



GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service
United States Department of Agriculture

AUGUST 6, 2002



USDA Report Determines Ethanol Is Energy Efficient. U.S. Department of Agriculture Secretary Ann Veneman, announced the results of a new USDA study that confirms the energy efficiency of ethanol and its positive role in reducing U.S. dependence on imported oil. "This new research shows that ethanol is a valuable energy source," Veneman said. The Secretary also emphasized that these findings support President Bush's energy policy which calls for additional renewable sources of energy.

The report, "The Energy Balance of Corn Ethanol: An Update," published by the USDA Office of the Chief Economist and available at <http://www.usda.gov/oce>, concludes that the net energy value of corn ethanol has become positive in recent years due to technological advances in ethanol conversion and increased efficiency in farm production. The report discusses the energy efficiency of ethanol, which yields 34 percent more energy than is used in growing and harvesting the corn and distilling it into ethanol. It produces much more energy than it consumes when compared to other products such as petroleum. Moreover, ethanol production uses abundant domestic supplies of corn to produce premium liquid fuel that can displace petroleum imports.

Ethanol production has grown in the United States from a few million gallons in the late 1970s to about 1.8 billion gallons in 2001, encouraged by national energy security concerns, new Federal gasoline standards, and Government incentives. The increase in ethanol production has stimulated the U.S. agricultural economy because most ethanol is made from corn. This boost in ethanol demand has, likewise, created a significant new market for corn. According to the report, today's higher corn yields, lower energy use per unit of output in the fertilizer industry, and advances in fuel conversion technologies have greatly enhanced the economic and technical feasibility of producing ethanol.

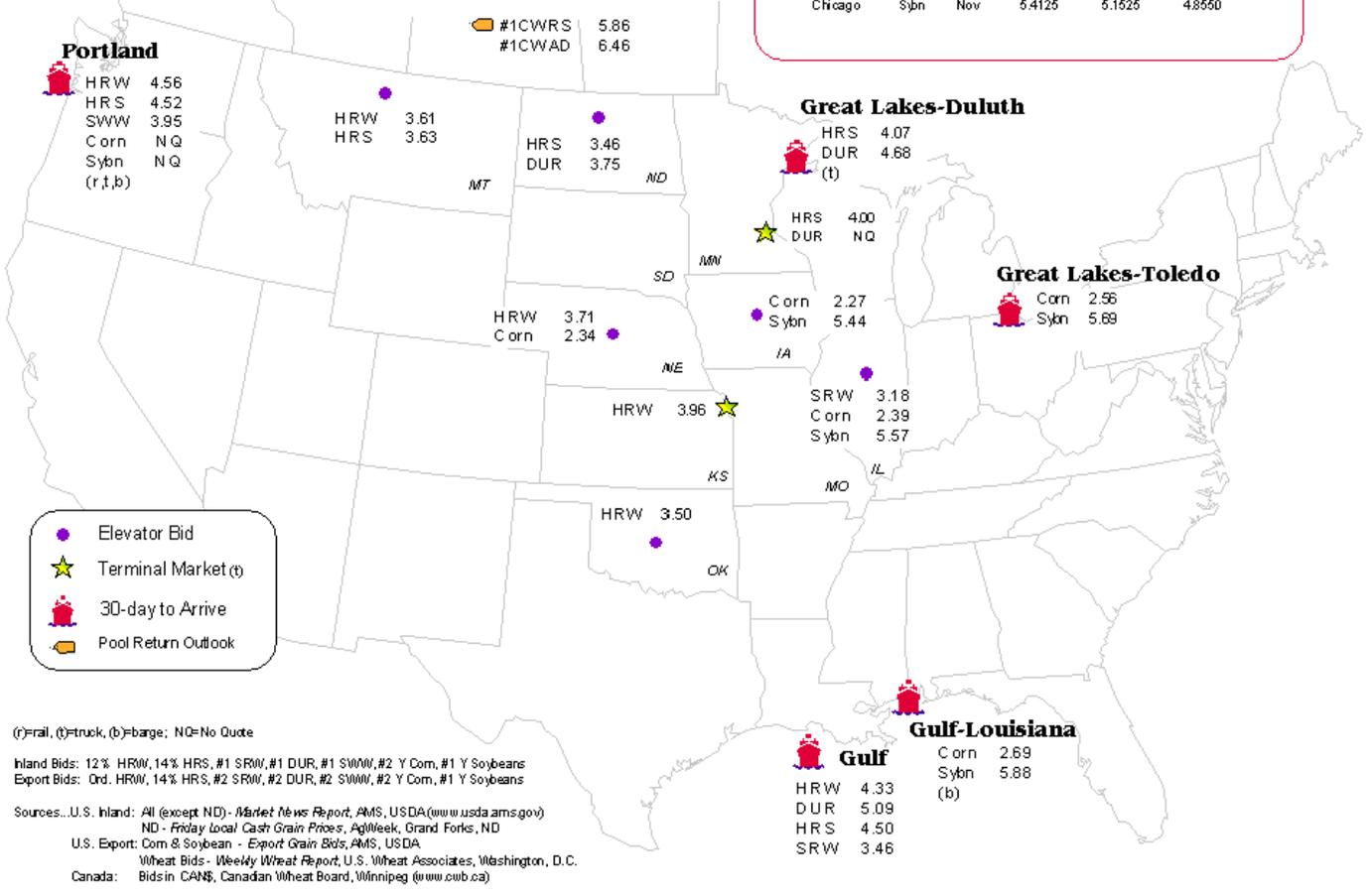
The conclusions of the USDA report have, understandably, received strong support from agricultural groups and others, such as those promoting the use of alternative fuels. Aside from its efficiency (1 Btu of energy needed to produce 6.34 Btu of energy in the form of ethanol), Renewable Fuel Association president, Bob Dinneen, notes benefits such as the potential for reduction in greenhouse gas emissions, our lessened dependence on foreign oil, and the important impact ethanol will have on the U.S. economy, particularly rural America. "With a positive energy balance, ethanol is clearly the premier environmental liquid transportation fuel...", according to Dinneen. National Corn Growers Association president, Tim Hume, also emphasized the need for renewable fuel standard (RFS) legislation, essentially requiring that future renewable fuel consumption meet certain target levels. "We need stable energy markets and we need enhanced economic opportunities in rural America, and the RFS contained in the Senate currently in conference provides both of those," Hume recently stated. (*USDA 8/1, Renewable Fuels Association 8/1, National Corn Growers Association (NCGA) 8/2*)

Diesel Prices Up Slightly. The national average price for diesel is \$1.304 per gallon as of August 5, up 1 cent from the previous week, but down 5 cents from last year at this time. The average U.S. price for diesel this year reached its highest level in late April (\$1.323 per gallon), according to the U.S. Department of Energy. The increase in crude oil prices is the main cause of the steady increase in diesel prices nationwide. Crude oil demand is expected to rise as winter approaches. Diesel fuel is very important to the trucking industry and farmers. Increases were reported in all reporting regions, with the highest diesel costs reported in the West Coast region. The lowest cost was reported in the Lower Atlantic region. Most truckers have not been affected significantly by the current rise in the price of diesel fuel, but companies that transport goods from the West Coast are usually faced with higher fuel costs. Some carriers have also had problems collecting surcharges from certain customers. (*U.S. Department of Energy, Energy Information Administration, 8/5*)

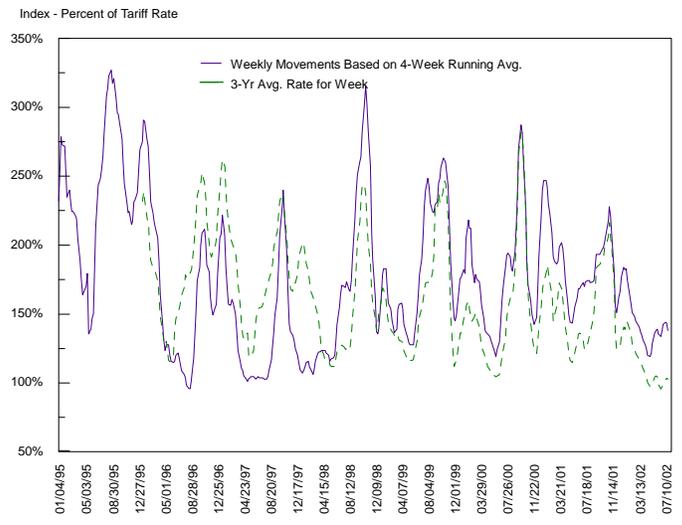
Weather Crucial For Many U.S. Competitors. Along with the U.S., several competitor nations are also dealing with unfavorable weather in grain production, based on conditions recorded during July 28-August 3. *Europe:* Some areas benefitted from scattered showers, while harvesting and quality issues arose due to excessive moisture, particularly in England, and Benelux countries (Belgium, Netherlands, and Luxemborg), and, to a lesser degree, in northern France, Germany, and Denmark. *Australia:* Eastern region received light precipitation during the week, but reportedly not enough to improve soil moisture, while the southern region generally received adequate moisture for winter grains. *Canada:* The prairie region received scattered showers, but not enough to significantly change varying degrees of irreversible crop damage. Yield potential may also be affected by an early frost which caused some localized damage. *Brazil:* Moderate to heavy moisture in the southern region kept winter wheat unfavorably wet and cooler temperatures slowed growth. Northern regions received much needed moisture, helping previously stressed crops. *China:* Mostly favorable growing conditions in the northern region of Manchuria, while the North China Plain faced mostly dry and warm conditions, stressing corn and soybeans. (NOAA/USDA, www.usda.gov/oce/waob/jawf/wwcb/inter.txt)

Grain Bid Summary

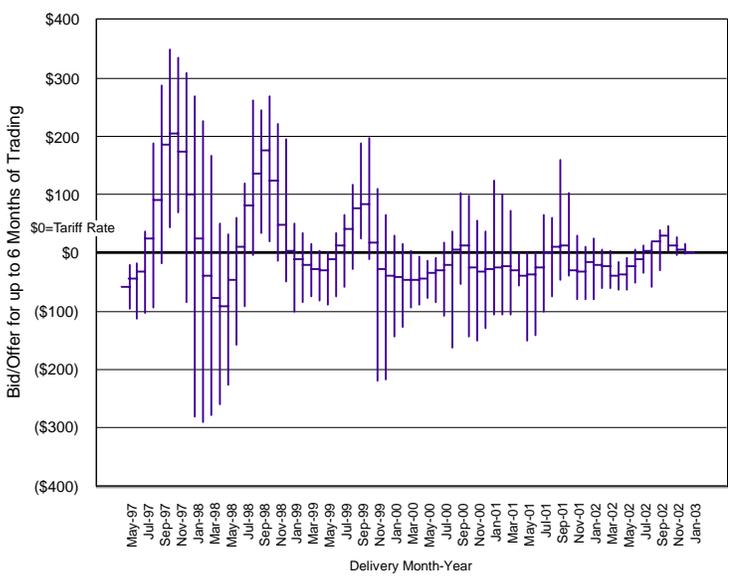
Futures:				08/02/2002	Week Ago 07/28/2002	Year Ago 08/03/2001
Kansas City	Wht	Sep		3.7550	3.8800	2.9750
Minneapolis	Wht	Sep		3.8200	3.7725	3.1125
Minneapolis	Dur	Dec		4.7000	4.6500	n.a.
Chicago	Wht	Sep		3.3700	3.3500	2.6475
Chicago	Com	Sep		2.5275	2.4300	2.1050
Chicago	Sybn	Nov		5.4125	5.1525	4.8550



Spot Barge Rate - Illinois River



Secondary Rail Market Bids



Rail Car 'Auction' Offerings				
Delivery for:	Sep-02		Oct-02	
	Offered	% Sold	Offered	% Sold
BNSF-COT	11,820	71%	14,097	54%
UP-GCAS	5,400	9%	5,400	4%

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			
	Aug-02	Sep-02	Oct-02	Nov-02
BNSF-GF	\$(2)	\$0	\$6	\$(1)
UP-Pool	\$(59)	\$(30)	\$2	\$(2)

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:	Sep-02	Oct-02	Nov-02
COT/N. Grain	no bid	no bid	no bid
COT/S. Grain	\$6	no bid	no bid
GCAS/Region 2	no bid	no bid	no offer
GCAS/Region 4	no bid	no bid	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

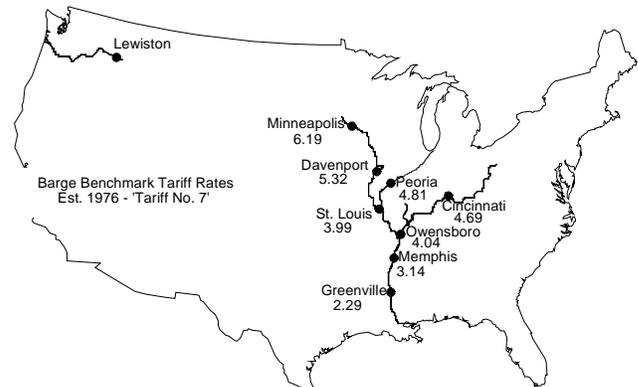
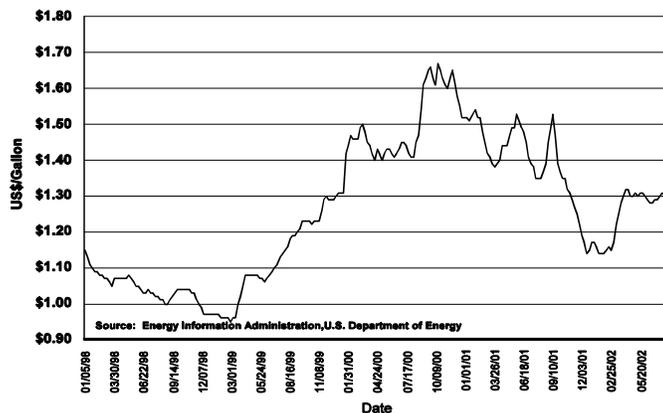
Week ended	River/Region	Contract Period	Rate	
			Futures	Cash
08/06/02	St. Louis	Aug	0	110
		Oct	0	180
		Dec	0	125
		Feb	0	125
		Mar	0	125
	Illinois River	Aug	0	125
		Oct	0	198
		Dec	0	163
		Feb	0	175
		Mar	0	125

Source: St. Louis Merchants Exchange

Southbound Barge Freight Spot Rates				
	7/31/02	7/24/02	Aug '02	Oct '02
Twin Cities	167	173	179	226
Mid-Mississippi	135	143	148	201
Illinois River	121	130	138	195
St. Louis	96	104	114	175
Lower Ohio	97	103	121	197
Cairo-Memphis	90	93	112	178

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

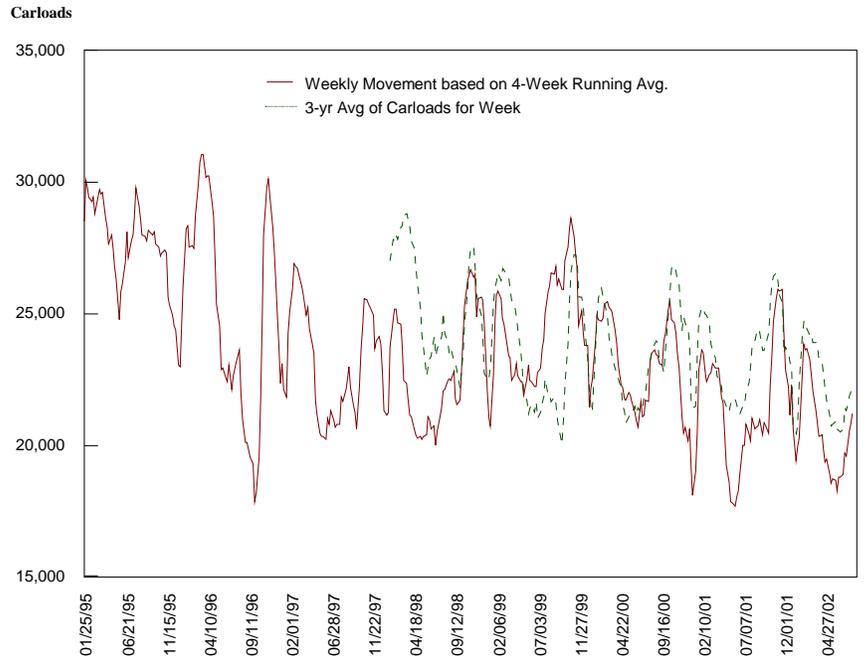
Weekly Retail Diesel (Road) Prices (Including Taxes)



Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
7/13/02	22,979
07/20/02	20,763
07/27/02	21,668
Year to Date - 2002	618,915
Year to Date - 2001	626,926
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
07/27/02	2,813	3,101	8,201	314	7,239	3,810	3,865
This Week Last Year	2,818	2,955	8,119	398	6,278	4,805	4,929
2002 YTD	84,386	93,889	219,796	17,033	199,656	121,991	107,189
2001 YTD	90,926	93,342	232,642	13,797	196,219	148,046	133,327
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

July 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	31040	Corn	Minneapolis, MN	Portland, OR	NA	\$0.00	\$0.00
08/05/02	31035	Corn	Kansas City, MO	Portland, OR	\$2,700	\$29.76	\$0.76
08/05/02	31040	Corn	Omaha, NE	Portland, OR	NA	\$0.00	\$0.00
08/05/02	61180	Soybean	Minneapolis, MN	Portland, OR	NA	\$0.00	\$0.00
08/05/02	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

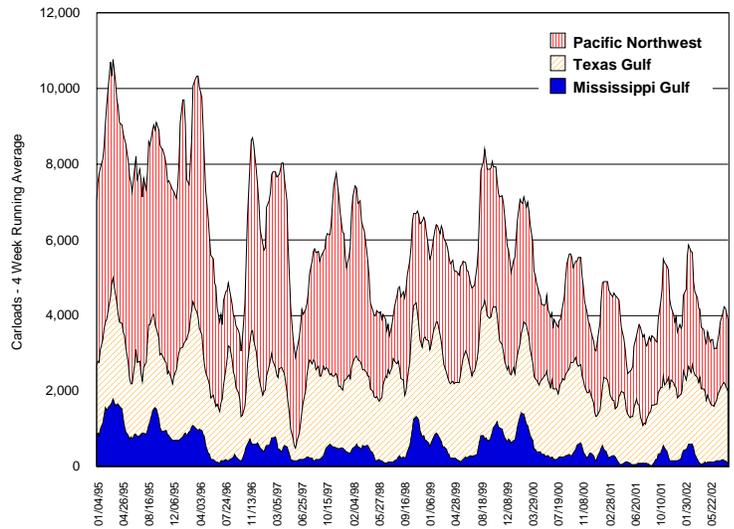
Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

Rail Deliveries to Port

Carloads				
	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
07/03/02	9*	2,066	2,108	686
07/10/02	198*	1,637	1,999	129
07/17/02	380*	2,505	1,406	197
07/24/02	1*	2,139	2,480	274
07/31/02	0*	1,731	2,366	624
08/07/02	0*	1,195	1,335	161
YTD 2002	7,084*	59,618	62,492	14,674
YTD 2001	5,715	45,054	63,776	15,409
Total 2001	10,022	81,804	111,376	26,604
Total 2000	25,767	104,473	128,414	14,816

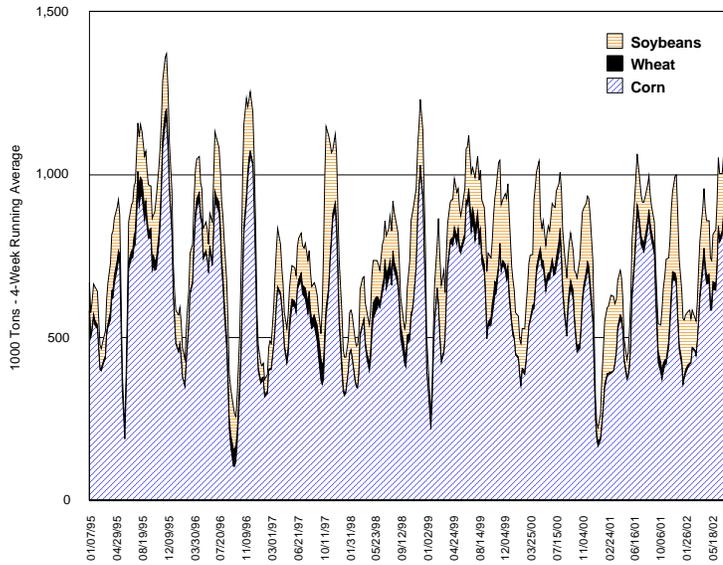
Source: Transportation & Marketing/AMS/USDA

Rail Deliveries to Port



(*) Incomplete Data

Barge Movements - Locks 27



Barge Grain Movements

for week ending 7/27/02

	Corn	Wht	Sybn	Total
	1,000 Tons			
Mississippi River				
Rock Island, IL (L15)	499	9	80	588
Winfield, MO (L25)	584	5	136	725
Alton, IL (L26)	794	11	194	1,022
Granite City, IL (L27)	732	19	177	949
Illinois River (L8)	182	3	69	256
Ohio (L52)	18	1	18	38
Arkansas (L1)	0	49	1	50
2002 YTD	20,932	1,349	6,174	29,450
2001 YTD	17,348	1,327	5,377	25,252
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.

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

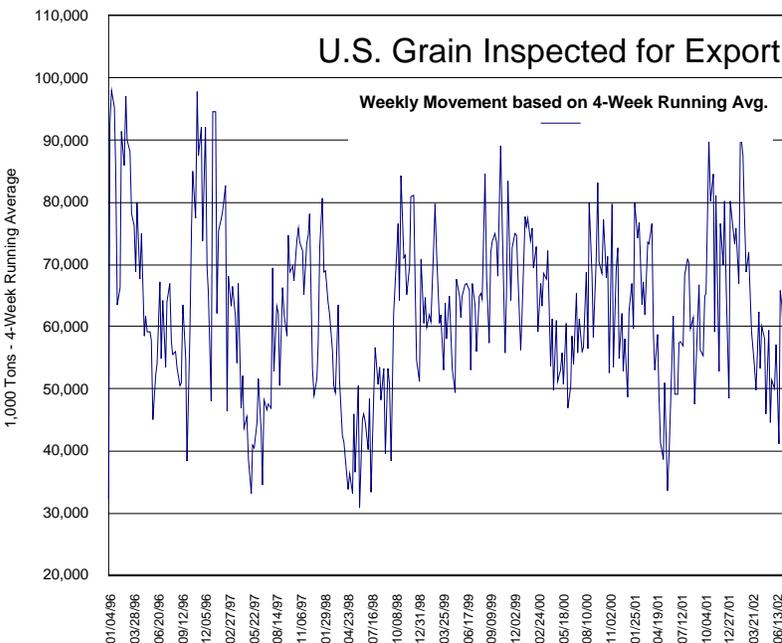
	HRW	SRW	HRS	Wheat SWW	DUR	All	Corn	Soybean	Total
<u>Unshipped Exports-Crop Year</u>									
07/25/02	1,080	446	1,030	611	82	3,249	6,554	3,588	13,391
This Week Year Ago	1,307	818	908	586	256	3,874	7,111	1,899	12,884
<u>Cumulative Exports-Crop Year</u>									
01/02 YTD	1,396	468	738	421	174	3,197	42,752	28,267	74,216
00/01 YTD	1,131	570	665	356	143	2,864	41,067	17,713	61,644
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>		
	Wheat	Corn	Soybean	Wheat	Corn	Soybean	Wheat	Corn	Soybean
07/25/02	165	111	0	66	702	25	139	3	80
2002 YTD	4,542	2,507	1,331	3,092	21,788	9,640	3,657	177	869
2001 YTD	5,386	2,890	1,307	3,109	18,768	8,747	3,129	171	837
% of Last Year	46%	42%	78%	46%	62%	54%	53%	38%	86%
2000 Total	9,946	6,006	1,710	6,776	35,231	17,953	6,927	470	1,008

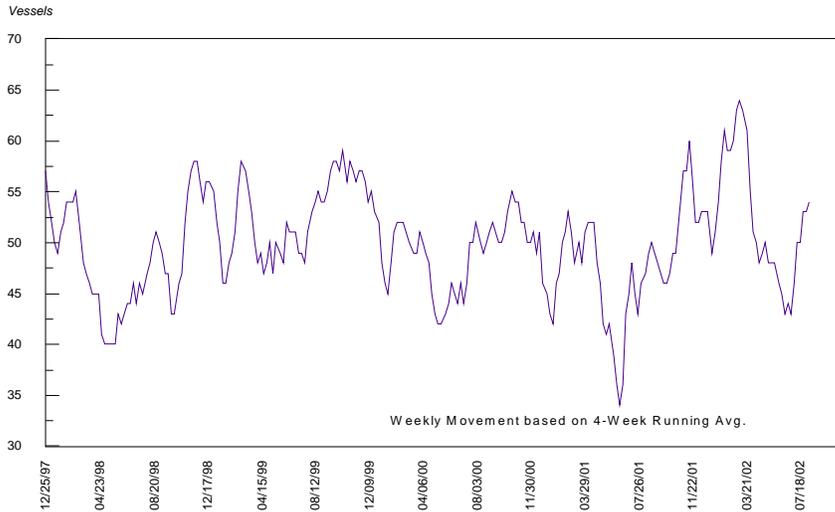
Source: Federal Grain Inspection Service YTD-Year-to-Date



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

	Wheat	Durum	Barley
Week Ended: 7/25/02			
Vancouver	5,920	404	510
Prince Rupert	1,100		
Prairie Direct	1,196	430	381
Thunder Bay	754	333	149
St. Lawrence	2,370	2,101	0
2001 YTD Exports	11,340	3,268	1,065
2000 YTD Exports	12,672	3,367	1,911
% of Last Year	89%	97%	56%

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



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

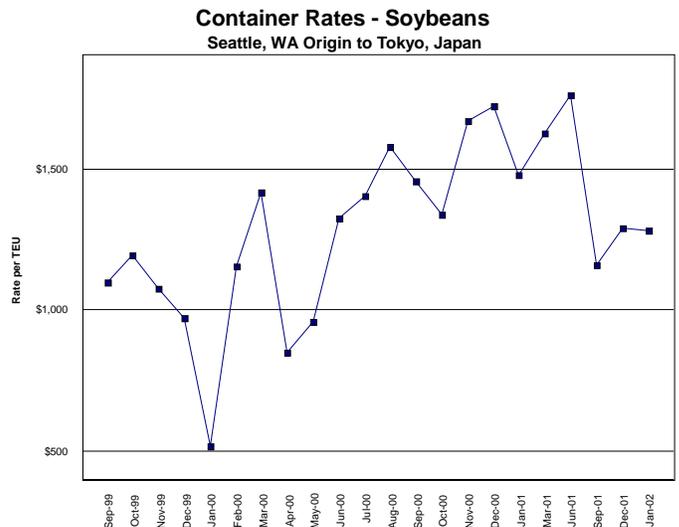
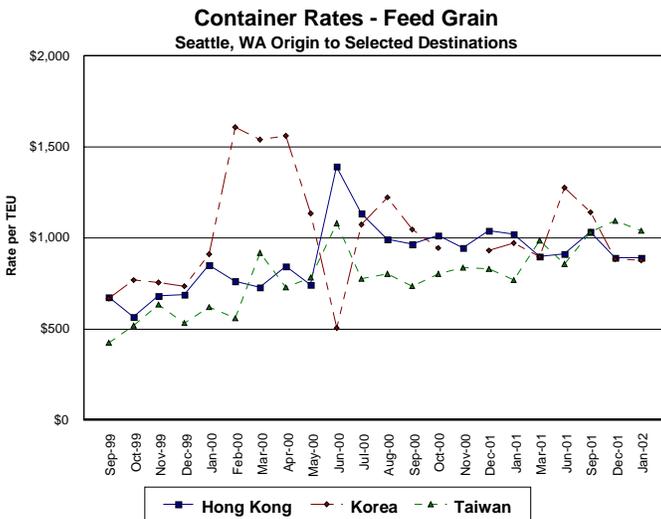
	Gulf			Pacific Northwest			Vancouver, B.C.		
	In Port	Loaded 7-Days	Due Next 10-Days	In Port	Loaded 7-Days	Due Next 10-Days	In Port	Loaded 7-Days	Due Next 10-Days
07/25/02	24	52	65	7			5	4	0
08/01/02	22	51	67	8			5	5	2
2001 Range	(13..65)	(28..64)	(46..81)	(1..18)			(4..20)	(3..14)	(0..7)
2000 Range	(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

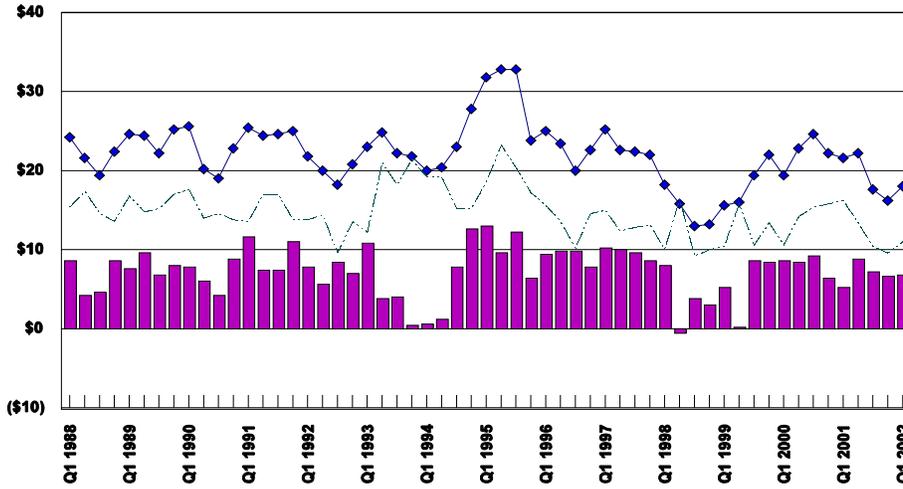
Monthly Weighted Averages Based on Shipping Line Monthly Mkt. Share

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 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 (Select Locations) - week ending 8/3/02

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Gulf	Georgetwn (Guyana)	Wheat	Aug 2/11	7,000	\$88.89
Gulf	Egypt (Med.)	Heavy Grain	Aug 10/20	60,000	\$10.75
Gulf	Japan	Heavy Grain	Aug 9/19	54,000	\$18.90
Puget Sound (PNW)	Taiwan	Heavy Grain	Aug 16/22	57,000	\$10.75
Black Sea	Jeddah (Saudi Arab.)	Barley	Aug 7/12	55,000	\$12.95

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