



GRAIN TRANSPORTATION REPORT

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

OCTOBER 2, 2003

TM GRAIN TRANSPORT					
COST INDICATORS*	Truck	Rail	Barge	Ocean	
				Gulf	Pacific
10/01/03	96	101	167	169	192
	-1%	-66%	10%	12%	19%
Compared to Last Week	↓	↓	↑	↑	↑

*Indicator: Base Year 2000=100; Weekly Updates include Truck=Diesel; Rail=Nearby Secondary Rail Market; Barge=Spot Illinois River Basis; Ocean Vessel based on Routes to Japan

Oct. 8-10	11 th Annual Soy Symposium	Chicago, IL	1-888-772-8454 (ph) Soy@communicueinc.com
Oct. 18-21	National Assoc. Of Wheat Growers (NAWG) Fall Board Meeting	Minneapolis, MN	202-547-7800 (ph) 202-546-2638 (fax) wheatworld@wheatworld.org
Oct. 23-24	The ASBA/BIMCO Annual Cago Conference	Miami Beach, FL	201-569-2882 (ph) 201-569-9082 (fax) asba@asba.org www.asba.org
Nov. 3-6	2003 Railroad Environmental Conference	Urbana, IL	Kimberley Hagemann 217-244-0841 (ph) 217-333-1924 (fax)
Nov. 15-19	NITL 96 th Annual Meeting and Trans Comp 2003	Ft. Lauderdale, FL	703-524-5011 (ph) 703-524-5017 (fax)
Nov. 19-20	National Conference for Agribusiness	West Lafayette, IL	765-494-4247 (ph)
Dec. 10-12	American Seed Trade Association (ASTA) 33 rd Soybean Seed and 58 th Corn and Sorghum Conferences and Seed Expo	Chicago, IL	703-837-8140 (ph) 703-837-9365 (fax)
Jan. 10-14, '04	American Farm Bureau, 85 th Convention And Annual Meeting	Honolulu, HI	202-484-3600 (ph) 847-685-8600 (ph) www.fb.com
Jan. 23-27, '04	2004 Wheat Industry Conference	Atlanta, GA	202-547-7800 (ph) 202-546-2638 (fax) wheatworld@wheatworld.org

Report is prepared by Deen Olowolayemo, Johnny Hill, Karl Hacker and Delmy Salin, 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. E-mail comments and questions to Surajudeen.Olowolayemo@usda.gov.

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Contents	
Rail	3
Barge	6
Truck	8
Grain Exports	9
Container	12
Canadian Ports	13

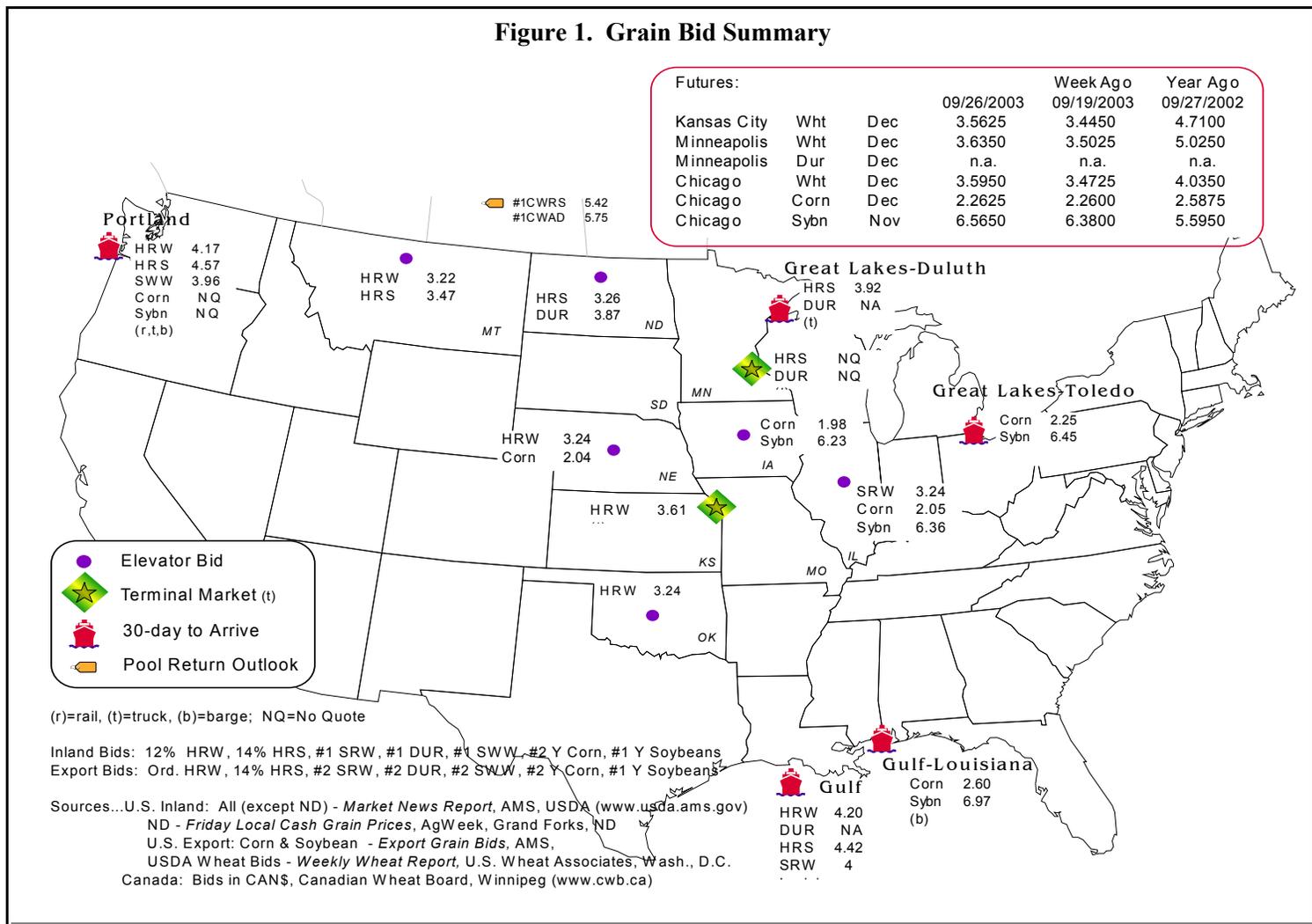
The Grain Transportation Report is a weekly news source for grain logistics. Detailed data and trend information on five major modes: barge, truck, rail, container, and vessel, provide timely insight into grain transport. The report is offered to policymakers and industry as a tool in day-to-day decision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

Table 1-- Market update: U.S. origins to export position price spreads (per bushel)

Commodity	Origin--Destination	This week	Last week
Corn	IL -- Gulf	-0.55	-0.49
Corn	NE -- Gulf	-0.56	-0.56
Soybean	IA -- Gulf	-0.74	-0.78
HRW	KS -- Gulf	-0.59	-0.61
HRS	ND -- Portland	-1.31	-1.24

The **Grain Bid Summary** illustrates the market relationships for commodities. Positive and negative adjustments in 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.

Figure 1. Grain Bid Summary

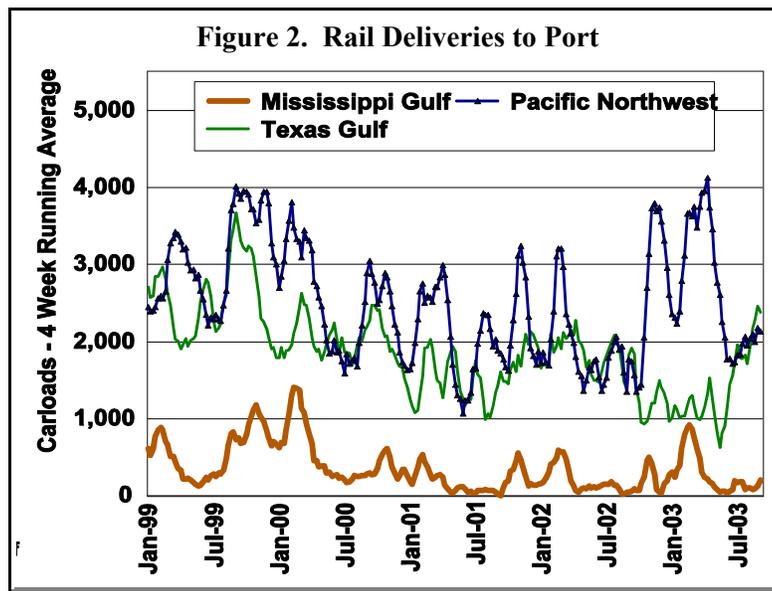


RAIL TRANSPORTATION

Table 2--Rail deliveries to port (Carloads)

	Mississippi Gulf*	Texas Gulf	Pacific Northwest	Atlantic & East Gulf	Total
Week Ending:					
09/17/03	146	3,103	2,627	13	5,889
09/24/03	128	2,460	2,356	29	4,973
YTD 2003	10,638	59,967	101,857	11,457	183,919
YTD 2002	7,599	69,568	71,979	15,388	164,534
% YTD 2002	140%	86%	142%	74%	112%
Total 2002	11,127	85,822	113,857	21,562	232,368
Total 2001	10,022	81,804	111,376	26,604	229,806

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



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

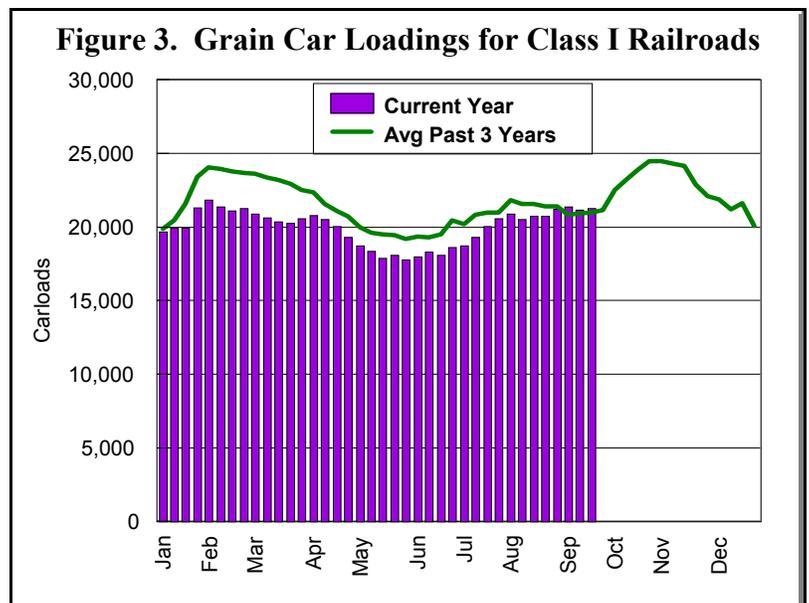


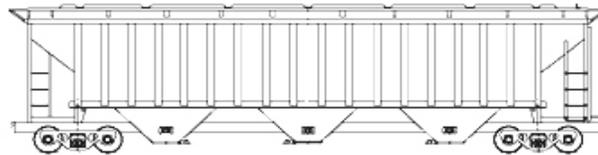
Table 3--Class I rail carrier grain car bulletin (Grain carloads originated and grain service index)

	East		West			U.S. Total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
09/20/03	2,377	2,545	9,224	612	6,983	21,741	4,407	4,142
This Week Last Year	4,407	4,142	7,521	444	6,875	23,389	3,172	4,494
2003 YTD	101,574	120,668	282,208	15,729	246,159	766,338	132,536	136,736
2002 YTD	101,501	116,902	279,310	20,241	250,344	768,298	147,095	139,175
% of Last Year	100%	103%	101%	78%	98%	100%	90%	98%
2002 Total	142,760	164,745	400,179	27,161	344,296	1,079,141	191,835	195,765

U.S. rail covered hopper cars online index*

Aug-03	94.1	99.8	94.9	97.9	94.4	95.4
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Source: Association of American Railroads; *Base Year =2001, Index based on Number of Covered Hopper Cars Online (available for Service).

**Table 4--Tariff rail rates for unit train shipments**

Date effective	Commodity	Origin	Destination	Rate per car	Rate per MT	Rate/per bushel*
09/02/03	Wheat	Kansas City, MO	Galveston, TX	\$1,820	\$20.06	\$0.55
09/02/03	Wheat	Minneapolis, MN	Portland, OR	\$4,148	\$45.72	\$1.24
09/02/03	Wheat	St. Louis, MO	Houston, TX	\$1,945	\$21.44	\$0.58
09/02/03	Wheat	Kansas City, MO	Laredo, TX	\$2,280	\$25.13	\$0.68
09/02/03	Wheat	Chicago, IL	Albany, NY	\$1,834	\$20.22	\$0.55
09/02/03	Corn	Minneapolis, MN	Portland, OR	\$3,130	\$34.50	\$0.88
09/02/03	Corn	Chicago, IL	Baton Rouge, LA	\$2,736	\$30.16	\$0.77
09/02/03	Corn	Council Bluffs, IA	Baton Rouge, LA	\$2,170	\$23.92	\$0.61
09/02/03	Corn	Evansville, IN	Raleigh, NC	\$1,686	\$18.58	\$0.47
09/02/03	Corn	Des Moines, IA	Laredo, TX	\$2,864	\$31.57	\$0.80
09/02/03	Soybean	Minneapolis, MN	Portland, OR	\$3,110	\$34.28	\$0.93
09/02/03	Soybeans	Chicago, IL	Baton Rouge, LA	\$2,736	\$30.16	\$0.82
09/02/03	Soybeans	Council Bluffs, IA	Baton Rouge, LA	\$2,799	\$30.85	\$0.84
09/02/03	Soybeans	Des Moines, IA	Laredo, TX	\$2,864	\$31.57	\$0.86
09/02/03	Soybeans	Evansville, IN	Raleigh, NC	\$1,686	\$18.58	\$0.51

Sources: www.bnsf.com, www.cpr.ca, www.csx.com, www.uprr.com

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

Table 5—Secondary rail car market,
Average premium/discount to tariff, \$/car - last week

	Delivery Period			
	Nov-03	Dec-03	Jan-04	Feb-04
BNSF-GF	\$1	\$1	\$2	\$(2)
UP-Pool	\$11	\$8	\$8	\$2

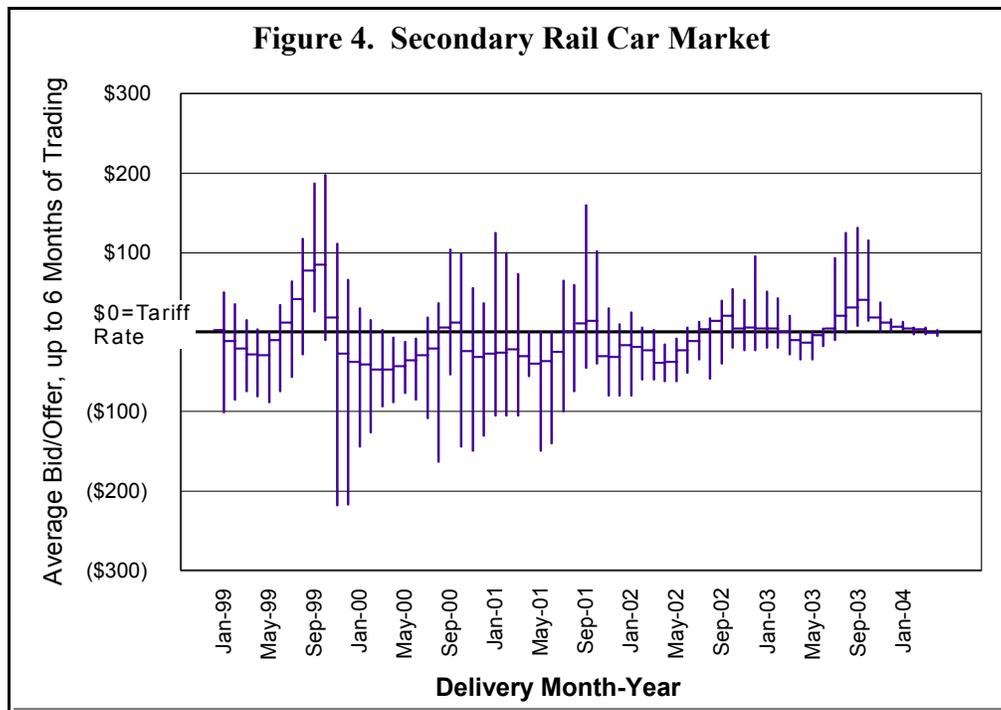
Sources: James B. Joiner & Co.; Tradewest Brokerage Co. Source:
GF=Guaranteed Freight, Pool=Guaranteed Pool
Note: Bids listed are market INDICATORS only & are NOT
guaranteed prices, missing value=No Bid Quoted

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.

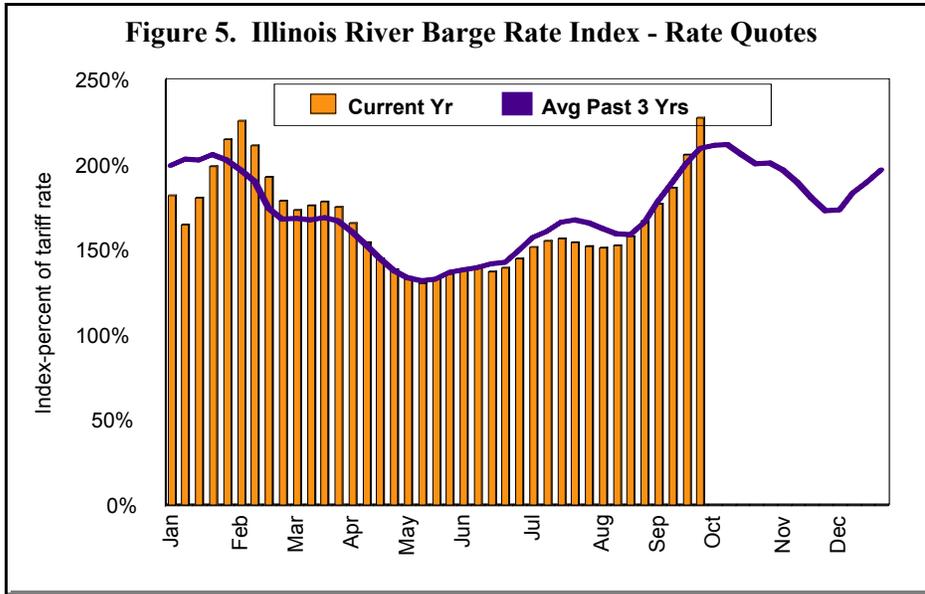
Table 6--Railroad car 'Auction' results
Average premium/discount to tariff, \$/car - last auction

Delivery for:	Nov-03	Dec-03	Jan-04
COT/N. Grain	\$0	\$0	no bid
COT/S. Grain	\$0	no bid	no bid
GCAS/Region 1	\$1	no bid	no bid
GCAS/Region 2	no bid	no bid	no bid

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



BARGE TRANSPORTATION



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.

Table 7-- Barge rate quotes: Southbound barge freight
Index=percent of tariff, based on 1976 tariff benchmark rate

Location	9/24/03	9/17/03	Oct '03	Dec '03
Twin Cities	262	250	262	nq
Mid-Mississippi	268	252	275	nq
Illinois River	275	248	271	183
St. Louis	268	249	253	146
Lower Ohio	262	248	270	155
Cairo-Memphis	224	220	227	135

Source: Transportation & Marketing/AMS/USDA

Calculating **Barge Rate** Per Ton:
Index × 1976 Tariff Benchmark
Rate per Ton

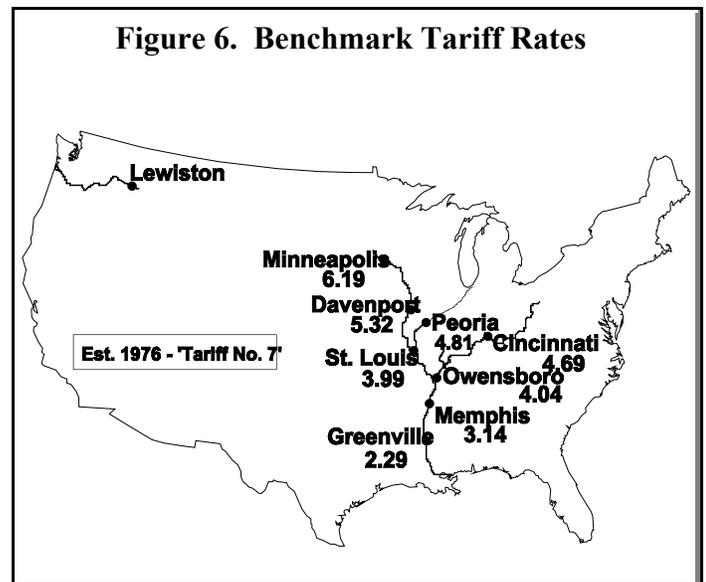
Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map below.

Table 8--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
9/30/03	St. Louis	Oct.	n/a	290
		Dec.	n/a	143
		Jan.	n/a	143
		Feb.	n/a	143
		Mar.	n/a	143
	Illinois River	Oct.	n/a	300
		Dec.	n/a	188
		Jan.	n/a	210
		Feb.	n/a	195
		Mar.	n/a	175

Source: St. Louis Merchants Exchange



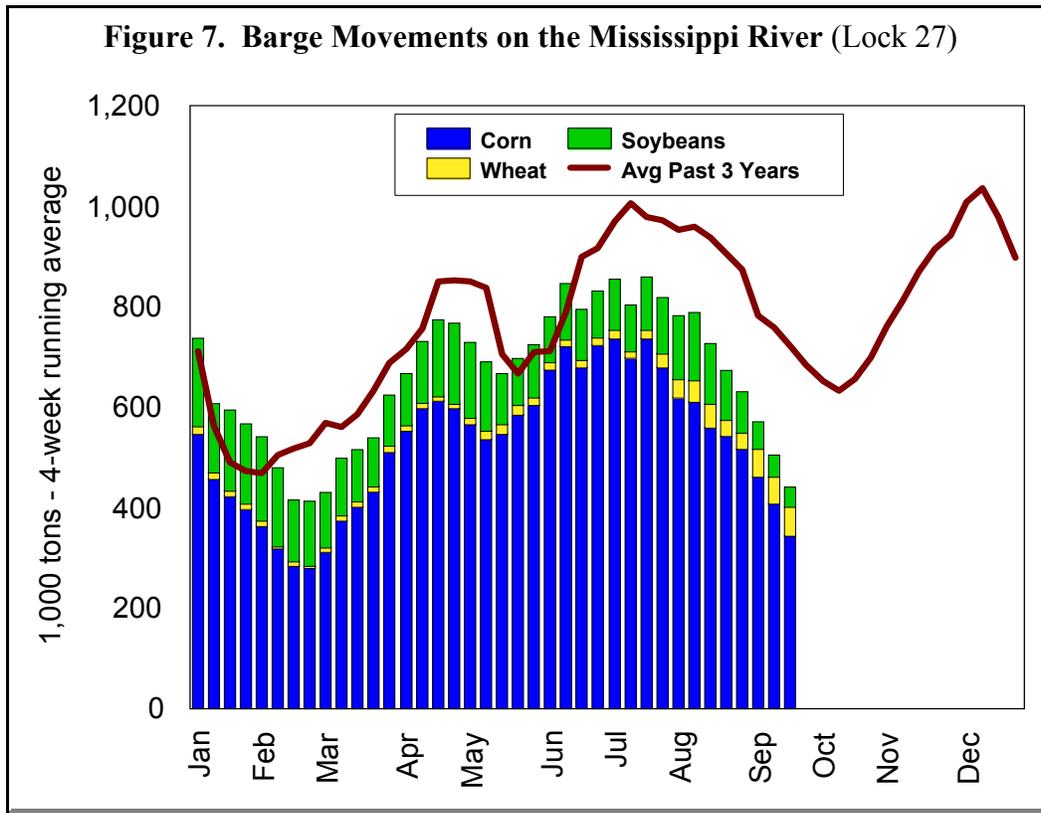
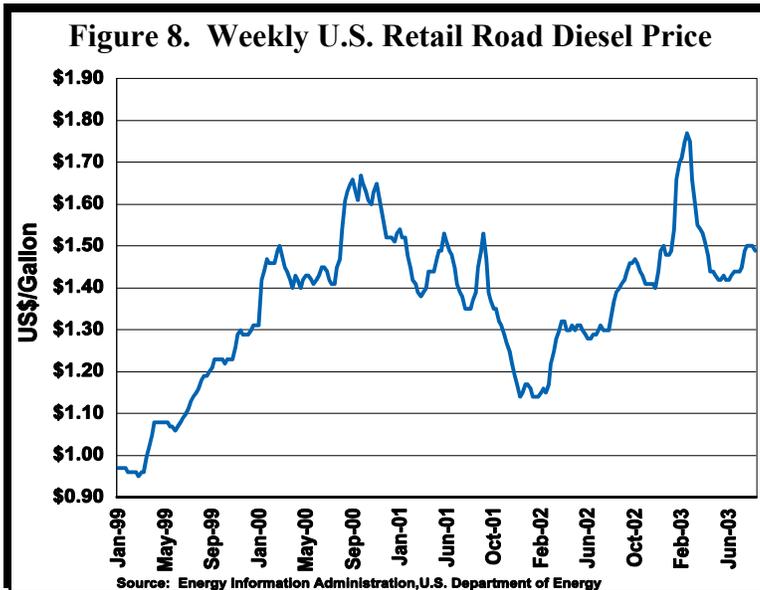


Table 9--Barge grain movements (1,000 tons)

Week ending 9/20/03	Corn	Wht	Sybn	Total
Mississippi River				
Rock Island, IL (L15)	136	5	9	149
Winfield, MO (L25)	158	13	25	196
Alton, IL (L26)	257	23	31	311
Granite City, IL (L27)	240	25	30	295
Illinois River (L8)	120	11	9	143
Ohio River (L52)	65	24	13	102
Arkansas River (L1)	0	45	0	45
2003 YTD	20,900	2,201	5,572	29,264
2002 YTD	25,715	1,961	7,201	36,046
% YTD 2002	81%	112%	77%	81%
Total 2001	31,878	2,679	10,616	47,091

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

TRUCK TRANSPORTATION



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.

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.

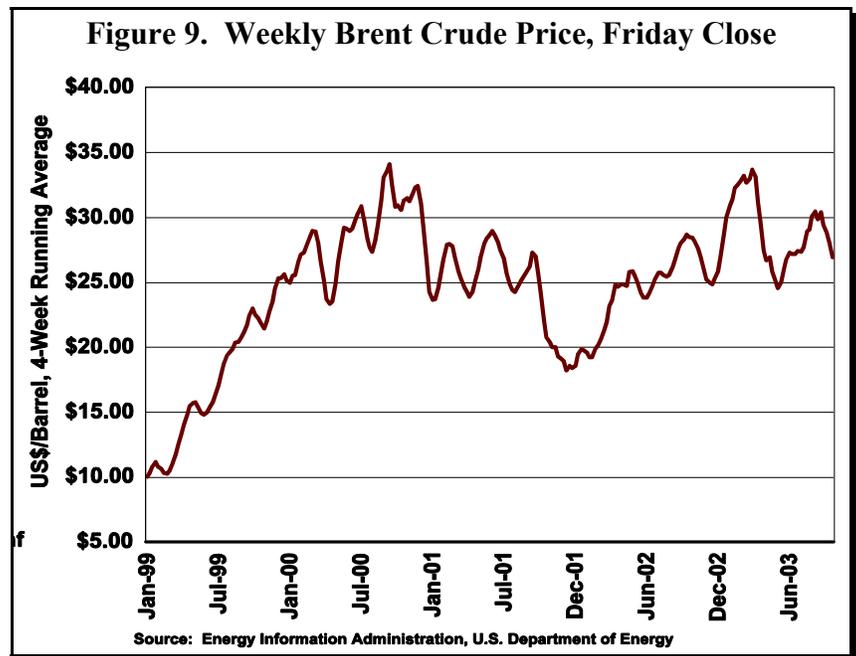


Table 10--Crude oil prices (US\$ per Barrel)-09/30/03

Type	This week	Last week	Change
Light Sweet Crude (NYMEX)	28.67	26.79	↑
Brent Crude	28.23	25.52	↑

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

**GRAIN
EXPORTS**

Table 11--U.S. export balances (1,000 Metric Tons)

Unshipped export balance	Wheat					All Wheat	Corn	Soybean	Total
	HRW	SRW	HRS	SWW	DUR				
09/18/2003	2,201	539	1,177	893	173	4,983	8,252	9,078	22,313
This Week Year Ago	1,591	372	1,542	673	102	4,280	6,352	6,801	17,433
Cumulative Exports-Crop Year									
2003/04 YTD	3,714	1,331	2,068	1,176	298	8,588	2,127	368	11,083
2002/03 YTD	2,899	1,000	2,007	1,137	260	7,304	2,074	444	9,822
Percent of Last Year	128%	133%	103%	103%	115%	118%	103%	83%	113%
2001/02 Total	8,761	5,485	5,582	3,175	1,133	24,135	48,003	29,926	102,064
2000/01 Total	9,314	4,445	5,775	5,156	1,130	25,819	47,734	27,567	101,120

Source: Foreign Agricultural Service/USDA; YTD: Year-to-Date; Crop Year: Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31

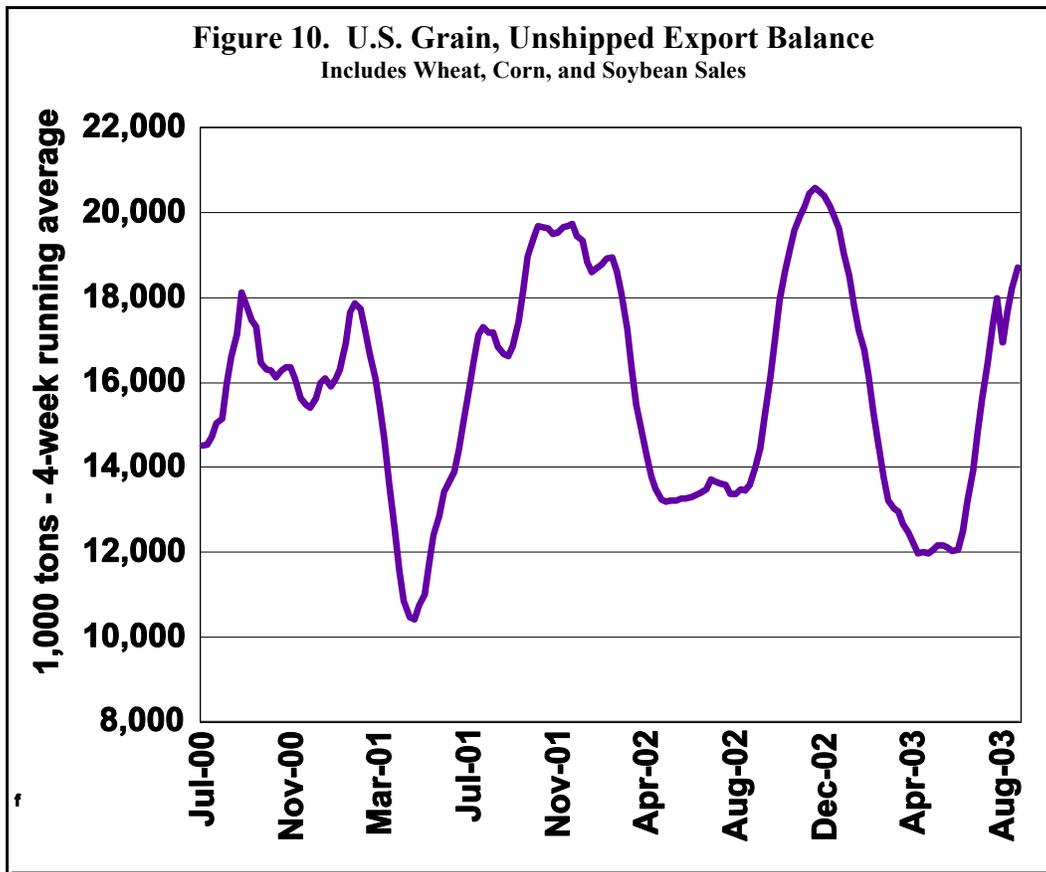
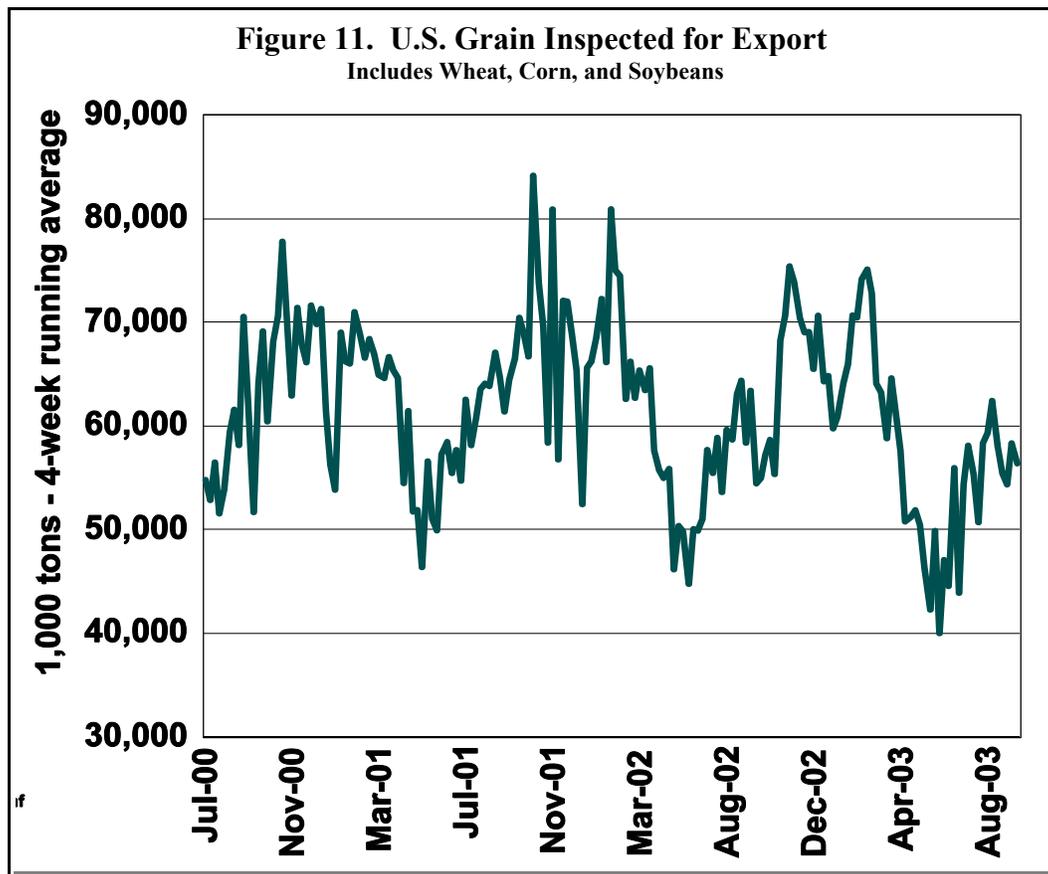


Table 12--Select U.S. port regions - grain inspections for export (1,000 metric tons)

Date	Pacific region			Mississippi Gulf			Texas Gulf			Port Region Total		
	Wheat	Corn	Soybn	Wheat	Corn	Soybn	Wheat	Corn	Soybn	Pacific	Mississippi	Texas
09/25/03	221	109	0	105	652	184	187	0	0	329	941	187
2003 YTD	6,401	3,948	2,781	4,401	21,202	11,248	4,862	566	56	13,130	36,851	5,485
2002 YTD	6,660	3,007	1,467	4,258	28,458	11,659	4,572	237	365	11,135	44,375	5,174
% of 2002 YTD	96%	131%	190%	103%	75%	96%	106%	239%	15%	118%	83%	106%
2002 Total	10,007	5,877	1,639	6,829	34,991	17,996	6,971	468	468	17,523	59,816	7,906

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



The U.S. Exports Approximately One-Quarter of the Grain it Produces. On average, it includes nearly 45% of U.S. grown wheat, 35% of U.S. grown soybeans, and 20% of the U.S. grown corn.

Over 60% of these U.S. export grain shipments departed through Louisiana Gulf region in 2002.

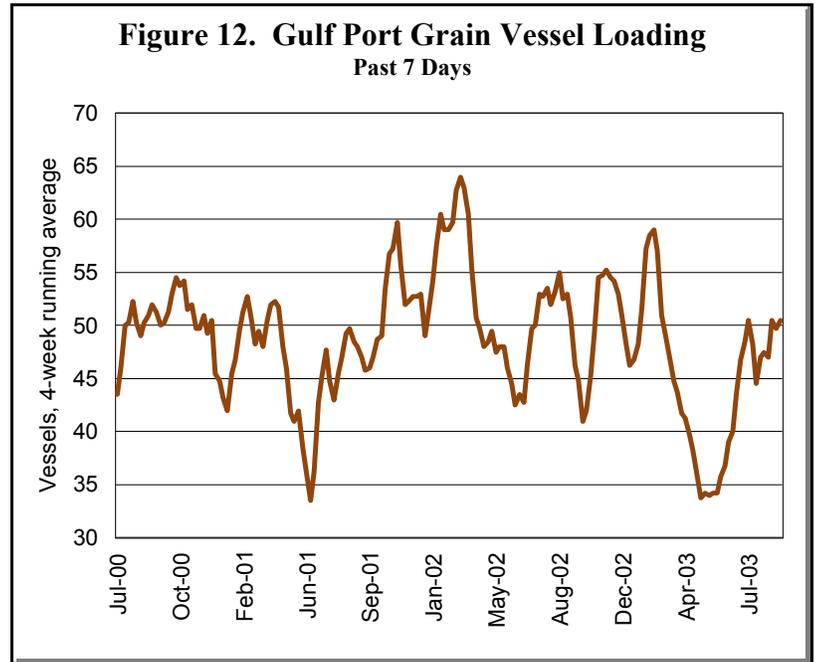


Table 13--Weekly port region grain ocean vessel activity (number of vessels)

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In Port	Loaded 7-Days	Due Next 10-Days	In Port	In Port
09/18/03	44	54	56	12	3
09/25/03	31	53	65	9	6
2002 Range	(15..55)	(33..66)	(44..82)	(3..15)	(0..12)
2002 Avg	35	51	65	8	5

Source: Transportation & Marketing/AMS/ USDA

Table 14--Quarterly ocean freight rates (average rates & percentage changes, U.S. dollars/metric ton)

	2003 2 nd Qtr	2002 2 nd Qtr	Change %		2003 2 nd Qtr	2002 2 nd Qtr	Change %
Gulf to				Pacific NW to			
Japan	\$31.53	\$19.43	62%	Japan	\$19.33	\$11.03	75%
Mexico	-	\$46.92	-				
N. Europe	\$18.98	\$13.58	40%	Argentina/Brazil to			
N. Africa	\$21.75	\$15.84	37%	Med. Sea	\$24.50	\$16.98	44%
Med. Sea	\$21.88	\$12.62	73%	N. Europe	-	\$17.16	-
				China	\$32.50	-	-

Source: Transportation & Marketing/AMS/USDA

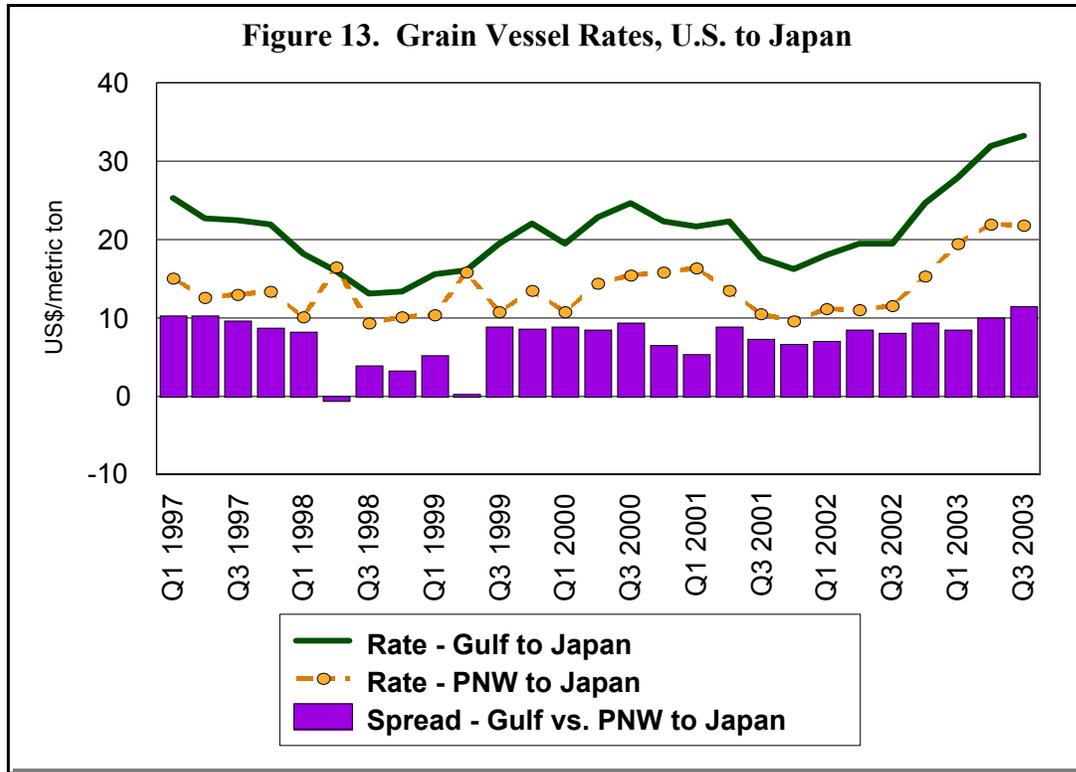


Table 15--Ocean freight rates for selected shipments
 Week Ending 09/27/03

Export region	Import region	Grain	Month	Volume loaded (Tons)	Freight rate (\$/ton)
U.S. Gulf	Georgia	Wheat	Sep 16/20	19,000	\$42.99
U.S. Gulf	Georgia	Wheat	Sep 16/20	31,000	\$44.50
U.S. Gulf	Japan	Hvy Grain	Oct 1/10	54,000	\$34.20
U.S. Gulf	Japan	Hvy Grain	Oct 5/15	54,000	\$34.25
U.S. Gulf	Japan	Hvy Grain	Oct 7/21	54,000	\$34.00
U.S. Gulf	China	Hvy Grain	Oct 20/30	55,000	\$34.00
PNW	Taiwan	Hvy Grain	Oct 8/15	5,400	\$21.50

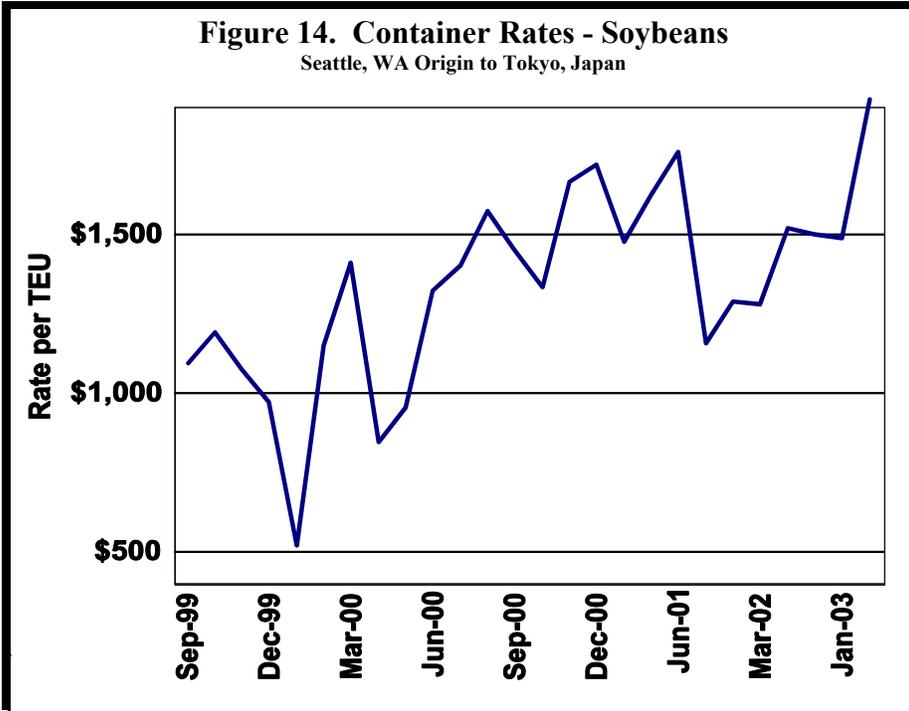
Source: Maritime Research Inc.
 Rates shown are for metric ton (2,204.62 lbs.=one metric ton), F.O.B., except where otherwise indicated; op=option

CONTAINER

Container Ocean Freight Rates

Average Rate per twenty-equivalent-unit (TEU), Weighed by Shipping Line Market Share

Source: Transportation & Marketing/AMS/USDA, Quarterly Updates



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

