IDENTITY- PRESERVED GRAIN: A LOGISTICAL OVERVIEW
ADDENDUM

Heidi Reichert & Kimberly Vachal
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As the interest in shipping specialty grain in containers continues to grow, USDA is frequently asked to provide detailed information and updated figures about this industry. This addendum is an update of the January 2000 research publication on containerized grain.

Containerized exports of traditionally bulk commodities have continued to increase. Figure 1 shows the increase in animal feed and soybean exports from 1992 to 2002. Soybeans and animal feed are used as indicators for containerized grain exports since they represent more than 50 percent of all grain container exports. They continually rank in the top 10 of all agricultural commodities shipped by container.

Over 125,000 containers of feed were exported from the United States as of December 2002, up 15 percent from 106,000 at the end of 2001. At the end of 2002, nearly 37,000 containers of soybeans were shipped, up 3 percent from 2001. (*Source: Port Import Export Reporting Service, Journal of Commerce, 1992-2002*)

Figure 1. Animal Feed and Soybean Exports by 20-Foot Container, 1992-2002

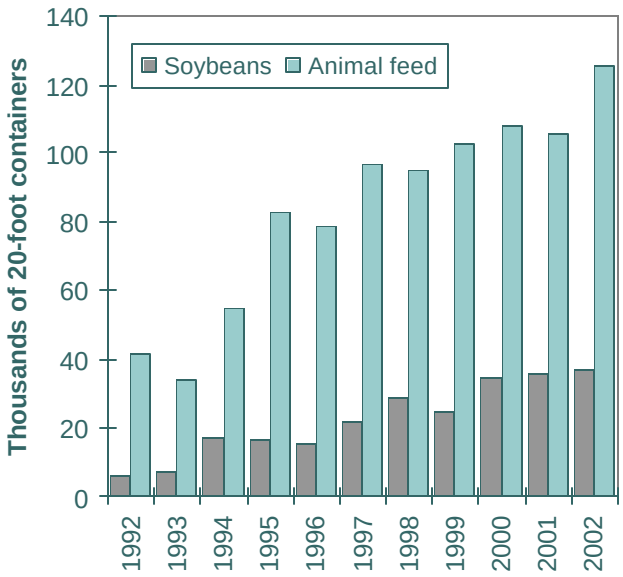

Table 1. Percent Containerized U.S. Exports, by Weight

	Soybeans	Animal feed	Pulses
1992	0.4%	2.6%	66%
2002	1.8%	6.7%	70%

The overall trend toward containerization is evident in agricultural shipping. By *value*, over 52 percent of all U.S. agricultural trade is now shipped via container. By *weight*, 15 percent of all agricultural product is shipped by container, up from 9 percent in 1992. This trend is evident in traditionally bulk-shipped commodities as well. Table 1 shows the percentage of containerized shipments for soybeans, animal feed, and pulses (commodities typically shipped bulk) in 1992 and 2002. (*Source: Port Import Export Reporting Service, Journal of Commerce, 1992-2002*)

To demonstrate the costs of shipping, a basic comparison can be made using public rate information, assuming all other transportation-related costs remain the same. Figure 2

depicts the two scenarios. The first scenario would be a shipment from the Midwest, requiring inland transportation. The container shipment may also incur a repositioning cost if containers are not available locally. Here it is estimated at $52/ton for bulk and $75/ton for containers.

A second scenario would be a shipment ready for loading near the port, with ocean freight being the only consideration. For a container shipment, this scenario would also include a contract rate negotiated based on large volumes. The estimates are $12/ton for bulk and $10/ton for containers. *(Source: Grain Transportation Report, USDA/AMS, January 6, 2003 and Ocean Rate Bulletin, USDA/AMS, December 2002)*

USDA and UGPTI have also developed a model spreadsheet that can be used to compare the costs of shipping IP grain in containers versus truck and bulk. It was updated in January 2003 to reflect recent changes in marketing and transportation costs. The spreadsheet is available for download at: www.ams.usda.gov/tmd/ipgrain.

Figure 2. Bulk vs. Container Shipping Costs