



# Logistical aspects of global grains/oilseeds trade

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## Note on data limitations

The analysis in this presentation is partly based on private real time shipping data compiled by Kpler (provided as part of the IGC food security-linked project supported by the delegation of Japan).

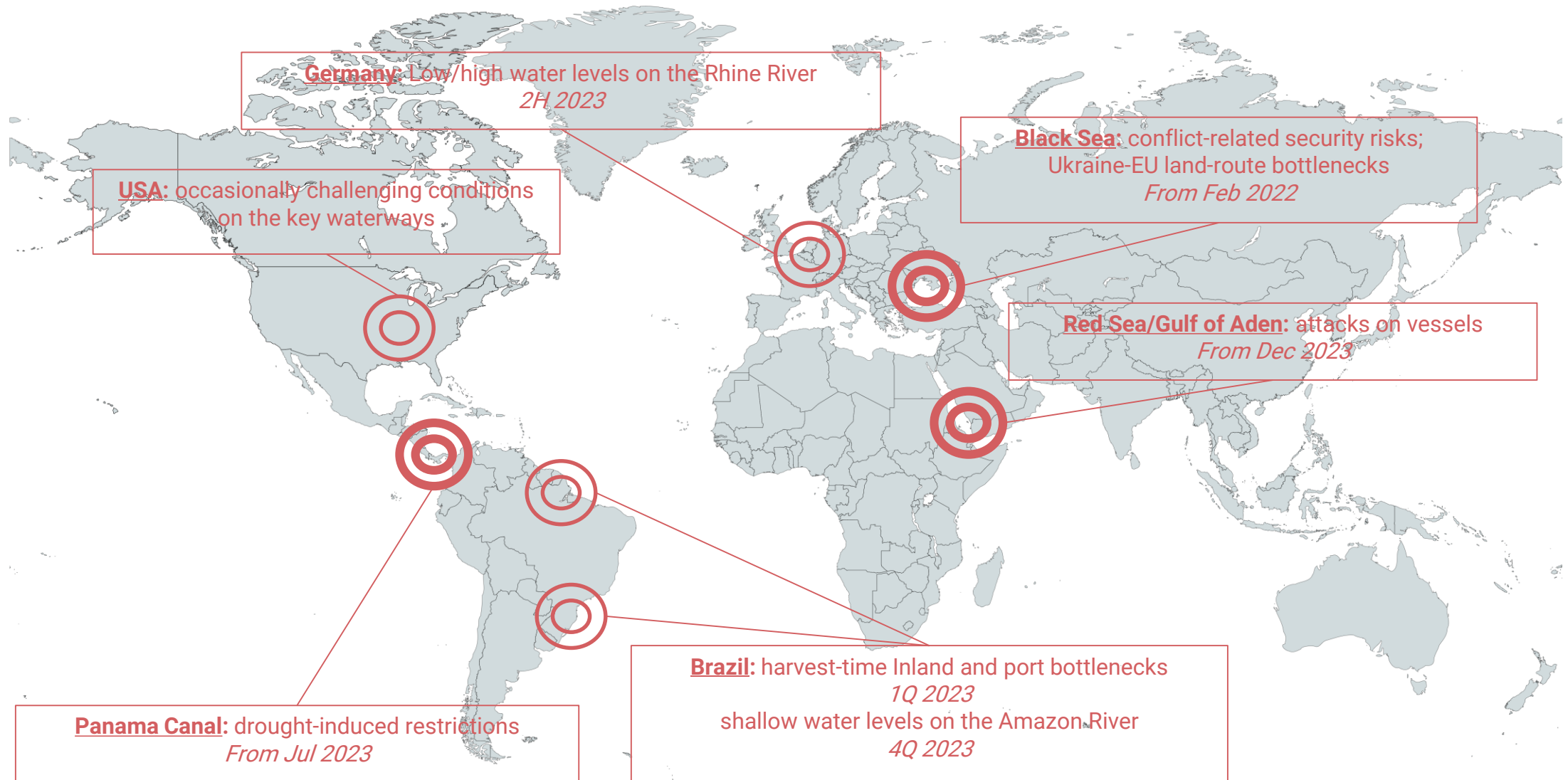
While offering more timely and granular information on commodity flows and logistics, the shipping data has certain constraints, as it

- shows the ports of departure (as opposed to the origin),
- covers dry bulk shipments (does not include containerised trade), and
- does not fully include small vessel flows (coasters below 10,000 dwt).

Given the fluid nature of vessel tracking information, the most recent data may be subject to updates and revisions.



# Global grains/oilseeds trade is faced with an increasing number of logistical challenges. Some of them emerged/worsened in recent months.





# Divergent trends in commodity and freight prices point to an increased share of the latter in delivered values (and increasing importance of logistics)

## Average export prices: IGC Grains and Oilseeds Index



Note: Based on nominal fob quotations at key exporting origins.

## Average freight costs: IGC Grains and Oilseeds Freight Index

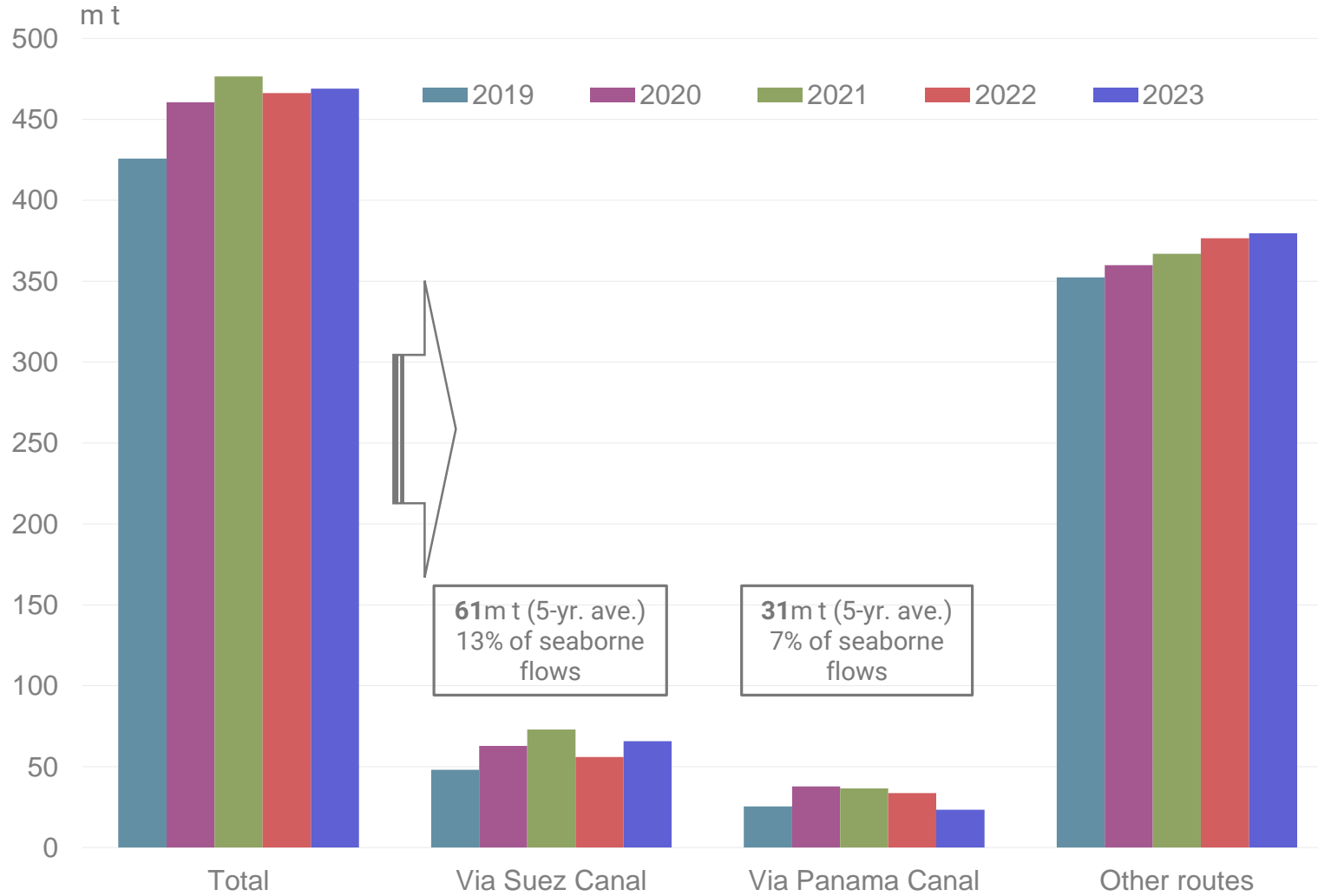


Note: Based on nominal freight rates on key grains/oilseeds routes. © International Grains Council

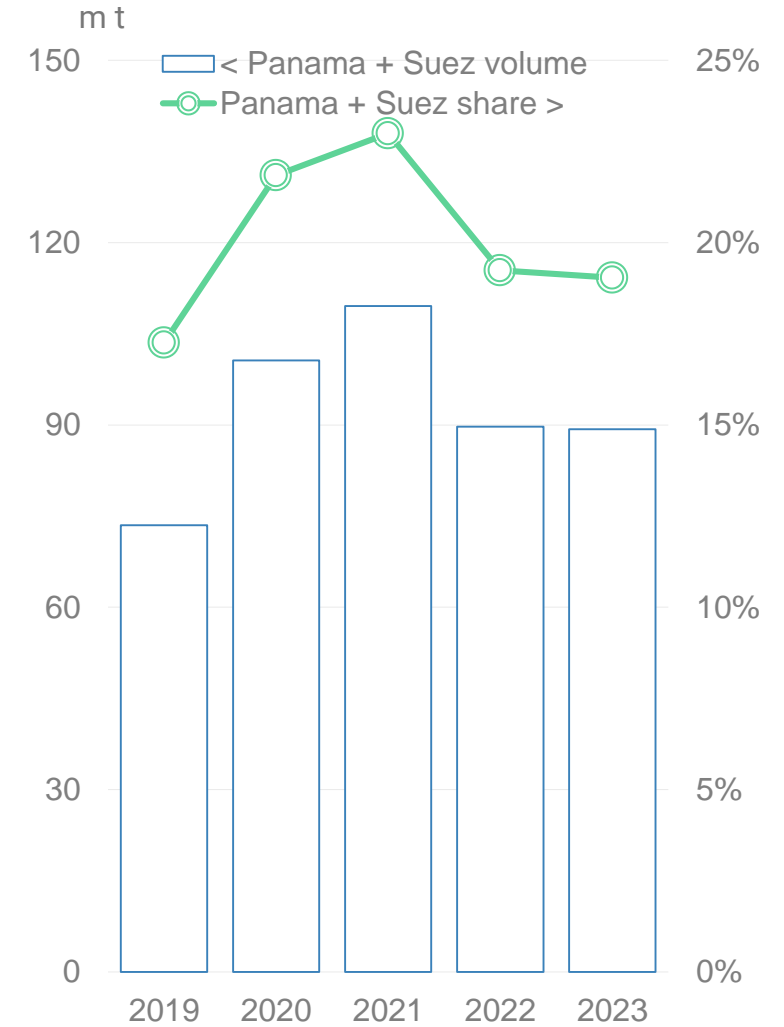


# Around one-fifth of global dry bulk grains/oilseeds shipments use the Panama and Suez Canals. A downtrend noted recently as flows on other routes increased.

## Dry bulk grains and oilseeds flows



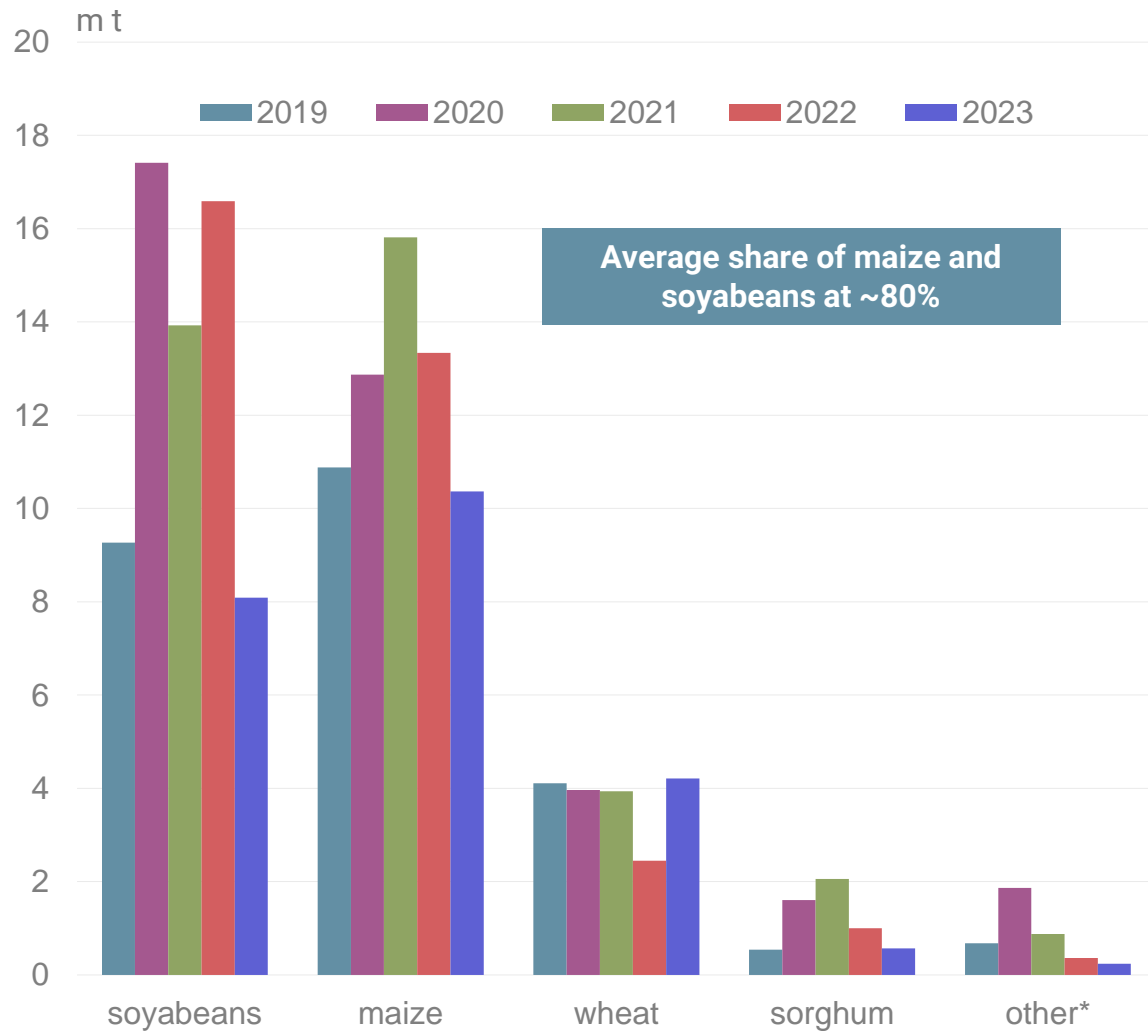
## Panama / Suez volumes and shares





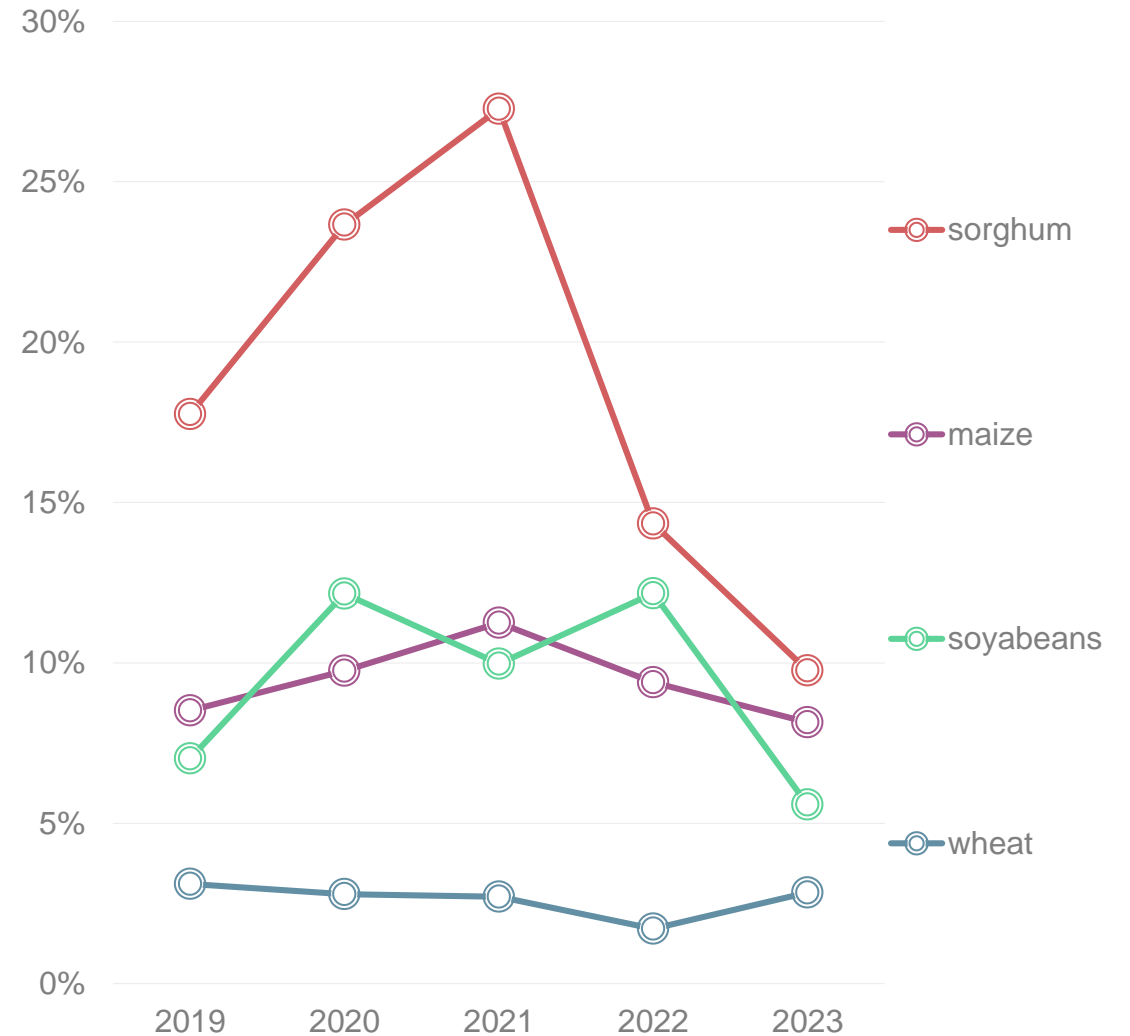
# Panama Canal: Maize and soyabeans account for around 80% of transits, but both commodities reduced reliance on the Canal in 2023

## Panama Canal: Dry bulk grains and oilseeds flows



\* Includes rapeseed and barley

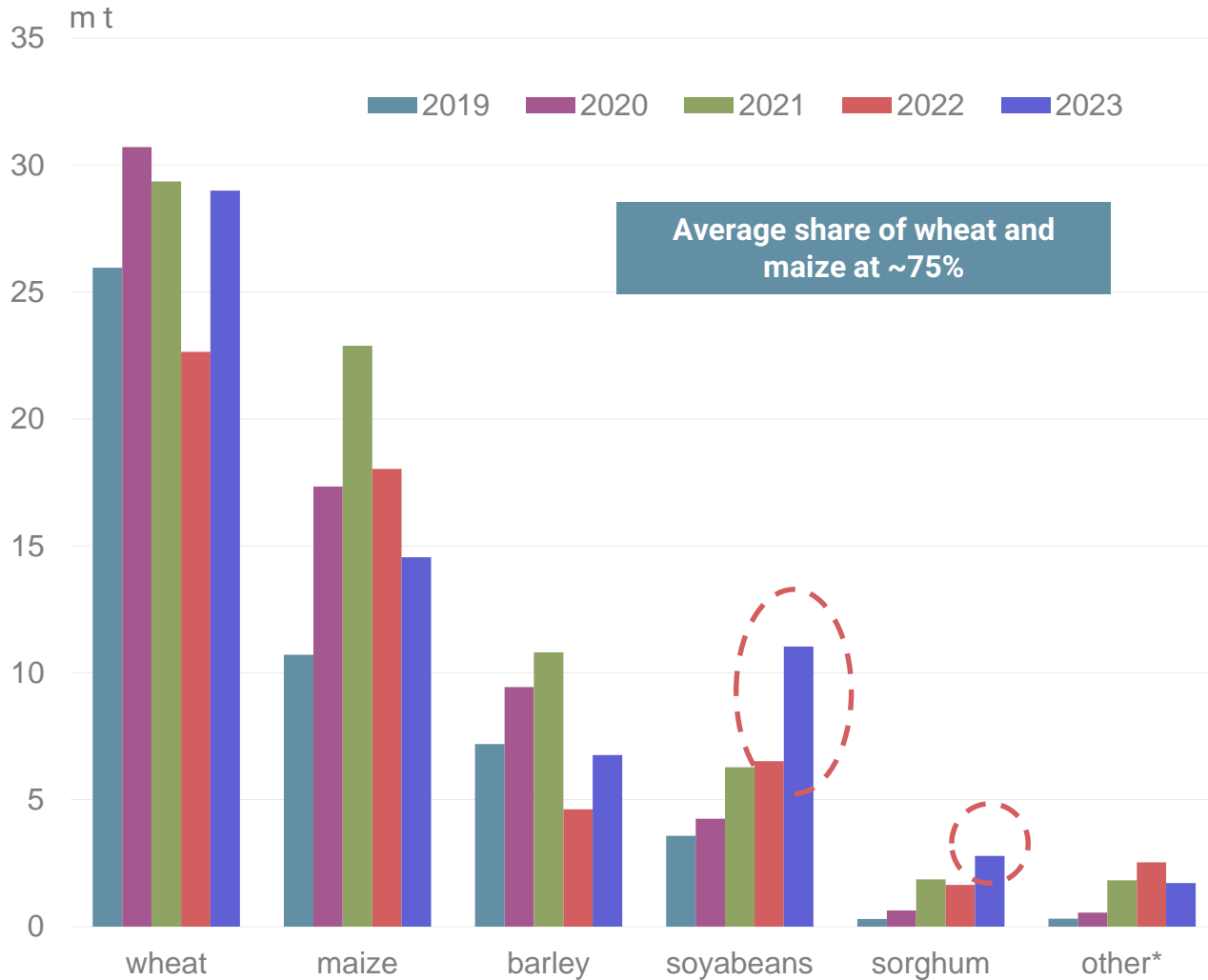
## Panama share of global seaborne commodity flows





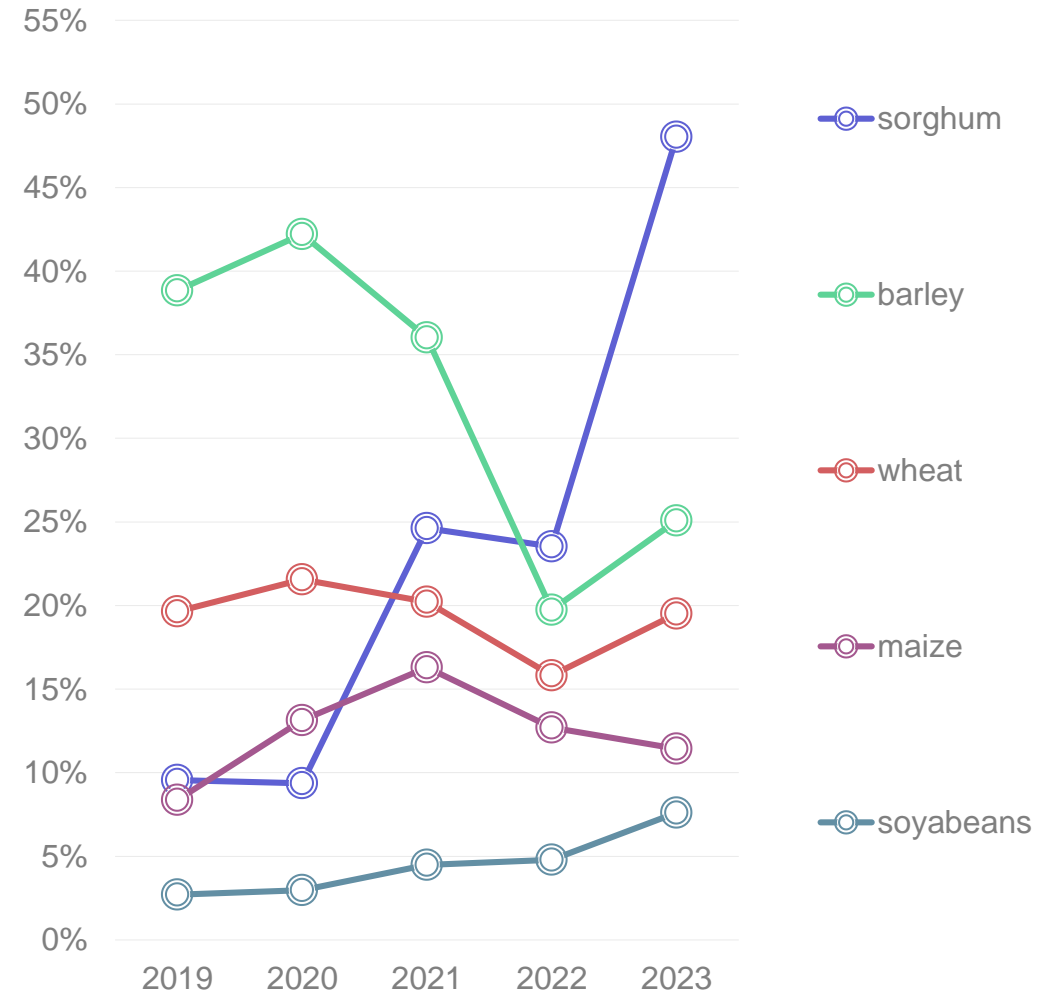
# Suez Canal: Wheat and maize account for around three-quarters of transits. Flows in 2023 boosted by soyabeans and sorghum (amid Panama Canal issues).

## Panama Canal: Dry bulk grains and oilseeds flows



\* Includes rapeseed and sunflowerseed

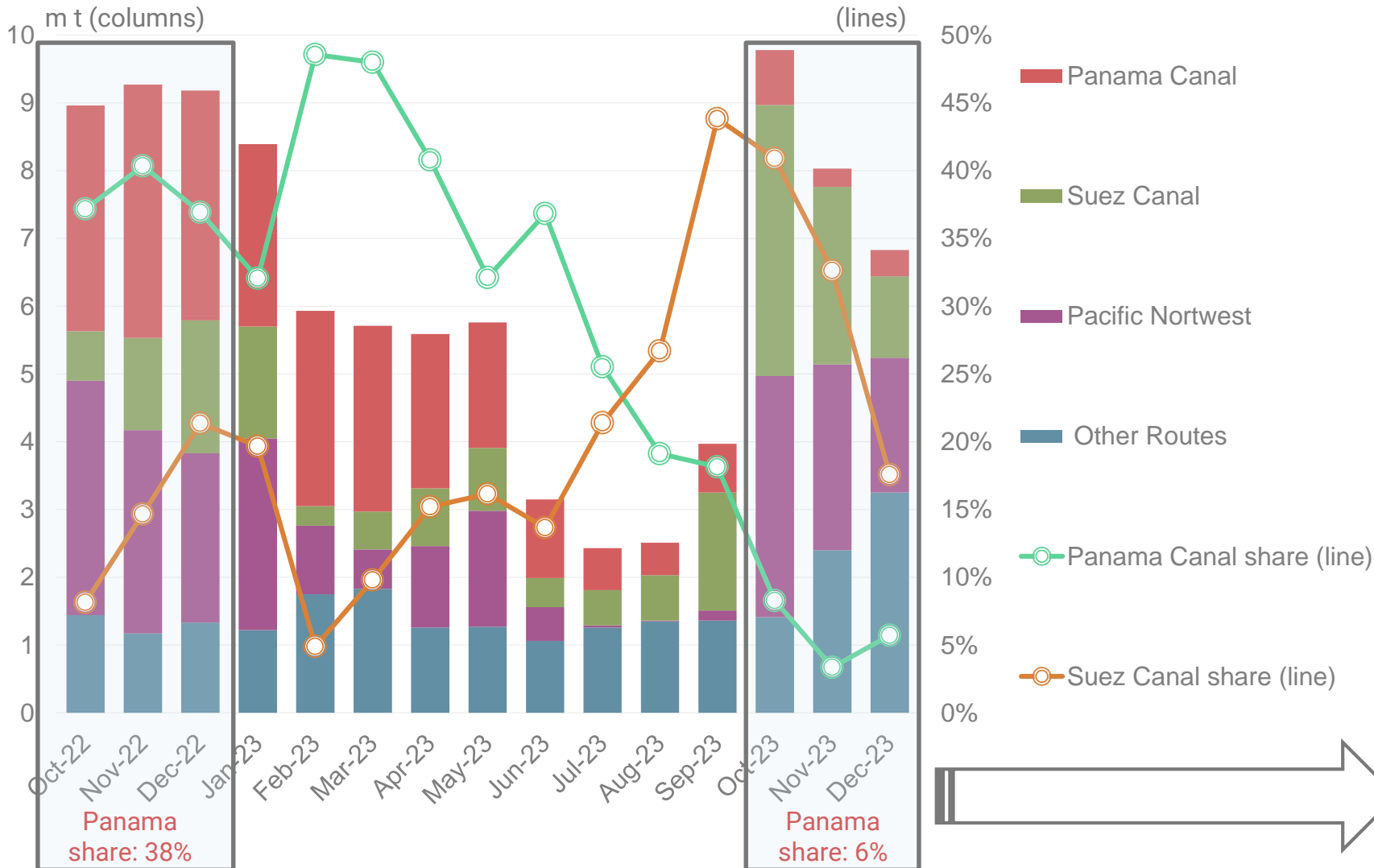
## Suez share of global seaborne commodity flows



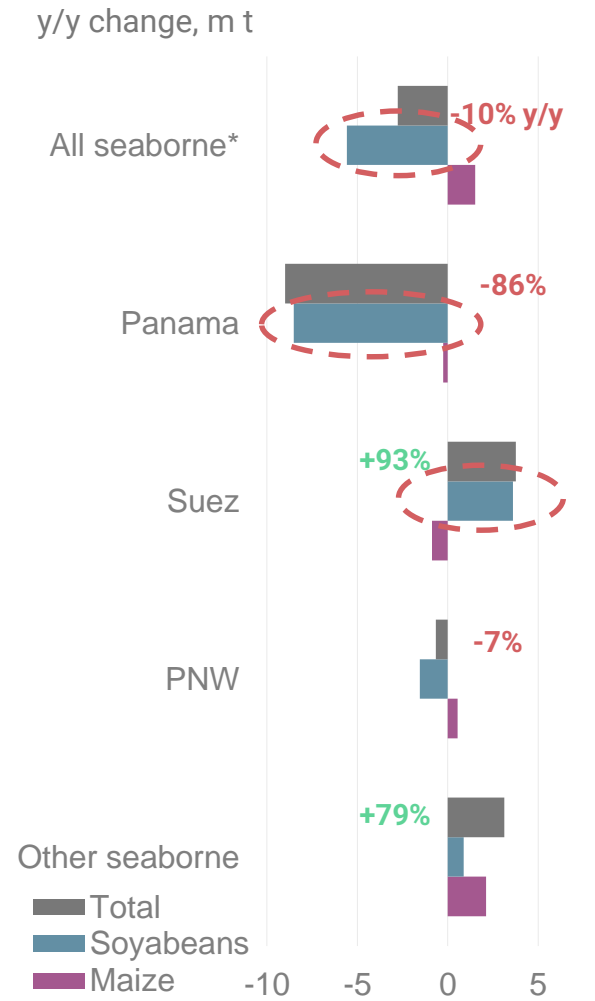


# USA: The share of the Panama Canal has plunged in 2023, with volumes shifting to the Suez and (more recently) other routes, led by soyabeans

## USA: Dry bulk shipments of maize, sorghum and soyabeans



## Oct-Dec 2023 vs. Oct-Dec 2022





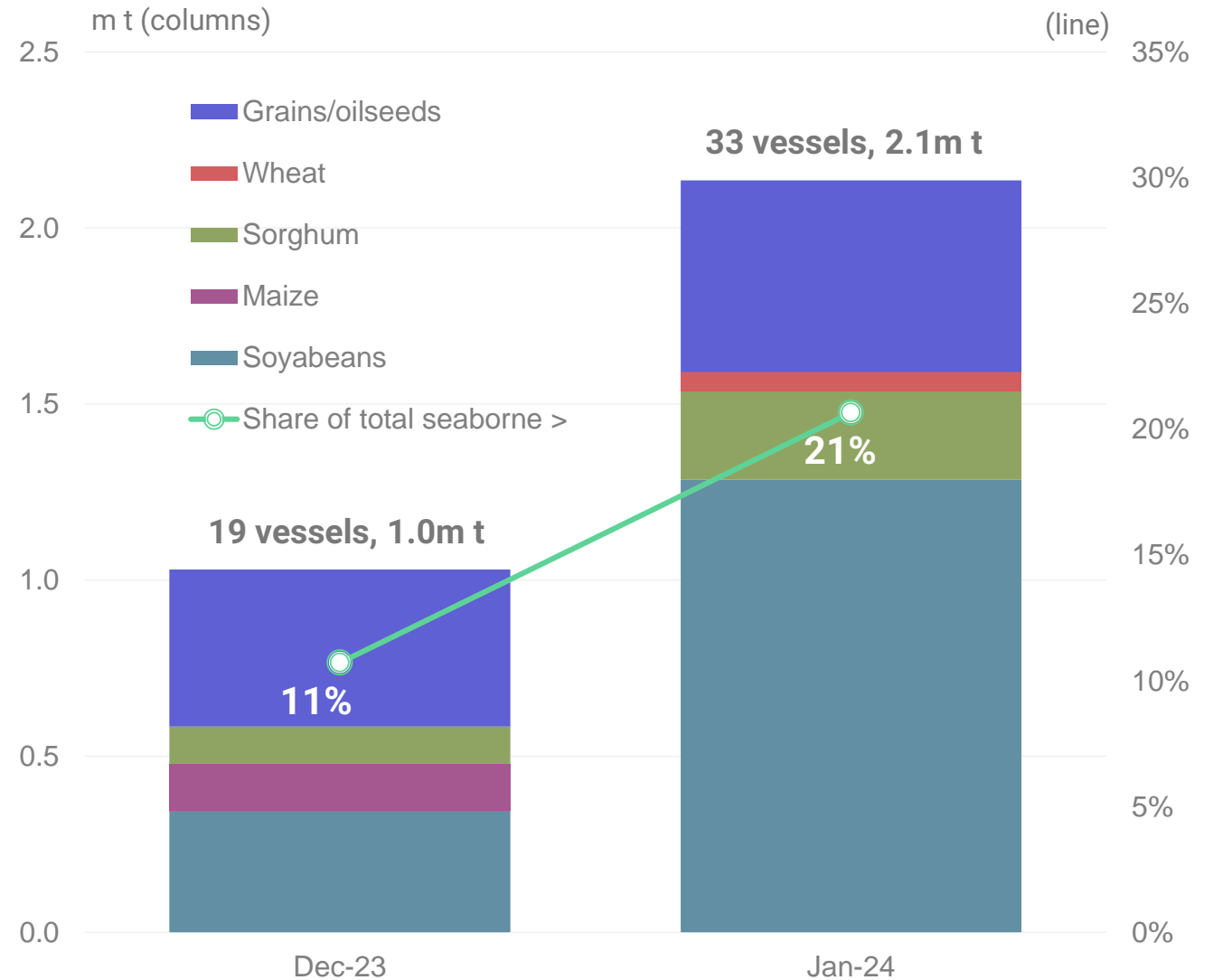


# USA: Diversions from Panama/Suez have risen to of 1/5 seaborne grains/oilseeds shipments in January, led by soyabeans

## Global soyabean flows

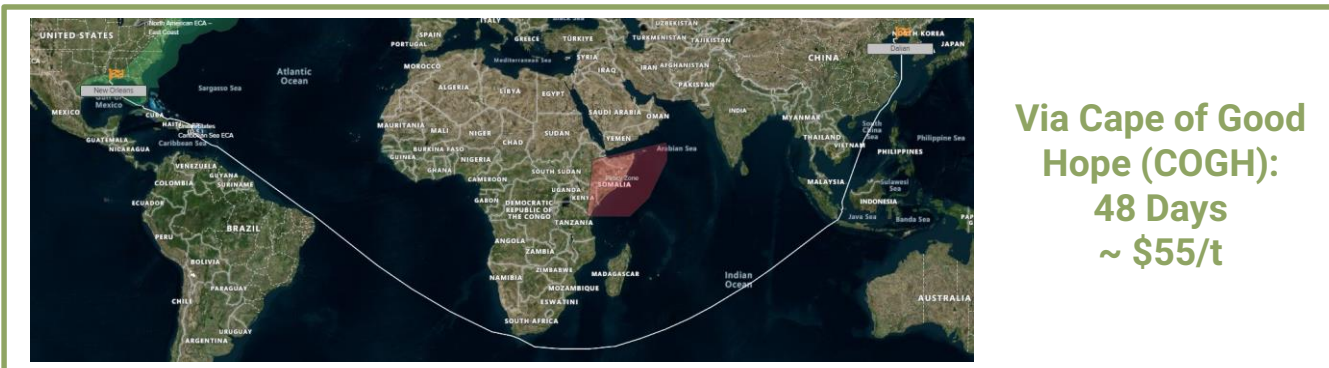
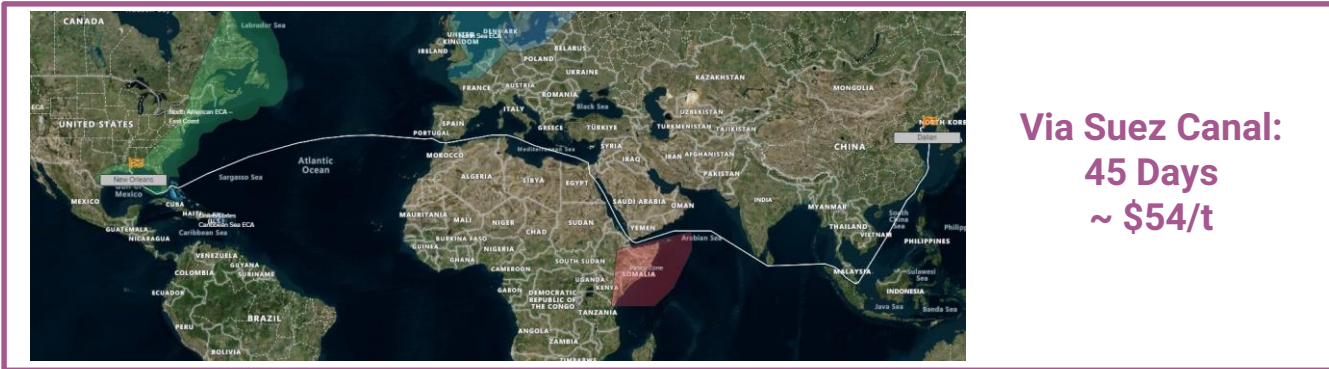


## USA: Diversions from Panama/Suez Canals

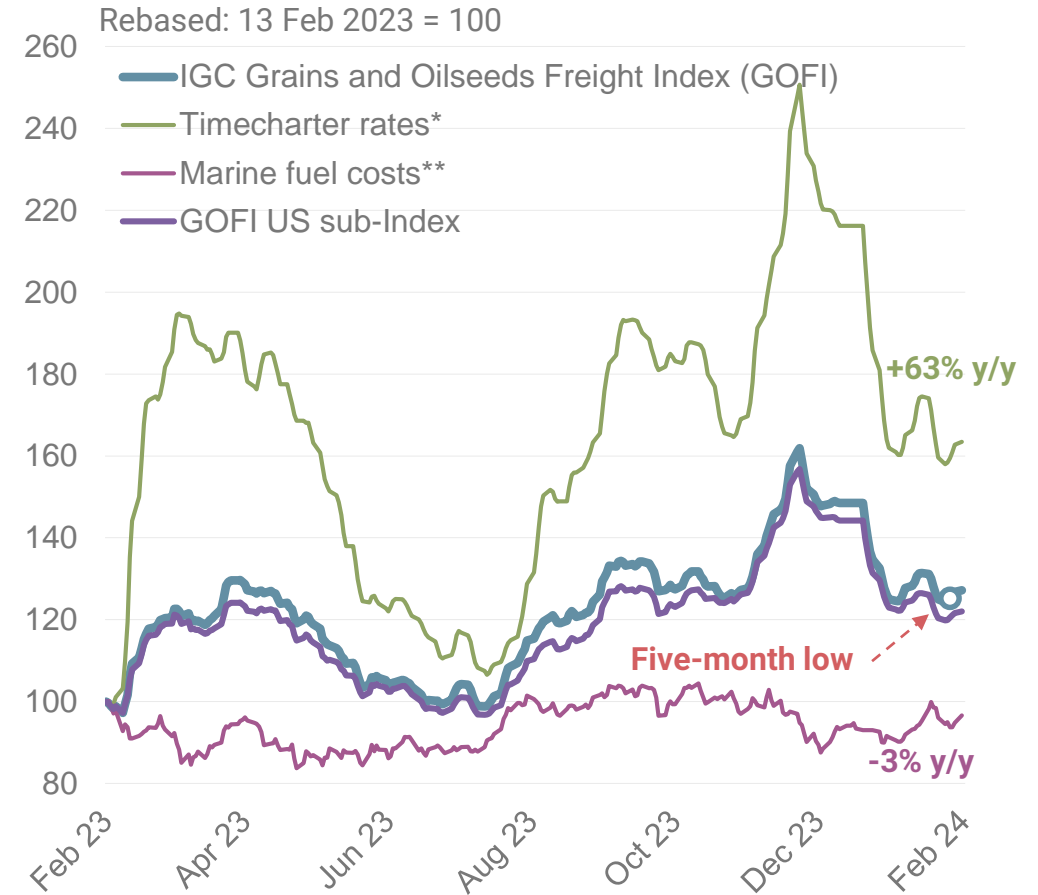




# US Gulf-China deliveries: Diversions via southern Africa add around \$4/t in freight costs. The cost of Suez-COGH diversion is relatively small.



## Voyage rates from the US have been mostly tracking global trends and touched a multi-month low recently



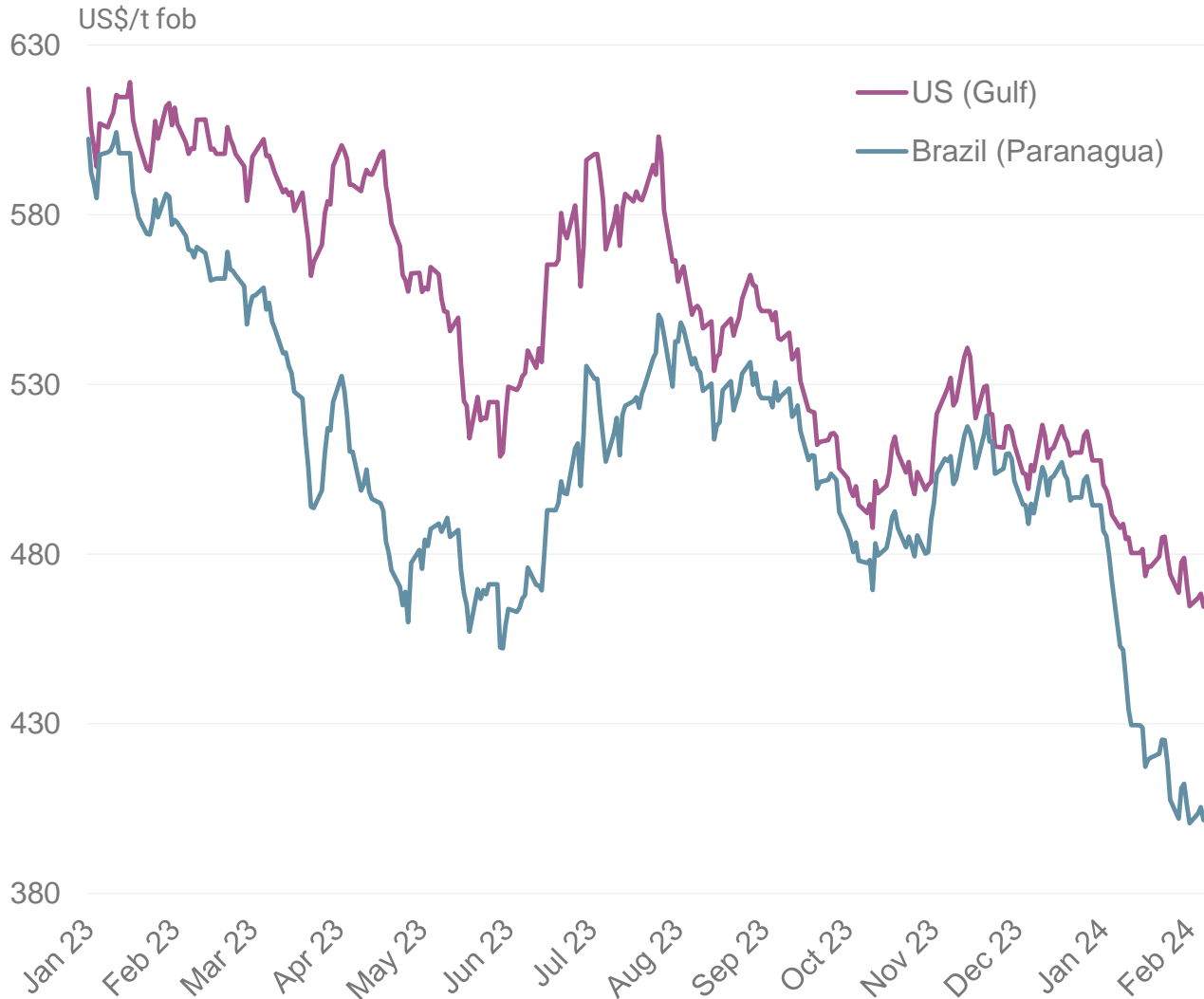
\* Average for Panamax, Supramax and Handysize Baltic Indices

\*\* Average LSFO prices at main fuelling destinations



# While relatively small, additional freight costs add to unusually wide spreads in fob soyabean prices with Brazil, the main competitor

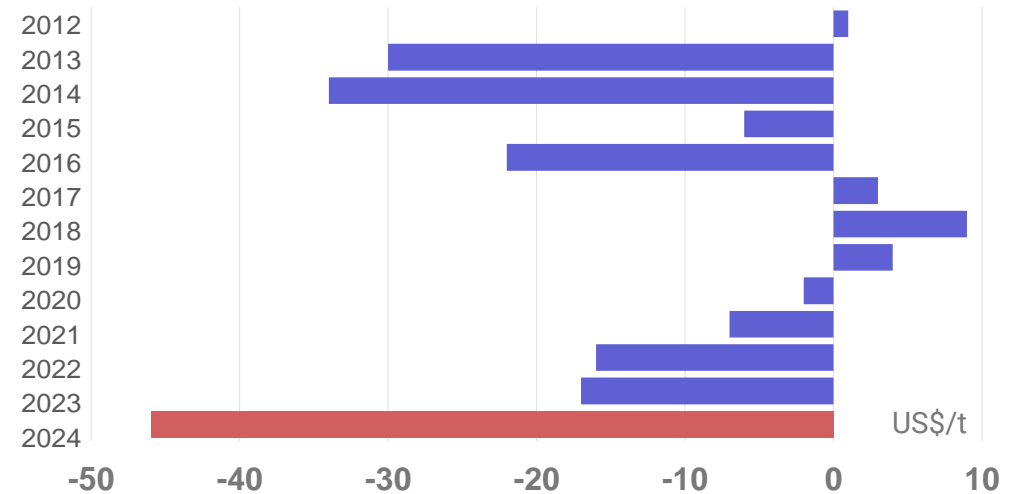
## Brazil-US soyabean fob price spread



## Brazil-US soyabean fob price spread



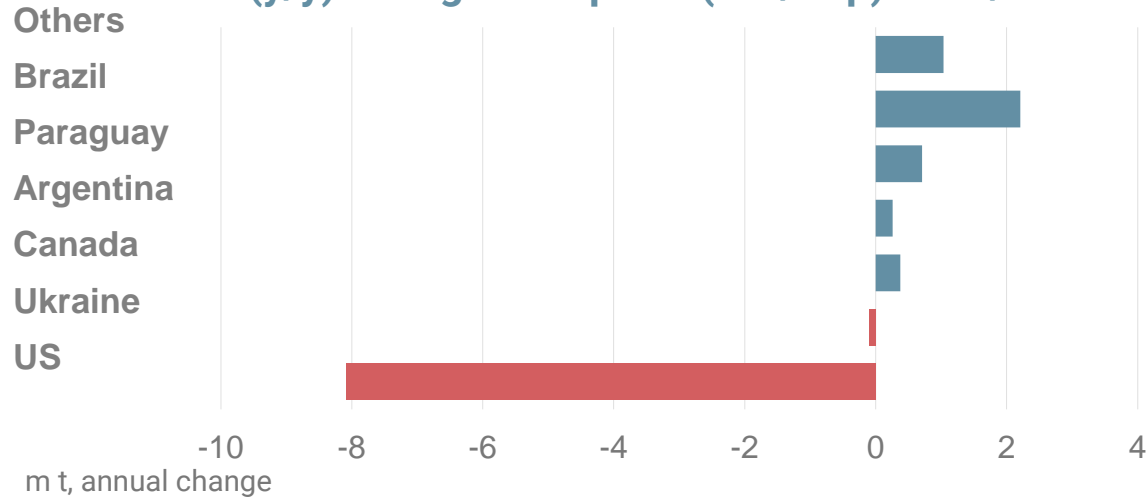
## Average January spread



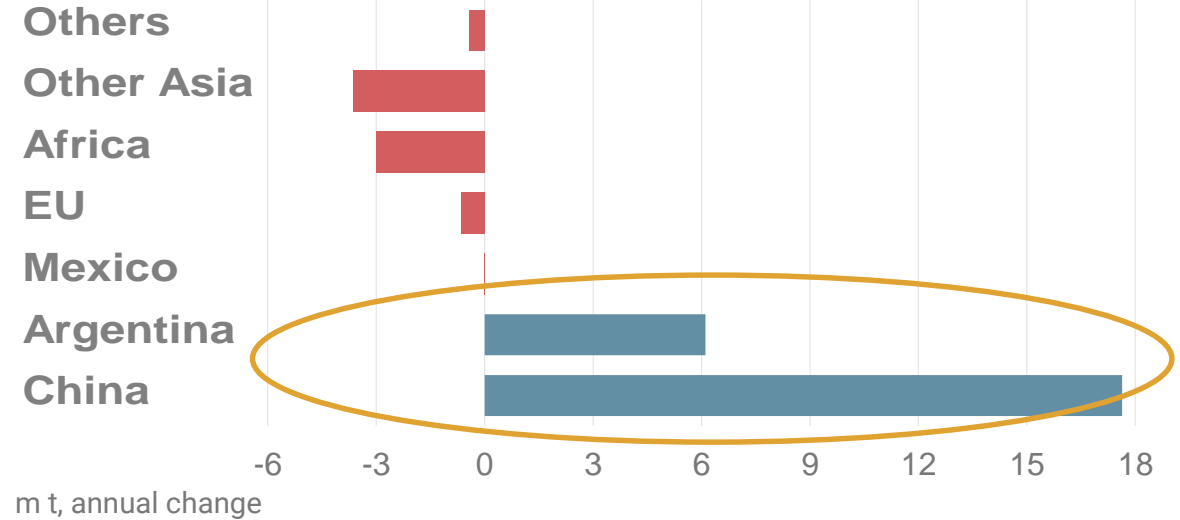


# US soyabean supplies competing for reduced export business this season, with slower sales to China only partly countered by firmer demand from the EU/Mexico

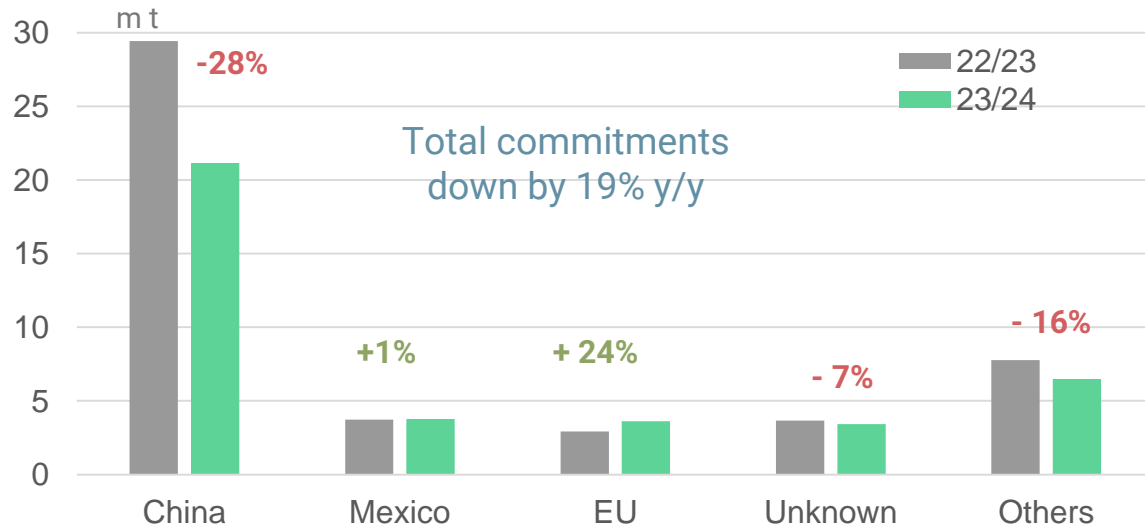
Annual (y/y) change in exports (Oct/Sep) in 23/24



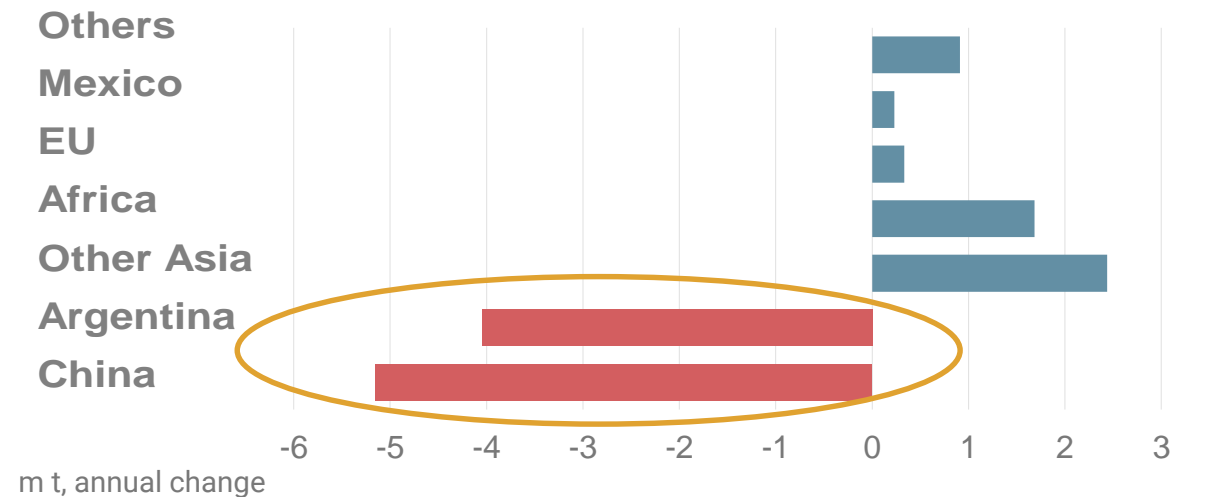
Annual change in 22/23: + 16.0m t (+10%)



US commitments – 23/24 (Sep/Aug): as at 1 February



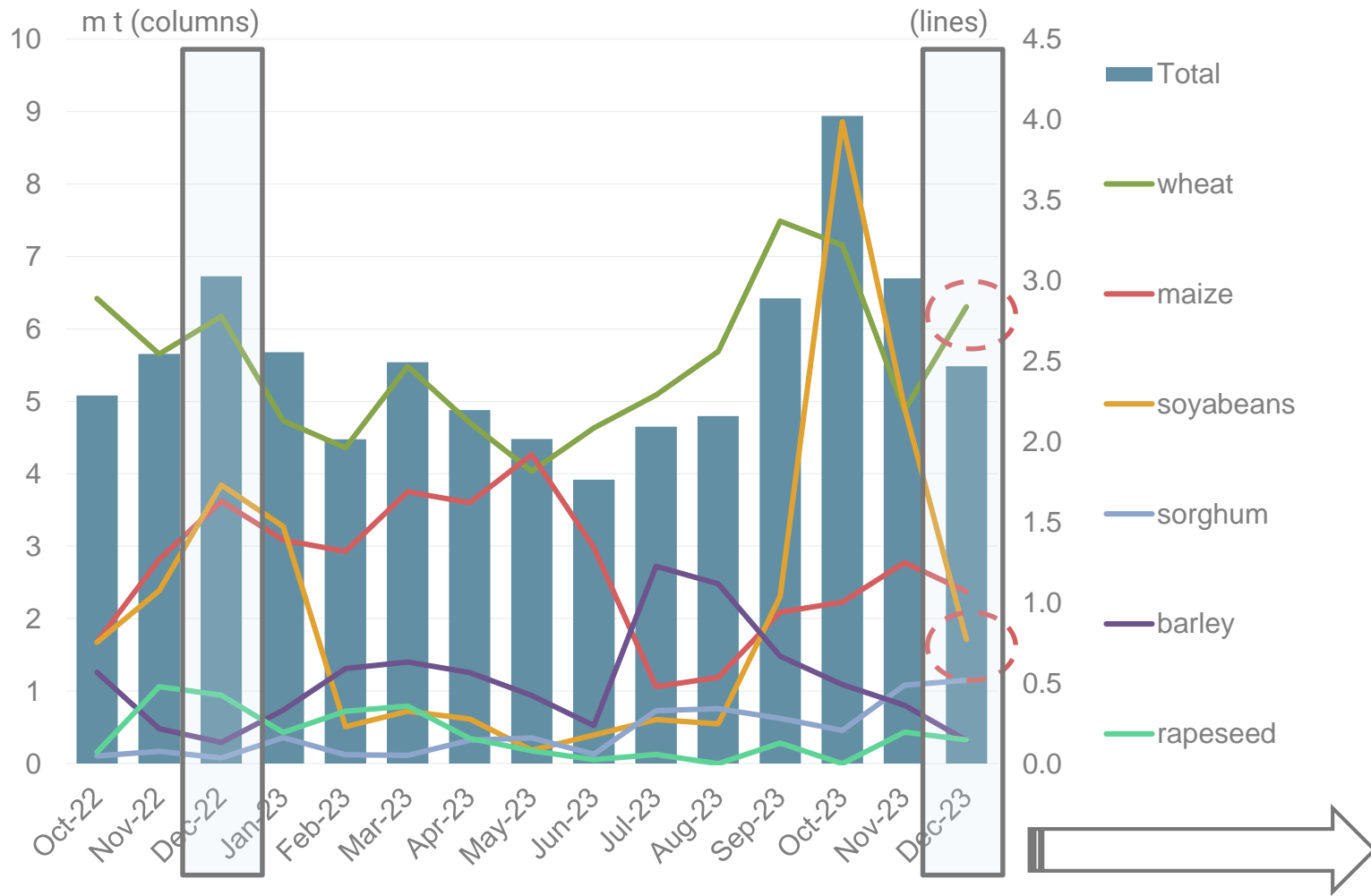
...and in 23/24: - 3.6m t (-2%)





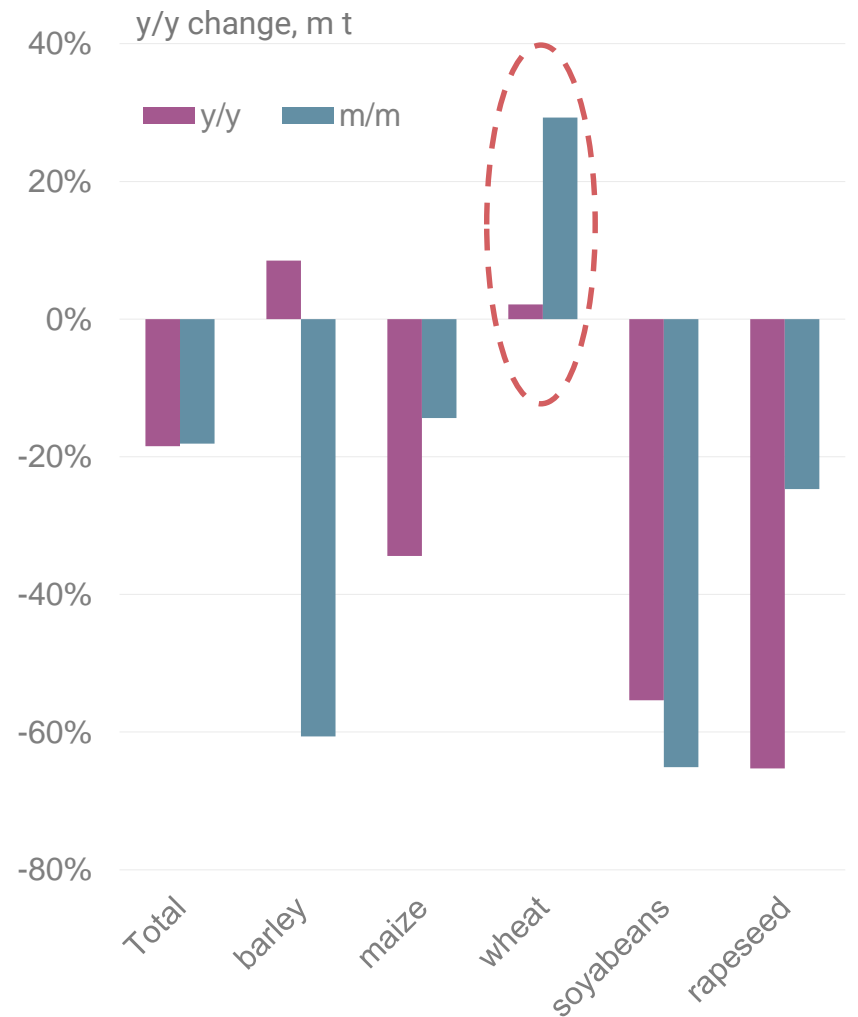
# Suez Canal: Transits picked in Oct'23 boosted by US soyabeans, but fell thereafter. Dec flows were 1/5 lower y/y but wheat has been holding up well.

## Suez Canal: Shipments of selected grains and oilseeds



\* Includes barley, maize, wheat, soyabeans, rapeseed and sorghum  
 Note: Data do not fully cover coaster vessels (below 10,000 dwt)

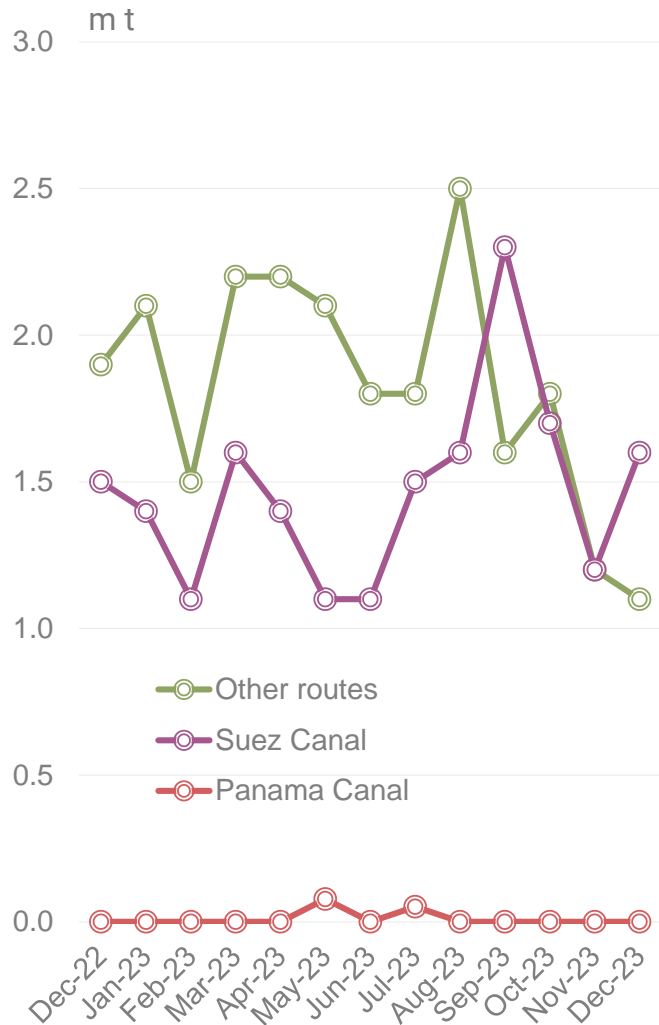
## Shipments via Suez Canal in Dec 2023



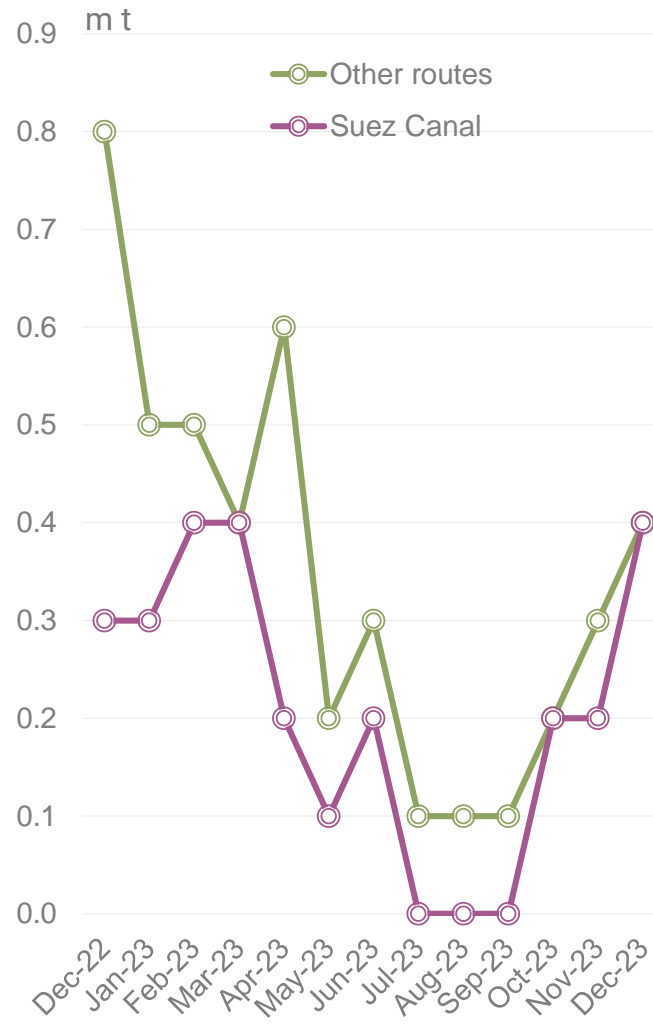


# Despite elevated security risks, Russia and Ukraine increased wheat shipments via the Suez Canal in Dec'23. However, some diversions were noted from the EU.

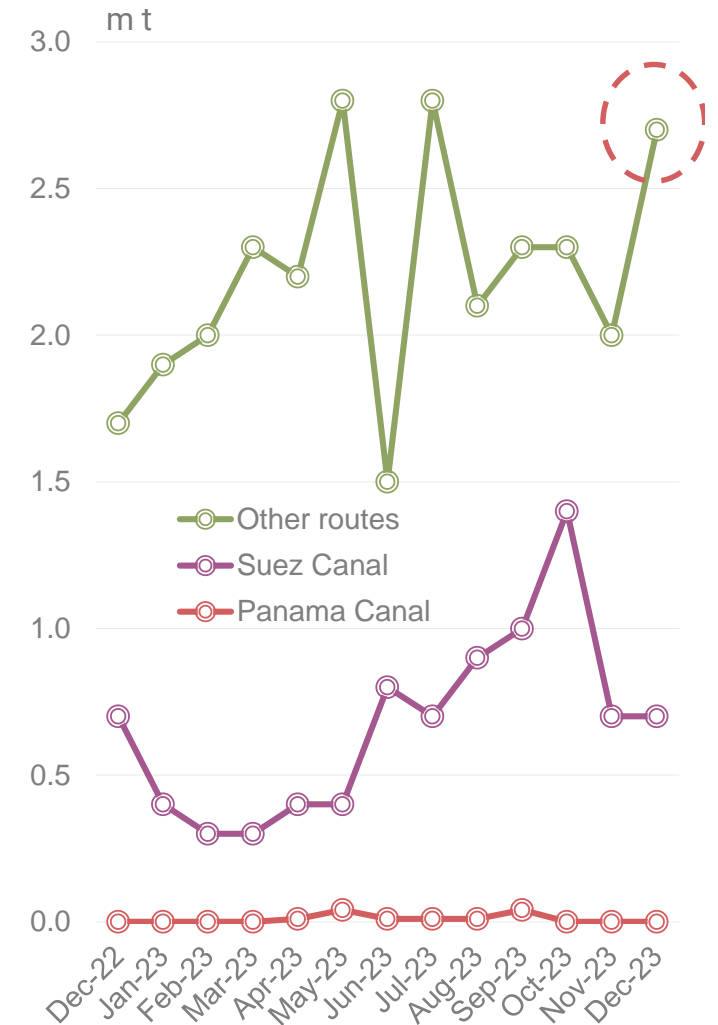
## Russia wheat



## Ukraine wheat



## EU wheat

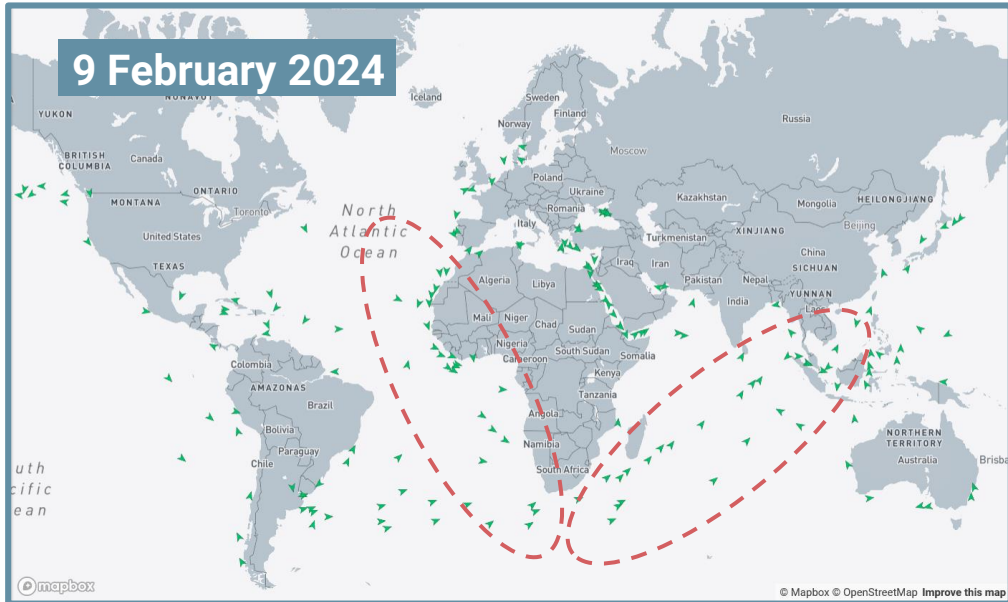


Note: Shipping data do not fully cover coaster vessel shipments (below 10,000 dwt).

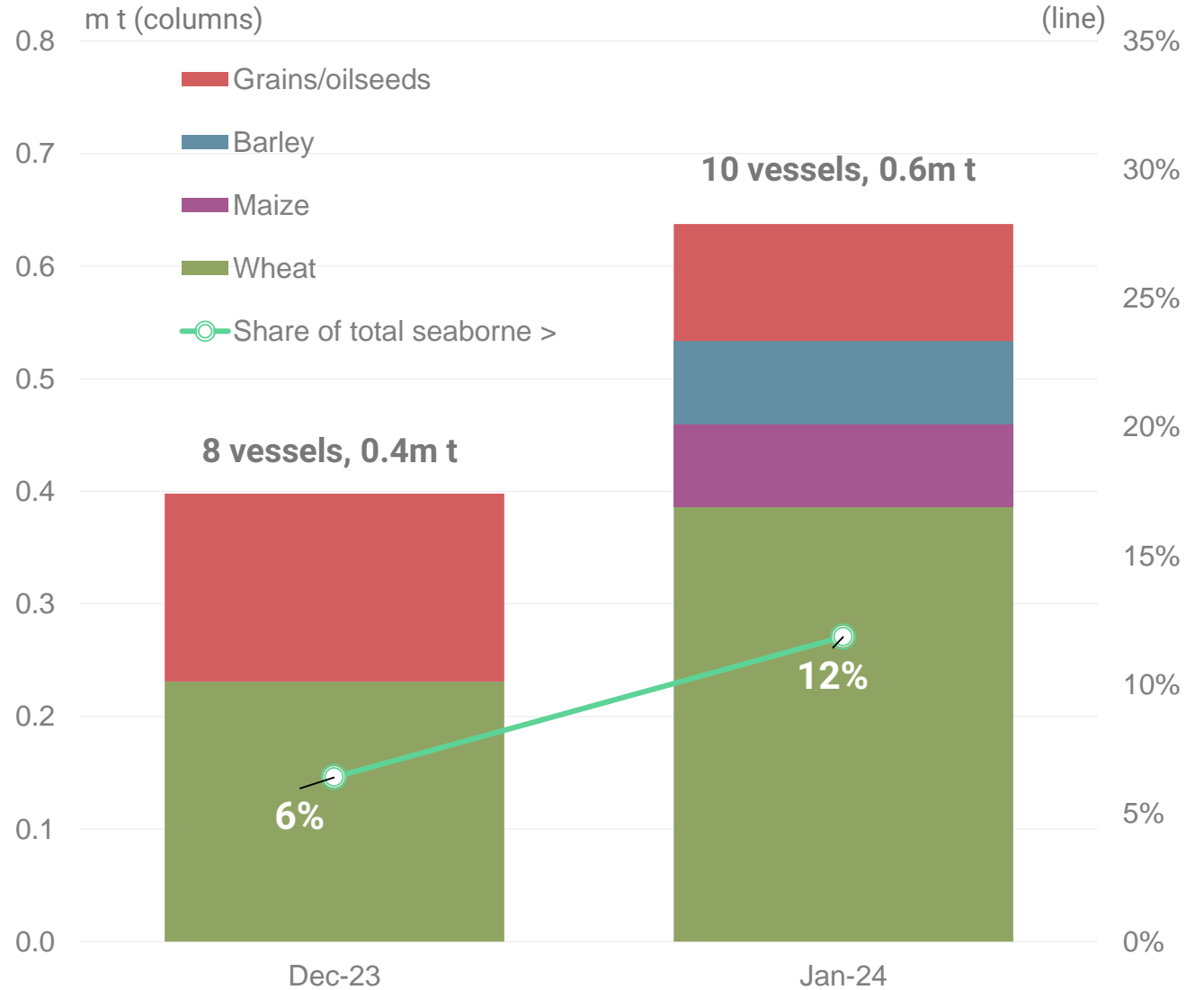


# Diversions from the EU rose by 60% m/m in January, led by wheat. Most volumes originating from France (also include Germany, Poland, Latvia and Romania)

## Global wheat flows

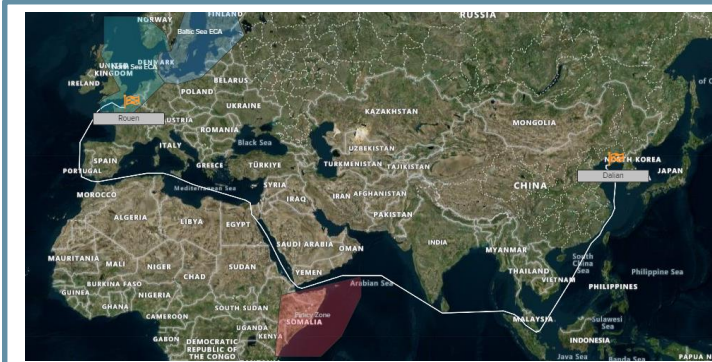


## EU: Diversions from the Suez Canal





# Diversions from Western Europe (France) are less costly than from the Black Sea, but both regions have to compete with southern hemisphere suppliers into Asia

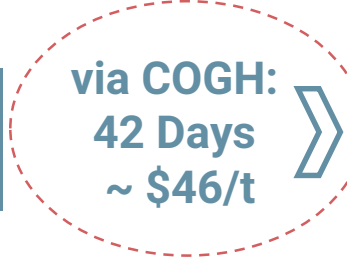


## EU (France, Rouen) – China (Dalian)

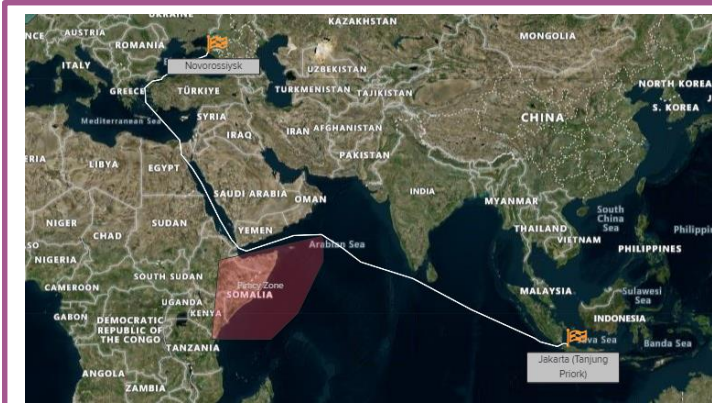
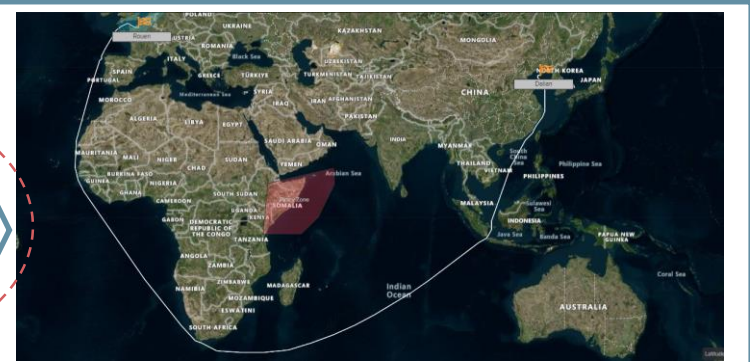


via Suez:  
34 Days  
~ \$44/t

+8 days  
+\$2/t



via COGH:  
42 Days  
~ \$46/t



## Russia (Novorossiysk) – Indonesia (Jakarta)

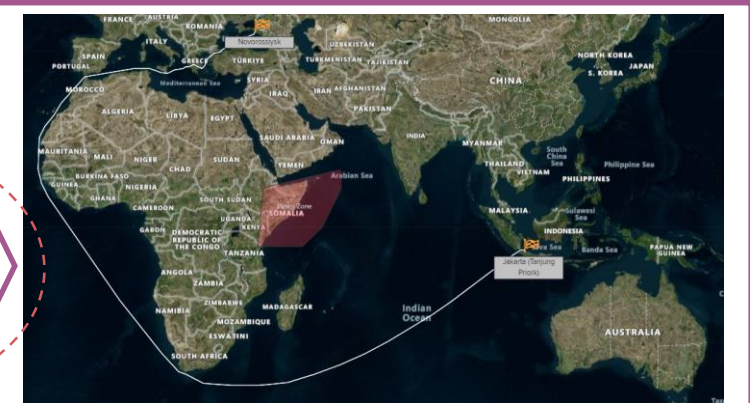


via Suez:  
21 Days  
~ \$49/t

+18 days  
+\$7/t



via COGH:  
39 Days  
~ \$56/t



## Argentina (Rosario) – Indonesia (Jakarta)

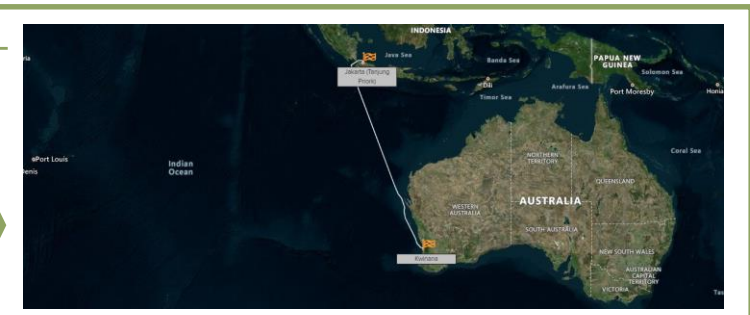


28 Days  
~ \$50/t

## Australia (Kwinana) – Indonesia (Jakarta)



6 Days  
~ \$17/t

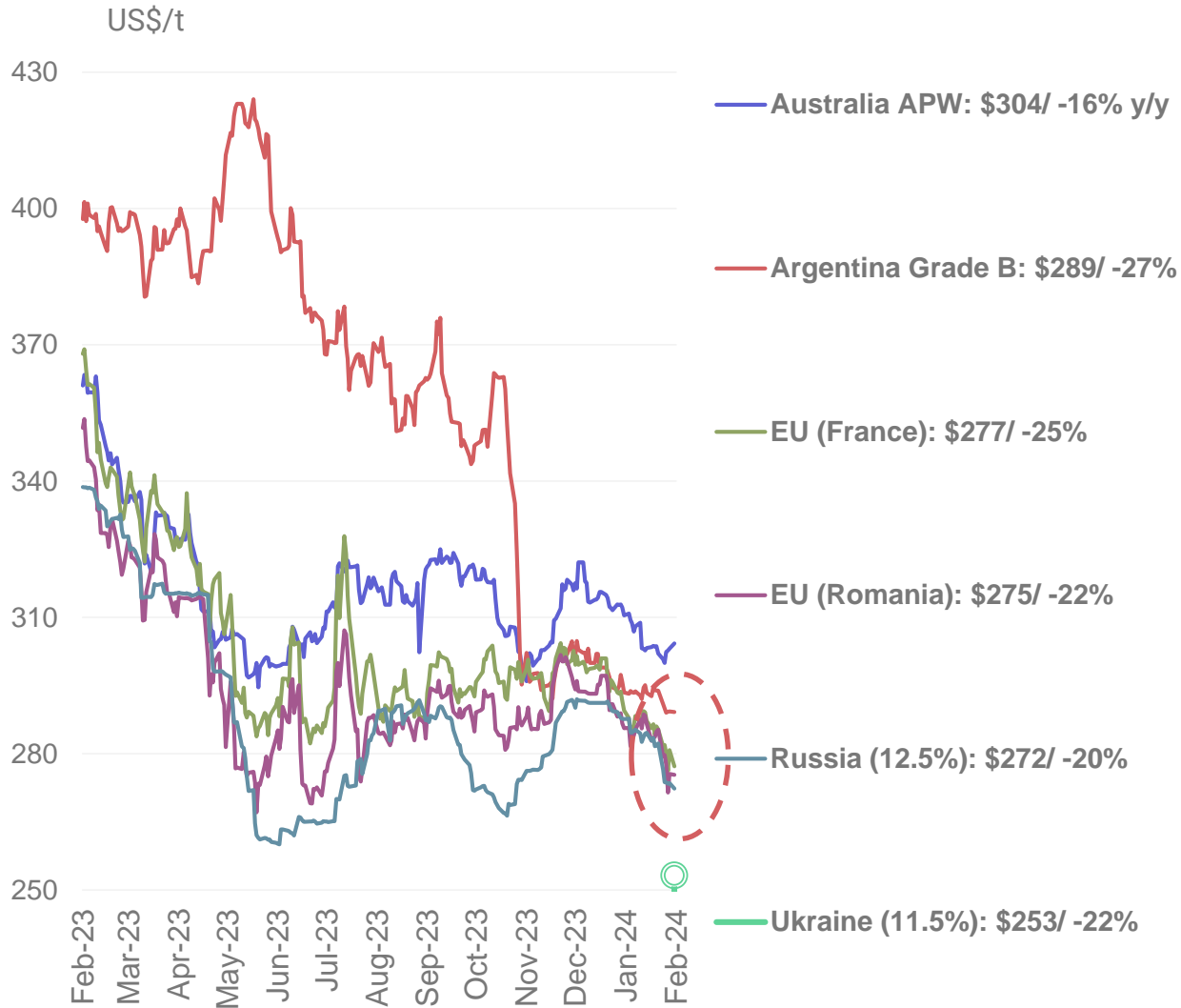




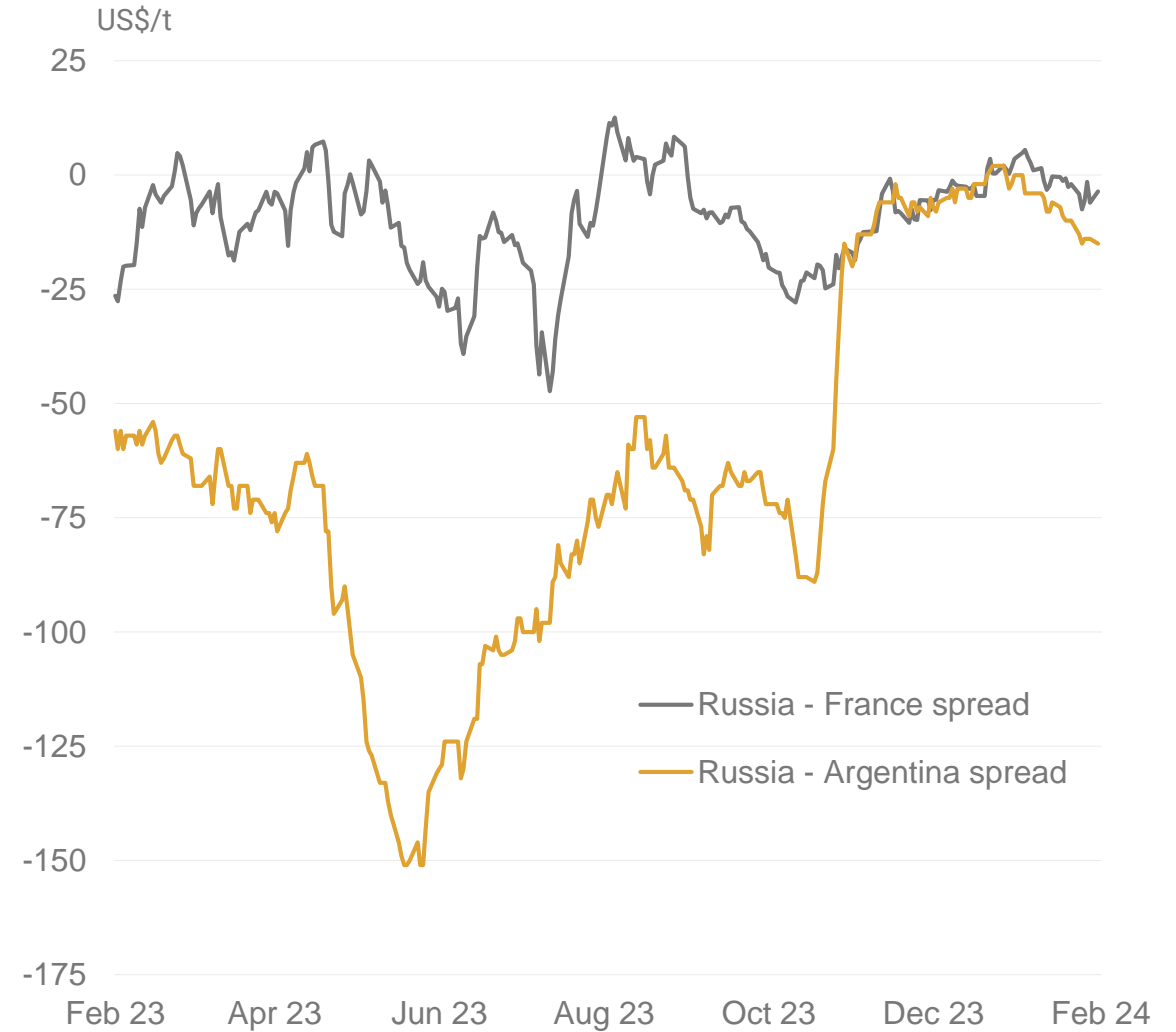


# Stiff competition on a fob / c&f basis into Asia seen limiting leeway to increase freight costs

## Calculated delivered (c&f) prices to Indonesia



## Russia – France/Argentina wheat fob price spread

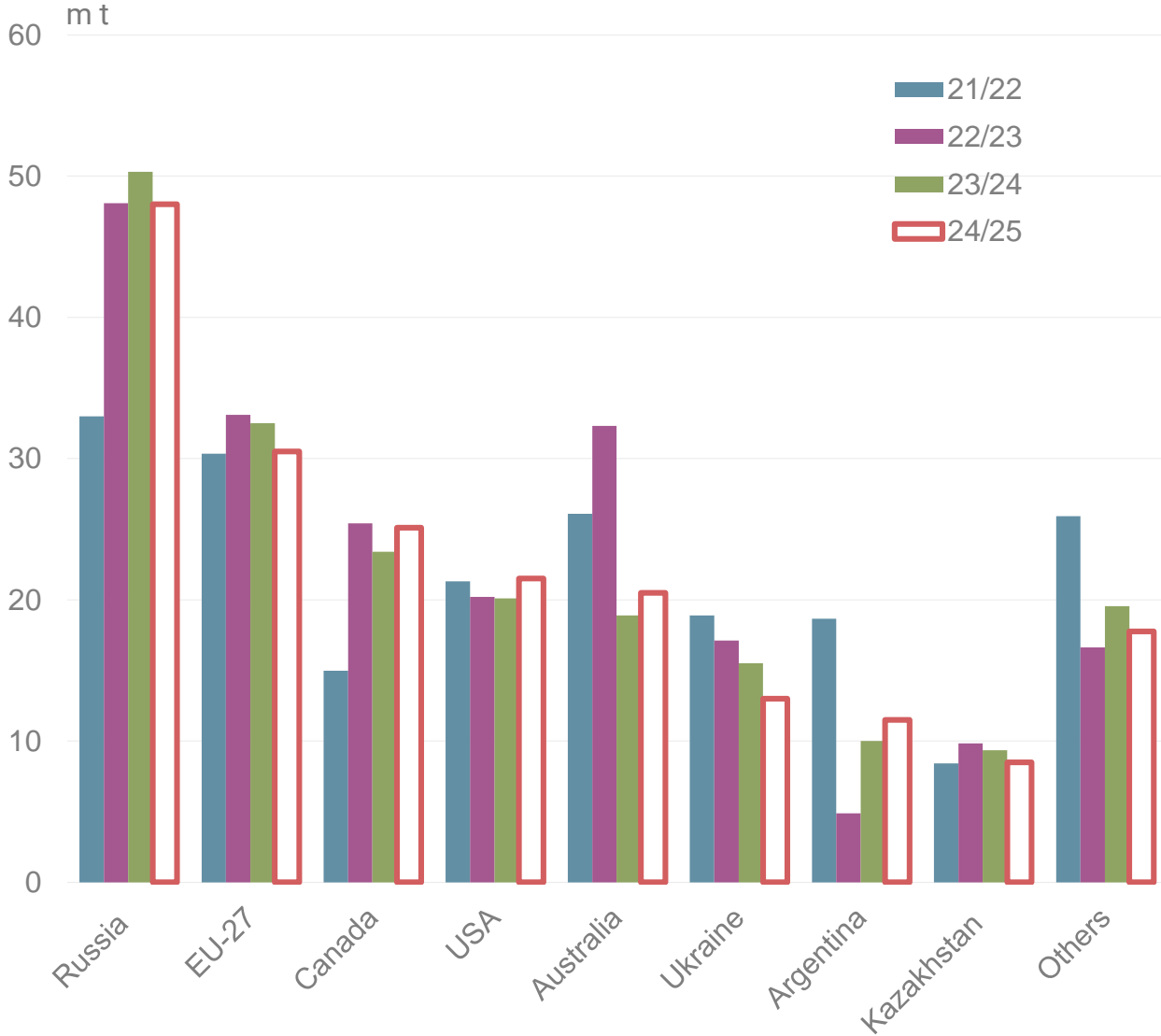


Note: Values may not be directly comparable due to different wheat specifications.

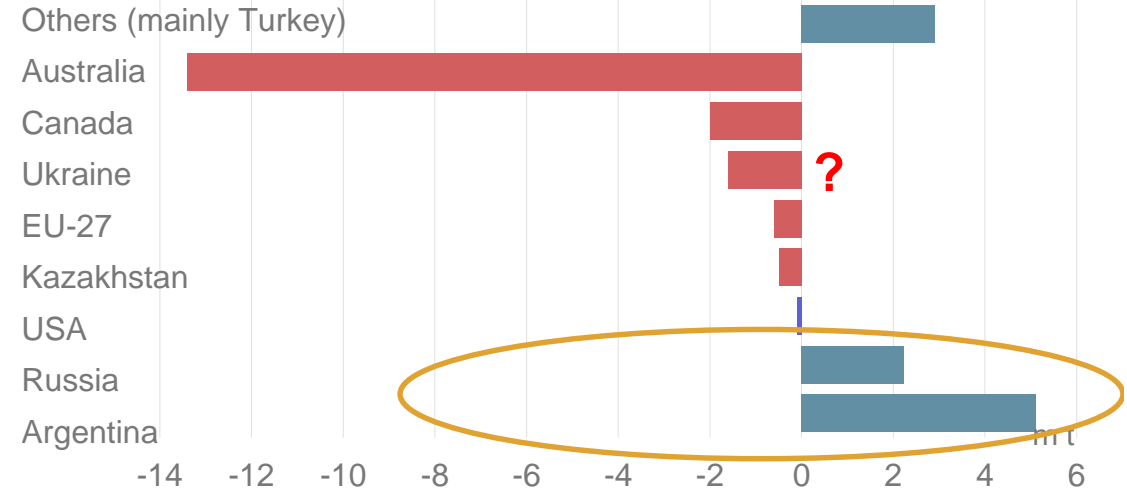


Argentina is seen well positioned to absorb any shifts in demand, with Russia also seen shipping more this season. However, next season may be different.

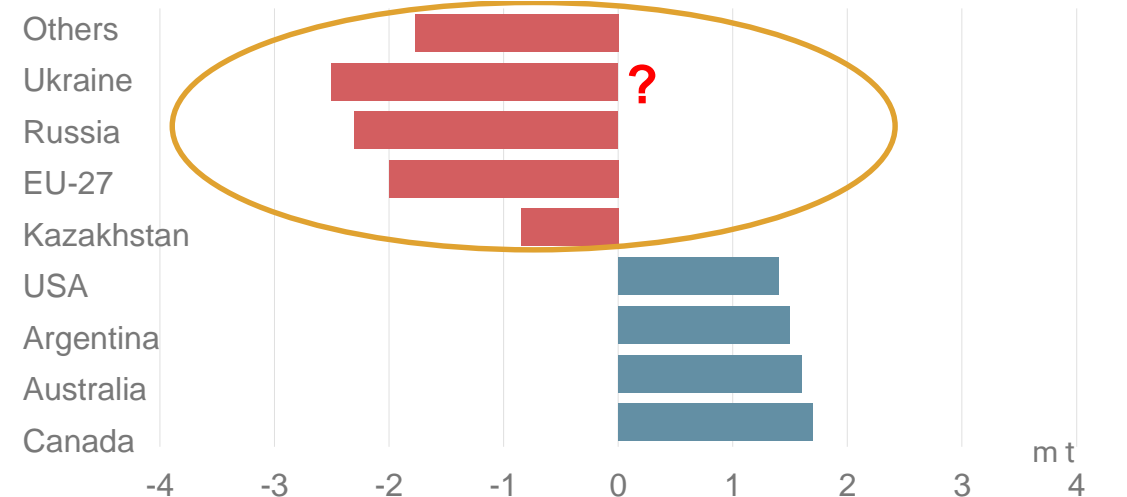
Wheat exports (Jul/Jun) (IGC estimates/forecasts)



Annual (y/y) change in exports (Jul/Jun) in 23/24



Annual (y/y) change in exports (Jul/Jun) in 24/25

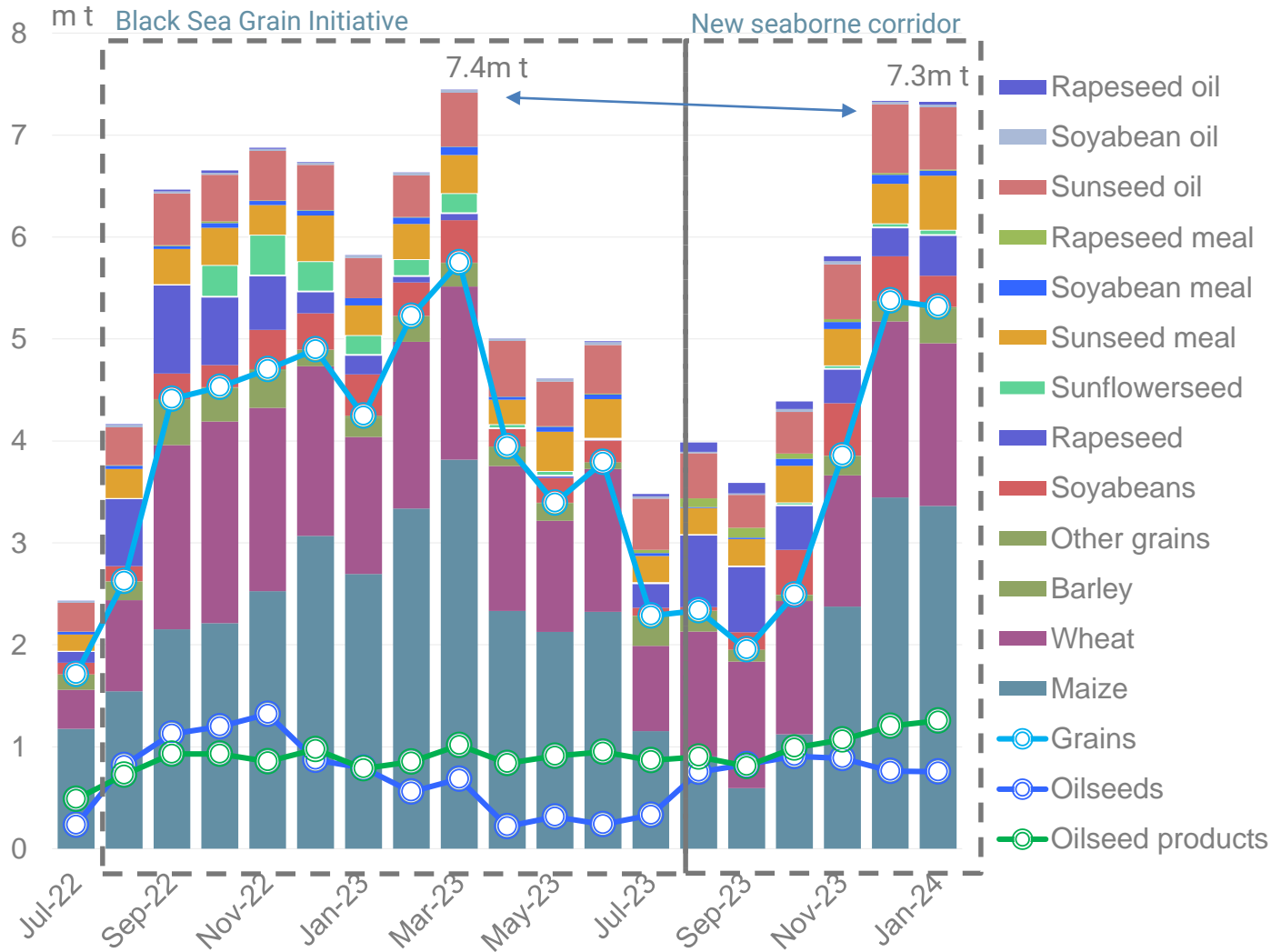


Note: Values may not be directly comparable due to different wheat specifications.

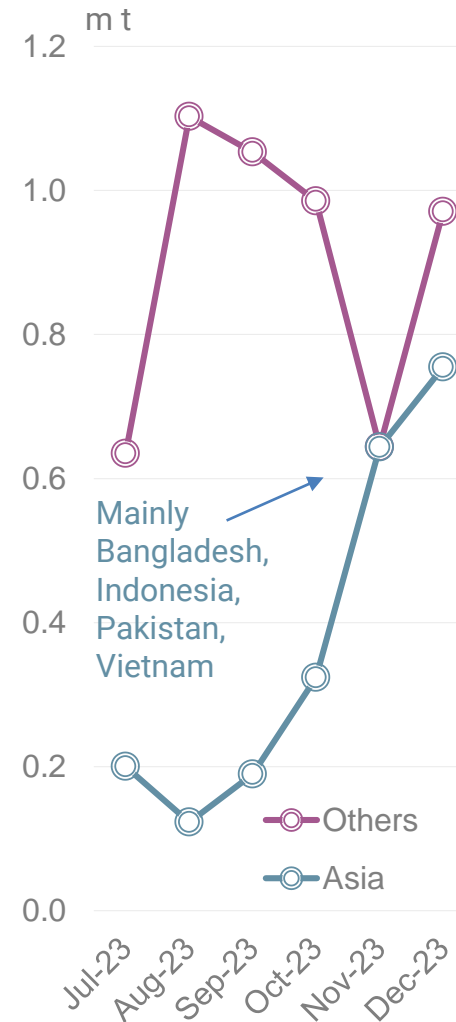


# Total grains/oilseeds/products exports from Ukraine have reached the BSGI peak recently, to a large extent owing to rising grain shipments to Asia (via the Suez)

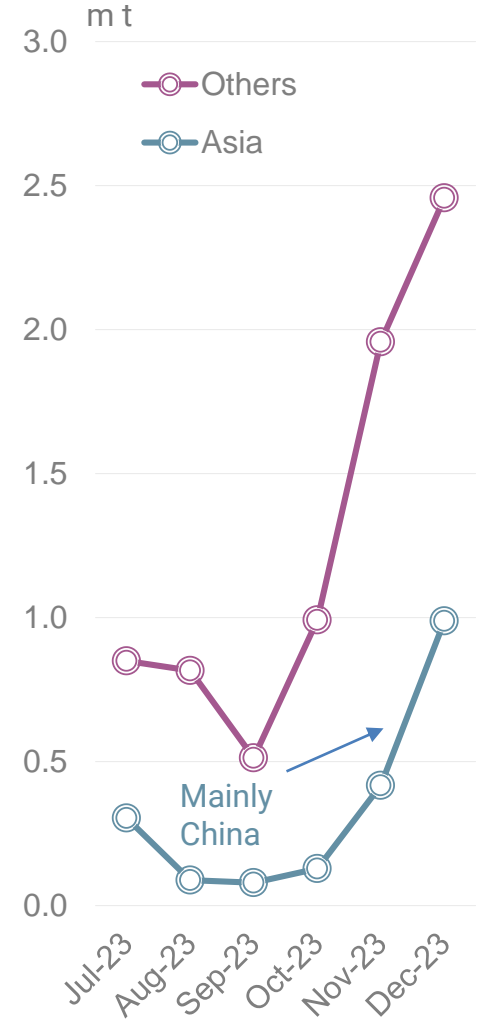
## Exports from Ukraine (all routes)



## Ukraine wheat exports



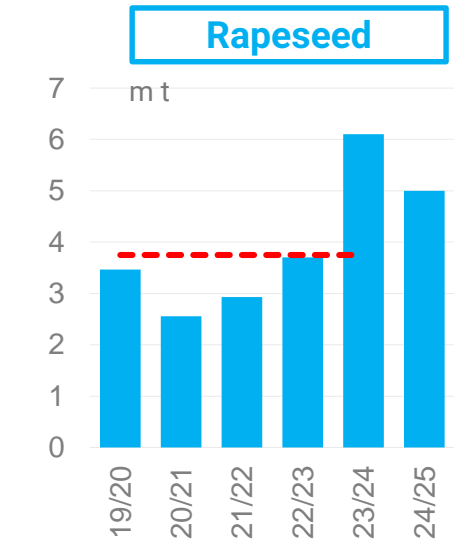
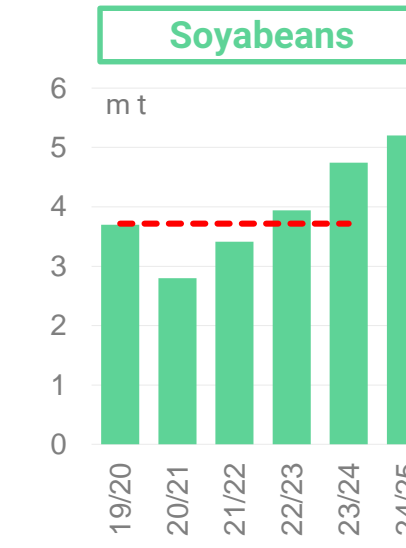
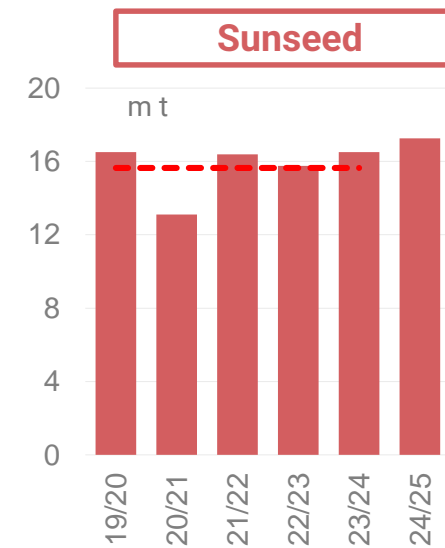
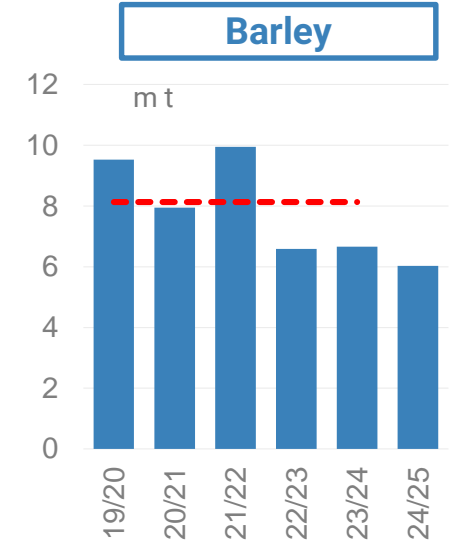
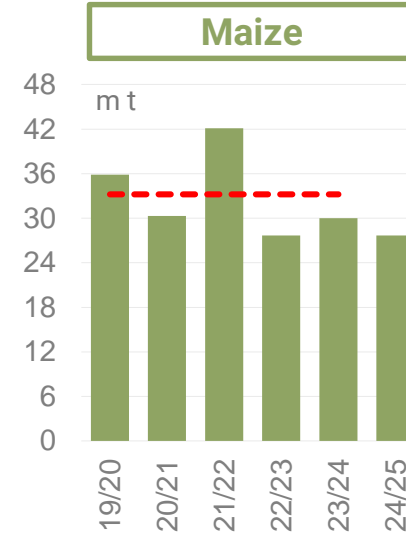
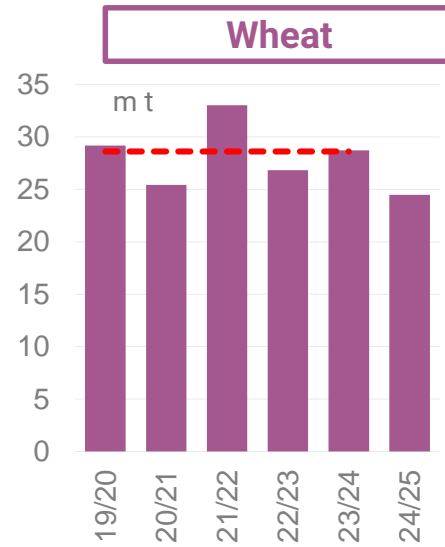
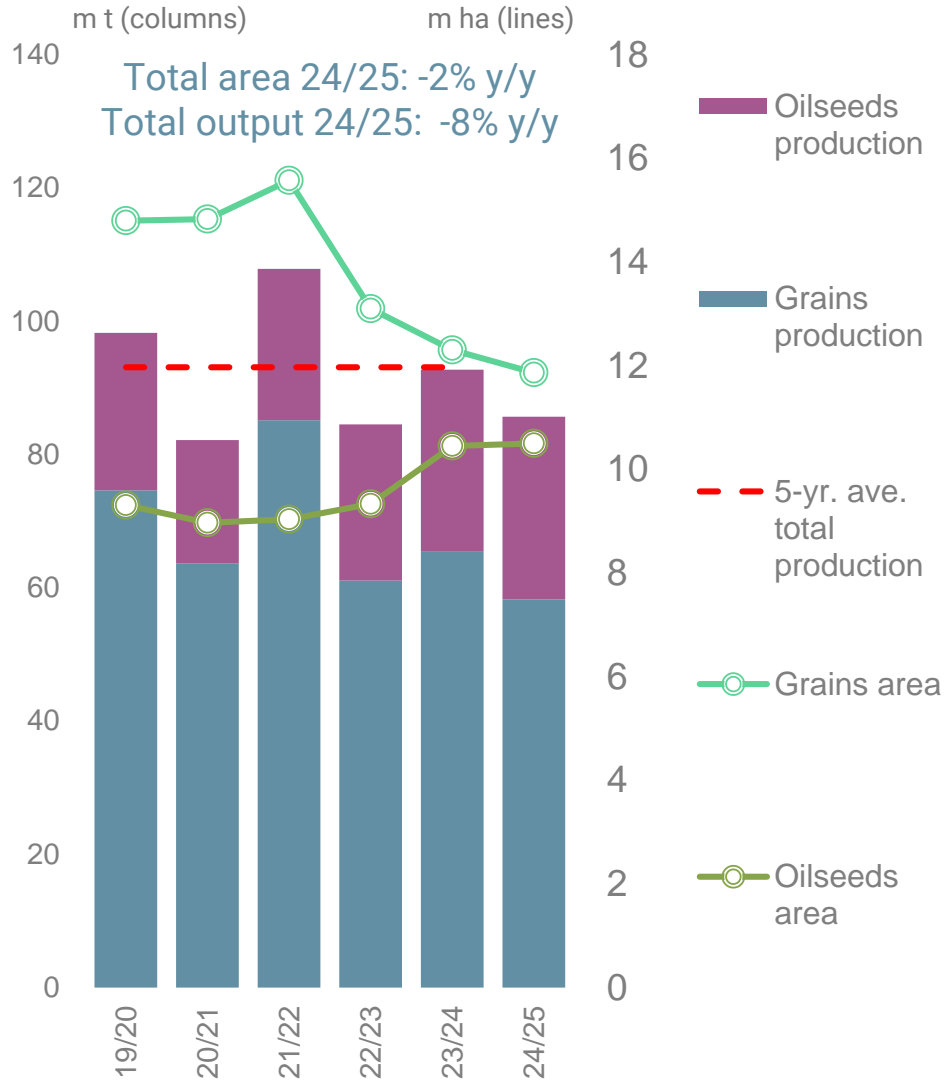
## Ukraine maize exports





# Ukraine: Tentative outlooks for 2024/25 point to a continued shift in area from grains to oilseeds... with associated changes to export flows

## Grains/oilseeds production and area





Thank you for your attention