



Grain Transportation Report

A weekly publication of the Agricultural Marketing Service
www.ams.usda.gov/GTR

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February 19, 2015

WEEKLY HIGHLIGHTS

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U.S. Army Corps of Engineers begins Lake Pepin Ice Measurements

On February 18, the U.S. Army Corps of Engineers, St. Paul District, began taking this year's Lake Pepin ice measurements, which are used predict the opening of the Upper Mississippi River. Lake Pepin, located between Red Wing and Wabasha, MN, is the last part of the navigation channel for the ice to break up because of its slower river currents. The navigation season begins when vessels pass through Lake Pepin and arrive in St. Paul, MN. The average opening date of the navigation season in St. Paul for the last 10 years is March 24. Because of last year's extremely cold winter, the first tow to pass through Lake Pepin and make it to St. Paul occurred on April 14, 2014. Ongoing work at Lock and Dam 5A, below Lake Pepin, until March 9, will prevent any upbound tows from reaching Lake Pepin until after the construction is complete. At this time, no estimates are available for the opening of the navigation season on the Upper Mississippi River this year.

Mississippi Gulf Grain Inspections Rebound

For the week ending February 12, **total inspections of grain** (corn, wheat, soybeans) from all major export regions reached 2.53 million metric tons (mmt), down 5 percent from the past week, 6 percent below last year and 7 percent above the 3-year average. Mississippi Gulf grain inspections increased 18 percent from the past week despite the decrease in total grain inspections. Inspections of grain in the Mississippi Gulf were the highest since January 22, with an 8 and 32 percent increase in corn and soybean inspections. Pacific Northwest grain inspections dropped 30 percent from the previous week, but wheat inspections jumped 42 percent. Overall, wheat inspections increased 8 percent from the past week while corn and soybeans decreased 9 and 6 percent.

Winter Weather May Slow Grain Barge Traffic; Rail Traffic Still Above Average

The latest surge of bitterly cold weather engulfing the Midwestern and Eastern States may cause traffic disruptions like those of the winter of 2014. Some U.S. railroads have put in place special operations plans for extreme winter weather that are expected to alleviate the worst effects of this winter. U.S. railroads originated 21,179 **carloads of grain** during the week ending February 7, down 13 percent from last week, but up 16 percent from last year, and 15 percent higher than the 3-year average. Continued recent freezing temperatures, however, have built up ice that is delaying the repair activities at Mississippi River Locks 27, near St. Louis, MO. Repair work requires announced closures of the main chamber at Locks 27, but weather conditions have caused re-scheduling of the closures and may extend the completion date beyond the expected early-March time frame. Extended periods of colder temperatures may also impact portions of the Illinois River, such as Peoria Lake, which is wider and has slower river flows that are more apt to freeze. Overall, the freezing temperatures will reduce water levels and may lower barge drafts and efficiencies.

Snapshots by Sector

Export Sales

During the week ending February 5, **unshipped balances** of wheat, corn, and soybeans totaled 30.6 mmt, 12 percent lower than the same time last year. **Corn export sales** reached 1.0 mmt, up 19 percent from the previous week. **Wheat sales** reached 0.409 mmt, up 3 percent, and **soybeans sales**, at 0.745 mmt, were up 52 percent from the previous week.

Rail

During the week ending February 12, average February shuttle **secondary railcar bids/offers per car** were \$50 below tariff, up \$42 from last week and \$1,600 lower than last year. There were no non-shuttle secondary railcar bids/offers this week.

Barge

During the week ending February 14, **barge grain movements** totaled 632,302 tons—2 percent higher than the previous week and 12 percent higher than the same period last year.

During the week ending February 14, 424 grain barges **moved down river**, up 16 percent from last week; 855 grain barges were **unloaded in New Orleans**, up 6 percent from the previous week.

Ocean

During the week ending February 12, 42 **ocean-going grain vessels** were loaded in the Gulf, 13 percent less than the same period last year. Fifty-seven vessels are expected to be loaded within the next 10 days, 25 percent less than the same period last year.

During the week ending February 6, the ocean freight rate for shipping bulk grain from the Gulf to Japan was \$27.50 per mt, down 2 percent from the previous week. The cost of shipping from the PNW to Japan was \$16 per mt, unchanged from the previous week.

Fuel

During the week ending February 16, U.S. **diesel fuel prices** averaged \$2.87 per gallon, 3 cents higher than the previous week. They were down \$1.12 cents from the same week last year.

Feature Article/Calendar

Understanding Railcar Auction Markets

During the 2013/2014 marketing year, grain and oilseed shippers experienced setbacks stemming from railroad service disruptions. One of the direct financial effects were the record high prices of service contracts for empty grain railcars traded in the primary and secondary grain railcar auction markets. Normally, the prices of grain railcar service contracts do not affect grain shippers as significantly and for such an extended period of time. As reported in the [October 2, 2014, GTR](#), unexpected shifts in the demand for and supply of grain railcars typically have lasted less than 20 weeks, as measured by the duration of premiums paid in the secondary railcar auction market. However, in comparison, the 2013/2014 rail service disruptions caused high premiums for service contracts to persist for roughly 65 consecutive weeks—September 2013 through November 2014—before returning to normal levels. During this time, railcar market prices received more attention than usual, but understanding these values was not always straightforward, especially recently, as prices have fallen and begun trading at a discount in the secondary railcar auction market. This article attempts to provide a general understanding of how to interpret primary and secondary railcar auction market values.

The Purpose of Railcar Auction Markets

One way that pricing for rail movements has evolved to be more responsive to market pressures is through the development of grain railcar auction markets. Published tariff rates tend to reflect the most likely market conditions to prevail given historical precedence and future expectations; railroads adjust many of their tariff rates only once or twice per year in order to set longer term prices that account for their fixed assets and optimize their networks. Furthermore, railroads are required by law to give a 20-day notice prior to changing tariffs. Therefore, rail rates are more insulated than other modes from weekly market changes and unexpected events, including weather or transportation service disruptions. But in the short term, as new information enters the market, the optimal allocation of railcar supply with shipper demand may no longer be most efficiently allocated by the prices set by tariff rates alone. This was a characteristic of rail service prior to the late 1980's when service was priced at the tariff rate and available on a first-come-first-served basis.

Forward-guaranteed railcar service contracts were an innovation first offered by railroads in the late 1980's. These contracts offer guaranteed railcar deliveries within a specific time frame and serve as instruments against risk caused by unexpected events. They allow the supply of railcars to be continually reallocated among shippers through an auction bidding process as new information comes into the market, providing an alternative to first-come-first-served service purchased through tariff rates. There are two types of railcar auction markets—the primary market, in which service contracts are originally sold by railroads to shippers, and the secondary market, in which shippers resell service contracts among themselves. Sales in the primary market are administered by the railroads; sales in the secondary market are administered by third-party brokers.

The Primary Market

Service contracts are first auctioned by railroads to shippers in primary railcar auction markets. Because the service is guaranteed for delivery within a specific time frame, shippers pay an additional premium for service contracts directly to the railroad in addition to the underlying rail tariff for the specific movement. The amount of this premium depends on the outcome from the bidding process. Bids will be much higher during periods when grain railcars are in high demand (low supply), such as 2014, when bids reached a record \$3,618 per railcar. During periods of low demand for cars (high supply), bids will be lower and can reach as low as \$0 per railcar. In most years, bids rarely exceed \$700 per railcar for any given month. When service is purchased for \$0 in the primary market, the shipper only pays the current market price of the underlying tariff rate (and incidental costs such as fuel surcharges) associated with the movement. This is an indication of relatively low demand for grain railcars. Similarly, shippers may not even bid for service contracts if there is adequate railcar supply available through the tariff rate. GTR [Table 5](#) shows the results of weekly trading in the primary market for service contracts with guaranteed delivery within the next 4 months.

The Secondary Market

As circumstances change, shippers may buy or sell previously purchased service contracts to other shippers in the secondary railcar auction market. Depending on how supply and demand have changed, service contracts may either sell for more or less than the original price at the time of purchase from the railroads in the primary market. Thus, bids in the secondary market may either represent a premium or a discount to a grain shipper's overall cost of shipping grain by rail.

Unlike the primary market, bids in the secondary market can fall below \$0. The railroad is the seller in the primary market and has no incentive to offer guaranteed service at any price below \$0. This is because guaranteed service is available on a take-it-or-leave-it basis. A shipper will either pay some price for a guaranteed service contract or

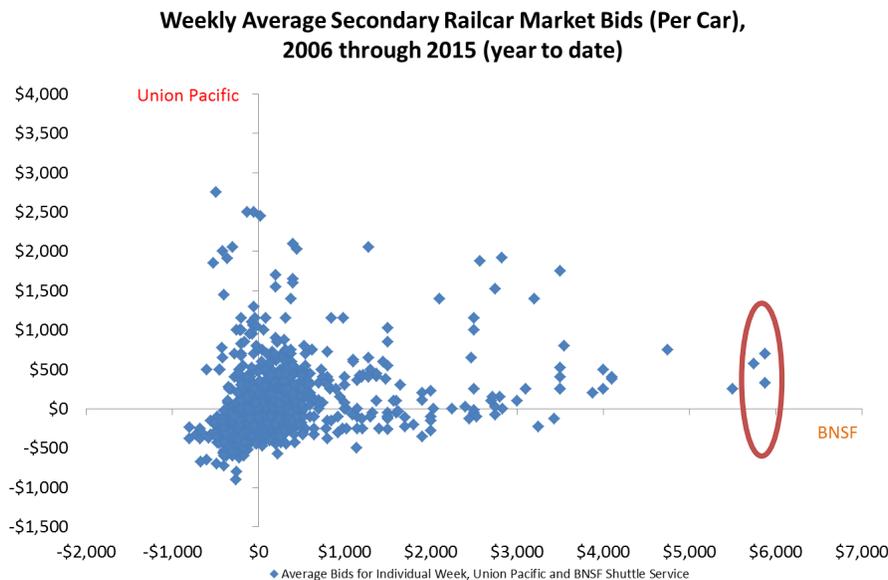
choose instead to purchase service through the tariff rate. On the other hand, the shipper is the seller in the secondary market and has already incurred some financial obligation by previously purchasing a guaranteed service contract. Thus, if a shipper later decides the contract service is no longer needed, the shipper may sell the contract to another shipper in the secondary market at a premium if railcar demand has risen (supply decreased) or at a discount if railcar demand has fallen (supply increased). When service contracts are sold at a discount relative to the price of the underlying tariff rate, bids are represented as negative values in the secondary market.

Negative Values in the Secondary Market

Bids are always relative to the underlying tariff rate in effect for the period specified by the service contract. Positive bids, like in the primary market, indicate the premium a shipper must pay in addition to the tariff rate for the service contract. Negative bids, unlike the primary market, are essentially the amount that is discounted from the underlying tariff rate. In the simplest sense, a negative bid represents a loss to the seller and a discount to the buyer. However, because service contracts can be bought and resold in the secondary market, some negative bids may still be a gain to the seller if sold at a higher negative bid than when the seller originally purchased it. For example in GTR **Figure 5**, a March contract for Union Pacific service purchased at -\$400 per car during the week ending January 15 was worth -\$150 per car for the most recent week, or \$250 more.

GTR **Table 6** shows the results of weekly trading in the secondary market for service contracts with guaranteed delivery within the next six months. Bidding trends reflecting shipper expectations for railcar supply and demand during the next three months are graphed in GTR **Figures 4, 5, and 6** and based on the weekly data shown in GTR **Table 6**.

Despite the presence of negative values in the secondary market, there is still a limit as to how much a shipper is willing to sell a service contract at a discount. Just as railroads have no incentive to sell service contracts below \$0 in the primary market, shippers have no incentive to resell service contracts at a discount that exceeds their total cost of defaulting on the shipment, which may include any premiums paid, any equipment or service charges, and any prepayments already made against the cost of the service contract. Historically, the price of service contracts for shuttle service sold on the secondary market have not fallen below minus \$1,000 per car for either Union Pacific or BNSF Railway and have tended to cluster around \$0 per car (see figure). However, they have risen as high as \$6,000 per car on BNSF Railway during last year’s rail service disruptions (circled in the figure below).



Following the record bids placed in both the primary and secondary markets during last year’s rail service problems, recent bids have fallen back into a normal range, indicating rail supply is being adequately allocated to match shipper demand by tariff rates. Although high bids for service contracts can substantially raise the total cost of shipping grain by rail, both markets remain effective strategies for grain and oilseed shippers to hedge their risk of shipping by rail. Adam.Sparger@usda.gov

Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators¹

Week ending	Truck	Rail		Barge	Ocean	
	Unit	Train	Shuttle		Gulf	Pacific
02/18/15	192	252	211	233	123	113
02/11/15	190	252	202	228	125	113

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)

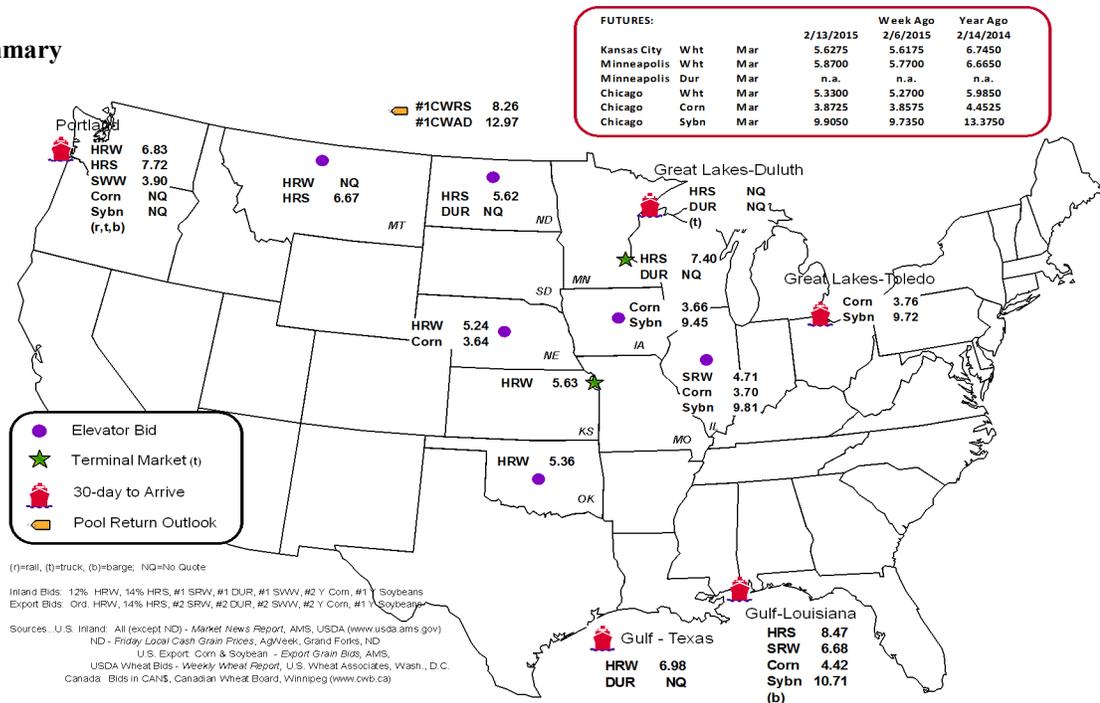
Commodity	Origin--Destination	2/13/2015	2/6/2015
Corn	IL--Gulf	-0.72	-0.77
Corn	NE--Gulf	-0.78	-0.85
Soybean	IA--Gulf	-1.26	-1.29
HRW	KS--Gulf	-1.35	-1.35
HRS	ND--Portland	-2.10	-2.03

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 ⁴
	Gulf	Texas Gulf ³	Northwest	East Gulf				
2/11/2015 ^p	616	1,302	5,773	730	8,421	2/7/2015	1,440	
2/04/2015 ^r	610	995	5,362	786	7,753	1/31/2015	1,714	
2015 YTD ^f	5,601	6,408	32,698	5,911	50,618	2015 YTD	9,332	
2014 YTD ^f	7,210	9,429	32,687	4,725	54,051	2014 YTD	10,142	
2015 YTD as % of 2014 YTD	78	68	100	125	94	% change YTD	92	
Last 4 weeks as % of 2014 ²	73	62	99	111	91	Last 4wks % 2014	96	
Last 4 weeks as % of 4-year avg. ²	94	75	129	112	114	Last 4wks % 4 yr	106	
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 Some Texas Gulf rail unload reports for grain are experiencing delays due to port improvement projects. These reports are expected to resume in mid to late February.

⁴ Cross-border weekly data is approximately 15 percent below the Association of American Railroads reported weekly carloads received by Mexican railroads to reflect switching between KCSM and FerroMex.

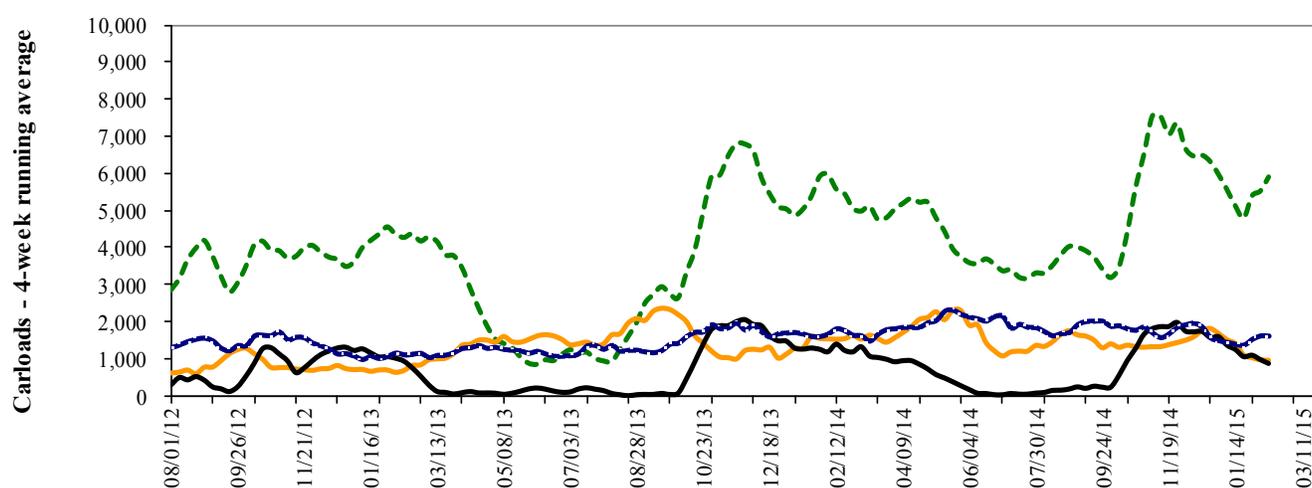
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

Source: Transportation & Marketing Programs/AMS/USDA

Railroads originate approximately 29 percent of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Figure 2

Rail Deliveries to Port



--- Pacific Northwest: 4 wks. ending 2/11--down 1% from same period last year; up 29% from 4-year average
--- Texas Gulf: 4 wks. ending 2/11--down 38% from same period last year; down 25% from 4-year average
--- Miss. River: 4 wks. ending 2/11--down 27% from same period last year; down 6% from 4-year average
--- Cross-border: 4 wks. ending 2/07--down 4% from same period last year; up 6% from 4-year average

Source: Transportation & Marketing Programs/AMS/USDA

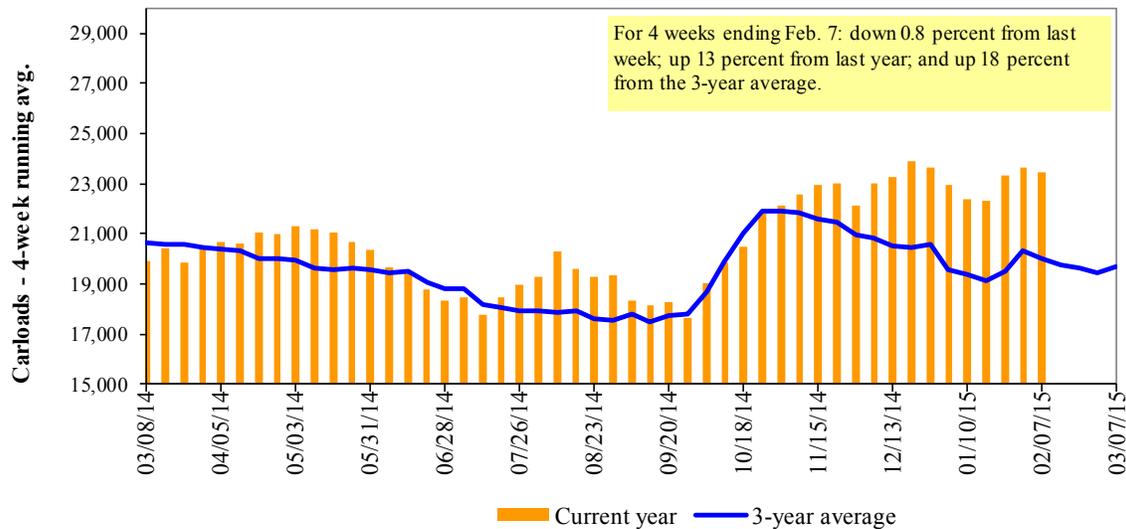
Table 4

Class I Rail Carrier Grain Car Bulletin (grain carloads originated)

Week ending	East		West			U.S. total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
02/07/15	1,764	2,961	9,703	1,065	5,686	21,179	4,374	4,705
This week last year	1,944	2,881	9,217	997	5,706	20,745	3,201	4,747
2015 YTD	12,163	16,215	53,932	4,269	29,250	115,829	20,729	22,715
2014 YTD	10,716	15,368	42,828	5,231	30,036	104,179	18,755	23,453
2015 YTD as % of 2014 YTD	114	106	126	82	97	111	111	97
Last 4 weeks as % of 2014 ¹	111	103	124	82	96	110	107	94
Last 4 weeks as % of 3-yr avg. ²	121	108	118	115	118	116	108	87
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							
	Feb-15	Feb-14	Mar-15	Mar-14	Apr-15	Apr-14	May-15	May-14
2/12/2015								
BNSF ³								
COT grain units	no offer	no offer	no offer	no offer	no offer	no offer	no offer	no offer
COT grain single-car ⁵	no offer	no offer	no offer	no offer	no offer	no offer	no offer	no offer
UP ⁴								
GCAS/Region 1	no offer	no offer	no offer	no offer	no offer	227	n/a	n/a
GCAS/Region 2	no offer	no offer	no offer	no offer	no offer	1	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.

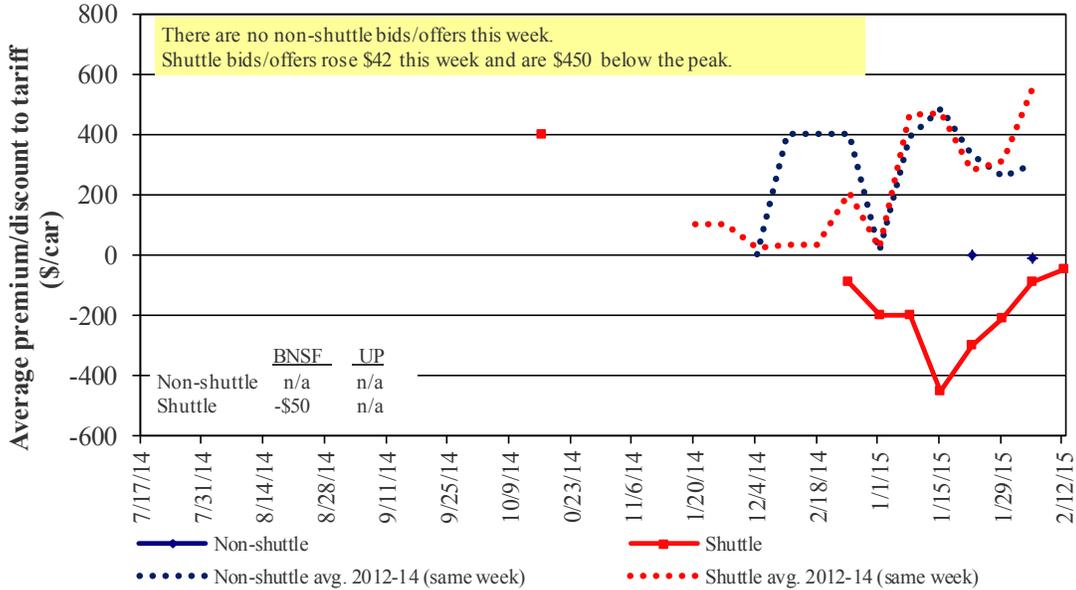
⁵Range is shown because average is not available. Not available = n/a.

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 February 2015, Secondary Market

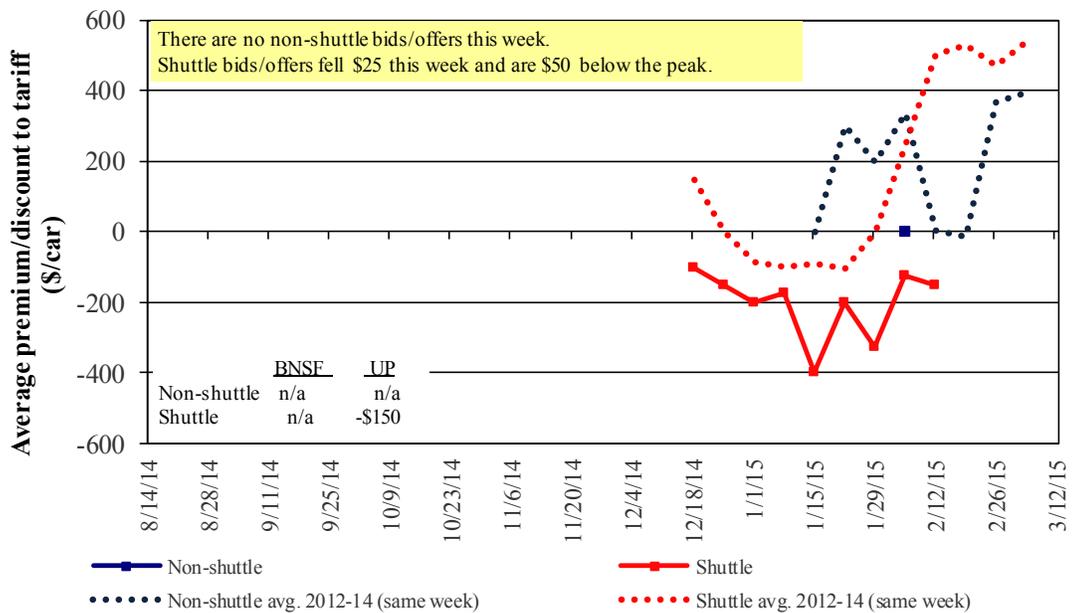


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

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

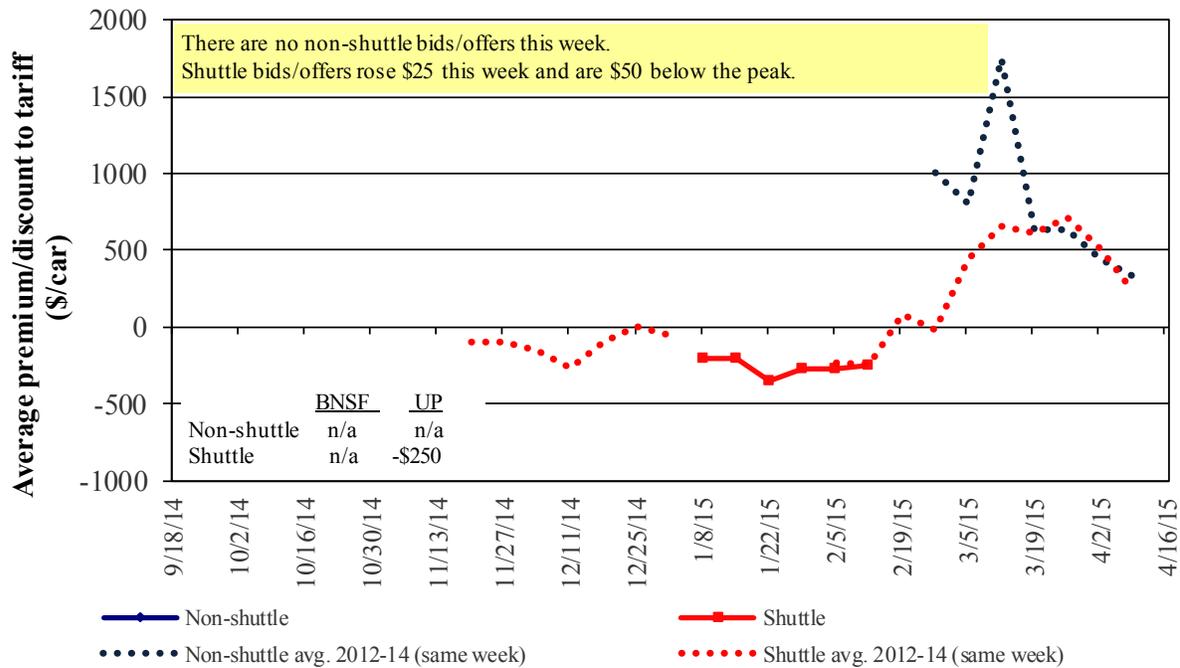


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in April 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					
	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-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 2014	n/a	n/a	n/a	n/a	n/a	n/a
UP-Pool	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
Shuttle²						
BNSF-GF	(50)	n/a	n/a	n/a	n/a	n/a
Change from last week	(217)	n/a	n/a	n/a	n/a	n/a
Change from same week 2014	(2,550)	n/a	n/a	n/a	n/a	n/a
UP-Pool	n/a	(150)	(250)	(250)	(250)	(250)
Change from last week	n/a	125	25	25	25	25
Change from same week 2014	n/a	(700)	n/a	n/a	(200)	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:			Tariff	Fuel	Tariff plus surcharge per:		Percent	
2/1/2015	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	\$3,387	\$137	\$34.99	\$0.95	4	
	Grand Forks, ND	Duluth-Superior, MN	\$3,596	\$69	\$36.39	\$0.99	-1	
	Wichita, KS	Los Angeles, CA	\$6,244	\$352	\$65.50	\$1.78	-3	
	Wichita, KS	New Orleans, LA	\$4,026	\$240	\$42.37	\$1.15	3	
	Sioux Falls, SD	Galveston-Houston, TX	\$5,824	\$289	\$60.70	\$1.65	-2	
	Northwest KS	Galveston-Houston, TX	\$4,293	\$263	\$45.25	\$1.23	3	
	Amarillo, TX	Los Angeles, CA	\$4,492	\$366	\$48.25	\$1.31	2	
Corn	Champaign-Urbana, IL	New Orleans, LA	\$3,328	\$272	\$35.75	\$0.91	1	
	Toledo, OH	Raleigh, NC	\$5,555	\$312	\$58.26	\$1.48	15	
	Des Moines, IA	Davenport, IA	\$2,168	\$58	\$22.10	\$0.56	3	
	Indianapolis, IN	Atlanta, GA	\$4,761	\$234	\$49.60	\$1.26	14	
	Indianapolis, IN	Knoxville, TN	\$4,104	\$150	\$42.25	\$1.07	16	
Soybeans	Des Moines, IA	Little Rock, AR	\$3,308	\$169	\$34.53	\$0.88	1	
	Des Moines, IA	Los Angeles, CA	\$4,852	\$492	\$53.07	\$1.35	-9	
	Minneapolis, MN	New Orleans, LA	\$3,849	\$283	\$41.03	\$1.12	3	
	Toledo, OH	Huntsville, AL	\$4,676	\$221	\$48.63	\$1.32	23	
	Indianapolis, IN	Raleigh, NC	\$5,625	\$314	\$58.98	\$1.61	15	
	Indianapolis, IN	Huntsville, AL	\$4,368	\$150	\$44.87	\$1.22	26	
	Champaign-Urbana, IL	New Orleans, LA	\$3,974	\$272	\$42.16	\$1.15	3	
Shuttle Train								
Wheat	Great Falls, MT	Portland, OR	\$3,678	\$202	\$38.53	\$1.05	-3	
	Wichita, KS	Galveston-Houston, TX	\$3,471	\$158	\$36.03	\$0.98	-10	
	Chicago, IL	Albany, NY	\$4,723	\$292	\$49.80	\$1.36	16	
	Grand Forks, ND	Portland, OR	\$5,159	\$350	\$54.70	\$1.49	-3	
	Grand Forks, ND	Galveston-Houston, TX	\$6,084	\$364	\$64.03	\$1.74	-3	
	Northwest KS	Portland, OR	\$5,260	\$432	\$56.52	\$1.54	1	
	Corn	Minneapolis, MN	Portland, OR	\$5,000	\$426	\$53.88	\$1.37	-4
		Sioux Falls, SD	Tacoma, WA	\$4,960	\$390	\$53.13	\$1.35	-4
		Champaign-Urbana, IL	New Orleans, LA	\$3,147	\$272	\$33.95	\$0.86	1
		Lincoln, NE	Galveston-Houston, TX	\$3,510	\$227	\$37.11	\$0.94	-3
Des Moines, IA		Amarillo, TX	\$3,690	\$212	\$38.75	\$0.98	1	
Minneapolis, MN		Tacoma, WA	\$5,000	\$422	\$53.85	\$1.37	-4	
Council Bluffs, IA		Stockton, CA	\$4,400	\$437	\$48.03	\$1.22	-4	
Soybeans	Sioux Falls, SD	Tacoma, WA	\$5,520	\$390	\$58.69	\$1.60	-3	
	Minneapolis, MN	Portland, OR	\$5,530	\$426	\$59.14	\$1.61	-4	
	Fargo, ND	Tacoma, WA	\$5,430	\$347	\$57.36	\$1.56	-3	
	Council Bluffs, IA	New Orleans, LA	\$4,425	\$313	\$47.05	\$1.28	3	
	Toledo, OH	Huntsville, AL	\$3,851	\$221	\$40.44	\$1.10	29	
Grand Island, NE	Portland, OR	\$5,360	\$442	\$57.62	\$1.57	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	
				surcharge per car ²	Tariff plus surcharge per: metric ton ³ / bushel ³		
Wheat	MT	Chihuahua, CI	\$6,960	\$370	\$74.89	\$2.04	6
	OK	Cuautitlan, EM	\$6,565	\$449	\$71.66	\$1.95	3
	KS	Guadalajara, JA	\$7,010	\$434	\$76.06	\$2.07	3
	TX	Salinas Victoria, NL	\$3,885	\$169	\$41.43	\$1.13	29
Corn	IA	Guadalajara, JA	\$8,349	\$510	\$90.52	\$2.30	1
	SD	Celaya, GJ	\$7,656	\$484	\$83.17	\$2.11	-3
	NE	Queretaro, QA	\$7,535	\$453	\$81.62	\$2.07	0
	SD	Salinas Victoria, NL	\$5,880	\$368	\$63.84	\$1.62	-3
	MO	Tlalnepantla, EM	\$6,887	\$440	\$74.87	\$1.90	-1
	SD	Torreon, CU	\$6,922	\$405	\$74.87	\$1.90	0
Soybeans	MO	Bojay (Tula), HG	\$8,261	\$431	\$88.81	\$2.41	2
	NE	Guadalajara, JA	\$8,872	\$492	\$95.68	\$2.60	2
	IA	El Castillo, JA	\$9,155	\$481	\$98.46	\$2.68	1
	KS	Torreon, CU	\$7,189	\$305	\$76.57	\$2.08	2
Sorghum	TX	Guadalajara, JA	\$7,253	\$315	\$77.33	\$1.96	2
	NE	Celaya, GJ	\$7,287	\$439	\$78.94	\$2.00	-2
	KS	Queretaro, QA	\$6,795	\$276	\$72.25	\$1.83	0
	NE	Salinas Victoria, NL	\$5,500	\$323	\$59.50	\$1.51	-1
	NE	Torreon, CU	\$6,518	\$361	\$70.28	\$1.78	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.

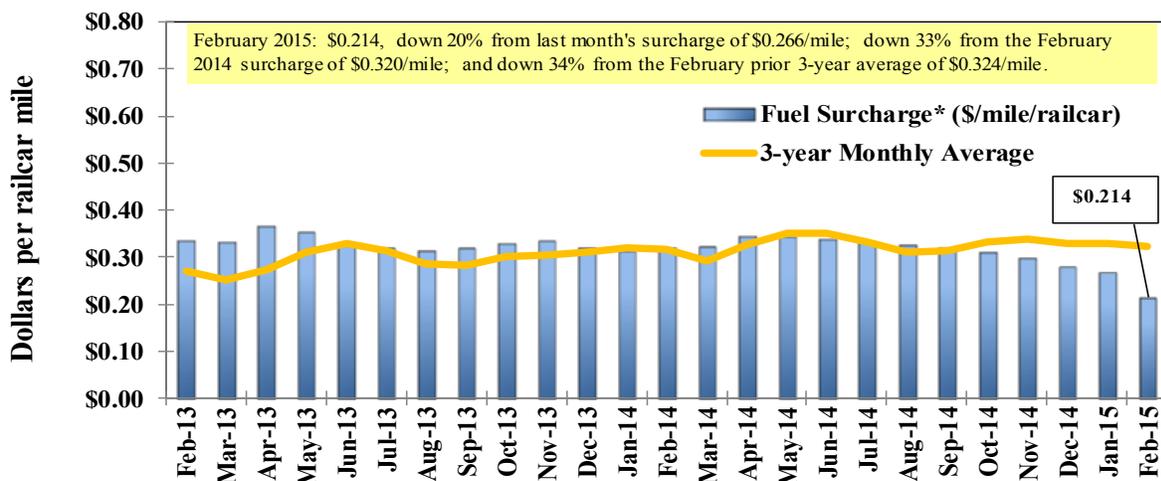
²Fuel surcharge adjusted to reflect the change in Ferrocarril Mexicano, S.A. de C.V railroad fuel surcharge policy as of 10/01/2009

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.

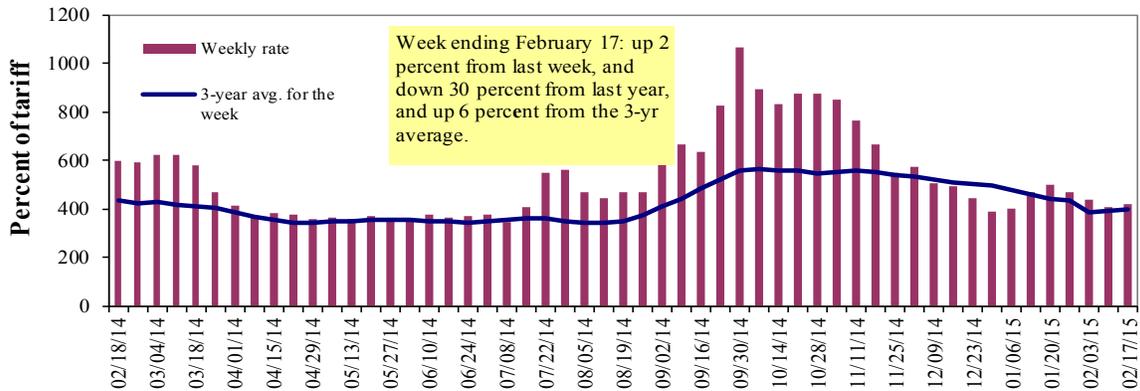
** BNSF strike price (diesel price when fuel surcharges begin) changed from \$1.25/gal. to \$2.50/gal starting March 1, 2011. As a result, the weighted average fuel surcharge for March 2011 was \$0.227/mile instead of \$0.331/mile.

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	2/17/2015	-	-	420	275	320	320	220
	2/10/2015	-	-	410	300	347	347	243
\$/ton	2/17/2015	-	-	19.49	10.97	15.01	12.93	6.91
	2/10/2015	-	-	19.02	11.97	16.27	14.02	7.63
Current week % change from the same week:								
	Last year	-	-	-30	-41	-30	-30	-29
	3-year avg. ²	-	-	6	-22	-9	-9	-14
Rate¹	March	-	-	360	260	292	292	215
	May	387	338	335	238	275	275	207

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

Source: Transportation & Marketing Programs/AMS/USDA

Figure 9

Benchmark tariff rates

Calculating barge rate per ton:

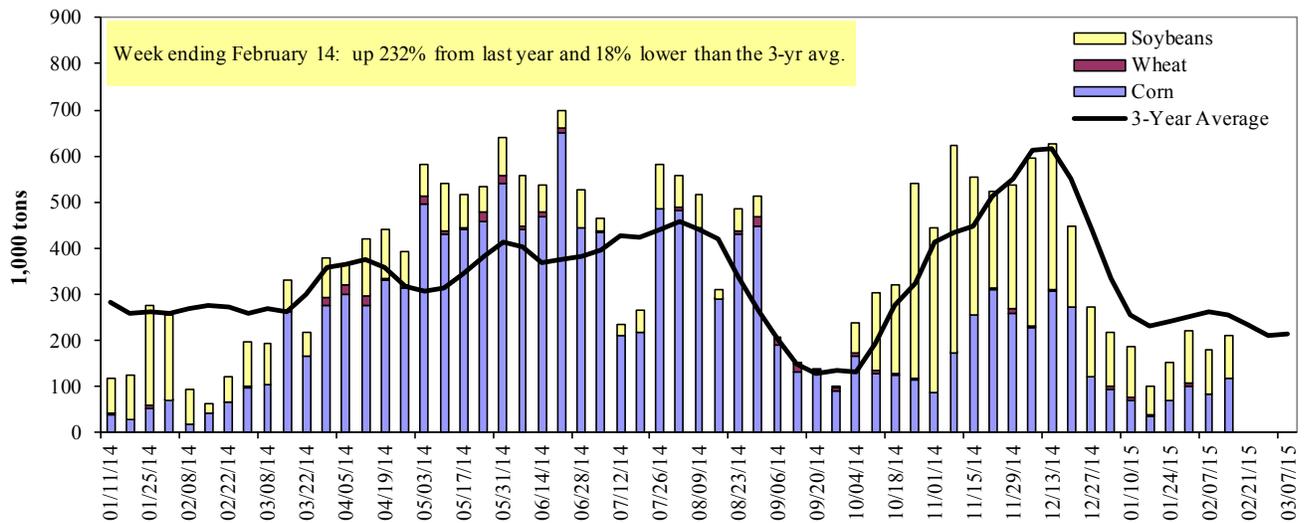
$$(\text{Rate} * 1976 \text{ tariff benchmark rate per ton}) / 100$$

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 02/14/2015	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	0	0	0	0	0
Winfield, MO (L25)	3	0	0	0	3
Alton, IL (L26)	97	0	105	0	202
Granite City, IL (L27)	117	0	92	0	210
Illinois River (L8)	84	0	88	0	172
Ohio River (L52)	199	15	144	0	357
Arkansas River (L1)	0	10	56	0	66
Weekly total - 2015	316	25	292	0	632
Weekly total - 2014	309	18	240	1	568
2015 YTD ¹	1,608	131	1,795	36	3,570
2014 YTD	1,337	103	2,062	28	3,531
2015 as % of 2014 YTD	120	127	87	127	101
Last 4 weeks as % of 2014 ²	115	77	82	56	93
Total 2014	20,693	2,181	11,813	258	34,946

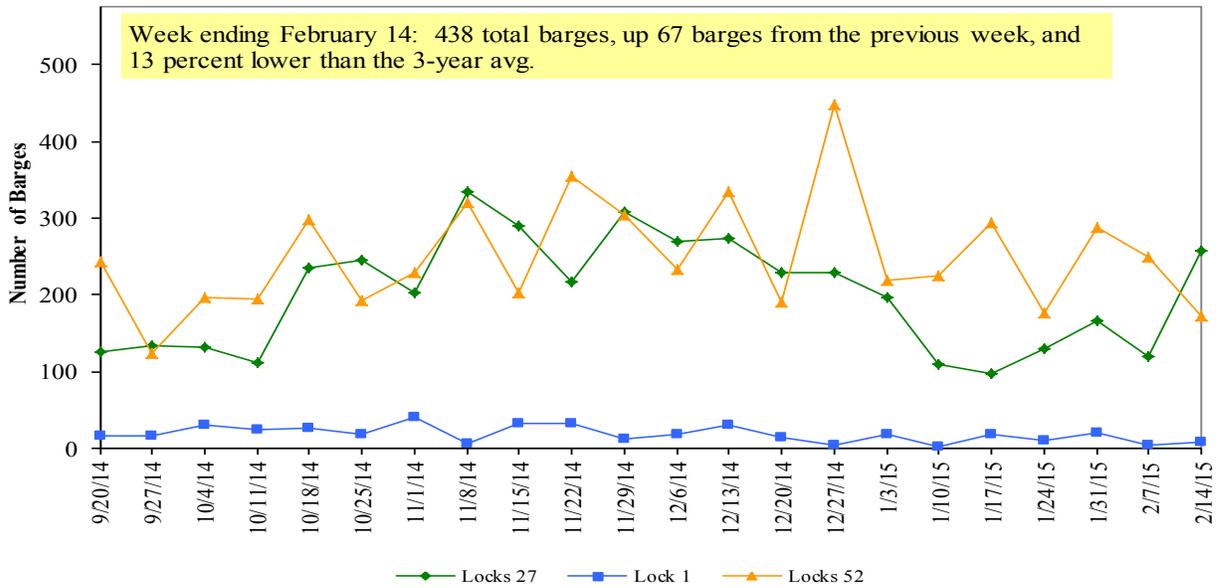
¹ Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

² As a percent of same period in 2014.

Note: Total may not add exactly, due to rounding

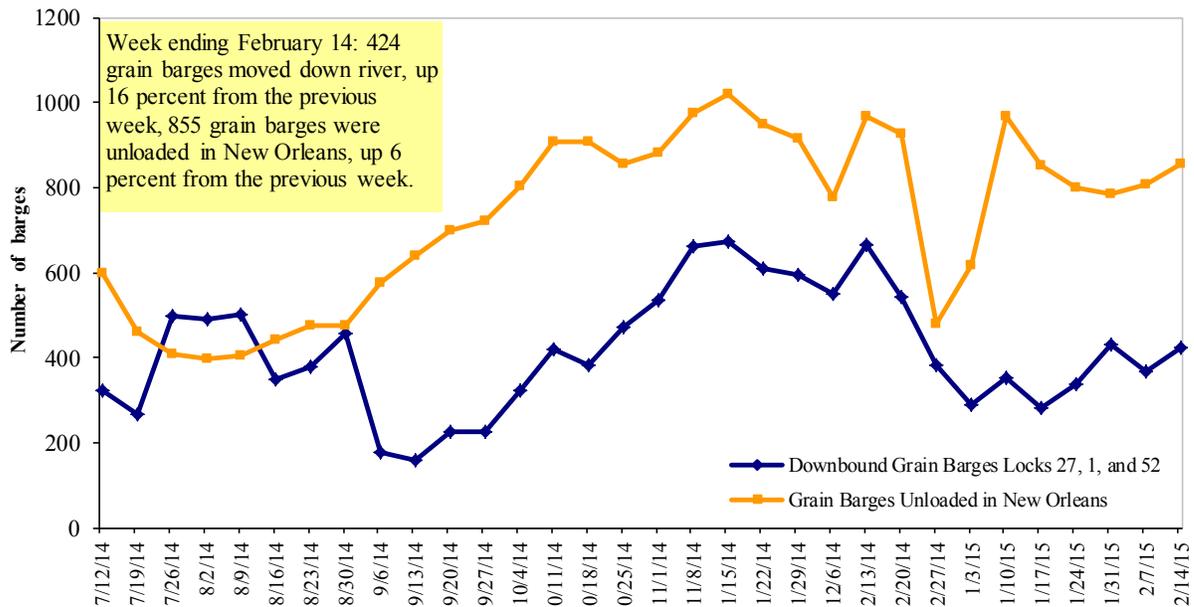
Source: U.S. Army Corps of Engineers

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 02/16/2014 (US \$/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	2.960	0.030	-1.169
	New England	3.084	0.045	-1.289
	Central Atlantic	3.084	0.042	-1.273
	Lower Atlantic	2.841	0.019	-1.072
II	Midwest ²	2.792	0.023	-1.201
III	Gulf Coast ³	2.783	0.022	-1.000
IV	Rocky Mountain	2.770	-0.006	-1.135
V	West Coast	2.997	0.073	-1.003
	West Coast less California	2.817	0.061	-1.094
	California	3.142	0.081	-0.933
Total	U.S.	2.865	0.030	-1.124

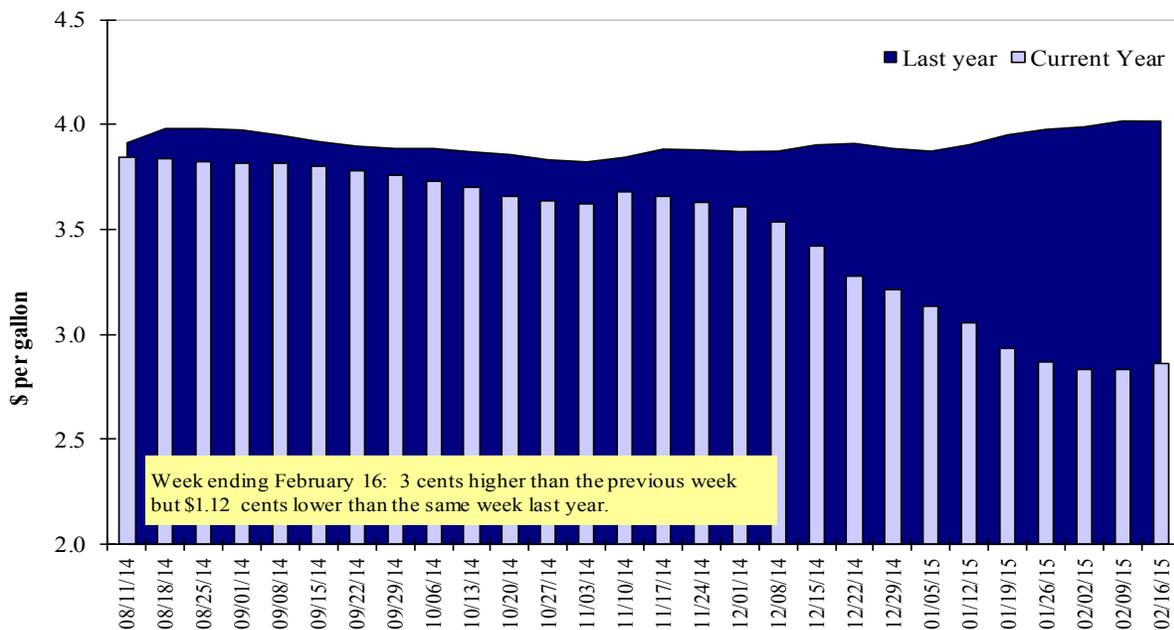
¹Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

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									
2/5/2015	1,547	786	1,814	1,056	110	5,313	17,209	8,037	30,559
This week year ago	1,727	1,212	1,569	1,036	176	5,720	18,887	10,107	34,714
Cumulative exports-marketing year²									
2014/15 YTD	4,799	2,629	4,926	2,598	478	15,431	15,942	38,146	69,519
2013/14 YTD	8,419	6,023	4,045	2,788	297	21,572	15,593	32,947	70,112
YTD 2014/15 as % of 2013/14	57	44	122	93	161	72	102	116	99
Last 4 wks as % of same period 2013/14	89	64	117	97	56	92	89	96	92
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 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 02/05/2015	Total Commitments ²		% change current MY from last MY	Exports ³ 3-year avg 2011-2013
	2014/15 Current MY	2013/14 Last MY		
	- 1,000 mt -			- 1,000 mt -
Japan	6,743	7,193	(6)	10,079
Mexico	8,010	8,325	(4)	8,145
Korea	1,855	1,753	6	2,965
Colombia	2,536	1,473	72	3,461
Taiwan	754	957	(21)	1,238
Top 5 Importers	19,898	19,700	1	25,887
Total US corn export sales	33,151	34,480	(4)	34,445
% of Projected	75%	71%		
Change from prior week	1,003	1,270		
Top 5 importers' share of U.S. corn export sales	60%	57%		75%
USDA forecast, February 2015	44,450	48,700	(9)	
Corn Use for Ethanol USDA forecast, February 2015	133,350	130,404	2	

(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 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 02/05/2015	Total Commitments ²		% change current MY from last MY	Exports ³ 3-yr avg. 2011-13
	2014/15 Current MY	2013/14 Last MY		
	- 1,000 mt -			- 1,000 mt -
China	29,071	27,959	4	24,211
Mexico	2,457	2,285	7	2,971
Indonesia	1,144	1,581	(28)	1,895
Japan	1,330	1,325	0	1,750
Taiwan	1,096	951	15	1,055
Top 5 importers	35,098	34,102	3	31,882
Total US soybean export sales	46,182	43,054	7	39,169
% of Projected	95%	96%		
Change from prior week*	745	174		
Top 5 importers' share of U.S. soybean export sales	76%	79%		81%
USDA forecast, February 2015	48,720	44,820	9	

(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)

* Includes revisions to previous week's data.

Table 15

Top 10 Importers¹ of All U.S. Wheat

Week Ending 02/05/2015	Total Commitments ²		% change current MY from last MY	Exports ³ 3-yr avg 2011-2013
	2014/15 Current MY	2013/14 Last MY		
	- 1,000 mt -			- 1,000 mt -
Japan	2,718	2,425	12	3,243
Mexico	2,372	2,510	(5)	3,066
Nigeria	1,877	2,443	(23)	2,960
Philippines	2,044	1,635	25	2,006
China	273	4,197	(93)	1,830
Brazil	1,506	3,735	(60)	1,617
Korea	1,146	1,175	(2)	1,552
Taiwan	903	811	11	969
Indonesia	427	755	(43)	813
Colombia	539	693	(22)	610
Top 10 importers	13,805	20,379	(32)	18,665
Total US wheat export sales	20,744	27,291	(24)	27,696
% of Projected	85%	85%		
Change from prior week*	409	597		
Top 10 importers' share of U.S. wheat export sales	67%	75%		67%
USDA forecast, February 2015	24,490	32,010	(23)	

(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 02/12/15	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	299	210	142	1,311	1,115	118	117	88	12,436
Corn	2	102	2	470	440	107	147	95	7,781
Soybeans	276	516	53	2,403	2,329	103	112	121	12,887
Total	576	828	70	4,184	3,883	108	117	106	33,104
Mississippi Gulf									
Wheat	66	110	60	427	491	87	67	59	4,495
Corn	536	498	108	2,966	2,260	131	128	126	30,912
Soybeans	1,033	781	132	6,056	4,787	127	128	134	29,087
Total	1,635	1,389	118	9,449	7,538	125	124	125	64,495
Texas Gulf									
Wheat	32	71	46	259	576	45	39	37	6,120
Corn	0	58	0	121	111	109	105	222	580
Soybeans	34	0	n/a	182	202	90	80	214	949
Total	67	129	52	562	890	63	57	71	7,649
Interior									
Wheat	26	28	91	138	125	110	165	108	1,400
Corn	140	87	160	617	537	115	86	95	5,677
Soybeans	59	88	67	587	566	104	90	111	4,312
Total	225	203	111	1,342	1,229	109	129	103	11,389
Great Lakes									
Wheat	0	0	n/a	0	0	n/a	n/a	0	935
Corn	0	0	n/a	0	0	n/a	n/a	0	288
Soybeans	0	0	n/a	0	0	n/a	0	0	988
Total	0	0	n/a	0	0	n/a	0	0	2,211
Atlantic									
Wheat	29	0	n/a	30	0	n/a	n/a	6	553
Corn	0	0	n/a	0	8	0	0	0	816
Soybeans	0	107	0	479	379	126	164	150	2,119
Total	29	107	27	509	388	131	165	138	3,487
U.S. total from ports²									
Wheat	452	419	108	2,165	2,307	94	86	81	25,939
Corn	678	745	91	4,174	3,357	124	90	90	46,054
Soybeans	1,402	1,491	94	9,708	8,264	117	129	171	50,342
Total	2,532	2,655	95	16,046	13,928	115	112	130	122,335

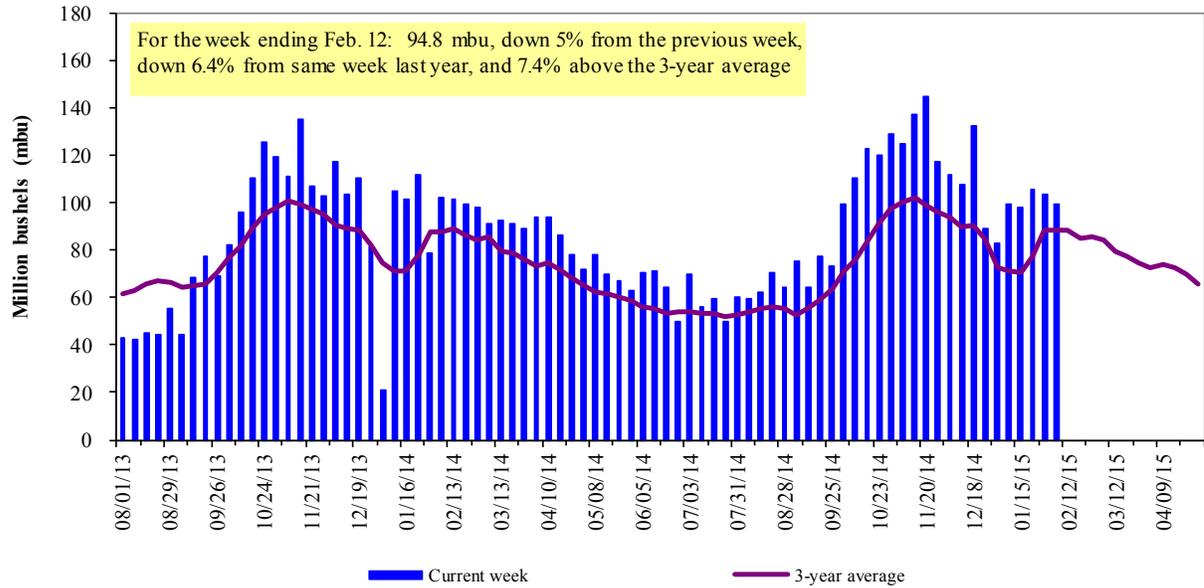
¹Data includes revisions from prior weeks; some regional totals may not add exactly due to rounding.

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 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)

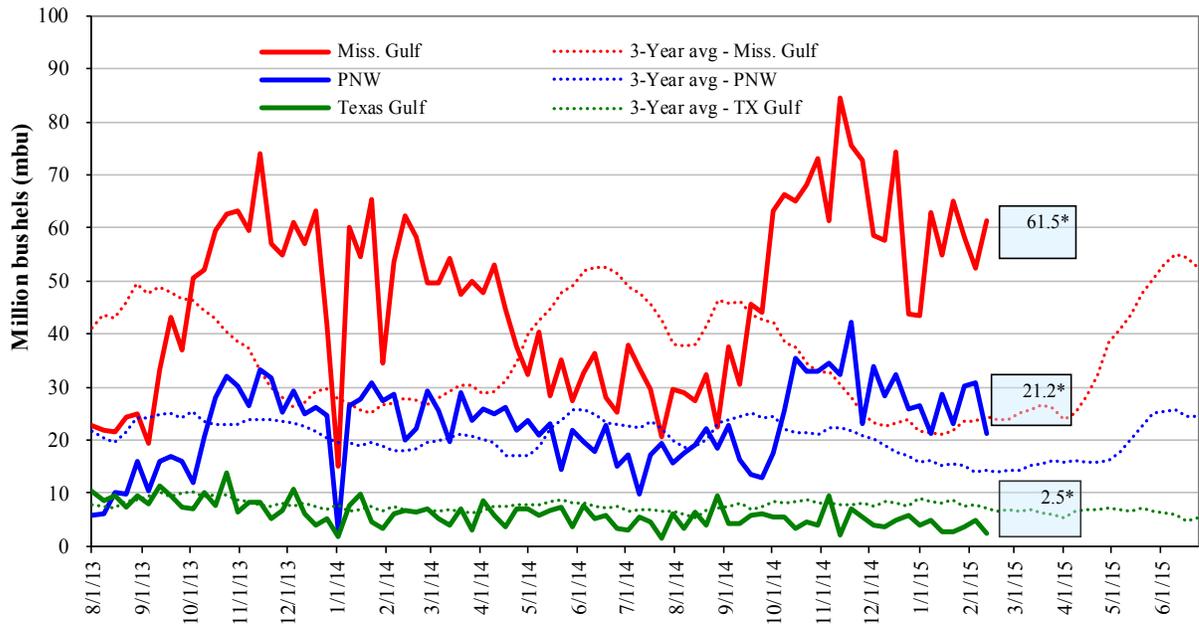


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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.

Feb. 12: % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	up 18	down 50	up 12	down 31
Last year (same week)	down 1	down 64	down 8	up 6
3-yr avg. (4-wk mov. avg.)	up 31	down 50	up 24	down 14

Ocean Transportation

Table 17

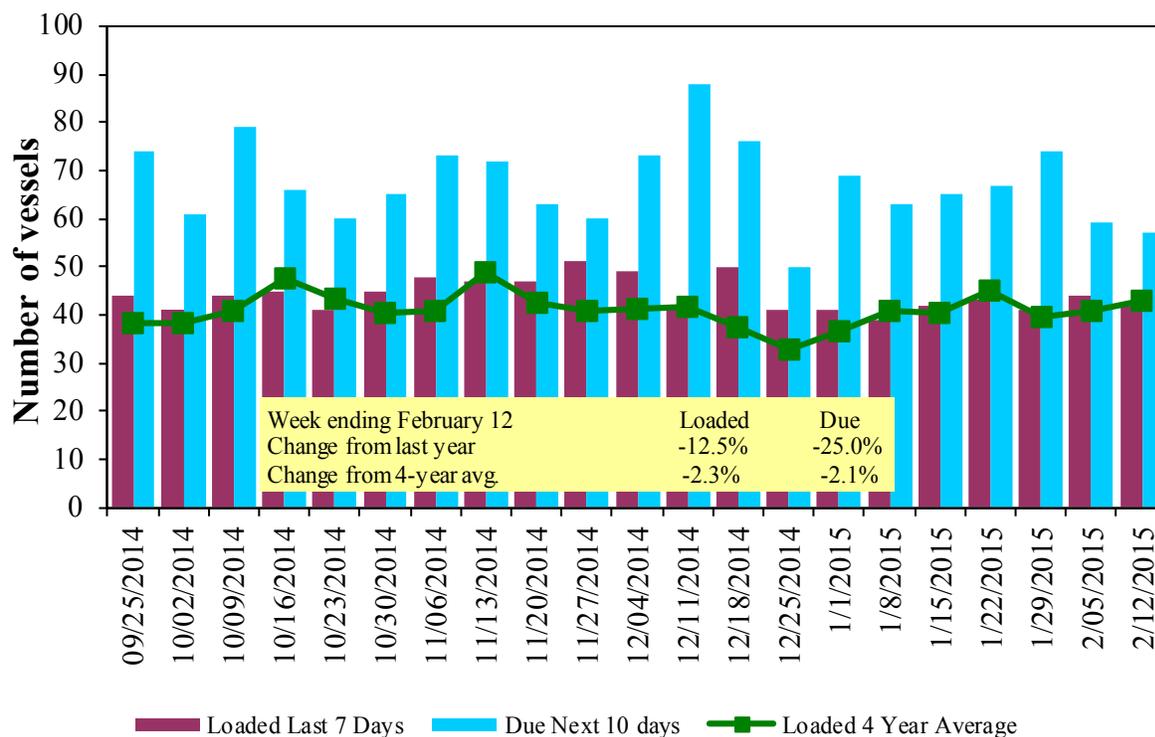
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In port	Loaded 7-days	Due next 10-days	In port	In port
2/12/2015	38	42	57	26	n/a
2/5/2015	50	44	59	20	n/a
2014 range	(18..88)	(24..52)	(27..97)	(6..26)	n/a
2014 avg.	46	39	59	15	n/a

Source: Transportation & Marketing Programs/AMS/USDA

Figure 16

U.S. Gulf¹ Vessel Loading Activity

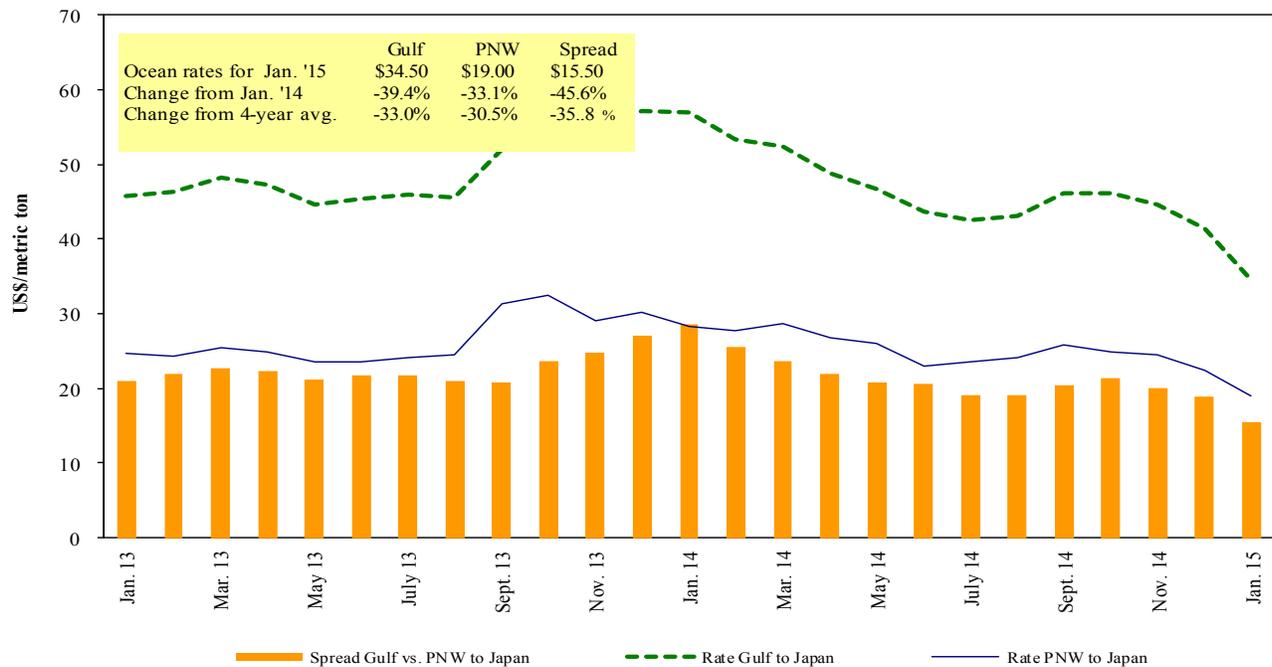


Source: Transportation & Marketing Programs/AMS/USDA

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 2/14/2015

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US\$/metric ton)
U.S. Gulf	China	Heavy Grain	Feb 13/22	60,000	28.00
U.S. Gulf	China	Heavy Grain	Feb 15/20	55,000	25.50
U.S. Gulf	China	Heavy Grain	Feb 10/20	55,000	25.50
U.S. Gulf	China	Grain	Feb 1/10	55,000	33.50
U.S. Gulf	China	Heavy Grain	Feb 2/11	55,000	32.50
U.S. Gulf	Kenya ¹	Sorghum	Jan 2/12	10,000	91.35
Brazil	China	Heavy Grain	Jun 1/30	60,000	22.75
Brazil	China	Grain	Apr 15/May 31	60,000	24.50
Brazil	China	Heavy Grain	Mar 13/22	60,000	21.00
Brazil	China	Heavy Grain	Mar 10/15	60,000	21.50
Brazil	China	Heavy Grain	Mar 3/8	60,000	20.50
Brazil	China	Heavy Grain	Feb 25/ Mar 5	60,000	21.25
Brazil	China	Heavy Grain	Feb 25/ Mar 5	60,000	21.75
Brazil	China	Heavy Grain	Feb 10/17	60,000	23.75
Bulgaria	Egypt Med	Corn	Jan 25/30	26,750	9.25
River Plate	Egypt	Soybeans	Feb 15/20	25,000	21.50
River Plate	South Africa	Soybean Meal	Feb 20/24	25,000	18.75

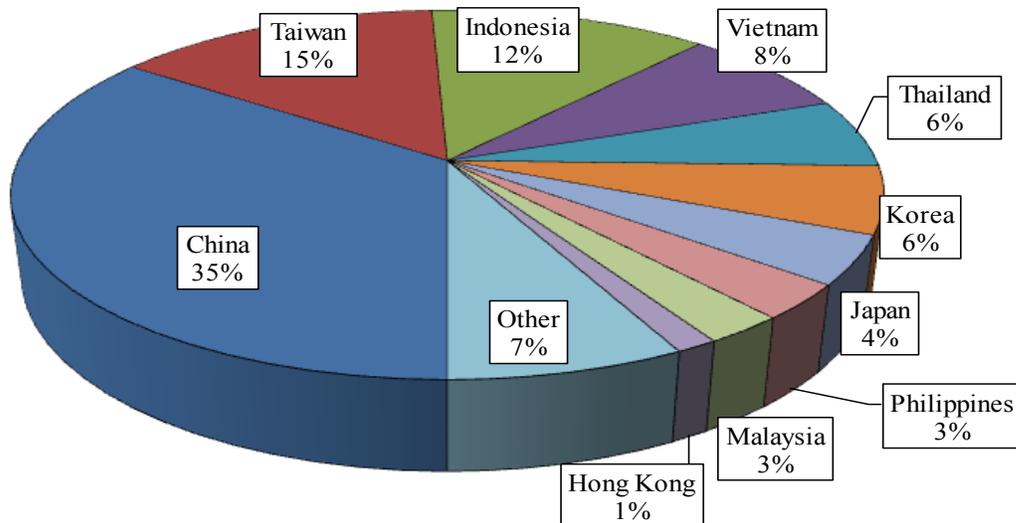
Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option

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 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.

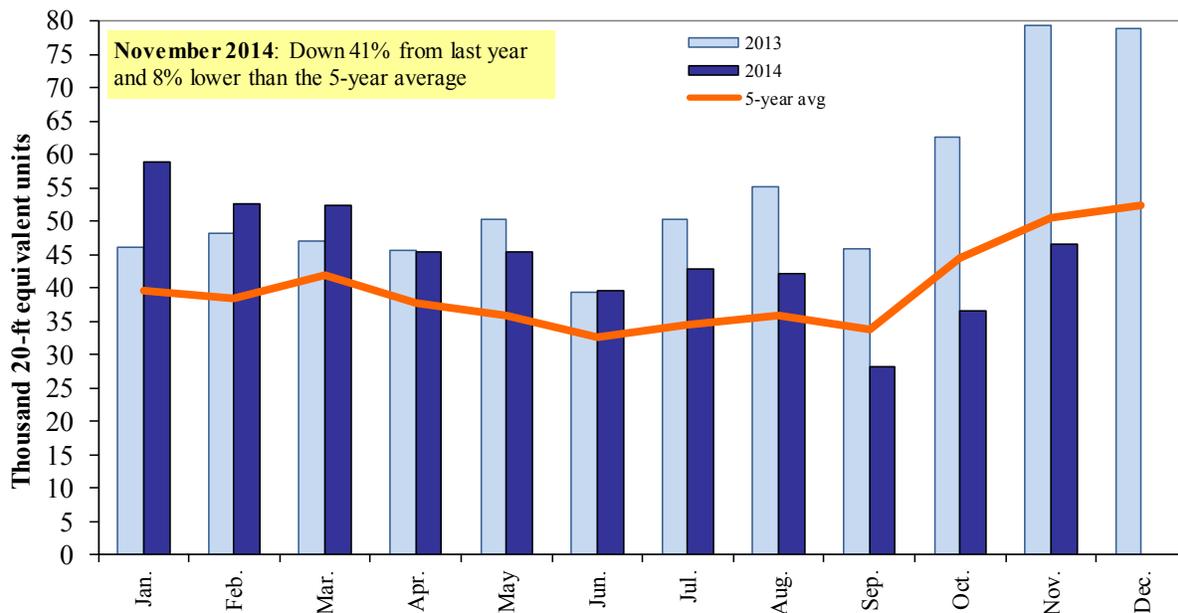
Figure 18
Top 10 Destination Markets for U.S. Containerized Grain Exports, January-November, 2014



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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Ocean Transportation

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