



GRAIN TRANSPORTATION REPORT

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

NOVEMBER 13, 2003

TM GRAIN TRANSPORT						
COST INDICATORS*						
	Truck	Rail	Barge	Ocean		
				Gulf	Pacific	
11/12/03	99	218	122	203	280	
Compared With Last Week	unchanged	↑	↓	↓	↓	
*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						

October Barge Rates Above Average. During October 2003, barge rates for export grain from Minneapolis-St. Paul, MN, were 259 percent of tariff (or \$16.03 per ton). This represents a 14-percent increase over the 5-year average. The Minneapolis-St. Paul rates were the highest October rates since 1999. October 2003 barge rates from St. Louis, MO, were 295 percent of tariff (\$11.77 per ton), an average increase of 38 percent. The St. Louis October rates were a 5-year high. Corn yields were lower than expected in the upper reaches of the Mississippi River region, which have impacted volumes coming from the Minnesota area. Cold water temperatures on the upper Mississippi River could close the river earlier than normal. Barge demand for soybeans has increased due to record business with China. Nick.Marathon@usda.gov

U.S. Wheat Exports Are Impacted by Rising Freight Rates. According to the U.S. Wheat Associates (USW), U.S. wheat exports in several regions are affected by unprecedented worldwide higher freight rates. October ocean freight rates from the U.S. Pacific Northwest to Taiwan were contracted at \$34.50-\$38.80 per metric ton (MT), compared with similar shipments contracted at \$21.73 and \$21.35 per MT in early September. Rates on recent Panamax shipments from the U.S. Gulf to Japan have been quoted at more than \$50 per MT. Higher freight rates are causing some buyers to delay purchasing in the hope that rates will trend downward. Others are purchasing now, hoping to avoid even bigger rates in the future. Freight rates have been rising significantly due to massive purchases of bulk commodities by China, combined with a limited supply of new ships. While generally higher rates are causing some buyers to delay their wheat purchases from the United States and its competitors, other importers are shifting suppliers. George Glasso, Regional Director, USW, indicated that some North African Importers are purchasing wheat from local European markets to take advantage of lower freight costs due to shorter shipping distances. www.grainnet.com, Surajudeen.Olowolayemo@usda.gov

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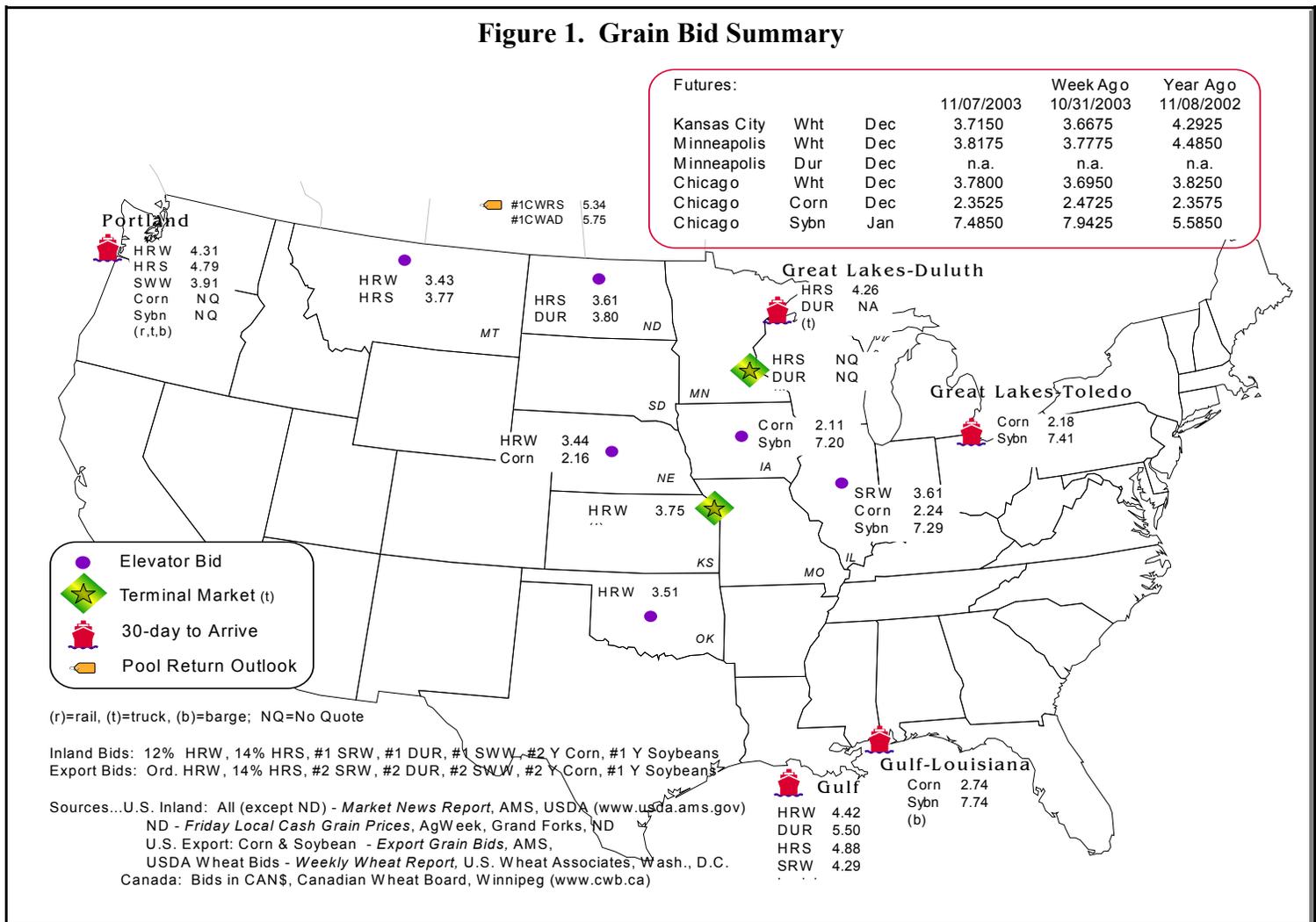
The Grain Transportation Report is a weekly news source for grain logistics. Detailed data and trend information on five major modes: barge, truck, rail, container, and vessel, provide timely insight into grain transport. The report is offered to policymakers and industry as a tool in day-to-day decision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

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

Commodity	Origin--Destination	This week	Last week
Corn	IL -- Gulf	-0.50	-0.57
Corn	NE -- Gulf	-0.58	-0.65
Soybean	IA -- Gulf	-0.54	-0.65
HRW	KS -- Gulf	-0.67	-0.74
HRS	ND -- Portland	-1.18	-1.20

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:					
10/29/03	470	1,516	3,595	886	6,467
11/05/03	484	1,723	2,354	1,354	5,915
2003 YTD	13,725	71,083	121,694	14,737	221,239
2002 YTD	9,685	76,100	90,188	17,848	193,821
% 2002 YTD	142%	93%	135%	83%	114%
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

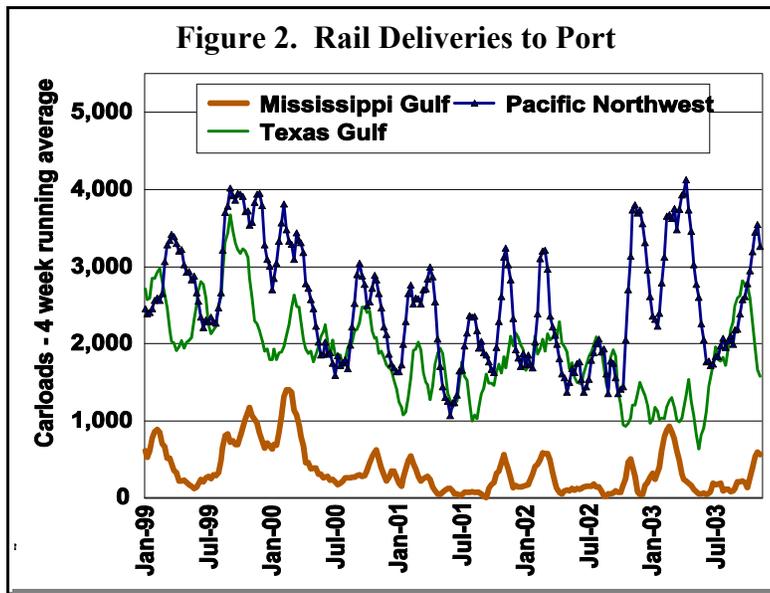
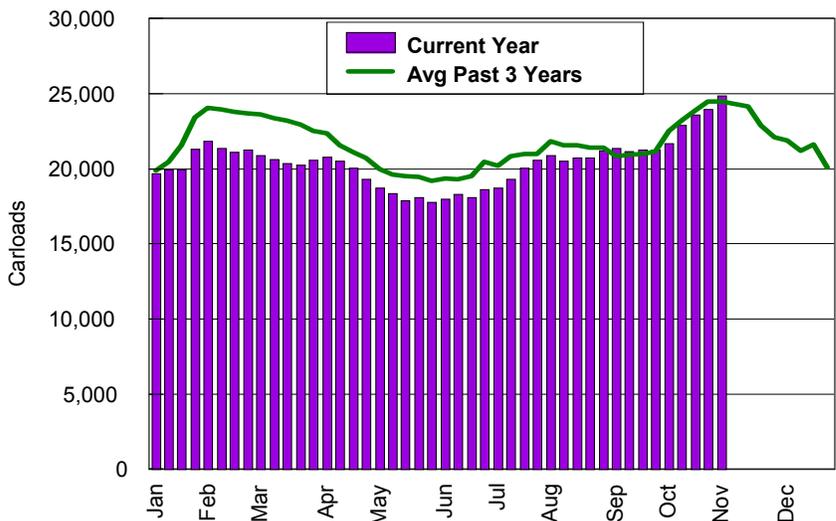


Figure 3. Total U.S. Grain Car Loadings for Class I Railroads



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

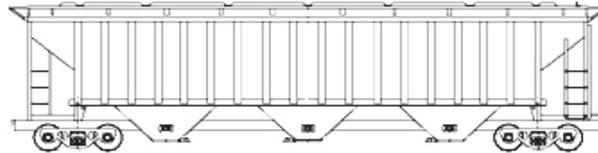
Table 3--Class I rail carrier grain car bulletin (Grain carloads originated)

	East		West			U.S. Total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
11/01/03	3,721	4,222	9,870	639	7,268	25,720	4,676	4,848
This Week Last Year	3,500	3,349	8,629	178	6,772	22,428	3,053	5,022
2003 YTD	121,019	142,344	339,555	19,279	288,053	910,250	160,438	162,294
2002 YTD	120,016	138,171	333,301	22,834	290,236	904,558	168,091	167,640
% 2002 YTD	101%	103%	102%	84%	99%	101%	95%	97%
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*

Oct-03	95.1	99.1	96.3	87.7	96.9	96.6
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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**
11/03/03	Wheat	Kansas City, MO	Galveston, TX	\$1,820	\$20.06	\$0.55
11/03/03	Wheat	Minneapolis, MN	Portland, OR	\$4,148	\$45.72	\$1.24
11/03/03	Wheat	St. Louis, MO	Houston, TX	\$1,945	\$21.44	\$0.58
11/03/03	Wheat	Kansas City, MO	Laredo, TX	\$2,280	\$25.13	\$0.68
11/03/03	Wheat	Chicago, IL	Albany, NY	\$1,834	\$20.22	\$0.55
11/03/03	Corn	Minneapolis, MN	Portland, OR	\$3,130	\$34.50	\$0.88
11/03/03	Corn	Chicago, IL	Baton Rouge, LA	\$2,736	\$30.16	\$0.77
11/03/03	Corn	Council Bluffs, IA	Baton Rouge, LA	\$2,170	\$23.92	\$0.61
11/03/03	Corn	Evansville, IN	Raleigh, NC	\$1,886	\$20.79	\$0.53
11/03/03	Corn	Des Moines, IA	Laredo, TX	\$2,864	\$31.57	\$0.80
11/03/03	Soybean	Minneapolis, MN	Portland, OR	\$3,110	\$34.28	\$0.93
11/03/03	Soybeans	Chicago, IL	Baton Rouge, LA	\$2,736	\$30.16	\$0.82
11/03/03	Soybeans	Council Bluffs, IA	Baton Rouge, LA	\$2,799	\$30.85	\$0.84
11/03/03	Soybeans	Des Moines, IA	Laredo, TX	\$2,864	\$31.57	\$0.86
11/03/03	Soybeans	Evansville, IN	Raleigh, NC	\$1,886	\$20.79	\$0.57

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

*A unit train refers to shipments of at least 52 cars

**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			
	Dec-03	Jan-04	Feb-04	Mar-04
BNSF-GF	\$155	\$52	\$31	\$6
UP-Pool	\$91	\$42	\$13	\$8

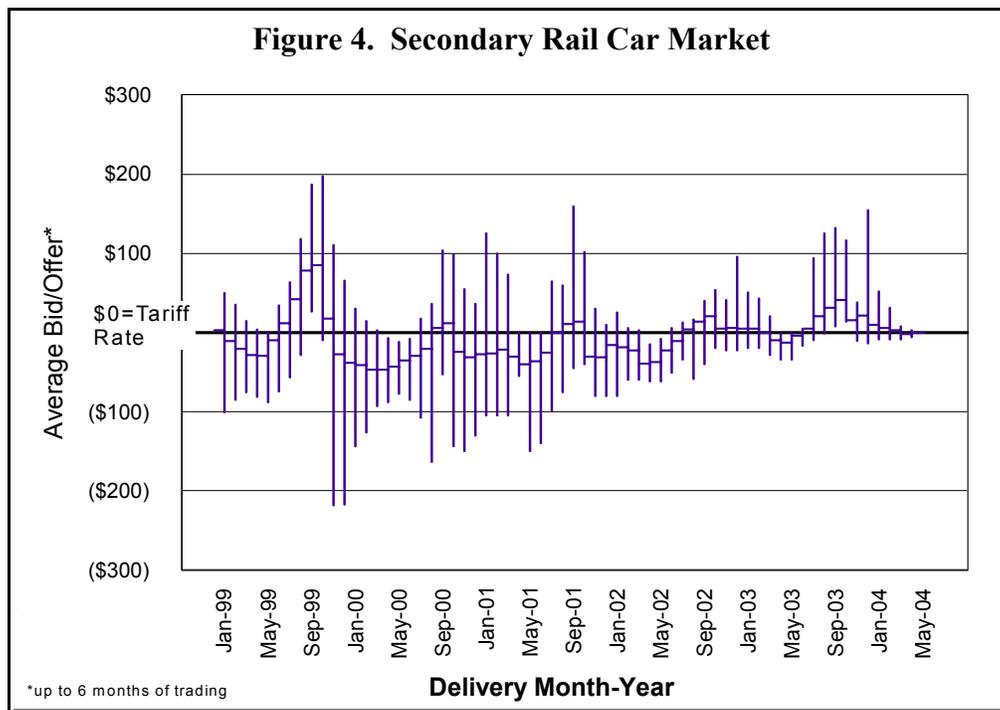
Sources: James B. Joiner & Co.; Tradewest Brokerage Co.
: GF=Guaranteed Freight, Pool=Guaranteed Pool
Note: Bids listed are market INDICATORS only & are NOT guaranteed prices, missing value=No Bid Quoted

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

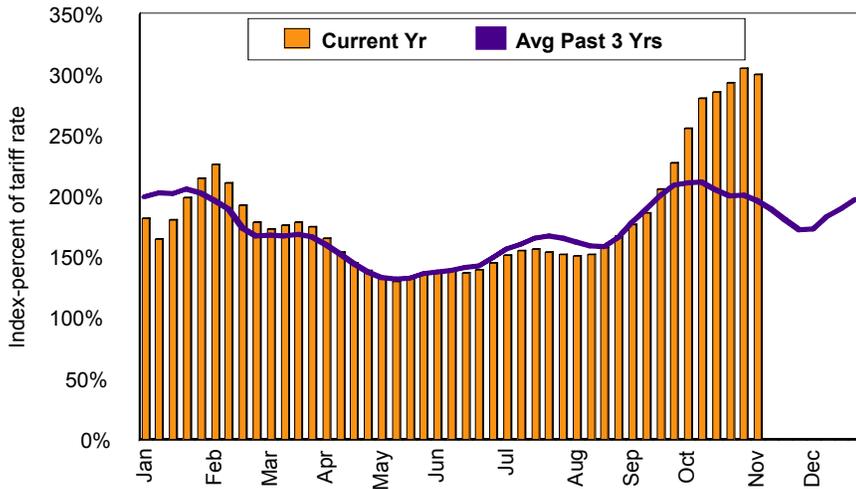
Delivery for:	Dec-03	Jan-04	Feb-04
COT/N. Grain	no bid	\$38	\$5
COT/S. Grain	no bid	\$4	\$1
GCAS/Region 1	\$25	\$1	\$1
GCAS/Region 2	\$99	\$32	\$5

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



BARGE TRANSPORTATION

Figure 5. 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.

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

Location	11/5/03	10/29/03	Dec '03	Feb '04
Twin Cities	260	324	nq	nq
Mid-Mississippi	260	345	250	nq
Illinois River	277	352	207	193
St. Louis	252	350	165	152
Lower Ohio	310	335	157	151
Cairo-Memphis	237	329	162	145

Source: Transportation & Marketing/AMS/USDA

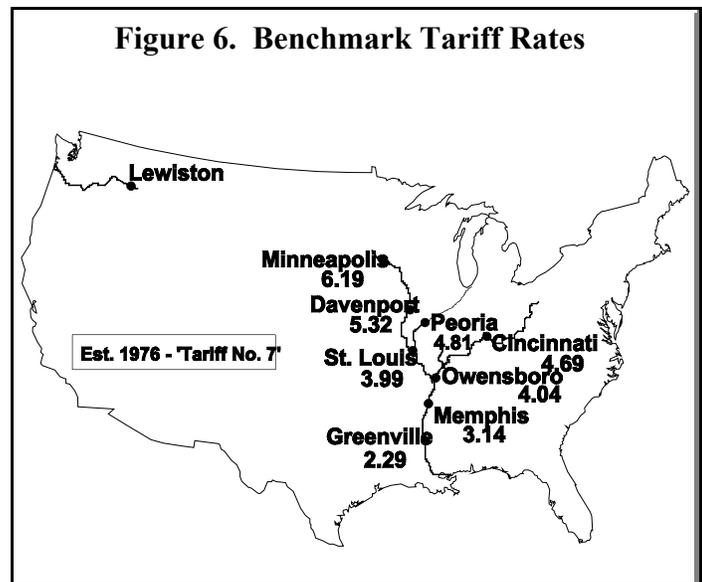
Table 8--Barge futures market

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
11/11/03	St. Louis	Dec.	n/a	150
		Feb.	n/a	148
		Apr.	n/a	145
		May	n/a	143
		Jun.	n/a	145
		Illinois River	Dec.	n/a
		Feb.	n/a	190
		Apr.	n/a	165
		May	n/a	155
		Jun.	n/a	160

Source: St. Louis Merchants Exchange

Figure 6. Benchmark Tariff Rates



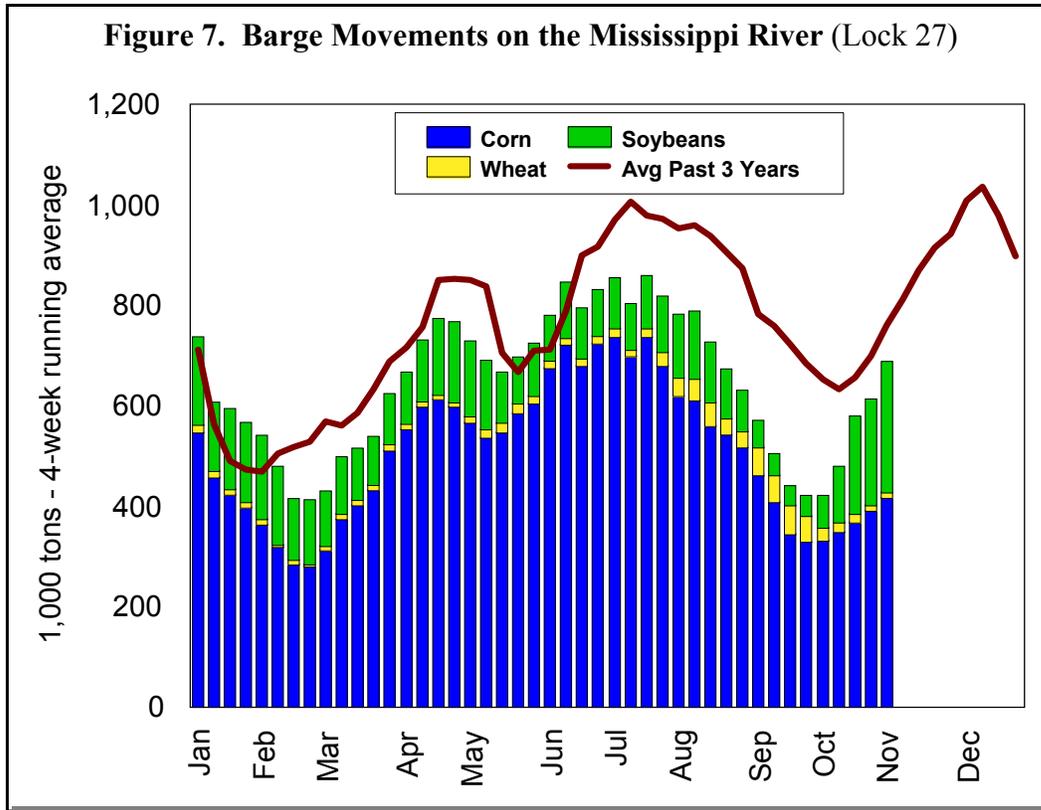


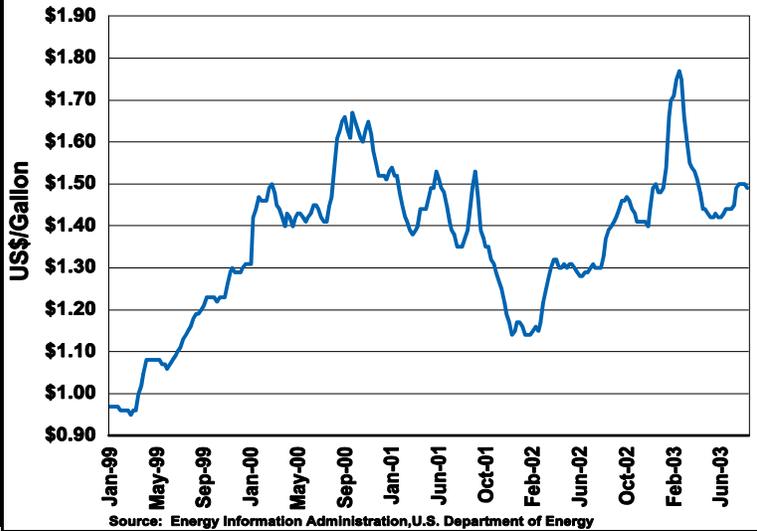
Table 9--Barge grain movements (1,000 tons)

Week ending 11/01/03	Corn	Wht	Sybn	Total
Mississippi River				
Rock Island, IL (L15)	166	13	48	227
Winfield, MO (L25)	256	18	239	513
Alton, IL (L26)	421	18	323	771
Granite City, IL (L27)	421	18	323	771
Illinois River (L8)	100	0	66	167
Ohio River (L52)	38	0	89	129
Arkansas River (L1)	0	18	29	47
2003 YTD	23,655	2,454	7,214	33,938
2002 YTD	28,642	2,270	9,335	41,607
% 2002 YTD	83%	108%	77%	82%
2002 Total	35,066	2,590	11,634	50,810

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

TRUCK TRANSPORTATION

Figure 8. 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.

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.

Figure 9. Weekly Brent Crude Price, Friday Close



Table 10--Crude oil prices (US\$ per Barrel)-11/11/03

Type	This week	Last week	Change
Light Sweet Crude (NYMEX)	30.65	28.44	↑
Brent Crude	28.95	n/a	n/a

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				
10/30/03	2,220	550	1,003	576	147	4,495	10,207	11,572	26,274
This Week Year Ago	1,418	685	1,630	790	177	4,700	7,629	7,843	20,172
Cumulative Exports-Crop Year									
2003/04 YTD	5,037	1,771	2,996	1,827	541	12,172	7,364	4,862	24,398
2002/03 YTD	3,625	1,185	2,978	1,562	386	9,735	5,729	4,377	19,841
% 2002/03 YTD	139%	149%	101%	117%	140%	125%	129%	111%	123%
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

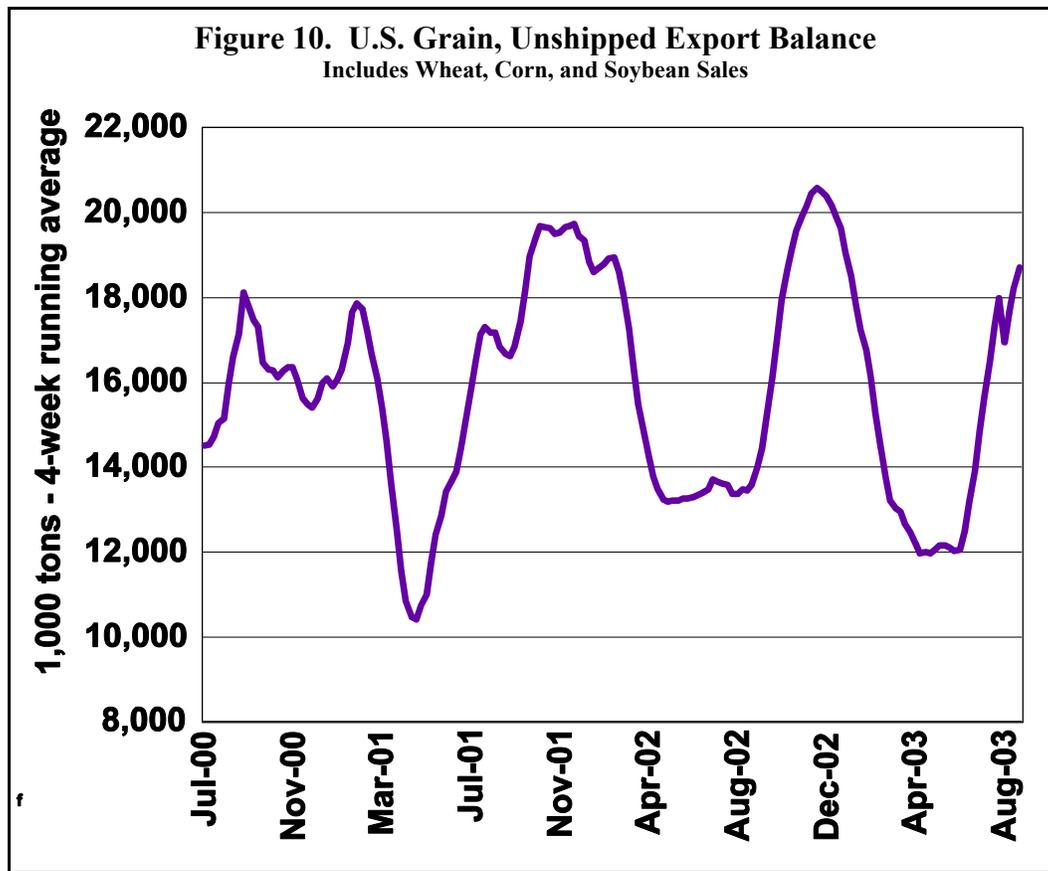
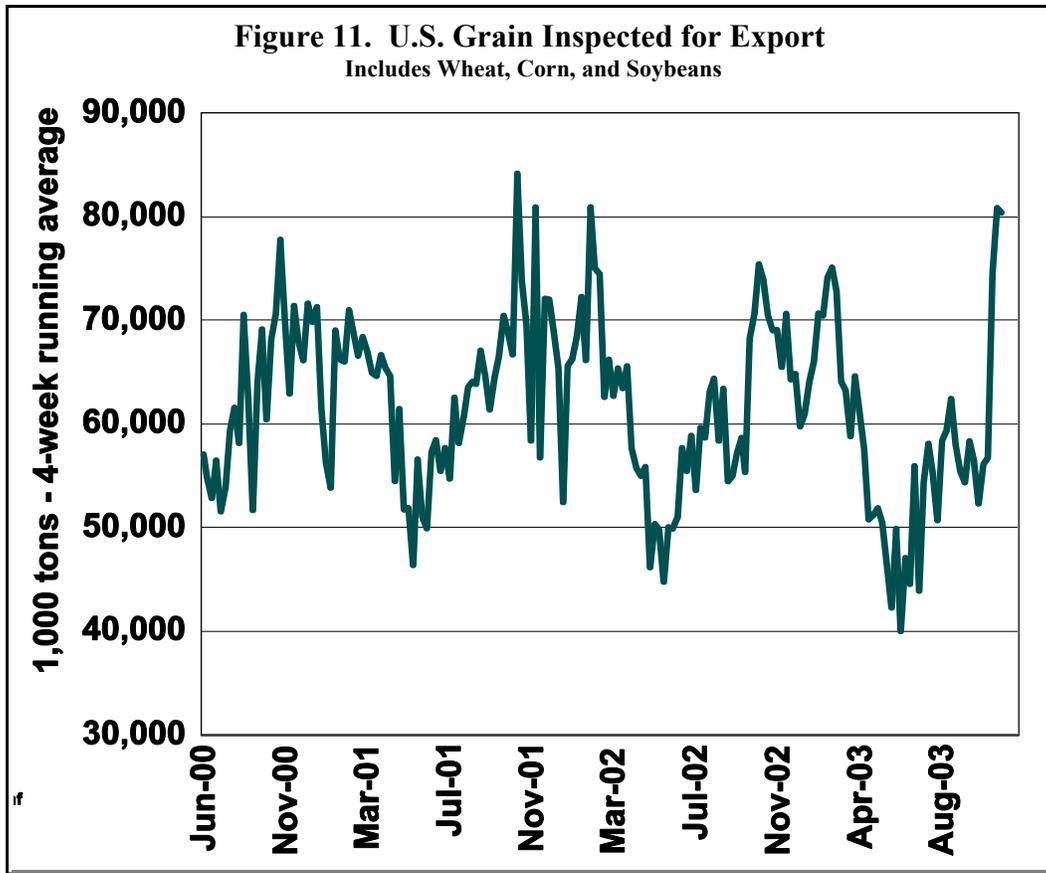


Table 12--Select U.S. port regions - grain inspections for export (1,000 metric tons)

Date	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>			<u>Port Region Total</u>		
	<i>Wheat</i>	<i>Corn</i>	<i>Soybn</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybn</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybn</i>	<i>Pacific</i>	<i>Mississippi</i>	<i>Texas</i>
11/06/03	159	55	408	75	596	956	180	31	0	622	1,626	212
2003 YTD	7,697	4,482	4,122	5,260	25,265	14,683	5,801	631	77	16,301	45,208	6,509
2002 YTD	7,766	3,221	2,452	4,981	31,733	14,550	5,132	259	365	13,439	51,264	5,756
% 2002 YTD	99%	139%	168%	106%	80%	101%	113%	243%	21%	121%	88%	113%
2002 Total	9,128	3,994	2,870	5,670	36,383	18,549	5,875	266	373	15,992	60,602	6,514

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.

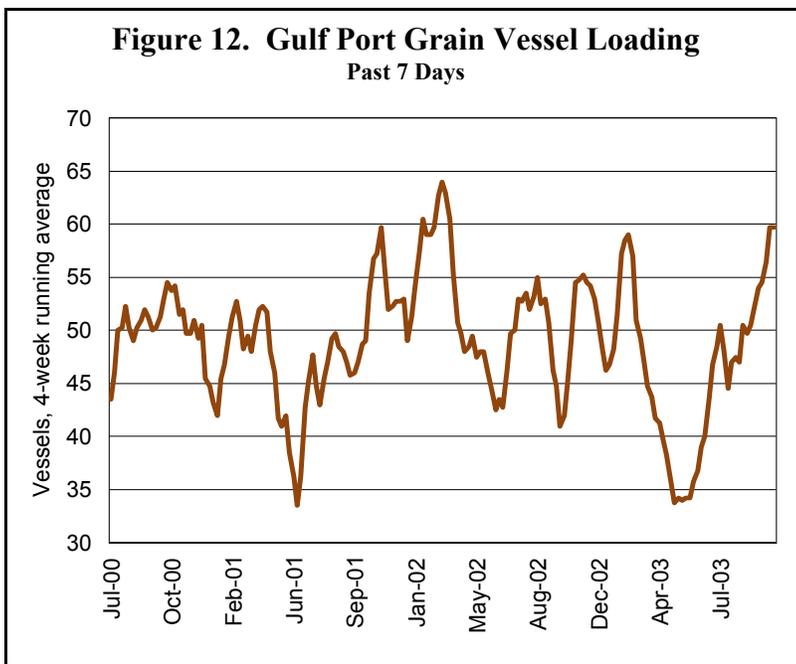


Table 13--Weekly port region grain ocean vessel activity (number of vessels)

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In Port	Loaded 7-Days	Due Next 10-Days	In Port	In Port
10/30/03	28	66	84	7	2
11/06/03	34	56	93	9	3
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 3 rd Qtr	2002 3 rd Qtr	Change %		2003 3 rd Qtr	2002 3 rd Qtr	Change %
Gulf to				Pacific NW to			
Japan	\$33.83	\$19.54	73%	Japan	-	\$11.57	-
Mexico	-	\$7.25	-	Taiwan	\$19.50	\$11.21	73%
Taiwan	\$33.00	-	-				
N. Europe	\$22.88	-	-	Argentina/Brazil to			
N. Africa	\$25.50	\$13.50	89%	Med. Sea	\$33.38	\$19.93	67%
Med. Sea	\$24.88	\$11.92	109%	N. Europe	\$22.50	\$18.65	21%
				China	\$34.75	-	-

Source: Transportation & Marketing/AMS/USDA

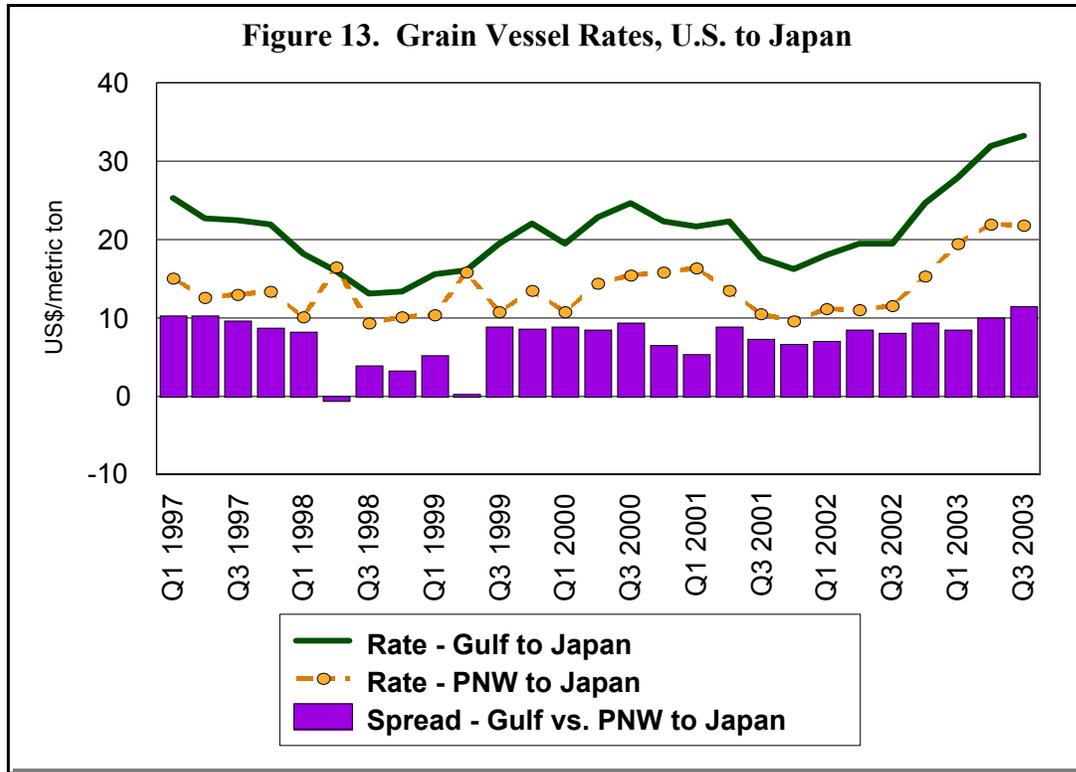


Table 15--Ocean freight rates for selected shipments

Week Ending 11/08/03

Export region	Import region	Grain	Month	Volume loaded (Tons)	Freight rate (\$/ton)
U.S. Gulf	Adriatic	Hvy Grain	Oct 28/31	36,000	\$28.50
U.S. Gulf	Ghana	Wheat	Oct 20/30	15,000	\$42.65*
U.S. Gulf	Taiwan	Hvy Grain	Nov 5/18	44000/46000	\$44.00
U.S. Gulf	Japan	Hvy Grain	Nov 1/10	42,000/44,000	\$38.80
U.S. Gulf	Japan	Hvy Grain	Oct 20/30	54,000	\$37.00
U.S. Gulf	China	Hvy Grain	Oct 25/Nov 5	55,000	\$45.00
U.S. Gulf	China	Hvy Grain	Nov 8/15	55,000	\$46.50

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

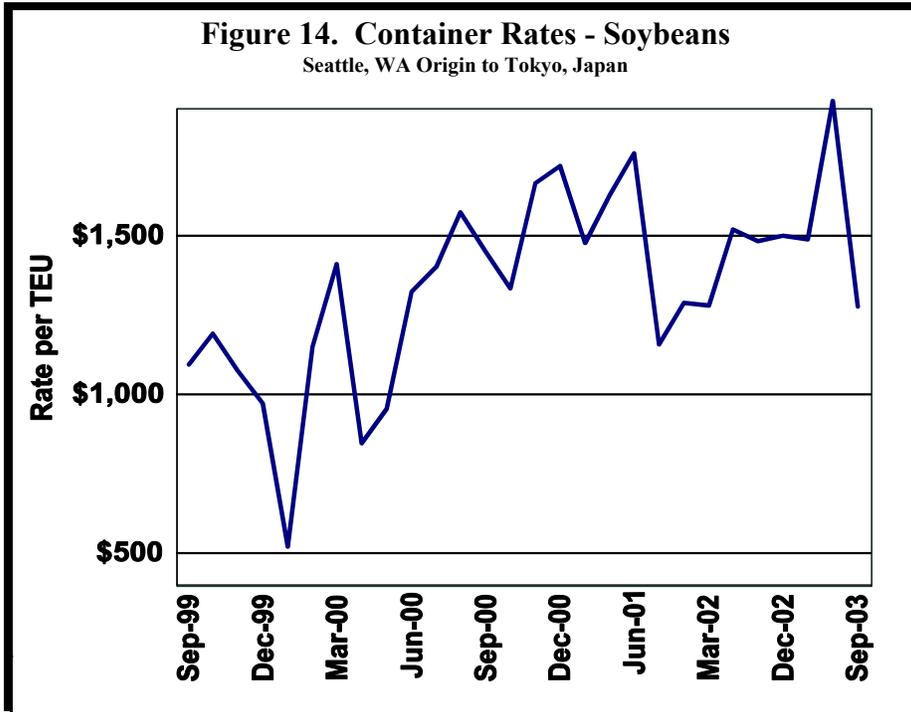
*Most food aid from the United States is required to be shipped on U.S. flag vessels. The vessels are of limited availability resulting in higher rates. In addition, destinations receiving food aid generally lack adequate port unloading facilities, requiring the vessel to remain in port for a longer duration than normal.

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.

