



Grain Transportation Report

A weekly publication of the
 Transportation and Marketing Programs/Transportation Services Branch
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Brazilian Transportation Costs to Shanghai Now Reported. The Brazilian Export Soybean Transport Indicator Report has been expanded to include total landed cost from major production areas in Brazil to Shanghai, China.

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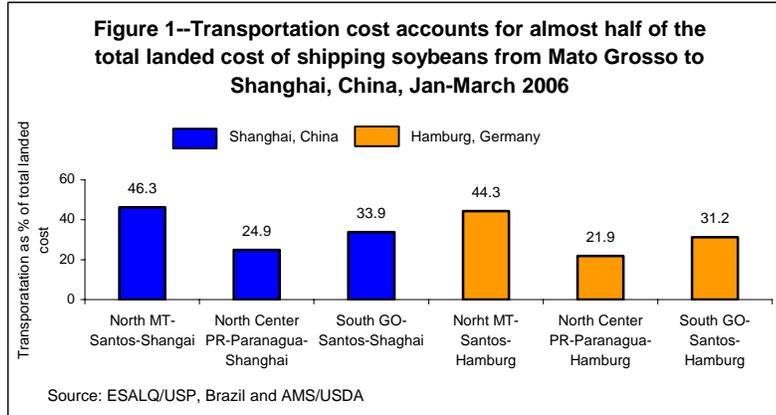
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Transportation costs accounted for almost half of the total landed cost of shipping soybeans from Sorriso, North Mato Grosso (MT), to Shanghai, through the respective ports of Santos and Paranaguá, as shown in figure 1. The route between North MT and the port of Santos is 90 percent longer than the average of 626 miles for the 24 routes considered in the report. Consequently, the cost of shipping is higher. Costs are exacerbated by the poor condition of the roads.

During the first quarter 2006, total transportation costs of shipping soybeans from North MT to Hamburg, Germany, were 7 percent higher than the first quarter 2005. Table 1 shows that ocean rates from the ports of Santos and Paranaguá to Hamburg, Germany, dropped by 13 percent from the first quarter 2005. However, this decline in ocean rates was not enough to offset the 65-percent increase in truck rates in the state of Goiás which resulted in a 15-percent increase in total transportation costs.

Table 1--Quarterly costs of transporting Brazilian soybeans to Hamburg, Germany

	2005	2006	Percent change	2005	2006	Percent change
	1st qtr.	1st qtr.		1st qtr.	1st qtr.	
Northwest RS ¹ -Rio Grande ²				North MT ¹ - Paranaguá ²		
	--\$/mt--			--\$/mt--		
Truck	12.83	13.54	5.52	69.96	84.65	21.00
Ocean	44.20	37.06	-16.15	44.64	38.51	-13.74
Total transportation	57.03	50.60	-11.27	114.60	123.16	7.47
Farm Value ³	202.61	202.56	-0.03	145.15	157.86	8.76
Landed Cost	259.64	253.16	-2.50	259.75	281.02	8.19
Transport % of landed cost	21.97	19.99	-9.00	44.12	43.83	-0.67
South GO ¹ -Santos ²				North Center PR ¹ -Paranaguá ²		
	--\$/mt--			--\$/mt--		
Truck	25.82	42.49	64.56	19.26	19.41	0.77
Ocean	45.53	39.51	-13.22	44.64	38.51	-13.74
Total transportation	71.35	82.00	14.93	63.90	57.92	-9.36
Farm Value ³	174.70	180.71	3.44	196.31	206.88	5.38
Landed Cost	246.05	262.71	6.77	260.21	264.79	1.76
Transport % of landed cost	29.00	31.21	7.64	24.56	21.87	-10.93

¹Producing regions: RS = Rio Grande Do Sul, MT= Mato Grosso, GO = Goiás, PR = Paraná

²Export ports; ³Source: Companhia Nacional de Abastecimento

Source: ESALQ/ USP, Brazil and USDA/AMS

³Source: Companhia Nacional de Abastecimento (CONAB) www.conab.gov.br

Brazil Supreme Court Orders GMO Soy Shipments. On April 10, the Brazil Supreme Federal Court (STF) ordered the state of Paraná to allow shipments of genetically modified (GMO) soy from the port of Paranaguá. The president of the Brazil STF rejected an appeal by the state of Paraná and ordered it to allow GMO soy shipments from its ports. On April 20, 2006, the port of Paranaguá announced its operational plan, assigning berth 214 as the primary loading terminal for vessels carrying GMO soy. All private terminals can handle GMO and non-GMO soy if shipments are separated at receiving, storage, and shipping points. On April 25, the first vessel carrying Brazilian GMO soy departed from the port of Paranaguá. Brazil legalized GMO soy in 2005, but the state of Paraná had declared itself to be a biotech-free zone in October 2003 and banned GMOs passing through the port of Paranaguá. As a result, the port of Paranaguá lost its

leadership as the top Brazil soybean export port to the port of Santos. Paranaguá is now the second largest soybean export port, accounting for 23 percent of total Brazilian soybean exports in 2005. Santos exports 33 percent of the crop. Delmy.Salin@USDA.gov

Grain Transportation Indicators

Table 1--Grain transport cost indicators*

Week ending	Truck	Rail**	Barge	Ocean	
				Gulf	Pacific
05/24/06	194	103	213	157	180
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)

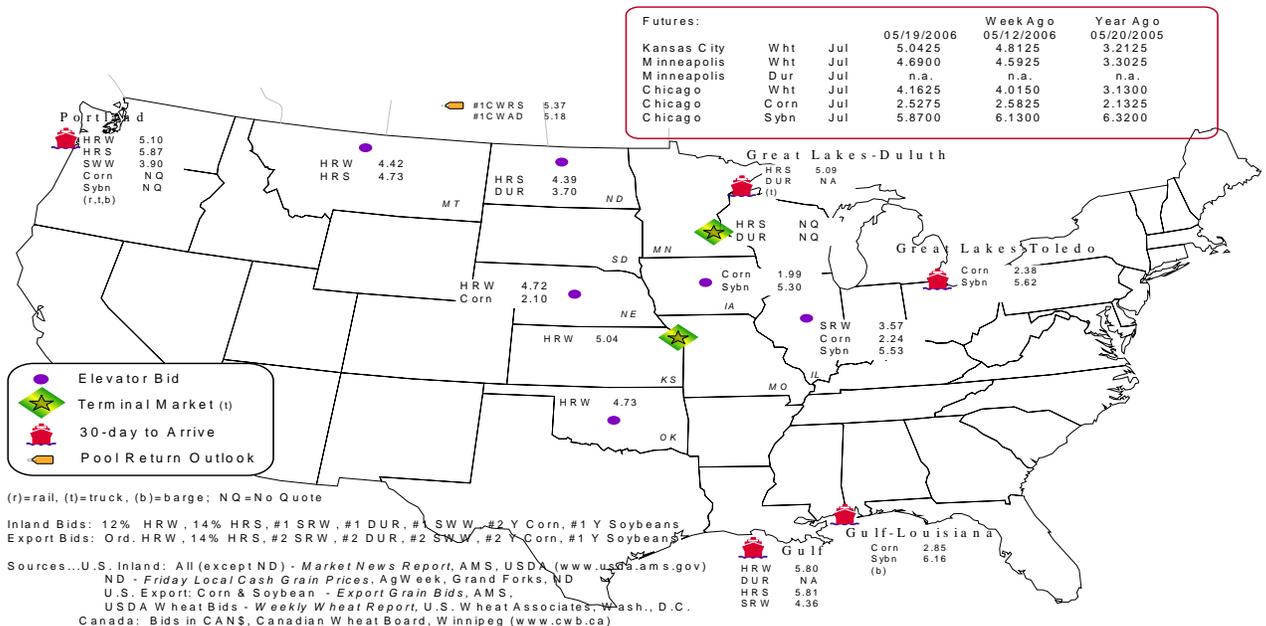
Commodity	Origin--destination	5/19/2006	5/12/2006
Corn	IL--Gulf	-0.61	-0.60
Corn	NE--Gulf	-0.75	-0.76
Soybean	IA--Gulf	-0.86	-0.84
HRW	KS--Gulf	-0.76	-0.76
HRS	ND--Portland	-1.48	-1.57

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.

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	
5/17/2006 ^p	729	1,781	822	3,927	375	7,634
5/10/2006 ^r	868	1,954	807	3,214	491	7,334
2006 YTD	33,861	45,112	18,511	81,803	9,812	189,099
2005 YTD	22,873	33,670	28,092	90,084	7,072	181,791
2006 as % of 2005	148	134	66	91	139	104
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

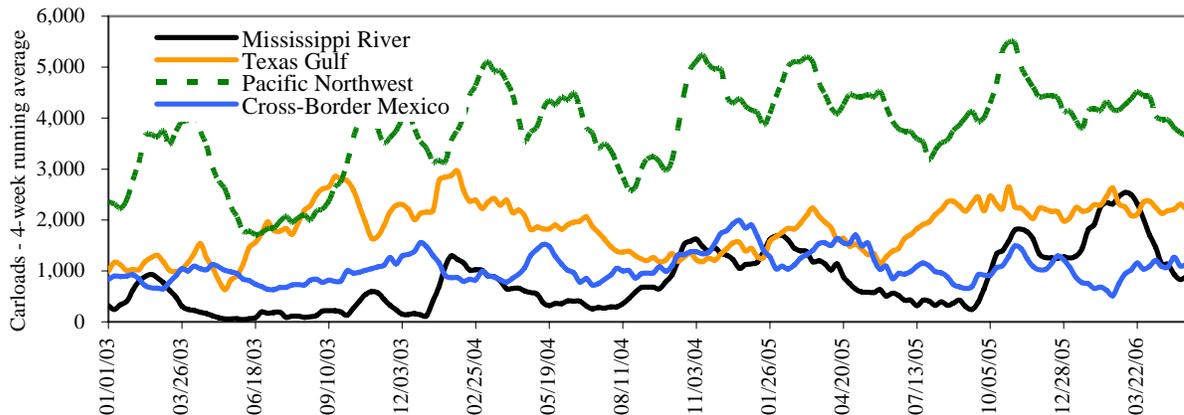
(* Incomplete Data; as of 9/22/04, Cross-Border movements included; (**) Includes 53rd week; (***) Mississippi Gulf data back to January,

2004 from several new sources has been added; YTD= year-to-date; p=preliminary data; r = revised data

Source: Transportation & Marketing Programs/AMS/USDA

Figure 2

Rail deliveries to port

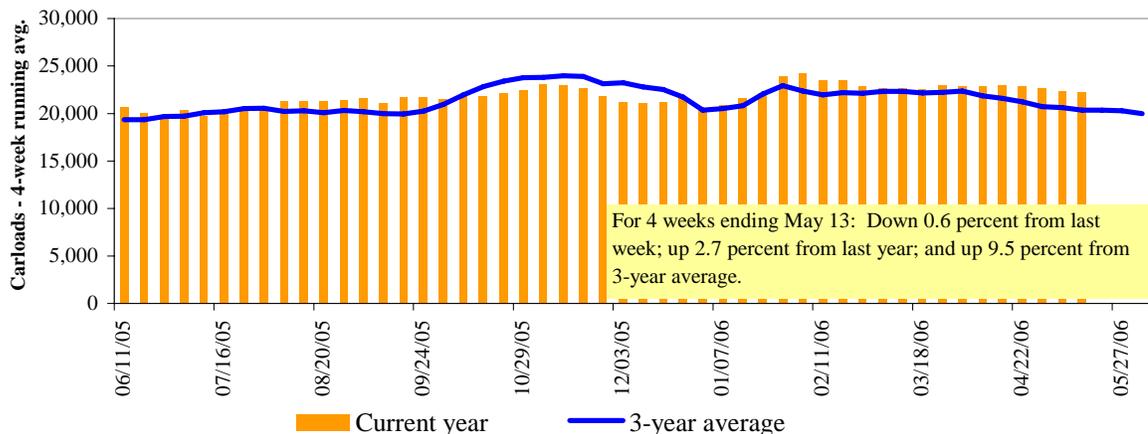


Source: Transportation & Marketing Programs/AMS/USDA

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

Figure 3

Total Weekly U.S. Class I Railroad Grain Car Loadings



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
05/13/06	3,268	3,309	8,452	702	6,262	21,993	4,326	4,442
This week last year	2,604	2,972	9,119	348	6,314	21,357	3,814	4,431
2006 YTD	59,858	61,699	187,313	11,260	116,276	436,406	89,200	84,049
2005 YTD	57,739	64,945	179,675	12,021	115,210	429,590	84,185	76,195
Last 4 weeks as % of 2005 ¹	108	100	102	133	100	103	114	101
2006 YTD as % of 2005 YTD	104	95	104	94	101	102	106	110
Total 2005	152,060	167,465	476,033	27,459	307,170	1,130,187	225,817	215,145

¹As a percent of the same period in 2005.

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

Table 5--Rail car auction offerings*, week ending 5/20/06 (\$/car)**

Delivery for:	Jun-06	Jul-06	Aug-06
BNSF ¹			
COT/N. grain	no offer	no offer	\$350
COT/S. grain	\$1	no offer	\$193
UP ²			
GCAS/Region 1	\$1	\$1	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.

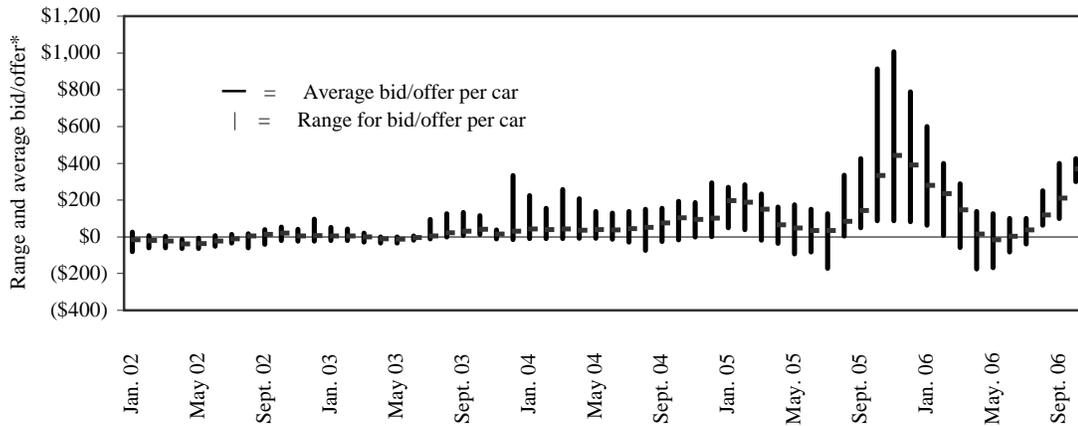
Region 2 includes: CO, IA, KS, MN, NE, WY, and Kansas City and St. Joseph, MO.

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 5/20/06 (\$/car)*

	Delivery period			
	Jun-06	Jul-06	Aug-06	Sep-06
BNSF-GF	\$24	\$78	\$250	\$400
Change from last week	\$105	\$9	\$96	\$137
UP-Pool	-\$8	\$82	\$213	\$321
Change from last week	-\$41	-\$3	\$32	\$40

*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:

5/1/2006

	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	\$3,020	\$33.29	\$0.91
	St. Louis, MO	Houston, TX	\$2,360	\$26.01	\$0.71
	South Central, ND	Houston, TX	\$4,149	\$45.73	\$1.24
	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
Corn	Chicago, IL	Richmond, VA	\$2,161	\$23.82	\$0.65
	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
	Soybeans	Chicago, IL	Baton Rouge, LA	\$2,655	\$29.27
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

Effective date: 5/1/06

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	\$4,211	\$43.03	\$1.17
	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	\$3,623*	\$37.02	\$0.94
	IA	Eagle Pass, TX	Unit	\$3,773	\$38.55	\$0.98
	MO	Eagle Pass, TX	Shuttle	\$3,364*	\$34.37	\$0.87
	NE	Eagle Pass, TX	Shuttle	\$3,764*	\$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

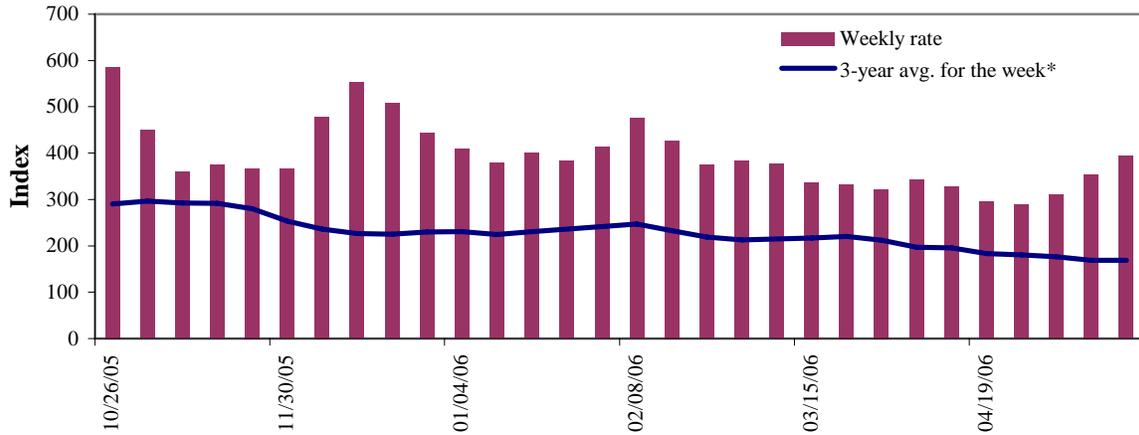
**Approximate load per car = 97.87 metric tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

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	5/17/2006	5/10/2006	June '06	August'06
Twin Cities	434	378	446	481
Mid-Mississippi	407	361	408	446
Illinois River	393	354	395	433
St. Louis	326	300	336	405
Lower Ohio	312	271	323	406
Cairo-Memphis	291	250	303	413

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

Source: Transportation & Marketing Programs/AMS/USDA

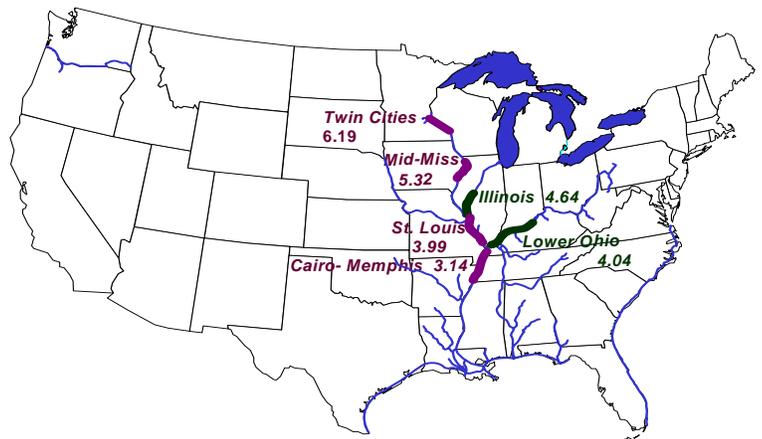
Figure 6

Benchmark tariff rates

Calculating barge rate per ton:

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

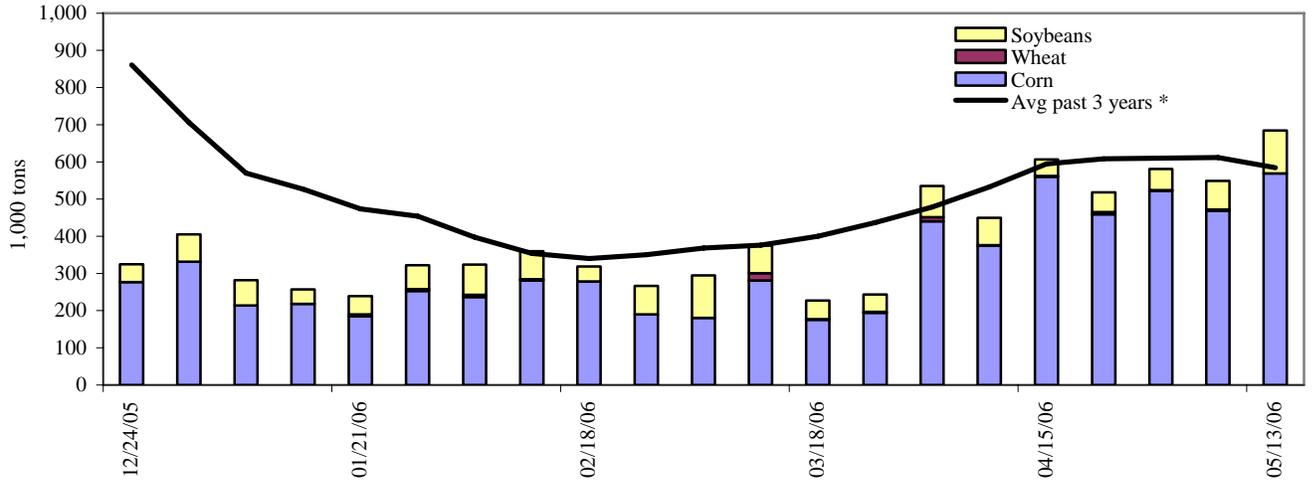
Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map (see figure 6).



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 5/13/2006	Corn	Wheat	Soybean	Other	Total
Mississippi River					
Rock Island, IL (L15)	262	2	50	0	313
Winfield, MO (L25)	354	0	60	0	414
Alton, IL (L26)	537	0	112	0	649
Granite City, IL (L27)	569	0	116	0	685
Illinois River (L8)	188	0	51	0	239
Ohio River (L52)	107	14	21	0	142
Arkansas River (L1)	0	4	17	3	23
2006 YTD	8,498	440	2,456	311	11,705
2005 YTD	7,518	567	3,029	285	11,399
2006 as % of 2005 YTD	113	78	81	109	103
Total 2005	23,761	1,620	7,276	731	33,388

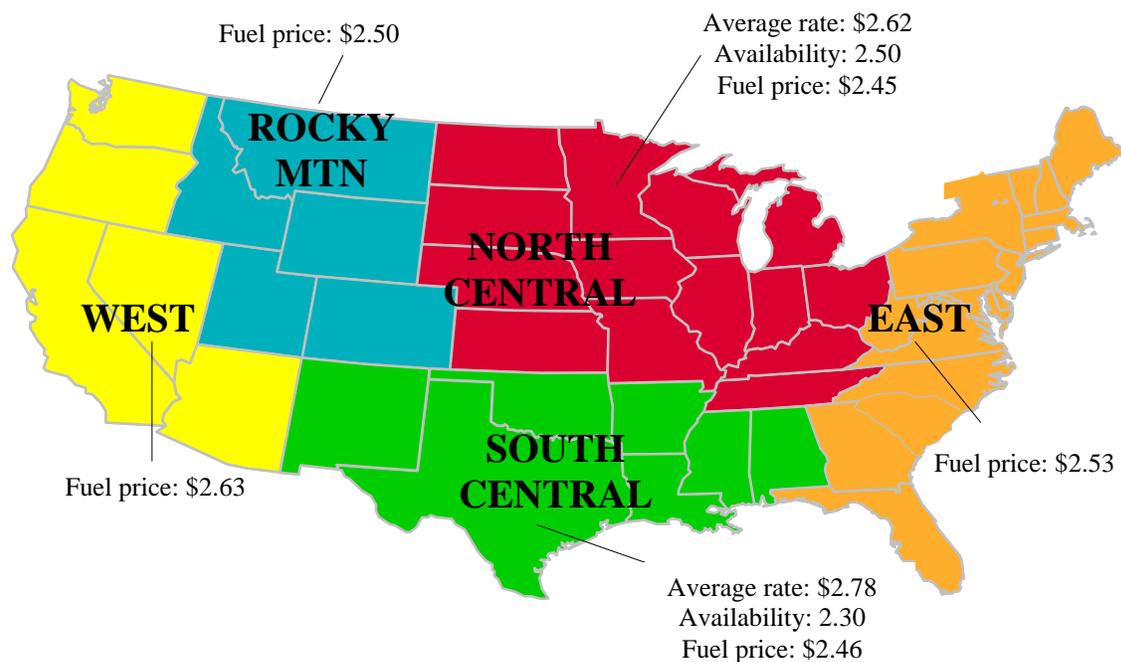
YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

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

Note: Total may not add exactly, due to rounding

Truck Transportation

Figure 8
U.S. grain truck market advisory, 1st quarter 2006*



*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 2006

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	3.71	2.46	1.97	2.3	2.7	2.9
North Central region	3.60	2.35	1.90	2.5	2.8	3.1
Rocky Mountain	4.40	3.52	1.51	1.5	3.0	3.0
South Central	3.85	2.36	2.12	2.3	2.5	2.5
West	n/a	n/a	n/a	n/a	n/a	n/a

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

²National average is based on rates received from various states, but not every state is represented.

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 5/22/06 (US\$/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	2.877	-0.030	0.696
	New England	2.982	-0.021	0.644
	Central Atlantic	2.987	-0.027	0.695
	Lower Atlantic	2.820	-0.033	0.701
II	Midwest ¹	2.836	-0.034	0.739
III	Gulf Coast ²	2.801	-0.028	0.689
IV	Rocky Mountain	3.024	-0.050	0.817
V	West Coast	3.175	-0.017	0.836
	California	3.234	-0.008	0.861
Total	U.S.	2.888	-0.032	0.732

*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						Corn	Soybeans	Total
	HRW	SRW	HRS	SWW	DUR	All wheat			
5/11/2006	843	283	645	417	86	2,274	9,157	1,764	13,195
This week year ago	788	121	824	352	104	2,188	7,136	1,714	11,038
Cumulative exports-crop year 2/									
2005/06 YTD	10,072	1,925	7,022	4,073	859	23,951	34,723	21,086	79,760
2004/05 YTD	9,047	3,185	7,670	4,651	640	25,191	31,794	27,054	84,039
2005/06 as % of 2004/05	111	60	92	88	134	95	109	78	95
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

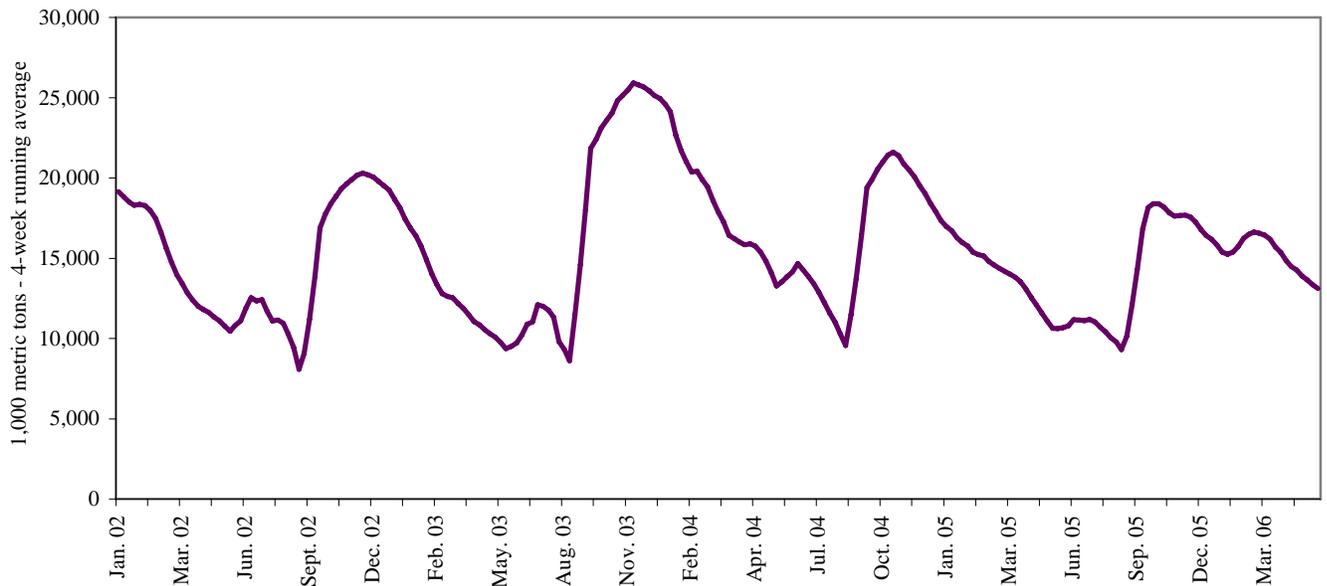
Note: YTD = year-to-date. Crop year: wheat = 6/01-5/31, corn & soybeans = 9/01-8/31, 1/ = Current unshipped export sales to date

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)

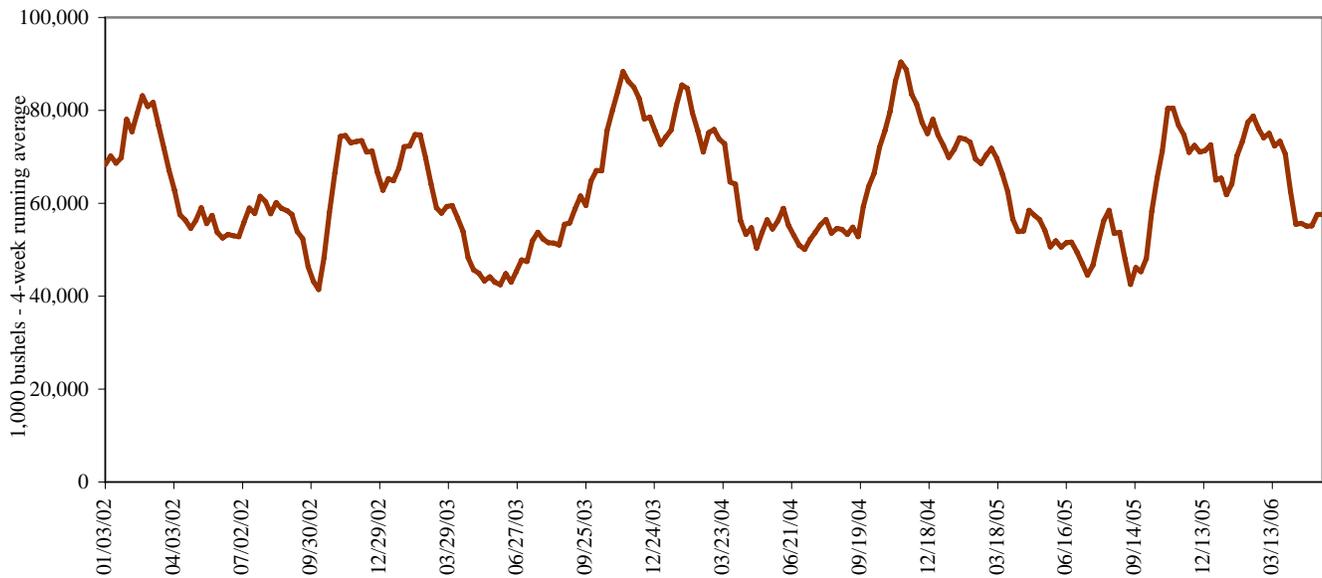
Week ending	Pacific Region			Mississippi Gulf			Texas Gulf			Port Region total		
	Wheat	Corn	Soybeans	Wheat	Corn	Soybeans	Wheat	Corn	Soybeans	Pacific	Mississippi	Texas
05/18/06	198	226	9	107	980	117	81	41	0	433	1,204	121
2006 YTD*	4,223	3,624	2,229	1,573	13,264	6,376	2,710	946	15	10,077	21,213	3,672
2005 YTD	4,170	3,711	3,083	2,049	10,467	7,445	2,306	270	6	10,964	19,961	2,582
2006 as % of 2005	101	98	72	77	127	86	118	351	260	92	106	142
2005 Total *	10,801	10,104	6,225	4,643	28,130	14,793	7,743	810	36	27,130	47,567	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 49 percent of these U.S. export grain shipments departed through the Mississippi Gulf region in 2005.

Figure 10

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



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

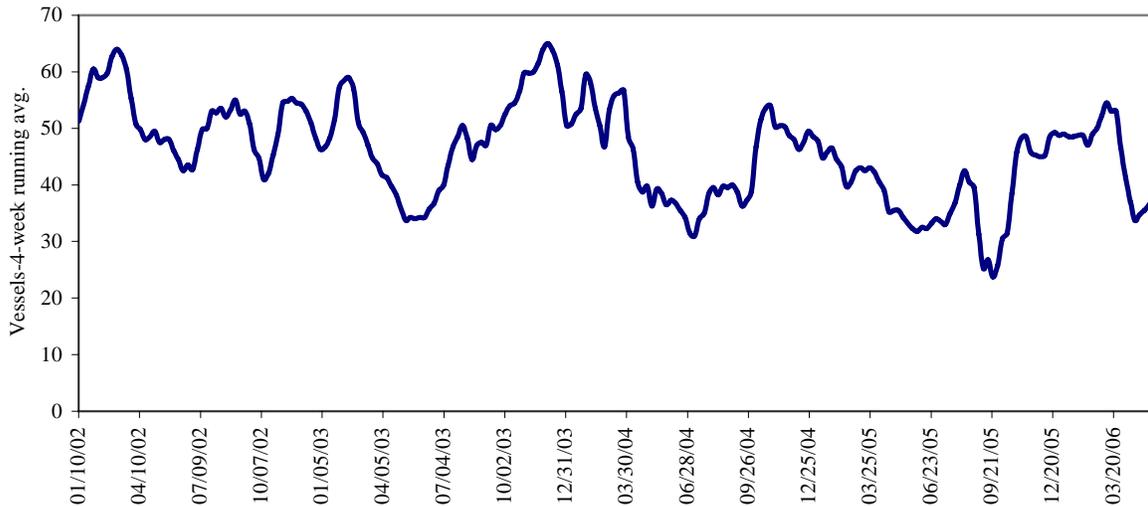
Ocean Transportation

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
5/18/2006	22	40	58	7	n/a
5/11/2006	27	37	61	10	10
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

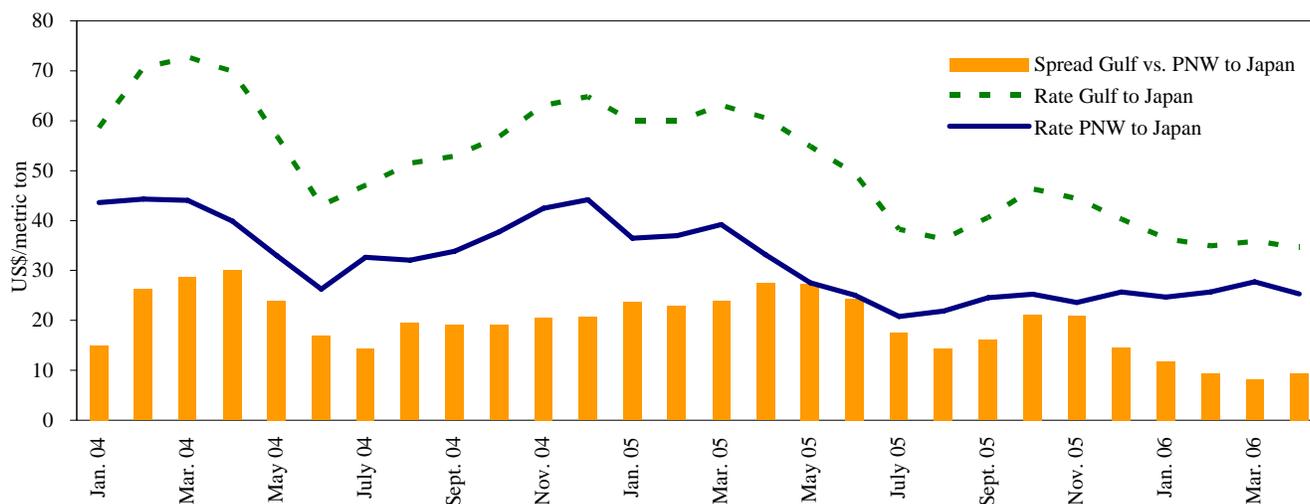
Table 16--Quarterly ocean freight rates (average rates & percentage changes) (US\$/metric ton)

Countries/ regions	2006 1 st qtr	2005 1 st qtr	Percent change	Countries/ regions	2006 1 st qtr	2005 1 st qtr	Percent change
Gulf to				Pacific NW to			
Japan	37.45	60.18	-38	Japan	---	---	---
China	30.92	57.50	-46	Argentina/Brazil to			
N. Africa	---	48.00	---	China	27.50	---	---
				N. Africa	---	59.25	---
				Mediterranean	29.00	---	---
				N. Europe	33.00	---	---

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 5/20/06

Export region	Import region	Grain	Month	Volume loads (metric tons)	Freight rate (\$/metric ton)
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
U.S. Gulf	Sudan*	Sorghum	May 11/17	16,000	85.86
United Kingdom	Thailand	Wheat	Feb 25/Mar 10	42,000	21.50
Australia	Germany	Canola	Apr 15/30	55,000	34.00
Brazil	N. France	Grains	Mar 12/20	25,000	26.00
River Plate	Algeria	Hvy Grain	May 20/25	25,000	37.00
River Plate	Algeria	Hvy Grain	May 6/12	34,000	32.50
River Plate	Poland	Hvy Grain	May 20/Jul 10	30,000	42.00
River Plate	Poland	Grains	Apr 1/10	25,000	34.75

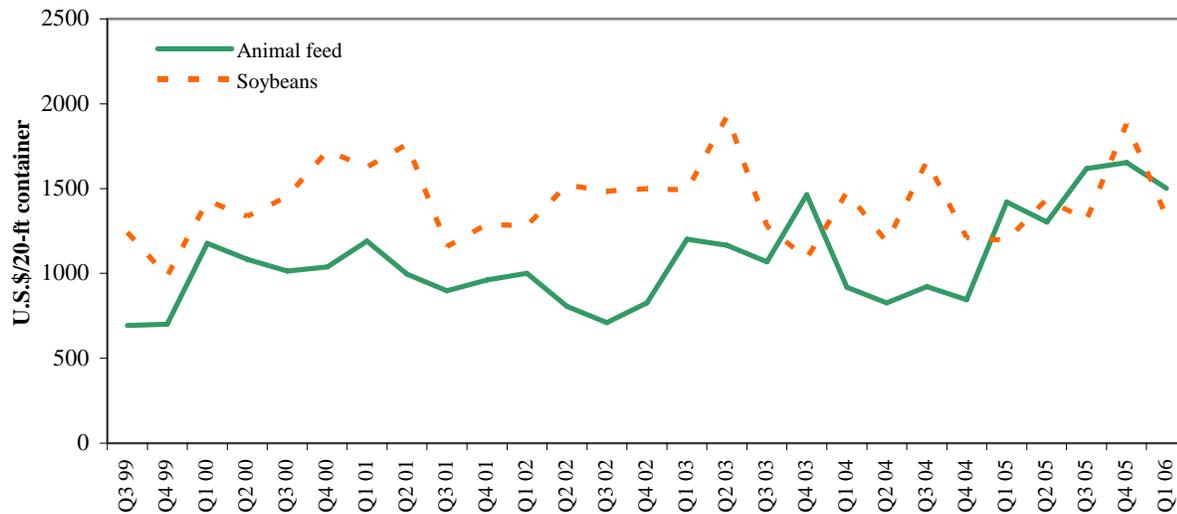
Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option

*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

Ocean Rates¹ for Containerized Shipments to Selected Asian Countries



¹Rates are weighted by shipping line market share and destination country.

Countries include: Animal Feed: Busan-Korea (7%), Kaohsiung-Taiwan (42%), Tokyo-Japan (28%), Hong Kong (13%), Bangkok-Thailand (10%) and soybeans: Busan-Korea (1%), Keelung-Taiwan (81%), Tokyo-Japan (17%), Bangkok-Thailand (<1%), Hong Kong (1%)

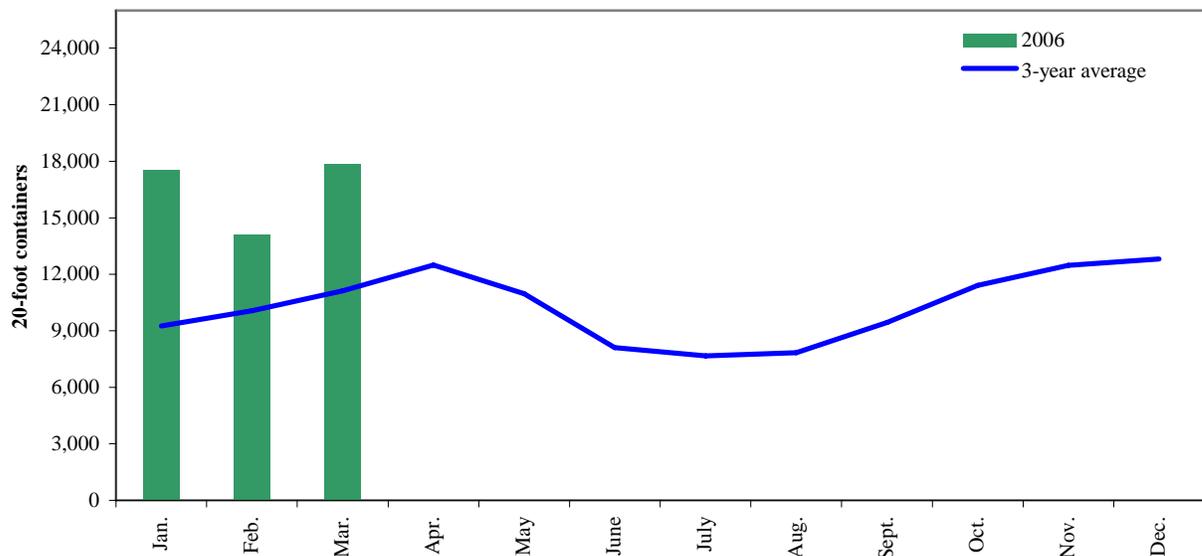
Source: Ocean Rate Bulletin, Quarter 1, 2006, Transportation & Marketing Programs/AMS/USDA

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

During 2005, containers were used to transport 4 percent of total U.S. grain exported, and 5 percent of total U.S. grain exported to Asia.

Figure 14

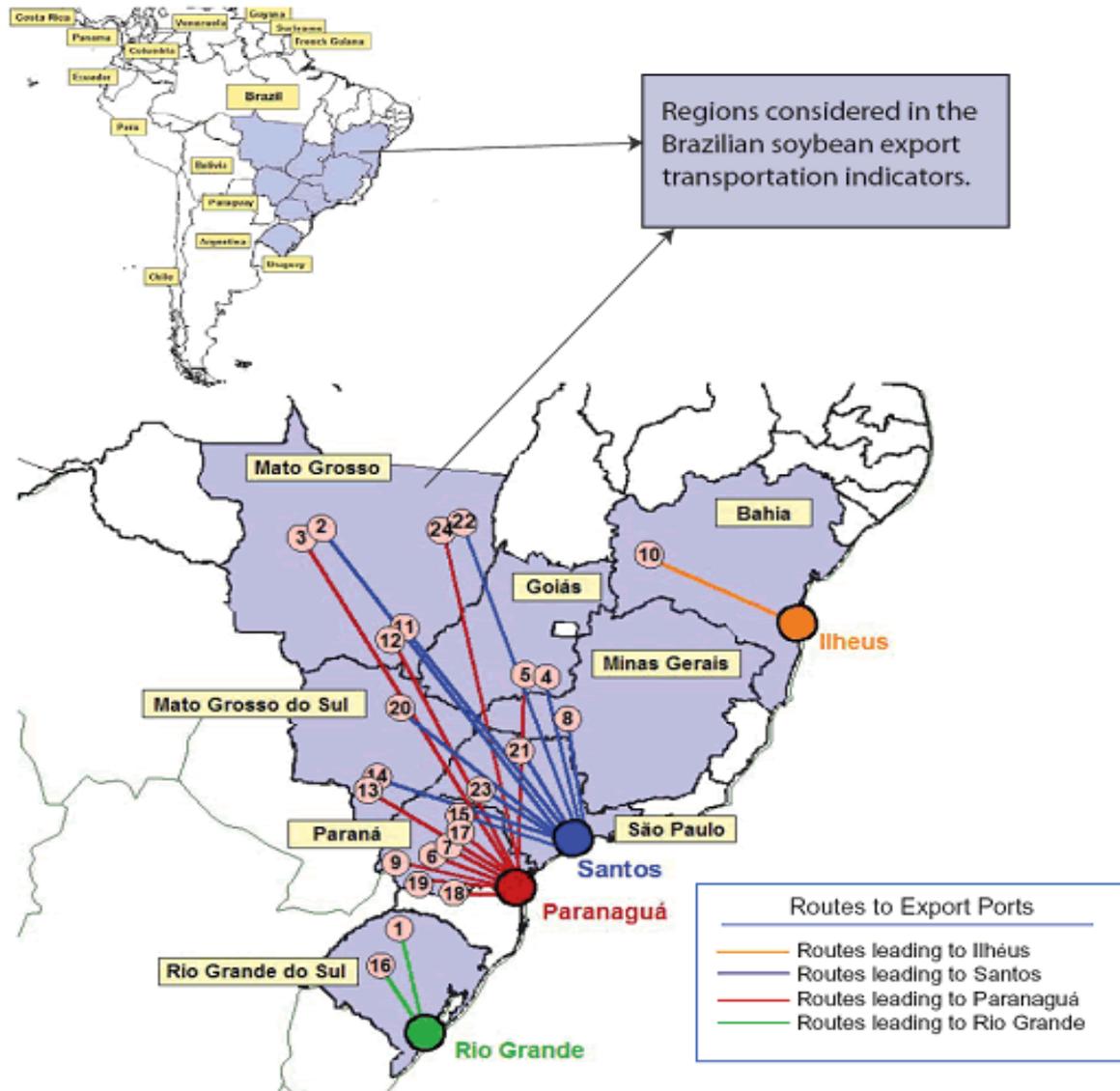
Monthly Shipments of Containerized Grain to Asia



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

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: USDA/AMS & ESALQ - University of São Paulo (USP), Brazil

Table 18--Quarterly costs of transporting Brazilian soybeans from selected routes to Shanghai, China and Hamburg, Germany

	2006					2006				
	1st qtr.	2nd qtr.	3rd qtr.	4th qtr.	Avg.	1st qtr.	2nd qtr.	3rd qtr.	4th qtr.	Avg.
Shanghai, China										
	North MT¹ - Santos²					North MT¹ - Paranagua²				
	--\$/mt--					--\$/mt--				
Truck	86.22					84.65				
Ocean	50.13					49.13				
Total transportation	136.36					133.78				
Farm Value ³	157.86					157.86				
Landed Cost	294.22					291.65				
Transport % of landed cost	46.35					45.87				
	Southeast MT¹ - Santos²					North Center PR¹ - Paranagua²				
	--\$/mt--					--\$/mt--				
Truck	65.24					19.41				
Ocean	50.13					49.13				
Total transportation	115.37					68.54				
Farm Value ³	157.86					206.88				
Landed Cost	273.24					275.42				
Transport % of landed cost	42.22					24.89				
	South GO¹ - Santos²					Northwest RS¹ - Rio Grande²				
	--\$/mt--					--\$/mt--				
Truck	42.49					13.54				
Ocean	50.13					48.63				
Total transportation	92.62					62.17				
Farm Value ³	180.71					202.56				
Landed Cost	273.33					264.73				
Transport % of landed cost	33.89					23.49				
Hamburg, Germany										
	North MT¹ - Santos²					North MT¹ - Paranagua²				
	--\$/mt--					--\$/mt--				
Truck	86.22					84.65				
Ocean	39.51					38.51				
Total transportation	125.73					123.16				
Farm Value ³	157.86					157.86				
Landed Cost	283.60					281.02				
Transport % of landed cost	44.34					43.83				
	Southeast MT¹ - Santos²					North Center PR¹ - Paranagua²				
	--\$/mt--					--\$/mt--				
Truck	65.24					19.41				
Ocean	39.51					38.51				
Total transportation	104.75					57.92				
Farm Value ³	157.86					206.88				
Landed Cost	262.61					264.79				
Transport % of landed cost	39.89					21.87				
	South GO¹ - Santos²					Northwest RS¹ - Rio Grande²				
	--\$/mt--					--\$/mt--				
Truck	42.49					13.54				
Ocean	39.51					37.06				
Total transportation	82.00					50.60				
Farm Value ³	180.71					202.56				
Landed Cost	262.71					253.16				
Transport % of landed cost	31.21					19.99				

¹Producing regions: RS = Rio Grande Do Sul, MT= Mato Grosso, GO = Goiás, PR = Paraná

²Export ports

³Source: Companhia Nacional de Abastecimento (CONAB) www.conab.gov.br

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

Table 19--Truck rates for selected Brazilian soybean export transportation routes, 1st quarter 2006

Route #	Origin ¹ (reference city)	Destination	Distance (miles) ²	Share (%) ³	Freight price (per 100 miles) ⁴
1	Northwest RS ⁵ (Cruz Alta)	Rio Grande	288	16.6	4.70
2	North MT(Sorriso)	Santos	1190	10.1	7.25
3	North MT(Sorriso)	Paranaguá	1262	9.5	6.71
4	South GO(Rio Verde)	Santos	587	7.0	7.24
5	South GO(Rio Verde)	Paranaguá	726	5.6	5.94
6	North Center PR(Londrina)	Paranaguá	268	4.4	7.24
7	Western Center PR(Mamborê)	Paranaguá	311	3.9	6.57
8	Triangle MG(Uberaba)	Santos	339	3.8	10.01
9	West PR(Assis Chateaubriand)	Paranaguá	377	3.7	6.30
10	West Extreme BA(São Desidério)	Ilhéus	544	3.6	8.07
11	Southeast MT(Primavera do Leste)	Santos	901	3.6	7.24
12	Southeast MT(Primavera do Leste)	Paranaguá	975	3.3	6.48
13	Southwest MS(Maracaju)	Paranaguá	612	3.1	7.58
14	Southwest MS(Maracaju)	Santos	652	2.9	9.48
15	West PR(Assis Chateaubriand)	Santos	550	2.5	6.00
16	Western Center RS(Tupanciretã)	Rio Grande	273	2.4	5.86
17	Southwest PR(Chopinzinho)	Paranaguá	291	2.3	9.40
18	Eastern Center PR(Castro)	Paranaguá	130	2.3	9.91
19	South Center PR(Guarapuava)	Paranaguá	204	2.1	8.55
20	North Center MS(São Gabriel do Oeste)	Santos	720	2.0	6.09
21	Ribeirão Preto SP(Guairá)	Santos	314	1.5	8.42
22	Northeast MT(Canarana)	Santos	950	1.4	8.23
23	Assis SP(Palmital)	Santos	285	1.2	7.81
24	Northeast MT(Canarana)	Paranaguá	1075	1.2	7.30
	Average		626	100	6.91

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

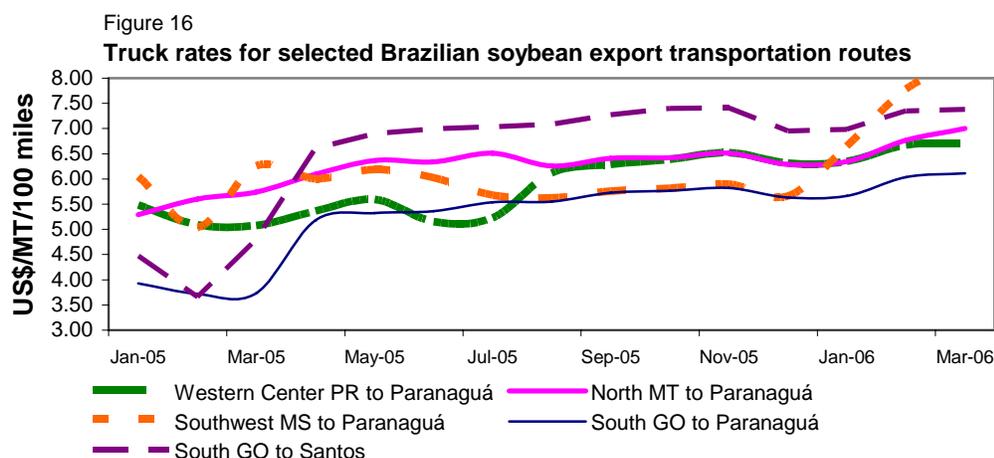
²Distance from the main city of the considered region to the mentioned ports

³The share is measured as a percentage of total production

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 20--Monthly Brazilian soybean export truck transportation cost index

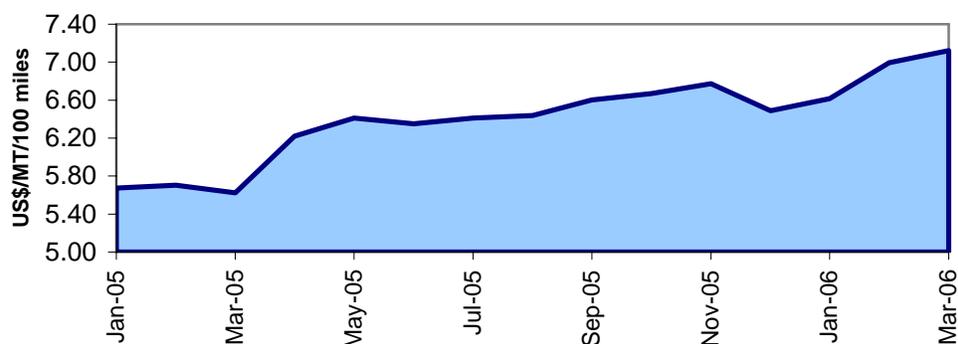
Month	Freight price* (per 100 miles)	Index variation (%) (Base: prior month)	Index value (Base: Jan. 05 = 100)
Jan. 05	5.67		100.00
Feb. 05	5.71	0.5	100.54
Mar. 05	5.62	-1.5	99.08
Apr. 05	6.22	10.6	109.61
May 05	6.41	3.1	112.96
Jun. 05	6.35	-0.9	111.90
Jul. 05	6.41	1.0	112.99
Aug. 05	6.44	0.4	113.46
Sep. 05	6.60	2.5	116.36
Oct. 05	6.67	1.0	117.52
Nov. 05	6.77	1.5	119.33
Dec. 05	6.49	-4.2	114.34
Jan. 06	6.61	1.9	116.56
Feb. 06	6.99	5.8	123.27
Mar. 06	7.12	1.8	125.51

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

Ports	Hamburg				Shanghai			
	2006 1 st qtr	2006 2 nd qtr	2006 3 rd qtr	2006 4 th qtr	2006 1 st qtr	2006 2 nd qtr	2006 3 rd qtr	2006 4 th qtr
Santos	39.51				50.13			
Paranagua	38.51				49.13			
Rio Grande	37.06				48.63			

*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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