



Grain Transportation Report

A weekly publication of the Agricultural Marketing Service
www.ams.usda.gov/GTR

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August 4, 2016

WEEKLY HIGHLIGHTS

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Railroad Grain Carloadings Still Seasonally High

For the week ending July 23, U.S. Class I railroads originated 24,038 **grain carloads**, which is 6 percent lower than the previous week, but still 9 percent higher than the same week last year and 32 percent higher than the prior 3-year average. Grain carloadings have been well above average for the past 6 weeks, and 2016 year-to-date grain carloadings are 1 percent higher than in 2015. The ongoing small-grains harvests, the emptying of grain storage bins in preparation for this year's corn and soybean harvest, and demand for U.S. grains from Latin America are factors behind the continued trend of high carloadings (see [Grain Transportation Report, dated 7/7/16](#)). Inspections of corn, wheat, and soybeans are also significantly higher than their seasonal averages.

STB Proposes New Reciprocal Switching Regulations

Last week, the Surface Transportation Board (STB) "[proposed new regulations](#) to improve the availability of reciprocal switching" in EP 711 (Sub-No. 1). Reciprocal switching, also known as "competitive switching," generally involves an incumbent railroad interchanging or transferring a shipper's traffic to a competing railroad for a fee. STB's [news release](#) added, "The proposed rules allow a shipper to gain access to another railroad if the shipper makes certain showings," namely that the arrangement is "practicable and in the public interest" or "necessary to provide competitive rail service." STB is currently seeking public comment through September 26. The proposal would affect rail transportation stakeholders, including those in the grain industry.

Wheat Inspections Continue to Increase

For the week ending July 28, total inspections of wheat for export continued to increase, reaching .697 million metric tons (mmt), up 13 percent from the previous week and 101 percent above last year. Wheat inspections were also the highest since early October 2014, and were destined primarily to Asia. Total corn and soybean inspections decreased 13 and 7 percent from the previous week, partly due to stocks falling just before the harvest begins. Although weekly inspections for these two crops are down from the previous week, year-to-year volumes are up 6 percent for corn and 5 percent for soybeans. Mississippi Gulf inspections reached 1.3 mmt, down 7 percent from the past week, and Pacific Northwest (PNW) inspections totaled .770 mmt, unchanged from the previous week. **Total inspections of grain** (corn, wheat, soybeans) for export from all major export regions reached 2.52 mmt, down 5 percent from the previous week, up 76 percent from last year, and 81 percent above the 3-year average. Outstanding export sales (unshipped) of grain were unchanged for wheat but down for corn and soybeans.

Snapshots by Sector

Export Sales

During the week ending July 21, **unshipped balances** of wheat, corn, and soybeans totaled 22.2 mmt, up 56 percent from the same time last year. Net weekly **wheat export sales** were .506 mmt, up 6 percent from the previous week. Net **corn export sales** were .439 mmt, up 27 percent from the previous week, and net **soybean export sales** were down noticeably from the past week.

Rail

U.S. Class I railroads originated 24,038 **grain carloads** for the week ending July 23, down 6 percent from the previous week, up 9 percent from last year, and up 32 percent from the 3-year average.

Average August shuttle **secondary railcar bids/offers** per car were \$450 above tariff for the week ending July 28, up \$169 from last week, and \$532 higher than last year. Average secondary non-shuttle secondary railcar bids/offers were \$63 above tariff, up \$6 from last week, and \$75 higher than last year.

Barge

For the week ending July 30, **barge grain movements** totaled 1,148,646 tons, 21 percent higher than last week, and up 36 percent from the same period last year.

For the week ending July 30, 736 grain barges **moved down river**, up 21 percent from last week; 721 grain barges were **unloaded in New Orleans**, down 15 percent from the previous week.

Ocean

For the week ending July 28, 36 **ocean-going grain vessels** were loaded in the Gulf, 6 percent more than the same period last year. Sixty-one vessels are expected to be loaded within the next 10 days, 11 percent more than the same period last year.

For the week ending July 28, the ocean freight rate for shipping bulk grain from the Gulf to Japan was \$29.50 per metric ton, down 6 percent from the previous week. The cost of shipping from the PNW to Japan was \$16.50 per metric ton, down 6 percent from the previous week.

Fuel

During the week ending August 1, U.S. average **diesel fuel prices** fell 3 cents from the previous week to \$2.35 per gallon, down \$0.32 from the same week last year.

Feature Article/Calendar

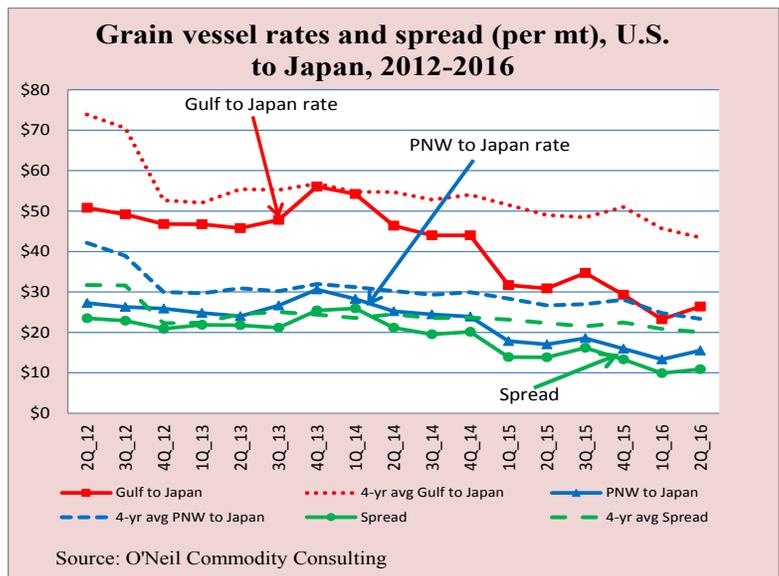
Ocean Freight Rates Rallied During Second Quarter, But Remain Low

Ocean freight rates for shipping bulk commodities, including grain, increased during the 2nd quarter compared to the previous quarter, but were still lower than the same period a year ago and the 4-year average (see table and figure below). Ocean freight rates for shipping grain from the U.S. Gulf to Japan averaged \$26.40 per metric ton (mt), 14 percent more than the previous quarter, but 14 and 39 percent lower than last year and the 4-year average, respectively (table). The rates for shipping grain from the Pacific Northwest (PNW) to Japan averaged \$15.50 per mt, 17 percent above last quarter, but 9 and 34 percent below the same period a year ago and the 4-year average, respectively (table). Rates averaged \$13.72 per mt to ship grain from the U.S. Gulf to Europe, 18 percent more than the previous quarter. However, the rate was 2 percent lower than the same period last year and 27 percent lower than the 4-year average. The spread between the Gulf-to-Japan and PNW-to-Japan rates also increased from last quarter, but was lower than last year and the 4-year average, which indicates that either the Gulf-to-Japan rates are either increasing at a faster rate or decreasing at a lower rate than the PNW-to-Japan rates during the quarter. This was evident by the strong vessel loading activity in the Gulf during the quarter.

Ocean freight rates for grain routes during the second quarter 2016							
Route	Apr.	May	June	2nd quarter 2016	Change from		
					1st qtr '16	2nd qtr '15	4-yr avg
--\$/mt--				--\$/mt--	Percent		
U.S. Gulf to Japan	24.63	26.06	28.50	26.40	13.7	-14	-39
PNW to Japan	14.81	15.75	15.95	15.50	16.6	-9	-34
Spread	9.82	10.31	12.55	10.89	10	-21	-46
U.S. Gulf to Europe	12.69	13.56	14.90	13.72	18	-2	-27

Source: O'Neil Commodity Consulting

After declining for 7 consecutive months, rates started to increase during March and continued to increase through June. The second quarter began with a rate increase in April. The increase in rates was triggered by an increase in iron trade to China, caused by an increase in Chinese steel prices. There was also an increase in grain activity, especially out of South America, and a surge in demand for coking coal induced by strong Chinese steel prices, low inventory levels, and a rebound in construction activity in China. During the first 3 months of the year, China imported 11.43 million tons of coking coal, 5 percent more than the same period a year earlier. Low winter temperatures in Europe also boosted the demand for coal. The seasonal iron ore restocking by the Chinese steel mills continued until May, driving up ocean freight rates. Iron ore inventories at Chinese ports in May have risen to 100 million tons, the highest volume since February 2015. Efforts by the power



plants to boost their reserves before the summer peak season led to an increase in thermal coal consumption during the 2nd quarter, boosting the ocean freight rates.

Ocean freight rates continued to increase through June as inactive steel mills in China resumed operations in response to recovery in steel prices, leading to a phenomenal increase in steel production and iron ore imports. There was also an increase in grain and minor bulk grain trades during the month.

Market Outlook: Despite the recent rally in ocean freight rates, it is very uncertain if the increase in ocean freight rates can be sustained longer term as there is still excess vessel supply in the market. According to July *Drewry Shipping Insight*, although iron restocking by China and increased grain trade have boosted the ocean freight rates lately, the outlook for iron ore imports by China remains bleak. China is currently experiencing slow economic growth. It is also planning to cut steel production capacity by 45 million tons in 2016. In addition, China is facing either the imposition or the threat of anti-dumping duties by importing countries, such as India and the United States, to protect domestic steel producers.

China's coal imports may increase in the near-term because of supply tightness and lack of inventory in coal producing provinces. However, environmental concerns in China and other countries and movements toward alternative and cleaner forms of energy may affect the long-term coal trade. Heavy rains during the monsoon season in India aided high generation of hydroelectricity, leading to less coal being imported by India, the largest importer. In addition to Indonesia's plan to slash its coal production by 11 percent annually, extreme weather conditions in Australian ports are expected to lead to congestion and continue to disrupt the coal supply. Finally, dry bulk orderbook continued to expand as ship-owners are trying to take advantage of the low newly-built prices to expand their fleet. In June, the orderbook as a percentage of the existing fleet increased from 14.9 percent in May to 15.2 percent. At the same time demolition activity or vessel retirement is not growing fast enough to clear the market of excess supply. The above scenarios indicate that ocean freight rates will continue to fluctuate, but it may take a very long time to see a sustained increase in the bulk ocean freight rates. surajudeen.olowolayemo@ams.usda.gov

Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators¹

For the week ending	Truck		Rail		Barge	Ocean	
		Unit	Train	Shuttle		Gulf	Pacific
08/03/16		158	261	225	218	132	117
07/27/16		160	258	216	219	140	124

¹Indicator: Base year 2000 = 100; Weekly updates include truck = diesel (\$/gallon); rail = near-month secondary rail market bid and monthly tariff rate with fuel surcharge (\$/car); barge = Illinois River barge rate (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)

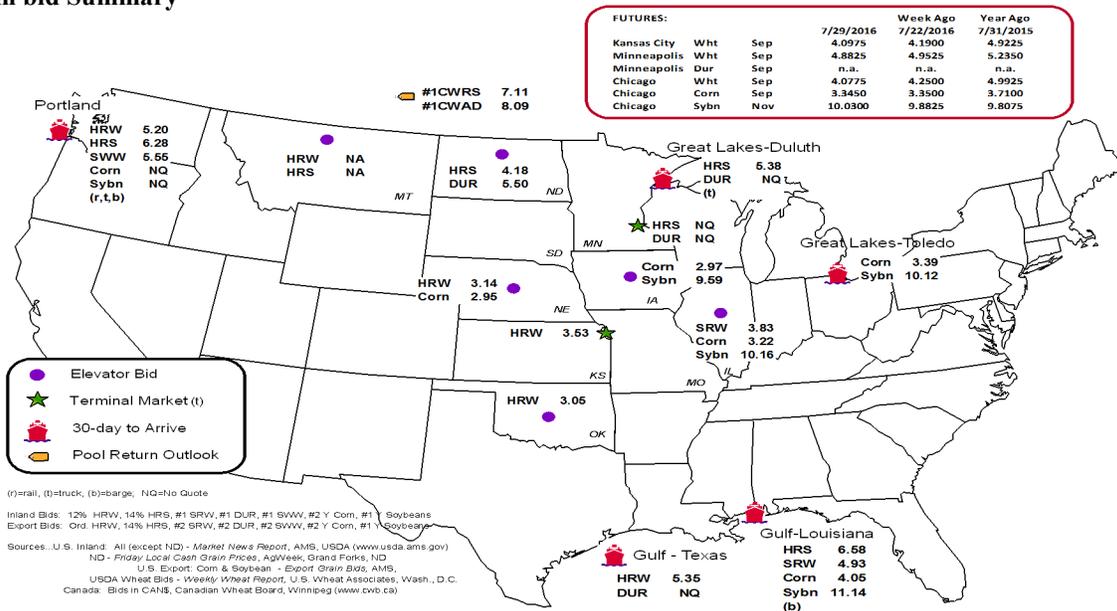
Commodity	Origin--Destination	7/29/2016	7/22/2016
Corn	IL--Gulf	-0.83	-0.81
Corn	NE--Gulf	-1.10	-1.07
Soybean	IA--Gulf	-1.55	-1.50
HRW	KS--Gulf	-1.82	-1.76
HRS	ND--Portland	-2.10	-1.98

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)¹

For the Week Ending	Mississippi		Pacific	Atlantic &		Total	Week ending	Cross-Border Mexico ³
	Gulf	Texas Gulf	Northwest	East Gulf				
7/27/2016 ^p	863	771	4,142	296		6,072	7/23/2016	1,943
7/20/2016 ^r	542	975	3,681	108		5,306	7/16/2016	2,190
2016 YTD ^r	7,862	42,440	146,222	10,510		207,034	2016 YTD	61,513
2015 YTD ^r	12,488	36,135	126,248	14,454		189,325	2015 YTD	53,108
2016 YTD as % of 2015 YTD	63	117	116	73		109	% change YTD	116
Last 4 weeks as % of 2015 ²	178	265	146	82		154	Last 4wks % 2015	115
Last 4 weeks as % of 4-year avg. ²	239	96	170	113		152	Last 4wks % 4 yr	132
Total 2015	29,054	60,819	239,029	26,730		355,632	Total 2015	97,736
Total 2014	44,617	83,674	256,670	32,107		417,068	Total 2014	98,422

¹ Data is incomplete as it is voluntarily provided

² Compared with same 4-weeks in 2015 and prior 4-year average.

³ Cross-border weekly data is approximately 15 percent below the Association of American Railroads' reported weekly carloads received by Mexican railroads to reflect switching between KCSM and FerroMex.

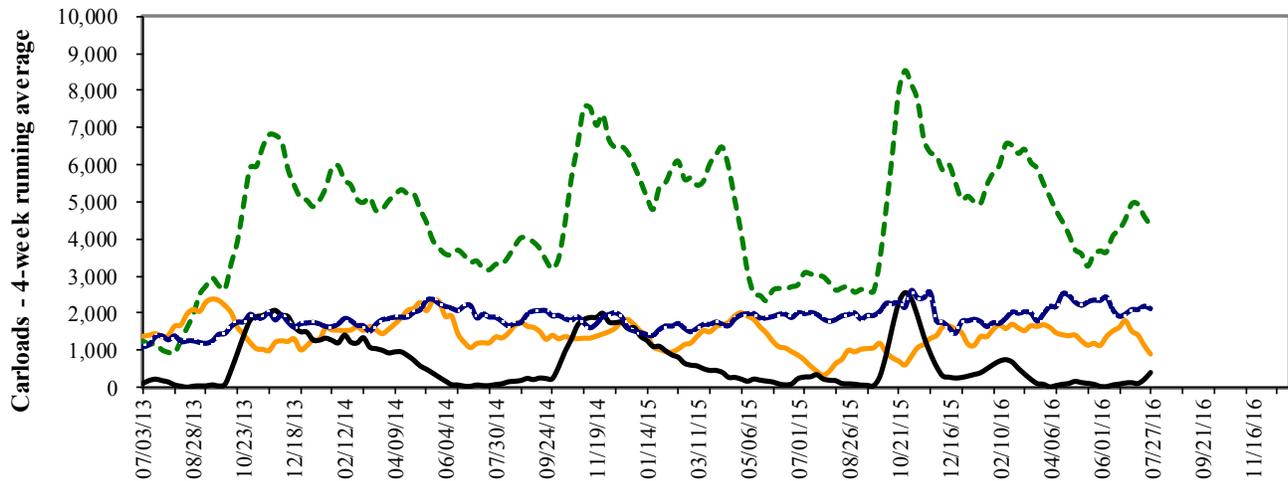
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

Source: Transportation & Marketing Programs/AMS/USDA

Railroads originate approximately 24 percent of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Figure 2

Rail Deliveries to Port



--- Pacific Northwest: 4 wks. ending 7/27--up 46% from same period last year; up 70% from 4-year average
--- Texas Gulf: 4 wks. ending 7/27--up 165% from same period last year; down 4% from 4-year average
--- Miss. River: 4 wks. ending 7/27--up 78% from same period last year; up 139% from 4-year average
--- Cross-border: 4 wks. ending 7/23--up 15% from same period last year; up 32% from 4-year average

Source: Transportation & Marketing Programs/AMS/USDA

Table 4

Class I Rail Carrier Grain Car Bulletin (grain carloads originated)

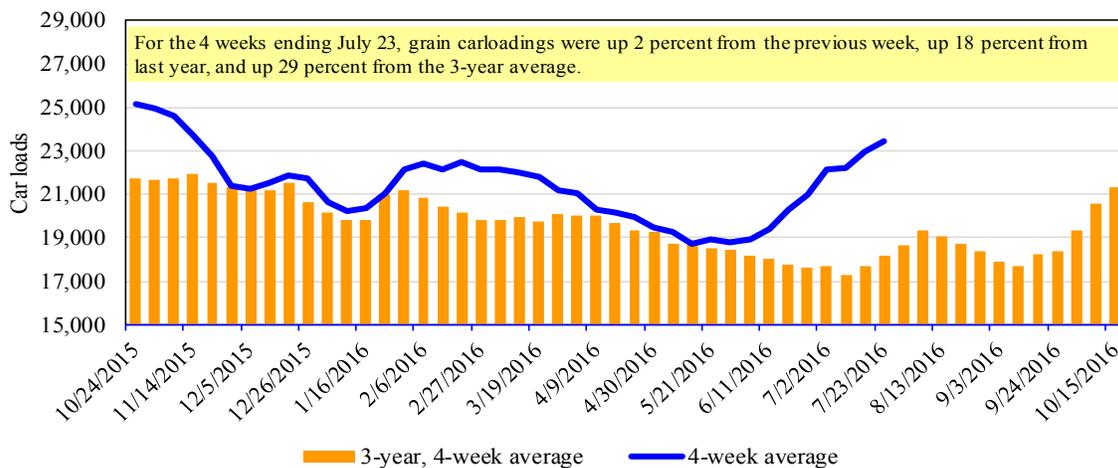
For the week ending: 7/23/2016	East		West			U.S. total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
This week	1,414	2,532	13,344	790	5,958	24,038	4,053	5,113
This week last year	2,335	2,840	10,934	815	5,167	22,091	4,594	4,887
2016 YTD	51,163	81,280	304,353	24,914	152,469	614,179	93,688	124,273
2015 YTD	59,588	86,981	284,628	25,195	149,061	605,453	119,664	127,929
2016 YTD as % of 2015 YTD	86	93	107	99	102	101	78	97
Last 4 weeks as % of 2015*	73	113	130	105	116	118	89	98
Last 4 weeks as % of 3-yr avg.**	86	116	146	134	120	129	94	89
Total 2015	104,039	149,043	536,173	45,445	267,720	1,102,420	211,868	236,263

*The past 4 weeks of this year as a percent of the same 4 weeks last year.

**The past 4 weeks as a percent of the same period from the prior 3-year average. YTD = year-to-date.

Source: Association of American Railroads (www.aar.org)

Figure 3

Total Weekly U.S. Class I Railroad Grain Car Loadings

Source: Association of American Railroads

Table 5

Railcar Auction Offerings¹ (\$/car)²

For the week ending: 7/28/2016		Delivery period							
		Aug-16	Aug-15	Sep-16	Sep-15	Oct-16	Oct-15	Nov-16	Nov-15
BNSF ³	COT grain units	no bids	27	no bids	14	90	23	23	1
	COT grain single-car ⁵	138 .. 250	0 .. 46	121 .. 153	0 .. 70	137 .. 151	3 .. 13	20 .. 208	0 .. 8
UP ⁴	GCAS/Region 1	no bids	no bids	10	no bids	49	no bids	n/a	n/a
	GCAS/Region 2	22	no bids	31	no bids	220	no bids	n/a	n/a

¹Auction offerings are for single-car and unit train shipments only.

²Average premium/discount to tariff, last auction

³BNSF - COT = Certificate of Transportation; north grain and south grain bids were combined effective the week ending 6/24/06.

⁴UP - GCAS = Grain Car Allocation System

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

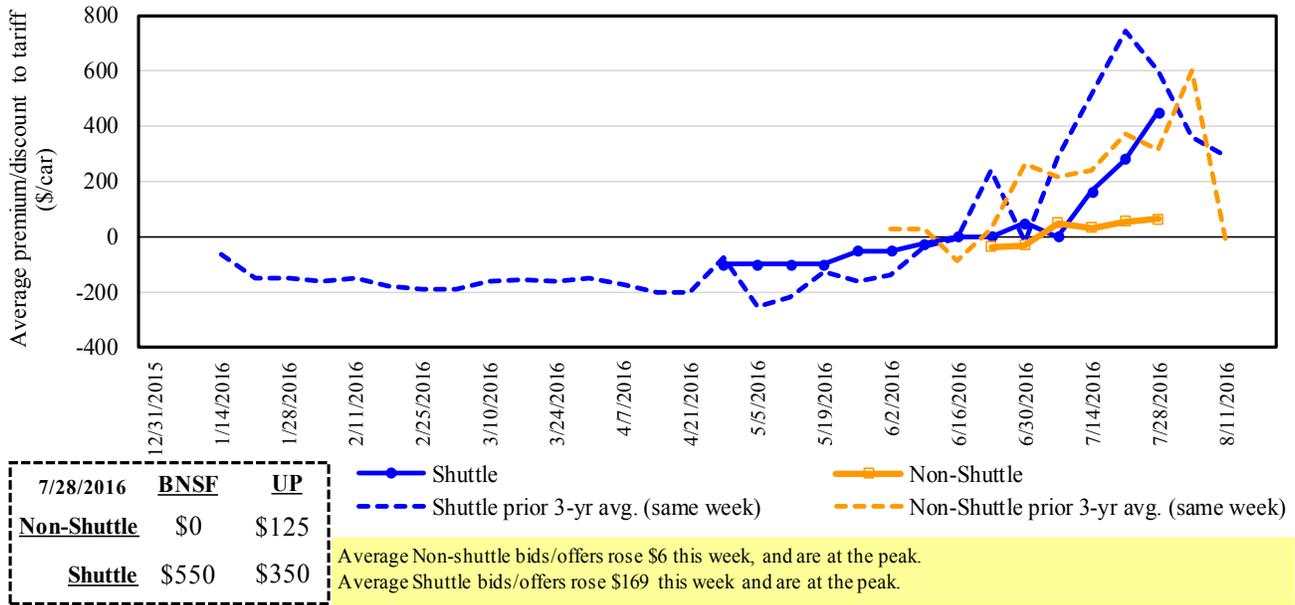
Region 2 includes: CO, IA, KS, MN, NE, WY, and Kansas City and St. Joseph, MO.

⁵Range is shown because average is not available. Not available = n/a.

Source: Transportation & Marketing Programs/AMS/USDA.

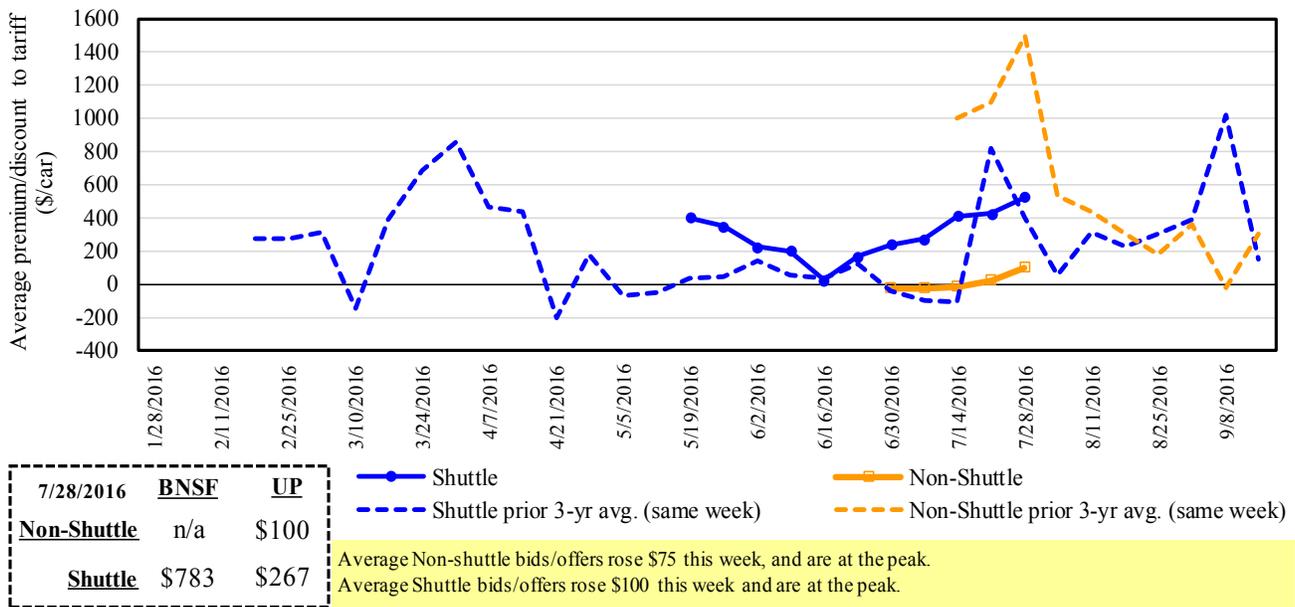
The **secondary rail market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The **auction and secondary rail** values are indicators of rail service quality and demand/supply.

Figure 4
Bids/Offers for Railcars to be Delivered in August 2016, Secondary Market



Non-shuttle bids include unit-train and single-car bids. n/a = not available.
 Source: Transportation & Marketing Programs/AMS/USDA

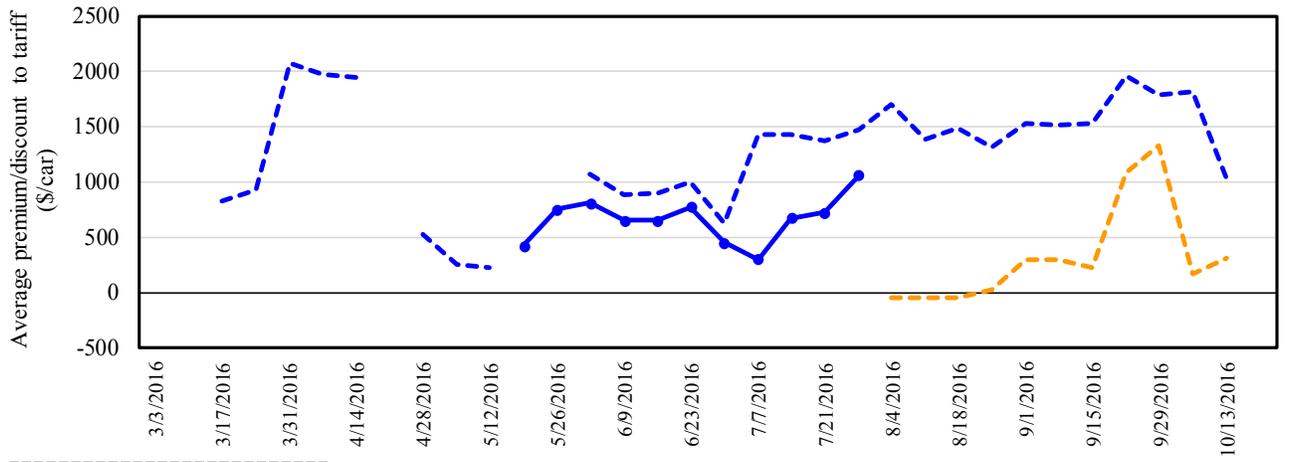
Figure 5
Bids/Offers for Railcars to be Delivered in September 2016, Secondary Market



Non-shuttle bids include unit-train and single-car bids. n/a = not available.
 Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in October 2016, Secondary Market



7/28/2016				
	BNSF	UP		
Non-Shuttle	n/a	n/a		
Shuttle	\$1,488	\$633		

—●— Shuttle
- - - Shuttle prior 3-yr avg. (same week)
—■— Non-Shuttle
- - - Non-Shuttle prior 3-yr avg. (same week)

There were no Non-Shuttle bids/offers this week.
 Average Shuttle bids/offers rose \$335 this week and are at the peak.

Non-shuttle bids include unit-train and single-car bids. n/a = not available.
 Source: Transportation & Marketing Programs/AMS/USDA

Table 6

Weekly Secondary Railcar Market (\$/car)¹

For the week ending:		Delivery period					
		7/28/2016	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
Non-shuttle	BNSF-GF	0	n/a	n/a	n/a	n/a	n/a
	Change from last week	(100)	n/a	n/a	n/a	n/a	n/a
	Change from same week 2015	(50)	n/a	n/a	n/a	n/a	n/a
	UP-Pool	125	100	n/a	n/a	n/a	n/a
	Change from last week	112	75	n/a	n/a	n/a	n/a
Change from same week 2015	200	n/a	n/a	n/a	n/a	n/a	
Shuttle	BNSF-GF	550	783	1488	800	100	n/a
	Change from last week	125	108	488	n/a	(75)	n/a
	Change from same week 2015	600	766	838	n/a	200	n/a
	UP-Pool	350	267	633	500	300	n/a
	Change from last week	212	92	183	n/a	n/a	n/a
Change from same week 2015	463	442	n/a	n/a	n/a	n/a	

¹Average premium/discount to tariff, \$/car-last week

Note: Bids listed are market INDICATORS only & are NOT guaranteed prices,

n/a = not available; GF = guaranteed freight; Pool = guaranteed pool

Sources: Transportation and Marketing Programs/AMS/USDA

Data from James B. Joiner Co., Tradewest Brokerage Co.

The **tariff rail rate** is the base price of freight rail service, and together with **fuel surcharges** and any **auction and secondary rail** values constitute the full cost of shipping by rail. Typically, auction and secondary rail values are a small fraction of the full cost of shipping by rail relative to the tariff rate. High auction and secondary rail values, during times of high rail demand or short supply, can exceed the cost of the tariff rate plus fuel surcharge.

Table 7

Tariff Rail Rates for Unit and Shuttle Train Shipments¹

Effective date:					Tariff plus surcharge per:		Percent
8/1/2016	Origin region*	Destination region*	Tariff rate/car	Fuel surcharge per car	metric ton	bushel ²	change Y/Y ³
Unit train							
Wheat	Wichita, KS	St. Louis, MO	\$3,605	\$35	\$36.15	\$0.98	-1
	Grand Forks, ND	Duluth-Superior, MN	\$4,143	-\$3	\$41.11	\$1.12	-1
	Wichita, KS	Los Angeles, CA	\$6,950	-\$15	\$68.86	\$1.87	-2
	Wichita, KS	New Orleans, LA	\$4,243	\$62	\$42.75	\$1.16	-2
	Sioux Falls, SD	Galveston-Houston, TX	\$6,486	-\$13	\$64.28	\$1.75	-2
	Northwest KS	Galveston-Houston, TX	\$4,511	\$68	\$45.47	\$1.24	-2
	Amarillo, TX	Los Angeles, CA	\$4,710	\$95	\$47.72	\$1.30	-2
Corn	Champaign-Urbana, IL	New Orleans, LA	\$3,681	\$70	\$37.25	\$0.95	8
	Toledo, OH	Raleigh, NC	\$6,061	\$0	\$60.19	\$1.53	9
	Des Moines, IA	Davenport, IA	\$2,168	\$15	\$21.68	\$0.55	-1
	Indianapolis, IN	Atlanta, GA	\$5,004	\$0	\$49.69	\$1.26	5
	Indianapolis, IN	Knoxville, TN	\$4,311	\$0	\$42.81	\$1.09	5
Soybeans	Des Moines, IA	Little Rock, AR	\$3,444	\$44	\$34.64	\$0.88	2
	Des Moines, IA	Los Angeles, CA	\$5,052	\$128	\$51.44	\$1.31	1
	Minneapolis, MN	New Orleans, LA	\$3,799	\$37	\$38.10	\$1.04	-3
	Toledo, OH	Huntsville, AL	\$5,051	\$0	\$50.16	\$1.37	8
	Indianapolis, IN	Raleigh, NC	\$6,178	\$0	\$61.35	\$1.67	10
Indianapolis, IN	Huntsville, AL	\$4,529	\$0	\$44.98	\$1.22	4	
Champaign-Urbana, IL	New Orleans, LA	\$4,395	\$70	\$44.34	\$1.21	8	
Shuttle Train							
Wheat	Great Falls, MT	Portland, OR	\$3,953	-\$9	\$39.17	\$1.07	-2
	Wichita, KS	Galveston-Houston, TX	\$3,871	-\$7	\$38.37	\$1.04	-3
	Chicago, IL	Albany, NY	\$5,492	\$0	\$54.54	\$1.48	16
	Grand Forks, ND	Portland, OR	\$5,611	-\$15	\$55.57	\$1.51	-3
	Grand Forks, ND	Galveston-Houston, TX	\$5,931	-\$16	\$58.74	\$1.60	-12
	Northwest KS	Portland, OR	\$5,478	\$112	\$55.51	\$1.51	-3
Corn	Minneapolis, MN	Portland, OR	\$5,000	-\$19	\$49.47	\$1.26	-7
	Sioux Falls, SD	Tacoma, WA	\$4,960	-\$17	\$49.09	\$1.25	-7
	Champaign-Urbana, IL	New Orleans, LA	\$3,481	\$70	\$35.27	\$0.90	7
	Lincoln, NE	Galveston-Houston, TX	\$3,600	-\$10	\$35.65	\$0.91	-3
	Des Moines, IA	Amarillo, TX	\$3,795	\$55	\$38.23	\$0.97	1
	Minneapolis, MN	Tacoma, WA	\$5,000	-\$18	\$49.47	\$1.26	-7
	Council Bluffs, IA	Stockton, CA	\$4,640	-\$19	\$45.89	\$1.17	-4
Soybeans	Sioux Falls, SD	Tacoma, WA	\$5,490	-\$17	\$54.35	\$1.48	-7
	Minneapolis, MN	Portland, OR	\$5,510	-\$19	\$54.53	\$1.48	-7
	Fargo, ND	Tacoma, WA	\$5,380	-\$15	\$53.28	\$1.45	-6
	Council Bluffs, IA	New Orleans, LA	\$4,425	\$81	\$44.75	\$1.22	-2
	Toledo, OH	Huntsville, AL	\$4,226	\$0	\$41.97	\$1.14	10
Grand Island, NE	Portland, OR	\$5,360	\$115	\$54.37	\$1.48	-3	

¹A unit train refers to shipments of at least 25 cars. Shuttle train rates are available for qualified shipments of 75-120 cars that meet railroad efficiency requirements.

²Approximate load per car = 111 short tons (100.7 metric tons): corn 56 lbs./bu., wheat & soybeans 60 lbs./bu.

³Percentage change year over year calculated using tariff rate plus fuel surcharge

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

*Regional economic areas defined by the Bureau of Economic Analysis (BEA)

Table 8

Tariff Rail Rates for U.S. Bulk Grain Shipments to Mexico

Commodity	Origin state	Destination region	Tariff rate/car ¹	Fuel surcharge per car ²	Tariff plus surcharge per:		Percent change ⁴ Y/Y
					metric ton ³	bushel ³	
Wheat	MT	Chihuahua, CI	\$7,459	\$0	\$76.21	\$2.07	-4
	OK	Cuautitlan, EM	\$6,514	\$49	\$67.05	\$1.82	-5
	KS	Guadalajara, JA	\$6,995	\$90	\$72.39	\$1.97	-4
	TX	Salinas Victoria, NL	\$4,142	\$29	\$42.62	\$1.16	0
Corn	IA	Guadalajara, JA	\$8,137	\$89	\$84.05	\$2.13	-5
	SD	Celaya, GJ	\$7,480	\$0	\$76.43	\$1.94	-6
	NE	Querretaro, QA	\$7,879	\$99	\$81.52	\$2.07	1
	SD	Salinas Victoria, NL	\$6,545	\$0	\$66.87	\$1.70	6
	MO	Tlalhepantla, EM	\$7,238	\$97	\$74.94	\$1.90	1
	SD	Torreon, CU	\$7,080	\$0	\$72.34	\$1.84	-2
Soybeans	MO	Bojay (Tula), HG	\$8,652	\$89	\$89.31	\$2.43	2
	NE	Guadalajara, JA	\$9,142	\$95	\$94.37	\$2.57	0
	IA	El Castillo, JA	\$9,470	\$0	\$96.76	\$2.63	0
	KS	Torreon, CU	\$7,439	\$70	\$76.72	\$2.09	1
Sorghum	NE	Celaya, GJ	\$7,344	\$84	\$75.89	\$1.93	-3
	KS	Querretaro, QA	\$7,563	\$61	\$77.89	\$1.98	-1
	NE	Salinas Victoria, NL	\$6,168	\$49	\$63.52	\$1.61	3
	NE	Torreon, CU	\$6,672	\$68	\$68.87	\$1.75	-2

¹Rates are based upon published tariff rates for high-capacity shuttle trains. Shuttle trains are available for qualified shipments of 75--110 cars that meet railroad efficiency requirements.

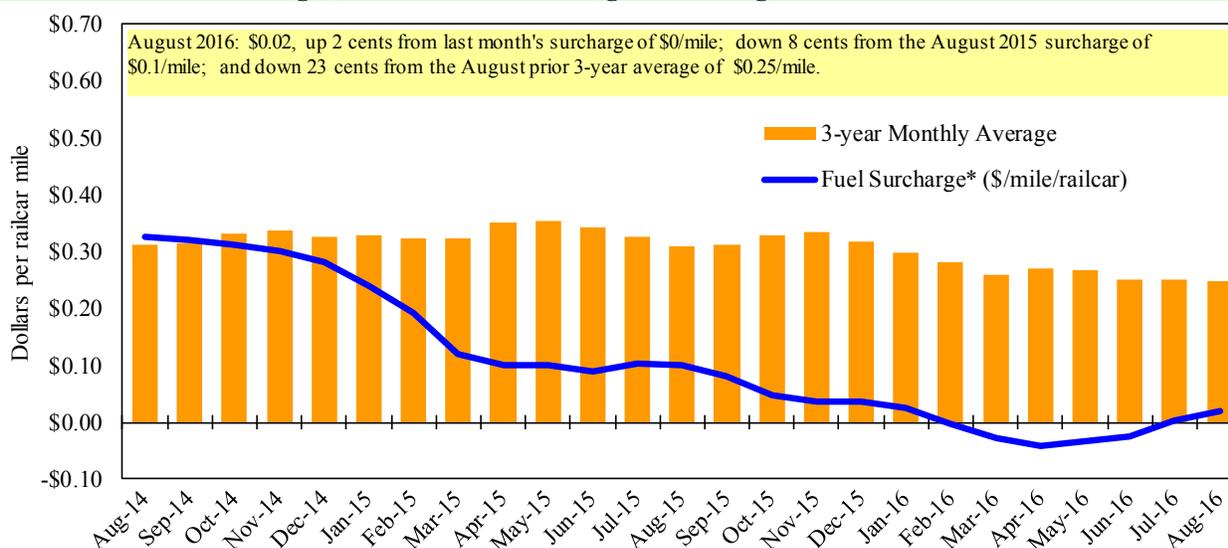
²Fuel surcharge adjusted to reflect the change in Ferrocarril Mexicano, S.A. de C.V railroad fuel surcharge policy as of 10/01/2009

³Approximate load per car = 97.87 metric tons: Corn & Sorghum 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

⁴Percentage change calculated using tariff rate plus fuel surcharge

Sources: www.bnsf.com, www.uprr.com, www.kcsouthern.com

Figure 7

Railroad Fuel Surcharges, North American Weighted Average¹

¹ Weighted by each Class I railroad's proportion of grain traffic for the prior year.

* Beginning January 2009, the Canadian Pacific fuel surcharge is computed by a monthly average of the bi-weekly fuel surcharge.

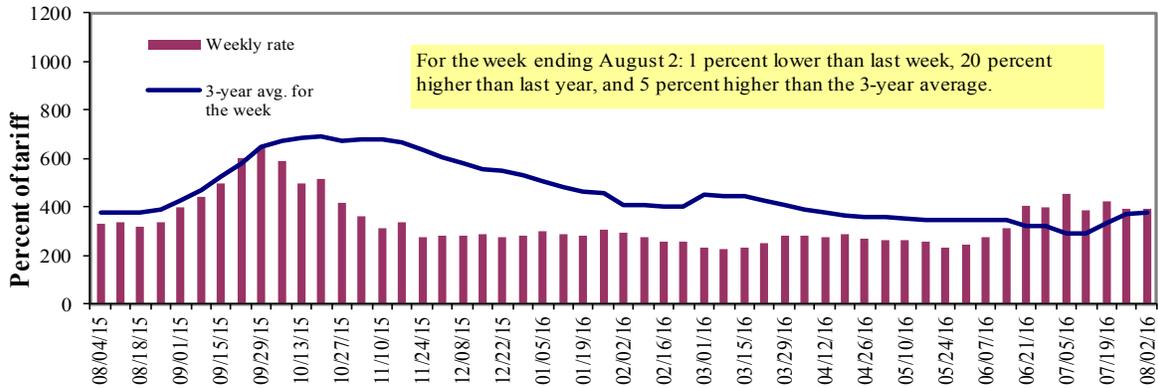
**CSX strike price changed from \$2.00/gal. to \$3.75/gal. starting January 1, 2015.

Sources: www.bnsf.com, www.cn.ca, www.cpr.ca, www.csx.com, www.kcsi.com, www.nscorp.com, www.uprr.com

Barge Transportation

Figure 8

Illinois River Barge Freight Rate^{1,2}



¹Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); ²4-week moving average of the 3-year average.

Source: Transportation & Marketing Programs/AMS/USDA

Table 9

Weekly Barge Freight Rates: Southbound Only

		Twin Cities	Mid-Mississippi	Lower Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo-Memphis
Rate¹	8/2/2016	495	420	393	293	313	313	255
	7/26/2016	495	425	395	290	290	290	258
\$/ton	8/2/2016	30.64	22.34	18.24	11.69	14.68	12.65	8.01
	7/26/2016	30.64	22.61	18.33	11.57	13.60	11.72	8.10
Current week % change from the same week:								
	Last year	26	21	20	19	7	7	20
	3-year avg. ²	12	8	5	2	0	0	3
Rate¹	September	575	563	545	483	545	545	455
	November	630	540	525	450	513	513	400

¹Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); ²4-week moving average; ton = 2,000 pounds;

Source: Transportation & Marketing Programs/AMS/USDA

Figure 9

Benchmark tariff rates

Calculating barge rate per ton:

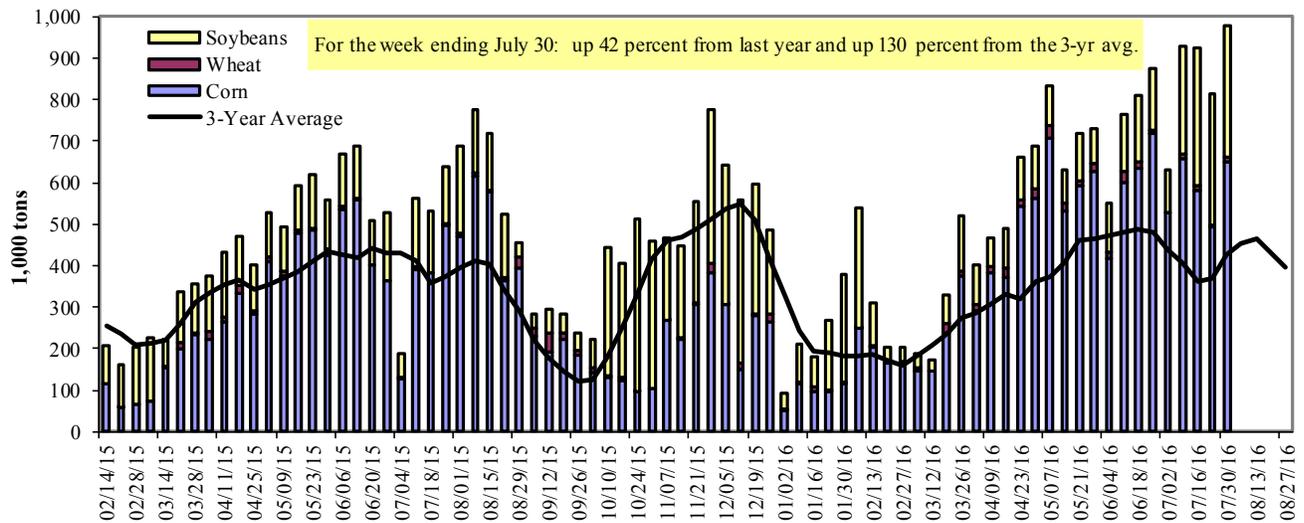
$$(\text{Rate} * 1976 \text{ tariff benchmark rate per ton})/100$$

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



Figure 10

Barge Movements on the Mississippi River¹ (Locks 27 - Granite City, IL)



¹ The 3-year average is a 4-week moving average.

Source: U.S. Army Corps of Engineers

Table 10

Barge Grain Movements (1,000 tons)

For the week ending 7/30/2016	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	288	8	208	5	508
Winfield, MO (L25)	451	2	228	6	687
Alton, IL (L26)	648	10	356	2	1,016
Granite City, IL (L27)	649	13	317	2	980
Illinois River (L8)	146	2	83	0	230
Ohio River (L52)	77	25	31	0	134
Arkansas River (L1)	0	33	1	0	34
Weekly total - 2016	726	71	350	2	1,149
Weekly total - 2015	554	43	242	5	843
2016 YTD ¹	14,772	1,304	6,483	173	22,731
2015 YTD	12,698	951	6,121	138	19,908
2016 as % of 2015 YTD	116	137	106	125	114
Last 4 weeks as % of 2015 ²	122	141	173	57	136
Total 2015	19,215	1,686	14,191	359	35,451

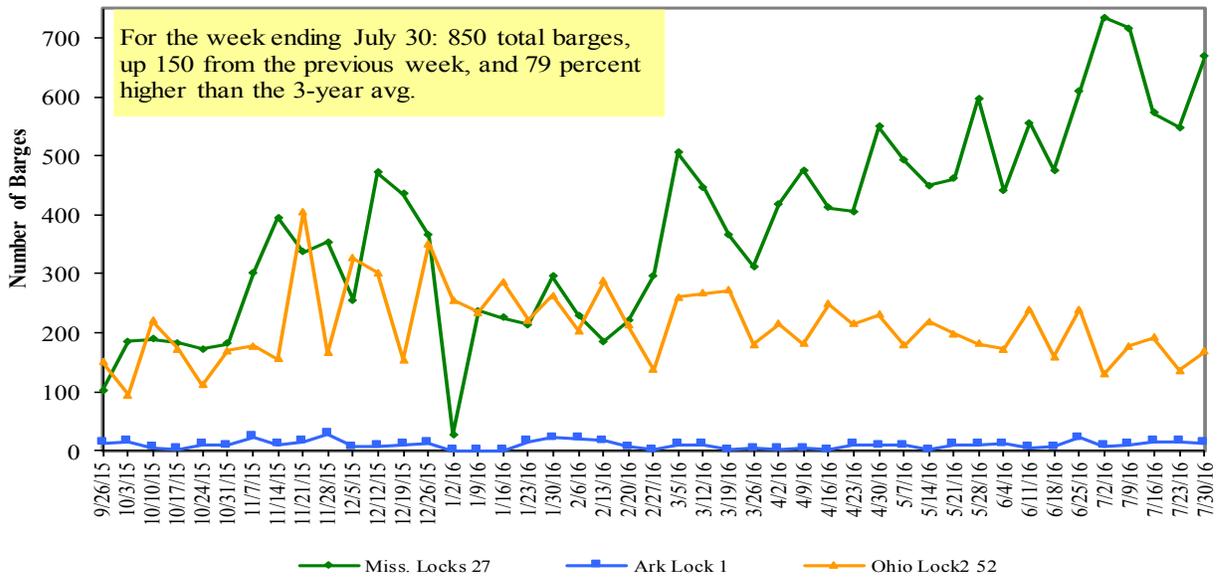
¹ Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

² As a percent of same period in 2015.

Note: Total may not add exactly, due to rounding

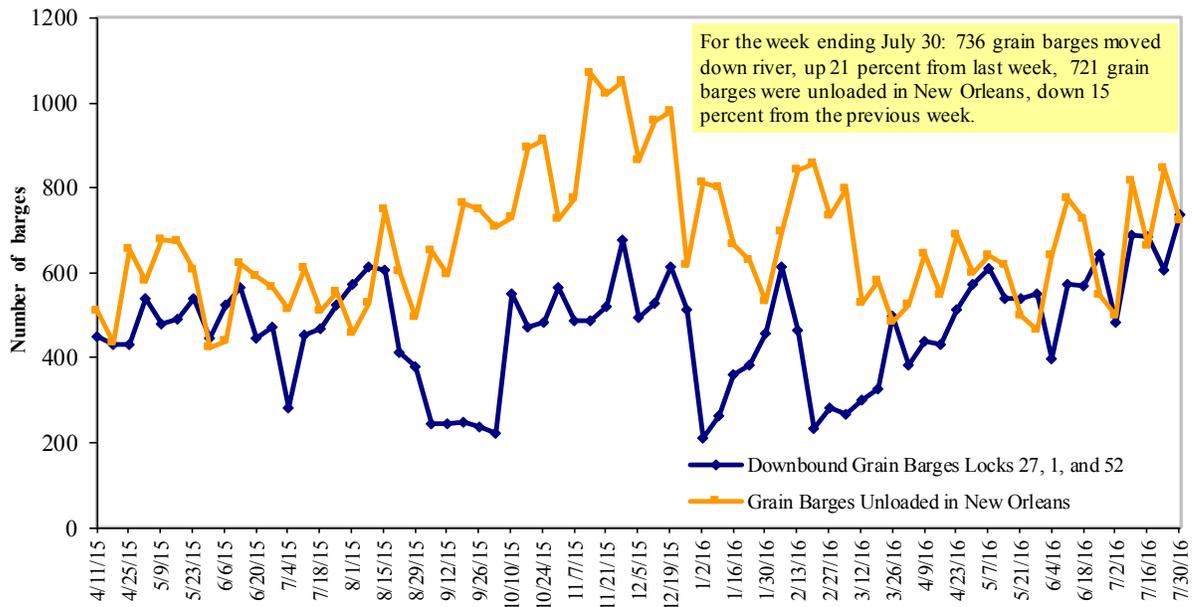
Source: U.S. Army Corps of Engineers

Figure 11
Upbound Empty Barges Transiting Mississippi River Locks 27, Arkansas River Lock and Dam 1, and Ohio River Locks and Dam 52



Source: U.S. Army Corps of Engineers

Figure 12
Grain Barges for Export in New Orleans Region



Source: U.S. Army Corps of Engineers and GIPSA

Truck Transportation

The **weekly diesel price** provides a proxy for trends in U.S. truck rates as diesel fuel is a significant expense for truck grain movements.

Table 11

Retail on-Highway Diesel Prices¹, Week Ending 8/01/2016 (US \$/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	2.354	-0.033	-0.415
	New England	2.396	-0.038	-0.499
	Central Atlantic	2.441	-0.040	-0.444
	Lower Atlantic	2.279	-0.027	-0.375
II	Midwest ²	2.304	-0.037	-0.257
III	Gulf Coast ³	2.224	-0.018	-0.312
IV	Rocky Mountain	2.419	-0.015	-0.266
V	West Coast	2.630	-0.033	-0.276
	West Coast less California	2.492	-0.044	-0.269
	California	2.741	-0.023	-0.283
Total	U.S.	2.348	-0.031	-0.320

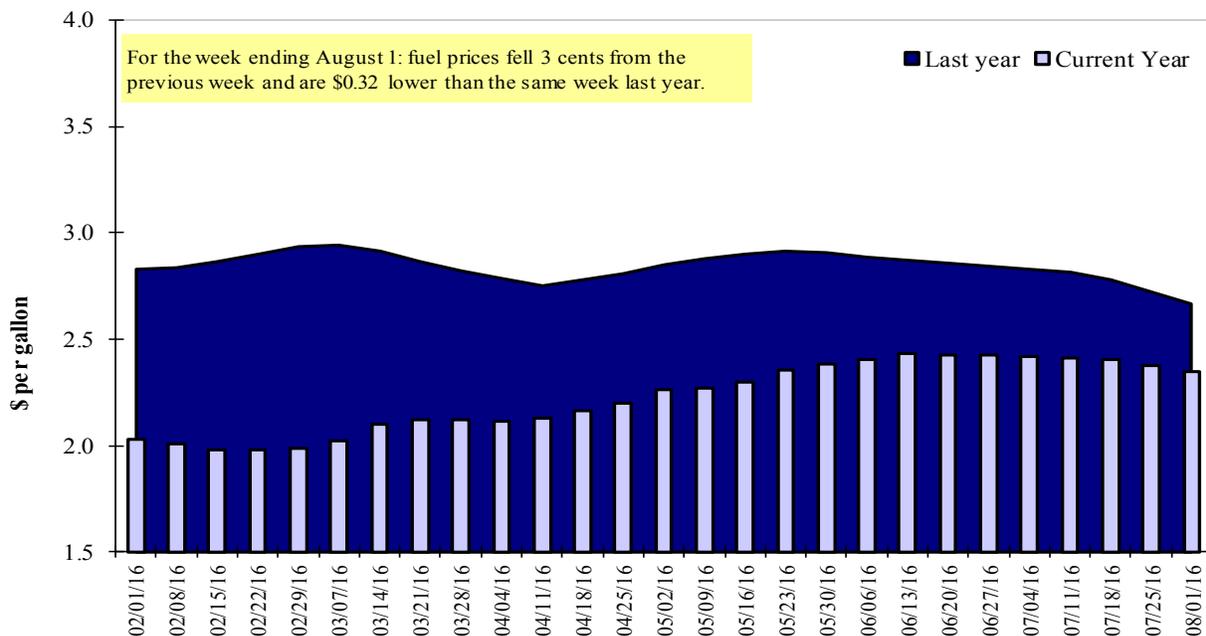
¹Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

²Same as North Central ³Same as South Central

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

Figure 13

Weekly Diesel Fuel Prices, U.S. Average



Source: Retail On-Highway Diesel Prices, Energy Information Administration, Dept. of Energy

Grain Exports

Table 12

U.S. Export Balances and Cumulative Exports (1,000 metric tons)

For the week ending	Wheat						Corn	Soybeans	Total
	HRW	SRW	HRS	SWW	DUR	All wheat			
Export Balances¹									
7/21/2016	2,268	634	2,137	1,241	114	6,395	9,399	6,424	22,218
This week year ago	1,264	871	1,775	957	187	5,053	6,586	2,618	14,257
Cumulative exports-marketing year²									
2015/16 YTD	1,461	277	1,105	500	25	3,368	39,305	45,562	88,235
2014/15 YTD	832	666	665	323	146	2,632	40,543	48,445	91,620
YTD 2015/16 as % of 2014/15	176	42	166	155	17	128	97	94	96
Last 4 wks as % of same period 2014/15	178	73	125	122	60	126	162	267	169
2014/15 Total	7,009	3,654	7,250	3,758	665	22,336	45,205	49,614	117,155
2013/14 Total	11,465	7,307	6,338	4,367	486	29,963	46,868	44,478	121,309

¹ Current unshipped (outstanding) export sales to date

² Shipped export sales to date; new marketing year now in effect for wheat

Note: YTD = year-to-date. Marketing Year: wheat = 6/01-5/31, corn & soybeans = 9/01-8/31

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

Table 13

Top 5 Importers¹ of U.S. Corn

For the week ending 7/21/2016	Commitments ²			% change current MY from last MY	Exports ³ 3-year avg 2012-2014
	2016/17	2015/16	2014/15		
	Next MY	Current MY	Last MY		
	- 1,000 mt -				- 1,000 mt -
Japan	1,405	10,414	11,848	(12)	9,244
Mexico	2,363	12,628	10,654	19	7,448
Korea	138	3,042	3,738	(19)	2,630
Colombia	141	4,643	4,375	6	1,727
Taiwan	172	2,215	2,045	8	1,224
Top 5 Importers	4,218	32,942	32,659	1	22,273
Total US corn export sales	7,157	48,704	47,129	3	34,445
% of Projected	14%	101%	99%		
Change from prior week	477	439	365		
Top 5 importers' share of U.S. corn export sales	59%	68%	69%		65%
USDA forecast, July 2016	52,163	48,346	47,430	2	
Corn Use for Ethanol USDA forecast, July 2016	133,985	132,715	132,080	0	

(n) indicates negative number.

¹Based on FAS Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year (MY) = Sep 1 - Aug 31.

²Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report, or Export Sales Query--http://www.fas.usda.gov/esrquery/. Total commitments change from prior week could include revisions from previous week's outstanding sales or accumulated sales

Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report, or Export Sales Query--http://www.fas.usda.gov/esrquery/

³FAS Marketing Year Ranking Reports - http://apps.fas.usda.gov/export-sales/myrkaug.htm; 3-yr average

Table 14

Top 5 Importers¹ of U.S. Soybeans

For the week ending 7/21/2016	Total Commitments ²			% change current MY from last MY	Exports ³ 3-yr avg. 2012-2014
	2016/17 Next MY	2015/16 Current MY	2014/15 Last MY		
	- 1,000 mt -				- 1,000 mt -
China	3,659	28,249	30,284	(7)	24,211
Mexico	756	3,300	3,393	(3)	2,971
Indonesia	43	1,962	1,791	10	1,895
Japan	215	2,234	2,193	2	1,750
Taiwan	244	1,301	1,355	(4)	1,055
Top 5 importers	4,916	37,046	39,016	(5)	31,882
Total US soybean export sales	9,825	51,986	51,063	2	39,169
% of Projected	19%	106%	102%		
Change from prior week	678	(1.4)	416.8		
Top 5 importers' share of U.S. soybean export sales	50%	71%	76%		81%
USDA forecast, July 2016	52,316	48,910	50,218	(3)	

(n) indicates negative number.

¹Based on FAS Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year (MY) = Sep 1 - Aug 31.²Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report, or Export Sales Query--http://www.fas.usda.gov/esrquery/. Total commitments change from prior week could include revisions from previous week's outstanding sales and/or accumulated sales³FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm. (Carryover plus Accumulated Exports)

Table 15

Top 10 Importers¹ of All U.S. Wheat

For the week ending 7/21/2016	Total Commitments ²		% change current MY from last MY	Exports ³ 3-yr avg 2013-2015
	2016/17 Current MY	2015/16 Last MY		
	- 1,000 mt -			- 1,000 mt -
Japan	829	621	33	2,743
Mexico	842	797	6	2,660
Nigeria	391	729	(46)	1,978
Philippines	842	552	52	2,156
Brazil	303	205	48	2,273
Korea	536	382	40	1,156
Taiwan	264	398	(34)	923
Indonesia	165	136	21	790
Colombia	308	176	75	664
Thailand	250	137	83	685
Top 10 importers	4,479	3,997	12	16,028
Total US wheat export sales	9,763	7,685	27	24,059
% of Projected	39%	36%		
Change from prior week	506	700		
Top 10 importers' share of U.S. wheat export sales	46%	52%		67%
USDA forecast, July 2016	25,204	21,117	19	

(n) indicates negative number.

¹Based on FAS Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Jun 1 - May 31.²Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report, or Export Sales Query--http://www.fas.usda.gov/esrquery/. Total commitments change from prior week could include revisions from the previous week's outstanding and/or accumulated sales³FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 16

Grain Inspections for Export by U.S. Port Region (1,000 metric tons)

Port Regions	For the Week Ending 07/28/16	Previous Week*	Current Week as % of Previous	2016 YTD*	2015 YTD*	2016 YTD as % of 2015 YTD	Last 4-weeks as % of:		2015 Total*
							Last Year	Prior 3-yr. avg.	
Pacific Northwest									
Wheat	446	293	152	7,225	6,205	116	153	156	10,985
Corn	240	330	73	6,609	5,983	110	141	202	7,232
Soybeans	83	143	58	4,672	4,071	115	1403	4201	11,809
Total	770	766	100	18,505	16,259	114	158	195	30,027
Mississippi Gulf									
Wheat	119	59	202	2,172	2,536	86	90	58	4,504
Corn	687	817	84	18,568	18,041	103	116	158	26,701
Soybeans	496	519	96	11,563	11,431	101	294	478	29,593
Total	1,302	1,395	93	32,302	32,007	101	141	174	60,797
Texas Gulf									
Wheat	82	204	40	2,393	2,272	105	245	99	3,724
Corn	34	34	102	630	331	190	428	701	596
Soybeans	0	0	n/a	92	210	44	n/a	n/a	864
Total	116	237	49	3,114	2,813	111	268	120	5,184
Interior									
Wheat	21	19	113	735	824	89	86	105	1,388
Corn	153	106	144	4,086	3,523	116	131	164	6,201
Soybeans	77	91	85	2,332	1,926	121	180	261	3,518
Total	252	216	117	7,152	6,273	114	134	173	11,106
Great Lakes									
Wheat	26	42	62	395	387	102	91	181	997
Corn	3	0	n/a	189	319	59	27	71	485
Soybeans	47	0	n/a	93	89	105	314	941	733
Total	76	42	179	677	794	85	73	172	2,216
Atlantic									
Wheat	2	2	122	190	417	46	12	9	520
Corn	0	0	n/a	14	94	15	0	0	277
Soybeans	3	4	91	942	962	98	292	685	2,053
Total	6	6	102	1,145	1,473	78	70	55	2,850
U.S. total from ports**									
Wheat	697	619	113	13,109	12,640	104	135	105	22,118
Corn	1,117	1,288	87	30,094	28,292	106	121	168	41,492
Soybeans	706	756	93	19,694	18,688	105	294	479	48,570
Total	2,521	2,663	95	62,896	59,619	105	145	172	112,180

* Data includes revisions from prior weeks; some regional totals may not add exactly due to rounding.

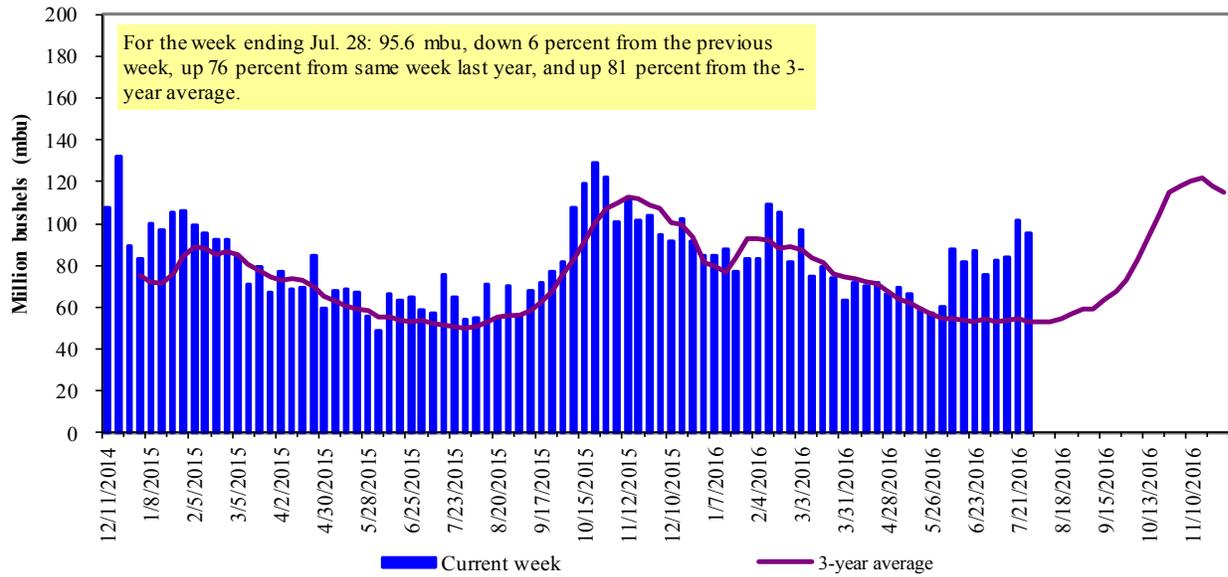
**Total only includes regions shown above

Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov); YTD= year-to-date; n/a = not applicable

The United States exports approximately one-quarter of the grain it produces. On average, this 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. Approximately 59 percent of the U.S. export grain shipments departed through the U.S. Gulf region in 2015.

Figure 14

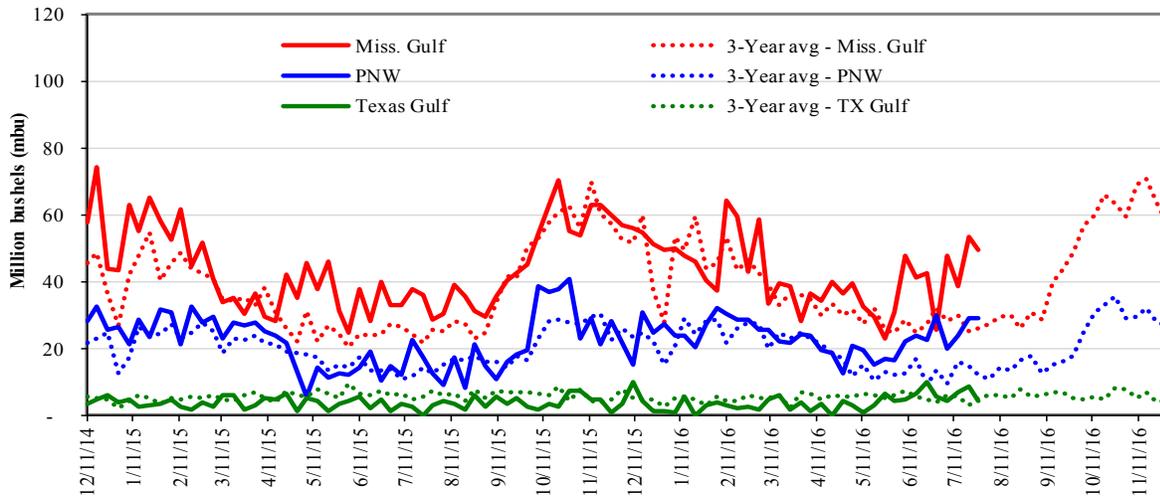
U.S. grain inspected for export (wheat, corn, and soybeans)



Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)
 Note: 3-year average consists of 4-week running average

Figure 15

U.S. Grain Inspections: U.S. Gulf and PNW¹ (wheat, corn, and soybeans)



Week ending 07/28/16 inspections (mbu):		Percent change from:				
Mississippi Gulf:	49.6	Last Week:	MS Gulf	TX Gulf	U.S. Gulf	PNW
PNW:	28.9	Last Year (same week):	down 7	down 51	down 13	unchanged
Texas Gulf:	4.4	3-yr avg. (4-wk. mov. Avg):	up 73	up 49	up 71	up 127
			up 82	down 12	up 67	up 122

Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

Ocean Transportation

Table 17

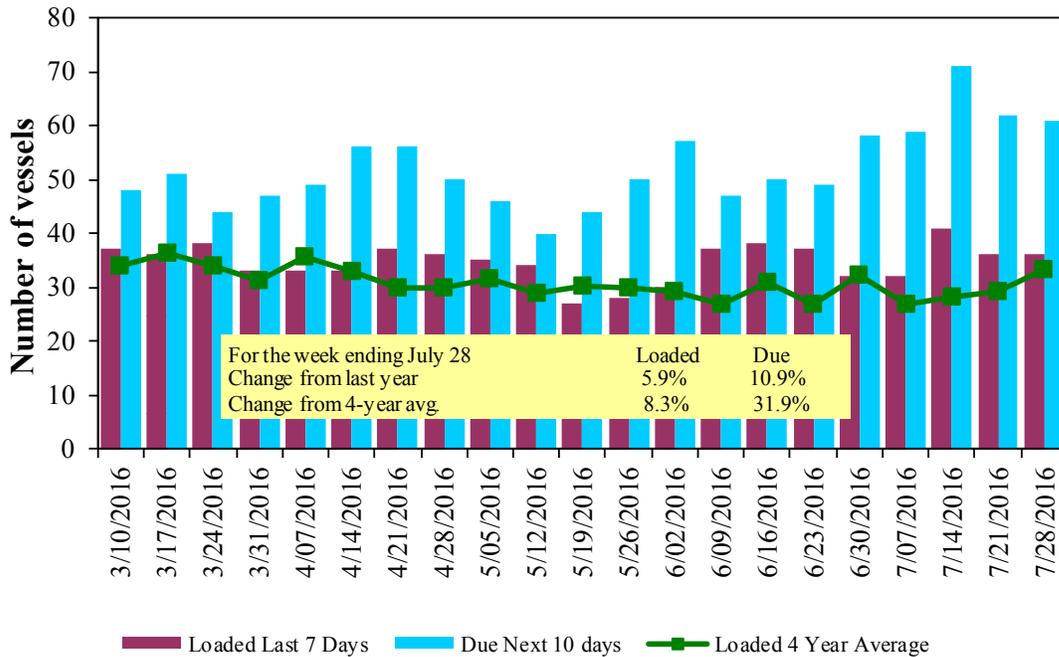
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In port	Loaded 7-days	Due next 10-days	In port	In port
7/28/2016	54	36	61	18	n/a
7/21/2016	54	36	62	12	n/a
2015 range	(25..54)	(28..54)	(36..80)	(3..26)	n/a
2015 avg.	42	38	56	11	n/a

Source: Transportation & Marketing Programs/AMS/USDA

Figure 16

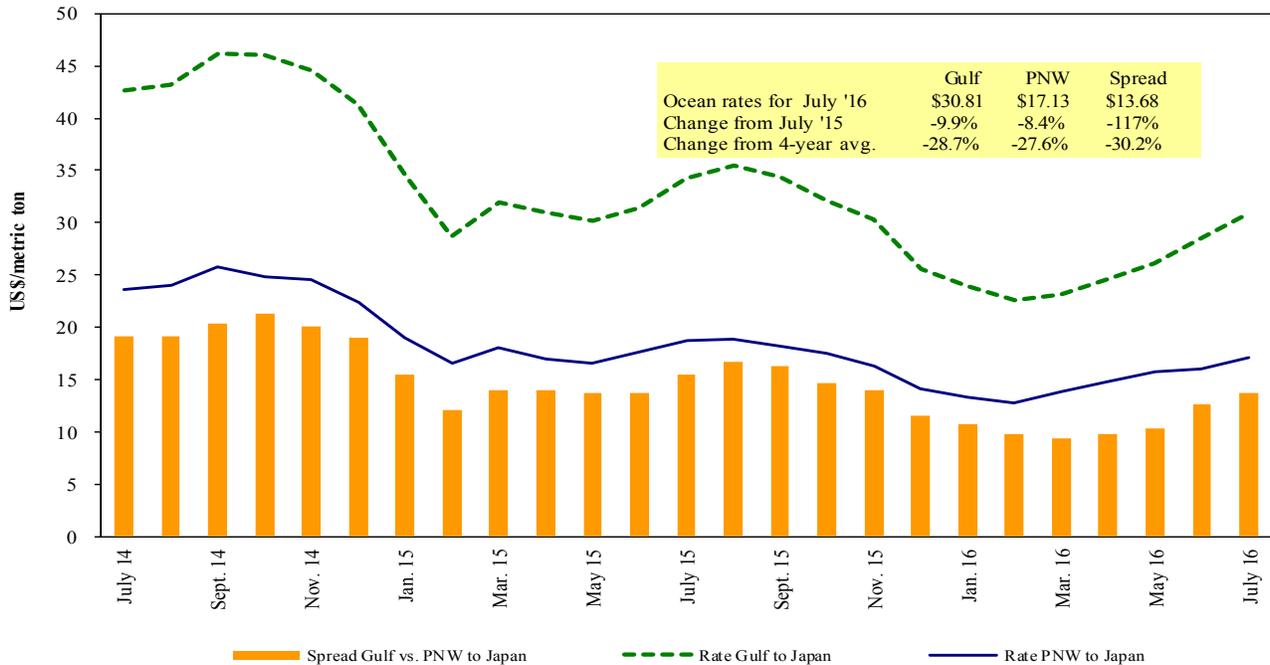
U.S. Gulf^d Vessel Loading Activity



Source: Transportation & Marketing Programs/AMS/USDA

Figure 17

Grain Vessel Rates, U.S. to Japan



Data Source: O'Neil Commodity Consulting

Table 18

Ocean Freight Rates For Selected Shipments, Week Ending 07/30/2016

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US\$/metric ton)
U.S. Gulf	China	Heavy Grain	Aug 10/20	60,000	
U.S. Gulf	China	Heavy Grain	Jul 20/30	60,000	26.25
U.S. Gulf	China	Heavy Grain	Jun 7/17	66,000	17.50
U.S. Gulf	Tanzania	Wheat ¹	June 20/29	13,000	35.67
U.S. Gulf	Djibouti	Wheat ¹	Aug 22/31	47,720	46.48
PNW	Japan	Heavy Grain	Aug 1/10	58,000	19.80
PNW	Japan	Heavy Grain	Jul 20/30	60,000	16.50
PNW	Japan	Heavy Grain	Jul 5/15	60,000	15.10
PNW	Japan	Heavy Grain	Jun 20/Jul 1	60,000	15.90
PNW	Japan	Heavy Grain	Jun 20/Jul 1	60,000	15.00
PNW	Taiwan	Wheat ¹	Sep 8/22	54,000	21.10
Albany	Me Gulf	Grain	Jun 17/25	53,000	13.85
Brazil	China	Heavy Grain	Jun 28/Jul 4	60,000	18.00
Brazil	China	Heavy Grain	June 20/30	60,000	19.00
Brazil	Japan	Heavy Grain	Sep 1/30	62,000	19.00
Brazil	Malaysia	Heavy Grain	Sep 1/30	65,000	17.00
River Plate	China	Heavy Grain	Jun 23/30	60,000	22.60
Romania	France	Heavy Grain	Aug 5/9	55,000	8.50

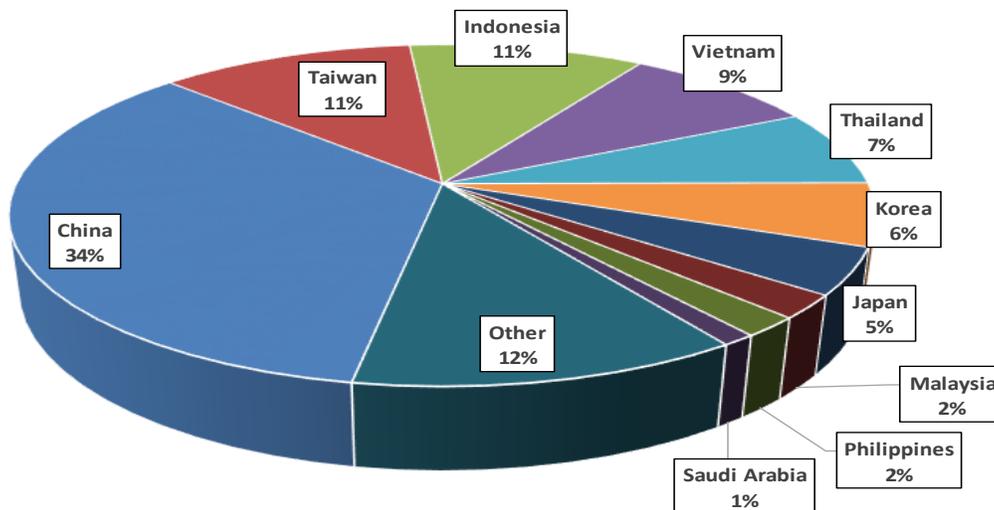
Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option

¹ 50 percent of food aid from the United States is required to be shipped on U.S.-flag vessels.

In 2014, containers were used to transport 7 percent of total U.S. waterborne grain exports. Approximately 63 percent of U.S. waterborne grain exports in 2014 went to Asia, of which 11 percent were moved in containers. Approximately 95 percent of U.S. waterborne containerized grain exports were destined for Asia.

Figure 18

Top 10 Destination Markets for U.S. Containerized Grain Exports, January–December 2015

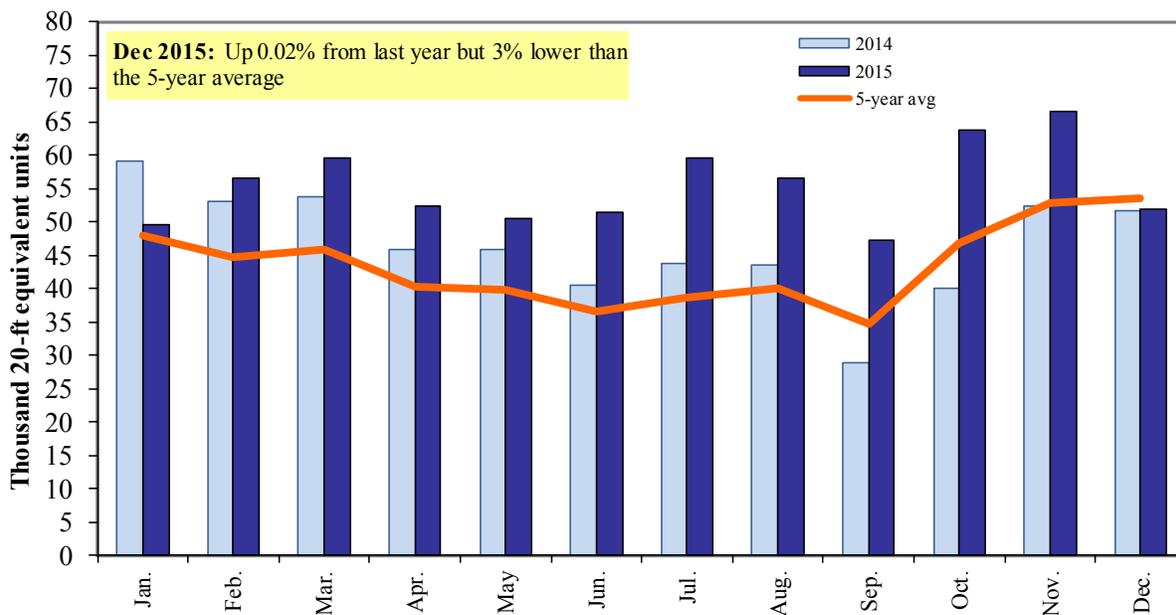


Source: USDA/Agricultural Marketing Service/Transportation Services Division analysis of Port Import Export Reporting Service (PIERS) data

Note: The following Harmonized Tariff Codes are used to calculate containerized grains movements: 100190, 100200, 100300, 100400, 100590, 100700, 110100, 230310, 110220, 110290, 120100, 230210, 230990, 230330, and 120810.

Figure 19

Monthly Shipments of Containerized Grain to Asia



Source: USDA/Agricultural Marketing Service/Transportation Services Division analysis of Port Import Export Reporting Service (PIERS) data.

Note: The following Harmonized Tariff Codes are used to calculate containerized grains movements: 100190, 100200, 100300, 100400, 100590, 100700, 110100, 230310, 110220, 110290, 120100, 230210, 230990, 230330, and 120810.

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