



GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service
United States Department of Agriculture

JUNE 25, 2002



Higher Toll Rates for U.S. Gulf Grain Exporters.

Starting July 12, the Panama Canal Authority will charge vessels passing through the Canal an additional 13 percent in toll rates. Previous toll increases include an 8.2 percent increase in 1997 and a 7.5 percent increase in 1998. Since 2000, the Panamanian government has been in complete control of the Canal operation and views the Canal as an instrument through which to increase its revenues. The Panama Canal is an important link for U.S. grain exports from the U.S. Gulf to China, Japan, Korea, Taiwan, and other Southeast Asian markets. This transportation artery also facilitates U.S. grain exports to Central and South America. More than 90 percent of all grain moving through the Panama Canal is produced in the United States. Toll increases could reduce volumes moving through the Canal and redirect that grain through other routes; if the toll increase is sufficiently large to make other alternatives more attractive.

According to Canal Administrator Alberto Zubieta, the move to change the current toll rate structure is designed to replace a “one-size-fits-all” pricing structure with pricing that is more tailored to individual customer needs. According to Zubieta, such differential pricing is consistent with practices of other international canals such as the Suez Canal.

The new rate is based on ship size and is no longer a flat rate. Currently, laden (loaded) ships pay a flat rate of \$2.57 per ton for using the Panama Canal/Universal Measurement System (PC/UMS), while ballast (empty) ships pay \$2.04 per ton for the same usage. After July 12, laden ships must pay \$2.96 per ton for the first 10,000 tons, \$2.90 per ton for the next 10,000 tons, and \$2.85 per ton for the remaining tons. Comparable rates for ballast ships will be \$2.35, \$2.30, and \$2.26 per ton. Rates are based on capacity.

Other charges include a new displacement charge of \$1.64 per ton (currently \$1.43 per ton), regardless of the size of the vessel, and a new tariff for using Canal locomotives to pull ships through the Canal. There will be a \$200 per locomotive wire charge for each wire used (wires are used for pulling the ship). The number of wires used depends on the weight of the vessel and its contents, and the charge can add as much as \$3,200 to the cost to ships transiting through the Canal.

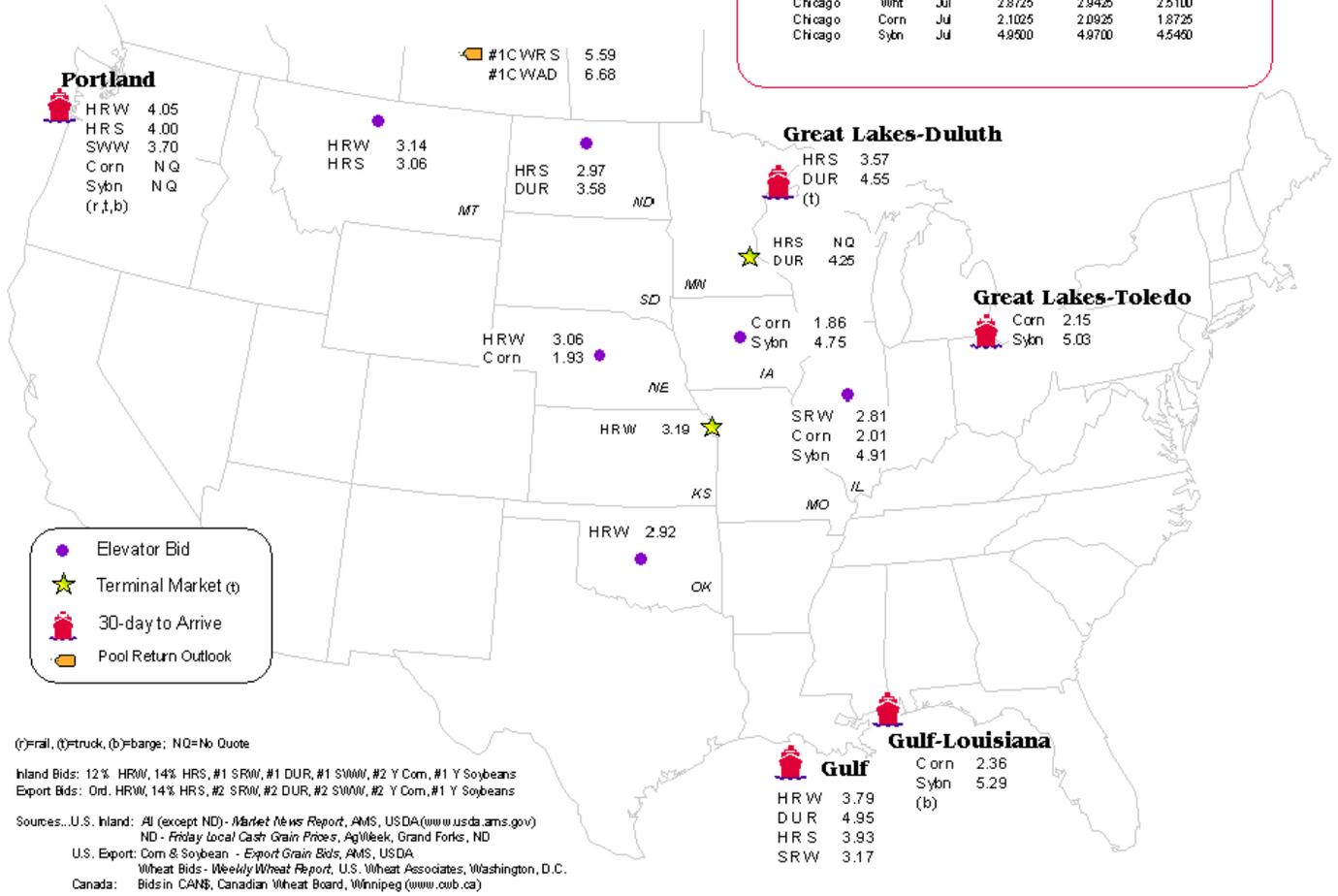
Research by Texas A&M University and USDA, examining the effect of increasing Panama Canal toll rates on U.S. grain exports, suggests that ship rates on routes linking U.S. Gulf ports to Asia would increase (ocean vessel companies will attempt to pass some of the increased tolls back to the shippers), and some grain exports would be redirected to Pacific ports. The redirection will take place via internal routes, using unit trains and trucks. The redirection, however, is likely to be moderate, and U.S. Gulf ports will continue to dominate the grain export market, even with the proposed toll hike.

Report is prepared by Sigal Nissan, Economist, 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 Sigal.Nissan@usda.gov

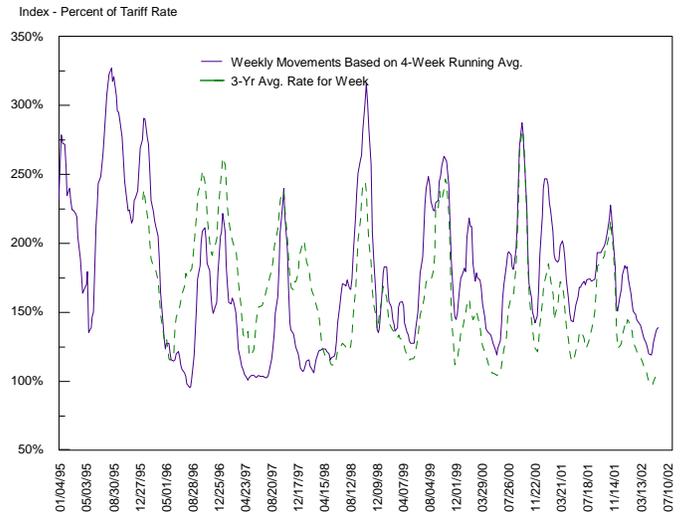
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Grain Bid Summary

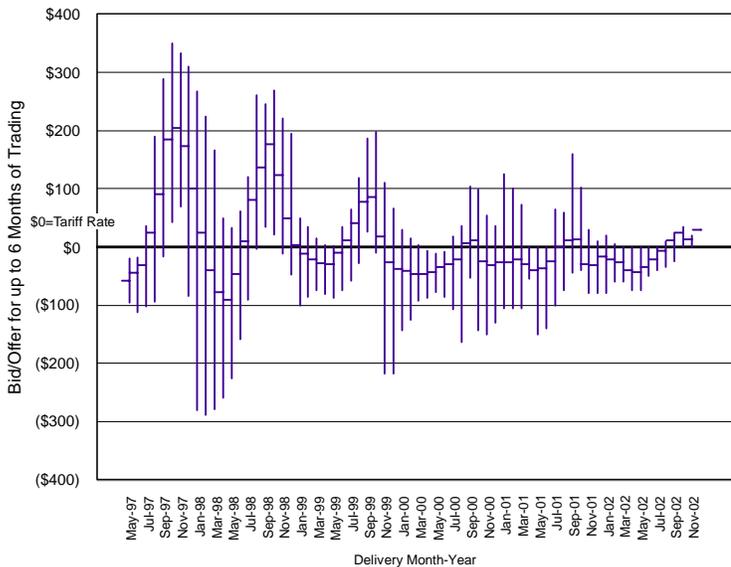
Futures:			06/21/2002	Week Ago 06/14/2002	Year Ago 06/22/2001
Kansas City	Wht	Jul	3.1125	3.1325	3.0175
Minneapolis	Wht	Jul	3.0700	3.0525	3.1100
Minneapolis	Dur	Dec	4.3900	4.4400	n.a.
Chicago	Wht	Jul	2.8725	2.9425	2.5100
Chicago	Corn	Jul	2.1025	2.0925	1.8725
Chicago	Sybn	Jul	4.9900	4.9700	4.5400



Spot Barge Rate - Illinois River



Secondary Rail Market Bids



Rail Car 'Auction' Offerings				
Delivery for:	Aug-02		Sep-02	
	Offered	% Sold	Offered	% Sold
BNSF-COT	12,966	19%	11,820	68%
UP-GCAS	5,400	10%	5,400	3%

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			
	Jul-02	Aug-02	Sep-02	Oct-02
BNSF-GF	\$2	\$6	\$21	\$36
UP-Pool	\$(6)	\$(2)	\$6	\$20

Source: T&M/AMS/USDA. Data from Atwood/ConAgra., Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.; GF=Guaranteed Freight, GEPP=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:	Aug-02	Sep-02	Oct-02
COT/N. Grain	\$2	\$12	\$0
COT/S. Grain	\$0	no bid	no bid
GCAS/Region 2	no bid	no offer	no offer
GCAS/Region 4	no bid	no offer	no offer

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

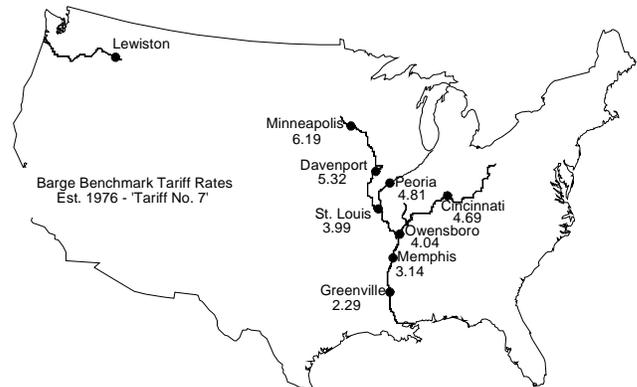
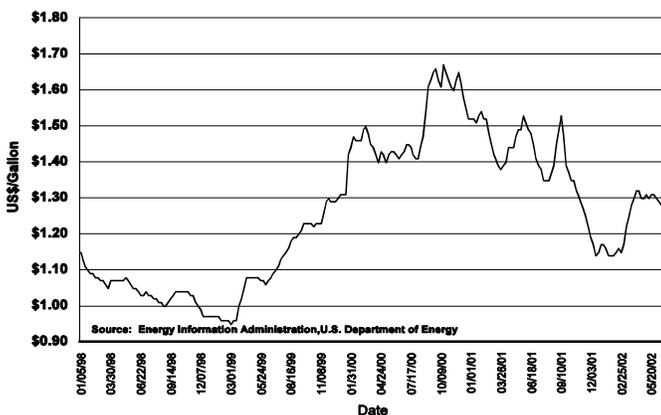
Week ended	River/Region	Contract Period	Rate	
			Futures	Cash
06/21/02	St. Louis	Jun	0	115
		Aug	0	145
		Oct	0	195
		Dec	0	135
		Feb	0	0
	Illinois River	Jun	0	145
		Aug	0	165
		Oct	0	215
		Dec	0	163
		Feb	0	0

Source: St. Louis Merchants Exchange

Southbound Barge Freight Spot Rates				
	6/19/02	6/12/02	Jul '02	Sep '02
Twin Cities	181	172	189	228
Mid-Mississippi	151	142	159	200
Illinois River	138	131	146	189
St. Louis	96	91	108	178
Lower Ohio	96	100	123	193
Cairo-Memphis	90	88	103	175

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

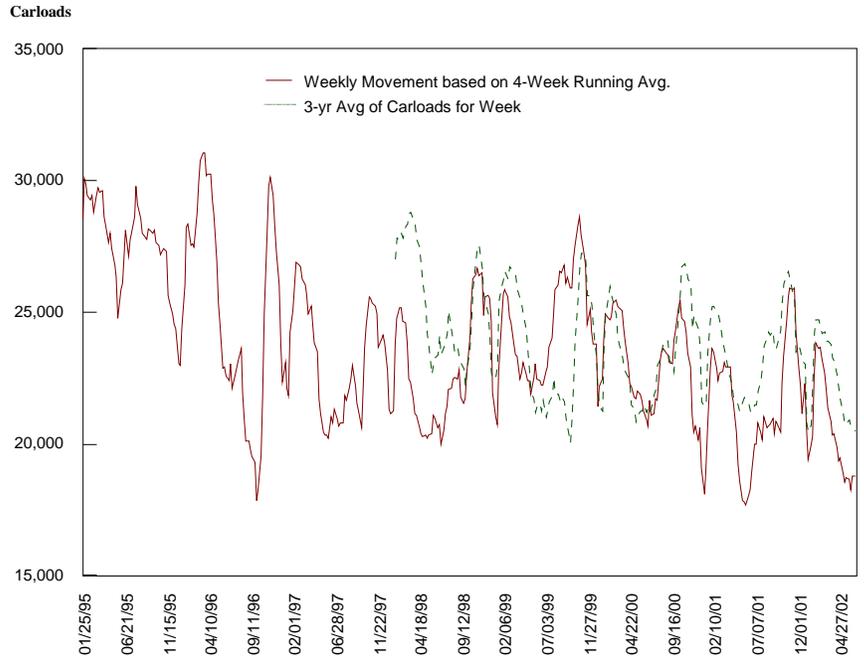
Weekly Retail Diesel (Road) Prices (Including Taxes)



Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
6/1/02	16,826
06/08/02	19,934
06/15/02	18,927
Year to Date - 2002	494,142
Year to Date - 2001	503,718
Total 2001	1,117,601
Total 2000	1,188,917

Source: Association of American Railroads



Class I Rail Carrier Grain Car Bulletin

Grain Carloads Originated

	East		West			Canada	
	CSXT	NS	BNSF	KCS	UP	CN	CP
06/15/02	2584	3,012	6,626	490	6,215	3,742	3,098
This Week Last Year	2,842	3,028	6,817	443	6,001	4,732	4,396
2002 YTD	68,146	75,081	173,733	13,623	159,404	98,036	85,910
2001 YTD	73,847	74,427	188,101	10,678	156,665	116,155	106,605
2001 Total	151,864	163,018	428,603	26,330	347,156	254,982	232,461
2000 Total	147,708	153,905	425,849	26,515	364,785	160,749	239,670

Source: Association of American Railroads

Tariff Rail Rates for Unit Train Shipments

June 2002

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
06/03/02	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$22.60	\$0.62
06/03/02	43521	Wheat	Minneapolis, MN	Portland, OR	\$3,877	\$42.74	\$1.16
06/03/02	46540	Wheat	Kansas City, MO	Houston, TX	\$1,650	\$18.19	\$0.50
06/03/02	43586	Wheat	Kansas City, MO	Portland, OR	\$4,347	\$47.92	\$1.30
06/03/02	43581	Wheat	Omaha, NE	Portland, OR	\$4,005	\$44.15	\$1.20
06/03/02	31040	Corn	Minneapolis, MN	Portland, OR	NA	\$0.00	\$0.00
06/03/02	31035	Corn	Kansas City, MO	Portland, OR	\$2,700	\$29.76	\$0.76
06/03/02	31040	Corn	Omaha, NE	Portland, OR	NA	\$0.00	\$0.00
06/03/02	61180	Soybean	Minneapolis, MN	Portland, OR	NA	\$0.00	\$0.00
06/03/02	61180	Soybean	Omaha, NE	Portland, OR	NA	\$0.00	\$0.00
05/01/98	61180	Soybean	Omaha, NE	Portland, OR	\$2,780	\$25.23	\$0.83

Source: www.bnsf.com

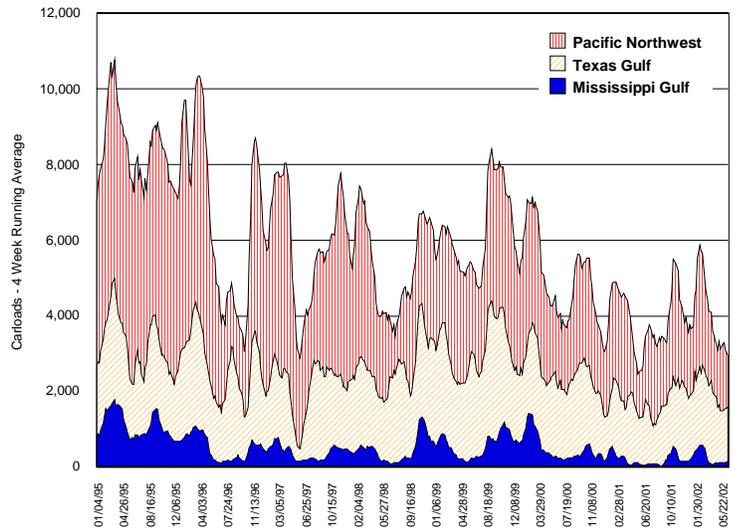
Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

Rail Deliveries to Port

Carloads	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
05/22/02	152	1,384	1,709	138
05/29/02	103	1,452	1,742	406
06/05/02	12	1,572	1,725	528
06/12/02	206	1,304	991	314
06/19/02	246	1,569	1,015	56
06/26/02	152	1,069	2,036	303
YTD 2002	6,246	44,363	49,661	11,886
YTD 2001	5,234	40,079	54,300	14,437
Total 2001	10,022	81,804	111,376	26,604
Total 2000	25,767	104,473	128,414	14,816

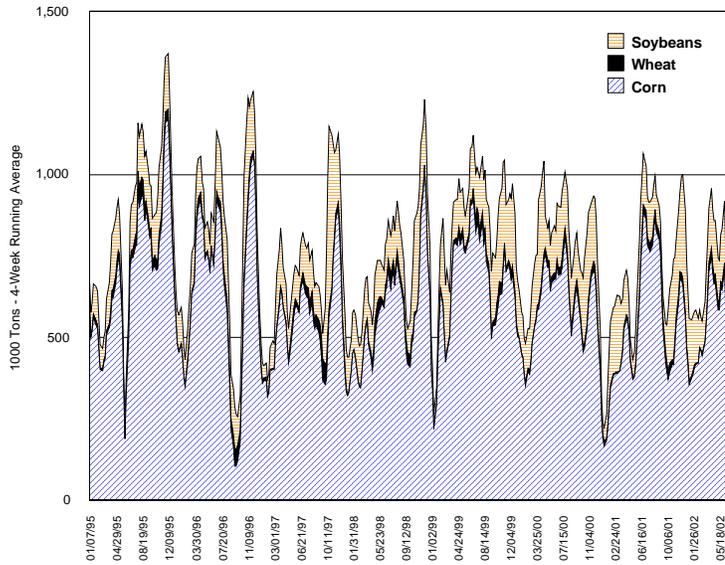
Source: Transportation & Marketing/AMS/USDA

Rail Deliveries to Port



(*) Incomplete Data

Barge Movements - Locks 27



Barge Grain Movements

for week ending 6/15/02

	Corn	Wht	Sybn	Total
	1,000 Tons			
Mississippi River				
Rock Island, IL (L15)	560	11	93	667
Winfield, MO (L25)	575	12	139	729
Alton, IL (L26)	723	12	167	909
Granite City, IL (L27)	718	12	168	902
Illinois River (L8)	206	0	31	241
Ohio (L52)	30	0	23	71
Arkansas (L1)	0	0	0	0
2002 YTD	15,785	975	4,985	22,570
2001 YTD	12,396	889	4,501	18,775
Total 2001	31,878	2,679	10,616	47,091
Total 2000	33,482	2,518	10,327	48,247

Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.
Source: U.S. Army Corp of Engineers; L15 & L25 closed for winter.

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

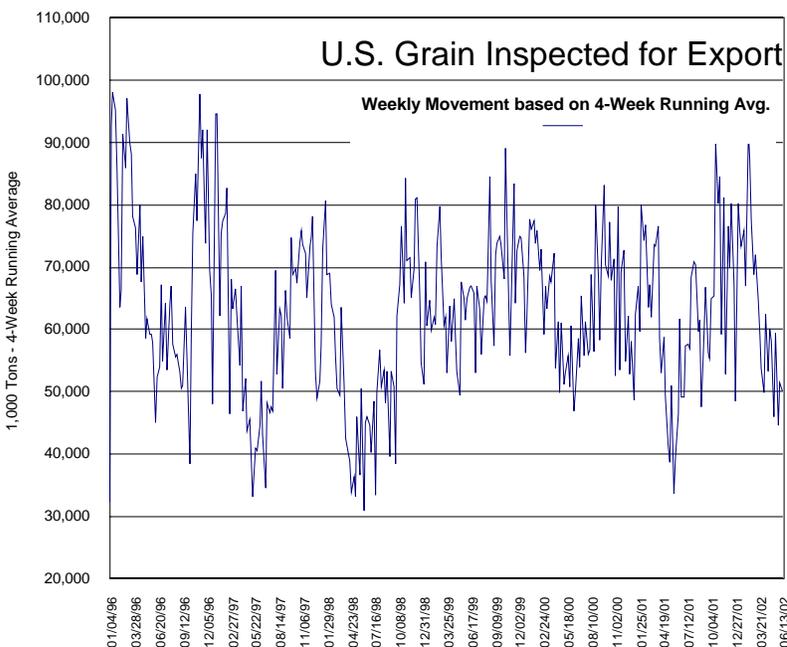
	<i>HRW</i>	<i>SRW</i>	<i>HRS</i>	Wheat <i>SWW</i>	<i>DUR</i>	<i>All</i>	Corn	Soybean	Total
<u>Unshipped Exports-Crop Year</u>									
06/13/02	1,201	313	828	475	80	2,897	7,115	3,539	13,551
This Week Year Ago	854	540	815	418	217	2,844	7,368	2,020	12,232
<u>Cumulative Exports-Crop Year</u>									
01/02 YTD	239	73	150	212	3	677	36,917	26,301	63,895
00/01 YTD	294	145	142	125	31	738	35,177	17,713	53,628
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

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>		
	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>
06/13/02	221	0	0	19	850	107	81	22	0
2002 YTD	3,611	1,953	1,200	2,473	16,337	8,491	2,686	116	787
2001 YTD	4,448	1,909	1,203	2,368	13,510	7,756	2,367	164	780
% of Last Year	36%	33%	70%	37%	46%	47%	39%	25%	78%
2000 Total	9,946	6,006	1,710	6,776	35,231	17,953	6,927	470	1,008

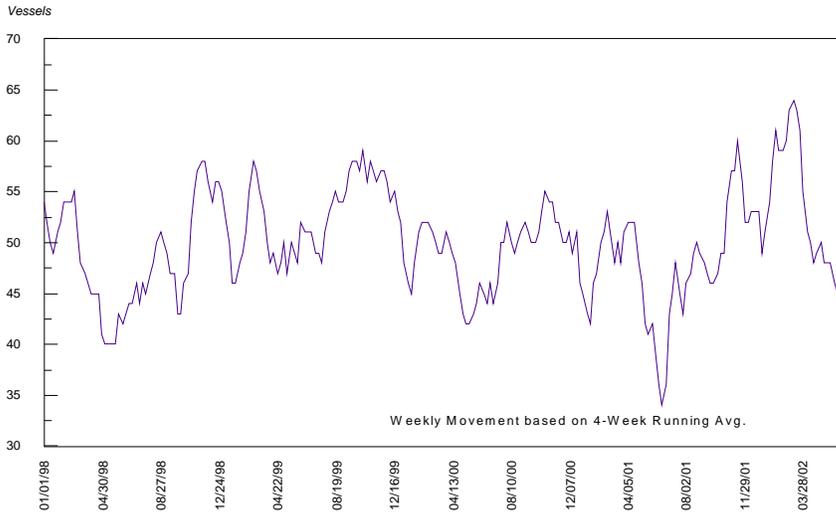
Source: Federal Grain Inspection Service YTD-Year-to-Date



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

	<u>Wheat</u>	<u>Durum</u>	<u>Barley</u>
Week Ended: 6/20/02			
Vancouver	5,592	372	476
Prince Rupert	1,100		
Prairie Direct	1,147	393	353
Thunder Bay	594	277	107
St. Lawrence	2,233	1,921	0
2001 YTD Exports	10,666	2,963	961
2000 YTD Exports	11,451	3,028	1,753
% of Last Year	93%	98%	55%

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



Gulf Region Vessels Loaded - Past 7 Days-

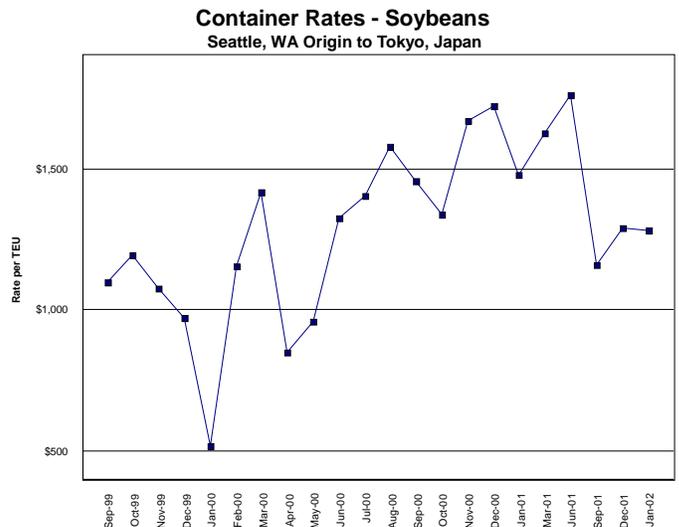
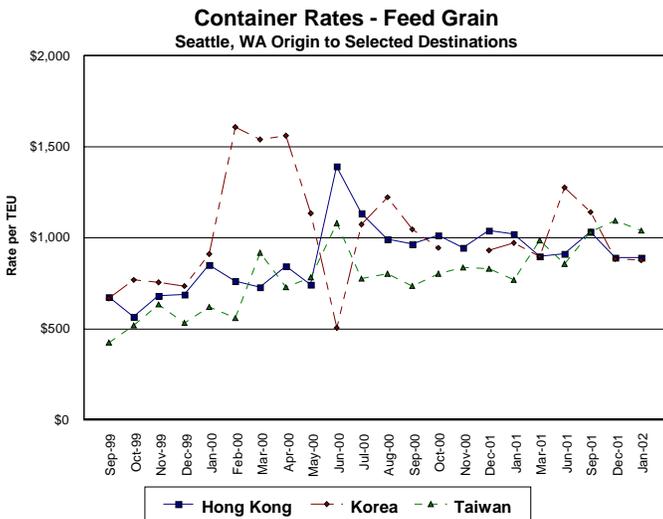
	Gulf			Pacific Northwest			Vancouver, B.C.		
	In Port	Loaded 7-Days	Due Next 10-Days	In Port	Loaded 7-Days	Due Next 10-Days	In Port	Loaded 7-Days	Due Next 10-Days
06/20/02	37	51	63	4			2	7	5
06/27/02	27	40	65	11			8	4	2
2001 Range	(13..65)	(28..64)	(46..81)	(1..18)			(4..20)	(3..14)	(0..7)
2000 Range	(23..50)	(34..57)	(47..83)	(4..15)			(4..20)	(5..19)	(0..9)
2001 Avg	36	48	63				12	8	3
2000 Avg	36	49	65				11	9	3
1999 Avg	32	52	65				10	9	3

Source: Transportation & Marketing /AMS/ USDA

Container Ocean Freight Rates

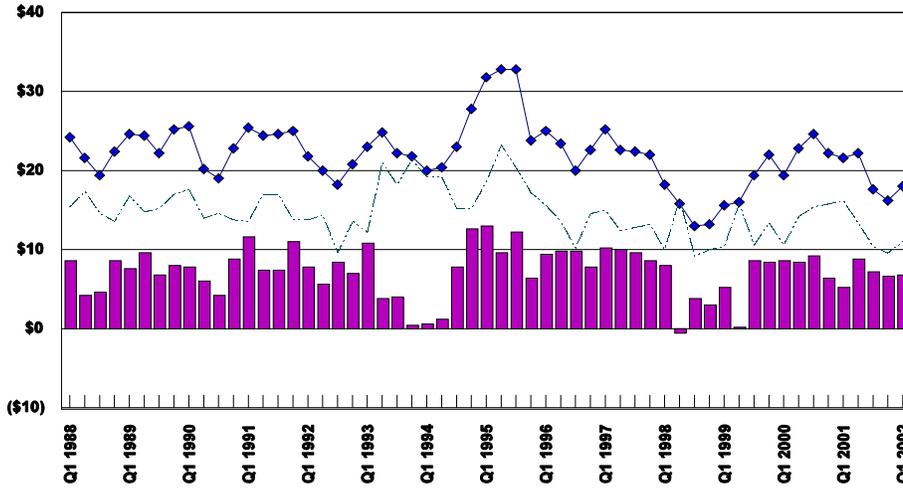
Monthly Weighted Averages Based on Shipping Line Monthly Mkt. Share

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

	2002 1st Qtr	2001 1st Qtr	% Change		2002 1st Qtr	2001 1st Qtr	% Change
Gulf to				Pacific NW to			
Japan	\$18.10	\$21.70	-16%	Japan	\$11.13	\$16.36	-31%
Mexico	\$31.49		-				
Venezuela		\$13.53	-	Argentina to			
N. Europe	\$10.67	\$15.19	-29%	Med. Sea	\$17.85	\$22.14	-19%
N. Africa	\$17.58	\$26.25	-33%	N. Europe	\$13.48	\$16.47	-18%
Med. Sea	\$10.97	\$14.81	-25%	Japan	\$25.59	\$30.51	-16%
Black Sea	\$49.12		-				

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 6/22/02

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Gulf	Haiti	Wheat	Jul 5/10	8,350	\$62.73
Gulf	S. Spain	Grains	Jun 17/30	21,000	\$16.00
Gulf	Ireland & Rotterdam	Grains	Jun 14/21	55,000	\$11.35
Gulf	Egypt	Heavy Grain	Jun 21/26	60,000	\$10.00
Gulf	Egypt	Heavy Grain	Jun 26/30	60,000	\$9.95
Gulf	Morocco	Corn	Jun 23/25	32,000	\$17.00
Gulf	S. Africa	Corn	Jun 20/30	30,400	\$82.85
N. Pacific	Taiwan	Heavy Grain	Jul 1/10	56,000	\$11.45
N. Pacific	Japan	Heavy Grain	Jul 1/10	54,000	\$12.25
N. Pacific	N. China	Heavy Grain	Jun 25/Jul 10	55,000	\$11.35

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