



Grain Transportation Report

A weekly publication of the Agricultural Marketing Service
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June 28, 2018

WEEKLY HIGHLIGHTS

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High Water May Impend Recent Surge in Grain Barge Shipments

For the week ending June 21, grain barge tonnages on the locking portions of the Mississippi, Ohio, and Arkansas rivers were 1.1 million tons, continuing a three-week trend of tonnages exceeding 1 million tons per week. The recent surge has occurred as operating conditions have improved on most segments of the system, along with an increased demand for export corn. However, high water conditions are reoccurring on some parts of the Upper Mississippi and Illinois rivers, which might disrupt grain shipments. Year-to-date tonnages have been about 8 percent lower than last year and 1 percent lower than the 3-year average for the comparable time period.

Weekly Grain Inspections Recede

For the week ending June 21, **total inspections of grain** (corn, wheat, and soybeans) for export from all major U.S. export regions reached 2.4 million metric tons, down 17 percent from the previous week, up 21 percent from last year, and 25 percent above the 3-year average. Inspections of each of the three major grains were down from the past week, with soybean inspections dropping 37 percent due to smaller shipments to Europe. Total grain inspections in the Pacific Northwest (PNW) decreased 9 percent from week to week, while Mississippi Gulf inspections decreased 26 percent. Despite the decreases, year-to-date inspections of grain are equal to the same time last year, and inspections during the last four weeks have remained strong. Outstanding export sales are up for wheat, but are down for corn and soybeans.

Diesel Prices Decreased for Fifth Consecutive Week

The average retail price of diesel decreased for a fifth consecutive week. Average prices decreased 7 cents—from \$3.29 per gallon for the week ending May 28 to \$3.22 in the week ending June 25—the lowest point in the past seven weeks. Nonetheless, diesel remains more expensive, at 75 cents per gallon, compared to the same period last year. According to the latest [Short-Term Energy Outlook](#) by the Energy Information Agency (EIA), U.S. crude oil production averaged 10.7 million barrels per day in May, up 700,000 barrels from the daily average in 2017. EIA also reported the consumption of U.S. distillates, like diesel, was 4.0 million barrels per day in the same month—the highest for the month since 2007. Further, EIA said retail prices may fluctuate in accordance with oil futures [due to recovering inventories](#), increased U.S. diesel demand, and a recent announcement by the Organization of the Petroleum Exporting Countries to [revamp production](#) by 52 percent by July 1st. Crude oil prices represented 50 percent of the price paid at the pump in May.

Snapshots by Sector

Export Sales

For the week ending June 14, **unshipped balances** of wheat, corn, and soybeans totaled 26.7 mmt, up 18 percent from the same time last year. Net weekly **wheat export sales** were .462 mmt, up 53 percent from the previous week. Net **corn export sales** were .166 mmt, down 82 percent from the previous week. Net **soybean export sales** were .302 mmt, down 42 percent from the previous week.

Rail

U.S. Class I railroads originated 23,086 **grain carloads** for the week ending June 16, down 1 percent from the previous week, up 6 percent from last year, and 7 percent above the 3-year average.

Average July shuttle **secondary railcar** bids/offers per car were \$317 above tariff for the week ending June 21, up \$33 from last week, and \$473 higher than last year. There were no non-shuttle bids/offers this week.

Barge

For the week ending June 23, **barge grain movements** totaled 1,069,484 tons, 10 percent lower than the previous week and up 33 percent from the same period last year.

For the week ending June 23, 730 grain barges **moved down river**, 29 barges less than the previous week. There were 806 grain barges **unloaded in New Orleans**, 31 percent higher than the previous week.

Ocean

For the week ending June 21, 29 **ocean-going grain vessels** were loaded in the Gulf, 9 percent less than the same period last year. Forty-six vessels are expected to be loaded within the next 10 days, 2 percent more than the same period last year.

For the week ending June 21, the ocean freight rate for shipping bulk grain from the Gulf to Japan was \$43.50 per metric ton, 1 percent less than the previous week. The cost of shipping from the PNW to Japan was \$24.75 per metric ton, 1 percent less than the previous week.

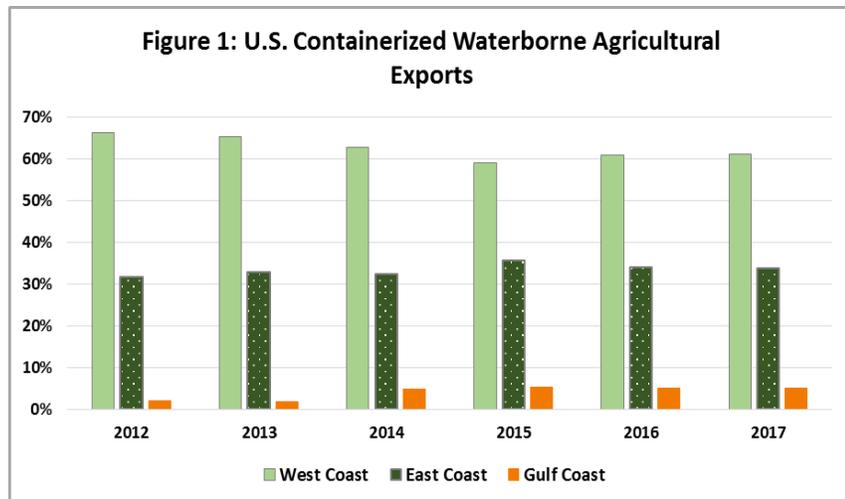
Feature Article/Calendar

U.S. Containerized Agricultural Exporters Encourage Continued Port Productivity

The U.S. agricultural export community relies extensively on the container shipping industry to move its products to international markets. In 2017, 23 percent by tonnage and 46 percent by value of waterborne agricultural exports moved in containers. Since 2008, containerized shipments accounted for more than 20 percent of waterborne agricultural exports by tonnage, with a peak of 28 percent in 2013. In moving this volume of containers exporters rely on all three major coastal regions (East, West and Gulf Coasts) to meet overseas demand. The efficiencies of these gateway ports currently provide a reliable and low-cost supply chain for the export community, but upgrades to port infrastructure are needed to handle the increasing size of container ships being put in service by ocean carriers.

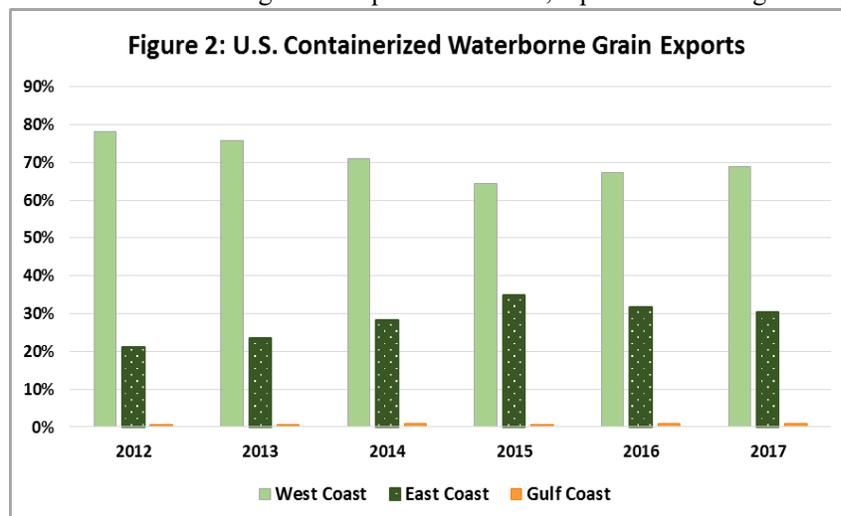
Containerized Agricultural Shipments

West Coast ports move the majority of U.S. agricultural containerized exports, followed by the East Coast, with the Gulf Coast ports moving the rest (see Figure 1).



The percentages, however, have changed, slightly, over the past several years. West Coast ports retain a large market share, but some cargo has shifted to East and Gulf Coast ports. In 2014, shipments through the Gulf Coast jumped from 2 percent to 5 percent of the market and remained at that level through 2017. In 2015, the percent of cargo moved through East Coast ports jumped from 32 percent to 36 percent. This jump was likely a result of the 2014/2015 West Coast port labor dispute. In 2016 and 2017, the East Coast percentages leveled off at 34 percent after the jump in 2015 and the opening of the Panama Canal expansion in 2016.

As the top U.S. containerized export, grain movements show a similar regional port distribution to the overall containerized agriculture picture. In 2017, 7 percent of U.S. grain exports—more than 7.5 million



metric tons—moved in containers. Among the top ten ports for containerized grain exports are five West Coast ports (Los Angeles, CA, Long Beach, CA, Tacoma, WA, Seattle, WA, and Oakland, CA) holding 65 percent of the market share, and five East Coast ports (Norfolk, VA, Savannah, GA, New York, NY, Charleston, SC, and Jacksonville, FL) holding 33 percent.

Overall, Los Angeles and Long Beach have consistently been the top two ports, holding roughly 60 percent of the market share until 2015. However, containerized grain exports from East Coast ports experienced annual percentage increases reaching a peak in 2015 at 35 percent of the market. This percentage fell to 32 and 30 percent in 2016 and 2017, respectively. The Port of Norfolk took the number three ranking in 2013; and has held it firmly since. Additionally, Savannah has overtaken both Seattle and New York over the past few years to find its way into the top five ports. Containerized exports through Gulf Coast ports have remained at 1 percent of the market.

Ports Advancing Efficiencies

Ports play a critical role in the movement of containerized agricultural products and, as a result, can cause costly disruption to the export supply chain if not operating efficiently due to adverse weather or manmade factors such as terminal operations or labor situations. Exporters are concerned the introduction of larger vessels and some terminal consolidations may worsen terminal congestion at the ports. At the recent Agriculture Transportation Coalition Annual Meeting, held June 12-15, 2018, exporters raised concerns about the efficiency of U.S. ports and measures being taken to improve productivity through these important gateways.

Ports and terminal operators around the country are working to increase productivity and efficiency for container movements. For instance, terminals in Los Angeles and Long Beach are working to automate some of the terminal functions to help facilitate the movement of containers. This includes a new online platform developed by the Port of Los Angeles in cooperation with GE Transportation to make terminal operations more transparent to shippers and truckers.

Off-dock facilities are one of the newest avenues for improving terminal operations. These facilities come in two varieties. The first is a facility off-dock, but adjacent to the port terminals, which allows truckers to more quickly drop-off or pick-up equipment such as chassis or empty containers without having to wait in long terminal lines. The second variety is an inland port terminal located some distance from the port and serviced by less costly rail transportation, often daily. Both varieties reduce on-dock terminal traffic for loading container moves. Off-dock terminals are used at several ports around the country and are becoming more popular where the land space is available.

These port improvements are necessary as shippers, ports, and terminal operators prepare to receive mega-ships operating in all major trade lanes, as well as new ships scheduled for delivery this year and in 2019. The U.S. Army Corps of Engineers recently awarded federal funding toward harbor and ship channel deepening projects at ports around the country.¹ These deepening projects will ensure safe passage for the larger container vessels in the water, while ports are working to improve landside infrastructure. april.taylor@ams.usda.gov

¹ See more information about these funding opportunities at, <https://transportation.house.gov/wrda-2018/> and <https://usace.contentdm.oclc.org/digital/collection/p16021coll6/id/2063>.

Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators¹

For the week ending	Truck	Rail		Barge	Ocean	
		Unit Train	Shuttle		Gulf	Pacific
06/27/18	216	276	228	248	195	176
06/20/18	218	276	230	253	197	177

¹Indicator: 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)

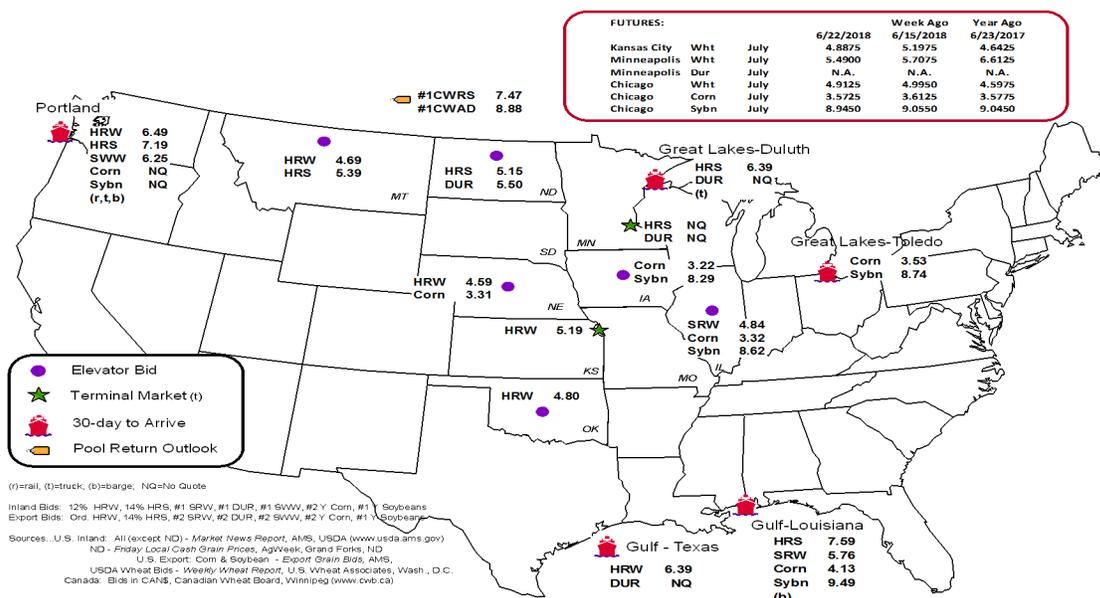
Commodity	Origin--Destination	6/22/2018	6/15/2018
Corn	IL--Gulf	-0.81	-0.79
Corn	NE--Gulf	-0.82	-0.83
Soybean	IA--Gulf	-1.20	-1.21
HRW	KS--Gulf	-1.20	-1.35
HRS	ND--Portland	-2.04	-1.98

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		Pacific	Atlantic &	Total	Week ending	Cross-Border Mexico ³
	Gulf	Texas Gulf	Northwest	East Gulf			
06/20/2018 ^p	559	550	7,916	583	9,608	6/16/2018	2,584
06/13/2018 ^r	236	792	6,628	304	7,960	6/9/2018	3,098
2018 YTD ^r	10,687	31,036	166,388	10,986	219,097	2018 YTD	54,832
2017 YTD ^r	14,581	47,356	152,447	11,265	225,649	2017 YTD	56,582
2018 YTD as % of 2017 YTD	73	66	109	98	97	% change YTD	97
Last 4 weeks as % of 2017 ²	142	33	118	264	104	Last 4wks % 2017	116
Last 4 weeks as % of 4-year avg. ²	320	41	173	254	146	Last 4wks % 4 yr	142
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.

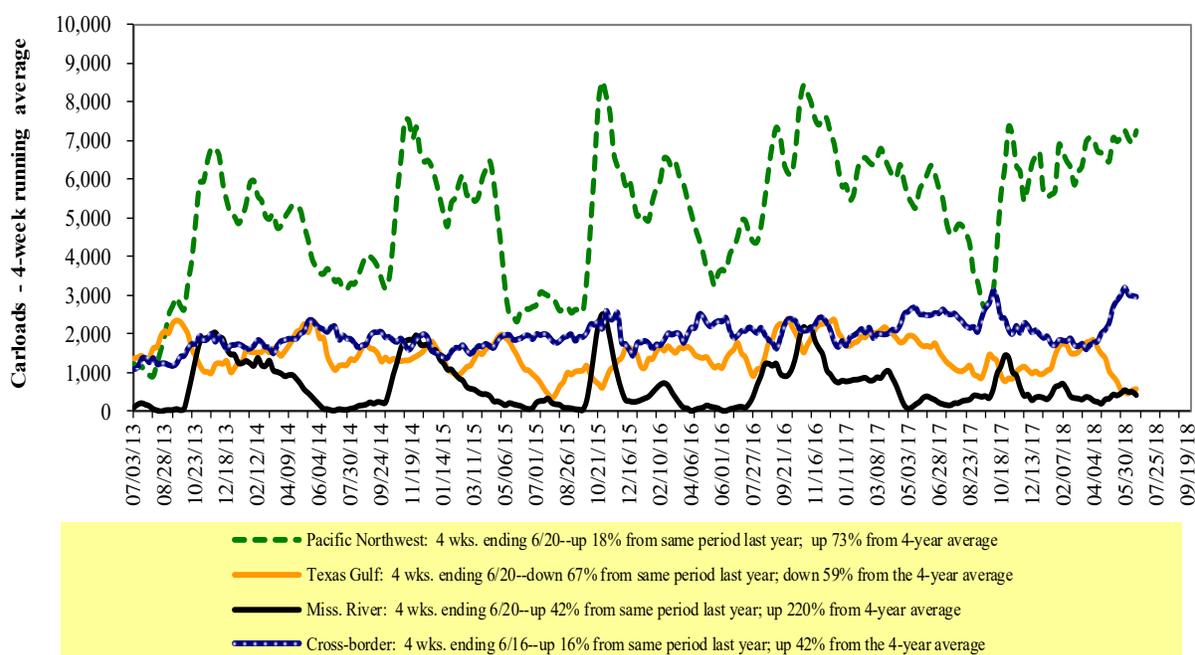
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

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)

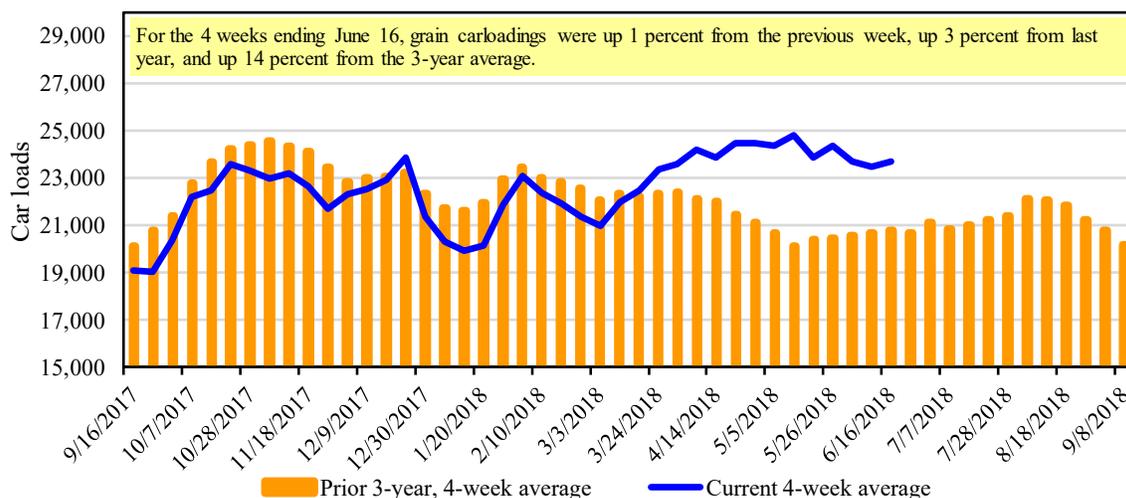
For the week ending: 6/16/2018	East		West			U.S. total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
This week	1,526	2,771	12,316	1,106	5,367	23,086	3,801	5,154
This week last year	1,244	3,003	11,045	848	5,539	21,679	3,342	6,202
2018 YTD	46,299	60,084	298,558	22,927	126,513	554,381	90,344	110,819
2017 YTD	42,767	67,191	278,563	22,905	143,573	554,999	92,760	106,122
2018 YTD as % of 2017 YTD	108	89	107	100	88	100	97	104
Last 4 weeks as % of 2017*	123	95	106	120	93	103	114	107
Last 4 weeks as % of 3-yr avg.**	113	92	126	120	101	114	117	118
Total 2017	89,465	142,829	578,964	50,223	289,574	1,151,055	198,610	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 Offerings¹ (\$/car)²

For the week ending: 6/21/2018		Delivery period							
		Jul-18	Jul-17	Aug-18	Aug-17	Sep-18	Sep-17	Oct-18	Oct-17
BNSF ³	COT grain units	no offer	0	0	no bids	0	no bids	no bids	no bids
	COT grain single-car ⁵	no offer	0	0	0	0	0	14	0
UP ⁴	GCAS/Region 1	no offer	no bids	no bids	no bids	no offer	no offer	n/a	n/a
	GCAS/Region 2	no offer	no bids	no bids	no bids	no offer	no offer	n/a	n/a

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

²Average premium/discount to tariff, last auction

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

⁴UP - GCAS = Grain Car Allocation System

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

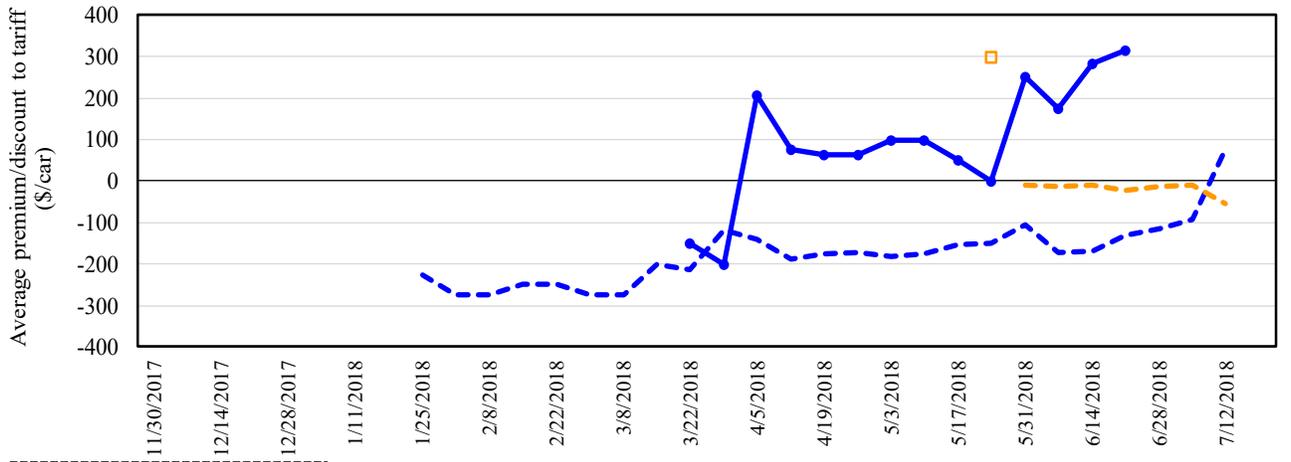
Region 2 includes: CO, IA, KS, MN, NE, WY, and Kansas City and St. Joseph, MO.

⁵Range 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 July 2018, Secondary Market



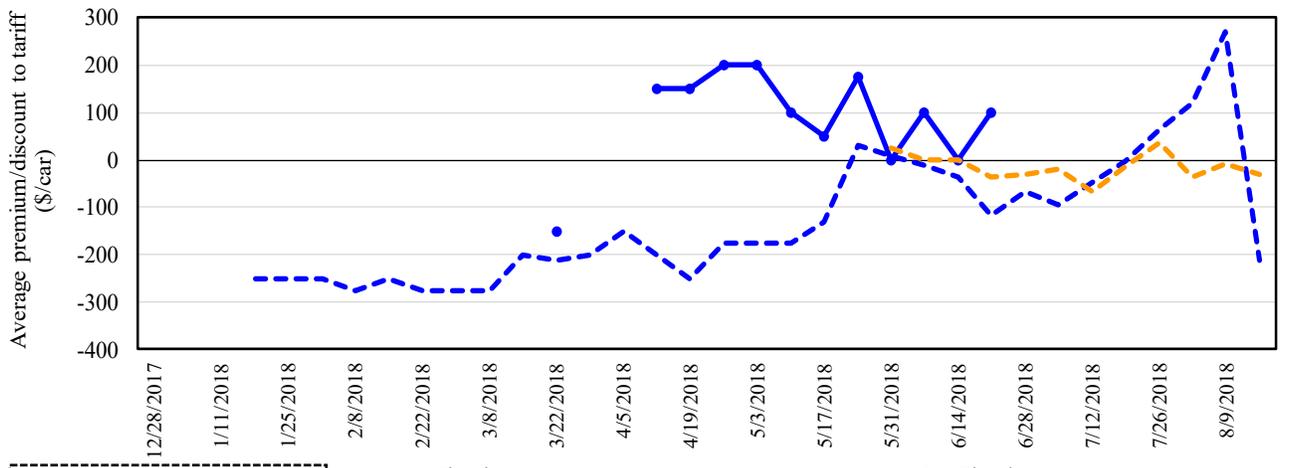
6/21/2018	BNSF	UP
Non-Shuttle	n/a	n/a
Shuttle	\$458	\$175

—●— 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 \$33 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 5
Bids/Offers for Railcars to be Delivered in August 2018, Secondary Market



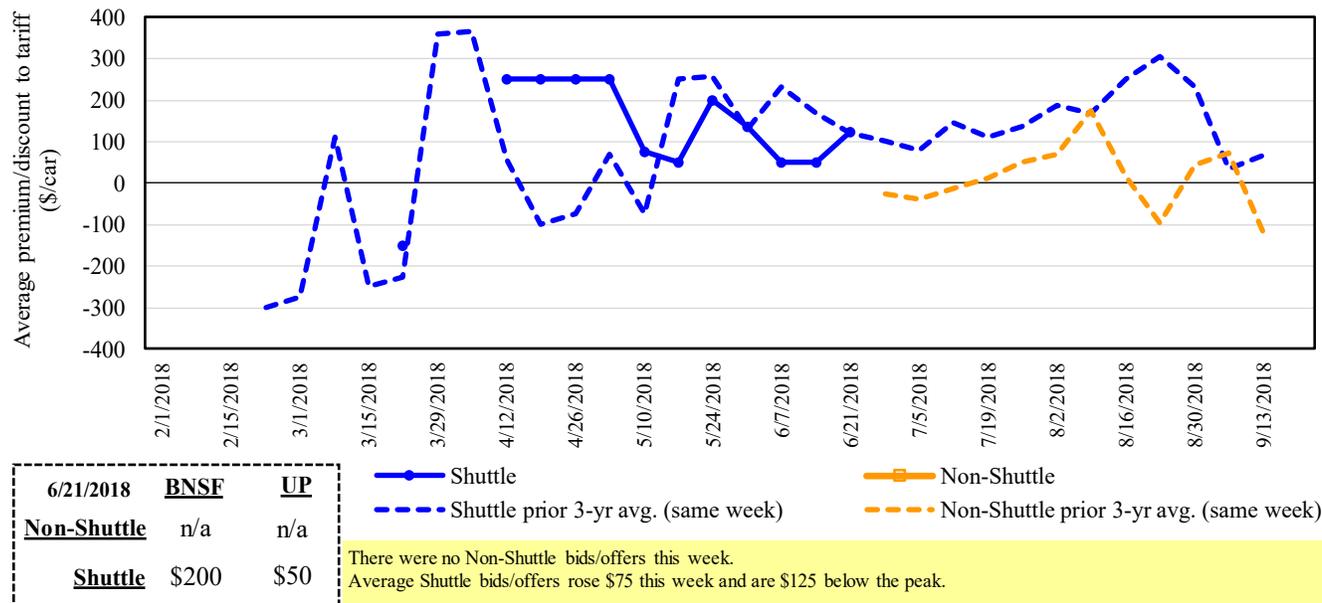
6/21/2018	BNSF	UP
Non-Shuttle	n/a	n/a
Shuttle	\$200	\$0

—●— 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 \$100 this week and are \$100 below 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 September 2018, Secondary Market



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:		Delivery period					
		6/21/2018	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18
Non-shuttle	BNSF-GF	n/a	n/a	n/a	n/a	n/a	n/a
	Change from last week	n/a	n/a	n/a	n/a	n/a	n/a
	Change from same week 2017	n/a	n/a	n/a	n/a	n/a	n/a
	UP-Pool	n/a	n/a	n/a	n/a	n/a	n/a
	Change from last week	n/a	n/a	n/a	n/a	n/a	n/a
	Change from same week 2017	n/a	n/a	n/a	n/a	n/a	n/a
Shuttle	BNSF-GF	458	200	200	n/a	350	n/a
	Change from last week	175	n/a	n/a	n/a	0	n/a
	Change from same week 2017	533	n/a	(33)	n/a	n/a	n/a
	UP-Pool	175	0	50	850	n/a	n/a
	Change from last week	n/a	0	0	0	n/a	n/a
	Change from same week 2017	413	150	(50)	200	n/a	n/a

¹Average 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 Shipments¹

June, 2018	Origin region ³	Destination region ³	Tariff rate/car	Fuel surcharge per car	Tariff plus surcharge per:		Percent change Y/Y ⁴	
					metric ton	bushel ²		
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	
	Minneapolis, MN	Portland, OR	\$5,000	\$0	\$49.65	\$1.26	0	
Corn	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		

¹A 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.

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

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

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

Table 8

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

Date: June, 2018			Fuel				Percent
Commodity	Origin state	Destination region	Tariff rate/car ¹	surcharge per car ²	Tariff plus surcharge per:		change ⁴ Y/Y
					metric ton ³	bushel ³	
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

¹Rates 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.

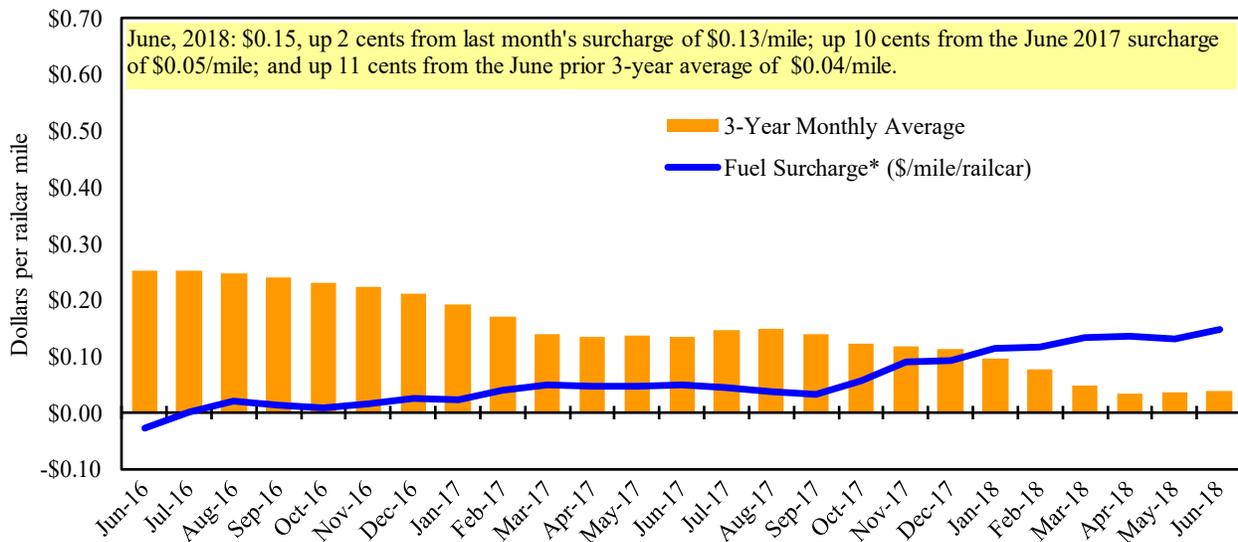
²Fuel surcharge adjusted to reflect the change in Ferrocarril Mexicano, S.A. de C.V. railroad fuel surcharge policy as of 10/01/2009

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

⁴Percentage change calculated using tariff rate plus fuel surcharge

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

Figure 7

Railroad Fuel Surcharges, North American Weighted Average¹

¹Weighted 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}



¹Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); ²4-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	6/26/2018	492	455	447	339	367	367	292
	6/19/2018	526	474	456	350	370	395	306
\$/ton	6/26/2018	30.45	24.21	20.74	13.53	17.21	14.83	9.17
	6/19/2018	32.56	25.22	21.16	13.97	17.35	15.96	9.61
Current week % change from the same week:								
	Last year	31	47	41	58	75	75	64
	3-year avg. ²	18	27	46	35	47	47	36
Rate ¹	July	492	452	448	340	400	400	308
	September	525	508	508	408	517	517	392

¹Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); ²4-week moving average; ton = 2,000 pounds;

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.

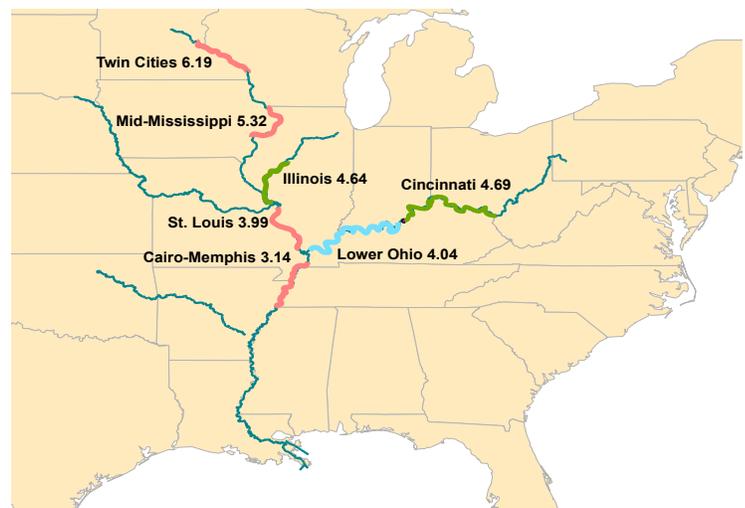
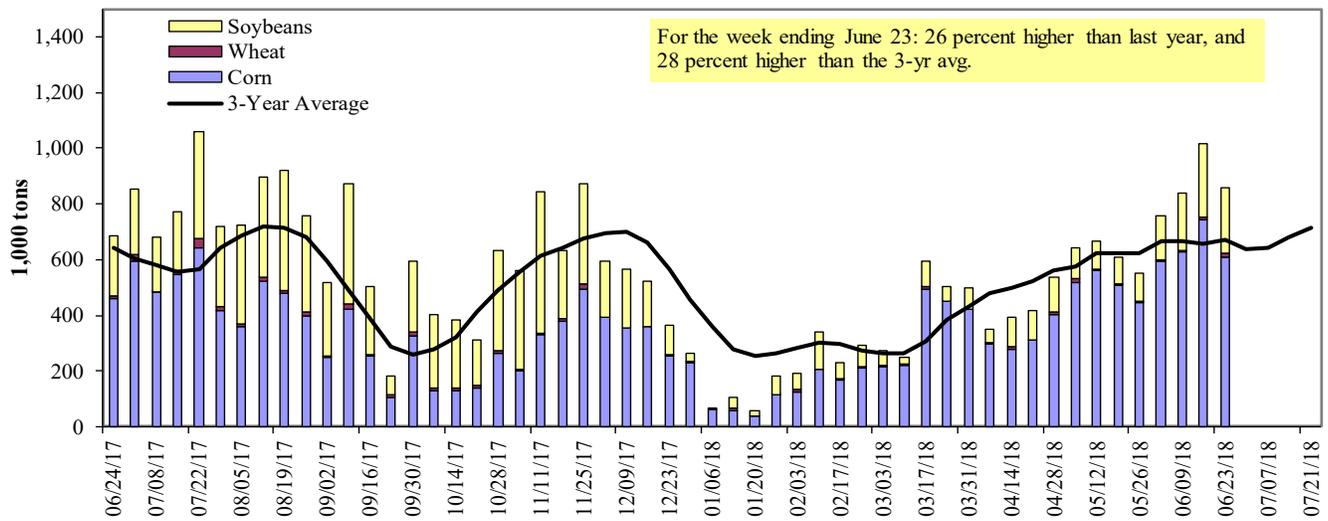


Figure 10

Barge Movements on the Mississippi River¹ (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 06/23/2018	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	272	9	136	2	419
Winfield, MO (L25)	472	9	151	2	635
Alton, IL (L26)	580	14	213	2	808
Granite City, IL (L27)	607	14	236	2	859
Illinois River (L8)	132	2	46	0	180
Ohio River (L52)	113	5	52	0	170
Arkansas River (L1)	1	22	17	0	41
Weekly total - 2018	721	42	305	2	1,069
Weekly total - 2017	479	78	247	0	804
2018 YTD ¹	11,205	752	5,441	65	17,462
2017 YTD	11,999	1,073	5,809	157	19,038
2018 as % of 2017 YTD	93	70	94	41	92
Last 4 weeks as % of 2017 ²	146	61	143	64	139
Total 2017	22,242	2,210	16,123	360	40,936

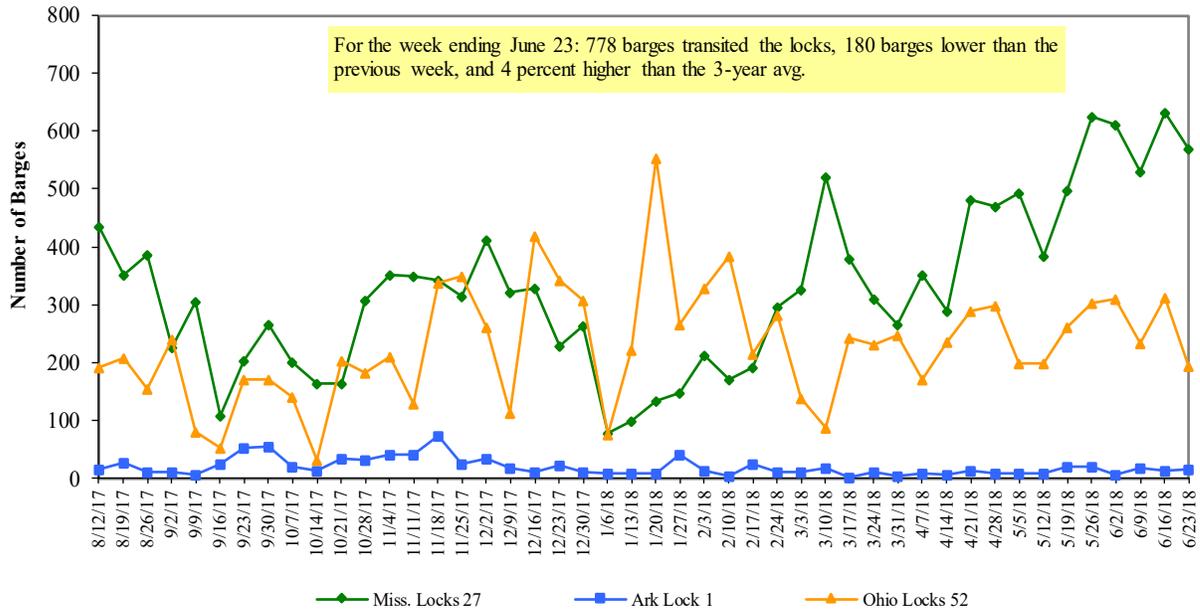
¹ Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

² As a percent of same period in 2017.

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

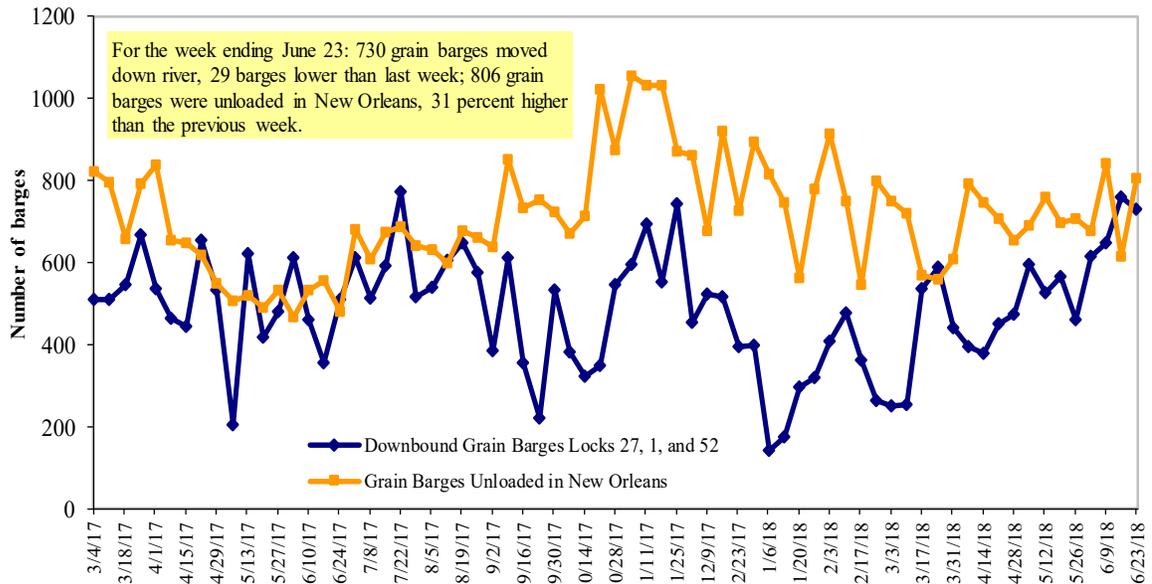
Source: U.S. Army Corps of Engineers

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 6/25/2018 (US \$/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	3.215	-0.025	0.699
	New England	3.281	-0.009	0.704
	Central Atlantic	3.380	-0.017	0.710
	Lower Atlantic	3.086	-0.035	0.690
II	Midwest ²	3.143	-0.030	0.757
III	Gulf Coast ³	2.978	-0.038	0.673
IV	Rocky Mountain	3.321	-0.018	0.729
V	West Coast	3.735	-0.018	0.978
	West Coast less California	3.453	-0.020	0.827
	California	3.959	-0.017	1.096
Total	U.S.	3.216	-0.028	0.751

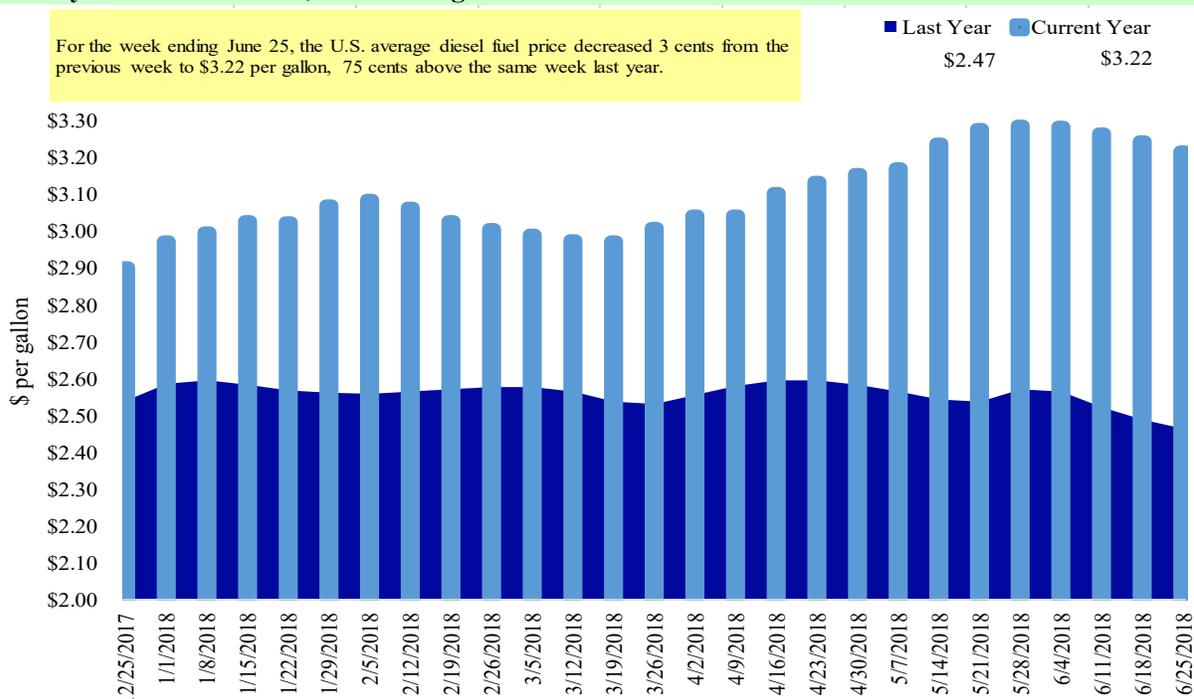
¹Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

²Same as North Central ³Same 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)

For the week ending	Wheat						Corn	Soybeans	Total
	HRW	SRW	HRS	SWW	DUR	All wheat			
Export Balances¹									
6/14/2018	952	499	1,476	1,225	100	4,251	14,231	8,258	26,740
This week year ago	2,011	682	1,740	1,487	169	6,089	9,864	6,788	22,741
Cumulative exports-marketing year²									
2017/18 YTD	171	129	193	242	2	737	42,172	48,194	91,102
2016/17 YTD	612	86	391	313	35	1,436	45,282	52,261	98,979
YTD 2017/18 as % of 2016/17	28	151	49	77	5	51	93	92	92
Last 4 wks as % of same period 2016/17	38	68	69	71	48	58	160	131	124
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

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 Importers¹ of U.S. Corn

For the week ending 6/14/2018	Total Commitments ²			% change current MY from last MY	Exports ³ 3-year avg 2014-2016
	2018/19	2017/18	2016/17		
	Next MY	Current MY	Last MY		
	- 1,000 mt -				
Mexico	1,660	14,223	13,151	8	12,297
Japan	862	10,776	11,278	(4)	11,450
Korea	259	5,022	5,569	(10)	4,494
Colombia	15	4,283	4,117	4	4,179
Peru	24	2,924	2,867	2	2,693
Top 5 Importers	2,819	37,228	36,983	1	35,113
Total US corn export sales	3,651	56,403	55,146	2	49,308
% of Projected		96%	95%		
Change from prior week ²	340	166	529		
Top 5 importers' share of U.S. corn export sales	77%	66%	67%		71%
USDA forecast, June 2018	53,435	58,524	58,346	0	
Corn Use for Ethanol USDA forecast, June 2018	144,145	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 Importers¹ of U.S. Soybeans

For the week ending 6/14/2018	Total Commitments ²			% change current MY from last MY	Exports ³ 3-yr avg. 2014-2016
	2018/19 Next MY	2017/18 Current MY	2016/17 Last MY		
	- 1,000 mt -				- 1,000 mt -
China	1,458	28,612	35,956	(20)	31,881
Mexico	659	4,236	3,527	20	3,452
Indonesia	75	2,310	2,114	9	1,987
Japan	143	2,157	2,134	1	2,067
Netherlands	0	1,939	1,638	18	2,098
Top 5 importers	2,335	39,253	45,370	(13)	41,486
Total US soybean export sales	6,881	56,452	59,049	(4)	52,919
% of Projected	11%	100%	100%		
Change from prior week ²	228	302	111		
Top 5 importers' share of U.S. soybean export sales	34%	70%	77%		78%
USDA forecast, June 2018	62,398	56,267	59,237	95	

(n) indicates negative number.

¹Based on FAS Marketing Year Ranking Reports for 2016/17 - www.fas.usda.gov; Marketing year (MY) = Sep 1 - Aug 31.²Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report, or Export Sales Query--http://www.fas.usda.gov/esquery/. The total commitments change (net sales) from prior week could include revisions from previous week's outstanding sales and/or accumulated sales³FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm. (Carryover plus Accumulated Exports)

Table 15

Top 10 Importers¹ of All U.S. Wheat

For the week ending 6/14/2018	Total Commitments ²		% change current MY from last MY	Exports ³ 3-yr avg 2014-2016
	2018/19 Current MY	2017/18 Last MY		
	- 1,000 mt -			- 1,000 mt -
Japan	770	658	17	2,620
Mexico	396	1,005	(61)	2,743
Philippines	677	636	6	2,395
Brazil	93	63	48	862
Nigeria	143	315	(55)	1,254
Korea	467	593	(21)	1,104
China	0	326	(100)	1,623
Taiwan	181	298	(39)	768
Indonesia	104	185	(44)	726
Colombia	25	187	(86)	635
Top 10 importers	2,855	4,264	(33)	14,729
Total US wheat export sales	4,988	7,525	(34)	22,804
% of Projected	19%	31%		
Change from prior week ²	462	543		
Top 10 importers' share of U.S. wheat export sales	57%	57%		65%
USDA forecast, June 2018	25,886	24,523	6	

(n) indicates negative number.

¹Based on FAS Marketing Year Ranking Reports for 2016/17 - www.fas.usda.gov; Marketing year = Jun 1 - May 31.²Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report, or Export Sales Query--http://www.fas.usda.gov/esquery/. Total commitments change (net sales) from prior week could include revisions from the previous week's outstanding and/or accumulated sales³FAS 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 06/21/18	Previous Week*	Current Week as % of Previous	2018 YTD*	2017 YTD*	2018 YTD as % of 2017 YTD	Last 4-weeks as % of:		2017 Total*
							Last Year	Prior 3-yr. avg.	
Pacific Northwest									
Wheat	259	291	89	5,892	7,767	76	63	90	14,805
Corn	574	557	103	10,896	7,941	137	156	190	10,928
Soybeans	73	146	50	5,035	4,518	111	136	386	13,246
Total	906	994	91	21,823	20,226	108	110	155	38,978
Mississippi Gulf									
Wheat	37	62	61	2,026	2,385	85	77	98	4,198
Corn	704	871	81	17,004	17,233	99	145	114	28,690
Soybeans	264	433	61	11,194	11,494	97	188	224	32,911
Total	1,006	1,366	74	30,224	31,112	97	147	131	65,800
Texas Gulf									
Wheat	36	39	94	1,889	3,620	52	26	36	6,354
Corn	0	0	n/a	375	407	92	184	156	733
Soybeans	0	44	0	67	0	n/a	n/a	n/a	292
Total	36	82	44	2,331	4,027	58	45	59	7,379
Interior									
Wheat	26	2	n/a	731	873	84	59	73	1,727
Corn	166	203	82	4,121	4,091	101	85	106	8,758
Soybeans	109	128	85	3,136	2,484	126	141	184	5,508
Total	301	333	91	7,988	7,447	107	99	124	15,993
Great Lakes									
Wheat	13	2	847	256	276	93	77	83	711
Corn	40	19	209	214	96	224	207	225	192
Soybeans	43	49	89	195	126	155	486	n/a	890
Total	97	69	140	665	497	134	204	254	1,793
Atlantic									
Wheat	0	0	n/a	64	37	172	0	0	46
Corn	0	0	n/a	67	5	n/a	n/a	0	32
Soybeans	51	62	83	1,083	881	123	410	441	2,001
Total	51	62	83	1,214	922	132	404	258	2,079
U.S. total from ports*									
Wheat	371	394	94	10,857	14,957	73	55	74	27,841
Corn	1,485	1,651	90	32,678	29,771	110	139	134	49,333
Soybeans	541	861	63	20,711	19,503	106	179	256	54,847
Total	2,398	2,906	83	64,246	64,231	100	118	134	132,021

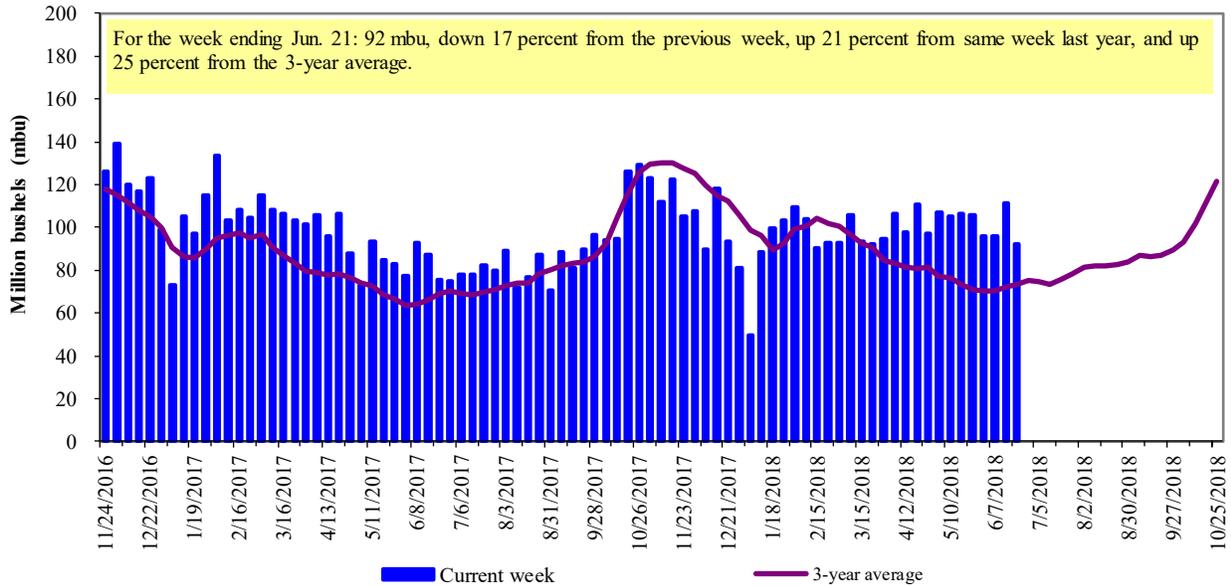
*Data includes revisions from prior weeks; some regional totals may not add exactly due to rounding.

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

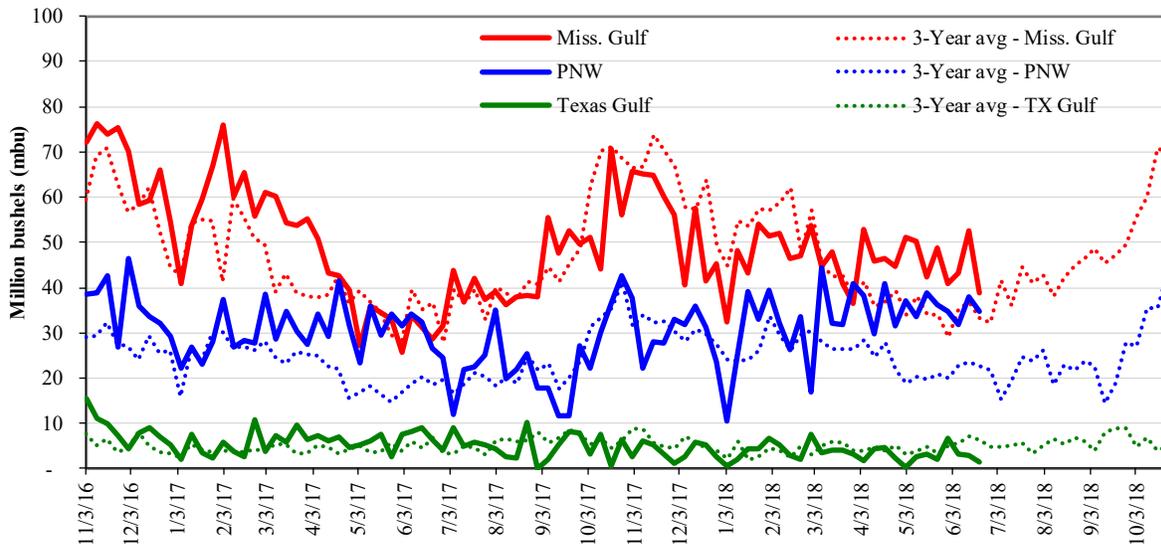
U.S. grain inspected for export (wheat, corn, and soybeans)



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 PNW¹ (wheat, corn, and soybeans)



<u>Week ending 06/21/18 inspections (mbu):</u>	<u>Percent change from:</u>	<u>MS Gulf</u>	<u>TX Gulf</u>	<u>U.S. Gulf</u>	<u>PNW</u>
Mississippi Gulf: 38.8	Last Week:	down 26	down 56	down 28	down 8
PNW: 34.8	Last Year (same week):	up 36	down 80	up 14	up 30
Texas Gulf: 1.3	3-yr avg. (4-wk. mov. Avg):	up 15	down 78	up 1	up 56

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

Ocean Transportation

Table 17

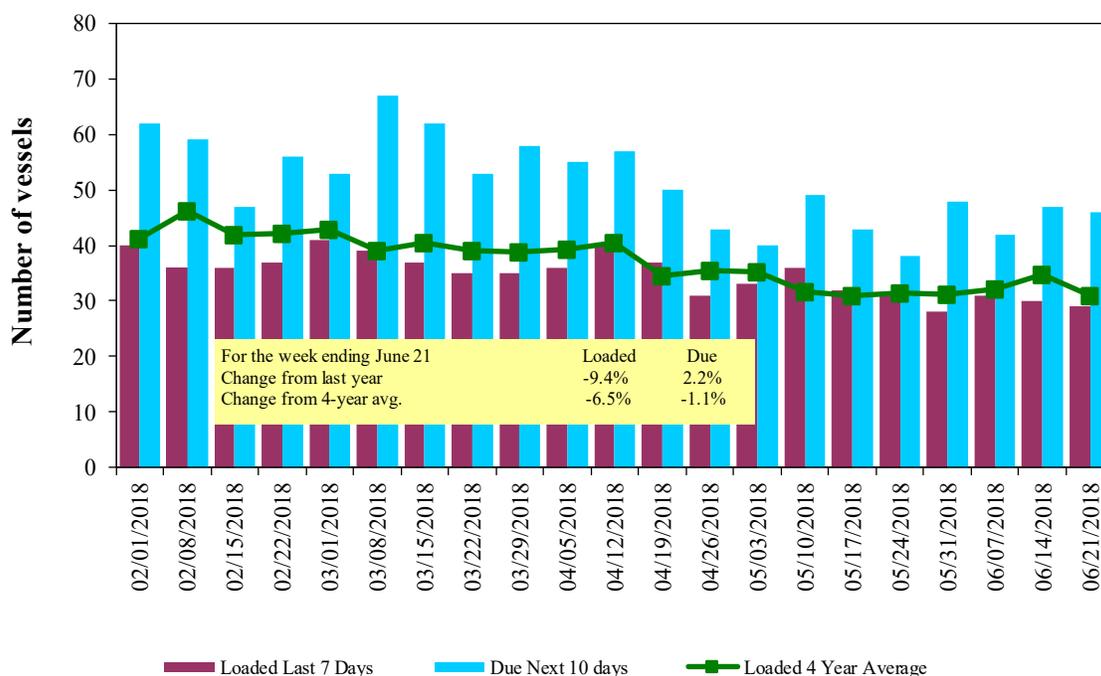
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

Date	Gulf			Pacific Northwest
	In port	Loaded 7-days	Due next 10-days	In port
6/21/2018	27	29	46	21
6/14/2018	23	30	47	21
2017 range	(25..66)	(28..54)	(37..87)	(5..44)
2017 avg.	46	38	56	20

Source: Transportation & Marketing Programs/AMS/USDA

Figure 16

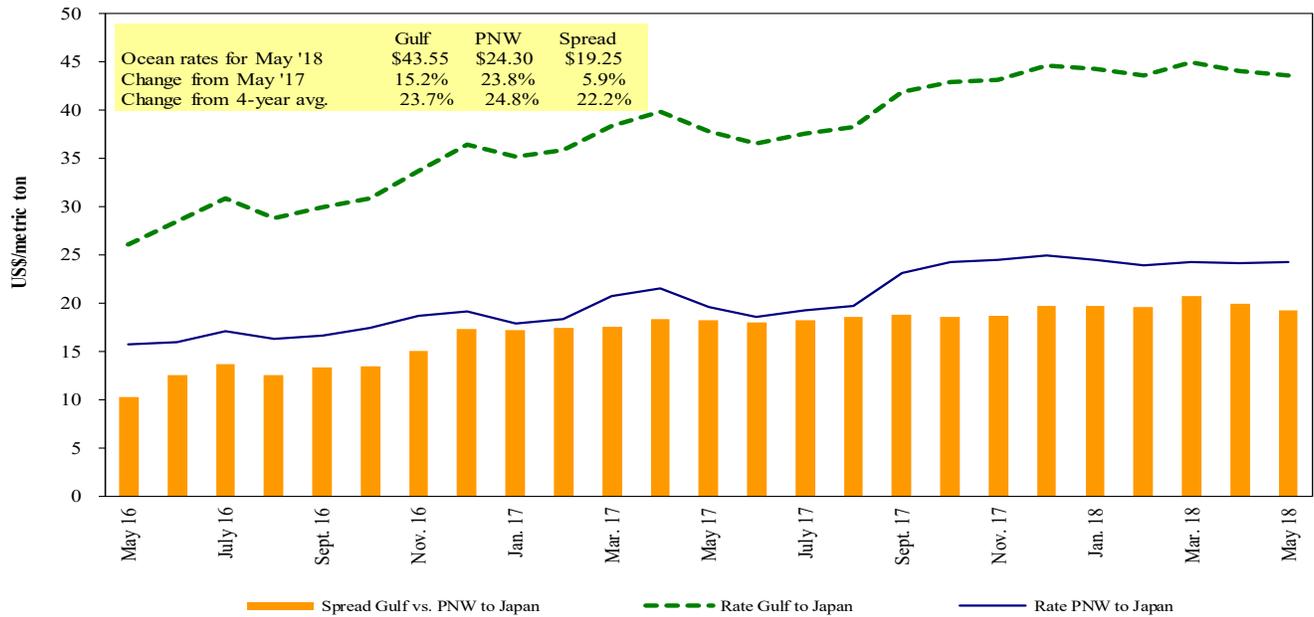
U.S. Gulf Vessel Loading Activity



Source: Transportation & Marketing Programs/AMS/USDA
¹U.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 06/23/2018

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US\$/metric ton)
U.S. Gulf	Egypt	Heavy Grain	Jun 26/30	60,000	27.75
U.S. Gulf	Rotterdam	Heavy Grain	Jun 25/30	65,000	23.00
U.S. Gulf	Djibouti	Sorghum	Apr 16/26	18,200	69.87*
PNW	Bangladesh	Wheat	Apr 6/16	43,500	63.35*
Brazil	China	Heavy Grain	Jul 18/28	60,000	36.00
Brazil	China	Heavy Grain	Jun 22/30	60,000	35.00
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

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

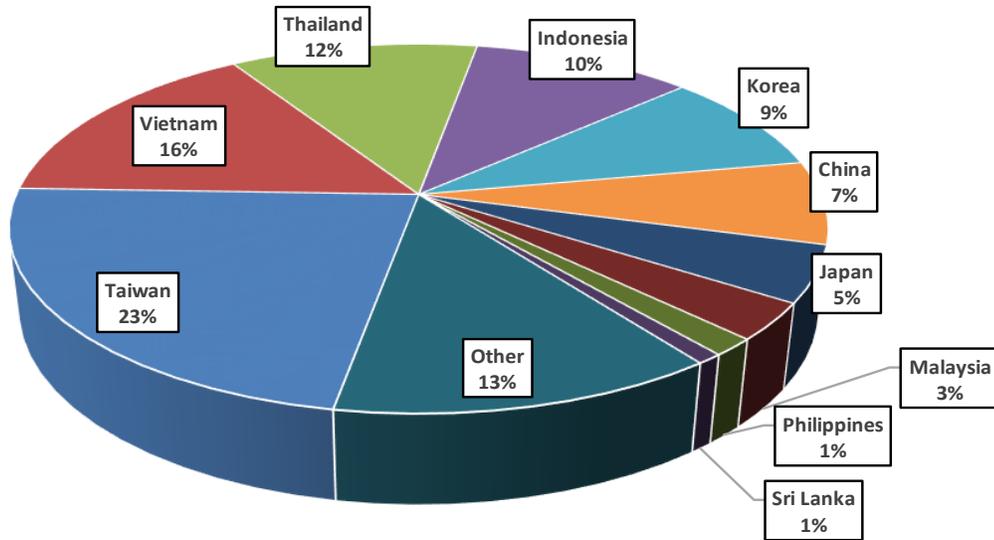
* 50 percent of food aid from the United States is required to be shipped on U.S.-flag vessels.

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

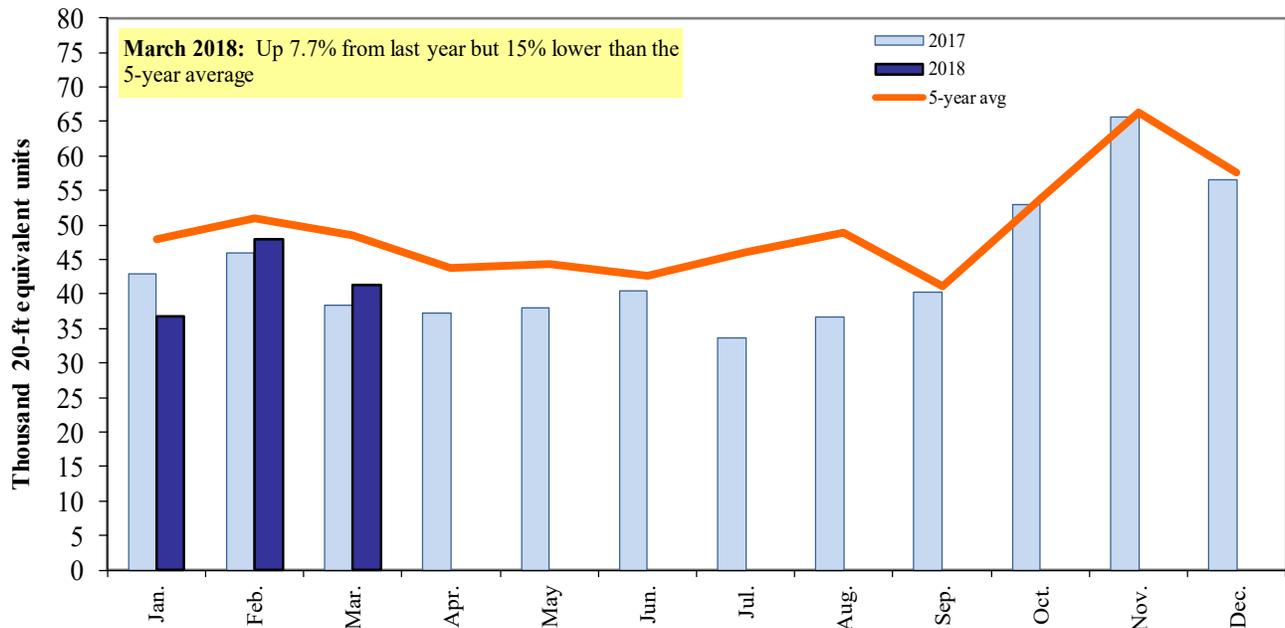


Source: USDA/Agricultural Marketing Service/Transportation Services Division analysis of Port Import Export Reporting Service (PIERS) data

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.

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