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Contents

Article/
Calendar

Grain
Transportation
Indicators

Rail

Barge

Truck

Exports

Ocean

Brazil

Mexico

Grain Truck/Ocean
Rate Advisory

Data Links

Specialists

Subscription
Information

The next
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October 18, 2012



Grain Transportation Report

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WEEKLY HIGHLIGHTS

Mixed Changes in USDA's Grain Export Projections

In its October World Agricultural Supply and Demand Estimates report, USDA projected lower 2012/13 wheat and corn exports, but higher soybean exports than in its previous estimate in September. USDA lowered its projected wheat exports 50 million bushels (mbu) to 1.15 billion bushels (bbu), based on the pace of shipments and stronger expected competition. Projected corn exports (1.15 bbu) were 100 mbu lower, based on slow pace of sales to date and strong competition from Brazil. Projected soybean exports (1.265 bbu) were raised 210 mbu, reflecting higher supplies due to higher acreage and yield, lower prices, and record pace of export sales through early October. As of October 6, year-to-date soybean **barge movements** are 52 percent higher than the same period last year.

Weekly Grain Inspections Down; Soybean Exports Increase

For the week ending October 4, **total inspections of grain** (wheat, corn, and soybeans) for export from major U.S. ports reached 2.05 million metric tons (mmt), down 12 percent from the previous week but 13 percent above last year at this time. Wheat inspections (.360 mmt) decreased 46 percent from the past week as shipments to Asia receded. Corn inspections (.442 mmt) dropped for the third consecutive week. Despite the decrease in total grain inspected for export, soybean inspections (1.24 mmt) continued to increase, reaching the highest level since November 10, 2011 (1.48 mmt). Pacific Northwest soybean inspections (.462 mmt) increased 48 percent from the previous week. Outstanding export sales of soybeans (21.4 mmt) also continued to increase.

Carriers Recommend Ocean Rates Increase for Containerized Grain Exports

The member carriers of the Westbound Transpacific Stabilization Agreement (WTSA) announced several weeks ago general rate increases for grain exports as of October 1. WTSA carriers are recommending increases of \$200 per 40-foot container and \$160 per 20-foot container in order to incrementally raise U.S. westbound rate to compensatory levels. It is too soon to tell if these rate increases will be implemented when applied to containerized grain exports, based on demand for containerized ocean service and competition among the carriers. This is the latest round of increases after those attempted in April and July. Increases are also expected on November 1 for hay, cotton, hides, lumber, onions, and wood pulp.

More Than Two-thirds of Nation's Corn and 58 Percent of Soybeans Harvested

As of October 7, the top three corn-producing States—Iowa, Illinois, and Nebraska—were 36–59 percentage points ahead of their average harvest pace. The top 18 corn-producing States were 69 percent harvested—41 points ahead of the average pace. The top 18 soybean-producing States have harvested 58 percent of the soybean crop, 18 points ahead of the average pace. An early completion of harvest will allow more time for grain shipments to move to Lower Mississippi River exporters before the Upper Mississippi River closes for the winter and repair work. The last grain barge shipments leave the Minneapolis-St. Paul, MN, area around Thanksgiving, and most of the Upper Mississippi River is closed by mid-December. However, while all navigation channels are passable on the Mississippi River, drought-induced navigation restrictions will limit traffic and are expected to last through October.

Snapshots by Sector

Rail

U.S. railroads originated 21,555 **carloads of grain** during the week ending September 29, up 8 percent from last week, 4 percent from last year, and 2 percent higher than the 3-year average.

During the week ending October 4, average October non-shuttle **secondary railcar bids/offers per car** were \$19 above tariff, up \$2 from last week and \$47 higher than last year. Average shuttle bids/offers were \$196 above tariff, down \$93.50 from last week and \$129 lower than last year.

Ocean

During the week ending October 4, 34 ocean-going grain vessels were loaded in the Gulf, up 3 percent from the same period last year. Fifty-two vessels are expected to be loaded within the next 10 days, 13 percent more than the same period last year.

During the week ending October 5, the ocean freight rate for shipping bulk grain from the Gulf to Japan was \$49 per mt, up 4 percent from the previous week. The cost of shipping from the Pacific Northwest to Japan was \$27 per mt, up 13 percent from the previous week.

Barge

During the week ending October 6, **barge grain movements** totaled 262,450 tons, 43 percent lower than the previous week and 37 percent lower than the same period last year.

During the week ending October 6, 179 grain barges **moved down river**, down 40.7 percent from last week; 598 grain barges were **unloaded in New Orleans**, down 12.8 percent from the previous week.

Fuel

During the week ending October 8, U.S. average diesel fuel prices rose 2 cents to \$4.09 per gallon—37 cents higher than the same week last year.

Feature Article/Calendar

Intermodal Grain Shipments Help Satisfy Shipper Concerns and Consumer Preferences

Rail intermodal offers solutions to shipper concerns over rising diesel costs and tightening truckload capacity. It also offers an answer to logistics questions about the continued growth in U.S. exports, the increasing use of inland ports, and additional carrier revenue on empty containers shipped back to Asia. Rail intermodal is defined as the long-haul movement of shipping containers and truck trailers by rail, combined with a truck movement at one or both ends.¹ In fact, intermodal is the fastest growing sector within rail transportation. The Association of American Railroads reports that the intermodal volume for September was 973,715 units, up 2.5 percent from this time last year. This represents the thirty-fourth consecutive month in year-over-year intermodal growth and is on track for setting an all-time yearly record in intermodal traffic.

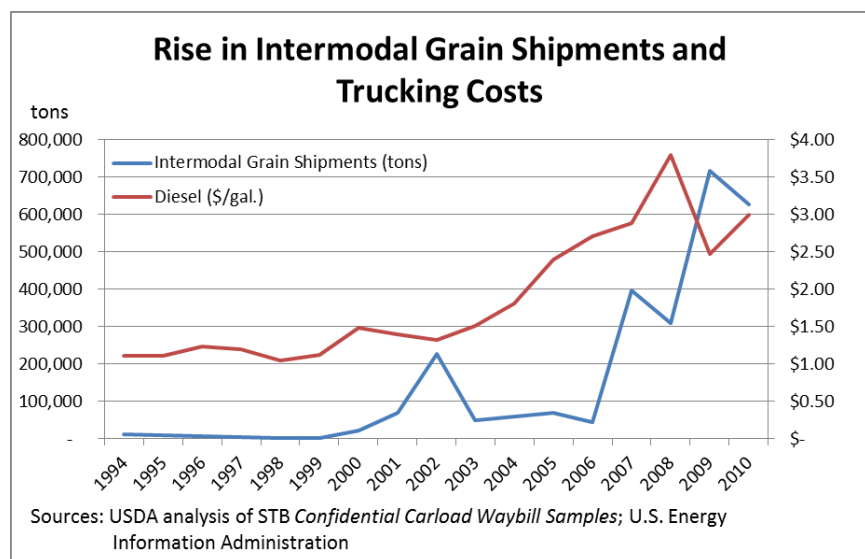
Growth in intermodal volume has also been true for agriculture, including grain. Shippers looking to reduce their over-the-road costs are turning to intermodal as a cost effective solution. While trucking costs increased over the past decade, intermodal shipments of grain became more prevalent (figure).

U.S. agricultural exports have grown steadily over the past decade and have had their two highest-grossing years in U.S. history during the past two years. Containerized exports of grain and related products from the United States increased sixfold from the 2000–2003 average of 1.1 million tons to the 2007–2010 average of 6.6 million tons, according to PIERS data. The growth of U.S. containerized grain exports is due to several reasons.

First, changing consumer preferences, including an increasingly affluent middle class in some developing nations, are demanding more and better quality food to include identity preserved (IP) grains. Second, recent governmental regulations require more complex labeling for agricultural products, such as genetically-modified foods. Containerized grain is ideal for ensuring identity preservation and individualized labeling based on variety and place of origin. Additionally, the global recession reduced demand for overall containerized ocean freight, causing rates to fall. The impact of the recession allowed containerized ocean freight to compete with traditional bulk ocean freight, increasing intermodal business for railroads.

Containerized Grain Export Concerns

IP grains command a price premium above bulk grains in the market but are more costly than bulk grains to process and transport. The logistics surrounding IP grains add to their shipping costs due to the extra expenses incurred to ensure traceability of the product. When processed under conventional means, each separate stage of handling, storage, and shipping IP grains adds cost and increases the risk that the grain becomes comingled or contaminated through contact with other products. In contrast, having the grains loaded into containers at the point of origin and unloaded at the point of final use decreases this risk, allowing for complete segregation of the product and ensuring that the foreign buyer receives the exact product purchased. However, available containers for export can be illusive in rural locales, where many IP grains are produced. Inland ports are often located in large metropolitan areas, not



¹ Association of American Railroads, July 2012, *Rail Intermodal Keeps America Moving*.

where grains are grown. Therefore, additional truck transportation costs are often accumulated to and from the inland port to pick up and drop off the loaded container.

Shipment weight can often be a constraint on which commodities are suitable for containers. Some commodities, such as coal and paper, are too heavy to completely fill a 20 foot container, which is limited to 26 or 28 tons. However, the density of most grains makes them ideal for intermodal shipments.¹ For example, a container would weigh about 28 tons loaded with wheat or 26 tons loaded with corn.

Traditionally, ships have arrived at U.S. ports bringing containerized imports from Asia and other origins. Containers were transferred by truck or rail to points in the interior of the country to be unloaded. This process resulted in extra quantities of containers in the country's interior that were often sent back to ports empty. As the number of containerized imports increased, coastal ports, railways, and roadways became congested with container traffic. Over the past few years, many importers have built distribution centers near the ports, allowing containers to be unloaded and quickly returned to the port. This process reduces the supply of available containers at inland ports for U.S. agricultural exporters, but allows shipping lines to meet the demand of foreign shippers which require the containers to be returned quickly in order to send more imports to the United States. With low quantities of U.S. exports and often lower revenue relative to import container freight rates, shipping lines often send back empty containers in order to keep pace with foreign container demand.

Benefits of Inland Container Ports

The increased use of inland ports offers importers direct access to large metropolitan populations and exporters with a pool of available containers. Containers are offloaded from ships directly onto trains and brought to destinations in the U.S. interior. Inland ports are specialized intermodal terminals characterized by having dedicated rail lines connecting them to one or more coastal ports, and they have traditionally serviced the import sector. Strong growth in U.S. exports, shippers looking to reduce higher trucking costs, and railroad investment in intermodal service have led to inland ports being one of the most efficient ways to export products as well.

Railroads have further facilitated the growth of intermodal movements through investment and design changes in their intermodal terminals. Railroads are building specialty grain transloading/stuffing facilities next to intermodal terminals, providing additional volumes and a quick rotation between import and export containers.² For example, a Class I railroad opened a grain transload facility in Chicago, IL, in 2008 that loads grain into empty containers for export overseas. In addition, railroads have been building capacity for both bulk and containerized commodities at terminals in order to mitigate risk against commodity price fluctuations that may determine modal preference. An exporter may choose a container movement over a bulk shipment if it will bring a higher price or if the buyer prefers a smaller volume to reduce inventory costs.

Outlook

As more grain intermodal facilities are brought online and intermodal services continue to improve, the growth in intermodal grain shipments is likely to continue under the current economic circumstances, which increasingly favor rail over truck for long-haul shipments. This will provide more opportunities for grain shippers to cut costs for traditional sales as well as profitably enter into niche markets for IP grain.

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¹ Jean-Paul Rodrigue, April 2012, *The Containerization of Commodities: Integrating Inland Ports with Gateways and Corridors in Western Canada*, The Van Home Institute.

² Ibid.

Rail Transportation

Table 3

Rail Deliveries to Port (carloads)¹

Week ending	Mississippi		Cross-Border	Pacific	Atlantic &	Total
	Gulf	Texas Gulf	Mexico	Northwest	East Gulf	
10/03/2012 ^p	1,218	957	677	4,391	275	7,518
/26/2012 ^r	506	1,521	374	4,246	261	6,908
2012 YTD ^r	9,075	32,065	40,134	154,872	12,589	248,735
2011 YTD ^r	23,438	69,992	35,880	139,221	17,394	285,925
2012 YTD as % of 2011 YTD	39	46	112	111	72	87
Last 4 weeks as % of 2011 ²	155	92	79	170	194	131
Last 4 weeks as % of 4-year avg. ²	76	82	96	119	70	100
Total 2011	27,358	77,515	48,782	191,092	24,088	368,835
Total 2010	33,971	83,492	42,794	177,896	32,780	370,933

¹ Data is incomplete as it is voluntarily provided

² Compared with same 4-weeks in 2011 and prior 4-year average.

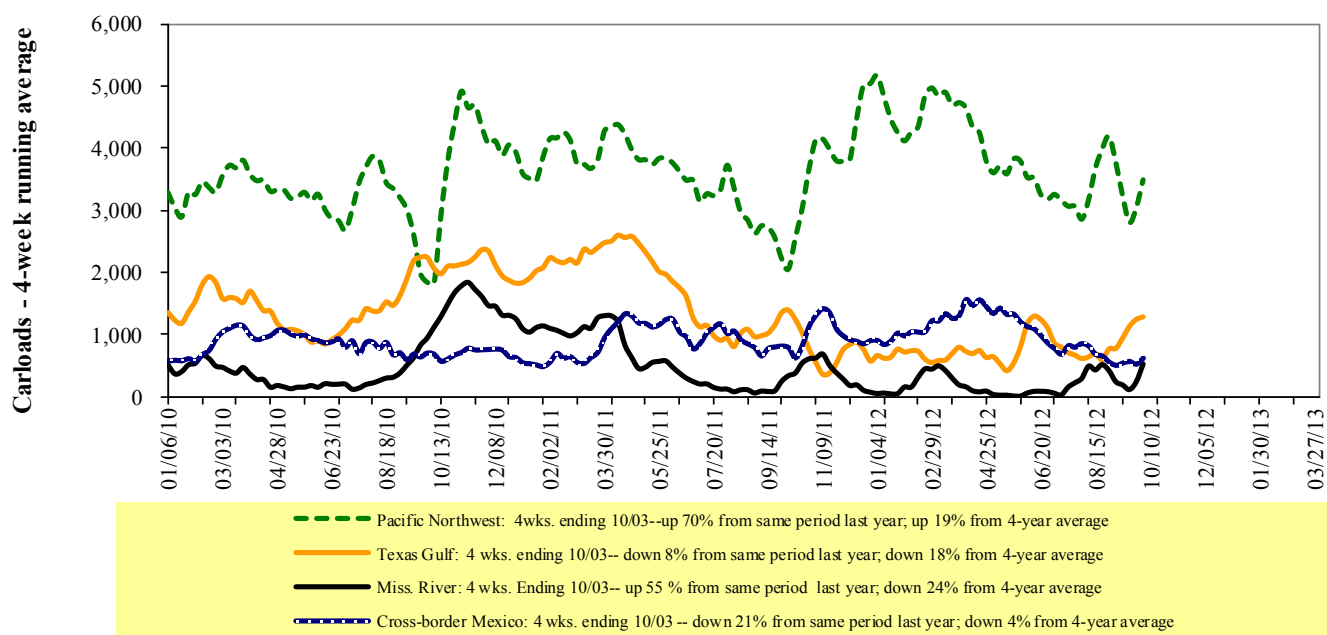
YTD = year-to-date; p = preliminary data; r = revised data; YTD PNW carloads includes revisions back to August 2011 ; n/a = not available

Source: Transportation & Marketing Programs/AMS/USDA

Railroads originate approximately 29 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

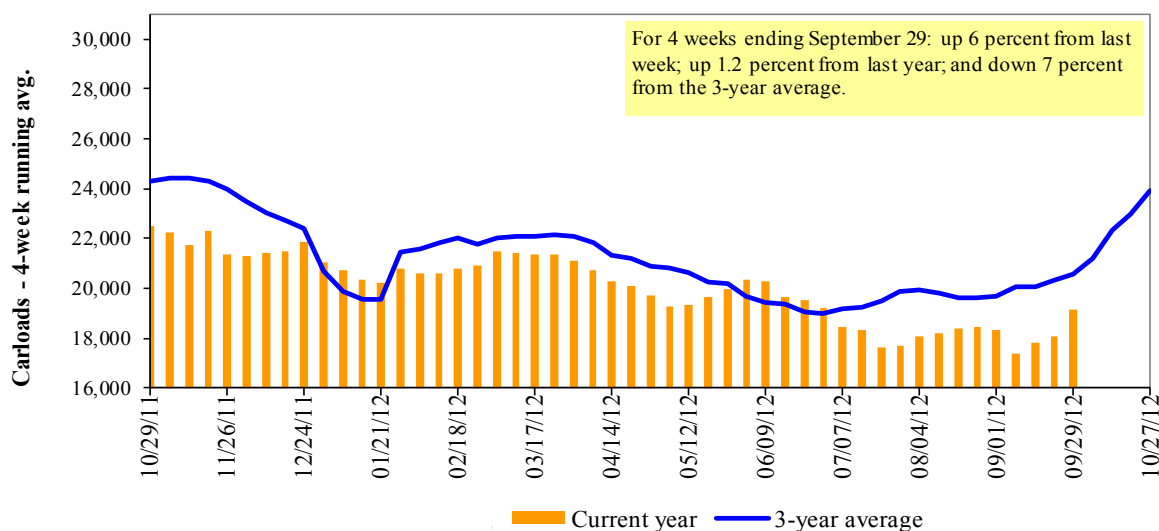
Table 4

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
09/29/12	1,037	2,514	11,032	521	6,451	21,555	4,067	6,034
This week last year	863	2,373	11,582	990	4,914	20,722	3,330	5,242
2012 YTD	63,638	107,455	381,502	20,071	194,124	766,790	149,452	188,455
2011 YTD	68,368	111,249	410,562	27,069	225,020	842,268	147,739	197,028
2012 YTD as % of 2011 YTD	93	97	93	74	86	91	101	96
Last 4 weeks as % of 2011 ¹	99	109	107	66	92	101	108	127
Last 4 weeks as % of 3-yr avg. ¹	61	91	102	81	81	92	107	118
Total 2011	98,506	150,869	546,090	34,683	292,401	1,122,549	200,610	269,399

¹As a percent of the same period in 2009 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

Railcar Auction Offerings¹ (\$/car)²

Week ending	Delivery period							
	Oct-12	Oct-11	Nov-12	Nov-11	Dec-12	Dec-11	Jan-13	Jan-12
BNSF ³								
COT grain units	13	no offer	0	no offer	no offer	no offer	no offer	no bids
COT grain single-car ⁵	0 . . 11	0	0 . . 2	0 . . 2	no bids	0	no offer	no offer
UP ⁴								
GCAS/Region 1	no bids	no bids	no bids	no bids	1	no bids	n/a	n/a
GCAS/Region 2	no bids	no bids	no bids	no bids	no bids	no bids	n/a	n/a

¹Auction offerings are for single-car and unit train shipments only.

²Average premium/discount to tariff, last auction

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

⁴UP - 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.

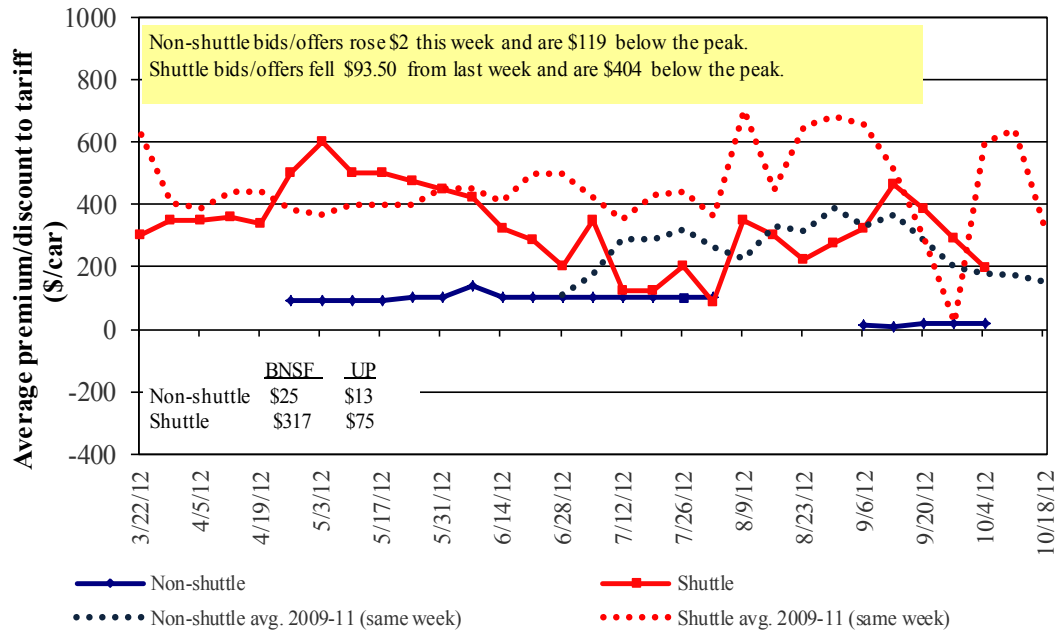
⁵Range is shown because average is not available. Not available = n/a.

Source: Transportation & Marketing Programs/AMS/USDA.

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 October 2012, Secondary Market

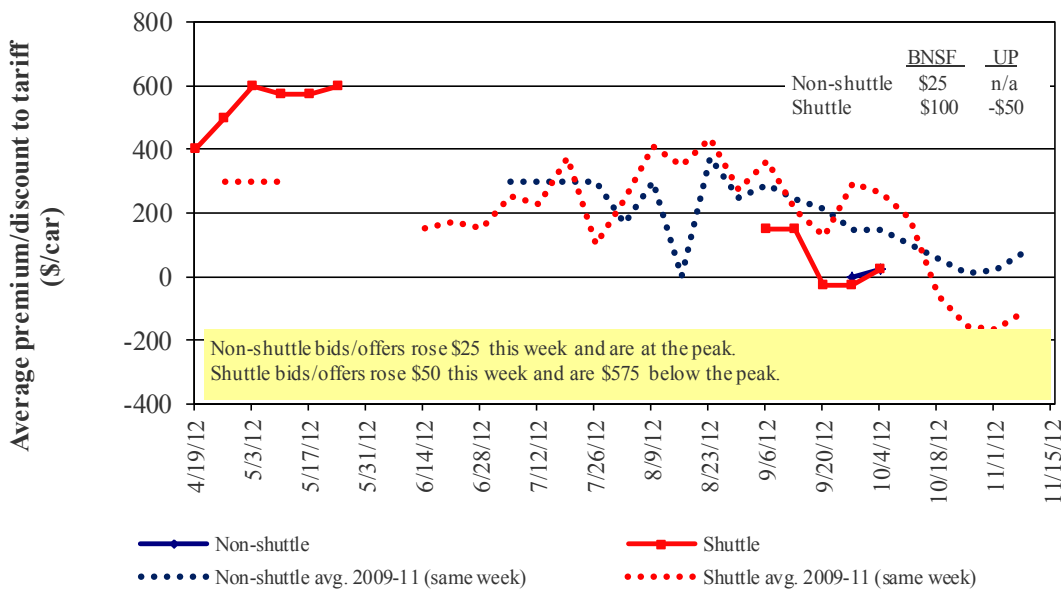


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

Bids/Offers for Railcars to be Delivered in November 2012, Secondary Market

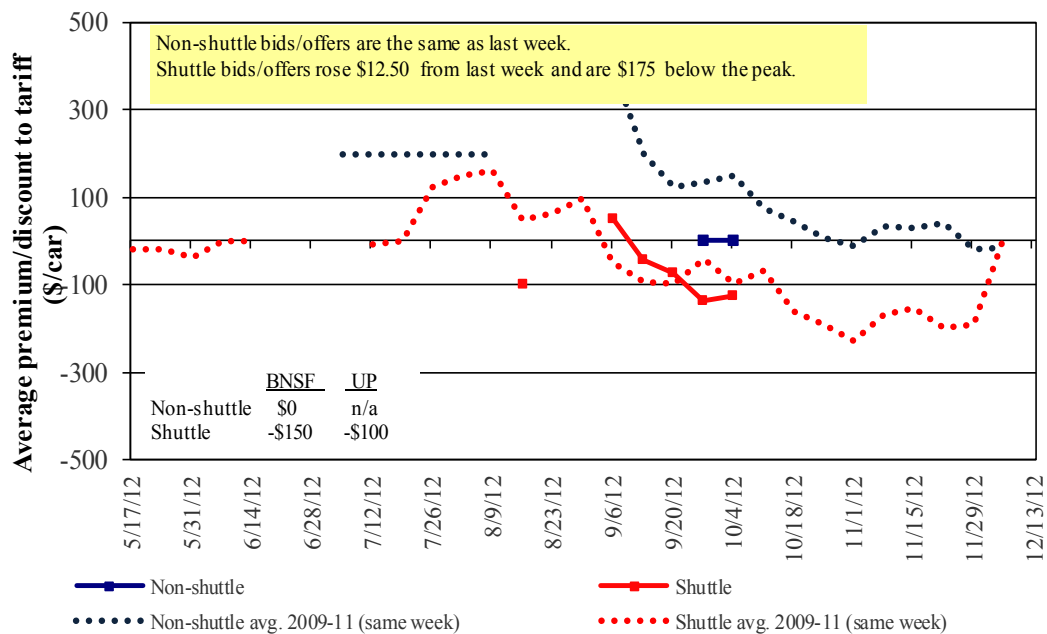


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in December 2012, 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 Railcar Market (\$/car)¹

Week ending	Delivery period					
	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13
Non-shuttle						
BNSF-GF	25	25	-	n/a	n/a	n/a
Change from last week	-	25	-	n/a	n/a	n/a
Change from same week 2011	63	25	-	n/a	n/a	n/a
UP-Pool	13	n/a	n/a	n/a	n/a	n/a
Change from last week	4	n/a	n/a	n/a	n/a	n/a
Change from same week 2011	31	n/a	n/a	n/a	n/a	n/a
Shuttle²						
BNSF-GF	317	100	(150)	n/a	n/a	n/a
Change from last week	(137)	n/a	25	n/a	n/a	n/a
Change from same week 2011	42	233	150	n/a	n/a	n/a
UP-Pool	75	(50)	(100)	n/a	n/a	n/a
Change from last week	(50)	(25)	-	n/a	n/a	n/a
Change from same week 2011	(300)	100	100	n/a	n/a	n/a

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

²Shuttle 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 Shipments¹

Effective date:				Fuel	Tariff plus surcharge per:		Percent
10/1/2012	Origin region*	Destination region*	Tariff rate/car	surcharge per car	metric ton	bushe ²	change Y/Y ³
Unit train							
Wheat	Wichita, KS	St. Louis, MO	\$3,144	\$192	\$33.13	\$0.90	5
	Grand Forks, ND	Duluth-Superior, MN	\$3,445	\$113	\$35.34	\$0.96	11
	Wichita, KS	Los Angeles, CA	\$6,026	\$581	\$65.61	\$1.79	6
	Wichita, KS	New Orleans, LA	\$3,645	\$338	\$39.56	\$1.08	4
	Sioux Falls, SD	Galveston-Houston, TX	\$5,573	\$477	\$60.08	\$1.64	3
	Northwest KS	Galveston-Houston, TX	\$3,912	\$371	\$42.53	\$1.16	4
	Amarillo, TX	Los Angeles, CA	\$4,112	\$516	\$45.95	\$1.25	4
Corn	Champaign-Urbana, IL	New Orleans, LA	\$3,110	\$382	\$34.68	\$0.94	2
	Toledo, OH	Raleigh, NC	\$4,508	\$433	\$49.07	\$1.34	14
	Des Moines, IA	Davenport, IA	\$2,006	\$81	\$20.72	\$0.56	4
	Indianapolis, IN	Atlanta, GA	\$3,920	\$325	\$42.15	\$1.15	15
	Indianapolis, IN	Knoxville, TN	\$3,354	\$209	\$35.38	\$0.96	18
	Des Moines, IA	Little Rock, AR	\$3,154	\$238	\$33.68	\$0.92	3
Soybeans	Des Moines, IA	Los Angeles, CA	\$5,065	\$693	\$57.18	\$1.56	2
	Minneapolis, MN	New Orleans, LA	\$3,269	\$425	\$36.68	\$1.00	-3
	Toledo, OH	Huntsville, AL	\$3,575	\$308	\$38.56	\$1.05	3
	Indianapolis, IN	Raleigh, NC	\$4,578	\$436	\$49.79	\$1.36	3
	Indianapolis, IN	Huntsville, AL	\$3,267	\$209	\$34.51	\$0.94	3
Champaign-Urbana, IL	New Orleans, LA	\$3,599	\$382	\$39.54	\$1.08	6	
Shuttle Train							
Wheat	Great Falls, MT	Portland, OR	\$3,481	\$334	\$37.89	\$1.03	8
	Wichita, KS	Galveston-Houston, TX	\$3,634	\$260	\$38.67	\$1.05	15
	Chicago, IL	Albany, NY	\$3,771	\$406	\$41.48	\$1.13	4
	Grand Forks, ND	Portland, OR	\$4,963	\$578	\$55.02	\$1.50	6
	Grand Forks, ND	Galveston-Houston, TX	\$5,984	\$602	\$65.40	\$1.78	5
	Northwest KS	Portland, OR	\$4,793	\$608	\$53.63	\$1.46	2
Corn	Minneapolis, MN	Portland, OR	\$4,800	\$703	\$54.65	\$1.49	1
	Sioux Falls, SD	Tacoma, WA	\$4,760	\$644	\$53.67	\$1.46	1
	Champaign-Urbana, IL	New Orleans, LA	\$2,857	\$382	\$32.17	\$0.88	0
	Lincoln, NE	Galveston-Houston, TX	\$3,310	\$375	\$36.60	\$1.00	1
	Des Moines, IA	Amarillo, TX	\$3,430	\$299	\$37.03	\$1.01	0
	Minneapolis, MN	Tacoma, WA	\$4,800	\$698	\$54.59	\$1.49	1
Soybeans	Council Bluffs, IA	Stockton, CA	\$4,200	\$722	\$48.87	\$1.33	1
	Sioux Falls, SD	Tacoma, WA	\$5,340	\$644	\$59.43	\$1.62	6
	Minneapolis, MN	Portland, OR	\$5,330	\$703	\$59.91	\$1.63	6
	Fargo, ND	Tacoma, WA	\$5,230	\$573	\$57.62	\$1.57	6
	Council Bluffs, IA	New Orleans, LA	\$3,870	\$441	\$42.81	\$1.17	4
	Toledo, OH	Huntsville, AL	\$2,750	\$308	\$30.36	\$0.83	3
Grand Island, NE	Portland, OR	\$5,195	\$622	\$57.77	\$1.57	14	

¹A unit train refers to shipments of at least 25 cars. Shuttle train rates are available for qualified shipments of

75-120 cars that meet railroad efficiency requirements.

²Approximate load per car = 111 short tons (100.7 metric tons): corn 56 lbs./bu., wheat & soybeans 60 lbs./bu.

³Percentage change year over year calculated using tariff rate plus fuel surcharge

Sources: www.bnsf.com, www.cpr.ca, www.csx.com, www.uprr.com

*Regional economic areas defined by the Bureau of Economic Analysis (BEA)

Table 8

Tariff Rail Rates for U.S. Bulk Grain Shipments to Mexico

Effective date: 10/1/2012

Commodity	Origin state	Destination region	Tariff rate/car ¹	Fuel		Percent change Y/Y ⁴	
				surcharge per car ²	Tariff plus surcharge per: metric ton ³ bushel ³		
Wheat	MT	Chihuahua, CI	\$7,741	\$611	\$85.34	\$2.32	4
	OK	Cuatitlan, EM	\$6,837	\$742	\$77.44	\$2.11	5
	KS	Guadalajara, JA	\$7,444	\$717	\$83.39	\$2.27	1
	TX	Salinas Victoria, NL	\$3,743	\$280	\$41.10	\$1.12	3
Corn	IA	Guadalajara, JA	\$7,699	\$843	\$87.28	\$2.21	3
	SD	Penjamo, GJ	\$7,776	\$800	\$87.62	\$2.22	7
	NE	Queretaro, QA	\$7,153	\$749	\$80.74	\$2.05	2
	SD	Salinas Victoria, NL	\$5,700	\$608	\$64.45	\$1.64	2
	MO	Tlalnepantla, EM	\$6,592	\$728	\$74.79	\$1.90	6
	SD	Torreón, CU	\$6,522	\$670	\$73.48	\$1.86	5
Soybeans	MO	Bojay (Tula), HG	\$7,580	\$711	\$84.72	\$2.30	10
	NE	Guadalajara, JA	\$8,134	\$814	\$91.42	\$2.49	5
	IA	El Castillo, JA ⁵	\$8,555	\$795	\$95.53	\$2.60	10
	KS	Torreón, CU	\$6,651	\$505	\$73.11	\$1.99	6
Sorghum	OK	Cuatitlan, EM	\$5,730	\$607	\$64.75	\$1.64	2
	TX	Guadalajara, JA	\$6,653	\$520	\$73.29	\$1.86	1
	NE	Penjamo, GJ	\$7,426	\$726	\$83.29	\$2.11	2
	KS	Queretaro, QA	\$6,460	\$456	\$70.66	\$1.79	3
	NE	Salinas Victoria, NL	\$5,178	\$534	\$58.36	\$1.48	5
	NE	Torreón, CU	\$6,068	\$596	\$68.09	\$1.73	1

¹Rates 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.

²Fuel surcharge adjusted to reflect the change in Ferrocarril Mexicano, S.A. de C.V. railroad fuel surcharge policy as of 10/01/2009

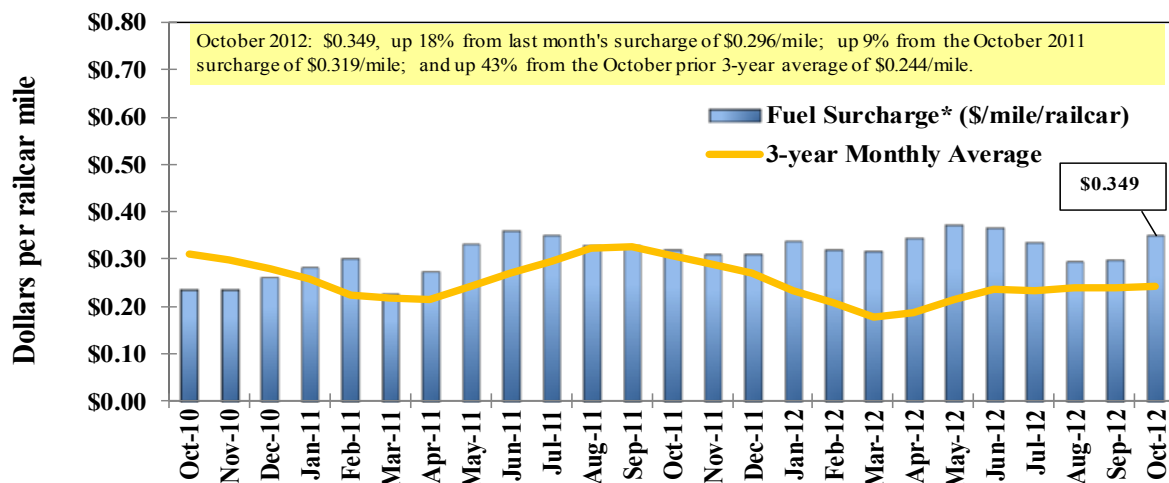
³Approximate load per car = 97.87 metric tons: Corn & Sorghum 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

⁴Percentage change year over year calculated using tariff rate plus fuel surcharge

⁵Beginning 12/6/10, El Castillo, JA replaced Penjamo, GJ as the destination

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

Figure 7

Railroad Fuel Surcharges, North American Weighted Average¹

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

* Mileage-based fuel surcharges for March and April 2007 are estimated. Beginning January 2009, the Canadian Pacific fuel surcharge is computed by a monthly average of the bi-weekly fuel surcharge.

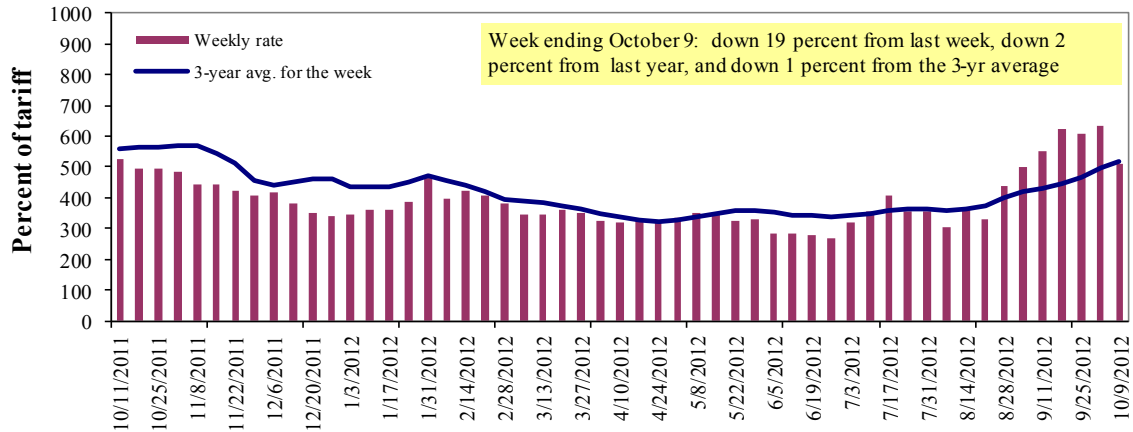
** BNSF strike price (diesel price when fuel surcharges begin) changed from \$1.25/gal. to \$2.50/gal. starting March 1, 2011. As a result, the weighted average fuel surcharge for March 2011 was \$0.227/mile instead of \$0.331/mile.

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

Barge Transportation

Figure 8

Illinois River Barge Freight Rate^{1,2}



¹Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); ²4-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	Lower Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo-Memphis
Rate¹	10/9/2012	575	538	513	495	513	513	475
	10/2/2012	697	690	633	600	623	623	562
\$/ton	10/9/2012	35.59	28.62	23.80	19.75	24.06	20.73	14.92
	10/2/2012	43.14	36.71	29.37	23.94	29.22	25.17	17.65
Current week % change from the same week:								
	Last year	6	2	-2	8	-2	-2	6
	3-year avg. ²	9	4	-1	10	-4	-4	12
Rate¹	November	488	453	425	363	413	413	333
	January	-	-	400	313	370	370	300

¹Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); ²4-week moving average; ton = 2,000 pounds; - closed for winter

Source: Transportation & Marketing Programs/AMS/USDA

Figure 9
Benchmark tariff rates

Calculating barge rate per ton:

$(\text{Index} * 1976 \text{ tariff benchmark rate per ton}) / 100$

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map (see figure 9).

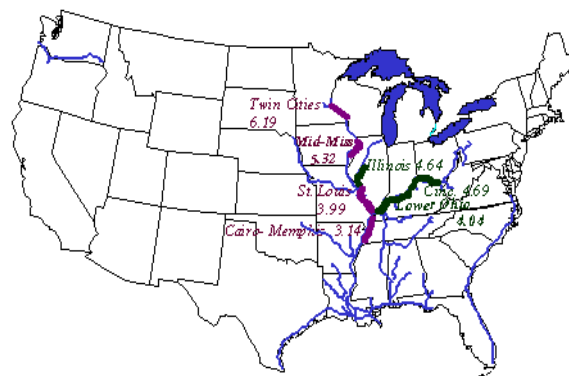
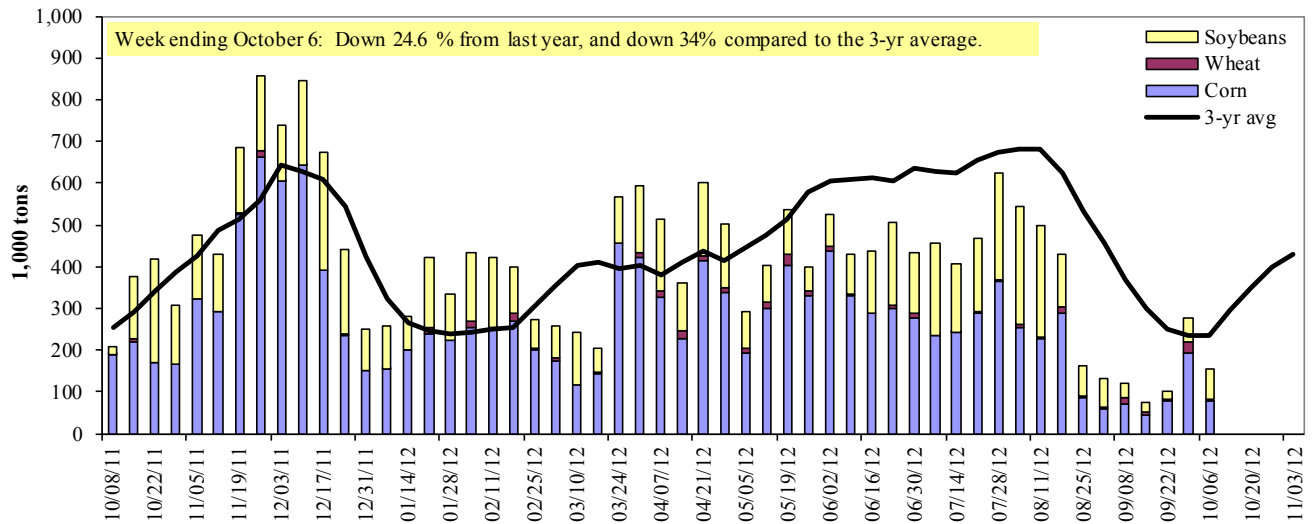


Figure 10

Barge Movements on the Mississippi River¹ (Locks 27 - Granite City, IL)



¹ The 3-year average is a 4-week moving average.

Source: U.S. Army Corps of Engineers

Table 10

Barge Grain Movements (1,000 tons)

Week ending 10/6/2012	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	47	9	205	0	260
Winfield, MO (L25)	51	3	59	0	113
Alton, IL (L26)	76	2	69	0	146
Granite City, IL (L27)	79	2	75	0	156
Illinois River (L8)	33	0	20	0	53
Ohio River (L52)	42	0	17	2	61
Arkansas River (L1)	1	10	35	0	46
Weekly total - 2012	122	11	127	2	262
Weekly total - 2011	305	14	97	0	415
2012 YTD ¹	12,405	1,562	7,652	197	21,816
2011 YTD	14,506	1,225	5,042	294	21,068
2012 as % of 2011 YTD	86	127	152	67	104
Last 4 weeks as % of 2011 ²	53	47	203	40	85
Total 2011	19,921	1,460	8,553	422	30,356

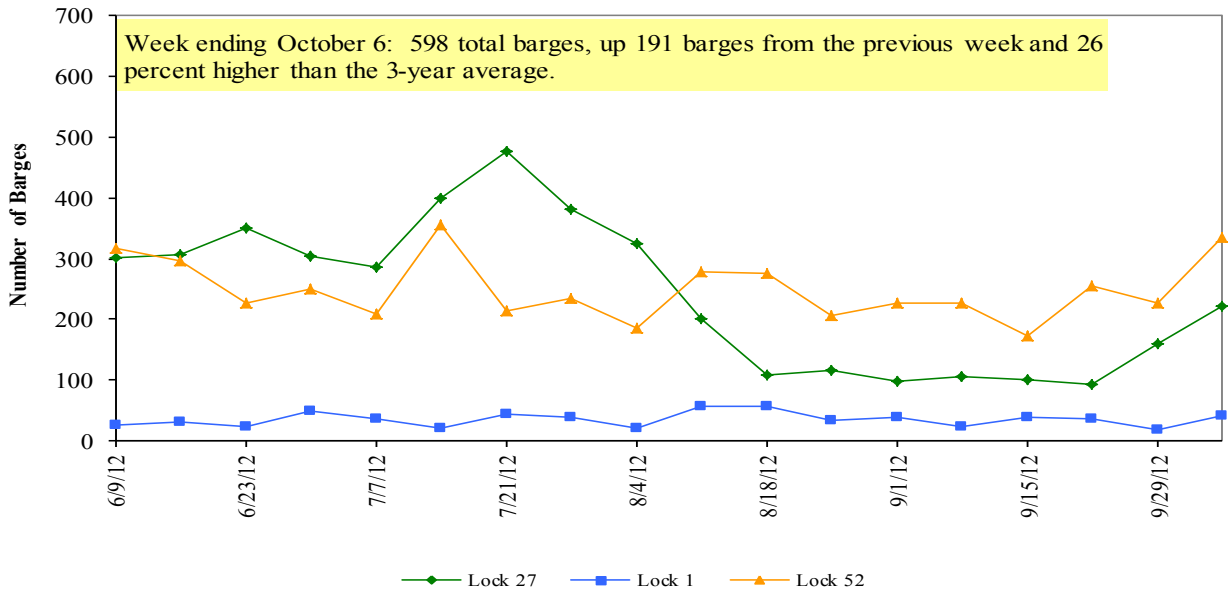
¹ Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

² As a percent of same period in 2011.

Note: Total may not add exactly, due to rounding

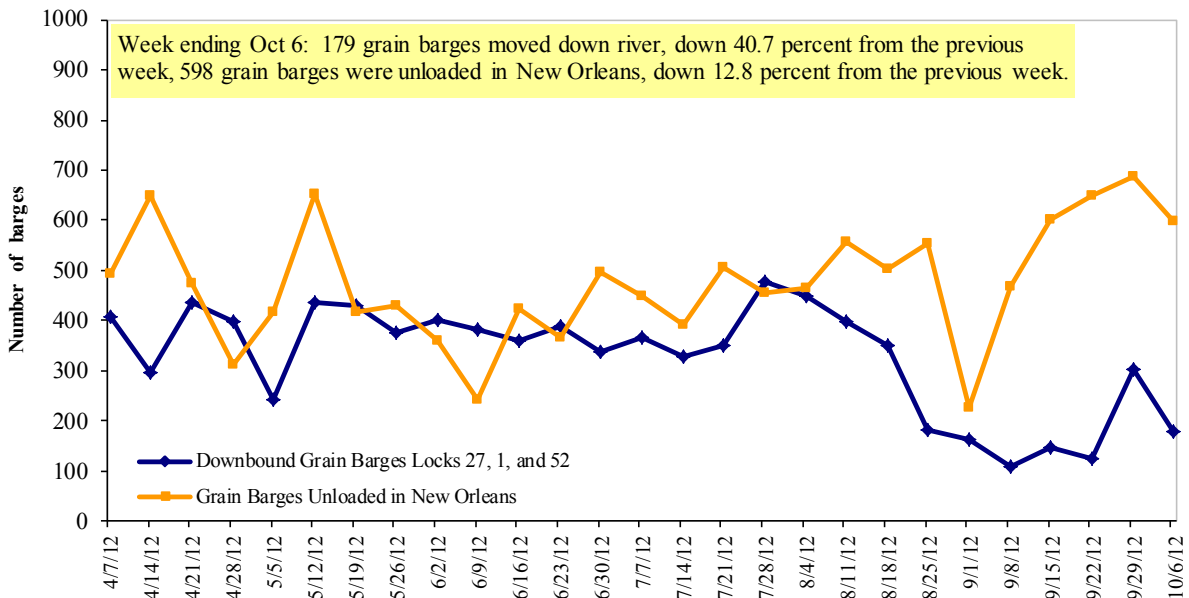
Source: U.S. Army Corps of Engineers (www.mvr.usace.army.mil/mvrini/omni/webprts/default.asp)

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 Prices¹, Week Ending 10/08/2012 (US \$/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	4.097	0.016	0.356
	New England	4.217	0.022	0.305
	Central Atlantic	4.185	0.017	0.325
	Lower Atlantic	4.009	0.014	0.335
II	Midwest ²	4.040	0.027	0.369
III	Gulf Coast ³	3.999	0.000	0.348
IV	Rocky Mountain	4.194	-0.011	0.366
V	West Coast	4.319	0.018	0.409
	West Coast less California	4.207	-0.005	-
	California	4.414	0.038	0.437
Total	U.S.	4.094	0.015	0.373

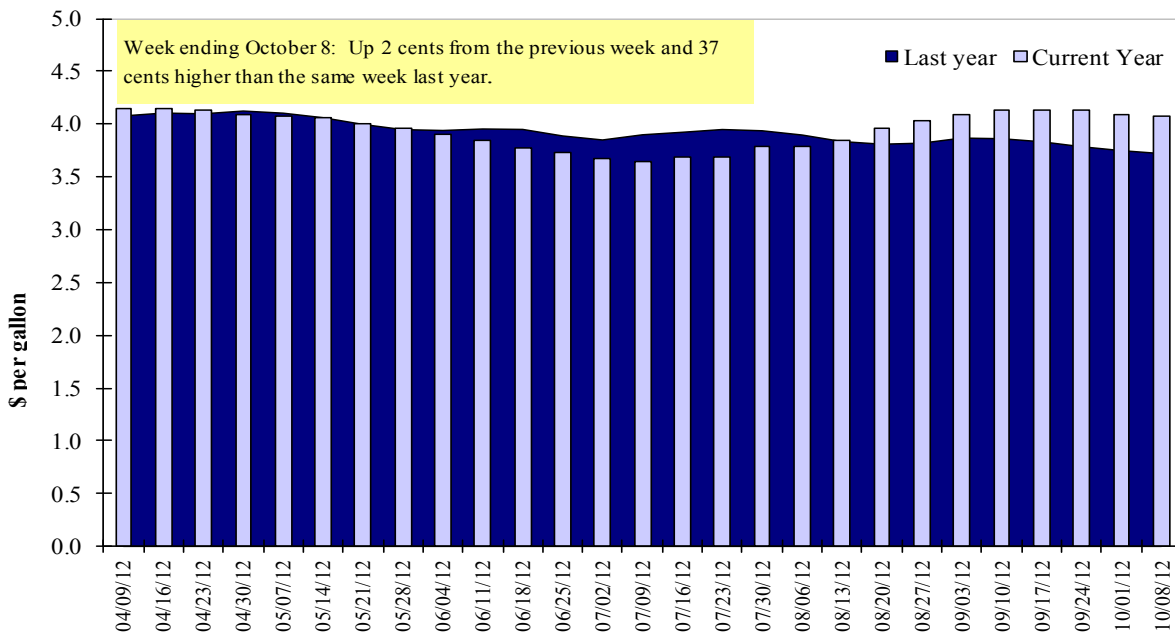
¹Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

²Same as North Central ³Same as South Central

Source: Energy Information Administration/U.S. Department of Energy (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			
Export Balances¹									
9/27/2012	1,326	639	1,033	749	112	3,859	8,331	21,415	33,605
This week year ago	1,417	746	1,280	918	84	4,445	14,282	15,589	34,316
Cumulative exports-marketing year²									
2012/13 YTD	3,685	1,252	2,360	1,730	196	9,222	2,099	2,053	13,374
2011/12 YTD	4,370	1,376	2,507	1,749	221	10,223	2,827	1,229	14,279
YTD 2012/13 as % of 2011/12	84	91	94	99	89	90	74	167	94
Last 4 wks as % of same period 2011/12	99	93	94	87	124	95	62	135	99
2011/12 Total	9,904	4,319	6,312	5,601	491	26,627	37,900	36,727	101,254
2010/11 Total	15,837	2,828	8,623	4,717	979	32,984	44,569	39,753	117,306

¹ Current unshipped export sales to date

² Shipped export sales to date; new marketing year begins 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 Importers¹ of U.S. Corn

Week ending 09/27/12	Total Commitments ²		% change current MY from last MY	Exports ³ 2011/12
	2012/13 Current MY	2011/12 Last MY		
	- 1,000 mt -			- 1,000 mt -
Japan	2,569	3,749	(31)	12,367
Mexico	2,514	3,037	(17)	9,617
China	1,042	904	15	5,414
Korea	355	1,406	(75)	3,639
Venezuela	162	72	127	1,332
Top 5 importers	6,642	9,167	(28)	32,369
Total US corn export sales	10,429	17,109	(39)	39,120
% of Projected	36%	44%		
Change from prior week	327	1,289		
Top 5 importers' share of U.S. corn export sales	64%	54%		83%
USDA forecast, October 2012	29,210	39,120	(25)	
Corn Use for Ethanol USDA forecast, Ethanol October 2012	114,300	127,000	(10)	

(n) indicates negative number.

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

² Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report, or Export Sales Query--
<http://www.fas.usda.gov/esrquery/>

³ FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm (Carry-over plus Accumulated Exports)

Table 14

Top 5 Importers¹ of U.S. Soybeans

Week Ending 09/27/2012	Total Commitments ²		% change current MY from last MY	Exports ³ 2011/12
	2012/13 Next MY Current MY	2011/12 Last MY		
	- 1,000 mt -			- 1,000 mt -
China	14,571	11,768	24	24,602
Mexico	762	921	(17)	3,180
Japan	517	656	(21)	1,891
Indonesia	309	427	(28)	1,741
Egypt	213	175	22	1,292
Top 5 importers	16,371	13,947	17	32,706
Total US soybean export sales	23,468	16,718	40	37,010
% of Projected	68%	45%		
Change from prior week	1,231	602		
Top 5 importers' share of U.S. soybean export sales	70%	83%		
USDA forecast, October 2012	34,430	37,010	(7)	

(n) indicates negative number.

¹Based on FAS 2008/09 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year (MY) = Sep 1 - Aug 31.²Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report, or Export Sales Query--
<http://www.fas.usda.gov/esrquery/>³ FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm. (Carryover plus Accumulated Exports)

Table 15

Top 10 Importers¹ of All U.S. Wheat

Week Ending 09/27/2012	Total Commitments ²		% change current MY from last MY	Exports ³ 2011/12
	2012/13 Current MY	2011/12 Last MY		
	- 1,000 mt -			- 1,000 mt -
Japan	1,703	1,879	(9)	3,512
Mexico	1,838	1,865	(1)	3,496
Nigeria	1,578	1,663	(5)	3,248
Philippines	1,224	1,224	0	2,039
Korea	874	628	39	1,983
Egypt	148	247	(40)	950
Taiwan	499	410	22	888
Indonesia	346	433	(20)	830
Venezuela	407	317	28	594
Iraq	209	572	(63)	572
Top 10 importers	8,825	9,237	(4)	18,111
Total US wheat export sales	13,081	14,668	(11)	28,560
% of Projected	42%	51%		
Change from prior week	307	431		
Top 10 importers' share of U.S. wheat export sales	67%	63%		63%
USDA forecast, October 2012	31,300	28,560	10	

(n) indicates negative number.

¹ Modified from the FAS 2011/12 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Jun 1 - May 31.² Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report, or Export Sales Query--
<http://www.fas.usda.gov/esrquery/>³ 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 10/04/12	Previous Week ¹	Current Week as % of Previous	2012 YTD ¹	2011 YTD ¹	2012 YTD as % of 2011 YTD	Last 4-weeks as % of		Total ¹ 2011
							2011	3-yr. avg.	
Pacific Northwest									
Wheat	89	334	27	10,820	11,422	95	91	96	13,995
Corn	1	0	154	5,003	7,038	71	29	13	9,198
Soybeans	462	312	148	6,463	3,926	165	555	266	7,321
Total	551	646	85	22,286	22,386	100	124	105	30,513
Mississippi Gulf									
Wheat	74	53	141	4,555	4,235	108	105	108	5,031
Corn	364	405	90	15,291	20,510	75	80	79	26,267
Soybeans	554	669	83	14,091	11,670	121	175	145	19,262
Total	992	1,126	88	33,938	36,415	93	108	101	50,560
Texas Gulf									
Wheat	151	210	72	4,990	9,502	53	101	88	10,837
Corn	6	0	n/a	336	810	41	n/a	7	1,021
Soybeans	65	0	n/a	70	763	9	n/a	146	926
Total	223	210	106	5,396	11,075	49	112	82	12,784
Interior									
Wheat	8	49	17	938	898	105	237	131	1,110
Corn	71	102	70	5,409	5,489	99	99	69	7,509
Soybeans	91	152	60	3,173	3,028	105	75	118	4,273
Total	170	302	56	9,520	9,415	101	103	91	12,892
Great Lakes									
Wheat	38	0	n/a	333	840	40	136	38	1,038
Corn	0	0	n/a	56	149	37	0	0	178
Soybeans	70	0	n/a	219	22	981	n/a	98	382
Total	107	0	n/a	608	1,011	60	173	47	1,598
Atlantic									
Wheat	0	22	0	313	651	48	563	111	686
Corn	0	7	0	134	203	66	288	39	295
Soybeans	1	3	27	633	496	128	76	86	1,042
Total	1	32	3	1,080	1,350	80	237	70	2,022
U.S. total from ports²									
Wheat	360	667	54	21,950	27,547	80	99	91	32,697
Corn	442	513	86	26,229	34,200	77	75	66	44,466
Soybeans	1,243	1,136	109	24,648	19,904	124	197	158	33,205
Total	2,045	2,316	88	72,828	81,652	89	110	96	110,369

¹ Data includes revisions from prior weeks; some regional totals may not add exactly due to rounding.

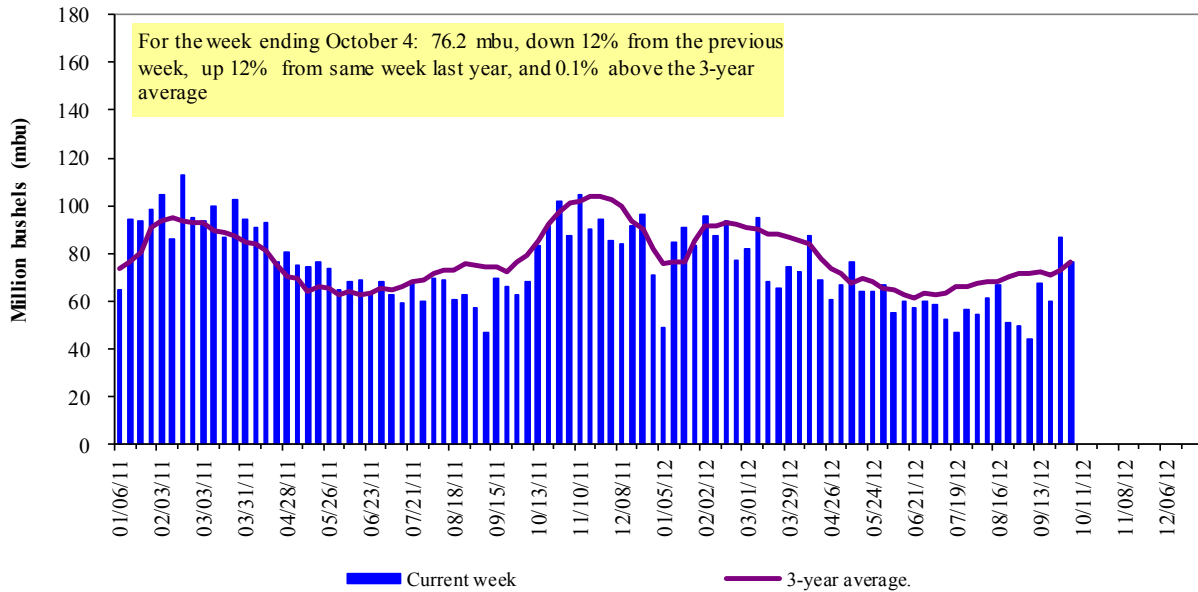
² Total includes only port regions shown above; Interior land-based shipments now included.

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

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 59 percent of the U.S. export grain shipments departed through the U.S. Gulf region in 2011.

Figure 14

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

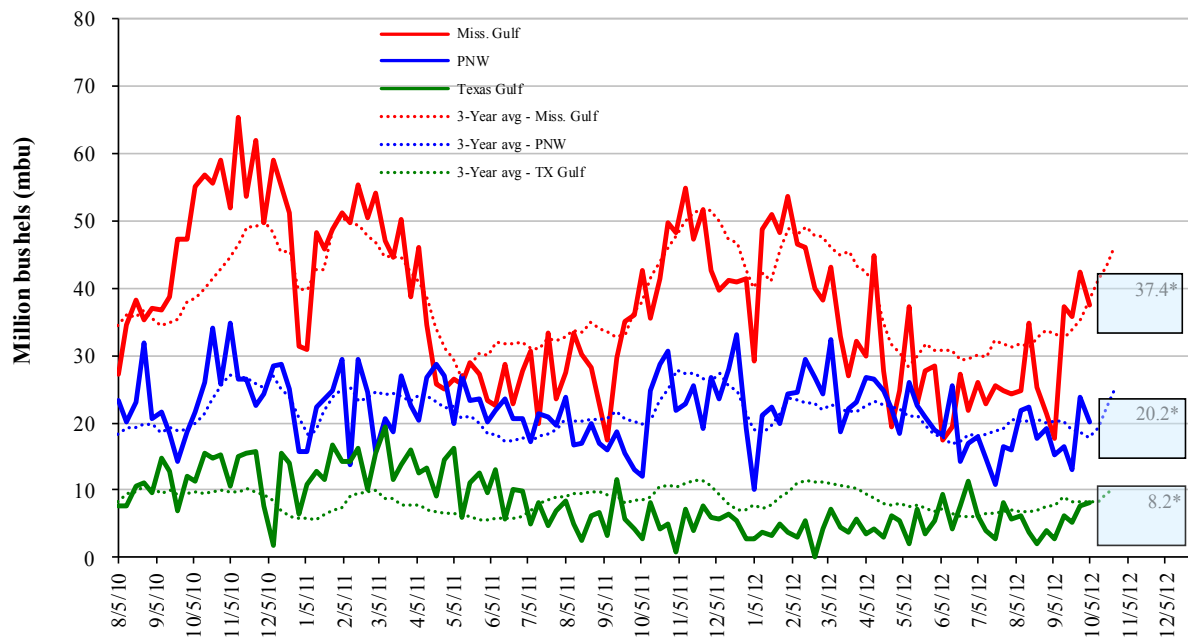


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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

Figure 15

U.S. Grain Inspections: U.S. Gulf and PNW¹ (wheat, corn, and soybeans)



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

October 4 % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	down 12	up 3.4	down 9	down 15
Last year (same week)	down 12.3	up 189	up 0.3	up 67
3-yr avg (4-wk mov. avg.)	down 2	down 2	down 1.7	up 22

Ocean Transportation

Table 17

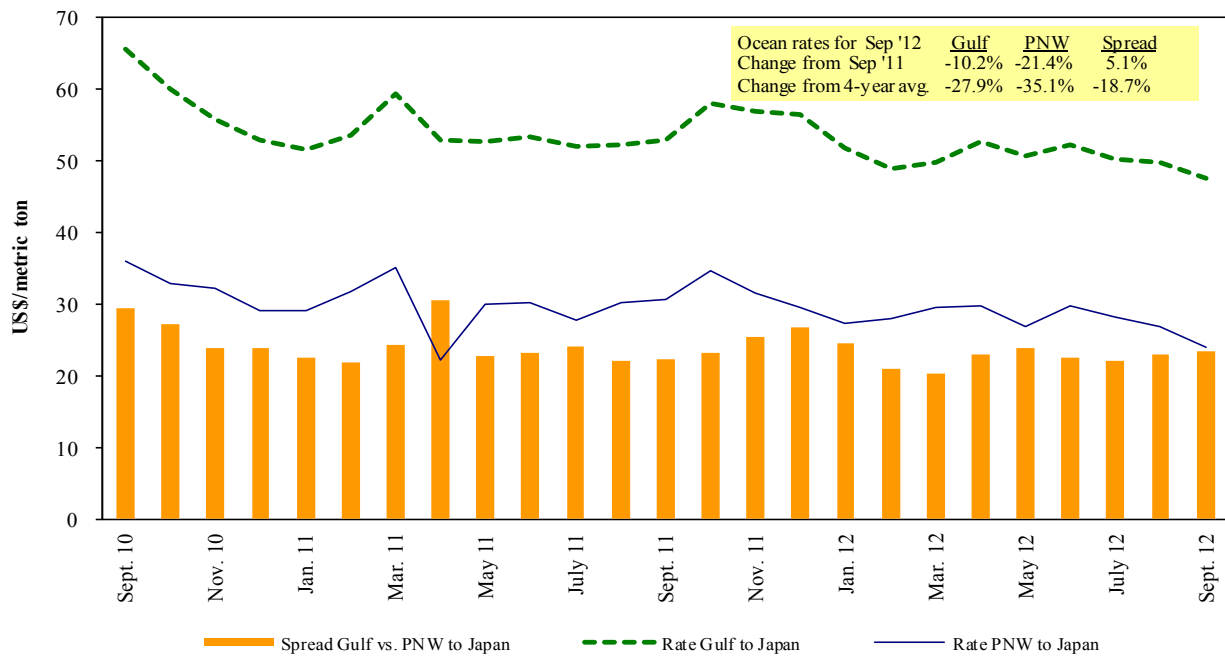
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In port	Loaded 7-days	Due next 10-days	In port	In port
10/4/2012	48	34	52	10	n/a
9/27/2012	45	33	47	7	n/a
2011 range	(14..65)	(28..54)	(34..83)	(5..25)	(1..20)
2011 avg.	31	38	53	15	12

Source: Transportation & Marketing Programs/AMS/USDA

Figure 17

Grain Vessel Rates, U.S. to Japan



Source: O'Neil Commodity Consulting

Table 18

Ocean Freight Rates For Selected Shipments, Week Ending 10/06/2012

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US\$/metric ton)
U.S. Gulf	China	Heavy Grain	Oct 20/30	55,000	43.75
U.S. Gulf	China	Heavy Grain	Oct 15/24	5,500	43.00
U.S. Gulf	China	Heavy Grain	Sep 20/30	55,000	48.00
U.S. Gulf	China	Heavy Grain	Sep 13/22	55,000	45.50
U.S. Gulf	China	Heavy Grain	Sep 10/20	55,000	46.00
U.S. Gulf	China	Heavy Grain	Sep 10/20	55,000	48.00
U.S. Gulf	China	Heavy Grain	Sep 1/10	55,000	47.00
U.S. Gulf	Mozambique ¹	Wheat	Sep 20/30	10,000	211.50
Brazil	Algeria	Corn	Aug 18/25	30,000	24.50
Brazil	China	Heavy Grain	Aug 10/20	60,000	48.50
Brazil	Egypt	Corn	Aug 18/20	45,000	28.50
India	S.Korea	Wheat	Oct 5/15	55,000	15.00
Mexico	Turkey	Wheat	Sep 10/25	55,000	24.75
River Plate	Algeria	Corn	Aug 20/30	25,000	32.50
River Plate	Tunisia	Heavy Grain	Oct 5/15	30,000	28.50
River Plate	Tunisia	Soybean Meal	Sep 1/10	25,000	36.00
Russia	Egypt Med	Wheat	Aug 17/23	60,000	12.00

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

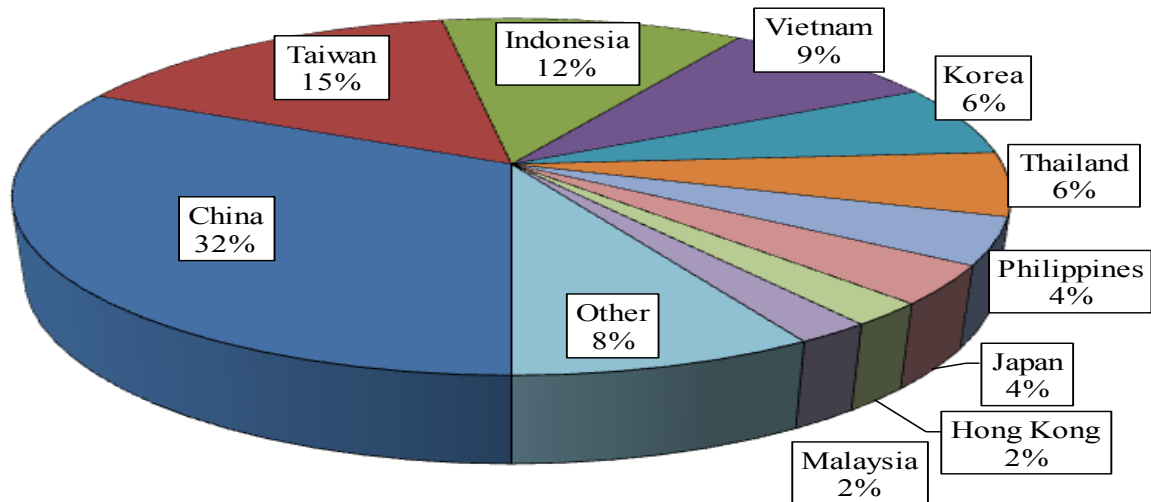
¹75 percent of food aid from the United States is required to be shipped on U.S.-flag vessels.

Source: Maritime Research Inc. (www.maritime-research.com)

In 2011, containers were used to transport 7 percent of total U.S. waterborne grain exports, up 2 percentage points from 2010. Approximately 11 percent of U.S. waterborne grain exports in 2011 went to Asia, up 4 percentage points from 2010. Asia is the top destination for U.S. containerized grain exports—96 percent in 2011.

Figure 18

Top 10 Destination Markets for U.S. Containerized Grain Exports, July 2012

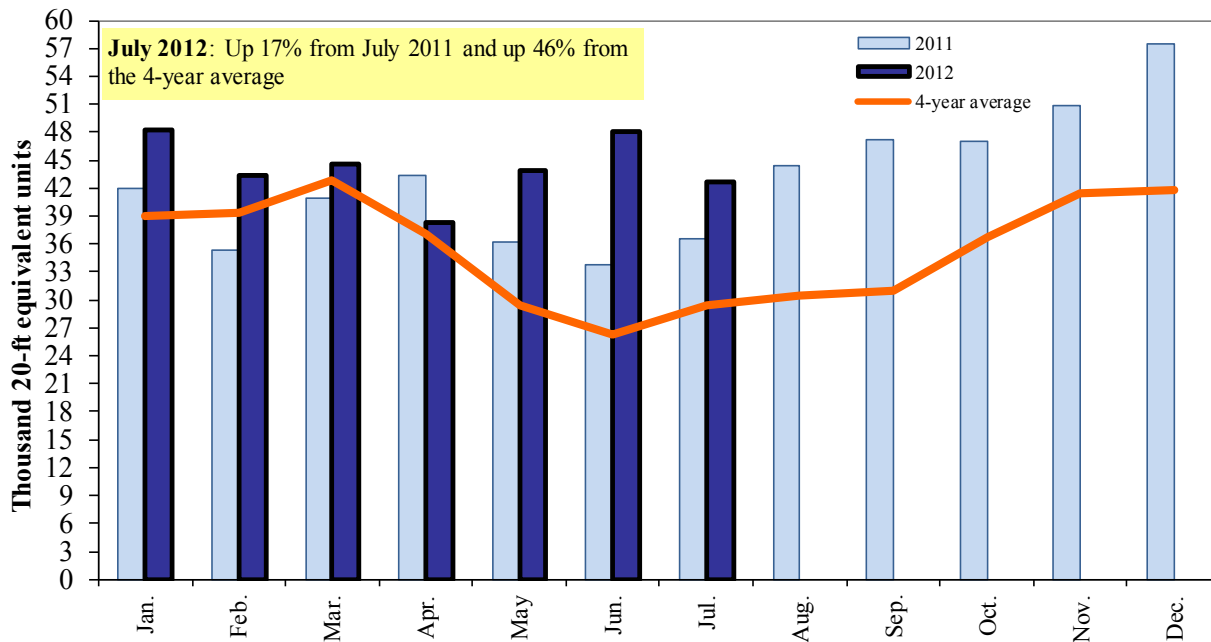


Source: USDA/Agricultural Marketing Service/Transportation Services Division analysis of Port Import Export Reporting Service (PIERS) data

Note: The following Harmonized Tariff Codes are used to calculate containerized grains movements: 100190, 100200, 100300, 100400, 100590, 100700, 110100, 230310, 110220, 110290, 120100, 230210, 230990, 230330, and 120810.

Figure 19

Monthly Shipments of Containerized Grain to Asia



Source: USDA/Agricultural Marketing Service/Transportation Services Division analysis of Port Import Export Reporting Service (PIERS) data

Note: The following Harmonized Tariff Codes are used to calculate containerized grains movements: 100190, 100200, 100300, 100400, 100590, 100700, 110100, 230310, 110220, 110290, 120100, 230210, 230990, 230330, and 120810.

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