



Grain Transportation Report

A weekly publication of the Transportation and Marketing Programs/Transportation Services Division
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WEEKLY HIGHLIGHTS

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Soybeans Outpace Corn Movements on Ohio and Upper Mississippi Rivers

During the week ending October 19, significant increases in downbound soybeans and corn were reported for the Ohio and Upper Mississippi Rivers. Movements from the Ohio River Locks 52 were 194,000 tons for soybeans and 174,000 tons for corn. Mississippi River Locks 27 reported 202,000 tons of soybeans and 112,000 tons of corn. During the week ending October 12, Upper Mississippi River movements were 130,000 tons for soybeans and 71,000 tons for corn. Ohio River tonnages were 33,000 tons for soybeans and 123,000 tons for corn. From September 1 to October 5, Ohio River Locks 52 averaged 73,000 tons of corn and 17,000 tons of soybeans per week, and Mississippi River Locks 27 averaged 13,000 tons of soybeans and 31,000 tons of corn per week. Starting October 22, the main 1200-foot chamber at Ohio River Locks 52 will be closed for repairs that are expected to last 9 days. Major delays are expected in the interim as barge traffic transits the auxiliary 600-foot chamber.

Construction Limits Increased for Olmsted River Project

The Continuing Resolution (CR) that was passed on October 16 contained legislation to allow for increased funding to complete the Olmsted Locks and Dam Project. However, the CR is only an authorization and not an appropriation. Future funding would have to come from new appropriations that were not included in the CR. Olmsted is a long-delayed project that will eventually replace Ohio River Locks 52 and 53. The CR provision raises the final funding authorization level for the Olmsted project to \$2.918 billion. The original authorized funding level was set at \$775 million in 1988, but has been increased multiple times as overall costs approach the limit. Without the latest increase in the authorization level, the U.S. Army Corps of Engineers would have had to cease work and wait for additional funding to be authorized to restart the project. The completion of this project will minimize delays at this strategically important junction of the river system where the Ohio River flows into the Mississippi River.

Grain Inspections Highest Since February 2011

For the week ending October 17, **total inspections of grain** (corn, wheat, and soybeans) for export from all major port regions reached 2.94 million metric tons (mmt), up 14 percent from the previous week and 21 percent above this time last year. Total grain inspections were the highest since February 2011 due to the peak of the corn and soybean harvest. Inspections were 25 percent above the 4-week running average and 26 percent above the 3-year average. Corn inspections (.789 mmt) jumped 42 percent from the previous week due to increased demand from Asia and Latin America. Soybean inspections (1.61 mmt) increased 26 percent from the past week as shipments to Asia continued to increase. Shipments of soybeans to China increased 71 percent from the past week, accounting for over 83 percent of total soybean inspections. Pacific Northwest grain inspections increased 36 percent from the past week, and Mississippi Gulf inspections increased 13 percent.

Snapshots by Sector

Rail

U.S. railroads originated 21,633 **carloads of grain** during the week ending October 12, up 0.3 percent from last week, down 3 percent from last year, and down 6 percent from the 3-year average.

During the week ending October 17, average November non-shuttle **secondary railcar bids/offers per car** were \$250 above tariff, down \$300 from last week and \$250 higher than last year. Average shuttle bids/offers were \$875 above tariff, up \$250 from last week and \$1094 higher than last year.

Barge

During the week ending October 19, **barge grain movements** totaled 795,400 tons, 83.8 percent higher than the previous week and 5 percent higher than the same period last year.

During the week ending October 19, 508 grain barges **moved down river**, up 82 percent from last week; 780 grain barges were **unloaded in New Orleans**, down 5.7 percent from the previous week.

Ocean

During the week ending October 17, 49 **ocean-going grain vessels** were loaded in the Gulf, 7 percent more than the same period last year. Seventy-three vessels are expected to be loaded within the next 10 days, 22 percent more than the the same period last year.

During the week ending October 18, the ocean freight rate for shipping bulk grain from the Gulf to Japan was \$55.50 per mt, down 3 percent from the previous week. The cost of shipping from the Pacific Northwest to Japan was \$32 per mt, down 3 percent from the previous week.

Fuel

During the week ending October 21, U.S. average **diesel fuel prices** were unchanged from the previous week at \$3.89 per gallon—23 cents lower than the same week last year.

Transportation Challenges for Emerging Ukrainian Grain Trade

During the past decade, Ukraine's increasing economic openness, wider use of hybrid seed, and greater investment in agriculture have combined with its favorable resource endowments to transform its agricultural sector into a world leader. Recent grain deals between China and Ukraine have underscored Ukraine's growing importance as an emerging global competitor to U.S. grain, despite record U.S. grain and soybean exports to China in 2012. In the coming decade, freight transportation systems will play an increasingly large role in achieving or maintaining a competitive advantage for grain-producing countries.

Ukrainian Production

Roughly the size of Texas, Ukraine ranks 10th in area harvested, 8th in grain production, and 4th in exports of world grain and soybean production, compared to the United States at 3rd, 1st, and 1st, respectively. Since the 2000/2001 marketing year, Ukraine's barley exports have increased 116 percent to 2.2 million metric tons (mmt), corn exports have increased 4,434 percent to 18 mmt, wheat exports have increased 12,720 percent to 10 mmt, and soybean exports have increased 15,733 percent to 1.9 mmt.¹

As the volume of world trade continues to grow, USDA estimates that Ukraine will command an even greater market share of total world grain production and exports over the next decade. USDA expects corn exports from the former Soviet Union in the next decade—led by Ukraine—will increase twice as much as any country other than the United States to become the world's second-largest corn exporter behind the United States, exporting nearly 22 million tons by 2022. Ukraine will also become one of the world's major barley and wheat exporters.²



Chinese Grain and Oilseed Demand

Ukraine's corn exports have been destined mainly for Egypt, Iran, Israel, Syria, and Spain. However, Ukraine's state-run grain firm, GPZKU, signed a deal with the Chinese government last year, providing GPZKU with a \$1.5 billion loan to finance improvements within its agricultural sector. Terms of the loan include the delivery of 2–4 mmt of Ukrainian grain and oilseeds to China annually for a period of 15 years. Earlier in September, the Chinese government expanded which commodities Ukraine may export to China to include wheat, soybeans, and barley in addition to corn, which was already allowed.

China's expanding livestock and industrial sectors will increasingly rely on imports to satisfy demand for grains and oilseeds to serve its developing middle class. China's corn imports are projected to reach 19.6 million tons by 2022/23, which will account for 40 percent of the projected growth in world corn trade.³ U.S. exports of corn to China have increased rapidly over the past 3 years to 4.4 mmt in 2012, following a decade of little to no exports. However, China's sourcing of grain from Ukraine will make the United States and Ukraine direct competitors in supplying China's growing demand.

¹ [USDA, Foreign Agricultural Service, Production, Supply and Distribution Online.](#)

² [USDA, Agricultural Projections to 2022, Long-term Projections Report OCE-2013-1, February 2013.](#)

³ Ibid.

Production Frustrated by Infrastructure Deficiencies

Currently, the United States enjoys a competitive transportation advantage in moving grains and oilseeds because of its public and private infrastructure investments within a free-market economy. Ukraine is still transitioning from a State-run economy to a free market. The transportation cost, centered on the state-run rail system, of moving wheat from field to export ports in Ukraine was estimated at one-third of its June/July average domestic market price, several times higher than its immediate Black Sea competitors.¹ This is in contrast to the transportation cost of moving wheat from Kansas and North Dakota to export ports in the Pacific Northwest, which was less than one-fourth its average domestic price in the second quarter of 2013.²

Grain transportation in Ukraine, as in the United States, uses a mixture of rail, inland waterway, and truck. The State Administration of Railway Transport of Ukraine—Ukrzaliznytsia—stated that railways loaded 11.744 mmt of grain between January 1 and September 17, of which 10.467 mmt were destined for export and 1.277 for domestic use. Between January 1 and September 16, the Ministry of Agrarian Policy and Food stated that Ukraine harvested 33.11 mmt of grains and pulses. Not accounting for storage, a rough estimate shows that about 35 percent of Ukraine's grain and oilseed transportation has occurred by rail this year, with 89 percent of rail movements destined for export. This compares to 28 percent of grain and oilseed transportation moved by rail for the United States in 2011, with only 39 percent of rail movements destined for export.³

Despite a heavy reliance on rail for grain and oilseed transportation, emerging issues bring into question whether Ukraine is capable of meeting future expectations for exports. USDA's Foreign Agricultural Service notes that Ukrzaliznytsia hauls almost all of the grain in Ukraine with its 11,000-car fleet. However, Ukrainian grain marketing firms blame problems with rail transportation for their failure to fulfill export contract obligations. The industry reports that less than 50 percent of submitted rail car requests to Ukrzaliznytsia get fulfilled. The Ukrainian Grain Association has blamed the situation on a deficit of grain cars, with Ukrzaliznytsia only providing 60 to 70 percent of the necessary grain cars. This is in contrast to analysis for private rail carriers in the U.S. indicating there will be ample grain car capacity and availability during this year's fall harvest.

Compounding this problem, Ukrzaliznytsia will begin retiring 2,000 cars annually in 2013 due to depreciation, but it is unable to secure any new railcars because Ukraine's railcar building plant, Kryukov, is under obligation to supply new cars to Russia. As grain car rates have increased more than five-fold in recent years, some industry analysts have cast a gloomy outlook for the industry. In addition, a limitation on truck weight has further restricted grain transportation. In July, the Ukrainian government imposed a ban on trucks weighing over 24 tons when the temperature rose above 28 degrees Celsius (82 F) in order to preserve road conditions. Previously, grain trucks had been loaded to 38 tons, but there is fear the new restriction will raise the cost and complexity of securing adequate truck transportation.⁴

Competition Will Hinge on Transportation Infrastructure

As the U.S. share of the world grain trade continues to fall, it will compete directly against emerging players, such as Ukraine, for a share of the growing international demand. In order for the United States to maintain its competitive transportation advantage, it will need to continue to make sufficient investments in maintenance and capacity expansion for transportation. However, as China invests in Ukraine's agricultural sector, infrastructure investments in transportation will also be necessary to realize Ukraine's export potential. Investments in transportation will play a crucial role in marketing the record harvests projected for both countries over the next few years.

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¹ [USDA, Foreign Agricultural Service, Ukraine: July Grain and Feed Update, GAIN Report UP1327, July 29, 2013.](#)

² [USDA, Agricultural Marketing Service, Grain Transportation Report, September 5, 2013.](#)

³ [Sparger, Adam, and Nick Marathon. Transportation of U.S. Grains: A Modal Share Analysis, May 2013. U.S. Dept. of Agriculture, Agricultural Marketing Service.](#)

⁴ Center for Transport Strategies, Grain Contracts in Jeopardy Because of Ban on Movement of Overloaded Trucks, July 9, 2013.

Grain Transportation Indicators

Grain Transport Cost Indicators¹

Week ending	Truck	Rail		Barge	Ocean	
		Unit Train	Shuttle		Gulf	Pacific
10/23/13	261	253	252	356	248	227
10/16/13	261	256	259	347	257	234

¹Indicator: Base year 2000 = 100; Weekly updates include truck = diesel (\$/gallon); rail = near-month secondary rail market bid and monthly tariff rate with fuel surcharge (\$/car); barge = Illinois River barge rate (index = percent of tariff rate); and ocean = routes to Japan (\$/metric ton)

Source: Transportation & Marketing Programs/AMS/USDA

Table 2

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

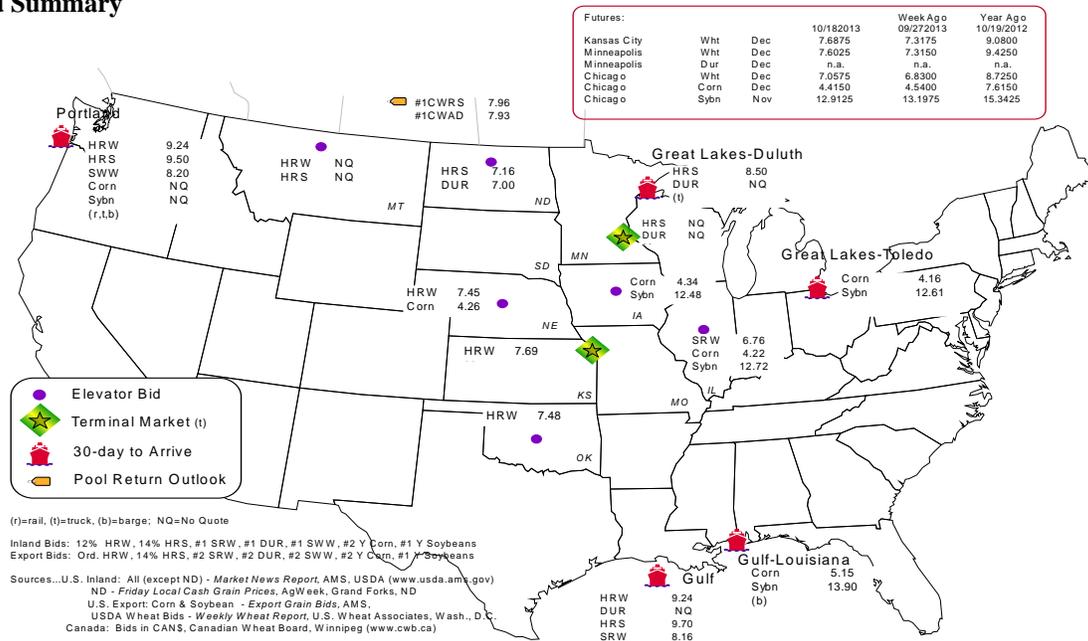
Commodity	Origin--Destination	10/18/2013	10/11/2013
Corn	IL--Gulf	-0.93	n/a
Corn	NE--Gulf	-0.89	n/a
Soybean	IA--Gulf	-1.42	n/a
HRW	KS--Gulf	-1.55	n/a
HRS	ND--Portland	-2.34	n/a

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			
10/16/2013 ^p	1,928	1,130	5,482	1,346	9,886	10/12/13	1,990
10/09/2013 ^r	1,571	1,717	5,686	1,144	10,118	10/05/13	1,794
2013 YTD ^r	13,821	60,479	108,741	13,033	196,074	2013 YTD	52,275
2012 YTD ^r	12,419	33,543	161,638	14,211	221,811	2012 YTD	78,370
2013 YTD as % of 2012 YTD	111	180	67	92	88	% change YTD	67
Last 4 weeks as % of 2012 ²	73	163	95	125	103	Last 4wks % 2012	105
Last 4 weeks as % of 4-year avg. ²	92	117	108	127	109	Last 4wks % 4 yr	119
Total 2012	22,604	40,780	199,419	37,692	287,462	Total 2012	92,008
Total 2011	27,358	77,515	191,187	24,088	320,148	Total 2011	97,118

¹ Data is incomplete as it is voluntarily provided

² Compared with same 4-weeks in 2012 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.

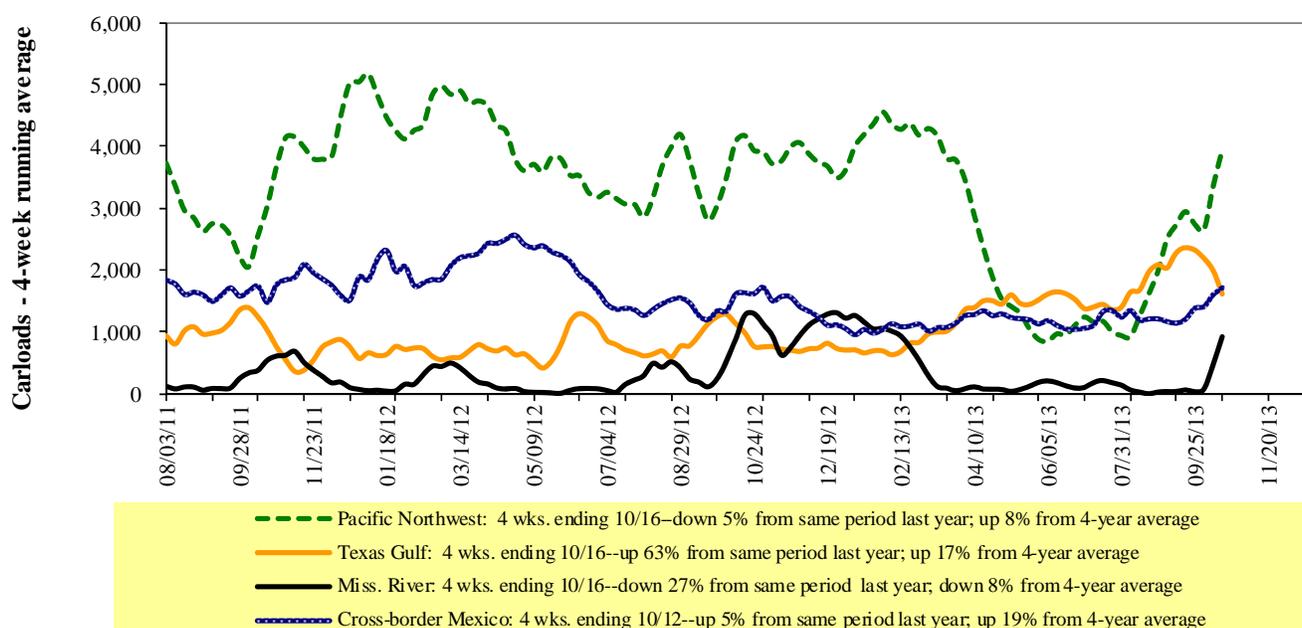
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

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

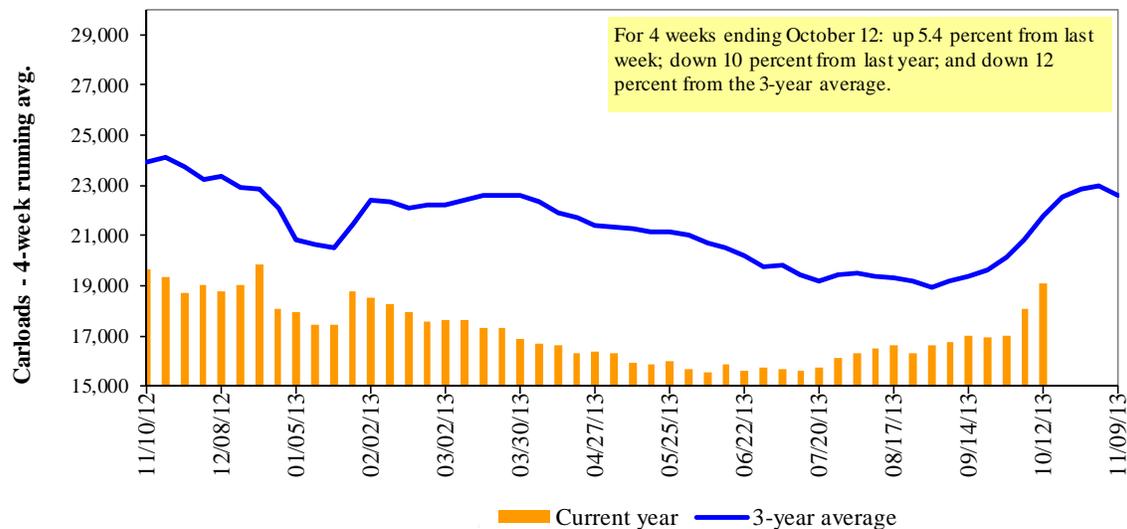
Table 4

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
10/12/13	1,995	3,196	10,460	1,178	4,804	21,633	5,596	5,722
This week last year	1,753	3,183	11,976	338	4,980	22,230	4,370	5,358
2013 YTD	58,346	97,284	355,164	24,057	160,746	695,597	137,592	211,333
2012 YTD	66,891	113,285	405,526	20,912	203,364	809,978	158,011	199,347
2013 YTD as % of 2012 YTD	87	86	88	115	79	86	87	106
Last 4 weeks as % of 2012	135	92	78	228	93	90	117	103
Last 4 weeks as % of 3-yr avg. ¹	99	82	83	136	79	85	118	112
Total 2012	85,384	145,336	515,638	26,936	244,077	1,017,371	204,068	266,266

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							
	Nov-13	Nov-12	Dec-13	Dec-12	Jan-14	Jan-13	Feb-14	Feb-13
10/17/2013								
BNSF ³								
COT grain units	no offer	0	no offer	no bids	96	no offer	66	no offer
COT grain single-car ⁵	no offer	1 . . 8	no offer	1 . . 10	17 . . 101	no offer	0 . . 15	no offer
UP ⁴								
GCAS/Region 1	1	no bids	no bids	no bids	no bids	1	n/a	n/a
GCAS/Region 2	77	no bids	no bids	no bids	no bids	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.

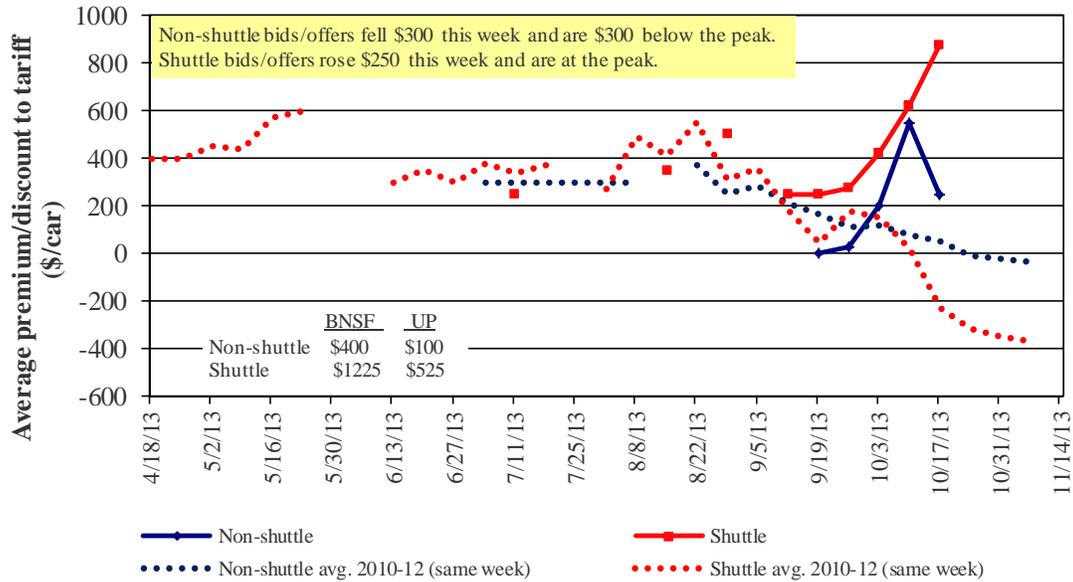
⁵Range is shown because average is not available. Not available = n/a.

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 November 2013, Secondary Market

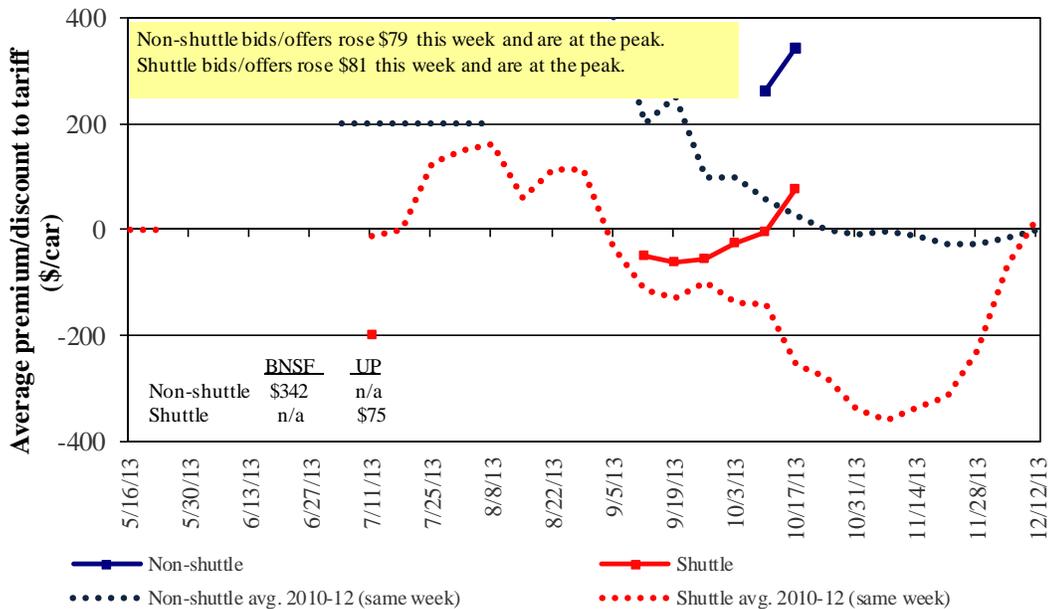


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

Bids/Offers for Railcars to be Delivered in December 2013, Secondary Market

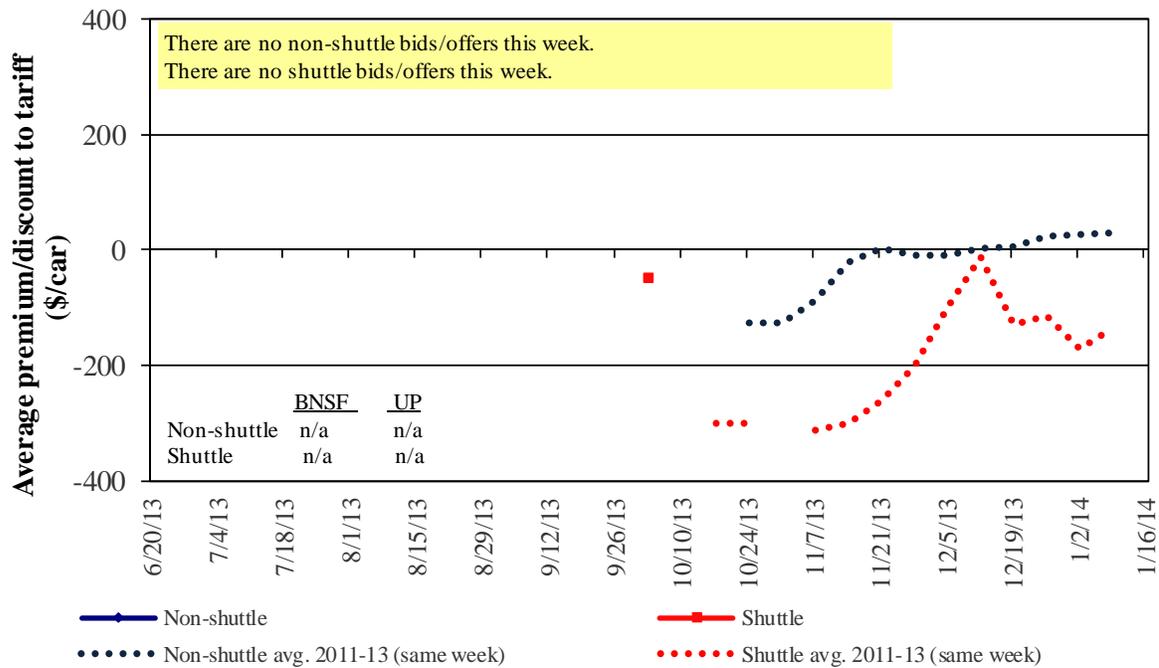


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in January 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					
	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14
Non-shuttle						
BNSF-GF	400	342	n/a	n/a	n/a	n/a
Change from last week	400	79	n/a	n/a	n/a	n/a
Change from same week 2012	400	342	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 2012	100	n/a	n/a	n/a	n/a	n/a
Shuttle²						
BNSF-GF	1,225	n/a	n/a	n/a	n/a	n/a
Change from last week	425	n/a	n/a	n/a	n/a	n/a
Change from same week 2012	1,338	n/a	n/a	n/a	n/a	n/a
UP-Pool	525	75	n/a	n/a	n/a	n/a
Change from last week	75	175	n/a	n/a	n/a	n/a
Change from same week 2012	850	325	n/a	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 Shipments¹

Effective date:				Fuel	Tariff plus surcharge per:		Percent
10/1/2013	Origin region*	Destination region*	rate/car	surcharge per car	metric ton	bushe ^l ²	change Y/Y ³
Unit train							
Wheat	Wichita, KS	St. Louis, MO	\$3,191	\$187	\$33.55	\$0.91	1
	Grand Forks, ND	Duluth-Superior, MN	\$3,596	\$107	\$36.78	\$1.00	4
	Wichita, KS	Los Angeles, CA	\$6,244	\$551	\$67.48	\$1.84	3
	Wichita, KS	New Orleans, LA	\$3,808	\$329	\$41.09	\$1.12	4
	Sioux Falls, SD	Galveston-Houston, TX	\$5,824	\$452	\$62.33	\$1.70	4
	Northwest KS	Galveston-Houston, TX	\$4,076	\$361	\$44.06	\$1.20	4
	Amarillo, TX	Los Angeles, CA	\$4,275	\$502	\$47.44	\$1.29	3
Corn	Champaign-Urbana, IL	New Orleans, LA	\$3,192	\$372	\$35.39	\$0.90	2
	Toledo, OH	Raleigh, NC	\$4,686	\$416	\$50.66	\$1.29	3
	Des Moines, IA	Davenport, IA	\$2,078	\$79	\$21.42	\$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	\$232	\$34.26	\$0.87	2
	Des Moines, IA	Los Angeles, CA	\$5,215	\$675	\$58.49	\$1.49	2
Soybeans	Minneapolis, MN	New Orleans, LA	\$3,534	\$402	\$39.09	\$1.06	7
	Toledo, OH	Huntsville, AL	\$3,687	\$295	\$39.55	\$1.08	3
	Indianapolis, IN	Raleigh, NC	\$4,756	\$419	\$51.39	\$1.40	3
	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	3
Shuttle Train							
Wheat	Great Falls, MT	Portland, OR	\$3,678	\$317	\$39.67	\$1.08	5
	Wichita, KS	Galveston-Houston, TX	\$3,798	\$247	\$40.16	\$1.09	4
	Chicago, IL	Albany, NY	\$3,950	\$390	\$43.10	\$1.17	4
	Grand Forks, ND	Portland, OR	\$5,159	\$547	\$56.67	\$1.54	3
	Grand Forks, ND	Galveston-Houston, TX	\$6,084	\$570	\$66.08	\$1.80	1
	Northwest KS	Portland, OR	\$5,043	\$592	\$55.95	\$1.52	4
Corn	Minneapolis, MN	Portland, OR	\$5,000	\$666	\$56.27	\$1.43	3
	Sioux Falls, SD	Tacoma, WA	\$4,960	\$610	\$55.31	\$1.41	3
	Champaign-Urbana, IL	New Orleans, LA	\$3,011	\$372	\$33.60	\$0.85	4
	Lincoln, NE	Galveston-Houston, TX	\$3,510	\$356	\$38.39	\$0.98	5
	Des Moines, IA	Amarillo, TX	\$3,590	\$291	\$38.54	\$0.98	4
	Minneapolis, MN	Tacoma, WA	\$5,000	\$661	\$56.22	\$1.43	3
Soybeans	Council Bluffs, IA	Stockton, CA	\$4,400	\$684	\$50.48	\$1.28	3
	Sioux Falls, SD	Tacoma, WA	\$5,520	\$610	\$60.88	\$1.66	2
	Minneapolis, MN	Portland, OR	\$5,530	\$666	\$61.53	\$1.67	3
	Fargo, ND	Tacoma, WA	\$5,430	\$543	\$59.31	\$1.61	3
	Council Bluffs, IA	New Orleans, LA	\$4,175	\$429	\$45.72	\$1.24	7
	Toledo, OH	Huntsville, AL	\$2,862	\$295	\$31.35	\$0.85	3
	Grand Island, NE	Portland, OR	\$5,110	\$606	\$56.76	\$1.54	-2

¹A unit train refers to shipments of at least 25 cars. Shuttle train rates are available for qualified shipments of

75-120 cars that meet railroad efficiency requirements.

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

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

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

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

Table 8

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

Effective date: 10/1/2013			Fuel				Percent
Commodity	Origin	Destination region	Tariff rate/car ¹	surchage per car ²	Tariff plus surcharge per:		change Y/Y ⁴
	state				metric ton ³	bushel ³	
Wheat	MT	Chihuahua, CI	\$6,360	\$579	\$70.90	\$1.93	-17
	OK	Cuautitlan, EM	\$6,357	\$703	\$72.13	\$1.96	-7
	KS	Guadalajara, JA	\$8,293	\$679	\$91.68	\$2.49	10
	TX	Salinas Victoria, NL	\$2,898	\$265	\$32.31	\$0.88	-21
Corn	IA	Guadalajara, JA	\$7,974	\$799	\$89.63	\$2.27	3
	SD	Celaya, GJ ⁵	\$7,656	\$757	\$85.97	\$2.18	n/a
	NE	Queretaro, QA	\$7,317	\$710	\$82.01	\$2.08	2
	SD	Salinas Victoria, NL	\$5,880	\$576	\$65.96	\$1.67	2
	MO	Tlalnepantla, EM	\$6,755	\$689	\$76.06	\$1.93	2
	SD	Torreon, CU	\$6,722	\$634	\$75.16	\$1.91	2
Soybeans	MO	Bojay (Tula), HG	\$7,868	\$674	\$87.27	\$2.37	3
	NE	Guadalajara, JA	\$8,447	\$771	\$94.18	\$2.56	3
	IA	El Castillo, JA	\$8,855	\$753	\$98.17	\$2.67	3
	KS	Torreon, CU	\$6,864	\$478	\$75.01	\$2.04	3
Sorghum	TX	Guadalajara, JA	\$6,764	\$493	\$74.15	\$1.88	1
	NE	Celaya, GJ ⁵	\$7,272	\$688	\$81.32	\$2.06	n/a
	KS	Queretaro, QA	\$7,005	\$432	\$75.98	\$1.93	8
	NE	Salinas Victoria, NL	\$5,628	\$506	\$62.67	\$1.59	7
	NE	Torreon, CU	\$6,328	\$564	\$70.42	\$1.79	3

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

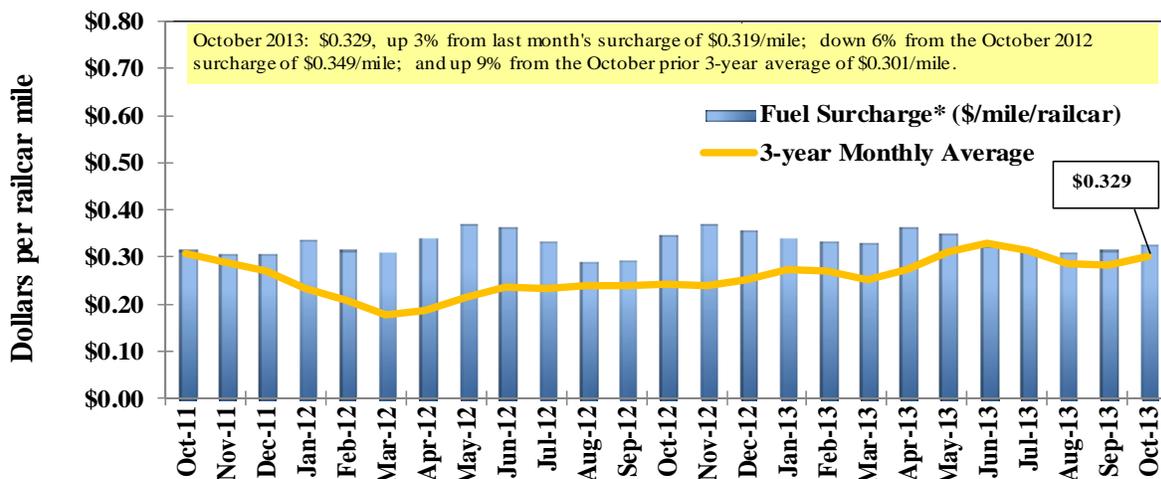
³Approximate load per car = 97.87 metric tons: Corn & Sorghum 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

⁴Percentage change year over year calculated using tariff rate plus fuel surcharge

⁵Beginning 11/1/12, Celaya, GJ, replaced Penjamo, GJ, as the destination.

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.

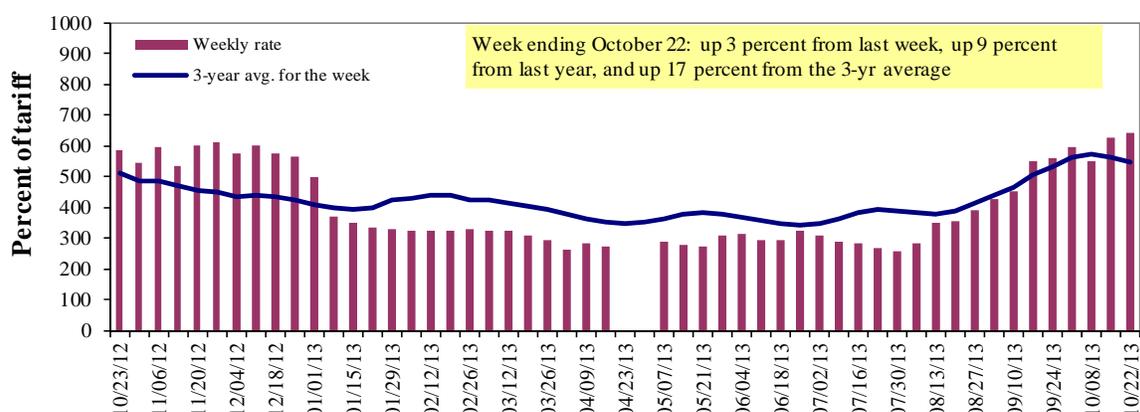
** BNSF strike price (diesel price when fuel surcharges begin) changed from \$1.25/gal. to \$2.50/gal starting March 1, 2011. As a result, the weighted average fuel surcharge for March 2011 was \$0.227/mile instead of \$0.331/mile.

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	10/22/2013	617	631	641	568	694	694	512
	10/15/2013	615	625	625	545	630	630	480
\$/ton	10/22/2013	38.19	33.57	29.74	22.66	32.55	28.04	16.08
	10/15/2013	38.07	33.25	29.00	21.75	29.55	25.45	15.07
Current week % change from the same week:								
	Last year	-4	12	9	-7	22	22	-23
	3-year avg. ²	2	11	17	13	23	23	8
Rate¹	November	588	563	563	483	538	538	425
	January	--	--	455	363	415	415	320

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

Source: Transportation & Marketing Programs/AMS/USDA

Calculating barge rate per ton:

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

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

Figure 9

Benchmark tariff rates

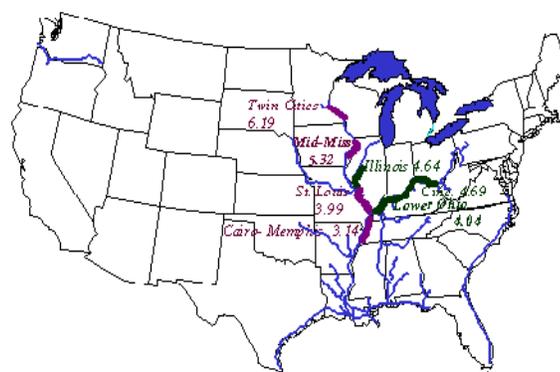
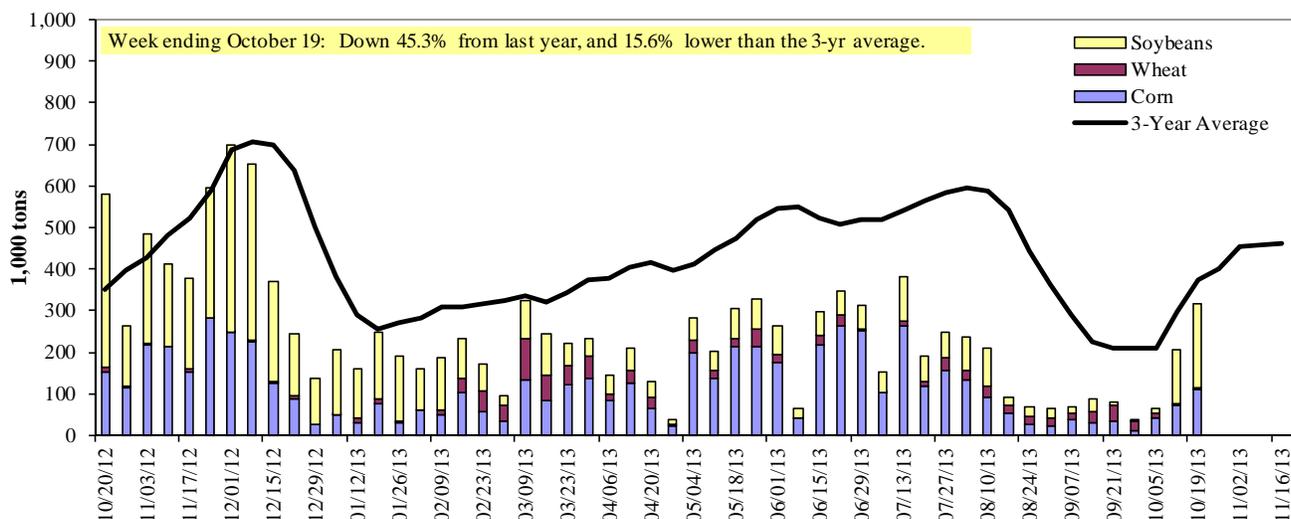


Figure 10

Barge Movements on the Mississippi River¹ (Locks 27 - Granite City, IL)



¹ The 3-year average is a 4-week moving average.

Source: U.S. Army Corps of Engineers

Table 10

Barge Grain Movements (1,000 tons)

Week ending 10/19/2013	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	25	8	190	0	224
Winfield, MO (L25)	56	3	191	0	249
Alton, IL (L26)	93	3	221	0	317
Granite City, IL (L27)	112	3	202	0	317
Illinois River (L8)	50	0	61	0	111
Ohio River (L52)	174	7	194	14	388
Arkansas River (L1)	7	22	55	6	90
Weekly total - 2013	293	33	450	20	795
Weekly total - 2012	179	32	536	9	756
2013 YTD ¹	6,476	3,910	5,364	177	15,927
2012 YTD	12,721	1,631	8,584	212	23,148
2013 as % of 2012 YTD	51	240	62	83	69
Last 4 weeks as % of 2012 ²	135	136	60	198	91
Total 2012	14,837	1,794	12,663	229	29,523

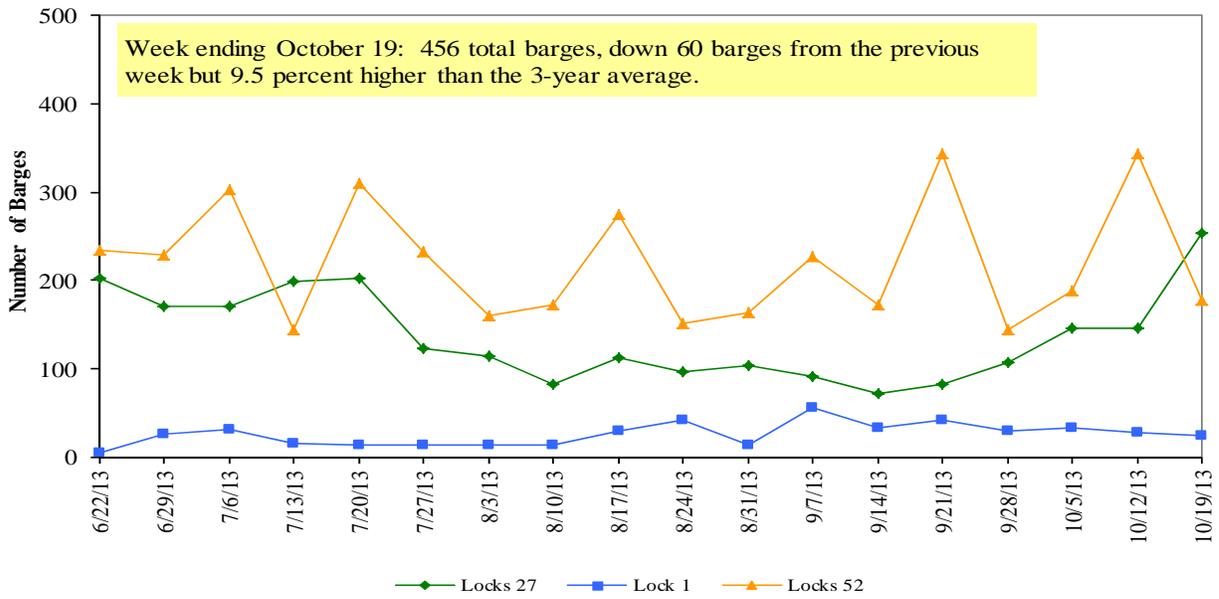
¹ Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

² As a percent of same period in 2012.

Note: Total may not add exactly, due to rounding

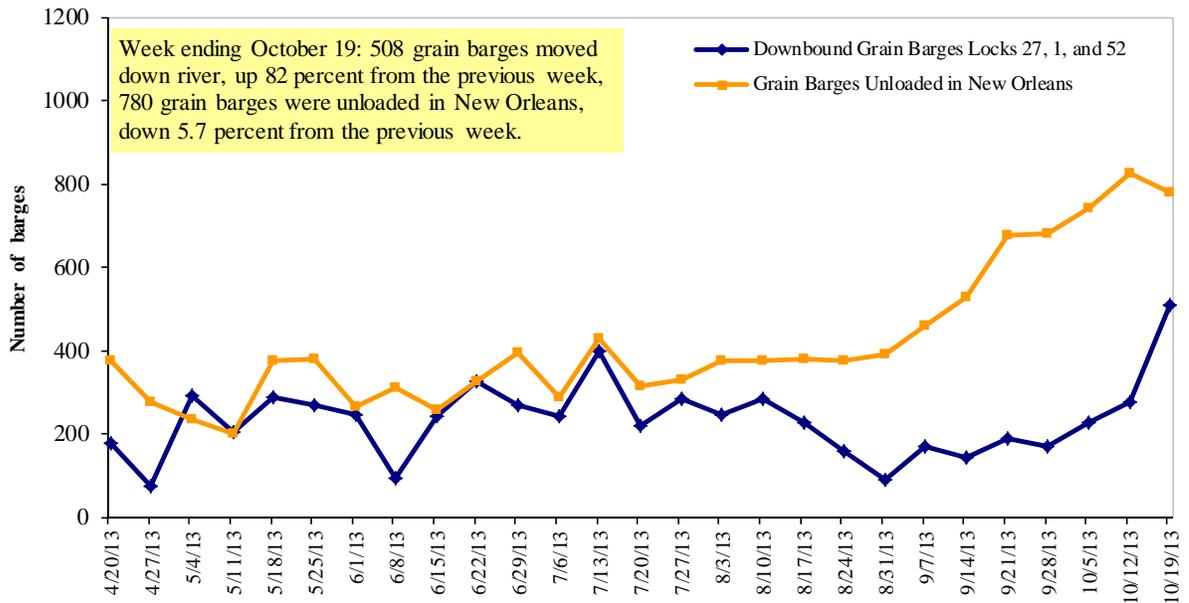
Source: U.S. Army Corps of Engineers

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 10/21/2013 (US \$/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	3.905	0.001	-0.203
	New England	4.032	0.000	-0.211
	Central Atlantic	3.961	-0.002	-0.242
	Lower Atlantic	3.840	0.003	-0.171
II	Midwest ²	3.853	-0.001	-0.248
III	Gulf Coast ³	3.800	0.003	-0.199
IV	Rocky Mountain	3.875	-0.014	-0.368
V	West Coast	4.049	0.002	-0.249
	West Coast less California	3.954	0.015	-0.241
	California	4.129	-0.010	-0.256
Total	U.S.	3.886	0.000	-0.230

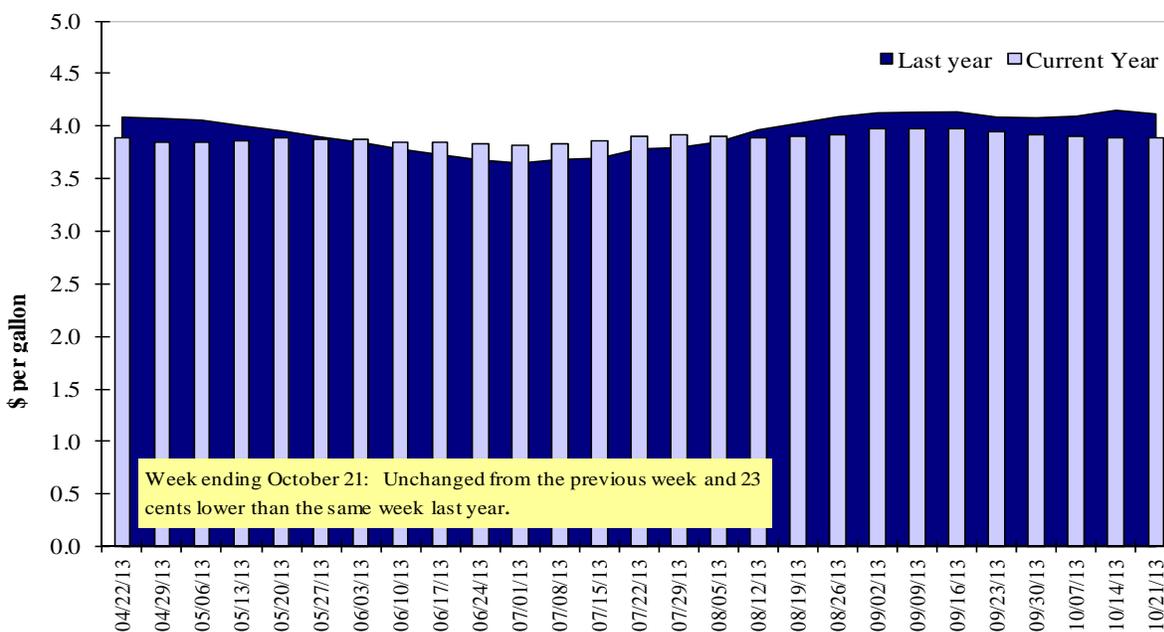
¹Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

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									
10/3/2013	1,605	1,651	1,232	860	86	5,433	13,644	25,668	44,745
This week year ago	1,228	625	1,091	729	84	3,757	7,814	20,737	32,308
Cumulative exports-marketing year²									
2013/14 YTD	5,518	4,272	2,284	1,535	141	13,750	2,333	1,819	17,902
2012/13 YTD	3,908	1,299	2,423	1,751	223	9,604	2,620	3,232	15,455
YTD 2013/14 as % of 2012/13	141	329	94	88	n/a	143	89	56	116
Last 4 wks as % of same period 2012/13	128	295	116	124	101	151	166	120	134
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 10/03/2013	Total Commitments ²		% change current MY from last MY	Exports ³ 2011/12
	2013/14 Current MY	2012/13 Last MY		
	- 1,000 mt -			- 1,000 mt -
Japan	2,212	2,679	(17)	7,000
Mexico	4,173	2,543	64	4,370
China	3,664	1,099	233	2,450
Venezuela	177	172	3	1,158
Taiwan	236	146	62	512
Top 5 Importers	10,462	6,638	58	15,490
Total US corn export sales	15,977	10,434	53	18,670
% of Projected	51%	56%		
Change from prior week	1,341	4		
Top 5 importers' share of U.S. corn export sales	65%	64%		83%
USDA forecast, September 2013	31,120	18,670	67	
Corn Use for Ethanol USDA forecast, September 2013	124,460	118,110	5	

(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 10/03/2013	Total Commitments ²		% change current MY from last MY	Exports ³ 2011/12
	2013/14 Current MY	2012/13 Last MY		
	- 1,000 mt -			- 1,000 mt -
China	17,978	14,798	21	21,522
Mexico	802	796	1	2,565
Japan	530	626	(15)	1,751
Indonesia	430	334	28	1,682
Taiwan	555	406	37	1,120
Top 5 importers	20,294	16,961	20	28,641
Total US soybean export sales	27,487	23,969	15	37,060
% of Projected	74%	67%		
Change from prior week	930	501		
Top 5 importers' share of U.S. soybean export sales	74%	71%		
USDA forecast, September 2013	37,290	35,790	4	

(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 10/03/2013	Total Commitments ²		% change current MY from last MY	Exports ³ 2012/13
	2013/14 Current MY	2012/13 Last MY		
	- 1,000 mt -			- 1,000 mt -
Japan	1,357	1,768	(23)	3,544
Nigeria	1,446	1,610	(10)	3,002
Mexico	1,847	1,861	(1)	2,761
Philippines	989	1,232	(20)	1,965
Egypt	131	58	125	1,678
Korea	751	877	(14)	1,385
Taiwan	514	550	(6)	1,038
China	3,980	409	873	743
Brazil	2,728	46	5831	527
Colombia	431	327	32	600
Top 10 importers	14,175	8,738	62	17,243
Total US wheat export sales	19,183	13,061	47	26,348
% of Projected	64%	48%		
Change from prior week	654	-20		
Top 10 importers' share of U.S. wheat export sales	74%	67%		65%
USDA forecast, September 2013	29,940	27,420	9	

(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 10/17/13	Previous Week ¹	Current Week as % of Previous	2013 YTD ¹	2012 YTD ¹	2013 YTD as % of 2012 YTD	Last 4-weeks as % of		Total ¹ 2012
							2012	3-yr. avg.	
Pacific Northwest									
Wheat	134	238	56	9,942	10,946	91	178	153	12,625
Corn	2	2	109	1,383	5,004	28	15	6	5,512
Soybeans	625	318	197	4,711	7,034	67	29	39	10,347
Total	761	557	136	16,037	22,985	70	82	87	28,484
Mississippi Gulf									
Wheat	238	253	94	8,846	4,603	192	351	363	5,462
Corn	635	417	152	10,568	15,663	67	101	75	18,068
Soybeans	705	722	98	10,699	14,768	72	98	110	24,684
Total	1,579	1,392	113	30,113	35,034	86	117	108	48,215
Texas Gulf									
Wheat	148	218	68	7,762	5,021	155	162	129	5,912
Corn	0	0	n/a	163	336	49	85	12	336
Soybeans	59	59	101	240	164	147	37	48	626
Total	207	277	75	8,165	5,520	148	132	111	6,874
Interior									
Wheat	19	21	92	927	998	93	147	127	1,218
Corn	123	111	111	2,449	5,514	44	193	105	6,115
Soybeans	101	131	77	2,231	3,355	66	107	69	4,204
Total	244	263	93	5,606	9,867	57	121	90	11,538
Great Lakes									
Wheat	0	12	0	671	352	191	144	63	481
Corn	0	0	n/a	0	56	0	n/a	0	56
Soybeans	67	50	134	159	272	59	58	45	713
Total	67	62	109	830	680	122	94	53	1,250
Atlantic									
Wheat	0	0	n/a	663	341	195	68	95	341
Corn	28	25	112	136	134	102	714	284	143
Soybeans	52	3	2,090	756	647	117	9	8	1,460
Total	81	28	290	1,554	1,121	139	147	133	1,944
U.S. total from ports²									
Wheat	539	741	73	28,811	22,260	129	193	163	26,040
Corn	789	556	142	14,699	26,707	55	107	76	30,230
Soybeans	1,610	1,282	126	18,795	26,240	72	69	80	42,035
Total	2,938	2,578	114	62,305	75,207	83	106	100	98,305

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

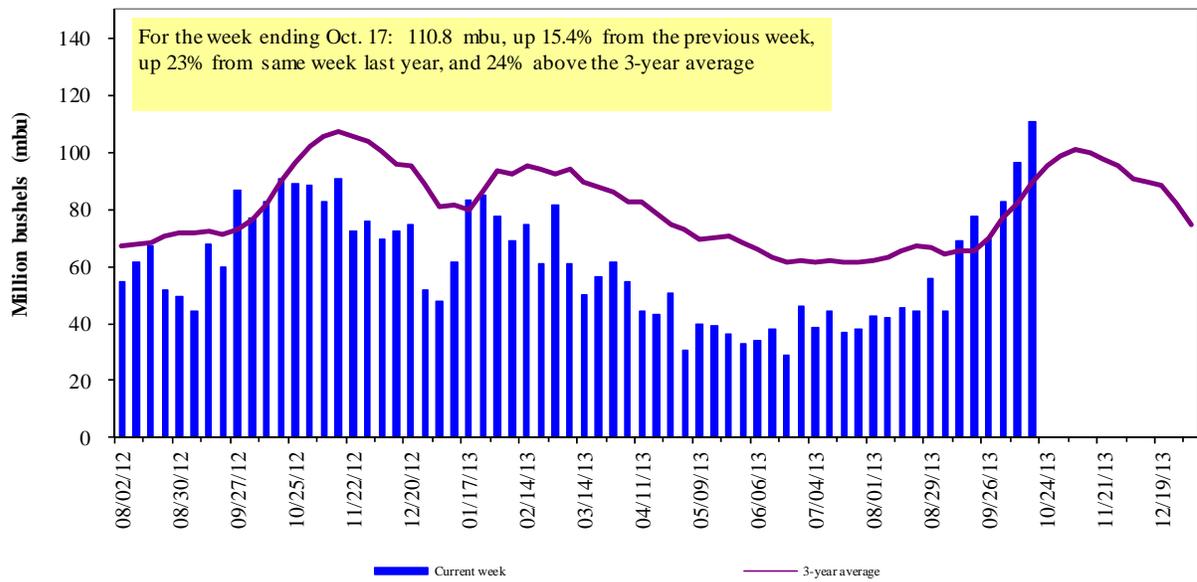
² Total includes only port regions shown above; Interior land-based shipments now included.

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 56 percent of the U.S. export grain shipments departed through the U.S. Gulf region in 2012.

Figure 14

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

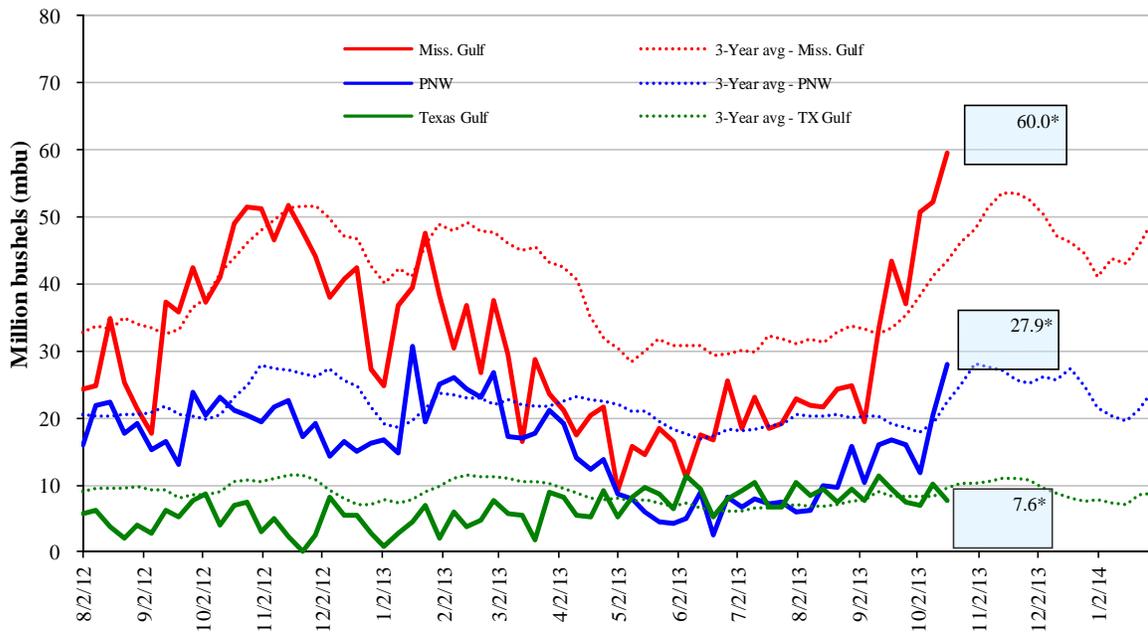


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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>Oct. 17 % change from:</u>	<u>MSGulf</u>	<u>TX Gulf</u>	<u>U.S. Gulf</u>	<u>PNW</u>
Last week	up 14	down 25	up 8	up 356
Last year (same week)	up 22	up 9	up 20	up 33
3-yr avg. (4-wk mov. avg.)	up 33	down 9	up 26	up 0.1

Ocean Transportation

Table 17

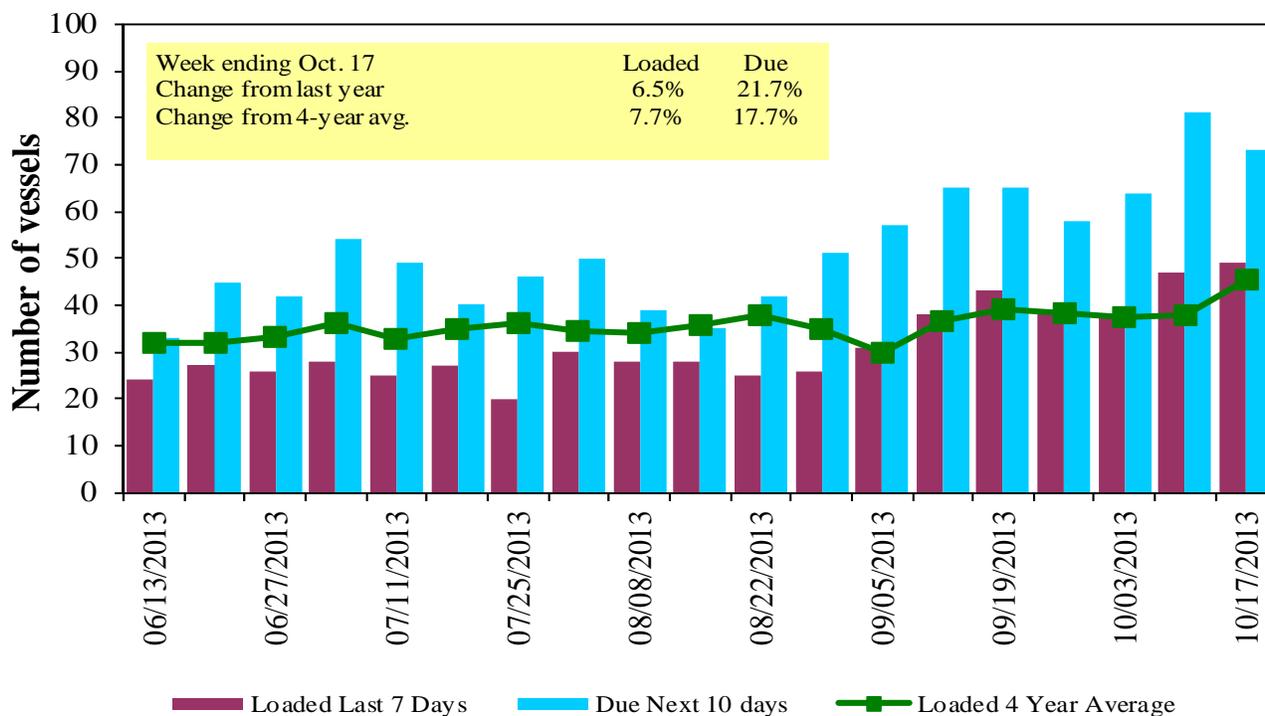
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In port	Loaded 7-days	Due next 10-days	In port	In port
10/17/2013	55	49	73	20	n/a
10/10/2013	45	47	81	18	n/a
2012 range	(13..50)	(13..46)	(27..78)	(4..20)	n/a
2012 avg.	28	33	46	11	n/a

Source: Transportation & Marketing Programs/AMS/USDA

Figure 16

U.S. Gulf¹ Vessel Loading Activity

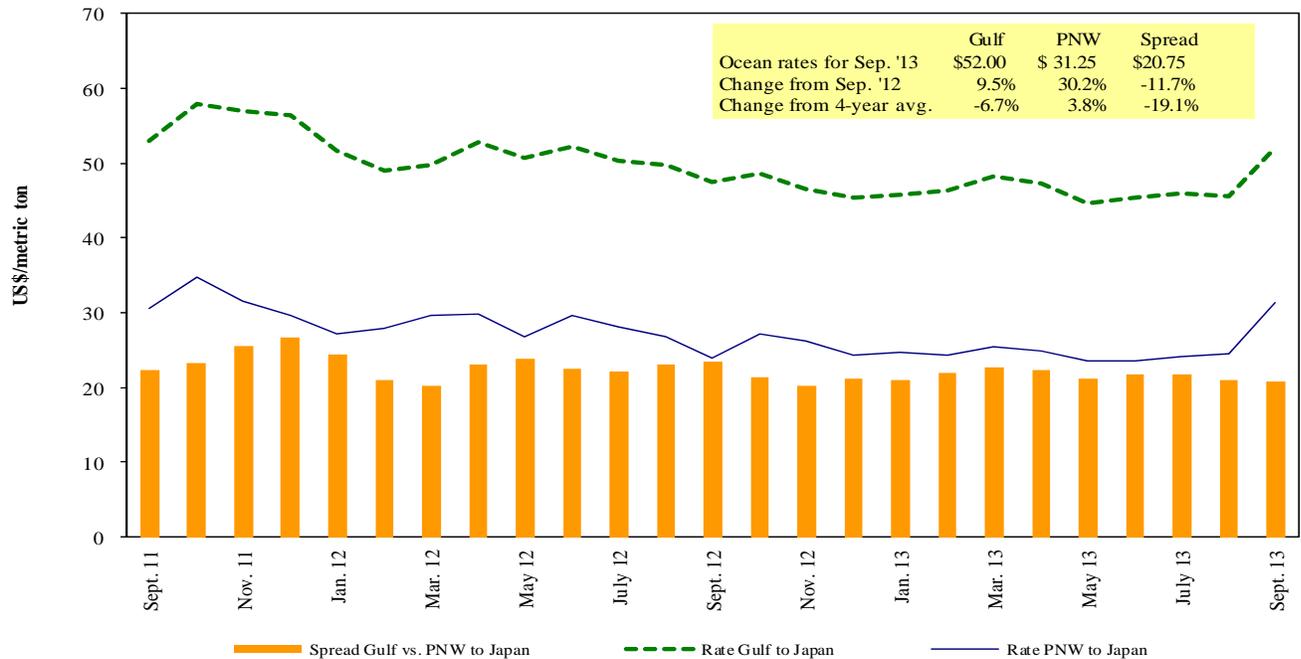


Source: Transportation & Marketing Programs/AMS/USDA

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 10/19/2013

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US\$/metric ton)
U.S. Gulf	China	Heavy Grain	Nov 1/7	53,000	52.50
U.S. Gulf	China	Heavy Grain	Nov-Dec	55,000	49.50
U.S. Gulf	China	Heavy Grain	Oct 1/Dec 31	55,000	33.00
U.S. Gulf	Djibouti ¹	Wheat	Nov 4/14	23,300	126.92
PNW	Italy	Heavy Grain	Jul 31/Aug 3	70,000	30.50
Brazil	China	Heavy Grain	Aug 20/30	60,000	34.25
Brazil	China	Heavy Grain	Aug 1/15	60,000	34.75
Brazil	Indonesia	Grain	Sep 29/Oct 4	73,000	29.10
Brazil	Morocco	Corn	Oct 25/Nov 5	29,000	20.50
Brazil	Morocco	Corn	Sep 25/30	30,000	20.00
Brazil	S. Korea	Heavy Grain	Aug 14/19	60,000	35.50
France	Algeria	Wheat	Sep 20/30	25,000	25.00
France	Algeria	Wheat	Sep 15/25	25,000	23.75
France	Saudi Arabia	Barley	Aug 1/5	64,000	29.50
Germany	South Africa	Wheat	Aug 20/25	31,000	33.50
River Plate	China	Heavy Grain	Aug 1/10	60,000	39.50
Russia	Saudi Arabia	Barley	Aug 15/20	60,000	23.75

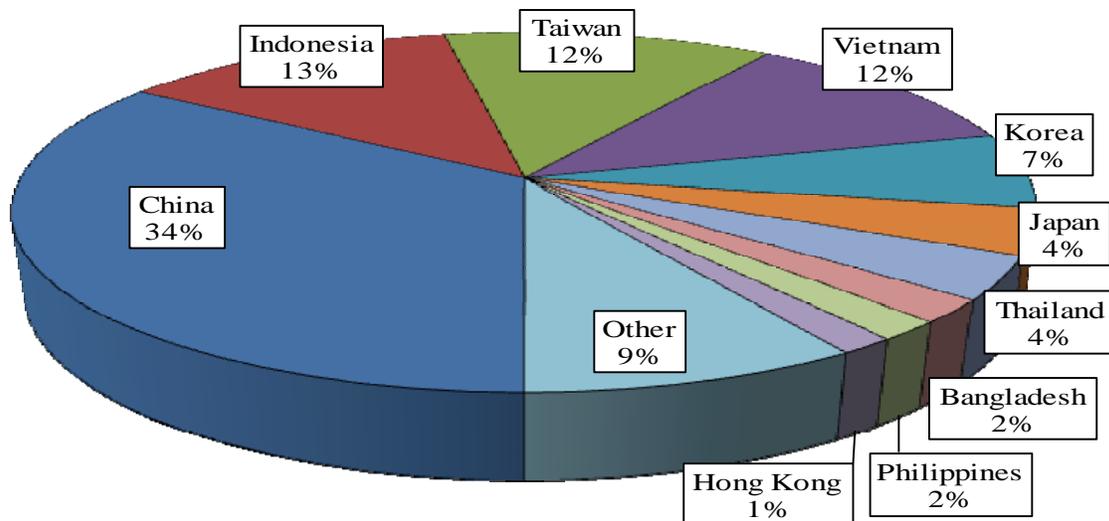
Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option

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.

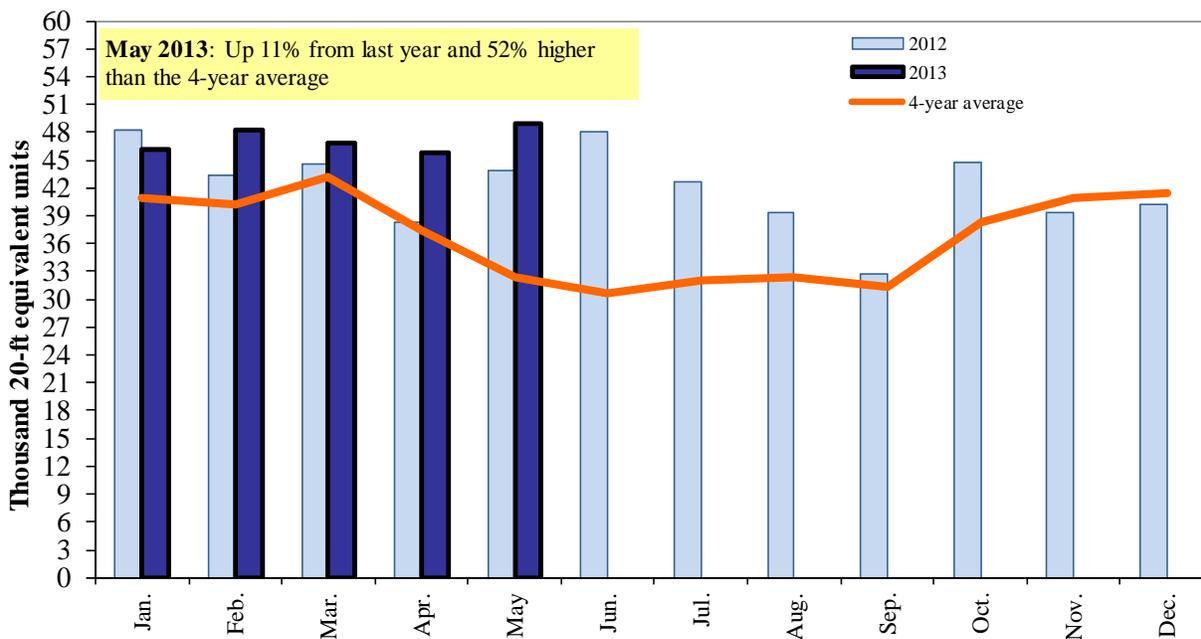
Figure 18
Top 10 Destination Markets for U.S. Containerized Grain Exports, May 2013



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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