



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 24, 2014

WEEKLY HIGHLIGHTS

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Primary Railcar Auction Results at Historic High

Bids in the primary railcar market have been trading at historic highs since late May for guaranteed railcar placement for grain shipments in August, September, and October. Bids for the week ending July 17 ranged between \$2,700 and \$3,200 per car for BNSF Railway's guaranteed graincar placement in September and between \$2,800 and \$3,000 per car for placement in October. This is a stark contrast to the previous 10 years, which have had very little monthly trading and bids that rarely exceeded \$700. Most trading occurs in the secondary railcar market where shippers reallocate previously reserved space among themselves as market conditions change. However, shippers are worried about a repeat of last year's rail service problems during the upcoming harvest and are securing space directly from rail carriers this year. Unlike premiums paid in the secondary railcar market, which are transferred between shippers and do not affect railroad profits, premiums paid in the primary market accrue directly to the rail carrier.

ILWU and PMA Schedule Two Breaks in Negotiations

On Friday, July 18, the International Longshore and Warehouse Union (ILWU) and the Pacific Maritime Association (PMA) issued a joint statement informing the public that both parties have agreed to take a break from negotiations July 21 and 22. In addition, negotiators will take the week of July 28 off from bargaining while the ILWU "resumes unrelated contract negotiations in the Pacific Northwest." Cargo continues to move through West Coast ports without disruption. The previous labor contract covering nearly 20,000 longshore workers at 29 West Coast ports expired July 1. While there is no contract extension in place, both parties have pledged to keep cargo moving.

Total Grain Inspections Rise As Demand for Wheat Increases

For the week ending July 17, **total inspections of grain** (corn, wheat, and soybeans) from all major export regions reached 1.54 million metric tons (mmt), up 6 percent from the past week, up 54 percent from last year, and 9 percent above the 3-year average. Increased demand for wheat from Asia and Latin America helped boost total inspections of wheat by 34 percent. Inspections of corn and soybeans decreased 2 and 19 percent from the previous week. Total inspections increased 72 percent in the Pacific Northwest as demand from Asia increased, but inspections dropped 12 percent in the Mississippi Gulf. During the last 4 weeks, grain inspections were 44 percent above last year and 7 percent above the 3-year average. Outstanding (unshipped) export sales continued below the previous week for each of the major grains.

River Reopening Continues With Substantial Rate Increases

After 3 weeks of flood-related river closures, barge traffic on the Mississippi River System resumed with substantial rate increases. As of July 22, barge rates for export grain from St. Louis and the Lower Illinois River were \$15.76 and \$25.38 per ton, respectively. Since July 1, the St. Louis rates rose 52 percent and the Lower Illinois River rate increased 44 percent. More significantly, barge operators are anticipating above-average demand for October barge services during the active harvest of an expected extremely large crop of corn and soybeans. October rates for barge delivery to St. Louis and the Lower Illinois River are \$25.86 and \$34.66 per ton, respectively.

Snapshots by Sector

Rail

U.S. railroads originated 17,124 **carloads of grain** during the week ending July 12, down 6 percent from last week, up 6 percent from last year and up 1 percent from the 3-year average.

During the week ending July 17, average August non-shuttle **secondary railcar bids/offers per car** were \$750 above tariff, up \$50 from last week and \$750 higher than last year. Average shuttle secondary railcar bids/offers per car were \$1,769 above tariff, up \$619 from last week and \$1,915 higher than last year.

Barge

During the week ending July 19 **barge grain movements** totaled 423,234 tons, 13.8 percent lower than the previous week but 22.8 percent higher than the same period last year.

During the week ending July 19, 267 grain barges **moved down river**, down 17 percent from last week; 461 grain barges were **unloaded in New Orleans**, down 23.2 percent from the previous week.

Ocean

During the week ending July 17, 31 **ocean-going grain vessels** were loaded in the Gulf, 15 percent more than the same period last year. Thirty-three vessels are expected to be loaded within the next 10 days, 18 percent less than the same period last year.

During the week ending July 18, the ocean freight rate for shipping bulk grain from the Gulf to Japan was \$42.50 per mt, down 1 percent from the previous week. The cost of shipping from the PNW to Japan was \$23.50 per mt, down 2 percent from the previous week.

Fuel

During the week ending July 21, U.S. average **diesel fuel prices** decreased 2 cents from the previous week to \$3.87 per gallon—down 3 cents from the same week last year.

Feature Article/Calendar

Ocean Freight Rates Continue to Fall; Vessel Fleet Size Increasing

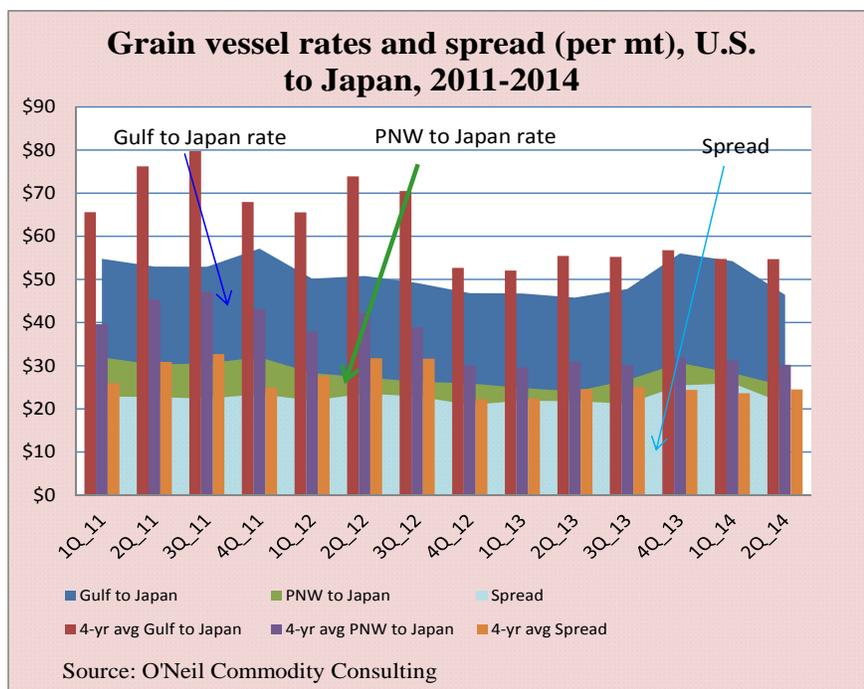
Lackluster demand and excess vessel supply continue to push down ocean freight rates for shipping bulk commodities, including grains. Ocean freight rates for shipping bulk grain from the U.S. Gulf to Japan averaged \$46.39 per metric ton (mt) during the second quarter, down 14 percent from the previous quarter and 15 percent below the 4-year average (see table and figure). Rates from the Pacific Northwest (PNW) to Japan averaged \$25.25 per mt, 11 percent less than the previous quarter and 16 percent less than the 4-year average. It cost \$19.40 to ship a metric ton of grain from the U.S. Gulf to Europe during the quarter, 17 percent less than the previous quarter and 15 percent below the 4-year average. The spread between the U.S. Gulf-to-Japan and PNW-to-Japan rates, at \$21.14 per mt, was also less than the previous quarter and the 4-year average.

Route	Apr.	May	June	2nd quarter 2014	Change from		
					1st qtr '14	2nd qtr '13	4-yr avg
	--\$/mt--			--\$/mt--	Percent		
U.S. Gulf to Japan	48.75	46.80	43.63	46.39	-14.44	1.34	-15.23
PNW to Japan	26.75	26.00	23.00	25.25	-10.78	5.21	-16.46
Spread	22.00	20.80	20.63	21.14	-18.43	-2.92	-13.72
U.S. Gulf to Europe	20.00	19.25	18.94	19.40	-17.11	-7.50	-14.85

Source: O'Neil Commodity Consulting

Rates fell in April as unfavorable weather conditions and geopolitical issues in Russia slowed grain trade. Grain shipments out of the U.S. Gulf also declined. In addition, warmer temperatures reduced the demand for thermal coal in Europe and Asia. Sluggish demand for bulk movements continued during May. The depression in the grain market was compounded by a reduction in iron ore demand and a further decline in coal demand. Chinese demand for iron ore fell. Coal trade from Indonesia to China softened as demand for coal dropped. There was no respite for the market during June as it continued to grapple with slow coal and grain trades. Consequently, ocean freight rates continued to fall.

Meanwhile, the dry bulk vessel fleet continues to



freight rates continue to fall. According to a June report by O'Neil Commodity consulting, the dry bulk fleet is estimated to grow by 5 percent this year as 52 million deadweight tons (mdwt) of capacity are added to the fleet. As of June, 1,989 new vessels (163 mdwt) were on the order book. Most of the newly ordered vessels are Panamax, the type usually used to transport grains. The Panamax segment is growing at a record pace. The fleet size is currently 191 mdwt, and growing at 9 percent year to year. If the current growth rate persists, it is likely that the fleet size will reach 200 mdwt by the end of the year.

Market Outlook: As of July 18, the rate for shipping grain from the U.S. Gulf to Japan was \$42.50 per mt; the PNW-to-Japan rate was \$23.50 per mt. Market indicators show the possibility of the rates remaining low for a while. China's demand for coal is likely to remain low in the long run because the country is shifting to renewable energy sources for power generation. The shutting down of some outdated steel mills by the Chinese government in its effort to reach its emission- and energy-saving targets set for the twelfth five-year plan is likely to reduce iron ore imports. Some coal-fired power plants were closed in the United Kingdom, which also reduced the demand for coal. The continued wave of new deliveries will add to the excess vessel supply and further depress freight rates.

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Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators¹

Week ending	Truck	Rail		Barge	Ocean	
		Unit Train	Shuttle		Gulf	Pacific
07/23/14	260	283	290	304	190	167
07/16/14	261	288	296	225	192	170

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)

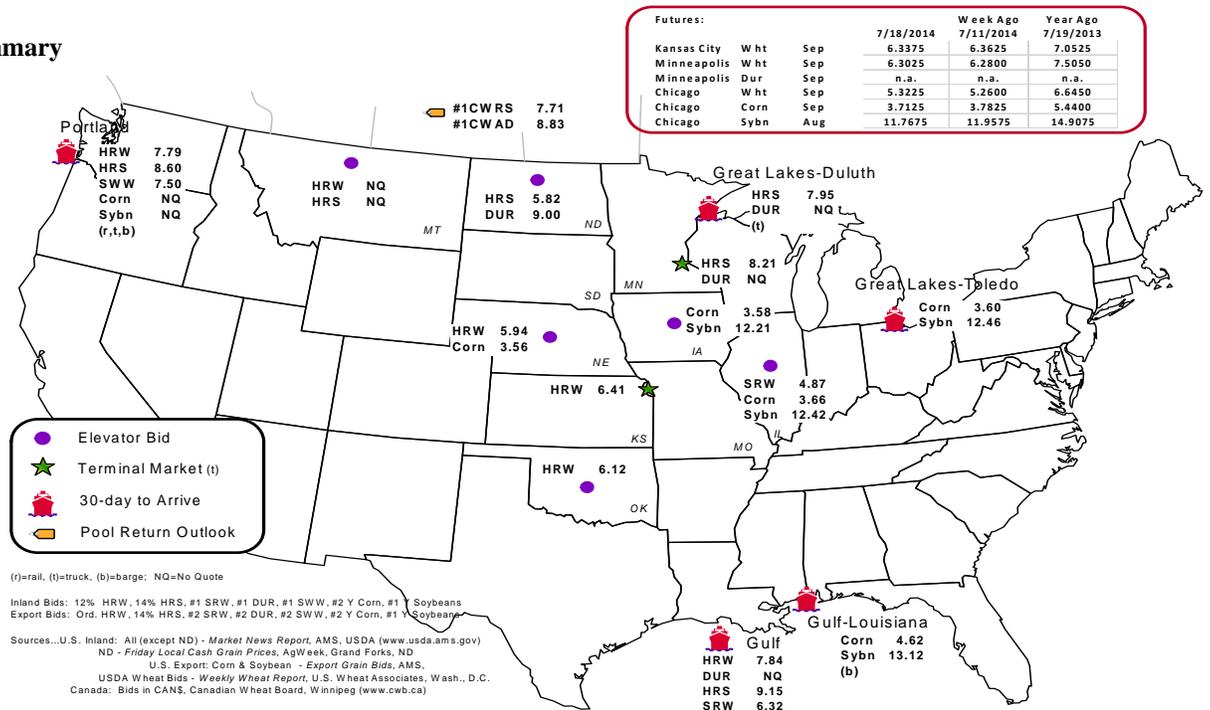
Commodity	Origin--Destination	7/18/2014	7/11/2014
Corn	IL--Gulf	-0.96	-0.84
Corn	NE--Gulf	-1.06	-0.92
Soybean	IA--Gulf	-0.91	-1.31
HRW	KS--Gulf	-1.43	-1.41
HRS	ND--Portland	-2.78	-3.85

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			
7/16/2014 ^p	13	1,280	3,059	100	4,452	7/12/2014	2,229
7/09/2014 ^r	151	1,369	3,719	192	5,431	7/5/2014	1,595
2014 YTD ^r	20,444	47,765	132,357	16,293	216,859	2014 YTD	55,309
2013 YTD ^r	9,757	35,528	73,958	9,666	128,909	2013 YTD	34,210
2014 YTD as % of 2013 YTD	210	134	179	169	168	% change YTD	162
Last 4 weeks as % of 2013 ²	20	76	273	110	151	Last 4wks % 2013	145
Last 4 weeks as % of 4-year avg. ²	28	101	122	91	111	Last 4wks % 4 yr	117
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.

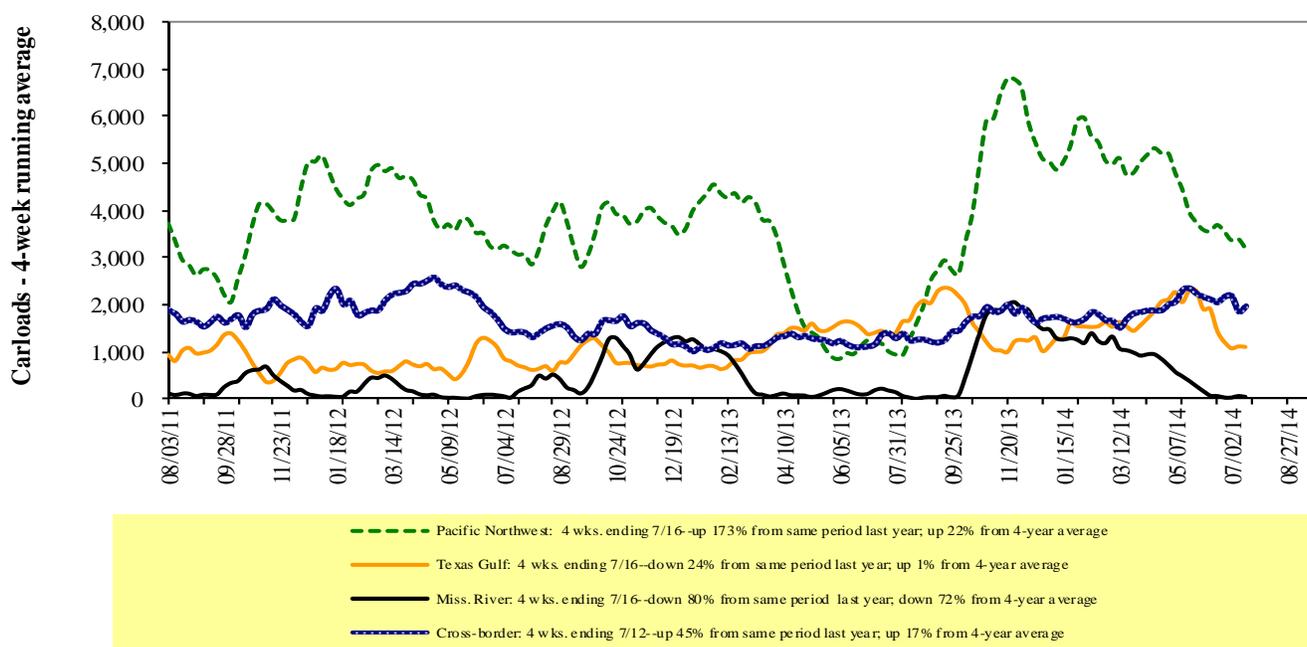
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

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

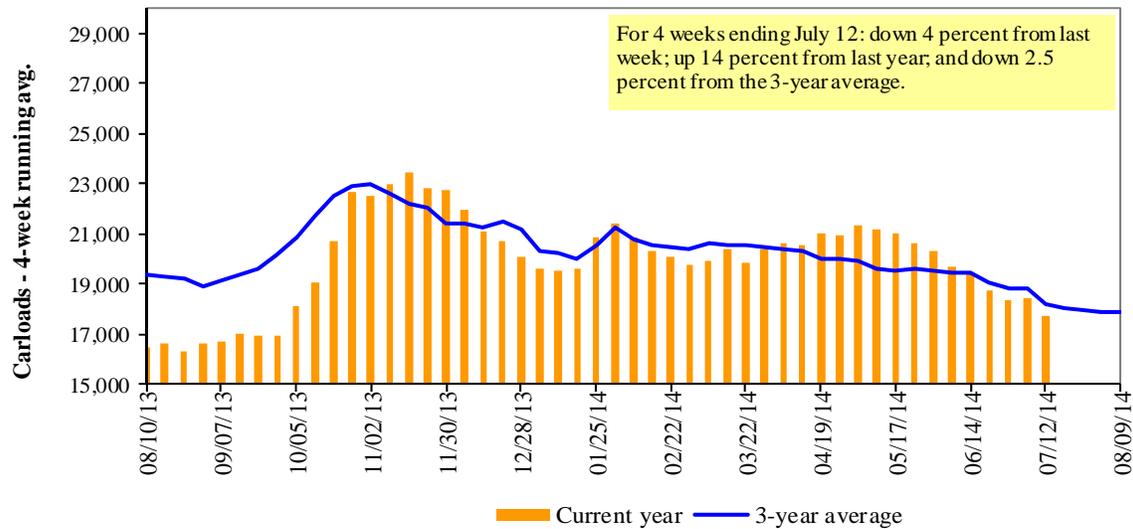
Table 4

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
07/12/14	1,833	3,083	6,578	729	4,901	17,124	4,429	4,876
This week last year	1,141	2,403	8,646	316	3,682	16,188	2,506	5,896
2014 YTD	52,994	82,847	242,092	24,435	157,537	559,905	122,786	146,716
2013 YTD	40,886	71,031	237,301	13,167	106,379	468,764	89,355	143,512
2014 YTD as % of 2013 YTD	130	117	102	186	148	119	137	102
Last 4 weeks as % of 2013	148	107	95	174	142	114	171	107
Last 4 weeks as % of 3-yr avg. ¹	126	97	89	144	104	99	131	109
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							
	Aug-14	Aug-13	Sep-14	Sep-13	Oct-14	Oct-13	Nov-14	Nov-13
7/17/2014								
BNSF ³								
COT grain units	no offer	0	2708	no bids	2849	no offer	no offer	no offer
COT grain single-car ⁵	no offer	0	2717 .. 3166	0	2801 .. 2996	0	no offer	no offer
UP ⁴								
GCAS/Region 1	334	no bids	no offer	no bids	no offer	no bids	n/a	n/a
GCAS/Region 2	751	no bids	no offer	1	no offer	6	n/a	n/a

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

²Average premium/discount to tariff, last auction

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

⁴UP - GCAS = Grain Car Allocation System

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

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

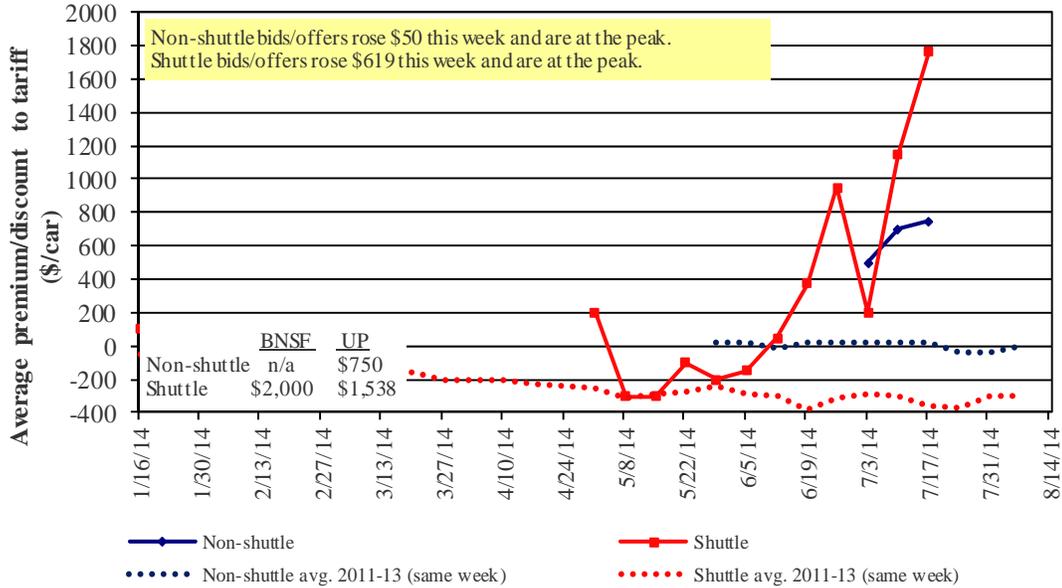
⁵Range is shown because average is not available. Not available = n/a.

Source: Transportation & Marketing Programs/AMS/USDA.

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

Figure 4

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

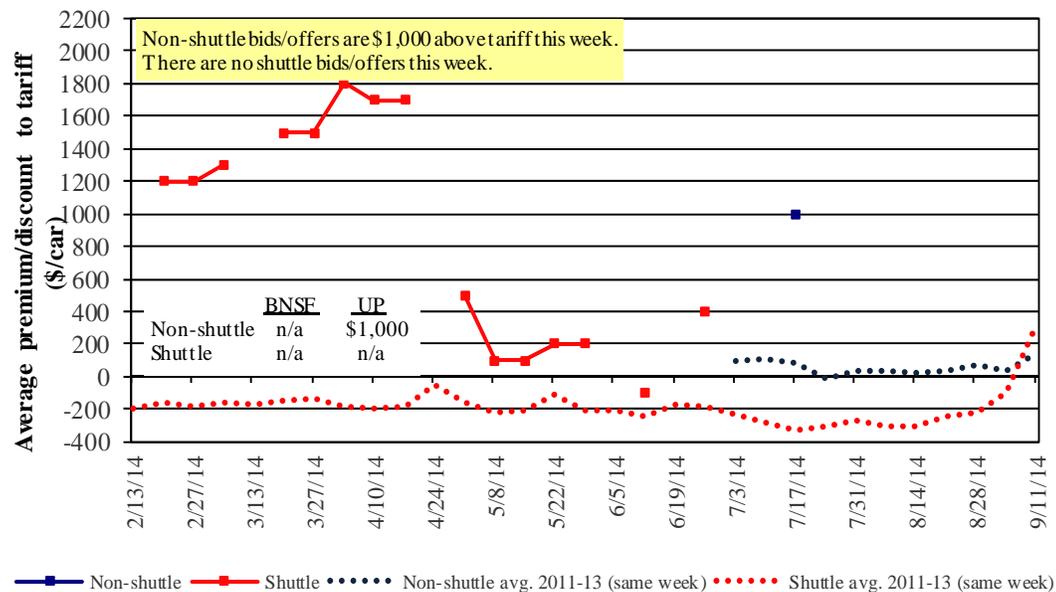


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

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

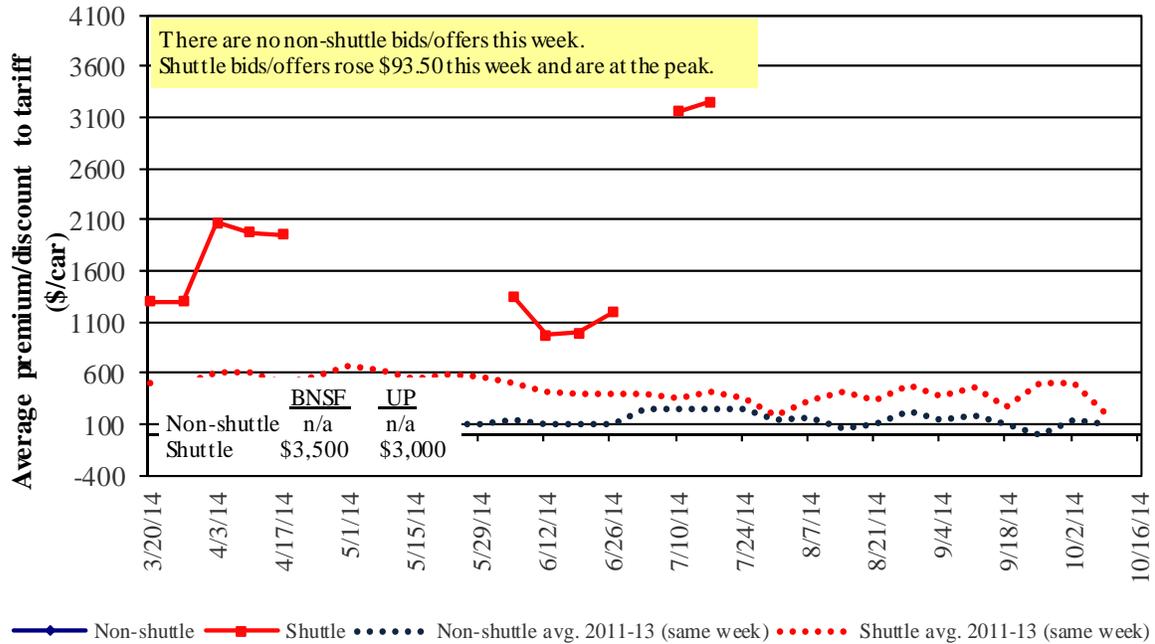


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in October 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					
	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15
Non-shuttle						
BNSF-GF	n/a	n/a	n/a	n/a	n/a	n/a
Change from last week	n/a	n/a	n/a	n/a	n/a	n/a
Change from same week 2013	n/a	n/a	n/a	n/a	n/a	n/a
UP-Pool	750	1,000	n/a	n/a	n/a	n/a
Change from last week	250	n/a	n/a	n/a	n/a	n/a
Change from same week 2013	750	n/a	n/a	n/a	n/a	n/a
Shuttle²						
BNSF-GF	2,000	n/a	3,500	n/a	n/a	n/a
Change from last week	400	n/a	-	n/a	n/a	n/a
Change from same week 2013	2,092	n/a	2,925	n/a	n/a	n/a
UP-Pool	1,538	n/a	3,000	n/a	800	n/a
Change from last week	838	n/a	187	n/a	350	n/a
Change from same week 2013	1,738	n/a	2,600	n/a	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:				Fuel	Tariff plus surcharge per:		Percent
7/1/2014	Origin region*	Destination region*	Tariff rate/car	surcharge per car	metric ton	bushel 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
Corn	Minneapolis, MN	Portland, OR	\$5,000	\$685	\$56.45	\$1.43	4
	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
Soybeans	Sioux Falls, SD	Tacoma, WA	\$5,520	\$627	\$61.04	\$1.66	4
	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		Percent change Y/Y ⁴	
				surchage per car ²	Tariff plus surcharge per: 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.

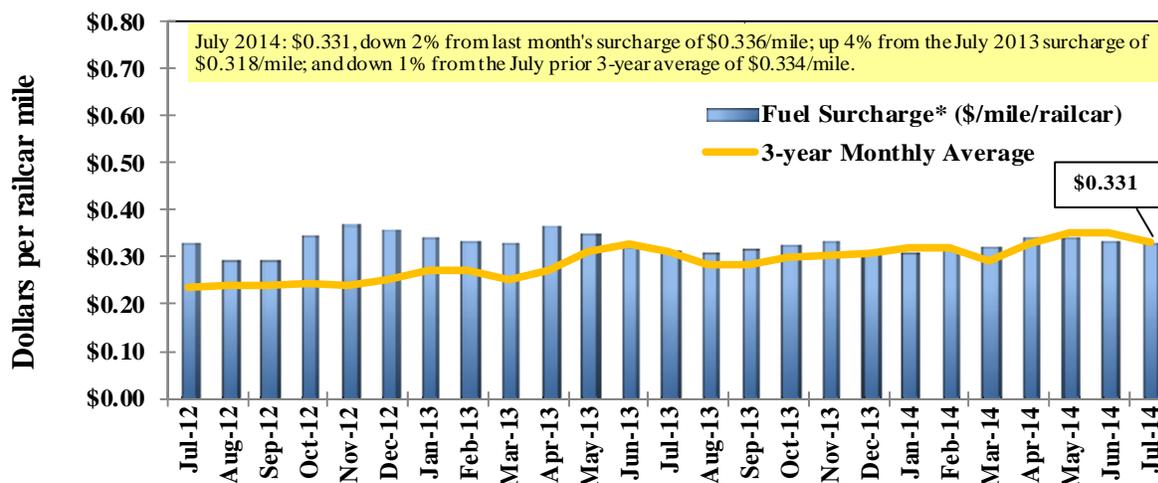
²Fuel surcharge adjusted to reflect the change in Ferrocarril Mexicano, S.A. de C.V railroad fuel surcharge policy as of 10/01/2009

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.

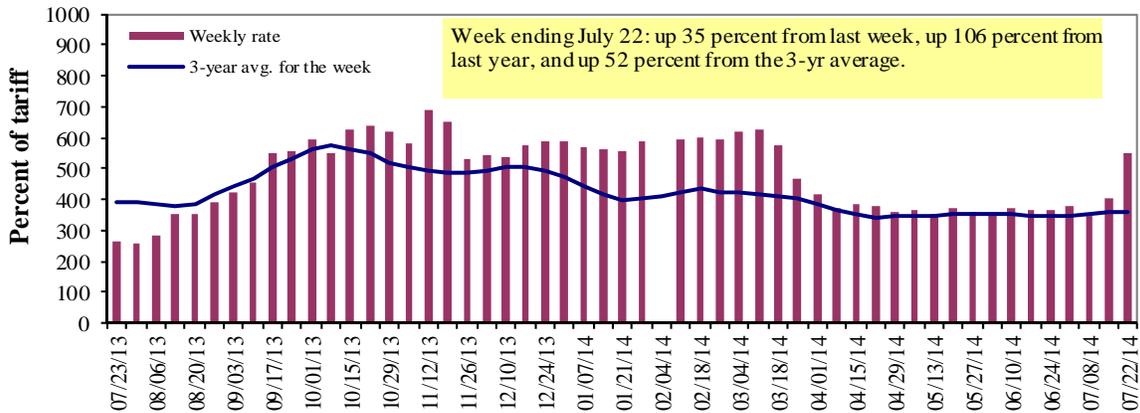
** BNSF strike price (diesel price when fuel surcharges begin) changed from \$1.25/gal. to \$2.50/gal starting March 1, 2011. As a result, the weighted average fuel surcharge for March 2011 was \$0.227/mile instead of \$0.331/mile.

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

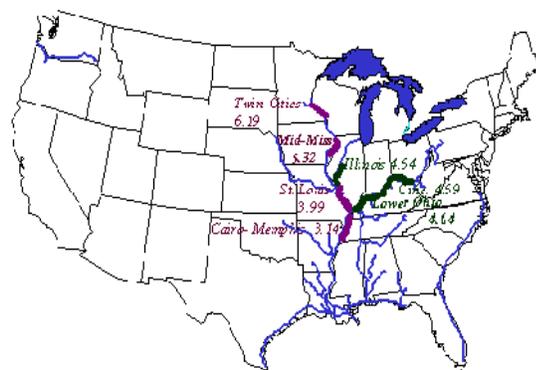
Weekly Barge Freight Rates: Southbound Only

		Twin Cities	Mid-Mississippi	Lower Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo-Memphis
Rate¹	7/22/2014	595	538	547	395	447	447	323
	7/15/2014	508	402	405	245	243	243	208
\$/ton	7/22/2014	36.83	28.62	25.38	15.76	20.96	18.06	10.14
	7/15/2014	31.45	21.39	18.79	9.78	11.40	9.82	6.53
Current week % change from the same week:								
	Last year	75	84	106	80	123	123	74
	3-year avg. ²	37	51	52	35	48	48	28
Rate¹	August	563	550	568	455	500	500	438
	October	758	747	747	648	763	763	625

¹Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); ²4-week moving average; ton = 2,000 pounds;

Source: Transportation & Marketing Programs/AMS/USDA

Figure 9
Benchmark tariff rates



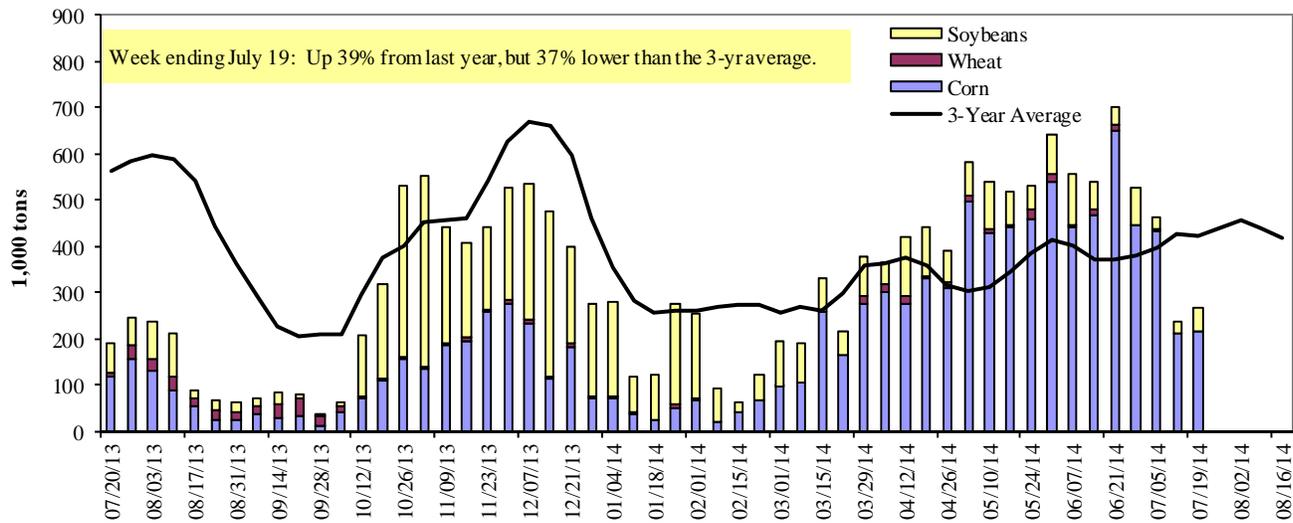
Calculating barge rate per ton:

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

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 7/19/2014	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	90	0	12	0	103
Winfield, MO (L25)	104	0	13	0	117
Alton, IL (L26)	209	0	68	0	277
Granite City, IL (L27)	216	0	51	0	267
Illinois River (L8)	183	0	38	0	221
Ohio River (L52)	70	42	10	0	121
Arkansas River (L1)	0	35	0	0	35
Weekly total - 2014	285	77	61	0	423
Weekly total - 2013	147	118	80	0	345
2014 YTD ¹	12,707	1,295	4,807	122	18,931
2013 YTD	4,691	2,354	4,174	118	11,337
2014 as % of 2013 YTD	271	55	115	103	167
Last 4 weeks as % of 2013 ²	205	69	65	688	135
Total 2013	9,504	4,111	10,065	255	23,935

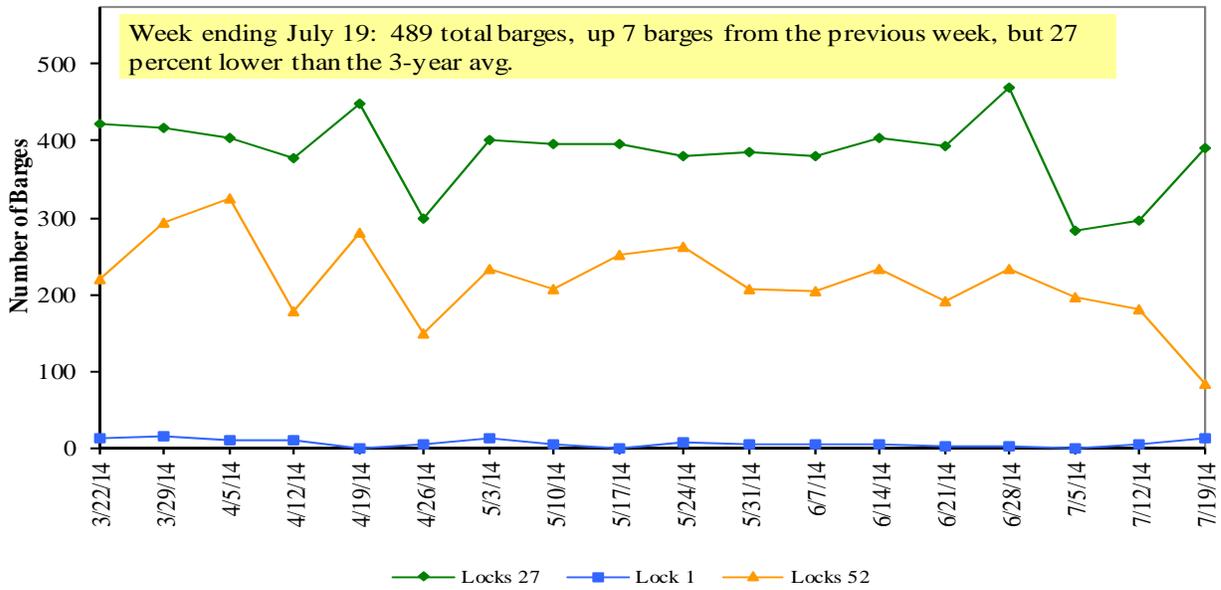
¹ Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

² As a percent of same period in 2013.

Note: Total may not add exactly, due to rounding

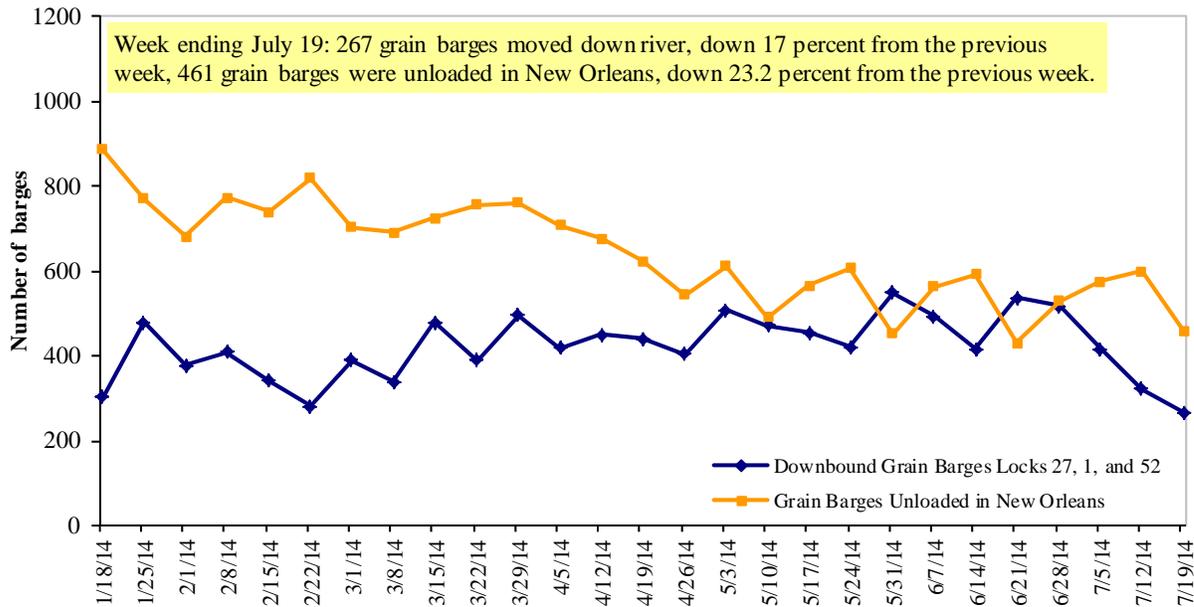
Source: U.S. Army Corps of Engineers

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 7/21/2013 (US \$/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	3.928	-0.033	0.009
	New England	4.052	-0.026	0.005
	Central Atlantic	4.014	-0.037	0.043
	Lower Atlantic	3.836	-0.030	-0.021
II	Midwest ²	3.810	-0.027	-0.065
III	Gulf Coast ³	3.773	-0.014	-0.068
IV	Rocky Mountain	3.889	-0.007	0.023
V	West Coast	4.026	-0.026	-0.015
	West Coast less California	3.942	-0.029	-0.014
	California	4.096	-0.023	-0.017
Total	U.S.	3.869	-0.025	-0.034

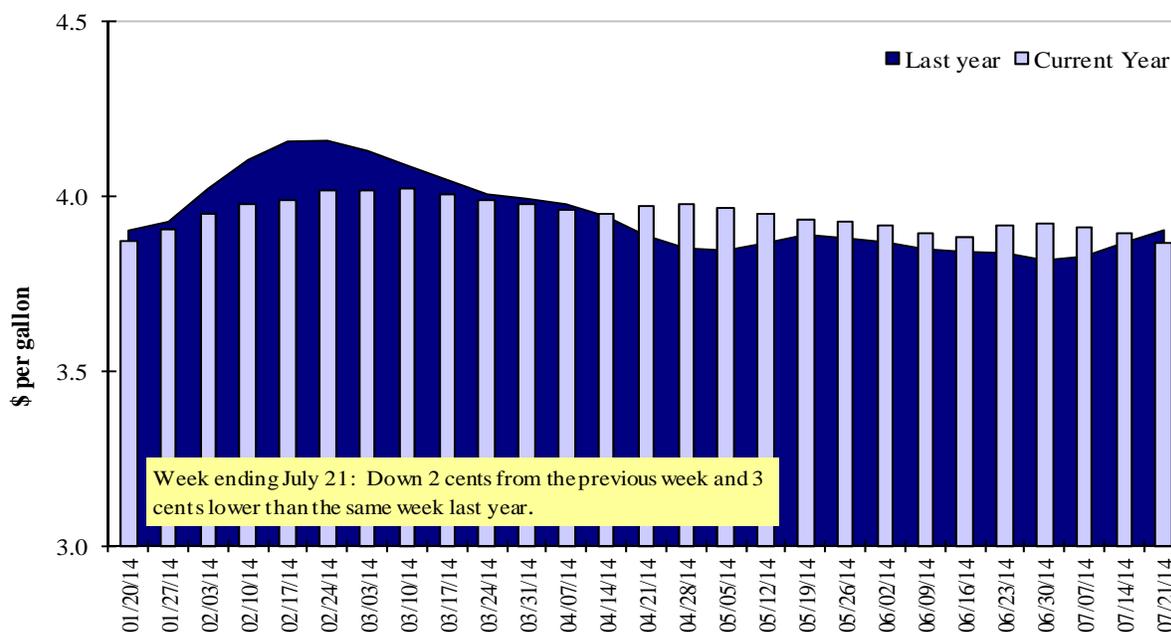
¹Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

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					All wheat	Corn	Soybeans	Total
	HRW	SRW	HRS	SWW	DUR				
Export Balances¹									
7/10/2014	1,688	937	2,142	1,013	120	5,901	8,073	1,933	15,907
This week year ago	1,808	3,715	1,300	1,125	84	8,031	2,983	1,249	12,263
Cumulative exports-marketing year²									
2013/14 YTD	832	451	840	418	46	2,587	40,076	43,677	86,340
2012/13 YTD	1,647	1,157	539	238	22	3,603	15,730	35,634	54,967
YTD 2013/14 as % of 2012/13	51	39	156	176	209	72	255	123	157
Last 4 wks as % of same period 2012/13	93	28	162	86	154	74	298	161	137
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 07/10/2014	Total Commitments ²			% change current MY from last MY	Exports ³ 2012/13
	2014/15	2013/14	2012/13		
	Next MY	Current MY	Last MY		
		- 1,000 mt -			- 1,000 mt -
Japan	1,417	11,238	7,059	59	7,000
Mexico	1,694	10,453	4,398	138	4,370
China	5	2,933	2,480	18	2,450
Korea	2	4,359	418	942	416
Taiwan	9	1,990	508	292	512
Top 5 Importers	3,126	30,973	14,863	108	14,748
Total US corn export sales	4,751	48,150	18,713	157	18,690
% of Projected	11%	100%	100%		
Change from prior week	495	574	153		
Top 5 importers' share of U.S. corn export sales	66%	64%	79%		79%
USDA forecast, July 2014	43,180	48,260	18,690	158	
Corn Use for Ethanol USDA forecast, July 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 07/10/2014	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	7,040	27,665	21,599	28	21,522
Mexico	333	3,273	2,587	27	2,565
Japan	218	1,893	1,777	7	1,751
Indonesia	225	2,287	1,583	45	1,682
Taiwan	57	1,271	1,126	13	1,120
Top 5 importers	7,873	36,389	28,672	27	28,641
Total US soybean export sales	12,284	45,610	36,883	24	35,910
% of Projected	27%	103%	103%		
Change from prior week	561	38	111		
Top 5 importers' share of U.S. soybean export sales	64%	80%	78%		
USDA forecast, July 2014	45,590	44,090	35,910	23	

(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 07/10/2014	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	182	3,272	(94)	4,213
Brazil	956	1,170	(18)	4,211
Mexico	1,046	1,090	(4)	2,940
Japan	900	730	23	2,674
Nigeria	533	651	(18)	2,629
Philippines	709	474	50	2,013
Korea	541	302	79	1,287
Indonesia	251	166	51	1,076
Taiwan	301	186	62	980
Colombia	157	240	(35)	783
Top 10 importers	5,576	8,282	(33)	22,808
Total US wheat export sales	8,488	11,634	(27)	32,160
% of Projected	35%	36%		
Change from prior week	321	997		
Top 10 importers' share of U.S. wheat export sales	66%	71%		71%
USDA forecast, July 2014	24,490	32,160	(24)	

(n) indicates negative number.

¹ Based 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/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 07/17/14	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	189	89	211	7,222	5,996	120	110	85	11,585
Corn	252	166	151	5,219	1,311	398	1,510	150	2,973
Soybeans	0	0	n/a	4,492	3,762	119	0	0	9,090
Total	441	256	172	16,933	11,069	153	223	102	23,647
Mississippi Gulf									
Wheat	168	137	122	2,708	4,859	56	54	85	9,711
Corn	522	647	81	18,960	5,990	317	287	177	14,828
Soybeans	74	84	88	10,332	7,366	140	54	39	21,462
Total	764	868	88	32,000	18,215	176	147	127	46,002
Texas Gulf									
Wheat	120	125	96	3,893	4,688	83	49	55	9,039
Corn	0	25	0	371	126	294	114	93	255
Soybeans	0	0	n/a	258	122	211	n/a	0	908
Total	120	150	80	4,522	4,936	92	50	57	10,203
Interior									
Wheat	23	13	179	676	532	127	678	79	1,244
Corn	92	76	121	3,066	1,412	217	70	103	3,943
Soybeans	24	37	67	2,143	1,707	126	341	79	3,212
Total	140	126	111	5,886	3,651	161	71	92	8,399
Great Lakes									
Wheat	0	0	n/a	237	434	55	109	38	884
Corn	20	0	n/a	91	0	n/a	n/a	480	0
Soybeans	0	0	n/a	51	22	229	n/a	0	699
Total	20	0	n/a	379	456	83	332	85	1,583
Atlantic									
Wheat	41	39	104	243	410	59	430	471	645
Corn	11	5	243	447	2	n/a	n/a	762	242
Soybeans	0	2	21	994	693	143	154	18	1,652
Total	52	46	114	1,684	1,105	152	678	270	2,540
U.S. total from ports²									
Wheat	541	405	134	14,981	16,918	89	70	77	33,108
Corn	897	919	98	28,153	8,842	318	341	162	22,241
Soybeans	99	123	81	18,269	13,673	134	77	41	37,024
Total	1,537	1,446	106	61,403	39,433	156	144	107	92,373

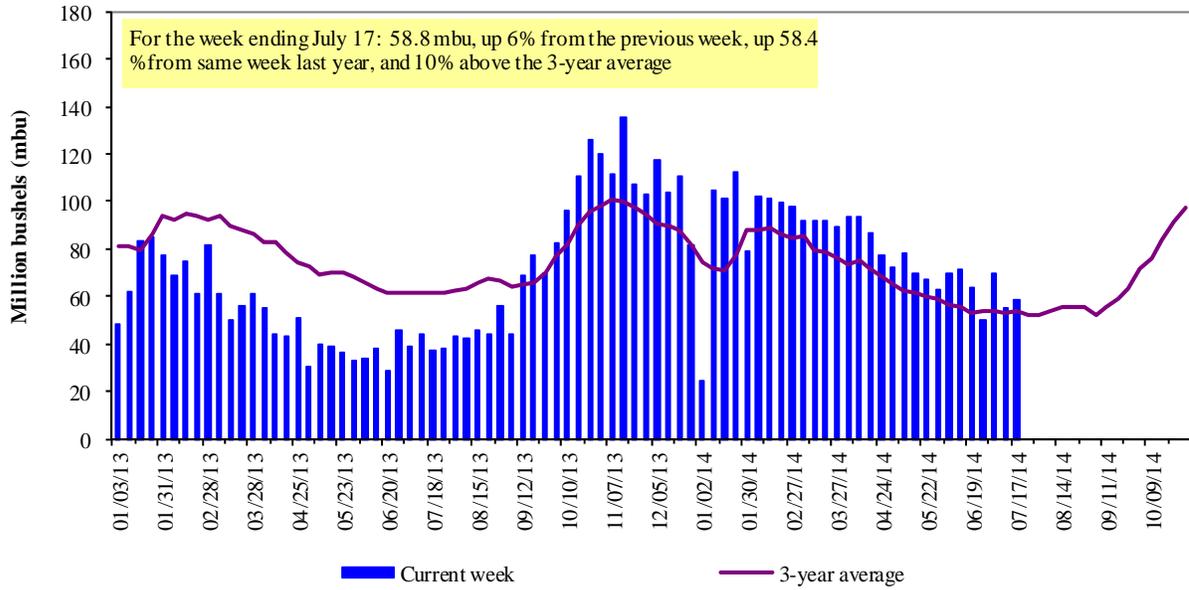
¹ Data includes revisions from prior weeks; some regional totals may not add exactly due to rounding.

Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov); YTD= year-to-date; n/a = not applicable

The United States exports approximately one-quarter of the grain it produces. On average, this includes nearly 45 percent of U.S.-grown wheat, 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)

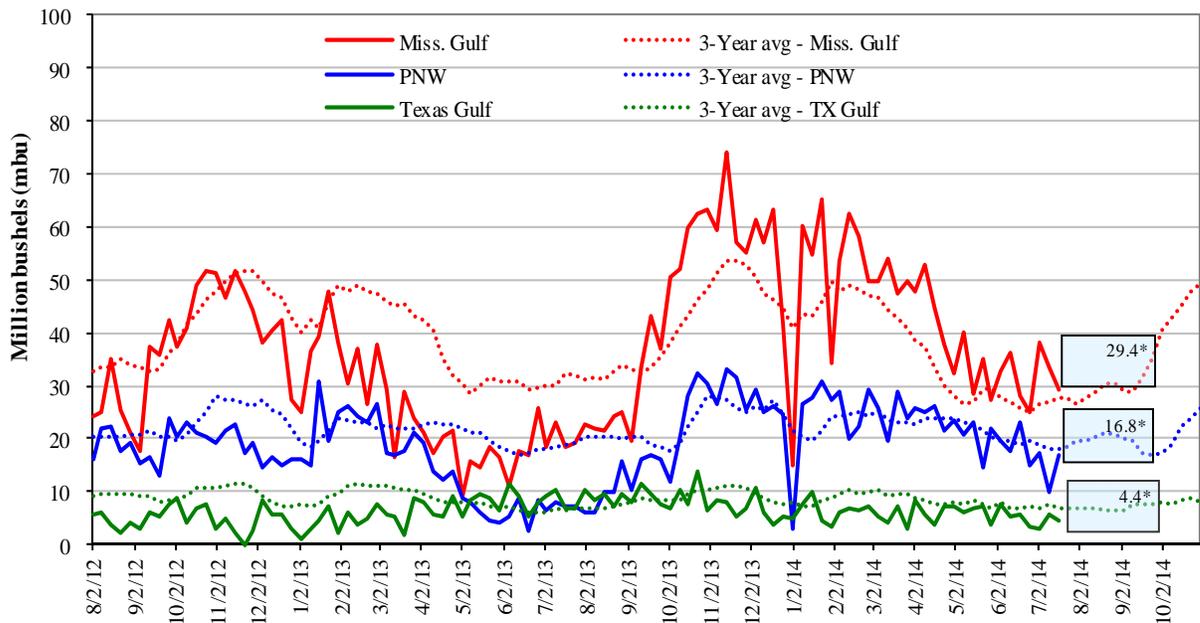


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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.

<u>July 17 : % change from</u>	<u>MS Gulf</u>	<u>TX Gulf</u>	<u>U.S. Gulf</u>	<u>PNW</u>
Last week	down 12	down 21	down 13	up 71
Last year (same week)	up 60	down 35	up 35	up 131
3-yr avg. (4-wk mov. avg.)	up 23	down 39	up 7	up 29

Ocean Transportation

Table 17

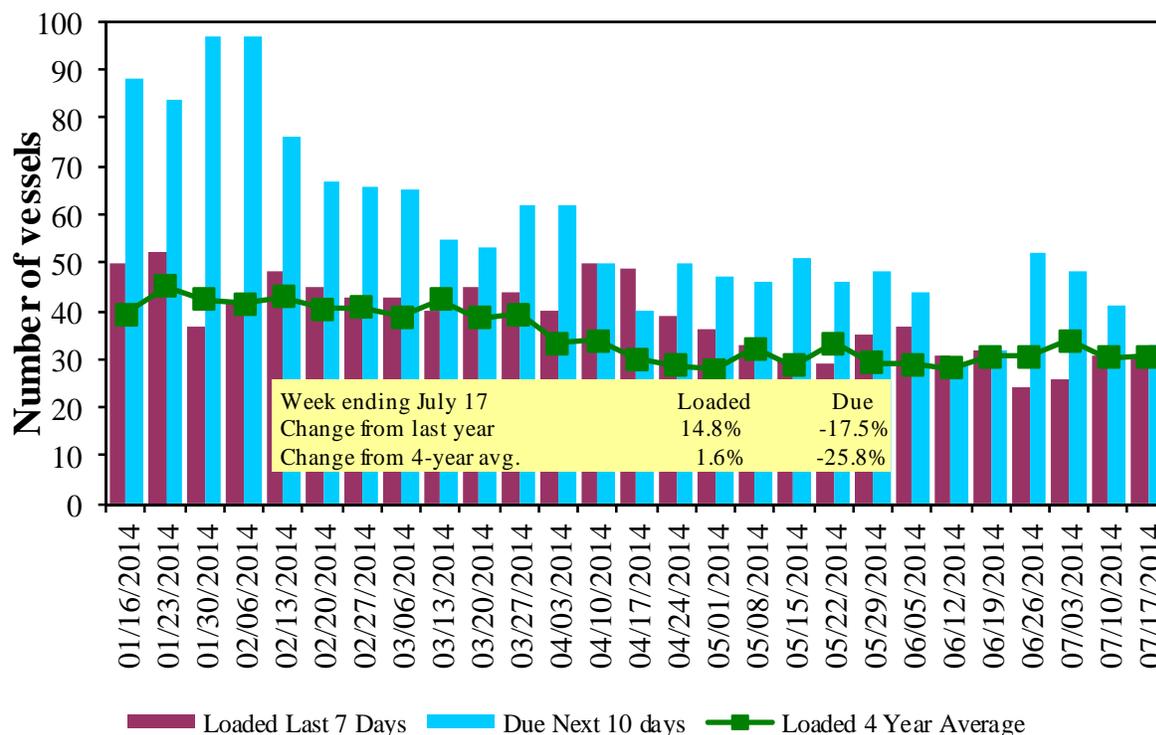
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In port	Loaded 7-days	Due next 10-days	In port	In port
7/17/2014	29	31	33	12	n/a
7/10/2014	29	31	41	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

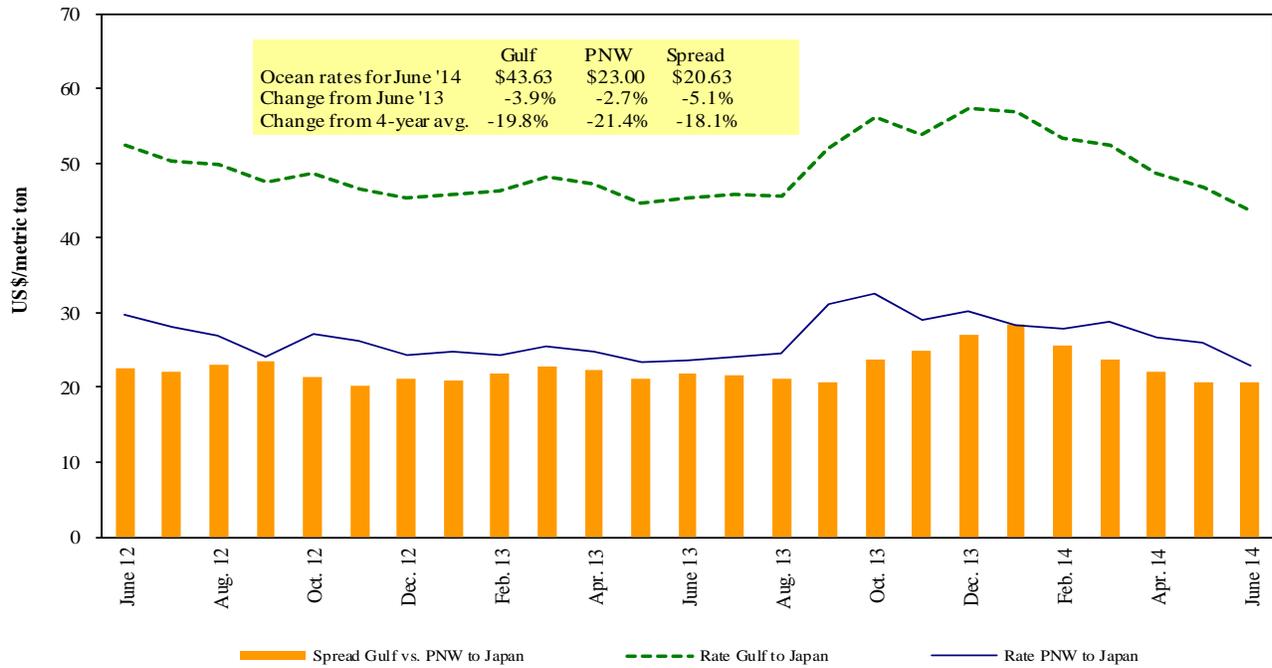


Source: Transportation & Marketing Programs/AMS/USDA

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 07/19/2014

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	Abidjan ¹	Wheat	Jul 10/20	6,800	135.65
PNW	Philippines	Grain	Aug 1/15	65,000	22.50
Brazil	China	Grain	Aug 10/31	60,000	33.25
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	Grain	Jul 22/31	60,000	32.00
Brazil	China	Heavy Grain	Jul 15/Aug 15	60,000	40.00
Brazil	China	Heavy Grain	Jul 10/20	60,000	33.75
River Plate	China	Heavy Grain	Aug 1/31	60,000	44.50
River Plate	China	Grain	Jul 20/30	60,000	37.00
Uruguay	Egypt Med	Soybeans	Jul 18/22	25,000	35.00

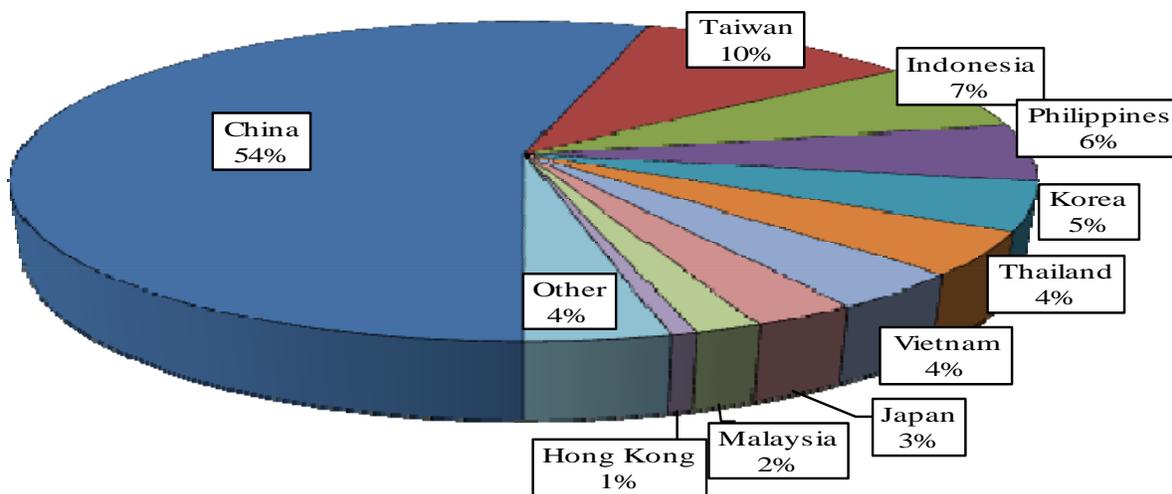
Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option

¹50 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.

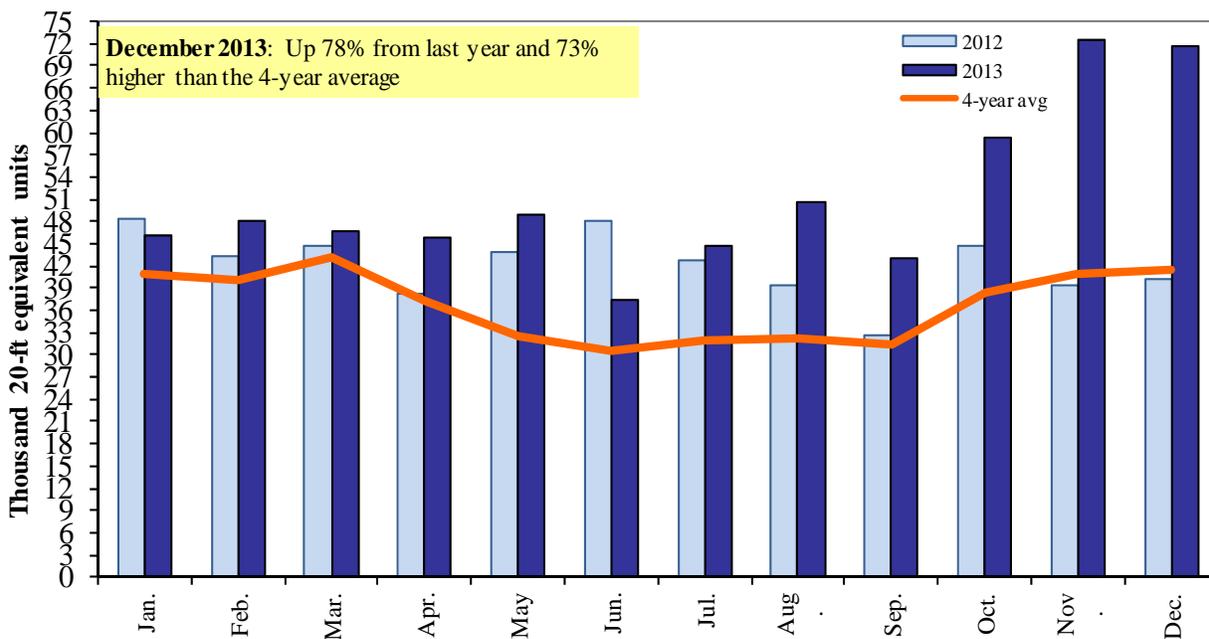
Figure 18
Top 10 Destination Markets for U.S. Containerized Grain Exports, December 2013



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, 100300, 100400, 100590, 100700, 110100, 230310, 110220, 110290, 120100, 230210, 230990, 230330, and

Figure 19
Monthly Shipments of Containerized Grain to Asia



(PIERS) data

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

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