Grain Transportation Report

A weekly publication of the
Transportation and Marketing Programs/Transportation Services Branch
www.ams.usda.gov/tmdtsb/grain

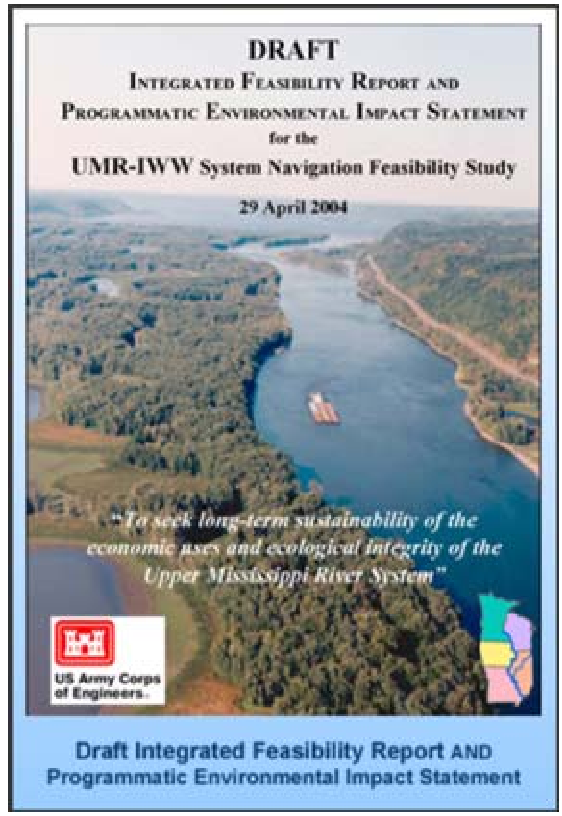
May 13, 2004

Contents

The next release is May 20, '04

Proposal To Restore Ecosystem and Improve Navigation Released for Upper Mississippi River and Illinois Waterway

The U. S. Army Corps of Engineers released for public review and comment a draft proposal outlining its preferred plan for future ecosystem restoration and navigation efficiency improvements to the upper Mississippi and Illinois Rivers.



DRAFT
Integrated Feasibility Report and
Programmatic Environmental Impact Statement
for the
UMR-IWW System Navigation Feasibility Study
29 April 2004

"To seek long-term sustainability of the economic uses and ecological integrity of the Upper Mississippi River System"

US Army Corps of Engineers

Draft Integrated Feasibility Report AND Programmatic Environmental Impact Statement

The preferred plan will include a $5.3 billion first–cost, long-term framework for ecosystem restoration and a $2.4 billion first–cost, long-term framework for navigation efficiency improvements. The plan, if approved, will be implemented in a phased manner with future checkpoints for the Administration and Congress. Details of the preferred integrated plan include:

- An initial 15-year increment of ecosystem restoration actions with continuous analysis and review to shape the next increment.
- Immediate implementation of nonstructural and small-scale structural navigation measures, together with monitoring and reporting of traffic and economic conditions.
- Preconstruction engineering and design of seven new locks, together with further analysis, with initiation of construction subject to congressional review.

Public meetings in June precede the final report, slated for later this year. A Chief of Engineers Report, containing final recommendations, will be prepared this fall for review by the Administration and submission to Congress. All public comments will be reflected in the final report.

The draft Upper Mississippi River-Illinois Waterway System Navigation Feasibility Study and Programmatic Environmental Impact Statement report is available at http://www2.mvr.usace.army.mil/umr-iwwsns/documents/Main_report_6may.pdf, nick.marathon@usda.gov

Grain Transportation Indicators

Table 1--Grain transport cost indicators*

Week ending	Truck	Rail	Barge	Ocean Gulf	Ocean Pacific
05/12/04	117	93	84	283	263
Compared with last week	↑	↓	↑	**unchanged**	↑

*Indicator: Base year 2000 = 100; Weekly updates include truck = diesel ($/gallon); rail = nearby secondary rail market ($/car); barge = spot Illinois River basis (index = percent of tariff rate); and ocean = routes to Japan ($/metric ton)

Source: Transportation & Marketing Programs/AMS/USDA

Table 2--Market update: U.S. origins to export position price spreads ($/bushel)

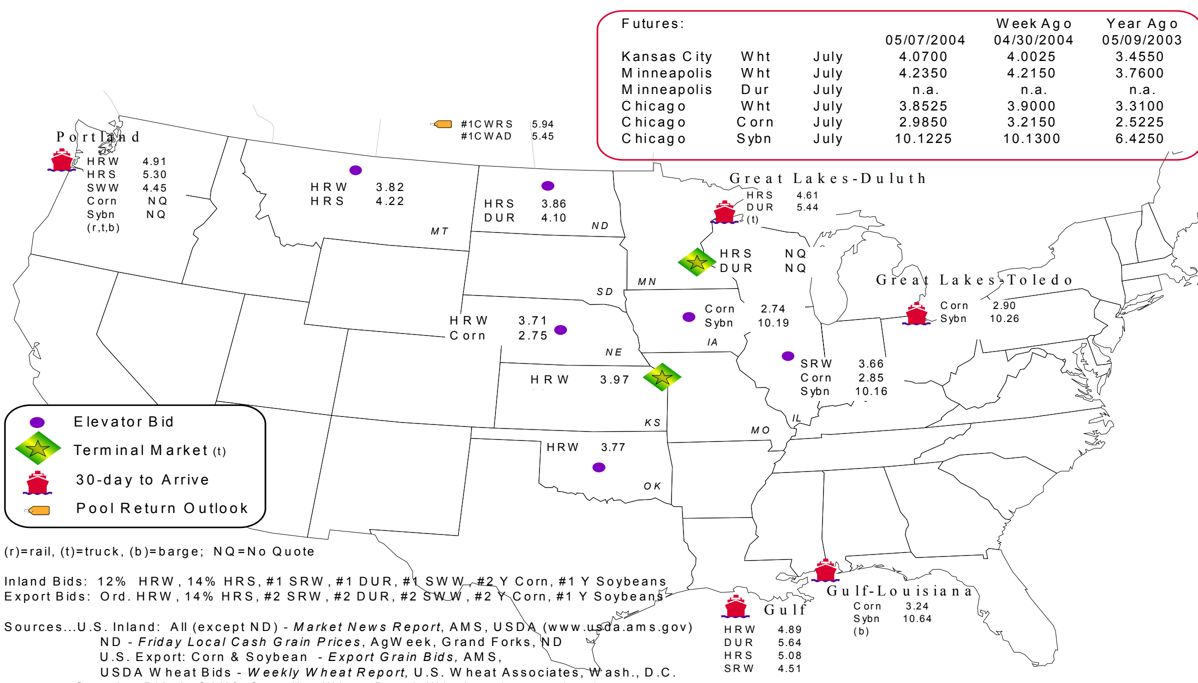
Commodity	Origin--destination	5/7/2004	4/30/2004
Corn	IL--Gulf	-0.39	-0.37
Corn	NE--Gulf	-0.49	-0.47
Soybean	IA--Gulf	-0.45	n/a
HRW	KS--Gulf	-0.92	-0.78
HRS	ND--Portland	-1.44	-1.28

Note: nq = no quote

Source: Transportation & Marketing Programs/AMS/USDA

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

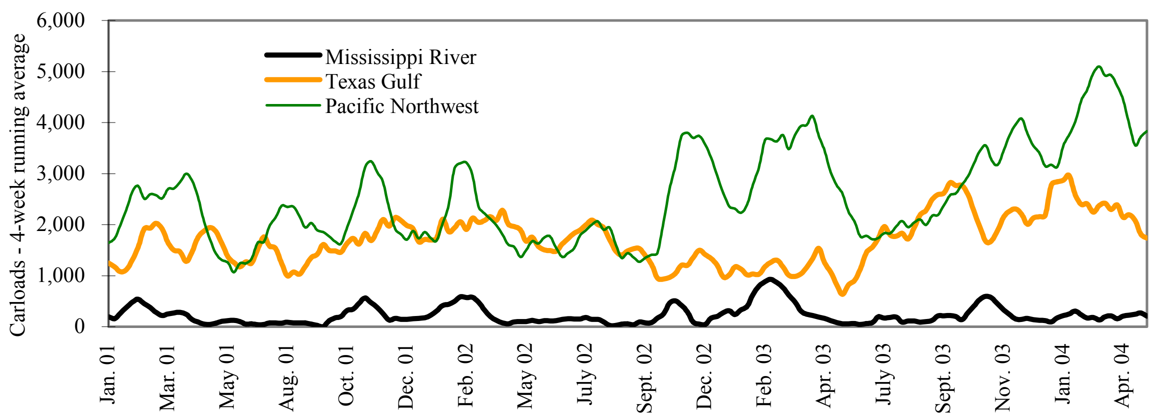
Table 3--Rail deliveries to port (carloads)*

Week ending	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf	Total
5/5/2004 p	117	1,557	4,471	65	6,210
4/28/2004 r	142	1,396	4,743	19	6,300
2004 YTD	3,652	41,564	75,897	3,471	124,584
2003 YTD	8,055	20,424	59,815	9,285	97,579
2004 as % of 2003	45	204	127	37	128
Total 2003**	14,934	88,118	150,530	20,509	274,091
Total 2002	10,937	84,625	111,832	20,842	228,236

(*) Incomplete Data; (**) Excludes 53rd week;YTD = year-to-date; p = preliminary data; r = revised data
Source: Transportation & Marketing Programs/AMS/USDA

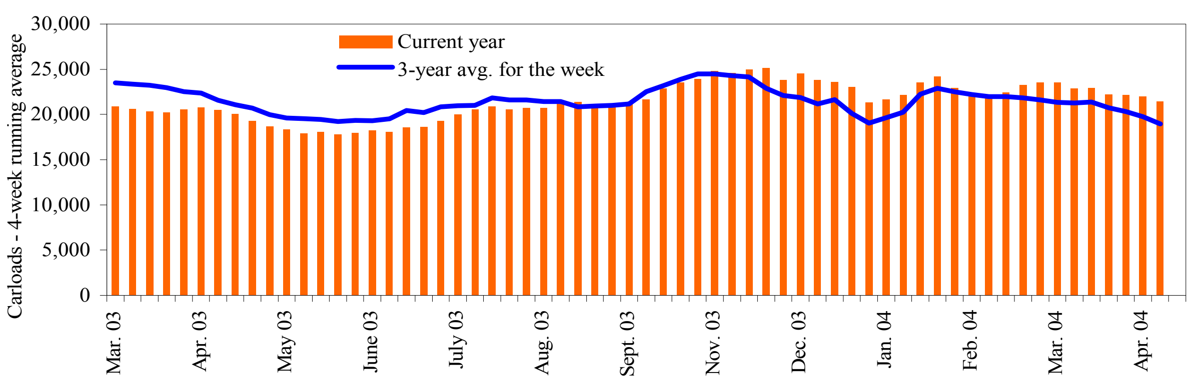
Railroads originate approximately 40 percent of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Figure 2
Rail deliveries to port



Source: Transportation & Marketing Programs/AMS/USDA

Figure 3
Total weekly U.S. grain car loadings for Class I railroads



Source: Association of American Railroads

Table 4--Class I rail carrier grain car bulletin (grain carloads originated)

	East		West			U.S. total	Canada	
Week ending	CSXT	NS	BNSF	KCS	UP		CN	CP
05/01/04	2,351	2,601	9,005	463	6,820	21,240	5,166	3,955
This week last year	2,407	3,366	6,524	253	5,651	18,201	3,006	3,773
2004 YTD	50,051	56,104	158,676	9,231	113,219	387,281	81,036	60,503
2003 YTD	47,773	55,467	130,661	5,614	109,070	348,585	57,716	60,526
2004 as % of 2003	105	101	121	164	104	111	140	100
Total 2003*	146,395	171,260	416,371	24,506	336,079	1,094,611	197,993	198,185

Source: Association of American Railroads (www.aar.org); YTD = year-to-date; * Excludes 53rd week

Table 5--Rail car auction offerings ($/car)*

Delivery for:	June 04	July 04	Aug. 04
BNSF[1]			
COT/N. grain	no offer	no offer	no offer
COT/S. grain	no offer	no offer	no offer
UP[2]			
GCAS/Region 1	no offer	no offer	no offer
GCAS/Region 2	no offer	no offer	no offer

*Average premium/discount to tariff, last auction

[1]BNSF - COT = Certificate of Transportation

N includes: ID, MN, MT, ND, OR, SD, WA, WI, WY, and Manitoba, Canada.

S includes: CO, IA, IL, KS, MO, NE, OK, TX, NM, AZ, CA, UT, and NV.

[2]UP - GCAS = Grain Car Allocation System

Region 1 includes: AR, IL, LA, MO, NM, OK, TX, WI, and Duluth, MN.

Region 2 includes: CO, IA, KS, MN, NE, WY, and Kansas City and St. Joseph, MO.

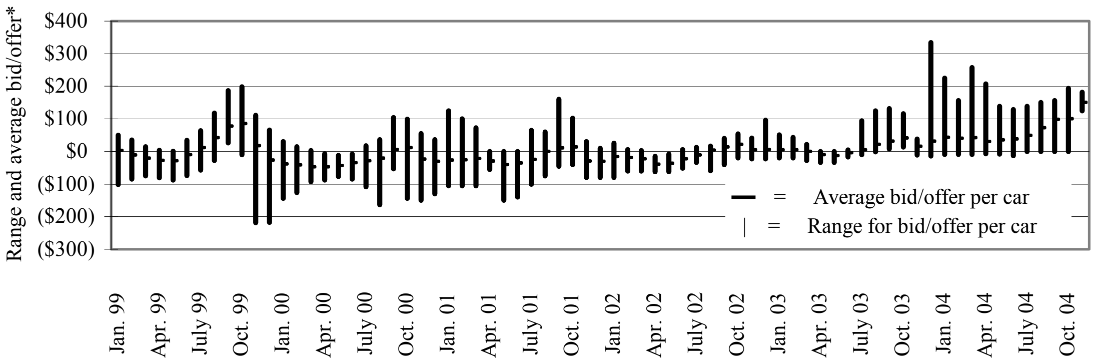
Source: Transportation & Marketing Programs/AMS/USDA

Rail service may be ordered directly from the railroad via **auction** for guaranteed service or tariff for nonguaranteed 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.

Figure 4

Secondary rail car market, delivery month-year



*up to 6 months of trading

Source: Transportation & Marketing Programs/AMS/USDA

Average bid/offer is the simple average of all the weekly bids/offers over the entire period (up to 6 months) for guaranteed railcars that are traded for delivery in a particular month.

Range for bid/offer shows the range of average weekly bids/offers over the entire period (up to 6 months) for guaranteed railcars that are traded for delivery in a particular month.

Table 6--Weekly secondary rail car market ($/car)*

	Delivery period			
Week ending	**June 04**	**July 04**	**Aug. 04**	**Sep. 04**
BNSF-GF				
5/7/2004	-$13	$11	$39	$76
Change from last week	-$46	-$49	-$67	-$74
UP-Pool				
5/7/2004	$9	$16	$66	$102
Change from last week	-$43	-$52	-$53	-$42

*Average premium/discount to tariff, $/car-last week

Note: Bids listed are market INDICATORS only & are NOT guaranteed prices,
Missing value = no bid quoted; GF = guaranteed freight; Pool = guaranteed pool

Sources: Transportation and Marketing Programs/AMS/USDA

Data from Atwood/ConAgra, Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.

Table 7--Tariff rail rates for unit and shuttle train shipments*

Effective date: 5/3/2004	Origin	Destination	Rate/car	Rate/metric ton	Rate/bushel**
Unit train*					
Wheat	Minneapolis, MN	Houston, TX	$2,020	$22.27	$0.61
	Kansas City, MO	Galveston, TX	$1,820	$20.06	$0.55
	Minneapolis, MN	Portland, OR	$4,148	$45.72	$1.24
	St. Louis, MO	Houston, TX	$1,995	$21.99	$0.60
	Kansas City, MO	Laredo, TX	$2,280	$25.13	$0.68
	Chicago, IL	Albany, NY	$1,834	$20.22	$0.55
	Chicago, IL	Richmond, VA	$1,961	$21.62	$0.59
Corn	Minneapolis, MN	Portland, OR	$3,240	$35.71	$0.91
	Chicago, IL	Baton Rouge, LA	$2,736	$30.16	$0.77
	Council Bluffs, IA	Baton Rouge, LA	$2,170	$23.92	$0.61
	Evansville, IN	Raleigh, NC	$1,841	$20.29	$0.52
	Council Bluffs, IA	Stockton, CA	$3,496	$38.54	$0.98
	Kansas City, MO	Dalhart, TX	$1,745	$19.24	$0.49
	Columbus, OH	Raleigh, NC	$1,750	$19.29	$0.49
	Des Moines, IA	Laredo, TX	$2,930	$32.30	$0.82
Soybeans	Minneapolis, MN	Portland, OR	$3,310	$36.49	$0.99
	Chicago, IL	Baton Rouge, LA	$2,736	$30.16	$0.82
	Council Bluffs, IA	Baton Rouge, LA	$2,799	$30.85	$0.84
	Des Moines, IA	Laredo, TX	$2,930	$32.30	$0.88
	Evansville, IN	Raleigh, NC	$1,841	$20.29	$0.55
	Chicago, IL	Raleigh, NC	$2,441	$26.91	$0.73
Shuttle Train*					
Wheat	St. Louis, MO	Houston, TX	$1,795	$19.79	$0.54
	Minneapolis, MN	Portland, OR	$4,096	$45.15	$1.23
Corn	Fremont, NE	Houston, TX	$2,425	$26.73	$0.68
	Minneapolis, MN	Portland, OR	$3,090	$34.06	$0.87
Soybeans	Council Bluffs, IA	Houston, TX	$2,255	$24.86	$0.63
	Minneapolis, MN	Portland, OR	$3,110	$34.28	$0.87

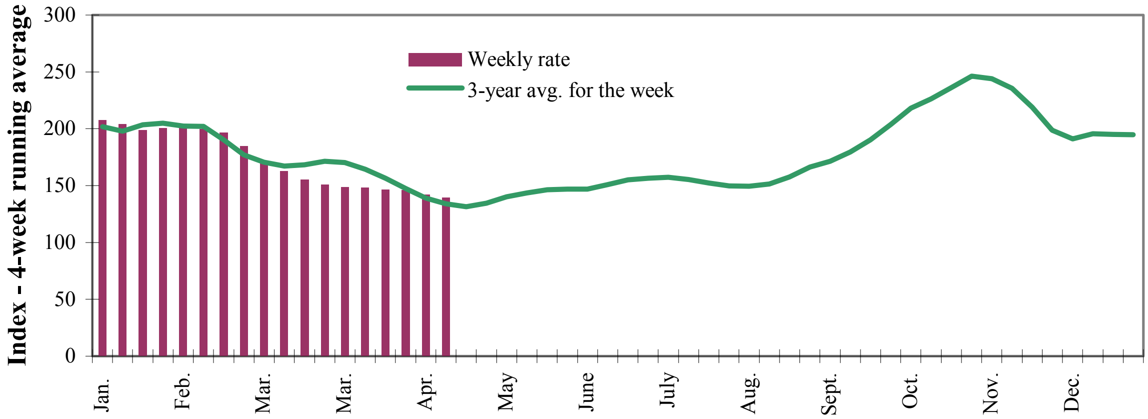
*A unit train refers to shipments of at least 52 cars. Shuttle train rates are available for qualified shipments of more than 100 cars that meet railroad efficiency requirements.

**Approximate load per car = 100 short tons: corn 56 lbs./bu., wheat & soybeans 60 lbs./bu.

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

Figure 5

Illinois River barge rate index - quotes



Note: Index = percent of tariff rate

Source: Transportation & Marketing Programs/AMS/USDA

The **Illinois River barge rate index** averaged 183 percent of the **benchmark tariff rates** 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 8--Barge rate quotes: southbound barge freight

Location	5/5/2004	4/28/2004	May '04	July '04
Twin Cities	162	169	178	196
Mid-Mississippi	139	141	149	172
Illinois River	136	136	144	167
St. Louis	113	113	121	160
Lower Ohio	112	112	127	164
Cairo-Memphis	108	108	115	155

Index = percent of tariff, based on 1976 tariff benchmark rate

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Benchmark tariff rates

Calculating barge rate per ton:
(Index * 1976 tariff benchmark rate per ton)/100

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map (see figure 6).

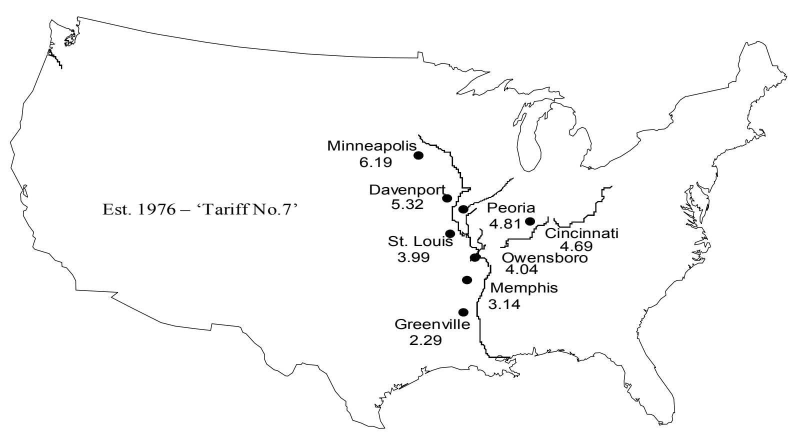


Table 9--Barge futures market (US$)*

Week ending	River/region	Contract period	Index rate Futures	Index rate Cash
5/11/2004	St. Louis	June	n/a	140
		Aug.	n/a	170
		Oct.	n/a	245
		Nov.	n/a	185
		Dec.	n/a	158
	Illinois River	June	n/a	158
		Aug.	n/a	175
		Oct.	n/a	265
		Nov.	n/a	205
		Dec.	n/a	180

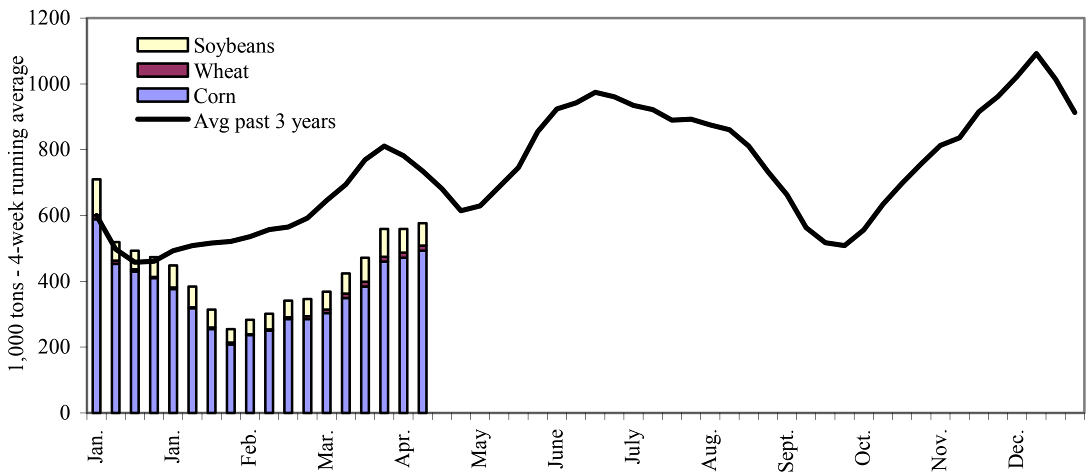
*Southbound barge freight nominal/cash basis values (US$)

Note: Index = percent of tariff, based on 1976 tariff benchmark rate

Source: Merchants Exchange of Chicago (www.merchants-exchange.com)

Figure 7

Barge movements on the Mississippi River (Lock 27 - Granite City, IL)



Source: Transportation & Marketing Programs/AMS/USDA

Table 10--Barge grain movements (1,000 tons)

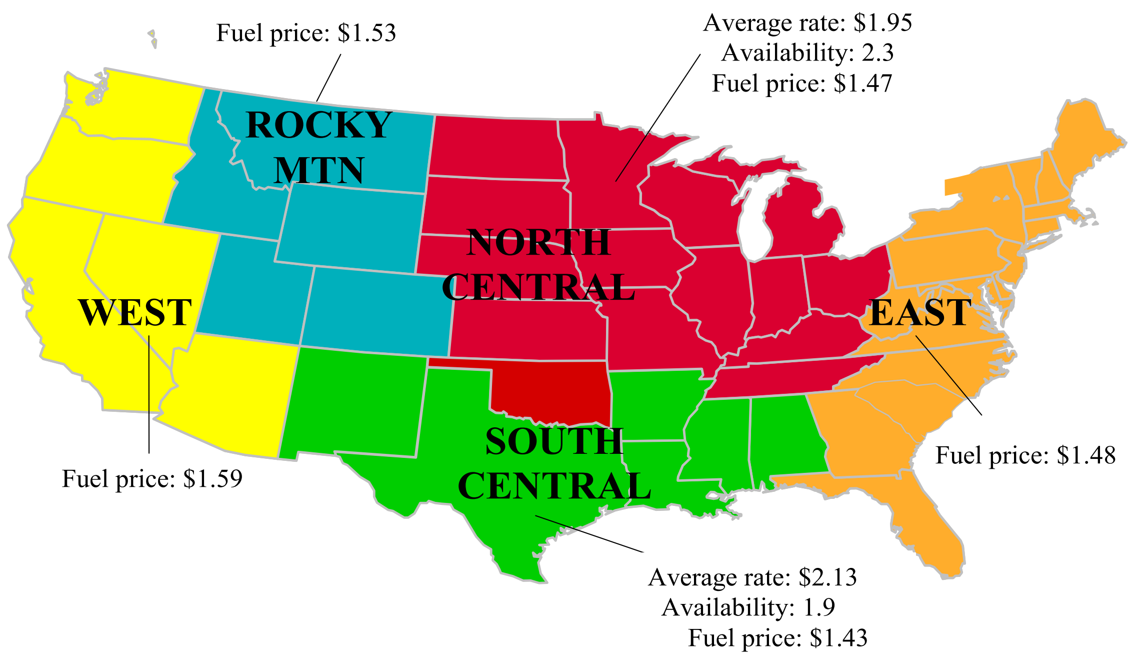
Week ending 05/01/04	Corn	Wheat	Soybean	Total
Mississippi River				
Rock Island, IL (L15)	231	12	6	249
Winfield, MO (L25)	370	17	31	418
Alton, IL (L26)	485	19	65	568
Granite City, IL (L27)	500	22	64	588
Illinois River (L8)	116	5	24	145
Ohio River (L52)	30	14	5	52
Arkansas River (L1)	0	12	0	12
2004 YTD	8,083	891	2,053	11,308
2003 YTD	9,003	600	3,582	13,558
2004 as % of 2003 YTD	90	149	57	83
Total 2003	29,898	2,787	9,146	42,526

YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1.

Source: U.S. Army Corp of Engineers (www.mvr.usace.army.mil/mvrimi/omni/webrpts/default.asp)

Truck Transportation

Figure 8
U.S. grain truck market advisory, 4th quarter 2003*



*Average rate per loaded mile, based on truck rates for trips of 25, 100, and 200 miles
Note: Fuel prices are a quarterly average (unit per gallon)
Fuel price data source: Energy Information Administration, U.S. Department of Energy, www.eia.doe.gov

Table 11--U.S. grain truck market overview, 4th quarter 2003

Region/commodity*	Rate per mile ($)			Truck availability	Truck activity	Future truck activity
				Rating compared to same quarter last year		
	25 miles	100 miles	200 miles	1=Very easy to 5=Very difficult	1=Much lower to 5=Much higher	
National average[1]	**2.58**	**1.72**	**1.56**	**2.2**	**3.2**	**2.7**
North Central region[2]	2.56	1.71	1.59	2.3	3.1	2.9
Corn	2.59	1.67	1.62	2.1	3.2	2.6
Wheat	2.30	1.66	1.52	2.7	2.8	2.9
Soybean	2.65	1.76	1.78	2.0	3.1	2.5
South Central region[2]	2.93	1.78	1.67	1.9	3.6	1.9
Corn	3.13	1.86	1.70	2.3	3.3	2.5
Wheat	2.81	1.77	1.67	1.6	3.6	1.6
Soybean	2.93	1.73	1.65	1.8	3.8	1.6

Rates are based on trucks with 80,000 lb weight limit
*Commodity averages based on truck rates for top producing states based on National Agricultural Statistics Service/USDA
[1]National average includes: AR, CO, IA, IL, IN, KS, LA, MN, MS, ND, NE, OH, OK, OR, SD, TX, and WA.
[2]Commodity rates per mile include the average of the top 3 producing states within the region.
Source: Transportation and Marketing Programs/AMS/USDA

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 percent of the estimated variable cost.

Table 12--Retail on-highway diesel prices*, week ending 05/10/04 (US$/gallon)

Region	Location	Price	Change from Week ago	Change from Year ago
I	East Coast	1.678	0.025	0.181
	New England	1.768	0.014	0.156
	Central Atlantic	1.765	0.023	0.158
	Lower Atlantic	1.633	0.028	0.193
II	Midwest	1.667	0.010	0.243
III	Gulf Coast	1.645	0.018	0.279
IV	Rocky Mountain	1.928	0.036	0.440
V	West Coast	2.255	0.109	0.764
	California	2.356	0.082	0.822
Total	U.S.	1.745	0.028	0.301

*Diesel fuel prices include all taxes.

Source: Energy Information Administration/U.S. Department of Energy (www.eia.doe.gov)

Grain Exports

Table 13--U.S. export balances (1,000 metric tons)

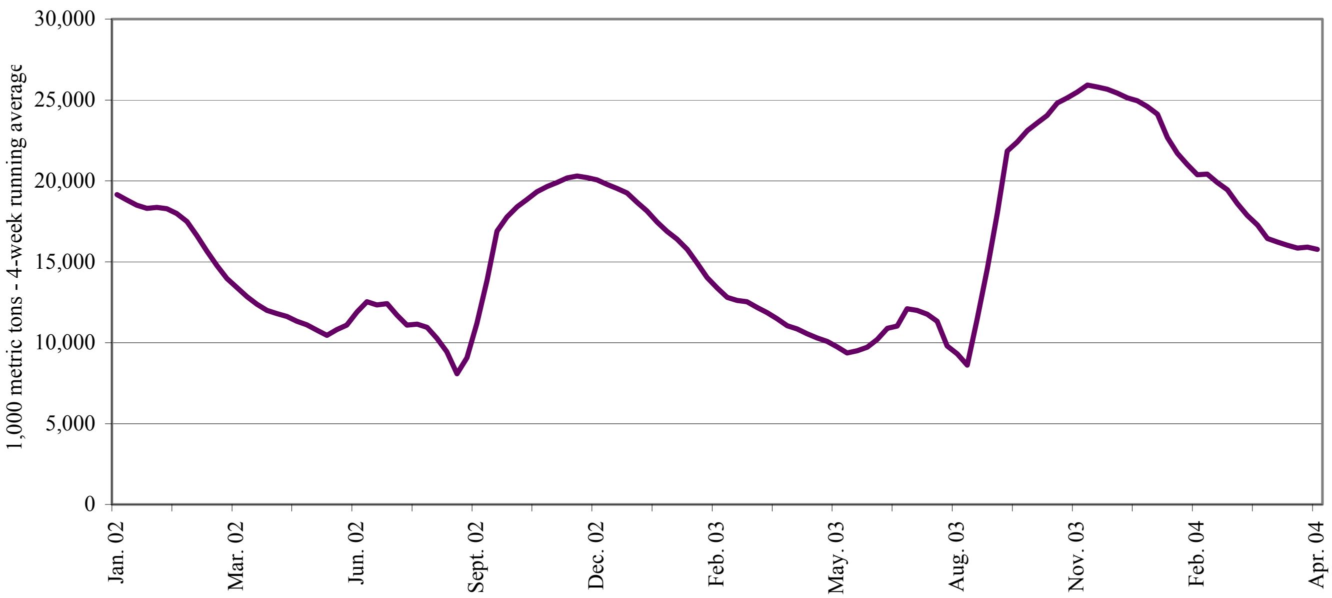
	Wheat						Corn	Soybeans	Total
Week ending 1/	HRW	SRW	HRS	SWW	DUR	All wheat			
4/29/2004	1,542	428	1,052	485	122	3,629	10,215	1,675	15,519
This week year ago	824	174	945	373	60	2,375	5,431	2,169	9,975
Cumulative exports-crop year									
2003/04 YTD	11,753	3,509	6,185	4,637	1,039	27,121	32,081	22,363	81,565
2002/03 YTD	6,493	2,717	6,016	3,300	699	19,225	26,496	25,277	70,998
2003/04 as % of 2002/03	181	129	103	141	149	141	121	88	115
2002/03 Total	6,896	2,899	6,645	3,517	720	20,677	39,646	28,908	89,231
2001/02 Total	8,704	5,485	5,554	3,127	1,133	24,003	47,460	29,838	101,301

Note: YTD = year-to-date. Crop year: wheat = 6/01-5/31, corn & soybeans = 9/01-8/31, 1/ = Current outstanding unshipped export sales to date

Source: Foreign Agricultural Service/USDA (www.fas.usda.gov)

Figure 9

U.S. grain, unshipped export balances, including wheat, corn, and soybean sales



Source: Foreign Agricultural Service/USDA (www.fas.usda.gov)

Table 14--Select U.S. port regions - grain inspections for export (1,000 metric tons)

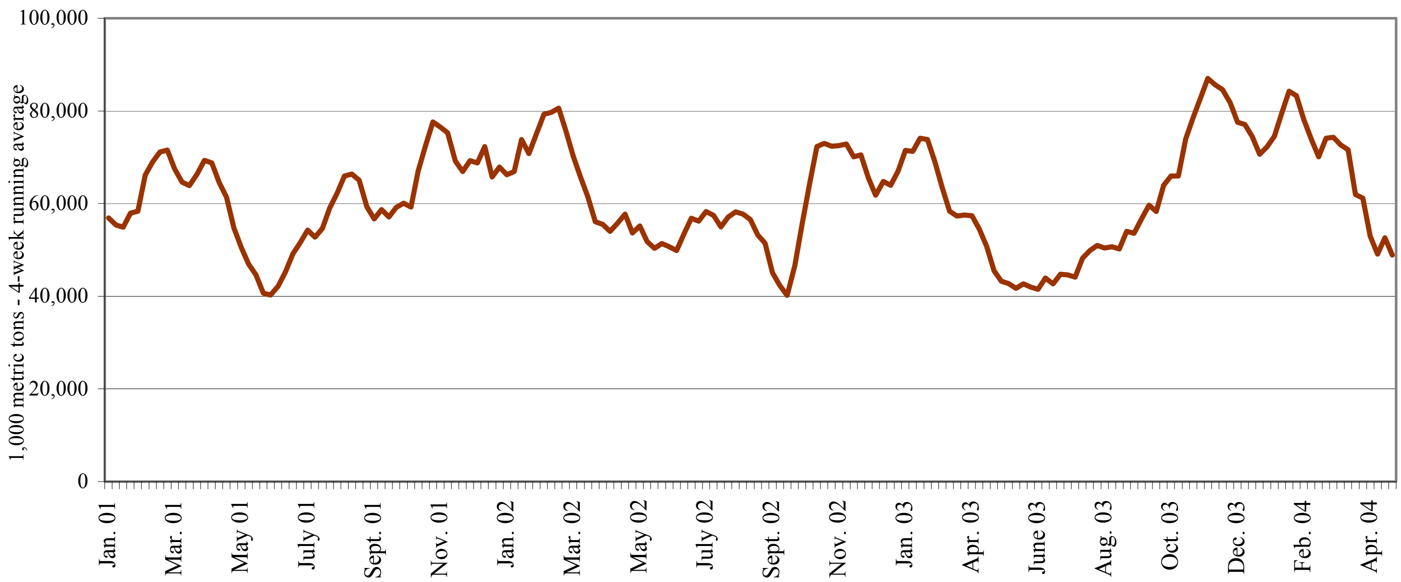
	Pacific Region			Mississippi Gulf			Texas Gulf			Port Region total		
Week ending	Wheat	Corn	Soybeans	Wheat	Corn	Soybeans	Wheat	Corn	Soybeans	Pacific	Mississippi	Texas
05/06/04	261	352	13	155	424	65	80	0	0	626	644	80
2004 YTD	4,294	3,879	1,703	2,814	11,838	5,436	3,639	49	7	9,875	20,088	3,695
2003 YTD	3,038	2,068	2,341	1,654	9,948	9,050	1,548	11	16	7,448	20,653	1,574
2004 as % of 2003	141	188	73	170	119	60	235	465	44	133	97	235
2003 Total	8,764	5,450	5,114	5,883	30,901	19,354	7,004	227	69	19,328	56,139	7,300

Source: Federal Grain Inspection Service/USDA (www.usda.gov/gipsa); YTD: year-to-date

The United States exports approximately one-quarter of the grain it produces. On average, it includes nearly 45 percent of U.S.-grown wheat, 35 percent of U.S.-grown soybeans, and 20 percent of the U.S.-grown corn. Over 60 percent of these U.S. export grain shipments departed through the Mississippi Gulf region in 2003.

Figure 10

U.S. grain inspected for export, including wheat, corn, and soybeans



Source: Federal Grain Inspection Service/USDA (www.usda.gov/gipsa)

Ocean Transportation

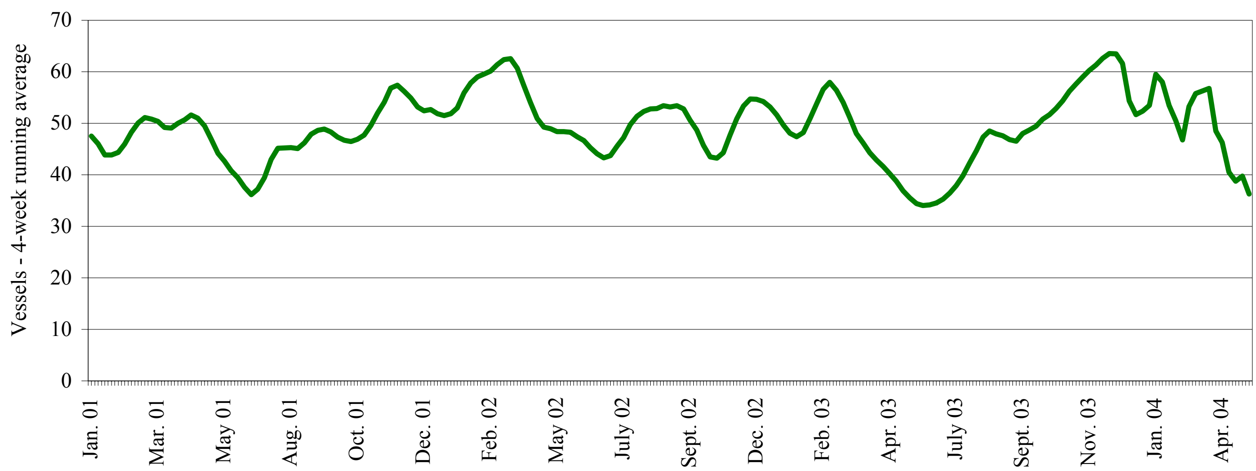
Table 15--Weekly port region grain ocean vessel activity (number of vessels)

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In port	Loaded 7-days	Due next 10-days	In port	In port
5/6/2004	16	33	62	8	5
4/29/2004	18	44	48	11	1
2003 range	(11..47)	(30..76)	(39..93)	(3..13)	(1..15)
2003 avg.	31	49	62	9	6

Source: Transportation & Marketing Programs/AMS/USDA

Figure 11

Gulf Port grain vessel loading (past 7 days)



Source: Transportation & Marketing Programs/AMS/USDA

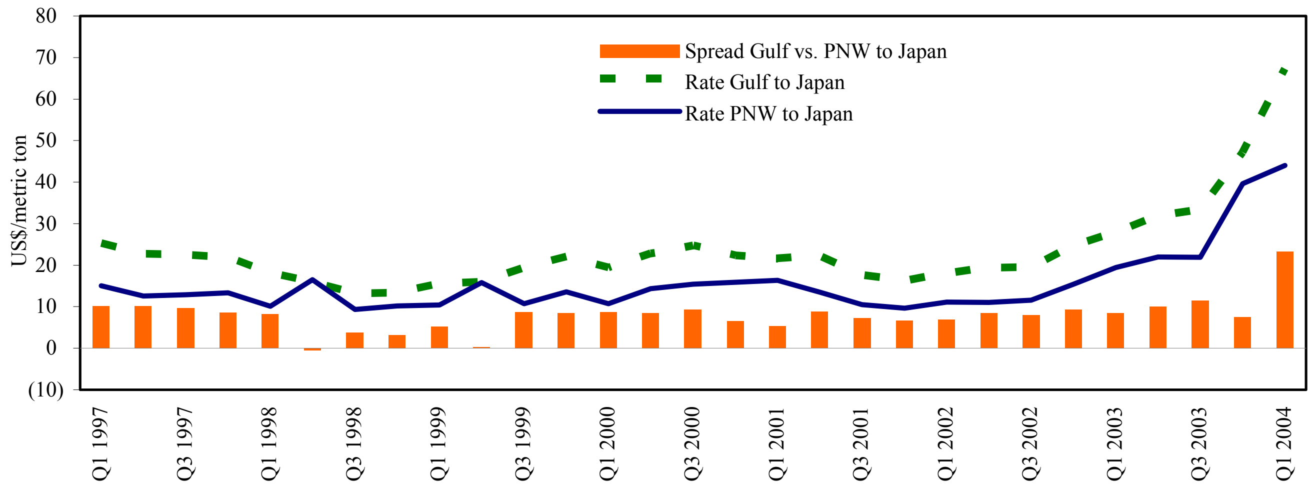
Table 16--Quarterly ocean freight rates (average rates & percentage changes) (US$/metric ton)

Countries/ regions	2004 1st qtr	2003 1st qtr	Percent change	Countries/ regions	2004 1st qtr	2003 1st qtr	Percent change
Gulf to				**Pacific NW to**			
Japan	$73.75	$27.91	164	Japan	---	$19.43	---
Taiwan	$68.00	$26.50	157				
N. Europe	---	$14.50	---	**Argentina/Brazil to**			
N. Africa	$46.25	---	---	N. Africa	$61.17	$25.35	141
Med. Sea	$46.50	$14.50	221	Med. Sea	---	$25.35	---

Source: Maritime Research, Inc. (www.maritime-research.com)

Figure 12

Grain vessel rates, U.S. to Japan



Source: Baltic Exchange (www.balticexchange.com)

Table 17--Ocean freight rates for selected shipments, week ending 05/08/04

Export region	Import region	Grain	Month	Volume loads (metric tons)	Freight rate ($/metric ton)
U.S. Gulf	Turkey	Wheat	Apr. 15/25	55,000	52.00
PNW	S. Korea	Corn	Spot	38,000	76.75
U.S. Gulf	Jordan	Hvy grain	Apr. 15/25	50,000	66.50
France	Algeria	Wheat	May 5/10	12,000	33.00
River plate	Italy	Wheat	May 5/10	17,000	65.00
Lake Charles	Kenya/Tanzania*	Cornmeal Bggd	May 5/15	4,000	155.00
India	United Arab Emirates	Wheat	May 10/15	22,000	17.00
Lake Charles	Kenya*	Wheatflour Bggd	May 1/10	1,900	185.00

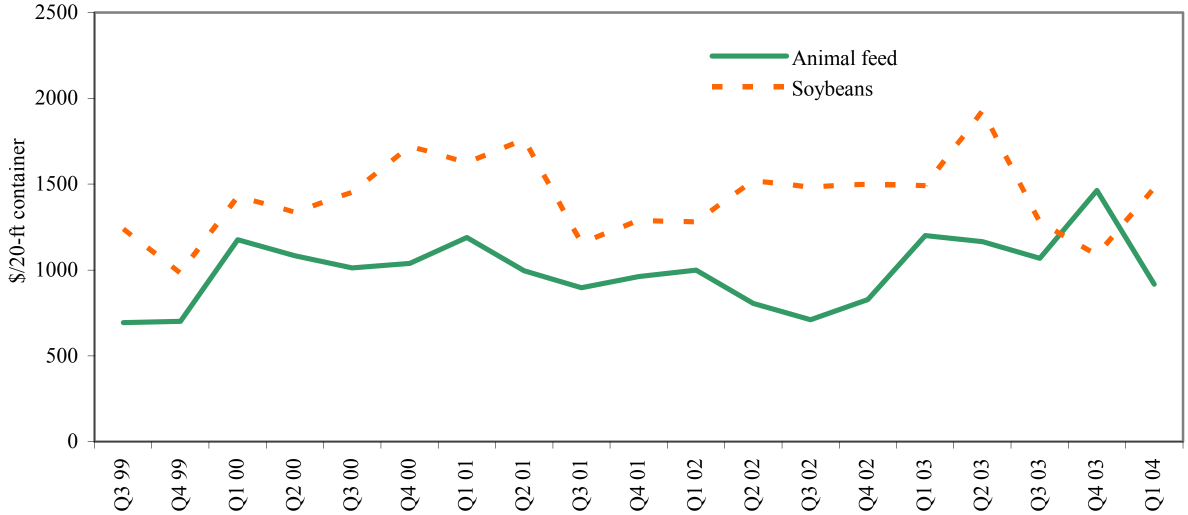
Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option

*Most food aid from the United States is required to be shipped on U.S. flag vessels. The vessels are limited in 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.

Source: Maritime Research Inc. (www.maritime-research.com)

Figure 13

Weighted average rates[1] for containerized shipments of animal feed and soybeans to selected Asian countries



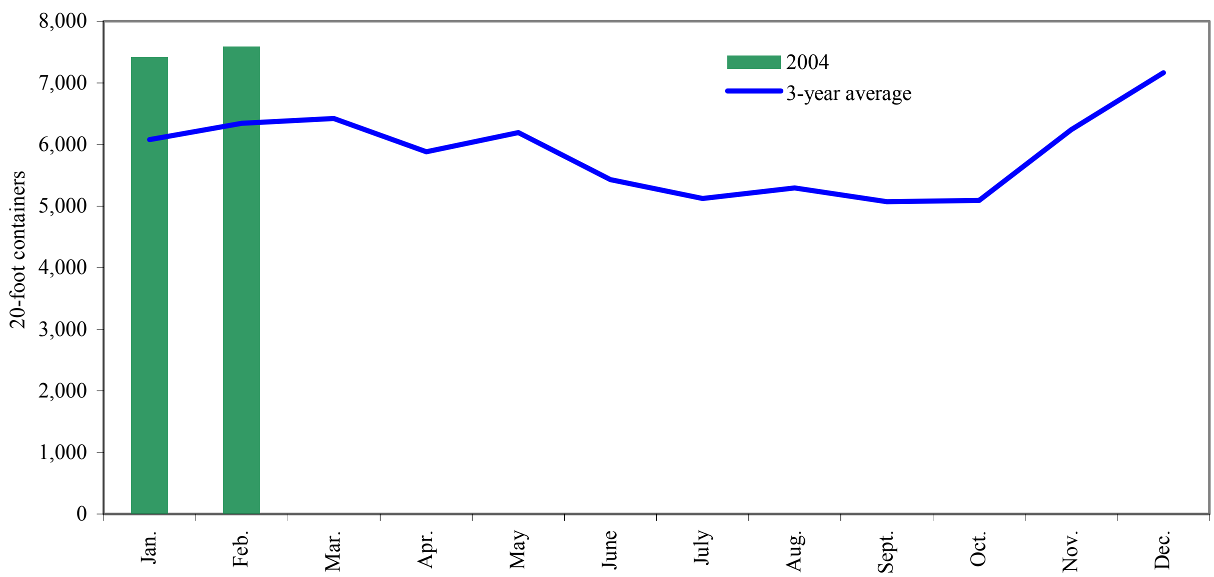
[1]Animal Feed: Busan-Korea (7%), Kaohsiung-Taiwan (46%), Tokyo-Japan (47%),
and soybeans: Bangkok-Thailand (2%), Busan-Korea (12%), Hong Kong (25%), Keelung-Taiwan (24%), Tokyo-Japan (37%)
January 2004.

Source: Ocean Rate Bulletin, Transportation & Marketing Programs/AMS/USDA

Container ocean freight rates – average rate per twenty-foot equivalent unit (TEU) weighted by shipping line market share and trade route.

Figure 14

Monthly shipments of containerized grain for 2004 compared with a 3-year average



Note: PIERS data is available with a lag of approximately 40 days

Source: Port Import Export Reporting Service (PIERS), *Journal of Commerce.*

Contacts and Links

Contact Information

Coordinator		
Surajudeen (Deen) Olowolayemo	surajudeen.olowolayemo@usda.gov	(202) 690-1328
Grain Transportation Indicators		
Surajudeen (Deen) Olowolayemo	surajudeen.olowolayemo@usda.gov	(202) 690-1328
Rail		
Marvin Prater	marvin.prater@usda.gov	(202) 690-6290
Johnny Hill	johnny.hill@usda.gov	(202) 720-4211
Barge Transportation		
Nicholas Marathon	nick.marathon@usda.gov	(202) 690-0331
Karl Hacker	karl.hacker@usda.gov	(202) 690-0152
Truck Transportation		
Karla Martin	karla.martin@usda.gov	(202) 720-8264
John Batson	john.batson@usda.gov	(202) 690-1312
Grain Exports		
Johnny Hill	johnny.hill@usda.gov	(202) 720-4211
Ocean Transportation		
Surajudeen (Deen) Olowolayemo (Freight rates and vessels)	surajudeen.olowolayemo@usda.gov	(202) 690-1328
April Taylor (Container rates)	april.taylor@usda.gov	(202) 690-1326
Johnny Hill (Vessels)	johnny.hill@usda.gov	(202) 720-4211

Subscription Information: To subscribe to the GTR for a weekly email copy, please contact Deen Olowolayemo at surajudeen.olowolayemo@usda.gov or 202-690-1328 (1303) *(printed copies are also available upon request)*.

Related Websites

Agricultural Container Indicators	http://www.ams.usda.gov/tmd2/agci/
Ocean Rate Bulletin	http://www.ams.usda.gov/tmd/Ocean/index.asp