



Grain Transportation Report

A weekly publication of the Transportation and Marketing Programs/Transportation Services Division
www.ams.usda.gov/GTR

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May 8, 2014

WEEKLY HIGHLIGHTS

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Is 2014 the Turnaround Year for Ocean Freight Market?

Contrary to earlier expectations by some industry analysts, ocean freight rates for shipping bulk commodities including grain continued to remain low because cargo demand has not risen to the levels required to soak up the excess vessel supply. As of May 2, the cost of shipping bulk grain from the U.S. Gulf to Japan was \$47 per metric ton (mt), a 19-percent decline since January 3. The cost of shipping from the Pacific Northwest was \$26.50 per mt, a 10-percent decline since January 3. Ocean freight rates may remain low or moderate for a foreseeable future because the number of vessels waiting to load grains at the U.S. Gulf is declining (see [GTR, dated 4/24/14 and 5/1/14](#)). Grain vessels wait times in Brazil are also reported to be down about 30 percent compared to this time last year. As of May 1, only 33 grain vessels were loading or waiting to be loaded at the U.S. Gulf, and 36 vessels were loaded in the previous 7 days.

STB Announces Minnesota Meeting on Rail Service Issues

On May 14, representatives from the Surface Transportation Board's (STB) Rail Customer and Public Assistance Program will be conducting informal and confidential meetings with railroad shippers in Bloomington, MN, regarding ongoing railroad service issues. This meeting is part of a series connected with the STB hearing *United States Rail Service Issues*, EP 724. Shippers wishing to participate are encouraged to contact the STB by the close of business on Monday, May 12. An additional meeting is planned for Montana soon. [See the STB announcement for details.](#)

Grain Inspections Continue to Drop, but Corn Increases

For the week ending May 1, total inspections of grain (corn, wheat, and soybeans) for export from all major export regions reached 1.85 million metric tons (mmt), down 9 percent from the past week, 125 percent above last year, and 9 percent above the 3-year average. Despite the drop in total grain inspections, corn inspections (1.19 mmt) increased 8 percent from the previous week and were 76 percent above the 3-year average. Shipments of corn to Latin America and Asia remained strong. Inspections of wheat (.563 mmt) dropped 17 percent from the past week. Lower U.S supplies of soybeans and increased South American exports helped push inspections of soybeans (.099 mmt) 61 percent below the past week; and to the lowest level since September 2013. Outstanding export sales of grain also continued to decrease.

Snapshots by Sector

Rail

U.S. railroads originated 21,845 **carloads of grain** during the week ending April 26, up 1 percent from last week, 39 percent from last year, and 9 percent from the 3-year average.

During the week ending May 1, average May non-shuttle **secondary railcar bids/offers per car** were \$700 above tariff, down \$175 from last week and \$700 higher than last year. Average shuttle secondary railcar bids/offers per car were \$537.50 above tariff, down \$312.50 from last week and \$655 higher than last year.

Barge

During the week ending May 3, **barge grain movements** totaled 788,100 tons—26.3 percent higher than the previous week and 70.5 percent higher than the same period last year.

During the week ending May 3, 508 grain barges **moved down river**, up 25.7 percent from last week; 613 grain barges were **unloaded in New Orleans**, up 12.7 percent from the previous week.

Ocean

During the week ending May 1, 36 **ocean-going grain vessels** were loaded in the Gulf, 57 percent more than the same period last year. Forty-seven vessels are expected to be loaded within the next 10 days, 31 percent more than the same period last year.

Fuel

During the week ending May 5, U.S. average **diesel fuel prices** decreased 1 cent from the previous week to \$3.96 per gallon—up 12 cents from the same week last year.

Feature Article/Calendar

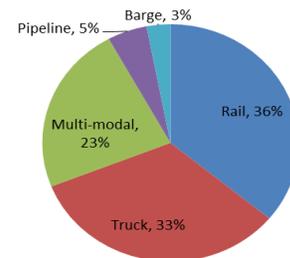
Improvements in Spring Fertilizer Transportation

As spring planting season gets underway across grain-producing States, producers have raised concerns over whether they will receive enough fertilizer in time to plant their crops. Both barge and rail movements of fertilizer during the first quarter of 2014 have experienced setbacks due to extreme winter conditions. In addition, widespread service issues on the rail network have also affected rail shipments of fertilizer. These issues were raised by shippers at a recent Surface Transportation Board (STB) hearing, prompting the STB to direct BNSF and Canadian Pacific (CP) Railways to report their plans for meeting fertilizer delivery needs and provide ongoing weekly updates on their progress. Fertilizer deliveries have been improving due to additional resources committed by the railroads and improved navigational conditions for barges. Finally, cold, wet weather has also delayed the start of planting in some areas, providing additional time for barge and rail to catch up on delayed shipments.

Background

Fertilizer moves as either liquid or dry bulk through an interconnected system of rail, barge, truck, pipeline, and ocean carrier. Railroads typically haul the majority of fertilizer ton-miles (36 percent), making them the predominant mode for long distance movements.¹ Trucks haul the majority of the total tonnage (65 percent), mainly for short haul movements, followed by rail with 19 percent, multi-modal with 11 percent, pipeline with 3 percent, and barge with 2 percent. New Orleans serves as an important hub for receiving domestic production shipped through the Gulf and foreign imports arriving by ocean carrier and for originating domestic movements by barge and rail. About 50 percent of urea imports—the primary nitrogen dry bulk fertilizer—arrive through New Orleans. Barges play a critical link in moving fertilizer from New Orleans to inland distribution points, primarily on the Upper Mississippi River (above St. Louis), but also to the Ohio, Arkansas, Illinois, and the Lower Mississippi River.

Fertilizer Transportation by Mode, Ton-Miles



U.S. DOT Bureau of Transportation Statistics and U.S. Census Bureau, 2007 Commodity Flow Survey

Barge Delays

This past winter was one of the most severe on record for river traffic, making portions of the Upper Mississippi, Upper Ohio, and Illinois Rivers impassible at times due to ice. The period between October and March is an important time for fertilizer movements by barge because it serves as a backhaul for grain during the peak period for grain shipments following harvest. Roughly 60 percent of fertilizer is applied in the spring, and 40 percent is applied in the fall. Even though the demand for fertilizer is seasonal, it must be moved year round in order to work within the capacity constraints of the transportation network. However, because of the winter weather, fewer barges were able to operate in the icy conditions, causing some delays for fertilizer shipments and at barge-to-rail transfers.

¹ U.S. DOT Bureau of Transportation Statistics and U.S. Census Bureau, 2007 Commodity Flow Survey. (Multi-modal indicates a combination of truck and rail, truck and barge, rail and barge, or another combination.)

Rail Delays

Even without barge delays affecting fertilizer movements for rail, serious setbacks on the overall rail network have affected many commodities since last October on several rail carriers, most notably BNSF and CP. Effects from these service issues on grain movements were reported in the [April 10, 2014 GTR](#). Shippers voiced their concerns over fertilizer shipments to the STB during an April 10 hearing of *United States Rail Service Issues*, explaining the critical window for receiving fertilizer shipments in time for application during spring planting. On the production side, fertilizer shippers stated they were only receiving one-half to two-thirds of ordered cars for fertilizer, while on the receiver side, a farm cooperative was told by suppliers it will receive only 66 percent of the fertilizer it paid for last fall because of rail delays. With spring planting at hand, the STB ordered BNSF and CP to submit plans for ensuring the adequate delivery of fertilizer and provide weekly updates on their progress over a 6-week period. In response, BNSF determined it needed to move 52 trainloads of fertilizer to meet customer needs and would accomplish this through several measures, including adding 110 jumbo hopper cars to the existing fertilizer fleet and treating fertilizer trainloads in a manner similar to grain shuttles, allowing locomotives to remain with the trains during loading and unloading. CP did not identify a total amount to be delivered to meet its customers' needs but did commit a new train pair between the U.S. and Canada to support both grain and fertilizer shipments, among other measures.

Barge and Rail Updates

The U.S. Army Corps of Engineers reported the start of the 2014 Upper Mississippi River navigation on April 16. Since then, barges have been able to transit the entire length of the Mississippi River with upbound fertilizer shipments and waterway transportation conditions have steadily improved, aiding with the movement of fertilizer by barge. Delivery of fertilizer by rail has been improving for BNSF and CP over the past two weeks, given the additional attention and logistics both railroads have dedicated to the task and the lessening of congestion in Chicago (which helped improve CP's traffic). BNSF appears to be on track to meet its obligation of delivering 52 trainloads of fertilizer by May 28, with 26 trainloads delivered in the first two weeks. As of April 30, 12 trainloads were delivered to South Dakota; 4 to North Dakota; 3 to Texas; 2 each to Minnesota and Montana; and 1 each to Iowa, Missouri, and Nebraska. In addition, delayed spring planting may have bought additional time for the railroads to catch up on their backlogged fertilizer shipments.

Planting Progress

Field work, including planting preparation and fertilizer application, across many grain-producing States has been delayed this spring by lingering cool, wet weather. USDA's latest crop progress report shows that the percentages planted for all major grain and oilseed crops are behind their 5-year averages. Corn planting is only 29 percent complete this year, compared to 42 percent on average; soybean planting is only 5 percent complete, compared to 11 percent on average; and spring wheat planting is only 26 percent complete, compared to 41 percent on average. Overall, delayed planting progress extends the window by which barge and rail have to catch up on fertilizer shipments. However, in areas where planting is already underway, timely delivery of fertilizer is still a critical factor. 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
05/07/14	266	278	239	203	210	188
04/30/14	267	288	252	200	212	188

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	5/2/2014	4/25/2014
Corn	IL--Gulf	-0.75	-0.82
Corn	NE--Gulf	-0.88	-0.92
Soybean	IA--Gulf	-1.09	-0.98
HRW	KS--Gulf	-1.74	-1.44
HRS	ND--Portland	-2.36	-2.47

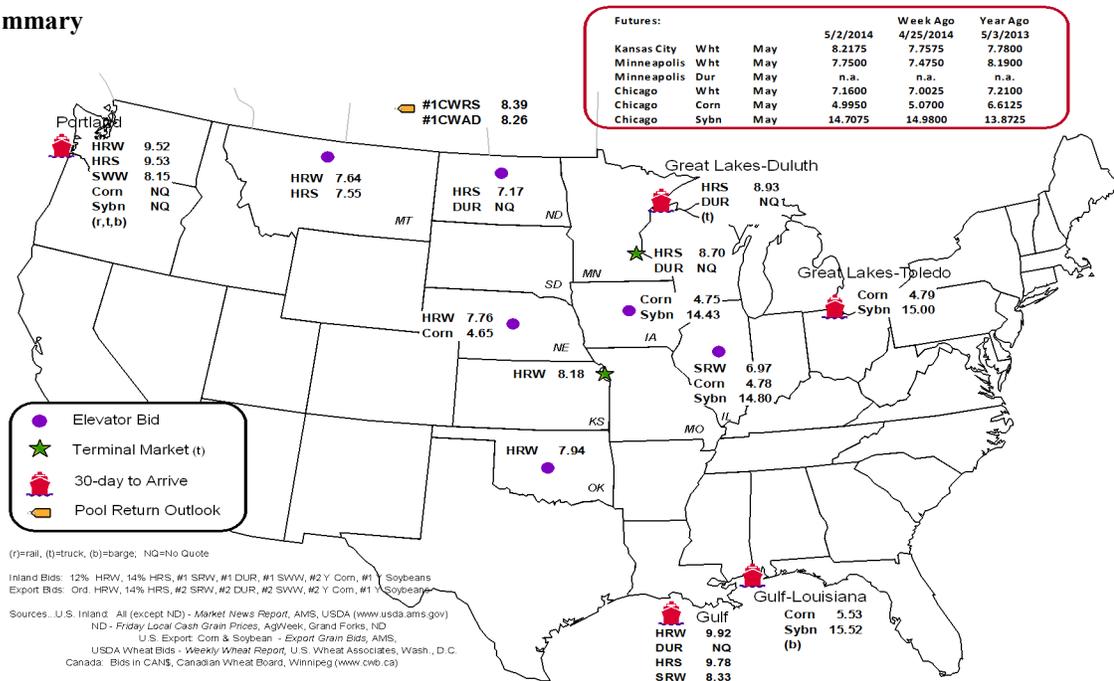
Note: nq = no quote

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			
4/30/2014 ^p	563	1,874	4,566	531	7,534	4/26/2014	2,268
4/23/2014 ^r	528	2,199	5,277	471	8,475	4/19/2014	1,921
2014 YTD ^r	19,072	30,252	93,480	14,262	157,066	2014 YTD	32,090
2013 YTD ^r	8,045	19,117	62,749	8,578	98,489	2013 YTD	21,020
2014 YTD as % of 2013 YTD	237	158	149	166	159	% change YTD	153
Last 4 weeks as % of 2013 ²	1,042	146	339	406	270	Last 4wks % 2013	152
Last 4 weeks as % of 4-year avg. ²	391	147	169	160	170	Last 4wks % 4 yr	90
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.

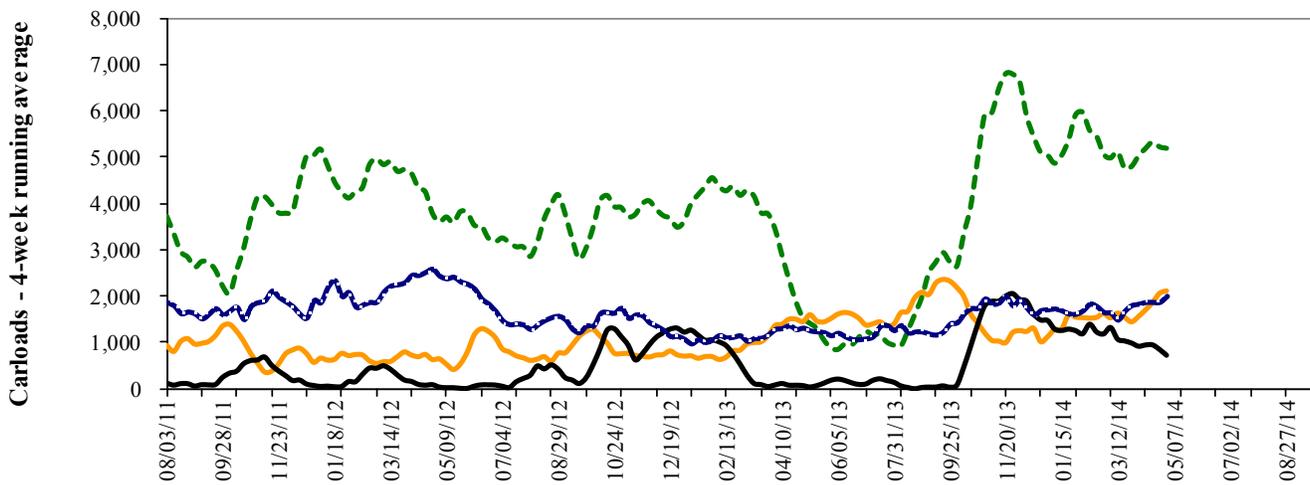
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

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 4/30--up 239% from same period last year; up 69% from 4-year average
--- Texas Gulf: 4 wks. ending 4/30--up 46% from same period last year; up 47% from 4-year average
--- Miss. River: 4 wks. ending 4/30--up 942% from same period last year; up 291% from 4-year average
--- Cross-border: 4 wks. ending 4/26--up 52% from same period last year; down 10% from 4-year average

Source: Transportation & Marketing Programs/AMS/USDA

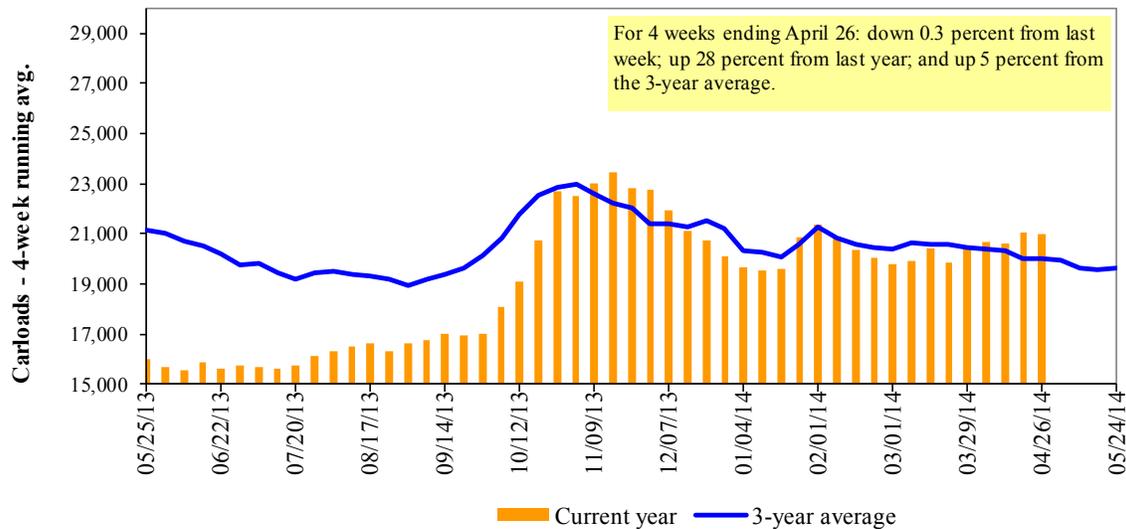
Table 4

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
04/26/14	1,460	3,382	10,337	1,264	5,402	21,845	5,451	6,162
This week last year	1,198	2,482	7,318	404	4,270	15,672	3,389	5,310
2014 YTD	33,410	51,780	148,904	16,548	98,323	348,965	71,767	84,437
2013 YTD	25,888	42,381	153,083	8,139	65,796	295,287	58,122	91,737
2014 YTD as % of 2013 YTD	129	122	97	203	149	118	123	92
Last 4 weeks as % of 2013	111	136	119	183	142	128	143	97
Last 4 weeks as % of 3-yr avg. ¹	98	119	95	167	113	105	124	111
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							
	May-14	May-13	Jun-14	Jun-13	Jul-14	Jul-13	Aug-14	Aug-13
BNSF ³								
COT grain units	no offer	no bids	no offer	no bids	no offer	no bids	no offer	no bids
COT grain single-car ⁵	no offer	0	no offer	0	no offer	0	no offer	no bids
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.

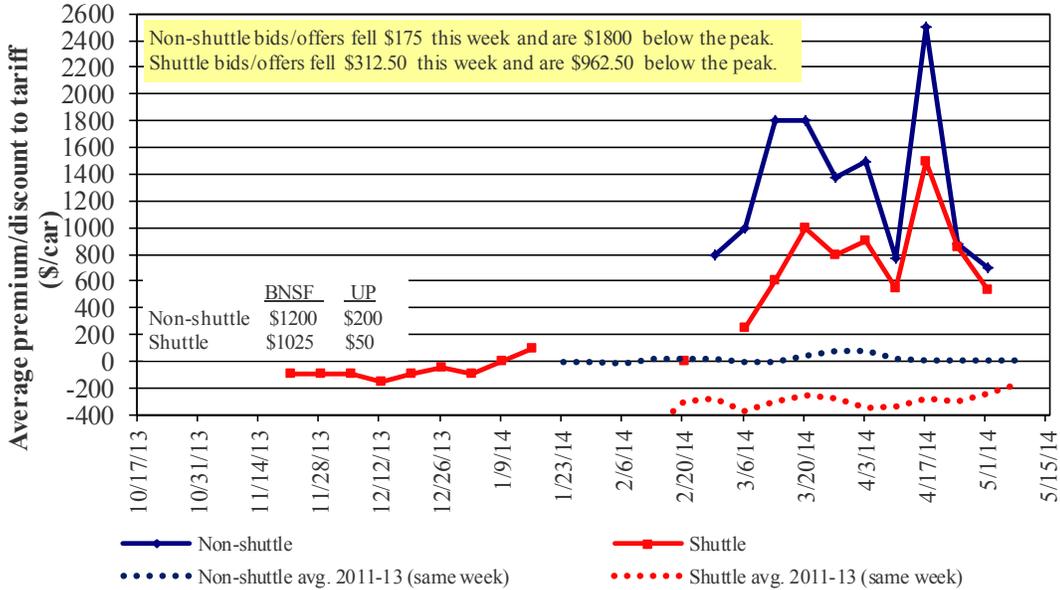
⁵Range is shown because average is not available. Not available = n/a.

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 May 2014, Secondary Market

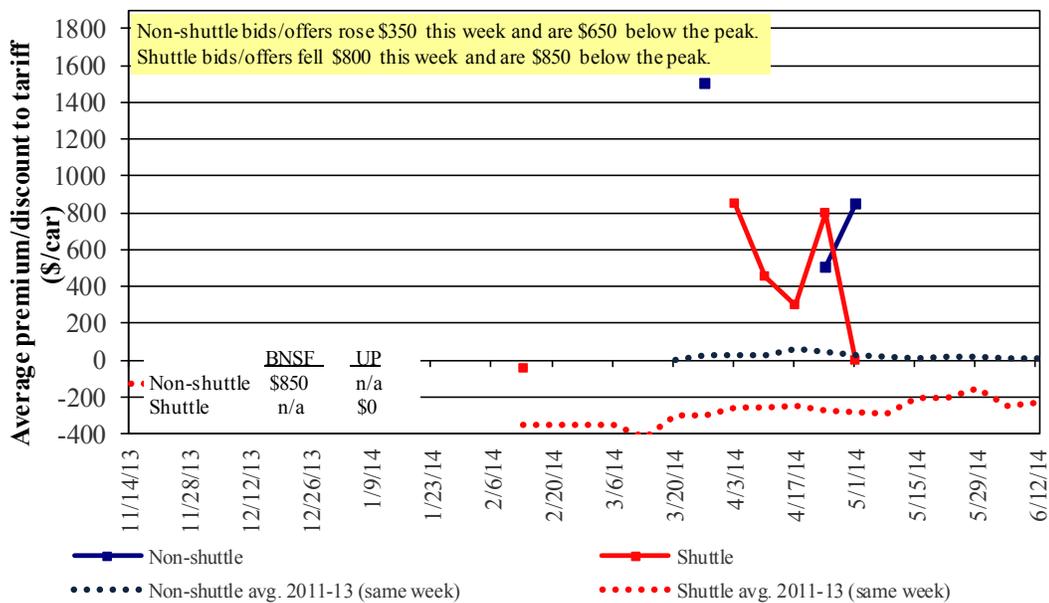


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

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

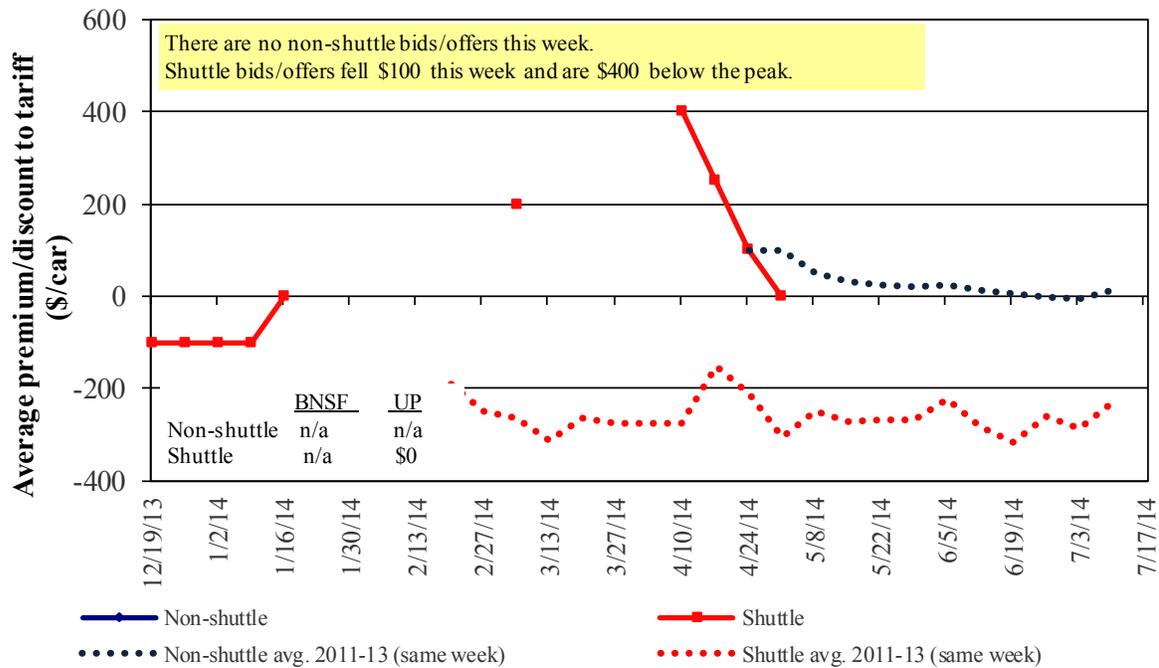


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in July 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					
	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14
Non-shuttle						
BNSF-GF	1,200	850	n/a	n/a	n/a	n/a
Change from last week	(300)	350	n/a	n/a	n/a	n/a
Change from same week 2013	1,200	825	n/a	n/a	n/a	n/a
UP-Pool	200	n/a	n/a	n/a	n/a	n/a
Change from last week	(50)	n/a	n/a	n/a	n/a	n/a
Change from same week 2013	200	n/a	n/a	n/a	n/a	n/a
Shuttle²						
BNSF-GF	1,025	n/a	n/a	n/a	500	n/a
Change from last week	(475)	n/a	n/a	n/a	n/a	n/a
Change from same week 2013	1,181	n/a	n/a	n/a	n/a	n/a
UP-Pool	50	-	-	200	n/a	n/a
Change from last week	(150)	(100)	(100)	n/a	n/a	n/a
Change from same week 2013	129	150	213	413	n/a	n/a

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

²Shuttle 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:						Percent	
5/1/2014	Origin region*	Destination region*	Tariff rate/car	Fuel surcharge per car	Tariff plus surcharge per:		change Y/Y ³
					metric ton	bushe ²	
Unit train							
Wheat	Wichita, KS	St. Louis, MO	\$3,191	\$197	\$33.65	\$0.92	1
	Grand Forks, ND	Duluth-Superior, MN	\$3,596	\$113	\$36.83	\$1.00	1
	Wichita, KS	Los Angeles, CA	\$6,244	\$581	\$67.78	\$1.84	3
	Wichita, KS	New Orleans, LA	\$3,808	\$347	\$41.26	\$1.12	4
	Sioux Falls, SD	Galveston-Houston, TX	\$5,824	\$477	\$62.57	\$1.70	4
	Northwest KS	Galveston-Houston, TX	\$4,076	\$380	\$44.25	\$1.20	4
	Amarillo, TX	Los Angeles, CA	\$4,275	\$529	\$47.71	\$1.30	3
Corn	Champaign-Urbana, IL	New Orleans, LA	\$3,192	\$392	\$35.59	\$0.90	2
	Toledo, OH	Raleigh, NC	\$4,686	\$442	\$50.92	\$1.29	3
	Des Moines, IA	Davenport, IA	\$2,078	\$83	\$21.46	\$0.55	3
	Indianapolis, IN	Atlanta, GA	\$4,061	\$332	\$43.62	\$1.11	3
	Indianapolis, IN	Knoxville, TN	\$3,469	\$213	\$36.56	\$0.93	3
	Des Moines, IA	Little Rock, AR	\$3,218	\$244	\$34.38	\$0.87	2
Soybeans	Des Moines, IA	Los Angeles, CA	\$5,215	\$711	\$58.85	\$1.49	2
	Minneapolis, MN	New Orleans, LA	\$3,414	\$425	\$38.12	\$1.04	3
	Toledo, OH	Huntsville, AL	\$3,687	\$314	\$39.73	\$1.08	3
	Indianapolis, IN	Raleigh, NC	\$4,756	\$445	\$51.65	\$1.41	3
	Indianapolis, IN	Huntsville, AL	\$3,379	\$213	\$35.67	\$0.97	3
Champaign-Urbana, IL	New Orleans, LA	\$3,748	\$392	\$41.12	\$1.12	3	
Shuttle Train							
Wheat	Great Falls, MT	Portland, OR	\$3,678	\$334	\$39.85	\$1.08	2
	Wichita, KS	Galveston-Houston, TX	\$3,798	\$260	\$40.30	\$1.10	4
	Chicago, IL	Albany, NY	\$3,950	\$414	\$43.34	\$1.18	4
	Grand Forks, ND	Portland, OR	\$5,159	\$578	\$56.97	\$1.55	1
	Grand Forks, ND	Galveston-Houston, TX	\$6,084	\$602	\$66.39	\$1.81	0
	Northwest KS	Portland, OR	\$5,043	\$624	\$56.27	\$1.53	3
Corn	Minneapolis, MN	Portland, OR	\$5,000	\$703	\$56.64	\$1.44	3
	Sioux Falls, SD	Tacoma, WA	\$4,960	\$644	\$55.65	\$1.41	3
	Champaign-Urbana, IL	New Orleans, LA	\$3,011	\$392	\$33.80	\$0.86	2
	Lincoln, NE	Galveston-Houston, TX	\$3,510	\$375	\$38.58	\$0.98	5
	Des Moines, IA	Amarillo, TX	\$3,590	\$307	\$38.70	\$0.98	2
	Minneapolis, MN	Tacoma, WA	\$5,000	\$698	\$56.58	\$1.44	3
Soybeans	Council Bluffs, IA	Stockton, CA	\$4,400	\$722	\$50.86	\$1.29	3
	Sioux Falls, SD	Tacoma, WA	\$5,520	\$644	\$61.21	\$1.67	3
	Minneapolis, MN	Portland, OR	\$5,530	\$703	\$61.90	\$1.68	3
	Fargo, ND	Tacoma, WA	\$5,430	\$573	\$59.61	\$1.62	3
	Council Bluffs, IA	New Orleans, LA	\$4,175	\$452	\$45.95	\$1.25	17
	Toledo, OH	Huntsville, AL	\$2,862	\$314	\$31.54	\$0.86	3
Grand Island, NE	Portland, OR	\$5,110	\$638	\$57.08	\$1.55	5	

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

Effective date: 5/1/2014

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	\$611	\$71.23	\$1.94	1
	OK	Cuautitlan, EM	\$6,156	\$742	\$70.48	\$1.92	-6
	KS	Guadalajara, JA	\$6,741	\$717	\$76.20	\$2.07	-9
	TX	Salinas Victoria, NL	\$3,725	\$280	\$40.92	\$1.11	4
Corn	IA	Guadalajara, JA	\$7,974	\$843	\$90.09	\$2.29	3
	SD	Celaya, GJ	\$7,656	\$800	\$86.40	\$2.19	3
	NE	Queretaro, QA	\$7,353	\$749	\$82.79	\$2.10	2
	SD	Salinas Victoria, NL	\$5,880	\$608	\$66.29	\$1.68	2
	MO	Tlalnepantla, EM	\$6,792	\$728	\$76.83	\$1.95	2
	SD	Torreón, CU	\$6,722	\$670	\$75.52	\$1.92	2
Soybeans	MO	Bojay (Tula), HG	\$7,868	\$711	\$87.66	\$2.38	3
	NE	Guadalajara, JA	\$8,447	\$814	\$94.62	\$2.57	3
	IA	El Castillo, JA	\$8,855	\$795	\$98.60	\$2.68	3
	KS	Torreón, CU	\$6,864	\$505	\$75.28	\$2.05	3
Sorghum	TX	Guadalajara, JA	\$6,953	\$520	\$76.36	\$1.94	7
	NE	Celaya, GJ	\$7,212	\$726	\$81.10	\$2.06	2
	KS	Queretaro, QA	\$6,650	\$456	\$72.60	\$1.84	-3
	NE	Salinas Victoria, NL	\$5,368	\$534	\$60.30	\$1.53	-2
	NE	Torreón, CU	\$6,243	\$596	\$69.88	\$1.77	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.

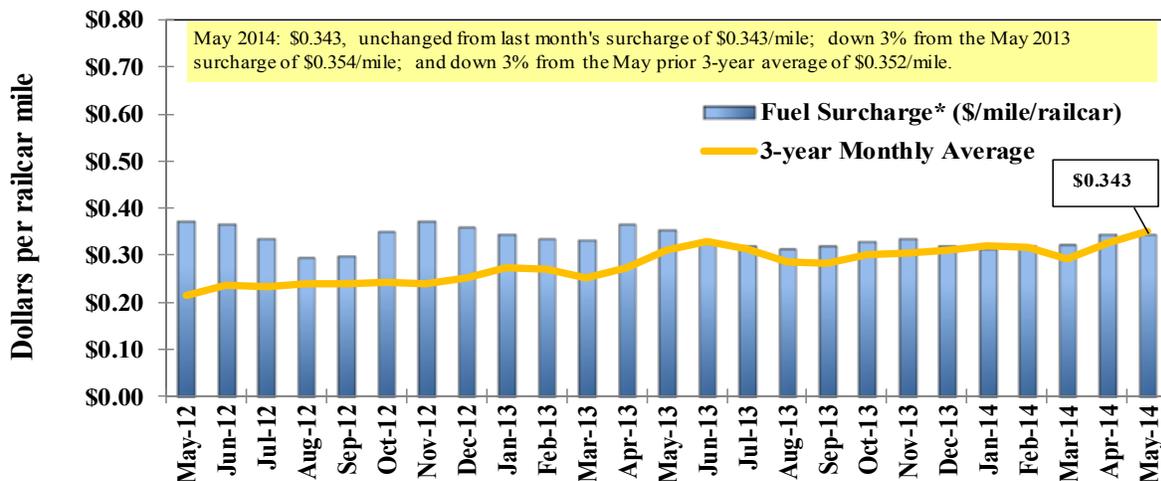
²Fuel surcharge adjusted to reflect the change in Ferrocarril Mexicano, S.A. de C.V. railroad fuel surcharge policy as of 10/01/2009

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.

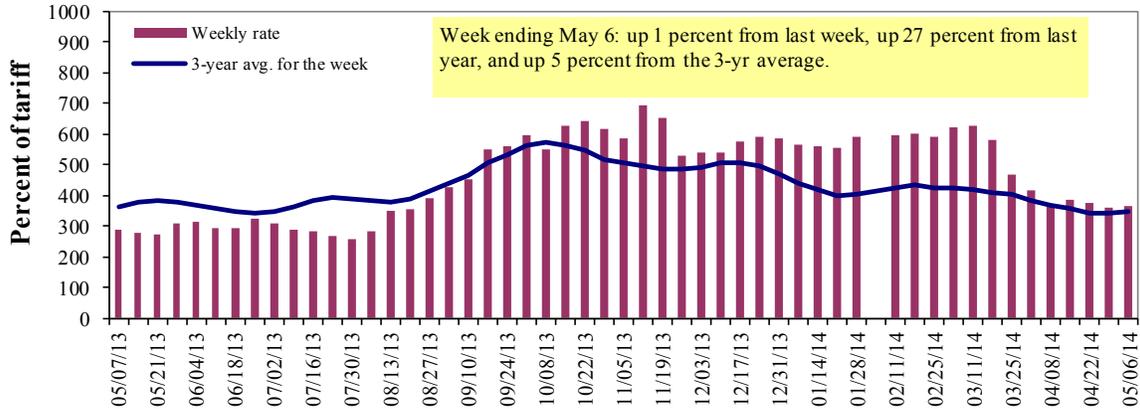
** BNSF strike price (diesel price when fuel surcharges begin) changed from \$1.25/gal. to \$2.50/gal. starting March 1, 2011. As a result, the weighted average fuel surcharge for March 2011 was \$0.227/mile instead of \$0.331/mile.

Sources: www.bnsf.com, www.cn.ca, www.cpr.ca, www.esx.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

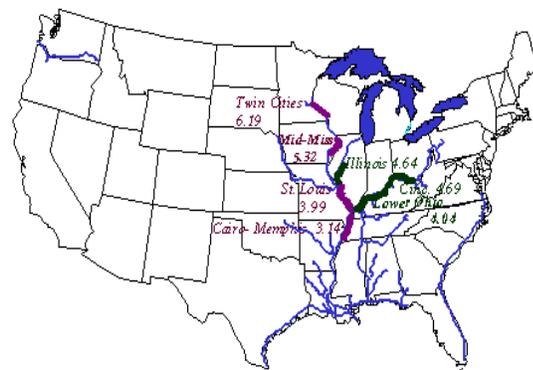
Weekly Barge Freight Rates: Southbound Only

		Twin Cities	Mid-Mississippi	Lower Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo-Memphis
Rate¹	5/6/2014	453	373	365	243	247	247	203
	4/29/2014	463	375	360	243	273	273	207
\$/ton	5/6/2014	28.04	19.84	16.94	9.70	11.58	9.98	6.37
	4/29/2014	28.66	19.95	16.70	9.70	12.80	11.03	6.50
Current week % change from the same week:								
	Last year	17	22	27	11	30	30	13
	3-year avg. ²	-3	0	5	-6	-5	-5	15
Rate¹	June	450	370	358	245	250	250	210
	August	467	405	393	333	358	358	280

¹Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); ²4-week moving average; ton = 2,000 pounds; Due to past flooding events, certain data not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 9
Benchmark tariff rates



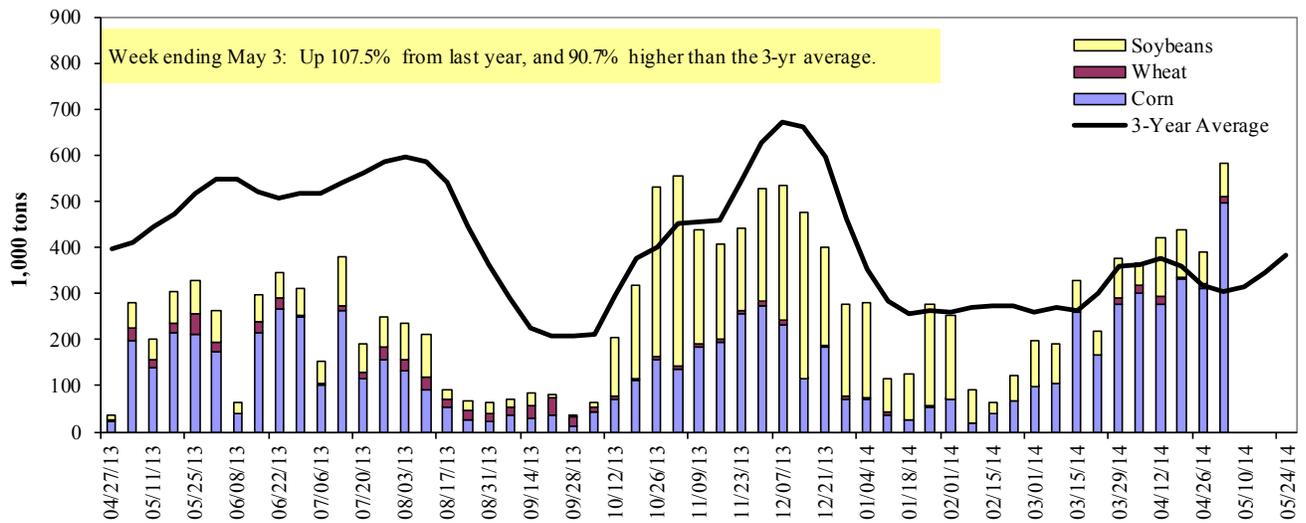
Calculating barge rate per ton:

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

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 5/3/2014	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	120	5	52	0	177
Winfield, MO (L25)	229	6	48	0	284
Alton, IL (L26)	465	18	67	0	550
Granite City, IL (L27)	496	16	71	0	582
Illinois River (L8)	276	11	11	0	297
Ohio River (L52)	135	5	21	0	161
Arkansas River (L1)	0	40	4	0	45
Weekly total - 2014	631	62	96	0	788
Weekly total - 2013	290	58	101	13	462
2014 YTD ¹	6,687	642	3,980	66	11,375
2013 YTD	2,320	1,433	3,274	103	7,129
2014 as % of 2013 YTD	288	45	122	64	160
Last 4 weeks as % of 2013 ²	340	80	175	74	242
Total 2013	9,504	4,111	10,065	255	23,935

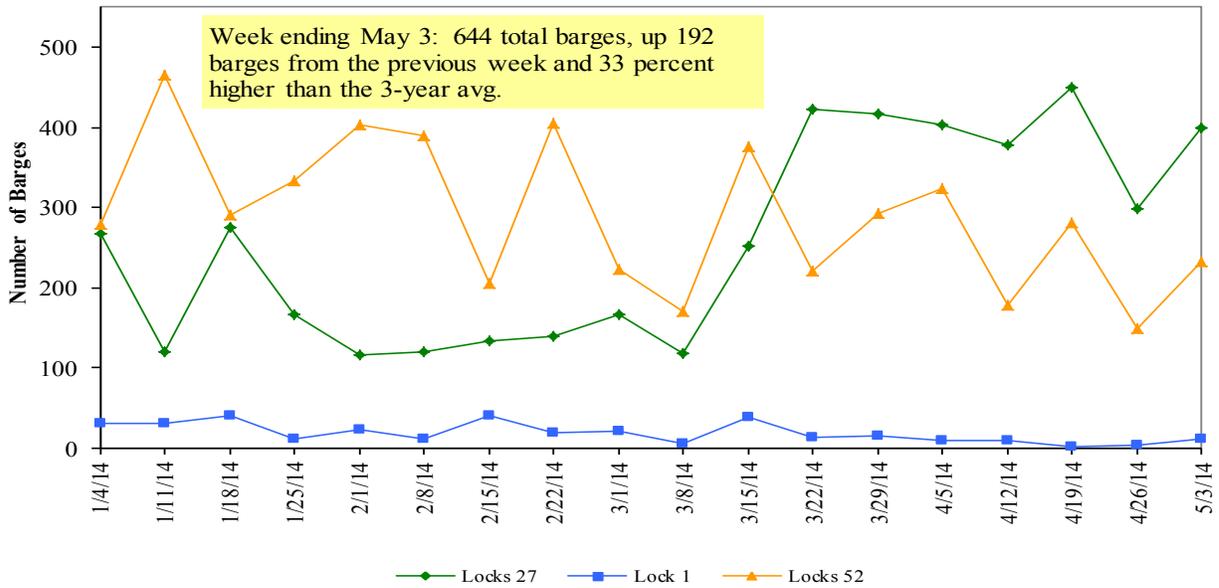
¹ Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

² As a percent of same period in 2013.

Note: Total may not add exactly, due to rounding

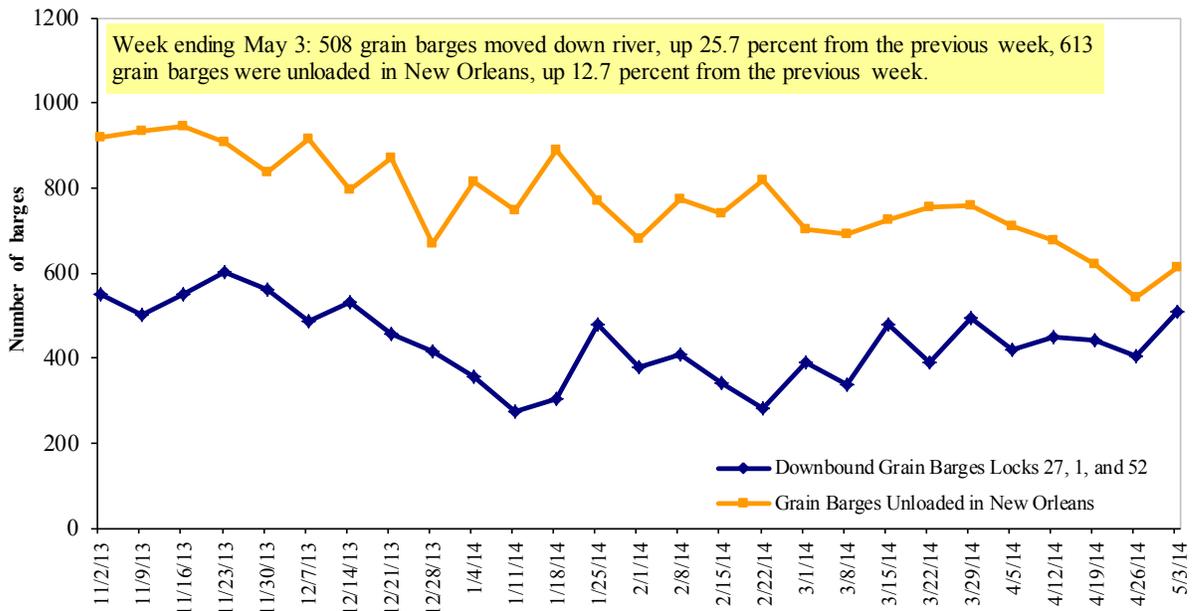
Source: U.S. Army Corps of Engineers

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 5/5/2013 (US \$/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	4.055	-0.010	0.192
	New England	4.181	-0.027	0.195
	Central Atlantic	4.176	-0.009	0.265
	Lower Atlantic	3.940	-0.009	0.136
II	Midwest ²	3.935	-0.012	0.067
III	Gulf Coast ³	3.813	-0.011	0.078
IV	Rocky Mountain	3.978	-0.004	0.174
V	West Coast	4.046	-0.009	0.123
	West Coast less California	3.944	-0.010	0.114
	California	4.132	-0.008	0.131
Total	U.S.	3.964	-0.011	0.119

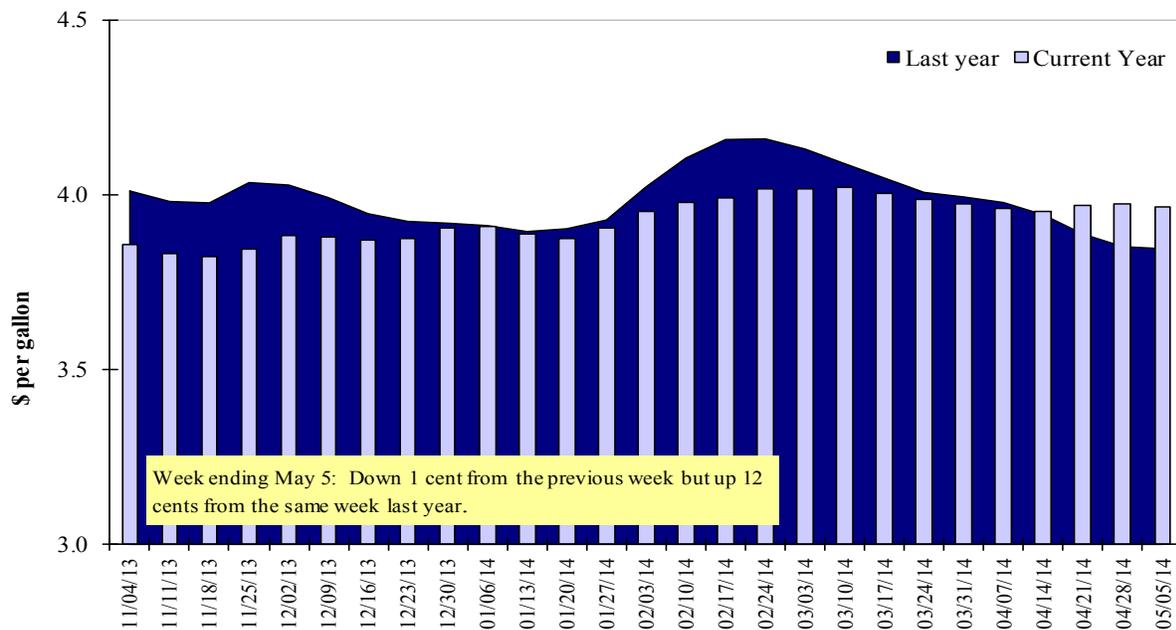
¹Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

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									
4/24/2014	1,332	592	1,322	616	138	4,000	16,161	2,604	22,765
This week year ago	1,471	720	658	300	99	3,248	4,228	2,090	9,566
Cumulative exports-marketing year²									
2013/14 YTD	10,442	6,928	5,666	3,837	398	27,272	27,896	41,989	97,157
2012/13 YTD	8,672	4,519	5,321	4,285	447	23,244	12,522	34,200	69,966
YTD 2013/14 as % of 2012/13	120	153	106	90	89	117	223	123	139
Last 4 wks as % of same period 2012/13	103	93	210	256	138	138	402	143	256
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 4/24/2014	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	9,916	5,840	70	7,000
Mexico	9,569	3,901	145	4,370
China	3,528	2,474	43	2,450
Venezuela	838	625	34	1,158
Taiwan	1,517	449	238	512
Top 5 Importers	25,369	13,289	91	15,490
Total US corn export sales	44,057	16,750	163	18,670
% of Projected	99%	90%		
Change from prior week	934	329		
Top 5 importers' share of U.S. corn export sales	58%	79%		83%
USDA forecast, April 2014	44,529	18,601	139	
Corn Use for Ethanol USDA forecast, April 2014	127,000	118,059	8	

(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/esrquery/>

³FAS 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 4/24/2014	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	27,598	21,795	27	21,522
Mexico	2,996	2,344	28	2,565
Japan	1,721	1,590	8	1,751
Indonesia	2,063	1,370	51	1,682
Taiwan	1,101	1,056	4	1,120
Top 5 importers	35,479	28,154	26	28,641
Total US soybean export sales	44,593	36,289	23	37,060
% of Projected	104%	101%		
Change from prior week	(17)	(110)		
Top 5 importers' share of U.S. soybean export sales	80%	78%		
USDA forecast, April 2014	43,052	35,967	20	

(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/esrquery/>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 4/24/2014	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	3,054	3,677	(17)	3,544
Nigeria	2,660	2,949	(10)	3,002
Mexico	3,047	2,740	11	2,761
Philippines	2,107	1,835	15	1,965
Egypt	1,615	324	398	1,678
Korea	1,310	1,401	(7)	1,385
Taiwan	1,022	1,035	(1)	1,038
China	5,362	808	564	743
Brazil	4,151	459	804	527
Colombia	761	627	21	600
Top 10 importers	25,088	15,855	58	17,243
Total US wheat export sales	31,272	26,492	18	26,348
% of Projected	98%	97%		
Change from prior week	215	182		
Top 10 importers' share of U.S. wheat export sales	80%	60%		65%
USDA forecast, April 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 31.²Cumulative 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.

Table 16

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

Port regions	Week ending 05/01/14	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	279	375	74	4,482	4,439	101	107	101	11,585
Corn	313	202	155	2,702	1,195	226	1,125	168	2,973
Soybeans	0	0	n/a	4,468	3,749	119	105	66	9,090
Total	592	577	103	11,653	9,383	124	164	112	23,647
Mississippi Gulf									
Wheat	45	115	39	1,594	3,152	51	68	84	9,711
Corn	731	717	102	11,795	3,699	319	391	235	14,828
Soybeans	52	143	36	9,469	6,687	142	135	74	21,462
Total	828	975	85	22,859	13,539	169	222	162	46,002
Texas Gulf									
Wheat	190	163	117	2,466	2,396	103	83	77	9,039
Corn	0	30	0	215	72	300	244	119	255
Soybeans	2	0	n/a	257	122	210	n/a	0	908
Total	192	193	100	2,938	2,590	113	90	80	10,203
Interior									
Wheat	49	26	189	453	309	146	555	171	1,244
Corn	114	100	114	1,854	913	203	196	84	3,943
Soybeans	33	83	40	1,605	1,439	112	468	97	3,212
Total	196	209	94	3,911	2,661	147	243	96	8,399
Great Lakes									
Wheat	0	0	n/a	0	231	0	0	0	884
Corn	22	0	n/a	22	0	n/a	n/a	0	0
Soybeans	0	26	0	26	4	690	n/a	14,175	699
Total	22	26	86	48	235	20	18	18	1,583
Atlantic									
Wheat	0	0	n/a	53	298	18	551	30	645
Corn	5	50	9	214	2	n/a	n/a	1,378	242
Soybeans	12	6	213	969	656	148	123	137	1,652
Total	17	56	30	1,235	956	129	555	299	2,540
U.S. total from ports²									
Wheat	563	679	83	9,048	10,825	84	196	154	33,108
Corn	1,185	1,099	108	16,803	5,881	286	468	220	22,241
Soybeans	99	257	39	16,793	12,657	133	19	20	37,024
Total	1,847	2,035	91	42,644	29,364	145	129	108	92,373

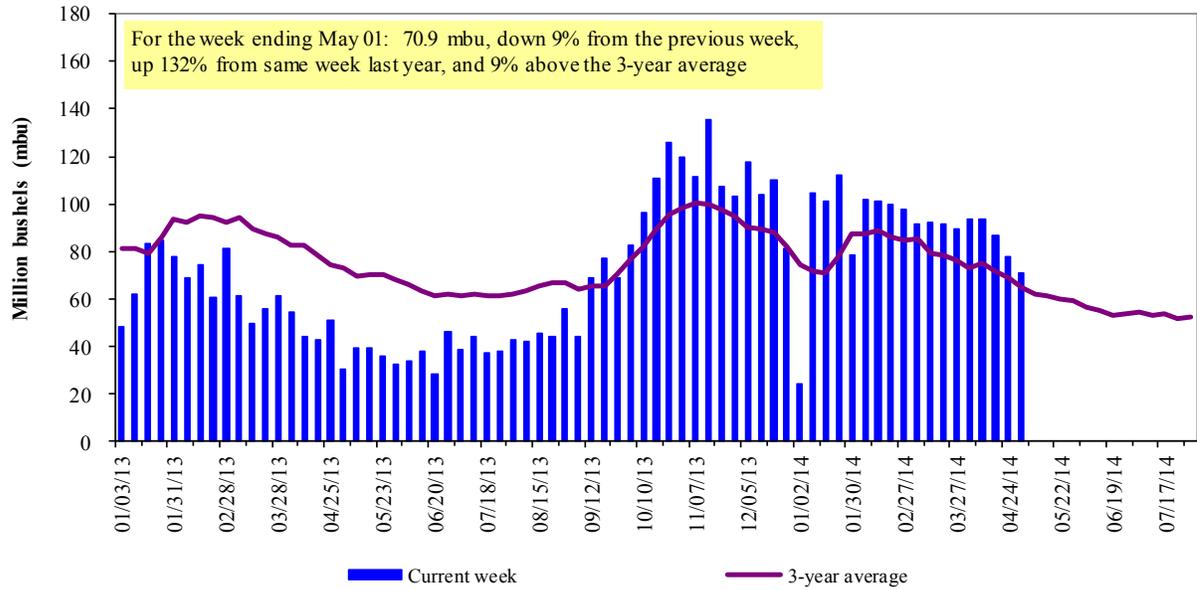
¹Data includes revisions from prior weeks; some regional totals may not add exactly due to rounding.

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, 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)

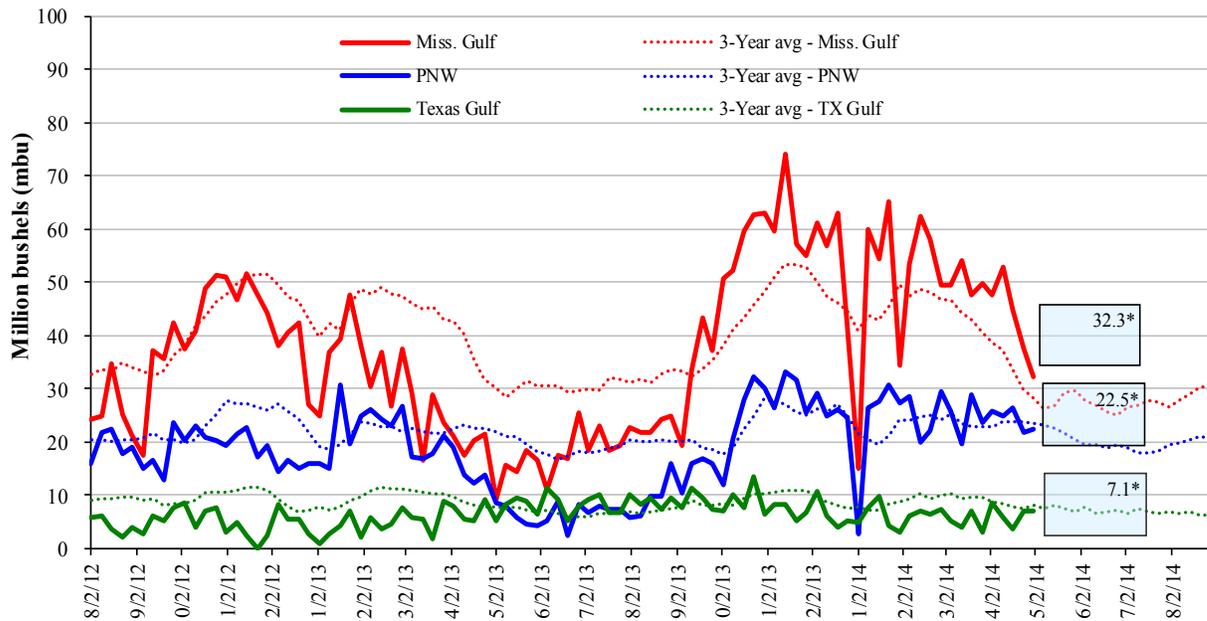


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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.

May 01: % change from:	MSGulf	TX Gulf	U.S. Gulf	PNW
Last week	down 14	down 2	down 12	down 4
Last year (same week)	up 249	up 37	up 173	up 159
3-yr avg. (4-wk mov. avg)	up 30	down 13	up 20	up 30

Ocean Transportation

Table 17

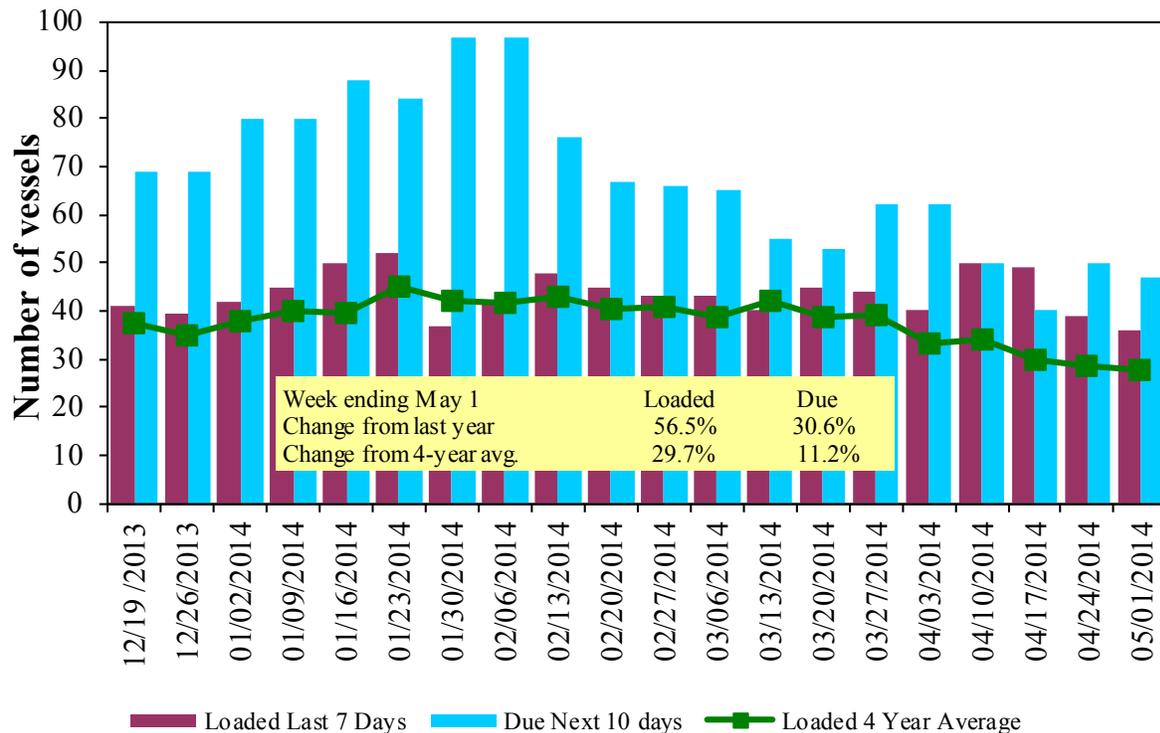
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In port	Loaded 7-days	Due next 10-days	In port	In port
5/1/2014	33	36	47	12	n/a
4/24/2014	42	39	50	16	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

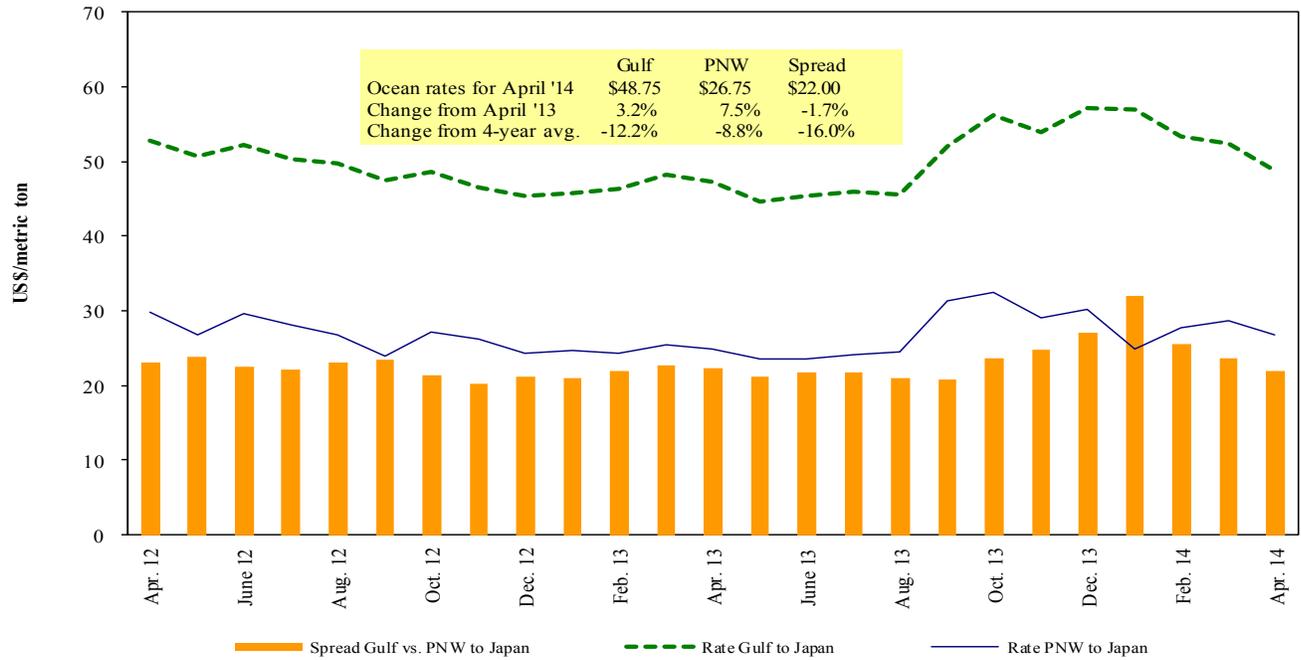
U.S. Gulf¹ Vessel Loading Activity



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

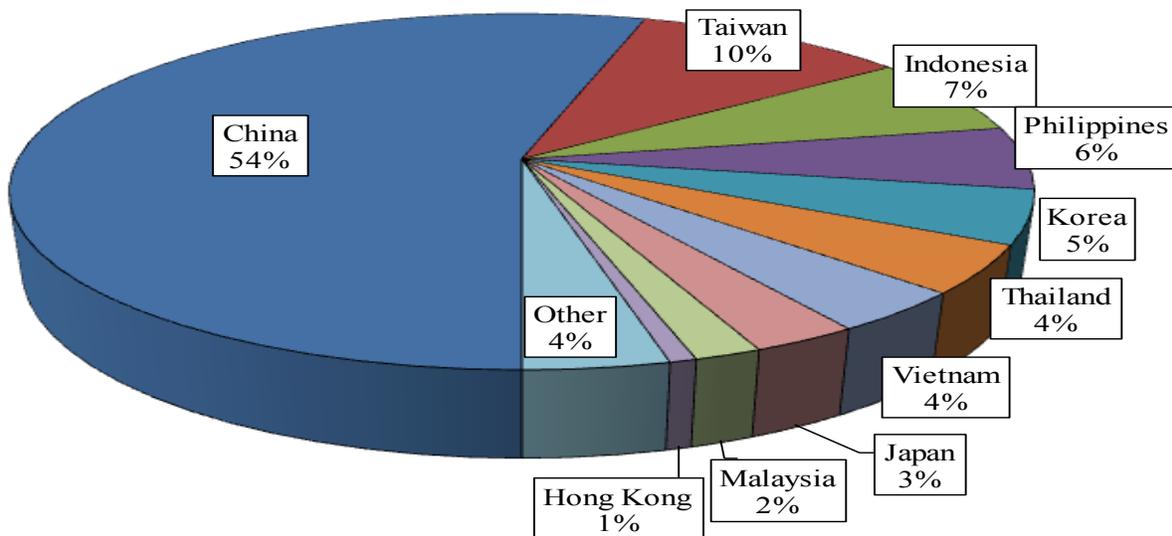
Table 18

Ocean Freight Rates For Selected Shipments, Week Ending 5/3/2014

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US\$/metric ton)
U.S. Gulf	Tanzania ¹	Wheat	Mar 24/Apr 4	16,100	133.31
PNW	Bangladesh	Wheat	Apr 22/May 1	13,900	79.44
PNW	Bangladesh	Wheat	Apr 22/May 1	11,150	79.44
Brazil	China	Heavy Grain	Aug 1/5	60,000	40.00
Brazil	China	Heavy Grain	Jul 15/Aug 15	60,000	40.00
Brazil	China	Heavy Grain	May 20/30	60,000	38.50
Brazil	China	Grain	May 12/20	60,000	36.50
Brazil	China	Heavy Grain	May 5/15	60,000	36.00
Brazil	China	Heavy Grain	Apr 15/24	60,000	37.25
Brazil	China	Heavy Grain	Apr 15/30	60,000	38.50
Brazil	China	Heavy Grain	Apr 15/24	60,000	41.50
Brazil	China	Heavy Grain	Apr 1/30	60,000	42.25
France	Algeria	Wheat	Apr 5/10	23,000	26.00
Hamburg	Iran	Wheat	May 16/28	60,000	38.00
River Plate	China	Heavy Grain	Aug 1/31	60,000	44.50
River Plate	China	Heavy Grain	May 1/10	60,000	41.75
River Plate	China	Heavy Grain	Apr 12/30	65,000	43.50

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.

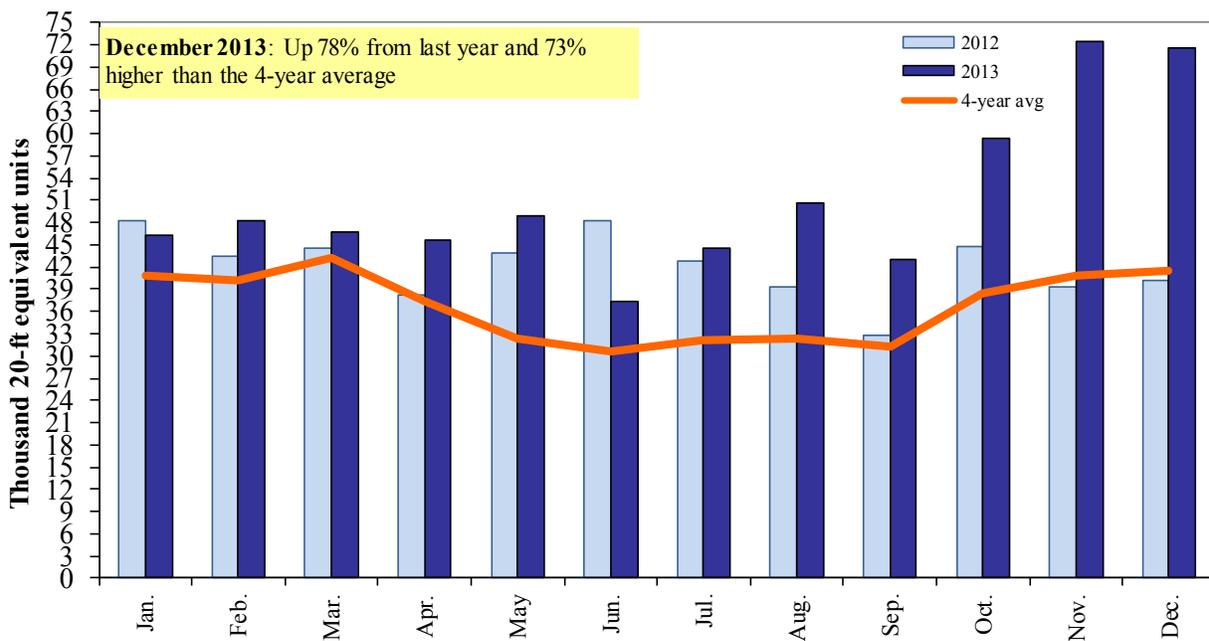
Figure 18
Top 10 Destination Markets for U.S. Containerized Grain Exports, December 2013



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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