



Grain Transportation Report

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

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March 26, 2015

WEEKLY HIGHLIGHTS

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The next
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Kansas City Southern Improves Rail Capacity between Texas Port and Border with Mexico

Kansas City Southern Railway is investing almost \$18 million in rail projects between Corpus Christi and Laredo, TX. The projects started February 24 and are expected to last through mid-April. Projects include installing cross ties, replacing 6 miles of rail, enhancing road crossings, and making structural improvements to the Texas Mexican Railway International Bridge. Approximately 24 percent of all U.S. grains and oilseeds exported to Mexico pass through Laredo by rail, representing both the largest entry point and primary transportation mode for U.S. grain exports into Mexico.

Navigation Conditions Improving on Ohio River

Ohio River levels at Cairo, IL, will remain above flood stage until March 29, causing some delays in downbound grain barge movements. River levels are dropping and barge loading and navigation conditions have improved since last week. The latest data, for the week ending March 21, showed 171 thousand tons of grain moved downbound through Ohio River Locks and Dam 52 (near Cairo), an 80 percent increase from the previous week. Due to the high water flowing from the Ohio River into the Mississippi River, the Coast Guard is placing traffic restrictions on some sections of the lower Mississippi River.

Corn Inspections Rebound

For the week ending March 19, total inspections of corn from all major export regions reached .938 million metric tons (mmt), up 30 percent from the past week and 31 percent above the 3-year average. Corn inspections jumped 185 percent in the Pacific Northwest, with shipments increasing to Japan and Taiwan. Soybean and wheat inspections decreased 14 and 8 percent, respectively, from the past week. **Total inspections of grain** (corn, wheat, soybeans) reached 1.97 mmt, up 4 percent from the past week, 18 percent below last year, and 5 percent below the 3-year average. Outstanding (unshipped) export sales were up from the previous week for soybeans but down for wheat and corn.

Snapshots by Sector

Export Sales

During the week ending March 12, **unshipped balances** of wheat, corn, and soybeans totaled 26.2 mmt, 12 percent lower than at the same time last year. **Corn export sales** reached 0.502 mmt, up 20 percent and **wheat export sales** of 0.392 mmt were down 12 percent from the previous week. **Soybean export sales** of 0.342 mmt were down 13 percent from the previous 4-week average.

Rail

U.S. railroads originated 22,771 **carloads of grain** during the week ending March 14, up 9 percent from last week, 8 percent from last year, and 14 percent from the 3-year average.

During the week ending March 19, average April shuttle **secondary railcar bids/offers per car** were \$69 below tariff, up \$38 from last week and \$2,227 lower than last year. Non-shuttle secondary railcar bids/offers were \$50 below tariff, down \$13 from last week and \$1,925 lower than last year.

Barge

During the week ending March 21, **barge grain movements** totaled 555,862 tons—54 percent higher than the previous week and 14 percent lower than the same period last year.

During the week ending March 21, 350 grain barges **moved down river**, up 46 percent from last week; 477 grain barges were **unloaded in New Orleans**, down 11 percent from the previous week.

Ocean

During the week ending March 19, 37 **ocean-going grain vessels** were loaded in the Gulf, 18 percent less than the same period last year. Fifty-four vessels are expected to be loaded within the next 10 days, 2 percent more than the same period last year.

During the week ending March 20, the ocean freight rate for shipping bulk grain from the Gulf to Japan was \$32 per mt, unchanged from the previous week. The cost of shipping from the PNW to Japan was \$18 per mt, unchanged from the previous week.

Fuel

During the week March 23, U.S. **diesel fuel prices** averaged \$2.86 per gallon, 6 cents lower than the previous week. They were down \$1.12 from the same week last year.

Feature Article/Calendar

Grain Transportation Logistics: Contributions and Importance of Short Line Railroads

Many grain producers, because of their remote locations, rely on regional and short line railroads to access the Class 1 railroad network. Known for the “first mile and last mile” of rail service, regional and short line railroads provide a beneficial service for farmers in low-density or low-volume areas unable to support the operations of Class I railroads. According to the American Short Line and Regional Railroad Association (ASLRRA),¹ short line and regional railroads operate over 50,000 route miles (nearly 30 percent of the total U.S. railroad mileage). Over 531 short line and regional railroads operate in the United States and bring rail service to thousands of communities that otherwise would have no connection to the nation's Class I railroad system.² Agricultural products, including grain, comprise about 14 percent of the total shipments by regional and short line railroads.³ This feature article discusses the contributions and importance of short line railroads in agricultural transportation, as well as the types of movements that are facilitated by this important segment of the transportation system.

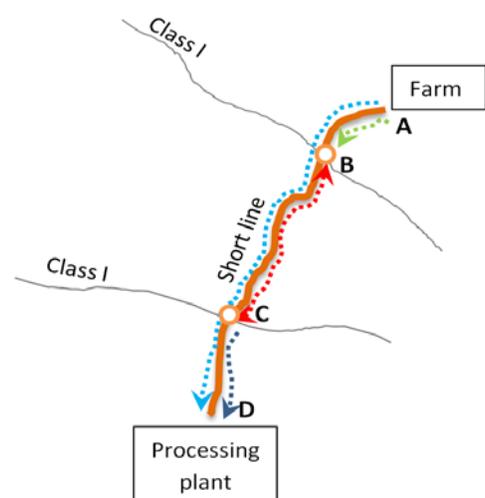
In the United States, railroads are categorized into three classes by the Surface Transportation Board (STB) based on their annual operating revenues. The class to which a carrier belongs is determined by comparing its adjusted operating revenues for 3 consecutive years to the following thresholds:

- **Class I** – \$433.2⁴ million or more. There are 7 railroads in this category.⁵
- **Class II** – \$37 million to \$433.19 million, “regional railroads.” In 2012, the Federal Railroad Administration (FRA) included 21 railroads⁶ in this category.
- **Class III** – \$0 to \$37 million, “short line and switching railroads.” In 2012, FRA included 510 railroads in this category.

STB publishes a Waybill Sample that illustrates the types railroad movements.⁷ Regional and short line railroads are primarily involved in carrying grain in four types of scenarios (see figure and table):

- **Local Shipment (A-D movement):** A shipment coded as “(0) local shipment” signifies that the short line handled the whole shipment from origin to destination. The short line handled the shipment from the producer (origin) to end user (destination) while remaining on the Class II or Class III line. Without the presence of the short line or regional railroad, the producer would probably have had to use truck delivery.
- **Originating (A-B movement):** Shipments coded as “(1) originated—delivered” show the grain shipment originated on a short line and was then transferred (delivered) to another railroad. Grain from local elevators (received from the farmer by the short line) is delivered to a Class I railroad. These movements highlight the role of regional and short line railroads in connecting producers to the Class I network, providing direct rail-to-rail connections across the country and to export ports.

Figure: Route options



¹ 2011 ASLRRA Biennial Survey

² <https://www.fra.dot.gov/Page/P0362>

³ Source: 2011 ASLRRA Biennial Survey

⁴ <https://www.fra.dot.gov/Page/P0362>

⁵ BNSF Railway, CSX Transportation, Canadian National, Kansas City Southern Railway, Norfolk Southern, Canadian Pacific, and Union Pacific Railroad.

⁶ <https://www.fra.dot.gov/Page/P0362>

⁷ http://www.stb.dot.gov/stb/industry/econ_waybill.html

- **Switching (B-C movement):** Shipments coded “(2) received—delivered” show the short line received the carloads from one railroad and then transferred them to another carrier. These movements are transfers of grain carloads between two different Class I railroads. Class I carriers rely on smaller regional rail lines to carry grain on routes that they (Class I’s) abandoned or no longer use.
- **Received and Terminated (C-D movement):** Shipments coded “(3) received and terminated” show a regional or short line railroad received carloads from a Class I railroad and delivered the shipment to its final destination. Smaller railroads are important in providing direct rail-to-rail connection for not only producers but also to consumers of grain products.

Table: Type of Shipments of Non Class I Railroads

Rebill Code		Type of shipment	All commodities
(0) local shipment	A <-----> D	One railroad	14%
(1) originated—delivered <i>Originating</i>	A <-----> B	Originated and forwarded to a another railroad	33%
(2) received—delivered <i>Switching</i>	B <-----> C	Received from one railroad and forwarded to another	19%
(3) received—terminated <i>Receiving</i>	C <-----> D	Received and delivered to final destination	34%

Source: ASLRRRA, Facts & Figures, 2009,2011 ASLRRRA Biennial Survey.

STB requires Class I, Class II, and some of the Class III railroads to submit waybill samples if in any of the 3 preceding years, they terminated on their lines at least 4,500 revenue carloads. However, it must be recognized that the Waybill sample underestimates the amount shipped by regional and short line railroads because it is common for the Class I railroad to handle all the billings for the smaller railroad. Hence, the shipment will show up as a Class I movement to the final destination on the Waybill. Also, because only railroads terminating at least 4,500 carloads a year must participate in the STB sampling, many regional and short line railroads are not included. Nevertheless, the Waybill Sample provides a good general representation of the types of routes that shipments in the United States take.

In conclusion, regional and short line railroads play an important role in the transportation of grain and other commodities. They are used as a feeder system for the Class I network, allowing grain producers to reach markets far beyond that which trucks can reach economically. Close to 30 percent of shipments are started or finished by Class II or III railroads, especially in rural areas that otherwise would have no access to Class I railroads. Regional and short line railroads connect the seven major freight railroads to customers, processing plants, farms, and ports. Without this network, numerous small farms would have no economical access to distant markets in the United States or ports for export overseas.

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Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators¹

Week ending	Truck	Rail		Barge	Ocean	
		Unit Train	Shuttle		Gulf	Pacific
03/25/15	192	245	201	242	143	128
03/18/15	196	243	214	221	143	128

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)

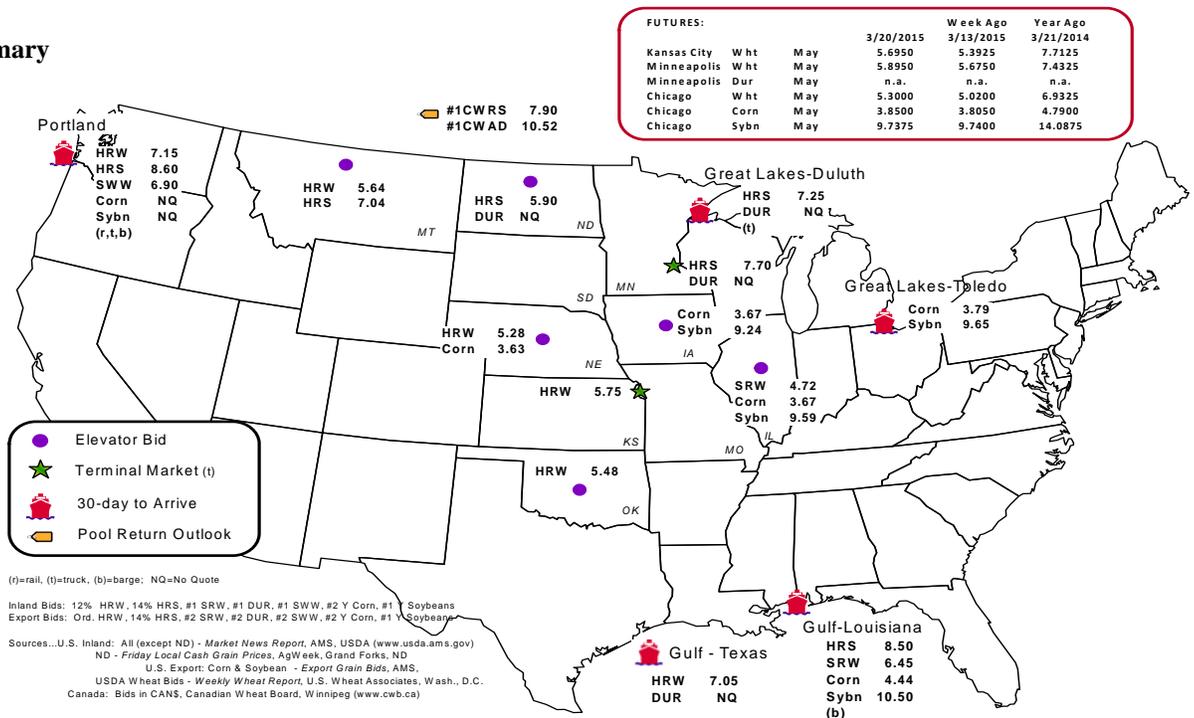
Commodity	Origin--Destination	3/20/2015	3/13/2015
Corn	IL--Gulf	-0.77	-0.77
Corn	NE--Gulf	-0.81	-0.80
Soybean	IA--Gulf	-1.26	-1.18
HRW	KS--Gulf	-1.30	-1.33
HRS	ND--Portland	-2.70	-2.44

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

Week ending	Mississippi		Pacific	Atlantic &		Total	Week ending	Cross-Border Mexico ³
	Gulf	Texas Gulf	Northwest	East Gulf				
3/18/2015 ^p	633	1,345	6,508	641	9,127	3/14/2015	1,967	
3/11/2015 ^r	432	2,007	4,985	417	7,841	3/7/2015	1,838	
2015 YTD ^r	8,413	13,254	60,996	8,780	91,443	2015 YTD	17,627	
2014 YTD ^r	13,431	17,305	57,792	9,429	97,957	2014 YTD	18,305	
2015 YTD as % of 2014 YTD	63	77	106	93	93	% change YTD	96	
Last 4 weeks as % of 2014 ²	46	90	108	55	91	Last 4wks % 2014	113	
Last 4 weeks as % of 4-year avg. ²	79	105	131	81	116	Last 4wks % 4 yr	101	
Total 2014	44,621	83,674	256,670	32,107	417,072	Total 2014	96,467	
Total 2013	31,646	71,388	168,826	25,176	297,036	Total 2013	71,397	

¹ Data is incomplete as it is voluntarily provided

² Compared with same 4-weeks in 2013 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.

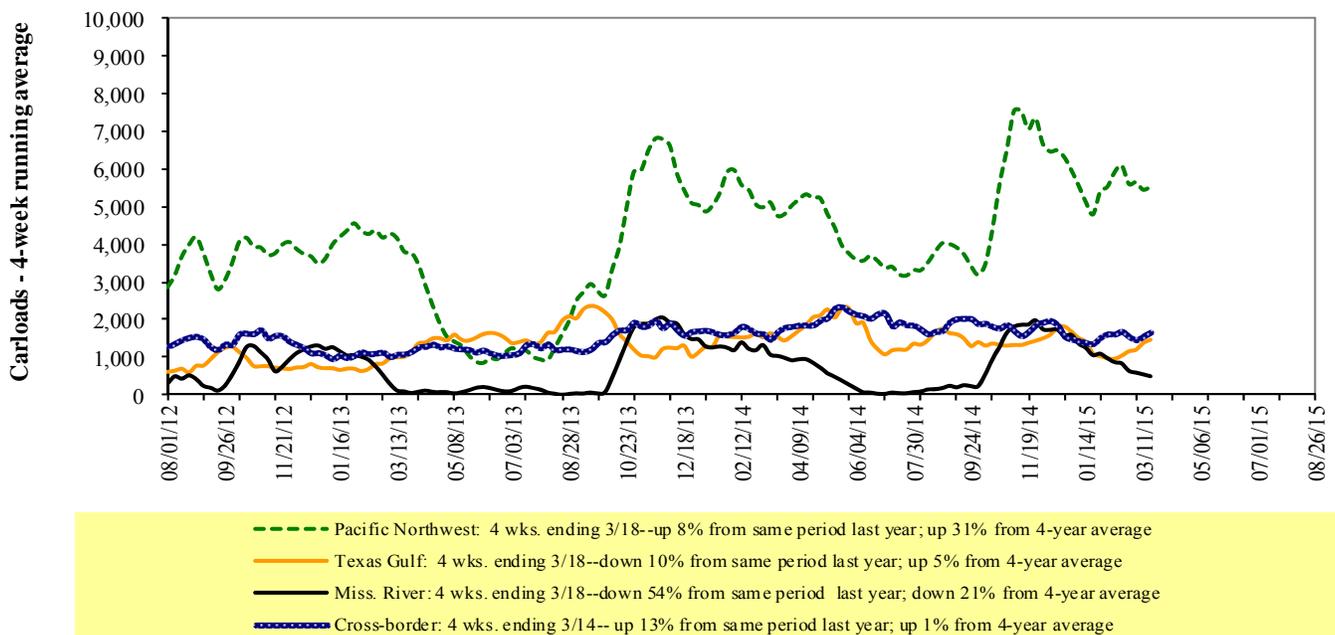
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

Source: Transportation & Marketing Programs/AMS/USDA

Railroads originate approximately 29 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

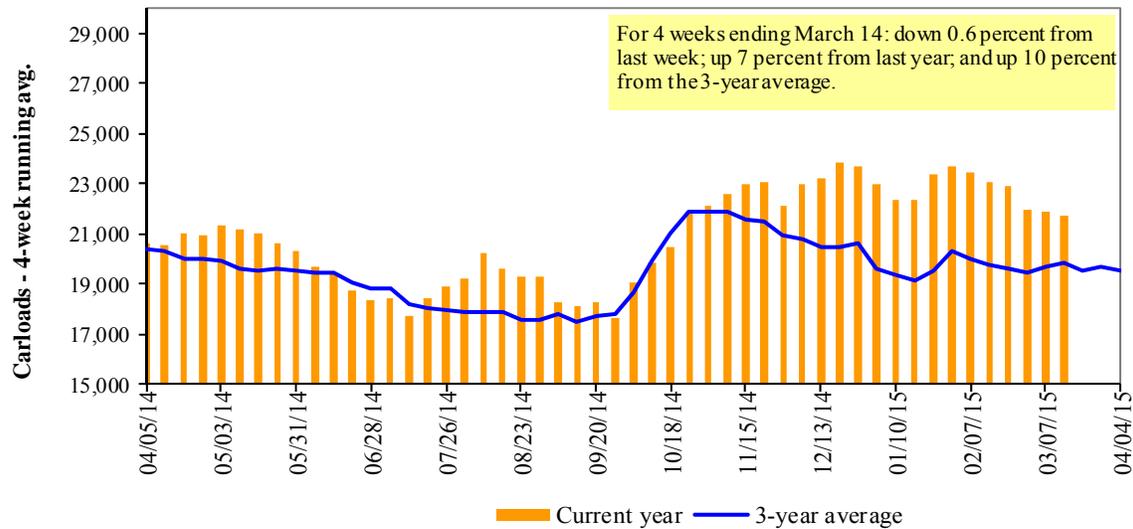
Table 4

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

Week ending	East		West			U.S. total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
03/14/15	1,629	2,725	12,093	987	5,337	22,771	4,128	4,213
This week last year	2,346	3,272	8,434	800	6,193	21,045	3,864	4,275
2015 YTD	21,477	30,232	109,141	8,529	56,737	226,116	41,633	43,819
2014 YTD	19,976	29,968	86,159	9,751	58,713	204,567	38,023	46,090
2015 YTD as % of 2014 YTD	108	101	127	87	97	111	109	95
Last 4 weeks as % of 2014 ¹	96	94	129	88	96	109	113	97
Last 4 weeks as % of 3-yr avg. ²	95	100	114	141	112	111	118	89
Total 2014	103,331	153,771	482,431	47,510	297,969	1,085,012	242,616	276,322

¹The past 4 weeks of this year as a percent of the same 4 weeks last year.

²The past 4 weeks as a percent of the same period from the prior 3-year average. YTD = year-to-date.

Figure 3**Total Weekly U.S. Class I Railroad Grain Car Loadings**

Source: Association of American Railroads

Table 5

Railcar Auction Offerings¹ (\$/car)²

Week ending	Delivery period															
	Apr-15		Apr-14		May-15		May-14		Jun-15		Jun-14		Jul-15		Jul-14	
BNSF ³																
COT grain units	12	no offer	6	no offer	5	no offer	59	no offer								
COT grain single-car ⁵	6 .. 54	no offer	3 .. 11	no offer	2 .. 13	no offer	52 .. 135	no offer								
UP ⁴																
GCAS/Region 1	no bids	no offer	no bids	no offer	no bids	no offer	n/a	n/a								
GCAS/Region 2	no bids	no offer	no bids	no offer	no bids	no offer	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.

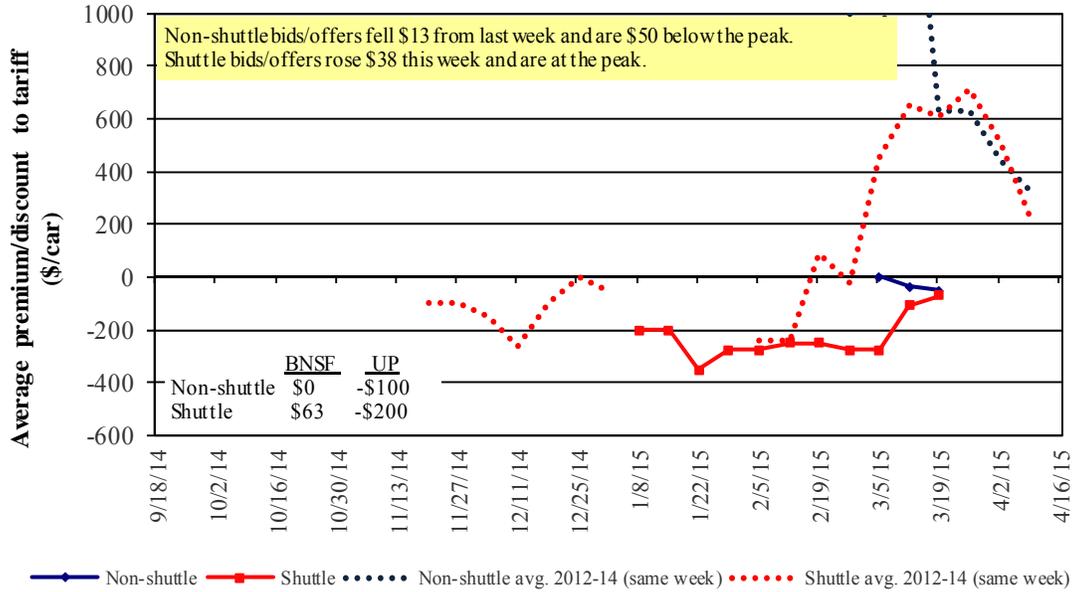
⁵Range is shown because average is not available. Not available = n/a.

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 April 2015, Secondary Market

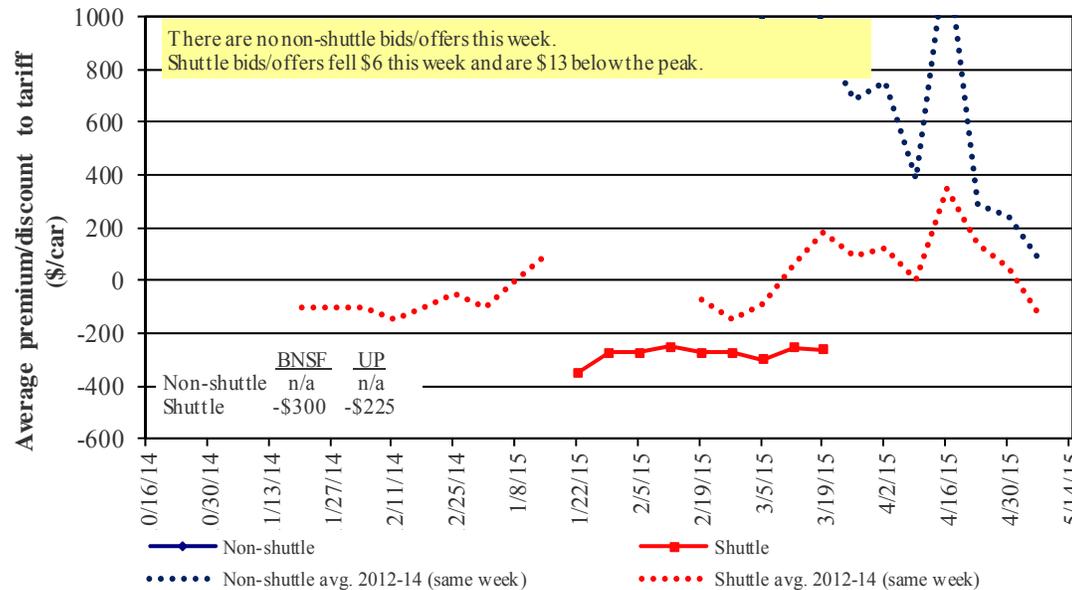


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

Bids/Offers for Railcars to be Delivered in May 2015, Secondary Market

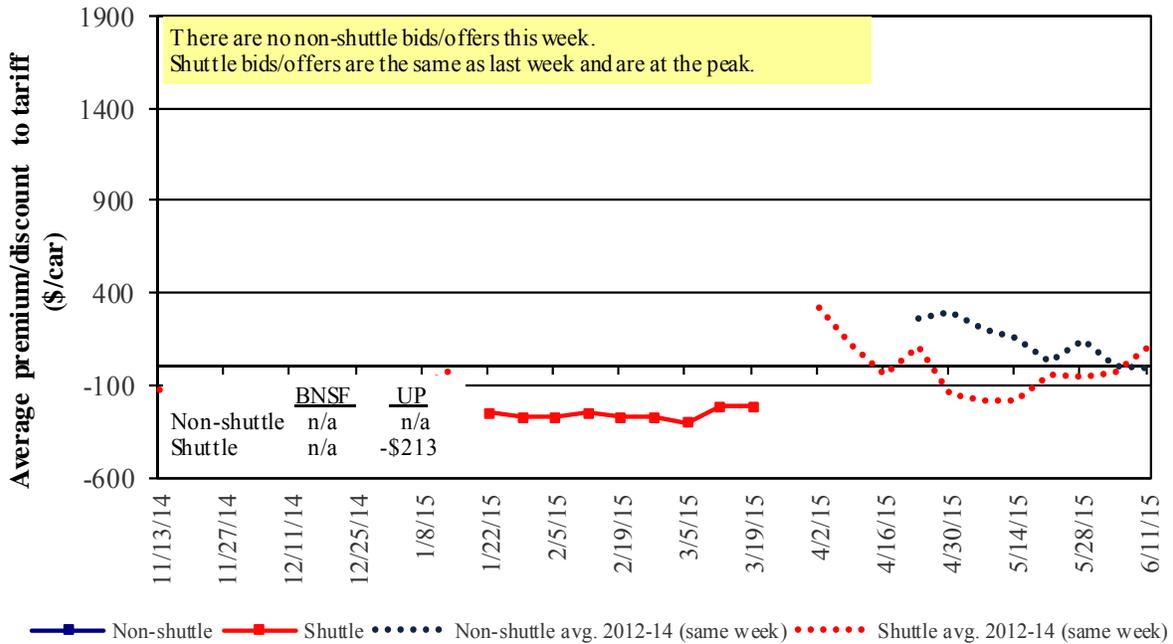


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in June 2015, Secondary Market



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

Week ending	Delivery period					
	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15
Non-shuttle						
BNSF-GF	-	n/a	n/a	n/a	n/a	n/a
Change from last week	25	n/a	n/a	n/a	n/a	n/a
Change from same week 2014	(2,750)	n/a	n/a	n/a	n/a	n/a
UP-Pool	(100)	n/a	n/a	n/a	n/a	n/a
Change from last week	(50)	n/a	n/a	n/a	n/a	n/a
Change from same week 2014	(1,100)	n/a	n/a	n/a	n/a	n/a
Shuttle²						
BNSF-GF	63	(300)	n/a	n/a	n/a	n/a
Change from last week	101	-	n/a	n/a	n/a	n/a
Change from same week 2014	(2,504)	n/a	n/a	n/a	n/a	n/a
UP-Pool	(200)	(225)	(213)	(213)	(213)	(225)
Change from last week	(25)	(12)	-	(13)	(13)	25
Change from same week 2014	(1,950)	(1,225)	n/a	n/a	n/a	n/a

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

²Shuttle bids are a new data series; prior to this we provided only non-shuttle rates.

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	Fuel	Tariff plus surcharge per:		Percent
3/1/2015	Origin region*	Destination region*	rate/car	surcharge per car	metric ton	bushel ²	change Y/Y ³
Unit train							
Wheat	Wichita, KS	St. Louis, MO	\$3,387	\$91	\$34.54	\$0.94	3
	Grand Forks, ND	Duluth-Superior, MN	\$3,596	\$39	\$36.09	\$0.98	-2
	Wichita, KS	Los Angeles, CA	\$6,244	\$199	\$63.98	\$1.74	-5
	Wichita, KS	New Orleans, LA	\$4,026	\$160	\$41.57	\$1.13	1
	Sioux Falls, SD	Galveston-Houston, TX	\$5,824	\$163	\$59.46	\$1.62	-4
	Northwest KS	Galveston-Houston, TX	\$4,293	\$176	\$44.37	\$1.21	1
	Amarillo, TX	Los Angeles, CA	\$4,492	\$244	\$47.03	\$1.28	-1
Corn	Champaign-Urbana, IL	New Orleans, LA	\$3,328	\$181	\$34.85	\$0.89	-1
	Toledo, OH	Raleigh, NC	\$5,555	\$217	\$57.31	\$1.46	13
	Des Moines, IA	Davenport, IA	\$2,168	\$38	\$21.91	\$0.56	2
	Indianapolis, IN	Atlanta, GA	\$4,761	\$163	\$48.89	\$1.24	13
	Indianapolis, IN	Knoxville, TN	\$4,104	\$104	\$41.79	\$1.06	15
	Des Moines, IA	Little Rock, AR	\$3,308	\$113	\$33.97	\$0.86	-1
	Des Moines, IA	Los Angeles, CA	\$4,852	\$328	\$51.44	\$1.31	-12
Soybeans	Minneapolis, MN	New Orleans, LA	\$3,769	\$179	\$39.20	\$1.07	0
	Toledo, OH	Huntsville, AL	\$4,676	\$154	\$47.96	\$1.31	21
	Indianapolis, IN	Raleigh, NC	\$5,625	\$218	\$58.02	\$1.58	13
	Indianapolis, IN	Huntsville, AL	\$4,368	\$104	\$44.41	\$1.21	25
	Champaign-Urbana, IL	New Orleans, LA	\$3,974	\$181	\$41.26	\$1.12	1
Shuttle Train							
Wheat	Great Falls, MT	Portland, OR	\$3,678	\$114	\$37.66	\$1.02	-5
	Wichita, KS	Galveston-Houston, TX	\$3,471	\$89	\$35.35	\$0.96	-12
	Chicago, IL	Albany, NY	\$4,723	\$203	\$48.92	\$1.33	14
	Grand Forks, ND	Portland, OR	\$5,159	\$198	\$53.19	\$1.45	-6
	Grand Forks, ND	Galveston-Houston, TX	\$6,084	\$206	\$62.46	\$1.70	-5
	Northwest KS	Portland, OR	\$5,260	\$288	\$55.09	\$1.50	-1
	Corn	Minneapolis, MN	Portland, OR	\$5,000	\$241	\$52.04	\$1.32
Sioux Falls, SD		Tacoma, WA	\$4,960	\$220	\$51.44	\$1.31	-7
Champaign-Urbana, IL		New Orleans, LA	\$3,147	\$181	\$33.05	\$0.84	-1
Lincoln, NE		Galveston-Houston, TX	\$3,510	\$128	\$36.13	\$0.92	-6
Des Moines, IA		Amarillo, TX	\$3,690	\$142	\$38.05	\$0.97	-1
Minneapolis, MN		Tacoma, WA	\$5,000	\$239	\$52.02	\$1.32	-7
Council Bluffs, IA		Stockton, CA	\$4,400	\$247	\$46.15	\$1.17	-8
Soybeans	Sioux Falls, SD	Tacoma, WA	\$5,520	\$220	\$57.00	\$1.55	-6
	Minneapolis, MN	Portland, OR	\$5,530	\$241	\$57.31	\$1.56	-7
	Fargo, ND	Tacoma, WA	\$5,430	\$196	\$55.87	\$1.52	-6
	Council Bluffs, IA	New Orleans, LA	\$3,800	\$209	\$39.81	\$1.08	-13
	Toledo, OH	Huntsville, AL	\$3,851	\$154	\$39.77	\$1.08	27
	Grand Island, NE	Portland, OR	\$5,100	\$295	\$53.57	\$1.46	-5

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

Effective date: 3/1/2015

Commodity	Origin state	Destination region	Tariff rate/car ¹	Fuel		Percent change Y/Y ⁴
				surcharges ² per car ²	Tariff plus surcharge per: metric ton ³ bushel ³	
Wheat	MT	Chihuahua, CI	\$6,960	\$209	\$73.25 \$1.99	4
	OK	Cuautitlan, EM	\$6,565	\$254	\$69.67 \$1.89	0
	KS	Guadalajara, JA	\$7,010	\$245	\$74.13 \$2.02	0
	TX	Salinas Victoria, NL	\$3,885	\$96	\$40.68 \$1.11	26
Corn	IA	Guadalajara, JA	\$8,349	\$288	\$88.25 \$2.24	-1
	SD	Celaya, GJ	\$7,656	\$274	\$81.02 \$2.06	-6
	NE	Queretaro, QA	\$7,535	\$256	\$79.61 \$2.02	-3
	SD	Salinas Victoria, NL	\$5,880	\$208	\$62.20 \$1.58	-5
	MO	Tlalnepantla, EM	\$6,887	\$249	\$72.91 \$1.85	-4
	SD	Torreon, CU	\$6,922	\$229	\$73.07 \$1.85	-3
Soybeans	MO	Bojay (Tula), HG	\$8,261	\$243	\$86.89 \$2.36	0
	NE	Guadalajara, JA	\$8,872	\$278	\$93.49 \$2.54	-1
	IA	El Castillo, JA	\$9,155	\$272	\$96.32 \$2.62	-2
	KS	Torreon, CU	\$7,189	\$173	\$75.21 \$2.04	0
Sorghum	TX	Guadalajara, JA	\$7,253	\$178	\$75.93 \$1.93	0
	NE	Celaya, GJ	\$7,287	\$248	\$76.99 \$1.95	-4
	KS	Queretaro, QA	\$6,795	\$156	\$71.02 \$1.80	-2
	NE	Salinas Victoria, NL	\$5,500	\$183	\$58.06 \$1.47	-3
	NE	Torreon, CU	\$6,518	\$204	\$68.68 \$1.74	-1

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

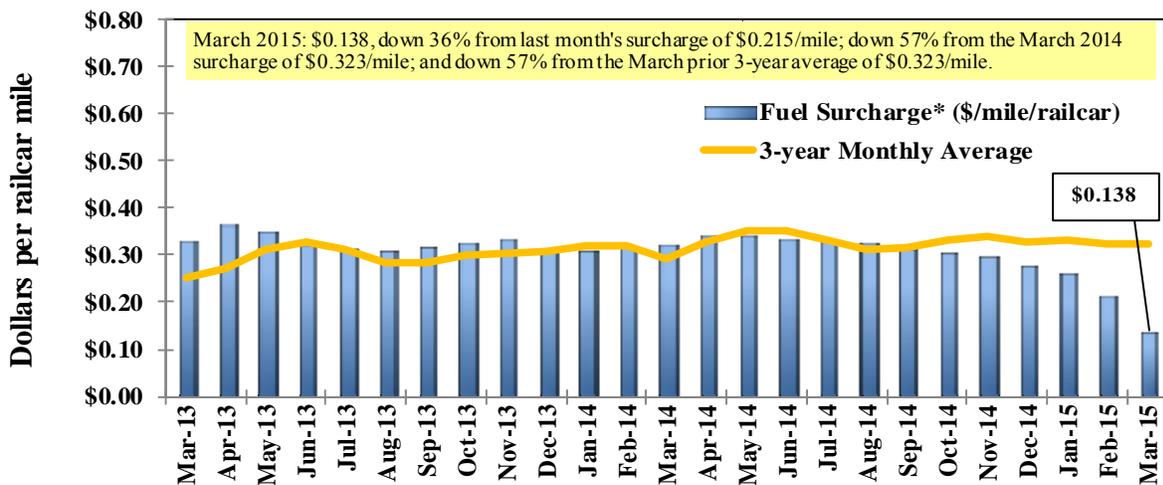
³Approximate load per car = 97.87 metric tons: Corn & Sorghum 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

⁴Percentage change year over year 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.

* Mileage-based fuel surcharges for March and April 2007 are estimated. Beginning January 2009, the Canadian Pacific fuel surcharge is computed by a monthly average of the bi-weekly fuel surcharge.

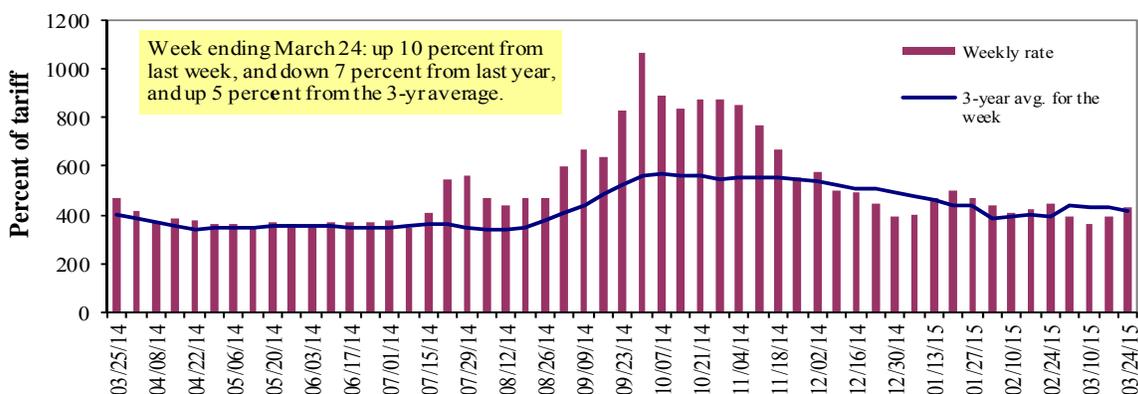
** BNSF strike price (diesel price when fuel surcharges begin) changed from \$1.25/gal. to \$2.50/gal starting March 1, 2011. As a result, the weighted average fuel surcharge for March 2011 was \$0.227/mile instead of \$0.331/mile.

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	3/24/2015	-	438	435	383	324	324	291
	3/17/2015	-	-	397	312	260	260	250
\$/ton	3/24/2015	-	-	20.18	15.28	15.20	13.09	9.14
	3/17/2015	-	-	18.42	12.45	12.19	10.50	7.85
Current week % change from the same week:								
	Last year	-	-6	-7	10	-15	-15	4
	3-year avg. ²	-	-	5	15	-7	-7	7
Rate¹	April	422	383	372	313	283	283	253
	June	400	362	355	275	268	268	242

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:

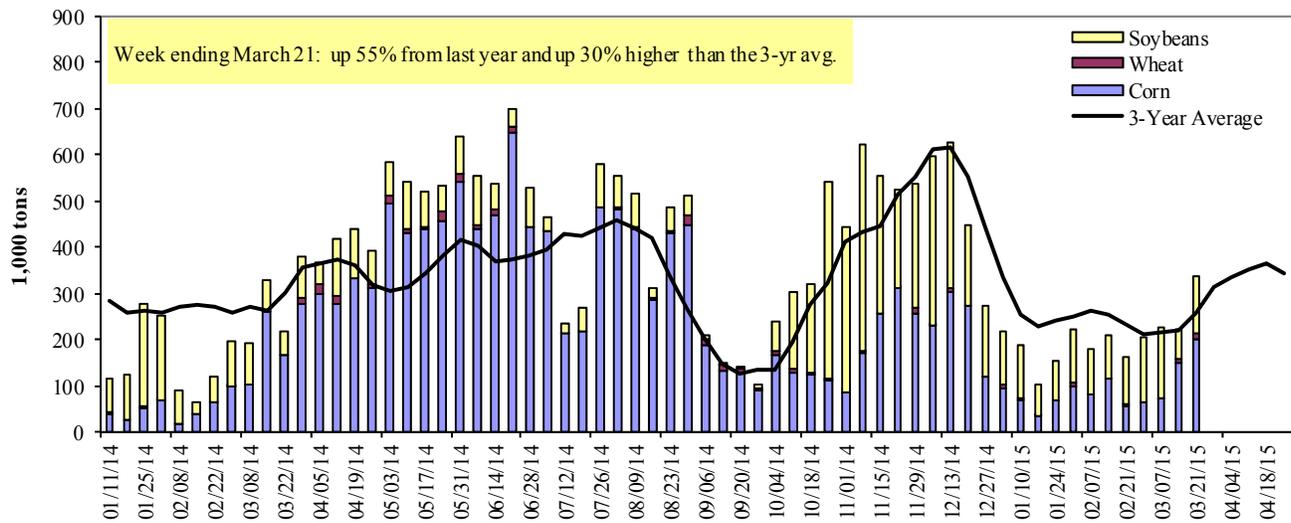
(Rate * 1976 tariff benchmark rate per ton)/100

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



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)

Week ending 03/21/2015	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	3	0	2	0	5
Winfield, MO (L25)	39	8	16	0	62
Alton, IL (L26)	154	12	94	0	261
Granite City, IL (L27)	201	14	122	0	337
Illinois River (L8)					
	135	5	58	0	197
Ohio River (L52)					
	132	4	35	0	171
Arkansas River (L1)					
	4	15	25	3	48
Weekly total - 2015	337	33	183	3	556
Weekly total - 2014	481	58	108	0	647
2015 YTD ¹	2,827	237	2,871	47	5,981
2014 YTD	3,316	291	2,922	36	6,564
2015 as % of 2014 YTD	85	81	98	132	91
Last 4 weeks as % of 2014 ²	57	55	119	71	74
Total 2014	20,693	2,181	11,813	258	34,946

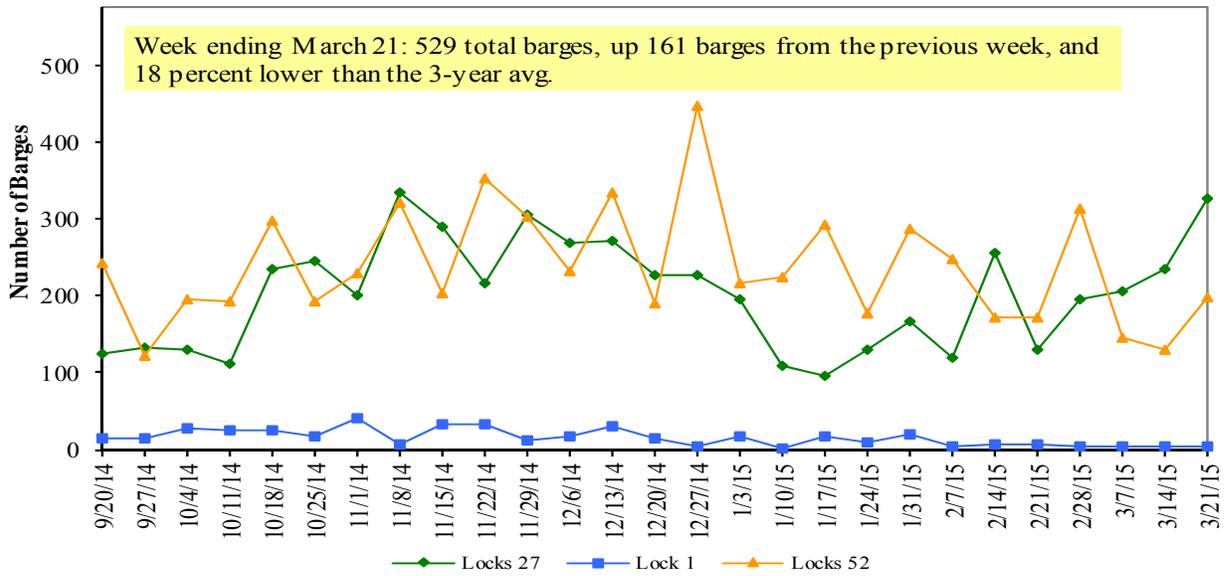
¹ Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

² As a percent of same period in 2014.

Note: Total may not add exactly, due to rounding

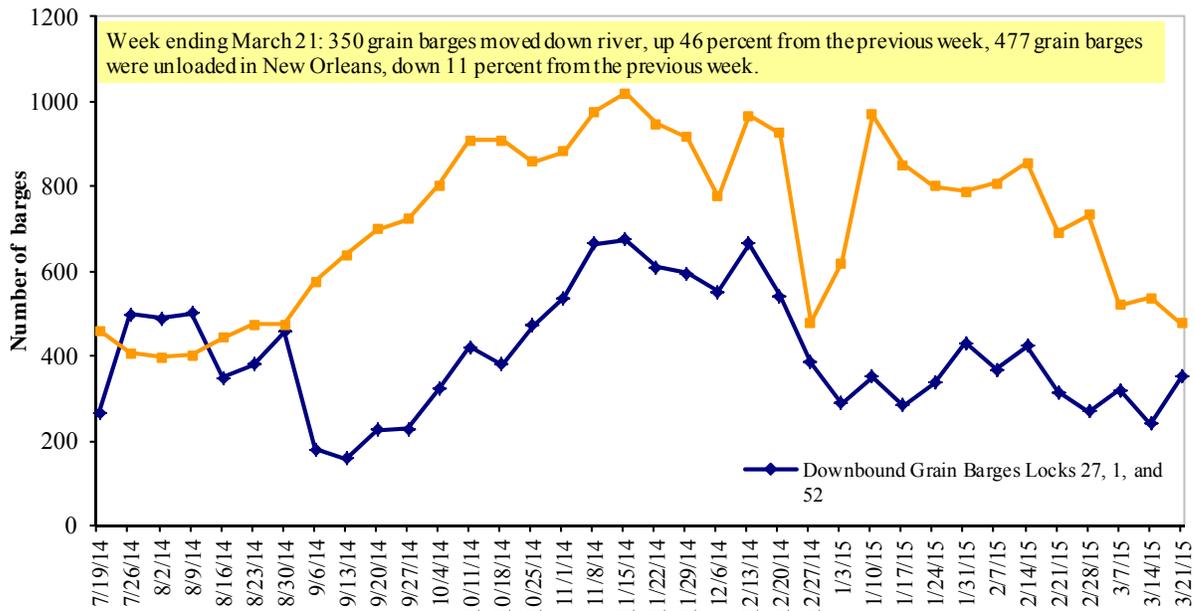
Source: U.S. Army Corps of Engineers

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 03/23/2014 (US \$/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	3.027	-0.055	-1.088
	New England	3.200	-0.070	-1.079
	Central Atlantic	3.231	-0.080	-1.046
	Lower Atlantic	2.837	-0.033	-1.126
II	Midwest ²	2.768	-0.052	-1.207
III	Gulf Coast ³	2.715	-0.048	-1.085
IV	Rocky Mountain	2.767	-0.045	-1.217
V	West Coast	3.001	-0.063	-1.008
	West Coast less California	2.815	-0.079	-1.110
	California	3.152	-0.050	-0.929
Total	U.S.	2.864	-0.053	-1.124

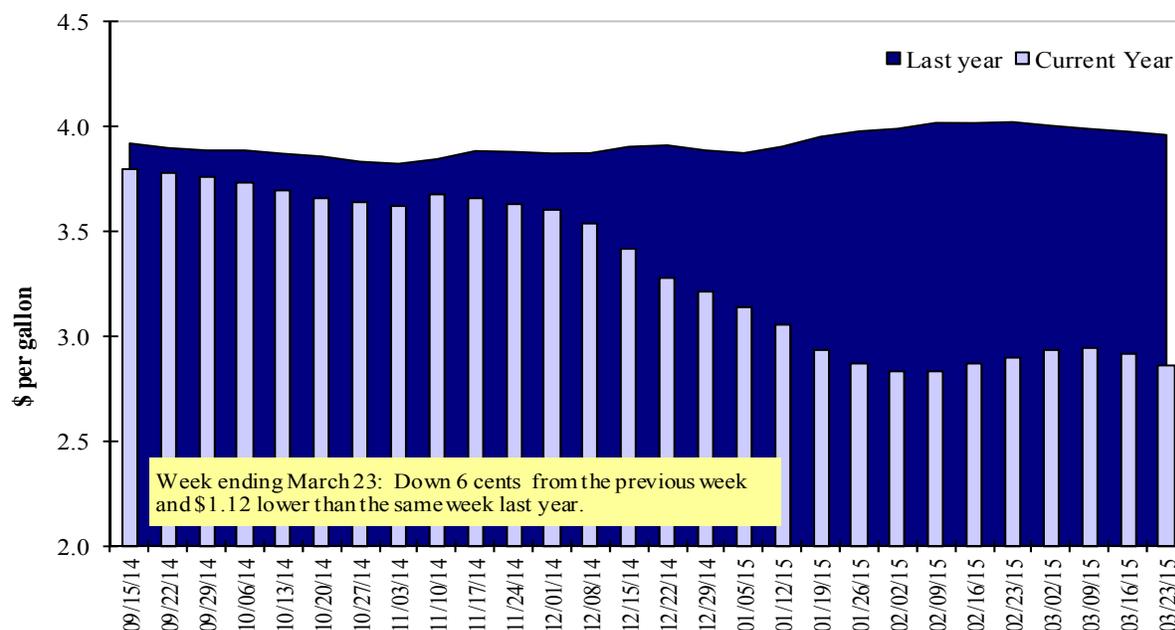
¹Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

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)

Week ending	Wheat					All wheat	Corn	Soybeans	Total
	HRW	SRW	HRS	SWW	DUR				
Export Balances¹									
3/12/2015	1,656	744	1,732	656	136	4,924	15,807	5,497	26,228
This week year ago	1,685	968	1,687	1,088	163	5,591	18,796	5,317	29,704
Cumulative exports-marketing year²									
2014/15 YTD	5,396	2,875	5,752	3,159	540	17,721	20,741	42,581	81,043
2013/14 YTD	9,318	6,356	4,742	3,186	322	23,925	20,115	39,115	83,155
YTD 2014/15 as % of 2013/14	58	45	121	99	168	74	103	109	97
Last 4 wks as % of same period 2013/14	98	76	101	69	85	89	88	113	93
2013/14 Total	11,465	7,307	6,338	4,367	486	29,963	46,868	44,478	121,309
2012/13 Total	10,019	5,039	5,825	4,619	591	26,093	17,980	36,220	80,293

¹ Current unshipped export sales to date

² Shipped export sales to date; new marketing year in effect for corn and soybeans

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

Week ending 03/12/2015	Total Commitments ²		% change current MY from last MY	Exports ³ 3-year avg 2011-2013
	2014/15 Current MY	2013/14 Last MY		
- 1,000 mt -				
Japan	7,783	8,494	(8)	10,079
Mexico	8,710	8,970	(3)	8,145
Korea	2,384	2,271	5	2,965
Colombia	3,109	2,111	47	3,461
Taiwan	1,143	1,200	(5)	1,238
Top 5 Importers	23,130	23,046	0.4	25,887
Total US corn export sales	36,547	38,911	(6)	34,445
% of Projected	80%	80%		
Change from prior week	502	746		
Top 5 importers' share of U.S. corn export sales	63%	59%		75%
USDA forecast, March 2015	45,720	48,700	(6)	
Corn Use for Ethanol USDA forecast, March 2015	132,080	130,404	1	

(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/>

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

Week Ending 03/12/2015	Total Commitments ²		% change current MY from last MY	Exports ³ 3-yr avg. 2011-13
	2014/15 Current MY	2013/14 Last MY		
	- 1,000 mt -			- 1,000 mt -
China	29,790	27,626	8	24,211
Mexico	2,751	2,864	(4)	2,971
Indonesia	1,379	1,929	(28)	1,895
Japan	1,528	1,557	(2)	1,750
Taiwan	1,111	1,030	8	1,055
Top 5 importers	36,559	35,005	4	31,882
Total US soybean export sales	48,078	44,433	8	39,169
% of Projected	99%	99%		
Change from prior week*	342	202		
Top 5 importers' share of U.S. soybean export sales	76%	79%		81%
USDA forecast, March 2015	48,720	44,820	9	

(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/³FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm. (Carryover plus Accumulated Exports)

* Includes revisions to previous week's data.

Table 15

Top 10 Importers¹ of All U.S. Wheat

Week Ending 03/12/2015	Total Commitments ²		% change current MY from last MY	Exports ³ 3-yr avg 2011-2013
	2014/15 Current MY	2013/14 Last MY		
	- 1,000 mt -			- 1,000 mt -
Japan	2,940	2,682	10	3,243
Mexico	2,642	2,857	(8)	3,066
Nigeria	1,903	2,563	(26)	2,960
Philippines	2,194	1,819	21	2,006
China	378	4,259	(91)	1,830
Brazil	1,508	3,910	(61)	1,617
Korea	1,201	1,192	1	1,552
Taiwan	979	950	3	969
Indonesia	629	837	(25)	813
Colombia	559	723	(23)	610
Top 10 importers	14,933	21,793	(31)	18,665
Total US wheat export sales	22,646	29,516	(23)	27,696
% of Projected	92%	92%		
Change from prior week*	392	402		
Top 10 importers' share of U.S. wheat export sales	66%	74%		67%
USDA forecast, March 2015	24,490	32,010	(23)	

(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/³FAS 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	Week ending 03/19/15	Previous Week ¹	Current Week as % of Previous	2015 YTD ¹	2014 YTD ¹	2015 YTD as % of 2014 YTD	Last 4-weeks as % of		Total ¹ 2014
							2014	3-yr. avg.	
Pacific Northwest									
Wheat	223	256	87	2,740	2,296	119	93	92	12,436
Corn	374	131	285	1,920	946	203	345	259	7,781
Soybeans	136	224	60	3,267	3,785	86	55	68	12,887
Total	732	612	120	7,927	7,027	113	109	114	33,104
Mississippi Gulf									
Wheat	114	102	112	827	846	98	104	53	4,495
Corn	471	463	102	5,911	5,674	104	85	132	30,912
Soybeans	337	319	106	8,114	8,228	99	62	96	29,087
Total	922	884	104	14,851	14,748	101	76	106	64,495
Texas Gulf									
Wheat	95	107	88	685	1,294	53	64	74	6,120
Corn	31	0	n/a	152	143	106	97	50	580
Soybeans	0	0	n/a	182	254	72	n/a	0	949
Total	126	107	117	1,019	1,691	60	66	71	7,649
Interior									
Wheat	27	87	32	327	234	140	58	202	1,400
Corn	58	128	46	1,143	1,071	107	95	83	5,677
Soybeans	36	53	68	918	1,102	83	110	61	4,312
Total	122	267	46	2,388	2,407	99	202	85	11,389
Great Lakes									
Wheat	0	0	n/a	12	0	n/a	n/a	0	935
Corn	0	0	n/a	0	0	n/a	n/a	0	288
Soybeans	0	0	n/a	0	0	n/a	n/a	0	988
Total	0	0	n/a	12	0	n/a	n/a	0	2,211
Atlantic									
Wheat	47	1	4,574	112	31	359	n/a	143	553
Corn	3	0	n/a	3	18	18	69	35	816
Soybeans	16	16	103	716	833	86	35	71	2,119
Total	67	17	393	831	882	94	58	86	3,487
U.S. total from ports²									
Wheat	506	553	92	4,703	4,701	100	95	83	25,939
Corn	938	722	130	9,129	7,853	116	110	141	46,054
Soybeans	525	612	86	13,196	14,202	93	56	82	50,342
Total	1,969	1,887	104	27,029	26,756	101	84	103	122,335

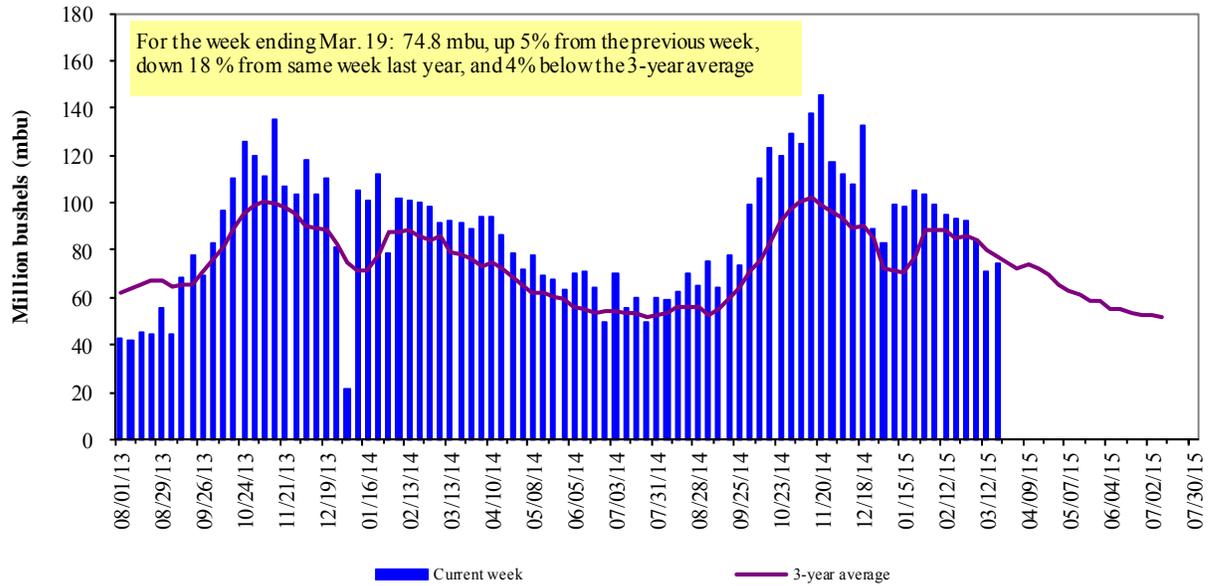
¹ Data includes revisions from prior weeks; some regional totals may not add exactly due to rounding.

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 2014.

Figure 14

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

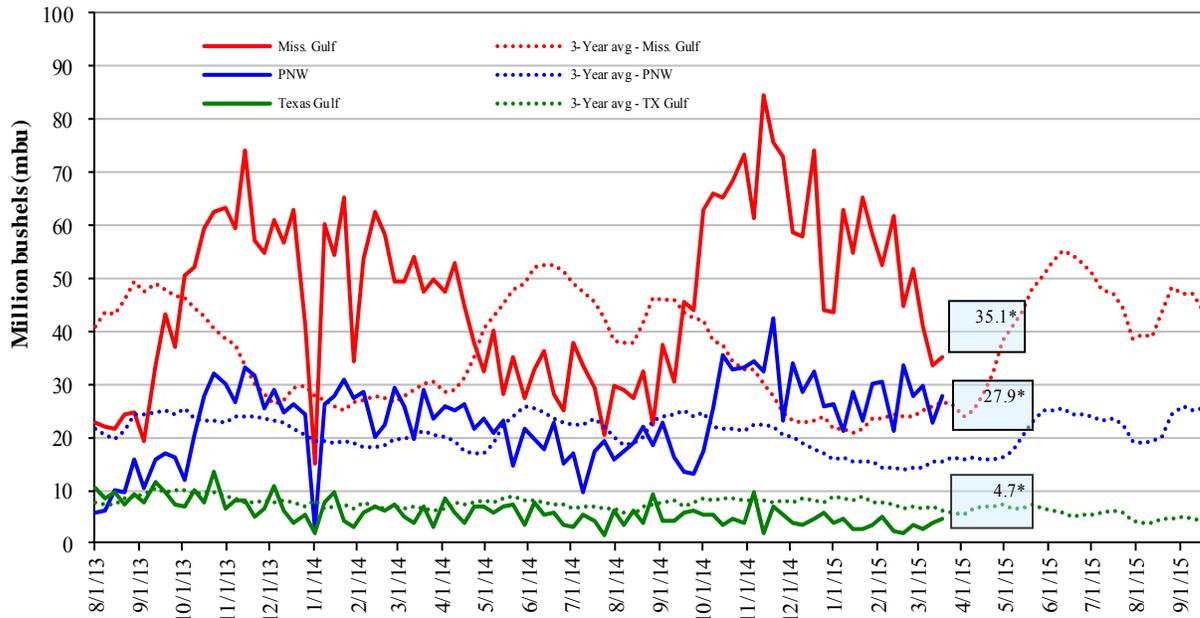


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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)



Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov); *mbu, this week.

Mar. 19: % change from:	<u>MSGulf</u>	<u>TX Gulf</u>	<u>U.S. Gulf</u>	<u>PNW</u>
Last week	up 4	up 20	up 6	up 22
Last year (same week)	down 26	down 32	down 27	down 4
3-yr avg. (4-wk mov. avg.)	down 7	down 11	down 8	up 21

Ocean Transportation

Table 17

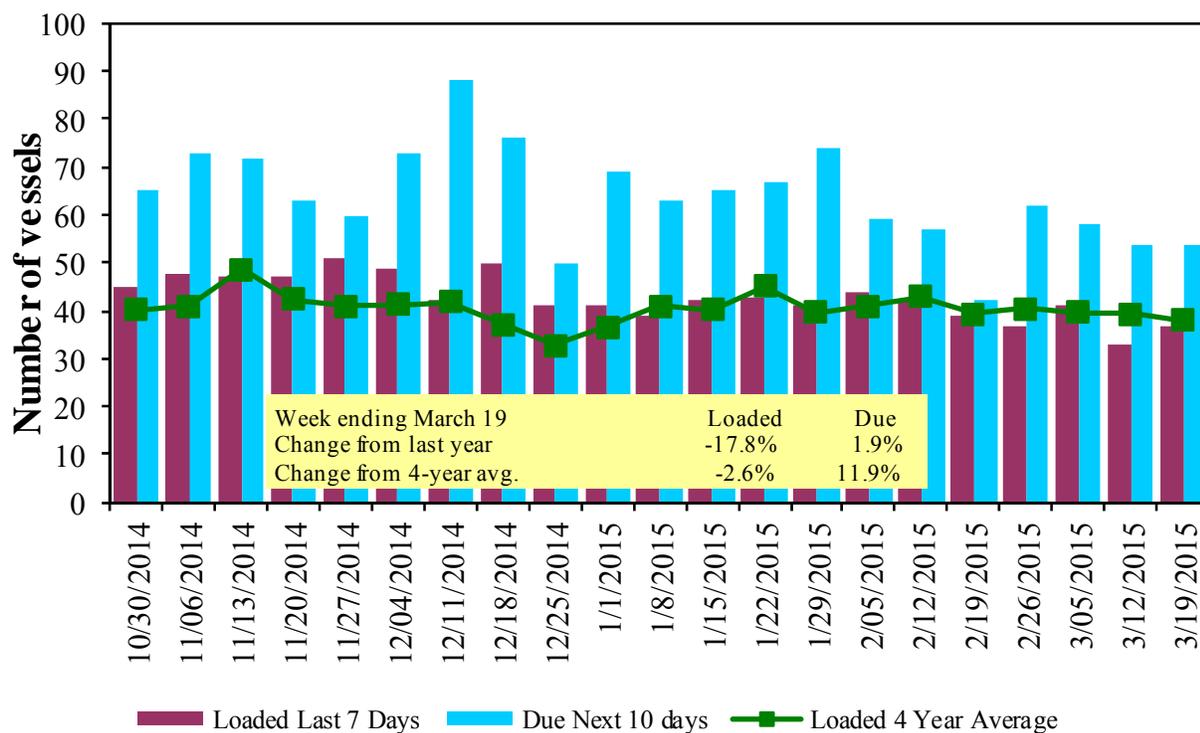
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In port	Loaded 7-days	Due next 10-days	In port	In port
3/19/2015	26	37	54	10	n/a
3/12/2015	39	33	54	14	n/a
2014 range	(18..88)	(24..52)	(27..97)	(6..26)	n/a
2014 avg	46	39	59	15	n/a

Source: Transportation & Marketing Programs/AMS/USDA

Figure 16

U.S. Gulf¹ Vessel Loading Activity

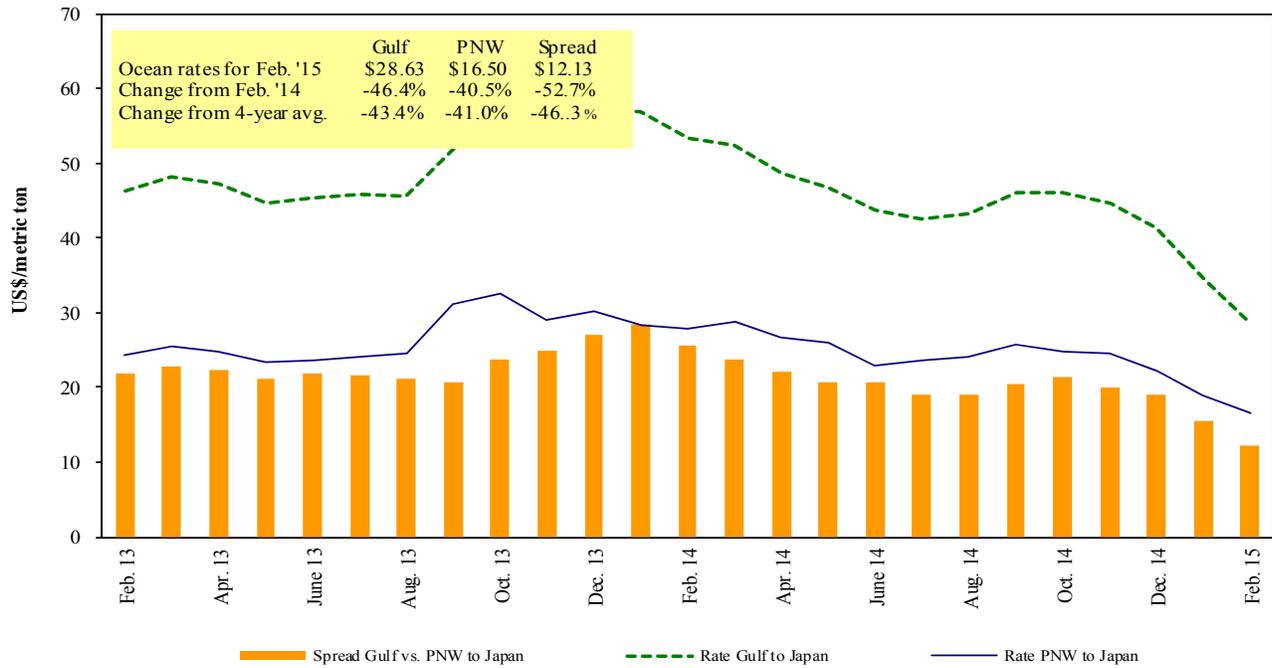


Source: Transportation & Marketing Programs/AMS/USDA

¹U.S. Gulf includes Mississippi, Texas, and East Gulf

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 3/21/2015

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US\$/metric ton)
U.S. Gulf	China	Heavy Grain	Apr 1/10	55,000	30.75
U.S. Gulf	China	Heavy Grain	Mar 5/14	58,000	30.75
U.S. Gulf	Cameroon ¹	Sorghum	Mar 16/26	7,960	136.16
U.S. Gulf	S. Africa ¹	Sorghum	Mar 16/26	5,000	136.16
U.S. Gulf	Tanzania ¹	Wheat	Mar 16/26	12,000	136.16
PNW	China	Grain	Mar 16/25	60,000	15.25
Brazil	China	Heavy Grain	Jun 1/30	60,000	22.75
Brazil	China	Grain	Apr 15/May 31	60,000	24.50
Brazil	China	Heavy Grain	May 1/10	60,000	22.50
Brazil	China	Heavy Grain	Mar 25/Apr 4	60,000	21.50
Brazil	China	Heavy Grain	Mar 17/26	60,000	21.00
Brazil	China	Heavy Grain	Mar 13/22	60,000	21.00
Brazil	China	Heavy Grain	Mar 10/15	60,000	21.50
Brazil	Vietnam	Heavy Grain	Mar 31/Apr 5	60,000	24.50
River Plate	Japan	Heavy Grain	Apr 6/15	43,000	34.50
River Plate	Mexico	Soybeans	Mar 10/15	31,000	22.25
Russia	Saudi Arabia	Barley	Mar 5/12	70,000	16.50

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

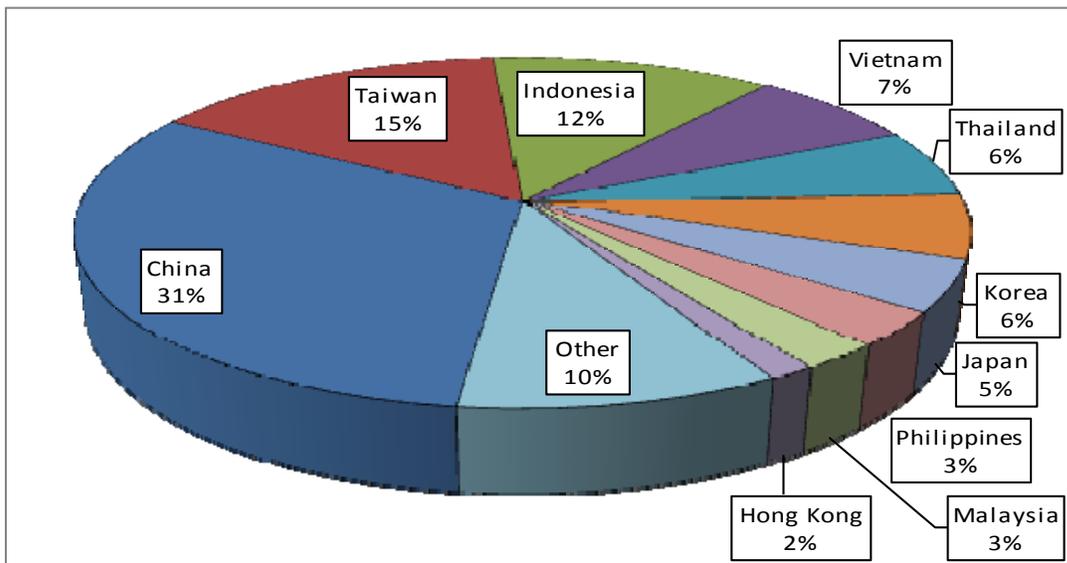
¹50 percent of food aid from the United States is required to be shipped on U.S.-flag vessels.

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

In 2013, containers were used to transport 10 percent of total U.S. waterborne grain exports, up 2 percentage points from 2012. Approximately 61 percent of U.S. waterborne grain exports in 2013 went to Asia, of which 16 percent were moved in containers. Asia is the top destination for U.S. containerized grain exports—97 percent in 2013.

Figure 18

Top 10 Destination Markets for U.S. Containerized Grain Exports, January-December 2014

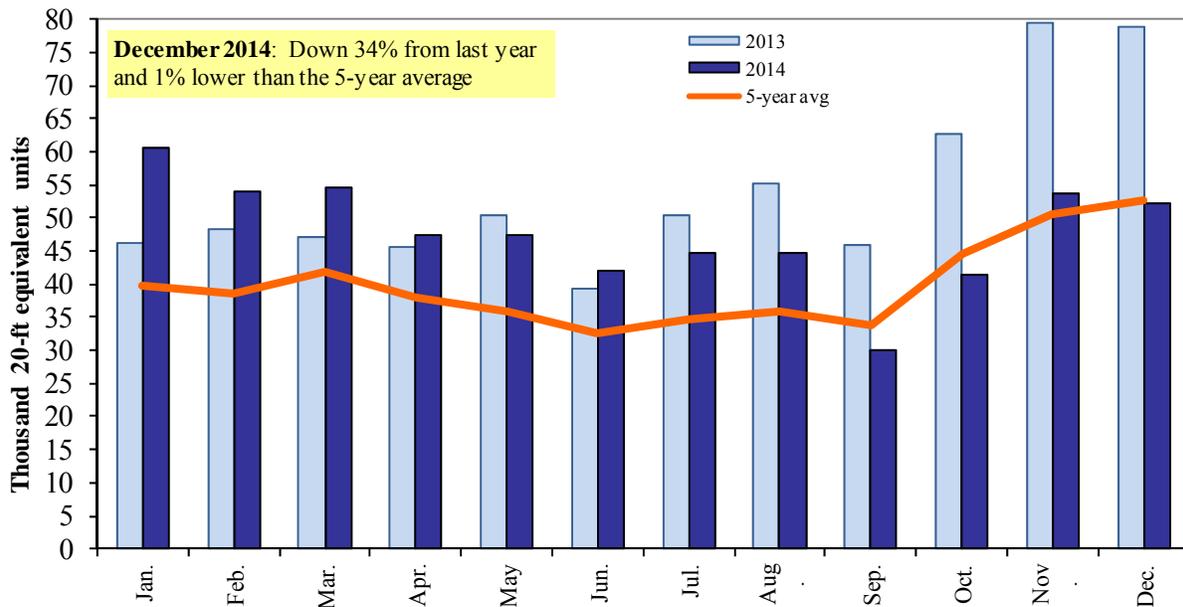


Source: USDA/Agricultural Marketing Service/Transportation Services Division analysis of Port Import Export Reporting Service (PIERS) data

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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