

# Glossary

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Affreightment	A <i>Contract of Affreightment</i> is an agreement between a ship owner and a shipper to carry cargo at a set rate, within a set time period, without the ship owner obligating a specific vessel.
Aggregate capacity	The optimum traffic a road or rail line can bear without overcrowding.
Average cost	The average total cost of providing transportation services per unit of freight.
Average revenue per ton-mile	Average freight revenue for hauling 1 ton 1 mile.
Backhaul	Cargo carried after the previous load was discharged, to earn revenue to cover costs of repositioning trucks, containers, barges, and vessels. Backhaul cargo is often defined by ocean container carriers as the portion of a round trip that brings the least revenue.
Basis	The difference between the current cash price of a commodity and its futures price. The basis accounts for the difference in the supply and demand relationships in the local market relative to the futures market.
Biofuel	A fuel made from biological matter, such as ethanol or biodiesel. Different than fossil fuels, such as gasoline and diesel.
Bio-refinery	A plant that makes fuel out of agricultural products. Ethanol plants distill ethanol from corn, and biodiesel plants make biodiesel fuel from soybean oil.
Bottleneck segment	A segment of a rail route controlled by a single railroad, in situations where two railroads compete for the rest of the route.
Bottleneck rates	Abnormally high rates charged for bottleneck segments, designed to force the entire haul to the controlling railroad's line and eliminate competition on that route.
Break-bulk	Heterogeneous cargo in various forms: pallets, barrels, bags, etc. All cargo that is not in bulk or containers.
Bulk cargo	Cargo not shipped in packages or containers, but shipped loose in the hold of a ship. Grain, coal, and sulfur are usually bulk cargo.
Brewer's rice	Broken grains of rice, a by-product of rice milling. Primarily sold as a pet or dairy feed ingredient.
Capesize vessel	A cargo vessel with a capacity of 110,000–200,000 dwt.

Captive shippers	Rail customers who have no practical shipping alternatives to a single railroad
Carload shipments	Rail shipments less than 27 railcars.
Cattle operations	Cattle feeding, slaughtering, and packing operations, generally near sources of grain in the Midwest. Also called <i>feed lots</i> . Cattle are raised in cow-calf operations to be finished in cattle operations.
Chassis (shipping)	A wheeled frame to which a shipping container can be locked for storage or movement. (Plural <i>chassis</i> )
Class I railroads	The largest railroads, those having annual revenues in 2008 of \$359.6 million (adjusted annually for inflation) or more. Class II and III are smaller. Seven United States and Canadian Class I railroads operate in the United States.
Common carrier obligation	In public law, and in the ICCTA, railroads and other modes of transportation have an obligation to serve the public at reasonable rates and without discrimination. They cannot refuse to carry some goods or refuse service to some members of the public.
Common cost	A cost that cannot be directly assigned to particular segments of the business but is incurred for the business as a whole.
Container (shipping)	A steel box, 8 feet wide by either 8 feet 6 inches or 9 feet 6 inches high, and either 20, 40, or 45 feet long, used for transporting dry or refrigerated goods. Shipping containers can be carried by—and transferred between—trucks, railcars, barges, and ships.
Cooperative	An organization of farmers formed to buy supplies or market products collectively. An agricultural company owned by its farmer members.
Cost-of-service pricing	Pricing based upon the average total cost per unit of providing the transportation service.
Cow-calf operations	Cattle-raising operations that produce calves to be finished in feed lots
Demurrage	The charge levied when a shipment is not loaded or unloaded within the allowed time.
Differential pricing	Pricing system in which rates vary with customer, volume, location, etc., often also referred to as differential pricing.
Directional running	An agreement between railroads with parallel rail lines, allowing shared use of one line in each direction.

Distiller grains	A by-product of making ethanol from corn. Sold for animal feed, they enhance the profitability of ethanol plants.
Ethanol	A renewable fuel produced from agricultural feedstocks such as corn and other grains in the United States and sugar cane in Brazil.
Fallowing	The practice of allowing a field to remain unplanted for one or more seasons to regain nutrients.
Feed	Food for livestock.
Feeder ship	A relatively small container ship, usually with a capacity less than 1,000 TEU, that moves containers between regional ports to gain access to a larger port or to serve a smaller port region.
Feedgrains	Grains used for animal feed, also known as coarse grains.
Feedstocks	Raw material for industry. For example, corn is the major feedstock for ethanol production in the United States.
Fixed costs	Costs of running an operation that do not depend on volume of business, as opposed to <i>variable costs</i> , which vary with the volume of business done.
Gateway	A major rail interchange point.
GDP price deflator	An economic measure used to account for inflation. The ratio of the sum of a country's output for a given year at current prices (nominal GDP) divided by the GDP in a selected base year. The GDP deflator shows how much a change in the nominal GDP relies upon changes in prices. Also known as the "GDP implicit price deflator."
Grain elevator	A warehouse facility that uses vertical conveyors to elevate grain, where grain is stored before being marketed. Grain is moved from elevators into trucks, rail cars, barges, or ships by gravity flow. Elevators are usually owned privately or by an agricultural cooperative. The term "elevator" often is used to refer to any grain storage facility, even if the grain is not elevated. <ul style="list-style-type: none"> <li>• County elevators are where farmers deliver grain.</li> <li>• Terminal elevators are major transshipment facilities.</li> <li>• Export elevators are at port facilities.</li> </ul>
Handymax vessel	A cargo vessel with a capacity of 40,000–60,000 dwt.
Handysize vessel	A bulk cargo vessel with a capacity of 10,000–40,000 dwt, or a container vessel with a capacity of 1,000–1,999 TEUs.
Headhaul	Cargo that provides enough revenue to pay for the initial transportation to the buyer and the return transportation of the empty container. In contrast, backhaul cargo is unable to pay for both legs of the transportation.

Horticultural crops	In this report, used to refer to fruit, vegetable, and nut crops
Inelastic demand	Transportation demand is relatively unresponsive to changes in price.
Inland waterways	All waterways within the contiguous 48 States and Alaska.
Intermediate vessel	Container ship with a capacity of 2,000–2,999 TEUs.
Intermodal	Shipping freight in containers, which may be moved from one mode of transport to another.
Joint-line rate	A tariff rate over a route involving two or more rail carriers.
Landed cost	The total cost of goods to a buyer, including the cost of transportation
Line-haul railroads	Railroads that offer point-to-point service. Local line haul railroads have less than 350 miles of track.
Liner vessels	Container ships that provide service with fixed schedules and routes.
Lock and dam	A mechanism for moving vessels past obstructions or fast water in a river or canal. It consists of a dam, which controls the flow of water, and one or more locks to raise or lower vessels past the obstruction.
Lock chamber	A section of a canal that can be closed to control the water level, raising or lowering vessels.
Maintenance of way	Maintenance of railroad rights-of-way. (Often abbreviated as M of Way, MOW, or MW)
Marginal cost	The cost to produce one additional unit of output.
Market power	The extent to which a firm can dictate prices and terms of service.
Merger premium	The price of an acquisition in excess of its net book value
Milled rice	Rice from which the husk and bran has been removed. Also called <i>white rice</i> .
Mode, modal	A form of transportation, including truck, rail, barge, or ocean vessel.
Multimodal	Using multiple modes of transportation.
Newbuilding	Vessels newly built or under construction,
Nominal GDP	Gross Domestic Product not adjusted for inflation. Expressed as an amount in current dollars, i.e. 2008 nominal GDP was \$10 trillion.
Oilseed	Seeds or legumes from which oil is pressed, such as soybean, canola, and cottonseed

Orderbook	Scheduled delivery of newly built vessels.
Packet	Early river barge.
Panamax vessel	A cargo vessel with a capacity of 60,000–80,000 dwt, or a container ship with a capacity of 3,000–4,999 TEUs.
Paper barrier	A restriction on a railroad that buys or leases lines from another railroad. The selling or leasing contract restricts the rights of the buying railroad to interchange traffic with other than the selling railroad. Also called an <i>interchange commitment</i> .
Post-Panamax vessel	A cargo vessel with a capacity of 80,000–110,000 dwt, or a container ship with a capacity of 5,000–7,999 TEUs. These vessels are too large to fit through the Panama Canal at its current width and depth.
Price maker	Sellers in non-competitive markets who have the market power to set prices because there is little competition.
Price taker	A buyer in highly competitive markets that has no market power to influence prices, so must accept what the market offers.  Also, a seller in a highly competitive market that can increase or decrease its production or services offered without a significant impact on the market.
Pulse crops	Leguminous vegetables: beans, peas, chick peas, black-eyed peas, and lentils.
Rail-to-trails	Abandoned rail lines converted by STB to biking and hiking trails for public use.
Rationalization (railroads)	Making railroads more profitable by abandoning unprofitable (less-used) lines.
Reciprocal switching agreement	A railroad gives shippers access to a second rail carrier in return for the second rail carrier giving the first railroad access to some of its shippers.
Real GDP	Gross Domestic Product adjusted for inflation. Expressed as an amount of GDP in the dollars of a base year, i.e. 2000 Real GDP was \$6.5 trillion in 2008 Dollars.
Regional railroads	Railroads with more than 350 miles of track, but which are too small to be classified as Class I.
Roll on-Roll off	A type of ship designed for wheeled cargo that is driven on at the origin and off at the destination. Also referred to as RO-RO.

Rough rice	Unprocessed rice. The grains are covered with a tough husk. Rice is not eaten in this form, but requires further milling to remove the husk. Also called <i>paddy rice</i> . Brown rice has had the husk removed, but retains the bran. White rice has had the bran removed.
Semi-trailer	A trailer without a front axle; the weight of the front is supported by the tractor that pulls it. The combination of tractor and semi-trailer is colloquially called a “semi.” It is the largest and most common type of truck transporting cargo on the highway.
Shuttle train	A dedicated train, usually of 75 or 100 cars, that shuttles between a single origin and a single destination.
Soybean crush	Soybeans destined for milling into oil and meal.
Soymeal	Also called soybean meal, a byproduct of soybean oil extraction. A high-protein ingredient for animal feeds.
Stand-Alone Cost	A method used to estimate the fair cost of running a railroad in rate disputes
Switching rates	Rates charged by a railroad to move its cars to another railroad’s line.
Tariff (ocean shipping)	A document published by the carrier setting forth rules, rates, and charges for the movement of goods.
Tariff (barges)	Barge rates are expressed as a percent of tariff. Tariff rates were originally set by the Bulk Grain and Grain Products Freight Tariff No. 7 in 1976. Although that tariff is no longer applicable, the industry uses it as a benchmark to describe rates.
Tariff rates (railroads)	Non-contracted standard shipping rates, as opposed to contracted rates, which are individually negotiated.
Through route	A route that, from origin to destination, involves more than one rail carrier.
Ton-mile	A ton of freight transported one mile. A measure of quantities plus the distance they are carried.
Tornqvist index	An economic index that measures the change in prices in categories and assigns a percentage weight to each category based on its share of total revenues. The total index is essentially the weighted average of price changes within the various categories.
Tow boat	Self-propelled river vessel that moves barges. Often referred to as a pushboat. Tow boats are generally designed for shallow water operations and push groups of barges (see tow of barges).

Tow of barges	A group of barges tied together. From 15 to 40 barges are tied together for transport by a single tow boat. A barge can carry 1,500-1,800 tons of grain; a tow can transport as much as 72,000 tons.
Tramp vessels	Ships that are contracted by shippers as needed, rather than running on a regular schedule.
Transload	To move cargo from one method of transportation to another, such as from a railcar into a container or trailer. A <i>transload facility</i> is a transfer point with equipment for making such a transfer.
Treble damages	The ability of a court to triple the amount of damages, often used in antitrust cases as a penalty if the action was found to be willful.
Unit trains	Trains in which all cars (more than 50 cars) are shipped from the same origin to the same destination, without being split up en route.
Variable costs	Costs of running an operation that vary with the volume of business done. As opposed to <i>fixed costs</i> , which do not depend on volume.



