations were primarily to the Philippines (99,000 MT), Venezuela (39,200 MT), Colombia (19,800 MT), Canada (19,700 MT), and Mexico (18,500 MT).

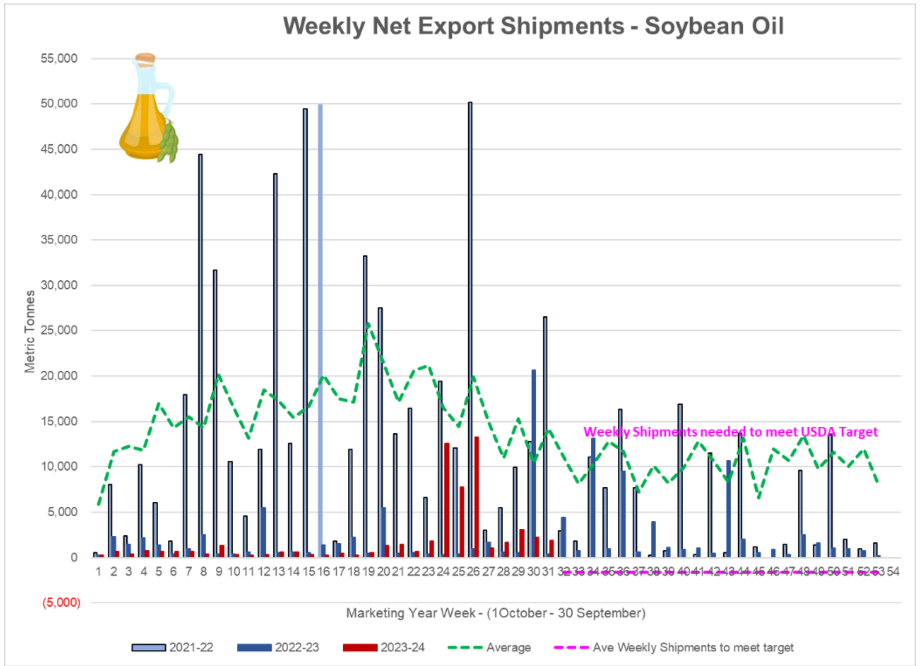

Cumulative Weekly Net Exports of U.S. Soybeans
USDA Forecast 49.260 mmts
Metric Tonnes
Marketing Year Week - (1September - 31 August)
2021-22
2022-23
2023-24
USDA Forecast (Cum Annual)

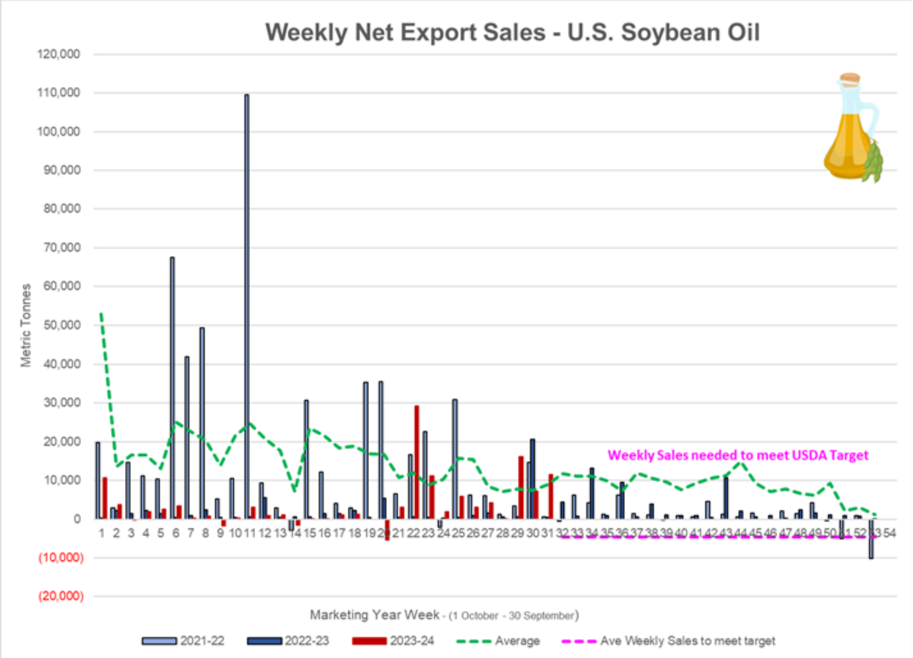

Weekly Net Export Shipments - Soybeans
Weekly Shipments needed to meet USDA Target
Metric Tonnes
Marketing Year Week - (1September - 31 August)
2021-22
2022-23
2023-24
Average
High
Low
Ave Weekly Shipments to meet target

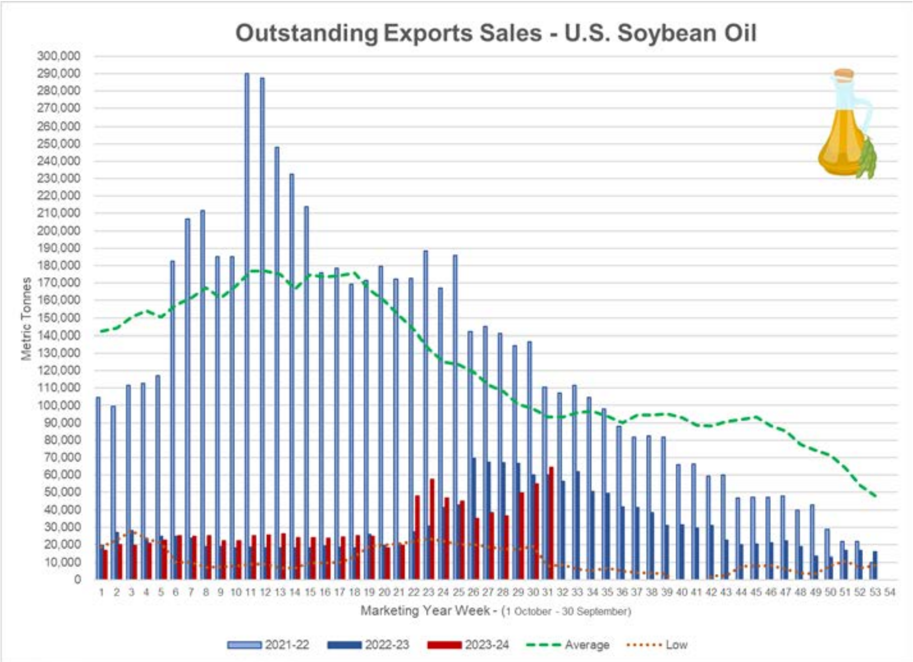

Weekly Net Export Sales - U.S. Soybeans
Weekly Sales needed to meet USDA Target
Metric Tonnes
Marketing Year Week - (1September - 31 August)
2021-22
2022-23
2023-24
Average
High
Low
Ave Weekly Sales to meet target

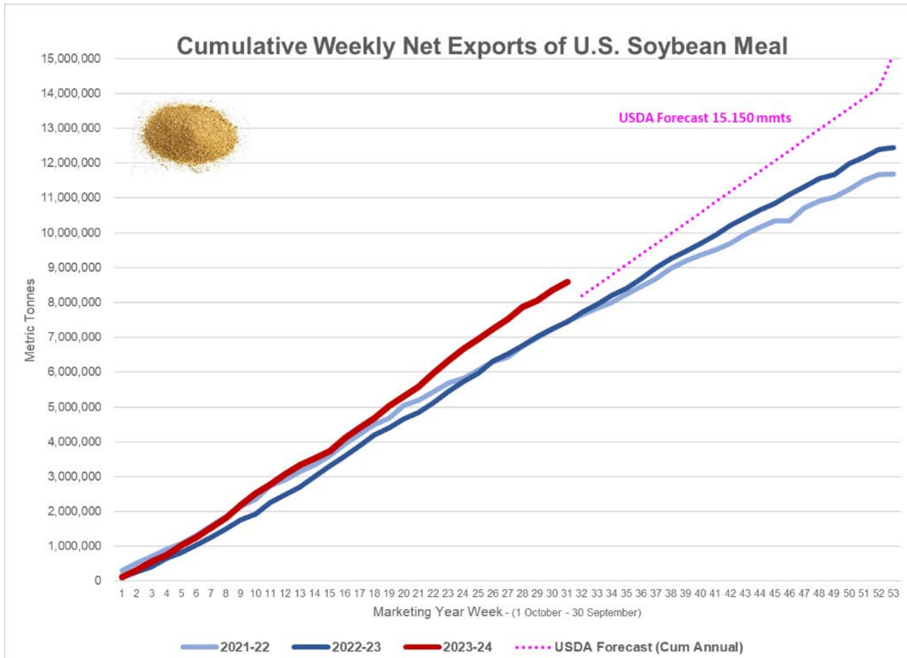

Outstanding Exports Sales - U.S. Soybeans
Metric Tonnes
Marketing Year Week - (1September - 31 August)
2021-22
2022-23
2023-24
Average
High
Low

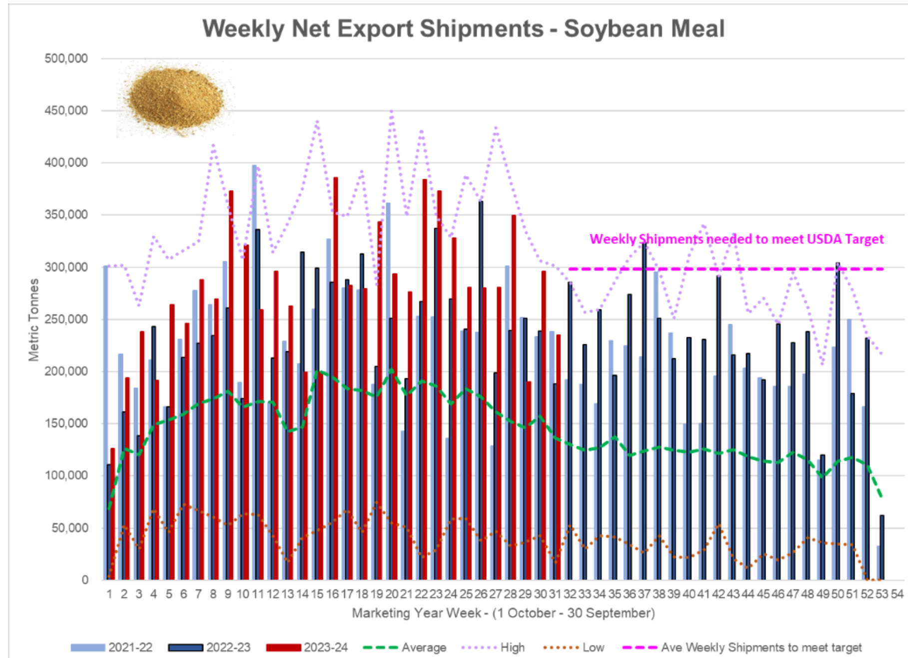

Cumulative Weekly Net Exports of U.S. Soybean Oil
USDA Forecast 0.023 mmts
Metric Tonnes
Marketing Year Week - (1September - 31 August)
2021-22
2022-23
2023-24
USDA Forecast (Cum Annual)

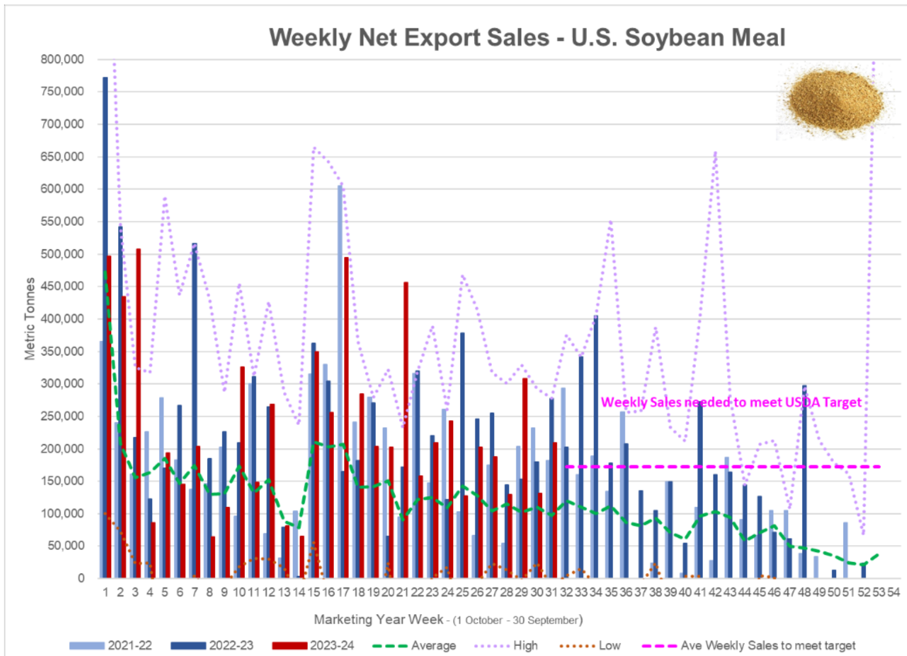

Weekly Net Export Shipments - Soybean Oil
Weekly Shipments needed to meet USDA Target
Metric Tonnes
Marketing Year Week - (1October - 30 September)
2021-22
2022-23
2023-24
Average
Ave Weekly Shipments to meet target

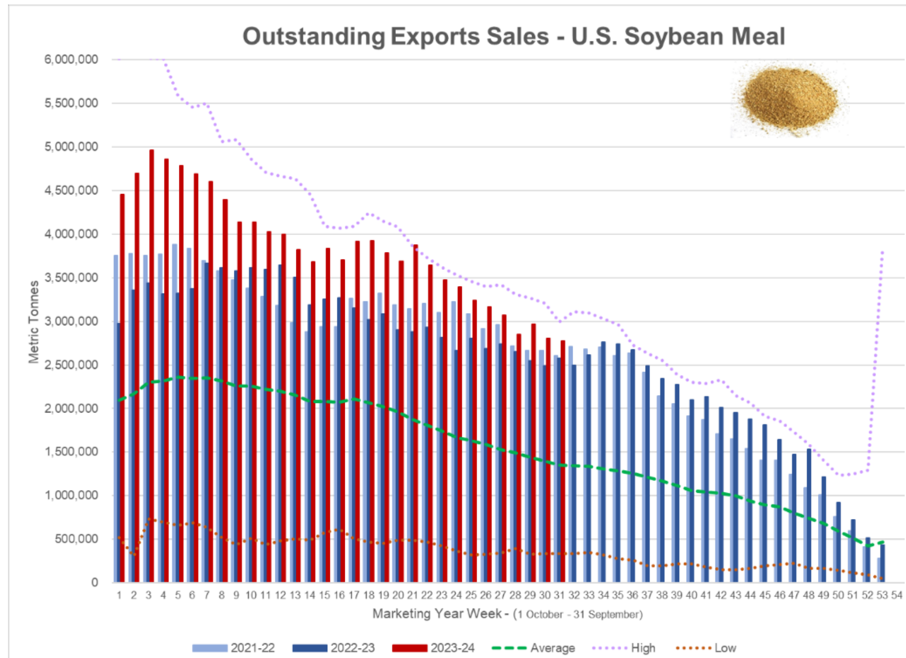

Weekly Net Export Sales - U.S. Soybean Oil
Weekly Sales needed to meet USDA Target
Metric Tonnes
Marketing Year Week - (1 October - 30 September)
2021-22
2022-23
2023-24
Average
Ave Weekly Sales to meet target


Outstanding Exports Sales - U.S. Soybean Oil
Metric Tonnes
Marketing Year Week - (1 October - 30 September)
2021-22
2022-23
2023-24
Average
Low


Cumulative Weekly Net Exports of U.S. Soybean Meal
USDA Forecast 15.150 mmts
Metric Tonnes
Marketing Year Week - (1 October - 30 September)
2021-22
2022-23
2023-24
USDA Forecast (Cum Annual)


Weekly Net Export Shipments - Soybean Meal
Weekly Shipments needed to meet USDA Target
Metric Tonnes
Marketing Year Week - (1 October - 30 September)
2021-22
2022-23
2023-24
Average
High
Low
Ave Weekly Shipments to meet target


Weekly Net Export Sales - U.S. Soybean Meal
Weekly Sales needed to meet USDA Target
Metric Tonnes
Marketing Year Week - (1 October - 30 September)
2021-22
2022-23
2023-24
Average
High
Low
Ave Weekly Sales to meet target


Outstanding Exports Sales - U.S. Soybean Meal
Metric Tonnes
Marketing Year Week - (1 October - 31 September)
2021-22
2022-23
2023-24
Average
High
Low

Cotton

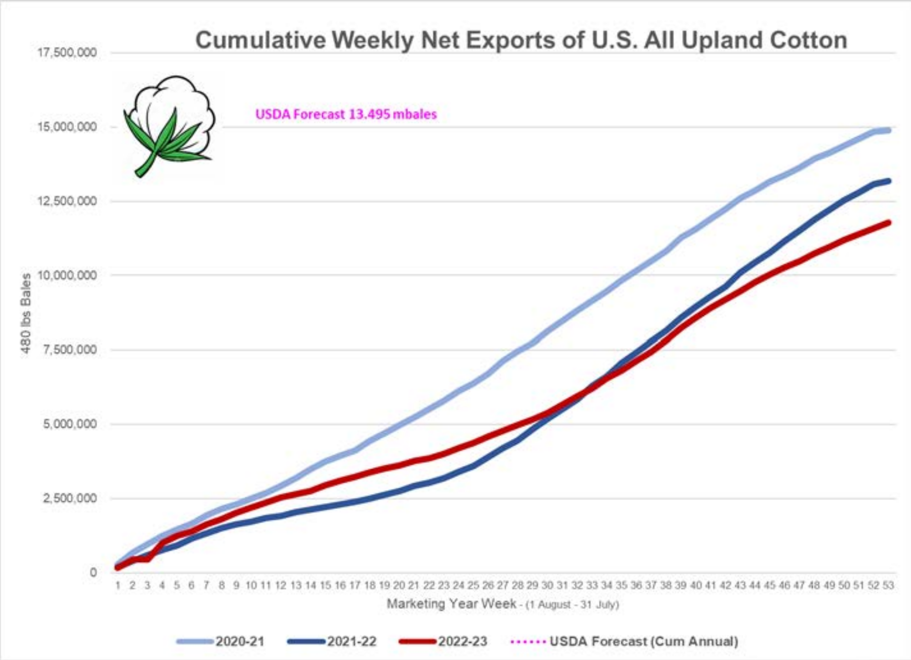
- ### Cotton Export Shipments & Sales

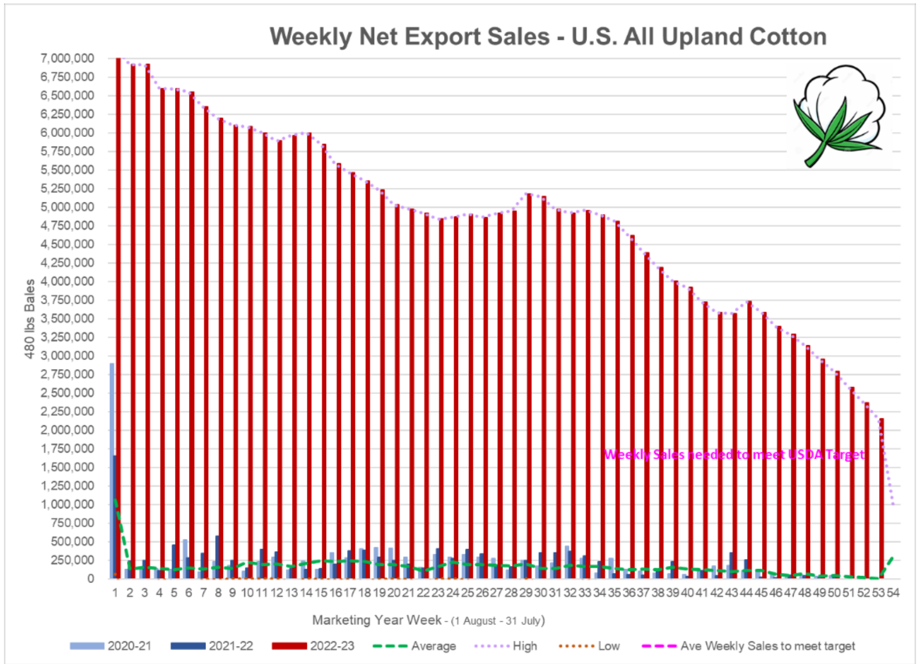
Net sales of Upland totaling 253,700 RB for 2023/2024 were up noticeably from the previous week and from the prior 4-week average. Increases primarily for China (119,000 RB, including decreases of 2,000 RB), Pakistan (36,300 RB), Vietnam (27,500 RB, including 1,800 RB switched from South Korea), Turkey (21,500 RB, including decreases of 400 RB), and Indonesia (19,600 RB, including 100 RB switched from Japan and decreases of 2,100 RB), were offset by reductions for South Korea (500 RB). Net sales of 158,900 RB for 2024/2025 were primarily for Honduras (44,600 RB), South Korea (31,700 RB), Mexico (28,500 RB), Pakistan (22,000 RB), and Bangladesh (9,900 RB). Exports of 249,600 RB were up 39 percent from the previous week and 2 percent from the prior 4-week average. The destinations were primarily to China (102,300 RB), Turkey (50,900 RB), Pakistan (20,400 RB), Bangladesh (18,100 RB), and Vietnam (13,300 RB). Net sales of Pima totaling 5,600 RB for 2023/2024 were up 22 percent from the previous week, but down 19 percent from the prior 4-week average. Increases primarily for India (2,100 RB), Peru (1,700 RB), China (900 RB), Thailand (400 RB), and Vietnam (400 RB), were offset by reductions for Guatemala (100 RB).

Exports of 8,200 RB were up 80 percent from the previous week, but down 10 percent from the prior 4-week average. The destinations were primarily to China (4,000 RB), India (1,800 RB), Vietnam (1,300 RB), Turkey (500 RB), and Pakistan (300 RB).

Optional Origin Sales: For 2023/2024, the current outstanding balance of 4,400 RB, all Bangladesh. For 2024/2025, the current outstanding balance of 8,800 RB, all Pakistan.

Exports for Own Account: For 2023/2024, new exports for own account totaling 4,100 RB were to China. Exports for own account totaling 700 RB to China were applied to new or outstanding sales. The current exports for own account outstanding balance of 86,200 RB are for China (61,500 RB), Vietnam (14,700 RB), Pakistan (5,100 RB), South Korea (3,700 RB), and Turkey (1,200 RB).





LOGISTICS

Sino-Russian Land Grain Corridor and China's Quest for Food Security

8 May 2024 by Asia Society – The Asia Society Policy Institute has published a paper entitled "The Sino-Russian Land Grain Corridor and China's Quest for Food Security," authored by ***Genevieve Donnellon-May****, ASPI Research Associate, and* ***Zhang Hongzhou,*** *Assistant Professor at the S. Rajaratnam School of International Studies at Nanyang Technological University.*

Read the full report here: https://asiasociety.org/policy-institute/sino-russian-land-grain-corridor-and-chinas-quest-food-security

The paper unpacks the implications and challenges associated with the creation of the New Land Grain Corridor (NLGC), the world's first specialized railway grain terminal connecting China and Eurasian Economic Union countries: Russia, Belarus, Kazakhstan, Kyrgyzstan, and Armenia.

Donnellon-May and Zhang note that, "for Russia, amidst Western sanctions, the grain corridor ensures the continued export of agricultural products to not only China but potentially to other Asian markets while also facilitating more agricultural investment in the country's Far East."

An agreement to jointly develop infrastructure for the NLGC was signed between the Russian New Land Grain Corridor Group of Companies and Chinese state-owned China Chengtong International Investment in June of 2022. To maximize the loading capacity of railway vehicles between China and Russia, construction of the Grain Terminal Zabaikalsk (GTZ), a railway transshipment facility and onshore grain terminal at Russia's border with Inner Mongolia, was completed in September of 2022. With this improved transport and border infrastructure, Russia and China signed a massive grain supply contract in October of 2023.

"Under the agreement, Russia's EPT grain export company is expected to supply 70 million tons of Russian grain, legumes, and oilseeds to China's Chengtong over the next twelve years," write Donnellon-May and Zhang.

According to the report, for China, "the NLGC can contribute to the country's food security in two main ways: by supporting its food import diversification strategy and avoiding potential food chokepoints." Growing strategic competition between the U.S. and China has heightened Beijing's concern that their food supply could be impacted by U.S. embargos, so diversifying supply routes is of high priority. Furthermore, "extreme weather events, including droughts and floods, and the loss of arable land" have compromised domestic wheat production and lead to deficits in recent years.

The NLGC has already strengthened agricultural trade between the two countries: "In 2022, China became the biggest importer of Russia's agricultural products when the volume reached $7 billion, an increase of 44% compared to 2021," states the report.

However, the volume of Russian grain exports to China remains proportionally small when compared with China's total grain imports, and there are "significant gaps in understanding between China and Russia over agricultural cooperation." Russia's import and export tariff policies, market protection measures, infrastructure limitations, inefficient customs processes, and quarantine inspections will continue to limit the exportation of Russian grain to China.

"Amid the Russo-Ukranian War, the NLGC is another demonstration of Sino-Russian strategic alignments and their 'no-limits' friendship", write Donnellon-May and Zhang.

Panama, Suez Canal issues to impact costs for consumers, farmers

1 May 2024 by George Jared - During the 1800s, there were many failed attempts to build a canal across points in Central America. To trade goods from the Atlantic to Pacific, seafarers had to take a treacherous path around the tip of South America, traveling close to the rough seas near Antarctica.

Disease, political strife, a lack of funds and other factors thwarted numerous attempts by multiple countries to build a canal that would be far safer and cut in half the travel routes between the two oceans. The builder of the Suez Canal tried for nine years to build one, but gave up after a myriad of diseases killed at least 20,000 workers.

In 1903, the U.S. decided to build the Panama Canal — primarily pushed by President Theodore Roosevelt — and by 1914 it was complete, according to the U.S. State Department.

The safer travel and massive reduction in distance led to more free flowing commerce around the world for more than a century. The Panama and Suez canals have had significant reductions in traffic due to drought in one instance and war in the other.

"There are two maritime disasters going on simultaneously. One of them is political and the other one is environmental," said Ryan Loy, extension economist for the University of Arkansas System Division of Agriculture. "They both have a large impact on the global supply chain."

According to the United Nations Conference on Trade and Development, monthly transits through the Panama Canal dropped 49% since October 2021, while Suez transits were down 42% in the same period.

Panama Drought

The Panama Canal, connecting the Atlantic and Pacific oceans, is critical to trade. In 2023, the canal saw more than 14,000 transits of commercial vessels carrying more than 285 million tons of cargo. The canal relies on fresh water from the Gatun Lake to move ships through its locks. Last year, drought halved the amount of water flowing into the reservoir.

Last October, canal authorities began reducing traffic from 32 transits a day to 24. Transits were then cut to 22 in December. In January, the Panama Canal Authority raised the number of transits back to 24, a level it planned to keep through April. When water levels will return to normal to allow for normalized cargo traffic is unknown.

"Panama is basically dealing with the same thing we were seeing with the Mississippi River last fall," said Loy.

Drought along the Mississippi River dropped it to record lows in September 2023.

The reduction in transits has traffic backing up on both sides of the isthmus, which means shippers can either wait or choose to take the longer, more dangerous route around South America. It also means some commodities will be loaded onto trains or trucks instead.

"The long layovers affect the quality of the commodities, especially if you have something like live beef cattle or live pigs," Loy said.

There are also the additional costs of the energy required to keep a ship's crew and systems operating while standing still.

Businesses and consumers in the U.S. will be directly impacted by trade disruptions through the canal. The International Trade Administration estimates that 72% of all traffic that comes through the Panama Canal is either coming or going to a U.S. port.

Conflicts Near The Suez

The Suez Canal is a key trade route connecting the Mediterranean and Red Seas. Its construction in the 1800s meant shipping between Europe and East Asia no longer had to go all the way around Africa.

Houthi missile and drone attacks in recent weeks along the Suez have prompted many shipping companies to avoid the route, with container shipping dropping 67% as of late January, according to the trade journal "Captain." In 2019, the most recent figures available from the Suez Canal Authority, it had 18,880 ships bearing 1.03 billion tons of cargo.

"According to the United Nations Conference and Trade and Development, more than a fifth of the world's container trade went through the Suez," Loy said. "That included natural gas, oil and materials needed for manufacturing."

Global shipping and logistics company Maersk began using a different trade route in March stating "in the interest of safety for our vessels, crew, and customers' cargo, all vessels previously due to transit the area have been diverted south around the Cape of Good Hope for the foreseeable future. While we hope for a sustainable resolution in the near future and do all we can to contribute towards it, we encourage customers to prepare for disruptions to persist in the global network. Transit times between the U.S. East Coast and India and the Middle East, and vice versa, will be extended by one or two weeks by this change."

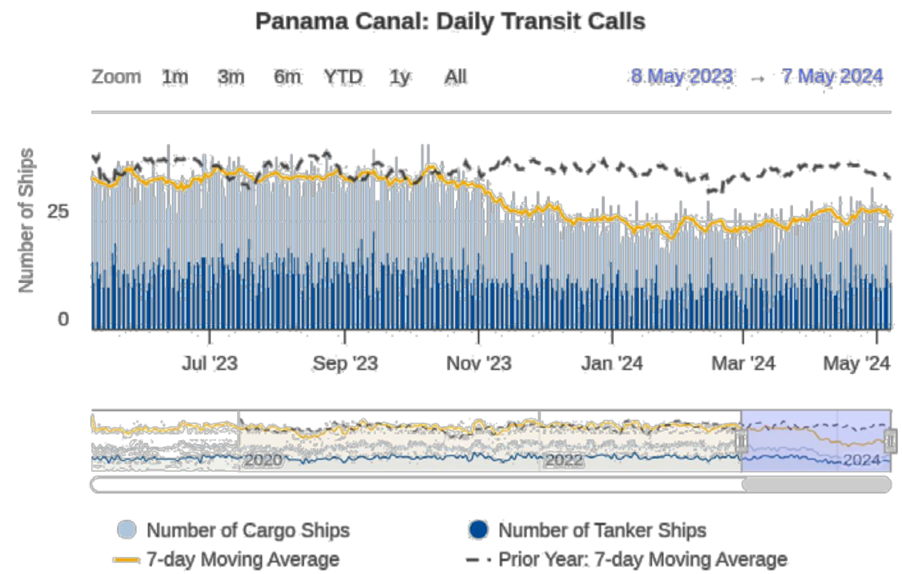
With the issues at the two canals, plus Black Sea disruptions because of the Russian invasion of Ukraine, costs are rising.

The United Nations said container freight rates on Asia–Pacific to Europe routes have risen sharply since November. Average container shipping spot rates from Shanghai in early February 2024 more than doubled, up by 122% compared to early December 2023, the UN reported. The rates from Shanghai to Europe more than tripled, jumping by 256%.

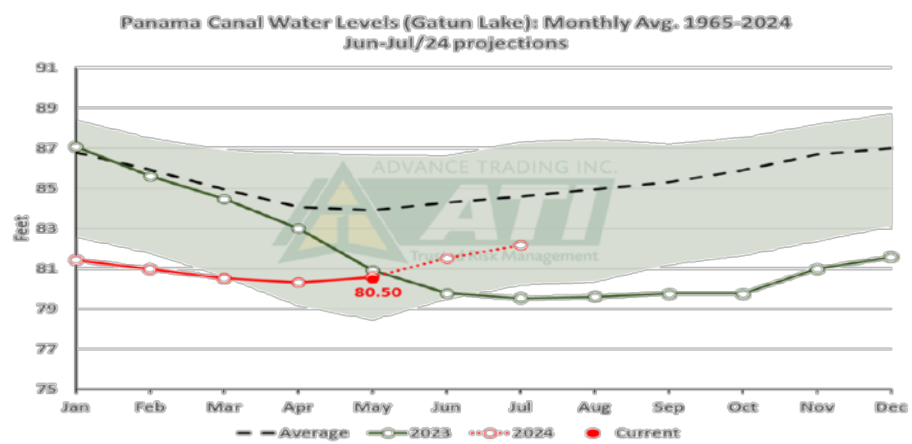
"While we have not seen much price impact yet, eventually the high cost of transportation will work its way back to farmers and consumers," Loy said.

In 2021, when the Ever Given cargo ship ran aground and blocked all traffic in the Suez Canal for six days, Lloyd's List Intelligence said that "rough calculations suggest westbound traffic is worth around $5.1 billion daily while eastbound traffic is worth $4.5 billion."

- **<u>Panama Canal – Daily Transit Calls</u>**



9 May 2024 Source: IMF PortWatch
https://portwatch.imf.org/pages/76f7d4b0062e46c5bbc862d4c3ce1d4b



Panama Canal wait times have dropped to an average of 3 days, with daily auction rates for May slots averaging $197k with a range of $55k -$380k. Total vessel transits will go from 17 to 24 at the old locks plus 7 Neo-Panamax in LH May, in June the Neo-Panamax will go to 8.

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Shipping restrictions to the flow of commercial vessels across the Panama Canal due to drought conditions.

Event date: Substantially reduced traffic since 03 November, 2023 — Ongoing

Event description: Water levels have fallen to critical lows because of one of the most severe worst droughts in the canal's 143-year history. On October 30, 2023 the Panama Canal Authority announced a substantial restriction to the number of booking slots to pass the canal, effective November 3, 2023. Further details are discussed in this IMF blog post.

Main economies affected: Ports in Panama, Nicaragua, Ecuador, Peru, El Salvador and Jamaica rely the most on the canal, with 10 percent to 25 percent of their total total maritime traffic affected. The effects are felt as far away as North America, Asia, and Europe.

- **Panama Canal's 2023 shipping disruption 'unlikely' without El Niño**

1 May 2024 by Ayesha Tandon - A lengthy drought that caused widespread disruption to commercial ships passing through the Panama Canal in 2023 would have been "unlikely" without the influence of El Niño, according to a rapid attribution study.

Last year was Panama's third driest on record. The low rainfall caused water levels in Gatún Lake – a crucial part of the country's internationally important canal and key fresh water supply for millions of people – to drop to record-low levels.

Authorities reduced shipping through the canal to conserve the lake's fresh water, resulting in queues of ships waiting for weeks to cross the canal. As shipments of everything from fruit to gas were delayed and rerouted, knock-on effects rippled across the globe.

The new study, by the World Weather Attribution service, did not find a significant long-term drying trend in rainfall over Panama. However, it noted that since 1900, four of the five driest years in the region have occurred in El Niño years.

El Niño reduced last year's rainfall by about 8%, the authors find.

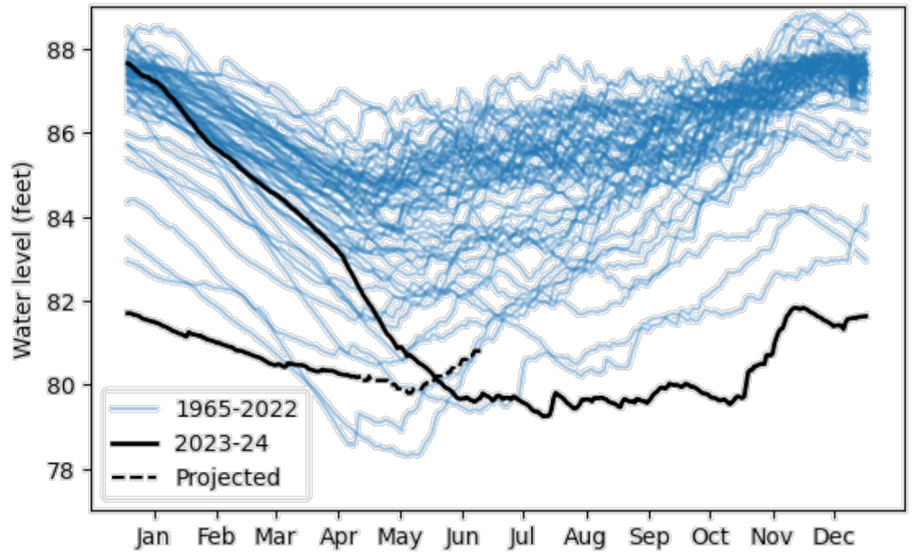
With the canal's water use expected to more than double by 2050, the study warns that authorities "may need to re-introduce shipping restrictions to safeguard drinking water supplies, particularly in El Niño years".

Shipping Backlog: Opened in 1914, the Panama Canal – an engineered waterway connecting the Pacific and Atlantic Oceans – is a cornerstone for global marine shipping. Around 14,000 ships pass through the canal every year, accounting for 5% of all global maritime trade.

Using the canal, rather than travelling around the southern tip of South America, ships can cut some 13,000km off their journey. Ships pay a toll for using the canal, which adds more than $2.5bn to Panama's economy every year.

Gatún Lake is pivotal for the canal's operation. This artificial, rain-fed lake sits near the centre of the canal, around 26 metres above sea level. Ships travelling into the canal pass through a series of locks, each of which fills with water to raise the ship up to the level of the lake. After travelling through the lake, another series of locks lower the ships back down to sea level. For every ship that moves through the canal – a process which takes between eight and 10 hours – around 200m litres of fresh lake water is used, most of which is flushed out to sea.

Panama is the fifth wettest country in the world and sees most of its rainfall in its May-December rainy season. However, total rainfall in 2023 was 30% lower than average. October was especially dry, recording 41% less rainfall than usual. As a result, water levels in the rainfall-fed Gatún Lake reached a record low in the second half of 2023.



Water levels in Gatún Lake since 1965. Source: WWA (2024)

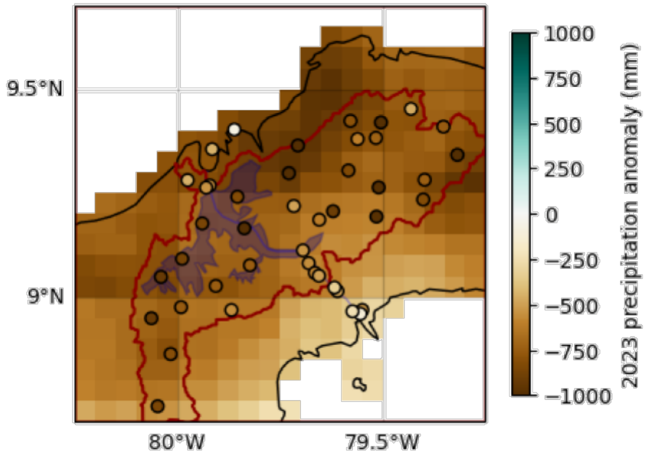
The map above shows water levels in Gatún Lake since 1965, where each line represents one year. The solid black line indicates 2023-24, while the dashed line shows projected lake water levels until mid-June 2024.

Under normal circumstances, the Panama Canal allows 36 "transits" every day. However, as lake levels dropped, the Panama Canal Authority (APC) began taking measures to conserve water. It reduced the number of daily crossings first to 32, then 31. And finally in November 2023 it announced that only 25 crossings would be allowed per day. Ships began waiting in line for weeks to cross the canal, often paying millions of dollars to jump the queue if another ship with a booked reservation dropped out. By late August, around 135 ships were waiting to cross – 50% more than normal. Around the world, shipments of everything from food to fuel were delayed.

Rainfall Trends: The Panama Canal watershed is a series of natural and artificial rivers, sub-basins and lakes covering some 3,000 square kilometers on either side of Gatún Lake. According to the WWA study, all of the water used by the Panama Canal comes from this area.

The study authors say a network of around 65 weather stations operate in and around the watershed, providing some of the best rainfall records across the entirety of central America and the Caribbean.

The map below shows the 2023 rainy season compared to the 1990-2020 average. Brown indicates that 2023 was drier than average and green that it was wetter. Gatún Lake is shaded grey and the study area is outlined in red.



To put Panama's drought into its historical context and determine how unlikely it was, the authors analyzed a time series of rainfall around the catchment of Gatún Lake in the 2023 rainy season, between May and December.

May-December precipitation around Gatún Lake in 2023, compared to the 1990-2020 average. May-December precipitation around Gatún Lake in 2023, compared to the 1990-2020 average. Brown indicates that 2023 was drier than average and green that it was wetter. Gatún Lake is shaded grey, and the study is outlined in dark red. Source: WWA

Dr Clair Barnes – a researcher at Imperial College London's Grantham Institute and author on the study – told a press briefing that there was some evidence of an overall drying trend in some of the stations, while others saw a wetting trend. Overall, she said the study finds a slight drying trend, but notes the high uncertainty in this finding. She adds: "We're not sure exactly what is causing that drying trend or if it is an anomaly. Future trends in a warming climate are also uncertain."

The authors investigated the impact of El Niño – a global weather phenomenon that originates in the Pacific Ocean – on rainfall in Panama. During El Niño years, a weakening in the trade winds across the equatorial Pacific brings warm ocean temperatures to the eastern Pacific, off the coast of South America. In Panama, El Niño years are linked with below-average rainfall.

During La Niña years, the opposite effects are seen. Both phases together are known as the El Niño-Southern Oscillation (ENSO).

Steven Paton is the director of the physical monitoring program at the Smithsonian Tropical Research Institute and an author on the study. He told a press briefing that 2023 was "the third driest year ever recorded [in Panama] in the 143 years that we have data". He noted that all of the three driest years on record were recorded during an El Niño event.

The researchers find that in today's climate, during an El Niño year, Panama has a 5% chance of seeing rainfall levels as low as those in 2023. Given the current frequency of El Niño events, this means that similar events would be expected to occur around once every 40 years in the present climate, they say.

The authors find that El Niño reduced the volume of rainfall that fell in 2023 by about 8%, compared to an ENSO-neutral year, adding that it "is unlikely that Panama could experience such a low rainy season without the influence of El Niño".

The researchers also assess whether human-caused climate change played a role in Panama's very low rainfall levels.

To conduct attribution studies, scientists use models to compare the world as it is today to a "counterfactual" world without climate change. This study aimed to identify any potential "signal" of climate change in Panama's rainfall pattern.

However, only one of the climate models used in this study was able to capture rainfall patterns over the study region accurately, and the authors were unable to determine whether any trend in rainfall over the region was due to climate change.

(These findings are yet to be published in a peer-reviewed journal. However, the methods used in the analysis have been published in previous attribution studies.)

Compounding Impacts: The Panama drought shows how changes in weather conditions, such as rainfall patterns, can interact with other hazards.

Maja Vahlberg is a risk consultant at the Red Cross Red Crescent Climate Centre and author on the study. She told the press briefing that disruptions to the Panama Canal interacted with those in the Suez Canal – caused by Yemen's Houthi group attacking commercial ships in the Red Sea – to drive "compounding and cascading impacts" on global shipping patterns. This also exacerbated the existing disruptions caused by Russia's invasion of Ukraine and the Covid pandemic.

As a backlog of ships in the Panama Canal grew, delays lengthened from days to weeks. Al Jazeera described the affected shipments: "Bananas from Ecuador to Florida. Poultry from Chile to northern Europe. Liquid Natural Gas from the US to Asia. And virtually anything under the sun out of China."

Around December, newspapers began to warn that shipments of Christmas goods may fail to reach retailers in time for the festive season. Europe typically imports fresh produce from South and Central America during the winter months, with food and drink making up 77% of container shipments between the west coast of South America and Europe in 2022.

For example, Peru supplies the UK with £2bn worth of goods every year, including more than £350m of "fresh produce". However, many ships carrying fruits, vegetables and meat from South America to Europe were stuck in the backlog, resulting in "excessive delays".

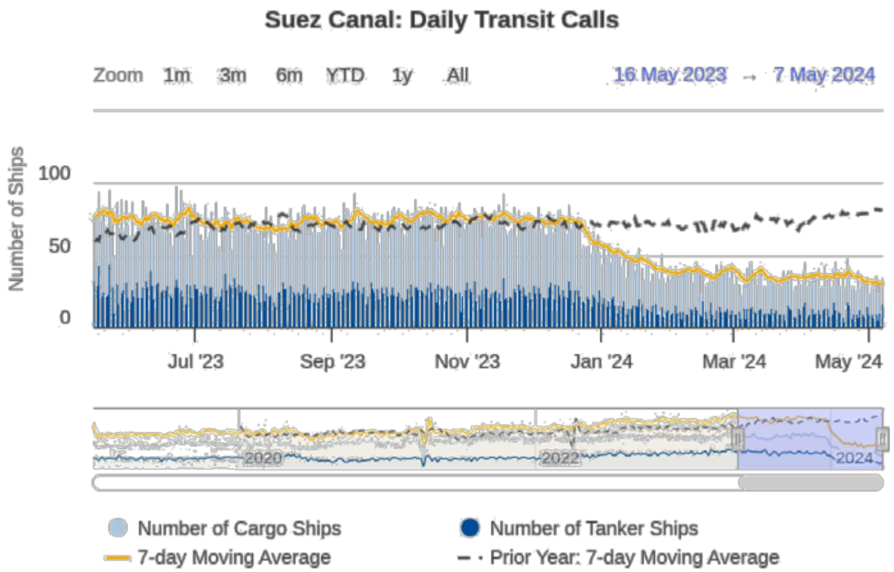
The drought also impacted shipments of oil and gas. The US uses the canal as a major trade route for carrying liquefied natural gas (LNG) from the Gulf coast to Asia. However, average waiting times for tankers carrying LNG north through the canal rose from eight days in July to 18 days in August.

Meanwhile, Gatún Lake also supplies drinking water for more than half of Panama's 4.3 million people. As a result, the government was required to balance the demands of international shipping with the water usage needs of the locals.

Vahlberg told the press briefing that "Indigenous, Afro-Panamanian and some rural communities have very water-dependent livelihoods". She explained that these communities often have "higher rates of poverty and limited access to basic services", meaning that “even small changes in precipitation can bring disproportionate impacts on their livelihoods”. She added that urban expansion and population growth, combined with ageing infrastructure that loses water through leaks, are putting increasing pressure on the country’s water supplies.

The study notes that by 2050, the canal’s water use is expected to be more than double 2015 levels. It warns that, in future, authorities “may need to re-introduce shipping restrictions to safeguard drinking water supplies, particularly in El Niño years”.

➢ Suez Canal – Daily Transit Calls



9 May 2024 Source: IMF PortWatch Source: https://portwatch.imf.org/pages/c57c79bf612b4372b08a9c6ea9c97ef0

➢ Report to Congress on Economic Effects of Red Sea Disruptions

9 May 2024 by US Naval Institute - The following is the May 8, 2024, Congressional Research Service In Focus report, Red Sea Shipping Disruptions: Estimating Economic Effects.

From the report

Attacks by the Yemen-based Ansar Allah (Houthi) movement in the Red Sea and Gulf of Aden since November 2023 have disrupted a critical maritime passage for global supply chains, creating bottlenecks at the Suez Canal and Bab al-Mandab Strait—one of the world’s most significant trade chokepoints—and forcing vessels into longer and more costly journeys around Africa. These shipping disruptions compound ongoing challenges to the global economy created or exacerbated by the COVID-19 pandemic, Russia’s war against Ukraine, conflict and tension in the Middle East, and a drought that has substantially scaled back shipping through the Panama Canal, another key artery of global trade flows. Members of Congress may have an interest in monitoring the situation to help inform potential U.S. economic policy responses.

The Suez Canal—which connects the Red Sea with the Mediterranean Sea and links Europe, Africa, and Asia—handled approximately 12% to 15% of global trade volumes in 2023. This strategic passage is also significant to trade in specific products; by some estimates, it has handled 25% to 30% of all container shipping, 12% of seaborne oil, 8% of seaborne liquified natural gas, and 8% of the grain trade in recent years. The disruptions to the safe use of this waterway have highlighted the vulnerability of global supply chains to ocean-based security threats.

Preliminary information suggests that the global economic effects of the Houthi attacks on ships have been limited thus far, although they have rippled across various industries and countries differently, primarily via trade linkages (e.g., delays and shortages). Potential remains for greater near-term risks and challenges to the economies of Europe, the Middle East, and the Horn of Africa. As two analysts from the St. Louis Fed noted in February 2024, “[w]hile geopolitical conflict often takes place in relatively narrow geographic areas, the global nature of the market for international shipping services could act as a channel through which local shocks are amplified and transmitted to the rest of the global economy.”

The attacks have increased shipping costs and affected humanitarian flows of food, fuel, and medicine into in these regions. If prolonged, disruptions to Red Sea shipping could contribute to global inflationary pressures and exert a drag on the global economy. Ultimately, the overall impact of the crisis will depend on its duration and the extent to which its fallout is contained, and on the responses of all stakeholders, including governments, shipping companies, and international organizations.

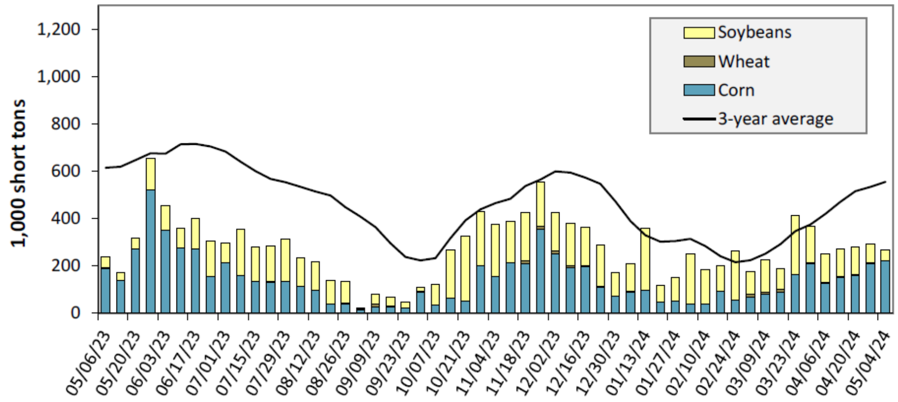
Challenges of Economic Forecasting

Projections of the economic impact are based on limited data that includes a mix of statistical indicators from government agencies, business and consumer surveys, financial market variables, and real-time ship and port tracking databases. They are also based on specific assumptions and simplifications—which may not capture the complexity and dynamics of the situation. Forecasts are also subject to considerable uncertainty that can affect their accuracy and reliability, including about what actions the Houthis might take and what the shipping industry and other countries might do to protect ships in the Red Sea.

Measuring the effects of an evolving crisis and isolating them from those of the other unfolding regional and global developments, however, is a challenging task. For example, customs records, from which official trade statistics are derived, may be affected by shipping disruptions. Issues such as these could complicate efforts to timely and accurately assess the trade and economic effects of the disruptions (e.g., imports/tariff revenue recorded in April that would have been recorded in February had it not been for the rerouting of ships).

BARGE MOVEMENTS

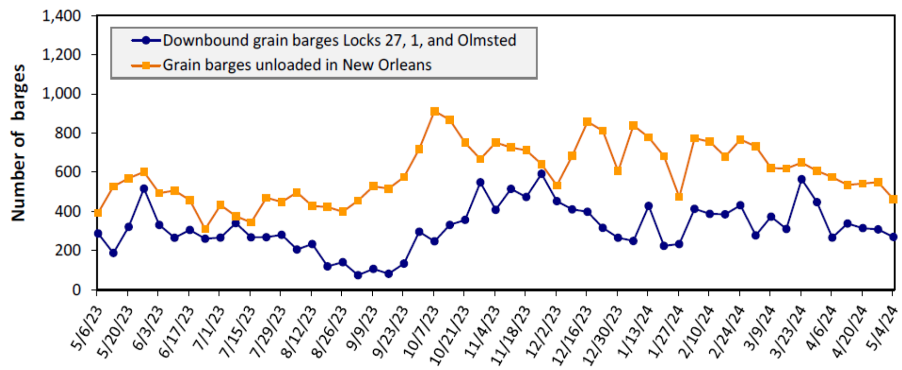
Figure 11. Barge movements on the Mississippi River (Locks 27-Granite City, IL)



Note: The 3-year average is a 4-week moving average. The U.S. Army Corps of Engineers has recently migrated its lock and vessel database and has noted the latest data may be revised in coming weeks.
Source: U.S. Army Corps of Engineers.

For the week ending the 4th of May, barged grain movements totaled 421,200 tons. This was 5 percent less than the previous week and 9 percent less than the same period last year.

Figure 13. Grain barges for export in New Orleans region



Note: Olmsted = Olmsted Locks and Dam. The U.S. Army Corps of Engineers has recently migrated its lock and vessel database and has noted the latest data may be revised in coming weeks.
Source: U.S. Army Corps of Engineers and USDA, Agricultural Marketing Service.

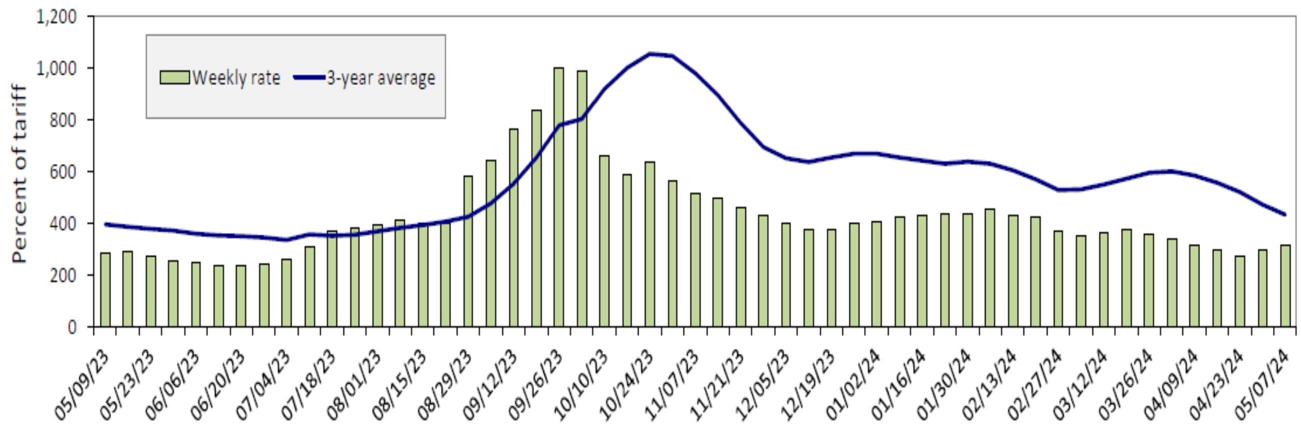
For the week ending May 4, 269 grain barges moved down river—39 fewer than last week. There were 463 grain barges unloaded in the New Orleans region, 16 percent fewer than last week.

Table 10. Barged grain movements (1,000 tons)

For the week ending 05/04/2024	Corn	Wheat	Soybeans	Other	Total
Mississippi River (Rock Island, IL (L15))	75	0	28	0	103
Mississippi River (Winfield, MO (L25))	128	0	27	0	154
Mississippi River (Alton, IL (L26))	223	0	37	0	260
Mississippi River (Granite City, IL (L27))	224	0	42	0	267
Illinois River (La Grange)	68	0	5	0	73
Ohio River (Olmsted)	113	21	12	0	146
Arkansas River (L1)	0	8	0	0	8
Weekly total - 2024	338	29	55	0	421
Weekly total - 2023	299	40	117	7	463
2024 YTD	4,415	613	4,257	78	9,362
2023 YTD	4,895	485	4,838	152	10,370
2024 as % of 2023 YTD	90	126	88	52	90
Last 4 weeks as % of 2023	77	141	60	43	74
Total 2023	12,857	1,346	11,824	267	26,294

Note: "Other" refers to oats, barely, sorghum, and rye. Total may not add up due to rounding. YTD = year to date. Weekly total, YTD, and calendar year total include Mississippi River lock 27, Ohio River Olmsted lock, and Arkansas Lock 1. "L" (as in "L15") refers to a lock, locks, or lock and dam facility. The U.S. Army Corps of Engineers has recently migrated its lock and vessel database and has noted the latest data may be revised in coming weeks.
Source: U.S. Army Corps of Engineers.

Figure 9. Illinois River barge freight rate



Note: Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); 3-year avg. = 4-week moving average of the 3-year average.
Source: USDA, Agricultural Marketing Service.

Table 9. Weekly barge freight rates: southbound only

Measure	Date	Twin Cities	Mid-Mississippi	Lower Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo-Memphis
Rate	5/7/2024	347	325	315	229	256	256	203
	4/30/2024	328	298	296	211	247	247	198
$/ton	5/7/2024	21.48	17.29	14.62	9.14	12.01	10.34	6.37
	4/30/2024	20.30	15.85	13.73	8.42	11.58	9.98	6.22
Measure	**Time Period**	**Twin Cities**	**Mid-Mississippi**	**Lower Illinois River**	**St. Louis**	**Cincinnati**	**Lower Ohio**	**Cairo-Memphis**
Current week % change from the same week	Last year	-22	-16	10	3	-5	-5	-12
	3-year avg.	-36	-32	-27	-29	-32	-32	-33
Rate	June	342	319	308	244	255	255	200
	August	395	358	365	323	342	342	296

Note: Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); 3-year avg. = 4-week moving average of the 3-year avg.; ton = 2,000 pounds; n/a = data not available.
Source: USDA, Agricultural Marketing Service.

Benchmark Tariff Rate

Calculating barge rate per ton:

Select applicable index from market quotes are included in tables on this page.

The 1976 benchmark rates per ton are provided in map.

(Rate * 1976 tariff benchmark rate per ton)/100

➢ **Current Barge Freight Rates**

IL RIVER FREIGHT

	5/9/2024	5/10/2024	
FH May	310/340	310/340	UNC
LH May	300/340	300/340	UNC
June	300/350	300/340	
July	300/350	290/340	
Aug	375/425	375/425	UNC
Sep	550/600	550/600	UNC
Oct	600/650	600/650	UNC

MID MISSISSIPPI

McGregor	5/9/2024	5/10/2024	
FH May	335/375	335/375	UNC
LH May	325/360	325/360	UNC
June	315/350	315/350	UNC
July	300/350	300/350	UNC
Aug	325/400	325/400	UNC
Sep	500/550	500/550	UNC
Oct	600/650	600/650	UNC

LOWER

OHIO RIVER	5/9/2024	5/10/2024	
FH May	230/265	260/275	
LH May	225/260	260/275	
June	215/250	240/265	
July	215/250	225/250	
Aug	350/400	350/400	UNC
Sep	475/525	475/525	UNC
Oct	550/650	550/650	UNC

UPPER MISSISSIPPI

ST PAUL/SAVAGE	5/9/2024	5/10/2024	
FH May	325/375	325/375	UNC
LH May	330/375	330/375	UNC
June	330/365	330/375	
July	325/365	330/375	
Aug	400/500	400/500	UNC
Sep	550/600	550/600	UNC
Oct	650/700	650/700	UNC

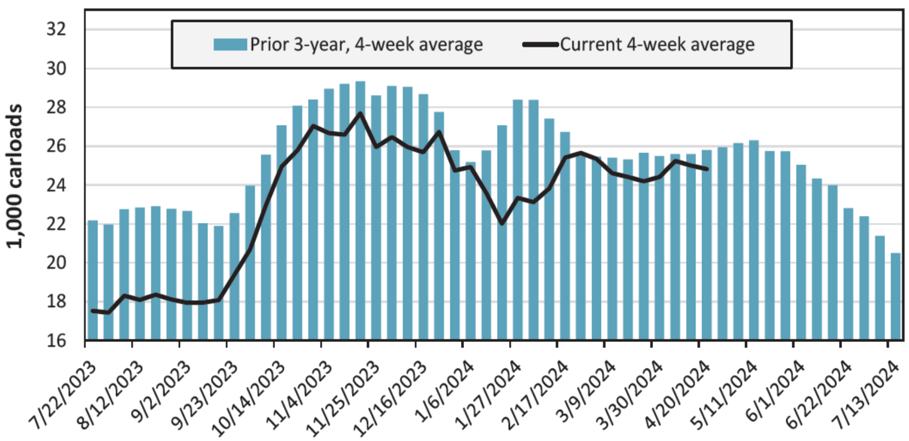
ST LOUIS BARGE

FREIGHT 14'	5/9/2024	5/10/2024	
FH May	230/250	225/250	
LH May	220/240	220/240	UNC
June	200/250	200/250	UNC
July	200/250	200/250	UNC
Aug	300/350	300/350	UNC
Sep	475/525	475/525	UNC
Oct	525/600	525/600	UNC

MEMPHIS CAIRO	5/9/2024	5/10/2024	
FH May	190/210	200/215	
LH May	180/200	190/200	
June	175/200	185/200	
July	175/200	180/200	
Aug	280/325	260/325	
Sep	465/500	465/500	UNC
Oct	480/550	480/550	UNC

RAIL MOVEMENTS

Figure 3. Total weekly U.S. Class I railroad grain carloads



Source: Surface Transportation Board.

- U.S. Class I railroads originated 23,278 grain carloads during the week ending the 27th of April. This was a 5-percent decrease from the previous week, 6 percent fewer than last year, and 10 percent fewer than the 3-year average.
- Average May shuttle secondary railcar bids/offers (per car) were $34 below tariff for the week ending the 2nd of May. This was $50 more than last week and $252 more than this week last year.
- Average non-shuttle secondary railcar bids/offers per car were $125 above tariff. This was $63 less than last week and $119 more than this week last year.

➢ RailState raises $4M to expand network, leverage AI for rail industry

07 May 2024 Caleb Revill, FreightWaves - RailState, a company that offers real-time measuring of rail capacity and performance in North America, announced on Tuesday $4 million in new funding to expand its network and bring AI-powered insights to the rail industry.

According to a press release from the company, the $4 million investment was led by a group of private equity and industrial executives with deep experience in information services, SaaS and engineering services. The funds will be used for the strategic expansion of RailState's network coverage, including along the U.S.-Mexico border, and product investments to provide customers with accurate, real-time rail network information.

Quincy, Massachusetts-headquartered RailState was founded in 2021 by CEO Jamie Heller and Chief Commercial Officer John Schmitter. Since then, the company has built an insights platform providing real-time, actionable intelligence covering all aspects of train movements and rail network performance across all of Canada and parts of the U.S.

"We're grateful for this strategic support," Heller said of the funding in the press release. "We've been moving quickly expanding our network and empowering rail users with critical AI insights to make better decisions. This funding helps us move even faster. We're especially excited to be opening a new region of coverage at the US-Mexico border."

"Cross border rail movements are rapidly growing in importance to the North American supply chain," Schmitter told FreightWaves. "There is increasing demand and service being added but there is no overall rail network visibility into what's moving or how the rail network is performing to and from Mexico. Our aim is to change that and provide shippers with the insights needed to operate in a dynamic market."

Schmitter added that RailState's ultimate goal is to cover the rail network across North America, including Mexico, with immediate plans to cover and expand the company's U.S. network.

The broader RailState team is made up of rail industry veterans, AI engineers and leaders from logistics software providers, including former employees of Google and Class 1 railways.

"We could not be more confident in this team and the vision," said Mike Liik, president of the investor group, in the press release from RailState. "We look for investment opportunities where the team has an unfair advantage. Jamie and John's deep knowledge of the problem, long-standing relationships in the industry, and unique solution to a big, valuable problem is exactly that advantage."

RailState's customers include some of the largest rail shippers in Canada, including Teck Resources Ltd. and Canpotex, among others, as well as government agencies overseeing transportation, including Transport Canada and the Canadian Transportation Agency.

➢ Canadian Railway Strike Looms

Thousands of railway workers in Canada at Canadian National Railway (CN) and Canadian Pacific Kansas City (CPKC) have voted overwhelmingly to strike as early as May 22, Reuters reported. The strike would affect grain shipments.

Mike Steenhoek, executive director of the Soy Transportation Coalition, told The Hagstrom Report in an email, "The potential strike would only impact the Canadian National Railway and Canadian Pacific Kansas City Railway networks on the Canadian side."

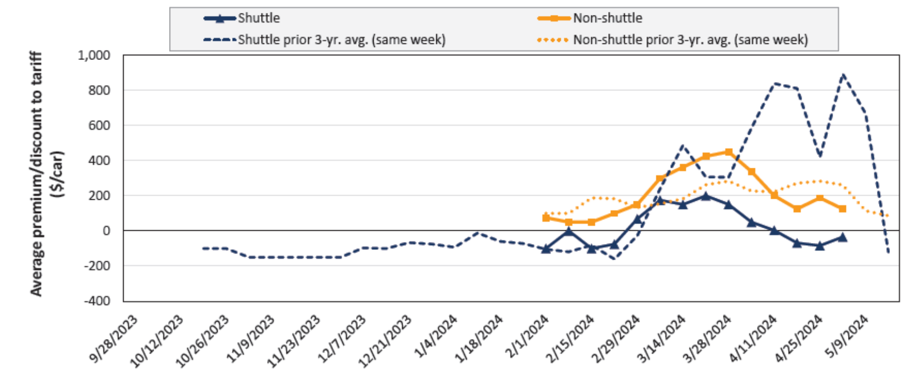
"The U.S. networks of those two railroads operate under the contract with separate labor unions that was finalized a year or so ago. While the stoppage would be in Canada, it would obviously impact shipments that originate in Canada and are destined to the U.S. or vice versa."

➢ Current Secondary Rail Car Market

BN SHUTTLE	Bid/Ask/Last	Bid/Ask/Last	
Return Trip	100 / -	100 / -	UNC
L/H May	50 / 400	100 / 300	
June	50 / -	50 / 200	
July	-50 / 0	-50 / 0	UNC
August	-225 / -100	-225 / -100	UNC
Split Aug, Sept	-200 / -100	-200 / -100	UNC
Oct, Nov, Dec	400 / 800	400 / 800	UNC
Jan, Feb, Mar	100 / -	100 / -	UNC

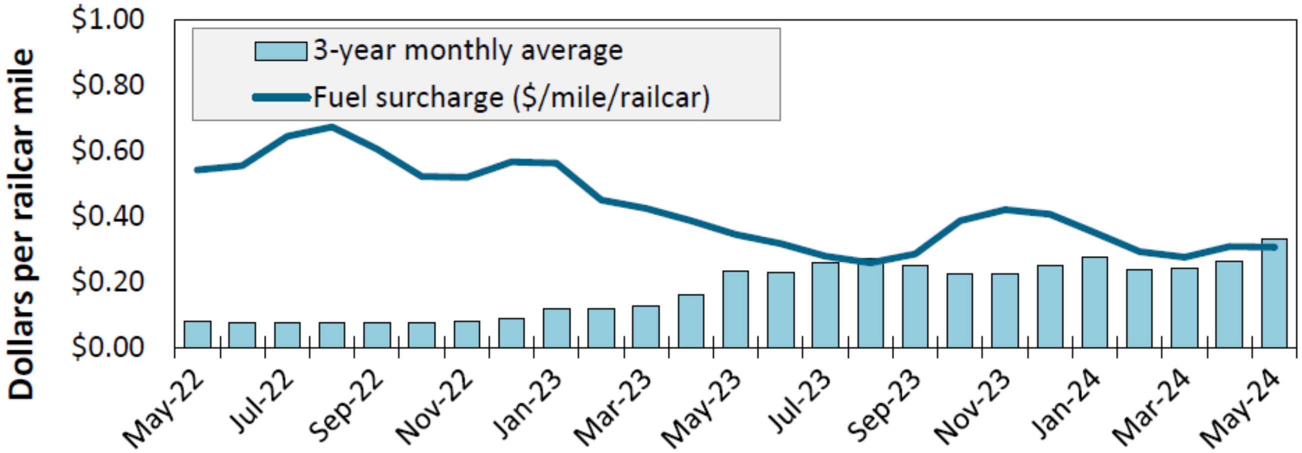
UP SHUTTLE	Bid/Ask/Last	Bid/Ask/Last	
Return trip	-200 / -100	-200 / -	
F/H May	-200 / -	-200 / -	UNC
L/H May	-250 / -100	-200 / -100	
June	-200 / -100	-200 / -100	UNC
July	- / -100	- / -100	UNC
August	- / -100	- / -100	UNC
Oct, Nov, Dec	0 / 500	0 / 500	UNC

Figure 5. Secondary market bids/offers for railcars to be delivered in May 2024



Note: Non-shuttle bids include unit-train and single-car bids. n/a = not available; avg. = average; yr. = year; BNSF = BNSF Railway
Source: USDA, Agricultural Marketing Service analysis of data from Tradewest Brokerage Company and the Malsam Company.

Figure 8. Railroad fuel surcharges, North American weighted average



May 2024: $0.31/mile, unchanged from last month's surcharge of $0.31/mile; down 4 cents from the May 2023 surcharge of $0.35/mile; and down 2 cents from the May prior 3-year average of $0.33/ mile.

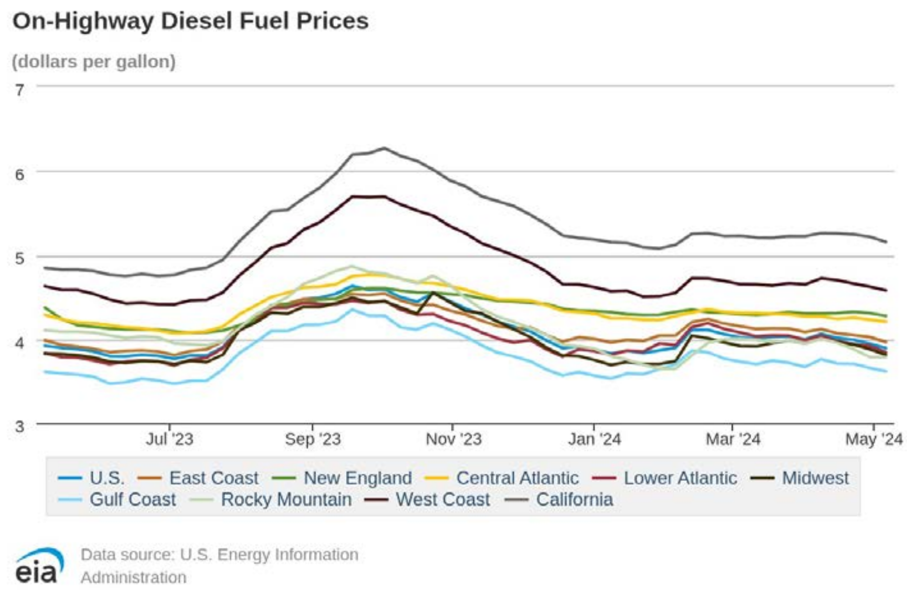
Note: Weighted by each Class I railroad's proportion of grain traffic for the prior year.
Source: BNSF Railway, Canadian National Railway, CSX Transportation, Canadian Pacific Railway, Union Pacific Railroad, Kansas City Southern Railway, Norfolk Southern Corporation.

DIESEL FUEL PRICES

Table 11. Retail on-highway diesel prices, week ending 5/6/2024 (U.S. $/gallon)

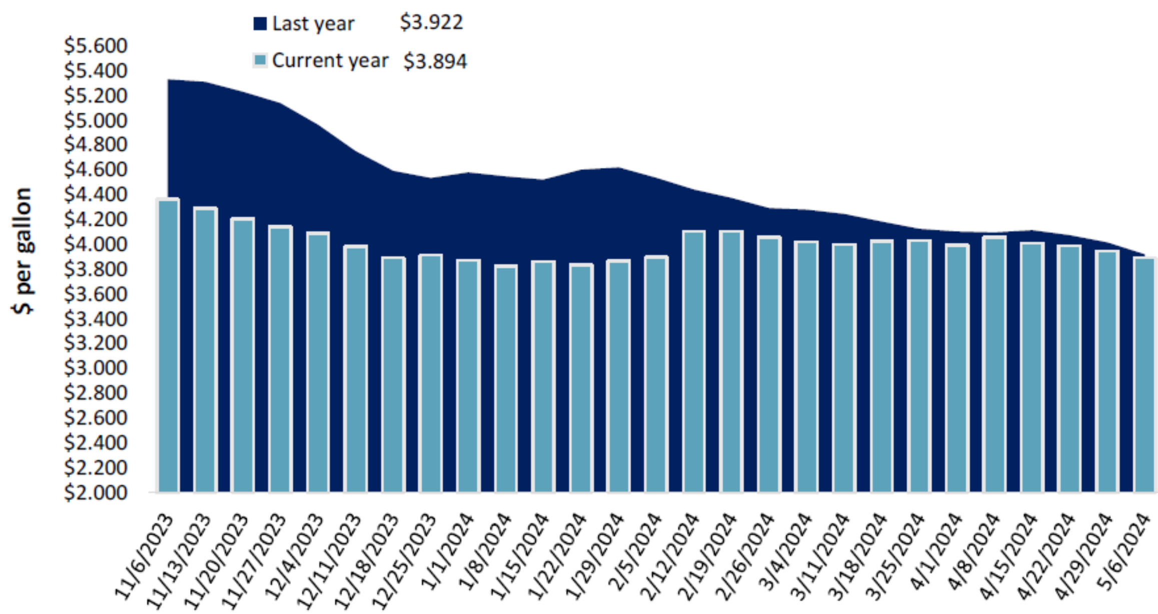
Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	3.966	-0.059	-0.020
	New England	4.277	-0.032	-0.097
	Central Atlantic	4.208	-0.026	-0.081
	Lower Atlantic	3.846	-0.073	0.012
II	Midwest	3.814	-0.068	-0.013
III	Gulf Coast	3.617	-0.040	0.004
IV	Rocky Mountain	3.785	-0.002	-0.320
V	West Coast	4.580	-0.045	-0.050
	West Coast less California	4.079	-0.031	-0.359
	California	5.155	-0.061	0.308
Total	United States	3.894	-0.053	-0.028

Note: Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel. On June 13, 2022, the Energy Information Administration implemented a new methodology to estimate weekly on-highway diesel fuel prices.
Source: U.S. Department of Energy, Energy Information Administration.



For the week ending the 6th of May, the U.S. average diesel fuel price decreased 5.3 cents from the previous week to $3.894 per gallon, 2.8 cents below the same week last year.

Figure 14. Weekly diesel fuel prices, U.S. average



Note: On June 13, 2022, the Energy Information Administration implemented a new methodology to estimate weekly on-highway d
Source: U.S. Department of Energy, Energy Information Administration.