



United States
Department of
Agriculture

Rural Development



Farm Foundation Forum

Jannine Miller B.S., M.P.A., M.B.A.
Senior Advisor to the Secretary for Rural infrastructure
United States Department of Agriculture

United States Department of Agriculture

***"Do right and feed
everyone."***

-Agriculture Secretary Sonny Perdue



Agricultural Marketing Service Transportation Services Division



VISION

...to serve as the expert source for economic analysis on agricultural transportation from farm to markets

MISSION

...provide insightful agricultural transportation information, analysis and data to help agricultural shippers move their products to market. As part of USDA, we inform, represent, and assist agricultural shippers and government policymakers through Market reports, Economic Analysis, Regulatory representation, Transportation disruption reports, Technical Assistance, and Outreach to stakeholders.



Agricultural Marketing Service Transportation Services Division

Transportation Analysis & Market Reports:

- U.S. Grain
- Other Ag. Commodities
- Brazil & Mexico Grain Analysis
- Modal Share Analysis
- Commodity Profiles
- Rail Studies
- Study of Rural Transportation Issues
- Internal Disruption Reporting
- STB Filings
- Co-op Research Agreements
- Data

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Grain Transportation Report

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

September 28, 2017

WEEKLY HIGHLIGHTS

Brazil Raises Tariffs On U.S. Ethanol Exports
According to recent reports, Brazil has imposed a 20 percent tariff on U.S. ethanol imports. The tariff is a 2-year tariff rate quota (TRQ) and will take place when imports from the United States surpass 158 million gallons. The action has caused agricultural trade organizations representing biofuels and grain interests to urge lawmakers to take immediate action against this decision. The TRQ could ultimately affect the two countries' agreement to expand worldwide ethanol demand and trade, and cause Brazilian consumers to pay more for ethanol. Brazil, one of the leading importers of U.S. ethanol, imported 279 million gallons of ethanol from the United States last year, up over 140 percent from 2015, and representing 25 percent of total U.S. ethanol exports. Year-to-date imports of ethanol to Brazil from the United States are currently at 310 million gallons, three times more than last year.

NASS to Collect Additional Harvested Acreage Information
Hurricanes Harvey and Irma significantly impacted many crops in the Southeast. USDA's National Agricultural Statistics Service (NASS) will collect harvested acreage information for a number of crops in preparation for the October Crop Production report. If the newly collected data justifies any changes, NASS will publish updated harvested acreage estimates in the October 12 report. When surveying for the October Crop Production report, harvested acreage information will be collected from producers in Alabama, Florida, Georgia, and South Carolina for soybeans; and in Louisiana and Texas for corn, sorghum, and soybeans.

Barge Rates Surge As Adverse Navigation Conditions Disrupt River Traffic
On September 26, spot barge rates for export grain from major originating areas increased 27 to 50 percent compared to last week. Low water conditions have impacted barge movements on the Mississippi, Illinois, and Ohio Rivers, forcing barge operators to decrease drafts for barges, which is reducing barge cargo capacity. Barge operators have indicated shallow river conditions and Coast Guard restrictions on tow sizes have reduced cargo capacity and limited logistics. In addition, harvest pace is slower than average with the corn harvest at 11 percent harvested (compared to 17 percent for the 5-year average) and soybean harvest at 10 percent (12 percent for the 5-year average). At this early harvest stage and with adverse navigation conditions, elevated barge rates could continue well into mid-October. With the delays on the waterways, weekly railcar deliveries to the Mississippi Gulf for the week ending September 20 were up 148 percent compared to the previous week.

Grain Inspections Increase: Texas Gulf Continues to Recover
For the week ending September 21, total inspections of grain (corn, wheat, and soybeans) for export from major U.S. export regions reached 2.31 million metric tons (mmt), up 8 percent from the previous week, down 15 percent from the same time last year, and 4 percent above the 5-year average. Higher inspections were driven by an increase for each of the major grains. Mississippi Gulf inspections increased 8 percent from the previous week, and Pacific Northwest (PNW) inspections decreased 2 percent. Inspections of grain in the Texas Gulf continued to recover, increasing 53 percent from the past week, and reflecting a 46 percent increase in rail deliveries to Texas ports. Wheat to Texas ports in the Texas Gulf jumped 89 percent from the previous week. Outstanding (unshipped) export sales continued to increase for soybeans but decreased for wheat and corn.

Snapshots by Sector

Export Sales
For the week ending September 14, unshipped balances of wheat, corn, and soybeans totaled 31.7 mmt, down 26 percent from the same time last year. Net weekly wheat export sales were 307 mmt, down 3 percent from the previous week. Net corn export sales were 57 mmt, down 50 percent from the previous week, and net soybean export sales were 2.34 mmt for the same period, up 46 percent from the previous week.

Rail
U.S. Class I railroads originated 20,856 grain carloads for the week ending September 16, up 20 percent from the previous week, down 7 percent from last year, and unchanged from the 3-year average.

Average October shuttle secondary railcar bids/offers per car were \$513 above tariff for the week ending September 21, down \$69 from last week, and \$538 lower than last year. There were no non-shuttle bids/offers this week.

Barge
For the week ending September 23, barge grain movements totaled 343,250 tons, 38 percent lower than the previous week, and down 23 percent from the same period last year.

For the week ending September 23, 221 grain barges moved down river, down 38 percent from last week, 754 grain barges were unloaded in New Orleans, up 3 percent from the previous week.

Ocean
For the week ending September 21, 32 ocean-going grain vessels were loaded in the Gulf, 16 percent less than the same period last year. Fifty-five vessels are expected to be loaded within the next 10 days, 18 percent less than the same period last year.

For the week ending September 14, the ocean freight rate for shipping bulk grain from the Gulf to Japan was \$42.75 per metric ton, 1 percent higher than the previous week. The cost of shipping from the PNW to Japan was \$24.00 per metric ton, 2 percent higher than the previous week.

Fuel
During the week ending September 26, average diesel fuel prices remain almost unchanged from the previous week at \$2.79 per gallon, 41 cents above the same week last year.

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The next release is October 5, 2017

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Rural Infrastructure: USDA's Utilities Programs

✓ **Infrastructure for
Growth**



Electric Program

✓ **Access to Essential
Services**



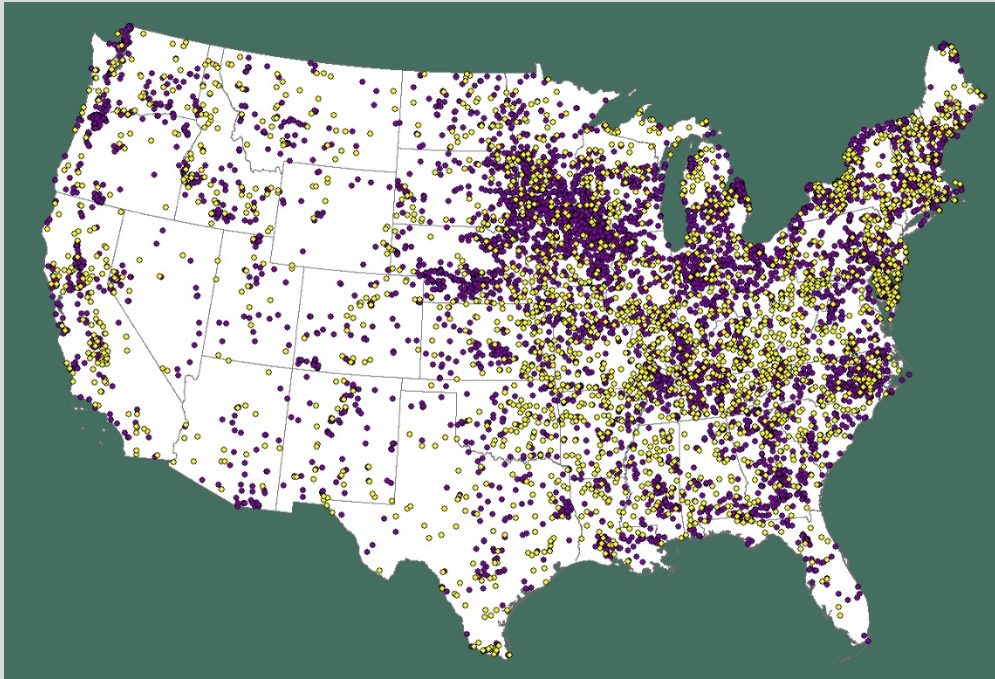
Telecommunications Program

✓ **Job Creation**

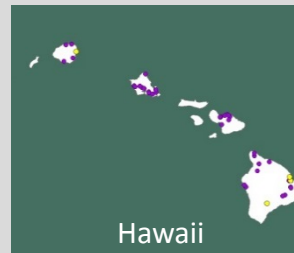
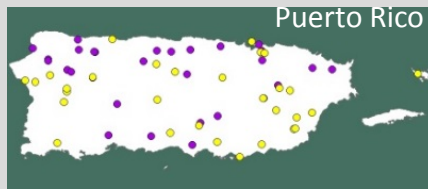
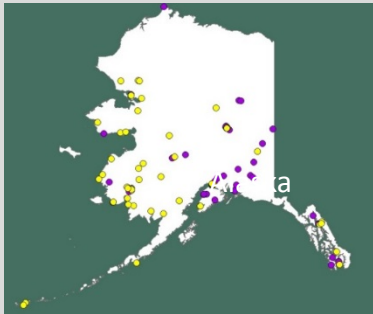


Water and Environmental
Programs

Rural Utilities Service Borrowers & Grantees



- ✓ Infrastructure for 80% of the nation's land mass
- ✓ Enhancing the lives of 25% of the population



USDA Broadband Programs

Loans

- **Farm Bill Broadband Loans and Grants**
- **Telecommunications Infrastructure**

Grants

- **Community Connect**
- **Distance Learning and Telemedicine**

