



GRAIN TRANSPORTATION REPORT

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

FEBRUARY 12, 2004

TM GRAIN TRANSPORT					
COST INDICATORS*	Truck	Rail	Barge	Ocean	
				Gulf	Pacific
02/11/04	105	295	109	310	312
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					

Feb. 14-17, '04	Mid-South Grain Association Convention		New Orleans, LA	573-683-3371
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. 18-19, '04	Nebraska Grain and Feed Association Annual Trade Show and Convention		Kearney, NE	402-476-6174
Feb. 19-20, '04	Agricultural Outlook Forum 2004		Arlington, VA	Raymond Bridge 202-720-5447
Feb. 22-24, '04	Grain World 2004		Winnipeg, Canada	204-983-4236
Feb. 26, '04	New York Farm Show		Syracuse, NY	FarmProgress Web Site
Feb. 26, '04	2004 Kansas Grain and Feed Association Grain Grading School		Parsons, KS	785-234-0461
Mar. 2-4, '04	2004 Commodity Classic National Corn Growers Assoc. (NCGA)		Las Vegas, NV	Dave Burmeister 314-576-1770
Mar. 16, '04	Grain Operations Conference		Bloomington, IL	217-787-2417
Mar. 31-Apr. 3, '04	California Grain & Feed Association Convention		Palm Springs, CA	760-320-6868
Apr. 14-16, '04	TGFA Southwest Grain & Feed Conference & Expo		Ft. Worth, TX	817-336-7875
Apr. 19-20, '04	Kansas Grain and Feed Association Annual Meeting		Overland Park, KS	785-234-0461

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	13
Barge	13
Truck	13
Grain Exports	12
Container	12
Canadian Ports	13

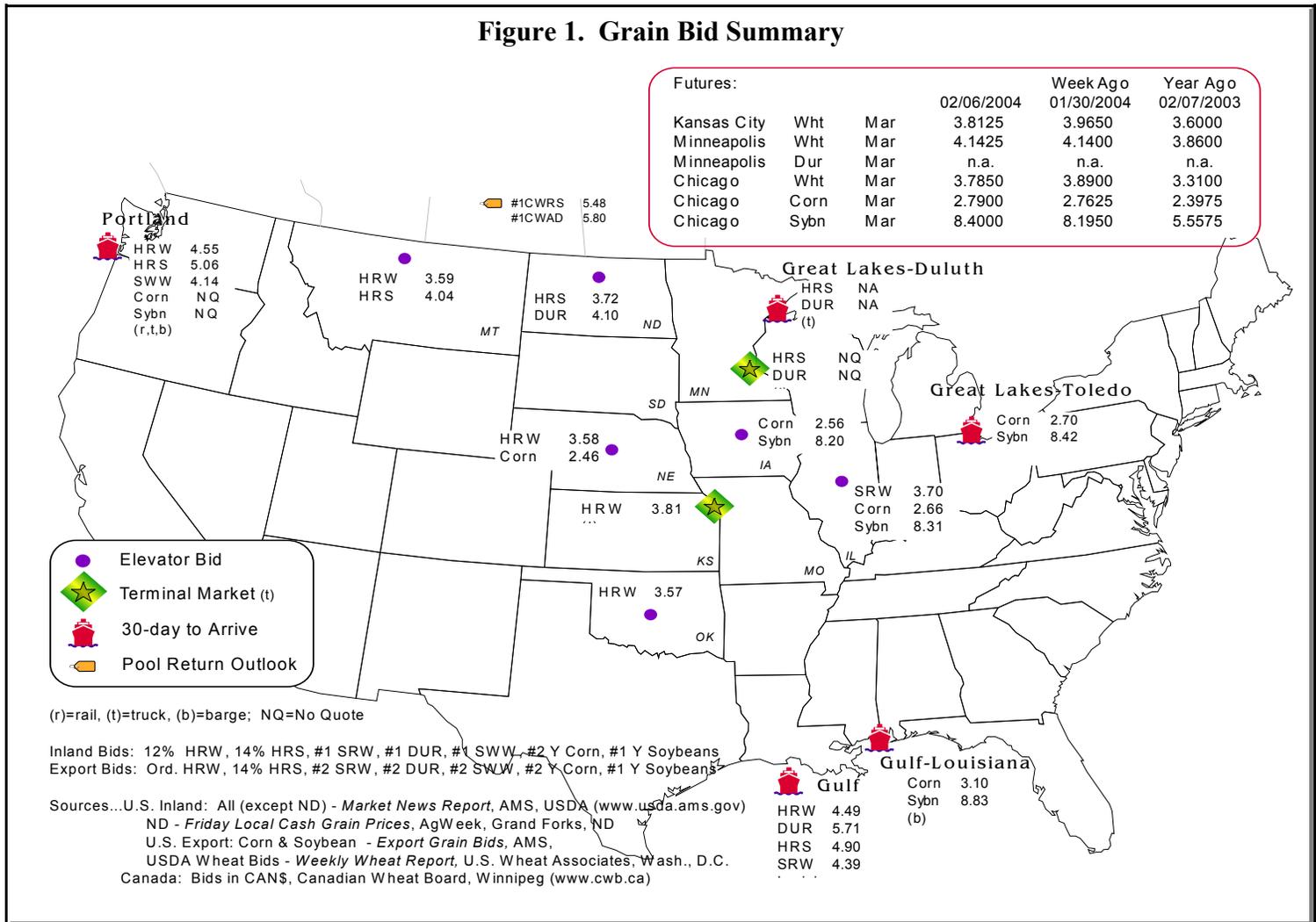
The Grain Transportation Report is a weekly news source for grain logistics. Detailed data and trend information on five major modes: barge, truck, rail, container, and vessel, provide timely insight into grain transport. The report is offered to policymakers and industry as a tool in day-to-day decision 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	-0.44	-0.45
Corn	NE -- Gulf	-0.64	-0.52
Soybean	IA -- Gulf	-0.63	-0.63
HRW	KS -- Gulf	-0.68	-0.67
HRS	ND -- Portland	-1.34	-1.34

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

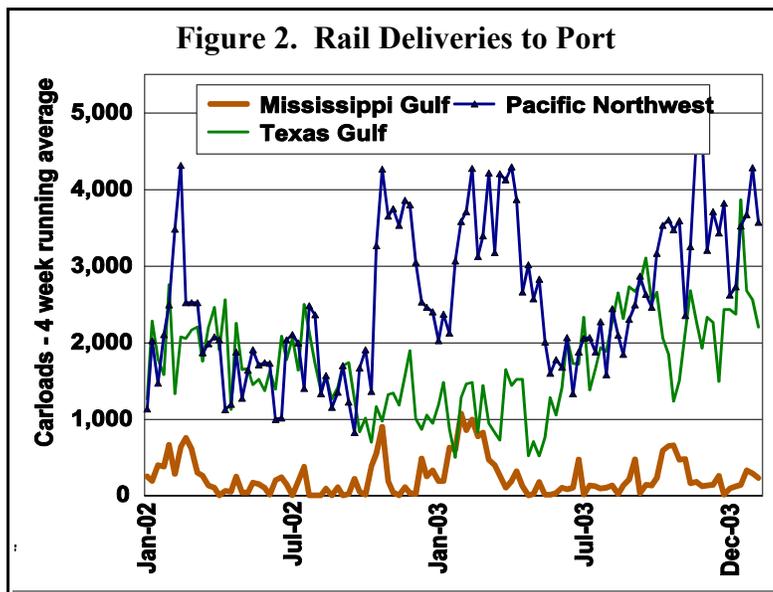


RAIL TRANSPORTATION

Table 2--Rail deliveries to port (carloads)

	Mississippi Gulf*	Texas Gulf	Pacific Northwest	Atlantic & East Gulf	Total
Week Ending:					
01/28/04	289	2,564	4,289	290	7,432
02/04/04	230	2,203	3,573	141	6,147
2004 YTD	1,119	13,690	17,790	1,488	34,087
2003 YTD	2,691	5,344	13,172	3,540	24,747
% 2003 YTD	42%	256%	135%	42%	138%
Total 2003	15,026	90,552	153,151	20,746	279,475
Total 2002	11,127	85,822	113,857	21,562	232,368

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.

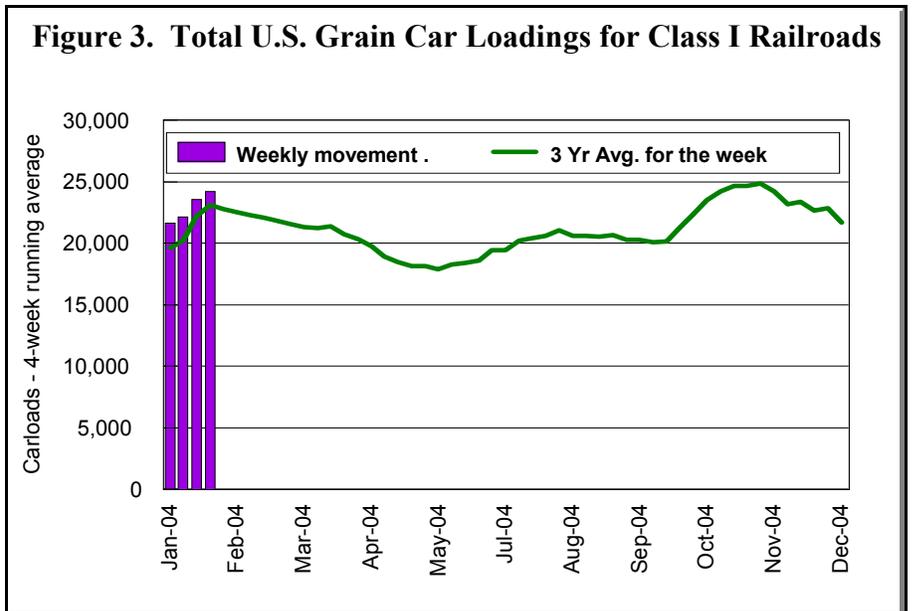


Table 3--Class I rail carrier grain car bulletin (Grain carloads originated)

	East		West			U.S. Total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
01/31/04	2,418	3,357	9,753	489	6,636	22,653	3,450	2,931
This Week Last Year	3,121	3,500	6,977	501	6,808	20,907	3,566	2,868
2004 YTD	12,730	14,734	38,755	2,745	27,903	96,867	18,182	14,625
2003 YTD	12,431	13,811	32,134	1,722	27,341	87,439	13,880	13,279
% 2003 YTD	102%	107%	121%	159%	102%	111%	131%	110%
2003 Total	149,389	174,338	425,035	24,859	340,993	1,114,614	202,294	201,729

U.S. rail covered hopper cars online index*

Jan-04	95.0	102.7	93.8	92.4	95.4	96.0
--------	------	-------	------	------	------	------

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

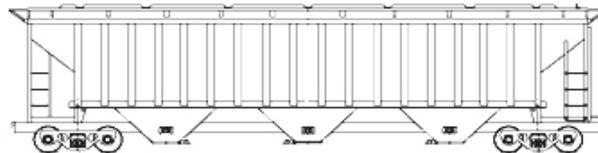


Table 4--Tariff rail rates for unit train shipments*

Date effective	Commodity	Origin	Destination	Rate per car	Rate per MT	Rate/per bushel**
02/05/04	Wheat	Kansas City, MO	Galveston, TX	\$1,820	\$20.06	\$0.55
02/05/04	Wheat	Minneapolis, MN	Portland, OR	\$4,148	\$45.72	\$1.24
02/05/04	Wheat	St. Louis, MO	Houston, TX	\$1,945	\$21.44	\$0.58
02/05/04	Wheat	Kansas City, MO	Laredo, TX	\$2,280	\$25.13	\$0.68
02/05/04	Wheat	Chicago, IL	Albany, NY	\$1,834	\$20.22	\$0.55
02/05/04	Corn	Minneapolis, MN	Portland, OR	\$3,240	\$35.71	\$0.91
02/05/04	Corn	Chicago, IL	Baton Rouge, LA	\$2,736	\$30.16	\$0.77
02/05/04	Corn	Council Bluffs, IA	Baton Rouge, LA	\$2,170	\$23.92	\$0.61
02/05/04	Corn	Evansville, IN	Raleigh, NC	\$1,841	\$20.29	\$0.52
02/05/04	Corn	Des Moines, IA	Laredo, TX	\$2,864	\$31.57	\$0.80
02/05/04	Soybean	Minneapolis, MN	Portland, OR	\$3,110	\$34.28	\$0.93
02/05/04	Soybeans	Chicago, IL	Baton Rouge, LA	\$2,736	\$30.16	\$0.82
02/05/04	Soybeans	Council Bluffs, IA	Baton Rouge, LA	\$2,799	\$30.85	\$0.84
02/05/04	Soybeans	Des Moines, IA	Laredo, TX	\$2,864	\$31.57	\$0.86
02/05/04	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

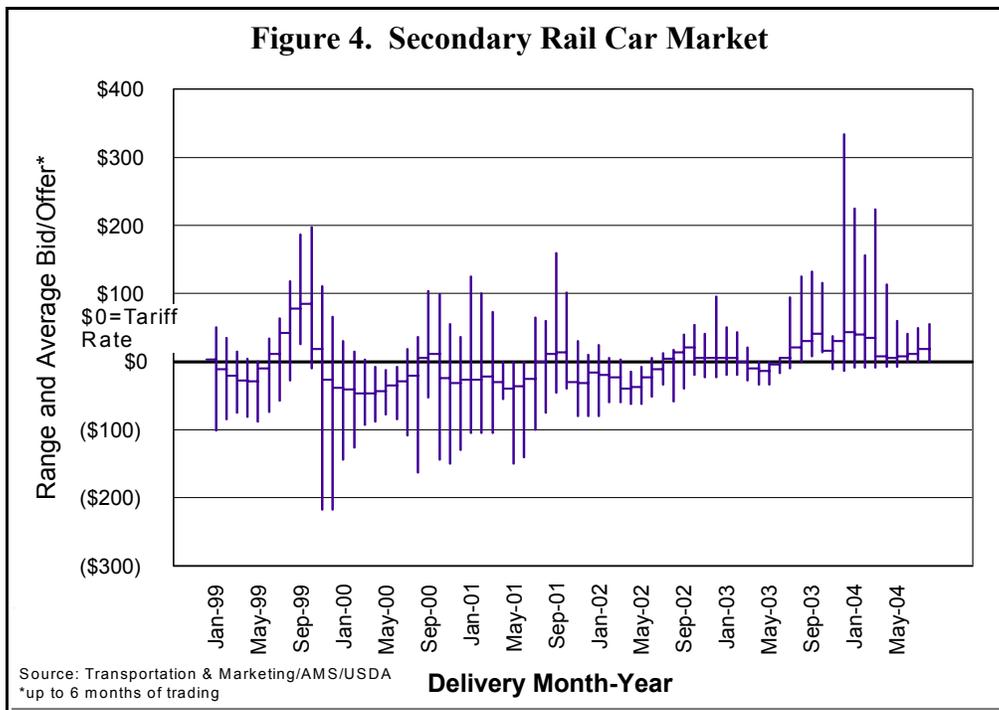
	Delivery Period			
	Mar-04	Apr-04	May-04	Jun-04
BNSF-GF	\$176	\$63	\$31	\$32
UP-Pool	\$224	\$113	\$60	\$41

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

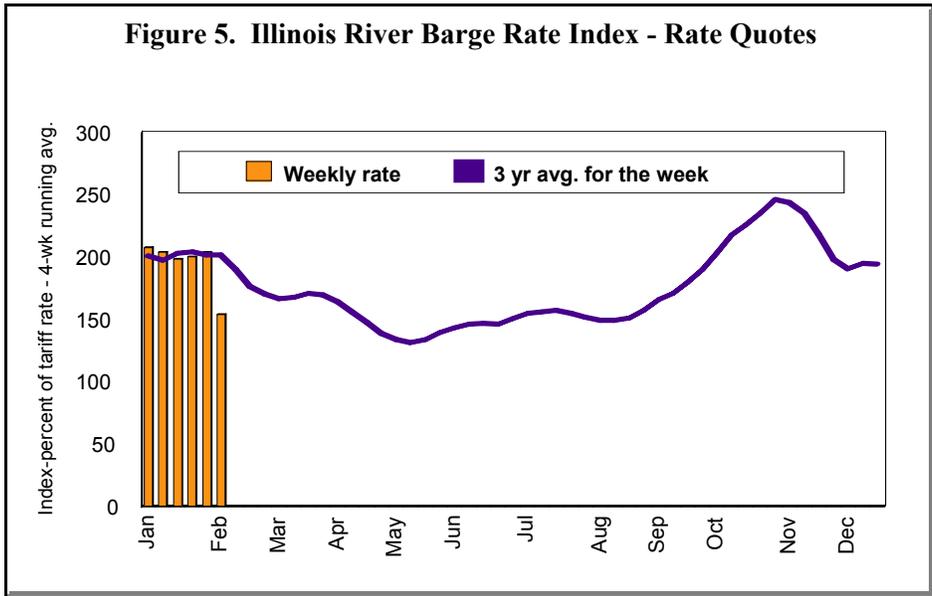
Delivery for:	Mar-04	Apr-04	May-04
COT/N. Grain	no offer	no offer	no offer
COT/S. Grain	no offer	no offer	\$11
GCAS/Region 1	no offer	\$32	\$27
GCAS/Region 2	no offer	\$139	\$45

Source: Transportation & Marketing/AMS/USDA.
COT=Certificate of Transportation; GCAS=Grain Car Allocation System



BARGE TRANSPORTATION

Figure 5. Illinois River Barge Rate Index - Rate Quotes



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	2/4/04	1/28/04	Mar '04	May '04
Twin Cities	nq	nq	nq	193
Mid-Mississippi	nq	nq	189	172
Illinois River	214	208	179	160
St. Louis	147	150	148	136
Lower Ohio	151	159	152	135
Cairo-Memphis	127	137	131	124

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

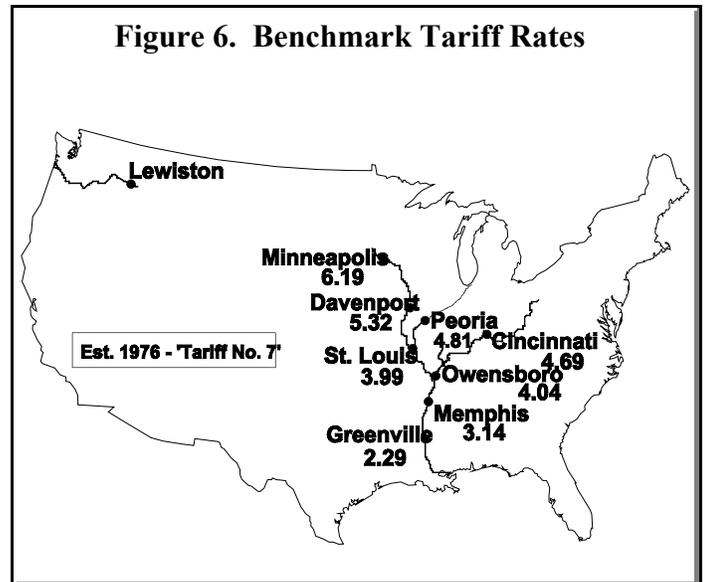
Table 8--Barge futures market

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
02/11/04	St. Louis	Mar.	n/a	145
		May	n/a	143
		July	n/a	155
		Sep.	n/a	190
	Illinois River	Oct.	n/a	225
		Mar.	n/a	175
		May	n/a	155
		July	n/a	165
		Sep.	n/a	205
		Oct.	n/a	245

Source: St. Louis Merchants Exchange

Figure 6. Benchmark Tariff Rates



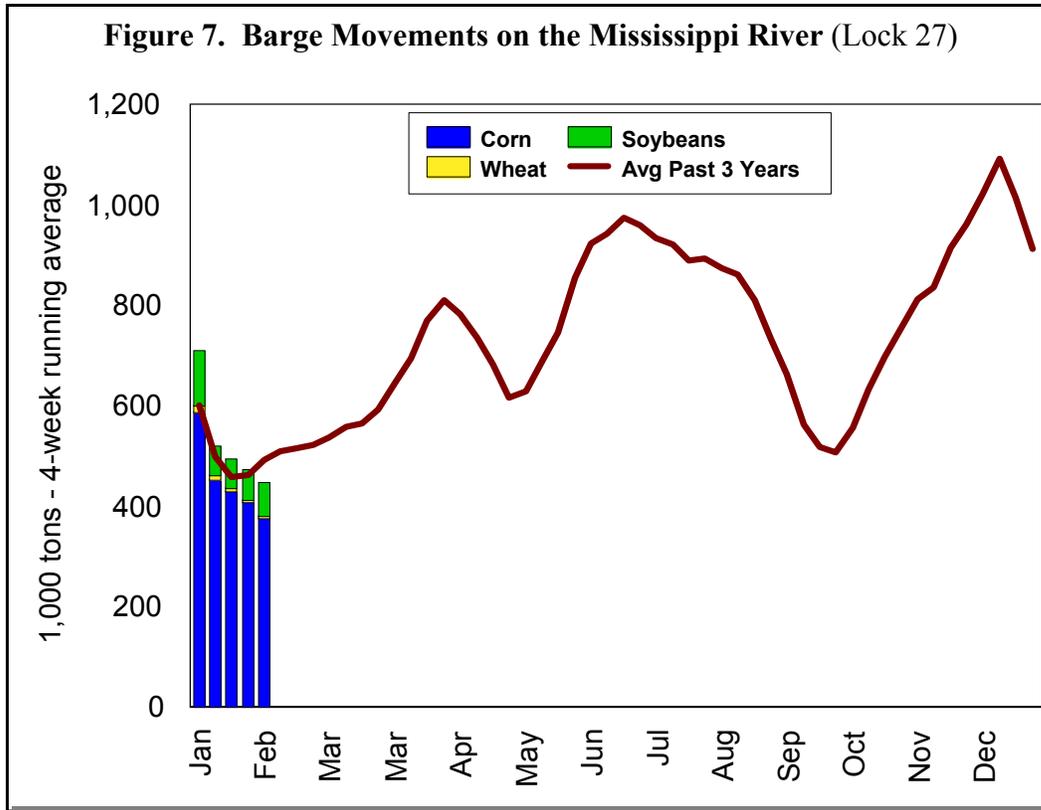


Table 9--Barge grain movements (1,000 tons)

Week ending 01/31/04	Corn	Wht	Sybn	Total
Mississippi River				
Rock Island, IL (L15)	0	0	0	0
Winfield, MO (L25)	0	0	0	0
Alton, IL (L26)	240	2	60	311
Granite City, IL (L27)	241	8	67	325
Illinois River (L8)	236	2	63	309
Ohio River (L52)	174	14	131	339
Arkansas River (L1)	0	34	19	53
2004 YTD	2,504	180	839	3,619
2003 YTD	2,327	149	1,372	3,986
% 2003 YTD	108%	121%	61%	91%
2003 Total	29,898	2,787	9,146	42,526

Source: U.S. Army Corp of Engineers

YTD and Calendar year total includes Miss/27, Ohio/52 and Ark/1.

TRUCK TRANSPORTATION

Figure 8. Weekly U.S. Retail Road Diesel Price



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.

Figure 9. Weekly Brent Crude Price, Friday Close



Table 10--Crude oil prices (US\$ per Barrel)-02/10/04

Type	This week	Last week	Change
Light Sweet Crude (NYMEX)	32.80	32.61	↑
Brent Crude	n/a	30.05	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				
01/29/04	2,878	1,872	1,376	1,256	170	7,451	9,100	7,447	23,998
This Week Year Ago	1,133	425	1,226	636	111	3,530	5,324	6,568	15,422
Cumulative Exports-Crop Year									
2003/04 YTD	8,402	2,580	4,500	3,002	742	19,126	20,315	17,314	56,755
2002/03 YTD	4,998	2,137	4,603	2,378	557	14,672	16,938	16,602	48,212
% 2002/03 YTD	168%	121%	98%	126%	133%	130%	120%	104%	118%
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=6/01-5/31, Corn & Soybeans=9/01-8/31

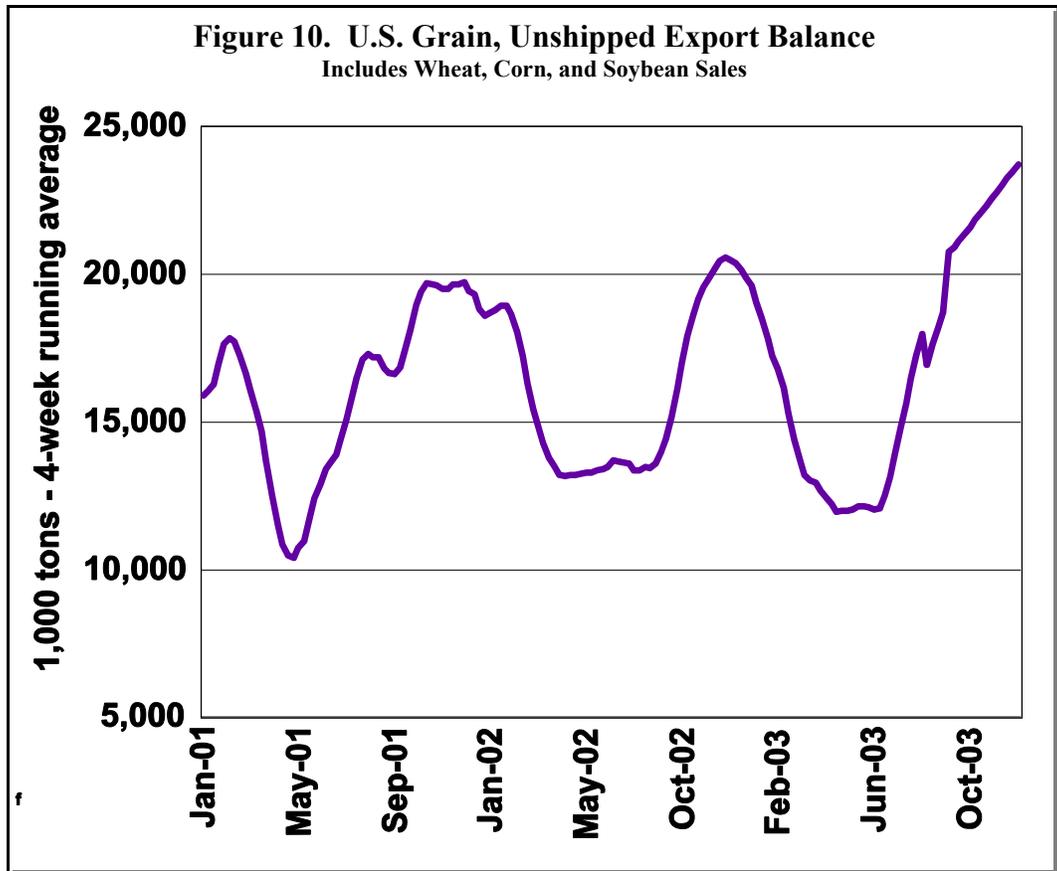
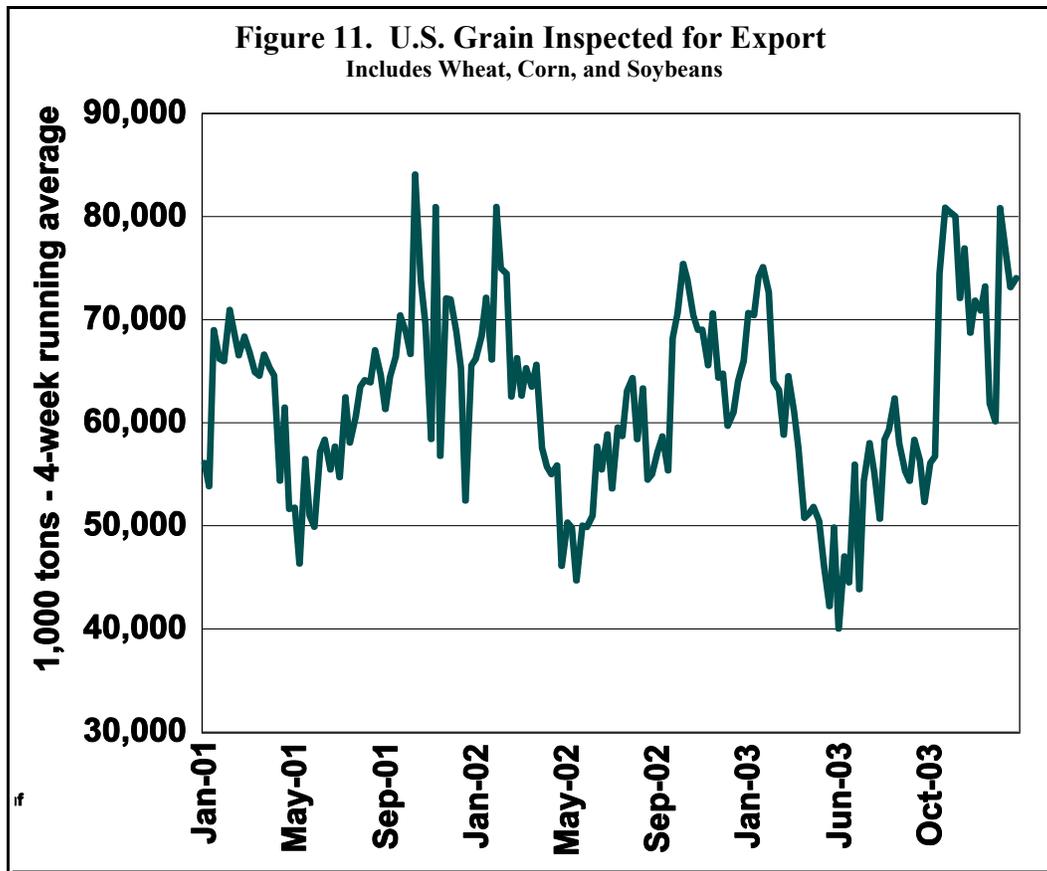


Table 12--Select U.S. port regions - grain inspections for export (1,000 metric tons)

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>
01/29/04	199	195	58	108	783	676	218	0	0	452	1,567	218
2004 YTD	1,187	634	635	576	3,673	2,678	1,226	42	0	2,457	6,927	1,268
2003 YTD	667	439	514	661	2,776	3,746	355	8	7	1,620	7,183	370
% 2003 YTD	178%	145%	0%	87%	132%	71%	345%	524%	0%	152%	96%	343%
2003 Total	8,764	5,450	5,114	5,855	30,352	18,972	7,032	746	348	19,328	55,179	8,125

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.

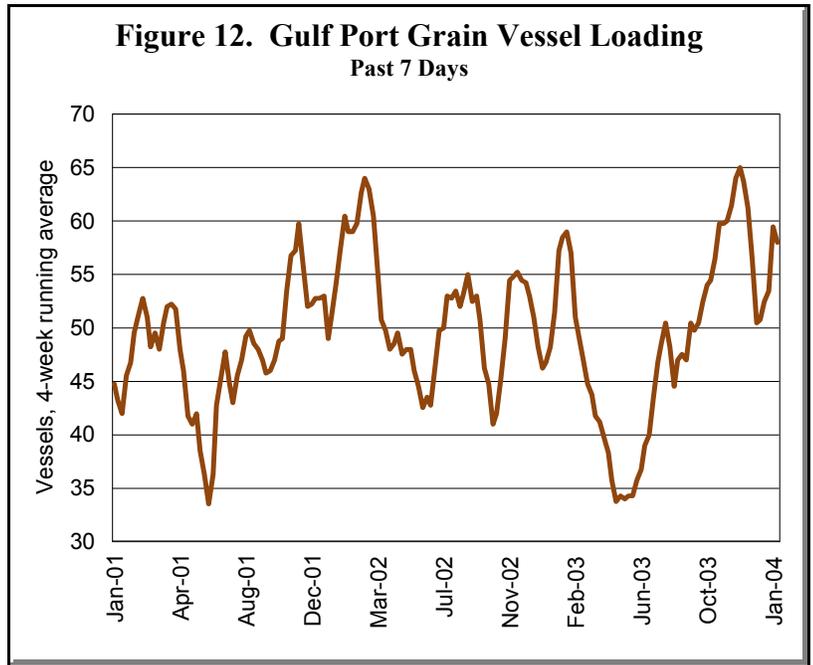


Table 13--Weekly port region grain ocean vessel activity (number of vessels)

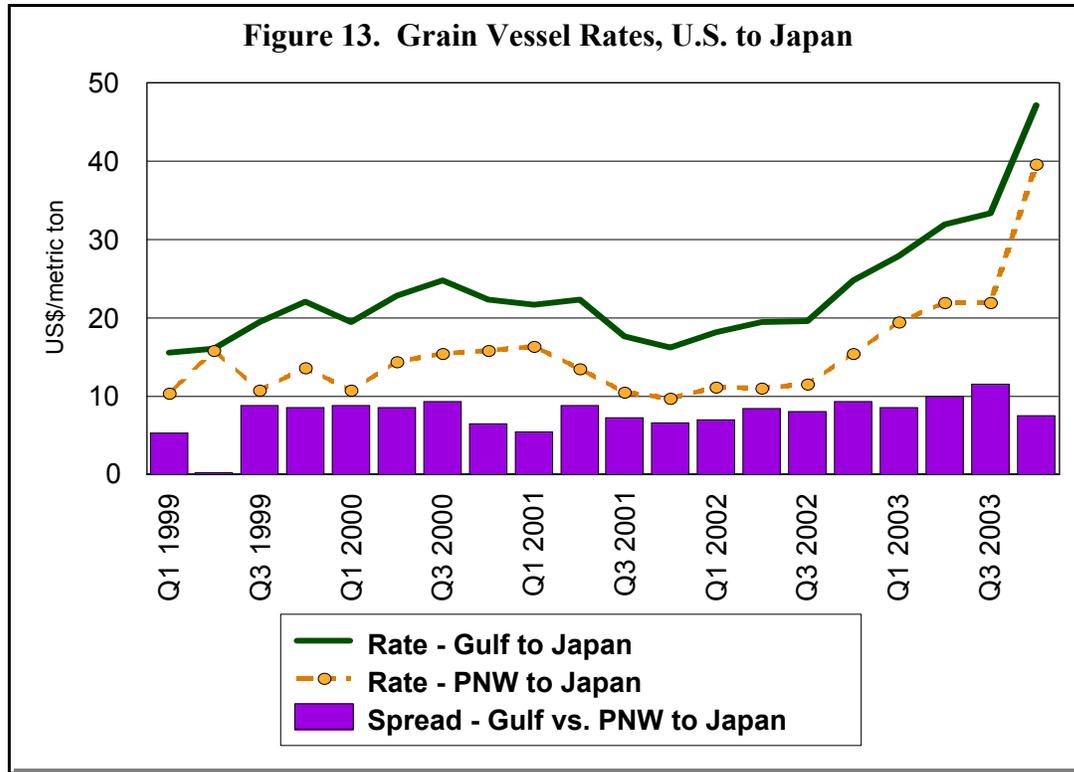
Date	Gulf			Pacific Northwest	Vancouver_B.C.
	In Port	Loaded 7-Days	Due Next 10-Days	In Port	In Port
01/29/04	28	60	69	12	6
02/05/04	30	47	63	13	5
2003 Range	(11..47)	(30..76)	(39..93)	(3..13)	(1..15)
2003 Avg	31	49	62	9	6

Source: Transportation & Marketing/AMS/ USDA

Table 14--Quarterly ocean freight rates (average rates & percentage changes, U.S. dollars/metric ton)

	2003 4 th Qtr	2002 4 th Qtr	Change %		2003 4 th Qtr	2002 4 th Qtr	Change %
Gulf to				Pacific NW to			
Japan	\$41.83	\$24.75	69%	Japan	-	\$15.39	-
Taiwan	\$44.00	-	-				
N. Europe	-	\$18.07	-	Argentina/Brazil to			
N. Africa	\$35.00	\$18.33	91%	Med. Sea	\$38.50	\$22.00	75%
Med. Sea	\$31.75	-	-	N. Europe	-	\$22.63	-

Source: Maritime Research, Inc.



Source: The Baltic Exchange

Table 15--Ocean freight rates for selected shipments
Week Ending 02/07/04

Export region	Import region	Grain	Month	Volume loaded (Tons)	Freight rate (\$/ton)
U.S. Gulf	Peru	Grain	Mar 9/18	9,710	\$55.59*
U.S. Gulf	China	Hvy Grain	Jan 25/39	55,000	\$53.25
U.S. Gulf	China	Hvy Grain	Feb 5/14	55,000	\$60.00
U.S. Gulf	S. Africa	Sorghum	Jan 26/Feb 5	20,000	\$49.50
U.S. Gulf	Haiti	Wheat	Feb 17/27	8,500	\$53.89*

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

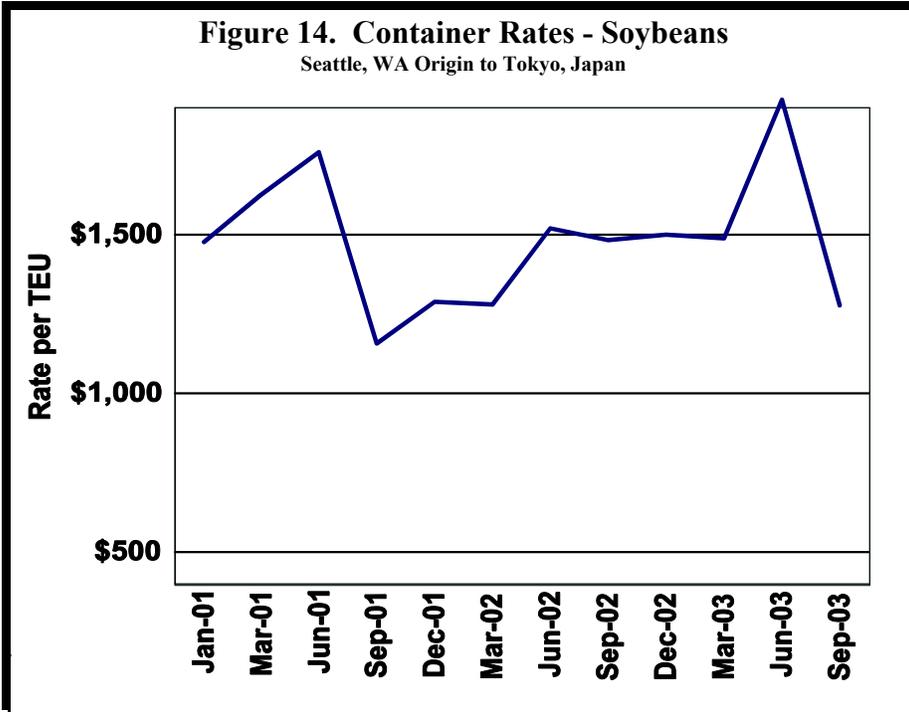
*Most food aid from the United States is required to be shipped on U.S. flag vessels. The vessels are of limited availability resulting in higher rates. In addition, destinations receiving food aid generally lack adequate port unloading facilities, requiring the vessel to remain in port for a longer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

