



Grain Transportation Report

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

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May 22, 2014

WEEKLY HIGHLIGHTS

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Secondary Railcar Market Returns to Normal

Bids in the secondary railcar market have been falling over the past 4-week period in both the shuttle and non-shuttle markets. After trading at historic premiums (up to \$6,000 per car above tariff) for almost 6 months since rail service problems began, average June shuttle bids/offers per car for the week ending May 15 were trading at a \$188 per car discount below the tariff rate, down \$88 from last week and \$98 lower than last year. While greatly improved from previous months, there is still some residual supply constraints in the non-shuttle market as evidenced by average bids about \$450 above previous years. Average June non-shuttle bids/offers per car for the week ending May 15 were \$450 above tariff, down \$113 from last week and \$442 higher than last year. Total past-due grain cars on the BNSF system have increased over the past 2 weeks, but BNSF has said it should make a significant reduction in past-due cars by July.

Grain Inspections Down But Still Above 3-Year Average

For the week ending May 15, **total inspections of grain** (corn, wheat, and soybeans) for export from all major export regions reached 1.77 million metric tons (mmt), down 16 percent from the past week, but 71 percent above last year and 8 percent above the 3-year average. Total inspections were down for each of the major grains. Despite the drop in total grain inspections, shipments to Asia remained strong—40 percent higher than the past week. Although inspections of corn were down 12 percent from the previous week, shipments of corn remained above the 3-year average. Outstanding export sales for the three major grains also continued lower than the previous week, but sales during the last 4 weeks were 162 percent above total outstanding sales for last year.

North Dakota Farmers Have Lost \$67 Million to Rail Shipment Delays

A North Dakota State University study, based upon basis values, concluded that North Dakota farmers have lost nearly \$67 million this year because of rail shipment delays, and could lose an additional \$95 million if the delays persist. The estimate is limited to spring wheat, corn, and soybeans, and does not include potential losses to growers of durum wheat, barley, sunflower, canola, field pea, lentils, dry edible beans, flax, oats, or food grade soybeans. In addition, losses by agricultural processing businesses, such as those producing refined sugar, ethanol, dried distillers grains, and high fructose corn syrup, among other products, are not included in the estimate. Wheat, corn, and soybeans are three major crops grown in North Dakota and rely heavily on rail transportation to access markets. For the marketing years 2009-12, railroads hauled 80 percent of North Dakota grain. The study states that a high demand for grain shipments, an extremely cold winter, and increased oil transportation have resulted in delayed grain deliveries and increased costs of rail transportation.

IMO Approves Mandatory Container Weight Verification

Cargo Business reported that the Maritime Safety Committee (MSC) of the International Maritime Organization has approved changes to the Safety of Life at Sea (SOLAS) convention to require verification of container weights prior to loading all export containers aboard ships. The article says, "Wrongly declared container weights have been a chronic problem for the transportation industry because they can cause safety hazards for ships, crews, other on-ship cargo, dockworkers handling containers, and on the roads." The changes to SOLAS are effective July 2016, given final adoption by the MSC in November 2014.

Snapshots by Sector

Rail

U.S. railroads originated 20,220 **carloads of grain** during the week ending May 10, down 4 percent from last week, up 30 percent from last year, and up 7 percent from the 3-year average.

Barge

During the week ending May 17, **barge grain movements** totaled 705,932 tons, 1 percent lower than the previous week but 84 percent higher than the same period last year.

During the week ending May 17, 456 grain barges **moved down river**, down 3.4 percent from last week; 567 grain barges were **unloaded in New Orleans**, up 15.2 percent from the previous week.

Ocean

During the week ending May 15, 30 **ocean-going grain vessels** were loaded in the Gulf, 50 percent more than the same period last year. Fifty-one vessels are expected to be loaded within the next 10 days, 31 percent more than the same period last year.

During the week ending May 16, the ocean freight rate for shipping bulk grain from the Gulf to Japan was \$47.50 per mt, up 2 percent from the previous week. The cost of shipping from the Pacific Northwest to Japan was \$26.50 per mt, up 2 percent from the previous week.

Fuel

During the week ending May 19, U.S. average **diesel fuel prices** decreased 1 cent from the previous week to \$3.93 per gallon, up 4 cents from the same week last year.

Grain Transportation Update

Despite initially delayed spring corn planting, projected reduction in wheat yields, and navigation challenges on the Upper Mississippi River and Illinois Waterway early in the season, the demand for grain transportation could remain relatively strong based on USDA's first outlook for 2014/15. Total grain production for 2014/15 marketing year is projected 1 percent up from the bumper crop of 2013/14, assuming that normal weather conditions prevail during the summer. In addition, navigation conditions have improved on the Upper Mississippi River and Illinois Waterway after the initial icy start that hampered navigation. Following the inclement winter weather, operations on all railroads have improved and the ocean freight rates for shipping bulk grains have remained relatively low so far this year.

Transportation Demand is Mixed on First Outlook for 2014/15

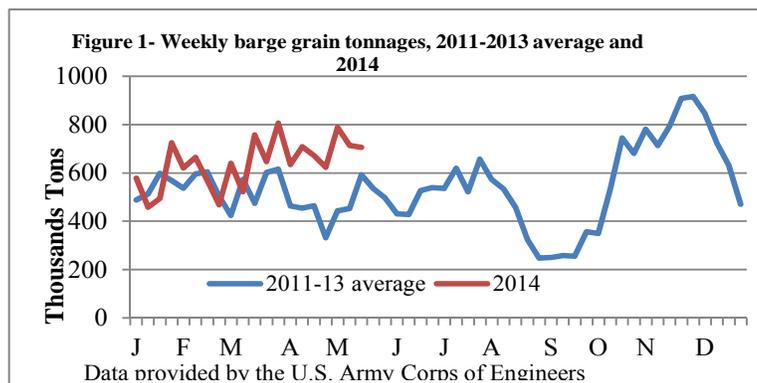
Grain transportation demand could remain relatively strong based on USDA's initial assessment of U.S. and world crop supply and demand prospects (Table 1).¹ Despite initially delayed spring corn planting and projected reduced wheat yields, total grain production in 2014/15 marketing year is projected to reach a record 19.5 billion bushels (bbu). This is 1 percent higher than the bumper crop of 2013/14 and assumes normal summer weather conditions. USDA projects grain exports in 2014/15 to drop to 4.3 bbu, down almost 9 percent from the estimated 2013/14 exports of 4.7 bbu, based on higher projected world corn production and lower U.S. wheat exports. Domestic demand is projected to remain almost unchanged or be slightly lower. Demand for rail and barge transportation is expected to continue for the remainder of the current marketing year, which ends on May 31 for wheat and August 31 for corn and soybeans. **Unshipped export balances** of corn remain higher than last year and the 3-year average, keeping the demand for rail and barge services strong.

	Corn	Soybeans	Wheat	Total	Y/Y
United States 2014/15 (Projected)					
Production	13,935	3,635	1,963	19,533	1.0%
Exports	1,700	1,625	950	4,275	-8.8%
Domestic Use	11,685	1,825	1,216	14,726	-0.4%
Ending Stocks/Use	13%	10%	25%		
United States 2013/14 (Estimated)					
Production	13,925	3,289	2,130	19,344	20.3%
Exports	1,900	1,600	1,185	4,685	53.2%
Domestic Use	11,735	1,790	1,254	14,779	9.0%
Ending Stocks/Use	8%	4%	24%		
2012/13					
Production	10,780	3,034	2,266	16,080	
Exports	731	1,320	1,007	3,058	
Domestic Use	10,379	1,779	1,406	13,564	
Ending Stocks/Use	7%	5%	30%		

Despite an Icy Start, 2014 Grain Barge Movements on an Upward Trend

Figure 1 shows that weekly barge shipments have been above average for almost all of 2014. As reported in the [April 17, 2014 GTR](#), barge traffic on the Upper Mississippi River and Illinois Waterway was limited from January to March by extreme icy conditions. However, traffic increases from the Ohio and Arkansas Rivers offset the decline from the Upper Mississippi and Illinois Rivers. Navigation conditions, beginning in March, have been more favorable than in recent years with their floods in 2011 and the drought that limited navigation in 2012. A decrease in 2013 barge tonnages was caused by the 2012 drought that reduced grain supply. However, the National Weather Service reports minor to moderate flood conditions on the Mississippi River from Davenport, IA (Locks and Dam 15), to Winfield, MO (Lock and Dam 25). Continued rainfall in this area may elevate river levels and cause some delays in barge shipments.

For the first quarter of 2014, grain barge rates from St. Louis to New Orleans were 28 percent higher than the 3-year average as barge companies incurred additional operating costs to navigate the icy and sometimes shallow river beset by extreme winter weather. With the return of warmer temperatures and adequate river levels in the second quarter, barge rates decreased to 6 percent below the 3-year average.

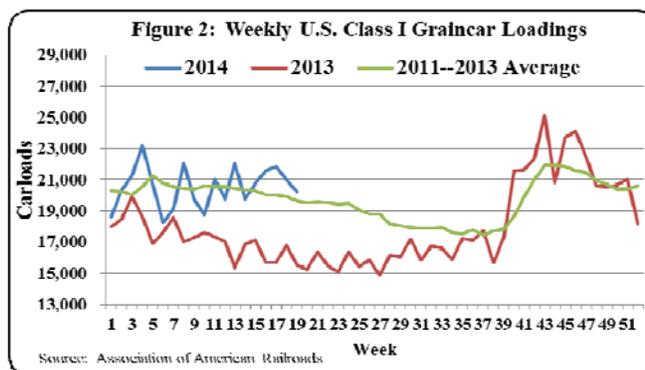


In a new development in soybean barge traffic movements, U.S. Army Corps of Engineers weekly lock data shows that, for the past several weeks, there have been more upbound soybean barge shipments than downbound at Ohio River Locks and Dam 52, Brookport, IL. Since April, upbound soybeans have been averaging 44 thousand tons per week compared to 22 thousand for downbound movements. New Orleans officials have reported Brazilian soybeans being imported in the Lower Mississippi River and in Mobile, AL. Barge operators have indicated that equipment can be adapted to unload vessels with imported grain and transfer soybeans into barges for upbound destinations.

¹ USDA, Office of the Chief Economist – AMS Analysis of the May World Agricultural Supply and Demand Estimates (WASDE) report.

Rail Graincar Loadings Improve, but Concern Over Timely Delivery Lingers

Operations on all railroads improved in April and May following extreme winter weather, which intermittently hampered grain carloadings. Bids in the secondary railcar market have fallen from the historic highs reached in March to a normal range during the past 4 weeks. The fall is due to reduced transportation demand because of improved expectations that the railroads will fulfill their promise of moving the remaining 2013/14 harvest prior to the 2014/15 harvest. However, there is still significant concern among some farmer groups that the railroads will not be able to catch up on past-due grain shipments in time, leaving them with insufficient grain storage and causing similar rail service problems to those experienced this past year. Farmers in some areas are still reporting large quantities of grain stored on their farms, indicating strong demand for grain transportation. The size of the harvest projected for 2014/15 will make it especially critical for the railroads to finish shipping the 2013/14 harvest in time. USDA's latest crop projections show a record combined wheat, soybean, and corn harvest, led by record soybean production at 3.635 billion bushels, up 12 percent from last year due to increased yields and harvested area.



So Far In 2014, Bulk Ocean Freight Rates Have Remained Low

Contrary to earlier expectations by some industry analysts, ocean freight rates for shipping bulk commodities, including grain, continued to remain low because cargo demand has not risen to the levels required to soak up the excess vessel supply. As of May 16, the cost of shipping bulk grain from the U.S. Gulf to Japan was \$47.50 per metric ton (mt), an 18-percent decline from January 3. The cost of shipping from the Pacific Northwest was \$26.50 per mt, a 10-percent decline from January 3. Ocean freight rates may remain low or moderate for the foreseeable future because the number of vessels waiting to load grains at the U.S. Gulf is declining (see [GTR, dated 4/24/14 and 5/1/14](#)). Grain vessel wait times in Brazil are also reported to be lower than this time last year. As of May 15, only 31 grain vessels were loading or waiting to be loaded at the U.S. Gulf, and 30 vessels were loaded in the previous 7 days. In addition, more vessels continued to be added to the existing fleet. During March, 62 bulk vessels were ordered, amounting to 6.6 million deadweight tons. Most are expected to be delivered through 2015.

Diesel Fuel Prices Increase Slightly Since Beginning of the Year; Annual Average Expected to Fall

Diesel fuel prices have increased 3 cents per gallon since the beginning of the year. Average prices have been relatively flat, with the exception of a 3-week jump in late January and early February, when prices increased 10 cents per gallon. The Energy Information Administration forecasts increased U.S. crude oil production to keep crude oil prices relatively low this year and into 2015. Led by falling crude oil prices, the projected U.S. annual average diesel fuel prices, which averaged \$3.92/gal in 2013, are projected to average \$3.87/gal in 2014 and \$3.78/gal in 2015. GTRContactUs@ams.usda.gov

Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators¹

Week ending	Truck	Rail		Barge	Ocean	
		Unit Train	Shuttle		Gulf	Pacific
05/21/14	264	265	208	207	212	188
05/14/14	265	251	216	197	208	184

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	5/16/2014	5/9/2014
Corn	IL--Gulf	-0.81	-0.77
Corn	NE--Gulf	-0.90	-0.87
Soybean	IA--Gulf	-1.01	-1.02
HRW	KS--Gulf	-1.70	-1.44
HRS	ND--Portland	-2.48	-2.45

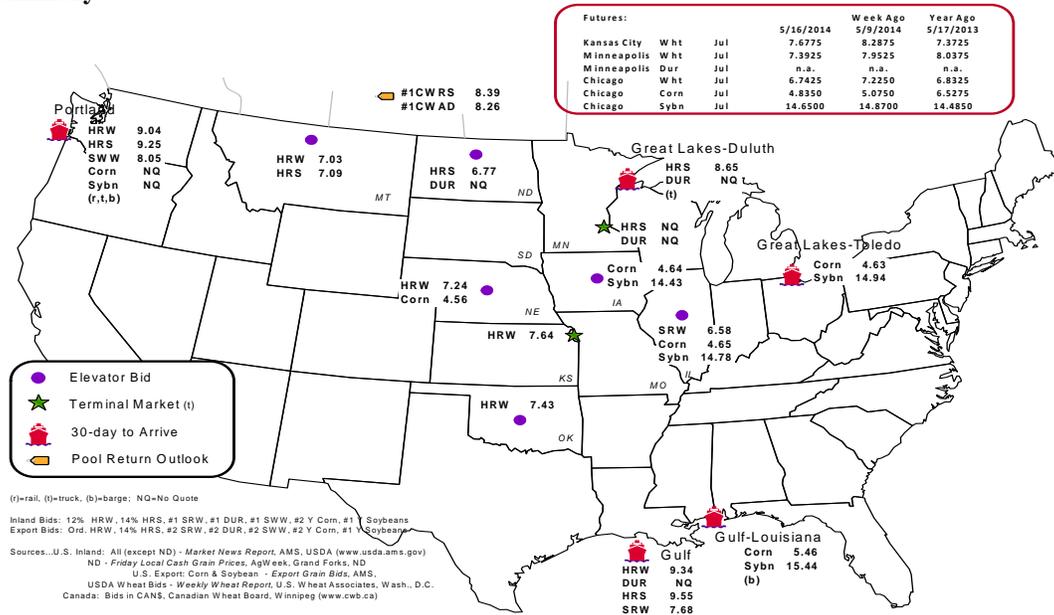
Note: nq = no quote

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			
5/14/2014 ^p	408	1,200	3,704	225	5,537	5/10/2014	3,109
5/07/2014 ^r	430	2,941	4,135	202	7,708	5/3/2014	2,005
2014 YTD ^r	19,910	34,393	101,432	14,689	170,424	2014 YTD	37,204
2013 YTD ^r	8,170	21,966	64,769	8,926	103,831	2013 YTD	23,385
2014 YTD as % of 2013 YTD	244	157	157	165	164	% change YTD	159
Last 4 weeks as % of 2013 ²	689	141	342	180	242	Last 4wks % 2013	187
Last 4 weeks as % of 4-year avg. ²	250	160	151	101	154	Last 4wks % 4 yr	114
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.

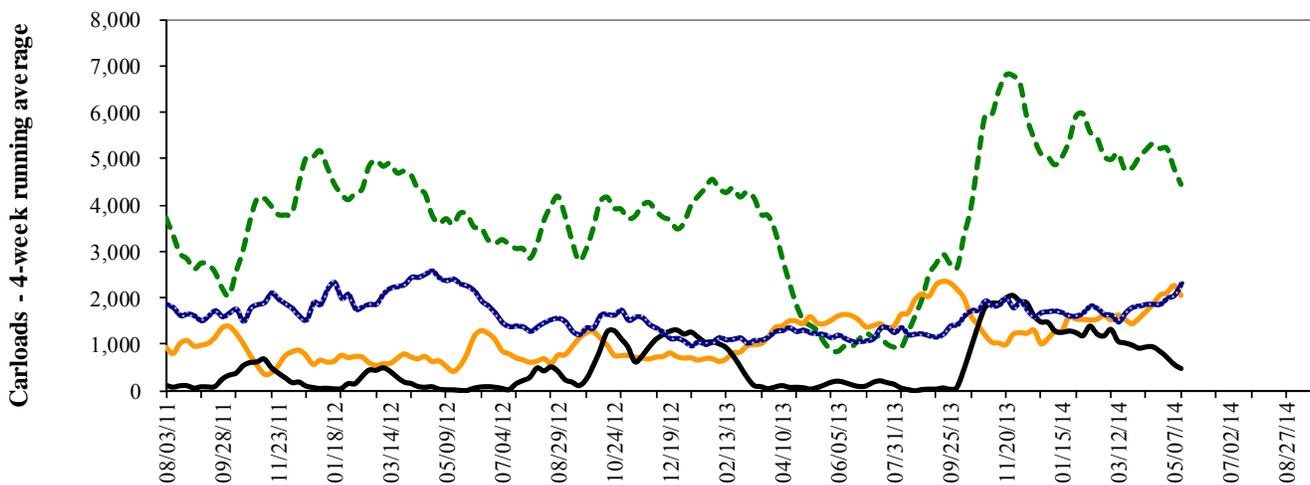
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

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



--- Pacific Northwest: 4 wks. ending 5/14--up 242% from same period last year; up 51% from 4-year average
--- Texas Gulf: 4 wks. ending 5/14--up 41% from same period last year; up 60% from 4-year average
--- Miss. River: 4 wks. ending 5/14--up 589% from same period last year; up 150% from 4-year average
--- Cross-border: 4 wks. ending 5/10--up 87% from same period last year; up 14% from 4-year average

Source: Transportation & Marketing Programs/AMS/USDA

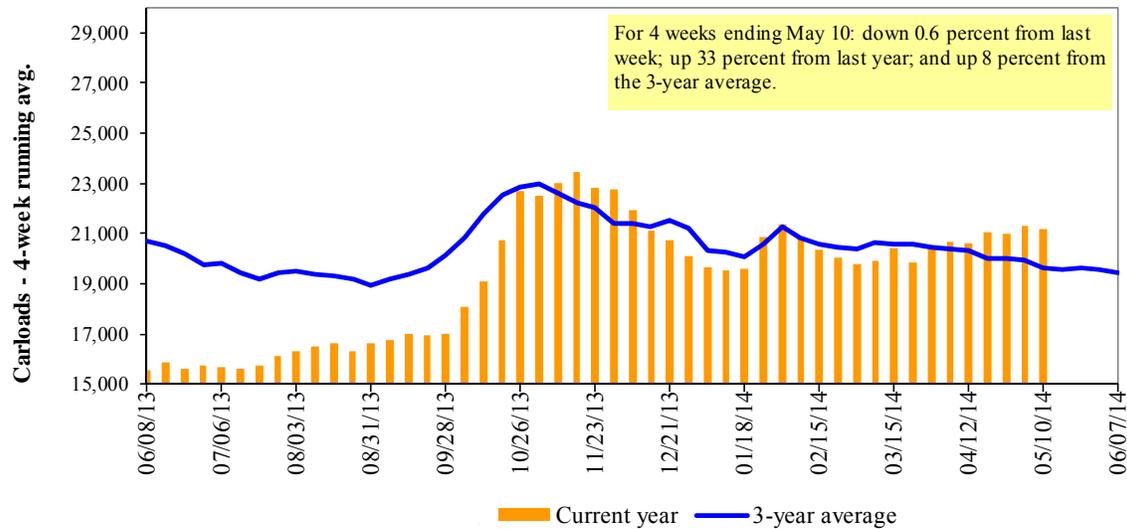
Table 4

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
05/10/14	1,174	3,311	9,289	1,012	5,434	20,220	4,356	7,243
This week last year	1,625	2,820	6,923	512	3,675	15,555	3,804	5,561
2014 YTD	36,373	57,822	167,809	18,110	110,089	390,203	81,689	97,271
2013 YTD	28,825	47,415	168,709	9,270	73,466	327,685	65,642	102,640
2014 YTD as % of 2013 YTD	126	122	99	195	150	119	124	95
Last 4 weeks as % of 2013	105	127	130	179	147	133	139	113
Last 4 weeks as % of 3-yr avg. ¹	92	110	103	166	116	108	128	120
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							
	Jun-14	Jun-13	Jul-14	Jul-13	Aug-14	Aug-13	Sep-14	Sep-13
BNSF ³								
COT grain units	no offer	no bids	no offer	no bids	no offer	0	no offer	1
COT grain single-car ⁵	no offer	0	no offer	no bids	no offer	no bids	no offer	0
UP ⁴								
GCAS/Region 1	no offer	no bids	no offer	no bids	no offer	no bids	n/a	n/a
GCAS/Region 2	no offer	no bids	no offer	no bids	no offer	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.

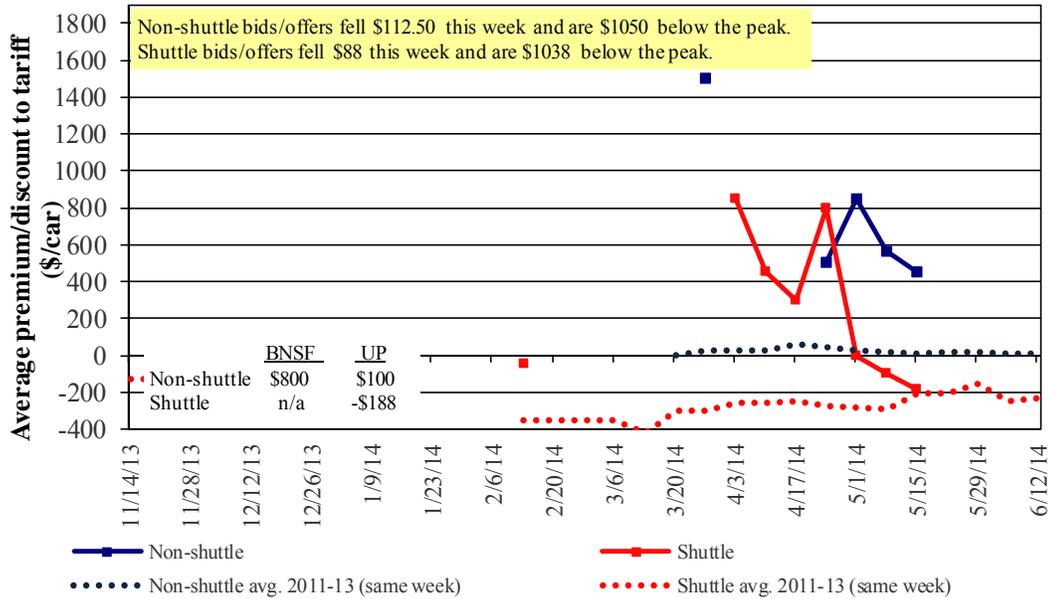
⁵Range is shown because average is not available. Not available = n/a.

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 June 2014, Secondary Market

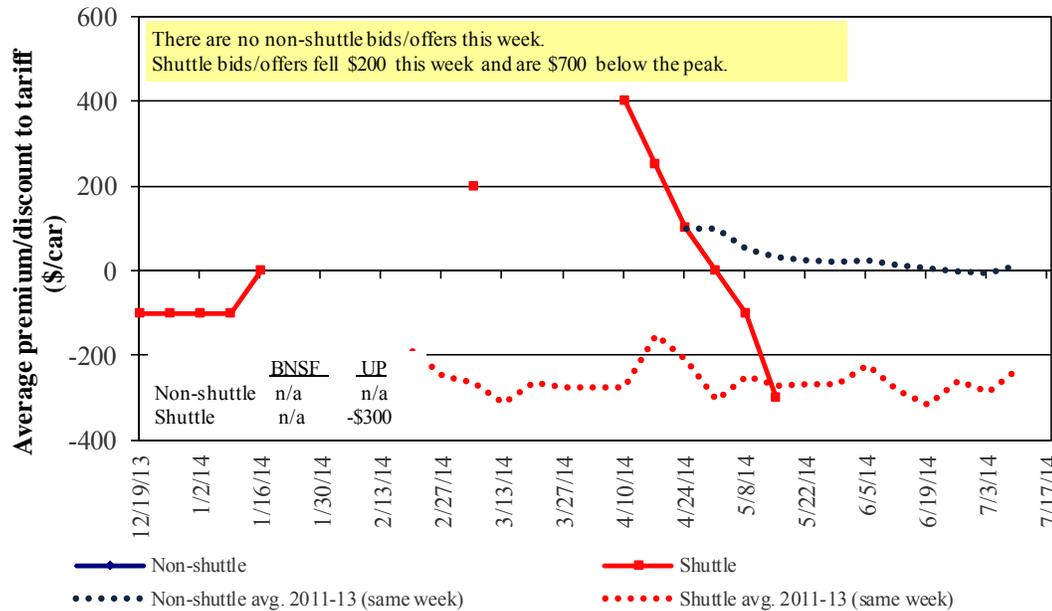


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

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

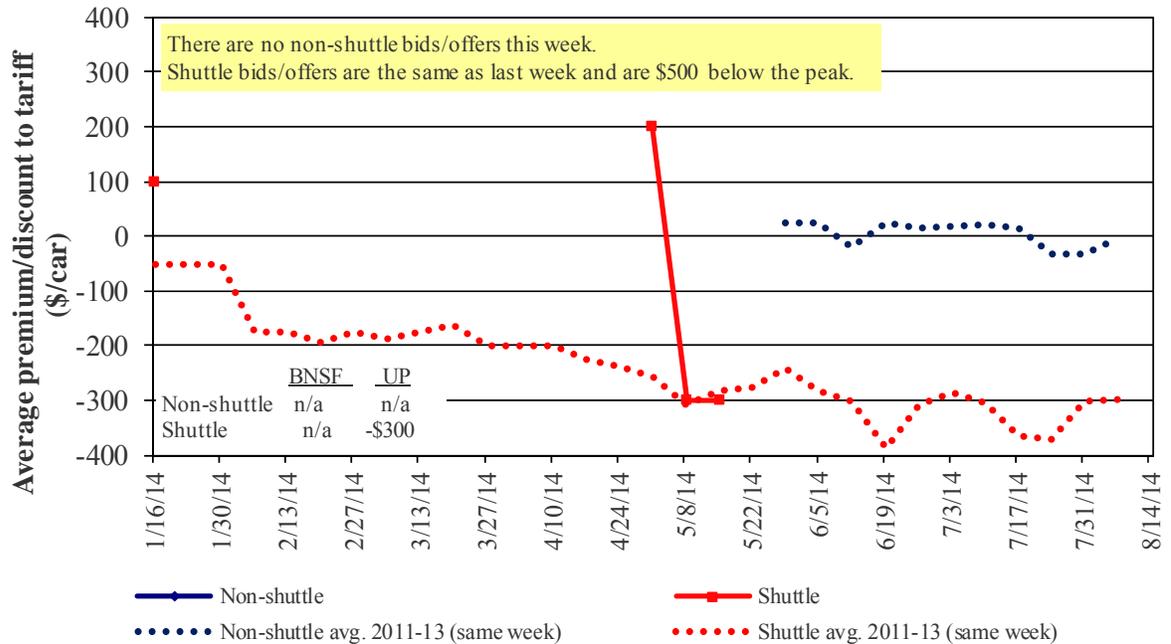


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in August 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					
	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14
Non-shuttle						
BNSF-GF	800	n/a	n/a	n/a	n/a	n/a
Change from last week	(125)	n/a	n/a	n/a	n/a	n/a
Change from same week 2013	783	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	(100)	n/a	n/a	n/a	n/a	n/a
Change from same week 2013	100	n/a	n/a	n/a	n/a	n/a
Shuttle²						
BNSF-GF	n/a	n/a	n/a	n/a	n/a	n/a
Change from last week	n/a	n/a	n/a	n/a	n/a	n/a
Change from same week 2013	n/a	n/a	n/a	n/a	n/a	n/a
UP-Pool	(188)	(300)	(300)	100	n/a	625
Change from last week	(88)	(200)	-	-	n/a	375
Change from same week 2013	(75)	(175)	(150)	225	n/a	n/a

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

² Shuttle 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
5/1/2014	Origin region*	Destination region*	Tariff rate/car	surcharge per car	metric ton	bushe ^l ²	change Y/Y ³
Unit train							
Wheat	Wichita, KS	St. Louis, MO	\$3,191	\$197	\$33.65	\$0.92	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	\$347	\$41.26	\$1.12	4
	Sioux Falls, SD	Galveston-Houston, TX	\$5,824	\$477	\$62.57	\$1.70	4
	Northwest KS	Galveston-Houston, TX	\$4,076	\$380	\$44.25	\$1.20	4
	Amarillo, TX	Los Angeles, CA	\$4,275	\$529	\$47.71	\$1.30	3
Corn	Champaign-Urbana, IL	New Orleans, LA	\$3,192	\$392	\$35.59	\$0.90	2
	Toledo, OH	Raleigh, NC	\$4,686	\$442	\$50.92	\$1.29	3
	Des Moines, IA	Davenport, IA	\$2,078	\$83	\$21.46	\$0.55	3
	Indianapolis, IN	Atlanta, GA	\$4,061	\$332	\$43.62	\$1.11	3
	Indianapolis, IN	Knoxville, TN	\$3,469	\$213	\$36.56	\$0.93	3
	Des Moines, IA	Little Rock, AR	\$3,218	\$244	\$34.38	\$0.87	2
Soybeans	Des Moines, IA	Los Angeles, CA	\$5,215	\$711	\$58.85	\$1.49	2
	Minneapolis, MN	New Orleans, LA	\$3,414	\$425	\$38.12	\$1.04	3
	Toledo, OH	Huntsville, AL	\$3,687	\$314	\$39.73	\$1.08	3
	Indianapolis, IN	Raleigh, NC	\$4,756	\$445	\$51.65	\$1.41	3
	Indianapolis, IN	Huntsville, AL	\$3,379	\$213	\$35.67	\$0.97	3
Champaign-Urbana, IL	New Orleans, LA	\$3,748	\$392	\$41.12	\$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	\$414	\$43.34	\$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	0
	Northwest KS	Portland, OR	\$5,043	\$624	\$56.27	\$1.53	3
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	\$392	\$33.80	\$0.86	2
	Lincoln, NE	Galveston-Houston, TX	\$3,510	\$375	\$38.58	\$0.98	5
	Des Moines, IA	Amarillo, TX	\$3,590	\$307	\$38.70	\$0.98	2
	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	3
	Minneapolis, MN	Portland, OR	\$5,530	\$703	\$61.90	\$1.68	3
	Fargo, ND	Tacoma, WA	\$5,430	\$573	\$59.61	\$1.62	3
	Council Bluffs, IA	New Orleans, LA	\$4,175	\$452	\$45.95	\$1.25	17
	Toledo, OH	Huntsville, AL	\$2,862	\$314	\$31.54	\$0.86	3
Grand Island, NE	Portland, OR	\$5,110	\$638	\$57.08	\$1.55	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

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	\$3,725	\$280	\$40.92	\$1.11	4
Corn	IA	Guadalajara, JA	\$7,974	\$843	\$90.09	\$2.29	3
	SD	Celaya, GJ	\$7,656	\$800	\$86.40	\$2.19	3
	NE	Queretaro, QA	\$7,353	\$749	\$82.79	\$2.10	2
	SD	Salinas Victoria, NL	\$5,880	\$608	\$66.29	\$1.68	2
	MO	Tlalnepantla, EM	\$6,792	\$728	\$76.83	\$1.95	2
	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	3
Sorghum	TX	Guadalajara, JA	\$6,953	\$520	\$76.36	\$1.94	7
	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.

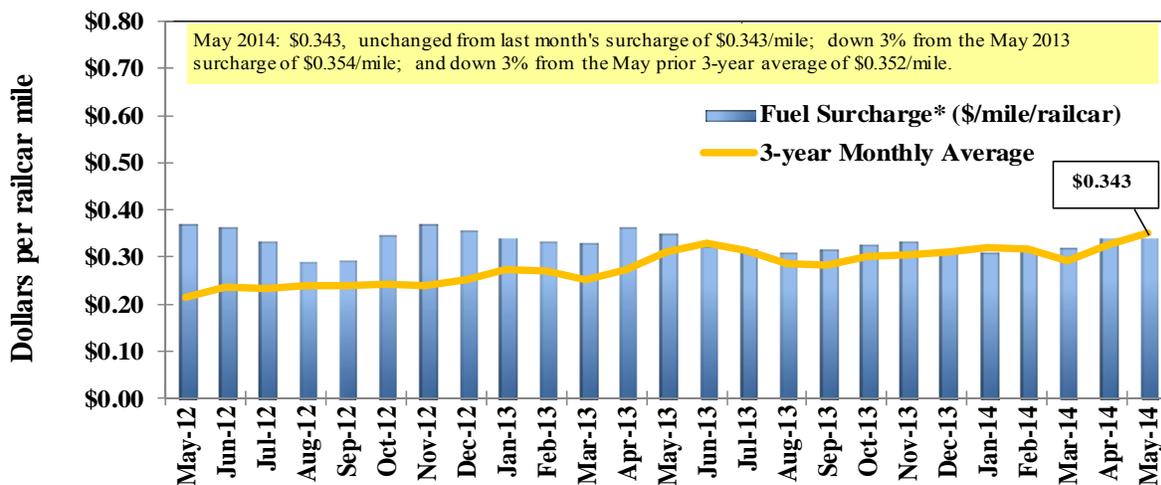
²Fuel surcharge adjusted to reflect the change in Ferrocarril Mexicano, S.A. de C.V. railroad fuel surcharge policy as of 10/01/2009

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.

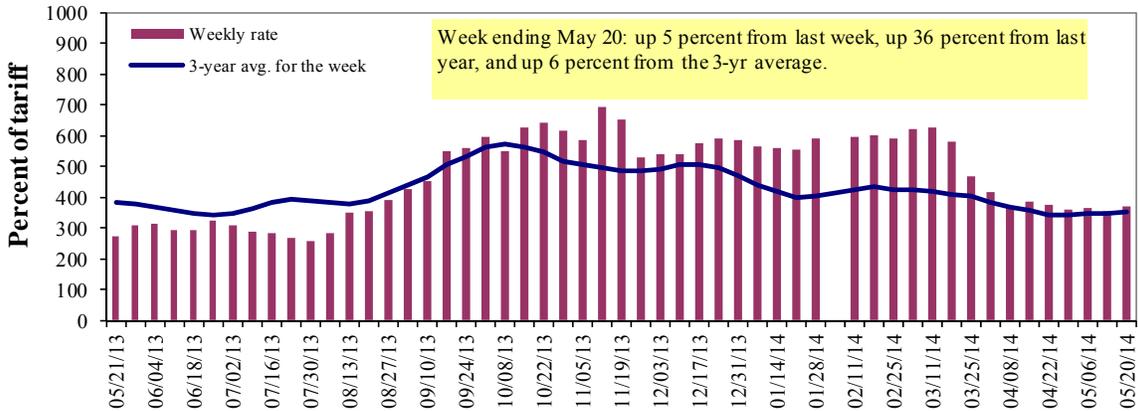
** BNSF strike price (diesel price when fuel surcharges begin) changed from \$1.25/gal. to \$2.50/gal. starting March 1, 2011. As a result, the weighted average fuel surcharge for March 2011 was \$0.227/mile instead of \$0.331/mile.

Sources: www.bnsf.com, www.cn.ca, www.cpr.ca, www.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

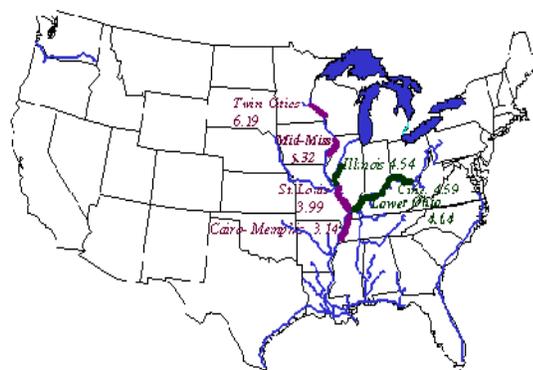
Weekly Barge Freight Rates: Southbound Only

		Twin Cities	Mid- Mississippi	Lower Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo- Memphis
Rate¹	5/20/2014	463	368	373	243	230	230	200
	5/13/2014	443	360	355	248	248	248	203
\$/ton	5/20/2014	28.66	19.58	17.31	9.70	10.79	9.29	6.28
	5/13/2014	27.42	19.15	16.47	9.90	11.63	10.02	6.37
Current week % change from the same week:								
	Last year	35	28	36	11	21	21	11
	3-year avg. ²	4	0	6	-8	-22	-22	-2
Rate¹	June	453	363	365	248	238	238	208
	August	465	380	380	318	370	370	300

¹Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); ²4-week moving average; ton = 2,000 pounds; Due to past flooding events, certain data not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 9
Benchmark tariff rates

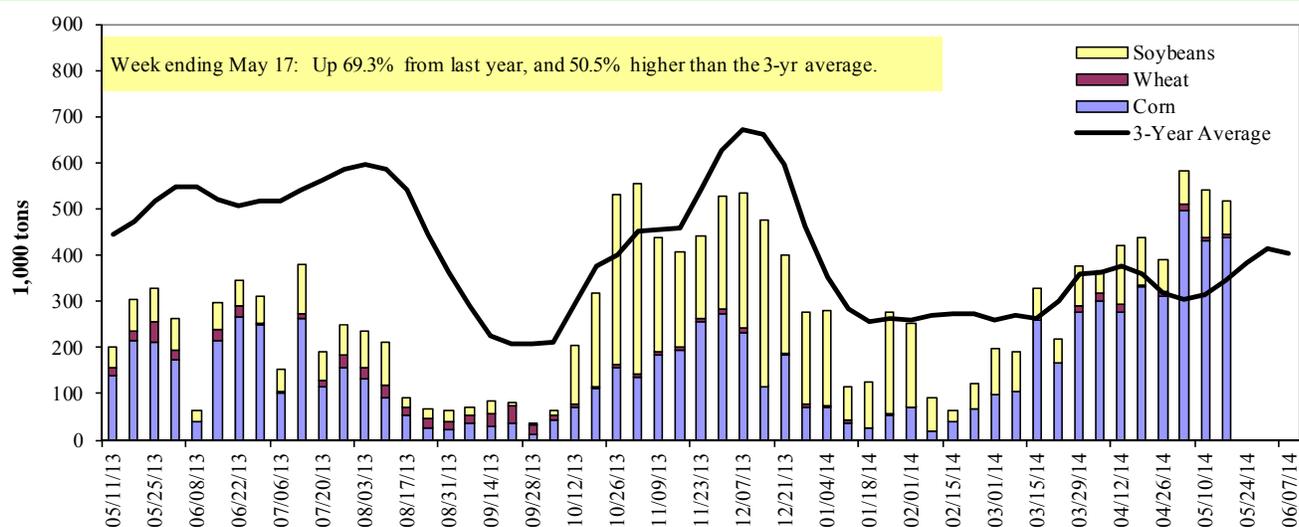


Calculating barge rate per ton:

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

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

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 5/17/2014	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	55	3	14	0	72
Winfield, MO (L25)	261	0	62	2	325
Alton, IL (L26)	448	5	70	2	524
Granite City, IL (L27)	440	5	73	2	520
Illinois River (L8)	122	6	11	0	139
Ohio River (L52)	111	4	11	0	125
Arkansas River (L1)	0	60	1	0	62
Weekly total - 2014	551	69	85	2	706
Weekly total - 2013	247	52	83	2	384
2014 YTD ¹	7,785	747	4,193	69	12,795
2013 YTD	2,768	1,526	3,427	106	7,828
2014 as % of 2013 YTD	281	49	122	65	163
Last 4 weeks as % of 2013 ²	285	100	140	56	221
Total 2013	9,504	4,111	10,065	255	23,935

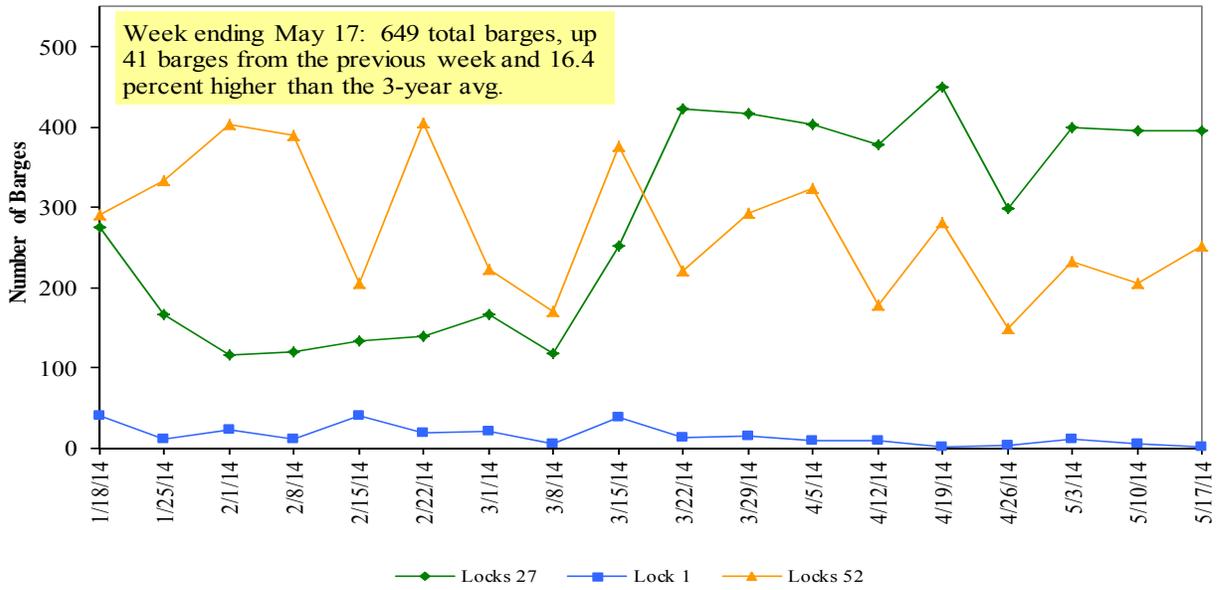
¹ Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

² As a percent of same period in 2013.

Note: Total may not add exactly, due to rounding

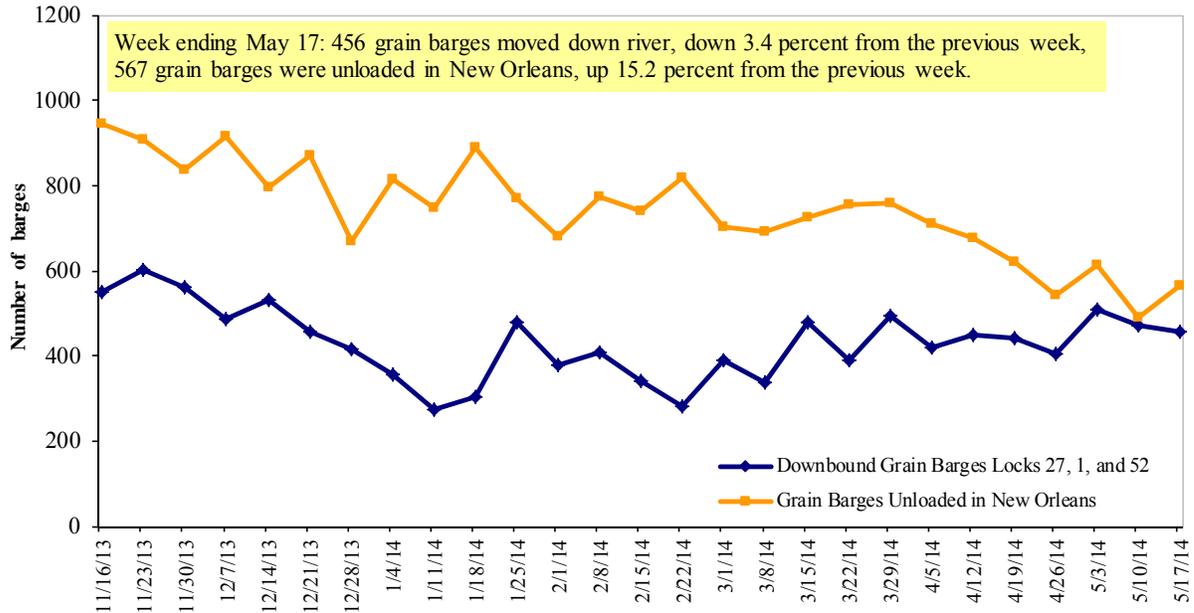
Source: U.S. Army Corps of Engineers

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 5/19/2013 (US \$/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	4.027	-0.014	0.156
	New England	4.139	-0.018	0.148
	Central Atlantic	4.136	-0.020	0.211
	Lower Atlantic	3.919	-0.008	0.110
II	Midwest ²	3.901	-0.020	-0.033
III	Gulf Coast ³	3.791	-0.006	0.016
IV	Rocky Mountain	3.954	-0.016	0.106
V	West Coast	4.025	-0.011	0.017
	West Coast less California	3.923	-0.005	-0.009
	California	4.110	-0.016	0.038
Total	U.S.	3.934	-0.014	0.044

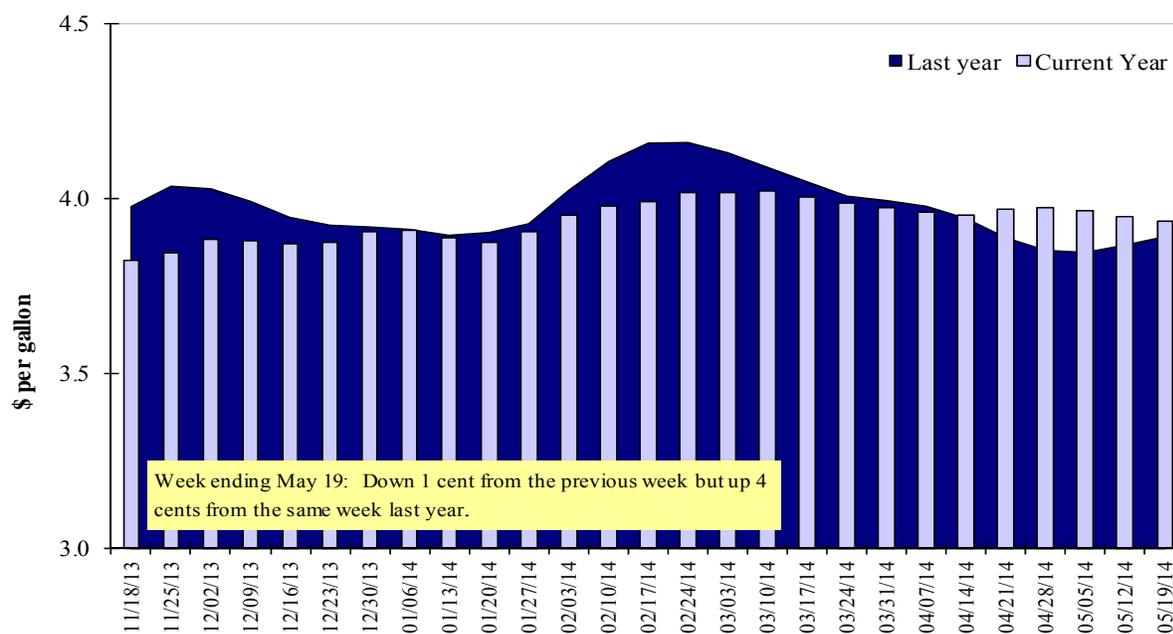
¹Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

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									
5/8/2014	1,062	452	1,081	526	93	3,214	14,227	2,316	19,757
This week year ago	1,171	553	383	158	62	2,326	4,074	1,959	8,359
Cumulative exports-marketing year²									
2013/14 YTD	10,929	7,066	6,001	4,011	428	28,434	30,285	42,391	101,110
2012/13 YTD	9,150	4,795	5,625	4,472	489	24,530	13,012	34,539	72,081
YTD 2013/14 as % of 2012/13	119	147	107	90	88	116	233	123	140
Last 4 wks as % of same period 2012/13	110	101	335	389	194	166	379	132	262
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 05/08/2014	Total Commitments ²			% change current MY from last MY	Exports ³ 2012/13	
	2014/15 Next MY	2013/14 Current MY	2012/13 Last MY			
		- 1,000 mt -				- 1,000 mt -
Japan	1,153	10,140	6,062	67	7,000	
Mexico	0	9,650	4,060	138	4,370	
China	3	3,316	2,474	34	2,450	
Venezuela	0	844	718	18	1,158	
Taiwan	0	1,609	453	256	512	
Top 5 Importers	1,155	25,559	13,767	86	15,490	
Total US corn export sales	2,810	44,512	17,086	161	18,690	
% of Projected	7%	92%	91%			
Change from prior week	47	343	220			
Top 5 importers' share of U.S. corn export sales	41%	57%	81%		83%	
USDA forecast, May 2014	43,180	48,260	18,690	158		
Corn Use for Ethanol USDA forecast, May 2014	128,270	128,270	118,059	9		

(n) indicates negative number.

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

² Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report, or Export Sales Query--
<http://www.fas.usda.gov/esrquery/>

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

Table 14

Top 5 Importers¹ of U.S. Soybeans

Week Ending 05/08/2014	Total Commitments ²			% change current MY from last MY	Exports ³ 2012/13
	2014/15 Next MY	2013/14 Current MY	2012/13 Last MY		
	- 1,000 mt -				- 1,000 mt -
China	4,900	27,598	21,800	27	21,522
Mexico	166	3,042	2,438	25	2,565
Japan	192	1,766	1,614	9	1,751
Indonesia	166	2,066	1,420	45	1,682
Taiwan	2	1,105	1,061	4	1,120
Top 5 importers	5,425	35,577	28,334	26	28,641
Total US soybean export sales	8,115	44,708	36,498	22	35,910
% of Projected	18%	103%	102%		
Change from prior week	325	74	15		
Top 5 importers' share of U.S. soybean export sales	67%	80%	78%		
USDA forecast, May 2014	44,230	43,550	35,910	21	

(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 05/08/2014	Total Commitments ²			% change current MY from last MY	Exports ³ 2012/13
	2014/15 Next MY	2013/14 Current MY	2012/13 Last MY		
	- 1,000 mt -				- 1,000 mt -
Japan	80	3,077	3,629	(15)	3,544
Nigeria	100	2,683	2,983	(10)	3,002
Mexico	448	3,092	2,824	9	2,761
Philippines	282	2,158	1,945	11	1,965
Egypt	0	1,678	324	418	1,678
Korea	233	1,311	1,402	(7)	1,385
Taiwan	24	1,025	1,036	(1)	1,038
China	15	4,272	808	429	743
Brazil	105	4,259	455	837	527
Colombia	70	761	655	16	600
Top 10 importers	1,357	24,315	16,060	51	17,243
Total US wheat export sales	3,326	31,648	26,856	18	27,420
% of Projected	13%	98%	98%		
Change from prior week	197	55	125		
Top 10 importers' share of U.S. wheat export sales	41%	77%	60%		63%
USDA forecast, May 2014	25,860	32,250	27,420	18	

(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 05/15/14	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	295	325	91	5,131	4,742	108	132	99	11,585
Corn	311	219	143	3,232	1,255	258	n/a	206	2,973
Soybeans	0	8	1	4,476	3,762	119	6	3	9,090
Total	606	552	110	12,840	9,759	132	210	113	23,647
Mississippi Gulf									
Wheat	56	155	36	1,805	3,409	53	55	60	9,711
Corn	577	776	74	13,148	4,179	315	373	236	14,828
Soybeans	96	174	55	9,740	6,737	145	192	94	21,462
Total	730	1,105	66	24,694	14,325	172	231	166	46,002
Texas Gulf									
Wheat	144	160	90	2,767	2,850	97	83	81	9,039
Corn	0	0	n/a	215	101	213	140	61	255
Soybeans	0	1	0	258	122	211	n/a	352	908
Total	144	161	89	3,241	3,073	105	86	79	10,203
Interior									
Wheat	25	27	92	504	355	142	533	187	1,244
Corn	115	125	92	2,094	1,035	202	198	82	3,943
Soybeans	65	58	112	1,729	1,532	113	396	88	3,212
Total	204	210	97	4,326	2,922	148	183	92	8,399
Great Lakes									
Wheat	62	12	511	74	345	22	6	8	884
Corn	0	0	n/a	22	0	n/a	n/a	422	0
Soybeans	4	0	n/a	30	4	804	n/a	196	699
Total	66	12	546	126	348	36	30	36	1,583
Atlantic									
Wheat	0	24	0	77	359	22	5,967	48	645
Corn	17	34	51	265	2	n/a	n/a	820	242
Soybeans	4	3	136	976	669	146	85	91	1,652
Total	22	62	35	1,319	1,029	128	533	192	2,540
U.S. total from ports²									
Wheat	582	703	83	10,360	12,058	86	198	156	33,108
Corn	1,020	1,154	88	18,977	6,572	289	396	186	22,241
Soybeans	170	245	69	17,209	12,826	134	18	20	37,024
Total	1,772	2,103	84	46,546	31,457	148	117	98	92,373

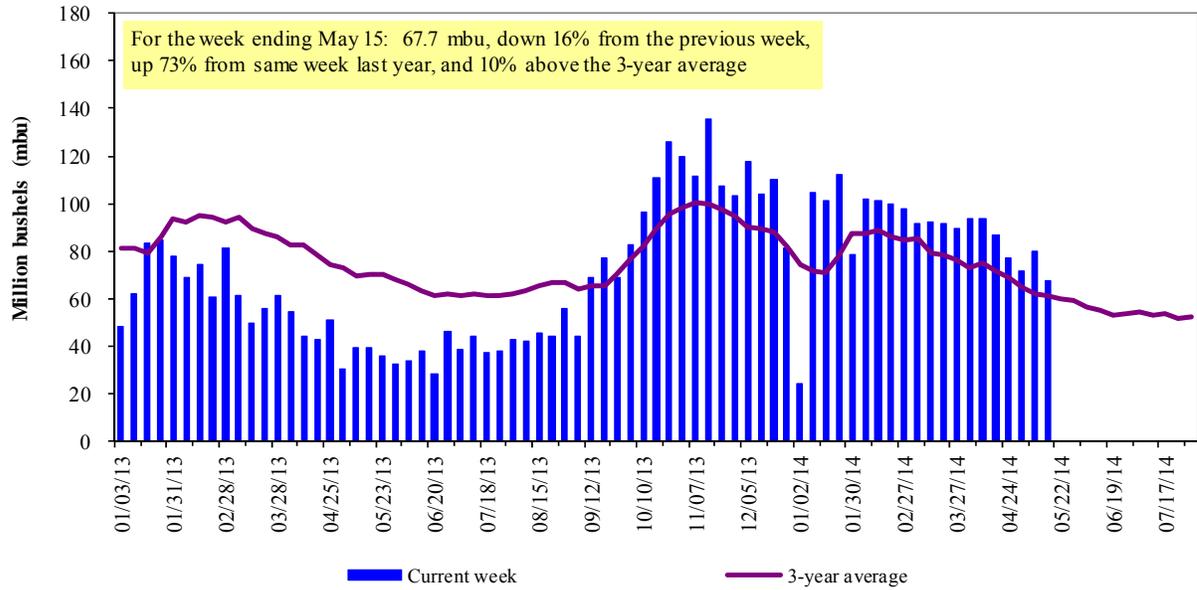
¹ Data includes revisions from prior weeks; some regional totals may not add exactly due to rounding.

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 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)

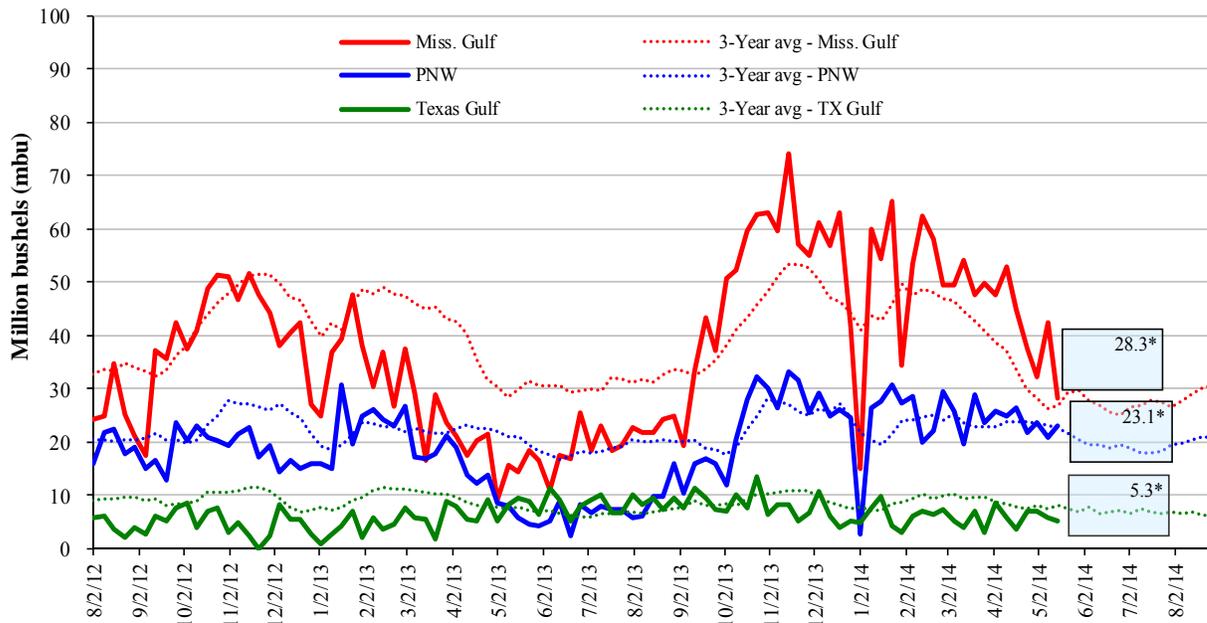


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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.

<u>May 15: % change from:</u>	<u>MSGulf</u>	<u>TX Gulf</u>	<u>U.S. Gulf</u>	<u>PNW</u>
Last week	down 34	down 11	down 31	up 11
Last year (same week)	up 95	down 45	up 40	up 291
3-yr avg. (4-wk mov. avg.)	up 25	down 37	up 8	up 34

Ocean Transportation

Table 17

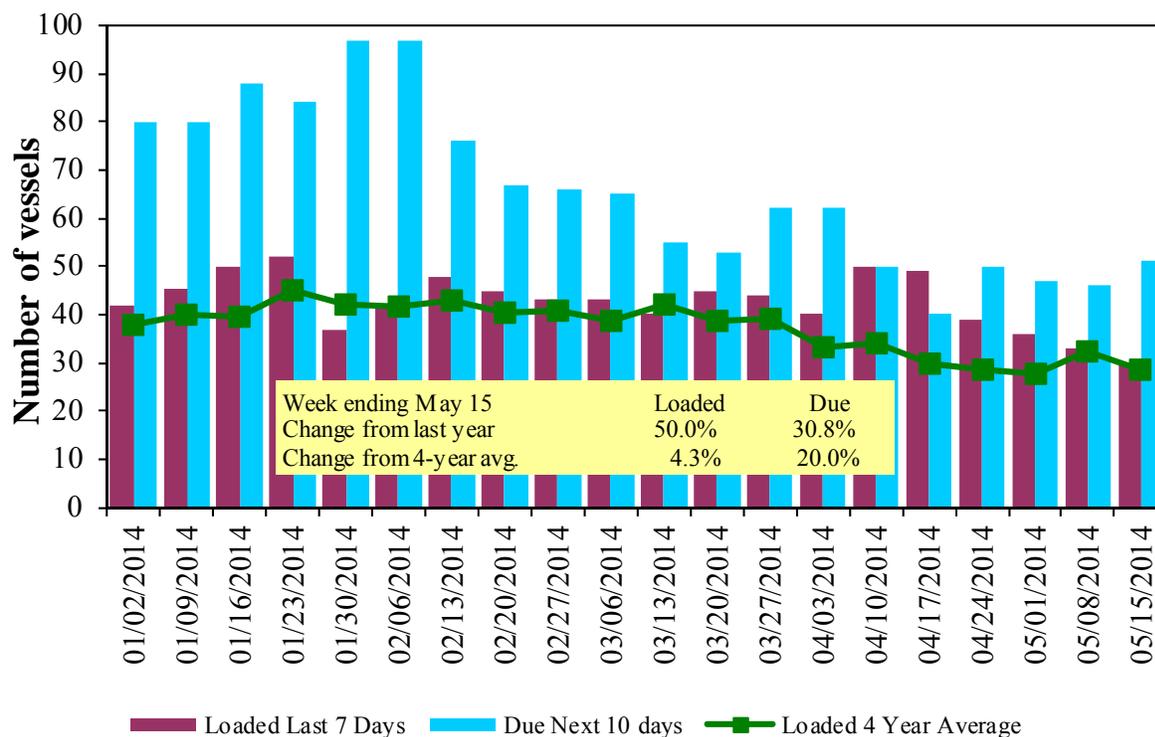
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In port	Loaded 7-days	Due next 10-days	In port	In port
5/15/2014	42	30	51	7	n/a
5/8/2014	36	33	46	7	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

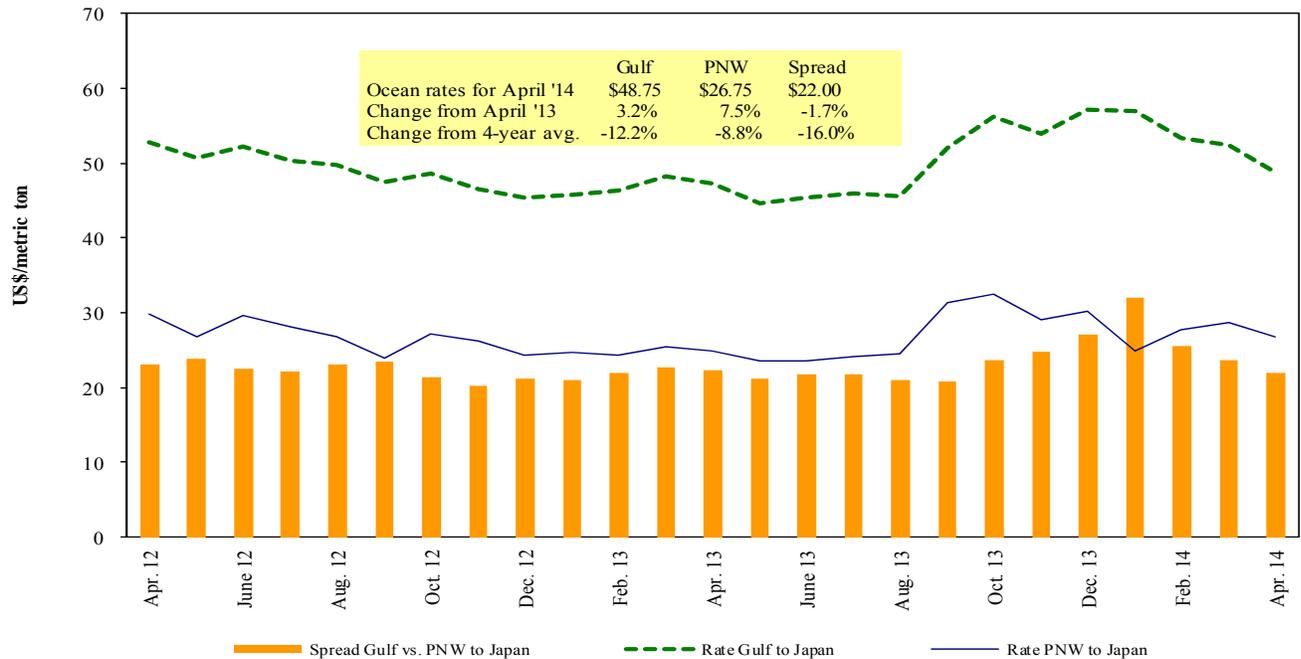


Source: Transportation & Marketing Programs/AMS/USDA

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 5/17/2014

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US\$/metric ton)
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
Brazil	China	Heavy Grain	Aug 1/5	60,000	40.00
Brazil	China	Heavy Grain	Jul 15/Aug 15	60,000	40.00
Brazil	China	Grain	Jun 19/28	60,000	36.50
Brazil	China	Heavy Grain	May 25/Jun 5	60,000	36.50
Brazil	China	Grain	May 20/29	60,000	36.50
Brazil	China	Heavy Grain	May 20/30	60,000	38.50
Brazil	China	Grain	May 12/20	60,000	36.50
Brazil	China	Heavy Grain	May 5/15	60,000	36.00
Brazil	China	Heavy Grain	Apr 15/24	60,000	37.25
France	Algeria	Wheat	May 9/12	23,750	23.50
France	Algeria	Wheat	Apr 5/10	23,000	26.00
Hamburg	Iran	Wheat	May 16/28	60,000	38.00
River Plate	China	Heavy Grain	Aug 1/31	60,000	44.50
River Plate	China	Grain	Jun 3/12	60,000	44.00
River Plate	China	Heavy Grain	May 1/10	60,000	41.75
River Plate	China	Heavy Grain	Apr 12/30	65,000	43.50
River Plate	Italy	SoybeanMeal	May 15/25	28,000	29.50
Ukraine	Tunisia	Wheat	May 15/18	25,000	19.00
Ukraine	Saudi Arabia	Heavy Grain	Apr 15/25	60,000	21.85

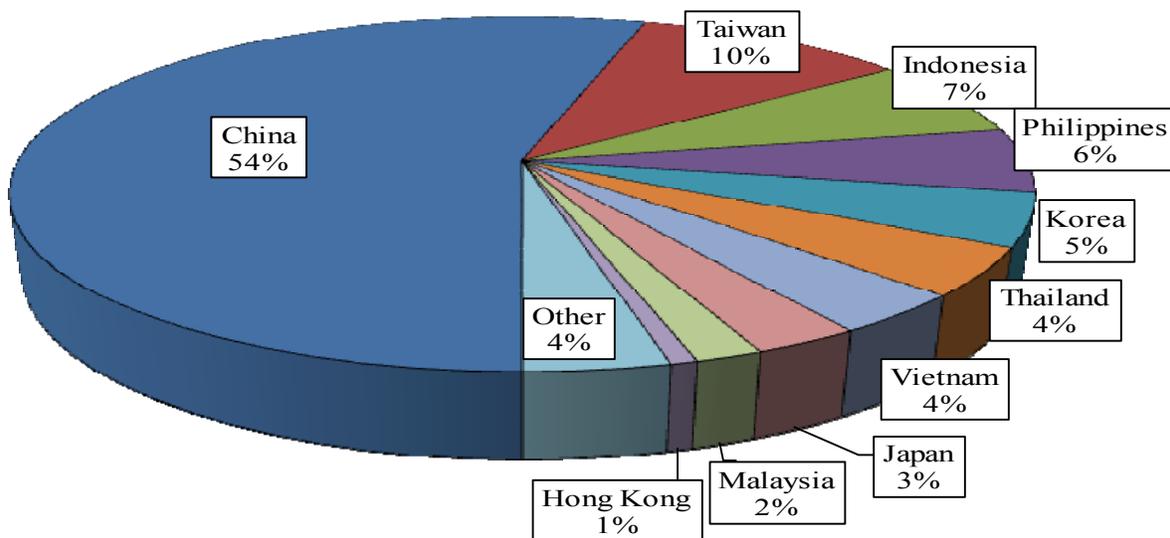
Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option

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 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.

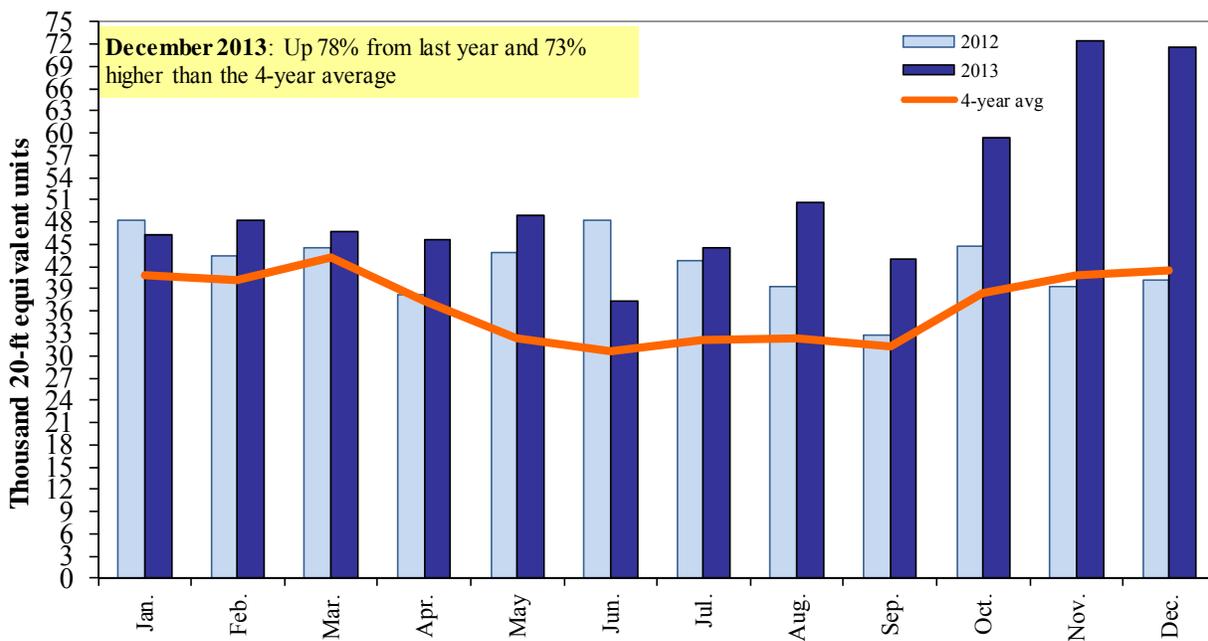
Figure 18
Top 10 Destination Markets for U.S. Containerized Grain Exports, December 2013



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*. May 22, 2014. Web: <http://dx.doi.org/10.9752/TS056.05-22-2014>

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