



Grain Transportation Report

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

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October 30, 2014

WEEKLY HIGHLIGHTS

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Industry Requests That Fertilizer be Included on New Weekly Rail Service Metrics

On October 22, railroads submitted the first of the new weekly public reports in response to an October 8 order from the Surface Transportation Board (STB) aimed at improving industry-wide transparency, accountability, and improvements in rail service. In addition to metrics on dwell time and cars on line, the new reports include information by specific commodity group on average train speed, number of trains held short of destination or interchange for more than 6 hours, and number of loaded and empty cars in service that have not moved in more than 120 hours. The reports currently include intermodal, grain, coal, automotive, crude oil, and ethanol. On October 23, the Fertilizer Institute (TFI) sent a letter to STB requesting that fertilizer be added to this list, believing separate reporting for fertilizer shipments is critical to fertilizer placement in time for Spring planting. TFI also believes STB's emphasis on reporting grain car loadings may prioritize grain shipments over fertilizer shipments. TFI has requested the new reports include information on cars loaded and billed for both grain and fertilizer.

Strong Soybean Gulf Basis May Explain Soybean Inspections and Grain Barge Movements

During the week ending October 16, USDA reported another strong export sales week for **soybeans** (2.17 mmt) and corn (1.0 mmt). During the past 2 weeks, corn basis at the Gulf have averaged 61 cents per bushel above the December futures contract, 11 cents lower than at the same time last year. Soybean basis, however, have averaged at \$1.19 per bushel above the November futures, 19 cents higher than during the same period last year. The increasing export sales and the relatively stronger soybean basis at the Gulf could explain higher soybean barge movements.

Strong First Half of 2014 for Containerized Grain Exports

Containerized grain exports between January and June reached a new record at more than 299,000 twenty-foot equivalent units, 5 percent higher than the previous year and 29 percent higher than the 5-year average. Despite the disruption to imports of some U.S. dried distillers grains (DDGS) into China, they remain the top containerized grain export, representing 58 percent of containerized exports for the first half of the year. China remains the top destination market, representing 70 percent of containerized DDGS exports for the first half of the year.

Despite Some Decreases, Grain Barge Rates Remain Significantly Above Average

Barge rates for export grain at principal inland origins averaged 33 to 60 percent higher than the 5-year average during October. In anticipation of a record corn and soybean harvest, barge rates began to increase in late August and reached an annual high in late September when barge rates increased from 76 to 123 percent of average. However, rains slowed the harvest progress during much of October and resulted in some decreases for barge services. The lower Illinois River barge rate on October 28 was 873 percent of tariff (\$40.60 per ton), nearly \$9 less per ton than the September 30 rate of 1,067 percent of tariff (\$49.51 per ton). Barge rates for November delivery are averaging 35 to 52 percent above average.

Snapshots by Sector

Rail

U.S. railroads originated 21,838 **carloads of grain** during the week ending October 18, up 7 percent from last week, down 2 percent from last year, and 4 percent below the 3-year average.

During the week ending October 23, average November non-shuttle **secondary railcar bids/offers per car** were \$800 above tariff, down \$1,350 from last week and \$384 higher than last year. Average shuttle bids/offers per car were \$1,892 above tariff, down \$282 from last week and \$792 higher than last year.

Barge

During the week ending October 25 **barge grain movements** totaled 737,098 tons—21 percent higher than the previous week but 12.7 percent lower than the same period last year.

During the week ending October 25, 472 grain barges **moved down river**, up 24 percent from last week; 858 grain barges were **unloaded in New Orleans**, down 5.6 percent from the previous week.

Ocean

During the week ending October 23, 41 **ocean-going grain vessels** were loaded in the Gulf, 7 percent less than the same period last year. Sixty vessels are expected to be loaded within the next 10 days, 5 percent less than the same period last year.

During the week ending October 24, the ocean freight rate for shipping bulk grain from the Gulf to Japan was \$46 per mt, up 1 percent from the previous week. The cost of shipping from the PNW to Japan was \$24.50 per mt, unchanged from the previous week.

Fuel

During the week ending October 27, U.S. average **diesel fuel prices** decreased 2 cents from the previous week to \$3.64 per gallon—down 24 cents from the same week last year.

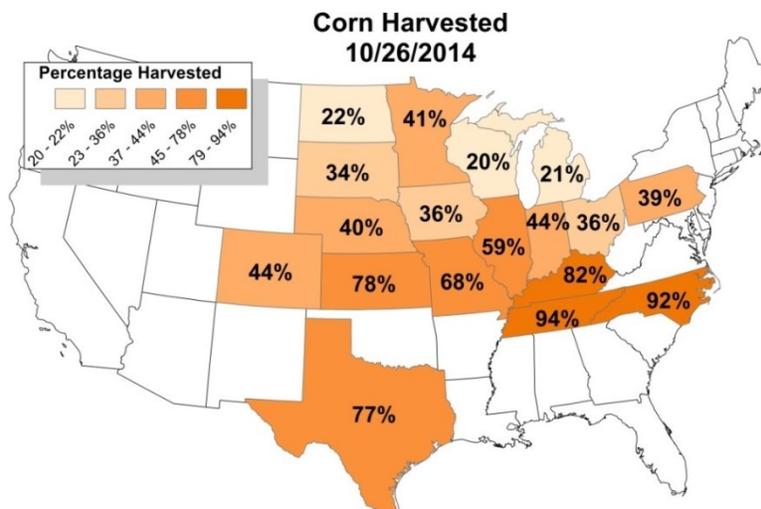
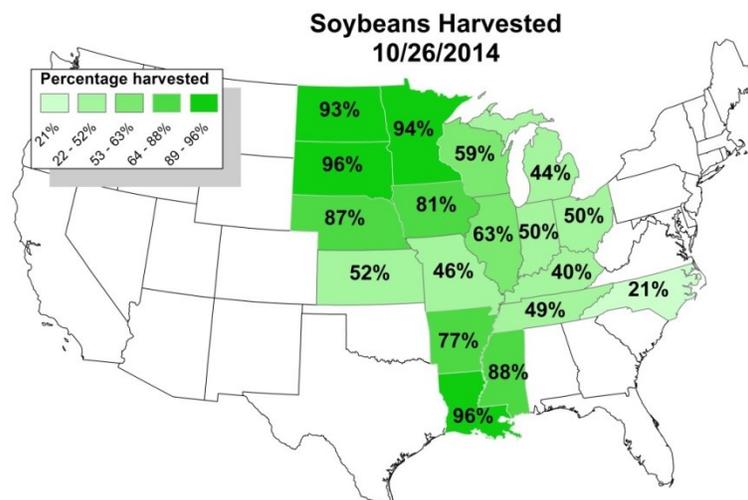
HARVEST PROGRESS AND FALL RIVER TRANSPORTATION OUTLOOK

Soybeans Dominate Fall Barge Traffic; Corn Expected to Follow

As of October 26, the U.S. corn harvest is 46 percent complete, 19 percentage points behind the 5-year average. Soybean production is faring better, with 70 percent of this year's crop harvested, 6 points behind the 5-year average. The soybean harvest is providing much of the cargo for downbound barges on the Mississippi, Ohio, and Arkansas Rivers. Data provided by the U.S. Army Corps of Engineers show that for the week ending October 25, soybeans represented about 73 percent of downbound grain tonnages, while corn was 26 percent of the grain tonnages. Based on the 5-year average, soybeans are 50 percent and corn is 47 percent of the total downbound tonnages during the fourth quarter. Typically, corn shipments are greater than soybean shipments during first, second, and third quarters. Barge operators have indicated that corn shipments are expected to pick up in late December and early next year.

Soybean Harvest Progress in Key States Mixed

Of the top three soybean producing States, growers in Illinois have harvested 63 percent of the soybean crop, 14 points behind the average. Iowa growers have harvested 81 percent of the crop, slightly down from the average of 85 percent. In Minnesota, 94 percent of the soybeans have been harvested, 7 points ahead of the average pace. These three States produce 35 percent of the nation's soybeans and portions of each State have access to river transportation.



Feature Article/Calendar

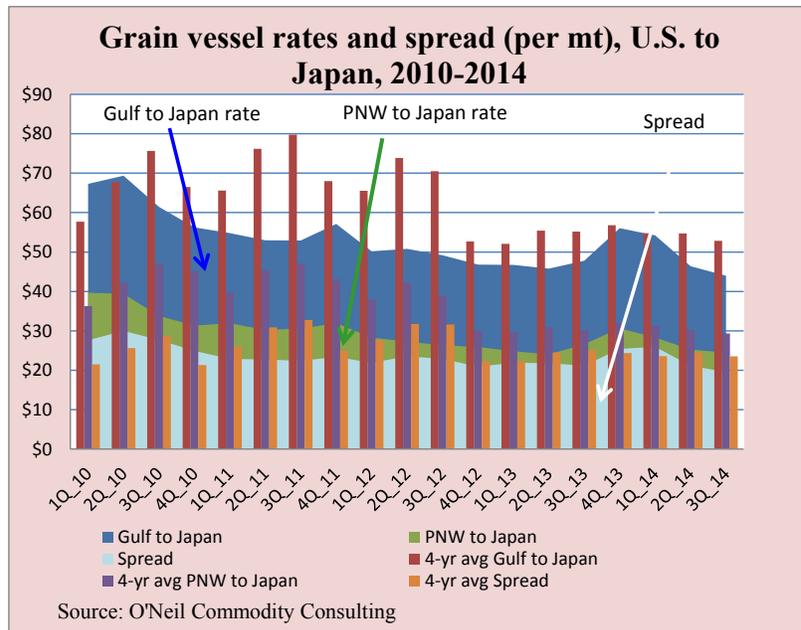
Third Quarter Bulk Ocean Freight Rates Decline Amid Flurry of Grain Trade Activity

Despite increased movements of grain and other bulk commodities during the third quarter, ocean freight rates for shipping bulk grain decreased from the previous quarter and from a year earlier. The low rate largely stems from a continued oversupply of vessel capacity. The ocean freight rate for shipping a metric ton (mt) of grain from the U.S. Gulf to Japan averaged \$43.99 during the quarter, 5 and 8 percent less than the previous quarter and a year earlier (see table). The cost of shipping from the Pacific Northwest (PNW) was \$24.45, 3 and 8 percent less than the previous quarter and a year ago, respectively. The cost of shipping from the U.S. Gulf to Europe, at \$19.32 per mt, was unchanged from the previous quarter but 22 percent less than a year ago. The rates were also below their 4-year averages for the third quarter. The spread between the U.S. Gulf-to-Japan and PNW-to-Japan rates fell below the previous quarter, last year, and the 4-year average.

Ocean freight rates for grain routes during third quarter 2014							
Route	July	Aug.	Sept.	3 rd quarter 2014	Change from		
					2 nd qtr '14	3 rd qtr '13	4-yr avg
--\$/mt--				--\$/mt--	Percent		
U.S. Gulf to Japan	42.63	43.20	46.13	43.99	-5.2	-8	-17
PNW to Japan	23.56	24.05	25.75	24.45	-3.2	-8	-17
Spread	19.07	19.15	20.38	19.53	-8	-8	-17
U.S. Gulf to Europe	18.75	18.95	20.25	19.32	0	-22	-22

Source: O'Neil Commodity Consulting

In a continuation of the downward slide in rates since the beginning of the year, ocean freight rates from the U.S. Gulf to Japan and Europe declined slightly in July. However, the rate from the PNW to Japan increased slightly. Nonetheless, the rates for all shipping routes were relatively low. Activity in the dry bulk market was mixed during July. A decline in coal demand from China and Europe weakened the market overall despite some support from increased trade in grain and iron ore globally and in coal shipments to India. China reduced its demand for coal because of record hydropower production during the period.



Activity in the dry bulk market revived during August with increased demand for iron ore and coal. Coal shipments improved in Atlantic and Pacific basins as

the demand for coal increased as Europe, China, and India replenished their diminishing stockpiles. Despite the ban on mineral exports, Indonesia's government allowed a few copper-concentrate-producing firms to export their minerals. In addition to a large influx of grain shipments from the Black Sea and Mediterranean into the global grain markets, grain loading activity in the U.S. Gulf started to increase. In addition, mineral shipments from the U.S. Gulf improved activity in the Atlantic basin through September. Trade between China and Western Australia improved in the middle of the month, but eventually weakened because of a decline in coal imports from China.

Market Outlook: Although improving activity in the bulk market caused month-to-month fluctuations in ocean freight rates during the third quarter, excess vessel supply was enough to absorb the increase in demand and cause an overall decline in quarter-to-quarter ocean freight rates (see **GTR, dated 10/9/14**). As of October 24, the ocean freight rate for shipping bulk grain from the Gulf to Japan was \$46 per mt. The cost of shipping from the PNW to Japan was \$24.50 per mt. These rates were far below what they were at the beginning of the year. It is likely that they will remain low for a while. Earlier in July, the International Grain Council increased the grain production outlook by 2 million tons because of weather conditions favorable for wheat and corn. However, more vessels are scheduled for delivery between now and 2017, with a larger proportion scheduled to be delivered in 2015 and 2016 (see **GTR, dated 10/9/14**).
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Grain Transportation Indicators

Table 1
Grain Transport Cost Indicators¹

Week ending	Truck		Rail		Barge	Ocean	
	Unit	Train	Shuttle		Gulf	Pacific	
10/29/14	244	290	296	486	206	174	
10/22/14	245	364	308	485	203	174	

¹Indicator: Base year 2000 = 100; Weekly updates include truck = diesel (\$/gallon); rail = near-month secondary rail market bid and monthly tariff rate with fuel surcharge (\$/car); barge = Illinois River barge rate (index = percent of tariff rate); and ocean = routes to Japan (\$/metric ton)

Source: Transportation & Marketing Programs/AMS/USDA

Table 2
Market Update: U.S. Origins to Export Position Price Spreads (\$/bushel)

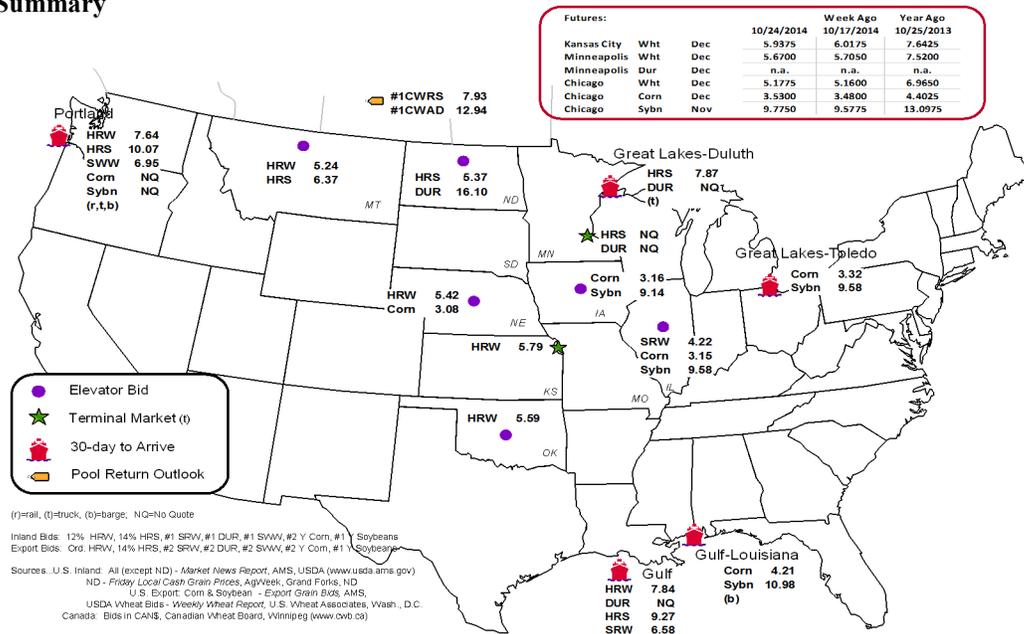
Commodity	Origin--Destination	10/24/2014	10/17/2014
Corn	IL--Gulf	-1.06	-0.96
Corn	NE--Gulf	-1.13	-0.98
Soybean	IA--Gulf	-1.84	-1.84
HRW	KS--Gulf	-2.05	-2.07
HRS	ND--Portland	-4.70	-4.71

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
	Gulf	Texas Gulf	Northwest	East Gulf			Mexico ³
10/22/2014 ^p	1,434	369	7,476	1,039	10,318	10/18/2014	1,658
10/15/2014 ^r	1,865	1,259	7,297	1,085	11,506	10/11/2014	1,879
2014 YTD ^r	27,329	67,290	190,744	21,680	307,043	2014 YTD	81,259
2013 YTD ^r	15,702	61,690	114,719	14,398	206,509	2013 YTD	54,074
2014 YTD as % of 2013 YTD	174	109	166	151	149	% change YTD	150
Last 4 weeks as % of 2013 ²	92	80	111	67	98	Last 4wks % 2013	102
Last 4 weeks as % of 4-year avg. ²	107	90	135	87	118	Last 4wks % 4 yr	108
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.

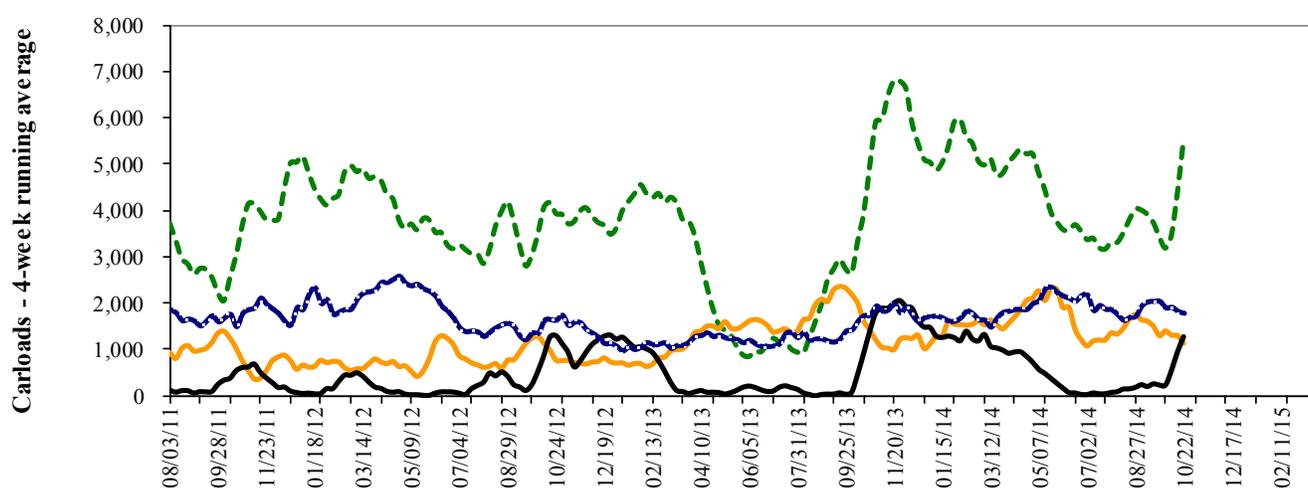
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

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 10/22--up 11% from same period last year; up 35% from 4-year average
--- Texas Gulf: 4 wks. ending 10/22--down 20% from same period last year; down 10% from 4-year average
--- Miss. River: 4 wks. ending 10/22--down 8% from same period last year; up 7% from 4-year average
--- Cross-border: 4 wks. ending 10/18--up 2% from same period last year; up 8% from 4-year average

Source: Transportation & Marketing Programs/AMS/USDA

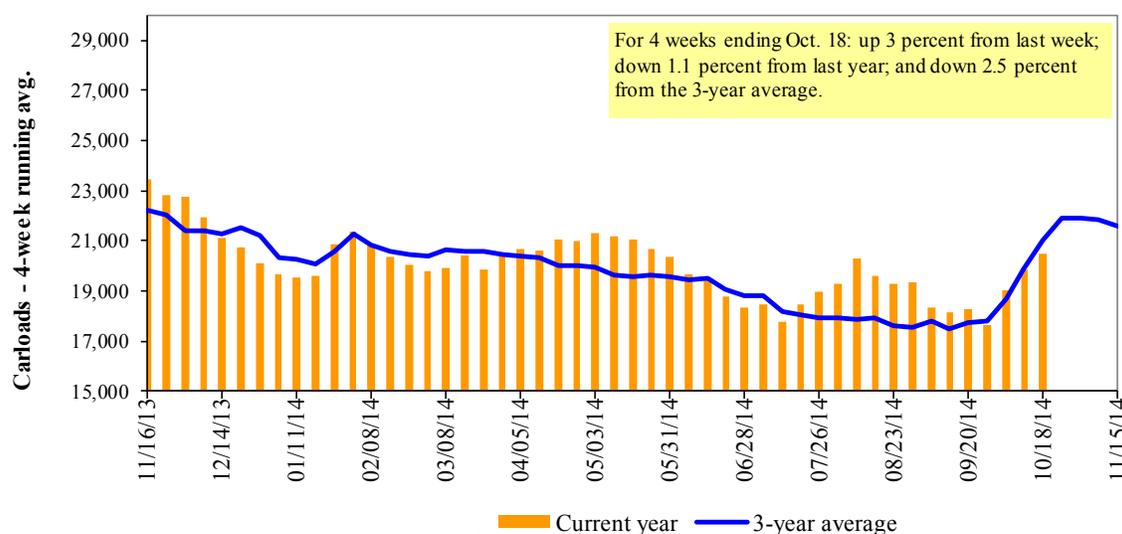
Table 4

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
10/18/14	2,232	3,235	9,793	1,135	5,443	21,838	5,458	5,273
This week last year	2,580	4,077	9,585	1,099	5,019	22,360	5,269	6,367
2014 YTD	76,485	117,691	367,581	36,775	234,085	832,617	186,115	220,419
2013 YTD	60,926	101,361	364,749	25,156	165,765	717,957	142,861	217,700
2014 YTD as % of 2013 YTD	126	116	101	146	141	116	130	101
Last 4 weeks as % of 2013	99	82	97	112	111	99	93	83
Last 4 weeks as % of 3-yr avg. ¹	113	87	89	146	105	96	107	91
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							
	Nov-14	Nov-13	Dec-14	Dec-13	Jan-15	Jan-14	Feb-15	Feb-14
BNSF ³								
COT grain units	no offer	no offer	no offer	no offer	no offer	151	no offer	108
COT grain single-car ⁵	no offer	no offer	no offer	no offer	no offer	10 . . 52	no offer	2 . . 17
UP ⁴								
GCAS/Region 1	no offer	52	no offer	no bids	no offer	no bids	n/a	n/a
GCAS/Region 2	no offer	152	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.

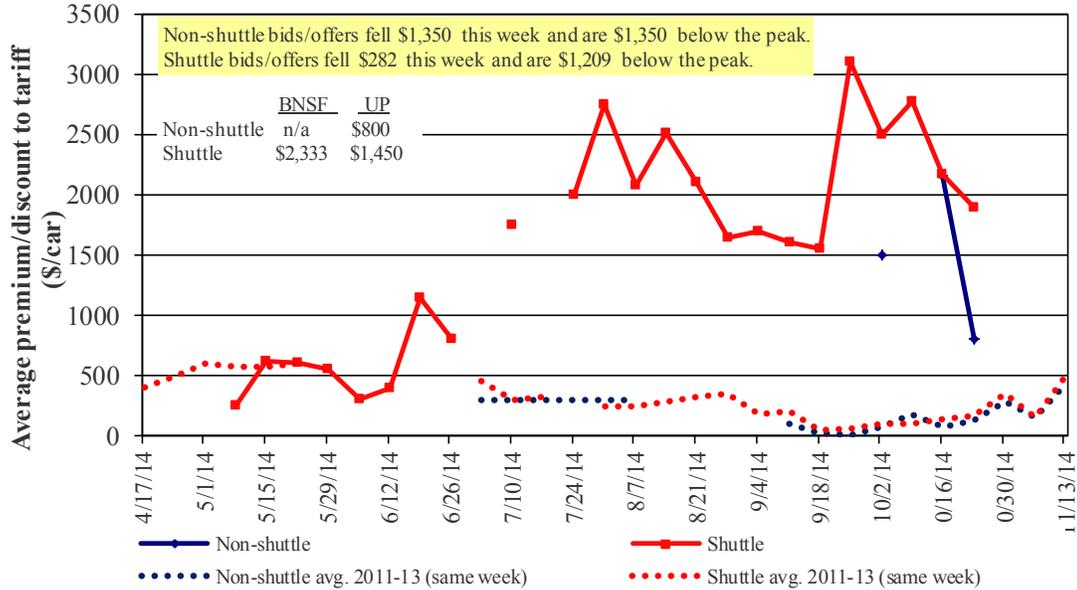
⁵Range is shown because average is not available. Not available = n/a.

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 November 2014, Secondary Market

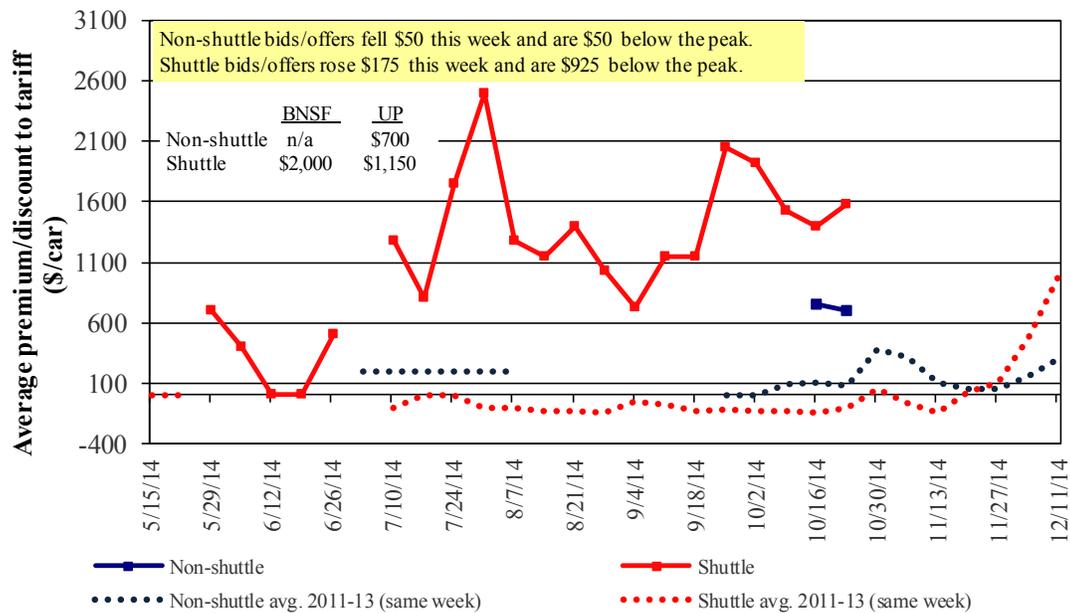


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

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

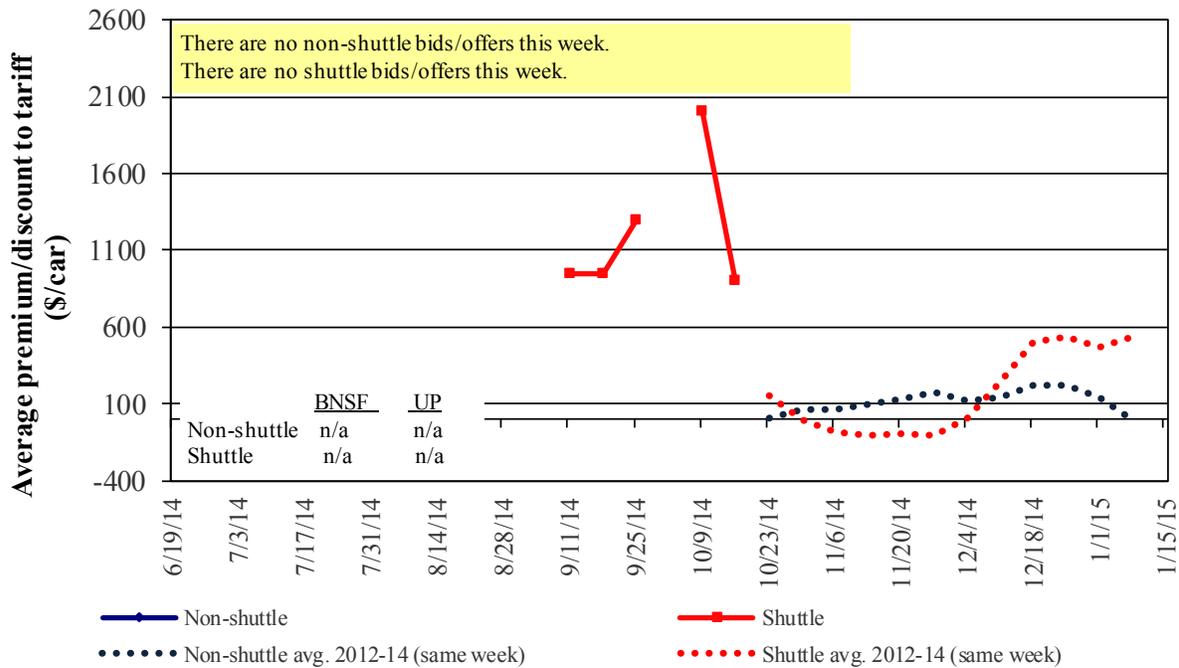


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in January 2015, 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					
	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-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	800	700	n/a	n/a	n/a	n/a
Change from last week	(500)	(50)	n/a	n/a	n/a	n/a
Change from same week 2013	700	n/a	n/a	n/a	n/a	n/a
Shuttle²						
BNSF-GF	2,333	2,000	n/a	n/a	n/a	n/a
Change from last week	(105)	n/a	n/a	n/a	n/a	n/a
Change from same week 2013	658	1,625	n/a	n/a	n/a	n/a
UP-Pool	1,450	1,150	n/a	n/a	n/a	n/a
Change from last week	(458)	(250)	n/a	n/a	n/a	n/a
Change from same week 2013	925	950	n/a	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:			Tariff	Fuel	Tariff plus surcharge per:		Percent
10/1/2014	Origin region*	Destination region*	rate/car	surcharge per car	metric ton	bushe ^l ²	change Y/Y ³
Unit train							
Wheat	Wichita, KS	St. Louis, MO	\$3,387	\$177	\$35.39	\$0.96	6
	Grand Forks, ND	Duluth-Superior, MN	\$3,596	\$101	\$36.72	\$1.00	0
	Wichita, KS	Los Angeles, CA	\$6,244	\$520	\$67.17	\$1.83	0
	Wichita, KS	New Orleans, LA	\$4,026	\$312	\$43.07	\$1.17	5
	Sioux Falls, SD	Galveston-Houston, TX	\$5,824	\$427	\$62.08	\$1.69	0
	Northwest KS	Galveston-Houston, TX	\$4,293	\$341	\$46.02	\$1.25	4
	Amarillo, TX	Los Angeles, CA	\$4,492	\$475	\$49.32	\$1.34	4
Corn	Champaign-Urbana, IL	New Orleans, LA	\$3,328	\$352	\$36.55	\$0.93	3
	Toledo, OH	Raleigh, NC	\$4,875	\$398	\$52.37	\$1.33	3
	Des Moines, IA	Davenport, IA	\$2,168	\$75	\$22.27	\$0.57	4
	Indianapolis, IN	Atlanta, GA	\$4,211	\$299	\$44.79	\$1.14	3
	Indianapolis, IN	Knoxville, TN	\$3,593	\$192	\$37.59	\$0.95	3
	Des Moines, IA	Little Rock, AR	\$3,308	\$219	\$35.03	\$0.89	2
	Des Moines, IA	Los Angeles, CA	\$5,365	\$638	\$59.61	\$1.51	2
Soybeans	Minneapolis, MN	New Orleans, LA	\$3,649	\$387	\$40.08	\$1.09	3
	Toledo, OH	Huntsville, AL	\$3,807	\$283	\$40.61	\$1.11	3
	Indianapolis, IN	Raleigh, NC	\$4,946	\$401	\$53.10	\$1.45	3
	Indianapolis, IN	Huntsville, AL	\$3,499	\$192	\$36.65	\$1.00	3
	Champaign-Urbana, IL	New Orleans, LA	\$3,974	\$352	\$42.96	\$1.17	5
Shuttle Train							
Wheat	Great Falls, MT	Portland, OR	\$3,678	\$299	\$39.50	\$1.07	0
	Wichita, KS	Galveston-Houston, TX	\$3,471	\$233	\$36.78	\$1.00	-8
	Chicago, IL	Albany, NY	\$4,140	\$374	\$44.82	\$1.22	4
	Grand Forks, ND	Portland, OR	\$5,159	\$517	\$56.36	\$1.53	-1
	Grand Forks, ND	Galveston-Houston, TX	\$6,084	\$538	\$65.76	\$1.79	0
	Northwest KS	Portland, OR	\$5,260	\$560	\$57.79	\$1.57	3
	Minneapolis, MN	Portland, OR	\$5,000	\$629	\$55.90	\$1.42	-1
Corn	Sioux Falls, SD	Tacoma, WA	\$4,960	\$576	\$54.98	\$1.40	-1
	Champaign-Urbana, IL	New Orleans, LA	\$3,147	\$352	\$34.75	\$0.88	3
	Lincoln, NE	Galveston-Houston, TX	\$3,510	\$336	\$38.19	\$0.97	-1
	Des Moines, IA	Amarillo, TX	\$3,690	\$275	\$39.38	\$1.00	2
	Minneapolis, MN	Tacoma, WA	\$5,000	\$624	\$55.85	\$1.42	-1
	Council Bluffs, IA	Stockton, CA	\$4,400	\$646	\$50.11	\$1.27	-1
	Sioux Falls, SD	Tacoma, WA	\$5,520	\$576	\$60.54	\$1.65	-1
Soybeans	Minneapolis, MN	Portland, OR	\$5,530	\$629	\$61.17	\$1.66	-1
	Fargo, ND	Tacoma, WA	\$5,430	\$512	\$59.01	\$1.61	-1
	Council Bluffs, IA	New Orleans, LA	\$4,425	\$406	\$47.97	\$1.31	5
	Toledo, OH	Huntsville, AL	\$2,982	\$283	\$32.42	\$0.88	3
	Grand Island, NE	Portland, OR	\$5,360	\$573	\$58.92	\$1.60	4

¹A unit train refers to shipments of at least 25 cars. Shuttle train rates are available for qualified shipments of 75-120 cars that meet railroad efficiency requirements.

²Approximate load per car = 111 short tons (100.7 metric tons): corn 56 lbs./bu., wheat & soybeans 60 lbs./bu.

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

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

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

Table 8

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

Commodity	Origin state	Destination region	Tariff rate/car ¹	Fuel		Percent change Y/Y ⁴	
				surcharge per car ²	Tariff plus surcharge per: metric ton ³ / bushel ³		
Wheat	MT	Chihuahua, CI	\$6,460	\$547	\$71.59	\$1.95	1
	OK	Cuautitlan, EM	\$6,565	\$664	\$73.86	\$2.01	2
	KS	Guadalajara, JA	\$7,149	\$642	\$79.60	\$2.16	-13
	TX	Salinas Victoria, NL	\$3,852	\$250	\$41.92	\$1.14	30
Corn	IA	Guadalajara, JA	\$8,049	\$754	\$89.95	\$2.28	0
	SD	Celaya, GJ	\$7,656	\$715	\$85.54	\$2.17	-1
	NE	Queretaro, QA	\$7,535	\$670	\$83.84	\$2.13	2
	SD	Salinas Victoria, NL	\$5,880	\$544	\$65.63	\$1.67	0
	MO	Tlalnepantla, EM	\$6,887	\$651	\$77.02	\$1.95	1
	SD	Torreon, CU	\$6,722	\$599	\$74.80	\$1.90	0
Soybeans	MO	Bojay (Tula), HG	\$8,111	\$636	\$89.38	\$2.43	2
	NE	Guadalajara, JA	\$8,572	\$728	\$95.02	\$2.58	1
	IA	El Castillo, JA	\$8,855	\$711	\$97.74	\$2.66	0
	KS	Torreon, CU	\$6,989	\$452	\$76.02	\$2.07	1
Sorghum	TX	Guadalajara, JA	\$6,953	\$465	\$75.80	\$1.92	2
	NE	Celaya, GJ	\$7,287	\$649	\$81.09	\$2.06	0
	KS	Queretaro, QA	\$6,795	\$408	\$73.59	\$1.87	-3
	NE	Salinas Victoria, NL	\$5,500	\$478	\$61.08	\$1.55	-3
	NE	Torreon, CU	\$6,318	\$533	\$70.00	\$1.78	-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.

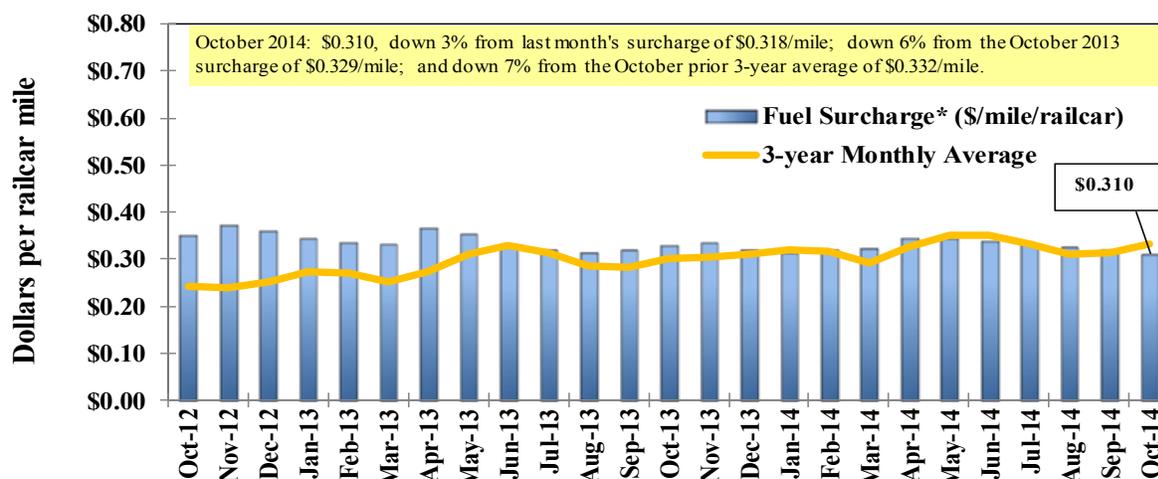
²Fuel surcharge adjusted to reflect the change in Ferrocarril Mexicano, S.A. de C.V railroad fuel surcharge policy as of 10/01/2009

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	10/28/2014	733	925	875	783	908	908	750
	10/21/2014	794	856	873	731	888	888	650
\$/ton	10/28/2014	45.37	49.21	40.60	31.24	42.59	36.68	23.55
	10/21/2014	49.15	45.54	40.51	29.17	41.65	35.88	20.41
Current week % change from the same week:								
	Last year	30	56	42	40	25	25	25
	3-year avg. ²	28	64	60	54	60	60	56
Rate¹	November	725	808	767	650	758	758	588
	January	-	-	617	480	567	567	433

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

Source: Transportation & Marketing Programs/AMS/USDA

Figure 9

Benchmark tariff rates

Calculating barge rate per ton:

(Rate * 1976 tariff benchmark rate per ton)/100

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

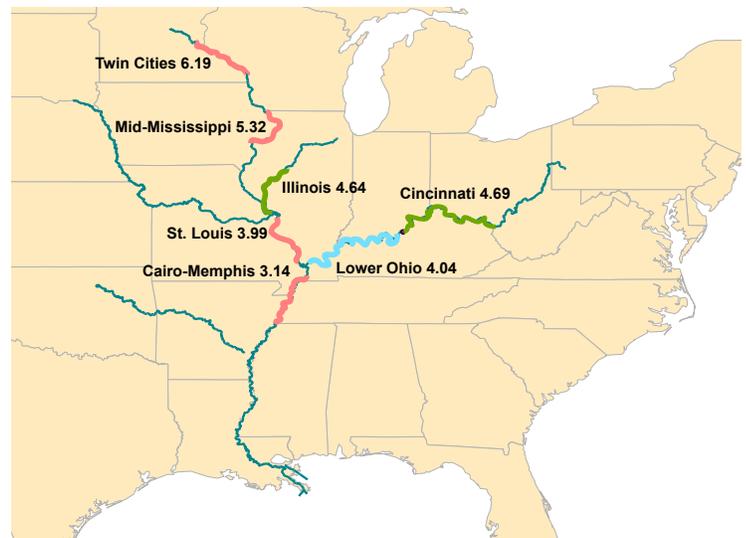
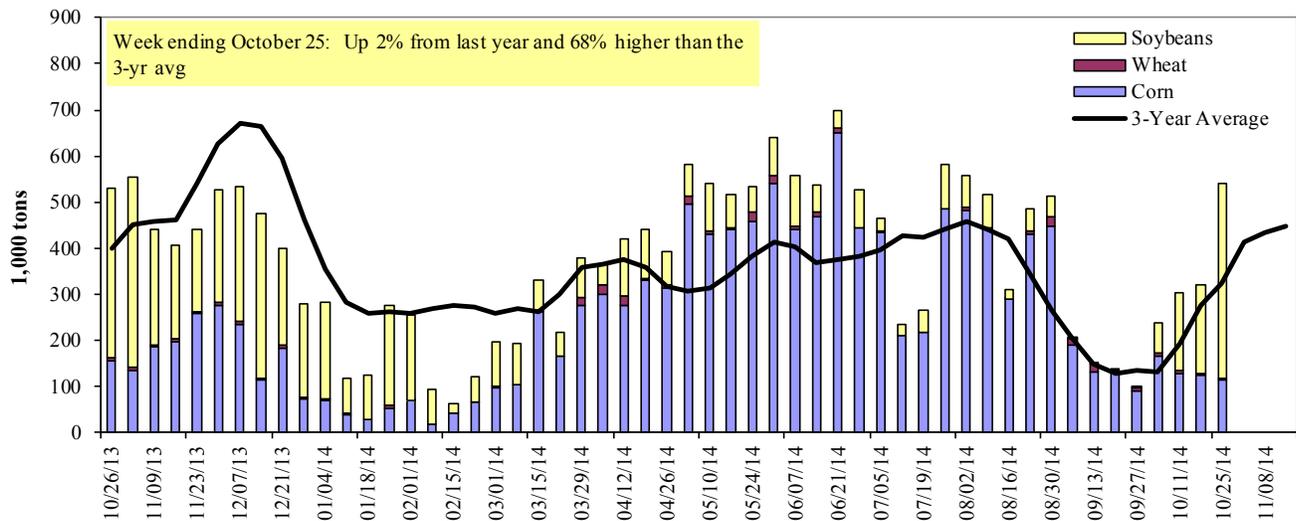


Figure 10

Barge Movements on the Mississippi River¹ (Locks 27 - Granite City, IL)



¹ The 3-year average is a 4-week moving average.

Source: U.S. Army Corps of Engineers

Table 10

Barge Grain Movements (1,000 tons)

Week ending 10/25/2014	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	21	0	154	0	176
Winfield, MO (L25)	67	2	329	2	399
Alton, IL (L26)	95	3	410	3	511
Granite City, IL (L27)	113	3	426	3	546
Illinois River (L8)	26	2	72	2	102
Ohio River (L52)	79	0	66	0	145
Arkansas River (L1)	0	3	44	0	47
Weekly total - 2014	192	6	536	3	737
Weekly total - 2013	249	15	575	6	844
2014 YTD ¹	17,892	2,092	6,696	198	26,878
2013 YTD	6,725	3,925	5,939	183	16,771
2014 as % of 2013 YTD	266	53	113	108	160
Last 4 weeks as % of 2013 ²	107	49	107	58	103
Total 2013	9,504	4,111	10,065	255	23,935

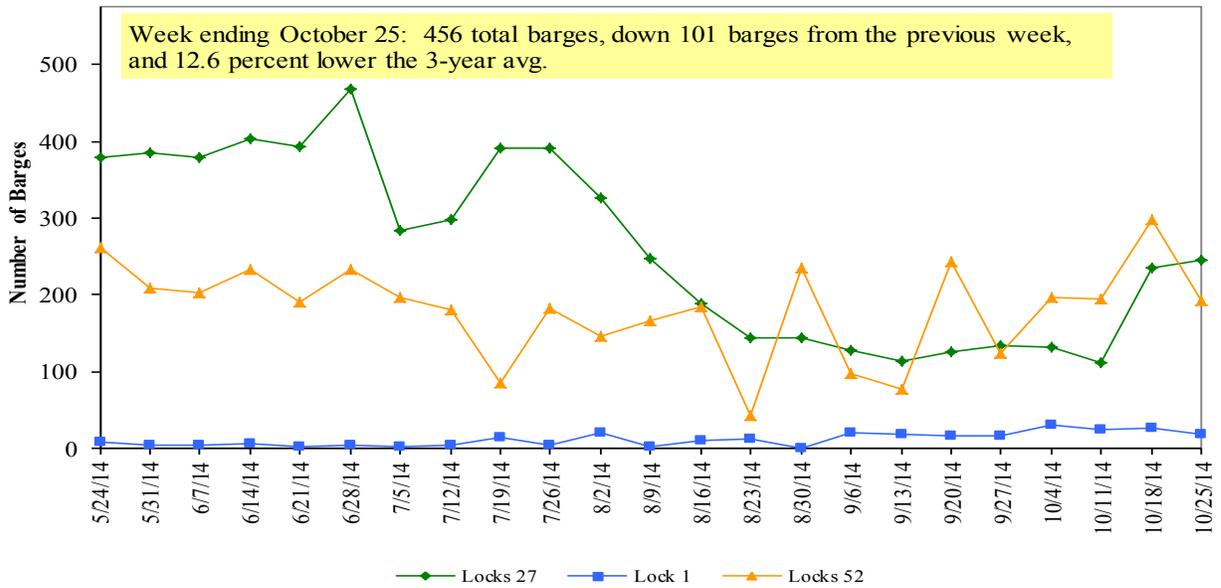
¹ Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

² As a percent of same period in 2013.

Note: Total may not add exactly, due to rounding

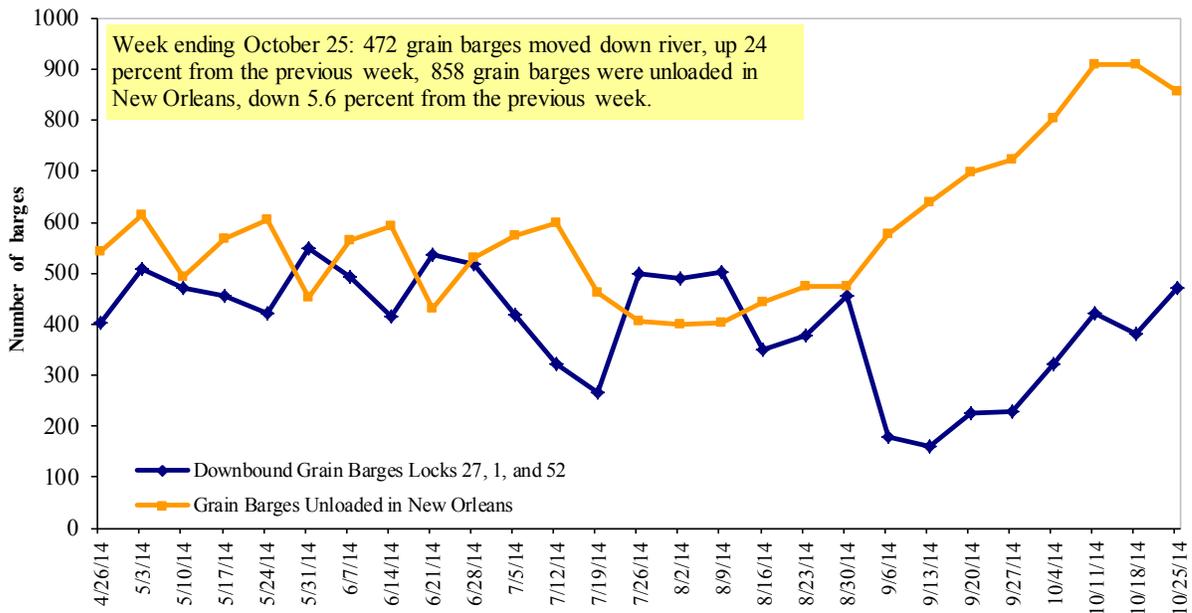
Source: U.S. Army Corps of Engineers

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 10/27/2013 (US \$/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	3.627	-0.038	-0.262
	New England	3.724	-0.027	-0.296
	Central Atlantic	3.693	-0.044	-0.258
	Lower Atlantic	3.555	-0.035	-0.263
II	Midwest ²	3.611	0.005	-0.226
III	Gulf Coast ³	3.563	-0.026	-0.220
IV	Rocky Mountain	3.714	-0.024	-0.151
V	West Coast	3.799	-0.036	-0.237
	West Coast less California	3.706	-0.036	-0.235
	California	3.876	-0.037	-0.241
Total	U.S.	3.635	-0.021	-0.235

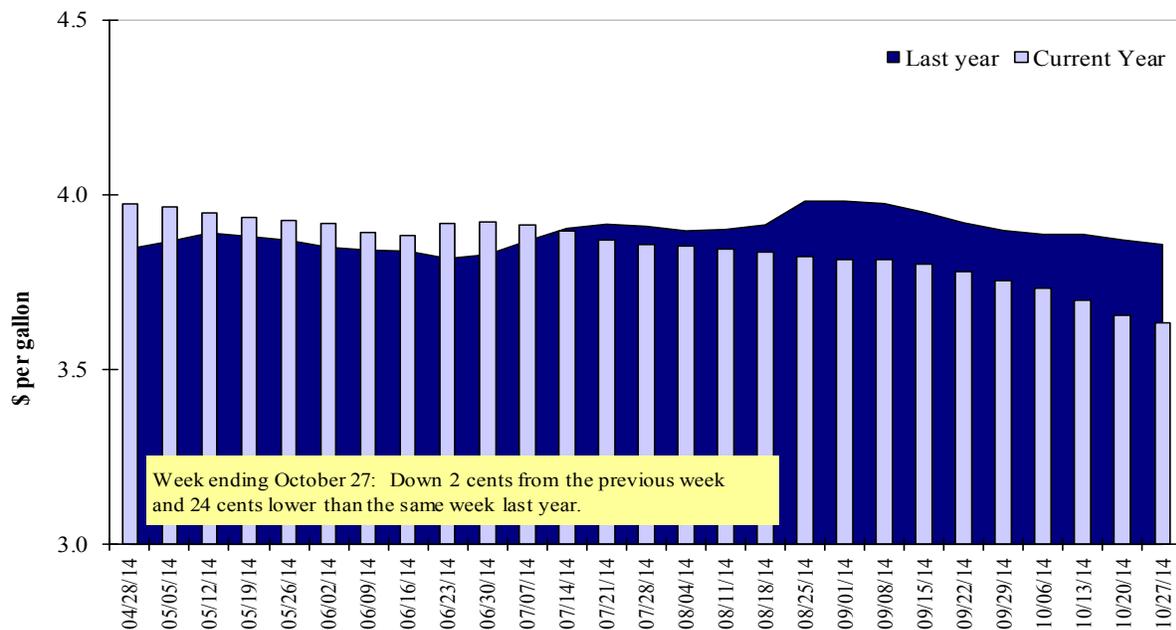
¹Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

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									
10/16/2014	1,474	901	1,327	737	107	4,545	12,619	27,099	44,263
This week year ago	1,605	1,651	1,232	860	86	5,433	13,644	25,668	44,745
Cumulative exports-marketing year²									
2014/15 YTD	3,255	1,847	3,210	1,634	203	10,149	5,633	5,675	21,457
2013/14 YTD	5,518	4,272	2,284	1,535	141	13,750	2,333	1,819	17,902
YTD 2014/15 as % of 2013/14	59	43	141	106	144	74	241	312	120
Last 4 wks as % of same period 2013/14	94	55	117	90	121	87	87	106	98
2013/14 Total	11,465	7,307	6,338	4,367	486	29,963	46,868	44,478	121,309
2012/13 Total	10,019	5,039	5,825	4,619	591	26,093	17,980	36,220	80,293

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 10/16/2014	Total Commitments ²		% change current MY from last MY	Exports ³ 3-year avg 2011-2013
	2014/15 Current MY	2013/14 Last MY		
	- 1,000 mt -			- 1,000 mt -
Japan	3,203	2,212	45	10,079
Mexico	4,933	4,173	18	8,145
Korea	414	8	5,015	2,965
China	73	3,664	(98)	3,461
Taiwan	282	236	19	1,238
Top 5 Importers	8,905	10,294	(13)	25,887
Total US corn export sales	18,252	15,977	14	34,445
% of Projected	41%	33%		
Change from prior week	1,031	*		
Top 5 importers' share of U.S. corn export sales	49%	64%		75%
USDA forecast, October 2014	44,450	48,700	(9)	
Corn Use for Ethanol USDA forecast, October 2014	130,175	130,302	(0)	

(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 Ranking Reports - <http://apps.fas.usda.gov/export-sales/myrkaug.htm>; 3-yr average

Table 14

Top 5 Importers¹ of U.S. Soybeans

Week Ending 10/16/2014	Total Commitments ²		% change current MY from last MY	Exports ³ 3-yr avg. 2011-13
	2014/15 Current MY	2013/14 Last MY		
	- 1,000 mt -			- 1,000 mt -
China	19,604	17,978	9	24,211
Mexico	1,170	802	46	2,971
Indonesia	709	430	65	1,895
Japan	641	530	21	1,750
Taiwan	766	555	38	1,055
Top 5 importers	22,889	20,294	13	31,882
Total US soybean export sales	32,774	27,487	19	39,169
% of Projected	71%	61%		
Change from prior week	2,167	*		
Top 5 importers' share of U.S. soybean export sales	70%	74%		81%
USDA forecast, October 2014	46,270	44,820	3	

(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)

*No Data during the Federal Government Lapse in Funding, October 2013.

Table 15

Top 10 Importers¹ of All U.S. Wheat

Week Ending 10/16/2014	Total Commitments ²		% change current MY from last MY	Exports ³ 3-yr avg 2011-2013
	2014/15 Current MY	2013/14 Last MY		
	- 1,000 mt -			- 1,000 mt -
Japan	1,612	1,357	19	3,243
Mexico	1,593	1,847	(14)	3,066
Nigeria	1,639	1,446	13	2,960
Philippines	1,252	989	27	2,006
China	202	3,980	(95)	1,830
Brazil	1,439	2,728	(47)	1,617
Korea	831	751	11	1,552
Taiwan	591	514	15	969
Indonesia	349	444	(21)	813
Colombia	393	431	(9)	610
Top 10 importers	9,900	14,488	(32)	18,665
Total US wheat export sales	14,693	19,183	(23)	27,696
% of Projected	58%	60%		
Change from prior week	299	*		
Top 10 importers' share of U.S. wheat export sales	67%	76%		67%
USDA forecast, September 2014	25,170	32,010	(21)	

(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 10/23/14	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	29	205	14	10,644	10,056	106	99	113	11,585
Corn	66	0	n/a	7,470	1,386	539	2,005	543	2,973
Soybeans	696	702	99	6,319	5,456	116	107	105	9,090
Total	790	907	87	24,433	16,898	145	111	112	23,647
Mississippi Gulf									
Wheat	58	55	106	4,158	8,906	47	32	57	9,711
Corn	526	548	96	26,627	11,103	240	119	132	14,828
Soybeans	1,206	1,103	109	16,490	11,772	140	136	153	21,462
Total	1,791	1,706	105	47,275	31,782	149	116	137	46,002
Texas Gulf									
Wheat	62	89	70	5,575	7,959	70	62	84	9,039
Corn	0	0	n/a	510	163	313	n/a	0	255
Soybeans	63	0	n/a	328	437	75	20	28	908
Total	125	89	141	6,413	8,559	75	49	66	10,203
Interior									
Wheat	42	70	60	1,303	940	139	99	242	1,244
Corn	72	103	71	4,768	2,570	186	76	94	3,943
Soybeans	229	143	160	2,953	2,420	122	121	100	3,212
Total	343	316	109	9,023	5,930	152	246	108	8,399
Great Lakes									
Wheat	31	22	142	606	680	89	303	206	884
Corn	14	11	138	269	0	n/a	n/a	1,315	0
Soybeans	30	126	24	241	230	105	92	98	699
Total	76	158	48	1,115	910	123	143	138	1,583
Atlantic									
Wheat	0	34	0	546	641	85	232	360	645
Corn	8	42	18	815	148	552	118	265	242
Soybeans	47	8	615	1,060	825	128	46	68	1,652
Total	55	84	65	2,421	1,613	150	99	172	2,540
U.S. total from ports²									
Wheat	222	475	47	22,831	29,181	78	76	102	33,108
Corn	686	704	98	40,458	15,369	263	121	134	22,241
Soybeans	2,271	2,081	109	27,391	21,141	130	116	125	37,024
Total	3,180	3,260	98	90,680	65,692	138	108	123	92,373

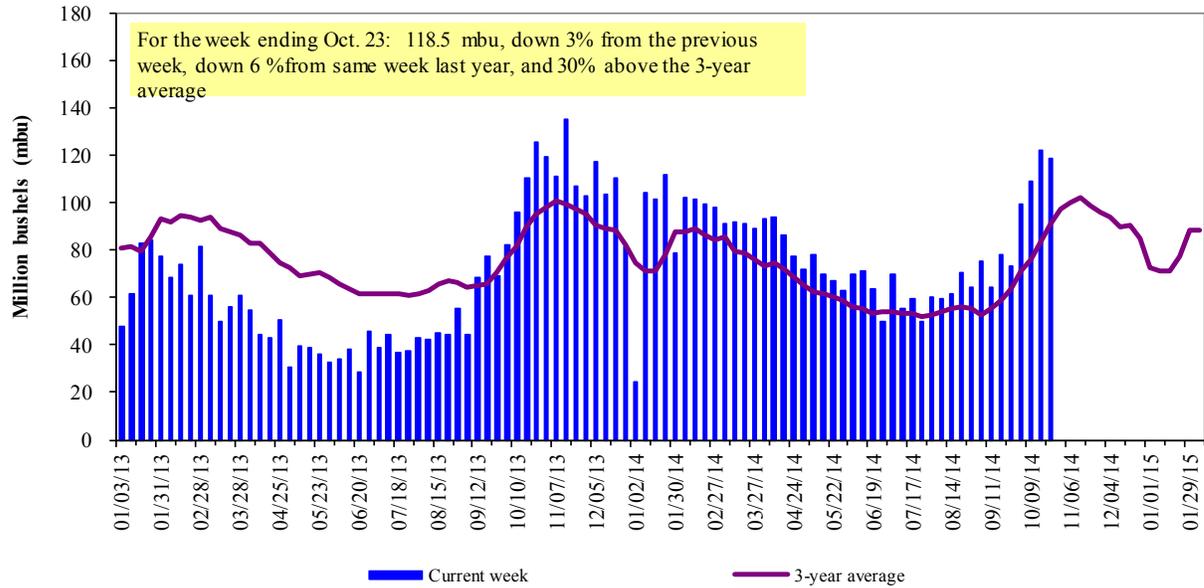
¹Data includes revisions from prior weeks; some regional totals may not add exactly due to rounding.

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)

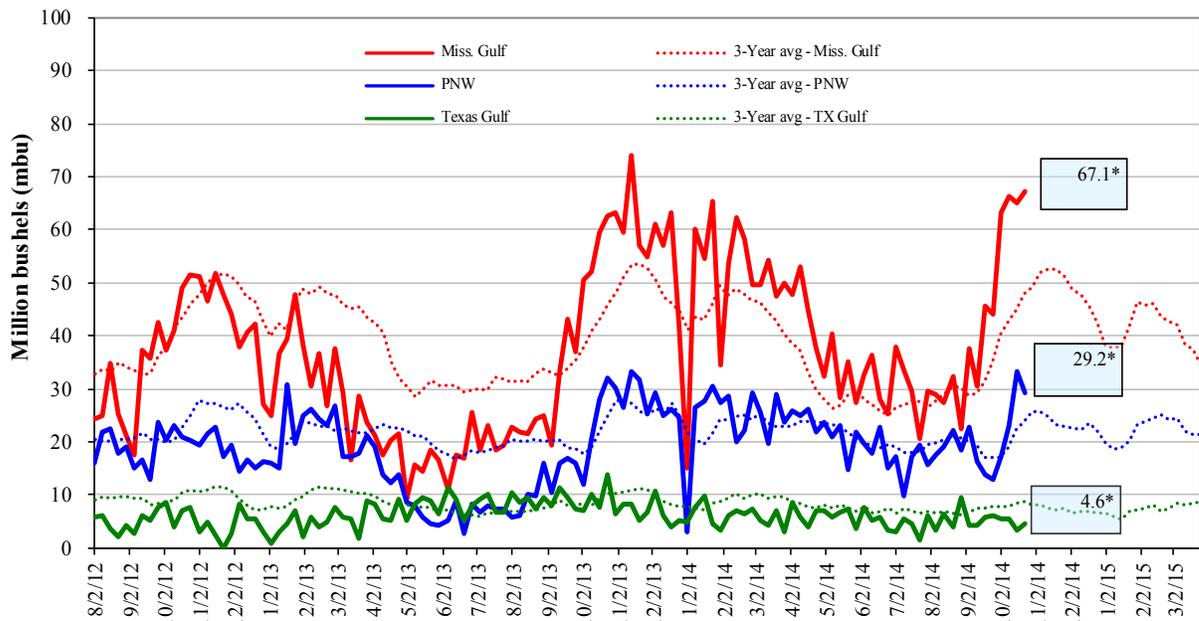


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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.

Oct 23 : % change from:	MSGulf	TX_Gulf	U.S. Gulf	PNW
Last week	up 5	up 41	up 7	down 12
Last year (same week)	up 7	down 66	down 6	down 9
3-yr avg (4-wk mov. avg.)	up 41	down 36	up 30	up 6

Ocean Transportation

Table 17

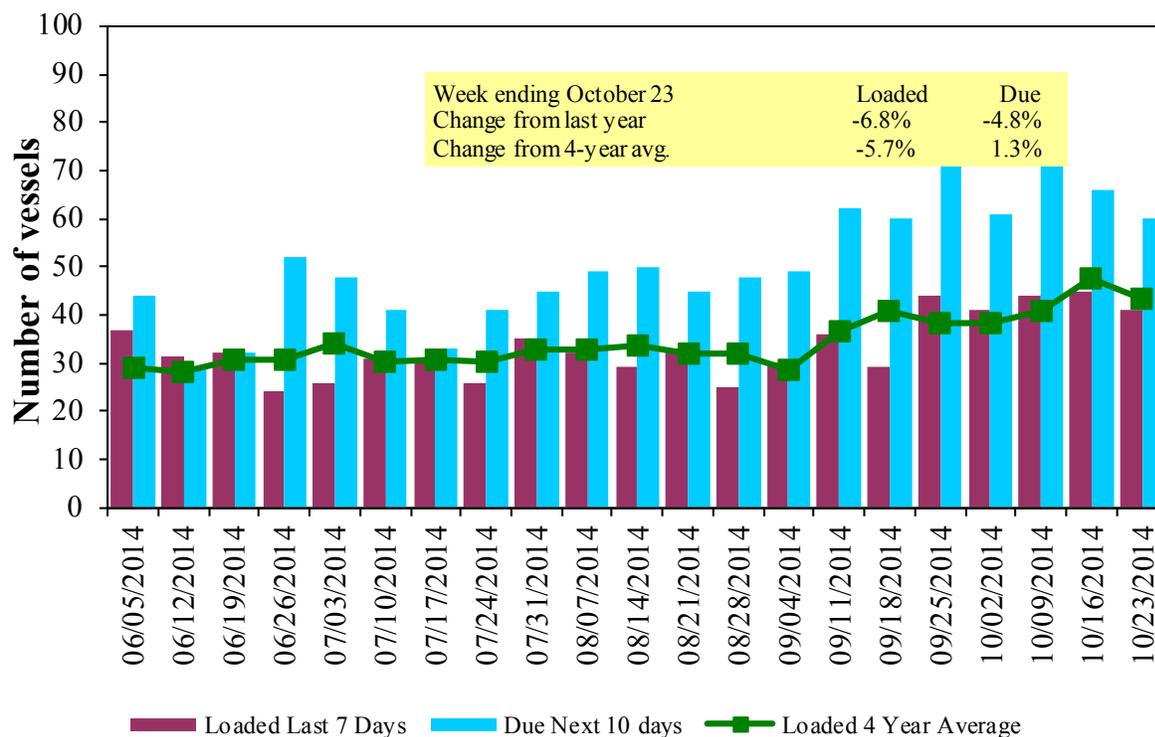
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In port	Loaded 7-days	Due next 10-days	In port	In port
10/23/2014	55	41	60	15	n/a
10/16/2014	50	45	66	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

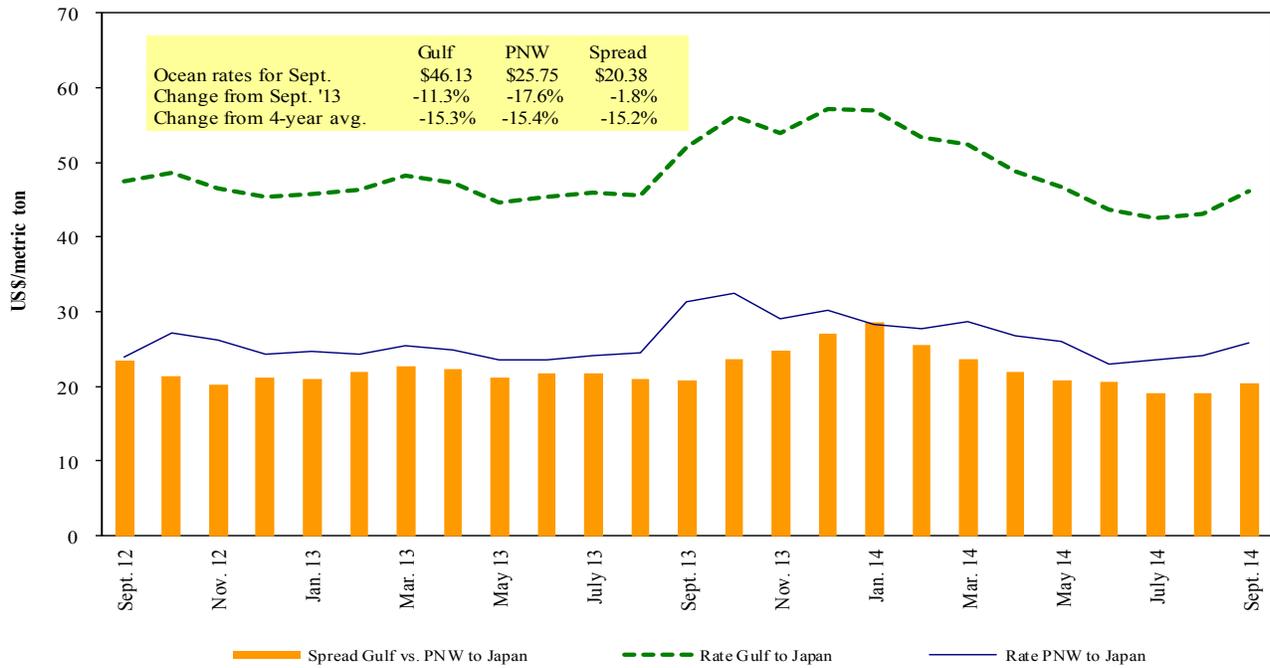


Source: Transportation & Marketing Programs/AMS/USDA

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 10/25/2014

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US\$/metric ton)
U.S. Gulf	China	Heavy Grain	Nov 10/20	60,000	44.25
U.S. Gulf	China	Heavy Grain	Nov 1/8	58,000	44.50
U.S. Gulf	China	Heavy Grain	Nov 1/8	58,000	45.00
U.S. Gulf	China	Heavy Grain	Nov 5/15	60,000	45.25
U.S. Gulf	China	Heavy Grain	Nov 1/8	58,000	46.00
U.S. Gulf	China	Heavy Grain	Oct 20/30	55,000	42.15
U.S. Gulf	China	Heavy Grain	Oct 20/30	58,000	44.00
U.S. Gulf	China	Heavy Grain	Oct 18/26	53,000	44.00
U.S. Gulf	China	Heavy Grain	Oct 10/20	60,000	45.00
U.S. Gulf	China	Heavy Grain	Oct 1/10	57,000	45.50
U.S. Gulf	China	Heavy Grain	Oct 1/5	60,000	44.50
U.S. Gulf	Sudan ¹	Sorghum	Nov 20/30	43,440	103.44
PNW	China	Heavy Grain	Nov 1/30	60,000	26.50
PNW	China	Grain	Oct 20/30	60,000	23.00

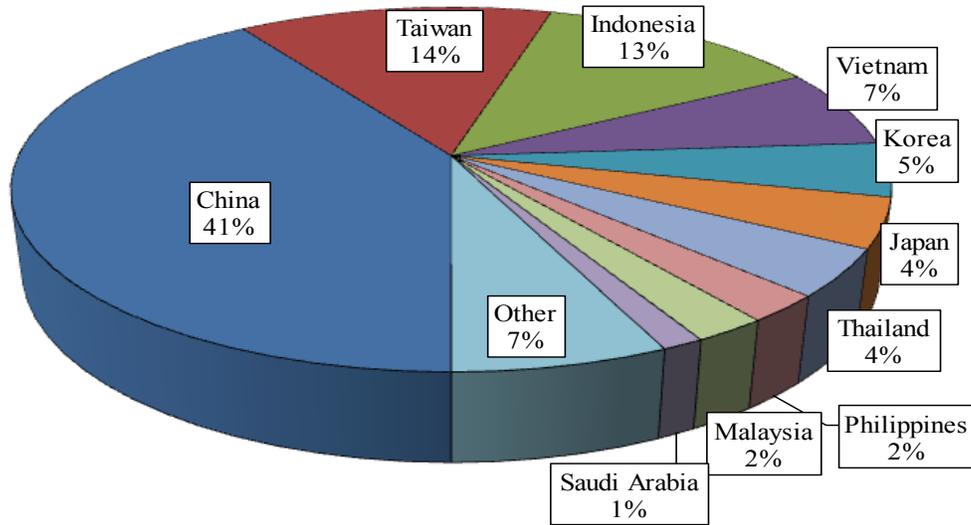
Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option

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 2013, containers were used to transport 10 percent of total U.S. waterborne grain exports, up 2 percentage points from 2012. Approximately 61 percent of U.S. waterborne grain exports in 2013 went to Asia, of which 16 percent were moved in containers. Asia is the top destination for U.S. containerized grain exports—97 percent in 2013.

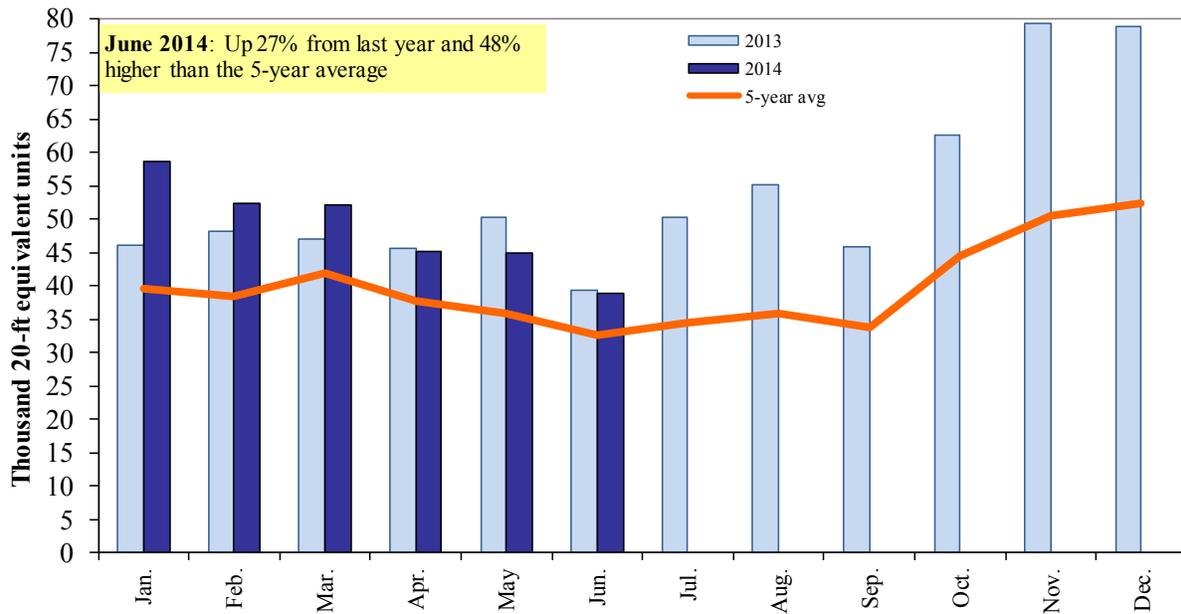
Figure 18
Top 10 Destination Markets for U.S. Containerized Grain Exports, January-June, 2014



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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