



## WEEKLY HIGHLIGHTS

July 8, 2010

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### Export Sales Signal Stronger Grain Transportation Demand

Total export sales and unshipped balances of corn, soybeans, and wheat for the week ending June 24 are ahead of last year at this time, which may indicate a slight increase in grain transportation demand compared to last year. Current marketing year **corn export sales**, at 48.7 million metric tons (mmt), were 10 percent higher than last year at this time and just 2 percent below the June USDA forecast for total corn exports in the 2009/10 marketing year ending on August 31. China has purchased 890,000 mt of U.S. corn—the most since 1995 and most of which remains to be shipped during the 2009/10 marketing year. **Soybean export sales**, at 39.3 mmt, were 15 percent higher than last year and just 1 percent below the June USDA forecast. Although this is just the beginning of the wheat 2010/11 marketing year, **wheat export sales**, at 6.3 mmt, are 44 percent higher than last year. **Unshipped balances of all three major grains**, at 17.6 mmt, are 10 percent higher than last year.

### Ocean Freight Rates Continue to Slide; The Spread Remains High

Ocean freight rates for shipping bulk grain have declined for five consecutive weeks as more vessels were being added to the fleet and demand for bulk vessels continue to lag. About 38 vessels, mostly dry bulk carriers, were delivered as recently as last week. During the week ending July 2, the cost of shipping grain from the Gulf to Japan was \$56 per mt, down 10 percent from the previous week. The rate from the Pacific Northwest (PNW) to Japan was \$30.50 per mt, down 8 percent from the previous week, and the spread between the two rates was \$25.50 per mt. The last time the rates were this low was during the week ending October 2, 2009. Year-to-date (YTD) grain inspections for exports at the PNW ports during the week ending July 1 was up 14 percent compared to a year ago, but the Mississippi Gulf YTD inspections were down 5 percent. A larger ocean freight spread usually favors more exports from the PNW ports.

### Clerical Workers at the Ports of Los Angeles and Long Beach Strike

Approximately 30 of the 900 clerical workers that are members of the International Longshore and Warehouse Union (ILWU) Local 63 Office Clerical Unit (OCU) formed picket lines at 4 terminals at the Los Angeles and Long Beach Port Complex after their labor contract expired at midnight on July 1. Eight days into the strike, employees continue to picket at 2 port terminals while negotiations continue, but both sides report that little progress is being made. The OCU clerical workers process bookings for the export of cargo and other transport documents for shippers and terminal operators at 14 marine terminals at the port complex. At this time, port operations continue without disruption. The Los Angeles and Long Beach Port Complex was used to export more than 51 percent of U.S. waterborne containerized grain in 2009.

### Snapshots by Sector

#### **Rail**

U.S. railroads originated 18,111 **carloads of grain** during the week ending June 26, down 2 percent from the previous week, up 14 percent from the same week last year, and 6 percent lower than the 3-year average.

During the week ending July 3, average July **secondary railcar bids/offers** were \$2 above tariff for non-shuttle, \$2 lower than last week. Shuttle rates were \$207 below tariff, \$18 higher than last week.

#### **Ocean**

During the week ending June 24, 32 **ocean-going grain vessels** were loaded in the Gulf, down 14 percent from last year. Fifty-six vessels are expected to be loaded in the U.S. Gulf within the next 10 days, up 14 percent from last year.

#### **Barge**

During the week ending July 3, **barge grain movements** totaled 786,765 tons, 14 percent higher than the previous week but 17.5 percent lower than the same period last year.

#### **Fuel**

During the week ending July 5, the U.S. average **diesel fuel price** decreased 3 cents per gallon to \$2.92—1 percent lower than the previous week but 13 percent higher than the same week last year.

# Feature Article/Calendar

## TRANSPORTATION LIKELY TO BE A KEY FACTOR IN MEETING U.S. BIOFUELS GOALS

The U.S. Department of Agriculture (USDA) is developing a comprehensive regional strategy to help recharge the rural American economy through biofuels development. The first step was the release on June 23 of a new report by USDA: [“A USDA Regional Roadmap to Meeting the Biofuels Goals of the Renewable Fuels Standards by 2022.”](#) This report is intended to spur discussions that will help shape and fine tune a regional approach that targets barriers to the development of a successful biofuels market in order to achieve, or surpass, the current U.S. Renewable Fuels Standards (RFS2) as set out in the Energy Independence and Security Act of 2007 (EISA). The RFS2 became effective on July 1, 2010, and will create new market opportunities for American agriculture to help fulfill its mandate. Under RFS2, the American economy is to use 36 billion gallons (bg) of renewable transportation fuel per year by 2022.

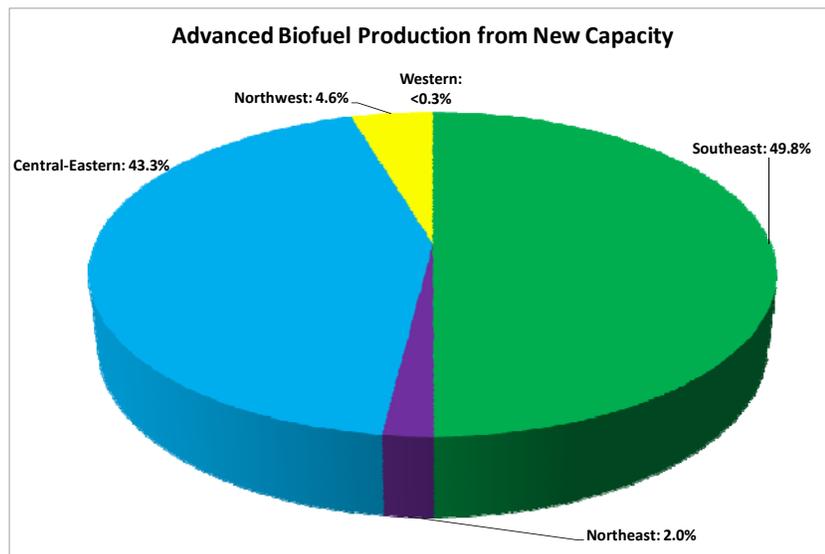
The report highlights several issues for consideration:

- The need for a rapid build-up in production capabilities to meet the RFS2 targets for cellulosic biofuels.
- The large scope of monetary investment from the public and private sectors.
- A number of infrastructure needs in the form of blender pump and rail and trucking infrastructure.
- The need to establish a process for identifying bottlenecks and barriers related to establishing biorefineries.

Transportation and distribution logistics are likely to play a key role in the strategy aimed at expanding production of biofuels to a more dispersed geographic area. The impact on grain transportation, however, is likely to be minimal because the United States will soon have the installed capacity to produce up to 15.0 billion gallons of corn starch ethanol that is allowed by RFS2. According to the Energy Information Administration, in 2009 the United States produced 10.75 billion gallons of ethanol, primarily as corn starch ethanol, 95 percent of which was produced in the Petroleum Area Defense District II (PADD II) that covers most of the Midwest and Upper Midwest States.. In 2010, the U.S. is expected to produce approximately 12.0 billion gallons of ethanol. According to the Renewable Fuel Association (RFA), there are currently 201 ethanol facilities with a capacity to produce 13.5 billion gallons (RFA, April 27, 2010). In addition, there are facilities currently under construction that will add another 1.2 bg of capacity of corn starch ethanol. USDA expects the remaining 21 billion gallons that will fulfill the RFS2 goal by 2022 to come from a variety of regions and feedstocks.

The USDA report grouped States into regions that have similar agronomic and climate conditions that are conducive to biofuel feedstock production. The Southeast and Central-Eastern regions have the greatest potential for increased biofuel production that can contribute to meeting the RFS2 goal of 21 billion gallons of advanced biofuels beyond the 15 billion gallons that are already expected to come from corn starch ethanol (see Figure).

USDA assumes that the average production capacity of the advanced biofuel facilities will reach 40 million gallons per year. Currently, corn ethanol biorefineries have capacity larger than 100 million gallons per year and the necessary infrastructure to ship unit trains of ethanol and co-products. Biorefineries with production capacity below 100 million gallons per year will likely depend on truck service to deliver the feedstocks to the biorefinery and the fuel to market (petroleum blending terminal or retail stations). However, if enough biorefineries are located in close proximity to each other, rail service may be a viable option. To view the full report, please visit: [http://www.usda.gov/documents/USDA\\_Biofuels\\_Report\\_6232010.pdf](http://www.usda.gov/documents/USDA_Biofuels_Report_6232010.pdf)  
[Marina.Denicoff@ams.usda.gov](mailto:Marina.Denicoff@ams.usda.gov)



# Grain Transportation Indicators

Table 1

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

Week ending	Truck	Rail <sup>2</sup>	Barge	Ocean	
				Gulf	Pacific
07/07/10	196	103	181	250	216
06/30/10	198	99	164	277	234

<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)

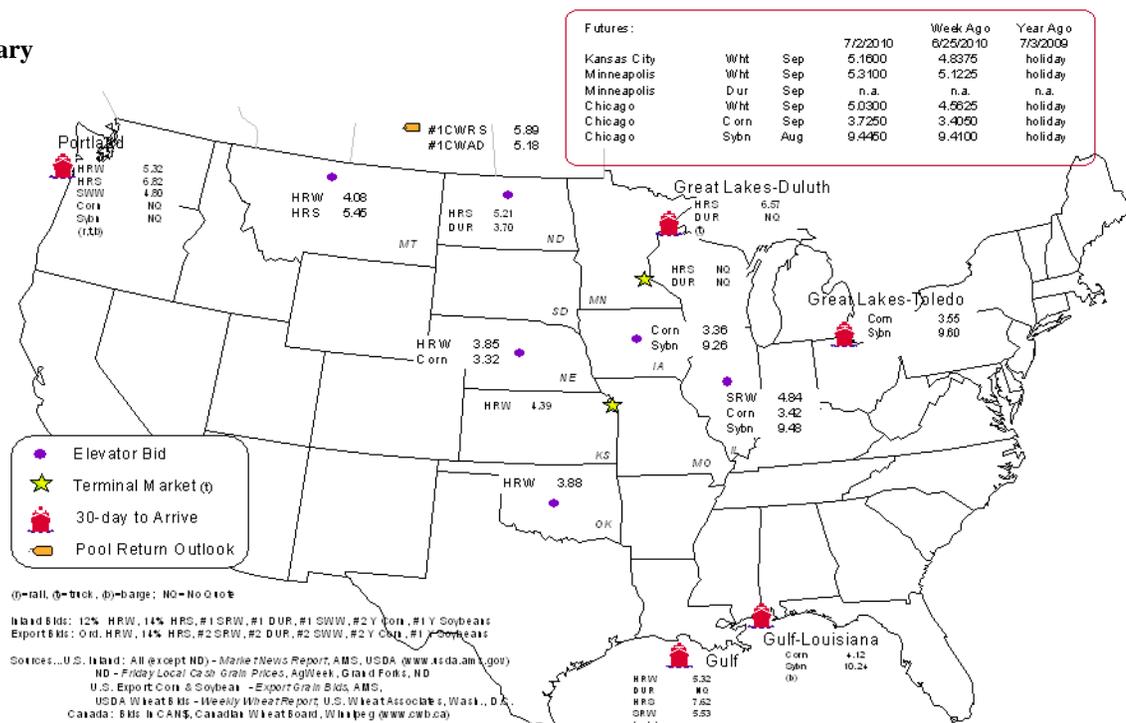
Commodity	Origin--Destination	7/2/2010	6/25/2010
Corn	IL--Gulf	-0.70	-0.64
Corn	NE--Gulf	-0.80	-0.73
Soybean	IA--Gulf	-0.98	-0.99
HRW	KS--Gulf	-0.93	-1.00
HRS	ND--Portland	-1.61	-1.35

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	
6/30/2010 <sup>p</sup>	214	849	806	2,923	185	4,977
6/23/2010 <sup>r</sup>	158	1,061	1,040	2,614	39	4,912
2010 YTD	8,330	33,917	24,035	85,194	17,397	168,873
2009 YTD	13,327	21,617	20,983	80,956	13,247	150,130
2010 YTD as % of 2009 YTD	63	157	115	105	131	112
Last 4 weeks as % of 2009 <sup>2</sup>	268	216	114	116	32	122
Last 4 weeks as % of 4-year avg. <sup>2</sup>	36	59	155	77	39	74
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.

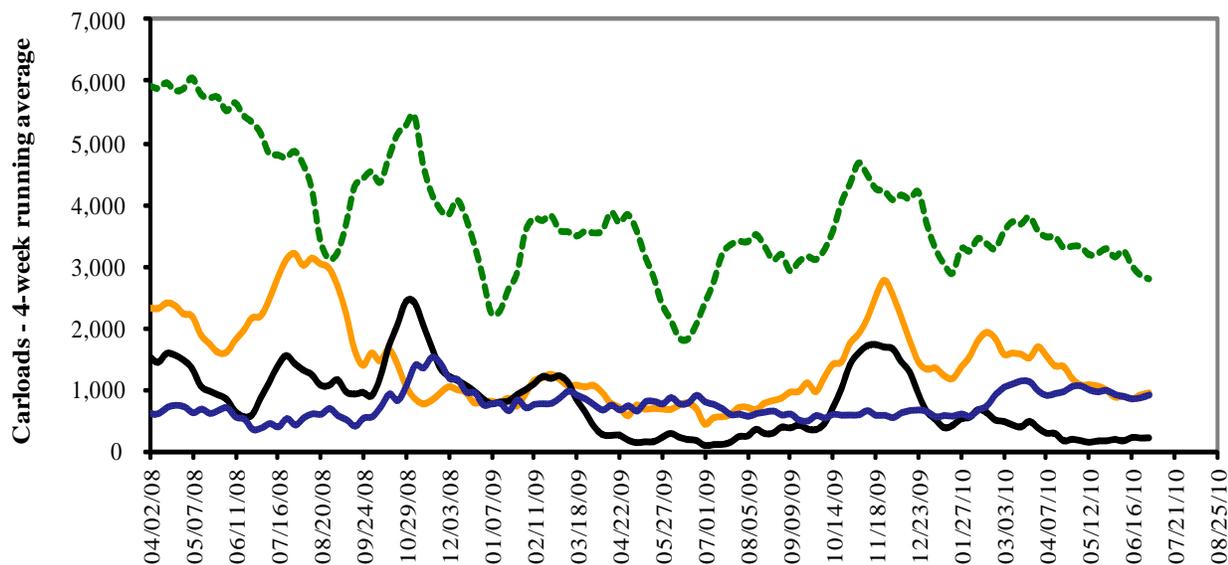
**YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available**

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 6/30-- up 16% from same period last year; down 23% from 4-year average  
----- Texas Gulf: 4 wks. ending 6/30-- up 116% from same period last year; down 41% from 4-year average  
----- Miss. River: 4 wks. ending 6/30-- up 168% from same period last year; down 64% from 4-year average  
----- Cross-border Mexico: 4 wks. ending 6/30-- up 14% from same period last year; up 55% from 4-year average

Source: Transportation & Marketing Programs/AMSUSDA

Table 4

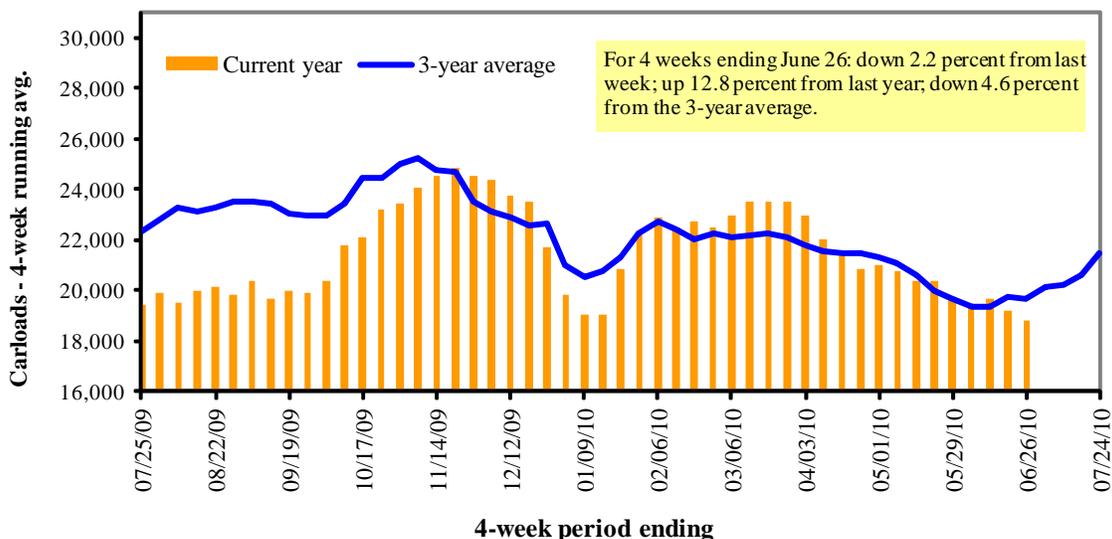
**Class I Rail Carrier Grain Car Bulletin (grain carloads originated)**

Week ending	East		West			U.S. total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
06/26/10	2,127	2,878	7,824	675	4,607	18,111	2,999	3,791
This week last year	1,671	2,903	6,803	588	3,898	15,863	3,603	5,031
2010 YTD	55,929	76,322	250,644	18,844	131,056	532,795	98,466	131,490
2009 YTD	54,033	65,142	208,497	17,327	115,494	460,493	102,114	133,497
2010 YTD as % of 2009 YTD	104	117	120	109	113	116	96	98
Last 4 weeks as % of 2009 <sup>1</sup>	110	105	120	109	108	113	80	84
Last 4 weeks as % of 3-yr avg. <sup>1</sup>	83	96	97	105	96	95	84	93
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	1	no offer	1	0	no offer	0	no offer	0
COT grain single-car <sup>5</sup>	7 .. 115	no offer	45 .. 115	0 .. 9	201	0 .. 10	37 .. 201	1 .. 6
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.

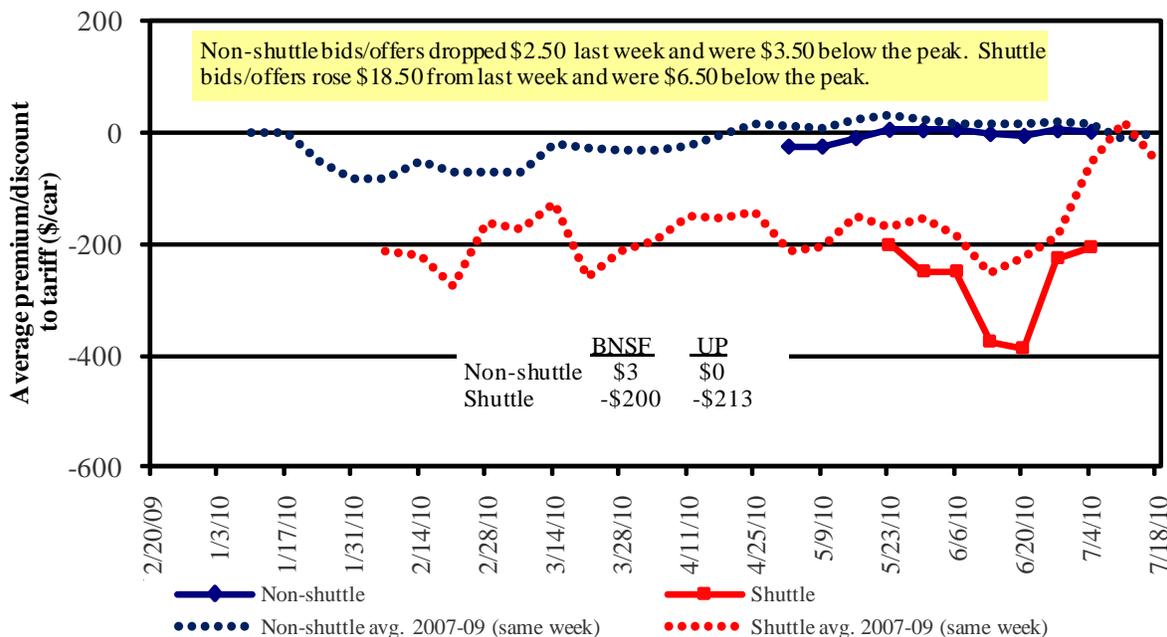
<sup>5</sup>Range is shown because average is not available. Not available = n/a.

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**

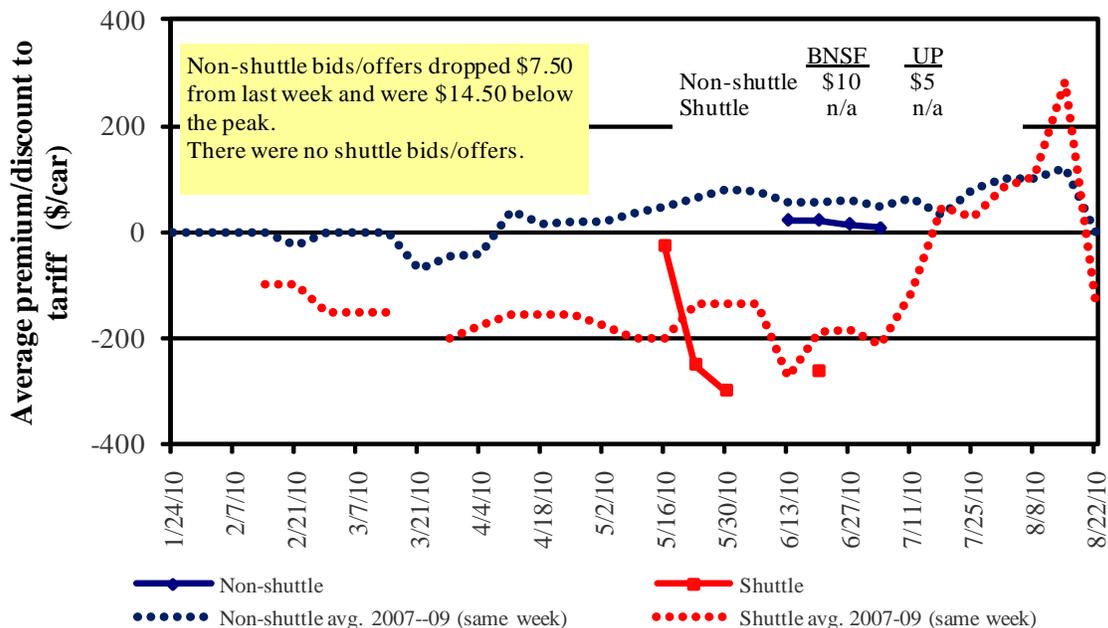


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

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

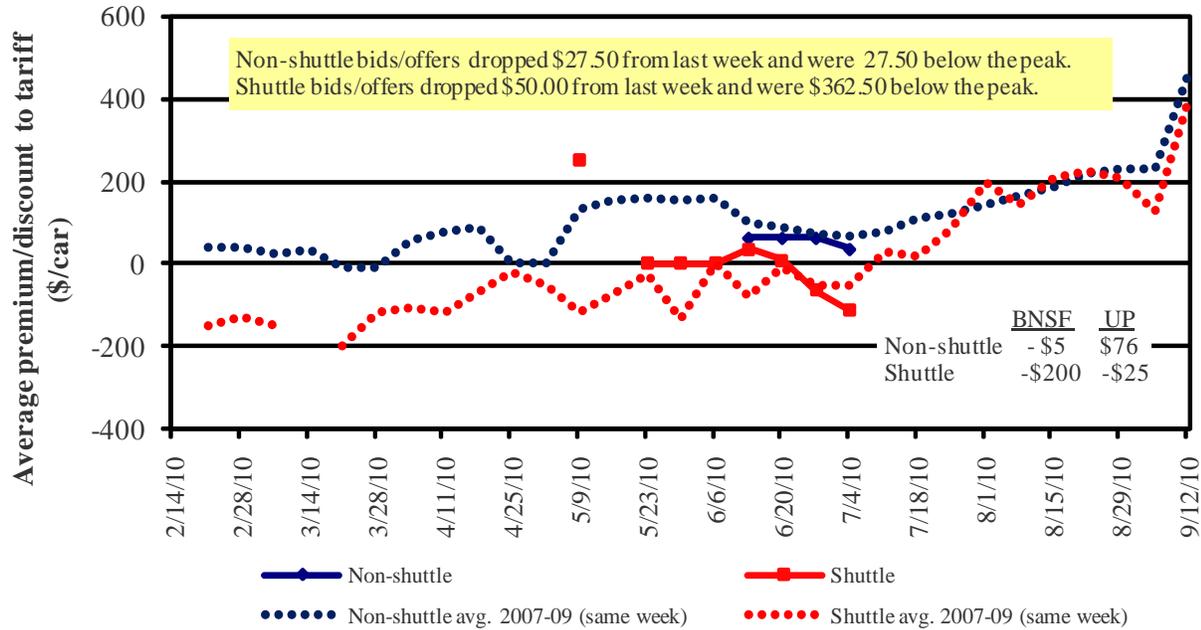


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

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	3	10	-5	n/a	n/a	n/a
Change from last week	-5	-15	n/a	n/a	n/a	n/a
Change from same week 2009	-15	10	n/a	n/a	n/a	n/a
UP-Pool	0	5	76	175	n/a	n/a
Change from last week	0	0	13	62	n/a	n/a
Change from same week 2009	-20	-10	41	n/a	n/a	n/a
<b>Shuttle<sup>2</sup></b>						
BNSF-GF	-200	n/a	-200	n/a	300	n/a
Change from last week	50	n/a	-175	n/a	-50	n/a
Change from same week 2009	-87	n/a	-300	n/a	300	n/a
UP-Pool	-213	n/a	-25	n/a	n/a	n/a
Change from last week	-13	n/a	75	n/a	n/a	n/a
Change from same week 2009	-63	n/a	25	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>
7/1/2010	metric ton					bushel <sup>2</sup>		
<b><u>Unit train<sup>1</sup></u></b>								
Wheat	Chicago, IL	Albany, NY	\$2,622	\$132	\$30.36	\$0.83	7	
	Kansas City, MO	Galveston, TX	\$2,828	\$165	\$32.99	\$0.90	12	
	South Central, KS	Galveston, TX	\$3,805	\$323	\$45.50	\$1.24	12	
	Minneapolis, MN	Houston, TX	\$3,799	\$654	\$49.09	\$1.34	14	
	St. Louis, MO	Houston, TX	\$3,715	\$160	\$42.71	\$1.16	13	
	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	7	
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	\$2,942	\$160	\$34.19	\$0.93	11	
	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**

Commodity	Origin state	Destination region	Tariff rate/car <sup>1</sup>	Fuel		Percent change Y/Y <sup>4</sup>
				surcharge per car <sup>2</sup>	Tariff plus surcharge per: metric ton <sup>3</sup> bushel <sup>3</sup>	
Wheat	MT	Chihuahua, CI	\$6,291	\$773	\$72.18      \$1.96	12
	OK	Cuautitlan, EM	\$5,857	\$588	\$65.85      \$1.79	13
	KS	Guadalajara, JA	\$6,436	\$867	\$74.62      \$2.03	18
	TX	Salinas Victoria, NL	\$3,292	\$198	\$35.66      \$0.97	12
Corn	IA	Guadalajara, JA	\$6,670	\$839	\$76.72      \$2.09	13
	SD	Penjamo, GJ	\$6,440	\$979	\$75.80      \$2.06	9
	NE	Queretaro, QA	\$6,130	\$593	\$68.69      \$1.87	6
	SD	Salinas Victoria, NL	\$4,570	\$736	\$54.21      \$1.47	3
	MO	Tlalnepantla, EM	\$5,318	\$577	\$60.24      \$1.64	7
	SD	Torreon, CU	\$5,330	\$814	\$62.78      \$1.71	7
Soybeans	MO	Bojay (Tula), HG	\$6,066	\$745	\$69.59      \$1.89	13
	NE	Guadalajara, JA	\$6,550	\$820	\$75.30      \$2.05	14
	IA	Penjamo (Celaya), GJ	\$6,690	\$989	\$78.46      \$2.13	13
	KS	Torreon, CU	\$5,255	\$558	\$59.39      \$1.61	12
Sorghum	OK	Cuautitlan, EM	\$4,339	\$735	\$51.84      \$1.41	8
	TX	Guadalajara, JA	\$5,350	\$758	\$62.41      \$1.70	19
	NE	Penjamo, GJ	\$6,395	\$771	\$73.22      \$1.99	11
	KS	Queretaro, QA	\$5,398	\$450	\$59.75      \$1.62	4
	NE	Salinas Victoria, NL	\$4,282	\$463	\$48.48      \$1.32	4
	NE	Torreon, CU	\$5,240	\$596	\$59.63      \$1.62	10

<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>Fuel surcharge adjusted to reflect the change in Ferrocarril Mexicano, S.A. de C.V railroad fuel surcharge policy as of 10/01/2009

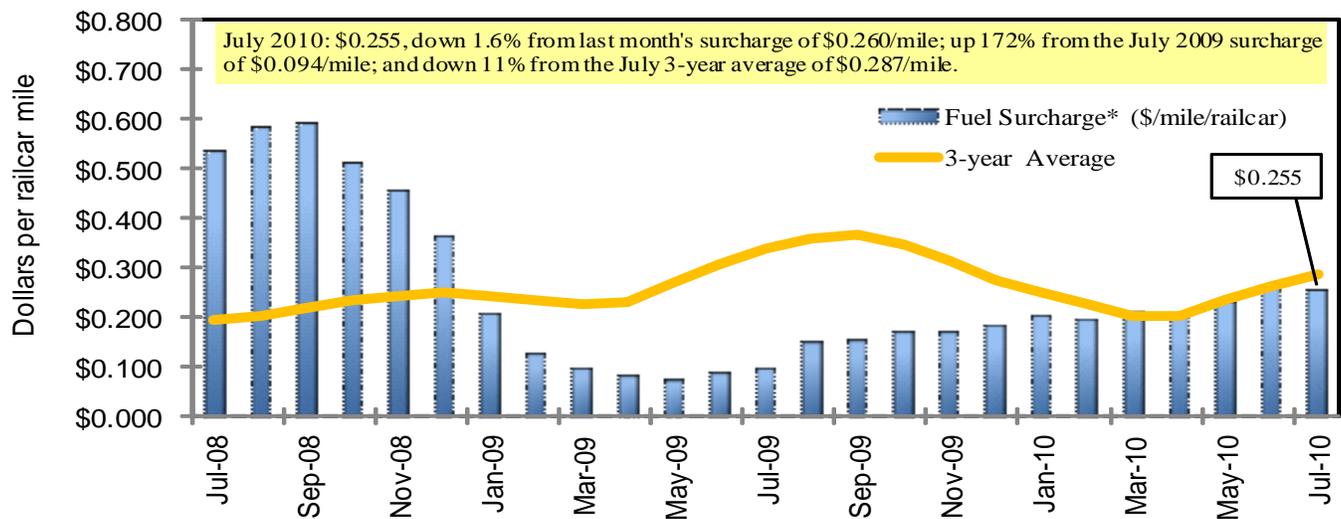
<sup>3</sup>Approximate load per car = 97.87 metric tons: Corn & Sorghum 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

<sup>4</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.

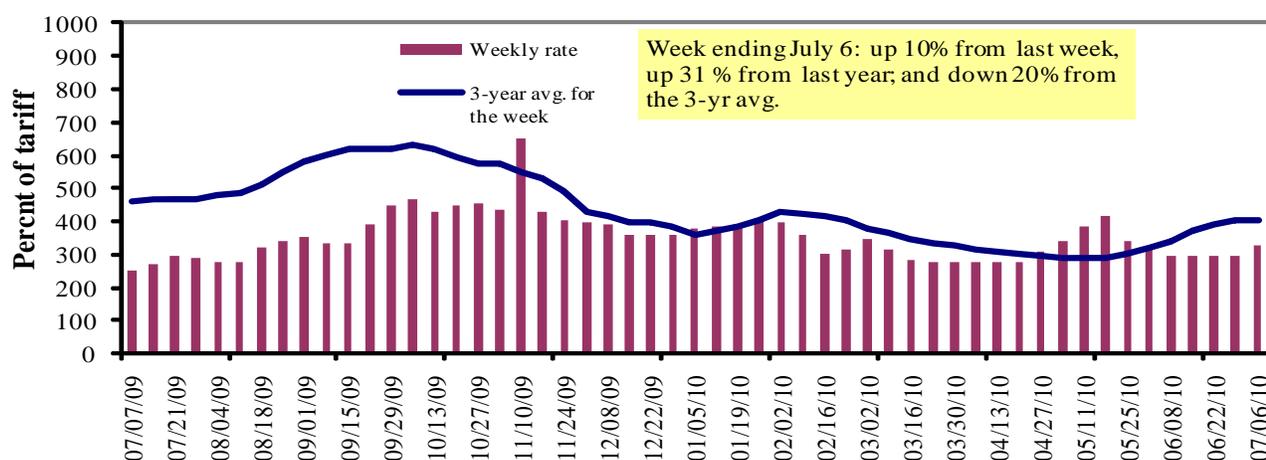
\* Mileage-based fuel surcharges for March and April 2007 are estimated. Beginning January 2009, the Canadian Pacific fuel surcharge is computed by a monthly average of the bi-weekly fuel surcharge.

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

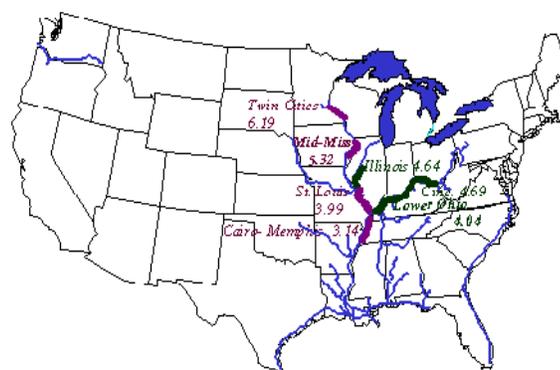
### Weekly Barge Freight Rates: Southbound Only

		Twin Cities	Mid- Mississippi	Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo- Memphis
<b>Rate<sup>1</sup></b>	7/6/2010	405	330	325	224	249	249	203
	6/29/2010	393	321	296	200	227	227	190
<b>\$/ton</b>	7/6/2010	25.07	17.56	15.08	8.94	11.68	10.06	6.37
	6/29/2010	24.33	17.08	13.73	7.98	10.65	9.17	5.97
<b>Current week % change from the same week:</b>								
	Last year	29	25	31	13	27	27	14
	3-year avg. <sup>2</sup>	-10	-20	-20	-27	-27	-27	-26
<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

Figure 9  
Benchmark tariff rates



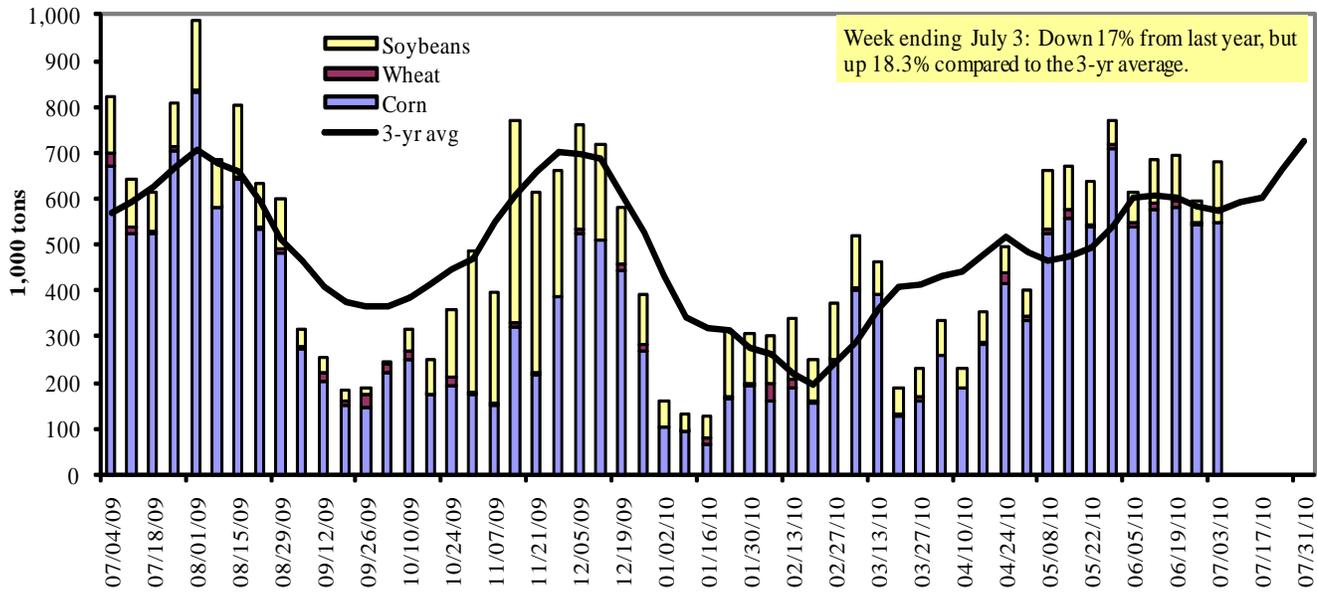
### Calculating barge rate per ton:

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

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 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/webbrpts/default.asp](http://www.mvr.usace.army.mil/mvrimi/omni/webbrpts/default.asp))

Table 10

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

Week ending 7/5/2010	Corn	Wheat	Soybeans	Other	Total
<b>Mississippi River</b>					
Rock Island, IL (L15)	194	3	43	0	240
Winfield, MO (L25)	369	0	109	0	478
Alton, IL (L26)	530	0	120	2	652
Granite City, IL (L27)	550	0	132	2	684
<b>Illinois River (L8)</b>	164	0	17	2	183
<b>Ohio River (L52)</b>	44	5	12	0	61
<b>Arkansas River (L1)</b>	0	20	11	12	42
Weekly total - 2010	594	25	155	13	787
Weekly total - 2009	698	92	153	10	954
2010 YTD <sup>1</sup>	12,023	595	4,409	254	17,282
2009 YTD	12,336	756	4,903	244	18,239
2010 as % of 2009 YTD	97	79	90	104	95
Last 4 weeks as % of 2009 <sup>2</sup>	88	54	68	89	82
Total 2009	23,424	1,501	10,465	430	35,819

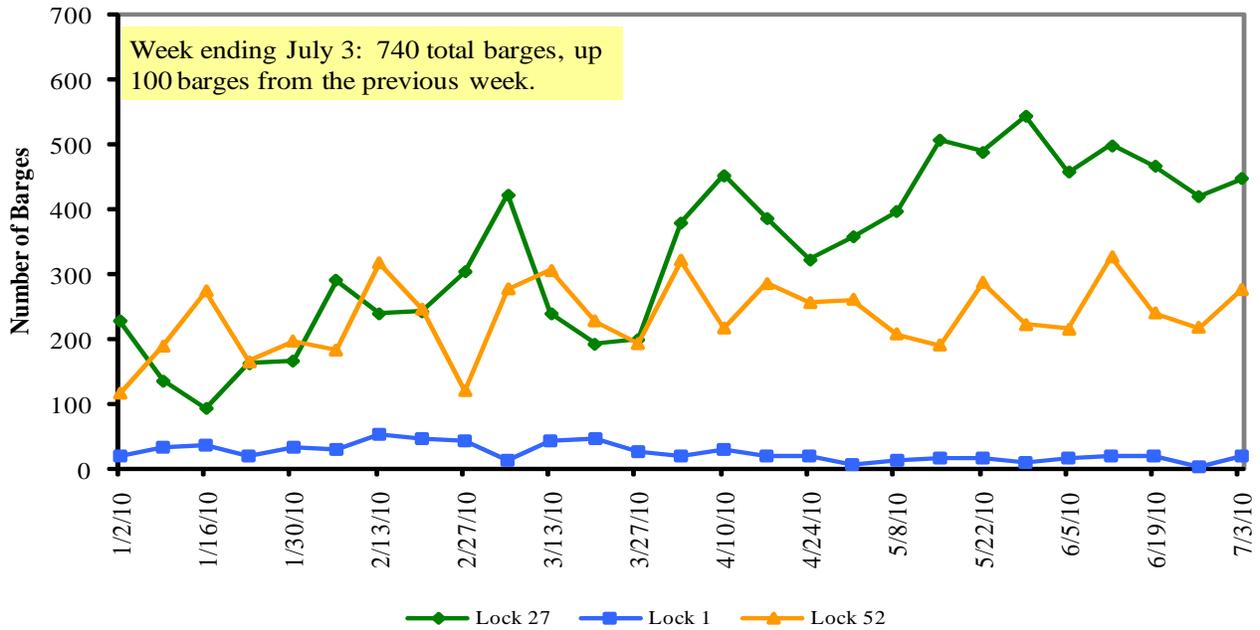
<sup>1</sup> Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

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

Note: Total may not add exactly, due to rounding

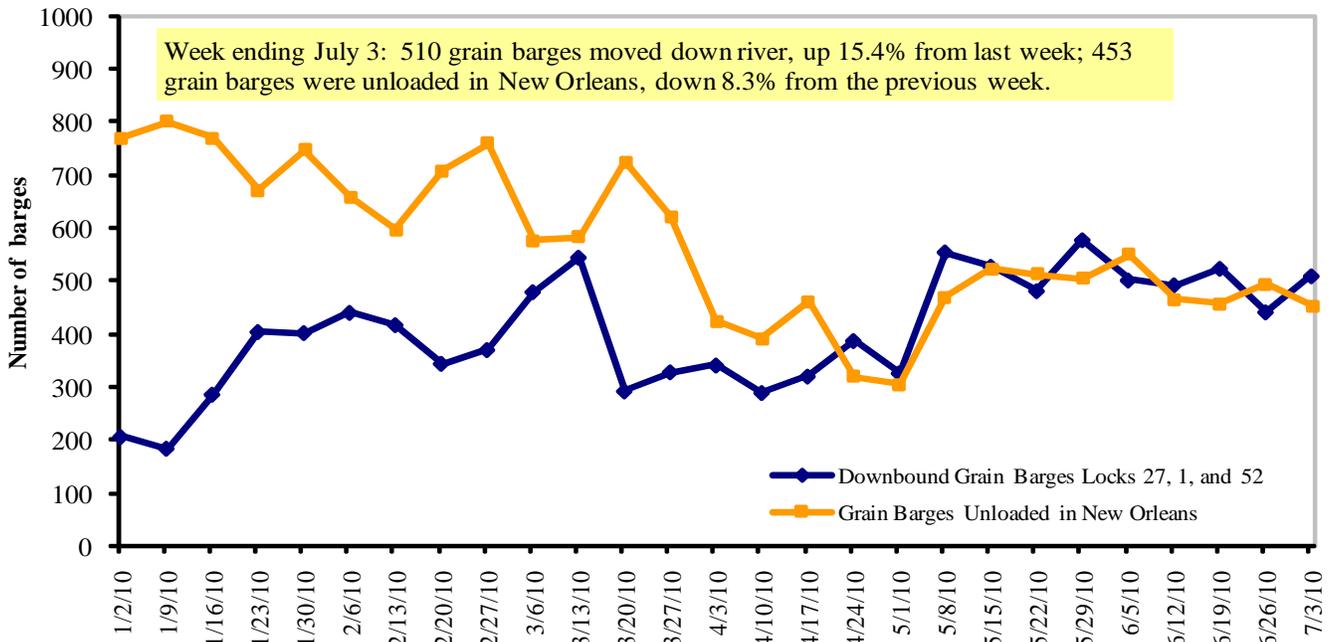
Source: U.S. Army Corps of Engineers ([www.mvr.usace.army.mil/mvrimi/omni/webbrpts/default.asp](http://www.mvr.usace.army.mil/mvrimi/omni/webbrpts/default.asp))

**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 7/5/2010 (US\$/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	2.944	-0.031	0.335
	New England	3.033	-0.011	0.377
	Central Atlantic	3.055	-0.036	0.341
	Lower Atlantic	2.889	-0.030	0.329
II	Midwest <sup>2</sup>	2.890	-0.040	0.325
III	Gulf Coast <sup>3</sup>	2.866	-0.027	0.319
IV	Rocky Mountain	2.928	-0.028	0.280
V	West Coast	3.077	-0.022	0.371
	California	3.132	-0.015	0.345
Total	U.S.	2.924	-0.032	0.330

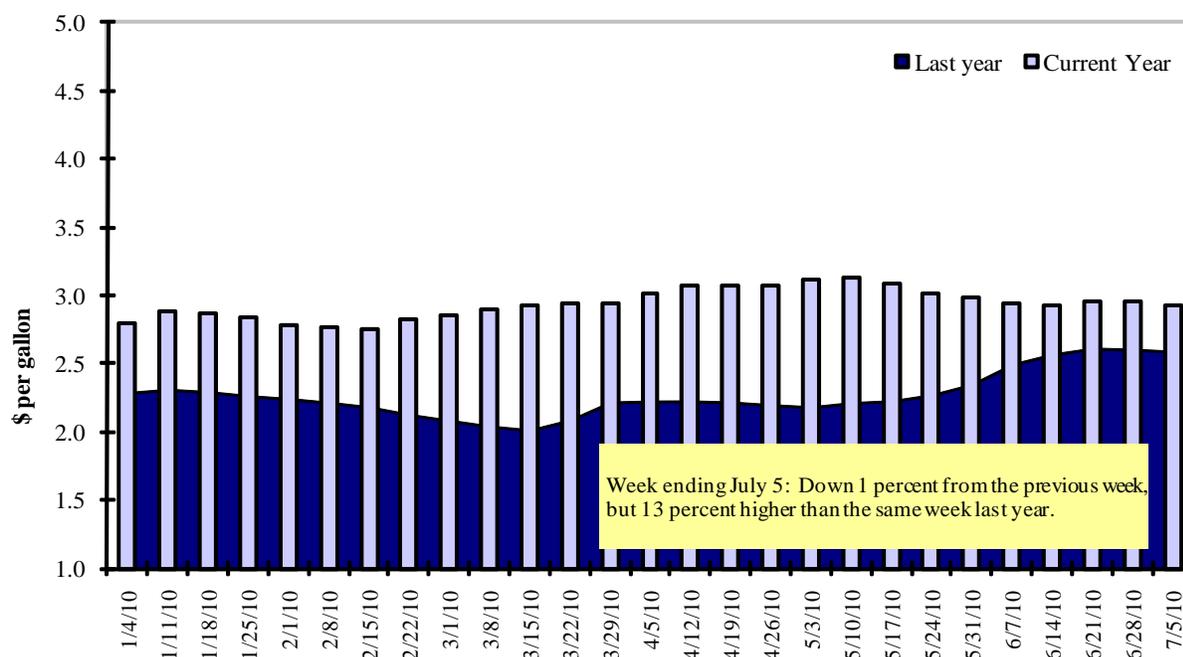
<sup>1</sup>Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

<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>									
6/24/2010	2,104	548	961	1,039	250	4,902	10,389	2,266	17,557
This week year ago	1,065	510	741	715	176	3,206	9,485	3,333	16,024
<b>Cumulative exports-marketing year<sup>2</sup></b>									
2009/10 YTD	528	167	365	274	36	1,369	38,318	37,021	76,708
2008/09 YTD	419	112	275	307	47	1,159	34,746	30,709	66,614
YTD 2009/10 as % of 2008/09	126	149	133	89	77	118	110	121	115
Last 4 wks as % of same period 2008/09	179	99	133	140	139	145	110	67	108
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 06/24/10	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	154	14,430	14,923	(3)	15,910
Mexico	668	7,843	7,021	12	7,454
Korea	288	7,685	4,636	66	5,129
Taiwan	62	2,959	3,383	(13)	3,198
Egypt	0	2,627	1,916	37	2,233
<b>Top 5 importers</b>	<b>1,172</b>	<b>35,543</b>	<b>31,878</b>	<b>11</b>	<b>33,924</b>
<b>Total US corn export sales</b>	<b>1,903</b>	<b>48,707</b>	<b>44,231</b>	<b>10</b>	<b>45,214</b>
% of Projected	4%	98%	94%		
Change from Last Week	77	650	1,155		
<b>Top 5 importers' share of U.S. corn export sales</b>	62%	73%	72%		
<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 06/24/10	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	3,723	22,259	18,569	20	18,681
Mexico	50	3,083	2,974	4	3,098
Japan	56	2,417	2,501	(3)	2,410
EU-25	0	2,698	2,180	24	2,180
Taiwan	0	1,563	1,518	3	1,592
<b>Top 5 importers</b>	<b>3,829</b>	<b>32,019</b>	<b>27,741</b>	<b>15</b>	<b>27,961</b>
<b>Total US soybean export sales</b>	<b>4,899</b>	<b>39,286</b>	<b>34,042</b>	<b>15</b>	
% of Projected	13%	99%	97%		
Change from last week	451	264	193		
<b>Top 5 importers' share of U.S. soybean export sales</b>					
	78%	82%	81%		
<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 06/24/2010	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	875	537	63	3,233
Japan	767	382	101	3,148
Mexico	803	490	64	1,975
Philippines	721	490	47	1,518
Korea, South	436	367	19	1,111
Taiwan	104	170	(39)	844
Venezuela	112	69	62	658
Colombia	204	143	43	575
Peru	236	126	88	567
Indonesia	21	61	(66)	529
<b>Top 10 importers</b>	<b>4,279</b>	<b>2,835</b>	<b>51</b>	<b>14,156</b>
<b>Total US wheat export sales</b>	<b>6,272</b>	<b>4,365</b>	<b>44</b>	<b>21,686</b>
% of Projected	26%	18%		
Change from last week	418	242		
<b>Top 10 importers' share of U.S. wheat export sales</b>				
	68%	65%		
<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 07/01/10	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	256	5,454	4,987	109	127	158	10,091
Corn	227	4,932	4,071	121	109	81	8,498
Soybeans	0	4,400	3,932	112	73	45	9,743
<b>Total</b>	<b>483</b>	<b>14,787</b>	<b>12,990</b>	<b>114</b>	<b>113</b>	<b>101</b>	<b>28,332</b>
<b>Mississippi Gulf</b>							
Wheat	16	1,879	2,055	91	105	59	4,019
Corn	627	14,884	14,831	100	100	103	28,843
Soybeans	50	8,841	10,101	88	29	42	21,831
<b>Total</b>	<b>693</b>	<b>25,604</b>	<b>26,987</b>	<b>95</b>	<b>79</b>	<b>85</b>	<b>54,693</b>
<b>Texas Gulf</b>							
Wheat	172	3,716	2,662	140	96	65	5,735
Corn	0	937	782	120	23	25	1,968
Soybeans	0	667	472	141	n/a	n/a	2,402
<b>Total</b>	<b>172</b>	<b>5,320</b>	<b>3,916</b>	<b>136</b>	<b>85</b>	<b>61</b>	<b>10,105</b>
<b>Great Lakes</b>							
Wheat	0	217	135	161	53	46	990
Corn	0	31	94	33	0	0	353
Soybeans	0	0	69	0	0	0	781
<b>Total</b>	<b>0</b>	<b>248</b>	<b>298</b>	<b>83</b>	<b>20</b>	<b>19</b>	<b>2,124</b>
<b>Atlantic</b>							
Wheat	0	160	274	58	43	27	552
Corn	0	176	85	206	28	38	472
Soybeans	0	690	426	162	29	30	1,268
<b>Total</b>	<b>0</b>	<b>1,026</b>	<b>785</b>	<b>131</b>	<b>38</b>	<b>28</b>	<b>2,292</b>
<b>U.S. total from ports<sup>2</sup></b>							
Wheat	444	11,427	10,113	113	109	93	21,387
Corn	854	20,960	19,863	106	98	93	40,134
Soybeans	50	14,598	15,000	97	35	42	36,025
<b>Total</b>	<b>1,348</b>	<b>46,985</b>	<b>44,976</b>	<b>104</b>	<b>87</b>	<b>84</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

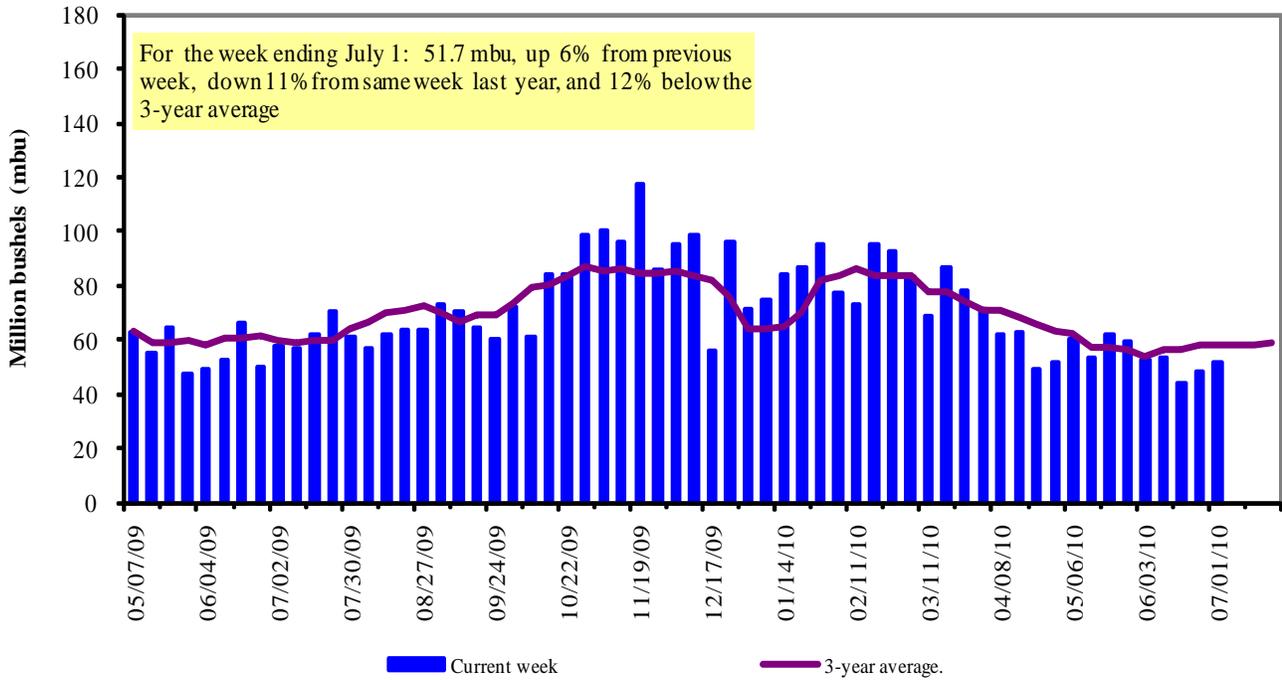
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The United States exports approximately one-quarter of the grain it produces. On average, this includes nearly 45 percent of U.S.-grown wheat, 35 percent of U.S.-grown soybeans, and 20 percent of the U.S.-grown corn. Approximately 62 percent of the 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)**

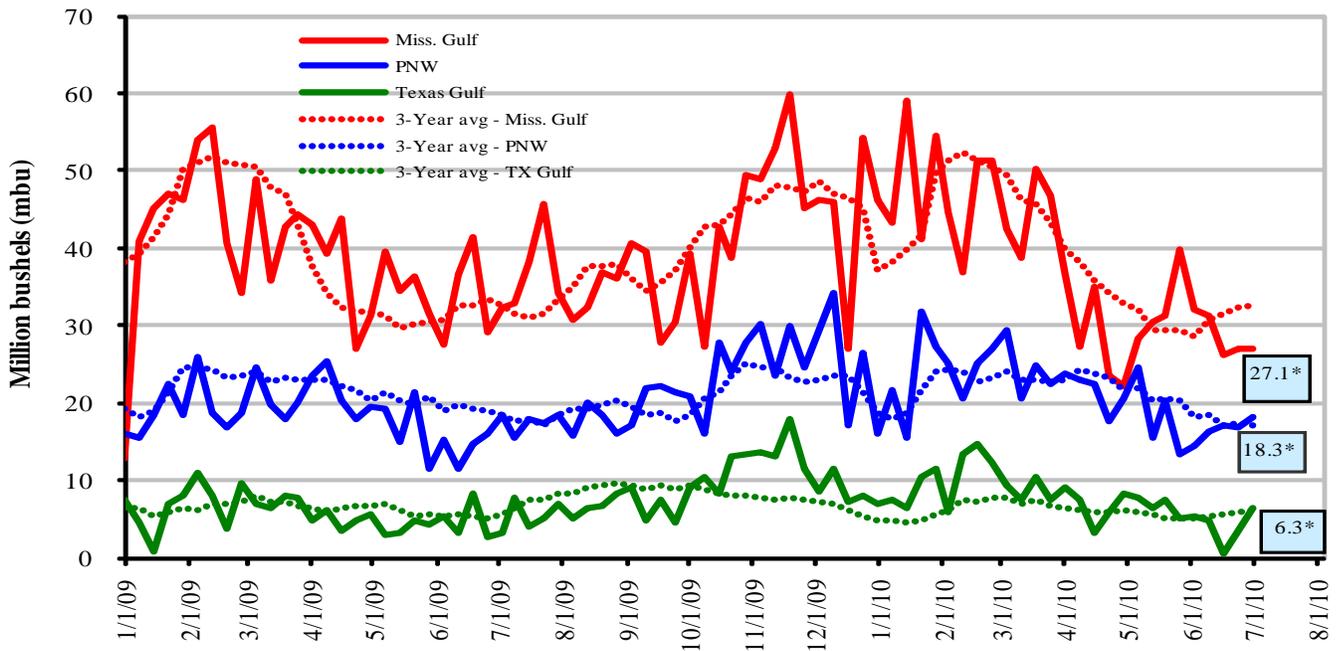


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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>July 1, % change from:</b>	<b>MS Gulf</b>	<b>TX Gulf</b>	<b>U.S. Gulf</b>	<b>PNW</b>
Last week	up .5	up 83	up 10	up 8
Last year (same week)	down 16	up 97	down 6	down 1
3-yr avg. (4-wk mov. avg.)	down 17	up 2	down 14	up 13

# Ocean Transportation

Table 17

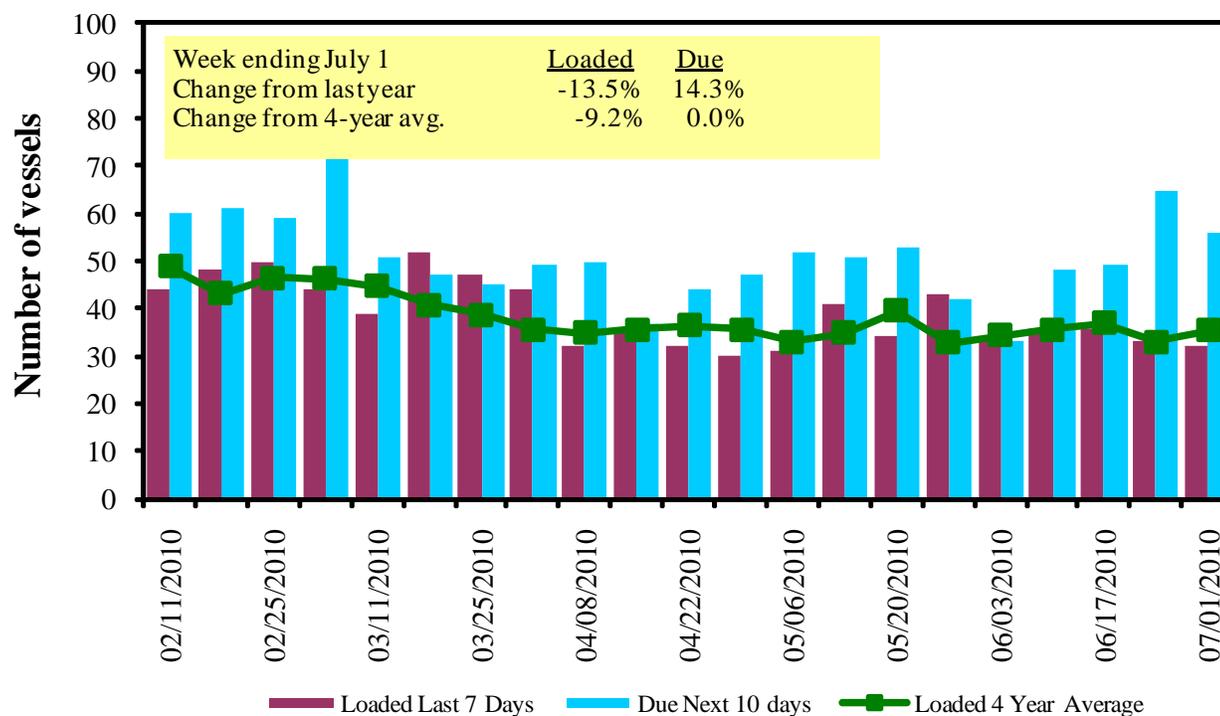
**Weekly Port Region Grain Ocean Vessel Activity (number of vessels)**

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In port	Loaded 7-days	Due next 10-days	In port	In port
7/1/2010	28	32	56	6	4
6/24/2010	21	33	65	10	14
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**

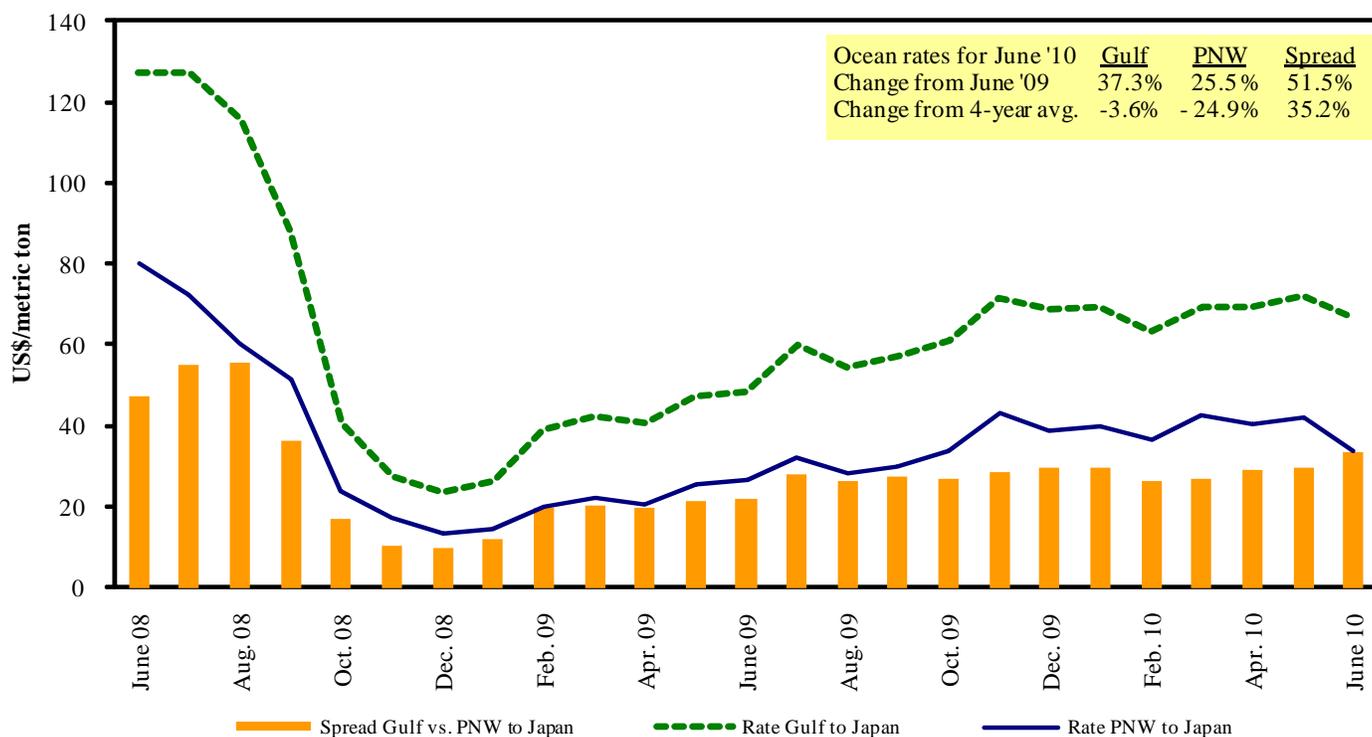


Source: Transportation & Marketing Programs/AMS/USDA

<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 7/3/2010

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. Gulf	China	Heavy Grain	July 15/30	55,000	59.00
U.S. Gulf	South Africa	Wheat	Jun 28/30	25,000	57.50
U.S. Gulf	South Africa	Wheat	July 1/10	25,000	56.00
U.S. Atlantic	Poland	Soybeans	Mar 9/15	24,000	50.00
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	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

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

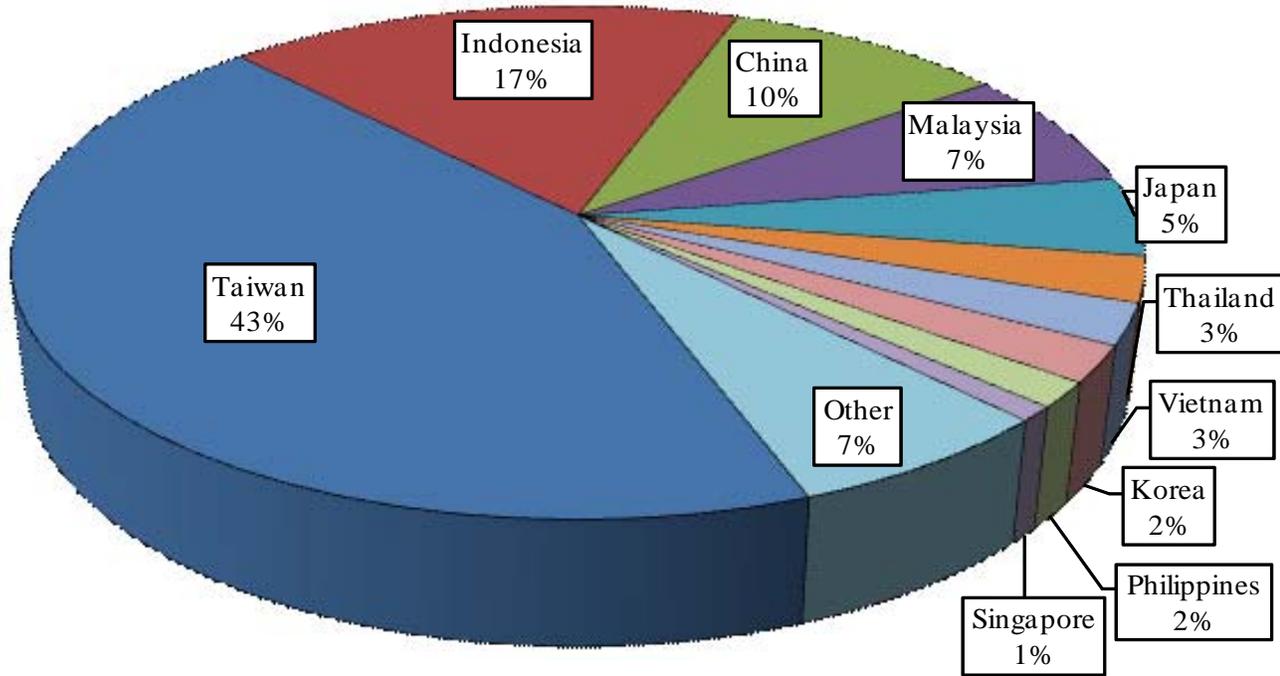
<sup>1</sup>75 percent of food aid from the United States is required to be shipped on U.S.-flag vessels.

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

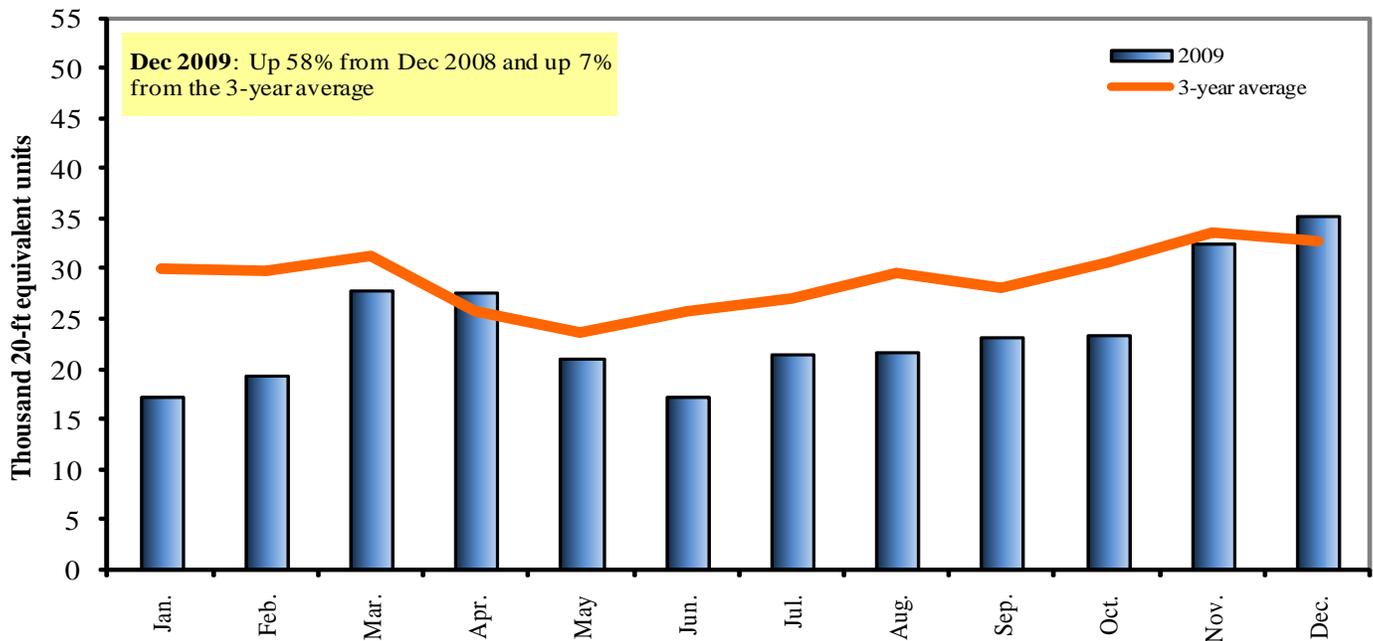
**Top 10 Destination Markets for U.S. Containerized Grain Exports, December 2009**



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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