



GRAIN TRANSPORTATION REPORT

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

DECEMBER 25, 2003

TM GRAIN TRANSPORT						
COST INDICATORS*	Truck	Rail	Barge	Ocean		
				Gulf	Pacific	
12/24/03	101	187	119	230	295	
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						

Jan. 10-14, '04	American Farm Bureau, 85th Convention	Honolulu, HI	202-484-3600 www.fb.com
Jan. 13-15, '04	Louisiana Grain & Feed Association Convention	Lafayette, LA	318-442-0971
Jan. 23-27, '04	2004 Wheat Industry Conference	Atlanta, GA	202-547-7800 (ph) 202-546-2638 (fax)
Feb. 1-3, '04	Minnesota Grain and Feed Association Convention	St. Paul, MN	612-339-5043
Feb. 2-3, '04	New England Grain & Feed Council Convention	Boston, MA	207-622-3940
Feb. 8-10, '04	U.S. Grains Council 44th Membership	New Orleans, LA	202-789-0789 grains@grains.org
Feb. 15-17, '04	Grain & Feed Association of Illinois 111th Annual Convention & Trade Show	Peoria, IL	217-787-2417
Feb. 16-18, '04	9th Annual National Ethanol Conference	Miami, FL	202-289-3835 info@ethnolifa.org
Feb. 19-20, '04	Agricultural Outlook Forum 2004	Arlington, VA	Raymond Bridge 202-720-5447
Mar. 2-4, '04	2004 Commodity Classic National Corn Growers Assoc. (NCGA)	Las Vegas, NV	Dave Burmeister 314-576-1770
Mar. 31-Apr. 3, '04	California Grain & Feed Association Convention	Palm Springs, CA	760-320-6868
June 10-12, '04	Colorado Grain & Feed Association Convention	Denver, CO	303-438-6600

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

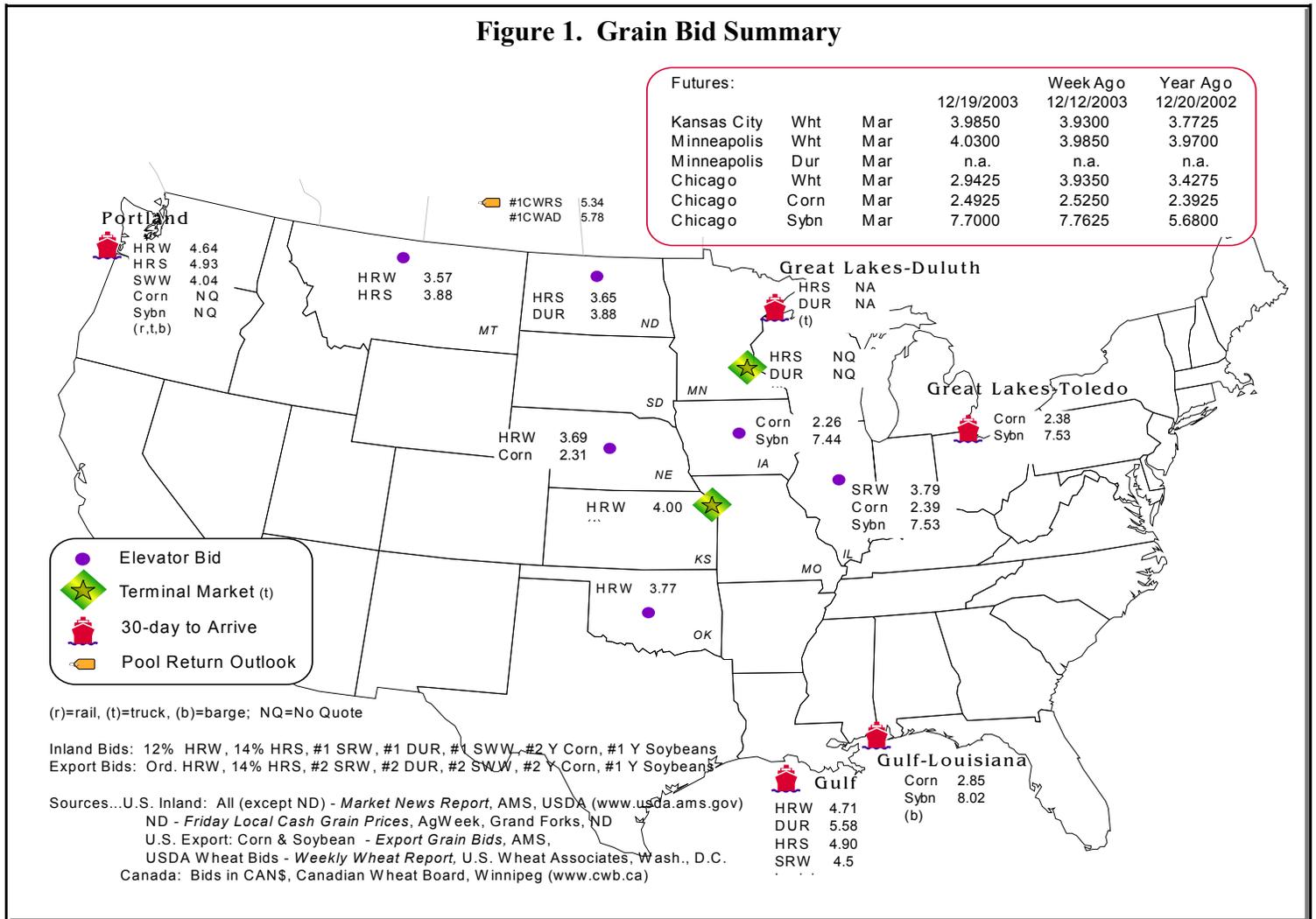
The Grain Transportation Report is a weekly news source for grain logistics. Detailed data and trend information on five major modes: barge, truck, rail, container, and vessel, provide timely insight into grain transport. The report is offered to policymakers and industry as a tool in day-to-day decision 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	-0.46	-0.51
Corn	NE -- Gulf	-0.54	-0.57
Soybean	IA -- Gulf	-0.58	-0.63
HRW	KS -- Gulf	-0.71	-0.75
HRS	ND -- Portland	-1.28	-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

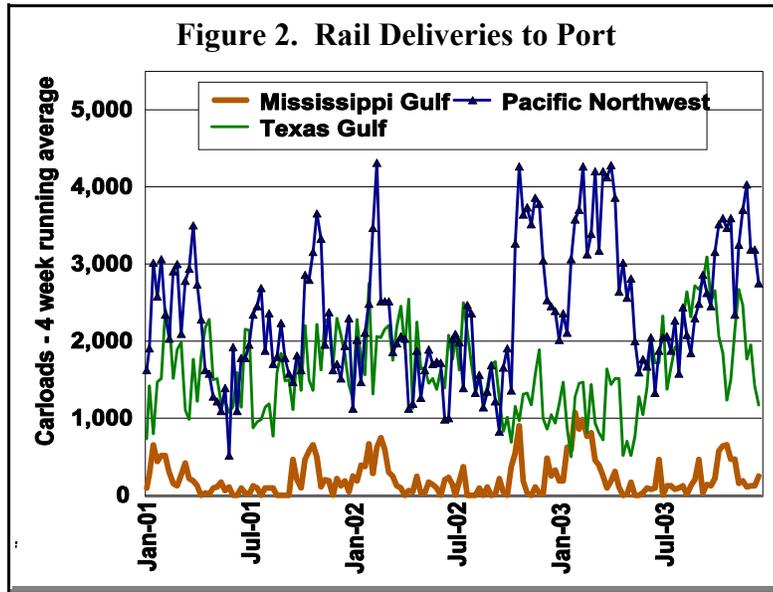


RAIL TRANSPORTATION

Table 2--Rail deliveries to port (carloads)

	Mississippi Gulf*	Texas Gulf	Pacific Northwest	Atlantic & East Gulf	Total
Week Ending:					
12/10/03	139	1,432	3,189	415	5,175
12/17/03	262	1,173	2,757	721	4,913
2003 YTD	14,730	83,007	141,849	19,190	258,776
2002 YTD	10,606	83,675	109,426	20,213	223,920
% 2002 YTD	139%	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.

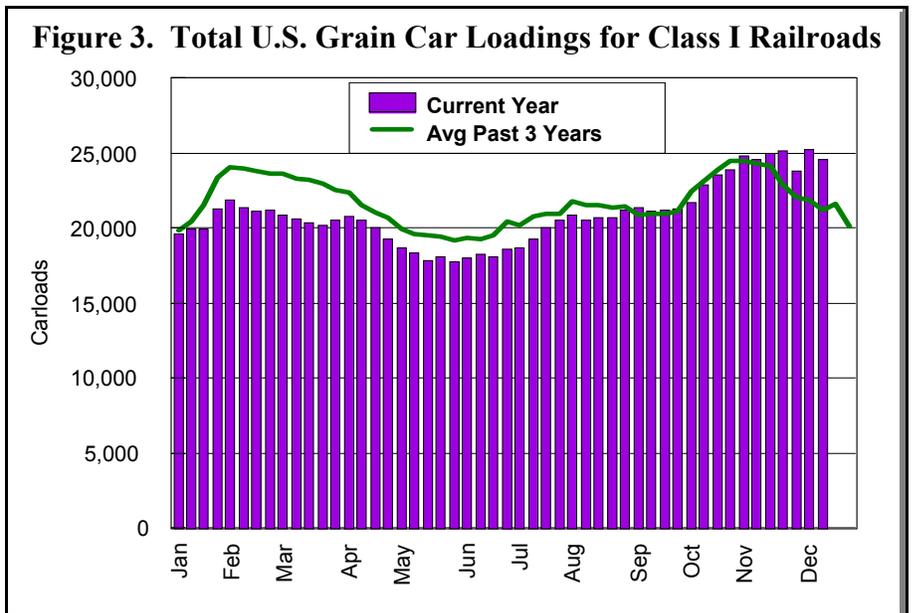


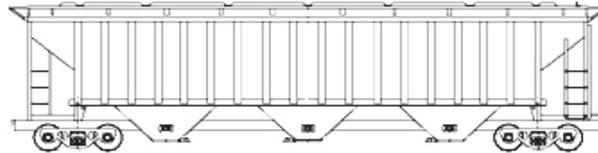
Table 3--Class I rail carrier grain car bulletin (Grain carloads originated)

	East		West			U.S. Total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
12/13/2003	3,392	3,197	9,687	544	6,587	23,407	5,204	4,535
This Week Last Year	2,833	3,606	7,958	657	6,339	21,393	2,579	3,389
2003 YTD	141,259	165,121	398,411	23,295	327,848	1,055,934	189,665	190,629
2002 YTD	137,937	159,046	385,852	26,026	331,829	1,040,690	186,957	191,885
% 2002 YTD	102%	104%	103%	90%	99%	101%	101%	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

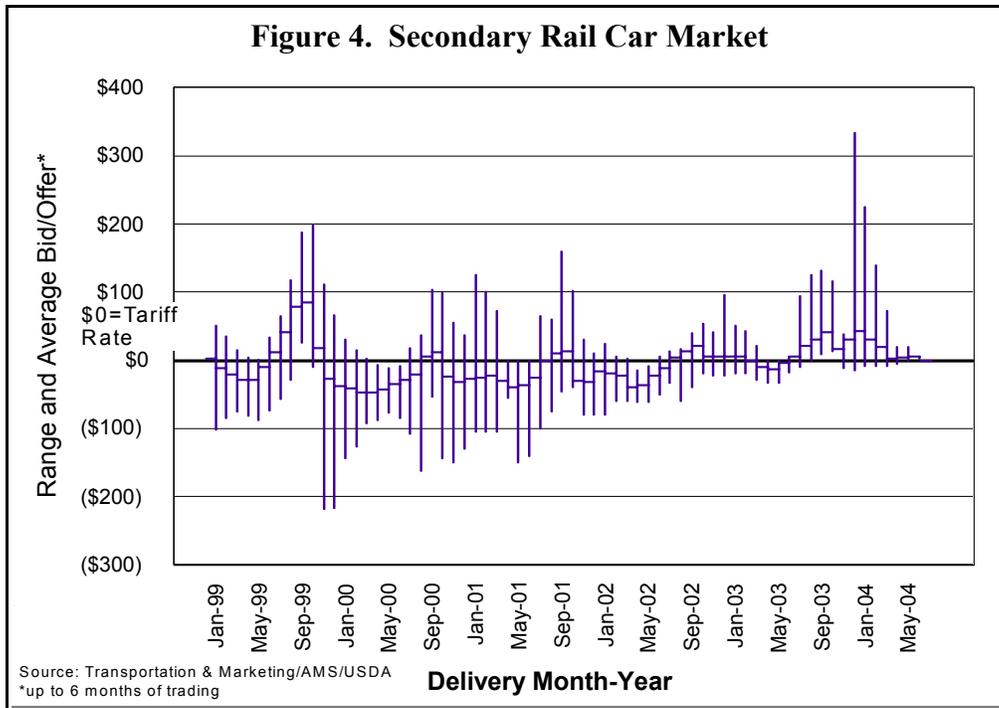
	Delivery Period			
	Feb-04	Mar-04	Apr-04	May-04
BNSF-GF	\$131	\$46	\$4	\$3
UP-Pool	\$52	\$35	\$9	\$2

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.

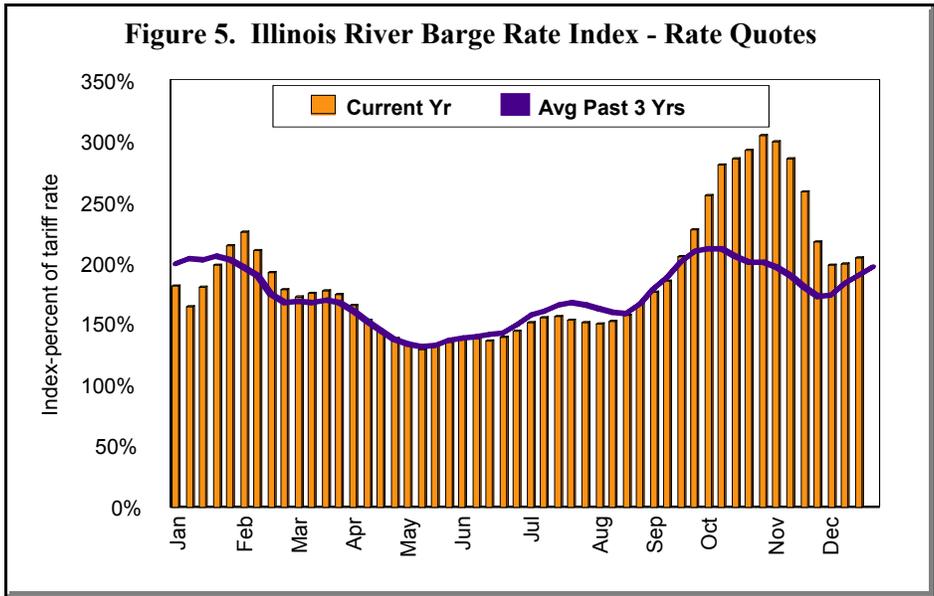
Table 6--Railroad car 'Auction' results
Average premium/discount to tariff, \$/car - last auction

Delivery for:	Feb-04	Mar-04	Apr-04
COT/N. Grain	no offer	no offer	\$0
COT/S. Grain	no offer	no offer	\$10
GCAS/Region 1	no bid	\$12	no offer
GCAS/Region 2	\$13	\$27	no offer

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	12/17/03	12/10/03	Jan '04	Mar '04
Twin Cities	nq	nq	nq	210
Mid-Mississippi	nq	nq	nq	189
Illinois River	214	218	216	180
St. Louis	182	179	170	157
Lower Ohio	200	209	175	161
Cairo-Memphis	164	167	150	139

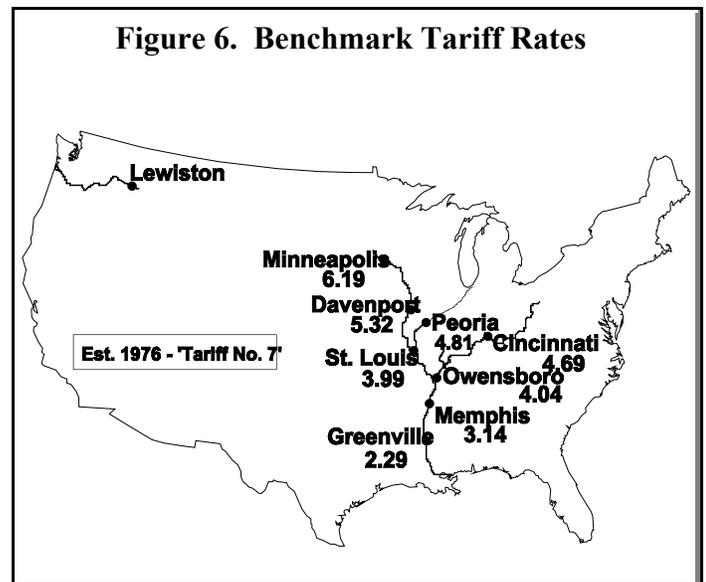
Source: Transportation & Marketing/AMS/USDA, nq= no quote

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
12/19/03	St. Louis	Dec.	n/a	175
		Feb.	n/a	165
		Apr.	n/a	150
		May	n/a	145
		June	n/a	150
		Illinois River	Dec.	n/a
	Feb.	n/a	205	
	Apr.	n/a	170	
	May	n/a	160	
	June	n/a	165	

Source: St. Louis Merchants Exchange



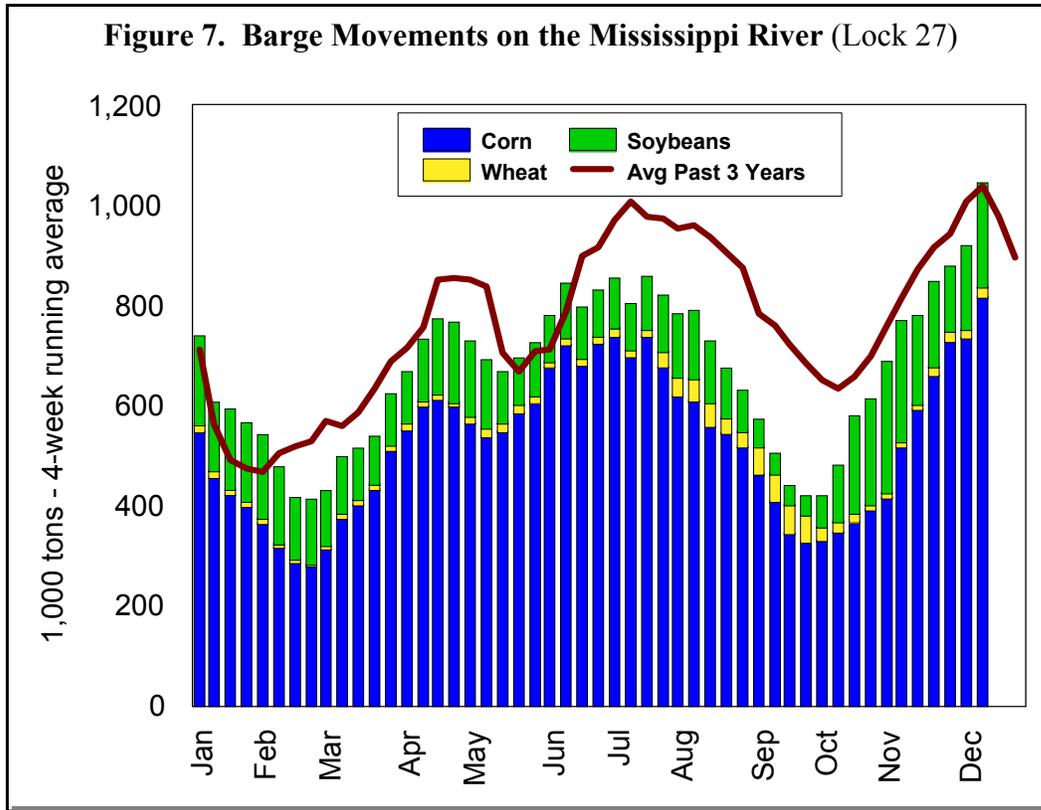
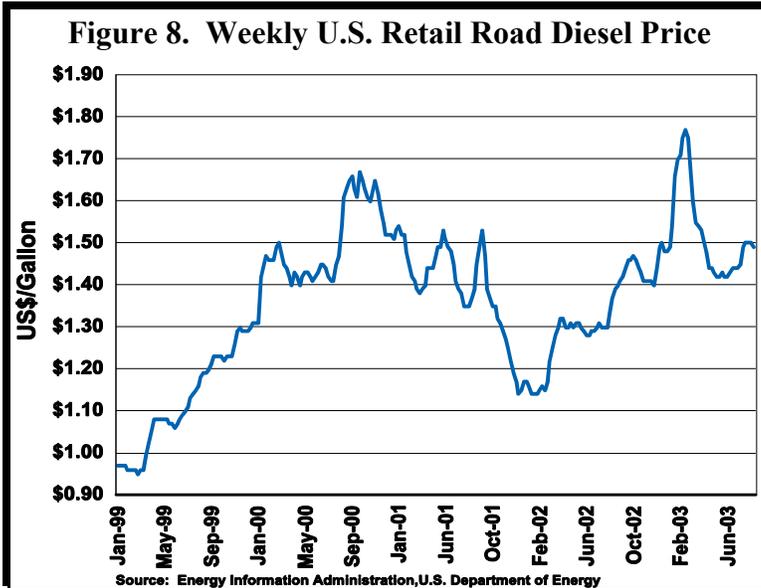


Table 9--Barge grain movements (1,000 tons)

Week ending 12/13/03	Corn	Wht	Sybn	Total
Mississippi River				
Rock Island, IL (L15)	69	0	12	81
Winfield, MO (L25)	490	3	119	612
Alton, IL (L26)	952	22	292	1,202
Granite City, IL (L27)	953	23	265	1,442
Illinois River (L8)	400	20	73	493
Ohio River (L52)	52	13	10	76
Arkansas River (L1)	0	0	0	0
2003 YTD	28,665	2,688	8,898	40,887
2002 YTD	33,982	2,530	11,285	49,265
% 2002 YTD	85%	107%	79%	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.

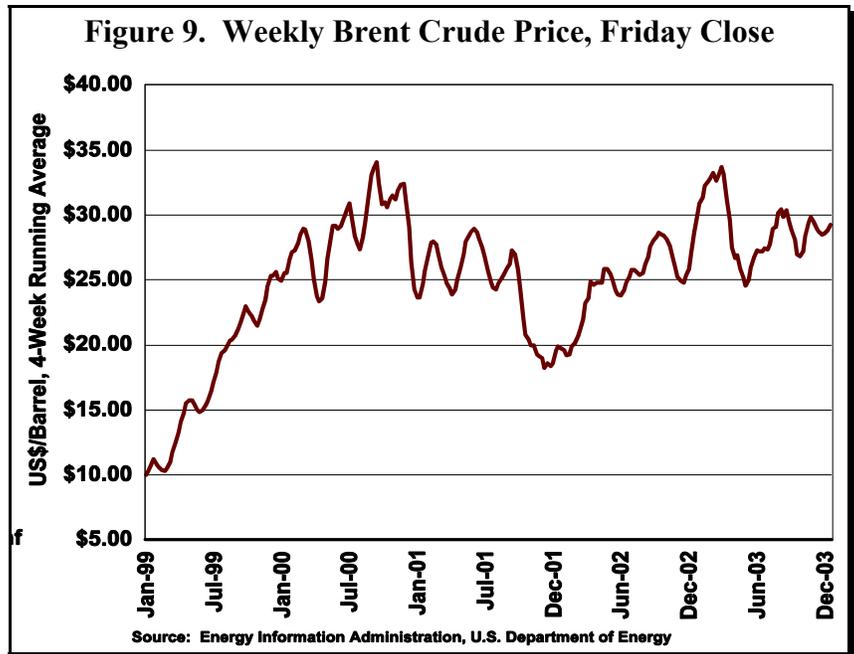


Table 10--Crude oil prices (US\$ per Barrel)-12/16/03

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				
12/11/03	3,219	658	1,341	1,249	202	6,669	10,334	8,111	25,114
This Week Year Ago	1,114	765	1,266	697	137	4,009	7,081	8,242	19,332
Cumulative Exports-Crop Year									
2003/04 YTD	6,335	2,145	3,755	2,181	654	15,170	13,312	17,737	46,219
2002/03 YTD	4,446	1,436	3,901	1,980	503	12,265	11,444	9,990	33,699
% 2002/03 YTD	142%	149%	96%	110%	130%	124%	116%	178%	137%
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

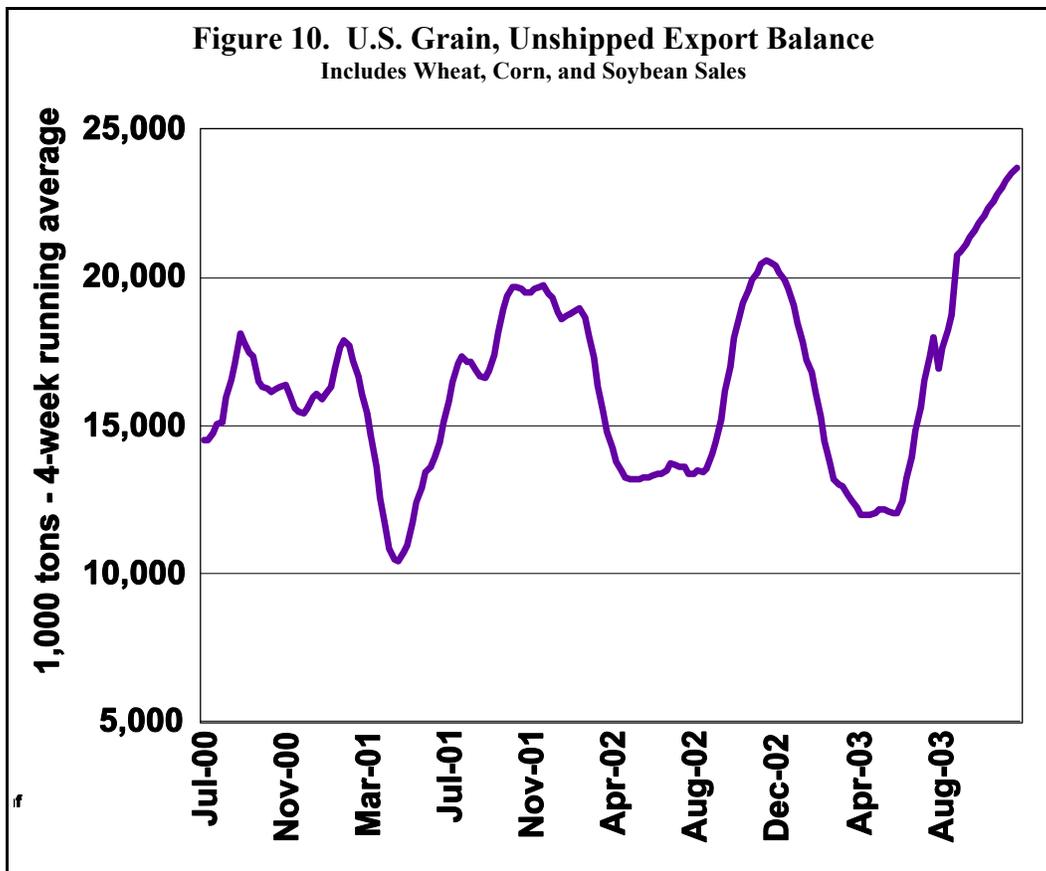
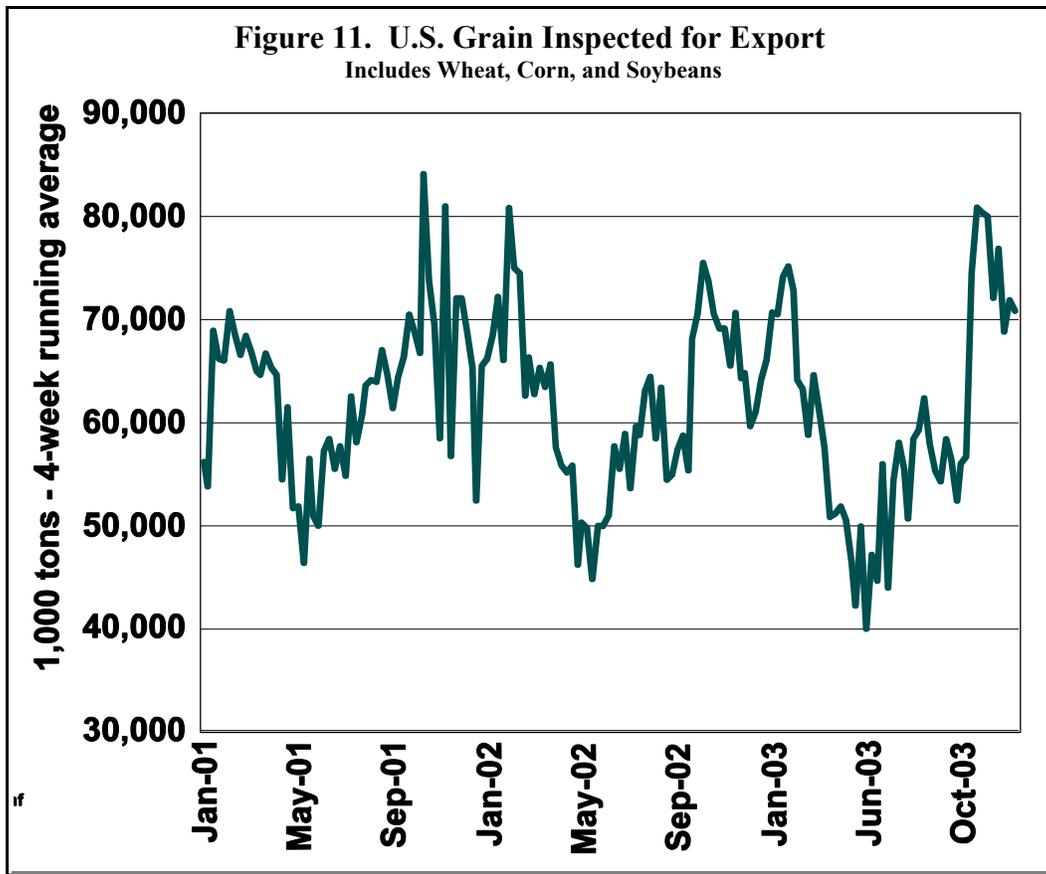


Table 12--Select U.S. port regions - grain inspections for export (1,000 metric tons)

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>
12/18/03	94	133	155	53	903	604	98	53	4	383	1,559	154
2003 YTD	8,578	5,280	5,114	5,784	29,697	18,521	6,701	746	103	18,972	54,002	7,549
2002 YTD	8,930	3,896	2,870	5,575	36,046	17,990	5,749	266	373	15,697	59,610	6,387
% 2002 YTD	96%	135%	178%	104%	82%	103%	117%	280%	28%	121%	91%	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.

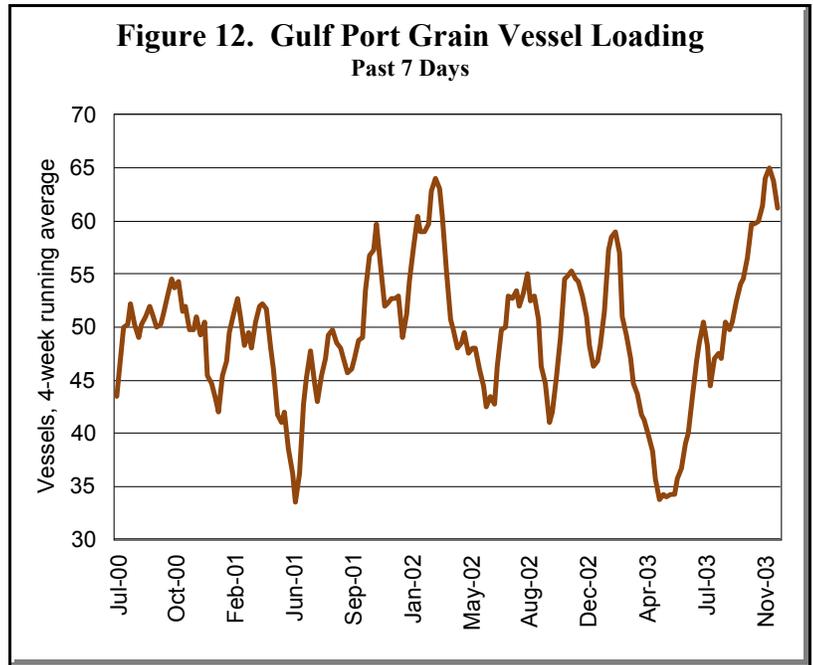


Table 13--Weekly port region grain ocean vessel activity (number of vessels)

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In Port	Loaded 7-Days	Due Next 10-Days	In Port	In Port
12/11/03	23	52	62	5	5
12/18/03	22	57	82	10	7
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

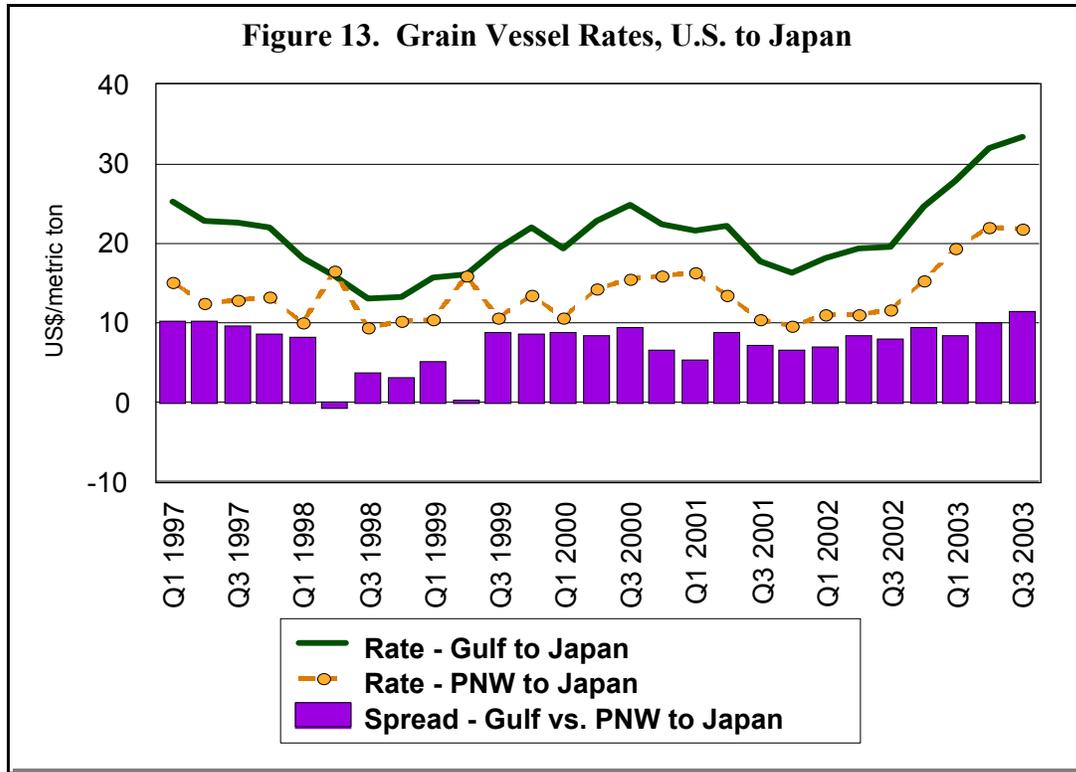


Table 15--Ocean freight rates for selected shipments

Week Ending 12/20/03

Export region	Import region	Grain	Month	Volume loaded (Tons)	Freight rate (\$/ton)
U.S. Gulf	Peru	Grains	Dec 29/Jan 7	12,000	\$80.00*
U.S. Gulf	Sudan	Wheat	Nov 12/19	30,000	\$75.50*
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	Kenya	Corn	Nov 10/20	55,000	\$45.00
U.S. Gulf	China	Hvy Grain	Nov 25/30	55,000	\$45.00
Brazil	Italy	Meals	Nov25/30	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

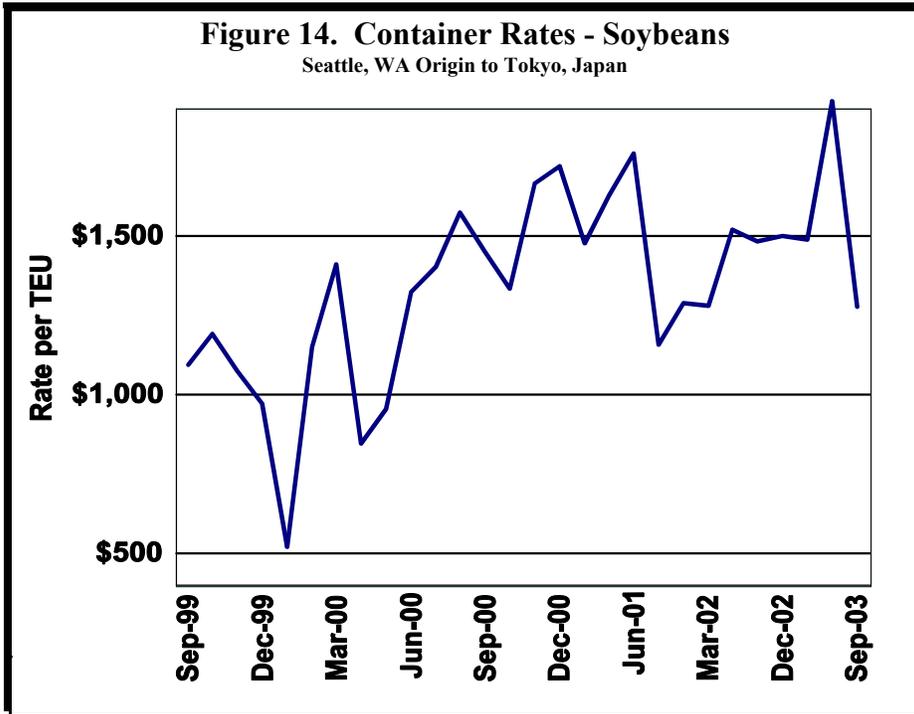
*Most food aid from the United States is required to be shipped on U.S. flag vessels. The vessels are of limited availability resulting in higher rates. In addition, destinations receiving food aid generally lack adequate port unloading facilities, requiring the vessel to remain in port for a longer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

