



Grain Transportation Report

A weekly publication of the Agricultural Marketing Service
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August 23, 2018

WEEKLY HIGHLIGHTS

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Soybean Inspections Increase, but Total Inspections Down

For the week ending August 16, **total inspections of grain** (corn, wheat, and soybeans) for export from all major U.S. export regions reached 2.11 million metric tons (mmt); down 11 percent from the previous week, up 5 percent from last year, and 2 percent below the 3-year average. Soybean inspections increased 10 percent from the previous week, but wheat and corn dropped 29 and 13 percent, respectively. Inspections of soybeans have averaged .759 mmt during the last four weeks, despite the drop in shipments to China. During the last four weeks, U.S. soybean shipments destined to China have averaged only .032 mmt, compared to .221 mmt last year. Total grain inspections increased 8 percent from the past week in the Mississippi Gulf, while Pacific Northwest inspections decreased 21 percent for the same period. Outstanding (unshipped) export sales rebounded for corn, but decreased for wheat and soybeans.

Grain Barge Spot Rates Decline for Second Week

As of August 21, barge spot rates for export grain dropped 1 to 14 percent, at principal origination points, compared to a week ago. This was similar to last week (August 14), when rates dropped 1 to 13 percent from the previous week. Typically, barge rates begin rising gradually in late August, as barge operators prepare for a seasonal demand increase that occurs during harvest. However, year-to-date tonnages for grain, on the locking sections of the Mississippi, Ohio, and Arkansas rivers, are down 8 percent compared to last year. During the same time frame, tonnages for corn are down 4 percent, and soybeans are down 11 percent. Rates have dropped, despite ongoing navigation issues that have disrupted traffic. The lower Ohio River continues to have disruptions with repair work at Locks and Dam (L&D) 52. While Olmsted L&D will hold a ribbon cutting ceremony on August 30, it will not be fully operational until later this summer. On-going disruptions may continue on the lower Ohio River for the near future (see feature article).

FMC Seeks Input from Shippers on Detention and Demurrage Practices

The Federal Maritime Commission (FMC) continues to seek input from exporters experiencing unfair detention and demurrage practices by ocean container carriers and marine terminal operators. FMC initiated the investigation, Fact Finding 28, under a Commission Order dated March 5, 2018. The first phase of the investigation involved gathering information from ocean carriers and marine terminal operators serving a broad section of container ports located throughout the United States. The Commission is now seeking input from the export community. Commissioner Rebecca Dye emphasizes that it is critical that shippers, dray truck companies, and other affected parties, who can document specific allegations and provide supporting materials of unreasonable port detention and demurrage practices and fees, step forward and cooperate with the investigation. Correspondence, allegations, and supporting documents can be sent to the Commission via FF28@FMC.Gov.

Snapshots by Sector

Export Sales

For the week ending August 9, **unshipped balances** of wheat, corn, and soybeans totaled 16.1 mmt, up 16 percent from the same time last year. Net weekly **wheat export sales** were .803 mmt, up significantly from the previous week, and the highest so far for the new marketing year. Net **corn export sales** were .339 mmt, down 39 percent from the previous week. Net **soybean export sales** were .134 mmt, down 68 percent from the previous week.

Rail

U.S. Class I railroads originated 21,770 **grain carloads**, for the week ending August 11; down 13 percent from the previous week, up 14 percent from last year, and down 1 percent from the 3-year average.

Average September shuttle **secondary railcar** bids/offers per car were \$56 above tariff, for the week ending August 16; up \$166 from last week, and \$110 higher than last year. Average non-shuttle secondary railcar bids/offers per car were \$219 above tariff, up \$19 from last week, and \$234 higher than last year.

Barge

For the week ending August 18, **barge grain movements** totaled 711,798 tons, 25 percent less than the previous week and down 29 percent from the same period last year.

For the week ending August 18, 441 grain barges **moved down river**, 164 barges less than the previous week. There were 731 grain barges **unloaded in New Orleans**, 10 percent higher than the previous week.

Ocean

For the week ending August 16, 30 **ocean-going grain vessels** were loaded in the Gulf, 14 percent less than the same period last year. Fifty-four vessels are expected to be loaded within the next 10 days, 4 percent more than the same period last year.

For the week ending August 16, the ocean freight rate for shipping bulk grain, from the Gulf to Japan, was \$45.00 per metric ton, up 2 percent from the previous week. The cost of shipping, from the PNW to Japan, was \$24.75 per metric ton, up 2 percent from the previous week.

Fuel

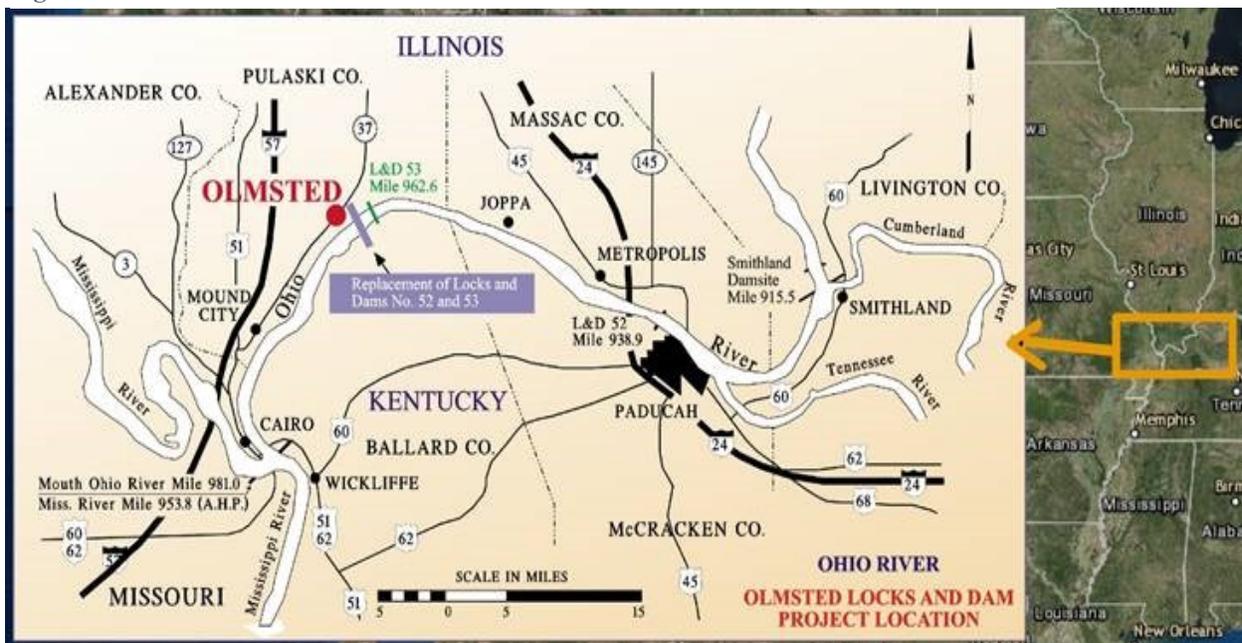
For the week ending August 20, the U.S. average **diesel fuel price** decreased 1 cent, from the previous week, to \$3.207 per gallon, 61.1 cents above the same week last year.

Feature Article/Calendar

Ribbon-Cutting Ceremony Announced for Olmsted Locks and Dam

After over 30 years of planning and construction, one of the most important segments of the U.S. inland waterway system—Olmsted Locks and Dam (L&D)—has been completed. The U.S. Army Corps of Engineers (Corps) will hold a ribbon-cutting ceremony for this milestone on August 30, in Olmsted, IL. The facility is the nation’s largest and most expensive inland waterway project. Olmsted L&D is located on a strategic reach of the Ohio River that provides a connection between the Mississippi, Tennessee, and Cumberland rivers (see Figure 1). According to the Corps, more tonnage passes this point than any other place in America’s inland navigation system.

Figure 1- Olmsted Locks and Dam



Source: U.S. Army Corps of Engineers/USDA-AMS-TMP-TSD

The project, officially called the [*Locks and Dams 52 and 53 Replacement Project*](#), consists of two 110-foot wide by 1,200-foot long locks adjacent to the Illinois side of the river, and a dam that spans the river and connects with Kentucky. L&D 52 and 53 were built nearly 90 years ago and have been in a nearly constant state of repair in recent years. Due to closures at the locks, especially L&D 52, there have been days-long delays as barges waited for needed repairs to transit the obsolete locks. The Olmsted project is unique for using a method known as “in-the-wet” construction, in which large concrete shells were cast on land and then placed in the river to form part of the permanent dam. This method avoids the construction of cofferdams that form dry areas of river bottom to build the dam, and lessens the impact on navigation during construction. Another part of the project is a moveable dam that allows barge traffic to bypass the locks through a 1,400-foot wide navigable pass when river levels are high enough. The moveable dam consists of 140 ten-foot wide wickets that—under high-water conditions—can be lowered to lay flat on the river bottom to allow barge traffic to flow unrestricted by the submerged wickets. When water levels are lower, barges must use the locks to traverse the river, so the wickets are raised to form a dam that accumulates a pool of water large enough for safely operating the locks.

Olmsted L&D Funding

The Olmsted L&D project was authorized by the Water Resources Development Act of 1988, at an estimated cost of \$775 million at the time. The authorized project cost was increased, as part of the Continuing

Appropriations Act of 2014, to \$2.918 billion. From the start of the project to FY 2013, Olmsted L&D was funded through a 50 percent share from the General Treasury and a 50 percent share from the Inland Waterways Trust Fund (IWTF). Federal legislation specifies the collection of a diesel fuel tax for commercial vessels, which is deposited into the IWTF and is used to pay a share of new construction and major rehabilitation activities. The FY 2014 Omnibus Appropriation Act changed the funding split for Olmsted L&D to a 25 percent share from the IWTF and a 75 percent from the General Treasury, but only for FY 2014. The Water Resources Reform and Development Act of 2014 changed the funding distribution for the Olmsted L&D project to 15 percent IWTF and 85 percent General Treasury, beginning FY 2015 and beyond. The total estimated cost of the final project is \$2.7 billion. Funding for all other major rehabilitation and new construction projects require a 50/50 split.

According to the Corps, the cost increase, from \$775 million to \$2.7 billion, was caused by a variety of factors. The new dam technology required one-of-a-kind equipment for heavy lifting, moving and setting large concrete shells to accurate locations, and other associated procedures. The cost of these technologies became more expensive than anticipated. Adding to overall cost increases were funding shortages that slowed project progress and inflation, over 30 years. Normally, the construction season runs from May to November, when lower water conditions make it more advantageous to work in the river. However, high water conditions in some years, at inopportune times, caused serious construction delays and increased costs.

Commodities Moved on the Lower Ohio River

From 2013 to 2017, Ohio River L&D 52 handled, on average, about 78.2 million tons per year (combined up-bound and down-bound traffic).¹ The principle commodity moved through L&D 52 was coal, representing about one-quarter of all tonnages (see table 1). However, coal tonnages have declined in recent years, from 38.3 million tons in 2012 to 16.4 million tons by 2017. From 2013 to 2017, corn, soybeans, fertilizers, feed products, wheat, and other agricultural products represent about 22 percent of all tonnages. About 83 percent of the corn and soybean shipments were down-bound movements. Up-bound shipments accounted for 17 percent of corn and soybean movements through L&D 52, indicating some corn and soybeans from the Midwest are delivered to domestic markets from the Mississippi River with eventual destinations up-river on the Ohio, Tennessee, or Cumberland rivers.

Economic Benefits

Without the disruptions caused by the L&Ds 52 and 53, the newly completed Olmsted L&D replacement will provide a reliable and efficient transportation component for a vital segment of the river system. A system that provides transportation for about half of U.S. corn and soybean exports from interior production areas to seaports, for eventual shipment to foreign markets. Nick.Marathon@ams.usda.gov

| Table 1 - Ohio River Locks and Dam 52, average annual tonnages, by commodity, 2013-2017 | | |
|--|---------------------|-------------------------|
| Commodity | Million tons | Percent of total |
| Coal | 18.9 | 24.2% |
| Crude Materials (ex. lime) | 9.3 | 11.8% |
| Limestone | 9.2 | 11.7% |
| Petroleum | 7.5 | 9.6% |
| Manufactured Goods | 5.5 | 7.0% |
| Corn | 5.5 | 7.0% |
| Soybeans | 4.8 | 6.1% |
| Chemicals | 4.0 | 5.1% |
| Sand and gravel | 3.8 | 4.8% |
| Fertilizers | 3.4 | 4.4% |
| Other non-ag | 3.2 | 4.2% |
| Feed products | 1.6 | 2.1% |
| Wheat | 1.1 | 1.4% |
| Other ag | 0.5 | 0.7% |
| Total | 78.2 | 100% |

Source: U.S. Army Corps of Engineers

¹ To approximate the tonnages at the newly constructed Olmsted Locks, the tonnages at Ohio L&D 52 are used. While Ohio L&D 53 is the last down bound lock on the Ohio River, Locks 52 is typically used as the reference point

Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators¹

| For the week ending | Truck | Rail | | Barge | Ocean | |
|---------------------|-------|-------|---------|-------|-------|---------|
| | Unit | Train | Shuttle | | Gulf | Pacific |
| 08/22/18 | 215 | 290 | 218 | 258 | 201 | 176 |
| 08/15/18 | 216 | 285 | 212 | 292 | 197 | 172 |

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)

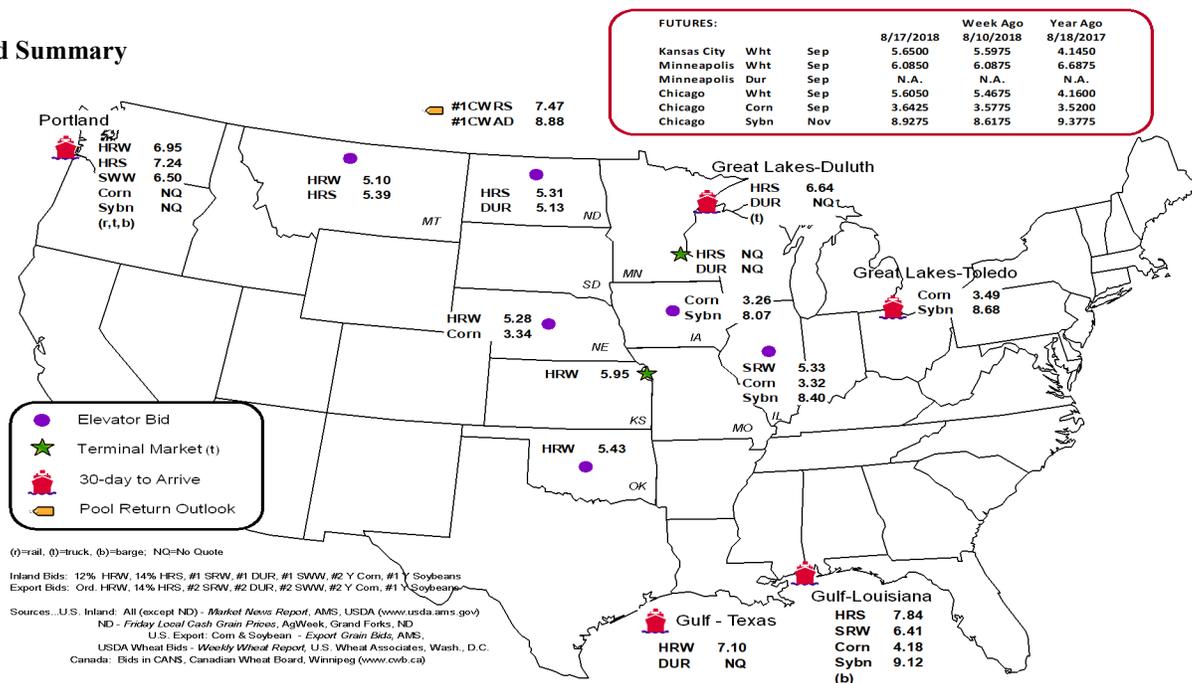
| Commodity | Origin--Destination | 8/17/2018 | 8/10/2018 |
|-----------|---------------------|-----------|-----------|
| Corn | IL--Gulf | -0.86 | -0.63 |
| Corn | NE--Gulf | -0.84 | -0.84 |
| Soybean | IA--Gulf | -1.05 | -1.12 |
| HRW | KS--Gulf | -1.15 | -1.15 |
| HRS | ND--Portland | -1.93 | -2.06 |

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 | | | |
| 08/15/2018 ^p | 655 | 590 | 5,009 | 43 | 6,297 | 8/11/2018 | 2,067 |
| 08/08/2018 ^r | 429 | 559 | 5,059 | 307 | 6,354 | 8/4/2018 | 2,641 |
| 2018 YTD ^f | 12,961 | 35,165 | 216,352 | 13,745 | 278,223 | 2018 YTD | 75,293 |
| 2017 YTD ^f | 16,394 | 56,525 | 189,248 | 12,747 | 274,914 | 2017 YTD | 75,387 |
| 2018 YTD as % of 2017 YTD | 79 | 62 | 114 | 108 | 101 | % change YTD | 100 |
| Last 4 weeks as % of 2017 ² | 140 | 54 | 123 | 146 | 112 | Last 4wks % 2017 | 119 |
| Last 4 weeks as % of 4-year avg ² | 93 | 51 | 139 | 133 | 118 | Last 4wks % 4 yr | 136 |
| 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.

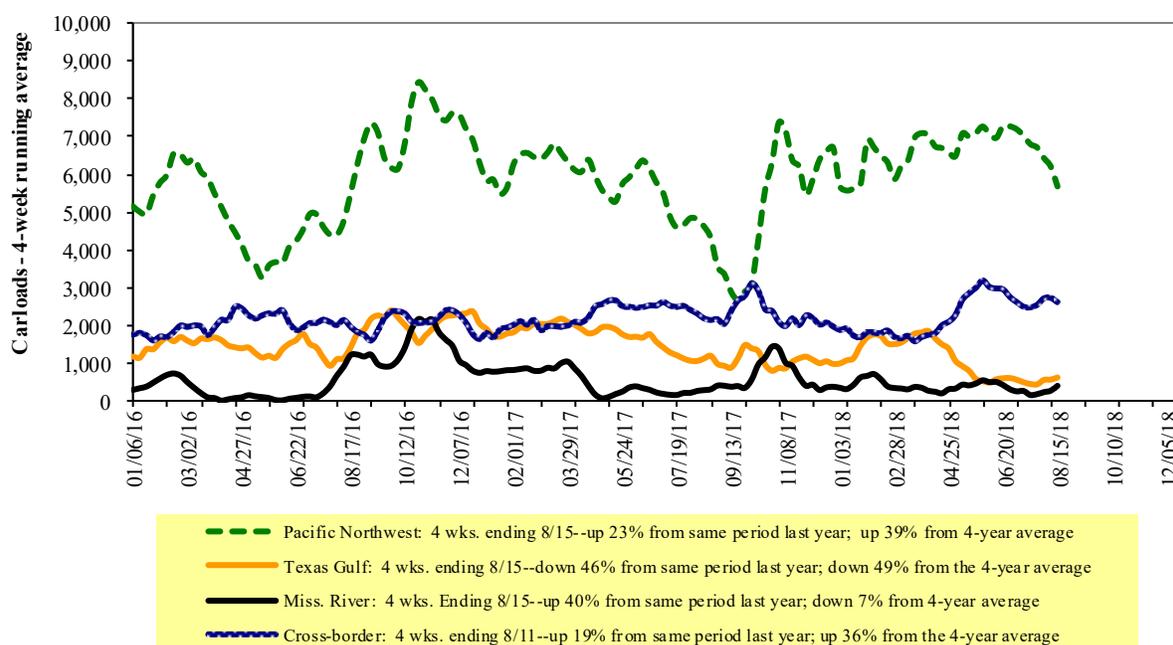
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

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: 8/11/2018 | East | | West | | | U.S. total | Canada | |
|-----------------------------------|--------|---------|---------|--------|---------|------------|---------|---------|
| | CSXT | NS | BNSF | KCS | UP | | CN | CP |
| This week | 2,082 | 2,584 | 11,101 | 1,003 | 5,000 | 21,770 | 4,387 | 4,546 |
| This week last year | 1,376 | 2,494 | 10,129 | 982 | 4,099 | 19,080 | 3,333 | 4,906 |
| 2018 YTD | 62,531 | 82,260 | 399,546 | 30,968 | 167,533 | 742,838 | 121,066 | 148,518 |
| 2017 YTD | 54,809 | 89,345 | 362,408 | 30,129 | 185,562 | 722,253 | 120,624 | 144,126 |
| 2018 YTD as % of 2017 YTD | 114 | 92 | 110 | 103 | 90 | 103 | 100 | 103 |
| Last 4 weeks as % of 2017* | 163 | 107 | 120 | 114 | 105 | 117 | 115 | 107 |
| Last 4 weeks as % of 3-yr avg.** | 133 | 107 | 109 | 117 | 95 | 107 | 106 | 102 |
| Total 2017 | 89,465 | 142,826 | 578,964 | 50,223 | 289,574 | 1,151,052 | 198,550 | 244,766 |

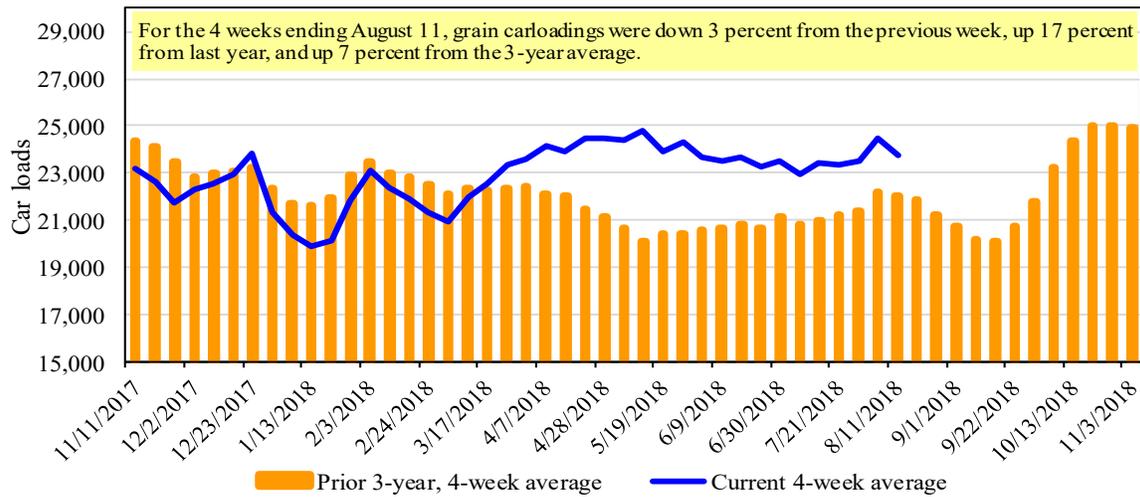
*The past 4 weeks of this year as a percent of the same 4 weeks last year.

**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: 8/16/2018 | | Delivery period | | | | | | | |
|-----------------------------------|-----------------------------------|-----------------|---------|----------|---------|----------|----------|--------|---------|
| | | Sep-18 | Sep-17 | Oct-18 | Oct-17 | Nov-18 | Nov-17 | Dec-18 | Dec-17 |
| BNSF ³ | COT grain units | 0 | no bids | 0 | no bids | 0 | no offer | 0 | no bids |
| | COT grain single-car ⁵ | 118 | no bids | 165 | 0 | 86 | no bids | 116 | 0 |
| UP ⁴ | GCAS/Region 1 | no offer | no bids | no offer | no bids | no offer | no offer | n/a | n/a |
| | GCAS/Region 2 | no offer | no bids | no offer | 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.

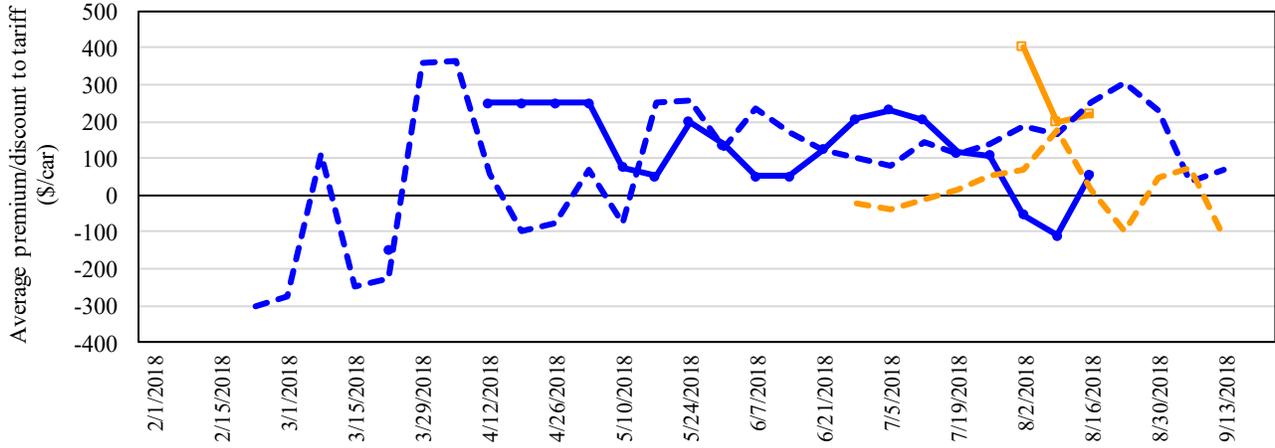
Region 2 includes: CO, IA, KS, MN, NE, WY, and Kansas City and St. Joseph, MO.

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 September 2018, Secondary Market



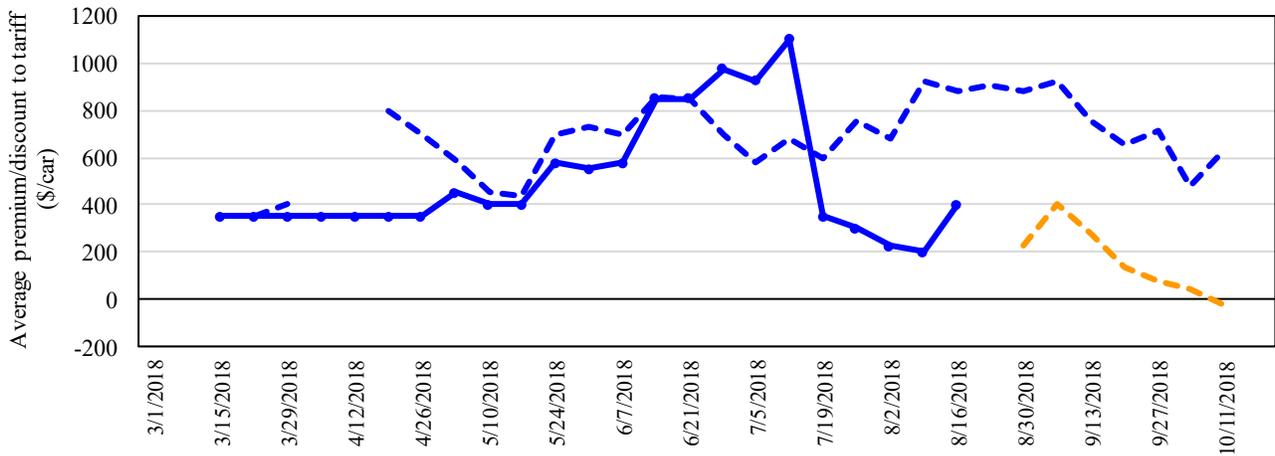
| | 8/16/2018 | BNSF | UP |
|--------------------|-----------|-------|----|
| Non-Shuttle | \$175 | \$263 | |
| Shuttle | \$200 | -\$88 | |

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

Average Non-shuttle bids/offers rose \$19 this week, and are \$181 below the peak.
 Average Shuttle bids/offers rose \$166 this week and are \$194 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 October 2018, Secondary Market



| | 8/16/2018 | BNSF | UP |
|--------------------|-----------|-------|----|
| Non-Shuttle | n/a | n/a | |
| Shuttle | \$500 | \$300 | |

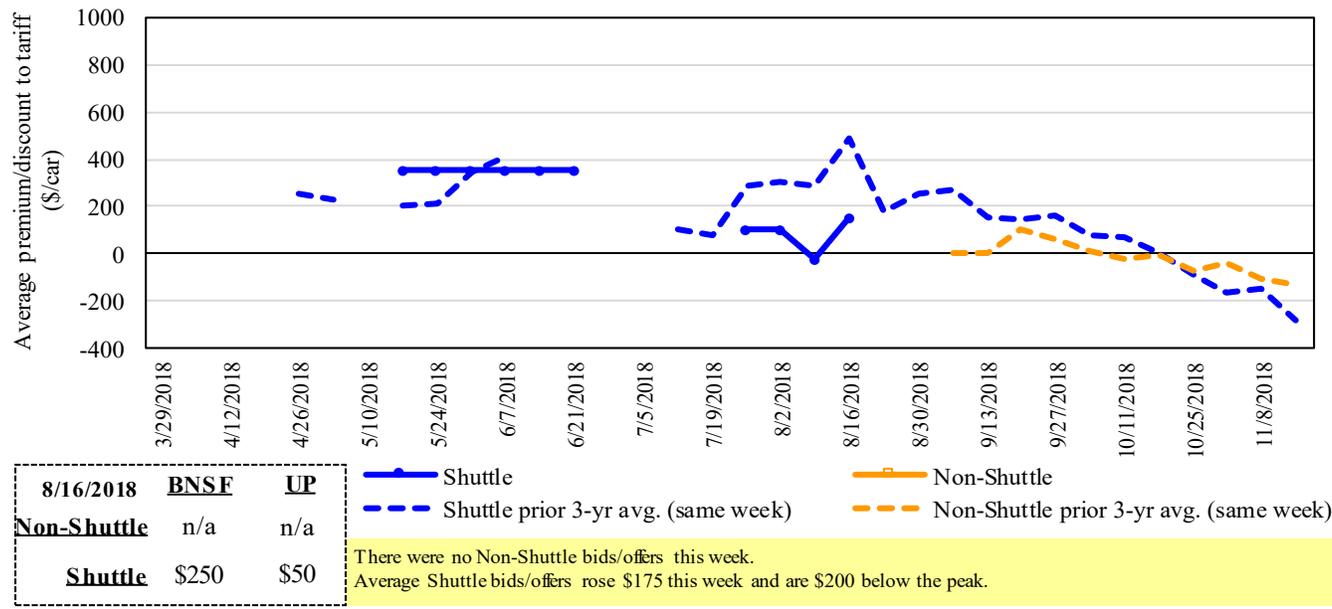
—●— Shuttle —○— Non-Shuttle
- - - Shuttle prior 3-yr avg. (same week) - - - Non-Shuttle prior 3-yr avg. (same week)

There were no Non-Shuttle bids/offers this week.
 Average Shuttle bids/offers rose \$200 this week and are \$700 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 November 2018, Secondary Market



| | | |
|--------------------|-------------|-----------|
| 8/16/2018 | BNSF | UP |
| Non-Shuttle | n/a | n/a |
| Shuttle | \$250 | \$50 |

—●— 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 \$175 this week and are \$200 below the peak.

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

Table 6

Weekly Secondary Railcar Market (\$/car)¹

| For the week ending: 8/16/2018 | | Delivery period | | | | | |
|-----------------------------------|----------------------------|-----------------|--------|--------|--------|--------|--------|
| | | Sep-18 | Oct-18 | Nov-18 | Dec-18 | Jan-19 | Feb-19 |
| Non-shuttle | BNSF-GF | 175 | n/a | n/a | n/a | n/a | n/a |
| | Change from last week | (25) | n/a | n/a | n/a | n/a | n/a |
| | Change from same week 2017 | 206 | n/a | n/a | n/a | n/a | n/a |
| | UP-Pool | 263 | n/a | n/a | n/a | n/a | n/a |
| | Change from last week | 63 | n/a | n/a | n/a | n/a | n/a |
| Change from same week 2017 | 263 | n/a | n/a | n/a | n/a | n/a | |
| Shuttle | BNSF-GF | 200 | 500 | 250 | 250 | n/a | n/a |
| | Change from last week | 175 | n/a | n/a | n/a | n/a | n/a |
| | Change from same week 2017 | 285 | (200) | 50 | 308 | n/a | n/a |
| | UP-Pool | (88) | 300 | 50 | 50 | n/a | n/a |
| | Change from last week | 156 | 100 | 75 | 75 | n/a | n/a |
| Change from same week 2017 | (65) | (200) | (50) | 117 | 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

| August, 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 | \$121 | \$40.76 | \$1.11 | 4 |
| | Grand Forks, ND | Duluth-Superior, MN | \$4,268 | \$0 | \$42.38 | \$1.15 | 3 |
| | Wichita, KS | Los Angeles, CA | \$7,175 | \$0 | \$71.25 | \$1.94 | 2 |
| | Wichita, KS | New Orleans, LA | \$4,540 | \$214 | \$47.21 | \$1.28 | 3 |
| | Sioux Falls, SD | Galveston-Houston, TX | \$6,911 | \$0 | \$68.63 | \$1.87 | 2 |
| | Northwest KS | Galveston-Houston, TX | \$4,816 | \$234 | \$50.15 | \$1.36 | 3 |
| | Amarillo, TX | Los Angeles, CA | \$5,121 | \$326 | \$54.09 | \$1.47 | 6 |
| Corn | Champaign-Urbana, IL | New Orleans, LA | \$3,931 | \$241 | \$41.43 | \$1.05 | 11 |
| | Toledo, OH | Raleigh, NC | \$6,344 | \$0 | \$63.00 | \$1.60 | 5 |
| | Des Moines, IA | Davenport, IA | \$2,258 | \$51 | \$22.93 | \$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 | \$150 | \$37.33 | \$0.95 | 5 |
| | Des Moines, IA | Los Angeles, CA | \$5,327 | \$438 | \$57.24 | \$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 | \$241 | \$49.52 | \$1.35 | 9 |
| Shuttle Train | | | | | | | |
| Wheat | Great Falls, MT | Portland, OR | \$4,078 | \$0 | \$40.50 | \$1.10 | 3 |
| | 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 | \$5,736 | \$0 | \$56.96 | \$1.55 | 2 |
| | Grand Forks, ND | Galveston-Houston, TX | \$6,056 | \$0 | \$60.14 | \$1.64 | 2 |
| | Northwest KS | Portland, OR | \$5,912 | \$384 | \$62.52 | \$1.70 | 6 |
| 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 | \$241 | \$39.45 | \$1.00 | 11 |
| | Lincoln, NE | Galveston-Houston, TX | \$3,700 | \$0 | \$36.74 | \$0.93 | 0 |
| | Des Moines, IA | Amarillo, TX | \$3,970 | \$189 | \$41.30 | \$1.05 | 5 |
| | 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 | \$278 | \$50.18 | \$1.37 | 9 |
| | Toledo, OH | Huntsville, AL | \$4,352 | \$0 | \$43.22 | \$1.18 | 3 |
| | Grand Island, NE | Portland, OR | \$5,710 | \$393 | \$60.60 | \$1.65 | 9 |

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: August, 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 | \$7,284 | \$0 | \$74.43 | \$2.02 | -2 |
| | OK | Cuautitlan, EM | \$6,743 | \$167 | \$70.61 | \$1.92 | 3 |
| | KS | Guadalajara, JA | \$7,371 | \$362 | \$79.01 | \$2.15 | 2 |
| | TX | Salinas Victoria, NL | \$4,292 | \$101 | \$44.89 | \$1.22 | 1 |
| Corn | IA | Guadalajara, JA | \$8,313 | \$338 | \$88.39 | \$2.24 | 3 |
| | SD | Celaya, GJ | \$7,700 | \$0 | \$78.68 | \$2.00 | 2 |
| | NE | Queretaro, QA | \$8,013 | \$343 | \$85.39 | \$2.17 | 4 |
| | SD | Salinas Victoria, NL | \$6,743 | \$0 | \$68.90 | \$1.75 | 2 |
| | MO | Tlalnepantla, EM | \$7,379 | \$335 | \$78.82 | \$2.00 | 4 |
| | SD | Torreón, CU | \$7,300 | \$0 | \$74.59 | \$1.89 | 2 |
| Soybeans | MO | Bojay (Tula), HG | \$8,134 | \$314 | \$86.32 | \$2.35 | -5 |
| | NE | Guadalajara, JA | \$8,692 | \$345 | \$92.33 | \$2.51 | -1 |
| | IA | El Castillo, JA | \$8,960 | \$0 | \$91.55 | \$2.49 | 0 |
| | KS | Torreón, CU | \$7,489 | \$258 | \$79.15 | \$2.15 | 2 |
| Sorghum | NE | Celaya, GJ | \$7,345 | \$316 | \$78.27 | \$1.99 | 4 |
| | KS | Queretaro, QA | \$7,819 | \$209 | \$82.03 | \$2.08 | 4 |
| | NE | Salinas Victoria, NL | \$6,452 | \$168 | \$67.63 | \$1.72 | 5 |
| | NE | Torreón, CU | \$6,790 | \$250 | \$71.93 | \$1.83 | 5 |

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.

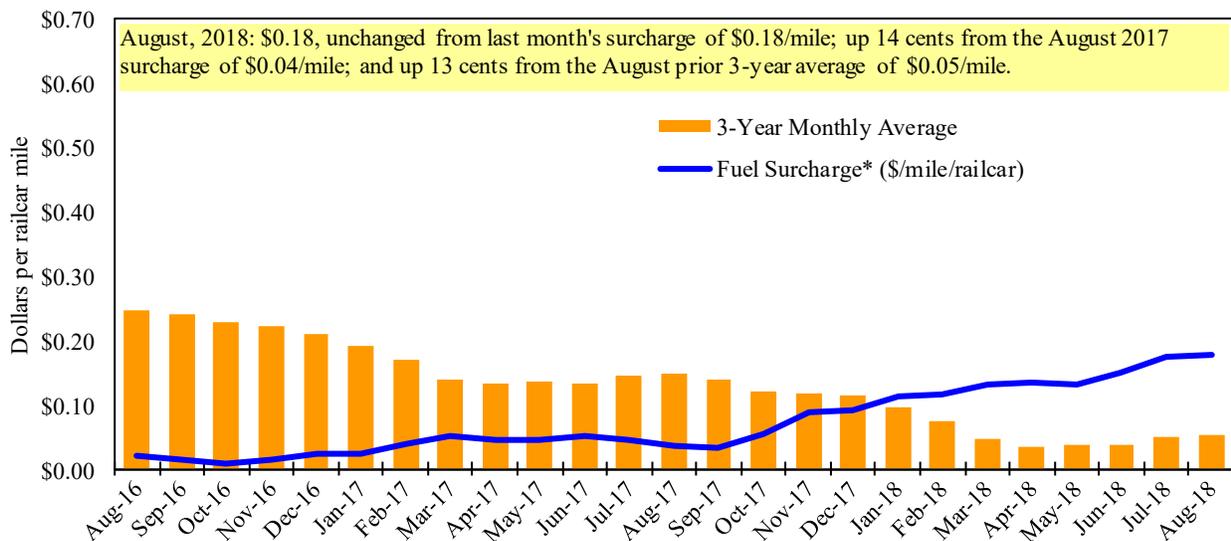
²Fuel surcharge adjusted to reflect the change in Ferrocarril Mexicano, S.A. de C.V railroad fuel surcharge policy as of 10/01/2009

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.

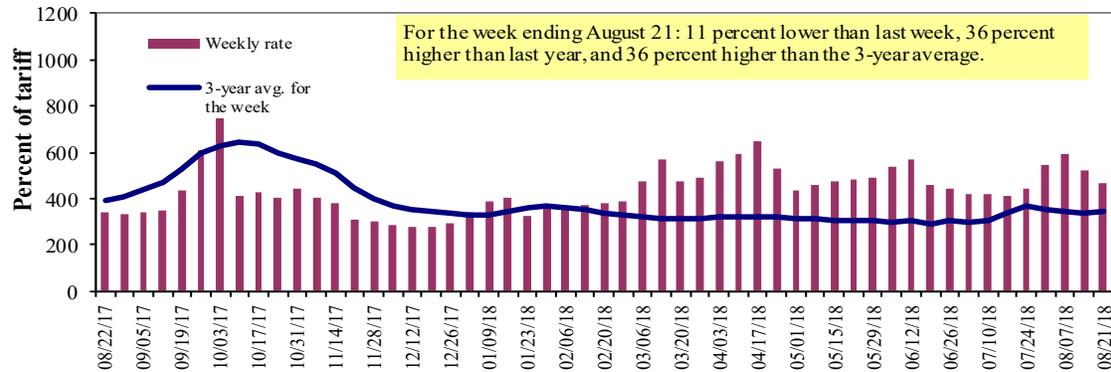
** CSX strike price changed from \$2.00/gal. to \$3.75/gal. starting January 1, 2015.

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 | 8/21/2018 | 508 | 470 | 465 | 325 | 408 | 408 | 320 |
| | 8/14/2018 | 588 | 525 | 525 | 350 | 413 | 413 | 345 |
| \$/ton | 8/21/2018 | 31.45 | 25.00 | 21.58 | 12.97 | 19.14 | 16.48 | 10.05 |
| | 8/14/2018 | 36.40 | 27.93 | 24.36 | 13.97 | 19.37 | 16.69 | 10.83 |
| Current week % change from the same week: | | | | | | | | |
| | Last year | 22 | 41 | 36 | 38 | 40 | 40 | 57 |
| | 3-year avg. ² | 22 | 33 | 36 | 30 | 41 | 41 | 39 |
| Rate¹ | September | 563 | 550 | 520 | 438 | 538 | 538 | 450 |
| | November | 508 | 458 | 438 | 375 | 450 | 450 | 338 |

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.

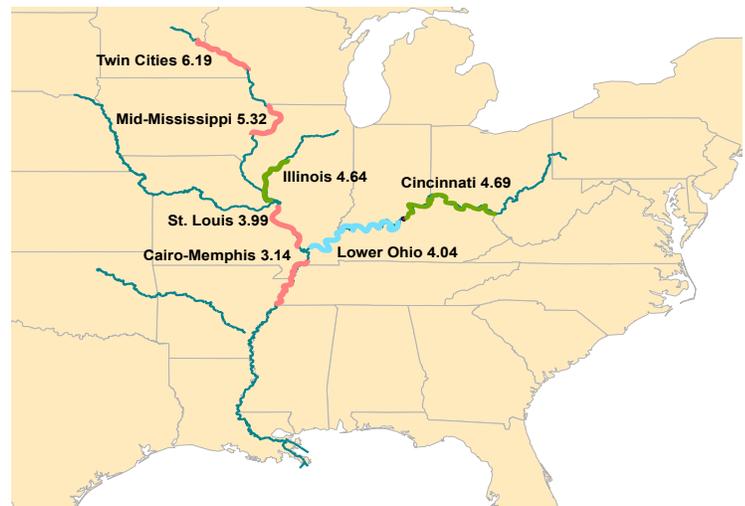
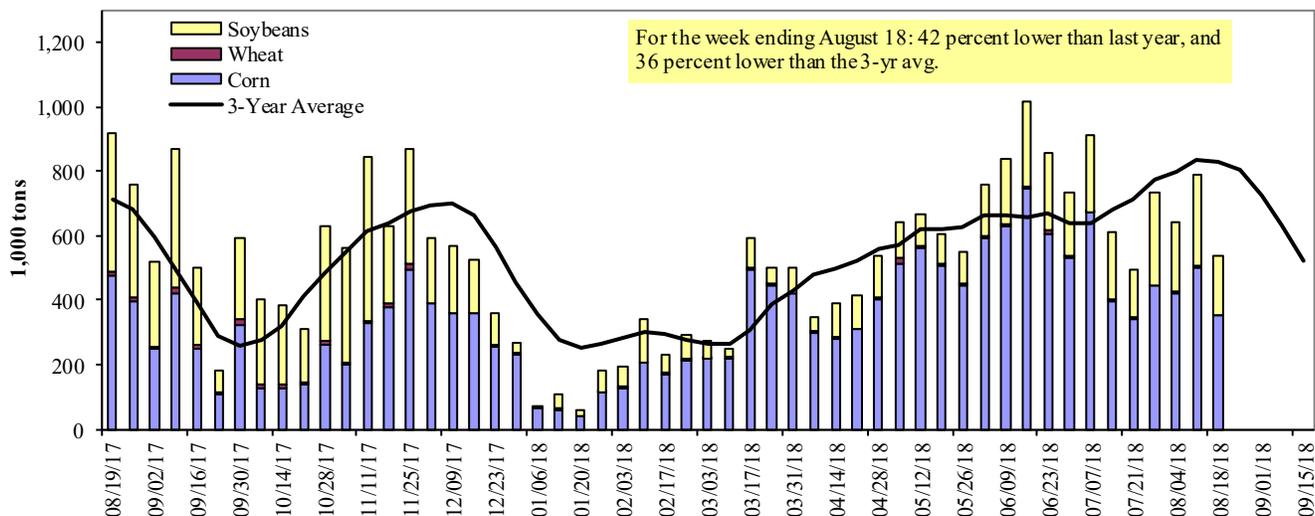


Figure 10

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 08/18/2018 | Corn | Wheat | Soybeans | Other | Total |
|--|---------------|--------------|---------------|------------|---------------|
| Mississippi River | | | | | |
| Rock Island, IL (L15) | 277 | 0 | 124 | 0 | 401 |
| Winfield, MO (L25) | 268 | 2 | 150 | 0 | 420 |
| Alton, IL (L26) | 304 | 2 | 182 | 0 | 488 |
| Granite City, IL (L27) | 352 | 2 | 182 | 0 | 536 |
| Illinois River (L8) | 93 | 0 | 89 | 0 | 182 |
| Ohio River (L52) | 72 | 11 | 61 | 0 | 144 |
| Arkansas River (L1) | 0 | 29 | 3 | 0 | 32 |
| Weekly total - 2018 | 424 | 42 | 246 | 0 | 712 |
| Weekly total - 2017 | 491 | 57 | 457 | 2 | 1,007 |
| 2018 YTD ¹ | 15,395 | 1,179 | 7,655 | 82 | 24,311 |
| 2017 YTD | 16,102 | 1,647 | 8,587 | 203 | 26,538 |
| 2018 as % of 2017 YTD | 96 | 72 | 89 | 41 | 92 |
| Last 4 weeks as % of 2017 ² | 113 | 66 | 77 | 59 | 93 |
| Total 2017 | 22,242 | 2,210 | 16,123 | 360 | 40,936 |

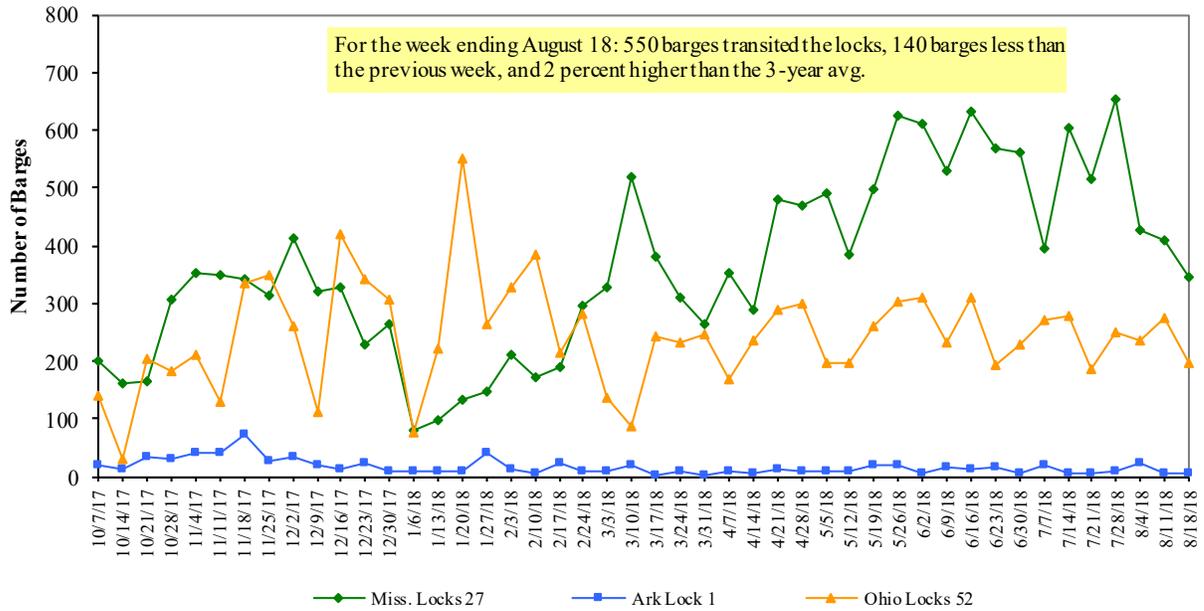
¹ Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

² As a percent of same period in 2017.

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

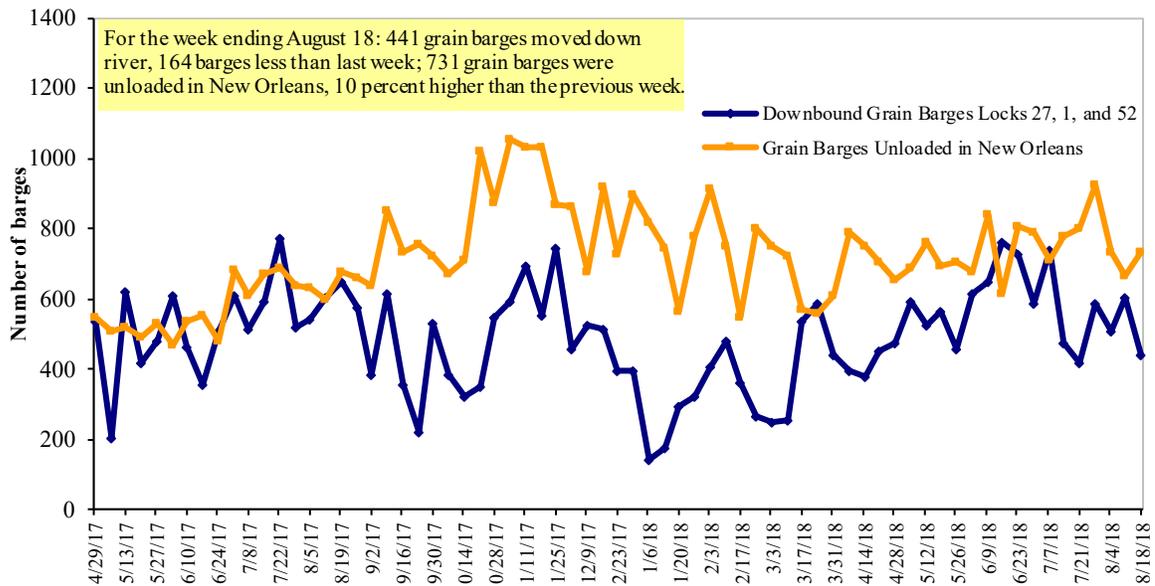
Source: U.S. Army Corps of Engineers

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 8/20/2018 (US \$/gallon)

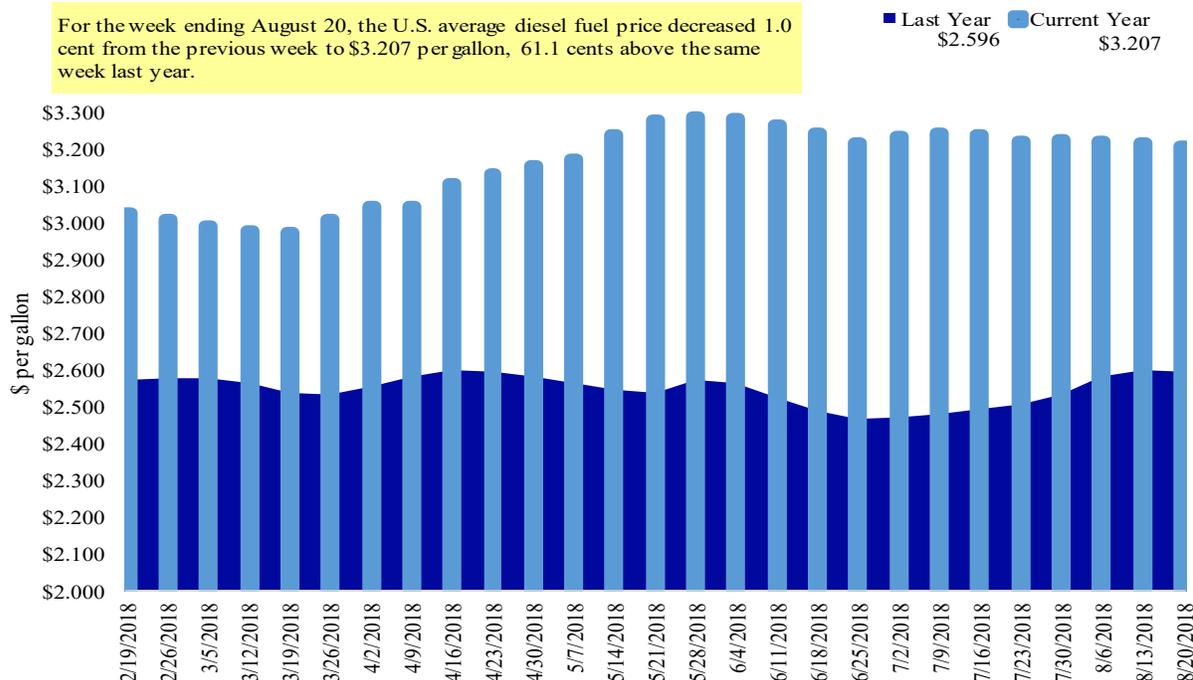
| Region | Location | Price | Change from | |
|--------|----------------------------|-------|-------------|----------|
| | | | Week ago | Year ago |
| I | East Coast | 3.207 | -0.012 | 0.590 |
| | New England | 3.261 | -0.004 | 0.645 |
| | Central Atlantic | 3.380 | -0.007 | 0.624 |
| | Lower Atlantic | 3.076 | -0.015 | 0.557 |
| II | Midwest ² | 3.129 | -0.010 | 0.562 |
| III | Gulf Coast ³ | 2.981 | -0.009 | 0.573 |
| IV | Rocky Mountain | 3.349 | -0.009 | 0.635 |
| V | West Coast | 3.706 | -0.008 | 0.823 |
| | West Coast less California | 3.423 | -0.002 | 0.637 |
| | California | 3.929 | -0.013 | 0.968 |
| Total | U.S. | 3.207 | -0.010 | 0.611 |

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 | | | | | | | | | |
| 8/9/2018 | 1,167 | 579 | 1,406 | 1,197 | 165 | 4,513 | 6,849 | 4,718 | 16,080 |
| This week year ago | 1,664 | 608 | 1,416 | 1,444 | 102 | 5,234 | 3,483 | 5,108 | 13,824 |
| Cumulative exports-marketing year² | | | | | | | | | |
| 2017/18 YTD | 1,041 | 497 | 1,177 | 1,060 | 28 | 3,804 | 53,411 | 53,971 | 111,186 |
| 2016/17 YTD | 2,402 | 521 | 1,580 | 1,323 | 101 | 5,928 | 52,991 | 56,012 | 114,931 |
| YTD 2017/18 as % of 2016/17 | 43 | 96 | 74 | 80 | 27 | 64 | 101 | 96 | 97 |
| Last 4 wks as % of same period 2016/17 | 62 | 86 | 98 | 82 | 154 | 82 | 238 | 109 | 131 |
| 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 8/09/2018 | 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 | 3,072 | 15,223 | 13,898 | 10 | 12,297 |
| Japan | 1,443 | 11,763 | 12,057 | (2) | 11,450 |
| Korea | 848 | 5,846 | 5,717 | 2 | 4,494 |
| Colombia | 141 | 4,798 | 4,334 | 11 | 4,179 |
| Peru | 70 | 3,242 | 3,130 | 4 | 2,693 |
| Top 5 Importers | 5,574 | 40,871 | 39,136 | 4 | 35,113 |
| Total US corn export sales | 8,859 | 60,260 | 56,473 | 7 | 49,308 |
| % of Projected | 15% | 99% | 97% | | |
| Change from prior week² | 1,045 | 339 | 63 | | |
| Top 5 importers' share of U.S. corn export sales | 63% | 68% | 69% | | 71% |
| USDA forecast, August 2018 | 59,796 | 61,069 | 58,372 | 5 | |
| Corn Use for Ethanol USDA forecast, August 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 8/09/2018 | 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 | 27,922 | 36,664 | (24) | 31,881 |
| Mexico | 1,292 | 4,487 | 3,761 | 19 | 3,452 |
| Indonesia | 174 | 2,659 | 2,438 | 9 | 1,987 |
| Japan | 192 | 2,341 | 2,262 | 4 | 2,067 |
| Netherlands | 0 | 2,458 | 1,959 | 25 | 2,098 |
| Top 5 importers | 2,990 | 39,868 | 47,084 | (15) | 41,486 |
| Total US soybean export sales | 11,478 | 58,689 | 61,120 | (4) | 52,919 |
| % of Projected | 20% | 102% | 104% | | |
| Change from prior week ² | 572 | 134 | 453 | | |
| Top 5 importers' share of U.S. soybean export sales | 26% | 68% | 77% | | 78% |
| USDA forecast, August 2018 | 56,131 | 57,493 | 59,019 | 97 | |

(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. (Carry over plus Accumulated Exports)

Table 15

Top 10 Importers¹ of All U.S. Wheat

| For the week ending 8/09/2018 | 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 | 1,020 | 985 | 4 | 2,620 |
| Mexico | 946 | 1,533 | (38) | 2,743 |
| Philippines | 1,277 | 1,247 | 2 | 2,395 |
| Brazil | 104 | 95 | 10 | 862 |
| Nigeria | 453 | 632 | (28) | 1,254 |
| Korea | 672 | 924 | (27) | 1,104 |
| China | 0 | 417 | (100) | 1,623 |
| Taiwan | 404 | 463 | (13) | 768 |
| Indonesia | 284 | 603 | (53) | 726 |
| Colombia | 97 | 278 | (65) | 635 |
| Top 10 importers | 5,257 | 7,177 | (27) | 14,729 |
| Total US wheat export sales | 8,317 | 11,161 | (25) | 22,804 |
| % of Projected | 30% | 45% | | |
| Change from prior week ² | 803 | 634 | | |
| Top 10 importers' share of U.S. wheat export sales | 63% | 64% | | 65% |
| USDA forecast, August 2018 | 27,929 | 24,550 | 14 | |

(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 08/16/18 | 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 | 258 | 333 | 77 | 7,941 | 10,278 | 77 | 70 | 92 | 14,805 |
| Corn | 296 | 298 | 99 | 14,402 | 9,750 | 148 | 186 | 160 | 10,928 |
| Soybeans | 0 | 66 | 0 | 5,793 | 5,033 | 115 | 93 | 129 | 13,246 |
| Total | 554 | 698 | 79 | 28,136 | 25,061 | 112 | 110 | 124 | 38,978 |
| Mississippi Gulf | | | | | | | | | |
| Wheat | 75 | 88 | 85 | 2,633 | 3,153 | 84 | 75 | 71 | 4,198 |
| Corn | 608 | 681 | 89 | 22,548 | 21,498 | 105 | 155 | 127 | 28,690 |
| Soybeans | 489 | 313 | 156 | 14,888 | 14,445 | 103 | 109 | 114 | 32,911 |
| Total | 1,172 | 1,083 | 108 | 40,069 | 39,095 | 102 | 127 | 117 | 65,800 |
| Texas Gulf | | | | | | | | | |
| Wheat | 0 | 12 | 0 | 2,098 | 4,539 | 46 | 33 | 27 | 6,354 |
| Corn | 24 | 55 | 43 | 535 | 517 | 103 | 126 | 57 | 733 |
| Soybeans | 0 | 0 | n/a | 67 | 0 | n/a | n/a | n/a | 292 |
| Total | 24 | 67 | 35 | 2,699 | 5,057 | 53 | 48 | 35 | 7,379 |
| Interior | | | | | | | | | |
| Wheat | 30 | 34 | 90 | 942 | 1,241 | 76 | 59 | 67 | 1,727 |
| Corn | 147 | 206 | 71 | 5,550 | 5,437 | 102 | 109 | 127 | 8,758 |
| Soybeans | 106 | 158 | 67 | 4,266 | 3,203 | 133 | 144 | 176 | 5,508 |
| Total | 283 | 397 | 71 | 10,758 | 9,881 | 109 | 113 | 134 | 15,993 |
| Great Lakes | | | | | | | | | |
| Wheat | 0 | 46 | 0 | 401 | 418 | 96 | 157 | 51 | 711 |
| Corn | 3 | 0 | n/a | 324 | 140 | 231 | 100 | 28 | 192 |
| Soybeans | 72 | 36 | 198 | 389 | 243 | 160 | 236 | 246 | 890 |
| Total | 75 | 82 | 92 | 1,114 | 802 | 139 | 181 | 81 | 1,793 |
| Atlantic | | | | | | | | | |
| Wheat | 0 | 0 | n/a | 67 | 42 | 163 | 13 | 8 | 46 |
| Corn | 0 | 0 | n/a | 67 | 5 | n/a | n/a | 0 | 32 |
| Soybeans | 5 | 38 | 13 | 1,379 | 934 | 148 | 320 | 265 | 2,001 |
| Total | 5 | 38 | 13 | 1,514 | 980 | 154 | 284 | 173 | 2,079 |
| U.S. total from ports* | | | | | | | | | |
| Wheat | 364 | 513 | 71 | 14,083 | 19,670 | 72 | 67 | 72 | 27,841 |
| Corn | 1,077 | 1,240 | 87 | 43,426 | 37,347 | 116 | 154 | 130 | 49,333 |
| Soybeans | 672 | 612 | 110 | 26,782 | 23,859 | 112 | 118 | 129 | 54,847 |
| Total | 2,113 | 2,365 | 89 | 84,291 | 80,876 | 104 | 118 | 115 | 132,021 |

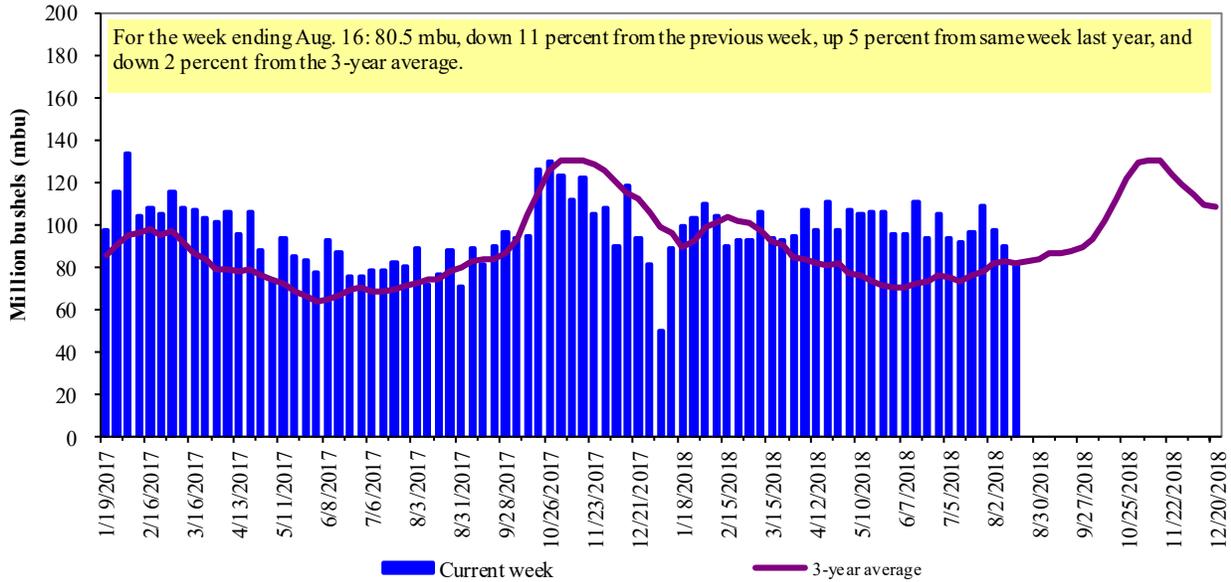
*Data includes revisions from prior weeks; some regional totals may not add exactly due to rounding.

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

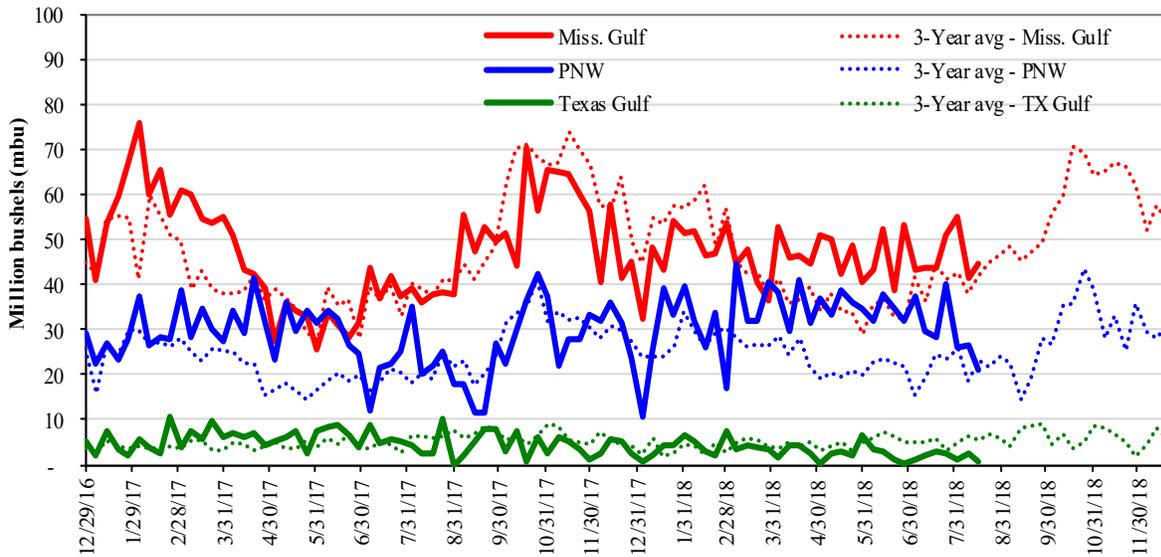
U.S. grain inspected for export (wheat, corn, and soybeans)



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 08/16/18 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: 44.7 | Last Week: | up 7 | down 65 | up 3 | down 20 |
| PNW: 21.1 | Last Year (same week): | up 18 | down 62 | up 13 | down 3 |
| Texas Gulf: 0.9 | 3-yr avg. (4-wk. mov. Avg): | up 9 | down 82 | down 1 | down 7 |

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

Ocean Transportation

Table 17

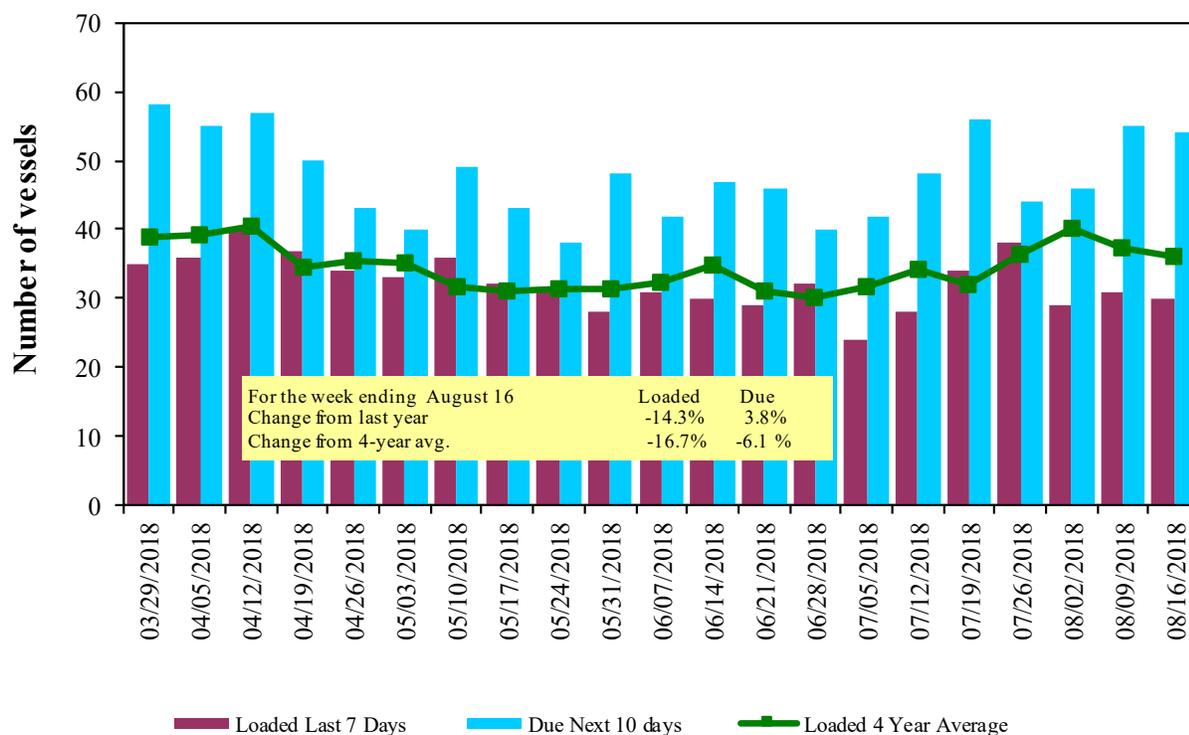
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

| Date | Gulf | | | Pacific Northwest |
|------------|----------|---------------|------------------|-------------------|
| | In port | Loaded 7-days | Due next 10-days | In port |
| 8/16/2018 | 29 | 30 | 54 | 11 |
| 8/9/2018 | 27 | 31 | 55 | 16 |
| 2017 range | (25..66) | (28..54) | (37..87) | (5..44) |
| 2017 avg. | 46 | 38 | 56 | 20 |

Source: Transportation & Marketing Programs/AMS/USDA

Figure 16

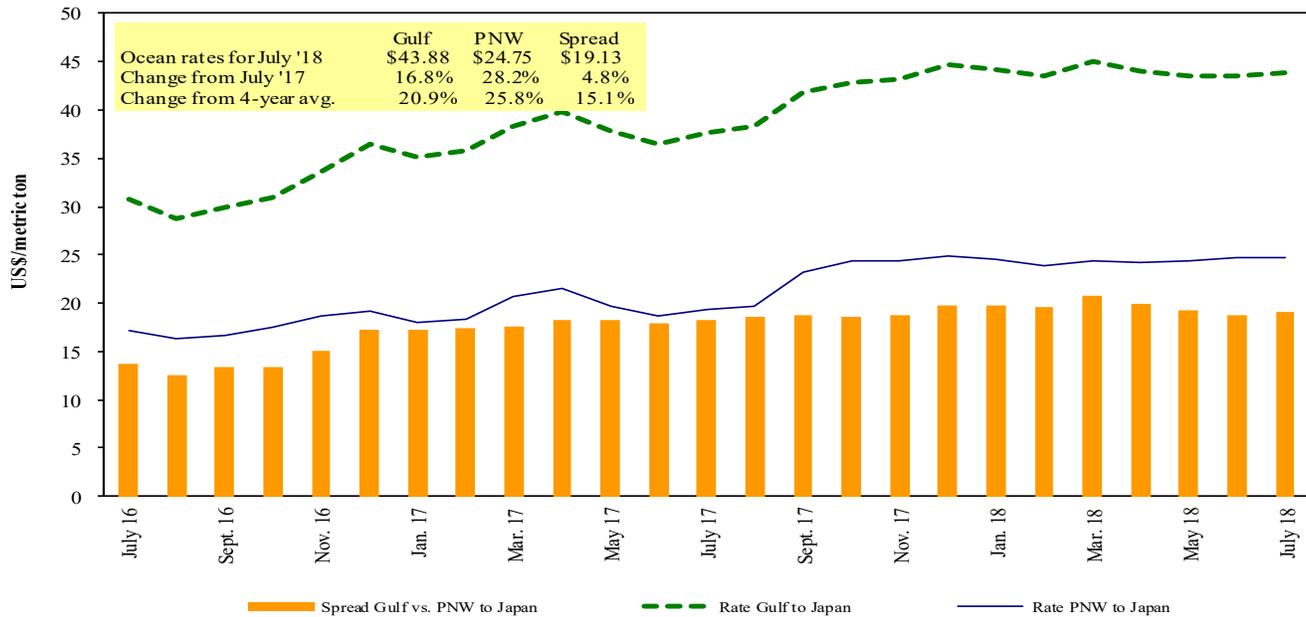
U.S. Gulf Vessel Loading Activity



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 08/18/2018

| Export region | Import region | Grain types | Loading date | Volume loads (metric tons) | Freight rate (US\$/metric ton) |
|---------------|---------------|--------------|---------------|----------------------------|--------------------------------|
| U.S. Gulf | Honduras | Soybean Meal | Oct 1/10 | 12,500 | 85.00* |
| U.S. Gulf | Egypt | Heavy Grain | Jun 26/30 | 60,000 | 27.75 |
| PNW | Taiwan | Heavy Grain | Sep 15/Oct 31 | 63,000 | 25.00 |
| PNW | Yemen | Wheat | Aug 16 | 34,900 | 75.50* |
| PNW | Yemen | Wheat | Jul 26/Aug 9 | 27,500 | 83.70* |
| Brazil | China | Heavy Grain | Sep 10/20 | 60,000 | 35.75 |
| Brazil | China | Heavy Grain | Aug 21/30 | 60,000 | 36.00 |
| Brazil | China | Heavy Grain | Aug 18/28 | 60,000 | 36.00 |
| 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 | 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

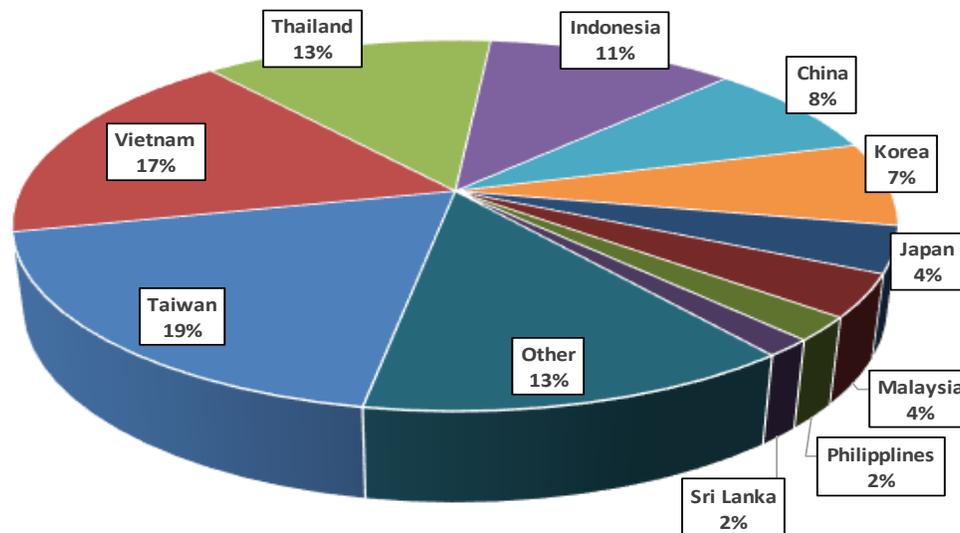
*50 percent of food aid from the United States is required to be shipped on U.S.-flag vessels.

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-May 2018

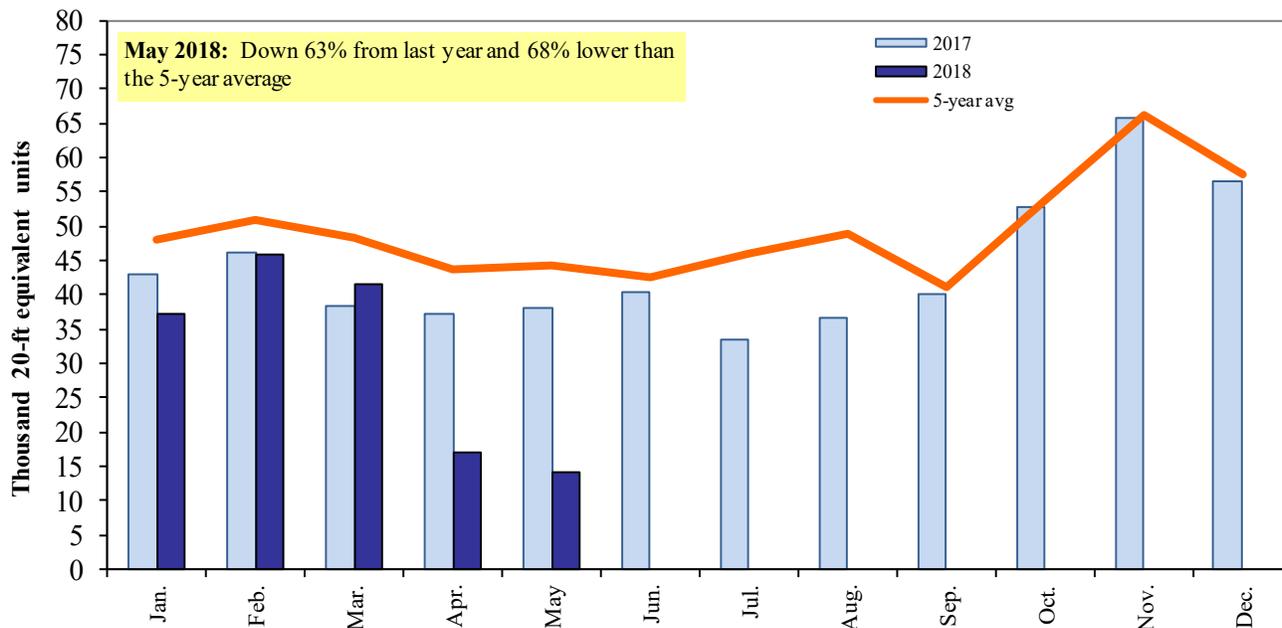


Service (PIERS) data

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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