



Grain Transportation Report

A weekly publication of the Transportation and Marketing Programs/Transportation Services Division
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September 11, 2014

WEEKLY HIGHLIGHTS

Contents

Article/
Calendar

Grain
Transportation
Indicators

Rail

Barge

Truck

Exports

Ocean

Brazil

Mexico

Grain Truck/Ocean
Rate Advisory

Data Links

Specialists

Subscription
Information

The next
release is
September 18, 2014

Senate Commerce Hearing on Rail Service Issues

On September 10, the Senate Committee on Commerce, Science and Transportation held a hearing titled "Freight Rail Service—Improving the Performance of America's Rail System." The focus of the hearing was on rail service issues, including congestion and delays of grain shipments, as well as locomotive and railcar shortages. During the hearing, stakeholders discussed the impacts the rail service issues have had on various industries and the economy. USDA provided comments at the hearing on how the past year's rail service problems have affected agricultural producers through inadequate service and lost revenues. USDA also expressed concern over rail service problems continuing into the 2014 harvest.

STB Finds Five Class I Railroads Revenue Adequate in 2013

The Surface Transportation Board (STB) determined that five Class I railroads—BNSF Railway, Canadian National (Grand Trunk Corporation), Norfolk Southern, Canadian Pacific (Soo Line Corporation), and Union Pacific Railroad—were revenue-adequate in 2013, meaning they achieved a rate of return equal to or greater than the STB's calculation of the average cost of capital to the freight rail industry. This represents a significant milestone for the rail industry; since 1996, no more than three Class I railroads have ever been found revenue-adequate in any given year. In 2012, the STB found only three railroads were revenue-adequate—BNSF, Norfolk Southern, and Union Pacific. The STB is currently holding a proceeding (STB Ex Parte 722) to explore the methodology for determining railroad revenue adequacy, calculating the railroad industry's cost of equity capital, and the use of revenue adequacy in rate reasonableness cases.

National Grain Car Council Looking at 2014 Harvest

On September 11, STB is holding its annual National Grain Car Council (NGCC) meeting in Minneapolis, MN, to discuss railroad preparedness to transport the 2014 grain harvest. The NGCC was established by the former Interstate Commerce Commission in 1994 as a working group to facilitate private-sector solutions and recommendations to the ICC—which was re-established as the STB in 1996—on matters affecting rail grain car availability and transportation. The NGCC's more than 40 members include representatives from Class I railroads, regional railroads, short lines, rail-car lessors and manufacturers, and grain shippers and receivers.

Grain Inspections Highest Since May

For the week ending September 4, **total inspections of grain** (corn, wheat, soybeans) from all major export regions reached 1.91 (mmt), up 12 percent from the past week, up 60 percent from last year, and 37 percent above the 3-year average. Grain inspections were also the highest since May 8, 2014. This marks the first week of the new marketing year for corn and soybeans and their respective inspections jumped 39 and 334 percent from the previous week. Increased corn inspections, shipped primarily to Asia and South America, helped Pacific Northwest and Mississippi Gulf grain inspections rebound from the past week. During the last four weeks, ending August 28, **outstanding sales** for corn and soybeans remained well above the same time last year.

Snapshots by Sector

Rail

U.S. railroads originated 19,474 **carloads of grain** during the week ending August 30, up 4 percent from last week, 13 percent from last year, and 8 percent from the 3-year average.

During the week ending September 4, average September non-shuttle **secondary railcar bids/offers per car** were \$1,033 above tariff, up \$433 from last week and \$958 higher than last year. Average shuttle secondary railcar bids/offers per car were \$1,143 above tariff, up \$25 from last week and \$943 higher than last year.

Barge

During the week ending September 6, **barge grain movements** totaled 283,854 tons—60.3 percent lower than the previous week but 13.5 percent higher than the same period last year.

During the week ending September 6, 179 grain barges **moved down river**, down 60.8 percent from last week; 576 grain barges were **unloaded in New Orleans**, up 21.5 percent from the previous week.

Ocean

During the week ending September 4, 30 **ocean-going grain vessels** were loaded in the Gulf, 3 percent less than the same period last year. Forty-nine vessels are expected to be loaded within the next 10 days, 14 percent less than the same period last year.

During the week ending September 5, the ocean freight rate for shipping bulk grain from the Gulf to Japan was \$46.50 per mt, up 1 percent from the previous week. The cost of shipping from the PNW to Japan was \$26 per mt, unchanged from the previous week.

Fuel

During the week ending September 8, U.S. average **diesel fuel prices** were unchanged from the previous week at \$3.81 per gallon—down 17 cents from the same week last year.

Feature Article/Calendar

Second Quarter Corn and Soybean Transportation Costs Increase from Last Year

During the second quarter of 2014, transportation costs for shipping corn and soybeans to Japan through the U.S. Gulf and Pacific Northwest (PNW) port regions increased from the same time last year. The increase was due primarily to higher year-to-year trucking, barge, rail and ocean rates (*Tables 1, 2*), but higher transportation costs did not offset the drop in farm values, resulting in lower total landed costs. Trucking rates reached a record high as the demand for domestic grain movements increased due to tight railcar supplies. Second-quarter barge rates for shipping grain from the Gulf rebounded from last year as weekly grain movements remained strong (*GTR, 8/14/14*). Ocean rates were up in the PNW and Gulf year to year but are still historically low because of excess vessel supply. Rail rates for shipping corn and soybeans through the PNW increased slightly from quarter to quarter and last year as fuel surcharges continued to rise. Landed costs for shipping corn from the U.S. Gulf and PNW to Japan decreased notably from year to year as farm values dropped significantly. Year-to-year landed costs for shipping soybeans from each region were down slightly.

Table 1: Cost of Shipping Corn and Soybeans from Minneapolis to Japan through the U.S. Gulf

	Corn					Soybeans				
	\$/metric ton		Percent change			\$/metric ton		Percent Change		
	2ndQtr 13	1stQtr 14	2ndQtr 14	Yr. to Yr.	Qtr to Qtr	2ndQtr 13	1stQtr 14	2ndQtr 14	Yr. to Yr.	Qtr to Qtr
Truck	9.46	13.79	14.59	54.23	5.80	9.46	13.79	14.59	54.23	5.80
Barge	25.59	n/a	30.44	18.95	n/a	25.59	n/a	30.44	18.95	n/a
Ocean	45.78	54.22	46.39	1.33	-14.44	45.78	54.22	46.39	1.33	-14.44
Total Transportation Cost	80.83	n/a	91.42	13.10	n/a	80.83	n/a	91.42	13.10	n/a
Farm Value ¹	267.96	169.54	174.40	-34.92	2.87	535.23	475.22	522.99	-2.29	10.05
Total Landed Cost	348.79	n/a	265.82	-23.79	n/a	616.06	n/a	614.41	-0.27	n/a
Transportation % Landed Cost	23.17	n/a	34.39			13.12	n/a	14.88		

Table 2: Cost of Shipping Corn and Soybeans from Minneapolis to Japan through the U.S. PNW

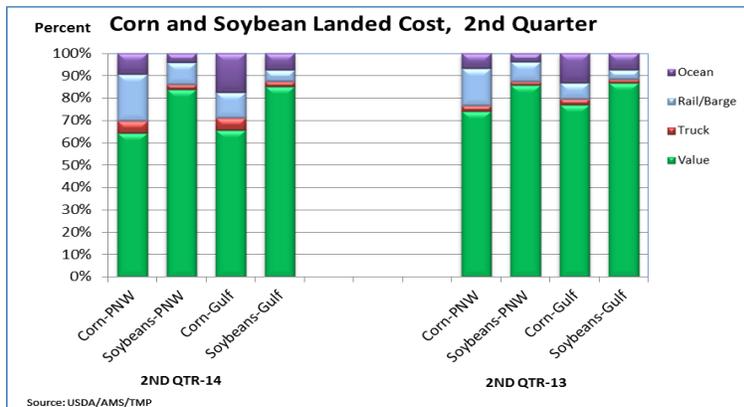
	Corn					Soybeans				
	\$/metric ton		Percent change			\$/metric ton		Percent Change		
	2ndQtr 13	1stQtr 14	2ndQtr 14	Yr. to Yr.	Qtr to Qtr	2ndQtr 13	1stQtr 14	2ndQtr 14	Yr. to Yr.	Qtr to Qtr
Truck	9.46	13.79	14.59	54.23	5.80	9.46	13.79	14.59	54.23	5.80
Rail ¹	55.08	56.03	56.41	2.41	0.68	60.35	61.29	61.67	2.19	0.62
Ocean	24.00	28.30	25.25	5.21	-10.78	24.00	28.30	25.25	5.21	-10.78
Total Transportation Cost	88.54	98.12	96.25	8.71	-1.91	93.81	103.38	101.51	8.21	-1.81
Farm Value ¹	267.96	169.54	174.40	-34.92	2.87	535.23	475.22	522.99	-2.29	10.05
Total Landed Cost	356.5	267.66	270.65	-24.08	1.12	629.04	578.60	624.50	-0.72	7.93
Transportation % Landed Cost	24.84	36.66	35.56			14.91	17.87	16.25		

Source: USDA/AMS/TMP
n/a = not available

¹ Source: USDA/NASS, Agricultural Prices

² Rail tariffs include fuel surcharges and revisions for heavy axle rail cars and shuttle trains

U.S. Gulf Costs: Total second quarter transportation costs for shipping corn and soybeans from Minneapolis, MN, through the Gulf to Japan increased 13 percent year to year (*Table 1*).



Higher trucking and barge rates contributed to the increase in year-to-year transportation costs. Ocean rates for shipping grain from the Gulf were up slightly from the second quarter last year. Ocean rates for shipping from the Gulf continued to fall quarter to quarter because vessel supplies remained higher. Barge rates increased as demand for barge services increased amidst stronger demand for grain.

The total landed costs for shipping from the U.S. Gulf to Japan increased 12 percent for corn and 13 percent for soybeans, compared to last year. Year-to-year Gulf landed costs increased mainly because of higher trucking and barge rates, ranging from \$266 to \$614 per metric ton (mt). Second-quarter corn and soybean farm values accounted for 66 and 85 percent of the landed costs for shipping through the Gulf, down from last year at this time (see figure). Transportation costs for shipping corn through the Gulf to Japan accounted for 36 percent of the total landed costs during the second quarter, up from the same time last year. The share of transportation costs in the landed cost for soybeans was 16 percent, also above last year at this time (*Table 1*).

Pacific Northwest Costs: Total transportation costs for shipping grain from Minneapolis, MN, to Japan via the PNW dropped 2 percent for corn and soybeans quarter to quarter (*Table 2*). Year-to-year transportation costs for shipping corn and soybeans to the PNW increased 9 percent for corn and 8 percent for soybeans as ocean rates increased and trucking rates reached a record high. Rail rates for shipping corn and soybeans to the PNW increased slightly quarter to quarter and 2 percent year to year. PNW ocean rates dropped 11 percent quarter to quarter but increased 5 percent year to year. Higher demand for grain helped boost grain trucking rates during the second quarter.

Higher truck and rail rates caused quarter-to-quarter total landed costs to increase 1 percent for shipping corn through the PNW and 8 percent for shipping soybeans. Year-to-year landed costs, however, for shipping corn and soybeans through the PNW to Japan decreased 24 and 1 percent. The landed costs ranged from \$271 to \$625 per mt (*Table 2*). Transportation costs for corn shipped through the PNW accounted for about 36 percent of the total landed cost during the second quarter, below the previous quarter but above last year. Corn farm value accounted for 65 percent of the landed cost. Second-quarter transportation costs for soybeans shipped through the PNW accounted for 16 percent of the total landed cost, below the previous quarter but well above last year. Second-quarter soybean farm value was above the previous quarter but slightly below last year. Soybean farm value accounted for 84 percent of the total landed cost for shipping through the PNW, down from the previous quarter but above last year (*see figure*). johnny.hill@ams.usda.gov

Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators¹

Week ending	Truck	Rail		Barge	Ocean	
		Unit Train	Shuttle		Gulf	Pacific
09/10/14	256	298	262	371	208	184
09/03/14	256	274	261	331	206	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	9/5/2014	8/29/2014
Corn	IL--Gulf	-0.88	-0.94
Corn	NE--Gulf	-1.01	-1.22
Soybean	IA--Gulf	0.85	n/a
HRW	KS--Gulf	-1.56	-1.50
HRS	ND--Portland	-4.80	-3.18

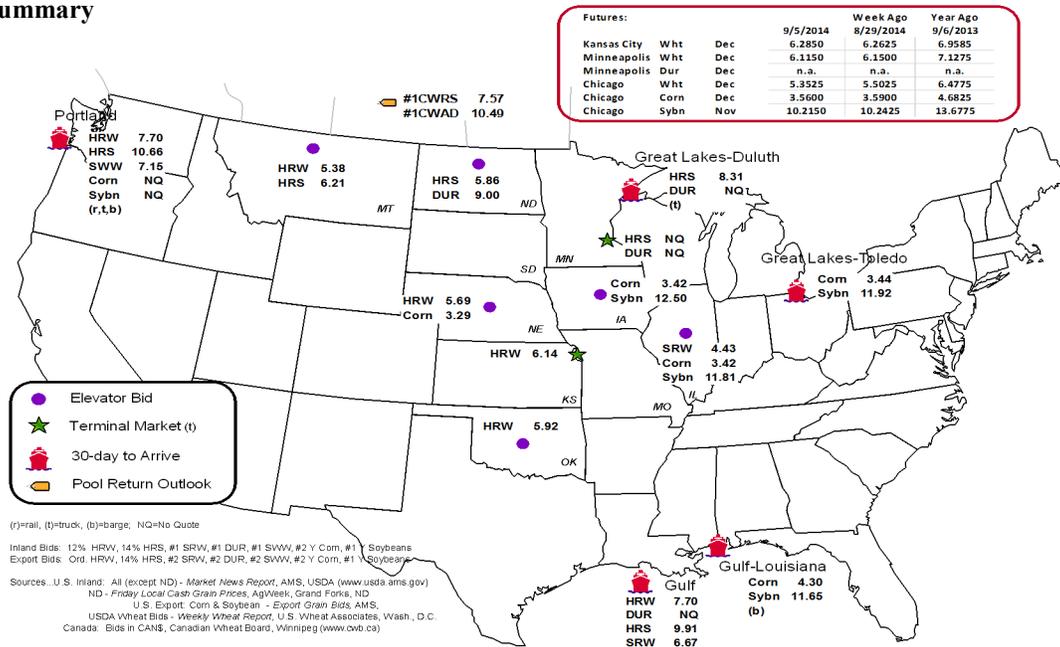
Note: nq = no quote

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
	Gulf	Texas Gulf	Northwest	East Gulf			Mexico ³
9/03/2014 ^p	450	1,093	3,628	294	5,465	8/30/2014	2,048
8/27/2014 ^r	239	1,837	4,256	383	6,715	8/23/2014	1,817
2014 YTD ^r	21,747	58,657	158,568	18,177	257,149	2014 YTD	67,938
2013 YTD ^r	10,021	48,878	86,986	10,235	156,120	2013 YTD	42,748
2014 YTD as % of 2013 YTD	217	120	182	178	165	% change YTD	159
Last 4 weeks as % of 2013 ²	644	81	160	474	134	Last 4wks % 2013	164
Last 4 weeks as % of 4-year avg. ²	129	121	133	307	133	Last 4wks % 4 yr	142
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

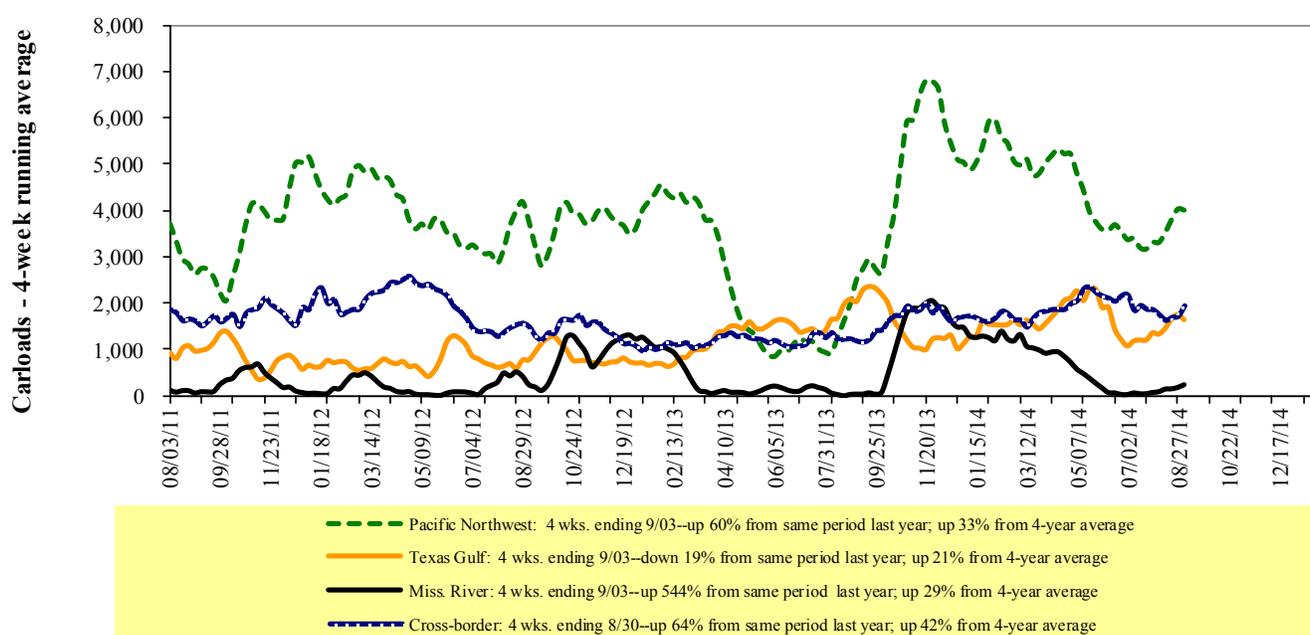
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

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)

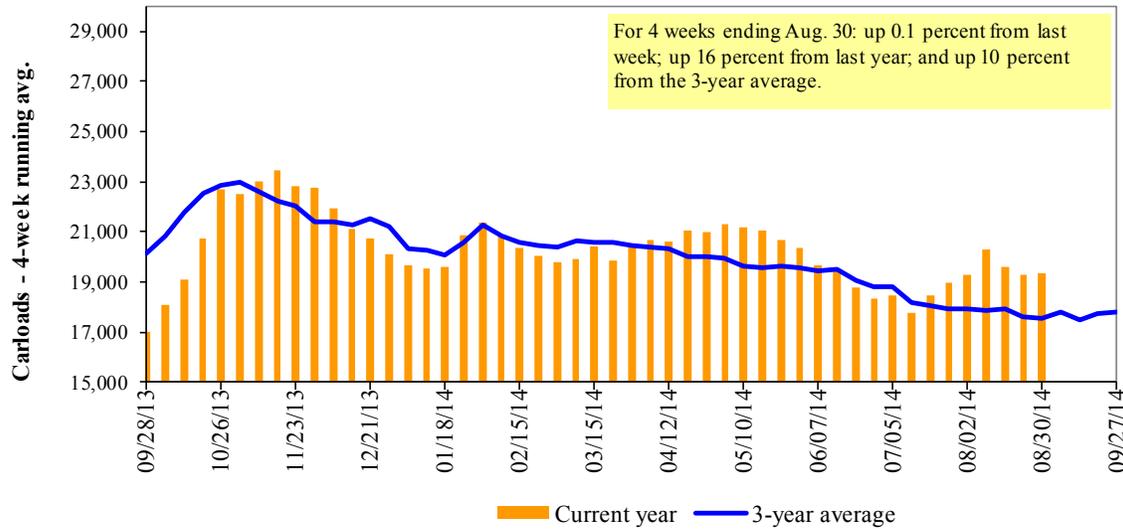
Week ending	East		West			U.S. total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
08/30/14	1,758	2,316	8,591	1,134	5,675	19,474	4,908	5,285
This week last year	991	1,634	9,378	921	4,339	17,263	3,767	4,318
2014 YTD	65,019	101,721	303,274	29,639	197,435	697,088	154,992	184,868
2013 YTD	48,870	84,820	298,613	18,290	133,888	584,481	110,882	178,801
2014 YTD as % of 2013 YTD	133	120	102	162	147	119	140	103
Last 4 weeks as % of 2013	163	150	100	97	131	116	145	113
Last 4 weeks as % of 3-yr avg. ¹	151	118	95	124	121	109	135	106
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							
	Sep-14	Sep-13	Oct-14	Oct-13	Nov-14	Nov-13	Dec-14	Dec-13
BNSF ³								
COT grain units	no offer	no offer	no offer	no offer	no offer	217	no offer	105
COT grain single-car ⁵	no offer	no offer	no offer	0.437	no offer	0.233	no offer	0.51
UP ⁴								
GCAS/Region 1	no offer	no bids	no offer	1	no offer	no bids	n/a	n/a
GCAS/Region 2	no offer	no bids	no offer	26	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.

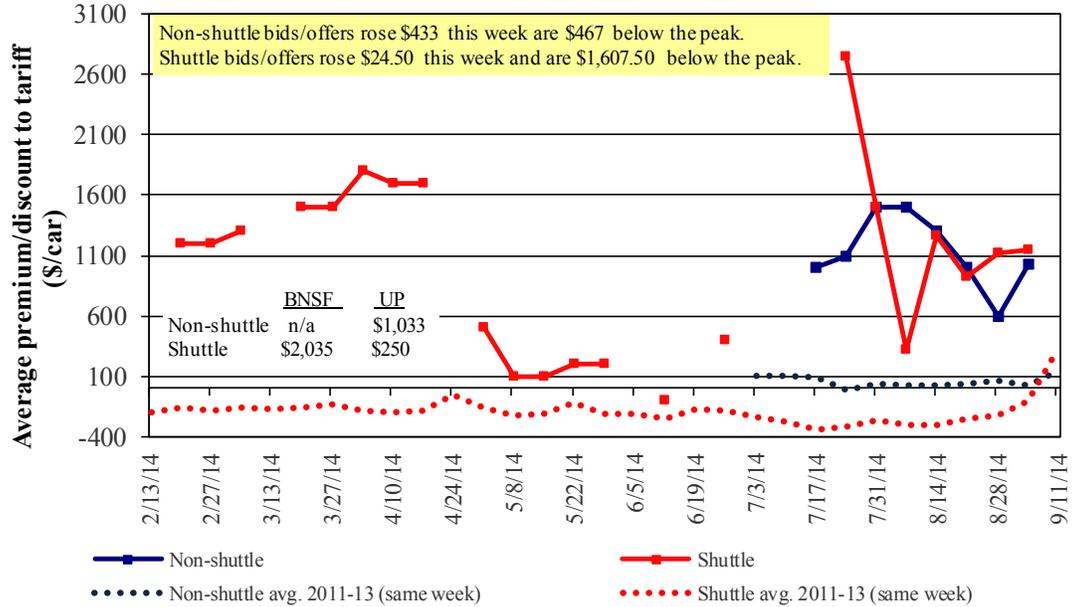
⁵Range is shown because average is not available. Not available = n/a.

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 September 2014, Secondary Market

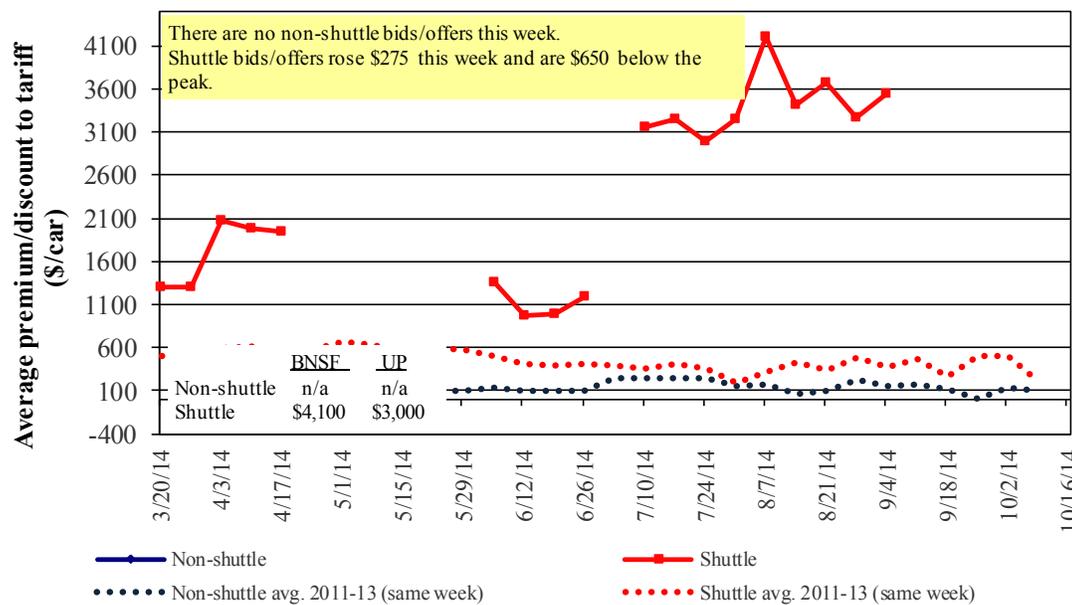


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

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

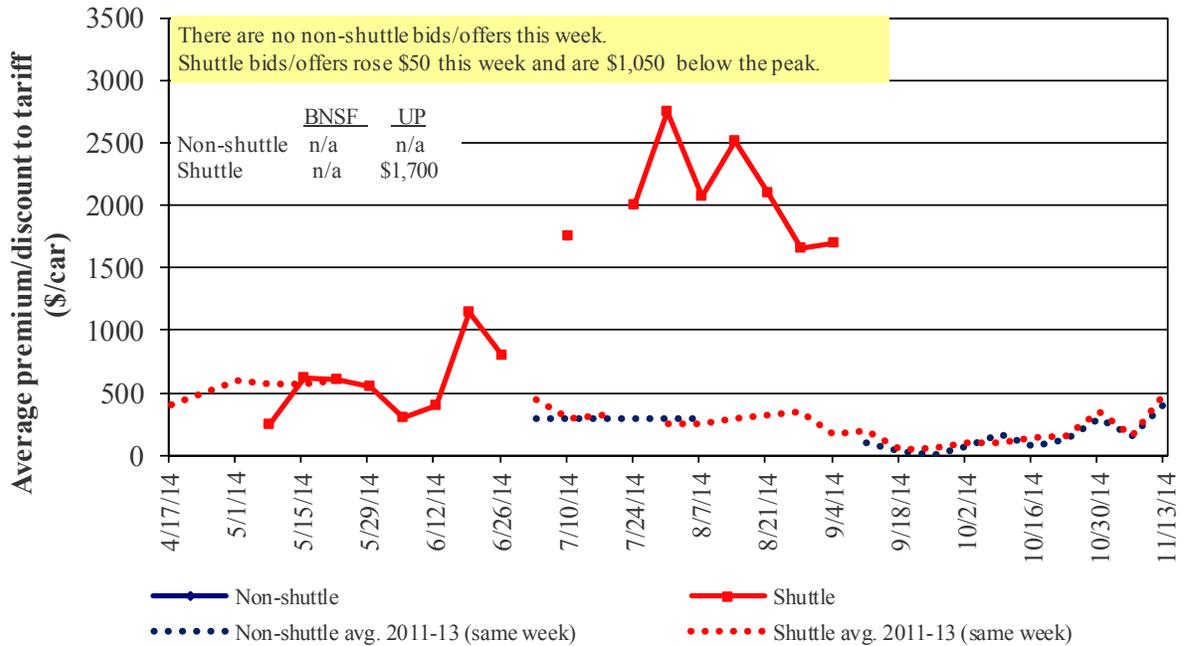


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in November 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					
	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15
Non-shuttle						
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	1,033	n/a	n/a	n/a	n/a	n/a
Change from last week	433	n/a	n/a	n/a	n/a	n/a
Change from same week 2013	958	n/a	n/a	n/a	n/a	n/a
Shuttle²						
BNSF-GF	2,035	4,100	n/a	n/a	n/a	n/a
Change from last week	412	550	n/a	n/a	n/a	n/a
Change from same week 2013	1,602	3,450	n/a	n/a	n/a	n/a
UP-Pool	250	3,000	1,700	725	n/a	n/a
Change from last week	(363)	-	50	(300)	n/a	n/a
Change from same week 2013	283	2,600	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
9/1/2014	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	\$3,387	\$182	\$35.44	\$0.96	6
	Grand Forks, ND	Duluth-Superior, MN	\$3,596	\$104	\$36.75	\$1.00	-3
	Wichita, KS	Los Angeles, CA	\$6,244	\$536	\$67.32	\$1.83	0
	Wichita, KS	New Orleans, LA	\$4,026	\$320	\$43.16	\$1.17	5
	Sioux Falls, SD	Galveston-Houston, TX	\$5,824	\$440	\$62.20	\$1.69	0
	Northwest KS	Galveston-Houston, TX	\$4,293	\$351	\$46.12	\$1.26	5
	Amarillo, TX	Los Angeles, CA	\$4,492	\$489	\$49.46	\$1.35	5
Corn	Champaign-Urbana, IL	New Orleans, LA	\$3,192	\$362	\$35.29	\$0.90	2
	Toledo, OH	Raleigh, NC	\$4,686	\$416	\$50.66	\$1.29	4
	Des Moines, IA	Davenport, IA	\$2,078	\$77	\$21.40	\$0.54	3
	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	\$225	\$34.19	\$0.87	2
	Des Moines, IA	Los Angeles, CA	\$5,215	\$656	\$58.30	\$1.48	3
Soybeans	Minneapolis, MN	New Orleans, LA	\$3,559	\$395	\$39.26	\$1.07	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	\$362	\$40.82	\$1.11	4
Shuttle Train							
Wheat	Great Falls, MT	Portland, OR	\$3,678	\$308	\$39.58	\$1.08	0
	Wichita, KS	Galveston-Houston, TX	\$3,471	\$240	\$36.85	\$1.00	-8
	Chicago, IL	Albany, NY	\$3,950	\$390	\$43.10	\$1.17	5
	Grand Forks, ND	Portland, OR	\$5,159	\$532	\$56.51	\$1.54	0
	Grand Forks, ND	Galveston-Houston, TX	\$6,084	\$554	\$65.92	\$1.79	0
	Northwest KS	Portland, OR	\$5,260	\$576	\$57.95	\$1.58	4
	Minneapolis, MN	Portland, OR	\$5,000	\$648	\$56.09	\$1.42	4
Corn	Sioux Falls, SD	Tacoma, WA	\$4,960	\$593	\$55.15	\$1.40	4
	Champaign-Urbana, IL	New Orleans, LA	\$3,011	\$362	\$33.50	\$0.85	2
	Lincoln, NE	Galveston-Houston, TX	\$3,510	\$346	\$38.29	\$0.97	5
	Des Moines, IA	Amarillo, TX	\$3,590	\$283	\$38.46	\$0.98	2
	Minneapolis, MN	Tacoma, WA	\$5,000	\$643	\$56.03	\$1.42	4
	Council Bluffs, IA	Stockton, CA	\$4,400	\$665	\$50.29	\$1.28	4
	Sioux Falls, SD	Tacoma, WA	\$5,520	\$593	\$60.71	\$1.65	3
Soybeans	Minneapolis, MN	Portland, OR	\$5,530	\$648	\$61.35	\$1.67	3
	Fargo, ND	Tacoma, WA	\$5,430	\$527	\$59.16	\$1.61	3
	Council Bluffs, IA	New Orleans, LA	\$4,175	\$418	\$45.61	\$1.24	5
	Toledo, OH	Huntsville, AL	\$2,862	\$295	\$31.35	\$0.85	4
	Grand Island, NE	Portland, OR	\$5,110	\$589	\$56.60	\$1.54	3

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

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

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

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

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

Table 8

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

Commodity	Origin state	Destination region	Tariff rate/car ¹	Fuel		Percent change Y/Y ⁴	
				surcharge per car ²	Tariff plus surcharge per: metric ton ³ / bushel ³		
Wheat	MT	Chihuahua, CI	\$6,460	\$563	\$71.76	\$1.95	1
	OK	Cuautitlan, EM	\$6,315	\$684	\$71.50	\$1.94	-5
	KS	Guadalajara, JA	\$6,899	\$660	\$77.24	\$2.10	-16
	TX	Salinas Victoria, NL	\$3,798	\$258	\$41.44	\$1.13	30
Corn	IA	Guadalajara, JA	\$7,974	\$777	\$89.41	\$2.27	3
	SD	Celaya, GJ	\$7,656	\$736	\$85.75	\$2.18	4
	NE	Queretaro, QA	\$7,353	\$690	\$82.18	\$2.09	3
	SD	Salinas Victoria, NL	\$5,880	\$560	\$65.80	\$1.67	3
	MO	Tlalnepantla, EM	\$6,712	\$670	\$75.43	\$1.91	2
	SD	Torreon, CU	\$6,722	\$617	\$74.98	\$1.90	3
Soybeans	MO	Bojay (Tula), HG	\$7,916	\$655	\$87.58	\$2.38	4
	NE	Guadalajara, JA	\$8,447	\$749	\$93.96	\$2.55	4
	IA	El Castillo, JA	\$8,855	\$732	\$97.95	\$2.66	3
	KS	Torreon, CU	\$6,864	\$465	\$74.88	\$2.04	3
Sorghum	TX	Guadalajara, JA	\$6,953	\$479	\$75.94	\$1.93	7
	NE	Celaya, GJ	\$7,212	\$669	\$80.51	\$2.04	3
	KS	Queretaro, QA	\$6,650	\$420	\$72.24	\$1.83	-2
	NE	Salinas Victoria, NL	\$5,368	\$492	\$59.87	\$1.52	-1
	NE	Torreon, CU	\$6,243	\$549	\$69.40	\$1.76	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.

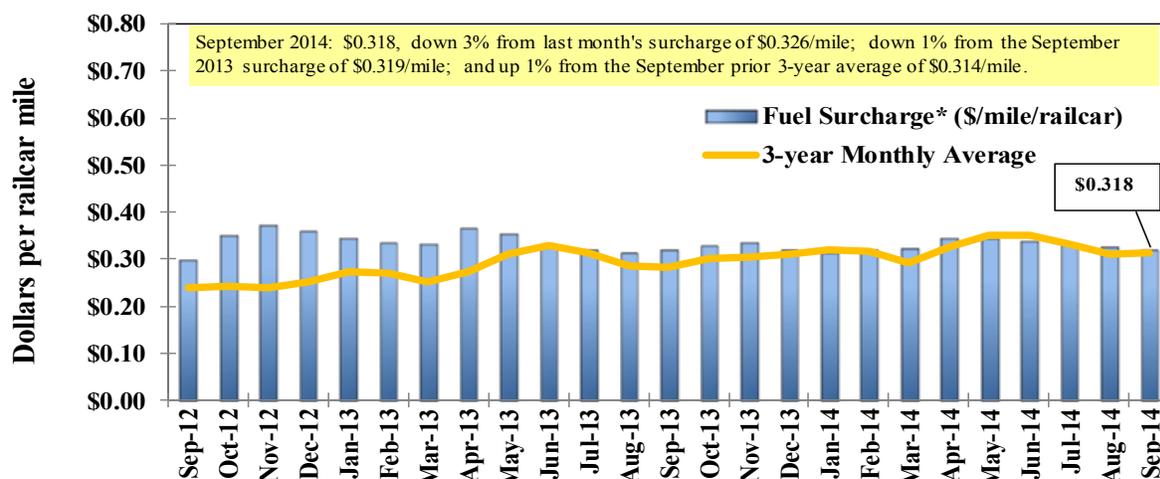
²Fuel surcharge adjusted to reflect the change in Ferrocarril Mexicano, S.A. de C.V railroad fuel surcharge policy as of 10/01/2009

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.

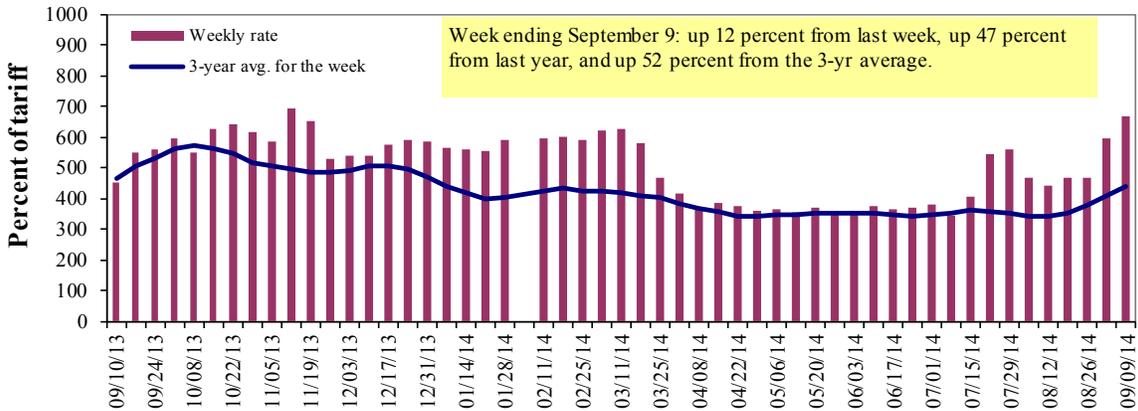
** BNSF strike price (diesel price when fuel surcharges begin) changed from \$1.25/gal. to \$2.50/gal starting March 1, 2011. As a result, the weighted average fuel surcharge for March 2011 was \$0.227/mile instead of \$0.331/mile.

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	9/9/2014	588	575	667	608	642	642	633
	9/2/2014	555	585	596	583	575	575	583
\$/ton	9/9/2014	36.40	30.59	30.95	24.26	30.11	25.94	19.88
	9/2/2014	34.35	31.12	27.65	23.26	26.97	23.23	18.31
Current week % change from the same week:								
	Last year	32	29	47	38	40	40	49
	3-year avg. ²	31	30	52	45	44	44	48
Rate¹	October	733	775	775	767	808	808	762
	December	-	-	600	497	567	567	457

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:

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

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 9

Benchmark tariff rates

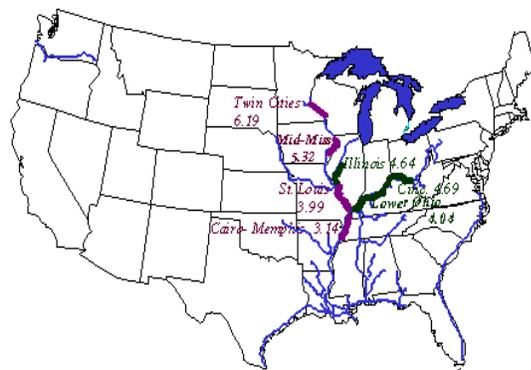
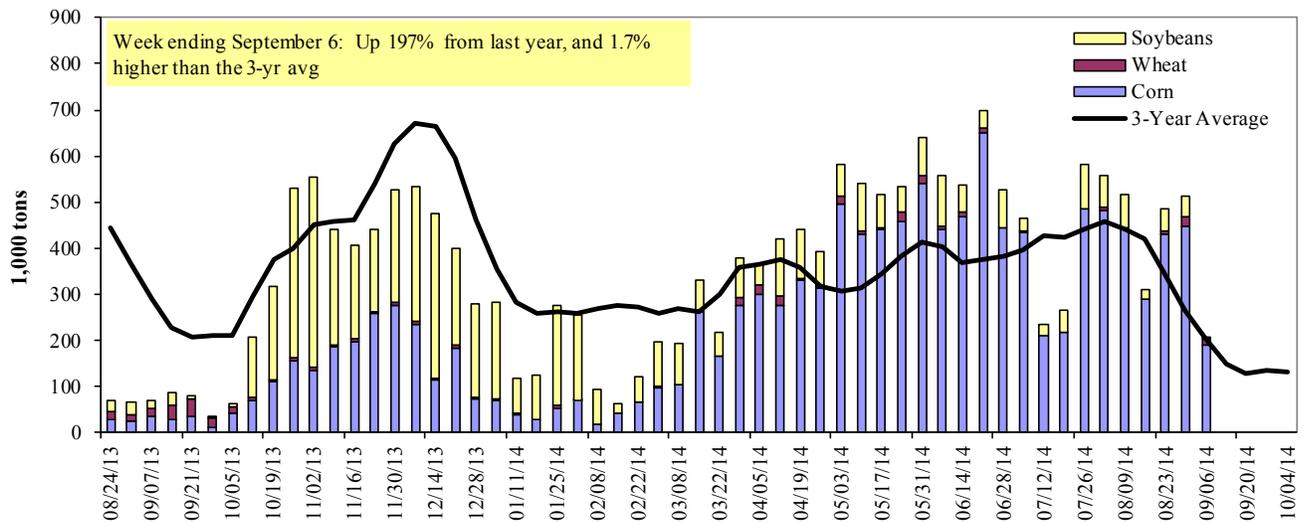


Figure 10

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 9/6/2014	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	82	9	2	5	98
Winfield, MO (L25)	98	11	3	6	119
Alton, IL (L26)	196	13	6	6	222
Granite City, IL (L27)	189	13	6	2	210
Illinois River (L8)					
	83	5	2	0	89
Ohio River (L52)					
	45	12	2	2	60
Arkansas River (L1)					
	1	8	4	0	14
Weekly total - 2014	235	33	12	3	284
Weekly total - 2013	54	156	41	0	250
2014 YTD ¹	16,116	1,928	5,219	147	23,411
2013 YTD	5,343	3,505	4,567	139	13,555
2014 as % of 2013 YTD	302	55	114	105	173
Last 4 weeks as % of 2013 ²	813	53	112	355	223
Total 2013	9,504	4,111	10,065	255	23,935

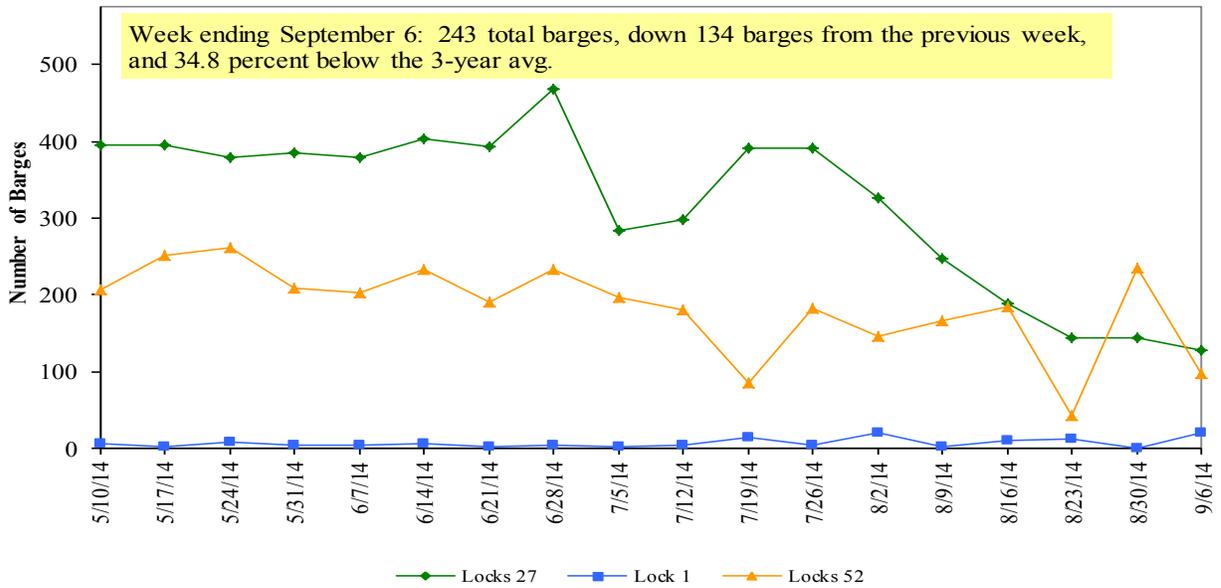
¹ Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

² As a percent of same period in 2013.

Note: Total may not add exactly, due to rounding

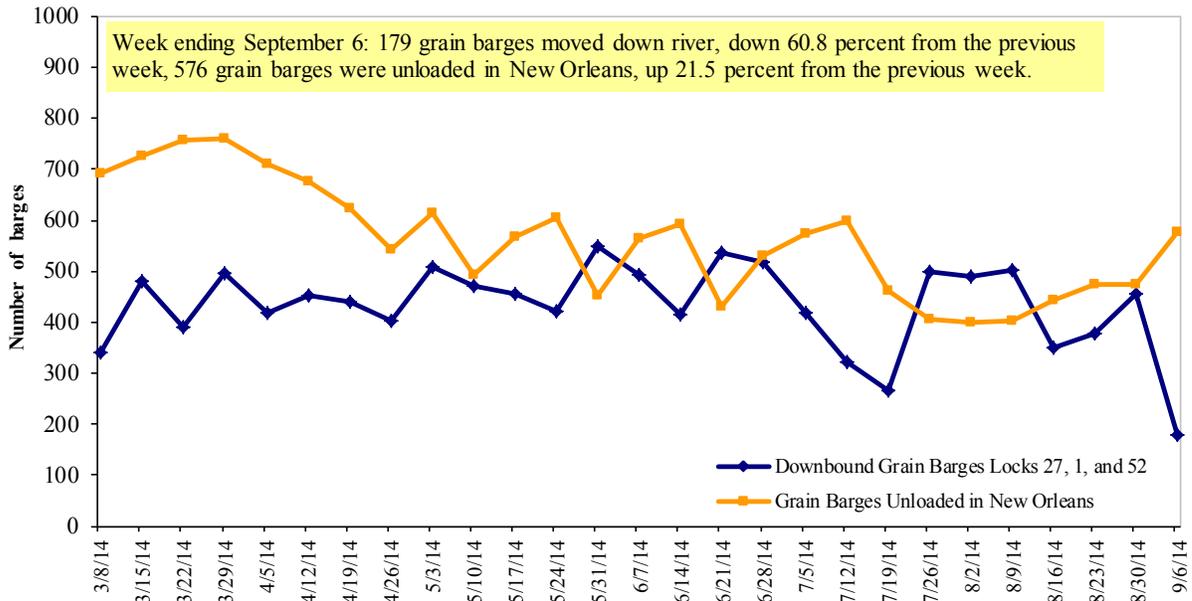
Source: U.S. Army Corps of Engineers

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 9/8/2013 (US \$/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	3.844	0.002	-0.144
	New England	3.933	-0.011	-0.158
	Central Atlantic	3.928	0.003	-0.128
	Lower Atlantic	3.760	0.004	-0.157
II	Midwest ²	3.751	-0.001	-0.213
III	Gulf Coast ³	3.715	-0.005	-0.183
IV	Rocky Mountain	3.869	0.001	-0.065
V	West Coast	4.034	0.004	-0.108
	West Coast less California	3.979	0.006	-0.066
	California	4.079	0.000	-0.146
Total	U.S.	3.814	0.000	-0.167

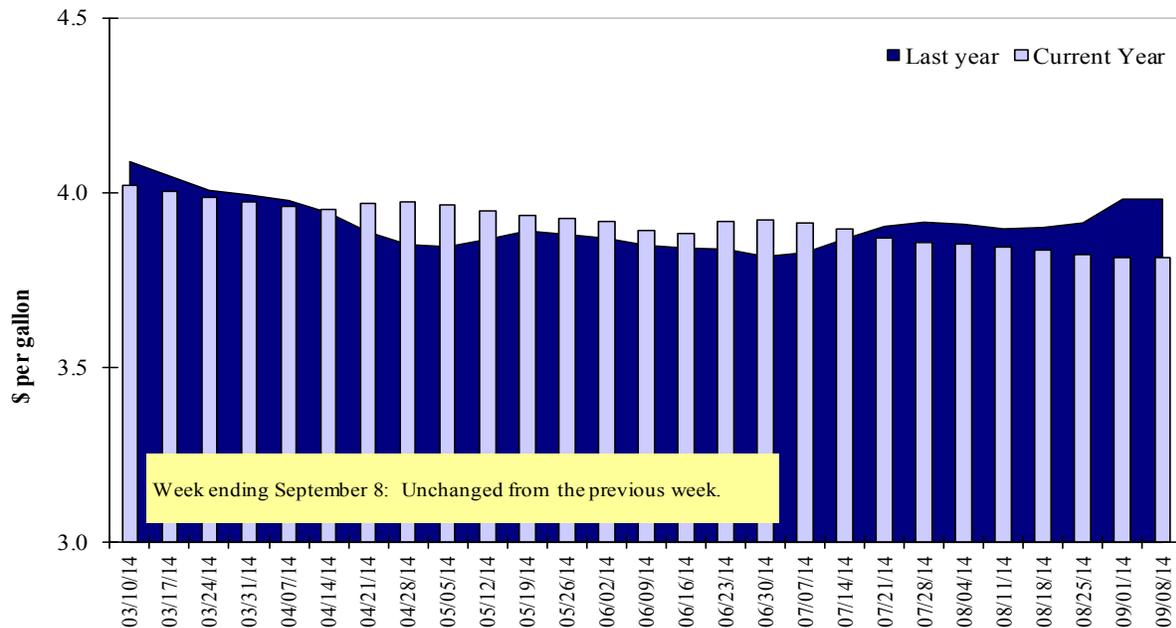
¹Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

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									
8/28/2014	1,496	1,030	1,719	899	99	5,222	1,781	1,462	8,465
This week year ago	1,689	2,665	1,357	1,084	79	6,890	1,000	961	8,851
Cumulative exports-marketing year²									
2013/14 YTD	2,067	1,235	1,858	944	111	6,214	46,868	44,478	97,560
2012/13 YTD	3,928	2,902	1,214	798	91	8,933	17,980	36,220	63,133
YTD 2013/14 as % of 2012/13	53	43	153	118	122	70	261	123	155
Last 4 wks as % of same period 2012/13	97	44	136	94	116	84	333	180	122
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 Importers¹ of U.S. Corn

Week ending 08/28/2014	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	1,887	11,689	7,299	60	7,000
Mexico	2,791	10,702	4,519	137	4,370
China	15	2,773	2,573	8	2,450
Korea	129	4,865	419	1,061	416
Taiwan	57	2,058	595	246	512
Top 5 Importers	4,880	32,087	15,404	108	14,748
Total US corn export sales	10,475	48,649	18,980	156	18,690
% of Projected	24%	100%	102%		
Change from prior week	526	(8)	(113)		
Top 5 importers' share of U.S. corn export sales	47%	66%	81%		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 Importers¹ of U.S. Soybeans

Week Ending 08/28/2014	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	12,375	27,905	21,647	29	21,522
Mexico	799	3,287	2,611	26	2,565
Japan	329	1,914	1,870	2	1,751
Indonesia	272	2,517	1,756	43	1,682
Taiwan	246	1,335	1,287	4	1,120
Top 5 importers	14,021	36,958	29,171	27	28,641
Total US soybean export sales	21,674	45,940	37,182	24	35,910
% of Projected	48%	103%	104%		
Change from prior week	869	(88)	5		
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.

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/>³ FAS 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 08/28/2014	Total Commitments ²		% change current MY from last MY	Exports ³ 2013/14
	2014/15 Current MY	2013/14 Last MY		
	- 1,000 mt -			- 1,000 mt -
China	195	3,762	(95)	4,213
Brazil	1,217	2,058	(41)	4,211
Mexico	1,416	1,551	(9)	2,940
Japan	1,228	1,165	5	2,674
Nigeria	1,165	1,034	13	2,629
Philippines	883	674	31	2,013
Korea	668	449	49	1,287
Indonesia	291	345	(16)	1,076
Taiwan	417	364	15	980
Colombia	267	368	(27)	783
Top 10 importers	7,747	11,771	(34)	22,808
Total US wheat export sales	11,436	15,823	(28)	32,010
% of Projected	45%	49%		
Change from prior week	169	668		
Top 10 importers' share of U.S. wheat export sales	68%	74%		71%
USDA forecast, August 2014	25,170	32,010	(21)	

(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/>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 09/04/14	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	302	348	87	8,946	7,910	113	93	88	11,585
Corn	266	145	183	7,009	1,372	511	7,902	460	2,973
Soybeans	0	0	n/a	4,507	3,767	120	334	8	9,090
Total	568	493	115	20,463	13,049	157	171	125	23,647
Mississippi Gulf									
Wheat	97	124	78	3,587	7,130	50	43	83	9,711
Corn	721	445	162	22,751	7,856	290	254	191	14,828
Soybeans	155	14	1,142	10,815	7,796	139	135	45	21,462
Total	972	583	167	37,152	22,782	163	130	123	46,002
Texas Gulf									
Wheat	97	212	45	4,749	6,460	74	60	94	9,039
Corn	16	40	41	454	157	288	912	1,986	255
Soybeans	0	0	n/a	258	122	211	n/a	0	908
Total	113	252	45	5,460	6,740	81	69	108	10,203
Interior									
Wheat	46	60	77	976	714	137	109	278	1,244
Corn	167	173	96	3,991	1,851	216	71	173	3,943
Soybeans	26	27	94	2,322	1,805	129	355	54	3,212
Total	239	260	92	7,289	4,371	167	321	152	8,399
Great Lakes									
Wheat	13	31	43	371	523	71	150	100	884
Corn	3	11	28	175	0	n/a	n/a	593	0
Soybeans	0	0	n/a	51	22	229	n/a	0	699
Total	16	42	39	597	545	110	324	179	1,583
Atlantic									
Wheat	5	40	11	374	604	62	56	110	645
Corn	0	32	0	575	2	n/a	n/a	1,329	242
Soybeans	0	1	n/a	998	698	143	36	14	1,652
Total	5	73	6	1,947	1,304	149	109	172	2,540
U.S. total from ports²									
Wheat	559	816	69	19,003	23,341	81	71	94	33,108
Corn	1,173	846	139	34,955	11,238	311	355	231	22,241
Soybeans	180	42	434	18,950	14,211	133	149	39	37,024
Total	1,912	1,703	112	72,908	48,789	149	139	126	92,373

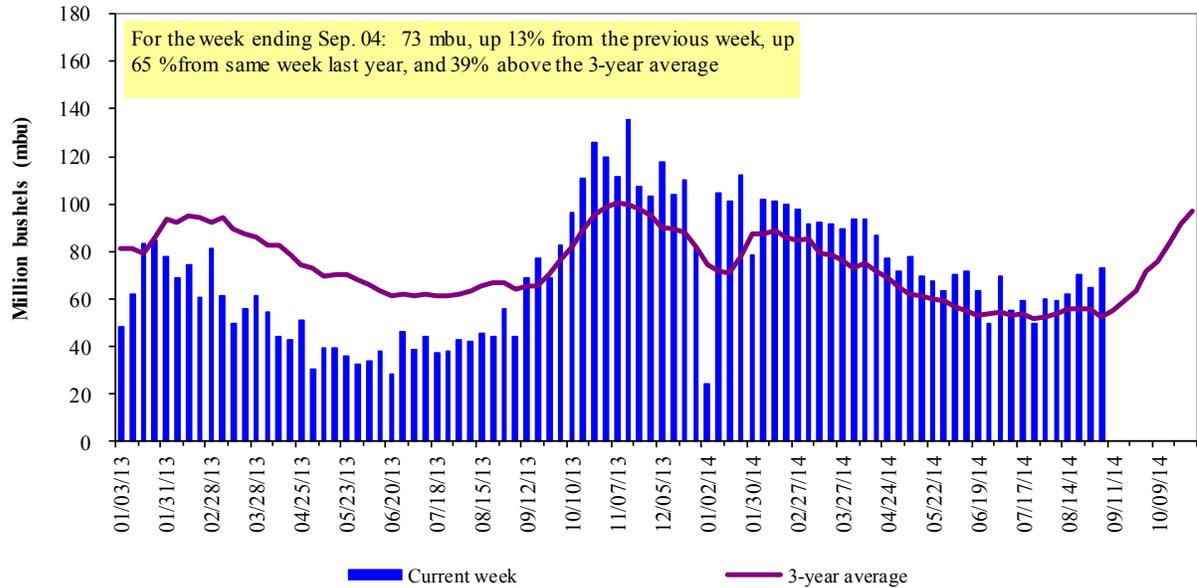
¹Data includes revisions from prior weeks; some regional totals may not add exactly due to rounding.

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)

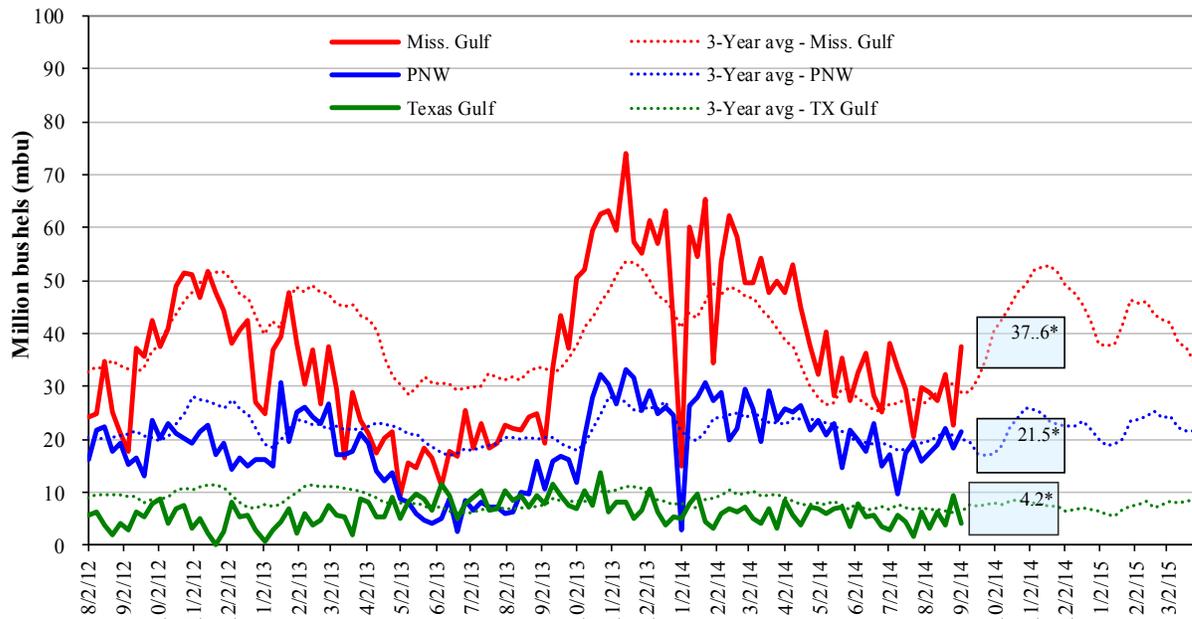


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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.

Sep 4: % change from:	MSGulf	TX Gulf	U.S. Gulf	PNW
Last week	up 67	down 55	up 31	up 17
Last year (same week)	up 94	down 46	up 53	up 106
3-yr avg (4-wk mov. avg.)	up 57	down 23	up 42	up 55

Ocean Transportation

Table 17

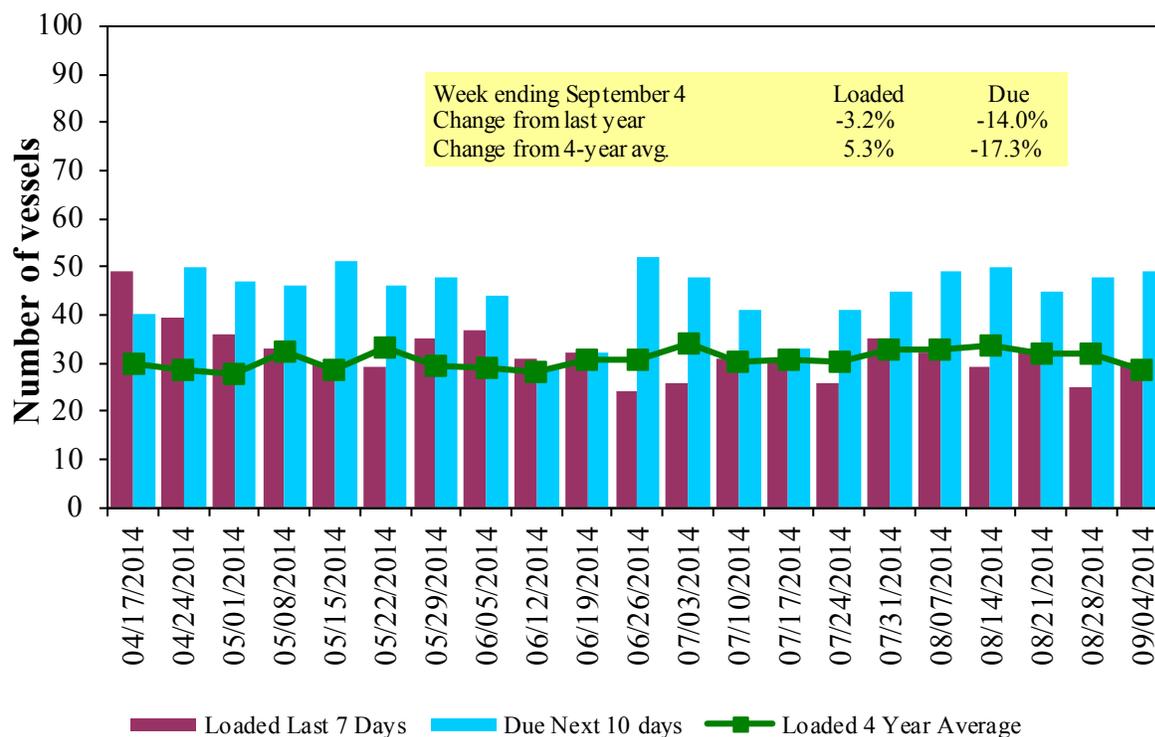
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In port	Loaded 7-days	Due next 10-days	In port	In port
9/4/2014	28	30	49	14	n/a
8/28/2014	28	25	48	13	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

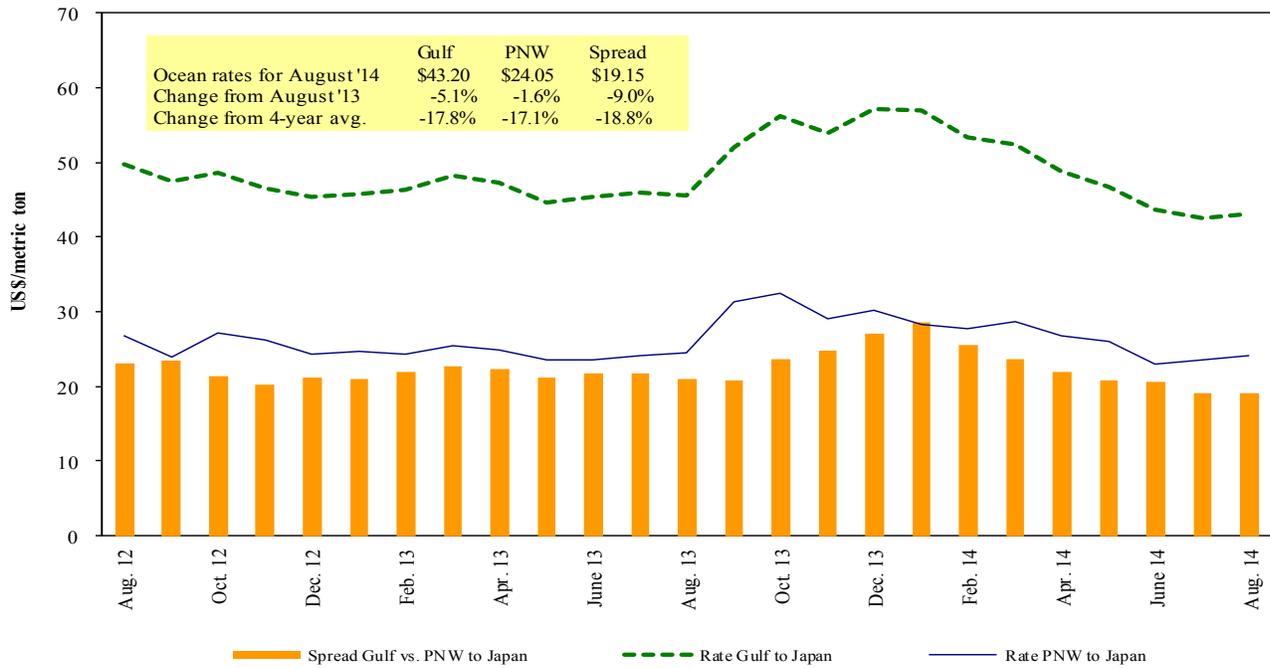


Source: Transportation & Marketing Programs/AMS/USDA

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

Figure 17

Grain Vessel Rates, U.S. to Japan



Data Source: O'Neil Commodity Consulting

Table 18

Ocean Freight Rates For Selected Shipments, Week Ending 09/06/2014

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US\$/metric ton)
U.S. Gulf	China	Heavy Grain	Oct 1/10	57,000	45.50
U.S. Gulf	China	Heavy Grain	Oct 1/10	60,000	45.50
U.S. Gulf	China	Grain	Aug 1/10	50,000	49.25
U.S. Gulf	Djibouti ¹	Sorghum	Sep 10/24	24,000	106.41
U.S. Gulf	Mexico	Heavy Grain	Aug 2/6	33,000	11.25
PNW	China	Heavy Grain	Nov 1/30	60,000	26.50
PNW	Philippines	Grain	Aug 1/15	65,000	22.50
Brazil	China	Heavy Grain	Sep 1/10	60,000	34.00
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
Germany	Iran	Wheat	Aug 20/Sep 8	65,000	35.00
River Plate	China	Heavy Grain	Aug 1/31	60,000	44.50

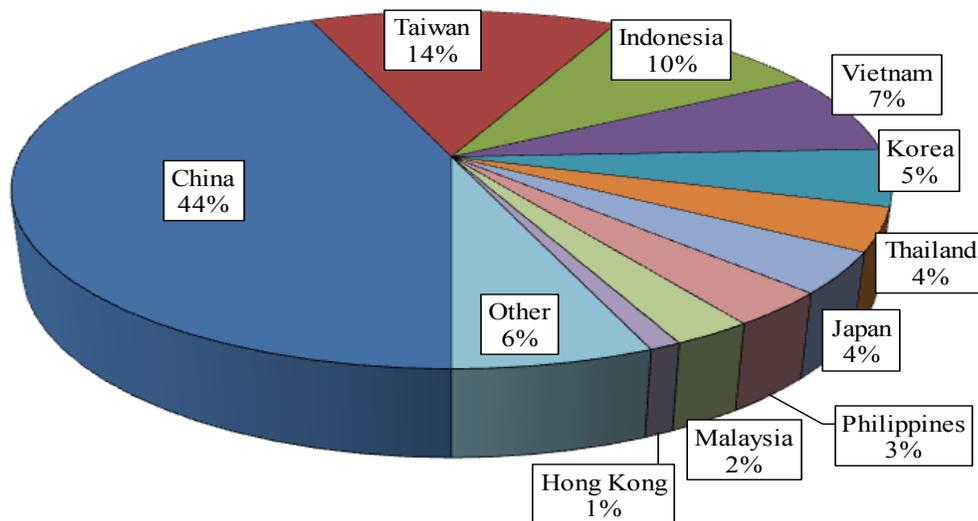
Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option

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

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.

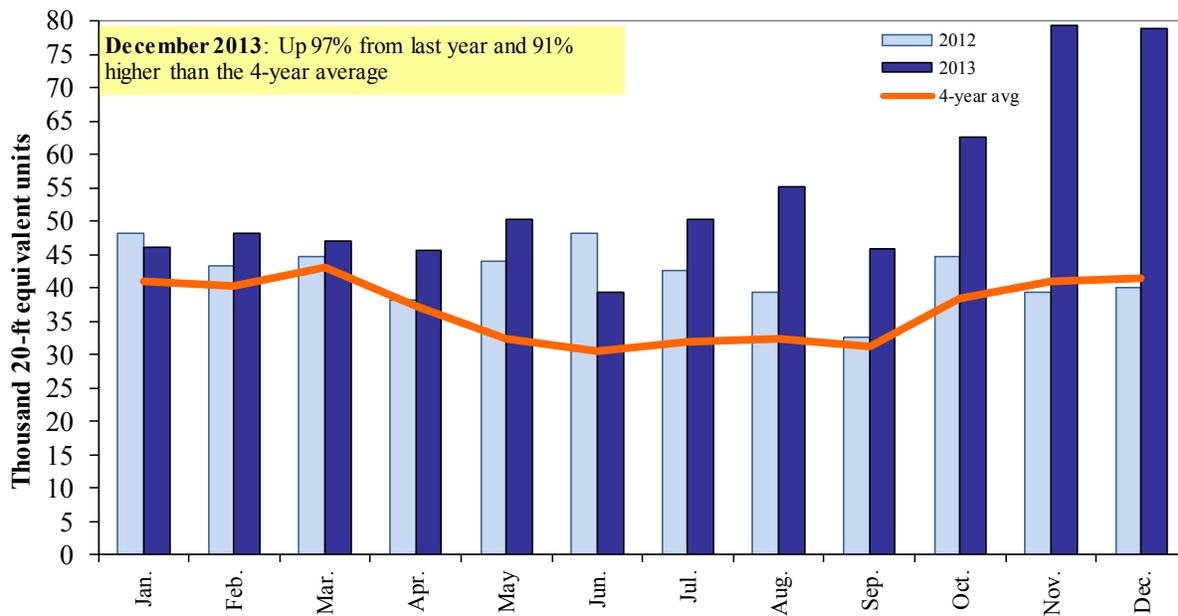
Figure 18
Top 10 Destination Markets for U.S. Containerized Grain Exports, 2013



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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