



Grain Transportation Report

A weekly publication of the
Transportation and Marketing Programs/Transportation Services Branch
www.ams.usda.gov/tmdtsb/grain

July 28, 2005

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House Votes for Multi-year Plan to Improve Rivers, Coastal Areas, and Harbors. On July 14, 2005, the House of Representatives approved H.R. 2864 - Water Resources Development Act (WRDA) of 2005. The WRDA authorizes the U.S. Army Corps of Engineers (the Corps) to carry out \$10 billion of specified projects for navigation, environment, and ecosystem restoration. Title VIII directs the Corps to extend five existing locks on the Mississippi River and replace two locks on the Illinois River to accommodate modern barge configurations.

Agriculture and barge interests have long promoted navigation improvements along the Mississippi and Illinois Rivers. The locking portions of both river systems provide transportation for 57 percent of U.S. corn and 40 percent of U.S. soybean exports. The improvements are expected to promote speed and efficiency of waterway shipments, enabling larger barge tows to pass through the locks as one unit.

The WRDA also authorizes the development of deep draft navigation facilities which will improve access for ocean-going vessels and the efficiency of grain exports. Nearly 30 percent of all ocean vessels calling at U.S. ports are constrained due to inadequate channel depths. <http://thomas.loc.gov/>, Nick.Marathon@USDA.gov, Karl.Hacker@USDA.gov

Ocean Freight Rates Declining. As of July 27, 2005, the ocean freight rate for shipping grain from the U.S. Gulf to Japan was a little over \$34 per metric ton (mt). This rate represents a 6 percent decrease from just a week earlier, and a 23 percent decline from the beginning of the month. The ocean freight rates for shipping grain from the Pacific Northwest to Japan, and from the U.S Gulf to Rotterdam were both approximately \$19 per mt. The rate for shipping from the PNW to Japan is down 9 percent from a week earlier, and down 16 percent from the beginning of the month. The rate for the U.S. Gulf to Rotterdam route is also down 8 percent from a week earlier, and down 27 percent from the beginning of the month.

The decline in rates follows China's decision to use local inputs for steel production, while implementing an 8 percent duty on iron ore imports. Slower growth in the global economy, reduced port congestion, and increased vessel capacity are other reasons for the declining ocean freight rates. *Soya & Oilseed Industry News*, 7/19, www.drewry.co.uk, Surajudeen.Olowolayemo@USDA.gov

New container facility developing adjacent to Locks and Dam 27. On Friday, July 15th, 72 empty containers destined for New Orleans were loaded on a barge at the Tri-City Port in Granite City, Illinois. The port is developing a 10-acre staging area to expand their container handling business. Port officials feel the new container facility is timely considering shippers of containerized cargo are looking to find alternatives to West Coast ports. Granite City, strategically located adjacent to Locks and Dam 27, is served by 7 railroads, and 6 interstate highways. The Tri-City Port moves more than 2 million tons of dry bulk cargo such as corn, gravel, and coal each year. The Port of New Orleans was used to export more than 213,000 tons of containerized agricultural cargo in 2004. www.belleville.com, <http://www.tricityport.com>, April.Taylor@USDA.gov

Grain Transportation Indicators

Table 1--Grain transport cost indicators*

Week ending	Truck	Rail	Barge	Ocean	
				Gulf	Pacific
07/27/05	157	348	153	156	137
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)

Source: Transportation & Marketing Programs/AMS/USDA

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

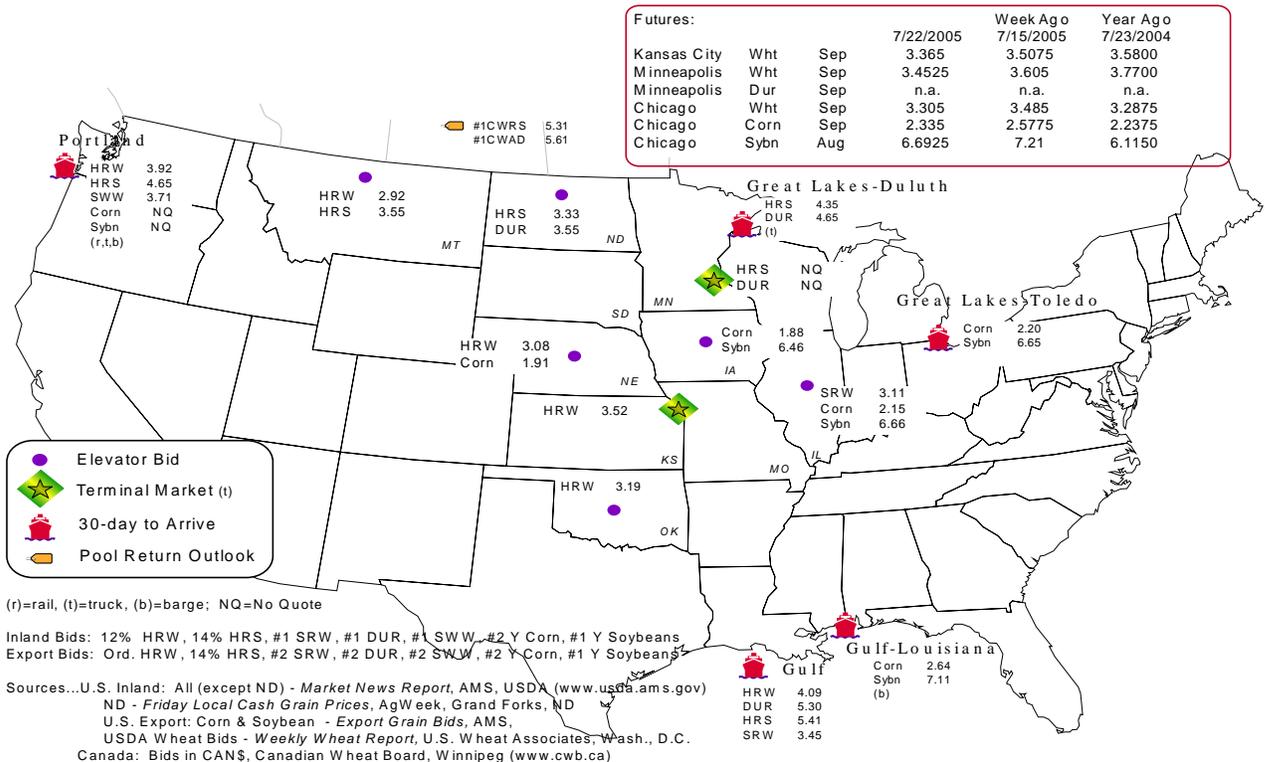
Commodity	Origin--destination	7/22/2005	7/15/2005
Corn	IL--Gulf	-0.49	-0.49
Corn	NE--Gulf	-0.73	-0.73
Soybean	IA--Gulf	-0.65	-0.63
HRW	KS--Gulf	-0.57	-0.57
HRS	ND--Portland	-1.32	-1.16

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
7/20/2005 ^p	439	1,606	1,746	3,639	78	7,508
07/13/2005 ^r	61	2,067	1,999	2,773	134	7,034
2005 YTD	6,993	48,152	49,090	124,235	7,735	236,205
2004 YTD	4,757	61,900	27,844	119,297	4,349	218,147
2005 as % of 2004	147	78	176	104	178	108
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;

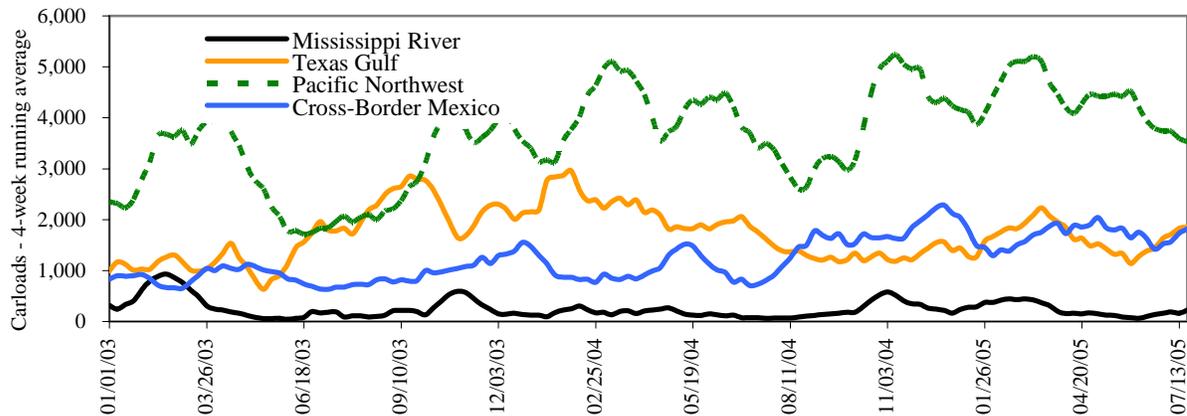
r = revised data

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

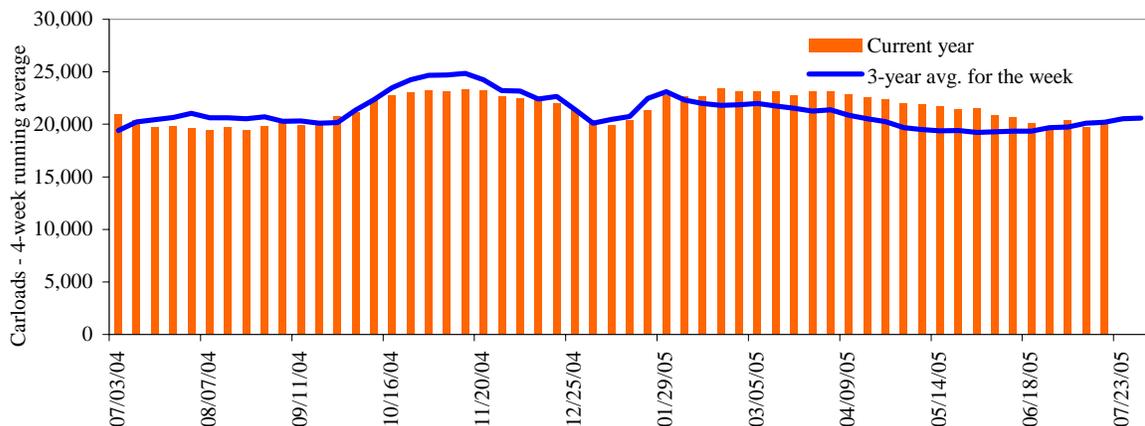
Rail deliveries to port



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
07/16/05	3,224	2,949	8,489	645	5,908	21,215	3,422	3,737
This week last year	2,523	3,211	6,886	345	6,191	19,156	4,561	4,024
2005 YTD	83,715	92,638	253,395	16,661	166,206	612,615	115,694	110,912
2004 YTD	80,182	91,011	245,935	13,548	184,615	615,291	131,290	107,071
2005 as % of 2004	104	102	103	123	90	100	88	104
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 7/23/05 (\$/car)**

Delivery for:	Sep-05	Oct-05	Nov-05
BNSF¹			
COT/N. grain	no offer	no offer	\$300
COT/S. grain	no offer	no offer	\$279
UP²			
GCAS/Region 1	\$4	no offer	no offer
GCAS/Region 2	no offer	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.

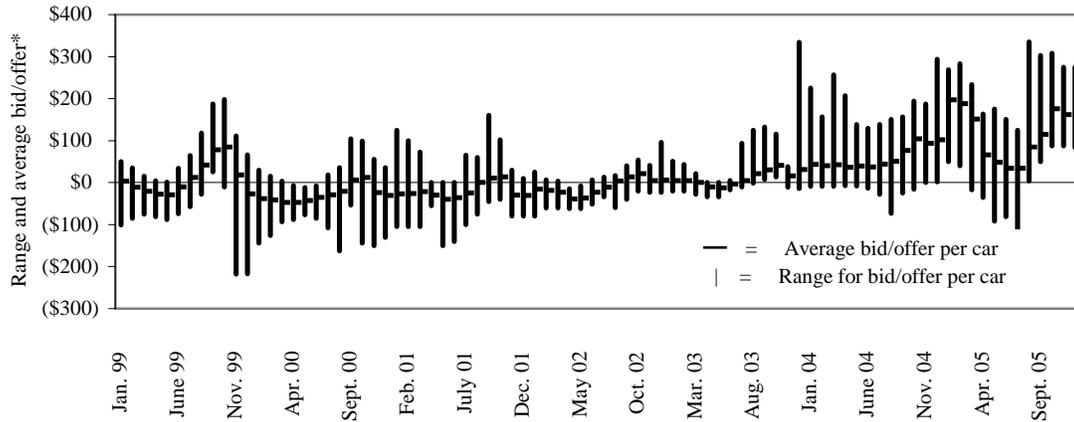
Region 2 includes: CO, IA, KS, MN, NE, WY, and Kansas City and St. Joseph, MO.

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 7/23/05 (\$/car)*

	Delivery period			
	Sep-05	Oct-05	Nov-05	Dec-05
BNSF-GF	\$303	\$267	\$254	\$275
Change from last week	\$3	-\$41	-\$21	\$8
UP-Pool	\$203	\$242	n/a	n/a
Change from last week	\$59	\$17	n/a	n/a

*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:					
7/5/2005	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	\$2,245	\$24.75	\$0.67
	South Central, ND	Houston, TX	\$3,684	\$40.61	\$1.11
	Minneapolis, MN	Portland, OR	\$4,198	\$46.27	\$1.26
	South Central, ND	Portland, OR	\$4,198	\$46.27	\$1.26
	Northwest, KS	Portland, OR	\$4,381	\$48.29	\$1.31
	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	\$3,600	\$39.68	\$1.01
	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	\$1,895	\$20.89	\$0.57
	Minneapolis, MN	Portland, OR	\$3,898	\$42.97	\$1.17
Corn	Fremont, NE	Houston, TX	\$2,665	\$29.38	\$0.75
	Minneapolis, MN	Portland, OR	\$3,450	\$38.03	\$0.97
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 the U.S.-Mexico border

Effective date:						
7/5/2005	Origin state	Border crossing region	Train size	Rate/car 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 rates 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

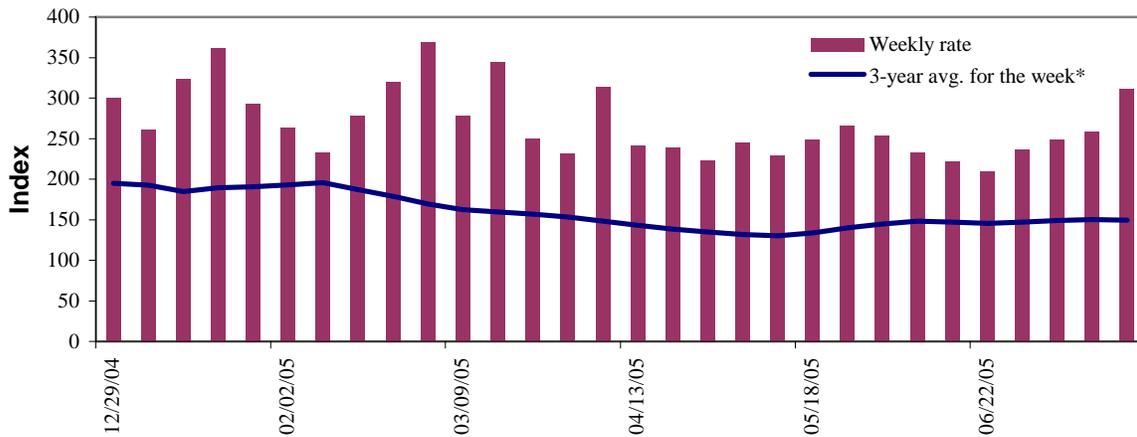
**Approximate load per car = 97.87 metric tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

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	7/20/2005	7/13/2005	Aug. '05	Oct. '05
Twin Cities	410	317	398	410
Mid-Mississippi	345	270	346	380
Illinois River	311	258	326	366
St. Louis	276	181	279	339
Lower Ohio	248	205	289	362
Cairo-Memphis	238	165	275	335

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

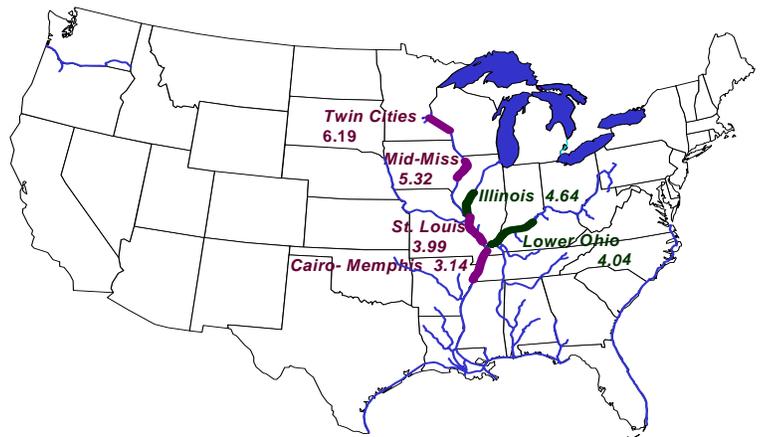
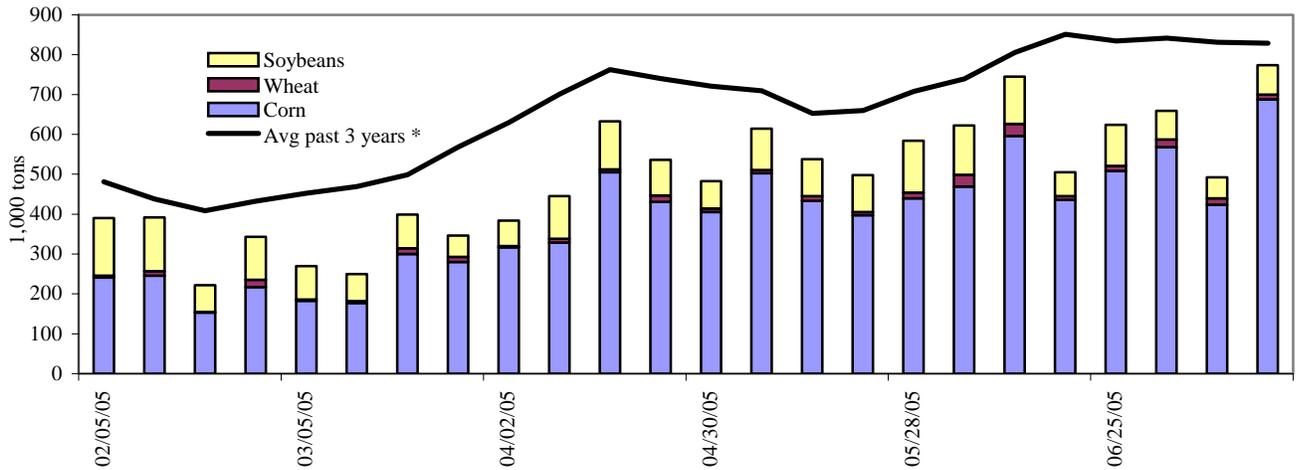


Figure 7

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 7/16/2005	Corn	Wheat	Soybean	Other	Total
Mississippi River					
Rock Island, IL (L15)	262	0	19	0	282
Winfield, MO (L25)	417	5	47	3	472
Alton, IL (L26)	663	9	70	3	745
Granite City, IL (L27)	688	12	74	5	779
Illinois River (L8)	233	6	13	0	252
Ohio River (L52)	54	17	5	8	83
Arkansas River (L1)	0	29	3	0	31
2005 YTD	12,546	949	4,045	390	17,930
2004 YTD	14,160	1,481	2,546	372	18,560
2005 as % of 2004 YTD	89	64	159	105	97
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.

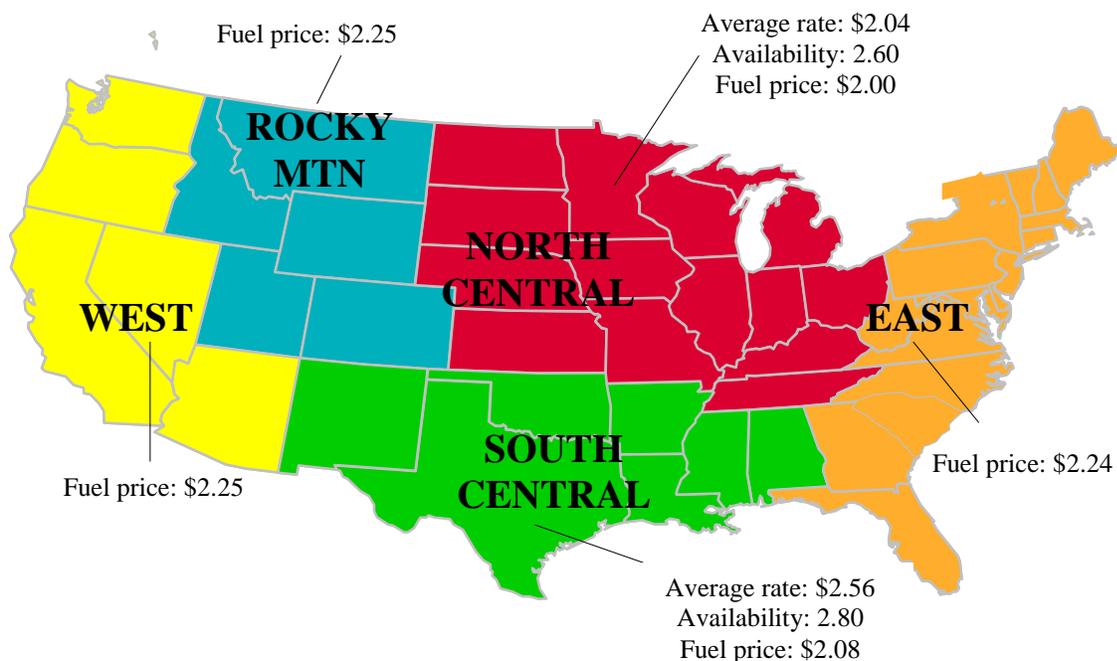
"Other" refers to oats, barley, sorghum, and rye.

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

Note: Total may not add exactly, due to rounding

Truck Transportation

Figure 8
U.S. grain truck market advisory, 1st 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, 1st 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	2.91	1.96	1.73	2.6	2.6	2.9
North Central region²	2.65	1.89	1.59	2.6	2.8	3.1
Corn	3.25	2.37	2.01	2.9	2.4	3.1
Wheat	1.52	1.44	1.39	2.6	2.9	2.9
Soybean	3.25	2.37	2.01	2.7	2.7	3.2
South Central region²	3.34	2.25	2.08	2.8	2.1	2.4
Corn	3.02	2.19	1.98	2.8	2.0	2.0
Wheat	3.13	2.18	2.08	3.0	2.3	2.7
Soybean	4.71	2.32	2.06	2.3	2.0	2.3

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 07/25/05 (US\$/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	2.365	-0.047	0.628
	New England	2.508	-0.027	0.672
	Central Atlantic	2.481	-0.040	0.653
	Lower Atlantic	2.303	-0.051	0.614
II	Midwest	2.292	-0.069	0.583
III	Gulf Coast	2.278	-0.053	0.587
IV	Rocky Mountain	2.405	-0.025	0.596
V	West Coast	2.530	0.000	0.499
	California	2.578	-0.011	0.471
Total	U.S.	2.342	-0.050	0.588

*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			
7/14/2005	2,077	348	1,270	496	95	4,286	5,508	1,267	11,061
This week year ago	1,487	1,375	1,596	912	128	5,497	6,203	713	12,413
Cumulative exports-crop year 2/									
2004/05 YTD	992	199	902	229	103	2,425	39,516	28,903	70,844
2003/04 YTD	1,492	406	829	425	99	3,250	42,158	23,635	69,043
2004/05 as % of 2003/04	66	49	109	54	104	75	94	122	103
2003/04 Total	12,697	3,785	6,928	4,889	1,053	29,353	47,704	24,102	101,159
2002/03 Total	6,896	2,899	6,645	3,517	720	20,677	39,646	28,908	89,231

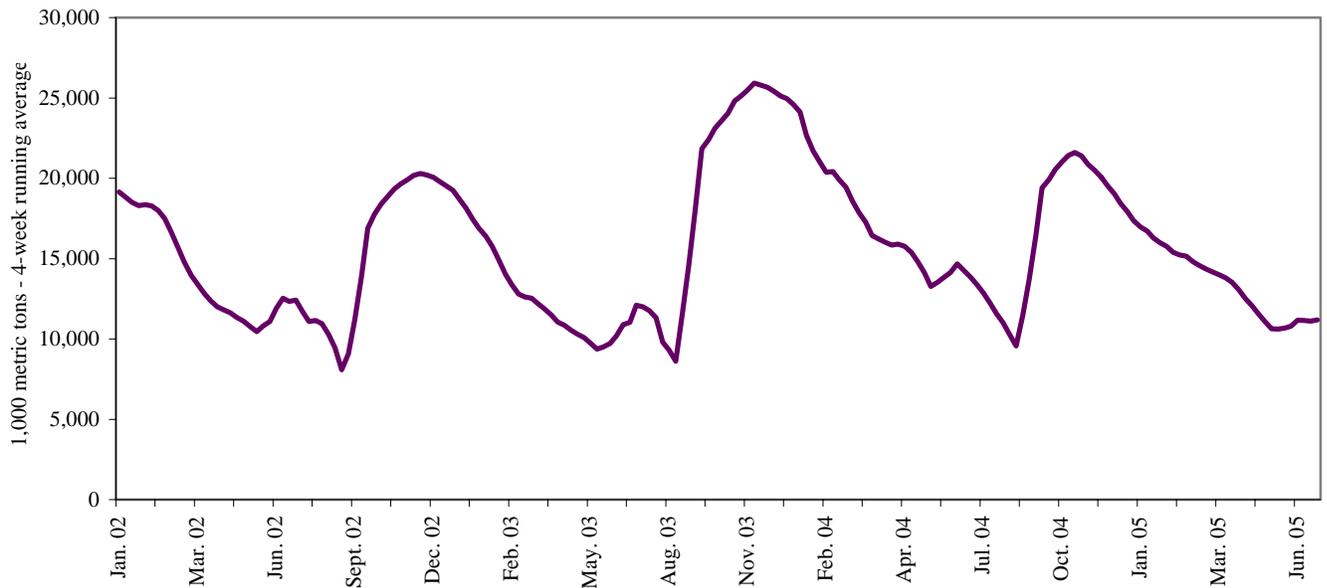
Note: YTD = year-to-date, Crop year: wheat = 6/01-5/31, corn & soybeans = 9/01-8/31, 1/ = Current unshipped export sales to date

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)

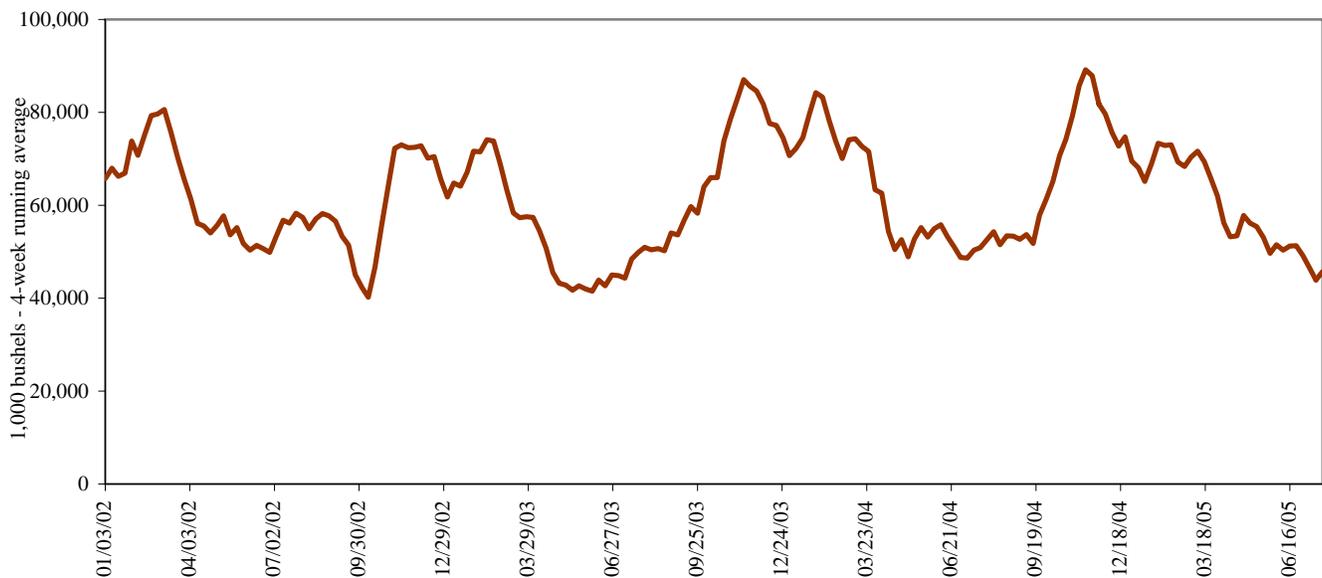
Table 14--Select U.S. port regions - grain inspections for export (1,000 metric tons)

Week ending	Pacific Region			Mississippi Gulf			Texas Gulf			Port Region total		
	Wheat	Corn	Soybeans	Wheat	Corn	Soybeans	Wheat	Corn	Soybeans	Pacific	Mississippi	Texas
07/21/05	92	241	26	141	716	161	229	0	0	359	1,018	229
2005 YTD	5,353	5,589	3,397	2,904	15,308	8,383	3,504	284	6	14,339	26,595	3,794
2004 YTD	6,226	6,307	1,920	3,925	17,579	6,113	5,323	51	14	14,453	27,617	5,388
2005 as % of 2004	86	89	177	74	87	137	66	553	43	99	96	70
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)

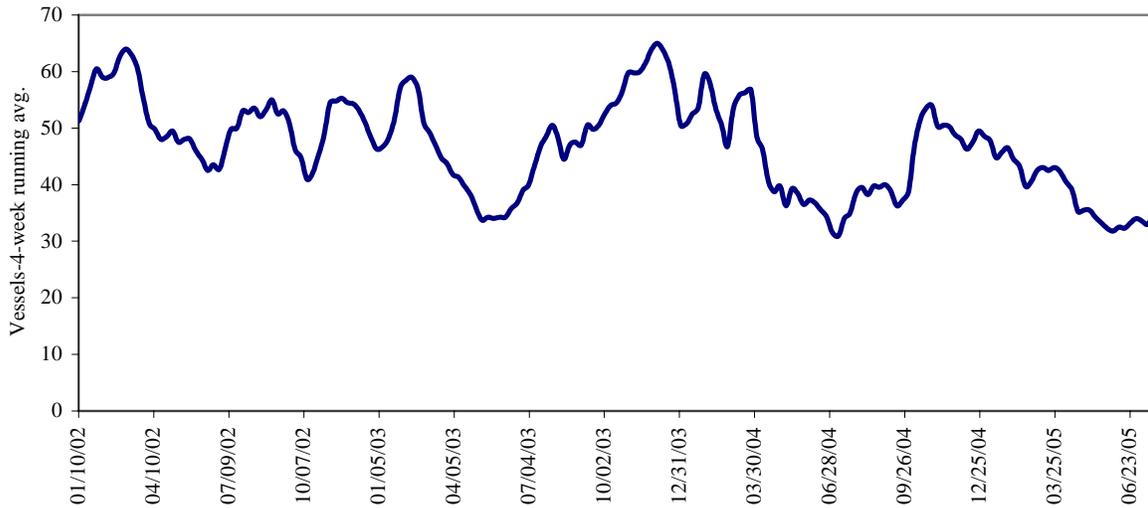
Ocean Transportation

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
7/21/2005	22	47	50	10	4
7/14/2005	25	30	48	11	7
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

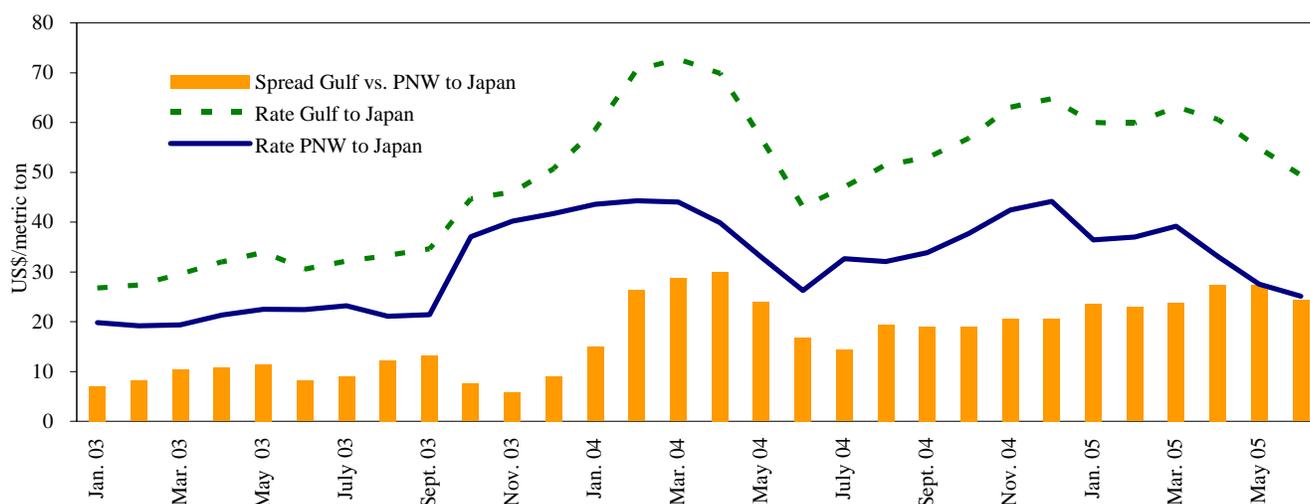
Table 16--Quarterly ocean freight rates (average rates & percentage changes) (US\$/metric ton)

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 07/23/05

Export region	Import region	Grain	Month	Volume loads (metric tons)	Freight rate (\$/metric ton)
U.S. Gulf	Djibouti*	Wheat	Jul 25/Aug 5	25,000	54.00
U.S. Gulf	South Korea	Hvy Grain	Jul 11/20	55,000	43.50
U.S. Gulf	Algeria	Hvy Grain	Jun 10/15	25,000	42.50
U.S. Gulf	Japan	Hvy Grain	Aug 1/10	54,000	37.50
U.S. Gulf	Japan	Hvy Grain	Jul 31/Aug 5	54,000	37.75
Canada	Indonesia	Wheat	Jul 15/30	65,000	21.00
Ukraine	Tunisia	Maize	Jul 20/30	15,000	21.50
Great Lakes	Algeria	Hvy Grain	Jun 20/30	18,000	57.00

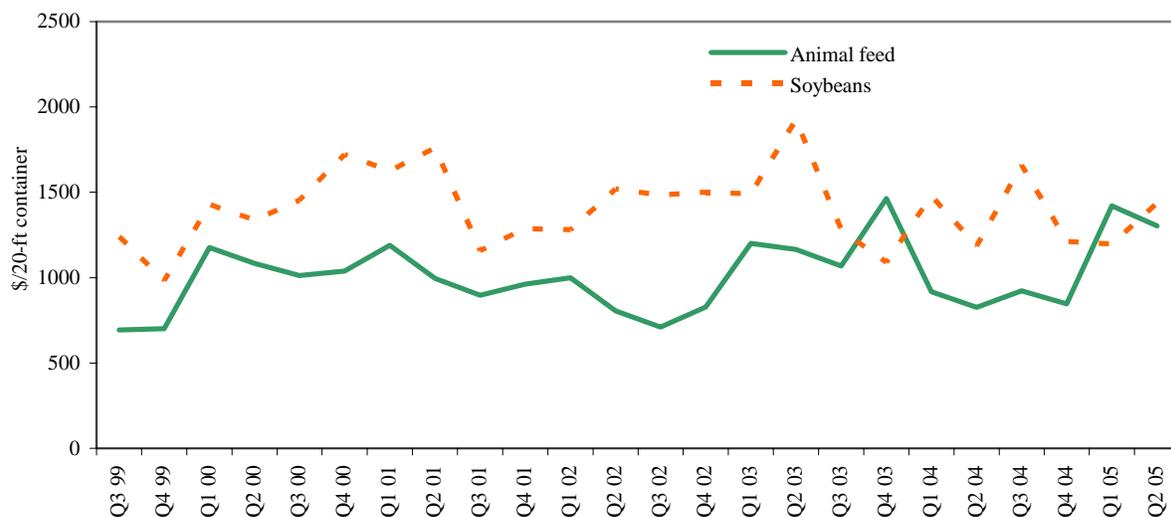
Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option

*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.

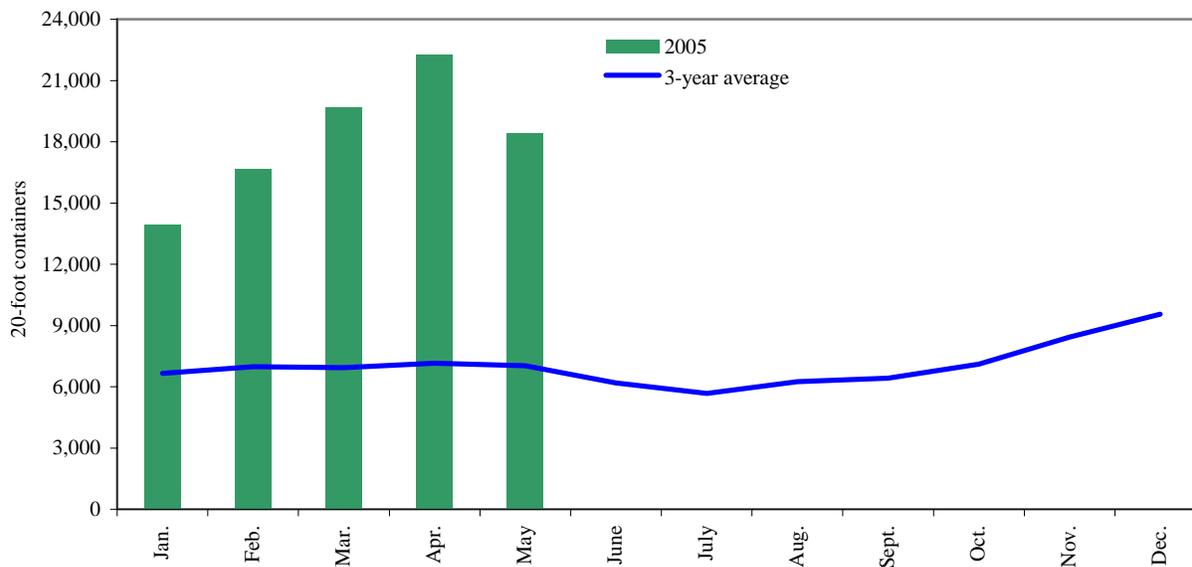
Source: Ocean Rate Bulletin, Transportation & Marketing Programs/AMS/USDA

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

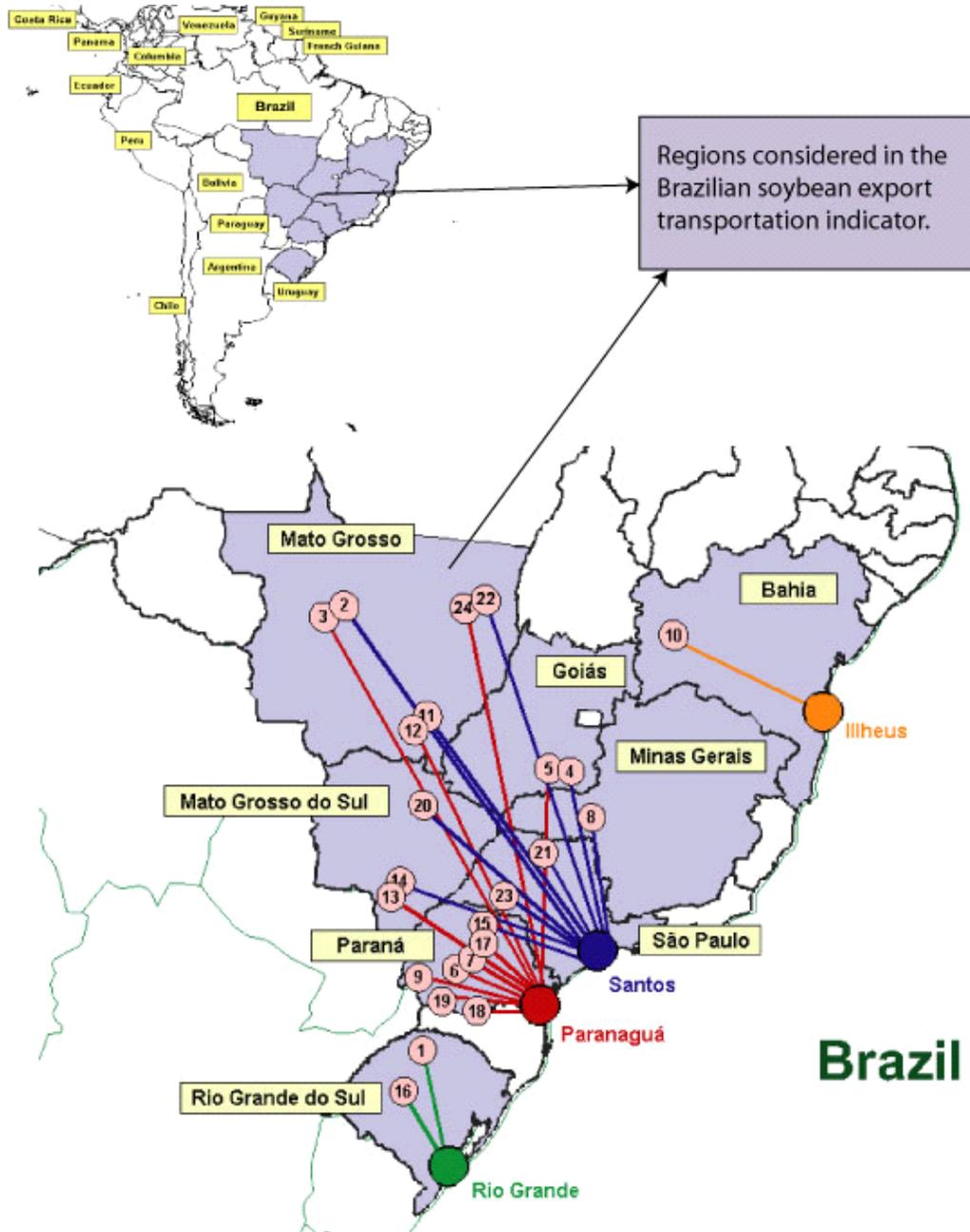


Source: Port Import Export Reporting Service (PIERS), *Journal of Commerce*

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

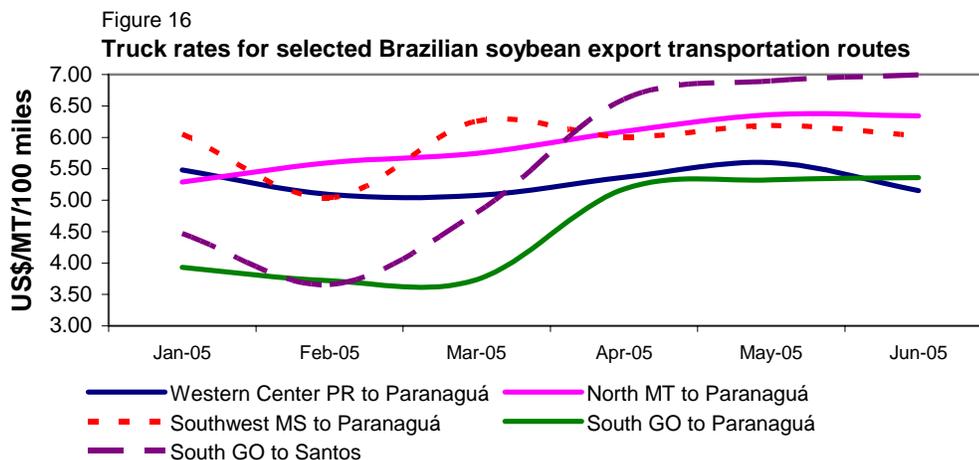
²Distance from the main city of the considered region to the mentioned ports

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

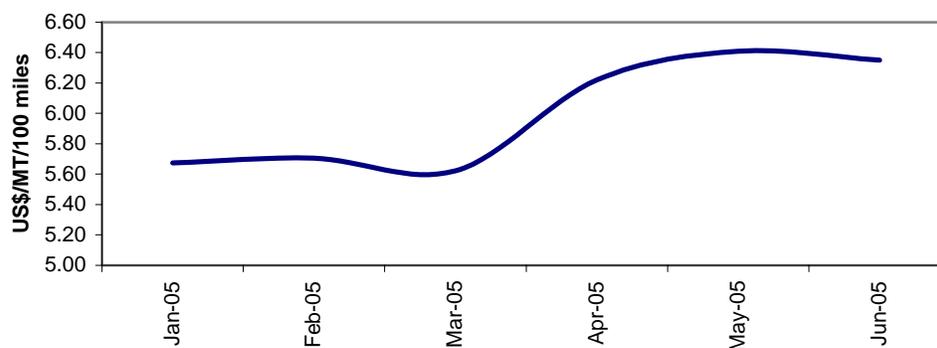
Month	Freight price* (per 100 miles)	Index variation (%) (Base: prior month)	Index value (Base: Jan. 05 = 100)
Jan. 05	5.67		100.00
Feb. 05	5.71	0.5	100.54
Mar. 05	5.62	-1.5	99.08
Apr. 05	6.22	10.6	109.61
May 05	6.41	3.1	112.96
Jun. 05	6.35	-0.9	111.90

*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	2005
	1st qtr	2nd qtr
Santos	\$45.53	\$45.84
Paranagua	\$44.64	\$60.74
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)

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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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