USDA United States Department of Agriculture

Grain Transportation Report

A weekly publication of the Transportation and Marketing Programs/Transportation Services Division
www.ams.usda.gov/GTR

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July 4, 2013

Contents

The next release is July 11, 2013

WEEKLY HIGHLIGHTS

Keynote Speakers Confirmed for Ag Transportation Summit

Representative Rodney Davis (IL) and acting USDA Deputy Secretary Michael Scuse have been confirmed as the keynote speakers for the Ag Transportation Summit Conference in Rosemont, IL, on July 30 and 31. The focus of this year's conference is "A Modern Infrastructure for Modern Agriculture." The conference is designed specifically for farmers, agricultural associations, industry representatives, government officials, transportation providers, and academics to raise awareness of the importance of transportation to the success of U.S. agriculture and promote a transportation infrastructure that better serves agricultural needs. Click here to learn more about who will be speaking and which topics will be covered during the summit. Registration is still open.

Senate Energy and Water Development Appropriations Bill, 2014 (S. 1245) Reported

On June 27, the Senate Committee on Appropriations recommended by a vote of 24 to 6 that the amended FY 2014 Appropriations Bill, S. 1245, be reported (S. Rept. No. 113-47) to the full Senate. In the report, the Committee included legislative language directing that no costs for Olmsted Lock and Dam should be drawn from the Inland Waterway Trust Fund (IWTF). This action will ensure that funding for inland navigation will be consistent with the budget request without impacting the other missions of the Corps. The report provides a detailed discussion of the Nation's waterway system, IWTF, operation and maintenance funding of low use facilities, Harbor Maintenance Trust Fund, levees, flood damage, levels of service at locks and dams, and congressionally directed spending.

Rains Closed Mississippi River Locks Again

Over the past several days, heavy rain has resulted in high flows on portions of the Upper Mississippi River. As of July 2, four Mississippi River Locks are closed—Locks 16, 17, 18, and 20. Estimated reopening dates for the closed locks range from July 4 through July 6, based on forecasts of the area not having more heavy rain in the next few days. Major flooding continues along the Mississippi River between Davenport and Burlington, Iowa. On July 7, the Mississippi River is forecast to crest at Cape Girardeau, MO, and should decline shortly thereafter if the forecasts of limited rainfall hold.

Total Grain Inspections Rebound; Mississippi Gulf Highest Since March

For the week ending June 27, **total grain inspections** (corn, wheat, and soybeans) reached 1.22 million metric tons (mmt), up 60 percent from the previous week but 24 percent below last year this time. Total inspections of grain were also 60 percent above the 4-week running average (.977 mmt). Mississippi Gulf grain inspections (.678 mmt) were the highest since March 7 (.784 mmt), boosted by higher wheat and corn inspections to increase 54 percent from the past week. Total wheat and corn inspected from all major export regions jumped 79 and 153 percent from the previous week. Pacific Northwest inspections increased because of a large increase in wheat inspections. Outstanding (unshipped) export sales were also up from the past week for wheat and corn. Soybean inspections, however, decreased 42 percent from the past week as shipments to Asia declined.

Snapshots by Sector

Rail

U.S. railroads originated 15,437 **carloads of grain** during the week ending June 22, down 6 percent from last week, 24 percent from last year, and 23 percent from the 3-year average.

During the week ending June 27, average July non-shuttle **secondary railcar bids/offers per car** were $4 above tariff, the same as last week and $1.50 higher than last year. Average shuttle bids/offers were $75 below tariff, down $6 from last week and $281.50 higher than last year.

Barge

During the week ending June 29, **barge grain movements** totaled 406,937 tons, 17 percent lower than the previous week and 21.4 percent lower than the same period last year.

During the week ending June 29, 268 grain barges **moved down river**, down 18 percent from last week; 394 grain barges were **unloaded in New Orleans**, up 20 percent from the previous week.

Ocean

During the week ending June 27, 26 **ocean-going grain vessels** were loaded in the Gulf, unchanged from the same period last year. Forty-four vessels are expected to be loaded within the next 10 days, unchanged from the same period last year.

During the week ending June 28, the ocean freight rate for shipping bulk grain from the Gulf to Japan was $46 per mt, unchanged from the previous week. The cost of shipping from the Pacific Northwest to Japan was $24 per mt, unchanged from the previous week.

Fuel

During the week ending July 1, U.S. average **diesel fuel prices**, at $3.82 per gallon, were down 2 cents from the previous week—17 cents higher than the same week last year.

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Feature Article/Calendar

How Will Canadian Wheat Board Privatization Affect Grain Markets and Rail Movements?

The United States and Canada are major grain producing and exporting countries, ranking first and seventh in terms of production and first and sixth in terms of exports, respectively.[1] With many similarities between the grain markets of both countries, the recent dissolution of the Canadian Wheat Board's single-desk status will likely further erode remaining differences as the two markets integrate. Yet, differences will remain in key areas including rail transportation that can affect prices, transportation decisions, and competitiveness.

End of Mandatory Canadian Wheat Board

On August 1, 2012, the Marketing Freedom for Grain Farmers Act officially ended the Canadian Wheat Board's (CWB) 77-year old government-mandated role as the sole buyer and seller of wheat and barley from Canada's western provinces. Since that time, the CWB has continued to operate as a voluntary organization and has entered a five-year transition period from a state enterprise to a private company. The CWB must be financially viable or face dissolution at the end of the five-year period.

The CWB uses price pooling to manage pricing risk for all wheat and barley exported or sold for domestic human consumption. A price pool averages sales across a specific time period in different markets versus being subject to a specific day's price in a specific market. Although some producers will continue to use price pooling under the new voluntary format, others will weigh the risks of actively seeking opportunities to find prices that outperform the pool. This may shift traditional marketing patterns as both U.S. and Canadian producers look across the border in search of the most lucrative prices. Over the long term, this could involve more U.S. grain being sent directly to Canadian ports by rail and/or more Canadian grain being sent to U.S ports in the Pacific Northwest and along the Gulf of Mexico. Some Canadian grain could also be railed to barge loading facilities along the Mississippi River.

Importance of Rail to Canadian Grain

Just as it does in the United States, rail transportation in Canada plays a vital role in helping grain reach domestic and international markets. An analysis of weekly rail traffic between 2009 and 2012 shows that grain comprises roughly twice the total carload traffic on Canadian railroads as it does on U.S. railroads.[2] Furthermore, the U.S. inland waterway system provides a competitive alternative to rail for many grain-producing regions in the United States. However, Canada must rely more heavily on rail because of the long distances between grain-production regions and coastal ports or inland waterways. A quick comparison of grains and soybeans transported by rail versus national production in 2012 shows that 85 percent of production went by rail in Canada compared to only 24 percent in the United States.[3]

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[1] USDA, Foreign Agriculture Service (FAS), *Grain: World Markets and Trade*, June 2013.
[2] Association of American Railroads' (AAR) Weekly Railroad Traffic, which includes all railroad operations under the nationality of the parent company, regardless of where the operation was performed.
[3] AAR, Weekly Railroad Traffic; USDA, FAS, *Grain: World Markets and Trade*, June 2013.

Features of the Canadian Rail System

Although it is operationally similar, the partially deregulated Canadian rail market has some unique differences from that of the United States. First, limits on individual rail freight rates for Canadian National (CN) and Canadian Pacific (CP) were removed in 2000 and replaced with an overall revenue cap for grain. This gives each railroad the flexibility to price individual movements so long as the total revenues each receives on regulated grains stay beneath the mandated limit. The railroads must return revenues in excess of the cap plus a five percent penalty to the farmer-financed and -directed Western Grains Research Foundation. This applies to all regulated grain shipped via CN or CP from Canadian or U.S. origins to designated points within Canada.

Second, under the 1985 Canada Grain Act, grain producers have the right to order producer railway cars to ship their grain. This option places a railcar in specific locations for the producer to load directly as an alternative to using the primary elevator system, allowing producers to market their grain directly to customers, but with added responsibilities such as meeting on-time delivery and the specified commodity quality. Factors influencing the attractiveness of producer cars include rail line consolidation, grain elevator consolidation, grain prices, and freight rates.

Third, interswitching allows captive shippers to access a competing carrier's service at a regulated rate. Shippers are eligible if they have direct rail access to a single carrier and are located within 30 km of a competing carrier. This gives shippers the option to choose which carrier they prefer, despite having physical access to only a single carrier.

Finally, the Fair Rail Freight Service Act became law June 26 as a complement to the Marketing Freedom for Grain Farmers Act. It encourages service agreements between shippers and railroads and provides for arbitration if negotiations are not successful. In addition, the Act enables the Canadian Transportation Agency to issue an administrative monetary penalty of up to C$100,000 for each violation of an arbitrated service-level agreement.

On the other hand, Canadian railroads may not immediately adopt the same level of technology that is present in the United States.[1] For example, shuttle trains are a bigger component of grain rail transportation in the United States than in Canada. Increased competition following the end of the CWB's monopoly role may create a further incentive for the adoption of shuttle trains to achieve greater potential efficiencies.

Potential Shifts in Transportation Patterns

It is too soon to know how Canadian and U.S. grain markets will ultimately change as a result of the CWB's transition to a private enterprise. However, rail transportation is likely to play a critical role in determining individual producers' marketing decisions and determining cross-border flows of grain.

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[1] Pates, Mikkel, "Market shift," *Agweek*, January 3, 2012.

Grain Transportation Indicators

Table 1
Grain Transport Cost Indicators[1]

	Truck	Rail		Barge	Ocean	
Week ending		Unit Train	Shuttle		Gulf	Pacific
07/03/13	256	234	205	171	206	170
06/26/13	258	235	206	179	206	170

[1]Indicator: Base year 2000 = 100; Weekly updates include truck = diesel ($/gallon); rail = near-month secondary rail market bid and monthly tariff rate with fuel surcharge ($/car); barge = Illinois River barge rate (index = percent of tariff rate); and ocean = routes to Japan ($/metric ton)

Source: Transportation & Marketing Programs/AMS/USDA

Table 2
Market Update: U.S. Origins to Export Position Price Spreads ($/bushel)

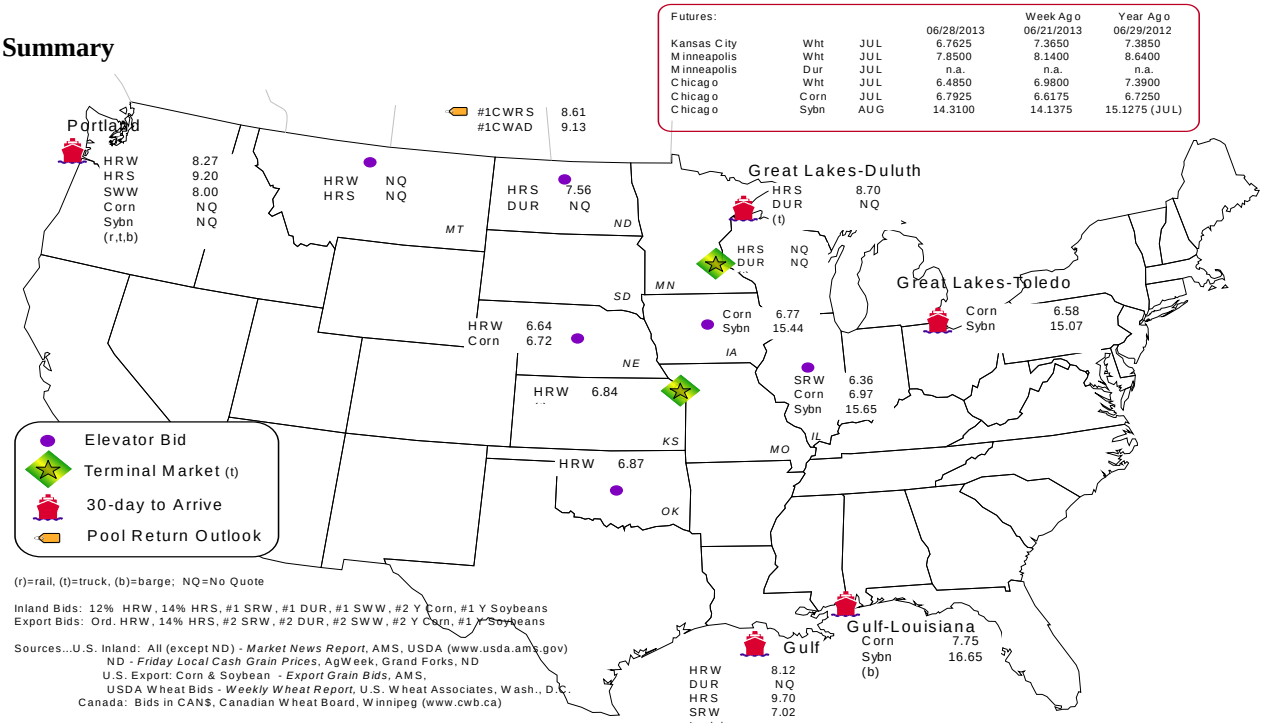
Commodity	Origin--Destination	6/28/2013	6/21/2013
Corn	IL--Gulf	-0.78	-0.58
Corn	NE--Gulf	-1.03	-0.51
Soybean	IA--Gulf	-1.21	-0.80
HRW	KS--Gulf	-1.28	-1.40
HRS	ND--Portland	-1.64	-1.82

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)[1]

Week ending	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf	Total	Week ending	Cross-Border Mexico[3]
06/26/2013[p]	164	465	1,444	66	2,139	06/22/13	1,146
06/19/2013[r]	4	707	619	0	1,330	06/15/13	862
2013 YTD[r]	9,056	29,618	69,707	9,219	117,600	2013 YTD	29,925
2012 YTD[r]	3,929	20,014	106,828	10,367	141,138	2012 YTD	55,097
2013 YTD as % of 2012 YTD	230	148	65	89	83	% change YTD	54
Last 4 weeks as % of 2012[2]	84	100	27	22	46	Last 4wks % 2012	64
Last 4 weeks as % of 4-year avg.[2]	39	109	30	16	48	Last 4wks % 4 yr	57
Total 2012	22,604	40,780	199,419	33,878	287,462	Total 2012	92,008
Total 2011	27,358	77,515	191,187	24,088	320,148	Total 2011	97,118

[1] Data is incomplete as it is voluntarily provided

[2] Compared with same 4-weeks in 2012 and prior 4-year average.

[3] Cross- border weekly data is aproximately 15 percent below the Association of American Railroads reported weekly carloads received by Mexican railroads to reflect switching between KCSM and FerroMex.

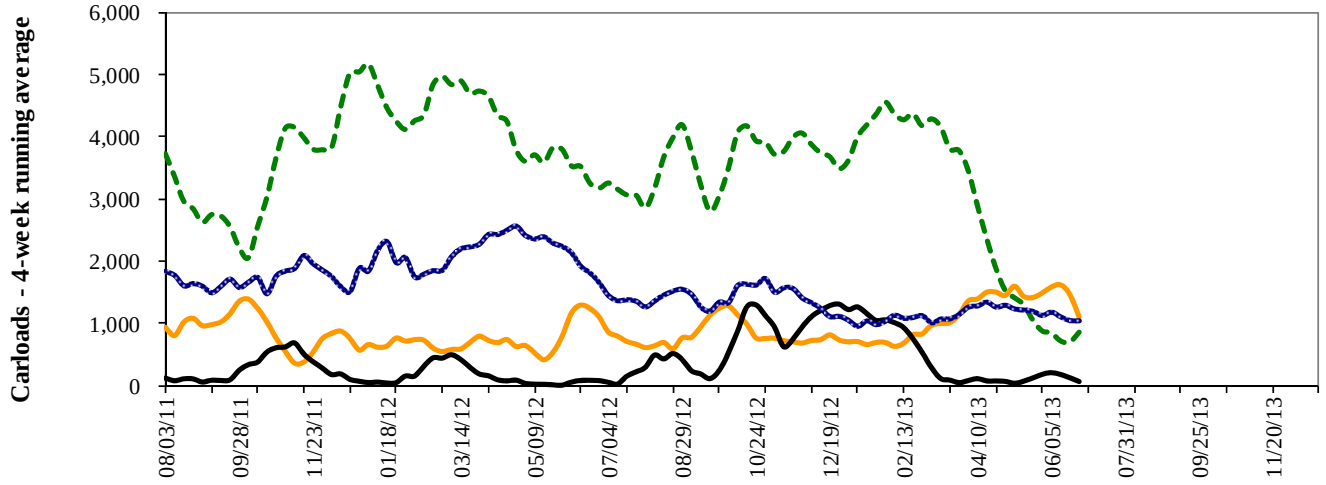
YTD = year-to-date; p = preliminary data; r = revised data; YTD PNW carloads includes revisions back to August 2011 ; n/a = not available

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



Pacific Northwest: 4 wks. ending 6/26--down 73% from same period last year; down 70% from 4-year average

Texas Gulf: 4 wks. ending 6/26--unchanged from same period last year; up 9% from 4-year average

Miss. River: 4 wks. ending 6/26--down 16 % from same period last year; down 61% from 4-year average

Cross-border Mexico: 4 wks. ending 6/22--down 36% from same period last year; down 43% from 4-year average

Source: Transportation & Marketing Programs/AMS/USDA

Table 4

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

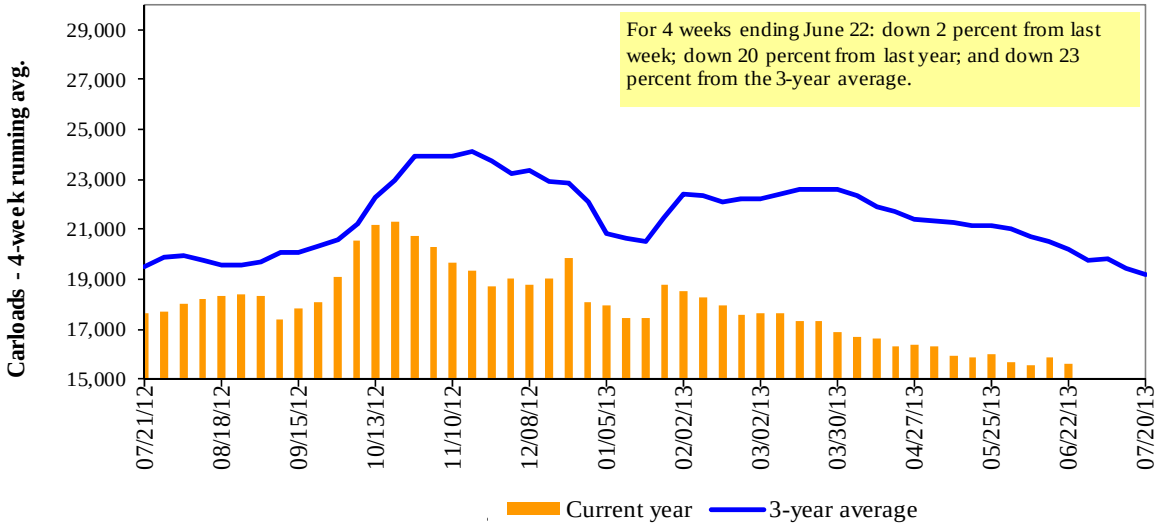
Week ending	East		West			U.S. total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
06/22/13	1,217	2,599	7,828	479	3,314	15,437	2,966	4,577
This week last year	1,579	2,867	9,015	567	6,246	20,274	3,327	4,093
2013 YTD	37,141	63,429	213,487	11,875	95,877	421,809	81,948	128,966
2012 YTD	48,660	70,830	247,225	12,774	130,727	510,216	95,573	117,537
2013 YTD as % of 2012 YTD	76	90	86	93	73	83	86	110
Last 4 weeks as % of 2012	84	92	87	76	63	80	77	109
Last 4 weeks as % of 3-yr avg.[1]	80	87	85	68	66	79	78	96
Total 2012	85,384	145,336	515,638	26,936	244,077	1,017,371	204,068	266,266

[1]As 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 Offerings[1] ($/car)[2]

Week ending	Delivery period							
6/20/2013	Jul-13	Jul-12	Aug-13	Aug-12	Sep-13	Sep-12	Oct-13	Oct-12
BNSF[3]								
COT grain units	0	0	0	no bids	0	3	no offer	no offer
COT grain single-car[5]	0 . . 5	10	0 . . 1	0 . . 12	0	50 . . 57	no offer	no offer
UP[4]								
GCAS/Region 1	no bids	no bids	no bids	no bids	no bids	1	n/a	n/a
GCAS/Region 2	no bids	no bids	no bids	no bids	1	no bids	n/a	n/a

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

[2]Average premium/discount to tariff, last auction

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

[4]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.

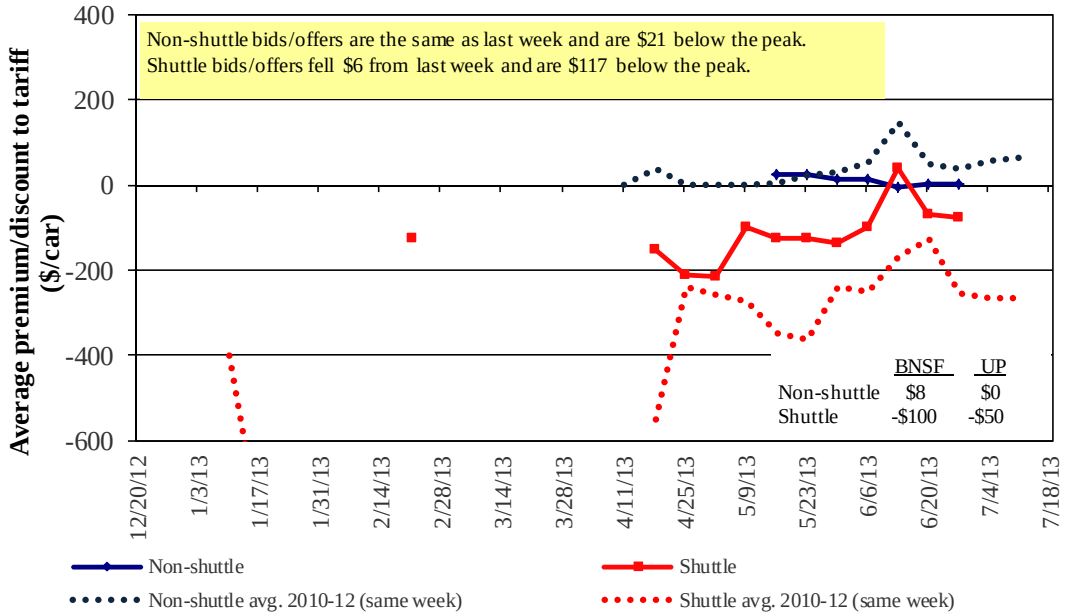
[5]Range is shown because average is not available. Not available = n/a.

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 July 2013, Secondary Market

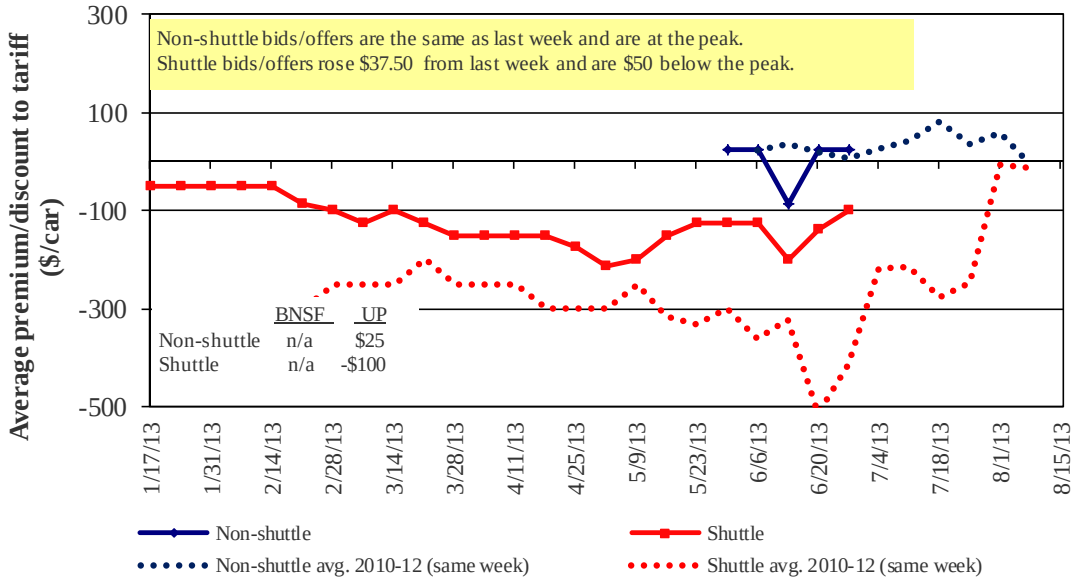


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

Bids/Offers for Railcars to be Delivered in August 2013, Secondary Market

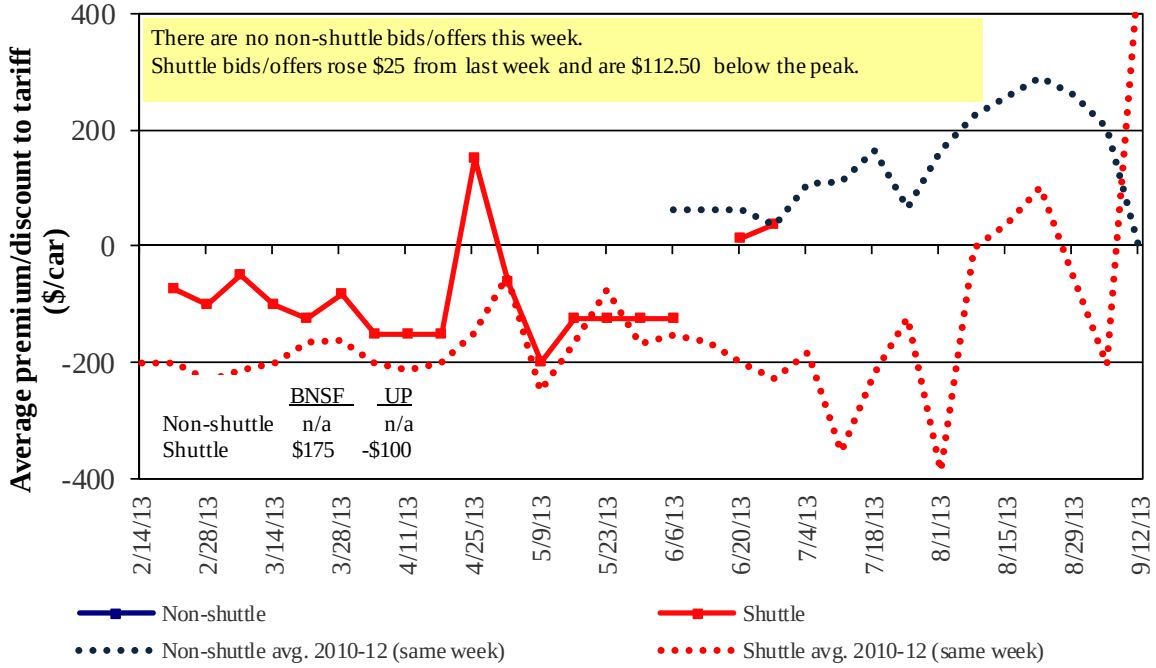


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in September 2013, 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					
6/27/2013	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
Non-shuttle						
BNSF-GF	8	n/a	n/a	n/a	n/a	n/a
Change from last week	-	n/a	n/a	n/a	n/a	n/a
Change from same week 2012	13	n/a	n/a	n/a	n/a	n/a
UP-Pool	-	25	n/a	n/a	n/a	n/a
Change from last week	-	-	n/a	n/a	n/a	n/a
Change from same week 2012	(10)	n/a	n/a	n/a	n/a	n/a
Shuttle[2]						
BNSF-GF	(100)	n/a	175	n/a	n/a	n/a
Change from last week	(62)	n/a	25	n/a	n/a	n/a
Change from same week 2012	175	n/a	375	n/a	n/a	n/a
UP-Pool	(50)	(100)	(100)	600	n/a	n/a
Change from last week	50	25	25	n/a	n/a	n/a
Change from same week 2012	388	425	350	300	n/a	n/a

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

[2]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 James B. Joiner Co., Tradewest Brokerage Co.

Table 7

Tariff Rail Rates for Unit and Shuttle Train Shipments[1]

Effective date: 7/1/2013	Origin region*	Destination region*	Tariff rate/car	Fuel surcharge per car	Tariff plus surcharge per: metric ton	Tariff plus surcharge per: bushel[2]	Percent change Y/Y[3]
Unit train							
Wheat	Wichita, KS	St. Louis, MO	$3,191	$182	$33.50	$0.91	1
	Grand Forks, ND	Duluth-Superior, MN	$3,543	$104	$36.22	$0.99	8
	Wichita, KS	Los Angeles, CA	$6,244	$536	$67.32	$1.83	3
	Wichita, KS	New Orleans, LA	$3,808	$320	$41.00	$1.12	4
	Sioux Falls, SD	Galveston-Houston, TX	$5,824	$440	$62.20	$1.69	4
	Northwest KS	Galveston-Houston, TX	$4,076	$351	$43.96	$1.20	3
	Amarillo, TX	Los Angeles, CA	$4,275	$489	$47.30	$1.29	3
Corn	Champaign-Urbana, IL	New Orleans, LA	$3,110	$362	$34.48	$0.94	43
	Toledo, OH	Raleigh, NC	$4,508	$407	$48.81	$1.33	2
	Des Moines, IA	Davenport, IA	$2,006	$77	$20.68	$0.56	3
	Indianapolis, IN	Atlanta, GA	$3,920	$306	$41.96	$1.14	2
	Indianapolis, IN	Knoxville, TN	$3,354	$196	$35.25	$0.96	2
	Des Moines, IA	Little Rock, AR	$3,146	$225	$33.48	$0.91	2
	Des Moines, IA	Los Angeles, CA	$5,065	$656	$56.82	$1.55	1
Soybeans	Minneapolis, MN	New Orleans, LA	$3,319	$395	$36.88	$1.00	1
	Toledo, OH	Huntsville, AL	$3,575	$289	$38.37	$1.04	2
	Indianapolis, IN	Raleigh, NC	$4,578	$410	$49.53	$1.35	2
	Indianapolis, IN	Huntsville, AL	$3,267	$196	$34.39	$0.94	2
	Champaign-Urbana, IL	New Orleans, LA	$3,599	$362	$39.34	$1.07	5
Shuttle Train							
Wheat	Great Falls, MT	Portland, OR	$3,580	$308	$38.61	$1.05	6
	Wichita, KS	Galveston-Houston, TX	$3,798	$240	$40.10	$1.09	4
	Chicago, IL	Albany, NY	$3,771	$382	$41.24	$1.12	3
	Grand Forks, ND	Portland, OR	$5,061	$532	$55.54	$1.51	4
	Grand Forks, ND	Galveston-Houston, TX	$6,082	$554	$65.90	$1.79	3
	Northwest KS	Portland, OR	$5,043	$576	$55.80	$1.52	2
Corn	Minneapolis, MN	Portland, OR	$4,800	$648	$54.10	$1.47	-1
	Sioux Falls, SD	Tacoma, WA	$4,760	$593	$53.16	$1.45	-1
	Champaign-Urbana, IL	New Orleans, LA	$2,929	$362	$32.68	$0.89	2
	Lincoln, NE	Galveston-Houston, TX	$3,310	$346	$36.30	$0.99	-1
	Des Moines, IA	Amarillo, TX	$3,510	$283	$37.67	$1.03	2
	Minneapolis, MN	Tacoma, WA	$4,800	$643	$54.05	$1.47	-1
	Council Bluffs, IA	Stockton, CA	$4,200	$665	$48.31	$1.31	-1
Soybeans	Sioux Falls, SD	Tacoma, WA	$5,320	$593	$58.72	$1.60	4
	Minneapolis, MN	Portland, OR	$5,330	$648	$59.36	$1.62	5
	Fargo, ND	Tacoma, WA	$5,230	$527	$57.17	$1.56	5
	Council Bluffs, IA	New Orleans, LA	$3,950	$418	$43.37	$1.18	5
	Toledo, OH	Huntsville, AL	$2,750	$289	$30.18	$0.82	2
	Grand Island, NE	Portland, OR	$4,960	$589	$55.11	$1.50	4

[1]A 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.

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

[3]Percentage change year over year calculated using tariff rate plus fuel surchage

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: 7/1/2013							
				Fuel	Tariff plus surcharge per:		Percent
Commodity	Origin state	Destination region	Tariff rate/car[1]	surcharge per car[2]	metric ton[3]	bushel[3]	change Y/Y[4]
Wheat	MT	Chihuahua, CI	$6,262	$563	$69.73	$1.90	-18
	OK	Cuautitlan, EM	$6,715	$684	$75.60	$2.06	-2
	KS	Guadalajara, JA	$8,293	$660	$91.48	$2.49	10
	TX	Salinas Victoria, NL	$2,872	$258	$31.97	$0.87	-22
Corn	IA	Guadalajara, JA	$7,699	$777	$86.60	$2.20	-1
	SD	Celaya, GJ[5]	$7,356	$736	$82.69	$2.10	n/a
	NE	Queretaro, QA	$7,153	$690	$80.14	$2.03	0
	SD	Salinas Victoria, NL	$5,700	$560	$63.96	$1.62	-1
	MO	Tlalnepantla, EM	$6,592	$670	$74.20	$1.88	0
	SD	Torreon, CU	$6,522	$617	$72.94	$1.85	0
Soybeans	MO	Bojay (Tula), HG	$7,580	$655	$84.14	$2.29	2
	NE	Guadalajara, JA	$8,134	$749	$90.77	$2.47	2
	IA	El Castillo, JA	$8,555	$732	$94.89	$2.58	3
	KS	Torreon, CU	$6,651	$465	$72.71	$1.98	3
Sorghum	TX	Guadalajara, JA	$6,464	$479	$70.94	$1.80	-3
	NE	Celaya, GJ[5]	$6,997	$669	$78.32	$1.99	n/a
	KS	Queretaro, QA	$6,815	$420	$73.92	$1.88	5
	NE	Salinas Victoria, NL	$5,438	$492	$60.58	$1.54	5
	NE	Torreon, CU	$6,153	$549	$68.48	$1.74	1

[1]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.

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

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

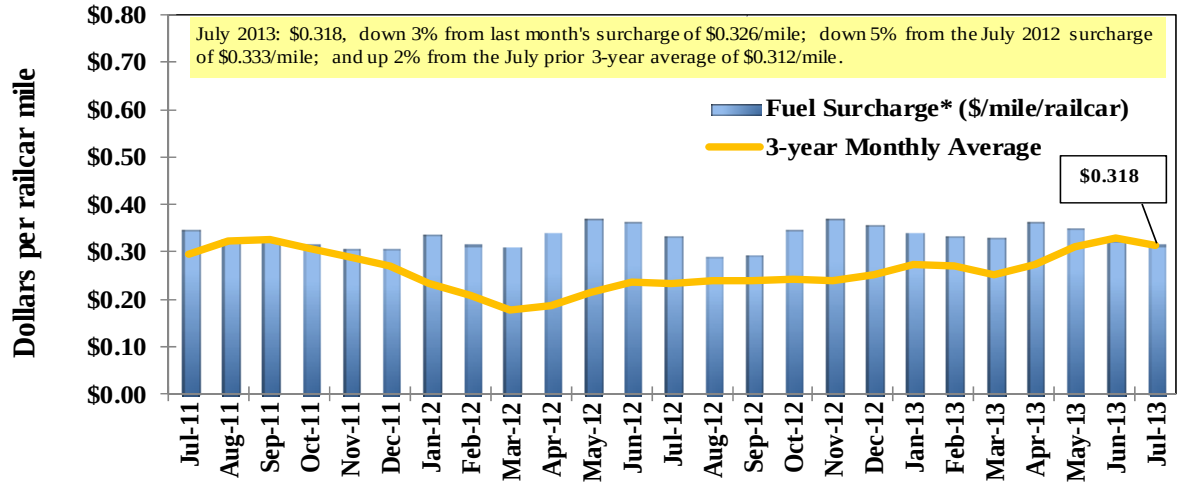
[4]Percentage change year over year calculated using tariff rate plus fuel surchage

[5] Beginning 11/1/12, Celaya, GJ, replaced Penjamo, GJ, as the destination.

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

Figure 7

Railroad Fuel Surcharges, North American Weighted Average[1]



[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.

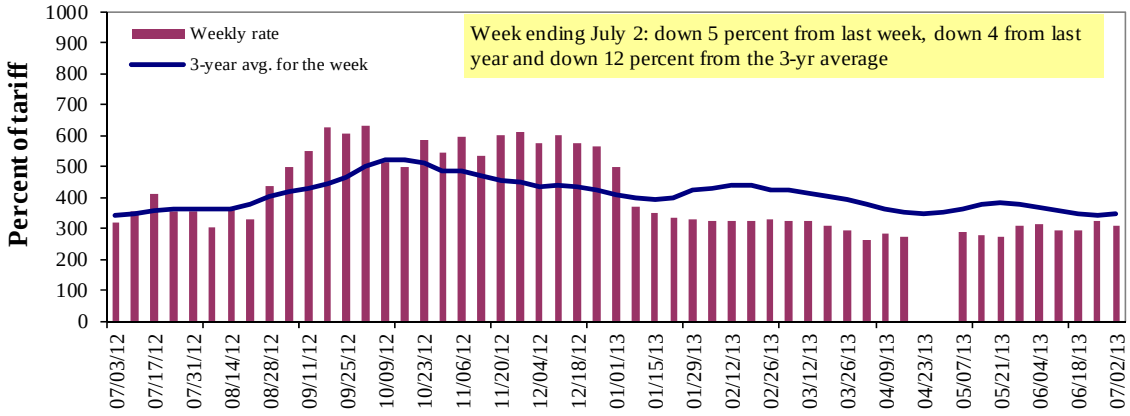
** BNSF strike price (diesel price when fuel surcharges begin) changed from $1.25/gal. to $2.50/gal starting March 1, 2011. As a result, the weighted average fuel surcharge for March 2011 was $0.227/mile instead of $0.331/mile.

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

Barge Transportation

Figure 8

Illinois River Barge Freight Rate[1,2]



[1]Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); [2]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	Lower Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo-Memphis
Rate[1]	7/2/2013	380	310	307	225	210	210	192
	6/25/2013	387	335	323	233	212	212	197
$/ton	7/2/2013	23.52	16.49	14.24	8.98	9.85	8.48	6.03
	6/25/2013	23.96	17.82	14.99	9.30	9.94	8.56	6.19
Current week % change from the same week:								
	Last year	-5	-4	-4	-23	-21	-21	-14
	3-year avg. [2]	-14	-17	-12	-15	-30	-30	-19
Rate[1]	August	387	332	338	283	338	338	258
	October	567	558	555	492	563	563	472

[1]Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); [2]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

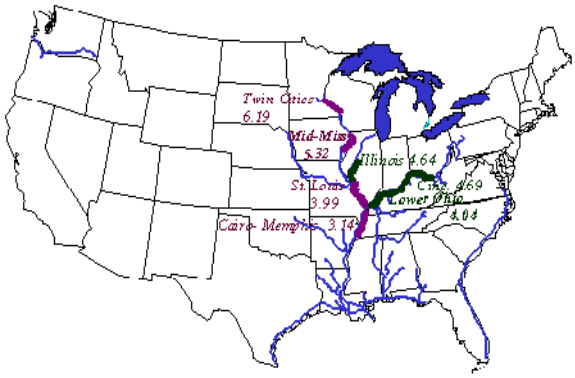
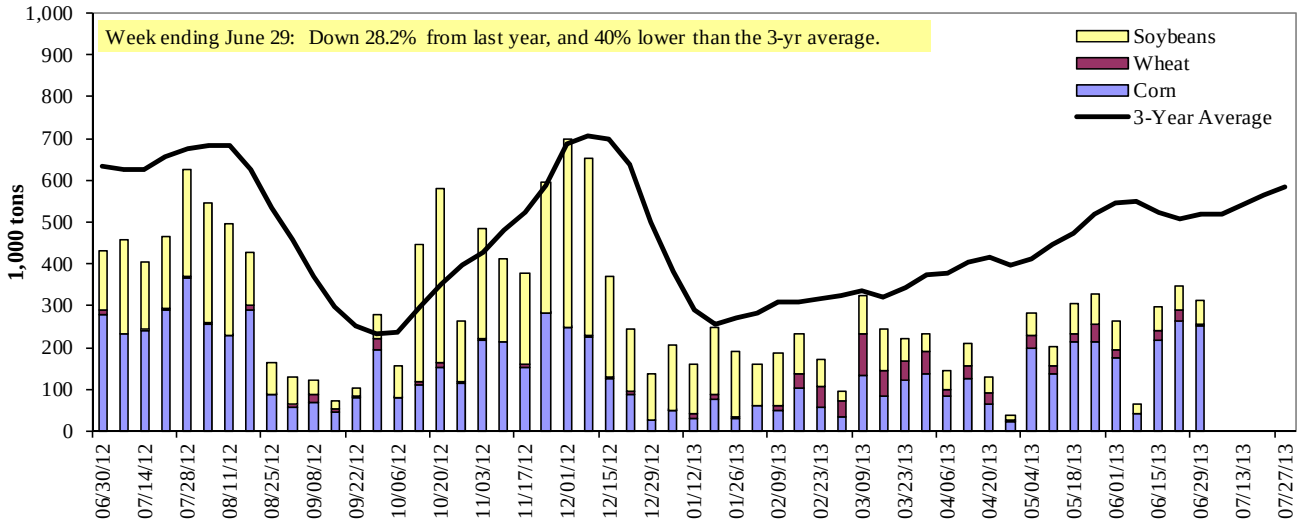


Figure 10

Barge Movements on the Mississippi River[1] (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 6/29/2013	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	133	11	28	0	172
Winfield, MO (L25)	180	5	69	0	254
Alton, IL (L26)	245	3	57	0	304
Granite City, IL (L27)	251	3	57	0	311
Illinois River (L8)	54	0	6	0	60
Ohio River (L52)	17	37	11	0	65
Arkansas River (L1)	0	29	1	0	31
Weekly total - 2013	269	70	68	0	407
Weekly total - 2012	312	53	153	0	518
2013 YTD[1]	4,108	1,881	3,900	117	10,006
2012 YTD	9,341	1,039	5,180	157	15,717
2013 as % of 2012 YTD	44	181	75	74	64
Last 4 weeks as % of 2012[2]	68	50	44	21	64
Total 2012	14,837	1,794	12,663	229	29,523

[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.

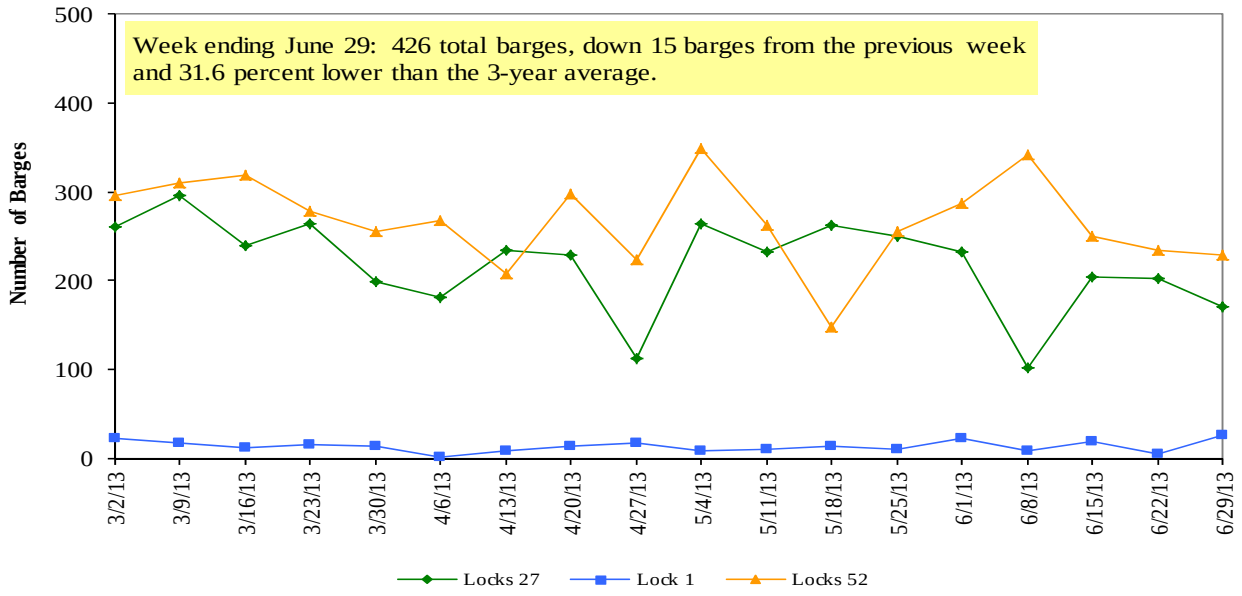
[2] As a percent of same period in 2012.

Note: Total may not add exactly, due to rounding

Source: U.S. Army Corps of Engineers

Figure 11

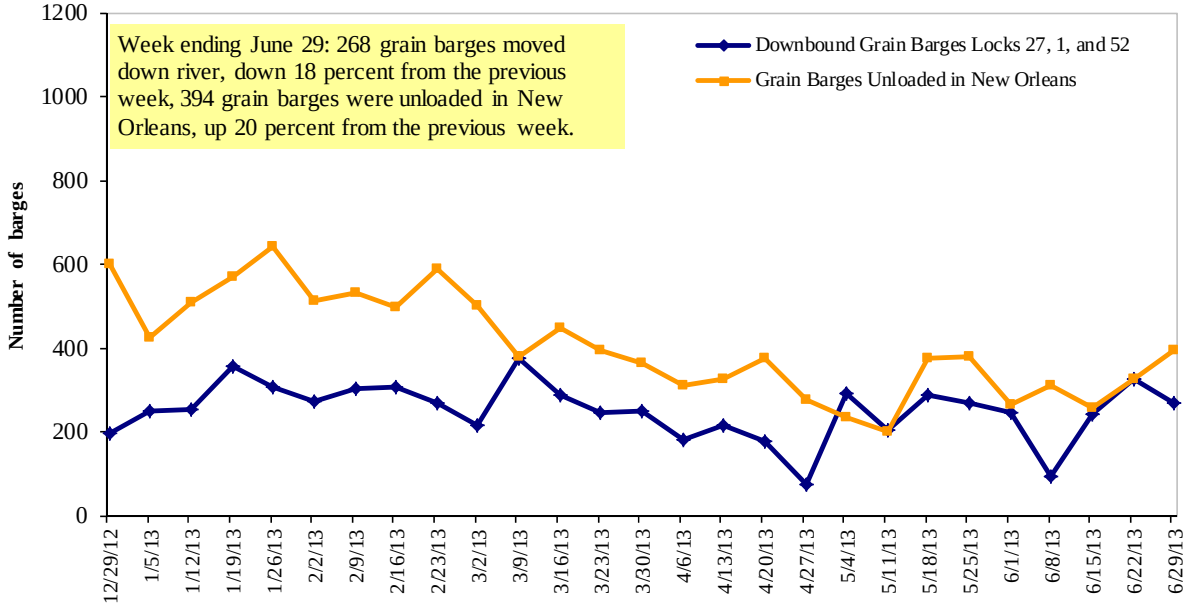
Upbound Empty Barges Transiting Mississippi River Locks 27, Arkansas River Lock and Dam 1, and Ohio River Locks and Dam 52



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[1], Week Ending 7/1/2013 (US $/gallon)

Region	Location	Price	Change from Week ago	Change from Year ago
I	East Coast	3.817	-0.019	0.115
	New England	3.971	-0.013	0.128
	Central Atlantic	3.892	-0.010	0.099
	Lower Atlantic	3.731	-0.027	0.124
II	Midwest[2]	3.815	-0.032	0.235
III	Gulf Coast[3]	3.734	-0.006	0.166
IV	Rocky Mountain	3.819	-0.017	0.114
V	West Coast	3.942	-0.021	0.155
	West Coast less California	3.856	-0.023	0.174
	California	4.015	-0.020	0.139
Total	U.S.	3.817	-0.021	0.169

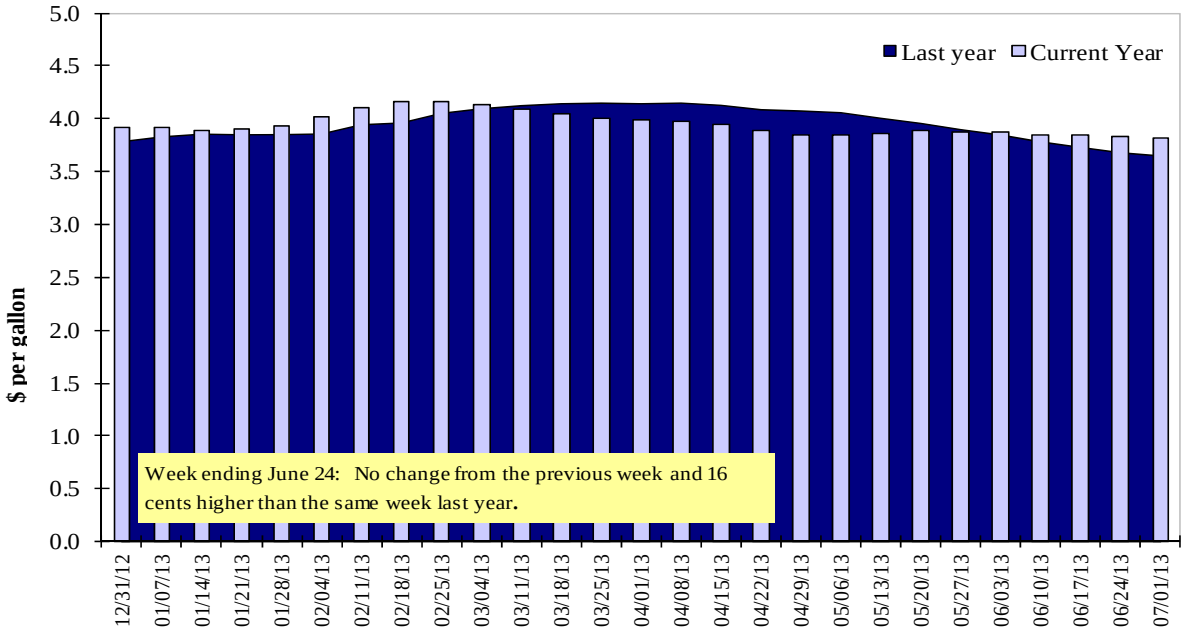
[1]Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

[2]Same as North Central [3]Same 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)

	Wheat						Corn	Soybeans	Total
Week ending	HRW	SRW	HRS	SWW	DUR	All wheat			
Export Balances[1]									
6/20/2013	1,989	2,560	1,446	1,005	97	7,097	3,232	1,403	11,732
This week year ago	1,654	823	1,321	1,030	152	4,980	6,368	5,151	16,499
Cumulative exports-marketing year[2]									
2012/13 YTD	724	442	250	54	5	1,474	14,703	35,319	51,496
2011/12 YTD	749	334	402	247	3	1,735	32,552	32,179	66,466
YTD 2012/13 as % of 2011/12	97	132	62	22	n/a	85	45	110	77
Last 4 wks as % of same period 2011/12	98	246	82	69	45	110	51	31	63
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 in in effect for wheat

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[1] of U.S. Corn

Week ending 06/20/2013	Total Commitments[2]			% change current MY from last MY	Exports[3]
	2013/14 Next MY	2012/13 Current MY	2011/12 Last MY		2011/12
		- 1,000 mt -			- 1,000 mt -
Japan	864	6,555	11,212	(42)	12,367
Mexico	1,146	4,215	9,523	(56)	9,617
China	1,360	2,474	5,042	(51)	5,414
Korea	3	418	3,790	(89)	3,639
Venezuela	0	867	1,090	(20)	1,332
Top 5 Importers	**3,373**	**14,529**	**30,657**	**(53)**	**32,369**
Total US corn export sales	**5,144**	**17,935**	**38,929**	**(54)**	**39,180**
% of Projected	16%	101%	99%		
Change from prior week	**154**	**337**	**202**		
Top 5 importers' share of U.S. corn export sales	66%	81%	79%		83%
USDA forecast, June 2013	**33,020**	**17,780**	**39,180**	**(55)**	
Corn Use for Ethanol USDA forecast, Ethanol June 2013	**124,460**	**118,110**	**127,280**	**(7)**	

(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 Importers[1] of U.S. Soybeans

Week Ending 06/20/2013	Total Commitments[2] 2013/14 Next MY	2012/13 Current MY	2011/12 Last MY	% change current MY from last MY	Exports[3] 2011/12
		- 1,000 mt -			- 1,000 mt -
China	9,833	21,596	22,944	(6)	24,602
Mexico	220	2,536	3,117	(19)	3,180
Japan	138	1,758	1,826	(4)	1,891
Indonesia	26	1,550	1,493	4	1,741
Egypt	60	677	1,151	(41)	1,292
Top 5 importers	**10,276**	**28,118**	**30,531**	**(8)**	**32,706**
Total US soybean export sales	**12,052**	**36,723**	**37,331**	**(1.6)**	**37,060**
% of Projected	31%	101%	101%		
Change from prior week	451	(86)	404		
Top 5 importers' share of U.S. soybean export sales	85%	77%	82%		
USDA forecast, June 2013	**39,460**	**36,200**	**37,060**	**(2)**	

(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. (Carryover plus Accumulated Exports)

Table 15

Top 10 Importers[1] of All U.S. Wheat

Week Ending 06/20/2013	Total Commitments[2] 2013/14 Current MY	2012/13 Last MY	% change current MY from last MY	Exports[3] 2012/13
	- 1,000 mt -			- 1,000 mt -
Japan	732	821	(11)	3,544
Nigeria	477	520	(8)	3,002
Mexico	866	861	1	2,761
Philippines	448	431	4	1,965
Egypt	63	58		1,678
Korea	179	383	(53)	1,385
Taiwan	161	285	(44)	1,038
China	1,589	339	369	743
Venezuela	183	251	(27)	631
Colombia	227	126	80	600
Top 10 importers	**4,925**	**4,075**	**21**	**17,347**
Total US wheat export sales	**8,571**	**6,715**	**28**	**26,348**
% of Projected	32%	24%		
Change from prior week	732	325		
Top 10 importers' share of U.S. wheat export sales	57%	61%		66%
USDA forecast, June 2013	**26,540**	**27,490**	**(3)**	

(n) indicates negative number.

[1] Based on FAS 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 06/27/13	Previous Week[1]	Current Week as % of Previous	2013 YTD[1]	2012 YTD[1]	2013 YTD as % of 2012 YTD	Last 4-weeks as % of 2012	Last 4-weeks as % of 3-yr. avg.	Total[1] 2012
Pacific Northwest									
Wheat	195	70	280	5,708	6,812	84	81	68	12,625
Corn	29	0	n/a	1,284	3,897	33	4	3	5,512
Soybeans	0	0	n/a	3,696	5,034	73	0	0	10,347
Total	**224**	**70**	**321**	**10,688**	**15,744**	**68**	**34**	**33**	**28,484**
Mississippi Gulf									
Wheat	311	166	188	4,386	3,371	130	156	206	5,462
Corn	271	111	244	5,487	10,641	52	62	42	18,068
Soybeans	96	163	59	7,240	9,359	77	72	96	24,684
Total	**678**	**440**	**154**	**17,113**	**23,371**	**73**	**83**	**72**	**48,215**
Texas Gulf									
Wheat	191	141	135	4,137	3,109	133	102	120	5,912
Corn	22	0	n/a	126	295	43	368	49	336
Soybeans	0	0	n/a	122	5	n/a	0	0	626
Total	**212**	**141**	**151**	**4,386**	**3,409**	**129**	**104**	**115**	**6,874**
Interior									
Wheat	19	25	73	478	656	73	49	111	1,218
Corn	56	38	147	1,321	4,230	31	102	33	6,115
Soybeans	26	46	58	1,681	2,235	75	41	39	4,204
Total	**100**	**109**	**92**	**3,480**	**7,121**	**49**	**86**	**42**	**11,538**
Great Lakes									
Wheat	0	0	n/a	412	164	251	27	27	481
Corn	0	0	n/a	0	37	0	n/a	0	56
Soybeans	0	0	n/a	22	107	21	37	110	713
Total	**0**	**0**	**n/a**	**434**	**308**	**141**	**32**	**42**	**1,250**
Atlantic									
Wheat	4	0	n/a	393	221	178	62	60	341
Corn	0	0	n/a	2	90	2	0	0	143
Soybeans	1	3	40	0	499	0	41	57	1,460
Total	**5**	**3**	**192**	**395**	**810**	**49**	**49**	**49**	**1,944**
U.S. total from ports[2]									
Wheat	720	402	179	15,515	14,333	108	102	107	26,040
Corn	377	149	253	8,221	19,190	43	41	31	30,230
Soybeans	123	211	58	12,761	17,239	74	37	53	42,035
Total	**1,220**	**762**	**160**	**36,497**	**50,762**	**72**	**63**	**60**	**98,305**

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

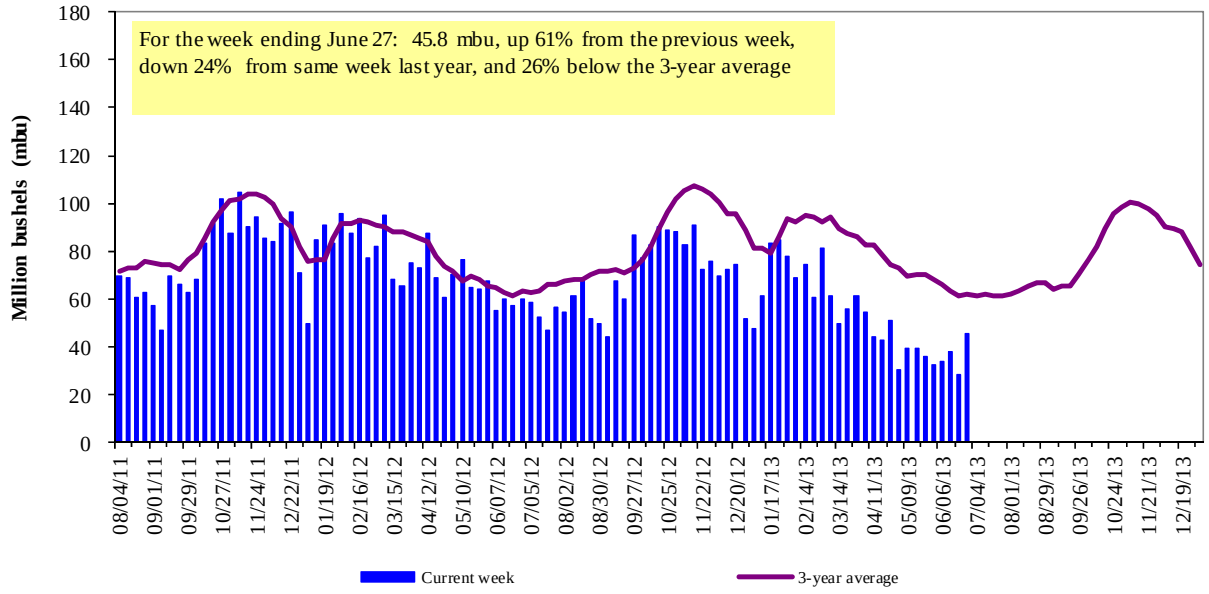
[2] Total includes only port regions shown above; Interior land-based shipments now included.

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 56 percent of the U.S. export grain shipments departed through the U.S. Gulf region in 2012.

Figure 14

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

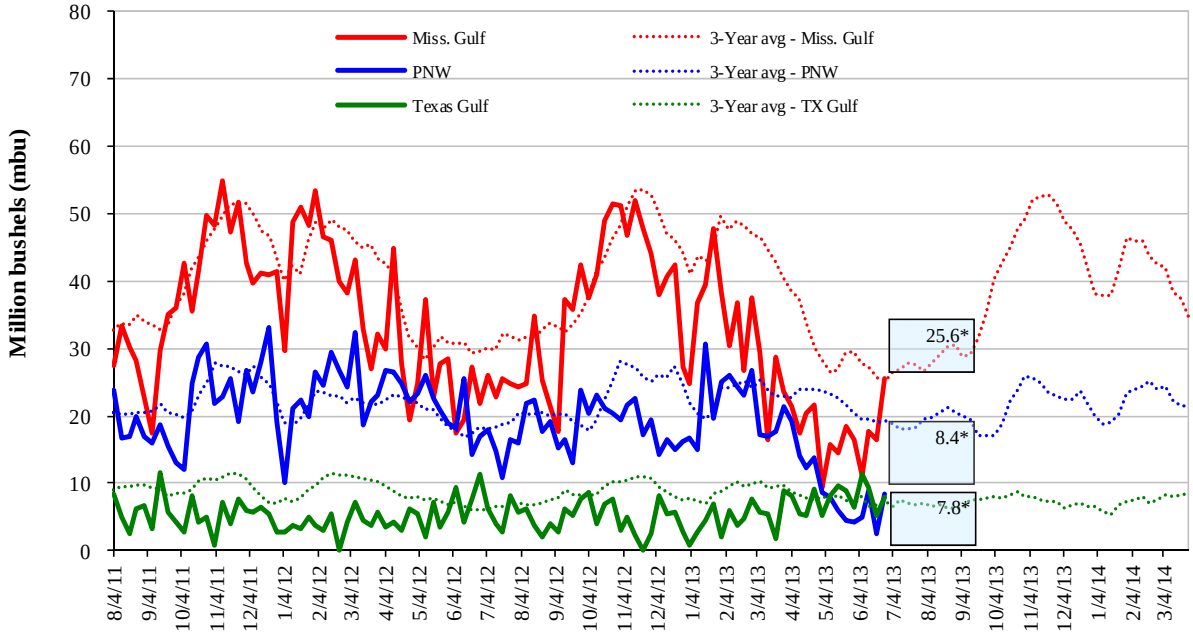


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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

Figure 15

U.S. Grain Inspections: U.S. Gulf and PNW[1] (wheat, corn, and soybeans)



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

June 27 % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	up 56	up 52	up 55	up 224
Last year (same week)	up 17	down 30	up 0.8	down 21
3-yr avg. (4-wk mov. avg.)	up 2	up 7	up 3	down 22

Ocean Transportation

Table 17

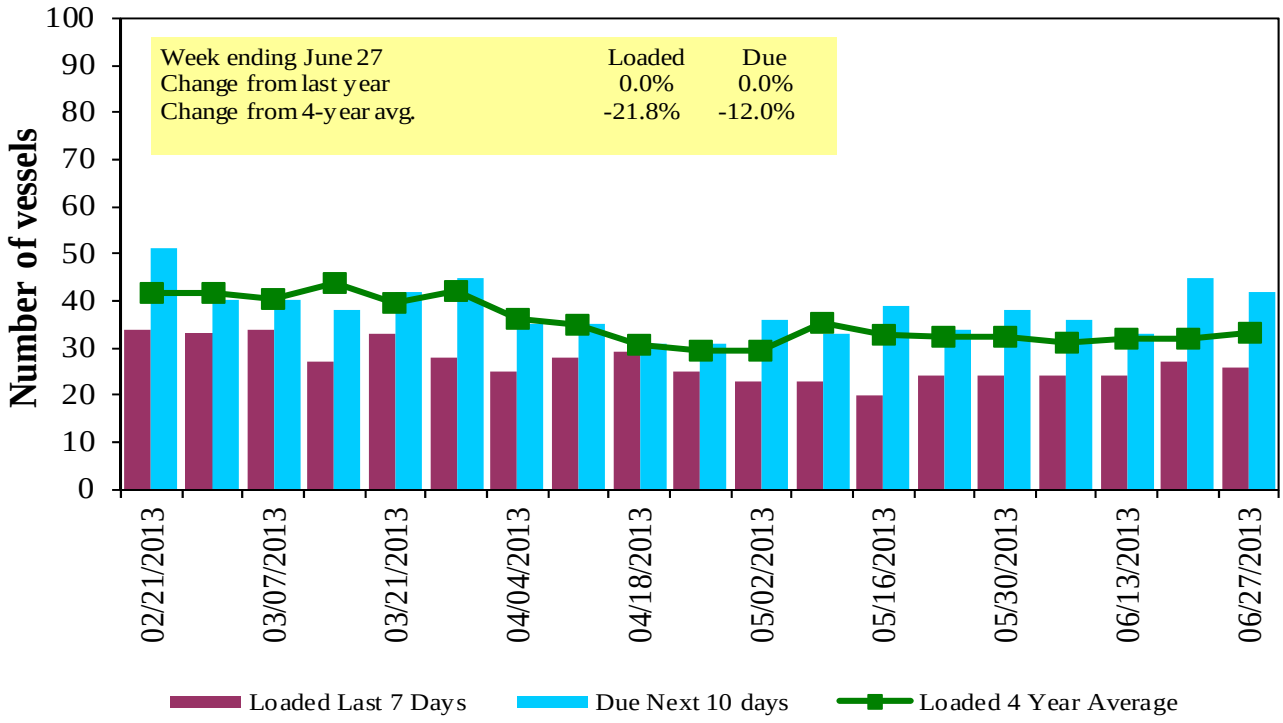
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

	Gulf			Pacific Northwest	Vancouver B.C.
Date	In port	Loaded 7-days	Due next 10-days	In port	In port
6/27/2013	16	26	42	8	n/a
6/20/2013	19	27	45	8	n/a
2012 range	(13..50)	(13..46)	(27..78)	(4..20)	n/a
2012 avg.	28	33	46	11	n/a

Source: Transportation & Marketing Programs/AMS/USDA

Figure 16

U.S. Gulf[1] Vessel Loading Activity

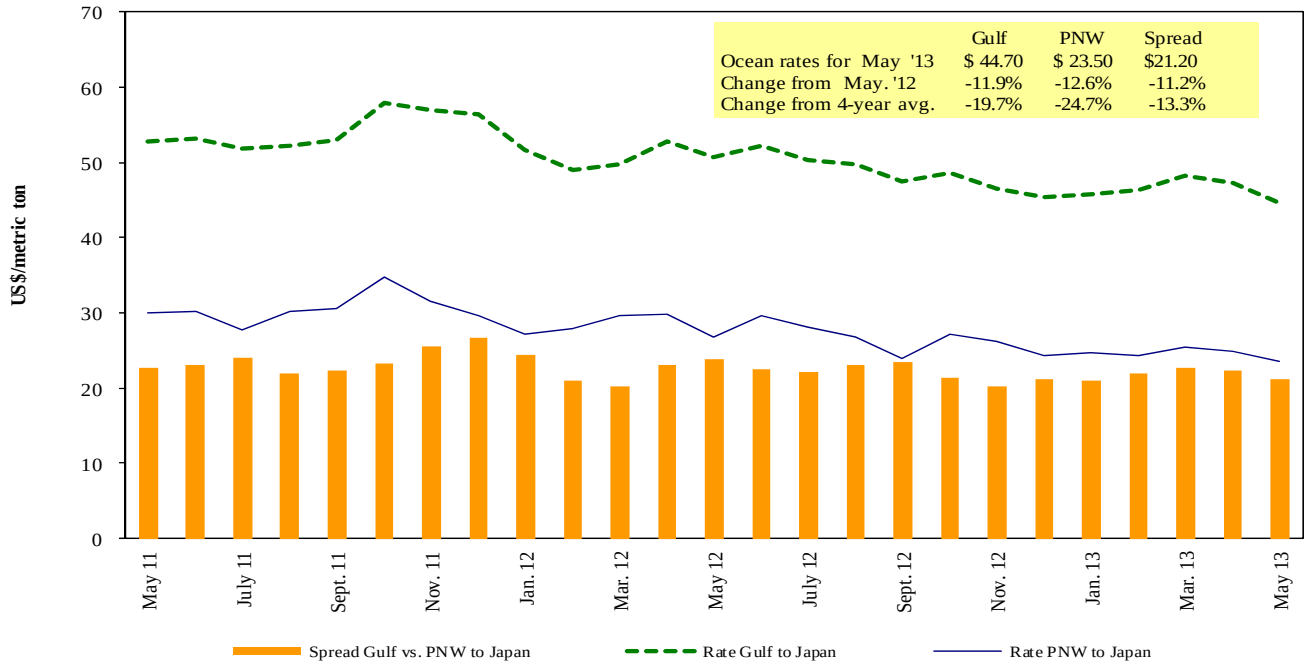


Source:Transportation & Marketing Programs/AMS/USDA

[1]U.S. Gulf includes Mississippi, Texas, and East Gulf.

Figure 17

Grain Vessel Rates, U.S. to Japan



Source: O'Neil Commodity Consulting

Table 18

Ocean Freight Rates For Selected Shipments, Week Ending 06/29/2013

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US$/metric ton)
U.S. Gulf	China	Heavy Grain	Jul 10/20	55,000	42.00
U.S. Gulf	China	Heavy Grain	Oct 1/Dec 31	55,000	33.00
U.S. Gulf	China	Heavy Grain	Jun 1/3	55,000	41.00
U.S. Gulf	China	Heavy Grain	Jan 25/Feb 5	55,000	43.05
U.S. Gulf	Egypt Med	Heavy Grain	Feb 20/Mar 5	60,000	23.25
PNW	Bangladesh[1]	Wheat	Jun 10/20	4,610	98.00
Brazil	China	Heavy Grain	Jul 20/30	60,000	34.50
Brazil	China	Heavy Grain	Jul 1/10	60,000	34.00
Brazil	China	Heavy Grain	Jun 25/Jul 5	60,000	32.50
Brazil	China	Heavy Grain	June 25/30	60,000	32.50
Brazil	China	Heavy Grain	Jul 1/30	65,000	36.00
Brazil	China	Heavy Grain	Jun 20/30	60,000	37.00
France	Algeria	Wheat	Apr 15/25	30,000	18.75
River Plate	China	Heavy Grain	Jun 1/10	60,000	39.00
River Plate	Japan	Grain	Jun 1/10	60,000	48.00
River Plate	Grain	Soybean Meals	Jun 1/10	40,000	50.00
River Plate	Egypt	Heavy Grain	Jul 1/10	50,000	33.00
River Plate	Egypt	Heavy Grain	May 1/10	45,000	40.00
Ukraine	Iran	Wheat	Jun 10/18	60,000	32.50

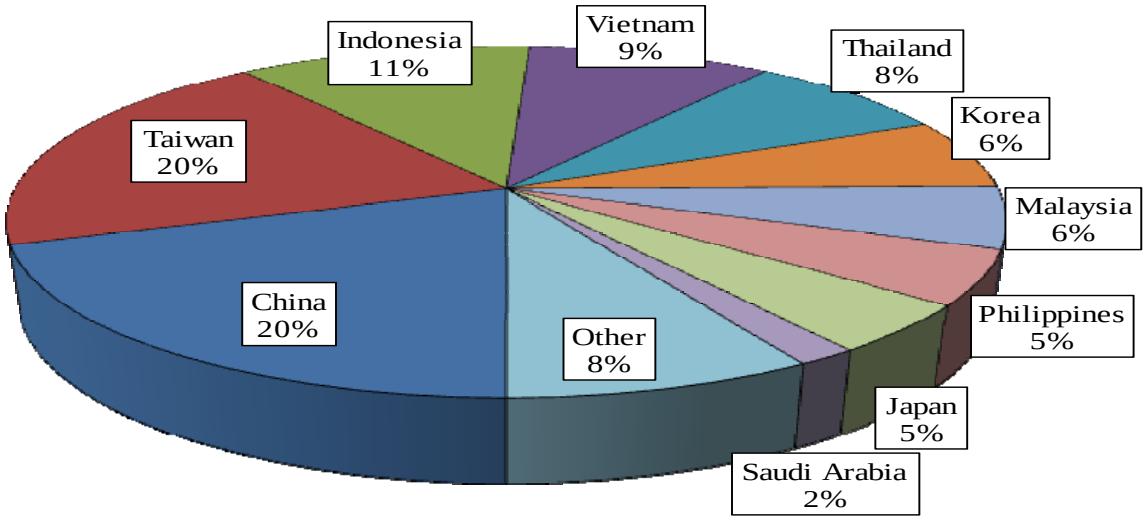
Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option

[1]50 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 2012, containers were used to transport 8 percent of total U.S. waterborne grain exports, up 1 percentage point from 2011. Approximately 66 percent of U.S. waterborne grain exports in 2012 went to Asia, of which 11 percent were moved in containers. Asia is the top destination for U.S. containerized grain exports—96 percent in 2012.

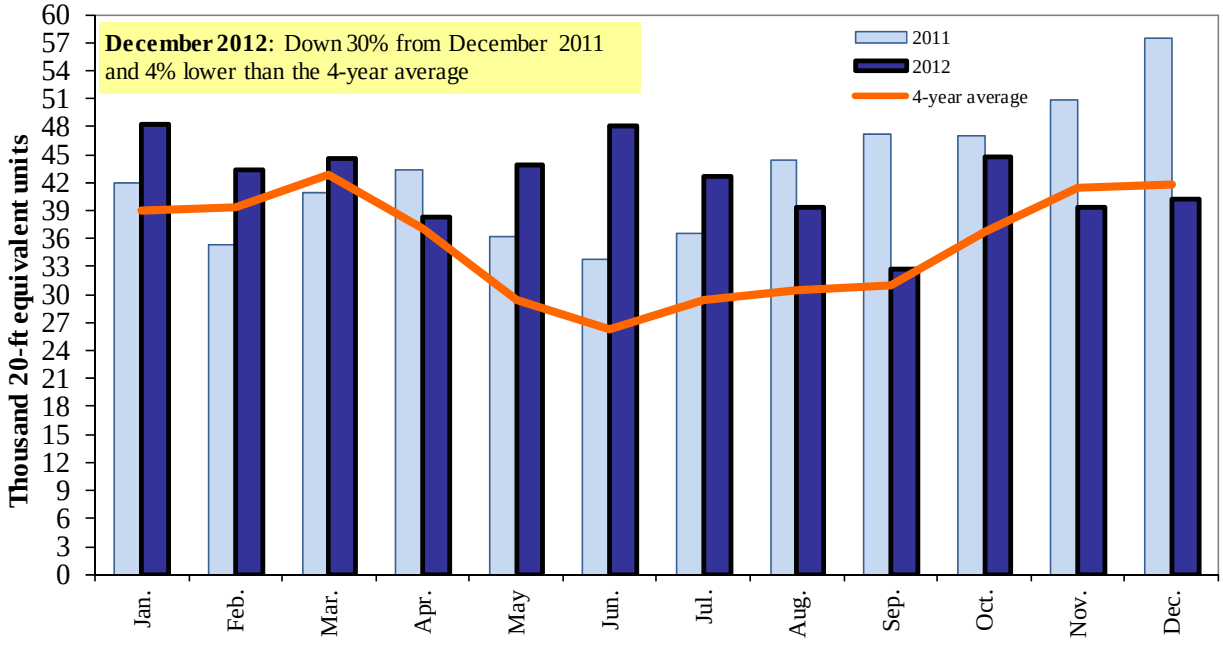
Figure 18
Top 10 Destination Markets for U.S. Containerized Grain Exports, December 2012



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.

Contacts and Links

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