



GRAIN TRANSPORTATION REPORT

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

DECEMBER 11, 2003

TM GRAIN TRANSPORT					
COST INDICATORS*	Truck	Rail	Barge	Ocean	
				Gulf	Pacific
12/10/03	100	290	123	226	294
Compared With 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

Agricultural Drivers Retain Exemptions from Federal Hours of Service (HOS) Requirements. Since the Department of Transportation's Federal Motor Carrier Safety Administration announced that all exemptions from HOS requirements would be reevaluated, agricultural drivers have been faced with the likelihood that their exemptions would be lost. HOS regulations state maximum driving times for commercial truck drivers before drivers are required to take measured rest periods. Under current rules, drivers can be on duty for 15 hours, 10 of which can be driving. Drivers must then take 8 hours off. Under new HOS regulations announced in April 2003 and scheduled to become effective January 4, 2004, drivers can be on duty 14 consecutive hours, 11 of which can be driving. Then drivers must take 10 hours off before starting a new cycle.



Grain Trucks Waiting to Unload at Elevator

Advocates for agricultural drivers, including the U.S. Department of Agriculture, have been instrumental retaining the exemptions from HOS requirements for drivers during planting and harvesting seasons if driving occurs within a 100-mile radius of a farm or distribution point. The exemptions are critical to agricultural truckers because they allow drivers to remain on duty and to drive longer hours during planting and harvesting seasons to move agricultural commodities in a timely manner.

Grain trucks and drivers must be available during harvest activities, often affected by weather conditions and other disruptions. A considerable hardship would be encountered by grain truckers that serve elevators, for example, without agricultural HOS exemptions. After hours in the fields collecting grain, drivers often have to wait in long lines at grain elevators to unload. Waiting time is considered on-duty time.

Without the exemptions, drivers would have to be replaced after 15 hours (14 hours with new regulations), whether involved with driving or nondriving-related activity such as loading and unloading. Replacement drivers and trucks would have to be employed at considerable expense to complete unloading operations at elevators. Compounding this situation is the trucking industry's persistent driver shortage, which has existed for years, making it difficult to obtain additional drivers.

In addition to retaining existing exemptions, agricultural haulers may soon see expanded exemptions from HOS rules if proposed legislation (H.R. 871), sponsored by Congressman Doug Bereuter (R-Neb), is enacted. Expanded exemptions are included in an amendment to reauthorization legislation for the Surface Transportation Board. These exemptions would define agricultural commodities for purpose of using agricultural HOS exemptions, to include poultry, livestock, and the feed to support poultry and livestock production.

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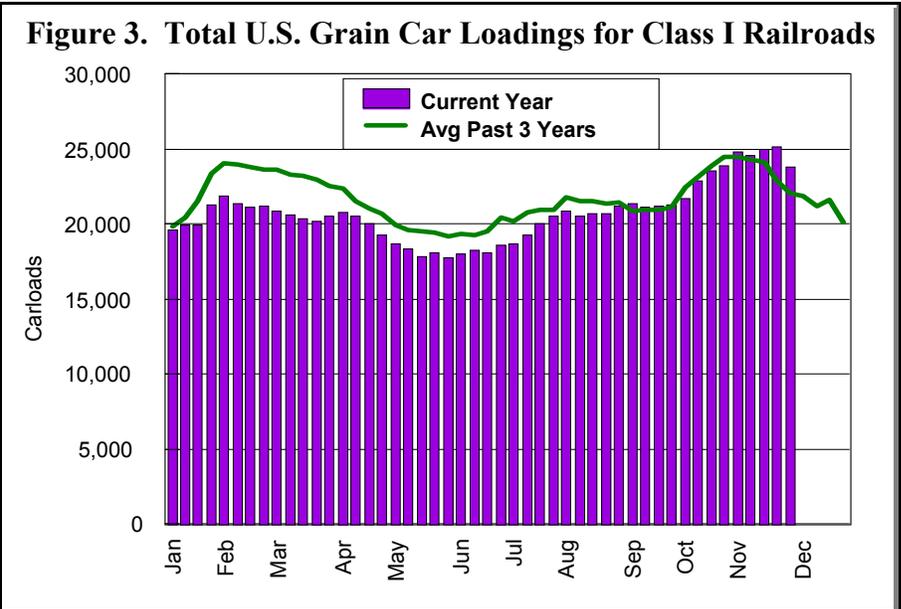
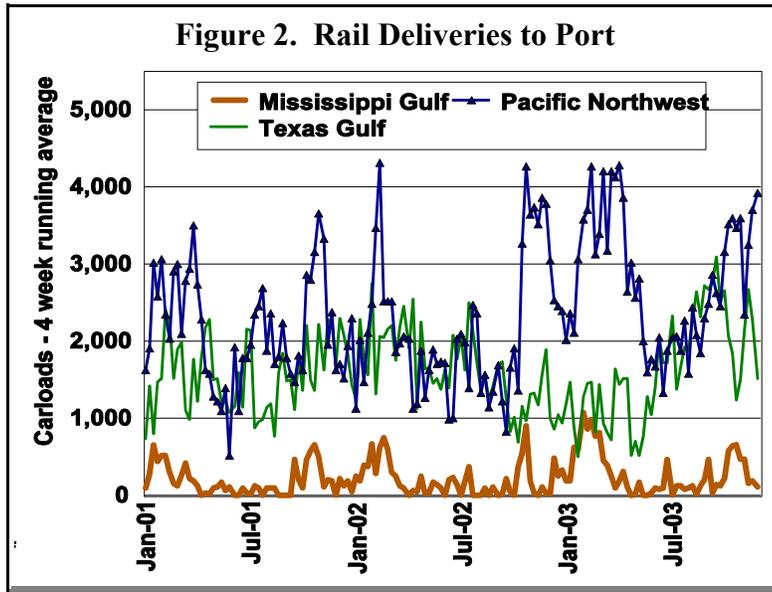
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RAIL TRANSPORTATION

Table 2--Rail deliveries to port (carloads)

	Mississippi Gulf*	Texas Gulf	Pacific Northwest	Atlantic & East Gulf	Total
Week Ending:					
11/26/03	120	1,771	4,037	1,099	7,027
12/03/03	123	1,966	3,150	615	5,854
2003 YTD	14,322	80,402	135,852	18,054	248,630
2002 YTD	9,863	81,752	104,431	19,360	215,406
% 2002 YTD	145%	98%	130%	93%	115%
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)

	East		West			U.S. Total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
11/29/03	2,324	3,077	8,869	716	5,525	20,511	4,825	4,264
This Week Last Year	2,168	2,767	8,451	455	7,109	20,950	3,112	3,666
2003 YTD	134,367	157,228	378,346	21,967	313,713	1,005,621	179,169	180,878
2002 YTD	132,242	151,916	369,059	24,860	318,466	996,543	181,040	184,475
% 2002 YTD	102%	103%	103%	88%	99%	101%	99%	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*

Nov-03	95.2	101.2	95.5	88.9	96.3	96.4
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Source: Association of American Railroads; *Base Year =2001, Index based on Number of Covered Hopper Cars Online (available for Service).

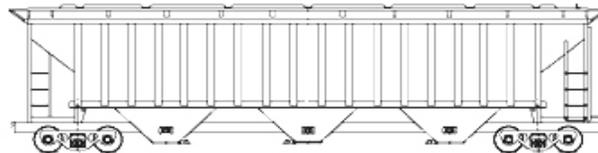


Table 4--Tariff rail rates for unit train shipments*

Date effective	Commodity	Origin	Destination	Rate per car	Rate per MT	Rate/per bushel**
12/01/03	Wheat	Kansas City, MO	Galveston, TX	\$1,820	\$20.06	\$0.55
12/01/03	Wheat	Minneapolis, MN	Portland, OR	\$4,148	\$45.72	\$1.24
12/01/03	Wheat	St. Louis, MO	Houston, TX	\$1,945	\$21.44	\$0.58
12/01/03	Wheat	Kansas City, MO	Laredo, TX	\$2,280	\$25.13	\$0.68
12/01/03	Wheat	Chicago, IL	Albany, NY	\$1,834	\$20.22	\$0.55
12/01/03	Corn	Minneapolis, MN	Portland, OR	\$3,130	\$34.50	\$0.88
12/01/03	Corn	Chicago, IL	Baton Rouge, LA	\$2,736	\$30.16	\$0.77
12/01/03	Corn	Council Bluffs, IA	Baton Rouge, LA	\$2,170	\$23.92	\$0.61
12/01/03	Corn	Evansville, IN	Raleigh, NC	\$1,841	\$20.29	\$0.52
12/01/03	Corn	Des Moines, IA	Laredo, TX	\$2,864	\$31.57	\$0.80
12/01/03	Soybean	Minneapolis, MN	Portland, OR	\$3,110	\$34.28	\$0.93
12/01/03	Soybeans	Chicago, IL	Baton Rouge, LA	\$2,736	\$30.16	\$0.82
12/01/03	Soybeans	Council Bluffs, IA	Baton Rouge, LA	\$2,799	\$30.85	\$0.84
12/01/03	Soybeans	Des Moines, IA	Laredo, TX	\$2,864	\$31.57	\$0.86
12/01/03	Soybeans	Evansville, IN	Raleigh, NC	\$1,841	\$20.29	\$0.55

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			
	Jan-04	Feb-04	Mar-04	Apr-04
BNSF-GF	\$225	\$138	\$72	\$15
UP-Pool	\$165	\$71	\$48	\$4

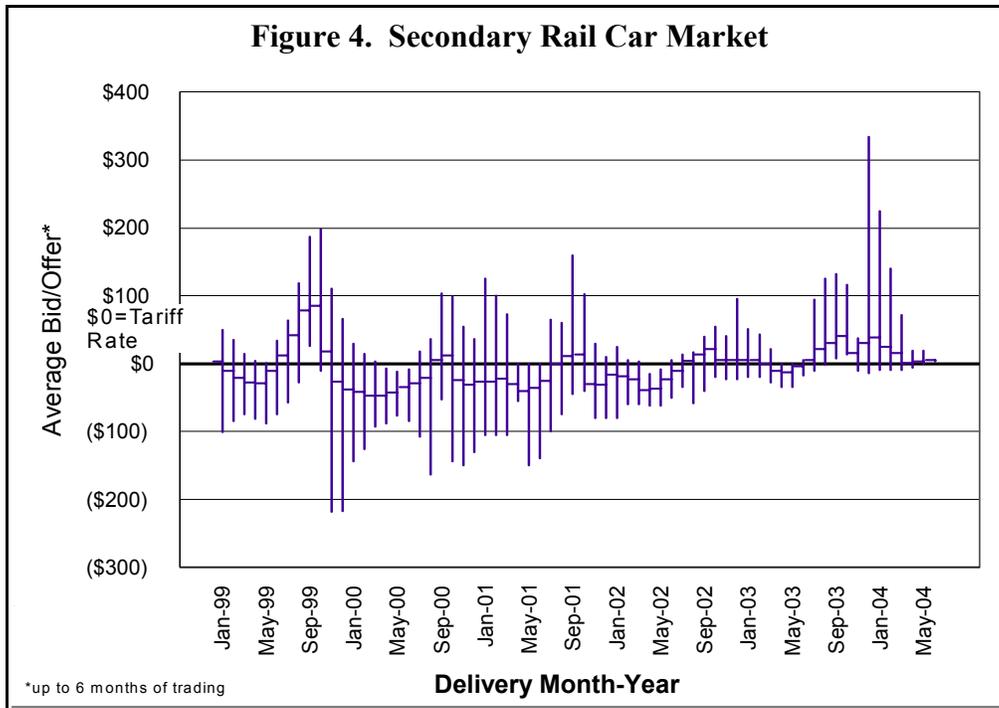
Sources: James B. Joiner & Co.; Tradewest Brokerage Co.
: GF=Guaranteed Freight, Pool=Guaranteed Pool
Note: Bids listed are market INDICATORS only & are NOT guaranteed prices, missing value=No Bid Quoted

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.

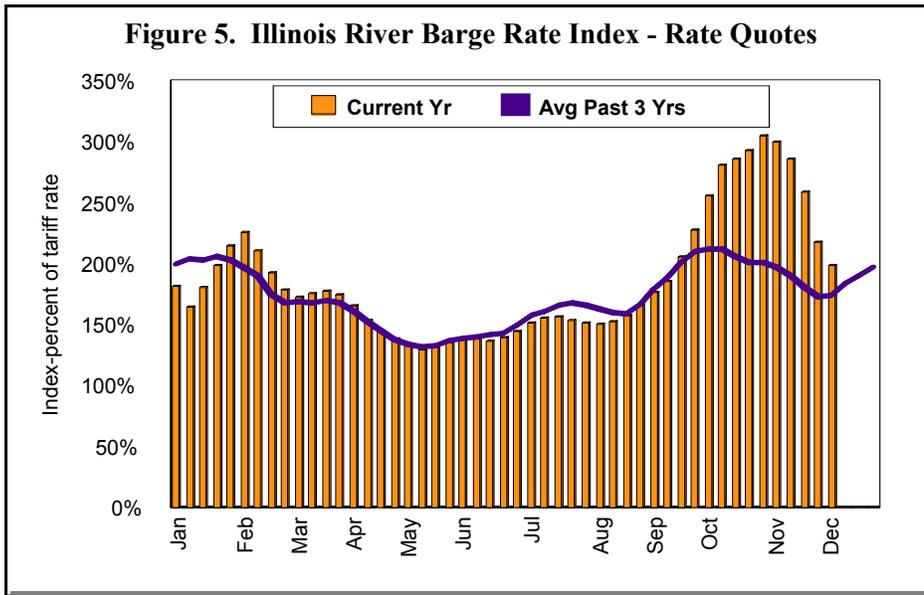
Table 6--Railroad car 'Auction' results
Average premium/discount to tariff, \$/car - last auction

Delivery for:	Jan-04	Feb-04	Mar-04
COT/N. Grain	no bid	\$250	\$125
COT/S. Grain	no bid	\$247	\$86
GCAS/Region 1	\$111	\$55	\$100
GCAS/Region 2	\$259	\$146	\$71

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.

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	12/3/03	11/26/03	Jan '04	Mar '04
Twin Cities	nq	200	nq	nq
Mid-Mississippi	200	189	nq	nq
Illinois River	200	188	191	143
St. Louis	146	142	144	147
Lower Ohio	153	146	147	145
Cairo-Memphis	132	130	131	129

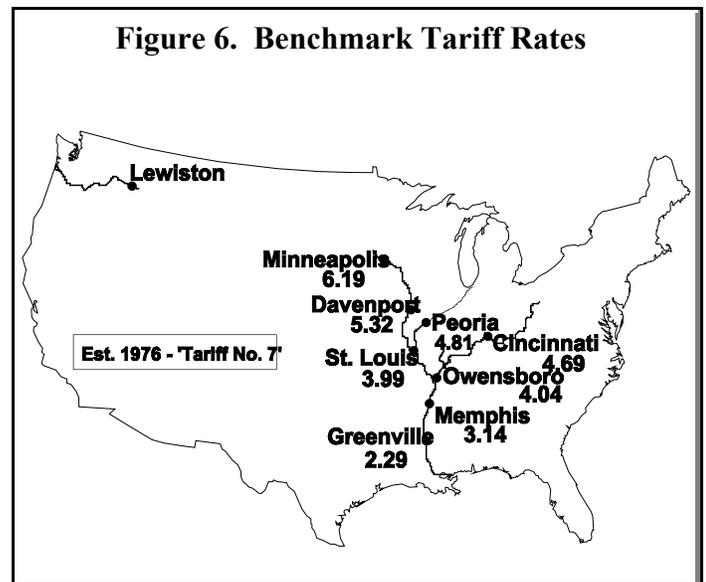
Source: Transportation & Marketing/AMS/USDA

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
12/9/03	St. Louis	Dec.	n/a	215
		Feb.	n/a	205
		Apr.	n/a	168
		May	n/a	158
		June	n/a	165
		Illinois River	Dec.	n/a
Feb.	n/a		160	
Apr.	n/a		150	
May	n/a		145	
June	n/a		150	

Source: St. Louis Merchants Exchange



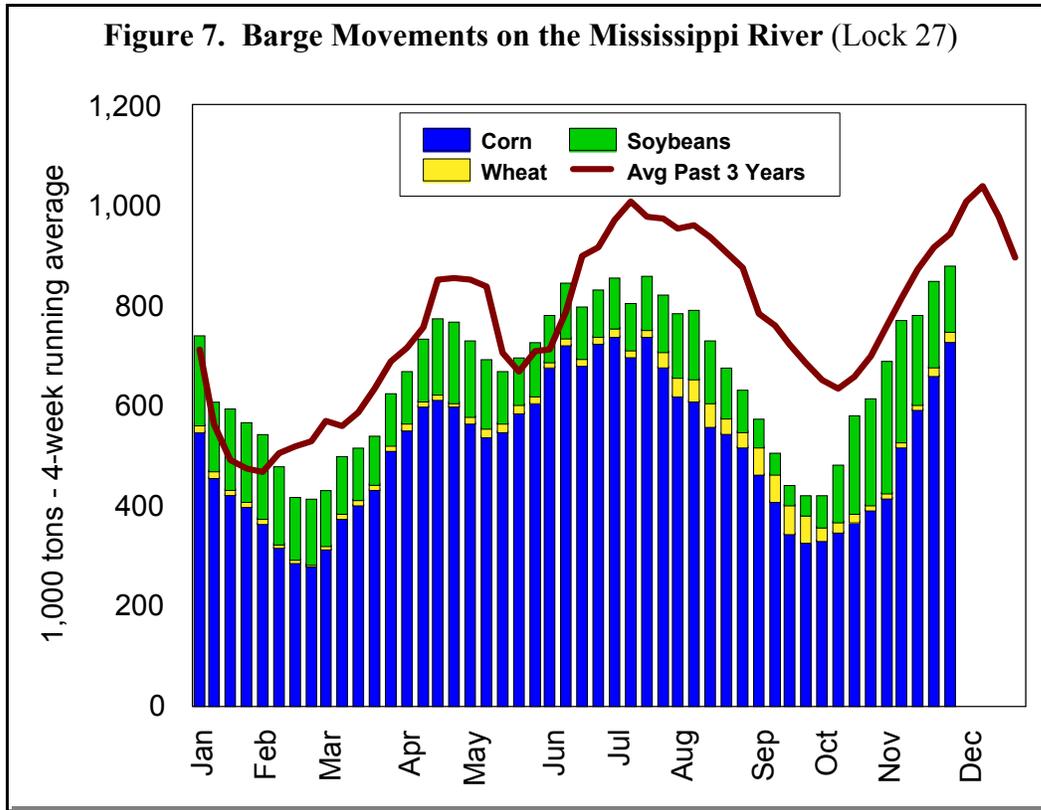
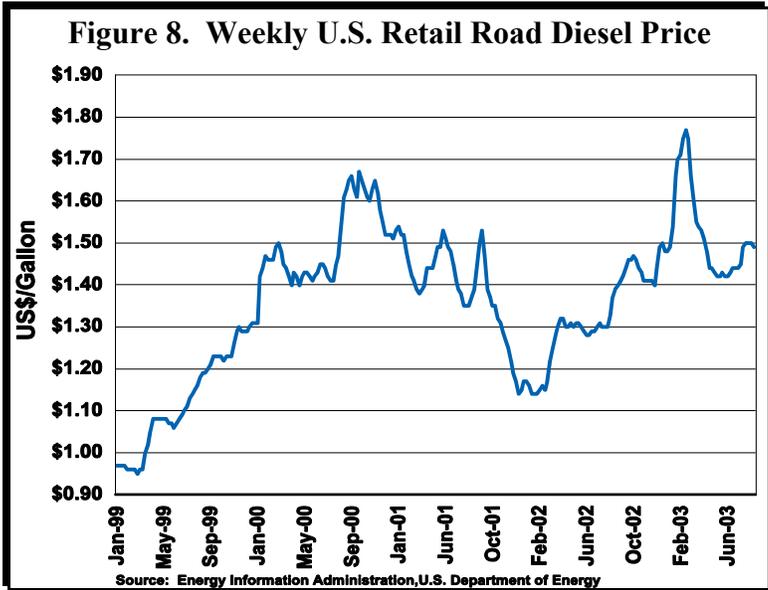


Table 9--Barge grain movements (1,000 tons)

Week ending 11/29/03	Corn	Wht	Sybn	Total
Mississippi River				
Rock Island, IL (L15)	345	8	121	473
Winfield, MO (L25)	442	6	134	582
Alton, IL (L26)	716	15	158	890
Granite City, IL (L27)	700	21	167	889
Illinois River (L8)	264	11	17	291
Ohio River (L52)	37	10	67	113
Arkansas River (L1)	0	14	42	56
2003 YTD	26,762	2,593	8,246	38,236
2002 YTD	32,108	2,420	10,614	46,574
% 2002 YTD	84%	108%	78%	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



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.

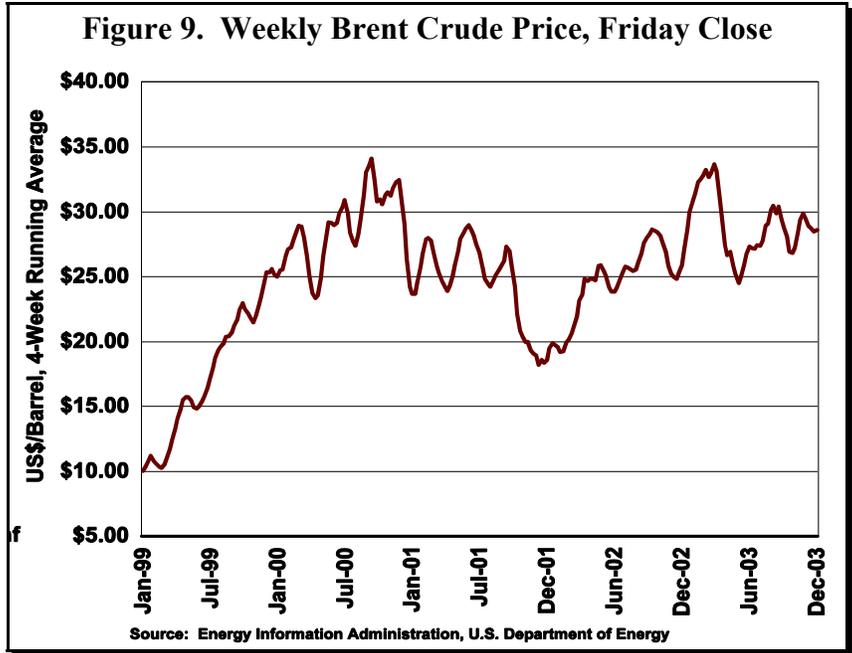


Table 10--Crude oil prices (US\$ per Barrel)-12/9/03

Type	This week	Last week	Change
Light Sweet Crude (NYMEX)	31.28	30.36	↑
Brent Crude	30.33	29.09	↑

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				
11/27/03	2,850	584	1,198	1,031	165	5,928	10,313	9,400	25,641
This Week Year Ago	1,205	755	1,443	795	158	4,355	7,922	7,483	19,761
Cumulative Exports-Crop Year									
2003/04 YTD	6,058	2,086	3,541	2,100	607	14,393	11,356	9,595	35,344
2002/03 YTD	4,277	1,362	3,620	1,802	449	11,509	9,345	8,376	29,230
% 2002/03 YTD	142%	153%	98%	117%	135%	125%	122%	115%	121%
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

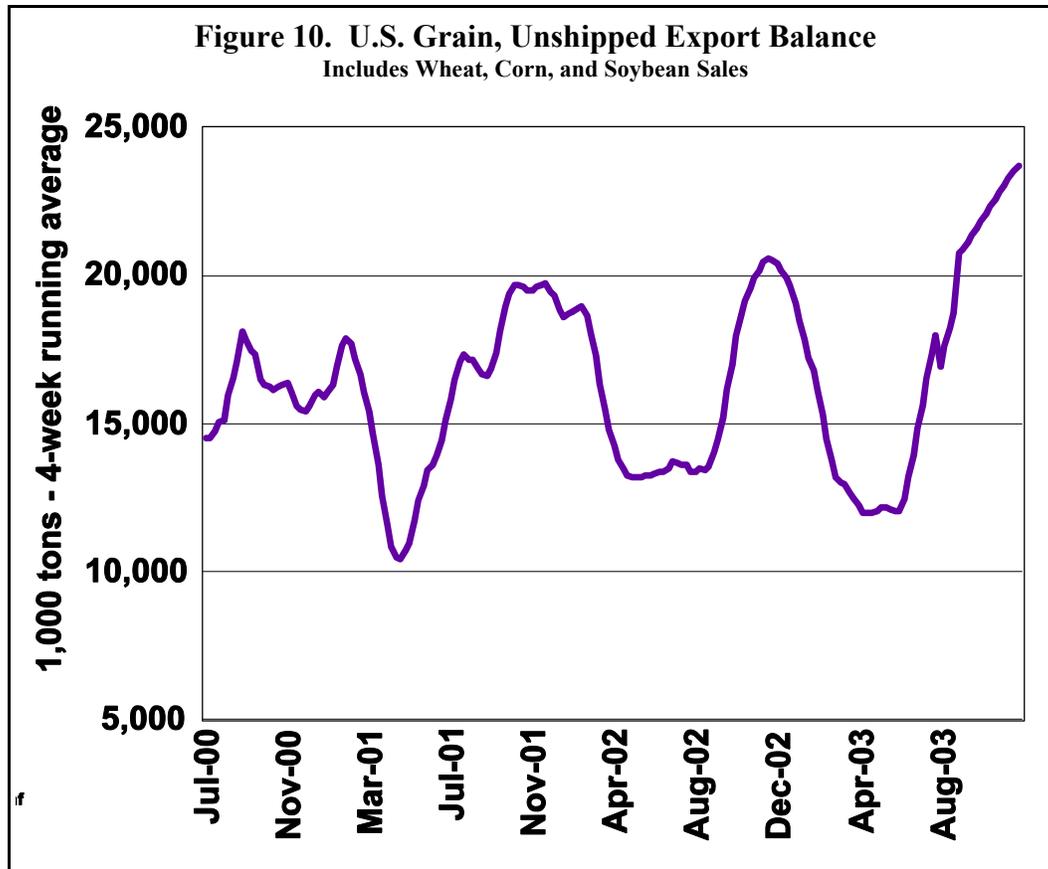
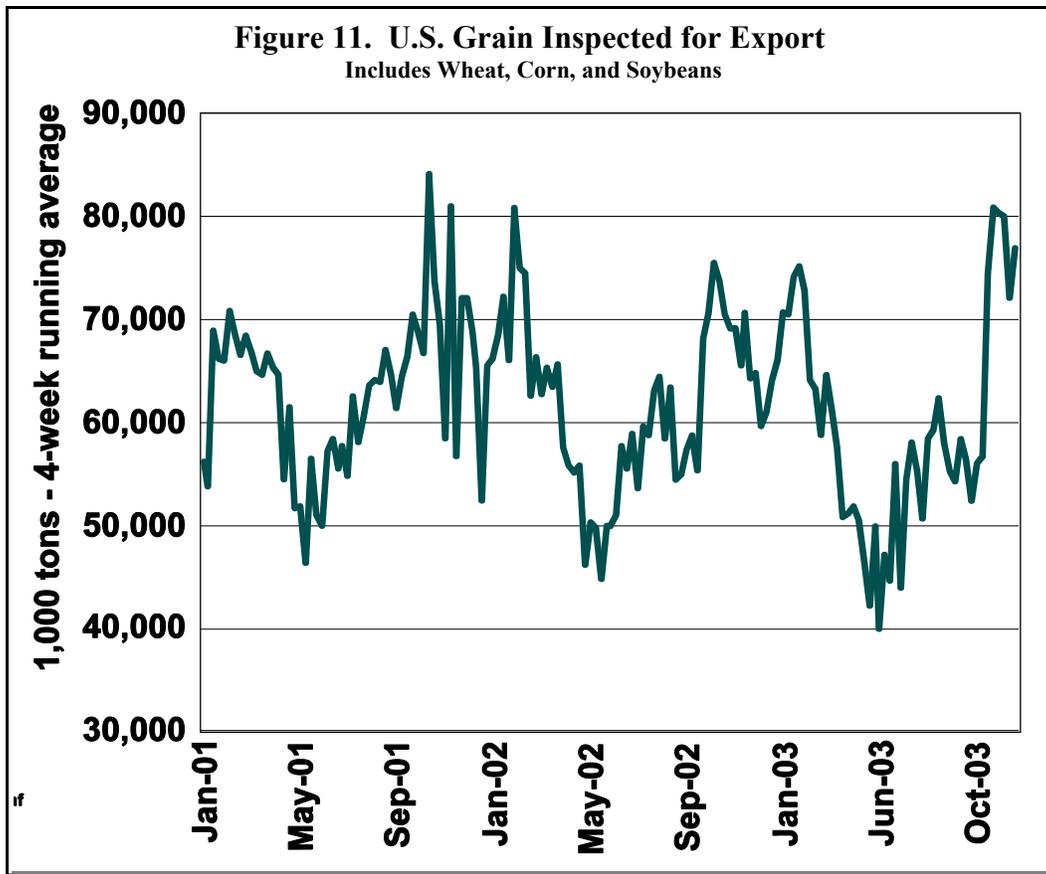


Table 12--Select U.S. port regions - grain inspections for export (1,000 metric tons)

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>
12/04/03	207	150	156	77	731	636	182	0	0	513	1,443	182
2003 YTD	8,413	5,063	4,869	5,673	28,093	17,253	6,525	693	94	18,345	51,019	7,312
2002 YTD	8,536	3,717	2,821	5,429	34,424	17,032	5,569	261	373	15,074	56,885	6,203
% 2002 YTD	99%	136%	173%	104%	82%	101%	117%	265%	25%	122%	90%	118%
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.

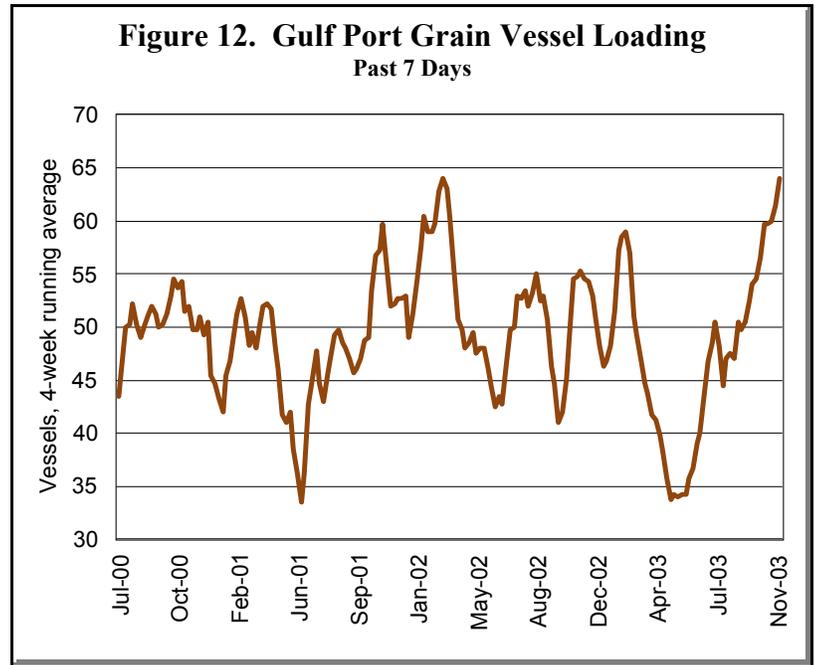


Table 13--Weekly port region grain ocean vessel activity (number of vessels)

Date	Gulf		Pacific Northwest	Vancouver B.C.
	In Port	Loaded 7-Days	Due Next 10-Days	In Port
11/27/03	35	76	51	10
12/04/03	29	60	85	10
2002 Range	(15..55)	(33..66)	(44..82)	(3..15)
2002 Avg	35	51	65	8

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

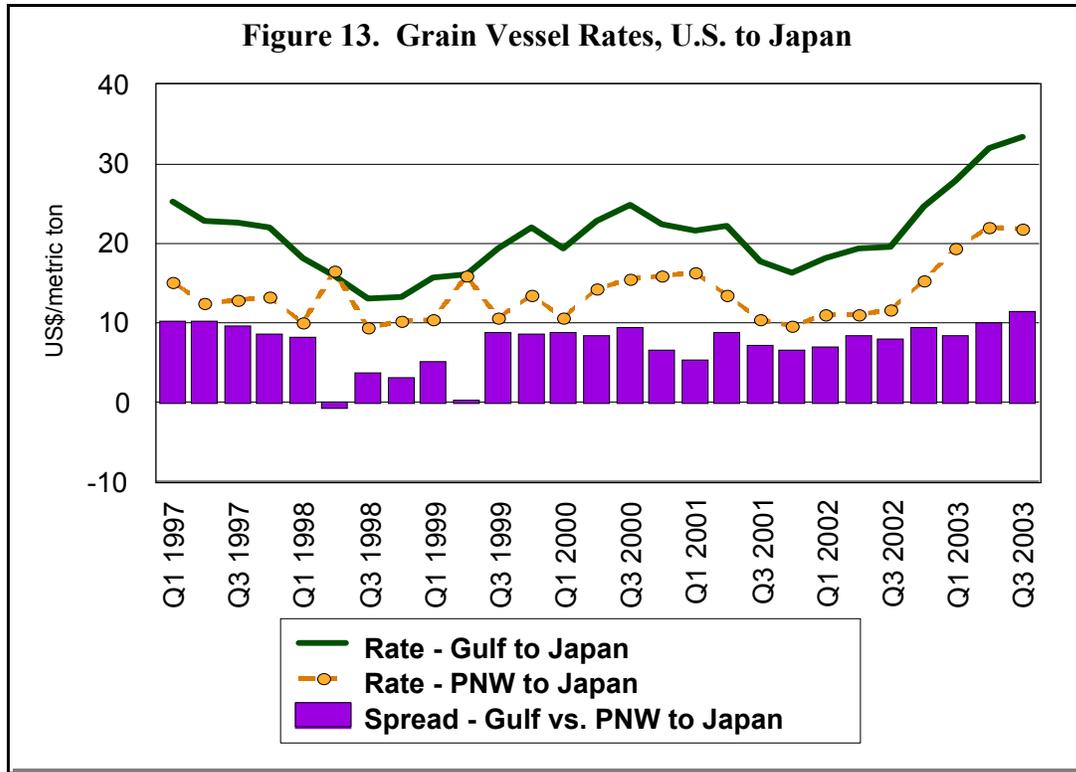


Table 15--Ocean freight rates for selected shipments

Week Ending 12/06/03

Export region	Import region	Grain	Month	Volume loaded (Tons)	Freight rate (\$/ton)
U.S. Gulf	Morocco	Wheat	Dec 12/21	35,000	\$36.00
U.S. Gulf	Ghana	Wheat	Oct 20/30	15,000	\$42.65*
U.S. Gulf	Taiwan	Hvy Grain	Nov 5/18	44,000/46,000	\$44.00
U.S. Gulf	Japan	Hvy Grain	Nov 1/10	42,000/44,000	\$38.80
U.S. Gulf	Japan	Hvy Grain	Feb 1/5	54,000	\$54.50
U.S. Gulf	Kenya	Corn	Nov 10/20	55,000	\$45.00
U.S. Gulf	China	Hvy Grain	Nov 8/15	55,000	\$46.00
Brazil	Italy	Meals	Nov 25/30	20,000	\$38.50

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

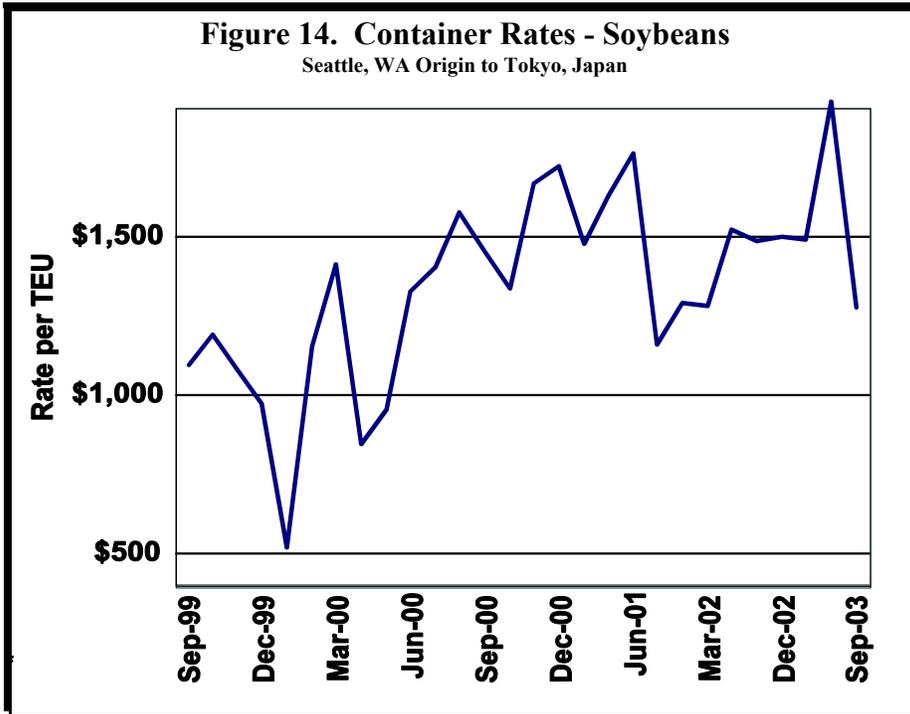
*Most food aid from the United States is required to be shipped on U.S. flag vessels. The vessels are of limited availability resulting in higher rates. In addition, destinations receiving food aid generally lack adequate port unloading facilities, requiring the vessel to remain in port for a longer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

