

Transportation Update Report for 4 April 2008

Ocean Freight

This week played out just as the past few have with world freight values trending slowly lower. By weeks end the Gulf-Atlantic started to show signs of bottoming out and may find some support with the conclusion of the Argentine farmers strike and the resumption of grain exports. Things in the Pacific continue to look soft. With air quality being a big concern in Beijing; there is talk of China shutting down many factories and industrial concerns in and around Beijing as early as late May in preparation for the August Olympics. This could have some limited impact on summer ocean freight values if the shut downs are very extensive. At this time the Panama Canal is still experiencing transit delays of up to 5 plus days for vessels that have not pre-booked a scheduled slot. This has caused line-ups to grow to 92 vessels, with the projected backlog for tomorrow expected to increase to 99 vessels.

The Baltic Panamax bulk freight index P2A for the U.S. Gulf-Atlantic dropped an additional 1,018 points, or another 1 percent, to close at 77,200 on Friday. The Baltic Panamax bulk freight P3A for the Pacific route to Asia dropped an additional 4,790 points, or another 8 percent, in the last week to end up at 55,140. Rates on this route are now back to where they were in mid-February 2008.

In dollar terms, the U.S. Gulf to Asia Panamax market for April is now approximately **\$109.00/mt**. Handymax vessels are trading at a \$4.00/tonne premium to Panamax size vessels. Panamax rates from the PNW to Asia are quoted at **\$61-63.00/mt**. for the same period.

This puts the U.S. Gulf-PNW freight spread to Asia at about **\$47.00** per tonne (\$1.19 cents per bushel for corn and Milo and about 1.28 cents per bushel for soybeans and wheat).

Recent vessel fixtures:

50,000 tonnes HSS Brazil - Ghent for April 4-14 at \$67.50/mt fio 14 days - CNR.

Bulk Freight Indices for HSS - Heavy Grain, Sorghum and Soybeans.

Route and Vessel Size	Current Week U.S.D/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	\$109.00	Down \$1.00	46,000 ton Handymax At \$113.00 per tonne
55,000 PNW- Japan	\$62.00	Down \$2.00	Handymax at \$66.00
55,000 U.S. Gulf - China	\$107.00		North or South China
25,000 U.S. Gulf-Veracruz, México	\$33.00		3,000 MT daily discharge rate
35-40,000 U.S. Gulf-Veracruz, México	\$29.00		Deep draft and 8,000 MT per day discharge rate.
25/30,000 U.S. Gulf-East Coast Colombia	\$34.00		West Coast Colombia \$57.00
30,000 U.S. Gulf – Algeria	\$78.00 \$88.00		6,000 mt daily discharge 3,000 mt daily discharge
55,000 U.S. Gulf -Egypt	\$78.00		55,000 -60,000 mt
60-70,000 U.S. Gulf – Europe	\$69.00		
55-60,000 Brazil -China	\$120.00		
55-60,000 Argentina-China	\$116.00		
55,000 U.S. Gulf to Iraq	\$175.00 - \$180.00		Umm Qasr (Incl. War risk)
25,000 U.S. Gulf to Morocco	\$77.00		One port discharge. 3,000 MT discharge rate

U.S. Export Inspections for the week:

USDA Grain Inspections for Export Report						
Last Week (000 Bushels)	YC		WC		Sorghum	
		%		%		%
Gulf	23,675	56.48%	176	28.30%	1,575	78.48%
PNW	13,268	31.65%			0	0.00%
Lakes	0	0.00%				
Atlantic	0	0.00%				
Interior Export Rail	4,973	11.86%	446	71.70%	432	21.52%
Total (mil. Bushels)	41,916	100.00%	622	100.00%	2,007	100%
Metric Tons	1,064,727		15,800		50,981	MT
White Corn Shipments:						
	11,329	mt to Mexico				
	4,471	mt to El Salvador				
	15,800					
Sorghum Shipments:						
	22,506	mt to Italy				
	17,502	mt to Japan				
	10,973	mt to Mexico				
	50,981	Total				

Containerized Grain Shipments:

CONTAINER SHIPMENTS of GRAIN									
USDA Grain Inspections Report:		31-Mar-2008							
Last Week	metric tons							MT	
	<u>YC</u>	<u>YSB</u>	<u>Milo</u>	<u>SRW</u>	<u>HRW</u>	<u>HRS</u>	<u>Barley</u>	<u>TOTAL</u>	
Taiwan	5,665	1,170						6,835	
China		1,633						1,633	
Hong Kong	178							178	
Indonesia		327						327	
Malaysia								0	
Philippines		27						27	
Vietnam								0	
Singapore								0	
Japan	483	109						592	
So. Korea	2,388							2,388	
Thailand		82						82	
Jordan								0	
Algeria								0	
Australia								0	
Sub total	8,714	3,348	0		0			12,062	
USDA Corrections/Additions to last weeks report:									
Taiwan	56,391	40,606					893	97,890	
China Main	305	20,276						20,581	
Hong Kong	457							457	
Indonesia		7,375				1,170		8,545	
Malaysia	914	6,423				1,796		9,133	
Philippines				272				272	
Vietnam	25	3,837		599		1,061		5,522	
Japan	965	27						992	
South Korea	9,475							9,475	
Singapore								0	
Thailand						3,837		3,837	
Columbia								0	
Costa Rica								0	
Dominican Republic								0	
Ecuador								0	
Guatemala								0	
Jordan	50							50	
Morocco								0	
Portugal								0	
Poland	51							51	
Finland					381			381	
Sub total	68,532	78,544	0	871	0	7864		156,754	
Mt. Grand Total	77,246	81,892	0	871	0	7,864		167,873	
Number of containers	3,359	3,561	0	38	0	342		7,299	

Best Regards,
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*** The information in this market report is derived from sources believed to be reliable and accurate but can not be guaranteed. All market data is subject to change with market conditions and Traders opinions. Please obtain market updates and reconfirm all values with your regular suppliers before making any trading decisions based on this data.