



Grain Transportation Report

A weekly publication of the Transportation and Marketing Programs/Transportation Services Division
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Mar. 6, 2014

WEEKLY HIGHLIGHTS

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Wheat Inspections Continue to Increase

For the week ending February 27, total inspections of wheat for export from all major port regions continued to increase, jumping 39 percent from the past week, reaching .617 million metric tons (mmt). Inspections of wheat were 3 percent below the same time last year and 5 percent above the 3-year average. Total corn inspections (1.02 mmt) increased 29 percent from the previous week. Increased demand from Asia for wheat and corn boosted Pacific Northwest grain inspections 43 percent above the past week. Soybean inspections (.951 mmt), however, continued to slide, dropping 31 percent from the previous week. Increasing demand for South American soybeans could affect U.S. exports of soybeans during the spring. Total inspections of grain (corn, wheat, and soybeans) in all regions reached 2.58 mmt, down slightly from the past week, up 18 percent from the same time last year, and 15 percent above the 3-year average.

Cold Temperatures and Repairs Slow Grain Barge Movements on Illinois and Upper Mississippi Rivers

As most of the country east of the Rocky Mountains experiences unseasonably cold temperatures, ice accumulations continue to slow barge operations in the Midwest. Illinois River grain movements for the first 9 weeks of the year were 1.1 million tons, 39 percent lower than the 3-year average. However, Ohio River grain movements were 3.2 million tons, 49 percent higher than the 3-year average. Repair work at the 1,200-foot main chamber at Melvin Price Locks and Dam (also referred to as Locks and Dam 26), near St. Louis, MO, has slowed Mississippi River traffic at that site. During the repairs, the 600-foot auxiliary chamber at Melvin Price will be operating to meet navigation needs. The U.S. Army Corps of Engineers and the barge industry are working together to maintain the flow of barge traffic through the affected area.

Increase in Barge Fuel Tax Proposed

On February 28, David Camp, chairman of the House Ways & Means Committee, announced a proposal for 6-cent increase to the current 20-cent-per-gallon user fee paid for by inland waterways towboat operators into the Inland Waterways Trust Fund (IWTF). The IWTF funds 50 percent of most new construction and major rehabilitation of navigation projects on the nation's inland waterways system. The proposal was included in the discussion draft of the Tax Reform Act of 2014. Chairman Camp's proposal adopts the user fee increase recommended in legislation known as "WAVE 4: Waterways are Vital for the Economy, Energy, Efficiency, and Environment Act of 2013" (H.R. 1149), which promotes a method for reforming capital improvement projects on the inland waterways system. Today's [feature article](#) contains a discussion of waterway funding from the perspective of the industry and U.S. Army Corps of Engineers that were presented at the U.S. Chamber of Commerce's second annual Transportation Infrastructure Summit in Washington, DC.

Snapshots by Sector

Rail

U.S. railroads originated 22,076 [carloads of grain](#) during the week ending February 22, up 15 percent from last week, 30 percent from last year, and 7 percent from the 3-year average.

During the week ending February 27, average March non-shuttle [secondary railcar bids/offers per car](#) were \$1,125 above tariff, \$1,140 higher than last year. Average shuttle secondary railcar bids/offers per car were \$1,733.50 above tariff, up \$21 from last week, and \$1,789 higher than last year.

Barge

During the week ending March 1, [barge grain movements](#) totaled 639,614 tons—37.7 percent higher than the previous week and 89.4 percent higher than the same period last year.

During the week ending March 1, 389 grain barges [moved down river](#), up 38 percent from last week; 703 grain barges were [unloaded in New Orleans](#), down 14.2 percent from the previous week.

Ocean

During the week ending February 27, 43 [ocean-going grain vessels](#) were loaded in the Gulf, 30 percent more than the same period last year. Sixty-six vessels are expected to be loaded within the next 10 days, 65 percent more than the same period last year.

During the week ending February 28, the ocean freight rate for shipping bulk grain from the Gulf to Japan was \$53 per mt, unchanged from the previous week. The cost of shipping from the Pacific Northwest to Japan was \$28 per mt, unchanged from the previous week.

Fuel

During the week ending March 3, U.S. average [diesel fuel prices](#) were unchanged from the previous week at \$4.02 per gallon—down 11 cents from the same week last year.

Feature Article/Calendar

Second Annual Transportation Infrastructure Summit Highlights Importance of Waterways to Agriculture

On February 20, the U.S. Chamber of Commerce hosted its second annual Transportation Infrastructure Summit in Washington, DC. Speakers at the event broadly represented government, industry, and advocacy organizations, highlighting the role of transportation in the energy, manufacturing, agriculture, retail, and healthcare sectors. Throughout the sessions, conversations addressed rail, roads, air, pipeline, waterway, and public transport systems, but the focus of the agriculture session was centered on waterways.

Waterway Funding

A major theme echoed by the panel of speakers during the agriculture transportation session was that the focus of waterway funding should be on maintaining the current infrastructure rather than building newer or bigger infrastructure. Craig Philip, Ingram Barge Company, stated that the waterway infrastructure was designed with extra capacity. According to Philip, as most locks have operated below their full capacity, this has had the effect of extending their original 50-year lifespans. Philip suggested the barge industry would be better served to shift its focus from one of lock expansion to one of lock maintenance. He said, although capacity expansion is needed in some areas, the overall focus should be on preserving and repairing the current infrastructure to a standard of reliable operability.

Jim Hannon, U.S. Army Corps of Engineers (Corps), expressed that the focus on funding is changing. As the waterway infrastructure ages, unscheduled outages have increased, raising the costs to shippers. To address this, the Corps uses life-cycle asset management to identify and address where dollars are best spent. With its limited budget, the Corps has focused its priority on preserving locks and dams, ensuring a reliable waterway system through rehabilitation of critical components rather than the construction of new ones. In addition, Hannon remarked that the Corps is looking into alternative methods of financing to bring in additional resources above appropriations.

Transportation Complements and Competition

A second major theme that emerged was how waterways are a critical component to the agriculture and freight transportation network. Rick Calhoun, Cargo Carriers, Cargill Inc., summarized this theme by stating it takes a combination of waterways, roads, and rail to create sufficient capacity and competition for moving agricultural products to ports and markets. He said, if one component fails, commodity prices spike, profits vanish, and consumers do not get the products they need. Philip agreed that it was unrealistic to think in terms of one transportation mode versus another because almost everything carried by barge started or ended on a different mode.

Mike Steenhoek, Soy Transportation Coalition, brought up a different point related to the interdependence of transportation modes. Using the example of the Panama Canal, he explained how the waterways and barges contribute to greater overall transportation network efficiency by providing modal competition. After the Panama Canal expansion is complete, the Soy Transportation Coalition estimates total grains and oilseeds transiting the canal will increase 30 percent by 2021. Steenhoek indicated the larger vessels will accommodate up to 13,300 additional metric tons, which will provide 35 cents per bushel in savings to shippers. As these larger ships call on New Orleans, he explained shippers moving their product to New Orleans will face wider margins. In turn, this will increase the draw or distance away from river transportation that barges can compete with rail by 91 miles (from 70 to 161 miles). Currently, the Soy Transportation Coalition estimates that within 70 miles of a waterway, barge is the most economical option, but beyond 70 miles, rail is more economical. After the Canal expansion, Steenhoek thinks the draw may expand to 111 miles if loading Panamax vessels or 161 miles if loading small Capesize vessels in southern Louisiana. Further, as barges become a viable option over a wider area, he said this should impact rail rates, making rates more competitive as railroads face barge competition in new areas. Thus, Steenhoek concluded investment in the waterways will ensure competitive transportation options for agricultural shippers.

International Competitiveness

The third major theme from the agriculture session concerned how investments in waterway and transportation infrastructure keep the United States competitive in world markets. Calhoun told the group that despite new agricultural markets and developing uses for crops, transportation is still at the heart of agriculture. The United States' competitiveness in agricultural markets depends on the lower cost and reliability of its transportation system, despite the lower production costs of other countries. Calhoun emphasized that each additional dollar spent on transportation is a dollar that does not go to the producer or is an additional dollar a foreign buyer must pay. Similarly, Steenhoek noted productive farmland cannot be outsourced, so it has the potential to provide a permanent competitive advantage if the necessary investment is made in infrastructure. He stressed that competitiveness is not just "out-innovating," but can also be "out-delivering." However, Calhoun remarked the United States is falling behind China and Brazil in terms of investment in waterway infrastructure. Steenhoek added that if Brazil is able to out-compete the United States in selling soybeans, he hopes it will be because Brazil has done a remarkable job in updating its transportation infrastructure and not because the United States has not made the necessary investments to its own infrastructure.

Conclusion

The Transportation Infrastructure Summit highlighted the importance of transportation to agriculture and the importance of reliable infrastructure to transportation. The agriculture transportation system is an interconnected network of barge, rail, truck, and ocean vessels that together provide the necessary capacity to move agriculture products to markets and exports. The network is optimized if all modes are strong enough to complement and compete with one another. Agriculture exports play an important role in the U.S. balance of trade and will continue to do so with a reliable transportation system. adam.sparger@ams.usda.gov

Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators¹

Week ending	Truck		Rail		Barge	Ocean	
		Unit Train	Shuttle			Gulf	Pacific
03/05/14	270	301	288		344	237	199
02/26/14	270	239	287		329	237	199

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

*No quote for Illinois River as ice accumulation severely limited barge operations.

Table 2

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

Commodity	Origin--Destination	2/28/2014	2/21/2014
Corn	IL--Gulf	-1.13	-1.07
Corn	NE--Gulf	-1.24	-1.16
Soybean	IA--Gulf	-1.44	-1.49
HRW	KS--Gulf	-1.77	-1.72
HRS	ND--Portland	-2.85	-2.94

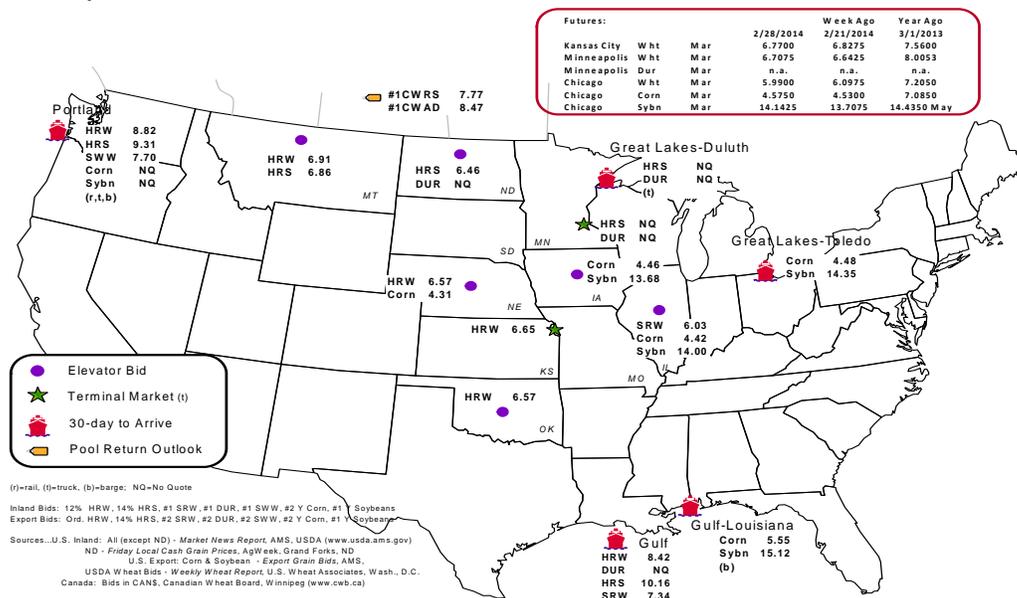
Note: nq = no quote

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

Week ending	Mississippi		Pacific	Atlantic &	Total	Week ending	Cross-Border Mexico ³
	Gulf	Texas Gulf	Northwest	East Gulf			
2/26/2014 ^p	1,102	1,792	5,531	1,334	9,759	02/22/14	1,437
2/19/2014 ^r	918	1,791	5,957	955	9,621	02/15/14	1,295
2014 YTD ^r	11,161	14,353	48,824	7,958	82,296	2014 YTD	13,107
2013 YTD ^r	7,386	6,930	38,618	6,730	59,664	2013 YTD	8,874
2014 YTD as % of 2013 YTD	151	207	126	118	138	% change YTD	148
Last 4 weeks as % of 2013 ²	221	195	121	138	142	Last 4wks % 2013	144
Last 4 weeks as % of 4-year avg. ²	190	121	125	134	131	Last 4wks % 4 yr	114
Total 2013	31,646	71,388	168,826	25,176	297,036	Total 2013	70,298
Total 2012	22,604	40,780	199,419	24,659	287,462	Total 2012	92,008

¹ Data is incomplete as it is voluntarily provided

² Compared with same 4-weeks in 2013 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 FerroMex.

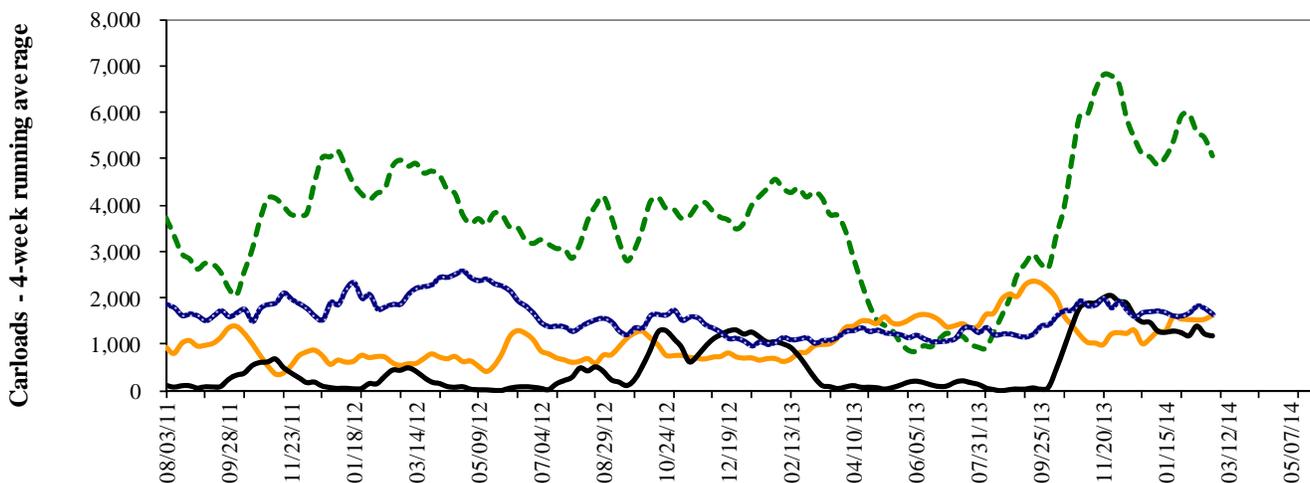
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

Source: Transportation & Marketing Programs/AMS/USDA

Railroads originate approximately 29 percent of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Figure 2

Rail Deliveries to Port



--- Pacific Northwest: 4 wks. ending 2/26--up 21% from same period last year; up 25% from 4-year average
--- Texas Gulf: 4 wks. ending 2/26--up 95% from same period last year; up 21% from 4-year average
--- Miss. River: 4 wks. ending 2/26--up 121% from same period last year; up 90% from 4-year average
--- Cross-border: 4 wks. ending 2/22--up 44% from same period last year; up 14% from 4-year average

Source: Transportation & Marketing Programs/AMS/USDA

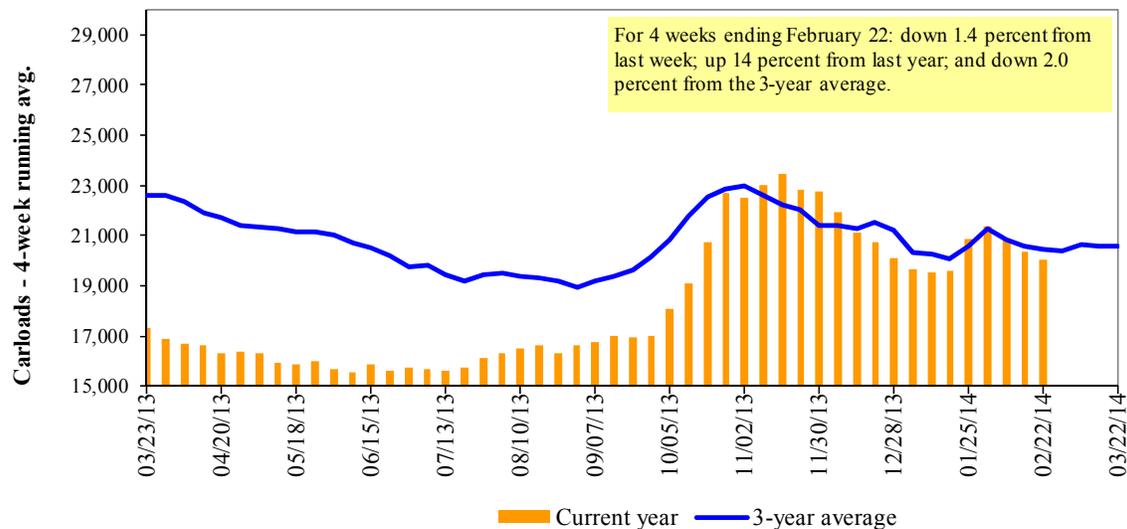
Table 4

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

Week ending	East		West			U.S. total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
02/22/14	2,106	3,154	9,457	1,149	6,210	22,076	3,746	4,829
This week last year	1,509	2,618	8,690	441	3,758	17,016	2,871	3,641
2014 YTD	16,515	23,556	68,451	8,229	46,906	163,657	30,160	38,041
2013 YTD	12,898	21,501	76,378	4,048	30,367	145,192	29,358	42,429
2014 YTD as % of 2013 YTD	128	110	90	203	154	113	103	90
Last 4 weeks as % of 2013	116	106	96	228	150	114	109	100
Last 4 weeks as % of 3-yr avg. ¹	102	97	85	211	115	98	97	100
Total 2013	86,466	137,915	454,262	34,412	222,258	935,313	190,125	272,753

¹As a percent of the same period in 2009 and 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

Week ending	Delivery period							
	Mar-14	Mar-13	Apr-14	Apr-13	May-14	May-13	Jun-14	Jun-13
BNSF ³								
COT grain units	no offer	0	no offer	no bids	no offer	no bids	no offer	no bids
COT grain single-car ⁵	no offer	0 . . 15	no offer	1 . . 10	no offer	no bids	no offer	no bids
UP ⁴								
GCAS/Region 1	no offer	no bids	no offer	no bids	no offer	no bids	n/a	n/a
GCAS/Region 2	no offer	no bids	no offer	no bids	no offer	no bids	n/a	n/a

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

²Average premium/discount to tariff, last auction

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

⁴UP - GCAS = Grain Car Allocation System

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

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

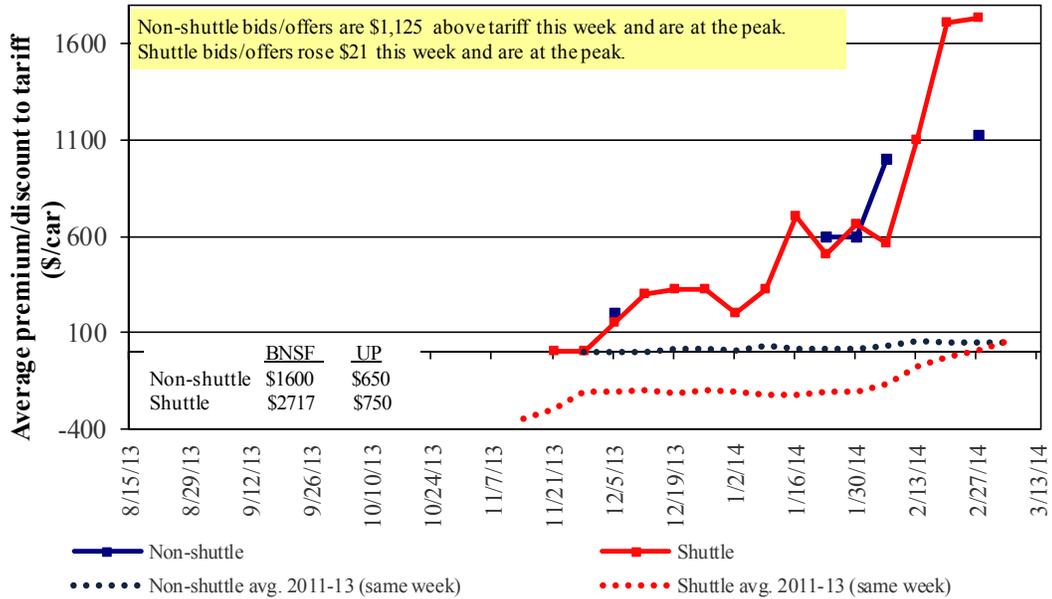
⁵Range is shown because average is not available. Not available = n/a.

Source: Transportation & Marketing Programs/AMS/USDA.

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

Figure 4

Bids/Offers for Railcars to be Delivered in March 2014, Secondary Market

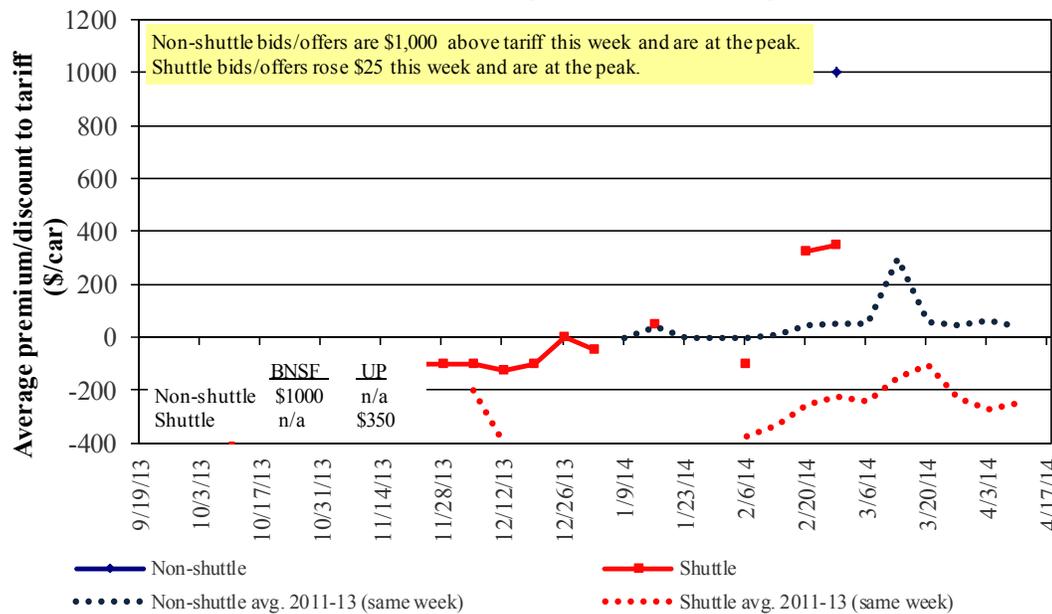


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

Bids/Offers for Railcars to be Delivered in April 2014, Secondary Market

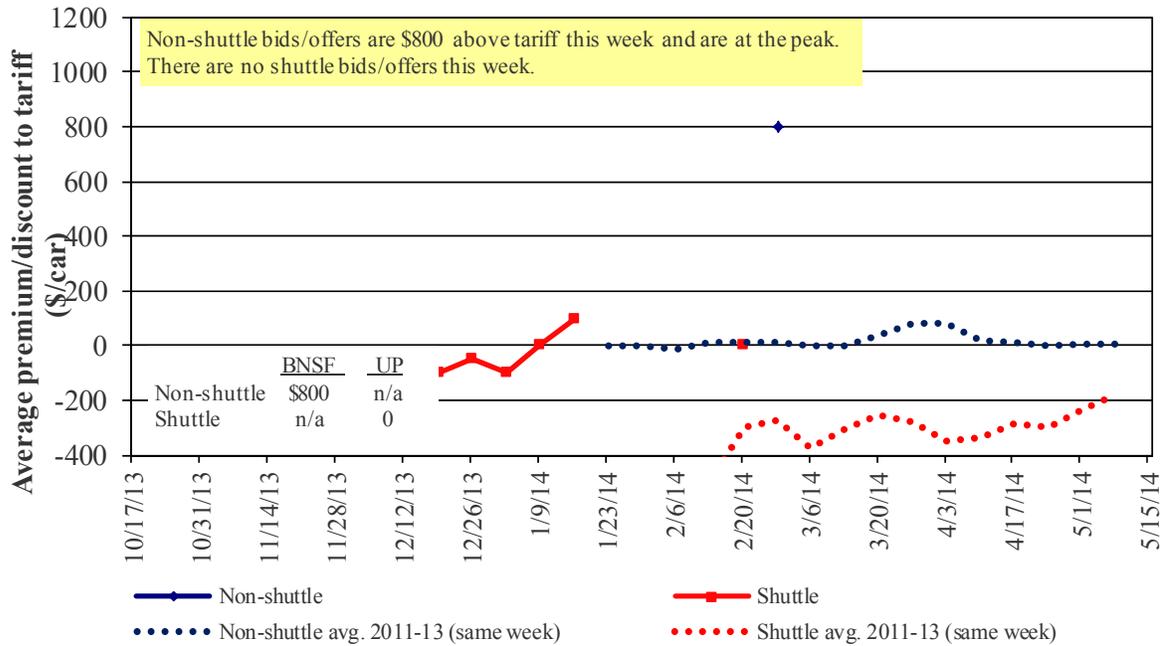


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in May 2014, Secondary Market



Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Table 6

Weekly Secondary Railcar Market (\$/car)¹

Week ending	Delivery period					
	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14
Non-shuttle						
BNSF-GF	1,600	1,000	800	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 2013	1,625	n/a	n/a	n/a	n/a	n/a
UP-Pool	650	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 2013	655	n/a	n/a	n/a	n/a	n/a
Shuttle²						
BNSF-GF	2,717	n/a	n/a	n/a	n/a	n/a
Change from last week	(83)	n/a	n/a	n/a	n/a	n/a
Change from same week 2013	2,728	n/a	n/a	n/a	n/a	n/a
UP-Pool	750	350	n/a	n/a	n/a	n/a
Change from last week	125	25	n/a	n/a	n/a	n/a
Change from same week 2013	850	488	n/a	n/a	n/a	n/a

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

² Shuttle bids are a new data series; prior to this we provided only non-shuttle rates.

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.

Table 7

Tariff Rail Rates for Unit and Shuttle Train Shipments¹

Effective date:				Fuel	Tariff plus surcharge per:		Percent
3/1/2014	Origin region*	Destination region*	Tariff rate/car	surcharge per car	metric ton	bushe ^l ²	change Y/Y ³
Unit train							
Wheat	Wichita, KS	St. Louis, MO	\$3,191	\$182	\$33.50	\$0.91	1
	Grand Forks, ND	Duluth-Superior, MN	\$3,596	\$104	\$36.75	\$1.00	1
	Wichita, KS	Los Angeles, CA	\$6,244	\$536	\$67.32	\$1.83	3
	Wichita, KS	New Orleans, LA	\$3,808	\$320	\$41.00	\$1.12	4
	Sioux Falls, SD	Galveston-Houston, TX	\$5,824	\$440	\$62.20	\$1.69	4
	Northwest KS	Galveston-Houston, TX	\$4,076	\$351	\$43.96	\$1.20	4
	Amarillo, TX	Los Angeles, CA	\$4,275	\$489	\$47.30	\$1.29	3
Corn	Champaign-Urbana, IL	New Orleans, LA	\$3,192	\$362	\$35.29	\$0.90	2
	Toledo, OH	Raleigh, NC	\$4,686	\$416	\$50.66	\$1.29	4
	Des Moines, IA	Davenport, IA	\$2,078	\$77	\$21.40	\$0.54	3
	Indianapolis, IN	Atlanta, GA	\$4,061	\$312	\$43.43	\$1.10	3
	Indianapolis, IN	Knoxville, TN	\$3,469	\$200	\$36.44	\$0.93	3
	Des Moines, IA	Little Rock, AR	\$3,218	\$225	\$34.19	\$0.87	2
	Des Moines, IA	Los Angeles, CA	\$5,215	\$656	\$58.30	\$1.48	2
Soybeans	Minneapolis, MN	New Orleans, LA	\$3,529	\$402	\$39.04	\$1.06	-1
	Toledo, OH	Huntsville, AL	\$3,687	\$295	\$39.55	\$1.08	3
	Indianapolis, IN	Raleigh, NC	\$4,756	\$419	\$51.39	\$1.40	4
	Indianapolis, IN	Huntsville, AL	\$3,379	\$200	\$35.54	\$0.97	3
	Champaign-Urbana, IL	New Orleans, LA	\$3,748	\$362	\$40.82	\$1.11	3
Shuttle Train							
Wheat	Great Falls, MT	Portland, OR	\$3,678	\$308	\$39.58	\$1.08	2
	Wichita, KS	Galveston-Houston, TX	\$3,798	\$240	\$40.10	\$1.09	4
	Chicago, IL	Albany, NY	\$3,950	\$390	\$43.10	\$1.17	4
	Grand Forks, ND	Portland, OR	\$5,159	\$532	\$56.51	\$1.54	1
	Grand Forks, ND	Galveston-Houston, TX	\$6,084	\$554	\$65.92	\$1.79	0
	Northwest KS	Portland, OR	\$5,043	\$576	\$55.80	\$1.52	3
	Minneapolis, MN	Portland, OR	\$5,000	\$648	\$56.09	\$1.42	3
Corn	Sioux Falls, SD	Tacoma, WA	\$4,960	\$593	\$55.15	\$1.40	3
	Champaign-Urbana, IL	New Orleans, LA	\$3,011	\$362	\$33.50	\$0.85	2
	Lincoln, NE	Galveston-Houston, TX	\$3,510	\$346	\$38.29	\$0.97	5
	Des Moines, IA	Amarillo, TX	\$3,590	\$283	\$38.46	\$0.98	2
	Minneapolis, MN	Tacoma, WA	\$5,000	\$643	\$56.03	\$1.42	3
	Council Bluffs, IA	Stockton, CA	\$4,400	\$665	\$50.29	\$1.28	4
	Sioux Falls, SD	Tacoma, WA	\$5,520	\$593	\$60.71	\$1.65	3
Soybeans	Minneapolis, MN	Portland, OR	\$5,530	\$648	\$61.35	\$1.67	3
	Fargo, ND	Tacoma, WA	\$5,430	\$527	\$59.16	\$1.61	3
	Council Bluffs, IA	New Orleans, LA	\$4,175	\$418	\$45.61	\$1.24	5
	Toledo, OH	Huntsville, AL	\$2,862	\$295	\$31.35	\$0.85	4
	Grand Island, NE	Portland, OR	\$5,110	\$589	\$56.60	\$1.54	-2

¹A unit train refers to shipments of at least 25 cars. Shuttle train rates are 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 & soybeans 60 lbs./bu.

³Percentage change year over year calculated using tariff rate plus fuel surcharge

Sources: www.bnsf.com, www.cpr.ca, www.csx.com, www.uprr.com

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

Table 8

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

Commodity	Origin state	Destination region	Tariff rate/car ¹	Fuel		Percent change Y/Y ⁴	
				surcharge per car ²	Tariff plus surcharge per: metric ton ³ bushel ³		
Wheat	MT	Chihuahua, CI	\$6,360	\$563	\$70.73	\$1.92	1
	OK	Cuautitlan, EM	\$6,156	\$684	\$69.88	\$1.90	-6
	KS	Guadalajara, JA	\$6,559	\$660	\$73.77	\$2.01	-11
	TX	Salinas Victoria, NL	\$2,898	\$258	\$32.24	\$0.88	-17
Corn	IA	Guadalajara, JA	\$7,974	\$777	\$89.41	\$2.27	3
	SD	Celaya, GJ	\$7,656	\$736	\$85.75	\$2.18	-5
	NE	Queretaro, QA	\$7,317	\$690	\$81.81	\$2.08	2
	SD	Salinas Victoria, NL	\$5,880	\$560	\$65.80	\$1.67	3
	MO	Tlalnepantla, EM	\$6,755	\$670	\$75.87	\$1.93	2
	SD	Torreón, CU	\$6,722	\$617	\$74.98	\$1.90	3
Soybeans	MO	Bojay (Tula), HG	\$7,868	\$655	\$87.08	\$2.37	3
	NE	Guadalajara, JA	\$8,447	\$749	\$93.96	\$2.55	3
	IA	El Castillo, JA	\$8,855	\$732	\$97.95	\$2.66	3
	KS	Torreón, CU	\$6,864	\$465	\$74.88	\$2.04	3
Sorghum	TX	Guadalajara, JA	\$6,953	\$479	\$75.94	\$1.93	7
	NE	Celaya, GJ	\$7,212	\$669	\$80.51	\$2.04	3
	KS	Queretaro, QA	\$6,650	\$420	\$72.24	\$1.83	-2
	NE	Salinas Victoria, NL	\$5,368	\$492	\$59.87	\$1.52	-1
	NE	Torreón, CU	\$6,243	\$549	\$69.40	\$1.76	1

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.

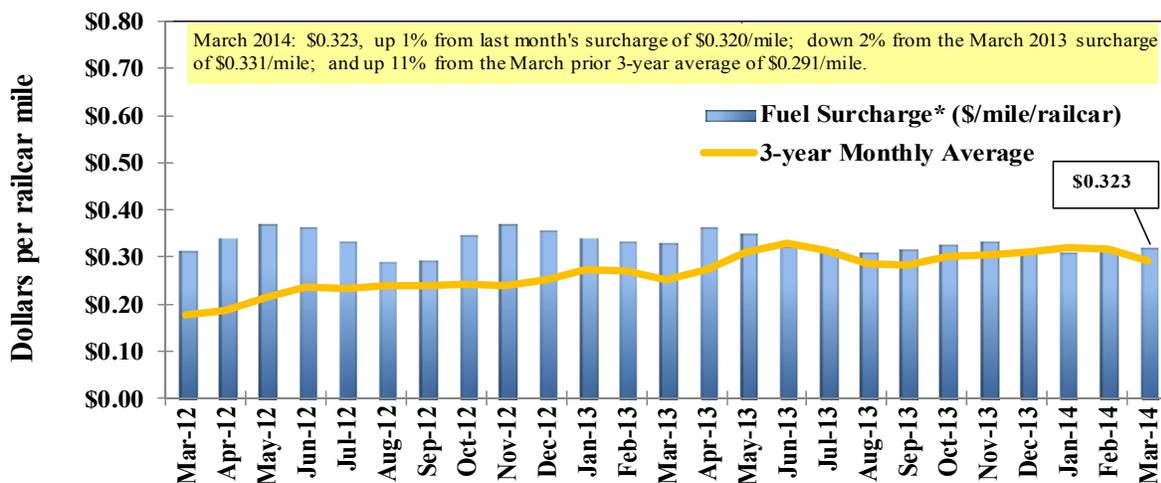
²Fuel surcharge adjusted to reflect the change in Ferrocarril Mexicano, S.A. de C.V. railroad fuel surcharge policy as of 10/01/2009

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

⁴Percentage change year over year 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.

* Mileage-based fuel surcharges for March and April 2007 are estimated. Beginning January 2009, the Canadian Pacific fuel surcharge is computed by a monthly average of the bi-weekly fuel surcharge.

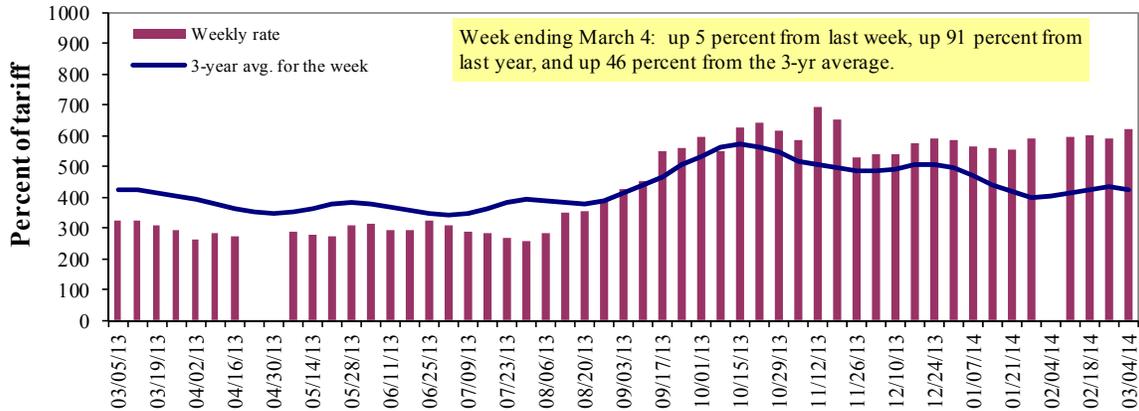
** BNSF strike price (diesel price when fuel surcharges begin) changed from \$1.25/gal. to \$2.50/gal. starting March 1, 2011. As a result, the weighted average fuel surcharge for March 2011 was \$0.227/mile instead of \$0.331/mile.

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

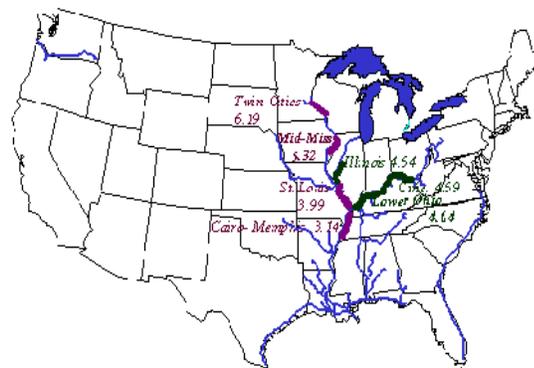
Weekly Barge Freight Rates: Southbound Only

		Twin Cities	Mid-Mississippi	Lower Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo-Memphis
Rate¹	3/4/2014	--	--	620	595	592	592	500
	2/25/2014	--	--	592	485	483	483	363
\$/ton	3/4/2014	--	--	28.77	23.74	27.76	23.92	15.70
	2/25/2014	--	--	27.47	19.35	22.65	19.51	11.40
Current week % change from the same week:								
	Last year	--	--	91	138	157	157	170
	3-year avg. ²	--	--	46	78	73	73	78
Rate¹	April	550	518	477	400	430	430	358
	June	508	457	447	377	397	397	333

¹Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); ²4-week moving average; ton = 2,000 pounds; No rates reported on Illinois River due to ice.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 9
Benchmark tariff rates



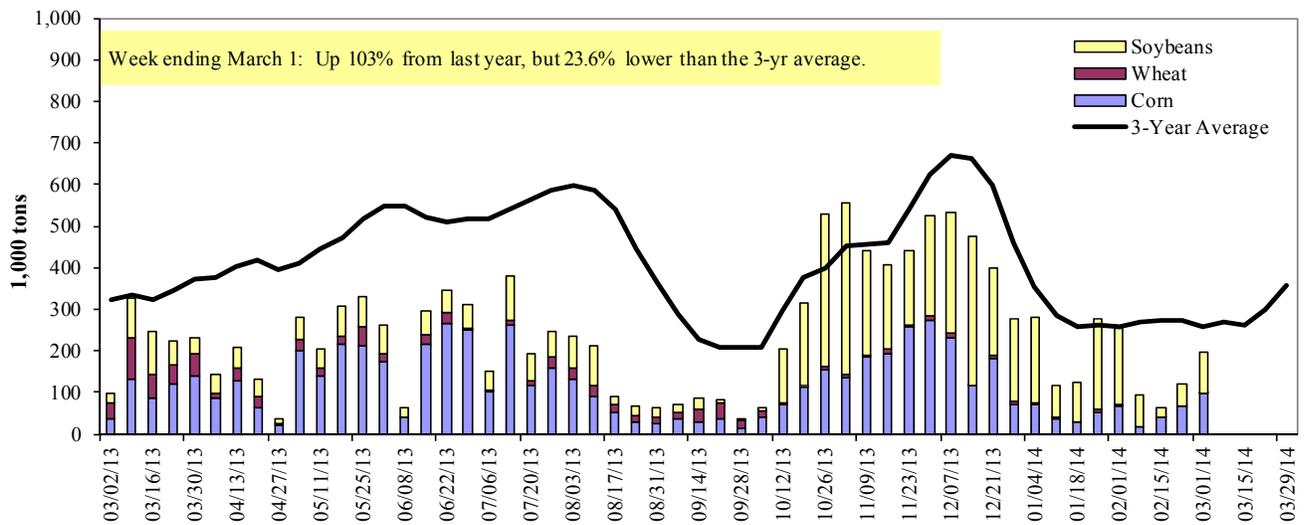
Calculating barge rate per ton:

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

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map (see figure 9).

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)

Week ending 3/01/2014	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	0	0	0	0	0
Winfield, MO (L25)	0	0	0	0	0
Alton, IL (L26)	94	2	104	0	200
Granite City, IL (L27)	97	2	98	0	197
Illinois River (L8)	50	2	69	0	121
Ohio River (L52)	233	12	134	2	381
Arkansas River (L1)	3	24	32	3	62
Weekly total - 2014	333	38	265	5	640
Weekly total - 2013	124	114	99	0	338
2014 YTD ¹	2,158	180	2,839	39	5,216
2013 YTD	829	662	2,414	46	3,950
2014 as % of 2013 YTD	260	27	118	85	132
Last 4 weeks as % of 2013 ²	271	20	131	34	137
Total 2013	9,504	4,111	10,065	255	23,935

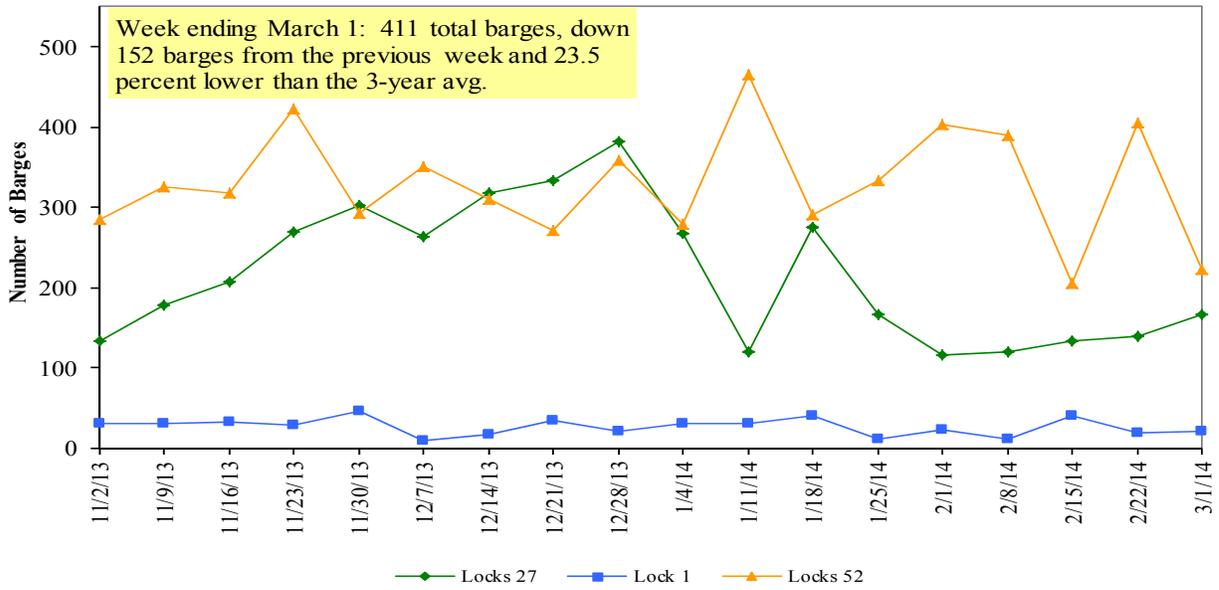
¹ Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

² As a percent of same period in 2013.

Note: Total may not add exactly, due to rounding

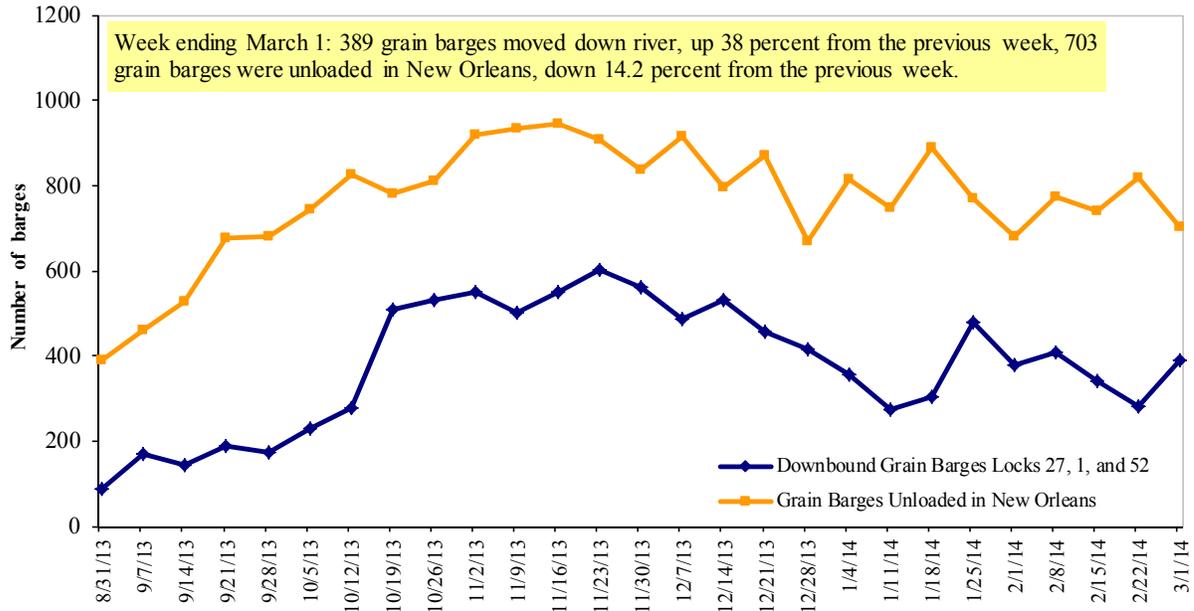
Source: U.S. Army Corps of Engineers

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 Prices¹, Week Ending 3/03/2013 (US \$/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	4.155	0.007	-0.012
	New England	4.389	0.003	0.091
	Central Atlantic	4.354	-0.004	0.119
	Lower Atlantic	3.962	0.015	-0.130
II	Midwest ²	4.019	-0.006	-0.066
III	Gulf Coast ³	3.793	-0.013	-0.272
IV	Rocky Mountain	3.983	0.033	-0.064
V	West Coast	4.038	0.003	-0.242
	West Coast less California	3.943	-0.005	-0.264
	California	4.119	0.010	-0.222
Total	U.S.	4.016	-0.001	-0.114

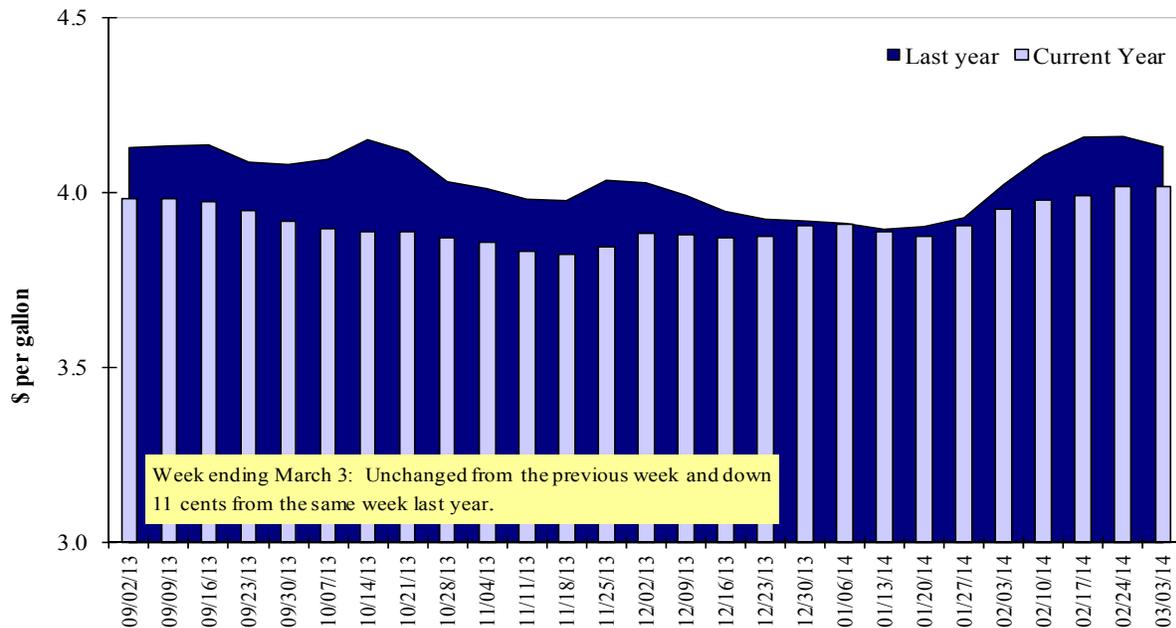
¹Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

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)

Week ending	Wheat						Corn	Soybeans	Total
	HRW	SRW	HRS	SWW	DUR	All wheat			
Export Balances¹									
2/20/2014	1,696	1,105	1,596	1,122	166	5,685	18,822	7,385	31,892
This week year ago	1,755	1,652	1,223	804	81	5,514	5,477	4,636	15,627
Cumulative exports-marketing year²									
2013/14 YTD	8,773	6,125	4,327	2,864	308	22,396	17,315	36,083	75,794
2012/13 YTD	6,517	2,702	4,197	3,436	356	17,206	9,070	29,888	56,164
YTD 2013/14 as % of 2012/13	135	227	103	83	87	130	191	121	135
Last 4 wks as % of same period 2012/13	100	69	129	131	211	103	343	204	217
2012/13 Total	10,019	5,039	5,825	4,619	591	26,093	17,980	36,220	80,293
2011/12 Total	9,904	4,319	6,312	5,601	491	26,627	37,900	36,727	101,254

¹ Current unshipped export sales to date

² Shipped export sales to date; new marketing year in effect for corn and soybeans

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

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

Table 13

Top 5 Importers¹ of U.S. Corn

Week ending 2/20/2014	Total Commitments ²		% change current MY from last MY	Exports ³ 2012/13
	2013/14 Current MY	2012/13 Last MY		
	- 1,000 mt -			- 1,000 mt -
Japan	7,826	4,871	61	7,000
Mexico	8,387	3,343	151	4,370
China	4,301	1,971	118	2,450
Venezuela	565	396	43	1,158
Taiwan	966	365	165	512
Top 5 Importers	22,044	10,945	101	15,490
Total US corn export sales	36,137	14,546	148	18,670
% of Projected	89%	78%		
Change from prior week	661	303		
Top 5 importers' share of U.S. corn export sales	61%	75%		83%
USDA forecast, February 2014	40,712	18,601	119	
Corn Use for Ethanol USDA forecast, February 2014	127,000	118,059	8	

(n) indicates negative number.

¹ Based on FAS Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year (MY) = Sep 1 - Aug 31.

² Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report, or Export Sales Query--
<http://www.fas.usda.gov/esrquery/>

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

Table 14

Top 5 Importers¹ of U.S. Soybeans

Week Ending 2/20/2014	Total Commitments ²		% change current MY from last MY	Exports ³ 2012/13
	2013/14 Current MY	2012/13 Last MY		
	- 1,000 mt -			- 1,000 mt -
China	28,101	21,214	32	21,522
Mexico	2,495	1,743	43	2,565
Japan	1,440	1,398	3	1,751
Indonesia	1,690	1,051	61	1,682
Taiwan	961	963	(0)	1,120
Top 5 importers	34,688	26,369	32	28,641
Total US soybean export sales	43,458	34,523	26	37,060
% of Projected	106%	96%		
Change from prior week	242	613		
Top 5 importers' share of U.S. soybean export sales	80%	76%		
USDA forecast, February 2014	41,144	35,967	14	

(n) indicates negative number.

¹Based on FAS Marketing Year Ranking Reports - 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/³ FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm. (Carryover plus Accumulated Exports)

Table 15

Top 10 Importers¹ of All U.S. Wheat

Week Ending 2/20/2014	Total Commitments ²		% change current MY from last MY	Exports ³ 2012/13
	2013/14 Current MY	2012/13 Last MY		
	- 1,000 mt -			- 1,000 mt -
Japan	2,610	3,077	(15)	3,544
Nigeria	2,446	2,490	(2)	3,002
Mexico	2,571	2,557	1	2,761
Philippines	1,764	14,512	(88)	1,965
Egypt	644	196	228	1,678
Korea	1,179	1,373	(14)	1,385
Taiwan	813	890	(9)	1,038
China	4,199	668	529	743
Brazil	3,788	176	2058	527
Colombia	720	523	38	600
Top 10 importers	20,734	26,460	(22)	17,243
Total US wheat export sales	28,081	22,721	24	26,348
% of Projected	88%	83%		
Change from prior week	365	373		
Top 10 importers' share of U.S. wheat export sales	74%	116%		65%
USDA forecast, February 2014	32,016	27,439	17	

(n) indicates negative number.

¹Based on FAS Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Jun 1 - May 31.² Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report, or Export Sales Query--http://www.fas.usda.gov/esquery/³ FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 16

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

Port regions	Week ending 02/27/14	Previous Week ¹	Current Week as % of Previous	2014 YTD ¹	2013 YTD ¹	2014 YTD as % of 2013 YTD	Last 4-weeks as % of		Total ¹ 2013
							2013	3-yr. avg.	
Pacific Northwest									
Wheat	340	170	200	1,951	1,900	103	64	64	11,585
Corn	263	35	749	1,028	612	168	122	92	2,973
Soybeans	180	343	52	3,389	2,344	145	116	125	9,090
Total	782	548	143	6,368	4,855	131	96	95	23,647
Mississippi Gulf									
Wheat	60	87	69	697	1,080	64	32	53	9,711
Corn	654	632	103	4,282	1,365	314	236	120	14,828
Soybeans	589	823	72	7,962	5,109	156	176	131	21,462
Total	1,304	1,542	85	12,941	7,555	171	157	119	46,002
Texas Gulf									
Wheat	198	173	114	1,170	758	154	89	76	9,039
Corn	0	0	n/a	112	5	n/a	1,086	153	255
Soybeans	0	0	n/a	255	122	208	138	80	908
Total	198	173	114	1,537	885	174	101	80	10,203
Interior									
Wheat	19	14	133	189	154	123	154	128	1,244
Corn	93	122	76	927	336	276	145	105	3,943
Soybeans	74	76	97	864	729	118	294	126	3,212
Total	186	212	88	1,980	1,219	162	198	116	8,399
Great Lakes									
Wheat	0	0	n/a	0	2	0	n/a	0	884
Corn	0	0	n/a	0	0	n/a	n/a	0	0
Soybeans	0	0	n/a	0	3	0	0	0	699
Total	0	0	n/a	0	5	0	0	0	1,583
Atlantic									
Wheat	0	0	n/a	31	108	29	54	45	645
Corn	5	0	n/a	20	2	n/a	665	94	242
Soybeans	109	129	84	780	451	173	178	248	1,652
Total	113	129	88	831	561	148	154	178	2,540
U.S. total from ports²									
Wheat	617	445	139	4,038	4,002	101	145	114	33,108
Corn	1,015	789	129	6,369	2,319	275	294	138	22,241
Soybeans	951	1,370	69	13,249	8,759	151	129	139	37,024
Total	2,583	2,604	99	23,656	15,080	157	160	134	92,373

¹ Data includes revisions from prior weeks; some regional totals may not add exactly due to rounding.

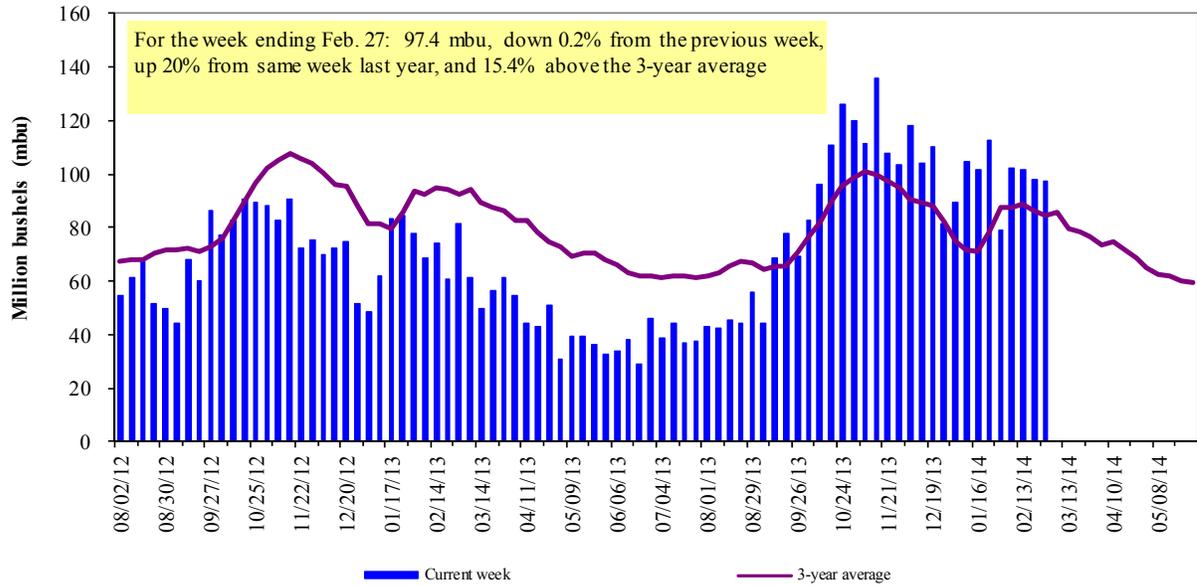
² Total includes only port regions shown above; Interior land-based shipments now included.

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, 35 percent of U.S.-grown soybeans, and 20 percent of the U.S.-grown corn. Approximately 61 percent of the U.S. export grain shipments departed through the U.S. Gulf region in 2013.

Figure 14

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

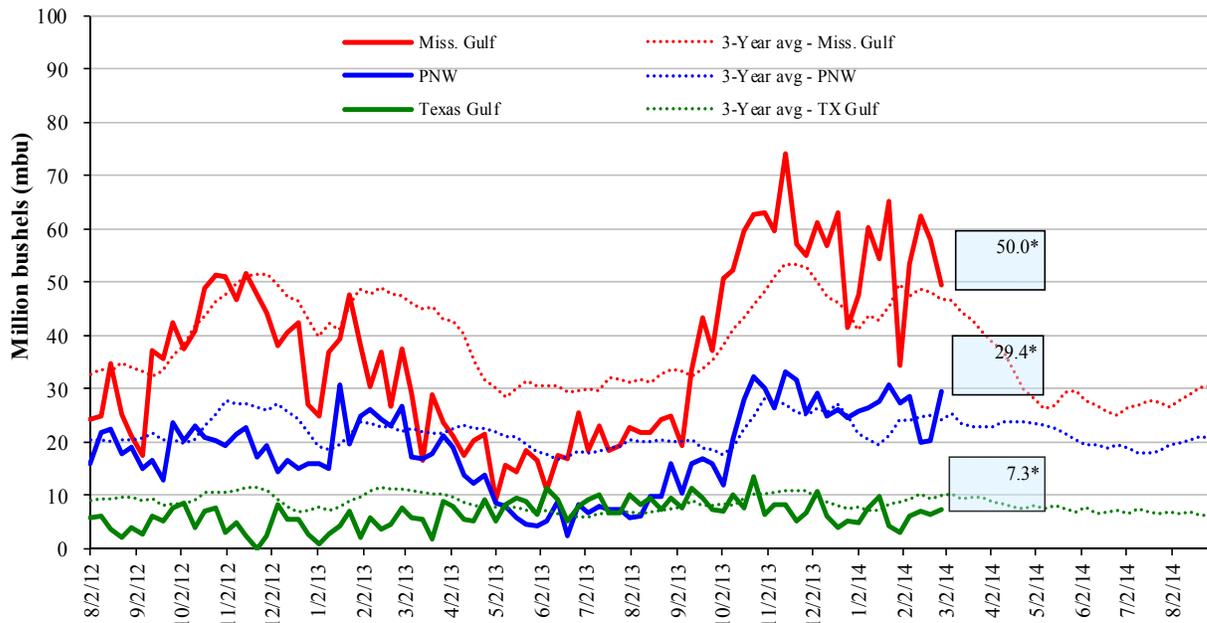


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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)



Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov); *mbu, this week.

Feb. 27: % change from:	MSGulf	TX Gulf	U.S. Gulf	PNW
Last week	down 15	up 14	down 12	up 46
Last year (same week)	up 32	down 5	up 26	up 10
3-yr avg. (4-wk mov. avg.)	up 16	down 4	up 13	up 32

Ocean Transportation

Table 17

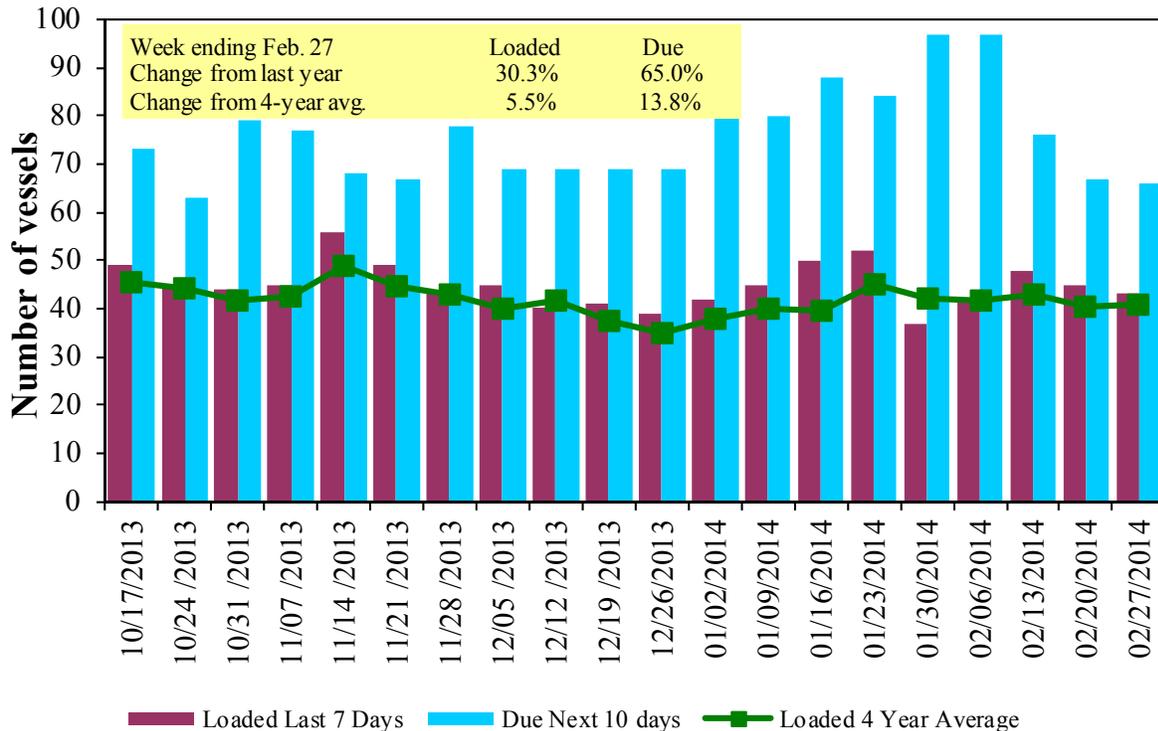
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In port	Loaded 7-days	Due next 10-days	In port	In port
2/27/2014	88	43	66	22	n/a
2/20/2014	82	45	67	26	n/a
2013 range	(16..60)	(20..56)	(31..81)	(0..24)	n/a
2013 avg.	32	33	51	12	n/a

Source: Transportation & Marketing Programs/AMS/USDA

Figure 16

U.S. Gulf¹ Vessel Loading Activity

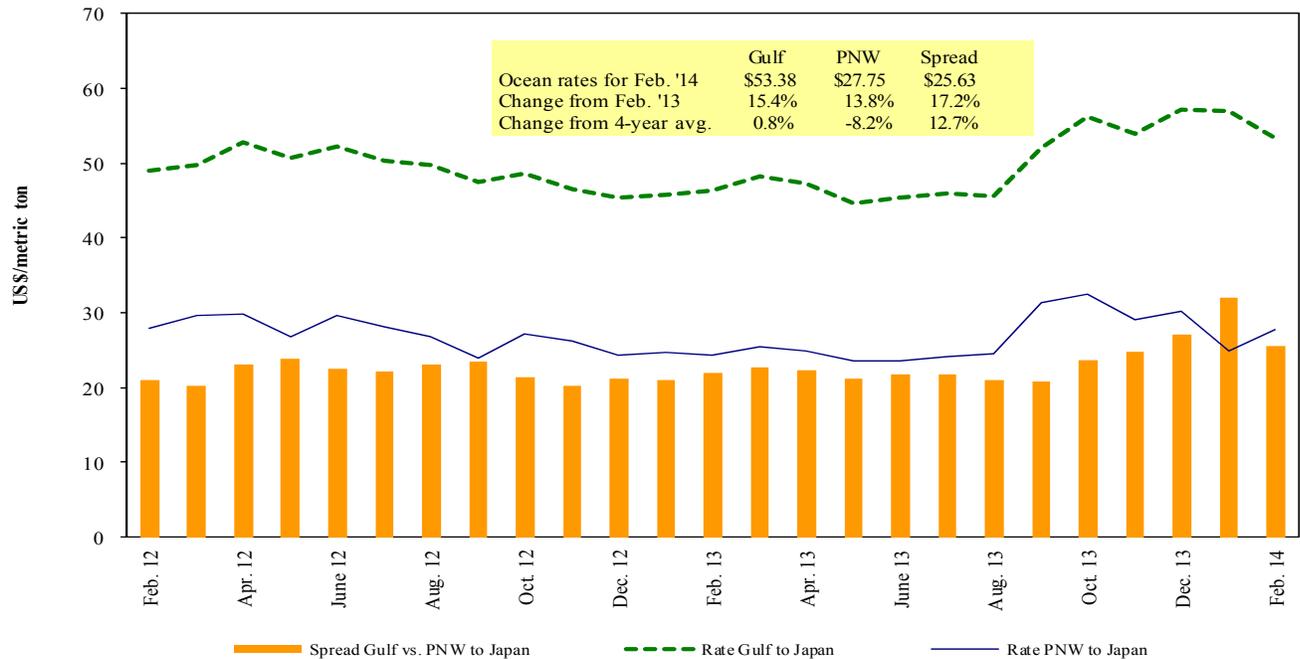


Source: Transportation & Marketing Programs/AMS/USDA

¹U.S. Gulf includes Mississippi, Texas, and East Gulf.

Figure 17

Grain Vessel Rates, U.S. to Japan



Source: O'Neil Commodity Consulting

Table 18

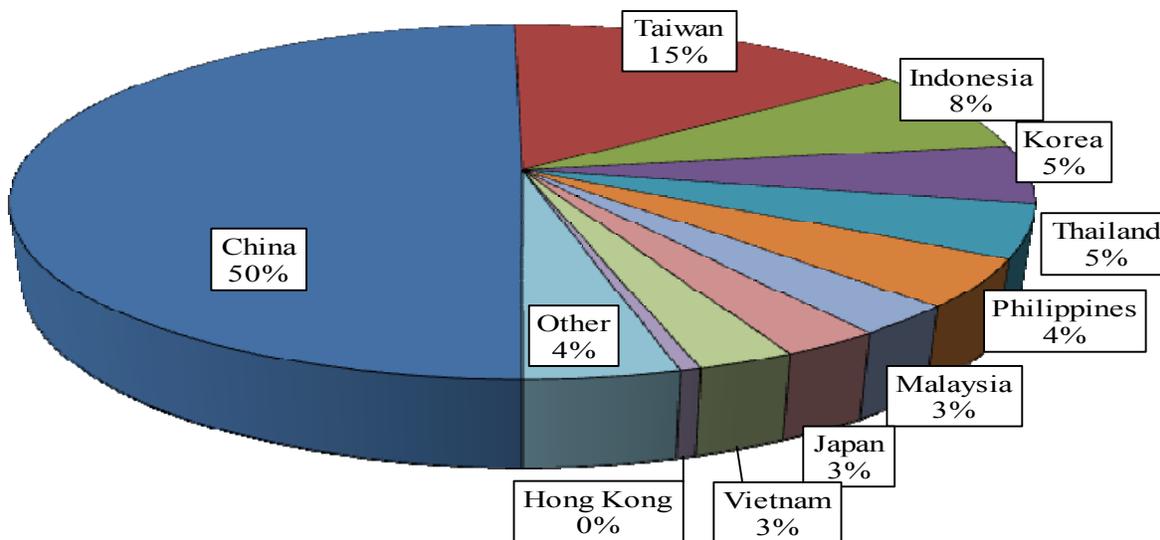
Ocean Freight Rates For Selected Shipments, Week Ending 3/1/2014

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US\$/metric ton)
U.S. Gulf	China	Heavy Grain	Feb 15/25	55,000	49.00
U.S. Gulf	China	Heavy Grain	Feb 10/15	60,000	52.50
U.S. Gulf	China	Heavy Grain	Feb 1/10	60,000	54.00
U.S. Gulf	China	Heavy Grain	Jan 20/30	55,000	53.50
U.S. Gulf	China	Heavy Grain	Jan 15/30	55,000	47.50
U.S. Gulf	China	Heavy Grain	Jan 31	58,000	56.50
U.S. Gulf	S. Korea	Heavy Grain	Feb 11/20	54,000	50.50
U.S. Gulf	S. Korea	Heavy Grain	Dec 5/20	58,000	54.00
PNW	Nicaragua ¹	Soybean Meal	Feb 10/20	6,000	292.85
PNW	Philippines	Soybean Meal	Mar 5/15	6,750	77.40
Australia	vietnam	Heavy Grain	Feb 15/25	55,000	17.50
Brazil	China	Heavy Grain	Apr 1/30	60,000	42.25
Brazil	China	Heavy Grain	Mar 20/25	60,000	40.50
Brazil	China	Heavy Grain	Mar 15/25	60,000	39.25
Brazil	China	Heavy Grain	Mar 1/10	60,000	38.50
Brazil	China	Heavy Grain	Mar 3/7	60,000	40.00
Brazil	China	Heavy Grain	Mar 5/15	60,000	40.50

In 2012, containers were used to transport 8 percent of total U.S. waterborne grain exports, up 1 percentage point from 2011. Approximately 66 percent of U.S. waterborne grain exports in 2012 went to Asia, of which 11 percent were moved in containers. Asia is the top destination for U.S. containerized grain exports—96 percent in 2012.

Figure 18

Top 10 Destination Markets for U.S. Containerized Grain Exports, November 2013

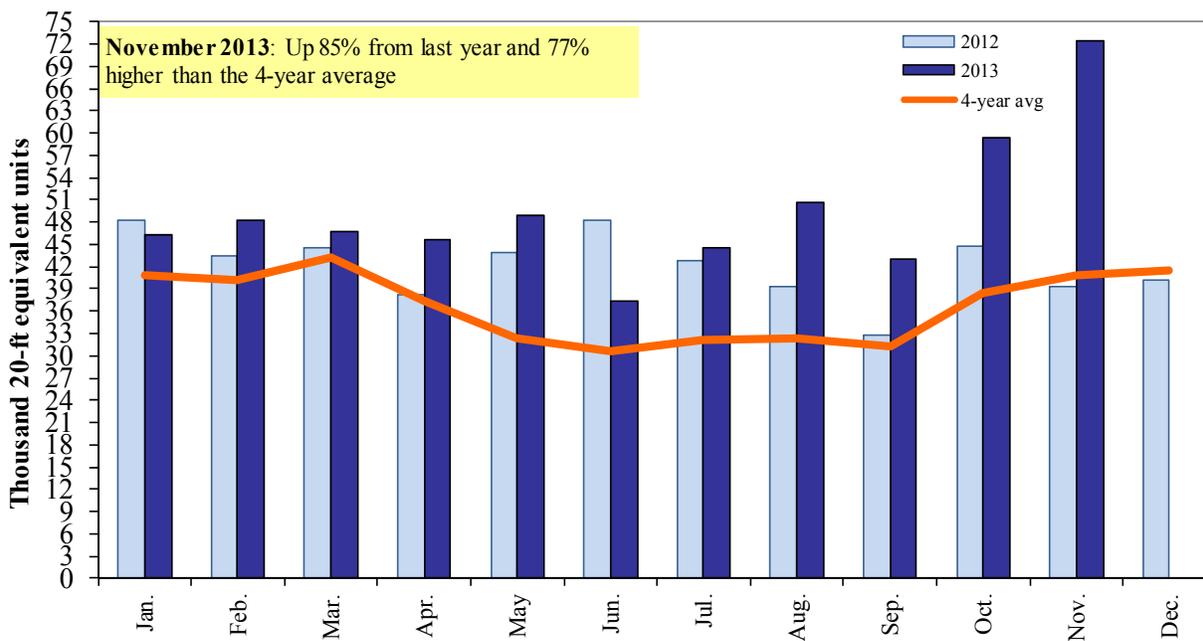


Source: USDA/Agricultural Marketing Service/Transportation Services Division analysis of Port Import Export Reporting Service (PIERS) data

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

Figure 19

Monthly Shipments of Containerized Grain to Asia



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

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

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