



Grain Transportation Report

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Transportation and Marketing Programs/Transportation Services Branch
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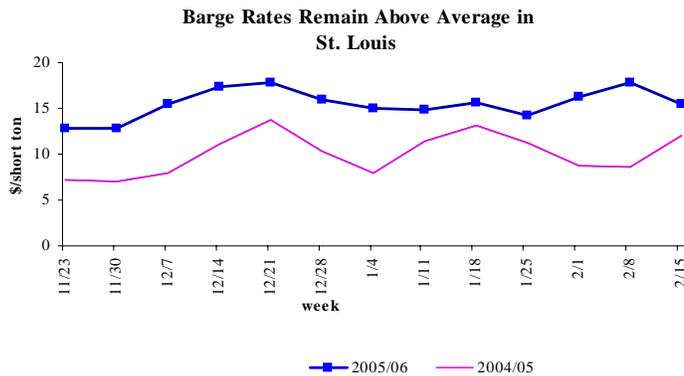
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Barge Rates Remain High. Barge rates on the Mississippi River and tributaries usually decrease after the peak grain shipping season of October through January. This year, however, rates have remained high. For example, the monthly average rate at St. Louis, MO, during January 2006 was 37 percent higher than the average for the same period last year. Also, the January 2006 St. Louis average index of 375 percent, based on the 1976 benchmark rate (Figure 6, inside), was

102 percent higher than the five-year average index of 185 percent.



Because of hurricanes Katrina and Rita, barge rates were at record highs between September and early November. After falling, rates strengthened again in December due to winter icing.

The influence of the hurricanes may linger, but with less effect, into 2006. The shortage of labor in the Gulf is one residual effect

of the hurricanes. Labor shortages are delaying moving barge equipment, slowing turnaround times. Low water levels, the scrapping of old barges and the low production of new ones, increased use of barges for upriver movement of non-agricultural commodities, and lock repair also influenced rates during 2005.

Lack of rainfall in the Upper Mississippi River basin caused periods of low water levels during the past summer. Low water requires that barges be loaded lighter, which reduces barge efficiency. Since a barge loses 17 tons of capacity for every inch that draft is reduced, more barges are required to move the same amount of freight.

Barge traffic has historically been dominated by the southbound movement of bulk commodities to Gulf ports. Many of these barges would then return northbound as empties to be reloaded. However, an increasing number of covered barges are being loaded in the Gulf with imports like steel, iron ore and other non-agricultural commodities. While this back-haul makes the best use of equipment and increases economic efficiency, it also delays barge turnaround time. Additional time is required for barges to be unloaded and then repositioned for reloading. This decreases the supply of available barges and increases rates.

Lastly, periodic lock closings, due to maintenance and repair, interfered with the movement of barges in 2005 as well as early 2006 contributing to continued high rates. Many locks have long exceeded their expected life span and will require increased maintenance, so this will probably continue to delay barge traffic and raise rates in the future. Karl.Hacker@usda.gov

Grain Transportation Indicators

Table 1--Grain transport cost indicators*

| Week ending | Truck | Rail** | Barge | Gulf | Ocean |
|--------------------------------|-------|--------|-------|------|-------|
| | | | | | |
| 02/22/06 | 165 | 80 | 208 | 163 | 194 |
| 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)

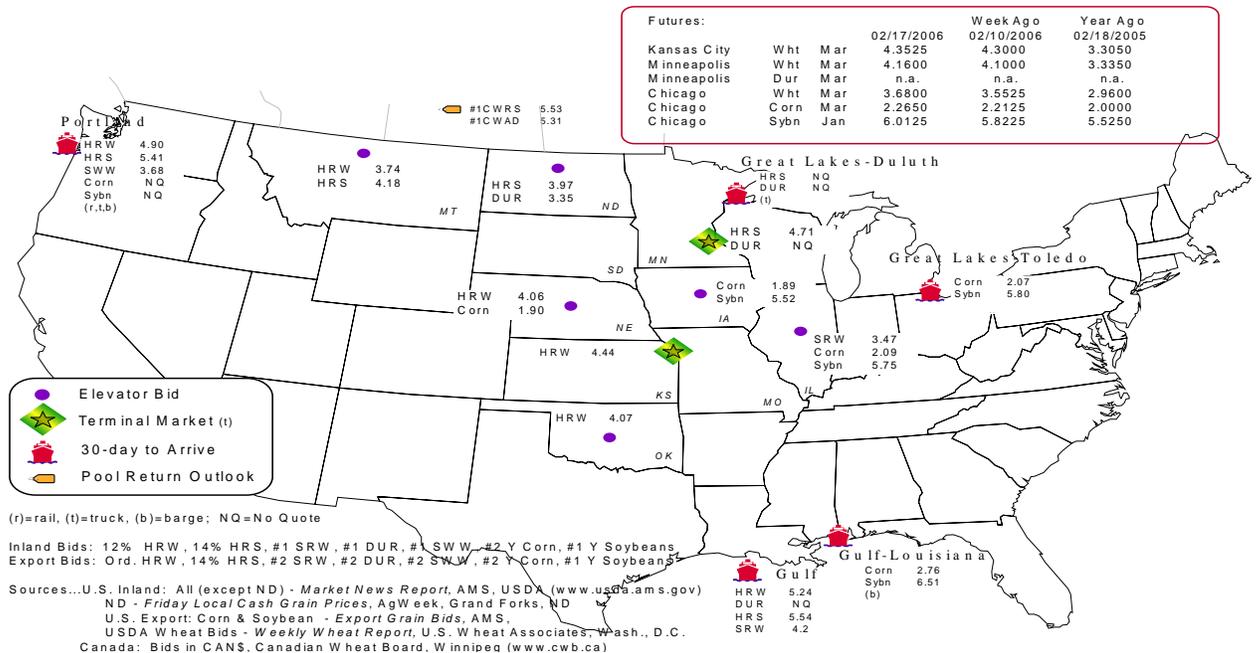
| Commodity | Origin--destination | 2/17/2006 | 2/10/2006 |
|-----------|---------------------|-----------|-----------|
| Corn | IL--Gulf | -0.67 | -0.66 |
| Corn | NE--Gulf | -0.86 | -0.86 |
| Soybean | IA--Gulf | -0.99 | -1.08 |
| HRW | KS--Gulf | -0.80 | -0.75 |
| HRS | ND--Portland | -1.44 | -1.43 |

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

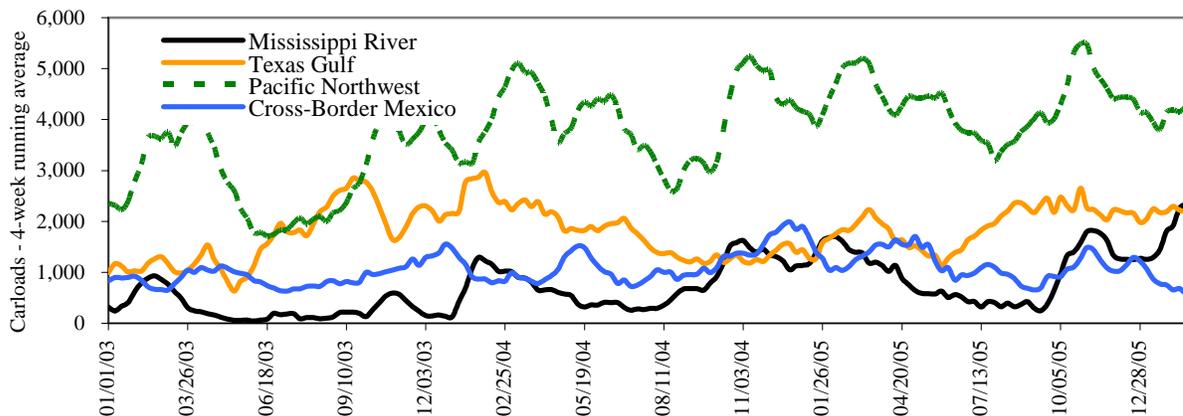
Table 3--Rail deliveries to port (carloads)*

| Week ending | Mississippi Gulf*** | Texas Gulf | Cross-Border | Pacific | Atlantic & | Total |
|------------------------|---------------------|------------|--------------|-----------|------------|---------|
| | | | Mexico**** | Northwest | East Gulf | |
| 2/15/2006 ^p | 2,414 | 1,879 | 736 | 4,306 | 565 | 9,900 |
| 2/08/2006 ^r | 2,622 | 2,150 | 348 | 3,828 | 278 | 9,226 |
| 2006 YTD | 14,000 | 15,664 | 4,417 | 29,026 | 3,419 | 66,526 |
| 2005 YTD | 10,812 | 11,403 | 8,314 | 31,584 | 3,611 | 65,724 |
| 2006 as % of 2005 | 129 | 137 | 53 | 92 | 95 | 101 |
| Total 2005** | 50,677 | 99,864 | 60,879 | 223,328 | 15,752 | 450,500 |
| Total 2004 | 43,102 | 92,073 | 59,102 | 209,625 | 10,986 | 414,888 |

(* Incomplete Data; as of 9/22/04, Cross-Border movements included; (**) Includes 53rd week; (***) Mississippi Gulf data back to January, 2004 from several new sources has been added; (****) **Cross-border Mexico data for 2004 and 2005 has been amended to reflect amendments submitted by our sources.** YTD= year-to-date; p=preliminary data; r = revised data

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

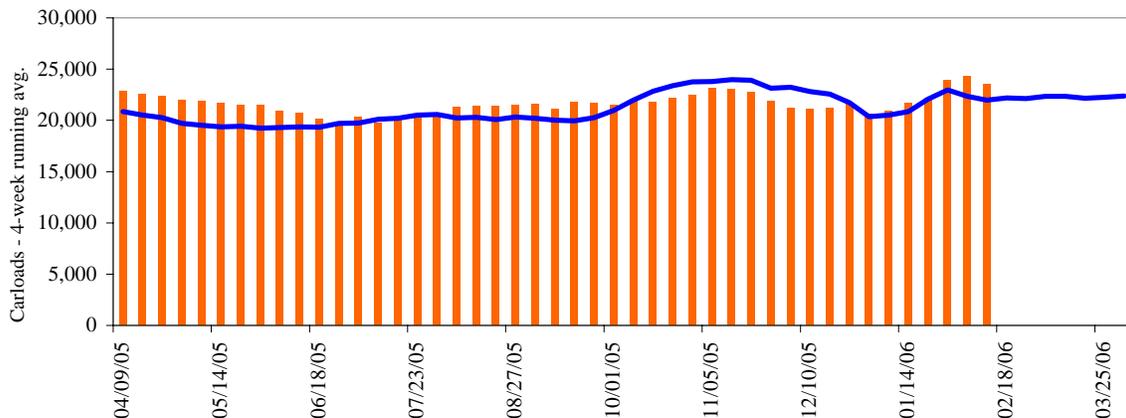


Table 4--Class I rail carrier grain car bulletin (grain carloads originated)

| Week ending | East | | West | | | U.S. total | Canada | |
|---------------------|---------|---------|---------|--------|---------|------------|---------|---------|
| | CSXT | NS | BNSF | KCS | UP | | CN | CP |
| 02/11/06 | 3,055 | 3,238 | 9,595 | 609 | 6,255 | 22,752 | 4,566 | 4,266 |
| This week last year | 3,275 | 3,346 | 10,405 | 812 | 5,626 | 23,464 | 4,400 | 3,988 |
| 2006 YTD | 20,009 | 20,175 | 61,081 | 3,645 | 37,472 | 142,382 | 29,438 | 26,390 |
| 2005 YTD | 19,014 | 20,929 | 58,392 | 4,356 | 34,379 | 137,070 | 27,155 | 24,692 |
| 2006 as % of 2005 | 105 | 96 | 105 | 84 | 109 | 104 | 108 | 107 |
| Total 2005 | 152,060 | 167,465 | 476,033 | 27,459 | 307,170 | 1,130,187 | 225,817 | 215,145 |

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

Table 5--Rail car auction offerings*, week ending 02/18/06 (\$/car)**

| Delivery for: | Apr-06 | May-06 | Jun-06 |
|-------------------|----------|----------|----------|
| BNSF ¹ | | | |
| COT/N. grain | no offer | no bids | \$4 |
| COT/S. grain | no bids | no bids | \$1 |
| UP ² | | | |
| GCAS/Region 1 | no bids | no offer | no offer |
| GCAS/Region 2 | no bids | 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.

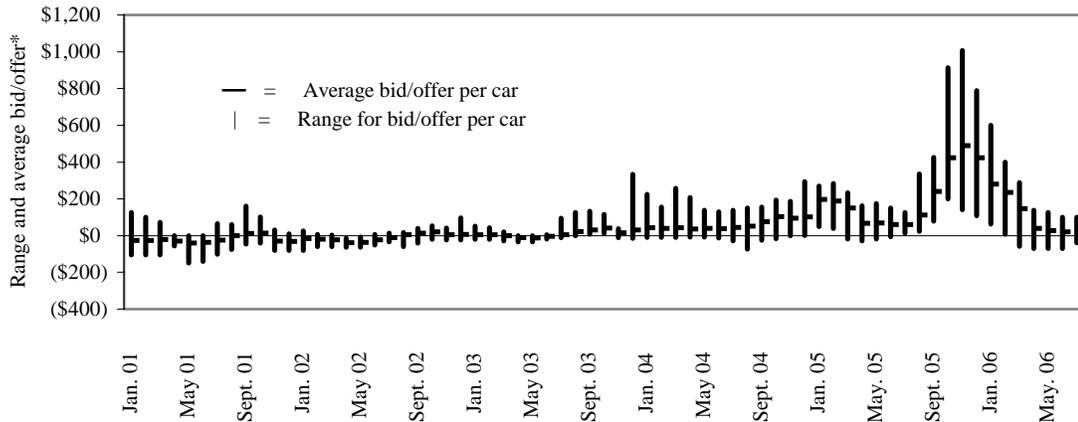
Region 2 includes: CO, IA, KS, MN, NE, WY, and Kansas City and St. Joseph, MO.

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 02/18/06 (\$/car)*

| | Delivery period | | | |
|-----------------------|-----------------|--------|--------|--------|
| | Mar-06 | Apr-06 | May-06 | Jun-06 |
| BNSF-GF | \$28 | -\$19 | -\$23 | -\$15 |
| Change from last week | \$49 | \$6 | \$21 | \$16 |
| UP-Pool | -\$58 | -\$50 | -\$58 | -\$38 |
| Change from last week | -\$16 | \$20 | \$12 | \$32 |

*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:

2/6/2006

| | 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 | \$4,190 | \$46.19 | \$1.26 |
| | Minneapolis, MN | Portland, OR | \$3,963 | \$43.68 | \$1.19 |
| | South Central, ND | Portland, OR | \$3,963 | \$43.68 | \$1.19 |
| | Northwest, KS | Portland, OR | \$4,490 | \$49.49 | \$1.35 |
| | Chicago, IL | Richmond, VA | \$2,161 | \$23.82 | \$0.65 |
| Corn | Chicago, IL | Baton Rouge, LA | \$2,610 | \$28.77 | \$0.73 |
| | Council Bluffs, IA | Baton Rouge, LA | \$2,470 | \$27.23 | \$0.69 |
| | Kansas City, MO | Dalhart, TX | \$2,365 | \$26.07 | \$0.66 |
| | Minneapolis, MN | Portland, OR | \$3,130 | \$34.50 | \$0.88 |
| | Evansville, IN | Raleigh, NC | \$1,961 | \$21.62 | \$0.55 |
| | Columbus, OH | Raleigh, NC | \$1,850 | \$20.39 | \$0.52 |
| | Council Bluffs, IA | Stockton, CA | \$3,606 | \$39.75 | \$1.01 |
| | Chicago, IL | Baton Rouge, LA | \$2,655 | \$29.27 | \$0.80 |
| Soybeans | Council Bluffs, IA | Baton Rouge, LA | \$2,515 | \$27.72 | \$0.75 |
| | Minneapolis, MN | Portland, OR | \$3,610 | \$39.79 | \$1.08 |
| | Evansville, IN | Raleigh, NC | \$1,961 | \$21.62 | \$0.59 |
| | Chicago, IL | Raleigh, NC | \$2,561 | \$28.23 | \$0.77 |
| | <u>Shuttle Train*</u> | | | | |
| Wheat | St. Louis, MO | Houston, TX | \$1,820 | \$20.06 | \$0.55 |
| | Minneapolis, MN | Portland, OR | \$3,763 | \$41.48 | \$1.13 |
| Corn | Fremont, NE | Houston, TX | \$2,124 | \$23.41 | \$0.59 |
| | Minneapolis, MN | Portland, OR | \$3,024 | \$33.33 | \$0.85 |
| Soybeans | Council Bluffs, IA | Houston, TX | \$2,412 | \$26.59 | \$0.72 |
| | Minneapolis, MN | Portland, OR | \$3,170 | \$34.94 | \$0.95 |

*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.upr.com

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

Effective date: 2/06/06

| 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 | Unit | \$4,086 | \$41.75 | \$1.14 |
| | OK | El Paso, TX | Shuttle | \$2,235 | \$22.84 | \$0.62 |
| | 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 | \$3,980 | \$40.67 | \$1.11 |
| | 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 | \$3,543 | \$36.20 | \$0.92 |
| | NE | Brownsville, TX | Unit | \$3623* | \$37.02 | \$0.94 |
| | IA | Eagle Pass, TX | Unit | \$3,773 | \$38.55 | \$0.98 |
| | MO | Eagle Pass, TX | Shuttle | \$3364* | \$34.37 | \$0.87 |
| | NE | Eagle Pass, TX | Shuttle | \$3764* | \$38.46 | \$0.98 |
| | IA | Laredo, TX | Shuttle | \$3,696 | \$37.76 | \$0.96 |
| Soybean | IA | Brownsville, TX | Shuttle | \$3,318 | \$33.90 | \$0.92 |
| | MN | Brownsville, TX | Shuttle | \$3,614 | \$36.93 | \$1.00 |
| | NE | Brownsville, TX | Shuttle | \$3,127 | \$31.95 | \$0.87 |
| | NE | Eagle Pass, TX | Shuttle | \$3,203 | \$32.73 | \$0.89 |
| | IA | Laredo, TX | Unit | \$3,357 | \$34.30 | \$0.93 |

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

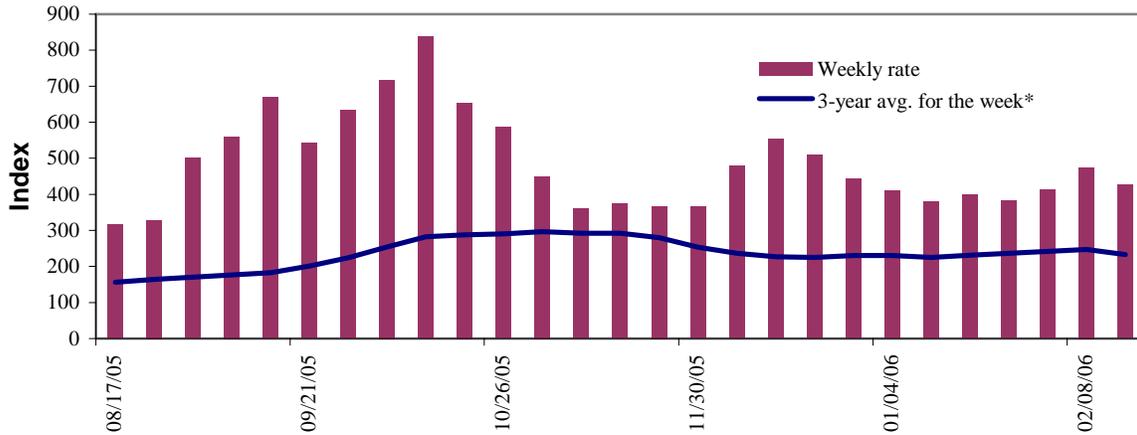
**Approximate load per car = 97.87 metric tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

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 | 2/15/2006 | 2/8/2006 | Mar. '06 | May '06 |
|-----------------|-----------|----------|----------|---------|
| Twin Cities | n/a | n/a | 393 | 381 |
| Mid-Mississippi | n/a | n/a | 385 | 346 |
| Illinois River | 427 | 475 | 383 | 338 |
| St. Louis | 389 | 448 | 352 | 314 |
| Lower Ohio | 351 | 391 | 325 | 312 |
| Cairo-Memphis | 333 | 365 | 320 | 303 |

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

Source: Transportation & Marketing Programs/AMS/USDA

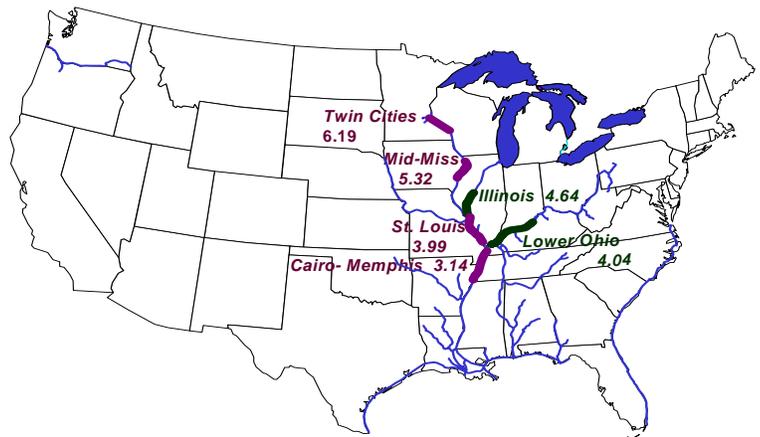
Figure 6

Benchmark tariff rates

Calculating barge rate per ton:

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

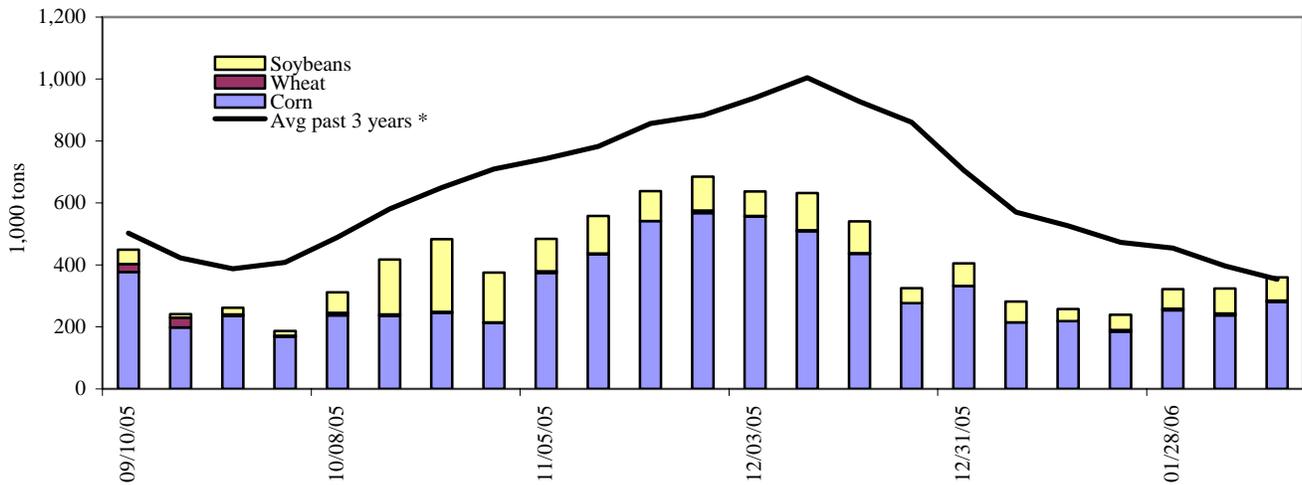
Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map (see figure 6).



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 2/11/2006 | Corn | Wheat | Soybean | Other | Total |
|----------------------------|--------|-------|---------|-------|--------|
| Mississippi River | | | | | |
| Rock Island, IL (L15) | 0 | 0 | 0 | 0 | 0 |
| Winfield, MO (L25) | 5 | 0 | 15 | 0 | 20 |
| Alton, IL (L26) | 275 | 5 | 81 | 2 | 363 |
| Granite City, IL (L27) | 281 | 4 | 75 | 2 | 362 |
| Illinois River (L8) | 210 | 0 | 55 | 2 | 266 |
| Ohio River (L52) | 190 | 0 | 72 | 2 | 264 |
| Arkansas River (L1) | 0 | 20 | 32 | 19 | 70 |
| 2006 YTD | 2,382 | 135 | 901 | 125 | 3,543 |
| 2005 YTD | 2,137 | 129 | 1,306 | 137 | 3,709 |
| 2006 as % of 2005 YTD | 111 | 105 | 69 | 91 | 96 |
| Total 2005 | 23,761 | 1,620 | 7,276 | 731 | 33,388 |

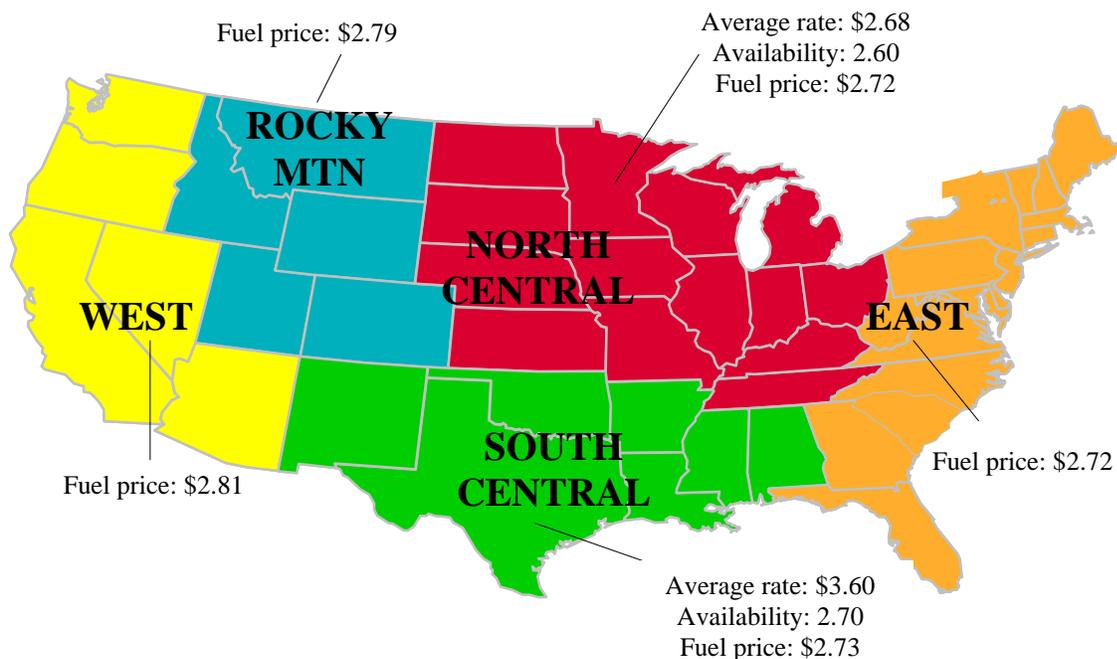
YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

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

Note: Total may not add exactly, due to rounding

Truck Transportation

Figure 8
U.S. grain truck market advisory, 4th 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, 4th quarter 2005

| Region | 25 miles | 100 miles | 200 miles | Truck availability | Truck activity | Future truck activity |
|-------------------------------------|----------------------------|-------------|-------------|--|-------------------------------------|-----------------------|
| | ¹ Rate per mile | | | <i>Rating compared to same quarter last year</i> | | |
| | | | | 1=Very easy to 5=Very difficult | 1=Much lower to 5=Much higher | |
| National average² | 3.31 | 2.46 | 2.26 | 2.6 | 2.9 | 2.9 |
| North Central region | 3.23 | 2.51 | 2.29 | 2.6 | 3.0 | 3.0 |
| Rocky Mountain | 4.58 | 2.35 | 1.95 | 2.8 | 3.0 | 3.0 |
| South Central | 3.00 | 2.42 | 2.39 | 2.7 | 2.5 | 2.7 |
| West | n/a | n/a | n/a | 2.0 | 3.5 | 3.0 |

¹Rates are based on trucks with 80,000 lb gross vehicle weight limit

²National average includes: AL, AR, CO, IA, ID, IL, IN, KS, LA, MN, MO, MS, MT, ND, NE, OH, OK, OR, SD, TX, WA, WI, and WY.

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 2/20/06 (US\$/gallon)

| Region | Location | Price | Change from | |
|--------|-------------------------|-------|-------------|----------|
| | | | Week ago | Year ago |
| I | East Coast | 2.487 | -0.022 | 0.460 |
| | New England | 2.593 | -0.024 | 0.395 |
| | Central Atlantic | 2.580 | -0.011 | 0.426 |
| | Lower Atlantic | 2.437 | -0.027 | 0.480 |
| II | Midwest ¹ | 2.398 | -0.021 | 0.445 |
| III | Gulf Coast ² | 2.427 | -0.020 | 0.484 |
| IV | Rocky Mountain | 2.497 | -0.003 | 0.410 |
| V | West Coast | 2.594 | -0.027 | 0.273 |
| | California | 2.674 | -0.035 | 0.415 |
| Total | U.S. | 2.455 | -0.021 | 0.435 |

*Diesel fuel prices include all taxes.

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

¹Same as North Central

²Same as South Central

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 | | | | |
| 2/9/2006 | 1,644 | 344 | 1,170 | 696 | 147 | 3,999 | 8,829 | 3,788 | 16,616 |
| This week year ago | 1,763 | 379 | 1,297 | 597 | 102 | 4,138 | 6,769 | 4,387 | 15,294 |
| Cumulative exports-crop year 2/ | | | | | | | | | |
| 2005/06 YTD | 7,948 | 1,467 | 5,533 | 3,034 | 565 | 18,547 | 21,340 | 14,946 | 54,833 |
| 2004/05 YTD | 6,749 | 2,679 | 5,660 | 3,680 | 466 | 19,234 | 21,024 | 19,645 | 59,903 |
| 2005/06 as % of 2004/05 | 118 | 55 | 98 | 82 | 121 | 96 | 102 | 76 | 92 |
| 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 |

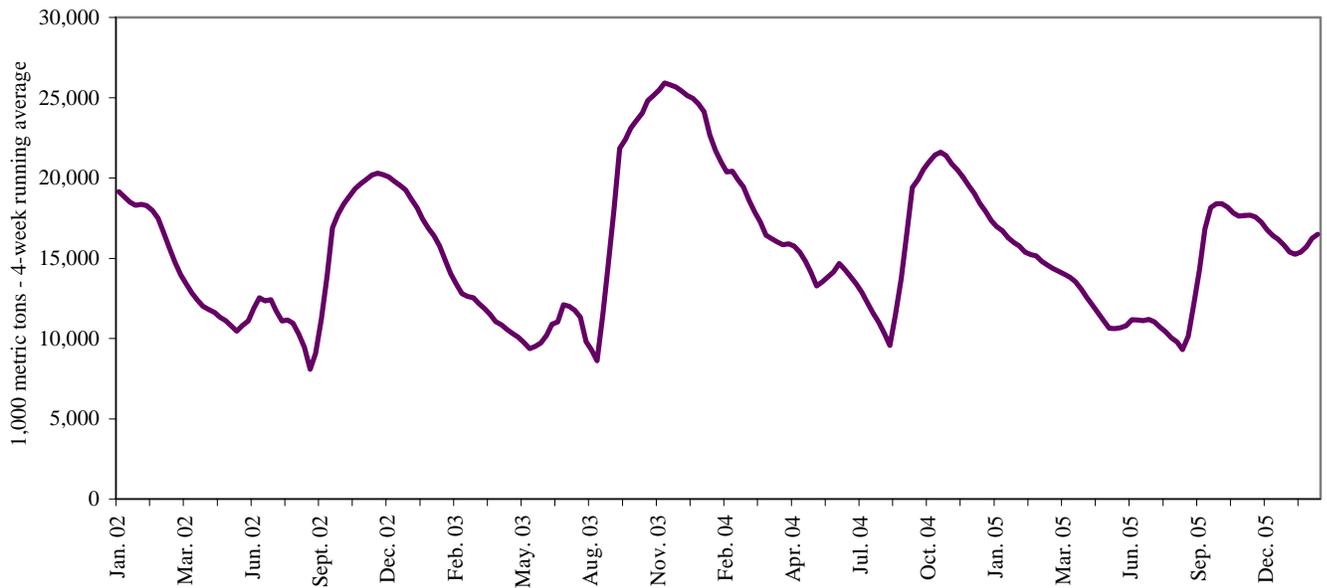
Note: YTD = year-to-date. Crop year: wheat = 6/01-5/31, corn & soybeans = 9/01-8/31, 1/ = Current unshipped export sales to date

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 |
| 02/16/06 | 227 | 211 | 135 | 95 | 859 | 514 | 91 | 50 | 0 | 573 | 1,468 | 141 |
| 2006 YTD | 1,605 | 1,178 | 908 | 641 | 4,745 | 3,259 | 1,243 | 128 | 10 | 3,691 | 8,646 | 1,381 |
| 2005 YTD | 1,650 | 1,123 | 1,226 | 695 | 3,642 | 3,924 | 728 | 154 | 6 | 3,998 | 8,260 | 888 |
| 2006 as % of 2005 | 97 | 105 | 74 | 92 | 130 | 83 | 171 | 83 | 170 | 92 | 105 | 156 |
| 2005 Total * | 10,801 | 10,104 | 6,225 | 4,643 | 27,596 | 14,793 | 7,743 | 810 | 36 | 27,130 | 47,032 | 8,589 |

Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov); YTD: year-to-date; *includes weekly revisions

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

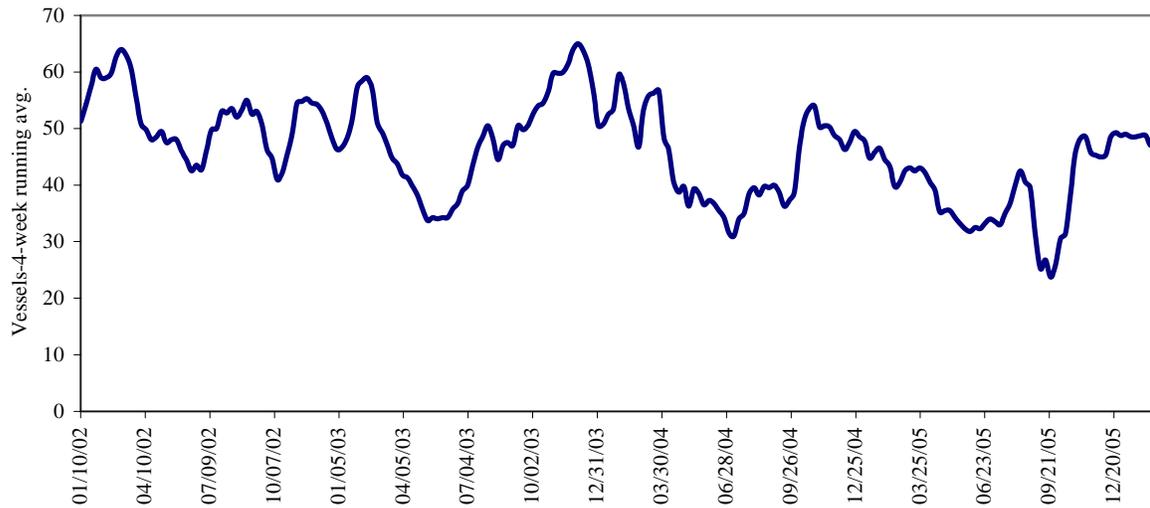
Ocean Transportation

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 |
| 2/16/2006 | 22 | 56 | 72 | 12 | 13 |
| 2/9/2006 | 34 | 45 | 58 | 12 | 6 |
| 2005 range | (11..57) | (10..56) | (18..76) | (2..16) | (0..17) |
| 2005 avg. | 27 | 39 | 53 | 9 | 7 |

Source: Transportation & Marketing Programs/AMS/USDA

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



Source: Transportation & Marketing Programs/AMS/USDA

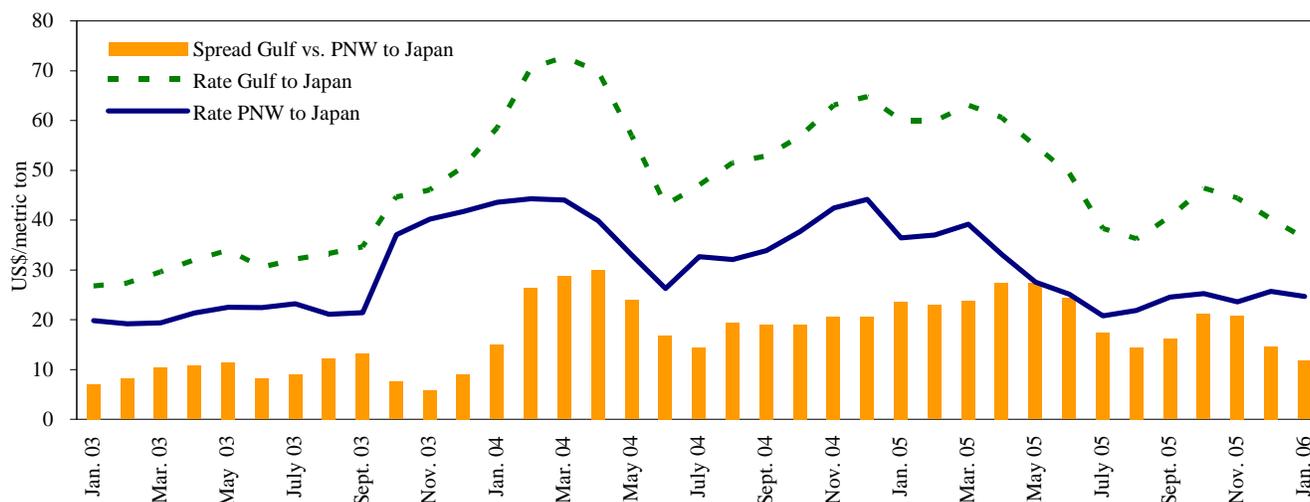
Table 16--Quarterly ocean freight rates (average rates & percentage changes) (US\$/metric ton)

| Countries/ regions | 2005 4 th qtr | 2004 4 th qtr | Percent change | Countries/ regions | 2005 4 th qtr | 2004 4 th qtr | Percent change |
|-----------------------|-----------------------------|-----------------------------|-------------------|----------------------------|-----------------------------|-----------------------------|-------------------|
| Gulf to | | | | Pacific NW to | | | |
| Japan | 46.75 | 60.83 | -23 | Japan | --- | --- | --- |
| China | | 56.35 | --- | Argentina/Brazil to | | | |
| N. Africa | 31.75 | --- | --- | N. Africa | 42.67 | --- | --- |
| Med. Sea | 31.75 | --- | --- | Mediterranean | 40.20 | --- | --- |

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 2/18/06

| Export region | Import region | Grain | Month | Volume loads (metric tons) | Freight rate (\$/metric ton) |
|------------------|---------------|-----------|---------------|-------------------------------|---------------------------------|
| U.S. Gulf | Japan | Hvy Grain | Jan 25/Feb 5 | 54,000 | 37.45 |
| U.S. Gulf | China | Hvy Grain | Feb 1/10 | 55,000 | 32.00 |
| U.S. Gulf | China | Hvy Grain | Feb 20/28 | 55,000 | 31.00 |
| U.S. Gulf | N. China | Hvy Grain | Feb 20/28 | 55,000 | 29.75 |
| United Kingdom | Thailand | Wheat | Feb 25/Mar 10 | 42,000 | 21.50 |
| PNW | Pakistan * | Soybeans | Feb 16/27 | 10,000 | 59.45 |
| Portland, Oregon | Saudi Arabia | Barley | Feb 1/5 | 55,000 | 27.00 |
| Brazil | N. China | Hvy Grain | Feb 10/18 | 58,000 | 27.50 |
| River Plate | Spain | Grains | Jan 25/Feb 10 | 45,000 | 29.00 |

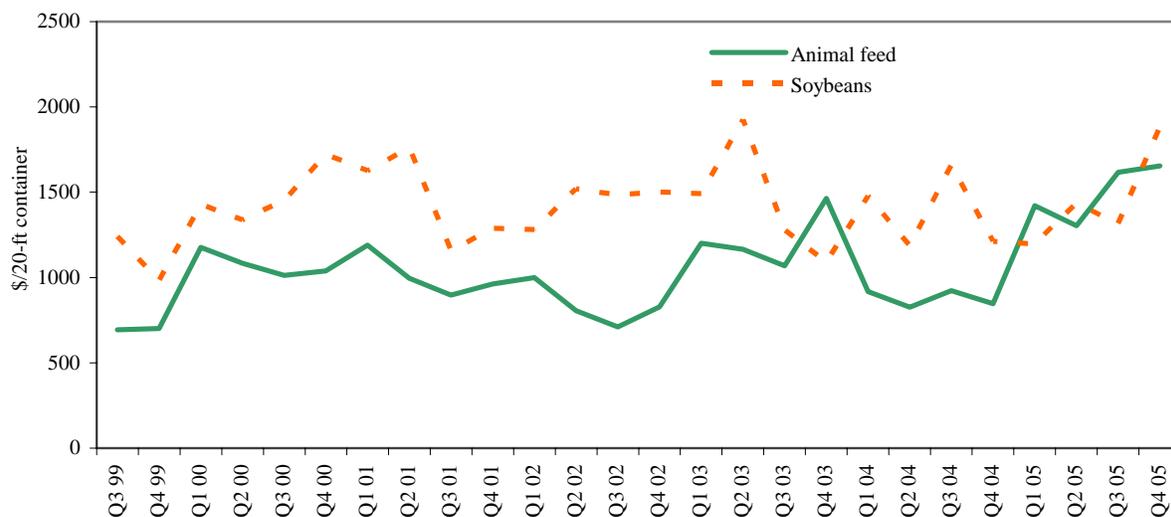
Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option

*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 (12%), Kaohsiung-Taiwan (34%), Tokyo-Japan (35%), Hong Kong (13%), Bangkok-Thailand (6%) and soybeans: Busan-Korea (1%), Keelung-Taiwan (89%), Tokyo-Japan (8%), Bangkok-Thailand (1%), Hong Kong (1%)

Quarter 4, 2005.

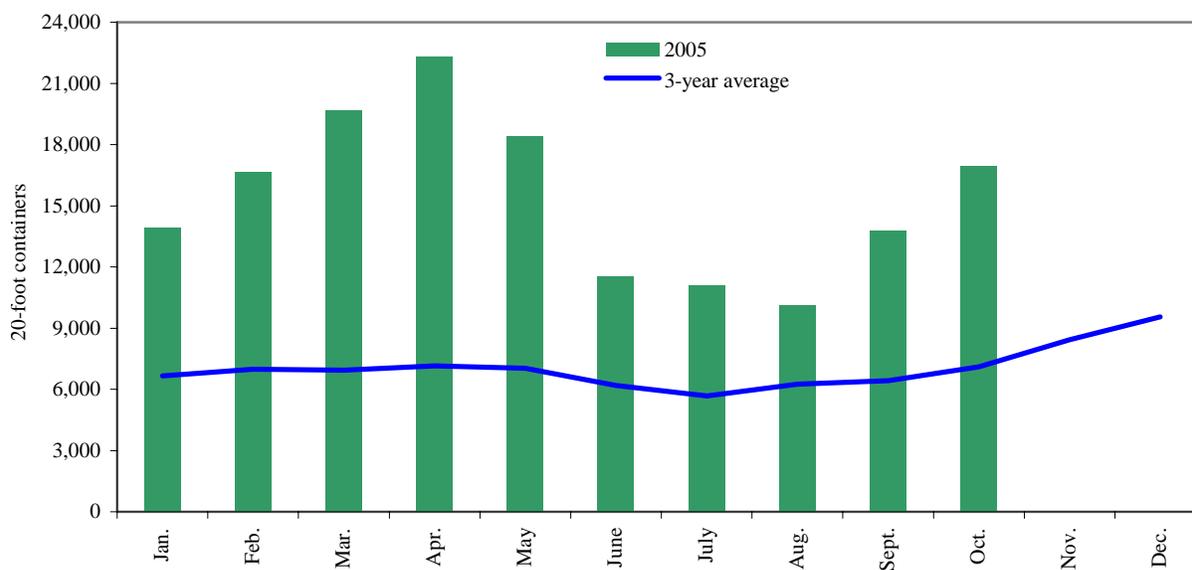
Source: Ocean Rate Bulletin, Transportation & Marketing Programs/AMS/USDA

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

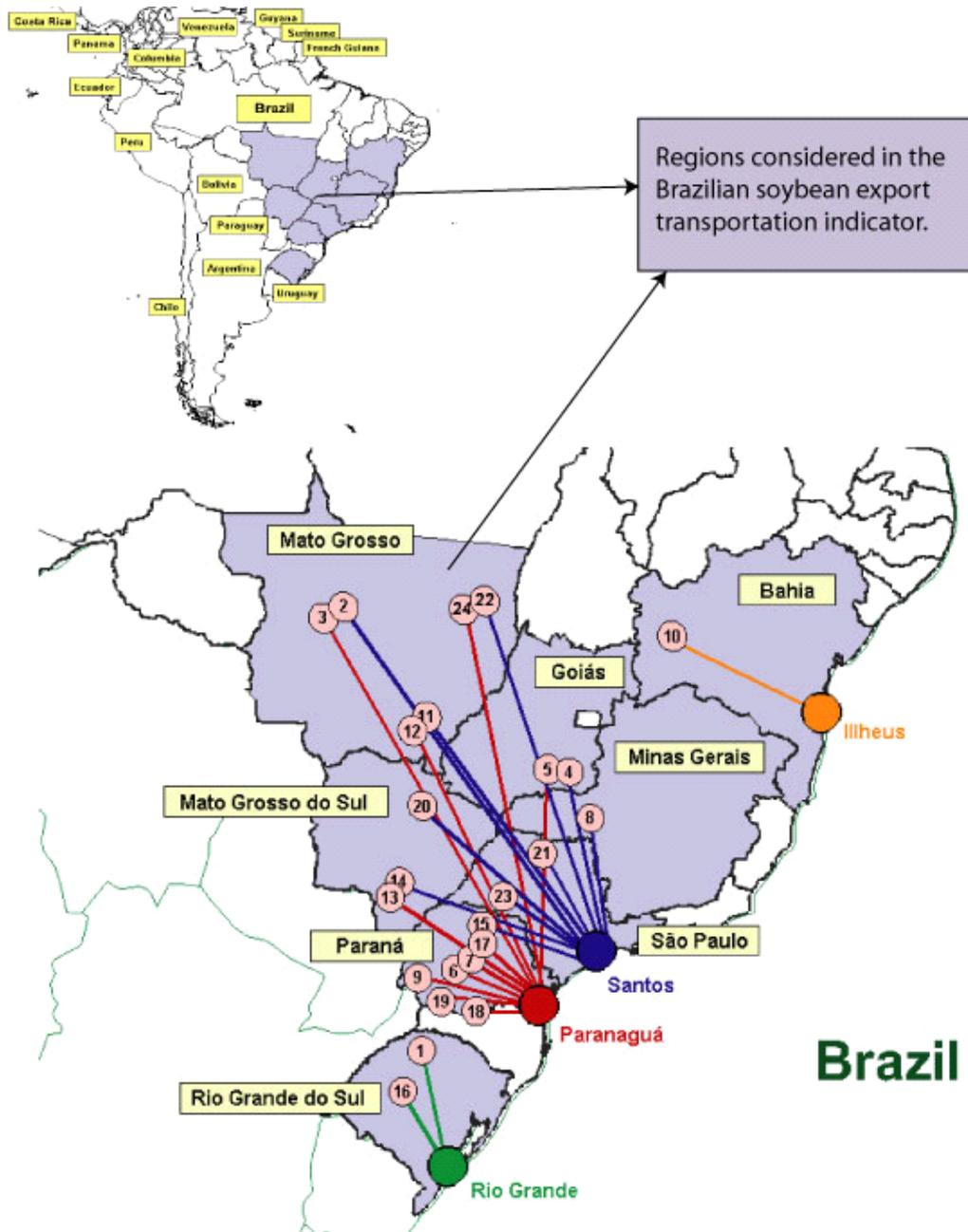


Source: Port Import Export Reporting Service (PIERS), *Journal of Commerce*

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, 3rd 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 | 4.39 |
| 2 | North MT(Sorriso) | Santos | 1190 | 10.1 | 6.99 |
| 3 | North MT(Sorriso) | Paranaguá | 1262 | 9.5 | 6.39 |
| 4 | South GO(Rio Verde) | Santos | 587 | 7.0 | 7.13 |
| 5 | South GO(Rio Verde) | Paranaguá | 726 | 5.6 | 5.60 |
| 6 | North Center PR(Londrina) | Paranaguá | 268 | 4.4 | 8.49 |
| 7 | Western Center PR(Mamborê) | Paranaguá | 311 | 3.9 | 5.88 |
| 8 | Triangle MG(Uberaba) | Santos | 339 | 3.8 | 9.93 |
| 9 | West PR(Assis Chateaubriand) | Paranaguá | 377 | 3.7 | 5.95 |
| 10 | West Extreme BA(São Desidério) | Ilhéus | 544 | 3.6 | 7.56 |
| 11 | Southeast MT(Primavera do Leste) | Santos | 901 | 3.6 | 6.76 |
| 12 | Southeast MT(Primavera do Leste) | Paranaguá | 975 | 3.3 | 6.14 |
| 13 | Southwest MS(Maracaju) | Paranaguá | 612 | 3.1 | 5.69 |
| 14 | Southwest MS(Maracaju) | Santos | 652 | 2.9 | 5.66 |
| 15 | West PR(Assis Chateaubriand) | Santos | 550 | 2.5 | 5.65 |
| 16 | Western Center RS(Tupanciretã) | Rio Grande | 273 | 2.4 | 5.60 |
| 17 | Southwest PR(Chopinzinho) | Paranaguá | 291 | 2.3 | 8.34 |
| 18 | Eastern Center PR(Castro) | Paranaguá | 130 | 2.3 | 9.53 |
| 19 | South Center PR(Guarapuava) | Paranaguá | 204 | 2.1 | 8.32 |
| 20 | North Center MS(São Gabriel do Oeste) | Santos | 720 | 2.0 | 5.25 |
| 21 | Ribeirão Preto SP(Guairá) | Santos | 314 | 1.5 | 7.98 |
| 22 | Northeast MT(Canarana) | Santos | 950 | 1.4 | 7.62 |
| 23 | Assis SP(Palmital) | Santos | 285 | 1.2 | 8.01 |
| 24 | Northeast MT(Canarana) | Paranaguá | 1075 | 1.2 | 6.72 |
| | Average | | 626 | 100 | 6.48 |

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

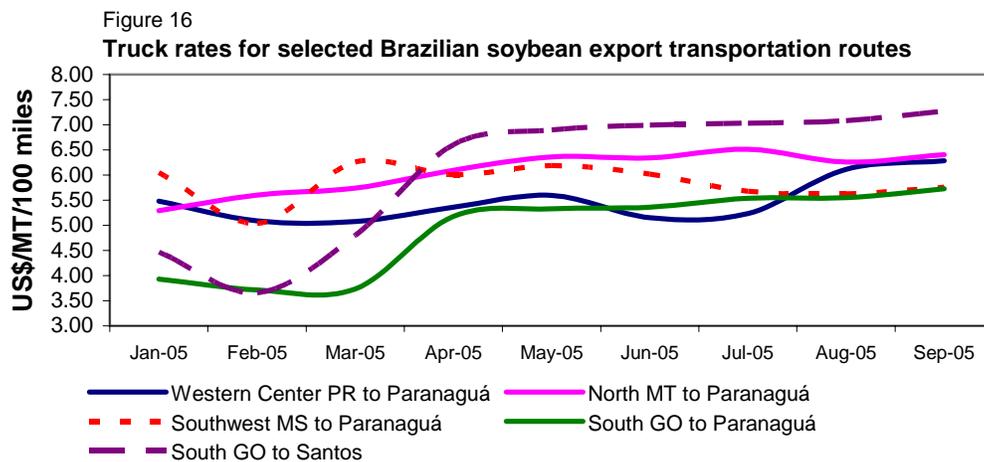
²Distance from the main city of the considered region to the mentioned ports

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

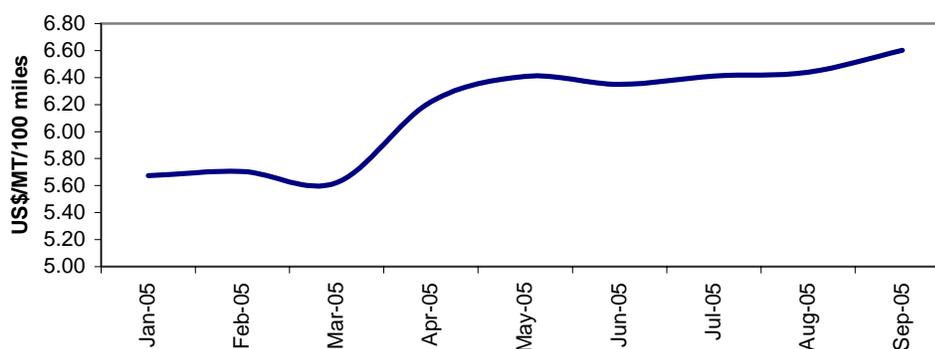
| Month | Freight price* (per 100 miles) | Index variation (%) (Base: prior month) | Index value (Base: Jan. 05 = 100) |
|---------|-----------------------------------|--|--------------------------------------|
| Jan. 05 | 5.67 | | 100.00 |
| Feb. 05 | 5.71 | 0.5 | 100.54 |
| Mar. 05 | 5.62 | -1.5 | 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 |
| Jul. 05 | 6.41 | 1.0 | 112.99 |
| Aug. 05 | 6.44 | 0.4 | 113.46 |
| Sep. 05 | 6.60 | 2.5 | 116.36 |

*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 | 2005 3rd qtr |
|------------|-----------------|-----------------|-----------------|
| Santos | 45.53 | 45.84 | 44.54 |
| Paranagua | 44.64 | 44.84** | 43.54 |
| Rio Grande | 44.20 | 44.39 | 43.04 |

*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

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Related Websites

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