



Grain Transportation Report

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

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July 3, 2014

WEEKLY HIGHLIGHTS

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Bulk Ocean Freight Rates Fall Amid Growing Fleet Size

Ocean freight rates for shipping bulk commodities, including grains, continue to fall as more vessels are added to the fleet, further increasing vessel supply relative to demand. For the week ending June 27, the cost of shipping a metric ton (mt) of grain from the U.S. Gulf to Japan was \$42, down 28 percent from the week ending January 3, and the cost of shipping from the Pacific Northwest to Japan was \$22 per mt, down 25 percent. The last time rates were this low was during the week ending May 1. According to the June 20 Transportation and Export report by O'Neil Commodity Consulting, the dry bulk fleet will grow by 5.3 percent as an estimated 52 million deadweight (mdwt) of new vessels are delivered. Meanwhile, congestion at Brazil's ports has significantly eased as the number of Panamax vessels waiting to load grain has declined. Only about 25 vessels are waiting to load grains at Brazil's terminals, compared to 103 vessels during this period last year.

High Mississippi River Levels Stopping Barge Traffic

High water continues to close Mississippi River Locks in the Minneapolis-St. Paul, MN, area. Additional rains have resulted in an ongoing series of closures that will stop traffic at Mississippi River Locks 12 (Bellevue, IA) through 24 (Clarksville, MO). The closures began at Lock 17 (New Boston, IL) on June 27. Lock 24 (Clarksville, MO) is expected to close July 5. At present, estimated re-open dates are not known. River levels in the closed section are expected to crest after July 7. Minor flooding is slowing barge traffic on portions of the Illinois River. Most Ohio River locks are reporting normal operations.

At Mid-2014, Grain Barge Movements Up Over Last Year

During the week ending June 28, year-to-date downbound grain for Mississippi River Locks 27, Ohio River Locks and Dam 52, and Arkansas River 1 totalled 17.3 million tons, 73 percent higher than last year (see table 10). For the first half of the year, there has been a 181-percent increase in downbound corn movements from last year, but soybean movements were only 20 percent higher. Conversely, upbound movements of soybeans on the Ohio River have exceeded downbound movements for 11 weeks. Upbound soybeans destined for Ohio River elevators can be imported into and transported up the Mississippi River or sourced from other domestic origins, such as the Upper Mississippi River.

USDA Files Comments in Surface Transportation Board (STB) Proceeding

On June 26, [USDA filed comments](#) in support of grain shippers in an STB proceeding seeking suggestions as to how the rail rate challenge procedures could be changed in order to encourage grain shipper rate challenges. No grain shipper has challenged rail rates since the *McCarty Farms* case was initiated in 1981. USDA believes the cost, timeliness, and predictability of the STB's rate challenge procedures need to be addressed for agricultural shippers and suggested the use of private-sector mediation and arbitration as viable options.

Railroads Still Struggling to Move Grain Following Winter Woes

The 4-week running average of grain carloadings has been steadily declining over the past 8 weeks since May 3, from 21,301 to 18,757 carloadings. U.S. railroads originated 17,677 **carloads of grain** during the week ending June 21, down 12 percent from last week, up 15 percent from last year, and down 4 percent from the 3-year average. During the week ending June 7, railroads originated 17,568 grain carloads. These two weeks were the lowest for grain originations since September of last year, and well below weekly carloadings between January and March during the severe winter weather. Bids in both the primary and secondary rail car markets have been climbing higher in recent weeks as shipper uncertainty persists as to whether there will be sufficient grain car availability following this year's harvest. The problem could become compounded for shippers if a significant portion of last year's harvest will still require rail service following the new harvest this fall.

Snapshots by Sector

Rail

During the week ending June 26, average July non-shuttle **secondary railcar bids/offers per car** were \$337.50 above tariff, down \$62.50 from last week and \$333.50 higher than last year. Average shuttle secondary railcar bids/offers per car were \$875 above tariff, up \$237.50 from last week and \$950 higher than last year.

Barge

During the week ending June 28 **barge grain movements** totalled 746,439 tons—9 percent lower than the previous week but 83.4 percent higher than the same period last year.

During the week ending June 28, 518 grain barges **moved down river**, down 3.4 percent from last week; 531 grain barges were **unloaded in New Orleans**, up 23.2 percent from the previous week.

Ocean

During the week ending June 26, 24 **ocean-going grain vessels** were loaded in the Gulf, 8 percent less than the same period last year. Fifty-two vessels are expected to be loaded within the next 10 days, 24 percent more than the same period last year.

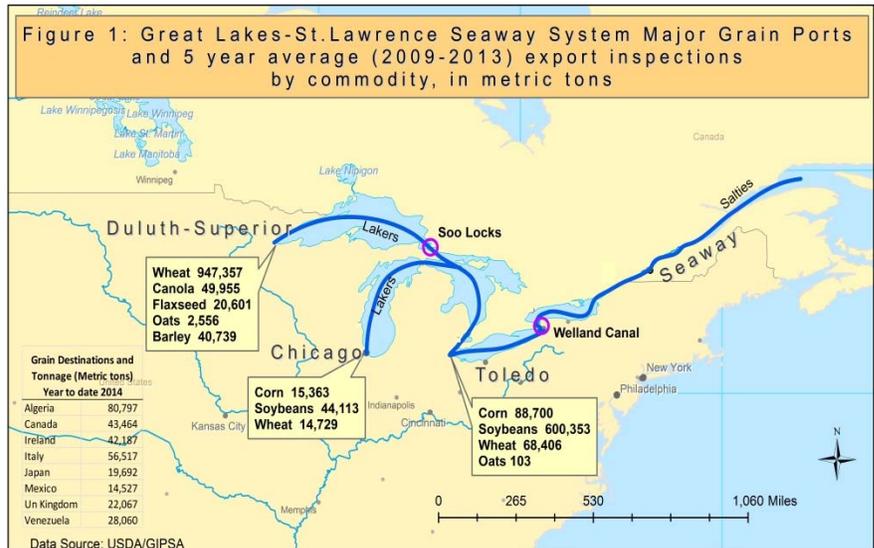
Feature Article/Calendar

Great Lakes-St. Lawrence Seaway Grain Exports Drop

Shipments of grain through the Great Lakes-St. Lawrence Seaway (Lakes/Seaway) ports often face logistic and navigational challenges. The 2014 winter season brought extended winter weather causing numerous delays in the region due to ice accumulations. Due to a late start in the shipping season, which normally starts in early March, year-to-date Great Lakes grain inspections as of June 26 are down significantly from last year, brought down by a huge drop in wheat inspections. Shipments are expected to rise once a Canadian backlog of grain vessels is cleared, according to industry sources. Currently, no data is available for shipments of grain through the St. Lawrence Seaway for the 2014 season. Inspections could start in mid- to late July.

In addition to the major grains, minor grains such as canola, flaxseed, oats, and barley are shipped through the Lakes/Seaway (figure 1). Three types of vessels operate in the Great Lakes: local bulk carriers known as "lakers," ocean-going vessels called "salties," and barges. The St. Lawrence Seaway provides ocean-going vessels and the smaller lakers with access to the Lakes and ocean,

respectively. The Seaway System is a shared arrangement between the United States and Canada; both countries reserve domestic commerce to their own flag carriers using lakers to move cargo between each country's Great Lakes ports. Salties from the United States and other nations connect the Lakes with the rest of the world.



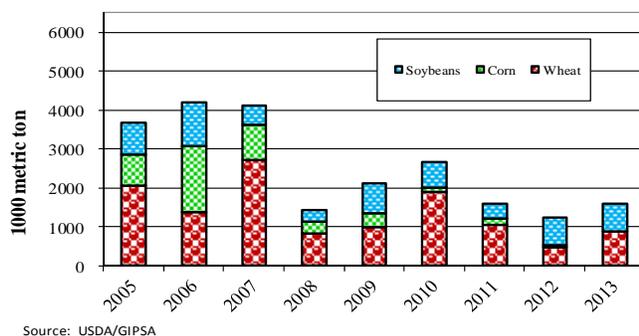
Great Lakes Exports

According to the Grain Inspection, Packers and Stockyards Administration (GIPSA), year-to-date inspections of grain in the Great Lakes are down 27 percent from last year. Inspections have been slower in the Great Lakes due to a long winter and heavy ice accumulations. Year-to-date wheat inspections in the Great Lakes are down 46 percent from last year (*GTR Table 16*), but soybean inspections are up 129 percent because shipments to Canada and Asia have increased (figure 2). Last year's Great Lakes inspections were boosted by higher-than-usual wheat exports to Europe. Great Lakes grain inspections had been increasing since 2009 after a 65 percent drop in 2008 due in part to threats of Canadian strikes, which caused a significant drop in shipments to Canada and Europe. Inspections of grain began decreasing again in 2011 because of less demand from Europe, Canada, and Africa.

St. Lawrence Seaway Exports

According to GIPSA, inspections of grain through the St. Lawrence Seaway have been decreasing continuously since 2011 (*figure 3*). In 2013, grain inspections in the region totaled only 31,000 metric tons, the lowest on record. A portion of grain inspections normally taking place in the St. Lawrence might have been shifted to the Atlantic or possibly the Gulf export regions due to lower ocean freight rates during the past few years. This was evident from an 83-percent increase in Atlantic grain inspections over the previous year in 2013. Grain inspections in the region reached .539 million metric tons (mmt) in

Figure 2: Great Lakes Inspections, 2000-2013



2011, down 61 percent from the previous year and 34 percent below the 5-year average. St. Lawrence Seaway grain inspections were 8 percent below the previous year and 39 percent below the average in 2012. The long 2013/14 winter included large accumulations of ice which could have caused some delays in grain exports through the Seaway.

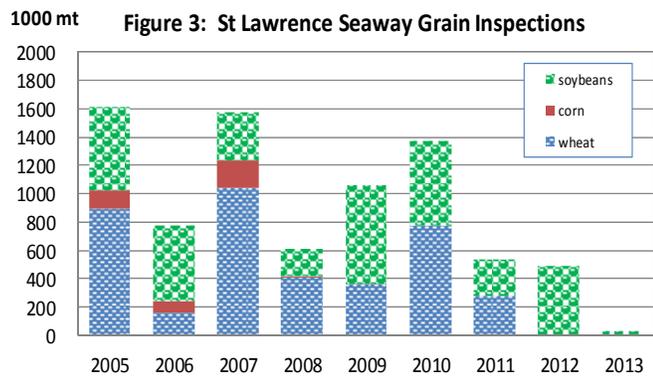
Lakes/Seaway Exports and Navigation Issues

According to USDA, grain inspections in the Lakes/Seaway system have been decreasing since 2011 (figure 4). Total grain exported through the region decreased 61 percent in 2011, to 2.14 mmt. From 2005 to 2010, grain inspections averaged 4.2 mmt. Wheat inspections averaged 2.3 mmt, soybeans averaged 1.2 mmt, and corn averaged .762 mmt. Total grain inspected for exports increased by 2 percent in 2012, and declined again in 2013 due to a 40 percent drop in soybean inspections.

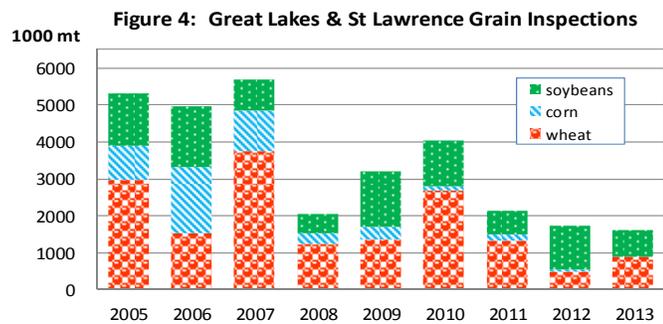
The Lakes/Seaway's share of total grain inspected annually has also continued to drop since 2011, as more grain is being shipped to Asia and Latin America through other regions. In 2006 and 2007, the region's share of total grain inspections averaged 4 percent of total U.S. grain inspected for export (*GTR dated 10/16/2008*). In these two years, some shipments were likely diverted from U.S. Gulf and Atlantic ports to the Lakes/Seaway because of relatively high ocean freight rates for shipping bulk grains.

Grain shipments through the Seaway are influenced by world grain demand, especially in Europe, the former Soviet Union, North Africa, and the Middle East. However, as the demand for grain continues to shift towards Asia and bulk ocean freight rates remain low, the Lakes/Seaway may be less attractive or competitive to other export ports. Nonetheless, the Lakes/ Seaway still remains an important outlet for U.S. and Canadian grain shipments as global grain demand patterns and ocean freight rates are ever changing.

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Source: USDA/GIPSA



Source: USDA/GIPSA

Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators¹

Week ending	Truck	Rail		Barge	Ocean	
		Unit Train	Shuttle		Gulf	Pacific
07/02/14	263	260	252	210	188	156
06/25/14	263	264	242	205	195	163

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	6/27/2014	6/20/2014
Corn	IL--Gulf	-0.76	-0.83
Corn	NE--Gulf	-0.79	-0.90
Soybean	IA--Gulf	-0.94	-0.84
HRW	KS--Gulf	-1.64	-1.62
HRS	ND--Portland	-2.59	-2.37

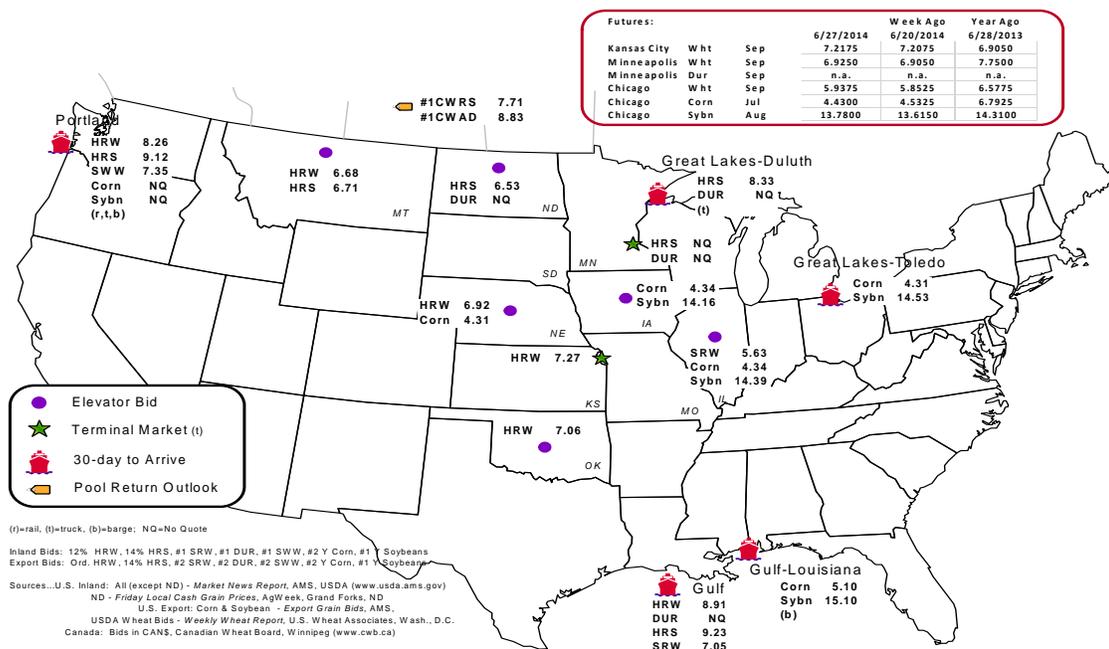
Note: nq = no quote

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			
6/25/2014 ^p	80	710	3,251	0	4,041	6/21/2014	2,282
6/18/2014 ^r	8	1,183	3,869	0	5,060	6/14/2014	1,792
2014 YTD ^r	20,273	43,927	122,814	15,727	202,741	2014 YTD	49,740
2013 YTD ^r	9,161	31,273	70,729	9,219	120,382	2013 YTD	29,925
2014 YTD as % of 2013 YTD	221	140	174	171	168	% change YTD	166
Last 4 weeks as % of 2013 ²	32	74	319	316	174	Last 4wks % 2013	203
Last 4 weeks as % of 4-year avg. ²	19	93	134	84	116	Last 4wks % 4 yr	125
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.

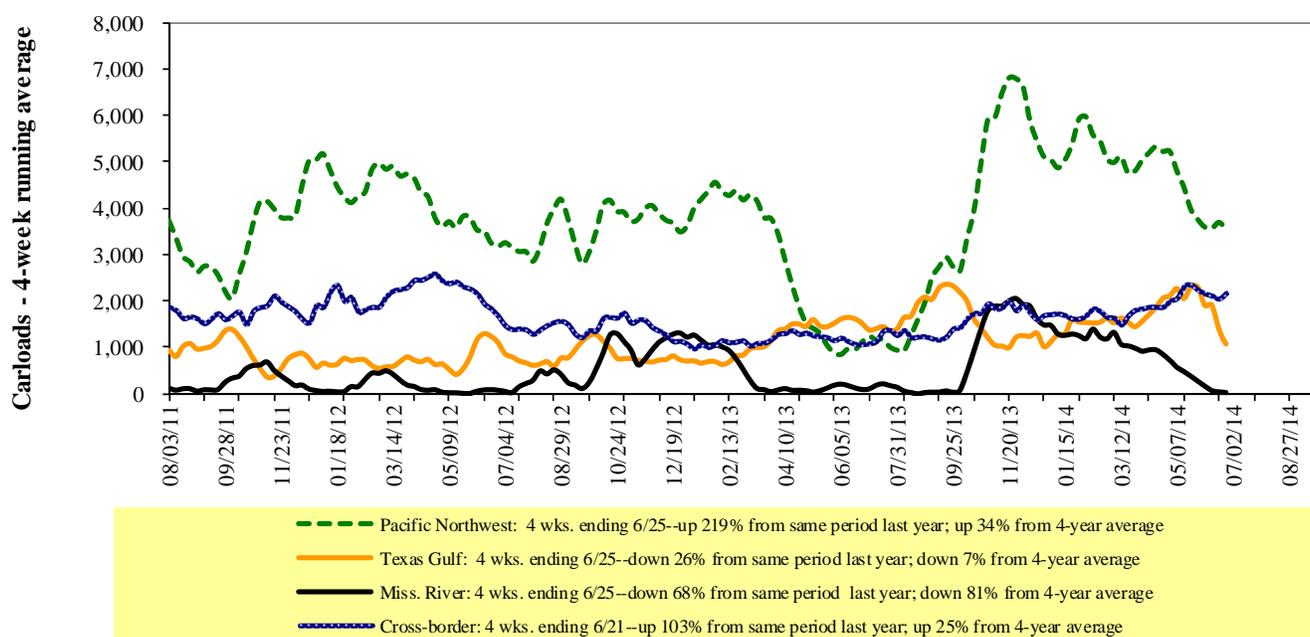
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

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



Source: Transportation & Marketing Programs/AMS/USDA

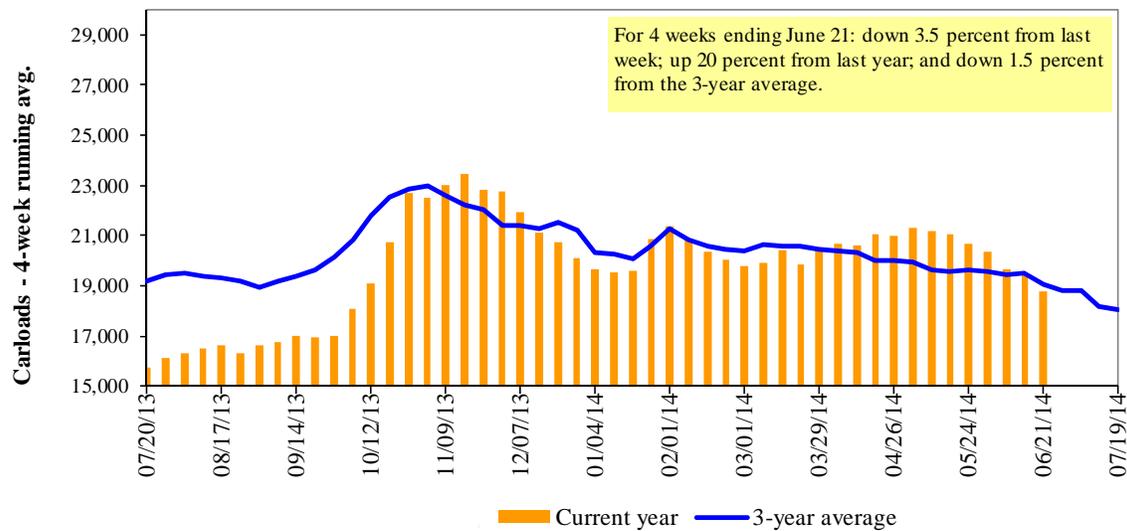
Table 4

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
06/21/14	2,111	2,425	7,429	717	4,995	17,677	4,500	4,761
This week last year	1,217	2,599	7,828	479	3,314	15,437	2,966	4,577
2014 YTD	47,774	74,378	219,508	22,067	142,930	506,657	109,504	131,066
2013 YTD	37,141	63,429	213,487	11,875	95,877	421,809	81,948	128,966
2014 YTD as % of 2013 YTD	129	117	103	186	149	120	134	102
Last 4 weeks as % of 2013	133	107	108	143	146	120	179	125
Last 4 weeks as % of 3-yr avg. ¹	120	97	95	108	103	100	149	122
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							
	Jul-14	Jul-13	Aug-14	Aug-13	Sep-14	Sep-13	Oct-14	Oct-13
6/26/2014								
BNSF ³								
COT grain units	no offer	0	no offer	0	no offer	no bids	no offer	no offer
COT grain single-car ⁵	no offer	0	no offer	no bids	no offer	no bids	no offer	no offer
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.

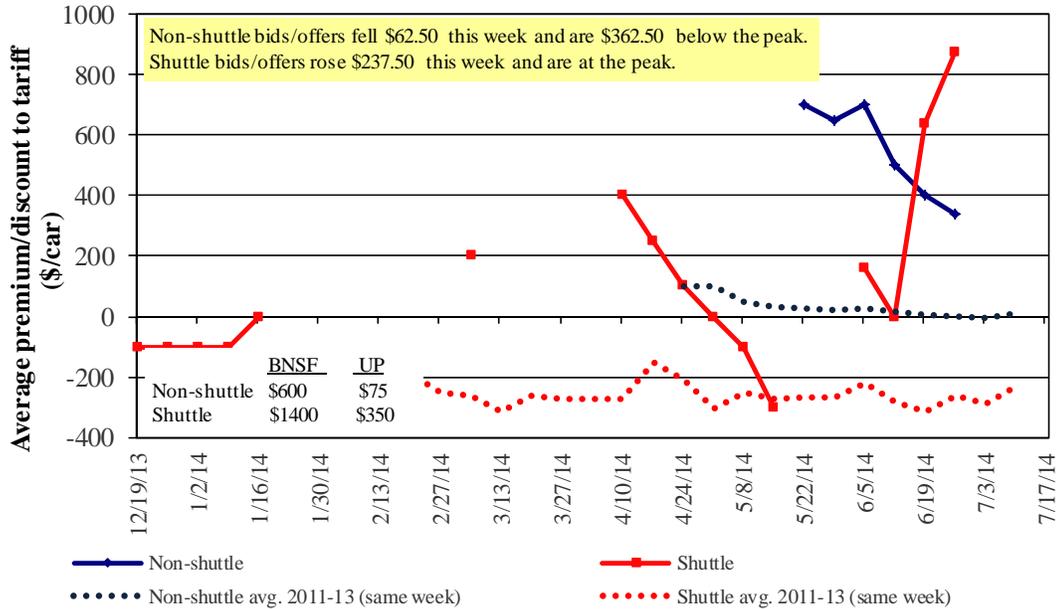
⁵Range is shown because average is not available. Not available = n/a.

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 July 2014, Secondary Market

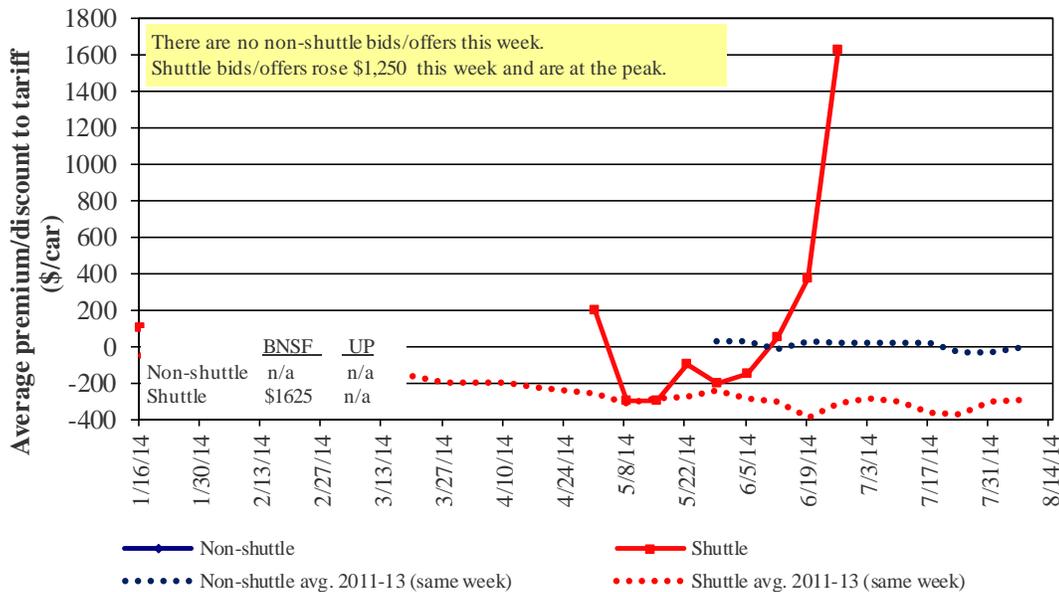


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

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

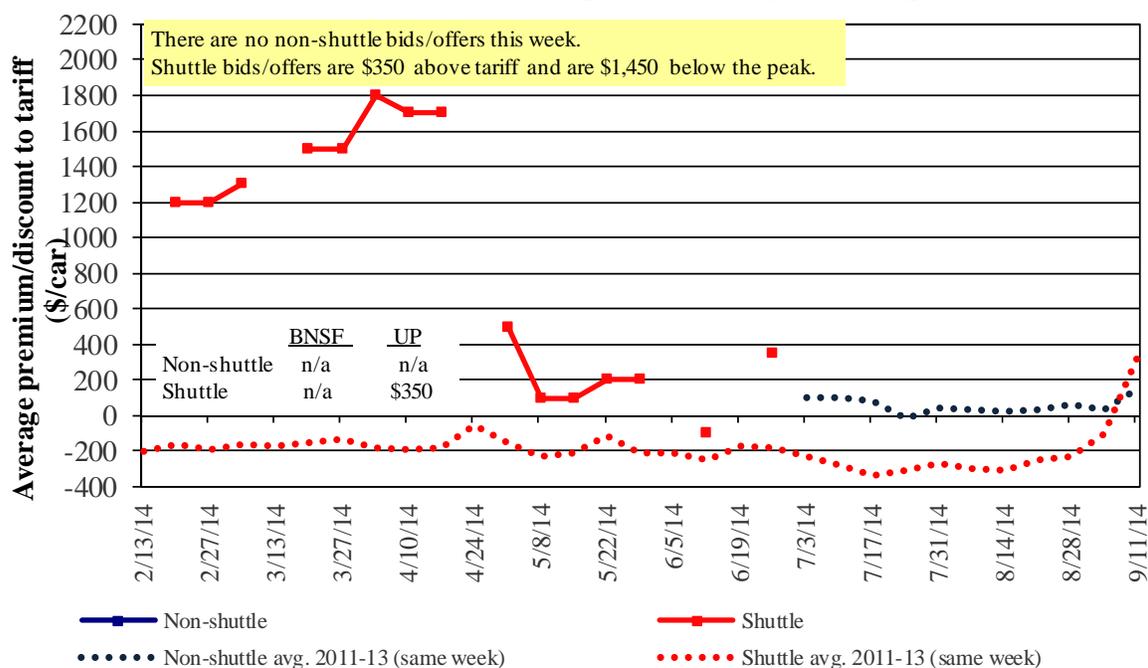


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in September 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					
	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Non-shuttle						
BNSF-GF	600	n/a	n/a	n/a	n/a	n/a
Change from last week	200	n/a	n/a	n/a	n/a	n/a
Change from same week 2013	592	n/a	n/a	n/a	n/a	n/a
UP-Pool	75	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	75	n/a	n/a	n/a	n/a	n/a
Shuttle²						
BNSF-GF	1,400	1,625	n/a	n/a	n/a	n/a
Change from last week	475	n/a	n/a	n/a	n/a	n/a
Change from same week 2013	1,500	n/a	n/a	n/a	n/a	n/a
UP-Pool	350	n/a	350	1,000	800	500
Change from last week	-	n/a	n/a	-	(350)	500
Change from same week 2013	400	n/a	450	400	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:			Tariff	Fuel	Tariff plus surcharge per:		Percent
7/1/2014	Origin region*	Destination region*	rate/car	surcharge per car	metric ton	bushe ²	change Y/Y ³
Unit train							
Wheat	Wichita, KS	St. Louis, MO	\$3,387	\$187	\$35.49	\$0.97	6
	Grand Forks, ND	Duluth-Superior, MN	\$3,596	\$110	\$36.80	\$1.00	2
	Wichita, KS	Los Angeles, CA	\$6,244	\$566	\$67.63	\$1.84	0
	Wichita, KS	New Orleans, LA	\$4,026	\$329	\$43.25	\$1.18	5
	Sioux Falls, SD	Galveston-Houston, TX	\$5,824	\$465	\$62.45	\$1.70	0
	Northwest KS	Galveston-Houston, TX	\$4,293	\$361	\$46.21	\$1.26	5
	Amarillo, TX	Los Angeles, CA	\$4,492	\$502	\$49.59	\$1.35	5
Corn	Champaign-Urbana, IL	New Orleans, LA	\$3,192	\$372	\$35.39	\$0.90	3
	Toledo, OH	Raleigh, NC	\$4,686	\$424	\$50.75	\$1.29	4
	Des Moines, IA	Davenport, IA	\$2,078	\$79	\$21.42	\$0.54	4
	Indianapolis, IN	Atlanta, GA	\$4,061	\$319	\$43.49	\$1.10	4
	Indianapolis, IN	Knoxville, TN	\$3,469	\$204	\$36.48	\$0.93	3
	Des Moines, IA	Little Rock, AR	\$3,218	\$232	\$34.26	\$0.87	2
	Des Moines, IA	Los Angeles, CA	\$5,215	\$675	\$58.49	\$1.49	3
Soybeans	Minneapolis, MN	New Orleans, LA	\$3,434	\$410	\$38.17	\$1.04	3
	Toledo, OH	Huntsville, AL	\$3,687	\$301	\$39.61	\$1.08	3
	Indianapolis, IN	Raleigh, NC	\$4,756	\$427	\$51.47	\$1.40	4
	Indianapolis, IN	Huntsville, AL	\$3,379	\$204	\$35.58	\$0.97	3
	Champaign-Urbana, IL	New Orleans, LA	\$3,748	\$372	\$40.92	\$1.11	4
Shuttle Train							
Wheat	Great Falls, MT	Portland, OR	\$3,678	\$326	\$39.76	\$1.08	3
	Wichita, KS	Galveston-Houston, TX	\$3,471	\$253	\$36.99	\$1.01	-8
	Chicago, IL	Albany, NY	\$3,950	\$398	\$43.18	\$1.18	5
	Grand Forks, ND	Portland, OR	\$5,159	\$562	\$56.82	\$1.55	2
	Grand Forks, ND	Galveston-Houston, TX	\$6,084	\$586	\$66.23	\$1.80	1
	Northwest KS	Portland, OR	\$5,260	\$592	\$58.11	\$1.58	4
	Minneapolis, MN	Portland, OR	\$5,000	\$685	\$56.45	\$1.43	4
Corn	Sioux Falls, SD	Tacoma, WA	\$4,960	\$627	\$55.48	\$1.41	4
	Champaign-Urbana, IL	New Orleans, LA	\$3,011	\$372	\$33.60	\$0.85	3
	Lincoln, NE	Galveston-Houston, TX	\$3,510	\$366	\$38.49	\$0.98	6
	Des Moines, IA	Amarillo, TX	\$3,590	\$291	\$38.54	\$0.98	2
	Minneapolis, MN	Tacoma, WA	\$5,000	\$679	\$56.40	\$1.43	4
	Council Bluffs, IA	Stockton, CA	\$4,400	\$703	\$50.67	\$1.29	5
	Sioux Falls, SD	Tacoma, WA	\$5,520	\$627	\$61.04	\$1.66	4
Soybeans	Minneapolis, MN	Portland, OR	\$5,530	\$685	\$61.72	\$1.68	4
	Fargo, ND	Tacoma, WA	\$5,430	\$558	\$59.46	\$1.62	4
	Council Bluffs, IA	New Orleans, LA	\$4,175	\$429	\$45.72	\$1.24	5
	Toledo, OH	Huntsville, AL	\$2,862	\$301	\$31.41	\$0.85	4
	Grand Island, NE	Portland, OR	\$5,110	\$606	\$56.76	\$1.54	3

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 surcharge per car ²	Tariff plus surcharge per:		Percent change Y/Y ⁴
					metric ton ³	bushel ³	
Wheat	MT	Chihuahua, CI	\$6,460	\$595	\$72.09	\$1.96	3
	OK	Cuautitlan, EM	\$6,315	\$723	\$71.90	\$1.95	-5
	KS	Guadalajara, JA	\$6,899	\$698	\$77.63	\$2.11	-15
	TX	Salinas Victoria, NL	\$3,798	\$272	\$41.59	\$1.13	30
Corn	IA	Guadalajara, JA	\$7,974	\$821	\$89.86	\$2.28	4
	SD	Celaya, GJ	\$7,656	\$778	\$86.18	\$2.19	4
	NE	Queretaro, QA	\$7,353	\$729	\$82.59	\$2.10	3
	SD	Salinas Victoria, NL	\$5,880	\$592	\$66.12	\$1.68	3
	MO	Tlalnepantla, EM	\$6,712	\$709	\$75.82	\$1.92	2
	SD	Torreon, CU	\$6,722	\$652	\$75.34	\$1.91	3
Soybeans	MO	Bojay (Tula), HG	\$7,868	\$693	\$87.46	\$2.38	4
	NE	Guadalajara, JA	\$8,447	\$792	\$94.40	\$2.57	4
	IA	El Castillo, JA	\$8,855	\$774	\$98.38	\$2.67	4
	KS	Torreon, CU	\$6,864	\$491	\$75.15	\$2.04	3
Sorghum	TX	Guadalajara, JA	\$6,953	\$507	\$76.22	\$1.93	7
	NE	Celaya, GJ	\$7,212	\$707	\$80.91	\$2.05	3
	KS	Queretaro, QA	\$6,650	\$444	\$72.48	\$1.84	-2
	NE	Salinas Victoria, NL	\$5,368	\$520	\$60.15	\$1.53	-1
	NE	Torreon, CU	\$6,243	\$580	\$69.72	\$1.77	2

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.

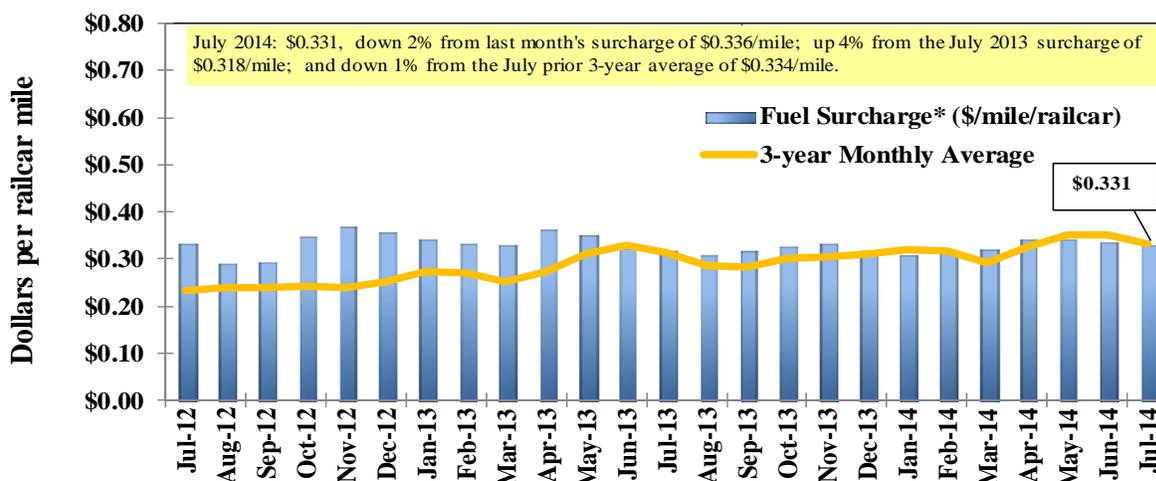
²Fuel surcharge adjusted to reflect the change in Ferrocarril Mexicano, S.A. de C.V. railroad fuel surcharge policy as of 10/01/2009

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.

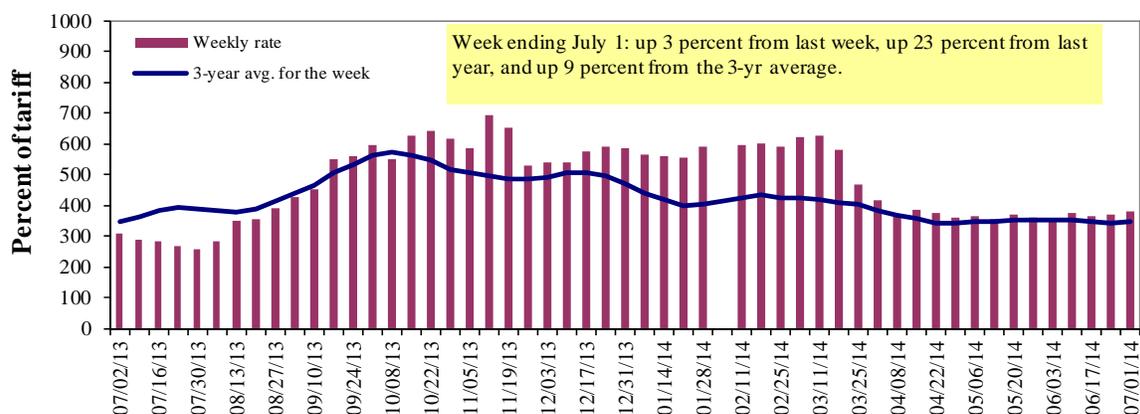
** BNSF strike price (diesel price when fuel surcharges begin) changed from \$1.25/gal. to \$2.50/gal. starting March 1, 2011. As a result, the weighted average fuel surcharge for March 2011 was \$0.227/mile instead of \$0.331/mile.

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

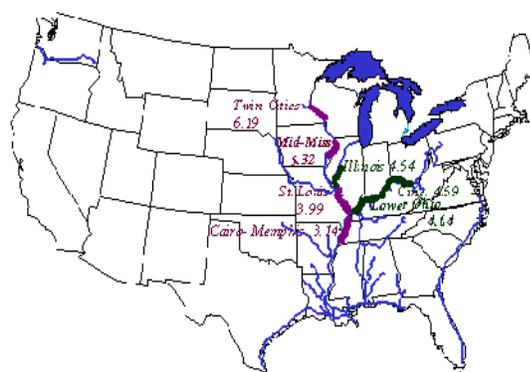
Weekly Barge Freight Rates: Southbound Only

		Twin Cities	Mid- Mississippi	Lower Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo- Memphis
Rate¹	7/1/2014	-	-	378	260	243	243	213
	6/24/2014	-	370	369	249	238	231	214
\$/ton	7/1/2014	-	-	17.54	10.37	11.40	9.82	6.69
	6/24/2014	-	19.68	17.12	9.94	11.16	9.33	6.72
Current week % change from the same week:								
	Last year	-	-	23	16	16	16	11
	3-year avg. ²	-	-	9	-4	-15	-15	-10
Rate¹	August	472	423	418	345	407	407	335
	October	642	642	642	600	647	647	562

¹Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); ²4-week moving average; ton = 2,000 pounds; - no rates reported due to flooding

Source: Transportation & Marketing Programs/AMS/USDA

Figure 9
Benchmark tariff rates



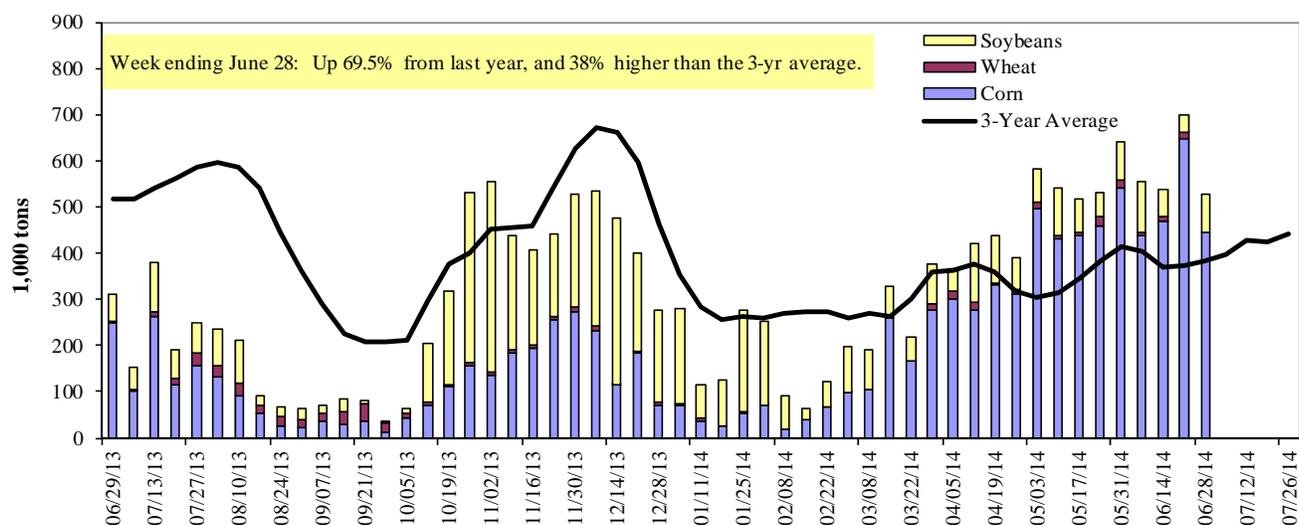
Calculating barge rate per ton:

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

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 6/28/2014	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	130	0	9	0	140
Winfield, MO (L25)	198	0	20	0	219
Alton, IL (L26)	446	0	79	0	526
Granite City, IL (L27)	445	0	82	0	527
Illinois River (L8)	213	0	25	0	238
Ohio River (L52)	154	6	0	0	160
Arkansas River (L1)	0	57	0	1	59
Weekly total - 2014	599	64	82	1	746
Weekly total - 2013	269	70	68	0	407
2014 YTD ¹	11,561	982	4,668	112	17,323
2013 YTD	4,108	1,881	3,900	117	10,006
2014 as % of 2013 YTD	281	52	120	96	173
Last 4 weeks as % of 2013 ²	288	64	105	340	212
Total 2013	9,504	4,111	10,065	255	23,935

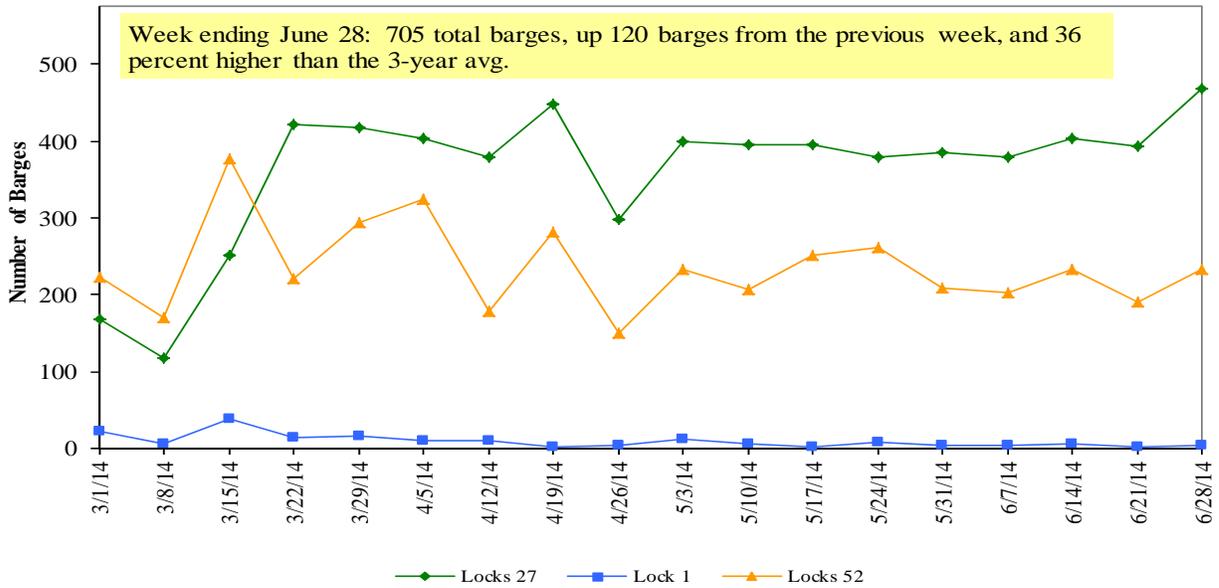
¹ Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

² As a percent of same period in 2013.

Note: Total may not add exactly, due to rounding

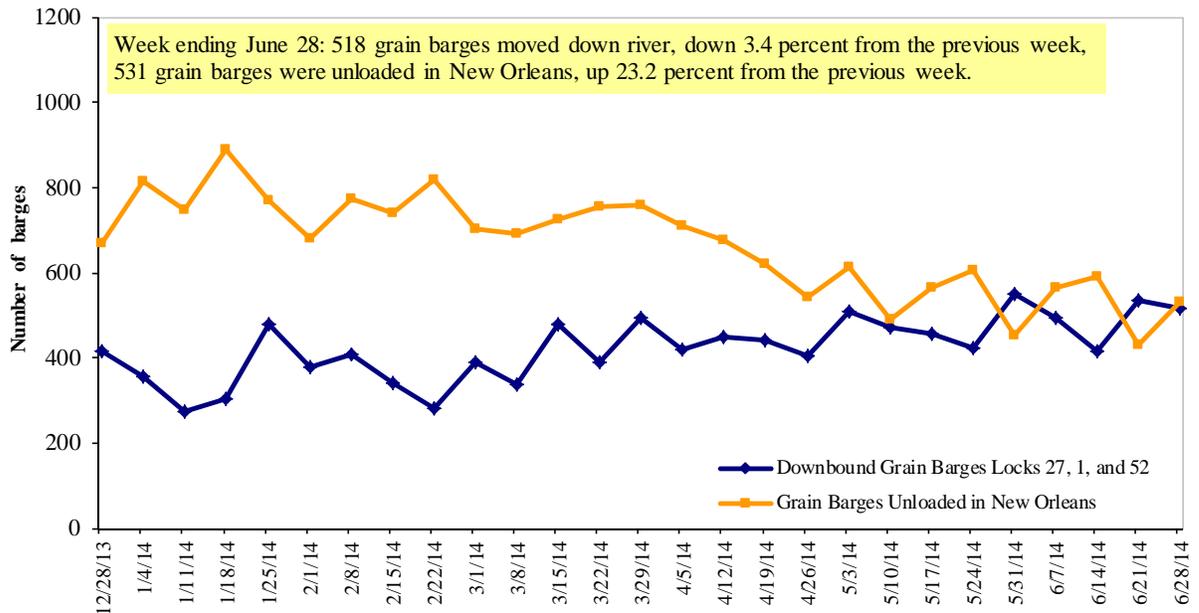
Source: U.S. Army Corps of Engineers

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 6/30/2013 (US \$/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	3.983	-0.002	0.166
	New England	4.107	0.005	0.136
	Central Atlantic	4.073	0.002	0.181
	Lower Atlantic	3.887	-0.006	0.156
II	Midwest ²	3.869	-0.006	0.054
III	Gulf Coast ³	3.816	0.003	0.082
IV	Rocky Mountain	3.917	0.004	0.098
V	West Coast	4.073	0.020	0.131
	West Coast less California	3.994	0.021	0.138
	California	4.138	0.019	0.123
Total	U.S.	3.920	0.001	0.103

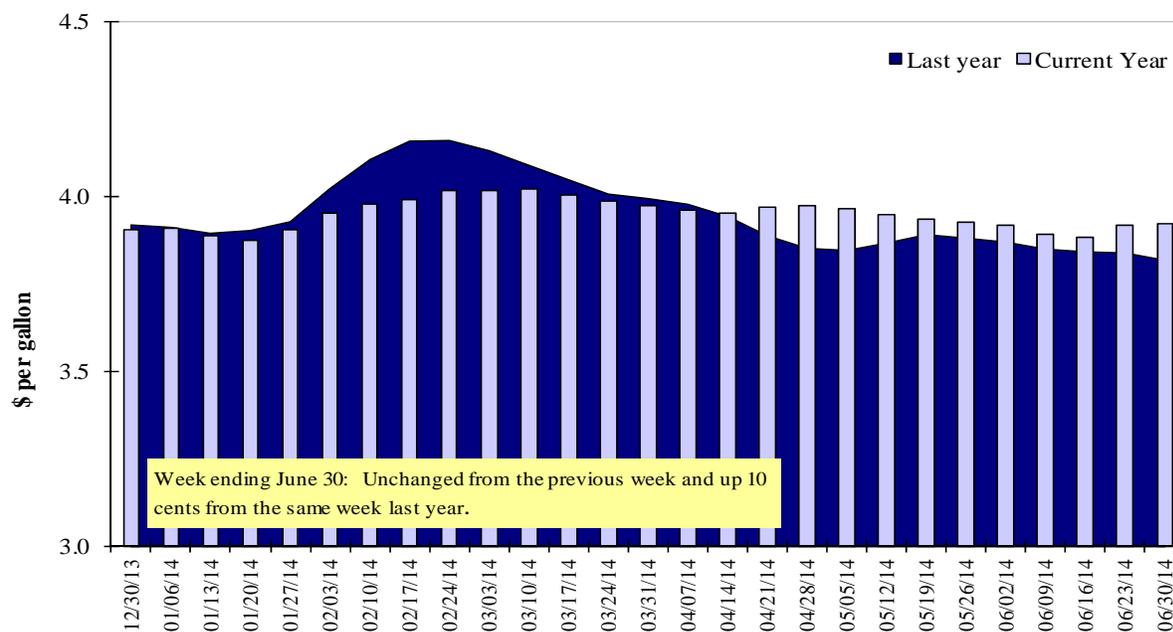
¹Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

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									
6/19/2014	1,591	1,084	2,063	941	143	5,822	9,871	2,109	17,802
This week year ago	1,989	2,560	1,446	1,005	97	7,097	3,232	1,403	11,732
Cumulative exports-marketing year²									
2013/14 YTD	535	130	515	256	4	1,439	37,118	43,367	81,924
2012/13 YTD	724	442	250	54	5	1,474	14,703	35,319	51,496
YTD 2013/14 as % of 2012/13	74	29	206	474	85	98	252	123	159
Last 4 wks as % of same period 2012/13	72	33	122	80	113	70	346	143	155
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 begins 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

Week ending 06/19/2014	Total Commitments ²			% change current MY from last MY	Exports ³ 2012/13
	2014/15 Next MY	2013/14 Current MY	2012/13 Last MY		
		- 1,000 mt -			- 1,000 mt -
Japan	1,154	10,712	6,555	63	7,000
Mexico	1,523	6,925	4,093	69	4,370
China	5	2,989	2,474	21	2,450
Venezuela	0	912	867	5	1,158
Taiwan	0	1,834	468	292	512
Top 5 Importers	2,681	23,373	14,458	62	15,490
Total US corn export sales	3,400	46,988	17,935	162	18,690
% of Projected	8%	97%	96%		
Change from prior week	232	321	337		
Top 5 importers' share of U.S. corn export sales	79%	50%	81%		83%
USDA forecast, June 2014	43,180	48,260	18,690	158	
Corn Use for Ethanol USDA forecast, June 2014	128,270	128,270	118,059	9	

(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 06/19/2014	Total Commitments ²			% change current MY from last MY	Exports ³ 2012/13
	2014/15 Next MY	2013/14 Current MY	2012/13 Last MY		
	- 1,000 mt -				- 1,000 mt -
China	6,108	27,599	21,596	28	21,522
Mexico	266	3,222	2,541	27	2,565
Japan	234	1,868	1,758	6	1,751
Indonesia	202	2,268	1,550	46	1,682
Taiwan	28	1,195	1,103	8	1,120
Top 5 importers	6,838	36,151	28,548	27	28,641
Total US soybean export sales	10,307	45,475	36,723	24	35,910
% of Projected	23%	104%	102%		
Change from prior week	286	317	14		
Top 5 importers' share of U.S. soybean export sales	66%	79%	78%		
USDA forecast, June 2014	44,230	43,550	35,910	21	

(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. (Carryover plus Accumulated Exports)

Table 15

Top 10 Importers¹ of All U.S. Wheat

Week Ending 06/19/2014	Total Commitments ²		% change current MY from last MY	Exports ³ 2013/14
	2014/15 Current MY	2013/14 Last MY		
	- 1,000 mt -			- 1,000 mt -
China	110	1,589	(93)	4,213
Brazil	761	806	(6)	4,211
Mexico	899	866	4	2,940
Japan	734	732	0	2,674
Nigeria	429	477	(10)	2,629
Philippines	586	448	31	2,013
Korea	457	179	156	1,287
Indonesia	258	40	546	1,076
Taiwan	164	161	2	980
Colombia	149	227	(34)	783
Top 10 importers	4,546	5,524	(18)	22,808
Total US wheat export sales	7,261	8,571	(15)	32,110
% of Projected	29%	27%		
Change from prior week	359	732		
Top 10 importers' share of U.S. wheat export sales	63%	64%		71%
USDA forecast, June 2014	25,170	32,110	(22)	

(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/>³FAS 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 06/26/14	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	172	385	45	6,693	5,626	119	201	136	11,585
Corn	219	222	99	4,601	1,285	358	166,783	166	2,973
Soybeans	0	0	n/a	4,492	3,762	119	55,800	8	9,090
Total	391	608	64	15,786	10,673	148	383	133	23,647
Mississippi Gulf									
Wheat	61	70	86	2,259	4,386	51	80	93	9,711
Corn	565	628	90	16,988	5,487	310	322	186	14,828
Soybeans	18	24	76	10,142	7,251	140	93	78	21,462
Total	644	721	89	29,390	17,124	172	196	146	46,002
Texas Gulf									
Wheat	93	158	59	3,568	4,159	86	61	65	9,039
Corn	0	0	n/a	346	126	274	1,939	119	255
Soybeans	0	0	n/a	258	122	211	n/a	0	908
Total	93	158	59	4,172	4,407	95	68	68	10,203
Interior									
Wheat	11	26	41	618	488	127	390	78	1,244
Corn	72	99	72	2,754	1,323	208	164	109	3,943
Soybeans	39	37	106	2,020	1,677	120	359	97	3,212
Total	122	163	75	5,392	3,488	155	89	102	8,399
Great Lakes									
Wheat	9	20	46	223	412	54	160	142	884
Corn	0	0	n/a	42	0	n/a	n/a	0	0
Soybeans	0	0	n/a	51	22	229	112	75	699
Total	9	20	46	315	434	73	149	115	1,583
Atlantic									
Wheat	3	0	n/a	157	393	40	156	83	645
Corn	0	0	n/a	374	2	n/a	n/a	1,847	242
Soybeans	3	0	n/a	990	692	143	87	50	1,652
Total	6	1	n/a	1,522	1,088	140	390	197	2,540
U.S. total from ports²									
Wheat	349	660	53	13,518	15,464	87	164	129	33,108
Corn	856	949	90	25,105	8,223	305	359	168	22,241
Soybeans	60	61	98	17,953	13,527	133	11	12	37,024
Total	1,265	1,670	76	56,576	37,214	152	100	83	92,373

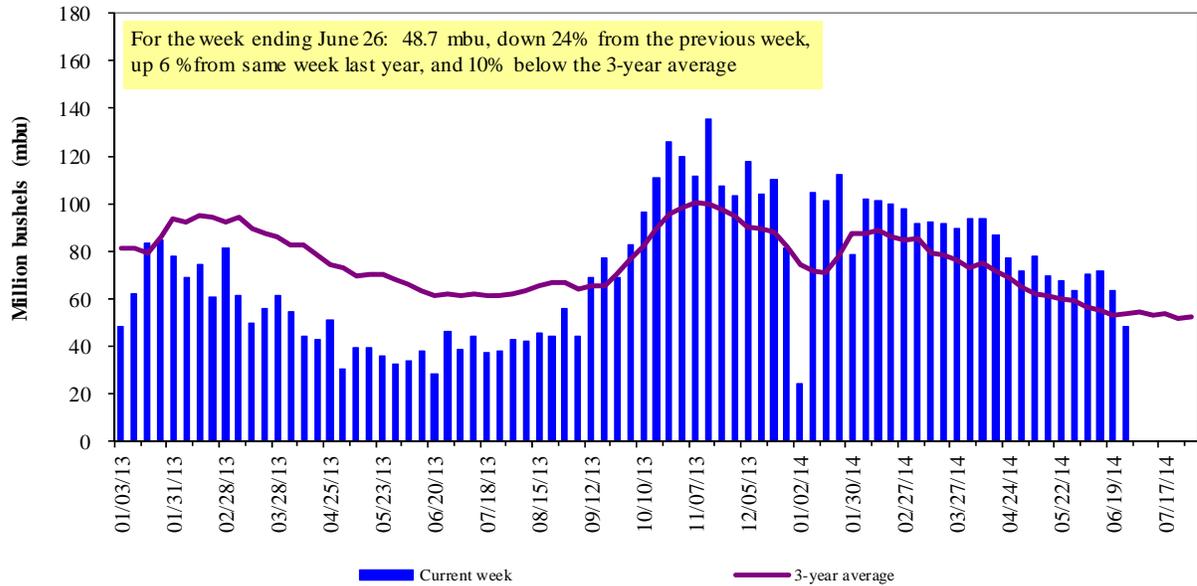
¹Data includes revisions from prior weeks; some regional totals may not add exactly due to rounding.

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)

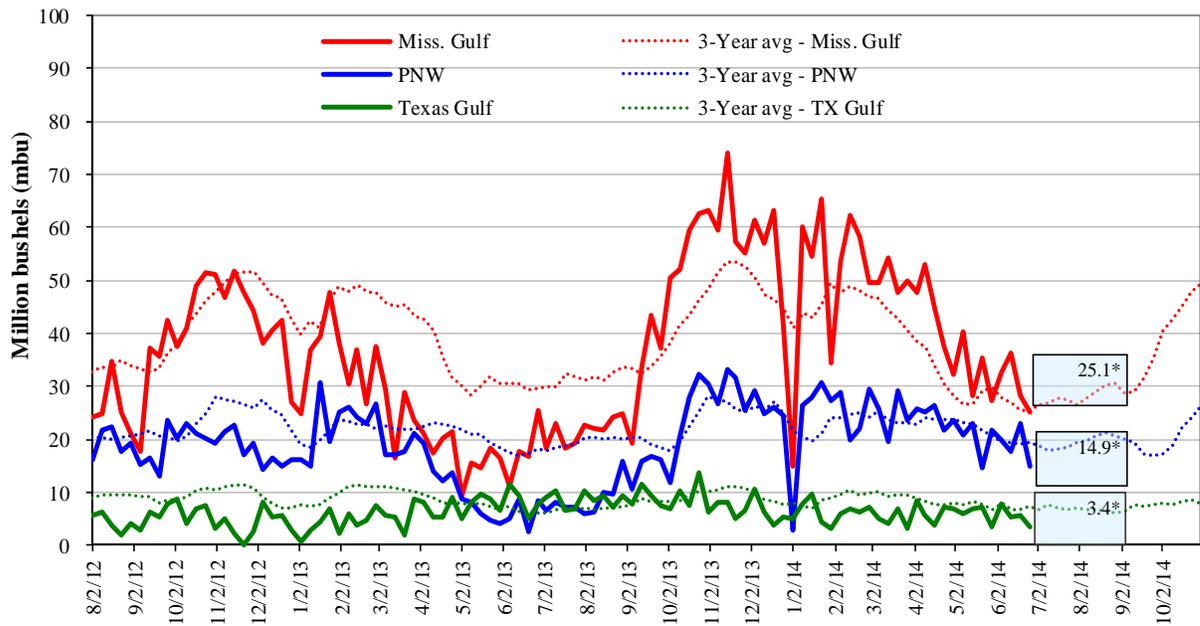


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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.

June 26 : % change from:	MSGulf	TX Gulf	U.S. Gulf	PNW
Last week	down 11	down 41	down 16	down 35
Last year (same week)	down 2	down 56	down 15	up 80
3-yr avg. (4-wk mov. avg.)	up 16	down 61	down 6	down 3

Ocean Transportation

Table 17

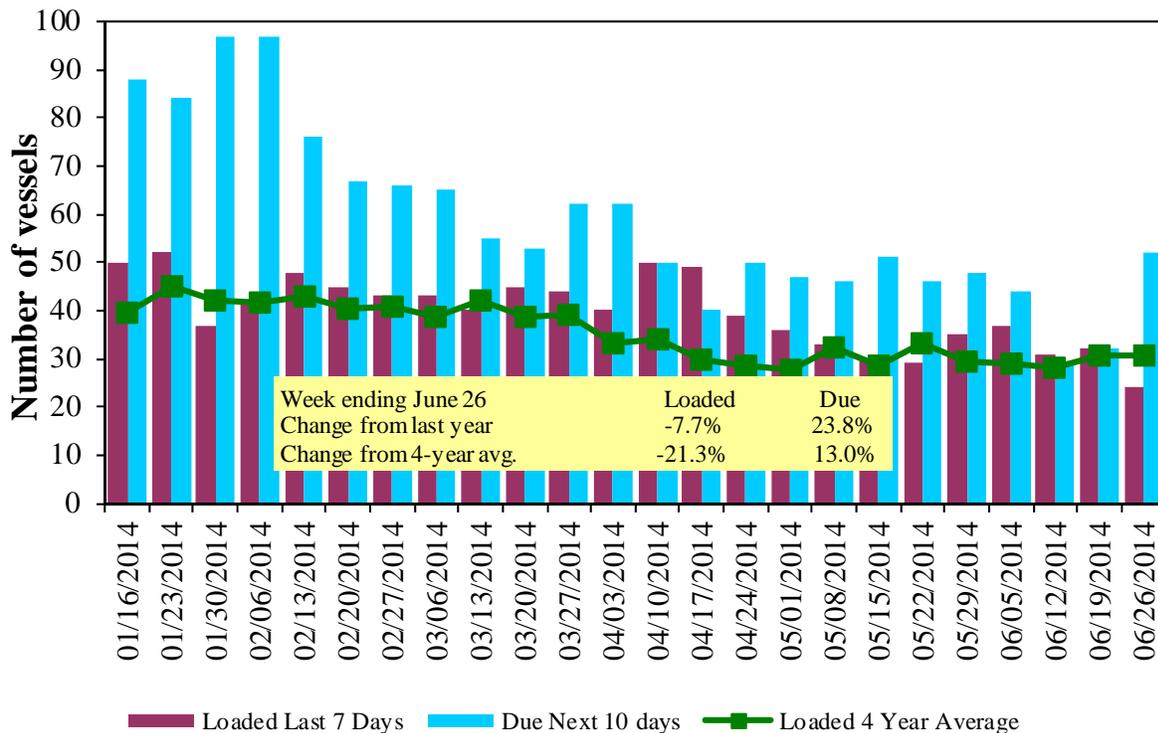
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In port	Loaded 7-days	Due next 10-days	In port	In port
6/26/2014	28	24	52	12	n/a
6/19/2014	18	32	32	12	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

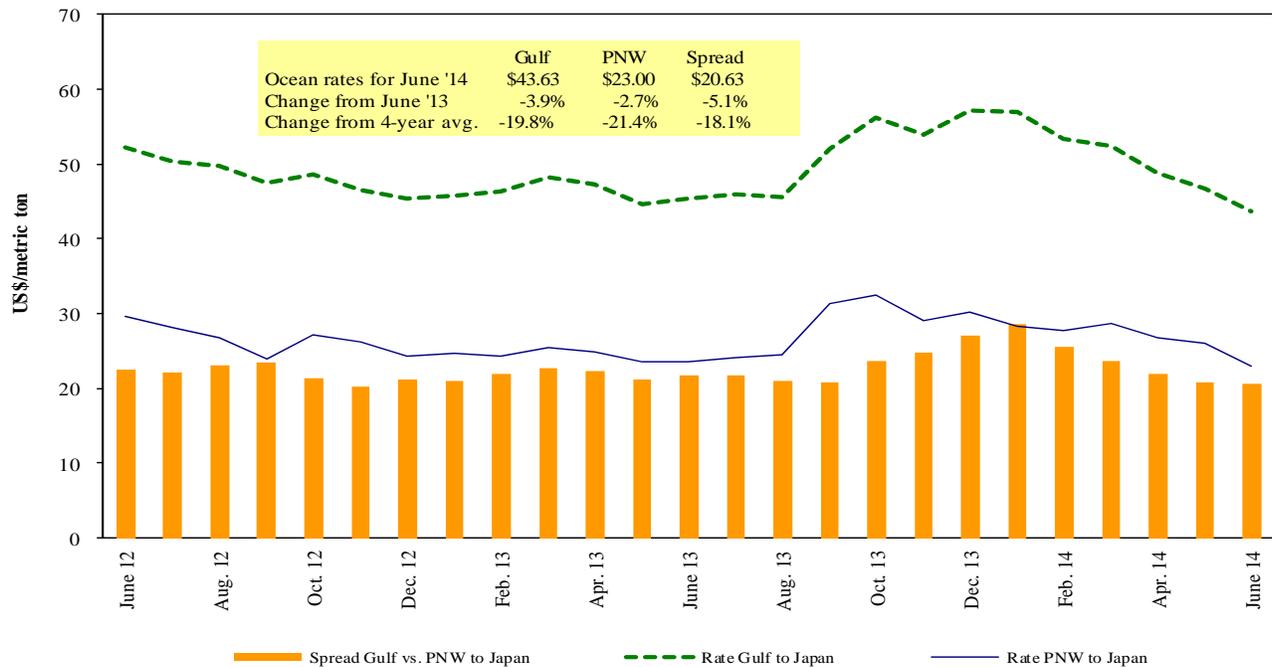


Source: Transportation & Marketing Programs/AMS/USDA

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

Figure 17

Grain Vessel Rates, U.S. to Japan



Data Source: O'Neil Commodity Consulting

Table 18

Ocean Freight Rates For Selected Shipments, Week Ending 6/28/2014

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US\$/metric ton)
U.S. Gulf	China	Grain	Aug 1/10	50,000	49.25
U.S. Gulf	China	Heavy Grain	Jul 1/10	58,000	41.00
U.S. Gulf	China	Grain	Jul 1/7	60,000	43.50
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
Brazil	China	Grain	Aug 1/30	65,000	35.50
Brazil	China	Heavy Grain	Aug 1/5	60,000	40.00
Brazil	China	Grain	Jul 25/31	60,000	31.50
Brazil	China	Heavy Grain	Jul 15/Aug 15	60,000	40.00
Brazil	China	Heavy Grain	Jul 10/20	60,000	33.75
Brazil	China	Grain	Jun 20/29	60,000	34.00
France	Algeria	Wheat	May 9/12	23,750	23.50
France	Algeria	Wheat	Apr 5/10	23,000	26.00
Hamburg	Iran	Wheat	May 16/28	60,000	38.00
River Plate	Romania	SoybeanMeal	Jun 17/20	20,000	40.00
River Plate	China	Heavy Grain	Aug 1/31	60,000	44.50
River Plate	China	Grain	Jun 3/12	60,000	44.00
River Plate	Morocco	Corn	Jul 3/5	30,000	29.00
Ukraine	Tunisia	Wheat	May 15/18	25,000	19.00
Ukraine	Saudi Arabia	Heavy Grain	Apr 15/25	60,000	21.85

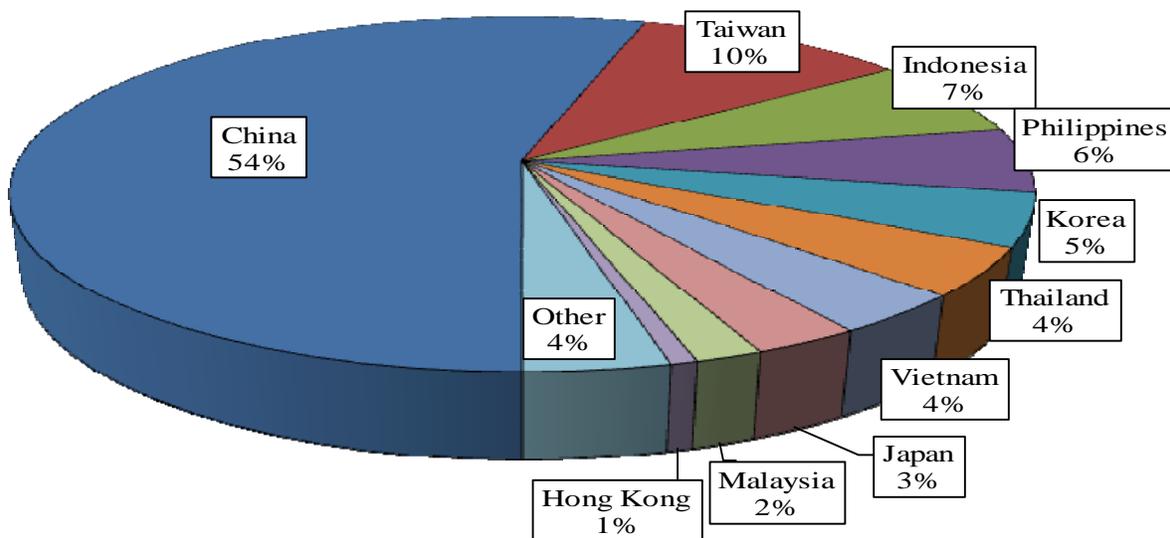
Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option

¹ 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 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.

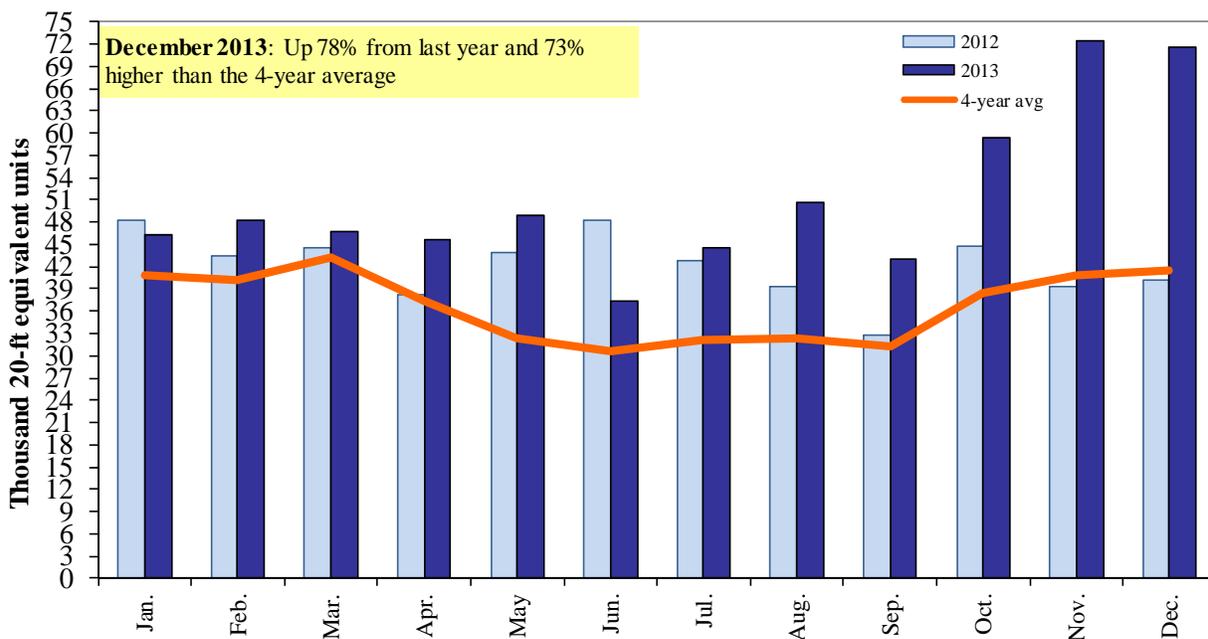
Figure 18
Top 10 Destination Markets for U.S. Containerized Grain Exports, December 2013



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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