



GRAIN TRANSPORTATION REPORT

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

DECEMBER 18, 2003

TM GRAIN TRANSPORT					
COST INDICATORS*	Truck	Rail	Barge	Ocean	
				Gulf	Pacific
12/17/03	100	225	119	229	297
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					

Transportation Services Branch (TSB) Publishes New Online Indicators Report. One of the newest online publications by TSB is the *Agricultural Container Indicators* report (AgCI). The AgCI is designed to educate agricultural shippers and exporters about the current status of the main factors (rates, volume, and capacity) that define the costs and service availability in containerized shipping, specifically for agricultural exports to Asia.

Each issue discusses trends in publicly filed tariff rates for refrigerated and dry containerized agricultural commodities to Asia. Common surcharges such as the Bunker Adjustment Factor (BAF) and the Currency Adjustment Factor (CAF) are also discussed and analyzed as surcharges for low-value commodities, such as animal feed and hay, can represent a significant portion of the overall rate. The AgCI analyzes these surcharges by comparing the BAF, a special fuel charge, to world oil prices and the CAF, a charge to defray currency fluctuations, to the dollar per yen exchange rate.

The AgCI uses two products of the *Journal of Commerce, Port Import Export Report Service* (PIERS) data and *On Board Review* (OBR) data, to monitor the volume of containerized agricultural products exported as well as the capacity and utilization of slots on containerized vessels.

Each section is accompanied by a “So What?” section, which explains the significance of each indicator to the agricultural shipper. The AgCI is posted quarterly to the following Web address: www.ams.usda.gov/tmd2/agci. April.Taylor@usda.gov

Rates for Containerized Agricultural Commodities Available in TSB’s *Ocean Rate Bulletin* (ORB). The ORB is a quarterly publication that tracks high-value, containerized agricultural shipments to various Asian markets and some European markets. The publication provides a side-by-side comparison of the rates and services provided for each commodity exported during the preceding quarter. The bulletin provides a comparison of market share for shipping lines moving selected commodities within given trade lanes. Transit times are also provided for each shipping line.

As the interest in shipping specialty grain in containers continues to grow, USDA is frequently asked to provide detailed information about this industry. In response, the ORB offers agricultural shippers rates for containerized shipments of animal feed, soybeans, hay, lentils, and raw cotton.

Commodities tracked by the ORB include: apples, cotton, grapes, grapefruit, lemons, pears, potatoes, oranges, almonds, raisins, pistachios, frozen beef, frozen poultry, lettuce, animal feed, wine, lentils, onions, and soybeans. April.Taylor@usda.gov

Report is prepared by Deen Olowolayemo, Johnny Hill, Karla Martin 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.

The United States Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation or marital or family status. (Not all prohibited bases apply to all programs). Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact the USDA’s TARGET Center at (202)720-2600. To file a complaint, write USDA, Director of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC, 20250-9410, or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.

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

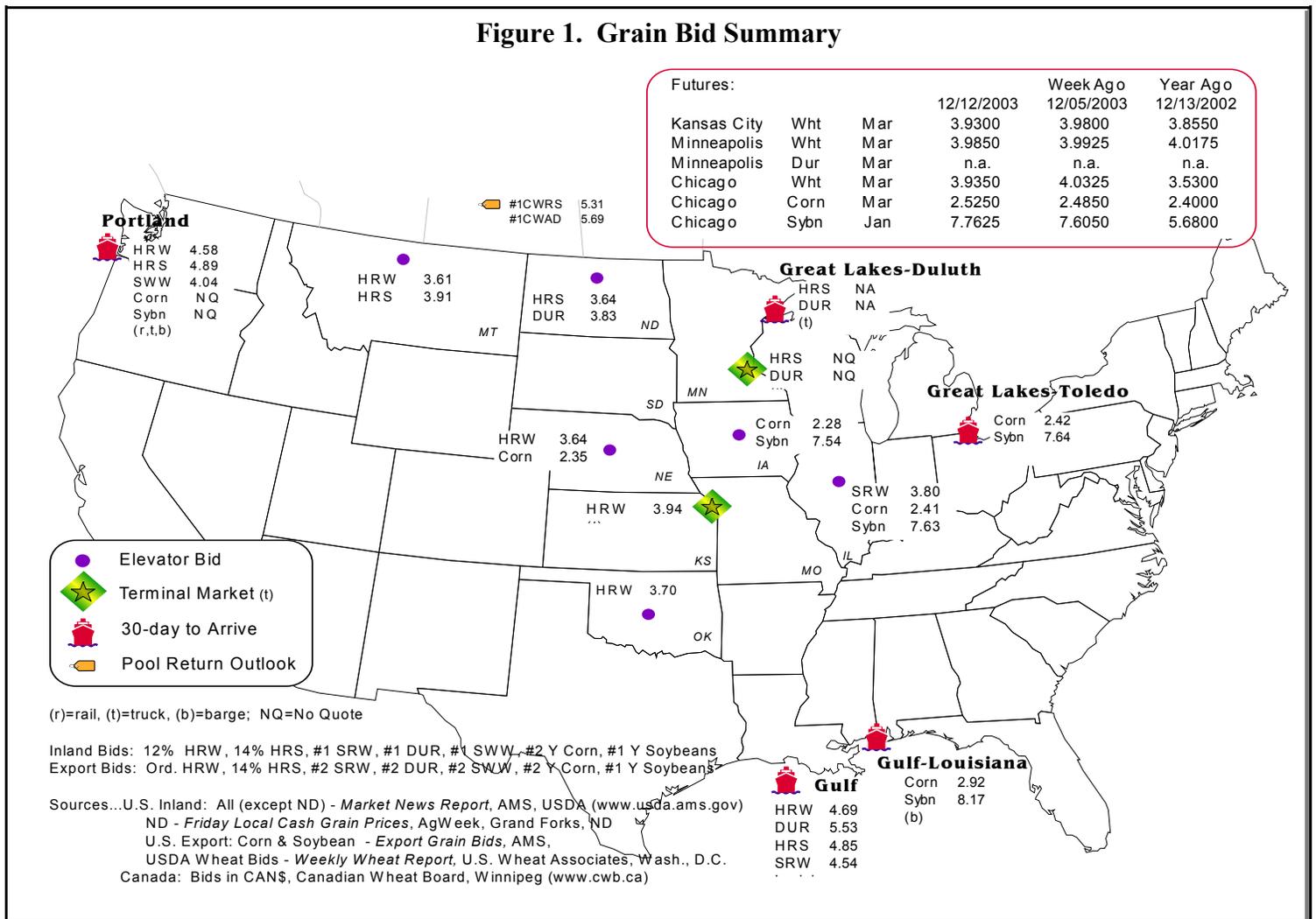
The Grain Transportation Report is a weekly news source for grain logistics. Detailed data and trend information on five major modes: barge, truck, rail, container, and vessel, provide timely insight into grain transport. The report is offered to policymakers and industry as a tool in day-to-day decision 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	-0.51	-0.48
Corn	NE -- Gulf	-0.57	-0.55
Soybean	IA -- Gulf	-0.63	-0.62
HRW	KS -- Gulf	-0.75	-0.77
HRS	ND -- Portland	-1.25	-1.25

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

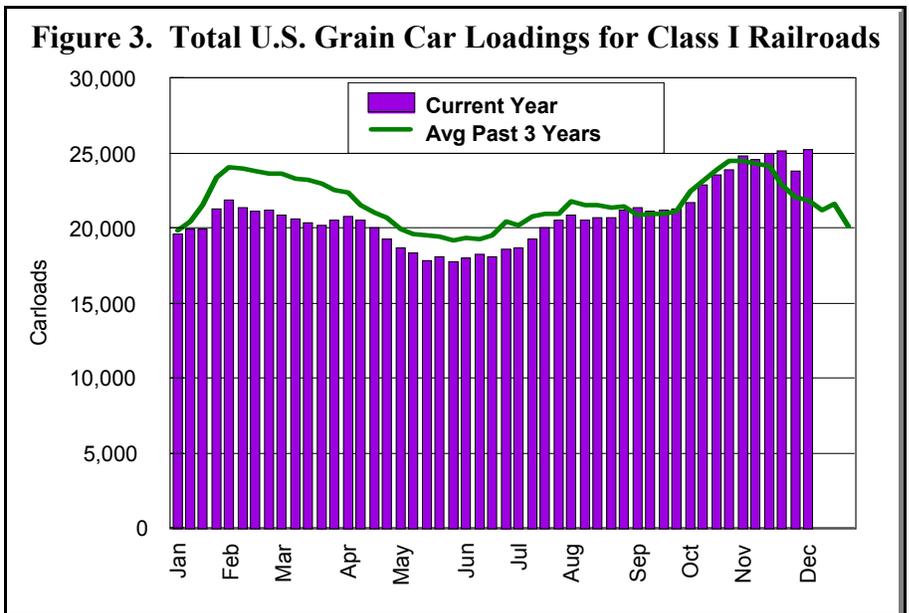
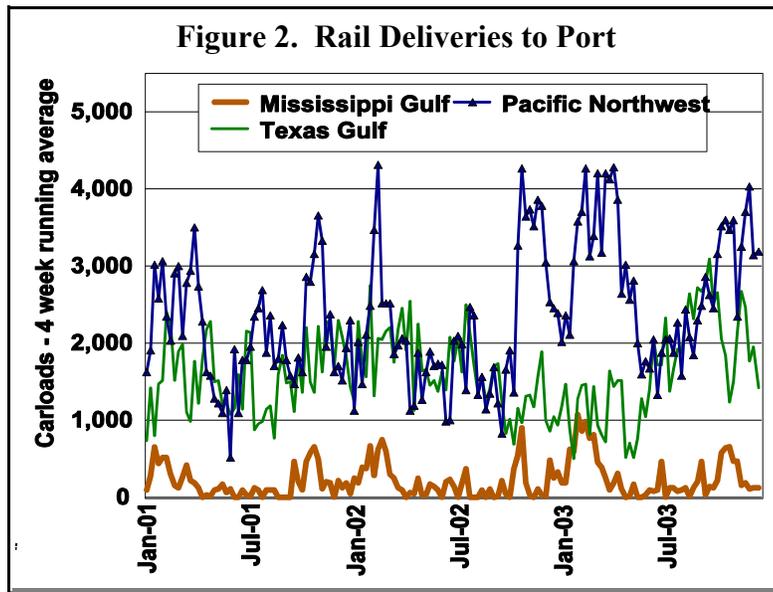


RAIL TRANSPORTATION

Table 2--Rail deliveries to port (carloads)

	Mississippi Gulf*	Texas Gulf	Pacific Northwest	Atlantic & East Gulf	Total
Week Ending:					
12/03/03	130	1,966	3,150	615	5,861
12/10/03	131	1,432	3,189	415	5,167
2003 YTD	14,460	81,834	139,041	18,469	253,804
2002 YTD	10,354	82,622	106,965	19,530	219,471
% 2002 YTD	140%	99%	130%	95%	116%
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
12/06/03	3,500	4,696	10,378	784	7,548	26,906	5,292	5,216
This Week Last Year	2,862	3,524	8,835	509	7,024	22,754	3,338	4,021
2003 YTD	137,867	161,924	388,724	22,751	321,261	1,032,527	184,461	186,094
2002 YTD	135,104	155,440	377,894	25,369	325,490	1,019,297	184,378	188,496
% 2002 YTD	102%	104%	103%	90%	99%	101%	100%	99%
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
--------	------	-------	------	------	------	------

Source: Association of American Railroads; *Base Year =2001, Index based on Number of Covered Hopper Cars Online (available for Service).

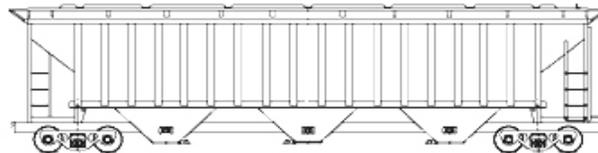


Table 4--Tariff rail rates for unit train shipments*

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	\$140	\$88	\$52	\$10
UP-Pool	\$120	\$69	\$30	\$10

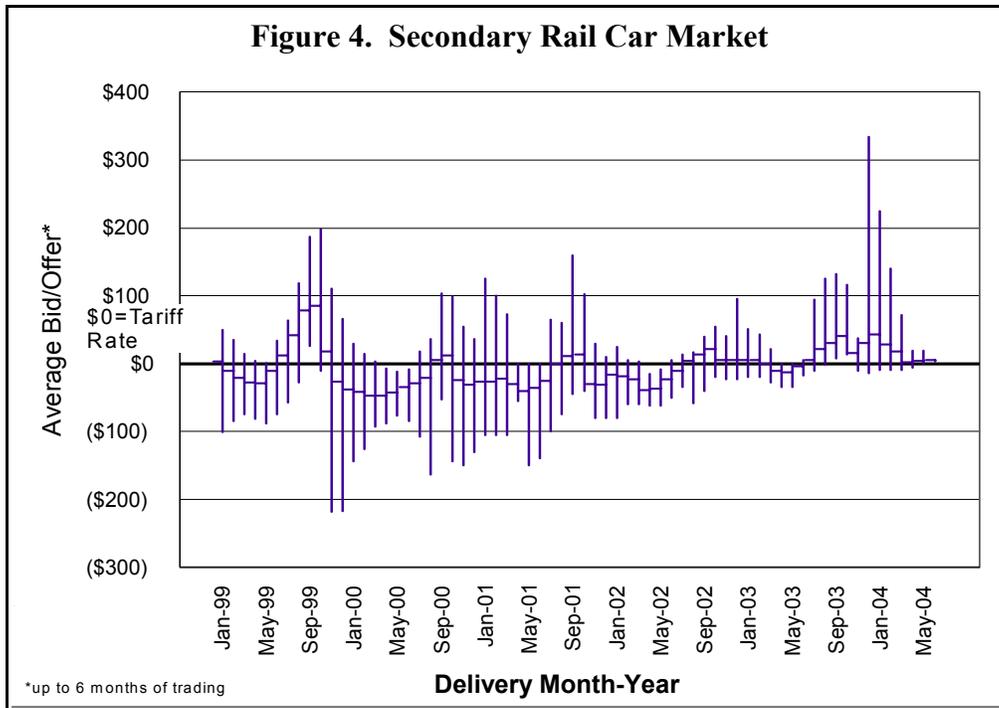
Sources: James B. Joiner & Co.; Tradewest Brokerage Co.
: GF=Guaranteed Freight, Pool=Guaranteed Pool
Note: Bids listed are market INDICATORS only & are NOT guaranteed prices, missing value=No Bid Quoted

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.

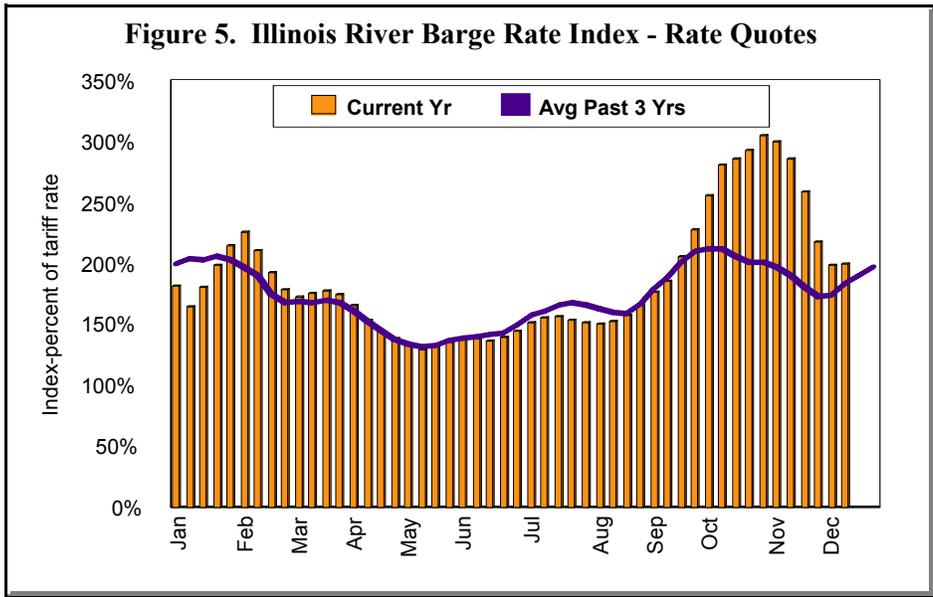
Table 6--Railroad car 'Auction' results
Average premium/discount to tariff, \$/car - last auction

Delivery for:	Jan-04	Feb-04	Mar-04
COT/N. Grain	no bid	no bid	\$40
COT/S. Grain	no bid	no bid	\$117
GCAS/Region 1	no bid	no bid	\$21
GCAS/Region 2	\$76	\$44	\$24

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	12/10/03	12/3/03	Jan '04	Mar '04
Twin Cities	nq	nq	nq	210
Mid-Mississippi	nq	200	nq	189
Illinois River	218	200	217	181
St. Louis	179	146	166	151
Lower Ohio	209	153	175	162
Cairo-Memphis	167	132	149	137

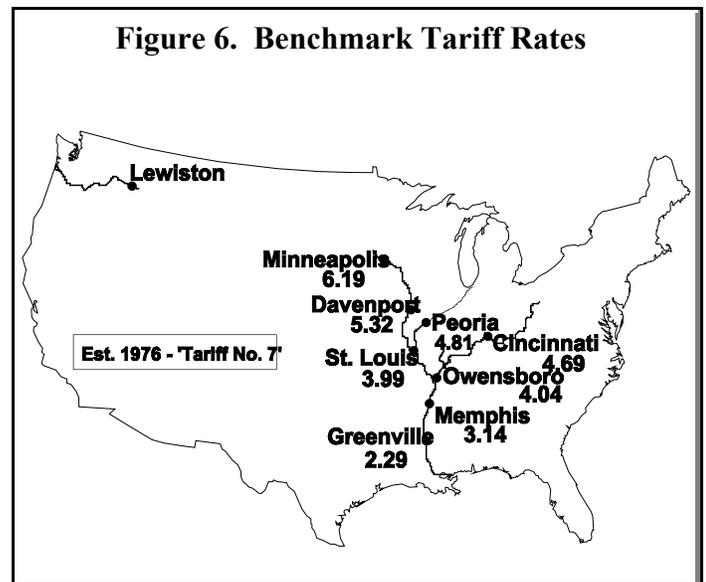
Source: Transportation & Marketing/AMS/USDA

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
12/17/03	St. Louis	Dec.	n/a	190
		Feb.	n/a	165
		Apr.	n/a	155
		May	n/a	150
		June	n/a	155
		Illinois River	Dec.	n/a
Feb.	n/a		205	
Apr.	n/a		160	
May	n/a		165	
June	n/a		155	

Source: St. Louis Merchants Exchange



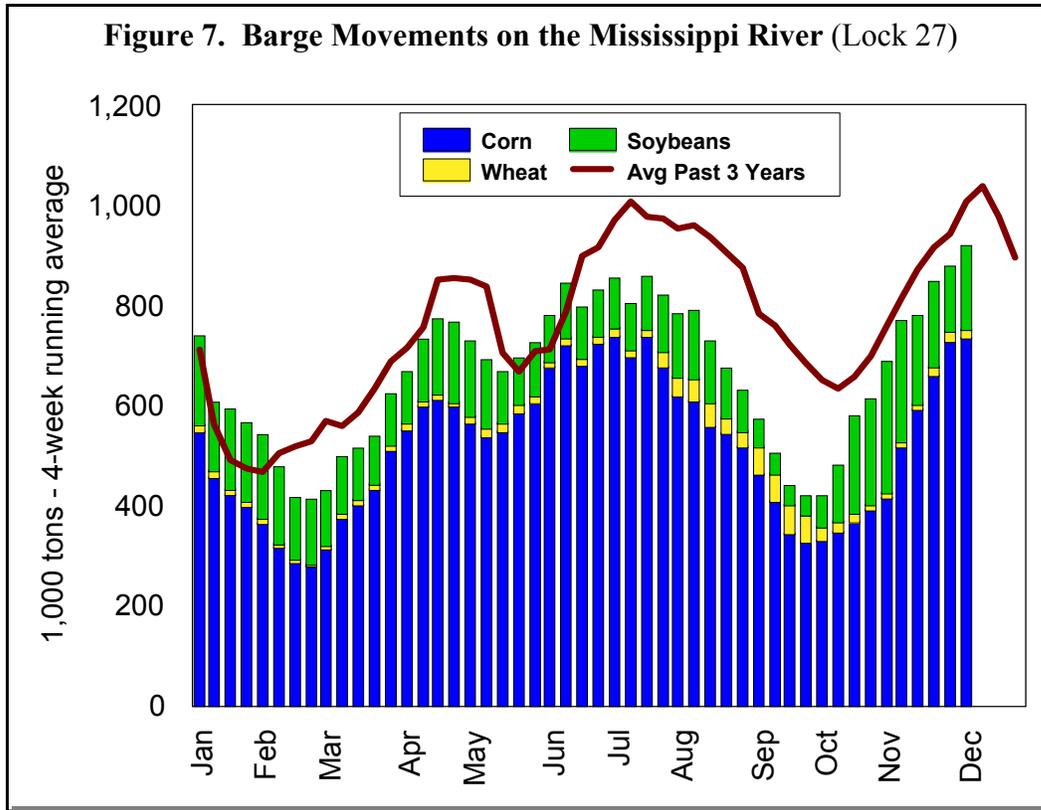
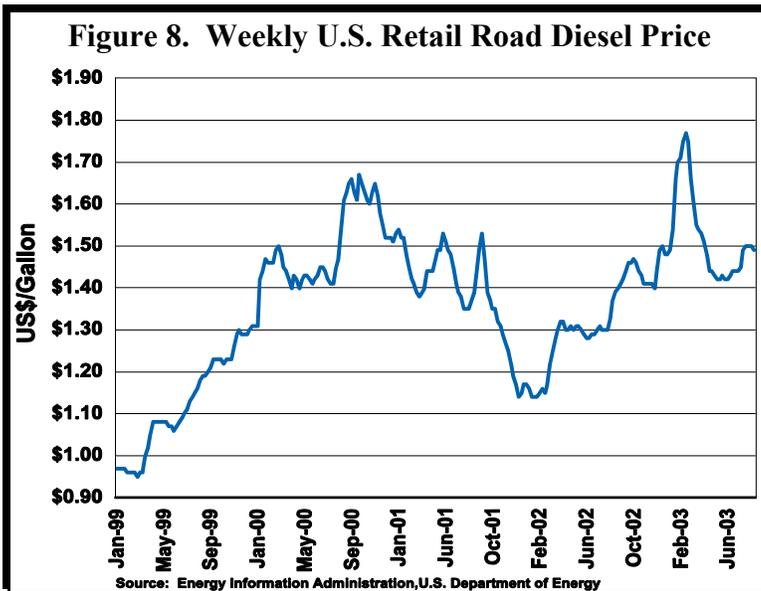


Table 9--Barge grain movements (1,000 tons)

Week ending 12/06/03	Corn	Wht	Sybn	Total
Mississippi River				
Rock Island, IL (L15)	188	3	101	292
Winfield, MO (L25)	564	9	296	871
Alton, IL (L26)	800	22	318	1,142
Granite City, IL (L27)	834	20	285	1,140
Illinois River (L8)	212	9	39	261
Ohio River (L52)	63	8	73	144
Arkansas River (L1)	0	30	19	49
2003 YTD	27,659	2,652	8,263	39,569
2002 YTD	33,178	2,473	10,954	48,059
% 2002 YTD	84%	108%	76%	83%
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.

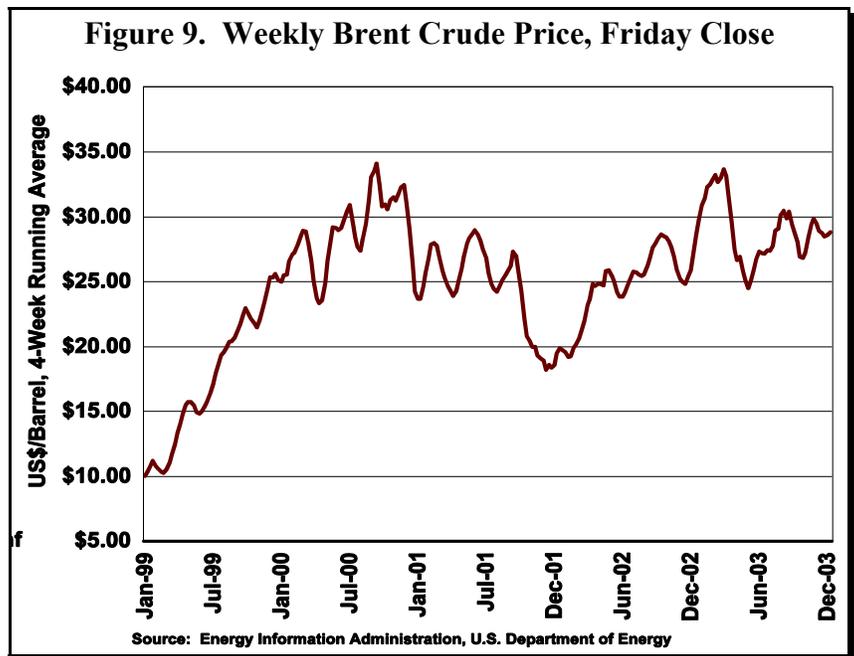


Table 10--Crude oil prices (US\$ per Barrel)-12/16/03

Type	This week	Last week	Change
Light Sweet Crude (NYMEX)	32.49	31.28	↑
Brent Crude	30.37	30.33	↑

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				
12/04/03	2,831	604	1,189	1,043	206	5,874	10,342	8,681	24,897
This Week Year Ago	1,154	726	1,389	722	152	4,144	7,415	7,939	19,498
Cumulative Exports-Crop Year									
2003/04 YTD	6,332	2,126	3,735	2,181	621	14,911	12,366	10,667	37,944
2002/03 YTD	4,362	1,412	3,650	1,874	469	11,852	10,399	9,247	31,498
% 2002/03 YTD	145%	151%	102%	116%	133%	126%	119%	115%	120%
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

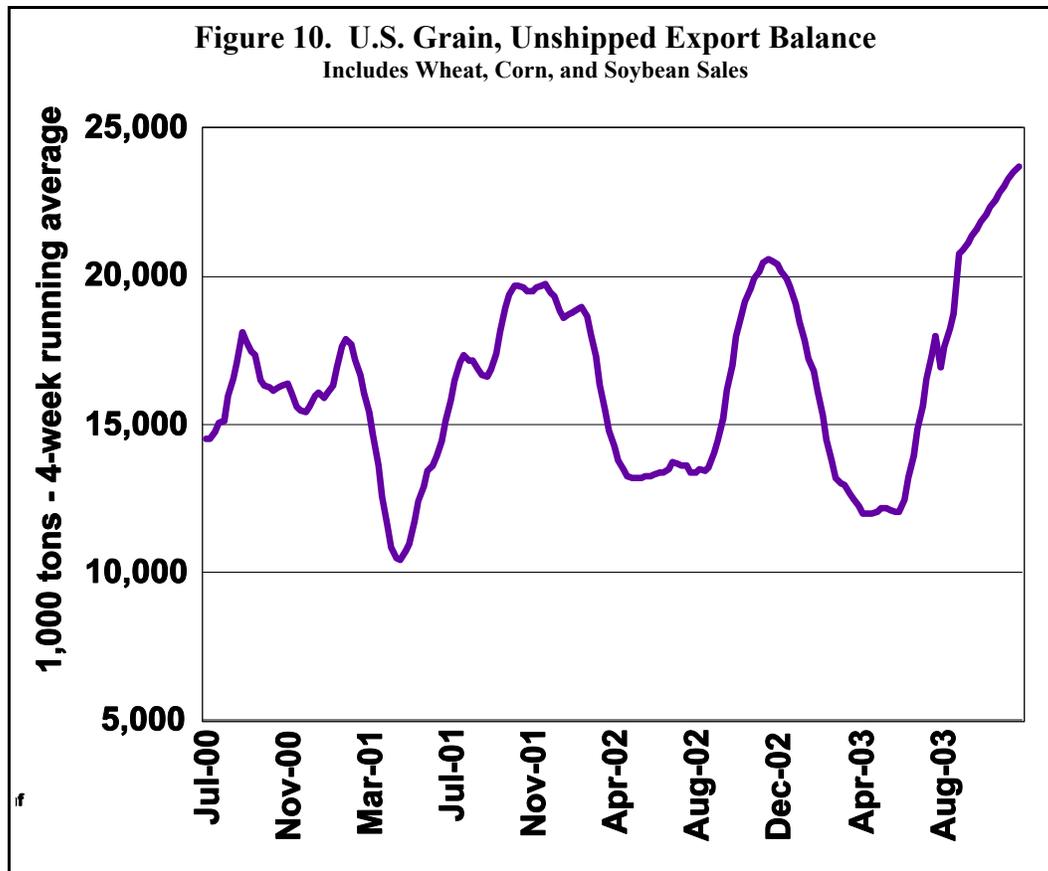
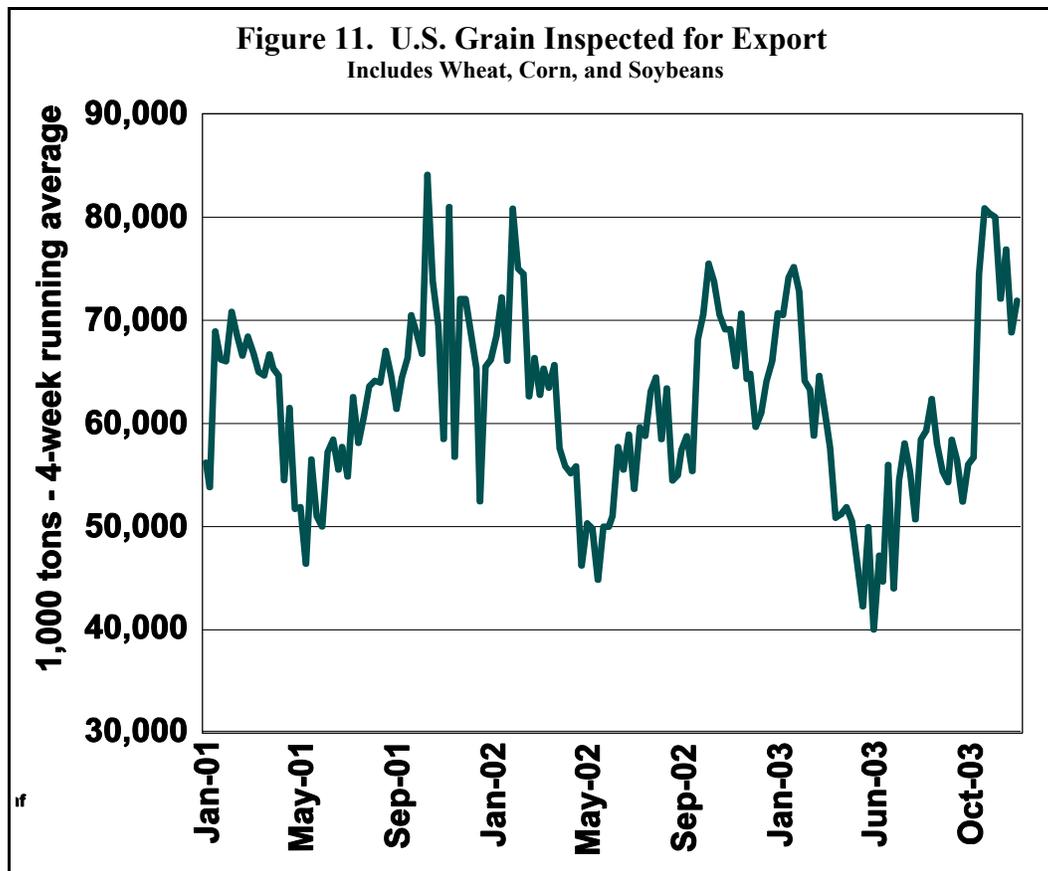


Table 12--Select U.S. port regions - grain inspections for export (1,000 metric tons)

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>
12/11/03	71	83	90	58	701	664	78	0	5	244	1,424	83
2003 YTD	8,484	5,146	4,958	5,731	28,794	17,917	6,603	693	98	18,589	52,442	7,394
2002 YTD	8,781	3,779	2,821	5,472	35,134	17,613	5,631	262	373	15,382	58,219	6,266
% 2002 YTD	97%	136%	176%	105%	82%	102%	117%	265%	26%	121%	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.

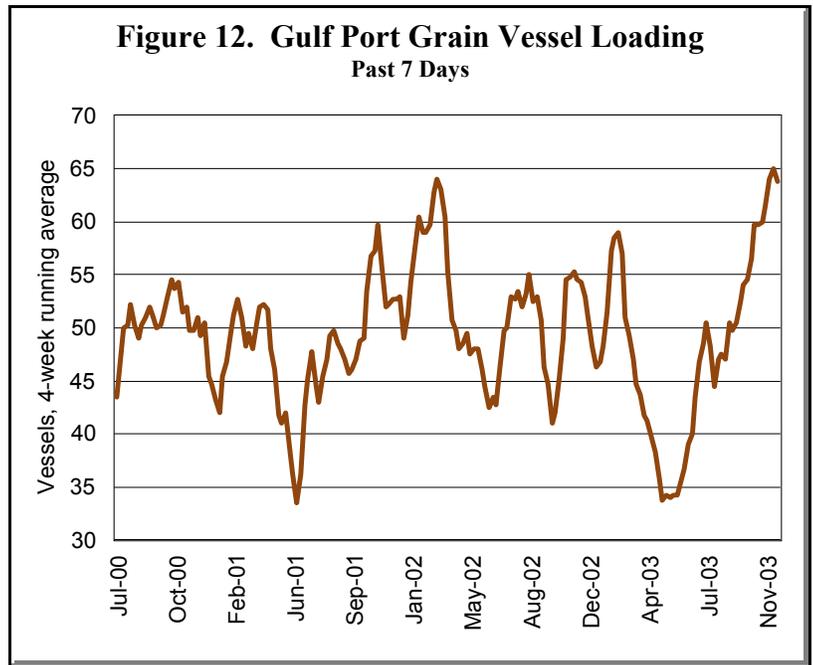


Table 13--Weekly port region grain ocean vessel activity (number of vessels)

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In Port	Loaded 7-Days	Due Next 10-Days	In Port	In Port
12/04/03	29	60	85	10	8
12/11/03	23	52	62	5	5
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

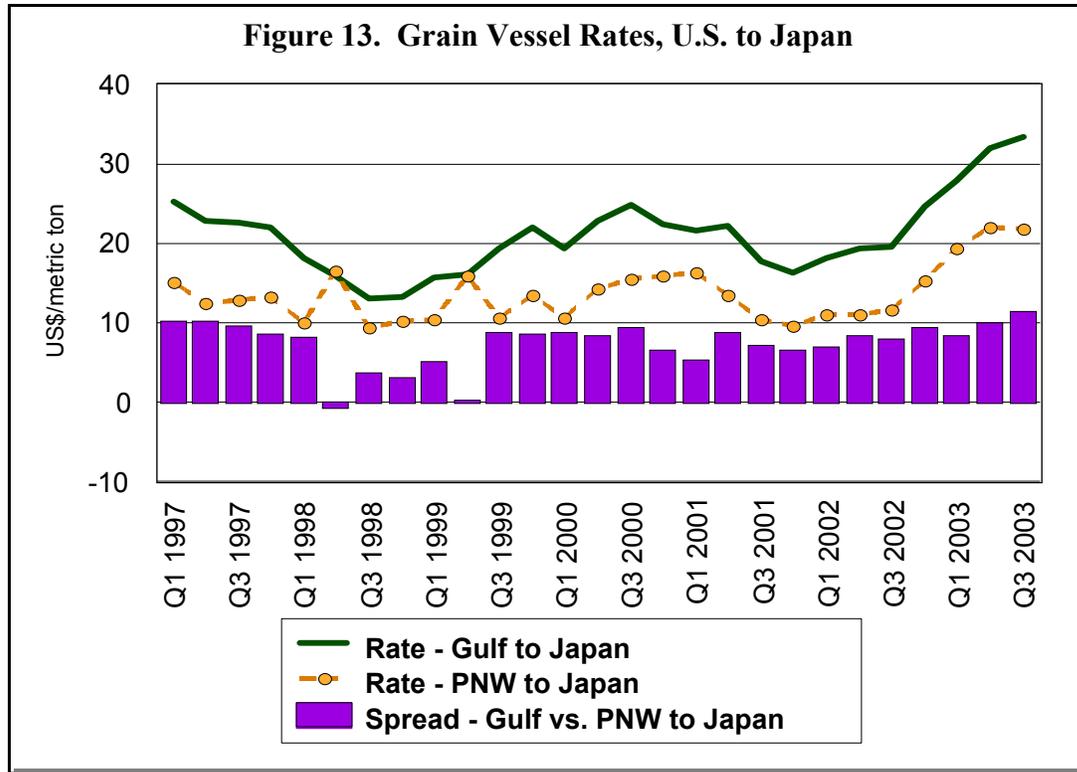


Table 15--Ocean freight rates for selected shipments

Week Ending 12/12/03

Export region	Import region	Grain	Month	Volume loaded (Tons)	Freight rate (\$/ton)
U.S. Gulf	Africa	Grains	Jan 10/15	42,460	\$249.35*
U.S. Gulf	Morocco	Wheat	Dec 12/21	35,000	\$36.00
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	Oct 20/30	54,000	\$37.00
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

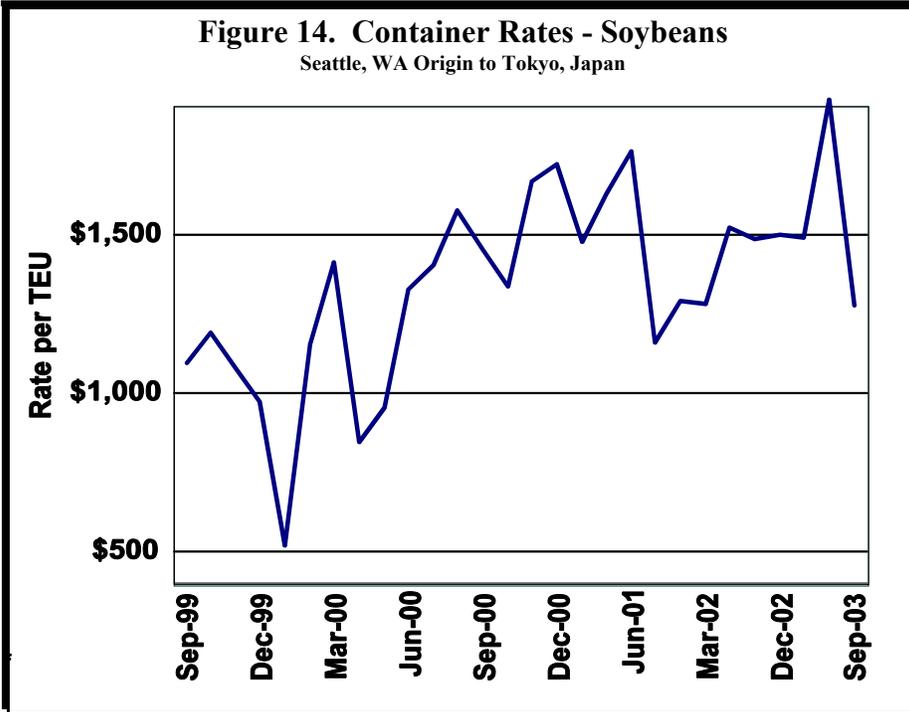
*Most food aid from the United States is required to be shipped on U.S. flag vessels. The vessels are of limited availability resulting in higher rates. In addition, destinations receiving food aid generally lack adequate port unloading facilities, requiring the vessel to remain in port for a longer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

