USDA United States Department of Agriculture

Grain Transportation Report

A weekly publication of the Agricultural Marketing Service
www.ams.usda.gov/GTR

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June 7, 2018

Contents

The next release is June 14, 2018

WEEKLY HIGHLIGHTS

New Canada Transport Bill Spurs Investment in Grain Hopper Cars

On May 23, the *Transportation Modernization Act* (Bill C-49) became law in Canada, which modifies the *Canada Transportation Act*, among others. Its provisions span rail, marine, and air transportation. Bill C-49 includes a new long-haul interswitching remedy for shippers (extending the limit of 30km of an interchange to 1,200km under certain conditions), adds clarity on the criteria used by the Canadian Transportation Agency to assess reasonable service, and modifies the revenue cap policy known as “Maximum Revenue Entitlement” for rail transportation. Changes stemming from the new law are already taking shape. On May 24, Canadian National Railway (CN) announced its plan to purchase 1,000 new generation grain hopper cars over the next two years. CN has operations in the U.S., originating about 59 thousand carloads of grain and other farm products in 2017 (about 4 percent of all Class I operations in the U.S.).

Corn Export Forecast Up with Reduced Prospects for South American Crop

According to the May 31, USDA Economic Research Service report, *Outlook for U.S. Agricultural Trade*, agricultural exports are projected at $142.5 billion for fiscal year 2018, up $3.0 billion from the February forecast, due to anticipated increases in corn and cotton exports. The value of corn exports is forecast at $10.3 billion, up $1.3 billion from the February report, based on larger volumes and higher unit values. The strong export forecast reflects weather-reduced exportable supplies in Argentina, and worsening prospects for second-crop corn (safrinha) in Brazil. The May 31 forecast of corn exports was 57 million metric tons, up 11 percent from the February forecast. The trade prospects could be potential good news for the barge industry that is currently returning to normal navigation conditions after enduring high water conditions for most of calendar year 2018.

Grain Inspections Down but Remain Above Average

For the week ending May 31, **total inspections of grain** (corn, wheat, and soybeans) for export from all major U.S. export regions reached 2.5 million metric tons (mmt); down 10 percent from the previous week, up 23 percent from last year, and 35 percent above the 3-year average. Despite the drop in week-to-week inspections, grain inspections during the last four weeks are up 21 percent from last year, and 47 percent above the 3-year average. Total inspections of wheat dropped 23 percent from the previous week, while corn and soybeans decreased 9 and 4 percent, respectively, for the same period. Total inspections of grain decreased 17 percent in the Mississippi Gulf and 6 percent in the Pacific Northwest (PNW). Outstanding (unshipped) export sales of each of the three major grains are down from the past week.

Snapshots by Sector

Export Sales

For the week ending May 24, **unshipped balances** of wheat, corn, and soybeans totaled 27.8 mmt, up 30 percent from the same time last year. Net weekly **wheat export sales** were .030 mmt, down 73 percent from the previous week. Net **corn export sales** were .993 mmt, up 16 percent from the previous week. Net **soybean export sales** were .273 mmt, up significantly from the previous week.

Rail

U.S. Class I railroads originated 25,796 **grain carloads** for the week ending May 26; up 16 percent from the previous week, 4 percent from last year, and 21 percent from the 3-year average.

Average June shuttle **secondary railcar** bids/offers, per car, were $279 above tariff for the week ending May 31, down $21 from last week, and $325 higher than last year. Average non-shuttle secondary railcar bids/offers, per car, were $375 above tariff; up $197 from last week, and $453 higher than last year.

Barge

For the week ending June 2, **barge grain movements** totaled 977,111 tons, 32 percent higher than the previous week and up 2 percent from the same period last year.

For the week ending June 2, 615 grain barges **moved down river**, 155 barges more than the previous week. There were 678 grain barges **unloaded in New Orleans**, 4 percent lower than the previous week.

Ocean

For the week ending May 31, 28 **ocean-going grain vessels** were loaded in the Gulf, 7 percent less than the same period last year. Forty-eight vessels are expected to be loaded within the next 10 days, 17 percent less than the same period last year.

For the week ending May 31, the ocean freight rate for shipping bulk grain, from the Gulf to Japan, was $42.00 per metric ton, 3 percent less than the previous week. The cost of shipping, from the PNW to Japan, was $24.25 per metric ton, unchanged from the previous week.

Fuel

For the week ending June 4, the U.S. average **diesel fuel price** remained unchanged from the previous week, at $3.29 per gallon; 72 cents higher than the same week last year.

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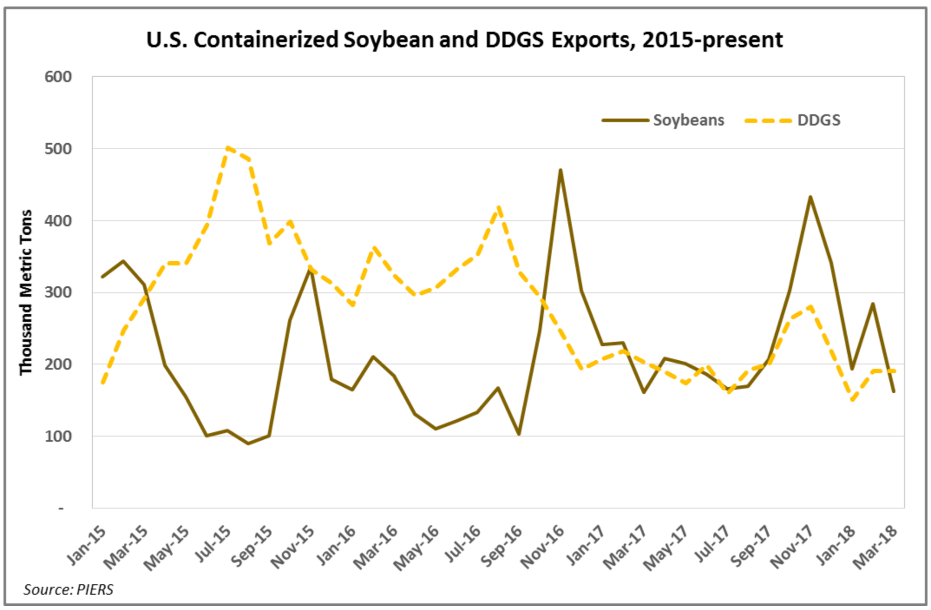
Feature Article/Calendar

Containerized Grain Update

Containerized grain reached more than 1.7 million metric tons during the first quarter of 2018 (see Table 1). These shipments represented approximately 6 percent of the total waterborne grain exported. This year's total is 2 percent less than the same time last year. Decreases in containerized exports of distillers' dried grains (DDGS), corn, starch residues, wheat, and oats were nearly offset by increases in soybean meals and flours, animal feed, grain sorghum, barley, and soybeans.

Table 1: Jan-Mar 2018 Containerized Grain Exports			
HS Description	**Metric Tons**	**TEU***	**Share**
Soybeans	639,931	47,730	36%
Distillers grains	532,756	40,099	30%
Animal feed	222,620	19,733	12%
Corn	160,805	12,393	9%
Soybeans meals and flours	123,700	8,870	7%
Other	107,425	7,773	6%
Total	**1,787,237**	**136,598**	**100%**
Source: PIERS			
**TEU: Twenty-foot Equivalent Unit*			

During the first quarter of 2018, soybeans were the top containerized grain export, accounting for 36 percent of the market, followed by DDGS at 30 percent. Soybeans long held the top containerized grain slot before the burst of DDGS exports started, around 2008. Though containerized soybean exports continued to be strong over the past decade, they were overshadowed by the overwhelming volume of DDGS exports. However, DDGS exports have been on a downward trend since their peak in 2015, allowing soybeans to retake the top containerized grain position. The two commodities battled most of 2017, but soybeans came out on top with 36 percent of the market, followed by DDGS with 34 percent (see Figure).



More on Containerized Soybeans

Containerized soybean exports use both East and West coast ports, almost equally, to reach overseas customers. In the first quarter, 54 percent moved through West Coast ports and 46 percent moved through East Coast ports. The Los Angeles and Long Beach Port Complex accounts for 44 percent of total containerized soybean exports; 83 percent of those moved through the West Coast. The Port of Norfolk accounted for nearly 30 percent of the containerized soybean exports during the quarter, and 62 percent of

Table 2: U.S. Waterborne Containerized Soybean Exports, Jan-Mar 2018			
U.S. Ports	**Metric Tons**	**TEU***	**Share**
Los Angeles	206,184	14,562	32%
Norfolk	184,862	14,434	29%
Long Beach	77,053	5,640	12%
New York	61,066	4,236	10%
Tacoma	54,466	4,593	9%
Other	56,300	4,265	9%
Total	**639,931**	**47,730**	**100%**
Source: PIERS			
**TEU: Twenty-foot Equivalent Unit*			

containerized soybeans moved through East Coast ports. Table 2 provides further details by port.

Nearly all containerized soybean exports are destined for Asian countries (more than 98 percent)—with 40 percent going to Taiwan, 20 percent to Indonesia and 14 percent to Thailand. See Table 3 for further detail. Over the past 5 years, Taiwan and Indonesia have represented between 50 and 60 percent of the market for containerized soybean exports. Shipments are steady throughout the year, but shippers move the most during post-harvest season months (November-January), with peak shipments to Taiwan and Indonesia.

Table 3: U.S. Waterborne Containerized Soybean Exports, Jan-Mar 2018

Destination Country	Metric Tons	TEU*	Share
Taiwan	258,659	20,038	40%
Indonesia	128,754	8,486	20%
Thailand	86,750	6,381	14%
China	44,263	3,750	7%
Malaysia	34,111	2,652	5%
Other	87,393	6,423	14%
Total	**639,931**	**47,730**	**100%**

Source: PIERS

**TEU: Twenty-foot Equivalent Unit*

What Lies Ahead?

Exporters are closely monitoring shipping costs from all forms of transportation this year. Trucking shortages and capacity constraints have caused logistical challenges, and increased transportation costs for exporters. Ocean carriers are working to increase revenues to continue the profits gained in 2017 and offset increasing fuel costs.

Rising oil prices are making all forms of transportation more costly this year. USDA's May 2018 *Outlook for U.S. Agricultural Trade* reports crude oil prices are rising as global economic growth improves, global inventories fall, and concerns over potential geopolitical risks remain high. Increased crude prices have translated into higher fuel prices across the board, including diesel fuel for trucks and bunker fuel costs for ocean container carriers. Diesel fuel prices have increased nearly 30 cents per gallon since the beginning of the year, and stand at 72 cents higher than the same time last year.

Some ocean container carriers recently announced emergency bunker fuel surcharges, in an effort to reclaim losses due to higher fuel costs. Surcharges range from $1 per twenty-foot equivalent unit (TEU) to $60 per TEU. A recent Journal of Commerce article reported bunker prices reached $440 per ton in Europe, the highest since 2014. april.taylor@ams.usda.gov

Grain Transportation Indicators

Table 1
Grain Transport Cost Indicators[1]

For the week ending	Truck	Rail: Unit Train	Rail: Shuttle	Barge	Ocean: Gulf	Ocean: Pacific
06/06/18	220	296	226	297	188	172
05/30/18	221	284	227	272	195	172

[1]Indicator: Base year 2000 = 100; Weekly updates include truck = diesel ($/gallon); rail = near-month secondary rail market bid and monthly tariff rate with fuel surcharge ($/car); barge = Illinois River barge rate (index = percent of tariff rate); and ocean = routes to Japan ($/metric ton)

Source: Transportation & Marketing Programs/AMS/USDA

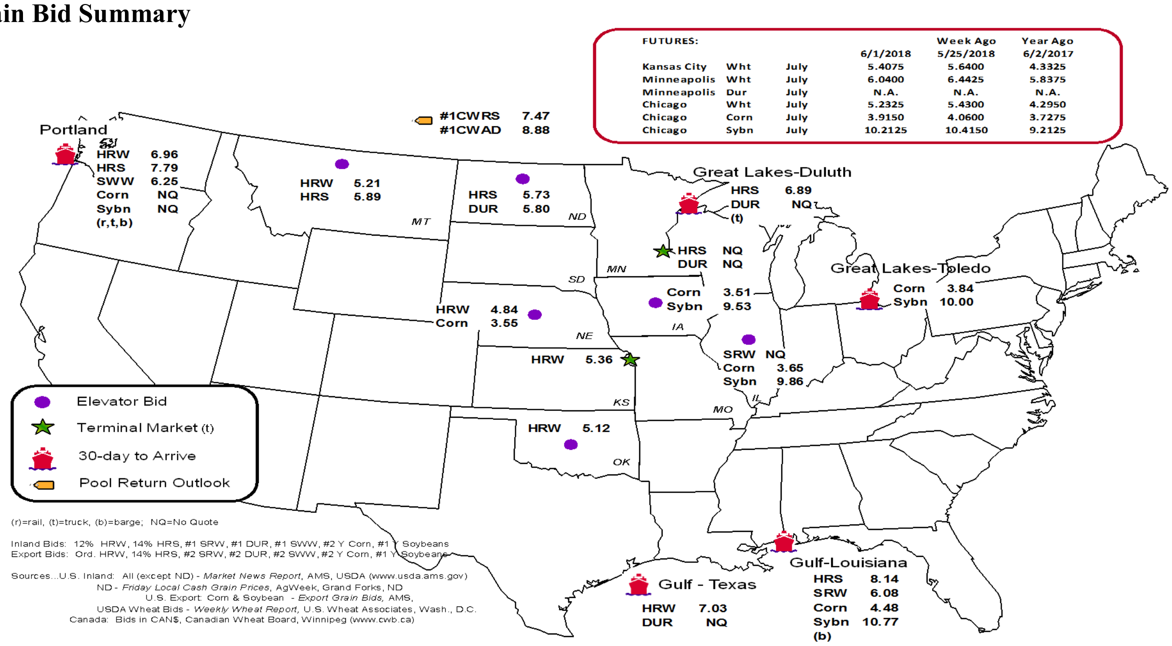
Table 2
Market Update: U.S. Origins to Export Position Price Spreads ($/bushel)

Commodity	Origin--Destination	6/1/2018	5/25/2018
Corn	IL--Gulf	-0.83	-0.84
Corn	NE--Gulf	-0.93	-0.91
Soybean	IA--Gulf	-1.24	-1.29
HRW	KS--Gulf	-1.67	-1.80
HRS	ND--Portland	-2.06	-2.00

Note: nq = no quote; n/a = not available
Source: Transportation & Marketing Programs/AMS/USDA

The **grain bid summary** illustrates the market relationships for commodities. Positive and negative adjustments in differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.

Figure 1
Grain Bid Summary



Rail Transportation

Table 3

Rail Deliveries to Port (carloads)[1]

For the Week Ending	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf	Total	Week ending	Cross-Border Mexico[3]
05/30/2018[p]	469	442	7,322	383	8,616	5/26/2018	3,426
05/23/2018[r]	890	442	6,731	359	8,422	5/19/2018	2,684
2018 YTD[r]	9,449	29,152	144,695	9,801	193,097	2018 YTD	46,415
2017 YTD[r]	13,823	42,196	133,942	10,886	200,847	2017 YTD	48,905
2018 YTD as % of 2017 YTD	68	69	108	90	96	% change YTD	95
Last 4 weeks as % of 2017[2]	153	29	123	311	109	Last 4wks % 2017	128
Last 4 weeks as % of 4-year avg.[2]	278	32	182	274	149	Last 4wks % 4 yr	143
Total 2017	28,796	76,545	289,178	21,999	416,518	Total 2017	119,661
Total 2016	36,925	88,035	299,604	29,007	453,571	Total 2016	92,982

[1] Data is incomplete as it is voluntarily provided

[2] Compared with same 4-weeks in 2017 and prior 4-year average.

[3] Cross-border weekly data is approximately 15 percent below the Association of American Railroads' reported weekly carloads received by Mexican railroads to reflect switching between KCSM and Grupo Mexico.

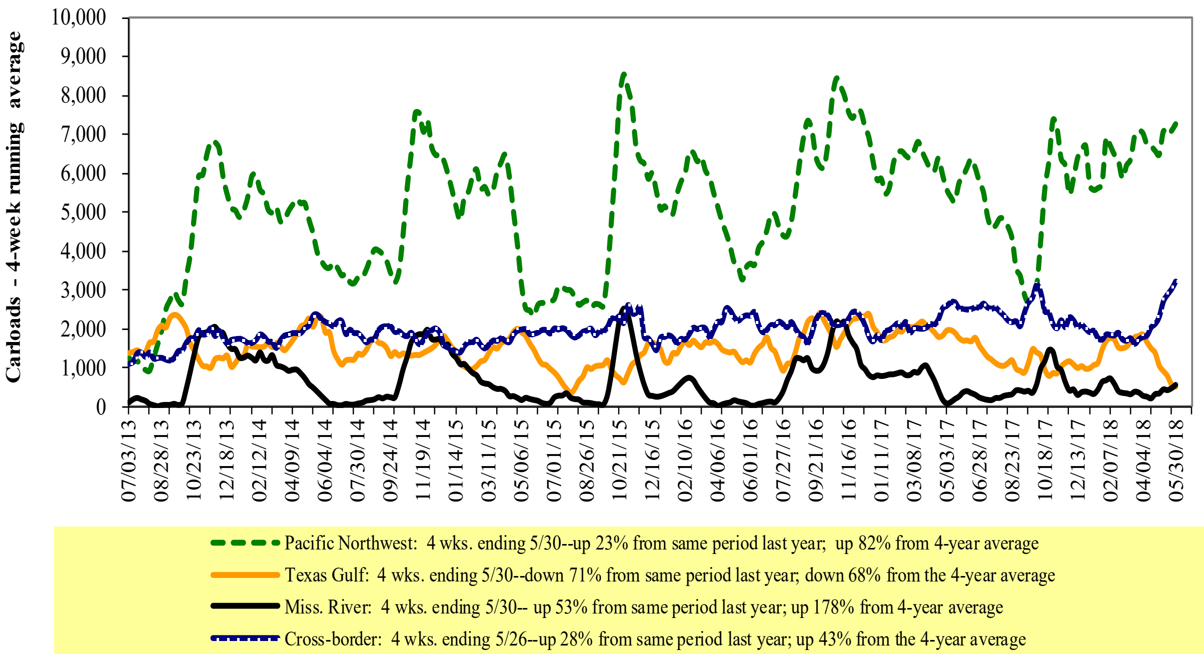
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

Source: Transportation & Marketing Programs/AMS/USDA

Railroads originate approximately 24 percent of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Figure 2

Rail Deliveries to Port



Source: Transportation & Marketing Programs/AMS/USDA

Table 4

Class I Rail Carrier Grain Car Bulletin (grain carloads originated)

For the week ending: 5/26/2018	East		West			U.S. total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
This week	2,452	3,056	13,866	1,113	5,309	25,796	4,247	5,383
This week last year	1,741	3,053	13,254	997	5,718	24,763	3,259	4,491
2018 YTD	41,053	52,275	260,564	19,891	111,628	485,411	79,312	95,643
2017 YTD	38,248	58,757	243,031	20,457	127,489	487,982	82,617	91,486
2018 YTD as % of 2017 YTD	107	89	107	97	88	99	96	105
Last 4 weeks as % of 2017*	127	96	106	111	96	104	108	116
Last 4 weeks as % of 3-yr avg.**	112	93	135	108	108	119	117	126
Total 2017	89,465	142,736	578,964	50,223	289,574	1,150,962	198,624	244,766

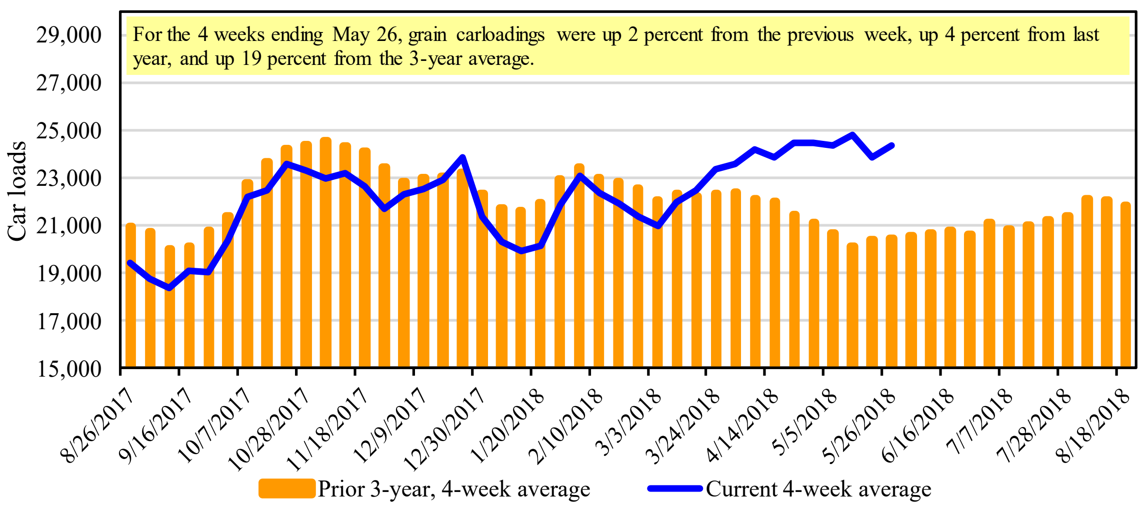
*The past 4 weeks of this year as a percent of the same 4 weeks last year.

**The past 4 weeks as a percent of the same period from the prior 3-year average. YTD = year-to-date.

Source: Association of American Railroads (www.aar.org)

Figure 3

Total Weekly U.S. Class I Railroad Grain Car Loadings



Source: Association of American Railroads

Table 5

Railcar Auction Offerings[1] ($/car)[2]

For the week ending: 5/31/2018		Jun-18	Jun-17	Jul-18	Jul-17	Aug-18	Aug-17	Sep-18	Sep-17
BNSF[3]	COT grain units	no offer	no bids	1	no bids	0	no bids	0	no bids
	COT grain single-car[5]	no offer	0	1	0	0	0	20	0
UP[4]	GCAS/Region 1	no offer	no bids	no offer	no bids	no bids	no bids	n/a	n/a
	GCAS/Region 2	no offer	no bids	no offer	no bids	no bids	no bids	n/a	n/a

Delivery period columns: Jun-18 through Sep-17.

[1]Auction offerings are for single-car and unit train shipments only.

[2]Average premium/discount to tariff, last auction

[3]BNSF - COT = Certificate of Transportation; north grain and south grain bids were combined effective the week ending 6/24/06.

[4]UP - GCAS = Grain Car Allocation System

Region 1 includes: AR, IL, LA, MO, NM, OK, TX, WI, and Duluth, MN.

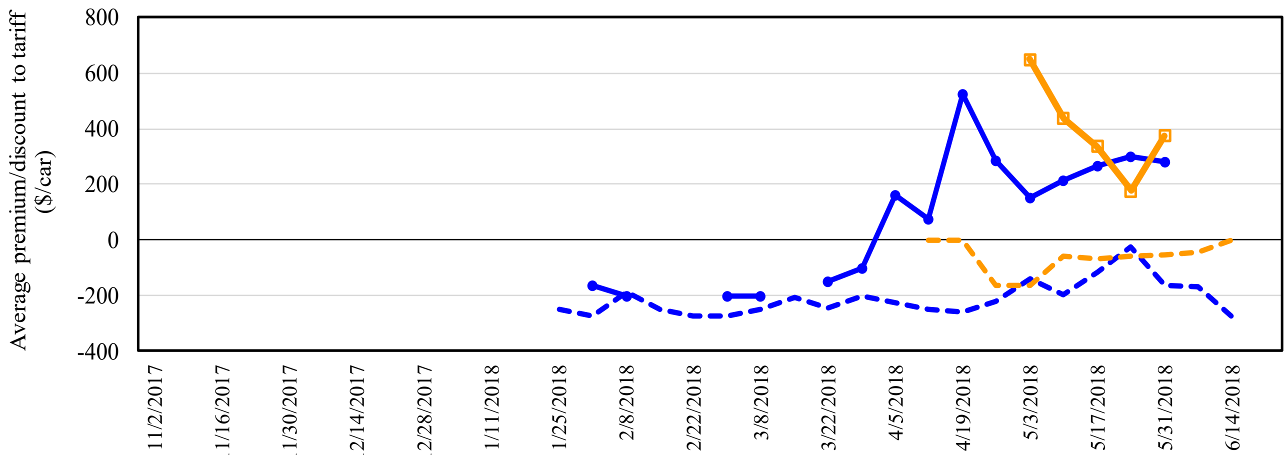
Region 2 includes: CO, IA, KS, MN, NE, WY, and Kansas City and St. Joseph, MO.

[5]Range is shown because average is not available. Not available = n/a.

Source: Transportation & Marketing Programs/AMS/USDA.

The **secondary rail market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The **auction and secondary rail** values are indicators of rail service quality and demand/ supply.

Figure 4
Bids/Offers for Railcars to be Delivered in June 2018, Secondary Market



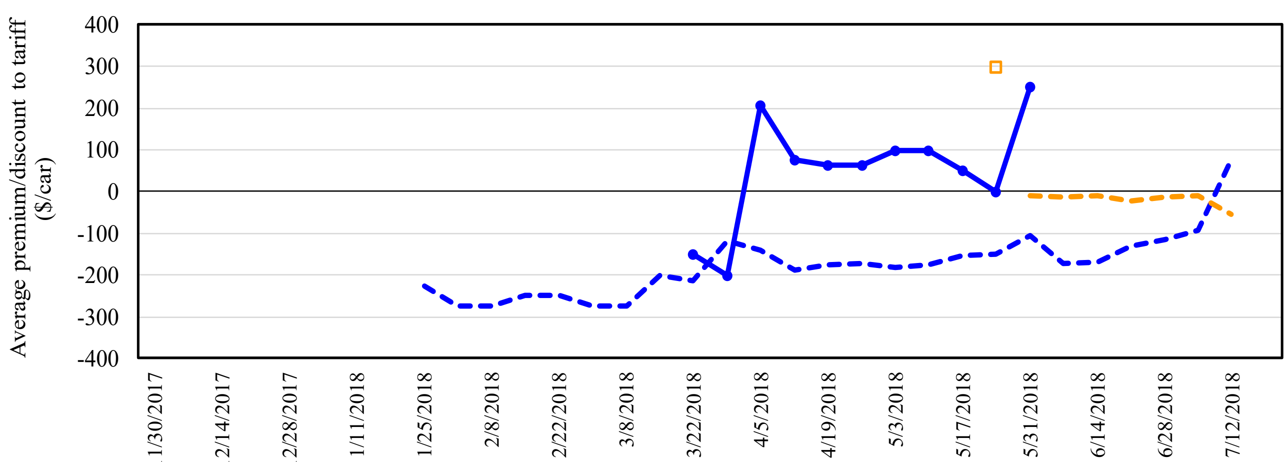
5/31/2018	BNSF	UP
Non-Shuttle	$600	$150
Shuttle	$633	-$75

Shuttle
Shuttle prior 3-yr avg. (same week)
Non-Shuttle
Non-Shuttle prior 3-yr avg. (same week)

Average Non-shuttle bids/offers rose $197 this week, and are $275 below the peak.
Average Shuttle bids/offers fell $21 this week and are $246 below the peak.

Non-shuttle bids include unit-train and single-car bids. n/a = not available.
Source: Transportation & Marketing Programs/AMS/USDA

Figure 5
Bids/Offers for Railcars to be Delivered in July 2018, Secondary Market



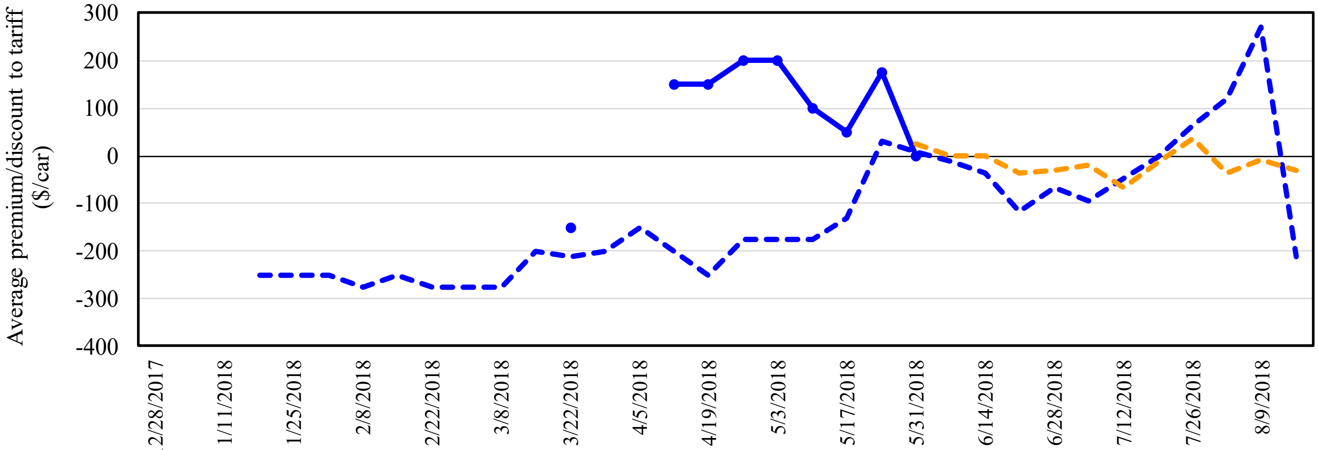
5/31/2018	BNSF	UP
Non-Shuttle	n/a	n/a
Shuttle	$500	$0

Shuttle
Shuttle prior 3-yr avg. (same week)
Non-Shuttle
Non-Shuttle prior 3-yr avg. (same week)

There were no Non-Shuttle bids/offers this week.
Average Shuttle bids/offers rose $250 this week and are at the peak.

Non-shuttle bids include unit-train and single-car bids. n/a = not available.
Source: Transportation & Marketing Programs/AMS/USDA

Figure 6
Bids/Offers for Railcars to be Delivered in August 2018, Secondary Market



5/31/2018	BNSF	UP
Non-Shuttle	n/a	n/a
Shuttle	n/a	$0

There were no Non-Shuttle bids/offers this week.
Average Shuttle bids/offers fell $175 this week and are $200 below the peak.

Non-shuttle bids include unit-train and single-car bids. n/a = not available.
Source: Transportation & Marketing Programs/AMS/USDA

Table 6

Weekly Secondary Railcar Market ($/car)[1]

For the week ending: 5/31/2018		Delivery period: Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18
Non-shuttle	**BNSF-GF**	**600**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**
	Change from last week	300	n/a	n/a	n/a	n/a	n/a
	Change from same week 2017	593	n/a	n/a	n/a	n/a	n/a
	UP-Pool	**150**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**
	Change from last week	94	n/a	n/a	n/a	n/a	n/a
	Change from same week 2017	313	n/a	n/a	n/a	n/a	n/a
Shuttle	**BNSF-GF**	**633**	**500**	**n/a**	**300**	**650**	**350**
	Change from last week	(17)	n/a	n/a	(100)	(50)	0
	Change from same week 2017	550	300	n/a	125	n/a	n/a
	UP-Pool	**(75)**	**0**	**0**	**(25)**	**450**	**n/a**
	Change from last week	(25)	0	0	(25)	0	n/a
	Change from same week 2017	100	150	0	(75)	(200)	n/a

[1]Average premium/discount to tariff, $/car-last week

Note: Bids listed are market INDICATORS only & are NOT guaranteed prices,

n/a = not available; GF = guaranteed freight; Pool = guaranteed pool

Sources: Transportation and Marketing Programs/AMS/USDA

Data from James B. Joiner Co., Tradewest Brokerage Co.

The **tariff rail rate** is the base price of freight rail service, and together with **fuel surcharges** and any **auction and secondary rail** values constitute the full cost of shipping by rail. Typically, auction and secondary rail values are a small fraction of the full cost of shipping by rail relative to the tariff rate. High auction and secondary rail values, during times of high rail demand or short supply, can exceed the cost of the tariff rate plus fuel surcharge.

Table 7

Tariff Rail Rates for Unit and Shuttle Train Shipments[1]

June, 2018	Origin region[3]	Destination region[3]	Tariff rate/car	Fuel surcharge per car	Tariff plus surcharge per: metric ton	Tariff plus surcharge per: bushel[2]	Percent change Y/Y[4]
Unit train							
Wheat	Wichita, KS	St. Louis, MO	$3,883	$101	$39.57	$1.08	1
	Grand Forks, ND	Duluth-Superior, MN	$4,143	$0	$41.14	$1.12	0
	Wichita, KS	Los Angeles, CA	$7,175	$0	$71.25	$1.94	2
	Wichita, KS	New Orleans, LA	$4,540	$178	$46.85	$1.28	2
	Sioux Falls, SD	Galveston-Houston, TX	$6,786	$0	$67.39	$1.83	0
	Northwest KS	Galveston-Houston, TX	$4,816	$195	$49.76	$1.35	2
	Amarillo, TX	Los Angeles, CA	$5,021	$271	$52.56	$1.43	3
Corn	Champaign-Urbana, IL	New Orleans, LA	$3,931	$201	$41.03	$1.04	9
	Toledo, OH	Raleigh, NC	$6,344	$0	$63.00	$1.60	5
	Des Moines, IA	Davenport, IA	$2,258	$43	$22.85	$0.58	1
	Indianapolis, IN	Atlanta, GA	$5,446	$0	$54.08	$1.37	5
	Indianapolis, IN	Knoxville, TN	$4,540	$0	$45.08	$1.15	5
	Des Moines, IA	Little Rock, AR	$3,609	$125	$37.08	$0.94	4
	Des Moines, IA	Los Angeles, CA	$5,327	$365	$56.52	$1.44	6
Soybeans	Minneapolis, MN	New Orleans, LA	$4,131	$201	$43.02	$1.17	17
	Toledo, OH	Huntsville, AL	$5,287	$0	$52.50	$1.43	5
	Indianapolis, IN	Raleigh, NC	$6,460	$0	$64.15	$1.75	5
	Indianapolis, IN	Huntsville, AL	$4,764	$0	$47.31	$1.29	5
	Champaign-Urbana, IL	New Orleans, LA	$4,745	$201	$49.12	$1.34	8
Shuttle Train							
Wheat	Great Falls, MT	Portland, OR	$3,953	$0	$39.26	$1.07	0
	Wichita, KS	Galveston-Houston, TX	$4,296	$0	$42.66	$1.16	3
	Chicago, IL	Albany, NY	$5,663	$0	$56.24	$1.53	3
	Grand Forks, ND	Portland, OR	$5,611	$0	$55.72	$1.52	0
	Grand Forks, ND	Galveston-Houston, TX	$5,931	$0	$58.90	$1.60	0
	Northwest KS	Portland, OR	$5,812	$320	$60.89	$1.66	3
Corn	Minneapolis, MN	Portland, OR	$5,000	$0	$49.65	$1.26	0
	Sioux Falls, SD	Tacoma, WA	$4,960	$0	$49.26	$1.25	0
	Champaign-Urbana, IL	New Orleans, LA	$3,731	$201	$39.05	$0.99	10
	Lincoln, NE	Galveston-Houston, TX	$3,700	$0	$36.74	$0.93	0
	Des Moines, IA	Amarillo, TX	$3,970	$157	$40.99	$1.04	4
	Minneapolis, MN	Tacoma, WA	$5,000	$0	$49.65	$1.26	0
	Council Bluffs, IA	Stockton, CA	$4,820	$0	$47.86	$1.22	2
Soybeans	Sioux Falls, SD	Tacoma, WA	$5,600	$0	$55.61	$1.51	0
	Minneapolis, MN	Portland, OR	$5,650	$0	$56.11	$1.53	0
	Fargo, ND	Tacoma, WA	$5,500	$0	$54.62	$1.49	0
	Council Bluffs, IA	New Orleans, LA	$4,775	$232	$49.72	$1.35	8
	Toledo, OH	Huntsville, AL	$4,352	$0	$43.22	$1.18	3
	Grand Island, NE	Portland, OR	$5,710	$327	$59.95	$1.63	7

[1]A unit train refers to shipments of at least 25 cars. Shuttle train rates are generally available for qualified shipments of 75-120 cars that meet railroad efficiency requirements.

[2]Approximate load per car = 111 short tons (100.7 metric tons): corn 56 lbs./bu., wheat and soybeans 60 lbs./bu.

[3]Regional economic areas are defined by the Bureau of Economic Analysis (BEA)

[4]Percentage change year over year calculated using tariff rate plus fuel surcharge

Table 8

Tariff Rail Rates for U.S. Bulk Grain Shipments to Mexico

Commodity	Origin state	Destination region	Tariff rate/car[1]	Fuel surcharge per car[2]	Tariff plus surcharge per: metric ton[3]	Tariff plus surcharge per: bushel[3]	Percent change[4] Y/Y
Date: June, 2018							
Wheat	MT	Chihuahua, CI	$7,459	$0	$76.21	$2.07	0
	OK	Cuautitlan, EM	$6,631	$139	$69.17	$1.88	1
	KS	Guadalajara, JA	$7,309	$338	$78.13	$2.12	1
	TX	Salinas Victoria, NL	$4,292	$85	$44.72	$1.22	1
Corn	IA	Guadalajara, JA	$8,313	$307	$88.08	$2.24	3
	SD	Celaya, GJ	$7,700	$0	$78.68	$2.00	2
	NE	Queretaro, QA	$8,013	$291	$84.85	$2.15	3
	SD	Salinas Victoria, NL	$6,743	$0	$68.90	$1.75	2
	MO	Tlalnepantla, EM	$7,379	$284	$78.30	$1.99	3
	SD	Torreon, CU	$7,300	$0	$74.59	$1.89	2
Soybeans	MO	Bojay (Tula), HG	$8,134	$286	$86.03	$2.34	-5
	NE	Guadalajara, JA	$8,692	$312	$92.00	$2.50	-2
	IA	El Castillo, JA	$8,960	$0	$91.55	$2.49	0
	KS	Torreon, CU	$7,489	$230	$78.86	$2.14	1
Sorghum	NE	Celaya, GJ	$7,345	$284	$77.95	$1.98	4
	KS	Queretaro, QA	$7,819	$174	$81.67	$2.07	4
	NE	Salinas Victoria, NL	$6,452	$140	$67.35	$1.71	5
	NE	Torreon, CU	$6,790	$221	$71.63	$1.82	4

[1]Rates are based upon published tariff rates for high-capacity shuttle trains. Shuttle trains are available for qualified shipments of 75--110 cars that meet railroad efficiency requirements.

[2]Fuel surcharge adjusted to reflect the change in Ferrocarril Mexicano, S.A. de C.V railroad fuel surcharge policy as of 10/01/2009

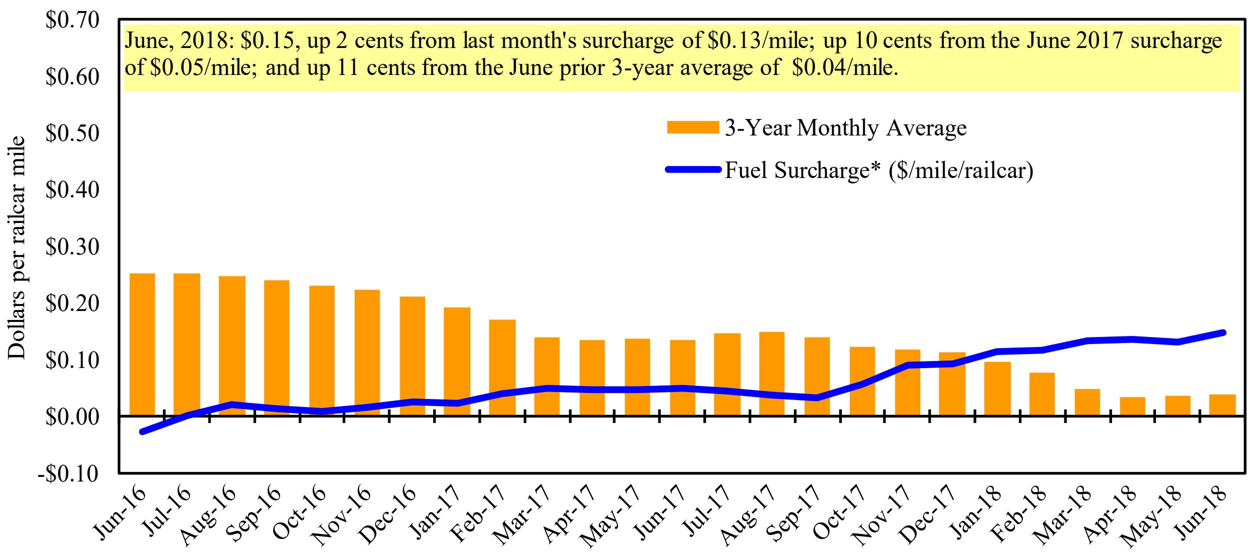
[3]Approximate load per car = 97.87 metric tons: Corn & Sorghum 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

[4]Percentage change calculated using tariff rate plus fuel surchage

Sources: www.bnsf.com, www.uprr.com, www.kcsouthern.com

Figure 7

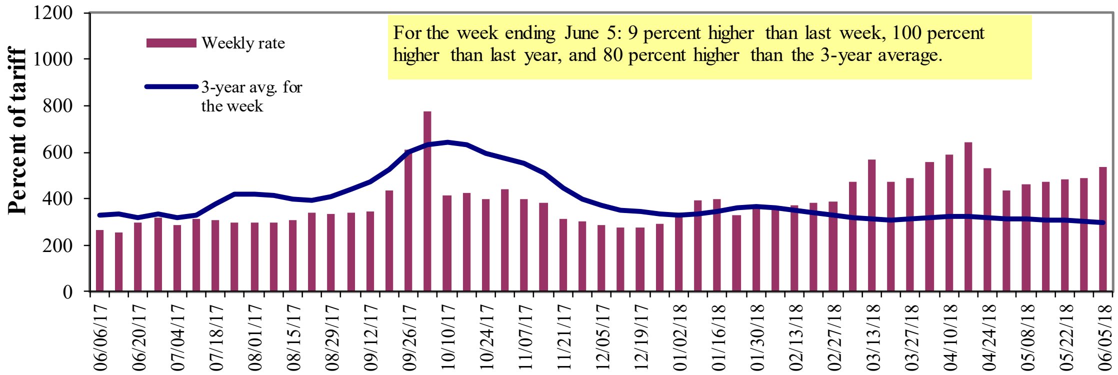
Railroad Fuel Surcharges, North American Weighted Average[1]



[1] Weighted by each Class I railroad's proportion of grain traffic for the prior year.
* Beginning January 2009, the Canadian Pacific fuel surcharge is computed by a monthly average of the bi-weekly fuel surcharge.
**CSX strike price changed from $2.00/gal. to $3.75/gal. starting January 1, 2015.
Sources: www.bnsf.com, www.cn.ca, www.cpr.ca, www.csx.com, www.kcsi.com, www.nscorp.com, www.uprr.com

Barge Transportation

Figure 8
Illinois River Barge Freight Rate[1,2]



[1]Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); [2]4-week moving average of the 3-year average.
Source: Transportation & Marketing Programs/AMS/USDA

Table 9
Weekly Barge Freight Rates: Southbound Only

		Twin Cities	Mid-Mississippi	Lower Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo-Memphis
Rate[1]	6/5/2018	575	558	535	438	413	413	375
	5/29/2018	533	497	490	343	345	345	292
$/ton	6/5/2018	35.59	29.69	24.82	17.48	19.37	16.69	11.78
	5/29/2018	32.99	26.44	22.74	13.69	16.18	13.94	9.17
Current week % change from the same week:								
	Last year	73	105	100	136	106	106	124
	3-year avg. [2]	58	82	80	113	102	102	99
Rate[1]	July	538	500	500	450	363	363	350
	September	542	525	525	463	525	525	450

[1]Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); [2]4-week moving average; ton = 2,000 pounds; "-" = no quote
Source: Transportation & Marketing Programs/AMS/USDA

Figure 9
Benchmark tariff rates

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

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map.

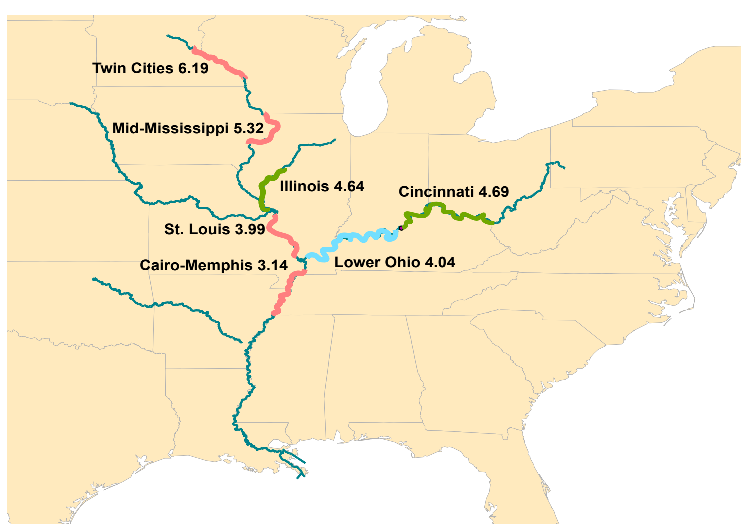
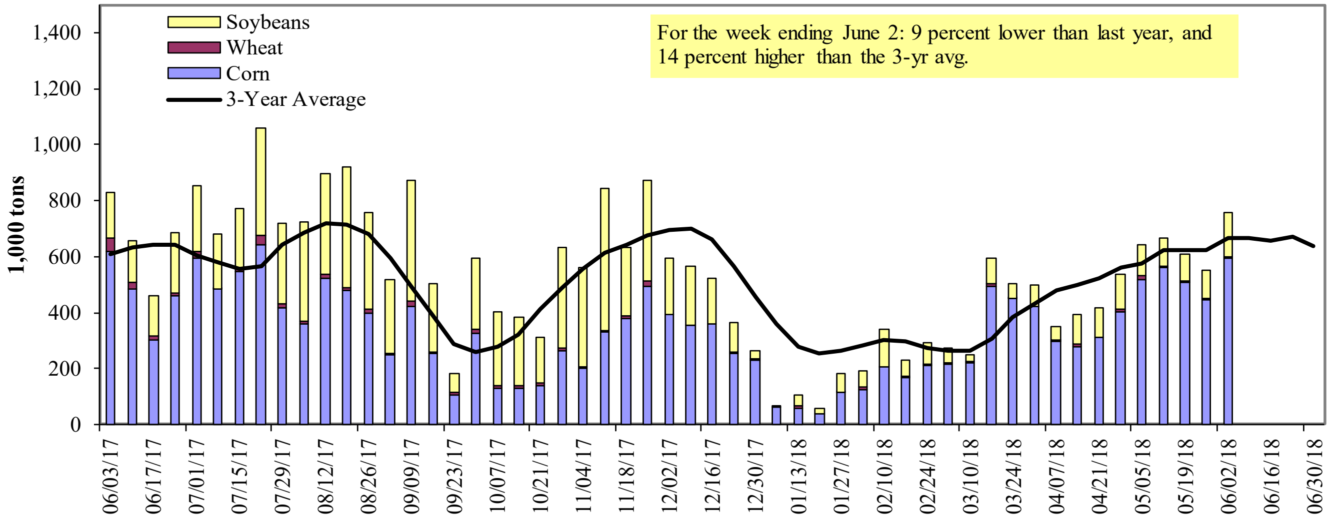


Figure 10

Barge Movements on the Mississippi River[1] (Locks 27 - Granite City, IL)



[1] The 3-year average is a 4-week moving average.

Source: U.S. Army Corps of Engineers

Table 10

Barge Grain Movements (1,000 tons)

For the week ending 06/02/2018	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	326	3	112	0	441
Winfield, MO (L25)	438	5	105	2	549
Alton, IL (L26)	603	5	157	2	765
Granite City, IL (L27)	592	5	160	2	758
Illinois River (L8)	175	0	43	0	218
Ohio River (L52)	101	18	59	0	177
Arkansas River (L1)	1	7	34	0	42
Weekly total - 2018	694	29	252	2	977
Weekly total - 2017	691	59	203	4	956
2018 YTD[1]	8,962	651	4,519	60	14,191
2017 YTD	10,680	917	5,192	150	16,939
2018 as % of 2017 YTD	84	71	87	40	84
Last 4 weeks as % of 2017[2]	107	64	98	31	102
Total 2017	22,242	2,210	16,123	360	40,936

[1] Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

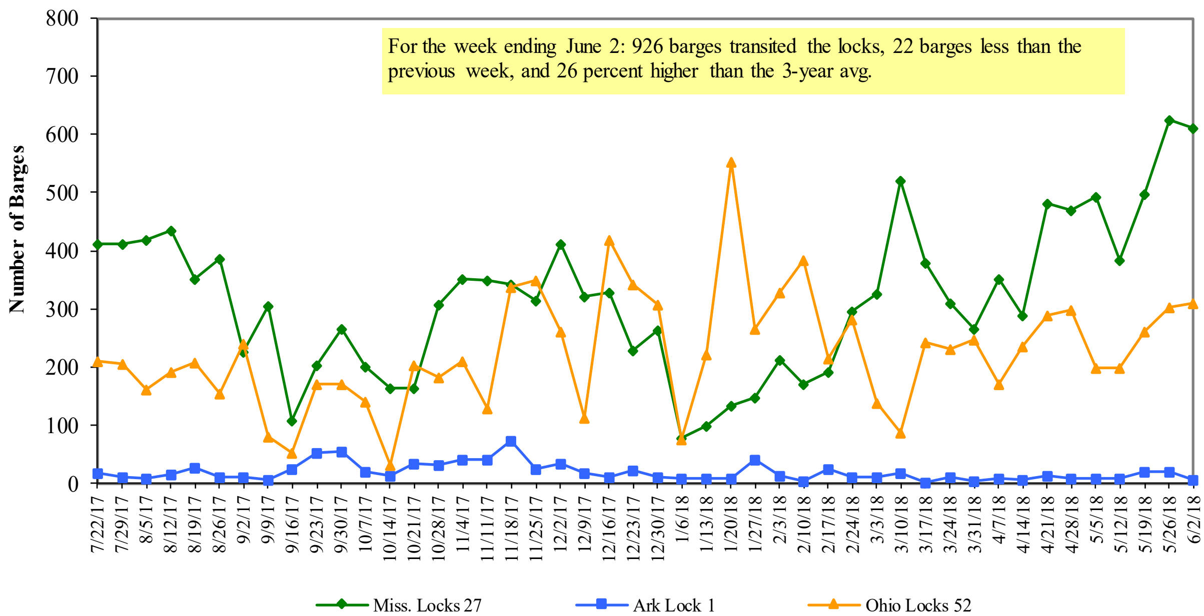
[2] As a percent of same period in 2017.

Note: Total may not add exactly, due to rounding.

Source: U.S. Army Corps of Engineers

Figure 11

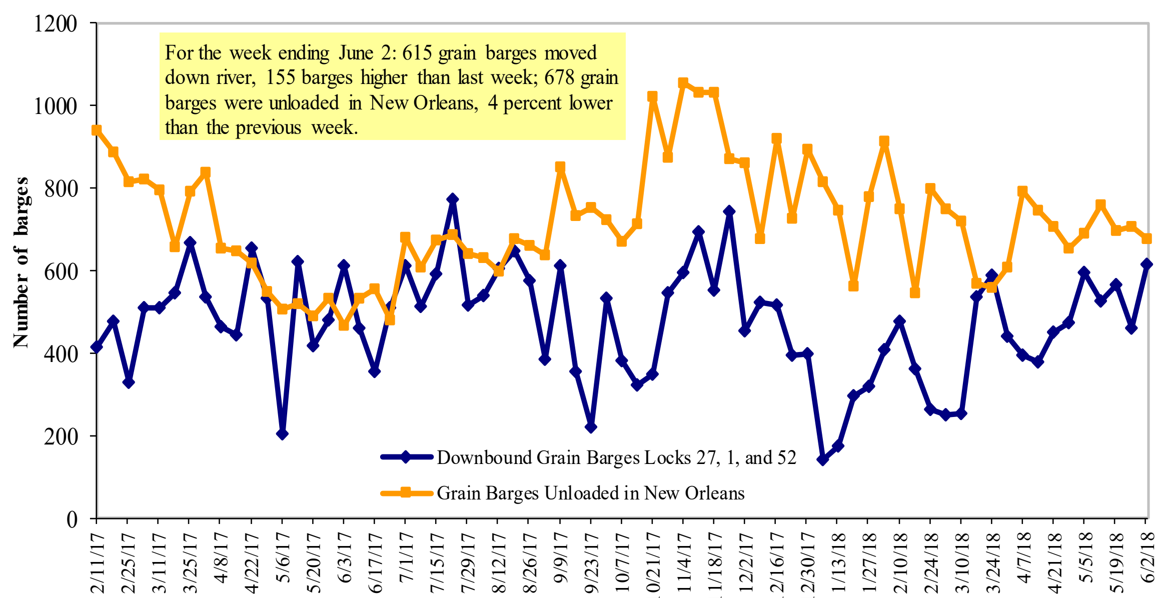
Upbound Empty Barges Transiting Mississippi River Locks 27, Arkansas River Lock and Dam 1, and Ohio River Locks and Dam 52



Source: U.S. Army Corps of Engineers

Figure 12

Grain Barges for Export in New Orleans Region



Source: U.S. Army Corps of Engineers and GIPSA

Truck Transportation

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 11

Retail on-Highway Diesel Prices, Week Ending 6/4/2018 (US $/gallon)

Region	Location	Price	Change from Week ago	Change from Year ago
I	East Coast	3.282	-0.005	0.683
	New England	3.302	-0.005	0.678
	Central Atlantic	3.442	-0.001	0.698
	Lower Atlantic	3.166	-0.008	0.676
II	Midwest[2]	3.224	-0.006	0.719
III	Gulf Coast[3]	3.055	0.001	0.638
IV	Rocky Mountain	3.359	0.006	0.695
V	West Coast	3.784	0.000	0.948
	West Coast less California	3.508	-0.006	0.784
	California	4.003	0.006	1.076
Total	U.S.	3.285	-0.003	0.721

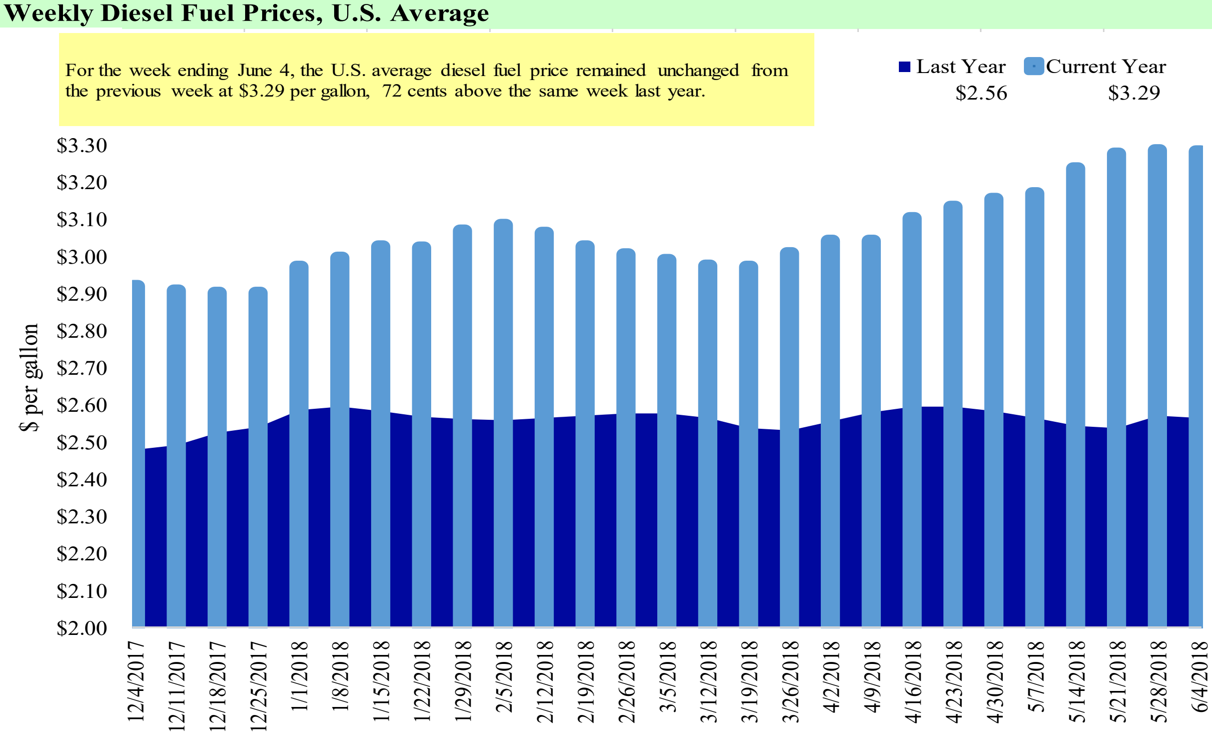
[1]Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

[2]Same as North Central [3]Same as South Central

Source: Energy Information Administration/U.S. Department of Energy (www.eia.doe.gov)

Figure 13

Weekly Diesel Fuel Prices, U.S. Average



Source: Retail On-Highway Diesel Prices, Energy Information Administration, Dept. of Energy

Grain Exports

Table 12

U.S. Export Balances and Cumulative Exports (1,000 metric tons)

	Wheat						Corn	Soybeans	Total
For the week ending	HRW	SRW	HRS	SWW	DUR	All wheat			
Export Balances[1]									
5/24/2018	262	236	558	477	22	1,555	16,907	9,377	27,840
This week year ago	820	241	649	574	44	2,328	11,804	7,282	21,413
Cumulative exports-marketing year[2]									
2017/18 YTD	9,044	2,304	5,614	4,843	384	22,188	37,557	46,088	105,834
2016/17 YTD	11,096	2,285	7,923	4,254	484	26,042	41,864	51,156	119,062
YTD 2017/18 as % of 2016/17	82	101	71	114	79	85	90	90	89
Last 4 wks as % of same period 2016/17	54	126	114	99	50	89	153	141	142
2016/17 Total	11,096	2,285	7,923	4,254	484	26,042	41,864	51,156	119,062
2015/16 Total	5,538	3,057	6,285	3,551	670	19,101	45,564	49,821	114,486

[1] Current unshipped (outstanding) export sales to date

[2] Shipped export sales to date; new marketing year now in effect for wheat, corn, and soybeans

Note: YTD = year-to-date. Marketing Year: wheat = 6/01-5/31, corn & soybeans = 9/01-8/31

Source: Foreign Agricultural Service/USDA (www.fas.usda.gov)

Table 13

Top 5 Importers[1] of U.S. Corn

For the week ending 5/24/2018	Total Commitments[2]			% change current MY from last MY	Exports[3] 3-year avg 2014-2016
	2018/19 Next MY	2017/18 Current MY	2016/17 Last MY		
		- 1,000 mt -			
Mexico	1,503	13,662	12,804	7	12,297
Japan	753	10,464	10,802	(3)	11,450
Korea	0	4,621	5,525	(16)	4,494
Colombia	0	4,164	3,969	5	4,179
Peru	21	2,768	2,780	(0)	2,693
Top 5 Importers	**2,276**	**35,679**	**35,879**	**(1)**	**35,113**
Total US corn export sales	**2,653**	**54,465**	**53,668**	**1**	**49,308**
% of Projected		96%	92%		
Change from prior week[2]	**149**	**993**	**412**		
Top 5 importers' share of U.S. corn export sales	86%	66%	67%		71%
USDA forecast, May 2018	**53,435**	**56,616**	**58,346**	**(3)**	
Corn Use for Ethanol USDA forecast, May 2018	**142,875**	**141,605**	**137,973**	**3**	

(n) indicates negative number.

[1]Based on FAS Marketing Year Ranking Reports for 2016/17 - www.fas.usda.gov; Marketing year (MY) = Sep 1 - Aug 31.

[2]Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report, or Export Sales Query--http://www.fas.usda.gov/esrquery/. Total commitments change (net sales) from prior week could include revisions from previous week's outstanding sales or accumulated sales.

[3]FAS Marketing Year Ranking Reports - http://apps.fas.usda.gov/export-sales/myrkaug.htm; 3-yr average

Table 14

Top 5 Importers[1] of U.S. Soybeans

For the week ending 5/24/2018	Total Commitments[2] 2018/19 Next MY	2017/18 Current MY	2016/17 Last MY	% change current MY from last MY	Exports[3] 3-yr avg. 2014-2016
		- 1,000 mt -			- 1,000 mt -
China	1,458	28,691	36,069	(20)	31,881
Mexico	505	4,229	3,500	21	3,452
Indonesia	55	2,148	1,946	10	1,987
Japan	118	2,021	2,079	(3)	2,067
Netherlands	0	1,593	1,553	3	2,098
Top 5 importers	**2,136**	**38,683**	**45,147**	**(14)**	**41,486**
Total US soybean export sales	**6,328**	**55,465**	**58,438**	**(5)**	**52,919**
% of Projected	10%	99%	99%		
Change from prior week[2]	**772**	**273**	**610**		
Top 5 importers' share of U.S. soybean export sales	34%	70%	77%		**78%**
USDA forecast, May 2018	**62,398**	**56,267**	**59,237**	**95**	

(n) indicates negative number.

[1]Based on FAS Marketing Year Ranking Reports for 2016/17 - www.fas.usda.gov; Marketing year (MY) = Sep 1 - Aug 31.

[2]Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report, or Export Sales Query--http://www.fas.usda.gov/esrquery/. The total commitments change (net sales) from prior week could include reivisions from previous week's outstanding sales and/or accumulated sales

[3] FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm. (Carryover plus Accumulated Exports)

Table 15

Top 10 Importers[1] of All U.S. Wheat

For the week ending 5/24/2018	Total Commitments[2] 2018/19 Next MY	2017/18 Current MY	2016/17 Last MY	% change current MY from last MY	Exports[3] 3-yr avg 2014-2016
		- 1,000 mt -			- 1,000 mt -
Japan	360	2,931	2,831	4	2,620
Mexico	281	2,967	3,334	(11)	2,743
Philippines	264	2,604	2,687	(3)	2,395
Brazil	30	128	1,215	(89)	862
Nigeria	110	1,201	1,632	(26)	1,254
Korea	281	1,602	1,398	15	1,104
China	0	902	1,583	(43)	1,623
Taiwan	155	1,140	1,097	4	768
Indonesia	100	1,141	1,204	(5)	726
Colombia	16	685	858	(20)	635
Top 10 importers	**1,596**	**15,301**	**17,838**	(14)	**14,729**
Total US wheat export sales	**2,669**	**23,743**	**28,369**	**(16)**	**22,804**
% of Projected	11%	96%	99%		
Change from prior week[2]	**271**	**30**	**(29)**		
Top 10 importers' share of U.S. wheat export sales	60%	64%	63%		65%
USDA forecast, May 2018	**25,204**	**24,796**	**28,747**	(14)	

(n) indicates negative number.

[1] Based on FAS Marketing Year Ranking Reports for 2016/17 - www.fas.usda.gov; Marketing year = Jun 1 - May 31.

[2] Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report, or Export Sales Query--http://www.fas.usda.gov/esrquery/. Total commitments change (net sales) from prior week could include revisions from the previous week's outstanding and/or accumulated sales

[3] FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 16

Grain Inspections for Export by U.S. Port Region (1,000 metric tons)

Port Regions	For the Week Ending 05/31/18	Previous Week*	Current Week as % of Previous	2018 YTD*	2017 YTD*	2018 YTD as % of 2017 YTD	Last 4-weeks as % of: Last Year	Last 4-weeks as % of: Prior 3-yr. avg.	2017 Total*
Pacific Northwest									
Wheat	167	276	60	5,088	6,476	79	67	94	14,805
Corn	595	444	134	9,315	7,043	132	118	201	10,928
Soybeans	139	234	59	4,685	4,231	111	249	726	13,246
Total	**901**	**954**	**94**	**19,088**	**17,750**	**108**	**109**	**177**	**38,978**
Mississippi Gulf									
Wheat	45	32	139	1,806	2,128	85	59	73	4,198
Corn	724	977	74	14,720	15,626	94	136	122	28,690
Soybeans	277	245	113	10,159	10,929	93	223	235	32,911
Total	**1,046**	**1,254**	**83**	**26,685**	**28,683**	**93**	**141**	**135**	**65,800**
Texas Gulf									
Wheat	95	56	170	1,777	3,006	59	44	61	6,354
Corn	73	0	n/a	337	376	90	205	234	733
Soybeans	12	0	n/a	12	0	n/a	n/a	n/a	292
Total	**179**	**56**	**321**	**2,126**	**3,382**	**63**	**60**	**83**	**7,379**
Interior									
Wheat	38	61	62	688	783	88	109	138	1,727
Corn	113	223	51	3,571	3,471	103	109	125	8,758
Soybeans	133	118	113	2,724	2,175	125	159	215	5,508
Total	**284**	**402**	**71**	**6,983**	**6,429**	**109**	**124**	**149**	**15,993**
Great Lakes									
Wheat	16	44	36	220	209	105	86	99	711
Corn	23	16	141	132	45	295	n/a	276	192
Soybeans	21	0	n/a	72	104	69	140	160	890
Total	**59**	**61**	**98**	**425**	**358**	**119**	**146**	**143**	**1,793**
Atlantic									
Wheat	0	0	n/a	64	37	173	0	0	46
Corn	0	15	0	67	5	n/a	n/a	723	32
Soybeans	6	13	46	960	862	111	327	316	2,001
Total	**6**	**27**	**21**	**1,091**	**904**	**121**	**415**	**274**	**2,079**
U.S. total from ports*									
Wheat	359	469	77	9,643	12,639	76	64	86	27,841
Corn	1,528	1,676	91	28,144	26,565	106	128	144	49,333
Soybeans	587	609	96	18,611	18,302	102	212	280	54,847
Total	**2,474**	**2,754**	**90**	**56,397**	**57,506**	**98**	**121**	**147**	**132,021**

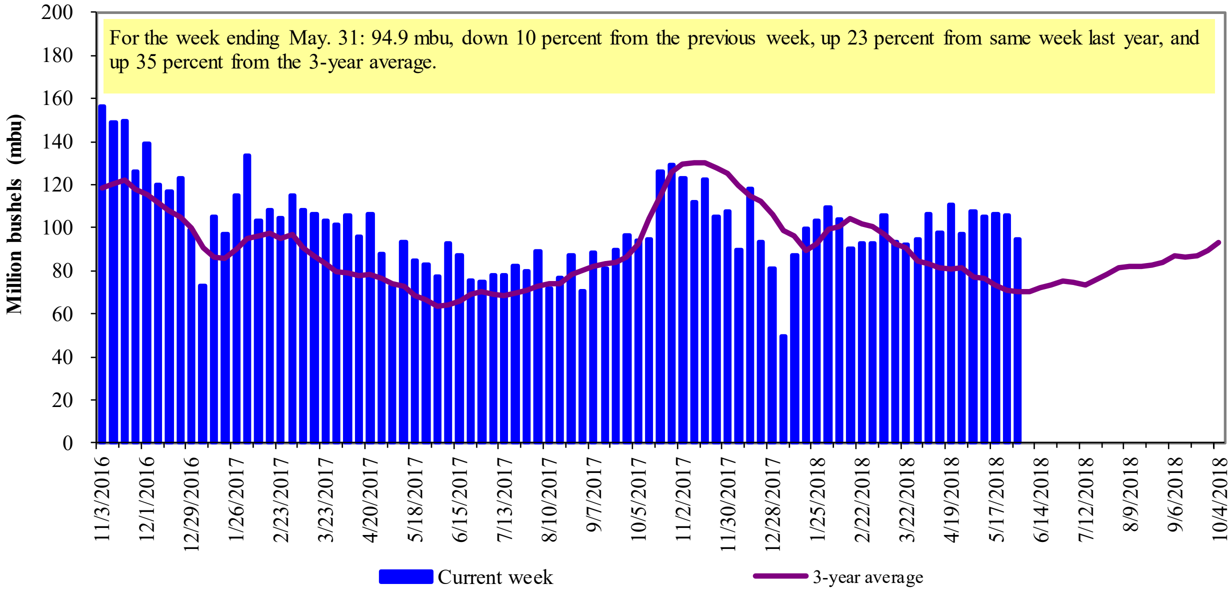
*Data includes revisions from prior weeks; some regional totals may not add exactly due to rounding.

Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov); YTD= year-to-date; n/a = not applicable

The United States exports approximately one-quarter of the grain it produces. On average, this includes nearly 45 percent of U.S.-grown wheat, 50 percent of U.S.-grown soybeans, and 20 percent of the U.S.-grown corn. Approximately 55 percent of the U.S. export grain shipments departed through the U.S. Gulf region in 2017.

Figure 14

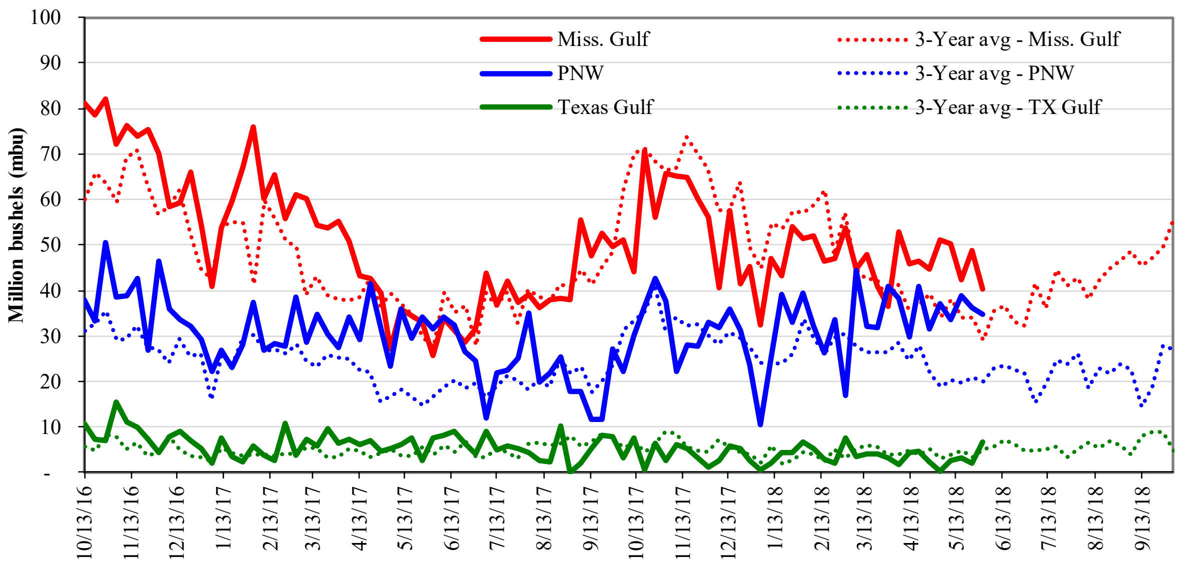
U.S. grain inspected for export (wheat, corn, and soybeans)



Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)
Note: 3-year average consists of 4-week running average

Figure 15

U.S. Grain Inspections: U.S. Gulf and PNW[1] (wheat, corn, and soybeans)



Week ending 05/31/18 inspections (mbu):		Percent change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Mississippi Gulf:	40.3	Last Week:	down 17	up 230	down 7	down 4
PNW:	34.7	Last Year (same week):	up 57	down 10	up 41	up 10
Texas Gulf:	6.8	3-yr avg. (4-wk. mov. Avg):	up 19	up 55	up 24	up 72

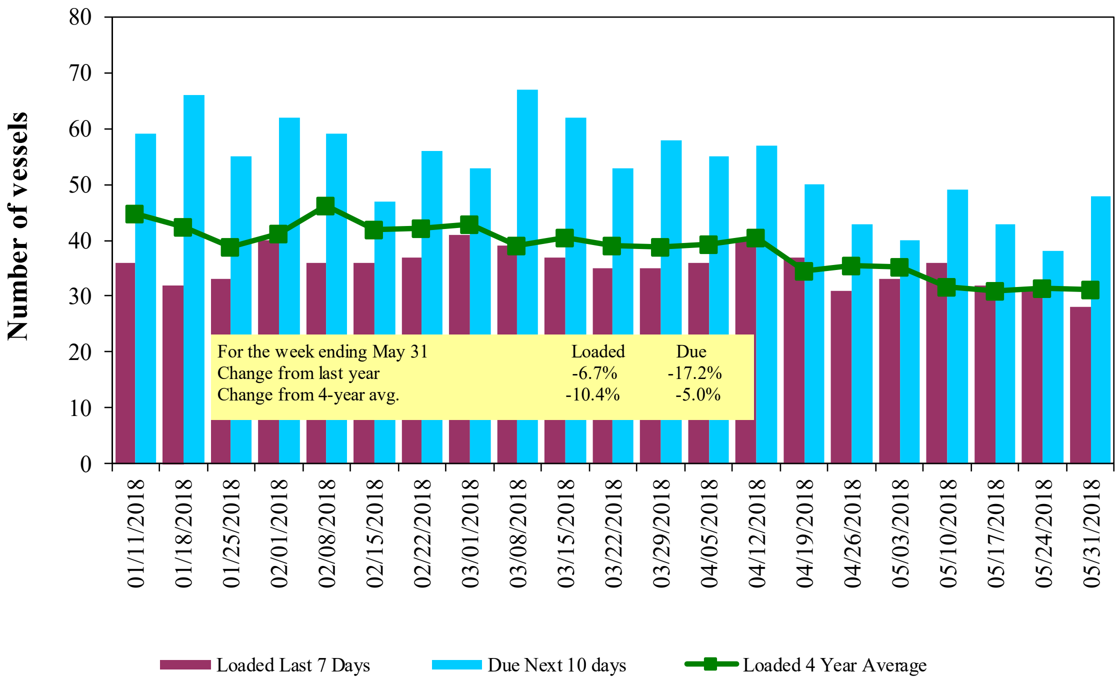
Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

Table 17
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

	Gulf			Pacific Northwest
Date	In port	Loaded 7-days	Due next 10-days	In port
5/31/2018	29	28	48	18
5/24/2018	40	31	38	18
2017 range	(25..66)	(28..54)	(37..87)	(5..44)
2017 avg.	46	38	56	20

Source: Transportation & Marketing Programs/AMS/USDA

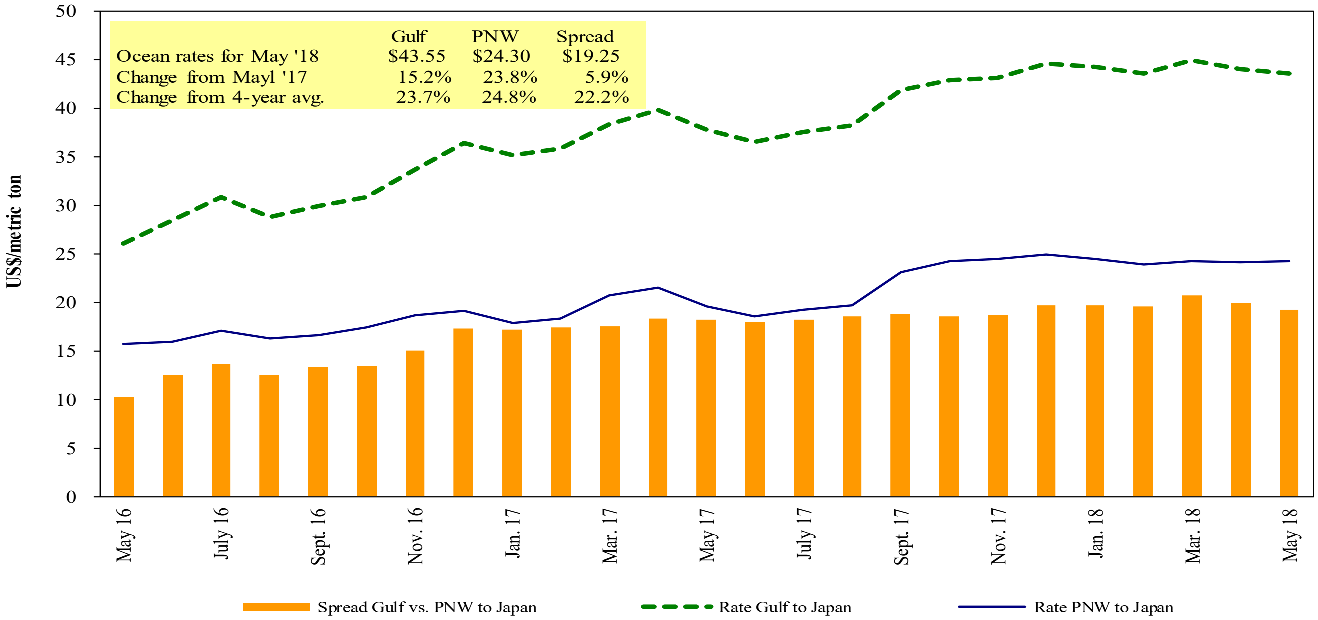
Figure 16
U.S. Gulf Vessel Loading Activity



Source:Transportation & Marketing Programs/AMS/USDA
[1]U.S. Gulf includes Mississippi, Texas, and East Gulf.

Figure 17

Grain Vessel Rates, U.S. to Japan



Data Source: O'Neil Commodity Consulting

Table 18

Ocean Freight Rates For Selected Shipments, Week Ending 06/02/2018

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US$/metric ton)
U.S. Gulf	Djibouti	Sorghum	Apr 16/26	18,200	69.87*
U.S. Gulf	Rotterdam	Heavy Grain	Apr 17/30	65,000	21.00
U.S. Gulf	Somalia	Sorghum	Apr 16/26	40,000	130.77*
PNW	Bangladesh	Wheat	Apr 6/16	43,500	63.35*
Brazil	China	Heavy Grain	Jun 22/30	60,000	33.75
Brazil	China	Heavy Grain	Jun 20/30	60,000	33.25
Brazil	China	Heavy Grain	Jun 20/26	60,000	32.50
Brazil	China	Heavy Grain	Jun 12/20	66,000	30.75
Brazil	China	Heavy Grain	May 26/Jun 2	66,000	31.50
Brazil	China	Heavy Grain	May 20/30	60,000	30.75
Brazil	China	Heavy Grain	May 3/31	60,000	35.50
Brazil	China	Heavy Grain	Apr 25/30	60,000	35.00
Brazil	China	Heavy Grain	Apr 20/30	60,000	34.00
Brazil	China	Heavy Grain	Apr 3/12	66,000	36.25

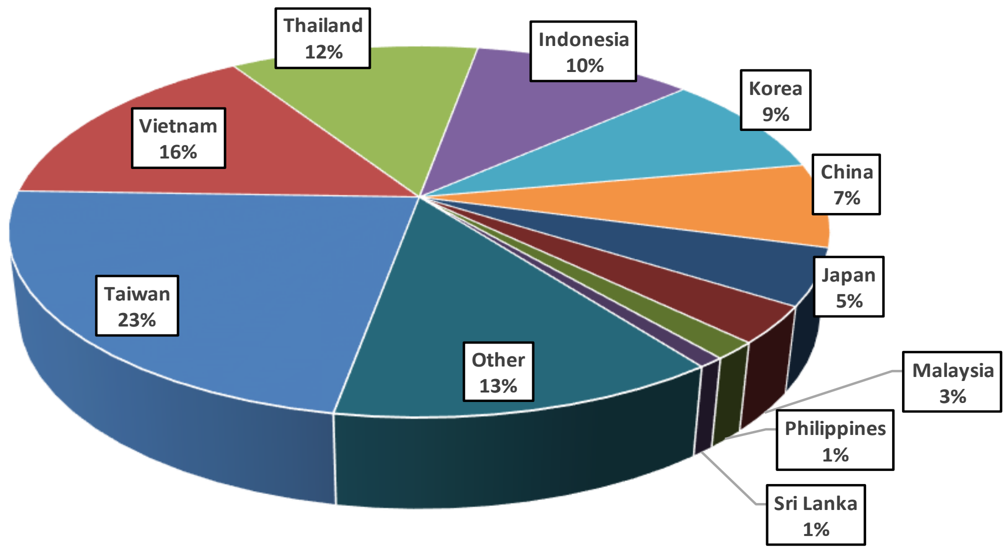
Rates shown are per metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicated; op = option

*50 percent of food aid from the United States is required to be shipped on U.S.-flag vessels.

Source: Maritime Research Inc. (www.maritime-research.com)

In 2017, containers were used to transport 7 percent of total U.S. waterborne grain exports. Approximately 62 percent of U.S. waterborne grain exports in 2017 went to Asia, of which 10 percent were moved in containers. Approximately 93 percent of U.S. waterborne containerized grain exports were destined for Asia.

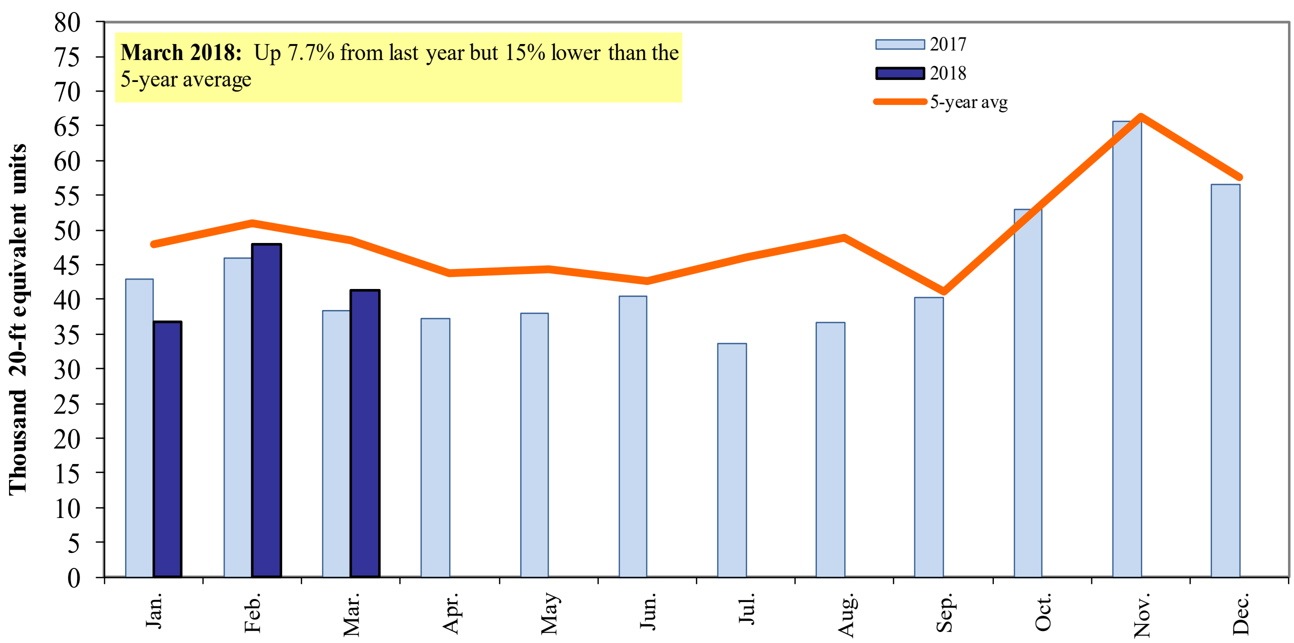
Figure 18
Top 10 Destination Markets for U.S. Containerized Grain Exports, January-March 2018



Source: USDA/Agricultural Marketing Service/Transportation Services Division analysis of Port Import Export Reporting Service (PIERS) data

Note: The following Harmonized Tariff Codes are used to calculate containerized grains movements: 100190, 100200, 100300, 100400, 100590, 100700, 110100, 230310, 110220, 110290, 120100, 230210, 230990, 230330, and 120810.

Figure 19
Monthly Shipments of Containerized Grain to Asia



Source: USDA/Agricultural Marketing Service/Transportation Services Division analysis of Port Import Export Reporting Service (PIERS) data.

Note: The following Harmonized Tariff Codes are used to calculate containerized grains movements: 100190, 100200, 100300, 100400, 100590, 100700, 110100, 110220, 110290, 120100, 120810, 230210, 230310, 230330, and 230990.

Contacts and Links

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