



GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service
United States Department of Agriculture



DECEMBER 26, 2001

Truckers Benefiting From Lower Fuel Costs. Even as some trucking companies are experiencing reduced orders and lower freight volumes since the terrorist attacks, reasonable fuel costs are enabling many trucking firms to generate profits. Since September 11, the demand for travel and transportation services has declined significantly, causing petroleum inventories to swell and pushing down the prices of crude oil and other petroleum products, including gasoline and diesel fuel. Many produce haulers and other trucking firms had struggled to stay afloat during the first six to eight months of the year when fuel costs were escalating. Recently, however, national average diesel fuel prices have dropped for the 13th consecutive week to \$1.14 cents per gallon as of December 17, according to the Department of Energy.

Shippers who have been paying fuel surcharges to trucking companies to offset earlier high fuel costs are aware of declining fuel prices and are questioning the necessity of continued surcharges. However, the general feeling among produce haulers is to continue imposing surcharges in an effort to make up for lost revenues during the period of escalating fuel prices. (USDA, Transportation Services, John Batson, John.Batson@usda.gov, 12/13/01)

Ocean Carriers Cutting War Risk Surcharges on Cargo Destined for the Middle East and Pakistan. As the activity in Afghanistan lessens, ocean carriers operating in Middle East trade lanes are reducing war risk surcharges established after the terrorist attacks. These surcharges have added costs which shippers are now passing on to their customers. Many countries have blamed these surcharges as the cause of a reduction in trade and in Iraqi oil sales. After discussions with their insurance underwriters, officials of the following carrier agreements have announced cuts in war risk surcharges:

- Europe Middle East Rate Agreement--from \$125 to \$112
- Aqaba Rate Agreement--from \$125 to \$114
- Jeddah Service Group--from \$125 to \$110

(USDA, Transportation Services, Heidi Reichert, Heidi.Reichert@usda.gov, 12/14/01)

Undersecretary of Transportation Security Nominated. On December 10, Transportation Secretary Norman Mineta announced John Magaw as the President's nominee to serve as Undersecretary of Transportation Security. Magaw will head the new Transportation Security Administration at DOT. Magaw has been the acting executive director of the Office of National Preparedness within the Federal Emergency Management Agency. He is a former director of the Bureau of Alcohol, Tobacco, and Firearms and the U.S. Secret Service. (USDA, Transportation Services, Heidi Reichert, Heidi.Reichert@usda.gov, 12/17/01)

DOT Secretary Mineta Proposes Changes for Increased Port Security. In testimony on December 6 before the House Subcommittee on Coast Guard and Marine Transportation, Secretary Mineta proposed the following changes to broaden port safety and security operations:

- Provide the Secretary of Transportation expanded authority to conduct security assessments of foreign ports where necessary.
- Facilitate the Coast Guard's ability to monitor and manage arriving vessel traffic, extending the jurisdiction of the Magnusson Act from 3 miles to twelve.
- Establish new Maritime Safety and Security Teams for rapid deployment to enhance port security operations in areas of heightened threat.
- Develop new criminal penalties, similar to those in place for aviation, for damaging acts against vessels and maritime facilities.
- Extend DOT's authority to license and regulate deepwater oil ports to include natural gas facilities.
- Enforce criminal penalties for acts of maritime terrorism, such as placing destructive devices or harmful substances into our waters.

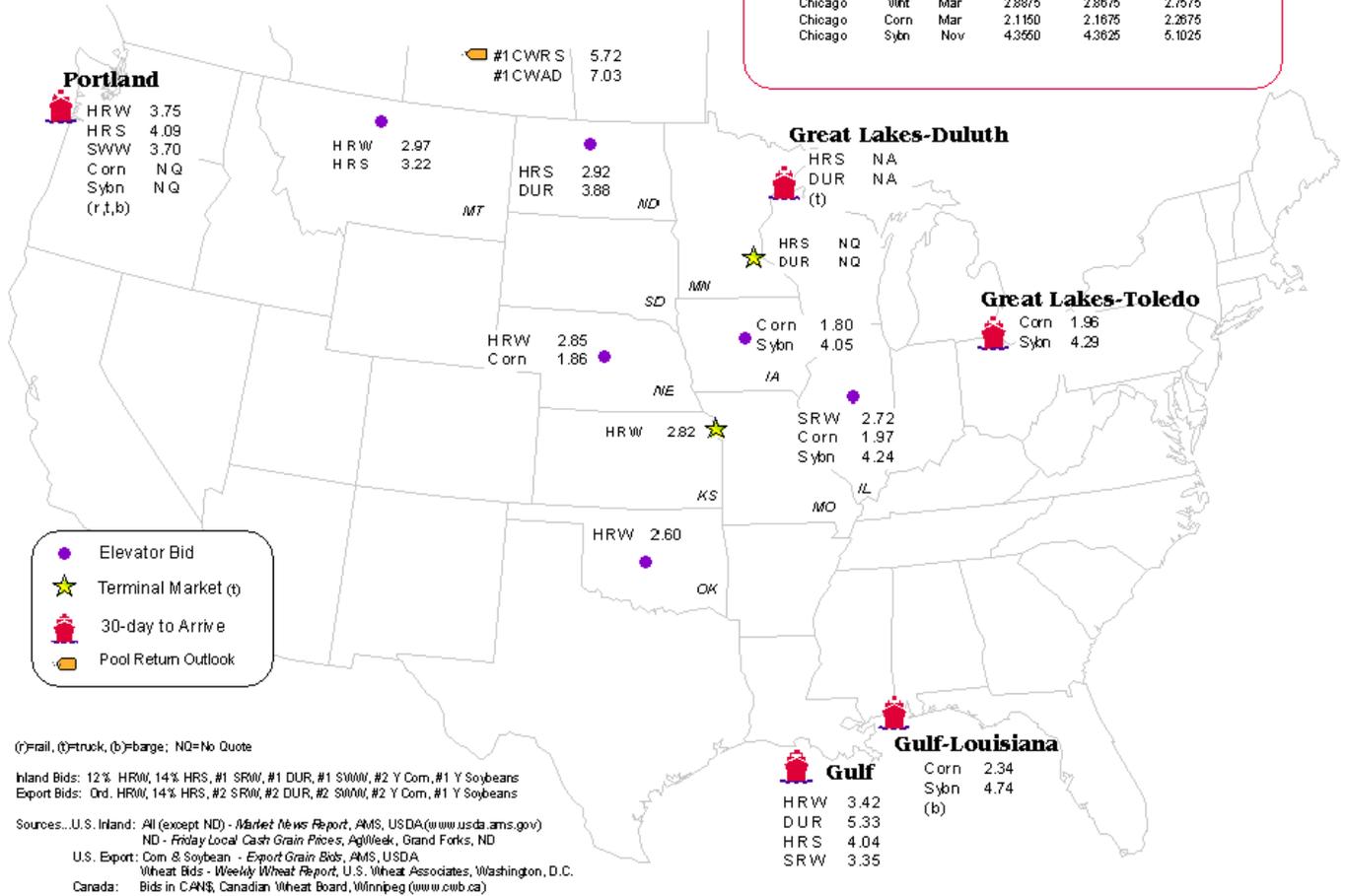
(USDA, Transportation Services, Heidi Reichert, Heidi.Reichert@usda.gov, 12/17/01)

Report is prepared by Karl Hacker and Sigal Nissan, Agricultural Economists, Transportation & Marketing, Agricultural Marketing Service, USDA (202) 690-1304. Report design by Kimberly Vachal, Upper Great Plains Transportation Institute, North Dakota State University. This report can be found on the Internet at www.ams.usda.gov/tmd/grain.htm. E-mail comments to Karl.Hacker@usda.gov.

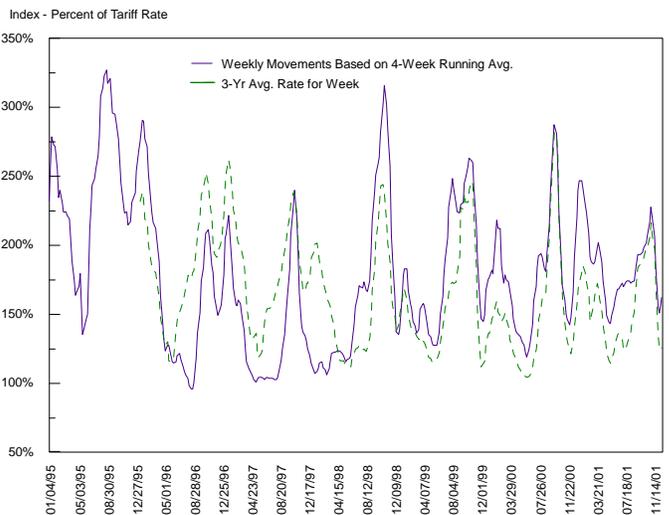
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Grain Bid Summary

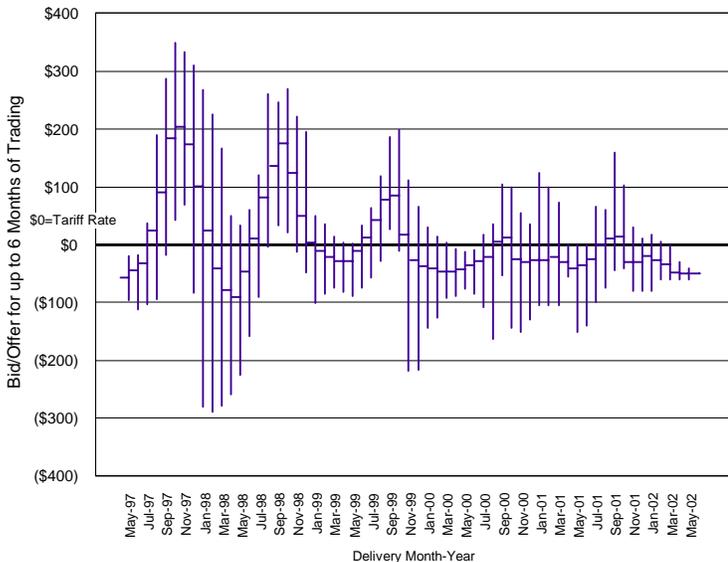
Futures:			12/21/2001	Week Ago 12/14/2001	Year Ago 12/22/2000
Kansas City	Wht	Mar	2.8300	2.8675	3.2750
Minneapolis	Wht	Mar	3.0250	3.0425	3.2000
Minneapolis	Dur	Mar	n.a.	n.a.	n.a.
Chicago	Wht	Mar	2.8875	2.8675	2.7575
Chicago	Corn	Mar	2.1150	2.1675	2.2875
Chicago	Sybn	Nov	4.3550	4.3625	5.1025



Spot Barge Rate - Illinois River



Secondary Rail Market Bids



Rail Car 'Auction' Offerings				
Delivery for:	Feb-02		Apr-02	
	Offered	% Sold	Offered	% Sold
BNSF-COT	11,512	2%	12,234	1%
UP-GCAS	5,400	0%	5,400	0%

Source: Transportation & Marketing /AMS/USDA; www.bnsf.com; www.uprr.com

Secondary Rail Car Market				
Average Premium/Discount to Tariff, \$/Car - Last Week				
	Delivery Period			
	Jan-02	Feb-02	Mar-02	Apr-02
BNSF-GF	\$23	\$(6)	\$(9)	\$(21)
UP-Pool	\$(2)	\$(19)	\$(23)	\$(29)

Source: T&M/AMS/USDA. Data from Atwood/ConAgra., Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.;
 GF=Guaranteed Freight, GEEP=Guaranteed Eqpt. Exchange, Pool=Guaranteed Pool

note... bids listed are market INDICATORS only & are NOT guaranteed prices, missing value=No Bid Quoted

Railroad Car 'Auction' Results			
Average Premium/Discount to Tariff, \$/Car - Last Auction			
Delivery for:	Feb-02	Mar-02	Apr-02
COT/N. Grain	no bid	no bid	no bid
COT/S. Grain	no bid	no bid	no bid
GCAS/Region 2	no bid	no bid	no bid
GCAS/Region 4	no bid	no bid	no bid

Source: T&M/AMS/USDA. Data from www.bnsf.com, www.uprr.com, (COT=Certificate of Transportation; GCAS=Grain Car Allocation System)

Southbound Barge Freight Nominal/Cash Basis Values

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	Rate	
			Futures	Cash
12/26/01	St. Louis	Dec	0	0
		Feb	128	145
		Apr	139	138
		Jun	0	138
	Illinois River	Aug	0	0
		Dec	0	0
		Feb	180	185
		Apr	0	165
		Jun	0	165
		Aug	0	0

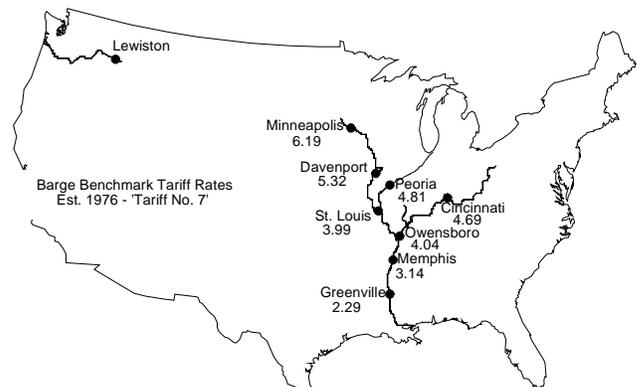
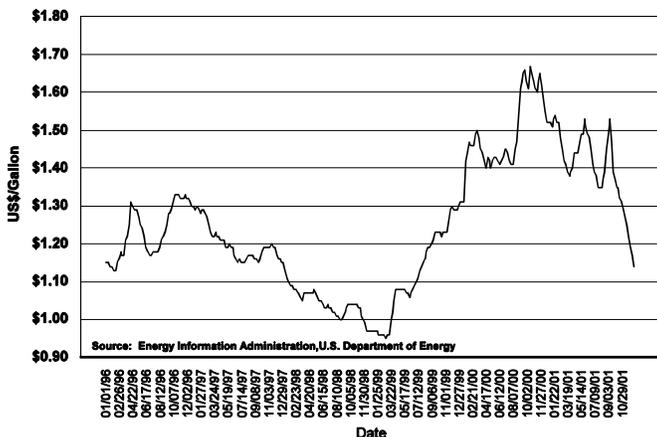
Source: St. Louis Merchants Exchange

Southbound Barge Freight Spot Rates

	12/19/01	12/12/01	Jan '02	Mar '02
Twin Cities	0	0	0	0
Mid-Mississippi	0	200	0	0
Illinois River	167	180	184	169
St. Louis	130	141	134	137
Lower Ohio	138	139	143	142
Cairo-Memphis	119	125	124	125

Source: Transportation & Marketing /AMS/USDA
 nq=no quote;

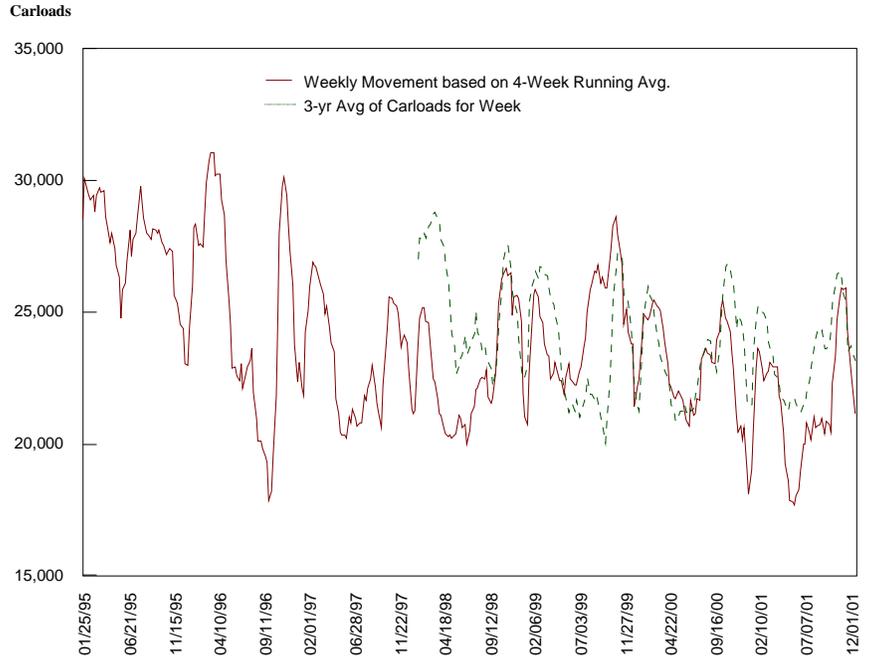
Weekly Retail Diesel (Road) Prices (Including Taxes)



Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
12/1/01	21,309
12/08/01	23,091
12/15/01	21,926
Year to Date - 2001	1,080,044
Year to Date - 2000	1,154,763
Total 2000	1,188,917
Total 1999	1,270,375

Source: Association of American Railroads



Class I Rail Carrier Grain Car Bulletin

Grain Carloads Originated

	East				West			Canada	
	Conrail	CSXT	IC	NS	BNSF	KCS	UP	CN	CP
12/15/01	0	2,900	0	2,824	8,528	564	7,110	4,873	4,444
This Week Last Year	0	3,056	0	2,520	7,706	463	5,771	4,876	4,495
2001 YTD	0	147,321	0	157,517	415,025	25,142	335,039	245,768	225,733
2000 YTD	0	143,164	70,155	148,997	411,786	25,895	354,766	154,045	232,710
2000 Total	0	147,708	70,155	153,905	425,849	26,515	364,785	160,749	239,670
1999 Total	15,522	132,157	88,056	138,379	465,088	33,911	398,262	121,381	206,328

Source: Association of American Railroads

Tariff Rail Rates for Unit Train Shipments

December 2001

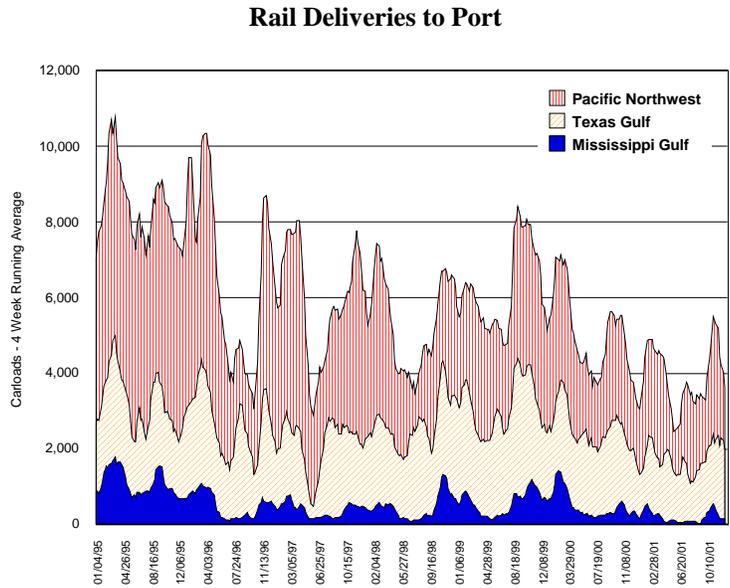
Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
12/03/01	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$22.60	\$0.62
12/03/01	43521	Wheat	Minneapolis, MN	Portland, OR	\$3,877	\$42.74	\$1.16
12/03/01	46540	Wheat	Kansas City, MO	Houston, TX	\$1,650	\$18.19	\$0.50
12/03/01	43586	Wheat	Kansas City, MO	Portland, OR	\$4,240	\$46.74	\$1.27
12/03/01	43581	Wheat	Omaha, NE	Portland, OR	\$3,905	\$43.04	\$1.17
12/03/01	31040	Corn	Minneapolis, MN	Portland, OR	NA	\$0.00	\$0.00
12/03/01	31035	Corn	Kansas City, MO	Portland, OR	\$2,700	\$29.76	\$0.76
12/03/01	31040	Corn	Omaha, NE	Portland, OR	NA	\$0.00	\$0.00
12/03/01	61180	Soybean	Minneapolis, MN	Portland, OR	\$2,730	\$30.09	\$0.82
12/03/01	61180	Soybean	Omaha, NE	Portland, OR	\$2,480	\$27.34	\$0.74
05/01/98	61180	Soybean	Omaha, NE	Portland, OR	\$2,780	\$25.23	\$0.83

Source: www.bnsf.com

Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

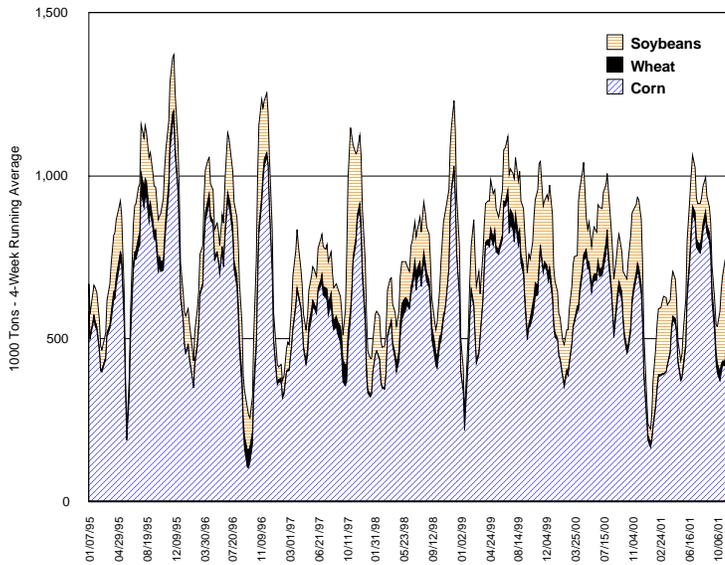
Rail Deliveries to Port				
Carloads				
	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
11/14/01	206*	2,290	1,954	313
11/21/01	202*	2,246	2,377	949
11/28/01	7*	1,702	1,638	535
12/05/01	230*	2,307	1,717	605
12/12/01	137*	2,081	1,523	643
12/19/01	201*	1,139*	1,847	507
YTD 2001	9,963*	79,653*	108,961	26,018
YTD 2000	25,762	103,143	127,036	14,685
Total 2000	25,675	105,308	129,464	14,816
Total 1999	30,038	132,069	161,492	14,446

Source: Transportation & Marketing/AMS/USDA



(*) Incomplete Data
 (**) Revised Data

Barge Movements - Locks 27



Barge Grain Movements

for week ending 12/8/01

	Corn	Wht	Sybn	Total
	1,000 Tons			
Mississippi River				
Rock Island, IL (L15)	0	0	0	0
Winfield, MO (L25)	426	3	274	706
Alton, IL (L26)	656	14	361	1,039
Granite City, IL (L27)	644	22	359	1,033
Illinois River (L8)	n/a	n/a	n/a	n/a
Ohio (L52)	51	12	24	100
Arkansas (L1)	0	13	0	13
2001 YTD	30,092	2,602	9,365	43,883
2000 YTD	32,410	2,383	9,963	46,534
Total 2000	33,482	2,518	10,327	48,247
Total 1999	36,711	2,883	9,771	51,887

Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.
 Source: U.S. Army Corp of Engineers

U.S. Export Balances (1,000 Metric Tons)

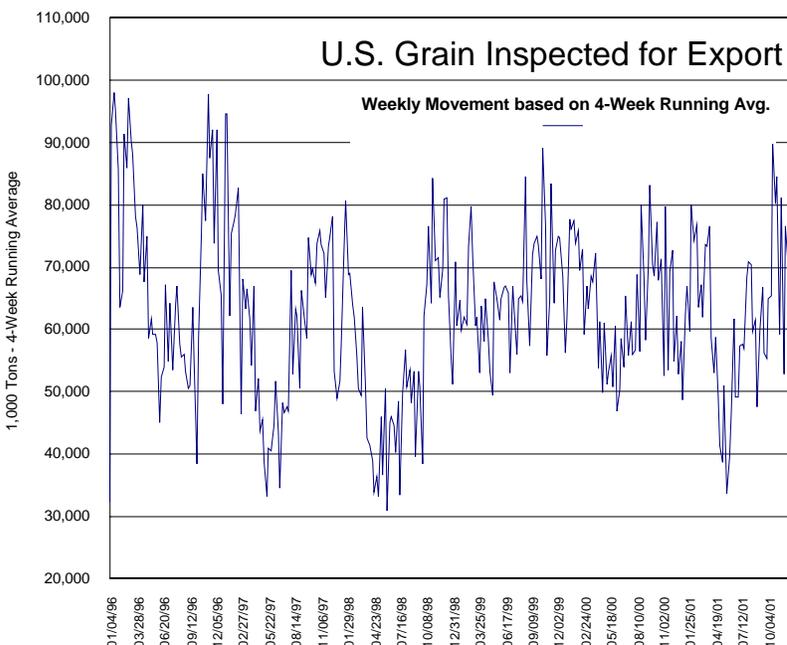
	HRW	SRW	HRS	Wheat SWW	DUR	All	Corn	Soybean	Total
<u>Unshipped Exports-Crop Year</u>									
12/13/01	1,231	536	1,009	590	179	3,546	7,399	8,934	19,879
This Week Year Ago	1,093	409	853	772	217	3,343	6,726	6,097	16,166
<u>Cumulative Exports-Crop Year</u>									
00/01 YTD	4,667	3,266	3,054	1,800	730	13,517	12,339	10,512	36,368
99/00 YTD	5,482	2,625	3,104	2,794	658	14,663	13,853	17,713	46,229
97/98 Total	9,858	4,710	6,305	5,413	1,232	27,518	37,220	24,516	89,254
96/97 Total	7,387	3,645	7,864	6,105	963	25,965	44,476	24,501	94,942

Source: Foreign Agricultural Service YTD-Year-to-Date (www.fas.usda.gov) Crop Year:Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31

Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons

	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>		
	Wheat	Corn	Soybean	Wheat	Corn	Soybean	Wheat	Corn	Soybean
12/20/01	231	57	64	79	614	933	83	4	68
2001 YTD	9,461	5,015	2,709	6,132	33,889	16,974	5,779	267	1,561
2000 YTD	9,719	5,877	1,647	6,654	34,646	17,512	6,876	470	995
% of Last Year	95%	84%	158%	91%	96%	95%	83%	57%	155%
1998 Total	10,838	4,373	651	5,048	31,330	14,917	7,270	562	1,392

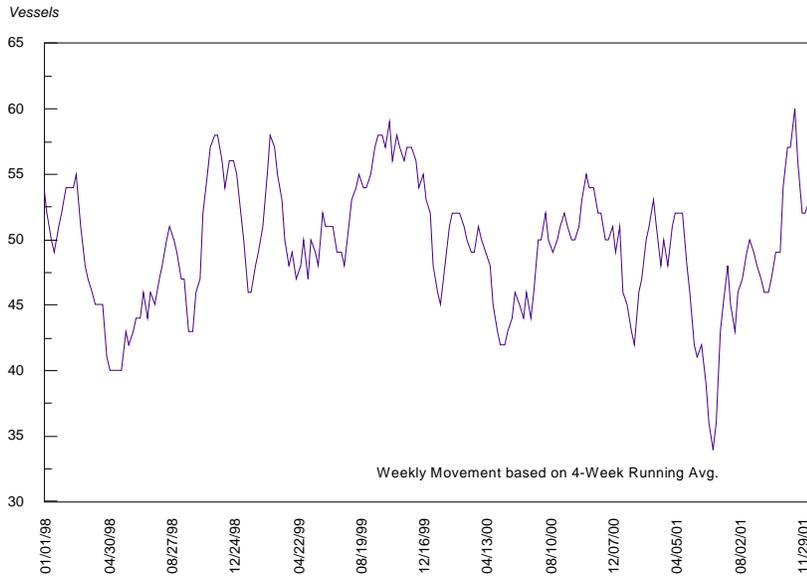
Source: Federal Grain Inspection Service YTD-Year-to-Date



Select Canadian Ports - Export Inspections
1,000 Metric Tons, Crop Year

	Wheat	Durum	Barley
Week Ended: 12/20/01			
Vancouver	2,969	162	257
Prince Rupert	196	0	0
Prairie Direct	521	168	113
Thunder Bay	260	157	21
St. Lawrence	1,294	636	0
2001 YTD Exports	5,240	1,123	391
2000 YTD Exports	4,982	1,347	579
% of Last Year	105%	83%	68%

Source: Canadian Grains Commission, Crop year 8/1-7/31



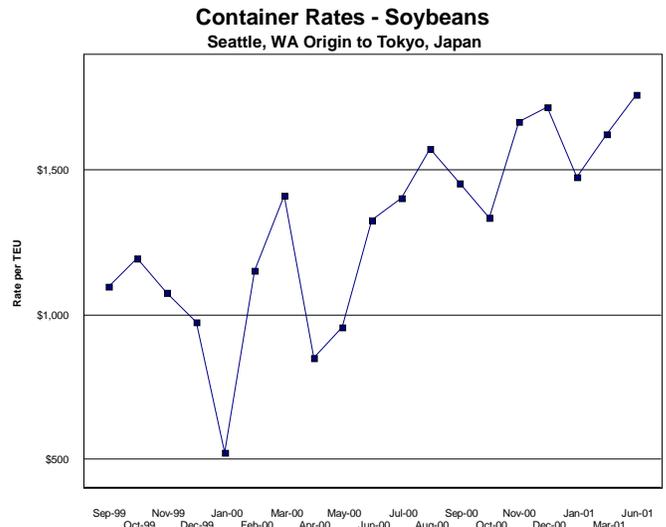
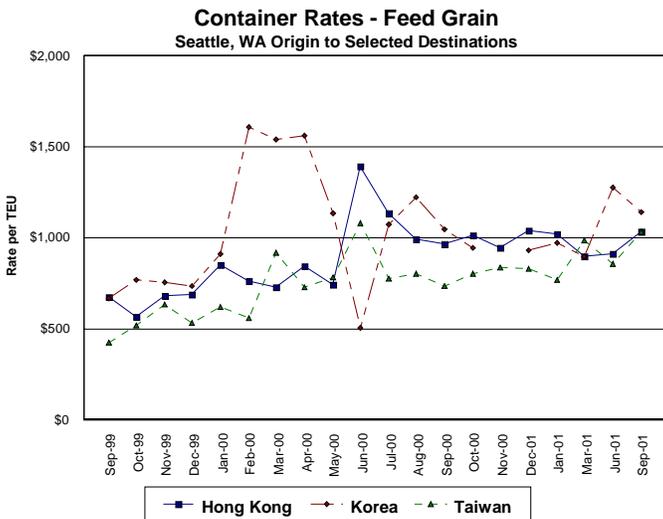
**Gulf Region
Vessels Loaded
- Past 7 Days-**

	Gulf			Pacific Northwest			Vancouver, B.C.		
	In Port	Loaded 7-Days	Due Next 10-Days	In Port	Loaded 7-Days	Due Next 10-Days	In Port	Loaded 7-Days	Due Next 10-Days
12/13/01	39	57	78	9			7	8	3
12/20/01	34	48	63	14			11	5	4
1999 Range	(14..47)	(39..65)	(34..80)	(6..18)			(2..20)	(2..15)	(0..9)
1998 Range	(19..62)	(34..64)	(40..93)				(1..19)	(3..14)	(0..10)
1999 Avg	32	52	65				9	9	3
1998 Avg	40	48	61				10	9	3
1997 Avg	33	45	58						

Source: Transportation & Marketing /AMS/ USDA

Container Ocean Freight Rates

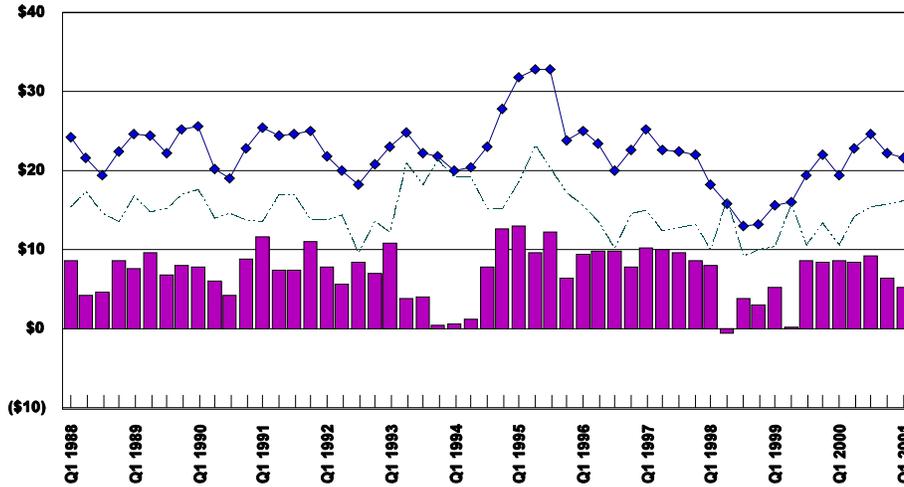
Monthly Weighted Averages Based on Shipping Line Monthly Mkt. Share



Source: Transportation & Marketing/AMS/USDA

- ◆ Rate - Gulf to Japan
- Rate - PNW to Japan
- Spread - Gulf vs. PNW to Japan

US\$/Metric Ton



Quarterly Ocean Freight Rates

Quarterly Ocean Freight Rates

Average Rates & Percentage Changes, U.S. Dollars/Metric Ton - Basis

	2001 3 rd Qtr	2000 3 rd Qtr	% Change		2001 3 rd Qtr	2000 3 rd Qtr	% Change
Gulf to				Pacific NW to			
Japan	\$29.40	\$36.42	-19%	Japan	\$10.46	\$15.43	-32%
Mexico		\$16.11	-	Red Sea/ Arabian Sea		\$29.03	
Venezuela	\$13.45	\$15.13	-11%	Argentina to			
N. Europe	\$12.06	\$15.50	-33%	N. Europe			
N. Africa	\$18.21	\$34.19	-47%	Japan	\$16.22	\$18.62	-13%
Med. Sea	\$12.05	\$16.59	-27%		\$29.40	\$36.42	-19%

Source: Transportation & Marketing/AMS/USDA; (*) rates shown are for metric ton (2,204.62 lbs.=one metric ton)

Ocean Freight Rates (Select Locations) - week ending 12/22/01

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Gulf	Ecuador	Corn	Jan 2/10	30,000	\$14.50
Gulf	Continent	Heavy Grain	Jan 3/7	60,000	\$8.60
Gulf	S. Africa	Heavy Grain	Prompt	20,000	\$19.75
Gulf	Japan	Heavy Grain	Dec 25/Jan 5	54,000	\$16.00
Gulf	Japan	Heavy Grain	Dec 25/Jan 5	54,000	\$16.10
Gulf	China	Heavy Grain	Jan 1/10	55,000	\$15.75
River Plate	Peru	Grain	Prompt	21,000	\$15.00
Ukraine	S. Korea	Wheat	Dec 25/30	52,000	\$14.25

Source: Maritime Research Inc.; rates shown are for long ton (2,240 lbs.=one long ton), F.O.B., except where otherwise indicated; op=option