



Grain Transportation Report

A weekly publication of the Agricultural Marketing Service
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July 16, 2015

WEEKLY HIGHLIGHTS

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Washington State Legislature Passes \$16.2 billion Transportation Package

In an effort to facilitate faster movement of cargo through ports and freight corridors in the Pacific Northwest, the Washington State legislature passed a \$16.2 billion transportation investment package on July 13. The package included long advocated funding by the allied ports of Seattle and Tacoma business and community leaders for the completion of major freight routes SR 509 in King County and SR 167 in Pierce County. In addition to other investments, the State will invest close to \$3.25 billion in projects that service the Puget Sound gateway. According to analysts, cargo operations from the ports of Seattle and Tacoma supported more than 48,000 jobs, and generated nearly \$4.3 billion in economic activity in 2013. Completion of the investment package could fuel job growth to \$10.1 billion, according to an estimate from the Washington State Department of Transportation.

Corn Inspections Rebound

For the week ending July 9, **total inspections of grain** (corn, wheat, soybeans) from all major export regions reached 1.44 million metric tons (mmt), down 6 percent from the past week, down 1 percent from last year, and 6 percent above the 3-year average. Inspections of corn reached 1.04 mmt, up 15 percent from the past week despite the drop in total grain inspections. Wheat and soybean inspections decreased 33 and 43 percent, respectively from the previous week. Mississippi Gulf grain inspections decreased 2 percent from the past, and Pacific Northwest grain inspections dropped 16 percent. For the last 4 weeks, grain inspections were 5 percent below last year but 15 percent above the 3-year average.

STB to Hold Public Hearing on Railroad Revenue Adequacy Next Week

The Surface Transportation Board (STB) will hold a public hearing July 22-23 at its headquarters in Washington, DC. The hearing will further examine issues raised in the combined ongoing proceedings, Ex Parte 722 and Ex Parte 664, on railroad revenue adequacy and how the STB calculates the railroad industry's equity cost of capital. The outcome of this combined proceeding has the potential to affect the STB's regulation of railroad rates and service, which could impact many grain and oilseed shippers who ship their products by rail.

Barge Operations Dealing With Constant Highwater Conditions

For most of 2015, barge operators have had to deal with high water conditions on much of the inland waterways. As of July 15, flooding has closed portions of the Illinois River. St. Louis Harbor remains at elevated levels and the Coast Guard restricts traffic to daylight only passage. On the lower Mississippi River, extreme high water has restricted southbound tows to a maximum of 36 barges requiring a towboat to have at least 280 horsepower per barge. Transit through Vicksburg and Memphis bridges is restricted to daylight only. However, year-to-date down-bound barge tonnages are 17,521 thousand tons, about the same as last year, and 13 percent higher than the 5-year average.

Snapshots by Sector

Rail

U.S. Class I railroads originated 18,405 **carloads of grain** during the week ending July 4, down 3 percent from last week, up 2 percent from last year, and up 5 percent from the 3-year average.

During the week ending July 9, average July shuttle **secondary railcar bids/offers per car** were \$56 below tariff, up \$48 from last week, and \$1,956 lower than last year. Non-shuttle secondary railcar bids/offers were \$100 below tariff, down \$50 from last week, and \$950 lower than last year.

Barge

During the week ending July 11, **barge grain movements** totaled 730,824 tons—about 58 percent higher than the previous week, and 49 percent higher than the same period last year.

During the week ending July 11, 453 grain barges **moved down river**, up 61 percent from last week; 611 grain barges were **unloaded in New Orleans**, up 19 percent from the previous week.

Ocean

During the week ending July 9, 28 **ocean-going grain vessels** were loaded in the Gulf, 10 percent less than the same period last year. Fifty-three vessels are expected to be loaded within the next 10 days, 22 percent more than the same period last year.

During the week ending July 10, the ocean freight rate for shipping bulk grain from the Gulf to Japan was \$32.50 per metric ton (mt), up 2 percent from the previous week. The cost of shipping from the PNW to Japan was \$18.50 per mt, up 3 percent from the previous week.

Fuel

During the week ending July 13, U.S. average **diesel fuel prices** decreased 2 cents from the previous week to \$2.81 per gallon—down \$1.08 from the same week last year.

Feature Article/Calendar

Ocean Freight Rates Decline during Second Quarter, 2015

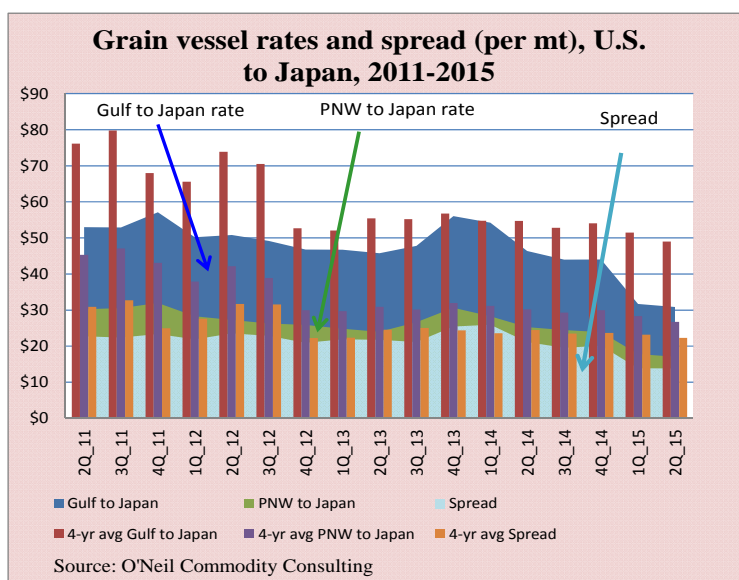
Despite efforts by ship-owners to reduce new orders and delay the deliveries of newly built vessels, excess vessel supply continued to prevail in the market as vessel demand lagged behind. Excess vessel supply continued to keep ocean freights moderately low. Ocean freight rates for shipping bulk grain from the U.S. Gulf to Japan averaged \$30.86 per metric ton (mt) during the second quarter. The rate was 3 percent lower than the previous quarter, 33 percent less than the same period a year earlier, and 37 percent less than the 4-year average (see table and figure below). The rates from the Pacific Northwest (PNW) to Japan averaged \$17.04 per mt—4, 33, and 36 percent less than the previous quarter, a year earlier, and the 4-year average, respectively. During the second quarter of 2015, it cost on average \$13.95 to ship a metric ton of bulk grain from the U.S. Gulf to Europe. This is 1, 28, and 32 percent less than the previous quarter, a year earlier, and the 4-year average, respectively. The spread between the U.S. Gulf-to-Japan and PNW-to-Japan rates remained unchanged from the previous quarter, but was down 35 and 38 percent from the same period last year, and the 4-year average, respectively.

Ocean freight rates for grain routes during the second quarter 2015

Route	Apr.	May	June	2nd quarter 2015	Change from		
					1st qtr '15	2nd qtr '14	4-yr avg
	--\$/mt--			--\$/mt--	Percent		
U.S. Gulf to Japan	31.00	30.20	31.38	30.86	-2.7	-33	-37
PNW to Japan	17.00	16.50	17.63	17.04	-4.4	-33	-36
Spread	14.00	13.70	13.75	13.82	0	-35	-38
U.S. Gulf to Europe	14.00	13.80	14.06	13.95	-1	-28	-32

Source: O'Neil Commodity Consulting

Rates began on the softer side during the second quarter as rates fell during April. There was a decline in the coal trade during the month, as China continued to shift towards cleaner sources of energy. There was also weak demand for steel in Europe. This combination resulted in low freight rates for Panamax and Supramax vessels during the month. Despite the employment of Panamax vessels to move large volumes of cargo from Australia, rates continued



to fall during May as the supply glut persisted in the market. The rates increased slightly in June due in part to a robust grain trade in South America, which included increased shipment of soybeans from Brazil to China and increased feed grain exports from the United States to Colombia, Venezuela, and Peru.

Market Outlook: Although excess vessel capacity still exists in the bulk vessel market, vessel owners are making concerted efforts to reduce the fleet size. Orders of new deliveries have slowed down and scrapping of older vessels has increased slightly. Some owners have delayed or postponed deliveries of newly built vessels until 2017 or beyond. O'Neil Commodity Consulting reported in May that the shipping company Golden Destiny has delayed the construction and delivery of 19 new vessels out to 2017. A reduced fleet size may put upward pressure on the rates in the longer term.

In addition to the owners' actions, there are other variables that may affect the market, and consequently ocean freight rates. In a recent *Shipping Insight* report, Drewry Maritime Research, Inc., outlined several of these factors. The iron ore trade is expected to decline as China cuts excess steel production in response to weak demand for steel. India is planning to raise the import duty on steel to protect domestic producers. The outlook for the coal trade remains bleak as China reduces its imports in search of cleaner sources of energy. A recent ban by the Colombian government on the night-time movement of materials by rail to export terminals to minimize late night noise pollution has affected coal shipments. These events combined may further reduce or keep the ocean freight rates at a low level, at least in the shorter term.

Drewry further reported that India is expected to increase its demand for thermal coal to make up for the inefficient hydro-electricity generation that may result from the poor monsoon forecast. Infrastructure development in many developing countries could also boost coal demand in the long run. Global grain and oilseeds trade will likely increase as increased output in the United States, Brazil, and Argentina is expected to boost global soybean production. Soybean and sugar exports from Brazil are expected to increase due to plentiful rain in Latin America. And, again as mentioned previously, increased trading activity could push ocean freight rates upward.

Finally, Drewry reported that the ocean shipping industry is not totally insulated from the current economic and financial turmoil in Greece. Greece is a large player in the shipping business as a significant proportion of vessels are owned by Greek companies, such as Golden Destiny. Also, some of these vessels are financed by the Greek banks. Therefore, it is pertinent to note that the outcome of the Greek's financial crisis could impact the shipping industry, and hence ocean freight rates. surajudeen.olowolayemo@ams.usda.gov

Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators¹

Week ending	Truck	Rail		Barge	Ocean	
		Unit Train	Shuttle		Gulf	Pacific
07/15/15	189	249	210	212	145	131
07/08/15	190	252	208	236	143	128

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)

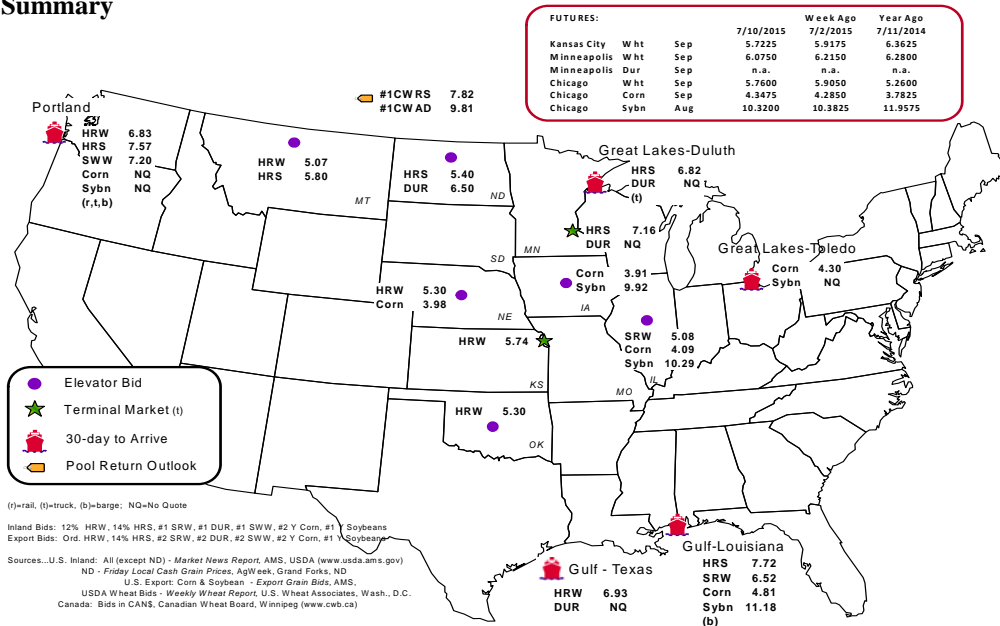
Commodity	Origin--Destination	7/10/2015	7/2/2015
Corn	IL--Gulf	-0.72	-0.78
Corn	NE--Gulf	-0.83	-0.84
Soybean	IA--Gulf	-1.26	-1.30
HRW	KS--Gulf	-1.19	-1.12
HRS	ND--Portland	-2.17	-2.12

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			
7/08/2015 ^p	193	354	3,428	344	4,319	7/4/2015	2,002
7/01/2015 ^r	573	725	2,956	242	4,496	6/27/2015	2,346
2015 YTD ^f	11,792	35,192	117,750	13,699	178,433	2015 YTD	47,786
2014 YTD ^f	20,280	45,116	125,579	16,001	206,976	2014 YTD	51,485
2015 YTD as % of 2014 YTD	58	78	94	86	86	% change YTD	93
Last 4 weeks as % of 2014 ²	1,004	71	91	277	96	Last 4wks % 2014	90
Last 4 weeks as % of 4-year avg. ²	230	68	112	188	107	Last 4wks % 4 yr	118
Total 2014	44,621	83,674	256,670	32,107	417,072	Total 2014	96,467
Total 2013	31,646	71,388	168,826	25,176	297,036	Total 2013	71,397

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.

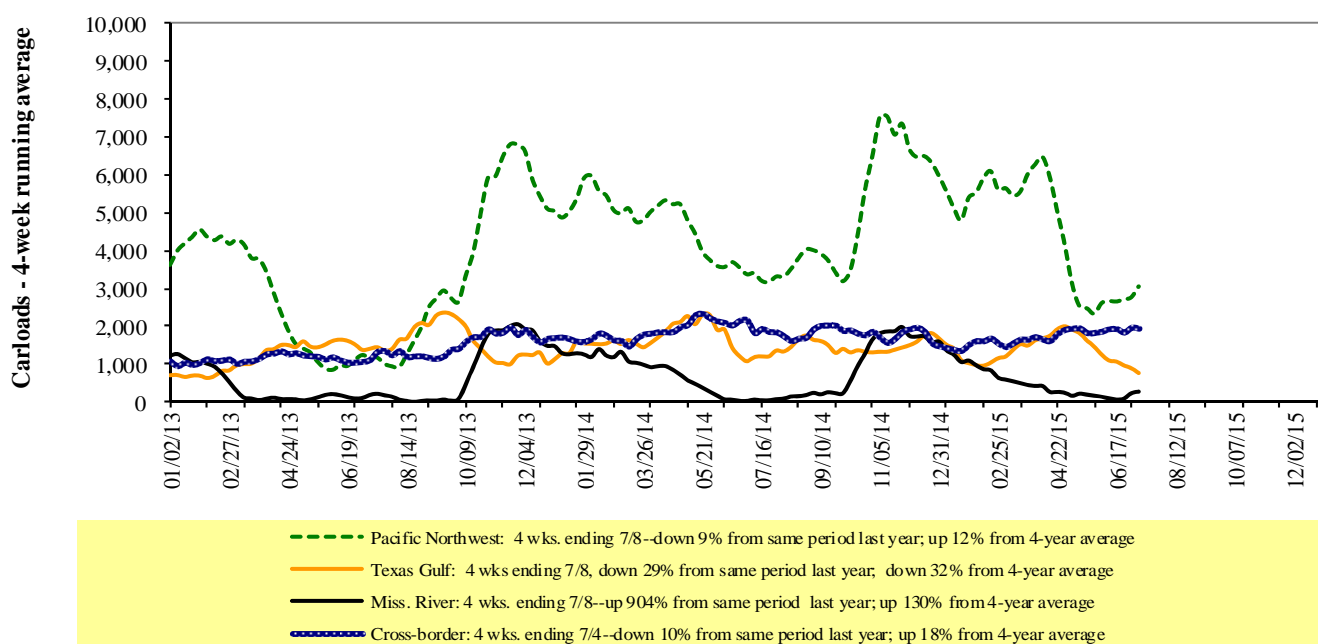
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

Source: Transportation & Marketing Programs/AMS/USDA

Railroads originate approximately 24 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

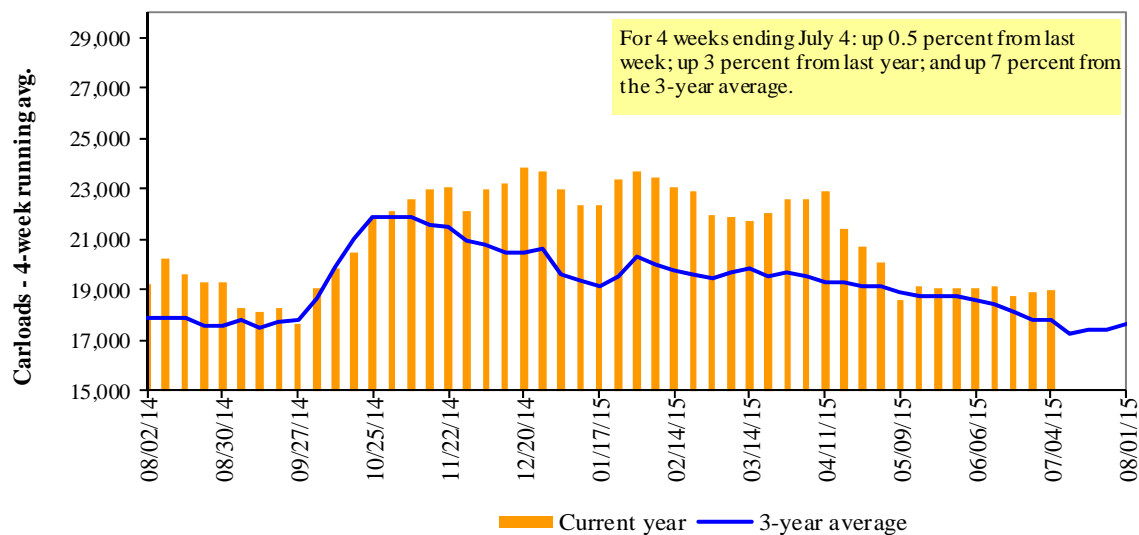
Table 4

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
07/04/15	1,725	2,572	8,687	1,101	4,320	18,405	3,254	4,039
This week last year	1,326	2,373	8,451	823	5,148	18,121	4,327	4,976
2015 YTD	53,390	78,795	255,209	23,033	133,942	544,369	107,192	114,289
2014 YTD	48,953	76,654	228,498	22,693	147,337	524,135	114,772	137,704
2015 YTD as % of 2014 YTD	109	103	112	101	91	104	93	83
Last 4 weeks as % of 2014 ¹	101	100	105	132	97	103	87	87
Last 4 weeks as % of 3-yr avg. ²	121	101	103	162	104	107	110	96
Total 2014	103,331	153,771	482,431	47,510	297,969	1,085,012	242,616	276,322

¹The past 4 weeks of this year as a percent of the same 4 weeks last year.

²The past 4 weeks as a percent of the same period from the prior 3-year average. YTD = year-to-date.

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							
	Jul-15	Jul-14	Aug-15	Aug-14	Sep-15	Sep-14	Oct-15	Oct-14
7/9/2015								
BNSF ³								
COT grain units	4	no offer	14	1856	19	no offer	34	no offer
COT grain single-car ⁵	0 . . 22	no offer	0	1835..2115	0 . . 2	no offer	0 . . 5	no offer
UP ⁴								
GCAS/Region 1	no offer	no offer	no bids	1	no bids	no offer	n/a	n/a
GCAS/Region 2	no offer	no offer	no bids	311	no bids	no offer	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.

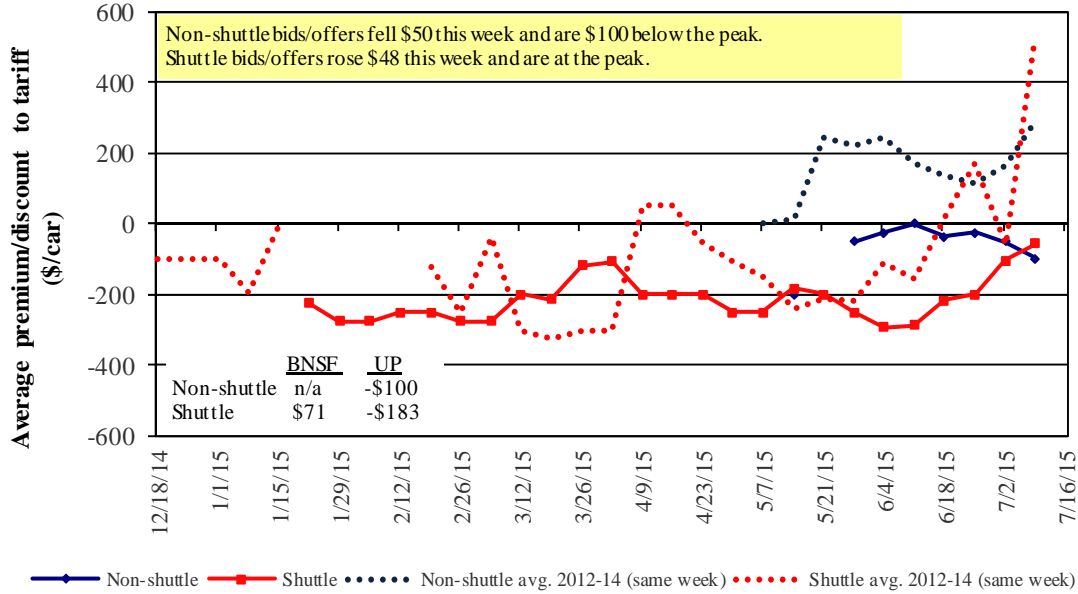
⁵Range is shown because average is not available. Not available = n/a.

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 July 2015, Secondary Market

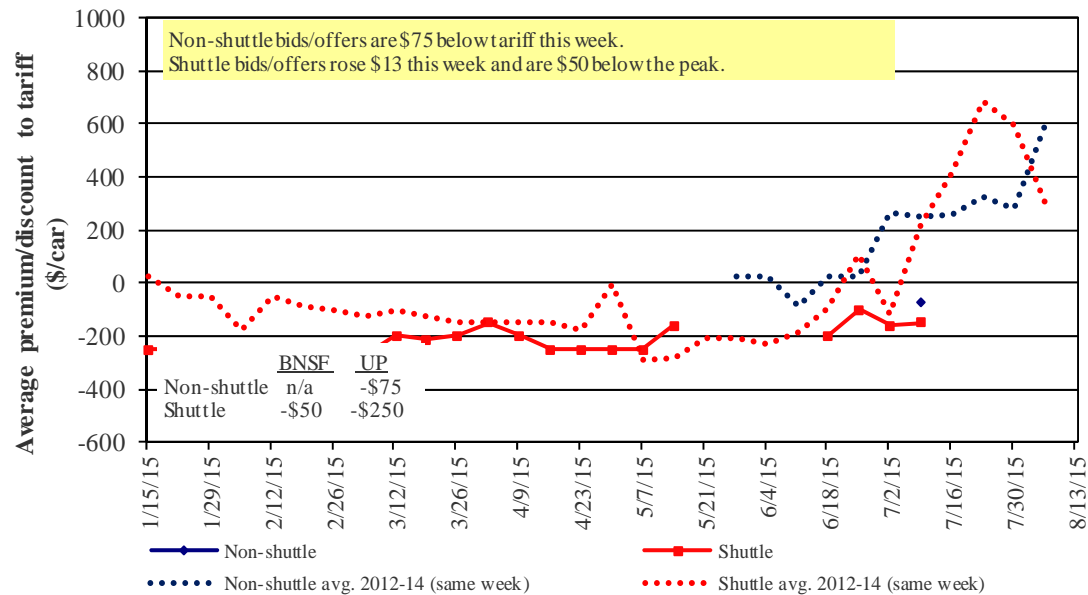


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

Bids/Offers for Railcars to be Delivered in August 2015, Secondary Market

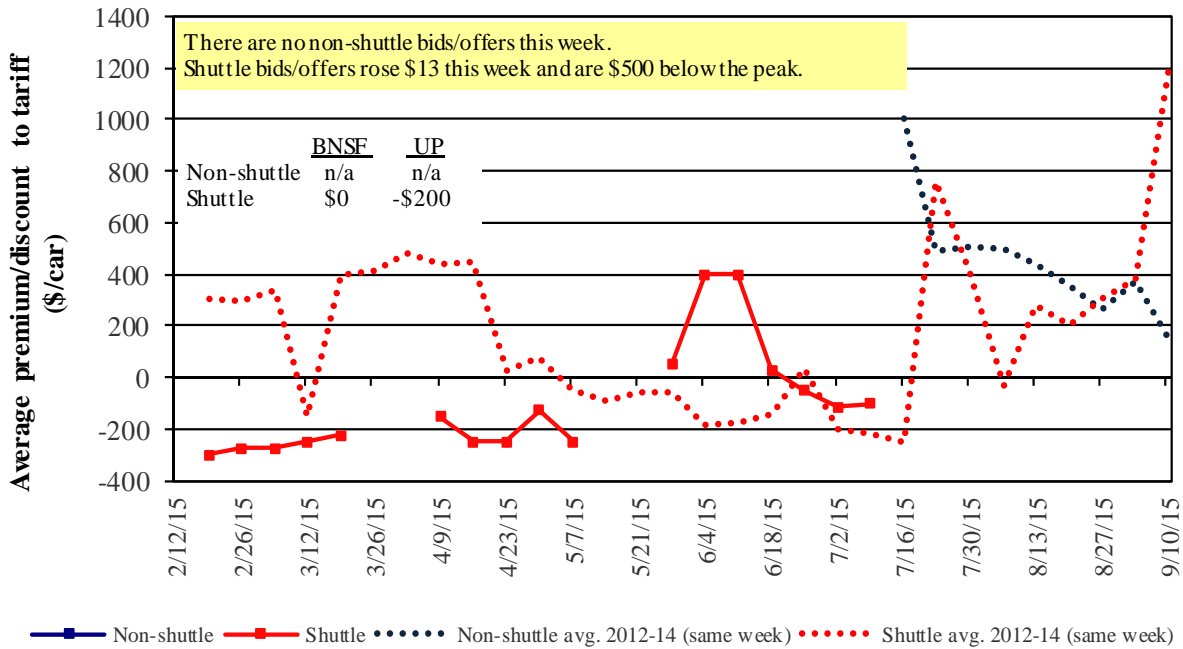


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in September 2015, 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					
	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
7/9/2015						
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 2014	n/a	n/a	n/a	n/a	n/a	n/a
UP-Pool	(100)	(75)	n/a	n/a	n/a	n/a
Change from last week	-	n/a	n/a	n/a	n/a	n/a
Change from same week 2014	(900)	(575)	n/a	n/a	n/a	n/a
Shuttle²						
BNSF-GF	71	(50)	-	725	150	n/a
Change from last week	175	50	100	75	n/a	n/a
Change from same week 2014	(1,829)	(1,650)	n/a	(2,775)	(2,350)	n/a
UP-Pool	(183)	(250)	(200)	n/a	n/a	n/a
Change from last week	n/a	(25)	(75)	n/a	n/a	n/a
Change from same week 2014	n/a	(950)	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.

The **tariff rail rate** is the base price of freight rail service, and together with **fuel surcharges** and any **auction and secondary rail** values constitute the full cost of shipping by rail. Typically, auction and secondary rail values are a small fraction of the full cost of shipping by rail relative to the tariff rate. High auction and secondary rail values, during times of high rail demand or short supply, can exceed the cost of the tariff rate plus fuel surcharge.

Table 7

Tariff Rail Rates for Unit and Shuttle Train Shipments¹

Effective date:		Origin region*	Destination region*	Tariff rate/car	Fuel surcharge per car	Tariff plus surcharge per:		Percent change Y/Y ³
7/1/2015	metric ton					bushel ²		
Unit train								
Wheat	Wichita, KS	St. Louis, MO	\$3,605	\$81	\$36.60	\$1.00	3	
	Grand Forks, ND	Duluth-Superior, MN	\$4,143	\$30	\$41.44	\$1.13	13	
	Wichita, KS	Los Angeles, CA	\$6,950	\$153	\$70.54	\$1.92	4	
	Wichita, KS	New Orleans, LA	\$4,243	\$142	\$43.55	\$1.19	1	
	Sioux Falls, SD	Galveston-Houston, TX	\$6,486	\$126	\$65.66	\$1.79	5	
	Northwest KS	Galveston-Houston, TX	\$4,511	\$156	\$46.35	\$1.26	0	
	Amarillo, TX	Los Angeles, CA	\$4,710	\$217	\$48.93	\$1.33	-1	
Corn	Champaign-Urbana, IL	New Orleans, LA	\$3,328	\$161	\$34.65	\$0.88	-2	
	Toledo, OH	Raleigh, NC	\$5,555	\$199	\$57.14	\$1.45	13	
	Des Moines, IA	Davenport, IA	\$2,168	\$34	\$21.87	\$0.56	2	
	Indianapolis, IN	Atlanta, GA	\$4,761	\$150	\$48.76	\$1.24	12	
	Indianapolis, IN	Knoxville, TN	\$4,104	\$96	\$41.71	\$1.06	14	
	Des Moines, IA	Little Rock, AR	\$3,308	\$100	\$33.84	\$0.86	-1	
	Des Moines, IA	Los Angeles, CA	\$4,852	\$292	\$51.08	\$1.30	-13	
Soybeans	Minneapolis, MN	New Orleans, LA	\$3,719	\$149	\$38.41	\$1.05	1	
	Toledo, OH	Huntsville, AL	\$4,676	\$141	\$47.84	\$1.30	21	
	Indianapolis, IN	Raleigh, NC	\$5,625	\$201	\$57.85	\$1.57	12	
	Indianapolis, IN	Huntsville, AL	\$4,368	\$96	\$44.33	\$1.21	25	
Champaign-Urbana, IL	New Orleans, LA	\$3,974	\$161	\$41.06	\$1.12	0		
Shuttle Train								
Wheat	Great Falls, MT	Portland, OR	\$3,953	\$88	\$40.13	\$1.09	1	
	Wichita, KS	Galveston-Houston, TX	\$3,919	\$69	\$39.60	\$1.08	7	
	Chicago, IL	Albany, NY	\$4,723	\$187	\$48.76	\$1.33	13	
	Grand Forks, ND	Portland, OR	\$5,611	\$152	\$57.23	\$1.56	1	
	Grand Forks, ND	Galveston-Houston, TX	\$6,532	\$158	\$66.44	\$1.81	0	
	Northwest KS	Portland, OR	\$5,478	\$256	\$56.94	\$1.55	-2	
Corn	Minneapolis, MN	Portland, OR	\$5,180	\$185	\$53.28	\$1.35	-6	
	Sioux Falls, SD	Tacoma, WA	\$5,130	\$170	\$52.63	\$1.34	-5	
	Champaign-Urbana, IL	New Orleans, LA	\$3,147	\$161	\$32.85	\$0.83	-2	
	Lincoln, NE	Galveston-Houston, TX	\$3,610	\$99	\$36.83	\$0.94	-4	
	Des Moines, IA	Amarillo, TX	\$3,690	\$126	\$37.89	\$0.96	-2	
	Minneapolis, MN	Tacoma, WA	\$5,180	\$184	\$53.26	\$1.35	-6	
	Council Bluffs, IA	Stockton, CA	\$4,600	\$190	\$47.57	\$1.21	-6	
	Sioux Falls, SD	Tacoma, WA	\$5,690	\$170	\$58.19	\$1.58	-5	
Soybeans	Minneapolis, MN	Portland, OR	\$5,710	\$185	\$58.54	\$1.59	-5	
	Fargo, ND	Tacoma, WA	\$5,580	\$151	\$56.91	\$1.55	-4	
	Council Bluffs, IA	New Orleans, LA	\$4,425	\$186	\$45.79	\$1.25	0	
	Toledo, OH	Huntsville, AL	\$3,851	\$141	\$39.65	\$1.08	26	
	Grand Island, NE	Portland, OR	\$5,360	\$262	\$55.83	\$1.52	-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

Commodity	Origin state	Destination region	Tariff rate/car ¹	Fuel		Percent change Y/Y ⁴	
				surchage per car ²	Tariff plus surcharge per: metric ton ³ bushel ³		
Wheat	MT	Chihuahua, CI	\$7,599	\$161	\$79.29	\$2.16	10
	OK	Cuautitlan, EM	\$6,714	\$195	\$70.59	\$1.92	-2
	KS	Guadalajara, JA	\$7,159	\$189	\$75.07	\$2.04	-3
	TX	Salinas Victoria, NL	\$4,086	\$74	\$42.50	\$1.16	2
Corn	IA	Guadalajara, JA	\$8,427	\$222	\$88.37	\$2.24	-2
	SD	Celaya, GJ	\$7,780	\$210	\$81.64	\$2.07	-5
	NE	Queretaro, QA	\$7,618	\$197	\$79.86	\$2.03	-3
	SD	Salinas Victoria, NL	\$6,035	\$160	\$63.30	\$1.61	-4
	MO	Tlalnepantla, EM	\$6,963	\$192	\$73.11	\$1.86	-4
	SD	Torreon, CU	\$7,050	\$176	\$73.83	\$1.87	-2
Soybeans	MO	Bojay (Tula), HG	\$8,365	\$187	\$87.38	\$2.38	0
	NE	Guadalajara, JA	\$8,929	\$214	\$93.42	\$2.54	-1
	IA	El Castillo, JA	\$9,270	\$209	\$96.85	\$2.63	-2
	KS	Torreon, CU	\$7,226	\$133	\$75.19	\$2.04	0
Sorghum	TX	Guadalajara, JA	\$7,150	\$137	\$74.45	\$1.89	-2
	NE	Celaya, GJ	\$7,404	\$191	\$77.60	\$1.97	-4
	KS	Queretaro, QA	\$7,255	\$120	\$75.35	\$1.91	4
	NE	Salinas Victoria, NL	\$5,883	\$141	\$61.54	\$1.56	2
	NE	Torreon, CU	\$6,662	\$157	\$69.67	\$1.77	0

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.

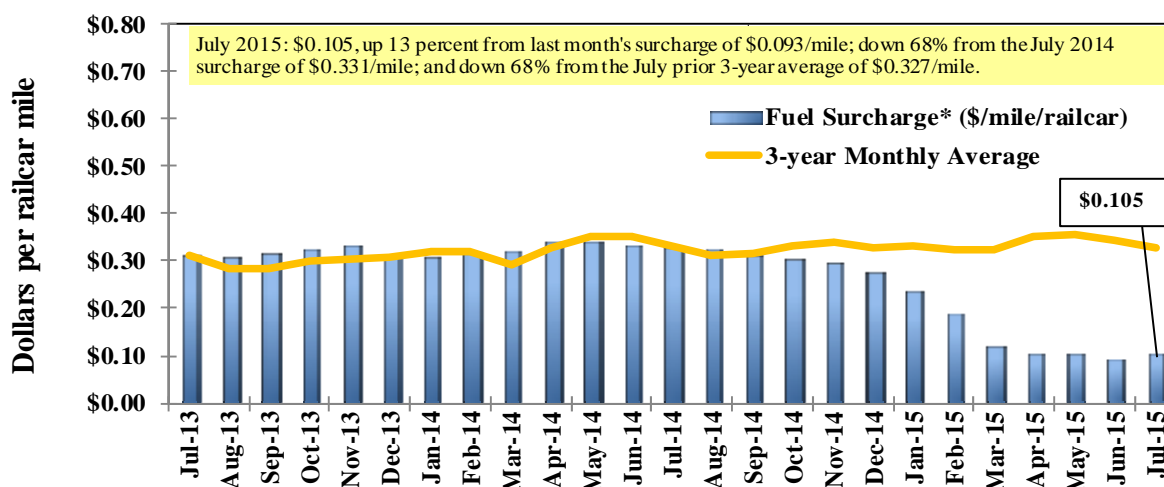
²Fuel surcharge adjusted to reflect the change in Ferrocarril Mexicano, S.A. de C.V railroad fuel surcharge policy as of 10/01/2009

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.

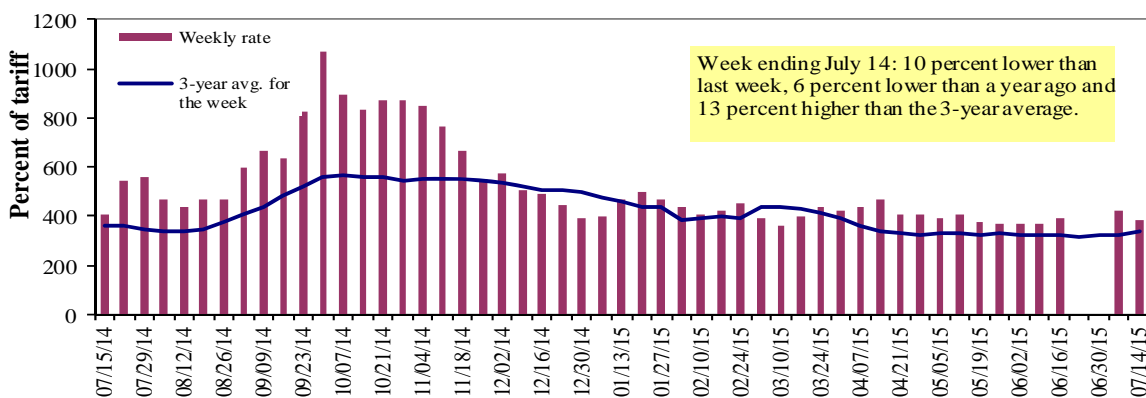
*** CSX strike price changed from \$2.00/gal. to \$3.75/gal. starting January 1, 2015.

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	7/14/2015	472	395	382	270	318	318	235
	7/7/2015	510	436	425	300	325	325	234
\$/ton	7/14/2015	29.22	21.01	17.72	10.77	14.91	12.85	7.38
	7/7/2015	31.57	23.20	19.72	11.97	15.24	13.13	7.35
Current week % change from the same week:								
	Last year	-7	-2	-6	-4	11	11	4
	3-year avg. ²	2	29	13	2	28	28	8
Rate¹	August	508	465	472	388	450	450	362
	October	675	675	675	608	683	683	583

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

Source: Transportation & Marketing Programs/AMS/USDA

Figure 9

Benchmark tariff rates

Calculating barge rate per ton:

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

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

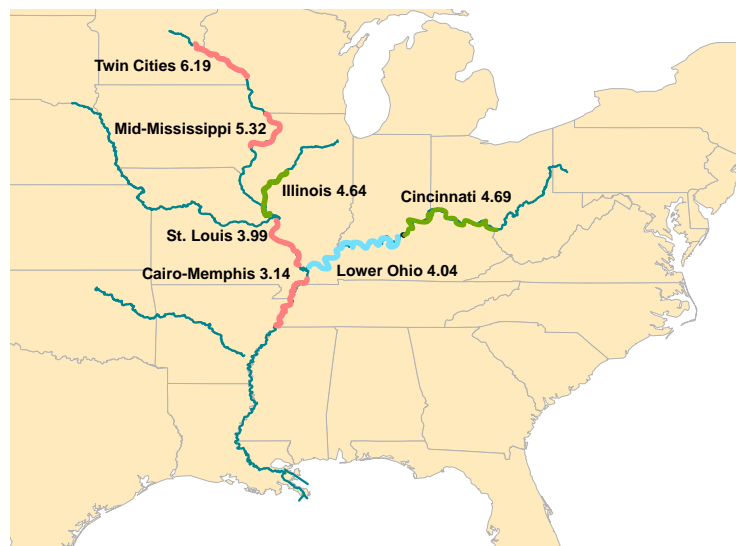
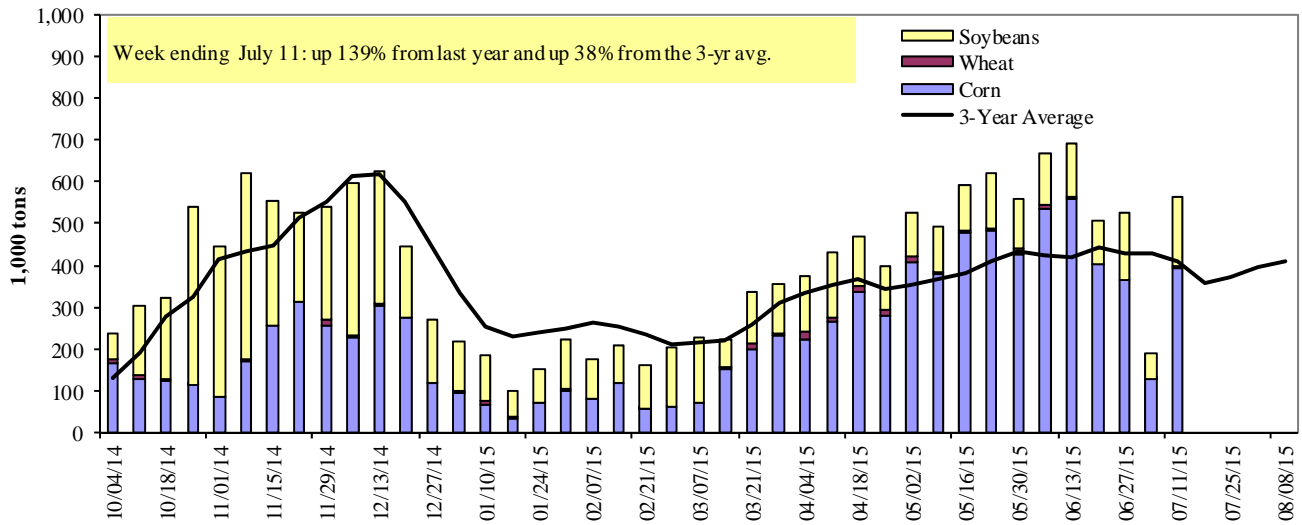


Figure 10

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 07/11/2015	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	82	5	58	5	149
Winfield, MO (L25)	301	6	127	3	437
Alton, IL (L26)	389	6	158	3	556
Granite City, IL (L27)	392	6	166	2	566
Illinois River (L8)					
Ohio River (L52)	59	53	37	0	149
Arkansas River (L1)					
	0	8	7	0	15
Weekly total - 2015	451	68	211	2	731
Weekly total - 2014	322	130	34	5	491
2015 YTD ¹	11,070	800	5,526	125	17,521
2014 YTD	12,235	1,196	4,382	117	17,930
2015 as % of 2014 YTD	90	67	126	107	98
Last 4 weeks as % of 2014 ²	79	60	308	110	94
Total 2014	20,693	2,181	11,813	258	34,946

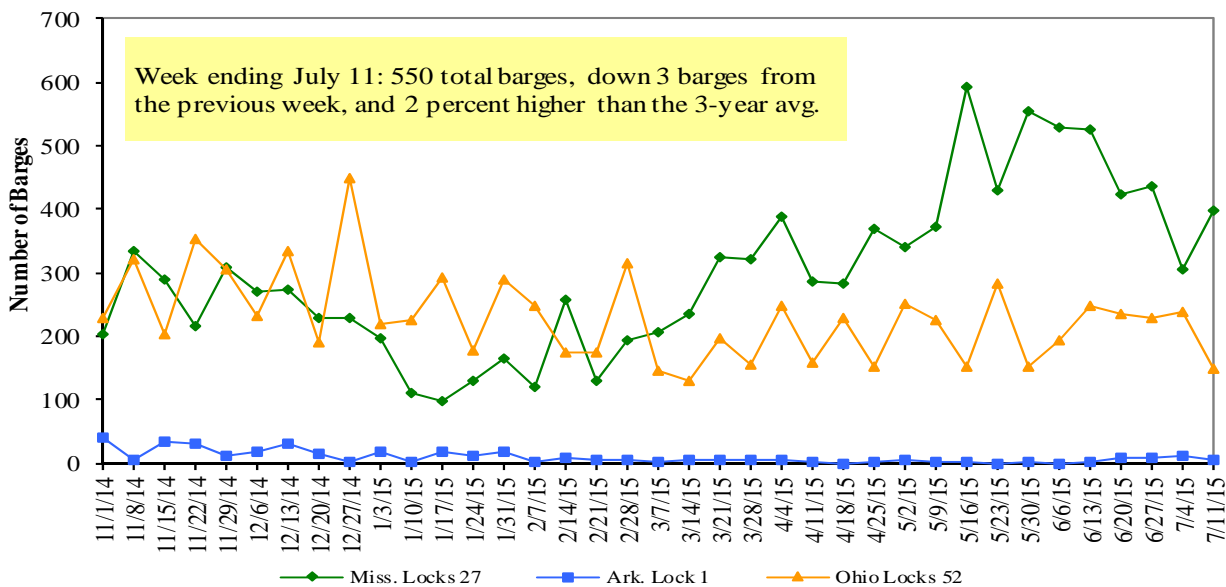
¹ Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

² As a percent of same period in 2014.

Note: Total may not add exactly, due to rounding

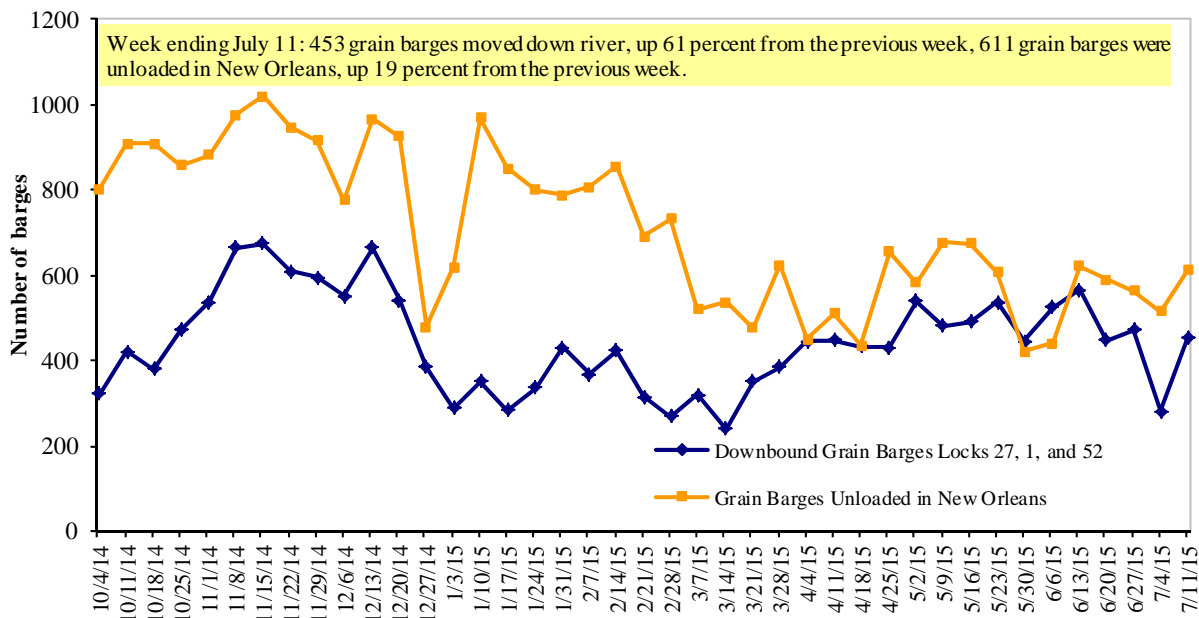
Source: U.S. Army Corps of Engineers

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 7/13/2014 (US \$/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	2.915	-0.023	-1.046
	New England	3.029	-0.031	-1.049
	Central Atlantic	3.038	-0.035	-1.013
	Lower Atlantic	2.797	-0.013	-1.069
II	Midwest ²	2.704	-0.020	-1.133
III	Gulf Coast ³	2.708	-0.004	-1.079
IV	Rocky Mountain	2.787	0.002	-1.109
V	West Coast	3.037	-0.032	-1.015
	West Coast less California	2.919	-0.059	-1.052
	California	3.133	-0.009	-0.986
Total	U.S.	2.814	-0.018	-1.080

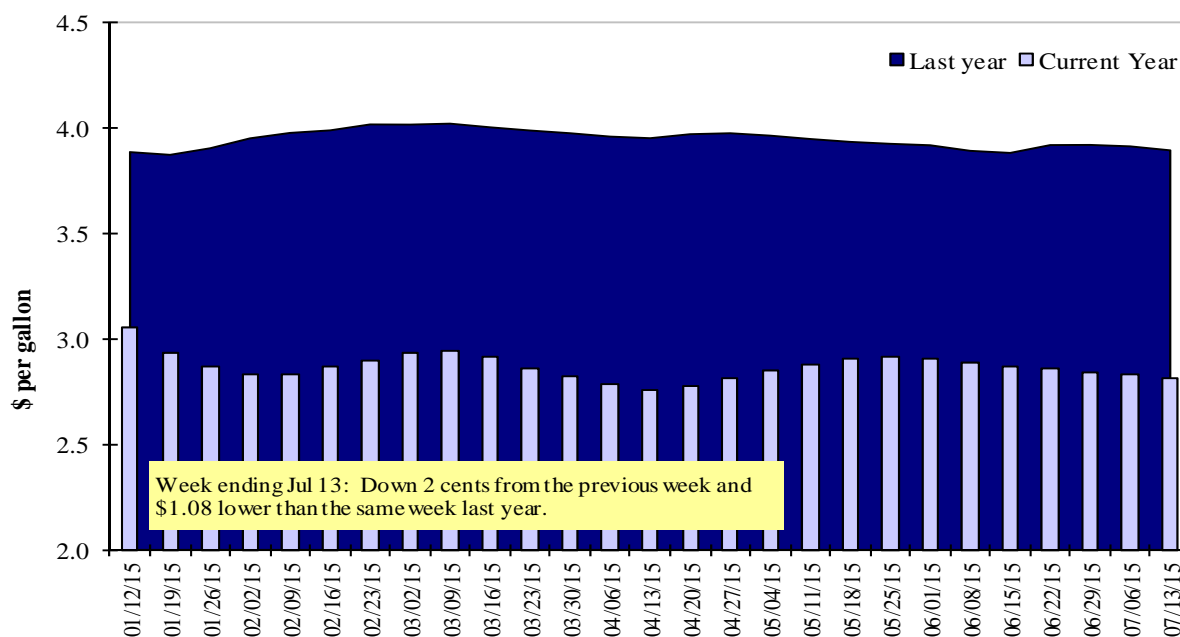
¹Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

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					All wheat	Corn	Soybeans	Total
	HRW	SRW	HRS	SWW	DUR				
Export Balances¹									
7/2/2015	1,264	883	1,459	990	201	4,795	9,028	2,688	16,512
This week year ago	1,739	1,079	2,071	988	120	5,998	8,408	1,990	16,396
Cumulative exports-marketing year²									
2014/15 YTD	486	290	364	177	79	1,396	37,182	47,858	86,436
2013/14 YTD	709	294	751	370	46	2,169	39,168	43,582	84,919
YTD 2014/15 as % of 2013/14	69	99	48	48	172	64	95	110	102
Last 4 wks as % of same period 2013/14	77	86	67	89	161	79	116	149	106
2013/14 Total	11,465	7,307	6,338	4,367	486	29,963	46,868	44,478	121,309
2012/13 Total	10,019	5,039	5,825	4,619	591	26,093	17,980	36,220	80,293

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 07/02/2015	Total Commitments ²			% change current MY from last MY	Exports ³ 3-year avg 2011-2013
	2015/16 Next MY	2014/15 Current MY	2013/14 Last MY		
	- 1,000 mt -				- 1,000 mt -
Japan	596	11,319	10,991	3	10,079
Mexico	1,528	10,500	10,416	1	8,145
Korea	1	3,595	4,356	(17)	2,965
Colombia	40	4,176	3,146	33	3,461
Taiwan	0	2,012	1,947	3	1,238
Top 5 Importers	2,165	31,602	30,856	2	25,887
Total US corn export sales	3,218	46,210	47,576	(3)	34,445
% of Projected	7%	98%	98%		
Change from prior week	149	535	363		
Top 5 importers' share of U.S. corn export sales	67%	68%	65%		75%
USDA forecast, July 2015	47,628	46,993	48,695	(3)	
Corn Use for Ethanol USDA forecast, July 2015	132,715	132,080	130,404	1	

(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 Ranking Reports - <http://apps.fas.usda.gov/export-sales/myrkaug.htm>; 3-yr average

Table 14

Top 5 Importers¹ of U.S. Soybeans

Week Ending 07/2/2015	Total Commitments ²			% change current MY from last MY	Exports ³ 3-yr avg. 2011-13
	2015/16 Next MY	2014/15 Current MY	2013/14 Last MY		
	- 1,000 mt -				- 1,000 mt -
China	2,435	29,983	27,658	8	24,211
Mexico	526	3,377	3,278	3	2,971
Indonesia	0	1,785	2,282	(22)	1,895
Japan	227	2,072	1,871	11	1,750
Taiwan	44	1,322	1,227	8	1,055
Top 5 importers	3,232	38,538	36,316	6	31,882
Total US soybean export sales	6,344	50,546	45,572	11	39,169
% of Projected	13%	103%	102%		
Change from prior week	328	41	56		
Top 5 importers' share of U.S. soybean export sales	51%	76%	80%		81%
USDA forecast, July 2015	48,308	49,260	44,824	10	

(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 07/2/2015	Total Commitments ²		% change current MY from last MY	Exports ³ 3-yr avg 2012-2014
	2015/16 Current MY	2014/15 Last MY		
	- 1,000 mt -			- 1,000 mt -
Japan	458	785	(42)	3,113
Mexico	635	1,033	(39)	2,807
Nigeria	626	484	29	2,512
Philippines	437	698	(37)	2,105
Brazil	145	952	(85)	2,091
Korea	376	541	(31)	1,273
Taiwan	289	301	(4)	1,007
Indonesia	136	259	(48)	751
Colombia	153	157	(3)	662
Thailand	136	99		618
Top 10 importers	3,255	5,209	(38)	16,939
Total US wheat export sales	6,192	8,167	(24)	26,361
% of Projected	25%	35%		
Change from prior week	346	338		
Top 10 importers' share of U.S. wheat export sales	53%	64%		64%
USDA forecast, July 2015	25,170	23,270	8	

(n) indicates negative number.

¹ Based on FAS Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Jun 1 - May 31² 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 07/09/15	Previous Week ¹	Current Week as % of Previous	2015 YTD ¹	2014 YTD ¹	2015 YTD as % of 2014 YTD	Last 4-weeks as % of		Total ¹ 2014
							2014	3-yr. avg.	
Pacific Northwest									
Wheat	74	83	89	5,576	6,936	80	43	62	12,436
Corn	239	291	82	5,254	4,795	110	116	188	7,781
Soybeans	0	0	n/a	4,054	4,486	90	0	0	12,887
Total	313	374	84	14,884	16,216	92	76	107	33,104
Mississippi Gulf									
Wheat	68	180	38	2,200	2,400	92	85	60	4,495
Corn	657	502	131	16,151	17,761	91	93	151	30,912
Soybeans	121	183	66	10,998	10,162	108	319	143	29,087
Total	846	865	98	29,349	30,322	97	106	130	64,495
Texas Gulf									
Wheat	71	35	205	2,132	3,547	60	60	37	6,120
Corn	0	0	n/a	301	346	87	92	208	580
Soybeans	0	0	n/a	210	257	82	n/a	0	949
Total	71	35	205	2,643	4,150	64	63	41	7,649
Interior									
Wheat	36	35	105	731	649	113	131	159	1,400
Corn	87	103	84	3,175	2,936	108	68	133	5,677
Soybeans	15	33	44	1,757	2,105	83	97	92	4,312
Total	138	171	81	5,663	5,690	100	180	129	11,389
Great Lakes									
Wheat	11	21	51	268	263	102	116	177	935
Corn	53	0	n/a	190	70	271	280	841	288
Soybeans	0	20	0	86	51	170	363	322	988
Total	64	41	156	544	384	142	181	309	2,211
Atlantic									
Wheat	3	36	9	311	163	191	439	349	553
Corn	0	5	0	82	428	19	22	79	816
Soybeans	3	5	59	922	990	93	295	74	2,119
Total	6	46	13	1,315	1,581	83	131	180	3,487
U.S. total from ports²									
Wheat	263	390	67	11,217	13,956	80	68	64	25,939
Corn	1,037	900	115	25,154	26,335	96	97	159	46,054
Soybeans	139	241	57	18,027	18,052	100	197	111	50,342
Total	1,438	1,531	94	54,398	58,343	93	95	115	122,335

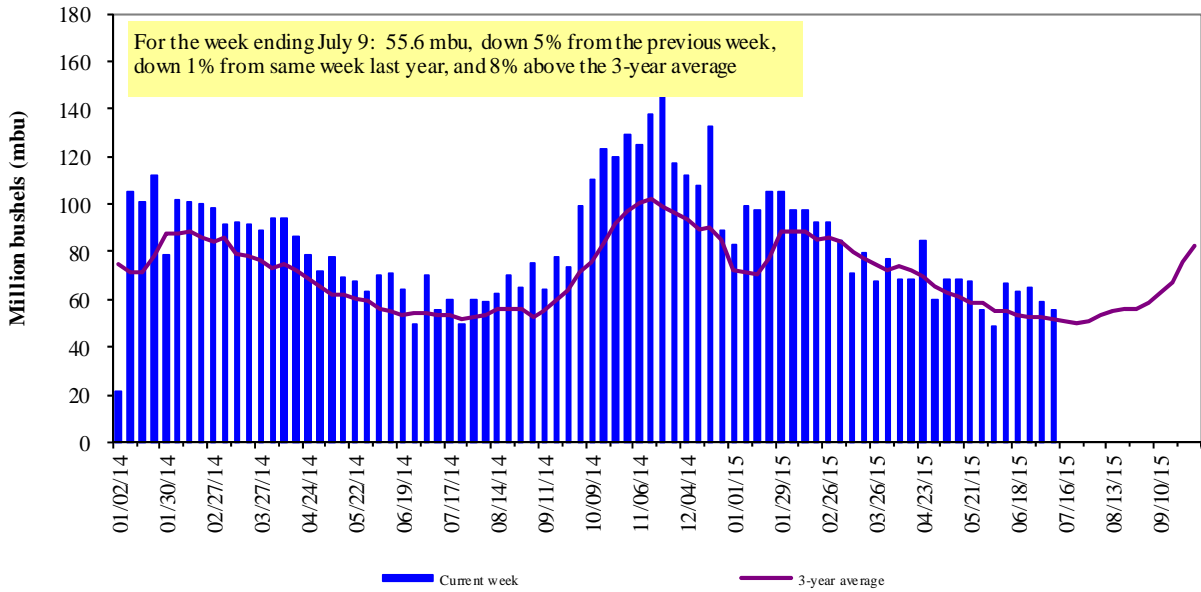
¹ Data includes revisions from prior weeks; some regional totals may not add exactly due to rounding.

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 59 percent of the U.S. export grain shipments departed through the U.S. Gulf region in 2014.

Figure 14

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

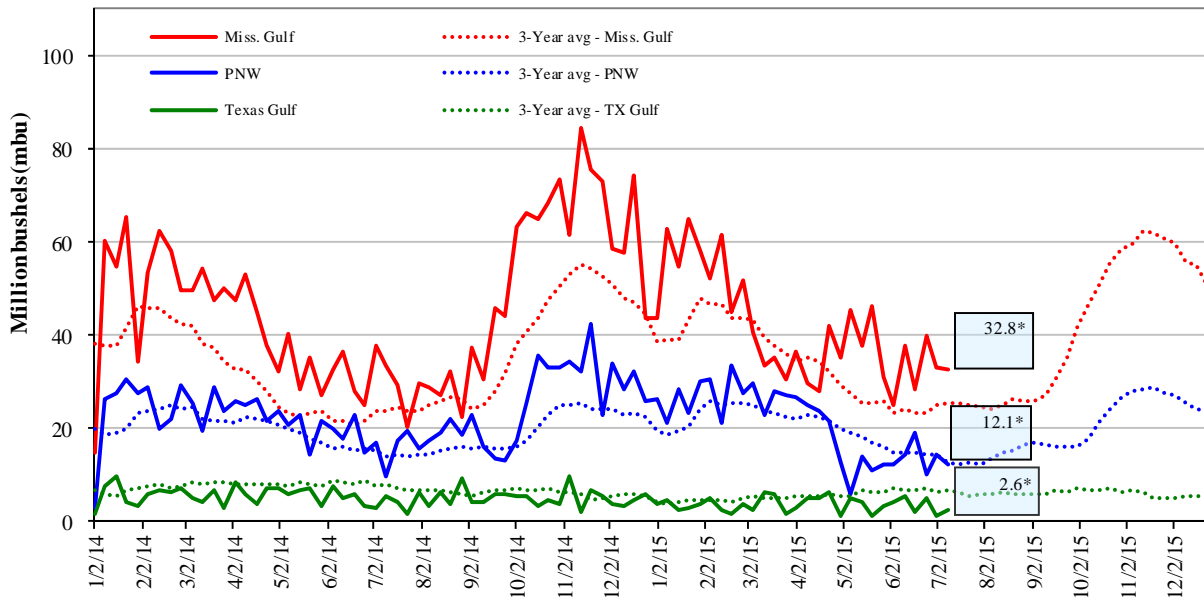


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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>July 9: % change from:</u>	<u>MSGulf</u>	<u>TX Gulf</u>	<u>U.S. Gulf</u>	<u>PNW</u>
Last week	down 1	up 105	up 3	up 16
Last year (same week)	down 2	down 53	down 10	up 23
3-yr avg. (4-wk mov. avg.)	up 29	down 61	up 10	up 12

Ocean Transportation

Table 17

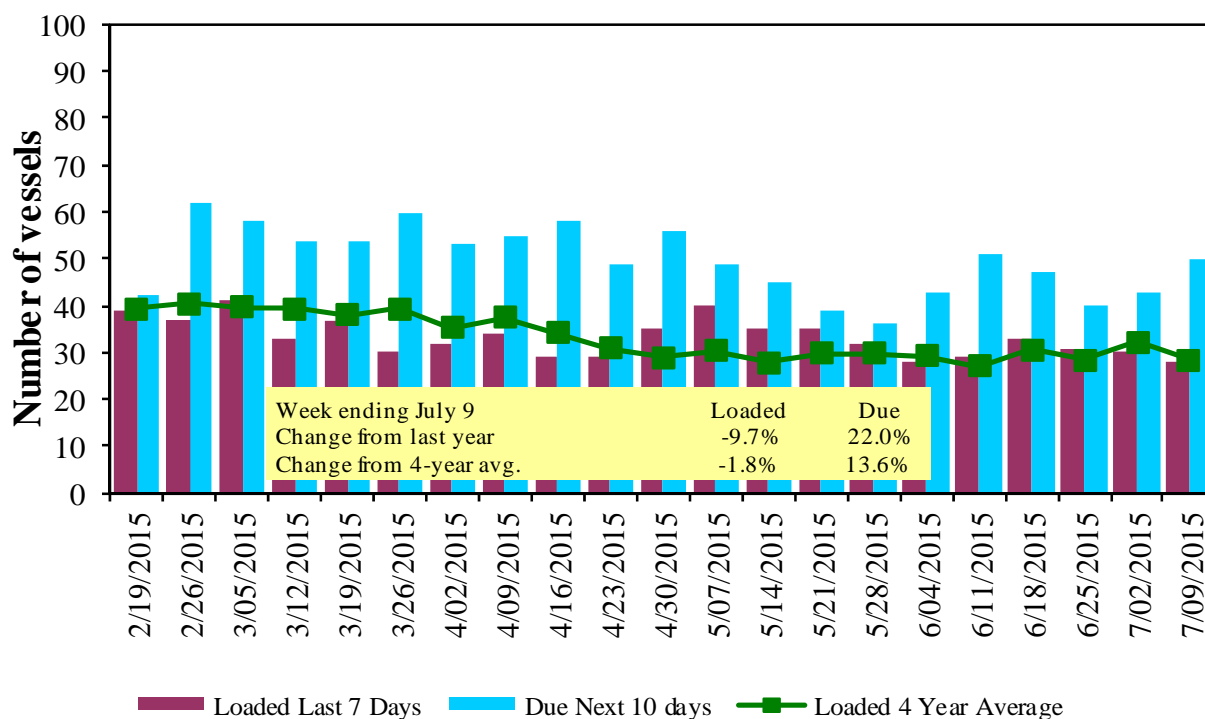
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In port	Loaded 7-days	Due next 10-days	In port	In port
7/9/2015	25	28	50	11	n/a
7/2/2015	34	30	43	9	n/a
2014 range	(18..88)	(24..52)	(27..97)	(6..26)	n/a
2014 avg.	47	39	60	15	n/a

Source: Transportation & Marketing Programs/AMS/USDA

Figure 16

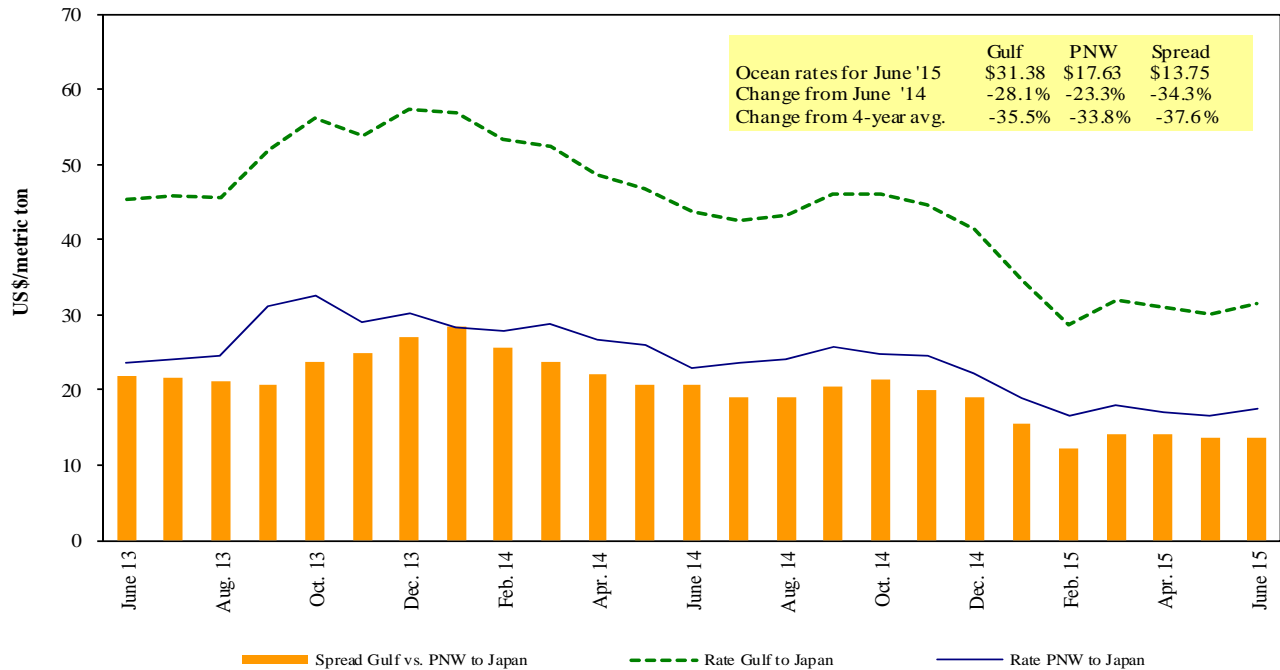
U.S. Gulf¹ Vessel Loading Activity



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 7/11/2015

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US\$/metric ton)
U.S. Gulf	China	Heavy Grain	Jul 10/15	53,000	31.75
U.S. Gulf	China	Grain	Jun 1/10	50,000	35.75
U.S. Gulf	Guatemala ¹	Corn	Jul 20/30	10,000	108.18
PNW	China	Heavy Grain	Jun 1/10	60,000	14.00
Brazil	China	Grain	Aug 1/30	60,000	23.25
Brazil	China	Heavy Grain	Jul 10/15	60,000	24.75
Brazil	China	Heavy Grain	Jul 1/10	60,000	22.75
Brazil	China	Heavy Grain	Jun 25/30	60,000	26.00
Brazil	China	Heavy Grain	Jun 20/30	60,000	21.50
Brazil	China	Heavy Grain	Jun 20/30	60,000	21.75
Brazil	China	Heavy Grain	Jun 10/20	60,000	22.25
Brazil	China	Heavy Grain	Jun 10/19	60,000	22.00
Brazil	China	Grain	Jun 15/25	60,000	21.65
Brazil	Egypt Med	Corn	Jul 5/15	50,000	19.50
River Plate	South Africa	Corn	Jul 1/10	25,000	24.25
River Plate	Vietnam	Corn	Jun 13/18	60,000	30.00
Thailand	Senegal	Rice Bggd	Jun 11/16	23,000	34.00
Uruguay	Syria	Soybean Meal	Jun 10/15	26,000	38.80

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

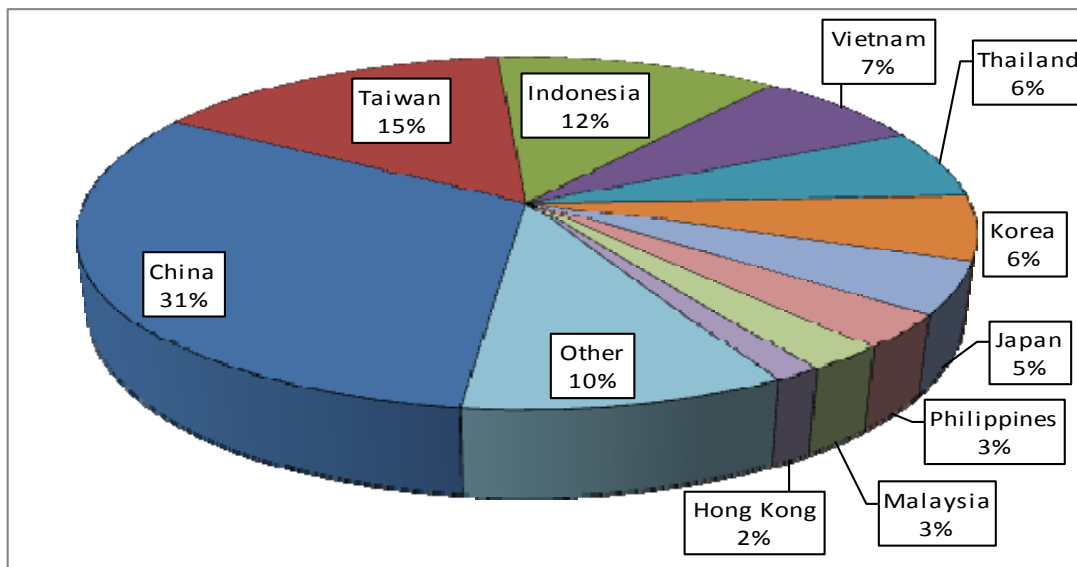
¹50 percent of food aid from the United States is required to be shipped on U.S.-flag vessels.

Source: Maritime Research Inc. (www.maritime-research.com)

In 2013, containers were used to transport 10 percent of total U.S. waterborne grain exports, up 2 percentage points from 2012. Approximately 61 percent of U.S. waterborne grain exports in 2013 went to Asia, of which 16 percent were moved in containers. Asia is the top destination for U.S. containerized grain exports—97 percent in 2013.

Figure 18

Top 10 Destination Markets for U.S. Containerized Grain Exports, January-December 2014

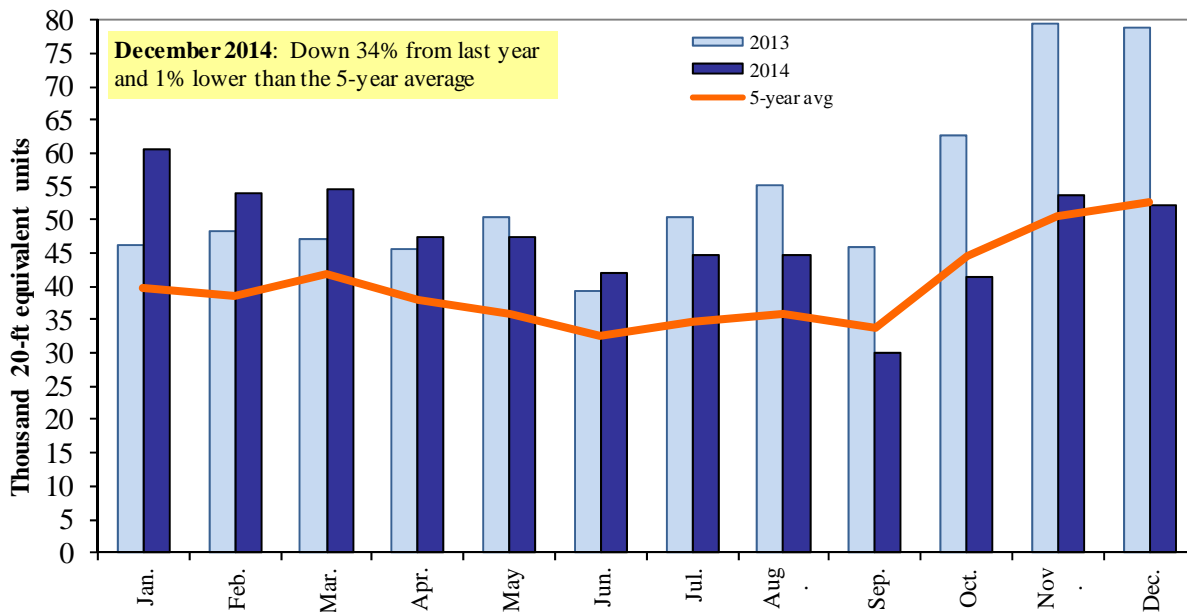


Source: USDA/Agricultural Marketing Service/Transportation Services Division analysis of Port Import Export Reporting Service (PIERS) data

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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