IGP Grain Transportation Report

Wheat, Corn, Grain Sorghum, and Soybean Complex

31st August 2026

by Guy H. Allen – Senior Economist, International Grains Program, Kansas State University *News and information noted below are articles of interest and gathered from numerous sources. This news and information do not reflect the opinions of KSU-IGP but are provided as a matter of interest.*

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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

- **Russia Grain Exports Shift to Baltic as Black Sea Trade Disrupted**

31 August 2026 By: Reuters – Russian grain exporters are rerouting shipments to the Baltic Sea, including ports in the Baltic states, after Ukrainian drone attacks in the Black Sea and the Sea of Azov forced them to seek alternative routes, traders and analysts told Reuters on Monday.

Russia and Ukraine have been pounding each other's export terminals and grain-carrying vessels in the Black Sea, creating the biggest disruption to Black Sea trade since the conflict in Ukraine began more than four years ago.

Russia exported 46.3 million metric tons of grain via ports in the Azov and the Black Sea in the last exporting season - July 2025 to June 2026 - accounting for 90% of total Russian seaborne grain exports, industry data shows. Russian Baltic ports shipped only about 1 million tons.

According to an industry source, who asked for anonymity, requests for grain shipments by rail to Russia's Baltic ports for this season hit 5 million tons by August 18 - mainly for delivery in August and September - compared to 6 million tons for the Black Sea ports of Novorossiysk and Tuapse.

Russian exporters are also increasingly looking to ports in the Baltic states, mainly in Latvia, an EU and NATO member, analysts and traders said, with shipments expected to spike next month.

Despite strained relations between Russia and its Baltic neighbours, Russian grain shipments through the Baltic countries have continued, although they fell to about 1 million tons in the last season from 2.5 million tons two years ago, according to analysts.

"The Baltic region, the northwest, is the main resource now," said Andrey Sizov, head of Sovecon consultancy. "In September, I think, we will see a sharp increase in shipments through the Baltic states and through Russian Baltic ports."

RUSSIA'S BALTIC PORTS HAVE LESS CAPACITY

Arkady Zlochevsky, head of the Russian Grain Union, a lobby group for farmers, estimated that Russian exports through the Baltic states could reach between 5 and 6 million tons this season or even 10 million tons if Estonian ports also become available.

Sizov at Sovecon estimates potential exports through Baltic state ports at between 200,000 and 400,000 tons per month, or double his estimate for the Russian Baltic terminals. Combined grain-handling capacity across the three Baltic states exceeds 18 million tons annually, but these facilities also handle grain from other origins in Europe.

The Baltic states were once key export gateways for Russian oil and fertilizers but, as relations deteriorated Russia sought to develop its own shipping infrastructure.

When Russia became a major player in the global agriculture trade and the world's largest wheat exporter, it built grain terminals at Vysotsk and Ust-Luga ports. Grain can also be shipped via the ports of St. Petersburg and Kaliningrad.

Russian ports in the Baltic Sea have a total estimated capacity of up to 7 million tons of grain a year.

Despite their expansion, capacity is not enough to fully replace the Azov and Black Sea ports. Zlochevsky at the Russian Grain Union estimates that, at best, all other Russian ports combined as well as land transport could handle only about half of shipments that would normally go through Azov and Black Sea ports.

- **Grains Rally on Supply Fears, but Seaborne Flows are Losing Steam**

31 August 2026 By: Reuters – Over the past two and a half weeks, grain and oilseed prices have soared. This follows a few months of volatility across the agricultural commodities market. Renewed concerns over supplies, amid an escalation of hostilities between Ukraine and Russia that is affecting exports from the Black Sea region, have contributed to gains in wheat prices over the past few weeks. At the same time, concerns over US crop yields have supported corn prices. In contrast, demand has been the primary driver for soybeans. The recent gains have propelled wheat and corn futures to their highest levels in just over three years, while soybean contracts are trading at levels last seen in May 2024.

The September futures for grains and oilseeds listed on the Chicago Board of Trade (CBOT) have recorded significant gains over the last two and a half weeks. The September soybean futures have gained around eight per cent since the eleventh, while the wheat and corn contracts have surged by around fifteen per cent over the period.

In a development that could potentially take some pressure off the world's wheat importers, India lifted its wheat export ban earlier in the week. The move expanded on a February decision to allow limited exports and took effect immediately, paving the way for more substantial wheat shipments from India, as the country's inventories are projected to reach record levels. The last time India allowed major wheat exports, in the financial year of 2021/22, the country shipped approximately seven million tonnes. Given that India's wheat production has reached an all-time high of 120.6 million tonnes, the scope for exports may be greater than five years ago.

Global Grain and Oilseed Seaborne Exports Seeing a Slow Seasonal Recovery

The second seasonal pickup in global seaborne shipments of grains and oilseeds typically begins in the second half of the year, following weakness in June. However, this year, after year-on-year increases for each month during the first half of the year, Signal Ocean's data points towards a softer-than-usual start to the second half. Global seaborne export volumes of grains and oilseeds were one per cent lower in July than during the same period a year ago. With only days left in August, the current month could also see a shortfall compared with last year as recent daily volumes are weaker than in 2025.

According to data from Signal Ocean, aggregate seaborne export volumes of grains and oilseeds reached nearly 313 million tonnes during the first half of the year, representing a year-on-year increase of 13.4 per cent. Most of the growth was realised between March and May, with Brazilian exports accounting for much of the increase in Chinese demand. Over the past three years, both halves of the year have recorded the higher reading. Hence, it is not guaranteed that volumes in the first half of the year will be higher than in the following six months.

Annual seaborne volumes for grains and oilseeds grew by five per cent in 2024, compared with the year before. However, last year's aggregate remained more or less unchanged, with growth at a fraction of a per cent. Therefore, a repeat this year would spell bad news for the trade's demand for seaborne transportation, given the high volumes during the first half. No growth would imply a year-on-year decline of around twelve per cent for the year's final six months. Even assuming annual growth in seaborne flows of grains and oilseeds matching 2024 would imply that volumes in the second half of the year would be around three per cent lower than in the same period last year.

Factors Affecting the Volumes During the Remainder of the Year

There is little to suggest that global demand for grains and oilseeds is facing any significant headwinds. While higher inflation and pressure on global economic growth in the wake of elevated energy prices could dent demand, global appetite for grains and oilseeds is unlikely to be a limiting factor for seaborne volumes between now and the end of the year. Instead, demand for seaborne transportation will be mostly driven by supply-side factors.

Shipments from Black Sea region are likely to remain under pressure as a Ukrainian proposal for a suspension of attacks on vessels carrying agricultural commodities was rejected by Russia in recent days. The result is that attacks against vessels and port infrastructure are likely to continue and could intensify, putting further pressure on exports from Ukraine and Russia. This will affect global wheat supplies in particular, as Ukraine and Russia are among the world's largest exporters, as well as corn and barley. So far in August, seaborne grain exports from the Black Sea are nearly 50 per cent lower than a year ago, according to data from Signal Ocean.

The move by the Indian government to allow wheat exports could ease some of the strain on wheat supplies. The question is how much Indian wheat will find its way to the global marketplace, and how fast. Last time major exports were allowed, India's wheat accounted for around three per cent of global supplies. Another aspect to consider in relation to Indian wheat exports is the geography. While India is relatively well-positioned to supply the traditional buyers of wheat from the Black Sea region in the Eastern Mediterranean, geopolitical tensions may force cargoes to take the long way around Africa amid risks to shipping in the Red Sea, adding considerable tonne-mile demand as a result.

Finally, the direction of relations between the US and China may also have an impact on volumes in the coming months. A meeting between the US and Chinese presidents in Washington, scheduled for late September, could affect Chinese imports of US soybeans and other grains. A fragile trade truce that has developed in recent months could come under renewed pressure as the US seeks to isolate Iran economically through sanctions on its trading partners, potentially limiting the prospects for any major US-China trade deal.

All in all, the outlook for the seaborne grains and oilseeds trade for the remainder of the year is uncertain. Against a backdrop of a strong first half, driven by Chinese imports, one could be forgiven for being somewhat pessimistic about the prospects for the grains and oilseeds trade. However, prices look set to remain elevated amid a combination of supply disruptions and solid demand. While downward pressure on available supplies may weigh on demand for seaborne transport and freight rates in the small and mid-sized segments, geopolitical tensions usually drive sub-optimal trade flows, which would provide some offset for lower volumes through longer voyages.

OCEAN FREIGHT

➢ **Baltic Dry Freight Index – Daily = 3186**

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**

28 August 2026 Baltic Exchange - This report is produced by the Baltic Exchange - Source: https://www.balticexchange.com/en/data-services/WeeklyRoundup.html.

Capesize: The market maintained a broadly positive trajectory throughout the week, with the BCI 5TC building on its opening level and rising from $42,105 to $48,399, as Atlantic strength and a firmer Pacific combined to underpin sentiment. In the Pacific, initial gains were checked by a brief correction on Tuesday, but the market quickly regained momentum as sustained miner participation, together with operator-controlled cargoes, supported rates. The standout move came later in the week when C5 values surged above $16 for earlier arrivals, marking a significant recovery from the low $14s seen at the start of the week. The Atlantic provided the main catalyst for the week's advance. The North Atlantic firmed notably, with both transatlantic and front-haul routes posting healthy gains as fresh demand emerged and higher fixtures were concluded. South Brazil and West Africa to China business also strengthened early in the week, with C3 climbing into the high $37s. While momentum appeared to stall on Thursday amid limited bidding activity, underlying tonnage tightness continued to provide support. Owners remained firm with offers above $38, while charterers largely favoured older or larger vessels. Reports of $38.50 being fixed on more than one occasion emerged on Friday, however, injecting renewed confidence into the market and lifting sentiment heading into the weekend.

Panamax: The market this week bounced back, with improvements everywhere. The North Atlantic went from minimal transatlantic enquiry to rates rising by almost $2,000 daily, with an 82,000-dwt fixed midweek at $20,500 delivery/redelivery Gibraltar via North Coast South America. Fronthaul in the North was already faring better, but also increased, with an 82,000-dwt open Liverpool fixed via the US Gulf to China at $32,750 at the start of the week (equivalent to low $29,000s BKI) which improved by around $1,000 daily by the weekend. East Coast South America was very active for second half September dates and the P6 gained about $2,000 daily during the week with an 80,000-dwt fixed basis Singapore at $22,000 in the middle of the week. Despite the Atlantic making most of the headlines, rates in Asia for round voyages saw the biggest increases driven by North Pacific grains and Australian mineral demand, added to the improving East Coast South American market. At the beginning of the week, an 82,000-dwt fixed from Kashima for a grains round voyage at $18,500, with a similar type fixed a few days later at $20,000, whilst larger types fixed coal from

Australia with an 85,000-dwt fixed from Yeosu at $21,500 for a trip back to the Far East. The period market was active, albeit slightly tempered by the need for first employment, with a modern 82,000-dwt fixed for 2 years delivery China at $20,050 with the scrubber benefit shared between owners/charterers.

Ultramax/Supramax: A week of consolidation with little movement or direction to the market. North America began the week looking softer, but as the week went on, rates remained relatively flat with a 63,000-dwt fixed from Altamira with petcoke to Bahudopi at $31,000 and a 61,000-dwt fixed from the Mississippi to East Mediterranean with coal at the same level. The Continent was steady in limited trading with a 61,000-dwt fixed at $21,500 for scrap from the Continent to East Mediterranean, but the Mediterranean market had a torrid week without much fresh demand and a lack of Black Sea grains. The South Atlantic benefited from a bounce in Panamax rates with a 64,000-dwt fixed from East Coast South America to the Far East at $19,850 plus $985,000 ballast bonus but was fairly unchanged over the course of the week. In Asia rates increased very slowly during the week with a 63,000-dwt fixed from South Korea for North Pacific grains to Southeast Asia at $21,000, as grain activity supported the market in the North, but further South Indonesia saw a lot more cargoes to India and Bangladesh which also drew tonnage from the Indian Ocean. South Africa looked flat with a 64,000-dwt agreeing $24,000 plus $240,000 ballast bonus from Port Elizabeth to China and the period market was more subdued with reported trades mostly concluded last week as charterers waited to see what direction the market would take.

Steady Demand and Shrinking Vessel Supply Pushes Spot Higher

During the second half of August, robust iron ore transportation demand in the Pacific, driven by all three mining majors, combined with localized storm disruptions that tightened vessel lineups led to elevated freight rates on the critical Australia-toChina route. Concurrently, a constricted Atlantic tonnage list pushed spot rates upward despite softer regional demand, positioning the market advantageously from a higher absolute baseline as it transitions out of the historically quiet summer August month and into the seasonally strong autumn period. Additionally, metallurgical coal import demand jumped, following a major accident in China with traders scrambling to secure tonnage of medium-size bulkers. While other maritime segments like tankers and containers are earning significantly higher daily rates, this parallel success has bolstered shipowner sentiment despite any direct fundamental link amongst those segments, potentially amplifying upward spot rate pressure should an unexpected market tightening occur. Consequently, despite generally flat underlying fundamentals in our view, the near-term outlook for spot Capesize rates remains highly optimistic, sustained by a volatile global logistics landscape that continues to drive exceptional volatility and historic performance across the broader shipping industry during a year for global shipping that will be remembered for decades to come.

Iron Ore follows Coking Coal Higher Amidst the Worst Disaster since 2009

Coking coal, the second most important ingredient in the steelmaking process, delivered an unprecedented, record-breaking performance, surging over 40% within the month after a catastrophic mining accident in Shanxi triggered nationwide safety inspections and sweeping production curtailments across China. While iron ore prices experienced a modest, low-single-digit sympathy increase, the steelmaking raw material complex faces shifting dynamics; forward-looking projections indicate ample iron ore supply, yet escalating input costs from both metallurgical coal and ocean freight are actively compressing steel mill margins to multi-year lows. Consequently, these severe margin pressures are likely to trigger downward adjustments in steel production, subsequently curtailing downstream demand for iron ore in the near term.

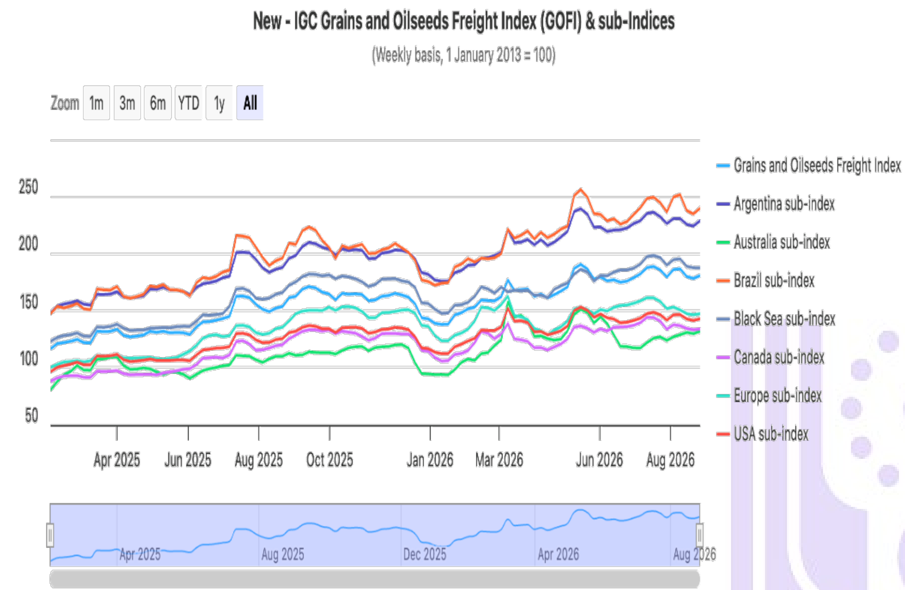
Dry Bulk Fundamentals

Demand	YTD	YOY
China Steel Production	577mt	-2.9%
China Steel Inventories	4.9mt	12.1%
China Iron Ore Inventories	155mt	18.8%
China Iron Ore Imports	737mt	5.7%
China Coal Imports	268mt	4.2%
China Soybean Imports	62mt	1.8%
Brazil Iron Ore Exports	227mt	0.6%
Australia Iron Ore Exports	468mt	4.4%
Supply		
Dry Bulk Fleet	1093 mdwt	3.7%
Freight Rates		
Baltic Dry Index, Average	2,478	71.1%
Capesize Spot Rates, Average	31,519	76.7%
Panamax Spot rates, Average	17,905	50.0%

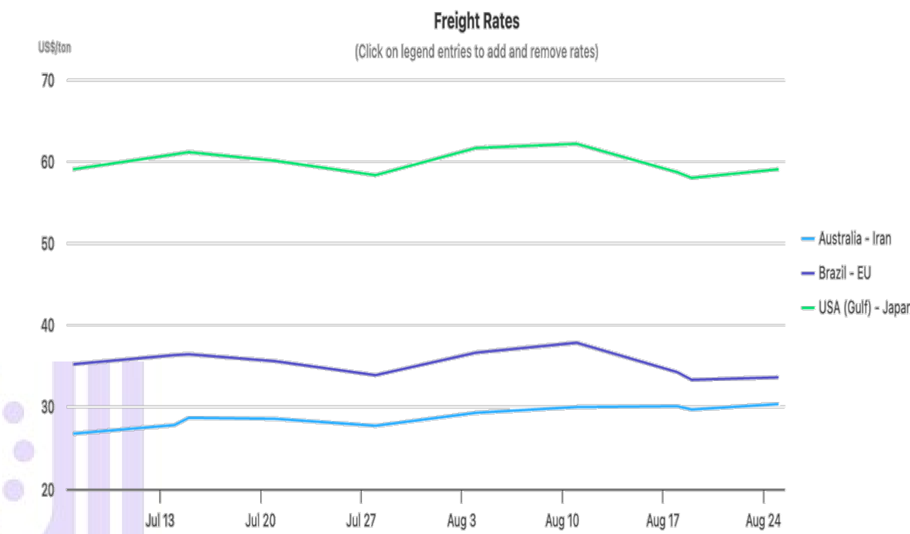
Note: All numbers as of latest available; Imports/Exports/Production are YTD sums as of latest reported; Inventories/Fleet are weekly totals
Sources: Bloomberg, IEA, Clarksons and Breakwave Advisors

Long-term View – The last few years have been characterized by increased geopolitical uncertainty. Going forward, we expect such events to continue to affect global trade and have a meaningful impact on effective vessel supply. Combined with the potential for a multi-year cyclical rebound in China's economic activity following the recent economic turmoil, dry bulk shipping should experience higher volatility on top of a secular tightness driven by stable bulk commodity demand and rather steady but elevated fleet growth.

➢ IGC Grains Freight Index – 31st August 2026



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



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

	25 Aug	Weekly Change	Annual Change	52 Week Low	52 Week High
IGC Grains and Oilseeds Freight Index	181	+1	12 %	138	191
Argentina sub-Index	229	+3	17 %	176	239
Australia sub-Index	132	+1	17 %	94	158
Brazil sub-Index	240	+2	15 %	172	256
Black Sea sub-Index	188	-1	9 %	148	198
Canada sub-Index	134	-1	7 %	106	144
Europe sub-Index	147	-	4 %	124	163
Europe sub-Index	147	-	4 %	124	163

	25 Aug	Weekly Change	Annual Change	52 Week Low	52 Week High
Australia - Iran	$30	-	19 %	$21	$37
Brazil - EU	$34	-1	9 %	$25	$38
USA (Gulf) - Japan	$59	-	11 %	$44	$63

LOGISTICS

➢ **Black Sea grain trade faces fresh setbacks as logistics bottlenecks deepen**

1 September 2026 By Vivian Iroanya and Amrutha dileep Chingoroth – Black Sea grain exports are encountering new obstacles in the second month of intensified Russia-Ukraine attacks. While deep-sea routes remain largely inaccessible, alternative land and river corridors are increasingly hampered by low water levels, infrastructure bottlenecks, and renewed attacks.

In August, Ukraine's wheat and corn exports shifted significantly toward rail transport as strikes on Black Sea infrastructure and tightening logistics further limited seaborne shipments. Corn export volumes stayed subdued due to weak demand and dwindling old-crop supplies.

Meanwhile, wheat traders turned to alternative ports, such as the Baltic for Russian wheat and Constanta for Ukrainian grain, to move newly harvested wheat. The shortage of reliable supply routes has driven CIF prices to record highs for destinations like Egypt and Turkey.

As of August 28th, Platts CIF East Mediterranean assessment basis Egypt 12.5% wheat was at $314/mt, nearly $100/mt above the Platts wheat benchmark, the Milling Wheat Marker. With the new corn crop expected to be harvested in October, traders expect that the Danube corridor may offer an additional outlet for new-crop corn.

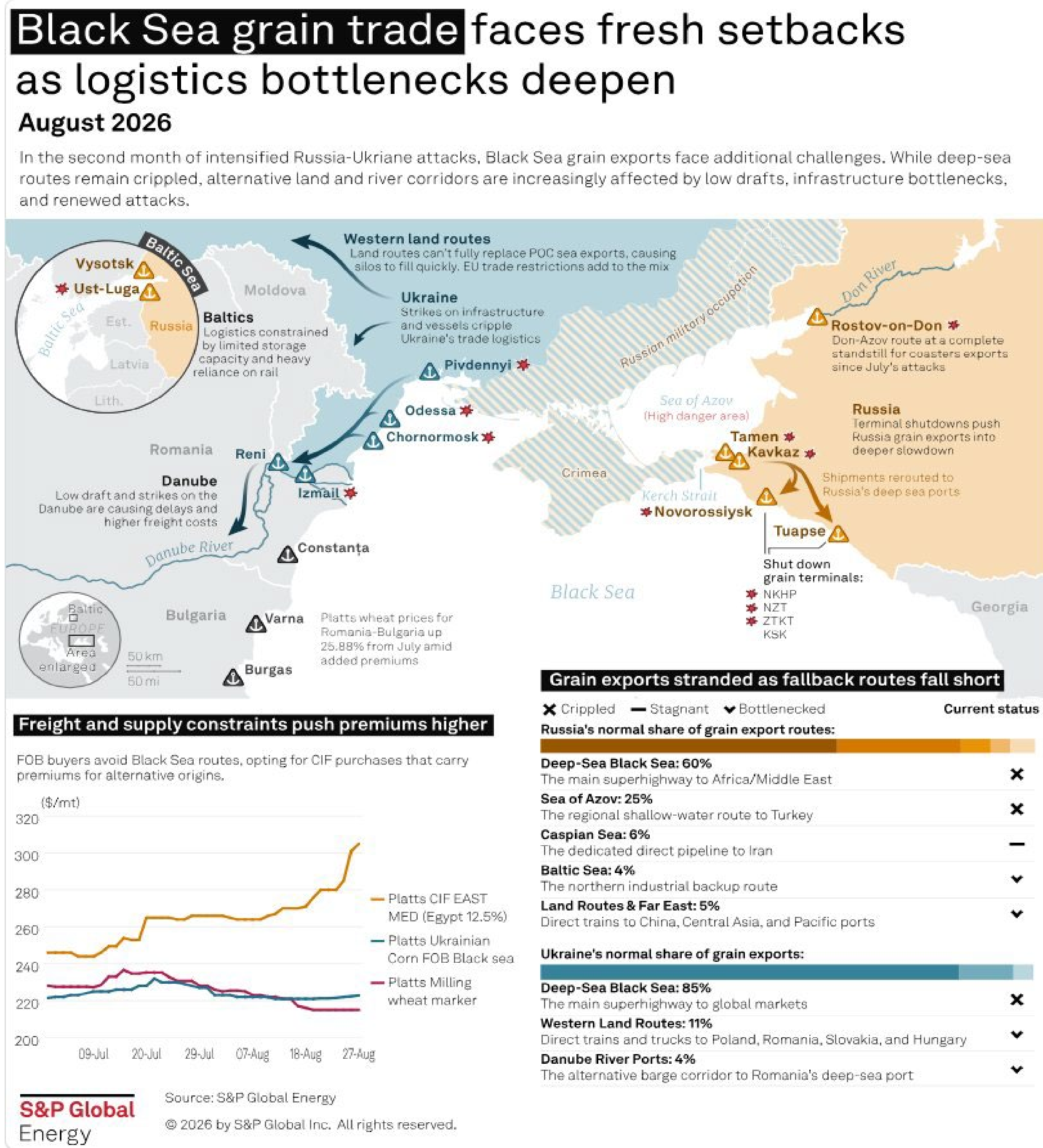
However, low water levels and high freight costs continue to present significant challenges. New-crop offers traded at an $8/mt premium over old-crop supplies last week.

➢ **Up to 70 ships queue off Danube, bottlenecks slow Ukraine exports**

26 August 2026 By Pavel Polityuk Reuters – Summary

- Russian attacks block Ukrainian Black Sea ports
- Ukraine redirects grain cargo to the Danube ports
- Ukraine grain exports fall sharply

Up to 70 vessels are waiting near the Danube's Sulina Canal for access to Ukrainian ports to load grain for export, traders and analysts said on Wednesday, with a shortage of pilots and priority given to other cargoes creating long delays.



After Russian attacks effectively blocked Ukraine's Black Sea ports, which had handled 90% of the country's grain exports, some shipments were rerouted through Danube river ports, which have much lower capacity.

Grain cargoes are competing for access with higher-priority shipments such as fuel, slowing exports. Frequent air raid alerts, which force the suspension of all port operations, have added to the disruption.

Ukraine is one of the world's biggest grain exporters and disruptions to its shipments can drive up global prices.

'THE SITUATION COULD WORSEN'

"As of August 25, more than 50 vessels were waiting to pass through the Sulina Channel, while only five to seven vessels per day were moving towards Ukraine's Danube ports," consultancy ASAP Agri said.

The consultancy said on Telegram that each day of delay can cost up to $8,000, adding to already high freight rates. "The situation could worsen if weather conditions deteriorate in the coming days," it added.

Katerina Kononenko, operations manager at Avalon shipping, said the Sulina Canal was expected to be closed for about two days because of poor weather.

"For the current situation, this is really a serious setback. Today, about 70 vessels are waiting at Sulina road. At the moment, the real traffic capacity of the Sulina Channel for vessels going to Ukrainian ports is only two to three vessels per day. This is very low," she added.

Ukraine also relied heavily on Danube ports earlier in the war when Russia blocked the ports of the Greater Odesa region. Grain export capacity through the Danube peaked at 2.5 mmts a month in 2022 to 2023.

Export volumes via the Danube remain well below those levels, although traders are gradually increasing shipments. State railway operator Ukrzaliznytsia said this month that grain transport volumes to Danube ports in August were 11 times higher than in July.

Agriculture ministry data show Ukraine exported 539,000 tons of grain from August 1st to August 21st, compared with 1.73 million in the same period a year earlier.

EU's Bulgaria and Romania are seeing critically low Danube #water levels severely disrupt grain logistics, with Romania recording its lowest levels since 1996 (flows under 40% of normal), idling grain barges, suspending ferries, and restricting irrigation just as the summer harvest peaks, while in Bulgaria's Vidin region over 90% of local grain remains stuck in nearly full storages, forcing costly road haulage to Black Sea ports or lower field prices ahead of the sunflower and corn maize harvests. Drought is also limiting the use of Ukraine's alternative Danube export corridor via the ports of Reni and Izmail, placing increased strain on the entire Danube grain supply chain that connects these key Black Sea exporters with consumers worldwide

➢ Blockade of Russian ports, Kazakhstan may lose grain markets

26 August 2026 APK-Inform – The global grain market is facing an extremely difficult situation due to the blockade of Ukrainian and Russian ports. This is also directly affecting Kazakhstan's market, Yevgeny Karabanov, head of the analytical committee of the Grain Union of Kazakhstan, said in an interview with TENGE TALKS.

“More than 80% of exports were carried out through the Azov-Black Sea basin ports. The Sea of Azov has been completely closed for more than a month. As for the Black Sea, two of the three terminals at Novorossiysk grain terminals were damaged in the attack. The combined capacity of the damaged terminals is more than 15 mmts per year. The situation is really very serious,” the analyst said.

According to him, Russian suppliers are ready to flood Kazakhstan with cheap grain. However, since July 27, the country has banned imports of all wheat, not only Russian wheat, by road and water, while wheat imports by rail are permitted only for domestic processors and poultry farms.

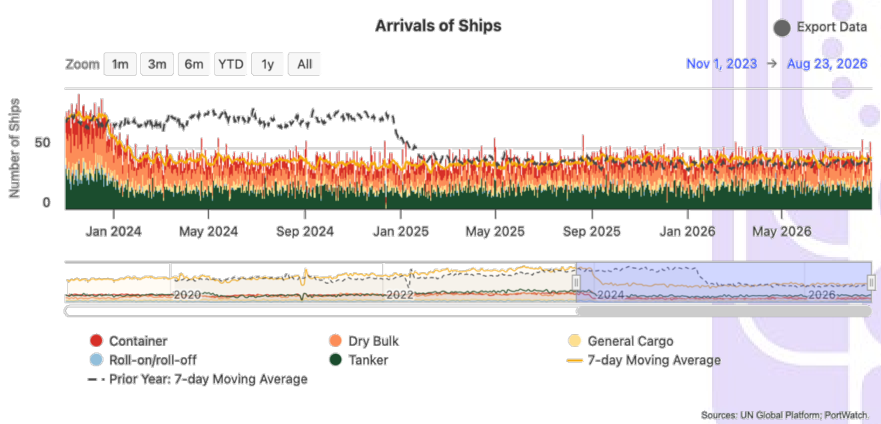
At the same time, the price of Grade 4 wheat from farms in the Rostov region is RUB 6,000 (KZT 31,500) per ton and continues to decline. For comparison, the current price of Grade 4 wheat in Kazakhstan is KZT 85,000-90,000 per ton, while the average cost of producing a ton of wheat in Kazakhstan is KZT 70,000-80,000 excluding VAT.

“Huge volumes of Russian grain without logistics coverage are looking for an outlet to our market, as well as to the countries of Central Asia. We consider the Central Asian countries to be our traditional markets, namely Uzbekistan, Tajikistan, Kyrgyzstan, Turkmenistan, as well as Afghanistan. These are traditional markets for our wheat and flour, and cheap Russian grain and cheap Russian flour are now heading towards these markets…” Karabanov warned.

Accordingly, if traditional buyers focus on cheaper Russian grain, there will be no demand for Kazakh grain.

“Today, the situation is developing according to the worst-case scenario. This includes damage to infrastructure and the complete blocking of Russian and Ukrainian exports in the Black Sea. It is also important to understand that harvesting has not yet started in Siberia and Altai. So far, supply is coming from the south of Russia, the Volga region, Orenburg, Tatarstan and Bashkortostan. The Urals, Altai and Siberia have not yet started harvesting on a large scale. When they do, there will be supply from another direction as well. We are in a very serious situation today, and so are our farmers. Therefore, our government will probably need to take some unconventional steps,” a representative of the Grain Union of Kazakhstan stressed.

➢ Suez Canal – Daily Transit Calls



August 23 2026 Source: IMF PortWatch
Source: https://portwatch.imf.org/pages/c57c79bf612b4372b08a9c6ea9c97ef0

➢ Suezmax Shortage Emerges as Red Sea Routes Shift

31 Aug 2026 By: Finance Biggo - As security threats in the southern Red Sea escalate and Saudi Arabia's crude oil shipping routes shift once again, both the price and freight rates for Suezmax tankers — vessels capable of transiting the Suez Canal fully laden — are surging simultaneously. A remarkable anomaly has emerged: a used Suezmax with only half the cargo capacity of a very large crude carrier (VLCC) has reached 94% of the price of a brand-new VLCC.

According to shipbuilding and shipping industry sources on September 1, Greek shipping company Naftomar recently acquired the Suezmax "Bristol," built in 2024, for $123 million (approximately 170 billion won). This represents a roughly 12% increase compared to the $110 million (approximately 150 billion won) per vessel Naftomar paid for two used Suezmax tankers of the same class in June. Given that a new VLCC — with double the cargo capacity — currently costs approximately $131 million (approximately 180 billion won), a two-year-old used Suezmax has effectively reached 94% of the price of a new VLCC.

Route Disruptions Create a "Precious Commodity"

The scarcity of Suezmax tankers stems from cascading changes in Saudi crude oil shipping routes. Saudi Arabia operates an approximately 1,200-kilometer east-west cross-country pipeline connecting its eastern oil fields to Yanbu on the Red Sea coast. When the Strait of Hormuz was effectively blocked by the U.S.-Iran conflict, Saudi Arabia shifted eastern crude through this pipeline to Yanbu in the west, then loaded it onto vessels for transit through the Bab el-Mandeb Strait at the southern end of the Red Sea en route to Asia.

However, when Houthi rebels began threatening Saudi-linked vessels in July, even this route was thrown into doubt. Saudi crude volumes transiting the Bab el-Mandeb, which exceeded 3.5 million barrels per day in early July, fell to virtually zero by August. With the southern route blocked, Saudi crude pivoted northward toward Suez. Some volumes now transit the Suez Canal directly, while others move through Egypt's SUMED pipeline to the Mediterranean.

This shift has highlighted the structural advantages of Suezmax tankers. A VLCC fully loaded with 2 million barrels of crude has a draft too deep to transit the Suez Canal directly. A Suezmax, by contrast, can pass through the canal even when fully laden with approximately 1 million barrels. This is precisely why five Suezmax tankers were deployed for the first time on the northern Red Sea route from Yanbu in western Saudi Arabia to Ain Sokhna in Egypt, replacing VLCCs.

Freight rates have also climbed steeply. Suezmax time charter equivalent (TCE) earnings on the Black Sea–Mediterranean route approached $400,000 per day (approximately 550 million won) on August 21. Average Suezmax TCE earnings across all routes reached $269,824 per day (approximately 370 million won), surpassing the $234,821 earned by VLCCs — a reversal despite VLCCs having double the cargo capacity.

Demand Spreads to Newbuild Orders

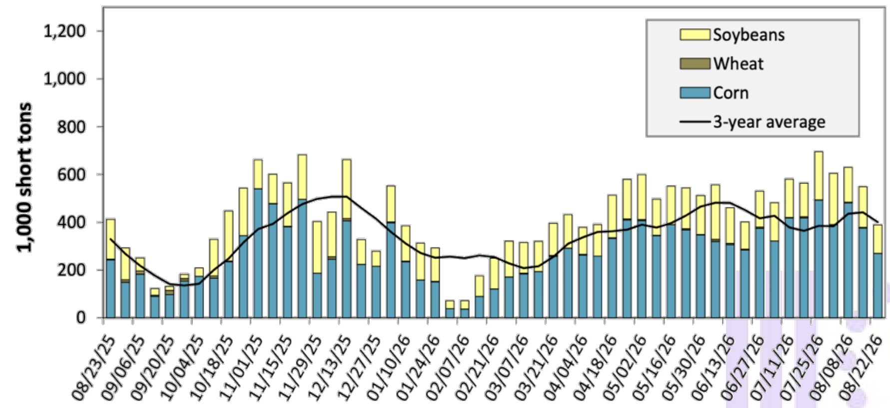
The shortage of used vessels is now driving newbuild orders. South Korea's Daehan Shipbuilding, which specializes in Suezmax construction, has received orders for 17 vessels of this type this year, effectively filling its construction schedule through late 2029. The yard is currently marketing delivery slots for 2030.

Some shipowners are willing to pay premium prices to secure 2029 construction slots. In late July, South Korea's Samsung Heavy Industries contracted with a Turkish shipowner for two Suezmax crude carriers at approximately $93 million (approximately 130 billion won) per vessel, with delivery by August 2029. This is roughly 7.5% above the prevailing Suezmax newbuild price of $86.53 million at the time of contracting.

Industry observers expect Suezmax strength to persist for the foreseeable future. Hormuz transit volumes remain well below peacetime levels, and the Houthi threat in the southern Red Sea persists. Another industry source noted, "Even if Hormuz normalizes, it will take considerable time for shipping companies and insurers to lower their risk assessments and return vessels to traditional routes. With major shipyards' Suezmax construction schedules fully booked three years out, the strength in used vessel prices and charter rates is unlikely to ease in the short term."

Barge Movements

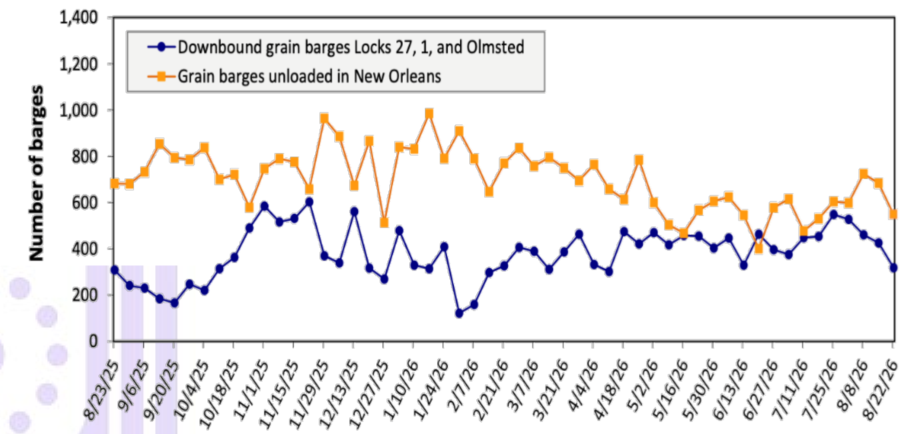
Figure 12. Barge movements on the Mississippi River (Locks 27-Granite City, IL)



Note: The 3-year average is a 4-week moving average.
Source: U.S. Army Corps of Engineers.

For the week ending August 22: 6% lower than last year and 3% lower than the 3-year average.

Figure 14. Grain barges for export in New Orleans region



Note: Olmsted = Olmsted Locks and Dam.
Source: U.S. Army Corps of Engineers and USDA, Agricultural Marketing Service.

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

For the week ending 08/22/2026	Corn	Wheat	Soybeans	Other	Total
Mississippi River (Rock Island, IL (L15))	102	0	65	0	166
Mississippi River (Winfield, MO (L25))	151	0	63	0	214
Mississippi River (Alton, IL (L26))	272	0	120	0	392
Mississippi River (Granite City, IL (L27))	270	0	119	0	389
Illinois River (La Grange)	46	0	32	0	78
Ohio River (Olmsted)	38	4	40	0	81
Arkansas River (L1)	0	3	3	0	6
Weekly total - 2026	308	7	161	0	475
Weekly total - 2025	259	39	183	4	485
2026 YTD	11,915	641	6,756	64	19,376
2025 YTD	13,621	897	7,363	130	22,011
2026 as % of 2025 YTD	87	72	92	49	88
Last 4 weeks as % of 2025	122	42	68	91	95
Total 2025	20,015	1,259	11,322	166	32,761

Note: “Other” refers to oats, barley, 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.
Source: U.S. Army Corps of Engineers.

Figure 10. Illinois River barge freight rate

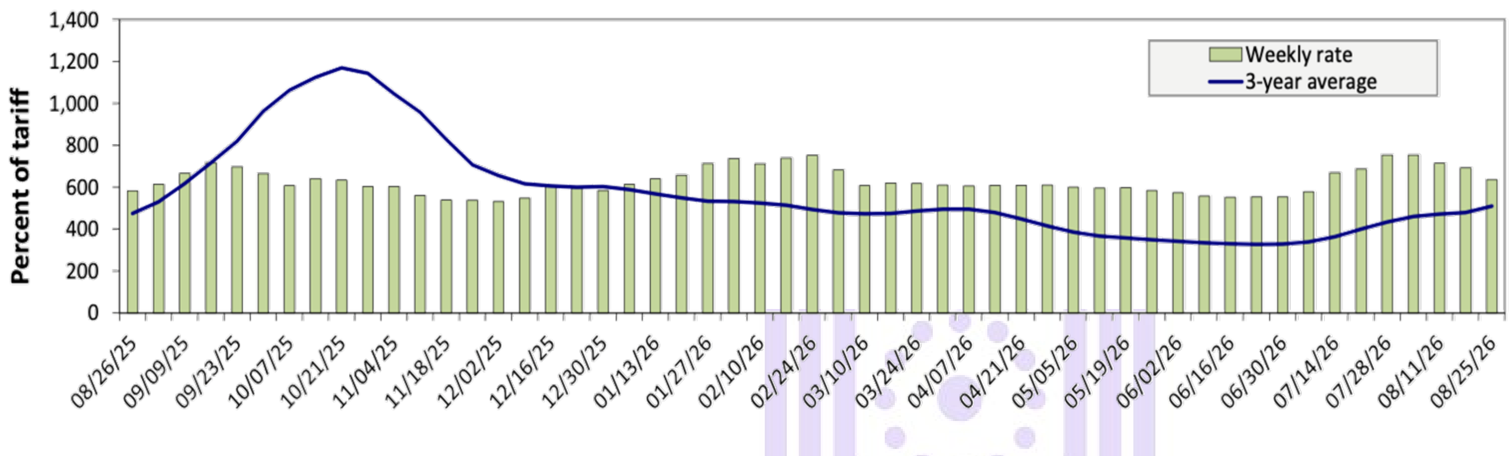


Figure 11. Benchmark tariff rates

Table 9. Weekly barge freight rates: southbound only

Measure	Date	Twin Cities	Mid-Mississippi	Illinois River	St. Louis	Ohio River	Cairo-Memphis
Rate	8/25/2026	727	689	638	580	638	538
	8/18/2026	765	719	692	588	647	558
$/ton	8/25/2026	45.00	36.65	29.60	23.14	29.92	16.89
	8/18/2026	47.35	38.25	32.11	23.46	30.34	17.52
Measure	**Time Period**	**Twin Cities**	**Mid-Mississippi**	**Illinois River**	**St. Louis**	**Ohio River**	**Cairo-Memphis**
Current week % change from the same week	Last year	20	15	9	24	26	13
	3-year avg.	28	31	25	29	34	12
Rate	September	857	836	800	755	794	713
	November	814	766	733	662	703	564

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. The per ton rate for Twin Cities assumes a base rate of $6.19 (Minneapolis, MN, to LaCrosse, WI). The per ton rate at Mid-Mississippi assumes a base rate of $5.32 (Savanna, IL, to Keithsburg, IL). The per ton rate on the Illinois River assumes a base rate of $4.64 (Havana, IL, to Hardin, IL). The per ton rate at St. Louis assumes a base rate of $3.99 (Grafton, IL, to Cape Girardeau, MO). The per ton rate on the Ohio River assumes a base rate of $4.69 (Silver Grove, KY, to Madison, IN). The per ton rate at Memphis-Cairo assumes a base rate of $3.14 (West Memphis, AR, to Memphis, TN). For more on base rate values along the various segments of the Mississippi River System, see AgTransport.

Source: USDA, Agricultural Marketing Service.

For the week ending the 22nd of August, 319 grain barges moved down river— 107 fewer than last week. There were 549 grain barges unloaded in the New Orleans region, 20% fewer than last week.

Benchmark Tariff Rate

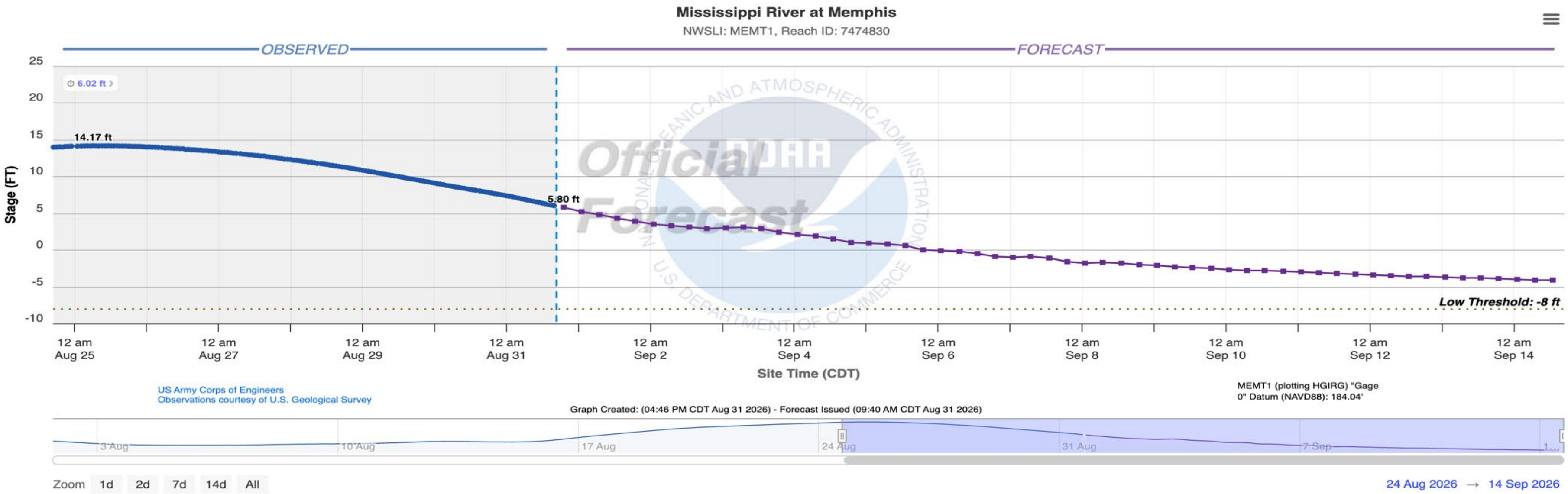
Calculating barge rate per ton:

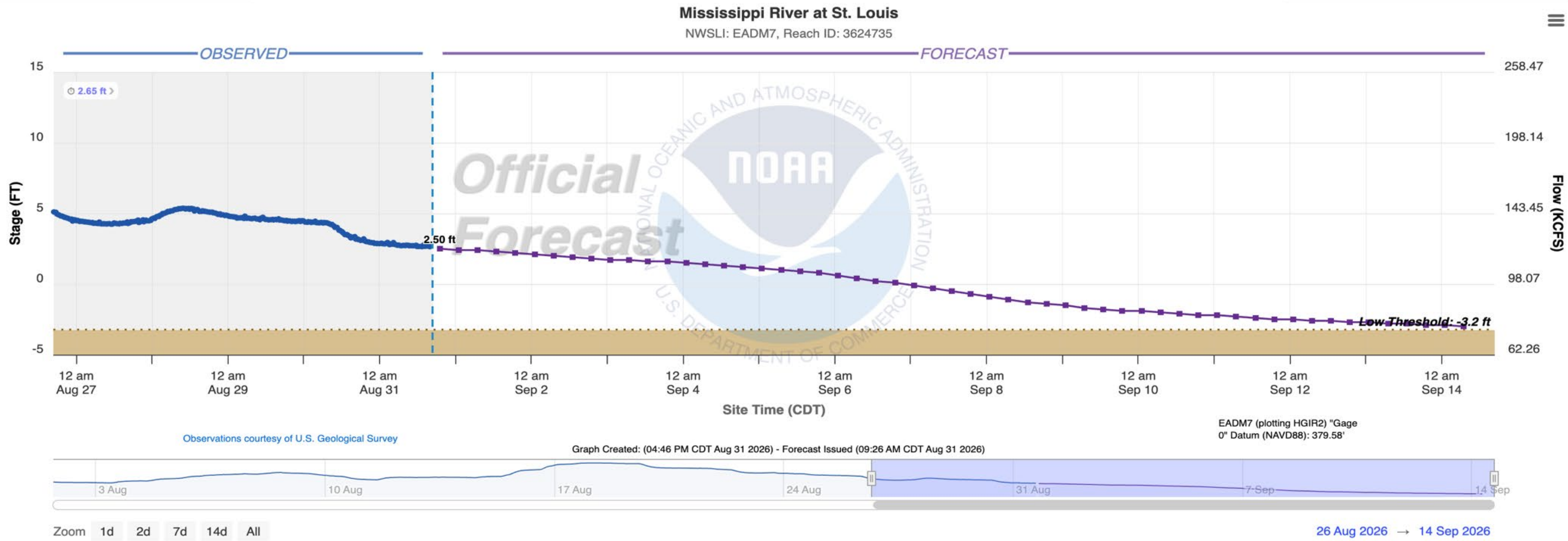
Select applicable index from market quotes are included in tables on this page.

The 1976 benchmark rates per ton are provided in map.

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

➢ Current Critical Water Levels on the Mississippi River





August 2026 Source: NOAA – NWPS: https://water.noaa.gov/gauges/memt1

31 August 2026 Source: NOAA – NWPS: Mississippi River at St. Louis ; https://water.noaa.gov/gauges/EADM7

River forecasts for this location take into account past precipitation and the precipitation amounts expected approximately 48 hours into the future from the forecast issuance time.

For the latest navigation status update from the U.S. Army Corps of Engineers-St. Louis District: https://www.mvs.usace.army.mil/Missions/Navigation/Status-Reports/

Controlling Depths:

- St. Louis-Herculaneum (RM 185-152); Mile 1713.0: Nagel Street 173.0 UMR, (LWRP -3.2 @ STL); 9-ft at St. Louis gage of -4.0.
- Herculaneum-Grand Tower (RM152-80); Mile 96.7: Wagner/Roman Landing (LWRP -0.4 @ Chester); 9-ft at Chester gage of -2.8.
- Grand Tower-Cairo (RM 80-0) Mile 38.5: Commerce (LWRP 5.4 @ Cape Girardeau); 9-ft at Cape Girardeau gage of 3.1.

IL RIVER FREIGHT	8/28/2026	8/31/2026	
WK 8/23	625/675	625/675	UNC
WK 8/30	650/675	650/675	UNC
wk 9/6 & 9/13	750/800	750/800	UNC
SEP	800/850	800/850	UNC
wk 9/20 & 9/27	850/900	850/900	UNC
FH OCT	900/950	900/950	UNC
OCT	850/900	850/900	UNC
LH OCT	800/850	800/850	UNC
NOV	700/750	725/775	
DEC	625/675	625/675	UNC
JFM	600/650	600/650	UNC
AMJJ	550/600	550/600	UNC

UPPER MISSISSIPPI ST PAUL/SAVAGE	8/28/2026	8/31/2026	
WK 8/23	700/750	700/750	UNC
WK 8/30	725/775	725/775	UNC
wk 9/6 & 9/13	800/850	800/850	UNC
SEP	850/900	850/900	UNC
wk 9/20 & 9/27	900/950	900/950	UNC
FH OCT	925/975	925/975	UNC
OCT	875/925	875/925	UNC
LH OCT	825/875	825/875	UNC
NOV	750/800	750/800	UNC
AMJJ	600/650	600/650	UNC

MID MISSISSIPPI McGregor	8/28/2026	8/31/2026	
WK 8/23	675/700	675/700	UNC
WK 8/30	700/750	700/750	UNC
wk 9/6 & 9/13	775/825	775/825	UNC
SEP	825/875	825/875	UNC
wk 9/20 & 9/27	875/925	875/925	UNC
FH OCT	900/950	900/950	UNC
OCT	875/900	875/900	UNC
LH OCT	800/850	800/850	UNC
NOV	725/775	725/775	UNC
AMJJ	575/625	575/625	UNC

ST LOUIS BARGE FREIGHT 14'	8/28/2026	8/31/2026	
WK 8/23	550/600	550/600	UNC
WK 8/23	550/600	550/600	UNC
WK 8/30	600/625	600/625	UNC
wk 9/6 & 9/13	675/725	675/725	UNC
SEP	750/800	750/800	UNC
wk 9/20 & 9/27	775/825	775/825	UNC
FH OCT	800/850	800/850	UNC
OCT	775/825	775/825	UNC
LH OCT	725/775	725/775	UNC
NOV	650/700	650/700	UNC
DEC	550/600	550/600	UNC
JFM	525/575	525/575	UNC
AMJJ	475/525	475/525	UNC

LOWER OHIO RIVER	8/28/2026	8/31/2026	
WK 8/23	600/650	600/650	UNC
WK 8/30	625/675	625/675	UNC
wk 9/6 & 9/13	725/775	725/775	UNC
SEP	750/800	750/800	UNC
wk 9/20 & 9/27	775/825	775/825	UNC
FH OCT	825/875	825/875	UNC
OCT	800/850	800/850	UNC
LH OCT	775/825	775/825	UNC
NOV	675/725	675/725	UNC
DEC	625/650	625/650	UNC
JFM	525/575	525/575	UNC
AMJJ	475/525	475/525	UNC

MEMPHIS CAIRO	8/28/2026	8/31/2026	
WK 8/23	525/550	525/550	UNC
WK 8/30	525/550	550/600	
wk 9/6 & 9/13	600/650	600/650	UNC
SEP	700/750	700/750	UNC
wk 9/20 & 9/27	750/800	750/800	UNC
FH OCT	750/800	750/800	UNC
OCT	725/775	725/775	UNC
LH OCT	700/750	700/750	UNC
NOV	550/600	550/600	UNC
DEC	475/525	475/525	UNC
JFM	450/475	450/475	UNC
AMJJ	400/450	400/450	UNC

Rail Movements

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

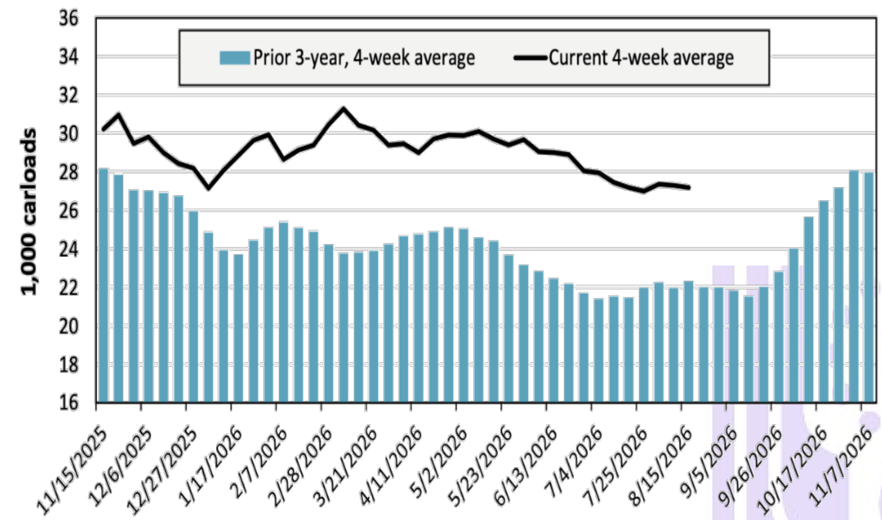
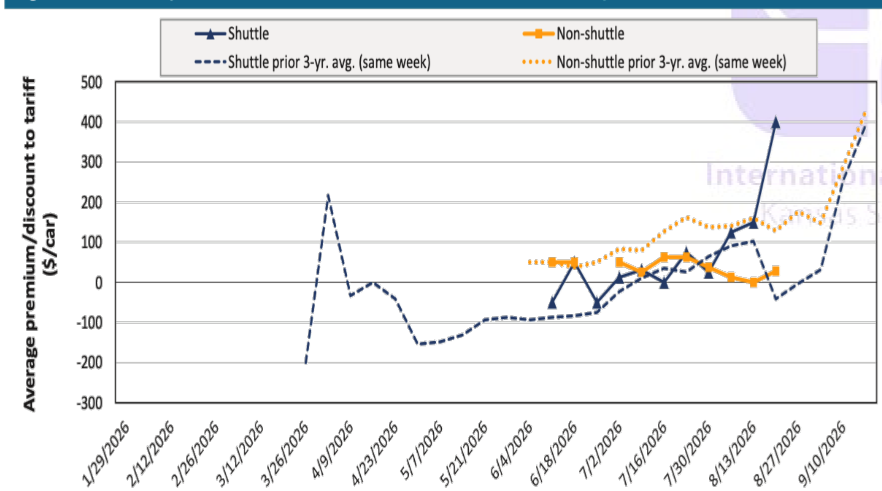


Figure 6. Secondary market bids/offers for railcars to be delivered in September 2026



- U.S. Class I railroads originated 26,543 grain carloads during the week ending the 15th of August. This was a 1% decrease from the previous week, 4% more than last year, and 16% more than the 3-year average.
- Average September shuttle secondary railcar bids/offers (per car) were $400 above tariff for the week ending August 20. This was $250 more than last week and $425 more than this week last year.
- Average non-shuttle secondary railcar bids/offers per car were $28 above tariff. This was $28 more than last week and $16 more than this week last year.

➢ **Current Secondary Rail Car Market**

BN SHUTTLE	Bid/Ask/Last	Bid/Ask/Last	
Return Trip	500 / -	300 / -	
F/H September	500 / 700	300 / 600	
L/H September	500 / 1000	500 / 1000	UNC
Sept. 25-Oct. 5	800 / 1200	800 / 1200	UNC
October	750 / -	750 / 1600	
Oct, Nov, Dec	800 / 1000	800 / 1100	
L/H Oct-Mar	- / 850	600 / 850	
Oct-Mar	800 / 1000	800 / 1000	UNC
Jan, Feb, Mar 2027	500 / 1000	600 / 1000	
April May 2027	150 / 400	200 / 400	
April - September 2027	150 / 250	150 / 250	UNC

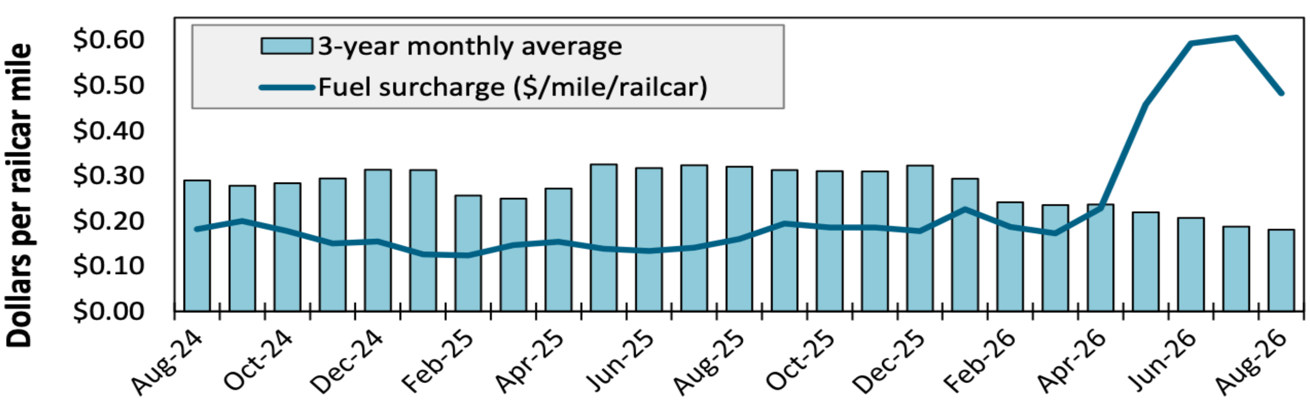
UP SHUTTLE	Bid/Ask/Last	Bid/Ask/Last	
Return Trip	- / 600	200 / -	
F/H September	300 / 600	200 / 400	
L/H Sept. (Mex. Opt.)	- / -	600 / -	
October	400 / 1100	400 / 1100	UNC
Oct, Nov, Dec	- / -	300 / 600	
Oct, Nov, Dec (Mex. Opt.)	500 / 900	400 / 850	
December	- / 200	- / 250	
Oct-Mar	250 / -	250 / 500	
Jan, Feb, Mar	150 / 500	150 / 400	

Table 8. Rail tariff rates for U.S. bulk grain shipments to Mexico, August 2026

Commodity	Railroad	Origin	Destination	Train type	Tariff (per car)	Fuel surcharge (per car)	Tariff + fuel surcharge (per car)	Tariff + fuel surcharge (per bushel)	Tariff + fuel surcharge (per metric ton)	Percent Y/Y change
Corn	BNSF	Adair, IL	El Paso, TX	Shuttle	$4,641	$462	$5,103	$1.28	$50.22	9.7
	BNSF	Superior, NE	El Paso, TX	Shuttle	$4,622	$363	$4,985	$1.25	$49.06	-1.7
	CPKC	Atchison, KS	Laredo, TX	Non-shuttle	$5,080	$938	$6,018	$1.50	$59.23	8.3
	CPKC	Council Bluffs, IA	Laredo, TX	Non-shuttle	$5,550	$1,038	$6,588	$1.65	$64.84	8.4
	CPKC	Kansas City, MO	Laredo, TX	Non-shuttle	$5,005	$896	$5,901	$1.48	$58.08	8.1
	CPKC	Marshall, MO	Laredo, TX	Non-shuttle	$5,190	$950	$6,140	$1.54	$60.43	8.3
	UP	Pontiac, IL	Eagle Pass, TX	Shuttle	$4,535	$753	$5,288	$1.32	$52.04	4.3
	UP	Sterling, IL	Eagle Pass, TX	Shuttle	$4,655	$782	$5,437	$1.36	$53.51	4.5
Soybeans	BNSF	Brunswick, MO	El Paso, TX	Shuttle	$4,325	$392	$4,717	$1.26	$46.43	-12.7
	BNSF	Hardin, MO	Eagle Pass, TX	Shuttle	$4,325	$390	$4,715	$1.26	$46.41	-12.7
	CPKC	Atchison, KS	Laredo, TX	Non-shuttle	$5,080	$938	$6,018	$1.61	$59.23	8.3
	CPKC	Kansas City, MO	Laredo, TX	Non-shuttle	$5,005	$896	$5,901	$1.58	$58.08	8.1
	UP	Grand Island, NE	Eagle Pass, TX	Shuttle	$4,950	$717	$5,667	$1.52	$55.77	-14.3
	UP	Roelyn, IA	Eagle Pass, TX	Shuttle	$5,035	$751	$5,786	$1.55	$56.95	-13.9
Wheat	BNSF	FT Worth, TX	El Paso, TX	DET	$3,100	$283	$3,383	$0.91	$33.30	10.7
	BNSF	FT Worth, TX	El Paso, TX	Shuttle	$2,600	$283	$2,883	$0.77	$28.37	1.0
	CPKC	Kansas City, MO	Laredo, TX	Non-shuttle	$5,005	$896	$5,901	$1.58	$58.08	8.1
	UP	Great Bend, KS	Laredo, TX	Shuttle	$4,325	$538	$4,863	$1.30	$47.86	5.7
	UP	Wichita, KS	Laredo, TX	Shuttle	$4,065	$474	$4,539	$1.22	$44.67	5.4

Note: After December 2021, U.S. railroads stopped reporting "through rates" from the U.S. origin to the Mexican destination. Thus, the table shows "Rule 11 rates," which cover only the portion of the shipment from a U.S. origin to locations on the U.S.-Mexico border. The Rule 11 rates apply only to shipments that continue into Mexico, and the total cost of the shipment would include a separate rate obtained from a Mexican railroad. The rates apply to jumbo covered hopper ("C114") cars. The "shuttle" train type applies to qualified shipments (typically, 110 cars) that meet railroad efficiency requirements. The "non-shuttle" train type applies to Canadian Pacific Kansas City Railway (CPKC) shipments and is made up of 75 cars or more (except the Marshall, MO, rate is for a 50-74 car train). BNSF Railway's domestic efficiency trains (DET) are shuttle-length trains (typically 110 cars) that can be split en route for unloading at multiple destinations. Percentage change month to month (M/M) and year to year (Y/Y) are calculated using the tariff rate plus fuel surcharge. For a larger list of to-the-border rates, see AgTransport.
Source: BNSF Railway, Union Pacific Railroad, and CPKC (formerly, Kansas City Southern Railway).

Figure 9. Railroad fuel surcharges, North American weighted average

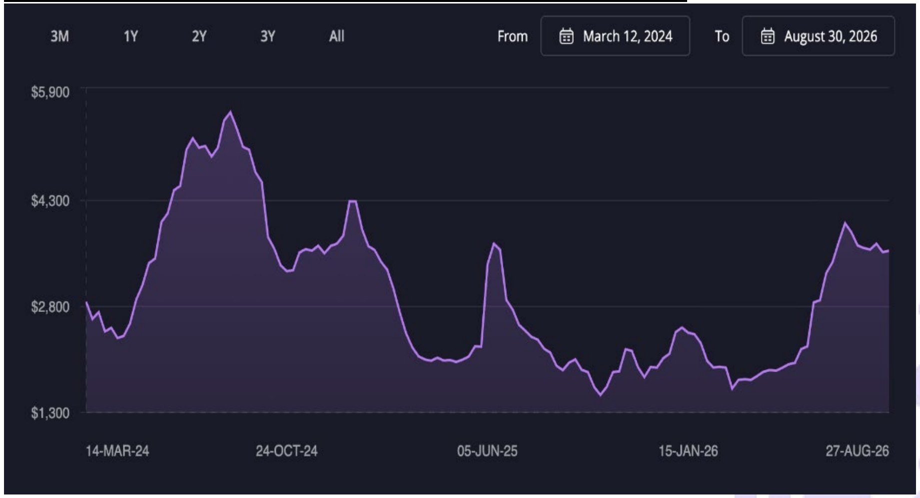


August 2026: $0.48/mile, down 13 cents from last month's surcharge of $0.61/mile; up 32 cents from the August 2025 surcharge of $0.16/mile; and up 30 cents from the August prior 3-year average of $0.18/mile.

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 Kansas City Railway, Union Pacific Railroad, Norfolk Southern Corporation.

Container Movements

➢ **Freightos Index (FBX): Global Container Freight Index**



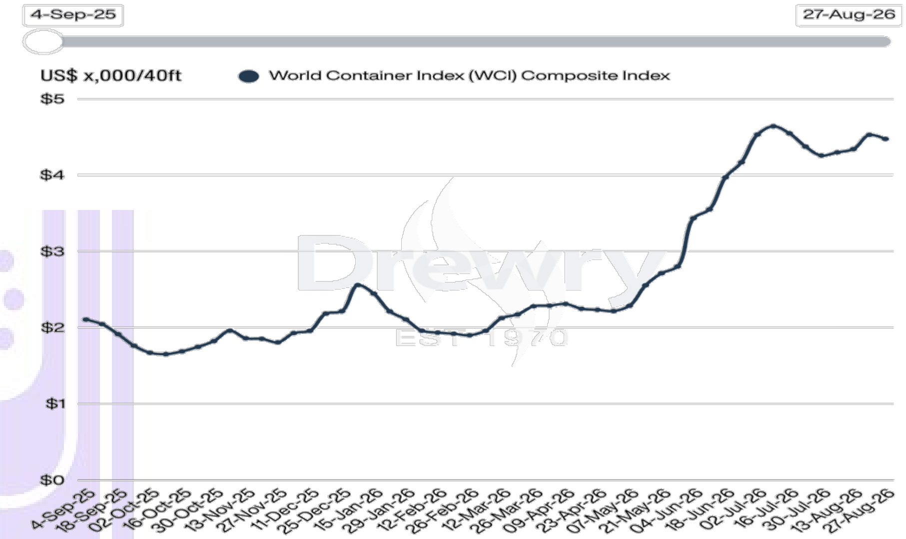
Source: https://fbx.freightos.com/

➢ **Freightos America West Coast – China/East Asia Container Index**

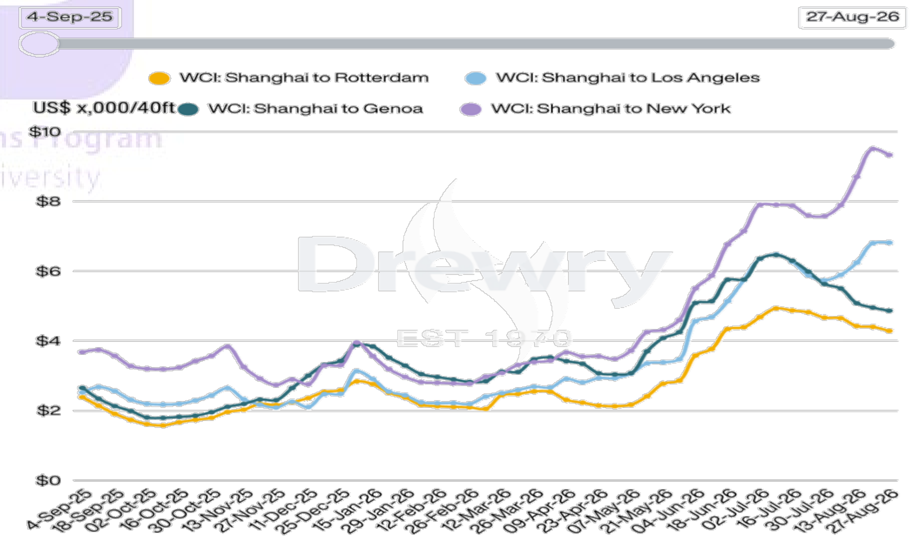
Source: https://fbx.freightos.com/
FBX stands for Freightos Baltic Index. It is the leading international Freight Rate Index, in cooperation with the Baltic Exchange, providing market rates for 40' containers (FEUs).
Prices used in the index are rolling short term Freight All Kind (FAK) spot tariffs 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.

➢ **Drewry World Container Index**

27 August 2026 – Source: https://www.drewry.co.uk/supply-chain-advisors/supply-chain-expertise/world-container-index-assessed-by-drewry.
The Drewry World Container Index (WCI) decreased 1% to $4,473 per 40ft container this week.



Our detailed assessment for Thursday, 27 August 2026



Road Movements & Diesel Fuel Prices

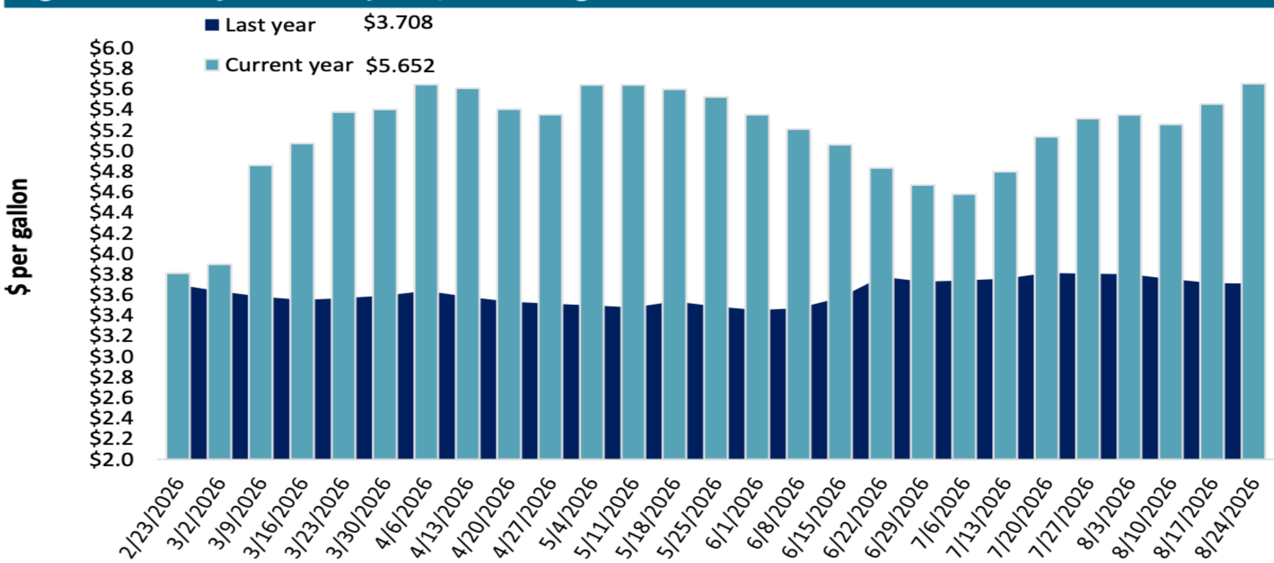
The weekly diesel price provides a proxy for trends in U.S. truck rates as diesel fuel is a significant expense for truck grain movements.

Table 13. Retail on-highway diesel prices, week ending 8/24/2026 (U.S. $/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	5.498	0.158	1.772
	New England	5.716	0.171	1.748
	Central Atlantic	5.840	0.188	1.924
	Lower Atlantic	5.350	0.146	1.719
II	Midwest	5.636	0.201	1.938
III	Gulf Coast	5.481	0.244	2.153
IV	Rocky Mountain	5.537	0.110	1.789
V	West Coast	6.407	0.204	1.946
	West Coast less California	5.859	0.160	1.756
	California	7.040	0.255	2.167
Total	United States	5.652	0.198	1.944

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.

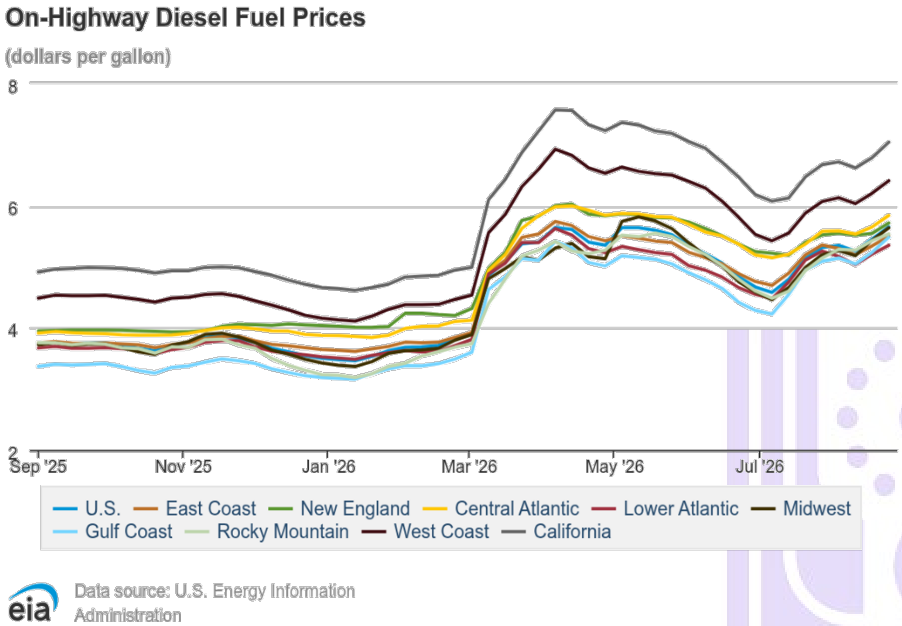
Figure 16. Weekly diesel fuel prices, U.S. average



For the week ending August 24, the U.S. average diesel fuel price increased 19.8 cents from the previous week to $5.652 per gallon, 194.4 cents above the same week last year.

Note: 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.

Diesel Prices



Source: https://www.eia.gov/petroleum/gasdiesel/

For the week ending August 24, the U.S. average diesel fuel price increased 19.8 cents from the previous week to $5.652 per gallon, 194.4 cents above the same week last year.

Diesel Near $6 Puts U.S. Farmers' Harvest Margins at Risk

29 Aug 2026 By: AgroLatam – U.S. diesel prices reached **$5.61 per gallon on August 28, 2026**, just as farmers prepare for fall harvest, creating another potentially costly squeeze on agricultural margins. AAA data show diesel is now about **$1.90 per gallon more expensive than a year ago** and only about 21 cents below the record $5.82 set in June 2022. The timing matters for U.S. agriculture because combines, tractors and grain trucks will soon enter one of their most fuel-intensive periods, while producers are already balancing commodity prices, fertilizer, machinery, labor and interest expenses.

The supply picture is adding to the concern. The U.S. Energy Information Administration reported **103.391 million barrels of distillate fuel oil in storage for the week ending August 21**, down from 105.619 million a week earlier. Distillates include diesel and heating oil, making inventories particularly important as harvest demand begins to overlap with preparations for winter. For farmers, a tighter market increases exposure to price volatility at a time when reducing fuel consumption is difficult without affecting harvest logistics, equipment use and transportation. **TIGHT DIESEL SUPPLIES COULD ADD THOUSANDS TO HARVEST COSTS**

The farm-level impact can escalate quickly. An operation consuming 10,000 gallons of diesel would spend **$10,000 more for every $1-per-gallon increase in fuel prices**. At 25,000 gallons, the difference reaches $25,000. Those additional expenses cannot easily be passed along to grain buyers, leaving producers to absorb them through narrower margins. Bulk purchasing and fuel contracts can reduce some exposure, while precision agriculture and more efficient field logistics can limit unnecessary consumption, but neither strategy completely shields farms from a sustained increase in wholesale diesel prices.

Global energy disruptions are also tightening the market. Reuters reported this week that Russia's diesel exports have been disrupted following Ukrainian attacks on refinery infrastructure, while Turkey has sharply increased purchases from the United States and India to replace lost Russian supply. Russia is considering extending restrictions on diesel exports through September as refinery outages and domestic fuel pressures continue. **That competition for refined fuel creates additional pressure on a global market already struggling with constrained refining capacity.**

The consequences extend beyond the combine. Diesel powers trucks hauling seed, fertilizer, livestock feed and harvested commodities, meaning higher prices can move rapidly through the agricultural supply chain. Farmers may face the fuel increase twice: directly in their machinery and indirectly through freight and input costs. Livestock operations, grain elevators, processors and co-ops are also exposed to higher transportation expenses, increasing the possibility that elevated energy costs eventually reach wholesale and consumer food prices.

FROM HARVEST COSTS TO INFLATION, DIESEL RAISES A WIDER RISK

For U.S. agriculture, the biggest concern is how long elevated prices persist. Harvest demand will soon collide with winter demand for heating oil, which competes within the same distillate market. Meanwhile, geopolitical disruptions continue to affect global refining and fuel trade. If diesel moves closer to $6 per gallon, fuel could become one of the defining costs for 2026 farm profitability, particularly for operations already facing tight margins or weaker commodity prices.

The broader economic impact could extend well beyond the farm gate. Higher diesel costs increase expenses throughout transportation and food distribution, from moving grain and livestock to delivering processed products to retailers. That creates another potential source of inflation at a time when producers have limited ability to absorb additional costs.

For farmers entering harvest, the equation is increasingly difficult: diesel is near record territory, inventories are tight and global supply remains vulnerable to disruption. Strong yields could help some operations offset the added expense, but weaker crop prices or disappointing production would magnify the hit. What begins as a fuel-price problem could ultimately become a much larger farm-income issue across rural America.