



Grain Transportation Report

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

Contact Us

July 25, 2013

WEEKLY HIGHLIGHTS

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
release is
Aug. 1, 2013

Mexico to Invest \$100 Billion in Transportation Infrastructure

According to a report by Transport Topics on July 17, the government of Mexico is planning to invest about \$100 billion in road, port and rail projects during the next 5 years. Among the projects to be developed is building or modernization of seven sea ports, 3,350 miles of highways, four airports and speeding up freight train service. Mexico seeks to become the great logistic platform for Latin America by creating savings in time and the cost of transporting goods. Mexico was the third largest U.S. Agricultural export market in 2012, buying \$18.9 billion of U.S. exports. The leading agricultural products exported to Mexico include: coarse grains (\$3.0 billion), red meat (fresh, chilled, and frozen) (\$1.9 billion), soybeans (\$1.9 billion), dairy products (\$1.2 billion), and wheat (\$1.1 billion).

Diesel Fuel Prices Increase for Third Straight Week

During the week ending July 22, U.S. average **diesel fuel prices** increased 4 cents to \$3.90 per gallon—12 cents higher than the same week last year. After decreasing 7 cents over a 6-week period, prices have increased 9 cents in the past 3 weeks from \$3.82 for the week ending July 1. Crude oil prices have stayed above \$106 per barrel for the past few weeks, their highest levels in over a year. The price increases are also due to dwindling stockpiles of crude oil and the instability in Egypt, which has the potential to disrupt shipments through the Suez Canal.

Total Grain Inspections Down but Wheat Export Sales Remain Strong

For the week ending July 18, **total inspections of grain** (corn, wheat, and soybeans) for export from the major export regions reached .934 million metric tons (mmt), down 20 percent from the previous week and 26 percent below this time last year. Inspections of each of the major grains receded from the past week. Although down 5 percent from the previous week, wheat inspections were 23 percent above the 3-year average as shipments to Asia remained strong. Outstanding (unshipped) export sales of wheat reached 8 mmt. Unshipped wheat export sales were the highest since March 2011, due primarily to a rebound in sales of soft red winter and soft white wheat.

House Energy and Power Subcommittee Held Hearings to Review the RFS

On July 23 and 24, the U.S. House of Representatives held hearings on [the Overview of the Renewable Fuel Standard: Stakeholder Perspectives](#). The hearings follow a series of [five white papers](#) issued by the Energy and Commerce Committee about the Renewable Fuel Standard (RFS). Over the course of 2 days, 16 stakeholders delivered official testimony and answered questions from many members of Congress. The three panels discussed the recent increases in the Renewable Identification Numbers (RIN's) prices, the status of E-15 and E-85, and multiple industry perspectives about the benefits and challenges of the RFS. Members of Congress are looking for solutions to ensure fuel prices remain as low as possible for the American consumer, American jobs remain safe, and greenhouse gas emissions are reduced.

Snapshots by Sector

Rail

U.S. railroads originated 16,188 **carloads of grain** during the week ending July 13, up 9 percent from last week, down 11 percent from last year, and 14 percent from the 3-year average.

During the week ending July 18, average August non-shuttle **secondary railcar bids/offers per car** were at tariff, down \$25 from last week and \$20 lower than last year. Average shuttle bids/offers were \$146 below tariff, down \$33.50 from last week and \$225 higher than last year.

Barge

During the week ending July 20, **barge grain movements** totaled 344,798 tons, 43.5 percent lower than the previous week and 37 percent lower than the same period last year.

During the week ending July 20, 221 grain barges **moved down river**, down 44.5 percent from last week; 315 grain barges were **unloaded in New Orleans**, down 26.7 percent from the previous week.

Ocean

During the week ending July 18, 27 **ocean-going grain vessels** were loaded in the Gulf, up 13 percent from the same period last year. Forty vessels are expected to be loaded within the next 10 days, down 18 percent from the same period last year.

During the week ending July 18, the ocean freight rate for shipping bulk grain from the Gulf to Japan was \$47.50 per mt, up 2 percent from the previous week. The cost of shipping from the Pacific Northwest to Japan was \$25.75 per mt, up 3 percent from the previous week.

Feature Article/Calendar

How Long Will Ocean Freight Rates Stay Low?

Ocean freight rates for shipping bulk commodities, including grain, continue to remain low, but for how long? While some market analysts suggest that the freight rates will continue to decline or at least remain low for a while, some argue that the rates have hit the bottom and can only rise in the not so distant future.

A recent article published by The Maritime Executive¹ indicates the outlook for dry bulk shipping is brightening and is expected to improve after a stormy 4 years. According to the article, the Baltic Exchange's main sea index, which tracks freight rates for ships carrying dry bulk commodities such as coal, iron ore, and grain, climbed to 1,171 points on June 21 after plunging to a 16-year low of 647 last year. The index has climbed about 65 percent since the beginning of the year, but the highest point on record was 11,793 in 2008.

The slow recovery and market optimism are attributed to a slowdown in new ship orders and a strengthening of demand from China, the largest importer of dry bulk commodities. In addition, the global dry bulk fleet is expected to grow by 2 to 3 percent next year, but dry bulk volumes are likely to grow by at least 6 percent. The dry bulk fleet currently grows at about 5 percent per year.

Meanwhile, ocean freight rates for shipping bulk grain continue to fall. The rates for shipping bulk grain from the U.S. Gulf to Japan averaged \$48.78 per metric ton (mt) during the second quarter—2 and 10 percent less than the previous quarter and same period last year, respectively (see table and figure below). The rates from the Pacific Northwest (PNW) to Japan averaged \$24 per mt—3 and 12 percent less than the previous quarter and same period last year, respectively. Both Gulf-to-Japan and PNW-to-Japan rates were 17 and 22 percent lower than their 4-year averages, respectively. However, at \$20.97 per mt, the rate from the Gulf to Rotterdam was 7 and 1 percent above last quarter and last year, respectively, but 8 percent below the 4-year average. The spread between the Gulf-to-Japan and PNW-to-Japan rates was also lower than last quarter, same period last year, and its 4-year average.

Route	Apr.	May	June	2nd quarter 2013	Change from		
					1st qtr '13	2nd qtr '12	4-yr avg
	--\$/mt--			--\$/mt--	Percent		
U.S. Gulf to Japan	47.25	44.70	45.38	45.78	-2.0	-10	-17
PNW to Japan	24.88	23.50	23.63	24.00	-3.4	-12	-22
Spread	22.37	21.20	21.75	21.77	-1	-15	-11
U.S. Gulf to Europe	20.88	20.40	21.63	20.97	7	1	-8

Source: O'Neil Commodity Consulting

Rates declined during April and May as lackluster demand was unable to keep up with persistent vessel deliveries. The Indian Supreme Court partially lifted a ban on 63 mining operations, lowering import requirements. Indonesian coal shipments were hampered by severe rains in East Kalimantan. Chinese

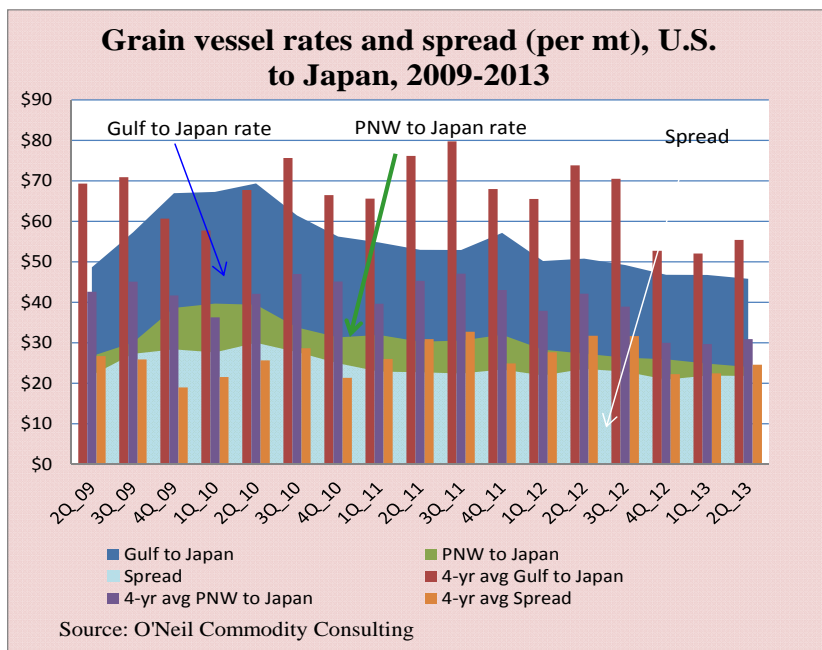
¹ "Outlook Brightens for Drybulk Shippers, But Fewer Left Afloat" by Swetha Gopinath and Thyagaraju Adinarayan, © Reuters in The Maritime Executive, June 28, 2013. Web < <http://www.maritime-executive.com/article/Outlook-Brightens-for-Drybulk-Shippers-But-Fewer-Left-Afloat-2013-06-28/>>

steel mills lowered imports of iron ore. The rates increased slightly in June due to improvements in coal and iron ore shipments. There were also logistical problems toward the end of June as more vessels lined up in major iron ore and coal loading ports. Congestion at major ports reduces the efficiency of vessel utilization and can put upward pressure on ocean freight rates.

Market outlook: Bulk ocean freight rates are currently lower than average, although it is uncertain how long the situation will remain this way.

In the long run, analysts predict an improvement in the dry bulk market. However, in the near term, there are many variables affecting the dry bulk market, and consequently ocean freight rates.

According to a June report by O’Neil Commodity Consulting, the year-to-date SSY (Simpson, Spence and Young) fleet data put the dry bulk new deliveries at 398 vessels—33.3 million deadweight tons (mdwt). Out of these newly delivered vessels, 129 were Panamaxes, representing 10.6 mdwt. As new vessels continue to be delivered, there is concern by some analysts as explained below that developments in China could dampen dry bulk demand, keeping rates low.



Weakening Chinese steel prices may lead to increased production costs at most mills. The Chinese housing inflation rate rose to a 2-year high in April, causing developers to postpone decisions. These scenarios could limit the importation of iron ore and other bulk items. It is also likely that China, the world’s largest importer, may reduce its sugar importation. China’s sugar stocks were more than doubled last season, limiting import demand.

Developments in other parts of the globe, however, offer potential stimulants to the sluggish bulk market. Indian coal buyers in the process of building stockpiles ahead of monsoon season (June to September) and also in keeping up with the demand in the power sector have been steadily increasing imports. A British-Australian mining corporation (Rio Finto) plans to expand its iron ore output capacity by 290 million tons per annum by the third quarter 2013.

So, how long will ocean freight rates stay low? It depends on which analysts you listen to.

surajudeen.olowolayemo@ams.usda.gov

Grain Transportation Indicators

Table 1
Grain Transport Cost Indicators¹

Week ending	Truck		Rail		Barge	Ocean	
		Unit	Train	Shuttle		Gulf	Pacific
07/24/13	262		234	202	147	208	176
07/17/13	260		234	204	157	203	170

¹Indicator: 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)

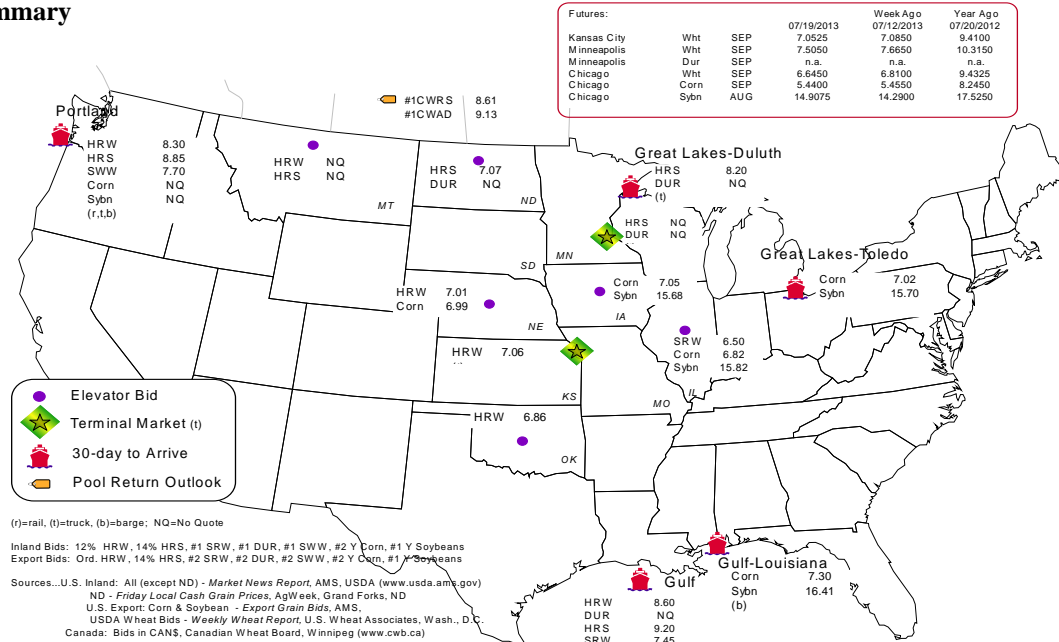
Commodity	Origin--Destination	7/19/2013	7/12/2013
Corn	IL--Gulf	-0.48	-0.47
Corn	NE--Gulf	-0.31	-0.48
Soybean	IA--Gulf	-0.73	-0.47
HRW	KS--Gulf	-1.54	-1.58
HRS	ND--Portland	-1.78	-2.05

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		Pacific	Atlantic &	Total	Week ending	Cross-Border Mexico ³
	Gulf	Texas Gulf	Northwest	East Gulf			
07/17/2013 ^p	137	1,357	668	158	2,320	07/13/13	1,737
07/10/2013 ^r	314	1,387	1,075	193	2,969	07/06/13	1,075
2013 YTD ^r	9,757	35,528	73,958	9,666	128,909	2013 YTD	34,210
2012 YTD ^r	4,543	21,707	115,684	10,816	152,750	2012 YTD	59,328
2013 YTD as % of 2012 YTD	215	164	64	89	84	% change YTD	58
Last 4 weeks as % of 2012 ²	141	204	38	81	72	Last 4wks % 2012	96
Last 4 weeks as % of 4-year avg. ²	162	166	36	55	66	Last 4wks % 4 yr	83
Total 2012	22,604	40,780	199,419	34,325	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 approximately 15 percent below the Association of American Railroads reported weekly carloads received by Mexican railroads to reflect switching between KCSM and Ferromex.

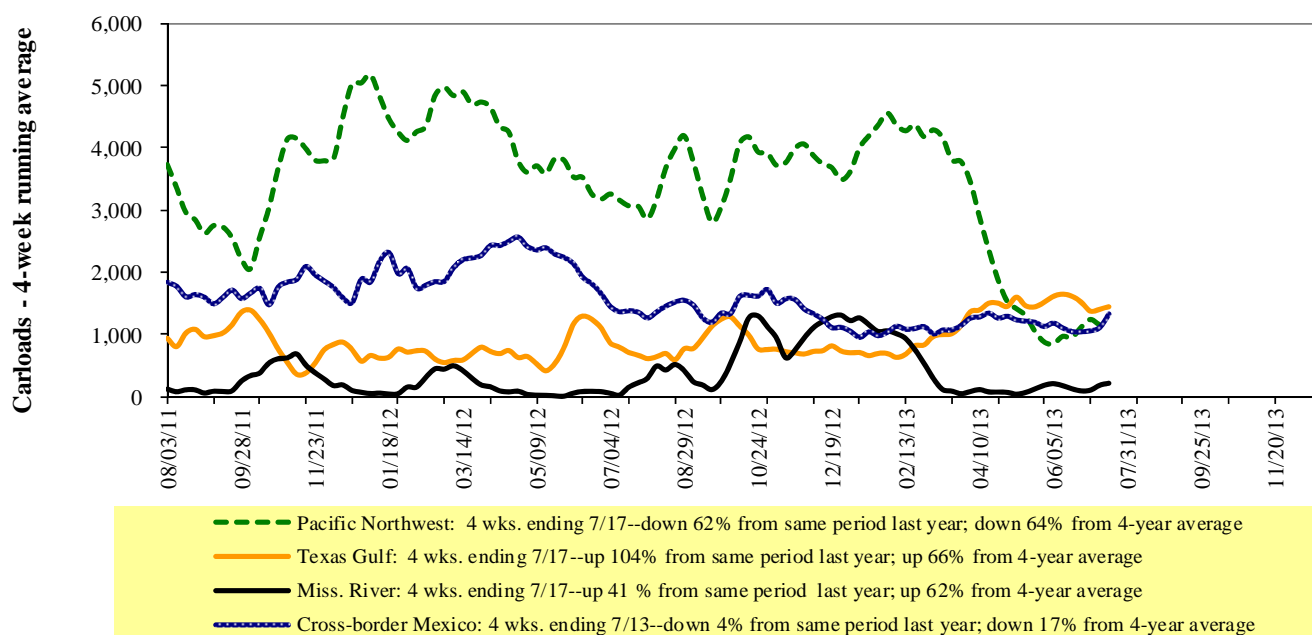
YTD = year-to-date; p = preliminary data; r = revised data; YTD PNW carloads includes revisions back to August 2011 ; n/a = not available

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



Source: Transportation & Marketing Programs/AMS/USDA

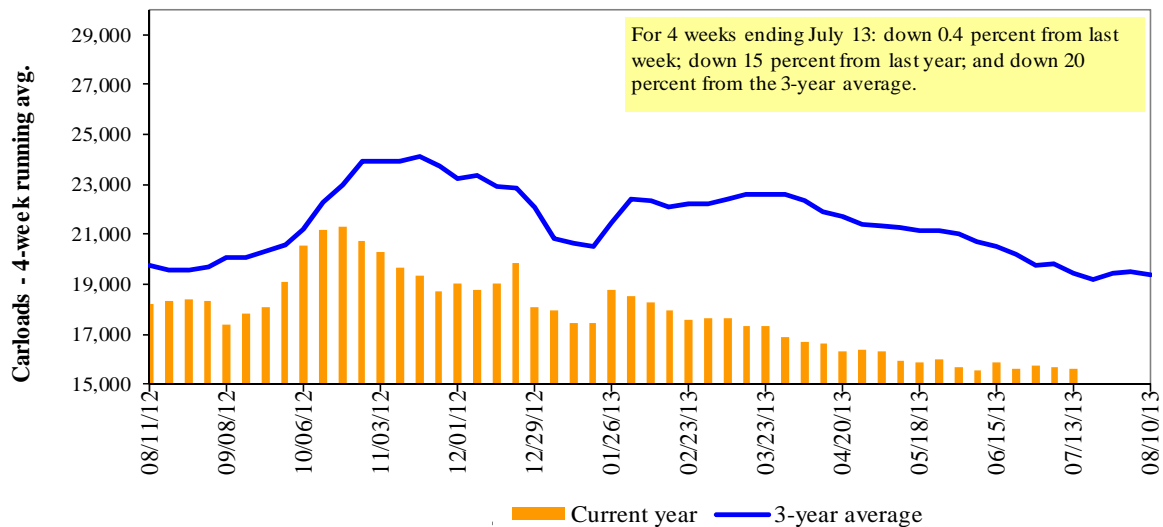
Table 4

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
07/13/13	1,141	2,403	8,646	316	3,682	16,188	2,506	5,896
This week last year	1,395	2,825	8,595	390	5,004	18,209	4,420	5,115
2013 YTD	40,886	71,031	237,301	13,167	106,379	468,764	89,355	143,512
2012 YTD	52,903	79,126	272,105	14,055	145,005	563,194	107,771	131,204
2013 YTD as % of 2012 YTD	77	90	87	94	73	83	83	109
Last 4 weeks as % of 2012	85	91	93	96	67	85	67	108
Last 4 weeks as % of 3-yr avg. ¹	72	86	89	73	66	80	70	105
Total 2012	85,384	145,336	515,638	26,936	244,077	1,017,371	204,068	266,266

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							
	Aug-13	Aug-12	Sep-13	Sep-12	Oct-13	Oct-12	Nov-13	Nov-12
BNSF³								
COT grain units	0	3	no bids	5	no offer	no offer	no offer	no offer
COT grain single-car ⁵	0	1..7	0	0..7	0	no offer	no offer	no offer
UP⁴								
GCAS/Region 1	no bids	no bids	no bids	no bids	no bids	no bids	n/a	n/a
GCAS/Region 2	no bids	no bids	1	no bids	6	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.

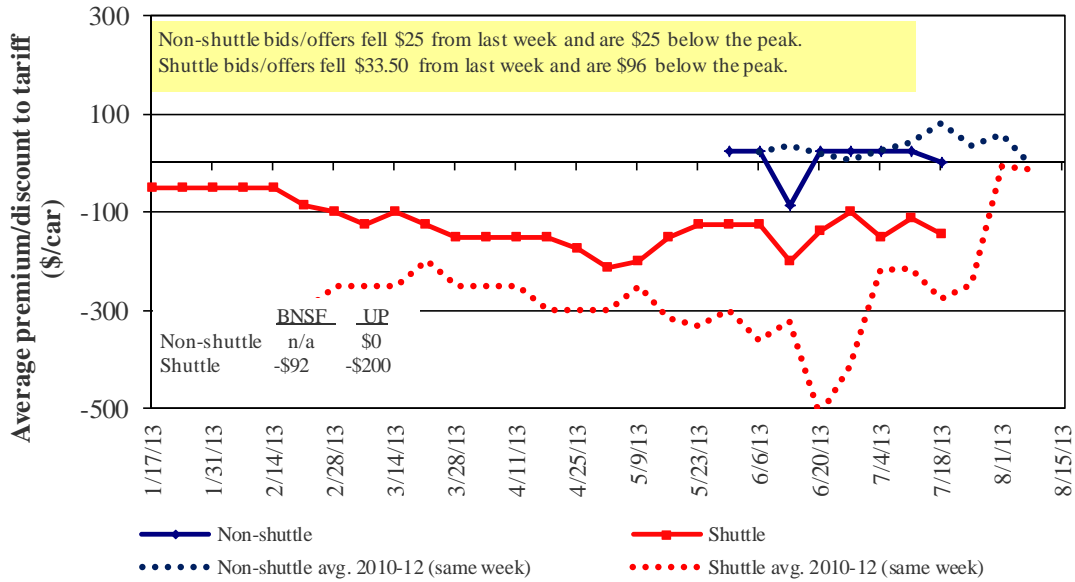
⁵Range is shown because average is not available. Not available = n/a.

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 August 2013, Secondary Market

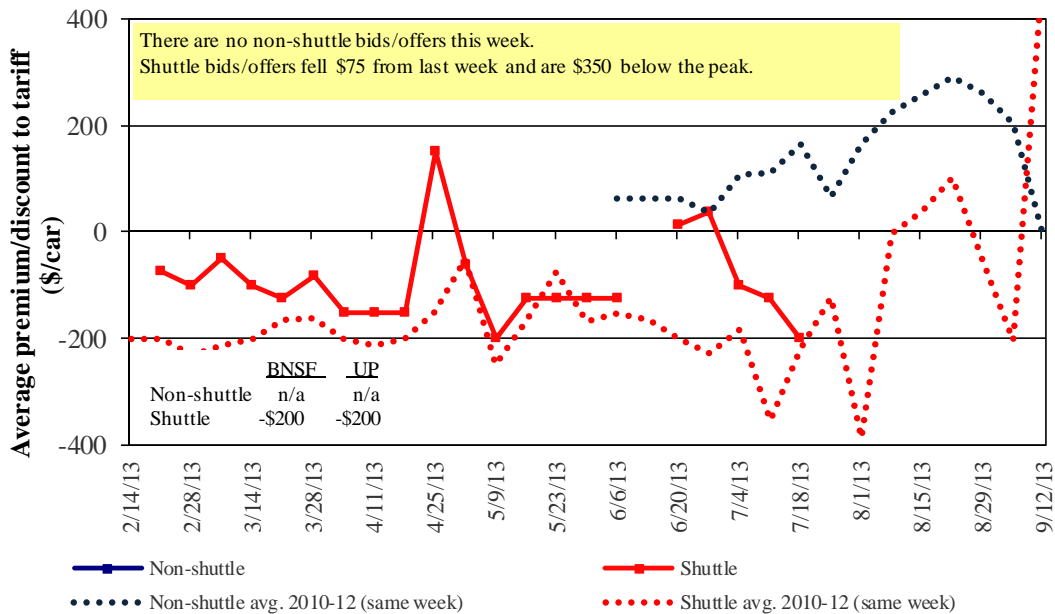


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

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

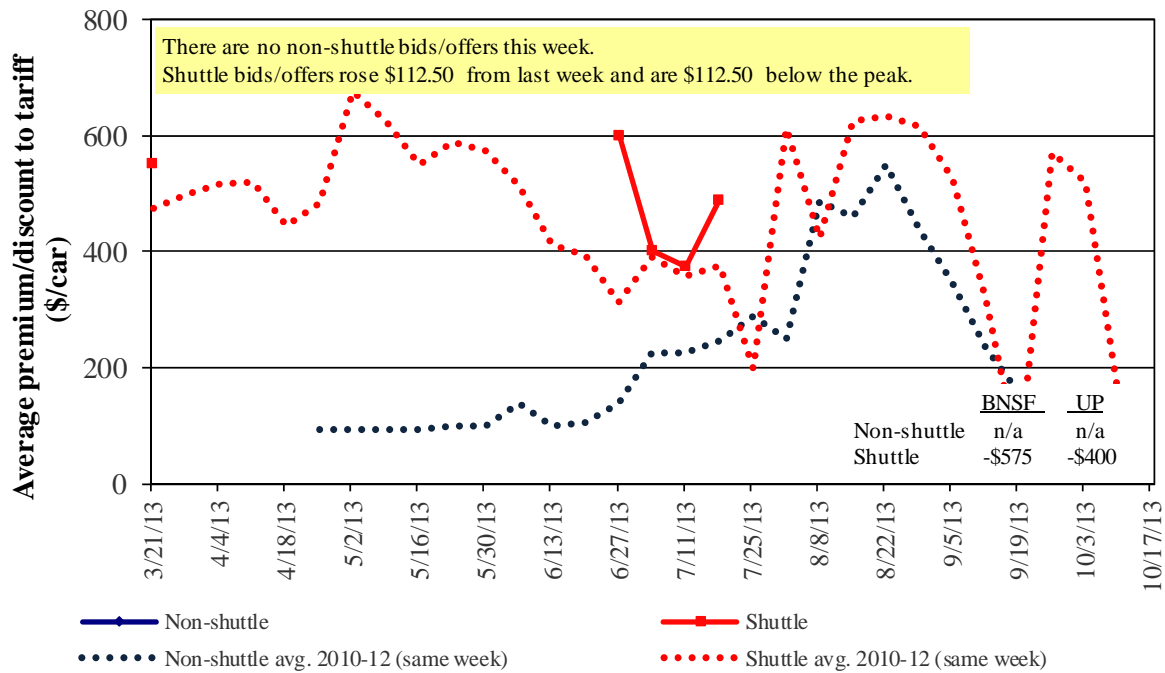


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in October 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					
	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14
Non-shuttle						
BNSF-GF	n/a	n/a	n/a	n/a	n/a	n/a
Change from last week	n/a	n/a	n/a	n/a	n/a	n/a
Change from same week 2012	n/a	n/a	n/a	n/a	n/a	n/a
UP-Pool	-	n/a	n/a	n/a	n/a	n/a
Change from last week	(25)	n/a	n/a	n/a	n/a	n/a
Change from same week 2012	(15)	n/a	n/a	n/a	n/a	n/a
Shuttle²						
BNSF-GF	(92)	(200)	575	n/a	n/a	n/a
Change from last week	33	n/a	275	n/a	n/a	n/a
Change from same week 2012	250	88	n/a	n/a	n/a	n/a
UP-Pool	(200)	(200)	400	n/a	n/a	n/a
Change from last week	(100)	(75)	(50)	n/a	n/a	n/a
Change from same week 2012	200	125	275	n/a	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 Shipments¹

Effective date:				Fuel	Tariff plus surcharge per:		Percent
7/1/2013	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	\$3,191	\$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	\$0.88	43
	Toledo, OH	Raleigh, NC	\$4,508	\$407	\$48.81	\$1.24	2
	Des Moines, IA	Davenport, IA	\$2,006	\$77	\$20.68	\$0.53	3
	Indianapolis, IN	Atlanta, GA	\$3,920	\$306	\$41.96	\$1.07	2
	Indianapolis, IN	Knoxville, TN	\$3,354	\$196	\$35.25	\$0.90	2
	Des Moines, IA	Little Rock, AR	\$3,146	\$225	\$33.48	\$0.85	2
	Des Moines, IA	Los Angeles, CA	\$5,065	\$656	\$56.82	\$1.44	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	\$1.37	-1
	Sioux Falls, SD	Tacoma, WA	\$4,760	\$593	\$53.16	\$1.35	-1
	Champaign-Urbana, IL	New Orleans, LA	\$2,929	\$362	\$32.68	\$0.83	2
	Lincoln, NE	Galveston-Houston, TX	\$3,310	\$346	\$36.30	\$0.92	-1
	Des Moines, IA	Amarillo, TX	\$3,510	\$283	\$37.67	\$0.96	2
	Minneapolis, MN	Tacoma, WA	\$4,800	\$643	\$54.05	\$1.37	-1
	Council Bluffs, IA	Stockton, CA	\$4,200	\$665	\$48.31	\$1.23	-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

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: 7/1/2013

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	\$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

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

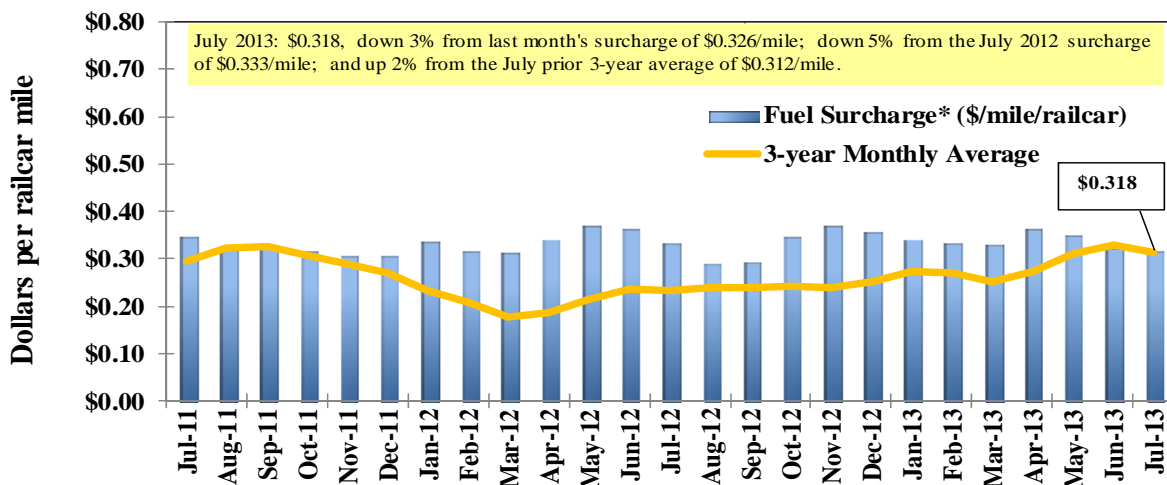
³Approximate load per car = 97.87 metric tons: Corn & Sorghum 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

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

⁵Beginning 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 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.

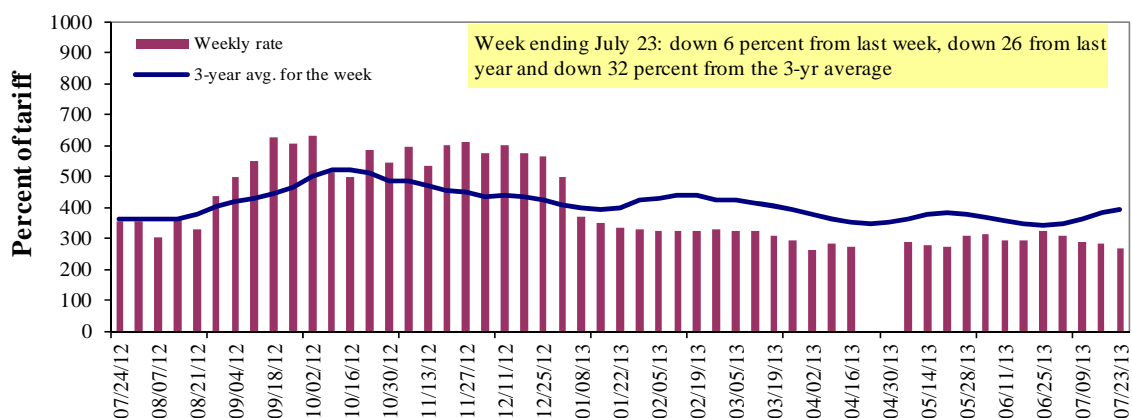
** BNSF strike price (diesel price when fuel surcharges begin) changed from \$1.25/gal. to \$2.50/gal. starting March 1, 2011. As a result, the weighted average fuel surcharge for March 2011 was \$0.227/mile instead of \$0.331/mile.

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

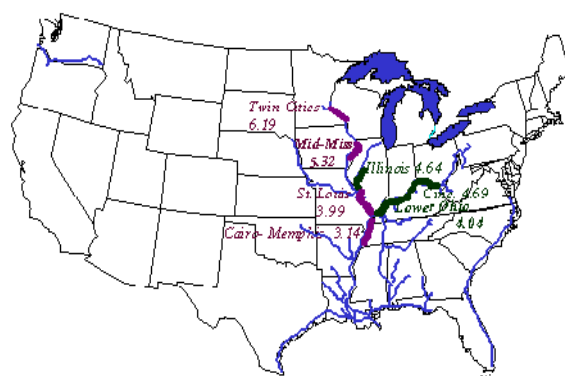
Weekly Barge Freight Rates: Southbound Only

		Twin Cities	Mid-Mississippi	Lower Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo-Memphis
Rate¹	7/23/2013	340	293	265	220	200	200	185
	7/16/2013	357	300	282	223	200	200	185
\$/ton	7/23/2013	21.05	15.59	12.30	8.78	9.38	8.08	5.81
	7/16/2013	22.10	15.96	13.08	8.90	9.38	8.08	5.81
Current week % change from the same week:								
	Last year	-29	-21	-26	-35	-40	-40	-39
	3-year avg. ²	-27	-24	-32	-30	-42	-42	-34
Rate¹	August	363	312	307	260	267	267	232
	October	573	568	560	512	567	567	508

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

Source: Transportation & Marketing Programs/AMS/USDA

Figure 9
Benchmark tariff rates



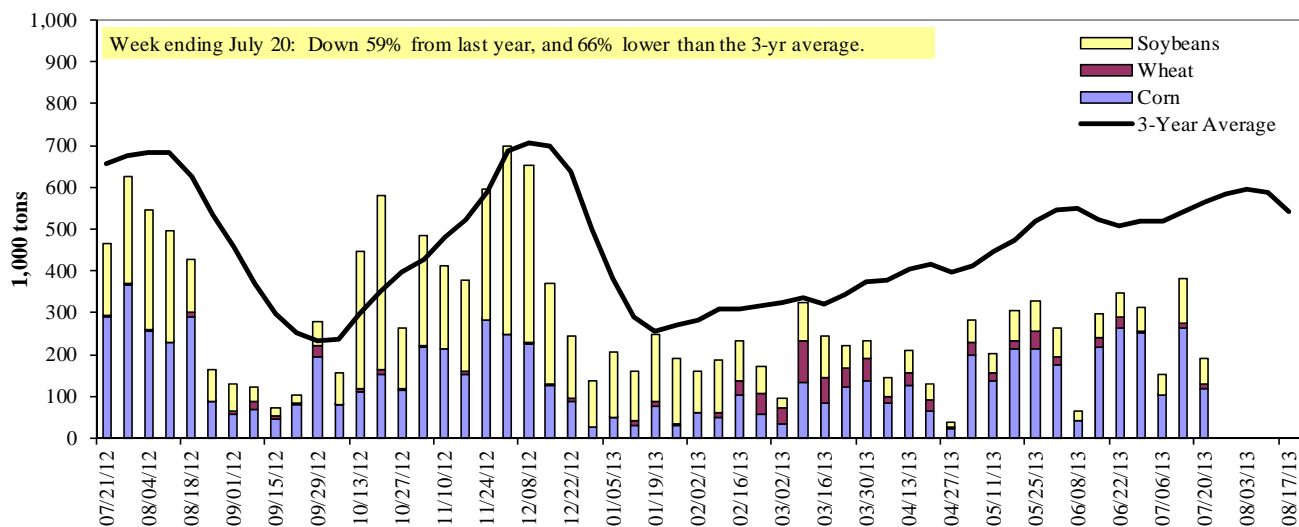
Calculating barge rate per ton:

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

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 7/20/2013	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	78	9	31	2	120
Winfield, MO (L25)	96	5	40	0	141
Alton, IL (L26)	117	11	56	0	184
Granite City, IL (L27)	117	11	64	0	192
Illinois River (L8)	25	17	25	0	67
Ohio River (L52)	30	73	10	0	112
Arkansas River (L1)	0	35	6	0	41
Weekly total - 2013	147	118	80	0	345
Weekly total - 2012	308	30	211	0	548
2013 YTD ¹	4,691	2,354	4,174	118	11,337
2012 YTD	10,186	1,165	5,845	176	17,372
2013 as % of 2012 YTD	46	202	71	67	65
Last 4 weeks as % of 2012 ²	74	46	42	8	80
Total 2012	14,837	1,794	12,663	229	29,523

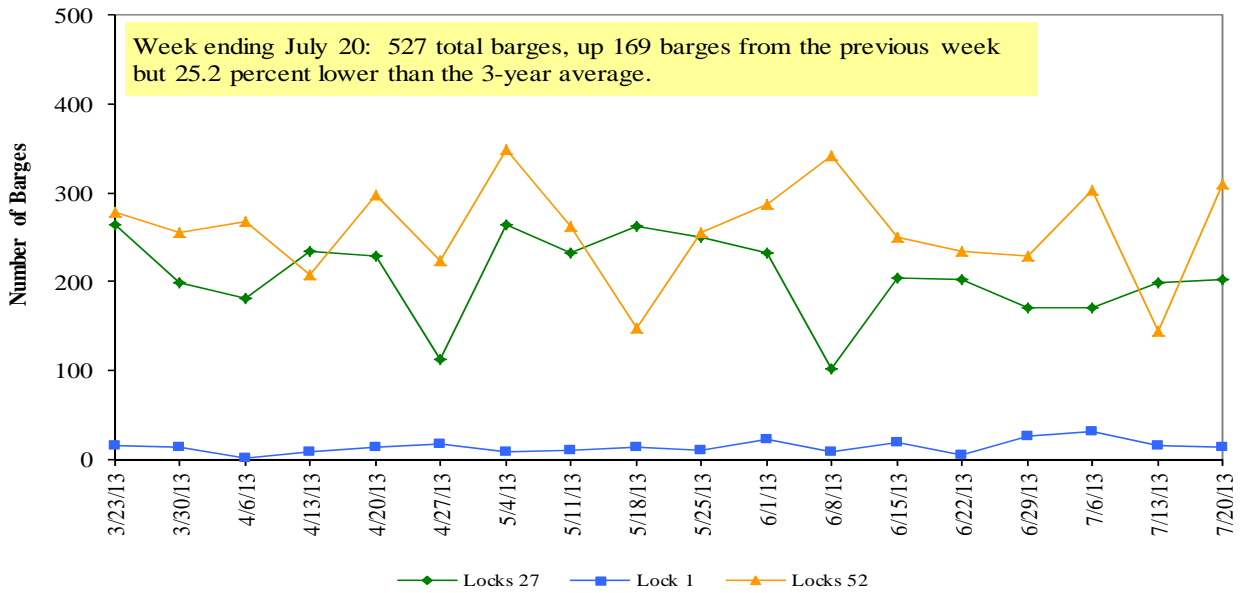
¹ Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

² As a percent of same period in 2012.

Note: Total may not add exactly, due to rounding

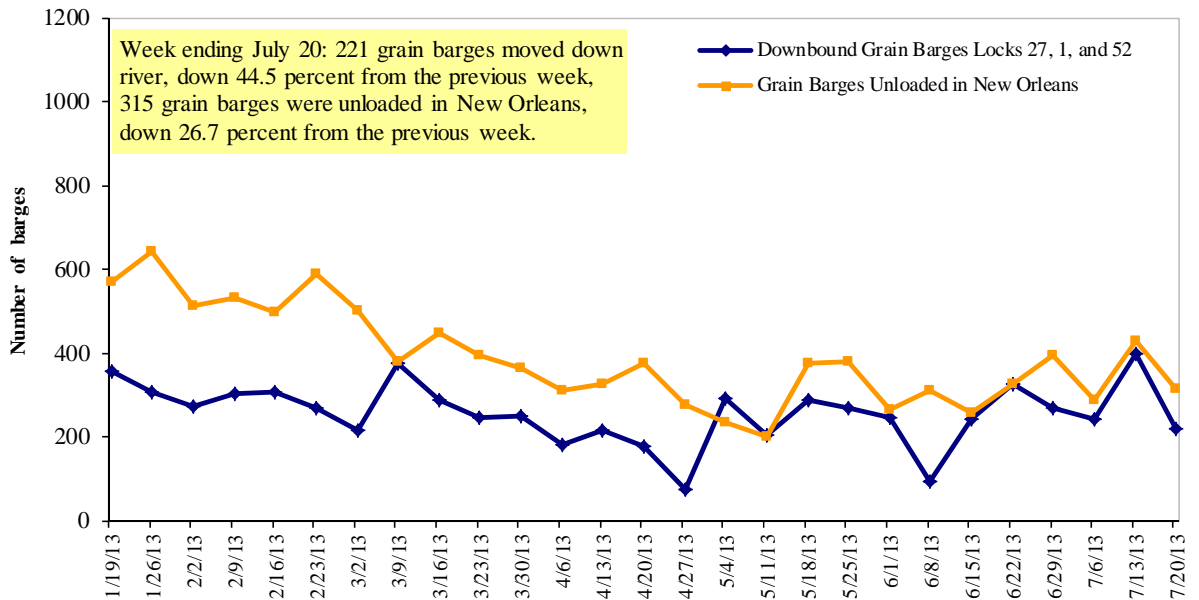
Source: U.S. Army Corps of Engineers

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 Prices¹, Week Ending 7/22/2013 (US \$/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	3.919	0.043	0.093
	New England	4.047	0.042	0.131
	Central Atlantic	3.971	0.032	0.071
	Lower Atlantic	3.857	0.053	0.104
II	Midwest ²	3.875	0.023	0.126
III	Gulf Coast ³	3.841	0.043	0.130
IV	Rocky Mountain	3.866	0.037	0.165
V	West Coast	4.041	0.044	0.140
	West Coast less California	3.956	0.039	0.144
	California	4.113	0.048	0.137
Total	U.S.	3.903	0.036	0.120

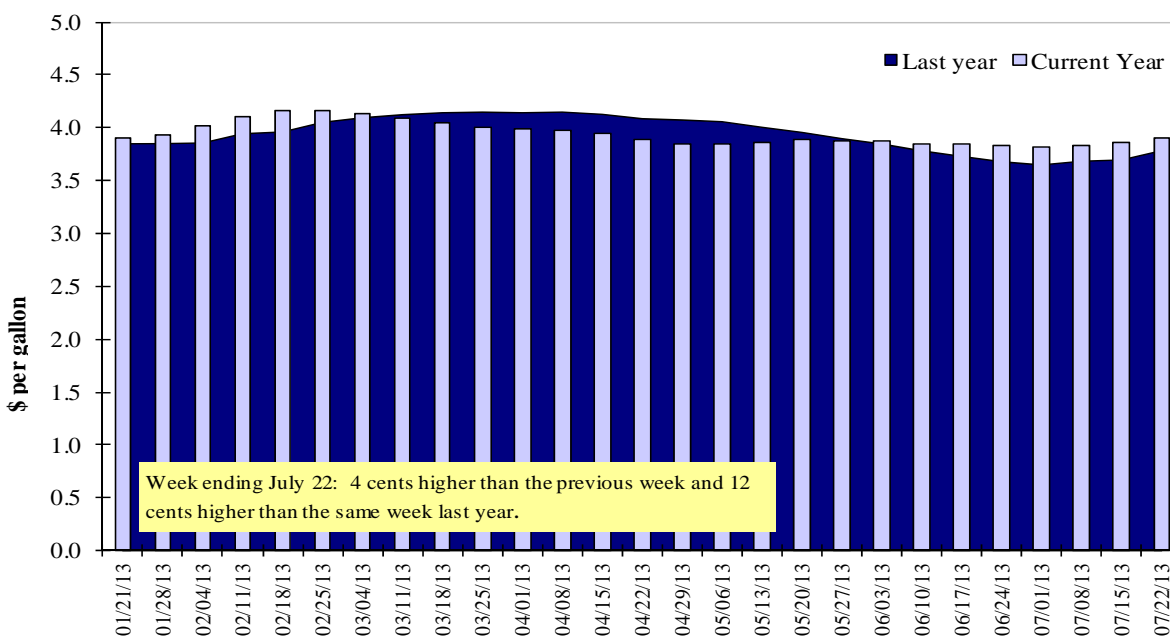
¹Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

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									
7/11/2013	1,808	3,715	1,300	1,125	84	8,031	2,983	1,249	12,263
This week year ago	1,501	813	1,348	1,137	123	4,922	4,659	4,669	14,250
Cumulative exports-marketing year²									
2012/13 YTD	1,647	1,157	539	238	22	3,603	15,730	35,634	54,967
2011/12 YTD	1,522	487	670	387	47	3,113	34,485	33,428	71,026
YTD 2012/13 as % of 2011/12	108	238	80	61	n/a	116	46	107	77
Last 4 wks as % of same period 2011/12	131	375	100	90	72	152	67	28	84
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 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 Importers¹ of U.S. Corn

Week ending 07/11/2013	Total Commitments ²			% change current MY from last MY	Exports ³ 2011/12
	2013/14 Next MY	2012/13 Current MY	2011/12 Last MY		
		- 1,000 mt -			- 1,000 mt -
Japan	917	7,059	11,769	(40)	12,367
Mexico	1,555	4,398	9,538	(54)	9,617
China	2,749	2,480	5,191	(52)	5,414
Korea	3	418	3,738	(89)	3,639
Venezuela	0	1,067	1,186	(10)	1,332
Top 5 Importers	5,223	15,422	31,422	(51)	32,369
Total US corn export sales	7,474	18,713	39,144	(52)	39,180
% of Projected	24%	105%	100%		
Change from prior week	1,591	153	32		
Top 5 importers' share of U.S. corn export sales	70%	82%	80%		83%
USDA forecast, July 2013	31,750	17,780	39,180	(55)	
Corn Use for Ethanol USDA forecast, Ethanol July 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 Importers¹ of U.S. Soybeans

Week Ending 07/11/2013	Total Commitments ²			% change current MY from last MY	Exports ³ 2011/12
	2013/14 Next MY	2012/13 Current MY	2011/12 Last MY		
	- 1,000 mt -				- 1,000 mt -
China	10,368	21,599	23,737	(9)	24,602
Mexico	319	2,587	3,159	(18)	3,180
Japan	138	1,777	1,785	(0)	1,891
Indonesia	29	1,583	1,524	4	1,741
Egypt	60	677	1,210	(44)	1,292
Top 5 importers	10,914	28,223	31,415	(10)	32,706
Total US soybean export sales	13,304	36,883	38,097	(3)	37,060
% of Projected	34%	102%	103%		
Change from prior week	592	111	135		
Top 5 importers' share of U.S. soybean export sales	82%	77%	82%		
USDA forecast, July 2013	39,460	36,200	37,060	(2)	

(n) indicates negative number.

¹Based on FAS 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/>³FAS 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 07/11/2013	Total Commitments ²		% change current MY from last MY	Exports ³ 2012/13
	2013/14 Current MY	2012/13 Last MY		
	- 1,000 mt -			- 1,000 mt -
Japan	730	993	(26)	3,544
Nigeria	651	699	(7)	3,002
Mexico	1,090	1,149	(5)	2,761
Philippines	474	675	(30)	1,965
Egypt	131	58	125	1,678
Korea	302	493	(39)	1,385
Taiwan	186	296	(37)	1,038
China	3,272	339	864	743
Venezuela	226	288	(22)	631
Colombia	240	155	55	600
Top 10 importers	7,303	5,145	42	17,347
Total US wheat export sales	11,634	8,035	45	26,348
% of Projected	40%	29%		
Change from prior week	997	589		
Top 10 importers' share of U.S. wheat export sales	63%	64%		66%
USDA forecast, July 2013	29,260	27,490	6	

(n) indicates negative number.

¹Based on FAS Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Jun 1 - May 31.²Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report, or Export Sales Query--<http://www.fas.usda.gov/esrquery/>³FAS 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 07/18/13	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		Total ¹ 2012
							2012	3-yr. avg.	
Pacific Northwest									
Wheat	198	190	104	6,276	7,330	86	115	95	12,625
Corn	0	27	1	1,311	4,353	30	9	6	5,512
Soybeans	0	0	n/a	3,696	5,213	71	0	0	10,347
Total	198	217	91	11,283	16,896	67	51	43	28,484
Mississippi Gulf									
Wheat	214	170	126	5,072	3,554	143	359	268	5,462
Corn	202	344	59	6,192	11,569	54	78	50	18,068
Soybeans	39	90	44	7,406	10,210	73	25	44	24,684
Total	455	604	75	18,670	25,332	74	88	77	48,215
Texas Gulf									
Wheat	183	280	66	4,849	3,465	140	136	127	5,912
Corn	0	0	n/a	126	295	43	n/a	48	336
Soybeans	0	0	n/a	122	5	n/a	n/a	0	626
Total	183	280	66	5,098	3,765	135	140	122	6,874
Interior									
Wheat	25	17	141	556	723	77	30	129	1,218
Corn	24	40	60	1,436	4,521	32	159	38	6,115
Soybeans	37	7	526	1,744	2,449	71	54	41	4,204
Total	85	64	133	3,736	7,692	49	115	48	11,538
Great Lakes									
Wheat	0	0	n/a	434	182	238	31	29	481
Corn	0	0	n/a	0	37	0	n/a	0	56
Soybeans	0	0	n/a	22	148	15	0	0	713
Total	0	0	n/a	456	367	124	20	21	1,250
Atlantic									
Wheat	11	10	113	419	229	183	270	149	341
Corn	0	0	n/a	2	96	2	0	0	143
Soybeans	1	0	n/a	0	577	0	3	8	1,460
Total	13	10	123	421	902	47	30	42	1,944
U.S. total from ports²									
Wheat	630	666	95	17,607	15,482	114	159	137	26,040
Corn	226	410	55	9,067	20,872	43	54	36	30,230
Soybeans	78	98	79	12,990	18,600	70	19	33	42,035
Total	934	1,174	80	39,664	54,955	72	76	68	98,305

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

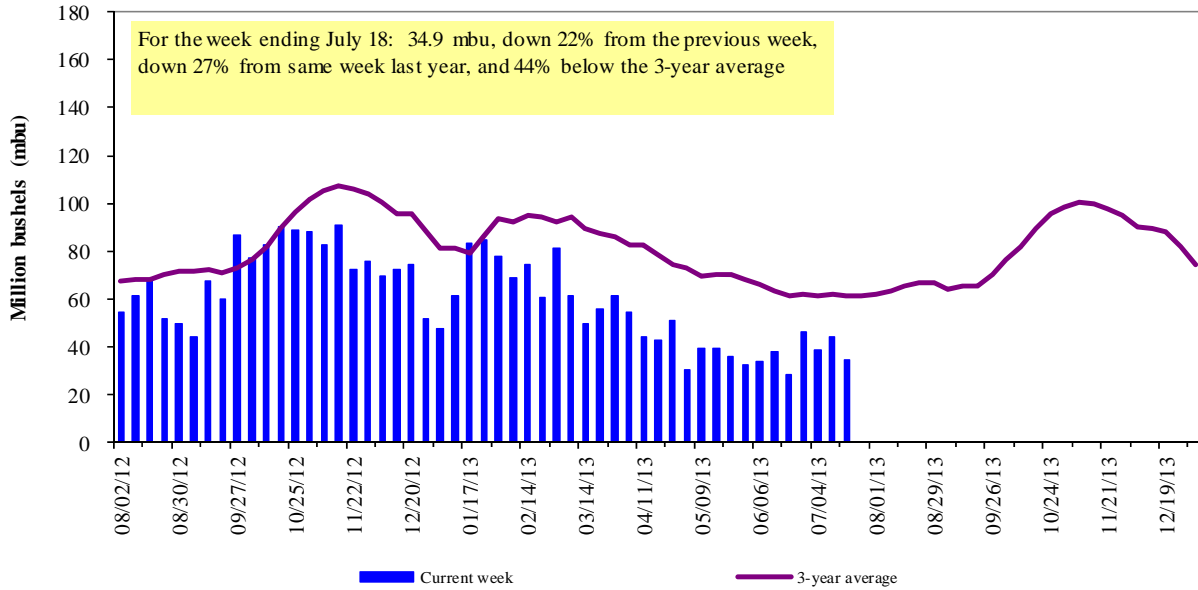
² Total includes only port regions shown above; Interior land-based shipments now included.

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)

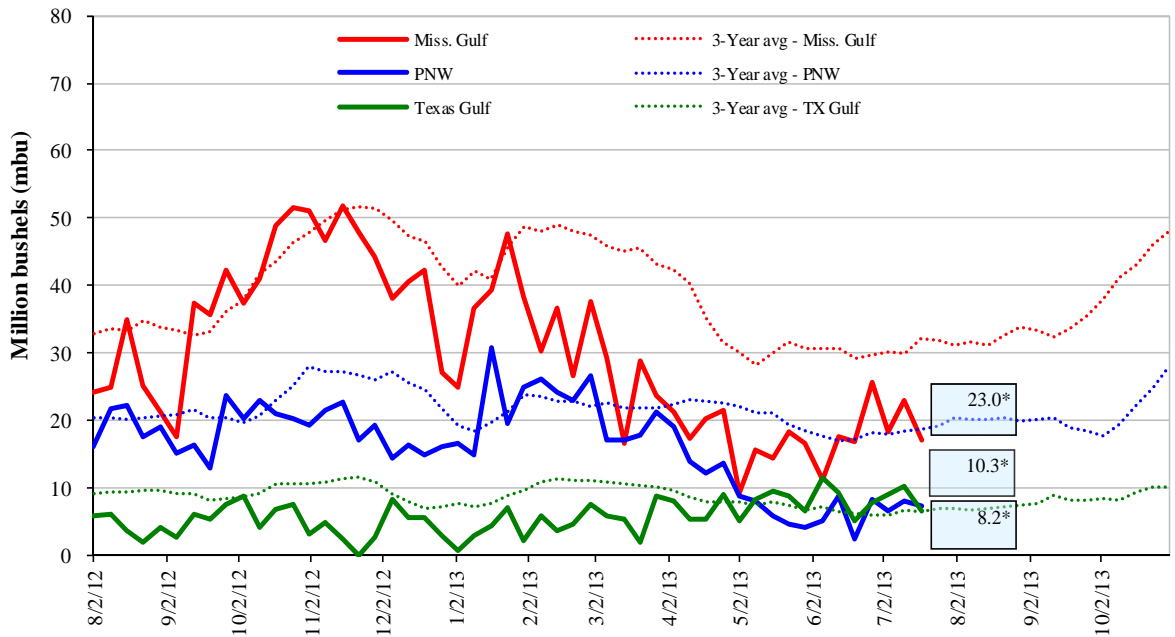


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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

Figure 15

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



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

July 18 % change from:	MSGulf	TX Gulf	U.S. Gulf	PNW
Last week	down 25	down 35	down 28	down 9
Last year (same week)	down 32	up 142	down 15	down 33
3-yr avg. (4-wk mov. avg.)	down 38	down 4	down 31	down 58

Ocean Transportation

Table 17

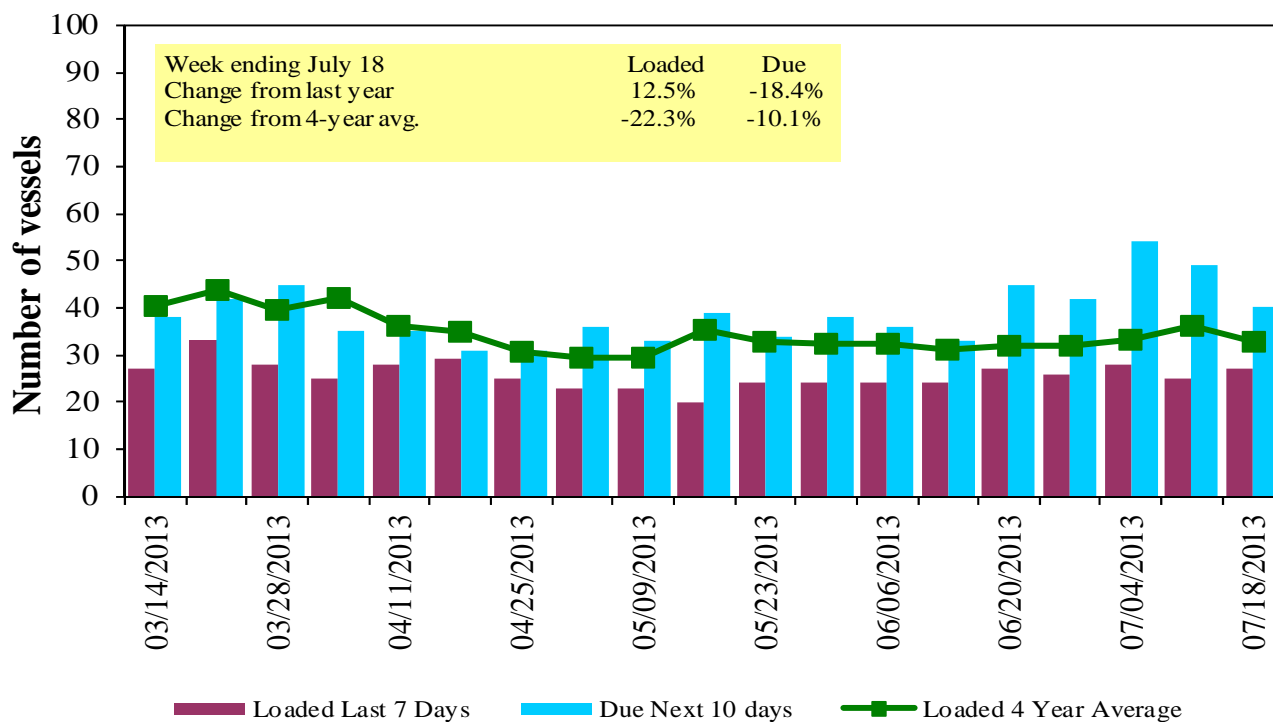
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In port	Loaded 7-days	Due next 10-days	In port	In port
7/18/2013	24	27	40	6	n/a
7/11/2013	26	25	49	7	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. Gulf¹ Vessel Loading Activity

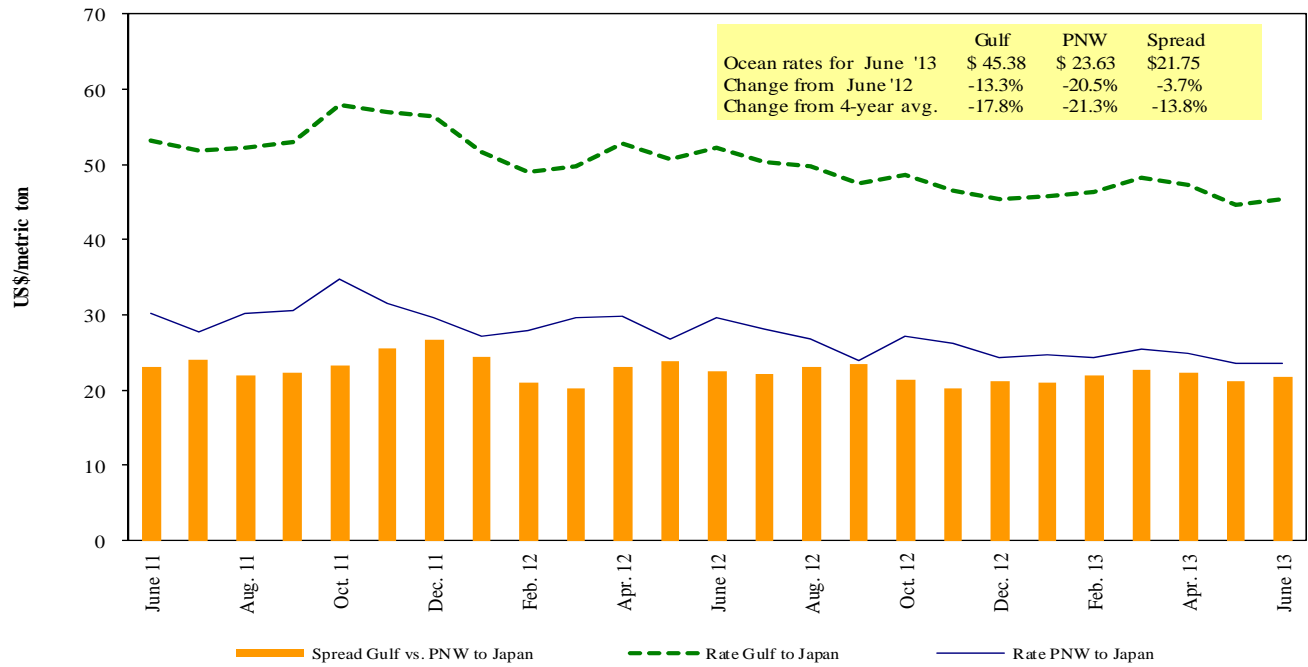


Source: Transportation & Marketing Programs/AMS/USDA

¹U.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 07/20/2013

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
PNW	Bangladesh ¹	Wheat	Jun 10/20	4,610	98.00
Brazil	China	Heavy Grain	Aug 1/15	60,000	34.75
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
Brazil	Portugal	Corn	Jul 12/29	60,000	21.50
France	Algeria	Wheat	Apr 15/25	30,000	18.75
River Plate	China	Heavy Grain	Aug 1/10	60,000	39.50
River Plate	Egypt	Heavy Grain	Jul 1/10	50,000	33.00
Ukraine	Kenya	Wheat	July 19/24	35,000	36.50
Ukraine	Iran	Wheat	Jun 10/18	60,000	32.50

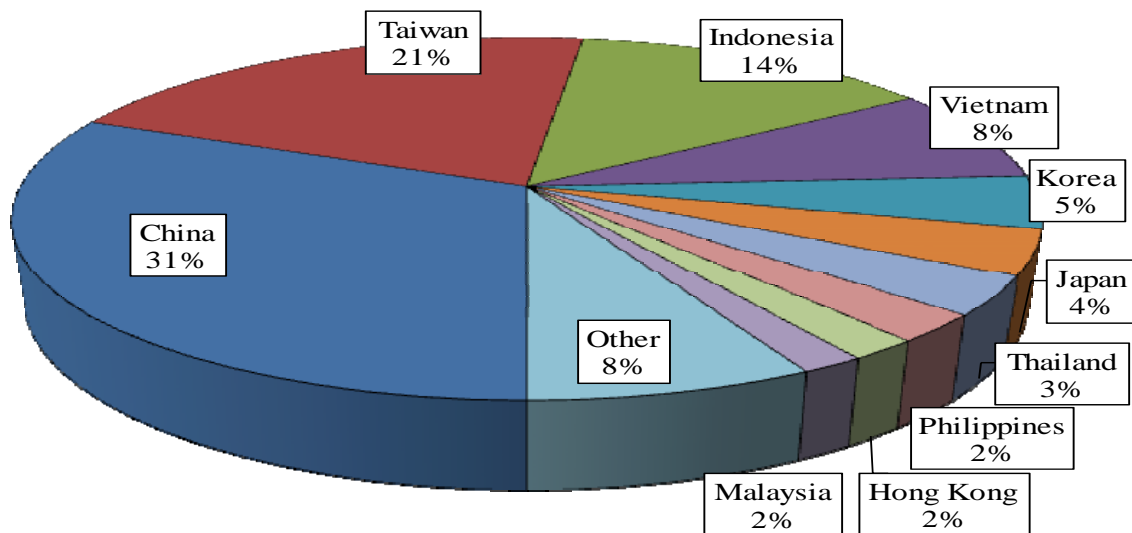
Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option

¹50 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.

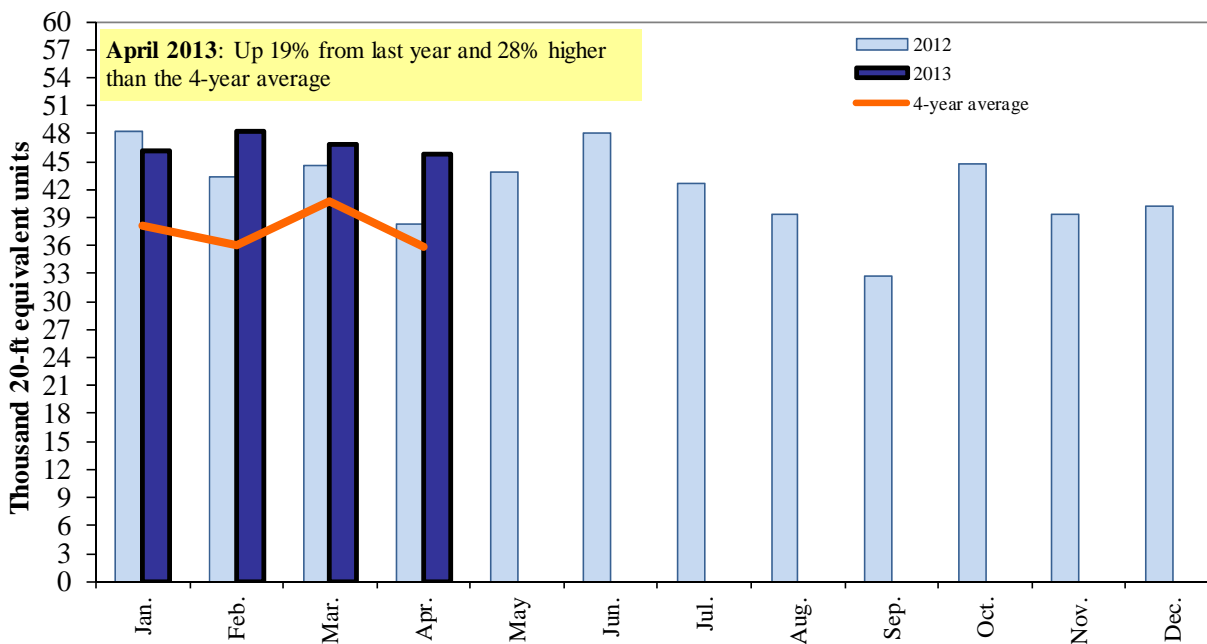
Figure 18
Top 10 Destination Markets for U.S. Containerized Grain Exports, April 2013



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

Coordinators

Surajudeen (Deen) Olowolayemo surajudeen.olowolayemo@ams.usda.gov (202) 720 - 0119
Pierre Bahizi pierre.bahizi@ams.usda.gov (202) 690 - 0992
Adam Sparger adam.sparger@ams.usda.gov (202) 205 - 8701

Weekly Highlight Editors

Marina Denicoff marina.denicoff@ams.usda.gov (202) 690 - 3244
Surajudeen (Deen) Olowolayemo surajudeen.olowolayemo@ams.usda.gov (202) 720 - 0119
April Taylor april.taylor@ams.usda.gov (202) 295 - 7374
Nicholas Marathon nick.marathon@ams.usda.gov (202) 690 - 4430

Grain Transportation Indicators

Surajudeen (Deen) Olowolayemo surajudeen.olowolayemo@ams.usda.gov (202) 720 - 0119

Rail Transportation

Marvin Prater marvin.prater@ams.usda.gov (202) 720 - 0299
Johnny Hill johnny.hill@ams.usda.gov (202) 690 - 3295
Adam Sparger adam.sparger@ams.usda.gov (202) 205 - 8701

Barge Transportation

Nicholas Marathon nick.marathon@ams.usda.gov (202) 690 - 4430
April Taylor april.taylor@ams.usda.gov (202) 295 - 7374

Truck Transportation

April Taylor april.taylor@ams.usda.gov (202) 295 - 7374

Grain Exports

Johnny Hill johnny.hill@ams.usda.gov (202) 690 - 3295
Marina Denicoff marina.denicoff@ams.usda.gov (202) 690 - 3244

Ocean Transportation

Surajudeen (Deen) Olowolayemo surajudeen.olowolayemo@ams.usda.gov (202) 720 - 0119
(Freight rates and vessels)
April Taylor april.taylor@ams.usda.gov (202) 295 - 7374
(Container movements)

Economics Assistant

Joyce Zhang joyce.zhang@ams.usda.gov

Subscription Information: Send relevant information to GTRContactUs@ams.usda.gov for an electronic copy (*printed copies are also available upon request*).

Preferred citation: U.S. Dept. of Agriculture, Agricultural Marketing Service. *Grain Transportation Report*. July 25, 2013. Web: <http://dx.doi.org/10.9752/TS056.07-25-2013>

The U.S. Department of Agriculture (USDA) prohibits discrimination in all of its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex (including gender identity and expression), marital status, familial status, parental status, religion, sexual orientation, political beliefs, genetic information, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotope, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).