



# Grain Transportation Report

A weekly publication of the  
Transportation and Marketing Programs/Transportation Services Division  
[www.ams.usda.gov/GTR](http://www.ams.usda.gov/GTR)

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## WEEKLY HIGHLIGHTS

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The next  
release is  
Mar. 12, '09

### Recession Could Impact the Great Lakes Navigation Season

The Navigation season on Lake Superior officially starts when the Soo Locks open on March 25. However, there are reports that the global economic recession is strongly affecting the shipping industry, lowering demand for commodity shipments. This may dampen the navigation season on Lake Superior. Traditionally, the waterway has provided passage for iron ore, steel, coal and—to some extent—grain. A lower demand for iron ore has cut the projected production by about 50 percent compared to 2008. Lower production implies that fewer materials will be moved. Usually, only 1 to 2 percent of U.S. grain exports pass through the Great Lakes. (**GTR, dated 10/6/08**)

### Total Grain Inspections Increase Slightly

For the week ending February 26, total grain inspections at all major U.S. ports totaled 1.61 million metric tons (mmt), up 0.4 percent from the previous week but 30 percent less than last year. Weekly inspections of grain were pulled up in the Pacific Northwest to .499 mmt by increased shipments of corn (.198 mmt), mostly to Japan. Corn inspected at all major ports (.700 mmt) increased 10 percent from the previous week. Texas Gulf inspections (.251 mmt) also rebounded from the past week, but grain inspections dropped 18 percent in the Mississippi Gulf (.855 mmt) due to lower exports to Asia.

### CN Appeals STB Decision on EJ&E Overpass Cost Upgrades

The Canadian National (CN) has filed an appeal in U.S. Federal Court challenging a decision by the Surface Transportation Board (STB) that requires CN to pay the majority of the \$100 million cost for two rail overpass crossing upgrades on the Elgin, Joliet & Eastern Railway (EJ&E). CN recently acquired EJ&E for \$300 million. The appeals process may delay CN's starting service over the EJ&E line, which was projected to cut throughput times for all commodities over the Chicago interchange.

### Inland Waterways Lockage-Based User Fees in FY 2010 Budget

The President's FY 2010 Budget has proposed lockage-based fees to be paid by shippers of commercial barges using locks operated by the U.S. Army Corps of Engineers. The proposal would eliminate the current diesel fuel tax of 20 cents per gallon paid by towboat operators who move commerce on the Nation's inland waterways. By eliminating the fuel tax and implementing the lock fees, barges not using locks would not pay any fees for using the waterways. The lock fee was proposed in the FY 2009 budget, but did not obtain congressional support and was not implemented.

### Snapshots by Sector

#### **Rail**

U.S. railroads originated 18,814 **carloads of grain** during the week ending February 21, down 13 percent from the previous week, 25 percent from the same week last year, and 17 percent lower than the 3-year average.

#### **Ocean**

During the week ending February 26, 39 ocean-going **grain vessels** were loaded in the Gulf, down 22 percent from last year. Fifty-nine **vessels** are expected to be loaded in the U.S. Gulf within the next 10 days, down 20 percent from last year.

As of February 27, the cost of shipping grain from the Gulf to Japan was \$39.50 per mt, up 1 percent from the previous week. The rate from the Pacific Northwest to Japan was \$19.50 per mt, up 3 percent from the previous week.

#### **Barge**

During the week ending February 28, **barge grain movements** totaled 927,222 tons, 74 percent higher than the previous week and 105 percent higher than the same period last year. The increase was partially due to improved navigation conditions on the Illinois River. Warmer temperatures reduced ice accumulations on the Illinois River, allowing more traffic to move downstream.

#### **Fuel**

During the week ending March 2, U.S. average **diesel fuel prices** decreased 4 cents per gallon to \$2.09—2 percent lower than the previous week, and 43 percent lower than the same week last year.

# Feature Article/Calendar

## Ocean Freight Rates Plummeted in Global Economic Crisis and Credit Crunch

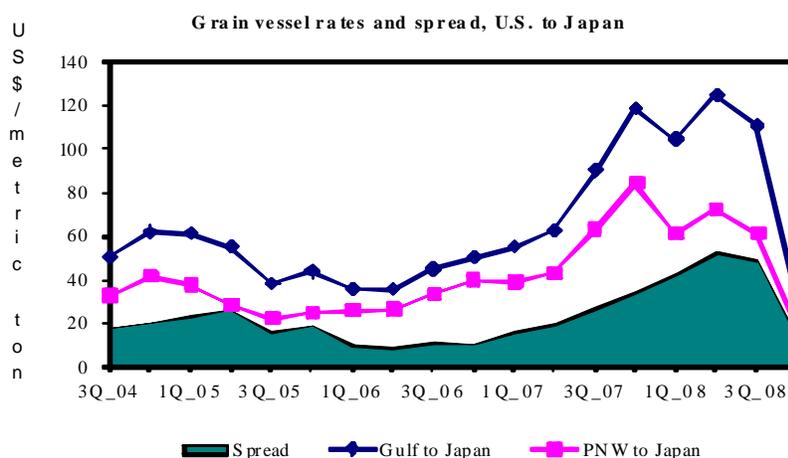
The current global economic crisis and the difficulty encountered by some shippers in securing credit pushed the 4<sup>th</sup> quarter ocean rates for shipping bulk grain to their lowest levels since 4<sup>th</sup> quarter 2002 and 1<sup>st</sup> quarter 2003. The rates are so low that some vessel owners have opted to put their ships into lay-up (out of service) rather than accept rates below their operating costs. The rate was a little over \$30 to ship a metric ton of grain from the U.S. Gulf ports to Japan during the 4<sup>th</sup> quarter, down 72 percent from the previous quarter, and 74 percent from a year earlier (table). The rate for shipping grain from the Pacific Northwest (PNW) to Japan was about \$18 per metric ton (mt), down 70 percent from the previous quarter and 78 percent from a year earlier. The rate for shipping U.S. grain through the Gulf to Europe was about \$16 per mt—down 68 percent from the previous quarter and 83 percent lower than a year ago.

### Ocean freight rates for grain routes during 4<sup>th</sup> quarter 2008

Route	Oct	Nov	Dec	4 <sup>th</sup> quarter 2008	Change from	
					3 <sup>rd</sup> qtr '08	4 <sup>th</sup> qtr '07
	--\$/mt--			--\$/mt--	Percent	
U.S. Gulf to Japan	40.40	27.63	23.33	30.45	72	74
PNW to Japan	23.60	17.38	13.33	18.10	70	78
U.S. Gulf to Europe	22.20	15.00	12.00	16.40	68	83
Spread	16.80	10.25	10.00	12.35	75	64

Source: Drewry Shipping Consultants/O'Neil Commodity Consulting

Ocean freight rates for shipping bulk commodities fell during the quarter as the economic slowdown reduced demand for transporting iron ore, coal, and other raw materials to China. In addition, failure of some shippers to secure trade credits led to reduced cargoes. The London-based Grains and Feed Trade Association reported during the quarter that difficulty in accessing trade credit restricted movements of cargoes from Canada and South America. The problem facing the freight market was compounded by fear of default on all types of agreements between ship-owners and charterers. Charterers were very careful about whom they would conduct business with.



**Market Outlook.** The Chinese iron ore market is still the primary driver of the bulk freight market. The market is relatively stable at the moment, but the situation may change because

China and many other countries have initiated stimulus packages and economic policies to rejuvenate their declining economies. The Chinese government has announced an \$850 billion stimulus package to boost its economy, and the Indian government announced a \$4 billion package to support the country's dry bulk trade. The Indian government also abolished the 8 percent export duty on iron ore and reduced the Value Added Tax from 15 percent to 5 percent. The United States government recently approved a stimulus package of \$787 billion, which is expected to boost construction and maintenance work. If the expectations from these various stimulus packages around the globe are realized, the demand for bulk commodities will likely increase, pulling up ocean freight rates. Meanwhile, in the ocean freight market, bulk vessel capacity is outpacing demand. As of March 2, the Baltic forward assessment (BFA) for hiring a Panamax vessel from the U.S. Gulf to Japan decreased from \$19,354 per day in March to \$19,063 in April and \$18,958 in May. However, the BFA for PNW to Japan route increased slightly from \$10,333 per day in March to \$10,646 and \$10,625 in April and May. According to these assessments, Gulf rates are expected to fall while PNW rates are expected to increase slightly in the near future. [Surajudeen.Olowolayemo@usda.gov](mailto:Surajudeen.Olowolayemo@usda.gov)

# Grain Transportation Indicators

Table 1

**Grain Transport Cost Indicators<sup>1</sup>**

Week ending	Truck	Rail <sup>2</sup>	Barge	Ocean	
				Gulf	Pacific
03/04/09	140	79	157	177	138
02/25/09	143	69	169	174	135

<sup>1</sup>Indicator: Base year 2000 = 100; Weekly updates include truck = diesel (\$/gallon); rail = nearby secondary rail market (\$/car); barge = Illinois River barge rate (index = percent of tariff rate); and ocean = routes to Japan (\$/metric ton)

<sup>2</sup>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)**

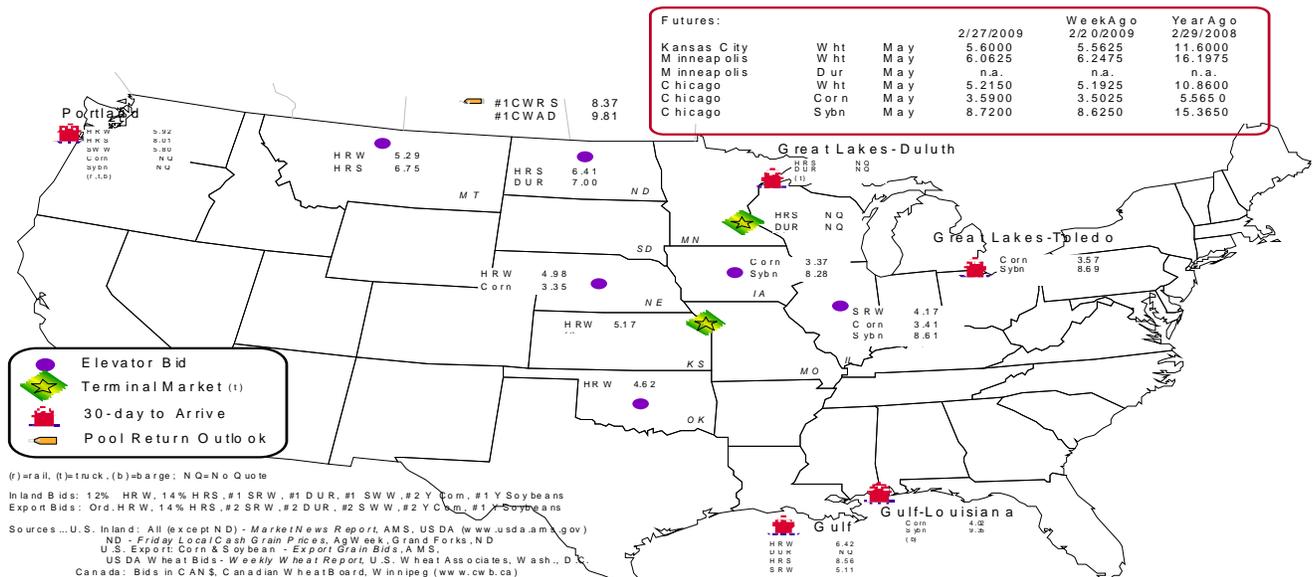
Commodity	Origin--Destination	2/27/2009	2/20/2009
Corn	IL--Gulf	-0.61	-0.62
Corn	NE--Gulf	-0.67	-0.69
Soybean	IA--Gulf	-1.07	-1.19
HRW	KS--Gulf	-1.25	-1.28
HRS	ND--Portland	-1.60	-1.55

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)<sup>1</sup>

Week ending	Mississippi		Cross-Border	Pacific	Atlantic &	Total
	Gulf <sup>2</sup>	Texas Gulf	Mexico	Northwest	East Gulf	
2/25/2009 <sup>p</sup>	913	837	1,075	3,714	593	7,132
2/18/2009 <sup>r</sup>	1,410	1,061	892	3,306	728	7,397
2009 YTD	8,287	7,940	6,562	26,845	5,132	54,766
2008 YTD	12,413	21,741	4,672	39,871	8,597	87,294
2009 YTD as % of 2008 YTD	67	37	140	67	60	63
Last 4 weeks as % of 2007 <sup>3</sup>	76	47	140	78	67	72
Last 4 weeks as % of 4-year avg. <sup>3</sup>	71	60	93	80	111	77
Total 2008	68,768	107,542	37,728	255,852	33,028	502,918
Total 2007	62,169	113,730	40,725	227,970	31,369	475,963

<sup>1</sup> Data is incomplete as it is voluntarily provided; <sup>2</sup> Mississippi Gulf data back to January, 2004 from several new sources has been added resulting in large increases in the numbers reported; <sup>3</sup> Compared with same 4-weeks in 2007 and prior 4-year average.

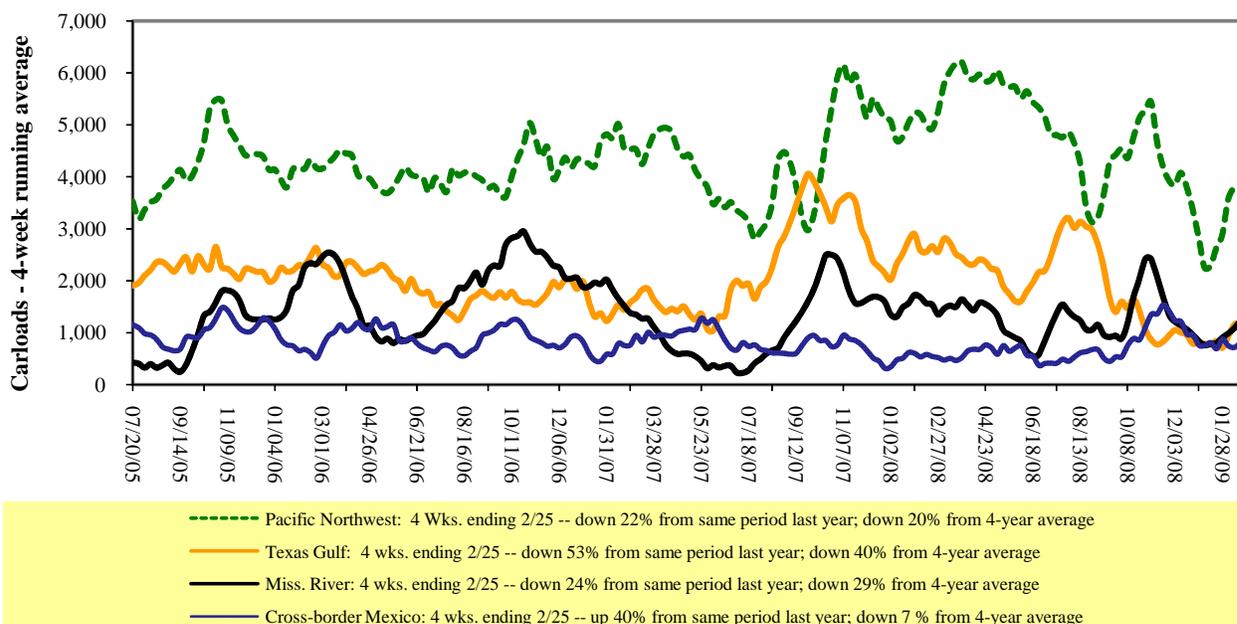
**YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available**

Source: Transportation & Marketing Programs/AMS/USDA

Railroads originate approximately 35 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

Table 4

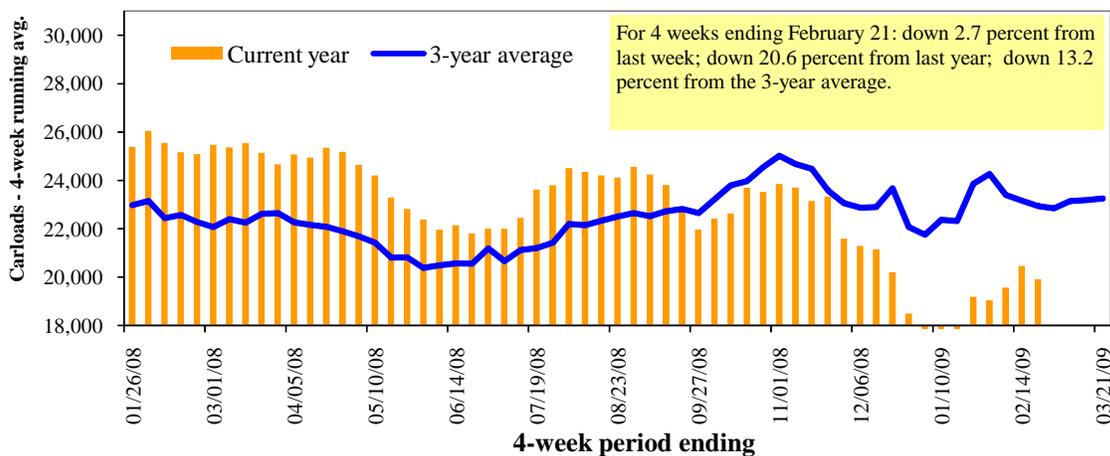
**Class I Rail Carrier Grain Car Bulletin (grain carloads originated)**

Week ending	East		West			U.S. total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
02/21/09	2,548	2,761	8,365	662	4,478	18,814	5,191	3,887
This week last year	2,446	2,717	11,265	864	7,425	24,717	3,812	4,076
2009 YTD	16,541	18,518	64,291	5,349	34,473	139,172	29,846	36,543
2008 YTD	22,309	21,464	81,260	5,438	46,405	176,876	32,305	32,226
2009 YTD as % of 2008 YTD	74	86	79	98	74	79	92	113
Last 4 weeks as % of 2008 <sup>1</sup>	69	87	81	87	75	79	110	131
Last 4 weeks as % of 3-yr avg. <sup>1</sup>	73	89	89	104	82	86	106	126
Total 2008	136,143	162,177	573,285	37,822	323,104	1,232,531	226,849	220,714

<sup>1</sup>As a percent of the same period in 2008 and the prior 3-year average. YTD = year-to-date.

Source: Association of American Railroads (www.aar.org)

Figure 3

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

Source: Association of American Railroads

Table 5

**Rail Car Auction Offerings<sup>1</sup> (\$/car)<sup>2</sup>**

Week ending	Delivery period							
	Mar-09	Mar-08	Apr-09	Apr-08	May-09	May-08	Jun-09	Jun-08
2/28/2009								
BNSF <sup>3</sup>								
COT grain units	no bids	26	no bids	no offer	no bids	no offer	no bids	no offer
COT grain single-car <sup>5</sup>	0	no offer	no bids	0	no bids	0	no bids	0..7
UP <sup>4</sup>								
GCAS/Region 1	no bids	no bids	no bids	no bids	no bids	no offer	no offer	no offer
GCAS/Region 2	no bids	no bids	no bids	no bids	no bids	no offer	no offer	no offer

<sup>1</sup>Auction offerings are for single-car and unit train shipments only.

<sup>2</sup>Average premium/discount to tariff, last auction

<sup>3</sup>BNSF - COT = Certificate of Transportation; north grain and south grain bids were combined effective the week ending 6/24/06.

<sup>4</sup>UP - 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.

<sup>5</sup>Range is shown because average is not available. Not available = n/a.

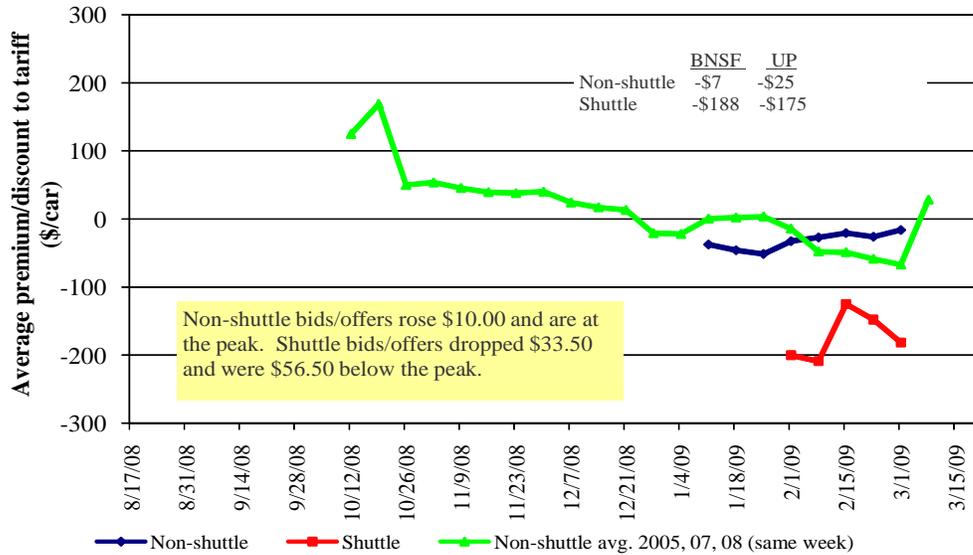
Source: Transportation & Marketing Programs/AMS/USDA.

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

**Bids/Offers for Railcars to be Delivered in March 2009, Secondary Market**

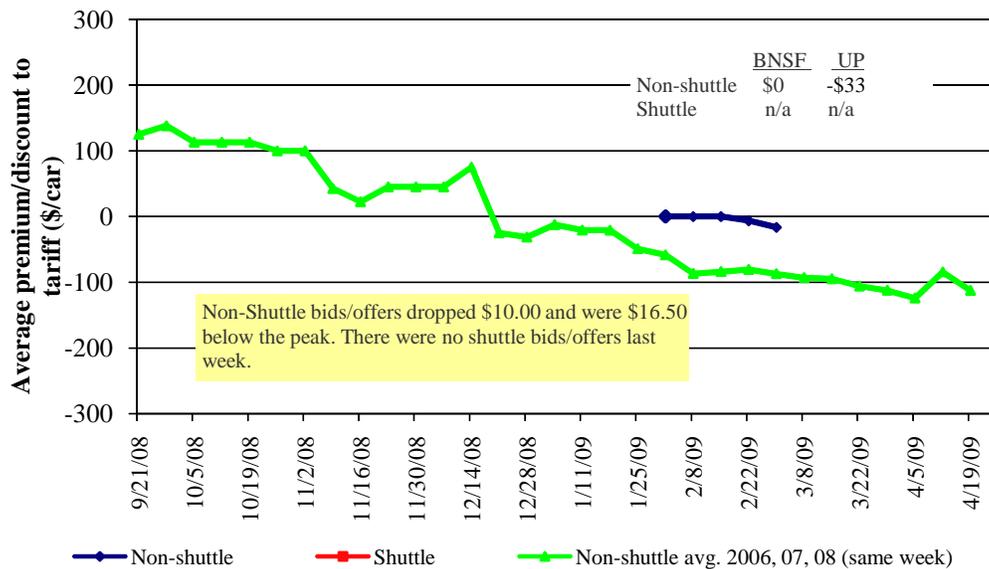


Excludes 2006 from the 3-year non-shuttle average due to abnormally high rates following Hurricanes Katrina and Rita. Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

**Bids/Offers for Railcars to be Delivered in April 2009, Secondary Market**

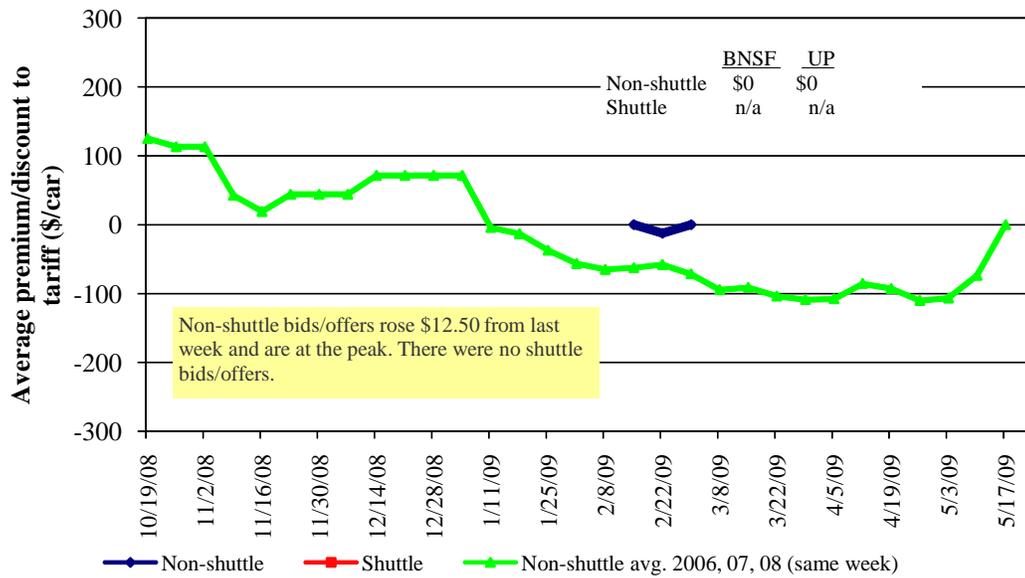


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

### Bids/Offers for Railcars to be Delivered in May 2009, Secondary Market



Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Table 6

### Weekly Secondary Rail Car Market (\$/car)<sup>1</sup>

Week ending	Delivery period					
	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09
<b>2/28/2009</b>						
<b>Non-shuttle</b>						
BNSF-GF	-7	0	0	n/a	n/a	n/a
Change from last week	1	0	0	n/a	n/a	n/a
Change from same week 2008	-88	18	23	n/a	n/a	n/a
UP-Pool	-25	-33	0	n/a	n/a	n/a
Change from last week	19	-20	25	n/a	n/a	n/a
Change from same week 2008	58	117	n/a	n/a	n/a	n/a
<b>Shuttle<sup>2</sup></b>						
BNSF-GF	-188	n/a	n/a	n/a	n/a	n/a
Change from last week	-17	n/a	n/a	n/a	n/a	n/a
Change from same week 2008	-230	n/a	n/a	n/a	n/a	n/a
UP-Pool	-175	n/a	n/a	-150	n/a	n/a
Change from last week	-50	n/a	n/a	n/a	n/a	n/a
Change from same week 2008	-150	n/a	n/a	0	n/a	n/a

<sup>1</sup>Average premium/discount to tariff, \$/car-last week

<sup>2</sup>Shuttle bids are a new data series; prior to this we provided only non-shuttle rates.

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

n/a = not available; 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<sup>1</sup>**

Effective date:			Tariff rate/car	Fuel surcharge per car	Tariff plus surcharge per:		Percent change Y/Y <sup>3</sup>
2/9/2009	Origin region	Destination region			metric ton	bushel <sup>2</sup>	
<b><u>Unit train<sup>1</sup></u></b>							
Wheat	Chicago, IL	Albany, NY	\$2,522	\$11	\$27.92	\$0.76	0
	Kansas City, MO	Galveston, TX	\$2,528	\$58	\$28.50	\$0.78	2
	South Central, KS	Galveston, TX	\$3,395	\$211	\$39.74	\$1.08	11
	Minneapolis, MN	Houston, TX	\$3,539	\$427	\$43.71	\$1.19	0
	St. Louis, MO	Houston, TX	\$3,305	\$56	\$37.05	\$1.01	13
	South Central, ND	Houston, TX	\$5,268	\$474	\$63.30	\$1.72	8
	Minneapolis, MN	Portland, OR	\$3,940	\$518	\$49.14	\$1.34	-6
	South Central, ND	Portland, OR	\$3,940	\$426	\$48.12	\$1.31	-5
	Northwest, KS	Portland, OR	\$4,840	\$567	\$59.60	\$1.62	-2
	Chicago, IL	Richmond, VA	\$2,557	\$105	\$29.34	\$0.80	0
Corn	Chicago, IL	Baton Rouge, LA	\$3,128	\$71	\$35.26	\$0.90	-9
	Council Bluffs, IA	Baton Rouge, LA	\$3,223	\$76	\$36.36	\$0.92	-2
	Kansas City, MO	Dalhart, TX	\$3,284	\$154	\$37.89	\$0.96	-1
	Minneapolis, MN	Portland, OR	\$3,430	\$518	\$43.52	\$1.11	-7
	Evansville, IN	Raleigh, NC	\$3,008	\$103	\$34.29	\$0.87	4
	Columbus, OH	Raleigh, NC	\$2,897	\$90	\$32.92	\$0.84	5
	Council Bluffs, IA	Stockton, CA	\$5,390	\$560	\$65.59	\$1.67	-5
Soybeans	Chicago, IL	Baton Rouge, LA	\$3,178	\$71	\$35.81	\$0.97	-9
	Council Bluffs, IA	Baton Rouge, LA	\$3,192	\$76	\$36.02	\$0.98	-5
	Minneapolis, MN	Portland, OR	\$4,360	\$518	\$53.77	\$1.46	-4
	Evansville, IN	Raleigh, NC	\$3,008	\$103	\$34.29	\$0.93	4
	Chicago, IL	Raleigh, NC	\$3,608	\$128	\$41.18	\$1.12	2
<b><u>Shuttle Train</u></b>							
Wheat	St. Louis, MO	Houston, TX	\$2,642	\$56	\$29.74	\$0.81	9
	Minneapolis, MN	Portland, OR	\$3,540	\$518	\$44.74	\$1.22	-9
Corn	Fremont, NE	Houston, TX	\$2,520	\$314	\$31.23	\$0.79	-6
	Minneapolis, MN	Portland, OR	\$3,348	\$518	\$42.62	\$1.08	-9
Soybeans	Council Bluffs, IA	Houston, TX	\$2,787	\$304	\$34.07	\$0.93	-2
	Minneapolis, MN	Portland, OR	\$3,502	\$518	\$44.32	\$1.21	-9

<sup>1</sup>A unit train refers to shipments of at least 52 cars. Shuttle train rates are available for qualified shipments of

75-110 cars that meet railroad efficiency requirements.

<sup>2</sup>Approximate load per car = 100 short tons (90.72 metric tons): corn 56 lbs./bu., wheat & soybeans 60 lbs./bu.

<sup>3</sup>Percentage change year over year calculated using tariff rate plus fuel surcharge

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**

Commodity	Origin state	Destination region	Tariff rate/car <sup>1</sup>	Fuel surcharge per car	Tariff plus surcharge per:		Percent change Y/Y <sup>3</sup>
					metric ton	bushel <sup>2</sup>	
Wheat	MT	Chihuahua, CI	\$5,896	\$482	\$65.17	\$1.77	-3
	OK	Cuautitlan, EM	\$5,360	\$341	\$58.25	\$1.58	2
	KS	Guadalajara, JA	\$5,830	\$343	\$63.08	\$1.72	-1
	TX	Salinas Victoria, NL	\$2,984	\$103	\$31.54	\$0.86	3
Corn	IA	Guadalajara, JA	\$6,395	\$400	\$69.43	\$1.76	-9
	SD	Penjamo, GJ	\$6,300	\$631	\$70.82	\$1.80	-10
	NE	Queretaro, QA	\$6,167	\$296	\$66.03	\$1.68	-3
	SD	Salinas Victoria, NL	\$4,740	\$480	\$53.33	\$1.35	-4
	MO	Tlalnepantla, EM	\$5,364	\$288	\$57.75	\$1.47	-7
	SD	Torreón, CU	\$5,310	\$529	\$59.66	\$1.51	-9
Soybeans	MO	Bojay (Tula), HG	\$5,819	\$342	\$62.95	\$1.71	-10
	NE	Guadalajara, JA	\$6,200	\$392	\$67.35	\$1.83	-11
	IA	Penjamo (Celaya), GJ	\$6,050	\$627	\$68.23	\$1.85	-12
	KS	Torreón, CU	\$5,040	\$254	\$54.09	\$1.47	-9
Sorghum	OK	Cuautitlan, EM	\$4,309	\$479	\$48.92	\$1.24	-4
	TX	Guadalajara, JA	\$4,800	\$411	\$53.24	\$1.35	-4
	NE	Penjamo, GJ	\$6,225	\$356	\$67.24	\$1.71	-5
	KS	Queretaro, QA	\$5,468	\$241	\$58.33	\$1.48	-2
	NE	Salinas Victoria, NL	\$4,377	\$260	\$47.38	\$1.20	-3
	NE	Torreón, CU	\$5,130	\$293	\$55.41	\$1.41	-7

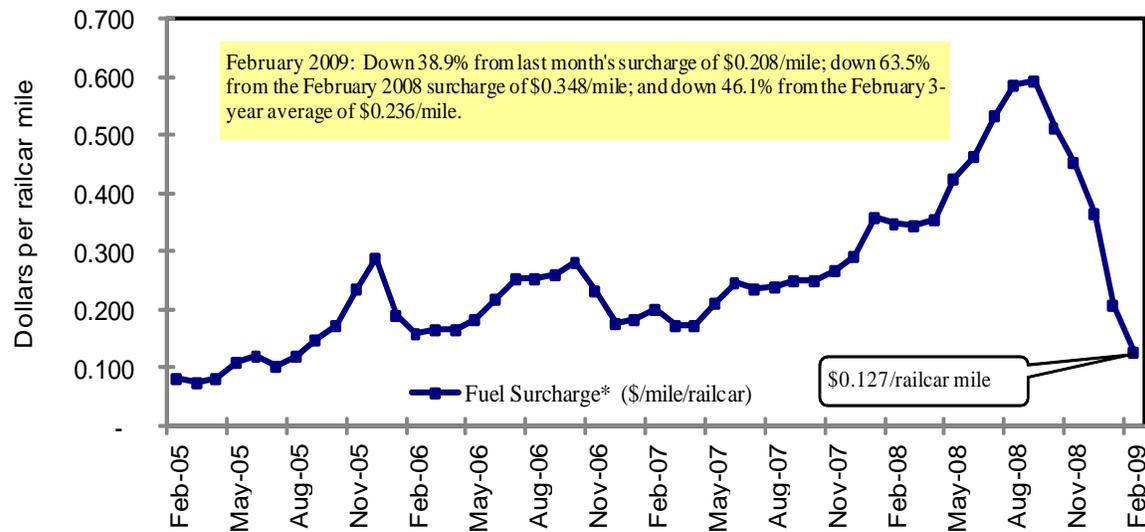
<sup>1</sup>Rates are based upon published tariff rates for high-capacity shuttle trains. Shuttle trains are available for qualified shipments of 75–110 cars that meet railroad efficiency requirements.

<sup>2</sup>Approximate load per car = 97.87 metric tons: Corn & Sorghum 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

<sup>3</sup>Percentage change year over year calculated using tariff rate plus fuel surcharge

Sources: www.bnsf.com, www.upr.com, www.kcsouthern.com

Figure 7

**Railroad Fuel Surcharges, North American Weighted Average<sup>1</sup>**

<sup>1</sup> Weighted by each Class I railroad's proportion of grain traffic for the prior year.

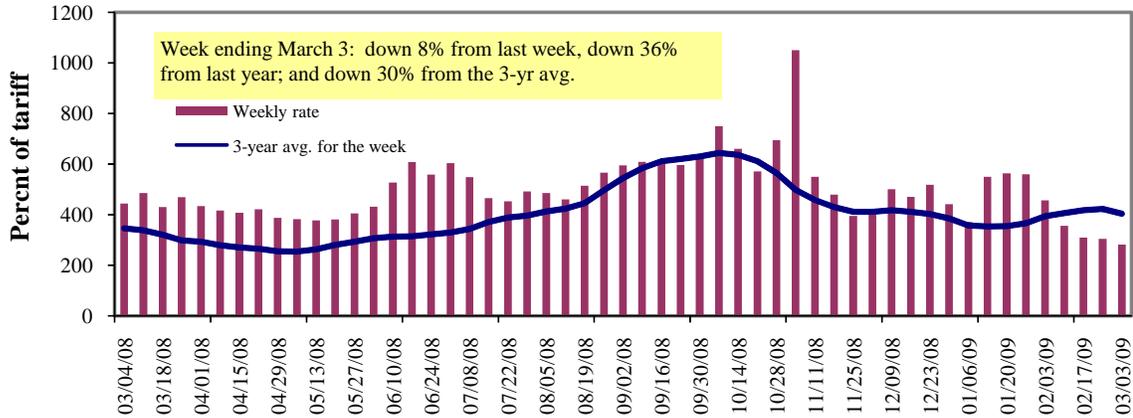
\* Mileage-based fuel surcharges from December 2004 through March 2007 are estimated. Beginning January 2009, the Canadian Pacific fuel surcharge is computed by a monthly average of the bi-weekly fuel surcharge.

Sources: www.bnsf.com, www.cn.ca, www8.cpr.ca, www.csx.com, www.kcsi.com, www.nscorp.com, www.uprr.com

# Barge Transportation

Figure 8

## Illinois River Barge Freight Rate<sup>1,2</sup>



<sup>1</sup>Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); <sup>2</sup>4-week moving average of the 3-year average.

Source: Transportation & Marketing Programs/AMS/USDA

Table 9

### Weekly Barge Freight Rates: Southbound Only

		Twin Cities	Mid-Mississippi	Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo-Memphis
<b>Rate<sup>1</sup></b>	3/3/2009	-	288	282	217	217	217	198
	2/24/2009	-	303	305	226	222	222	200
<b>\$/ton</b>	3/3/2009	-	15.32	13.08	8.66	10.18	8.77	6.22
	2/24/2009	-	16.12	14.15	9.02	10.41	8.97	6.28
<b>Current week % change from the same week:</b>								
	Last year	-	-	-36	-38	-42	-42	-40
	3-year avg. <sup>2</sup>	-	67	-30	-34	-33	-33	-31
<b>Rate<sup>1</sup></b>	April	340	289	283	223	221	221	200
	June	341	304	299	246	255	255	229

<sup>1</sup>Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); <sup>2</sup>4-week moving average; ton = 2,000 pounds.

Source: Transportation & Marketing Programs/AMS/USDA

#### 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 9).

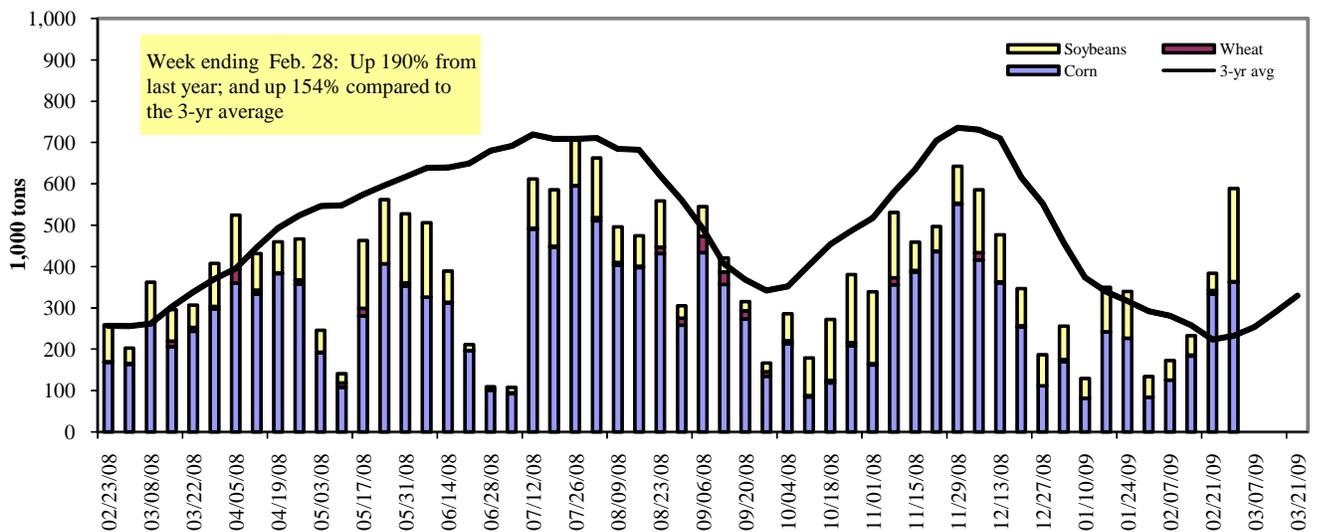
Figure 9

#### Benchmark tariff rates



Figure 10

**Barge Movements on the Mississippi River<sup>1</sup> (Locks 27 - Granite City, IL)**



<sup>1</sup> The 3-year average is a 4-week moving average.

Source: U.S. Army Corps of Engineers ([www.mvr.usace.army.mil/mvrimi/omni/webrrpts/default.asp](http://www.mvr.usace.army.mil/mvrimi/omni/webrrpts/default.asp))

Table 10

**Barge Grain Movements (1,000 tons)**

Week ending 2/28/2009	Corn	Wheat	Soybeans	Other	Total
<b>Mississippi River</b>					
Rock Island, IL (L15)	2	0	8	0	10
Winfield, MO (L25)	55	0	59	0	114
Alton, IL (L26)	368	2	183	0	553
Granite City, IL (L27)	362	2	225	0	588
<b>Illinois River (L8)</b>	307	2	149	0	458
<b>Ohio River (L52)</b>	194	11	74	2	280
<b>Arkansas River (L1)</b>	0	10	43	6	59
Weekly total - 2009	556	22	342	7	927
Weekly total - 2008	315	17	105	16	453
2009 YTD <sup>1</sup>	2,864	99	1,713	43	4,719
2008 YTD	3,119	139	1,316	125	4,699
2009 as % of 2008 YTD	92	71	130	34	100
Last 4 weeks as % of 2008 <sup>2</sup>	125	65	126	59	121
<b>Total 2008</b>	<b>18,783</b>	<b>1,542</b>	<b>7,062</b>	<b>453</b>	<b>27,840</b>

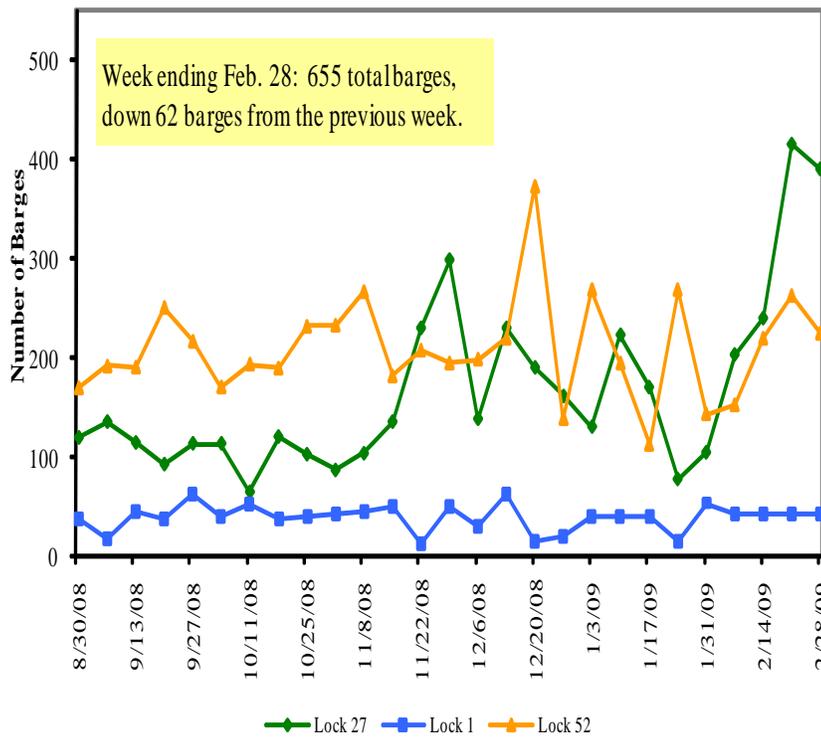
<sup>1</sup> Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

<sup>2</sup> As a percent of same period in 2008.

Note: Total may not add exactly, due to rounding

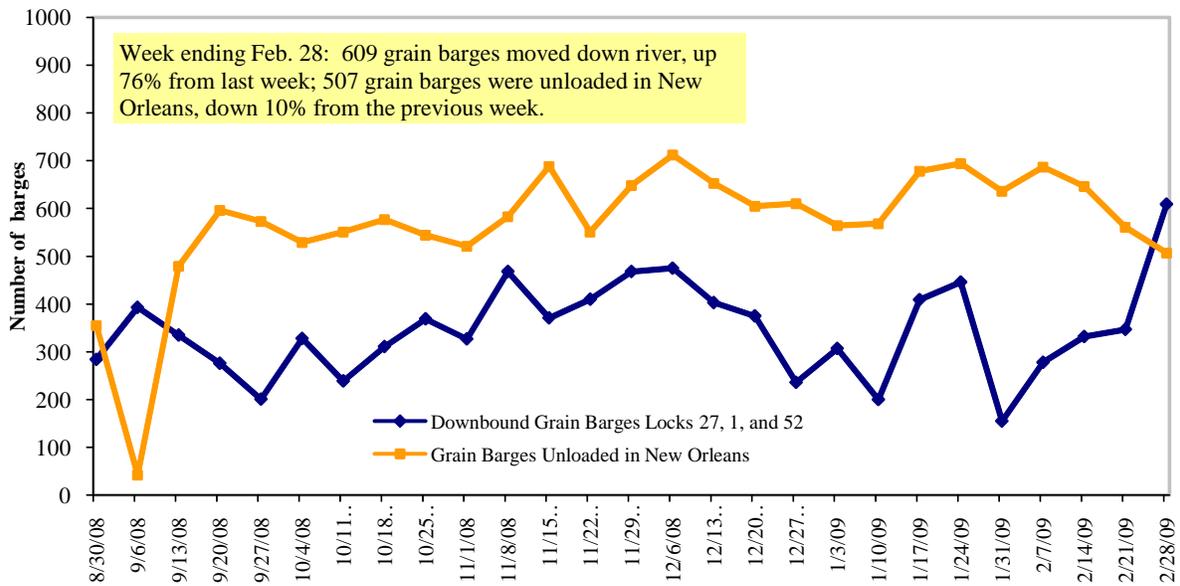
Source: U.S. Army Corps of Engineers ([www.mvr.usace.army.mil/mvrimi/omni/webrrpts/default.asp](http://www.mvr.usace.army.mil/mvrimi/omni/webrrpts/default.asp))

Figure 11  
**Upbound Empty Barges Transiting Mississippi River Locks 27, Arkansas River Lock and Dam 1, and Ohio River Locks and Dam 52**



Source: U.S. Army Corps of Engineers

Figure 12  
**Grain Barges for Export in New Orleans Region**



Source: U.S. Army Corps of Engineers and GIPSA

# Truck Transportation

The **weekly diesel price** provides a proxy for trends in U.S. truck rates as diesel fuel is a significant expense for truck grain movements.

Table 11

**Retail on-Highway Diesel Prices<sup>1</sup>, Week Ending 3/2/09 (US\$/gallon)**

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	2.153	-0.046	-1.547
	New England	2.472	-0.042	-1.341
	Central Atlantic	2.314	-0.054	-1.511
	Lower Atlantic	2.055	-0.043	-1.581
II	Midwest <sup>2</sup>	2.030	-0.041	-1.609
III	Gulf Coast <sup>3</sup>	2.043	-0.031	-1.566
IV	Rocky Mountain	2.091	-0.067	-1.482
V	West Coast	2.185	-0.053	-1.551
	California	2.144	-0.075	-1.659
Total	U.S.	2.087	-0.043	-1.571

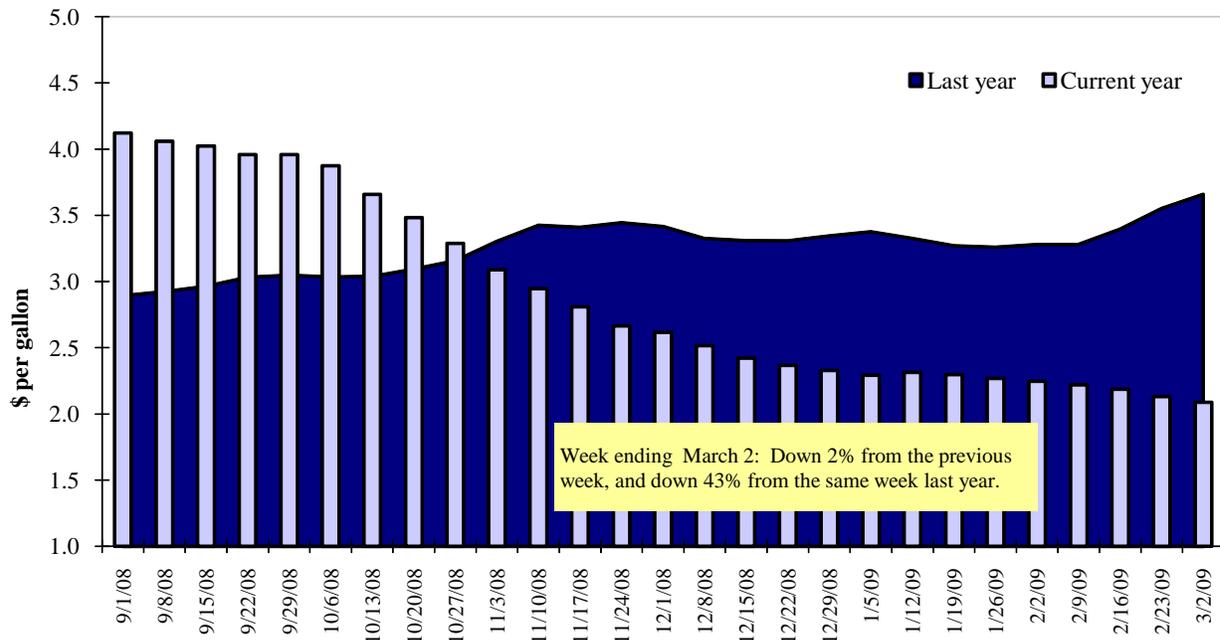
<sup>1</sup>Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

<sup>2</sup>Same as North Central <sup>3</sup>Same as South Central

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

Figure 13

**Weekly Diesel Fuel Prices, U.S. Average**



Source: Retail On-Highway Diesel Prices, Energy Information Administration, Dept. of Energy

# Grain Exports

Table 12

## U.S. Export Balances and Cumulative Exports (1,000 metric tons)

Week ending	Wheat						Corn	Soybeans	Total
	HRW	SRW	HRS	SWW	DUR	All wheat			
<b>Export Balances<sup>1</sup></b>									
2/19/2009	1,344	765	900	751	51	3,811	9,572	5,301	18,684
This week year ago	3,187	746	1,586	860	77	6,456	18,670	6,893	32,019
<b>Cumulative exports-marketing year<sup>2</sup></b>									
2008/09 YTD	9,346	4,081	4,070	2,324	360	20,181	18,629	21,632	60,442
2007/08 YTD	10,141	4,454	6,300	3,325	926	25,146	31,355	18,750	75,251
YTD 2008/09 as % of 2007/08	92	92	65	70	39	80	59	115	80
Last 4 wks as % of same period 2007/08	40	101	70	95	78	70	64	90	71
2007/08 Total	13,709	5,568	7,842	4,191	1,075	32,385	59,666	30,411	122,462
2006/07 Total	6,800	3,866	6,480	4,996	761	22,902	53,799	30,261	106,962

<sup>1</sup> Current unshipped export sales to date

<sup>2</sup> Shipped export sales to date; new marketing year now in effect for corn and soybeans

Note: YTD = year-to-date. Marketing Year: wheat = 6/01-5/31, corn & soybeans = 9/01-8/31

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

Table 13

## Top 5 Importers<sup>1</sup> of U.S. Corn

Week ending 02/19/09	Total Commitments <sup>2</sup>		% change current MY from last MY	Exports <sup>3</sup> 2007/08
	2008/09	2007/08		
	Current MY	Last MY		
- 1,000 mt -				
Japan	9,631	11,521	(16)	15,294
Mexico	5,484	7,020	(22)	8,767
Korea <sup>4</sup>	2,699	7,631	(65)	8,621
Taiwan	1,782	3,111	(43)	3,476
Egypt	1,159	2,906	(60)	3,309
<b>Top 5 importers</b>	<b>20,753</b>	<b>32,190</b>	<b>(36)</b>	<b>39,467</b>
<b>Total US corn export sales</b>	<b>28,200</b>	<b>50,024</b>	<b>(44)</b>	<b>61,870</b>
% of Projected	63%	81%		
Change from Last Week	449	601		
<b>Top 5 importers' share of U.S. corn export sales</b>	<b>74%</b>	<b>64%</b>		
<b>USDA forecast, February 2009</b>	<b>44,450</b>	<b>61,870</b>	<b>(28)</b>	
<b>Corn Use for Ethanol USDA forecast, February 2009</b>	<b>91,440</b>	<b>76,861</b>	<b>19</b>	

(n) indicates negative number.

<sup>1</sup>Based on FAS Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year (MY) = Sep 1 - Aug 31.

<sup>2</sup>Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report.

<sup>3</sup>FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi\_rpt.htm.

<sup>4</sup>Not included - FAS Press Release: 224,000 mt to Korea (108,000 mt on 02/23/09; 116,000 mt on 2/26) for 2008/09.

Table 14

**Top 5 Importers<sup>1</sup> of U.S. Soybeans**

Week ending 02/19/09	Total Commitments <sup>2</sup>		% change current MY from last MY	Exports <sup>3</sup>  2007/08
	2008/09	2007/08		
	Current MY	Last MY		
	- 1,000 mt -			- 1,000 mt -
China <sup>4</sup>	15,854	11,445	39	13,354
Mexico	1,698	2,654	(36)	3,575
Japan	2,021	2,238	(10)	2,710
EU-25	2,015	3,067	(34)	3,896
Taiwan	1,080	1,248	(13)	1,728
<b>Top 5 importers</b>	<b>22,668</b>	<b>20,651</b>	<b>10</b>	<b>25,262</b>
<b>Total US soybean export sales</b>	<b>26,933</b>	<b>25,644</b>	<b>5</b>	
% of Projected	86%	81%		
Change from last week	339	584		
<b>Top 5 importers' share of U.S. soybean export sales</b>	<b>84%</b>	<b>81%</b>		
<b>USDA forecast, February 2009</b>	<b>31,300</b>	<b>31,600</b>	<b>(0.9)</b>	
<b>Soybean Use for Biodiesel USDA forecast, February 2009</b>	<b>6,954</b>	<b>7,148</b>	<b>(3)</b>	

(n) indicates negative number.

<sup>1</sup>Based on FAS 2006/07 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year (MY) = Sep 1 - Aug 31.<sup>2</sup>Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report.<sup>3</sup>FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi\_rpt.htm.<sup>4</sup>Not included - FAS Press Release: 116,000 mt on 3/02/09 to China for 2008/09.

Table 15

**Top 10 Importers<sup>1</sup> of All U.S. Wheat**

Week ending 02/19/09	Total Commitments <sup>2</sup>		% change current MY from last MY	Exports <sup>3</sup>  2007/08
	2008/09	2007/08		
	Current MY	Last MY		
	- 1,000 mt -			- 1,000 mt -
Japan	2,621	3,167	(17)	3,319
Egypt	1,849	2,740	(33)	3,276
Nigeria	2,328	2,248	3.6	2,597
Mexico	2,381	2,466	(3)	2,568
Iraq	1,205	1,906	(37)	1,964
Philippines	1,417	1,671	(15)	1,538
Korea, South	1,016	1,533	(34)	1,509
Indonesia	490	849	(42)	1,093
Taiwan	614	976	(37)	1,068
Venezuela	472	872	(46)	997
<b>Top 10 importers</b>	<b>14,393</b>	<b>18,426</b>	<b>(22)</b>	<b>19,930</b>
<b>Total US wheat export sales</b>	<b>23,993</b>	<b>31,602</b>	<b>(24)</b>	<b>34,400</b>
% of Projected	88%	92%		
Change from last week	465	309		
<b>Top 10 importers' share of U.S. wheat export sales</b>	<b>60%</b>	<b>58%</b>		
<b>USDA forecast, February 2009</b>	<b>27,220</b>	<b>34,400</b>	<b>(21)</b>	

(n) indicates negative number.

<sup>1</sup>Based on FAS 2007/08 Marketing Year Ranking Reports (except Algeria) - www.fas.usda.gov; Marketing year = Jun 1 - May 31.<sup>2</sup>Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report.<sup>3</sup>FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi\_rpt.htm.

Table 16

**Grain Inspections for Export by U.S. Port Region (1,000 metric tons)**

Port regions	Week ending 02/26/09	2009 YTD <sup>1</sup>	2008 YTD <sup>1</sup>	2009 YTD as % of 2008 YTD	Last 4-weeks as % of		Total <sup>1</sup> 2008
					2008	3-yr. avg.	
<b>Pacific Northwest</b>							
Wheat	108	1,595	2,324	69	68	63	10,378
Corn	198	1,216	1,680	72	70	85	12,411
Soybeans	193	1,765	2,209	80	84	109	9,412
<b>Total</b>	<b>499</b>	<b>4,576</b>	<b>6,213</b>	<b>74</b>	<b>75</b>	<b>85</b>	<b>32,202</b>
<b>Mississippi Gulf</b>							
Wheat	29	559	704	79	76	74	6,284
Corn	405	4,242	6,644	64	69	69	28,214
Soybeans	421	5,741	4,012	143	123	126	16,282
<b>Total</b>	<b>855</b>	<b>10,542</b>	<b>11,361</b>	<b>93</b>	<b>90</b>	<b>90</b>	<b>50,780</b>
<b>Texas Gulf</b>							
Wheat	82	897	1,231	73	52	69	9,720
Corn	97	262	594	44	58	81	1,502
Soybeans	72	458	28	1,612	2,323	3,291	119
<b>Total</b>	<b>251</b>	<b>1,617</b>	<b>1,853</b>	<b>87</b>	<b>83</b>	<b>111</b>	<b>11,341</b>
<b>Great Lakes</b>							
Wheat	0	0	11	0	0	0	831
Corn	0	0	12	0	n/a	n/a	294
Soybeans	0	0	3	0	0	0	315
<b>Total</b>	<b>0</b>	<b>0</b>	<b>26</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,439</b>
<b>Atlantic</b>							
Wheat	0	23	71	32	n/a	0	891
Corn	0	21	287	7	4	6	576
Soybeans	2	208	211	99	136	151	593
<b>Total</b>	<b>2</b>	<b>251</b>	<b>569</b>	<b>44</b>	<b>63</b>	<b>73</b>	<b>2,061</b>
<b>U.S. total from ports<sup>2</sup></b>							
Wheat	219	3,073	4,331	71	63	66	28,104
Corn	700	5,740	9,217	62	67	71	42,998
Soybeans	688	8,172	6,463	126	119	132	26,721
<b>Total</b>	<b>1,607</b>	<b>16,986</b>	<b>20,011</b>	<b>85</b>	<b>84</b>	<b>90</b>	<b>97,823</b>

<sup>1</sup> Includes weekly revisions, some regional totals may not add exactly due to rounding.

<sup>2</sup> Total includes only port regions shown above

Source: Grain Inspection, Packers and Stockyards Administration/USDA ([www.gipsa.usda.gov](http://www.gipsa.usda.gov)); YTD= year-to-date; n/a = not applicable

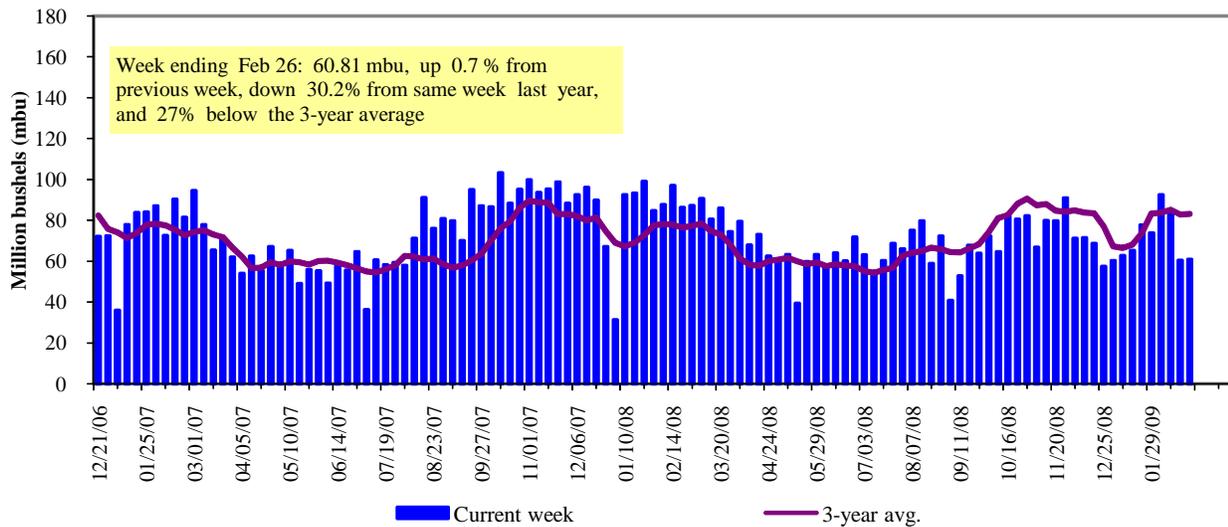
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The United States exports approximately one-quarter of the grain it produces. On average, this includes nearly 45 percent of U.S.-grown wheat, 35 percent of U.S.-grown soybeans, and 20 percent of the U.S.-grown corn. Approximately 57 percent of the U.S. export grain shipments departed through the U.S. Gulf region in 2008.

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Figure 14

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

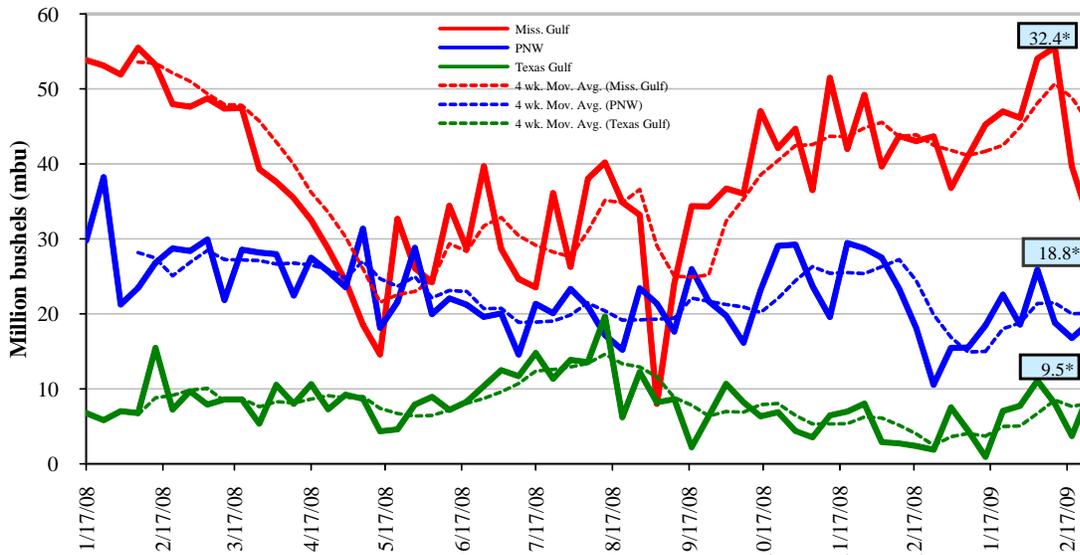


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

Note: 3-year average consists of 4-week running average

Figure 15

**Weekly U.S. Grain Inspections: U.S. Gulf and PNW (wheat, corn, and soybeans)**



Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov); \*mbu, this week.

Feb 26: % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	down 18	up 157	down 3	up 12
Last year (same week)	down 32	down 2	down 27	down 34
3-yr avg. (4-wk mov. avg.)	down 36	down 30	down 28	down 27

# Ocean Transportation

Table 17

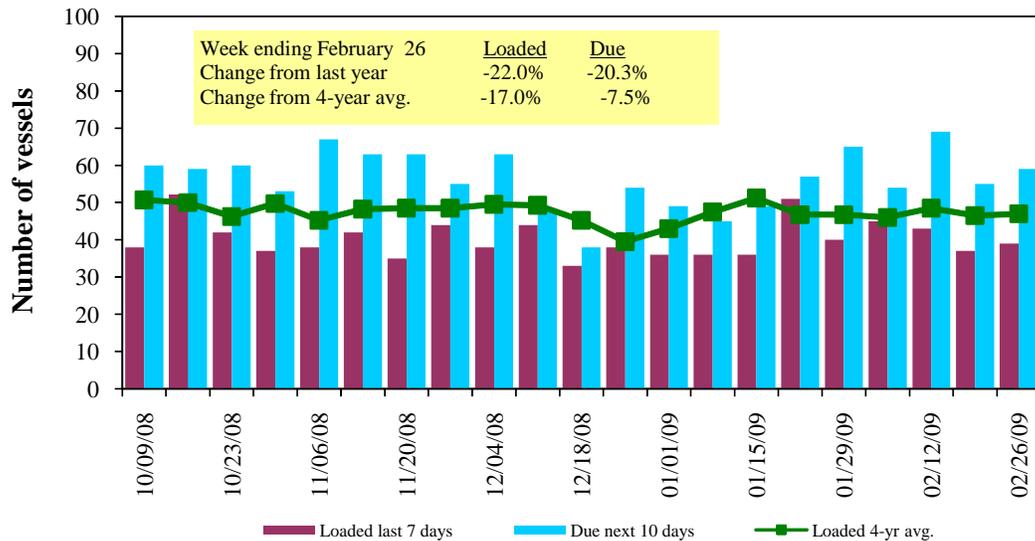
**Weekly Port Region Grain Ocean Vessel Activity (number of vessels)**

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In port	Loaded 7-days	Due next 10-days	In port	In port
2/26/2009	39	39	59	6	10
2/19/2009	32	37	55	8	10
2008 range	(15..55)	(27..61)	(39..87)	(2..16)	(0..15)
2008 avg.	35	42	61	10	7

Source: Transportation & Marketing Programs/AMS/USDA

Figure 16

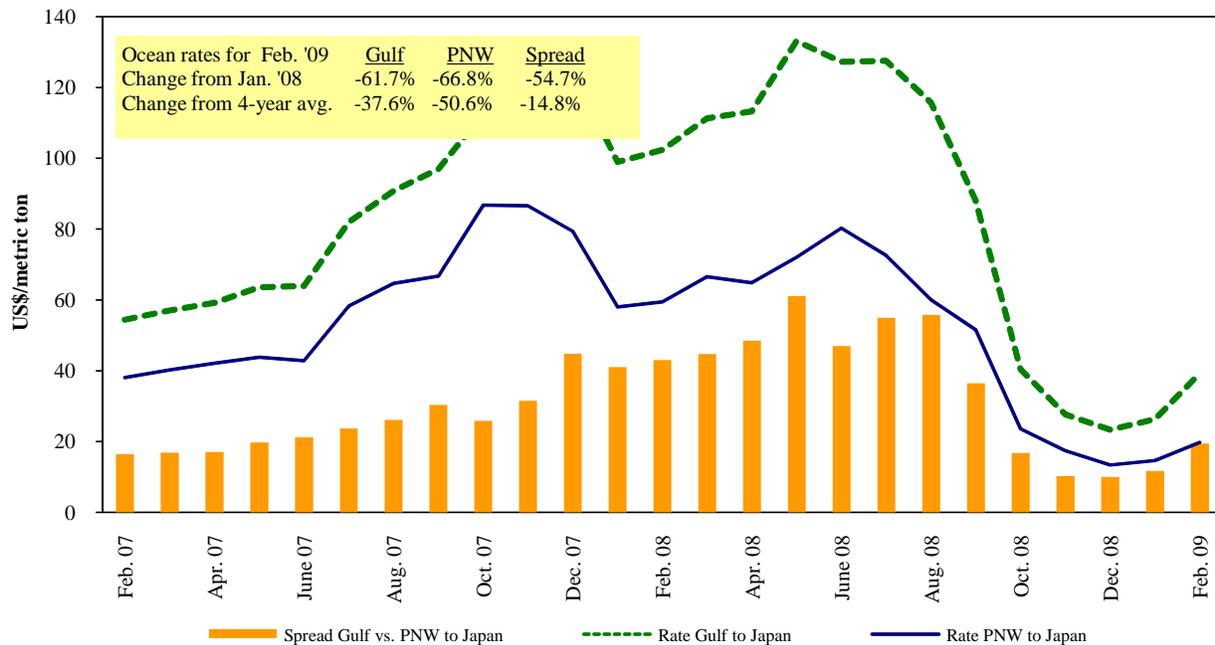
**U.S. Gulf<sup>1</sup> Vessel Loading Activity**



Source: Transportation & Marketing Programs/AMS/USDA  
<sup>1</sup>U.S. Gulf includes Mississippi, Texas, and East Gulf.

Figure 17

## Grain Vessel Rates, U.S. to Japan



Source: Drewry Shipping Consultants Ltd (www.drewry.co.uk)/O'Neil Commodity Consulting

Table 18

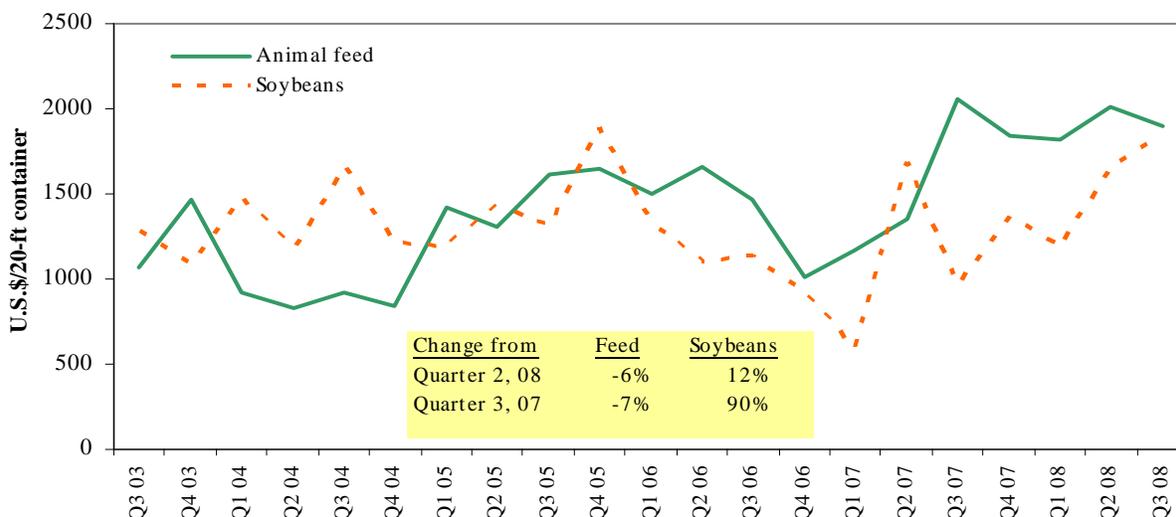
### Ocean Freight Rates For Selected Shipments, Week Ending 2/28/2009

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US\$/metric ton)
U.S. Gulf	China	Hvy Grain	Feb 1/10	55,000	23.75
U.S. Gulf	China	Hvy Grain	Jan 5/15	55,000	21.00
U.S. Gulf	China	Hvy Grain	Jan 1/5	55,000	21.00
U.S. Gulf	China	Hvy Grain	Jan 1/5	55,000	21.00
U.S. Gulf	China	Hvy Grain	Dec 24/30	55,000	21.00
U.S. Gulf	China	Hvy Grain	Dec 1/10	55,000	26.50
U.S. Gulf	Russia	Hvy Grain	Feb 25/Mar 5	25,000	30.50
U.S. Gulf	China	Hvy Grain	Dec 1/10	55,000	27.50
U.S. Gulf	Djibouti <sup>1</sup>	Wheat	Mar 10/20	10,990	113.69
U.S. Gulf	Egypt Mediterranean	Hvy Grain	Jan 14/18	60,000	12.15
Brazil	Morocco	Maize	Feb 3/8	22,500	22.50
Brazil	Greece	Soybeans	Feb 18/16	24,000	24.00
France	Egypt Mediterranean	Hvy Grain	Nov 1/5	60,000	10.25
France	Algeria	Wheat	Mar 5/10	25,000	27.00
River Plate	Algeria	Hvy Grain	Nov 5/10	35,000	48.00
River Plate	China	Hvy Grain	Mar	60,000	32.50
River Plate	China	Hvy Grain	Apr	60,000	32.50
River Plate	Morocco	Maize	Feb 1/5	25,000	35.50
River Plate	Sp Mediterranean	Soybean meal	Dec 5/10	25,000	18.00
Uruguay	Libya	Maize	Feb 25/28	20,000	27.00

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

Figure 18

### Ocean Rates<sup>1</sup> for Containerized Shipments to Selected Asian Countries



<sup>1</sup>Rates are weighted by shipping line market share and destination country. Rates provided are publicly filed tariff rates, not those negotiated in a confidential service contract.

Countries include: Animal Feed: Bangkok-Thailand (3%), Busan-Korea (25%), Hong Kong (9%), Kaohsiung/Keelung-Taiwan (5%), Tokyo-Japan (8%). Soybeans: Kaohsiung/Keelung-Taiwan (97%), Tokyo-Japan (2%)

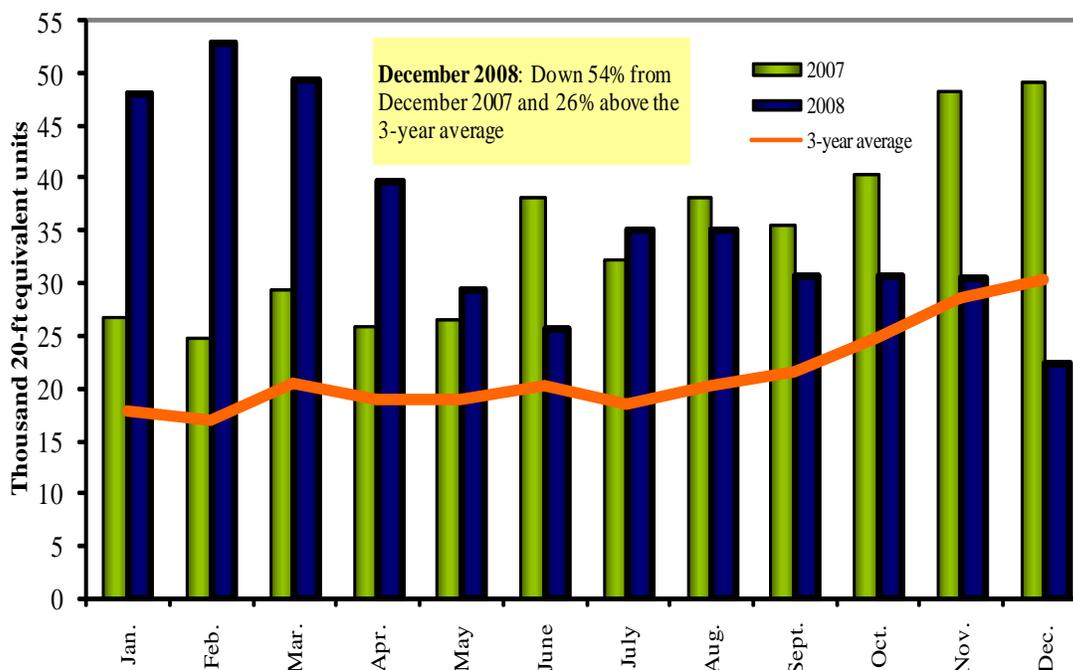
Source: Ocean Rate Bulletin, Quarter 3, 2008, Transportation & Marketing Programs/AMS/USDA

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

During 2007, containers were used to transport 5 percent of total U.S. waterborne grain exports, and 9 percent of U.S. grain exports to Asia.

Figure 19

### Monthly Shipments of Containerized Grain to Asia



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

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