



Grain Transportation Report

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

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July 5, 2018

WEEKLY HIGHLIGHTS

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UP Cites Tunnel Collapse and Crew Shortage Behind Recent Service Challenges

In a [June 28 announcement](#), Union Pacific Railroad (UP) said that operating inventory and train velocity in June had receded to April levels, leading to congestion and a drop in service across its network. UP stated the May 29th collapse of a tunnel, located between Eugene and Chemult, OR, and a crew shortage were behind the recent drop in service. During the tunnel repairs, traffic from the main line was rerouted through Salt Lake City, increasing transit time by an additional four to five days and impacting overall network fluidity. With tunnel repairs now complete, UP expects service to resume to normal levels in the next few weeks. In addition, UP is recruiting heavily to increase its crew size, but supply will likely remain tight through the summer.

High Water Stalls Barge Traffic on Upper Mississippi River

For the week ending June 30, corn barge tonnages on the locking portions of the Mississippi, Ohio, and Arkansas rivers were 617 thousand tons, 14 percent lower than last week. Soybean tonnages were 249 thousand tons, 18 percent lower than last week. Barge operations have been slowed by high water conditions on the Upper Mississippi River. During the same week, significant increases in wheat tonnages were reported on the Arkansas River, which had normal navigation conditions. Total wheat barge tonnages were 61 thousand tons, a weekly increase of 47 percent. As of July 3, no Mississippi River locks are forecasted to be closed. However, the number of barges per tow has been restricted on portions of the river.

Grain Inspections Remain Strong through Second Quarter

For the week ending June 28, **total inspections of grain** (corn, wheat, soybeans) for export reached 2.7 million metric tons (mmt); up 12 percent from the past week, up 40 percent from the same period last year, and up 39 percent from the prior 3-year average. Soybean inspections were up 64 percent from last week, while corn inspections were unchanged, and wheat inspections were down 11 percent. Mississippi Gulf inspections were up 38 percent from last week, with corn up 14 percent. Mississippi Gulf wheat and soybean inspections were up 95 and 94 percent, respectively, consistent with the levels from previous weeks after lower-than-normal inspections last week. Pacific Northwest (PNW) inspections were down 8 percent. PNW soybean inspections were up 79 percent from lower-than-normal inspections last week, but corn and wheat inspections fell 20 and 5 percent, respectively. Total second quarter grain inspections were up 10 percent from last quarter and up 17 percent from the second quarter of 2018.

Snapshots by Sector

Export Sales

For the week ending June 21, **unshipped balances** of wheat, corn, and soybeans totaled 26.2 mmt, up 20 percent from the same time last year. Net weekly **wheat export sales** were .564 mmt, up 22 percent from the previous week. Net **corn export sales** were .850 mmt, up significantly from the previous week. Net **soybean export sales** were .358 mmt, up 19 percent from the previous week.

Rail

U.S. Class I railroads originated 24,104 **grain carloads** for the week ending June 23, up 4 percent from the previous week, 10 percent from last year, and 16 percent above the 3-year average.

Average July shuttle **secondary railcar** bids/offers, per car, were \$454 above tariff for the week ending June 28, up \$138 from last week, and \$685 higher than last year. There were no non-shuttle bids/offers this week.

Barge

For the week ending June 30, **barge grain movements** totaled 928,835 tons, 13 percent lower than the previous week and down 2 percent from the same period last year.

For the week ending June 30, 588 grain barges **moved down river**, 142 barges less than the previous week. There were 790 grain barges **unloaded in New Orleans**, 2 percent lower than the previous week.

Ocean

For the week ending June 28, 32 **ocean-going grain vessels** were loaded in the Gulf, 3 percent less than the same period last year. Forty vessels are expected to be loaded within the next 10 days, 23 percent less than the same period last year.

For the week ending June 28, the ocean freight rate for shipping bulk grain, from the Gulf to Japan, was \$43.25 per metric ton, 1 percent less than the previous week. The cost of shipping from the PNW to Japan was \$24.50 per metric ton, 1 percent less than the previous week.

Fuel

For the week ending July 2, the U.S. average **diesel fuel price** increased 2 cents from the previous week, to \$3.24 per gallon, 76 cents higher than the same week last year.

Feature Article/Calendar

A Look at Grain Stocks and Movements through June 2018

The United States has witnessed ample harvests of grain in recent years, boosting grain stocks and increasing demand for grain transportation. Grain stocks in June have increased every year since 2013. According to the most recent USDA data released last week, grain held on farms and by commercial elevators reached 7.8 billion bushels (bbu) as of June 1, 2018—the highest June 1 level over the past 30 years. This article describes the grain stocks data, discusses stock and transportation movement levels from December through June, and concludes by offering a look at USDA forecasts for grain production in marketing year (MY) 2018/19.

About the Grain Stocks Data

USDA’s National Agricultural Statistics Service (NASS) publishes data on the amount of grain held in storage, at four points during the year: March 1, June 1, September 1, and December 1.* These points are strategically selected, with each snapshot offering different but useful insights. December 1 follows the major corn and soybean harvests, and thus, reflects the total grain supply available for the remainder of the marketing year (until the small grains harvests of wheat, barley, and oats in the summer). September 1 reveals the level of grain stores before farmers harvest corn, soybeans, and grain sorghum in the fall. March 1 fits as a natural quarterly break, between December 1 and June 1. June 1 encompasses the level of grain stocks before the summer small grains harvest. As such, it also provides an opportunity to look back at transportation since the prior year harvest, and to look forward at transportation in upcoming months.

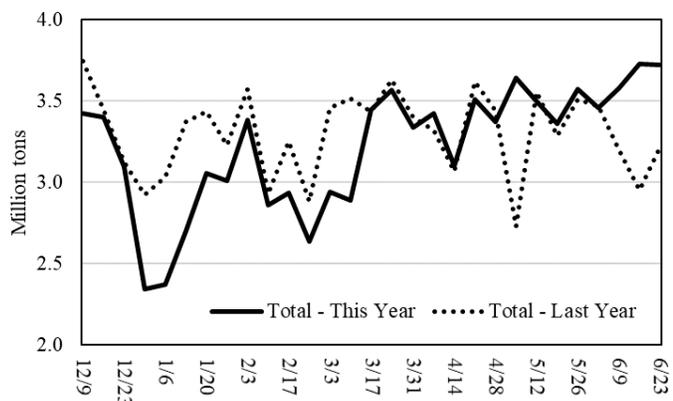
One useful indicator of grain transportation demand is “disappearance.” It reflects the difference between quarterly stocks—what leaves storage—and works as an indicator of grain movements and outflows, as grain is moved and used for food, feed, fuel, exports, and other purposes.

Grain Stocks and Transportation in the First Half of 2018

At the beginning of 2018, grain stocks were like levels at the beginning of 2017, up 1 percent (see [February 1, 2018 Grain Transportation Report](#)).

Grain stocks as of March 1, 2018, and June 1, 2018, were 3 percent higher than the same periods in 2017. From December 2017 to June 2018, total grain disappearance was 13.1 billion bushels, down only 1 percent from last year. Notably, December to March disappearance was down 5 percent, but March to June disappearance was up 4 percent, compared to a year ago. This suggests that grain movements were relatively lower in the first quarter of 2018, but picked up in the second quarter.

Figure 1: Weekly Combined Rail and Barge Grain Tonnages



Rail and barge movement data support this observation. Figure 1 plots the combined weekly rail and barge tonnages from December through late June for this year and last year.† For much of December and

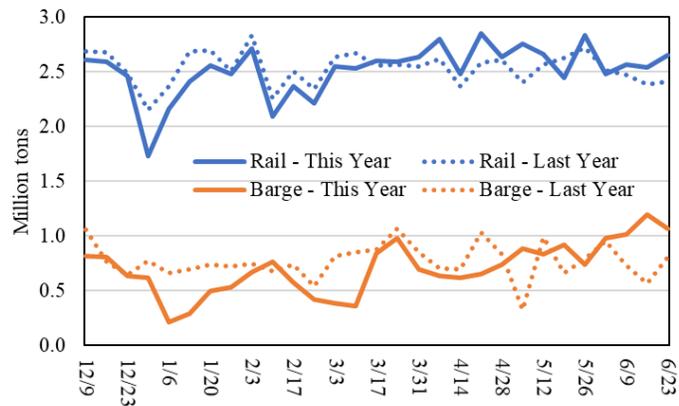
* The data are released at least one month after the quarterly target dates.

† Note for Figures 1, 2, and 3: Data is from Surface Transportation Board and *Grain Transportation Report*. Rail carloads are converted to tons using 110 tons per carload (Source: [Iowa Department of Transportation](#)).

into March 2018, grain shipments were lower than the prior year. Rail and barge grain shipments began to increase in late March and continued to be high through June.

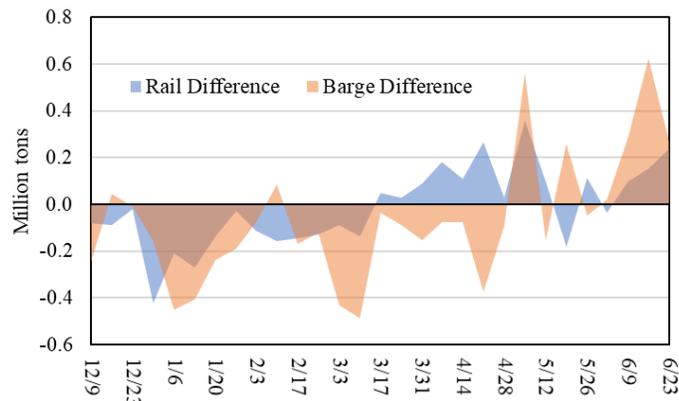
Rail and barge shipments followed slightly different schedules, with rail shipments picking up in mid-March, and barge shipments not increasing until a month later. This is shown in Figure 2, which presents the weekly tonnages separated by mode. Figure 3 offers additional clarity by focusing only on the difference (by mode) from this year compared to last year. Barge and rail tonnages were down for most of the early part of 2018, but increased and remained high in the spring and early summer.

Figure 2: Weekly Rail and Barge Grain Tonnages



These trends are partially export-driven. **Figure 14** of the *Grain Transportation Report* shows grain inspected for export tended to be below-average, from November 2017 through mid-March 2018, but has been above average since then. Domestic grain usage—as measured by the amount of soybeans crushed and corn consumed for fuel alcohol—does not appear to explain the variation. Levels have been consistently higher this year through May (the latest month of data available) compared to a year ago, even going back to December.*

Figure 3: Year-to-Year Difference in Weekly Rail and Barge Tonnages



A Look Forward from June

Farmers are increasing their grain storage capabilities, and moving greater amounts of grain through supply channels, which will continue over the summer. According to NASS, U.S. farmers were 51 percent complete with the winter wheat harvest (the major class of wheat) as of July 1.[†] NASS projects the United States will produce 1.2 bbu of winter wheat this summer in MY 2018/19, down 6 percent from last year.[‡] Offering a look into the fall, according to the [June World Agricultural Supply and Demand Estimates report](#), the United States could produce 14.0 bbu of corn and 4.3 bbu of soybeans in MY 2018/19, down 4 percent (combined) compared to a year ago. If these production levels are realized, they could mitigate the high June 1 grain stocks and result in less demand for grain transportation in MY 2018/19, compared to last year. June 1 grain stocks are up 212 million bushels compared to 2017 totals. However, current corn, soybeans, and wheat projections for MY 2018/19 are down 748 million bushels.

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* Data are from USDA-NASS' monthly *Grain Crushings and Co-Products Production and Fats and Oils: Oilseed Crushings, Production, Consumption and Stocks* reports.

[†] USDA-NASS, *Crop Progress*, July 2, 2018.

[‡] USDA-NASS, *Crop Production*, June 12, 2018.

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			
06/27/2018 ^p	21	464	7,046	328	7,859	6/23/2018	2,617
06/20/2018 ^r	559	550	8,019	583	9,711	6/16/2018	2,584
2018 YTD ^r	10,708	31,500	173,537	11,314	227,059	2018 YTD	57,449
2017 YTD ^r	14,737	48,473	157,035	11,370	231,615	2017 YTD	59,045
2018 YTD as % of 2017 YTD	73	65	111	100	98	% change YTD	97
Last 4 weeks as % of 2017 ²	138	37	125	313	110	Last 4wks % 2017	109
Last 4 weeks as % of 4-year avg. ²	210	43	174	265	146	Last 4wks % 4 yr	127
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.

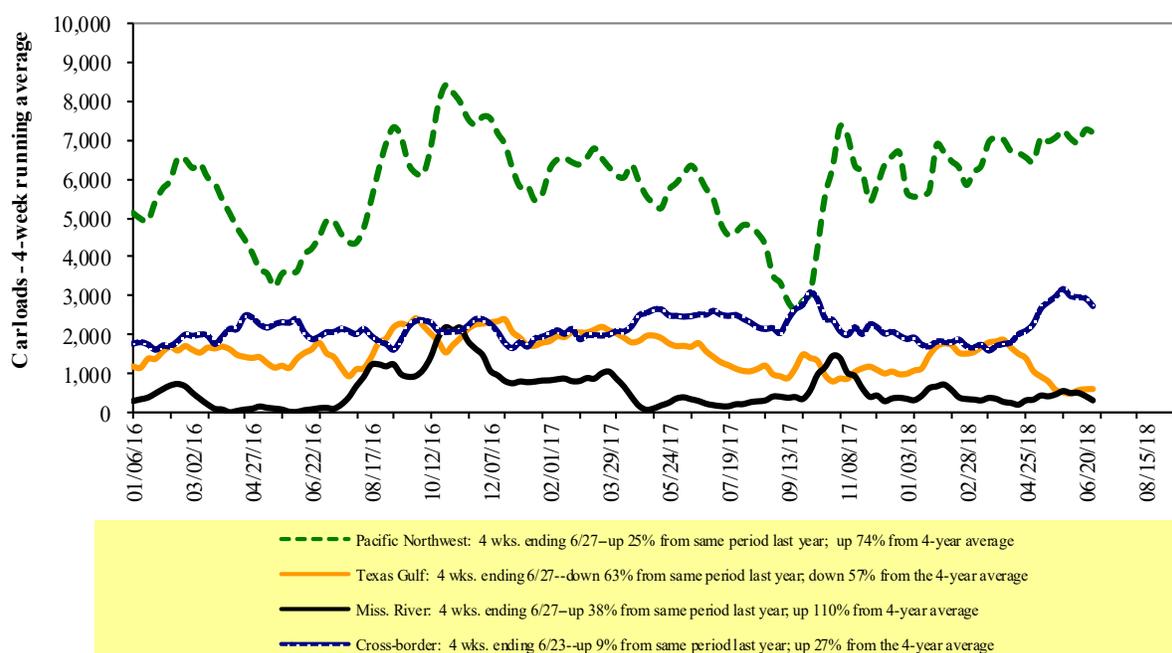
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

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: 6/23/2018	East		West			U.S. total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
This week	1,650	2,742	13,420	1,120	5,172	24,104	3,279	5,019
This week last year	1,916	2,651	11,074	1,146	5,080	21,867	3,306	5,030
2018 YTD	47,949	62,826	311,978	24,047	131,685	578,485	93,623	115,838
2017 YTD	44,683	69,842	289,637	24,051	148,653	576,866	96,066	111,152
2018 YTD as % of 2017 YTD	107	90	108	100	89	100	97	104
Last 4 weeks as % of 2017*	107	95	110	116	95	105	106	103
Last 4 weeks as % of 3-yr avg.**	104	90	126	124	100	113	103	112
Total 2017	89,465	142,742	578,964	50,223	289,574	1,150,968	198,607	244,766

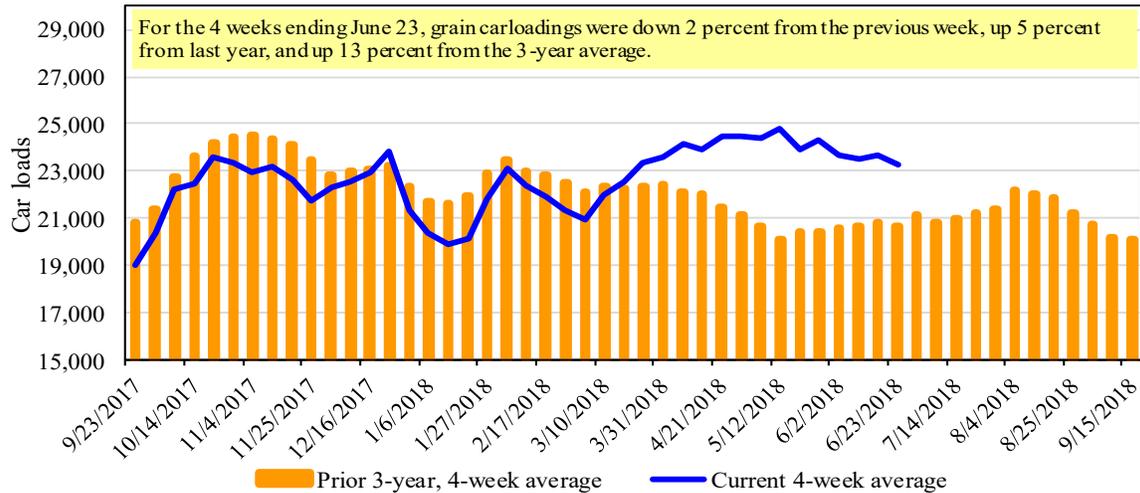
*The past 4 weeks of this year as a percent of the same 4 weeks last year.

**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: 6/28/2018		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	no bids	no bids	0	0	no bids	0
	COT grain single-car ⁵	no offer	0	0	0	45	0	50	0
UP ⁴	GCAS/Region 1	no offer	no bids	n/a	n/a				
	GCAS/Region 2	no offer	no bids	10	no bids	10	no bids	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.

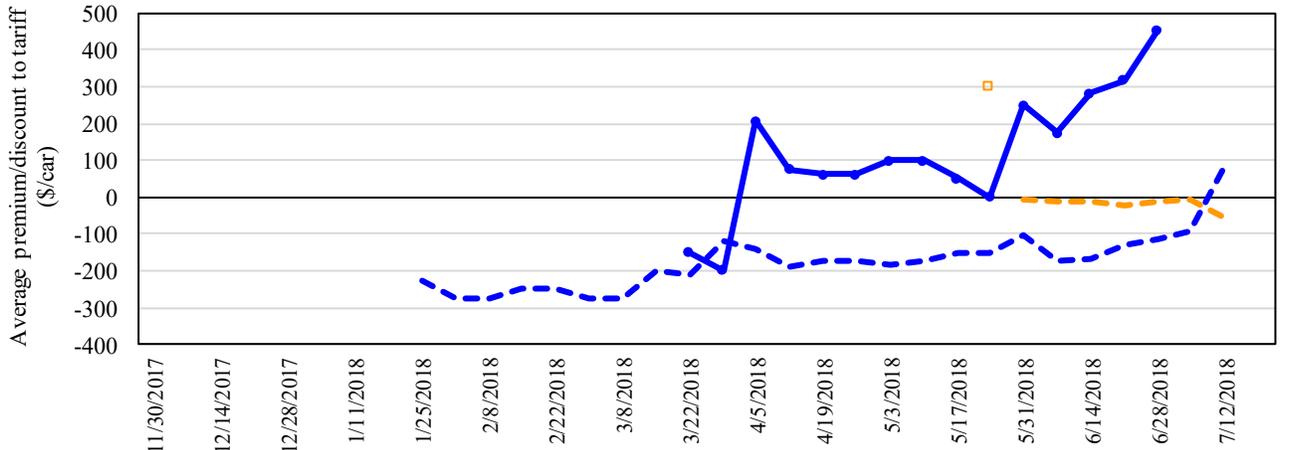
Region 2 includes: CO, IA, KS, MN, NE, WY, and Kansas City and St. Joseph, MO.

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



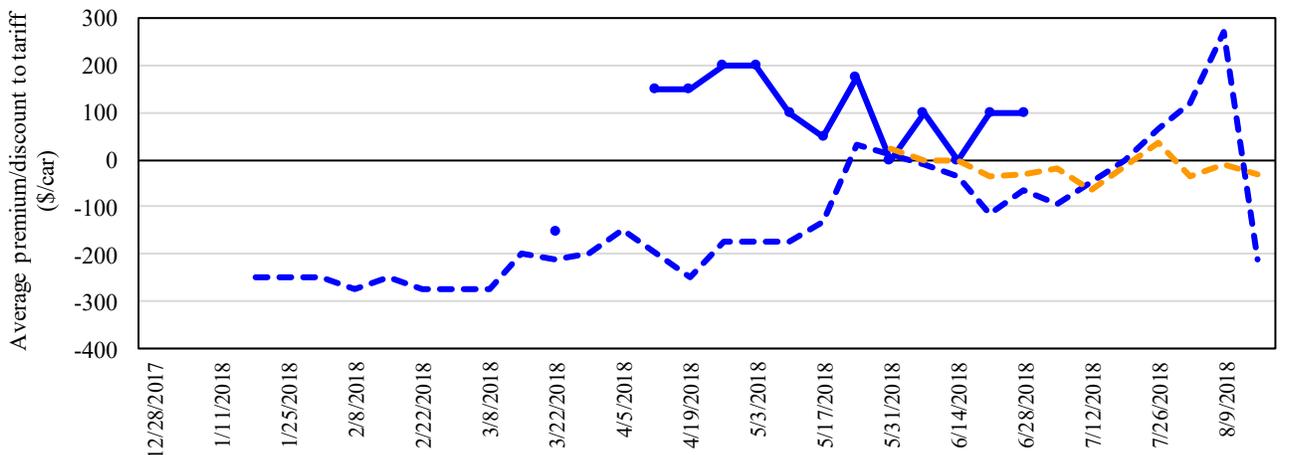
	6/28/2018	BNSF	UP
Non-Shuttle	n/a	n/a	n/a
Shuttle	\$658	\$250	

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

There were no Non-Shuttle bids/offers this week.
 Average Shuttle bids/offers rose \$138 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



	6/28/2018	BNSF	UP
Non-Shuttle	n/a	n/a	n/a
Shuttle	n/a	\$100	

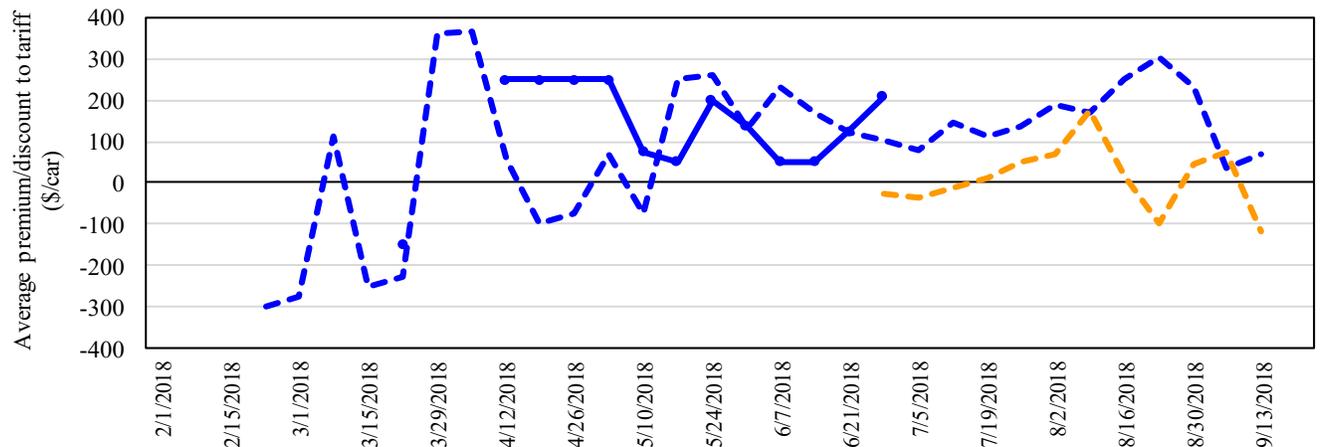
—●— Shuttle —○— Non-Shuttle
- - - Shuttle prior 3-yr avg. (same week) - - - Non-Shuttle prior 3-yr avg. (same week)

There were no Non-Shuttle bids/offers this week.
 Average Shuttle bids/offers are unchanged 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



6/28/2018	BNSF	UP	Shuttle	Non-Shuttle
Non-Shuttle	n/a	n/a	Shuttle prior 3-yr avg. (same week)	Non-Shuttle prior 3-yr avg. (same week)
Shuttle	\$267	\$150	There were no Non-Shuttle bids/offers this week. Average Shuttle bids/offers rose \$83 this week and are \$42 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: 6/28/2018		Delivery period					
		Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-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	658	n/a	267	1100	n/a	n/a
	Change from last week	200	n/a	67	n/a	n/a	n/a
	Change from same week 2017	871	n/a	133	200	n/a	n/a
	UP-Pool	250	100	150	850	n/a	n/a
	Change from last week	75	100	100	0	n/a	n/a
	Change from same week 2017	500	250	50	50	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

July, 2018	Origin region ³	Destination region ³	Tariff rate/car	Fuel surcharge per car	Tariff plus surcharge per: metric ton	bushel ²	Percent change Y/Y ⁴
Unit train							
Wheat	Wichita, KS	St. Louis, MO	\$3,983	\$116	\$40.71	\$1.11	4
	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	\$205	\$47.12	\$1.28	2
	Sioux Falls, SD	Galveston-Houston, TX	\$6,911	\$0	\$68.63	\$1.87	2
	Northwest KS	Galveston-Houston, TX	\$4,816	\$224	\$50.05	\$1.36	3
	Amarillo, TX	Los Angeles, CA	\$5,121	\$312	\$53.95	\$1.47	5
Corn	Champaign-Urbana, IL	New Orleans, LA	\$3,931	\$231	\$41.33	\$1.05	10
	Toledo, OH	Raleigh, NC	\$6,344	\$0	\$63.00	\$1.60	5
	Des Moines, IA	Davenport, IA	\$2,258	\$49	\$22.91	\$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	\$144	\$37.27	\$0.95	4
	Des Moines, IA	Los Angeles, CA	\$5,327	\$419	\$57.06	\$1.45	7
Soybeans	Minneapolis, MN	New Orleans, LA	\$4,131	\$238	\$43.39	\$1.18	18
	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	\$231	\$49.42	\$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	\$5,912	\$368	\$62.36	\$1.70	5
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	\$231	\$39.35	\$1.00	11
	Lincoln, NE	Galveston-Houston, TX	\$3,700	\$0	\$36.74	\$0.93	0
	Des Moines, IA	Amarillo, TX	\$3,970	\$181	\$41.22	\$1.05	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	\$267	\$50.07	\$1.36	9
	Toledo, OH	Huntsville, AL	\$4,352	\$0	\$43.22	\$1.18	3
	Grand Island, NE	Portland, OR	\$5,710	\$377	\$60.44	\$1.65	8

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

Sources: www.bnsf.com, www.cn.ca, www.csx.com, www.up.com

Table 8

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

Date: July, 2018			Fuel			Percent	
Commodity	Origin state	Destination region	Tariff rate/car ¹	surcharge per car ²	Tariff plus surcharge per: metric ton ³	bushel ³	change ⁴ Y/Y
Wheat	MT	Chihuahua, CI	\$7,459	\$0	\$76.21	\$2.07	0
	OK	Cuautitlan, EM	\$6,743	\$160	\$70.54	\$1.92	3
	KS	Guadalajara, JA	\$7,371	\$347	\$78.86	\$2.14	2
	TX	Salinas Victoria, NL	\$4,292	\$98	\$44.86	\$1.22	1
Corn	IA	Guadalajara, JA	\$8,313	\$324	\$88.25	\$2.24	3
	SD	Celaya, GJ	\$7,700	\$0	\$78.68	\$2.00	2
	NE	Queretaro, QA	\$8,013	\$337	\$85.32	\$2.17	4
	SD	Salinas Victoria, NL	\$6,743	\$0	\$68.90	\$1.75	2
	MO	Tlalnepantla, EM	\$7,379	\$329	\$78.76	\$2.00	4
	SD	Torreón, CU	\$7,300	\$0	\$74.59	\$1.89	2
Soybeans	MO	Bojay (Tula), HG	\$8,134	\$301	\$86.19	\$2.34	-5
	NE	Guadalajara, JA	\$8,692	\$331	\$92.18	\$2.51	-2
	IA	El Castillo, JA	\$8,960	\$0	\$91.55	\$2.49	0
	KS	Torreón, CU	\$7,489	\$247	\$79.04	\$2.15	1
Sorghum	NE	Celaya, GJ	\$7,345	\$303	\$78.14	\$1.98	4
	KS	Queretaro, QA	\$7,819	\$200	\$81.94	\$2.08	4
	NE	Salinas Victoria, NL	\$6,452	\$161	\$67.56	\$1.71	5
	NE	Torreón, CU	\$6,790	\$240	\$71.82	\$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.

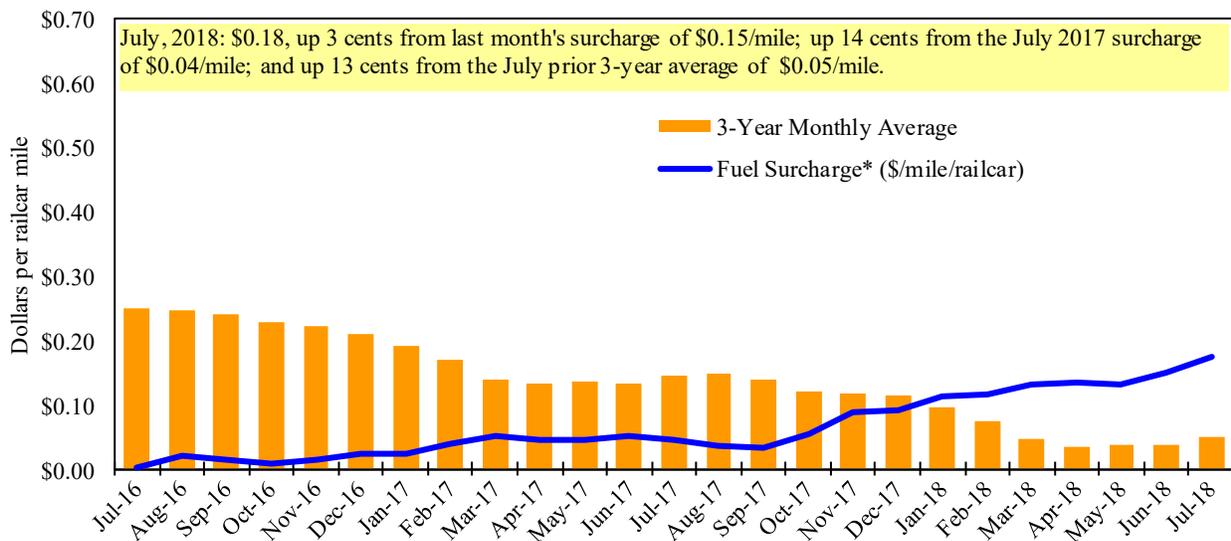
²Fuel surcharge adjusted to reflect the change in Ferrocarril Mexicano, S.A. de C.V railroad fuel surcharge policy as of 10/01/2009

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

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.

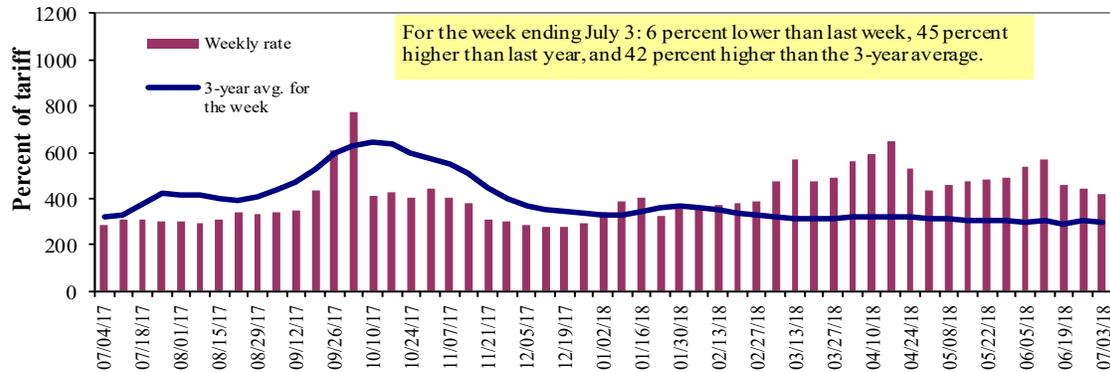
** CSX strike price changed from \$2.00/gal. to \$3.75/gal. starting January 1, 2015.

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}



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
Rate¹	7/3/2018	465	419	419	319	342	342	269
	6/26/2018	492	455	447	339	367	367	292
\$/ton	7/3/2018	28.78	22.29	19.44	12.73	16.04	13.82	8.45
	6/26/2018	30.45	24.21	20.74	13.53	17.21	14.83	9.17
Current week % change from the same week:								
	Last year	43	51	45	58	65	65	52
	3-year avg. ²	8	11	42	20	27	27	21
Rate¹	August	469	419	419	319	368	368	290
	October	594	531	531	438	531	531	413

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:

$(\text{Rate} * 1976 \text{ tariff benchmark rate per ton}) / 100$

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

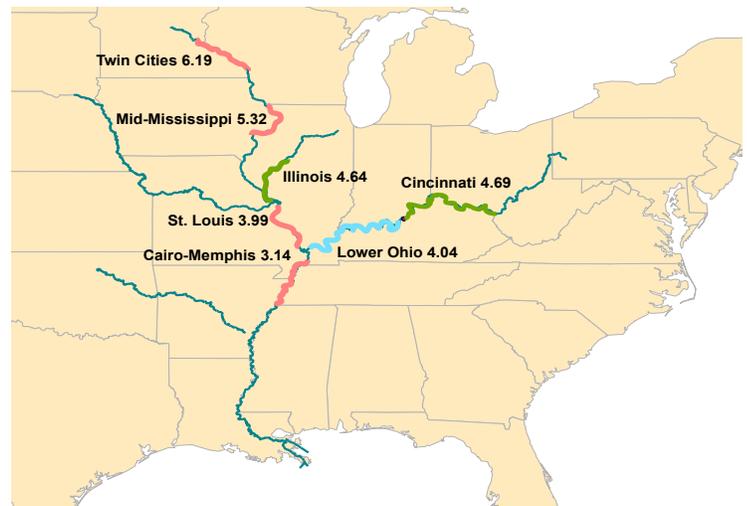
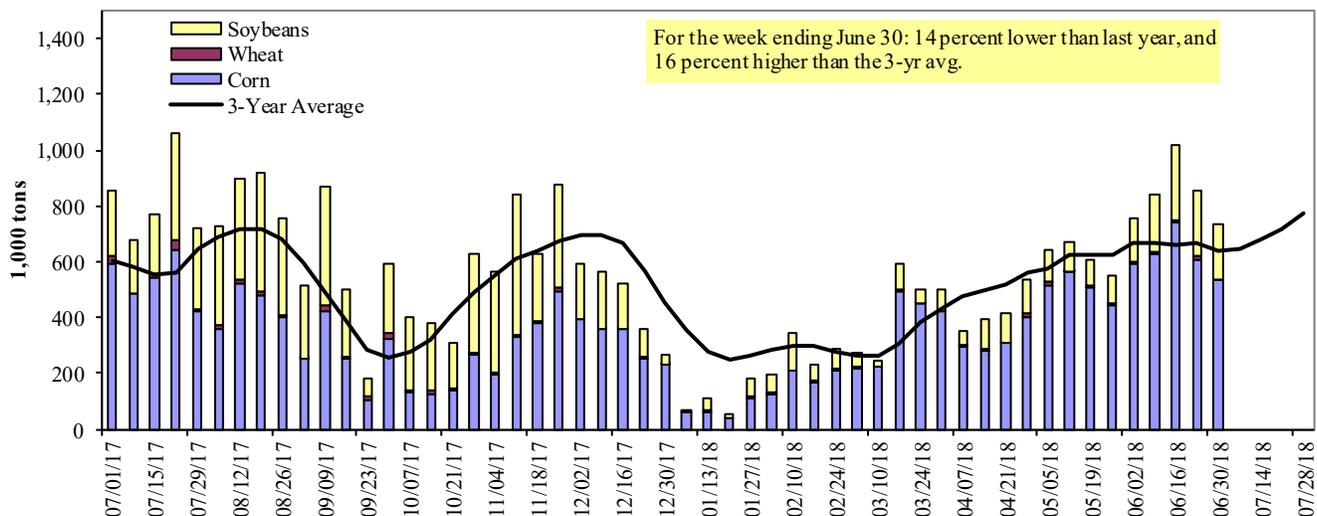


Figure 10

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 06/30/2018	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	280	0	102	0	382
Winfield, MO (L25)	414	5	148	2	568
Alton, IL (L26)	605	6	214	2	826
Granite City, IL (L27)	533	6	197	2	737
Illinois River (L8)	111	2	88	0	201
Ohio River (L52)	84	13	39	0	136
Arkansas River (L1)	0	42	14	0	56
Weekly total - 2018	617	61	249	2	929
Weekly total - 2017	608	70	268	0	945
2018 YTD ¹	11,822	813	5,690	66	18,391
2017 YTD	12,607	1,143	6,077	157	19,983
2018 as % of 2017 YTD	94	71	94	42	92
Last 4 weeks as % of 2017 ²	148	72	132	99	138
Total 2017	22,242	2,210	16,123	360	40,936

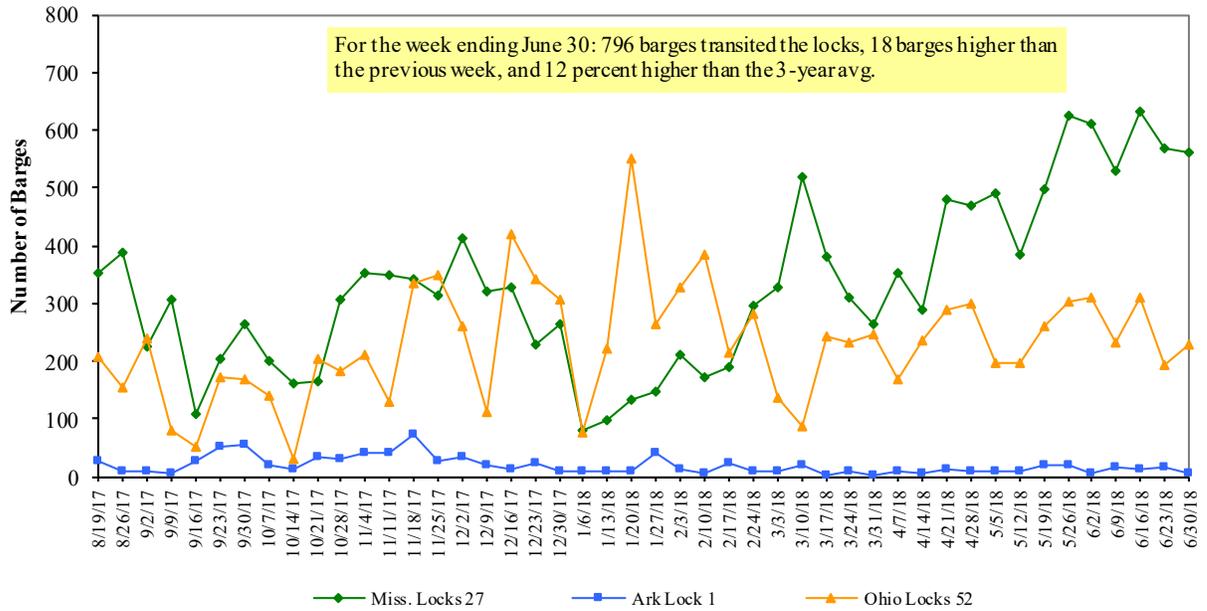
¹ Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

² As a percent of same period in 2017.

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

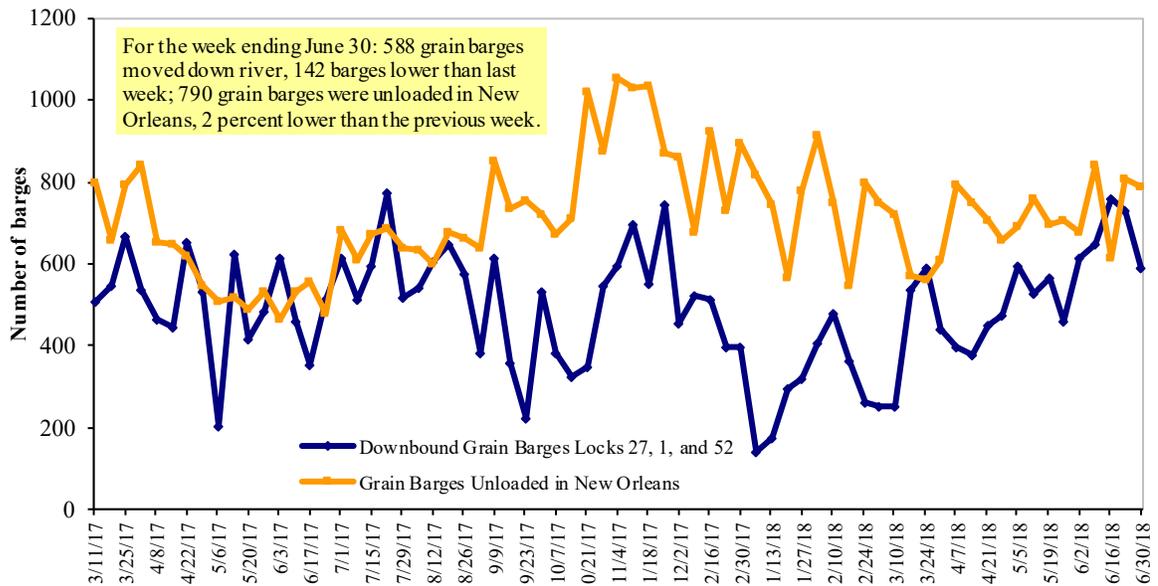
Source: U.S. Army Corps of Engineers

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 7/2/2018 (US \$/gallon)

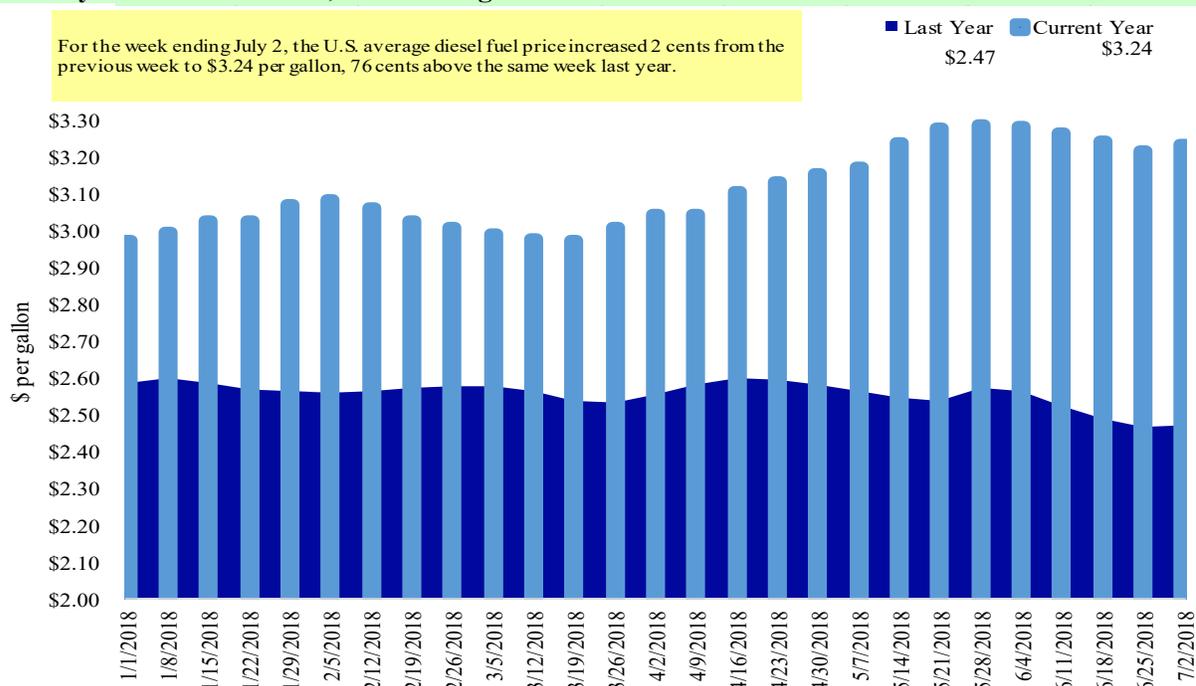
Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	3.226	0.011	0.704
	New England	3.282	0.001	0.704
	Central Atlantic	3.390	0.010	0.719
	Lower Atlantic	3.102	0.016	0.695
II	Midwest ²	3.171	0.028	0.768
III	Gulf Coast ³	3.002	0.024	0.695
IV	Rocky Mountain	3.358	0.037	0.773
V	West Coast	3.746	0.011	0.987
	West Coast less California	3.475	0.022	0.847
	California	3.960	0.001	1.094
Total	U.S.	3.236	0.020	0.764

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									
6/21/2018	1,067	500	1,550	1,216	126	4,458	13,601	8,116	26,175
This week year ago	1,888	719	1,618	1,437	169	5,830	9,160	6,756	21,746
Cumulative exports-marketing year²									
2017/18 YTD	265	160	298	369	2	1,094	43,651	48,694	93,439
2016/17 YTD	887	128	583	554	35	2,187	46,303	52,605	101,095
YTD 2017/18 as % of 2016/17	30	125	51	67	5	50	94	93	92
Last 4 wks as % of same period 2016/17	51	74	90	86	64	74	164	127	128
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 6/21/2018	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	1,768	14,418	13,296	8	12,297
Japan	987	10,940	11,385	(4)	11,450
Korea	391	5,228	5,566	(6)	4,494
Colombia	15	4,362	4,129	6	4,179
Peru	23	3,002	2,867	5	2,693
Top 5 Importers	3,184	37,951	37,243	2	35,113
Total US corn export sales	3,652	57,253	55,462	3	49,308
% of Projected		98%	95%		
Change from prior week ²	1	850	316		
Top 5 importers' share of U.S. corn export sales	87%	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.

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/esrquery/. Total commitments change (net sales) from prior week could include revisions from previous week's outstanding sales or accumulated sales.

³FAS 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 6/21/2018	Total Commitments ²			% change current MY from last MY	Exports ³ 3-yr avg. 2014-2016
	2018/19	2017/18	2016/17		
	Next MY	Current MY	Last MY		
	- 1,000 mt -				- 1,000 mt -
China	1,458	28,492	35,957	(21)	31,881
Mexico	794	4,248	3,546	20	3,452
Indonesia	75	2,332	2,157	8	1,987
Japan	143	2,171	2,141	1	2,067
Netherlands	0	2,015	1,718	17	2,098
Top 5 importers	2,470	39,258	45,518	(14)	41,486
Total US soybean export sales	7,524	56,810	59,361	(4)	52,919
% of Projected	12%	101%	100%		
Change from prior week ²	642	358	312		
Top 5 importers' share of U.S. soybean export sales	33%	69%	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/esrquery/>. 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 6/21/2018	Total Commitments ²		% change current MY from last MY	Exports ³ 3-yr avg 2014-2016
	2018/19	2017/18		
	Current MY	Last MY		
	- 1,000 mt -			- 1,000 mt -
Japan	768	729	5	2,620
Mexico	482	1,163	(59)	2,743
Philippines	722	734	(2)	2,395
Brazil	93	63	48	862
Nigeria	143	361	(60)	1,254
Korea	552	597	(7)	1,104
China	0	392	(100)	1,623
Taiwan	181	299	(39)	768
Indonesia	109	320	(66)	726
Colombia	46	198	(77)	635
Top 10 importers	3,096	4,855	(36)	14,729
Total US wheat export sales	5,552	8,017	(31)	22,804
% of Projected	21%	33%		
Change from prior week ²	564	492		
Top 10 importers' share of U.S. wheat export sales	56%	61%		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/esrquery/>. 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 06/28/18	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	247	259	95	6,138	8,054	76	67	95	14,805
Corn	460	574	80	11,357	8,234	138	171	177	10,928
Soybeans	130	73	179	5,166	4,587	113	135	382	13,246
Total	838	906	92	22,661	20,874	109	114	150	38,978
Mississippi Gulf									
Wheat	73	37	195	2,099	2,456	85	88	104	4,198
Corn	804	704	114	17,807	17,824	100	139	117	28,690
Soybeans	512	264	194	11,707	11,644	101	215	229	32,911
Total	1,389	1,006	138	31,613	31,925	99	151	137	65,800
Texas Gulf									
Wheat	8	36	23	1,898	3,729	51	17	21	6,354
Corn	0	0	n/a	375	407	92	122	46	733
Soybeans	0	0	n/a	67	0	n/a	n/a	n/a	292
Total	8	36	23	2,340	4,136	57	28	33	7,379
Interior									
Wheat	13	38	36	756	919	82	50	62	1,727
Corn	227	195	117	4,377	4,307	102	98	124	8,758
Soybeans	158	112	142	3,297	2,558	129	147	176	5,508
Total	399	344	116	8,430	7,784	108	107	133	15,993
Great Lakes									
Wheat	0	13	0	256	309	83	35	42	711
Corn	19	40	47	233	115	203	144	170	192
Soybeans	31	43	72	227	126	180	700	n/a	890
Total	50	97	52	715	550	130	151	193	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	61	51	120	1,145	884	129	825	677	2,001
Total	61	51	120	1,276	926	138	816	304	2,079
U.S. total from ports*									
Wheat	341	383	89	11,210	15,504	72	54	72	27,841
Corn	1,511	1,513	100	34,217	30,891	111	140	133	49,333
Soybeans	894	544	164	21,608	19,800	109	199	258	54,847
Total	2,746	2,440	112	67,035	66,195	101	122	134	132,021

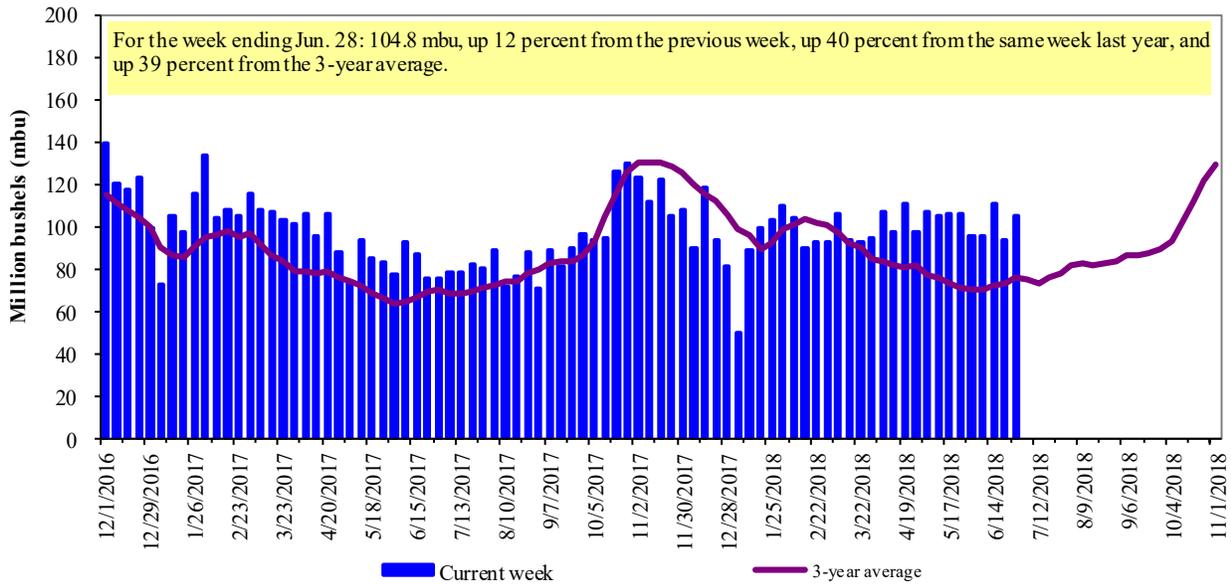
*Data includes revisions from prior weeks; some regional totals may not add exactly due to rounding.

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)

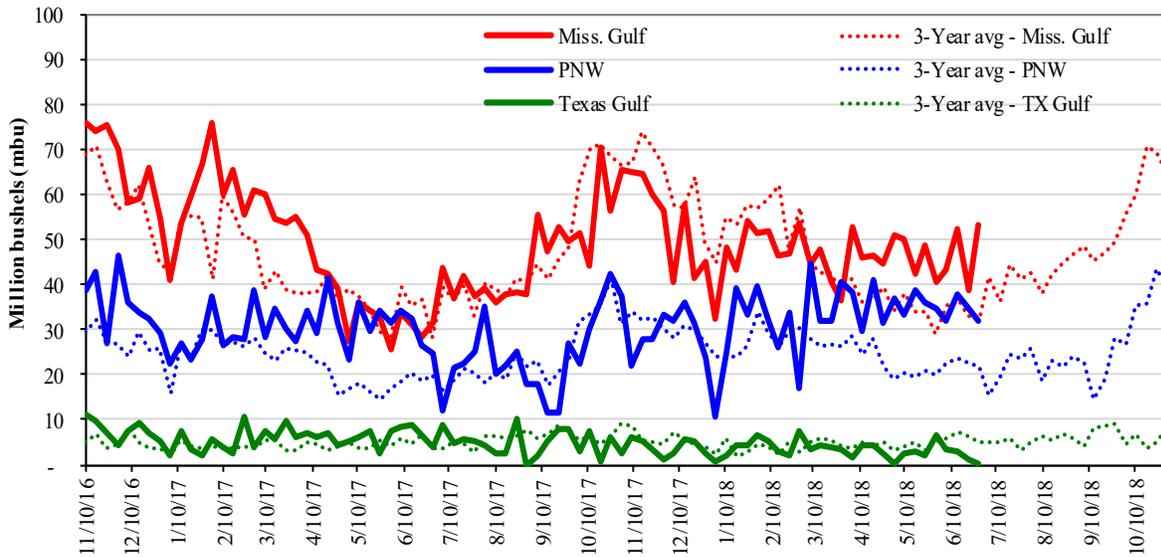


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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)



Week ending 06/28/18 inspections (mbu):		Percent change from:				
Mississippi Gulf:	53.1	Last Week:	up 37	down 77	up 33	down 8
PNW:	32.0	Last Year (same week):	up 69	down 92	up 51	up 30
Texas Gulf:	0.3	3-yr avg. (4-wk. mov. Avg):	up 54	down 95	up 32	up 41

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

Ocean Transportation

Table 17

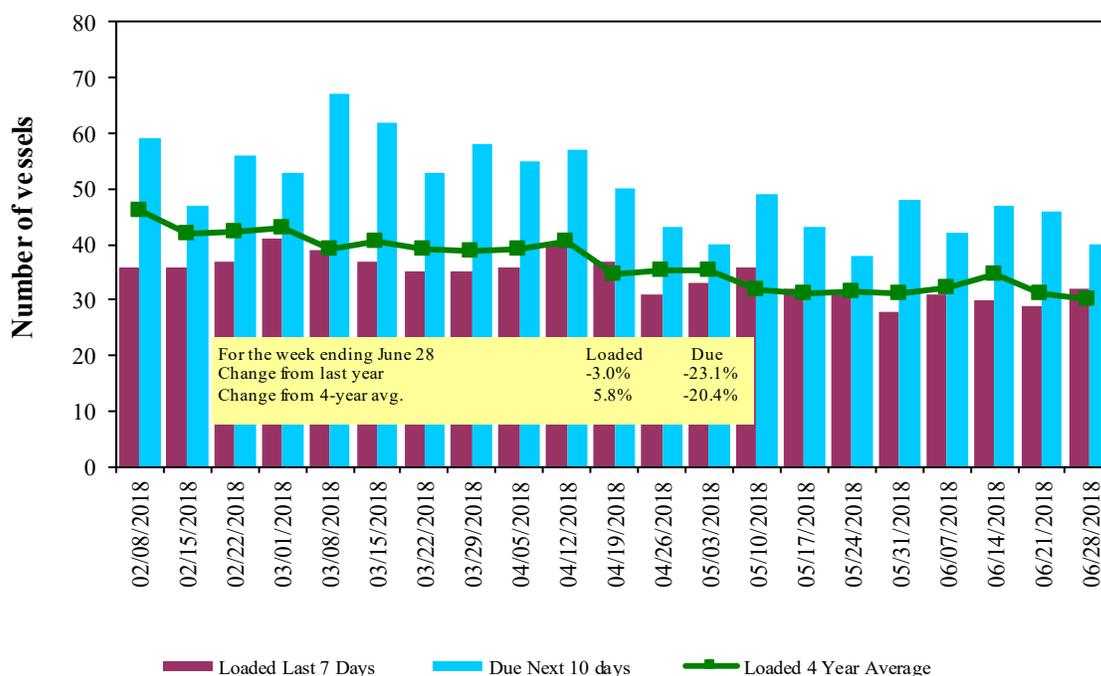
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

Date	Gulf			Pacific Northwest
	In port	Loaded 7-days	Due next 10-days	In port
6/28/2018	33	32	40	17
6/21/2018	27	29	46	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

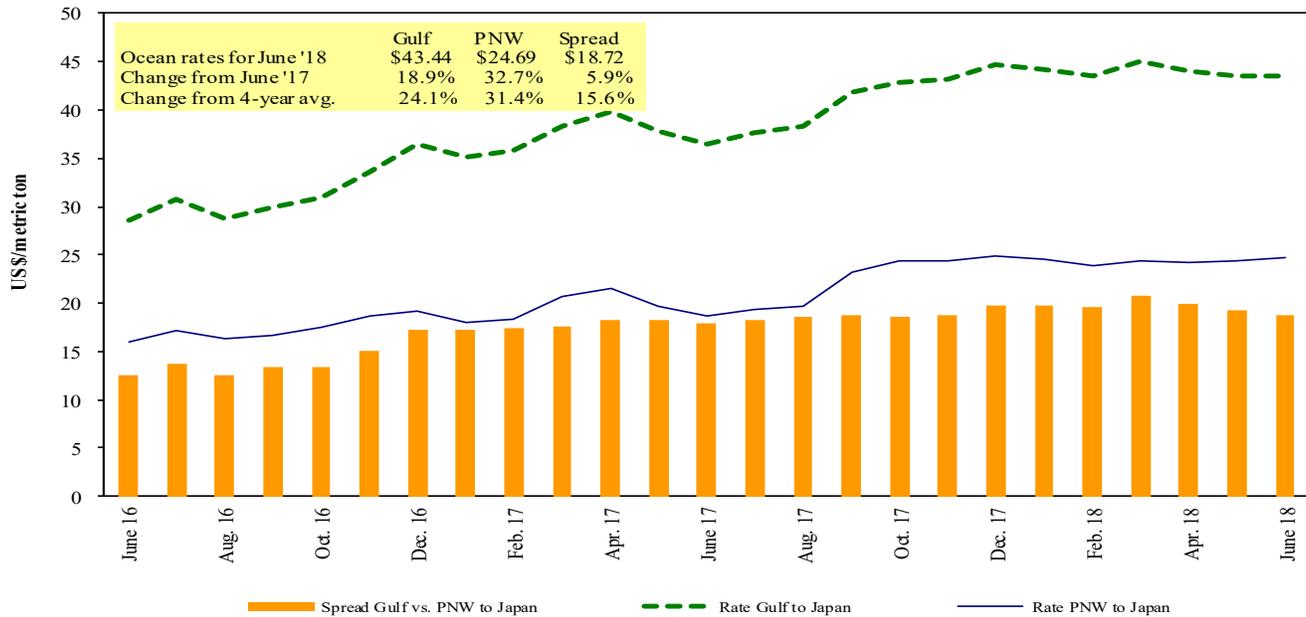
U.S. Gulf Vessel Loading Activity



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 06/30/2018

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

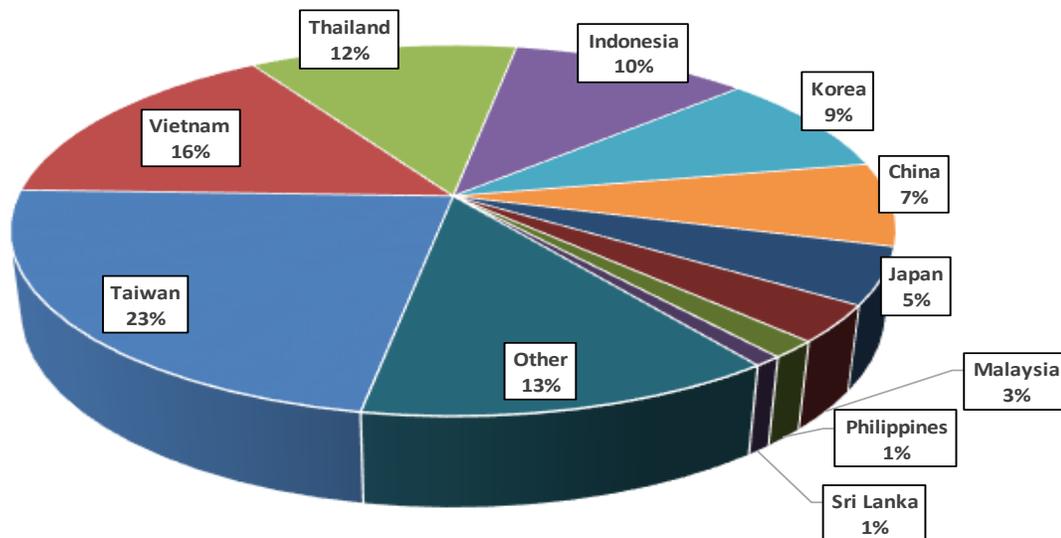
Rates shown are per metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicated; op = option
 * 50 percent of food aid from the United States is required to be shipped on U.S.-flag vessels.

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

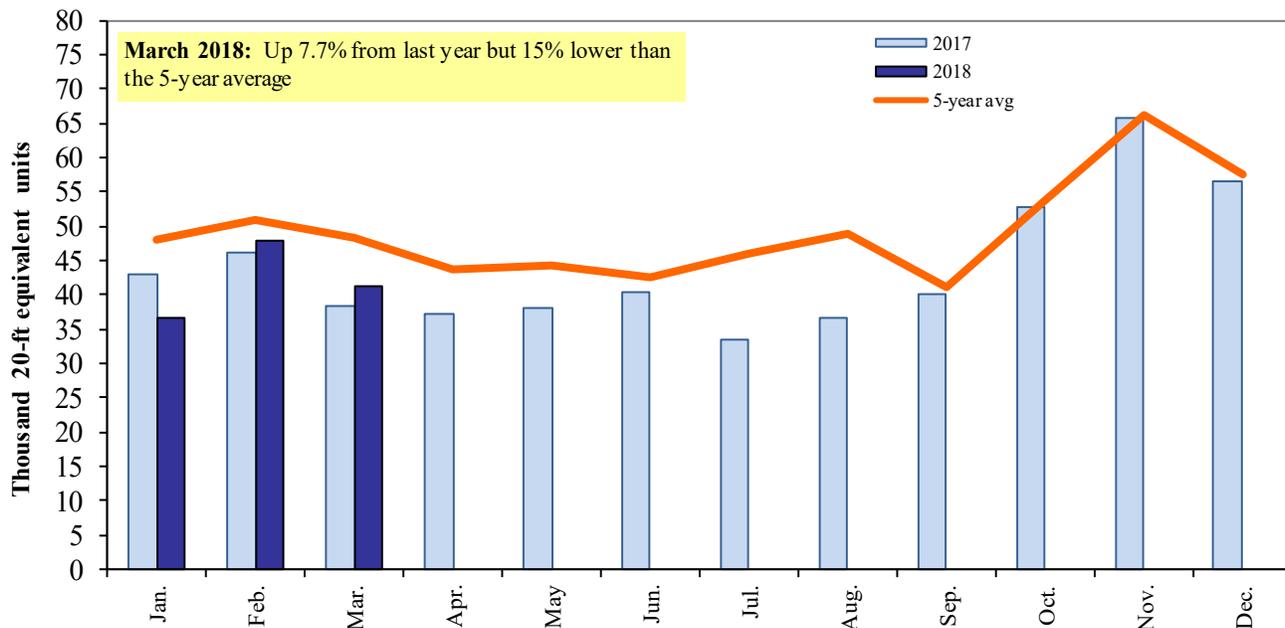


Service (PIERS) data

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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