



Grain Transportation Report

*A weekly publication of the
Transportation and Marketing Programs/Transportation Services Branch
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The next
release is
August 25, '05

Traffic Halted on the Ohio River, Low Water Threatens Grain Shipments on the Mississippi River.

On August 16th, the U.S. Coast Guard issued a press release stating that a 7-mile portion of the lower Ohio River, between Mound City and Cairo, IL, below Lock 53, remains closed. Dredging in the area began on Sunday, August 14th and could take as long as two weeks to complete. At the time of the press release, 59 vessels (40 southbound and 19 northbound) were waiting to transit the area. Vessels requesting transit are being prioritized based upon several factors, including drafts of vessels, number of barges and barge cargoes.

The worst drought since 1988 continues to affect parts of Illinois, Iowa, Missouri, and Wisconsin. Low water levels on the Mississippi, Missouri, and Ohio rivers are delaying barge shipments of agricultural products and other goods. The delays could lead to higher transportation costs for this year's harvest of corn and other crops.

The Ohio River provides 60 percent of the water flow to the lower Mississippi River. The closed 7-mile stretch is near the area where the Ohio River meets the Mississippi River. The current low water levels on the Ohio River are affecting grain shipment navigation on the Lower Mississippi River as far south as the Memphis, TN area.

Barges have been operating under reduced draft conditions on the Upper Mississippi River between St. Louis, MO, and Cairo, IL, since August 7th. Drafts have been reduced from 12 to 9 feet. The gage height, a measurement based on a low-water benchmark, at St. Louis (Lock 27) on August 17th was slightly below zero. The U.S. Coast Guard will halt navigation if that number falls to -4.5 feet. The gage fell to -1.75 feet on August 12th. The gage height is reported by the U.S. Geological Survey and used by the U.S. Army Corps of Engineers and others to monitor river levels.

Barge shipping is considered to be more cost and energy efficient compared to other transportation modes. For example, a 15-ton tow carries 22,500 tons of cargo versus 10,000 tons hauled by a 100-car unit train, and 25 tons hauled by a tractor-trailer combination. Lightening barge loads is costly. Losing 1 inch of depth in draft typically means offloading 17 tons of cargo per barge. A typical 15-barge tow would lose 3,000 tons in offload, if the depth in draft drops 1 foot. In the second half of 2004, 14 million short tons (12.7 million metric tons) of grain were shipped by barge to the Gulf. From 1999 to 2003, the Upper Mississippi River-Illinois Waterway moved 57 percent of all U.S. corn exports and 40 percent of soybean exports.

Grain exports through the U.S. Gulf could experience an increase in shipping costs. If the drought continues to lower water levels, grain shipments destined for the Gulf could be diverted to rail and truck. The average cost of shipping grain by barge in July from Minneapolis/St. Paul, MN and St. Louis, MO to the Gulf was \$15.66 per ton. The average cost of shipping grain by rail from the nearest reference points in the same month was \$24.86 per ton, resulting in a difference of \$9.20, making barge approximately 60 percent cheaper than rail.

Grain could be diverted from the Gulf to Pacific Northwest (PNW) ports for the exports to Asia. However, PNW export elevators are currently running at a pre-harvest level of 75-80 percent capacity.

Sources: River Industry Bulletin Board - <http://www.ribb.com/index.php>, the U.S. Coast Guard, 8th District - <http://www.uscg.mil/d8/>, U.S. Army Corps of Engineers - <http://www.mvr.usace.army.mil/mvrimi/omni/webrpts/default.asp>

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Grain Transportation Indicators

Table 1--Grain transport cost indicators*

Week ending	Truck	Rail	Barge	Ocean	
				Gulf	Pacific
08/17/05	172	455	176	168	164
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)

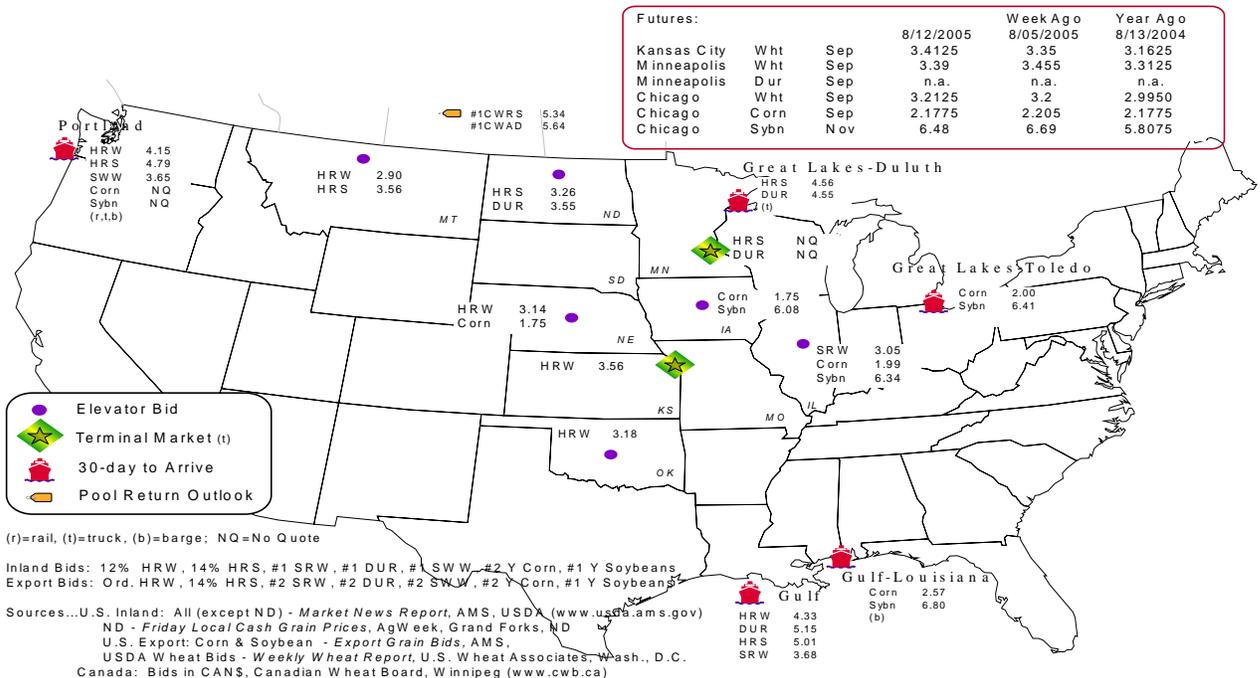
Commodity	Origin--destination	8/12/2005	8/5/2005
Corn	IL--Gulf	-0.58	-0.51
Corn	NE--Gulf	-0.82	-0.74
Soybean	IA--Gulf	-0.72	-0.70
HRW	KS--Gulf	-0.77	-0.75
HRS	ND--Portland	-1.53	-1.53

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
8/10/2005 ^P	155	2,157	1,806	3,448	19	7,585
08/03/2005 ^r	25	2,500	1,744	4,107	115	8,491
2005 YTD	7,306	55,024	54,353	134,882	7,903	259,468
2004 YTD	4,890	66,103	32,020	126,979	4,739	234,731
2005 as % of 2004	149	83	170	106	167	111
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;

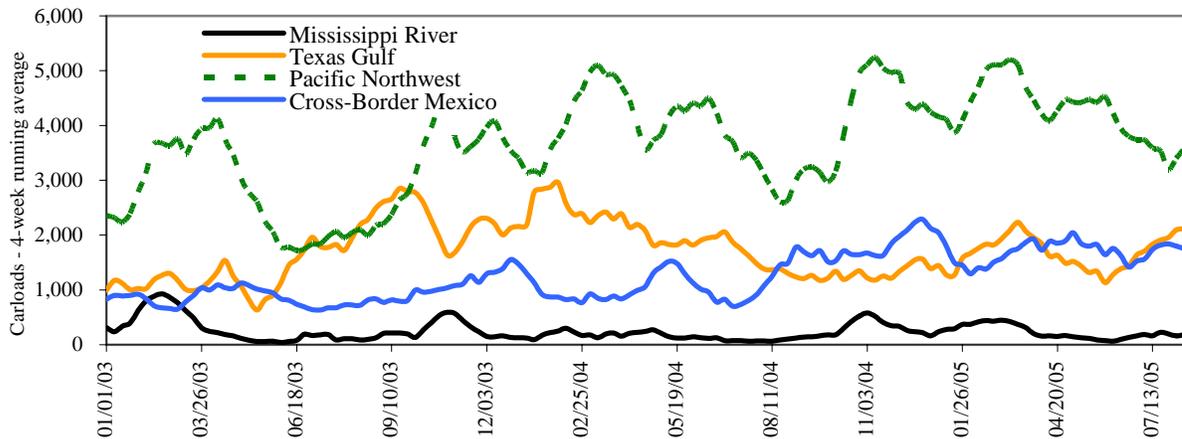
r = revised data

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

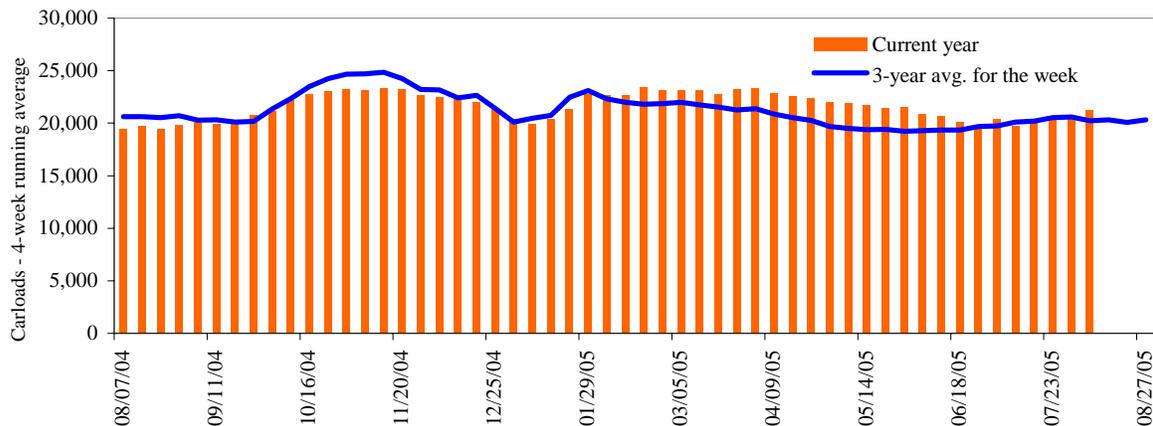
Rail deliveries to port



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
08/06/05	2,510	2,956	8,885	371	6,752	21,474	4,189	4,637
This week last year	2,339	3,096	6,877	450	6,159	18,921	4,440	4,345
2005 YTD	91,730	101,738	280,180	17,878	184,974	676,500	127,533	124,012
2004 YTD	87,546	100,713	267,880	14,862	203,021	674,022	144,855	120,562
2005 as % of 2004	105	101	105	120	91	100	88	103
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 8/13/05 (\$/car)**

Delivery for:	Sep-05	Oct-05	Nov-05
BNSF ¹			
COT/N. grain	no offer	no offer	\$372
COT/S. grain	no offer	no offer	no offer
UP ²			
GCAS/Region 1	no offer	\$137	no offer
GCAS/Region 2	no offer	\$381	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.

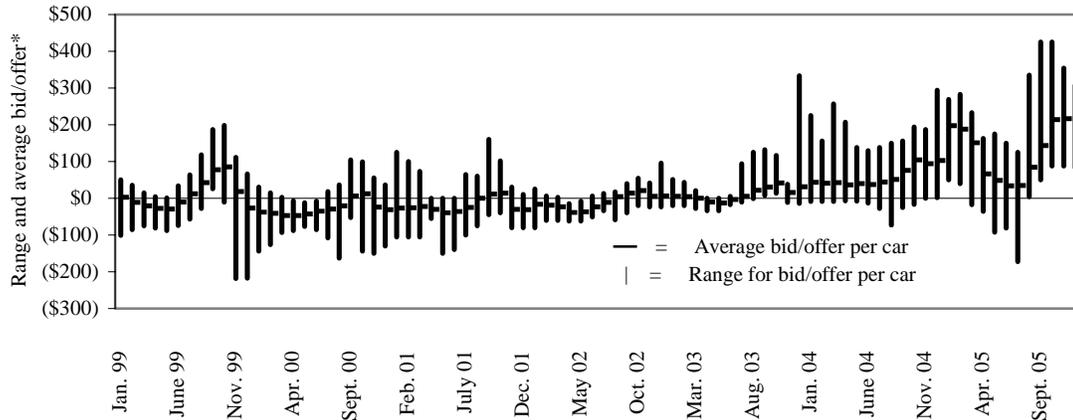
Region 2 includes: CO, IA, KS, MN, NE, WY, and Kansas City and St. Joseph, MO.

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 8/13/05 (\$/car)*

	Delivery period			
	Sep-05	Oct-05	Nov-05	Dec-05
BNSF-GF	\$425	\$425	\$354	\$308
Change from last week	\$62	\$75	\$54	\$8
UP-Pool	\$294	\$325	\$275	\$275
Change from last week	\$9	\$4	\$0	\$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:					
8/1/2005	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	\$3,734	\$41.16	\$1.12
	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	\$1,820	\$20.06	\$0.55
	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 Mexico, 2005

Effective date: 08/01/05

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

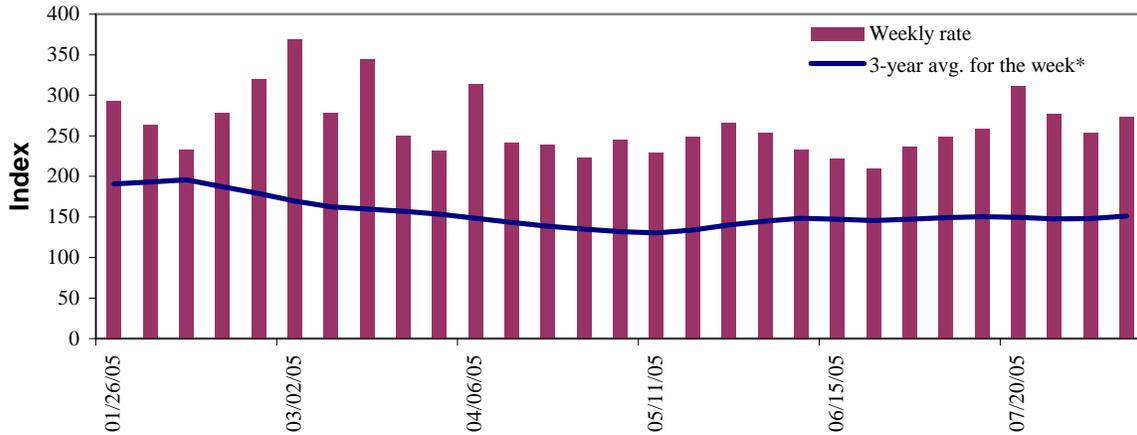
**Approximate load per car = 97.87 metric tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

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

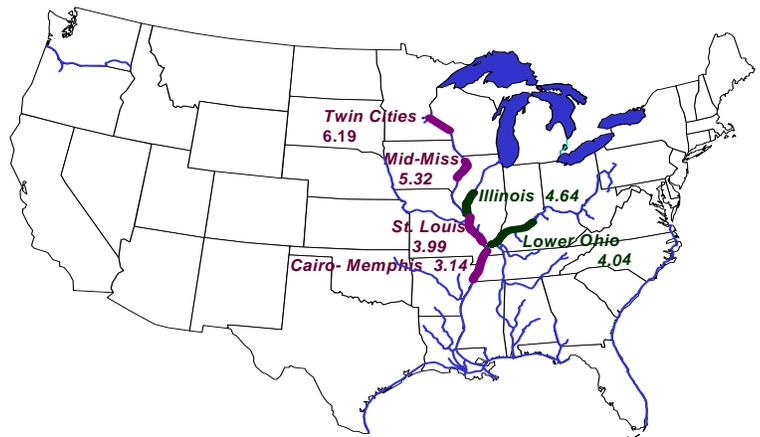
Location	8/10/2005	8/3/2005	Sept. '05	Nov. '05
Twin Cities	347	331	396	365
Mid-Mississippi	293	273	335	322
Illinois River	273	253	330	306
St. Louis	274	237	331	282
Lower Ohio	255	221	332	294
Cairo-Memphis	259	225	331	271

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

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Benchmark tariff rates



Calculating barge rate per ton:

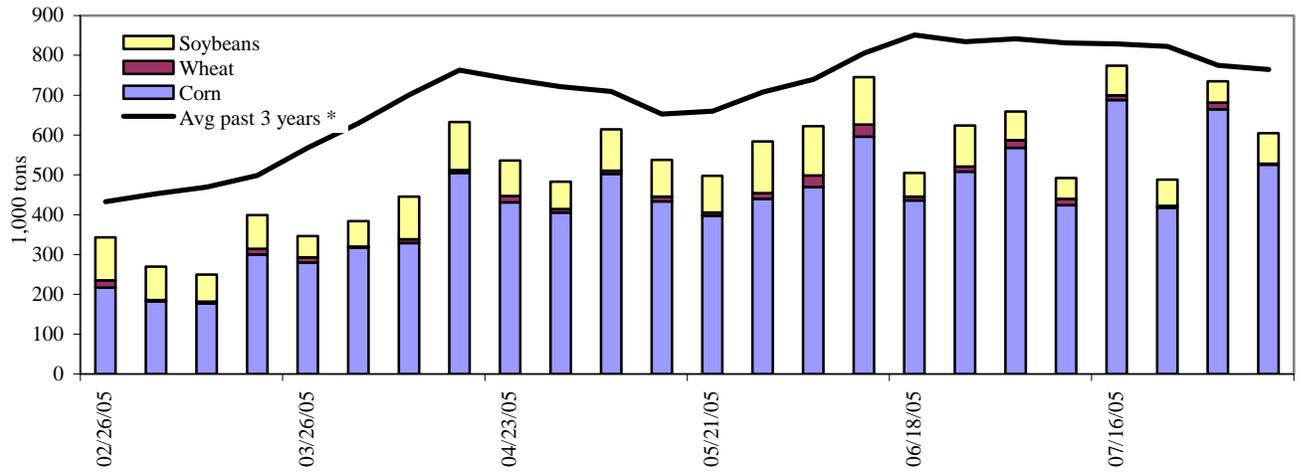
(Index * 1976 tariff benchmark rate per ton)/100

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map (see figure 6).

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

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 8/06/2005	Corn	Wheat	Soybean	Other	Total
Mississippi River					
Rock Island, IL (L15)	408	5	31	8	452
Winfield, MO (L25)	349	2	54	0	405
Alton, IL (L26)	596	3	79	0	679
Granite City, IL (L27)	526	2	77	0	605
Illinois River (L8)	182	3	11	0	196
Ohio River (L52)	67	12	15	13	107
Arkansas River (L1)	0	8	3	0	11
2005 YTD	14,325	1,044	4,310	436	20,115
2004 YTD	15,554	1,734	2,665	398	20,351
2005 as % of 2004 YTD	92	60	162	110	99
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.

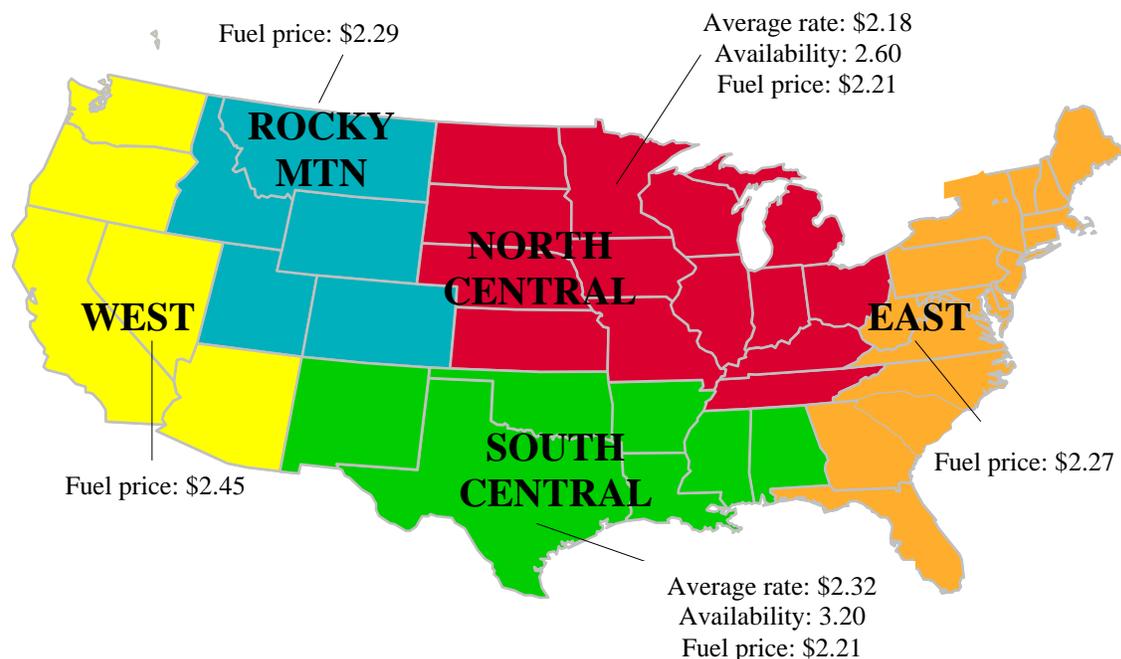
"Other" refers to oats, barley, sorghum, and rye.

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, 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 08/15/05 (US\$/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	2.544	0.158	0.733
	New England	2.618	0.126	0.708
	Central Atlantic	2.633	0.149	0.730
	Lower Atlantic	2.499	0.165	0.736
II	Midwest	2.524	0.188	0.727
III	Gulf Coast	2.481	0.158	0.716
IV	Rocky Mountain	2.615	0.129	0.753
V	West Coast	2.891	0.090	0.862
	California	3.042	0.099	0.929
Total	U.S.	2.567	0.160	0.742

*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					All wheat	Corn	Soybeans	Total
	HRW	SRW	HRS	SWW	DUR				
8/4/2005	2,067	332	1,200	707	145	4,450	4,609	958	10,017
This week year ago	1,638	1,305	1,408	1,040	112	5,502	4,678	464	10,644
Cumulative exports-crop year 2/									
2004/05 YTD	1,861	402	1,416	457	133	4,267	42,374	29,351	75,992
2003/04 YTD	2,011	769	1,365	637	127	4,909	44,747	23,912	73,568
2004/05 as % of 2003/04	93	52	104	72	105	87	95	123	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

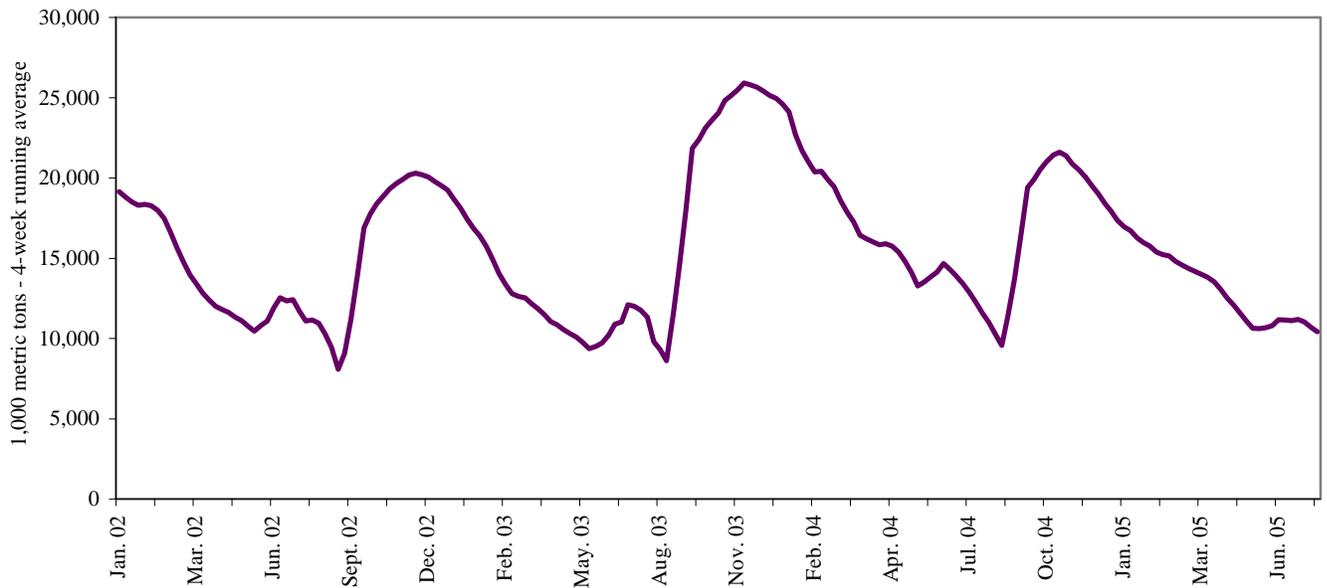
Note: YTD = year-to-date. Crop year: wheat = 6/01-5/31, corn & soybeans = 9/01-8/31, 1/ = Current unshipped export sales to date

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
08/11/05	133	220	0	97	536	164	258	0	0	353	797	258
2005 YTD	5,861	6,272	3,417	3,307	16,995	8,699	4,195	291	6	15,551	29,001	4,492
2004 YTD	6,861	6,944	1,929	4,450	19,382	6,338	5,704	51	14	15,734	30,170	5,770
2005 as % of 2004	85	90	177	74	88	137	74	567	43	99	96	78
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

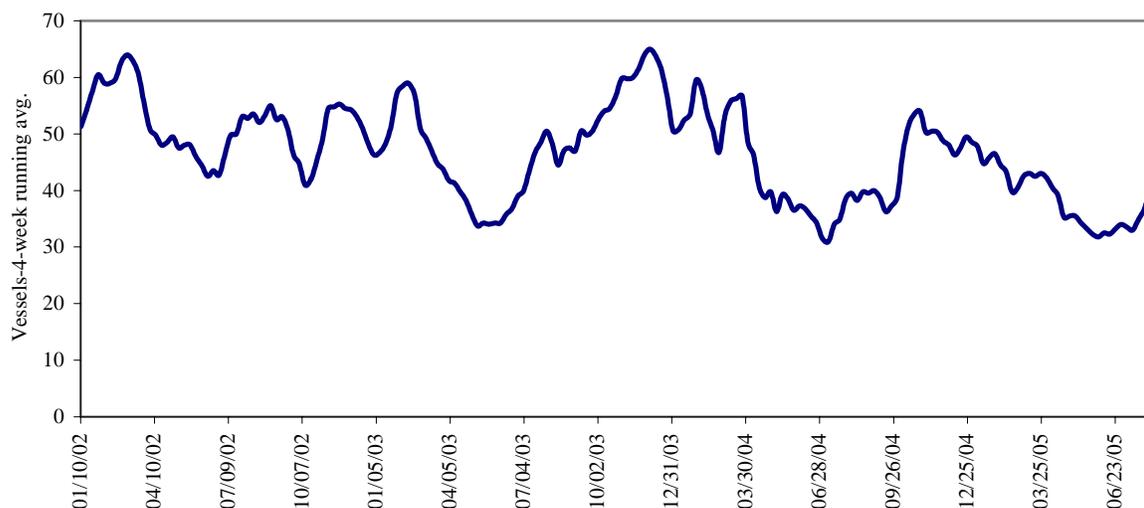
Table 15--Weekly port region grain ocean vessel activity (number of vessels)

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In port	Loaded 7-days	Due next 10-days	In port	In port
8/11/2005	18	40	50	2	6
8/4/2005	16	43	48	6	2
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

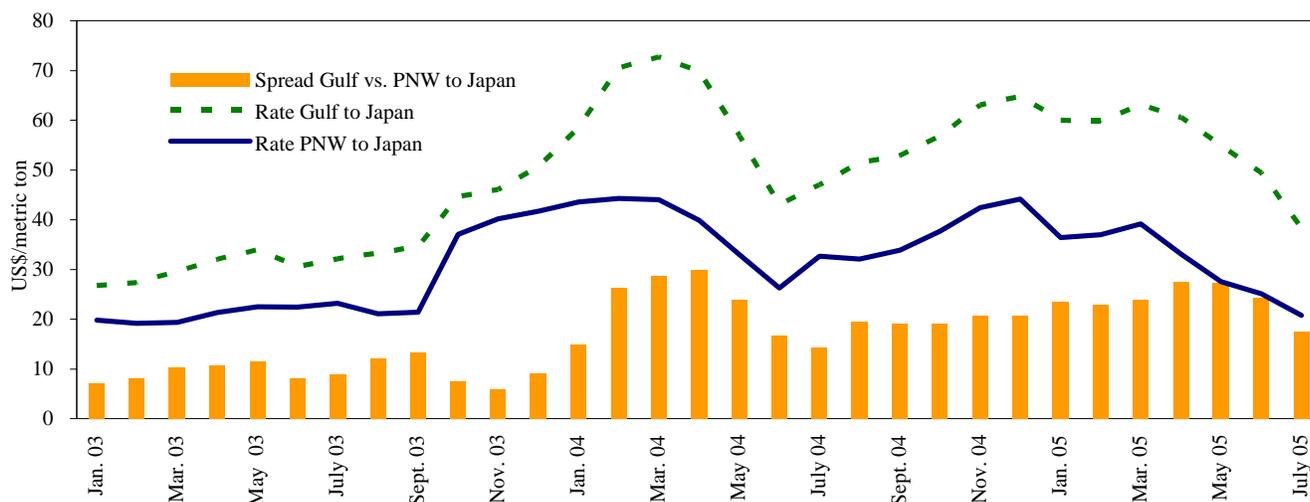
Table 16--Quarterly ocean freight rates (average rates & percentage changes) (US\$/metric ton)

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 08/13/05

Export region	Import region	Grain	Month	Volume loads (metric tons)	Freight rate (\$/metric ton)
U.S. Gulf	Djibouti*	Maize	Aug 10/25	8,780	94.75
U.S. Gulf	South Korea	Hvy Grain	Jul 11/20	55,000	43.50
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	Japan	Hvy Grain	Jul 31/Aug 5	54,000	37.75
U.S. Gulf	Algeria	Hvy Grain	Aug 12/17	25,000	23.00 op 25.50
Brazil	Morocco	Hvy Grain	Jul 27/ Aug 10	25,000	25.00
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

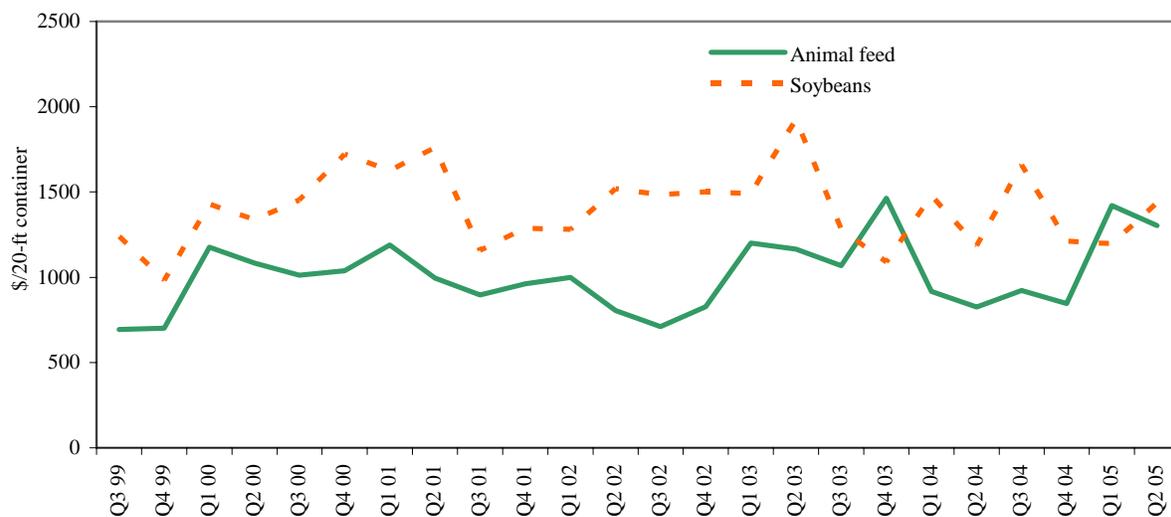
Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option

*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.

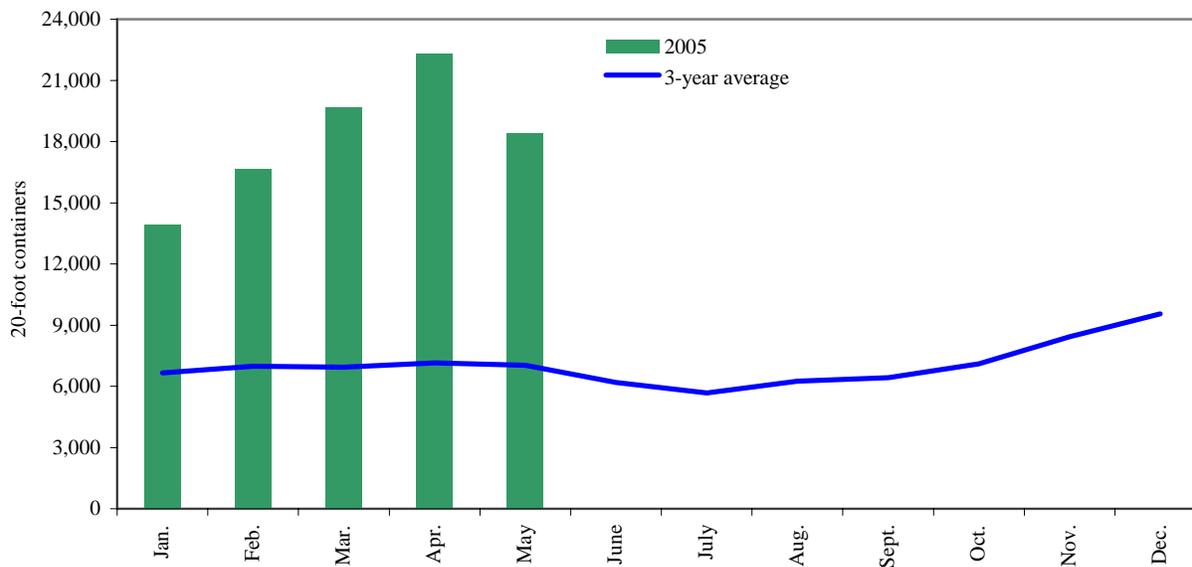
Source: Ocean Rate Bulletin, Transportation & Marketing Programs/AMS/USDA

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

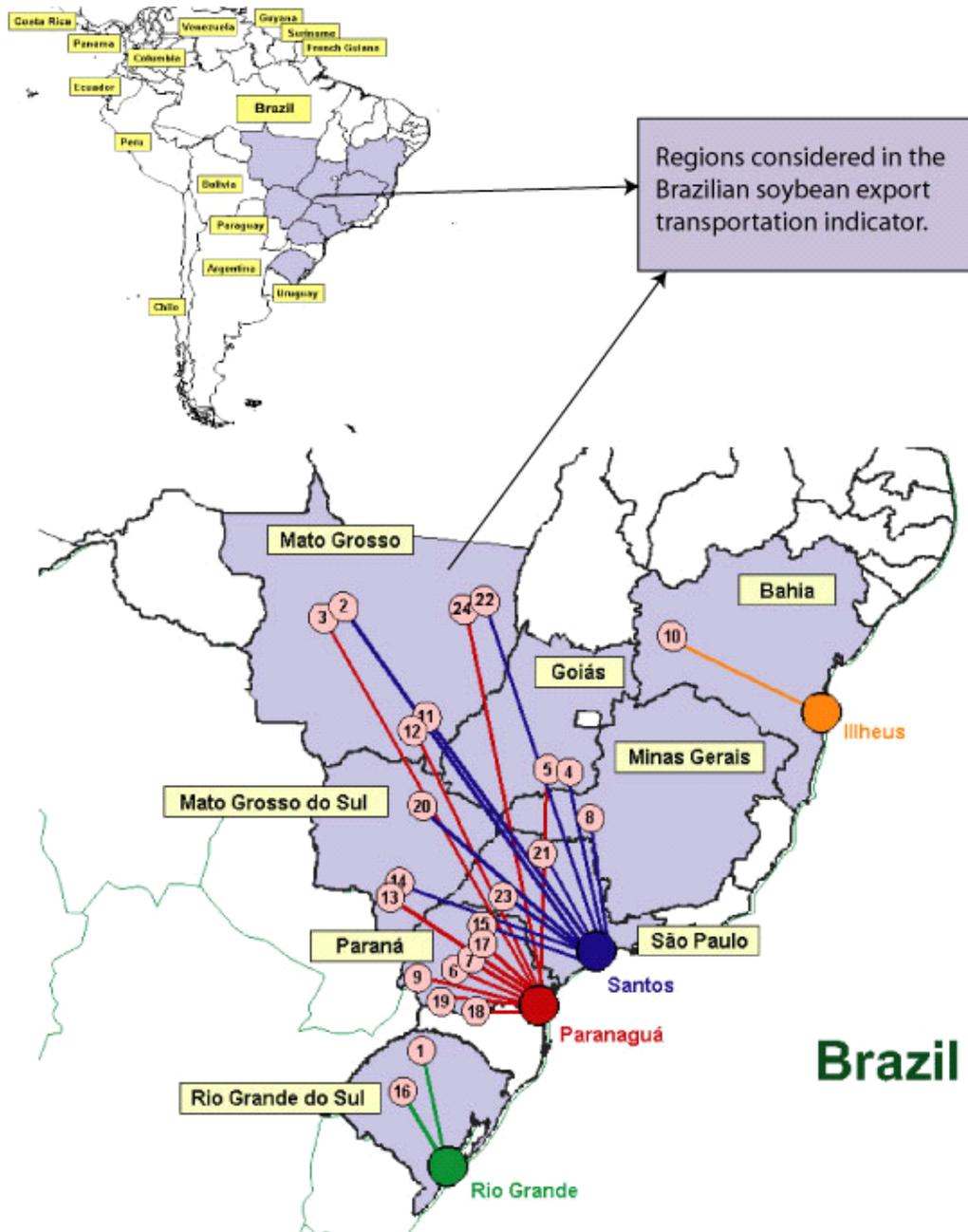


Source: Port Import Export Reporting Service (PIERS), *Journal of Commerce*

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

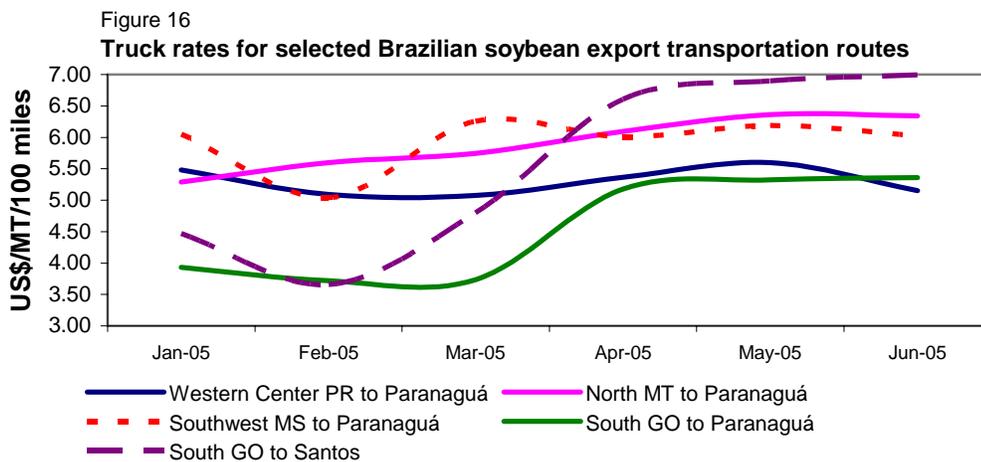
²Distance from the main city of the considered region to the mentioned ports

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

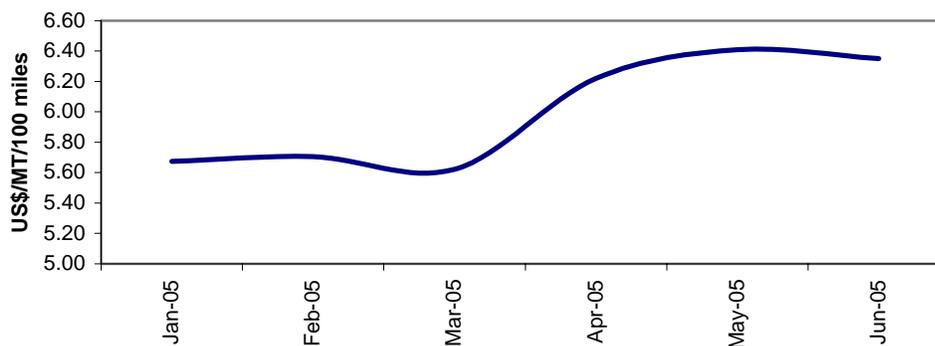
Month	Freight price* (per 100 miles)	Index variation (%) (Base: prior month)	Index value (Base: Jan. 05 = 100)
Jan. 05	5.67		100.00
Feb. 05	5.71	0.5	100.54
Mar. 05	5.62	-1.5	99.08
Apr. 05	6.22	10.6	109.61
May 05	6.41	3.1	112.96
Jun. 05	6.35	-0.9	111.90

*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 1st qtr	2005 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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