ECONOMIC TRENDS • SHIPPING TRENDS • TRADE AND COMMODITY TRENDS • PRICING TRENDS • CAPACITY TRENDS

JOC INSIGHTS

APRIL 2013

From the desk of **MARIO O. MORENO**, *Economist, The Journal of Commerce*

WE EXPECT THAT THE 2012:Q4 contraction in maritime box imports from Northern Europe will prove to be an anomaly as opposed to the onset of a new trend. The US economic fundamentals have not changed materially in the past quarter. Moreover, after three years of expansion, inbound volumes are still slightly below their 2007 peak level of 1.7 million TEUs, indicating potential for further growth. As a result, the near-term forecast for container trade from the region remains largely unchanged. A deceleration in growth is still slated for 2013, with volumes now expected to expand by 2.3%, compared to the previous forecast of 2.0%.

Products from Germany will lead import growth in 2013, buoyed in part by the expanding U.S. auto market. Improving employment conditions in the U.S. are also expected to support healthy growth in higher-priced imported food and beverages, including non-alcoholic beverages, wines and vegetables. Overall growth will be tempered by continued weakness in the U.S. dollar, which makes European goods more expensive. However, a general lack of inflation in the region will limit the overall impact on real exchange rates. Further down the road, imports from Europe could get a boost from a possible free trade agreement between the US and the EU. If passed, European automakers are expected to be one of the biggest beneficiaries.

After showing progress in mid-2012, European economic fundamentals deteriorated somewhat in the later part of the year. Euro-zone GDP contracted by 0.6% in the fourth quarter, the biggest decline since the height of the debt crisis in 2009. A 0.6% decline in German GDP contributed heavily to the poor performance. While some improvement is expected in 2013, export demand will still be weak. As such, my forecast for 2013 trade has been revised from a 0.9% increase to a 5.3% contraction putting total volumes for the year at their lowest level since 2005. All six major markets are now expected to experience a decline in demand.

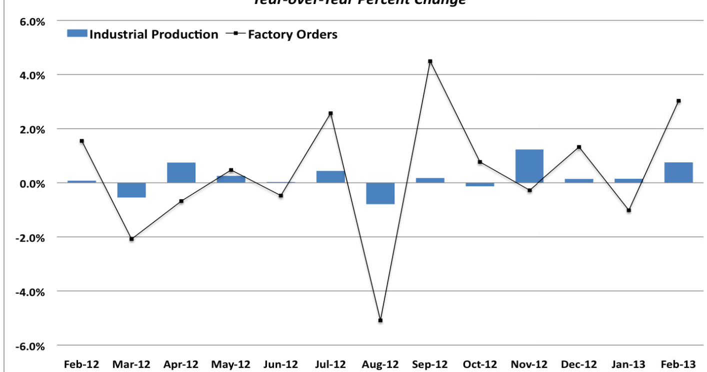
Also, exports to Europe could get a boost from a possible free trade agreement between the U.S. and the EU, which could be formalized by the end of 2014. While European auto exports to the U.S. are expected to be one of the biggest winners, US auto exports to Europe could also benefit. European cars made in the U.S., such as BMW's produced in South Carolina or Mercedes produced in Alabama, are currently subject to a 10% European Union import tariff. This would likely be reduced or eliminated under a new accord.

This issue of JOC Insights presents my most updated import and export forecasts in the Transatlantic for 2013, and a special analysis of U.S. meat exports. I hope you'll enjoy the latest issue of JOC Insights.

THE SHIPPING ECONOMY

- *U.S. manufacturing sector surprised to the downside in March*
- *U.S. ocean container trade picked up the pace*
- *Furniture, footwear lead gains in February containerized imports*
- *Retail sales lost steam in March as higher payroll taxes kick in*
- *Tight credit still a problem in the residential construction sector*

U.S. INDUSTRIAL PRODUCTION AND FACTORY ORDERS
Year-over-Year Percent Change



SOURCE: *U.S. Department of Commerce; Federal Reserve.* Data is seasonally adjusted.

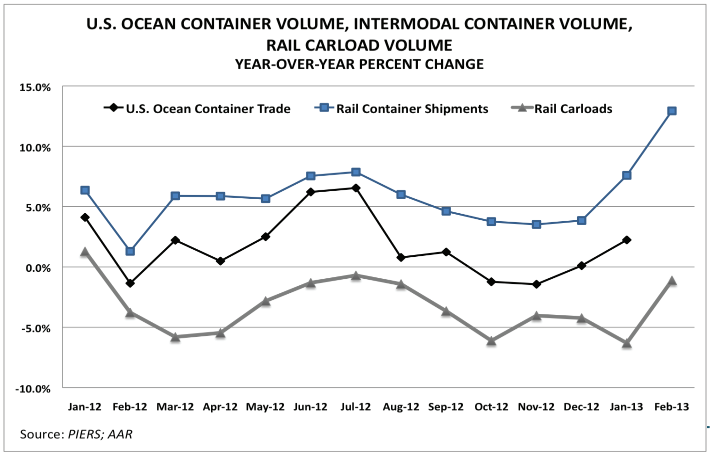
FEBRUARY 2013: INDUSTRIAL PRODUCTION UP 0.8 PERCENT; FACTORY ORDERS UP 3.0 PERCENT

U.S. industrial production advanced for the fourth straight month on strong manufacturing activity. Overall production rose 0.8 percent in the month, following an upwardly revised gain of 0.1 percent in the prior month. Manufacturing rebounded 0.8 percent after dropping 0.3 percent the prior month. Motor vehicles jumped 3.6 percent after declining 4.9 percent the prior month. Outside of motor vehicles, manufacturing rose 0.6 percent following a 0.1 percent boost in the prior month. Mining output declined 0.3 percent while utilities gained 1.6 percent.

Overall capacity utilization expanded by 0.4 percentage point to 79.6 percent in the month.

On a year-over-year basis, industrial production advanced 2.5 percent.

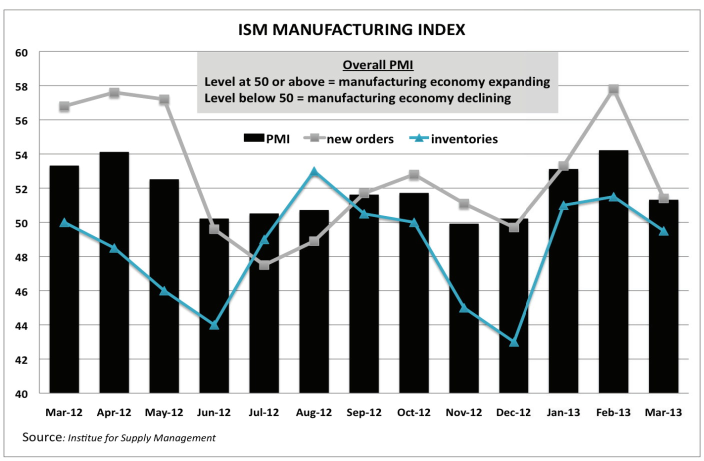
U.S. factory orders increased 3.0 percent in February, following a drop of 1.0 percent in the prior month. Excluding transportation, however, orders rose by a modest 0.3 percent following a marked 2.0 percent gain in the prior month. On a year-over-year basis, orders advanced 2.7 percent.



U.S. OCEAN CONTAINER TRADE UP 2.2 PERCENT IN JANUARY

U.S. ocean container trade picked up the pace in January and rose 2.2 percent year over year. The trade totaled 2.508 million TEUs in the month.

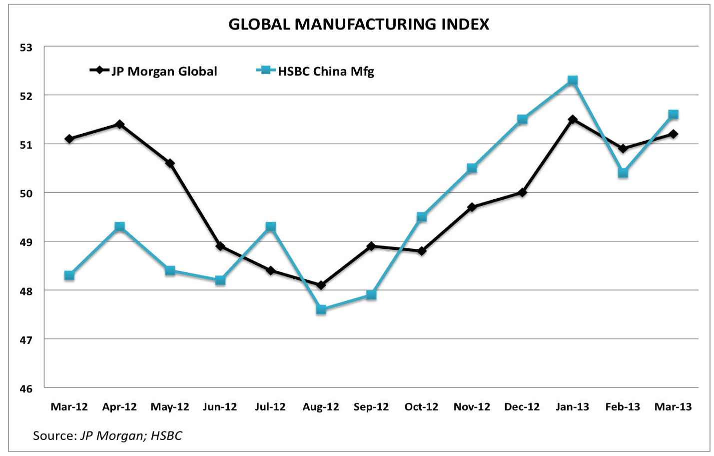
Rail container shipments accelerated the pace to 12.9 percent year-over-year in February, following a 7.6 percent gain in the prior month, while rail carloads declined 1.1 percent, after a 6.3 percent contraction in the prior month. Rail carloads have declined for 13 consecutive months through February on a year-over-year basis.



MARCH 2013: U.S. MANUFACTURING INDEX DOWN ALMOST 3 POINTS

The U.S. manufacturing index surprised to the downside in March as new orders contracted sharply. The PMI index gave a reading of 51.3, down by nearly 3 points, indicating growing at a slower rate. Of the 18 manufacturing industries, 14 reported growth in the month. New orders fell sharply by 6.4 points to 51.4 but export orders gained 2.5 percentage points to 56.0. Inventories declined to a reading of 49.5, indicating contracting from growing, while employment grew for the 42nd straight month.

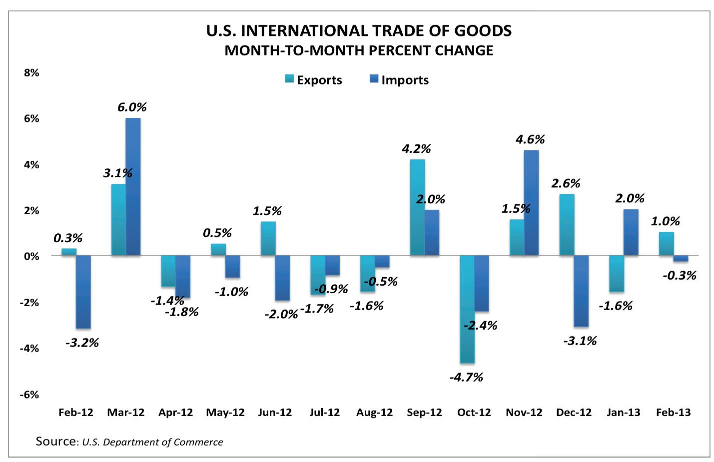
It is still too early to say if a summer slump is approaching.



MARCH 2013: GLOBAL MANUFACTURING PMI ROSE TO 51.2; CHINA MANUFACTURING PMI ROSE TO 51.6

The JPMorgan Global PMI increased by 0.3 percentage point to 51.2, signaling expansion for the fifth straight month and at a faster rate in March. Output gains were driven by further increases in new orders and work on existing contracts. International trade volumes rose but new export orders growth was only marginal. Europe remained the main source of weakness in the global manufacturing sector, with output decreasing in both the Eurozone and the U.K. Employment rose for the fourth straight month while input prices rose for the seventh straight month.

Manufacturing activity in China improves in March for the fifth consecutive month. The HSBC China Manufacturing PMI came in at a 51.6 level, up by 1.2 percentage point from February, indicating a modest improvement of operating conditions in the Chinese manufacturing sector. Total new orders rose markedly but new export orders increased marginally. Hiring was relatively unchanged from the prior month. Average input costs declined marginally mostly owed to lower raw material costs.

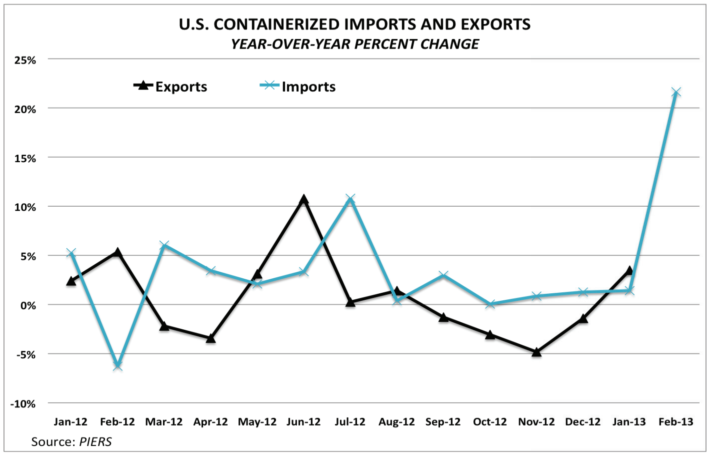


FEBRUARY 2013: U.S. GOODS EXPORTS UP 1.0 PERCENT; GOODS IMPORTS DOWN 0.3 PERCENT

U.S. exports of goods rebounded 1.0 percent in February over January, amounting to $130.7 billion in the month. Gains were seen in industrial supplies ($1.8 billion); other goods ($0.5 billion). Losses were seen in capital goods ($0.8 billion); consumer goods ($0.3 billion); and foods, feeds, and beverages ($0.1 billion).

U.S. imports of goods slid 0.3 percent in February over the prior month, totaling $190.2 billion. Losses were seen in industrial supplies ($2.6 billion); other goods ($0.3 billion). Gains were seen in motor vehicles ($1.1 billion) and consumer goods ($0.7 billion).

The deficit of goods declined 2.9 percent to $59.5 billion (census basis).



U.S. CONTAINERIZED IMPORTS UP 21.6 PERCENT IN FEBRUARY; EXPORTS UP 3.5 PERCENT IN JANUARY

U.S. imports climbed in February mainly due to a late Lunar New Year shutdown of factories in China which made it easy for year-over-year comparisons. Overall U.S. containerized imports jumped 21.6 percent in February 2013 over February 2012 to a total of 1,435,204 TEUs. Month-to-month, overall imports declined 4.0 percent.

Leading the gains were furniture, up 39 percent; footwear, up 38 percent; women's and infant wear, up 37 percent; and miscellaneous plastic products, up 35 percent.

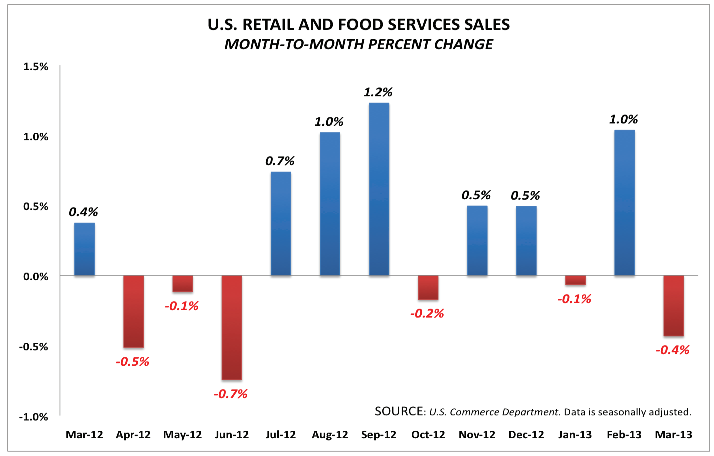
On a regional level, Southeast Asia led the gains, up 209,997 TEUs (or 31 percent), followed by Southeast Asia whose volume rose 14,323 TEUs (or 12 percent). On the downside, shipments from the East Coast South America declined 1,680 TEUs (or 6 percent) and totaled 24,680 TEUs.

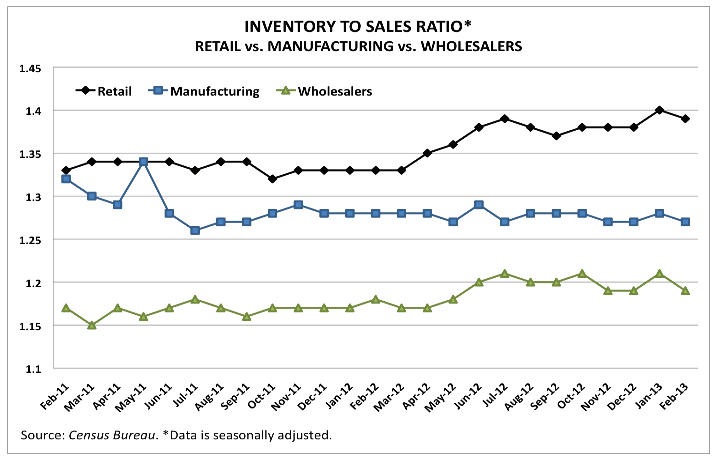
On a country level, shipments from China gained the most, up 193,088 TEUs (or 38 percent). Vietnam follows with a gain of 10,869 TEUs (or 29 percent), while Hong Kong gained 9,452 TEUs (or 35 percent). On the downside, Japan declined by 3,944 TEUs (or 8 percent).

Overall containerized imports are expected to grow 2.6 percent in 2013, virtually unchanged from the December forecast. Through February, imports were up 10.4 percent.

U.S. box exports rebounded in January following 4 months of successive contraction according to preliminary figures from PIERS. Overall U.S. containerized exports rose 3.5 percent year-over-year in January to 1,013,327 TEUs, following a contraction of 1.4 percent in the prior month. Gains were led by waste paper, up 14,815 TEUs; fabrics including raw cotton, up 9,740 TEUs; soybeans, up 9,288 TEUs; and urea resins, up 2,902 TEUs. On the downside, losses were seen in synthetic resins, down 2,113 TEUs; logs and lumber, down 1,859 TEUs; poultry, down 1,356 TEUs, all compared to January 2012.

On a country level, shipments from China gained the most, up 12,375 TEUs. Japan followed with a gain of 9,008 TEUs while Japan advanced 9,008 TEUs. On the downside, exports to Germany declined 3,093 TEUs (or 15 percent) and totaled 17,804 TEUs in the month.





MARCH 2013: U.S. RETAIL SALES DOWN 0.4 PERCENT

Retail sales lost steam in March suggesting the higher payroll taxes are finally kicking in. Sales dropped 0.4 percent in the month, following a downwardly revised 1.0 percent boost in February. Auto sales declined 0.6 percent after a 1.3 percent rise in February. Excluding autos, sales dropped 0.4 percent following a 1.0 percent boost in the prior month. Weak sales were seen in electronics & appliances; food & beverage stores; health & personal care; and sporting goods, hobby, book & music stores.

Year-over-year, overall retail sales decelerated to 3.0 percent from 3.8 percent in the prior month.

Seasonally adjusted retail inventory to sales ratio gave a reading of 1.39 in February, down by 0.1 point from the prior month, and higher than January 2012 1.33 ratio. The ratio for manufacturers and wholesalers declined to 1.27 and 1.19, respectively.

U.S. HOUSING MARKET

	MAR-13	MOM	YOY	2013(F)
EXISTING HOME SALES	**4,920**	**-0.6%**	**10.3%**	**5,109**
NEW HOME SALES	**417**	**1.5%**	**18.5%**	**421**
HOUSING STARTS	**1,036**	**7.0%**	**46.7%**	**961**

*Source: US Department of Commerce; NAR, JOC Forecast *In Thousands of Units, Seasonally Adjusted Annual Rate*

MARCH 2013: EXSITING HOME SALES DOWN 0.6 PERCENT; NEW HOME SALES UP 1.5 PERCENT; HOUSING STARTS UP 7.0 PERCENT

Sales of new homes rose to a lower than expected annual rate of 417K, following a contraction of 4.6 percent in the prior month. Tight credit is still a factor contributing to weak growth in the residential construction sector, with supply of homes unchanged at 4.4 months. Prices fell markedly in the month, down 6.8 percent to a median of $247,000.

Sales of existing homes declined 0.6 percent and followed a gain of 0.2 percent in the prior month. Sales totaled a seasonally adjusted annual rate of 4.92 million homes. Supply rose slightly to 4.7 months from 4.6 months, partly due to fewer distressed properties up for sale.

REAL GDP QUARTERLY GROWTH RATES ON A Y-O-Y BASIS AND ANNUAL FORECASTS

COUNTRY	Q1-2012	Q2-2012	Q3-2012	Q4-2012	2012	2013(F)
UNITED STATES	**2.4**	**2.1**	**2.5**	**1.6**	**2.2**	**1.9**
CHINA	**8.1**	**7.6**	**7.4**	**7.9**	**7.8**	**8.4**
JAPAN	**3.2**	**3.9**	**0.4**	**0.3**	**2.0**	**1.1**
UNITED KINGDOM	**0.4**	**0.0**	**0.3**	**0.1**	**0.3**	**0.5**
GERMANY	**1.1**	**0.9**	**0.8**	**0.4**	**0.9**	**0.5**

** Growth rate compared to the same quarter of previous year, seasonally adjusted. All countries except China display seasonally adjusted quarterly data.*

Source: OECD; EIU forecasts; in-house forecast - Updated as of April, 2013

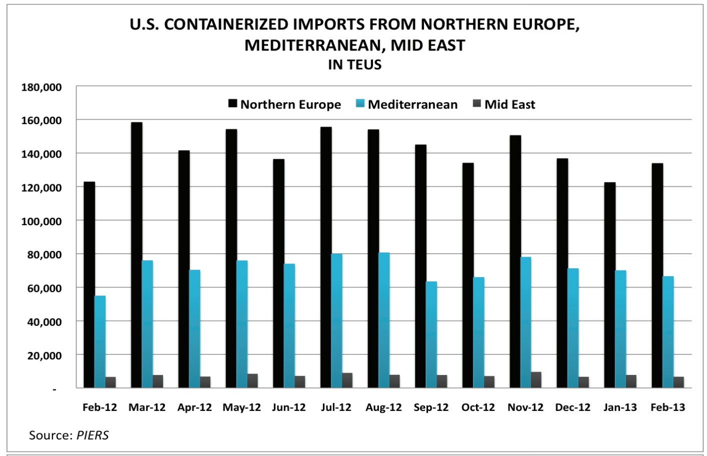
Japanese Central Bank policy is in the midst of a significant change. The new government has pressured the Bank to loosen monetary policy with an emphasis on regaining lost export markets. The shift towards quantitative easing at Japan's Central Bank has set off a string of warnings and accusations from China and other emerging markets that such policies could ignite a currency war and undermine the stability of the world financial system. Emerging markets are obviously more concerned with the competitiveness of their own currencies that bring in much-needed export earnings. Without such earnings, it is doubtful that the domestic markets of China, Brazil, South Africa and others would be sufficient to support the kind of rapid economic growth that emerging markets have become accustomed to.

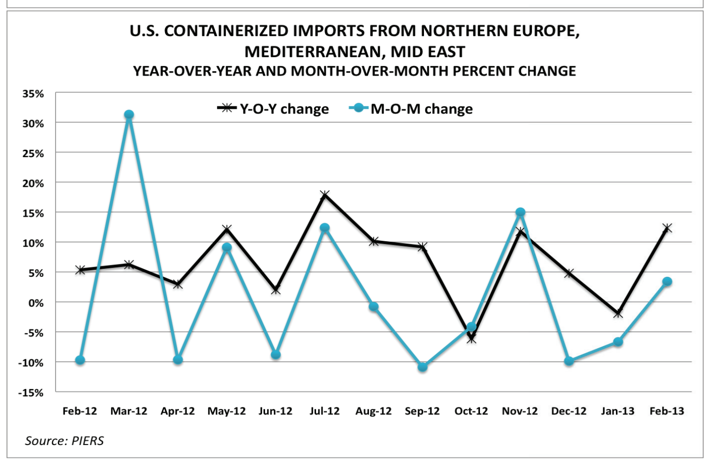
In some circles, it is believed that should a currency war ensue from Japan's looser monetary policy, the blame can be traced back to the U.S. Fed whose long-standing policy of quantitative easing has been designed in part to encourage more U.S. exports and therefore limit the economic damage from the demand shock of 2007. The objective of Japan's quantitative easing may be similar, which is particularly worrisome to China and Korea, Japan's main competitors for U.S. and European market share. Japan's fears for its loss of export market share are not unfounded though it is debatable whether currency is entirely responsible.

REGIONAL CONTAINER TRADE

- *Imports from Northern Europe to rise by 2.3 percent in 2013*
- *Exports to Northern Europe to decline by 5.3 percent in 2013*

IMPORTS FROM EUROPE AND MIDDLE EAST





IMPORTS, FEBRUARY 2013

	TEUS	MOM	YOY	YTD	2013(F)
NORTHERN EUROPE	**133,717**	**9.3%**	**9.0%**	**1.3%**	**2.3%**
MEDITERRANEAN	**66,414**	**-5.0%**	**21.2%**	**13.0%**	**5.4%**
MID EAST	**6,708**	**-13.5%**	**1.8%**	**-0.3%**	**15.0%**

Source: JOC-PIERS Container Shipping Outlook March 2013 issue

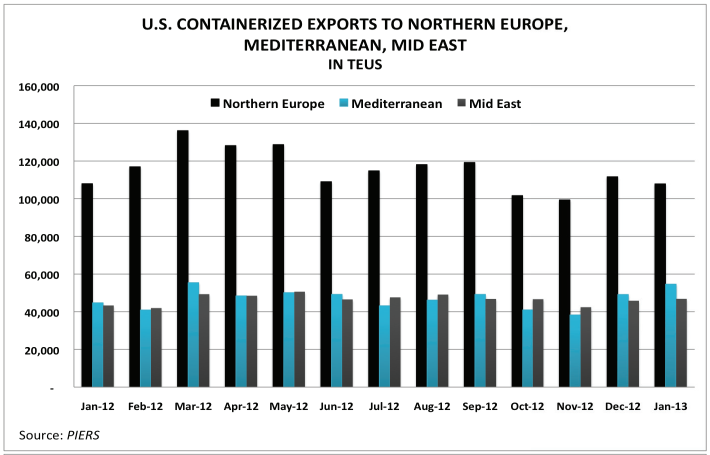
FEBRUARY 2013: IMPORTS FROM EUROPE AND MID EAST UP 12.3 PERCENT

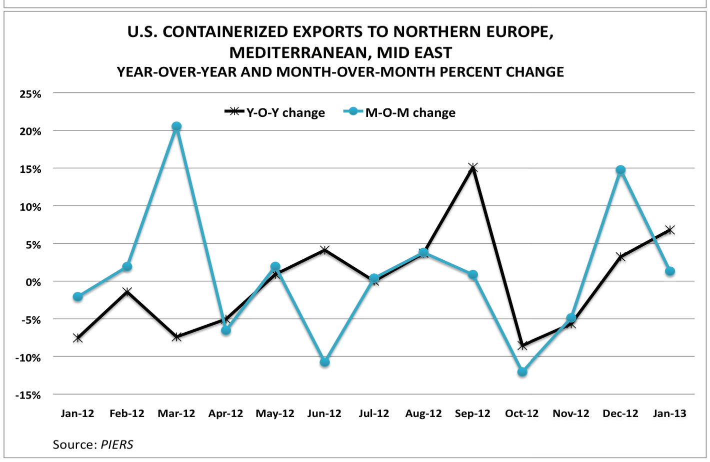
Inbound trade from northern Europe totaled 133,717 TEUs in February, up 9.0 percent from February 2012. The rebound was mostly driven by gains in non alcoholic beverages, auto parts, and beer & ale. Imports from the Mediterranean region jumped 21 percent in the month, to a total of 66,414 TEUs, led by gains in furniture, wines, and non alcoholic beverages. Imports from the Middle East rose 2 percent on increasing shipments of synthetic resins, miscellaneous apparel, and tacks & nails.

After contracting by 2 percent in January, total imports from Europe and the Mideast jumped 12.3 percent and totaled 206,838 TEUs. On a month-to-month basis, imports from these regions rose 3.4 percent.

The U.S. economic fundamentals have not changed materially in the past quarter. Moreover, after three years of expansion, inbound volumes from Northern Europe are still slightly below their 2007 peak level of 1.7 million TEUs, indicating potential for further growth. As a result, the near-term forecast for container trade from the region remains largely unchanged. A deceleration in growth is still slated for 2013, with volumes now expected to expand by 2.3%, compared to the previous forecast of 2.0%.

EXPORTS TO EUROPE AND MID EAST





EXPORTS, JANUARY 2013

	TEUS	MOM	YOY	YTD	2013(F)
NORTHERN EUROPE	107,904	-3.4%	-0.1%	-0.1%	-5.3%
MEDITERRANEAN	54,674	11.2%	22.1%	22.1%	2.1%
MID EAST	46,857	2.2%	8.1%	8.1%	1.2%

Source: JOC-PIERS Container Shipping Outlook March 2013 issue

JANUARY 2013: EXPORTS TO EUROPE AND MID EAST UP 6.8 PERCENT

Exports to northern Europe totaled 107,904 TEUs, a year-over-year dip of 0.1 percent. Shipments to the Mediterranean region jumped after modestly recovering in the prior month, with monthly totals of 54,674 TEUs, a year-over-year expansion of 22.1 percent on rising shipments of paper and paperboard, PVC resins, and fabrics including raw cotton. Trade to the Middle East rose 8.1 percent and totaled 46,857 TEUs, following a surge of 4.7 percent in the prior month. Gains in this trade lane were seen in motor vehicles and pet & animal feeds.

Total exports to Europe and the Middle East accelerated the pace to 6.8 percent year-over-year in January, to a total of 209,434 TEUs. On a month-to-month basis, exports to these regions rose 1.3 percent.

After showing progress in mid-2012, European economic fundamentals deteriorated somewhat in the later part of the year. Euro-zone GDP contracted by 0.6 percent in the fourth quarter, the biggest decline since the height of the debt crisis in 2009. A 0.6 percent decline in German GDP contributed heavily to the poor performance. While some improvement is expected in 2013, export demand will still be weak.

PORT TRAFFIC

- ***Port of Los Angeles was U.S. top port by volume in January, with a total traffic of 478,000 fully loaded TEUs.***
- ***Port of Shanghai is China's top port by volume with a total traffic of 4.927 million fully loaded and empty TEUs through February.***

TOP 10 CONTAINER THROUGHPUTS OF U.S. MAJOR PORTS

In January 2012 Unit: 1000 TEU

RANK NAME OF PORT	CURRENT MONTH	YOY CHANGE (%)	TOTAL THOUGHTPUT IN 2012
1 LOS ANGELES	478	-8.1%	478
2 LONG BEACH	444	24.2%	444
3 NEW YORK	336	-5.6%	337
4 SAVANNAH	192	-5.3%	192
5 VIRGINIA PRTS	135	9.6%	135
6 OAKLAND	132	-3.0%	132
7 HOUSTON	126	6.6%	126
8 TACOMA	118	37.7%	118
9 CHARLESTON	99	9.0%	99
10 SEATTLE	97	-13.8%	97

Source: PIERS. Figures are rounded. Data represents fully-loaded and empty container figures. Data is refreshed frequently.

- Top 10 ports handled 86 percent of the total U.S. container trade in January.
- Container traffic at top-ranked Port of Los Angeles dropped 8.1 percent year over year in January and totaled 478,000 fully loaded TEUs.

TOP 10 CONTAINER THROUGHPUTS OF CHINA'S MAJOR PORTS

In February 2013 Unit: 1000 TEU

RANK NAME OF PORT	CURRENT MONTH	YOY CHANGE (%)	TOTAL THOUGHTPUT IN 2013
1 SHANGHAI (上海)	2,010	-8.1%	4,927
2 SHENZHEN (深圳)	1,468	4.7%	3,533
3 NINGPO ZHOUSHAN (宁波一舟山)	1,175	9.9%	2,787
4 QINGDAO (青岛)	1,103	3.4%	2,495
5 GUANGZHOU (广州)	789	-22.8%	1,996
6 TIANJIN (天津)	933	4.8%	1,897
7 DALIAN (大连)	656	16.7%	1,342
8 XIAMEN (厦门)	472	8.8%	1,090
9 LIANYUNGANG (连云港)	433	10.2%	886
10 SUZHOU (苏州)	435	19.5%	860

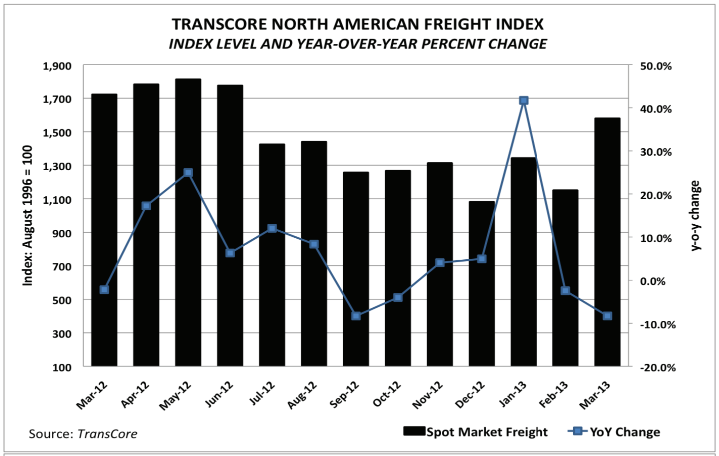
Source: Shanghai Shipping Exchange. Data represents fully-loaded and empty container figures. Data is refreshed frequently.

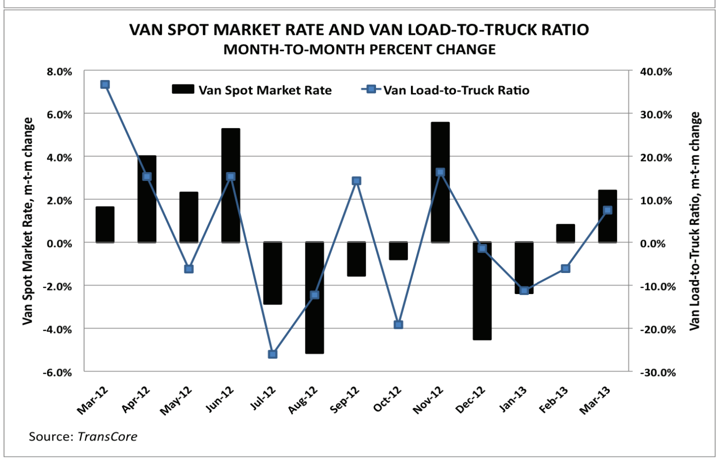
- Container traffic at top-ranked Port of Shanghai declined 8.1 percent in February, totaling 2.0 million TEUs, including empties.

TRUCKING

◆ *March freight volumes expanded seasonally for all equipment types*

DOMESTIC TRUCKING PRICING





MARCH 2013: FREIGHT INDEX DOWN 8.3 PERCENT

Spot market freight volumes reported by the DAT North American Freight Index finished the first quarter of 2013 at 7.7 percent above the same quarter a year ago, and rose 11 percent compared to Q4 2012.

After an unusually strong January, freight volumes dipped seasonally in February and continued to follow typical freight patterns in March with volume ending 4.5 percent below the same-month total in 2012.

On a month-over-month basis, volume increased 37 percent in March, which is within seasonal norms. In the past ten years, spot market freight volume has increased by an average of 42 percent from February to March.

March freight volumes expanded seasonally for all equipment types to varying degrees: van loads increased 26 percent, loads for refrigerated ("reefer") trailers increased 33 percent, and there were 48 percent more flatbed loads in March than in February. Compared to March 2012, van loads increased 1.5 percent and reefer freight availability rose 3.6 percent. Flatbed freight volume declined 11 percent on the spot market compared to March 2012.

Spot market rates in March rose compared to February across all equipment types. Rates for both vans and flatbeds increased 2.4 percent and reefer rates rose 2.1 percent. On a year-over-year basis, spot rates and demand trends were consistent for each equipment type, rising 1.6 percent for vans and 1.4 percent for reefers but declining 4.3 percent for flatbeds.

The DAT RateViewTM recorded a $0.03 (2.4%) increase in the national average spot market line haul rate for dry vans in the U.S. in March compared to February, not including fuel surcharges. The fuel surcharge for vans declined from $0.52 to $0.50 during the same period, so the total rate per mile increased by $0.01 (0.6%) from $1.77 to $1.78.

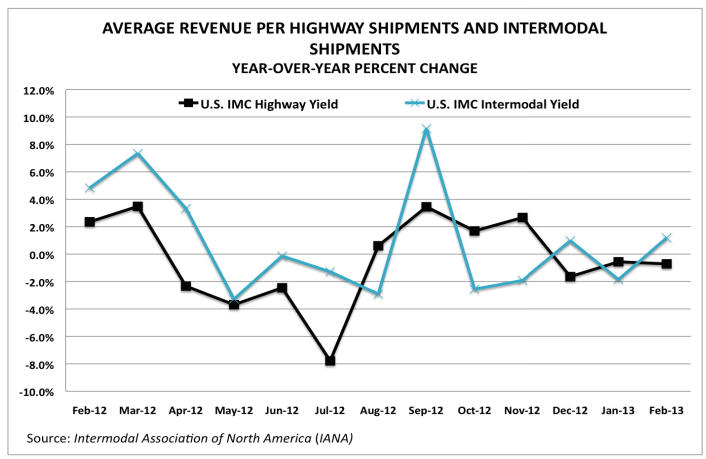
The increase in rates was accompanied by a 41% surge in load availability and a 22% increase in truck capacity, month over month, on the company's DAT Load Boards. The increase, a typical seasonal pattern, was due to weather, increased economic activity and the higher number of working days in March than in February. The result was a 7.5% increase in the load-to-truck ratio for dry vans on the spot market, from 2.3 available loads per truck in February to 2.5 in March.

On a year-over-year basis, load volume for vans in March was up 1.5%, while capacity rose 13%. The resulting load-to-truck ratio declined by 10% compared to March 2012. Van spot market rates increased $0.03 (2.4%) compared to March 2012, not including fuel surcharges.

RAIL

◆ *U.S. rail intermodal traffic advanced in February for the 39th straight month*

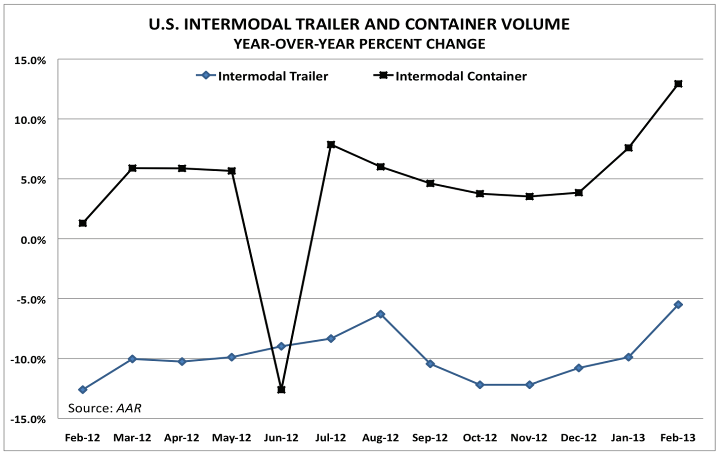
◆ *U.S. rail transportation of lumber up for 21 straight months*



FEBRUARY 2013: AVERAGE REVENUE PER HIGHWAY SHIPMENTS DOWN 0.7 PERCENT; AVERAGE REVENUE PER INTERMODAL SHIPMENTS DOWN 1.2 PERCENT

The average revenue per highway load declined in February for the third straight month, down 0.7 percent year-over-year to $1,419, and followed a 0.6 percent contraction in the prior month. From January to February, the average revenue declined 2.4 percent (or $35).

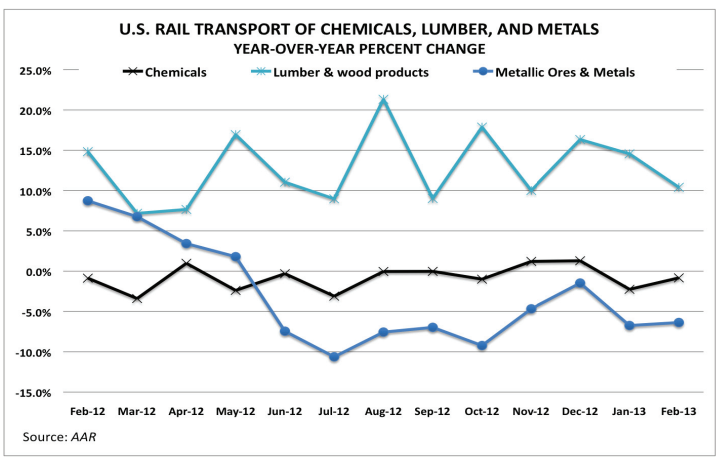
The average revenue per intermodal load rebounded 1.2 percent after contracting 1.8 percent in the prior month. The average revenue amounted to $2,627. From January to February, the average revenue increased 3.2 percent (or $82).



FEBRUARY 2013: INTERMODAL TRAILERS DOWN 5.5 PERCENT; INTERMODAL CONTAINERS UP 12.9 PERCENT

U.S. railroads originated 112,051 trailers and 871,027 containers in February. Intermodal containers expanded 12.9 percent year-over-year, following an advance of 7.6 percent in the prior month. Intermodal trailers declined 5.5 percent year-over-year after falling by 9.9 percent the prior month. Intermodal trailers have now declined for 14 consecutive months to February.

Intermodal traffic grew 10.5 percent (93,231 intermodal units) in February 2013 over February 2012, marking its 39th successive year-over-year monthly increase.



FEBRUARY 2013: LUMBER UP 10.4 PERCENT; CHEMICALS DOWN 0.8 PERCENT; METALS DOWN 6.4 PERCENT

U.S. chemical carloads declined 0.8 percent year-over-year in February to a total of 121,132.

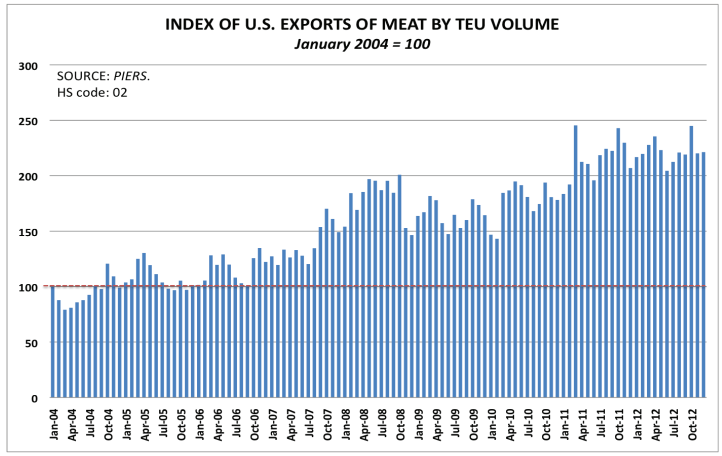
Growth in U.S. lumber and wood products carloads jumped 10.4 percent year-over-year in the month, to a total of 13,894 marking its 21st consecutive year-over-year monthly advance. A continuing recovery in the housing market is supporting transportation of lumber.

Growth in metallic ores and metals carloads contracted for the 9th straight month, down 6.4 percent year-over-year in February after a drop of 6.7 percent prior.

COMMODITY SNAPSHOT

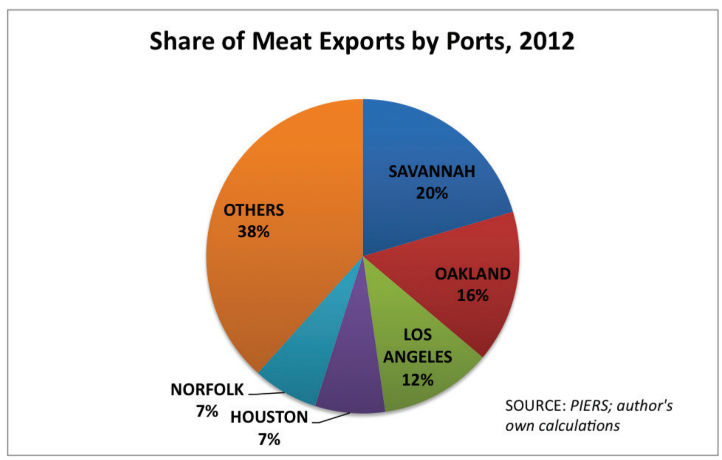
- *U.S. meat exports more than doubled from 2004 to 2011*
- *China rapidly gains share of U.S. meat exports*

SELECTED COMMODITY: MEAT



MEAT EXPORTS DECELERATE THE PACE IN 2012

U.S. containerized exports of meat (HS code 02) rose 3.2 percent in 2012, following a jump of 21.7 percent in the prior year. The index shows that exports more than doubled from 2004 to 2011. Between 2007 and 2012, exports grew at a compound annual growth rate of 10 percent. Index is up by 140 percent from 2004 January base.



PORT OF SAVANNAH HELD LARGEST SHARE OF MEAT EXPORTS IN 2012

The Port of Savannah handled the most outbound shipments of meat in 2012, accounting for a 20 percent of all meat exports, unchanged from 2011. The largest recipients of U.S. meat shipped from the port of Savannah last year were China, Angola, Hong Kong, Georgia, and Taiwan.

Port of Oakland follows Savannah with a 16 percent share. Los Angeles holds a 12 percent share while Houston and Norfolk each hold a 7 percent share. The share of each port is unchanged from 2011. These 5 ports account for 63 percent of all U.S. meat outbound shipments.

SHARE OF US MEAT EXPORTS AND ANNUAL GROWTH RATES

(Constant US Dollars)

	SHARE OF EXPORTS			ANNUAL GROWTH RATES		
	2010	2011	2012	2010	2011	2012
JAPAN	0.191	0.187	0.189	15%	25%	6%
MEXICO	0.191	0.176	0.172	17%	17%	3%
CANADA	0.117	0.114	0.128	15%	24%	18%
KOREA	0.065	0.085	0.067	72%	66%	-17%
CHINA	0.026	0.053	0.062	-58%	157%	23%
HONG KONG	0.084	0.077	0.057	87%	17%	-23%
RUSSIA	0.054	0.045	0.053	-36%	7%	23%
TAIWAN	0.031	0.024	0.021	34%	-3%	-7%
ANGOLA	0.012	0.014	0.014	129%	40%	12%
VIETNAM	0.021	0.019	0.014	12%	20%	-24%
OTHERS	0.207	0.205	0.223	23%	26%	14%

Source: International Trade Commission; author's own calculations

CHINA RAPIDLY GAINING SHARE OF U.S. MEAT EXPORTS

Japan and Mexico are 2 of the largest markets for U.S. meat exports by $ value. Japan held an 18.9 percent market share in 2012, up slightly by 0.2 percentage points over 2011, but still down by a 0.2 point from 2010. Mexico accounted for a respectable 17.2 percent market share last year but its share is down by almost 2 full points. Meat exports to Japan and Mexico have grown modestly last year.

Meat exports to Russia and China increased by 27 percent each last year. Russia used to be a top market up until 2009, but due to import limitations and the country building toward self-sufficiency in its meat sector, Russia is not a top market anymore. China's share of exports is rapidly increasing, from 2.6 percent in 2010 to 6.2 percent in 2012. Exports to that market jumped 157 percent in 2011 but slowed the pace to 23 percent in 2012. Demand for meat will stay strong as long as the incomes on millions in China continue rising.

Losses in market share were seen in Taiwan and Vietnam. Taiwan holds a share of 2.1 percent, down from 3.1 percent in 2010, while Vietnam holds a share of 1.4 percent, down from 2.1 percent in 2010.

TOP COMMODITIES: EUROPE

TOP US IMPORTS FROM EUROPE IN TEUS, FEBRUARY 2013

RANK	COMMODITIES	TEUS	MOM	YOY	YTD
1	AUTO PARTS	13,816	15%	14%	8%
2	BEER & ALE	11,841	13%	11%	1%
3	NON ALCOHOLIC BEVERAGES	9,539	15%	58%	37%
4	FURNITURE	9,180	5%	30%	11%
5	STILL WINES	6,973	5%	30%	14%
6	PAPER&PAPERBOARD/WASTE	6,696	-7%	19%	16%
7	AUTO&TRUCK TIRES/TUBES	4,073	2%	23%	21%
8	VEGETABLES	3,657	-18%	2%	12%
9	PLASTIC PRODS, MISC	3,003	5%	12%	10%
10	CERAMIC & MOSAIC TILES	2,675	15%	37%	16%

Source: PIERS

'Auto parts' was the top containerized import commodity from Europe in February 2013, up 14 percent over February 2012. The top 10 commodities shown above accounted for 36 percent of the total box import trade from Europe.

TOP US EXPORTS TO EUROPE IN TEUS, JANUARY 2013

RANK	COMMODITIES	TEUS	MOM	YOY	YTD
1	PAPER&PAPERBOARD/WASTE	17,705	26%	48%	48%
2	WOOD PULP	9,477	11%	-3%	-3%
3	VINYL ALCOHOL, PVC RESINS	7,225	19%	179%	179%
4	AUTOMOBILES	6,800	-22%	-4%	-4%
5	FABRICS INCL. RAW COTTON	6,788	44%	44%	44%
6	SYNTHETIC RESINS, NSPF	5,288	1%	9%	9%
7	AUTO PARTS	4,179	-14%	-4%	-4%
8	LOGS & LUMBER	3,897	6%	3%	3%
9	EDIBLE NUTS	3,870	-14%	10%	10%
10	MEDICAL EQUIP & SUPPLIES	2,986	-1%	-8%	-8%

Source: PIERS

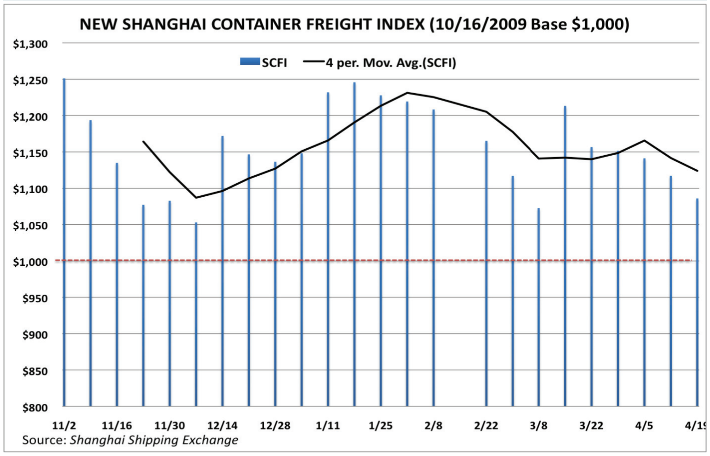
'Paper & paperboard' was the top containerized export commodity to Europe in January 2012. A sharp increase was seen PVC resins shipments, up 179 percent YOY. The top 10 commodities shown above accounted for 42 percent of the total export trade to Europe.

REGION CATEGORIES

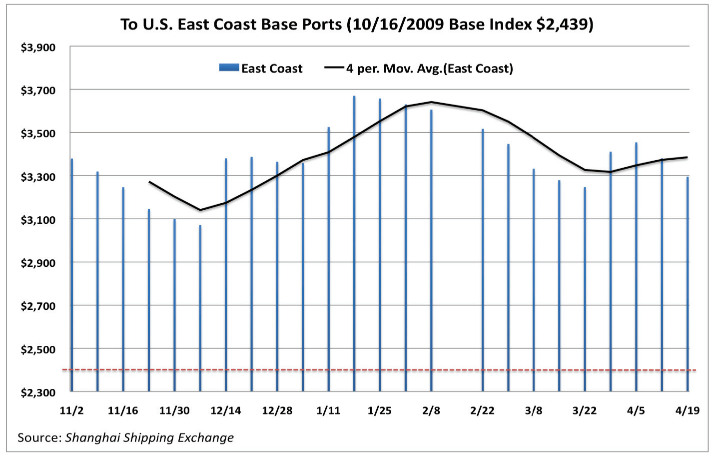
NORTHEAST ASIA HONG KONG, JAPAN, MACAU, MONGOLIA, NORTH KOREA, PEOPLES REP OF CHINA, REPUBLIC OF KOREA, TAIWAN **SOUTHEAST ASIA** BRUNEI, CAMBODIA, INDONESIA, LAOS, MALAYSIA, MYANMAR, PHILIPPINES, SINGAPORE, THAILAND, VIETNAM **NORTHERN EUROPE** AUSTRIA, BELGIUM, CZECHOSLOVAKIA, DENMARK, ESTONIA, FINLAND, GEORGIA, GERMANY, HUNGARY, ICELAND, IRELAND, LATVIA, LITHUANIA, N FRANCE, NETHERLANDS, NORWAY, POLAND, RUSSIA, SWEDEN, SWITZERLAND, UNITED KINGDOM **MEDITERRANEAN** ALBANIA, AZORES, BULGARIA, CYPRUS, EGYPT, GIBRALTAR, GREECE, ISRAEL, ITALY, MALTA, MOROCCO MED, PORTUGAL, ROMANIA, S FRANCE, SPAIN, TURKEY, UKRAINE, YUGOSLAVIA **CENTRAL AMERICA** BELIZE, COSTA RICA, GUATEMALA, EL SALVADOR, HONDURAS, MEXICO, NICARAGUA, PANAMA **CARIBBEAN** BAHAMAS, BARBADOS, BERMUDA, CAYMAN IS, CUBA, DOMINICAN REPUBLIC, FRENCH WEST INDIES, HAITI, JAMAICA, LEEWARD & WINDWARD, NETHERLANDS ANTILLES, TRINIDAD & TOBAGO, TURKS CAN CAICOS **WEST COAST SOUTH AMERICA** CHILE, COLOMBIA, ECUADOR, PERU **EAST COAST SOUTH AMERICA** ARGENTINA, BOLIVIA, BRAZIL, FRENCH GUIANA, GUYANA, PARAGUAY, SURINAM, URUGUAY, VENEZUELA **MIDDLE EAST** AFGHANISTAN, BAHRAIN, IRAN, IRAQ, JORDAN, KUWAIT, LEBANON, OMAN, QATAR, SAUDI ARABIA, SYRIA, UNITED ARAB EMIRATES, YEMEN **OCEANIA** AUSTRALIA, FRENCH PACIFIC IS, NEW ZEALAND, OTHER PACIFIC IS, PAPUA NEW GUINEA, WESTERN SAMOA **INDIAN SUBCONTINENT** BANGLADESH, INDIA, NEPAL, PAKISTAN, SRI LANKA **AFRICA** ALGERIA, ANGOLA, BENIN, CAMEROON, CANARY IS, CONGO, DJIBOUTI, EQUATORIAL GUINEA, ETHIOPIA, GABON, GAMBIA, GHANA, GUINEA, IVORY COAST, KENYA, LESOTHO, LIBERIA, LIBYA, MADAGASCAR, MALAWI, MAURITIUS, MOROCCO (ATLANTIC COAST), MOZAMBIQUE, NAMIBIA, NIGERIA, REP OF SOUTH AFRICA, SENEGAL, SIERRA LEONE, ST. HELENA, SUDAN, SWAZILAND, TANZANIA, TOGO, TUNISIA, UGANDA, WESTERN SAHARA, ZAMBIA

INTERNATIONAL SHIPPING PRICES

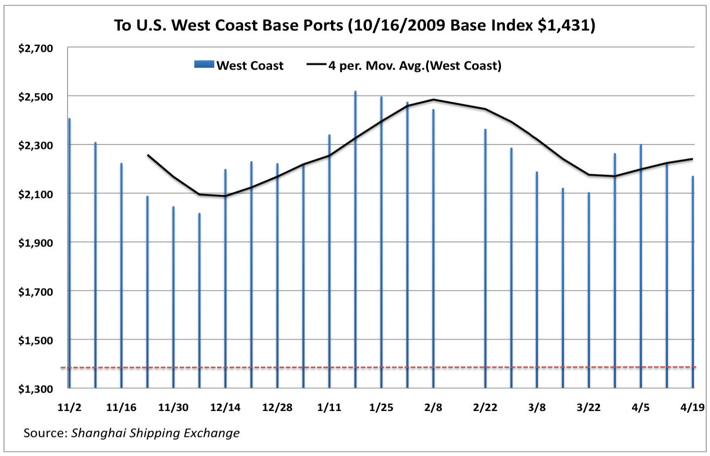
◆ *Unsuccessful April 15 GRI in Europe trade lane*



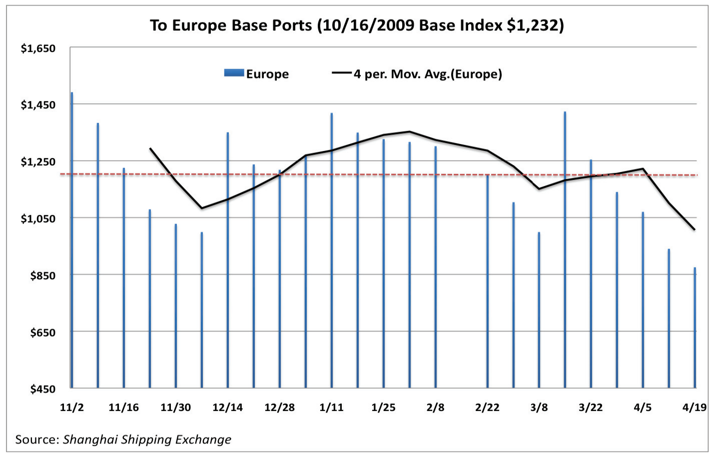
Source: *Shanghai Shipping Exchange*



Source: *Shanghai Shipping Exchange*



Source: *Shanghai Shipping Exchange*



Source: *Shanghai Shipping Exchange*

THE SHANGHAI CONTAINERIZED FREIGHT INDEX DOWN FOR 5 STRAIGHT WEEKS

The Shanghai containerized freight index, which measures export average spot rates, fell 2.8 percent on April 29 over the prior week to $1,117.24 points. The index stood below its four-week moving average for 3 straight weeks.

On April 29, the freight rate for the voyages from Shanghai to base ports in U.S. West Coast and East Coast services came out at $2,171 per FEU and $3,295 per FEU, down $55 and $85 from the preceding week, respectively.

In the Europe service, freight rates declined and stood below its four-week moving average for 4 straight weeks. On April 19, the freight rate for the voyages from Shanghai to base ports in Europe fell 6.9 percent (or $65) over the preceding week, to $875. The proposed April 15 GRI of $500 turned out to be unsuccessful. Other GRIs are proposed for this trade lane for mid-May of between $500 and $600.

CONTACT INFORMATION

2 PENN PLAZA EAST, 12TH FLOOR • NEWARK, N.J. 07105 • 973.776.8660

CUSTOMER SERVICE
Email: joc@halldata.com
Tel: 1.877.675.4761

MARIO O. MORENO, Economist
mmoreno@joc.com
973.776.7850
twitter.com/mariomoreno_JOC