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Contact Us

Sept. 9, 2010

Contents

Article/ Calendar

Grain Transportation Indicators

Rail

Barge

Truck

Exports

Ocean

Brazil

Mexico

Quarterly Updates

Specialists

Subscription Information

The next release is September 16, 2010

WEEKLY HIGHLIGHTS

Russia Expand Grain Export Ban to Most of 2011

On September 2, Russia announced that it will extend its grain export ban through the end of this marketing year, which ends on September 30, 2011. In August, USDA had already dropped the 2010/11 Russian wheat export forecast to 3 million metric tons (mmt). Russia was also forecast to export 0.44 mmt of coarse grains (corn, sorghum, barley, rye, millet, and mixed grains) during the year. Higher grain prices may further dampen world import demand for grains, but the shortfall of grain exports makes the United States more critical as a supplier of grain to the world this marketing year.

Judge Rules in Favor of the Port of Los Angeles Over Clean Trucks Program Lawsuit

On August 26, the California U.S. District Court ruled in favor of the Port of Los Angeles to overturn the injunction on portions of its Clean Trucks Program, including the controversial employee-only driver provision. The American Trucking Association, whose suit in July 2008 resulted in the injunction, plans to appeal the ruling. However, the port announced it will not take any action to enforce the previously enjoined provisions of the Program before the next meeting of the Board of Harbor Commissioners. In the meantime, the Los Angeles Harbor Department staff will draft recommended next steps which may include reasonable extensions of time for compliance.

Soybean Inspections Rebound

For the week ending September 2, total inspections of grain (corn, wheat, and soybeans) from all major U.S. export regions reached 1.82 million metric tons (mmt), down 14 percent from the past week and 5 percent below last year. Soybean inspections (.347 mmt), however, rebounded 89 percent from the previous week as shipments to Asia increased. The increase in soybean inspections was primarily in the Mississippi Gulf (.275 mmt). Inspections of grain are expected to remain strong as the harvest intensifies. During the last four weeks, weekly inspections of grain were 11 percent above last year and 3 percent above the 3-year average.

Secondary Rail Bids/Offers for September, October, and November Delivery Drop

Non-shuttle and shuttle bids/offers in the **secondary railcar market** dropped for the first time since the Russian announcement that they would not export any grain for the rest of 2010 and despite last week's announcement of extending the ban. The drop in bid/offers for the secondary railcar market includes grain cars guaranteed for delivery during September, October, and November. The secondary railcar market reflects shipper expectations that empty grain cars for loading during harvest may be tight this year, but those concerns may be moderating.

Slight Decrease in Rates as Barge Operators Ready Barges in Anticipation of Harvest

After rising to a yearly high of $20.95 per ton on August 31, **barge grain rates** from St. Louis to the Mississippi River Gulf dropped 4 percent on September 7. Rates have generally been increasing since early July as barge operators prepare for what are expected to be early and record corn and soybean harvests. With little new corn crop being harvested, barge movements have been reduced as barge operators are keeping equipment available for the beginning of the peak harvest season in a few weeks.

Snapshots by Sector

Rail

U.S. railroads originated 21,732 **carloads of grain** during the week ending August 28, down 3 percent from last week, up 10 percent from last year, and down 4 percent from the 3-year average.

During the week ending September 4, average September non-shuttle **secondary railcar bids/offers** were $750 above tariff, down $80 from last week. Average shuttle rates were $713 above tariff, down $375 from last week.

Ocean

During the week ending September 2, 41 **ocean-going grain vessels** were loaded in the Gulf, up 11 percent from last year. Fifty-three vessels are expected to be loaded in the Gulf within the next 10 days, unchanged from last year.

During the week ending September 3, the cost of shipping grain from the Gulf to Japan averaged $65 per mt, up 2 percent from the previous week. The rate from the Pacific Northwest to Japan was $35 per mt, unchanged from the previous week.

Barge

During the week ending Sep 4, **barge grain movements** totaled 496,961 tons, 31 percent higher than the previous week and 31 percent higher than the same period last year.

Fuel

During the week ending Sep 6, U.S. average **diesel fuel prices** decreased 1 cent per gallon to $2.93—0.24 percent lower than the previous week, but 11 percent higher than the same week last year.

Feature Article/Calendar

U.S. Soybean Transportation Cost Down, Brazil Up

The cost of shipping soybeans from the United States to Europe and China decreased during the 2nd quarter of 2010, but the shipping cost from Brazil to the same destinations increased in response to the peak of the harvest season during April to June (see **Brazil Soybean Transportation, dated 7/30/10**). Total transportation cost from Minneapolis, MN, to Hamburg, Germany, decreased 24 percent from the previous quarter, and the cost from Davenport, IA, decreased 21 percent. It costs 16 percent less to ship from Minneapolis to Shanghai, China, than it had the previous quarter. Shipping from Davenport cost 14 percent less, and Fargo, ND, 2 percent less than the previous quarter. Shipments from Minneapolis and Davenport are routed through the U.S. Gulf, while shipments from Fargo are routed through the Pacific Northwest (PNW) ports. On the other hand, soybean shipments from North Mato Grosso (MT), Brazil, to Hamburg cost 3 percent more and shipments from South Goiás (GO) cost 11 percent more than the previous quarter. Total transportation cost of shipping from the same locations to Shanghai, China, increased by 2 and 9 percent, respectively, from the previous quarter.

Table 1-Quarterly costs of transporting soybeans from U.S. and Brazil to Hamburg, Germany

	2009 2nd qtr.	2010 1st qtr.	2010 2nd qtr.	Percent change Yr. to Yr.	Percent change Qtr. to Qtr.	2009 2nd qtr.	2010 1st qtr.	2010 2nd qtr.	Percent change Yr. to Yr.	Percent change Qtr. to Qtr.
	United States (via U.S. Gulf)									
	Minneapolis, MN --$/mt--					**Davenport, IA --$/mt--**				
Truck	10.10	10.46	8.66	-14.26	-17.21	10.10	10.46	8.66	-14.26	-17.21
Barge	22.44	10.86	25.45	13.41	134.35	16.57	10.86	18.88	13.94	73.85
Ocean[1]	21.33	24.92	27.87	30.66	11.84	21.33	24.92	27.87	30.66	11.84
Rail	-	34.74	-	-	-	-	23.84	-	-	-
Total transportation[2]	53.87	80.98	61.98	15.05	-23.46	48.00	70.08	55.41	15.44	-20.93
Farm Value[3]	385.69	340.98	336.69	-12.70	-1.26	388.50	346.00	343.92	-11.47	-0.60
Landed Cost	439.56	421.96	398.67	-9.30	-5.52	436.50	416.08	399.33	-8.52	-4.03
Transport % of landed cost	12.26	19.19	15.55			11.00	16.84	13.88		
	Brazil									
	North MT[4] - Santos[5] --$/mt--					**South GO[4] - Paranagua[5] --$/mt--**				
Truck	98.89	113.10	113.73	15.01	0.56	51.50	61.86	65.82	27.81	6.40
Ocean[6]	34.75	32.25	36.17	4.09	12.16	35.79	31.83	38.08	6.40	19.64
Total transportation[2]	133.64	145.35	149.90	12.17	3.13	87.29	93.69	103.90	19.03	10.90
Farm Value[7]	315.88	261.05	304.36	-3.65	16.59	336.86	309.89	271.15	-19.51	-12.50
Landed Cost	449.52	406.40	454.26	1.05	11.78	424.15	403.58	375.05	-11.58	-7.07
Transport % of landed cost	29.73	35.77	33.00			20.58	23.21	27.70		

[1]Source: O'Neil Commodity Consulting

[3]Source: USDA/NASS

[4]Producing regions: MT = Mato Grosso, GO = Goiás

[5]Export ports

[6]Source: ESALQ/ USP (University of São Paulo, Brazil) and USDA/AMS; 1st quarter 2009 values revised for previous estimates

[7]Source: Companhia Nacional de Abastecimento (CONAB) www.conab.gov.br

Note: Total may not add exactly due to rounding

The decrease in U.S. transportation costs was due to a 17 percent reduction in truck rates from the previous quarter and the opening of the upper segment of the Mississippi River system, which allowed barge movements of grain and oilseeds down the river to the Gulf. During the winter, the closure of the river required shipments to be routed to St. Louis, MO, by rail and then transported by barge to New Orleans for shipment overseas (see **GTR, dated 6/10/2010**). Both truck and ocean rates increased in Brazil during the quarter. Higher Brazilian truck rates were due to increased demand caused by record soybean production, limited port capacity, and a lack of alternative transportation methods (see **Brazil Soybean Transportation, dated 7/30/10**). The year-to-year transportation cost increased in both the United States and Brazil.

With the exception of North MT, Brazil, farm values decreased in United States and Brazil. However, farmers in the United Sates received much higher prices for their crops than their Brazilian counterparts. The transportation share of the landed cost of the U.S. soybeans to Europe ranged from 14 to 16 percent, and to China ranged from 22 to 23 percent. Brazil's transportation costs represented 28–33 percent of the landed cost to Europe, and 31–36 percent of the landed cost to China.

Table 2-Quarterly costs of transporting soybeans from U.S. and Brazil to Shanghai, China

	2009 2nd qtr.	2010 1st qtr.	2010 2nd qtr.	Percent change Yr. to Yr.	Percent change Qtr. to Qtr.	2009 2nd qtr.	2010 1st qtr.	2010 2nd qtr.	Percent change Yr. to Yr.	Percent change Qtr. to Qtr.
	United States (via U.S. Gulf)									
	Minneapolis, MN --$/mt--					**Davenport, IA** --$/mt--				
Truck	10.10	10.46	8.66	-14.26	-17.21	10.10	10.46	8.66	-14.26	-17.21
Barge	22.44	10.86	25.45	13.41	134.35	16.57	10.86	18.88	13.94	73.85
Ocean[1]	47.19	65.54	67.71	43.48	3.31	47.19	65.54	67.71	43.48	3.31
Rail	-	34.74	-	-	-	-	23.84	-	-	-
Total transportation[2]	79.73	121.60	101.82	27.71	-16.27	73.86	110.70	95.25	28.96	-13.96
Farm Value[3]	385.69	346.86	336.69	-12.70	-2.93	388.50	351.51	343.92	-11.47	-2.16
Landed Cost	465.42	468.46	438.51	-5.78	-6.39	462.36	462.21	439.17	-5.02	-4.98
Transport % of landed cost	17.13	25.96	23.22			15.97	23.95	21.69		
	Via PNW									
	Fargo, ND									
Truck	10.10	10.46	8.66	-14.26	-17.21					
Ocean[1]	25.90	38.64	38.44	48.42	-0.52					
Rail	42.74	48.11	48.62	13.76	1.06					
Total transportation[2]	78.74	97.21	95.72	21.56	-1.53					
Farm Value[3]	375.52	337.43	334.00	-11.06	-1.02					
Landed Cost	454.26	434.64	429.72	-5.40	-1.13					
Transport % of landed cost	17.33	22.37	22.27							
	Brazil									
	North MT[4] - Santos[5] --$/mt--					**South GO[4] - Paranagua[5]** --$/mt--				
Truck	98.89	113.10	113.73	15.01	0.56	51.50	61.86	65.82	27.81	6.40
Ocean[6]	66.00	52.33	55.08	-16.55	5.26	67.30	52.50	58.58	-12.96	11.58
Total transportation[2]	164.89	165.43	168.81	2.38	2.04	118.80	114.36	124.40	4.71	8.78
Farm Value[7]	315.88	261.05	304.36	-3.65	16.59	336.86	309.89	271.15	-19.51	-12.50
Landed Cost	480.77	426.48	473.17	-1.58	10.95	455.66	424.25	395.55	-13.19	-6.76
Transport % of landed cost	34.30	38.79	35.68			26.07	26.96	31.45		

[1]Source: O'Neil Commodity Consulting

[3]Source: USDA/NASS

[4]Producing regions: MT = Mato Grosso, GO = Goiás

[5]Export ports

[6]Source: ESALQ/ USP (University of São Paulo, Brazil) and USDA/AMS; 1st quarter 2009 values are revised from previous estimates

[7]Source: Companhia Nacional de Abastecimento (CONAB) www.conab.gov.br

Note: Total may not add exactly due to rounding

Market Outlook: China continues to be a major market for U.S. soybeans. Between October 2009 and June 2010, China imported about 20.95 million metric tons (mmt) of soybeans from the United States, followed by Mexico and the European Union, with about 2.78 and 2.72 mmt each. China's soybean imports are forecast to grow to 42.5 mmt in marketing year (MY) in 2010/11, up from the estimated 41 mmt in MY 09/10 (**GAIN Report # CH10006**). Strong soybean imports are expected to continue as Chinese demand for vegetable oils and animal products increase with the consumer response to continuing growth in China's GDP in 2010. A competitive transportation cost of moving soybeans from the United States to China and other foreign destinations is always an added advantage in selling our products. Surajudeen.Olowolayemo@ams.usda.gov

Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators[1]

	Truck	Rail[2]	Barge	Ocean	
Week ending				Gulf	Pacific
09/08/10	197	795	275	291	248
09/01/10	197	925	281	286	248

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

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

Source: Transportation & Marketing Programs/AMS/USDA

Table 2

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

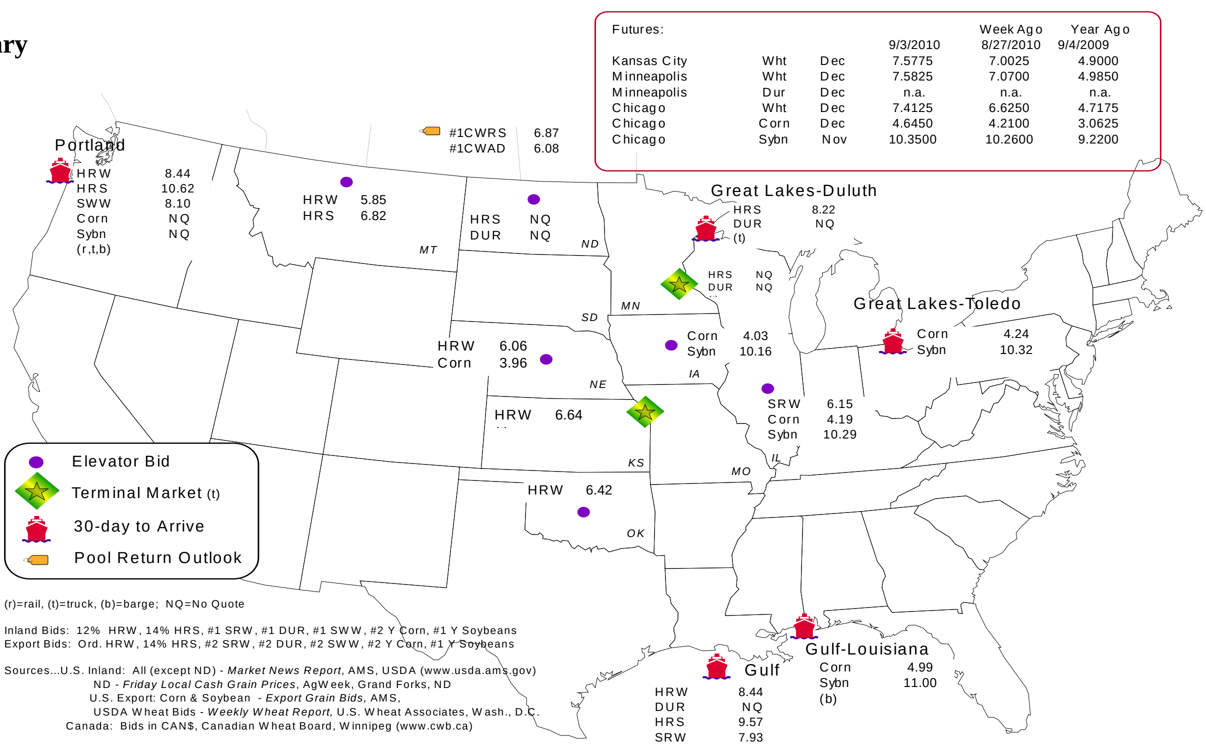
Commodity	Origin--Destination	9/3/2010	8/27/2010
Corn	IL--Gulf	-0.80	-0.68
Corn	NE--Gulf	-1.03	-0.91
Soybean	IA--Gulf	-0.84	-0.79
HRW	KS--Gulf	-1.80	-1.85
HRS	ND--Portland	n/a	-3.70

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 Gulf	Texas Gulf	Cross-Border Mexico	Pacific Northwest	Atlantic & East Gulf	Total
9/01/2010[p]	372	1,925	565	2,664	137	5,663
8/25/2010[r]	494	1,540	724	3,677	170	6,605
2010 YTD	10,735	47,541	30,865	116,138	18,585	223,864
2009 YTD	15,837	28,760	26,458	110,026	15,684	196,765
2010 YTD as % of 2009 YTD	68	165	117	106	118	114
Last 4 weeks as % of 2009[2]	101	188	118	100	59	115
Last 4 weeks as % of 4-year avg.[2]	32	77	110	87	35	76
Total 2009	33,423	57,646	36,738	175,965	30,328	334,100
Total 2008	68,768	107,542	37,491	255,852	33,028	502,681

[1] Data is incomplete as it is voluntarily provided

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

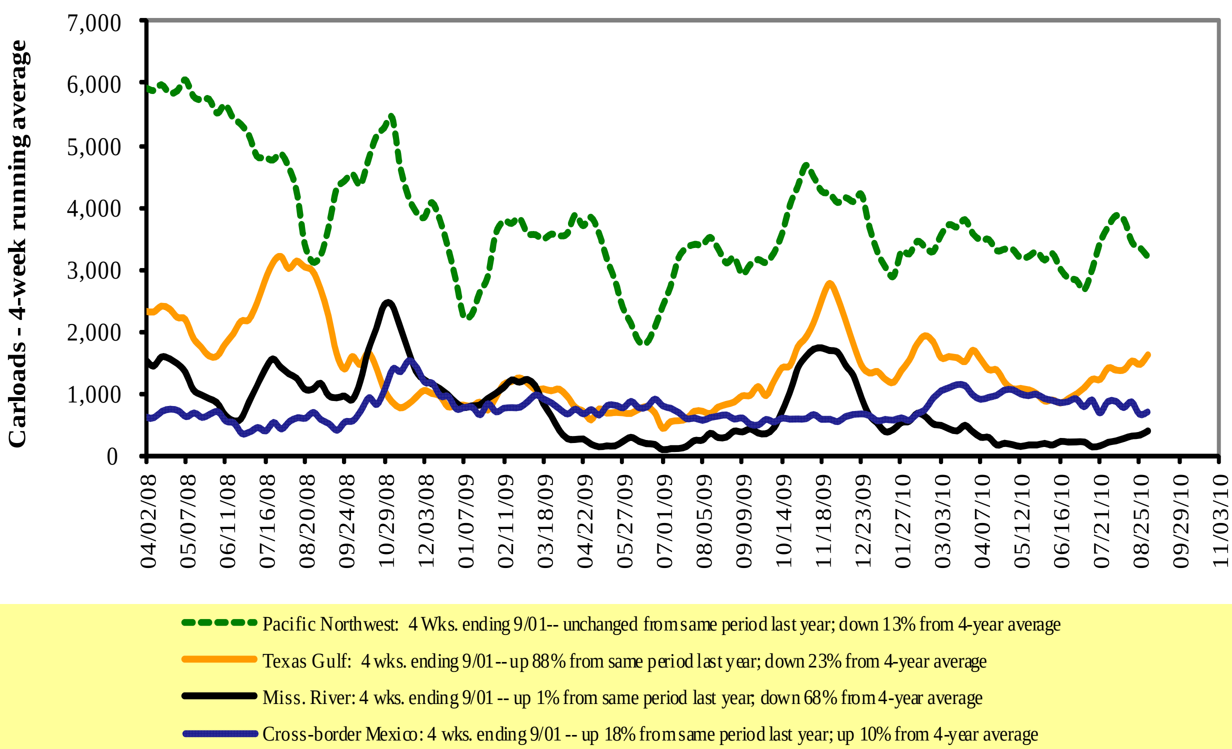
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

Source: Transportation & Marketing Programs/AMS/USDA

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

Figure 2

Rail Deliveries to Port



Source: Transportation & Marketing Programs/AMS/USDA

Table 4

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

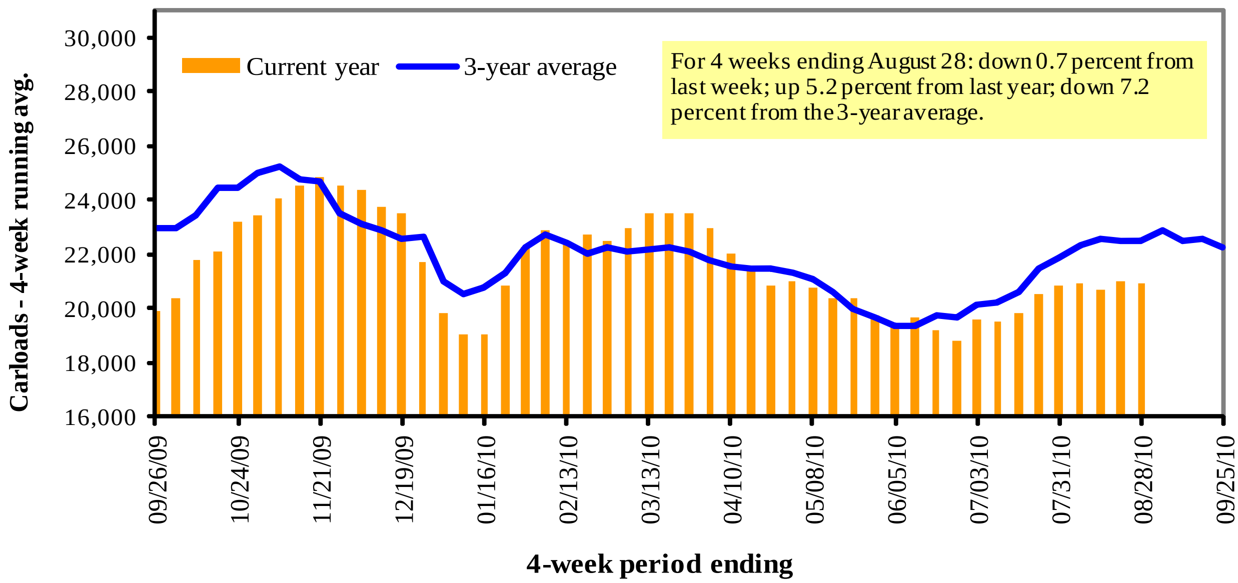
Week ending	East		West			U.S. total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
08/28/10	1,458	2,435	9,748	799	7,292	21,732	3,241	5,450
This week last year	1,670	2,611	9,589	501	5,482	19,853	4,381	5,049
2010 YTD	71,918	101,387	342,549	23,887	180,941	720,682	131,444	177,124
2009 YTD	69,201	88,765	294,502	22,584	163,601	638,653	134,532	183,318
2010 YTD as % of 2009 YTD	104	114	116	106	111	113	98	97
Last 4 weeks as % of 2009[1]	105	96	108	90	107	105	89	104
Last 4 weeks as % of 3-yr avg.[1]	78	83	98	84	95	93	85	114
Total 2009	105,278	142,254	483,618	36,912	268,811	1,036,873	200,871	278,997

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

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

Figure 3

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



Source: Association of American Railroads

Table 5

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

Week ending	Delivery period							
9/4/2010	Sep-10	Sep-09	Oct-10	Oct-09	Nov-10	Nov-09	Dec-10	Dec-09
BNSF[3]								
COT grain units	no offer	1	no offer	no offer	no offer	0	no offer	0
COT grain single-car[5]	no offer	0 . . 2	no offer	no offer	no offer	7	no offer	6 . . 7
UP[4]								
GCAS/Region 1	no offer	no bids	no offer	1	201	no bids	n/a	no offer
GCAS/Region 2	no offer	no bids	no offer	162	306	1	n/a	no offer

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

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

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

[4]UP - GCAS = Grain Car Allocation System

Region 1 includes: AR, IL, LA, MO, NM, OK, TX, WI, and Duluth, MN.

Region 2 includes: CO, IA, KS, MN, NE, WY, and Kansas City and St. Joseph, MO.

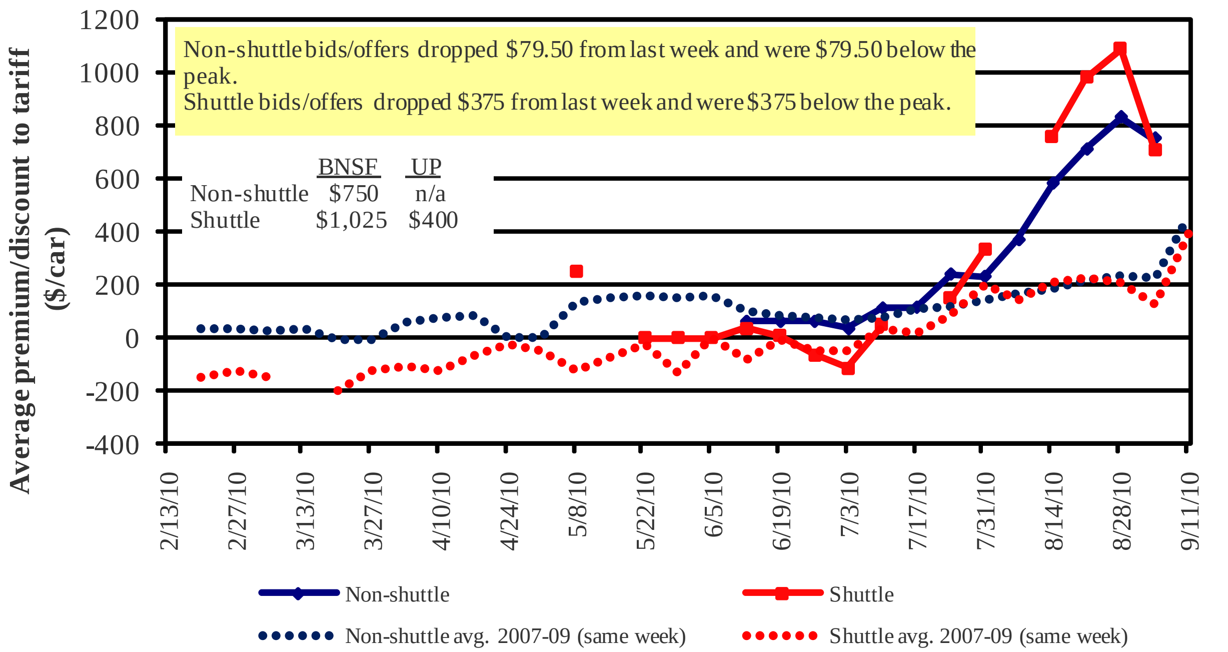
[5]Range is shown because average is not available. Not available = n/a.

Source: Transportation & Marketing Programs/AMS/USDA.

The **secondary rail market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The **auction and secondary rail** values are indicators of rail service quality and demand/ supply.

Figure 4

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

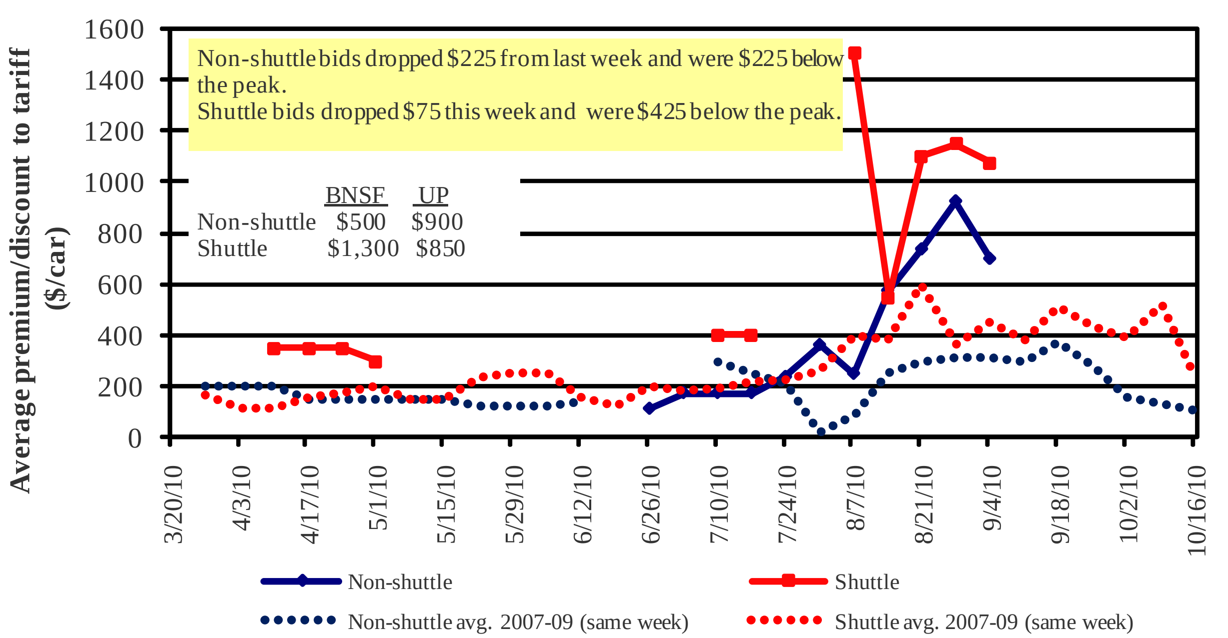


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

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

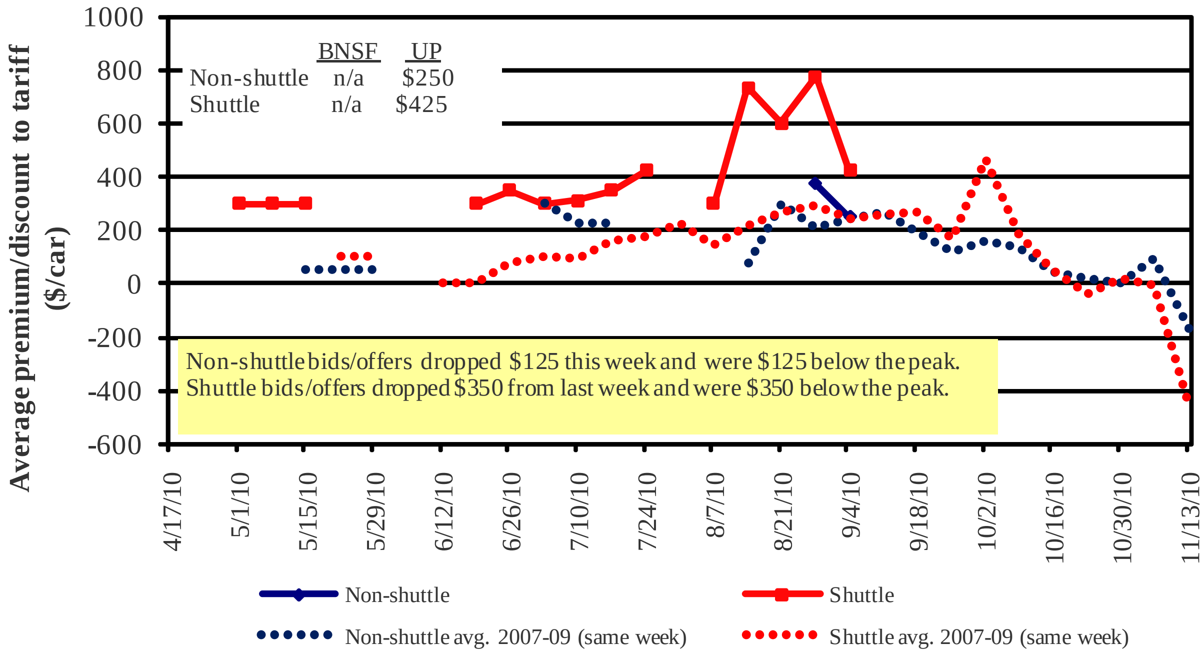


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in November 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 9/4/2010	Delivery period: Sep-10	Oct-10	Nov-10	Dec-10	Jan-10	Feb-10
Non-shuttle						
BNSF-GF	750	500	n/a	n/a	n/a	n/a
Change from last week	(309)	(600)	n/a	n/a	n/a	n/a
Change from same week 2009	733	500	n/a	n/a	n/a	n/a
UP-Pool	n/a	900	250	n/a	n/a	n/a
Change from last week	n/a	150	(125)	n/a	n/a	n/a
Change from same week 2009	n/a	659	n/a	n/a	n/a	n/a
Shuttle[2]						
BNSF-GF	1,025	1,300	n/a	600	n/a	n/a
Change from last week	(375)	n/a	n/a	100	n/a	n/a
Change from same week 2009	1,088	925	n/a	533	n/a	n/a
UP-Pool	400	850	425	150	n/a	n/a
Change from last week	(375)	(300)	(25)	(50)	n/a	n/a
Change from same week 2009	575	437	n/a	n/a	n/a	n/a

[1]Average premium/discount to tariff, $/car-last week
[2]Shuttle bids are a new data series; prior to this we provided only non-shuttle rates.
Note: Bids listed are market INDICATORS only & are NOT guaranteed prices,
n/a = not available; GF = guaranteed freight; Pool = guaranteed pool
Sources: Transportation and Marketing Programs/AMS/USDA
Data from Atwood/ConAgra, Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.

Table 7

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

Effective date: 9/7/2010	Origin region	Destination region	Tariff rate/car	Fuel surcharge per car	Tariff plus surcharge per: metric ton	Tariff plus surcharge per: bushel[2]	Percent change Y/Y[3]
Unit train[1]							
Wheat	Chicago, IL	Albany, NY	$2,622	$134	$30.38	$0.83	2
	Kansas City, MO	Galveston, TX	$2,828	$140	$32.72	$0.89	8
	South Central, KS	Galveston, TX	$3,805	$295	$45.19	$1.23	9
	Minneapolis, MN	Houston, TX	$3,949	$597	$50.11	$1.36	10
	St. Louis, MO	Houston, TX	$3,715	$136	$42.45	$1.16	10
	South Central, ND	Houston, TX	$5,628	$664	$69.36	$1.89	7
	Minneapolis, MN	Portland, OR	$4,350	$726	$55.95	$1.52	9
	South Central, ND	Portland, OR	$4,350	$596	$54.52	$1.48	9
	Northwest, KS	Portland, OR	$5,250	$794	$66.62	$1.81	8
	Chicago, IL	Richmond, VA	$2,834	$201	$33.46	$0.91	13
Corn	Chicago, IL	Baton Rouge, LA	$2,925	$172	$34.14	$0.87	-4
	Council Bluffs, IA	Baton Rouge, LA	$3,020	$184	$35.31	$0.90	-4
	Kansas City, MO	Dalhart, TX	$3,284	$215	$38.57	$0.98	1
	Minneapolis, MN	Portland, OR	$3,609	$726	$47.78	$1.21	4
	Evansville, IN	Raleigh, NC	$3,204	$197	$37.49	$0.95	9
	Columbus, OH	Raleigh, NC	$3,093	$172	$35.99	$0.91	9
	Council Bluffs, IA	Stockton, CA	$4,900	$784	$62.66	$1.59	3
Soybeans	Chicago, IL	Baton Rouge, LA	$3,178	$172	$36.93	$1.01	2
	Council Bluffs, IA	Baton Rouge, LA	$3,192	$184	$37.21	$1.01	3
	Minneapolis, MN	Portland, OR	$4,110	$726	$53.30	$1.45	8
	Evansville, IN	Raleigh, NC	$3,204	$197	$37.49	$1.02	9
	Chicago, IL	Raleigh, NC	$3,804	$245	$44.63	$1.21	8
Shuttle Train							
Wheat	St. Louis, MO	Houston, TX	$2,942	$136	$33.93	$0.92	7
	Minneapolis, MN	Portland, OR	$3,790	$726	$49.78	$1.35	8
Corn	Fremont, NE	Houston, TX	$2,520	$439	$32.62	$0.83	3
	Minneapolis, MN	Portland, OR	$3,528	$726	$46.89	$1.19	4
Soybeans	Council Bluffs, IA	Houston, TX	$2,987	$425	$37.62	$1.02	9
	Minneapolis, MN	Portland, OR	$3,864	$726	$50.59	$1.38	6

[1]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.

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

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

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

Table 8

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

Commodity	Origin state	Destination region	Tariff rate/car[1]	Fuel surcharge per car[2]	Tariff plus surcharge per: metric ton[3]	Tariff plus surcharge per: bushel[3]	Percent change Y/Y[4]
Effective date: 9/6/2010							
Wheat	MT	Chihuahua, CI	$6,705	$732	$75.99	$2.07	13
	OK	Cuautitlan, EM	$5,857	$562	$65.58	$1.78	10
	KS	Guadalajara, JA	$6,436	$865	$74.60	$2.03	16
	TX	Salinas Victoria, NL	$3,292	$175	$35.42	$0.96	9
Corn	IA	Guadalajara, JA	$6,670	$808	$76.41	$2.08	9
	SD	Penjamo, GJ	$6,440	$936	$75.36	$2.05	9
	NE	Queretaro, QA	$6,130	$520	$67.95	$1.85	2
	SD	Salinas Victoria, NL	$4,570	$672	$53.56	$1.46	3
	MO	Tlalnepantla, EM	$5,318	$506	$59.51	$1.62	2
	SD	Torreon, CU	$5,330	$766	$62.28	$1.69	7
Soybeans	MO	Bojay (Tula), HG	$6,066	$720	$69.33	$1.89	9
	NE	Guadalajara, JA	$6,550	$789	$74.99	$2.04	10
	IA	Penjamo (Celaya), GJ	$6,690	$948	$78.04	$2.12	10
	KS	Torreon, CU	$5,255	$530	$59.11	$1.61	9
Sorghum	OK	Cuautitlan, EM	$4,339	$671	$51.19	$1.39	4
	TX	Guadalajara, JA	$5,350	$756	$62.39	$1.70	16
	NE	Penjamo, GJ	$6,395	$741	$72.91	$1.98	8
	KS	Queretaro, QA	$5,398	$400	$59.24	$1.61	1
	NE	Salinas Victoria, NL	$4,282	$414	$47.98	$1.30	1
	NE	Torreon, CU	$5,240	$560	$59.26	$1.61	6

[1]Rates are based upon published tariff rates for high-capacity shuttle trains. Shuttle trains are available for qualified shipments of 75--110 cars that meet railroad efficiency requirements.

[2]Fuel surcharge adjusted to reflect the change in Ferrocarril Mexicano, S.A. de C.V railroad fuel surcharge policy as of 10/01/200

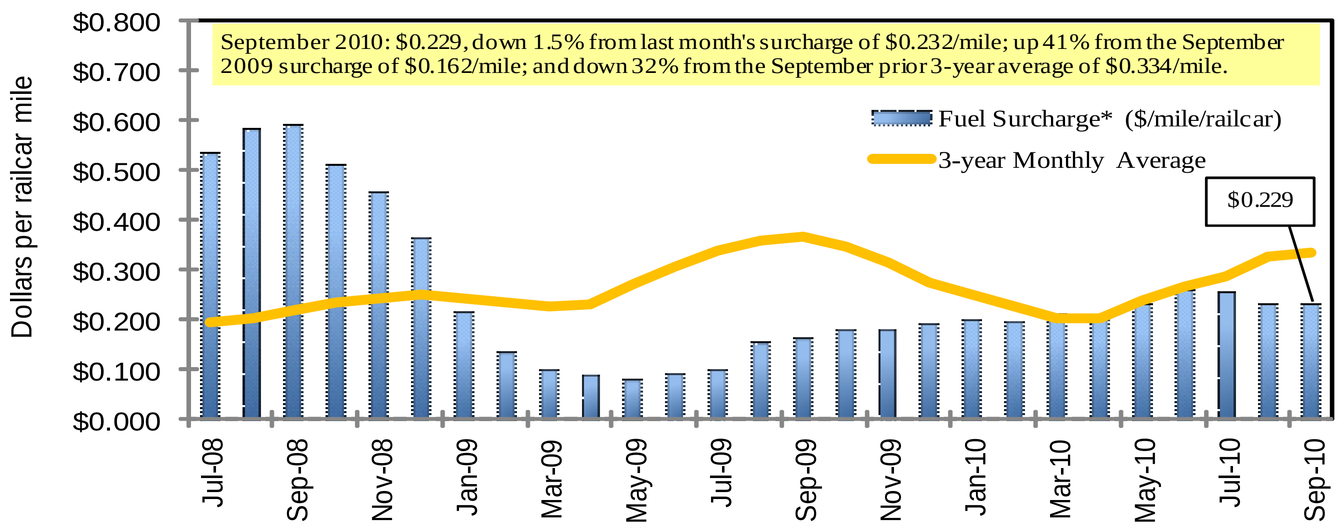
[3]Approximate load per car = 97.87 metric tons: Corn & Sorghum 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

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

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

Figure 7

Railroad Fuel Surcharges, North American Weighted Average[1]



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

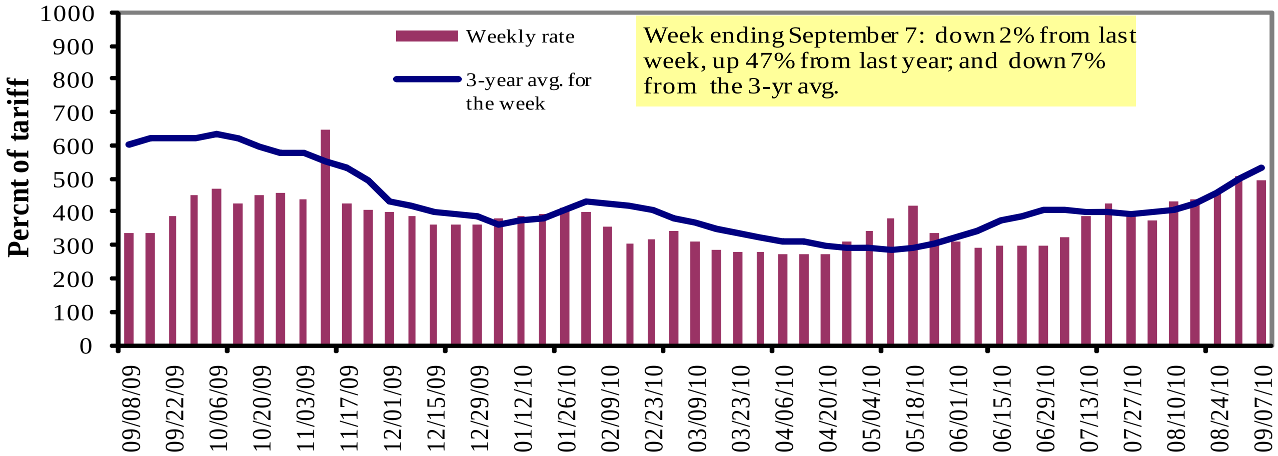
* Mileage-based fuel surcharges for March and April 2007 are estimated. Beginning January 2009, the Canadian Pacific fuel surcharge is computed by a monthly average of the bi-weekly fuel surcharge.

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

Barge Transportation

Figure 8

Illinois River Barge Freight Rate[1,2]



[1]Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); [2]4-week moving average of the 3-year average.

Source: Transportation & Marketing Programs/AMS/USDA

Table 9

Weekly Barge Freight Rates: Southbound Only

		Twin Cities	Mid-Mississippi	Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo-Memphis
Rate[1]	9/7/2010	506	500	495	506	603	603	488
	8/31/2010	506	494	506	525	616	616	500
$/ton	9/7/2010	31.32	26.60	22.97	20.19	28.28	24.36	15.32
	8/31/2010	31.32	26.28	23.48	20.95	28.89	24.89	15.70
Current week % change from the same week:								
	Last year	43	52	47	69	73	68	70
	3-year avg. [2]	3	-4	-7	-7	10	10	-13
Rate[1]	October	638	625	618	549	634	634	521
	December	-	-	419	325	371	371	303

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

Source: Transportation & Marketing Programs/AMS/USDA

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

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

Figure 9

Benchmark tariff rates

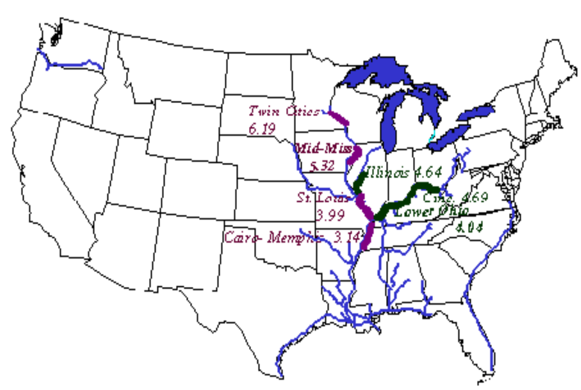
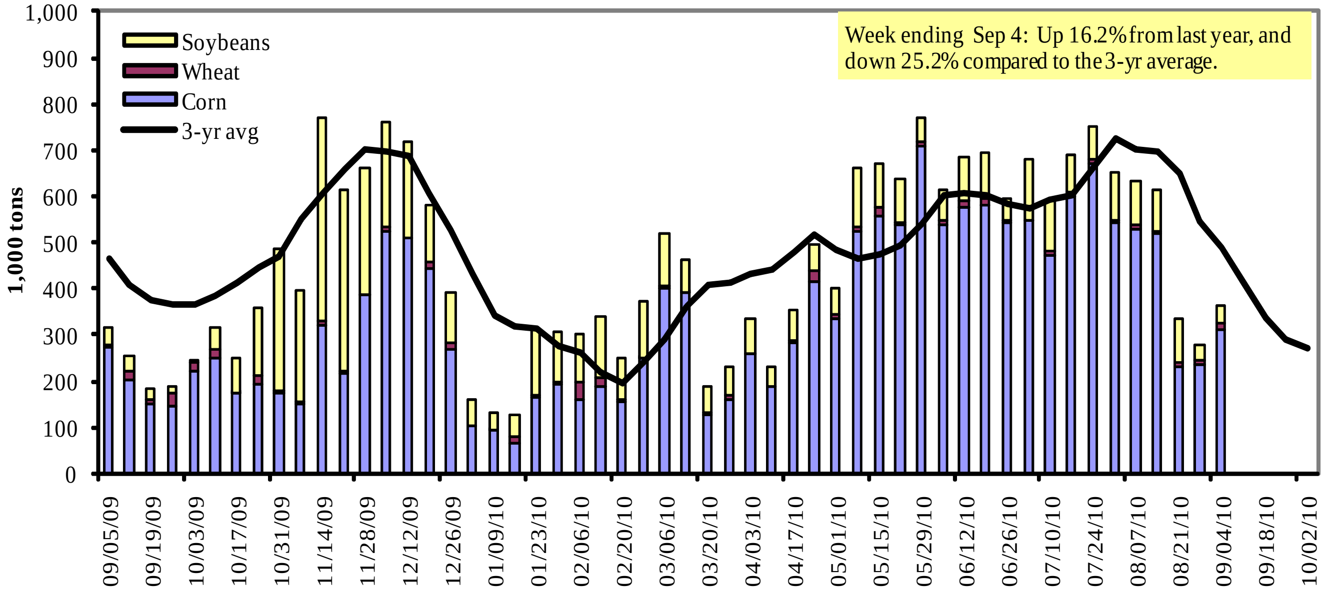


Figure 10

Barge Movements on the Mississippi River[1] (Locks 27 - Granite City, IL)



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

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

Table 10

Barge Grain Movements (1,000 tons)

Week ending 9/04/2010	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	146	8	11	0	165
Winfield, MO (L25)	184	8	35	0	227
Alton, IL (L26)	288	11	35	0	334
Granite City, IL (L27)	312	12	42	0	366
Illinois River (L8)	71	0	6	0	77
Ohio River (L52)	98	3	7	0	108
Arkansas River (L1)	9	3	8	3	23
Weekly total - 2010	419	19	57	3	497
Weekly total - 2009	297	25	57	1	380
2010 YTD[1]	16,580	906	5,334	311	23,131
2009 YTD	17,658	1,072	6,019	281	25,030
2010 as % of 2009 YTD	94	85	89	111	92
Last 4 weeks as % of 2009[2]	72	102	70	288	74
Total 2009	23,424	1,501	10,465	430	35,819

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

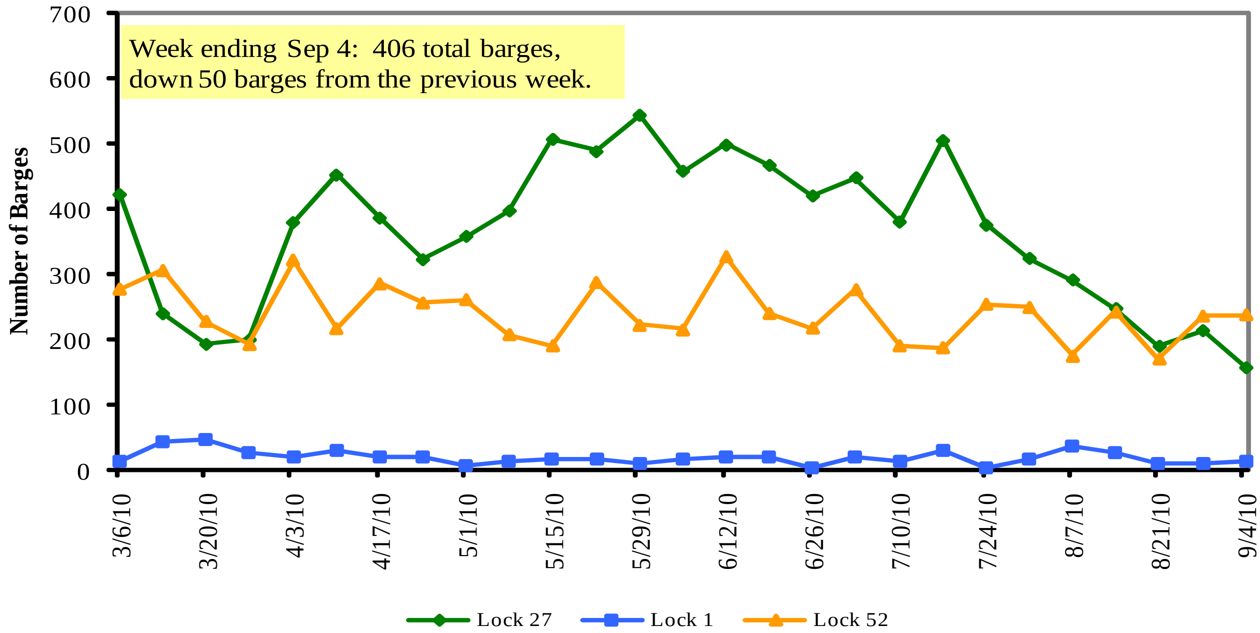
[2] As a percent of same period in 2009.

Note: Total may not add exactly, due to rounding

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

Figure 11

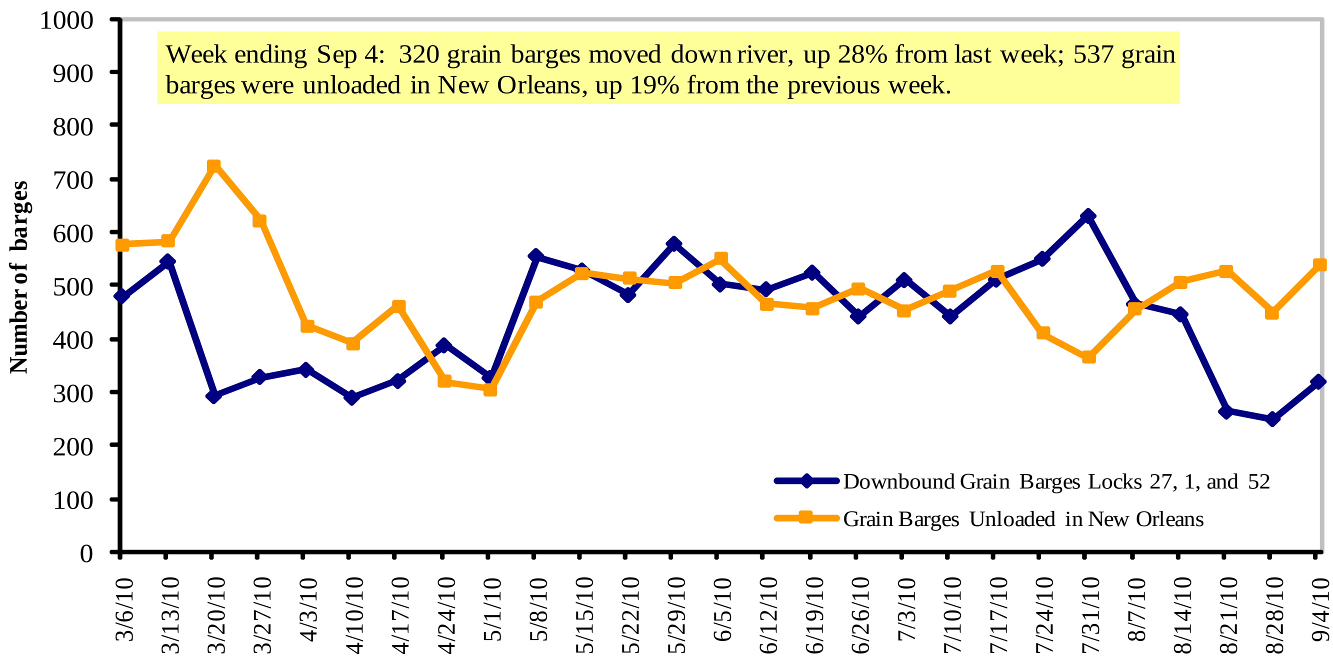
Upbound Empty Barges Transiting Mississippi River Locks 27, Arkansas River Lock and Dam 1, and Ohio River Locks and Dam 52



Source: U.S. Army Corps of Engineers

Figure 12

Grain Barges for Export in New Orleans Region



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

Truck Transportation

The **weekly diesel price** provides a proxy for trends in U.S. truck rates as diesel fuel is a significant expense for truck grain movements.

Table 11

Retail on-Highway Diesel Prices[1], Week Ending 9/04/2010 (US $/gallon)

Region	Location	Price	Change from Week ago	Change from Year ago
I	East Coast	2.923	-0.007	0.265
	New England	2.995	-0.001	0.266
	Central Atlantic	3.007	-0.013	0.239
	Lower Atlantic	2.880	-0.006	0.276
II	Midwest[2]	2.900	-0.009	0.272
III	Gulf Coast[3]	2.876	-0.012	0.301
IV	Rocky Mountain	3.021	0.002	0.339
V	West Coast	3.104	0.003	0.318
	California	3.145	-0.005	0.279
Total	U.S.	2.931	-0.007	0.284

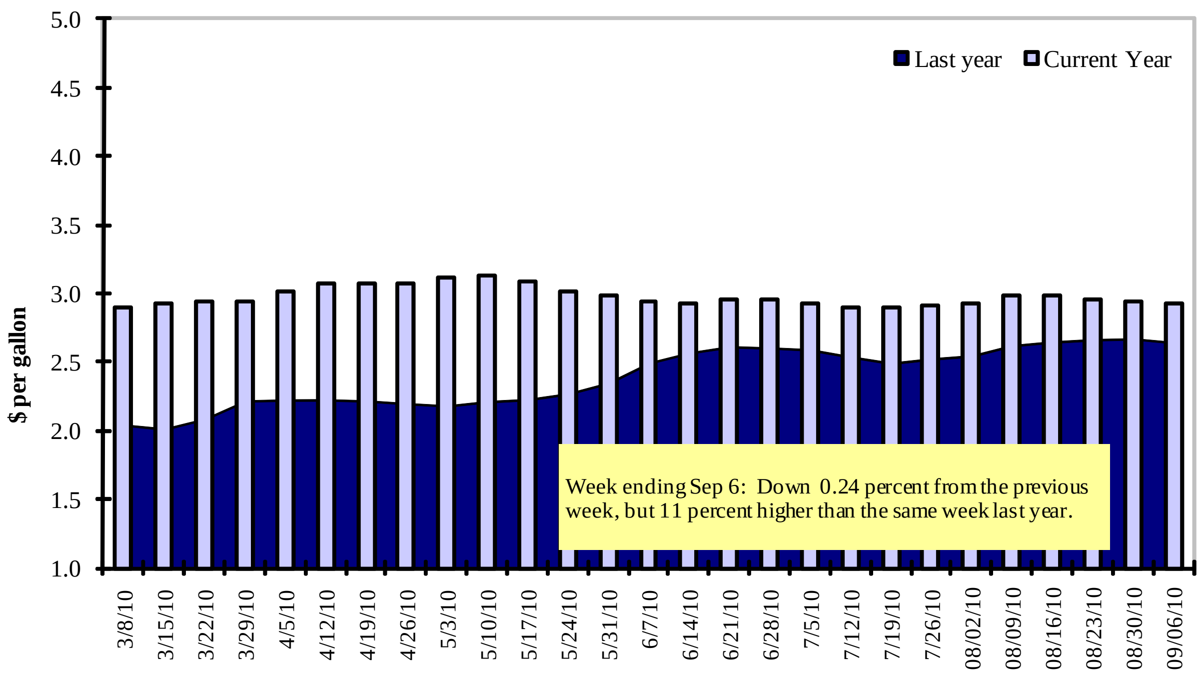
[1]Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

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

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

Figure 13

Weekly Diesel Fuel Prices, U.S. Average



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

Grain Exports

Table 12

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

	Wheat						Corn	Soybeans	Total
Week ending	HRW	SRW	HRS	SWW	DUR	All wheat			
Export Balances[1]									
8/26/2010	3,585	629	2,232	1,329	357	8,133	4,753	2,004	14,890
This week year ago	1,271	813	954	963	270	4,272	4,398	2,382	11,052
Cumulative exports-marketing year[2]									
2009/10 YTD	2,903	497	1,365	998	188	5,951	47,700	39,285	92,936
2008/09 YTD	1,802	739	962	836	128	4,466	44,650	33,705	82,821
YTD 2009/10 as % of 2008/09	161	67	142	119	147	133	107	117	112
Last 4 wks as % of same period 2008/09	258	73	193	132	126	171	143	98	144
2009/10 Total	8,458	2,733	5,329	3,897	983	21,400	47,700	39,285	108,385
2008/09 Total	11,244	5,100	5,408	3,420	454	25,626	44,650	33,705	103,981

[1] Current unshipped export sales to date

[2] Shipped export sales to date; the 09/10 corn and soybean marketing year ends

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

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

Table 13

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

Week ending 08/26/10	**Total Commitments**[2]			**% change**	**Exports**[3]
	2010/11	**2009/10**	**2008/09**	**current MY**	
	Next MY	**Current MY**	**Last MY**	**from last MY**	**2008/09**
		- 1,000 mt -			- 1,000 mt -
Japan	2,431	16,214	17,704	(8)	15,910
Mexico	1,996	8,243	7,588	9	7,454
Korea	502	7,778	5,418	44	5,129
Taiwan	221	3,303	3,578	(8)	3,198
Egypt	745	3,157	2,247	40	2,233
Top 5 importers	**5,895**	**38,694**	**36,534**	**6**	**33,924**
Total US corn export sales	**10,616**	**52,452**	**49,048**	**7**	**47,180**
% of Projected	20%	105%	104%		
Change from Last Week	1,687	(29)	345		
Top 5 importers' share of U.S. corn export sales	56%	74%	74%		
USDA forecast, August 2010	**52,070**	**50,170**	**47,180**	**6**	
Corn Use for Ethanol USDA forecast, Ethanol August 2010	**119,380**	**114,300**	**94,209**	**21**	

(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 Importers[1] of U.S. Soybeans

Week ending 08/26/10	Total Commitments[2] 2010/11 Next MY	2009/10 Current MY	2008/09 Last MY	% change current MY from last MY	Exports[3] 2008/09
		- 1,000 mt -			- 1,000 mt -
China[4]	9,118	9,118	19,797	(54)	18,681
Mexico	633	3,328	3,174	5	3,098
Japan	290	2,621	2,792	(6)	2,410
EU-25	60	2,703	2,186	24	2,180
Taiwan	189	1,577	1,751	(10)	1,592
Top 5 importers	**10,291**	**19,347**	**29,699**	**(35)**	**27,961**
Total US soybean export sales	**15,315**	**41,289**	**36,087**	**14**	**34,930**
% of Projected	39%	103%	103%		
Change from last week	613	1	(59)		
Top 5 importers' share of U.S. soybean export sales	67%	47%	82%		
USDA forecast, August 2010	**39,050**	**40,010**	**34,930**	**15**	
Soybean Use for Biodiesel USDA forecast, August 2010	**6,954**	**4,316**	**4,573**	**(6)**	

(n) indicates negative number.

[1]Based on FAS 2008/09 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year (MY) = Sep 1 - Aug 31.

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

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

[4] Not included - FAS Press Release: **120,000 mt** on 8/27 to China for 2010/11.

Table 15

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

Week Ending 08/26/2010	Total Commitments[2] 2010/11 Current MY	2009/10 Last MY	% change current MY from last MY	Exports[3] 2009/10
	- 1,000 mt -			- 1,000 mt -
Nigeria	1,491	1,327	12	3,233
Japan	1,396	1,055	32	3,148
Mexico	1,323	780	70	1,975
Philippines	1,151	653	76	1,518
Korea, South	752	524	44	1,111
Taiwan	290	287	1	844
Venezuela	236	185	28	658
Colombia	364	277	31	575
Peru	447	259	73	567
Egypt[4]	1,208	288	320	529
Top 10 importers	**8,658**	**5,635**	**54**	**14,156**
Total US wheat export sales[5]	**14,084**	**8,738**	**61**	**23,980**
% of Projected	43%	36%		
Change from last week	1,024	406		
Top 10 importers' share of U.S. wheat export sales	61%	64%		
USDA forecast, August 2010	**32,660**	**23,980**	**36**	

(n) indicates negative number.

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

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

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

[4]Not Included, FAS Press Release: **110,000 mt** HRW Wheat to Egypt for 2010/11.

Table 16

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

Port regions	Week ending 09/02/10	2010 YTD[1]	2009 YTD[1]	2010 YTD as % of 2009 YTD	Last 4-weeks as % of 2009	Last 4-weeks as % of 3-yr. avg.	Total[1] 2009
Pacific Northwest							
Wheat	204	7,335	6,460	114	121	96	10,091
Corn	267	7,731	6,126	126	139	146	8,498
Soybeans	72	4,998	4,586	109	104	119	9,743
Total	**544**	**20,064**	**17,172**	**117**	**127**	**118**	**28,332**
Mississippi Gulf							
Wheat	101	2,631	2,705	97	133	51	4,019
Corn	547	20,225	20,984	96	92	99	28,843
Soybeans	275	10,436	11,854	88	105	161	21,831
Total	**923**	**33,292**	**35,543**	**94**	**98**	**101**	**54,693**
Texas Gulf							
Wheat	176	5,574	3,740	149	163	89	5,735
Corn	61	1,251	1,284	97	54	107	1,968
Soybeans	0	667	472	141	n/a	n/a	2,402
Total	**236**	**7,492**	**5,495**	**136**	**126**	**91**	**10,105**
Great Lakes							
Wheat	117	748	360	208	254	140	990
Corn	0	53	207	25	0	0	353
Soybeans	0	0	69	0	n/a	0	781
Total	**117**	**800**	**637**	**126**	**188**	**109**	**2,124**
Atlantic							
Wheat	0	195	420	46	1	1	552
Corn	0	272	127	215	206	293	472
Soybeans	0	709	468	152	18	17	1,268
Total	**0**	**1,177**	**1,015**	**116**	**32**	**25**	**2,292**
U.S. total from ports[2]							
Wheat	598	16,483	13,685	120	140	84	21,387
Corn	875	29,533	28,728	103	99	109	40,134
Soybeans	347	16,810	17,450	96	103	143	36,025
Total	**1,820**	**62,826**	**59,863**	**105**	**111**	**103**	**97,546**

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

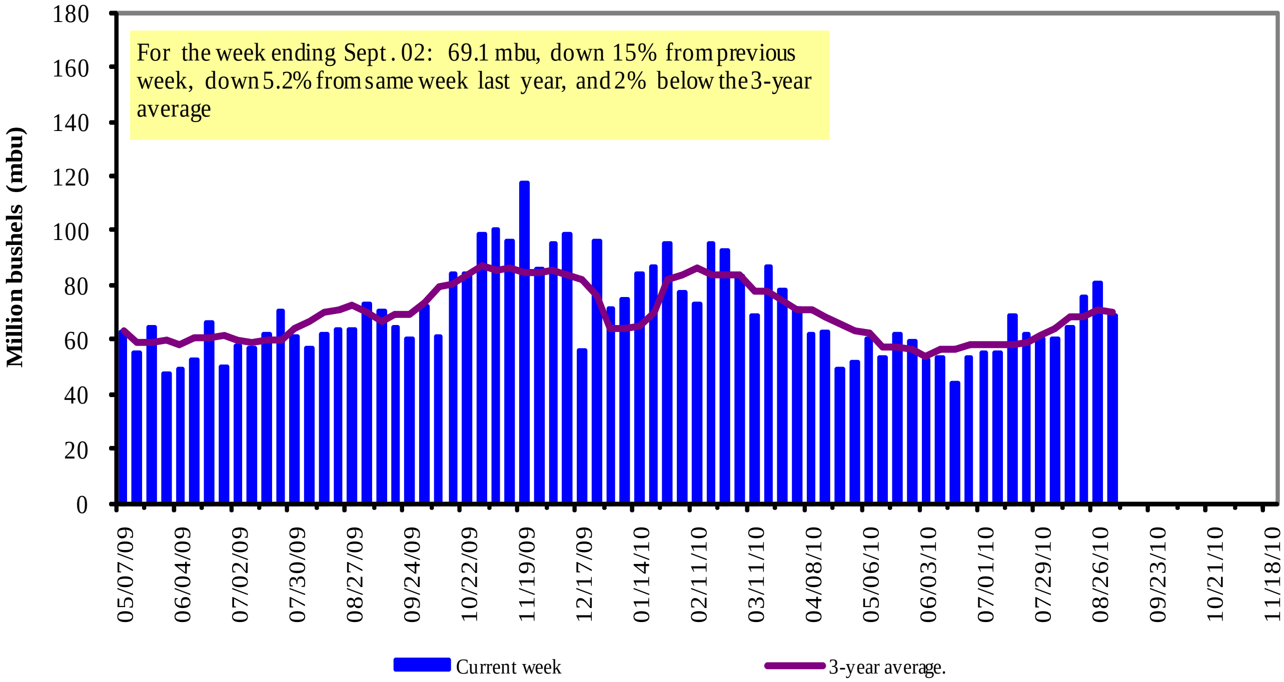
[2] Total includes only port regions shown above

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)

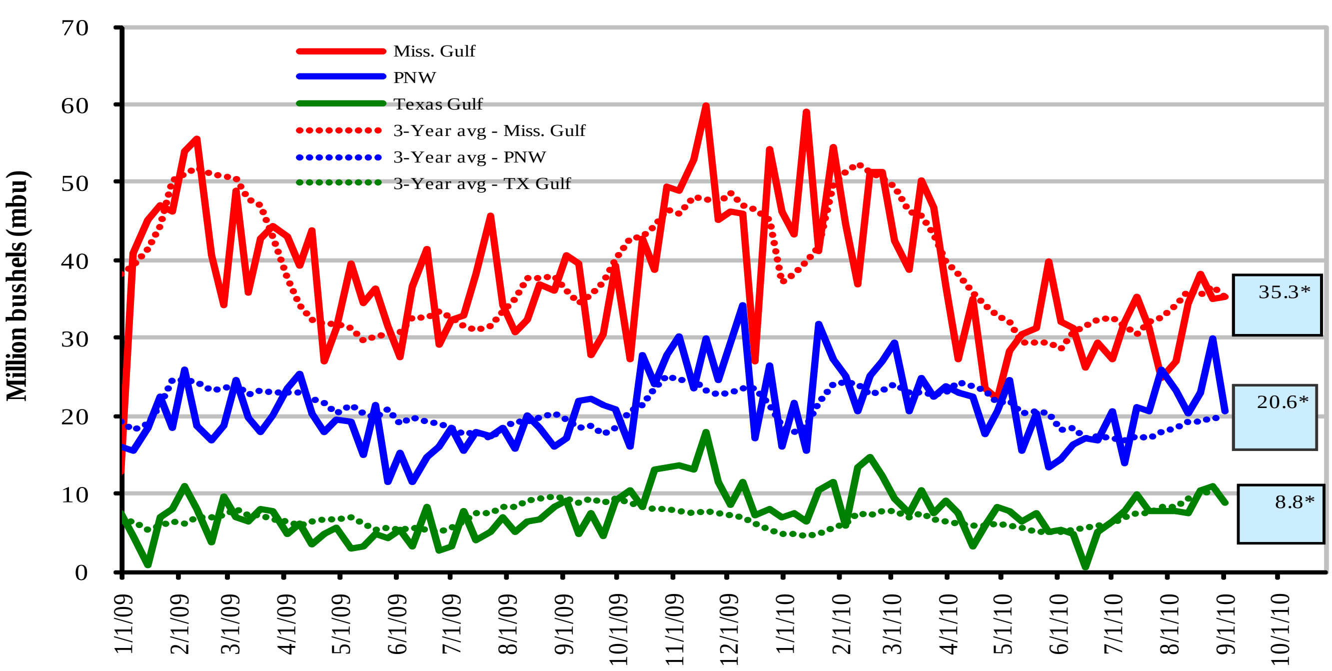


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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

Figure 15

U.S. Grain Inspections: U.S. Gulf and PNW[1] (wheat, corn, and soybeans)



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

Sept 2, % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	up 1	down 20	down 4	down 31
Last year (same week)	down 13	down 3	down 11	up 20
3-yr avg. (4-wk mov. avg.)	down 0.2	down 15	down 4	up 16

Ocean Transportation

Table 17

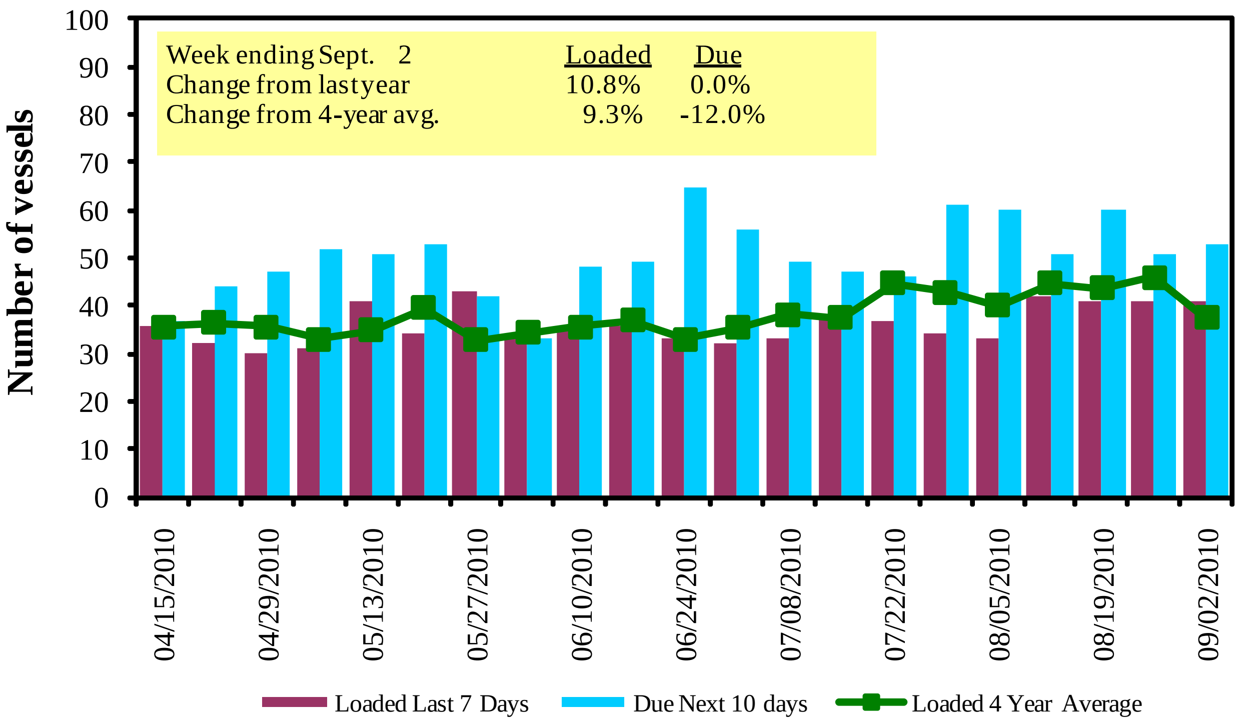
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

	Gulf			Pacific Northwest	Vancouver B.C.
Date	In port	Loaded 7-days	Due next 10-days	In port	In port
9/2/2010	50	41	53	11	4
8/26/2010	53	41	51	8	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. Gulf[1] Vessel Loading Activity

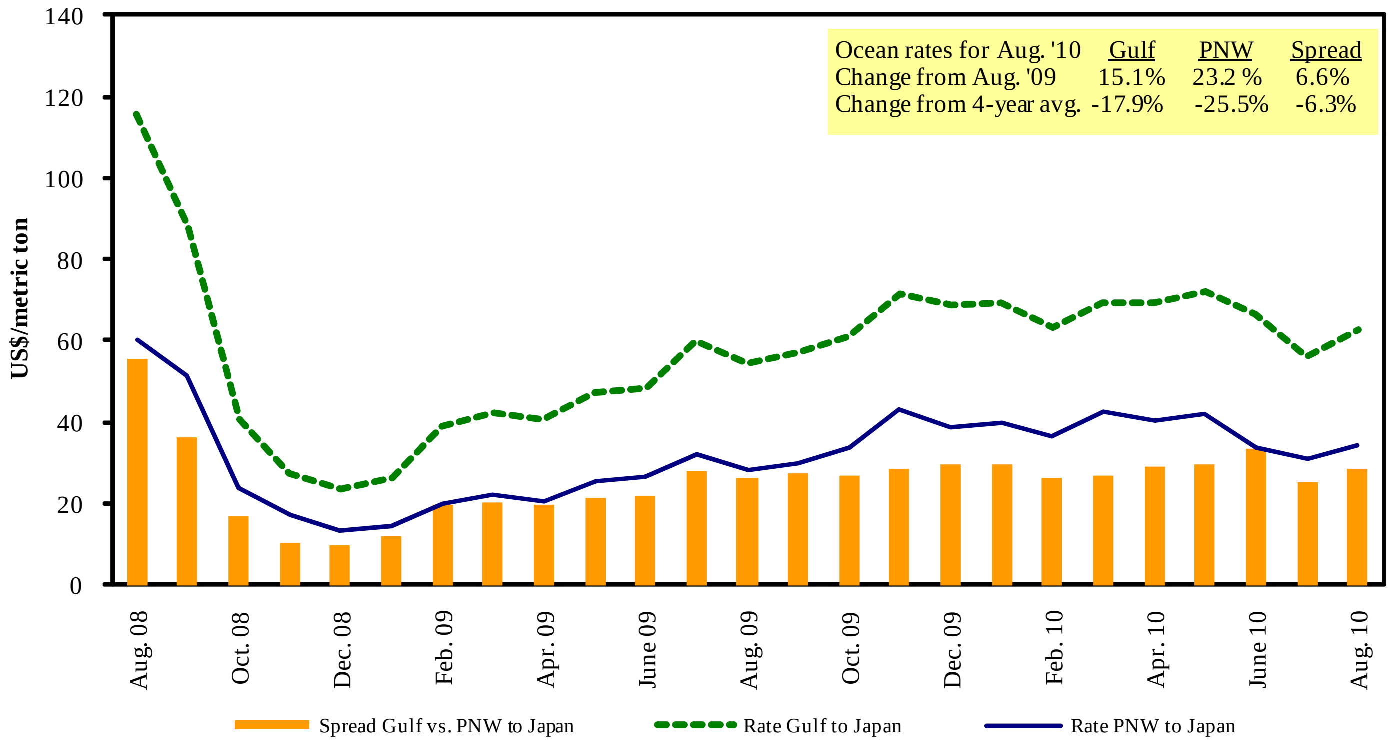


Source: Transportation & Marketing Programs/AMS/USDA

[1]U.S. Gulf includes Mississippi, Texas, and East Gulf.

Figure 17

Grain Vessel Rates, U.S. to Japan



Source: O'Neil Commodity Consulting

Table 18

Ocean Freight Rates For Selected Shipments, Week Ending 9/4/2010

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	Egypt Med	Heavy Grain	Sep 5/10	55,000	42.00
U.S. Gulf	South Africa	Wheat	Aug 20/30	25,000	59.50
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. PNW	Bangladesh[1]	Wheat	Aug 20/30	24,590	92.00
St. Lawrence	Morocco	Wheat	Aug 25/30	25,000	29.75
St. Lawrence	Morocco	Wheat	Jul 26/31	25,000	26.50
Brazil	Spain	Corn	Aug 10/15	25,000	31.50
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

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

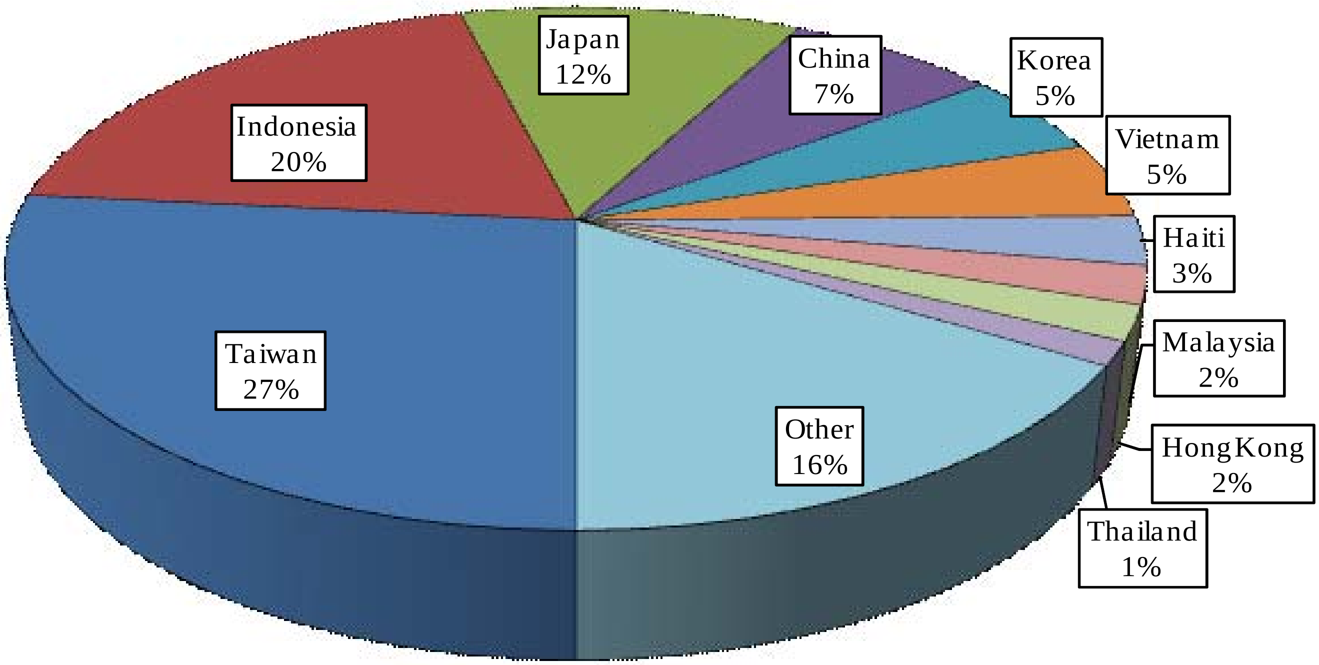
[1] 75 percent of food aid from the United States is required to be shipped on U.S.-flag vessels.

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

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

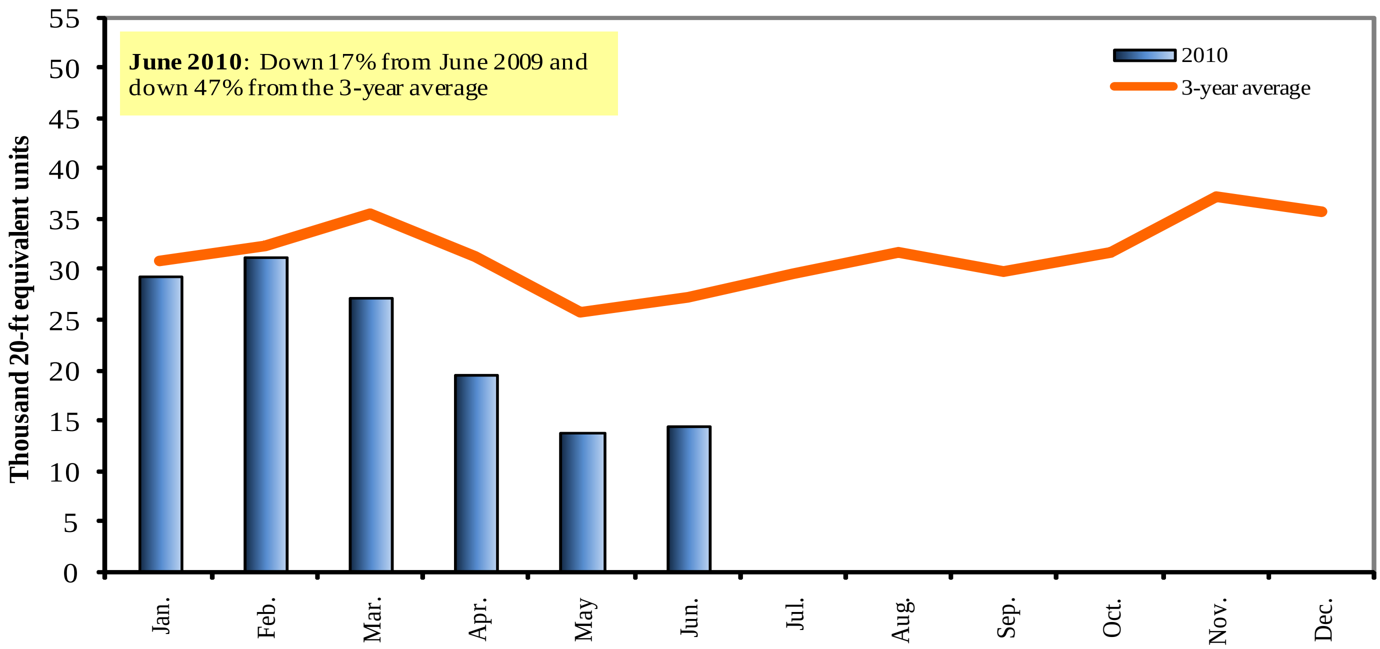
Top 10 Destination Markets for U.S. Containerized Grain Exports, June 2010



Source: Port Import Export Reporting Service (PIERS)

Figure 19

Monthly Shipments of Containerized Grain to Asia



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

Contacts and Links

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

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