United States Department of Agriculture

Grain Transportation Report

A weekly publication of the Agricultural Marketing Service

www.ams.usda.gov/GTR

Contact Us

July 23, 2020

Contents

The next release is July 30, 2020

WEEKLY HIGHLIGHTS

FWHA Awards $15.1 Million in Surface Transportation Alternative Grants

On July 9, the Federal Highway Administration (FHWA) awarded $15.1 million in Surface Transportation System Funding Alternatives grants. Enacted in 2015, the program supports States in exploring user-based revenue mechanisms for funding highway infrastructure projects, such as miles-based user fees (MBUF) and road user charges. The MBUF system uses technology to tabulate how far a vehicle has traveled, which helps determine how much it is charged. The funding represents seven projects in Washington ($5.5 million), Oregon ($5 million), Delaware ($3.3 million), Utah ($745,000 total for two separate projects), and Wyoming ($250,000).

KDOT Selects 24 Transportation Projects for Cost-Share Awards

On July 9, Kansas State Department of Transportation (KDOT) announced the award of almost $20 million statewide for 24 projects as part of KDOT's Cost Share Program. The program provides funding to local groups for transportation projects to improve safety, support job growth, enhance mobility, and relieve congestion. The selected projects include road improvements in Logan County and three bridge replacements in Kingman County. Given Kansas's status as a major source of agricultural products, the KDOT projects could benefit the movement of agricultural products, such as wheat to elevators or millers.

FMCSA Announces 2020 Trucking Safety Summit

The Federal Motor Carrier Safety Association (FMCSA) will hold an online public meeting—its "2020 Trucking Safety Summit"—on Wednesday, August 5, 2020, from 9 a.m. to 4:30 pm, eastern time. The virtual meeting will allow interested stakeholders and members of the public to share ideas on improving the safety of property-carrying commercial motor vehicles on the Nation's roadways. A full agenda of the meeting is available online.

Total Grain Inspections Up Slightly, While Corn Remains Strong

For the week ending July 16, **total inspections of grain** (corn, wheat, and soybeans) for export from all major U.S. export regions totaled 2.1 million metric tons (mmt). Total grain inspections were up 1 percent from the previous week, up 45 percent from last year, and unchanged from the 3-year average. Inspections of corn increased 25 percent from the previous week, while soybean inspections decreased 6 percent and wheat inspections decreased 24 percent. Shipments to Latin America and Asia increased from the previous week, mainly as a result of higher corn inspections. Also, from the previous week, grain inspections decreased 7 percent in the Pacific Northwest (PNW) and increased 1 percent in the Mississippi Gulf. For the last 4 weeks, corn inspections were up 103 percent from the same period last year. Likewise, for the last 4 weeks, total grain inspections were up 14 percent from the same period last year, but 1 percent below the 3-year average.

Snapshots by Sector

Export Sales

For the week ending July 9, **unshipped balances** of wheat, corn, and soybeans totaled 20.9 million metric tons (mmt). This represented a 9-percent increase in outstanding sales from the same time last year. Net **corn export sales** were 0.981 mmt, up significantly from the last week. Net **soybean export sales** were 0.313 mmt, down 67 percent from the previous week. Net **wheat export sales** were 0.764 mmt, up significantly from the previous week.

Rail

U.S. Class I railroads originated 19,443 **grain carloads** during the week ending July 11. This was 5 percent less than the previous week, 20 percent less than last year, and 13 percent lower than the 3-year average.

Average August shuttle **secondary railcar** bids/offers (per car) were $194 above tariff for the week ending July 16. This was $181 more than last week and $249 more than this week last year. There were no non-shuttle bids/offers this week.

Barge

For the week ending July 18, **barge grain movements** totaled 746,792 tons. This was 10 percent less than the previous week and 3 percent less than the same period last year.

For the week ending July 18, 479 grain barges **moved down river**—66 fewer barges than the previous week. There were 590 grain barges **unloaded in New Orleans**, 12 percent less than the previous week.

Ocean

For the week ending July 16, 30 **oceangoing grain vessels** were loaded in the U.S. Gulf—67 percent more than the same period last year. Within the next 10 days (starting July 17), 35 vessels were expected to be loaded—41 percent fewer than the same period last year.

As of July 16, the rate for shipping a metric ton (mt) of grain from the U.S. Gulf to Japan was $42.50. This was 8 percent more than the previous week. The rate from the Pacific Northwest to Japan was $21.50 per mt, 2 percent more than the previous week.

Fuel

For the week ending July 20, the U.S. average **diesel fuel price** decreased 0.5 cents from the previous week to $2.433 per gallon, 61.1 cents below the same week last year.

Preferred citation: U.S. Dept. of Agriculture, Agricultural Marketing Service. *Grain Transportation Report.* July 23, 2020.
Web: http://dx.doi.org/10.9752/TS056.07-23-2020

Feature Article/Calendar

Bulk Ocean Freight Rates Fell in Second Quarter 2020

Demand for commodities in Europe and Asia was weak in second quarter 2020, and ocean freight rates for shipping bulk items, including grain, mirrored that weakness. Rates dropped from the previous quarter (quarter to quarter), from second quarter 2019 (year to year) and from the 4-year average (see table and figure). The ocean freight rate for shipping a metric ton (mt) of grain from the U.S. Gulf to Japan averaged $36.33—down 16 percent quarter to quarter, down 15 percent year to year, and down 4 percent from the 4-year average (see table). The cost of shipping grain from the Pacific Northwest (PNW) to Japan averaged $18.94 per mt—down 18 percent from quarter to quarter, down 20 percent year to year, and down 9 percent from the 4-year average. It cost $13.17 per mt to ship grain from the U.S. Gulf to Europe—down 11 percent from quarter to quarter, down 21 percent year to year, and down 20 percent from the 4-year average.

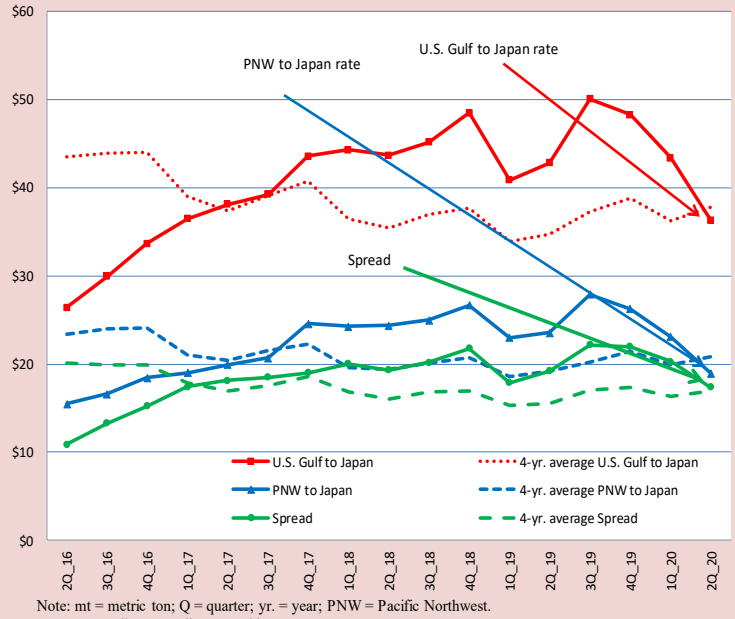
Ocean freight rates for grain routes during the second quarter 2020

Route	Apr.	May	Jun.	2nd quarter 2020	Change from 1st qtr. '20	Change from 2nd qtr. '19	Change from 4-yr. avg.
	--$/mt--			--$/mt--	Percent		
U.S. Gulf to Japan	37.80	34.31	36.88	36.33	-16	-15	-4
PNW to Japan	19.45	17.94	19.44	18.94	-18	-20	-9
Spread	18.35	16.37	17.44	17.39	-14	-10	3
U.S. Gulf to Europe	12.40	12.06	15.06	13.17	-11	-21	-20

Note: qtr. = quarter; avg = average; mt = metric ton; yr = year; PNW = Pacific Northwest.
*Spread is the difference between ocean freight rates for shipping grain from the U.S. Gulf to Japan and PNW to Japan.
Source: O'Neil Commodity Consulting.

Ocean freight rates continuously declined from October 2019 to the end of May 2020. In first quarter 2020, many factors amplified this decline, including holidays, weather-related supply disruptions, and the COVID-19 outbreak, which culminated in reduced global dry bulk trade (see April 16, 2020 *Grain Transportation Report*). With its wide-rippling impacts, the pandemic persisted in dampening ocean freight rates for the first 2 months of second quarter 2020.

Grain vessel rates and spread (per mt), U.S. to Japan, 2016-20.



Note: mt = metric ton; Q = quarter; yr. = year; PNW = Pacific Northwest.
Source: O'Neil Commodity Consulting.

According to *Drewry Maritime Research* (Drewry), demand for steel, iron ore and coking coal fell in April when some car manufacturers responded to COVID-19-related restrictions by halting production in Europe. At the same time, in India, lockdowns stymied manufacturing, construction, and electricity consumption, thereby inhibiting imports of non-coking coal.

Further exacerbating low ocean freight rates in April, COVID-19-related restrictions in South Asia discouraged shipyards from scrapping, thereby reducing demolition of older ships and increasing vessel supply. In April, only 3 vessels were demolished, compared to 12 vessels a year earlier. Ocean freight rates continued their descent in May, as Brazil's battle with a surging COVID-19 outbreak hampered operations at major iron ore mines.

In June, however, the bulk market rallied, and ocean freight rates ticked up in response. Significantly bolstering this rally, China's demand for iron ore imports rose sharply. Chinese ports sought to replenish their diminishing iron ore inventories, which had fallen to a 3-year low. According to the July 2 *Transportation and Export Report* by O'Neil Commodity Consulting, Brazil, Australia, Canada, and South Africa all increased their iron shipments to China. Additionally, grain trade to China was strong in May, especially for soybean shipments, which steadily increased from February through May. As of the end of May, China's year-to-date soybean imports totaled 41.11 million tons, compared to 34.18 million tons for the same period a year ago—a 20-percent increase (Drewry).

Current Market Analysis and Outlook

For the week ending July 16, the ocean freight rate for shipping a metric ton of grain from the U.S. Gulf to Japan was $42.50—7 percent less than January 2 (first available rate in 2020) and 14 percent less than the same week last year. The rate from PNW to Japan was $21.50 per mt—14 percent less than January 2 and 20 percent less than the same week last year. Although ocean freight rates increased from the beginning of June until the third week in July, they are still lower than June 2019 rates and lower than the first available rates in 2020.

Some countries are slowly resuming economic activity, but it remains uncertain whether the recent rise in ocean freight rates can sustain itself amid the lingering pandemic. At least for now, manufacturing activities have resumed in China. According to Drewry, the Chinese government's efforts to stabilize economic growth and support infrastructure development should improve the country's demand for steel and iron ore. Also, low iron ore inventories at Chinese ports will continue to boost the demand for iron ore imports for stock rebuilding.

Still, several countervailing factors may halt or even reverse the recent increase in ocean freight rates. According to Drewry, India's sluggish return of economic activity following its lockdowns will hinder that country's demand for coal, steel and cement, impacting imports of these resources. India's rising COVID-19 cases are causing a labor shortage that has affected recovery in construction and other infrastructure-based industries. Also, during the monsoon season (June to September), increased hydropower availability will further suppress India's demand for coal—and coal imports.

Meanwhile, globally, fleet expansion is putting downward pressure on ocean freight rates. The dry bulk fleet expansion was 2.6 percent more in the first half of 2020 than in the last half of 2019 (Drewry). An additional 2.8 percent (25 million deadweight tons) of the current fleet is scheduled for delivery in the second half of 2020.

Surajudeen.Olowolayemo@usda.gov

Grain Transportation Indicators

Table 1

Grain transport cost indicators[1]

	Truck	Rail		Barge*	Ocean	
For the week ending		Unit train	Shuttle		Gulf	Pacific
07/22/20	163	280	231	187	190	152
07/15/20	164	280	225	159	177	149

[1]Indicator: Base year 2000 = 100. Weekly updates include truck = diesel ($/gallon); rail = near-month secondary rail market bid and monthly tariff rate with fuel surcharge ($/car); barge = Illinois River barge rate (index = percent of tariff rate); ocean = routes to Japan ($/metric ton);
*Due to the closure of several lock and dam facilities on Illinois River between July 1 and October 27, 2020, mid-Mississippi barge rate was substituted for Illinois rate as the benchmark for calculating cost index during the closures.

Table 2

Market Update: U.S. origins to export position price spreads ($/bushel)

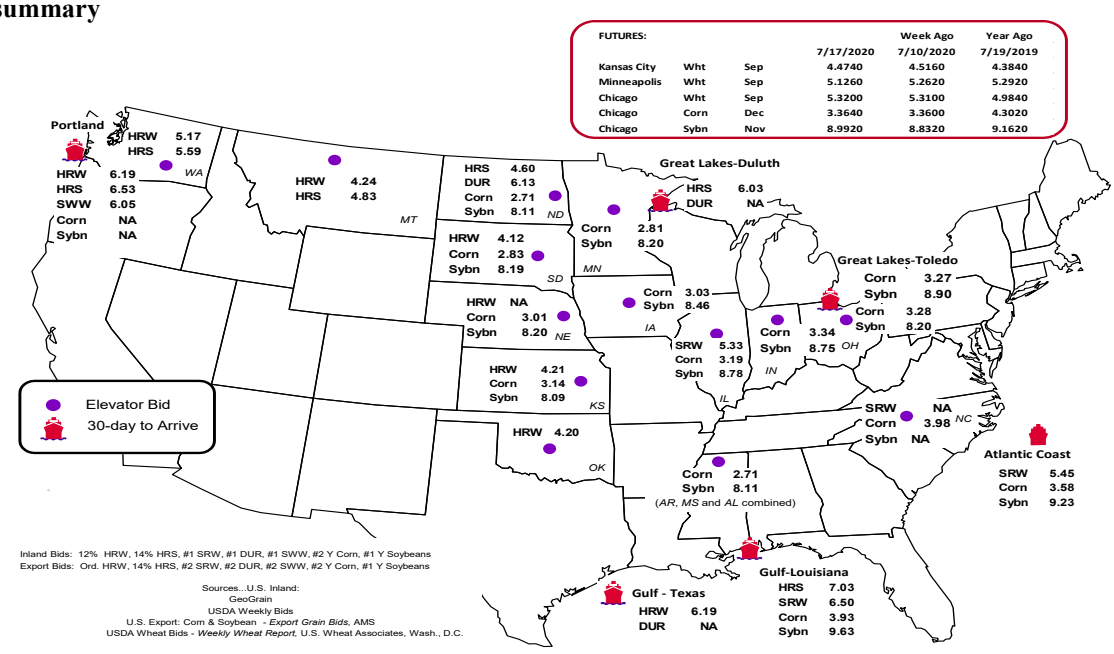
Commodity	Origin–destination	7/17/2020	7/10/2020
Corn	IL–Gulf	-0.74	-0.67
Corn	NE–Gulf	-0.92	-0.86
Soybean	IA–Gulf	-1.17	-1.12
HRW	KS–Gulf	-1.98	-1.99
HRS	ND–Portland	-1.93	-2.04

Note: nq = no quote; n/a = not available; HRW = hard red winter wheat; HRS = hard red spring wheat.
Source: USDA, Agricultural Marketing Service.

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]

For the week ending	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf	Total	Week ending	Cross-border Mexico[3]
7/15/2020[p]	575	1,089	3,725	92	5,481	7/11/2020	2,769
7/08/2020[r]	433	879	3,513	210	5,035	7/4/2020	2,184
2020 YTD[r]	11,982	25,351	133,222	5,615	176,170	2020 YTD	67,270
2019 YTD[r]	28,683	34,239	150,931	10,412	224,265	2019 YTD	65,996
2020 YTD as % of 2019 YTD	42	74	88	54	79	% change YTD	102
Last 4 weeks as % of 2019[2]	25	85	102	39	80	Last 4wks. % 2019	102
Last 4 weeks as % of 4-year avg.[2]	78	97	82	53	83	Last 4wks. % 4 yr.	104
Total 2019	40,974	51,167	251,181	16,192	359,514	Total 2019	127,622
Total 2018	22,118	46,532	310,449	21,432	400,531	Total 2018	129,674

[1]Data is incomplete as it is voluntarily provided.

[2] Compared with same 4-weeks in 2019 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 Kansas City Southern de Mexico (KCSM) and Grupo Mexico.

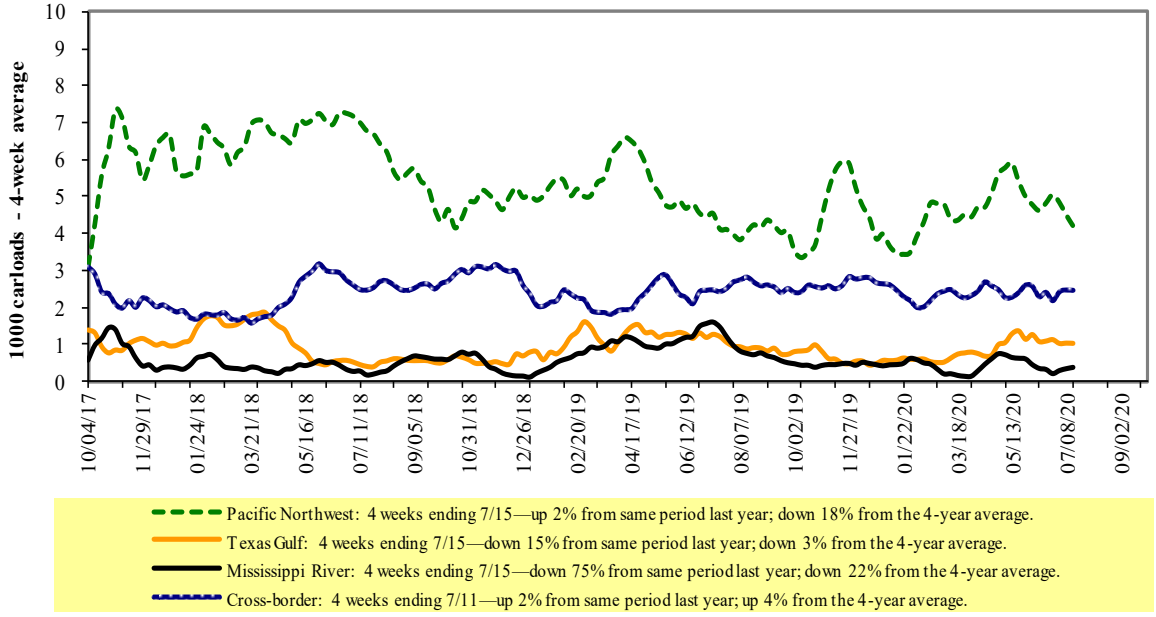
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available; wks. = weeks; avg. = average.

Source: USDA, Agricultural Marketing Service.

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: USDA, Agricultural Marketing Service.

Table 4

Class I rail carrier grain car bulletin (grain carloads originated)

For the week ending:	East		West			U.S. total	Canada	
7/11/2020	CSXT	NS	BNSF	KCS	UP		CN	CP
This week	1,209	2,627	9,389	1,034	5,184	19,443	4,606	4,097
This week last year	1,490	3,377	11,730	1,090	6,531	24,218	4,522	4,620
2020 YTD	45,922	66,089	297,892	28,966	139,034	577,903	112,330	124,680
2019 YTD	53,152	79,972	310,411	31,391	144,041	618,967	122,209	121,461
2020 YTD as % of 2019 YTD	86	83	96	92	97	93	92	103
Last 4 weeks as % of 2019*	77	84	88	91	93	88	112	110
Last 4 weeks as % of 3-yr. avg.**	76	88	89	98	95	90	126	104
Total 2019	91,611	137,143	568,369	58,527	260,269	1,115,919	212,496	235,892

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

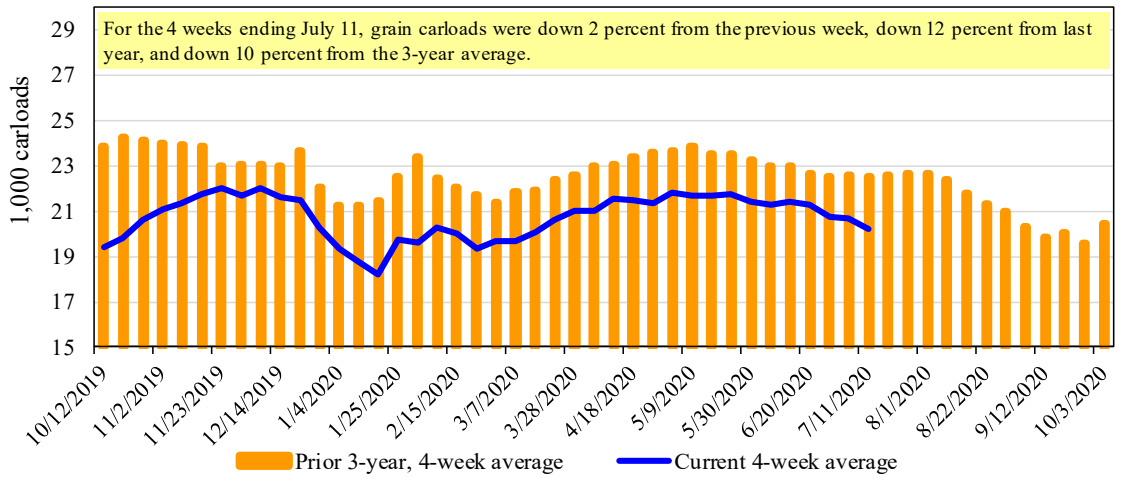
**The past 4 weeks as a percent of the same period from the prior 3-year average. YTD = year-to-date; avg. = average; yr. = year.

Note: NS = Norfolk Southern; KCS = Kansas City Southern; UP = Union Pacific; CN = Canadian National; CP = Canadian Pacific.

Source: Association of American Railroads.

Figure 3

Total weekly U.S. Class I railroad grain carloads



Source: Association of American Railroads.

Table 5

Railcar auction offerings[1] ($/car)[2]

For the week ending:		Delivery period							
7/16/2020		Aug-20	Aug-19	Sep-20	Sep-19	Oct-20	Oct-19	Nov-20	Nov-19
BNSF[3]	COT grain units	0	15	0	0	0	no bid	no bids	no bid
	COT grain single-car	0	0	3	0	0	26	no bids	35
UP[4]	GCAS/Region 1	no offer	no offer	no offer	no offer	no offer	no offer	n/a	n/a
	GCAS/Region 2	no bid	no bid	no bid	no bid	no offer	no offer	n/a	n/a

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

[2]Average premium/discount to tariff, last auction. n/a = not available.

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

[4]UP - GCAS = Union Pacific Railroad Grain Car Allocation System.

Region 1 includes: AR, IL, LA, MO, NM, OK, TX, WI, and Duluth, MN.

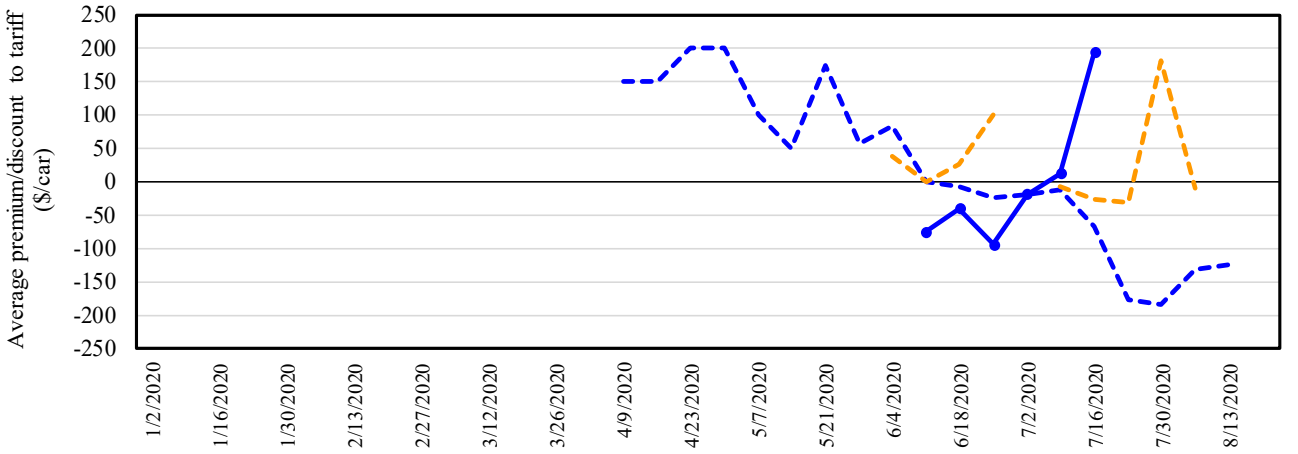
Region 2 includes: CO, IA, KS, MN, NE, WY, and Kansas City and St. Joseph, MO.

Source: USDA, Agricultural Marketing Service.

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

Figure 4

Bids/offers for railcars to be delivered in August 2020, secondary market



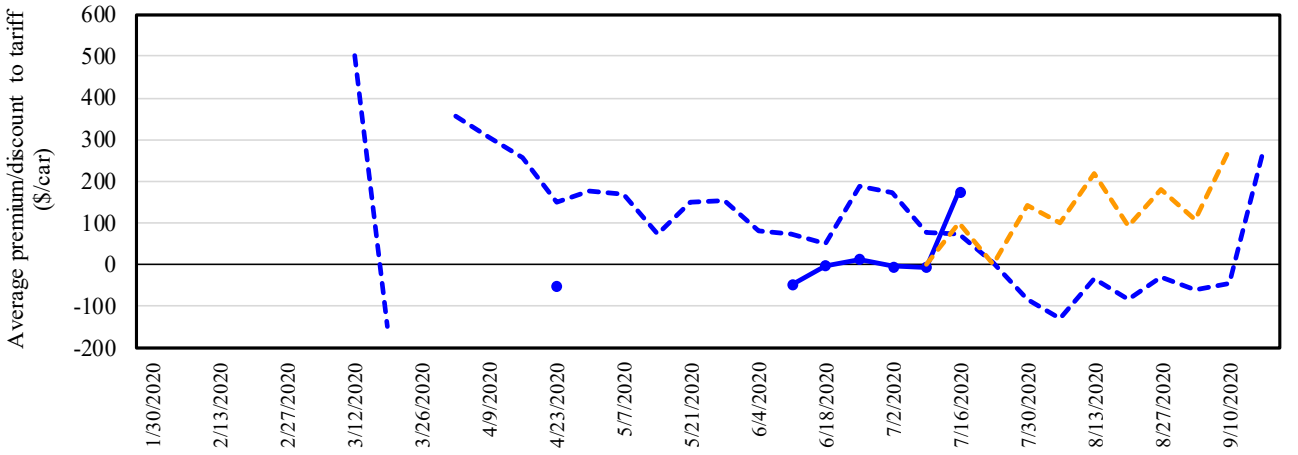
7/16/2020	BNSF	UP
Non-shuttle	n/a	n/a
Shuttle	$250	$138

There were no non-shuttle bids/offers this week.
Average shuttle bids/offers rose $181 this week and are at the peak.

Note: Non-shuttle bids include unit-train and single-car bids. n/a = not available; avg. = average; yr. = year; BNSF = BNSF Railway; UP = Union Pacific Railroad.
Source: USDA, Agricultural Marketing Service.

Figure 5

Bids/offers for railcars to be delivered in September 2020, secondary market



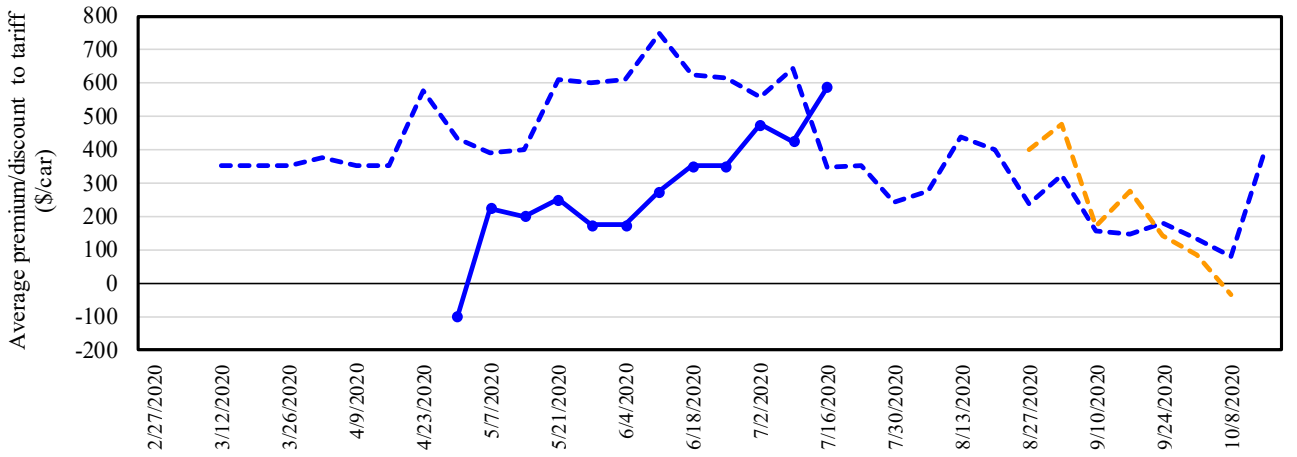
7/16/2020	BNSF	UP
Non-shuttle	n/a	n/a
Shuttle	$300	$50

There were no non-shuttle bids/offers this week.
Average shuttle bids/offers rose $181 this week and are at the peak.

Note: Non-shuttle bids include unit-train and single-car bids. n/a = not available; avg. = average; yr. = year; BNSF = BNSF Railway; UP = Union Pacific Railroad.
Source: USDA, Agricultural Marketing Service.

Figure 6

Bids/offers for railcars to be delivered in October 2020, secondary market



7/16/2020	BNSF	UP
Non-shuttle	n/a	n/a
Shuttle	$750	$425

There were no non-shuttle bids/offers this week.
Average shuttle bids/offers rose $163 this week and are at the peak.

Note: Non-shuttle bids include unit-train and single-car bids. n/a = not available; avg. = average; yr. = year; BNSF = BNSF Railway; UP = Union Pacific Railroad.
Source: USDA, Agricultural Marketing Service.

Table 6

Weekly secondary railcar market ($/car)[1]

For the week ending: 7/16/2020		Delivery period					
		Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21
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 2019	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 2019	n/a	n/a	n/a	n/a	n/a	n/a
Shuttle	**BNSF-GF**	**250**	**300**	**750**	**n/a**	**100**	**n/a**
	Change from last week	250	275	275	n/a	56	n/a
	Change from same week 2019	306	325	700	n/a	n/a	n/a
	UP-Pool	**138**	**50**	**425**	**163**	**0**	**n/a**
	Change from last week	113	88	50	63	(25)	n/a
	Change from same week 2019	n/a	n/a	n/a	n/a	n/a	n/a

[1]Average premium/discount to tariff, $/car-last week.

Note: Bids listed are market indicators only and are not guaranteed prices. n/a = not available; GF = guaranteed freight; Pool = guaranteed pool; BNSF = BNSF Railway; UP = Union Pacific Railroad.

Data from James B. Joiner Co., Tradewest Brokerage Co.

Source: USDA, Agricultural Marketing Service.

The **tariff rail rate** is the base price of freight rail service. Together with **fuel surcharges** and any **auction and secondary rail** values, the tariff rail rate constitutes 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. However, during times of high rail demand or short supply, high auction and secondary rail values can exceed the cost of the tariff rate plus fuel surcharge.

Table 7

Tariff rail rates for unit and shuttle train shipments[1]

July 2020	Origin region[3]	Destination region[3]	Tariff rate/car	Fuel surcharge per car	Tariff plus surcharge per: metric ton	Tariff plus surcharge per: bushel[2]	Percent change Y/Y[4]
Unit train							
Wheat	Wichita, KS	St. Louis, MO	$3,983	$30	$39.85	$1.08	-2
	Grand Forks, ND	Duluth-Superior, MN	$4,333	$0	$43.03	$1.17	2
	Wichita, KS	Los Angeles, CA	$7,240	$0	$71.90	$1.96	0
	Wichita, KS	New Orleans, LA	$4,525	$53	$45.47	$1.24	-3
	Sioux Falls, SD	Galveston-Houston, TX	$6,976	$0	$69.28	$1.89	0
	Colby, KS	Galveston-Houston, TX	$4,801	$59	$48.26	$1.31	-3
	Amarillo, TX	Los Angeles, CA	$5,121	$81	$51.66	$1.41	-4
Corn	Champaign-Urbana, IL	New Orleans, LA	$3,900	$60	$39.33	$1.00	-2
	Toledo, OH	Raleigh, NC	$6,816	$0	$67.69	$1.72	4
	Des Moines, IA	Davenport, IA	$2,415	$13	$24.11	$0.61	12
	Indianapolis, IN	Atlanta, GA	$5,818	$0	$57.78	$1.47	3
	Indianapolis, IN	Knoxville, TN	$4,874	$0	$48.40	$1.23	4
	Des Moines, IA	Little Rock, AR	$3,800	$38	$38.11	$0.97	1
	Des Moines, IA	Los Angeles, CA	$5,680	$109	$57.49	$1.46	-2
Soybeans	Minneapolis, MN	New Orleans, LA	$3,631	$30	$36.35	$0.99	-5
	Toledo, OH	Huntsville, AL	$5,630	$0	$55.91	$1.52	3
	Indianapolis, IN	Raleigh, NC	$6,932	$0	$68.84	$1.87	3
	Indianapolis, IN	Huntsville, AL	$5,107	$0	$50.71	$1.38	3
	Champaign-Urbana, IL	New Orleans, LA	$4,645	$60	$46.73	$1.27	-1
Shuttle train							
Wheat	Great Falls, MT	Portland, OR	$4,143	$0	$41.14	$1.12	2
	Wichita, KS	Galveston-Houston, TX	$4,361	$0	$43.31	$1.18	0
	Chicago, IL	Albany, NY	$7,074	$0	$70.25	$1.91	20
	Grand Forks, ND	Portland, OR	$5,801	$0	$57.61	$1.57	1
	Grand Forks, ND	Galveston-Houston, TX	$6,121	$0	$60.78	$1.65	1
	Colby, KS	Portland, OR	$6,012	$96	$60.65	$1.65	-4
Corn	Minneapolis, MN	Portland, OR	$5,180	$0	$51.44	$1.31	0
	Sioux Falls, SD	Tacoma, WA	$5,140	$0	$51.04	$1.30	0
	Champaign-Urbana, IL	New Orleans, LA	$3,820	$60	$38.53	$0.98	-2
	Lincoln, NE	Galveston-Houston, TX	$3,880	$0	$38.53	$0.98	0
	Des Moines, IA	Amarillo, TX	$4,220	$47	$42.38	$1.08	1
	Minneapolis, MN	Tacoma, WA	$5,180	$0	$51.44	$1.31	0
	Council Bluffs, IA	Stockton, CA	$5,000	$0	$49.65	$1.26	0
Soybeans	Sioux Falls, SD	Tacoma, WA	$5,850	$0	$58.09	$1.58	2
	Minneapolis, MN	Portland, OR	$5,900	$0	$58.59	$1.59	2
	Fargo, ND	Tacoma, WA	$5,750	$0	$57.10	$1.55	2
	Council Bluffs, IA	New Orleans, LA	$4,875	$70	$49.10	$1.34	-2
	Toledo, OH	Huntsville, AL	$4,805	$0	$47.72	$1.30	4
	Grand Island, NE	Portland, OR	$5,260	$98	$53.21	$1.45	-12

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

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

[3]Regional economic areas are defined by the Bureau of Economic Analysis (BEA).

[4]Percentage change year over year (Y/Y) calculated using tariff rate plus fuel surcharge.

Source: BNSF Railway, Canadian National Railway, CSX Transportation, and Union Pacific Railroad.

Table 8

Tariff rail rates for U.S. bulk grain shipments to Mexico

Date: July 2020							
Commodity	Origin state	Destination region	Tariff rate per car[1]	Fuel surcharge per car[2]	Tariff rate plus fuel surcharge per: metric ton[3]	bushel[3]	Percent change[4] Y/Y
Wheat	MT	Chihuahua, CI	$7,509	$0	$76.72	$2.09	3
	OK	Cuautitlan, EM	$6,775	$42	$69.65	$1.89	-2
	KS	Guadalajara, JA	$7,534	$410	$81.16	$2.21	-3
	TX	Salinas Victoria, NL	$4,329	$25	$44.49	$1.21	-2
Corn	IA	Guadalajara, JA	$8,902	$325	$94.28	$2.39	-1
	SD	Celaya, GJ	$8,140	$0	$83.17	$2.11	0
	NE	Queretaro, QA	$8,278	$86	$85.46	$2.17	-2
	SD	Salinas Victoria, NL	$6,905	$0	$70.55	$1.79	0
	MO	Tlalnepantla, EM	$7,643	$84	$78.95	$2.00	-2
	SD	Torreon, CU	$7,690	$0	$78.57	$1.99	0
Soybeans	MO	Bojay (Tula), HG	$8,547	$306	$90.45	$2.46	-2
	NE	Guadalajara, JA	$9,172	$313	$96.91	$2.63	0
	IA	El Castillo, JA	$9,490	$0	$96.97	$2.64	4
	KS	Torreon, CU	$7,964	$205	$83.47	$2.27	0
Sorghum	NE	Celaya, GJ	$7,772	$279	$82.26	$2.09	-3
	KS	Queretaro, QA	$8,108	$52	$83.37	$2.12	0
	NE	Salinas Victoria, NL	$6,713	$42	$69.01	$1.75	0
	NE	Torreon, CU	$7,092	$181	$74.32	$1.89	-3

[1]Rates are based upon published tariff rates for high-capacity shuttle trains. Shuttle trains are available for qualified shipments of 75-110 cars that meet railroad efficiency requirements.

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

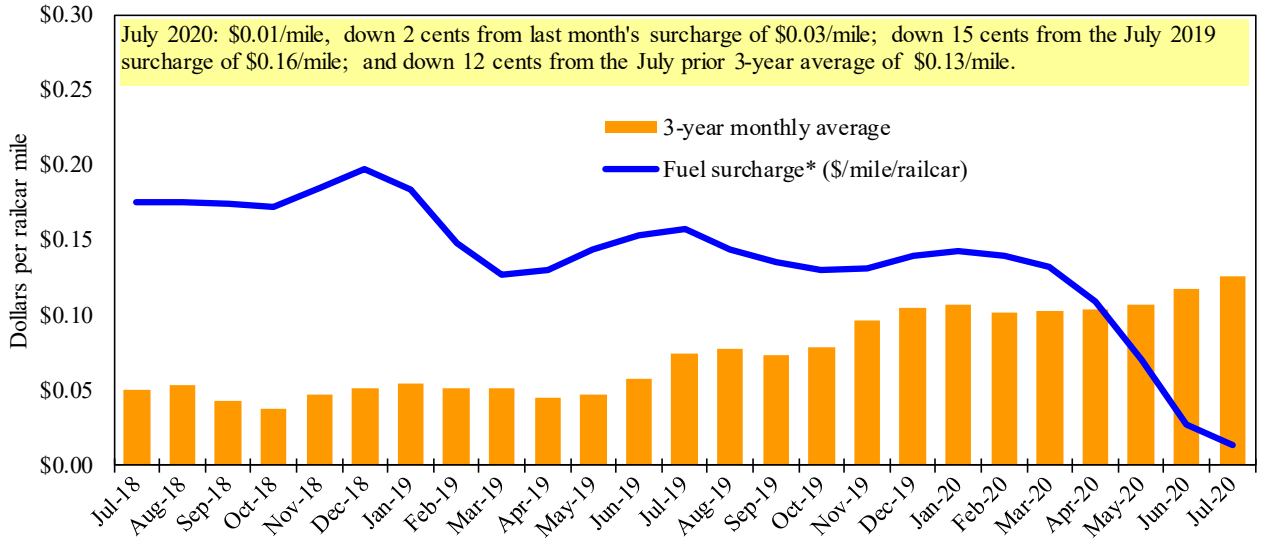
[3]Approximate load per car = 97.87 metric tons: Corn & Sorghum 56 lbs/bu, Wheat & Soybeans 60 lbs/bu.

[4]Percentage change calculated using tariff rate plus fuel surchage; Y/Y = year over year.

Sources: BNSF Railway, Union Pacific Railroad, Kansas City Southern.

Figure 7

Railroad fuel surcharges, North American weighted average[1]



[1] Weighted by each Class I railroad's proportion of grain traffic for the prior year.

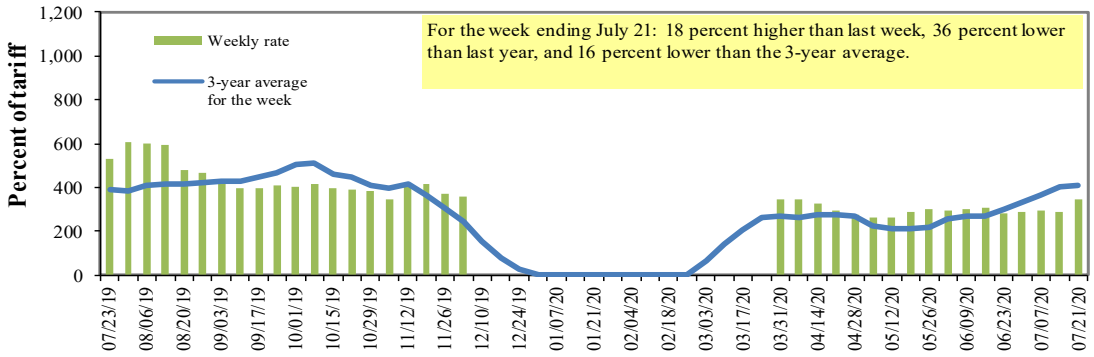
* Beginning January 2009, the Canadian Pacific fuel surcharge is computed by a monthly average of the bi-weekly fuel surcharge.

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

Sources: BNSF Railway, Canadian National Railway, CSX Transportation, Canadian Pacific Railway, Union Pacific Railroad, Kansas City Southern Railway, Norfolk Southern Corporation.

Barge Transportation

Figure 8a
Mid-Mississippi barge freight rate[1,2]



[1]Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); [2]4-week moving average of the 3-year average.

Source: USDA, Agricultural Marketing Service.

Table 9
Weekly barge freight rates: Southbound only

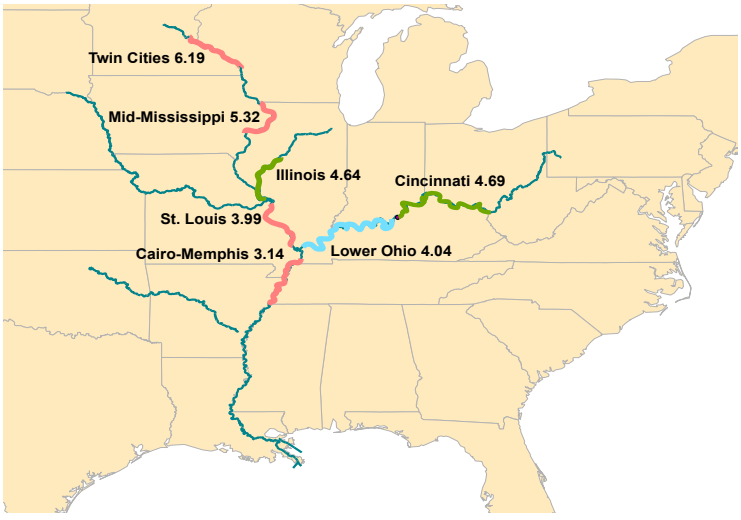
		Twin Cities	Mid-Mississippi	Lower Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo-Memphis
Rate[1]	7/21/2020	425	343	-	214	216	216	200
	7/14/2020	371	291	-	192	190	190	183
$/ton	7/21/2020	26.31	18.25	-	8.54	10.13	8.73	6.28
	7/14/2020	22.96	15.48	-	7.66	8.91	7.68	5.75
Current week % change from the same week:								
	Last year	-14	-36	-	-27	-18	-18	-38
	3-year avg. [2]	-2	-16	-	-27	-26	-26	-20
Rate[1]	August	424	350	-	248	253	253	239
	October	486	390	478	388	478	478	373

[1]Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); [2]4-week moving average; ton = 2,000 pounds; "-" not available due to closure.
Source: USDA, Agricultural Marketing Service.

Figure 9
Benchmark tariff rates

Calculating barge rate per ton:
(Rate * 1976 tariff benchmark rate per ton)/100

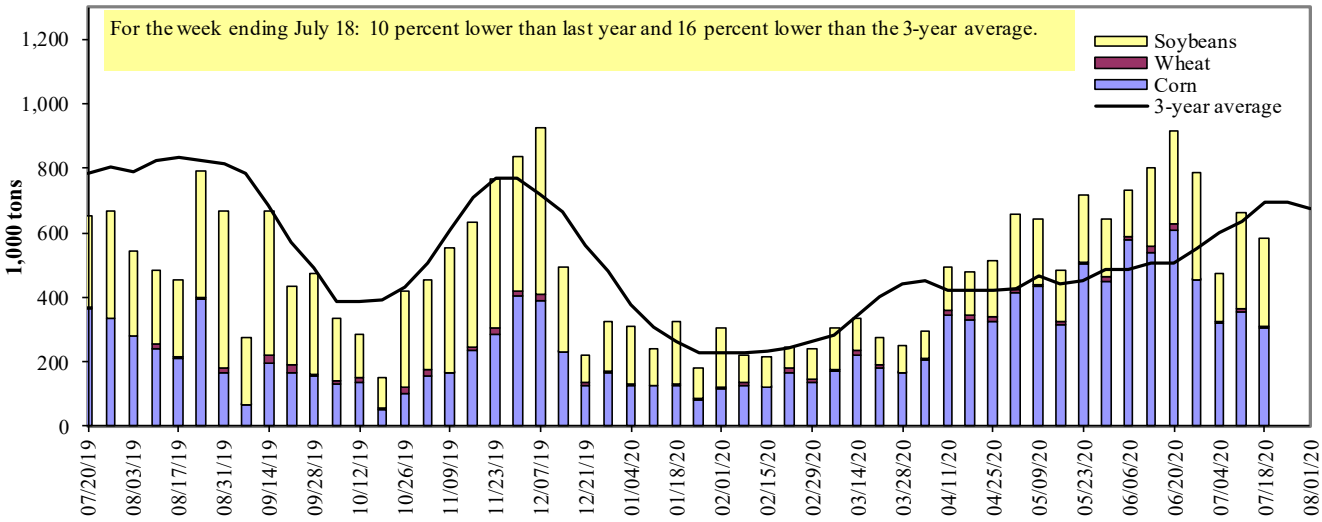
Select applicable index from market quotes are included in tables on this page. The 1976 benchmark rates per ton are provided in map.



Map Credit: USDA, Agricultural Marketing Service

Figure 10

Barge movements on the Mississippi River[1] (Locks 27 - Granite City, IL)



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

Source: U.S. Army Corps of Engineers.

Table 10

Barge grain movements (1,000 tons)

For the week ending 07/18/2020	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	249	2	215	0	466
Winfield, MO (L25)	303	3	284	5	595
Alton, IL (L26)	307	3	295	5	609
Granite City, IL (L27)	306	3	274	5	587
Illinois River (La Grange)	0	0	0	0	0
Ohio River (Olmsted)	36	16	40	0	91
Arkansas River (L1)	1	45	22	0	69
Weekly total - 2020	343	64	336	5	747
Weekly total - 2019	385	42	346	0	773
2020 YTD[1]	10,583	1,083	6,905	97	18,668
2019 YTD[1]	7,000	1,055	5,601	76	13,731
2020 as % of 2019 YTD	151	103	123	128	136
Last 4 weeks as % of 2019[2]	112	167	89	336	104
Total 2019	12,780	1,631	14,683	154	29,247

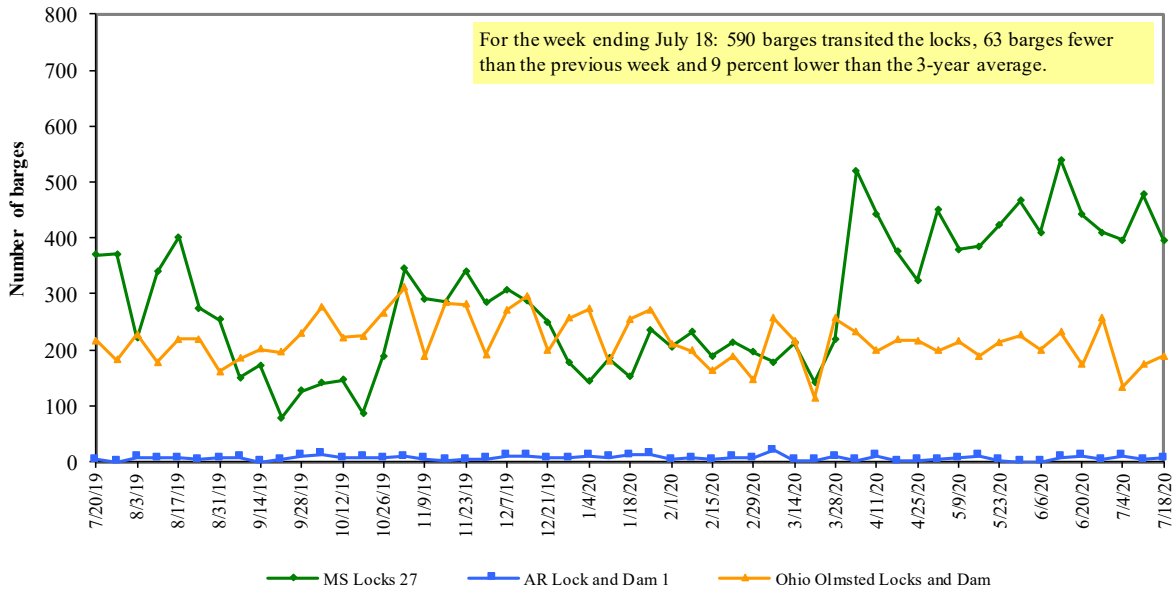
[1] Weekly total, YTD (year-to-date), and calendar year total include MS/27, OH/Olmsted, and AR/1; Other refers to oats, barley, sorghum, and rye. L (as in "L15") refers to a lock or lock and dam facility. Olmsted = Olmsted Locks and Dam. La Grange = La Grange Lock and Dam.

[2] As a percent of same period in 2019.

Note: Total may not add exactly because of rounding. Starting from 11/24/2018, weekly movement through Ohio 52 is replaced by Olmsted.
Source: U.S. Army Corps of Engineers.

Figure 11

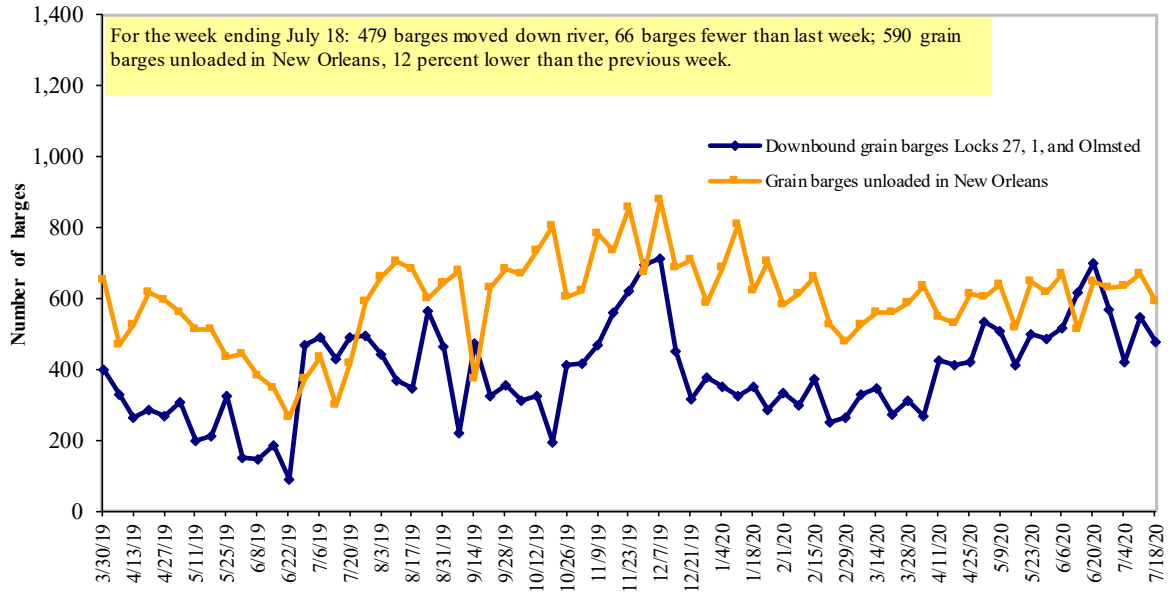
Upbound empty barges transiting Mississippi River Locks 27, Arkansas River Lock and Dam 1, and Ohio River Olmsted Locks and Dam



Source: U.S. Army Corps of Engineers.

Figure 12

Grain barges for export in New Orleans region



Note: Olmsted = Olmsted Locks and Dam.

Source: U.S. Army Corps of Engineers and USDA, Agricultural Marketing Service.

Truck Transportation

The **weekly diesel price** provides a proxy for trends in U.S. truck rates as diesel fuel is a significant expense for truck grain movements.

Table 11

Retail on-highway diesel prices, week ending 7/20/2020 (U.S. $/gallon)

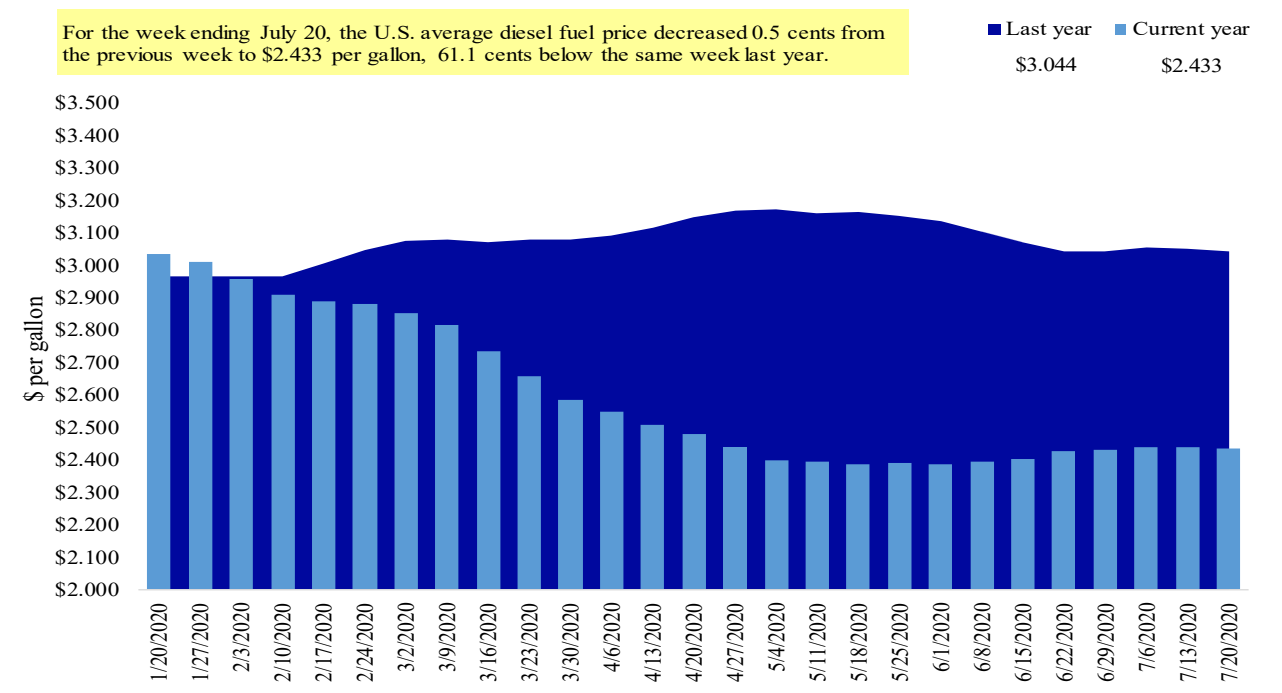
Region	Location	Price	Change from Week ago	Change from Year ago
I	East Coast	2.520	-0.011	-0.552
	New England	2.626	-0.024	-0.496
	Central Atlantic	2.699	-0.008	-0.560
	Lower Atlantic	2.377	-0.010	-0.560
II	Midwest	2.309	-0.004	-0.639
III	Gulf Coast	2.198	0.000	-0.606
IV	Rocky Mountain	2.343	-0.002	-0.635
V	West Coast	2.954	0.000	-0.657
	West Coast less California	2.597	0.003	-0.601
	California	3.248	-0.003	-0.691
Total	United States	2.433	-0.005	-0.611

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

Source: U.S. Department of Energy, Energy Information Administration.

Figure 13

Weekly diesel fuel prices, U.S. average



Source: U.S. Department of Energy, Energy Information Administration, Retail On-Highway Diesel Prices.

Grain Exports

Table 12

U.S. export balances and cumulative exports (1,000 metric tons)

	Wheat						Corn	Soybeans	Total
For the week ending	HRW	SRW	HRS	SWW	DUR	All wheat			
Export balances[1]									
7/9/2020	1,871	536	1,680	1,151	190	5,428	7,509	7,968	20,904
This week year ago	1,643	837	1,297	994	173	4,945	4,913	9,279	19,137
Cumulative exports-marketing year[2]									
2019/20 YTD	1,312	208	772	469	137	2,897	35,981	38,340	77,218
2018/19 YTD	1,509	277	640	404	59	2,890	44,708	39,381	86,979
YTD 2019/20 as % of 2018/19	87	75	121	116	230	100	80	97	89
Last 4 wks. as % of same period 2018/19*	116	67	126	110	118	109	170	86	113
Total 2018/19	8,591	3,204	6,776	5,164	479	24,214	48,924	46,189	119,327
Total 2017/18	9,150	2,343	5,689	4,854	384	22,419	57,209	56,214	135,842

[1] Current unshipped (outstanding) export sales to date.

[2] Shipped export sales to date; new marketing year now in effect for wheat, corn, and soybeans.

Note: marketing year: wheat = 6/01-5/31, corn and soybeans = 9/01-8/31. YTD = year-to-date; wks. = weeks; HRW= hard red winter; SRW = soft red winter; HRS= hard red spring; SWW= soft white wheat; DUR= durum.

Source: USDA, Foreign Agricultural Service.

Table 13

Top 5 importers[1] of U.S. corn

For the week ending 07/9/2020	Total commitments[2]			% change current MY from last MY	Exports[3] 3-yr. avg. 2016-18
	2020/21 next MY	2019/20 current MY	2018/19 last MY*		
		- 1,000 mt -			
Mexico	1,832	14,294	15,277	(6)	14,659
Japan	721	9,648	12,530	(23)	11,955
Korea	0	2,567	3,697	(31)	4,977
Colombia	40	4,483	4,637	(3)	4,692
Peru	40	452	1,992	(77)	2,808
Top 5 importers	**2,633**	**31,443**	**38,133**	**(18)**	**39,091**
Total U.S. corn export sales	**5,362**	**43,490**	**49,621**	**(12)**	**54,024**
% of projected exports	10%	96%	94%		
Change from prior week[2]	**655**	**981**	**200**		
Top 5 importers' share of U.S. corn export sales	49%	72%	77%		72%
USDA forecast July 2020	**54,707**	**45,165**	**52,570**	**(14)**	
Corn use for ethanol USDA forecast, July 2020	**132,080**	**123,190**	**136,601**	**(10)**	

[1] Based on USDA, Foreign Agricultural Service (FAS) marketing year ranking reports for 2018/19; marketing year (MY) = Sep 1 - Aug 31.

[2] Cumulative exports (shipped) + outstanding sales (unshipped), FAS weekly export sales report, or export sales query. Total commitments change (net sales) from prior week could include revisions from previous week's outstanding sales or accumulated sales.

[3] FAS marketing year ranking reports (carryover plus accumulated export); yr. = year; avg. = average.

Note: A red number in parentheses indicates a negative number; mt = metric ton.

Source: USDA, Foreign Agricultural Service.

Table 14

Top 5 importers[1] of U.S. soybeans

For the week ending 7/9/2020	Total commitments[2]			% change current MY from last MY	Exports[3] 3-yr. avg. 2016-18
	2020/21 next MY	2019/20 current MY	2018/19 last MY*		
		- 1,000 mt -			- 1,000 mt -
China	4,616	16,231	14,442	12	25,733
Mexico	670	4,731	4,875	(3)	4,271
Indonesia	3	2,158	2,327	(7)	2,386
Japan	126	2,385	2,500	(5)	2,243
Egypt	0	3,562	2,639	35	1,983
Top 5 importers	**5,414**	**29,067**	**26,783**	**9**	**36,616**
Total U.S. soybean export sales	**8,087**	**46,308**	**48,660**	**(5)**	**53,746**
% of projected exports	14%	103%	102%		
change from prior week[2]	**768**	**313**	**128**		
Top 5 importers' share of U.S. soybean export sales	67%	63%	55%		**68%**
USDA forecast, July 2020	**55,858**	**44,959**	**47,738**	**94**	

[1]Based on USDA, Foreign Agricultural Service (FAS) marketing year ranking reports for 2018/19; marketing year (MY) = Sep 1 - Aug 31.

[2]Cumulative exports (shipped) + outstanding sales (unshipped), FAS weekly export sales report, or export sales query. The total commitments change (net sales) from prior week could include revisions from previous week's outstanding sales and/or accumulated sales.

[3]FAS marketing year ranking reports (carryover plus accumulated export); yr. = year; avg. = average.

Note: A red number in parentheses indicates a negative number; mt = metric ton.

Source: USDA, Foreign Agricultural Service.

Table 15

Top 10 importers[1] of all U.S. wheat

For the week ending 7/9/2020	commitments[2]		% change current MY from last MY	Exports[3] 3-yr. avg. 2017-19
	2020/21 current MY	2019/20 last MY		
		- 1,000 mt -		- 1,000 mt -
Mexico	855	1,132	(24)	3,213
Philippines	1,185	1,033	15	2,888
Japan	805	636	27	2,655
Nigeria	396	556	(29)	1,433
Korea	549	388	42	1,372
Indonesia	269	270	(0)	1,195
Taiwan	359	365	(2)	1,175
Thailand	174	255	(32)	727
Italy	236	121	96	622
Colombia	121	282	(57)	618
Top 10 importers	**4,948**	**5,035**	(2)	**15,897**
Total U.S. wheat export sales	**8,325**	**7,835**	6	**23,821**
% of projected exports	32%	30%		
change from prior week[2]	**764**	**347**		
Top 10 importers' share of U.S. wheat export sales	59%	64%		67%
USDA forecast, July 2020	**25,886**	**26,294**	(2)	

[1] Based on USDA, Foreign Agricultural Service(FAS) marketing year ranking reports for 2018/19; Marketing year (MY) = Jun 1 - May 31.

[2] Cumulative exports (shipped) + outstanding sales (unshipped), FAS weekly export sales report, or export sales query. The total commitments change (net sales) from prior week could include revisions from the previous week's outstanding and/or accumulated sales.

[3] FAS marketing year final reports (carryover plus accumulated export); yr. = year; avg. = average.

Note: A red number in parentheses indicates a negative number.

Source: USDA, Foreign Agricultural Service.

Table 16

Grain inspections for export by U.S. port region (1,000 metric tons)

Port regions	For the week ending 07/16/20	Previous week*	Current week as % of previous	2020 YTD*	2019 YTD*	2020 YTD as % of 2019 YTD	Last 4-weeks as % of:		2019 total*
							Last year	Prior 3-yr. avg.	
Pacific Northwest									
Wheat	273	284	96	8,687	7,474	116	137	118	13,961
Corn	232	248	94	5,954	6,744	88	214	103	7,047
Soybeans	0	13	0	2,759	5,375	51	4	5	11,969
Total	**505**	**544**	**93**	**17,401**	**19,593**	**89**	**116**	**92**	**32,977**
Mississippi Gulf									
Wheat	48	145	33	2,123	2,844	75	89	86	4,448
Corn	716	507	141	16,763	13,440	125	262	115	20,763
Soybeans	365	460	79	11,698	13,008	90	95	109	31,398
Total	**1,128**	**1,112**	**101**	**30,584**	**29,293**	**104**	**147**	**110**	**56,609**
Texas Gulf									
Wheat	143	245	59	2,576	4,242	61	74	115	6,009
Corn	0	0	n/a	428	393	109	173	113	640
Soybeans	0	0	n/a	7	0	n/a	n/a	n/a	2
Total	**143**	**245**	**59**	**3,011**	**4,635**	**65**	**78**	**115**	**6,650**
Interior									
Wheat	42	21	200	1,242	1,007	123	63	75	1,987
Corn	181	147	123	4,646	4,202	111	116	106	7,857
Soybeans	105	33	316	3,469	3,724	93	70	78	7,043
Total	**328**	**201**	**163**	**9,357**	**8,933**	**105**	**90**	**92**	**16,887**
Great Lakes									
Wheat	21	0	n/a	342	507	67	57	50	1,339
Corn	0	0	n/a	0	0	n/a	n/a	0	11
Soybeans	0	0	n/a	61	294	21	0	0	493
Total	**21**	**0**	**n/a**	**402**	**801**	**50**	**21**	**23**	**1,844**
Atlantic									
Wheat	1	0	n/a	6	32	19	n/a	49	37
Corn	0	0	n/a	8	92	9	0	0	99
Soybeans	6	3	227	422	780	54	17	19	1,353
Total	**7**	**3**	**246**	**436**	**904**	**48**	**16**	**19**	**1,489**
U.S. total from ports*									
Wheat	527	694	76	14,976	16,107	93	99	106	27,781
Corn	1,129	902	125	27,800	24,871	112	203	109	36,417
Soybeans	476	509	94	18,415	23,182	79	64	77	52,258
Total	**2,132**	**2,105**	**101**	**61,190**	**64,160**	**95**	**114**	**99**	**116,457**

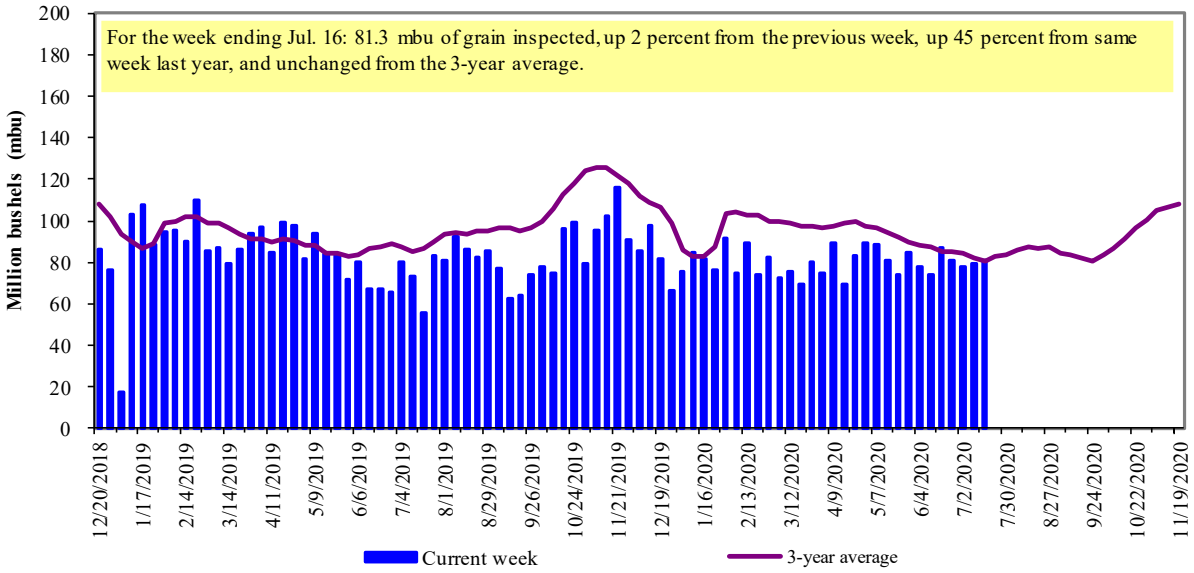
*Data includes revisions from prior weeks; some regional totals may not add exactly due to rounding.

Source: USDA, Federal Grain Inspection Service; YTD= year-to-date; n/a = not applicable or no change.

The United States exports approximately one-quarter of the grain it produces. On average, this includes nearly 45 percent of U.S.-grown wheat, 50 percent of U.S.-grown soybeans, and 20 percent of the U.S.-grown corn. Approximately 55 percent of the U.S. export grain shipments departed through the U.S. Gulf region in 2019.

Figure 14

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

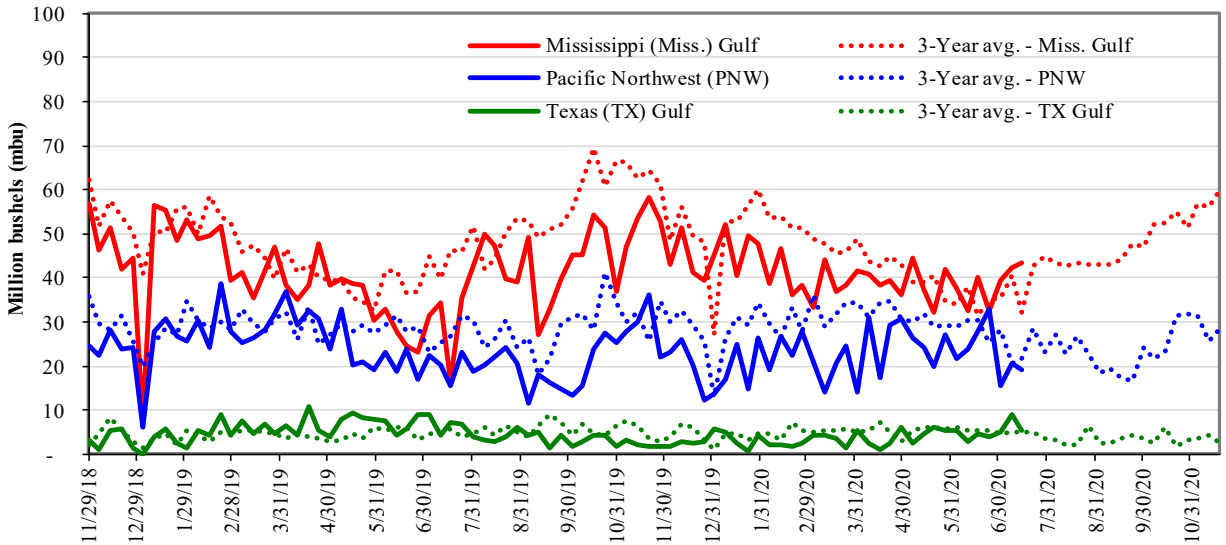


Note: 3-year average consists of 4-week running average.

Source: USDA, Federal Grain Inspection Service.

Figure 15

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



Week ending 07/16/20 inspections (mbu):	
MS Gulf:	43.3
PNW:	19.2
TX Gulf:	5.3

Percent change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last wk:	up 3	down 41	down 5	down 7
Last Year (same wk):	up 164	down 28	up 105	up 24
3-yr avg. (4-wk. mov. Avg):	up 21	up 4	up 19	down 20

Source: USDA, Federal Grain Inspection Service.

Table 17

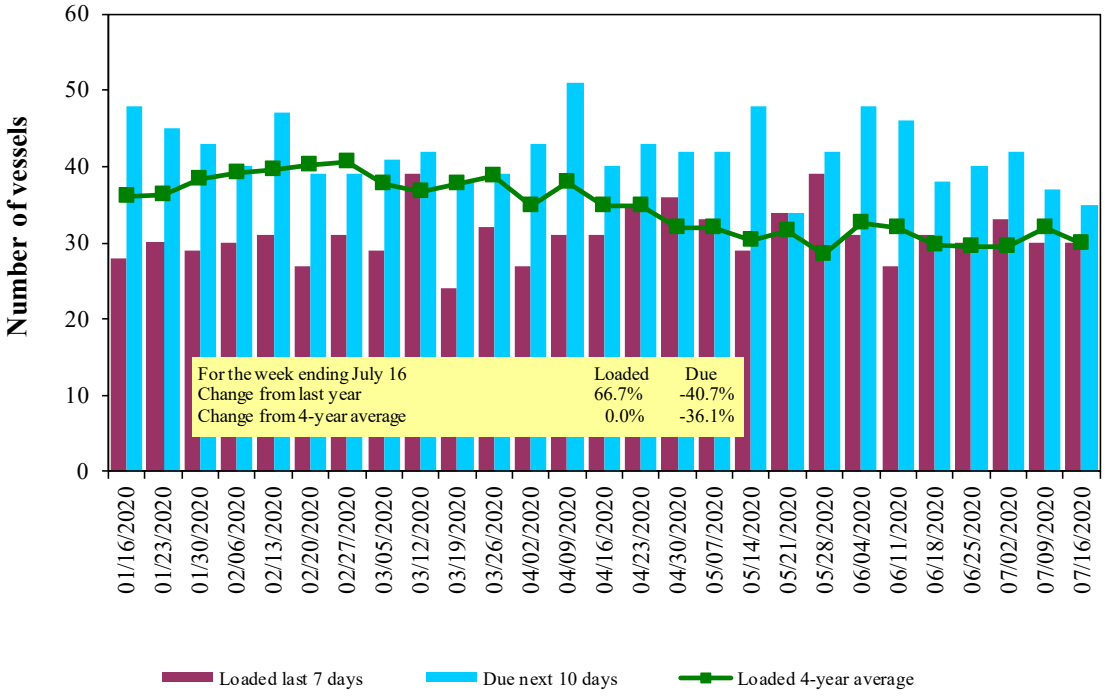
Weekly port region grain ocean vessel activity (number of vessels)

	Gulf			Pacific Northwest
Date	In port	Loaded 7-days	Due next 10-days	In port
7/16/2020	27	30	35	14
7/9/2020	28	30	37	13
2019 range	(26…61)	(18...44)	(33...69)	(8...33)
2019 average	40	31	49	17

Source: USDA, Agricultural Marketing Service.

Figure 16

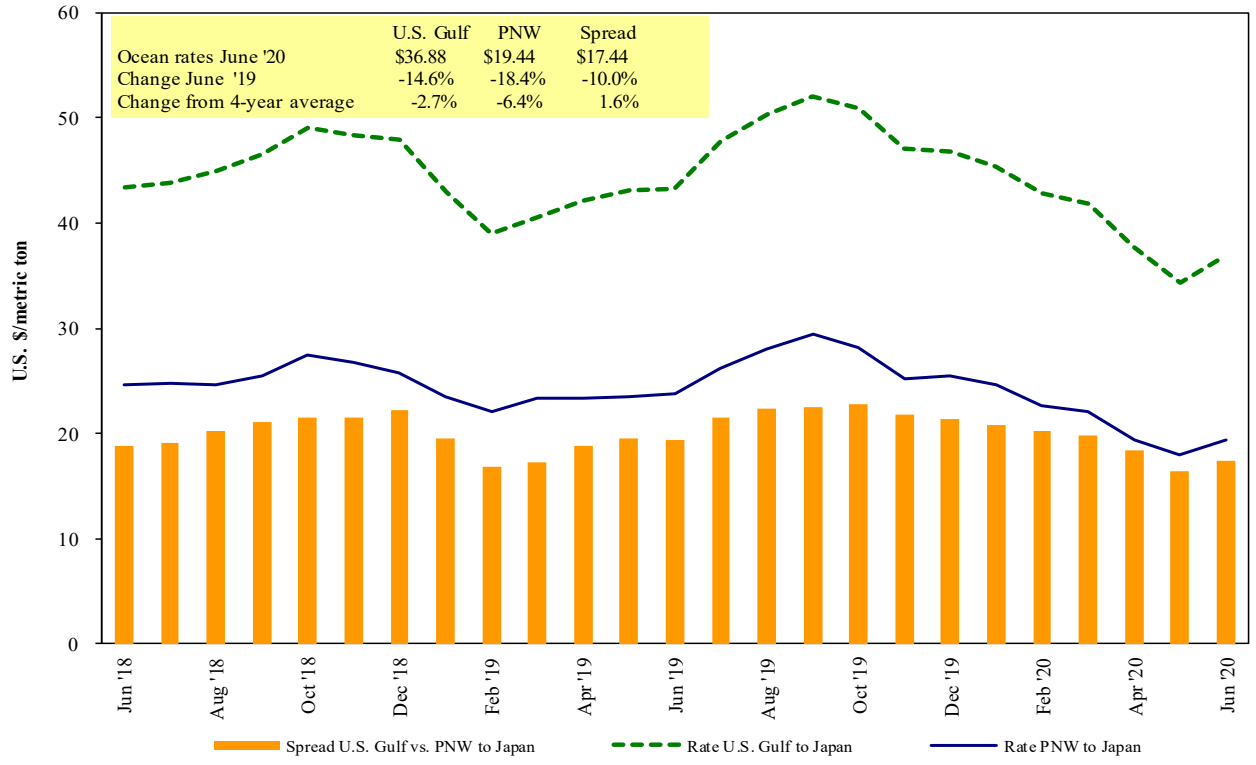
U.S. Gulf[1] vessel loading activity



[1]U.S. Gulf includes Mississippi, Texas, and East Gulf.
Source:USDA, Agricultural Marketing Service.

Figure 17

Grain vessel rates, U.S. to Japan



Note: PNW = Pacific Northwest.

Source: O'Neil Commodity Consulting.

Table 18

Ocean freight rates for selected shipments, week ending 07/18/2020

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US$/metric ton)
U.S. Gulf	Mombasa	Wheat	Jul 23/Aug 3	1,200	117.97*
U.S. Gulf	Pt Sudan	Sorghum	Jun 5/15	33,370	99.50
PNW	Yemen	Wheat	Jun 5/15	40,000	40.89
PNW	Yemen	Wheat	Jun 5/15	30,000	44.89
PNW	Yemen	Wheat	May 18/26	20,000	55.75*
PNW	Yemen	Wheat	May 4/14	49,630	36.50
PNW	Yemen	Wheat	Jul 1/10	40,000	46.94*
Brazil	China	Heavy grain	Jun 25/30	65,000	23.50
Brazil	Japan	Corn	Sep 11/20	49,000	34.75
Brazil	Japan	Corn	Sep 1/10	60,000	34.00
Brazil	SE Asia	Corn	Jul 1/6	66,000	22.75
Brazil	Pakistan	Heavy grain	Jun 19/29	70,000	21.85

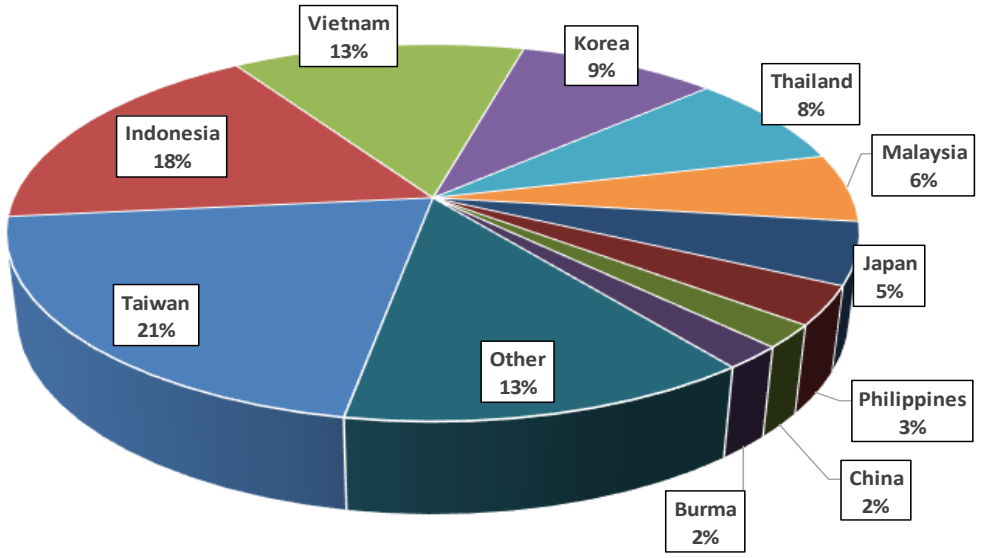
*50 percent of food aid from the United States is required to be shipped on U.S.-flag vessels.

Note: Rates shown are per metric ton (2,204.62 lbs. = 1 metric ton), free on board (F.O.B), except where otherwise indicated; op = option.

Source: Maritime Research, Inc.

In 2018, containers were used to transport 8 percent of total U.S. waterborne grain exports. Approximately 55 percent of U.S. waterborne grain exports in 2018 went to Asia, of which 13 percent were moved in containers. Approximately 94 percent of U.S. waterborne containerized grain exports were destined for Asia.

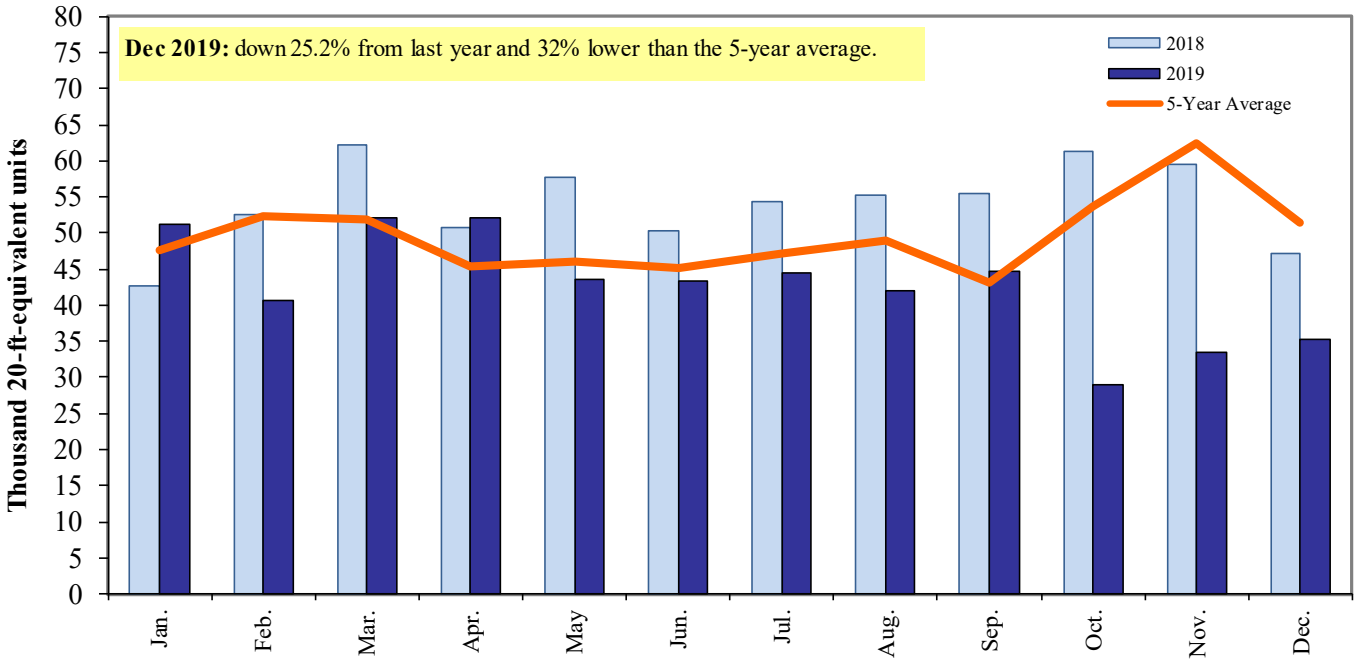
Figure 18
Top 10 destination markets for U.S. containerized grain exports, 2019



Note: The following Harmonized Tariff Codes are used to calculate containerized grains movements: 1001, 100190, 1002, 1003 100300, 1004, 100400, 1005, 100590, 1007, 100700, 1102, 110100, 230310, 110220, 110290, 1201, 120100, 230210, 230990, 230330, and 120810.

Source: USDA, Agricultural Marketing Service, Transportation Services Division analysis of PIERS data.

Figure 19
Monthly shipments of containerized grain to Asia



Note: The following Harmonized Tariff Codes are used to calculate containerized grains movements: 100190, 100200, 100300, 100400, 100590, 100700, 110100, 110220, 110290, 1201, 120100, 120190, 120810, 230210, 230310, 230330, and 230990.

Source: USDA, Agricultural Marketing Service, Transportation Services Division analysis of PIERS data.

Contacts and Links

Coordinators		
Surajudeen (Deen) Olowolayemo	surajudeen.olowolayemo@usda.gov	(202) 720 - 0119
Maria Williams	maria.williams@usda.gov	(202) 690 - 4430
Bernadette Winston	bernadette.winston@usda.gov	(202) 690 - 0487
Grain Transportation Indicators		
Surajudeen (Deen) Olowolayemo	surajudeen.olowolayemo@usda.gov	(202) 720 - 0119
Rail Transportation		
Johnny Hill	johnny.hill@usda.gov	(202) 690 - 3295
Jesse Gastelle	jesse.gastelle@usda.gov	(202) 690 - 1144
Peter Caffarelli	petera.caffarelli@usda.gov	(202) 690 - 3244
Barge Transportation		
April Taylor	april.taylor@usda.gov	(202) 720 - 7880
Kelly P. Nelson	kelly.nelson@usda.gov	(202) 690 - 0992
Bernadette Winston	bernadette.winston@usda.gov	(202) 690 - 0487
Truck Transportation		
April Taylor	april.taylor@usda.gov	(202) 720 - 7880
Grain Exports		
Johnny Hill	johnny.hill@usda.gov	(202) 690 - 3295
Kranti Mulik	kranti.mulik@usda.gov	(202) 756 - 2577
Ocean Transportation		
Surajudeen (Deen) Olowolayemo (Freight rates and vessels)	surajudeen.olowolayemo@usda.gov	(202) 720 - 0119
April Taylor (Container movements)	april.taylor@usda.gov	(202) 720 - 7880
Editor		
Maria Williams	maria.williams@usda.gov	(202) 690-4430

Subscription Information: Please sign up to receive regular email announcements of the latest *GTR* issue by entering your email address **here** and selecting your preference to receive Transportation Research and Analysis. For any other information, you may contact us at **GTRContactUs@usda.gov**

Preferred citation: U.S. Dept. of Agriculture, Agricultural Marketing Service. *Grain Transportation Report.* July 23, 2020. Web: **http://dx.doi.org/10.9752/TS056.07-23-2020**