

HARD RED SPRING WHEAT

AGRICULTURE SHIPMENT BRIEF MAY 2013

North Dakota is a forerunner in the U.S. wheat industry, ranking second among states in total wheat production and first in production of hard red spring wheat. This report summarizes some logistical trends associated with the movement of hard red spring wheat from elevator to domestic and export markets. Figure 1 illustrates a trend toward larger rail shipments in the wheat market. From 2006-09 to 2009-12, shuttle share increased from 56% to 71%. Further, rail rates to the Pacific Northwest continue to favor shuttles over smaller shipments, as depicted in Figure 2 below.

Markets

Hard red spring (HRS) wheat is the leading crop planted in North Dakota (N.D. Agricultural Experiment Station, 2008), making it a key commodity in North Dakota agriculture. North Dakota accounts for nearly one-half of total HRS wheat production in the United States. This wheat moves to domestic and export markets in both east- and west-bound shipments.

Portland moved ahead of the Minneapolis gateway for shipments of HRS wheat originating from North Dakota elevators in 2011-12 (Figure 3). Shipments to Minneapolis typically move beyond the gateway to U.S. domestic millers. The Pacific Northwest is a large U.S. grain port. In 2011-12, these two destinations combined for about 40% of market share. Crop reporting district (CRD) origin detail for these markets is provided on page 2, along with a world map depicting top markets and export points.

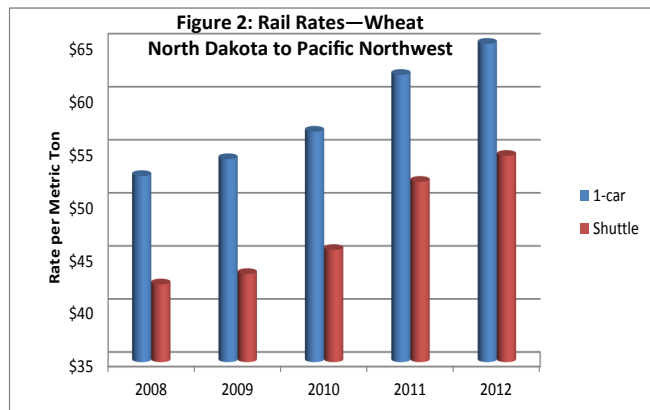
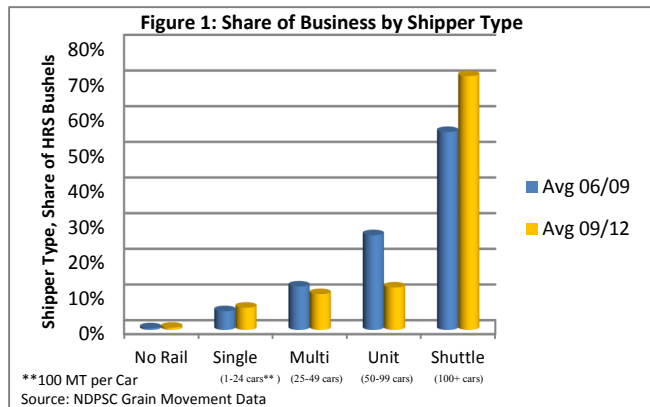


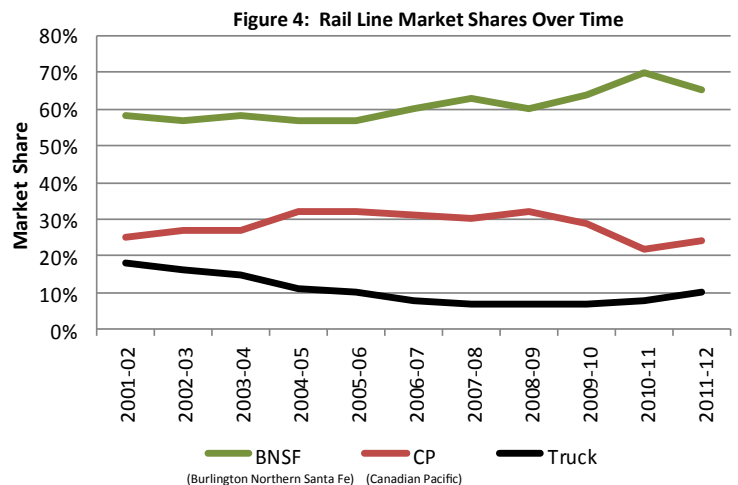
Figure 3: Destination for HRS Wheat Originating from ND Elevators
ND PSC Grain Movement Summary, July-June Market Year

	1,000 Bushels							
	Duluth	Mpls	Other MN & WI	Midland & Gulf	PNW	ND	Other	Total
Previous 5 Yr Avg	11%	32%	5%	11%	19%	7%	16%	230,315
2007-08	8%	30%	3%	12%	21%	7%	19%	263,465
2008-09	6%	35%	5%	7%	18%	7%	22%	192,735
2009-10	6%	29%	3%	10%	18%	7%	27%	266,271
2010-11	7%	20%	5%	13%	21%	7%	27%	328,147
2011-12	5%	18%	4%	9%	23%	9%	31%	190,161

Rail Market Shares

Figure 4 shows the trends in market shares for Burlington Northern Santa Fe (BNSF)* and Canadian Pacific (CP)** rail lines as well as trucks for HRS wheat shipped from North Dakota elevators. BNSF market share remained relatively steady from 2001-02 to 2008-09; then increased from 60% to 70% through 2010-11. Although market share declined slightly in the last crop year (from 70% to 65%), BNSF remains the largest hauler of North Dakota wheat. After maintaining several years of market share at or above 30%, CP remains low at 24% in 2011-12. The truck share has declined from a 2001-02 share of 18% to just 10% for shipments from ND elevators for the 2011-12 marketing year.

*Includes RRVW **Includes DMVW and NPR



Destinations for Hard Red Spring Wheat Shipments from ND CRD's
(1000 Bushels)

CRD 1 - Northwest								CRD 2 - North Central							
	Duluth	MN/WI	Midland	PNW	ND	Other	Total		Duluth	MN/WI	Midland	PNW	ND	Other	Total
Previous 5 Yr Avg	3%	15%	3%	67%	6%	5%	20,274	Previous 5 Yr Avg	17%	21%	14%	32%	3%	13%	22,096
2007-08	1%	18%	4%	62%	4%	10%	27,135	2007-08	10%	34%	13%	21%	3%	19%	28,203
2008-09	1%	31%	8%	50%	6%	4%	19,164	2008-09	5%	29%	12%	28%	3%	23%	18,905
2009-10	4%	29%	10%	36%	6%	16%	34,472	2009-10	7%	25%	7%	9%	3%	49%	25,272
2010-11	5%	16%	8%	46%	4%	20%	35,053	2010-11	1%	20%	17%	24%	3%	35%	27,521
2011-12	7%	12%	5%	58%	4%	15%	16,048	2011-12	3%	13%	5%	33%	5%	40%	12,402

CRD 3 - Northeast								CRD 4 - West Central							
	Duluth	MN/WI	Midland	PNW	ND	Other	Total		Duluth	MN/WI	Midland	PNW	ND	Other	Total
Previous 5 Yr Avg	12%	39%	6%	6%	15%	22%	64,417	Previous 5 Yr Avg	5%	56%	9%	4%	5%	20%	10,827
2007-08	9%	36%	9%	10%	12%	24%	75,259	2007-08	5%	28%	19%	7%	6%	35%	18,021
2008-09	5%	38%	3%	9%	12%	33%	65,227	2008-09	3%	30%	7%	14%	9%	36%	12,186
2009-10	10%	24%	8%	13%	15%	31%	66,503	2009-10	0%	29%	11%	13%	10%	38%	22,381
2010-11	14%	23%	11%	12%	12%	28%	102,337	2010-11	0%	22%	11%	16%	10%	42%	20,721
2011-12	8%	25%	7%	12%	14%	32%	72,528	2011-12	0%	16%	19%	12%	7%	46%	12,822

CRD 5 - Central								CRD 6 - East Central							
	Duluth	MN/WI	Midland	PNW	ND	Other	Total		Duluth	MN/WI	Midland	PNW	ND	Other	Total
Previous 5 Yr Avg	15%	45%	15%	5%	4%	15%	24,683	Previous 5 Yr Avg	15%	23%	19%	28%	3%	11%	30,762
2007-08	7%	55%	7%	5%	10%	16%	28,867	2007-08	15%	16%	11%	37%	6%	15%	26,023
2008-09	9%	53%	9%	3%	6%	19%	22,552	2008-09	10%	23%	16%	42%	4%	5%	22,884
2009-10	7%	48%	7%	5%	7%	27%	26,899	2009-10	12%	23%	16%	32%	6%	11%	20,945
2010-11	5%	29%	10%	9%	7%	40%	38,865	2010-11	4%	14%	30%	32%	9%	11%	35,101
2011-12	8%	13%	5%	17%	8%	49%	17,733	2011-12	4%	23%	14%	32%	9%	18%	17,579

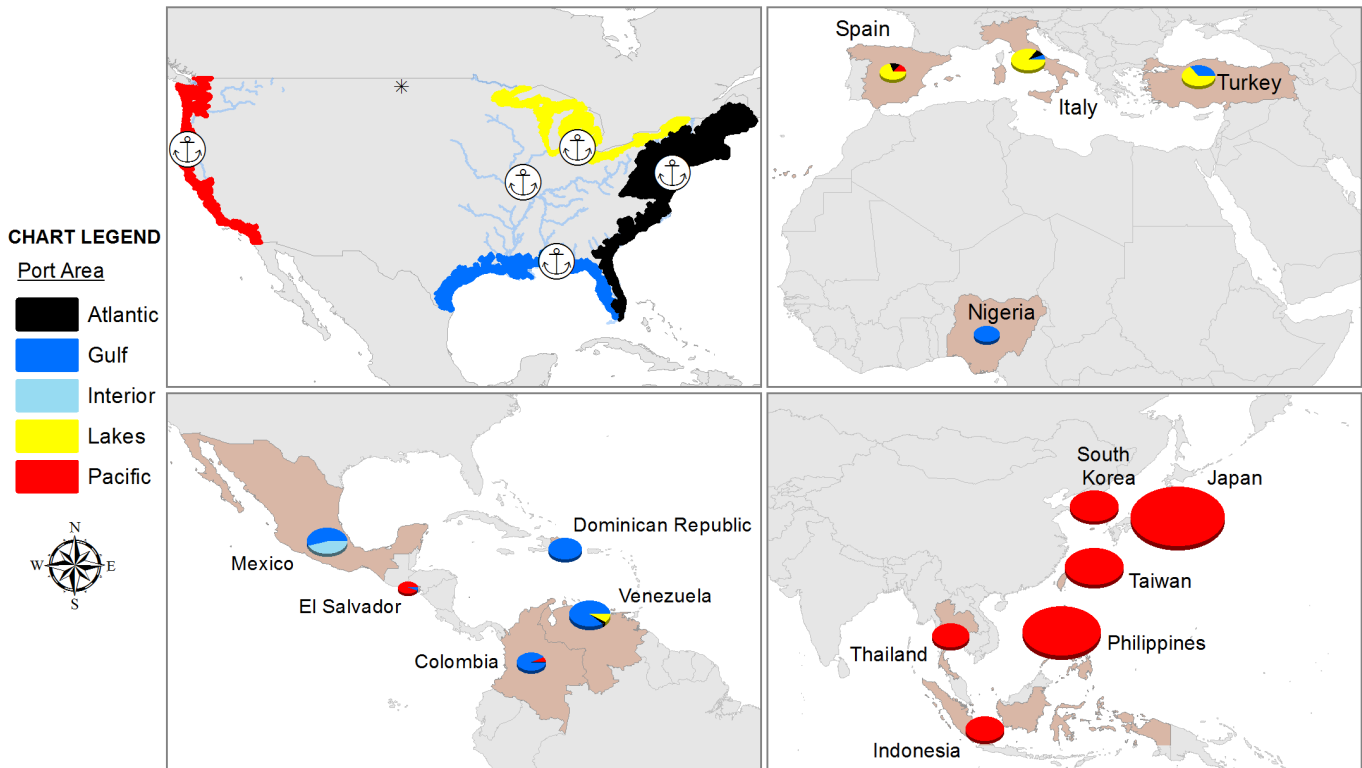
CRD 7 - Southwest								CRD 8 - South Central							
	Duluth	MN/WI	Midland	PNW	ND	Other	Total		Duluth	MN/WI	Midland	PNW	ND	Other	Total
Previous 5 Yr Avg	7%	25%	14%	36%	1%	17%	24,062	Previous 5 Yr Avg	2%	84%	9%	2%	1%	2%	10,100
2007-08	10%	12%	26%	40%	0%	12%	32,956	2007-08	1%	84%	8%	1%	5%	2%	10,983
2008-09	24%	41%	8%	4%	1%	22%	9,734	2008-09	0%	84%	10%	0%	7%	0%	4,423
2009-10	8%	17%	15%	33%	2%	25%	39,404	2009-10	1%	84%	9%	1%	2%	3%	12,809
2010-11	10%	18%	9%	37%	1%	24%	36,102	2010-11	0%	81%	13%	0%	3%	3%	12,682
2011-12	1%	13%	13%	50%	1%	21%	22,351	2011-12	1%	55%	21%	2%	9%	13%	8,693

CRD 9 - Southeast							
	Duluth	MN/WI	Midland	PNW	ND	Other	Total
Previous 5 Yr Avg	6%	53%	8%	6%	4%	23%	23,092
2007-08	5%	57%	12%	2%	2%	22%	16,018
2008-09	0%	70%	4%	5%	1%	19%	17,659
2009-10	1%	64%	4%	3%	2%	25%	17,586
2010-11	2%	48%	9%	7%	3%	31%	19,765
2011-12	0%	45%	5%	4%	8%	38%	10,004

**One metric ton = 36.74 Bushels

Patterns and methods of shipping HRS Wheat per the Annual North Dakota Elevator Marketing Report and the North Dakota Grain And Oilseed Transportation Statistics report. The complete reports, CRD map, and additional market information are available at <http://www.ugpti.org/resources/grain/>.

HRS Wheat Export by Region and Port Area



North Dakota Wheat Commission (N.D.) Buyers and Processors. Retrieved May 26, 2010, from <http://www.ndwheat.com/buyers/>
North Dakota Hard Red Spring Wheat: Variety Trial Results for 2008 and Selection Guide, N.D. Agricultural Experiment Station. NDSU Extension Service.

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