A weekly publication of the
Transportation and Marketing Programs/Transportation Services Division
www.ams.usda.gov/GTR

Agricultural Marketing Service

February 4, 2010

Contents

Subscription Information

The next release is Feb. 11 , '10

Contact Us

WEEKLY HIGHLIGHTS

FY 2011 Budget Emphasizes Safe and Reliable Inland Waterways

In the proposed FY 2011 U.S. Budget, the Obama Administration emphasizes furthering the operational reliability, safety, and availability of the existing water resource infrastructure maintained by the U.S. Army Corps of Engineers (Corps). The proposal recommends funding the high-priority maintenance needs of the Corps aging infrastructure, such as projects on the Ohio River, Upper Mississippi River, and Illinois Waterway. In addition, the budget proposes to replace the current inland waterway fuel tax with a new but undetermined funding mechanism that raises non-Federal cost-share of the waterway investment in a way that is more efficient and more equitable than the fuel tax. Overall, the Budget includes $4.939 billion in gross discretionary funding for Corps Civil Work projects, a reduction of 10 percent from the FY 2010 Budget

Surface Transportation Board (STB) Railroad Competition Study Updated

In January, the STB published an update to its rail competition study which extends the analysis to include two additional years of data (the study now includes data from 1987 through 2008). The Study concludes that although rail rates have been steadily increasing since 2004, with a particularly steep increase in 2008, the rate increases did not appear to reflect a greater exercise of railroad market power over shippers but were driven primarily by fluctuating fuel prices. The updated study is available at http://www.stb.dot.gov/stb/elibrary/CompetitionStudy.html.

STB Discontinues Proceeding on Rail Transportation Contracts

In January 2009, the STB sought public comment on a proposed rule that sought to require a statement to disclose whether agreements made between shippers and carriers are contracts or common carrier tariffs. STB decided to discontinue the proceeding because it believes the proposed disclosure statement may not adequately protect a shipper from the consequences of agreeing to a contract and because of broad opposition to the proposed disclosure statement. Instead, the STB will continue its current practice of deciding whether a disputed rail rate is a rail contract or a common carrier rate on a case-by-case basis. While proceeding was generated from concerns of coal shippers, grain movements might be the next commodity to more extensively use hybrid pricing agreements.

Corn Inspections Highest Since October

For the week ending January 28, **total inspections** of grain (corn, wheat, and soybeans) from major U.S. export regions reached 2.15 million metric tons (mmt), up 2 percent from the previous week and 10 percent above last year this same time. Corn inspections (.832 mmt), which reached the highest level since October (1.00 mmt), led the increase in total grain inspections. U.S. corn inspections were up mainly due to lower prices and increased demand from Asia. Grain inspections also rebounded in the Mississippi Gulf, increasing 30 percent compared to the previous week and 10 percent above last year. Pacific Northwest grain inspections dropped 16 percent from the past week as soybean shipments through this region slowed.

Snapshots by Sector

Rail

U.S. Railroads originated 22,155 **carloads of grain** during the week ending January 23, down 8 percent from last week, up 6 percent from the same week last year, and 5 percent lower than the 3-year average.

During the week ending January 30, average February **secondary railcar bids/offers** were $13 above tariff for non-shuttle, $7 higher than last week. Shuttle rates were $181 above tariff, $12 higher than last week.

Ocean

During the week ending January 28, 51 **ocean-going grain vessels** were loaded in the U.S. Gulf, up 28 percent from last year.

As of January 29, the cost of shipping grain from the Gulf to Japan was $67 per mt, down 2 percent from the previous week. The rate from the Pacific Northwest to Japan was $38 per mt, down 3 percent from the previous week.

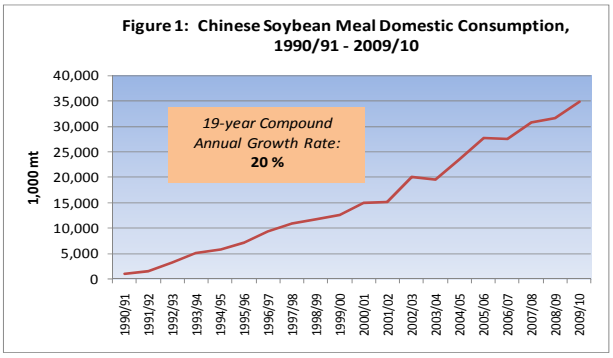
Feature Article/Calendar

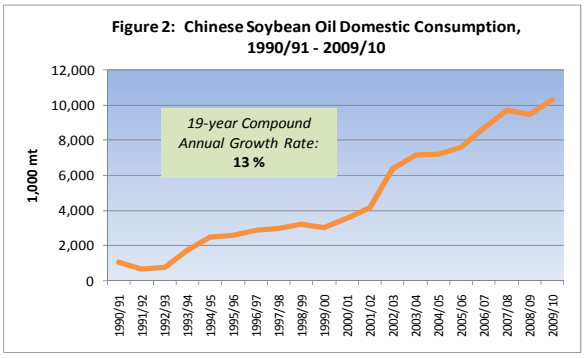
China Leads Global Demand for Soybeans

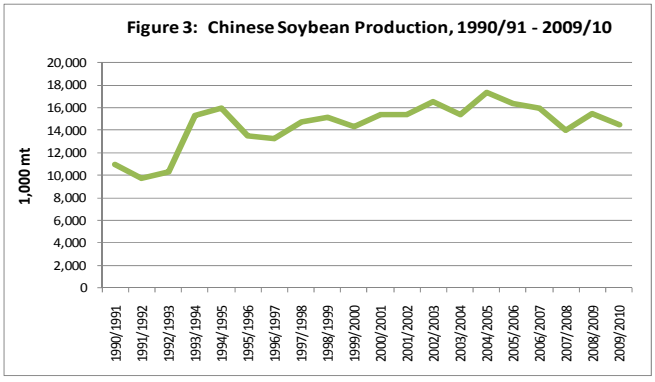
China's economy during the past 30 years has changed from a centrally planned system, largely closed to international trade, to a market-oriented economy with a rapidly growing private sector. It has become a major player in the global economy. Its economy has been the world's fastest-growing, with rising per-capita incomes. By 2010, China's population has grown to more than 1.3 billion people—about a fifth of the global population—but China continues to lose arable land because of erosion and economic development. [1] These economic trends in China affect world agricultural production and trade, resulting in major implications for transportation infrastructure in the United States. This article explores the Chinese demand for soybeans and the implications for grain transportation.

As incomes continue to grow, the Chinese can increasingly afford more animal protein in their diets. China's pork and poultry consumption has grown tremendously since the mid-1990's. Currently, USDA forecasts that China's per-capita pork consumption is expected to reach 37.3 kg in 2010—40 percent higher than in 1995. Its per-capita broiler chicken consumption in 2010 is expected to reach 9.4 kg—90 percent higher than in 1995. Soybean meal is the major feed ingredient in both swine and poultry production. This has led China to become the most important factor influencing global demand for soybeans—USDA projects that in the 2009/10 marketing year that started on September 1, 2009, China's soybean imports (42 mmt) are expected to make up 53 percent of the world's total soybean imports. Increased Chinese demand for soybeans from the United States—the main exporter of soybeans—is expected to continue to increase demand for transportation services.

Soybeans are crushed into soybean oil and soybean meal, which is used in animal feed. Demand for both has been growing rapidly in China. The USDA projects China's soybean meal demand for 2009/10 will reach a record 35 million metric tons (mmt), growing at a compound annual growth rate of 20 percent over the previous 19 years (see figure 1). Soybean oil consumption is also expected to reach a record—10 mmt, growing at 13 percent annually (see figure 2). This demand comes at a time when China's domestic soybean production has leveled off. The USDA projects China's soybean production to decline to 14.5 mmt in 2009/10, down 1 mmt from the previous year (see figure 3).







[1] The CIA World Factbook, https://www.cia.gov/library/publications/the-world-factbook/geos/ch.html

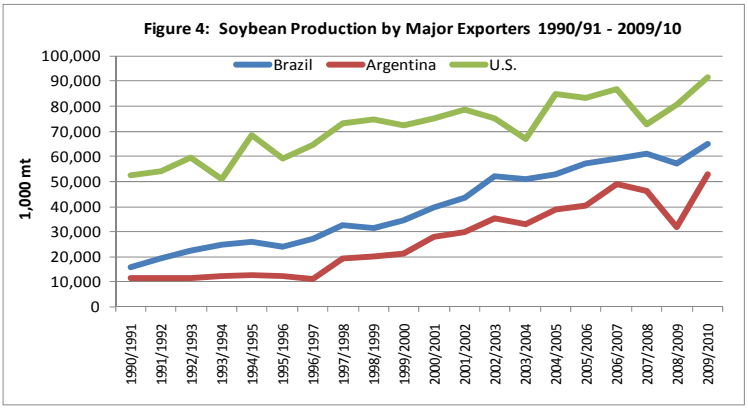
USDA projects China to import a record 42 mmt of soybeans in 2009/2010. Almost half of those imports (20 mmt) are expected to be sourced from the United States (see table 1). The remainder is expected to come from Brazil and Argentina.

Table 1: Chinese Soybean Imports, 1000 mmt

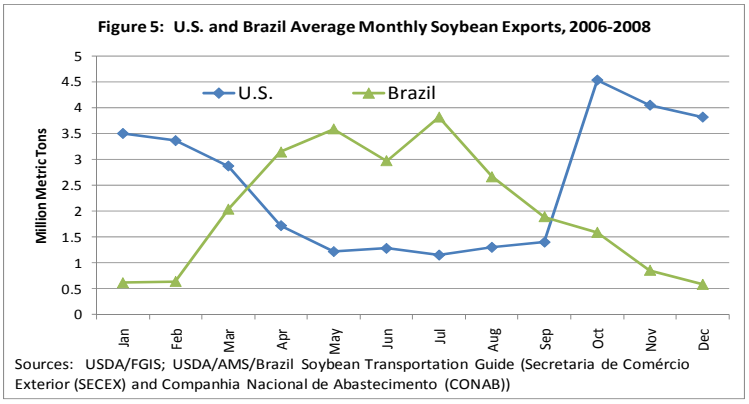
	1995/96	2000/01	2005/06	2006/07	2007/08	2008/09	2009/10*
Total Imports	795	13,245	28,317	28,726	37,816	41,098	42,000
Imports from the United States	560	5,220	9,708	11,505	13,726	18,649	20,000
US Share	70%	39%	34%	40%	36%	45%	48%

* Projection
Source: USDA

The major exporters of soybeans—the United States, Brazil, and Argentina—have been able to increase their production to keep up with the growth in demand. In 2009/10, soybean production is expected to reach record levels in both North and South America (see figure 4).



However, the two hemispheres have different seasonal patterns. The U.S. soybean harvest takes place in the fall and the South American soybean harvest takes place the following spring, so U.S. and Brazil soybean export shipments generally experience opposite seasonal patterns. Figure 5 shows that Brazil soybean exports typically peak during April through July, while U.S. exports peak during October through February. In a typical pattern, as soybeans from Brazil enter the supply chain in the spring, U.S. shipments and demand for transportation services recedes. However, the surge in soybean shipments to China could change this dynamic.



As of January 21, the 2009/10 U.S. **soybean export sales** have reached record levels—34.6 mmt, 92 percent of the projected annual total, with 10.3 mmt of that remaining to be shipped. The record levels are driven mainly by the Chinese demand. U.S. soybean export inspections may continue through the same season as the South American export program, if all of the sales are shipped during the marketing year that ends August 31. Demand for transportation services, including rail, barge, and ocean vessels is expected to remain strong to fulfill this level of soybean export activity.
Marina.Denicoff@ams.usda.gov

Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators[1]

	Truck	Rail[2]	Barge	Ocean	
Week ending				Gulf	Pacific
02/03/10	187	108	222	300	270
01/27/10	190	101	228	306	277

[1]Indicator: Base year 2000 = 100; Weekly updates include truck = diesel ($/gallon); rail = nearby secondary rail market ($/car); barge = Illinois River barge rate (index = percent of tariff rate); and ocean = routes to Japan ($/metric ton)

[2]The rail indicator is not an index. It is the difference between the nearby secondary rail market bid for this week and the average bid for year 2000 (+) 100.

Source: Transportation & Marketing Programs/AMS/USDA

Table 2

Market Update: U.S. Origins to Export Position Price Spreads ($/bushel)

Commodity	Origin--Destination	1/29/2010	1/22/2010
Corn	IL--Gulf	-0.73	-0.74
Corn	NE--Gulf	-0.79	-0.81
Soybean	IA--Gulf	-1.16	-1.18
HRW	KS--Gulf	-1.41	-1.07
HRS	ND--Portland	-2.75	-2.71

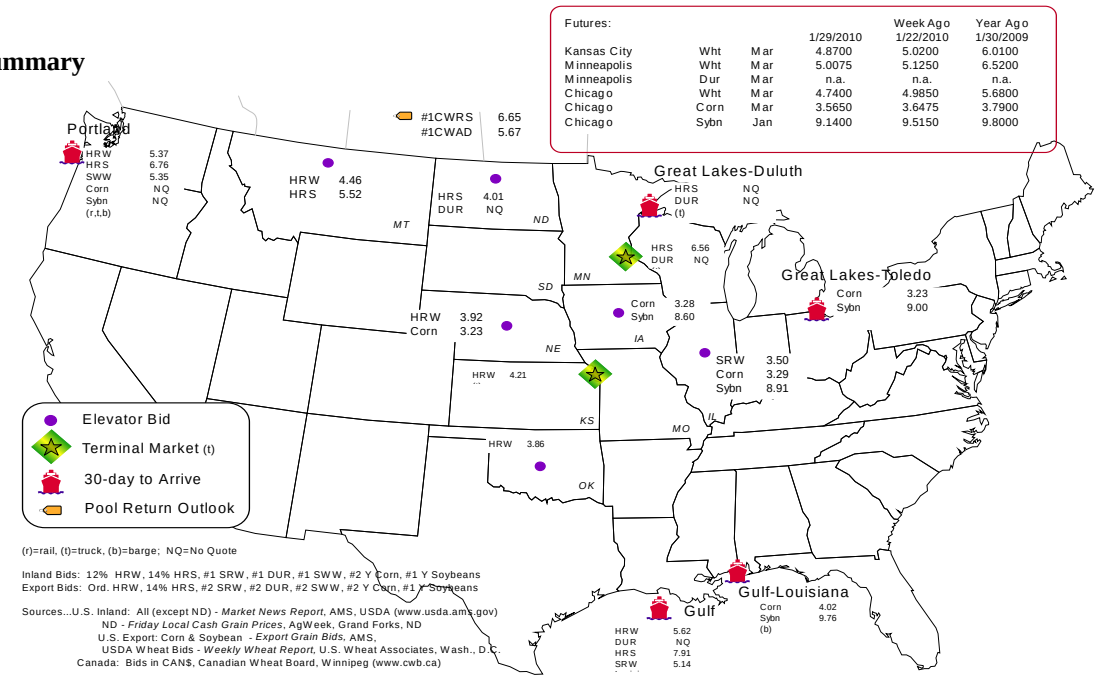
Note: nq = no quote

Source: Transportation & Marketing Programs/AMS/USDA

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 mar-

Figure 1

Grain bid Summary



Rail Transportation

Table 3

Rail Deliveries to Port (carloads)[1]

Week ending	Mississippi Gulf	Texas Gulf	Cross-Border Mexico	Pacific Northwest	Atlantic & East Gulf	Total
1/27/2010[p]	716	1,701	441	3,975	1,113	7,946
1/20/2010[r]	570	1,138	686	3,748	1,139	7,281
2010 YTD	2,054	5,356	2,490	13,156	4,969	28,025
2009 YTD	3,613	2,926	3,408	11,535	2,318	23,800
2010 YTD as % of 2009 YTD	57	183	73	114	214	118
Last 4 weeks as % of 2009[2]	57	183	73	114	214	118
Last 4 weeks as % of 4-year avg.[2]	31	73	95	76	164	76
Total 2009	33,423	57,646	36,738	175,965	30,328	334,100
Total 2008	68,768	107,542	37,491	255,852	33,028	502,681

[1] Data is incomplete as it is voluntarily provided

[2] Compared with same 4-weeks in 2008 and prior 4-year average.

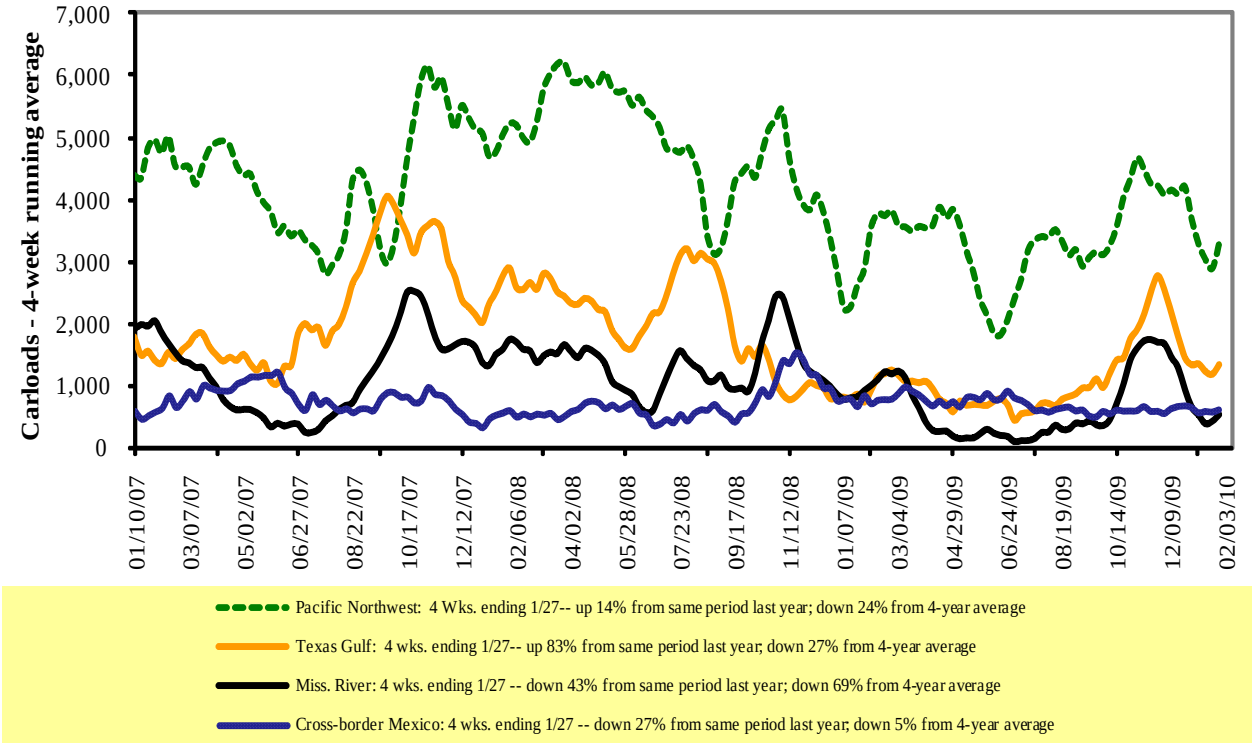
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

Source: Transportation & Marketing Programs/AMS/USDA

Railroads originate approximately 35 percent of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Figure 2

Rail Deliveries to Port



Source: Transportation & Marketing Programs/AMS/USDA

Table 4

Class I Rail Carrier Grain Car Bulletin (grain carloads originated)

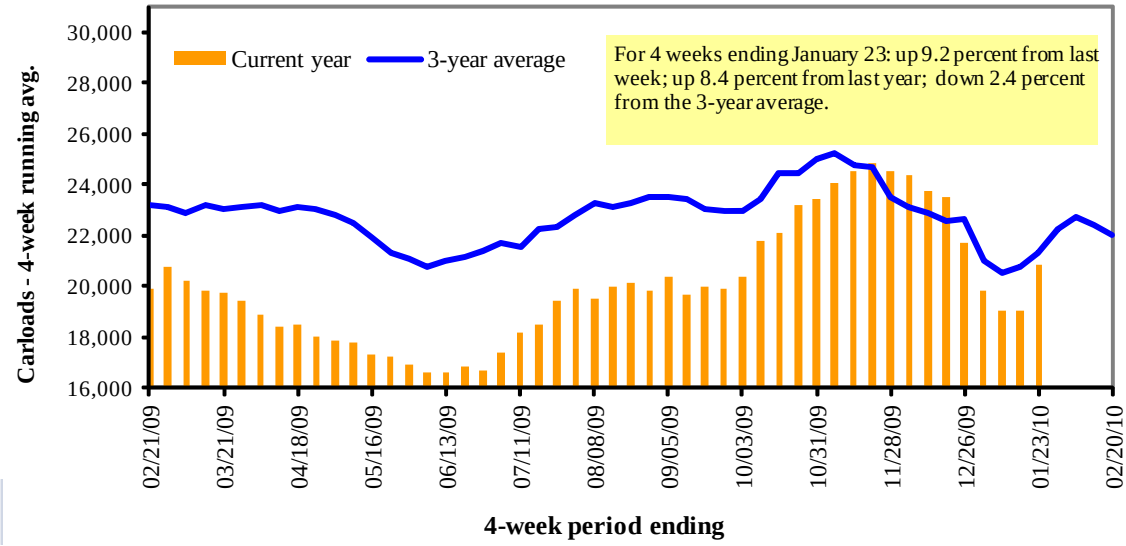
Week ending	East		West			U.S. total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
01/23/10	2,374	3,167	10,778	834	5,002	22,155	4,284	5,550
This week last year	3,082	2,555	9,358	788	5,216	20,999	4,327	3,631
2010 YTD	7,237	9,017	31,756	2,310	15,235	65,555	12,495	16,469
2009 YTD	8,172	7,681	26,382	2,453	14,834	59,522	11,182	14,117
2010 YTD as % of 2009 YTD	89	117	120	94	103	110	112	117
Last 4 weeks as % of 2009[1]	89	112	116	91	106	108	106	112
Last 4 weeks as % of 3-yr avg.[1]	77	103	102	104	97	98	89	115
Total 2009	105,278	142,254	483,618	36,912	268,811	1,036,873	200,871	278,997

[1]As a percent of the same period in 2008 and the prior 3-year average. YTD = year-to-date.

Source: Association of American Railroads (www.aar.org)

Figure 3

Total Weekly U.S. Class I Railroad Grain Car Loadings



Source: Association of American Railroads

Table 5

Rail Car Auction Offerings[1] ($/car)[2]

Week ending	Delivery period							
1/30/2009	Feb-10	Feb-09	Mar-10	Mar-09	Apr-10	Apr-09	May-10	May-09
BNSF[3]								
COT grain units	5	0	0	no bids	no bids	no bids	no bids	no bids
COT grain single-car[5]	0 . . 20	0	0 . . 4	0	4	no bids	4	no bids
UP[4]								
GCAS/Region 1	no bids	no bids	no bids	no bids	no bids	no bids	no offer	no offer
GCAS/Region 2	1	no bids	no bids	no bids	no bids	no bids	no offer	no offer

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

[2]Average premium/discount to tariff, last auction

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

[4]UP - GCAS = 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.

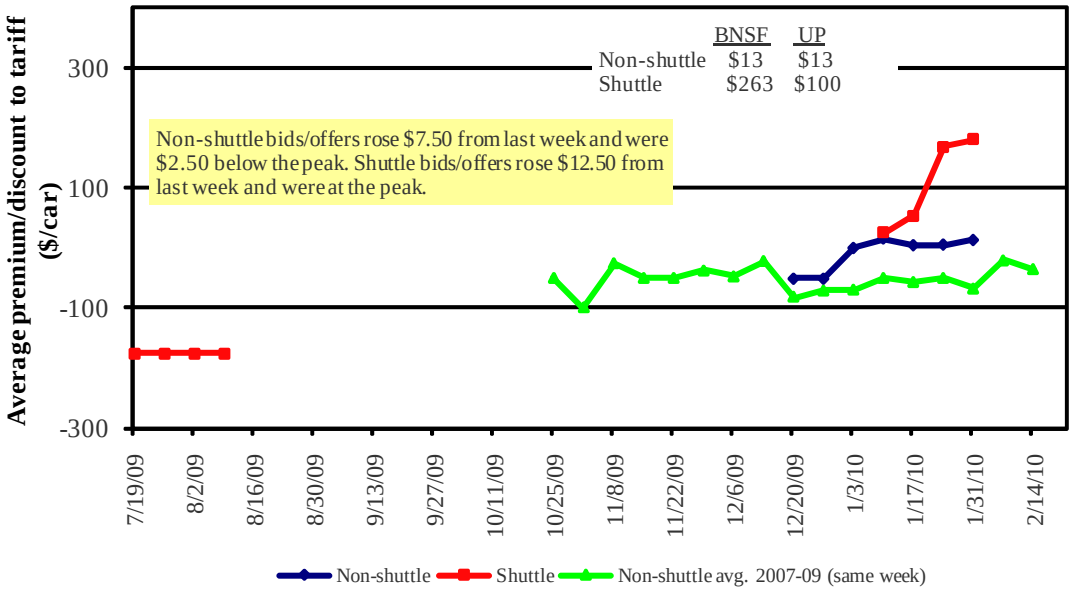
[5]Range is shown because average is not available. Not available = n/a.

Source: Transportation & Marketing Programs/AMS/USDA.

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 February 2010, Secondary Market

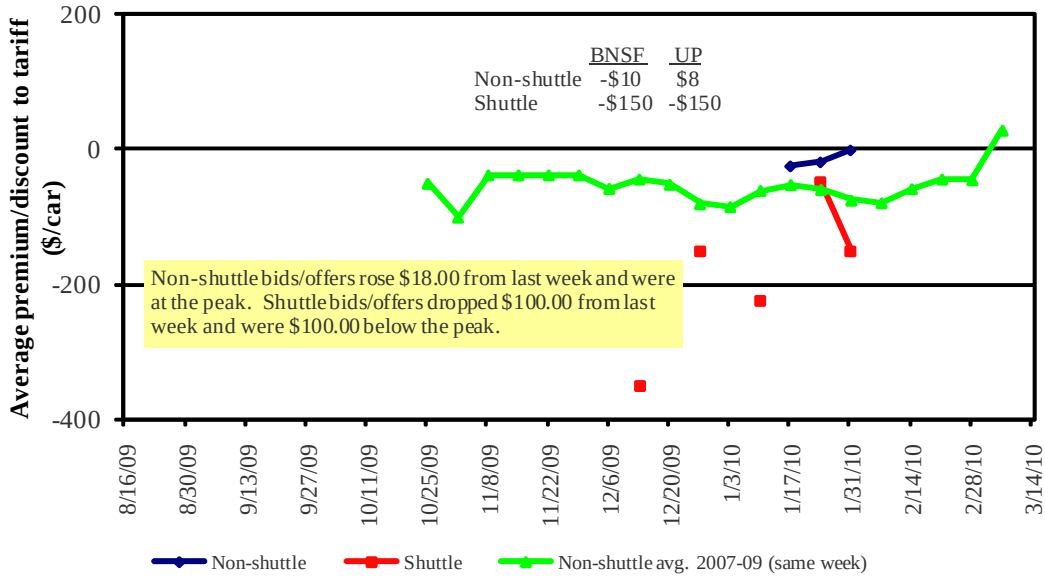


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

Bids/Offers for Railcars to be Delivered in March 2010, Secondary Market

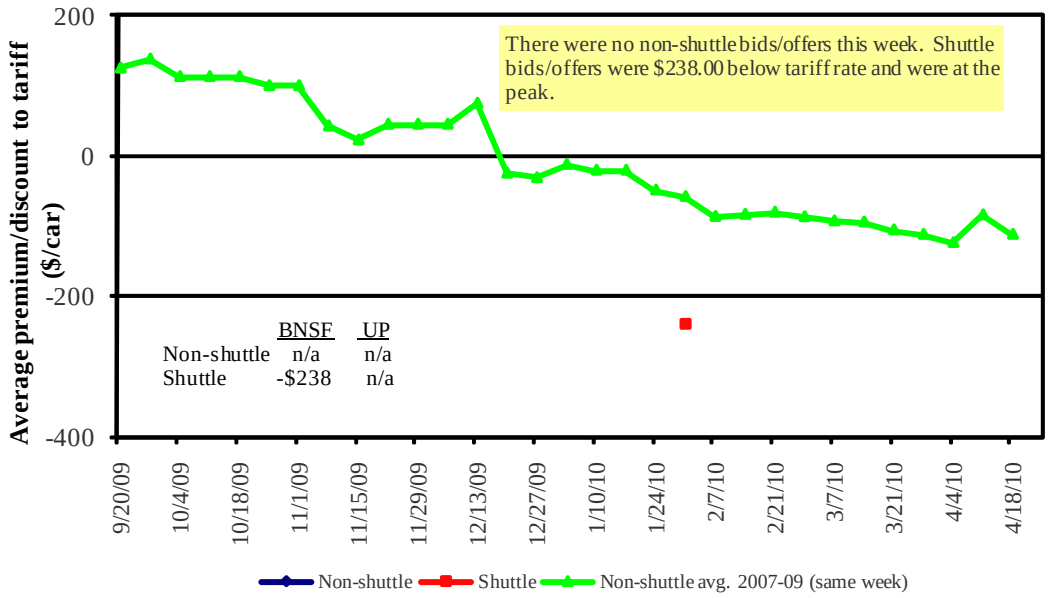


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in April 2010, Secondary Market



Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Table 6

Weekly Secondary Rail Car Market ($/car)[1]

Week ending	Delivery period					
1/30/2010	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10
Non-shuttle						
BNSF-GF	13	-10	n/a	n/a	n/a	n/a
Change from last week	3	15	n/a	n/a	n/a	n/a
Change from same week 2008	24	-1	n/a	n/a	n/a	n/a
UP-Pool	13	8	n/a	n/a	n/a	n/a
Change from last week	12	21	n/a	n/a	n/a	n/a
Change from same week 2008	76	64	n/a	n/a	n/a	n/a
Shuttle[2]						
BNSF-GF	263	-150	-238	-300	-167	n/a
Change from last week	0	50	n/a	n/a	-9	n/a
Change from same week 2008	309	50	n/a	n/a	n/a	n/a
UP-Pool	100	-150	n/a	n/a	-175	n/a
Change from last week	25	-250	n/a	n/a	0	n/a
Change from same week 2008	213	n/a	n/a	n/a	-25	n/a

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

[2]Shuttle bids are a new data series; prior to this we provided only non-shuttle rates.

Note: Bids listed are market INDICATORS only & are NOT guaranteed prices,
n/a = not available; GF = guaranteed freight; Pool = guaranteed pool

Sources: Transportation and Marketing Programs/AMS/USDA

Data from Atwood/ConAgra, Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.

Table 7

Tariff Rail Rates for Unit and Shuttle Train Shipments[1]

Effective date:			Tariff	Fuel surcharge	Tariff plus surcharge per:		Percent change
2/1/2010	Origin region	Destination region	rate/car	per car	metric ton	bushel[2]	Y/Y[3]
Unit train[1]							
Wheat	Chicago, IL	Albany, NY	$2,622	$112	$30.13	$0.82	8
	Kansas City, MO	Galveston, TX	$2,753	$107	$31.53	$0.86	11
	South Central, KS	Galveston, TX	$3,655	$267	$43.23	$1.18	9
	Minneapolis, MN	Houston, TX	$3,799	$540	$47.83	$1.30	9
	St. Louis, MO	Houston, TX	$3,565	$104	$40.44	$1.10	9
	South Central, ND	Houston, TX	$5,328	$601	$65.35	$1.78	3
	Minneapolis, MN	Portland, OR	$4,200	$657	$53.53	$1.46	9
	South Central, ND	Portland, OR	$4,200	$539	$52.24	$1.42	9
	Northwest, KS	Portland, OR	$5,100	$718	$64.13	$1.75	8
	Chicago, IL	Richmond, VA	$2,834	$166	$33.07	$0.90	13
Corn	Chicago, IL	Baton Rouge, LA	$2,925	$131	$33.69	$0.86	-4
	Council Bluffs, IA	Baton Rouge, LA	$3,020	$140	$34.84	$0.89	-4
	Kansas City, MO	Dalhart, TX	$3,284	$195	$38.34	$0.97	1
	Minneapolis, MN	Portland, OR	$3,609	$657	$47.02	$1.19	8
	Evansville, IN	Raleigh, NC	$3,204	$163	$37.11	$0.94	8
	Columbus, OH	Raleigh, NC	$3,093	$142	$35.66	$0.91	8
	Council Bluffs, IA	Stockton, CA	$4,900	$709	$61.83	$1.57	-6
Soybeans	Chicago, IL	Baton Rouge, LA	$3,178	$131	$36.48	$0.99	2
	Council Bluffs, IA	Baton Rouge, LA	$3,192	$140	$36.73	$1.00	2
	Minneapolis, MN	Portland, OR	$4,110	$657	$52.54	$1.43	-2
	Evansville, IN	Raleigh, NC	$3,204	$163	$37.11	$1.01	8
	Chicago, IL	Raleigh, NC	$3,804	$202	$44.16	$1.20	7
Shuttle Train							
Wheat	St. Louis, MO	Houston, TX	$2,867	$104	$32.75	$0.89	10
	Minneapolis, MN	Portland, OR	$3,700	$657	$48.02	$1.31	7
Corn	Fremont, NE	Houston, TX	$2,520	$397	$32.15	$0.82	3
	Minneapolis, MN	Portland, OR	$3,528	$657	$46.13	$1.17	8
Soybeans	Council Bluffs, IA	Houston, TX	$2,787	$385	$34.96	$0.95	3
	Minneapolis, MN	Portland, OR	$3,774	$657	$48.84	$1.33	10

[1]A unit train refers to shipments of at least 52 cars. Shuttle train rates are available for qualified shipments of 75-110 cars that meet railroad efficiency requirements.

[2]Approximate load per car = 100 short tons (90.72 metric tons): corn 56 lbs./bu., wheat & soybeans 60 lbs./bu.

[3]Percentage change year over year calculated using tariff rate plus fuel surchage

Sources: www.bnsf.com, www.cpr.ca, www.csx.com, www.uprr.com

Table 8

Tariff Rail Rates for U.S. Bulk Grain Shipments to Mexico

Effective date: 2/1/2010							
				Fuel	Tariff plus surcharge per:		Percent
Commodity	Origin state	Destination region	Tariff rate/car[1]	surcharge per car	metric ton	bushel[2]	change Y/Y[3]
Wheat	MT	Chihuahua, CI	$6,291	$611	$70.52	$1.92	8
	OK	Cuautitlan, EM	$5,726	$461	$63.21	$1.72	9
	KS	Guadalajara, JA	$6,196	$471	$68.11	$1.85	8
	TX	Salinas Victoria, NL	$3,154	$149	$33.75	$0.92	7
Corn	IA	Guadalajara, JA	$6,670	$547	$73.74	$2.00	6
	SD	Penjamo, GJ	$6,440	$800	$73.97	$2.01	4
	NE	Queretaro, QA	$6,130	$442	$67.15	$1.83	2
	SD	Salinas Victoria, NL	$4,570	$608	$52.90	$1.44	-1
	MO	Tlalnepantla, EM	$5,318	$430	$58.73	$1.60	2
	SD	Torreon, CU	$5,330	$670	$61.30	$1.67	3
Soybeans	MO	Bojay (Tula), HG	$5,994	$470	$66.04	$1.80	5
	NE	Guadalajara, JA	$6,475	$538	$71.66	$1.95	6
	IA	Penjamo (Celaya), GJ	$6,590	$795	$75.45	$2.05	11
	KS	Torreon, CU	$5,180	$353	$56.54	$1.54	5
Sorghum	OK	Cuautitlan, EM	$4,370	$607	$50.85	$1.38	4
	TX	Guadalajara, JA	$5,350	$520	$59.98	$1.63	13
	NE	Penjamo, GJ	$6,395	$492	$70.37	$1.91	5
	KS	Queretaro, QA	$5,398	$341	$58.64	$1.59	1
	NE	Salinas Victoria, NL	$4,282	$358	$47.41	$1.29	0
	NE	Torreon, CU	$5,240	$405	$57.67	$1.57	4

[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.

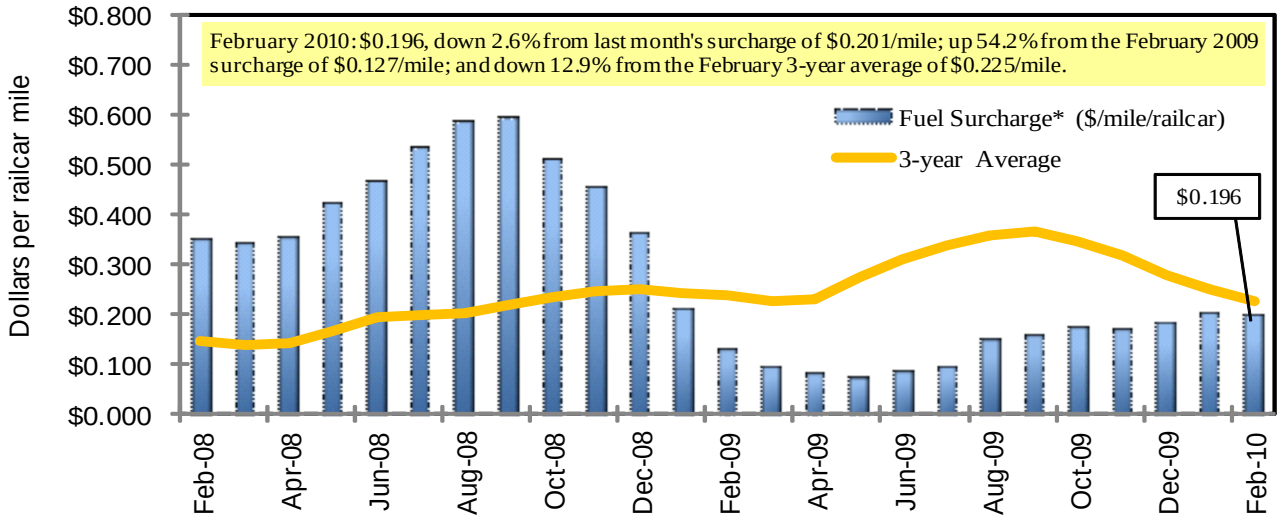
[2]Approximate load per car = 97.87 metric tons: Corn & Sorghum 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

[3]Percentage change year over year calculated using tariff rate plus fuel surchage

Sources: www.bnsf.com, www.uprr.com, www.kcsouthern.com

Figure 7

Railroad Fuel Surcharges, North American Weighted Average[1]



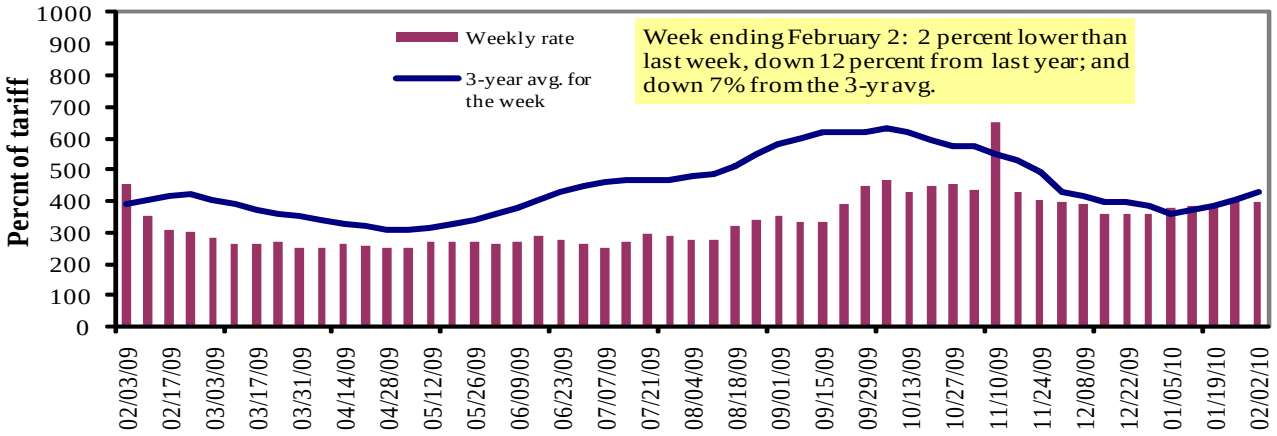
[1] Weighted by each Class I railroad's proportion of grain traffic for the prior year.
* Mileage-based fuel surcharges for March and April 2007 are estimated. Beginning January 2009, the Canadian Pacific fuel surcharge is computed by a monthly average of the bi-weekly fuel surcharge.

Sources: www.bnsf.com, www.cn.ca, www.cpr.ca, www.csx.com, www.kcsi.com, www.nscorp.com, www.uprr.com

Barge Transportation

Figure 8

Illinois River 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: Transportation & Marketing Programs/AMS/USDA

Table 9

Weekly Barge Freight Rates: Southbound Only

		Twin Cities	Mid-Mississippi	Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo-Memphis
Rate[1]	2/2/2010	-	-	400	305	324	324	259
	1/26/2010	-	-	410	307	327	327	253
$/ton	2/2/2010	-	-	18.56	12.17	15.20	13.09	8.13
	1/26/2010	-	-	19.02	12.25	15.34	13.21	7.94
Current week % change from the same week:								
	Last year	-	-	-12	-7	-6	-6	0
	3-year avg.[2]	-	-	-7	-13	-10	-10	-18
Rate[1]	March	-	-	322	260	308	308	240
	May	362	325	313	262	297	297	238

[1]Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); [2]4-week moving average; ton = 2,000 pounds.
Source: Transportation & Marketing Programs/AMS/USDA

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

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map (see figure 9).

Figure 9
Benchmark tariff rates

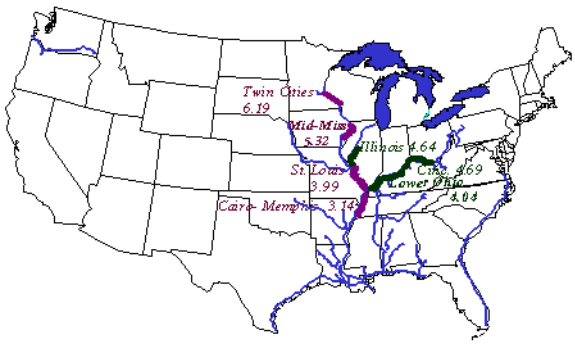
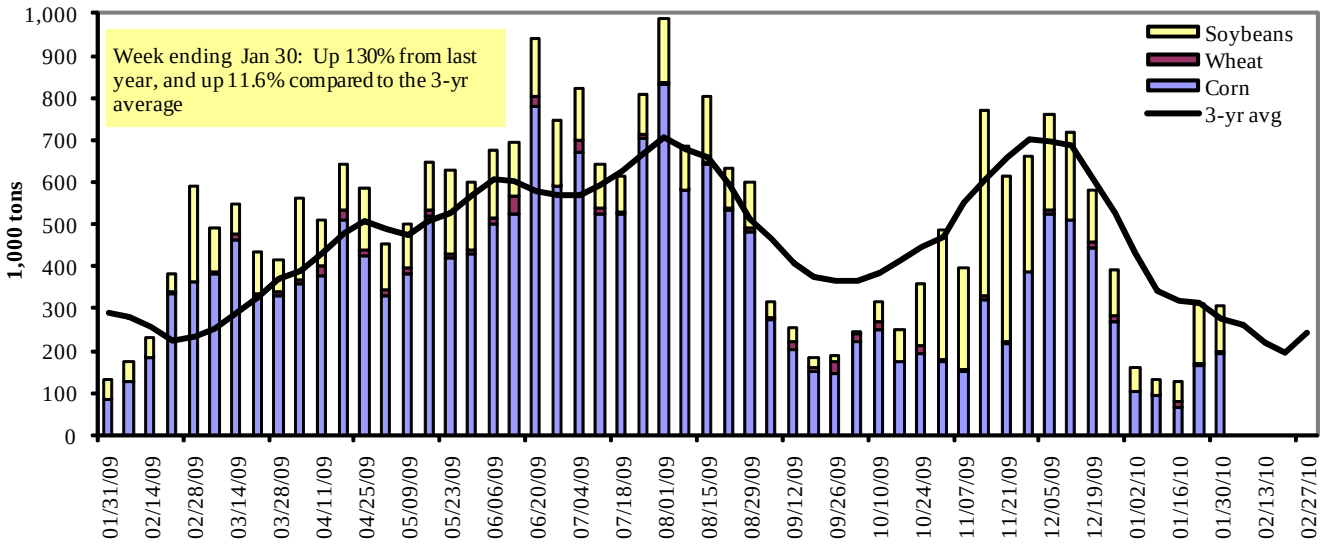


Figure 10

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 (www.mvr.usace.army.mil/mvrimi/omni/webrpts/default.asp)

Table 10

Barge Grain Movements (1,000 tons)

Week ending 1/30/2010	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	0	0	0	0	0
Winfield, MO (L25)	0	0	0	0	0
Alton, IL (L26)	185	6	71	0	262
Granite City, IL (L27)	195	6	107	0	309
Illinois River (L8)	151	6	74	0	231
Ohio River (L52)	155	11	127	0	292
Arkansas River (L1)	0	0	35	7	42
Weekly total - 2010	350	17	269	7	643
Weekly total - 2009	126	3	106	0	234
2010 YTD[1]	1,073	106	1,133	44	2,356
2009 YTD	1,319	41	956	11	2,327
2010 as % of 2009 YTD	81	258	119	390	101
Last 4 weeks as % of 2009[2]	89	277	128	764	110
Total 2009	23,424	1,501	10,465	430	35,819

[1] Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

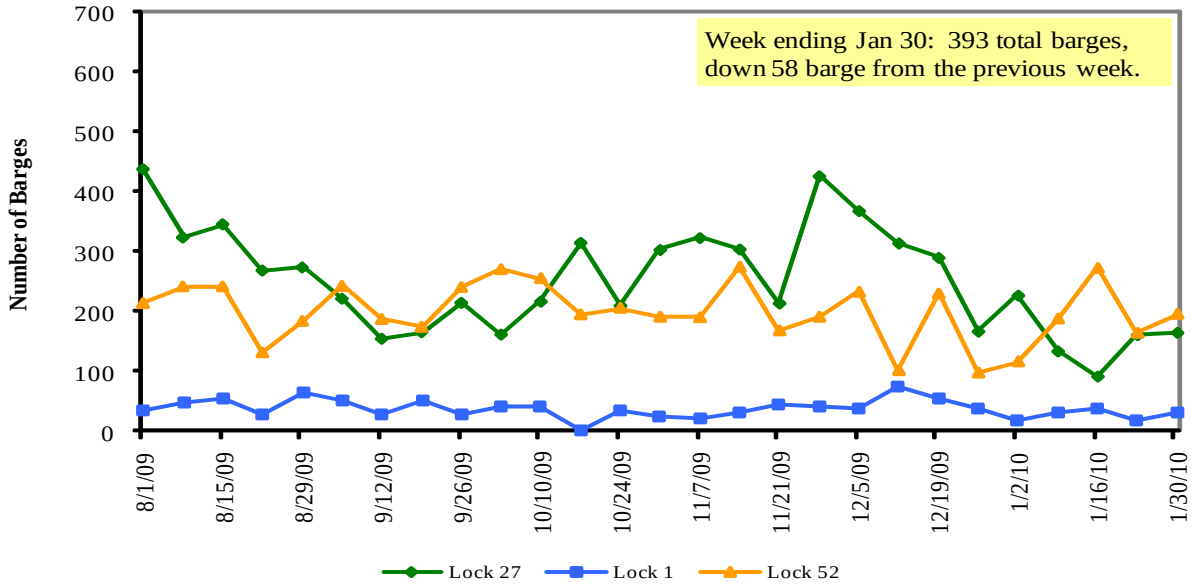
[2] As a percent of same period in 2009.

Note: Total may not add exactly, due to rounding

Source: U.S. Army Corps of Engineers (www.mvr.usace.army.mil/mvrimi/omni/webrpts/default.asp)

Figure 11

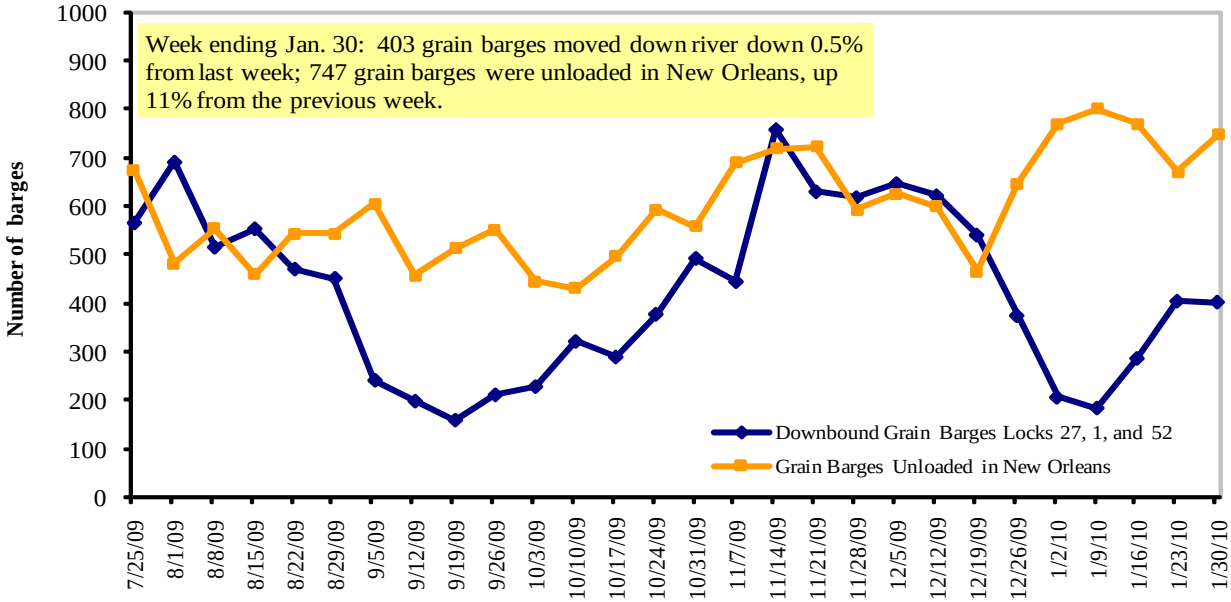
Upbound Empty Barges Transiting Mississippi River Locks 27, Arkansas River Lock and Dam 1, and Ohio River Locks and Dam 52



Source: U.S. Army Corps of Engineers

Figure 12

Grain Barges for Export in New Orleans Region



Source: U.S. Army Corps of Engineers and GIPSA

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[1], Week Ending 2/01/2010 (US$/gallon)

Region	Location	Price	Change from Week ago	Change from Year ago
I	East Coast	2.832	-0.051	0.507
	New England	3.017	-0.038	0.434
	Central Atlantic	2.926	-0.060	0.442
	Lower Atlantic	2.775	-0.048	0.542
II	Midwest[2]	2.731	-0.059	0.530
III	Gulf Coast[3]	2.744	-0.056	0.555
IV	Rocky Mountain	2.797	-0.020	0.568
V	West Coast	2.876	-0.039	0.573
	California	2.950	-0.037	0.662
Total	U.S.	2.781	-0.052	0.535

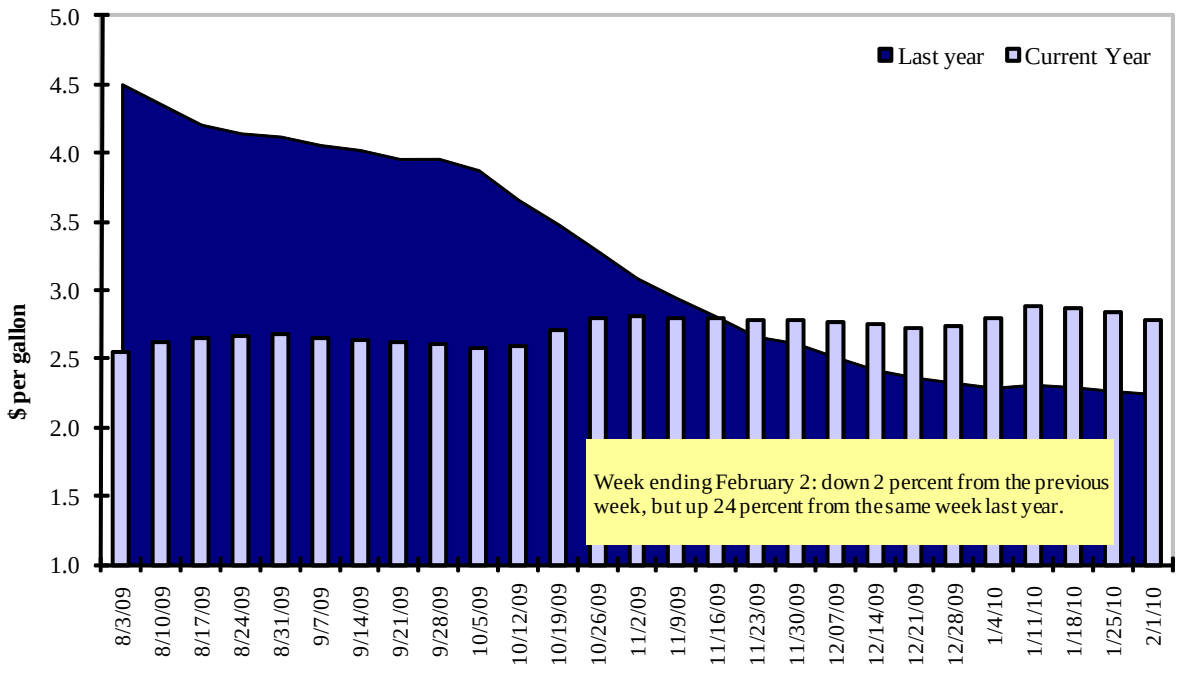
[1]Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

[2]Same as North Central [3]Same as South Central

Source: Energy Information Administration/U.S. Department of Energy (www.eia.doe.gov)

Figure 13

Weekly Diesel Fuel Prices, U.S. Average



Source: Retail On-Highway Diesel Prices, Energy Information Administration, Dept. of Energy

Grain exports

Table 12

U.S. Export Balances and Cumulative Exports (1,000 metric tons)

	Wheat						Corn	Soybeans	Total
Week ending	HRW	SRW	HRS	SWW	DUR	All wheat			
Export Balances[1]									
1/21/2010	1,677	470	1,078	900	189	4,313	11,974	10,310	26,597
This week year ago	1,294	699	850	725	75	3,644	8,078	7,086	18,808
Cumulative exports-marketing year[2]									
2009/10 YTD	5,028	1,918	3,173	2,586	703	13,407	16,244	24,254	53,905
2008/09 YTD	8,833	3,892	3,745	1,922	320	18,711	15,633	17,008	51,352
YTD 2009/10 as % of 2008/09	57	49	85	135	220	72	104	143	105
Last 4 wks as % of same period 2008/09	114	68	115	106	277	107	141	161	142
2008/09 Total	11,244	5,100	5,408	3,420	454	25,626	44,650	33,705	103,981
2007/08 Total	13,709	5,568	7,842	4,191	1,075	32,385	59,666	30,411	122,462

[1] Current unshipped export sales to date

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

Note: YTD = year-to-date. Marketing Year: wheat = 6/01-5/31, corn & soybeans = 9/01-8/31

Source: Foreign Agricultural Service/USDA (www.fas.usda.gov)

Table 13

Top 5 Importers[1] of U.S. Corn

Week ending 01/21/10	Total Commitments[2] 2009/10 Current MY	2008/09 Last MY	% change current MY from last MY	Exports[3] 2008/09
	- 1,000 mt -			- 1,000 mt -
Japan	7,266	8,530	(15)	15,910
Mexico	5,417	5,025	8	7,454
Korea	3,879	1,847	110	5,129
Taiwan	1,809	1,265	43	3,198
Egypt	1,090	835	31	2,233
Top 5 importers	**19,461**	**17,502**	**11**	**33,924**
Total US corn export sales[4]	**28,218**	**23,711**	**19**	**45,214**
% of Projected	54%	50%		
Change from Last Week	902	1,108		
Top 5 importers' share of U.S. corn export sales	69%	74%		
USDA forecast, January 2010	**52,070**	**47,180**	**10**	
Corn Use for Ethanol USDA forecast, January 2010	**106,680**	**93,396**	**14**	

(n) indicates negative number.

[1]Based on FAS Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year (MY) = Sep 1 - Aug 31.

[2]Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report.

[3]FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

[4]Not included - FAS Press Release: 118,000 mt on 1/26 to Unknown for 2009/10.

Table 14

Top 5 Importers[1] of U.S. Soybeans

Week ending 01/21/10	Total Commitments[2] 2009/10 Current MY	2008/09 Last MY	% change current MY from last MY	Exports[3] 2008/09
	- 1,000 mt -			- 1,000 mt -
China	21,266	13,750	55	18,681
Mexico	1,719	1,497	15	3,098
Japan	1,588	1,899	(16)	2,410
EU-25	2,047	1,720	19	2,180
Taiwan	1,157	1,000	16	1,592
Top 5 importers	**27,778**	**19,865**	**40**	**27,961**
Total US soybean export sales	**34,564**	**24,094**	**43**	
% of Projected	92%	69%		
Change from last week	673	526		
Top 5 importers' share of U.S. soybean export sales	80%	82%		
USDA forecast, January 2010	**37,420**	**34,930**	**7**	
Soybean Use for Biodiesel USDA forecast, January 2010	**5,275**	**4,566**	**16**	

(n) indicates negative number.

[1]Based on FAS 2006/07 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year (MY) = Sep 1 - Aug 31.

[2] Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report.

[3] FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 15

Top 10 Importers[1] of All U.S. Wheat

Week Ending 01/21/2010	Total Commitments[2] 2009/10 Current MY	2008/09 Last MY	% change current MY from last MY	Exports[3] 2008/09
	- 1,000 mt -			- 1,000 mt -
Japan	2,357	2,439	(3)	3,103
Nigeria	2,550	2,107	21	2,661
Mexico	1,413	2,153	(34)	2,423
Egypt	456	1,725	(74)	1,928
Philippines	1,507	1,383	9	1,480
Iraq	300	1,205	(75)	1,205
Korea, South	979	926	6	1,127
Brazil	214	825	(74)	789
Colombia	459	668	(31)	749
Taiwan	618	520	19	714
Top 10 importers	**10,853**	**13,949**	**(22)**	**16,179**
Total US wheat export sales	**17,722**	**22,355**	**(21)**	**27,640**
% of Projected	79%	81%		
Change from last week	662	24		
Top 10 importers' share of U.S. wheat export sales	61%	62%		
USDA forecast, January 2010	**22,450**	**27,640**	**(19)**	

(n) indicates negative number.

[1]Based on FAS **2008/09** Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Jun 1 - May 31

[2] Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report.

[3] FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 16

Grain Inspections for Export by U.S. Port Region (1,000 metric tons)

Port regions	Week ending 01/28/10	2010 YTD[1]	2009 YTD[1]	2010 YTD as % of 2009 YTD	Last 4-weeks as % of 2009	Last 4-weeks as % of 3-yr. avg.	Total[1] 2009
Pacific Northwest							
Wheat	233	797	852	94	94	71	10,091
Corn	143	526	415	127	127	81	8,498
Soybeans	236	1,007	747	135	135	124	9,743
Total	**611**	**2,329**	**2,014**	**116**	**116**	**90**	**28,332**
Mississippi Gulf							
Wheat	131	263	250	105	105	86	4,019
Corn	635	1,868	1,900	98	98	69	28,846
Soybeans	579	2,888	2,597	111	111	131	21,853
Total	**1,346**	**5,020**	**4,748**	**106**	**106**	**96**	**54,718**
Texas Gulf							
Wheat	97	425	380	112	112	100	5,735
Corn	54	118	80	148	148	88	1,968
Soybeans	15	284	88	324	324	651	2,402
Total	**167**	**827**	**548**	**151**	**151**	**137**	**10,105**
Great Lakes							
Wheat	0	2	0	n/a	n/a	304	990
Corn	0	0	0	n/a	n/a	0	338
Soybeans	0	0	0	n/a	n/a	0	781
Total	**0**	**2**	**0**	**n/a**	**n/a**	**50**	**2,109**
Atlantic							
Wheat	22	22	23	96	96	53	547
Corn	0	24	16	149	149	28	472
Soybeans	8	129	89	144	144	137	1,266
Total	**29**	**175**	**128**	**136**	**136**	**79**	**2,285**
U.S. total from ports[2]							
Wheat	483	1,509	1,505	100	100	80	21,382
Corn	832	2,536	2,411	105	105	70	40,122
Soybeans	838	4,308	3,521	122	122	136	36,045
Total	**2,153**	**8,353**	**7,437**	**112**	**112**	**96**	**97,549**

[1] Includes weekly revisions, some regional totals may not add exactly due to rounding.

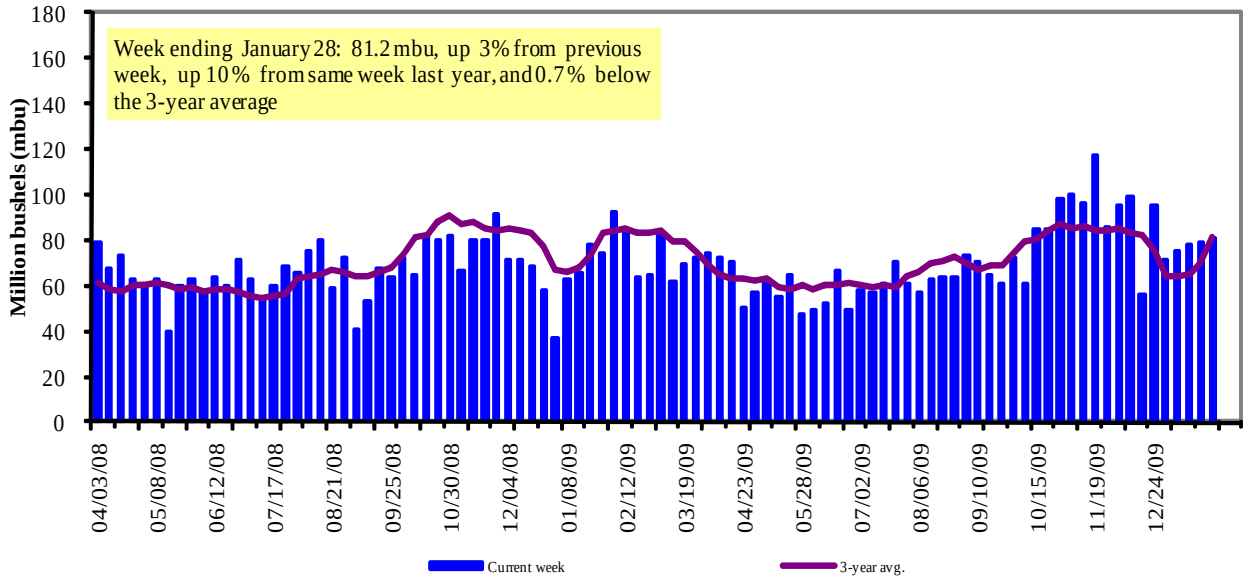
[2] Total includes only port regions shown above

Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov); YTD= year-to-date; n/a = not applicable

The United States exports approximately one-quarter of the grain it produces. On average, this includes nearly 45 percent of U.S.-grown wheat, 35 percent of U.S.-grown soybeans, and 20 percent of the U.S.-grown corn. Approximately 62 percent of the U.S. export grain shipments departed through the U.S. Gulf region in 2009.

Figure 14

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

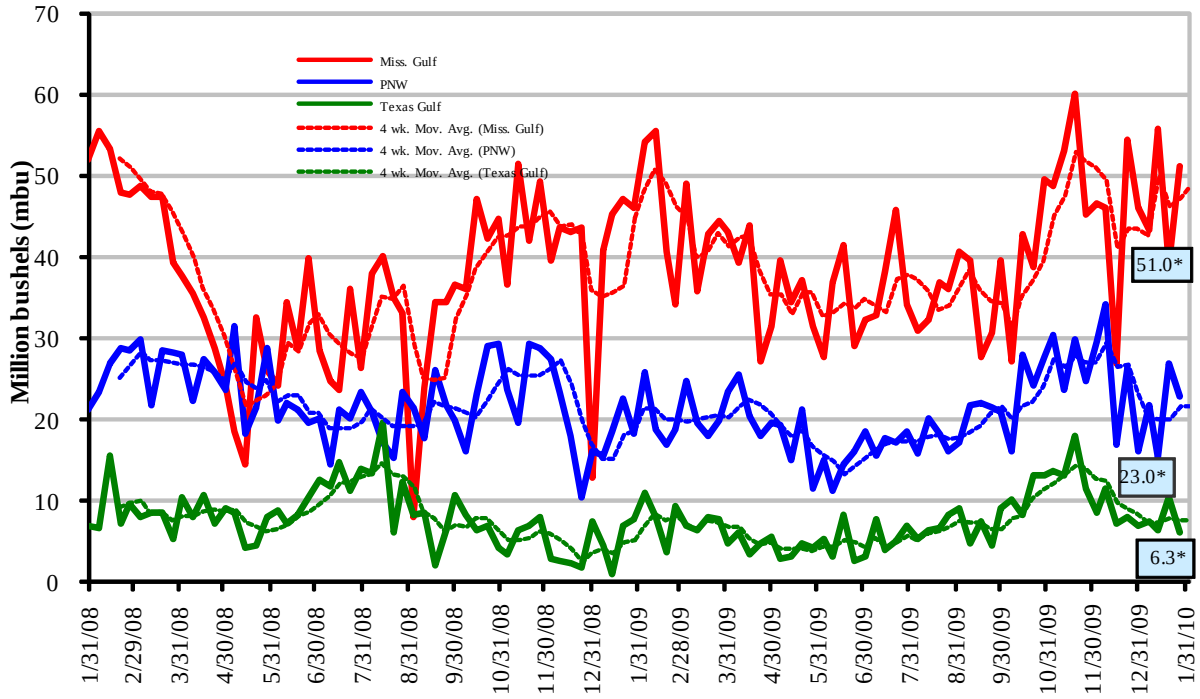


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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

Figure 15

Weekly U.S. Grain Inspections: U.S. Gulf and PNW (wheat, corn, and soybeans)



Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov); *mbu, this week.

January 28, % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	up 31	down 40	up 16	down 15.4
Last year (same week)	up 11	down 21	up 6	up 24
3-yr avg. (4-wk mov. avg.)	up 2.4	up 11	up 3.3	up 0.8

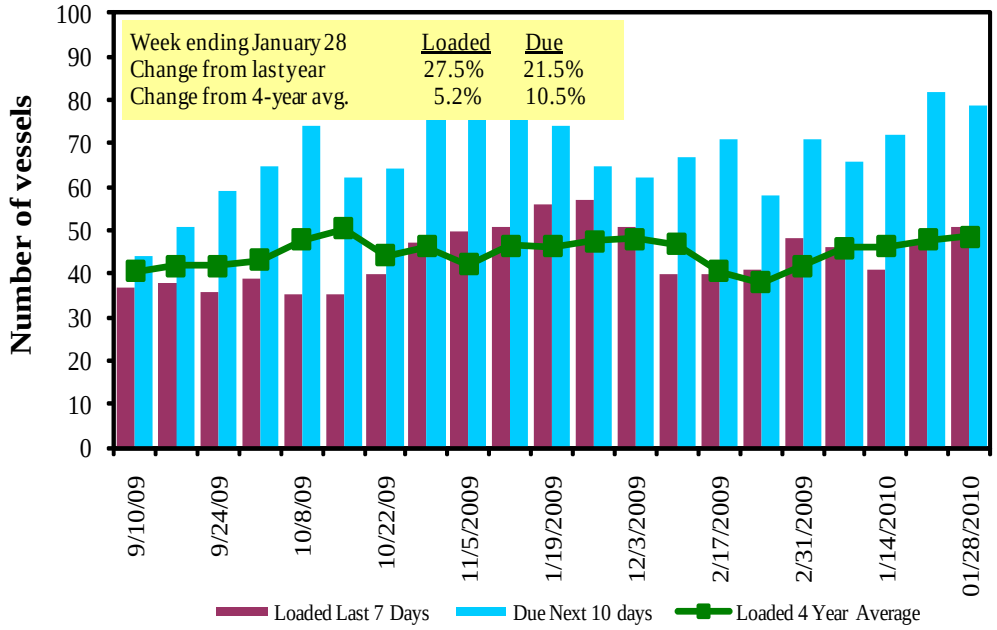
Table 17

Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

	Gulf			Pacific Northwest	Vancouver B.C.
Date	In port	Loaded 7-days	Due next 10-days	In port	In port
1/28/2010	50	51	79	13	12
1/21/2010	50	47	82	19	13
2009 range	(18..72)	(21..57)	(37..86)	(2..19)	(3..19)
2009 avg.	37	39	55	10	9

Source: Transportation & Marketing Programs/AMS/USDA

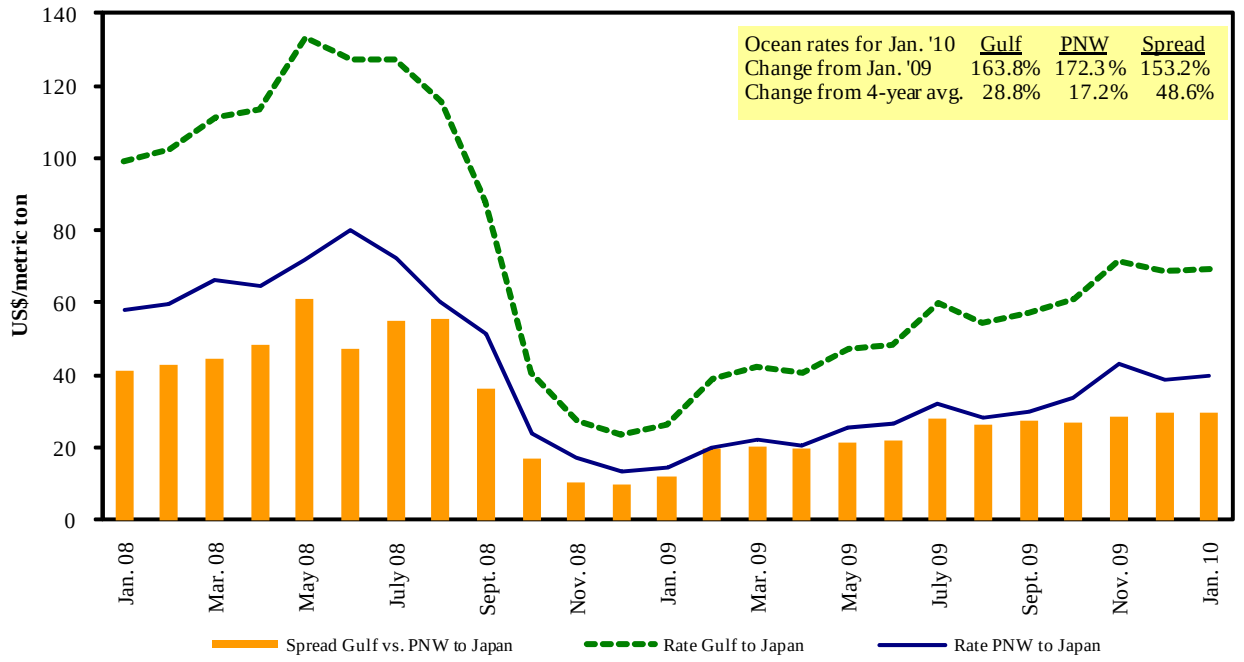
U.S. Gulf[1] Vessel Loading Activity



Source: Transportation & Marketing Programs/AMS/USDA
[1]U.S. Gulf includes Mississippi, Texas, and East Gulf.

Figure 17

Grain Vessel Rates, U.S. to Japan



Source: Drewry Shipping Consultants Ltd (www.drewry.co.uk)/O'Neil Commodity Consulting

Table 18

Ocean Freight Rates For Selected Shipments, Week Ending 1/30/2010

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US$/metric ton)
U.S. Gulf	Egyptian Mediterranean	Hvy Grain	Jan 7/12	60,000	39.00
U.S. Gulf	Djibouti[1]	Wheat	Jan 1/10	2,770	114.50
U.S. Gulf	China	Hvy Grain	Oct 20/30	55,000	54.00
Brazil	France	Grains	Sep 10/20	20,000	34.00
Brazil	Ireland	Grain	Dec 25/30	25,000	43.50
Brazil	Morocco	Corn	Oct 25/Nov 5	25,000	29.00
Ukraine	Kenya	Wheat	Dec 25/30	25,000	52.00
Ukraine	Mediterranean	Wheat	Dec 14/18	30,000	20.00
France	Algeria	Wheat	Nov 5/15	25,000	29.50
France	Algeria	Wheat	Oct 20/30	25,000	27.25
France	Algeria	Wheat	Sep 25/30	25,000	25.50
France	Algeria	Wheat	Sep 1/5	25,000	24.00
France	Algeria	Hvy Grain	Jan 15/20	28,500	28.25
River Plate	Continent	Grain	Dec 20/28	25,000	36.50
River Plate	Continent	Grain	Dec 1/10	25,000	48.00
River Plate	Continent	Grain	Nov 25/30	25,000	40.00
River Plate	Poland	Grains	Sep 1/20	24,000	37.25
River Plate	Poland	Soybeanmeal	Sep 5/15	25,000	37.75

Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option

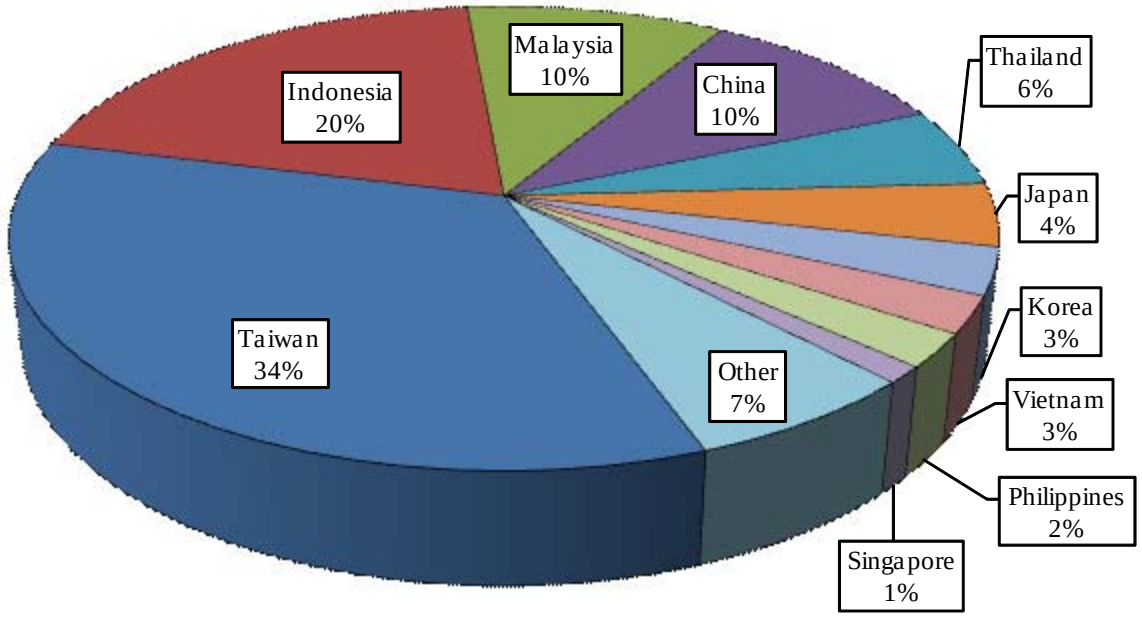
[1]75 percent of food aid from the United States is required to be shipped on U.S.-flag vessels.

Source: Maritime Research Inc. (www.maritime-research.com)

During 2008, containers were used to transport 6 percent of total U.S. waterborne grain exports, and 9 percent of U.S. grain exports to Asia.

Figure 18

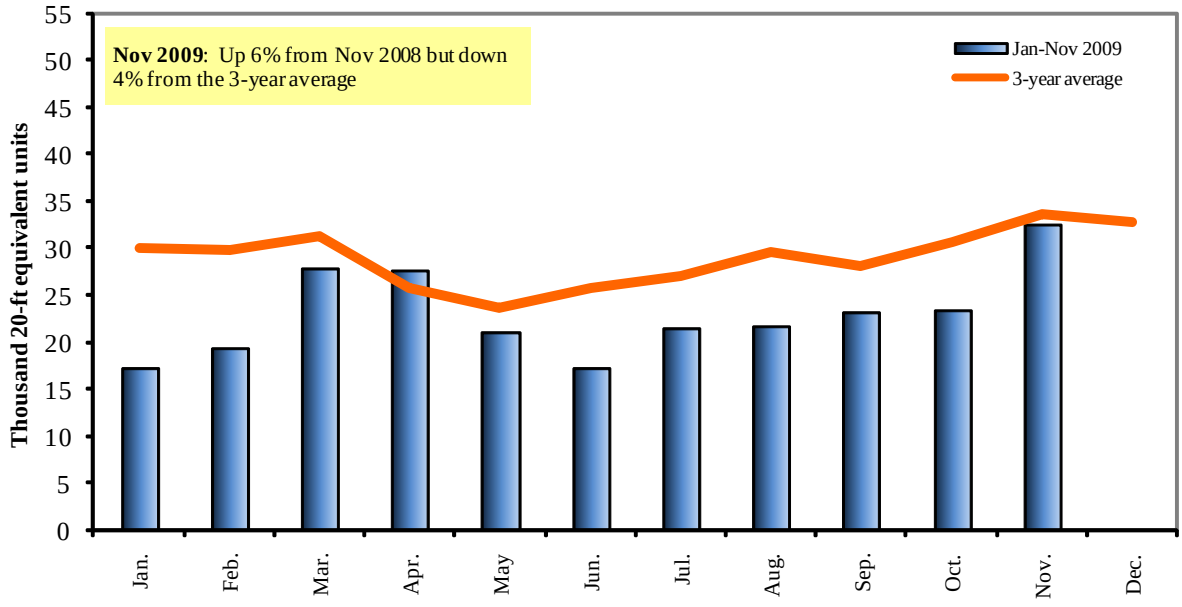
Top 10 Destination Markets for U.S. Containerized Grain Exports, November 2009



Source: Port Import Export Reporting Service (PIERS)

Figure 19

Monthly Shipments of Containerized Grain to Asia



Source: Port Import Export Reporting Service (PIERS), *Journal of Commerce*

Contacts and Links

Coordinators		
Surajudeen (Deen) Olowolayemo	surajudeen.olowolayemo@ams.usda.gov	(202) 694 - 3050
Pierre Bahizi	pierre.bahizi@ams.usda.gov	(202) 694 - 2503
Daniel Nibarger	daniel.nibarger@ams.usda.gov	(202) 436 - 9713
Weekly Highlight Editors		
Marina Denicoff	marina.denicoff@ams.usda.gov	(202) 694 - 2504
Surajudeen (Deen) Olowolayemo	surajudeen.olowolayemo@ams.usda.gov	(202) 694 - 3050
April Taylor	april.taylor@ams.usda.gov	(202) 295 - 7374
Daniel Nibarger	daniel.nibarger@ams.usda.gov	(202) 436 - 9713
Grain Transportation Indicators		
Surajudeen (Deen) Olowolayemo	surajudeen.olowolayemo@ams.usda.gov	(202) 694 - 3050
Rail Transportation		
Marvin Prater	marvin.prater@ams.usda.gov	(202) 694 - 3051
Johnny Hill	johnny.hill@ams.usda.gov	(202) 694 - 2506
Daniel Nibarger	daniel.nibarger@ams.usda.gov	(202) 436 - 9713
Barge Transportation		
Nicholas Marathon	nick.marathon@ams.usda.gov	(202) 694 - 2508
April Taylor	april.taylor@ams.usda.gov	(202) 295 - 7374
Truck Transportation		
April Taylor	april.taylor@ams.usda.gov	(202) 295 - 7374
Ron Hagen	ron.hagen@ams.usda.gov	(202) 694 - 2505
Grain Exports		
Johnny Hill	johnny.hill@ams.usda.gov	(202) 694 - 2506
Marina Denicoff	marina.denicoff@ams.usda.gov	(202) 694 - 2504
Ocean Transportation		
Surajudeen (Deen) Olowolayemo	surajudeen.olowolayemo@ams.usda.gov	(202) 694 - 3050
(Freight rates and vessels)		
April Taylor	april.taylor@ams.usda.gov	(202) 295 - 7374
(Container rates)		

Subscription Information: Send relevant information to **GTRContactUs@ams.usda.gov** for an electronic copy *(printed copies are also available upon request)*.

Related Websites

Ocean Rate Bulletin

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation or martial or family status. (Not all prohibited bases apply to all programs). Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact the USDA's TARGET Center at (202)720-2600 (Voice and TDD).

To file a complaint of discrimination, write USDA, Director of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410, or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.