U.S. Selected Exports, Trade and Transportation

Wheat, Corn, Grain Sorghum, Cotton and Soybean Complex

24th 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

Contents

U.S. EXPORT ACTIVITY 1
- Export Sales 1
- Vessel Loadings 1
- Export Inspections 3
- Burns Harbor starts record construction season 4
- Gauging the Impact of New US Tariffs on Imports from China 5
- Vessel Rates 7
- IGC Grains Freight Index – 21st May 2024 7
- Baltic Dry Freight Index – Daily = 1796 8
- A weekly round-up of tanker and dry bulk market 8
- Baltic index dips on lower capesize rates 9
- Freightos Baltic Index (FBX): Global Container Freight Index 9
- Freightos West Coast N.A. – China/East Asia Container Index - Daily 9
- Congestion, equipment shortages increasing, with further rate hikes 10
- Drewry World Container Index 11

CEREAL GRAINS 12
- Wheat Export Shipments and Sales 12
- Rice Export Shipments and Sales 12

COARSE GRAINS 14
- Corn Export Shipments and Sales 14
- Grain Sorghum Export Shipments and Sales 14
- Barley Export Shipments and Sales 14

OILSEED COMPLEX 18

COTTON 22

LOGISTICS 23
- Panama Canal – Daily Transit Calls 23
- Panama Canal crossings resume, but some time before full normalization 23
- Suez Canal – Daily Transit Calls 23
- Red Sea crisis sparks surge in Asia-Mediterranean transit times 23
- Red Sea crisis turns Lome into key trans-shipment hub on ex-Asia services 24

BARGE MOVEMENTS 25

RAIL MOVEMENTS 28
- Potential Rail Strike May Impact U.S.-Canadian Grain Transportation 28
- Current Secondary Rail Car Market 29

- **This summary based on reports for the 17th to the 24th of May 2024**
- **Outstanding Export Sales (Unshipped Balances) on the 16th of May 2023**
- **Export Shipments in Current Marketing Year**
- **Daily Sales Reported for the 17th to the 24th of May 2024**

U.S. EXPORT ACTIVITY

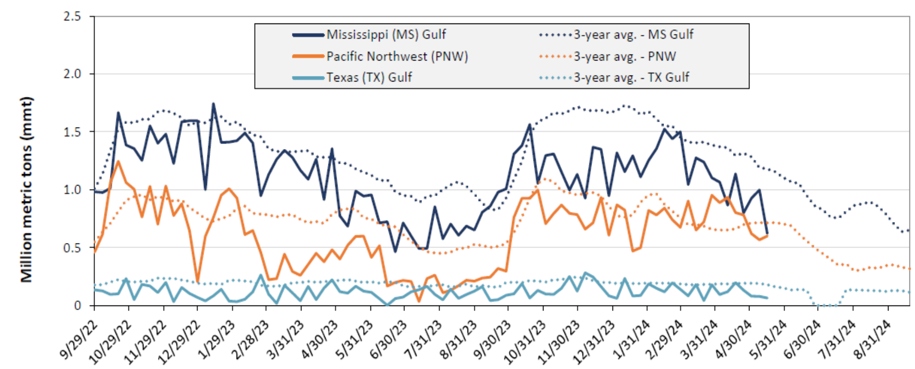
Export Sales

For the week ending the 9th of May, unshipped balances of wheat, corn, and soybeans for marketing year (MY) 2023/24 totaled 17.85 mmts, down 4% from last week and up 15% from the same time last year.

- Net corn export sales for MY 2023/24 were 0.74 mmts, down 17% from last week.
- Net soybean export sales were 0.27 mmts, down 38% from last week.
- Net weekly wheat export sales were 0.078, up 91% 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 5/9/2024	346	220	472	330	27	1,395	12,970	3,480	17,845
	This week year ago	387	316	680	508	92	1,983	10,451	3,113	15,547
	Last 4 wks. as % of same period 2022/23	123	139	90	80	28	99	129	113	122
Current shipped (cumulative) exports sales	2023/24 YTD	3,280	4,114	5,961	3,663	504	17,521	35,396	39,123	92,040
	2022/23 YTD	4,723	2,585	5,074	4,163	360	16,904	27,603	47,612	92,119
	YTD 2023/24 as % of 2022/23	69	159	117	88	140	104	128	82	100
	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.

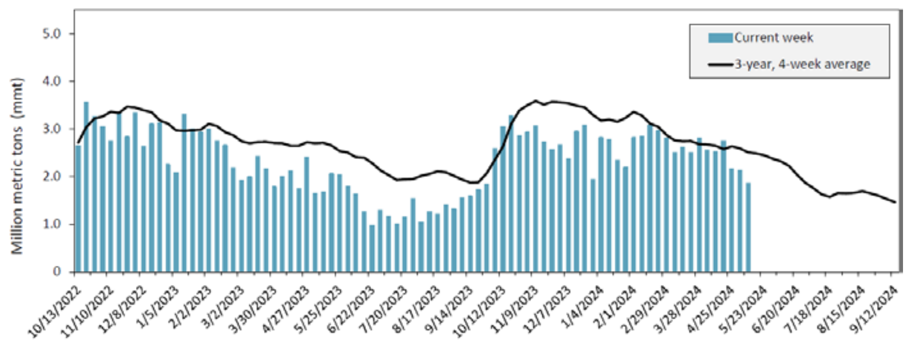
Table 17. Weekly port region grain ocean vessel activity (number of vessels)

Date	Gulf: In port	Gulf: Loaded 7-days	Gulf: Due next 10-days	Pacific Northwest: In port
5/16/2024	15	19	36	10
5/9/2024	14	27	29	7
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

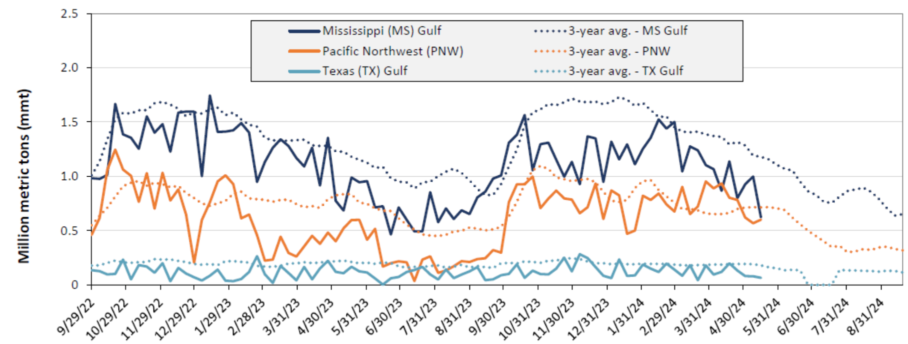
Week Ending the 16th of May 2024

GRAIN	WEEK ENDING 05/16/2024	WEEK ENDING 05/09/2024	WEEK ENDING 05/18/2023	PREVIOUS MARKET YEAR TO DATE	CURRENT MARKET YEAR TO DATE
BARLEY	0	648	0	2,828	2,154
CORN	1,210,541	1,004,571	1,328,829	35,211,044	27,380,440
FLAXSEED	0	0	0	48	200
MIXED	0	0	0	572	0
OATS	0	0	0	3,994	6,686
RYE	0	0	0	72	0
SORGHUM	124,289	140,105	116,048	4,844,685	1,636,657
SOYBEANS	184,128	433,068	170,092	39,748,806	48,215,771
SUNFLOWER	96	480	0	6,101	2,508
WHEAT	205,612	383,058	440,094	17,870,795	19,175,858
Total	1,724,666	1,961,930	2,055,063	97,688,945	96,420,274

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 16th of May, 19 oceangoing grain vessels were loaded in the Gulf—14% fewer than the same period last year.
- Within the next 10 days (starting the 17th of May), 36 vessels were expected to be loaded—18% fewer than the same period last year.
- As of the 16th of May, the rate for shipping a metric ton (mt) of grain from the U.S. Gulf to Japan was $62.00, 2% less than the previous week.
- The rate from the Pacific Northwest to Japan was $33.00 per mt, 3% less than 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 05/16/24 inspections (mmt):
MS Gulf: 0.62
PNW: 0.6
TX Gulf: 0.07

Percent change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	down 38	down 18	down 36	up 6
Last year (same 7 days)	down 35	down 61	down 39	up 2
3-year average (4-week moving average)	down 47	down 64	down 49	down 16

Ocean

For the week ending the 16th of May, 19 oceangoing grain vessels were loaded in the Gulf—14% fewer than the same period last year. Within the next 10 days (starting the 17th of May), 36 vessels were expected to be loaded—18% fewer than the same period last year.

As of the 16th of May, the rate for shipping a metric ton (mt) of grain from the U.S. Gulf to Japan was $62.00, 2% less than the previous week. The rate from the Pacific Northwest to Japan was $33.00 per mt, 3% less than the previous week.

Barge

For the week ending the 18th of May, barged grain movements totaled 709,660 tons. This was 45% more than the previous week and 40% more than the same period last year.

For the week ending the 18th of May, 458 grain barges moved down river—132 more than last week. There were 276 grain barges unloaded in the New Orleans region, 54% fewer than last week.

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

Port regions	Commodity	For the week ending 05/16/2024	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	385	354	109	7,346	2,731	269	131	95	5,267
	Soybeans	0	0	n/a	2,502	3,345	75	57	36	10,286
	Wheat	148	144	103	3,966	3,912	101	142	91	9,814
	All Grain	**601**	**567**	**106**	**14,708**	**10,184**	**144**	**142**	**90**	**25,913**
Mississippi Gulf	Corn	525	486	108	9,883	10,620	93	78	61	23,630
	Soybeans	85	318	27	10,302	11,709	88	101	84	26,878
	Wheat	12	194	6	2,297	1,063	216	200	154	3,335
	All Grain	**623**	**999**	**62**	**22,538**	**23,392**	**96**	**89**	**71**	**53,843**
Texas Gulf	Corn	8	9	97	206	90	228	174	66	397
	Soybeans	0	0	n/a	0	49	0	n/a	n/a	267
	Wheat	0	0	n/a	566	1,033	55	20	19	1,593
	All Grain	**66**	**80**	**82**	**2,468**	**2,159**	**114**	**58**	**50**	**5,971**
Interior	Corn	285	156	182	5,148	3,658	141	136	127	10,474
	Soybeans	86	114	76	2,936	2,507	117	132	100	6,508
	Wheat	45	44	102	1,047	952	110	116	112	2,281
	All Grain	**416**	**317**	**132**	**9,243**	**7,166**	**129**	**132**	**117**	**19,467**
Great Lakes	Corn	0	0	n/a	0	23	0	n/a	n/a	57
	Soybeans	10	0	n/a	18	29	62	n/a	43	192
	Wheat	0	0	n/a	111	106	105	166	87	581
	All Grain	**10**	**0**	**n/a**	**129**	**158**	**82**	**128**	**57**	**831**
Atlantic	Corn	7	0	n/a	163	59	277	181	180	166
	Soybeans	3	1	240	425	1,095	39	19	9	2,058
	Wheat	0	0	n/a	10	43	24	n/a	n/a	101
	All Grain	**10**	**1**	**800**	**599**	**1,197**	**50**	**44**	**22**	**2,325**
All Regions	Corn	1,211	1,005	121	22,747	17,190	132	101	79	40,004
	Soybeans	184	433	43	16,238	18,839	86	105	78	46,459
	Wheat	206	383	54	7,998	7,110	112	120	90	17,738
	All Grain	**1,725**	**1,964**	**88**	**49,738**	**44,370**	**112**	**106**	**80**	**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.

Rail

U.S. Class I railroads originated 19,969 grain carloads during the week ending the 11th of May. This was a 20-percent decrease from the previous week, 12% fewer than last year, and 21% fewer than the 3-year average.

Average May shuttle secondary railcar bids/ offers (per car) were $163 above tariff for the week ending May 16. This was $113 more than last week. There were no shuttle bids/ offers this week last year. Average non-shuttle secondary railcar bids/offers per car were $400 above tariff. This was unchanged from last week. There were no non-shuttle bids/offers this week last year.

- **Burns Harbor starts record construction season**

  20 May 2024 by by Oliver Kleinschmidt, Editorial Assistant, Dry Bulk Magazine - More than US$77 million in infrastructure and expansion projects are now being developed at Ports of Indiana's Burns Harbor as a record construction season kicks off in the Lake Michigan port.

  Major projects in various phases of development include the construction of a highway bridge entering the port, three new ship berths, a new bulk warehouse, two new railyards, industrial site development, and extensive dock and rail rehabilitation throughout the 600-acre port.

"This port is going through a transformational multiyear expansion and the amount of construction happening right now exceeds every year since the port was built in the 1960s," said Ports of Indiana CEO Jody Peacock. "These are critical projects that ensure our port remains an international gateway for ocean vessels, lakers and river barges, and that our multimodal infrastructure can meet growing freight demands in the Northwest Indiana and greater Chicago market. We're extremely grateful for the leadership from our state and federal departments of transportation in supporting Indiana's multimodal expansion."

Current projects at the port include:

1. Construction of a US$35.4 million dual bridge entrance to the port: Indiana Department of Transportation (INDOT) is constructing highway bridges that will serve as the two inbound and two outbound lanes connecting the port to State Road 249. The 1200 ft structures provide heavy-haul truck access for carrying port cargoes over 10 railroad tracks and six lanes of traffic. The multiyear construction project will add a new two-lane bridge and then rebuild the existing two-lane bridge. Both bridges will cross over US Highway 12 as well as South Shore and Norfolk Southern rail lines. Once complete, the project will expand the port entrance from two lanes to four lanes.

2. Development of a US$25 million multimodal project: Partially funded by a US$9.85 million US Department of Transportation FASTLANE grant, the port is constructing three ship berths and two railyards to expand shipping capabilities and improve efficiencies. Once completed, the projects will increase port capacity for handling ocean vessels by 35% and for handling railcars by 1200%. By adding new storage capacity for 250 railcars, the port can now offer unit train service that reduces costs and expands market connectivity for rail shippers. The project will also turn three unproductive areas of the port into working docks with multimodal facilities that transfer cargo between ocean vessels, Great Lakes freighters, river barges, multiple railroads and regional truck lines.

3. Construction of a US$9 million bulk cargo facility: A new 84 000 ft2 warehouse and bulk storage area will be constructed near the East Harbor, funded in part by a US$4 million US DOT Maritime Administration grant from the Port Infrastructure Development Programme. The project's warehouse will increase the port's capacity of covered bulk storage by 70% once completed in 2025.

4. Capital investments of US$8.3 million in port infrastructure: Multiple port improvement projects that are underway include developing shovel-ready industrial sites, rail and dock rehabilitations, multiple paving projects, as well as additional building and infrastructure upgrades.

"This is an exciting time for our port, and I am thrilled to see the amount of investment and capacity expansions happening right now," said Port Director Ryan McCoy. "We have an aggressive investment strategy for this port that will drive new business into our region, create jobs for our longshoremen, operating engineers and construction workers, and fuel growth for customers and port operators like Logistec, Metro Ports and Burns Harbor Railroad. We want to grow port business by helping our customers grow their business."

➢ <u>Gauging the Impact of New US Tariffs on Imports from China</u>

13 May 2024 Tom Moerenhout, Sagatom Saha & Trevor Sutton, Center on Global Energy Policy at Columbia - Three CGEP scholars weigh in on the Biden Administration's recent decision to increase tariffs on imports from China in strategic sectors vital to US economic interests and national security – a move intended to safeguard investments made under the Inflation Reduction Act (IRA) of 2022 and respond to what the administration perceives as China's unfair, non-market trade practices. Each analyzes the potential impact of the tariffs in a particular sector: Tom Moerenhout in EVs, batteries, and critical minerals; Sagatom Saha in solar cells; and Trevor Sutton in steel and aluminum. Broadly, the authors concur that the tariffs are unlikely to dent China's competitive advantage globally in any of these areas, but it would be a mistake to take them as only a symbolic or political gesture. Washington is recalibrating its approach to the energy transition to be stabler in its self-estimation – and American-made.

Tom Moerenhout

US Tariffs on Chinese-made electric vehicles (EVs) will increase from 25% to 100%. The extent of this hike is not surprising given the strategic importance of the automotive sector to the US, not least in employment. China's overcapacity and the high quality and affordability of its products make some form of market protection on the part of the US inevitable, especially as the Chinese government is clearly running an export-led growth strategy and is likely to use overcapacity to undercut competitors. But protecting a market does not equate to fostering global competitiveness; China will have a difficult time playing in US waters, but will likely continue to dominate the global EVs market, outcompeting the US. Of course, its ability to access large EV markets is now dented, and with the EU discussing raising tariffs from the current level of 10%, China may become more defensive and tighten supply chains for its competitors in the EU and US markets.

On the battery side, tariffs on batteries and critical minerals will rise from 0-7.5% (depending on the product) to 25%. This increase is likely not substantial enough to undermine China's competitive edge–China's innovation rate in batteries and critical minerals simply surpasses that of the US and other global players; it will also increase the costs of the energy transition in the US. Ultimately, there are zero sum game dynamics at play here, and the US government will need to decide whether it wants to prioritize diversification from China and onshoring industrial capacity or transport sector decarbonization. If it chooses the former, then a second decision will need to be made: support critical minerals and battery midstream sectors in North America at the expense of global competitiveness for US original equipment manufacturers, or support EV producers to be globally competitive potentially at the expense of midstream sectors in North America.

Regardless of which path the US takes, shielding its market through tariffs is simply insufficient on its own to counterbalance China's dominance in the supply chain – and risks further broadening a trade war that will surely increase the cost of the global energy transition. Achieving that goal will likely require broader engagement with international allies, particularly major consumers in the G7 and mineral-rich non-aligned countries, to ensure security of supply in critical minerals, especially processed minerals, and clean energy components. This includes enhancing the

Minerals Security Partnership, forging critical mineral agreements with countries that hold more comparative advantage in specific supply chain segments, and ensuring outward foreign direct investment that can support those supply chains.

Sagatom Saha

US tariffs on Chinese solar cells – whether or not they are assembled into modules – will double from 25% to 50%. The Biden Administration also clawed back the exemption for bifacial panels under Section 201 tariffs. The former are tariffs under Section 301 of the Trade Act of 1974, which grants the Office of the US Trade Representative the authority to take action to enforce US rights under trade agreements and – in this case – to respond to unfair, discriminatory foreign trade practices. Section 301 authority had been mostly wielded to build and pursue dispute settlement cases at the World Trade Organization but became more of a unilateral tool under former President Trump. Section 201 tariffs similarly allow the President to raise tariffs if imports cause or threaten serious injury to US industry. The exemption for bifacial panels came to swallow the rule as imports of them skyrocketed to account for nearly all panel imports into the US.

The tariff hike is an exercise in safeguarding investments made under the IRA. That legislation's advanced manufacturing production tax credit (45X) offers per-unit subsidies throughout the entire solar supply chain, which are meant to reduce dependence on Chinese supplies currently dominating the global market.

The inclusion of solar cells in the new tariffs seems to reflect an understanding on the part of the Biden Administration of where US manufacturers can do well. The IRA jumpstarted billions in solar manufacturing investment across the United States but not evenly across the supply chain. US plans for wafer and ingot production, the intermediate segment of the solar supply chain, lag behind that for modules and cells. Some companies, such as Qcells, are forging ahead with facilities that integrate full supply chains, but others will focus on the downstream first since upstream component suppliers are unlikely to arrive in the US until demand is firmly established. That is, an American wafer supplier is more likely to succeed if it knows it can sell to an American cell manufacturer, while that cell manufacturer can buy from anywhere – most likely China without tariffs in place.

On paper the US imports virtually no cells from China. But in reality Chinese firms avoid existing China-specific tariffs by routing production through Southeast Asia, a region that accounts for roughly 80% of US panel imports. For this reason, the Commerce Department concurrently initiated an investigation into alleged illegal trade practices by Chinese-linked cell manufacturers operating in Malaysia, Cambodia, Thailand, and Vietnam, which American manufacturers contend are unfairly subsidized. The International Trade Commission (ITC) is also conducting its own, linked investigation into cells from these countries and will soon issue an initial assessment determining whether they have harmed US industry. Should the ITC find harm, additional tariffs determinations could come later this year and will be meant as a measure to close a potential loophole to tariffs on Chinese cells.

The Biden Administration's stiff tariff hike on Chinese solar cells is a sharp pivot from the two-year moratorium introduced in 2022 that forestalled new tariffs on panels. At the time, the administration was trying to strike a delicate balance between the need to accelerate renewables deployment to keep the US energy transition moving apace and the need to jumpstart domestic manufacturing so US companies can have a stake in that transition. The latter consideration is firmly winning out for reasons of political economy.

The question remains whether tariffs have a limit. They may prove sensible in the automotive sector, which holds a particular salience as the US economic lifeblood, or for steel, where they could be imposed on dirtier production to green the industry. But the US does not have a strong preexisting solar industry (even though the technology was invented there), and making the cheapest solar more expensive raises the cost of decarbonization. The Biden Administration's bet is that US climate policy may inevitably falter if American workers cannot benefit.

Trevor Sutton

Duties on Chinese steel and aluminum products will go up from 0 to 7.5 to 25%. This increase has so far attracted less debate than those on EVs and solar panels, which should not be surprising given long-standing bipartisan agreement that China produces steel and aluminum in excess of global demand, leading to a glut that has depressed global prices and contributed to the decline of domestic industry. More recently, some US policymakers have focused on the higher carbon intensity of Chinese steel and aluminum products relative to domestically produced equivalents, making the case that raising market barriers on Chinese exports of these products would reduce global emissions in addition to enhancing the competitiveness of US manufacturing.

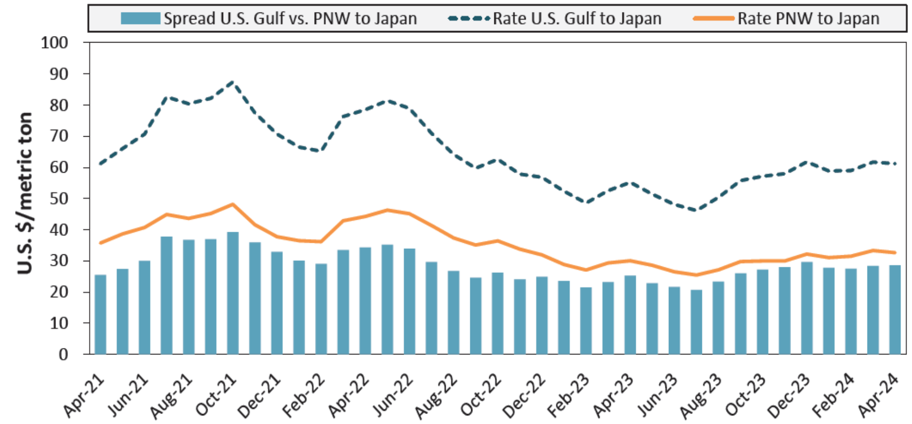
Washington is not alone in this concern. The European Union and developing countries such as Brazil and India have likewise imposed tariffs on Chinese steel and aluminum goods following investigations into unfair trade practices. But the United States has been particularly proactive in addressing Chinese oversupply. In 2018, the Trump Administration imposed tariffs on steel and aluminum from most trading partners on national security grounds, with China being the intended target. The new Section 301 tariffs come on top of these Trump-era ones.

This latest move is unlikely to have major repercussions on steel and aluminum trade flows between the United States and China. Earlier rounds of tariffs and strong supply chain relationships with other major exporters of these metals such as Canada, Mexico, and Brazil mean Chinese steel and aluminum account for a very small portion of US imports. But it would be a mistake to dismiss the tariffs as pure theater. The lengthy and detailed justification for them, which alleges a vast range of subsidies and other non-market practices in the Chinese economy, could put pressure on other governments to respond more aggressively to the threat Chinese exports pose to their industries. The tariffs will also provide reassurance to steelworkers and other key constituencies about the administration's commitment to strengthening US competitiveness in trade-exposed sectors, which in turn could create a favorable political environment for further decarbonization of the US steel and aluminum industries and even speed the adoption of climate-aligned trade measures such as a carbon tariff or the proposed US-EU Global Arrangement on Sustainable Steel and Aluminum.

Ocean Freight

➢ Vessel Rates

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



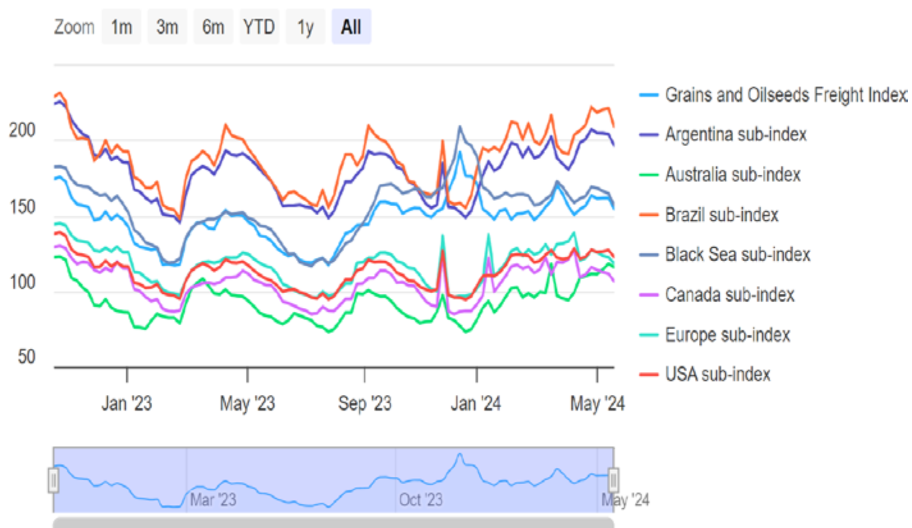
Note: PNW = Pacific Northwest
Source: O'Neil Commodity Consulting.

	21 May	Weekly Change	Annual Change	52 Week Low	52 Week High
IGC Grains and Oilseeds Freight Index	155	-7	16 %	117	192
Argentina sub-Index	196	-8	14 %	148	207
Australia sub-Index	116	-2	40 %	73	118
Brazil sub-Index	209	-12	21 %	155	222
Black Sea sub-Index	157	-8	12 %	117	209
Canada sub-Index	107	-5	3 %	85	127
Europe sub-Index	118	-4	3 %	96	139
USA sub-Index	123	-4	15 %	95	128

➢ IGC Grains Freight Index – 21st May 2024

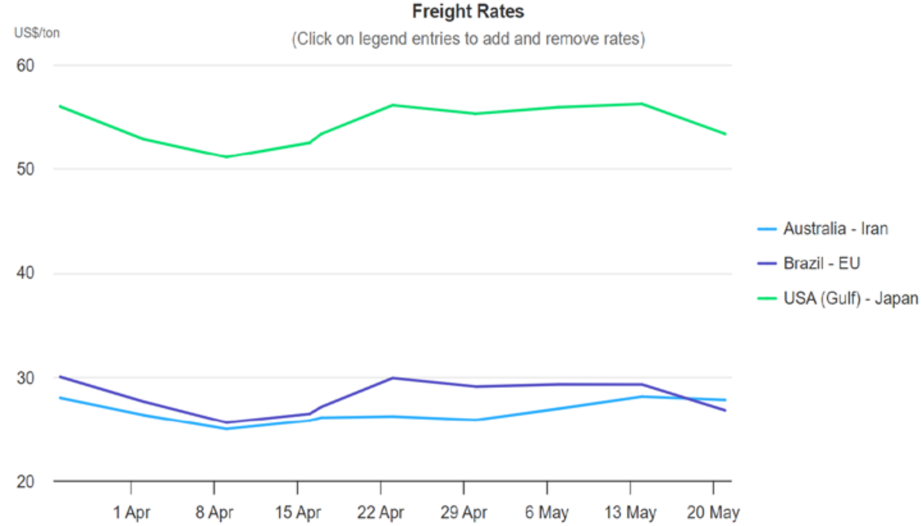
New - IGC Grains and Oilseeds Freight Index (GOFI) & sub-Indices

(Weekly basis, 1 January 2013 = 100)



Freight Rates

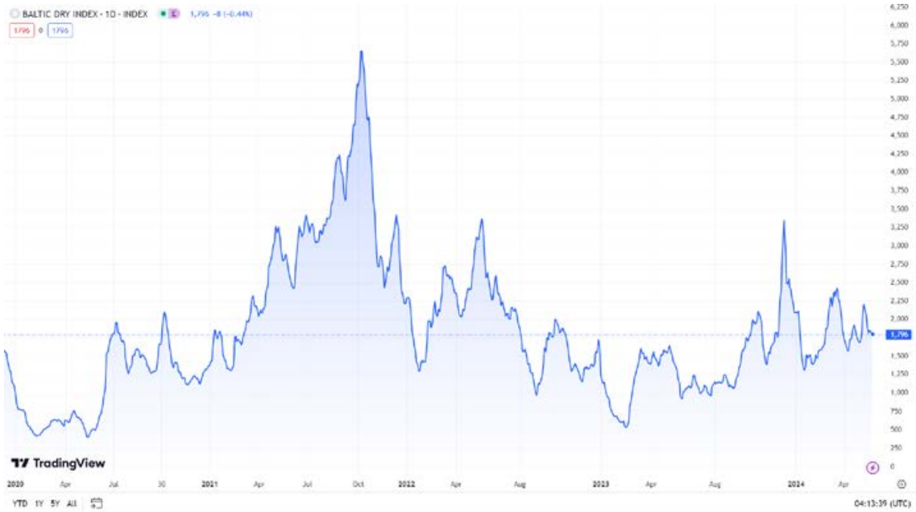
(Click on legend entries to add and remove rates)



	21 May	Weekly Change	Annual Change	52 Week Low	52 Week High
Australia - Iran	$28	-	43 %	$17	$30
Brazil - EU	$27	-2	22 %	$20	$43
USA (Gulf) - Japan	$53	-3	19 %	$42	$62

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

➢ Baltic Dry Freight Index – Daily = 1796



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

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

Capesize: The Capesize Timecharter Average (C5TC) closed on a positive note on Friday before entering the last week of May, which will start with a public holiday in the UK next Monday. The C5TC at $21,674 is about $500 lower week-on-week but $5,000 higher year-on-year. West Australia to China trade hovered in the range from high $9s to mid $10s, with a public holiday in Singapore interrupting mid-week. Good weather was finally reported from Brazil, followed by more activity towards the second half of the week, eventually settling at $24.765. It was a tricky and a mixed bag in the Atlantic as both high and low fixtures were reported. Laycan can be the crucial factor in fixing trans-Atlantic and fronthaul runs.

Panamax: The Panamax market returned mostly a flat week, however in parts of the Asian basin a steady rise ensued with solid levels of demand and firm fundamentals. The Atlantic disappointed by comparison, the trans-Atlantic voyages in particular returning an underwhelming week with thin visibility. Fronthaul activity fared slightly better with steady grain and mineral demand emanating from the Americas both North and South. Reports mid-week of an 81,000-dwt delivery Gibraltar achieving $26,000 for a trip via US Gulf to China. In Asia plentiful activity with sound demand from all major load origins. Strong rates especially ex Australia were witnessed with reports of an 82,000-dwt delivery China agreeing $19,500 for a trip via Australia redelivery Japan, and with talk over $20,000 was achieved for same run on index type tonnage. Period activity was minimal, but the highlight did include rumors of a modern 81,000-dwt delivery Japan achieving $20,000 basis 10/14 months period.

Ultramax/Supramax: A rather subdued week for the sector as holidays both in Europe and Asia interrupted the flow. In the Atlantic, little fresh enquiry was seen resulting in lower rates being discussed as prompt tonnage remained readily available. A 56,000-dwt was fixed from the US Gulf to the Continent at $13,000. Whilst further south a 52,000-dwt was heard fixed for a sugar run from Santos Southeast Asia at around $14,500 plus $450,000 ballast bonus. From Asia a similar lacklustre feel, certainly from Southeast Asia, again limited fresh cargo being blamed. A 60,000-dwt fixing delivery Thailand via Indonesia redelivery South China at $19,500. Further north, brokers said there was a reasonable amount of enquiry, however tonnage availability remained healthy keeping rates in check. The Indian Ocean despite a fair

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

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	Colombia	Wheat	May 7, 2024	May 20/30, 2024	3,000	28.30
Brazil	China	Heavy grain	May 13, 2024	May 23/29, 2024	60,000	48.75
Brazil	China	Corn	May 10, 2024	Jun 15/Jul 15, 2024	65,000	49.00
Brazil	N. China	Heavy grain	May 9, 2024	May 15/18, 2024	63,000	51.50
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 05-23-24

amount of action remained static, a 63,000-dwt fixing a trip from South Africa to China at $22,000 plus $220,000 ballast bonus. Period action was limited but a 57,000-dwt open Indian Ocean was fixed for three to five months trading redelivery worldwide at $15,000.

Handysize: Cargo availability was said to have begun to improve across the Atlantic, but with a large amount of prompt tonnage levels limited the positive gains so far. The most visible activity was seen in the US Gulf as a 39,000-dwt was fixed for a trip from SW Pass to North Coast South America at $10,400 while a 39,000-dwt fixed from the US Gulf to the Continent with an unspecified dirty cargo at $10,500. A 35,000-dwt was fixed from Houston via the Red Sea with redelivery in Port Said with an intended cargo of grains at $11,000. In the South Atlantic, a 40,000-dwt fixed from Recalada to Singapore-Japan at $24,500. Positivity remained across the Asian markets with healthy levels of cargo availability helping maintain the upwards trend despite holidays in Singapore this week. The Arabian Gulf also remained active with a 38,000-dwt fixing a trip to Bangladesh with urea at $19,000 with an option on redelivery passing Singapore at $14,000.

➢ Baltic index dips on lower capesize rates

21 May 2024 Reuters - The Baltic Exchange's main sea freight index, which tracks rates for ships carrying dry bulk commodities, dropped on Tuesday, as a dip in the capesize segment countered gains in panamax vessels.

The overall index .BADI, which factors in rates for capesize, panamax and supramax shipping vessels, fell 18 points, or 0.97%%, to 1,829.

The capesize index .BACI slipped 53 points, or 1.96%, to 2,655.

Average daily earnings for capesize vessels .BATCA, which typically transport 150,000-ton cargoes of iron ore and coal, among others, decreased $445 to $22,015.

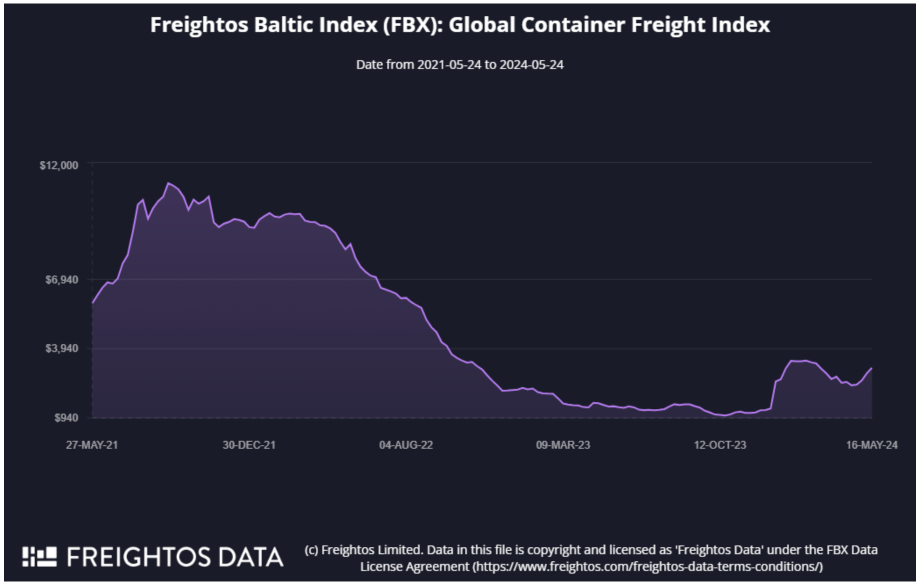
Iron ore futures rose on Tuesday, as resilient demand and improved prospects in China continued to support the market.

The panamax index .BPNI snapped a six-session losing streak and rose 11 points, or about 0.61%, to 1,822.

Average daily earnings for panamax vessels .BPWT, which usually carry about 60,000-70,000 tons of coal or grain cargo, climbed $101 to $16,401.

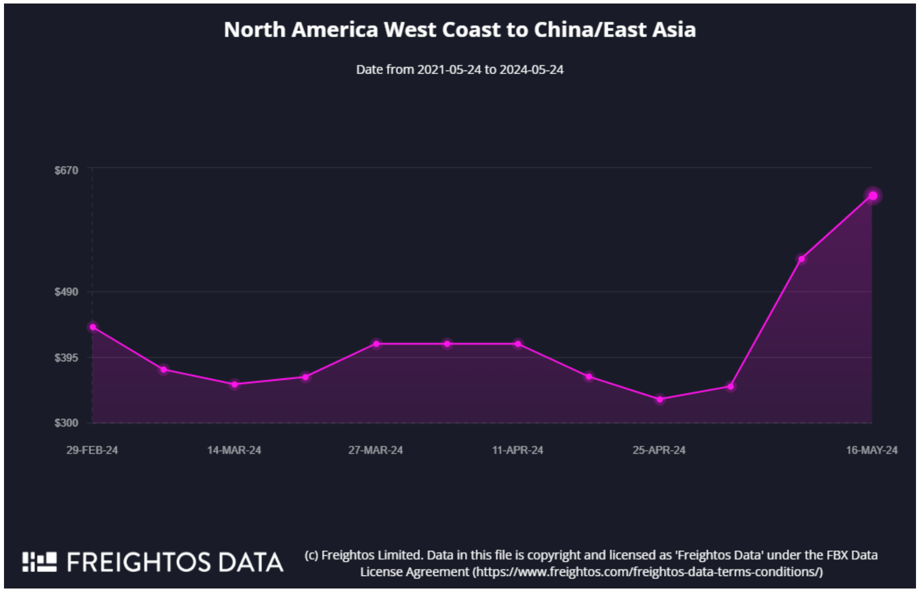
Among smaller vessels, the supramax index .BSIS eased 10 points, or 0.72%, to 1,382.

➢ 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.

➢ Congestion, equipment shortages increasing, with further rate hikes

22 May 2024 AJOT — **Key insights:**

- Unseasonal increases in demand for ocean freight out of Asia are putting additional strain on a container market already stretched thin by Red Sea diversions, and pushing ocean rates up.
- Capacity shortages are leading to skipped port calls and schedule disruptions, contributing to reports of empty container shortages and congestion in some major ports in China, and in Singapore and Malaysia as well.
- Daily transpacific rates are at $4,800/FEU to the West Coast and $5,800/FEU to the East Coast, 40% higher than in April. Asia - N. Europe rates are up 50% to $5,000/FEU with Mediterranean prices above $5,600/FEU and 3.5 times higher than in 2019.
- Some carrier announcements for more increases in June – an additional $1,000/FEU to Europe and $2,000/FEU to N. America – show they do not expect conditions to ease in the short term.
- Ocean disruptions have not led to an increase in air demand and rates just yet: China - N. America rates were level at $5.86/kg last week though prices to Europe rebounded 11% to their early-month level of about $4.00/kg. S. Asia export rates remain elevated but level, and Middle East - N. America rates, which had been elevated on increases in sea-air volumes, have eased by 15% in the last weeks to $2.52/kg.

Ocean rates - Freightos Baltic Index:

- Asia-US West Coast prices (FBX01 Weekly) increased 12% to $4,333/FEU.
- Asia-US East Coast prices (FBX03 Weekly) climbed 5% to $5,359/FEU.
- Asia-N. Europe prices (FBX11 Weekly) increased 11% to $4,603/FEU.
- Asia-Mediterranean prices (FBX13 Weekly) increased 6% to $5,495/FEU.

Air rates - Freightos Air index

- China - N. America weekly prices stayed level at $5.86/kg
- China - N. Europe weekly prices increased 11% to $4.00/kg.
- N. Europe - N. America weekly prices increased 1% to $1.75/kg

Analysis

Unseasonal increases in demand for ocean freight out of Asia – due to the possible start of a restocking cycle in Europe, and a pull forward of peak season demand by N. American importers out of concern over labor or Red Sea disruptions later in the year – are putting additional strain on a container market already stretched thin by Red Sea diversions.

Even with fleet growth from new vessels being applied to add more ships to rotations and accommodate longer journeys around the south of Africa, carriers are still facing a capacity shortage. This shortage is leading to late arrivals and port omissions as carriers skip some port calls to try and keep up with weekly schedules at major hubs. Delays and omissions are contributing to reports of empty container shortages and congestion due to vessel bunching at some ports in China, with congestion also a problem in Singapore and Malaysia.

Increasing demand, tight capacity and delays are combining to push ocean rates up from their already elevated Red Sea-adjusted floors reached in April.

Weekly prices rose last week and continued to climb this week, with the latest daily rates on the transpacific up to about $4,800/FEU to the West Coast and $5,800/FEU to the East Coast, for about a 40% increase since the end of April. The latest Asia - N. Europe rates are up about 50% since April to almost $5,000/FEU with prices to the Mediterranean above $5,600/FEU and 3.5 times higher than in 2019.

Carrier announcements of additional rate increases set for June show they do not expect demand to ease or conditions to improve in the short term. CMA CGM is setting Asia - N. Europe rates at $6,000/FEU starting June 1st, and Hapag-Lloyd has announced an Asia - N. America Peak Season Surcharge of $600/FEU to start June that will climb to $2,000/FEU mid-month.

In other ocean developments, two months after its collision with the Key Bridge in Baltimore, crews refloated the Dali and removed it from the crash site. Fully restored access to the port is expected by the end of the month, with Maersk already accepting Baltimore bookings for June.

In Canada, a government review of which services must be excluded from a union strike will likely delay the planned rail worker strike for at least the next 60 days, though the sides are reportedly still no closer to a resolution.

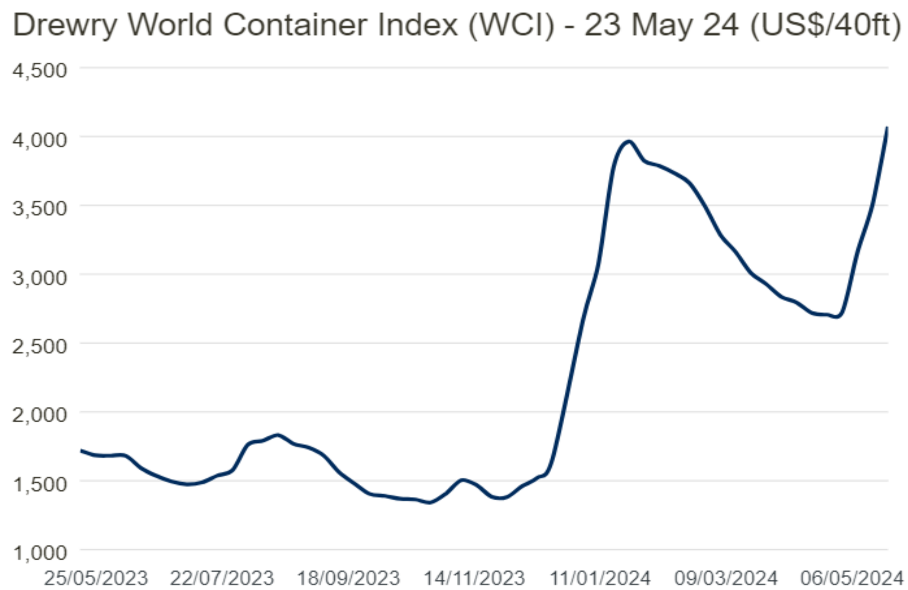
Finally, increases in ocean rates and delays could push some additional demand to the air, though no significant shift seems to have started just yet.

Freightos Air Index rates from China to N. America were level at $5.86/kg last week though prices to Europe rebounded 11% to their early-month level of about $4.00/kg.

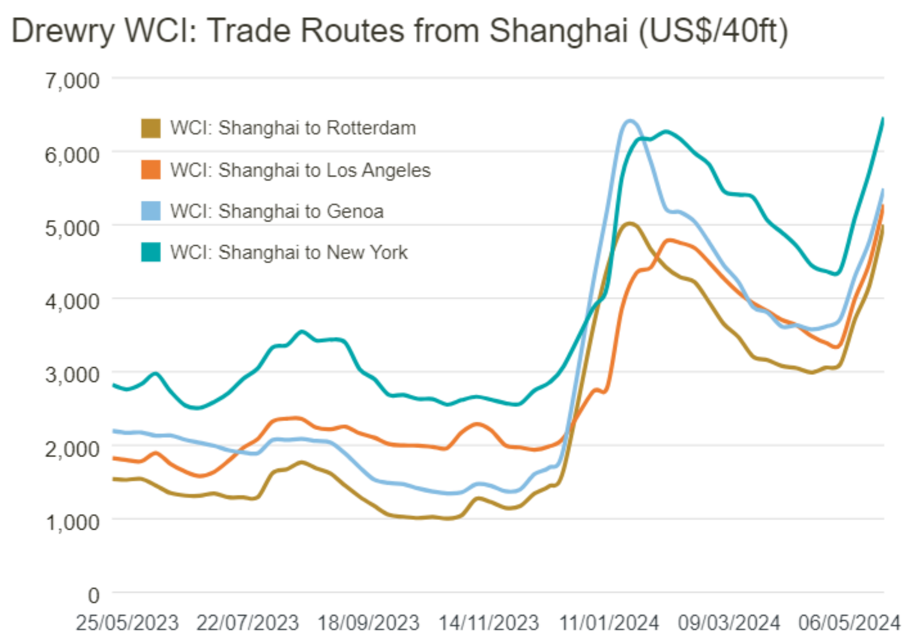
Prices out of S. Asia, where Red Sea-driven ocean delays have had the strongest impact on air demand and rates, were level at $5.40/kg to N. America and $3.95/kg to Europe last week, though they remain about double their levels before Red Sea diversions started.

Rates from the Middle East to N. America, which had been elevated from a shift to sea-air options, have eased by 15% in the last couple weeks to $2.52/kg.

➢ **Drewry World Container Index**



23 May 2024 – Source: https://www.drewry.co.uk/supply-chain-advisors/world-container-index-weekly-update/. Drewry's World Container Index increased 11% to $3,511 per 40ft container this week.



Our detailed assessment for Thursday, 23 May 2024

The composite index increased 16% to $4,072 per 40ft container this week and has increased by 142% when compared with the same week last year.

The latest Drewry WCI composite index of $4,072 per 40ft container is 187% more than average 2019 (pre-pandemic) rates of $1,420.

The average composite index for the year-to-date is $3,280 per 40ft container, which is $559 higher than the 10-year average rate of $2,717 (which was inflated by the exceptional 2020-22 Covid period).

Freight rates from Shanghai to Rotterdam increased 20% or $827 to $4,999 per 40ft container. Similarly, rates from Shanghai to Los Angeles increased 18% or $801 to $5,277 per feu. Likewise, rates from Shanghai to Genoa climbed 15% or $718 to $5,494 per 40ft box. Correspondingly, rates from Shanghai to New York surged 13% or $746 to $6,463 per 40ft container. Also, Rotterdam to New York rates increased 1% or $32 to $2,241 per feu. Conversely, rates from Rotterdam to Shanghai decreased 1% or $6 to $673. While rates from Los Angeles to Shanghai and New York to Rotterdam remain stable. Drewry expects the spike in spot freight rates to lessen in the next few months.

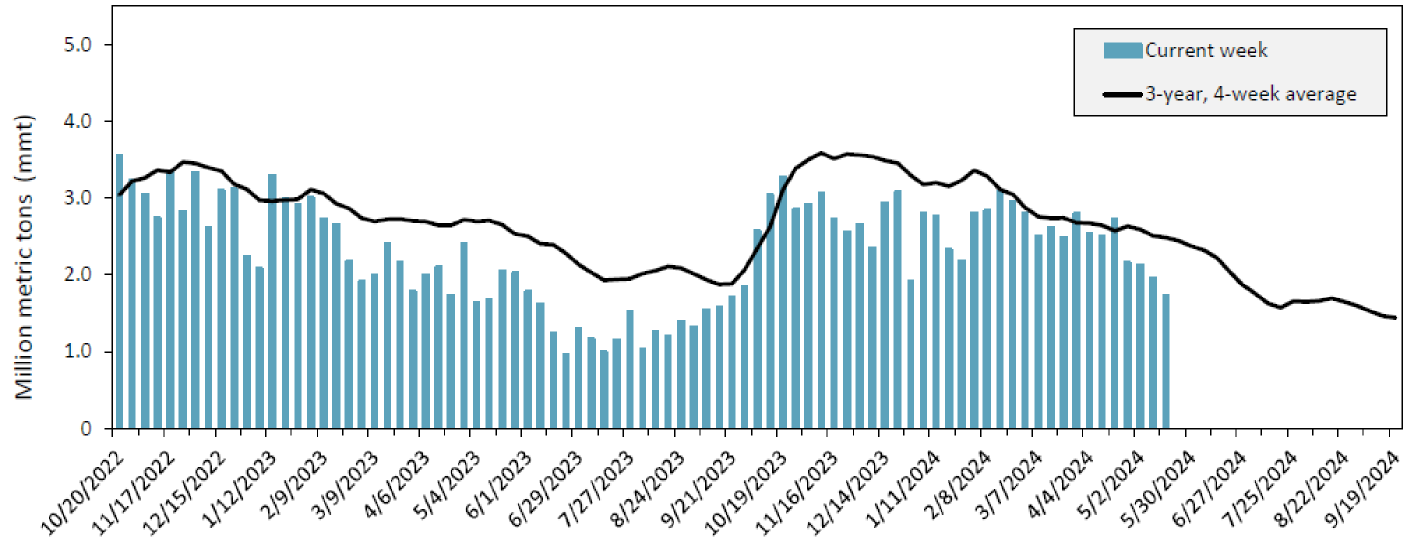
Route	Route code	09-May-24	16-May-24	23-May-24	Weekly change (%)	Annual change (%)
Composite Index	WCI-COMPOSITE	$3,159	$3,511	$4,072	16% ▲	142% ▲
Shanghai - Rotterdam	WCI-SHA-RTM	$3,709	$4,172	$4,999	20% ▲	227% ▲
Rotterdam - Shanghai	WCI-RTM-SHA	$695	$679	$673	-1% ▼	15% ▲
Shanghai - Genoa	WCI-SHA-GOA	$4,295	$4,776	$5,494	15% ▲	153% ▲
Shanghai - Los Angeles	WCI-SHA-LAX	$3,988	$4,476	$5,277	18% ▲	193% ▲
Los Angeles - Shanghai	WCI-LAX-SHA	$699	$692	$692	0%	-32% ▼
Shanghai - New York	WCI-SHA-NYC	$5,089	$5,717	$6,463	13% ▲	134% ▲
New York - Rotterdam	WCI-NYC-RTM	$629	$628	$630	0%	-25% ▼
Rotterdam - New York	WCI-RTM-NYC	$2,160	$2,209	$2,241	1% ▲	-44% ▼

CEREAL GRAINS

➢ Wheat Export Shipments and Sales

Net sales of 17,900 mts for 2023/2024 were down 77% from the previous week and 61% from the prior 4-week average. Increases primarily for Haiti (12,100 mts, including 11,000 mts switched from the French West Indies), unknown destinations (11,000 mts), Vietnam (1,900 mts), Thailand (1,500 mts, including decreases of 300 mts), and the Philippines (1,100 mts, including decreases of 1,300 mts), were offset by reductions for the French West Indies (11,000 mts), Colombia (1,100 mts), Spain (400 mts), and Mexico (100 mts). Net sales of 224,900 mts for 2024/2025 primarily for Mexico (129,300 mts), Brazil (30,000 mts), unknown destinations (25,000 mts), Panama (21,200 mts), and Trinidad and Tobago (8,800 mts), were offset by reductions for Colombia (3,700 mts), the Philippines (2,000 mts), and Thailand (300 mts).

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



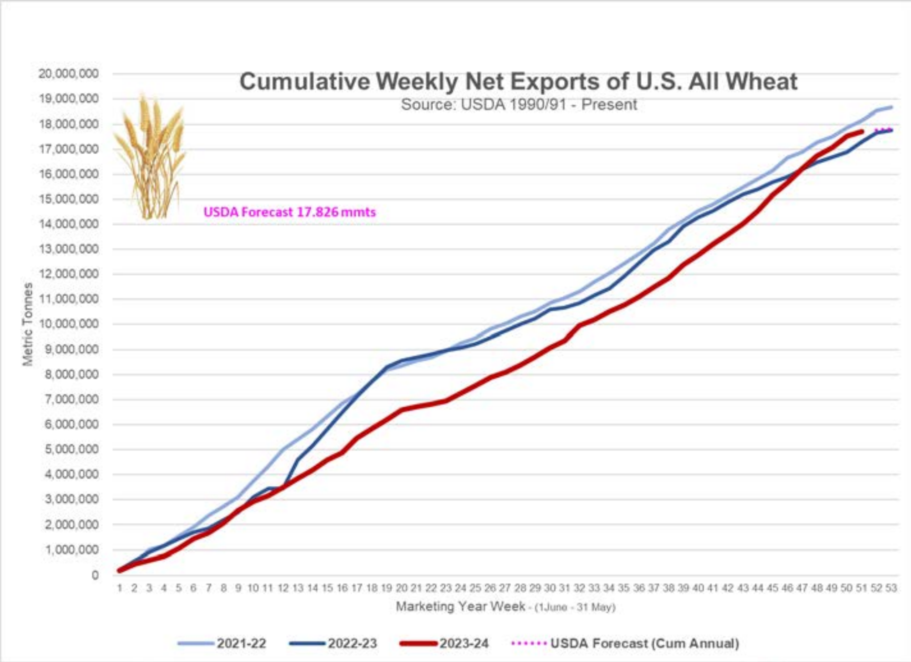
Notes: 3-year average consists of 4-week running average.
Source: USDA, Federal Grain Inspection Service.

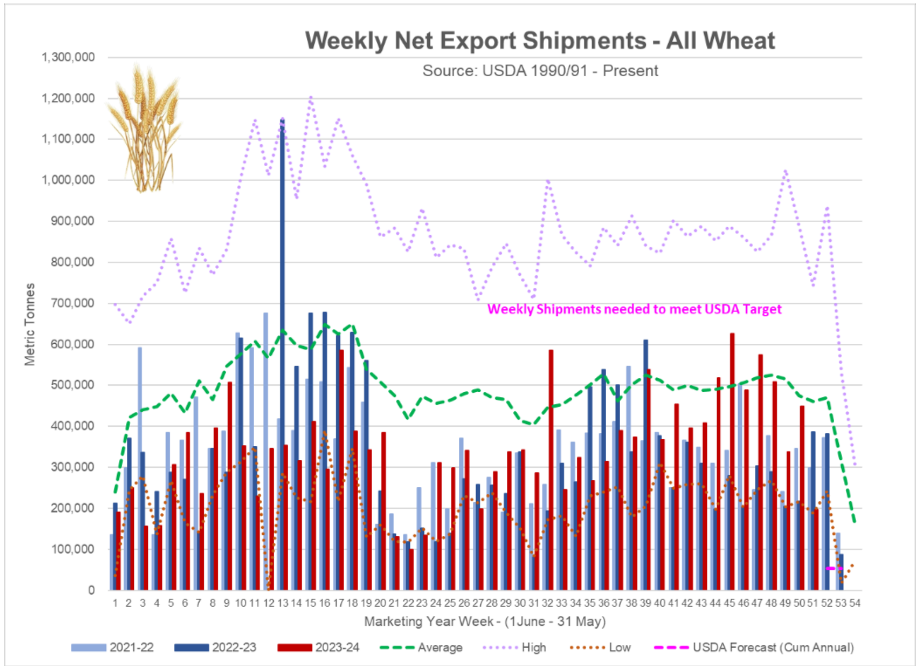
Exports of 197,200 mts were down 56% from the previous week and 58% from the prior 4-week average. The destinations were primarily to the Philippines (64,100 mts), Thailand (58,500 mts), Mexico (27,900 mts), Japan (25,900 mts), and Haiti (12,100 mts).

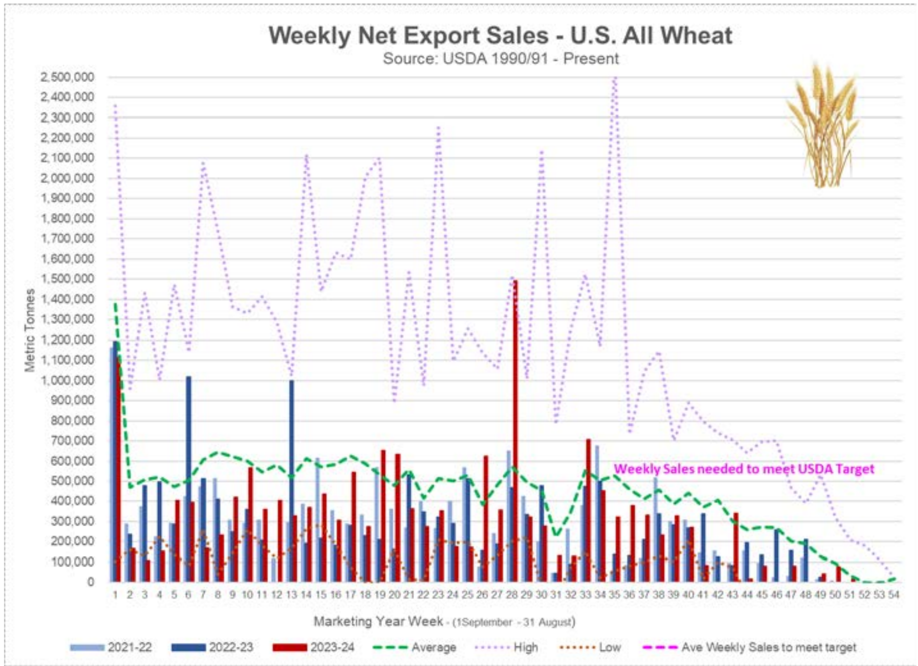
➢ Rice Export Shipments and Sales

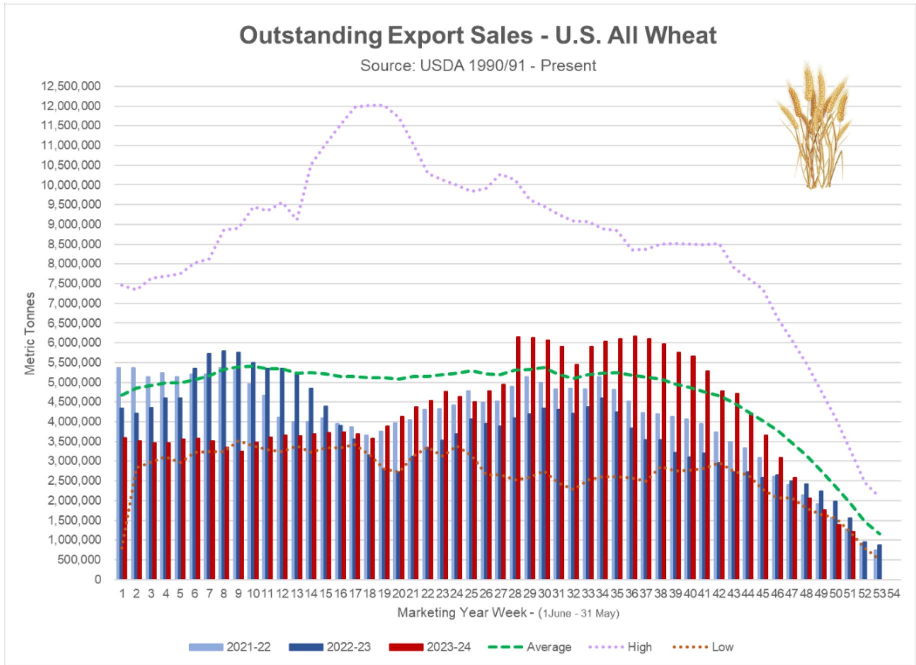
Net sales of 33,100 mts for 2023/2024 were up 28% from the previous week and 1% from the prior 4-week average. Increases were primarily for Mexico (23,400 mts, including decreases of 3,000 mts), Honduras (6,000 mts), Canada (1,900 mts), Guatemala (500 mts), and Jordan (500 mts).

Exports of 133,200 mts were up noticeably from the previous week and from the prior 4-week average. The destinations were primarily to Mexico (59,800 mts), Colombia (46,800 mts), Guatemala (13,800 mts), El Salvador (3,600 mts), and South Korea (3,500 mts).


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 911,200 mts for 2023/2024 were up 23% from the previous week, but down 1% from the prior 4-week average. Increases primarily for Mexico (350,300 mts, including decreases of 16,500 mts), China (273,800 mts, including 263,000 mts switched from unknown destinations), Japan (220,100 mts, including 43,300 mts switched from unknown destinations and decreases of 4,200 mts), Costa Rica (56,300 mts), and Panama (45,900 mts, including 22,900 mts switched from Colombia), were offset by reductions for unknown destinations (263,100 mts). Net sales of 305,000 mts for 2024/2025 were primarily for Mexico (286,000 mts), Costa Rica (9,900 mts), and Trinidad and Tobago (7,200 mts).

Exports of 1,448,600 mts were up 52% from the previous week and 10% from the prior 4-week average. The destinations were primarily to Mexico (396,200 mts), China (275,200 mts), Japan (236,100 mts), Colombia (180,000 mts), and Saudi Arabia (72,600 mts).

Optional Origin Sales: For 2023/2024, new optional sales of 52,000 mts were for Japan. The current outstanding balance of 52,000 mts were for Japan.

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

For the week ending 5/9/2024	Total commitments (1,000 mt)			% change current MY from last MY	Exports 3-year average 2020-22 (1,000 mt)
	YTD MY 2024/25	YTD MY 2023/24	YTD MY 2022/23		
Mexico	1,671	19,766	13,935	42	15,445
China	0	2,264	7,765	-71	14,427
Japan	488	8,780	5,655	55	9,283
Colombia	0	5,109	1,991	157	3,592
Korea	0	2,133	782	173	1,938
Top 5 importers	**2,158**	**38,052**	**30,129**	**26**	**44,685**
Total U.S. corn export sales	2,306	48,366	38,055	27	55,397
% of YTD current month's export projection	4%	88%	90%	-	-
Change from prior week	128	742	-339	-	-
Top 5 importers' share of U.S. corn export sales	**94%**	**79%**	**79%**	**-**	**81%**
USDA forecast May 2024	**55,980**	**54,707**	**42,265**	**29**	**-**
Corn use for ethanol USDA forecast, May 2024	**138,430**	**138,430**	**131,471**	**5**	**-**

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.

- **Grain Sorghum Export Shipments and Sales**

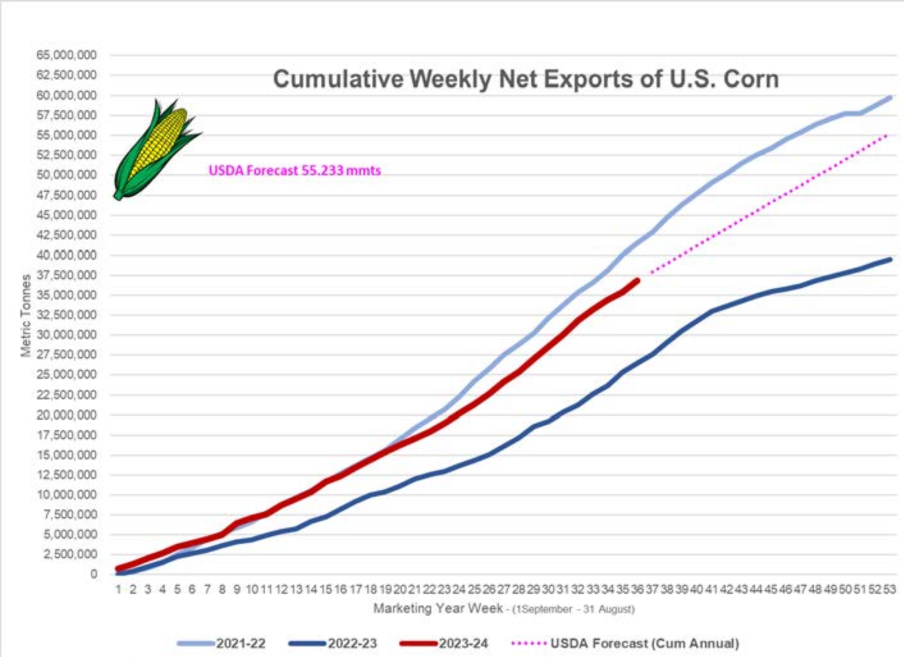
Total net sales of 4,400 mts for 2023/2024 were down 63% from the previous week and 85% from the prior 4-week average. The destination was China.

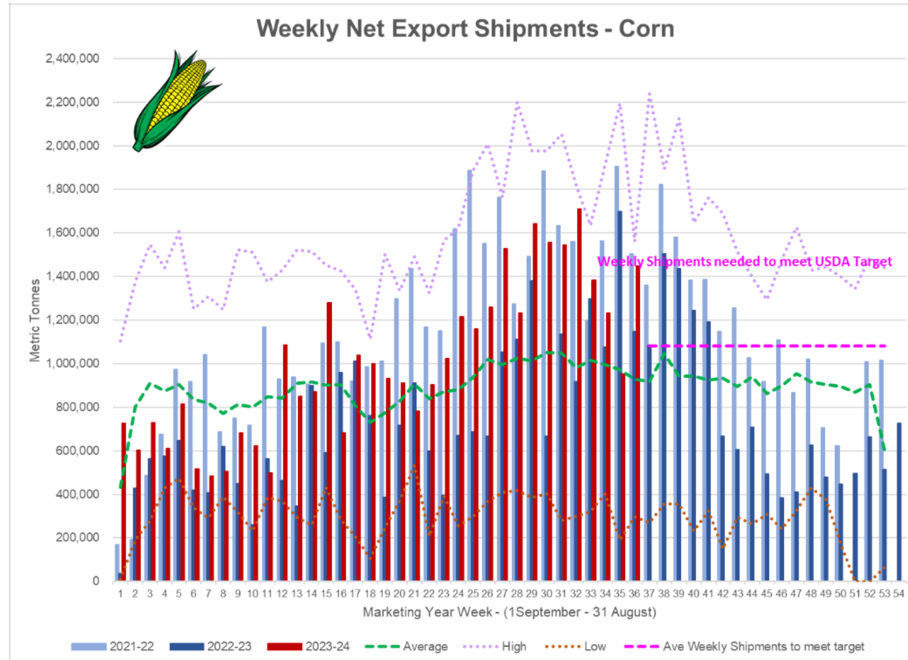
Exports of 127,000 mts were down 10% from the previous week, but up 2% from the prior 4-week average. The destination was China.

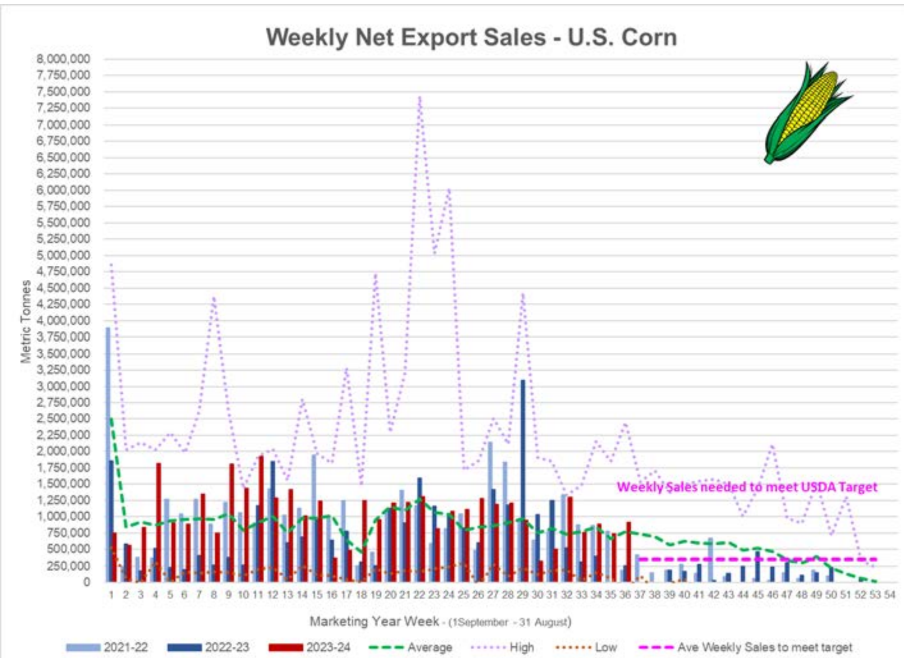
- **Barley Export Shipments and Sales**

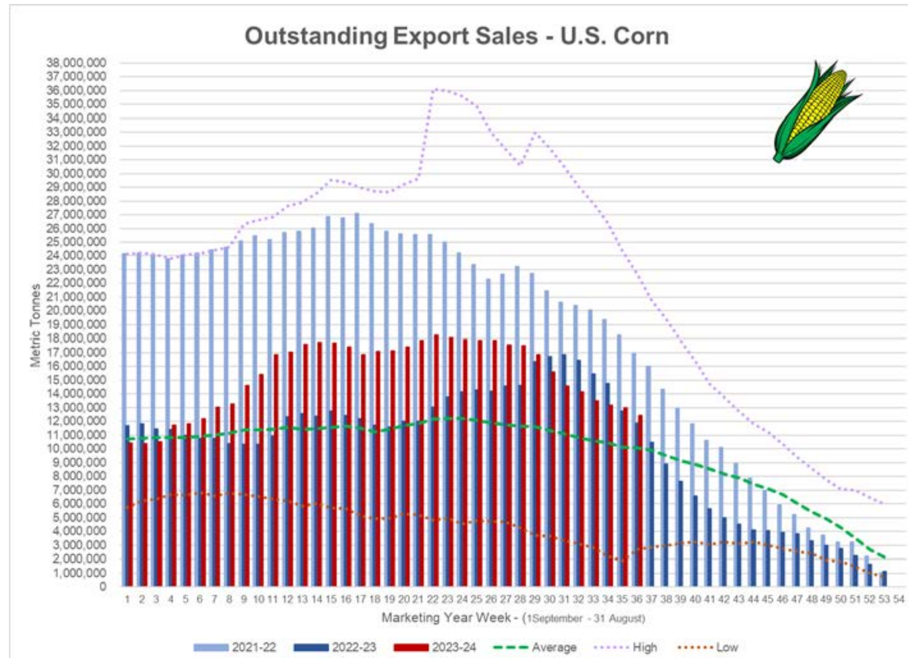
No net sales for 2023/204 were reported for the week.

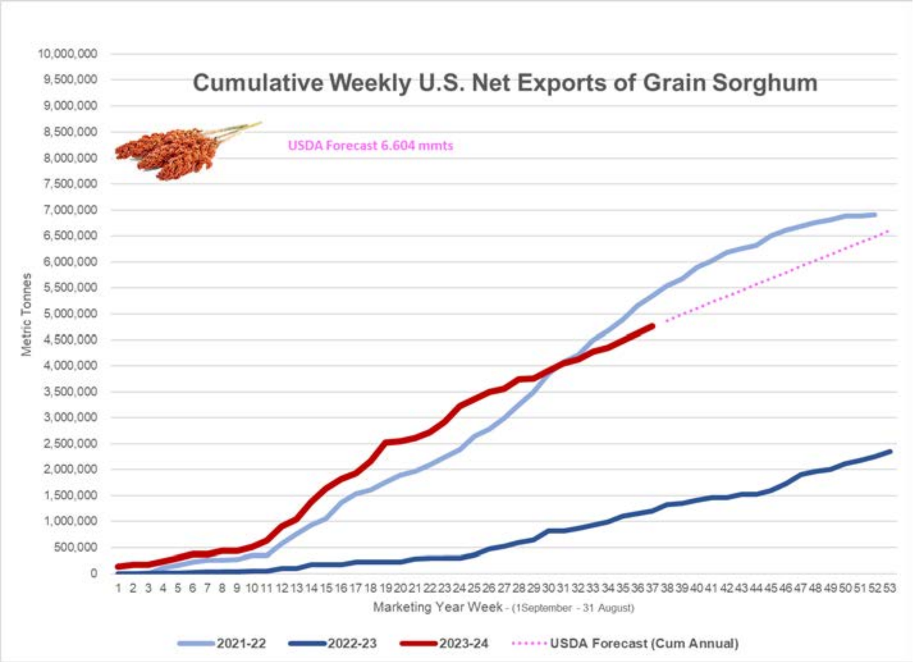
Total net sales of 100 mts for 2024/2025 were for South Korea. Exports of 400 mts were to Japan.

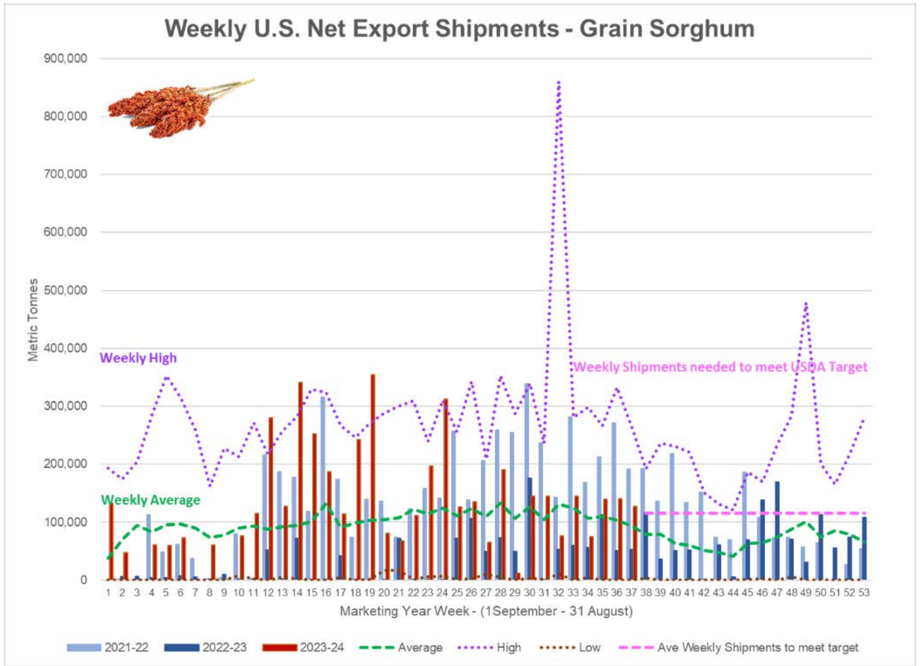

Cumulative Weekly Net Exports of U.S. Corn
USDA Forecast 55.233 mmts
Metric Tonnes
Marketing Year Week - (1September - 31 August)
2021-22
2022-23
2023-24
USDA Forecast (Cum Annual)

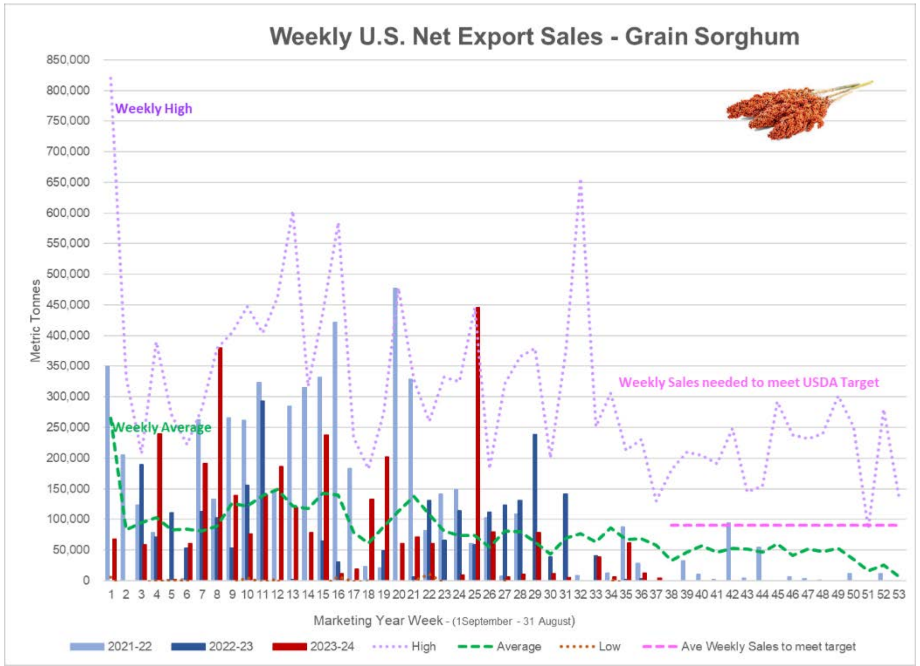

Weekly Net Export Shipments - Corn
Weekly Shipments needed to meet USDA Target
Metric Tonnes
Marketing Year Week - (1September - 31 August)
2021-22
2022-23
2023-24
Average
High
Low
Ave Weekly Shipments to meet target

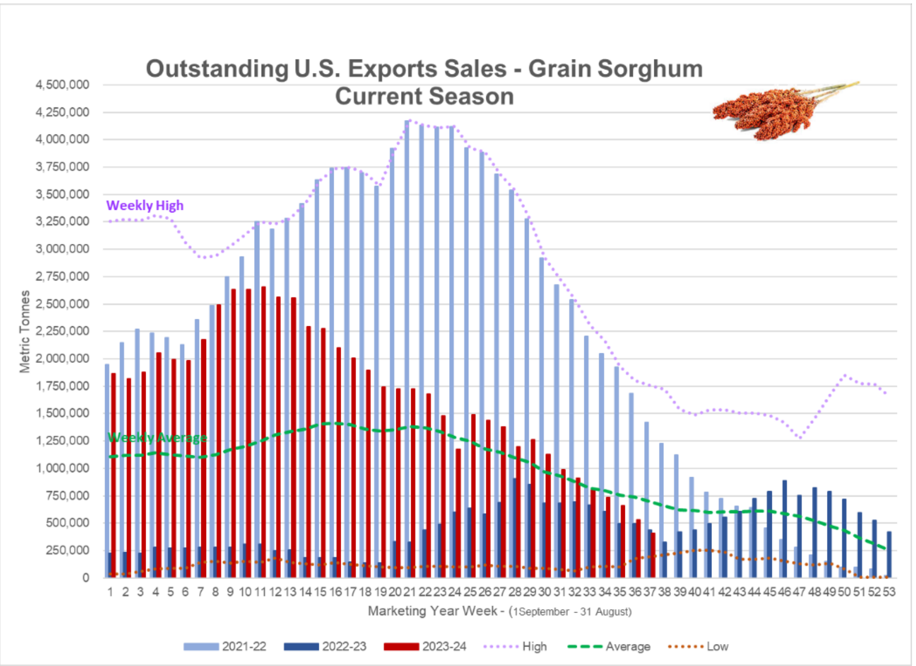

Weekly Net Export Sales - U.S. Corn
Weekly Sales needed to meet USDA Target
Metric Tonnes
Marketing Year Week - (1September - 31 August)
2021-22
2022-23
2023-24
Average
High
Low
Ave Weekly Sales to meet target

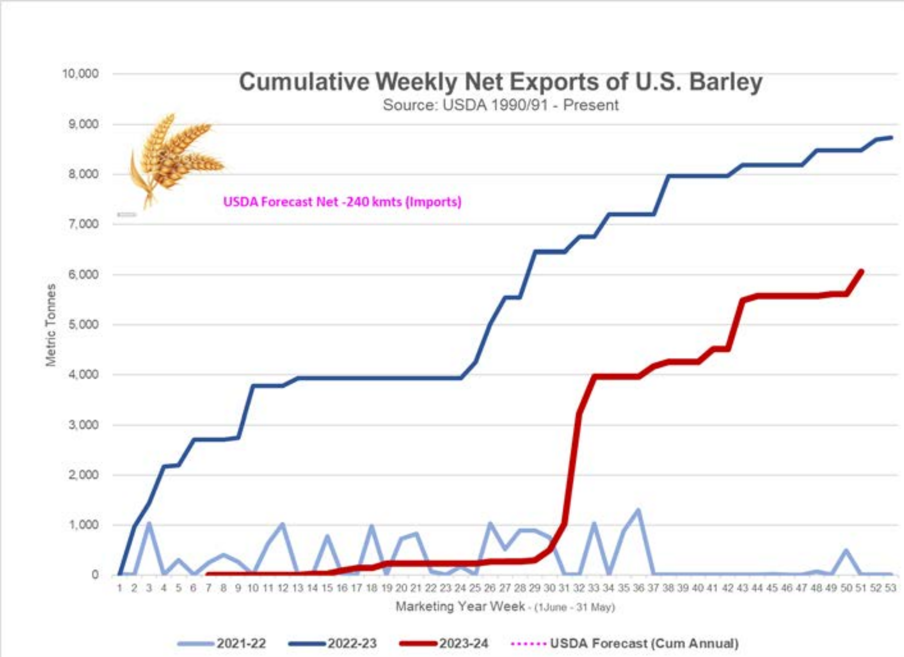

Outstanding Export Sales - U.S. Corn
Metric Tonnes
Marketing Year Week - (1September - 31 August)
2021-22
2022-23
2023-24
Average
High
Low

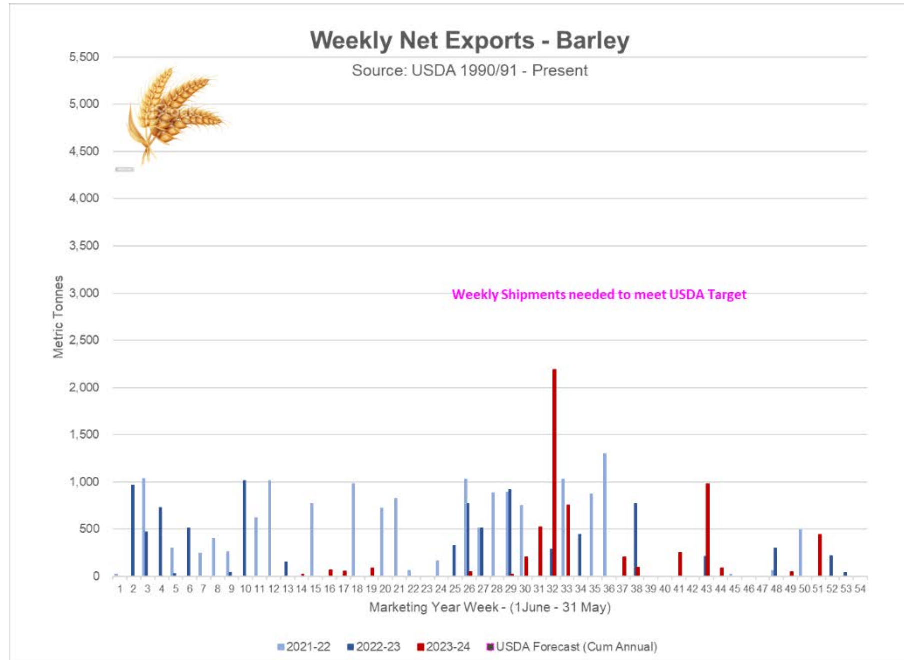

Cumulative Weekly U.S. Net Exports of Grain Sorghum
USDA Forecast 6.604 mmts
Metric Tonnes
Marketing Year Week - (1September - 31 August)
2021-22
2022-23
2023-24
USDA Forecast (Cum Annual)

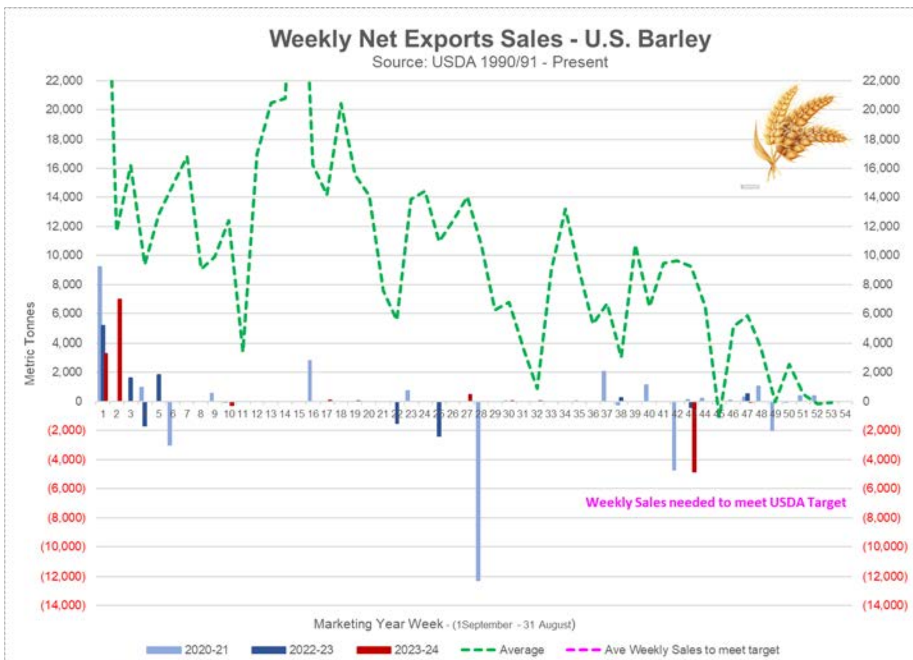

Weekly U.S. Net Export Shipments - Grain Sorghum
Weekly High
Weekly Shipments needed to meet USDA Target
Weekly Average
Metric Tonnes
Marketing Year Week - (1September - 31 August)
2021-22
2022-23
2023-24
Average
High
Low
Ave Weekly Shipments to meet target

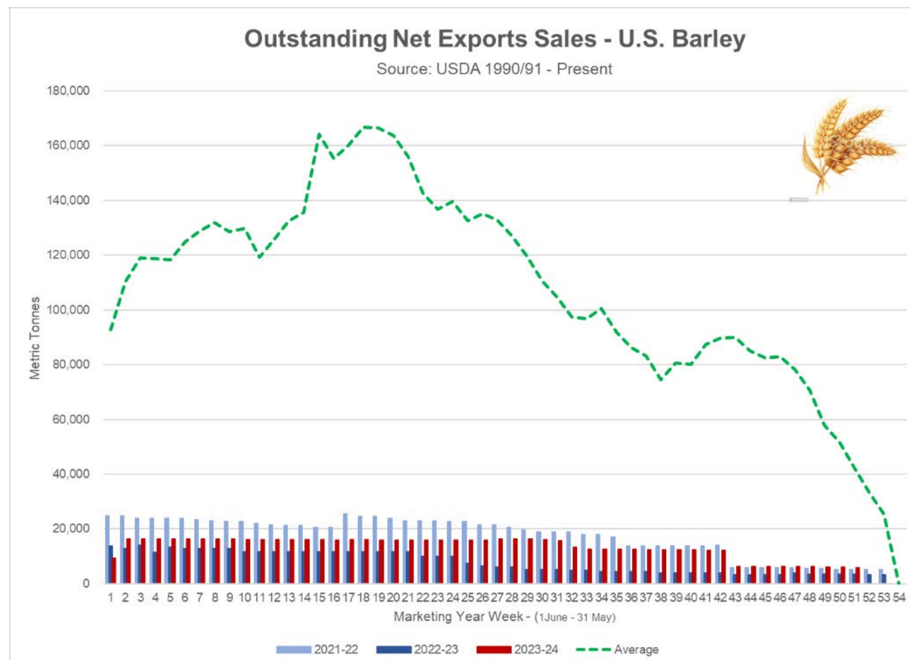

Weekly U.S. Net Export Sales - Grain Sorghum
Weekly High
Weekly Sales needed to meet USDA Target
Weekly Average
Metric Tonnes
Marketing Year Week - (1September - 31 August)
2021-22
2022-23
2023-24
High
Average
Low
Ave Weekly Sales to meet target


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 279,400 mts for 2023/2024 were up 5% from the previous week, but down 15% from the prior 4-week average. Increases primarily for Japan (73,500 mts, including 50,000 mts switched from unknown destinations and decreases of 100 mts), unknown destinations (70,700 mts), Egypt (55,000 mts), Costa Rica (31,500 mts), and Indonesia (25,300 mts, including decreases of 100 mts), were offset by reductions for Thailand (44,500 mts) and Mexico (3,300 mts). Net sales of 65,500 mts for 2024/2025 reported for unknown destinations (60,000 mts), Indonesia (6,000 mts), Taiwan (5,000 mts), and Japan (100 mts), were offset by reductions for Malaysia (5,600 mts).

Exports of 258,800 mts--a marketing-year low--were down 42% from the previous week and 28% from the prior 4-week average. The destinations were primarily to Mexico (87,800 mts), Japan (61,200 mts), Indonesia (24,000 mts), South Korea (20,400 mts), and Vietnam (16,500 mts).

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

Late Reporting: For 2023/2024, net sales and exports totaling 8,065 mts of soybeans were reported late for Canada.

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

For the week ending 5/9/2024	Total commitments (1,000 mt)			% change current MY from last MY	Exports 3-year average 2020-22 (1,000 mt)
	YTD MY 2024/25	YTD MY 2023/24	YTD MY 2022/23		
China	0	23,839	31,054	-23	32,321
Mexico	142	4,585	4,374	5	4,912
Egypt	0	1,025	1,109	-8	2,670
Japan	68	1,892	2,073	-9	2,259
Indonesia	3	1,783	1,378	29	1,973
Top 5 importers	**213**	**33,124**	**39,988**	**-17**	**44,133**
Total U.S. soybean export sales	**890**	**42,602**	**50,725**	**-16**	**56,656**
% of YTD current month's export projection	2%	92%	93%	-	-
Change from prior week	25	266	17	-	-
Top 5 importers' share of U.S. soybean export sales	**24%**	**78%**	**79%**	**-**	**78%**
USDA forecast, May 2024	**49,728**	**46,322**	**54,278**	**-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.

Soybean Oil:

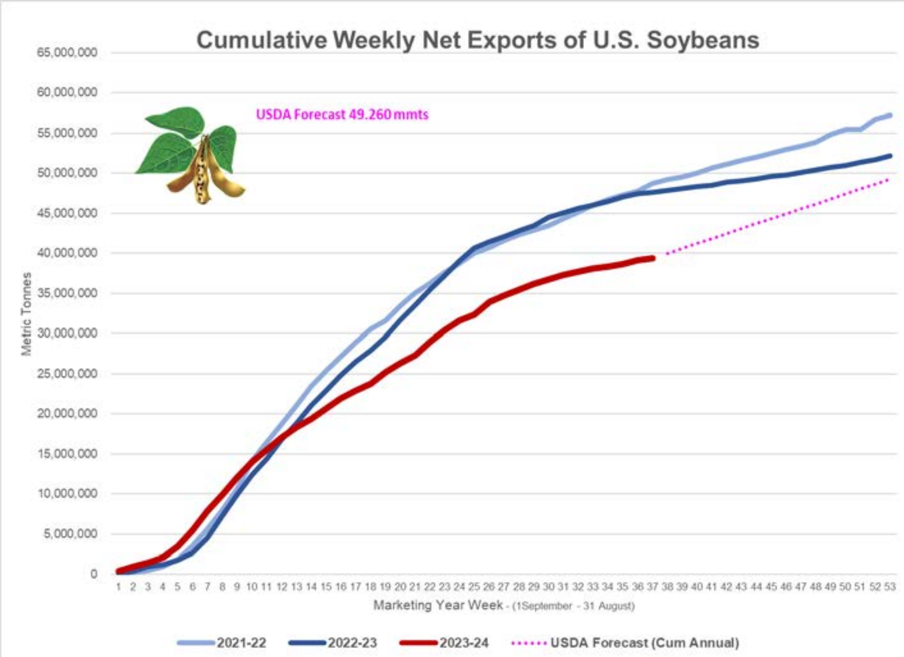
Net sales reductions of 1,000 mts for 2023/2024 were down noticeably from the previous week and from the prior 4-week average. Increases reported for Colombia (11,500 mts, including decreases of 400 mts), the Dominican Republic (1,500 mts, including decreases of 3,500 mts), Canada (800 mts), and Mexico (200 mts), were more than offset by reductions for Jamaica (15,000 mts). Total net sales of 4,000 mts for 2024/2025 were for Venezuela.

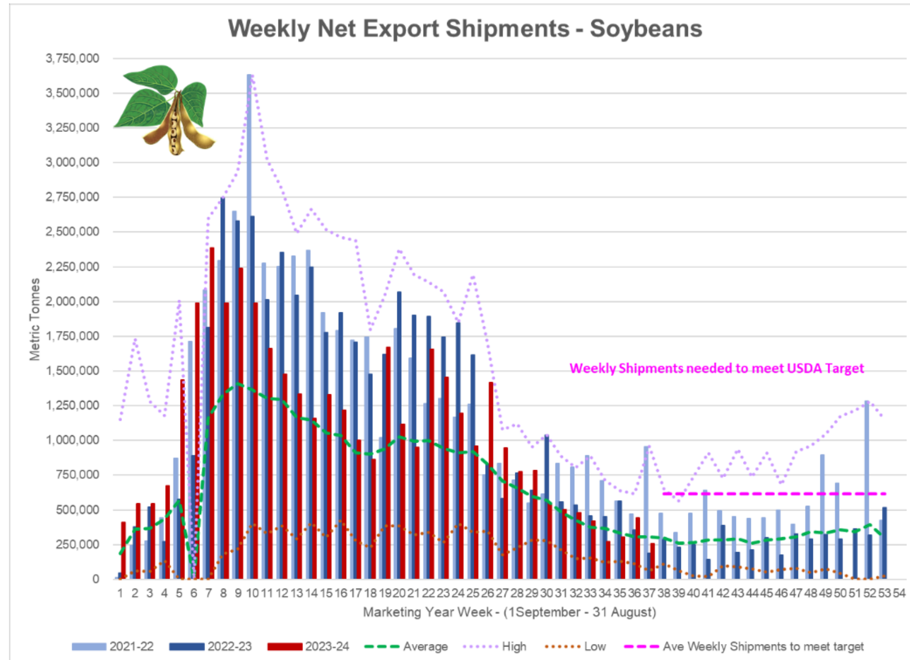
Exports of 20,600 mts--a marketing-year high--were up noticeably from the previous week and from the prior 4-week average. The destinations were to Colombia (14,800 mts), the Dominican Republic (3,500 mts), Mexico (2,000 mts), and Canada (300 mts).

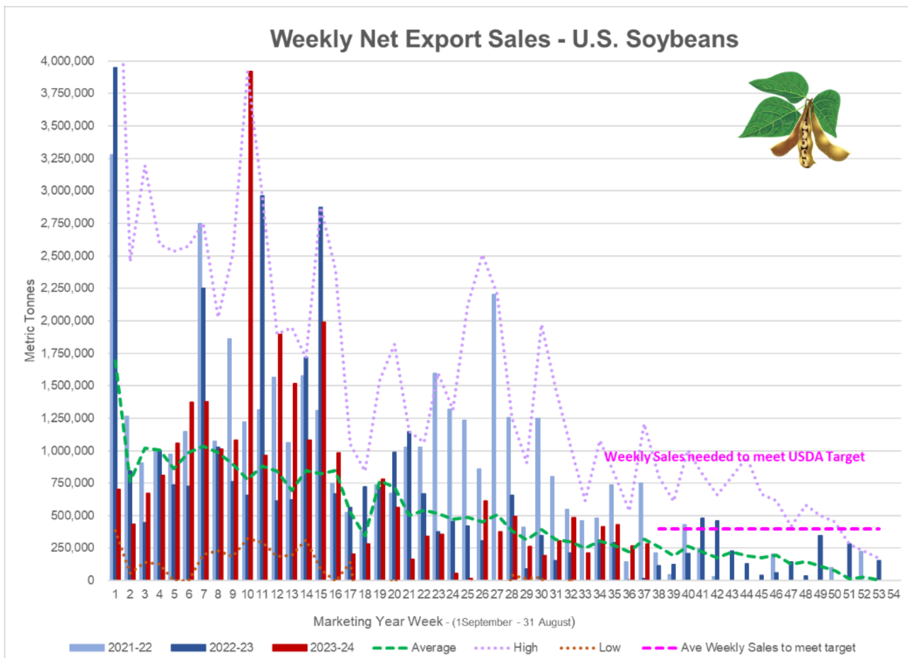
Soybean Cake and Meal:

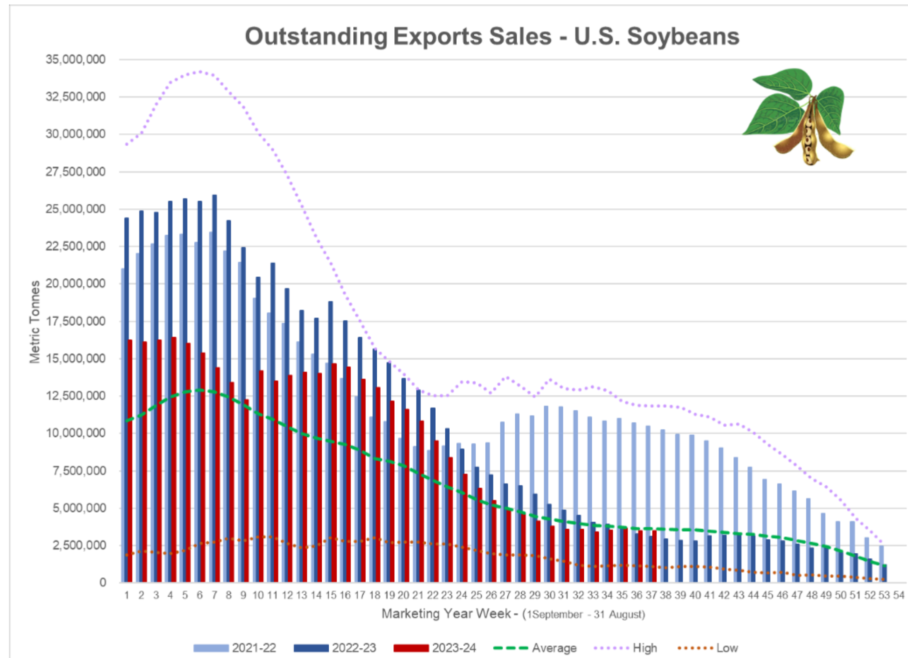
Net sales of 145,300 mts for 2023/2024 were down 52% from the previous week and 39% from the prior 4-week average. Increases primarily for Venezuela (37,000 mts, including 20,000 mts switched from Panama), the Dominican Republic (24,800 mts, including 8,000 mts switched from unknown destinations and decreases of 2,000 mts), Mexico (21,100 mts), Honduras (17,200 mts, including decreases of 9,900 mts), and Canada (11,200 mts), were offset by reductions for Panama (4,100 mts), the Philippines (1,500 mts), Burma (1,000 mts), Japan (600 mts), and Nicaragua (500 mts). Net sales of 51,400 mts for 2024/2025 were reported for Canada (41,900 mts) and Mexico (9,500 mts).

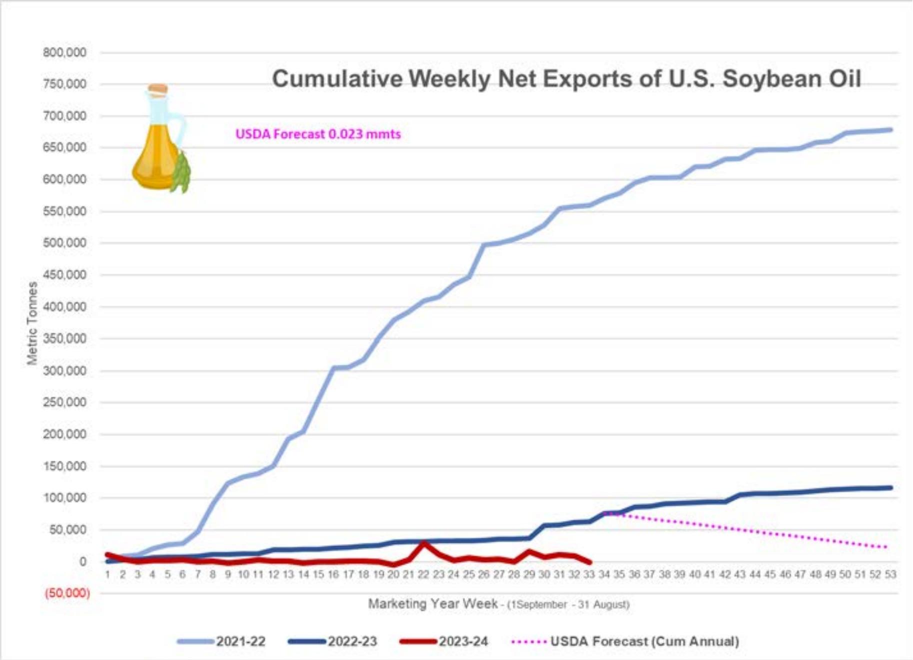
Exports of 178,800 mts were down 15% from the previous week and 23% from the prior 4-week average. The destinations were primarily to Vietnam (52,500 mts), Mexico (32,300 mts), Tunisia (31,100 mts), Canada (18,500 mts), and Panama (9,900 mts).


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)

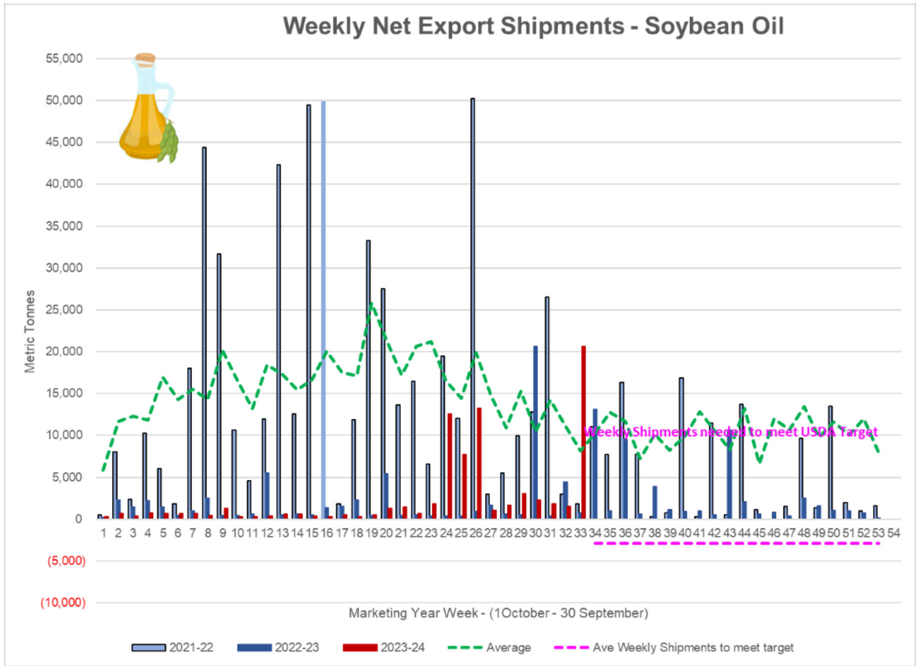

Weekly Net Export Shipments - Soybeans
Weekly Shipments needed to meet USDA Target
Metric Tonnes
Marketing Year Week - (1September - 31 August)
2021-22
2022-23
2023-24
Average
High
Low
Ave Weekly Shipments to meet target


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

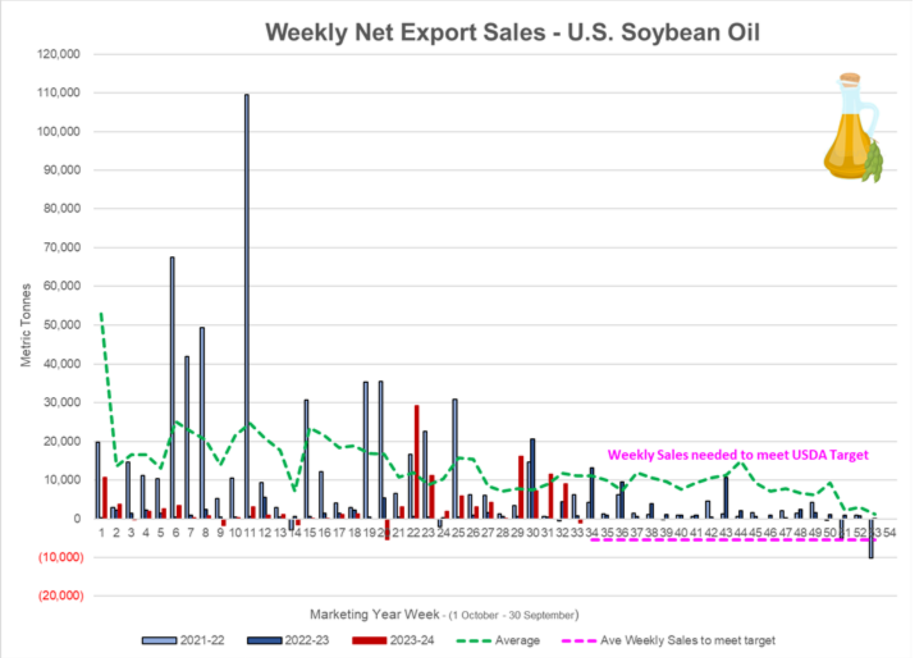

Outstanding Exports Sales - U.S. Soybeans
Metric Tonnes
Marketing Year Week - (1September - 31 August)
2021-22
2022-23
2023-24
Average
High
Low



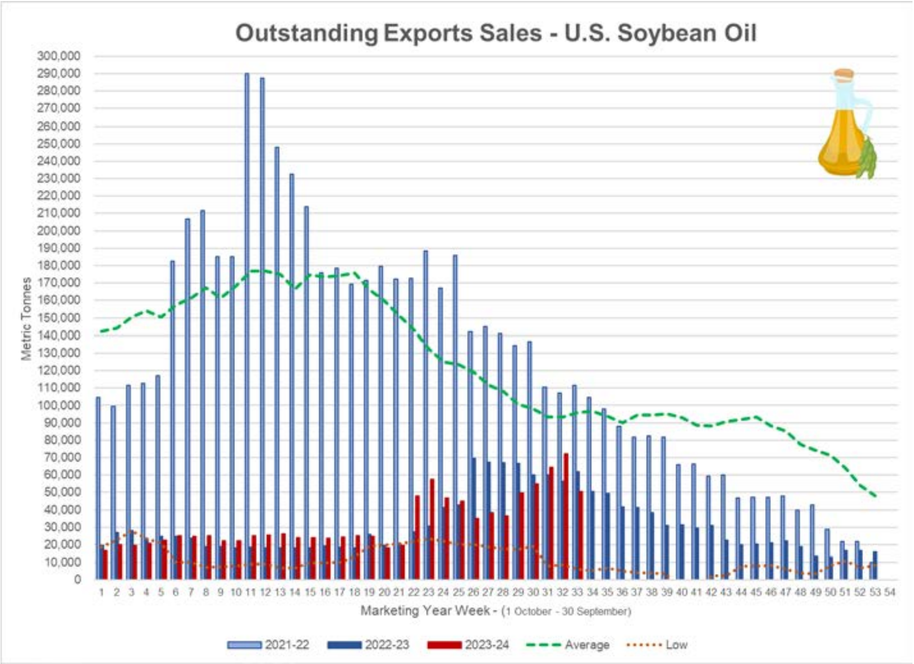
Cumulative Weekly Net Exports of U.S. Soybean Oil
USDA Forecast 0.023 mmts
Metric Tonnes
Marketing Year Week - (1September - 31 August)
2021-22
2022-23
2023-24
USDA Forecast (Cum Annual)



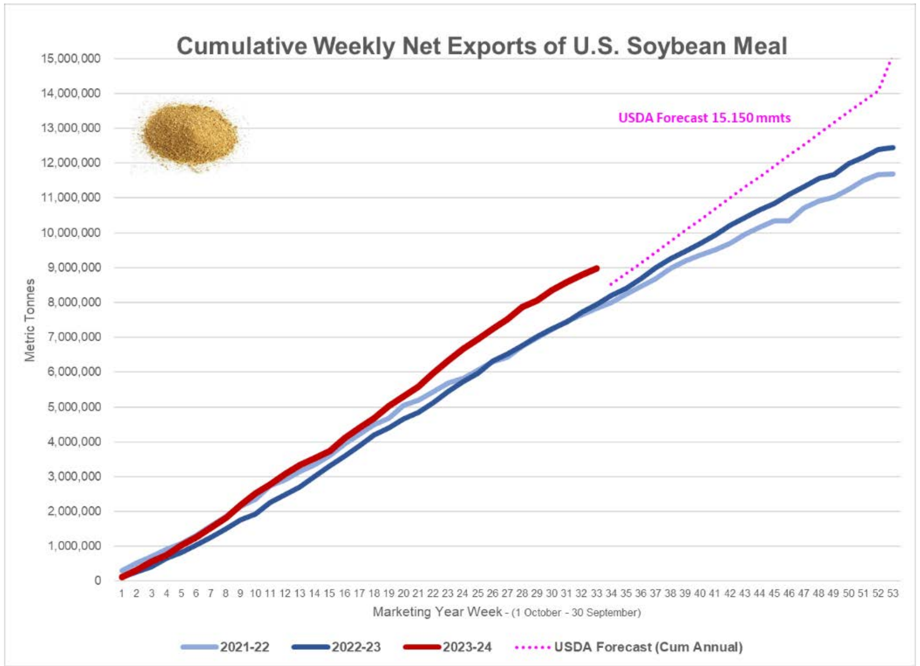
Weekly Net Export Shipments - Soybean Oil
Weekly Shipments needed to meet USDA Target
Metric Tonnes
Marketing Year Week - (1October - 30 September)
2021-22
2022-23
2023-24
Average
Ave Weekly Shipments to meet target

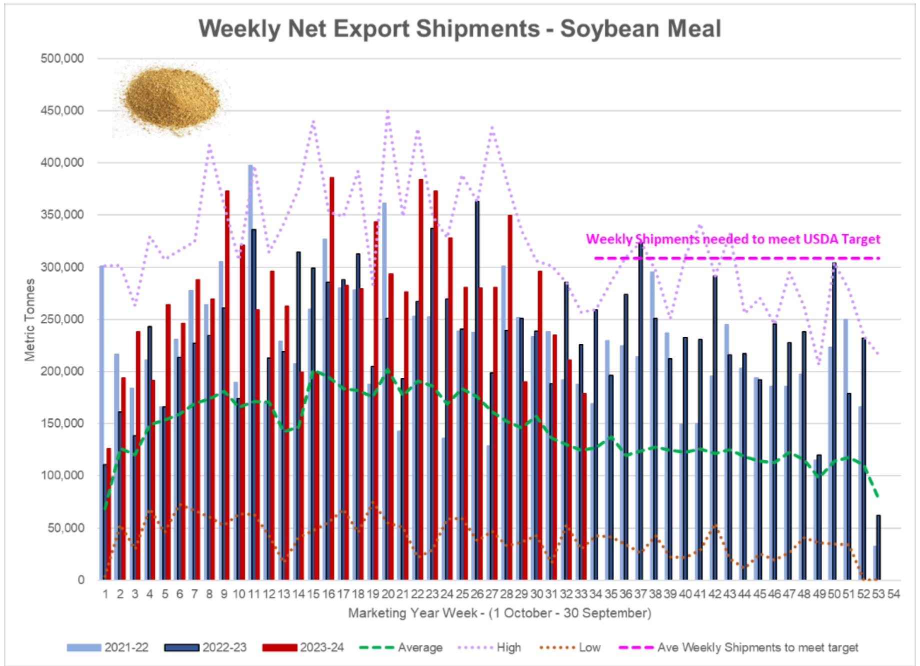


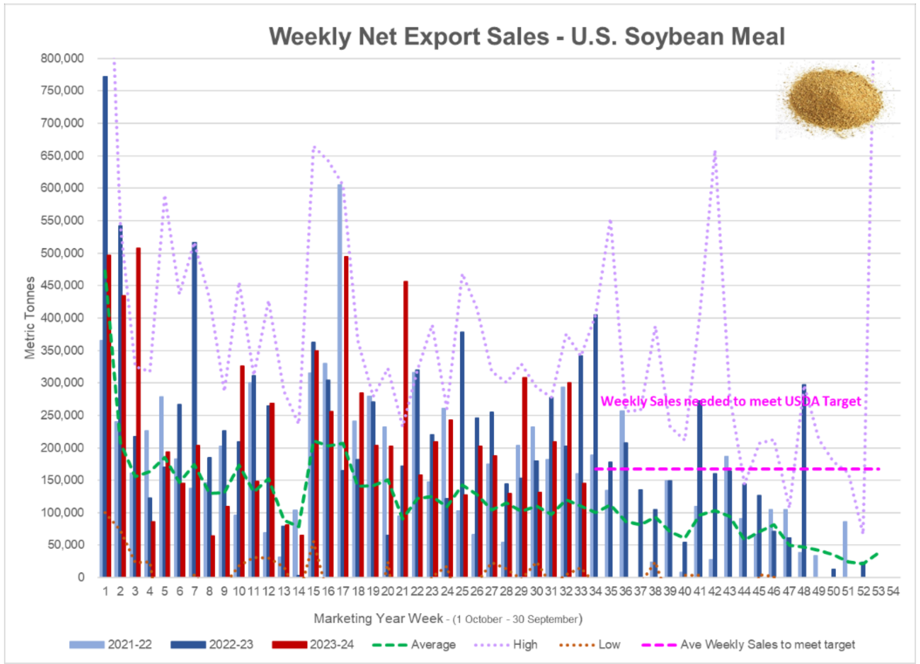
Weekly Net Export Sales - U.S. Soybean Oil
Weekly Sales needed to meet USDA Target
Metric Tonnes
Marketing Year Week - (1 October - 30 September)
2021-22
2022-23
2023-24
Average
Ave Weekly Sales to meet target

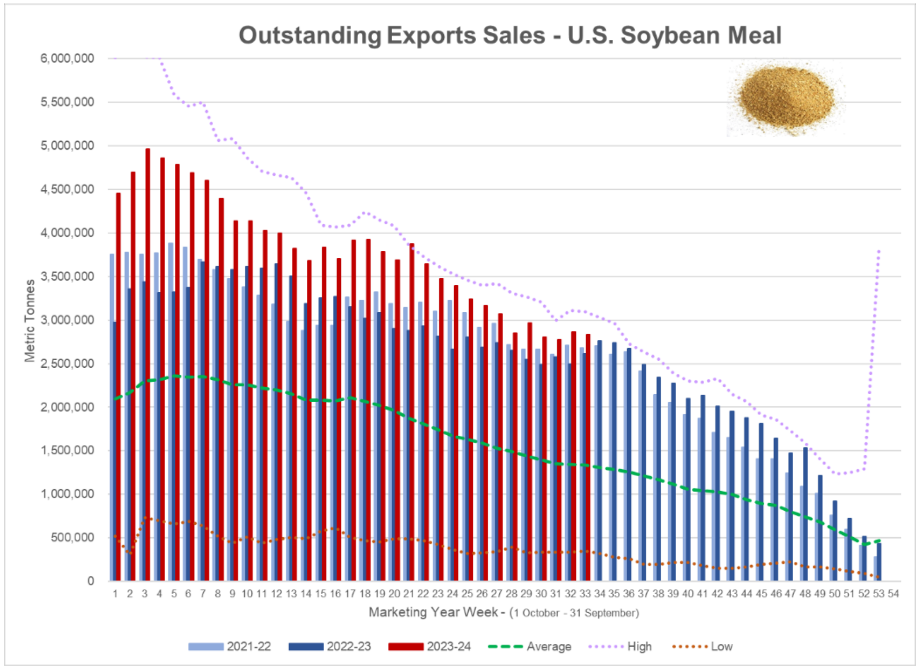


Outstanding Exports Sales - U.S. Soybean Oil
Metric Tonnes
Marketing Year Week - (1 October - 30 September)
2021-22
2022-23
2023-24
Average
Low


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

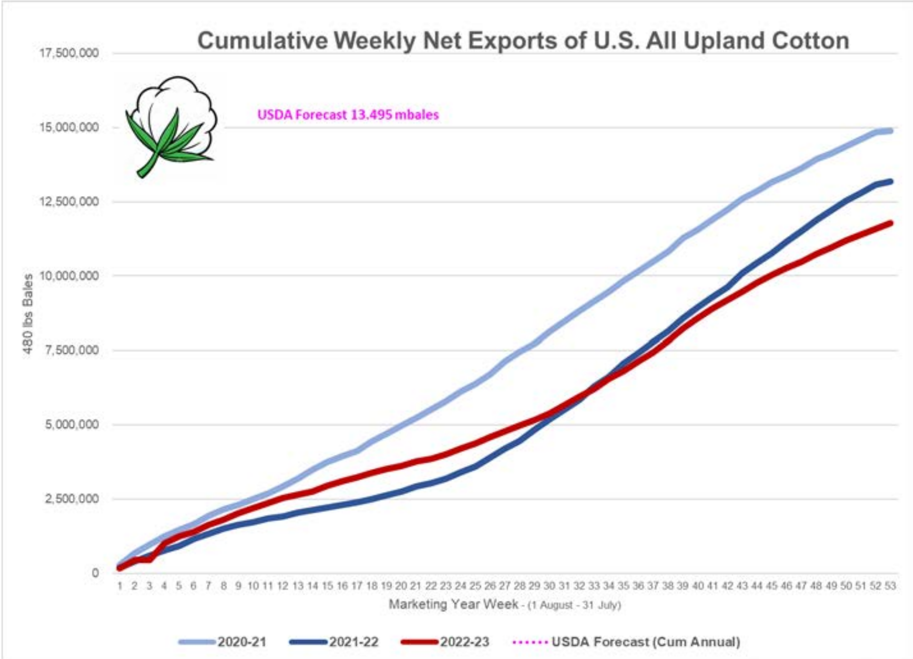
- **Cotton Export Shipments & Sales**

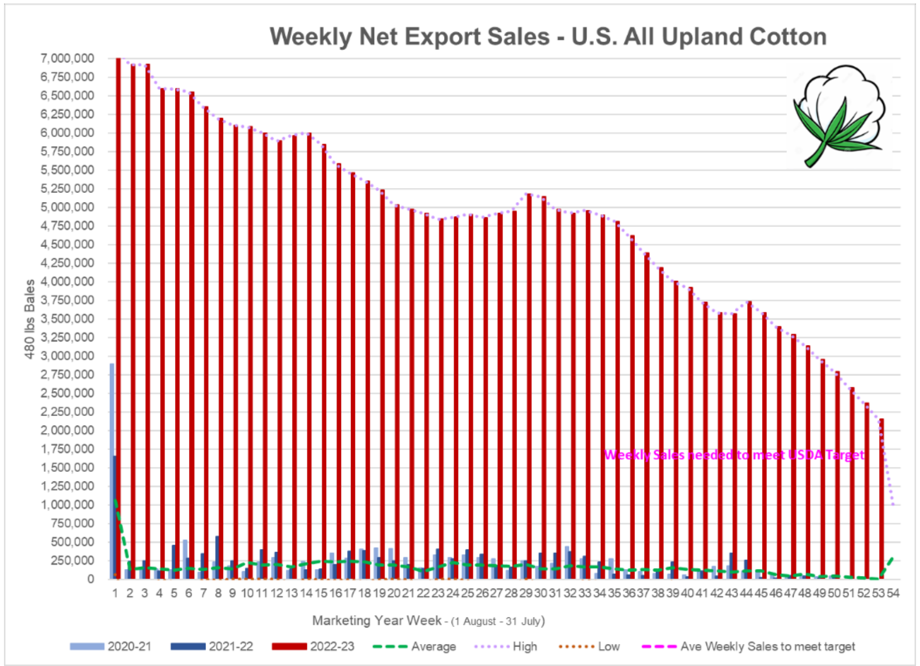
Net sales of Upland totaling 202,900 RB for 2023/2024 were up 30% from the previous week and 19% from the prior 4-week average. Increases primarily for China (104,400 RB, including 3,800 RB switched from Singapore, 1,200 RB switched from Hong Kong, and decreases of 8,800 RB), Pakistan (42,000 RB), Vietnam (21,200 RB, including 3,400 RB switched from China, 1,700 RB switched from South Korea, and 700 RB switched from Japan), Turkey (15,000 RB, including 200 RB switched from China), and Bangladesh (4,700 RB), were offset by reductions for Singapore (3,800 RB) and Hong Kong (1,200 RB). Net sales of 47,900 RB for 2024/2025 primarily for China (13,200 RB), India (12,900 RB), Indonesia (12,100 RB), Turkey (4,400 RB), and Thailand (4,400 RB), were offset by reductions for South Korea (3,500 RB). Exports of 204,100 RB were down 15% from the previous week and 12% from the prior 4-week average. The destinations were primarily to China (84,600 RB), Turkey (25,900 RB), Pakistan (24,500 RB), Vietnam (14,600 RB), and Indonesia (10,000 RB). Net sales of Pima totaling 9,900 RB for 2023/2024 were up noticeably from the previous week and up 51% from the prior 4-week average. Increases were primarily for Vietnam (3,900 RB), India (3,300 RB), Peru (1,100 RB), Turkey (600 RB, including decreases of 300 RB), and China (400 RB). Net sales of 700 RB for 2024/2025 were reported for Peru (400 RB) and Turkey (300 RB).

Exports of 13,300 RB were up noticeably from the previous week and up 89% from the prior 4-week average. The destinations were primarily to India (4,500 RB), Vietnam (4,400 RB), China (3,300 RB), Turkey (400 RB), and Peru (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.

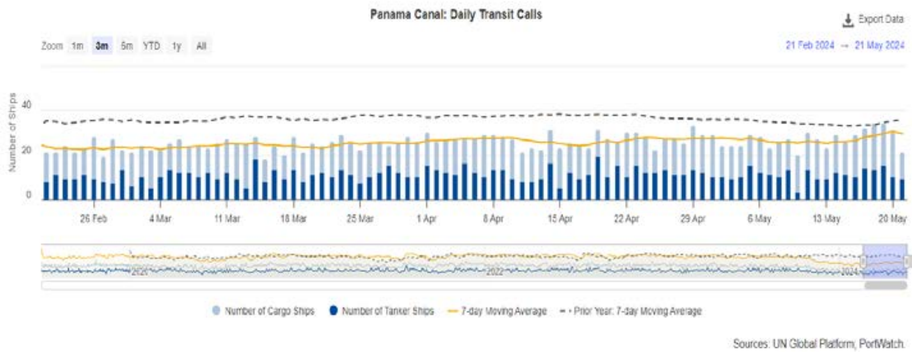
Exports for Own Account: For 2023/2024, new exports for own account totaling 5,300 RB were to China. The current exports for own account outstanding balance of 96,800 RB are for China (72,100 RB), Vietnam (14,700 RB), Pakistan (5,100 RB), South Korea (3,700 RB), and Turkey (1,200 RB).





Logistics

➢ Panama Canal – Daily Transit Calls



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

➢ Panama Canal crossings resume, but some time before full normalization

20 May 2024 Martina Li, The Load Star – All of the liner services that were affected by the limits on Panama Canal transits have returned to their regular operation, as of this month.

The affected services include THE Alliance's Asia-US East Coast services, MSC's Santana service and the Asia-US East Coast service run by Hapag-Lloyd and Wan Hai Lines.

These services were compelled to reroute, first through the Suez Canal and then to the Cape of Good Hope after the Red Sea crisis intensified at the end of 2023.

With the increase in the number of neo-panamax transit slots at the Panama Canal from May, carriers are bringing back all of these services to Panama which would allow them to reduce overall round trip transit times by 1-2 weeks.

THE Alliances omitted 37 sailings since end-2023 while MSC resumed the Santana service's westbound sailings from 9 May, with a new rotation skipping the US East Coast to focus on Central America. Hapag-Lloyd and Wan Hai restarted westbound transits from 7 May.

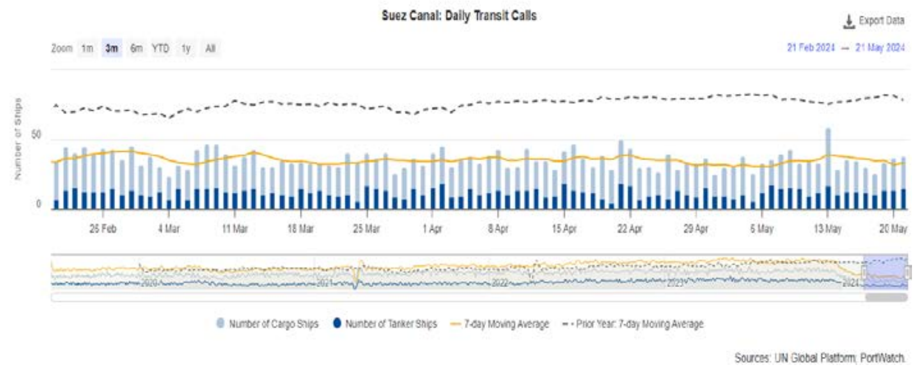
Xeneta's chief analyst Peter Sand told The Loadstar that the increase in canal transits has not fully eased the tonnage shortage caused by vessel diversions.

He said: "On 15 June, another slot opens for Neo-Panamax transits which is another step in the right direction. More importantly, it's a matter of bringing the draught restrictions back to 50 feet, allowing fully laden boxships to transit."

Drewry's senior manager (container research) Simon Heaney told The Loadstar that while canal transits reached a six-month high of 26.3 in April, daily boxship transits averaged seven in April, lower than 8.4 last October.

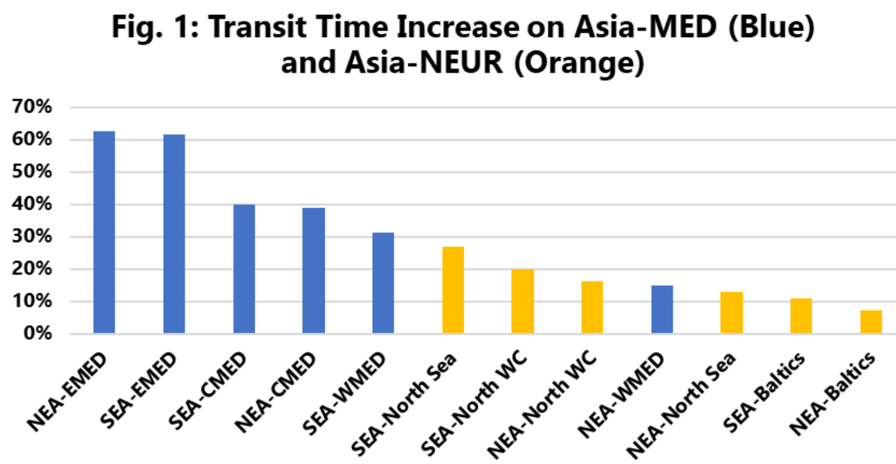
Mr Heaney said: "As predicted, the easing of restrictions to the Panamax locks hasn't altered the flows of container ships through the canal as the sector more typically uses the Neo-Panamax locks. At present, the maximum draught is 44 feet, while in normal conditions, the cut-off is 50 feet. It's estimated that container ships lose approximately 350 teu for every foot of lost draught."

➢ Suez Canal – Daily Transit Calls



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

➢ Red Sea crisis sparks surge in Asia-Mediterranean transit times



© *Sea-Intelligence* - (figure above) The analysis from Sea-Intelligence concerning sub-region combinations revealed varying impacts.

22 May 2024 Margherita Bruno, Port Technology International - A recent study by Sea-Intelligence has shed light on the profound repercussions of the Red Sea crisis on global shipping pathways, which compelled shipping lines to circumnavigate the

Cape of Good Hope, resulting in increasing sailing distances and prolonged transit times.

In contrast, the increase was less pronounced at 15 per cent for vessels travelling from Asia to North Europe.

The study scrutinized the effects on transit times, underscoring the necessity of considering the actual shortest transit times for specific port pairs, rather than relying solely on overarching figures that may not accurately depict the most competitive routes.

Routes to the East and Central Mediterranean experienced the greatest impact, with transit times skyrocketing by 61-63 per cent and 39-40 per cent respectively.

Conversely, connections to North Europe, particularly those leading to the Baltics, saw a more moderate increase of 7-11 per cent in transit times.

A different analysis from Sea-Intelligence found that global schedule reliability is improving, with the March 2024 statistic up 1.6 percentage points Month-over-Month (MoM) to 54.6 per cent.

- **Red Sea crisis turns Lome into key trans-shipment hub on ex-Asia services**

21 May 2024 Angelo Mathais, The Load Star - Container lines are increasingly building transshipment connections to mitigate the effects of longer transit times and schedule disruptions caused by vessel diversions over the Cape of Good Hope.

In a move that industry sources noted was “unusual,” MSC has expanded the port rotation of its Indus Express service between India and the US east coast with a call at the port of Lome in Togo. Lome is the only port on the coast of West Africa capable of servicing large container ships with capacities up to 16,000 teu that require a draft of 16 metres.

The Indus itinerary features weekly calls at Nhava Sheva and Mundra on the Indian leg. And sources believe the rotation expansion allows MSC to target cargo for other markets through transshipment offerings.

The previous Indus rotation was transited the Suez Canal and featured calls in the Gulf, Red Sea and Mediterranean, as well as the US east and Gulf coast ports.

MSC has significant presence and stakes in Lome, as the main container terminal there is managed by its subsidiary Terminal Investment Ltd, in a 50-50 joint-venture with China Merchants.

With the associated ‘own’ terminal advantages, the carrier has for the best part of the past decade been consolidating its Far East-West Africa trade at Lome Container Terminal (LCT).

“Lome has been a regional hub and relay point for MSC for some time, shifting operations away from Lagos and San Pedro,” a Mumbai-based liner industry observer told The Loadstar.

“Lome is also well connected through feeders to serve other West African ports,” the source noted.

The Indus Express complements MSC’s “Indusa” loop on the India-US tradelane.

MSC earlier unveiled plans to invest some $500m in the port of Lome by 2030, in a bid to scale up capacity levels from 1.6m teu to some 2.2m teu annually.

The carrier also promotes LCT as an ideal gateway for the landlocked countries of Mali, Niger, and Burkina Faso, as well as to the northern areas of Nigeria.

Additionally, the $6bn acquisition of Bollore Africa Logistics in 2022 gave MSC a big boost in the region. Bolloré had some 16 container terminal concessions throughout Africa.

Amid the Red Sea crisis, transshipment and regional feeder connections have become a priority for container lines, sparking delays and congestion across major hubs, particularly in the Asian region.

MSC is now using southern India ports of Ennore and Kattupalli as transshipment alternatives to Colombo, as the Sri Lankan port battles capacity pressure.

But with spillover and other operational problems, the India-North Europe-Mediterranean (NEWMO) service jointly operated by CMA CGM and MSC which routinely calls at Adani Ennore Terminal was forced to relocate its last vessel, the APL Boston, to Chennai Port last week.

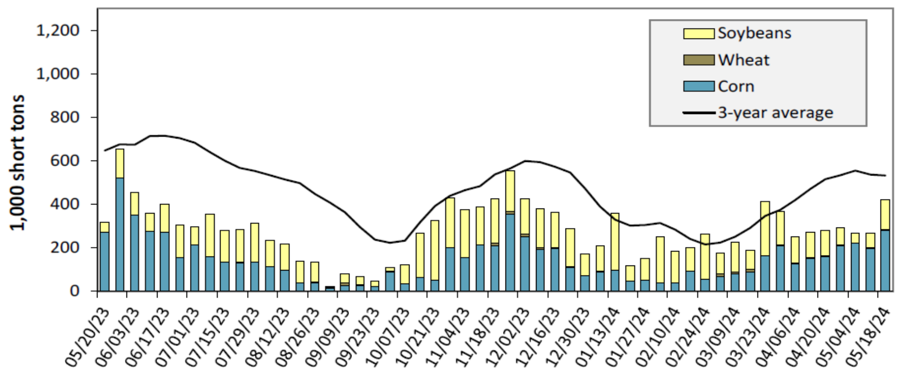
And there seems to be no let up from the disruptions at Ennore, as the upcoming NEWMO vessel, APL New York, has voided its Ennore call.

“The vessel will be skipping the Ennore call due to the delay in the previous voyage and non-availability of berth,” CMA CGM Agency (India) told customers.

“Containers booked on the APL New York will be planned on the next available vessel – MSC Justice calling Ennore port on 29 May,” it added.

Barge Movements

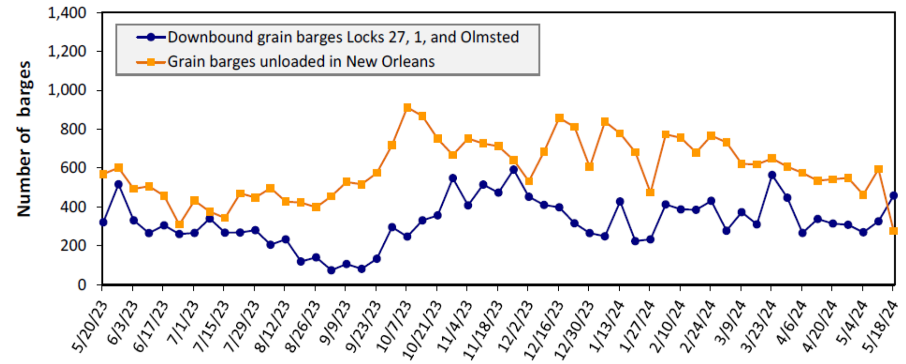
Figure 11. Barge movements on the Mississippi River (Locks 27-Granite City, IL)



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 18th of May, barged grain movements totaled 709,660 tons. This was 45% more than the previous week and 40% more 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.

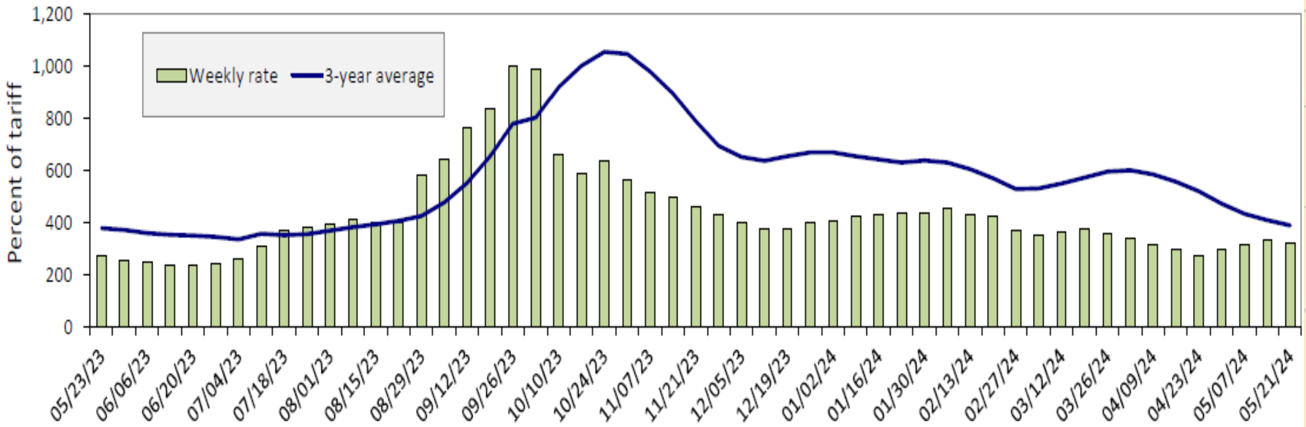
For the week ending the 18th of May, 458 grain barges moved down river—132 more than last week. There were 276 grain barges unloaded in the New Orleans region, 54% fewer than last week.

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

For the week ending 05/18/2024	Corn	Wheat	Soybeans	Other	Total
Mississippi River (Rock Island, IL (L15))	69	2	49	0	119
Mississippi River (Winfield, MO (L25))	146	2	69	0	216
Mississippi River (Alton, IL (L26))	244	2	126	0	372
Mississippi River (Granite City, IL (L27))	282	2	137	0	420
Illinois River (La Grange)	106	2	45	0	152
Ohio River (Olmsted)	202	5	72	10	289
Arkansas River (L1)	0	0	0	0	0
Weekly total - 2024	484	7	209	10	710
Weekly total - 2023	417	13	76	0	506
2024 YTD	5,282	636	4,555	89	10,562
2023 YTD	5,540	518	4,960	152	11,169
2024 as % of 2023 YTD	95	123	92	58	95
Last 4 weeks as % of 2023	119	68	99	147	111
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	5/21/2024	366	339	320	231	261	261	205
	5/14/2024	360	344	334	247	263	263	209
$/ton	5/21/2024	22.66	18.03	14.85	9.22	12.24	10.54	6.44
	5/14/2024	22.28	18.30	15.50	9.86	12.33	10.63	6.56
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	-10	6	17	9	15	15	-3
	3-year avg.	-27	-22	-18	-19	-22	-22	-24
Rate	June	360	331	320	229	253	253	206
	August	396	358	351	320	327	327	286

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	5/23/2024	5/24/2024	
wk 5/19	310/325	310/325	UNC
wk 5/26	310/325	310/325	UNC
June	310/325	310/325	UNC
July	310/325	310/325	UNC
Aug	375/425	375/425	UNC
Sep	550/600	550/600	UNC
Oct	600/650	600/650	UNC
FH Nov	500/550	500/550	UNC
LH Nov	450/475	450/475	UNC
Dec	400/450	400/450	UNC

UPPER MISSISSIPPI ST PAUL/SAVAGE	5/23/2024	5/24/2024	
wk 5/19	340/370	340/370	UNC
wk 5/26	340/370	340/370	UNC
June	340/370	340/370	UNC
July	340/370	340/370	UNC
Aug	400/500	400/500	UNC
Sep	550/600	550/600	UNC
Oct	650/700	650/700	UNC
FH Nov	550/600	550/600	UNC

MID MISSISSIPPI McGregor	5/23/2024	5/24/2024	
wk 5/19	330/350	330/350	UNC
wk 5/26	330/350	330/350	UNC
June	330/350	330/350	UNC
July	330/350	330/350	UNC
Aug	325/400	325/400	UNC
Sep	500/550	500/550	UNC
Oct	550/650	550/650	UNC
FH Nov	500/550	500/550	UNC
LH Nov	450/500	450/500	UNC

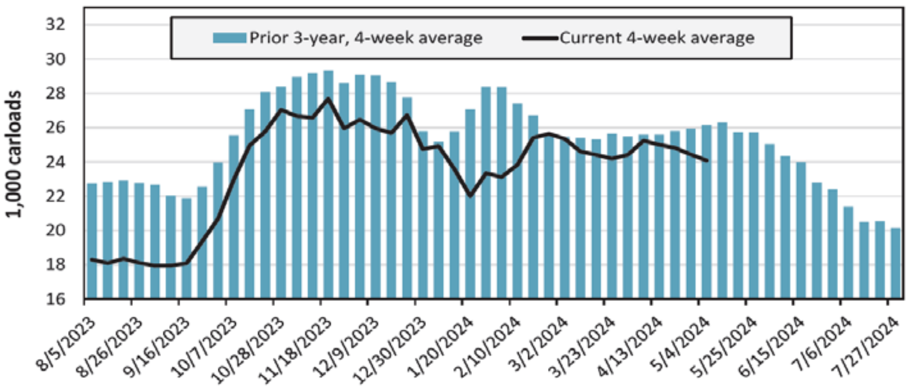
ST LOUIS BARGE FREIGHT 14'	5/23/2024	5/24/2024	
wk 5/19	210/225	210/220	
wk 5/26	210/225	210/220	
June	210/225	200/220	
July	210/225	200/220	
Aug	300/350	300/350	UNC
Sep	475/525	475/525	UNC
Oct	525/600	525/600	UNC
FH Nov	425/450	425/450	UNC
LH Nov	350/400	350/400	UNC
Dec	300/350	300/350	UNC

LOWER OHIO RIVER	5/23/2024	5/24/2024	
wk 5/19	240/270	240/270	UNC
wk 5/26	225/270	225/270	UNC
June	240/275	240/275	UNC
July	240/275	240/275	UNC
Aug	350/400	350/400	UNC
Sep	475/525	475/525	UNC
Oct	575/625	575/625	UNC
FH Nov	475/525	475/525	UNC
LH Nov	425/450	425/450	UNC
Dec	350/400	350/400	UNC

MEMPHIS CAIRO	5/23/2024	5/24/2024	
wk 5/19	190/215	190/215	UNC
wk 5/26	190/215	190/215	UNC
June	190/210	190/210	UNC
July	190/210	190/210	UNC
Aug	260/325	260/325	UNC
Sep	465/500	465/500	UNC
Oct	500/525	500/525	UNC
FH Nov	400/425	400/425	UNC
LH Nov	325/350	325/350	UNC
Dec	280/300	280/300	UNC

RAIL MOVEMENTS

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



Source: Surface Transportation Board.

- U.S. Class I railroads originated 19,969 grain carloads during the week ending the 11th of May. This was a 20-percent decrease from the previous week, 12% fewer than last year, and 21% fewer than the 3-year average.
- Average May shuttle secondary railcar bids/ offers (per car) were $163 above tariff for the week ending the 16th of May. This was $113 more than last week. There were no shuttle bids/ offers this week last year.
- Average non-shuttle secondary railcar bids/offers per car were $400 above tariff. This was unchanged from last week. There were no non-shuttle bids/offers this week last year.

➢ **Potential Rail Strike May Impact U.S.-Canadian Grain Transportation**

23 May 2024 USDA GTR - On May 1, the Teamsters Canada Rail Conference—a union of almost 10,000 Canadian rail workers at the Canadian Class I railroads, Canadian National Railway (CN) and CPKC— announced its members voted to authorize strikes at both companies. Although a legally required "cooling-off" period ends on May 21, a Canadian labor board is reviewing whether any essential rail service must continue, which could postpone a potential work stoppage for weeks.

If an outage occurs, it would halt rail movements in Canada and could significantly impact U.S. agricultural trade, producers, and consumers. Although CN and CPKC could continue their U.S. operations (those workers are covered under different contracts), the United States would be affected because of the two nations' large cross-border trade volumes, as well as the interconnectedness of their rail networks.1

1 Canada's rail transportation comprises CN and CPKC, along with about 40 short line railroads. Of the system's 26,800 miles of track, CN owns 50% of the track miles and CP, 30%. All four U.S. Class I railroads interchange with CN and CPKC at various border crossings, and BNSF Railway and CSXT Transportation have track in Canada.

This article describes U.S.-Canadian agricultural trade, with particular focus on agricultural products moved by rail. The piece wraps up with a look at how the strike could affect agricultural shipments.

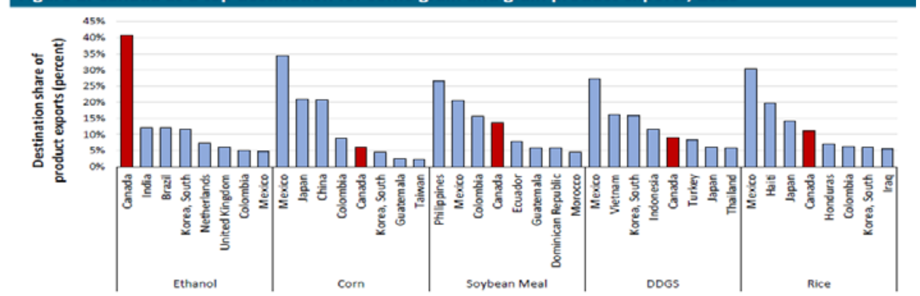
Role of Rail in Grain and Agricultural Trade with Canada

U.S.-Canadian agricultural trade is substantial. According to USDA's Foreign Agricultural Service, $28.2 billion of U.S. agricultural products were exported to Canada in 2023, making Canada the third-largest destination for agricultural exports (behind China and Mexico). In the same year, the United States imported $40.1 billion of Canadian agricultural products, making Canada the second-largest origin of U.S. agricultural imports (behind Mexico). By value, most U.S.- Canadian agricultural trade travels by truck, but the cereal grain trade relies much more heavily on rail.

U.S.-Canadian Cereal and Ethanol Trade by Rail

In 2023, for cereal grains (e.g., corn, wheat, oats, and other small grains), Canada was the fifth-largest U.S. destination, receiving $1.1 billion in U.S. exports, and the top U.S. origin, shipping $1.7 billion of these commodities to the United States. In 2023, Canada was also the top destination for ethanol exports; the fourth-largest destination for soybean meal and rice exports; and the fifth-largest destination for exports of corn and distillers' dried grains with solubles (DDGS) (fig. 1).

Figure 1. Canada as a top destination for some grain and grain product exports, 2023



Source: USDA's Agricultural Marketing Service analysis of USDA's Foreign Agricultural Service, Global Agricultural Trade System data.

Figure 1. Canada as a top destination for some grain and grain product exports, 2023

0% 5% 10% 15% 20% 25% 30% 35% 40% 45% Canada India Brazil Korea, South Netherlands United Kingdom Colombia Mexico Mexico Japan China Colombia Canada Korea, South Guatemala Taiwan Philippines Mexico Colombia Canada Ecuador Guatemala Dominican Republic Morocco Mexico Vietnam Korea, South Indonesia Canada Turkey Japan Thailand Mexico Haiti Japan Canada Honduras Colombia Korea, South Iraq Ethanol Corn Soybean Meal DDGS Rice Destination share of product exports (percent)GTR 05-23-24 Page 5

According to the Bureau of Transportation Statistics' Transborder data, rail and truck are the primary modes used for U.S.-Canadian cereal trade. Some imports from Canada also cross the Great Lakes by vessel. Overall, rail and truck split the cereal exports to Canada, by value, at nearly 50% each.

By value, 60% of U.S. cereal exports to Canada in 2023 crossed the border from North Dakota. The primary North Dakota crossings for cereal were at Portal, ND (85% rail and 15% truck, by value), and at Pembina, ND (45% rail and 55% truck, by value). Both border crossings are served by CPKC. Other top border crossings for cereal exports in 2023 were from Detroit, MI (12% rail and 89% truck, by value) and Port Huron, MI (50% rail and 50% truck, by value). The Port Huron border crossing was a key CN crossing.

Of cereal imports from Canada in 2023, rail moved 48%; truck (32%); and vessel (20%). Pembina and Portal, ND, were the top cereal-import ports, and rail moved just under 80% of shipments, by value, through those ports.

According to the U.S. Department of Energy's Energy Information Administration data, the United States also exported 15.2 million barrels of ethanol to Canada in 2023. Almost three-quarters of the total ethanol exports (11 million barrels) traveled by rail.

U.S. Grain Exports (via Canada) to PNW

Besides moving U.S. grain to Canada, Canadian rail also helps move grain from the Northern Plains to the U.S. Pacific Northwest: CPKC ships grain from North Dakota, Minnesota, and South Dakota to export terminals in the U.S. Pacific Northwest (PNW) via Union Pacific Railroad (UP)—passing through Canada along the way (fig. 2). These shipments require switching crews at the U.S.-Canada border.

A notable example of grain using this route occurred on November 15, 2023, when a grain cooperative in Oregon unloaded an 8,500- foot CPKC train—the longest grain train ever loaded and unloaded in the United States (see second highlight, December 7, 2023 *Grain Transportation Report*). The train originated in Honeyford, ND, traveled north and then west through Canada (on CPKC's network) and on to an interchange point with UP near Eastport, ID. From there, UP moved the train to its destination in Boardman, OR.

Figure 2. Canadian railroads' North American rail lines

Source: USDA's Agricultural Marketing Service analysis of Bureau of Transportation Statistics, National Transportation Atlas data.
Map Layer Credits: Esri, TomTom, Garmin, FAO, NOAA, USGS, EPA, USFWS.

Figure 2. Canadian railroads' North American rail lines

Fertilizer Imports

Besides being a key U.S. trade partner for grain, Canada is also a major source of fertilizer (potassium and nitrogen) for U.S. farmers.

With minimal domestic potash (i.e., potassium) deposits, the United States must rely on imports for its potash needs. In 2023, from all sources, the United States imported 13 million tons of potash. About 85% of these imports are from Canada, nearly all of which cross overland by rail. Of the imports from Canada, the Pembina, ND, customs district processes 41%; Duluth, MN, customs district, 39%; and Great Falls, mts, customs district, 18%.

Canada is also one of the largest sources for nitrogen-based chemical fertilizer imports. On a nitrogen-equivalent basis, just over 25% of all U.S. nitrogen imports came from Canada in 2023. (The U.S. has a large nitrogen fertilizer industry and relies less on imports for nitrogen than it does for potash.) In 2023, the United States imported from Canada 3.1 million tons of nitrogen-based fertilizers, including 1.2 million tons of anhydrous ammonia, 0.51 million tons of urea, and 0.43 million tons of urea ammonium nitrate (UAN).

Looking Ahead

The potential strike of Teamsters Canada Rail Conference (TCRC) could risk disrupting the flow of U.S.-Canada cross-border trade. Three contracts covering TCRC locomotive engineers, conductors, and yard workers at Canadian National Railway (CN) and CPKC expired on December 31, 2023. Under Canadian labor law, the agreements extend until both sides agree to new contracts. Following a 60-day conciliation period, beginning May 1, the parties entered a mandatory 21-day "cooling off" period, which includes federal mediation.

The main disagreement centers on what constitutes adequate fatigue management and worker rest provisions.

Most recently, at the request of Canada's Labor Minister, the Canada Industrial Relations Board (CIRB)—an independent tribunal with oversight of certain labor matters—is examining what, if any, rail service must continue under any circumstances. Per Canada's Labor Code, CIRB may order certain rail service "to prevent an immediate and serious danger to the safety or health of the public." A work stoppage requires at least 72-hours' notice and cannot occur until CIRB weighs in. CIRB sought comments on the matter by May 21.2

2 CIRB asked for information on CPKC's movement of propane and CN's movement of fuel, propane, food, and water treatment materials; if CPKC's and CN's customers have any alternatives for delivery of those products; and what level of service must continue to ensure an appropriate supply. (Replies are due by May 31.) CPKC does not expect CIRB to reach a decision until mid-July.

A lot of uncertainty surrounds the potential strike that could follow the CIRB intervention. At a recent investor event, CN executives said that a CIRB order mandating the movement of certain commodities during a work stoppage would create "operational chaos," because the network is not designed to isolate single commodities for shipment. Adding yet more uncertainty to how events could play out, negotiations between the parties have continued in recent days. Despite the apparent, current stalemate, the delay of any potential strike (created by the CIRB process) has provided more time in which the dispute could be resolved.

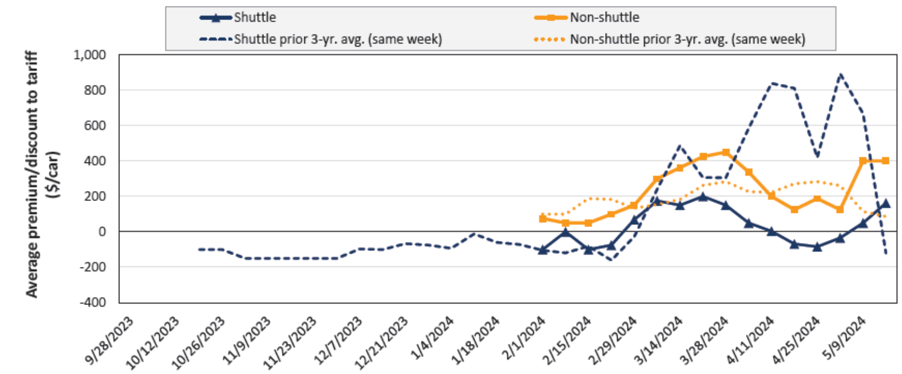
Given Canada's status as a major U.S. trade partner that relies on rail, a Canadian rail strike could have significant impacts on U.S. agricultural trade, producers, and consumers— especially for select grains and grain products.

➢ **Current Secondary Rail Car Market**

BN SHUTTLE	Bid/Ask/Last	Bid/Ask/Last	
Return Trip	- / 200	- / 200	UNC
F/H June	0 / 400	0 / 200	
L/H June	0 / 150	0 / 200	
July	- / 100	-100 / 50	
Split Aug, Sept	-100 / 50	-150 / 0	
Jan, Feb, Mar	200 / -	200 / 1000	

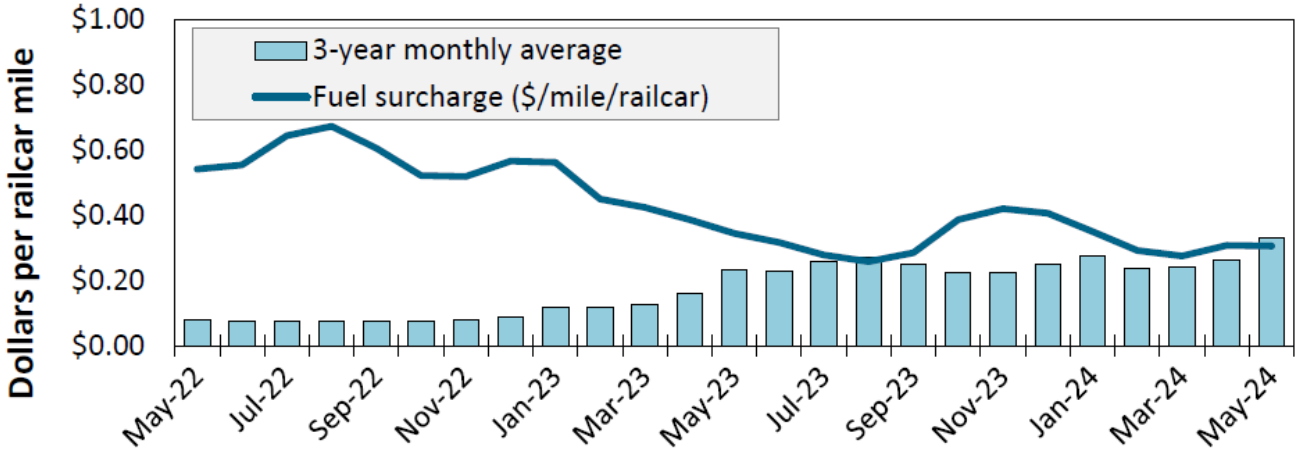
UP SHUTTLE	Bid/Ask/Last	Bid/Ask/Last	
Return trip	- / -100	- / -100	UNC
L/H May	- / -100	- / -100	UNC
June	- / -100	- / -100	UNC
July	- / -100	- / -100	UNC
August	- / -100	- / -100	UNC
Oct, Nov, Dec	0 / 400	0 / 400	UNC

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 Railwa
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.

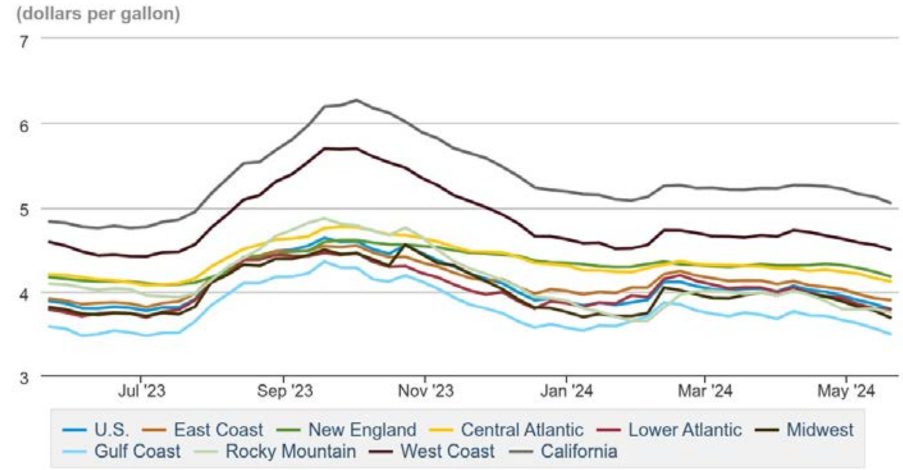
Diesel Fuel Prices

Table 11. Retail on-highway diesel prices, week ending 5/20/2024 (U.S. $/gallon)

Region	Location	Price	Change from Week ago	Change from Year ago
I	East Coast	3.895	-0.021	-0.017
	New England	4.174	-0.059	0.008
	Central Atlantic	4.114	-0.041	-0.084
	Lower Atlantic	3.785	-0.009	0.005
II	Midwest	3.685	-0.083	-0.125
III	Gulf Coast	3.490	-0.069	-0.089
IV	Rocky Mountain	3.746	-0.045	-0.342
V	West Coast	4.495	-0.056	-0.091
	West Coast less California	4.012	-0.041	-0.366
	California	5.049	-0.074	0.224
Total	United States	3.789	-0.059	-0.094

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.

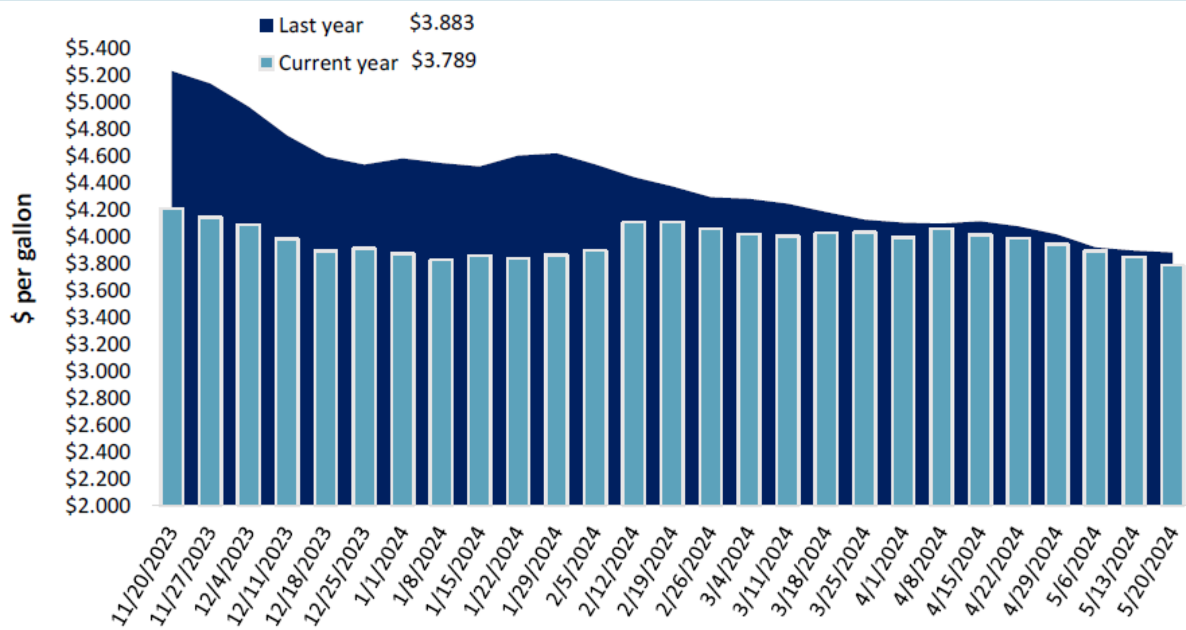
On-Highway Diesel Fuel Prices



eia Data source: U.S. Energy Information Administration

For the week ending the 20th of May, the U.S. average diesel fuel price decreased 5.9 cents from the previous week to $3.789 per gallon, 9.4 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 c
Source: U.S. Department of Energy, Energy Information Administration.