



GRAIN TRANSPORTATION REPORT

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

DECEMBER 31, 2002

<u>TM GRAIN TRANSPORT COST INDICATORS</u>	<u>Truck</u>	<u>Rail</u>	<u>Barge</u>	<u>Ocean</u>	
				<u>Gulf</u>	<u>PNW</u>
Indicator Value* for 12/31	100	113	n/a	n/a	n/a
Compared to Last Week	↑	↓			
*Indicator: Base Year 2000=100; Cost Data. Weekly Updates include Truck=Diesel, Rail=Nearby Secondary Rail Market; Barge=Spot Illinois River Basis; Ocean Vessel, based on Routes to Japan					

Jan. 12-16, '03	Transportation Research Board (TRB) 82 nd Annual Meeting		Washington, DC	202-334-2934 (ph) 202-334-2003 (fax) www.trb-agtrans.org/events.htm
Jan. 19-22	American Farm Bureau Federation (AFBF) 84 th Annual Meeting and Convention		Tampa Bay, FL	847-685-8600 (ph) 202-484-3600 (ph) www.fb.org
Jan. 26-31	Wheat Industry Conference		Albuquerque, NM	202-547-7800 (ph) wheatworld@wheatworld.org
Feb. 5-7	National Grain Trade Council (NGTC) Transportation, Elevator & Grain Merchants (TEGMA) 2003 Annual Meeting		Marco Island, FL	Tyson Redpath 202-842-0400 Ext. 101(ph) 202-789-7223 (fax) redpath@ngtc.org
Feb. 9-12 U.S.	U.S. Grains Council Annual Meeting		Guadalajara, MX	202-789-0789 (ph) grains@grains.org
Feb. 11-13	World Ag Expo		Tulare, CA	614-292-4278 (ph)
Feb. 16-18	Annual Sorghum Industry Conference and 23 rd Biennial Research & Utilization Conf.		Albuquerque, NM	806-749-3478 (ph) conference@sorghumgrowers.com
Feb. 20-21	USDA79 th Annual Agricultural Outlook Forum		Arlington, VA	202-314-3451 (ph) agforum@oce.usda.gov
Feb. 27-Mar. 1	Commodity Classic Trade Show		Charlotte, NC	Beth Musgrove 314-275-9915 (ph) musgrove@ncga.com
Mar. 10-12	American Farmland Trust National Conf.		Pacific Grove, CA	Doris Mittasch 413-589-9330 (ph) dmittasch@farmland.org
Mar. 25-28	National Grain and Feed Association (NGFA) 107 th Annual Convention		Tucson, AZ	202-289-0873 (ph) 202-289-5388 (fax) ngfa@ngfa.org
May 4-6	North American Rail Shippers Assoc. Annual Meeting		Washington, DC	202-639-2100 (ph)
May 5-7	American Feed Association Expo 2003		Minneapolis, MN	703-524-0810 (ph) afia@afia.org

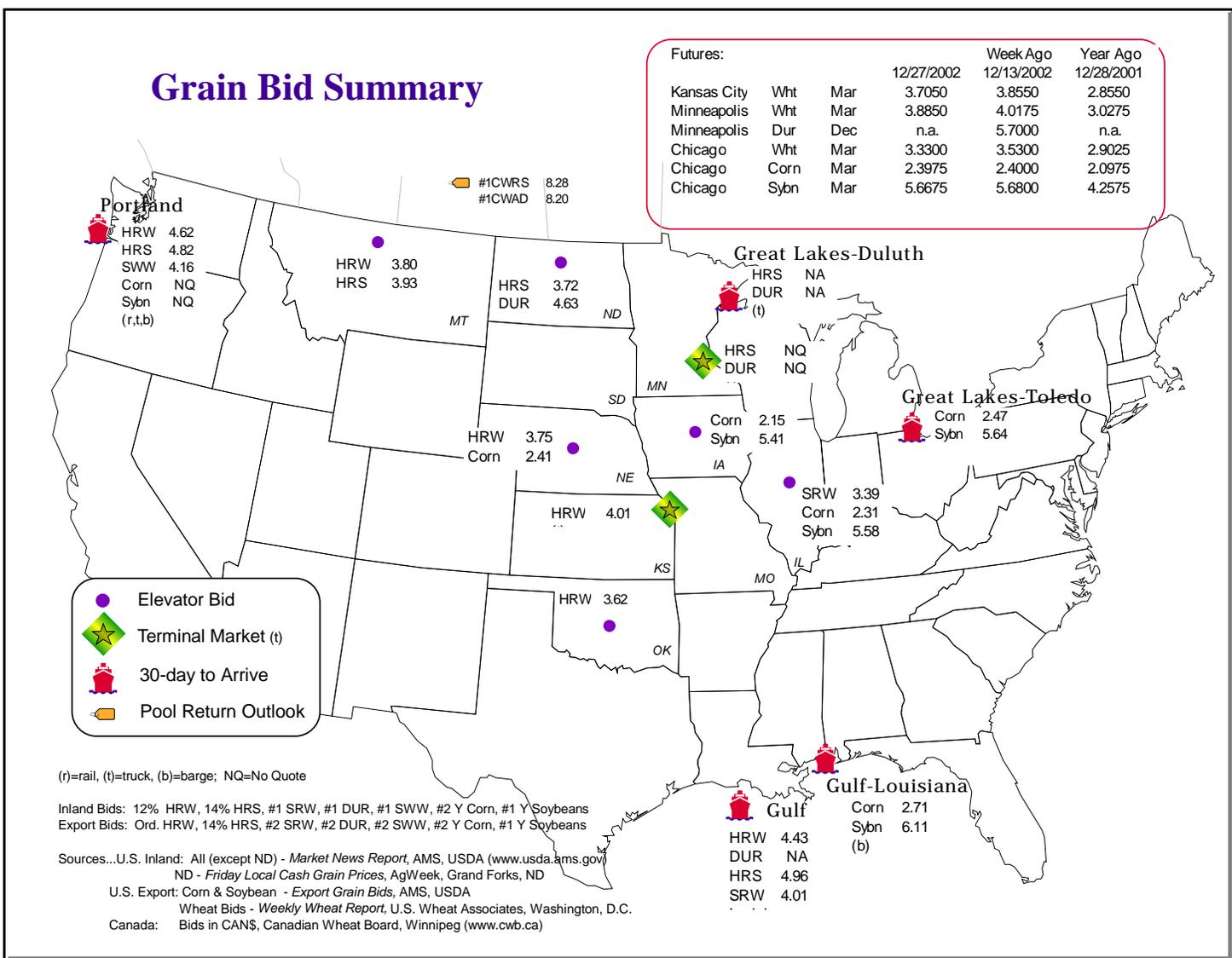
Contents	
Rail	3
Barge	5
Truck	6
Grain Exports	7
Container ...	9

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	-0.40	-0.42
Corn	NE -- Gulf	-0.30	-0.35
Soybean	IA -- Gulf	-0.70	-0.71
HRW	KS -- Gulf	-0.42	-0.41
HRS	ND -- Portland	-1.10	-1.12

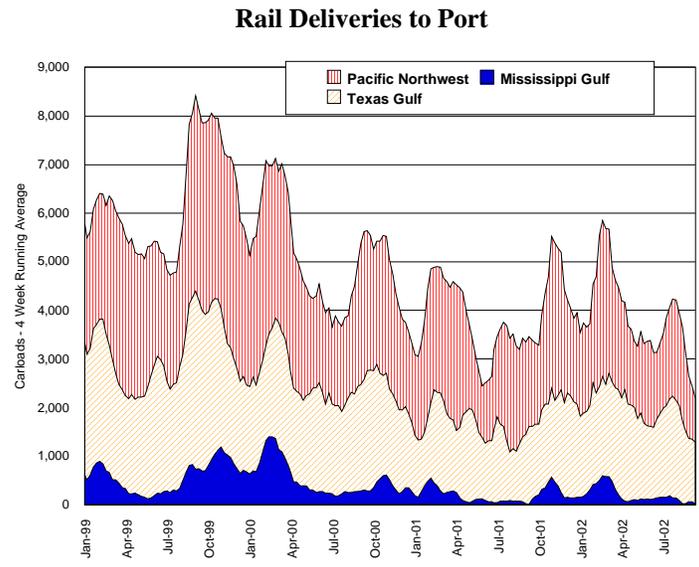
The **Grain Bid Summary** illustrates the market relationships for corn, soybeans, and five varieties of wheat among selected origins and destinations. Positive and negative adjustments in the differential between terminal and futures markets, and the relationship to inland market points, are indicators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



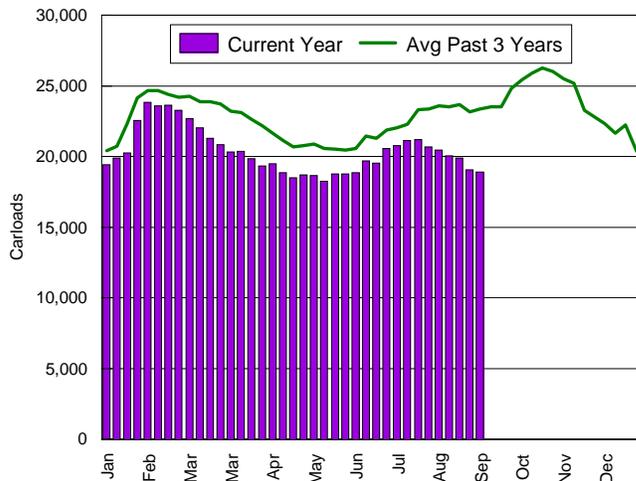
RAIL TRANSPORTATION

Rail Deliveries to Port					
Carloads					
	Mississippi Gulf*	Texas Gulf	Pacific Northwest	Atlantic & East Gulf	Total
Week Ending:					
12/4/02	491	870	2,534	160	4,055
12/11/02	252	1,052	2,453	633	4,390
YTD 2002	10,591	81,651	107,280	20,142	219,664
YTD 2001	9,762	78,514	107,114	25,511	220,901
% YTD 2001	108%	104%	100%	79%	99%
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
12/21/02	2,876	3,505	8,456	749	7,142	22,728	2,995	2,560
This Week Last Year	2,900	2,824	8,528	564	7,110	21,926	4,873	4,444
2002 YTD	140,813	162,551	394,308	26,775	338,971	1,063,418	189,952	194,445
2001 YTD	150,458	161,035	423,237	25,882	342,286	1,102,898	251,565	230,365
% of Last Year	94%	101%	93%	103%	99%	96%	76%	84%
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*

Nov-02	93.3	95.6	95.5	102.7	93.1	94.4
--------	------	------	------	-------	------	------

Source: Association of American Railroads; *Base Year =2001, Index based on Number of Covered Hopper Cars Online (available for Service) 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:	Feb-03	Mar-03	Apr-03
COT/N. Grain	no bid	no bid	no bid
COT/S. Grain	\$0	no bid	no bid
GCAS/Region 1	\$1	\$1	no bid
GCAS/Region 2	\$7	\$4	no bid

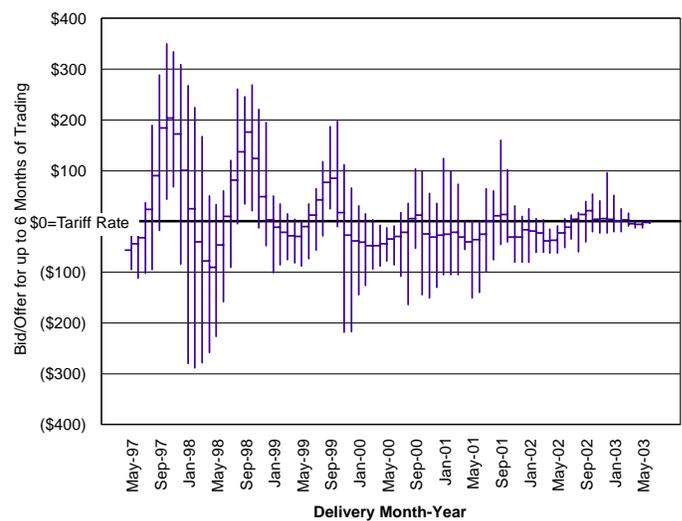
Source: Transportation & Marketing/AMS/USDA.
(COT=Certificate of Transportation; GCAS=Grain Car Allocation System)

Secondary Rail Car Market

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

	Delivery Period			
	Jan-03	Feb-03	Mar-03	Apr-03
BNSF-GF	\$8	\$5	\$2	\$(13)
UP-Pool	\$26	\$20	\$13	\$(6)

Secondary Rail Market Bid



Tariff Rail Rates for Unit Train Shipments

December 2002

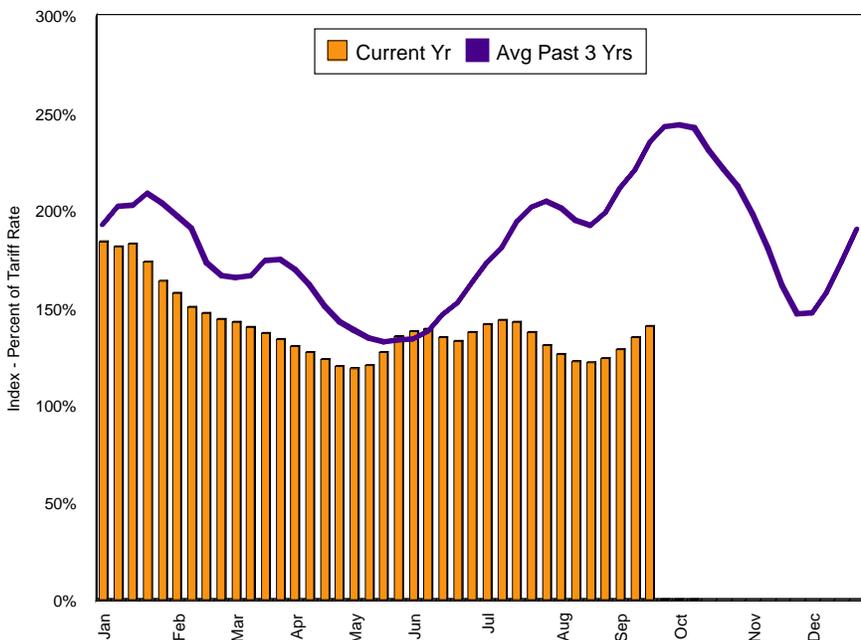
Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
12/2/02	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$22.60	\$0.62
12/02/02	43521	Wheat	Minneapolis, MN	Portland, OR	\$3,877	\$42.74	\$1.16
12/02/02	46540	Wheat	Kansas City, MO	Houston, TX	\$1,650	\$18.19	\$0.50
12/02/02	43586	Wheat	Kansas City, MO	Portland, OR	\$4,347	\$47.92	\$1.30
12/02/02	43581	Wheat	Omaha, NE	Portland, OR	\$4,005	\$44.15	\$1.20
12/02/02	31005	Corn	Minneapolis, MN	Portland, OR	\$3,050	\$33.62	\$0.85
12/02/02	31035	Corn	Kansas City, MO	Portland, OR	\$2,700	\$29.76	\$0.76
12/02/02	31005	Corn	Omaha, NE	Portland, OR	\$2,850	\$31.42	\$0.80
12/02/02	61110	Soybean	Minneapolis, MN	Portland, OR	\$3,030	\$33.40	\$0.91
12/02/02	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				
	12/25/02	12/18/02	Jan. '03	Mar. '03
Twin Cities	nq	nq	nq	203
Mid-Mississippi	nq	nq	nq	176
Illinois River	166	173	186	167
St. Louis	136	141	139	137
Lower Ohio	129	130	129	134
Cairo-Memphis	121	123	124	123

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

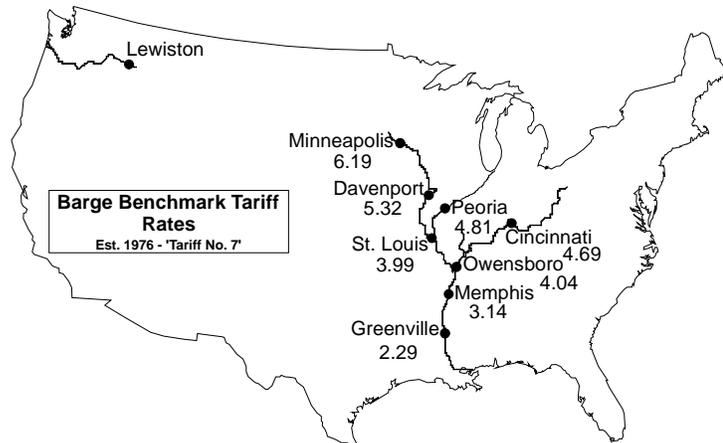
BARGE FUTURES MARKET

Southbound Barge Freight Nominal/Cash Basis Values

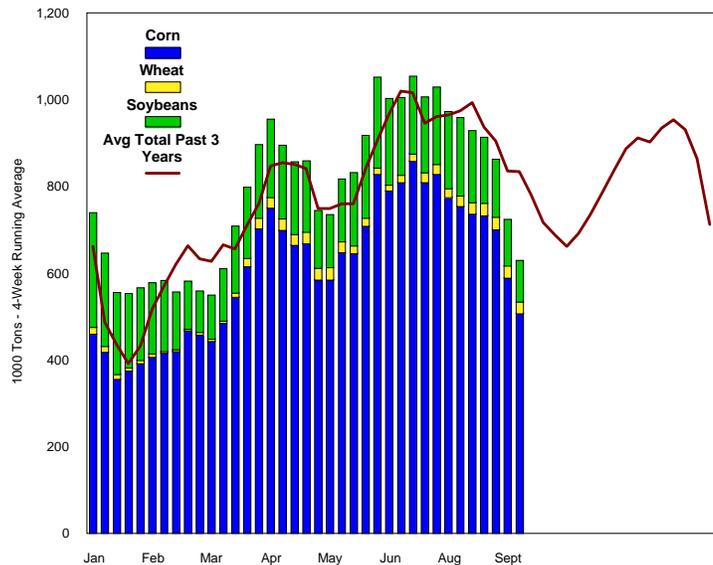
Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	Rate	
			Futures	Cash
12/31/02	St. Louis	Oct	n/a	n/a
		Dec	n/a	138
		Feb	n/a	135
	Illinois River	Apr	n/a	138
		Jun	n/a	138
		Oct	n/a	n/a
	Illinois River	Dec	n/a	160
		Feb	n/a	173
		Apr	n/a	150
		Jun	n/a	150

Source: St. Louis Merchants Exchange



Barge Movements on the Mississippi River (Lock 27)



Barge Grain Movements

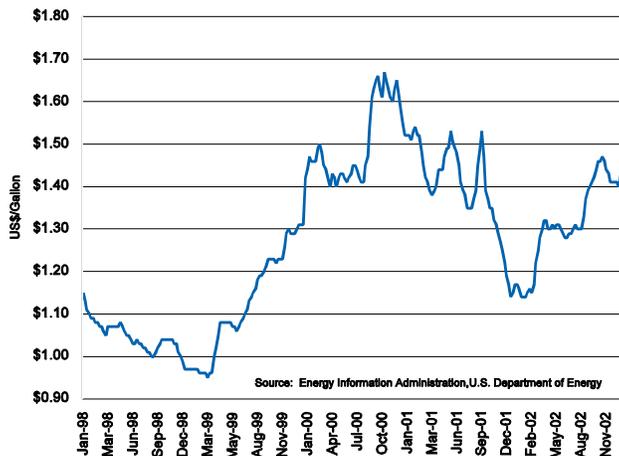
for week ending 12/21/02

	Corn	Wht	Sybn	Total
	1,000 Tons			
Mississippi River				
Rock Island, IL (L15)	0	0	0	0
Winfield, MO (L25)	2	0	5	6
Alton, IL (L26)	567	6	157	730
Granite City, IL (L27)	572	6	156	735
Illinois River (L8)	470	2	130	602
Ohio River (L52)	31	20	62	128
Arkansas River (L1)	n/a	n/a	n/a	n/a
2002 YTD	32,089	2,401	10,548	46,441
2001 YTD	29,397	2,556	8,982	42,737
% of 2001 YTD	109%	94%	117%	109%
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.

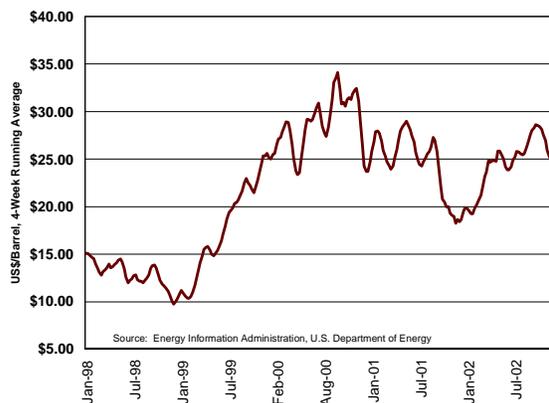
TRUCK TRANSPORTATION

Weekly U.S. Retail Road Diesel Price



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.

Weekly Brent Crude Price, Friday Close



Crude Oil Prices

US\$ per Barrel	This Week	Last Week	
Light Sweet Crude (NYMEX)	30.00	30.49	↓
Brent Crude	31.98	31.06	↑

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				
Unshipped Export Balances									
12/19/02	1,182	805	1,357	679	135	4,158	6,900	8,826	19,884
This Week Year Ago	1,254	556	965	604	118	3,497	7,596	8,135	19,228
Cumulative Exports-Crop Year									
01/02 YTD	4,506	1,452	3,987	2,029	506	12,480	12,568	10,608	35,656
00/01 YTD	4,821	3,368	3,163	1,861	800	14,012	13,033	17,713	44,758
99/00 Total	9,858	4,710	6,305	5,413	1,232	27,518	37,220	24,516	89,254
98/99 Total	7,387	3,645	7,864	6,105	963	25,965	44,476	24,501	94,942
97/98 Total	9,867	6,792	8,918	6,443	897	32,918	55,769	23,550	112,237

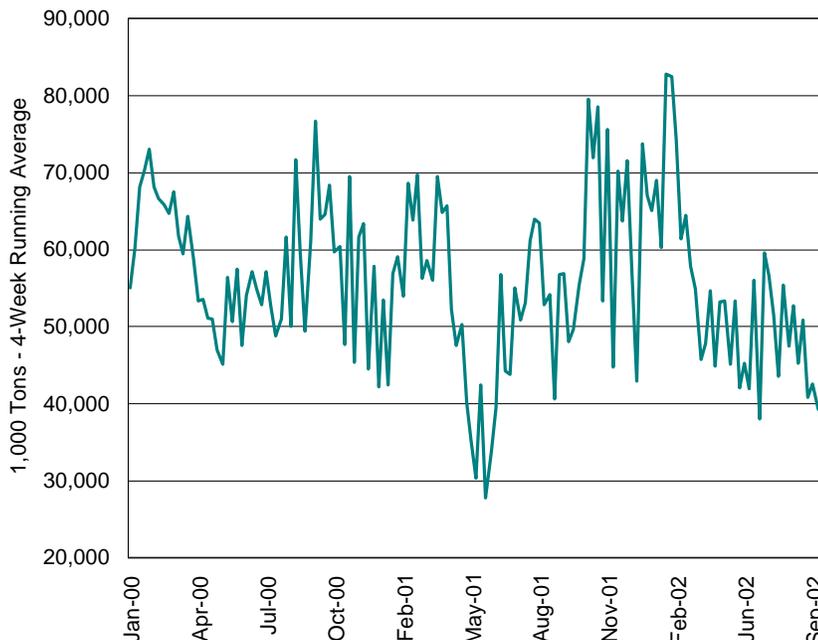
Source: Foreign Agricultural Service YTD-Year-to-Date (www.fas.usda.gov) Crop Year:Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31

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

	Pacific Region			Mississippi Gulf			Texas Gulf			Port Region Total		
	Wheat	Corn	Soybn	Wheat	Corn	Soybn	Wheat	Corn	Soybn	Pacific	Mississippi	Texas
12/26/02	198	97	0	96	337	559	127	0	0	295	991	127
2002 YTD	8,979	3,942	2,801	5,468	36,079	18,098	5,878	266	992	15,721	59,644	7,136
2001 YTD	9,734	5,129	2,778	6,179	34,581	17,439	5,862	267	1,581	17,641	58,200	7,710
% of 2001 YTD	92%	77%	101%	88%	104%	104%	100%	100%	63%	89%	102%	93%
2001 Total	10,007	5,877	1,647	6,829	34,991	17,996	6,984	470	1,008	17,530	59,816	8,462

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

U.S. Grain Inspected for Export

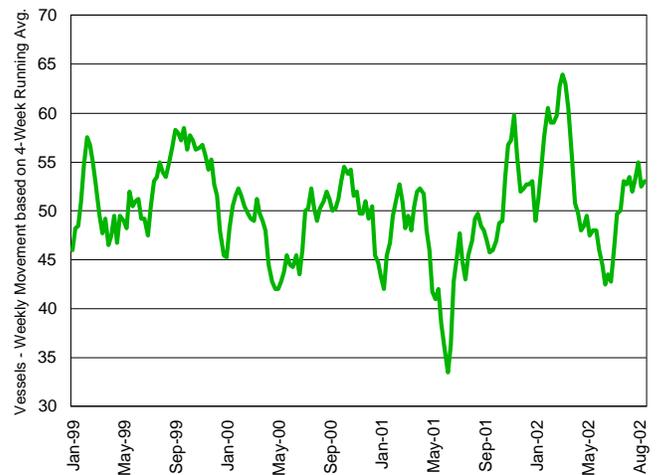


Select Canadian Port Export Inspections
1,000 Metric Tons, Week End Summary

	Wheat	Durum	Barley
12/12/2002			
Vancouver			
Prince Rupert	35	24	
Prairie Direct	5	15	5
Thunder Bay	35	11	
St. Lawrence	2,024	1,110	150
2001/02 YTD	5,240	1,123	391
2002/03 YTD	2,099	1,160	155
% of Last Year	250%	97%	252%

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

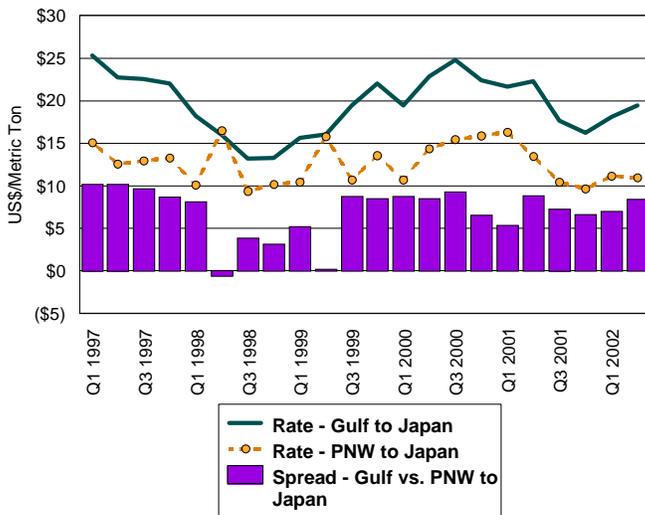
**Gulf Port Region Grain Vessel Loading
Past 7 Days**



	Gulf			Pacific Northwest	Vancouver B.C.
	In Port	Loaded	Due Next	In Port	In Port
		7-Days	10-Days		
12/19/02	38	47	74	15	0
12/26/02	15	24	44	11	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 3 rd Qtr	2001 3 rd Qtr	% Change		2002 3 rd Qtr	2001 3 rd Qtr	% Change
Gulf to				Pacific NW to			
Japan	\$19.54	\$17.69	9%	Japan	\$11.57	\$11.46	10%
Mexico	\$7.14	-	-				
Venezuela	-	\$13.45	-				
N. Europe	-	\$12.06	-	Argentina to			
N. Africa	\$31.64	\$18.21	42%	Med. Sea	\$19.93	-	-
Med. Sea	\$11.92	\$12.05	-1%	N. Europe	-	\$16.22	-
Black Sea	-	-	-	Japan	-	\$29.40	-

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

Ocean Freight Rates for Selected Shipments - week ending 12/21/02*

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
U.S. Gulf	China	Wheat	Dec. 20/30	22,000	\$126.95**
U.S. Gulf	Japan	Heavy Grain	Jan. 1/5	54,000	\$25.25
U.S. Gulf	Japan	Heavy Grain	Jan. 3/20	54,000	\$25.50
PNW	China	Wheat	Dec. 20/30	18,000	\$45.00*
River Plate, S. America	Poland	Grains	Dec. 28/30	30,000	\$26.00
Southampton, U.K.	Casablanca	Wheat	Dec. 20/24	30,000	\$12.00
Constantza, Romania	Morocco	Wheat	Dec. 18/20	25,000	\$15.50
Bedi Bunda, India	Indonesia	Wheat	Dec. 17/22	27,000	\$12.80

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

*No new shipments of agricultural products reported for the week ending 12/28/02

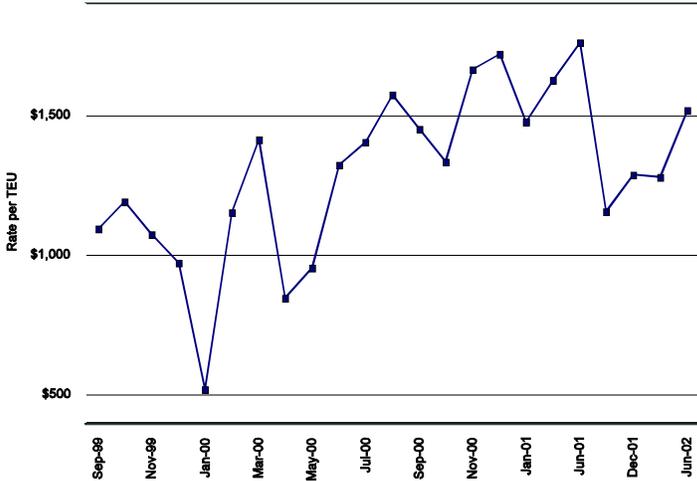
**Factors contributing to these higher freight rates: 1) most food aid from the United States is required to be shipped on U.S. flag vessels and the vessels are of limited availability, 2) destinations receiving food aid generally lack adequate port unloading facilities, requiring the vessel to remain in port for a longer duration than normal, and 3) the loading and unloading of bagged commodities are generally more labor intensive than bulk shipments.

CONTAINER

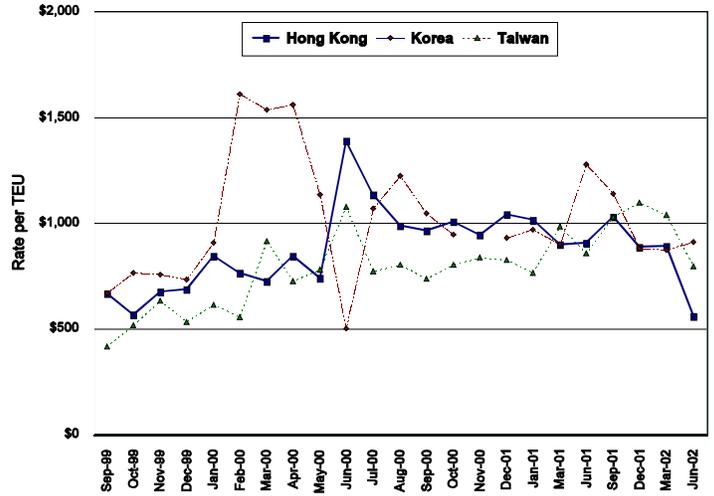
Container Ocean Freight Rates

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.