



July 1, 2010

Contents

Article/  
Calendar

Grain  
Transportation  
Indicators

Rail

Barge

Truck

Exports

Ocean

Brazil

Mexico

Quarterly  
Updates

Specialists

Subscription  
Information

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The next  
release is  
July 8, 2010

## WEEKLY HIGHLIGHTS

### Corn and Soybean Acres Up from Last Year

USDA, in its [June 30 Planted Acreage report](#), estimates that U.S. farmers planted 87.872 million acres of corn and a record 78.868 million acres of soybeans in 2010, both 2 percent higher than last year. These amounts differed from the March 31 Prospective Plantings report, with corn acreage down 1 percent and soybean acreage up by 1 percent. Compared to 2009, the largest increases in planted corn acreage were in Illinois and Kansas, while the largest decreases in corn plantings were in Iowa, Nebraska, and South Dakota. Record high soybean acreages are estimated in Kansas, Nebraska, New York, and Pennsylvania and tie with the previous record highs in Minnesota and Oklahoma. Wheat acreage is estimated to be 54.3 million acres, down 8 percent from 2009. If the acres planted and trend yields are realized, the fall soybean and corn harvest may reach near-record levels, requiring more storage and/or transportation demand than normal.

### Flooding and Repairs Slow Barge Traffic

Mississippi River Locks 20, 21, and 22 have re-opened to barge traffic after flooding closed this section of the river for a few days last week. Due to continuing high water, the Coast Guard has restricted downbound traffic to daylight hours and requires towboats to have sufficient power to navigate the St. Louis, MO, area safely. Illinois River operations have also been slowed by high water and may take several days to return to normal. The Army Corps of Engineers will close the main chamber at Melvin Price Locks and Dam, near St. Louis, until early August for repairs. The smaller auxiliary chamber is open to traffic, but delays are expected as barges take longer to transit the shorter lock. The impacts to grain barge transportation are expected to be minimal at this time.

### U.S. Gulf Grain Loading Activity Likely to Increase

Grain vessel loading activity in the U.S. Gulf is expected to increase after several weeks of slow activity. For reports from June 24, 65 [ocean-going grain vessels](#) are expected to be loaded in the U.S. Gulf within the next 10 days. The last time such a large number of vessels were expected to be loaded was during the week ending March 4. On average, 47 vessels were expected to be loaded during the past eight weeks, but the average number of vessels loaded was 36. Meanwhile, ocean freight rates for shipping bulk grain continue to decline, which may encourage exports and increase vessel loading activity.

### Increased Wheat Shipments to Nigeria Boost Grain Inspections as Unshipped Balances Remain Strong

As wheat shipments to Nigeria increased, total inspections of grain (corn, wheat, and soybeans) from all major U.S. export regions for the week ending June 24 reached 1.27 million metric tons (mmt). This is up 10 percent from the past week but 3 percent below last year. However, wheat inspections were higher than both the four week average and the three year average. Inspections of wheat and corn increased 25 and 21 percent, respectively, from the previous week. Meanwhile, the [unshipped export balances](#) of grain remain strong and ahead of this time last year. For the week ending June 17, unshipped export sales of all grain were 17.9 mmt—12 percent above the same week last year (see [GTR, table 12](#)), signifying a potential for more grain inspections and shipments in the near term.

### Snapshots by Sector

#### Rail

U.S. railroads originated 18,546 [carloads of grain](#) during the week ending June 19, down 10 percent from the previous week, up 7 percent from the same week last year, and 8 percent lower than the 3-year average.

During the week ending June 26, average July [secondary railcar bids/offers](#) were \$4 above tariff for non-shuttle, \$10 higher than last week. Shuttle rates were \$225 below tariff, \$163 higher than last week.

#### Ocean

During the week ending June 24, 33 [ocean-going grain vessels](#) were loaded in the Gulf, up 7 percent from last year. Sixty-five vessels are expected to be loaded in the U.S. Gulf within the next 10 days, up 16 percent from last year.

During the week ending June 25, the cost of shipping grain from the Gulf to Japan averaged \$62 per mt, down 7 percent from the previous week. The rate from the Pacific Northwest to Japan was \$33 per mt, down 3 percent from the previous week.

#### Barge

During the week ending June 26, [barge grain movements](#) totaled 688,616 tons, 16 percent lower than the previous week and 20 percent lower than the same period last year.

#### Fuel

During the week ending June 28, U.S. average [diesel fuel price](#) was unchanged at \$2.96—13 percent higher than the same week last year.

# Feature Article/Calendar

## CONTAINERIZED AGRICULTURAL SHIPPERS CONTINUE TO FACE SERVICE CHALLENGES

Containerized agricultural exporters are facing some of the most severe container equipment and vessel capacity challenges in recent history. One exporter described the current environment at the Agricultural Transportation Coalition's (AgTC) Annual Transportation Conference in early June like this: "We thought 2009 was as bad as it gets, but 2010 has turned out to be worse." The global recession of 2009 caused carriers to take vessels out of service, container manufacturers to shut down production, and container equipment to be stored. This year, exporters have faced container equipment shortages at inland locations and even at some port locations. Vessel space has been a challenge as carriers have been slow to bring back into service vessels laid up in 2008 and 2009. Conditions may improve slightly through the typically slower summer months, but shippers expect vessel space and container availability to be constrained during the fall peak season.

An economist from Moffat and Nichol reported at the AgTC Conference that he believes increased exports are the only solution to long-term economic stability for the United States. He further stated that he believes containerized transportation will fuel the increase, but chronic challenges to obtain container equipment and vessel capacity will diminish growth potential. Ocean carriers see U.S. export cargo as backhaul cargo. Based on its current value, carriers do not think U.S. export products can sustain rate levels high enough to become headhaul cargo. Carriers base vessel capacity and container availability on the demand of headhaul movements. However, agricultural exporters and economists insist that the value of U.S. export cargo will increase as developing nations around the world continue to grow and demand more high-value products in their diets and lifestyles.

### Vessel Capacity

Since the beginning of 2010, carriers have brought vessels back online slowly to avoid flooding the market before demand can absorb the extra capacity. However, agricultural exporters say they need the extra capacity to avoid losing sales from overseas buyers. The carriers report that only 4.5 percent of the global fleet remains out of service compared to the peak of more than 12 percent in 2009. Additionally, some carriers have indicated that many of the services brought back online are in the Asia-Europe trade lanes. Trade levels have increased more than 20 percent month over month in the Asia-Europe trade lanes instead of the single digit growth originally forecast.

### Equipment Availability

Container equipment has been limited globally since the beginning of the year. More than half way through 2009 and in the midst of a global recession container manufacturers in Asia began to shut down due to lack of demand. Now that trade has improved, manufacturers are struggling to keep up with current demand and, as a result, global supply of containers is constrained. In 2009, container manufacturers produced only 8 percent of their previous year's production (see table at right). This means carriers are positioning a limited amount of containers all over the world to meet demand in all trade lanes.

Year	TEUs produced
2005	2.6 million
2006	3.1 million
2008	4.25 million
2009	350,000

*Source: Containerization International, February 2010*

Carriers are reporting that container supplies are not likely to catch up before this year's fall peak season, causing constrained container supplies and potentially constrained agricultural export potential during the busiest time of year. Both Maersk Line, the largest container carrier in the world, and Alphaliner, the Paris-based container shipping consultancy, have reported that demand will outpace supply during the approaching fall peak season (August through October).

Additionally, the overwhelming demand for newly manufactured containers has increased the price. Prices have risen to \$2,750 per container, up from \$2,000 per container at the end of 2009. This was driven by carriers and leasing companies scrambling to obtain new containers.

### **Is a Regulatory Change Coming?**

At a recent National Industrial Transportation League Meeting, Congressman Oberstar, Chairman of the House Committee on Transportation and Infrastructure, announced that he plans to introduce legislation to do away with ocean carrier anti-trust exemptions. These anti-trust exemptions allow the ocean carriers to discuss rates and market conditions and operate in a less than competitive environment. Many agricultural exporters believe that without these anti-trust protections, the market's competitive pressures would keep constant pressure on rates to respond to the market conditions, much like bulk ocean carriers, which do not enjoy the anti-trust exemptions.

Ocean carriers had mixed reactions to the announcement of possible ocean carrier anti-trust legislation. Some implied this legislation could lead to carrier consolidation where fewer ocean carriers would be available to service exporters' needs. Additionally, the carriers suggest that vessel-sharing agreements should remain, even if the legislation removes rate discussions and information sharing practices, to allow more carriers to operate in more trade lanes. Without these vessel-sharing agreements, many analysts believe carriers would likely specialize in specific trade lanes. This would restrict those trade lanes to fewer carriers and would force cargo to fewer ports with available service options.

The European Union revoked its anti-trust exemption for ocean carriers in October 2008 to allow the market to work more competitively. The Federal Maritime Commission is studying the impacts of this regulatory change; however, the effects of the global recession and lower overall trade levels that have lead to less container traffic have made it difficult to determine specific impacts.

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# Grain Transportation Indicators

Table 1

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

Week ending	Truck	Rail <sup>2</sup>	Barge	Ocean	
				Gulf	Pacific
06/30/10	198	99	164	277	234
06/23/10	199	89	166	297	241

<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)

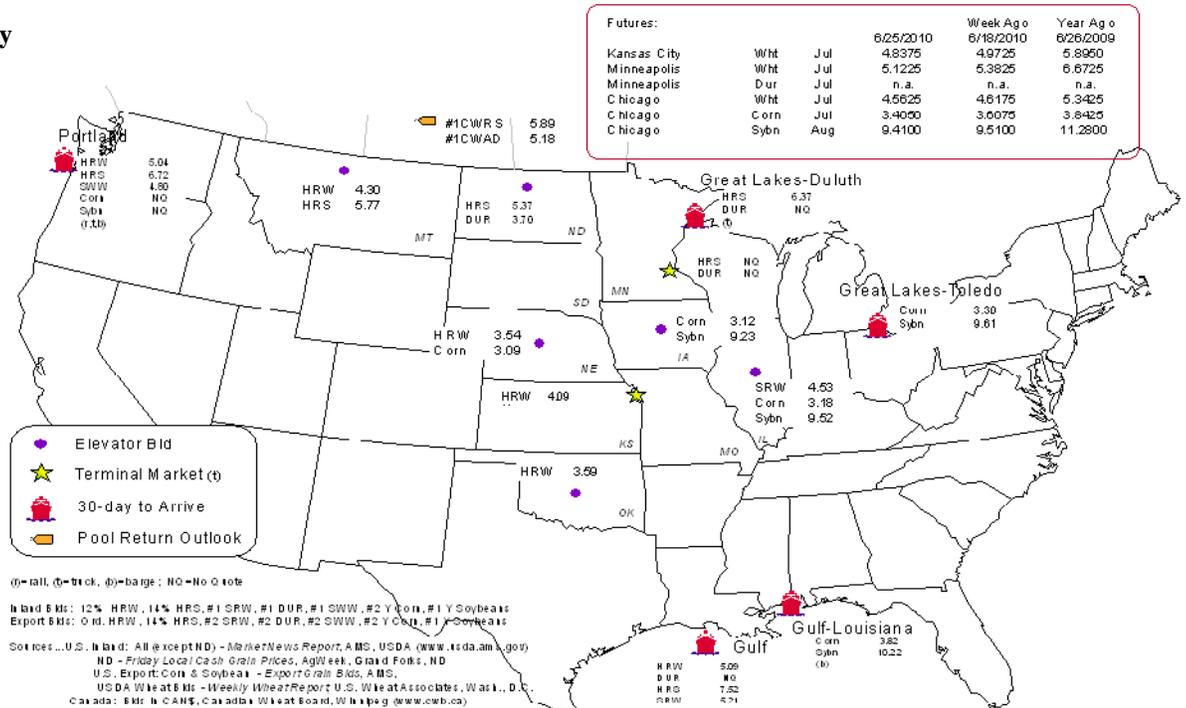
Commodity	Origin--Destination	6/25/2010	6/18/2010
Corn	IL--Gulf	-0.64	-0.62
Corn	NE--Gulf	-0.73	-0.70
Soybean	IA--Gulf	-0.99	-0.88
HRW	KS--Gulf	-1.00	-1.15
HRS	ND--Portland	-1.35	-1.98

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 market supply and demand. The map may be used to monitor market and time differentials.

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	
6/23/2010 <sup>p</sup>	158	1,040	1,034	2,432	39	4,703
6/16/2010 <sup>r</sup>	430	857	975	2,528	103	4,893
2010 YTD	8,116	33,047	23,223	82,089	17,212	163,687
2009 YTD	13,272	21,316	20,358	77,685	12,968	145,599
2010 YTD as % of 2009 YTD	61	155	114	106	133	112
Last 4 weeks as % of 2009 <sup>2</sup>	122	131	95	136	32	116
Last 4 weeks as % of 4-year avg. <sup>2</sup>	38	56	132	76	50	73
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 2009 and prior 4-year average.

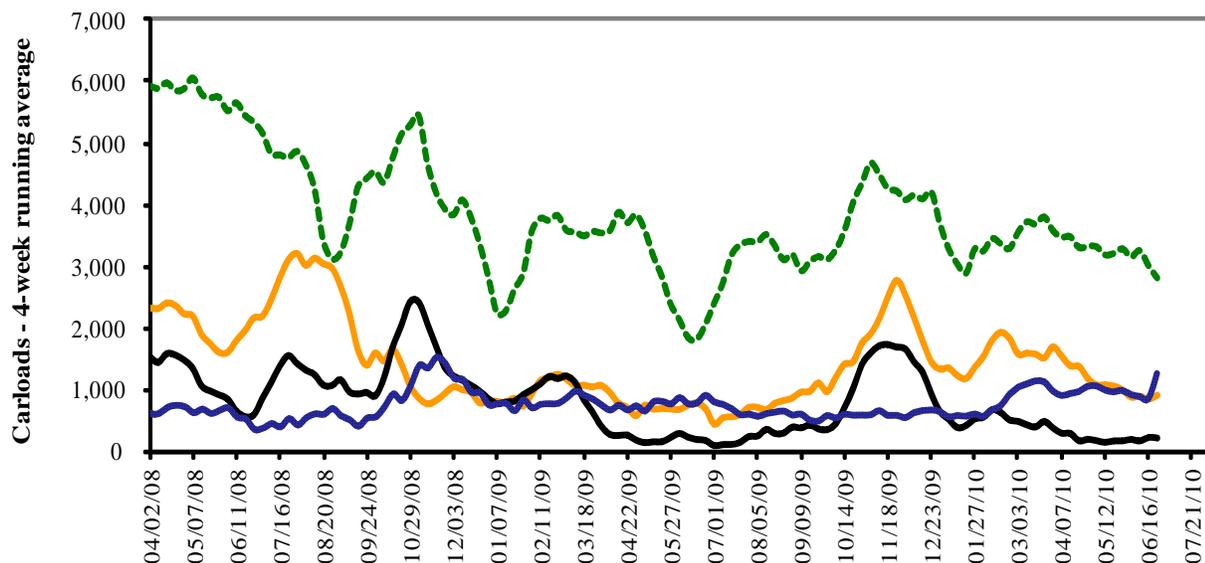
**YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available**

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



--- Pacific Northwest: 4 Wks. ending 6/23-- up 38% from same period last year; down 23% from 4-year average  
--- Texas Gulf: 4 wks. ending 6/23-- up 31% from same period last year; down 44% from 4-year average  
--- Miss. River: 4 wks. ending 6/23-- up 22% from same period last year; down 62% from 4-year average  
--- Cross-border Mexico: 4 wks. ending 6/23-- down 5% from same period last year; up 32% from 4-year average

Source: Transportation & Marketing Programs/AMSUSDA

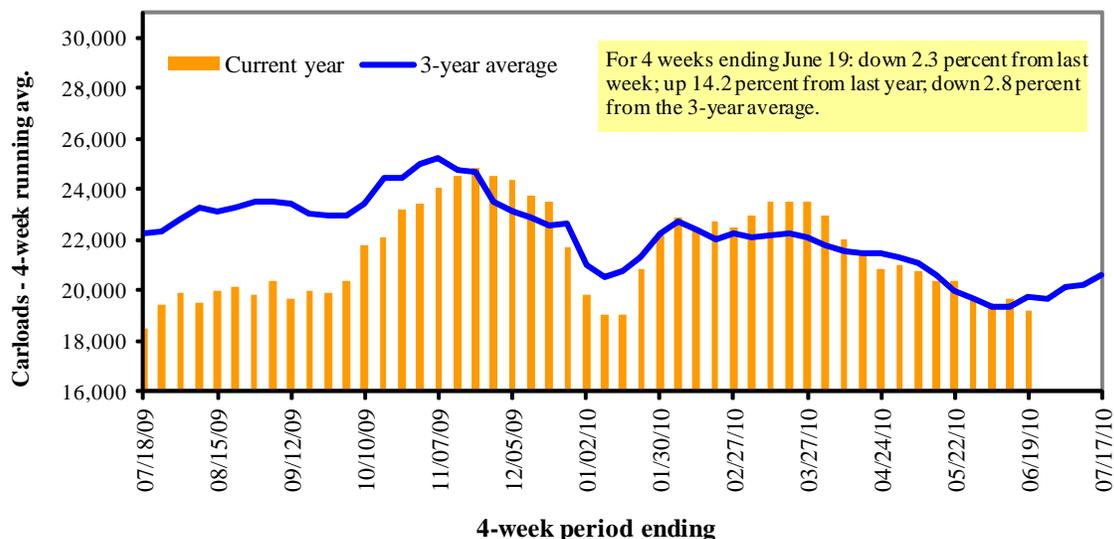
Table 4

**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
06/19/10	1,818	3,333	7,719	741	4,935	18,546	2,958	4,683
This week last year	2,012	2,775	7,262	616	4,662	17,327	3,984	6,251
2010 YTD	53,802	73,444	242,820	18,169	126,449	514,684	95,467	127,699
2009 YTD	52,362	62,239	201,694	16,739	111,596	444,630	98,511	128,466
2010 YTD as % of 2009 YTD	103	118	120	109	113	116	97	99
Last 4 weeks as % of 2009 <sup>1</sup>	117	107	123	97	106	114	85	91
Last 4 weeks as % of 3-yr avg. <sup>1</sup>	91	95	101	101	94	97	87	98
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							
	Jul-10	Jul-09	Aug-10	Aug-09	Sep-10	Sep-09	Oct-10	Oct-09
BNSF <sup>3</sup>								
COT grain units	0	no offer	1	0	no offer	0	no offer	0
COT grain single-car <sup>5</sup>	0 . . 112	no offer	no offer	4	no offer	0 . . 1	51 . . 61	no bids
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	1	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.

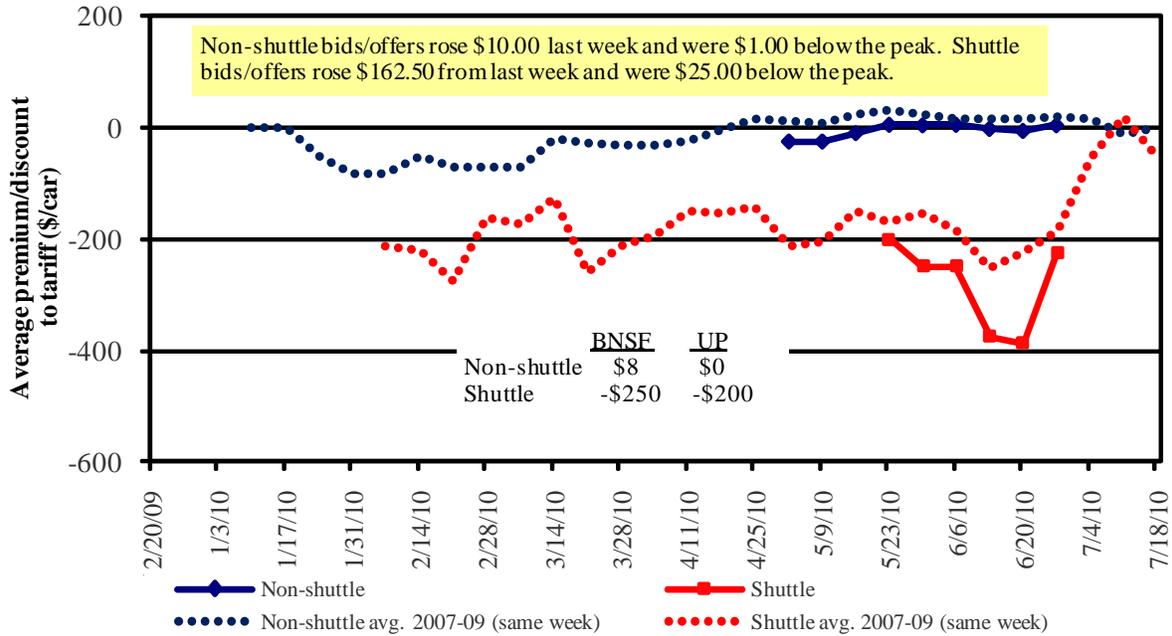
<sup>5</sup>Range is shown because average is not available. Not available = n/a.

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 July 2010, Secondary Market**

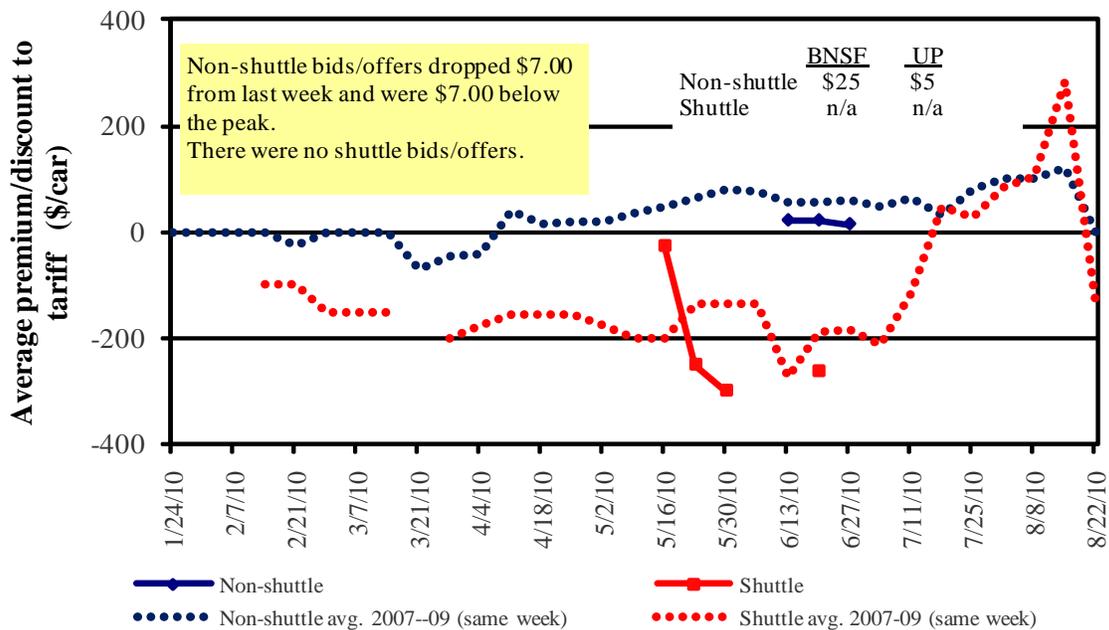


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

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

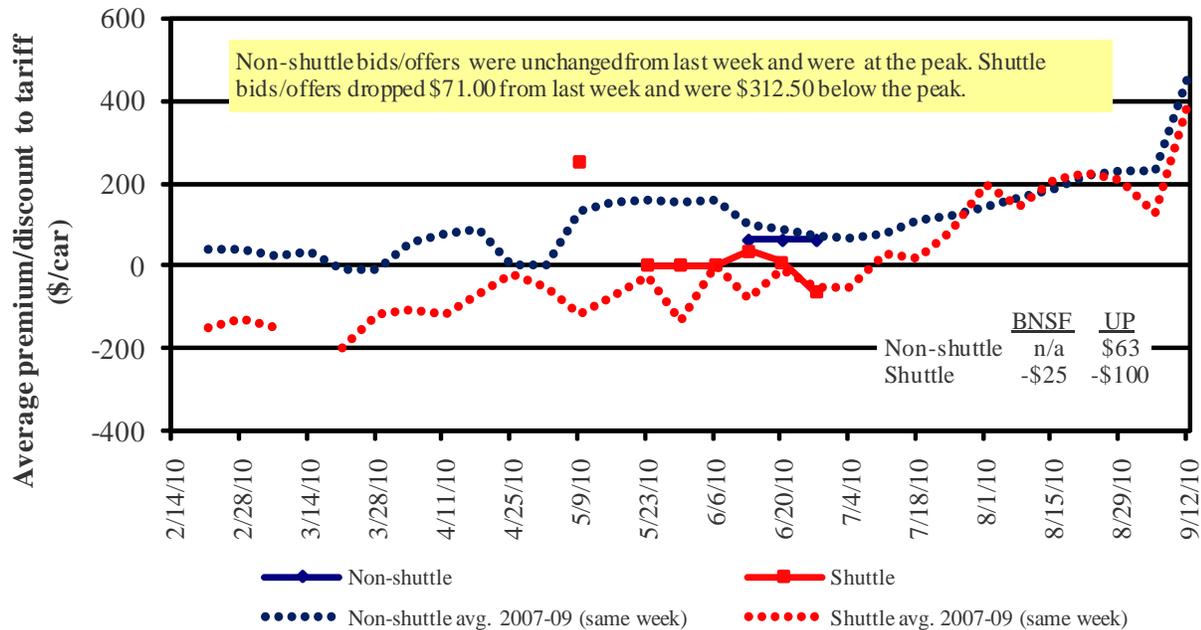


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

## Bids/Offers for Railcars to be Delivered in September 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					
	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10
<b>Non-shuttle</b>						
BNSF-GF	8	25	n/a	n/a	n/a	n/a
Change from last week	11	0	n/a	n/a	n/a	n/a
Change from same week 2009	14	25	n/a	n/a	n/a	n/a
UP-Pool	0	5	63	113	n/a	n/a
Change from last week	9	-14	0	n/a	n/a	n/a
Change from same week 2009	-14	-30	13	n/a	n/a	n/a
<b>Shuttle<sup>2</sup></b>						
BNSF-GF	-250	n/a	-25	n/a	350	n/a
Change from last week	225	n/a	-117	n/a	50	n/a
Change from same week 2009	-219	n/a	-225	n/a	350	n/a
UP-Pool	-200	n/a	-100	n/a	n/a	n/a
Change from last week	100	n/a	-25	n/a	n/a	n/a
Change from same week 2009	-25	n/a	-175	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:		Origin region	Destination region	Tariff rate/car	Fuel surcharge per car	Tariff plus surcharge per:		Percent change Y/Y <sup>3</sup>
6/1/2010	metric ton					bushel <sup>2</sup>		
<b><u>Unit train<sup>1</sup></u></b>								
Wheat	Chicago, IL	Albany, NY	\$2,622	\$159	\$30.65	\$0.83	10	
	Kansas City, MO	Galveston, TX	\$2,828	\$165	\$32.99	\$0.90	18	
	South Central, KS	Galveston, TX	\$3,805	\$323	\$45.50	\$1.24	16	
	Minneapolis, MN	Houston, TX	\$3,799	\$654	\$49.09	\$1.34	14	
	St. Louis, MO	Houston, TX	\$3,715	\$160	\$42.71	\$1.16	17	
	South Central, ND	Houston, TX	\$5,478	\$727	\$68.40	\$1.86	10	
	Minneapolis, MN	Portland, OR	\$4,200	\$795	\$55.06	\$1.50	14	
	South Central, ND	Portland, OR	\$4,200	\$653	\$53.49	\$1.46	13	
	Northwest, KS	Portland, OR	\$5,100	\$869	\$65.80	\$1.79	10	
	Chicago, IL	Richmond, VA	\$2,834	\$237	\$33.85	\$0.92	18	
Corn	Chicago, IL	Baton Rouge, LA	\$2,925	\$202	\$34.47	\$0.88	0	
	Council Bluffs, IA	Baton Rouge, LA	\$3,020	\$216	\$35.67	\$0.91	0	
	Kansas City, MO	Dalhart, TX	\$3,284	\$236	\$38.80	\$0.99	3	
	Minneapolis, MN	Portland, OR	\$3,609	\$795	\$48.54	\$1.23	9	
	Evansville, IN	Raleigh, NC	\$3,204	\$231	\$37.87	\$0.96	12	
	Columbus, OH	Raleigh, NC	\$3,093	\$202	\$36.32	\$0.92	12	
	Council Bluffs, IA	Stockton, CA	\$4,900	\$859	\$63.48	\$1.61	-2	
Soybeans	Chicago, IL	Baton Rouge, LA	\$3,178	\$202	\$37.26	\$1.01	6	
	Council Bluffs, IA	Baton Rouge, LA	\$3,192	\$216	\$37.57	\$1.02	7	
	Minneapolis, MN	Portland, OR	\$4,110	\$795	\$54.07	\$1.47	13	
	Evansville, IN	Raleigh, NC	\$3,204	\$231	\$37.87	\$1.03	12	
	Chicago, IL	Raleigh, NC	\$3,804	\$288	\$45.10	\$1.23	11	
<b><u>Shuttle Train</u></b>								
Wheat	St. Louis, MO	Houston, TX	\$2,972	\$160	\$34.52	\$0.94	19	
	Minneapolis, MN	Portland, OR	\$3,700	\$795	\$49.55	\$1.35	13	
Corn	Fremont, NE	Houston, TX	\$2,520	\$481	\$33.08	\$0.84	8	
	Minneapolis, MN	Portland, OR	\$3,528	\$795	\$47.65	\$1.21	14	
Soybeans	Council Bluffs, IA	Houston, TX	\$2,787	\$466	\$35.86	\$0.98	7	
	Minneapolis, MN	Portland, OR	\$3,774	\$795	\$50.36	\$1.37	16	

<sup>1</sup>A unit train refers to shipments of at least 25 cars. Shuttle train rates are available for qualified shipments of 90-110 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, www.cpr.ca, www.csx.com, www.uprr.com

Table 8

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

Effective date: 6/7/2010

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	\$635	\$70.77	\$1.92	10
	OK	Cautitlan, EM	\$5,857	\$306	\$62.97	\$1.71	9
	KS	Guadalajara, JA	\$6,438	\$339	\$69.24	\$1.88	11
	TX	Salinas Victoria, NL	\$3,292	\$173	\$35.41	\$0.96	13
Corn	IA	Guadalajara, JA	\$6,670	\$501	\$73.27	\$1.99	7
	SD	Penjamo, GJ	\$6,440	\$626	\$72.19	\$1.96	4
	NE	Queretaro, QA	\$6,130	\$493	\$67.67	\$1.84	5
	SD	Salinas Victoria, NL	\$4,570	\$669	\$53.53	\$1.46	2
	MO	Tlalnepantla, EM	\$5,318	\$457	\$59.01	\$1.60	5
	SD	Torreon, CU	\$5,330	\$626	\$60.85	\$1.65	4
Soybeans	MO	Bojay (Tula), HG	\$6,066	\$435	\$66.42	\$1.81	7
	NE	Guadalajara, JA	\$6,550	\$494	\$71.98	\$1.96	9
	IA	Penjamo (Celaya), GJ	\$6,690	\$615	\$74.64	\$2.03	11
	KS	Torreon, CU	\$5,255	\$366	\$57.43	\$1.56	8
Sorghum	OK	Cautitlan, EM	\$4,339	\$402	\$48.44	\$1.32	1
	TX	Guadalajara, JA	\$5,350	\$224	\$56.95	\$1.55	8
	NE	Penjamo, GJ	\$6,395	\$474	\$70.19	\$1.91	6
	KS	Queretaro, QA	\$5,398	\$407	\$59.31	\$1.61	3
	NE	Salinas Victoria, NL	\$4,282	\$438	\$48.22	\$1.31	4
	NE	Torreon, CU	\$5,240	\$440	\$58.04	\$1.58	7

<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.

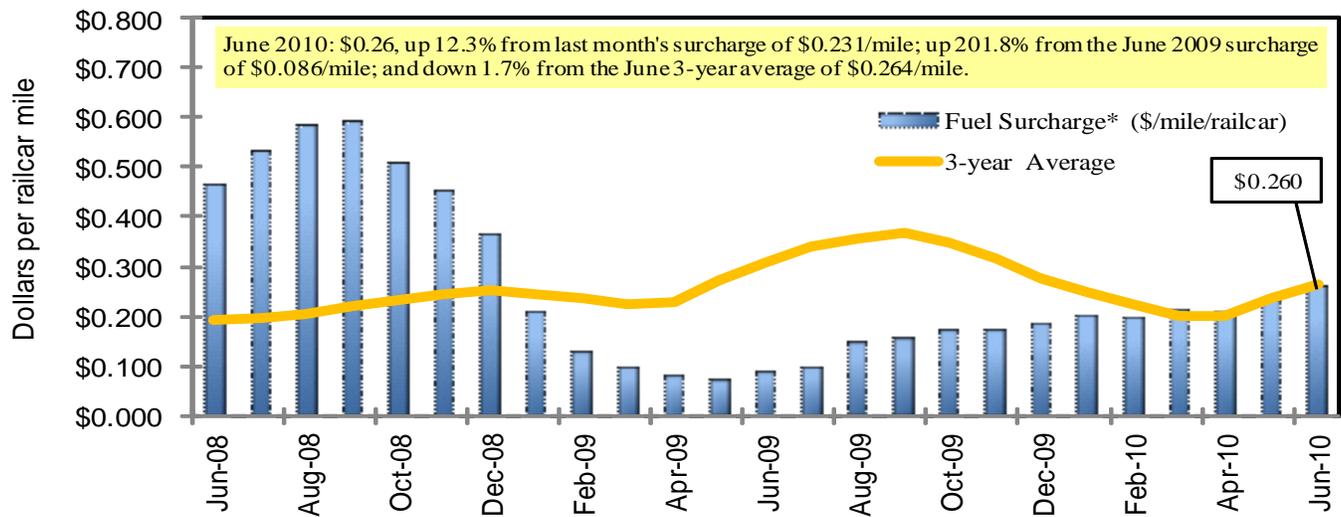
<sup>2</sup>Approximate load per car = 97.87 metric tons: Corn & Sorghum 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

<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.

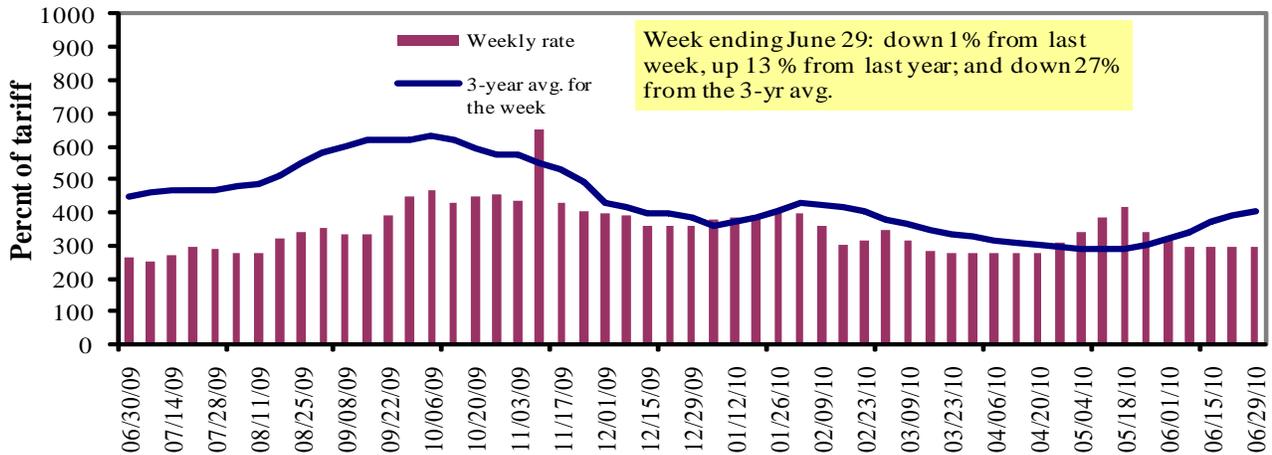
\* Mileage-based fuel surcharges for March and April 2007 are estimated. Beginning January 2009, the Canadian Pacific fuel surcharge is computed by a monthly average of the bi-weekly fuel surcharge.

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>	6/29/2010	393	321	296	200	227	227	190
	6/22/2010	360	305	298	200	237	237	190
<b>\$/ton</b>	6/29/2010	24.33	17.08	13.73	7.98	10.65	9.17	5.97
	6/22/2010	22.28	16.23	13.83	7.98	11.12	9.57	5.97
<b>Current week % change from the same week:</b>								
	Last year	24	18	13	2	13	13	6
	3-year avg. <sup>2</sup>	-12	-21	-27	-35	-32	-32	-32
<b>Rate<sup>1</sup></b>	July	389	321	311	225	242	242	221
	September	533	519	517	489	522	522	498

<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:

(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

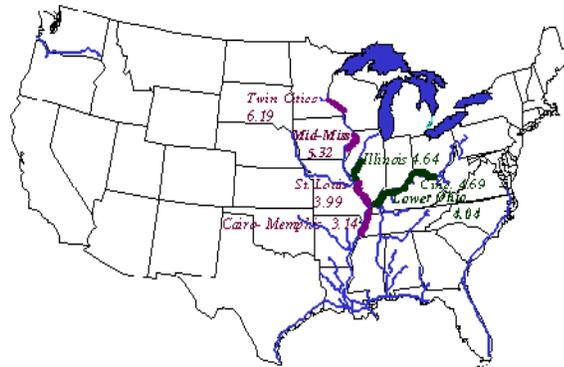
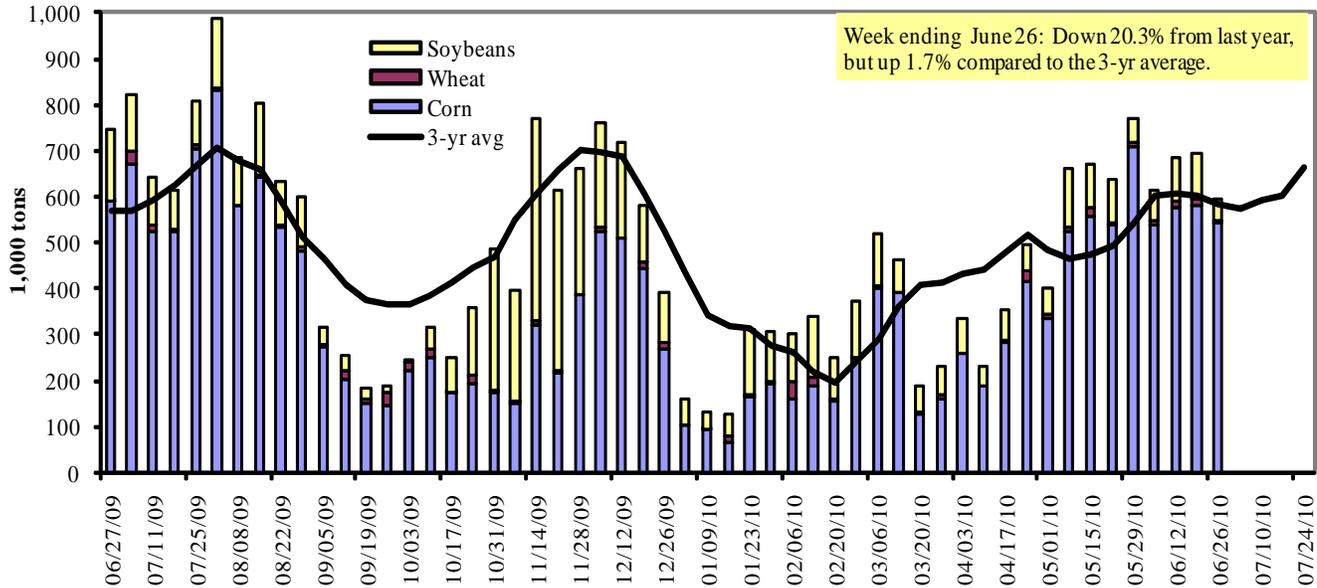


Figure 10

**Barge Movements on the Mississippi River<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/mvrirmi/omni/webprts/default.asp](http://www.mvr.usace.army.mil/mvrirmi/omni/webprts/default.asp))

Table 10

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

Week ending 6/26/2010	Corn	Wheat	Soybeans	Other	Total
<b>Mississippi River</b>					
Rock Island, IL (L15)	220	0	63	0	283
Winfield, MO (L25)	283	6	43	2	334
Alton, IL (L26)	537	6	46	2	591
Granite City, IL (L27)	543	6	45	2	595
<b>Illinois River (L8)</b>	210	0	16	0	226
<b>Ohio River (L52)</b>	30	7	10	0	46
<b>Arkansas River (L1)</b>	0	29	15	3	47
Weekly total - 2010	572	42	70	4	689
Weekly total - 2009	631	38	181	12	861
2010 YTD <sup>1</sup>	11,430	570	4,254	241	16,495
2009 YTD	11,637	665	4,750	234	17,286
2010 as % of 2009 YTD	98	86	90	103	95
Last 4 weeks as % of 2009 <sup>2</sup>	95	71	57	80	86
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.

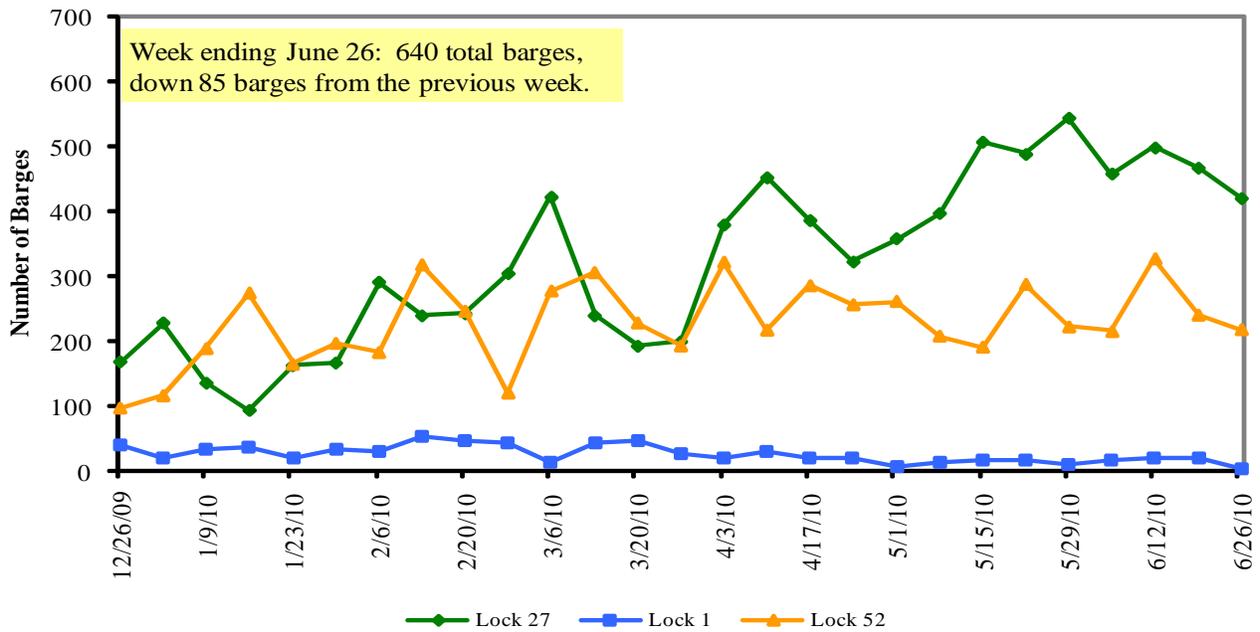
<sup>2</sup> As a percent of same period in 2009.

Note: Total may not add exactly, due to rounding

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

Figure 11

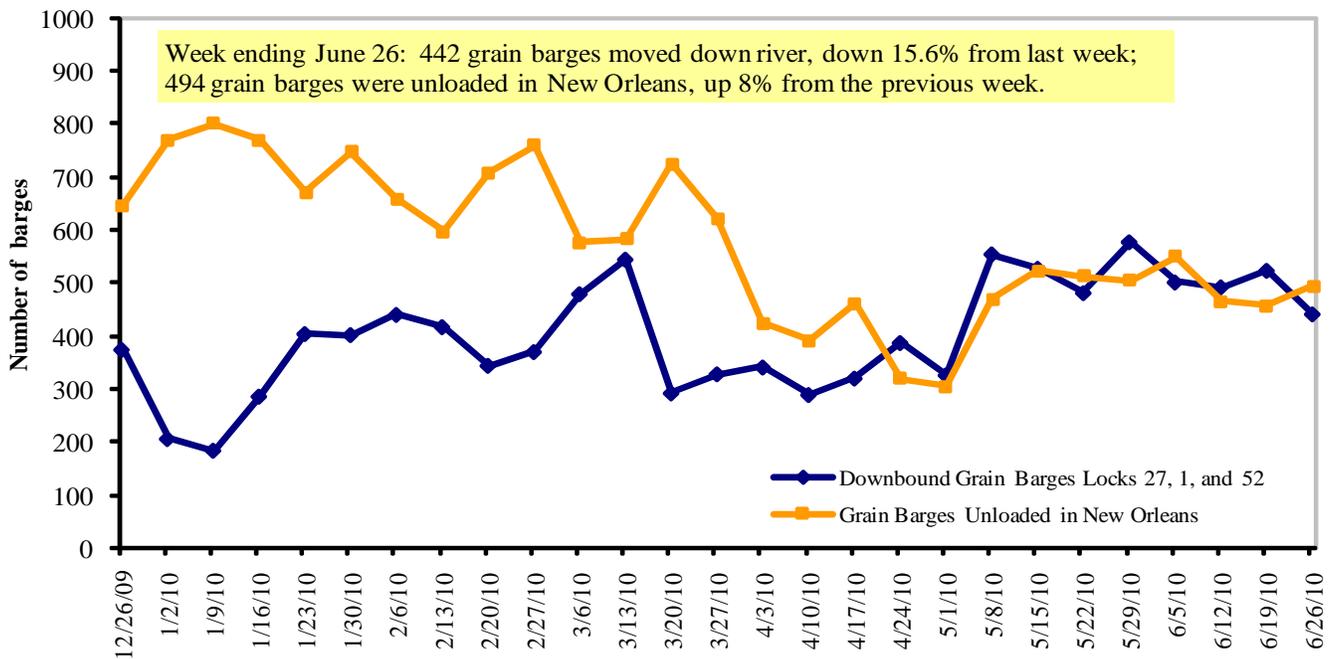
**Upbound Empty Barges Transiting Mississippi River Locks 27, Arkansas River Lock and Dam 1, and Ohio River Locks and Dam 52**



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 6/28/2010 (US\$/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	2.975	0.001	0.346
	New England	3.044	0.015	0.378
	Central Atlantic	3.091	0.003	0.365
	Lower Atlantic	2.919	-0.002	0.335
II	Midwest <sup>2</sup>	2.930	-0.006	0.352
III	Gulf Coast <sup>3</sup>	2.893	-0.015	0.324
IV	Rocky Mountain	2.956	-0.024	0.325
V	West Coast	3.099	0.006	0.387
	California	3.147	0.022	0.362
Total	U.S.	2.956	-0.005	0.348

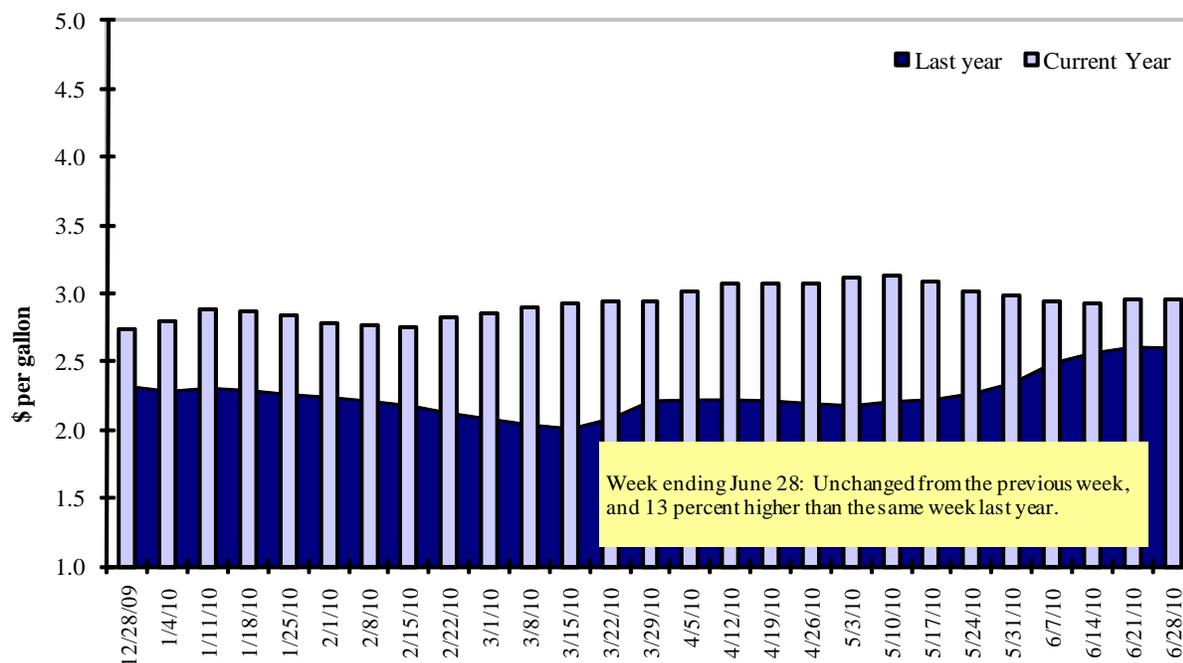
<sup>1</sup>Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

<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>									
6/17/2010	2,169	514	1,021	1,079	250	5,033	10,692	2,140	17,865
This week year ago	1,041	534	751	809	196	3,331	9,072	3,527	15,930
<b>Cumulative exports-marketing year<sup>2</sup></b>									
2009/10 YTD	302	117	211	156	36	821	37,365	36,882	75,068
2008/09 YTD	329	57	212	187	7	792	34,004	30,322	65,118
YTD 2009/10 as % of 2008/09	92	205	100	83	514	104	110	122	115
Last 4 wks as % of same period 2008/09	140	81	110	100	97	112	115	62	103
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; the new marketing year begins for wheat

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 06/17/10	Total Commitments <sup>2</sup>			% change current MY from last MY	Exports <sup>3</sup>  2008/09
	2010/11	2009/10	2008/09		
	Next MY	Current MY	Last MY		
	- 1,000 mt -				- 1,000 mt -
Japan	152	14,115	14,553	(3)	15,910
Mexico	668	7,795	6,932	12	7,454
Korea	288	7,624	4,356	75	5,129
Taiwan	0	2,957	3,255	(9)	3,198
Egypt	0	2,521	1,676	50	2,233
<b>Top 5 importers</b>	<b>1,108</b>	<b>35,012</b>	<b>30,772</b>	<b>14</b>	<b>33,924</b>
<b>Total US corn export sales</b>	<b>1,826</b>	<b>48,057</b>	<b>43,076</b>	<b>12</b>	<b>45,214</b>
% of Projected	4%	97%	91%		
Change from Last Week	333	1,123	687		
<b>Top 5 importers' share of U.S. corn export sales</b>	61%	73%	71%		
<b>USDA forecast, June 2010</b>	<b>50,800</b>	<b>49,530</b>	<b>47,180</b>	<b>5</b>	
<b>Corn Use for Ethanol USDA forecast, Ethanol June 2010</b>	<b>119,380</b>	<b>114,300</b>	<b>93,396</b>	<b>22</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 06/17/10	Total Commitments <sup>2</sup>			% change current MY from last MY	Exports <sup>3</sup> 2008/09
	2010/11 Next MY	2009/10 Current MY	2008/09 Last MY		
	- 1,000 mt -				- 1,000 mt -
China	3,382	22,199	18,501	20	18,681
Mexico	50	3,054	2,931	4	3,098
Japan	56	2,389	2,434	(2)	2,410
EU-25	0	2,698	2,180	24	2,180
Taiwan	0	1,563	1,459	7	1,592
<b>Top 5 importers</b>	<b>3,488</b>	<b>31,903</b>	<b>27,503</b>	<b>16</b>	<b>27,961</b>
<b>Total US soybean export sales</b>	<b>4,448</b>	<b>39,022</b>	<b>33,849</b>	<b>15</b>	
% of Projected	12%	99%	97%		
Change from last week	233	308	28		
<b>Top 5 importers' share of U.S. soybean export sales</b>	<b>78%</b>	<b>82%</b>	<b>81%</b>		
<b>USDA forecast, June 2010</b>	<b>36,740</b>	<b>39,600</b>	<b>34,930</b>	<b>13</b>	
<b>Soybean Use for Biodiesel USDA forecast, June 2010</b>	<b>6,954</b>	<b>5,275</b>	<b>4,573</b>	<b>15</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.

Table 15

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

Week Ending 06/17/2010	Total Commitments <sup>2</sup>		% change current MY from last MY	Exports <sup>3</sup> 2009/10
	2010/11 Current MY	2009/10 Last MY		
	- 1,000 mt -			- 1,000 mt -
Nigeria	863	496	74	3,233
Japan	649	381	70	3,148
Mexico	659	433	52	1,975
Philippines	715	457	56	1,518
Korea, South	411	365	12	1,111
Taiwan	103	170	(40)	844
Venezuela	106	69	54	658
Colombia	168	159	6	575
Peru	236	111	113	567
Indonesia	82	94	(13)	529
<b>Top 10 importers</b>	<b>3,991</b>	<b>2,735</b>	<b>46</b>	<b>14,156</b>
<b>Total US wheat export sales</b>	<b>5,853</b>	<b>4,123</b>	<b>42</b>	<b>21,686</b>
% of Projected	24%	17%		
Change from last week	721	368		
<b>Top 10 importers' share of U.S. wheat export sales</b>	<b>68%</b>	<b>66%</b>		
<b>USDA forecast, June 2010</b>	<b>24,490</b>	<b>24,090</b>	<b>2</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 06/24/10	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	257	5,199	4,769	109	117	146	10,091
Corn	191	4,706	3,804	124	120	73	8,498
Soybeans	0	4,400	3,932	112	73	44	9,743
<b>Total</b>	<b>448</b>	<b>14,304</b>	<b>12,504</b>	<b>114</b>	<b>113</b>	<b>92</b>	<b>28,332</b>
<b>Mississippi Gulf</b>							
Wheat	69	1,863	2,008	93	115	80	4,019
Corn	552	14,258	14,357	99	101	102	28,843
Soybeans	74	8,791	9,774	90	39	53	21,831
<b>Total</b>	<b>695</b>	<b>24,911</b>	<b>26,139</b>	<b>95</b>	<b>86</b>	<b>89</b>	<b>54,693</b>
<b>Texas Gulf</b>							
Wheat	77	3,544	2,582	137	69	54	5,735
Corn	16	937	775	121	87	121	1,968
Soybeans	0	667	472	141	n/a	n/a	2,402
<b>Total</b>	<b>93</b>	<b>5,148</b>	<b>3,829</b>	<b>134</b>	<b>71</b>	<b>59</b>	<b>10,105</b>
<b>Great Lakes</b>							
Wheat	0	217	135	161	50	37	990
Corn	0	31	79	39	0	0	353
Soybeans	0	0	69	0	0	0	781
<b>Total</b>	<b>0</b>	<b>248</b>	<b>284</b>	<b>88</b>	<b>18</b>	<b>16</b>	<b>2,124</b>
<b>Atlantic</b>							
Wheat	33	160	210	76	402	65	552
Corn	0	176	76	232	43	41	472
Soybeans	1	690	420	164	54	53	1,268
<b>Total</b>	<b>34</b>	<b>1,026</b>	<b>707</b>	<b>145</b>	<b>154</b>	<b>60</b>	<b>2,292</b>
<b>U.S. total from ports<sup>2</sup></b>							
Wheat	436	10,983	9,704	113	103	92	21,387
Corn	759	20,107	19,091	105	103	92	40,134
Soybeans	75	14,548	14,667	99	44	50	36,025
<b>Total</b>	<b>1,270</b>	<b>45,637</b>	<b>43,462</b>	<b>105</b>	<b>91</b>	<b>85</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

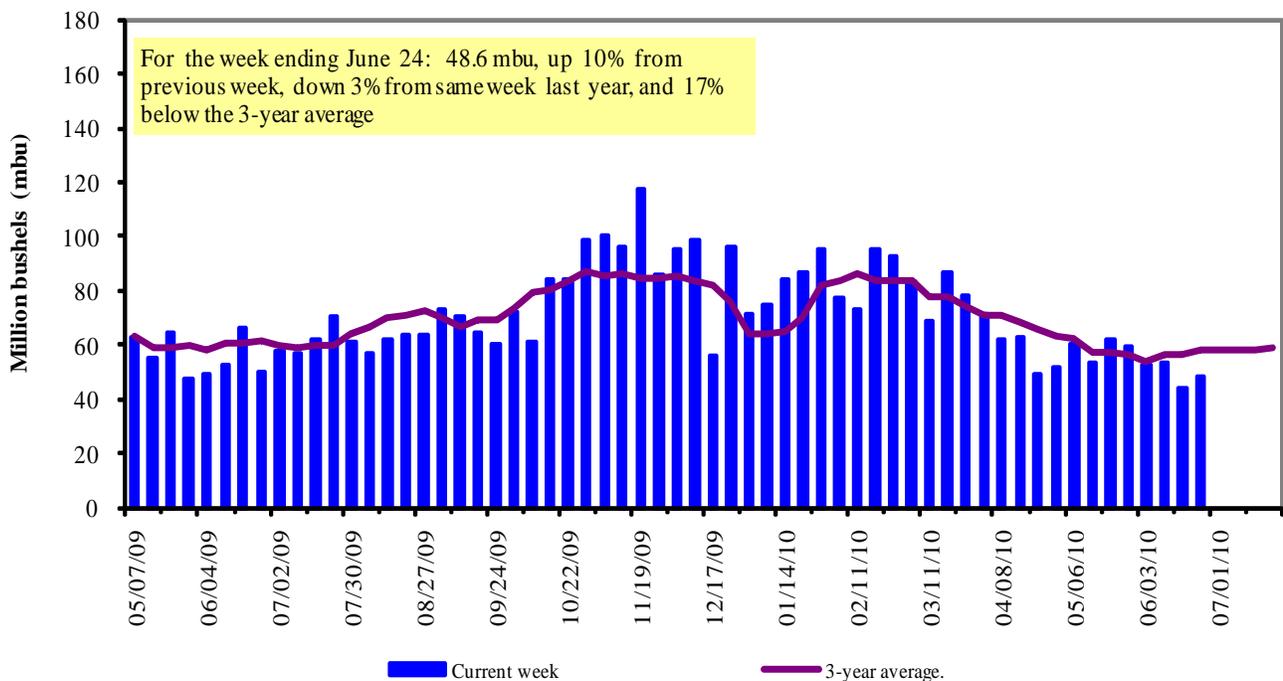
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The United States exports approximately one-quarter of the grain it produces. On average, this includes nearly 45 percent of U.S.-grown wheat, 35 percent of U.S.-grown soybeans, and 20 percent of the U.S.-grown corn. Approximately 62 percent of the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

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Figure 14

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

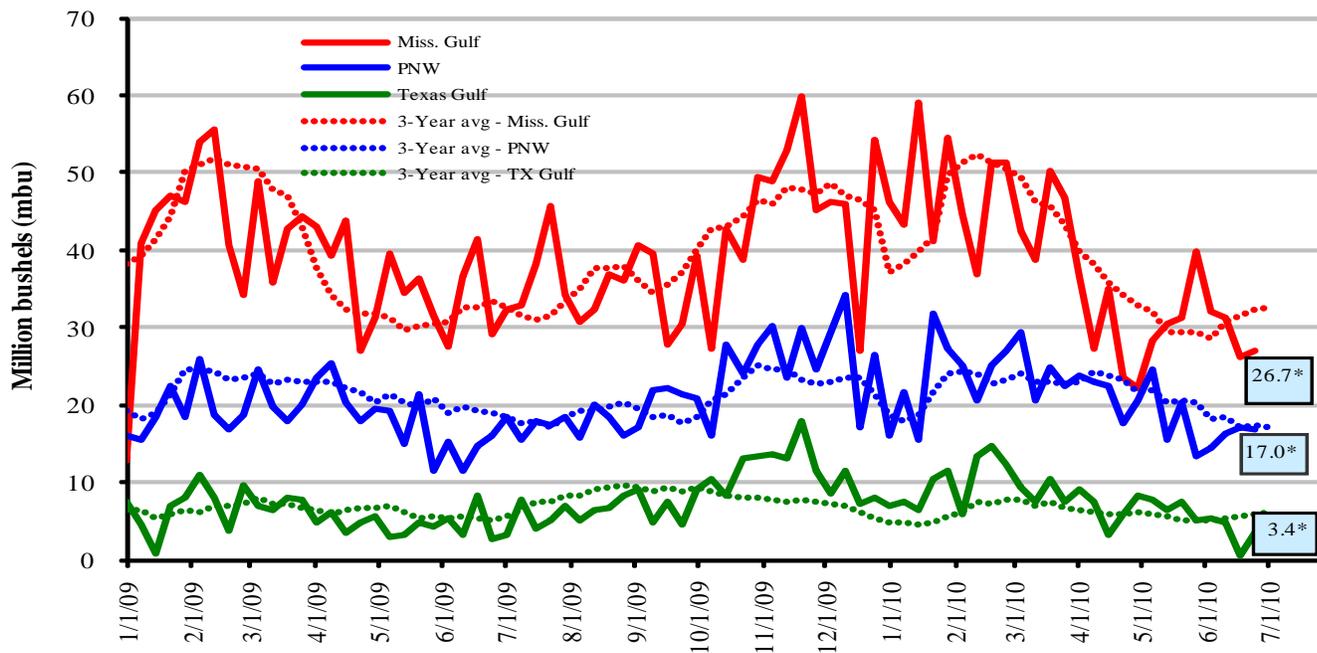


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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.

<b>June 24, % change from:</b>	<b>MS Gulf</b>	<b>TX Gulf</b>	<b>U.S. Gulf</b>	<b>PNW</b>
Last week	up 3	up 689	up 14.3	down 1.1
Last year (same week)	down 8	up 28	down 5	up 5
3-yr avg. (4-wk mov. avg.)	down 17	down 42	down 21	down 11

# Ocean Transportation

Table 17

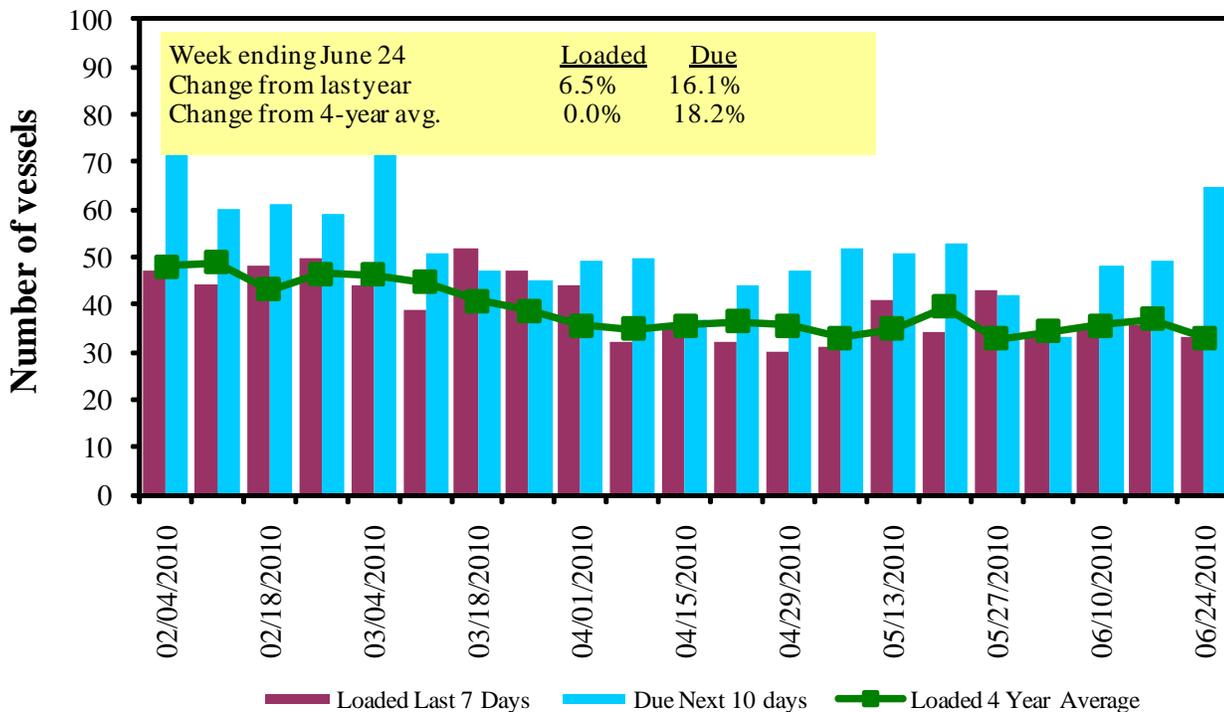
**Weekly Port Region Grain Ocean Vessel Activity (number of vessels)**

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In port	Loaded 7-days	Due next 10-days	In port	In port
6/24/2010	21	33	65	10	14
6/17/2010	21	36	49	9	17
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**

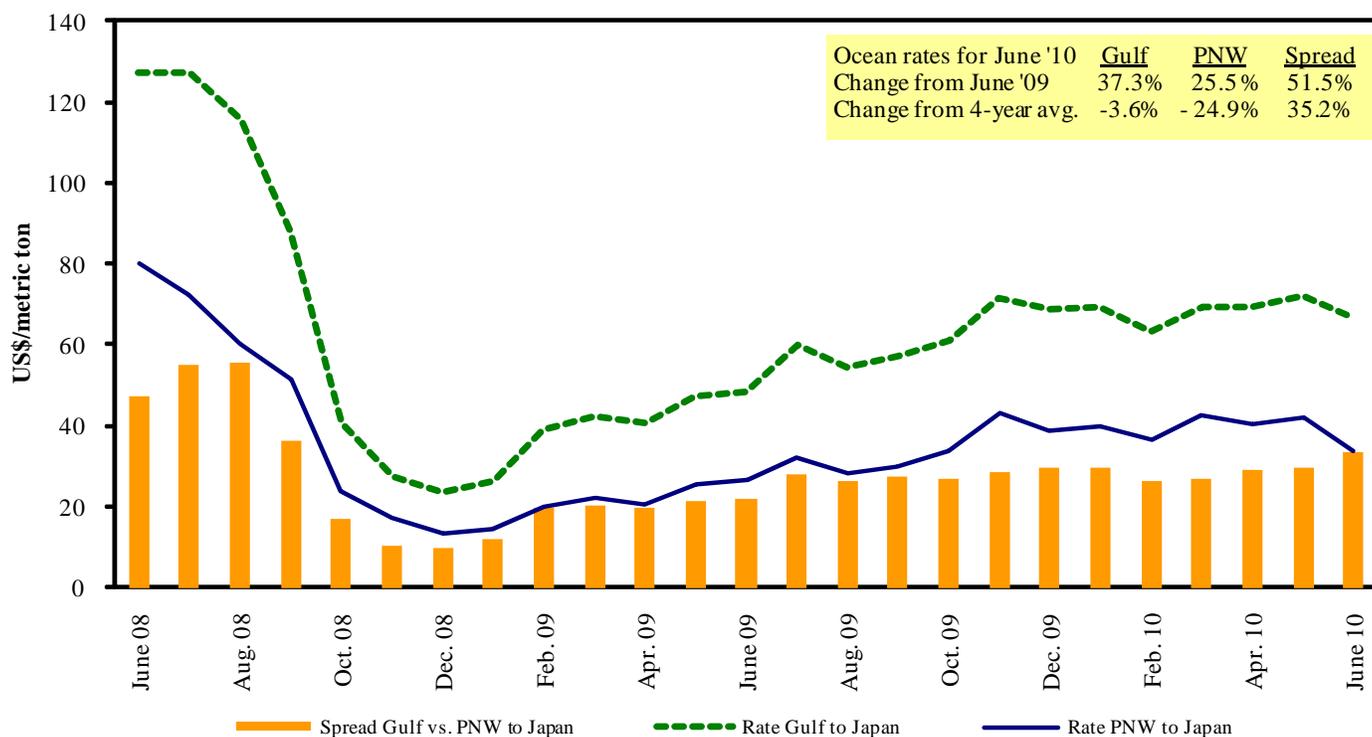


Source: Transportation & Marketing Programs/AMS/USDA

<sup>1</sup>U.S. Gulf includes Mississippi, Texas, and East Gulf.

Figure 17

### Grain Vessel Rates, U.S. to Japan



Source: O'Neil Commodity Consulting

Table 18

### Ocean Freight Rates For Selected Shipments, Week Ending 6/26/2010

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
St. Lawrence	Morocco	Wheat	Apr 27/ May 5	21,000	38.75
Ukraine	Saudi Arabia	Barley	May 20/30	35,000	42.00
France	Algeria	Wheat	May 25/30	25,000	31.00
France	Algeria	Wheat	May 10/20	25,000	26.75
France	Algeria	Wheat	Apr 5/15	25,000	25.50
France	Algeria	Wheat	Jun 25/30	25,000	29.00
France	Algeria	Wheat	Jul 5/10	25,000	25.50
River Plate	Algeria	Soybeanmeal	July 1/10	25,000	56.00
River Plate	Algeria	Soybeanmeal	May 28/31	25,000	69.00
River Plate	Denmark	Soybeanmeal	Apr 24/28	25,000	65.00

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

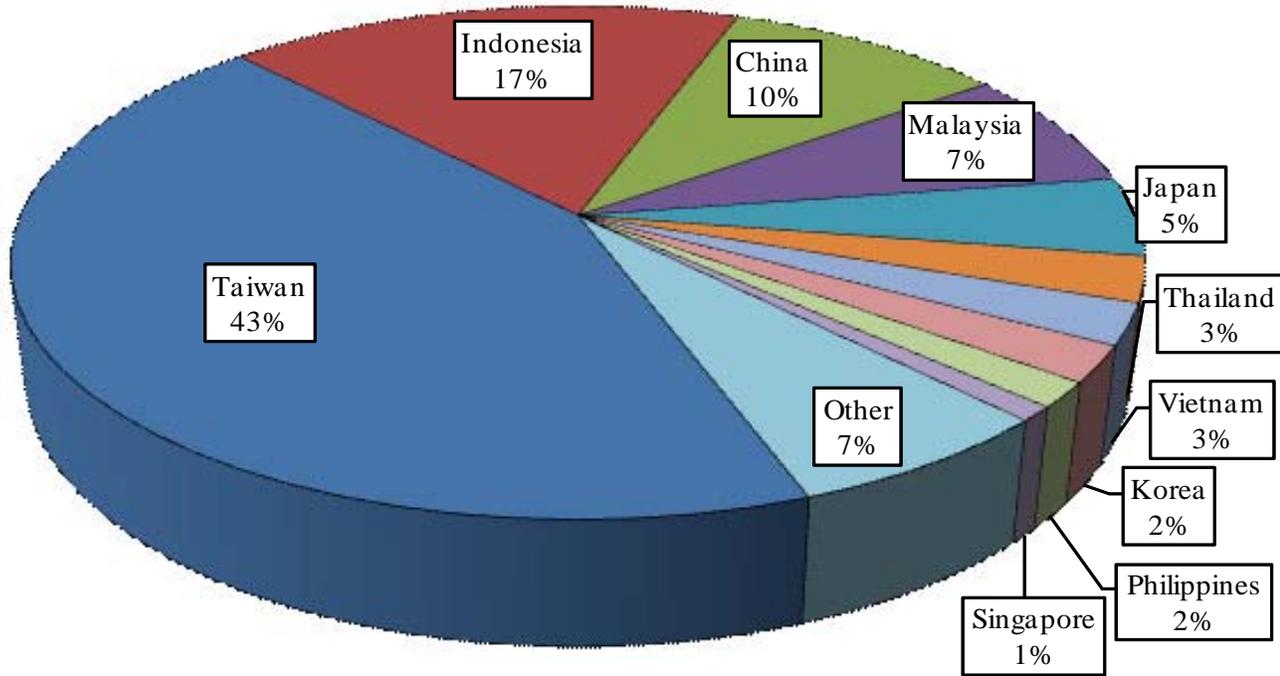
<sup>1</sup>75 percent of food aid from the United States is required to be shipped on U.S.-flag vessels.

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

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

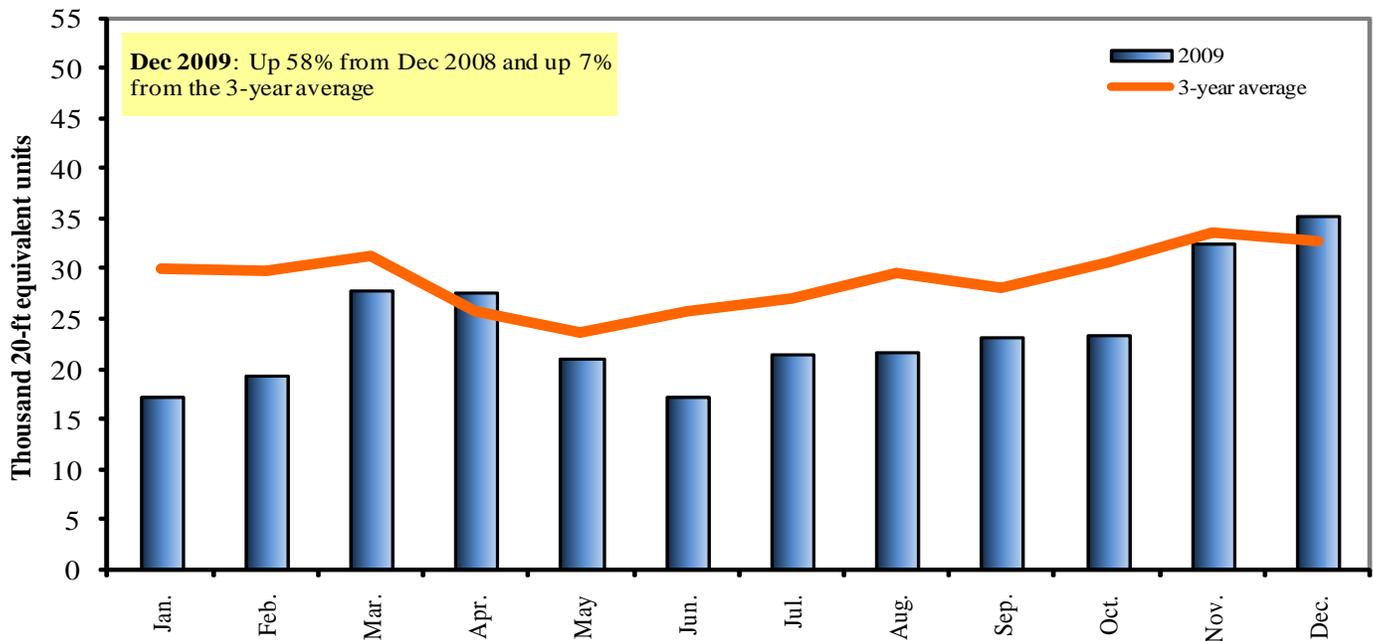
**Top 10 Destination Markets for U.S. Containerized Grain Exports, December 2009**



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*

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## Ocean Transportation

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