



Oct. 7, 2010

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WEEKLY HIGHLIGHTS

Rail Grain Movements in Houston Slowed by Barge Crash and Rail Congestion

A portion of the Houston Ship Channel was closed to marine traffic Sunday morning, October 3, after barges collided with a tower supporting power lines that crossed the channel. By October 6, the channel was re-opened to all traffic. However, the Coast Guard estimates that it will be several days for vessel movements to get back to normal. Two elevators affected by the closure at Channelview and Galena Park, TX, have a loaded vessel waiting to exit the channel and several vessels are waiting to berth for loading. Since the elevators are full of grain, this has added to existing rail congestion in the Houston area because the elevators cannot unload railcars until empty vessels arrive. During 2009, the affected elevators accounted for about half of Texas Gulf wheat and sorghum exports. A rail embargo due to congestion is in place until the situation improves.

Favorable Weather Could Advance an Already Early Corn Harvest; Soybean Harvest is Gaining Speed

As of October 3, the corn harvest is ahead of its normal pace for this time of year, with 37 percent of the corn harvested nationwide compared to the average of 21 percent. A continued dry weather pattern throughout the Midwest could accelerate this week's harvest and create additional demand for transportation services. Due to recent heavy rains in southern Minnesota, there has been some river flooding affecting barge traffic in southeastern Minnesota. Otherwise, there are no major transportation issues associated with this year's corn harvest. The Nation's soybean harvest is currently 37 percent completed, also ahead of the 28 percent average harvest pace.

FMCSA Grants Two-Year Limited Exemption for Anhydrous Ammonia Transportation

On October 6, the Federal Motor Carrier Safety Administration (FMCSA) **granted** a two-year, limited exemption from the federal hours-of-service regulations for the transportation of anhydrous ammonia. The exemption covers shipments from any distribution point to a local farm retailer, or to the ultimate consumer; and from a local farm retailer to the ultimate consumer, as long as the transportation takes place within a 100 air-mile radius of the retail or wholesale distribution point. The exemption will remain in effect until October 9, 2012 unless revoked earlier by FMCSA. Supporting documents and comments may be viewed at <http://www.regulations.gov>, under docket ID number [FMCSA-2010-0230](http://www.regulations.gov).

Total Grain Inspections Highest Since March

For the week ending September 30, total inspections of grain (corn, wheat, and soybeans) from all major U.S. export regions reached 2.22 million metric tons (mmt), up 13 percent from the past week and 16 percent above the previous year. Total inspections are the highest since March 18, 2010 (2.30 mmt). Soybean inspections (.853 mmt), which increased 70 percent from the past week, continued to be the primary contributor for increased overall inspections. Soybean inspections were 85 percent above the four week average and 257 percent above the three year average. Total wheat inspections increased slightly from the previous week, but corn inspections (.712 mmt) dropped 13 percent as shipments to Egypt and Mexico receded. Although inspections of corn are lower, outstanding export sales (Table 12) are strong and are up 20 percent from last year this time, indicating increasing corn exports during the upcoming months.

Snapshots by Sector

Rail

U.S. railroads originated 23,177 **carloads of grain** during the week ending September 25, down 1 percent from last week, up 19 percent from last year, and 9 percent higher than the 3-year average.

During the week ending October 2, average October non-shuttle **secondary railcar bids/offers** were \$444 above tariff, up \$106 from last week. Average shuttle rates were \$1,238 above tariff, up \$1,313 from last week.

Ocean

During the week ending September 30, 44 **ocean-going grain vessels** were loaded in the Gulf, up 13 percent from last year. Seventy-four vessels are expected to be loaded in the U.S. Gulf within the next 10 days, up 14 percent from last year.

During the week ending October 1, the cost of shipping grain from the Gulf to Japan averaged \$61 per mt, down 5 percent from the previous week. The rate from the Pacific Northwest to Japan was \$32 per mt, down 6 percent from the previous week.

Barge

During the week ending Oct 2, **barge grain movements** totaled 511,944 tons, 14 percent lower than the previous week but 43 percent higher than the same period last year.

Fuel

During the week ending Oct. 4, U.S. average **diesel fuel prices** increased 5 cents per gallon to \$3.00—1.7 percent higher than the previous week, and 16 percent higher than the same week last year.

Third Quarter Grain Inspections Highest Since 2007

Third quarter inspections of wheat, corn, and soybeans for export from all U.S. ports reached a total of 25.75 million metric tons (mmt), 8 percent above last year this time and 6 percent above the 5-year average (see table). Third quarter inspections were about 20 percent above the second quarter 2010, according to the Grain Inspection, Packers and Stockyards Administration (GIPSA). Third quarter inspections were also the highest since 2007, which was a record year for U.S. grain exports. Demand increased for U.S. grain due to less competition from other major exporting countries. The increase could also be due in part to Russia's ban on grain exports in mid August due to a severe drought.

U.S. Gulf grain inspections totaled 15.29 mmt during the third quarter, up 4 percent from last year and 5 percent above the 5-year average. Transportation implications include a 50 percent boost in Mississippi Gulf rail deliveries to port during the second quarter. Barge volumes however, were lower compared to the second quarter 2010 and to the third quarter 2009. Although the U.S. is experiencing an early grain harvest season, ocean and barge rates have not increased significantly thus far.

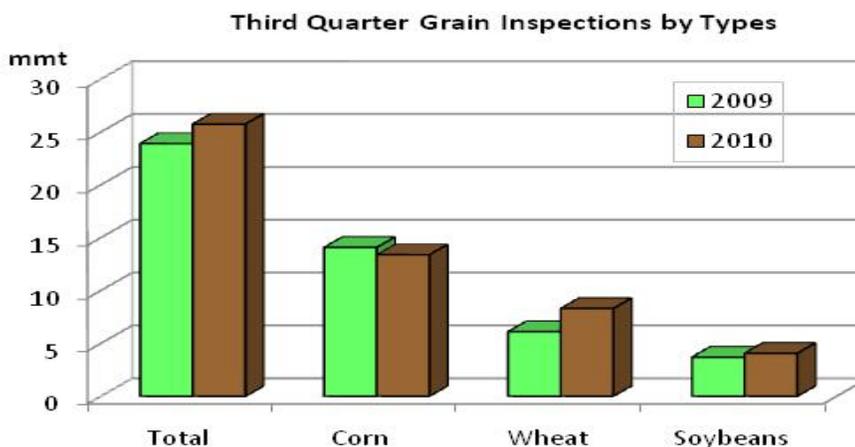
Total Third Quarter Grain Inspections By Port Regions, 2001-2010
Includes Corn, Soybean, and Wheat

Year	PNW	% of Average	U.S. Gulf	% of Average	East/Great Lakes	% of Average	U.S. Total ¹	% of Average
				1000 Metric Tons				
2001	4,316	69%	16,756	115%	2,070	150%	24,560	101%
2002	3,606	58%	15,569	107%	1,382	100%	21,213	87%
2003	4,381	70%	15,095	104%	1,186	86%	21,386	88%
2004	5,879	94%	13,950	96%	1,270	92%	21,829	90%
2005	5,739	92%	11,247	77%	1,175	85%	19,455	80%
2006	6,442	103%	15,404	106%	1,815	132%	25,817	106%
2007	5,927	95%	17,030	117%	2,112	153%	27,737	114%
2008	6,775	108%	14,334	99%	847	61%	24,484	101%
2009	6,396	102%	14,670	101%	948	69%	23,857	98%
2010	7,168	115%	15,294	105%	1,182	86%	25,747	106%
2005-2009 Avg	6,256		14,537		1,379		24,270	

Source: U SDA/GIPSA

¹Total includes Interior inspections

Total Pacific Northwest (PNW) grain inspections reached 7.17 mmt, up 12 percent from last year and 15 percent above the 5-year average (see table). Higher PNW inspections during the third quarter did not result from the smaller ocean rate spread between shipping from the U.S. Gulf and PNW to Japan. The spread, which typically favors the PNW when it rises, decreased about \$3.00 during this period. During the third quarter, ocean rates continued below their 4-year averages.



Third quarter Atlantic/Great Lakes grain inspections totaled 1.18 mmt, up 25 percent from last year. Wheat inspections in the region, up 70 percent from last year and destined primarily to Canada and Europe, drove the increase in overall Atlantic/Great Lakes inspections.

Wheat and Soybeans Inspections Up

According to GIPSA, third quarter wheat inspections at all ports totaled 8.3 mmt, up 36 percent from last year and 4 percent above the 5 year average (see figure). Increased wheat inspections were also boosted by strong export sales for the new 2010/11 marketing year. Third quarter wheat exports increased to most major importers of U.S. wheat, with significant increases to Nigeria and Latin America. For the 2010/11 marketing year, U.S. wheat exports are expected to increase to Nigeria, North Africa, and Middle East. U.S. Gulf third quarter wheat inspections (3.96 mmt) increased 46 percent from last year, as demand from Mexico, Nigeria, and Latin America increased. PNW wheat inspections (3.10 mmt) increased 17 percent from last year, as shipments to Asia rebounded.

Soybean inspections (4.06 mmt) at all ports increased 11 percent due to the larger crop and increasing Asian demand. Asia accounted for about 63 percent of total U.S. soybeans inspected for export during the third quarter. China accounted for 34 percent of total soybean exports to Asia. The U.S. Gulf accounted for more than 68 percent of total soybean inspections during the quarter and the PNW 18 percent.

Corn Inspections Down

The amount of corn inspected for export from all major port regions reached 13.38 mmt, down 5 percent from last year. Gulf corn inspections decreased 9 percent from last year to 8.53 mmt during the third quarter, due in part to higher prices and some quality problems with the old crop. PNW corn inspections increased 11 percent and were destined mainly to Japan, China and the Republic of Korea. East/Great Lakes corn inspections (.122 mmt) decreased 57 percent from last year due, equal to the low set in 1997. U.S. corn inspections, however, are expected to increase as the harvest intensifies. Johnny.Hill@ams.usda.gov

Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators¹

Week ending	Truck	Rail ²	Barge	Ocean	
				Gulf	Pacific
10/06/10	201	539	358	273	227
09/29/10	198	433	311	286	241

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)

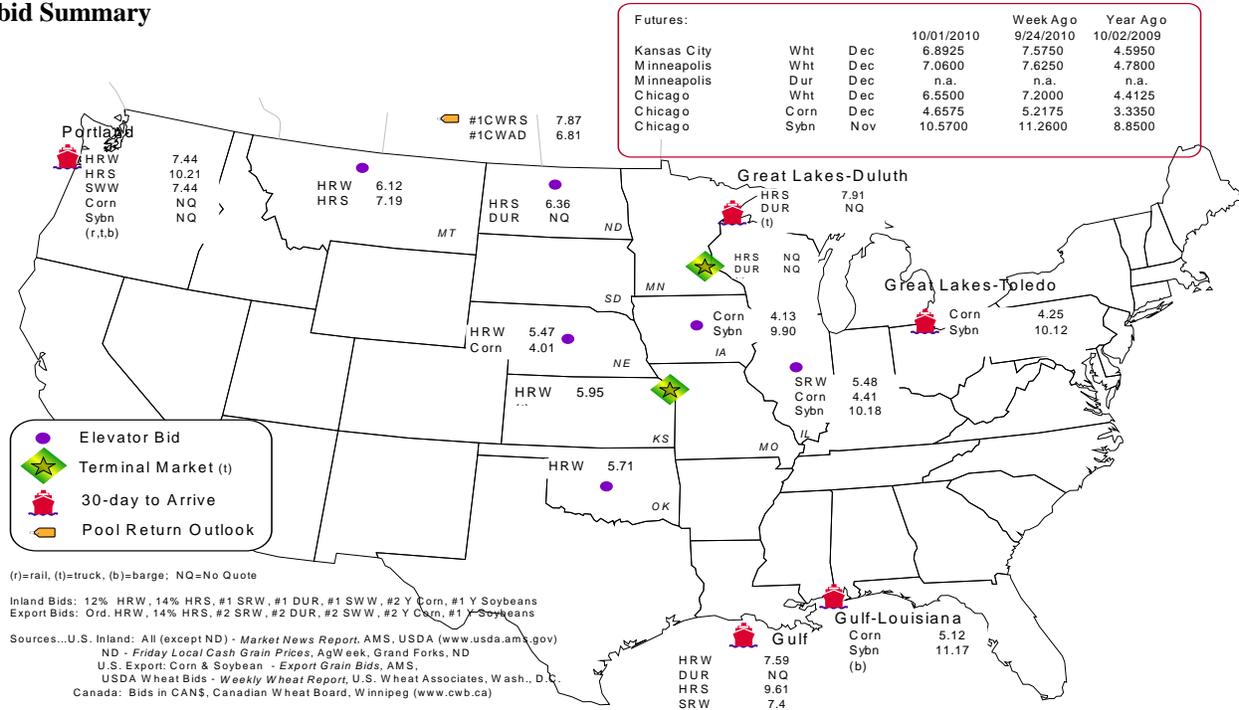
Commodity	Origin--Destination	10/1/2010	9/24/2010
Corn	IL--Gulf	-0.71	-0.70
Corn	NE--Gulf	-1.11	-1.02
Soybean	IA--Gulf	-1.27	-1.20
HRW	KS--Gulf	-1.64	-1.87
HRS	ND--Portland	-3.85	-3.73

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	
9/29/2010 ^p	849	1,929	824	2,082	823	6,507
9/22/2010 ^r	1,288	1,768	521	1,155	409	5,141
2010 YTD	14,513	56,511	33,718	123,503	20,245	248,490
2009 YTD	17,175	32,634	28,847	122,483	16,846	217,985
2010 YTD as % of 2009 YTD	85	173	117	101	120	114
Last 4 weeks as % of 2009 ²	282	232	119	59	143	116
Last 4 weeks as % of 4-year avg. ²	71	108	89	51	77	73
Total 2009	33,423	57,646	36,738	175,965	30,328	334,100
Total 2008	68,768	107,542	37,491	255,852	33,028	502,681

¹ Data is incomplete as it is voluntarily provided

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

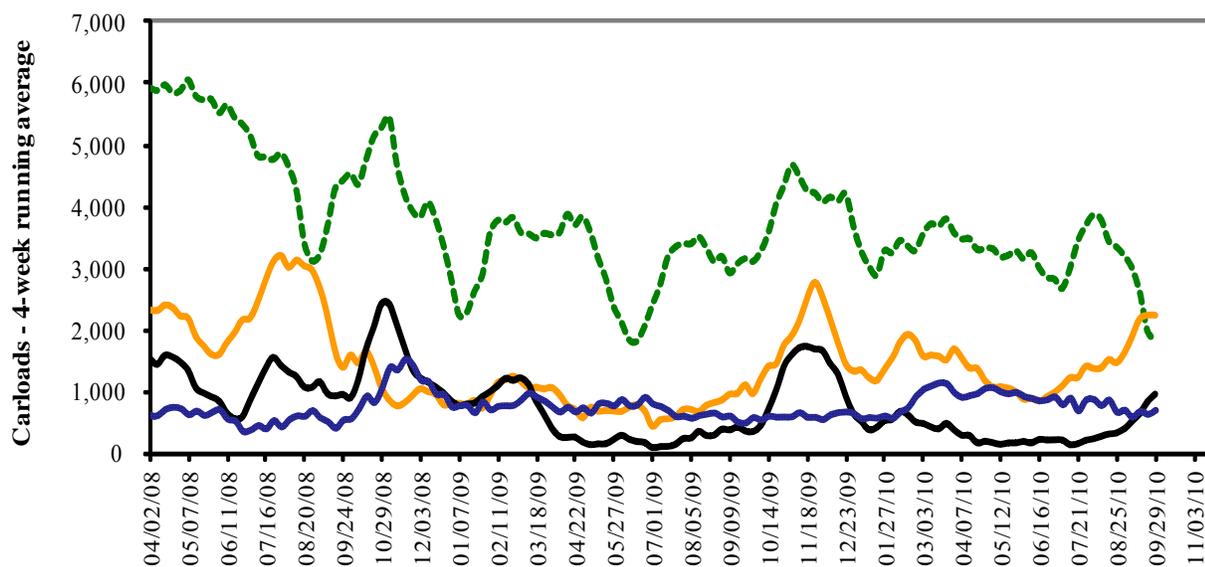
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

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



----- Pacific Northwest: 4wks. ending 9/29-- down 41% from same period last year; down 49% from 4-year average
————— Texas Gulf: 4 wks. ending 9/29-- up 132% from same period last year; up 8% from 4-year average
————— Miss. River: 4 wks. ending 9/29 -- up 182% from same period last year; down 29% from 4-year average
————— Cross-border Mexico: 4 wks. ending 9/29 -- up 19% from same period last year; down 11% from 4-year average

Source: Transportation & Marketing Programs/AMS/USDA

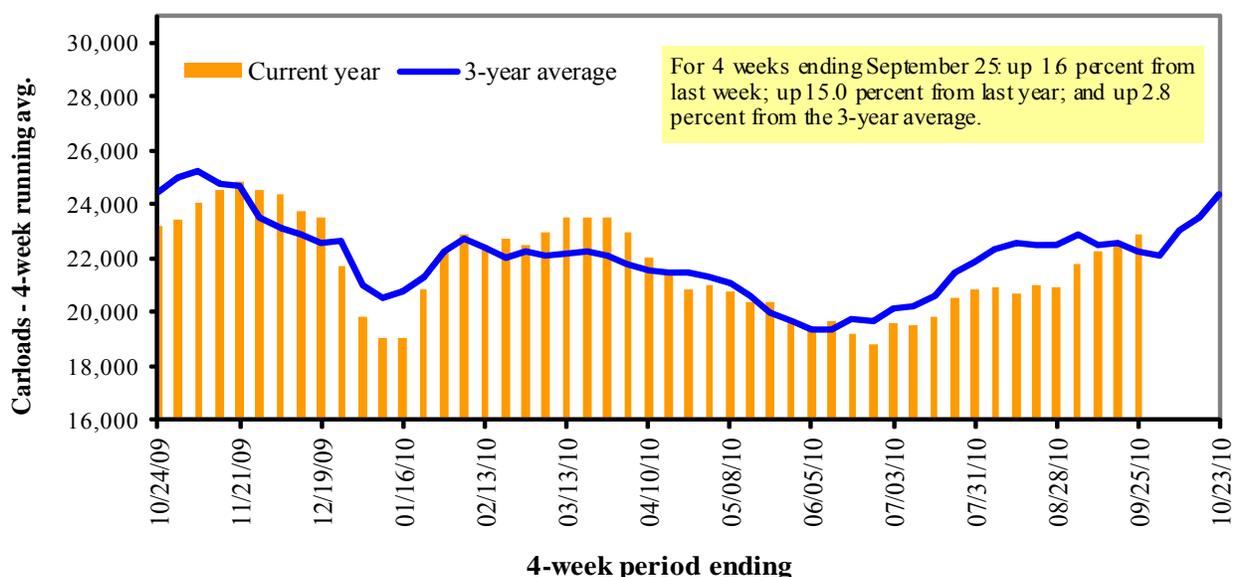
Table 4

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
09/25/10	2,274	3,724	10,352	611	6,216	23,177	3,445	4,335
This week last year	1,192	2,459	11,081	684	4,147	19,563	4,017	5,763
2010 YTD	78,960	113,305	387,966	25,961	205,943	812,135	145,635	5,785
2009 YTD	74,005	98,114	338,417	25,149	182,486	718,171	147,073	5,343
2010 YTD as % of 2009 YTD	107	115	115	103	113	113	99	95
Last 4 weeks as % of 2009 ¹	147	127	103	81	132	115	113	85
Last 4 weeks as % of 3-yr avg. ¹	108	106	100	79	108	103	85	88
Total 2009	105,278	142,254	483,618	36,912	268,811	1,036,873	270,871	8,997

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							
	Oct-10	Oct-09	Nov-10	Nov-09	Dec-10	Dec-09	Jan-11	Jan-10
10/2/2010								
BNSF ³								
COT grain units	no offer	no offer	no offer	8	no offer	0	no offer	0
COT grain single-car ⁵	no offer	no offer	no offer	no offer	no offer	6..50	no offer	20
UP ⁴								
GCAS/Region 1	no offer	no bids	no offer	no bids	1	no bids	n/a	no offer
GCAS/Region 2	no offer	no offer	no bids	no bids	no bids	no bids	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.

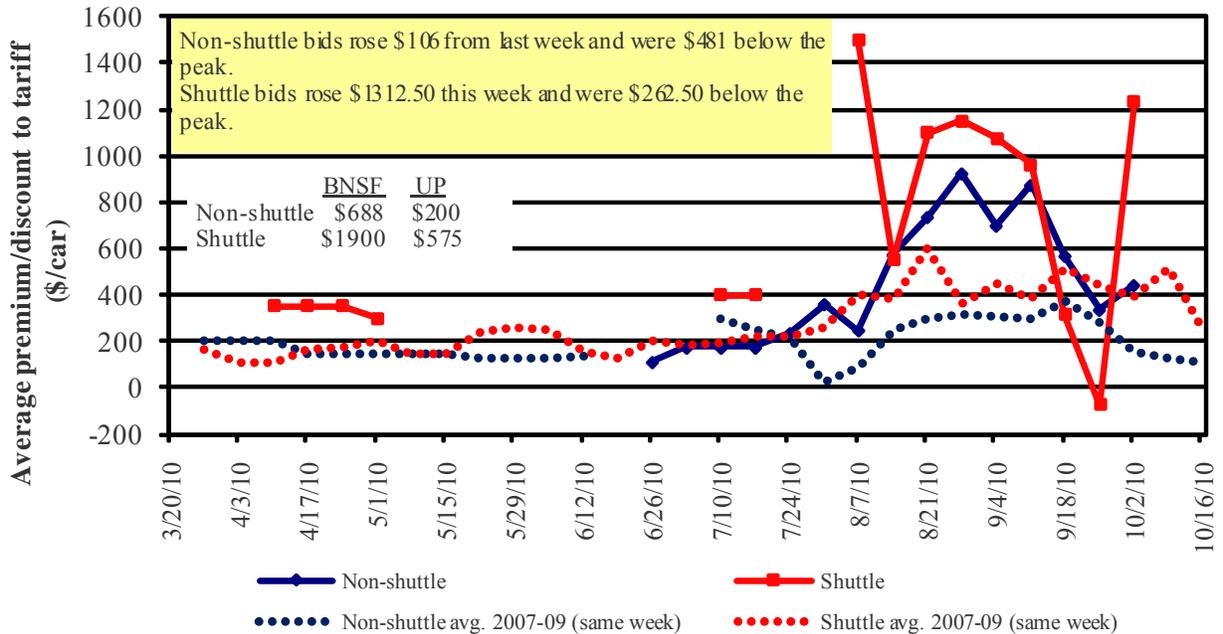
⁵Range is shown because average is not available. Not available = n/a.

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 October 2010, Secondary Market

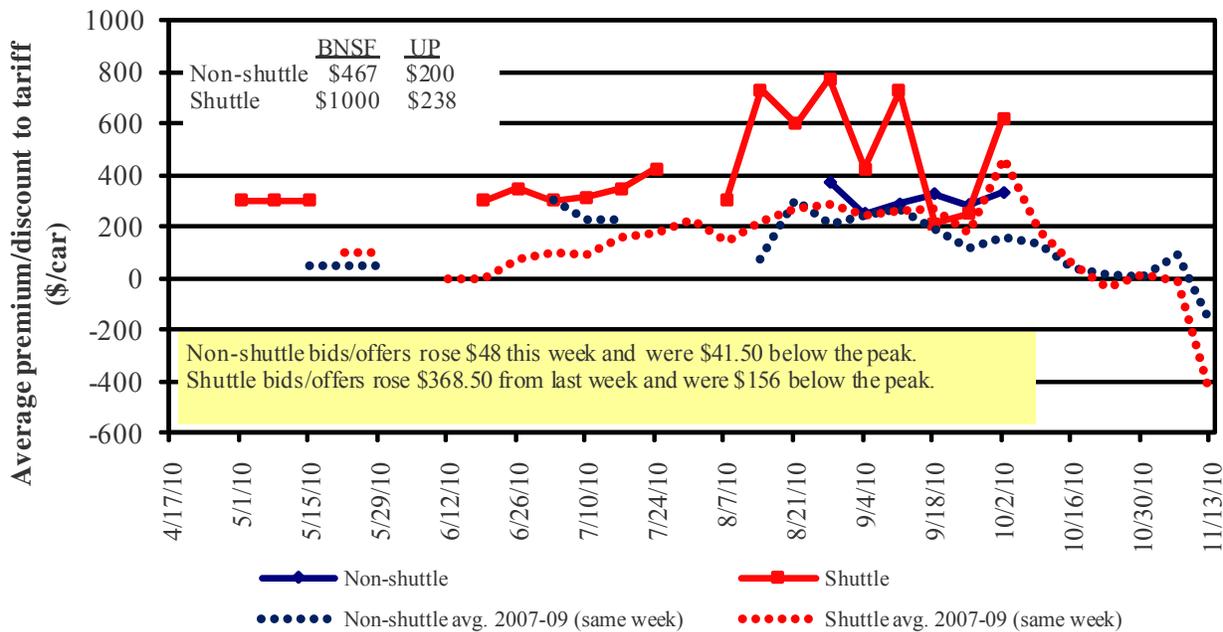


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

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

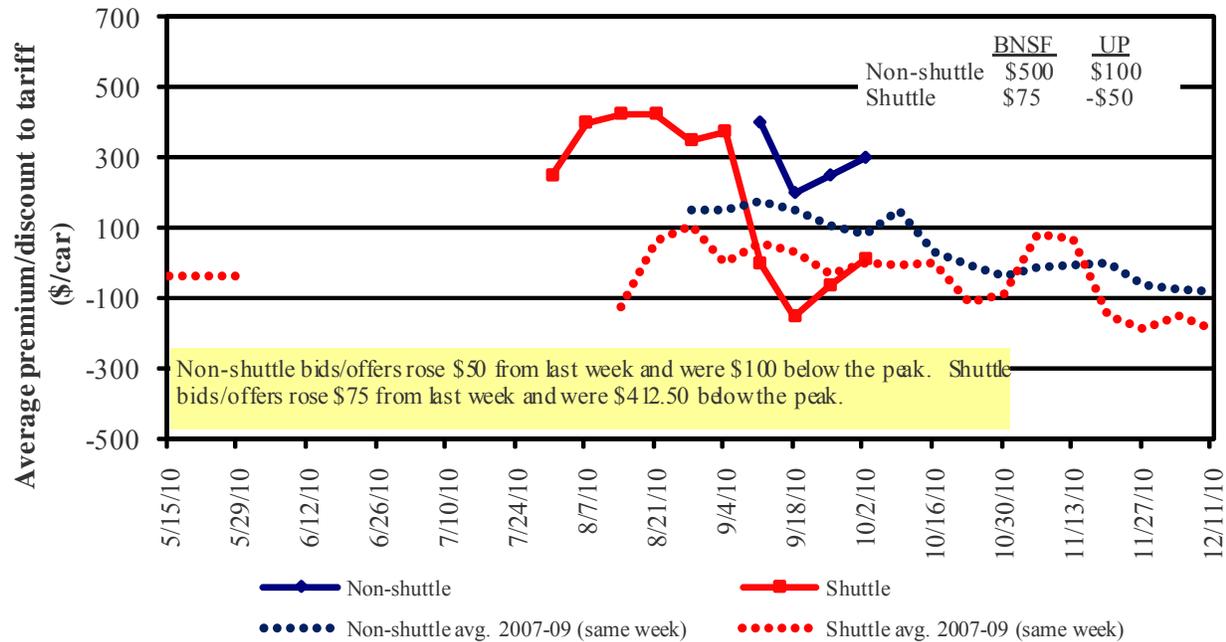


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in December 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					
	Oct-10	Nov-10	Dec-10	Jan-10	Feb-10	Mar-10
10/2/2010						
Non-shuttle						
BNSF-GF	688	467	500	n/a	n/a	n/a
Change from last week	325	96	250	n/a	n/a	n/a
Change from same week 2009	575	342	n/a	n/a	n/a	n/a
UP-Pool	200	200	100	n/a	n/a	n/a
Change from last week	(113)	-	n/a	n/a	n/a	n/a
Change from same week 2009	112	100	-	n/a	n/a	n/a
Shuttle²						
BNSF-GF	1,900	1,000	75	n/a	n/a	n/a
Change from last week	2,250	587	100	n/a	n/a	n/a
Change from same week 2009	1,466	600	100	n/a	n/a	n/a
UP-Pool	575	238	(50)	n/a	n/a	n/a
Change from last week	375	150	50	n/a	n/a	n/a
Change from same week 2009	250	(12)	(150)	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:						
10/4/2010	Origin region*	Destination region*	Tariff rate/car	Fuel surcharge per car	Tariff plus surcharge per:	
					metric ton	bushel ²
Unit train						
Wheat	Wichita, KS	St. Louis, MO	\$2,774	\$91	\$28.45	\$0.77
	Grand Forks, ND	Duluth-Superior, MN	\$2,563	\$128	\$26.72	\$0.73
	Wichita, KS	Los Angeles, CA	\$5,047	\$658	\$56.65	\$1.54
	Wichita, KS	New Orleans, LA	\$3,275	\$160	\$34.11	\$0.93
	Sioux Falls, SD	Galveston-Houston, TX	\$4,981	\$540	\$54.83	\$1.49
	Northwest KS	Galveston-Houston, TX	\$3,543	\$176	\$36.93	\$1.01
	Amarillo, TX	Los Angeles, CA	\$3,742	\$244	\$39.59	\$1.08
Corn	Champaign-Urbana, IL	New Orleans, LA	\$2,812	\$181	\$29.72	\$0.81
	Toledo, OH	Raleigh, NC	\$3,760	\$208	\$39.40	\$1.07
	Des Moines, IA	Davenport, IA	\$1,843	\$38	\$18.68	\$0.51
	Indianapolis, IN	Atlanta, GA	\$3,196	\$156	\$33.29	\$0.91
	Indianapolis, IN	Knoxville, TN	\$2,760	\$100	\$28.40	\$0.77
	Des Moines, IA	Little Rock, AR	\$2,938	\$113	\$30.29	\$0.82
	Des Moines, IA	Los Angeles, CA	\$4,372	\$328	\$46.67	\$1.27
Soybeans	Minneapolis, MN	New Orleans, LA	\$3,316	\$164	\$34.56	\$0.94
	Toledo, OH	Huntsville, AL	\$2,921	\$148	\$30.47	\$0.83
	Indianapolis, IN	Raleigh, NC	\$3,830	\$209	\$40.11	\$1.09
	Indianapolis, IN	Huntsville, AL	\$2,613	\$100	\$26.94	\$0.73
	Champaign-Urbana, IL	New Orleans, LA	\$3,156	\$181	\$33.14	\$0.90
Shuttle Train						
Wheat	Great Falls, MT	Portland, OR	\$2,868	\$378	\$32.24	\$0.88
	Wichita, KS	Galveston-Houston, TX	\$2,867	\$295	\$31.40	\$0.85
	Chicago, IL	Albany, NY	\$3,497	\$195	\$36.66	\$1.00
	Grand Forks, ND	Portland, OR	\$4,131	\$654	\$47.51	\$1.29
	Grand Forks, ND	Galveston-Houston, TX	\$5,046	\$681	\$56.87	\$1.55
	Northwest KS	Portland, OR	\$4,510	\$288	\$47.64	\$1.30
	Indianapolis, MN	Portland, OR	\$3,920	\$796	\$46.83	\$1.27
Corn M	Sioux Falls, SD	Tacoma, WA	\$3,920	\$729	\$46.17	\$1.26
	Champaign-Urbana, IL	New Orleans, LA	\$2,677	\$181	\$28.38	\$0.77
	Lincoln, NE	Galveston-Houston, TX	\$2,800	\$425	\$32.02	\$0.87
	Des Moines, IA	Amarillo, TX	\$3,330	\$142	\$34.48	\$0.94
	Minneapolis, MN	Tacoma, WA	\$3,920	\$789	\$46.77	\$1.27
	Council Bluffs, IA	Stockton, CA	\$3,400	\$817	\$41.87	\$1.14
	Sioux Falls, SD	Tacoma, WA	\$4,320	\$729	\$50.14	\$1.36
Soybeans	Minneapolis, MN	Portland, OR	\$4,270	\$796	\$50.31	\$1.37
	Fargo, ND	Tacoma, WA	\$4,270	\$648	\$48.84	\$1.33
	Council Bluffs, IA	New Orleans, LA	\$3,510	\$209	\$36.93	\$1.01
	Toledo, OH	Huntsville, AL	\$2,536	\$148	\$26.65	\$0.73
	Grand Island, NE	Portland, OR	\$4,420	\$295	\$46.82	\$1.27

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 = 111 short tons (100.7 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

*Regional economic areas defined by the Bureau of Economic Analysis (BEA)

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	\$6,705	\$750	\$76.18	\$2.07	12
	OK	Cuautitlan, EM	\$5,966	\$593	\$67.01	\$1.82	10
	KS	Guadalajara, JA	\$6,645	\$914	\$77.23	\$2.10	13
	TX	Salinas Victoria, NL	\$3,370	\$181	\$36.29	\$0.99	10
Corn	IA	Guadalajara, JA	\$7,050	\$859	\$80.81	\$2.20	12
	SD	Penjamo, GJ	\$6,520	\$965	\$76.48	\$2.08	3
	NE	Queretaro, QA	\$6,240	\$540	\$69.28	\$1.88	3
	SD	Salinas Victoria, NL	\$4,785	\$688	\$55.92	\$1.52	7
	MO	Tlalnepantla, EM	\$5,428	\$526	\$60.84	\$1.65	3
	SD	Torreón, CU	\$5,610	\$796	\$65.45	\$1.78	7
Soybeans	MO	Bojay (Tula), HG	\$6,103	\$745	\$69.97	\$1.90	4
	NE	Guadalajara, JA	\$6,700	\$824	\$76.88	\$2.09	7
	IA	Penjamo (Celaya), GJ	\$6,690	\$973	\$78.30	\$2.13	4
	KS	Torreón, CU	\$5,405	\$554	\$60.89	\$1.66	6
Sorghum	OK	Cuautitlan, EM	\$4,729	\$687	\$55.34	\$1.50	11
	TX	Guadalajara, JA	\$5,670	\$812	\$66.23	\$1.80	12
	NE	Penjamo, GJ	\$6,243	\$755	\$71.50	\$1.94	0
	KS	Queretaro, QA	\$5,591	\$414	\$61.36	\$1.67	4
	NE	Salinas Victoria, NL	\$4,410	\$428	\$49.43	\$1.34	3
	NE	Torreón, CU	\$5,400	\$584	\$61.15	\$1.66	5

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.

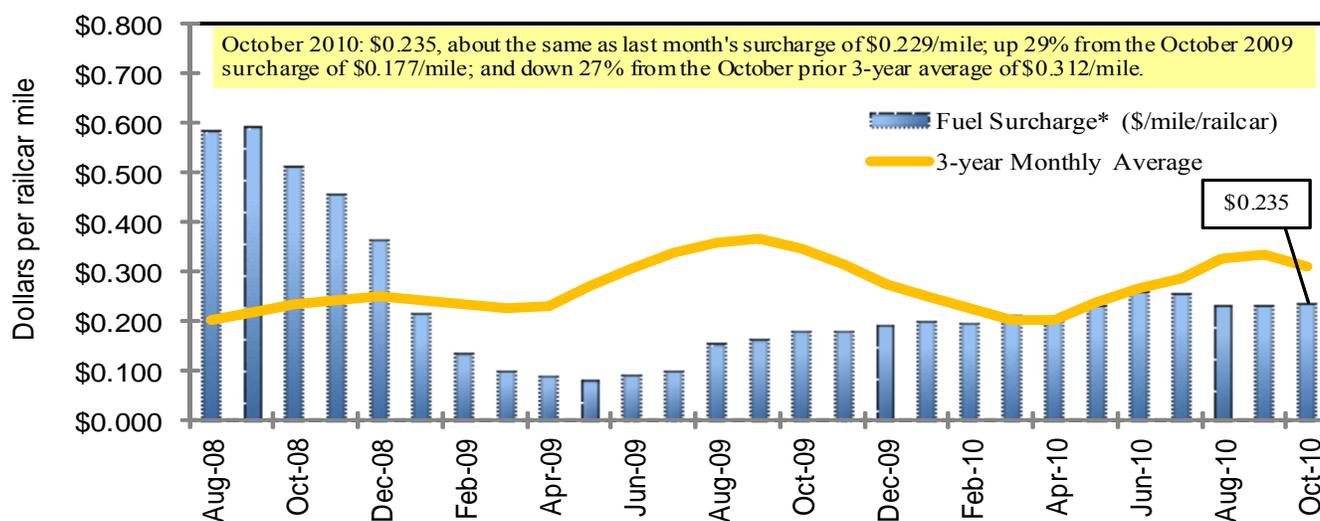
²Fuel surcharge adjusted to reflect the change in Ferrocarril Mexicano, S.A. de C.V. railroad fuel surcharge policy as of 10/01/2009

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.

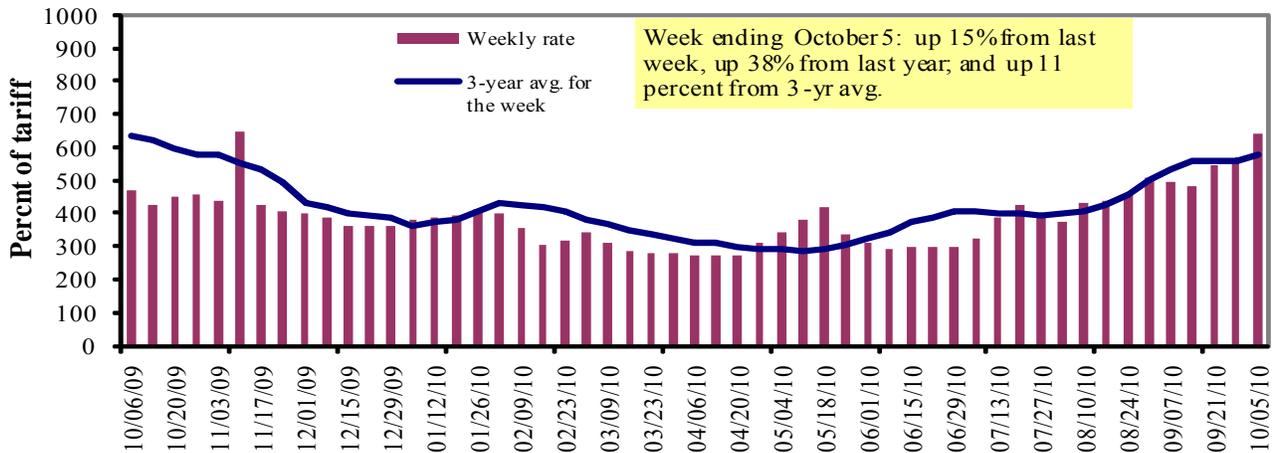
* Mileage-based fuel surcharges for March and April 2007 are estimated. Beginning January 2009, the Canadian Pacific fuel surcharge is computed by a monthly average of the bi-weekly fuel surcharge.

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

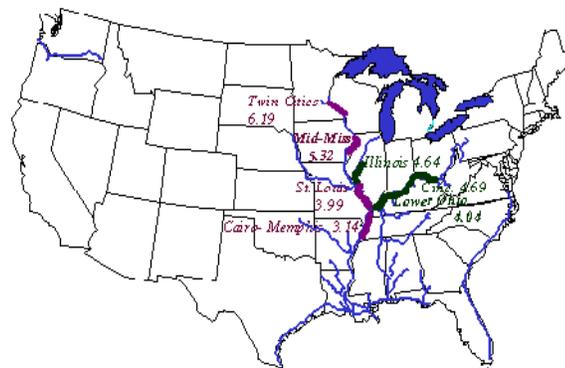
Weekly Barge Freight Rates: Southbound Only

		Twin Cities	Mid- Mississippi	Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo- Memphis
Rate¹	10/5/2010	656	626	644	539	650	650	514
	9/28/2010	554	536	559	498	585	585	463
\$/ton	10/5/2010	40.61	33.30	29.88	21.51	30.49	26.26	16.14
	9/28/2010	34.29	28.52	25.94	19.87	27.44	23.63	14.54
Current week % change from the same week:								
	Last year	41	34	38	27	32	32	33
	3-year avg. ²	19	10	11	-1	5	5	-7
Rate¹	November	573	460	424	358	445	445	361
	January -	-	-	405	309	360	360	290

¹Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); ²4-week moving average; ton = 2,000 pounds.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 9
Benchmark tariff rates



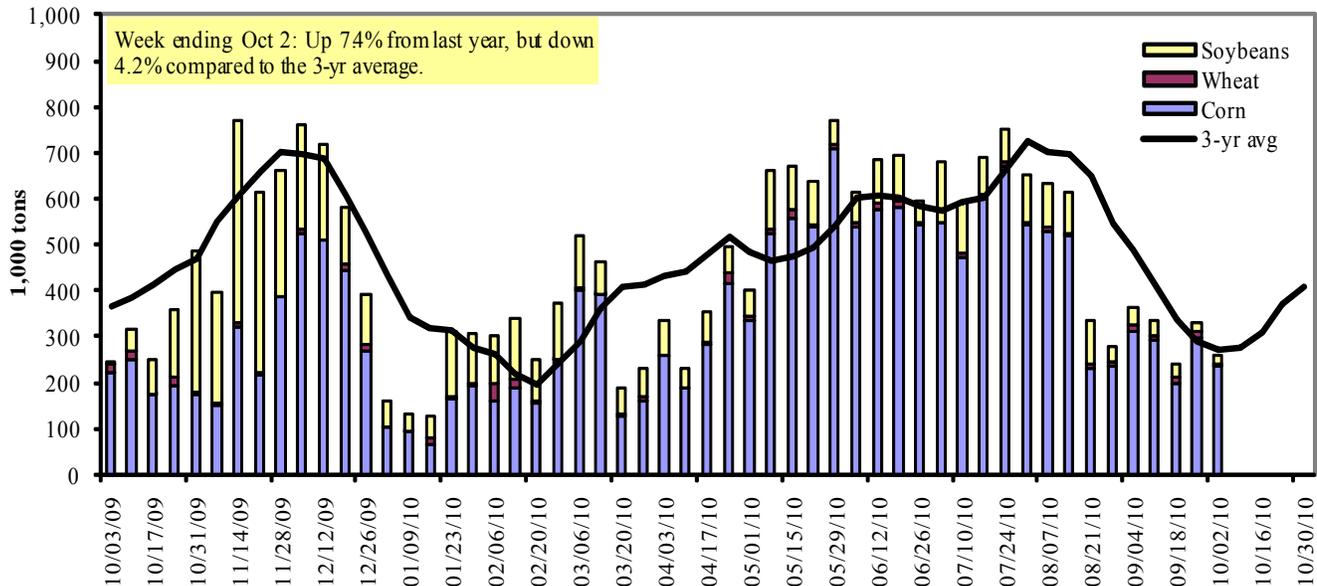
Calculating barge rate per ton:

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

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 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/mvrimi/omni/webprts/default.asp)

Table 10

Barge Grain Movements (1,000 tons)

Week ending 10/2/2010	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	79	11	38	3	131
Winfield, MO (L25)	136	3	3	3	145
Alton, IL (L26)	230	3	17	3	253
Granite City, IL (L27)	238	3	19	3	263
Illinois River (L8)	91	0	12	0	103
Ohio River (L52)	97	3	118	0	218
Arkansas River (L1)	7	4	10	10	31
Weekly total - 2010	342	11	146	13	512
Weekly total - 2009	298	24	15	23	359
2010 YTD ¹	18,156	1,014	5,664	358	25,192
2009 YTD	18,602	1,238	6,131	312	26,283
2010 as % of 2009 YTD	98	82	92	115	96
Last 4 weeks as % of 2009 ²	167	65	294	154	164
Total 2009	23,424	1,501	10,465	430	35,819

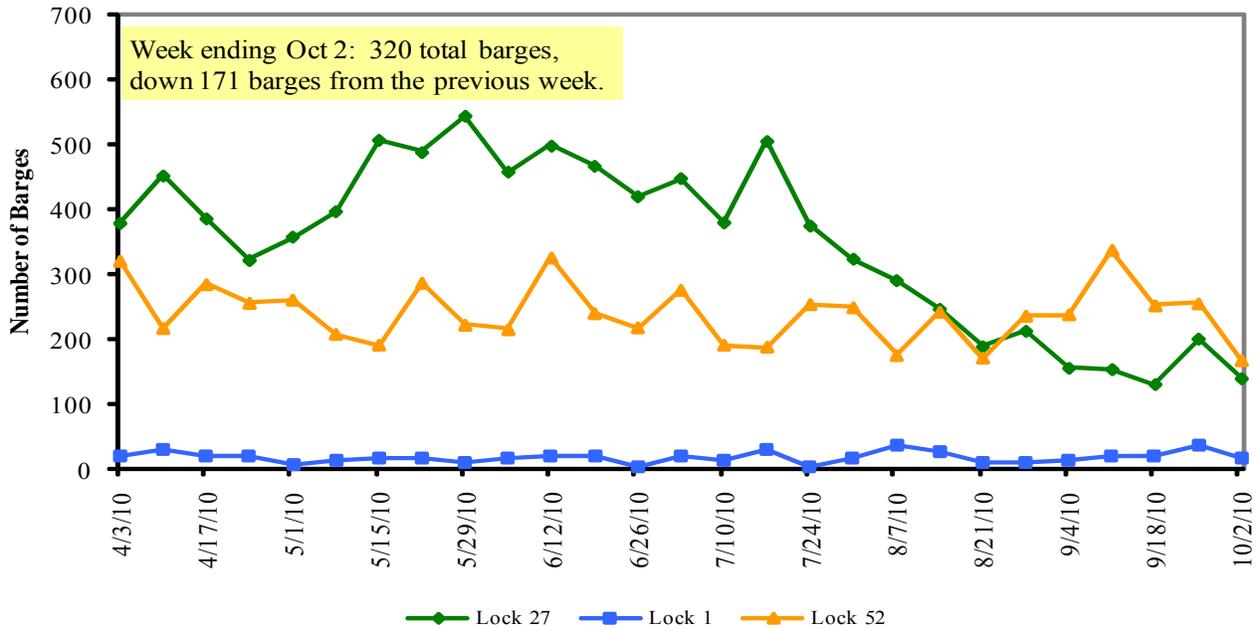
¹ Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

² As a percent of same period in 2009.

Note: Total may not add exactly, due to rounding

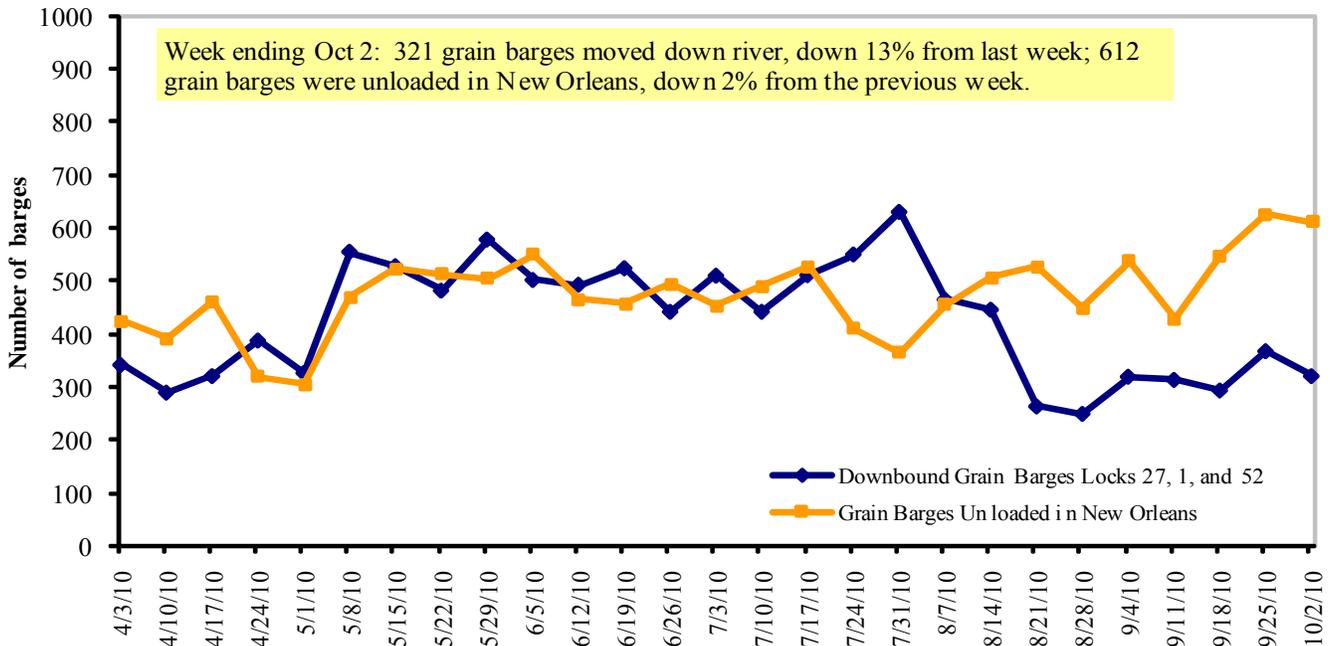
Source: U.S. Army Corps of Engineers (www.mvr.usace.army.mil/mvrimi/omni/webprts/default.asp)

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 10/4/2010 (US \$/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	2.997	0.051	0.411
	New England	3.040	0.036	0.354
	Central Atlantic	3.095	0.061	0.397
	Lower Atlantic	2.952	0.048	0.423
II	Midwest ²	2.990	0.062	0.429
III	Gulf Coast ³	2.920	0.037	0.402
IV	Rocky Mountain	3.024	0.010	0.379
V	West Coast	3.165	0.044	0.443
	California	3.179	0.040	0.387
Total	U.S.	3.000	0.049	0.418

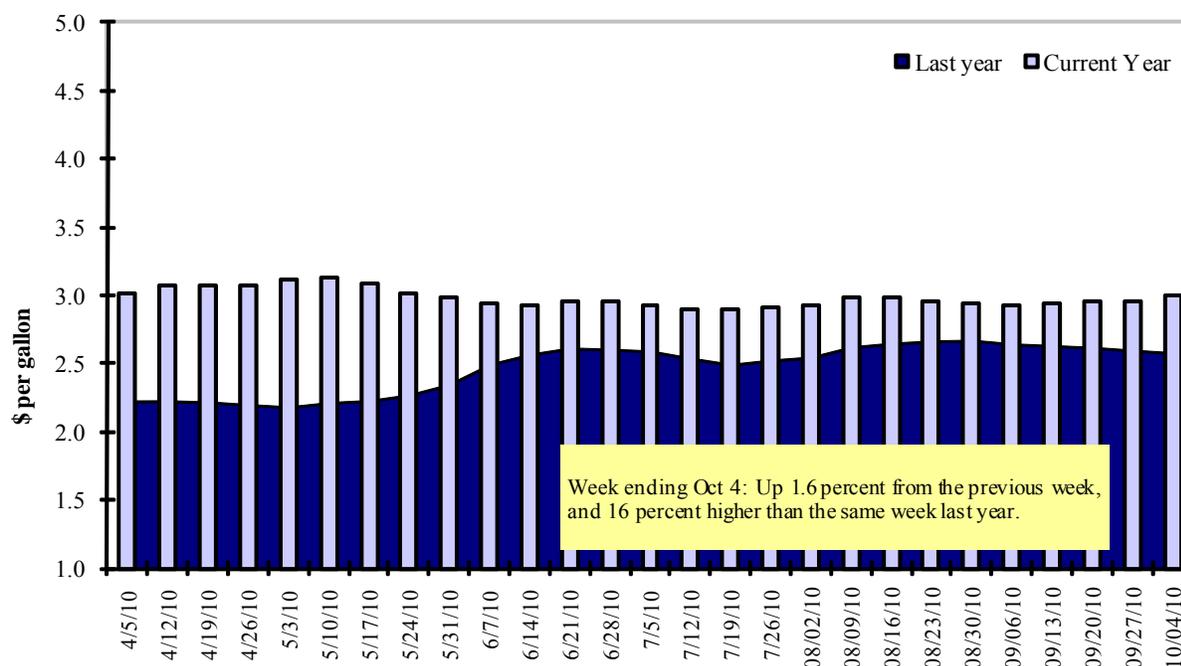
¹Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

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									
9/23/2010	3,734	609	2,119	1,216	238	7,916	14,142	20,155	42,213
This week year ago	1,189	714	915	831	372	4,021	11,828	19,418	35,267
Cumulative exports-marketing year²									
2010/11 YTD	4,417	589	2,331	1,519	331	9,187	3,319	1,121	13,627
2009/10 YTD	2,523	1,106	1,556	1,308	240	6,732	3,702	750	11,184
YTD 2010/11 as % of 2009/10	175	53	150	116	138	136	90	149	122
Last 4 wks as % of same period 2008/09	312	84	239	158	82	202	123	97	117
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 new marketing year now in effect for corn and soybeans

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

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

Table 13

Top 5 Importers¹ of U.S. Corn

Week ending 09/23/10	Total Commitments ²		% change current MY from last MY	Exports ³ 2008/09
	2010/11 Current MY	2009/10 Last MY		
	- 1,000 mt -			- 1,000 mt -
Japan ⁴	5,158	3,575	44	15,910
Mexico	2,455	2,698	(9)	7,454
Korea ⁵	1,309	2,180	(40)	5,129
Taiwan	694	826	(16)	3,198
Egypt	1,178	605	95	2,233
Top 5 importers	10,793	9,884	9	33,924
Total US corn export sales	17,460	15,530	12	47,180
% of Projected	33%	31%		
Change from Last Week	926	1,223		
Top 5 importers' share of U.S. corn export sales	62%	64%		
USDA forecast, September 2010	53,340	50,290	6	
Corn Use for Ethanol USDA forecast, Ethanol September 2010	119,380	115,189	4	

(n) indicates negative number.

¹Based on FAS 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.

⁴Not included - FAS Press Release: 108,712 mt on 9/27 to Japan for 2010/11.

⁵Not included - FAS Press Release: 116,000 mt on 10/05 to Japan for 2010/11.

Table 14

Top 5 Importers¹ of U.S. Soybeans

Week ending 09/23/10	Total Commitments ²		% change current MY from last MY	Exports ³ 2008/09
	2010/11 Current MY	2009/10 Last MY		
	- 1,000 mt -			- 1,000 mt -
China ⁴	9,118	12,285	(26)	18,681
Mexico	853	639	34	3,098
Japan 718		840	(15)	2,410
EU-25	204	364	(44)	2,180
Taiwan	484	385	26	1,592
Top 5 importers	11,378	14,513	(22)	27,961
Total US soybean export sales	21,277	20,167	5	34,930
% of Projected	53%	50%		
Change from last week	1,738	1,385		
Top 5 importers' share of U.S. soybean export sales	53%	72%		
USDA forecast, September 2010	40,420	40,690	(1)	
Soybean Use for Biodiesel USDA forecast, September 2010	6,954	4,076	71	

(n) indicates negative number.

¹Based on FAS 2008/09 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year (MY) = Sep 1 - A²Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report.³FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.⁴Not included - FAS Press Release: 390,000 mt (165,000 mt on 9/29; 225,000 mt on 10/6) to China for 2010/11.

Table 15

Top 10 Importers¹ of All U.S. Wheat

Week Ending 09/23/2010	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	1,579	1,538	3	3,233
Japan	1,691	1,296	30	3,148
Mexico	1,373	944	45	1,975
Philippines	1,267	878	44	1,518
Korea, South	1,001	575	74	1,111
Taiwan	396	342	16	844
Venezuela	248	260	(4)	658
Colombia	386	350	10	575
Peru	568	319	78	567
Egypt	1,473	422	249	529
Top 10 importers	9,981	6,923	44	14,156
Total US wheat export sales	17,103	10,753	59	23,980
% of Projected	50%	45%		
Change from last week	9,626	5,039		
Top 10 importers' share of U.S. wheat export sales	58%	64%		
USDA forecast, September 2010	34,020	23,980	42	

(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 09/30/10	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	309	8,555	7,754	110	94	108	10,091
Corn	65	8,279	7,056	117	59	76	8,498
Soybeans	62	5,106	4,656	110	176	68	9,743
Total	436	21,940	19,466	113	82	93	28,332
Mississippi Gulf							
Wheat	57	3,012	3,159	95	77	56	4,019
Corn	640	22,871	23,381	98	110	101	28,843
Soybeans	790	12,140	12,572	97	237	235	21,831
Total	1,487	38,024	39,112	97	131	119	54,693
Texas Gulf							
Wheat	199	6,636	4,233	157	206	117	5,735
Corn	8	1,370	1,517	90	47	70	1,968
Soybeans	0	671	472	142	n/a	123	2,402
Total	207	8,677	6,222	139	156	110	10,105
Great Lakes							
Wheat	59	1,164	538	216	234	129	990
Corn	0	53	254	21	0	0	353
Soybeans	0	0	69	0	n/a	0	781
Total	59	1,216	862	141	185	102	2,124
Atlantic							
Wheat	28	246	543	45	42	46	552
Corn	0	295	214	138	22	29	472
Soybeans	1	725	484	150	62	160	1,268
Total	28	1,266	1,241	102	35	44	2,292
U.S. total from ports²							
Wheat	651	19,613	16,227	121	120	100	21,387
Corn	712	32,867	32,422	101	90	92	40,134
Soybeans	853	18,643	18,253	102	229	193	36,025
Total	2,217	71,124	66,903	106	116	108	97,546

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

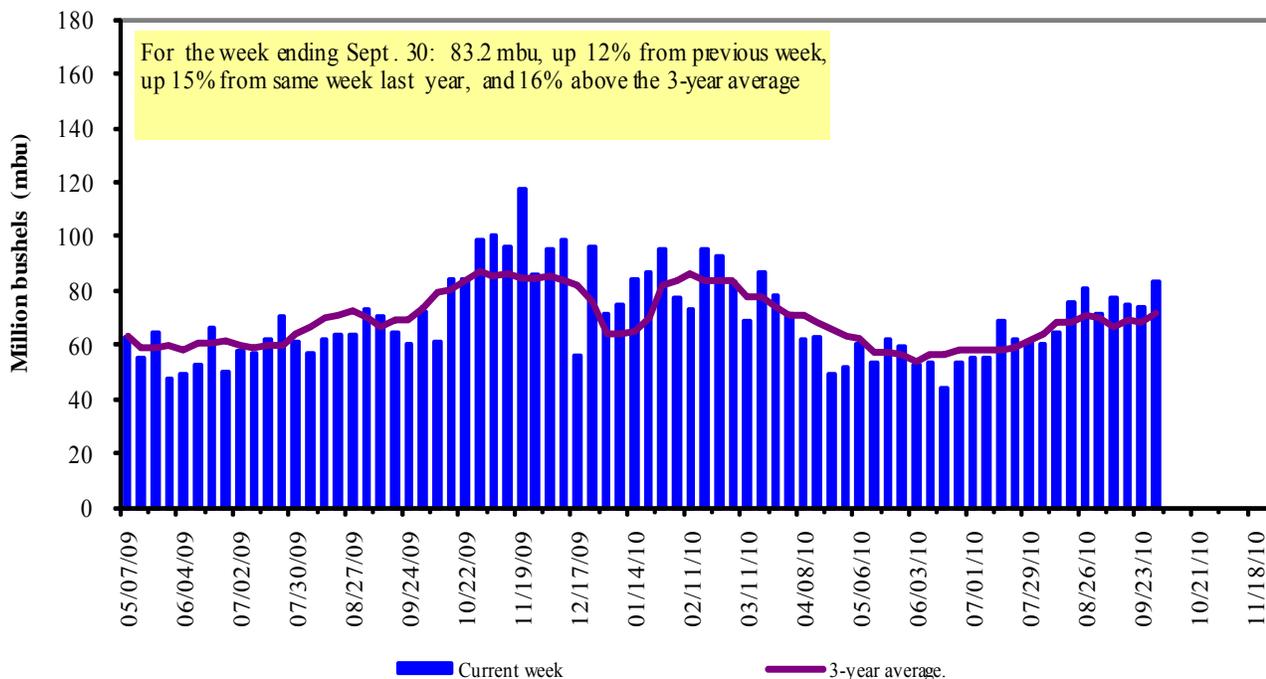
² Total includes only port regions shown above

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)

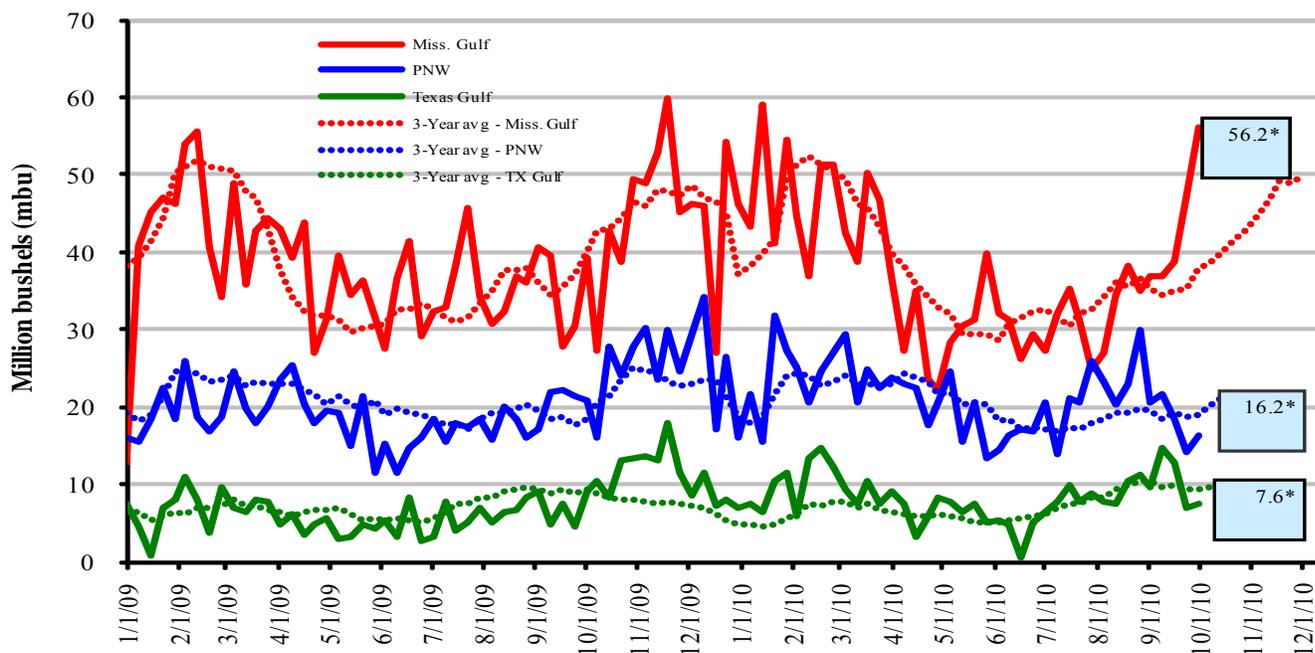


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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>Sept 30. % change from:</u>	<u>MS Gulf</u>	<u>TX Gulf</u>	<u>U.S. Gulf</u>	<u>PNW</u>
Last week	up 19	up 11	up 18	up 13
Last year (same week)	up 43	down 16	up 32	down 23
3-yr avg. (4-wk mov. avg.)	up 48	down 20	up 35	down 16

Ocean Transportation

Table 17

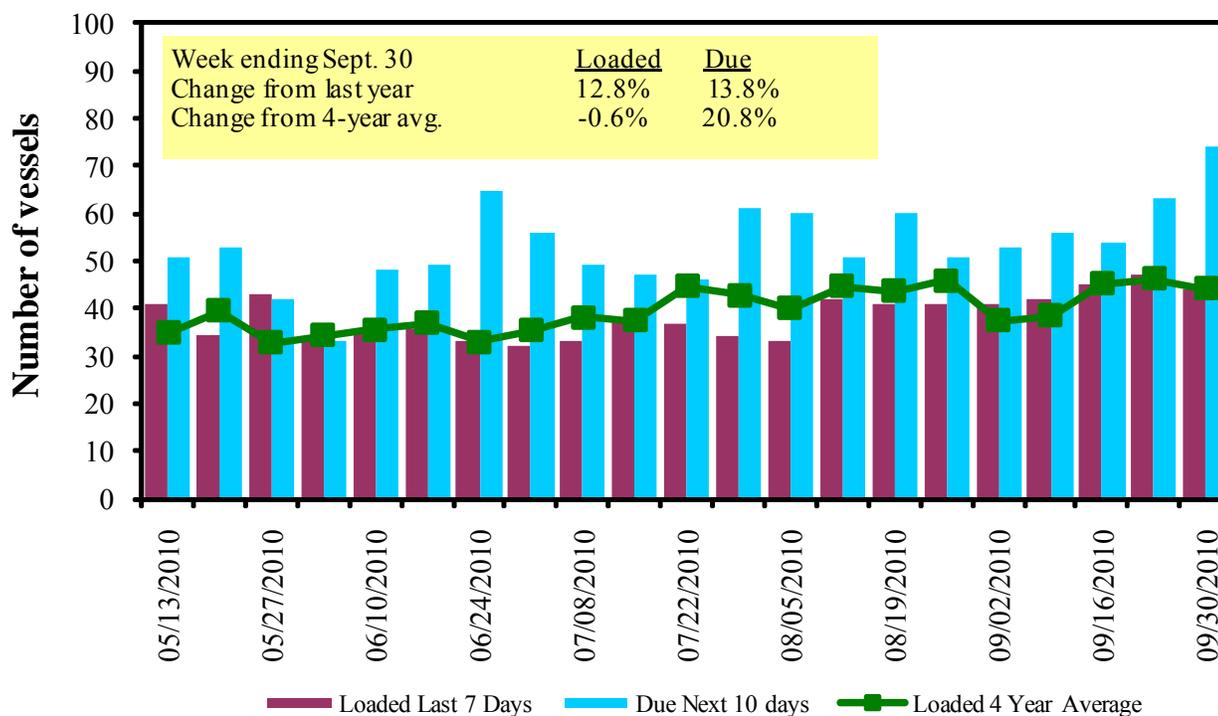
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In port	Loaded 7-days	Due next 10-days	In port	In port
9/30/2010	49	44	74	11	n/a
9/23/2010	49	47	63	13	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. Gulf¹ Vessel Loading Activity

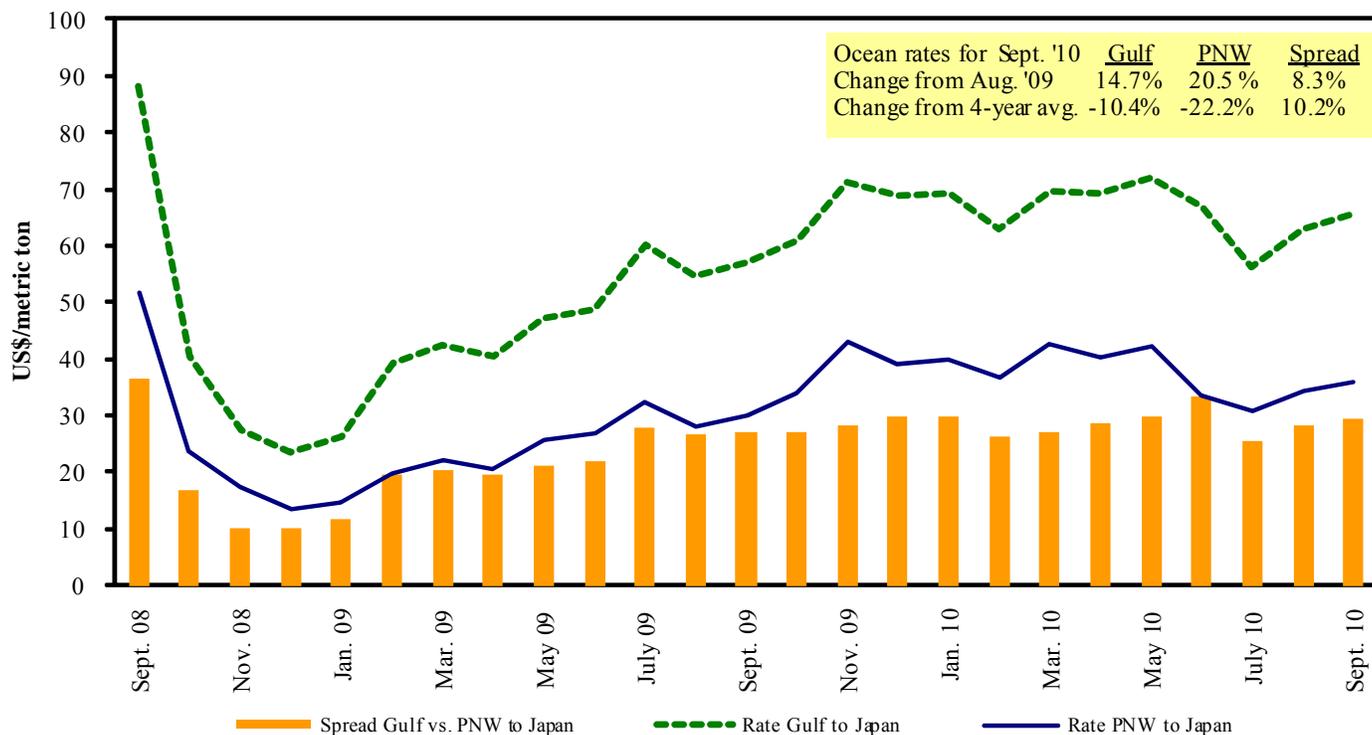


Source: Transportation & Marketing Programs/AMS/USDA

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

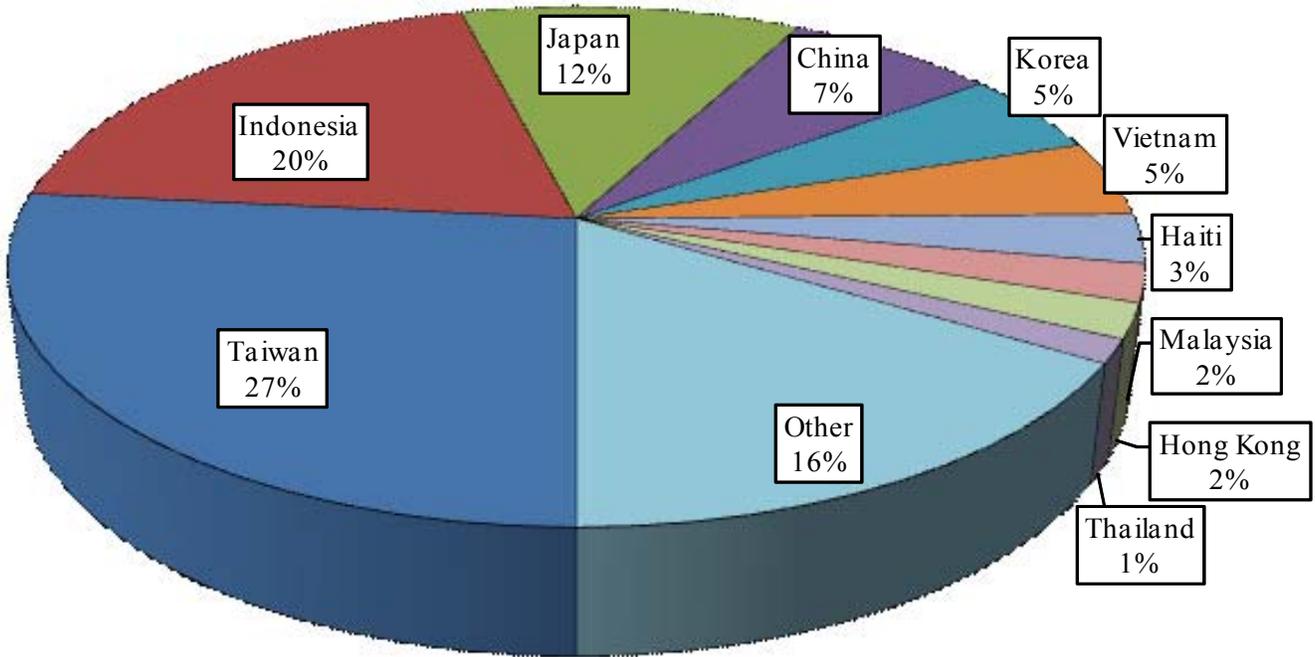
Ocean Freight Rates For Selected Shipments, Week Ending 10/02/2010

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US\$/metric ton)
U.S. Gulf	China	Heavy Grain	Oct 14/23	55,000	61.50
U.S. Gulf	China	Heavy Grain	Oct 15/25	55,000	62.00
U.S. Gulf	China	Heavy Grain	Oct 1/10	54,000	64.00
U.S. Gulf	N. China	Heavy Grain	Oct 1/10	55,000	63.50
U.S. Gulf	N. China	Heavy Grain	Oct 1/25	55,000	63.50
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	Morocco	Heavy Grain	Oct 3/5	26,000	36.75
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
India Chi	na	Grains	Sep 5/10	20,000	27.50

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

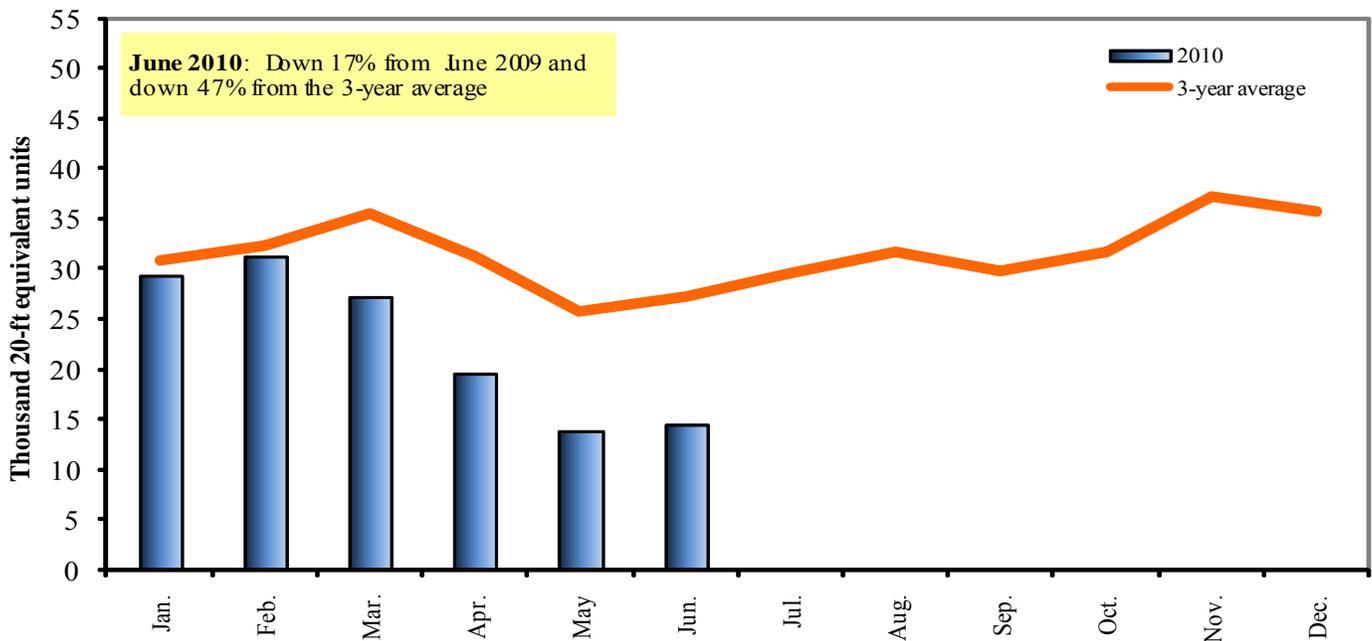
Top 10 Destination Markets for U.S. Containerized Grain Exports, June 2010



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*

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