



Grain Transportation Report

A weekly publication of the Transportation and Marketing Programs/Transportation Services Division
www.ams.usda.gov/GTR

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April 3, 2014

WEEKLY HIGHLIGHTS

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Slowdown in Chinese Iron Ore and Soybean Imports Reduced Ocean Freight Rates

For the week ending March 28, the ocean freight rate for shipping bulk grains from the U.S. Gulf to Japan, at \$51.50 per metric ton (mt), has declined by 11 percent since the week ending January 3. The rate from the Pacific Northwest to Japan, at \$28 per mt, has declined by 5 percent. The reduction in ocean freight rates is caused in part by excess vessel tonnage due to reduced iron ore imports by China and less-than-expected demand for South American soybeans. There is also speculation in the market of possible Chinese cancellations of Brazilian soybeans, which may further depress rates.

Corn Inspections Highest in 4 Years

For the week ending March 27, total inspections of corn for export from all major port regions reached 1.3 million metric tons (mmt), up 18 percent from the past week, up 161 percent from last year, and 105 percent above the 3-year average. Corn inspections were also the highest since August 26, 2010. Higher corn stocks and increased demand from Asia and Latin America helped boost corn inspections. Wheat inspections (.497 mmt) were down 11 percent from the previous week, and soybean inspections dropped 32 percent for the same period, as shipments to Asia decreased. Total inspections of grain (corn, wheat, and soybeans) reached 2.32 mmt, down 4 percent from the past week, up 42 percent from the same time last year, and 14 percent above the 3-year average. Outstanding export sales increased for corn but decreased for wheat and soybeans.

Improved Navigation Conditions Reduce Grain Barge Rates

Grain barge rates have been dropping for three weeks as navigation conditions have improved on the Illinois River, the Mississippi River in the St. Louis area, and on the Ohio River. A reduction in ice accumulations and adequate river levels have reduced costs to barge operators. In addition, over the last three weeks (March 9 - 29), an average of 363 empty barges per week have transited upbound at Mississippi River Locks 27 (near St. Louis, MO), a significant increase compared to January to early March when upbound empties averaged 137 barges per week. As a result of these factors, current St. Louis barge rates for export grain were 300 percent of tariff (\$11.97 per ton), 50 percent lower than the peak winter rate of 595 percent of tariff (\$23.74 per ton) that occurred in early March.

STB Announces Hearing on Rail Service Problems

On April 1, the Surface Transportation Board (STB) announced it is holding a public hearing on April 10 in Washington D.C. to address recent service problems on the rail network. Service problems have been reported for agricultural, coal, passenger, and other traffic. Railroad executives from BNSF Railway and Canadian Pacific have been directed to appear at the hearing to discuss ongoing and future efforts to improve service and provide a timeline for when service levels return to normal. Other Class I railroads have also been invited to participate. The STB is encouraging impacted shippers to appear at the hearing to discuss their service concerns and comment on the railroads' plans. Any interested person wishing to participate should file a notice of intent to participate with the STB by April 7.

Snapshots by Sector

Rail

U.S. railroads originated 19,745 **carloads of grain** during the week ending March 22, down 6 percent from last week, up 16 percent from last year, and down 4 percent from the 3-year average.

During the week ending March 27, average April non-shuttle **secondary railcar bids/offers per car** were \$1,875 above tariff, unchanged from last week and \$1,880 higher than last year. Average shuttle secondary railcar bids/offers per car were \$2,537.50 above tariff, up \$379 from last week and \$2,687.50 higher than last year.

Barge

During the week ending March 29, **barge grain movements** totaled 806,266 tons—24.7 percent higher than the previous week and 123.3 percent higher than the same period last year.

During the week ending March 29, 495 grain barges **moved down river**, up 27.2 percent from last week; 761 grain barges were **unloaded in New Orleans**, up 0.5 percent from the previous week.

Ocean

During the week ending March 27, 44 **ocean-going grain vessels** were loaded in the Gulf, 57 percent more than the same period last year. Sixty-two vessels are expected to be loaded within the next 10 days, 38 percent more than the same period last year.

During the week ending March 28, the ocean freight rate for shipping bulk grain from the Gulf to Japan was \$51.50 per mt, down 3 percent from the previous week. The cost of shipping from the Pacific Northwest to Japan was \$28 per mt, down 3 percent from the previous week.

Fuel

During the week ending March 31, U.S. average **diesel fuel prices** decreased 1 cent from the previous week to \$3.98 per gallon—down 2 cents from the same week last year.

Feature Article/Calendar

Record High Containerized Grain Exports in 2013; 2014 Challenges Await

U.S. waterborne containerized grain exports experienced a new record year in 2013 with more than 636,000 twenty-foot equivalent units (TEU) moved—22 percent higher than 2012. The largest monthly increase came in the last 2 months of the year when exports topped more than 70,000 TEU.

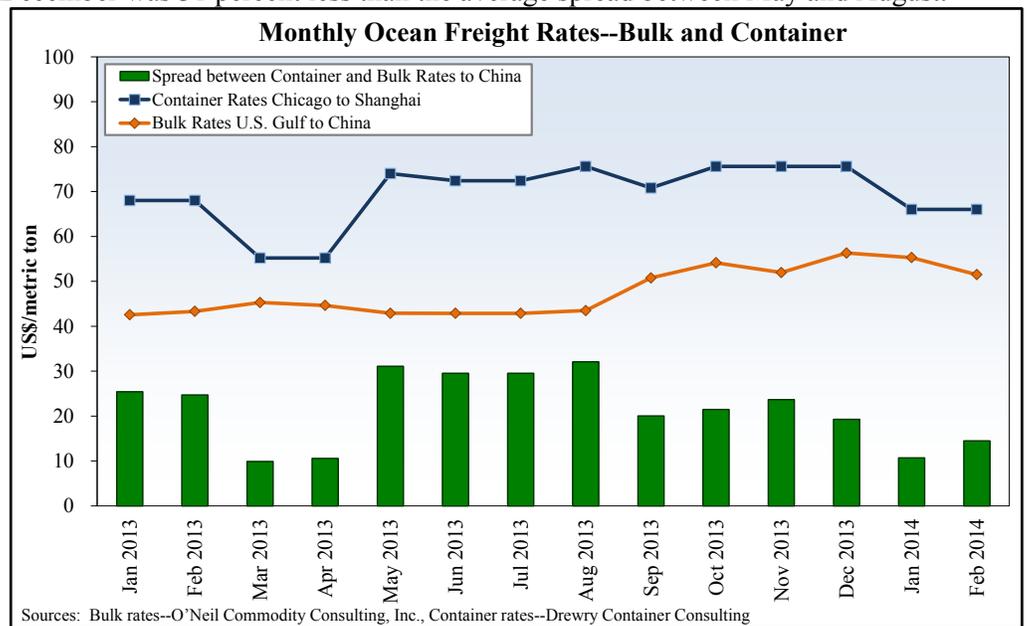
November shipments were 40 percent above the November record reached in 2007, and December shipments increased 25 percent over the previous monthly record reached in 2011. Distiller's grains made up the majority of containerized grain exports in 2013, accounting for 50 percent, followed by soybeans at 25 percent (see table).

U.S. Waterborne Containerized Grain Exports, 2013			
HTS Codes	Commodities	TEU	Share
230330	Distillers grains	316,055	50%
120100	Soybeans	157,666	25%
230990	Animal feed	47,689	7%
100590	Corn	40,734	6%
120810	Soybean meal	34,218	5%
	Other	39,843	6%
Total		636,206	100%

Source: Port Import Export Reporting Service (PIERS)

Relatively high bulk freight rates during the last 3 months of the year made flat container rates for cargo through Chicago more competitive (see figure below). The average spread between bulk and container rates from September to December was 31 percent less than the average spread between May and August.

Rates fell during the first 2 months of 2014; bulk rates fell at a slower pace than container rates allowing the spread to shrink further.



Outlook for 2014

Experts report containerized import traffic is expected to increase around 5 percent and containerized export cargo is expected to increase around 4

percent in 2014. However, there is plenty of uncertainty this year. Exporters are monitoring and preparing where possible for the possibility of a port disruption on the west coast. The International Longshore and Warehouse Union (ILWU) contract at container ports along the entire west coast (export grain elevators are not included in this contract) expires on June 30, 2014. Negotiations are scheduled to begin in May with items such as labor jurisdiction and cost sharing options for employee benefits on the table. Additionally, exporters are facing the implementation of 2 large scale vessel sharing agreements in the spring and summer of 2014. Adjustments to vessel schedules and rate volatility remain uncertain to exporters (more information below).

Federal Maritime Commission Approves P3 Vessel Sharing Agreement

In an effort to implement cost saving practices for the carriers, some of the largest container carriers in the world are collaborating to form large scale vessel sharing agreements in the busiest global trade lanes. On

March 20, the Federal Maritime Commission (FMC) announced it had concluded an extensive review of the proposed P3 Network Vessel Sharing Agreement. The agreement between A. P. Moller-Maersk A/S, CMA CGM S.A., and MSC Mediterranean Shipping Company, S.A., the 3 largest global container carriers, authorizes the parties to share vessels and engage in related cooperative operating activities in the trades between the U.S. and Asia, North Europe, and the Mediterranean. The Commission's decision allowed the Agreement to become effective as scheduled on March 24, 2014.

The Commission's decision is based on a determination that the agreement is not likely at this time, by a reduction in competition, to produce an unreasonable increase in transportation cost or an unreasonable reduction in transportation service. The Commission notes that there may be circumstances that could permit the P3 Agreement parties at some point in the future, to unreasonably reduce services or unreasonably raise rates that could raise concerns. To address these concerns, the Commission directed staff to issue alternative reporting requirements to the P3 Agreement parties to assist the Commission in its ongoing, close monitoring of the agreement.

FMC announced the request for an expansion of the G6 vessel sharing agreement was approved on April 2, 2014. This agreement consists of 6 major ocean container carriers, which currently cooperate under a smaller scale vessel sharing agreement. The pending agreement between American President Lines, Hapag Lloyd AG/USA, Hyundai Merchant Marine, Mitsui OSK Lines, Nippon Yusen Kaisha, and Orient Overseas Container Line would expand the current geographic scope to allow G6 operational cooperation in the trades between the Far East and the U.S. West Coast, and between North Europe and all U.S. coasts. Since the participating carriers currently work together, there is less concern from the export community about the potential impacts of this agreement.

However, the export community remains concerned about the impacts of the P3. It's been noted the P3 agreement will represent nearly 50 percent of the transatlantic trade lanes, and nearly 40 percent of the transpacific trade lanes. Though the carriers plan to increase overall capacity by using larger ships, the result will likely mean fewer port calls. Additionally, the varying levels of customer service among the participating carriers have exporters concerned the result could mean the participating carriers resort to the lowest common denominator. The inability to get accurate and timely documentation weighs heavily on the minds of exporters, particularly through the adjustment period, but in the long-term as well. Exporters are also eager to see how the carriers will share the vessel space. Will the container slots be evenly distributed among the participating carriers? Rate volatility is also a concern as carriers compete for cargo on the shared vessels.

There remain significant unknowns about the P3. The next few months will reveal the results of this agreement as the FMC and container trade community monitor this situation closely.

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Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators¹

Week ending	Truck	Rail		Barge	Ocean		
		Unit	Train	Shuttle	Gulf	Pacific	
04/02/14	267	103		109	231	230	199
03/26/14	268	342		306	261	237	206

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

*No quote for Illinois River as ice accumulation severely limited barge operations.

Table 2

Market Update: U.S. Origins to Export Position Price Spreads (\$/bushel)

Commodity	Origin--Destination	3/28/2014	3/21/2014
Corn	IL--Gulf	-0.95	-0.95
Corn	NE--Gulf	-1.12	-1.10
Soybean	IA--Gulf	-1.27	-1.38
HRW	KS--Gulf	-1.85	-1.95
HRS	ND--Portland	-3.15	-3.11

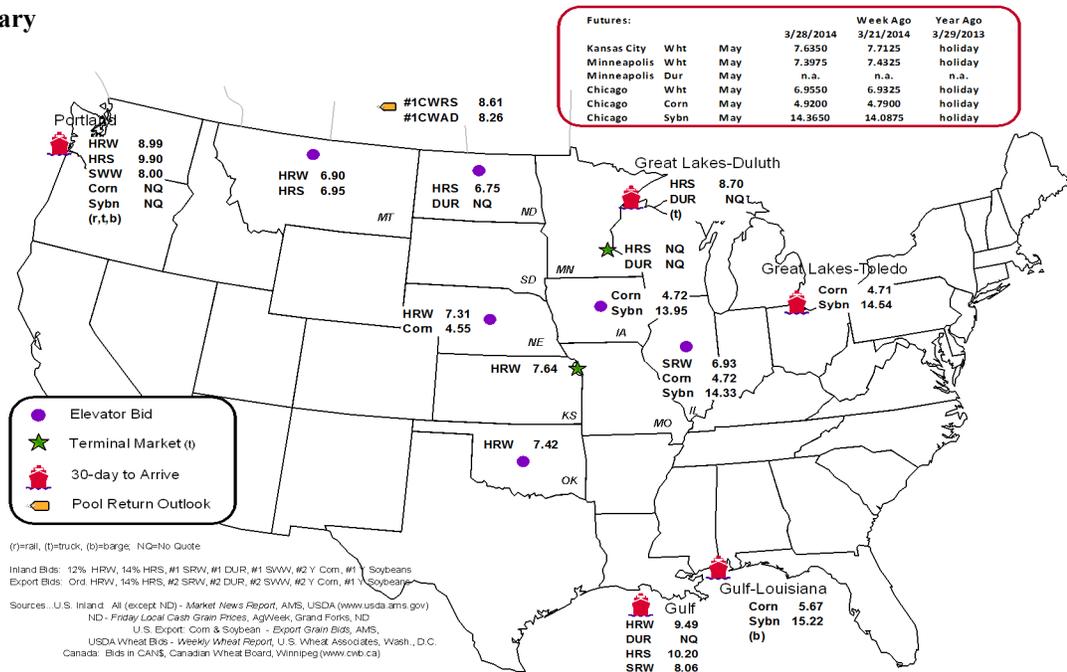
Note: nq = no quote

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			
3/26/2014 ^p	920	1,397	5,691	977	8,985	3/22/2014	1,917
3/19/2014 ^r	760	1,431	4,543	845	7,579	3/15/2014	2,088
2014 YTD ^r	15,111	20,133	68,026	11,251	114,521	2014 YTD	22,310
2013 YTD ^r	7,582	10,112	53,722	7,865	80,667	2013 YTD	14,431
2014 YTD as % of 2013 YTD	199	199	127	143	142	% change YTD	155
Last 4 weeks as % of 2013 ²	2,015	127	127	290	153	Last 4wks % 2013	154
Last 4 weeks as % of 4-year avg. ²	196	97	116	128	119	Last 4wks % 4 yr	98
Total 2013	31,646	71,388	168,826	25,176	297,036	Total 2013	70,298
Total 2012	22,604	40,780	199,419	24,659	287,462	Total 2012	92,008

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.

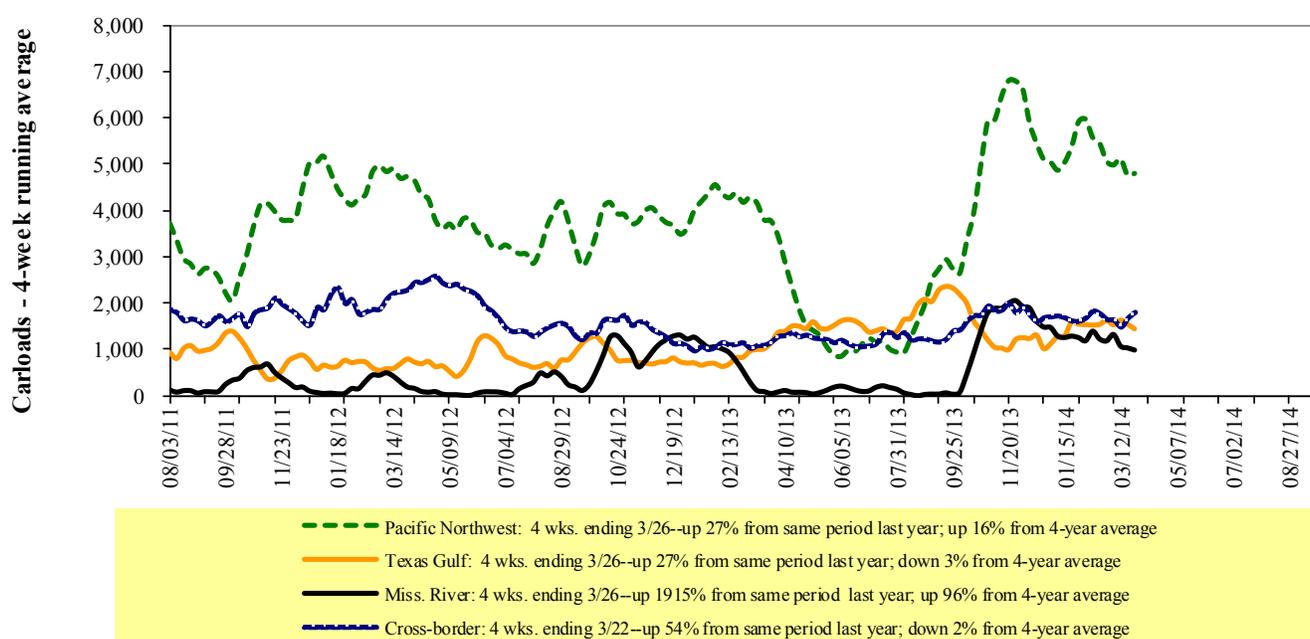
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

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

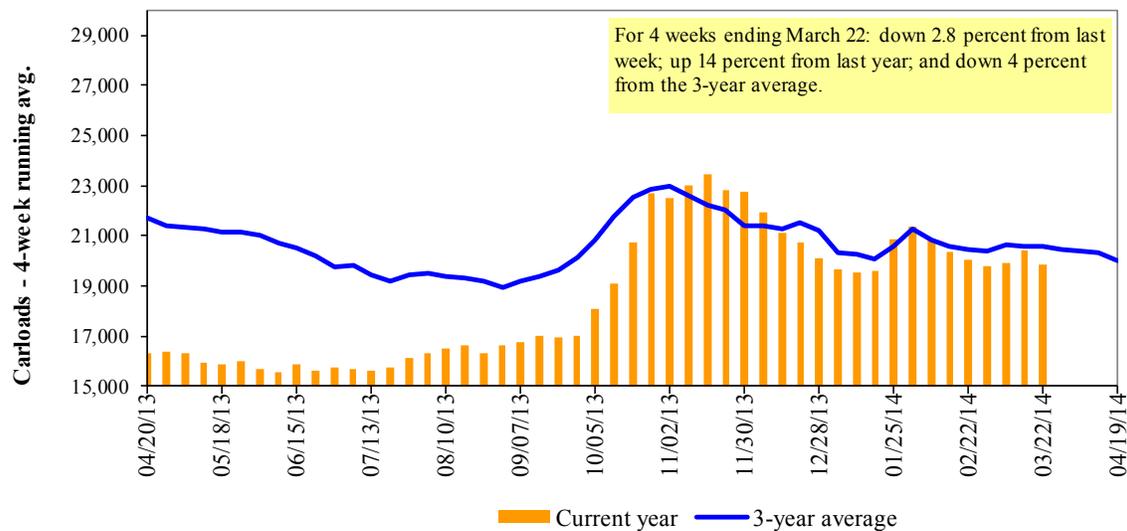
Table 4

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
03/22/14	1,995	2,660	8,576	914	5,609	19,754	4,750	5,168
This week last year	1,651	2,280	8,716	449	3,938	17,034	2,893	5,293
2014 YTD	24,179	35,738	101,751	11,678	69,621	242,967	46,358	55,394
2013 YTD	18,744	30,790	113,294	5,882	45,809	214,519	41,438	63,155
2014 YTD as % of 2013 YTD	129	116	90	199	152	113	112	88
Last 4 weeks as % of 2013	131	131	90	188	147	114	134	84
Last 4 weeks as % of 3-yr avg. ¹	99	111	81	173	111	96	112	88
Total 2013	86,466	137,915	454,262	34,412	222,258	935,313	190,125	272,753

¹As a percent of the same period in 2009 and 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

Week ending	Delivery period							
	Apr-14	Apr-13	May-14	May-13	Jun-14	Jun-13	Jul-14	Jul-13
BNSF ³								
COT grain units	no offer	0	no offer	no bids	no offer	no bids	no offer	0
COT grain single-car ⁵	no offer	0	no offer	0	no offer	no bids	no offer	no bids
UP ⁴								
GCAS/Region 1	no offer	no bids	no offer	no bids	112	no bids	n/a	n/a
GCAS/Region 2	no offer	no bids	no offer	no bids	408	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.

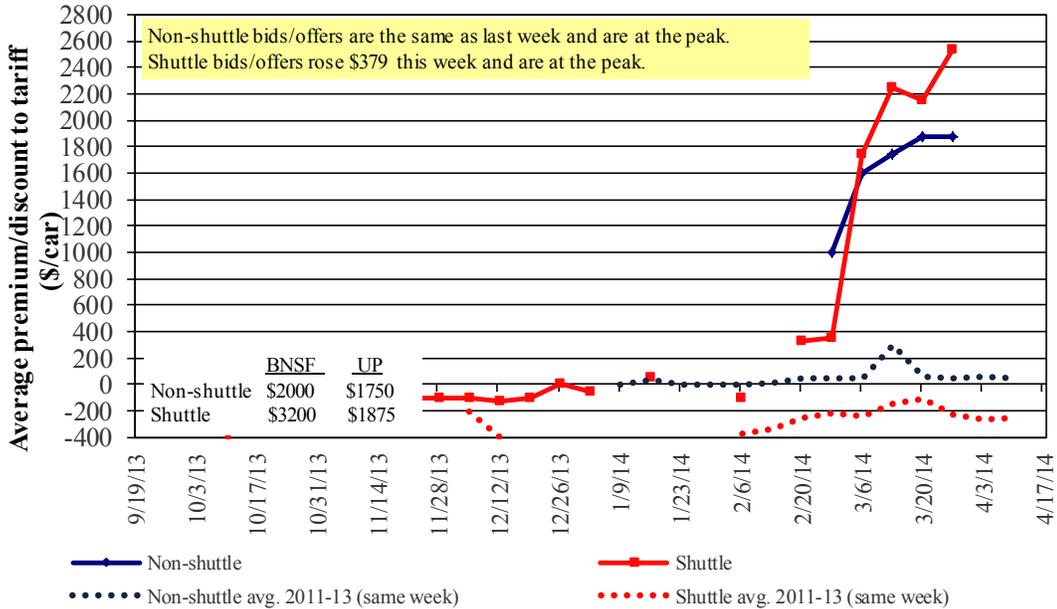
⁵Range is shown because average is not available. Not available = n/a.

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 April 2014, Secondary Market

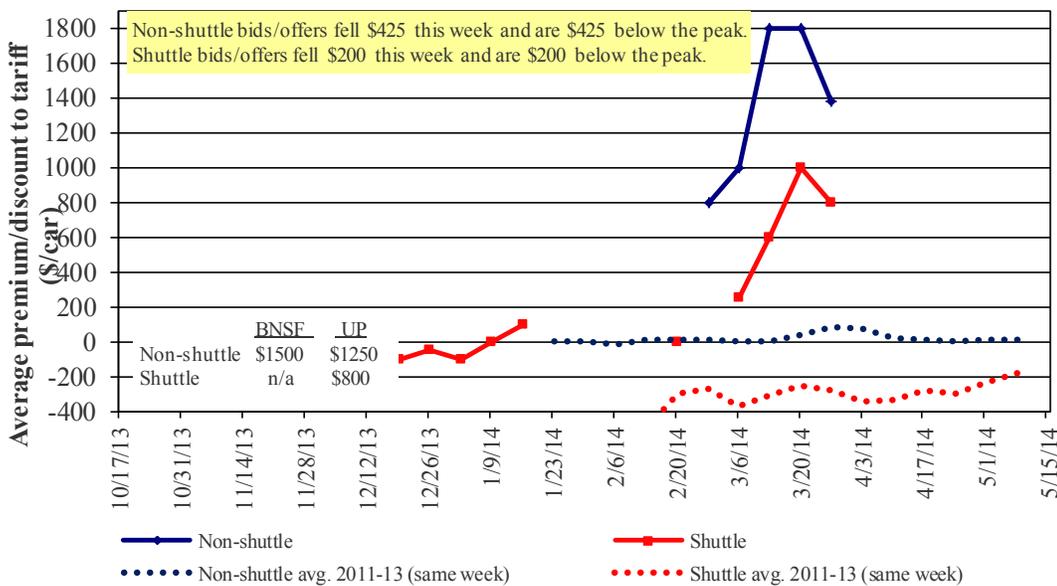


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

Bids/Offers for Railcars to be Delivered in May 2014, Secondary Market

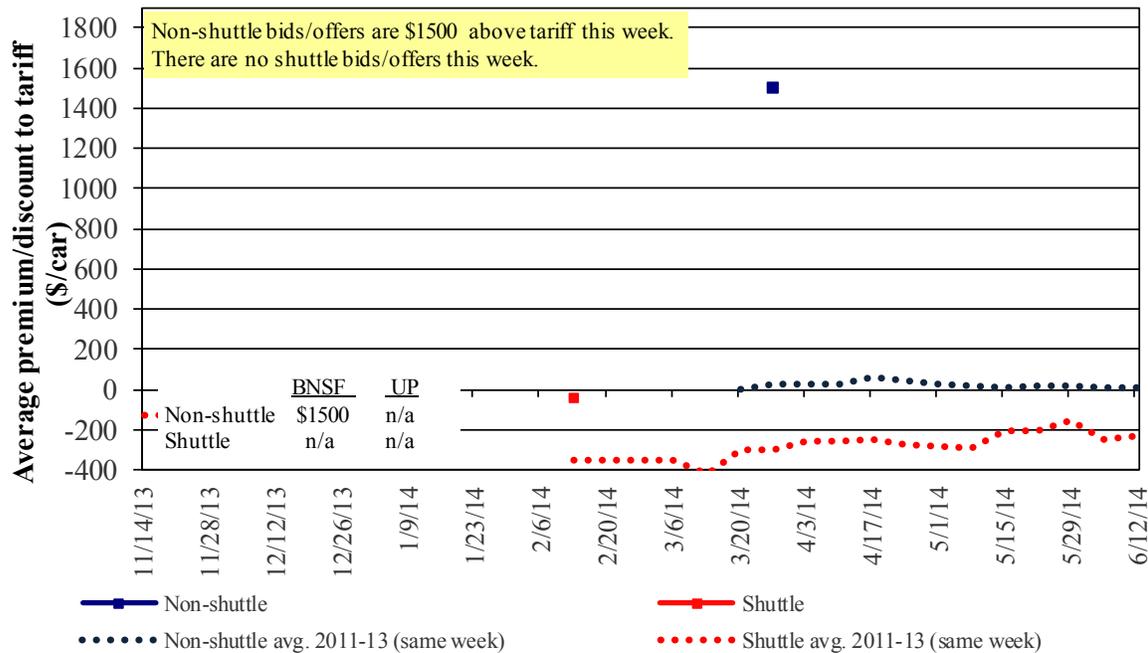


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in June 2014, 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-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14
Non-shuttle						
BNSF-GF	2,000	1,500	1,500	n/a	n/a	n/a
Change from last week	(750)	(300)	n/a	n/a	n/a	n/a
Change from same week 2013	2,010	1,500	n/a	n/a	n/a	n/a
UP-Pool	1,750	1,250	n/a	n/a	n/a	n/a
Change from last week	750	n/a	n/a	n/a	n/a	n/a
Change from same week 2013	1,750	n/a	n/a	n/a	n/a	n/a
Shuttle²						
BNSF-GF	3,200	n/a	n/a	n/a	n/a	1,500
Change from last week	633	n/a	n/a	n/a	n/a	-
Change from same week 2013	3,325	n/a	n/a	n/a	n/a	1,538
UP-Pool	1,875	800	n/a	n/a	n/a	n/a
Change from last week	125	(200)	n/a	n/a	n/a	n/a
Change from same week 2013	2,050	1,000	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.

Table 7

Tariff Rail Rates for Unit and Shuttle Train Shipments¹

Effective date:				Fuel	Tariff plus surcharge per:		Percent
4/1/2014	Origin region*	Destination region*	Tariff rate/car	surcharge per car	metric ton	bushe ²	change Y/Y ³
Unit train							
Wheat	Wichita, KS	St. Louis, MO	\$3,191	\$192	\$33.60	\$0.91	1
	Grand Forks, ND	Duluth-Superior, MN	\$3,596	\$113	\$36.83	\$1.00	1
	Wichita, KS	Los Angeles, CA	\$6,244	\$581	\$67.78	\$1.84	3
	Wichita, KS	New Orleans, LA	\$3,808	\$338	\$41.17	\$1.12	3
	Sioux Falls, SD	Galveston-Houston, TX	\$5,824	\$477	\$62.57	\$1.70	4
	Northwest KS	Galveston-Houston, TX	\$4,076	\$371	\$44.16	\$1.20	3
	Amarillo, TX	Los Angeles, CA	\$4,275	\$516	\$47.57	\$1.29	3
Corn	Champaign-Urbana, IL	New Orleans, LA	\$3,192	\$382	\$35.49	\$0.90	1
	Toledo, OH	Raleigh, NC	\$4,686	\$433	\$50.83	\$1.29	3
	Des Moines, IA	Davenport, IA	\$2,078	\$81	\$21.44	\$0.54	3
	Indianapolis, IN	Atlanta, GA	\$4,061	\$325	\$43.56	\$1.11	3
	Indianapolis, IN	Knoxville, TN	\$3,469	\$209	\$36.52	\$0.93	3
	Des Moines, IA	Little Rock, AR	\$3,218	\$238	\$34.32	\$0.87	1
	Des Moines, IA	Los Angeles, CA	\$5,215	\$693	\$58.67	\$1.49	2
Soybeans	Minneapolis, MN	New Orleans, LA	\$3,424	\$425	\$38.22	\$1.04	-2
	Toledo, OH	Huntsville, AL	\$3,687	\$308	\$39.67	\$1.08	2
	Indianapolis, IN	Raleigh, NC	\$4,756	\$436	\$51.56	\$1.40	3
	Indianapolis, IN	Huntsville, AL	\$3,379	\$209	\$35.63	\$0.97	3
	Champaign-Urbana, IL	New Orleans, LA	\$3,748	\$382	\$41.02	\$1.12	3
Shuttle Train							
Wheat	Great Falls, MT	Portland, OR	\$3,678	\$334	\$39.85	\$1.08	2
	Wichita, KS	Galveston-Houston, TX	\$3,798	\$260	\$40.30	\$1.10	4
	Chicago, IL	Albany, NY	\$3,950	\$406	\$43.26	\$1.18	4
	Grand Forks, ND	Portland, OR	\$5,159	\$578	\$56.97	\$1.55	1
	Grand Forks, ND	Galveston-Houston, TX	\$6,084	\$602	\$66.39	\$1.81	-1
	Northwest KS	Portland, OR	\$5,043	\$608	\$56.11	\$1.53	2
Corn	Minneapolis, MN	Portland, OR	\$5,000	\$703	\$56.64	\$1.44	3
	Sioux Falls, SD	Tacoma, WA	\$4,960	\$644	\$55.65	\$1.41	3
	Champaign-Urbana, IL	New Orleans, LA	\$3,011	\$382	\$33.70	\$0.86	2
	Lincoln, NE	Galveston-Houston, TX	\$3,510	\$375	\$38.58	\$0.98	5
	Des Moines, IA	Amarillo, TX	\$3,590	\$299	\$38.62	\$0.98	1
	Minneapolis, MN	Tacoma, WA	\$5,000	\$698	\$56.58	\$1.44	3
Soybeans	Council Bluffs, IA	Stockton, CA	\$4,400	\$722	\$50.86	\$1.29	3
	Sioux Falls, SD	Tacoma, WA	\$5,520	\$644	\$61.21	\$1.67	2
	Minneapolis, MN	Portland, OR	\$5,530	\$703	\$61.90	\$1.68	2
	Fargo, ND	Tacoma, WA	\$5,430	\$573	\$59.61	\$1.62	3
	Council Bluffs, IA	New Orleans, LA	\$4,175	\$441	\$45.84	\$1.25	4
	Toledo, OH	Huntsville, AL	\$2,862	\$308	\$31.47	\$0.86	3
	Grand Island, NE	Portland, OR	\$5,110	\$622	\$56.92	\$1.55	-2

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: 4/1/2014

Commodity	Origin state	Destination region	Tariff rate/car ¹	Fuel		Percent change Y/Y ⁴	
				surcharge per car ²	Tariff plus surcharge per: metric ton ³ bushel ³		
Wheat	MT	Chihuahua, CI	\$6,360	\$611	\$71.23	\$1.94	1
	OK	Cuautitlan, EM	\$6,156	\$742	\$70.48	\$1.92	-6
	KS	Guadalajara, JA	\$6,741	\$717	\$76.20	\$2.07	-9
	TX	Salinas Victoria, NL	\$3,688	\$280	\$40.54	\$1.10	3
Corn	IA	Guadalajara, JA	\$7,974	\$843	\$90.09	\$2.29	2
	SD	Celaya, GJ	\$7,656	\$800	\$86.40	\$2.19	3
	NE	Queretaro, QA	\$7,317	\$749	\$82.41	\$2.09	1
	SD	Salinas Victoria, NL	\$5,880	\$608	\$66.29	\$1.68	2
	MO	Tlalnepantla, EM	\$6,755	\$728	\$76.46	\$1.94	1
	SD	Torreón, CU	\$6,722	\$670	\$75.52	\$1.92	2
Soybeans	MO	Bojay (Tula), HG	\$7,868	\$711	\$87.66	\$2.38	3
	NE	Guadalajara, JA	\$8,447	\$814	\$94.62	\$2.57	3
	IA	El Castillo, JA	\$8,855	\$795	\$98.60	\$2.68	3
	KS	Torreón, CU	\$6,864	\$505	\$75.28	\$2.05	2
Sorghum	TX	Guadalajara, JA	\$6,953	\$520	\$76.36	\$1.94	6
	NE	Celaya, GJ	\$7,212	\$726	\$81.10	\$2.06	2
	KS	Queretaro, QA	\$6,650	\$456	\$72.60	\$1.84	-3
	NE	Salinas Victoria, NL	\$5,368	\$534	\$60.30	\$1.53	-2
	NE	Torreón, CU	\$6,243	\$596	\$69.88	\$1.77	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.

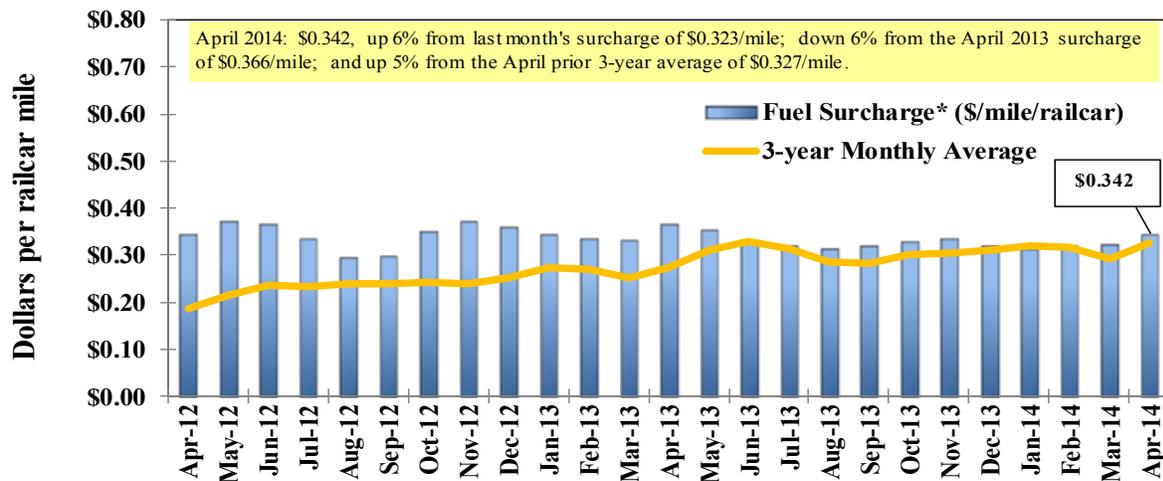
²Fuel surcharge adjusted to reflect the change in Ferrocarril Mexicano, S.A. de C.V. railroad fuel surcharge policy as of 10/01/2009

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.

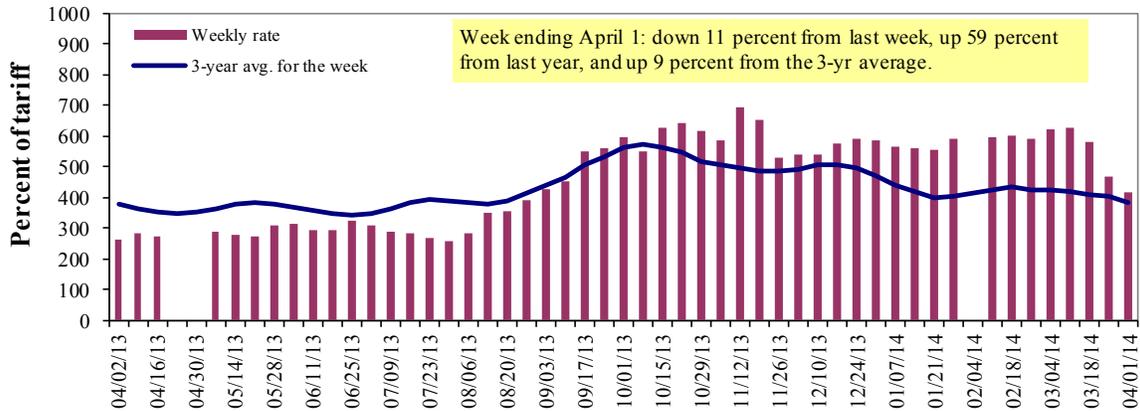
** BNSF strike price (diesel price when fuel surcharges begin) changed from \$1.25/gal. to \$2.50/gal. starting March 1, 2011. As a result, the weighted average fuel surcharge for March 2011 was \$0.227/mile instead of \$0.331/mile.

Sources: www.bnsf.com, www.cn.ca, www.cpr.ca, www.esx.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	4/1/2014	--	421	416	300	336	336	250
	3/25/2014	--	468	469	350	381	381	281
\$/ton	4/1/2014	--	22.40	19.30	11.97	15.76	13.57	7.85
	3/25/2014	--	24.90	21.76	13.97	17.87	15.39	8.82
Current week % change from the same week:								
	Last year	--	45	59	29	74	74	39
	3-year avg. ²	--	10	9	1	2	2	-1
Rate¹	May	460	406	390	283	325	325	245
	July	465	400	393	293	338	338	261

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

Source: Transportation & Marketing Programs/AMS/USDA

Calculating barge rate per ton:

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

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map (see figure 9).

Figure 9

Benchmark tariff rates

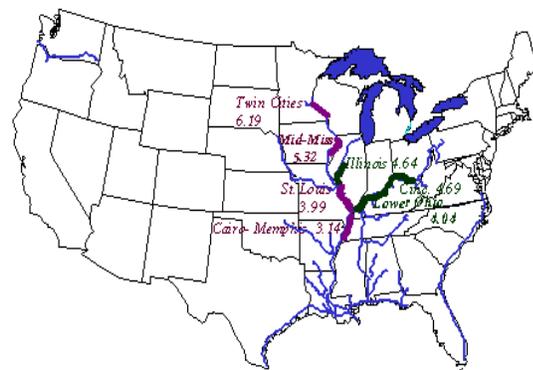
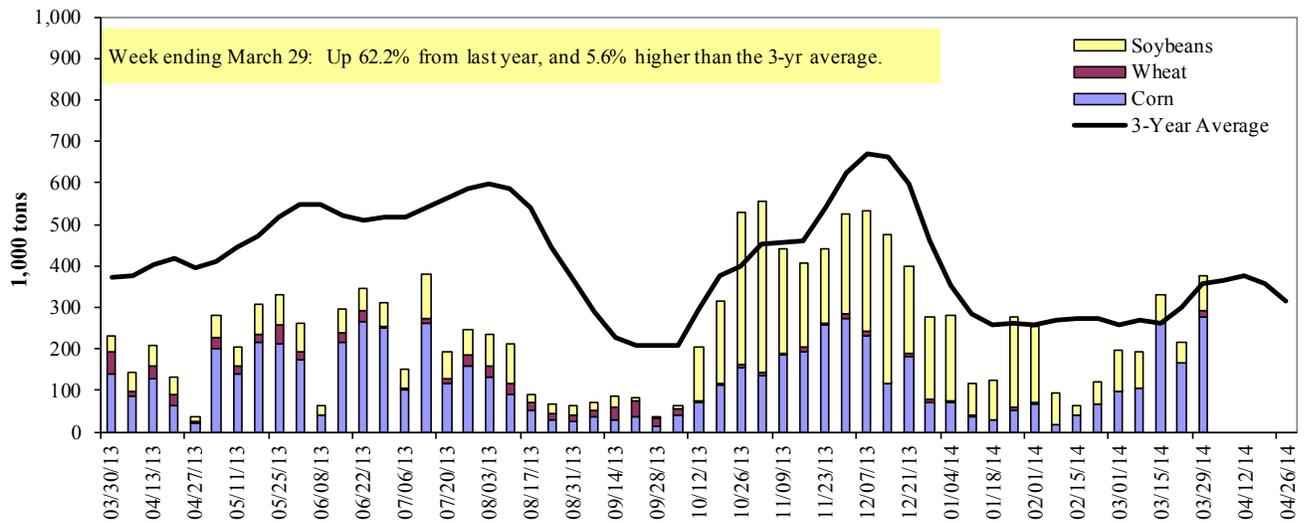


Figure 10

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 3/29/2014	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	3	0	0	0	3
Winfield, MO (L25)	50	0	44	0	94
Alton, IL (L26)	285	15	77	10	386
Granite City, IL (L27)	277	15	86	10	388
Illinois River (L8)	113	12	12	0	137
Ohio River (L52)	306	23	51	0	380
Arkansas River (L1)	5	28	4	1	38
Weekly total - 2014	588	66	141	11	806
Weekly total - 2013	194	85	61	21	361
2014 YTD ¹	4,092	378	3,427	51	7,948
2013 YTD	1,559	1,136	2,914	77	5,685
2014 as % of 2013 YTD	262	33	118	67	140
Last 4 weeks as % of 2013 ²	265	42	118	40	157
Total 2013	9,504	4,111	10,065	255	23,935

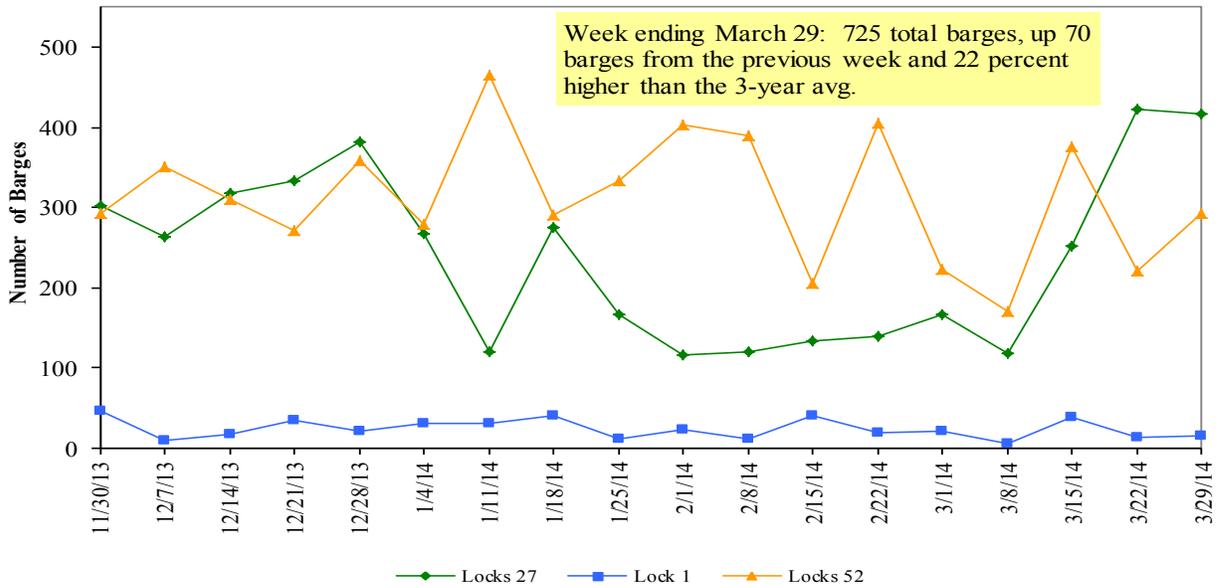
¹ Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

² As a percent of same period in 2013.

Note: Total may not add exactly, due to rounding

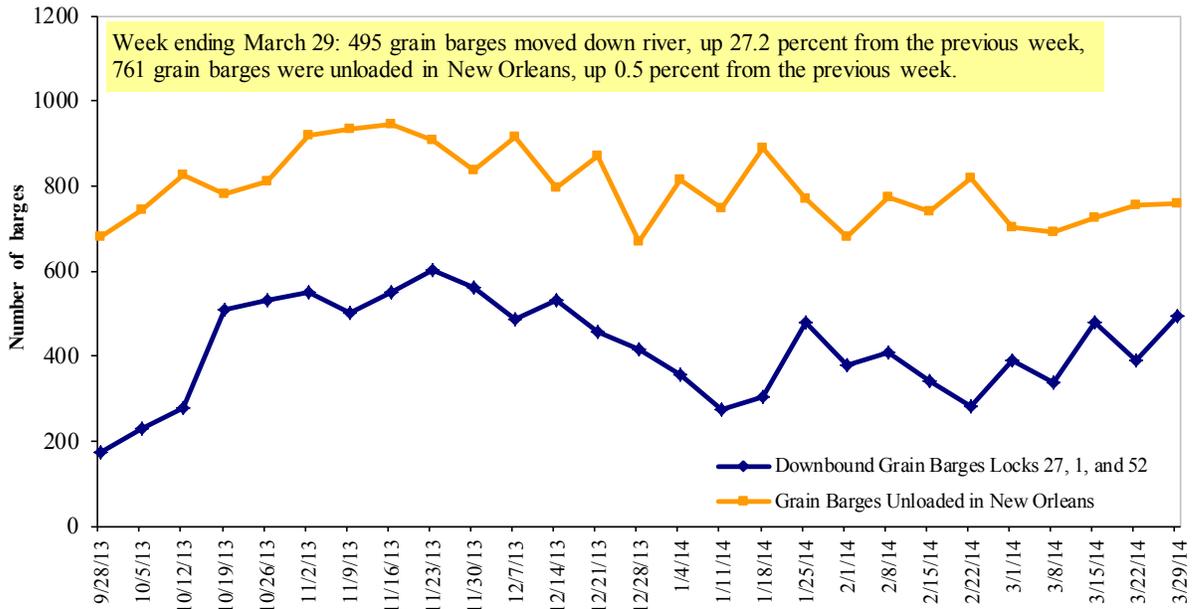
Source: U.S. Army Corps of Engineers

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 3/31/2013 (US \$/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	4.094	-0.021	0.069
	New England	4.255	-0.024	0.107
	Central Atlantic	4.241	-0.036	0.158
	Lower Atlantic	3.955	-0.008	-0.003
II	Midwest ²	3.959	-0.016	-0.011
III	Gulf Coast ³	3.804	0.004	-0.111
IV	Rocky Mountain	3.975	-0.009	0.053
V	West Coast	3.990	-0.019	-0.126
	West Coast less California	3.908	-0.017	-0.108
	California	4.060	-0.021	-0.140
Total	U.S.	3.975	-0.013	-0.018

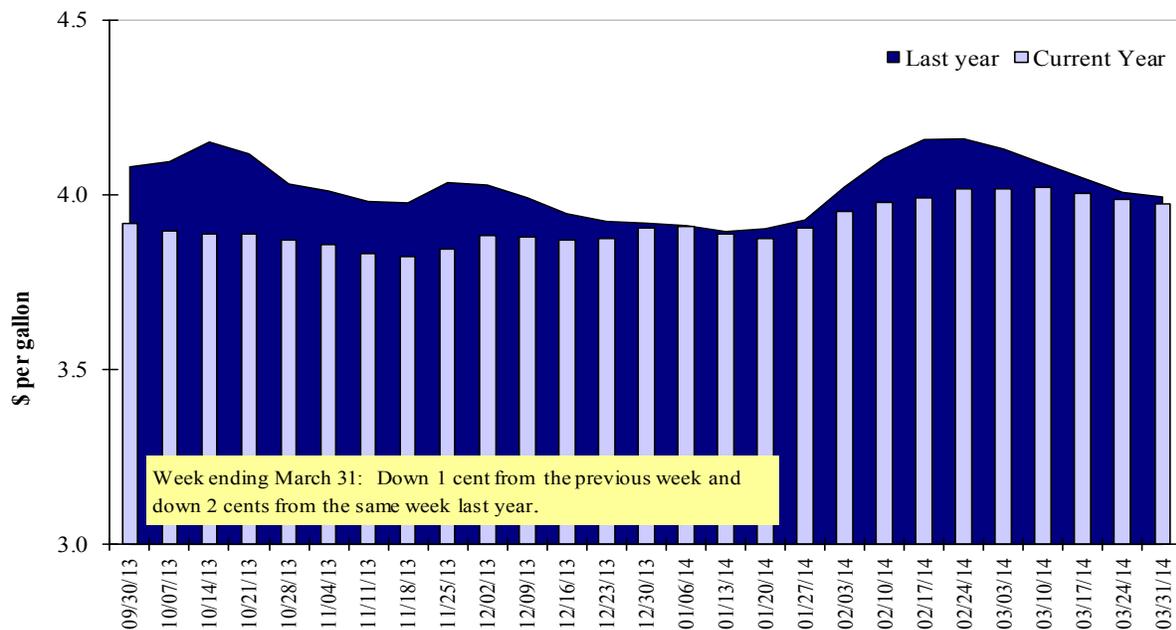
¹Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

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						Corn	Soybeans	Total
	HRW	SRW	HRS	SWW	DUR	All wheat			
Export Balances¹									
3/20/2014	1,706	939	1,632	1,037	147	5,461	18,974	4,609	29,044
This week year ago	2,034	1,275	1,276	676	113	5,373	4,518	3,203	13,094
Cumulative exports-marketing year²									
2013/14 YTD	9,506	6,427	4,911	3,273	338	24,456	21,398	39,835	85,689
2012/13 YTD	7,399	3,675	4,625	3,845	375	19,919	10,648	32,382	62,949
YTD 2013/14 as % of 2012/13	128	175	106	85	90	123	201	123	136
Last 4 wks as % of same period 2012/13	85	76	130	158	141	104	420	181	232
2012/13 Total	10,019	5,039	5,825	4,619	591	26,093	17,980	36,220	80,293
2011/12 Total	9,904	4,319	6,312	5,601	491	26,627	37,900	36,727	101,254

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 3/20/2014	Total Commitments ²		% change current MY from last MY	Exports ³ 2012/13
	2013/14 Current MY	2012/13 Last MY		
	- 1,000 mt -			- 1,000 mt -
Japan	8,654	5,204	66	7,000
Mexico	9,210	3,457	166	4,370
China	4,053	2,364	71	2,450
Venezuela	707	486	46	1,158
Taiwan	1,272	400	218	512
Top 5 Importers	23,895	11,910	101	15,490
Total US corn export sales	40,372	15,167	166	18,670
% of Projected	98%	82%		
Change from prior week	1,408	296		
Top 5 importers' share of U.S. corn export sales	59%	79%		83%
USDA forecast, March 2014	41,348	18,601	122	
Corn Use for Ethanol USDA forecast, March 2014	127,000	118,059	8	

(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/my/fi_rpt.htm (Carry-over plus Accumulated Exports)

Table 14

Top 5 Importers¹ of U.S. Soybeans

Week Ending 3/20/2014	Total Commitments ²		% change current MY from last MY	Exports ³ 2012/13
	2013/14 Current MY	2012/13 Last MY		
	- 1,000 mt -			- 1,000 mt -
China	27,647	21,624	28	21,522
Mexico	2,905	1,981	47	2,565
Japan	1,630	1,453	12	1,751
Indonesia	1,889	1,217	55	1,682
Taiwan	1,055	1,020	3	1,120
Top 5 importers	35,126	27,295	29	28,641
Total US soybean export sales	44,444	35,585	25	37,060
% of Projected	107%	99%		
Change from prior week	12	66		
Top 5 importers' share of U.S. soybean export sales	79%	77%		
USDA forecast, March 2014	41,689	35,967	16	

(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)

Table 15

Top 10 Importers¹ of All U.S. Wheat

Week Ending 3/20/2014	Total Commitments ²		% change current MY from last MY	Exports ³ 2012/13
	2013/14 Current MY	2012/13 Last MY		
	- 1,000 mt -			- 1,000 mt -
Japan	2,811	3,463	(19)	3,544
Nigeria	2,628	2,762	(5)	3,002
Mexico	2,859	2,671	7	2,761
Philippines	1,931	1,819	6	1,965
Egypt	1,226	199	517	1,678
Korea	1,216	1,372	(11)	1,385
Taiwan	950	989	(4)	1,038
China	4,259	789	440	743
Brazil	3,910	406	864	527
Colombia	723	559	29	600
Top 10 importers	22,512	15,028	50	17,243
Total US wheat export sales	29,916	25,292	18	26,348
% of Projected	93%	92%		
Change from prior week	401	580		
Top 10 importers' share of U.S. wheat export sales	75%	59%		65%
USDA forecast, March 2014	32,016	27,439	17	

(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 03/27/14	Previous Week ¹	Current Week as % of Previous	2014 YTD ¹	2013 YTD ¹	2014 YTD as % of 2013 YTD	Last 4-weeks as % of		Total ¹ 2013
							2013	3-yr. avg.	
Pacific Northwest									
Wheat	309	254	121	2,862	3,014	95	117	105	11,585
Corn	246	188	131	1,379	1,105	125	130	98	2,973
Soybeans	70	336	21	4,195	3,424	123	151	159	9,090
Total	625	778	80	8,436	7,543	112	132	121	23,647
Mississippi Gulf									
Wheat	74	97	77	1,019	2,291	44	34	48	9,711
Corn	956	775	123	7,415	2,648	280	307	175	14,828
Soybeans	261	369	71	8,868	6,228	142	180	123	21,462
Total	1,292	1,241	104	17,302	11,167	155	176	133	46,002
Texas Gulf									
Wheat	84	192	44	1,663	1,524	109	115	83	9,039
Corn	0	0	n/a	144	42	338	85	26	255
Soybeans	0	0	n/a	255	122	208	n/a	0	908
Total	84	192	44	2,061	1,689	122	113	71	10,203
Interior									
Wheat	17	13	137	256	233	110	82	83	1,244
Corn	92	123	75	1,277	658	194	155	81	3,943
Soybeans	129	49	264	1,259	1,162	108	378	117	3,212
Total	239	185	129	2,792	2,054	136	127	93	8,399
Great Lakes									
Wheat	0	0	n/a	0	8	0	0	0	884
Corn	0	0	n/a	0	0	n/a	n/a	0	0
Soybeans	0	0	n/a	0	4	0	0	0	699
Total	0	0	n/a	0	12	0	0	0	1,583
Atlantic									
Wheat	13	0	n/a	44	296	15	0	0	645
Corn	5	11	41	35	2	n/a	n/a	138	242
Soybeans	61	12	528	907	613	148	163	210	1,652
Total	79	23	347	986	911	108	82	141	2,540
U.S. total from ports²									
Wheat	497	555	89	5,844	7,367	79	155	122	33,108
Corn	1,299	1,097	118	10,250	4,456	230	378	177	22,241
Soybeans	522	766	68	15,483	11,552	134	79	86	37,024
Total	2,318	2,418	96	31,577	23,375	135	145	121	92,373

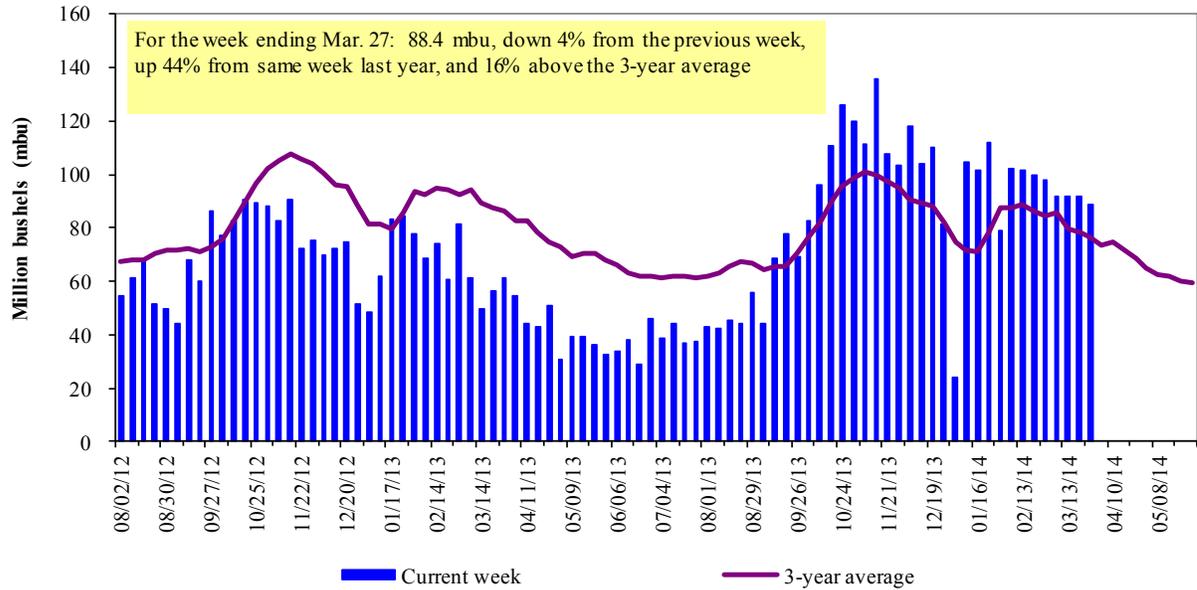
¹Data includes revisions from prior weeks; some regional totals may not add exactly due to rounding.

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 61 percent of the U.S. export grain shipments departed through the U.S. Gulf region in 2013.

Figure 14

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

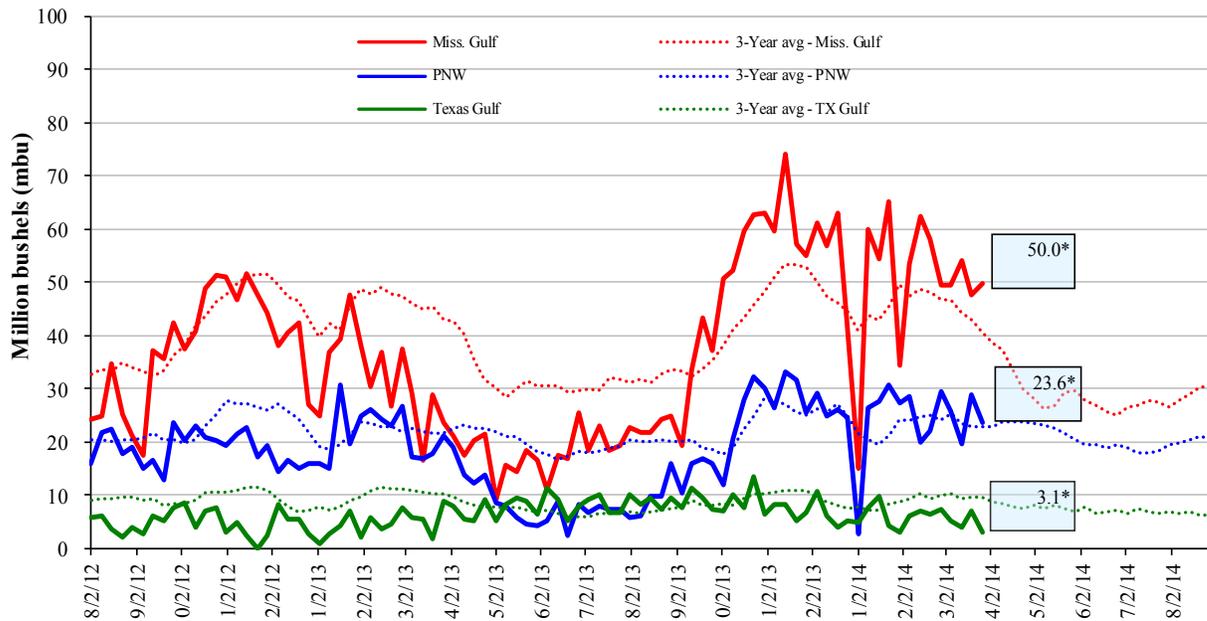


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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. 27: % change from:	MSGulf	TX Gulf	U.S. Gulf	PNW
Last week	up 5	down 56	down 3	down 19
Last year (same week)	up 111	down 65	up 63	up 11
3-yr avg (4-wk mov. avg)	up 45	down 65	up 23	up 6

Ocean Transportation

Table 17

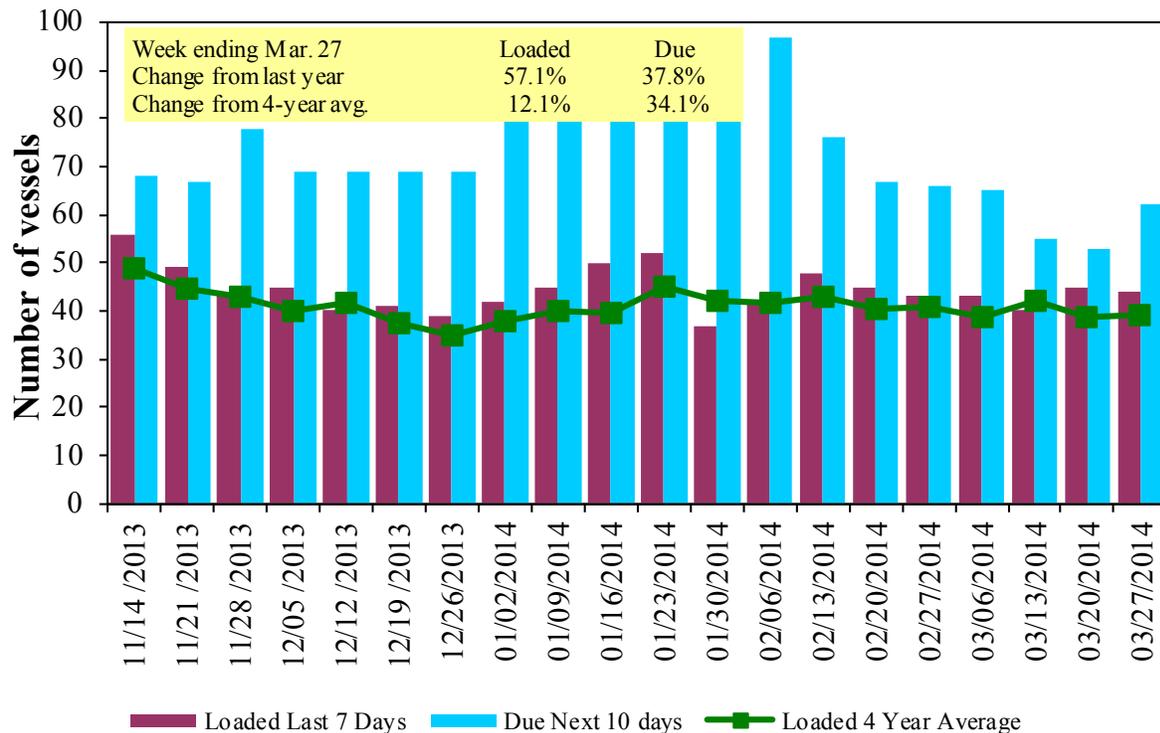
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In port	Loaded 7-days	Due next 10-days	In port	In port
3/27/2014	63	44	62	14	n/a
3/20/2014	77	45	53	17	n/a
2013 range	(16..60)	(20..56)	(31..81)	(0..24)	n/a
2013 avg.	32	33	51	12	n/a

Source: Transportation & Marketing Programs/AMS/USDA

Figure 16

U.S. Gulf¹ Vessel Loading Activity

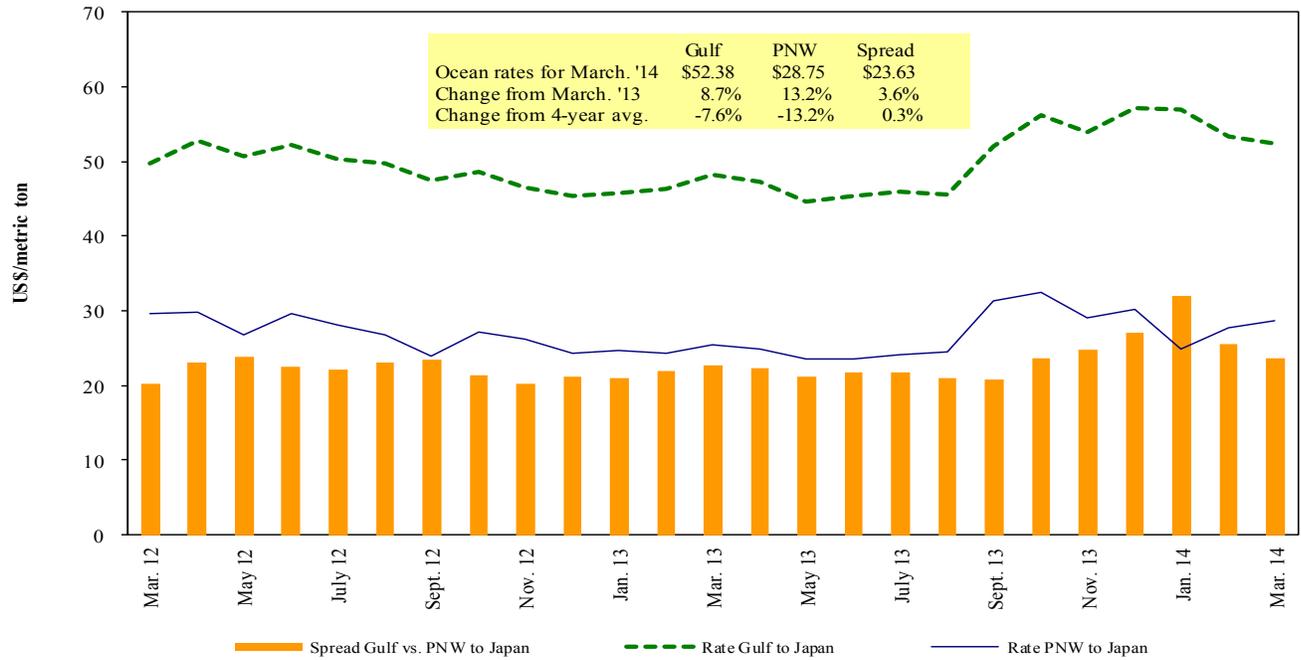


Source: Transportation & Marketing Programs/AMS/USDA

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

Figure 17

Grain Vessel Rates, U.S. to Japan



Source: O'Neil Commodity Consulting

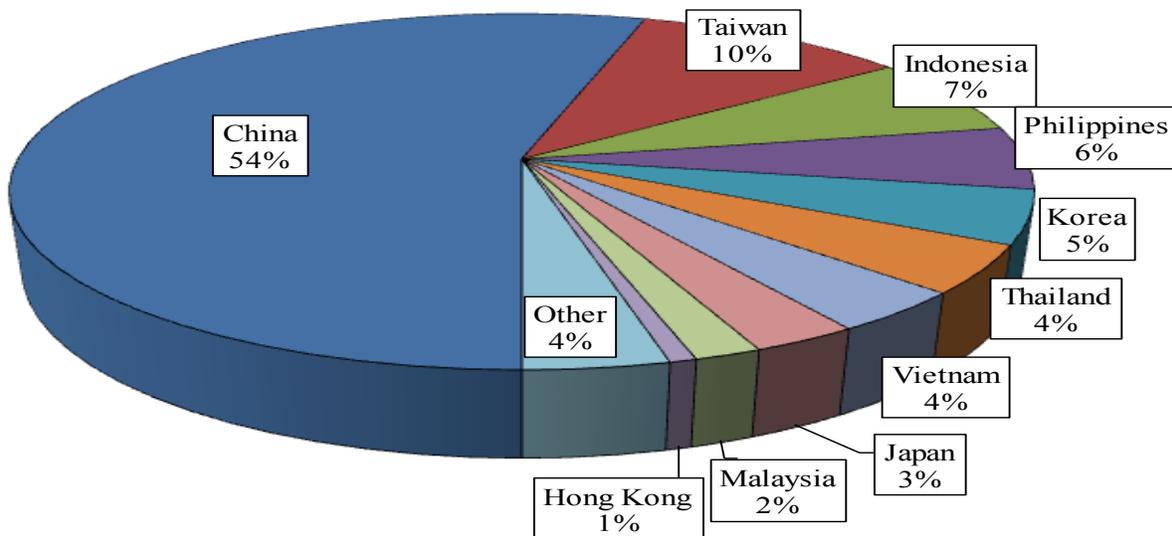
Table 18

Ocean Freight Rates For Selected Shipments, Week Ending 3/29/2014

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US\$/metric ton)
U.S. Gulf	Algeria	Wheat	Mar 10/15	28,000	38.00
U.S. Gulf	China	Heavy Grain	Feb 15/25	55,000	49.00
U.S. Gulf	Tanzania ¹	Wheat	Mar 24/Apr 4	16,100	133.31
PNW	Bangladesh	Wheat	Apr 22/May 1	13,900	79.44
PNW	Bangladesh	Wheat	Apr 22/May 1	11,150	79.44
PNW	Philippines	Soybean Meal	Mar 5/15	6,750	77.40
St. Lawrence	Algeria	Wheat	Mar 10/15	25,000	51.00
Brazil	China	Heavy Grain	Apr 5/15	60,000	42.75
Brazil	China	Heavy Grain	Apr 15/24	60,000	41.50
Brazil	China	Heavy Grain	Apr 1/30	60,000	42.25
Brazil	China	Heavy Grain	Mar 20/30	60,000	37.50 op 39.50
Brazil	China	Heavy Grain	Mar 20/25	60,000	40.50
Brazil	China	Heavy Grain	Mar 15/25	60,000	39.25
Brazil	China	Heavy Grain	Mar 1/10	60,000	38.50
Brazil	China	Heavy Grain	Mar 3/7	60,000	40.00
Brazil	China	Heavy Grain	Mar 5/15	60,000	40.50
Brazil	China	Heavy Grain	Mar 10/20	60,000	39.50

In 2012, containers were used to transport 8 percent of total U.S. waterborne grain exports, up 1 percentage point from 2011. Approximately 66 percent of U.S. waterborne grain exports in 2012 went to Asia, of which 11 percent were moved in containers. Asia is the top destination for U.S. containerized grain exports—96 percent in 2012.

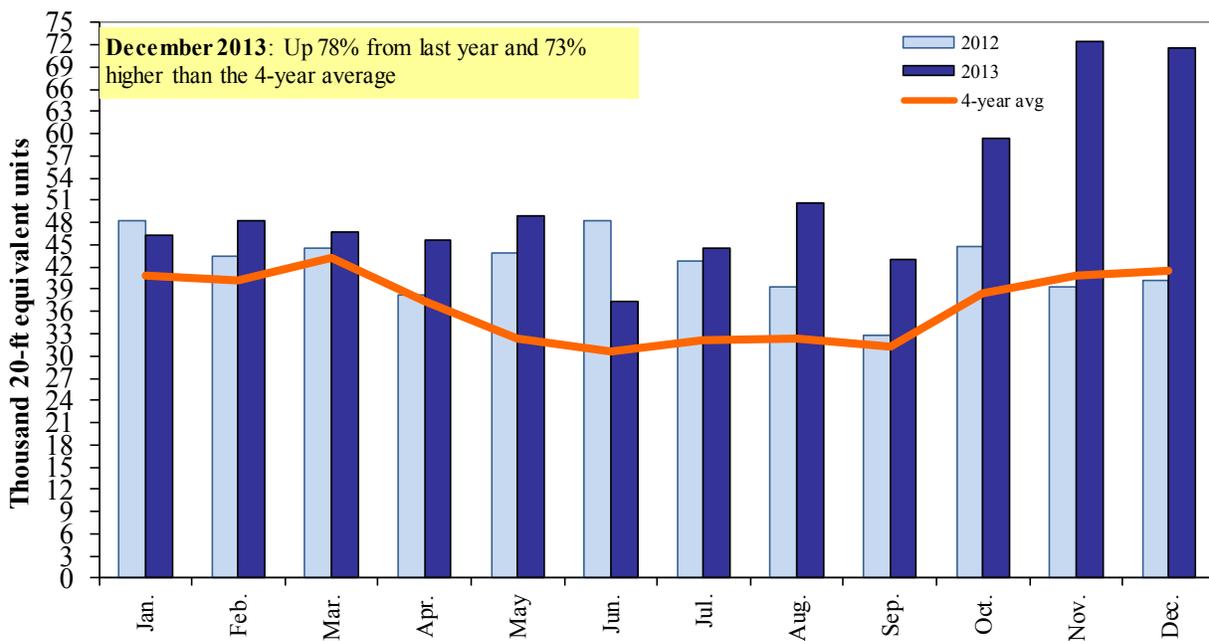
Figure 18
Top 10 Destination Markets for U.S. Containerized Grain Exports, December 2013



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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Preferred citation: U.S. Dept. of Agriculture, Agricultural Marketing Service. *Grain Transportation Report*. April 3, 2014. Web: <http://dx.doi.org/10.9752/TS056.04-03-2014>

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