



April 22, 2010

Contents

Article/  
Calendar

Grain  
Transportation  
Indicators

Rail

Barge

Truck

Exports

Ocean

Brazil

Mexico

Quarterly  
Updates

Specialists

Subscription  
Information

-----  
The next  
release is  
April 29, 2010

## WEEKLY HIGHLIGHTS

### CME Group to Launch a New DDG Futures Contract

On April 26, the CME Group (a CME/Chicago Board of Trade/NYMEX Group) is scheduled to launch a new futures contract for Distillers' Dried Grains (DDG). The new futures contract will enhance pricing and risk management and includes specifications for deliverable grades and testing methods for protein, fat, fiber, and moisture. Delivery may be made from any Exchange-approved production facility and delivered to any location in the contiguous United States. Delivery is based off rail junctions: Chicago, IL, will be used for those originating East of the Mississippi River and Council Bluffs, IA, for West of the river. USDA/AMS has developed a user-friendly [Biofuel Transportation Database](#), where rail tariff rates for select origin-destination pairs are updated monthly. The CME Group web page for the DDG futures contract: [www.cmegroup.com/ddg](http://www.cmegroup.com/ddg).

### Cargill Complaint Alleges Excessive Rail Fuel Surcharges

On April 19, Cargill, Inc. filed a rate complaint with the Surface Transportation Board (STB) alleging that BNSF Railway fuel surcharges over-recover its incremental fuel consumption costs and that BNSF is using these fuel surcharges to extract excess profits. In addition, the complaint alleges that BNSF is double-recovering its incremental fuel costs. On January 25, 2007, the STB established rules governing fuel surcharges.

### Mississippi River Open, Barge Rates Stable

The Mississippi River System is completely open and ice free and **barge freight rates** have been stable. With the river system open, more areas need to be supplied with barges. However, the demand for barge service has not stretched the supply of barges enough to pressure an increase in barge freight rates. St. Louis grain barge rates to New Orleans have ranged from 193 to 200 percent of tariff for the last 6 weeks. This week's St. Louis rate is about 17 percent lower than the 3 year average. Barge operators report few river movements because many farmers are occupied with field work. The most recent Crop Progress report from the National Agricultural Statistical Service showed corn planting is 19 percent complete—10 percentage points above the 4-year average.

### Increased Grain Shipments to Latin America and Asia Drive Mississippi Gulf Inspections

For the week ending April 15, Mississippi Gulf inspections (.904 mmt) increased 28 percent from the past week, as more shipments of corn and soybeans were destined to Latin America and Asia. Total inspections of grain (corn, wheat, and soybeans) from major U.S. export regions reached 1.64 million metric tons (mmt), up 2 percent from the past week but 11.4 percent below last year. Total corn and soybean inspections increased over 3 percent from the previous week as inspections in the Mississippi Gulf rebounded. Pacific Northwest inspections dropped slightly compared to the previous week, with soybean inspections remaining stable.

## Snapshots by Sector

### Rail

U.S. Railroads originated 20,210 **carloads of grain** during the week ending April 10, down 7 percent from last week, up 13 percent from the same week last year, and 7 percent lower than the 3-year average.

During the week ending April 17, average May **secondary railcar bids/offers** were \$13 below tariff for non-shuttle, \$3 higher than last week. Shuttle rates were \$207 below tariff, \$27 higher than last week.

### Ocean

During the week ending April 15, 36 **ocean-going grain vessels** were loaded in the Gulf, up 16 percent from last year. Thirty-seven vessels are expected to be loaded in the U.S. Gulf within the next 10 days, down 3 percent from last year.

During the week ending April 16, the cost of shipping grain from the Gulf to Japan averaged \$70 per mt, unchanged from the previous week. The rate from the Pacific Northwest to Japan was \$41 per mt, down 2 percent from the previous week.

### Barge

During the week ending April 17, **barge grain movements** totaled 503,306 tons, 9 percent higher than the previous week but 37 percent lower than the same period last year.

### Fuel

During the week ending April 19, **U.S. average diesel fuel prices** were unchanged at \$3.07 per gallon—38 percent higher than the same week last year.

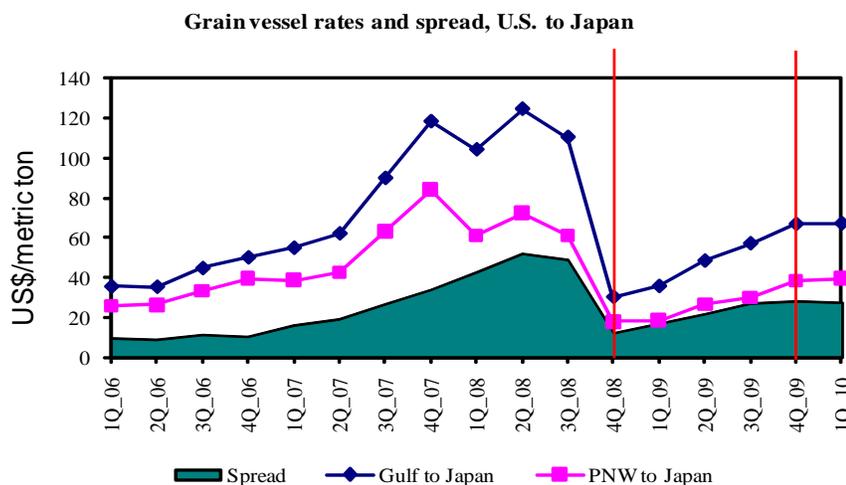
# Feature Article/Calendar

## Excess Vessel Supply and Market Uncertainty Keep Ocean Rates Relatively Stable

New vessel deliveries, the Chinese New Year's holiday, moderate trade levels, and market uncertainty have kept ocean freight rates for shipping bulk commodities relatively stable during the 1<sup>st</sup> quarter 2010 (figure 1). The market uncertainty was caused by protracted negotiations by Chinese steel makers and major iron ore miners. Ocean freight rates for shipping grain from the U.S. Gulf to Japan averaged \$67.29 per metric ton (mt)

during the 1<sup>st</sup> quarter 2010—87 percent above the same quarter last year but only 0.5 percent higher than the previous quarter (table 1). The cost of shipping from the Pacific Northwest (PNW) to Japan averaged \$39.67 per mt—111 percent above last year and 2.8 percent above the previous quarter. Rates from shipping from the U.S. Gulf to Europe averaged \$24.92 per mt—up 48 percent from the same period last year, but down 6 percent from the

previous quarter. The spread between the U.S. Gulf and PNW rates to Japan was \$27.63 per mt, 3 percent below the previous quarter. While the U.S. Gulf-Japan and PNW-Japan rates were moderately above their 4-year averages, the U.S. Gulf-Europe rate was below the 4-year average.



**Table 1. Ocean freight rates for grain routes during 1<sup>st</sup> quarter 2010**

Route	Jan.	Feb.	Mar.	1 <sup>st</sup> quarter 2010	Change from		
					4 <sup>th</sup> qtr '09	1st qtr '09	4-yr avg
	--\$/mt--			--\$/mt--	Percent		
U.S. Gulf to Japan	69.38	63.00	69.50	67.29	0.5	87	17
PNW to Japan	39.75	36.75	42.50	39.67	2.8	111	9
U.S. Gulf to Europe	26.75	21.25	26.75	24.92	-6	48	-29
Spread	29.63	26.25	27.00	27.63	-3	61	29

Source: O'Neil Commodity Consulting

Rates initially started to rise during early January due to congestion in Chinese and Australian ports. However, large stockpiles of iron ore at Chinese ports caused imports to decline, and increased deliveries of new vessels caused rates to plummet. Rates declined further during February due to the effects of the Chinese holidays and uncertainty surrounding the annual price negotiations between Chinese steel makers and major iron ore producers. Rates were buoyant during the end of the quarter as negotiations of iron ore prices came to conclusion. There was also a renewal in demand from most European economies, combined with increased demand for bulk commodities such as coal and sugar.

**Market Outlook:** The direction of the market is uncertain. However, it is expected to remain stable while vessel deliveries outpace demand. Fifty new Capesize vessels were delivered in March.<sup>1</sup> However, 24 vessels were scrapped during March including only one Capesize and one Panamax vessel.<sup>2</sup> The majority scrapped were the smaller Handymax sized vessels, which have less deadweight capacity than the Capesize vessels just delivered. This means more capacity came online during the quarter. Dry bulk vessels on order until 2015 totaled 290.3 million deadweight tons and represent about 63 percent of the existing fleet (Table 2). The implication of a lower scrapping rate and a robust orderbook is that the cost of shipping and return on vessel assets will remain low until the demand for vessel loading activity catches up with increased vessel supply.

**Table 2: Global dry bulk orderbook, 2010-2015**

Type of vessel	Size (dwt)	No. of vessels	Capacity (mdwt)	% of existing fleet
Handysize	10,000-40,000	817	26.623	36.4%
Handymax	40,000-60,000	887	50.592	55.7%
Panamax	60,000-80,000	270	20.087	19.9%
Post-Panamax	80,000-110,000	479	41.894	155.5%
Capesize	110,000-200,000	623	106.651	81.8%
Vloc	200,000+	154	44.413	111.3%
<b>Total</b>		<b>3,230</b>	<b>290.260</b>	<b>62.8%</b>

Source: Drewry Shipping Consultants.

Chinese banks have provided substantial loans for fleet expansion, and the Chinese government announced further financial support to its ship builders to help them make timely deliveries. However, the real impact of the new iron ore pricing agreement is yet to be seen. The annual iron contracts were replaced with quarterly pricing, which may lead to price volatility in the market. Also, India has resurged as an alternative source of cheaper iron ore imports to China. Importing much iron ore from India may change the dynamics of the market. China's dependence on foreign iron ore reached 70 percent in 2009, compared to 57 percent in the previous year. China's continued dependence on the foreign supply of iron ore can add ambiguity to the market.

Continued strong demand for coal to counteract falling stockpiles across Asia is currently fueling the market. India's grain stocks, especially wheat and rice, have doubled from a year ago. In an effort to stem over-capacity and waste, the Indian government might subsidize wheat exports to reduce the massive storage costs piling up each day. Despite all these market dynamics, the Baltic forward freight assessments (BFFA) for the two major routes suggest a downward trend in freight rates. As of April 21, the BFFA for a Panamax vessel for a trip between Europe and the Far East was \$42,107 per day in April, \$39,432 in May and \$37,571 in June. For a round trip Transpacific voyage, the rate was \$30,029 per day in April, \$28,054 in May and \$26,621 in June. [Surajudeen.Olowolayemo@ams.usda.gov](mailto:Surajudeen.Olowolayemo@ams.usda.gov)

<sup>1</sup> O'Neil Commodity Consulting

<sup>2</sup> Drewry Shipping Consultants

# Grain Transportation Indicators

Table 1

## Grain Transport Cost Indicators<sup>1</sup>

Week ending	Truck	Rail <sup>2</sup>	Barge	Ocean	
				Gulf	Pacific
04/21/10	206	82	153	313	291
04/14/10	206	80	153	313	298

<sup>1</sup>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)

<sup>2</sup>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)

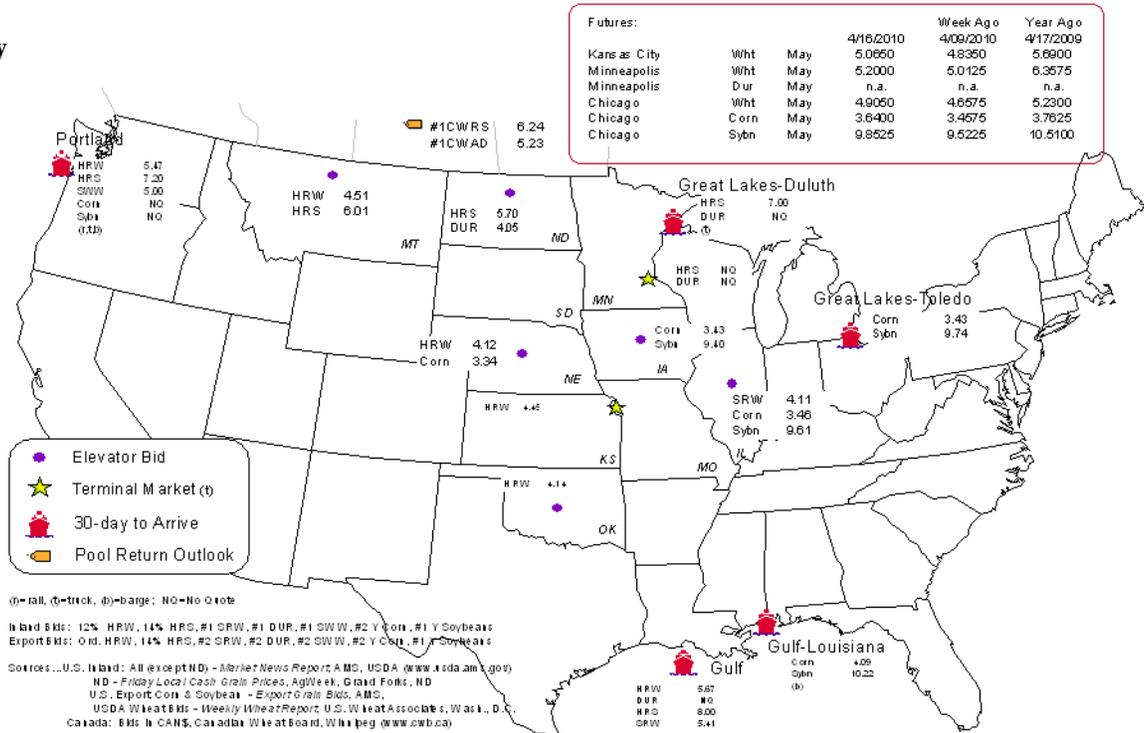
Commodity	Origin--Destination	4/16/2010	4/9/2010
Corn	IL--Gulf	-0.63	-0.62
Corn	NE--Gulf	-0.75	-0.73
Soybean	IA--Gulf	-0.82	-0.80
HRW	KS--Gulf	-1.22	-1.32
HRS	ND--Portland	-1.50	-1.80

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)<sup>1</sup>

Week ending	Mississippi		Cross-Border	Pacific	Atlantic &	Total
	Gulf	Texas Gulf	Mexico	Northwest	East Gulf	
4/14/2010 <sup>p</sup>	222	928	1,300	3,263	444	6,157
4/07/2010 <sup>r</sup>	200	1,616	854	3,724	626	7,020
2010 YTD	6,408	23,229	13,537	51,330	14,994	109,498
2009 YTD	11,626	14,526	12,153	52,624	9,486	100,415
2010 YTD as % of 2009 YTD	55	160	111	98	158	109
Last 4 weeks as % of 2009 <sup>2</sup>	115	177	125	90	111	108
Last 4 weeks as % of 4-year avg. <sup>2</sup>	31	82	110	75	120	78
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

<sup>1</sup> Data is incomplete as it is voluntarily provided

<sup>2</sup> Compared with same 4-weeks in 2008 and prior 4-year average.

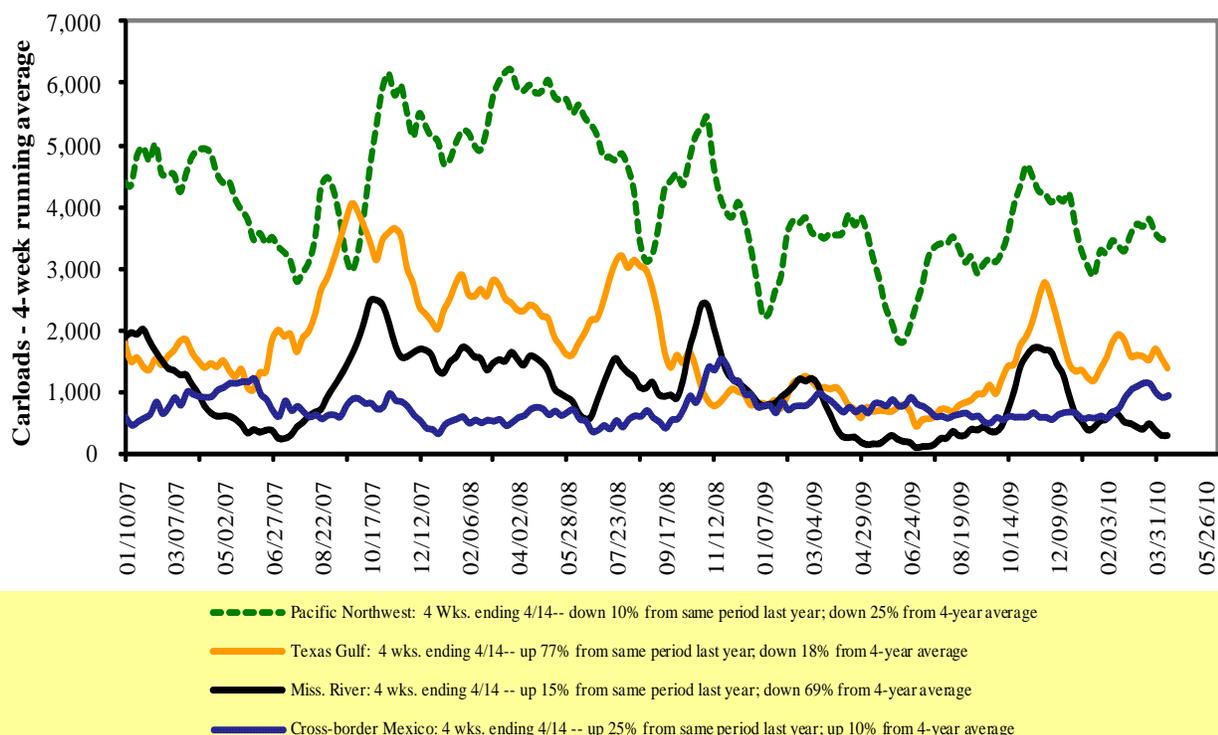
**YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available**

Source: Transportation & Marketing Programs/AMSUSDA

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/AMSUSDA

Table 4

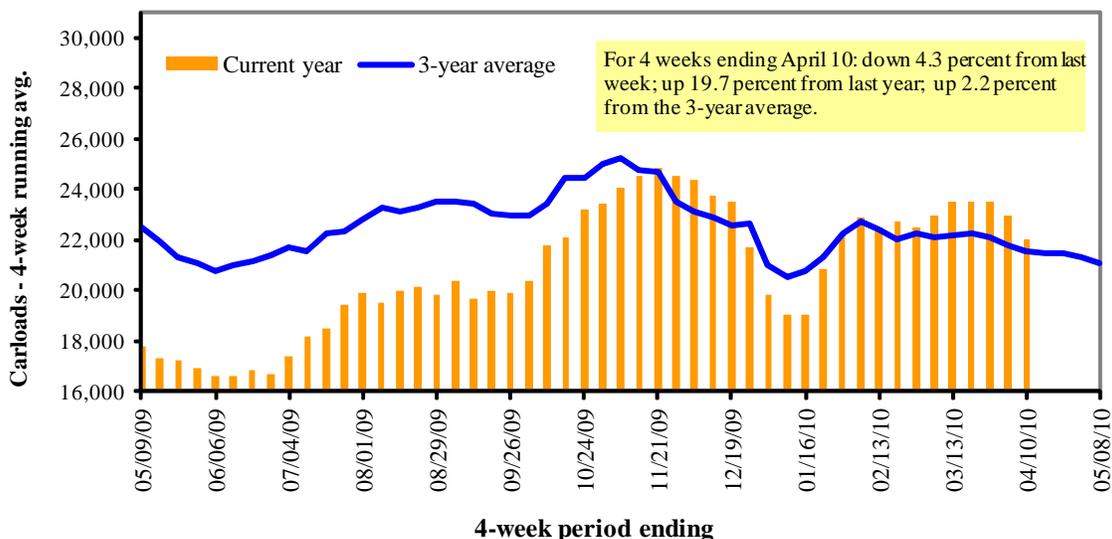
**Class I Rail Carrier Grain Car Bulletin (grain carloads originated)**

Week ending	East		West			U.S. total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
04/10/10	2,408	2,770	9,972	791	4,269	20,210	3,604	6,517
This week last year	2,454	2,258	8,490	556	4,095	17,853	3,199	5,912
2010 YTD	33,088	42,766	151,496	10,898	76,819	315,067	57,192	73,806
2009 YTD	33,187	35,524	126,636	9,772	67,876	272,995	59,265	75,478
2010 YTD as % of 2009 YTD	100	120	120	112	113	115	97	98
Last 4 weeks as % of 2009 <sup>1</sup>	98	125	127	110	116	120	103	100
Last 4 weeks as % of 3-yr avg. <sup>1</sup>	83	105	109	109	98	102	91	113
Total 2009	105,278	142,254	483,618	36,912	268,811	1,036,873	200,871	278,997

<sup>1</sup>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<sup>1</sup> (\$/car)<sup>2</sup>**

Week ending	Delivery period							
	May-10	May-09	Jun-10	Jun-09	Jul-10	Jul-09	Aug-10	Aug-09
BNSF <sup>3</sup>								
COT grain units	0	no offer	0	no bids	0	no bids	0	1
COT grain single-car <sup>5</sup>	0 . . 11	no offer	no bids	1 . . 3				
UP <sup>4</sup>								
GCAS/Region 1	no bids	no bids	no bids	no bids	no bids	no bids	n/a	no offer
GCAS/Region 2	no bids	no bids	no bids	no bids	no bids	no bids	n/a	no offer

<sup>1</sup>Auction offerings are for single-car and unit train shipments only.

<sup>2</sup>Average premium/discount to tariff, last auction

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

<sup>4</sup>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.

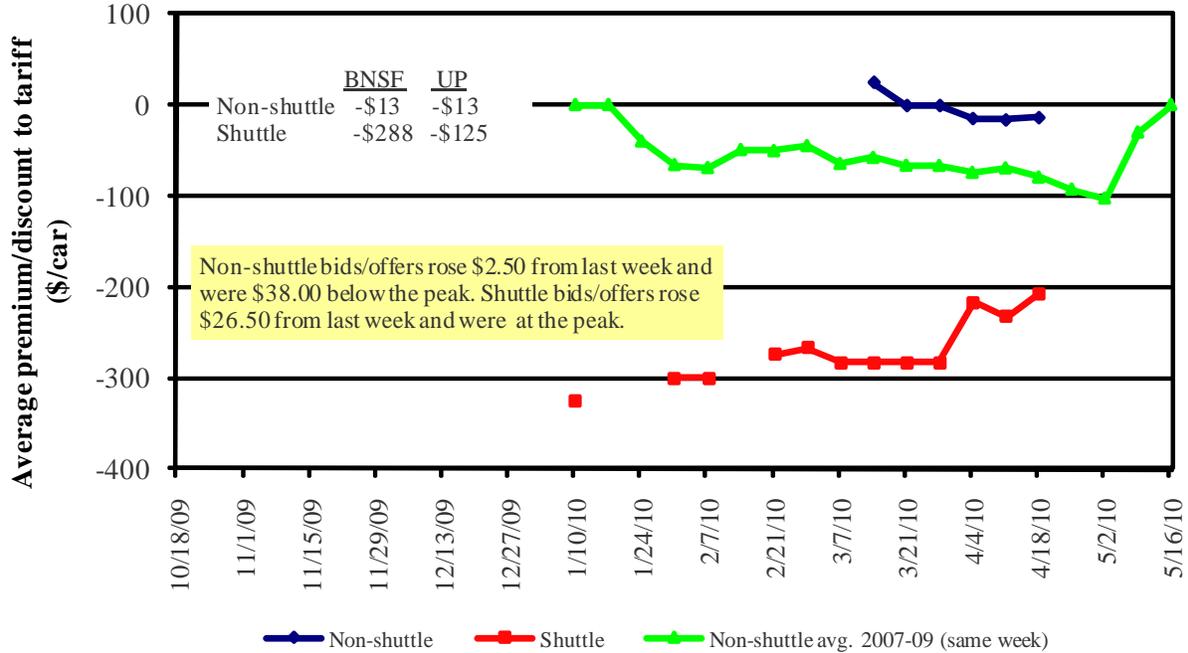
<sup>5</sup>Range is shown because average is not available. Not available = n/a.

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 May 2010, Secondary Market**

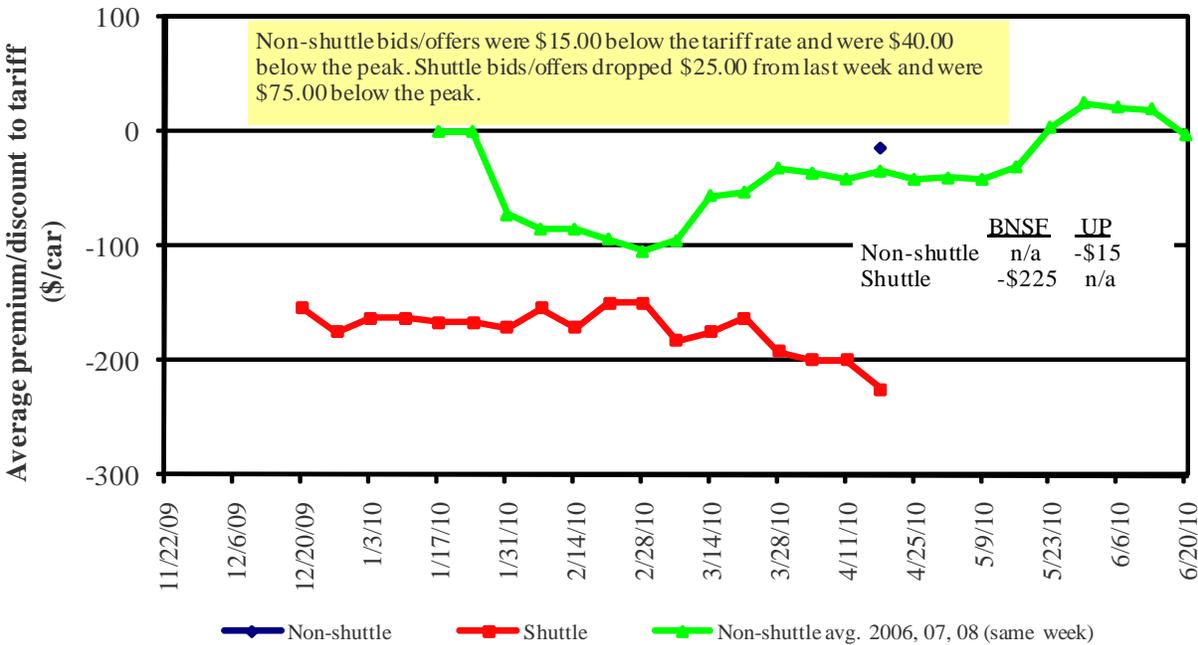


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

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

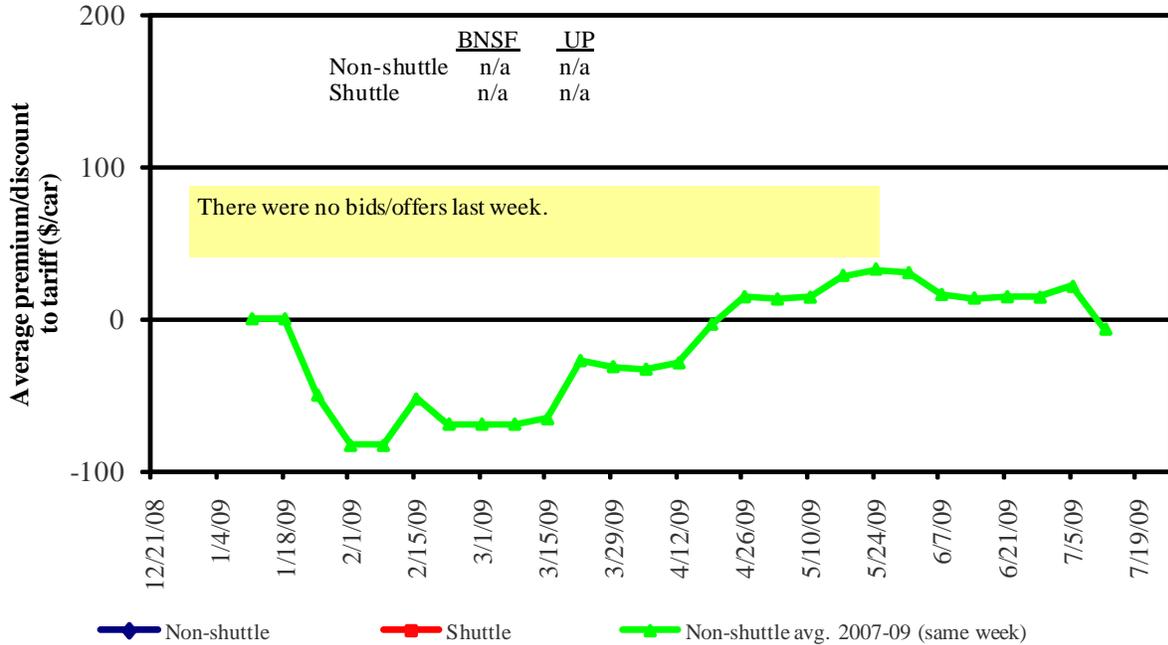


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

**Bids/Offers for Railcars to be Delivered in July 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)<sup>1</sup>**

Week ending	Delivery period						
	4/17/2010	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10
<b><u>Non-shuttle</u></b>							
BNSF-GF		-13	n/a	n/a	n/a	n/a	n/a
Change from last week		5	n/a	n/a	n/a	n/a	n/a
Change from same week 2009		9	n/a	n/a	n/a	n/a	n/a
UP-Pool		-13	-15	n/a	n/a	n/a	n/a
Change from last week		0	n/a	n/a	n/a	n/a	n/a
Change from same week 2009		9	-5	n/a	n/a	n/a	n/a
<b><u>Shuttle<sup>2</sup></u></b>							
BNSF-GF		-288	-225	n/a	n/a	n/a	350
Change from last week		-55	-25	n/a	n/a	n/a	n/a
Change from same week 2009		112	n/a	n/a	n/a	n/a	225
UP-Pool		-125	n/a	n/a	n/a	n/a	n/a
Change from last week		n/a	n/a	n/a	n/a	n/a	n/a
Change from same week 2009		225	n/a	n/a	n/a	n/a	n/a

<sup>1</sup>Average premium/discount to tariff, \$/car-last week

<sup>2</sup>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<sup>1</sup>**

Effective date:			Tariff	Fuel	Tariff plus surcharge per:		Percent
4/1/2010	Origin region	Destination region	rate/car	surcharge per car	metric ton	bushel <sup>2</sup>	change Y/Y <sup>3</sup>
<b><u>Unit train<sup>1</sup></u></b>							
Wheat	Chicago, IL	Albany, NY	\$2,622	\$125	\$30.28	\$0.82	9
	Kansas City, MO	Galveston, TX	\$2,753	\$116	\$31.62	\$0.86	13
	South Central, KS	Galveston, TX	\$3,655	\$274	\$43.31	\$1.18	10
	Minneapolis, MN	Houston, TX	\$3,799	\$555	\$47.99	\$1.31	12
	St. Louis, MO	Houston, TX	\$3,565	\$112	\$40.53	\$1.10	11
	South Central, ND	Houston, TX	\$5,478	\$617	\$67.18	\$1.83	8
	Minneapolis, MN	Portland, OR	\$4,200	\$674	\$53.72	\$1.46	12
	South Central, ND	Portland, OR	\$4,200	\$553	\$52.40	\$1.43	11
	Northwest, KS	Portland, OR	\$5,100	\$737	\$64.34	\$1.75	10
	Chicago, IL	Richmond, VA	\$2,834	\$175	\$33.17	\$0.90	16
Corn	Chicago, IL	Baton Rouge, LA	\$2,925	\$142	\$33.80	\$0.86	-2
	Council Bluffs, IA	Baton Rouge, LA	\$3,020	\$151	\$34.96	\$0.89	-2
	Kansas City, MO	Dalhart, TX	\$3,284	\$200	\$38.40	\$0.98	2
	Minneapolis, MN	Portland, OR	\$3,609	\$674	\$47.21	\$1.20	7
	Evansville, IN	Raleigh, NC	\$3,204	\$171	\$37.20	\$0.95	11
	Columbus, OH	Raleigh, NC	\$3,093	\$150	\$35.75	\$0.91	11
	Council Bluffs, IA	Stockton, CA	\$4,900	\$728	\$62.04	\$1.58	-4
Soybeans	Chicago, IL	Baton Rouge, LA	\$3,178	\$142	\$36.59	\$1.00	4
	Council Bluffs, IA	Baton Rouge, LA	\$3,192	\$151	\$36.85	\$1.00	5
	Minneapolis, MN	Portland, OR	\$4,110	\$674	\$52.73	\$1.44	0
	Evansville, IN	Raleigh, NC	\$3,204	\$171	\$37.20	\$1.01	11
	Chicago, IL	Raleigh, NC	\$3,804	\$213	\$44.28	\$1.21	10
<b><u>Shuttle Train</u></b>							
Wheat	St. Louis, MO	Houston, TX	\$2,867	\$112	\$32.84	\$0.89	13
	Minneapolis, MN	Portland, OR	\$3,700	\$674	\$48.21	\$1.31	11
Corn	Fremont, NE	Houston, TX	\$2,520	\$408	\$32.27	\$0.82	6
	Minneapolis, MN	Portland, OR	\$3,528	\$674	\$46.32	\$1.18	12
Soybeans	Council Bluffs, IA	Houston, TX	\$2,787	\$395	\$35.08	\$0.95	5
	Minneapolis, MN	Portland, OR	\$3,774	\$674	\$49.03	\$1.33	14

<sup>1</sup>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.

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

<sup>3</sup>Percentage change year over year calculated using tariff rate plus fuel surcharge

Sources: [www.bnsf.com](http://www.bnsf.com), [www.cpr.ca](http://www.cpr.ca), [www.csx.com](http://www.csx.com), [www.uprr.com](http://www.uprr.com)

Table 8

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

Effective date: 4/5/2010

Commodity	Origin state	Destination region	Tariff rate/car <sup>1</sup>	Fuel surcharge per car	Tariff plus surcharge per:		Percent change Y/Y <sup>3</sup>
					metric ton	bushel <sup>2</sup>	
Wheat	MT	Chihuahua, CI	\$6,291	\$627	\$70.69	\$1.92	10
	OK	Cuautitlan, EM	\$5,726	\$477	\$63.38	\$1.72	11
	KS	Guadalajara, JA	\$6,196	\$489	\$68.30	\$1.86	10
	TX	Salinas Victoria, NL	\$3,154	\$155	\$33.81	\$0.92	9
Corn	IA	Guadalajara, JA	\$6,670	\$568	\$73.95	\$2.01	9
	SD	Penjamo, GJ	\$6,440	\$821	\$74.19	\$2.02	7
	NE	Queretaro, QA	\$6,130	\$461	\$67.35	\$1.83	4
	SD	Salinas Victoria, NL	\$4,570	\$624	\$53.07	\$1.44	1
	MO	Tlalnepantla, EM	\$5,318	\$449	\$58.92	\$1.60	5
	SD	Torreon, CU	\$5,330	\$687	\$61.48	\$1.67	5
Soybeans	MO	Bojay (Tula), HG	\$6,016	\$488	\$66.46	\$1.81	8
	NE	Guadalajara, JA	\$6,550	\$559	\$72.64	\$1.97	10
	IA	Penjamo (Celaya), GJ	\$6,590	\$815	\$75.67	\$2.06	13
	KS	Torreon, CU	\$5,205	\$368	\$56.94	\$1.55	7
Sorghum	OK	Cuautitlan, EM	\$4,339	\$623	\$50.70	\$1.38	6
	TX	Guadalajara, JA	\$5,350	\$534	\$60.12	\$1.63	15
	NE	Penjamo, GJ	\$6,395	\$511	\$70.57	\$1.92	7
	KS	Queretaro, QA	\$5,398	\$356	\$58.79	\$1.60	3
	NE	Salinas Victoria, NL	\$4,282	\$372	\$47.55	\$1.29	2
	NE	Torreon, CU	\$5,240	\$421	\$57.84	\$1.57	6

<sup>1</sup>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.

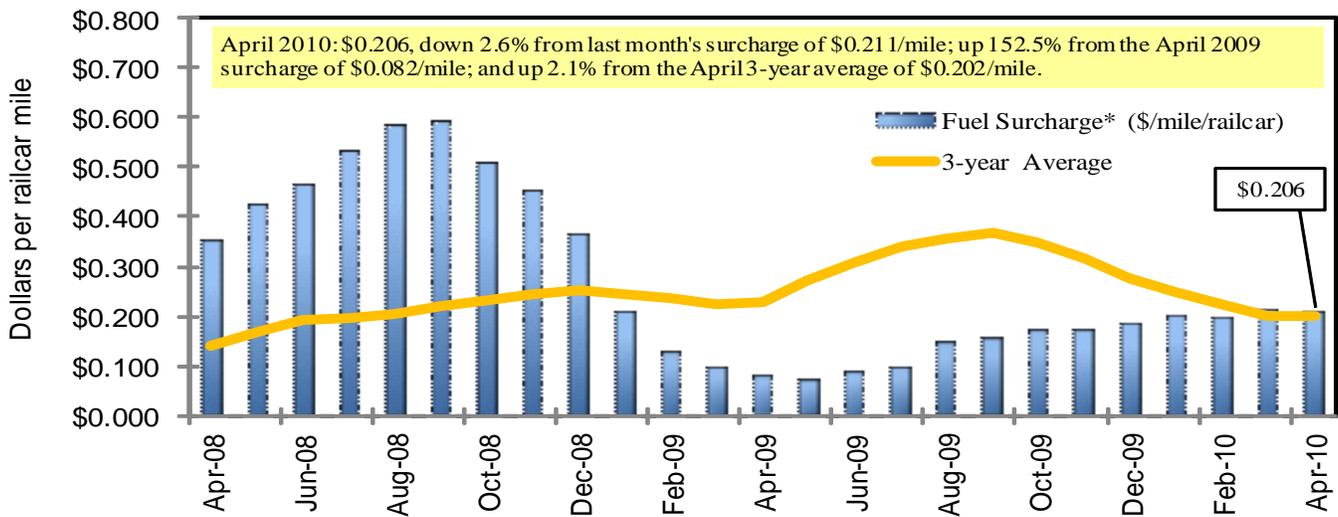
<sup>2</sup>Approximate load per car = 97.87 metric tons: Corn & Sorghum 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

<sup>3</sup>Percentage change year over year calculated using tariff rate plus fuel surcharge

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

Figure 7

**Railroad Fuel Surcharges, North American Weighted Average<sup>1</sup>**



<sup>1</sup> Weighted by each Class I railroad's proportion of grain traffic for the prior year.

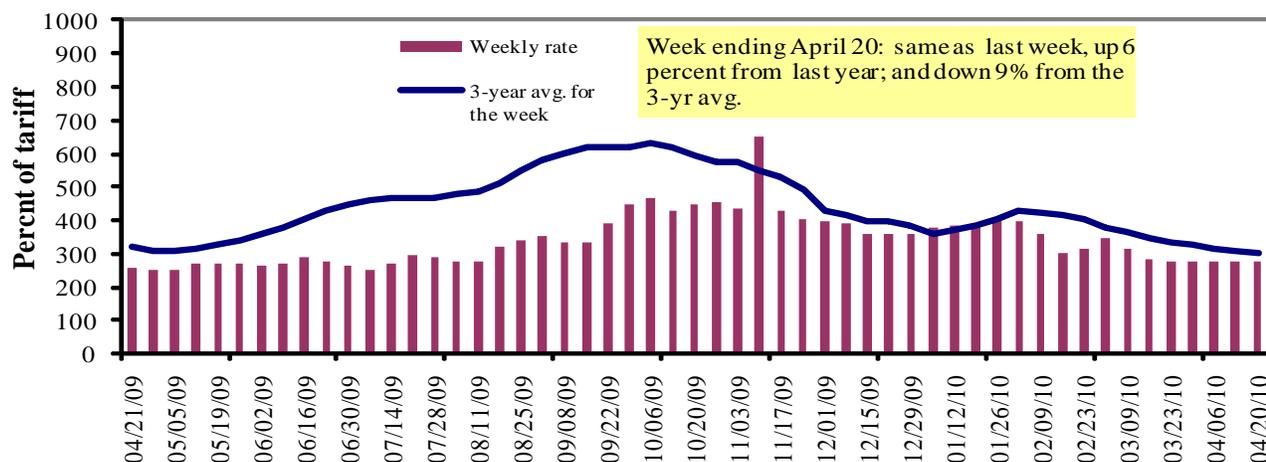
\* Mileage-based fuel surcharges for March and April 2007 are estimated. Beginning January 2009, the Canadian Pacific fuel surcharge is computed by a monthly average of the bi-weekly fuel surcharge.

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<sup>1,2</sup>



<sup>1</sup>Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); <sup>2</sup>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
<b>Rate<sup>1</sup></b>	4/20/2010	307	275	275	193	220	220	182
	4/13/2010	331	293	275	198	226	226	180
<b>\$/ton</b>	4/20/2010	19.00	14.63	12.76	7.70	10.32	8.89	5.71
	4/13/2010	20.49	15.59	12.76	7.90	10.60	9.13	5.65
<b>Current week % change from the same week:</b>								
	Last year	1	3	6	-2	1	1	1
	3-year avg. <sup>2</sup>	-18	-18	-9	-17	-17	-17	-16
<b>Rate<sup>1</sup></b>	May	307	275	275	222	213	220	182
	July	338	300	298	228	243	243	225

<sup>1</sup>Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); <sup>2</sup>4-week moving average; ton = 2,000 pounds.

Source: Transportation & Marketing Programs/AMS/USDA

### Calculating barge rate per ton:

$(\text{Index} * 1976 \text{ tariff benchmark rate per ton}) / 100$

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

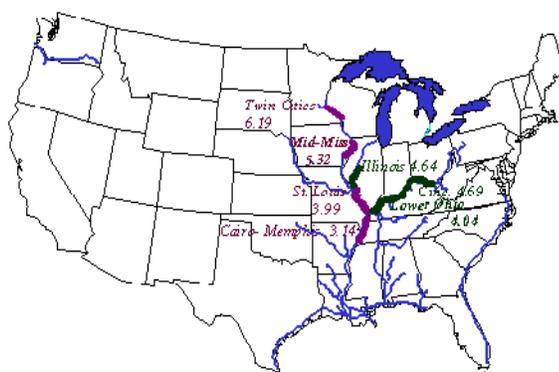
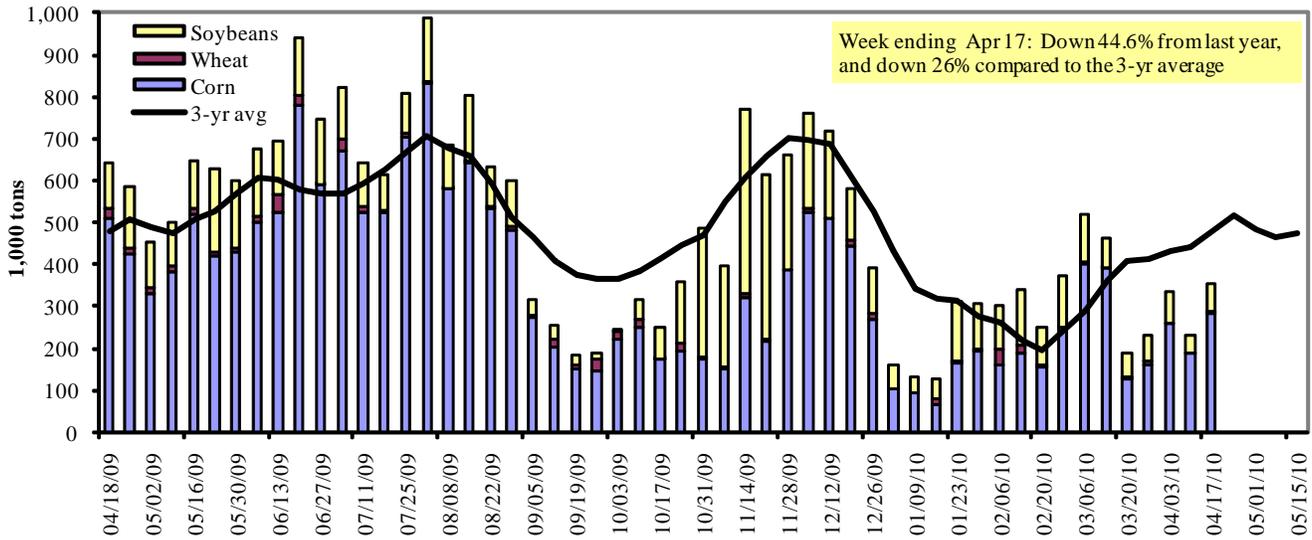


Figure 10

**Barge Movements on the Mississippi River<sup>1</sup> (Locks 27 - Granite City, IL)**



<sup>1</sup> 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](http://www.mvr.usace.army.mil/mvrimi/omni/webrpts/default.asp))

Table 10

**Barge Grain Movements (1,000 tons)**

Week ending 4/17/2010	Corn	Wheat	Soybeans	Other	Total
<b>Mississippi River</b>					
Rock Island, IL (L15)	69	0	14	0	83
Winfield, MO (L25)	161	0	49	0	210
Alton, IL (L26)	336	5	66	0	407
Granite City, IL (L27)	285	5	65	0	354
<b>Illinois River (L8)</b>	129	5	5	0	139
<b>Ohio River (L52)</b>	101	2	31	0	134
<b>Arkansas River (L1)</b>	0	6	6	4	16
Weekly total - 2010	386	12	101	4	503
Weekly total - 2009	561	41	177	19	799
2010 YTD <sup>1</sup>	5,407	293	3,156	133	8,989
2009 YTD	6,165	345	2,909	126	9,545
2010 as % of 2009 YTD	88	85	108	106	94
Last 4 weeks as % of 2009 <sup>2</sup>	78	52	68	43	73
Total 2009	23,424	1,501	10,465	430	35,819

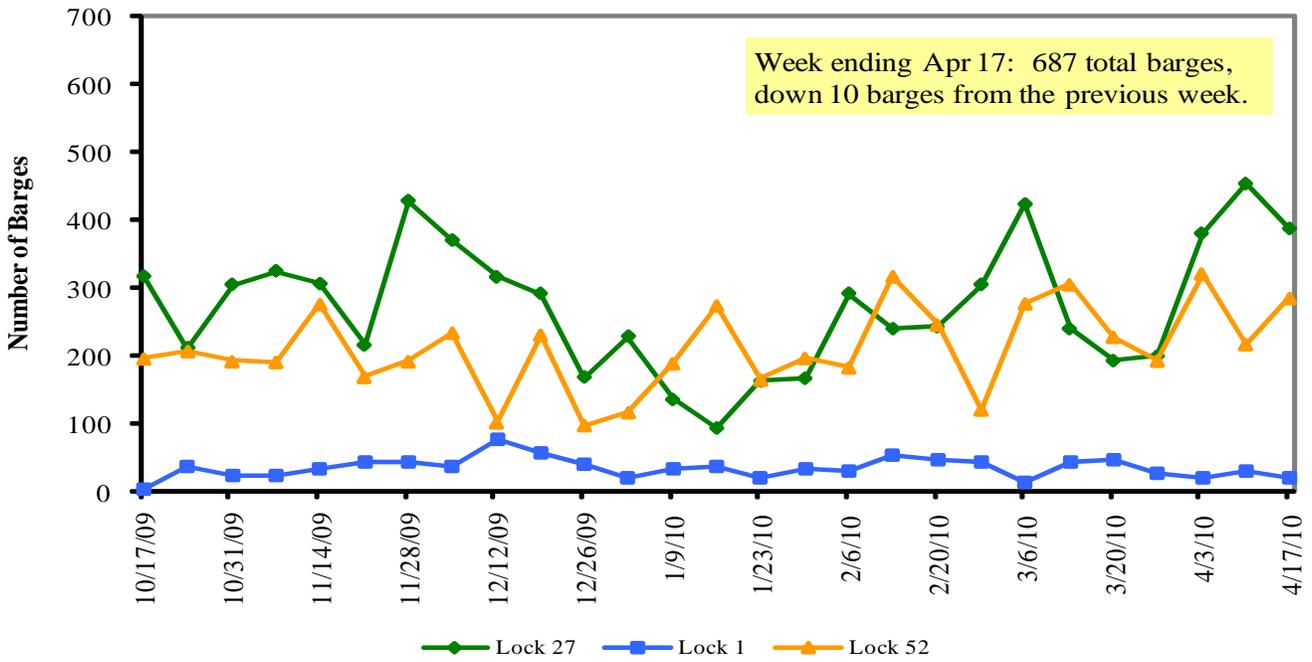
<sup>1</sup> Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

<sup>2</sup> As a percent of same period in 2009.

Note: Total may not add exactly, due to rounding

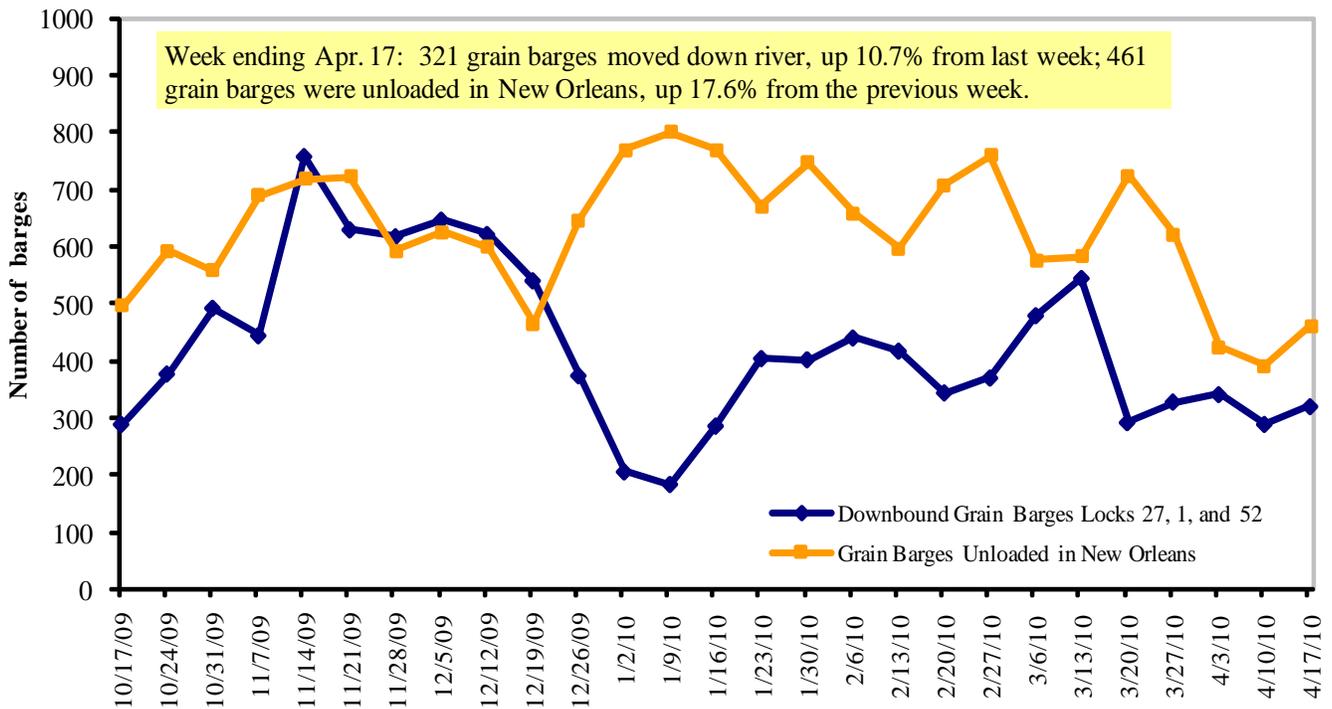
Source: U.S. Army Corps of Engineers ([www.mvr.usace.army.mil/mvrimi/omni/webrpts/default.asp](http://www.mvr.usace.army.mil/mvrimi/omni/webrpts/default.asp))

**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<sup>1</sup>, Week Ending 4/19/2010 (US\$/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	3.081	-0.001	0.817
	New England	3.103	0.017	0.700
	Central Atlantic	3.189	0.003	0.797
	Lower Atlantic	3.033	-0.004	0.836
II	Midwest <sup>2</sup>	3.044	-0.001	0.878
III	Gulf Coast <sup>3</sup>	3.034	0.011	0.848
IV	Rocky Mountain	3.109	0.027	0.835
V	West Coast	3.203	0.016	0.876
	California	3.228	0.007	0.888
Total	U.S.	3.074	0.005	0.853

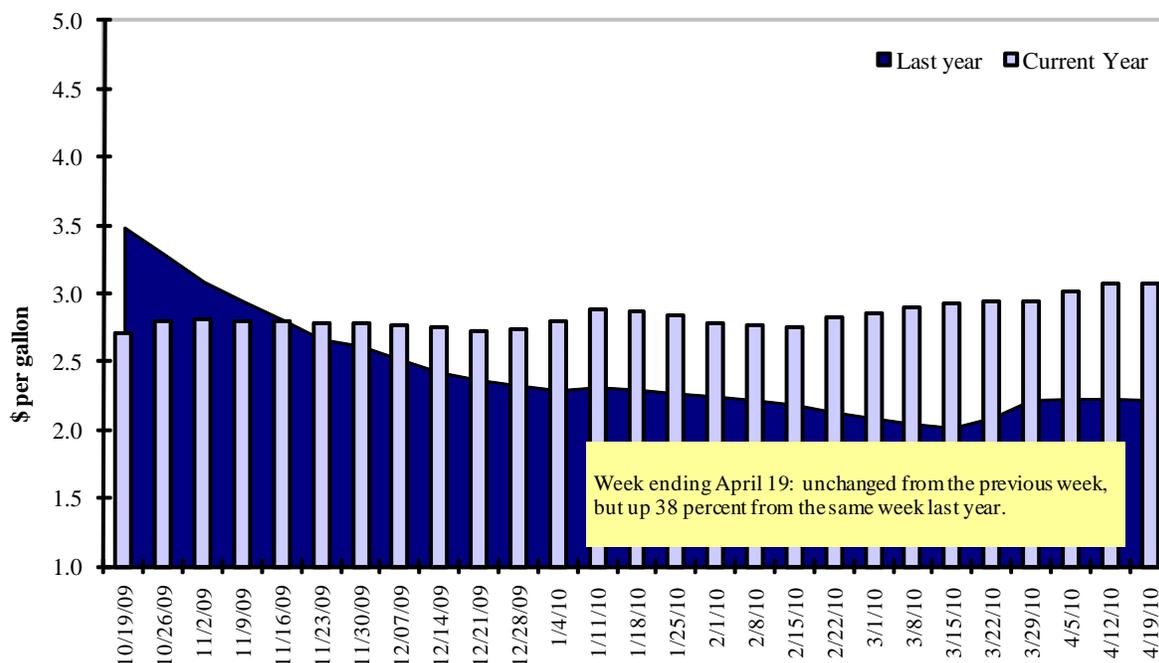
<sup>1</sup>Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

<sup>2</sup>Same as North Central <sup>3</sup>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)

Week ending	Wheat						Corn	Soybeans	Total
	HRW	SRW	HRS	SWW	DUR	All wheat			
<b>Export Balances<sup>1</sup></b>									
4/8/2010	961	385	988	619	107	3,060	9,702	2,175	14,937
This week year ago	814	370	769	533	66	2,551	9,679	4,073	16,303
<b>Cumulative exports-marketing year<sup>2</sup></b>									
2009/10 YTD	7,281	2,439	4,495	3,381	877	18,473	27,178	34,566	80,217
2008/09 YTD	10,434	4,706	4,721	2,919	382	23,162	25,222	26,265	74,649
YTD 2009/10 as % of 2008/09	70	52	95	116	230	80	108	132	107
Last 4 wks as % of same period 2008/09	149	122	134	121	209	136	100	67	97
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

<sup>1</sup> Current unshipped export sales to date

<sup>2</sup> 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<sup>1</sup> of U.S. Corn

Week ending 04/08/10	Total Commitments <sup>2</sup>		% change current MY from last MY	Exports <sup>3</sup> 2008/09
	2009/10	2008/09		
	Current MY	Last MY		
	- 1,000 mt -			- 1,000 mt -
Japan	10,470	11,874	(12)	15,910
Mexico	7,014	6,027	16	7,454
Korea	5,877	3,948	49	5,129
Taiwan	2,456	2,552	(4)	3,198
Egypt	1,574	1,357	16	2,233
<b>Top 5 importers</b>	<b>27,391</b>	<b>25,758</b>	<b>6</b>	<b>33,924</b>
<b>Total US corn export sales</b>	<b>36,880</b>	<b>34,900</b>	<b>6</b>	<b>45,214</b>
% of Projected	76%	74%		
Change from Last Week	1,006	870		
<b>Top 5 importers' share of U.S. corn export sales</b>	74%	74%		
<b>USDA forecast, April 2010</b>	<b>48,260</b>	<b>47,180</b>	<b>2</b>	
<b>Corn Use for Ethanol USDA forecast, Ethanol April 2010</b>	<b>109,220</b>	<b>93,396</b>	<b>17</b>	

(n) indicates negative number.

<sup>1</sup> Based on FAS Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year (MY) = Sep 1 - Aug 31.

<sup>2</sup> Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report.

<sup>3</sup> FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi\_rpt.htm.

Table 14

**Top 5 Importers<sup>1</sup> of U.S. Soybeans**

Week ending 04/08/10	Total Commitments <sup>2</sup>		% change current MY from last MY	Exports <sup>3</sup> 2008/09
	2009/10 Current MY	2008/09 Last MY		
	- 1,000 mt -			- 1,000 mt -
China <sup>4</sup>	21,789	17,345	26	18,681
Mexico	2,489	2,304	8	3,098
Japan	2,046	2,230	(8)	2,410
EU-25	2,664	2,173	23	2,180
Taiwan	1,332	1,317	1	1,592
<b>Top 5 importers</b>	<b>30,318</b>	<b>25,370</b>	<b>20</b>	<b>27,961</b>
<b>Total US soybean export sales</b>	<b>36,740</b>	<b>30,338</b>	<b>21</b>	
% of Projected	93%	87%		
Change from last week	158	808		
<b>Top 5 importers' share of U.S. soybean export sales</b>	<b>83%</b>	<b>84%</b>		
<b>USDA forecast, April 2010</b>	<b>39,330</b>	<b>34,930</b>	<b>13</b>	
<b>Soybean Use for Biodiesel USDA forecast, April 2010</b>	<b>5,275</b>	<b>4,566</b>	<b>16</b>	

(n) indicates negative number.

<sup>1</sup>Based on FAS 2006/07 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year (MY) = Sep 1 - Aug 31.<sup>2</sup>Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report.<sup>3</sup>FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi\_rpt.htm.<sup>4</sup>Not included - FAS Press Release: 120,000 mt on 04/12 to China for 2009/10.

Table 15

**Top 10 Importers<sup>1</sup> of All U.S. Wheat**

Week Ending 04/08/2010	Total Commitments <sup>2</sup>		% change current MY from last MY	Exports <sup>3</sup> 2008/09
	2009/10 Current MY	2008/09 Last MY		
	- 1,000 mt -			- 1,000 mt -
Japan	3,043	2,999	1	3,103
Nigeria	3,318	2,590	28	2,661
Mexico	1,879	2,470	(24)	2,423
Egypt	456	1,928	(76)	1,928
Philippines	1,681	1,477	14	1,480
Iraq	307	1,205	(75)	1,205
Korea, South	1,171	1,136	3	1,127
Brazil	214	773	(72)	789
Colombia	521	771	(32)	749
Taiwan	842	712	18	714
<b>Top 10 importers</b>	<b>13,431</b>	<b>16,061</b>	<b>(16)</b>	<b>16,179</b>
<b>Total US wheat export sales</b>	<b>21,533</b>	<b>25,713</b>	<b>(16)</b>	<b>27,640</b>
% of Projected	91%	93%		
Change from last week	101	121		
<b>Top 10 importers' share of U.S. wheat export sales</b>	<b>62%</b>	<b>62%</b>		
<b>USDA forecast, April 2010</b>	<b>23,540</b>	<b>27,640</b>	<b>(15)</b>	

(n) indicates negative number.

<sup>1</sup>Based on FAS 2008/09 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Jun 1 - May 31<sup>2</sup>Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report.<sup>3</sup>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 04/15/10	2010 YTD <sup>1</sup>	2009 YTD <sup>1</sup>	2010 YTD as % of 2009 YTD	Last 4-weeks as % of		Total <sup>1</sup> 2009
					2009	3-yr. avg.	
<b>Pacific Northwest</b>							
Wheat	233	2,998	2,876	104	94	90	10,091
Corn	179	2,570	2,011	128	125	83	8,498
Soybeans	187	4,067	3,336	122	94	118	9,743
<b>Total</b>	<b>599</b>	<b>9,635</b>	<b>8,223</b>	<b>117</b>	<b>102</b>	<b>96</b>	<b>28,332</b>
<b>Mississippi Gulf</b>							
Wheat	114	1,172	1,336	88	94	98	4,019
Corn	614	8,352	8,716	96	99	107	28,843
Soybeans	177	7,726	7,358	105	74	91	21,831
<b>Total</b>	<b>904</b>	<b>17,250</b>	<b>17,410</b>	<b>99</b>	<b>84</b>	<b>100</b>	<b>54,693</b>
<b>Texas Gulf</b>							
Wheat	71	2,369	1,545	153	134	111	5,735
Corn	15	643	575	112	98	151	1,968
Soybeans	0	647	472	137	0	0	2,402
<b>Total</b>	<b>86</b>	<b>3,659</b>	<b>2,592</b>	<b>141</b>	<b>124</b>	<b>114</b>	<b>10,105</b>
<b>Great Lakes</b>							
Wheat	50	116	59	196	193	115	990
Corn	0	0	26	0	0	0	353
Soybeans	0	0	0	n/a	n/a	0	781
<b>Total</b>	<b>50</b>	<b>116</b>	<b>85</b>	<b>136</b>	<b>134</b>	<b>96</b>	<b>2,124</b>
<b>Atlantic</b>							
Wheat	0	69	171	41	54	51	552
Corn	0	104	39	268	90	46	472
Soybeans	3	584	345	169	205	197	1,268
<b>Total</b>	<b>3</b>	<b>757</b>	<b>555</b>	<b>136</b>	<b>99</b>	<b>88</b>	<b>2,292</b>
<b>U.S. total from ports<sup>2</sup></b>							
Wheat	468	6,724	5,986	112	105	99	21,387
Corn	808	11,669	11,367	103	94	98	40,134
Soybeans	366	13,023	11,512	113	85	104	36,025
<b>Total</b>	<b>1,642</b>	<b>31,416</b>	<b>28,864</b>	<b>109</b>	<b>94</b>	<b>100</b>	<b>97,546</b>

<sup>1</sup> Includes weekly revisions, some regional totals may not add exactly due to rounding.

<sup>2</sup> Total includes only port regions shown above

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

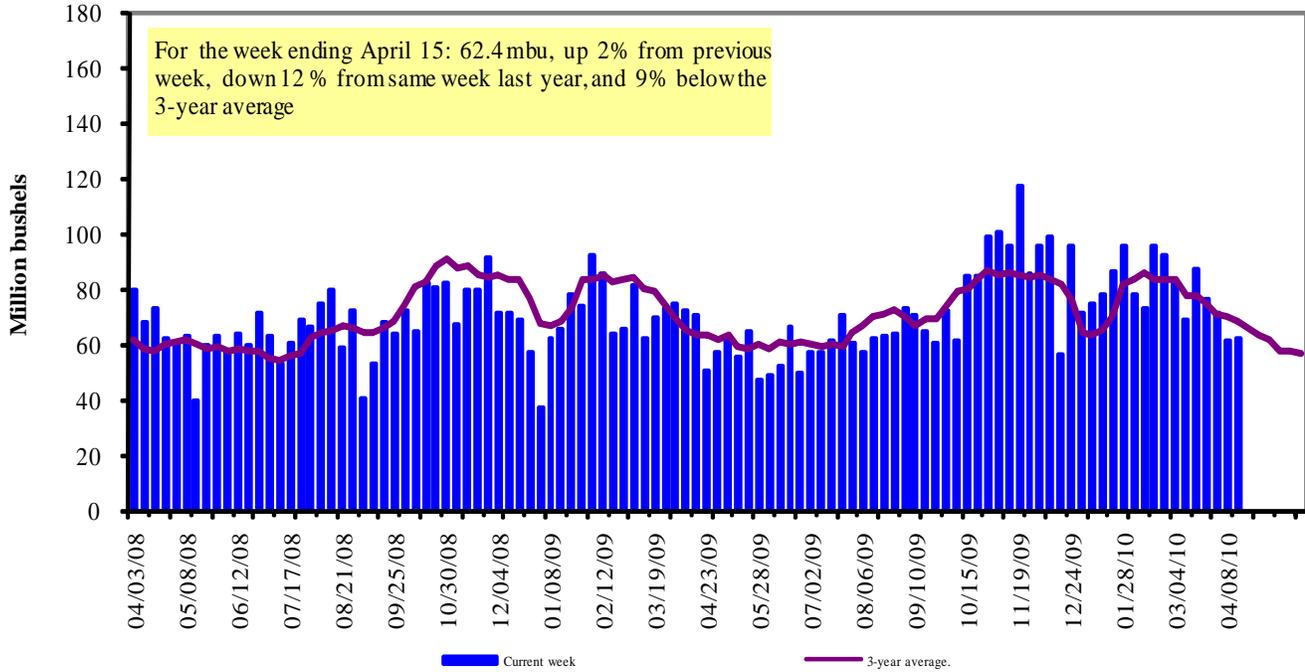
---

The United States exports approximately 26 percent of the wheat, soybeans, and corn it produces. On average, this includes 50 percent of its wheat, 37 percent of its soybeans, and 18 percent of its corn.

---

Figure 14

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

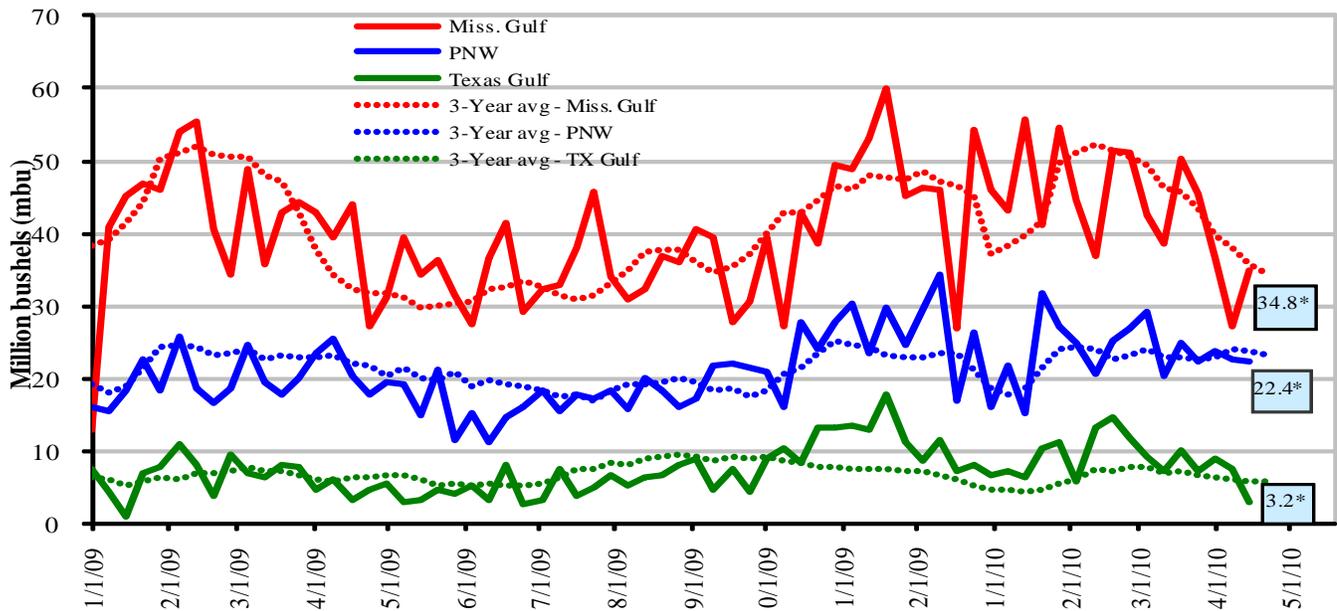


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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

Figure 15

**U.S. Grain Inspections: U.S. Gulf and PNW<sup>1</sup> (wheat, corn, and soybeans)**



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

<sup>1</sup> The 3 - year average is based on a 4-week moving average.

<b>April 15, % change from:</b>	<b>MS Gulf</b>	<b>TX Gulf</b>	<b>U.S. Gulf</b>	<b>PNW</b>
Last week	up 28	down 58	up 9.3	down 2
Last year (same week)	down 21	down 8.2	down 20	up 10
3-yr avg. (4-wk mov. avg.)	down 3	down 47	down 9	up 3

# Ocean Transportation

Table 17

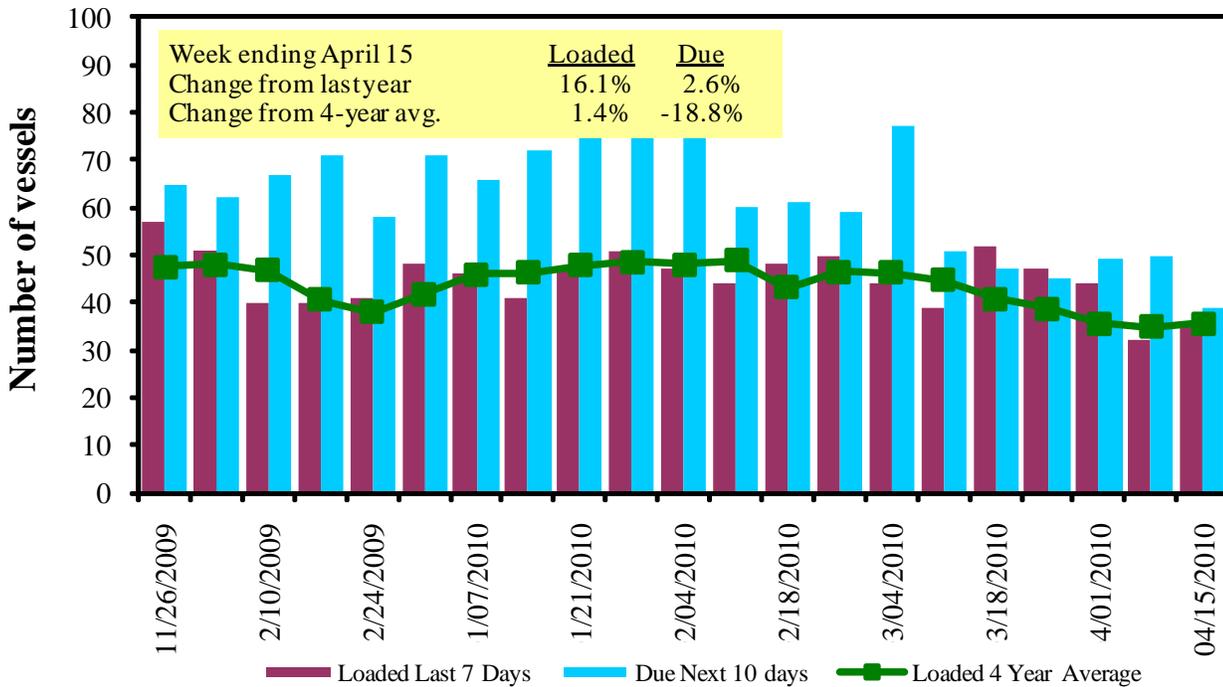
**Weekly Port Region Grain Ocean Vessel Activity (number of vessels)**

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In port	Loaded 7-days	Due next 10-days	In port	In port
4/15/2010	34	36	39	13	10
4/8/2010	29	32	50	14	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

**Figure 16**

**U.S. Gulf<sup>1</sup> Vessel Loading Activity**

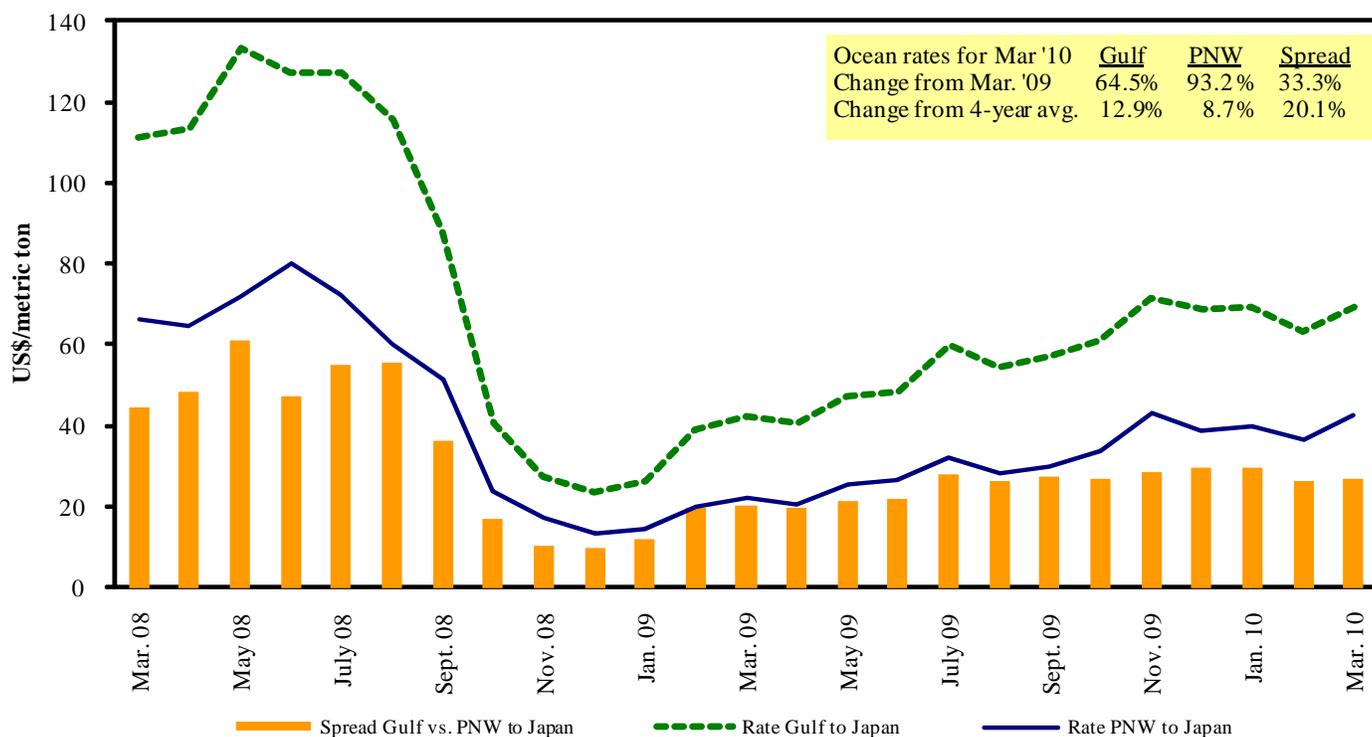


Source: Transportation & Marketing Programs/AMS/USDA

<sup>1</sup>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 4/17/2010

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US\$/metric ton)
U.S. Gulf	Djibouti <sup>1</sup>	Wheat	Apr 5/15	23,000	134.65
U.S. Atlantic	Poland	Soybeans	Mar 9/15	24,000	50.00
U.S. Gulf	Morocco	Wheat	Mar 15/25	30,000	46.00
U.S. Gulf	Morocco	Wheat	Feb 25/28	30,000	41.00
U.S. Gulf	Morocco	Wheat	Feb 8/10	25,000	46.00
U.S. Gulf	Egyptian Mediterranean	Hvy Grain	Jan 7/12	60,000	39.00
U.S. Gulf	Djibouti <sup>1</sup>	Wheat	Jan 1/10	2,770	114.50
St. Lawrence	Morocco	Wheat	Apr 27/ May 5	21,000	38.75
Ukraine	Kenya	Wheat	Dec 25/30	25,000	52.00
Ukraine	Mediterranean	Wheat	Dec 14/18	30,000	20.00
France	Algeria	Hvy Grain	Jan 15/20	28,500	28.25
France	Algeria	Wheat	Apr 5/15	25,000	25.50
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

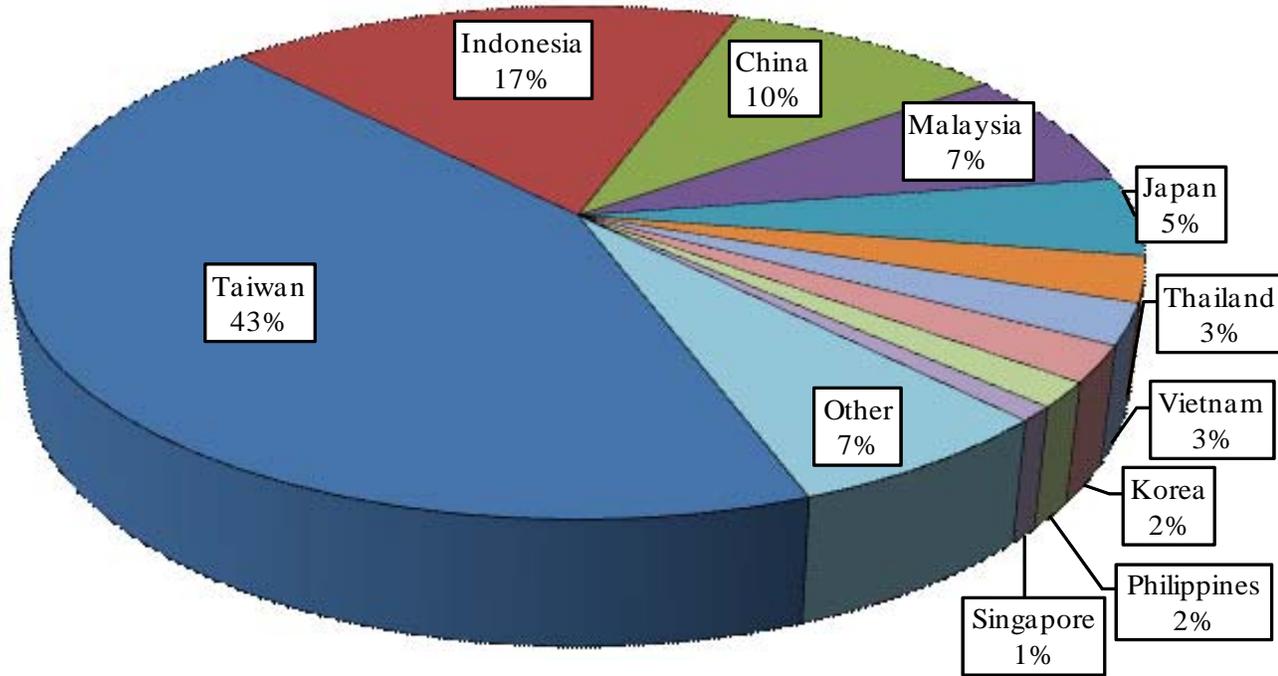
Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option

<sup>1</sup>75 percent of food aid from the United States is required to be shipped on U.S.-flag vessels.

In 2009, containers were used to transport 5 percent of total waterborne grain exports, and 6 percent of U.S. grain exports to Asia.

Figure 18

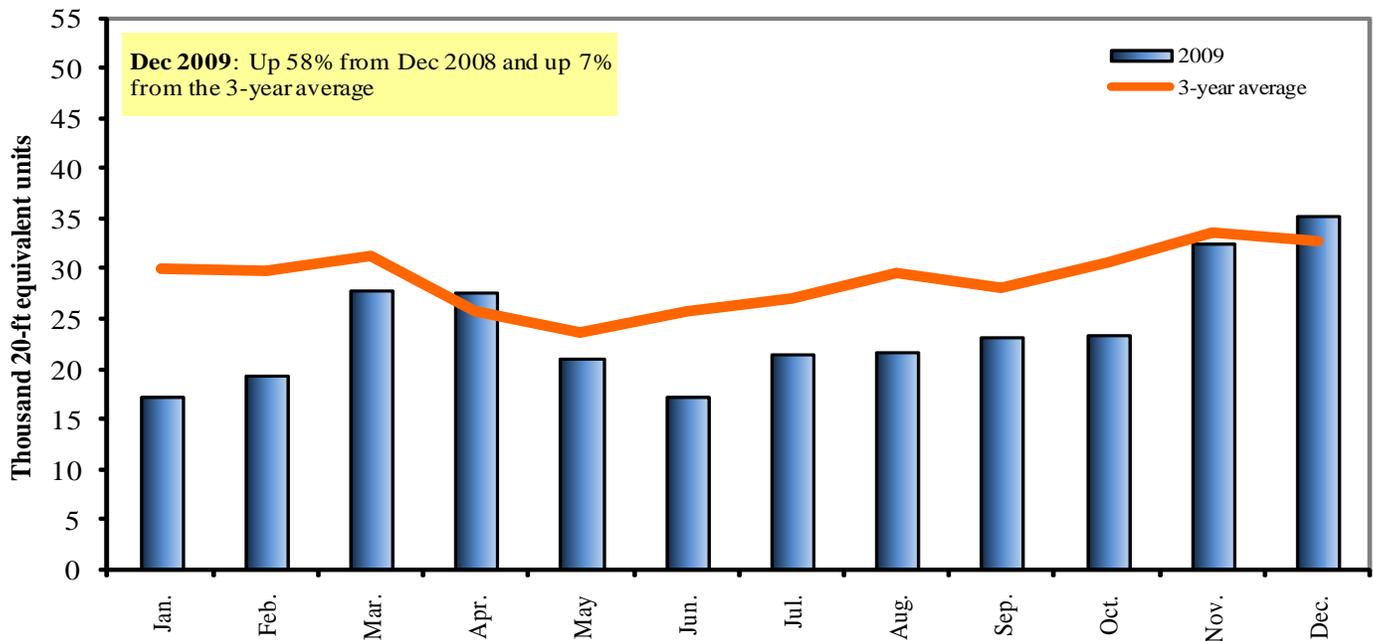
**Top 10 Destination Markets for U.S. Containerized Grain Exports, December 2009**



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	<a href="mailto:surajudeen.olowolayemo@ams.usda.gov">surajudeen.olowolayemo@ams.usda.gov</a>	(202) 694 - 3050
Pierre Bahizi	<a href="mailto:pierre.bahizi@ams.usda.gov">pierre.bahizi@ams.usda.gov</a>	(202) 694 - 2503
Daniel Nibarger	<a href="mailto:daniel.nibarger@ams.usda.gov">daniel.nibarger@ams.usda.gov</a>	(202) 436 - 9713

## Weekly Highlight Editors

Marina Denicoff	<a href="mailto:marina.denicoff@ams.usda.gov">marina.denicoff@ams.usda.gov</a>	(202) 694 - 2504
Surajudeen (Deen) Olowolayemo	<a href="mailto:surajudeen.olowolayemo@ams.usda.gov">surajudeen.olowolayemo@ams.usda.gov</a>	(202) 694 - 3050
April Taylor	<a href="mailto:april.taylor@ams.usda.gov">april.taylor@ams.usda.gov</a>	(202) 295 - 7374
Daniel Nibarger	<a href="mailto:daniel.nibarger@ams.usda.gov">daniel.nibarger@ams.usda.gov</a>	(202) 436 - 9713

## Grain Transportation Indicators

Surajudeen (Deen) Olowolayemo	<a href="mailto:surajudeen.olowolayemo@ams.usda.gov">surajudeen.olowolayemo@ams.usda.gov</a>	(202) 694 - 3050
-------------------------------	--	------------------

## Rail Transportation

Marvin Prater	<a href="mailto:marvin.prater@ams.usda.gov">marvin.prater@ams.usda.gov</a>	(202) 694 - 3051
Johnny Hill	<a href="mailto:johnny.hill@ams.usda.gov">johnny.hill@ams.usda.gov</a>	(202) 694 - 2506
Daniel Nibarger	<a href="mailto:daniel.nibarger@ams.usda.gov">daniel.nibarger@ams.usda.gov</a>	(202) 436 - 9713
Isaac Weingram	<a href="mailto:isaac.weingram@ams.usda.gov">isaac.weingram@ams.usda.gov</a>	(202) 694 - 2500

## Barge Transportation

Nicholas Marathon	<a href="mailto:nick.marathon@ams.usda.gov">nick.marathon@ams.usda.gov</a>	(202) 694 - 2508
April Taylor	<a href="mailto:april.taylor@ams.usda.gov">april.taylor@ams.usda.gov</a>	(202) 295 - 7374

## Truck Transportation

April Taylor	<a href="mailto:april.taylor@ams.usda.gov">april.taylor@ams.usda.gov</a>	(202) 295 - 7374
Ron Hagen	<a href="mailto:ron.hagen@ams.usda.gov">ron.hagen@ams.usda.gov</a>	(202) 694 - 2505

## Grain Exports

Johnny Hill	<a href="mailto:johnny.hill@ams.usda.gov">johnny.hill@ams.usda.gov</a>	(202) 694 - 2506
Marina Denicoff	<a href="mailto:marina.denicoff@ams.usda.gov">marina.denicoff@ams.usda.gov</a>	(202) 694 - 2504

## Ocean Transportation

Surajudeen (Deen) Olowolayemo (Freight rates and vessels)	<a href="mailto:surajudeen.olowolayemo@ams.usda.gov">surajudeen.olowolayemo@ams.usda.gov</a>	(202) 694 - 3050
April Taylor (Container movements)	<a href="mailto:april.taylor@ams.usda.gov">april.taylor@ams.usda.gov</a>	(202) 295 - 7374

**Subscription Information:** Send relevant information to [GTRContactUs@ams.usda.gov](mailto: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 marital 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, audiotope, 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, 14<sup>th</sup> and Independence Avenue, SW, Washington, DC 20250-9410, or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.