United States Department of Agriculture

Grain Transportation Report

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

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August 21, 2014

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WEEKLY HIGHLIGHTS

STB Takes Steps to Resolve Grain Backlog
On August 18, the Surface Transportation Board (STB) announced there will be a public field hearing in Fargo, ND, on September 4, to give an opportunity for interested parties to comment on rail service problems and for rail carriers to report on their efforts to address problems. This hearing follows up STB's June 20 announcement directing Canadian Pacific (CP) and BNSF Railway (BNSF) to provide plans for reducing their backlog of unfilled grain car orders, resolve delays, and provide weekly progress updates. Compared to BNSF, STB believes CP has not made considerable progress in reducing its backlog and has been providing indeterminate data that suggest it will not clear its grain car backlog prior to harvest. In the August 18 announcement, STB ordered CP to provide an updated plan to resolve its backlog; and submit additional data in its weekly reports concerning the supply of locomotives to the Rapid City, Pierre, and Eastern Railroad, a shortline railroad passing through South Dakota. That railroad was sold by CP in May but is still dependent on CP for locomotives. BNSF must also include additional data in the weekly reports concerning its plan versus performance for shuttle movements of grain.

Wheat Inspections Up for Second Consecutive Week
For the week ending August 14, total inspections of wheat reached .626 million metric tons (mmt), up 9 percent from the previous week but 2 percent below the 3-year average. Wheat inspections were up for the second consecutive week as shipments to Asia remained steady. Inspections of corn totaled .941 mmt, up 8 percent from the past week and 80 percent above the same time last year. Pacific Northwest grain inspections also continued to increase as demand for corn and wheat rose. Total inspections of grain (corn, wheat, soybeans) from all major export regions reached 1.62 mmt, up 4 percent from the past week, up 32 percent from last year, and 10 percent above the 3-year average. Soybean inspections, however, were down 46 percent from the past week as shipments to Asia declined. Outstanding export sales of each of the major grains were down from the past week.

Panama Canal Lock Maintenance Scheduled
The West Lane of the Miraflores Locks on the Panama Canal will be closed for maintenance and repair work from August 26 to September 2, 2014. The estimated transit capacity of the Canal due to the maintenance work is 26 to 28 vessels per day, rather than the normal transit capacity of 38 to 40 vessels. At this time, no major delays are anticipated. However, non-booked vessels may experience delays in transiting.

UP Announces New Export Container Loading Weight Threshold and Surcharge
On July 18, Union Pacific (UP) announced that effective October 1, it will amend item 510, "General Loading Requirements," of its MITA Governing Rules Circular. The amendment is designed to allow UP to efficiently and safely transport double-stacked intermodal containers. The amendment will revise Item 510 to include the following heavy-weight surcharges: $300 per Container for 40/45-foot ISO westbound containers that have a lading weight above 26 tons (52,000 pounds, 23.6 metric tons), and $200 per Container for 20-foot ISO westbound containers that have a lading weight above 22 tons (44,000 pounds, 20 metric tons). In 2013, a record 10 percent of waterborne grain exports were moved in containers. Based on container freight rates in July from Chicago to Shanghai, China, these surcharges could cost the exporter an additional 15-20 percent.

Snapshots by Sector

Rail
U.S. railroads originated 21,191 **carloads of grain** during the week ending August 9, up 9 percent from last week, 27 percent from last year, and 26 percent from the 3-year average.

During the week ending August 14, average August shuttle **secondary railcar bids/offers per car** were $1,150 above tariff, down $175 from last week. There were no non-shuttle secondary railcar bids/offers.

Barge
During the week ending August 16 **barge grain movements** totaled 558,750 tons, 26.4 percent lower than the previous week but 72.3 percent higher than the same period last year.

During the week ending August 16, 349 grain barges **moved down river**, down 30.3 percent from last week; 442 grain barges were **unloaded in New Orleans**, up 9.7 percent from the previous week.

Ocean
During the week ending August 14, 29 **ocean-going grain vessels** were loaded in the Gulf, 4 percent more than the same period last year. Fifty vessels are expected to be loaded within the next 10 days, 43 percent more than the same period last year.

During the week ending August 15, the ocean freight rate for shipping bulk grain from the Gulf to Japan was $43 per mt, up 4 percent from the previous week. The cost of shipping from the PNW to Japan was $24 per mt, up 5 percent from the previous week.

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Web: http://dx.doi.org/10.9752/TS056.08-21-2014

Feature Article/Calendar

Second Quarter Wheat Transportation Costs Down; Landed Costs Up

During the second quarter 2014, transportation costs for shipping U.S. wheat from Kansas and North Dakota to Japan through the Pacific Northwest (PNW) and U.S. Gulf increased from the same time last year, offsetting a drop in wheat prices (farm values) in Kansas but not North Dakota. Compared to the previous quarter, however, a rise in farm values did not offset a drop in transportation costs, increasing total landed costs from both regions. Truck rates reached a record high for the second quarter, contributing to the increased quarter-to-quarter transportation and total landed costs for each route. Ocean rates for shipping wheat through the PNW and U.S. Gulf increased from the same time last year, but were down significantly from the first quarter (see tables 1 and 2). Compared to last year, rail rates for shipping wheat from each region were slightly higher for all routes except ND to the Gulf; where rates were slightly lower. Rail rates for all regions remained mostly steady compared to the first quarter.

The costs to ship wheat from Kansas and North Dakota through the PNW decreased 2 percent from quarter to quarter, but costs increased 8 percent from year to year. The cost to ship wheat through the Gulf from Kansas and North Dakota decreased 6 and 5 percent quarter to quarter. Year-to-year transportation costs from Kansas and North Dakota through the Gulf were up 7 and 4 percent. Total landed costs for shipping wheat from Kansas and North Dakota through the PNW and Gulf to Japan continued to increase from quarter to quarter. Year-to-year landed costs for shipping wheat from Kansas through each region increased slightly, but North Dakota total landed costs decreased 5 percent through the PNW and 8 percent through the Gulf for the same period.

Table 1: Quarterly rate comparisons for shipping KS & ND wheat to Japan through the PNW

	KS					ND				
Mode	2013 2nd qtr	2014 1st qtr	2014 2nd qtr	Year-to-Year change	Quarterly change	2013 2nd qtr	2014 1st qtr	2014 2nd qtr	Year-to-Year change	Quarterly change
				%	%				%	%
Truck	9.46	13.79	14.59	54.23	5.80	9.46	13.79	14.59	54.23	5.80
Rail[1]	55.41	55.75	56.16	1.35	0.74	55.41	56.46	56.32	1.64	-0.25
Ocean vessel	24.00	28.30	25.25	5.21	-10.78	24.00	28.30	25.25	5.21	-10.78
Transportation Costs	88.87	97.84	96.00	8.02	-1.88	88.87	98.55	96.16	8.20	-2.43
Farm Value[2]	269.33	249.61	266.64	-1.00	6.82	269.33	232.71	245.45	-8.87	5.47
Total Landed Cost	358.20	347.45	362.64	1.24	4.37	358.20	331.26	341.61	-4.63	3.12
Transport % of landed cost	24.81	28.16	26.47			24.81	29.75	28.15		

Table 2: Quarterly rate comparisons for shipping KS & ND wheat to Japan through the Gulf

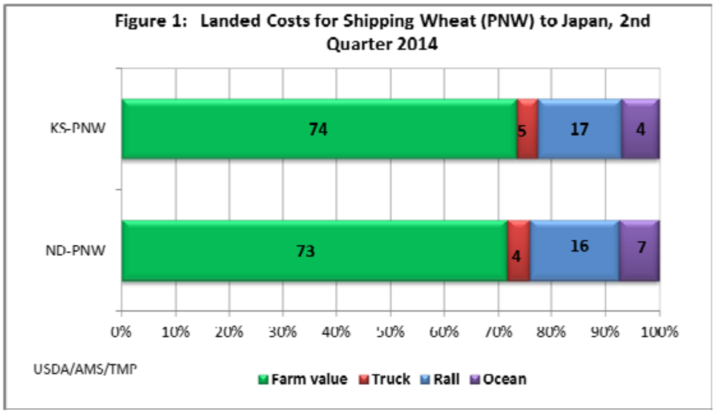
	KS					ND				
Mode	2013 2nd qtr	2014 1st qtr	2014 2nd qtr	Year-to-Year change	Quarterly change	2013 2nd qtr	2014 1st qtr	2014 2nd qtr	Year-to-Year change	Quarterly change
				%	%				%	%
Truck	9.46	13.79	14.59	54.23	5.80	9.46	13.79	14.59	54.23	5.80
Rail[1]	39.38	40.08	40.28	2.29	0.50	66.74	65.87	66.34	-0.60	0.71
Ocean vessel	45.78	54.22	46.39	1.33	-14.44	45.78	54.22	46.39	1.33	-14.44
Transportation Costs	94.62	108.09	101.26	7.02	-6.32	121.98	133.88	127.32	4.38	-4.90
Farm Value[2]	269.33	249.61	266.64	-1.00	6.82	285.01	232.71	245.45	-13.88	5.47
Total Landed Cost	363.95	357.70	367.90	1.09	2.85	406.99	366.59	372.77	-8.41	1.69
Transport % of landed cost	26.00	30.22	27.52			29.97	36.52	34.16		

Source: USDA/AMS/TMP

[1] Rail tariff rates include fuel surchrages and revisions for heavy axle railcars and shuttle trains.

[2] Source: USDA/NASS, wheat prices for North Dakota (mainly HRS) and Kansas (mainly HRW)

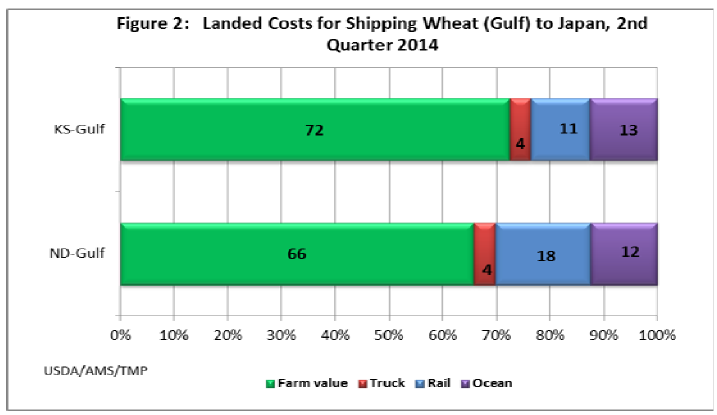
PNW Cost Analysis: The total landed cost to ship from each State through the PNW ranged from $342 to $363 per metric ton (mt) during the second quarter (see table 1). Compared to the previous quarter, PNW total landed costs (farm value plus transportation costs) for shipping wheat to Japan increased 4 percent from Kansas and 3 percent from North Dakota (see table). Year-to-year landed costs, however, were up over 1 percent from Kansas but down 5 percent for shipping from North Dakota. Farm values averaged about 74 percent of the landed cost for shipping from Kansas and 73 percent from North Dakota, below last year’s shares (see figure 1).



Ocean rates for shipping grain from the PNW to Japan continued to fall, decreasing 11 percent quarter to quarter, due primarily to slower demand for bulk shipments and excess vessel supply (***GTR dated 7/24/14***). PNW ocean rates, however, were up 5 percent from year to year. Quarter-to-quarter rail rates for shipping wheat from Kansas to the PNW increased slightly, but Kansas rail rates remained unchanged. Year-to-year rail rates increased 1 percent from Kansas and 2 percent from North Dakota, partly because of rising fuel surcharges. Truck rates increased 6 percent from quarter to quarter and 54 percent from last year as demand for grain trucking services increased amidst a good grain crop last year and difficulty obtaining adequate rail service. Second quarter PNW transportation costs represented 26 to 28 percent of the total landed costs, down from the previous quarter but above last year. (see table 1).

Gulf Cost Analysis: Quarter-to-quarter total landed costs to ship wheat from Kansas and North Dakota through the Gulf during the second quarter decreased 6 percent from Kansas and 5 percent from North Dakota. Year-to-year landed costs, however, were up 7 percent for shipping wheat from Kansas and up 4 percent from North Dakota (see table 2). The total landed cost to ship from each State through the Gulf was $368 to $373/mt. Compared to last year, wheat farm value's share of the landed cost decreased to 72 percent for Kansas and 66 percent for North Dakota (see figure 2).

Ocean rates for shipping wheat to Japan from the Gulf decreased 14 percent from the previous quarter but rose 1 percent from last year. Rail rates to the Gulf from Kansas and North Dakota increased 1 percent from quarter to quarter. Year-to-year rail rates to ship wheat from Kansas to the Gulf increased 2 percent but North Dakota rail rates slipped 1 percent year to year. Second quarter Gulf transportation costs were 28 to 34 percent of the total landed costs, down from the previous quarter but above last year (see table 2).



PNW vs. Gulf Cost Comparison: Compared to the previous quarter, rates to ship wheat by rail to each port region increased slightly or remained unchanged. Rail rates increased 1 and 2 percent from each state year-to year in the PNW, and rail rates to the Gulf increased 2 percent from Kansas but decreased 1 percent from North Dakota (see tables 1 and 2). Quarter-to-quarter ocean rates decreased notably for shipping through the Gulf and from the PNW, but year-to-year ocean rates were up for shipping from each region. The total landed costs to ship wheat from North Dakota were above Kansas for shipping from the Gulf, but North Dakota landed costs were below Kansas landed costs in the PNW (figures 1, 2).

According to USDA, second quarter wheat inspected for export to Japan totaled .870 million metric tons (mmt), 29 percent above the second quarter last year and 34 percent above the first quarter of 2014. Second-quarter wheat exports to Japan accounted for 11 percent of total second-quarter wheat exports (7.67 mmt). During the second quarter of 2014, Japan continued to be the third largest importer of U.S. wheat, behind Brazil and Nigeria. U.S. wheat exports are expected to decrease in 2014/15 because of larger supplies worldwide and increased competition. Johnny.Hill@ams.usda.gov

Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators[1]

	Truck	Rail		Barge	Ocean	
Week ending		Unit Train	Shuttle		Gulf	Pacific
08/20/14	257	242	263	259	192	170
08/13/14	258	342	271	246	186	161

[1]Indicator: 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	8/15/2014	8/8/2014
Corn	IL--Gulf	-0.90	-0.92
Corn	NE--Gulf	-1.08	-1.07
Soybean	IA--Gulf	-0.92	-1.92
HRW	KS--Gulf	-1.55	-1.52
HRS	ND--Portland	-3.44	-3.65

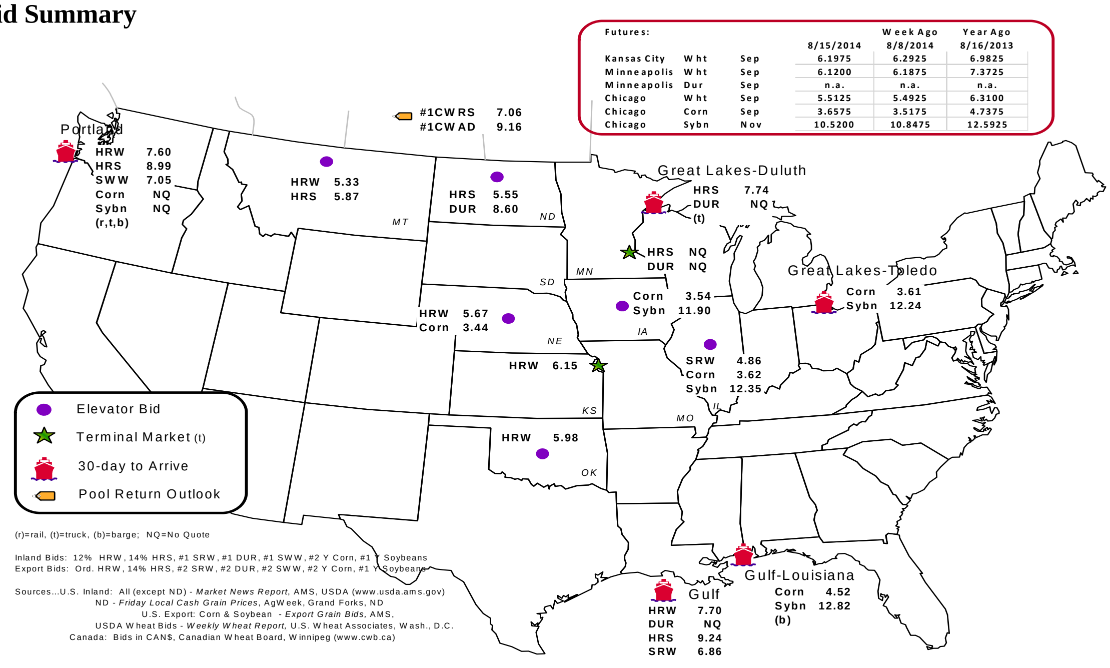
Note: nq = no quote

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 Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf	Total	Week ending	Cross-Border Mexico[3]
8/13/2014[p]	237	1,115	3,886	388	5,626	8/9/2014	1,751
8/06/2014[r]	216	1,542	3,709	168	5,635	8/2/2014	1,152
2014 YTD[r]	21,024	53,203	146,424	17,347	237,998	2014 YTD	61,872
2013 YTD[r]	9,872	42,229	78,971	10,022	141,094	2013 YTD	39,084
2014 YTD as % of 2013 YTD	213	126	185	173	169	% change YTD	158
Last 4 weeks as % of 2013[2]	504	75	281	296	170	Last 4wks % 2013	136
Last 4 weeks as % of 4-year avg.[2]	70	105	123	191	118	Last 4wks % 4 yr	110
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 aproximately 15 percent below the Association of American Railroads reported weekly carloads received by Mexican railroads to reflect switching between KCSM and FerroMex.

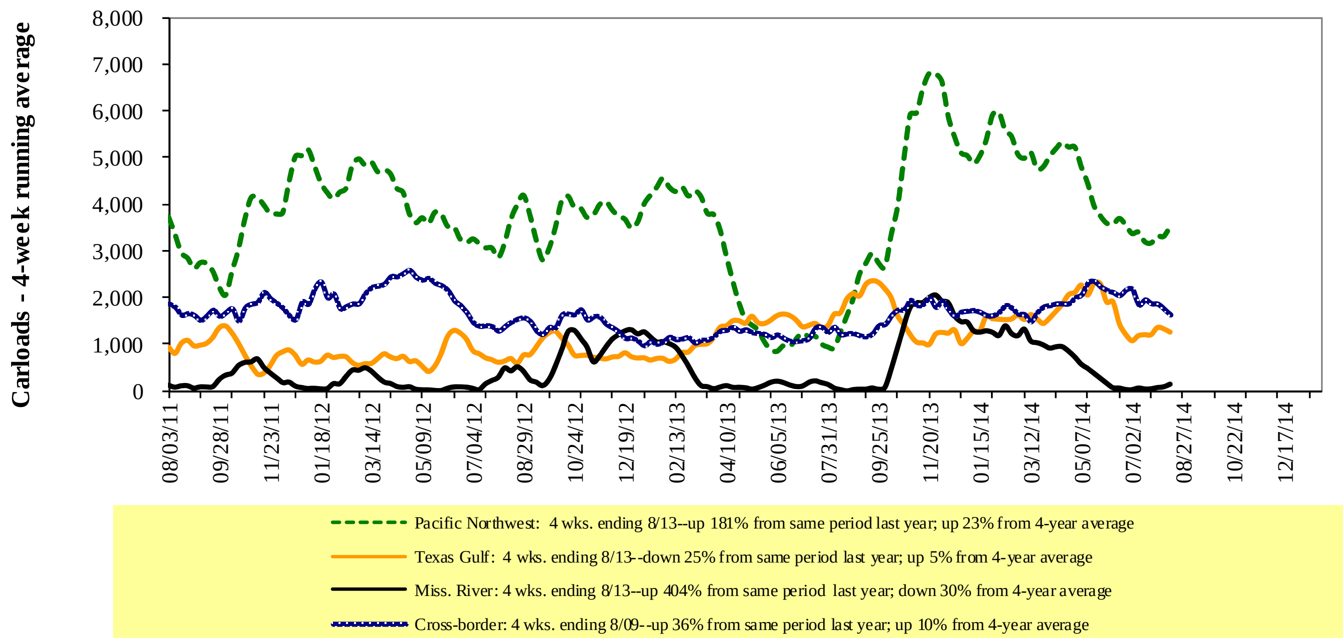
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

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)

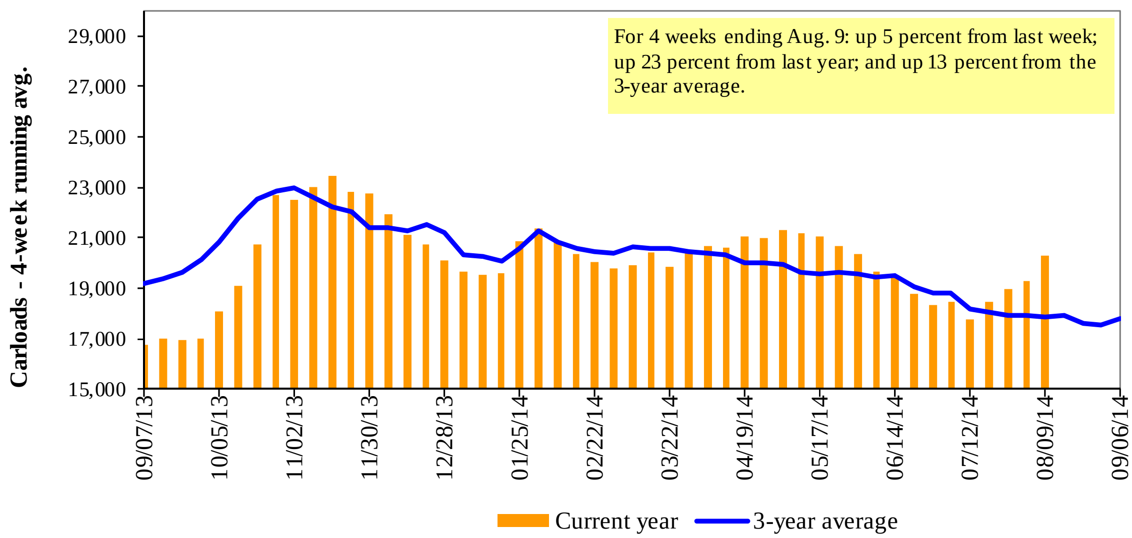
Week ending	East		West			U.S. total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
08/09/14	1,619	2,711	10,161	986	5,714	21,191	4,445	5,624
This week last year	1,169	1,896	8,691	771	4,227	16,754	2,611	5,034
2014 YTD	60,193	94,320	277,790	27,041	181,633	640,977	140,673	168,428
2013 YTD	46,091	79,994	271,486	15,377	121,724	534,672	100,553	164,380
2014 YTD as % of 2013 YTD	131	118	102	176	149	120	140	102
Last 4 weeks as % of 2013	138	128	104	118	157	123	160	104
Last 4 weeks as % of 3-yr avg.[1]	138	113	100	112	132	113	137	99
Total 2013	86,466	137,915	454,262	34,412	222,258	935,313	190,125	272,753

[1]As 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 Offerings[1] ($/car)[2]

Week ending 8/14/2014	Delivery period							
	Aug-14	Aug-13	Sep-14	Sep-13	Oct-14	Oct-13	Nov-14	Nov-13
BNSF[3]								
COT grain units	no offer	n/a	no offer	0	no offer	6	1291	2
COT grain single-car[5]	no offer	n/a	no offer	0 . . 15	no offer	0 . . 3	372 . . 733	1 . . 3
UP[4]								
GCAS/Region 1	no offer	n/a	203	no bids	no offer	no bids	n/a	no bids
GCAS/Region 2	no offer	n/a	1151	no bids	no offer	1	n/a	no bids

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

[2]Average premium/discount to tariff, last auction

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

[4]UP - 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.

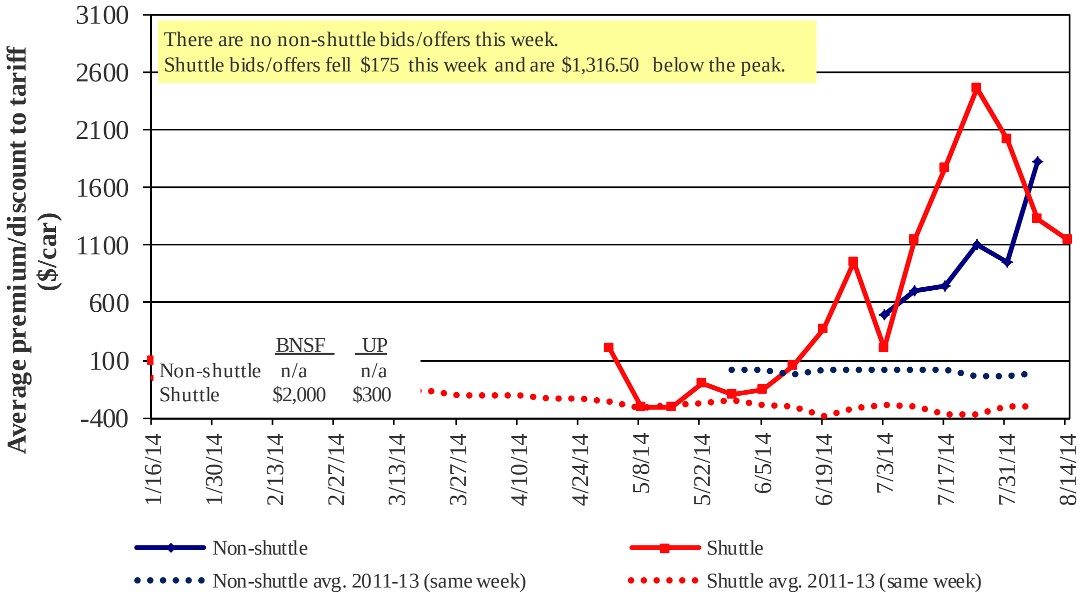
[5]Range is shown because average is not available. Not available = n/a.

Source: Transportation & Marketing Programs/AMS/USDA.

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

Figure 4

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

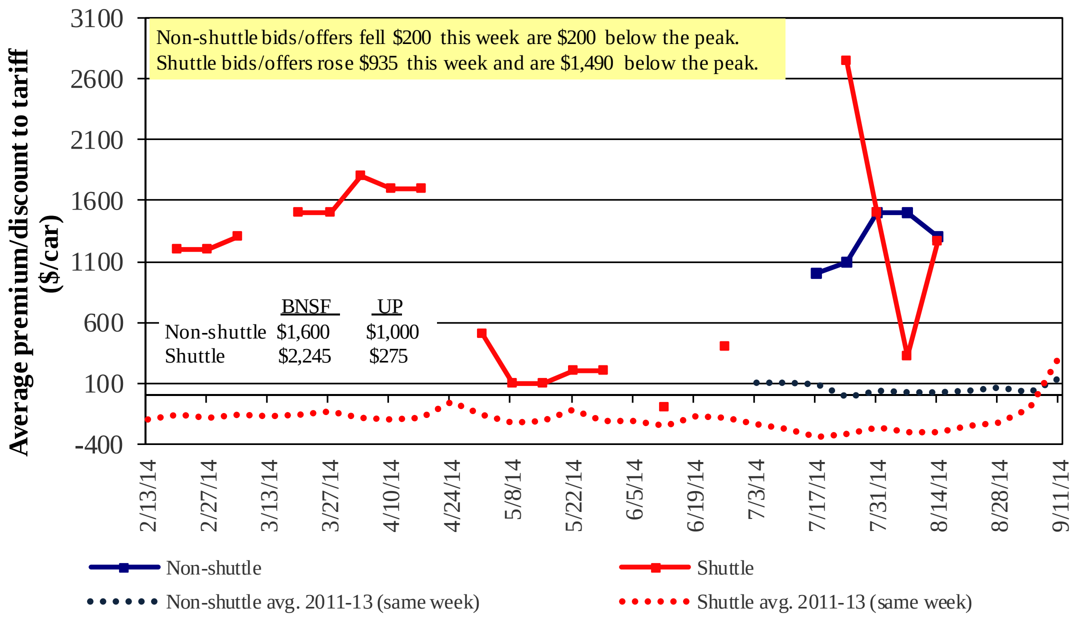


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

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

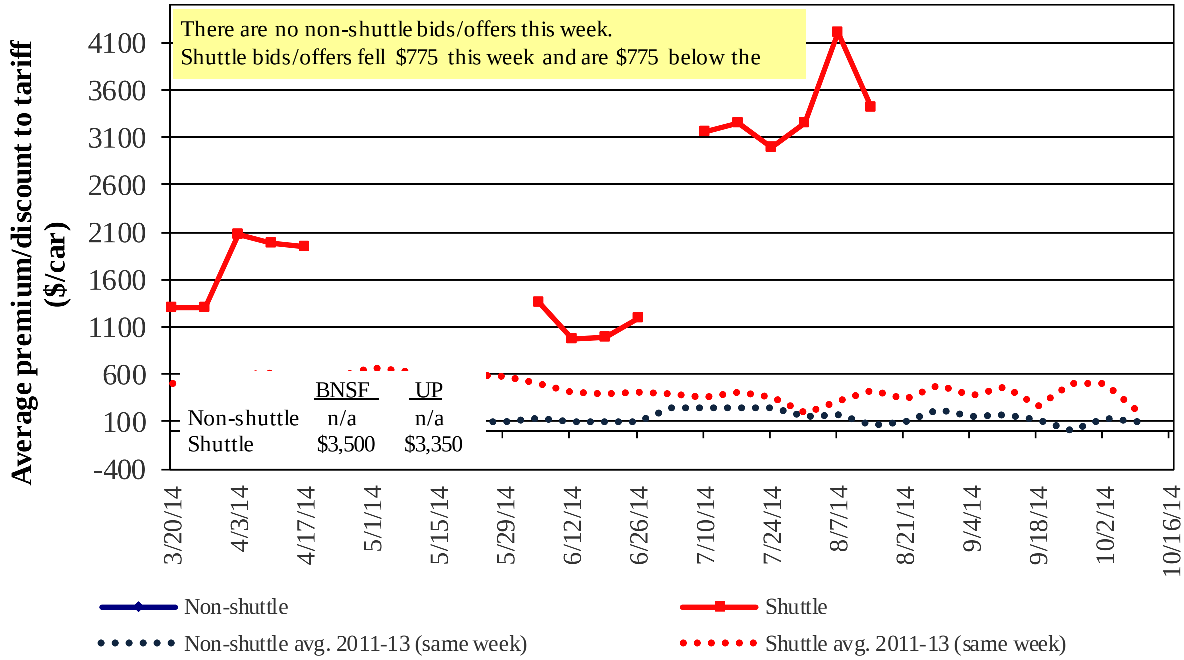


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in October 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					
8/14/2014	**Aug-14**	**Sep-14**	**Oct-14**	**Nov-14**	**Dec-14**	**Jan-15**
Non-shuttle						
BNSF-GF	n/a	1,600	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	1,600	n/a	n/a	n/a	n/a
UP-Pool	n/a	1,000	n/a	n/a	n/a	n/a
Change from last week	n/a	(500)	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
Shuttle[2]						
BNSF-GF	2,000	2,245	3,500	3,000	n/a	n/a
Change from last week	(450)	n/a	(2,000)	700	n/a	n/a
Change from same week 2013	n/a	2,272	2,750	2,650	n/a	n/a
UP-Pool	300	275	3,350	2,025	1,150	n/a
Change from last week	100	(50)	450	175	100	n/a
Change from same week 2013	n/a	350	3,100	n/a	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 Shipments[1]

Effective date: 8/1/2014	Origin region*	Destination region*	Tariff rate/car	Fuel surcharge per car	Tariff plus surcharge per: metric ton	Tariff plus surcharge per: bushel[2]	Percent change Y/Y[3]
Unit train							
Wheat	Wichita, KS	St. Louis, MO	$3,387	$187	$35.49	$0.97	6
	Grand Forks, ND	Duluth-Superior, MN	$3,596	$107	$36.78	$1.00	-3
	Wichita, KS	Los Angeles, CA	$6,244	$551	$67.48	$1.84	0
	Wichita, KS	New Orleans, LA	$4,026	$329	$43.25	$1.18	6
	Sioux Falls, SD	Galveston-Houston, TX	$5,824	$452	$62.33	$1.70	0
	Northwest KS	Galveston-Houston, TX	$4,293	$361	$46.21	$1.26	5
	Amarillo, TX	Los Angeles, CA	$4,492	$502	$49.59	$1.35	5
Corn	Champaign-Urbana, IL	New Orleans, LA	$3,192	$372	$35.39	$0.90	3
	Toledo, OH	Raleigh, NC	$4,686	$416	$50.66	$1.29	4
	Des Moines, IA	Davenport, IA	$2,078	$79	$21.42	$0.54	4
	Indianapolis, IN	Atlanta, GA	$4,061	$312	$43.43	$1.10	3
	Indianapolis, IN	Knoxville, TN	$3,469	$200	$36.44	$0.93	3
	Des Moines, IA	Little Rock, AR	$3,218	$232	$34.26	$0.87	3
	Des Moines, IA	Los Angeles, CA	$5,215	$675	$58.49	$1.49	3
Soybeans	Minneapolis, MN	New Orleans, LA	$3,514	$402	$38.89	$1.06	3
	Toledo, OH	Huntsville, AL	$3,687	$295	$39.55	$1.08	3
	Indianapolis, IN	Raleigh, NC	$4,756	$419	$51.39	$1.40	4
	Indianapolis, IN	Huntsville, AL	$3,379	$200	$35.54	$0.97	3
	Champaign-Urbana, IL	New Orleans, LA	$3,748	$372	$40.92	$1.11	4
Shuttle Train							
Wheat	Great Falls, MT	Portland, OR	$3,678	$317	$39.67	$1.08	0
	Wichita, KS	Galveston-Houston, TX	$3,471	$247	$36.92	$1.00	-8
	Chicago, IL	Albany, NY	$3,950	$390	$43.10	$1.17	5
	Grand Forks, ND	Portland, OR	$5,159	$547	$56.67	$1.54	1
	Grand Forks, ND	Galveston-Houston, TX	$6,084	$570	$66.08	$1.80	-1
	Northwest KS	Portland, OR	$5,260	$592	$58.11	$1.58	4
Corn	Minneapolis, MN	Portland, OR	$5,000	$666	$56.27	$1.43	4
	Sioux Falls, SD	Tacoma, WA	$4,960	$610	$55.31	$1.41	4
	Champaign-Urbana, IL	New Orleans, LA	$3,011	$372	$33.60	$0.85	3
	Lincoln, NE	Galveston-Houston, TX	$3,510	$356	$38.39	$0.98	6
	Des Moines, IA	Amarillo, TX	$3,590	$291	$38.54	$0.98	3
	Minneapolis, MN	Tacoma, WA	$5,000	$661	$56.22	$1.43	4
	Council Bluffs, IA	Stockton, CA	$4,400	$684	$50.48	$1.28	5
Soybeans	Sioux Falls, SD	Tacoma, WA	$5,520	$610	$60.88	$1.66	4
	Minneapolis, MN	Portland, OR	$5,530	$666	$61.53	$1.67	4
	Fargo, ND	Tacoma, WA	$5,430	$543	$59.31	$1.61	4
	Council Bluffs, IA	New Orleans, LA	$4,175	$429	$45.72	$1.24	6
	Toledo, OH	Huntsville, AL	$2,862	$295	$31.35	$0.85	4
	Grand Island, NE	Portland, OR	$5,110	$606	$56.76	$1.54	3

[1]A 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.

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

[3]Percentage change year over year calculated using tariff rate plus fuel surchage

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: 8/1/2014				Fuel			Percent
	Origin		Tariff	surcharge	Tariff plus surcharge per:		change
Commodity	**state**	**Destination region**	**rate/car[1]**	**per car[2]**	**metric ton[3]**	**bushel[3]**	**Y/Y[4]**
Wheat	MT	Chihuahua, CI	$6,460	$579	$71.92	$1.96	2
	OK	Cuautitlan, EM	$6,315	$703	$71.70	$1.95	-5
	KS	Guadalajara, JA	$6,899	$679	$77.43	$2.11	-15
	TX	Salinas Victoria, NL	$3,798	$265	$41.51	$1.13	30
Corn	IA	Guadalajara, JA	$7,974	$799	$89.63	$2.27	4
	SD	Celaya, GJ	$7,656	$757	$85.97	$2.18	4
	NE	Queretaro, QA	$7,353	$710	$82.38	$2.09	3
	SD	Salinas Victoria, NL	$5,880	$576	$65.96	$1.67	3
	MO	Tlalnepantla, EM	$6,712	$689	$75.62	$1.92	2
	SD	Torreon, CU	$6,722	$634	$75.16	$1.91	3
Soybeans	MO	Bojay (Tula), HG	$7,916	$674	$87.77	$2.39	5
	NE	Guadalajara, JA	$8,447	$771	$94.18	$2.56	4
	IA	El Castillo, JA	$8,855	$753	$98.17	$2.67	4
	KS	Torreon, CU	$6,864	$478	$75.01	$2.04	3
Sorghum	TX	Guadalajara, JA	$6,953	$493	$76.08	$1.93	7
	NE	Celaya, GJ	$7,212	$688	$80.71	$2.05	3
	KS	Queretaro, QA	$6,650	$432	$72.36	$1.84	-2
	NE	Salinas Victoria, NL	$5,368	$506	$60.01	$1.52	-1
	NE	Torreon, CU	$6,243	$564	$69.56	$1.77	2

[1]Rates 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.

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

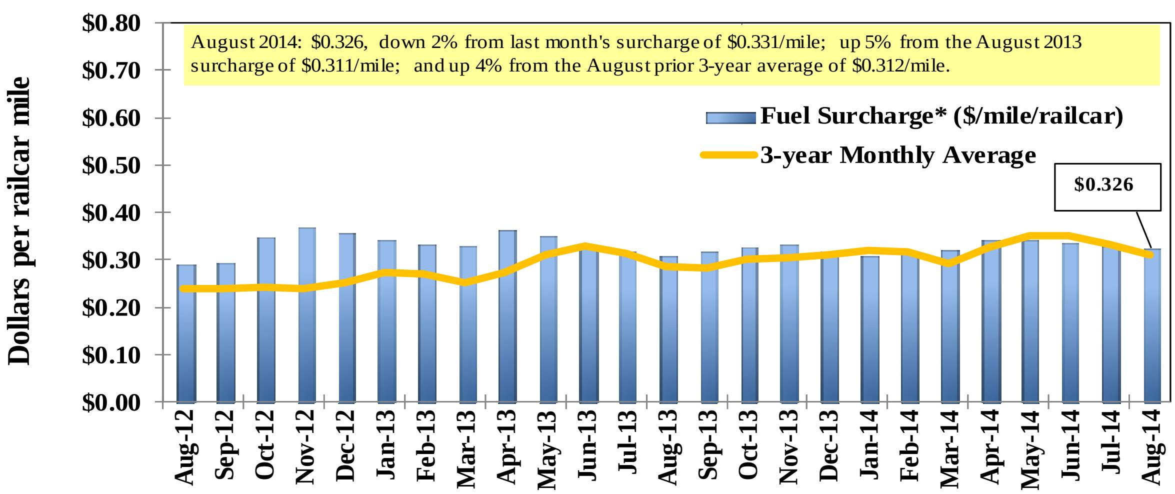
[3]Approximate load per car = 97.87 metric tons: Corn & Sorghum 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

[4]Percentage change year over year calculated using tariff rate plus fuel surchage

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

Figure 7

Railroad Fuel Surcharges, North American Weighted Average[1]



[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.

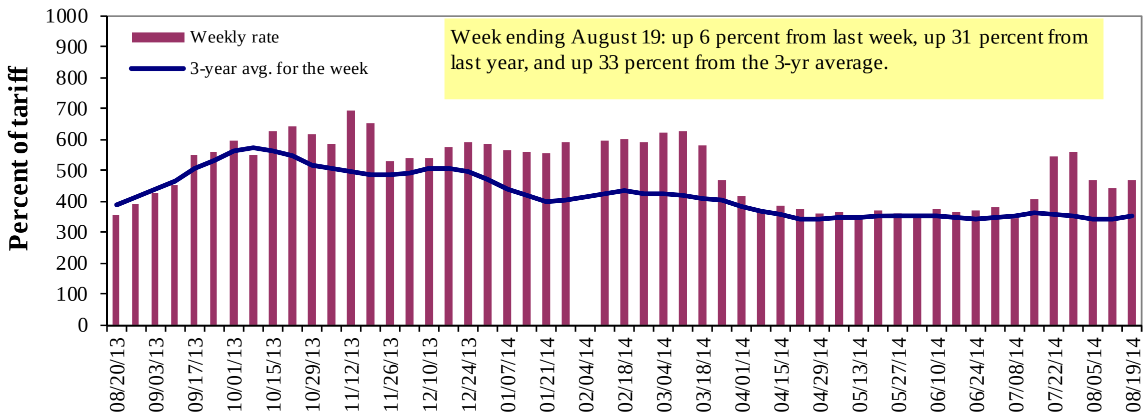
** BNSF strike price (diesel price when fuel surcharges begin) changed from $1.25/gal. to $2.50/gal starting March 1, 2011. As a result, the weighted average fuel surcharge for March 2011 was $0.227/mile instead of $0.331/mile.

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]



[1]Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); [2]4-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
Rate[1]	8/19/2014	555	488	467	400	450	450	408
	8/12/2014	632	470	442	388	443	443	378
$/ton	8/19/2014	34.35	25.96	21.67	15.96	21.11	18.18	12.81
	8/12/2014	-	25.00	20.51	15.48	20.78	17.90	11.87
Current week % change from the same week:								
	Last year	51	36	31	30	24	24	41
	3-year avg. [2]	36	33	33	30	31	31	37
Rate[1]	September	667	633	625	592	625	625	633
	November	642	667	667	592	633	633	542

[1]Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); [2]4-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

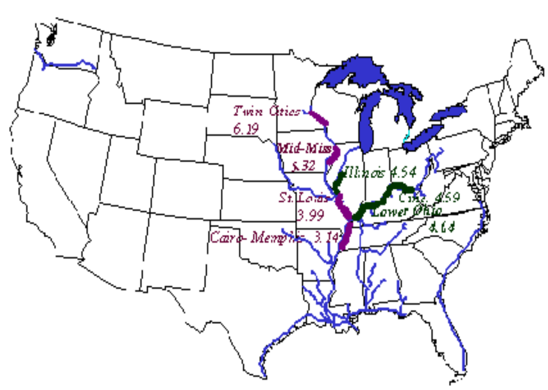
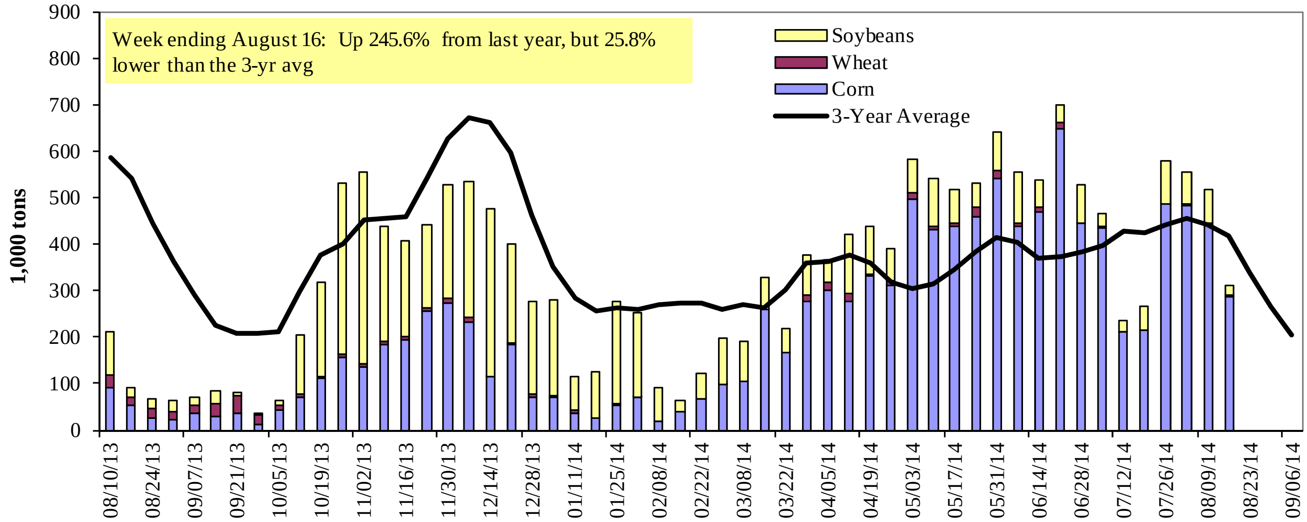


Figure 10

Barge Movements on the Mississippi River[1] (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 8/16/2014	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	161	3	38	0	202
Winfield, MO (L25)	158	0	13	3	173
Alton, IL (L26)	270	2	21	3	295
Granite City, IL (L27)	288	2	21	3	313
Illinois River (L8)	144	0	16	0	160
Ohio River (L52)	134	68	5	0	207
Arkansas River (L1)	0	39	0	0	39
Weekly total - 2014	421	109	26	3	559
Weekly total - 2013	64	229	32	0	324
2014 YTD[1]	14,885	1,706	5,090	131	21,812
2013 YTD	5,204	3,115	4,460	134	12,912
2014 as % of 2013 YTD	286	55	114	98	169
Last 4 weeks as % of 2013[2]	425	54	99	60	183
Total 2013	9,504	4,111	10,065	255	23,935

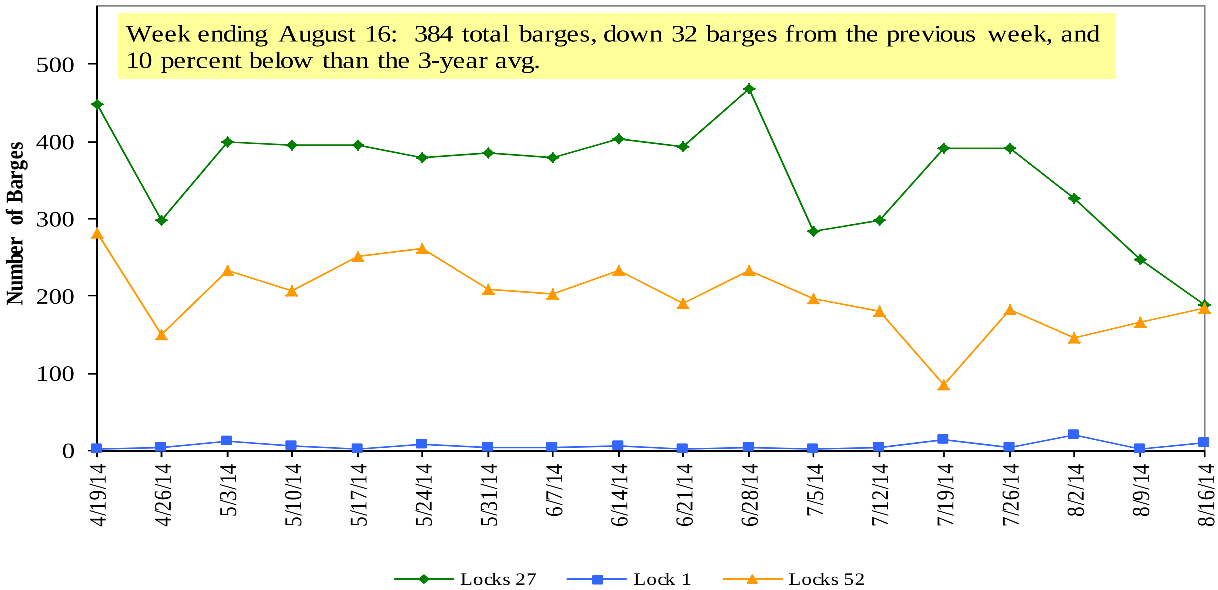
[1] Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

[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

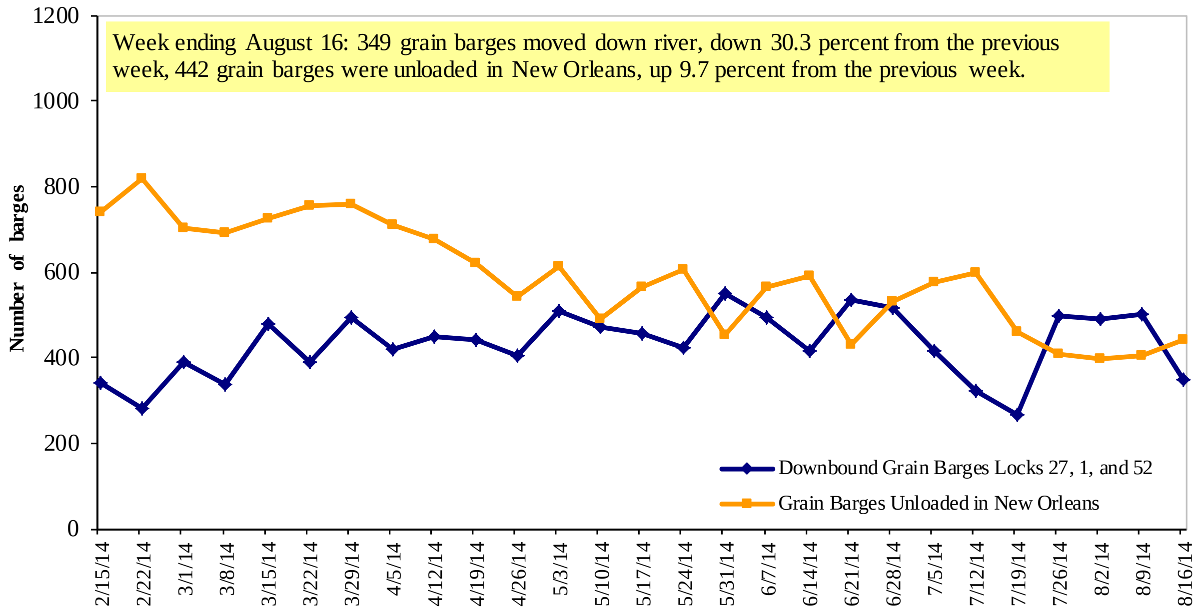
Upbound Empty Barges Transiting Mississippi River Locks 27, Arkansas River Lock and Dam 1, and Ohio River Locks and Dam 52



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 Prices[1], Week Ending 8/18/2013 (US $/gallon)

Region	Location	Price	Change from Week ago	Change from Year ago
I	East Coast	3.875	-0.012	-0.037
	New England	3.971	-0.011	-0.065
	Central Atlantic	3.960	-0.014	-0.007
	Lower Atlantic	3.788	-0.012	-0.060
II	Midwest[2]	3.780	-0.007	-0.088
III	Gulf Coast[3]	3.739	-0.011	-0.083
IV	Rocky Mountain	3.871	-0.005	-0.049
V	West Coast	4.015	-0.001	-0.042
	West Coast less California	3.930	-0.005	-0.035
	California	4.086	0.002	-0.048
Total	U.S.	3.835	-0.008	-0.065

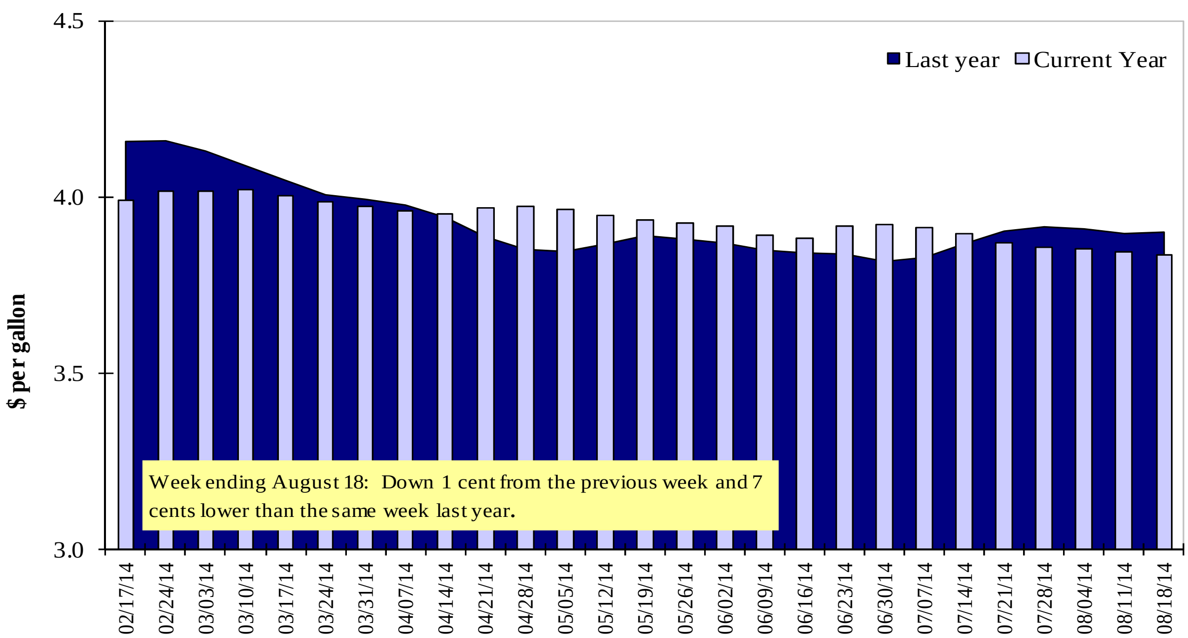
[1]Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

[2]Same as North Central [3]Same 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)

	Wheat						Corn	Soybeans	Total
Week ending	HRW	SRW	HRS	SWW	DUR	All wheat			
Export Balances[1]									
8/7/2014	1,807	1,223	1,933	1,096	128	6,187	4,891	2,034	13,112
This week year ago	1,880	3,289	1,457	1,101	100	7,827	1,944	1,221	10,992
Cumulative exports-marketing year[2]									
2013/14 YTD	1,501	839	1,440	635	61	4,475	43,728	44,146	92,349
2012/13 YTD	2,812	2,054	868	516	32	6,282	17,105	35,937	59,324
YTD 2013/14 as % of 2012/13	53	41	166	123	191	71	256	123	156
Last 4 wks as % of same period 2012/13	96	34	139	97	126	78	317	169	131
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 wheat

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

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

Table 13

Top 5 Importers[1] of U.S. Corn

Week ending 08/07/2014	**Total Commitments**[2]			**% change**	**Exports**[3]
	2014/15	**2013/14**	**2012/13**	**current MY**	
	Next MY	**Current MY**	**Last MY**	**from last MY**	**2012/13**
		- 1,000 mt -			- 1,000 mt -
Japan	1,858	11,469	7,252	58	7,000
Mexico	2,418	10,683	4,466	139	4,370
China	5	2,837	2,568	10	2,450
Korea	2	4,699	418	1,023	416
Taiwan	41	2,065	583	254	512
Top 5 Importers	**4,323**	**31,753**	**15,287**	**108**	**14,748**
Total US corn export sales	**8,534**	**48,619**	**19,050**	**155**	**18,690**
% of Projected	19%	100%	102%		
Change from prior week	**788**	(117)	(59)		
Top 5 importers' share of U.S. corn export sales	51%	65%	80%		79%
USDA forecast, August 2014	**43,820**	**48,770**	**18,690**	**161**	
Corn Use for Ethanol USDA forecast, August 2014	**128,905**	**130,048**	**118,059**	**10**	

(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 Importers[1] of U.S. Soybeans

Week Ending 08/07/2014	Total Commitments[2] 2014/15 Next MY	2013/14 Current MY	2012/13 Last MY	% change current MY from last MY	Exports[3] 2012/13
		- 1,000 mt -			- 1,000 mt -
China	10,434	28,134	21,647	30	21,522
Mexico	633	3,278	2,602	26	2,565
Japan	289	1,891	1,835	3	1,751
Indonesia	229	2,506	1,649	52	1,682
Taiwan	194	1,343	1,249	8	1,120
Top 5 importers	**11,778**	**37,153**	**28,982**	**28**	**28,641**
Total US soybean export sales	**18,094**	**46,180**	**37,159**	**24**	**35,910**
% of Projected	40%	103%	103%		
Change from prior week	1,082	62	(11)		
Top 5 importers' share of U.S. soybean export sales	65%	80%	78%		
USDA forecast, August 2014	**45,590**	**44,630**	**35,910**	**24**	

(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. (Carryover plus Accumulated Exports)

Table 15

Top 10 Importers[1] of All U.S. Wheat

Week Ending 08/07/2014	Total Commitments[2] 2014/15 Current MY	2013/14 Last MY	% change current MY from last MY	Exports[3] 2013/14
	- 1,000 mt -			- 1,000 mt -
China	189	3,702	(95)	4,213
Brazil	1,143	1,594	(28)	4,211
Mexico	1,292	1,299	(1)	2,940
Japan	1,102	1,006	9	2,674
Nigeria	1,000	958	4	2,629
Philippines	699	667	5	2,013
Korea	649	363	79	1,287
Indonesia	283	210	35	1,076
Taiwan	413	316	31	980
Colombia	212	365	(42)	783
Top 10 importers	**6,981**	**10,480**	**(33)**	**22,808**
Total US wheat export sales	**10,661**	**14,109**	**(24)**	**32,010**
% of Projected	42%	44%		
Change from prior week	339	490		
Top 10 importers' share of U.S. wheat export sales	65%	74%		71%
USDA forecast, August 2014	**25,170**	**32,010**	**(21)**	

(n) indicates negative number.

[1] Based on FAS Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Jun 1 - May 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.

Table 16

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

Port regions	Week ending 08/14/14	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 2013	Last 4-weeks as % of 3-yr. avg.	Total[1] 2013
Pacific Northwest									
Wheat	247	252	98	8,046	6,945	116	108	83	11,585
Corn	252	210	120	6,286	1,359	462	2,228	223	2,973
Soybeans	0	0	n/a	4,492	3,762	119	0	0	9,090
Total	**499**	**462**	**108**	**18,824**	**12,067**	**156**	**235**	**115**	**23,647**
Mississippi Gulf									
Wheat	165	130	127	3,198	6,215	51	43	70	9,711
Corn	518	562	92	21,031	7,063	298	239	148	14,828
Soybeans	26	58	44	10,528	7,694	137	75	32	21,462
Total	**709**	**749**	**95**	**34,757**	**20,972**	**166**	**121**	**102**	**46,002**
Texas Gulf									
Wheat	142	90	158	4,336	5,790	75	48	62	9,039
Corn	27	0	n/a	398	157	253	86	90	255
Soybeans	0	0	n/a	258	122	211	n/a	0	908
Total	**169**	**90**	**188**	**4,991**	**6,070**	**82**	**49**	**64**	**10,203**
Interior									
Wheat	36	19	194	794	664	119	223	128	1,244
Corn	95	103	93	3,492	1,688	207	67	99	3,943
Soybeans	29	44	65	2,255	1,774	127	311	60	3,212
Total	**160**	**166**	**97**	**6,541**	**4,127**	**159**	**110**	**93**	**8,399**
Great Lakes									
Wheat	27	49	55	328	482	68	421	449	884
Corn	17	0	n/a	111	0	n/a	n/a	99	0
Soybeans	0	0	n/a	51	22	229	n/a	0	699
Total	**44**	**49**	**91**	**489**	**504**	**97**	**515**	**271**	**1,583**
Atlantic									
Wheat	9	38	25	316	493	64	97	146	645
Corn	31	0	n/a	539	2	n/a	n/a	1,313	242
Soybeans	0	1	n/a	997	693	144	n/a	19	1,652
Total	**41**	**38**	**107**	**1,851**	**1,188**	**156**	**223**	**229**	**2,540**
U.S. total from ports[2]									
Wheat	626	577	109	17,018	20,590	83	67	79	33,108
Corn	941	874	108	31,856	10,270	310	311	157	22,241
Soybeans	55	103	54	18,580	14,068	132	106	32	37,024
Total	**1,622**	**1,554**	**104**	**67,454**	**44,928**	**150**	**134**	**102**	**92,373**

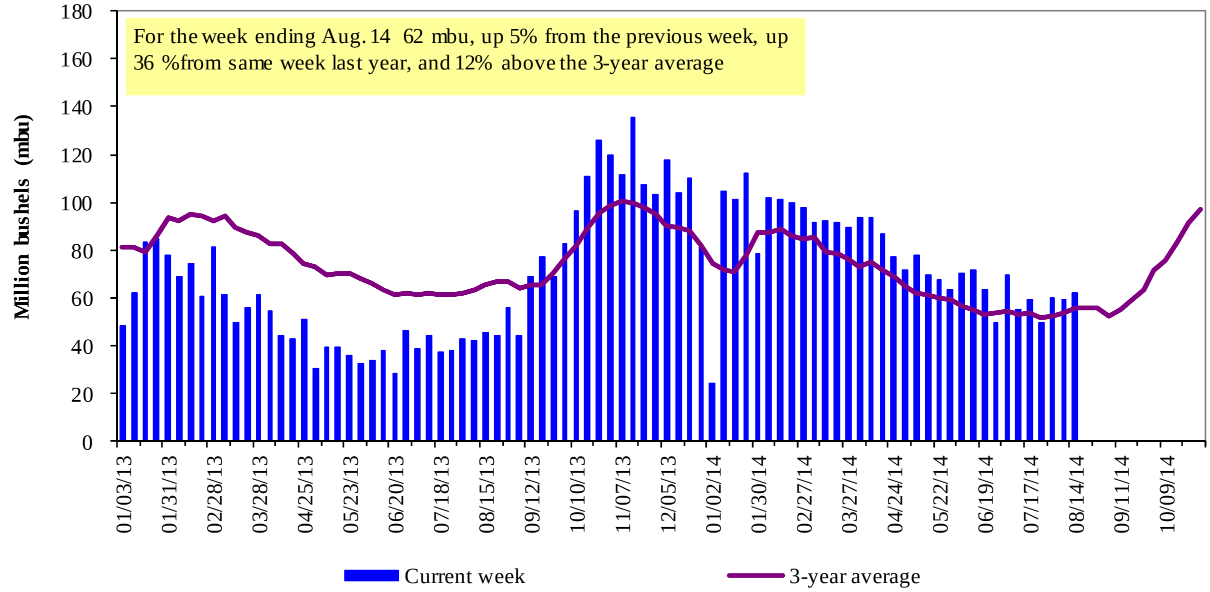
[1] Data includes revisions from prior weeks; some regional totals may not add exactly due to rounding.

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)

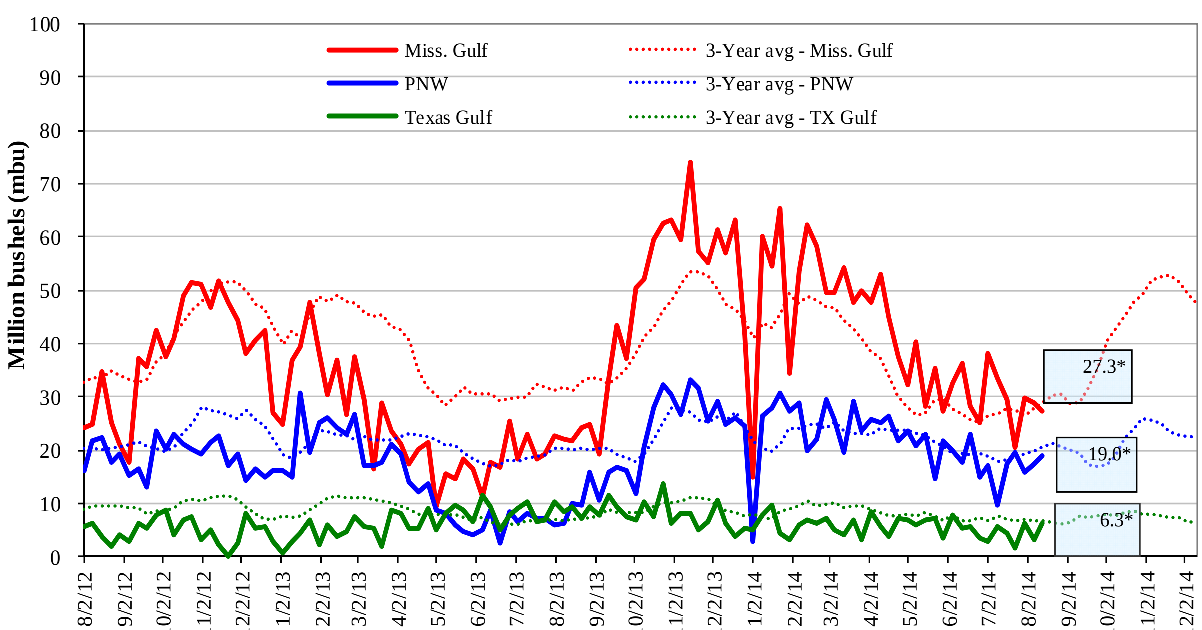


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

Note: 3-year average consists of 4-week running average

Figure 15

U.S. Grain Inspections: U.S. Gulf and PNW[1] (wheat, corn, and soybeans)



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

Aug 14: % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	down 6	up 90	up 4	up 8
Last year (same week)	up 26	down 34	up 8	up 91
3-yr avg. (4-wk mov. avg.)	up 6	down 8	up 3	up 16

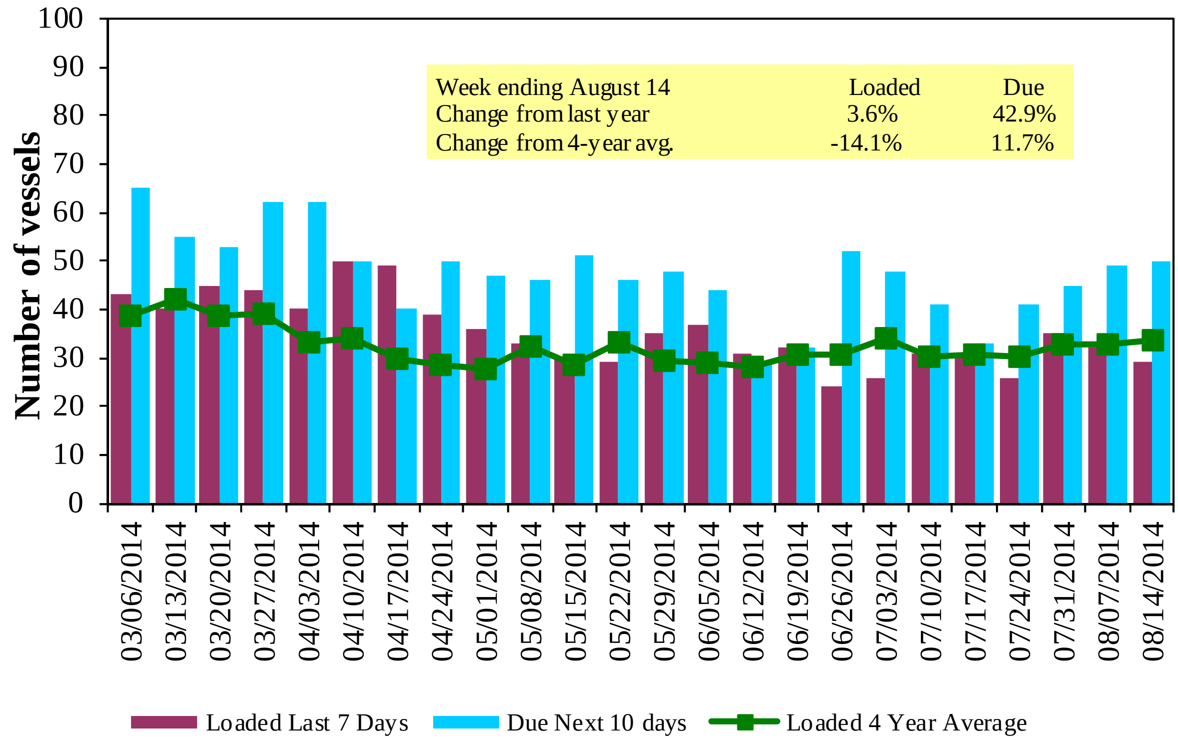
Ocean Transportation

Table 17
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

	Gulf			Pacific Northwest	Vancouver B.C.
Date	In port	Loaded 7-days	Due next 10-days	In port	In port
8/14/2014	27	29	50	17	n/a
8/7/2014	32	32	49	11	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

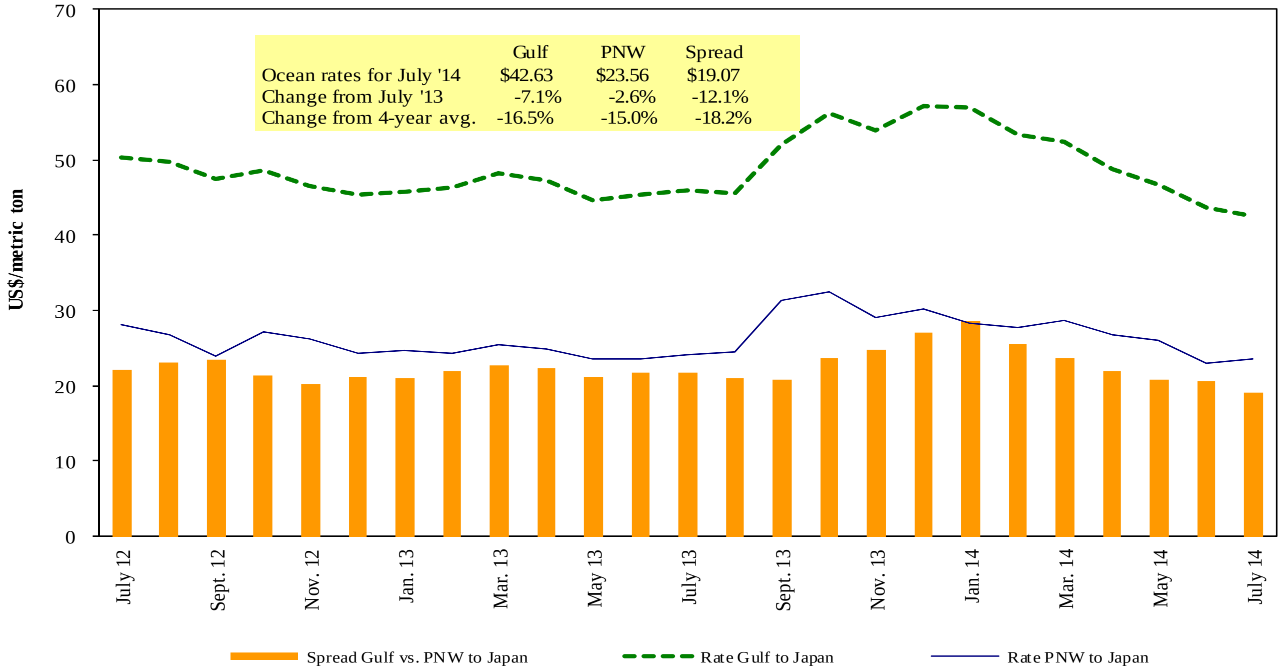
Figure 16
U.S. Gulf[1] Vessel Loading Activity



Source:Transportation & Marketing Programs/AMS/USDA
[1]U.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 08/16/2014

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US$/metric ton)
U.S. Gulf	China	Grain	Aug 1/10	50,000	49.25
U.S. Gulf	Djibouti[1]	Wheat	Aug 4/14	10,000	103.00
U.S. Gulf	Mexico	Heavy Grain	Aug 2/6	33,000	11.25
PNW	Philippines	Grain	Aug 1/15	65,000	22.50
Brazil	China	Grain	Aug 20/30	60,000	31.50
Brazil	China	Grain	Aug 10/31	60,000	33.25
Brazil	China	Grain	Aug 1/30	65,000	35.50
Brazil	China	Heavy Grain	Aug 11/18	60,000	31.00
Brazil	China	Heavy Grain	Aug 1/5	60,000	40.00
Brazil	China	Grain	Jul 25/31	60,000	31.50
Brazil	China	Heavy Grain	Jul 15/Aug 15	60,000	40.00
Brazil	China	Heavy Grain	Jul 10/20	60,000	33.75
Germany	Iran	Wheat	Aug 20/Sep 8	65,000	35.00
River Plate	China	Heavy Grain	Aug 1/31	60,000	44.50
River Plate	China	Grain	Jul 20/30	60,000	37.00
Uruguay	Egypt Med	Soybeans	Jul 18/22	25,000	35.00

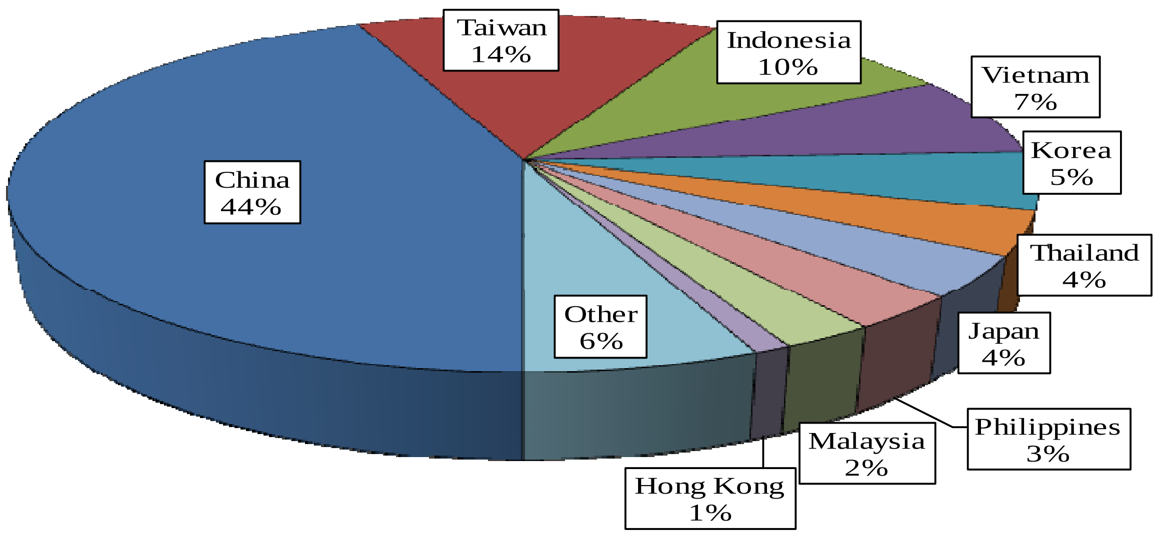
Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option

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

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.

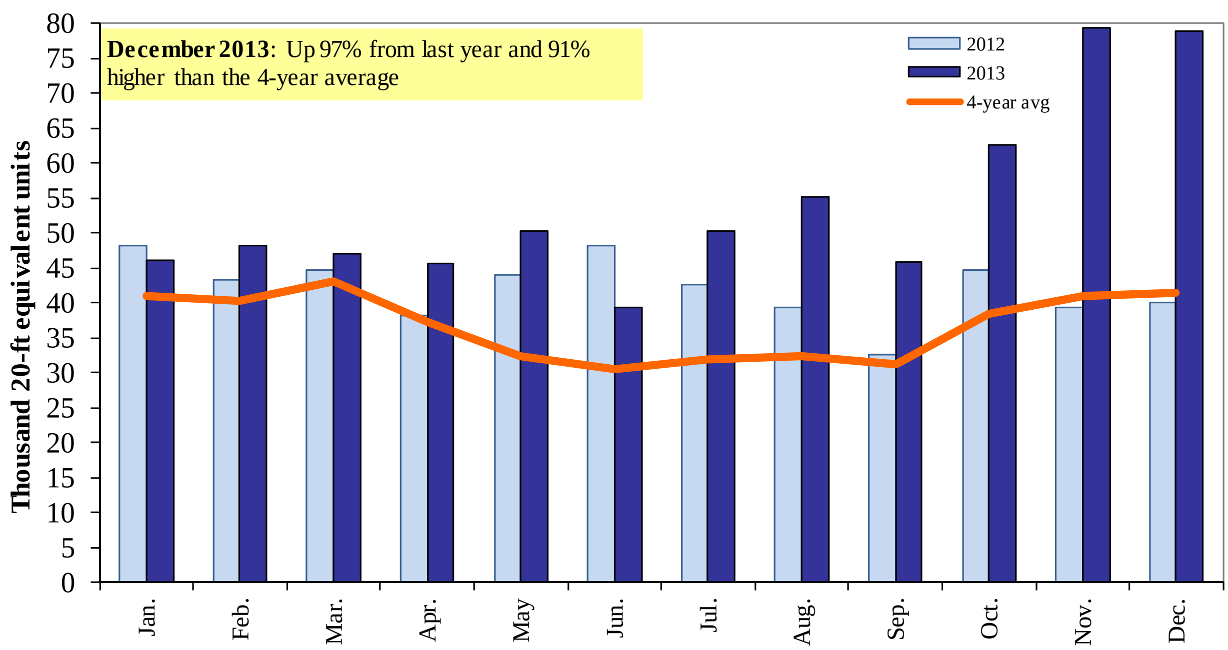
Figure 18
Top 10 Destination Markets for U.S. Containerized Grain Exports, 2013



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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