



Grain Transportation Report

A weekly publication of the
 Transportation and Marketing Programs/Transportation Services Branch
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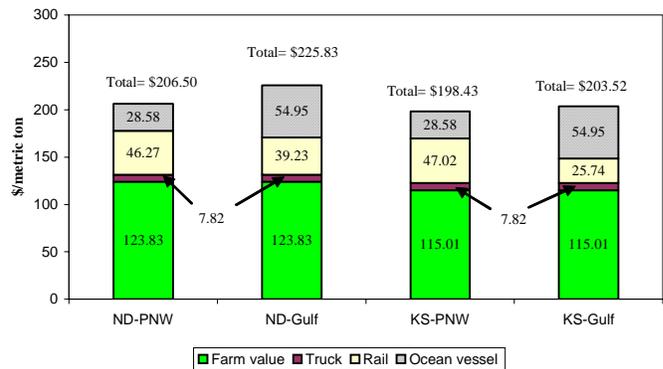
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Cost of Shipping U.S. Wheat to Japan Decreases. Wheat transportation costs from North Dakota and Kansas to Japan through the Pacific Northwest (PNW) and U.S. Gulf continued downward during the second quarter 2005. This was due to the decline in ocean rates (tables 1 and 2). North Dakota and Kansas wheat transportation costs to Japan through the PNW decreased about 9 percent during this period (table 1). The cost of shipping from both states to Japan through the U.S. Gulf decreased about 5 percent (table 2). The total landed cost for shipping wheat from both states to Japan ranged from \$198.43 to \$225.83 per metric ton during the second quarter (figure 1). Total transportation costs represented 40 to 45 percent of the total landed costs during this period (tables 1 and 2).

Ocean freight rates for wheat shipped from the PNW to Japan dropped by almost 24 percent compared to the first quarter 2005 (table 1). This was due mainly to reduced port congestion, an increase in the dry bulk fleet, and a slower demand for iron ore from China (See GTR dated 8/04/05). In comparison, ocean rates for wheat shipped from the U.S. Gulf to Japan decreased approximately 10 percent

Figure 1- Cost of shipping wheat from Kansas and North Dakota to Japan, 2nd Quarter 2005



Source: USDA/AMS/Transportation and Marketing Programs

Table 1 -- Quarterly KS & ND to Japan through PNW rate comparisons, 2005

Mode	KS			ND		
	2005 1st qtr	2005 2nd qtr	Percent change	2005 1st qtr	2005 2nd qtr	Percent change
	- \$/metric ton -			- \$/metric ton -		
Truck	7.58	7.82	3.17	7.58	7.82	3.17
Rail	46.47	47.02	1.18	45.72	46.27	1.20
Ocean vessel	37.53	28.58	-23.85	37.53	28.58	-23.85
Transportation Costs	91.58	83.42	-8.91	90.83	82.67	-8.98
Farm Value ¹	118.31	115.01	-2.79	125.78	123.83	-1.55
Total Landed Cost	209.89	198.43	-5.46	216.61	206.50	-4.67
Transport % of landed cost	43.63	42.04		41.93	40.03	

Table 2 -- Quarterly KS & ND to Japn through Gulf rate comparisons, 2005

Mode	KS			ND		
	2005 1st qtr	2005 2nd qtr	Percent change	2005 1st qtr	2005 2nd qtr	Percent change
	- \$/metric ton -			- \$/metric ton -		
Truck	7.58	7.82	3.17	7.58	7.82	3.17
Rail	24.64	25.74	4.46	38.77	39.23	1.17
Ocean vessel	60.98	54.95	-9.89	60.98	54.95	-9.89
Transportation Costs	93.20	88.51	-5.03	107.33	102.00	-4.97
Farm Value ¹	118.31	115.01	-2.79	125.79	123.83	-1.56
Total Landed Cost	211.51	203.52	-3.78	233.12	225.83	-3.13
Transport % of landed cost	44.06	43.49		46.04	45.17	

¹ Source: USDA/NASS, wheat prices for North Dakota (mainly HRS) and Kansas (mainly HRW)

during the second quarter (table 2). In the North Central region, the cost of moving wheat by truck to a rail-served grain elevator increased just over 3 percent during the second quarter (tables 1 and 2). Although second quarter rail rates for moving Kansas wheat to the U.S. Gulf rose over 4 percent, rates for other routes increased slightly (tables 1 and 2).

U.S. wheat exports to Japan normally average about 10 percent of total U.S. wheat exports during the calendar year. According to the Foreign Agricultural Service, year-to-date (YTD) exports of U.S. wheat to Japan totaled 1.43 million metric tons. This is down 13 percent from last year due to the smaller wheat crop and increased competition. Total U.S. YTD wheat exports have also been affected by smaller shipments to China. Johnny.Hill@usda.gov

Grain Transportation Indicators

Table 1--Grain transport cost indicators*

Week ending	Truck	Rail**	Barge	Ocean	
				Gulf	Pacific
09/21/05	183	1008	326	189	188

Compared with last week

*Indicator: Base year 2000 = 100; Weekly updates include truck = diesel (\$/gallon); rail = nearby secondary rail market (\$/car); barge = spot Illinois River basis (index = percent of tariff rate); and ocean = routes to Japan (\$/metric ton)

**The rail indicator is not an index. It is the difference between the nearby secondary rail market bid for this week and the average bid for year 2000 (+) 100.

Source: Transportation & Marketing Programs/AMS/USDA

Table 2--Market update: U.S. origins to export position price spreads (\$/bushel)

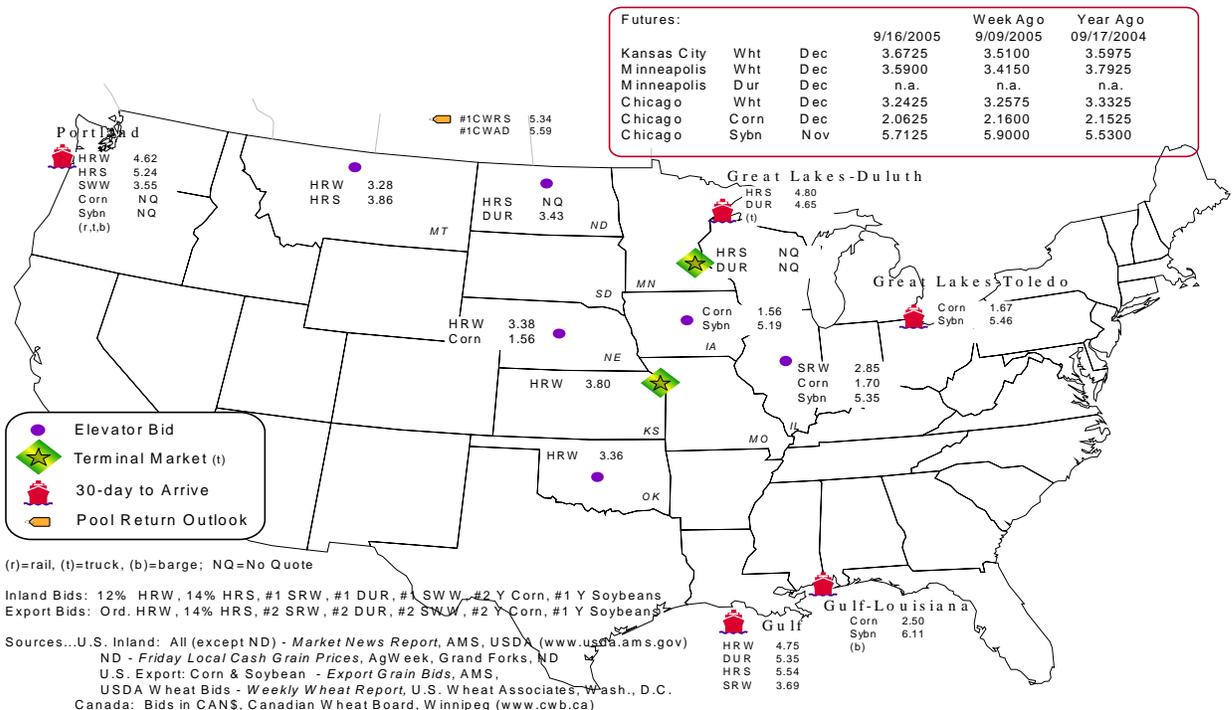
Commodity	Origin--destination	9/16/2005	9/9/2005
Corn	IL--Gulf	-0.80	n/a
Corn	NE--Gulf	-0.94	n/a
Soybean	IA--Gulf	-0.92	n/a
HRW	KS--Gulf	-0.95	-0.86
HRS	ND--Portland	n/a	-1.65

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)*

Week ending	Mississippi Gulf	Texas Gulf	Cross-Border Mexico	Pacific Northwest	Atlantic & East Gulf	Total
9/14/2005 ^p	78	2,923	1,904	4,320	190	9,415
9/07/2005 ^r	23	1,849	1,576	3,953	75	7,476
2005 YTD	7,713	66,744	62,241	155,580	8,300	300,578
2004 YTD	5,697	72,499	40,188	142,682	5,118	266,184
2005 as % of 2004	135	92	155	109	162	113
Total 2004	10,475	92,073	67,992	209,625	10,986	391,151
Total 2003**	14,843	88,194	48,805	157,125	20,509	329,476

(* Incomplete Data; as of 9/22/04, Cross-Border movements included; (** Excludes 53rd week; YTD = year-to-date; p = preliminary data;

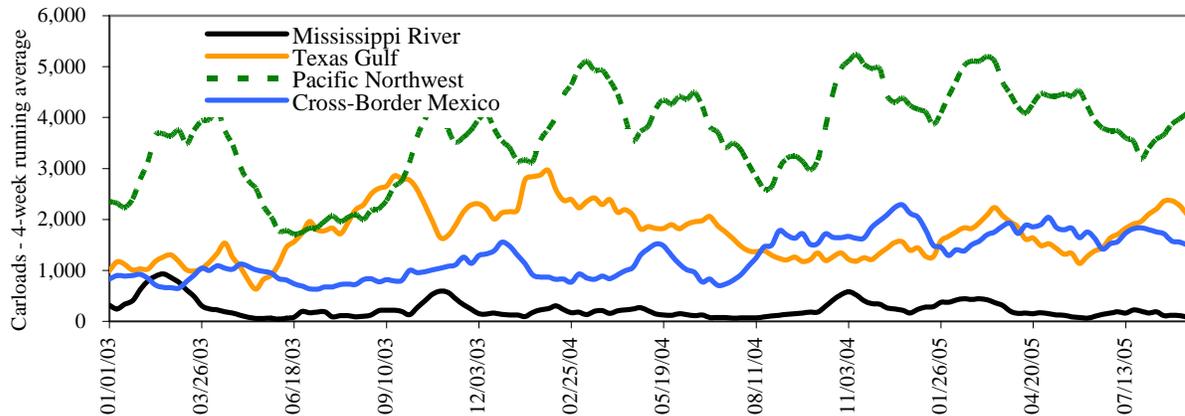
r = revised data

Source: Transportation & Marketing Programs/AMS/USDA

Railroads originate approximately 40 percent of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Figure 2

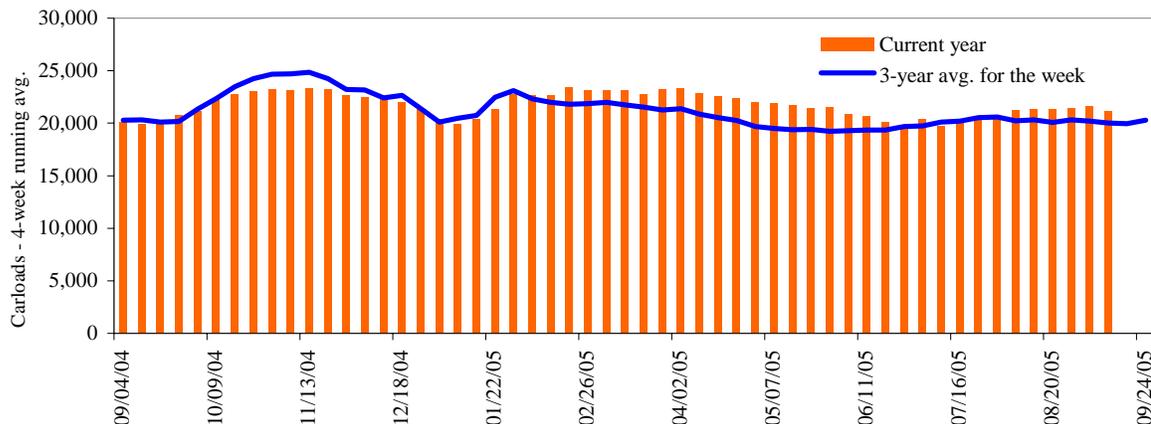
Rail deliveries to port



Source: Transportation & Marketing Programs/AMS/USDA

Figure 3

Total weekly U.S. grain car loadings for Class I railroads



Source: Association of American Railroads

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
09/10/05	2,104	2,397	9,446	479	5,162	19,588	3,450	3,560
This week last year	1,686	2,620	8,267	632	5,888	19,093	2,735	3,478
2005 YTD	104,018	116,114	325,710	20,656	215,985	782,483	147,443	143,900
2004 YTD	98,180	115,445	310,626	17,755	231,645	773,651	165,296	140,999
2005 as % of 2004	106	101	105	116	93	101	89	102
Total 2004	142,206	169,650	458,587	27,618	327,510	1,125,571	237,664	210,060

Source: Association of American Railroads (www.aar.org); YTD = year-to-date

Table 5--Rail car auction offerings*, week ending 9/17/05 (\$/car)**

Delivery for:	Nov-05	Dec-05	Jan-06
BNSF ¹			
COT/N. grain	\$527	\$523	\$459
COT/S. grain	no offer	\$529	\$459
UP ²			
GCAS/Region 1	\$407	no offer	no offer
GCAS/Region 2	\$574	no offer	no offer

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

**Average premium/discount to tariff, last auction

¹BNSF - COT = Certificate of Transportation

N includes: ID, MN, MT, ND, OR, SD, WA, WI, WY, and Manitoba, Canada.

S includes: CO, IA, IL, KS, MO, NE, OK, TX, NM, AZ, CA, UT, and NV.

²UP - GCAS = Grain Car Allocation System

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

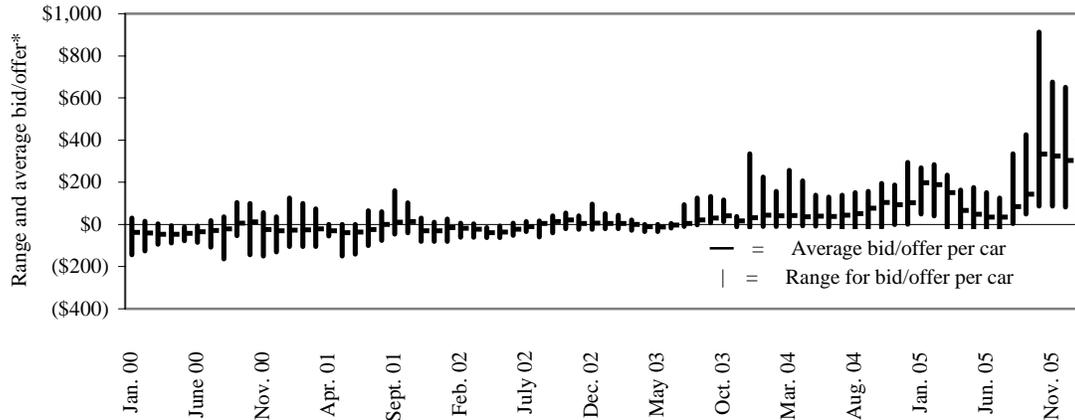
Region 2 includes: CO, IA, KS, MN, NE, WY, and Kansas City and St. Joseph, MO.

Source: Transportation & Marketing Programs/AMS/USDA

Rail service may be ordered directly from the railroad via **auction** for guaranteed service, or via tariff for nonguaranteed service, or through the secondary railcar market.

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
Secondary rail car market, delivery month-year



*up to 6 months of trading

Source: Transportation & Marketing Programs/AMS/USDA

Average bid/offer is the simple average of all the weekly bids/offers over the entire period (up to 6 months) for guaranteed railcars that are traded for delivery in a particular month.

Range for bid/offer shows the range of average weekly bids/offers over the entire period (up to 6 months) for guaranteed railcars that are traded for delivery in a particular month.

Table 6--Weekly secondary rail car market, week ending 9/17/05 (\$/car)*

	Delivery period			
	Oct-05	Nov-05	Dec-05	Jan-06
BNSF-GF	\$913	\$675	\$650	\$400
Change from last week	\$157	\$200	\$225	\$125
UP-Pool	\$913	\$675	\$583	\$275
Change from last week	\$222	\$237	\$233	\$0

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

Note: Bids listed are market INDICATORS only & are NOT guaranteed prices,

Missing value = no bid quoted; GF = guaranteed freight; Pool = guaranteed pool

Sources: Transportation and Marketing Programs/AMS/USDA

Data from Atwood/ConAgra, Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.

Table 7--Tariff rail rates for unit and shuttle train shipments*

Effective date:					
9/5/2005	Origin Region	Destination Region	Rate/car	Rate/metric ton	Rate/bushel**
<u>Unit train*</u>					
Wheat	Chicago, IL	Albany, NY	\$1,861	\$20.51	\$0.56
	Kansas City, MO	Galveston, TX	\$2,020	\$22.27	\$0.61
	South Central, KS	Galveston, TX	\$2,450	\$27.01	\$0.74
	Minneapolis, MN	Houston, TX	\$2,420	\$26.68	\$0.73
	St. Louis, MO	Houston, TX	\$2,360	\$26.01	\$0.71
	South Central, ND	Houston, TX	\$3,952	\$43.56	\$1.19
	Minneapolis, MN	Portland, OR	\$4,198	\$46.27	\$1.26
	South Central, ND	Portland, OR	\$4,141	\$45.65	\$1.24
	Northwest, KS	Portland, OR	\$4,490	\$49.49	\$1.35
	Chicago, IL	Richmond, VA	\$2,002	\$22.07	\$0.60
Corn	Chicago, IL	Baton Rouge, LA	\$2,510	\$27.67	\$0.70
	Council Bluffs, IA	Baton Rouge, LA	\$2,370	\$26.12	\$0.66
	Kansas City, MO	Dalhart, TX	\$1,965	\$21.66	\$0.55
	Minneapolis, MN	Portland, OR	\$3,720	\$41.01	\$1.04
	Evansville, IN	Raleigh, NC	\$1,791	\$19.74	\$0.50
	Columbus, OH	Raleigh, NC	\$1,700	\$18.74	\$0.48
	Council,Bluffs, IA	Stockton, CA	\$3,606	\$39.75	\$1.01
Soybeans	Chicago, IL	Baton Rouge, LA	\$2,455	\$27.06	\$0.74
	Council Bluffs, IA	Baton Rouge, LA	\$2,315	\$25.52	\$0.69
	Minneapolis, MN	Portland, OR	\$3,610	\$39.79	\$1.08
	Evansville, IN	Raleigh, NC	\$1,791	\$19.74	\$0.54
	Chicago, IL	Raleigh, NC	\$2,391	\$26.36	\$0.72
<u>Shuttle Train*</u>					
Wheat	St. Louis, MO	Houston, TX	\$1,820	\$20.06	\$0.55
	Minneapolis, MN	Portland, OR	\$3,898	\$42.97	\$1.17
Corn	Fremont, NE	Houston, TX	\$2,304	\$25.40	\$0.65
	Minneapolis, MN	Portland, OR	\$3,024	\$33.33	\$0.85
Soybeans	Council Bluffs, IA	Houston, TX	\$2,785	\$30.70	\$0.84
	Minneapolis, MN	Portland, OR	\$3,410	\$37.59	\$1.02

*A unit train refers to shipments of at least 52 cars. Shuttle train rates are available for qualified shipments of more than 100 cars that meet railroad efficiency requirements.

**Approximate load per car = 100 short tons: corn 56 lbs./bu., wheat & soybeans 60 lbs./bu.

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

Table 8--Tariff rail rates for U.S. bulk grain shipments to Mexico, 2005

Effective date: 09/05/05

Commodity	Origin State	Border crossing region	Train size	Rate ¹	Rate/metric ton	Rate/bushel**
Wheat	KS	Brownsville, TX	Shuttle	\$2,851	\$29.13	\$0.79
	ND	Eagle Pass, TX	Shuttle	\$5,399	\$55.17	\$1.50
	OK	El Paso, TX	Shuttle	\$2,264	\$23.13	\$0.63
	OK	El Paso, TX	Unit	\$2,432	\$24.85	\$0.68
	AR	Laredo, TX	Unit	\$2,383	\$24.35	\$0.66
	IL	Laredo, TX	Unit	\$3,188	\$32.57	\$0.89
	MT	Laredo, TX	Shuttle	\$4,298*	\$43.92	\$1.19
	TX	Laredo, TX	Shuttle	\$2,165	\$22.12	\$0.60
	MO	Laredo, TX	Shuttle	\$2,731	\$27.90	\$0.76
	WI	Laredo, TX	Unit	\$3,405	\$34.79	\$0.95
Corn	NE	Brownsville, TX	Shuttle	\$3,104	\$31.72	\$0.80
	NE	Brownsville, TX	Unit	\$3,645*	\$37.24	\$0.95
	IA	Eagle Pass, TX	Unit	\$3,334	\$34.07	\$0.86
	MO	Eagle Pass, TX	Shuttle	\$3,040*	\$31.06	\$0.79
	NE	Eagle Pass, TX	Shuttle	\$3,440*	\$35.15	\$0.89
	IA	Laredo, TX	Shuttle	\$3,258	\$33.29	\$0.84
Soybean	IA	Brownsville, TX	Shuttle	\$2,880	\$29.43	\$0.80
	MN	Brownsville, TX	Shuttle	\$3,176	\$32.45	\$0.88
	NE	Brownsville, TX	Shuttle	\$2,688	\$27.47	\$0.75
	NE	Eagle Pass, TX	Shuttle	\$2,765	\$28.25	\$0.77
	IA	Laredo, TX	Unit	\$2,918	\$29.82	\$0.81

A unit train refers to shipments of at least 52 cars. Shuttle train are available for qualified shipments of more than 100 cars that meet railroad efficiency requirements.

¹Rates are based upon published tariff rates for high-capacity rail cars.

*High-capacity rate not available, rate estimated using published low-capacity tariff rate x 1.08

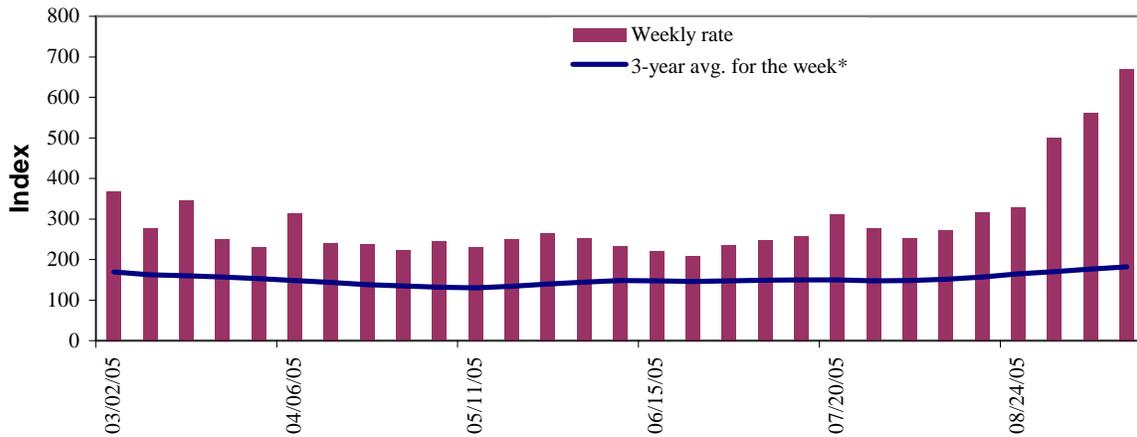
**Approximate load per car = 97.87 metric tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

Sources: www.bnsf.com, www.uprr.com

Barge Transportation

Figure 5

Illinois River barge rate index - quotes



Note: Index = percent of tariff rate; *4-week moving average

Source: Transportation & Marketing Programs/AMS/USDA

The **Illinois River barge rate index** averaged 183 percent of the **benchmark tariff rates** between 1999 and 2001, based on weekly market quotes. The **index**, along with **rate quotes** and **futures market bids** are indicators of grain transport supply and demand.

Table 9--Barge rate quotes: southbound barge freight

Location	9/14/2005	9/7/2005	Oct. '05	Dec. '05
Twin Cities	550	536	602	n/a
Mid-Mississippi	645	550	608	n/a
Illinois River	670	560	621	368
St. Louis	703	685	610	338
Lower Ohio	704	605	615	352
Cairo-Memphis	767	750	615	330

Index = percent of tariff, based on 1976 tariff benchmark rate

Source: Transportation & Marketing Programs/AMS/USDA

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 6).

Note: The Illinois barge rate is for Beardstown, IL, La Grange Lock & Dam (L&D 8).

Figure 6

Benchmark tariff rates

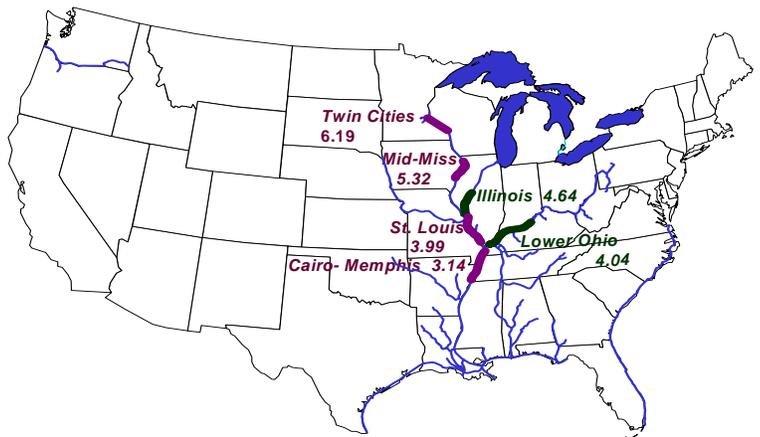
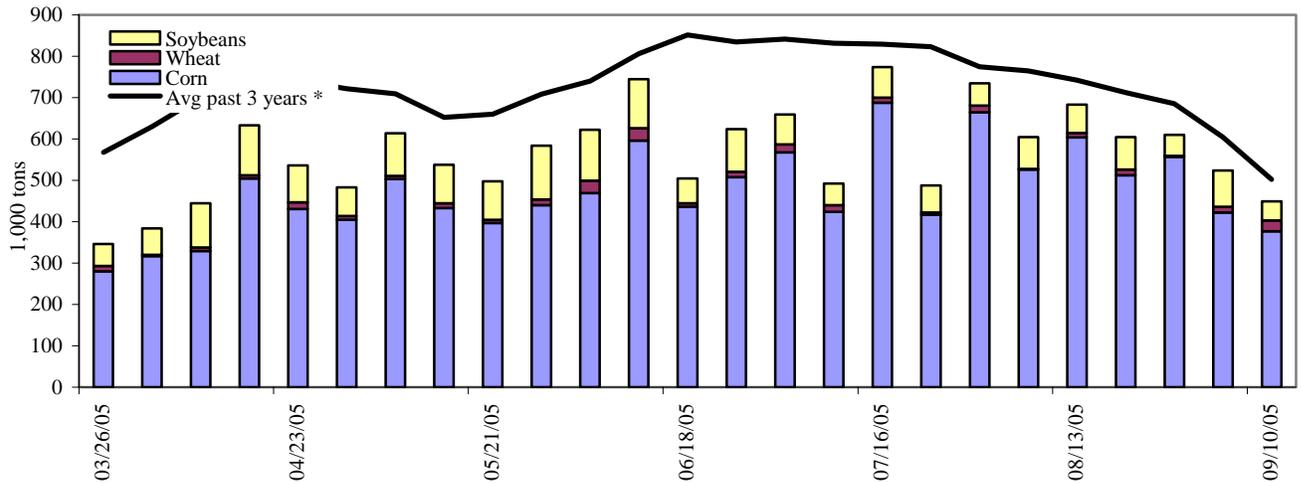


Figure 7

Barge movements on the Mississippi River (Locks 27 - Granite City, IL)



* 4-week moving average

Source: Transportation & Marketing Programs/AMS/USDA

Table 10--Barge grain movements (1,000 tons)

Week ending 9/10/2005	Corn	Wheat	Soybean	Other	Total
Mississippi River					
Rock Island, IL (L15)	179	15	3	4	201
Winfield, MO (L25)	261	23	13	5	302
Alton, IL (L26)	352	25	39	5	421
Granite City, IL (L27)	377	26	46	5	454
Illinois River (L8)	104	6	26	0	136
Ohio River (L52)	22	15	2	6	45
Arkansas River (L1)	0	15	1	0	16
2005 YTD	16,978	1,276	4,691	493	23,438
2004 YTD	17,770	2,127	2,790	511	23,198
2005 as % of 2004 YTD	96	60	168	96	101
Total 2004	26,235	2,701	6,784	843	36,563

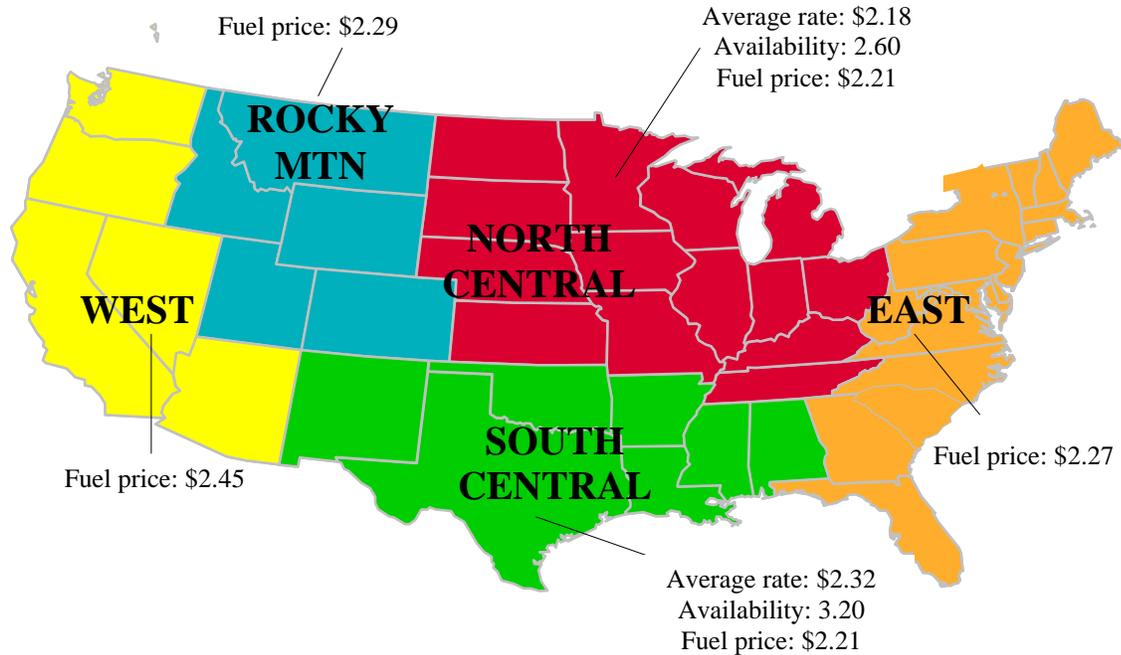
YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

Source: U.S. Army Corp of Engineers (www.mvr.usace.army.mil/mvrimi/omni/webbrpts/default.asp)

Note: Total may not add exactly, due to rounding

Truck Transportation

Figure 8
U.S. grain truck market advisory, 2nd quarter 2005*



*Average rate per loaded mile, based on truck rates for trips of 25, 100, and 200 miles

Note: Fuel prices are a quarterly average (unit per gallon)

Fuel price data source: Energy Information Administration, U.S. Department of Energy, www.eia.doe.gov

Table 11--U.S. grain truck market overview, 2nd quarter 2005

Region/commodity*	25 miles	100 miles	200 miles	Truck availability	Truck activity	Future truck activity
	Rate per mile			Rating compared to same quarter last year		
				1=Very easy to 5=Very difficult	1=Much lower to 5=Much higher	
National average¹	3.03	2.10	1.75	2.8	2.9	3.3
North Central region²	3.00	1.95	1.59	2.6	3.1	3.3
Corn	3.08	2.47	1.87	2.0	3.3	3.5
Wheat	2.49	1.88	1.50	2.9	3.0	3.3
Soybean	3.08	2.47	1.87	2.0	3.3	3.5
South Central region²	2.89	2.18	1.88	3.2	2.2	2.8
Corn	2.60	1.96	1.78	3.3	2.3	2.8
Wheat	2.56	1.99	1.68	3.3	2.7	3.2
Soybean	3.87	2.49	2.18	3.0	2.0	2.8

Rates are based on trucks with 80,000 lb gross vehicle weight limit

*Commodity averages based on truck rates for top producing states based on National Agricultural Statistics Service/USDA

¹National average includes: AR, CO, IA, IL, IN, KS, LA, MN, MS, ND, NE, OH, OK, OR, SD, TX, and WA.

²Commodity rates per mile include the average of the top 3 producing states within the region.

Source: Transportation and Marketing Programs/AMS/USDA

The **weekly diesel price** provides a proxy for trends in U.S. truck rates. Diesel fuel is a significant expense for truck grain movements, accounting for 37 percent of the estimated variable cost.

Table 12--Retail on-highway diesel prices*, week ending 09/19/05 (US\$/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	2.749	-0.100	0.844
	New England	2.804	-0.116	0.816
	Central Atlantic	2.846	-0.089	0.873
	Lower Atlantic	2.702	-0.104	0.834
II	Midwest	2.648	-0.134	0.766
III	Gulf Coast	2.677	-0.120	0.809
IV	Rocky Mountain	2.902	-0.055	0.965
V	West Coast	2.985	-0.108	0.897
	California	3.060	-0.098	0.908
Total	U.S.	2.732	-0.115	0.820

*Diesel fuel prices include all taxes.

Source: Energy Information Administration/U.S. Department of Energy (www.eia.doe.gov)

Grain Exports

Table 13--U.S. export balances (1,000 metric tons)

Week ending 1/	Wheat						Corn	Soybeans	Total
	HRW	SRW	HRS	SWW	DUR	All wheat			
9/8/2005	2,559	437	1,321	876	70	5,263	7,896	4,422	17,581
This week year ago	1,702	932	1,321	1,196	79	5,230	7,431	6,305	18,966
Cumulative exports-crop year 2/									
2005/06 YTD	2,836	598	2,071	851	256	6,612	436	155	7,203
2004/05 YTD	2,975	1,317	2,225	1,229	188	7,933	943	370	9,246
2005/06 as % of 2004/05	95	45	93	69	136	83	46	42	78
2004/05 Total	9,407	3,217	8,083	4,773	686	26,117	44,953	29,878	100,948
2003/04 Total	12,697	3,785	6,928	4,895	1,053	29,359	47,704	24,108	101,171

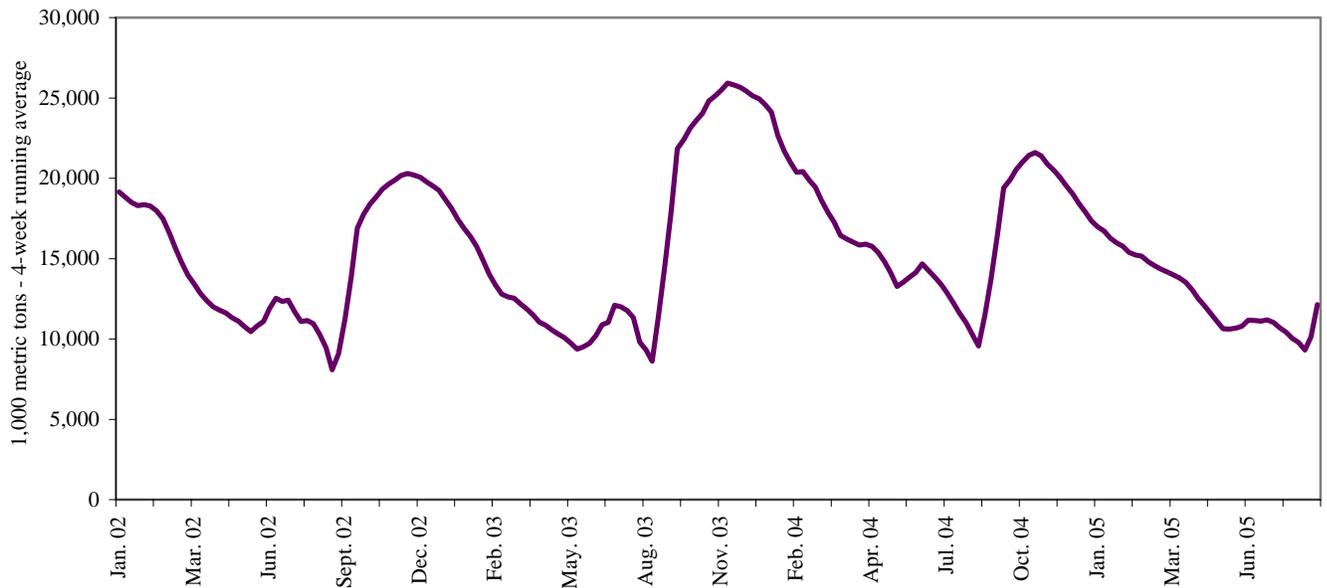
Note: YTD = year-to-date. Crop year: wheat = 6/01-5/31, corn & soybeans = 9/01-8/31, 1/ = Current unshipped export sales to date

2/ = Shipped export sales to date

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

Figure 9

U.S. grain, unshipped export balance, including wheat, corn, and soybean sales



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

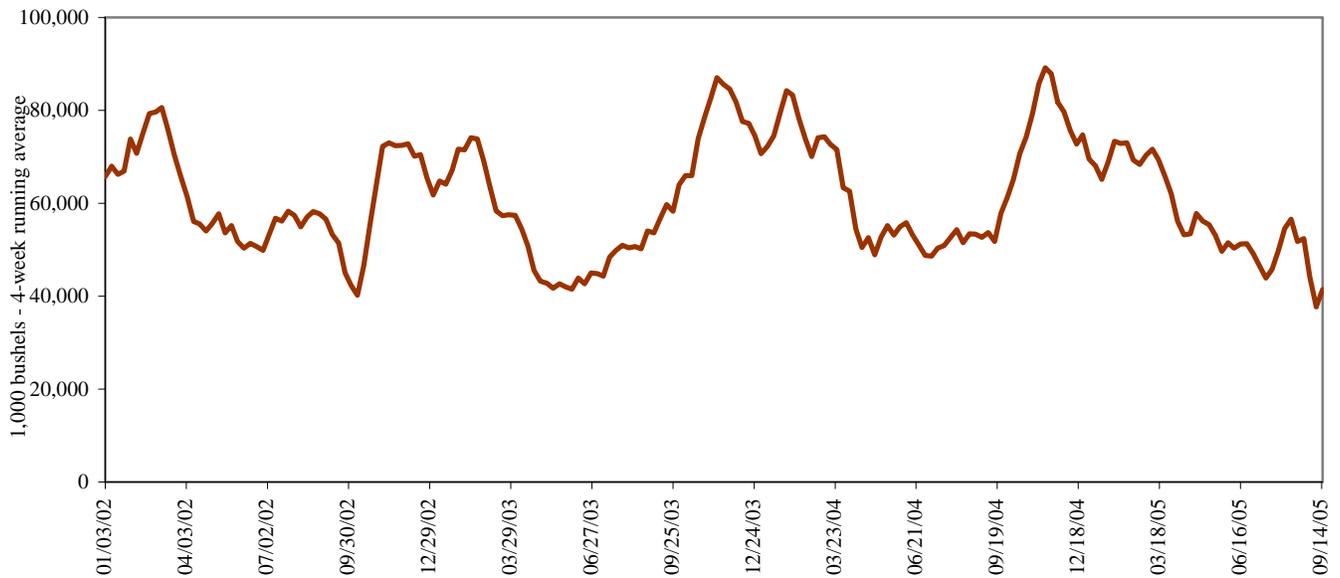
Table 14--Select U.S. port regions - grain inspections for export (1,000 metric tons)

Week ending	Pacific Region			Mississippi Gulf			Texas Gulf			Port Region total		
	Wheat	Corn	Soybeans	Wheat	Corn	Soybeans	Wheat	Corn	Soybeans	Pacific	Mississippi	Texas
09/15/05	209	190	24	89	489	93	323	87	0	422	671	410
2005 YTD	6,749	7,330	3,563	3,499	18,805	9,061	5,036	442	6	17,642	31,365	5,483
2004 YTD	8,149	7,688	1,934	5,365	22,228	6,859	6,191	51	14	17,771	34,452	6,257
2005 as % of 2004	83	95	184	65	85	132	81	860	43	99	91	88
2004 Total *	12,121	9,741	4,753	7,154	32,851	15,540	7,936	131	23	26,615	55,546	8,089

Source: Federal Grain Inspection Service/USDA (www.usda.gov/gipsa); YTD: year-to-date; * includes 53rd week

The United States exports approximately one-quarter of the grain it produces. On average, it 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 55 percent of these U.S. export grain shipments departed through the Mississippi Gulf region in 2004.

Figure 10
U.S. grain inspected for export (wheat, corn, and soybeans)



Source: Federal Grain Inspection Service/USDA (www.usda.gov/gipsa)

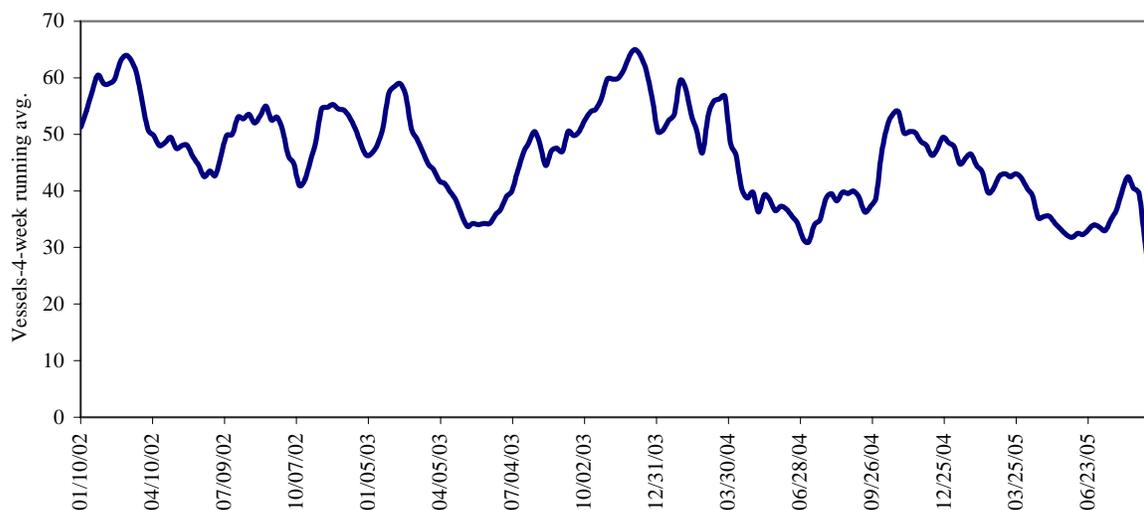
Ocean Transportation

Table 15--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
9/15/2005	26	45	45	11	10
9/8/2005	18	16	24	11	8
2004 range	(10..43)	(25..73)	(38..96)	(4..16)	(0..18)
2004 avg.	24	45	61	9	6

Source: Transportation & Marketing Programs/AMS/USDA

Figure 11
Gulf Port grain vessel loading (past 7 days)



Source: Transportation & Marketing Programs/AMS/USDA

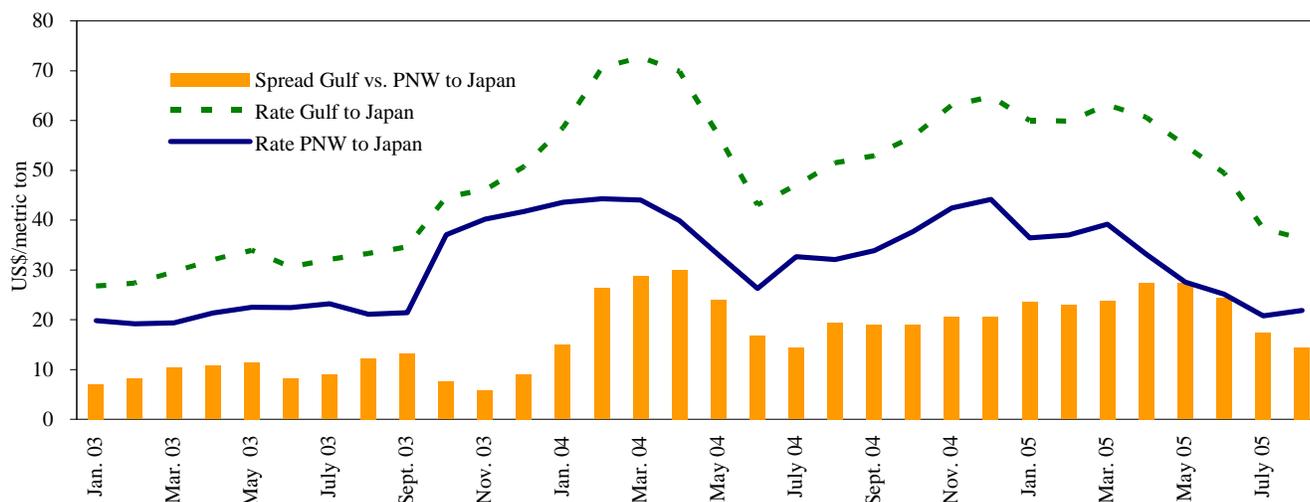
Table 16--Quarterly ocean freight rates (average rates & percentage changes) (US\$/metric ton)

Countries/ regions	2005 2nd qtr	2004 2nd qtr	Percent change	Countries/ regions	2005 2nd qtr	2004 2nd qtr	Percent change
Gulf to				Pacific NW to			
Japan	---	37.00	---	Japan	---	---	---
Taiwan	---	---	---	Argentina/Brazil to			
N. Africa	44.83	35.33	27	N. Africa	---	63.58	---
Med. Sea	---	---	---	Turkey	49.00	42.00	17

Source: Maritime Research, Inc. (www.maritime-research.com)

Figure 12

Grain vessel rates, U.S. to Japan



Source: Baltic Exchange (www.balticexchange.com)

Table 17--Ocean freight rates for selected shipments, week ending 09/17/05

Export region	Import region	Grain	Month	Volume loads (metric tons)	Freight rate (\$/metric ton)
U.S. Gulf	Haiti*	Wheat	Oct 20/30	10,000	69.95
U.S. Gulf	Japan	Hvy Grain	Aug 17/27	44,000	33.75
U.S. Gulf	Japan	Hvy Grain	Aug 1/10	54,000	37.50
U.S. Gulf	Algeria	Hvy Grain	Aug 12/17	25,000	23.00 op 25.50
Brazil	China	Hvy Grain	Sept 11/14	60,000	32.00
Brazil	Europe	Grains	Sept 20/25	20,000	35.00
River Plate	Algeria	Wheat	Sept 15/20	25,000	40.00
Ukraine	Algeria	Wheat	Sept 5/10	21,500	19.00
United Kingdom	Spain Mediterranean	Wheat	Aug 25/30	24,000	20.50
Poland	Spain Mediterranean	Hvy Grain	Aug 25/30	23,000	21.50

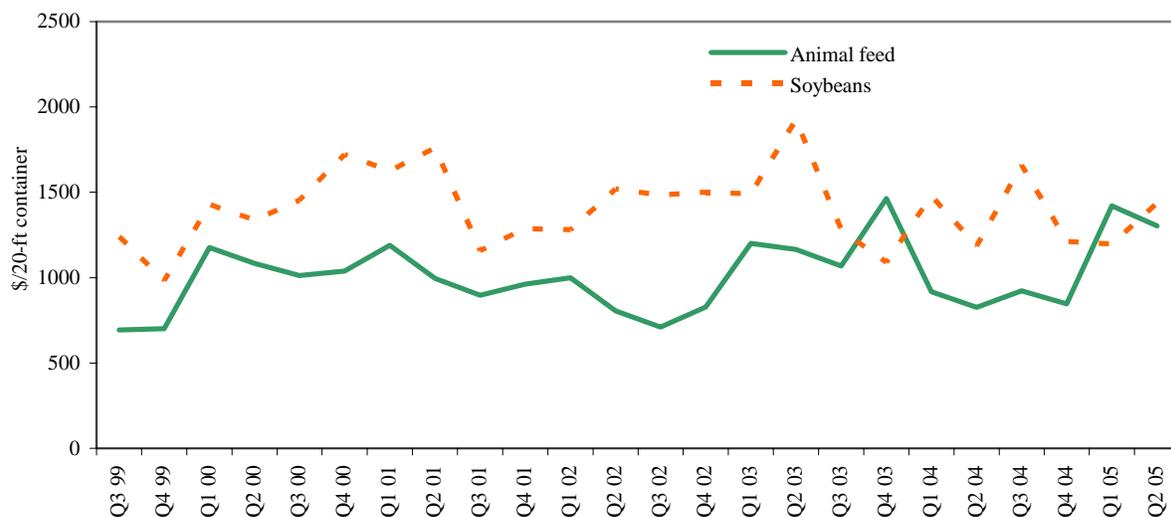
Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option

*75 percent of food aid from the United States is required to be shipped on U.S. flag vessels. The vessels are limited in availability resulting in higher rates. In addition, destinations receiving food aid generally lack adequate port unloading facilities, requiring the vessel to remain in port for a longer duration than normal.

Source: Maritime Research Inc. (www.maritime-research.com)

Figure 13

Weighted average rates¹ for containerized shipments of animal feed and soybeans to selected Asian countries



¹Animal Feed: Busan-Korea (13%), Kaohsiung-Taiwan (41%), Tokyo-Japan (30%), Hong Kong (11%), Bangkok-Thailand (5%) and soybeans: Busan-Korea (1%), Keelung-Taiwan (85%), Tokyo-Japan (11%), Bangkok-Thailand (3%), Hong Kong (1%)

Quarter 2, 2005.

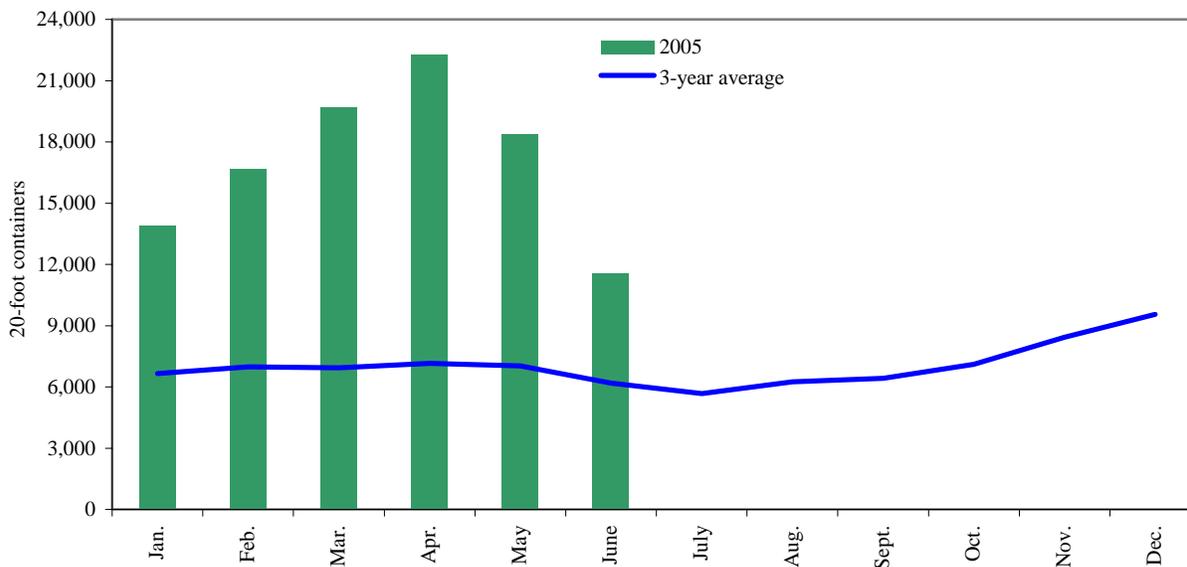
Source: Ocean Rate Bulletin, Transportation & Marketing Programs/AMS/USDA

Container ocean freight rates – average rate per twenty-foot equivalent unit (TEU) weighted by shipping line market share and trade route.

During 2004, containers were used to transport 2 percent of total U.S. grain exported, and 3 percent of total U.S. grain exported to Asia.

Figure 14

Monthly shipments of containerized grain to Asia for 2005 compared with a 3-year average

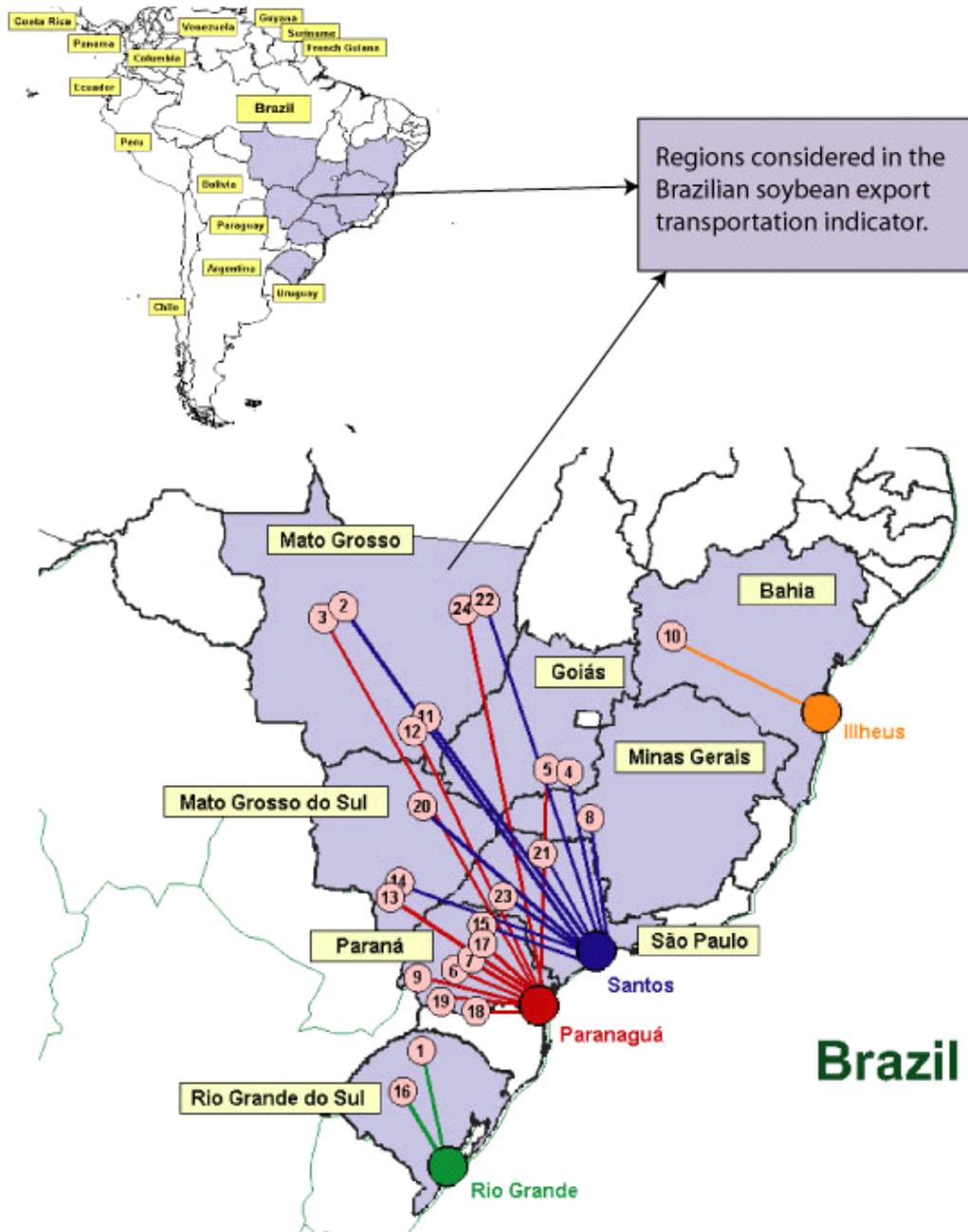


Source: Port Import Export Reporting Service (PIERS), *Journal of Commerce*

Note: PIERS data is available with a lag of approximately 40 days

Brazil Transportation

Figure 15
Routes and Regions considered in the Brazilian soybean export transportation indicator¹



¹Regions comprised 84 percent of Brazilian soybean production, 2003
Source: ESALQ/USP (University of São Paulo, Brazil) and USDA/AMS

Table 18--Truck rates for selected Brazilian soybean export transportation routes, 2nd quarter 2005

Route #	Origin ¹ (reference city)	Destination	Distance (miles) ²	Weight(%) ³	Freight price (per 100 miles) ⁴
1	Northwest RS ⁵ (Cruz Alta)	Rio Grande	288	16.6	4.40
2	North MT(Sorriso)	Santos	1190	10.1	6.80
3	North MT(Sorriso)	Paranaguá	1262	9.5	6.27
4	South GO(Rio Verde)	Santos	587	7.0	6.83
5	South GO(Rio Verde)	Paranaguá	726	5.6	5.29
6	North Center PR(Londrina)	Paranaguá	268	4.4	8.51
7	Western Center PR(Mamborê)	Paranaguá	311	3.9	5.37
8	Triangle MG(Uberaba)	Santos	339	3.8	10.75
9	West PR(Assis Chateaubriand)	Paranaguá	377	3.7	5.16
10	West Extreme BA(São Desidério)	Ilhéus	544	3.6	7.14
11	Southeast MT(Primavera do Leste)	Santos	901	3.6	6.26
12	Southeast MT(Primavera do Leste)	Paranaguá	975	3.3	5.63
13	Southwest MS(Maracaju)	Paranaguá	612	3.1	6.07
14	Southwest MS(Maracaju)	Santos	652	2.9	6.31
15	West PR(Assis Chateaubriand)	Santos	550	2.5	5.68
16	Western Center RS(Tupanciretã)	Rio Grande	273	2.4	5.49
17	Southwest PR(Chopinzinho)	Paranaguá	291	2.3	5.73
18	Eastern Center PR(Castro)	Paranaguá	130	2.3	10.77
19	South Center PR(Guarapuava)	Paranaguá	204	2.1	7.95
20	North Center MS(São Gabriel do Oeste)	Santos	720	2.0	5.60
21	Ribeirão Preto SP(Guairá)	Santos	314	1.5	7.59
22	Northeast MT(Canarana)	Santos	950	1.4	7.26
23	Assis SP(Palmital)	Santos	285	1.2	7.74
24	Northeast MT(Canarana)	Paranaguá	1075	1.2	6.34
	Average		626	100	6.33

¹Although each origin region comprises several cities, the main city is considered as a reference to establish the freight price

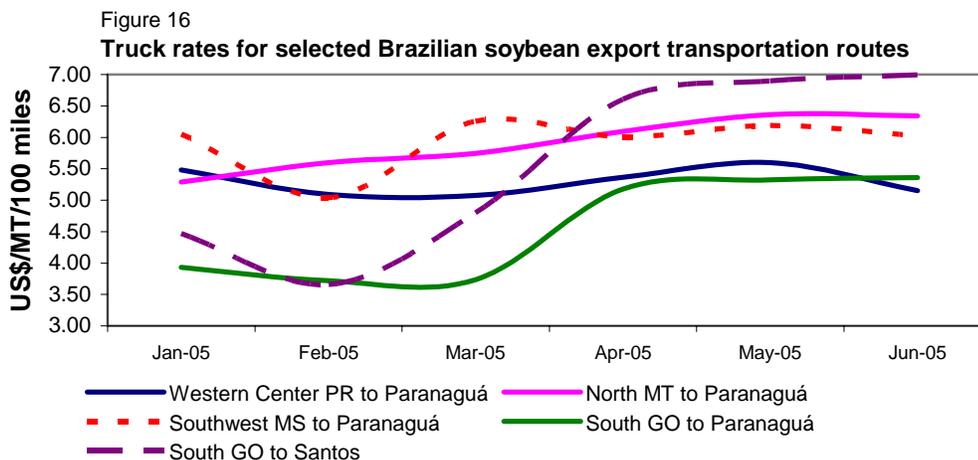
²Distance from the main city of the considered region to the mentioned ports

³The weight is directly proportional to the amount of production in each region

⁴US\$ per metric ton (average monthly exchange rate from "Banco Central do Brasil" was used to convert Brazilian reais to the U.S. dollar)

⁵RS = Rio Grande Do Sul, MT= Mato Grosso, GO = Goiás, PR = Paraná, MG = Minas Gerais, BA = Bahia, MS = Mato Grosso Do Sul, SP = São Paulo

Source: ESALQ/USP (University of São Paulo, Brazil) and USDA/AMS



Source: ESALQ/ USP (University of São Paulo, Brazil) and USDA/AMS

Table 19--Monthly Brazilian soybean export truck transportation cost index

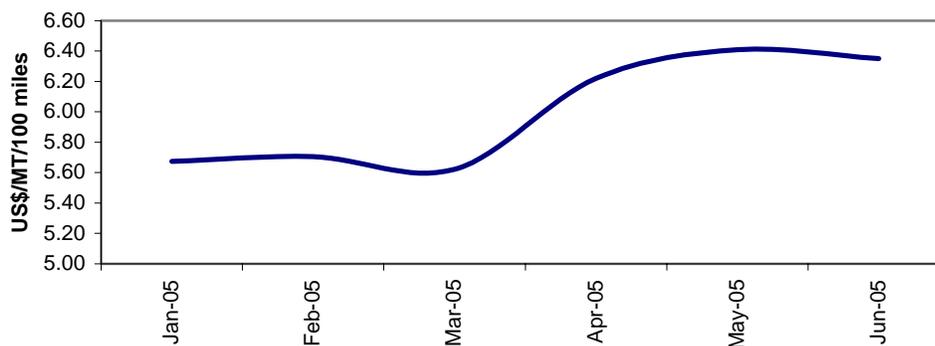
Month	Freight price* (per 100 miles)	Index variation (%) (Base: prior month)	Index value (Base: Jan. 05 = 100)
Jan. 05	5.67		100.00
Feb. 05	5.71	0.5	100.54
Mar. 05	5.62	-1.5	99.08
Apr. 05	6.22	10.6	109.61
May 05	6.41	3.1	112.96
Jun. 05	6.35	-0.9	111.90

*weighted average and quoted in US\$ per metric ton

Source: ESALQ/USP (University of São Paulo, Brazil) and USDA/AMS

Figure 17

Brazilian soybean export truck transportation weighted average prices, 2005



Source: ESALQ/USP (University of São Paulo, Brazil) and USDA/AMS

Table 20--Quarterly ocean freight rates for shipping soybeans from selected Brazilian ports to Hamburg, Germany (US\$/metric ton)*

Ports	2005 1st qtr	2005 2nd qtr
Santos	45.53	45.84
Paranagua	44.64	44.84**
Rio Grande	44.20	44.39

*correspond to the average actual values negotiated between shippers and carriers and weighted according to the magnitude of the shipped volumes

Source: Sistema de Informações de Fretes, SIFRECA, ESALQ/USP (University of São Paulo, Brazil)

**Revised figure

Contacts and Links

Contact Information

Coordinator			
Surajudeen (Deen) Olowolayemo	surajudeen.olowolayemo@usda.gov		(202) 690-1328
Grain Transportation Indicators			
Surajudeen (Deen) Olowolayemo	surajudeen.olowolayemo@usda.gov		(202) 690-1328
Rail			
Marvin Prater	marvin.prater@usda.gov		(202) 690-6290
Johnny Hill	johnny.hill@usda.gov		(202) 720-4211
Barge Transportation			
Karl Hacker	karl.hacker@usda.gov		(202) 690-0152
Nicholas Marathon	nick.marathon@usda.gov		(202) 690-0331
Truck Transportation			
Karl Hacker	karl.hacker@usda.gov		(202) 690-0152
John Batson	john.batson@usda.gov		(202) 690-1312
Grain Exports			
Johnny Hill	johnny.hill@usda.gov		(202) 720-4211
Ocean Transportation			
Surajudeen (Deen) Olowolayemo (Freight rates and vessels)	surajudeen.olowolayemo@usda.gov		(202) 690-1328
April Taylor (Container rates)	april.taylor@usda.gov		(202) 690-1326
Johnny Hill (Vessels)	johnny.hill@usda.gov		(202) 720-4211

Subscription Information: To subscribe to the GTR for a weekly email copy, please contact Deen Olowolayemo at surajudeen.olowolayemo@usda.gov or 202-690-1328 (1303) (*printed copies are also available upon request*).

Related Websites

Agricultural Container Indicators
Ocean Rate Bulletin

<http://www.ams.usda.gov/tmd2/agci/>
<http://www.ams.usda.gov/tmd/Ocean/index.asp>

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