



GRAIN TRANSPORTATION REPORT

Transportation & Marketing, Agricultural Marketing Service
United States Department of Agriculture

OCTOBER 1, 2002

<u>TM GRAIN TRANSPORT COST INDICATORS</u>	<u>Truck</u>	<u>Rail</u>	<u>Barge</u>	<u>Ocean</u>
Indicator Value * (8/29)	92	38	61	87
Compared to Last Week (8/22)	↑	↓	↓	↓
*Indicator: Base Year 2000=100; Cost Data, Weekly Updates include Truck=Diesel, Rail=Nearby Secondary Rail Market; Barge=Spot Illinois River Basis; Quarterly Updates for Ocean Vessel based on Routes to Japan				

Oct. 6-8	Grain Europe 2002	Rotterdam, Netherlands	+44 1242 267707 (tel) +44 1242 267701 (fax) info@graineurope.com
Oct. 8-10	Agribusiness Forum	Kansas City, MO	913-491-6500 (ph)
Oct. 8-10	2002 Railroad Environmental Conference	Urbana, IL	Becki Fields 217-244-0841 (ph) rdf@uicu.edu
Oct. 10	The American Waterways Operators Fall Convention 2002	San Francisco, CA	703-841-9300 (tel) 703-841-0389 (fax)
Oct. 24-25	Ports and Logistics 2002	Johor Bahru, Malaysia	+60 38 023 5352 info@transportevents.com
Oct. 24-26	23 rd Annual Int'l Irrigation Show & Conf.	New Orleans, LA	703-536-7080 (tel)
Oct. 27-30	2002 American Trucking Management (ATA) Conference & Exhibition	Orlando, FL	703-838-1700 (tel.) www.trucking.org
Nov. 7-8	MARC 2000: Midwest Area River Coalition Annual Meeting	St. Louis, MO	314-436-7303 (ph) http://www.marc2000.org
Nov. 12-15	International Association of Maritime Economists Annual Meeting and Conference	Panama City, Panama	507-263-6716 (ph) 507-263-6804 (fax)
Nov. 16-20	95 th Nat'l Industrial Transportation League's (NITL) Annual Meeting/2002 Transcomp Exhibition	Anaheim, CA	703-524-5011 (ph) info@nitl.org
Nov. 19-20	TOC 2002 Americas - The Practical Ports & Terminals Event for the Americas	Miami, FL	Michelle Fisk michelle.fisk@informa.com
Dec. 8-10	Nat'l. Grain and Feed Assoc. (NGFA) 31 st Annual Country Elevator Council Meeting, 6 th Annual Feed Industry Council Meeting & Trade Show.	St. Louis, MO	202-289-0873 (tel.) ngfa@ngfa.org
Jan. 26-31, '03	Wheat Industry Conference	Albuquerque, NM	202-547-7800 (ph) wheatworld@wheatworld.org

Report is prepared by Johnny Hill, and Deen Olowolayemo, Agricultural Economists, Transportation & Marketing, Agricultural Marketing Service, USDA (202) 690-1304. Support provided by 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.

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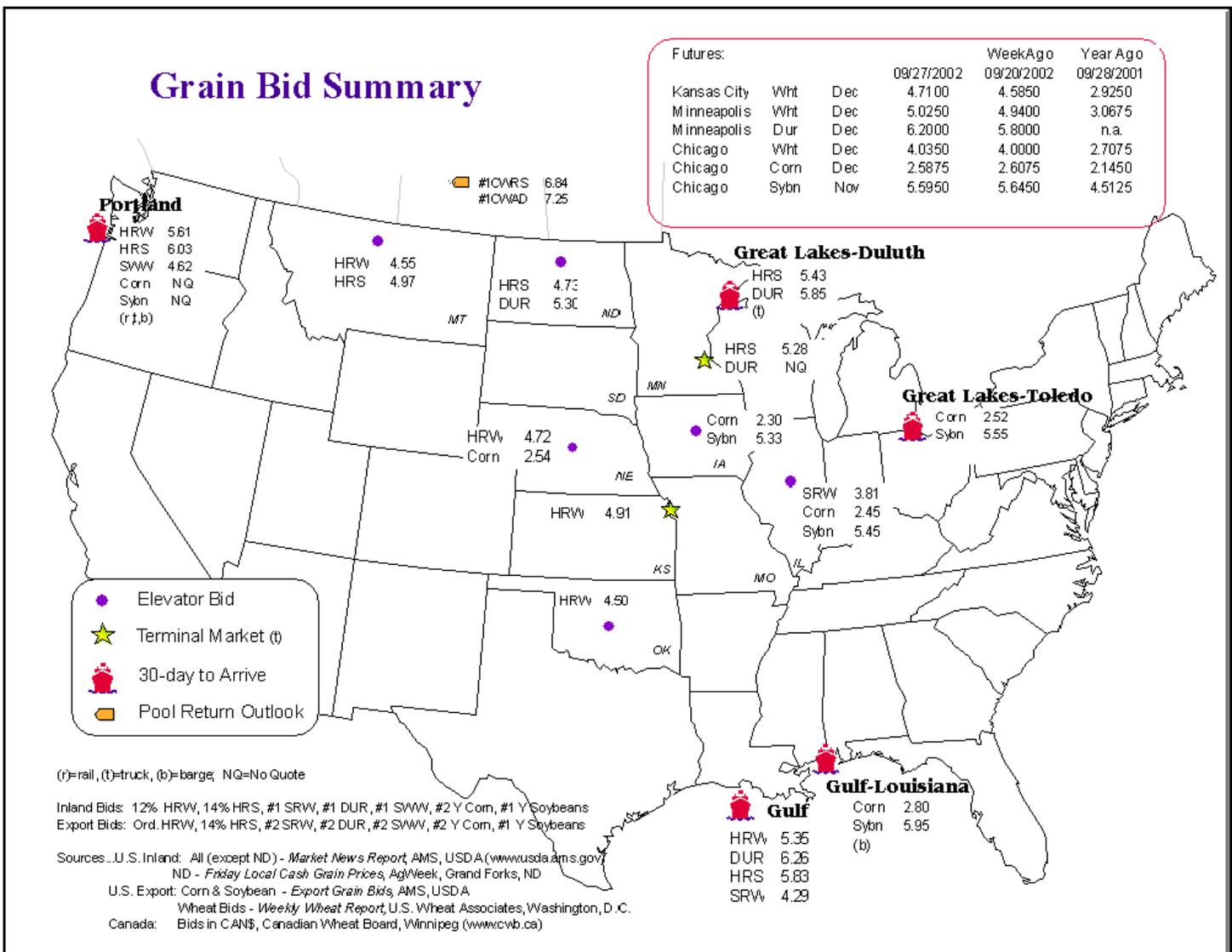
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The Grain Transportation Report is a weekly news source for grain logistics. Detailed data and trend information on five major modes: barge, truck, rail, container, and vessel, provide timely insight into grain transport. The report is offered to policymakers and industry as a tool in day-to-day decision making and longer-term strategic planning for an effective and efficient U.S. grain logistics system.

Market Update: U.S. Origins to Export Position Price Spreads
Per Bushel

Commodity	Origin--Destination	This week	Last week
Corn	IL -- Gulf	-0.35	-0.33
Corn	NE -- Gulf	-0.26	-0.27
Soybean	IA -- Gulf	-0.62	-0.69
HRW	KS -- Gulf	-0.44	-0.44
HRS	ND -- Portland	-1.30	-1.36

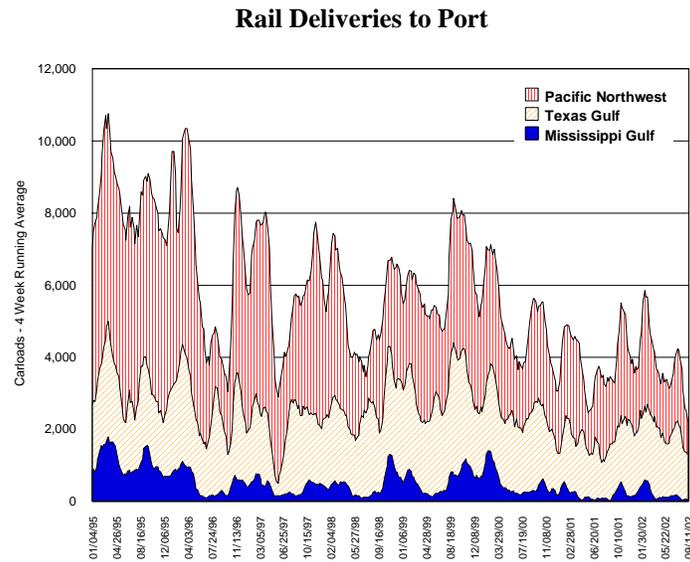
The **Grain Bid Summary** illustrates the market relationships for corn, soybeans, and five varieties of wheat among selected origins and destinations. Positive and negative adjustments in the differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.



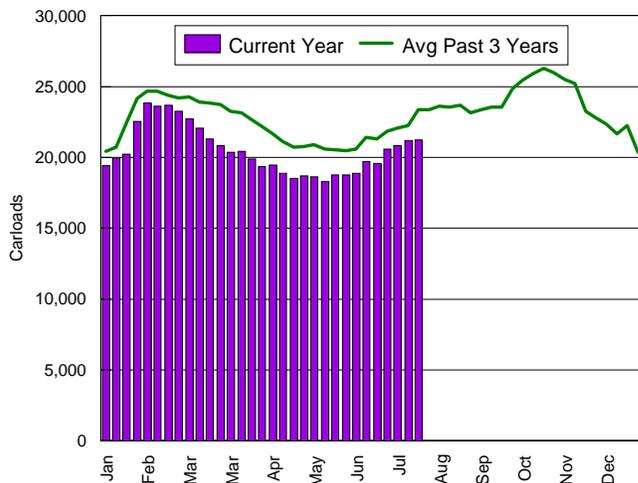
RAIL TRANSPORTATION

Rail Deliveries to Port					
Carloads					
	Mississippi Gulf*	Texas Gulf	Pacific Northwest	Atlantic & East Gulf	Total
Week Ending:					
09/04/02	0	1,300	637	0	1,937
09/11/02	0	1,394	844	0	2,238
YTD 2002	7,283	66,414	67,692	15,306	156,695
YTD 2001	5,820	53,097	75,568	17,314	151,799
% of Last Year	125%	125%	90%	88%	103%
Total 2001	10,022	81,804	111,376	26,604	229,806
Total 2000	25,767	104,473	128,414	14,816	273,470

Source: Transportation & Marketing/AMS/USDA; (*) Incomplete Data



Grain Car Loadings for Class I Railroads



Railroads originate approximately 40% of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Class I Rail Carrier Grain Car Bulletin

Grain Carloads Originated and Grain Service Index

	East		West			U.S. Total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
09/14/02	1,975	2,625	7,521	444	6,875	3,362	3,882	4,059
This Week Last Year	2,270	2,485	9,174	576	7,121	4,734	4,536	3,822
2002 YTD	99,281	114,278	272,166	19,764	245,274	143,923	134,681	703
2001 YTD	106,881	111,411	292,525	17,488	244,135	178,971	163,815	703
% of Last Year	93%	103%	93%	113%	100%	80%	82%	100%
2001 Total	151,864	163,018	428,603	26,330	347,156	1,116,971	254,982	232,461

U.S. Rail Carrier Grain Service Index*

Dec-01	95.5	93.1	100.9	101.0	98.0	97.5
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Source: Association of American Railroads; *Base Year =2001, Index based on Number of Covered Hopper Cars Online for Rail Carrier

Rail service may be ordered directly from the railroad via **Auction** for guaranteed service or tariff for non-guaranteed service, or through the secondary market. 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.

Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	Sep-02	Oct-02	Nov-02
COT/N. Grain	no bid	no bid	no bid
COT/S. Grain	no bid	no bid	\$0
GCAS/Region 2	no bid	no bid	no offer
GCAS/Region 4	no bid	no bid	no offer

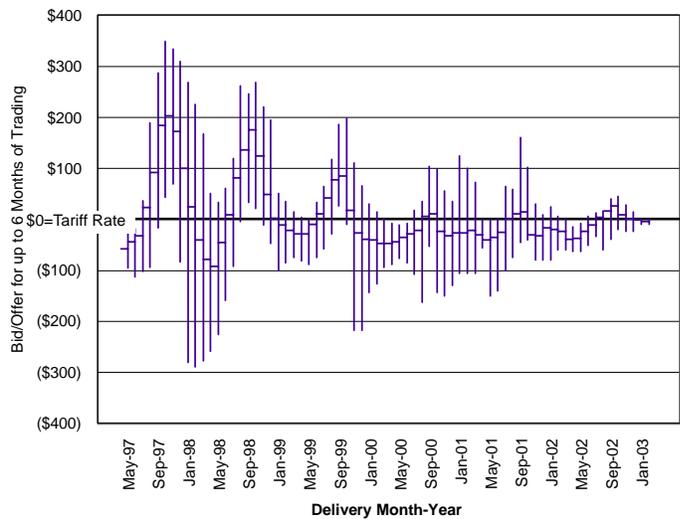
Source: Transportation & Marketing/AMS/USDA.
(COT=Certificate of Transportation; GCAS=Grain Car Allocation System)

Secondary Rail Car Market

Average Premium/Discount to Tariff, \$/Car - Last Week

	Delivery Period			
	Aug-02	Sep-02	Oct-02	Nov-02
BNSF-GF	\$(5)	\$0	\$(2)	\$(3)
UP-Pool	\$(55)	\$(35)	\$(5)	\$(10)

Secondary Rail Market Bid



Tariff Rail Rates for Unit Train Shipments

August 2002

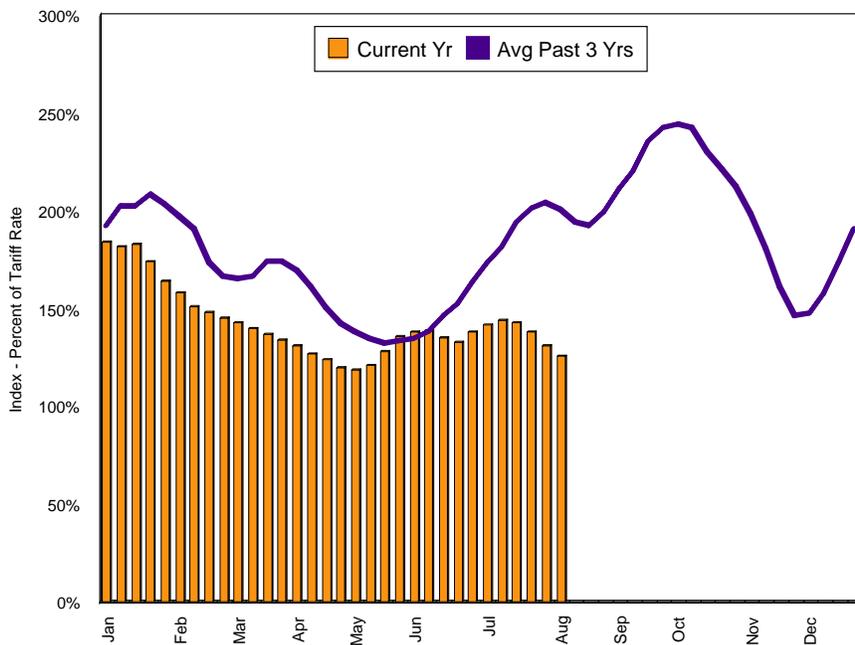
Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
08/05/02	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$22.60	\$0.62
08/05/02	43521	Wheat	Minneapolis, MN	Portland, OR	\$3,877	\$42.74	\$1.16
08/05/02	46540	Wheat	Kansas City, MO	Houston, TX	\$1,650	\$18.19	\$0.50
08/05/02	43586	Wheat	Kansas City, MO	Portland, OR	\$4,347	\$47.92	\$1.30
08/05/02	43581	Wheat	Omaha, NE	Portland, OR	\$4,005	\$44.15	\$1.20
08/05/02	31005	Corn	Minneapolis, MN	Portland, OR	\$3,050	\$33.62	\$0.85
08/05/02	31035	Corn	Kansas City, MO	Portland, OR	\$2,700	\$29.76	\$0.76
08/05/02	31005	Corn	Omaha, NE	Portland, OR	\$2,850	\$31.42	\$0.80
08/05/02	61110	Soybean	Minneapolis, MN	Portland, OR	\$3,115	\$34.34	\$0.93
08/05/02	61110	Soybean	Omaha, NE	Portland, OR	\$2,780	\$30.64	\$0.83

Source: www.bnsf.com

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

BARGE TRANSPORTATION

Illinois River Barge Rate Index - Rate Quotes



The **Illinois River Barge Rate Index** averaged 183% of the Benchmark Tariff Rate between 1999 and 2001, based on weekly market quotes. The **Index**, along with **Rate Quotes** and **Futures Market** bids are indicators of grain transport supply and demand.

Calculating barge rate per ton:
 Index × 1976 Tariff Benchmark Rate per Ton

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map below.

BARGE RATE QUOTES: Southbound Barge Freight				
Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate				
	9/25/02	9/18/02	Oct '02	Dec '02
Twin Cities	180	179	209	0
Mid-Mississippi	171	162	188	0
Illinois River	157	150	177	158
St. Louis	137	142	152	122
Lower Ohio	134	146	169	128
Cairo-Memphis	127	134	147	117

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

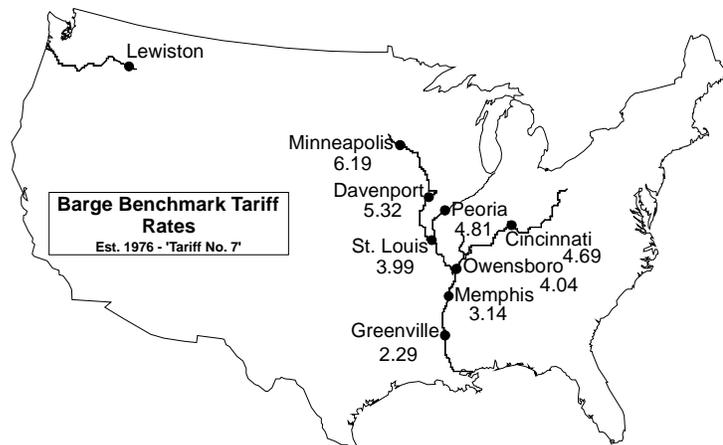
BARGE FUTURES MARKET

Southbound Barge Freight Nominal/Cash Basis Values

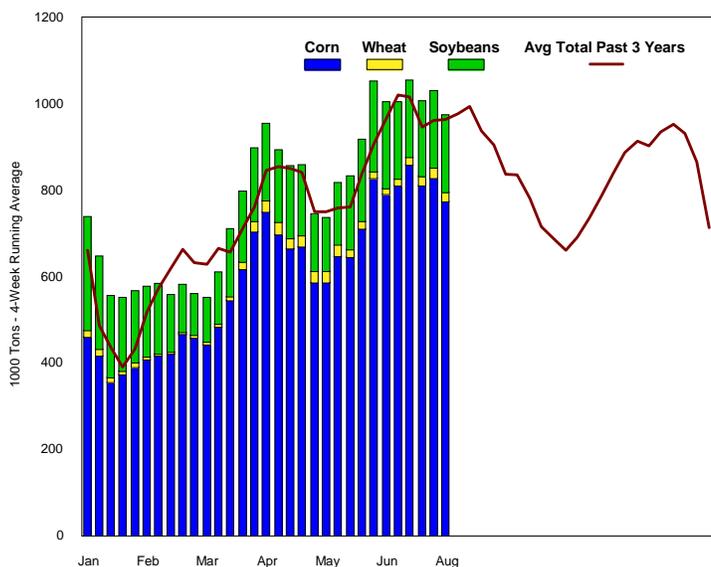
Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	Rate	
			Futures	Cash
10/01/02	St. Louis	Aug	n/a	n/a
		Oct	n/a	160
		Dec	n/a	120
		Feb	n/a	120
	Illinois River	Mar	n/a	120
		Aug	n/a	n/a
		Oct	n/a	185
		Dec	n/a	155
		Feb	n/a	170
		Mar	n/a	155

Source: St. Louis Merchants Exchange



Barge Movements on the Mississippi River (Lock 27)



Barge Grain Movements

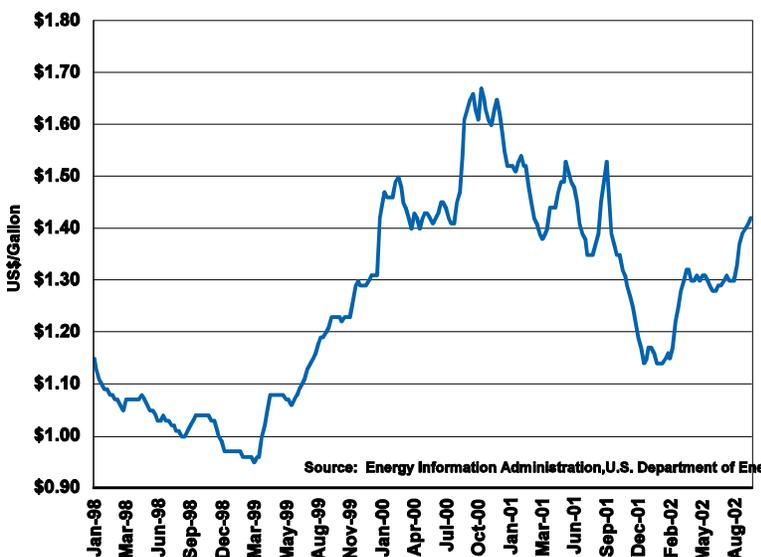
for week ending 9/21/02

	Corn	Wht	Sybn	Total
	1,000 Tons			
Mississippi River				
Rock Island, IL (L15)	233	9	69	310
Winfield, MO (L25)	282	3	65	350
Alton, IL (L26)	373	5	85	482
Granite City, IL (L27)	362	5	80	465
Illinois River (L8)	104	0	17	146
Ohio River (L52)	29	9	18	66
Arkansas River (L1)	0	45	1	47
2002 YTD	25,715	1,944	7,201	36,029
2001 YTD	23,563	1,957	6,141	33,012
% of Last Year	121%	102%	115%	117%
Total 2001	31,878	2,679	10,616	47,091

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

TRUCK TRANSPORTATION

Weekly U.S. Retail Road Diesel Price, Including Taxes



The weekly **Diesel Price** provides a proxy for trends in U.S truck rates. Diesel fuel is a significant expense for truck grain movements, accounting for 37% of the estimated variable cost. **Crude Oil Price** is an indicator in future diesel price trends.

Crude Oil Prices

US\$ per Barrel	This Week	Last Week	Average 2001*
Light Sweet Crude (NYMEX)	28.51	28.34	22.96
Brent Crude	26.76	26.26	

Note: Light Sweet Crude is exchanged on the New York Mercantile Exchange. North Sea oil has a "benchmark" role in crude oil pricing. Brent crude, a blend of North Sea oils, is traded on the International Petroleum Exchange in London

Source: www.eia.doe.gov; *U.S. Refiner Crude Acquisition Cost, Composite Domestic & Import

GRAIN EXPORTS

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

	HRW	SRW	Wheat			All	Corn	Soybean	Total
			HRS	SWW	DUR				
<u>Unshipped Export Balances</u>									
09/26/02	213	29	16	47	410	162	37	0	0
2002 YTD	6,511	2,955	1,398	4,055	28,154	11,208	4,574	237	907
2001 YTD		7,097	4,110	1,385	4,479	26,359	10,282	4,074	212
% of Last Year	65%	49%	82%	60%	80%	62%	66%	50%	90%
2000/01 YTD	2,267	1,502	1,490	885	381	6,525	1,660	17,713	25,898
% of Last Year	120%	63%	124%	118%	68%	105%	77%	2%	33%
2001/02 Total	8,760	5,485	5,582	3,175	1,133	24,135	n.a.	n.a.	24,135
2000/01 Total	9,313	4,445	5,775	5,156	1,130	25,819	47,734	27,567	101,120

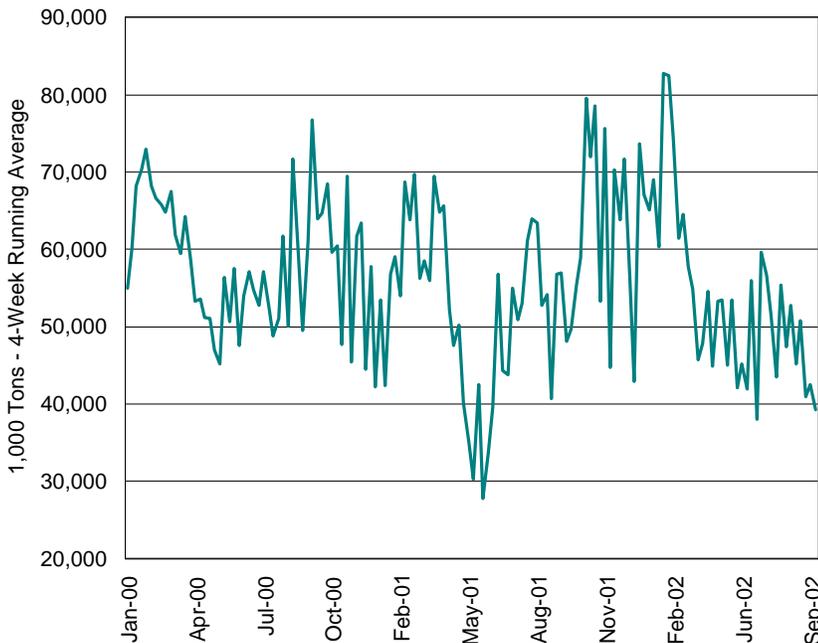
Source: Foreign Agricultural Service YTD-Year-to-Date (www.fas.usda.gov) Crop Year:Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31

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>			<u>Port Region Total</u>		
	Wheat	Corn	Soybn	Wheat	Corn	Soybn	Wheat	Corn	Soybn	Pacific	Mississippi	Texas
09/26/02	213	29	16	47	410	162	37	0	0			
2002 YTD	6,511	2,955	1,398	4,055	28,154	11,208	4,574	237	907			
2001 YTD	7,097	4,110	1,385	4,479	26,359	10,282	4,074	212	979			
% of Last Year	65%	49%	82%	60%	80%	62%	66%	50%	90%			
1999 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

U.S. Grain Inspected for Export



Select Canadian Port Export Inspections

1,000 Metric Tons, Week End Summary

	Wheat	Durum	Barley
09/12/02			
Vancouver	318	21	3
Prince Rupert	119		
Prairie Direct	64	45	48
Thunder Bay	75	49	31
St. Lawrence	1,183	200	11
2001/02 YTD	1,759	315	93
2002/03 YTD	895	501	81
% of Last Year	197%	63%	115%

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

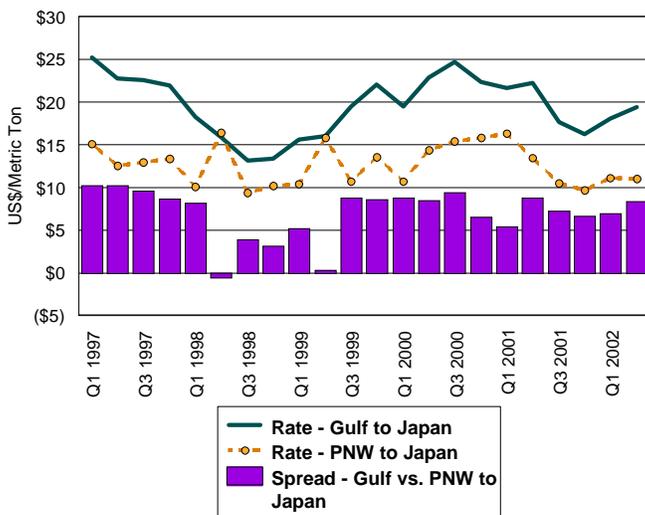
**Gulf Port Region Grain Vessel Loading
Past 7 Days**



	Gulf			Pacific Northwest	Vancouver B.C.
	In Port	Loaded	Due Next	In Port	In Port
		7-Days	10-Days		
09/12/02	24	48	51	8	0
09/19/02	17	48	61	7	0
2001 Range	(13..65)	(28..64)	(46..81)	(1..18)	(4..20)
2001 Avg	36	48	63	9	12

Source: Transportation & Marketing /AMS/ USDA

Grain Vessel Rates to Japan



Quarterly Ocean Freight Rates

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

	2002 2 nd Qtr	2001 2 nd Qtr	% Change		2002 2 nd Qtr	2001 2 nd Qtr	% Change
Gulf to				Pacific NW to			
Japan	\$19.43	\$22.31	-13%	Japan	\$11.03	\$13.05	-18%
Mexico	\$46.92	\$17.84	63%				
Venezuela	\$14.76	-	-	Argentina to			
N. Europe	\$13.58	\$16.93	-20%	Med. Sea	\$16.98	\$26.08	-35%
N. Africa	\$15.84	\$19.52	-19%	N. Europe	\$17.16	\$19.68	-13%
Med. Sea	\$12.62	\$15.80	-20%	Japan	\$25.10	\$26.62	-6%
Black Sea	\$21.16	-	-				

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

Ocean Freight Rates for Select Shipments - week ending 9/28/02

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
U.S. Gulf	Algeria	Heavy Grain	Oct 5/12	25,000	\$18.75
U.S. Gulf	Casablanca	Maize	Sept 25/Oct 5	25,000	\$20.00
U.S. Gulf	Aqaba (Jordan)	Wheat	Oct 5/15	44,000	\$21.95
U.S. Gulf	Japan	Heavy Grain	Oct 17/24	54,000	\$23.95
R. Plate/B. Blanca	B. Khomeini (Iran)	Grains	Oct 5/10	53,000	\$29.75

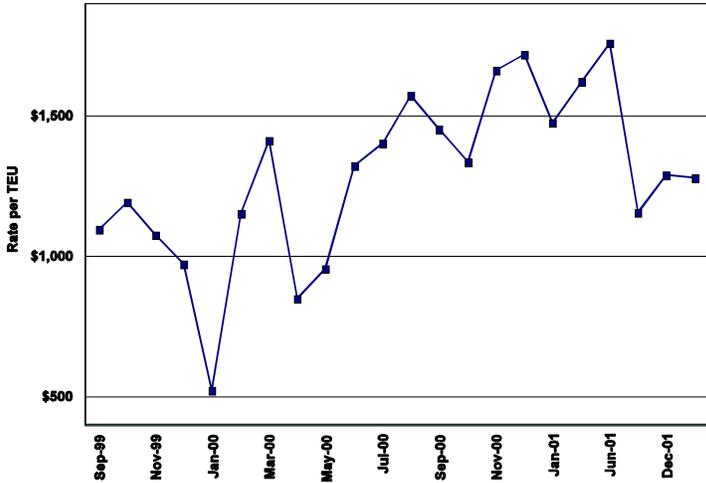
Source: Maritime Research Inc.; rates shown are for metric ton (2,204.62 lbs.=one metric ton), F.O.B., except where otherwise indicated; op=option

CONTAINER

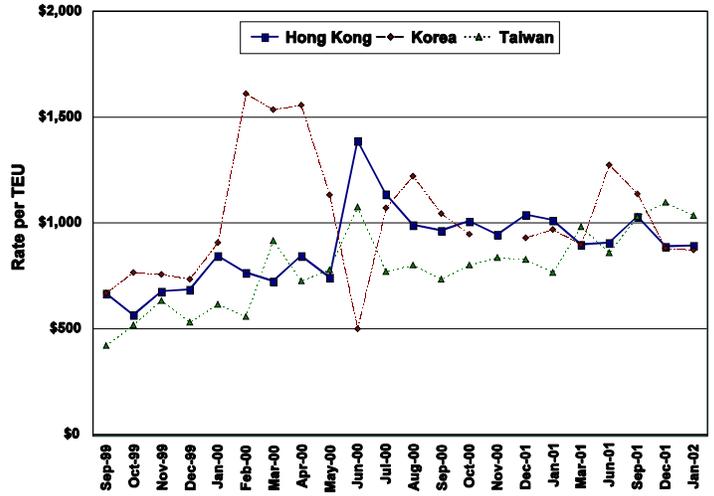
Container Ocean Freight Rates

Monthly Weighted Averages Based on Shipping Line Monthly Mkt. Share
 Source: Transportation & Marketing/AMS/USDA

Container Rates - Soybeans
 Seattle, WA Origin to Tokyo, Japan



Container Rates - Feed Grain
 Seattle, WA Origin to Selected Destinations



Approximately 420,000 MT of grain and oilseed exports were marketed via container in 2001. This volume increased 26% compared to 1997.