



July 22, 2010

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WEEKLY HIGHLIGHTS

Rail Operations Recovering from Unprecedented Flooding on U.S./Mexico Border

Rail service along the United States–Mexico border at several of the Rio Grande River crossings has been disrupted over the past 3 weeks because of flooding from Hurricane Alex, which made landfall in Northeast Mexico on June 30 and was followed by Tropical Depression Two a week later. The Kansas City Southern railway reported on July 20 that it estimates its Nuevo Laredo gateway will be reopened sometime this weekend. With the restoration of service to this line, all current embargoes on traffic through the area are expected to be lifted early next week. Ferromex railroad also reported on July 20 that its Eagle Pass and El Paso gateways were open and at full operation. Rail traffic is still encountering delays at nearly all border crossings due to the number of railcars that were backlogged or rerouted to lines that usually operate at lower traffic densities.

Montana Challenges BNSF Carload Limits

On July 8, the State of Montana filed a complaint with the Surface Transportation Board (STB) alleging that the BNSF 48-car limit on wheat shipments is an unreasonable practice. For many years, BNSF encouraged the construction of grain elevators that could handle loading trains of 52 cars or more. However, since April 2009, BNSF has eliminated rates for movements of this size. Now for 52-car shipments, shippers must pay the higher 48-car rate for the first 48 cars and the even higher single car rate for the last 4 cars. Shippers are upset because they made substantial investment to gain the economic advantage of lower rates for larger shipments, as well as increased grain handling efficiencies. Also, the STB's Uniform Rail Costing System treats 52-car trains differently than 48-car trains, resulting in lower revenue-to-variable cost (R/V) ratios for 48-car trains. The lower R/V ratios for the 48-car trains make it more difficult for grain shippers to appeal rates that may be considered unreasonable for 52-car trains.

Barge Rates Increase for 4 Consecutive Weeks

For the last 4 weeks, there has been a steady increase in Mississippi River **grain barge rates**. Barge operators indicate an increased demand for export corn at the Gulf has put upward pressure on rates. Rates from St. Louis to New Orleans have increased 63 percent since the last half of June. Rates from Minneapolis-St. Paul increased 26 percent and those from the Mid-Mississippi River (Davenport, IA) increased 33 percent. Barge rate increases have also occurred on the Ohio and Illinois Rivers.

Grain Inspections Rebound, Highest Since April

Total inspections of grain (corn, wheat, and soybeans) from all major U.S. export regions for the week ending July 15 reached 1.67 million metric tons (mmt), up 17 percent from the past week and 3 percent above last year. As higher barge volumes, vessel expectations, and rail shipments in recent weeks indicated they would, grain inspections have now rebounded to reach the highest level since April 1 (1.88 mmt), with shipments of each of the major grains up compared to the previous week. Wheat inspections (.606 mmt) jumped 56 percent from the past week due to strong demand from Asia, Latin America, and Nigeria. Soybean inspections increased 7 percent from the past week as shipments to China continued to increase.

Snapshots by Sector

Rail

U.S. railroads originated 20,325 **carloads of grain** during the week ending July 10, down 3 percent from the previous week and up 1 percent from last year and up 1 percent from the 3-year average.

During the week ending July 17, average **August secondary railcar bids/offers** were \$84 above tariff for non-shuttle, \$42 higher than last week. Shuttle rates were \$150 above tariff, \$100 higher than last week.

Ocean

During the week ending July 15, 38 **ocean-going grain vessels** were loaded in the Gulf, up 6 percent from last year. Forty-seven vessels are expected to be loaded in the U.S. Gulf within the next 10 days, unchanged from last year.

During the week ending July 16, the cost of shipping grain from the Gulf to Japan averaged \$56 per mt, up 10 percent from the previous week. The rate from the Pacific Northwest to Japan was \$31 per mt, up 15 percent from the previous week.

Barge

During the week ending July 17, **barge grain movements** totaled 790,916 tons, 16.5 percent higher than the previous week and 14 percent higher than the same period last year.

Fuel

During the week ending July 19, U.S. average **diesel fuel prices** were unchanged at \$2.90—16 percent higher than the same week last year.

Feature Article/Calendar

GLOBAL ECONOMIC UNCERTAINTY AFFECTING OCEAN FREIGHT RATES

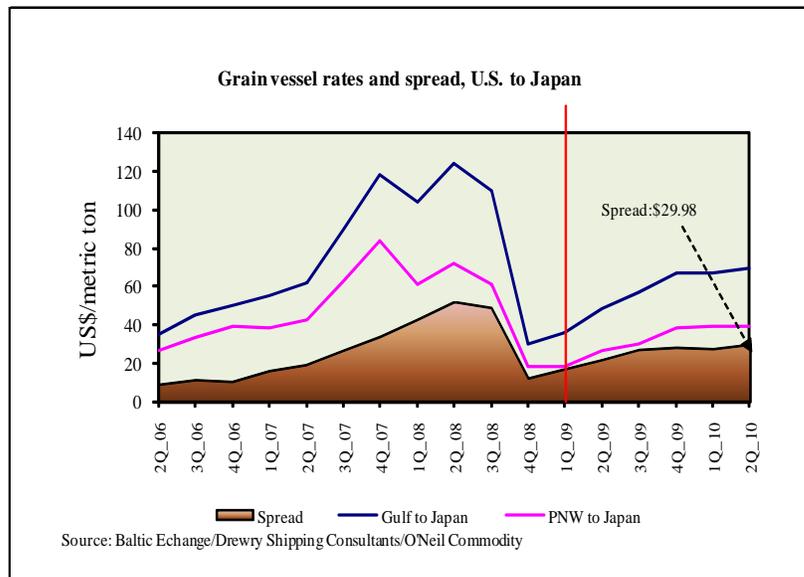
Increased concerns about the Greek debt crisis, new pricing contracts between Chinese steel makers and some of the world's largest iron ore mines, and the slow pace of global economic recovery are affecting the global demand for bulk commodities. The effects on ocean freight rates are mixed.

Ocean freight rates for shipping bulk grain from the U.S. Gulf to Japan and Europe increased during the 2nd quarter; the rate from the Pacific Northwest (PNW) to Japan declined during the same period. The cost of shipping grain from the Gulf to Japan averaged \$69.36 per metric ton (mt)—up 3 percent from the previous quarter and 43 percent higher than the same period last year (see table below). It costs \$27.87 per mt to ship grain from the Gulf to Rotterdam, Europe, 12 percent more than the previous quarter and 31 percent more than a year ago. The cost of shipping from the PNW to Japan fell by about 1 percent from the previous quarter to \$39.38 per mt, but was 48 percent above the same period last year. The spread between Gulf and PNW rates, \$29.98 per mt, increased slightly from the previous quarter (see figure), which could favor exporting from PNW ports. Although the Gulf-to-Japan rate is higher than the 4-year average, the PNW-to-Japan and Gulf-to-Europe rates are below their 4-year averages.

Ocean freight rates for grain routes during 2 nd quarter 2010							
Route	Apr.	May	Jun.	2 nd quarter 2010	Change from		
					1 st qtr '10	2nd qtr '09	4-yr avg
	--\$/mt--			--\$/mt--	Percent		
U.S. Gulf to Japan	69.20	72.13	66.75	69.36	3.1	43	2
PNW to Japan	40.40	42.25	35.50	39.38	-0.7	48	-6
U.S. Gulf to Europe	28.60	30.00	25.00	27.87	12	31	-27
Spread	28.80	29.88	31.25	29.98	8	37	17

Source: O'Neil Commodity Consulting

Vessel activity in the dry bulk market initially declined slightly during the 2nd quarter. Ocean rates fell during the early part of April as the Indian government increased the duty on iron ore lumps from 10 to 15 percent to discourage exports. In addition, Chinese traders decided not to import low-grade iron ore from India. However, activity in the dry bulk market was boosted by iron importers taking advantage of the previously-agreed-upon prices by buying extra iron ahead of the new pricing mechanism. There was also strong demand for coal from India and Southwestern China. Increased activity in the market continued through May, culminating in further increases in bulk ocean rates. However, concern about the



market had the greatest decline in June and hence the greatest fall in rates since the beginning of global recession in 2008. This is due in part to a decrease in iron ore demand by China because of higher raw material costs and lower selling prices for steel makers. The Chinese automobile and housing sectors slowed amid sufficient domestic stockpiles of iron ore. The higher negotiated iron ore prices between Chinese steel makers and iron mines have also depressed iron imports by the steel makers. Inclement weather in the Indian subcontinent due to the monsoon season affected vessel movement and trade activities. Finally, shipments of grain from South America and coal exports from Australia and Indonesia to China decreased, resulting in a further decline in ocean freight rates.

Market Outlook: Ocean freight rates are currently at their lowest levels since the week ending October 2, 2009. During the week ending July 16, the cost of shipping grain from the Gulf to Japan was \$56 per mt, down 27 percent from its year-to-date (YTD) peak of \$77 per mt. The rate from the PNW to Japan was \$31 per mt—down 28 percent from its YTD peak of \$43 per mt. Despite the falling rates amid sluggish demand for bulk shipments, more vessels are being added to the existing fleet as well as orders being placed for newbuilding. A report by O’Neil Commodity Consulting quoted an average of one capesize vessel being delivered every two days. The report also added that the world dry bulk fleet is expected to grow by at least 16 percent or 1,100 ships this year—an average of 21 new ships per week. However, vessel demand is expected to grow by the equivalent of only 634 ships. About 98 new capesize and 79 panamax vessels have been delivered so far this year, compared to 112 capesizes and 86 panamaxes for the whole of last year. It is unlikely that ocean freight rates will increase much in the near future if the pace of new vessel deliveries continues. Surajudeen.Olowolayemo@ams.usda.gov

Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators¹

Week ending	Truck	Rail ²	Barge	Ocean	
				Gulf	Pacific
07/21/10	195	179	236	250	220
07/14/10	195	137	216	228	191

¹Indicator: 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)

²The 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)

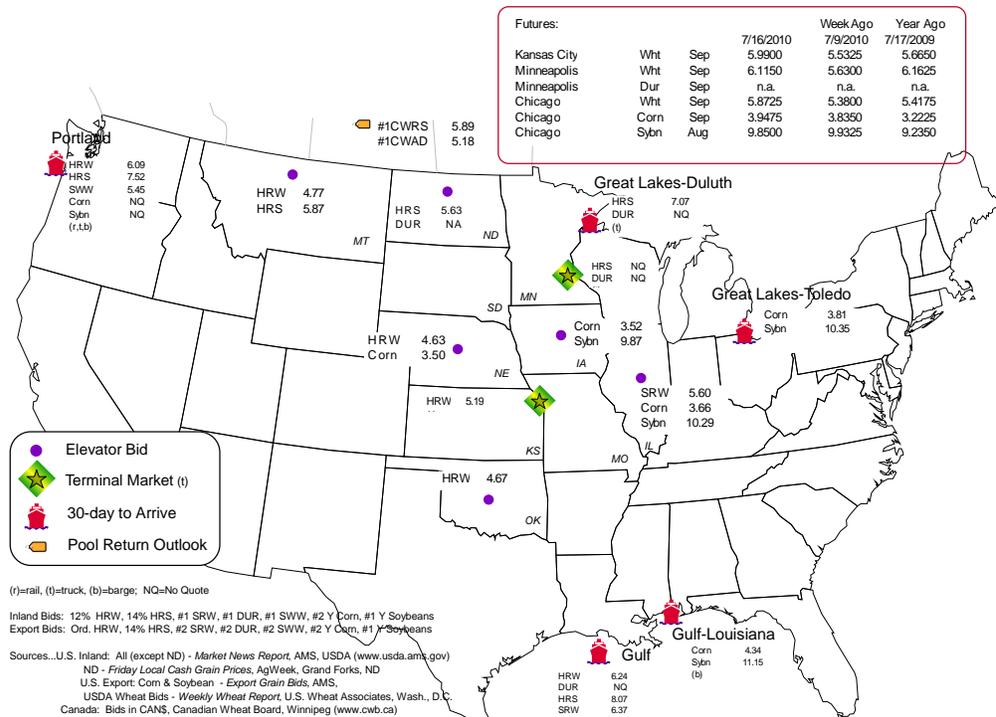
Commodity	Origin--Destination	7/16/2010	7/9/2010
Corn	IL--Gulf	-0.68	-0.73
Corn	NE--Gulf	-0.84	-0.85
Soybean	IA--Gulf	-1.28	-1.08
HRW	KS--Gulf	-1.05	-0.97
HRS	ND--Portland	-1.89	n/q

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)¹

Week ending	Mississippi		Cross-Border	Pacific	Atlantic &	Total
	Gulf	Texas Gulf	Mexico	Northwest	East Gulf	
7/14/2010 ^p	105	1,401	1,411	3,874	194	6,985
7/07/2010 ^r	5	1,445	394	2,541	93	4,478
2010 YTD	8,440	36,929	25,840	91,717	17,684	180,610
2009 YTD	13,404	23,156	22,153	87,354	14,213	160,280
2010 YTD as % of 2009 YTD	63	159	117	105	124	113
Last 4 weeks as % of 2009 ²	128	220	129	95	32	109
Last 4 weeks as % of 4-year avg. ²	15	72	142	81	36	75
Total 2009	33,423	57,646	36,738	175,965	30,328	334,100
Total 2008	68,768	107,542	37,491	255,852	33,028	502,681

¹ Data is incomplete as it is voluntarily provided

² Compared with same 4-weeks in 2009 and prior 4-year average.

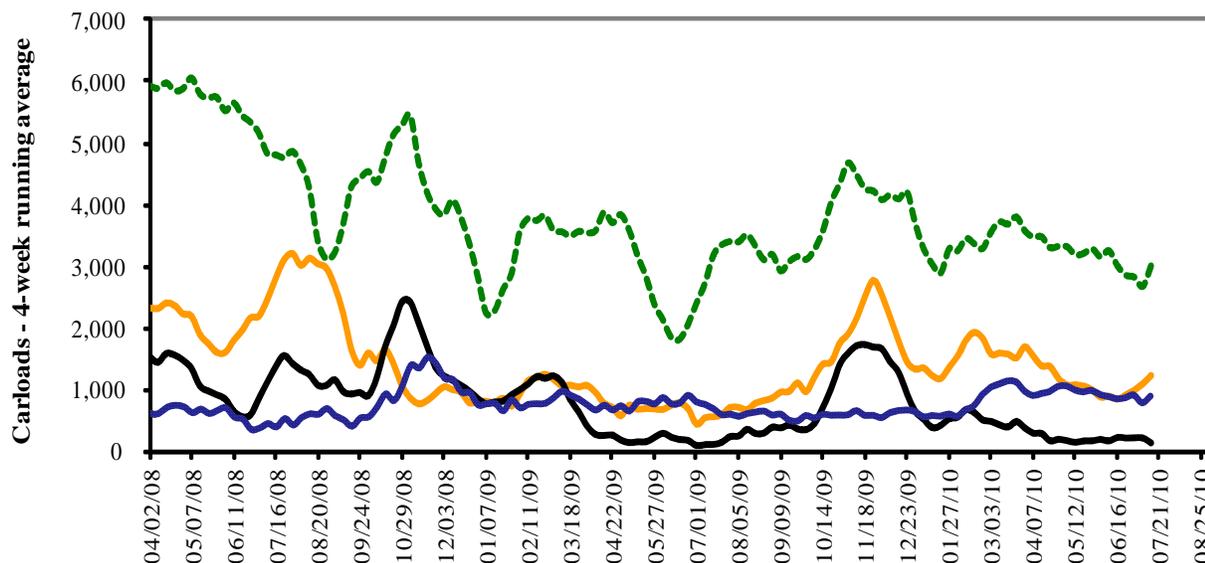
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

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 7/14 -- down 5% from same period last year; down 19% from 4-year average
— Texas Gulf: 4 wks. ending 7/14 -- up 120% from same period last year; down 28% from 4-year average
— Miss. River: 4 wks. ending 7/14 -- up 28% from same period last year; down 85% from 4-year average
— Cross-border Mexico: 4 wks. ending 7/14 -- up 29% from same period last year; up 42% from 4-year average

Source: Transportation & Marketing Programs/AMSUSDA

Table 4

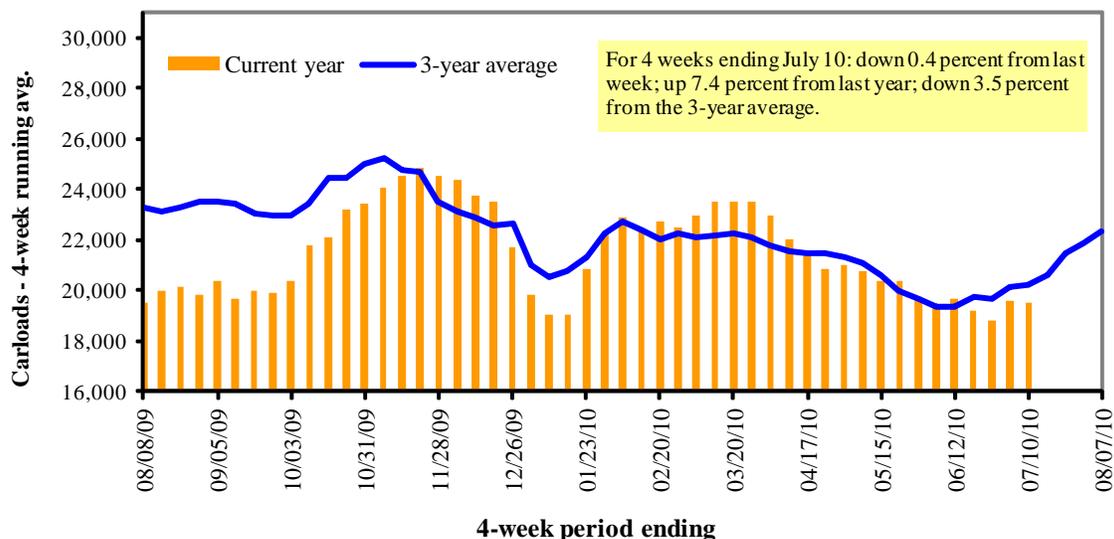
Class I Rail Carrier Grain Car Bulletin (grain carloads originated)

Week ending	East		West			U.S. total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
07/10/10	1,654	3,180	9,517	583	5,391	20,325	3,834	4,705
This week last year	1,889	2,855	9,245	587	5,504	20,080	2,986	5,423
2010 YTD	59,699	82,673	269,572	20,160	141,919	574,023	106,021	139,524
2009 YTD	57,948	70,475	227,034	18,336	126,029	499,822	108,470	145,455
2010 YTD as % of 2009 YTD	103	117	119	110	113	115	98	96
Last 4 weeks as % of 2009 ¹	105	109	117	122	109	113	85	76
Last 4 weeks as % of 3-yr avg. ¹	82	99	101	121	95	97	86	90
Total 2009	105,278	142,254	483,618	36,912	268,811	1,036,873	200,871	278,997

¹As 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 Offerings¹ (\$/car)²

Week ending	Delivery period							
	Aug-10	Aug-09	Sep-10	Sep-09	Oct-10	Oct-09	Nov-10	Nov-09
7/17/2010								
BNSF ³								
COT grain units	177	6	181	no offer	no offer	1	7	1
COT grain single-car ⁵	126 .. 300	0 .. 25	207 .. 303	13 .. 31	no offer	6 .. 25	0 .. 44	0 .. 25
UP ⁴								
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	1	1	no offer	1	n/a	no offer

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

²Average premium/discount to tariff, last auction

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

⁴UP - 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.

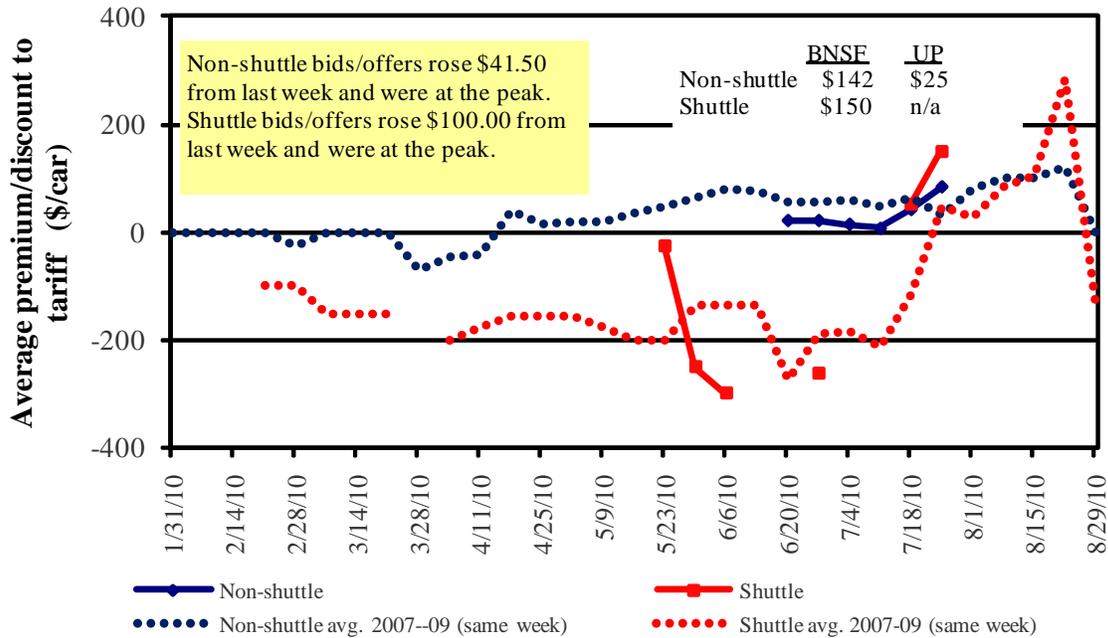
⁵Range is shown because average is not available. Not available = n/a.

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 August 2010, Secondary Market

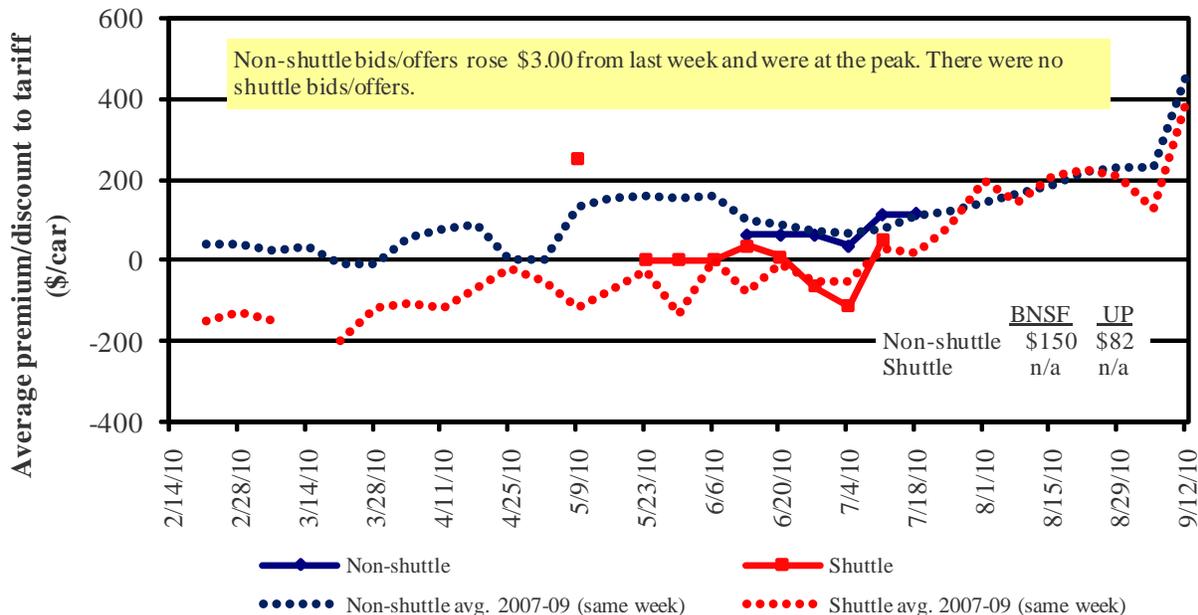


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

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

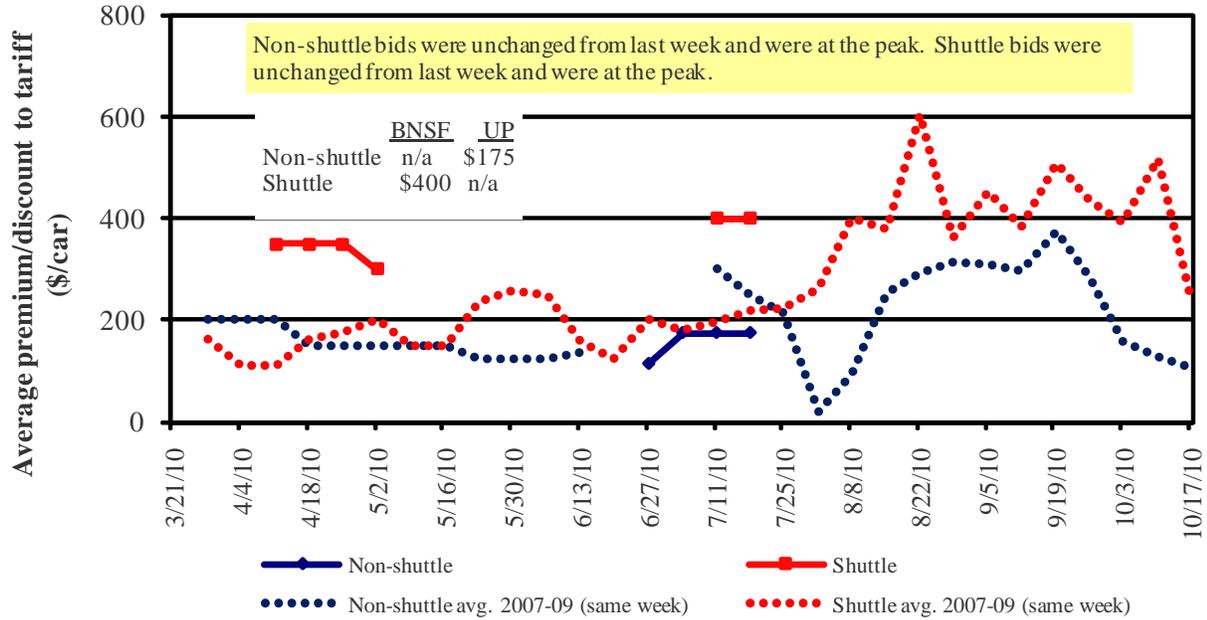


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

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



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

Source: Transportation & Marketing Programs/AMS/USDA

Table 6

Weekly Secondary Rail Car Market (\$/car)¹

Week ending	Delivery period					
	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-10
Non-shuttle						
BNSF-GF	142	150	n/a	n/a	n/a	n/a
Change from last week	58	12	n/a	n/a	n/a	n/a
Change from same week 2009	140	142	n/a	n/a	n/a	n/a
UP-Pool	25	82	175	n/a	n/a	n/a
Change from last week	25	-6	0	n/a	n/a	n/a
Change from same week 2009	-9	54	n/a	n/a	n/a	n/a
Shuttle²						
BNSF-GF	150	n/a	400	350	n/a	n/a
Change from last week	n/a	n/a	0	37	n/a	n/a
Change from same week 2009	112	n/a	175	350	n/a	n/a
UP-Pool	n/a	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	n/a	n/a	n/a	n/a	n/a	n/a

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

²Shuttle 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 Shipments¹

Effective date:		Origin region	Destination region	Tariff rate/car	Fuel surcharge per car	Tariff plus surcharge per:		Percent change Y/Y ³
7/1/2010	metric ton					bushel ²		
<u>Unit train¹</u>								
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	
<u>Shuttle Train</u>								
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	

¹A 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.

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

³Percentage 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 ¹	Fuel		Percent change Y/Y ⁴	
				surcharge per car ²	Tariff plus surcharge per: metric ton ³ bushel ³		
Wheat	MT	Chihuahua, CI	\$6,291	\$773	\$72.18	\$1.96	12
	OK	Cautitlan, 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	Cautitlan, 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

¹Rates 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.

²Fuel surcharge adjusted to reflect the change in Ferrocarril Mexicano, S.A. de C.V railroad fuel surcharge policy as of 10/01/2009

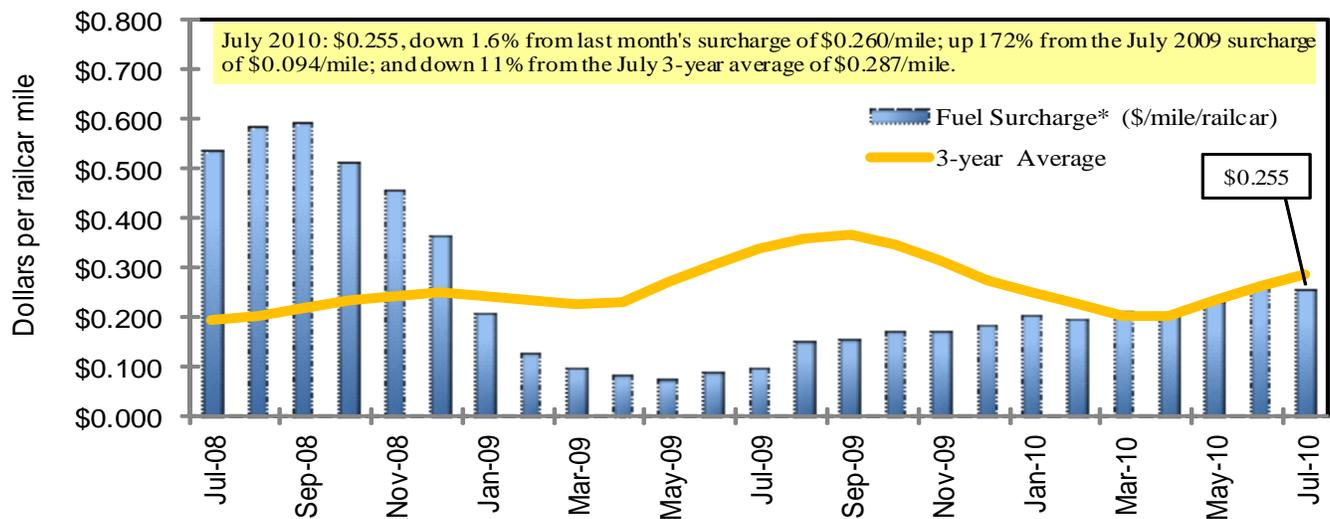
³Approximate load per car = 97.87 metric tons: Corn & Sorghum 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

⁴Percentage 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 Average¹



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

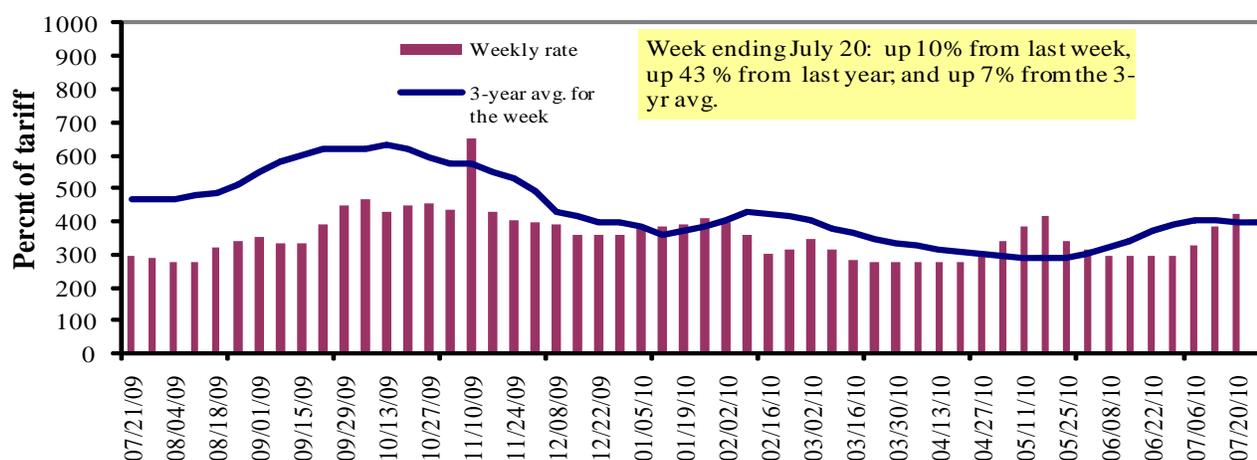
* Mileage-based fuel surcharges for March and April 2007 are estimated. Beginning January 2009, the Canadian Pacific fuel surcharge is computed by a monthly average of the bi-weekly fuel surcharge.

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

Barge Transportation

Figure 8

Illinois River Barge Freight Rate^{1,2}



¹Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); ²4-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
Rate¹	7/20/2010	496	428	425	325	405	405	314
	7/13/2010	459	391	388	294	303	303	268
\$/ton	7/20/2010	30.70	22.77	19.72	12.97	18.99	16.36	9.86
	7/13/2010	28.41	20.80	18.00	11.73	14.21	12.24	8.42
Current week % change from the same week:								
	Last year	40	43	43	44	90	90	53
	3-year avg. ²	8	4	7	6	26	26	15
Rate¹	August	500	450	445	406	453	453	424
	October	541	558	558	533	560	560	526

¹Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); ²4-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

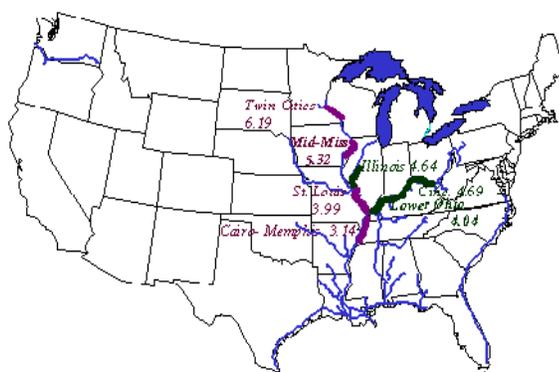
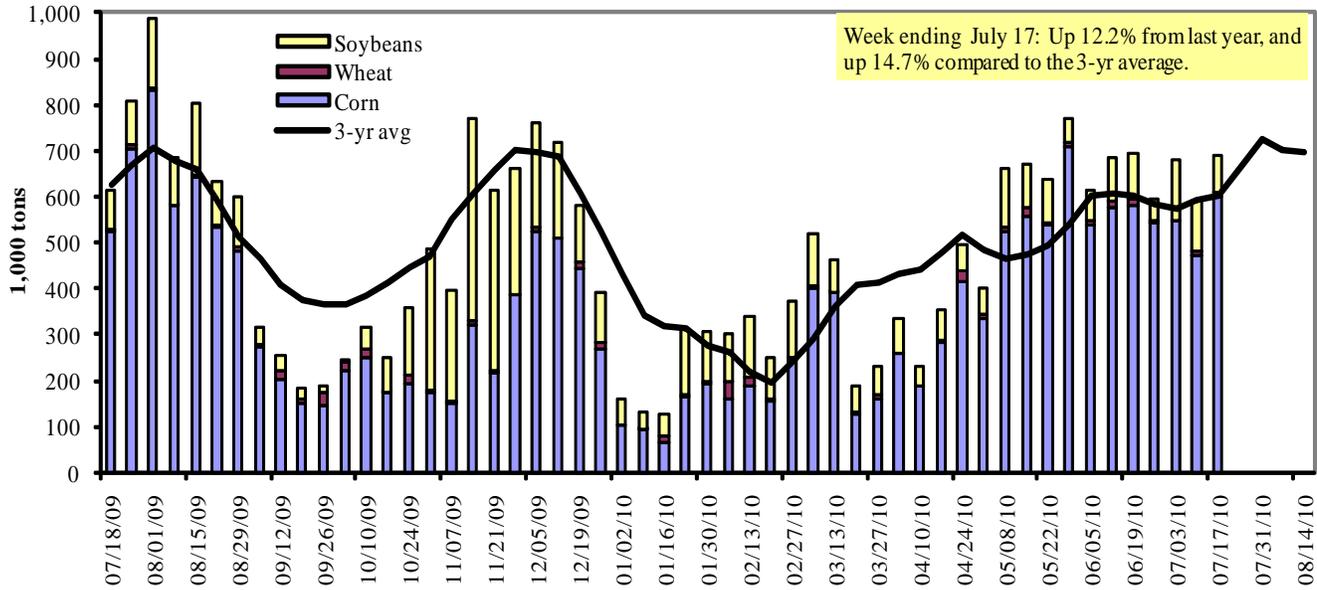


Figure 10

Barge Movements on the Mississippi River¹ (Locks 27 - Granite City, IL)



¹ The 3-year average is a 4-week moving average.

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

Table 10

Barge Grain Movements (1,000 tons)

Week ending 7/17/2010	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	325	11	56	3	395
Winfield, MO (L25)	294	5	63	3	365
Alton, IL (L26)	569	11	80	3	663
Granite City, IL (L27)	599	11	82	9	701
Illinois River (L8)	221	9	27	0	257
Ohio River (L52)	37	19	9	0	65
Arkansas River (L1)	0	18	7	0	25
Weekly total - 2010	636	48	97	9	791
Weekly total - 2009	546	29	117	0	691
2010 YTD ¹	13,171	673	4,643	264	18,752
2009 YTD	13,417	820	5,137	244	19,618
2010 as % of 2009 YTD	98	82	90	108	96
Last 4 weeks as % of 2009 ²	96	75	81	124	92
Total 2009	23,424	1,501	10,465	430	35,819

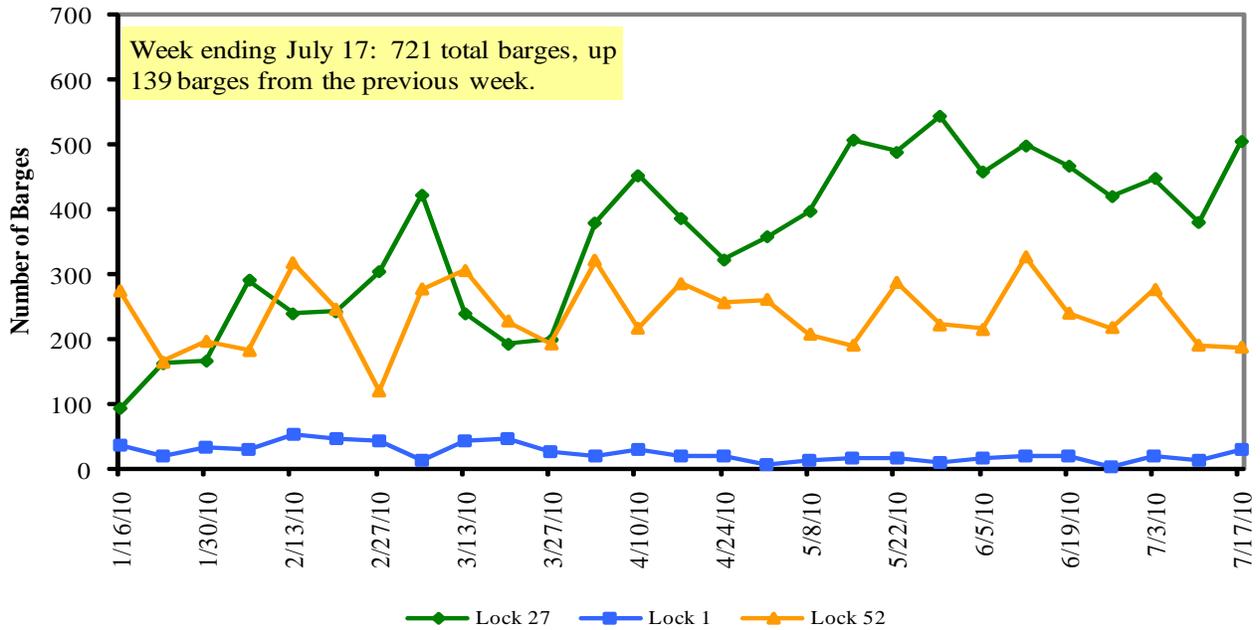
¹ Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

² As a percent of same period in 2009.

Note: Total may not add exactly, due to rounding

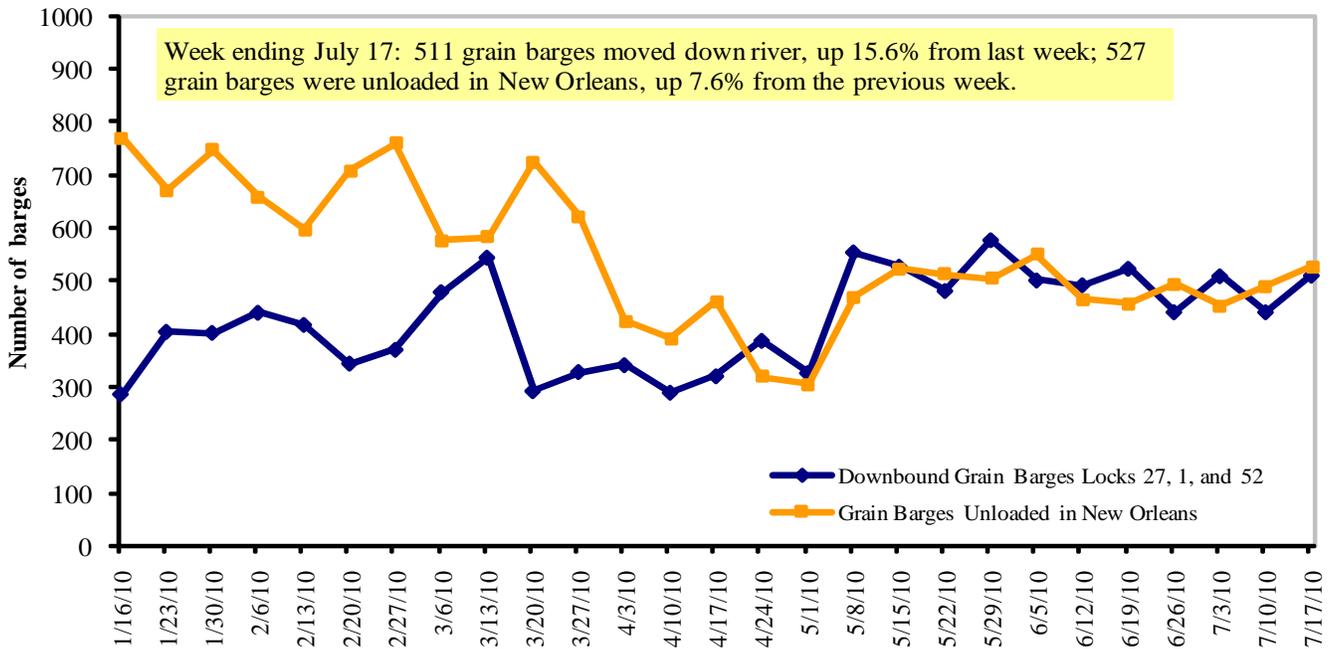
Source: U.S. Army Corps of Engineers (www.mvr.usace.army.mil/mvrirmi/omni/webprts/default.asp)

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 Prices¹, Week Ending 7/19/2010 (US\$/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	2.913	-0.008	0.399
	New England	3.015	-0.002	0.415
	Central Atlantic	3.012	-0.010	0.382
	Lower Atlantic	2.861	-0.008	0.405
II	Midwest ²	2.866	0.001	0.396
III	Gulf Coast ³	2.859	0.002	0.416
IV	Rocky Mountain	2.902	-0.010	0.343
V	West Coast	3.042	-0.015	0.447
	California	3.116	-0.007	0.413
Total	U.S.	2.899	-0.004	0.403

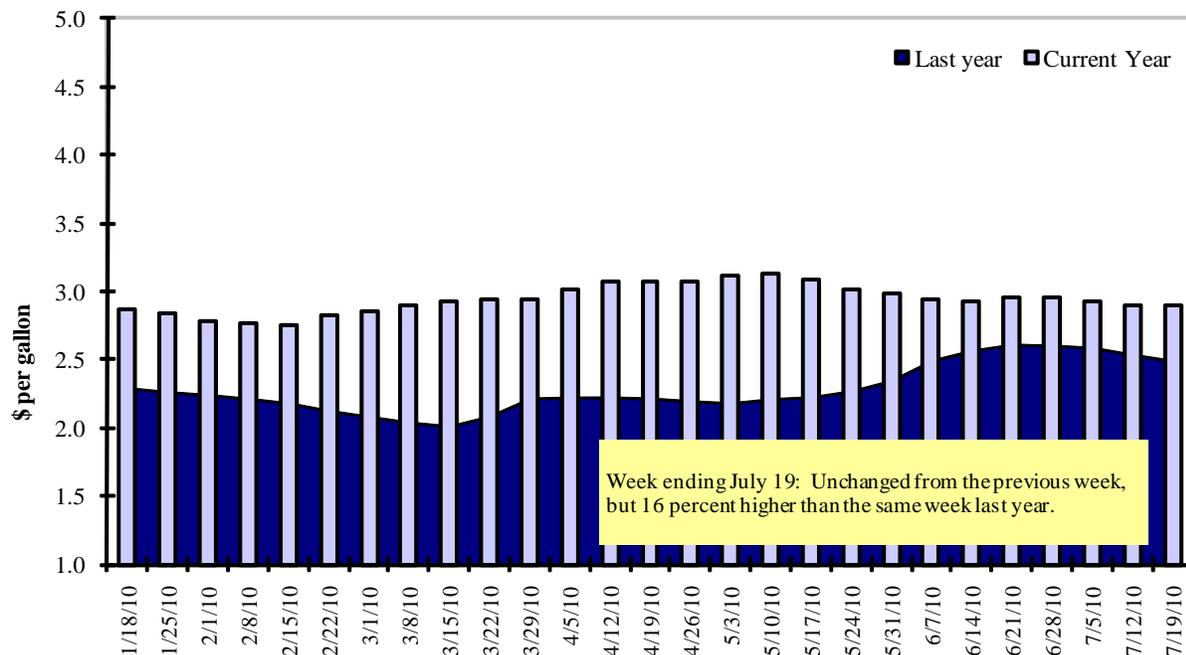
¹Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

²Same as North Central ³Same 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			
Export Balances¹									
7/8/2010	1,980	523	1,044	978	286	4,812	9,495	2,912	17,219
This week year ago	1,327	518	878	772	185	3,680	8,996	2,947	15,623
Cumulative exports-marketing year²									
2009/10 YTD	1,051	238	506	451	37	2,283	40,391	37,303	79,977
2008/09 YTD	623	207	372	436	54	1,691	36,684	31,517	69,892
YTD 2009/10 as % of 2008/09	169	115	136	103	69	135	110	118	114
Last 4 wks as % of same period 2008/09	157	103	115	131	144	133	112	83	112
2008/09 Total	11,244	5,100	5,408	3,420	454	25,626	44,650	33,705	103,981
2007/08 Total	13,709	5,568	7,842	4,191	1,075	32,385	59,666	30,411	122,462

¹ Current unshipped export sales to date

² Shipped export sales to date; 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 Importers¹ of U.S. Corn

Week ending 07/08/10	Total Commitments ²			% change current MY from last MY	Exports ³ 2008/09
	2010/11	2009/10	2008/09		
	Next MY	Current MY	Last MY		
	- 1,000 mt -				- 1,000 mt -
Japan	358	14,859	15,459	(4)	15,910
Mexico	808	7,936	7,273	9	7,454
Korea	343	7,688	4,899	57	5,129
Taiwan	0	3,045	3,432	(11)	3,198
Egypt	60	2,863	1,919	49	2,233
Top 5 importers	1,569	36,391	32,982	10	33,924
Total US corn export sales	2,573	49,886	45,680	9	47,180
% of Projected	5%	101%	97%		
Change from Last Week	345	678	700		
Top 5 importers' share of U.S. corn export sales	61%	73%	72%		
USDA forecast, July 2010	50,800	49,530	47,180	5	
Corn Use for Ethanol USDA forecast, Ethanol July 2010	119,380	114,300	93,396	22	

(n) indicates negative number.

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

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

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

Table 14

Top 5 Importers¹ of U.S. Soybeans

Week ending 07/08/10	Total Commitments ²			% change current MY from last MY	Exports ³ 2008/09
	2010/11 Next MY	2009/10 Current MY	2008/09 Last MY		
	- 1,000 mt -				- 1,000 mt -
China	4,309	22,734	18,964	20	18,681
Mexico	169	3,179	3,012	6	3,098
Japan	57	2,411	2,554	(6)	2,410
EU-25	0	2,698	2,186	23	2,180
Taiwan	0	1,565	1,529	2	1,592
Top 5 importers	4,534	32,586	28,244	15	27,961
Total US soybean export sales	6,059	40,215	34,464	17	34,930
% of Projected	16%	101%	99%		
Change from last week	559	667	134		
Top 5 importers' share of U.S.					
soybean export sales	75%	81%	82%		
USDA forecast, July 2010	37,290	39,740	34,930	14	
Soybean Use for Biodiesel USDA forecast, July 2010	6,954	5,275	4,573	15	

(n) indicates negative number.

¹Based on FAS 2006/07 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year (MY) = Sep 1 - Aug 31.²Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report.³FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 15

Top 10 Importers¹ of All U.S. Wheat

Week Ending 07/08/2010	Total Commitments ²		% change current MY from last MY	Exports ³ 2009/10
	2010/11 Current MY	2009/10 Last MY		
	- 1,000 mt -			- 1,000 mt -
Nigeria	1,010	833	21	3,233
Japan	770	474	62	3,148
Mexico	892	590	51	1,975
Philippines	843	548	54	1,518
Korea, South	484	437	11	1,111
Taiwan	148	255	(42)	844
Venezuela	140	124	13	658
Colombia	215	148	45	575
Peru	332	136	144	567
Indonesia	82	94	(13)	529
Top 10 importers	4,914	3,639	35	14,156
Total US wheat export sales	7,095	5,372	32	23,540
% of Projected	26%	23%		
Change from last week	310	423		
Top 10 importers' share of U.S. wheat export sales				
	69%	68%		
USDA forecast, July 2010	27,220	23,540	16	

(n) indicates negative number.

¹Based on FAS 2008/09 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Jun 1 - May 31.²Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report.³FAS 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 07/15/10	2010 YTD ¹	2009 YTD ¹	2010 YTD as % of 2009 YTD	Last 4-weeks as % of		Total ¹ 2009
					2009	3-yr. avg.	
Pacific Northwest							
Wheat	153	5,725	5,293	108	119	155	10,091
Corn	244	5,477	4,441	123	129	103	8,498
Soybeans	66	4,466	4,141	108	17	17	9,743
Total	463	15,668	13,875	113	101	100	28,332
Mississippi Gulf							
Wheat	162	2,110	2,164	97	140	68	4,019
Corn	647	16,206	16,166	100	106	117	28,843
Soybeans	107	9,107	10,499	87	45	69	21,831
Total	915	27,423	28,829	95	93	101	54,693
Texas Gulf							
Wheat	270	4,214	2,880	146	197	104	5,735
Corn	0	964	872	110	45	42	1,968
Soybeans	0	667	472	141	n/a	0	2,402
Total	270	5,844	4,224	138	166	96	10,105
Great Lakes							
Wheat	22	266	138	193	205	88	990
Corn	0	31	120	26	0	0	353
Soybeans	0	0	69	0	0	0	781
Total	22	296	327	91	60	48	2,124
Atlantic							
Wheat	0	193	283	68	84	49	552
Corn	0	195	107	182	60	67	472
Soybeans	0	697	432	161	38	89	1,268
Total	0	1,085	823	132	73	54	2,292
U.S. total from ports²							
Wheat	606	12,507	10,757	116	144	105	21,387
Corn	891	22,872	21,706	105	108	109	40,134
Soybeans	173	14,937	15,613	96	36	48	36,025
Total	1,670	50,316	48,076	105	100	98	97,546

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

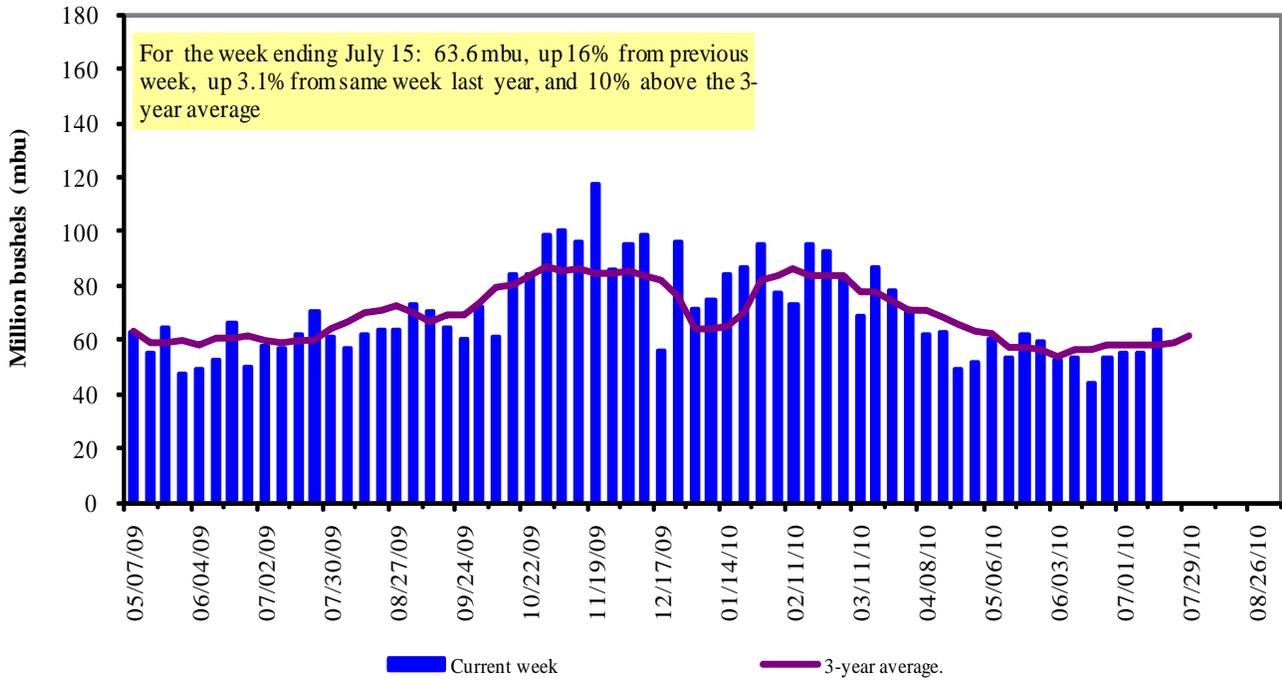
² Total includes only port regions shown above

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

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

Figure 14

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

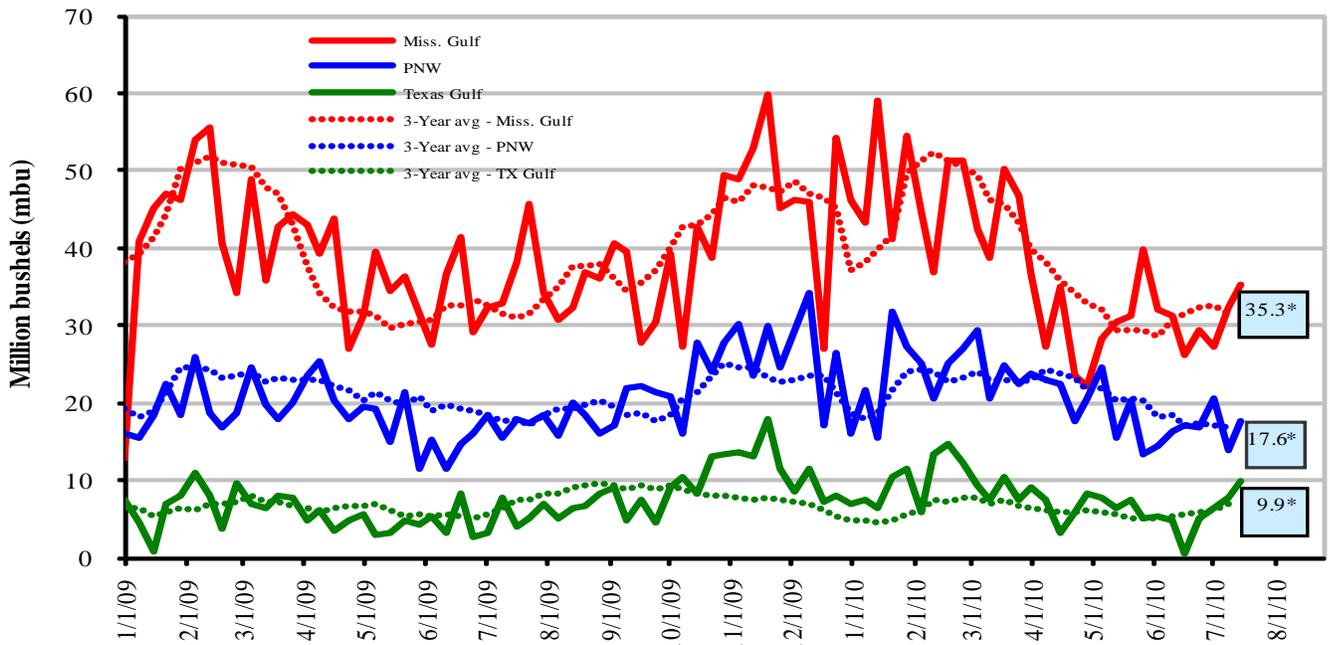


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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

Figure 15

U.S. Grain Inspections: U.S. Gulf and PNW¹ (wheat, corn, and soybeans)



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

<u>July 15, % change from:</u>	<u>MS Gulf</u>	<u>TX Gulf</u>	<u>U.S. Gulf</u>	<u>PNW</u>
Last week	up 9.4	up 27	up 13	up 28
Last year (same week)	down 8	up 154	up 7.4	down 1.4
3-yr avg. (4-wk mov. avg.)	up 16	up 31	up 18	down 2.2

Ocean Transportation

Table 17

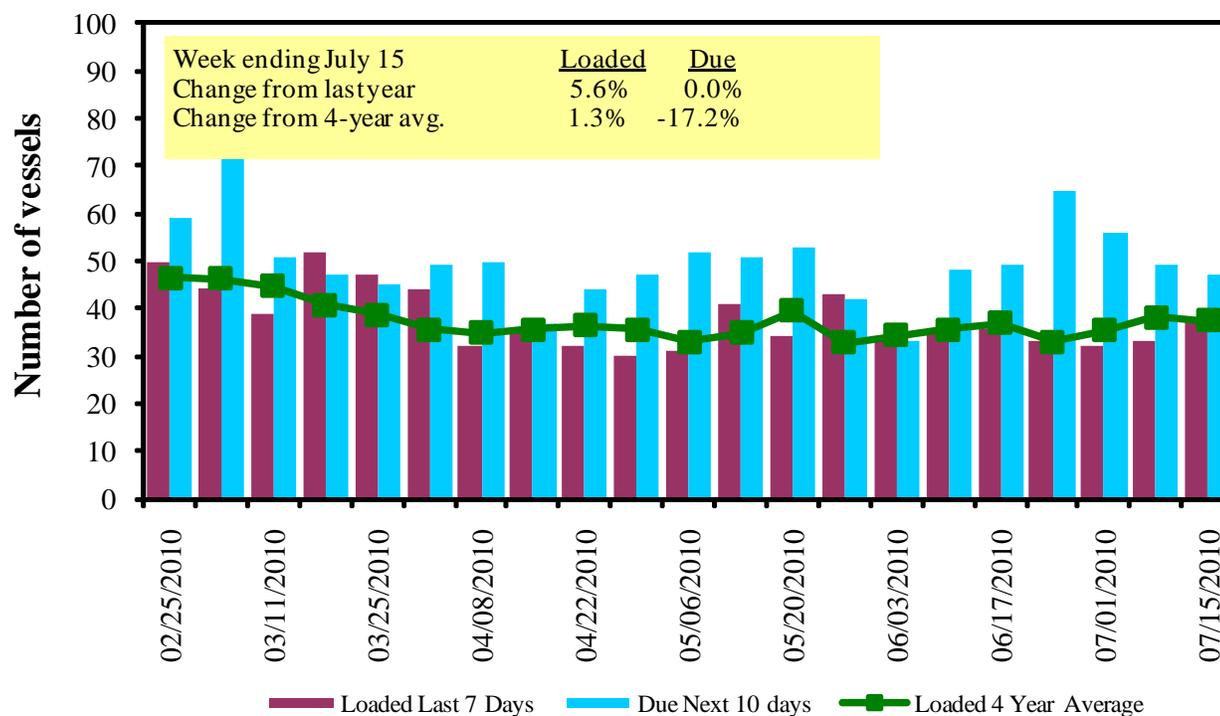
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In port	Loaded 7-days	Due next 10-days	In port	In port
7/15/2010	28	38	47	9	17
7/8/2010	33	33	49	6	9
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. Gulf¹ Vessel Loading Activity

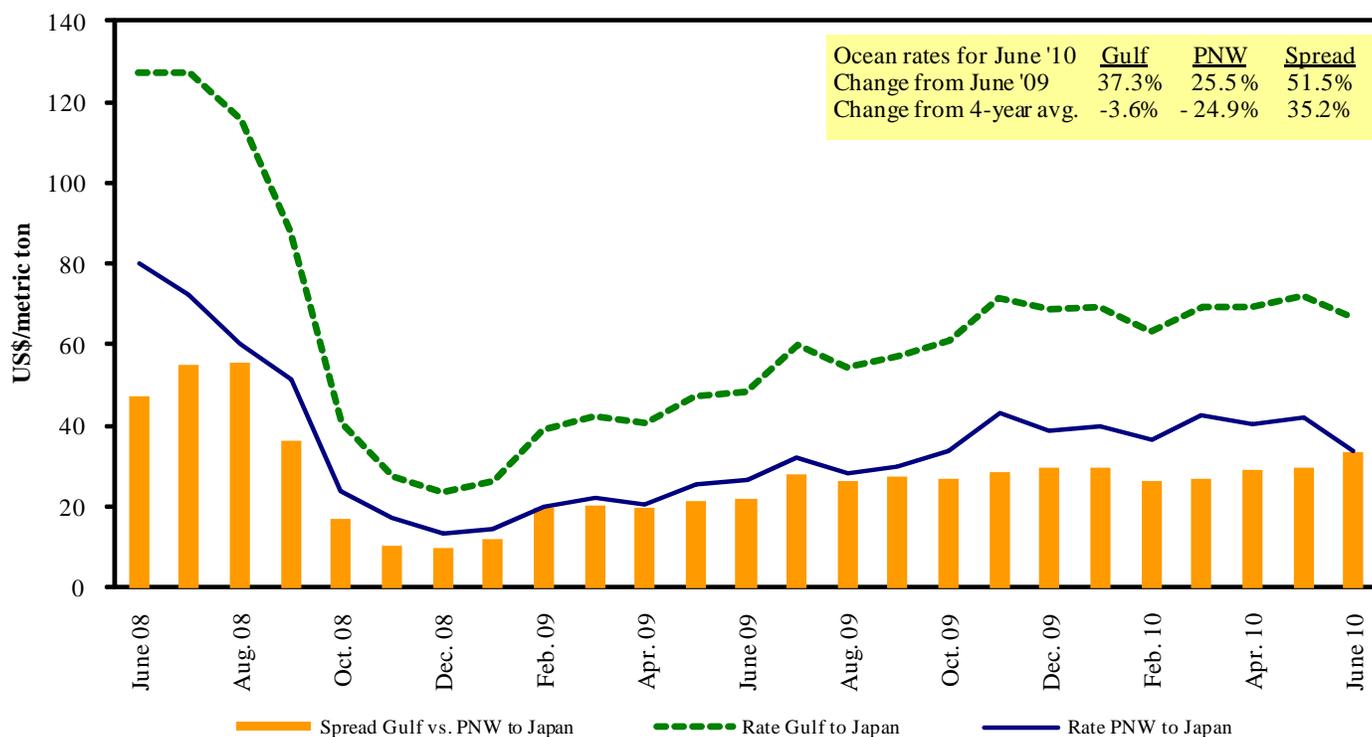


Source: Transportation & Marketing Programs/AMS/USDA

¹U.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 7/17/2010

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US\$/metric ton)
U.S. Gulf	China	Heavy Grain	July 15/30	55,000	59.00
U.S. Gulf	China	Heavy Grain	Aug 5/10	55,000	56.00
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
U.S. PNW	Bangladesh ¹	Wheat	Aug 20/30	24,590	92.00
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

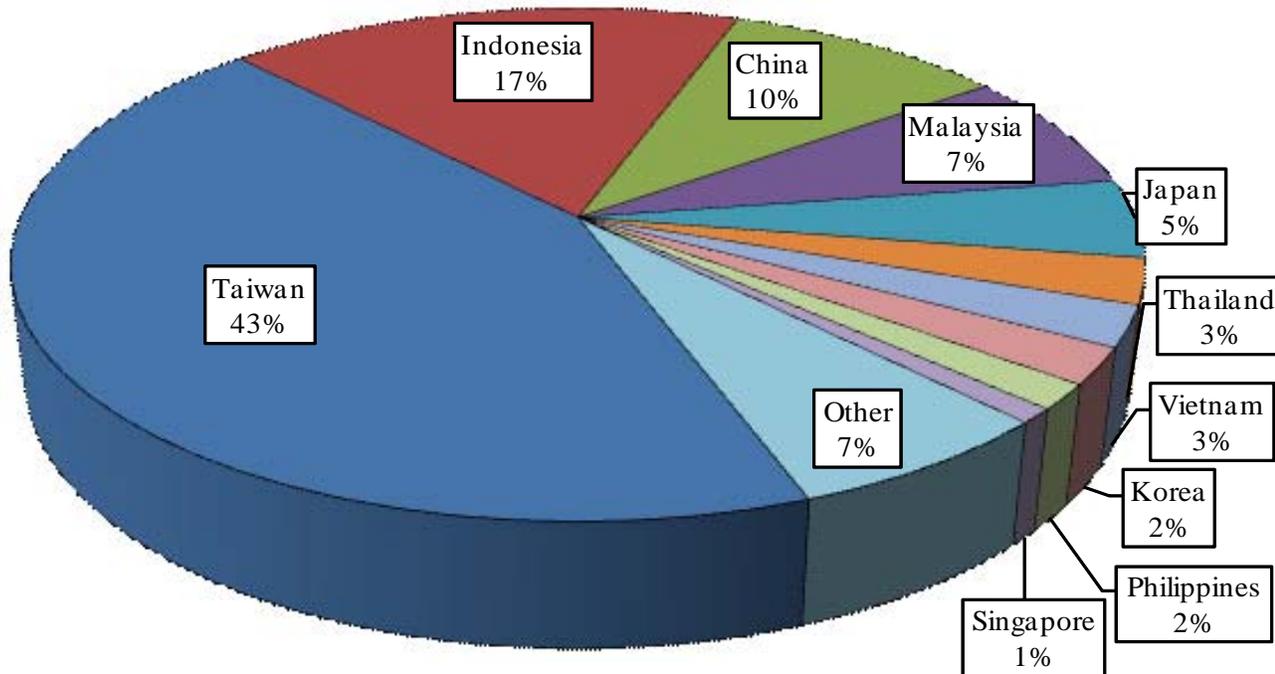
¹75 percent of food aid from the United States is required to be shipped on U.S.-flag vessels.

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

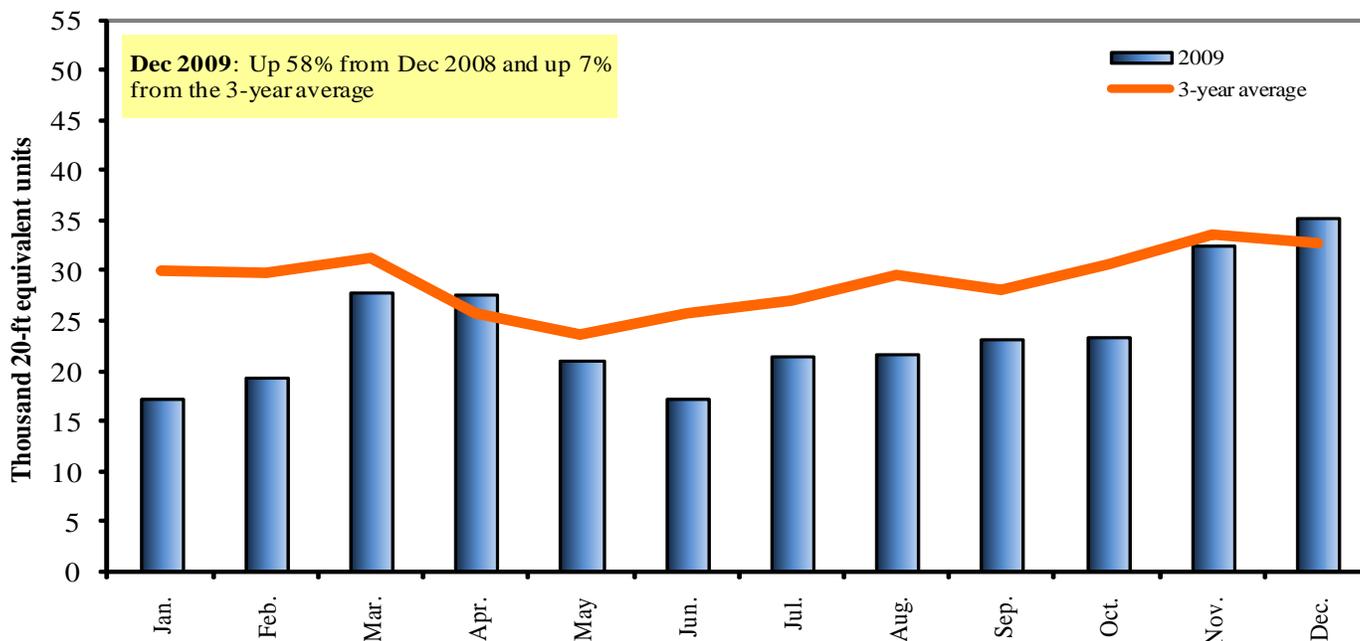
Top 10 Destination Markets for U.S. Containerized Grain Exports, December 2009



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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