



GRAIN TRANSPORTATION REPORT

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

JANUARY 1, 2004

TM GRAIN TRANSPORT						
COST INDICATORS*		Truck	Rail	Barge	Ocean	
					Gulf	Pacific
12/31/03		101	176	112	-	-
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.

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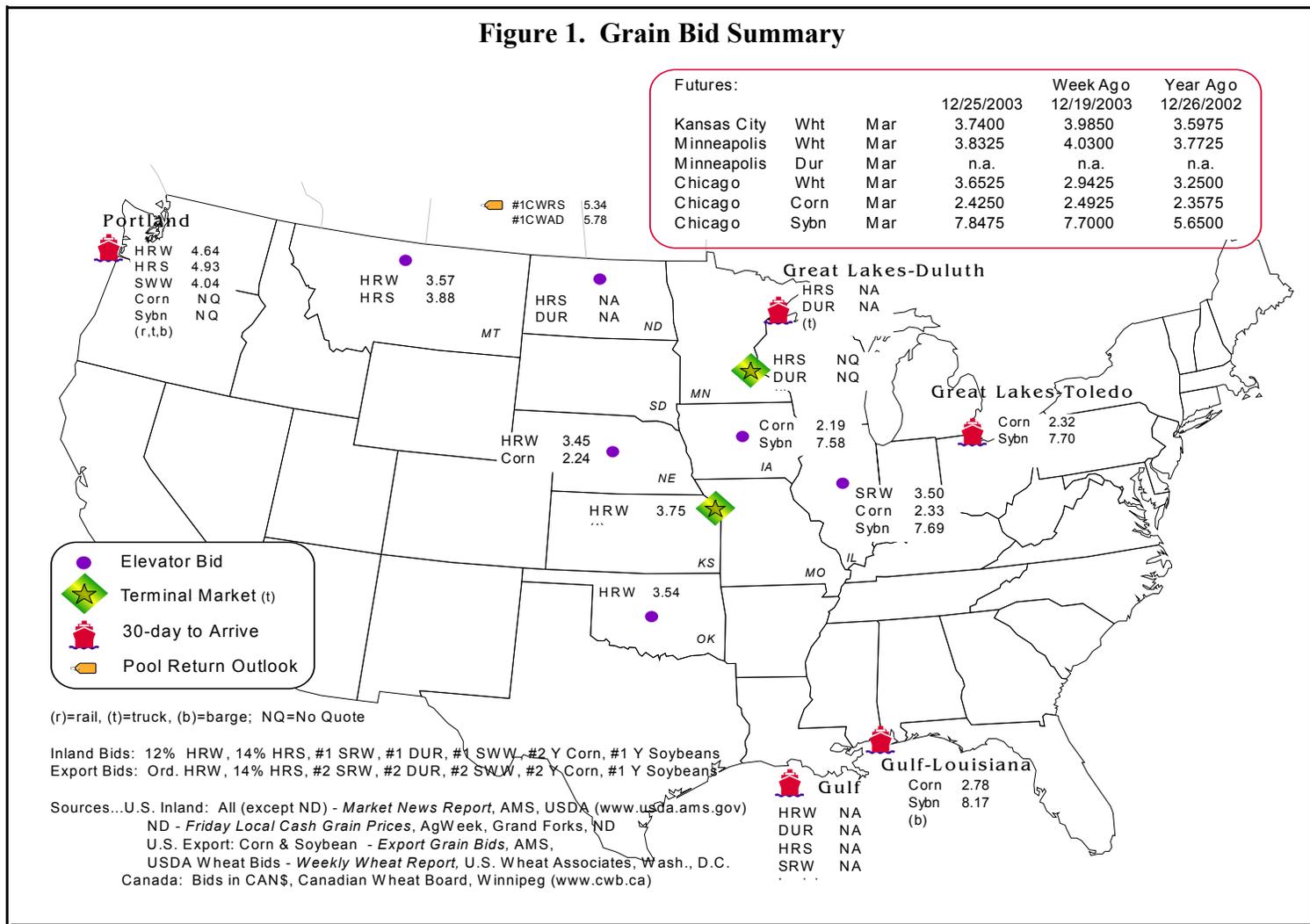
The Grain Transportation Report is a weekly news source for grain logistics. Detailed data and trend information on five major modes: barge, truck, rail, container, and vessel, provide timely insight into grain transport. The report is offered to policymakers and industry as a tool in day-to-day decision 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	-0.45	-0.46
Corn	NE -- Gulf	-0.54	-0.54
Soybean	IA -- Gulf	-0.59	-0.58
HRW	KS -- Gulf	n/a	-0.71
HRS	ND -- Portland	n/a	-1.28

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

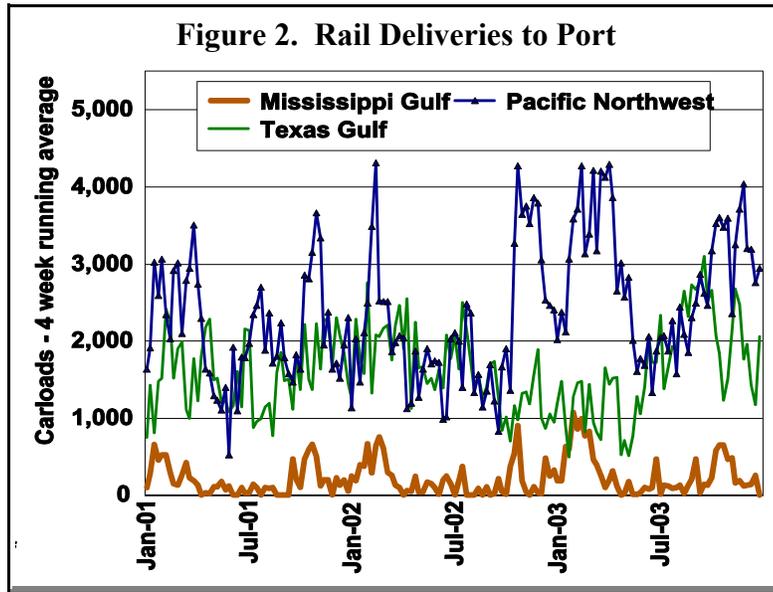


RAIL TRANSPORTATION

Table 2--Rail deliveries to port (carloads)

	Mississippi Gulf*	Texas Gulf	Pacific Northwest	Atlantic & East Gulf	Total
Week Ending:					
12/17/03	262	1,173	2,757	721	4,913
12/24/03	1	2,065	2,950	599	5,615
2003 YTD	14,731	85,072	144,799	19,789	264,391
2002 YTD	10,937	84,625	111,832	20,842	228,236
% 2002 YTD	135%	101%	129%	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.

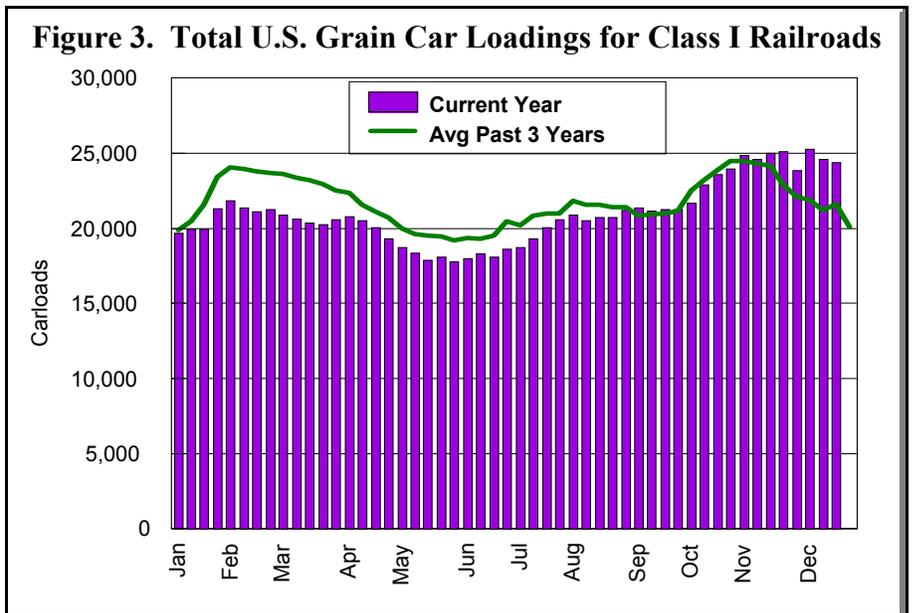


Table 3--Class I rail carrier grain car bulletin (Grain carloads originated)

	East		West			U.S. Total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
12/20/03	3,385	3,666	9,588	863	6,232	23,734	4,961	5,056
This Week Last Year	2,876	3,505	8,456	749	7,142	22,728	2,995	2,560
2003 YTD	144,644	168,787	407,999	24,158	334,080	1,079,668	194,626	195,685
2002 YTD	140,813	162,551	394,308	26,775	338,971	1,063,418	189,952	194,445
% 2002 YTD	103%	104%	103%	90%	99%	102%	102%	101%
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*

Dec-03	96.4	100.4	93.0	94.6	95.6	95.9
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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

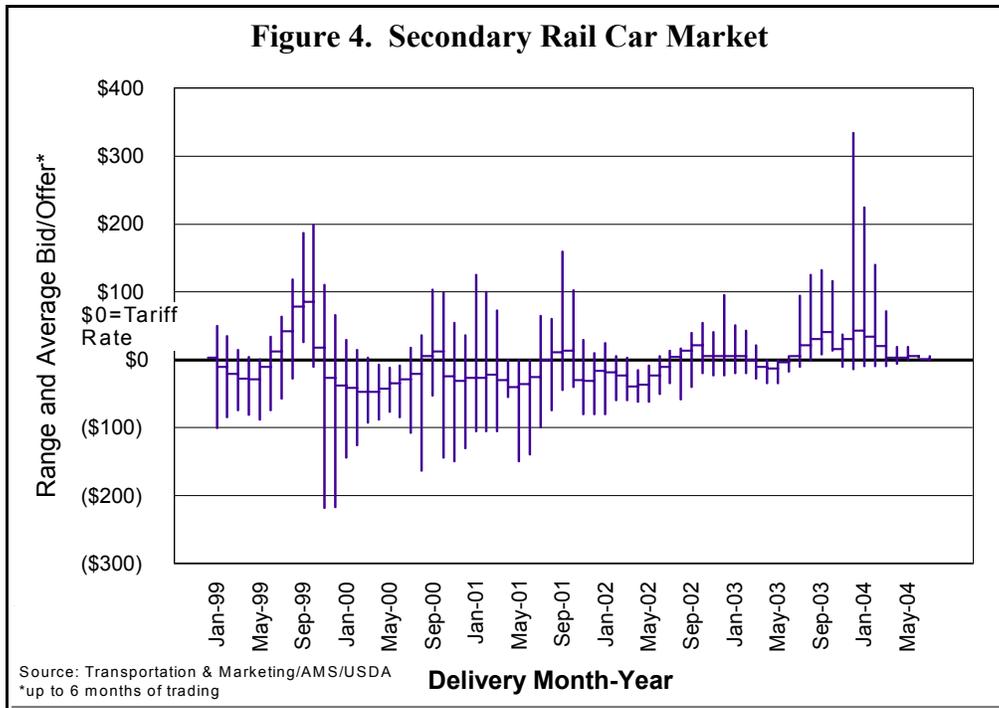
	Delivery Period			
	Feb-04	Mar-04	Apr-04	May-04
BNSF-GF	\$96	\$56	\$4	\$3
UP-Pool	\$65	\$40	\$9	\$2

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.

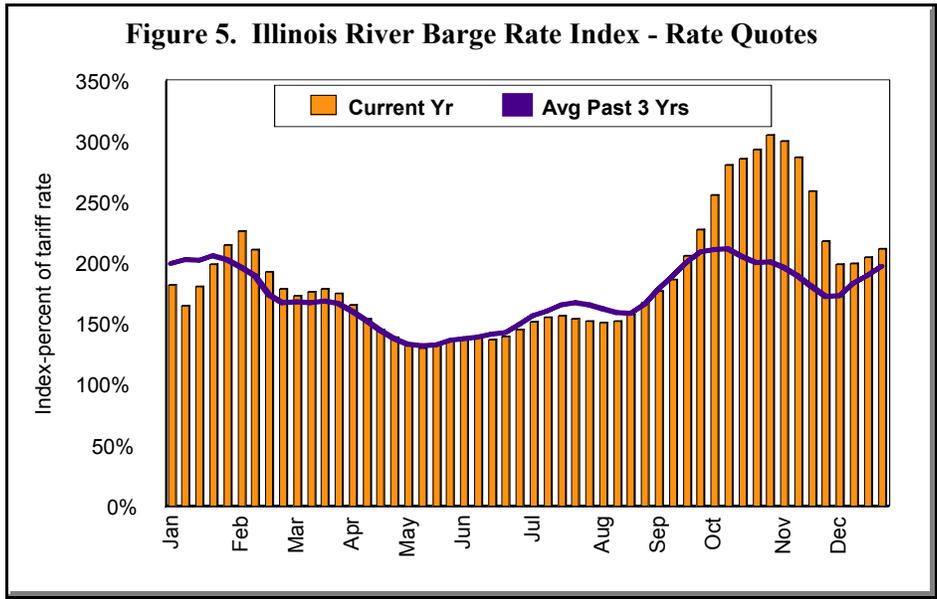
Table 6--Railroad car 'Auction' results
Average premium/discount to tariff, \$/car - last auction

Delivery for:	Feb-04	Mar-04	Apr-04
COT/N. Grain	no offer	no offer	no bids
COT/S. Grain	no offer	no offer	\$2
GCAS/Region 1	no offer	no offer	no offer
GCAS/Region 2	no offer	no offer	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	12/24/03	12/17/03	Jan '04	Mar '04
Twin Cities	nq	nq	nq	nq
Mid-Mississippi	nq	nq	nq	190
Illinois River	215	214	215	181
St. Louis	167	182	168	157
Lower Ohio	177	200	173	163
Cairo-Memphis	153	164	150	142

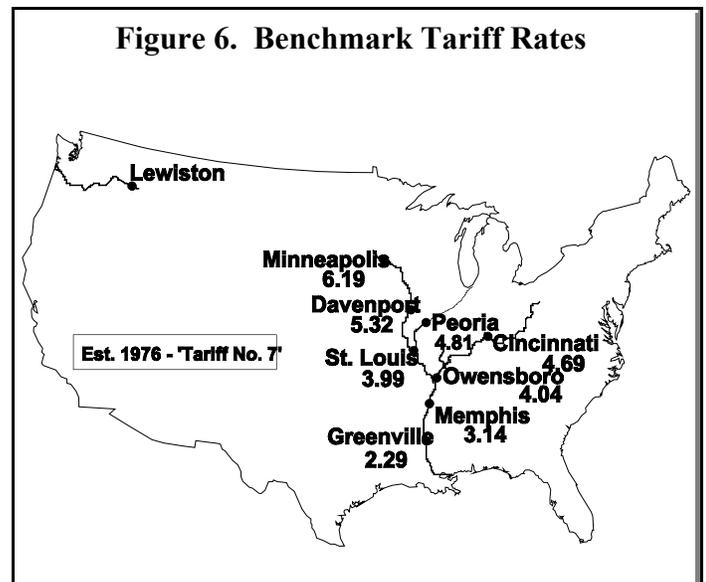
Source: Transportation & Marketing/AMS/USDA, nq= no quote

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
		Dec.	n/a	210
Illinois River	Feb.	n/a	205	
	Apr.	n/a	170	
	May	n/a	160	
	June	n/a	165	

Source: St. Louis Merchants Exchange



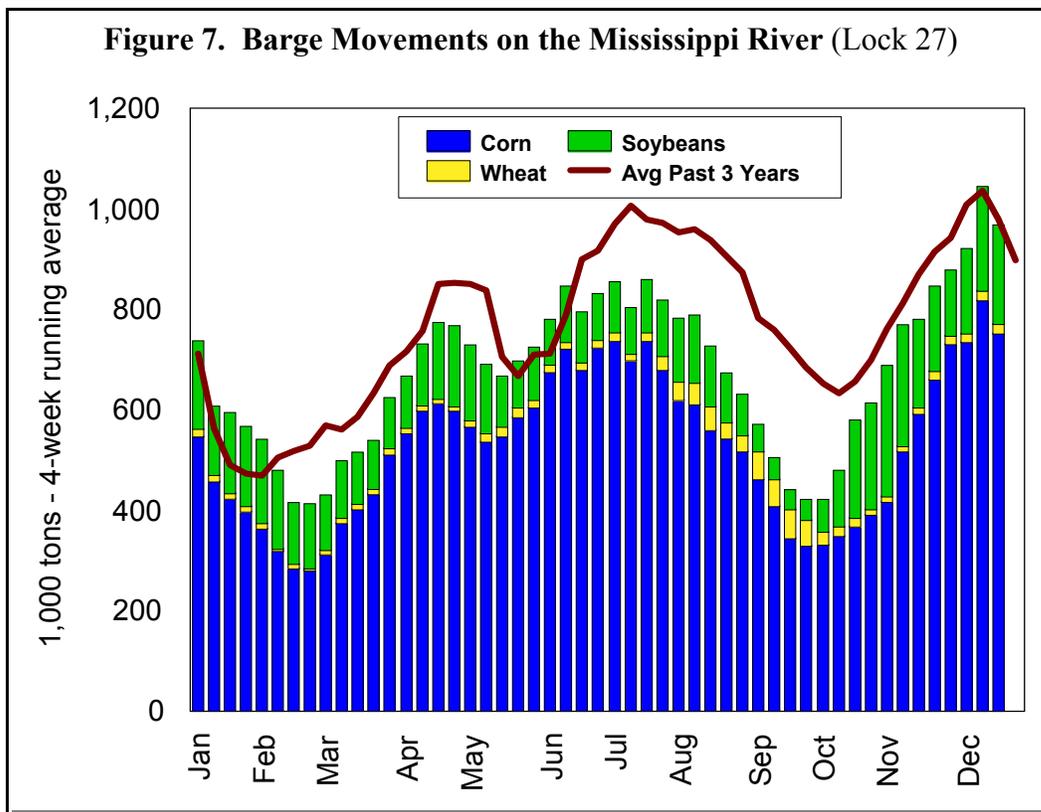
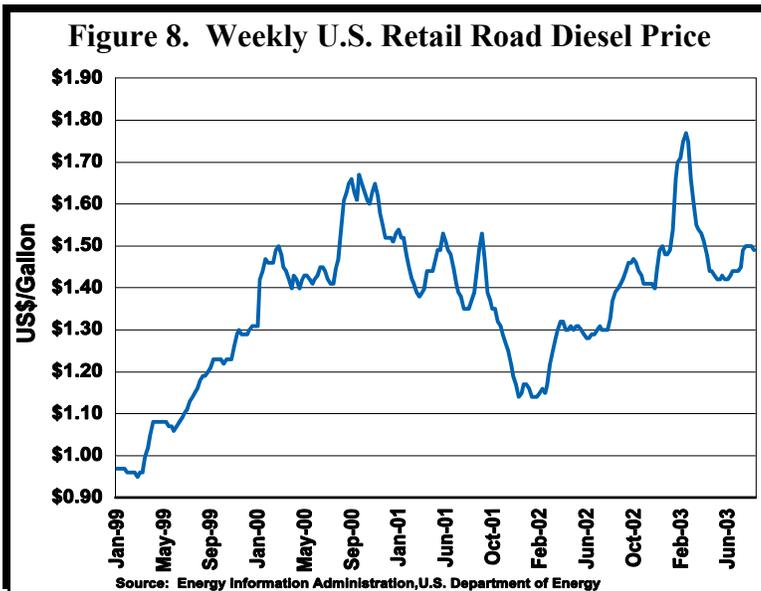


Table 9--Barge grain movements (1,000 tons)

Week ending 12/20/03	Corn	Wht	Sybn	Total
Mississippi River				
Rock Island, IL (L15)	-	-	-	-
Winfield, MO (L25)	2	0	12	14
Alton, IL (L26)	490	15	67	604
Granite City, IL (L27)	520	11	71	629
Illinois River (L8)	489	11	47	573
Ohio River (L52)	-	-	-	-
Arkansas River (L1)	0	0	0	0
2003 YTD	29,185	2,699	8,969	41,516
2002 YTD	34,585	2,556	11,504	50,127
% 2002 YTD	84%	106%	78%	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.

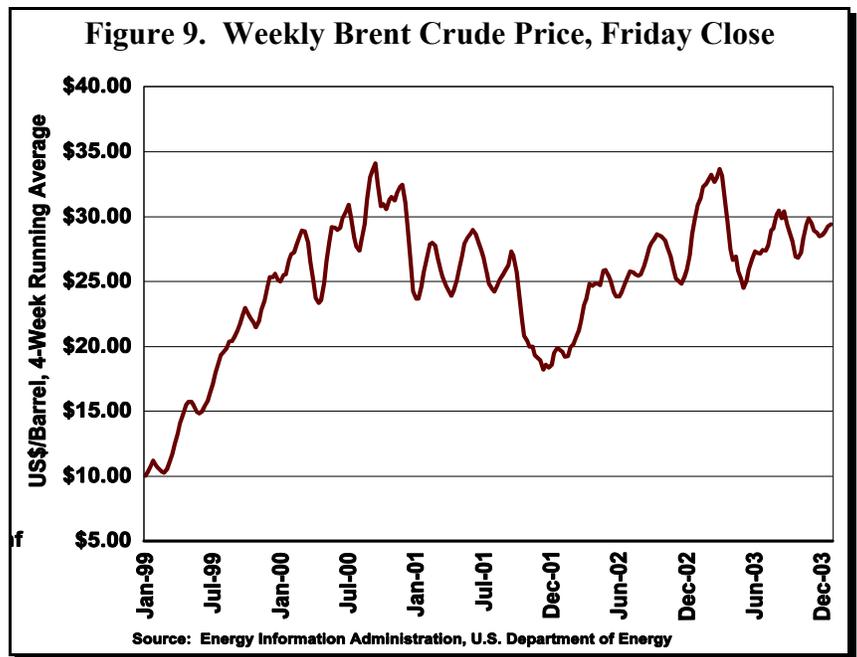


Table 10--Crude oil prices (US\$ per Barrel)-12/30/03

Type	This week	Last week	Change
Light Sweet Crude (NYMEX)	32.11	31.29	↑
Brent Crude	n/a	29.05	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				
12/18/03	3,349	706	1,492	1,380	173	7,100	9,854	9,343	26,297
This Week Year Ago	1,172	800	1,357	679	135	4,143	6,635	8,749	19,527
Cumulative Exports-Crop Year									
2003/04 YTD	6,590	2,170	3,839	2,226	674	15,498	14,737	12,731	42,966
2002/03 YTD	4,506	1,452	3,987	2,029	508	12,482	12,568	10,608	35,658
% 2002/03 YTD	146%	149%	96%	110%	1	124%	117%	120%	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

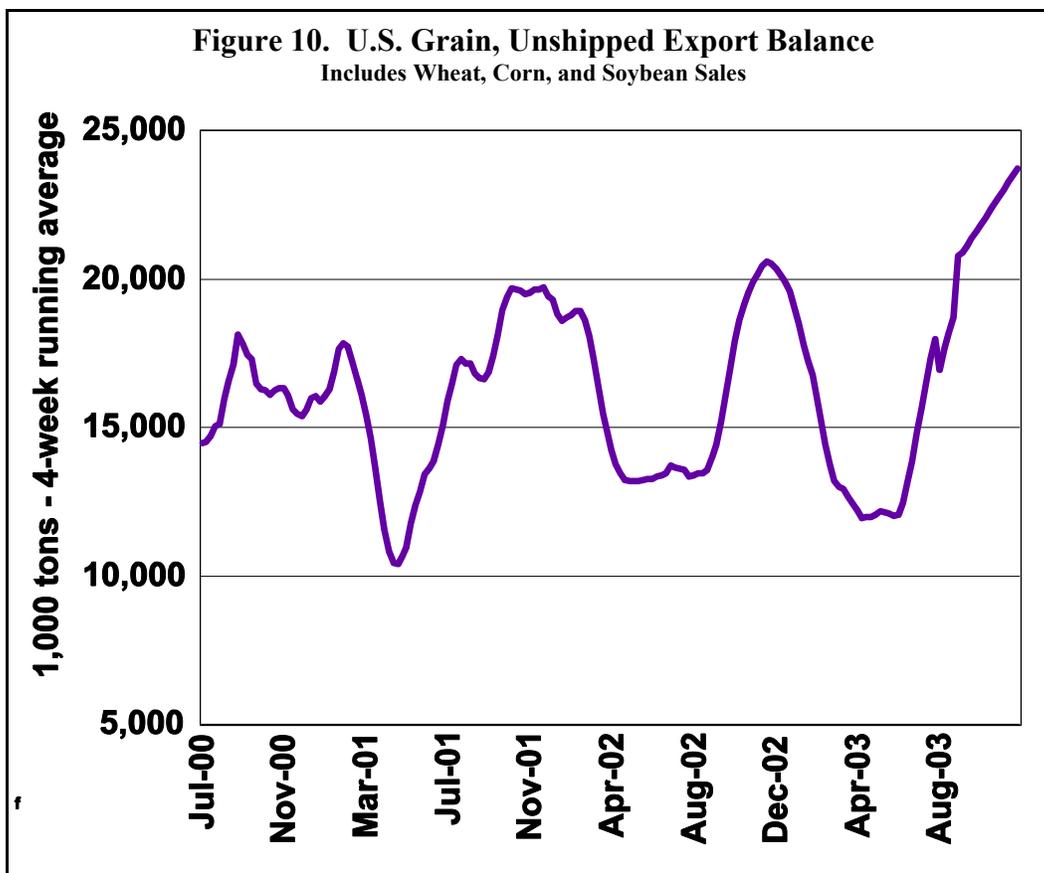
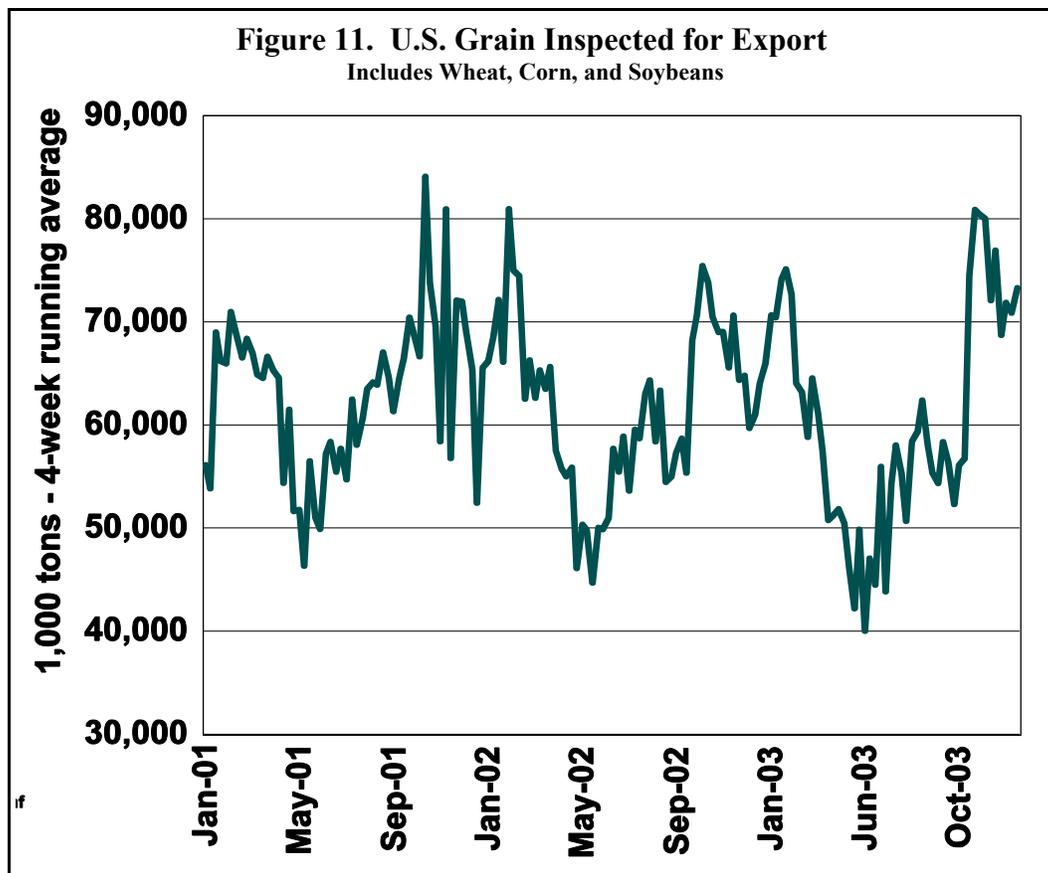


Table 12--Select U.S. port regions - grain inspections for export (1,000 metric tons)

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>
12/25/03	186	170	0	72	655	450	331	0	0	356	1,177	331
2003 YTD	8,764	5,450	5,114	5,855	30,352	18,972	7,032	746	103	19,328	55,179	7,880
2002 YTD	9,128	3,994	2,870	5,670	36,383	18,549	5,875	266	373	15,992	60,602	6,514
% 2002 YTD	96%	136%	178%	103%	83%	102%	120%	280%	28%	121%	91%	121%
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.

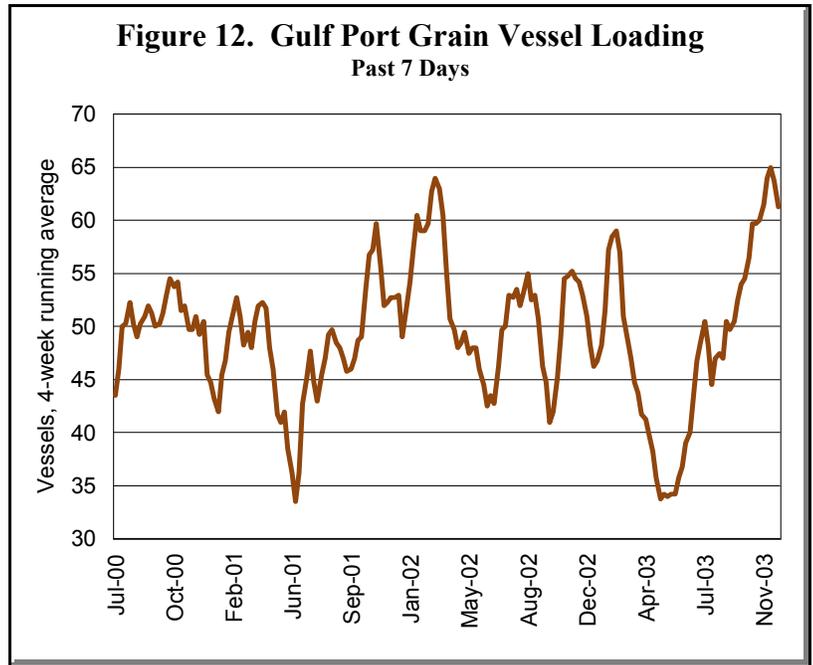


Table 13--Weekly port region grain ocean vessel activity (number of vessels)

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In Port	Loaded 7-Days	Due Next 10-Days	In Port	In Port
12/18/03	22	57	82	10	7
12/25/03	20	57	64	9	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

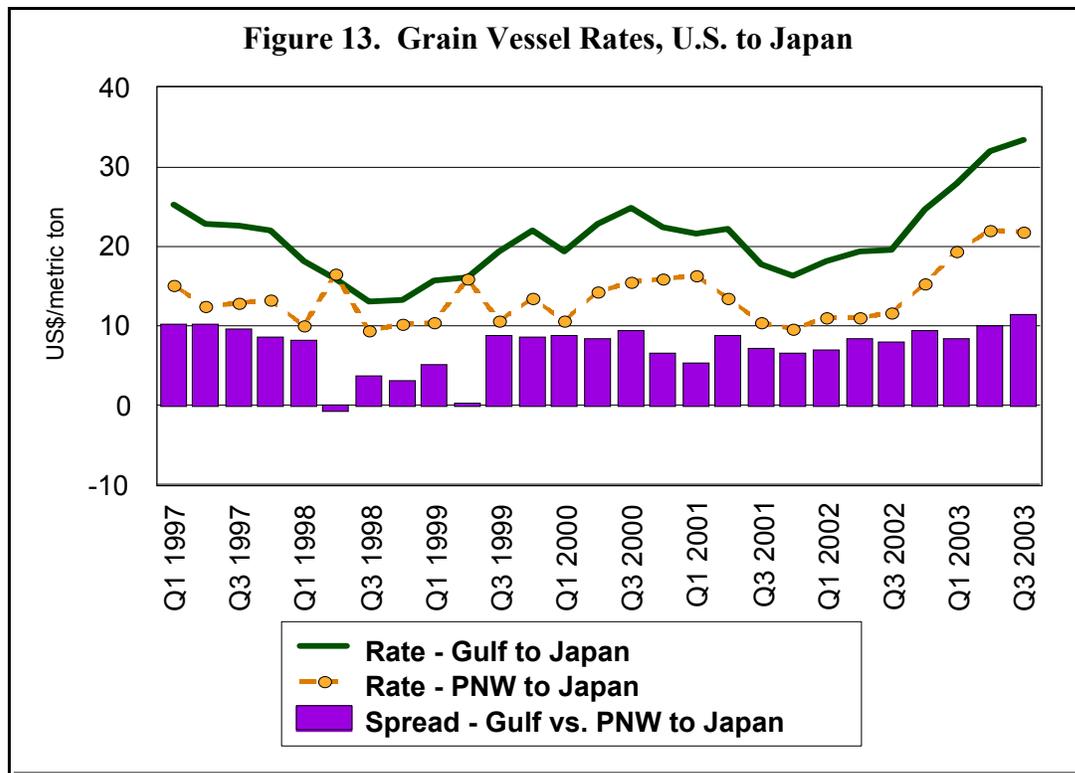


Table 15--Ocean freight rates for selected shipments

Week Ending 12/27/03

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

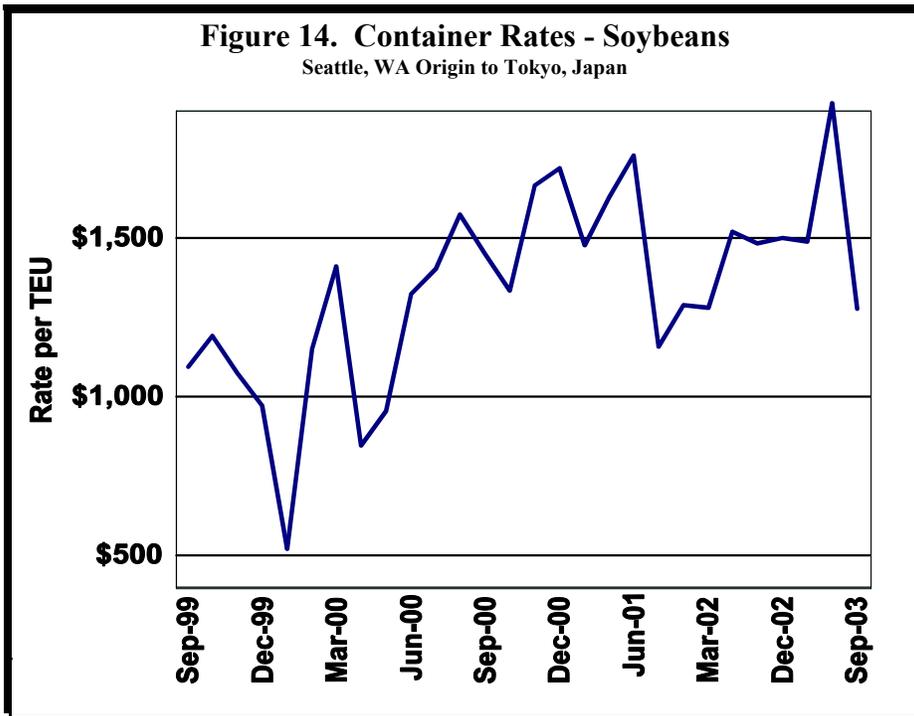
*Most food aid from the United States is required to be shipped on U.S. flag vessels. The vessels are of limited availability resulting in higher rates. In addition, destinations receiving food aid generally lack adequate port unloading facilities, requiring the vessel to remain in port for a longer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

