



Grain Transportation Report

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

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July 26, 2018

WEEKLY HIGHLIGHTS

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FRA Announces Funding Opportunity for Rail Infrastructure and Safety Improvements

On July 19, the Federal Railroad Administration (FRA) [published a notice](#) announcing a Notice of Funding Opportunity (NOFO) for the Consolidated Rail Infrastructure and Safety Improvements (CRISI) Program, which includes more than \$318 million in grant funding from the Consolidated Appropriations Act of 2018. This NOFO will assist in funding projects that improve freight rail and intercity passenger transportation safety, efficiency, and reliability. The CRISI grant program directs at least 25 percent of available funds toward rural communities, helping to safely connect and upgrade America's rural rail infrastructure. On August 8, 2018, FRA will host webinars to aid eligible entities seeking funding. Parties interested in participating can [register online](#) and are encouraged to submit questions in advance. Applications for funding under this solicitation are due no later than 5:00pm EDT, September 17, 2018.

Weekly Barge Grain Shipments Continue to Decline

For the week ending July 21, grain barge shipments on the locking portions of the Mississippi, Ohio, and Arkansas rivers experienced a second week of decreased barge tonnages. For several weeks, high water on the Upper Mississippi River has slowed barge traffic from St. Paul, MN, to Davenport, IA. Delays are also occurring at Melvin Price Locks and Dam, on the Mississippi River, due to repair work that has closed the main, 1,200-foot lock chamber. Barges can transit the smaller, 600 ft. auxiliary chamber, but at a reduced pace. The Melvin Price repairs are expected to be completed by the end of July. Traffic delays are also occurring at Ohio River Locks and Dam 52, near Lockport, IL, where operational difficulties at the dam earlier in the month closed the river. As of July 21, calendar year-to-date grain barge tonnages were 21 million tons, about the same as the 3-year average, but 9 percent lower than last year at this time.

Grain Inspections Increase Slightly

For the week ending July 19, **total inspections of grain** (corn, wheat, and soybeans) for export from all major U.S. export regions reached 2.47 million metric tons (mmt), up 3 percent from the previous week, 14 percent from last year, and 24 percent above the 3-year average. Soybean and corn inspections rose 13 and 4 percent from the previous week, respectively. Although total grain inspections decreased 11 percent in the Pacific Northwest (PNW), inspections remained unchanged in the Mississippi Gulf. Week-to-week inspections of grain, however, increased from all other export regions. Inspections of grain during the last four weeks also remained above last year and the 3-year average.

Snapshots by Sector

Export Sales

For the week ending July 12, **unshipped balances** of wheat, corn, and soybeans totaled 21.9 mmt, up 14 percent from the same time last year. Net weekly **wheat export sales** were .300 mmt, up 121 percent from the previous week. Net **corn export sales** were .641 mmt, up 59 percent from the previous week. Net **soybean export sales** were .252 mmt, up 58 percent from the previous week.

Rail

U.S. Class I railroads originated 24,779 **grain carloads** for the week ending July 14, up 16 percent from the previous week, up 9 percent from last year, and up 11 percent from the 3-year average.

Average August shuttle **secondary railcar** bids/offers per car were \$13 above tariff for the week ending July 19, down \$88 from last week, and \$190 higher than last year. There were no non-shuttle bids/offers this week.

Barge

For the week ending July 21, **barge grain movements** totaled 651,930 tons, 12 percent lower than the previous week and down 47 percent from the same period last year.

For the week ending July 21, 421 grain barges **moved down river**, 52 barges less than the previous week. There were 803 grain barges **unloaded in New Orleans**, 3 percent higher than the previous week.

Ocean

For the week ending July 19, 34 **ocean-going grain vessels** were loaded in the Gulf, 6 percent less than the same period last year. Fifty-six vessels are expected to be loaded within the next 10 days, 33 percent less than the same period last year.

For the week ending July 19, the ocean freight rate for shipping bulk grain from the Gulf to Japan was \$44.00 per metric ton, unchanged from the previous week. The cost of shipping from the PNW to Japan was \$24.75 per metric ton, unchanged from the previous week.

Fuel

For the week ending July 23, the U.S. average **diesel fuel price** decreased 2 cents from the previous week at \$3.22 per gallon, 71 cents higher than the same week last year.

Feature Article/Calendar

Bulk Ocean Freight Rates Above Last Year, but Mixed During Second Quarter

Changes in the second quarter ocean freight rates for shipping bulk grains from the previous quarter were mixed, but the rates were above the same period last year and the 4-year average. The rates for shipping a metric ton (mt) of grain from the U.S. Gulf to Japan averaged \$43.68 during the quarter, 1 percent below the previous quarter, but 15 and 23 percent above last year and the 4-year average, respectively. The rates from the Pacific Northwest (PNW) to Japan averaged \$24.37 per mt, almost unchanged from the previous quarter, but 22 more than the same period last year, and 25 percent higher than the 4-year average. It cost \$20.67 per mt to ship grain from the U.S. Gulf to Rotterdam, Germany—23, 43 and 34 percent more than the previous quarter, the same period last year, and the 4-year average, respectively. The spread, which is the difference between the Gulf-to-Japan rate and PNW-to-Japan rate, fell below the previous quarter, but was above the same period last year and the 4-year average.

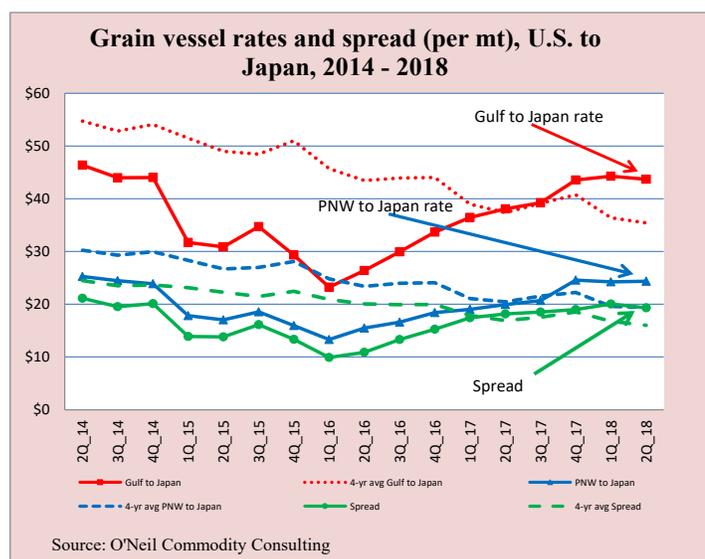
Table 1: Ocean freight rates for grain routes during the second quarter 2018

Route	Apr.	May	June	2nd quarter 2018	Change from		
					1st qtr '18	2nd qtr '17	4-yr avg
	--\$/mt--			--\$/mt--	Percent		
U.S. Gulf to Japan	44.06	43.55	43.44	43.68	-1.3	15	23
PNW to Japan	24.13	24.30	24.69	24.37	0.5	22	25
Spread	19.93	19.25	18.75	19.31	-4	6	21
U.S. Gulf to Europe	20.19	20.95	20.88	20.67	23	43	34

*Spread is the difference between ocean freight rates for shipping grain from the U.S. Gulf to Japan and PNW to Japan
Source: O'Neil Commodity Consulting

The second quarter began with declining rates for both the U.S. Gulf-to-Japan and PNW-to-Japan routes. The decrease in rates was likely related to restrictions on coal imports in China, which put downward pressure on the rates for Panamax vessels. In addition, the fleet continued to expand, as demolition activity reached its lowest levels in the last two decades. During the month, only one vessel was sold for scrapping, while 20 newly built vessels were delivered.

There were no significant movements in the spread during May, as both rates fluctuated within 1 percent during the month. While the Gulf-to-Japan rate decreased by 1 percent, the PNW-to-Japan rate increased by a similar margin. During May, the fleet size continued to increase—as the pace of new vessel deliveries slowed, but remained strong. Demolition activity improved moderately, but was still significantly lower than 2017. Strikes by iron ore workers in Canada, and truck drivers in Brazil, impacted the iron supply in the global market. As a result, there was a decrease in the number of Panamax vessels needed to move the smaller supply. On average, rates remained relatively stable in June, as the demand for coal remained high during the peak in summer. Also, the low rate of vessel deliveries continued to slow the rate of fleet growth.



Current Market Situation

As of July 12, the rate for shipping grain from the U.S. Gulf to Japan was \$44 per mt, 2 percent higher than the beginning of the year (January 4). The rate from the PNW to Japan was \$24.75 per mt, 3 percent higher than the beginning of the year. Although rates have been higher than last year, and higher than the 4-year average, they have been significantly lower than the record highs in 2008. The relatively low ocean freight rates are due to excess supply and lagging demand for bulk vessels in the market. The global dry bulk operating fleet size has increased 15 percent, from 721 million deadweight tons (mdwt) in December 2013 to 830 mdwt in June 2018 (Table 2). Although the pace has slowed, the rate of new deliveries is still strong, causing a moderate increase in fleet size. As of June, the order book for new vessels for delivery by 2021, stands at 82.8 mdwt, which represents 10 percent of the existing fleet. Over 90 percent of the newly built vessels are scheduled for delivery between now and 2020.

Type of vessel	Size (dwt)	2013		2014		2015		2016		2017		As of June 2018	
		No. of Vessels	Capacity mdwt	No. of Vessels	Capacity mdwt								
Handysize	10,000-40,000	3,002	84.9	3,114	88.5	3,246	91.8	3,317	93.9	3,373	96.4	3,389	97.1
Handymax	40,000-65,000	2,973	157.5	3,118	166.1	3,310	178.4	3,431	187.4	3,550	195.8	3,577	197.5
Panamax	65,000-85,000	1,917	146.3	2,023	155.2	2,059	158.8	2,047	159.0	2,107	164.3	2,133	166.4
Post-Panamax	85,000-120,000	503	48.8	530	51.5	530	51.4	544	52.7	554	53.6	562	54.3
Capesize	120,000-220,000	1,257	223.2	1,312	234.2	1,293	233.1	1,313	238.8	1,352	247.4	1,358	248.7
Vloc	220,000+	203	59.7	212	62.1	209	61.1	212	62.0	217	63.3	226	66.4
Total		9,855	721	10,309	757.6	10,647	774.6	10,864	793.8	11,153	820.8	11,245	830.4

Source: Drewry Shipping Consultants.

Besides the prevailing excess capacity in the bulk shipping market, uncertainties over growing global trade wars could impact the bulk market and, consequently, ocean freight rates. In addition, the demand for coal may slow, particularly in Asia, as the end of summer draws near and temperatures are cooler. The approaching monsoon season could boost hydroelectricity generation, which in turn may weaken the demand for coal and dampen ocean freight rates. surajudeen.olowolayemo@ams.usda.gov

Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators¹

For the week ending	Truck	Rail		Barge	Ocean	
		Unit Train	Shuttle		Gulf	Pacific
07/25/18	216	277	216	247	197	176
07/18/18	217	277	234	229	197	176

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)

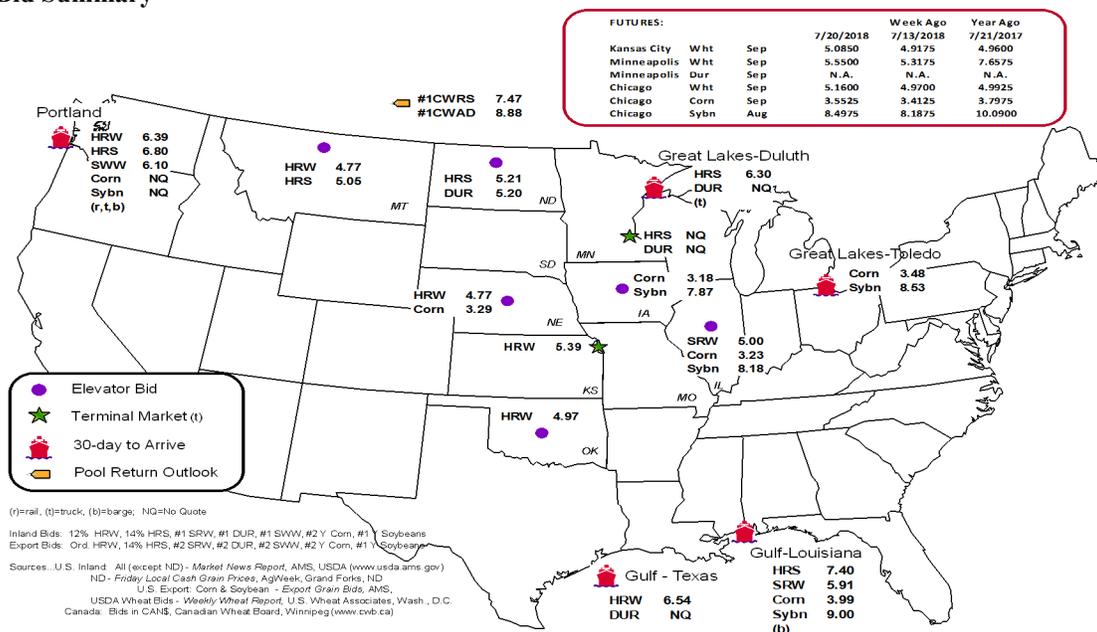
Commodity	Origin--Destination	7/20/2018	7/13/2018
Corn	IL--Gulf	-0.76	-0.75
Corn	NE--Gulf	-0.70	-0.72
Soybean	IA--Gulf	-1.13	-1.17
HRW	KS--Gulf	-1.15	-1.15
HRS	ND--Portland	1.59	-1.73

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			
07/18/2018 ^p	127	140	7,121	436	7,824	7/14/2018	2,525
07/11/2018 ^r	277	523	5,953	390	7,143	7/7/2018	2,601
2018 YTD ^r	11,330	32,528	193,660	12,608	250,126	2018 YTD	64,790
2017 YTD ^r	15,229	52,072	170,776	11,969	250,046	2017 YTD	66,591
2018 YTD as % of 2017 YTD	74	62	113	105	100	% change YTD	97
Last 4 weeks as % of 2017 ²	99	32	148	230	127	Last 4wks % 2017	99
Last 4 weeks as % of 4-year avg. ²	85	37	177	205	147	Last 4wks % 4 yr	116
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.

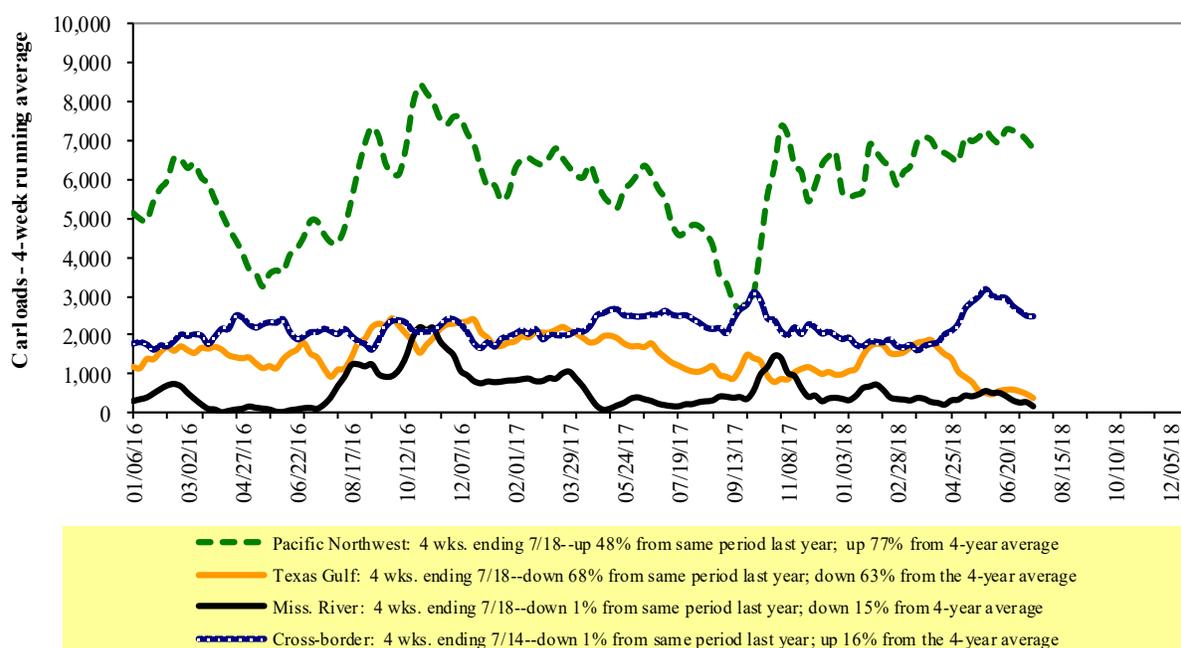
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

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: 7/14/2018	East		West			U.S. total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
This week	2,165	2,789	13,488	1,234	5,103	24,779	3,665	5,057
This week last year	1,722	2,969	10,897	965	6,250	22,803	3,462	5,277
2018 YTD	54,066	70,804	349,192	27,246	146,686	647,994	104,673	128,988
2017 YTD	49,613	78,619	320,483	26,856	165,615	641,186	106,346	125,832
2018 YTD as % of 2017 YTD	109	90	109	101	89	101	98	103
Last 4 weeks as % of 2017*	113	94	121	109	92	109	105	92
Last 4 weeks as % of 3-yr avg.**	114	93	124	120	95	111	102	100
Total 2017	89,465	142,726	578,964	50,223	289,574	1,150,952	198,582	244,766

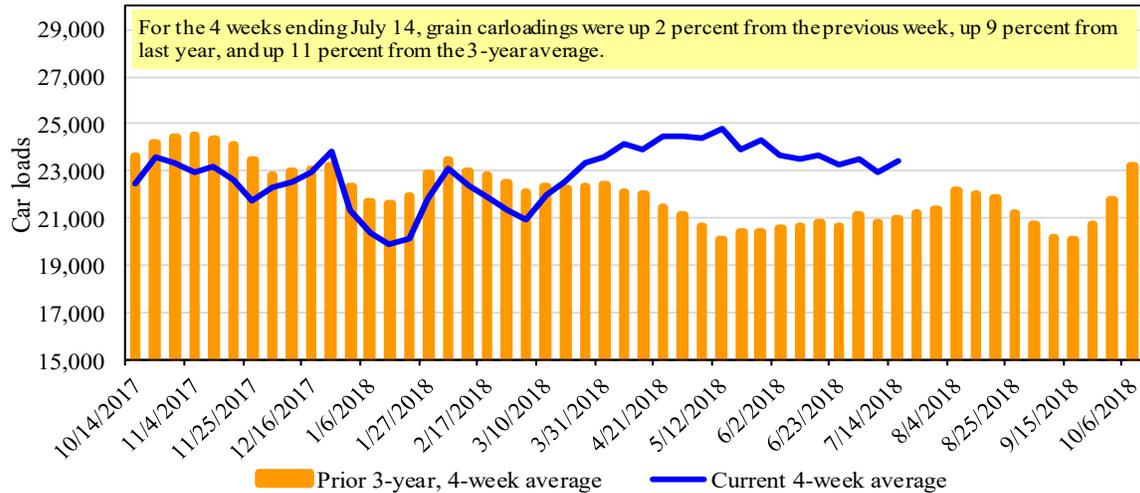
*The past 4 weeks of this year as a percent of the same 4 weeks last year.

**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: 7/19/2018		Delivery period							
		Aug-18	Aug-17	Sep-18	Sep-17	Oct-18	Oct-17	Nov-18	Nov-17
BNSF ³	COT grain units	no offer	0	no offer	no bids	no offer	no offer	no offer	no bids
	COT grain single-car ⁵	no offer	2	no offer	0	no offer	0	no offer	0
UP ⁴	GCAS/Region 1	no bids	no bids	10	no bids	no offer	no offer	n/a	n/a
	GCAS/Region 2	no offer	no bids	no offer	10	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.

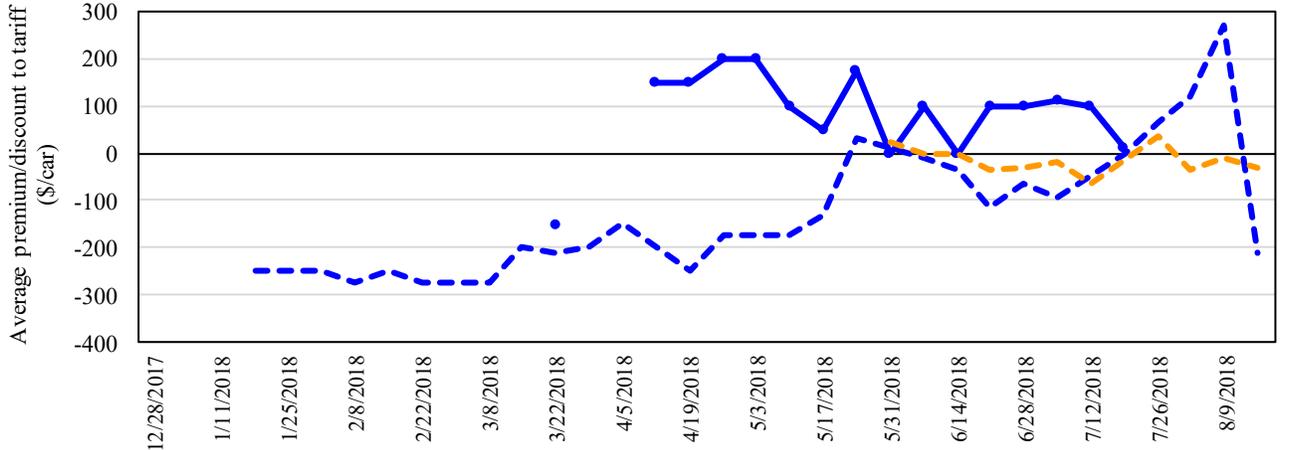
Region 2 includes: CO, IA, KS, MN, NE, WY, and Kansas City and St. Joseph, MO.

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 August 2018, Secondary Market



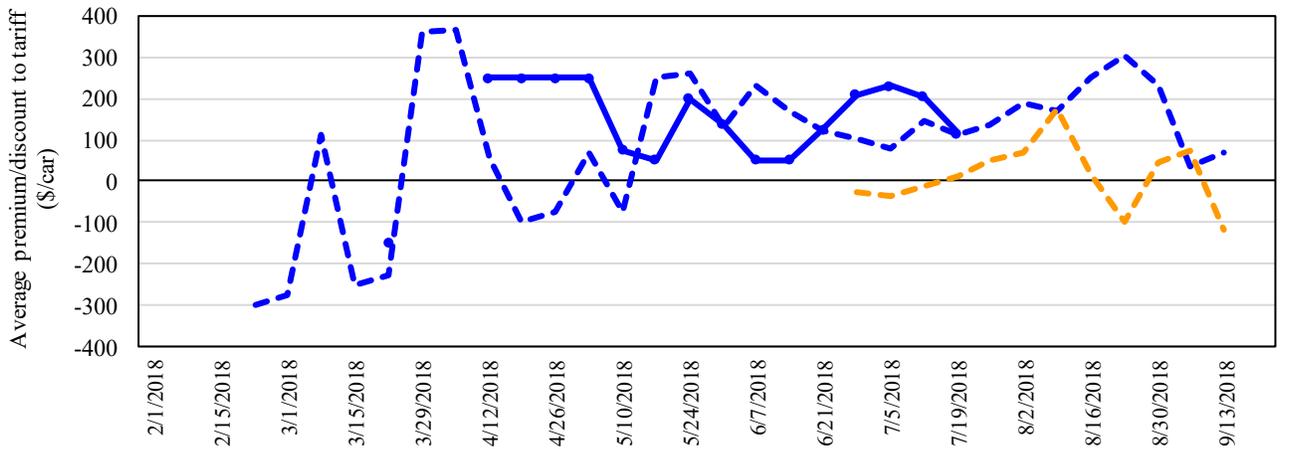
7/19/2018	BNSF	UP
Non-Shuttle	n/a	n/a
Shuttle	\$25	\$0

— 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 fell \$88 this week and are \$188 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 September 2018, Secondary Market



7/19/2018	BNSF	UP
Non-Shuttle	n/a	n/a
Shuttle	\$133	\$100

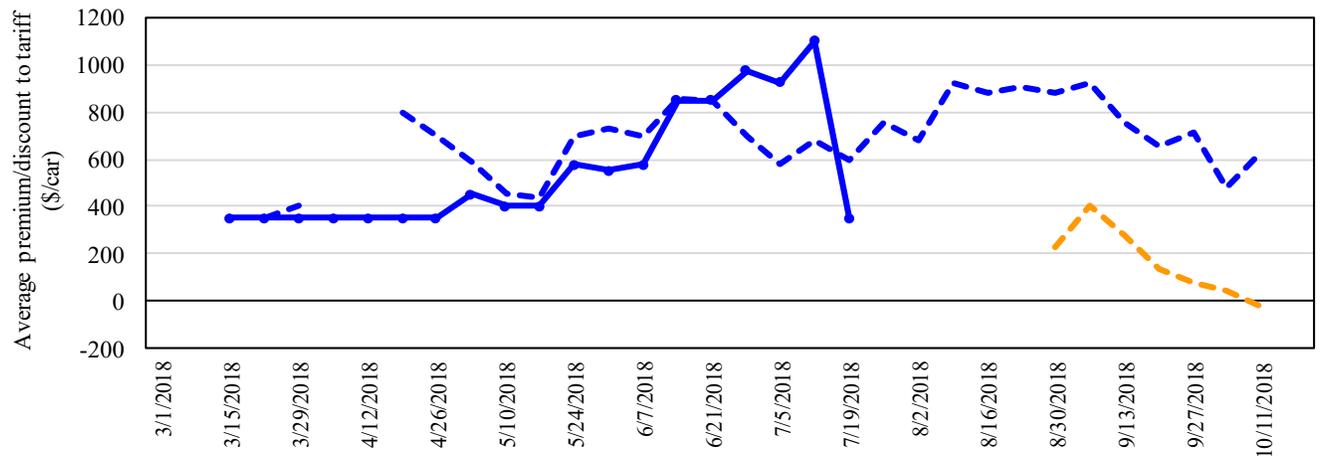
— Shuttle
- - - Shuttle prior 3-yr avg. (same week)
— Non-Shuttle
- - - Non-Shuttle prior 3-yr avg. (same week)

There were no Non-Shuttle bids/offers this week.
 Average Shuttle bids/offers fell \$88 this week and are \$133 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 October 2018, Secondary Market



7/19/2018	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	\$400	\$300	There were no Non-Shuttle bids/offers this week. Average Shuttle bids/offers fell \$750 this week and are \$750 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: 7/19/2018		Delivery period					
		Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19
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
Shuttle	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	25	133	400	n/a	n/a	n/a
	Change from last week	n/a	(42)	(800)	n/a	n/a	n/a
	Change from same week 2017	167	67	n/a	n/a	n/a	n/a
	UP-Pool	0	100	300	n/a	n/a	n/a
	Change from last week	(100)	(133)	(700)	n/a	n/a	n/a
Change from same week 2017	213	150	(100)	n/a	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	Tariff plus surcharge per 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:		change ⁴ Y/Y
					metric ton ³	bushel ³	
Wheat	MT	Chihuahua, CI	\$7,459	\$0	\$76.21	\$2.07	0
	OK	Cuautitlan, EM	\$6,743	\$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.

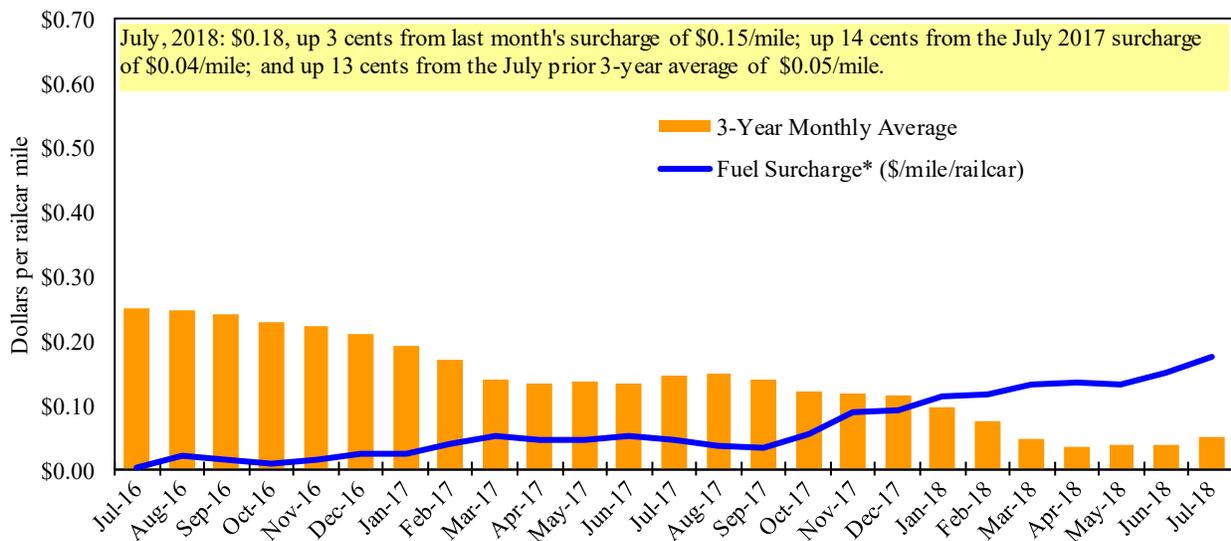
²Fuel surcharge adjusted to reflect the change in Ferrocarril Mexicano, S.A. de C.V railroad fuel surcharge policy as of 10/01/2009

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.

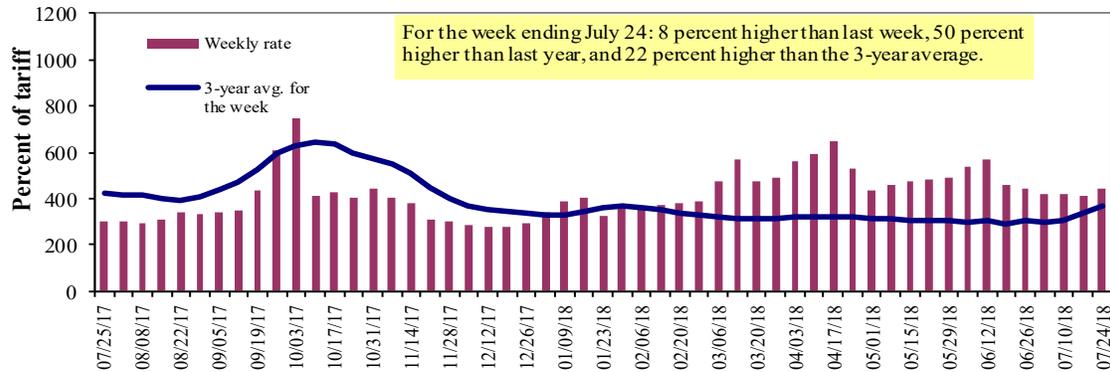
** CSX strike price changed from \$2.00/gal. to \$3.75/gal. starting January 1, 2015.

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
Rate ¹	7/24/2018	492	453	445	308	388	388	282
	7/17/2018	463	415	413	306	388	400	280
\$/ton	7/24/2018	30.45	24.10	20.65	12.29	18.20	15.68	8.85
	7/17/2018	28.66	22.08	19.16	12.21	18.20	16.16	8.79
Current week % change from the same week:								
	Last year	39	50	50	37	41	41	54
	3-year avg. ²	14	20	22	18	38	38	26
Rate ¹	August	467	442	438	310	383	383	292
	October	575	540	538	447	533	533	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:

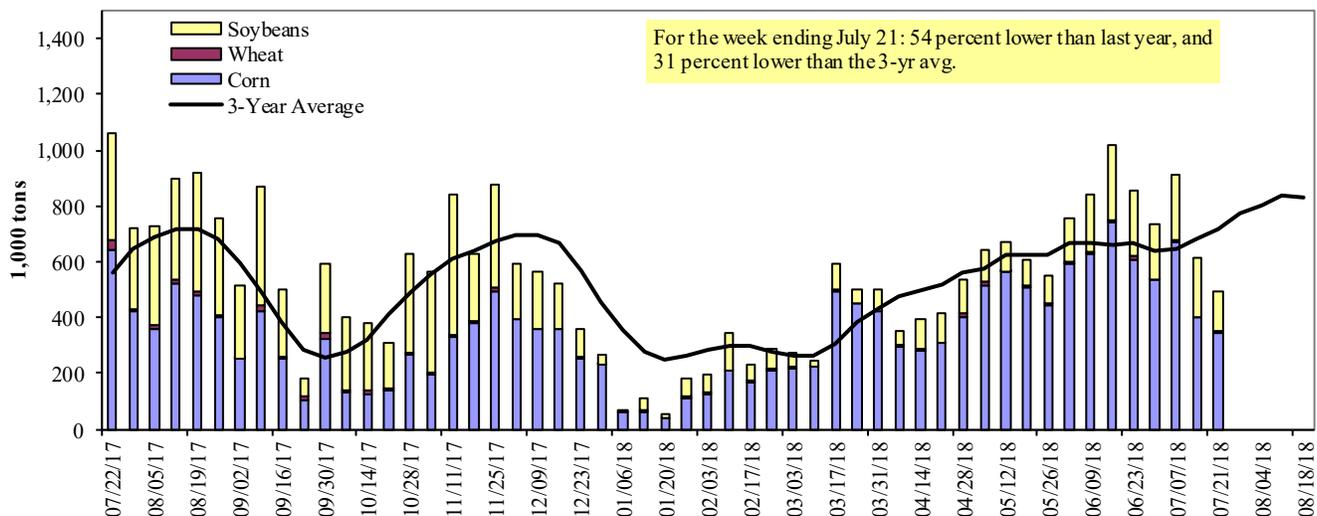
(Rate * 1976 tariff benchmark rate per ton)/100

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 07/21/2018	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	180	0	122	0	302
Winfield, MO (L25)	296	0	165	0	462
Alton, IL (L26)	343	3	153	0	499
Granite City, IL (L27)	344	5	144	0	492
Illinois River (L8)	137	3	73	0	213
Ohio River (L52)	48	26	51	0	125
Arkansas River (L1)	0	28	7	0	35
Weekly total - 2018	392	59	202	0	652
Weekly total - 2017	674	91	453	12	1,230
2018 YTD ¹	13,426	1,008	6,442	66	20,942
2017 YTD	14,355	1,386	7,013	176	22,930
2018 as % of 2017 YTD	94	73	92	38	91
Last 4 weeks as % of 2017 ²	94	82	83	9	89
Total 2017	22,242	2,210	16,123	360	40,936

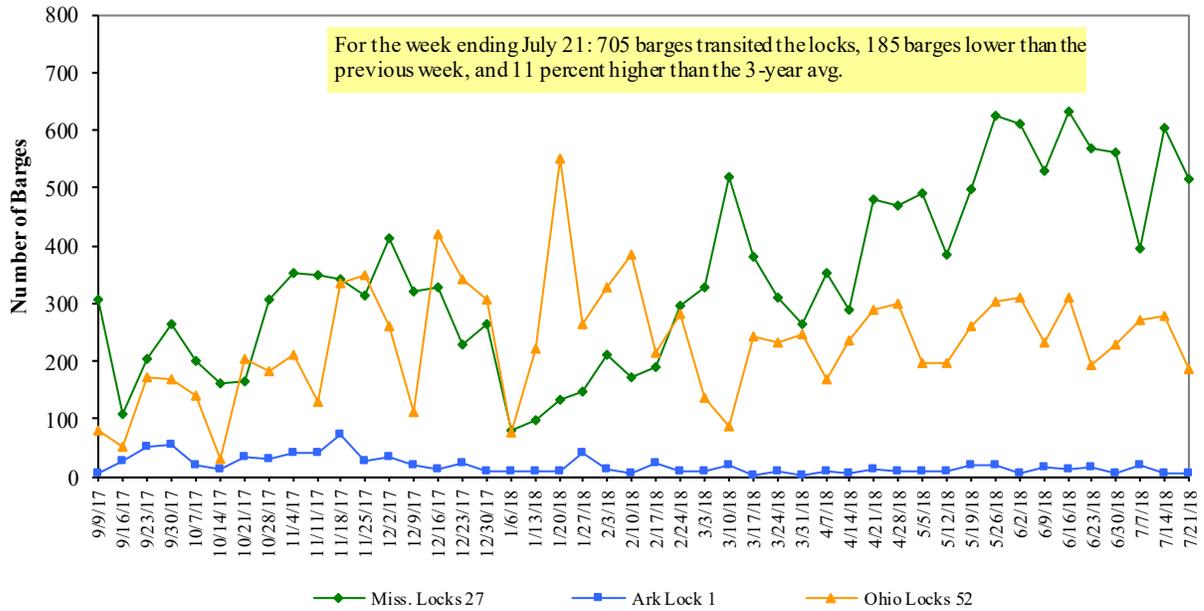
¹ Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

² As a percent of same period in 2017.

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

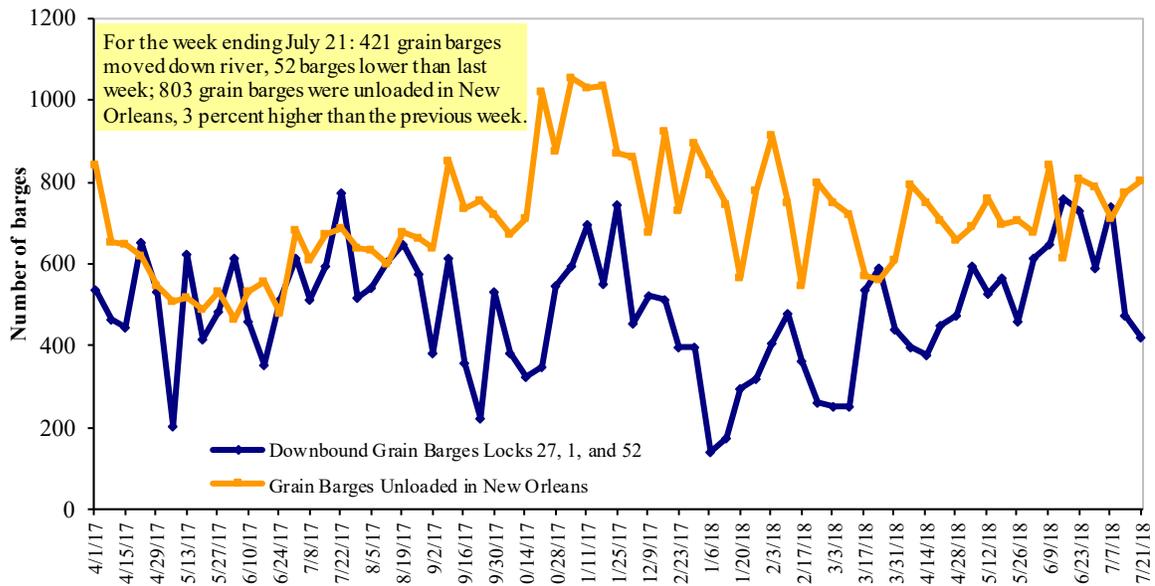
Source: U.S. Army Corps of Engineers

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 7/23/2018 (US \$/gallon)

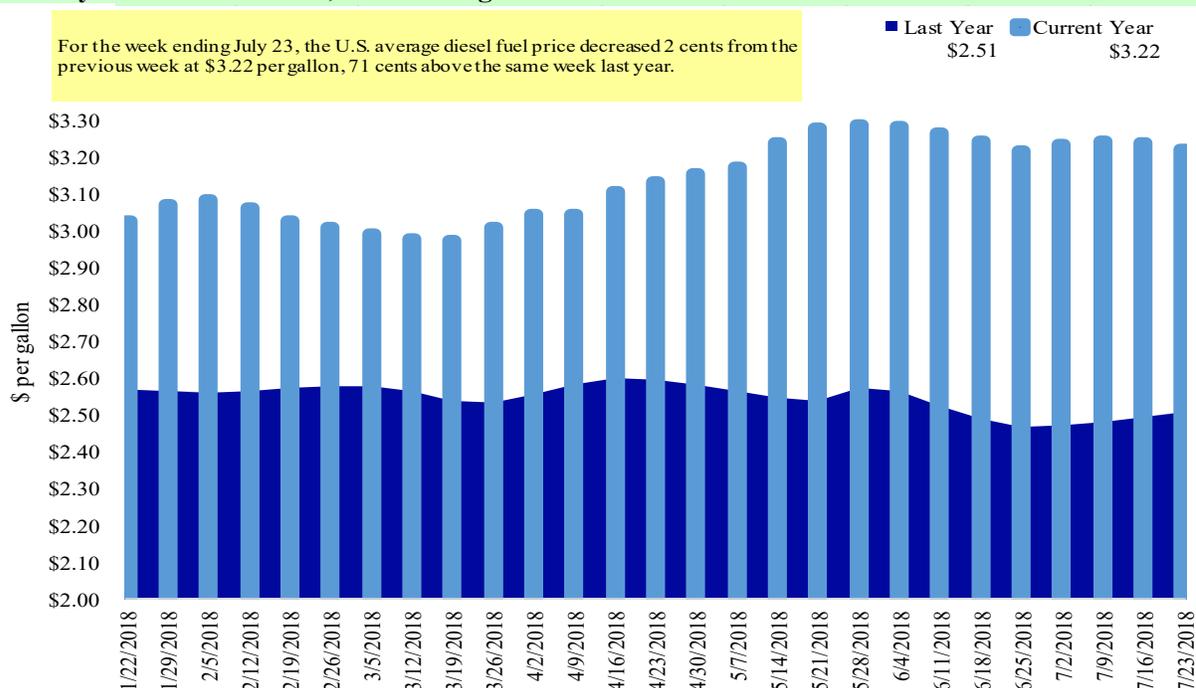
Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	3.217	-0.019	0.671
	New England	3.269	-0.014	0.695
	Central Atlantic	3.389	-0.016	0.704
	Lower Atlantic	3.087	-0.021	0.646
II	Midwest ²	3.142	-0.029	0.690
III	Gulf Coast ³	2.993	-0.011	0.651
IV	Rocky Mountain	3.369	-0.001	0.771
V	West Coast	3.718	-0.023	0.930
	West Coast less California	3.436	-0.020	0.758
	California	3.943	-0.025	1.066
Total	U.S.	3.220	-0.019	0.713

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									
7/12/2018	989	506	1,445	1,124	163	4,227	10,881	6,812	21,919
This week year ago	1,684	714	1,462	1,680	128	5,666	6,896	6,715	19,278
Cumulative exports-marketing year²									
2017/18 YTD	574	321	653	646	9	2,201	47,856	50,891	100,948
2016/17 YTD	1,632	295	989	762	76	3,754	49,334	53,649	106,736
YTD 2017/18 as % of 2016/17	35	109	66	85	11	59	97	95	95
Last 4 wks as % of same period 2016/17	64	72	101	70	109	77	176	111	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 7/12/2018	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	2,164	14,846	13,674	9	12,297
Japan	1,068	11,270	11,762	(4)	11,450
Korea	517	5,554	5,639	(2)	4,494
Colombia	15	4,524	4,211	7	4,179
Peru	25	3,111	3,018	3	2,693
Top 5 Importers	3,789	39,304	38,304	3	35,113
Total US corn export sales	5,422	58,736	56,230	4	49,308
% of Projected	10%	96%	96%		
Change from prior week²	775	641	467		
Top 5 importers' share of U.S. corn export sales	70%	67%	68%		71%
USDA forecast, July 2018	56,616	61,069	58,372	5	
Corn Use for Ethanol USDA forecast, July 2018	142,875	142,240	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 7/12/2018	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	1,332	28,123	36,162	(22)	31,881
Mexico	1,037	4,325	3,739	16	3,452
Indonesia	111	2,523	2,327	8	1,987
Japan	161	2,288	2,226	3	2,067
Netherlands	0	2,176	1,788	22	2,098
Top 5 importers	2,640	39,435	46,242	(15)	41,486
Total US soybean export sales	8,866	57,703	60,364	(4)	52,919
% of Projected	16%	102%	102%		
Change from prior week ²	613	252	410		
Top 5 importers' share of U.S. soybean export sales	30%	68%	77%		78%
USDA forecast, July 2018	55,586	56,812	59,019	96	

(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. (Carry over plus Accumulated Exports)

Table 15

Top 10 Importers¹ of All U.S. Wheat

For the week ending 7/12/2018	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	841	902	(7)	2,620
Mexico	600	1,356	(56)	2,743
Philippines	938	1,063	(12)	2,395
Brazil	121	93	30	862
Nigeria	220	505	(56)	1,254
Korea	587	765	(23)	1,104
China	0	391	(100)	1,623
Taiwan	281	352	(20)	768
Indonesia	131	338	(61)	726
Colombia	67	212	(68)	635
Top 10 importers	3,786	5,976	(37)	14,729
Total US wheat export sales	6,429	9,420	(32)	22,804
% of Projected	24%	38%		
Change from prior week ²	300	670		
Top 10 importers' share of U.S. wheat export sales	59%	63%		65%
USDA forecast, July 2018	26,567	24,550	8	

(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 07/19/18	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	174	312	56	6,833	8,744	78	96	115	14,805
Corn	462	334	138	12,765	8,872	144	201	160	10,928
Soybeans	66	140	47	5,519	4,739	116	219	382	13,246
Total	702	786	89	25,118	22,355	112	155	155	38,978
Mississippi Gulf									
Wheat	99	108	91	2,359	2,784	85	83	84	4,198
Corn	583	674	87	19,768	19,705	100	112	107	28,690
Soybeans	460	362	127	12,906	12,636	102	150	163	32,911
Total	1,142	1,144	100	35,032	35,126	100	120	120	65,800
Texas Gulf									
Wheat	57	32	178	1,988	4,210	47	17	20	6,354
Corn	23	28	82	456	455	100	167	118	733
Soybeans	0	0	n/a	67	0	n/a	n/a	n/a	292
Total	80	59	134	2,511	4,666	54	28	33	7,379
Interior									
Wheat	28	43	64	839	1,081	78	46	65	1,727
Corn	204	161	127	4,844	4,802	101	98	121	8,758
Soybeans	168	144	116	3,729	2,832	132	169	205	5,508
Total	400	348	115	9,413	8,716	108	109	136	15,993
Great Lakes									
Wheat	59	0	n/a	322	368	88	73	76	711
Corn	18	43	42	298	115	260	435	132	192
Soybeans	0	21	0	248	184	135	91	152	890
Total	78	65	120	869	666	130	120	109	1,793
Atlantic									
Wheat	1	1	n/a	67	37	181	n/a	8	46
Corn	0	0	n/a	67	5	n/a	n/a	0	32
Soybeans	66	3	n/a	1,274	901	141	929	621	2,001
Total	68	4	n/a	1,408	943	149	945	252	2,079
U.S. total from ports*									
Wheat	419	496	84	12,408	17,225	72	68	78	27,841
Corn	1,290	1,239	104	38,198	33,954	113	131	123	49,333
Soybeans	760	671	113	23,743	21,293	112	169	198	54,847
Total	2,469	2,406	103	74,350	72,471	103	122	126	132,021

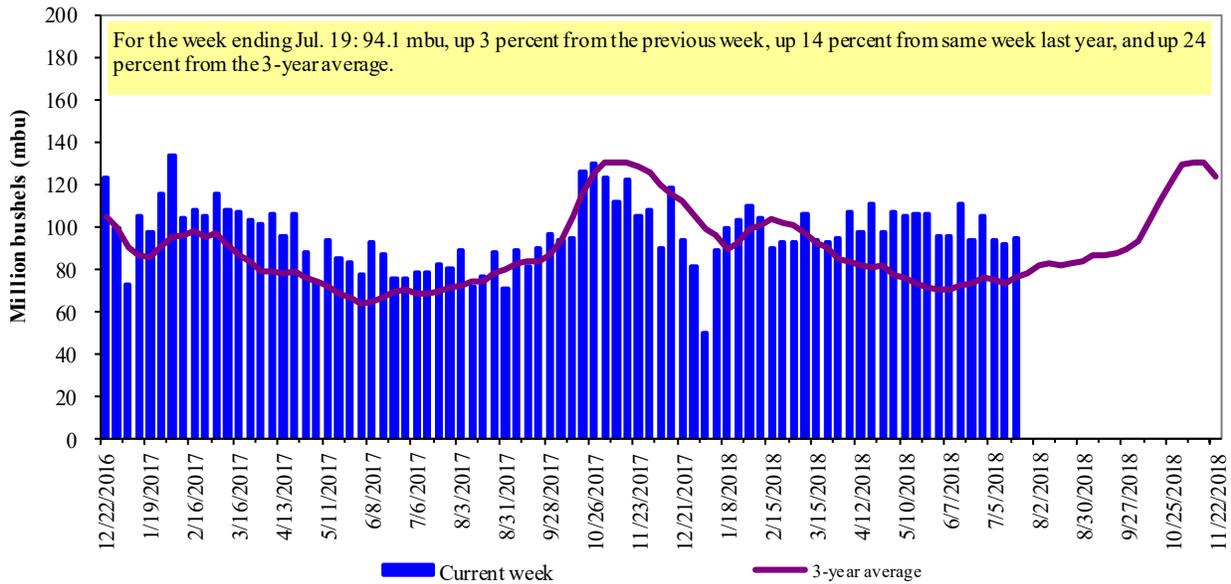
*Data includes revisions from prior weeks; some regional totals may not add exactly due to rounding.

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)

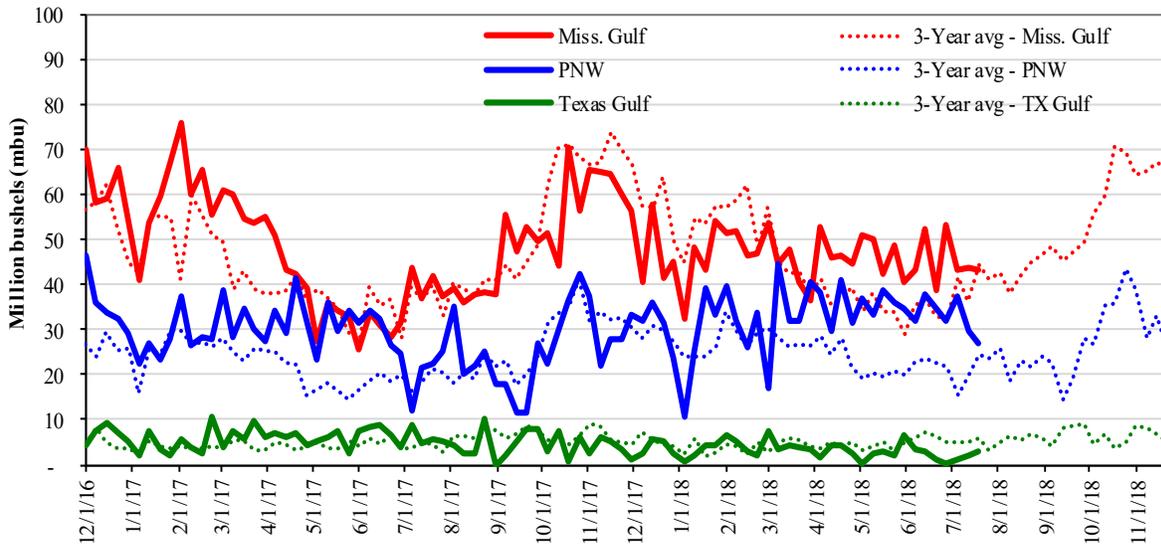


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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 07/19/18 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: 43.5	Last Week:	unchanged	up 32	unchanged	down 9
PNW: 27.0	Last Year (same week):	up 4	down 48	down 3	up 20
Texas Gulf: 3.0	3-yr avg. (4-wk. mov. Avg):	up 13	down 41	up 6	up 33

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

Ocean Transportation

Table 17

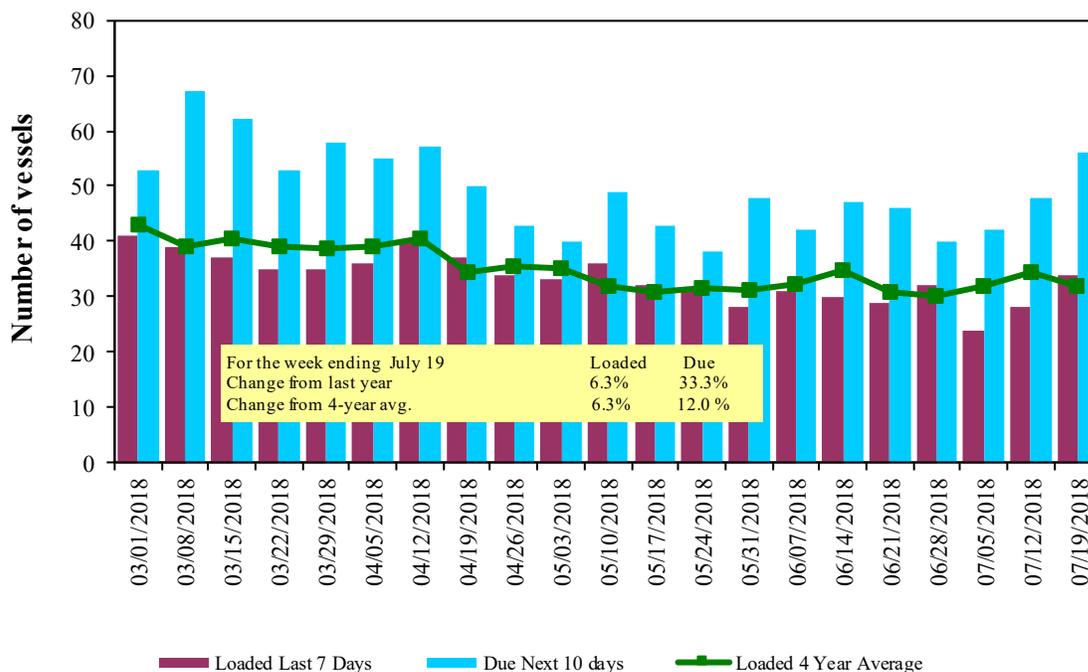
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

Date	Gulf			Pacific Northwest
	In port	Loaded 7-days	Due next 10-days	In port
7/19/2018	30	34	56	11
7/12/2018	28	28	48	12
2017 range	(25..66)	(28..54)	(37..87)	(5..44)
2017 avg.	46	38	56	20

Source: Transportation & Marketing Programs/AMS/USDA

Figure 16

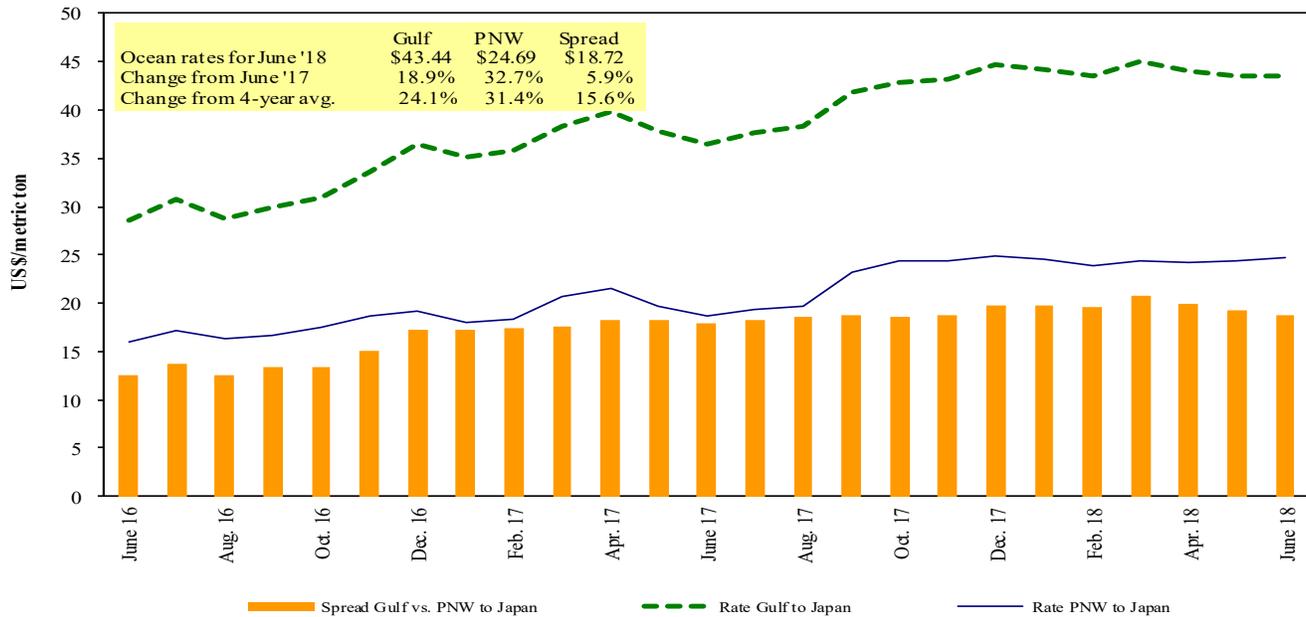
U.S. Gulf Vessel Loading Activity



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 07/21/2018

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	Yemen	Wheat	Jul 26/Aug 9	27,500	83.70*
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	Malaysia	Heavy Grain	Aug 17/24	65,000	31.00

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

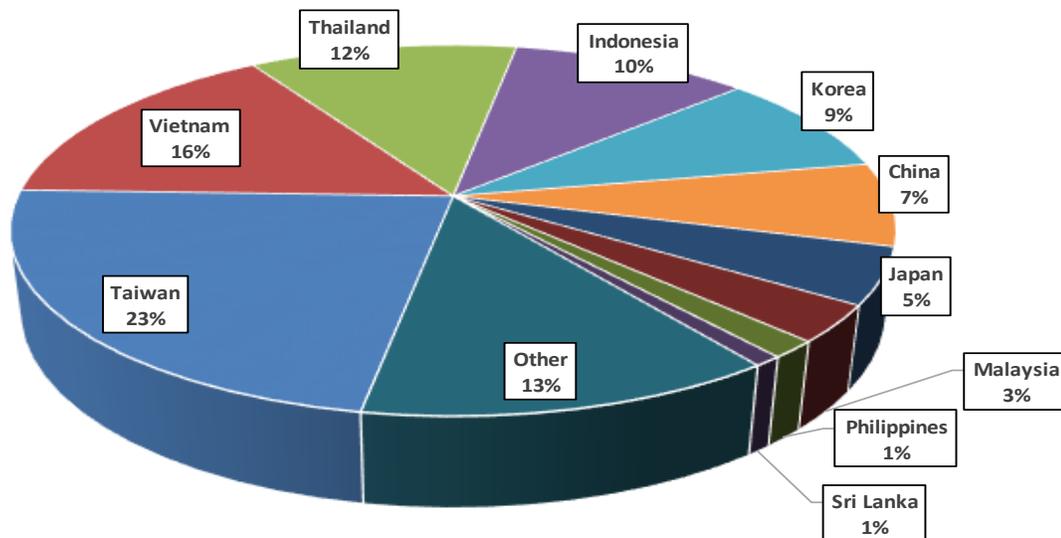
*50 percent of food aid from the United States is required to be shipped on U.S.-flag vessels.

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

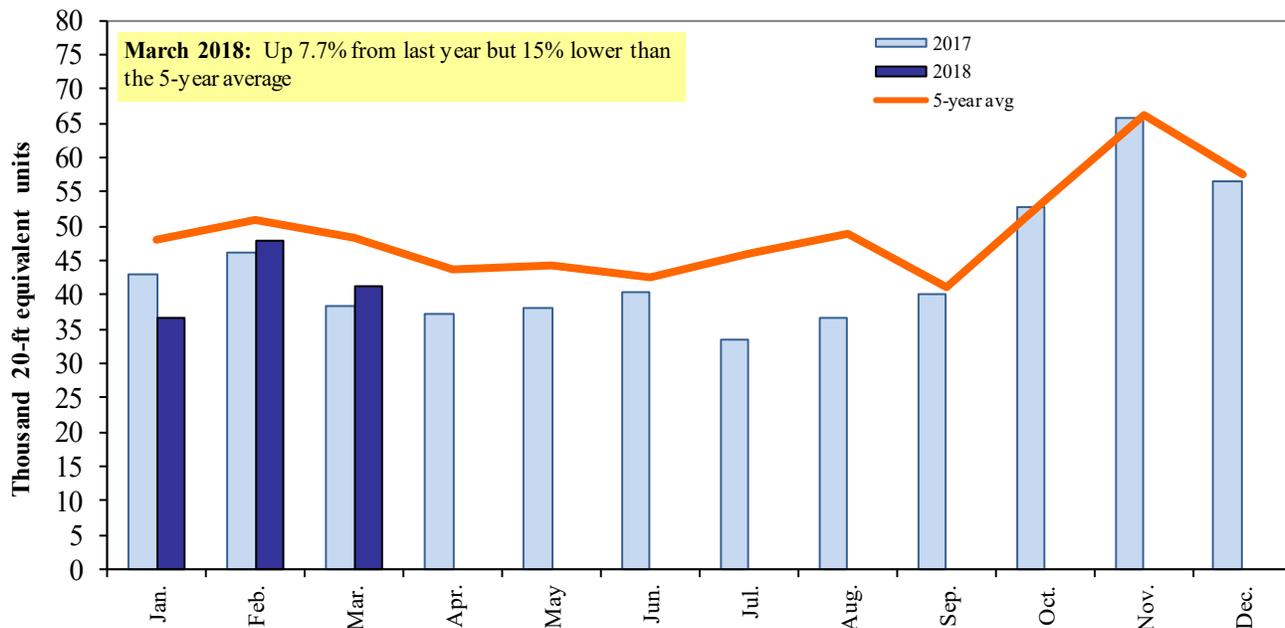


Service (PIERS) data

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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