IGP Grain Transportation Report

Wheat, Corn, Grain Sorghum, and Soybean Complex

08th June 2026

by Guy H. Allen – Senior Economist, International Grains Program, Kansas State University *News and information noted below are articles of interest and gathered from numerous sources. This news and information do not reflect the opinions of KSU-IGP but are provided as a matter of interest.*

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KSU Agriculture Today Podcast Link: https://agtodayksu.libsyn.com/timeliness-of-corn-and-soybean-plantingworld-grain-supply-and-demand

KSU Ag Manager Link: https://www.agmanager.info/grain-marketing/publications/us-grain-exports-and-trade

USDA Transportation Report: https://www.ams.usda.gov/services/transportation-analysis/gtr

USDA FAS Historical Grain Shipments: https://apps.fas.usda.gov/export-sales/wkHistData.htm, https://apps.fas.usda.gov/export-sales/complete.htm

Contents

OCEAN FREIGHT

- **Baltic Dry Freight Index – Daily = 1762**

Source: https://www.tradingview.com/chart/?symbol=INDEX%3ABDI

The Baltic Dry Index is reported daily by the Baltic Exchange in London. The index provides a benchmark for the price of moving the major raw materials by sea. The index is a composite of three sub-indices that measure different sizes of dry bulk carriers: Capesize, which typically transport iron ore or coal cargoes of about 150,000 tonnes; Panamax, which usually carry coal or grain cargoes of about 60,000 to 70,000 tonnes; and Supramax, with a carrying capacity between 48,000 and 60,000 tonnes.

Not restricted to Baltic Sea countries, the index provides "an assessment of the price of moving the major raw materials by sea. Taking in 23 shipping routes measured on a time-charter basis, for dry bulk carriers carrying a range of commodities including coal, iron ore, grain, and other commodities.

Because dry bulk primarily consists of materials that function as raw material inputs to the production of intermediate or finished goods, the index is also seen as an efficient economic indicator of future economic growth and production.

Positive Sentiment Supports Rates Despite Dark Macro Clouds – The dry bulk

➢ A weekly round-up of tanker and dry bulk market

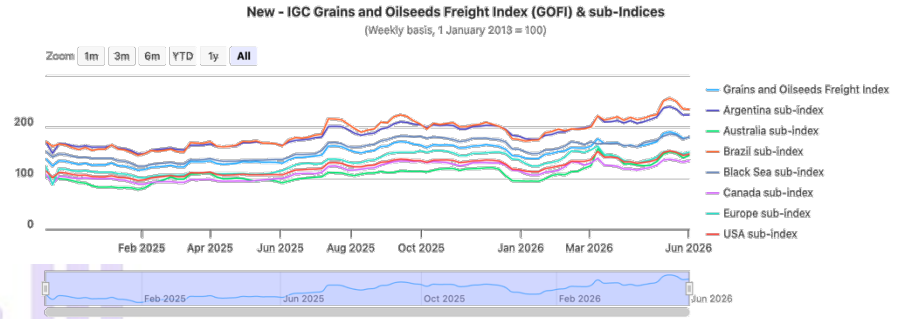
05 June 2026 Baltic Exchange - This report is produced by the Baltic Exchange - Source: https://www.balticexchange.com/en/data-services/WeeklyRoundup.html.

Capesize: The market closed the week on a softer footing, with the BCI 182 5TC easing from just under $50,000 at the start of the week to $44,374, reflecting a clear loss of momentum as the week progressed. Trading conditions were characterised by persistently thin liquidity, disrupted participation due to Posidonia, and generally subdued miner engagement, which together left the market vulnerable to downside pressure. In the Pacific, sentiment weakened steadily as the week unfolded, with a gradual erosion in C5 levels driven by limited cargo emergence and a lack of consistent support from major miners. Fixtures progressively printed lower, from mid-to-high $15 early in the week to a tick below $14 by the close. The South Brazil and West Africa to China market followed a similar, albeit more gradual, weakening trend, with index dates on C3 drifting lower and spreads widening before settling into the low-to-mid $36s range on later stems. The North Atlantic initially showed relative resilience, briefly supported by short-duration TA activity, but this strength faded as the week progressed and sentiment softened in line with the broader market. Fronthaul activity remained notably quiet throughout.

Panamax: The week opened on a subdued note, influenced by regional holidays and Posidonia, with limited activity prompting many participants to reassess positions. Despite an early P5TC uptick, sentiment quickly softened as the week progressed. In the Atlantic a growing tonnage list, particularly in the North Continent, combined with relatively limited mineral and grain cargoes, placed downward pressure on rates. Owners gradually revised expectations lower, especially for prompt positions, while fronthaul activity remained muted. Pacific trade provided some initial support, driven by steady Indonesian and Australian exports, though sentiment became mixed midweek as bid levels weakened. While owners resisted significant rate declines, this resulted in a widening bid-offer gap and limited fixtures. As the week progressed, broader negative momentum set in across both basins, with softer East Coast South America demand and continued Pacific easing. Overall, declining indices reflected persistent oversupply and subdued enquiry, leaving the market on a cautious footing heading into the following week.

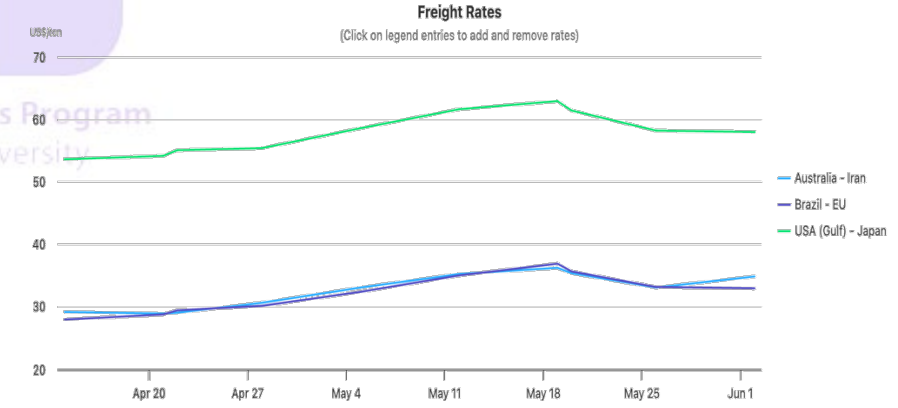
Ultramax/Supramax: This week's Supramax/Ultramax market developed gradually after a subdued start, with Posidonia events in Athens and a holiday in Singapore limiting early momentum. Overall sentiment improved modestly as the week progressed, particularly in the Atlantic, where the US Gulf remained the key source of support. Brokers continued to report firmer rate ideas from the Gulf and steady underlying activity in the South Atlantic, although much of the fixing remained undisclosed. The Continent-Mediterranean market stayed broadly balanced. In Asia, conditions were initially mixed, with stronger demand in the north offset by pressure in the south due to prompt tonnage, but sentiment improved later in the week as fresh enquiry returned. Notable fixtures included coal and grain business in both basins, alongside limited short-period interest. By week's end, the 11TC average had edged up from $19,847 to $20,067, reflecting a firmer but still cautious overall market tone.

➢ IGC Grains Freight Index – 02nd June 2026



Source: IGC https://www.igc.int/en/markets/marketinfo-freight.aspx

	2 Jun	Weekly Change	Annual Change	52 Week Low	52 Week High
IGC Grains and Oilseeds Freight Index	180	+2	39 %	129	191
Argentina sub-Index	223	-	36 %	164	239
Australia sub-Index	145	+6	59 %	91	158
Brazil sub-Index	234	-1	44 %	163	256
Black Sea sub-Index	181	+5	33 %	136	186
Canada sub-Index	134	+3	35 %	99	139
Europe sub-Index	151	+4	32 %	115	163
USA sub-Index	147	+3	39 %	106	153



Source: IGC https://www.igc.int/en/markets/marketinfo-freight.aspx

	2 Jun	Weekly Change	Annual Change	52 Week Low	52 Week High
Australia - Iran	$35	+2	6 %	$21	$37
Brazil - EU	$33	-	48 %	$22	$37
USA (Gulf) - Japan	$58	-	37 %	$42	$63

LOGISTICS

- **U.S. Counts Far More Hormuz Ship Transits Than Commercial Tracking Data Shows**

05 June 2026 By: Bloomberg - By Tony Capaccio (Bloomberg) — American forces have counted nearly 1,000 commercial vessel transits in and out of the Strait of Hormuz in the last two months, according to an official familiar with US Central Command operations, a figure that's higher than private sector estimates that rely mostly on ship transponders.

Military analysts measured the number of ship passages since a ceasefire took effect between the US and Iran on April 8 using continual air, sea and space surveillance deployed as part of the war against Iran, the official said, asking not to be identified to discuss data that hasn't been made public. The bulk of the vessels are large cargo and container ships and the figure doesn't count smaller craft, such as traditional dhows, they added.

The figure is still far below the more than 100 ships passing daily through the vital waterway for oil and gas from the Persian Gulf before President Donald Trump launched a war against Iran in late February, which effectively shuttered the Strait of Hormuz and sent global energy prices soaring.

But the new US tally suggests commercial traffic in the strait has been at least slightly busier than previously believed. A Bloomberg tally of ship-tracking data using transponders counts just over 650 transits since April 8 — 402 outbound and about 260 inbound.

The US count likely reflects — at least in part — the rising number of so-called dark transits ships are making with transponders turned off to help avoid detection by Iran, as US forces attempt to get traffic moving again amid a rising outcry about the worsening impact of the strait's closure on the global economy.

Asked on Friday how much oil was getting out of Hormuz, Trump replied: "A lot."

The "I don't want to say how many, but a lot," the president told reporters traveling aboard Air Force One. "A lot of oil is coming into the world that people don't even know about. And that's why it's at $97 a barrel instead of $300 a barrel."

US and Israeli airstrikes on Feb. 28 quickly prompted Tehran to shutter the strait with threats to sink commercial vessels, a move that — along with attacks on regional energy infrastructure — has caused global energy prices to soar and fueled inflation, piling pressure on the White House to end the unpopular war.

The Strait of Hormuz has also emerged as a key sticking point in US-Iran talks to end the conflict, with Tehran repeatedly suggesting it wants to retain control — and possibly toll — the strait, and US officials insisting the strait remain free and open.

In recent weeks, the US military has quietly restarted efforts to get more commercial traffic moving through the strait, helping commercial vessels navigate along a sea mine free route closer to the Omani — rather than Iranian — coast, and protecting them from Iranian attacks if needed.

The effort follows a previous US military attempt to protect vessels exiting Hormuz in early May, which was quickly abandoned after Iranian attacks on the ships leaving Hormuz spooked other shipping companies from attempting it.

But traffic appears to be continuing, despite a flareup earlier this week, when Iran launched a wave of drones and missiles at Kuwait's international airport — killing one and injuring more than 60 people — and at US forces stationed in Bahrain. US Secretary of State Marco Rubio said the attacks were because of the US helping ships move through Hormuz.

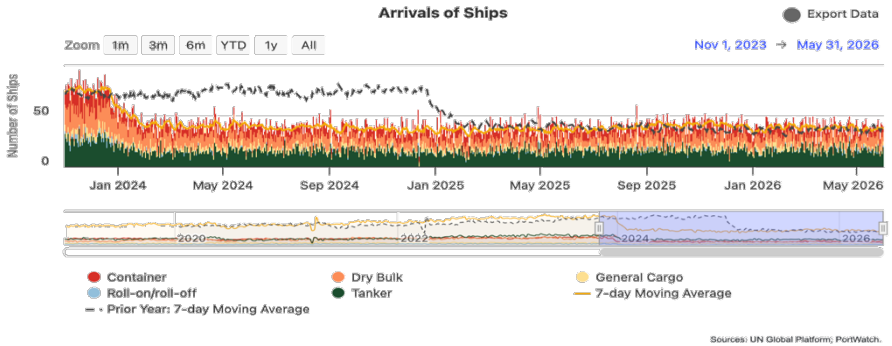
US Central Command issued a statement saying its forces shot down Iranian attack drones aimed at "civilian mariners that were rightfully transiting regional waters."

US forces are communicating with commercial shippers preparing to enter or transit the Strait of Hormuz and the Persian Gulf through a longstanding ecosystem that involves radio, telephone and chat that was previously developed by the current Centcom commander Admiral Brad Cooper, the US official said. Cooper headed US Navy forces in the Middle East between 2021 and 2024 as 5th Fleet commander, and would regularly convene conference calls with shipping companies to share best practices, the official added.

Today, the US Navy is passing information on transit routes, timing considerations and potential Iranian threats with vessels going into and out of the Persian Gulf via operations centers in the region and Centcom's main headquarters in Tampa, Florida, the official said.

The communication is informed by continuous imagines and other data gathered by US surveillance aircraft flying over the region as well as systems from Navy vessels. The aircraft include Boeing Co. P-8 reconnaissance aircraft, fifth-generation F-35 warplanes, MQ9 Reaper surveillance drones and satellite coverage, the official said.

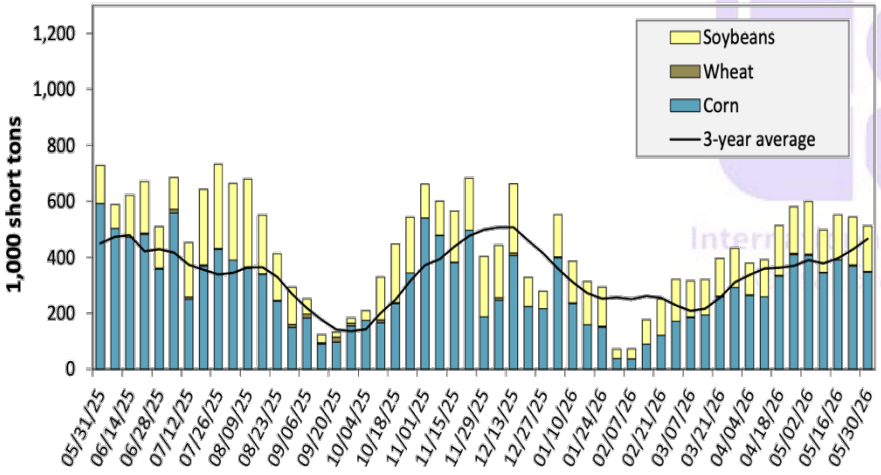
- **Suez Canal – Daily Transit Calls**



May 31 2026 Source: IMF PortWatch
Source: https://portwatch.imf.org/pages/c57c79bf612b4372b08a9c6ea9c97ef0

BARGE MOVEMENTS

Figure 12. Barge movements on the Mississippi River (Locks 27-Granite City, IL)



For the week ending May 30th: 30% lower than last year and 10% higher than the 3-year average.

Figure 14. Grain barges for export in New Orleans region

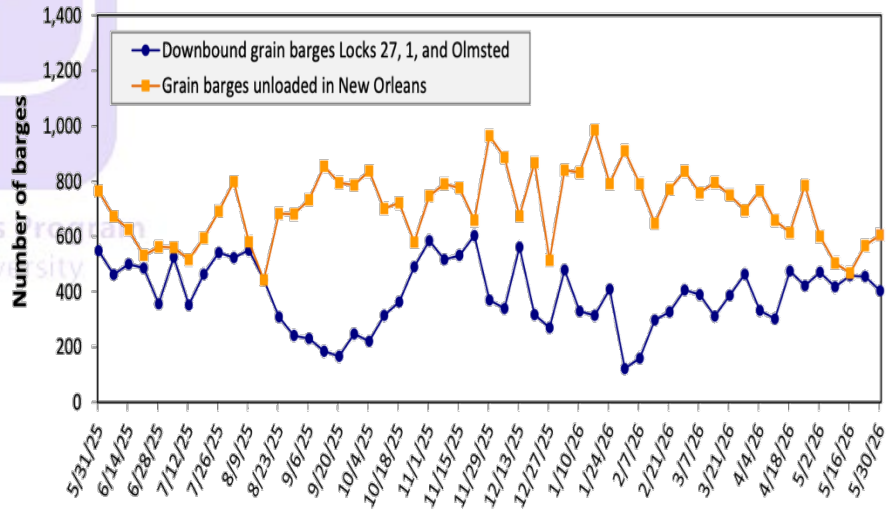
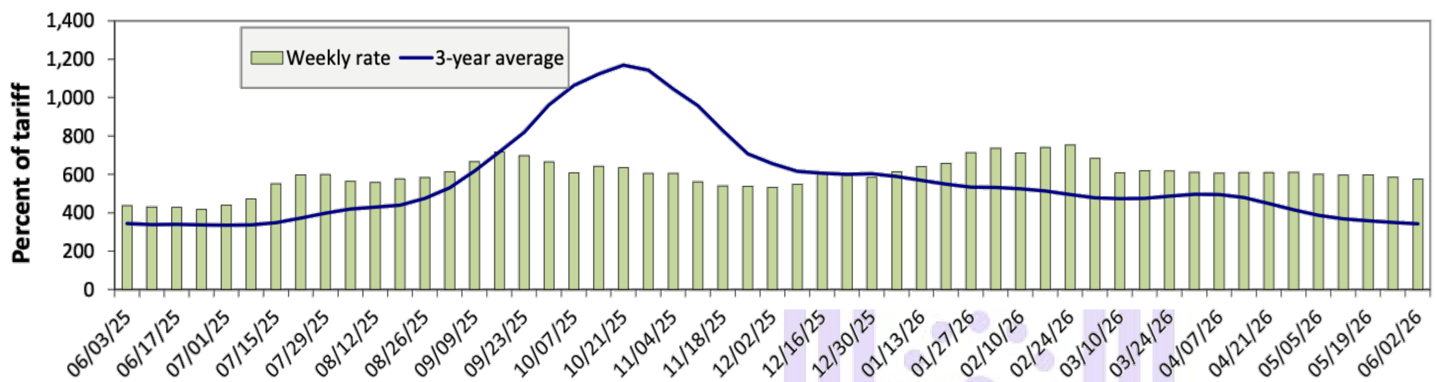


Figure 10. Illinois River barge freight rate



Note: Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); 3-year avg. = 4-week moving average of the 3-year average.
Source: USDA, Agricultural Marketing Service.

Table 9. Weekly barge freight rates: southbound only

Measure	Date	Twin Cities	Mid-Mississippi	Illinois River	St. Louis	Ohio River	Cairo-Memphis
Rate	6/2/2026	678	594	574	409	388	372
	5/26/2026	671	599	584	450	403	370
$/ton	6/2/2026	41.97	31.60	26.63	16.32	18.20	11.68
	5/26/2026	41.53	31.87	27.10	17.96	18.90	11.62
Measure	**Time Period**	**Twin Cities**	**Mid-Mississippi**	**Illinois River**	**St. Louis**	**Ohio River**	**Cairo-Memphis**
Current week % change from the same week	Last year	38	29	31	30	19	29
	3-year avg.	63	61	68	61	43	57
Rate	July	678	584	562	420	392	374
	September	782	753	746	740	739	756

Note: Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); 3-year avg. = 4-week moving average of the 3-year avg.; ton = 2,000 pounds; "n/a" = data not available. The per ton rate for Twin Cities assumes a base rate of $6.19 (Minneapolis, MN, to LaCrosse, WI). The per ton rate at Mid-Mississippi assumes a base rate of $5.32 (Savanna, IL, to Keithsburg, IL). The per ton rate on the Illinois River assumes a base rate of $4.64 (Havana, IL, to Hardin, IL). The per ton rate at St. Louis assumes a base rate of $3.99 (Grafton, IL, to Cape Girardeau, MO). The per ton rate on the Ohio River assumes a base rate of $4.69 (Silver Grove, KY, to Madison, IN). The per ton rate at Memphis-Cairo assumes a base rate of $3.14 (West Memphis, AR, to Memphis, TN). For more on base rate values along the various segments of the Mississippi River System, see AgTransport.
Source: USDA, Agricultural Marketing Service.

Barge grain movements (1,000 tons)

For the week ending 05/30/2026	Corn	Wheat	Soybeans	Other	Total
Mississippi River (Rock Island, IL (L15))	175	2	89	0	267
[illegible]	[illegible]	[illegible]	[illegible]	0	324
[illegible]	[illegible]	[illegible]	[illegible]	0	436
[illegible]	[illegible]	[illegible]	[illegible]	0	512
[illegible]	[illegible]	[illegible]	[illegible]	0	107
[illegible] (Olmsted)	[illegible]	[illegible]	[illegible]	0	60
... River (L1)	0	21	15	0	36
...tal - 2026	382	26	200	0	608
Weekly to...	[illegible]	[illegible]	[illegible]	3	859
2026 YTD	6,888	369	4,436	45	11,737
2025 YTD	8,449	427	4,551	97	13,524
2026 as % of 2025 YTD	82	86	97	46	87
Last 4 weeks as % of 2025	71	87	126	111	83
Total 2025	20,015	1,259	11,322	166	32,761

Note: "Other" refers to oats, barley, sorghum, and rye. Totals may not add up due to rounding. YTD = year to date. Weekly total, YTD, and calendar year total include Mississippi River lock 27, Ohio River Olmsted lock, and Arkansas Lock 1. "L" (as in "L15") refers to a lock, locks, or lock and dam facility.
Source: U.S. Army Corps of Engineers.

For the week ending the 30th of May, 404 grain barges moved down river—51 fewer than last week. There were 605 grain barges unloaded in the New Orleans region, 7% more than last week.

Benchmark Tariff Rate

Calculating barge rate per ton:

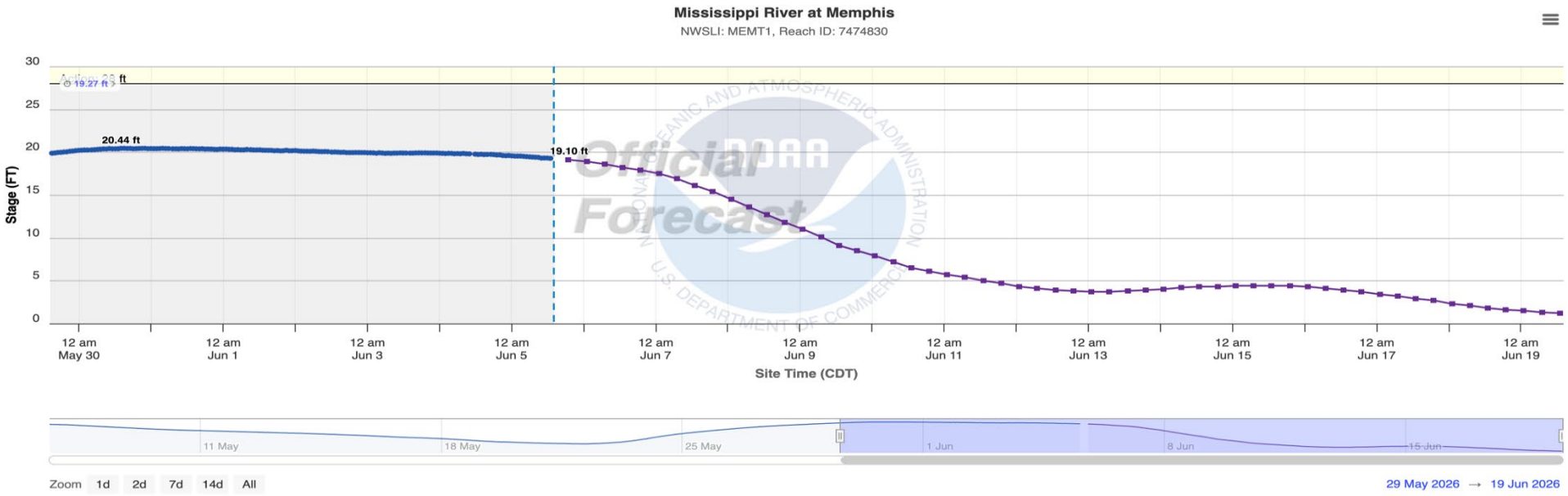
Select applicable index from market quotes are included in tables on this page.

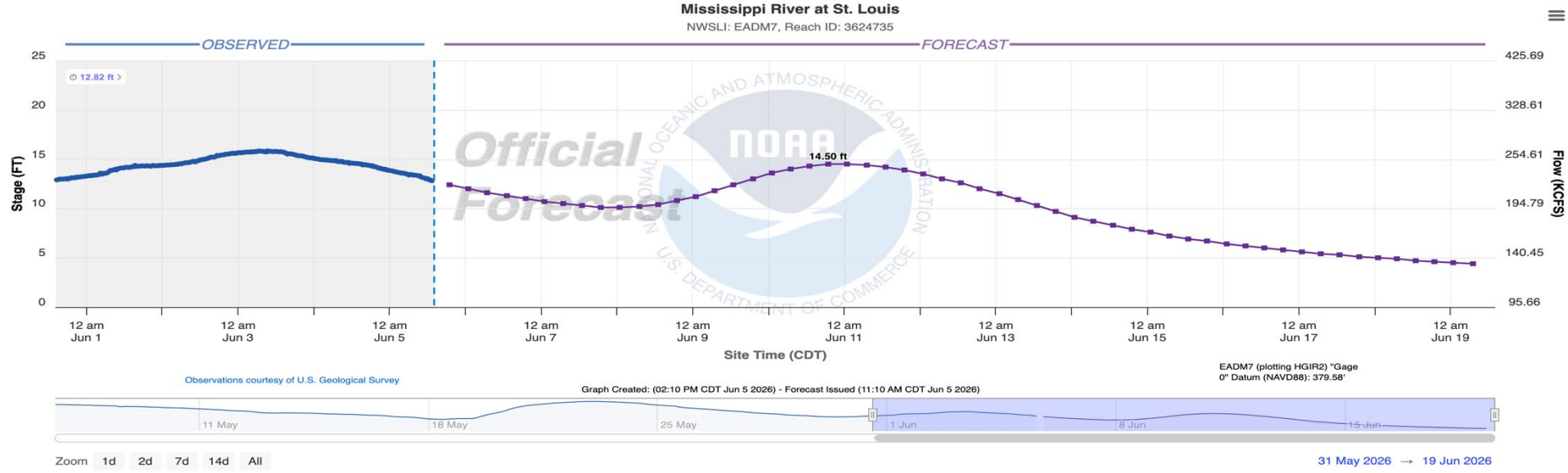
The 1976 benchmark rates per ton are provided in map.

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

- **Current Critical Water Levels on the Mississippi River**

Figure 11. Benchmark tariff rates





June 2026 Source: NOAA – NWPS: https://water.noaa.gov/gauges/memt1 *05 June 2026 Source: NOAA – NWPS: Mississippi River at St. Louis ; https://water.noaa.gov/gauges/EADM7*

River forecasts for this location take into account past precipitation and the precipitation amounts expected approximately 48 hours into the future from the forecast issuance time.

For the latest navigation status update from the U.S. Army Corps of Engineers-St. Louis District: https://www.mvs.usace.army.mil/Missions/Navigation/Status-Reports/

Controlling Depths:

- St. Louis-Herculaneum (RM 185-152); Mile 1713.0: Nagel Street 173.0 UMR, (LWRP -3.2 @ STL); 9-ft at St. Louis gage of -4.0.
- Herculaneum-Grand Tower (RM152-80); Mile 96.7: Wagner/Roman Landing (LWRP -0.4 @ Chester); 9-ft at Chester gage of -2.8.
- Grand Tower-Cairo (RM 80-0) Mile 38.5: Commerce (LWRP 5.4 @ Cape Girardeau); 9-ft at Cape Girardeau gage of 3.1.

Current Barge Freight Rates

IL RIVER FREIGHT	6/4/2026	6/5/2026	
WK 5/31	550/600	550/600	UNC
WK 6/7	550/600	550/600	UNC
JUNE	550/600	550/600	UNC
FH JULY	550/600	550/600	UNC
JULY	565/600	565/600	UNC
LH JULY	575/625	575/625	UNC
AUG	575/625	575/625	UNC
SEP	725/775	725/775	UNC
OCT	775/825	775/825	UNC
NOV	675/725	675/725	UNC
DEC	575/625	575/625	UNC

UPPER MISSISSIPPI ST PAUL/SAVAGE	6/4/2026	6/5/2026	
WK 5/31	660/700	660/700	UNC
WK 6/7	660/700	660/700	UNC
JUNE	660/700	660/700	UNC
FH JULY	660/700	660/700	UNC
JULY	660/700	660/700	UNC
LH JULY	660/700	660/700	UNC
AUG	660/700	660/700	UNC
SEP	750/800	750/800	UNC
OCT	800/850	800/850	UNC

MID MISSISSIPPI McGregor	6/4/2026	6/5/2026	
WK 5/31	600/625	600/625	UNC
WK 6/7	600/625	600/625	UNC
JUNE	575/625	575/625	UNC
FH JULY	575/625	575/625	UNC
JULY	575/625	575/625	UNC
LH JULY	575/625	575/625	UNC
AUG	625/675	625/675	UNC
SEP	725/775	725/775	UNC
OCT	775/825	775/825	UNC
NOV	650/700	650/700	UNC

ST LOUIS BARGE FREIGHT 14'	6/4/2026	6/5/2026	
WK 5/31	400/425	400/425	UNC
WK 5/31	400/425	400/425	UNC
WK 6/7	400/425	400/425	UNC
JUNE	400/425	400/425	UNC
FH JULY	425/450	425/450	UNC
JULY	435/450	435/450	UNC
LH JULY	450/475	450/475	UNC
AUG	525/575	525/575	UNC
SEP	725/775	725/775	UNC
OCT	750/775	750/775	UNC
NOV	575/625	575/625	UNC
DEC	525/575	525/575	UNC

LOWER OHIO RIVER	6/4/2026	6/5/2026	
WK 5/31	375/400	375/400	UNC
WK 6/7	375/400	375/400	UNC
JUNE	375/400	375/400	UNC
FH JULY	375/400	375/400	UNC
JULY	400/450	400/450	UNC
LH JULY	425/475	425/475	UNC
AUG	525/575	525/575	UNC
SEP	700/750	700/750	UNC
OCT	775/825	775/825	UNC
NOV	625/675	625/675	UNC
DEC	550/600	550/600	UNC

MEMPHIS CAIRO	6/4/2026	6/5/2026	
WK 5/31	350/375	375/400	
WK 6/7	350/375	375/400	
JUNE	325/350	350/375	
FH JULY	325/350	350/375	
JULY	350/400	350/400	UNC
LH JULY	400/500	400/500	UNC
AUG	525/575	525/575	UNC
SEP	725/775	725/775	UNC
OCT	675/725	675/725	UNC
NOV	475/525	475/525	UNC
DEC	450/475	450/475	UNC

RAIL MOVEMENTS

Figure 3. Total weekly U.S. Class I railroad grain carloads

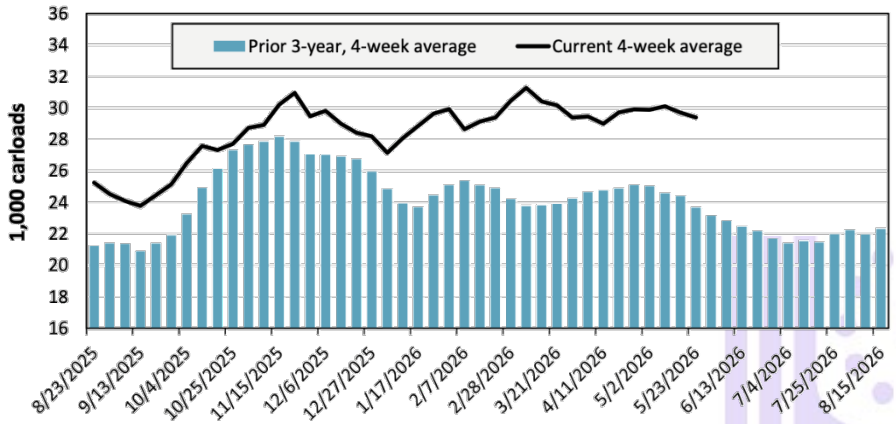
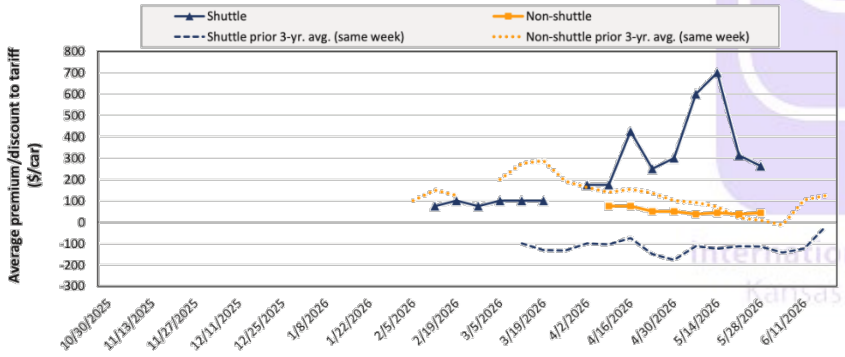


Figure 6. Secondary market bids/offers for railcars to be delivered in June 2026



- U.S. Class I railroads originated 28,556 grain carloads during the week ending the 23rd of May. This was an 2% decrease from the previous week, 18% more than last year, and 25% more than the 3-year average.
- Average June shuttle secondary railcar bids/offers (per car) were $263 above tariff for the week ending May 28. This was $50 less than last week and $347 more than this week last year.
- Average non-shuttle secondary railcar bids/offers per car were $44 above tariff. This was $6 more than last week and $63 more than this week last year.

➢ Current Secondary Rail Car Market

BN SHUTTLE	Bid/Ask/Last	Bid/Ask/Last	
Return Trip	350 / -	350 / -	UNC
F/H June	350 / 600	350 / -	
L/H June	- / -	250 / 450	
July	150 / 300	150 / 300	UNC
August	50 / 200	100 / 250	
August, September	100 / 150	50 / 200	
October	900 / 1600	900 / 1600	UNC
Oct, Nov, Dec	800 / 1000	800 / 1000	UNC
Oct-Mar	800 / 1100	800 / 1100	UNC
April May 2027	100 / 500	100 / 500	UNC

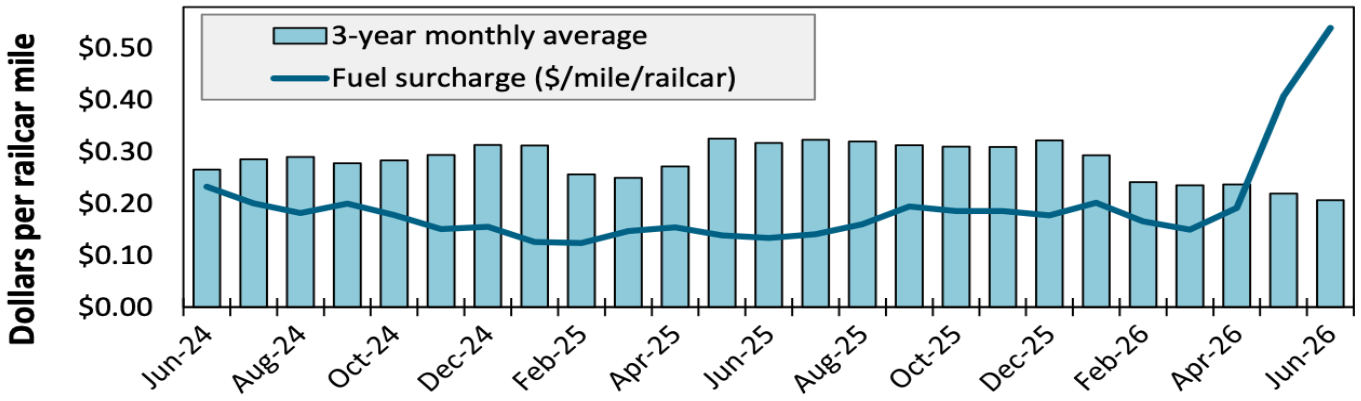
UP SHUTTLE	Bid/Ask/Last	Bid/Ask/Last	
Return Trip	- / -	-100 / -	
F/H June (Mex. Opt)	- / -	-100 / -	
L/H June	- / -	- / 0	
July	- / -50	-300 / 0	
July, August	-300 / -50	-300 / -50	UNC
August, September	- / -50	-200 / -50	
Oct, Nov, Dec	150 / 500	200 / -	
Oct-Mar	150 / 300	150 / -	

Table 8. Rail tariff rates for U.S. bulk grain shipments to Mexico, June 2026

Commodity	Railroad	Origin	Destination	Train type	Tariff (per car)	Fuel surcharge (per car)	Tariff + fuel surcharge (per car)	Tariff + fuel surcharge (per bushel)	Tariff + fuel surcharge (per metric ton)	Percent Y/Y change
Corn	BNSF	Adair, IL	El Paso, TX	Shuttle	$4,641	$590	$5,231	$1.31	$51.48	12.2
	BNSF	Superior, NE	El Paso, TX	Shuttle	$4,622	$464	$5,086	$1.27	$50.06	0.1
	CPKC	Atchison, KS	Laredo, TX	Non-shuttle	$5,080	$1,092	$6,172	$1.54	$60.75	11.3
	CPKC	Council Bluffs, IA	Laredo, TX	Non-shuttle	$5,550	$1,209	$6,759	$1.69	$66.52	11.5
	CPKC	Kansas City, MO	Laredo, TX	Non-shuttle	$5,005	$1,043	$6,048	$1.51	$59.52	11.0
	CPKC	Marshall, MO	Laredo, TX	Non-shuttle	$5,190	$1,107	$6,297	$1.57	$61.98	11.3
	UP	Pontiac, IL	Eagle Pass, TX	Shuttle	$4,535	$881	$5,416	$1.35	$53.30	6.9
	UP	Sterling, IL	Eagle Pass, TX	Shuttle	$4,655	$915	$5,570	$1.39	$54.82	7.1
Soybeans	BNSF	Brunswick, MO	El Paso, TX	Shuttle	$4,325	$501	$4,826	$1.29	$47.50	-10.8
	BNSF	Hardin, MO	Eagle Pass, TX	Shuttle	$4,325	$499	$4,824	$1.29	$47.48	-10.9
	CPKC	Atchison, KS	Laredo, TX	Non-shuttle	$5,080	$1,092	$6,172	$1.65	$60.75	11.3
	CPKC	Kansas City, MO	Laredo, TX	Non-shuttle	$5,005	$1,043	$6,048	$1.62	$59.52	11.0
	UP	Grand Island, NE	Eagle Pass, TX	Shuttle	$4,950	$838	$5,788	$1.55	$56.97	-12.5
	UP	Roelyn, IA	Eagle Pass, TX	Shuttle	$5,035	$878	$5,913	$1.58	$58.20	-12.0
Wheat	BNSF	FT Worth, TX	El Paso, TX	DET	$3,100	$361	$3,461	$0.93	$34.06	13.0
	BNSF	FT Worth, TX	El Paso, TX	Shuttle	$2,600	$361	$2,961	$0.79	$29.14	3.4
	CPKC	Kansas City, MO	Laredo, TX	Non-shuttle	$5,005	$1,043	$6,048	$1.62	$59.52	11.0
	UP	Great Bend, KS	Laredo, TX	Shuttle	$4,325	$629	$4,954	$1.33	$48.76	7.7
	UP	Wichita, KS	Laredo, TX	Shuttle	$4,065	$554	$4,619	$1.24	$45.46	7.3

Note: After December 2021, U.S. railroads stopped reporting "through rates" from the U.S. origin to the Mexican destination. Thus, the table shows “Rule 11 rates,” which cover only the portion of the shipment from a U.S. origin to locations on the U.S.-Mexico border. The Rule 11 rates apply only to shipments that continue into Mexico, and the total cost of the shipment would include a separate rate obtained from a Mexican railroad. The rates apply to jumbo covered hopper ("C114") cars. The "shuttle" train type applies to qualified shipments (typically, 110 cars) that meet railroad efficiency requirements. The "non-shuttle" train type applies to Canadian Pacific Kansas City Railway (CPKC) shipments and is made up of 75 cars or more (except the Marshall, MO, rate is for a 50-74 car train). BNSF Railway's domestic efficiency trains (DET) are shuttle-length trains (typically 110 cars) that can be split en route for unloading at multiple destinations. Percentage change month to month (M/M) and year to year (Y/Y) are calculated using the tariff rate plus fuel surcharge. For a larger list of to-the-border rates, see AgTransport.
Source: BNSF Railway, Union Pacific Railroad, and CPKC (formerly, Kansas City Southern Railway).

Figure 9. Railroad fuel surcharges, North American weighted average



June 2026: $0.54/mile, up 13 cents from last month’s surcharge of $0.41/mile; up 41 cents from the June 2025 surcharge of $0.13/mile; and up 33 cents from the June prior 3-year average of $0.21/mile.

Note: Weighted by each Class I railroad's proportion of grain traffic for the prior year.
Source: BNSF Railway, Canadian National Railway, CSX Transportation, Canadian Pacific Kansas City Railway, Union Pacific Railroad, Norfolk Southern Corporation.

➢ Transportation Demand Stays Strong as Costs Climb

03 June 2026 By: Grain Journal- Large grain supplies, strong export demand and rising fuel prices are driving transportation markets. Rail volumes have eached record levels, barge traffic has rebounded after winter disruptions, and export activity remains strong through the Gulf and Pacific Northwest. At the same time, higher diesel and bunker fuel costs are raising freight expenses across every major transportation mode.

Grain continues moving at a rapid pace, but at a much higher cost than a year ago. For grain companies already managing labor costs, storage pressure and tight margins, transportation has become one of the industry's biggest operational challenges heading into the second half of the year.

Large Grain Supplies Drive Movement

Transportation demand was heavily influenced by the size of the 2025 harvest. USDA reported grain stocks reached a record 483.1 million metric tons at the end of 2025, driven largely by corn inventories that were well above average. Much of the increase was concentrated in the western Corn Belt, where Kansas, Nebraska, South Dakota, Minnesota, Iowa and North Dakota all posted substantial gains over historical averages.

Those inventories quickly translated into stronger grain movement. First quarter exports of corn, soybeans and wheat totaled 40.7 million metric tons, up 12% from a year earlier. Corn exports led the increase, while wheat exports also improved.

Corn remained the main driver of rail and export activity, with export commitments through late April running 28% ahead of last year. Wheat exports also stayed ahead of last year's pace.

Soybean exports were more mixed as competition from South America and Brazil's large harvest continued pressuring shipments, though movement remained active enough to support freight demand.

Regional grain supplies also shaped movement patterns, with larger western Corn Belt inventories supporting western rail demand while tighter eastern supplies strengthened basis levels in some markets.

Fuel Prices Reshape Transportation Costs

While strong grain demand has supported transportation activity, fuel prices have become one of the biggest drivers of freight costs.

The increase began after conflict in the Middle East disrupted oil production and commercial shipping through the Strait of Hormuz, one of the world's most important oil transit routes. The disruption quickly affected crude oil and refined fuel markets, driving sharp increases in diesel and bunker fuel prices.

According to USDA transportation data, Brent crude oil averaged $103 per barrel in March, its highest level since mid-2022. Diesel prices rose even more sharply. Between mid-January and early April, the national diesel average climbed more than $2 per gallon, reaching $5.64 per gallon.

The largest increase came during the first week after the conflict escalated, when diesel prices posted their biggest weekly jump since the Energy Information Administration began tracking the data in 1994. Although prices briefly eased later in April, diesel markets remained volatile entering May.

Fuel prices affect every major segment of grain transportation. Trucks, locomotives and towboats rely heavily on diesel fuel, while ocean carriers use heavy fuel oil to operate dry bulk vessels. Rising fuel costs quickly pushed higher rail fuel surcharges, barge operating costs and ocean freight rates.

The impact has been especially noticeable for rail shippers. Most Class I railroads calculate fuel surcharges using diesel prices from two months earlier, meaning March fuel spikes translated directly into higher rail costs in May. USDA reported the weighted average rail fuel surcharge rose to 41 cents per car mile in May, the largest month-to-month increase in the agency's historical series.

Rail Volumes Reach Record Highs

Rail transportation has remained one of the strongest segments of grain movement this year. USDA reported grain rail carloads through mid-April reached an all-time high for the period, up 19% from a year earlier.

The Association of American Railroads reported first quarter grain volumes reached their highest level for any first quarter since 1993. Much of the growth occurred on western and central railroads serving major grain-producing regions. BNSF Railway and Union Pacific Railroad both posted year-to-date increases of about 26%, while Canadian Pacific Kansas City and Canadian National recorded even larger gains.

Eastern railroads did not see the same growth. Norfolk Southern Railway and CSX Transportation handled weaker year-to-date grain volumes because eastern grain supplies were smaller than those in the western Corn Belt.

Despite record traffic, rail service metrics remained relatively stable through much of the spring. Average train speeds held steady across several major carriers, though loaded grain car delays increased in some regions. USDA data also showed elevated unfilled grain car orders in several western states, reflecting continued demand pressure on rail systems serving export and feed markets.

Secondary railcar markets also reflected strong demand. Shippers paid significant premiums for guaranteed shuttle train placements during April and May, particularly on western railroads. Some BNSF shuttle bids climbed more than $1,000 per car above tariff levels, well above normal seasonal averages.
Strong export demand, large western grain supplies and rising fuel surcharges created one of the tightest rail freight markets in recent years, pushing costs well above 2024 and early 2025 levels.

Barge Traffic Recovers After Winter Disruptions

Winter storms, low water and heavy ice accumulation disrupted movement on portions of the Mississippi River System during January and February, slowing barge traffic and creating operational challenges throughout the river network. The U.S. Coast Guard implemented draft restrictions and tow size limitations in several areas, while some fleeting operations were temporarily suspended because of difficult river conditions.

The impact on grain movement was significant. Grain movement through Lock and Dam 27 near St. Louis fell to its lowest weekly level since September 2023 during the final week of January. First quarter downbound grain shipments through the Mississippi River System dropped 20% from the prior year and reached their weakest first quarter total since 2013.

Conditions gradually improved by late February as weather stabilized and river conditions recovered. Grain movement rebounded quickly during March and April, with downbound barge traffic running above average levels through much of spring.

Even as movement improved, however, rates remained elevated. Spot barge rates out of St. Louis averaged well above both last year and the three-year average during the first quarter. Tight barge availability, strong export demand and higher diesel costs all contributed to the stronger freight market.

The river system also handled unusually high fertilizer movement this spring. USDA reported record urea fertilizer imports contributed to the highest April upbound fertilizer barge movement since at least 2018. Increased fertilizer movement added additional traffic pressure to portions of the river network already dealing with active grain demand.

Ocean Freight Rates Keep Rising

Ocean freight markets have remained elevated this year. Freight rates from the Gulf to Japan climbed sharply from a year earlier, while Pacific Northwest export routes also posted sizable increases.

Several factors supported stronger vessel markets. Global demand for dry bulk shipping remained active early in the year because of grain movement from both North and South America, along with continued demand for commodities such as iron ore and bauxite. Rising bunker fuel prices added further pressure after fuel markets tightened in late February and March.

Export loading activity in the Gulf also remained strong. USDA reported an average of 31 oceangoing grain vessels loaded per week so far this year, compared to 28 vessels during the same period in 2025. Gulf export terminals reached their highest weekly vessel loading total since October 2021 during March.
Shipping routes became more complicated as congestion and shifting global trade patterns slowed vessel movement through the Panama Canal, increasing wait times for some grain shipments to Asia.

Looking Ahead

Transportation indicators across truck, rail, barge and ocean sectors remain above year-ago levels, reflecting strong grain demand and higher operating costs. Railroads are handling record grain carloads, export facilities continue loading vessels at an active pace and barge traffic has recovered after winter disruptions slowed movement earlier in the year.

Transportation costs have become increasingly difficult for grain companies to manage. Fuel prices remain volatile, rail fuel surcharges continue climbing and freight premiums in secondary transportation markets remain elevated.

While capacity remained available across rail, barge and export channels, moving grain cost significantly more than a year earlier.

CONTAINER MOVEMENTS

- **Freightos Index (FBX): Global Container Freight Index**

Source: https://fbx.freightos.com/

- **Freightos America West Coast – China/East Asia Container Index**

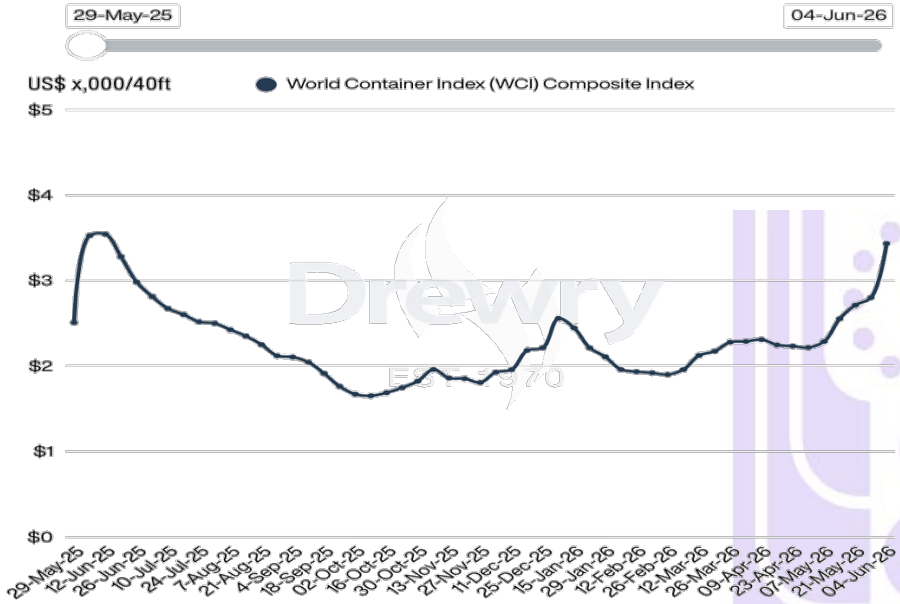
Source: https://fbx.freightos.com/

FBX stands for Freightos Baltic Index. It is the leading international Freight Rate Index, in cooperation with the Baltic Exchange, providing market rates for 40' containers (FEUs).
Prices used in the index are rolling short term Freight All Kind (FAK) spot tariffs and related surcharges between carriers, freight forwarders and high-volume shippers. Index values are calculated by taking the median price for all prices (to ignore the influence of outliers on active lanes) with weighting by carrier. 50 to 70 million price points are collected every month. The weekly freight index is calculated as an average of the five business days from the same week and published each Friday.

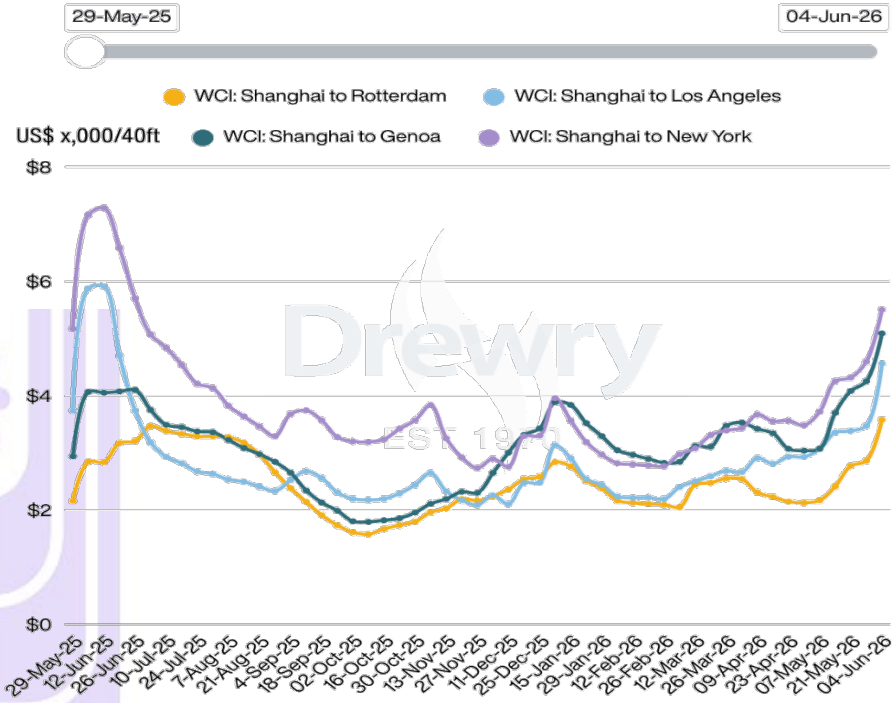
- **Drewry World Container Index**

04 June 2026 – Source: https://www.drewry.co.uk/supply-chain-advisors/supply-chain-expertise/world-container-index-assessed-by-drewry.

The Drewry World Container Index (WCI) increased 23% at $3,433 per 40ft container this week.



Our detailed assessment for Thursday, 04 June 2026



ROAD MOVEMENTS & DIESEL FUEL PRICES

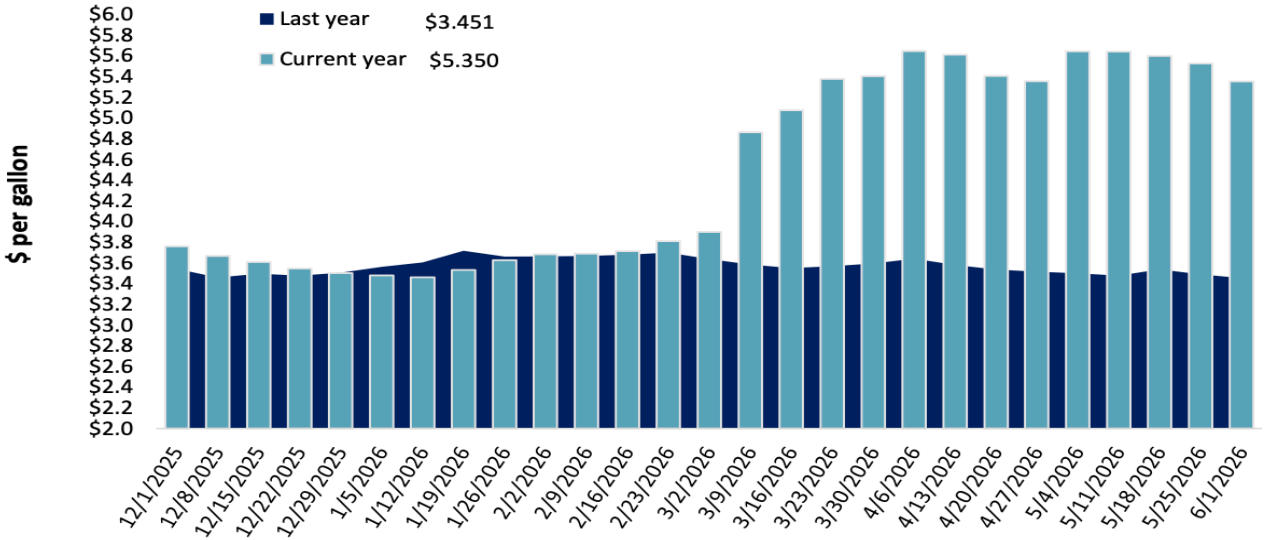
The weekly diesel price provides a proxy for trends in U.S. truck rates as diesel fuel is a significant expense for truck grain movements.

Table 13. Retail on-highway diesel prices, week ending 6/01/2026 (U.S. $/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	5.237	-0.157	1.720
	New England	5.731	-0.068	1.846
	Central Atlantic	5.694	-0.116	1.928
	Lower Atlantic	5.016	-0.185	1.632
II	Midwest	5.392	-0.231	2.004
III	Gulf Coast	4.900	-0.145	1.803
IV	Rocky Mountain	5.331	-0.162	1.878
V	West Coast	6.398	-0.102	2.177
	West Coast less California	5.832	-0.077	2.087
	California	7.051	-0.131	2.283
Total	United States	5.350	-0.173	1.899

Note: Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel. On June 13, 2022, the Energy Information Administration implemented a new methodology to estimate weekly on-highway diesel fuel prices.
Source: U.S. Department of Energy, Energy Information Administration.

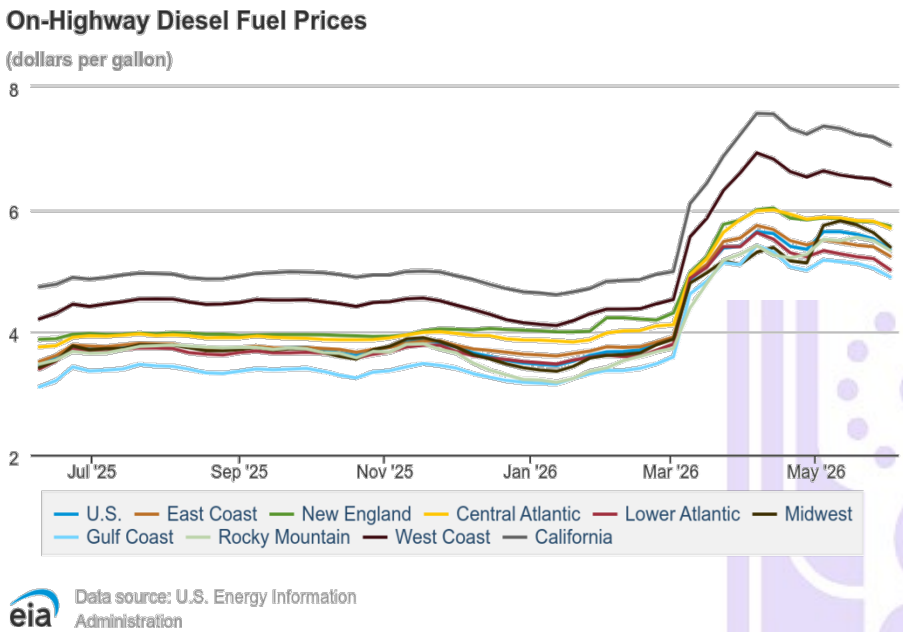
Figure 16. Weekly diesel fuel prices, U.S. average



For the week ending June 1, the U.S. average diesel fuel price decreased 17.3 cents from the previous week to $5.35 per gallon, 189.9 cents above the same week last year.

Note: On June 13, 2022, the Energy Information Administration implemented a new methodology to estimate weekly on-highway diesel fuel prices.
Source: U.S. Department of Energy, Energy Information Administration.

➢ Diesel Prices



Source: https://www.eia.gov/petroleum/gasdiesel/

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➢ Federal Plan Targets Grain Transportation Bottlenecks

05 June 2026 By: Feed&Grain- The U.S. Department of Transportation released its 2026 National Freight Strategic Plan. The topic was covered in the USDA's Agricultural Marketing Service Grain Transportation Report highlighting grain transportation as a critical component of the nation's freight system and outlining strategies to address persistent bottlenecks that cost agricultural shippers billions annually.

The comprehensive plan recognizes agriculture as one of the freight system's largest sectors, with trucks moving 2.2 billion tons of agricultural products in 2025, while rail carried 265 million tons and barges transported 126 million tons.

Critical corridors face mounting pressure

Agricultural freight depends heavily on a small set of high-volume corridors connecting production regions to domestic and export markets. Nearly 60% of U.S. grain exports travel by barge on the Mississippi River System to Gulf elevators, while 60% of wheat exports pass through the Columbia-Snake River System in the Pacific Northwest.

Class I railroads originate 24% of U.S. grain shipments and handle 39% of grain export movements, making rail infrastructure critical to agricultural competitiveness.

Weather variability severely impacts grain logistics, particularly on inland waterways. Low water on the Mississippi River in 2022 forced barges to reduce capacity by up to 27%, causing barge rates to spike. Seasonal surges from fall corn and soybean harvests strain both rural roads and barge availability, raising transportation costs and increasing accident risks on narrow, two-lane highways.

Infrastructure aging threatens reliability

The plan warns that 80% of navigable lock and dam structures on inland waterways had exceeded their designed life as of 2024, risking unreliability and unplanned closures. DOT estimates that each dollar invested in inland waterways returns $1.39 to $1.83 in economic benefits, partly by shifting traffic from congested highways.

An extended closure at a major lock can trigger massive diversions, forcing thousands of truck trips onto highways and adding over $1 billion in shipper costs, according to the plan.

Shifting patterns reshape demand

Agricultural freight patterns are changing as domestic soybean crush capacity grows from 2.4 billion bushels in 2024 to an expected 2.9 billion bushels by 2027. This expansion requires more inbound truck and rail movements of soybeans to Midwestern and Plains processing clusters, while reducing long-distance rail shipments of soybeans directly to export.

Growth projections drive planning

DOT projects agricultural freight will grow 1.5% annually over the next two decades. From 2025 to 2050, the agency forecasts tonnage increases of 44% for trucking, 50% for rail, and 49% for barge and waterways.

The plan emphasizes improving real-time shipment visibility and streamlining federal processes for freight projects to better utilize existing infrastructure while building resilience against future disruptions.