A weekly publication of the
Transportation and Marketing Programs/Transportation Services Division
www.ams.usda.gov/GTR

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Contents

Subscription Information

The next release is October 28, 2010

WEEKLY HIGHLIGHTS

Fast-paced Soybean and Corn Harvests Continue

As of October 17, the soybean harvest is 83 percent complete—21 percentage points higher than the average pace. The corn harvest is 68 percent complete—17 points ahead of average. Corn harvest is less than half complete in only five States: Nebraska, Wisconsin, Minnesota, and North and South Dakota. Soybeans are less than two-thirds harvested in only one State: North Carolina. Rail and barge shipments are keeping up with the strong harvest pace and export demand. Barge shipments surpassed the 1 million ton level during the week ending October 16 and weekly rail grain carloads were higher than both last year and the 3-year average.

Total Grain Inspections Reach High for the Year

For the week ending October 14, **total inspections of grain** (corn, wheat, and soybeans) from all major U.S. export regions reached 2.65 million metric tons (mmt), up 2 percent from the previous week and 17 percent above last year. This is the highest levelof weekly inspections in 2010, as soybean inspections (1.43 mmt) increased 16 percent from the past week and were 38 percent greater than last year. China continued to be the leading destination. Pacific Northwest soybean inspections (.563 mmt) jumped 58 percent from the previous week. Corn and wheat inspections continued to lag during the week due to strong soybean exports and increasing corn prices. The pace of corn exports could also be affected by tighter supplies and increased competition from South America—the primary factors for USDA's lowering its projected 2010/11 U.S. corn exports by 2.5 mmt in the October World Agricultural Supply and Demand Estimates report.

BNSF Lowers Rates for 48-car Montana Shipments.

Recently, the Montana Farm Bureau Federation and Montana Grain Growers Association met with BNSF to discuss the importance of Montana's smaller elevators. As a result of ongoing mediation, BNSF will lower freight rates for 48-car shipments by 6 cents per bushels starting in January 2011, narrowing the rate spread between 110-car shuttles and 48-car shipments. In addition, a reduced freight rate for Montana wheat shuttles to the Texas Gulf has encouraged shipments of Montana's hard red winter wheat south to the Gulf for export.

BNSF, DM&E Deal Benefits South Dakota Grain Shippers

Farmers in central South Dakota are now able to ship their corn and soybean crops west to Seattle at a lower cost and take advantage of higher crop prices at the port. An agreement between BNSF Railways and Dakota, Minnesota & Eastern Railroad (DM&E) allows DM&E to originate 110-car shuttle trains at Highmore and Harold, SD, and interchange them with BNSF at Wolsey for the haul to the port of Seattle. The agreement was made possible by a requirement in the sales agreement for 369 miles of South Dakota core rail line to BNSF that allows other railroads to use the track for shipping.

Diesel Fuel Prices Jump Thirteen Cents for the First Half of October

During the week ending October 18, U.S. average **diesel fuel prices** were $3.07 per gallon—relatively unchanged from the previous week but14 percent higher than the same week last year. Diesel prices have increased 13 cents per gallon since the beginning of the month. Higher crude oil prices have caused diesel prices to rise. Since the end of September, crude oil prices have increased from near $76 per barrel to over $80 per barrel.

Snapshots by Sector

Rail

U.S. railroads originated 24,420 **carloads of grain** during the week ending October 9, down 2 percent from last week, but 5 percent higher than last year and 1 percent higher than the 3-year average.

During the week ending October 16, average October non-shuttle **secondary railcar bids/offers** were $488 above tariff, down $13 from last week. Average shuttle rates were $850 above tariff, down $188 from last week.

Ocean

During the week ending October 14, 46 **ocean-going grain vessels** were loaded in the U.S. Gulf, up 31 percent from last year. Sixty-nine vessels are expected to be loaded in the Gulf within the next 10 days, up 11 percent from last year.

During the week ending October 15, the cost of shipping grain from the Gulf to Japan averaged $59 per mt, down 2 percent from the previous week. The rate from the Pacific Northwest to Japan was $32 per mt, up 3 percent from the previous week.

Barge

During the week ending October 16, **barge grain movements** totaled 1,011,870 tons, 67 percent higher than the previous week and 123 percent higher than the same period last year.

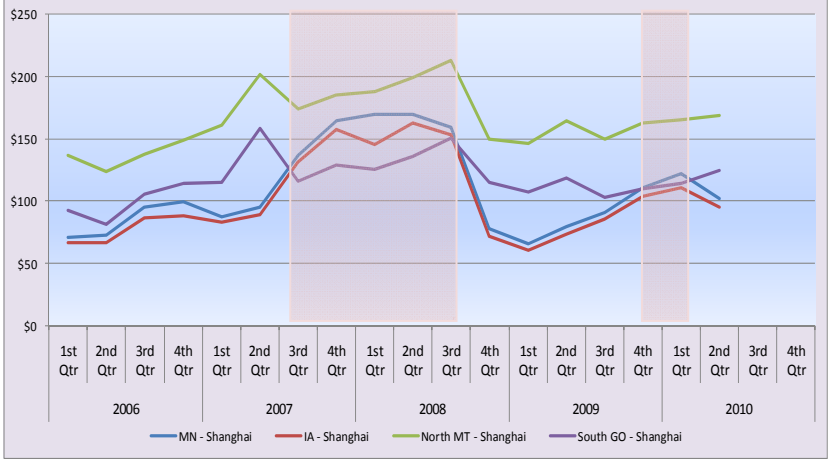
Feature Article/Calendar

United States and Brazil Soybean Transportation Cost Comparison, 2006-2010

The United States and Brazil are the two leading producers and exporters of soybeans in the world. During the marketing year 2009/10, USDA estimates the U.S. soybean production and exports to be 91.42 and 40.77 million metric tons (mmt), respectively. Brazil soybean production and exports are estimated at 69.0 and 28.58 mmt (World Agricultural Supply and Demand Estimates, October 2010). While these two leading producing and exporting countries have different production practices and transportation infrastructures, they compete for the same markets. These differences translate into different cost structures, which ultimately affect the competitiveness of each country in the world market. Most of the U.S. grains and oilseeds are produced in the Midwest, with efficient access to extensive highway, rail, and inland waterways networks. It is a normal practice for U.S. producers to transport soybeans by truck or rail to one of the many river terminal elevators along the waterway and then transfer them to barges for export shipment from the Gulf Coast. Brazil's agricultural production, including soybeans, is focused primarily on two regions—the South and the Center-West. However, unlike the United States, Brazilian soybeans are primarily moved by trucks along the highways to export ports.

For data consistency, the period between 2006 and 2010 was chosen for analysis. Two of the leading soybean producing and export States from each country were chosen for comparison. Iowa (IA) and Minnesota (MN) were chosen for the United States, and North Mato Grosso (North MT) and South Goiás (South GO) for Brazil. Shipments from IA originated from Davenport while MN shipments originated from Minneapolis. More than 60 percent of U.S. soybean exports were shipped out of the Gulf ports in 2009. For comparison, both IA and MN shipments are routed through the U.S. Gulf for export to Hamburg, Germany, and Shanghai, China. Soybean shipments from North MT in Brazil are routed through the port of Santos for export overseas. Santos is the largest soybean export port, accounting for 34 percent of Brazilian soybean exports in 2008 (see **Soybean Transportation Guide: Brazil 2008**). Shipments from South GO, Brazil are routed through the port of Paranaguá to be shipped overseas.

Figure 1. Total Transportation cost of shipping soybean from US and Brazil to Shanghai, China

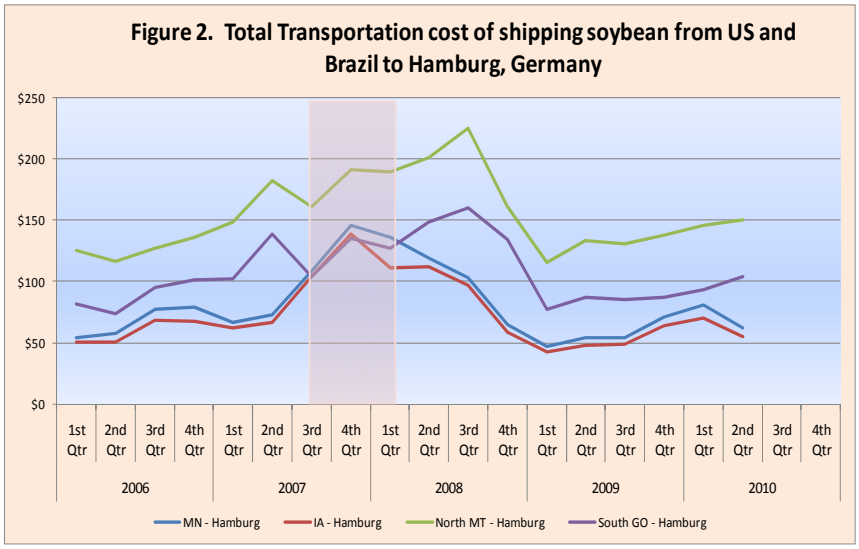


In general, transportation costs from the U.S. locations were lower than those from Brazil (figures 1 and 2). However, from the 3rd quarter 2007 to the 3rd quarter 2008, transportation costs from MN and IA to China surpassed the cost from South GO to China. Starting from the 4th quarter 2008 until 4th quarter 2009, the costs from the United States were below Brazil. Although the U. S. costs of shipping to China began rising in the 2nd quarter 2009, it was not until the 1st quarter 2010 that the cost of shipping from MN surpassed the cost from South GO to China. Similarly, the cost of shipping from MN to Europe rose above the cost from North MT from the 3rd quarter, 2007, through the 1st quarter, 2008. The cost from both U.S. locations rose again during the 1st quarter, 2010 and then fell again. The cost from the United States to both China and Europe never rose above the cost of shipping from North MT to the foreign destinations.

Analysis: The cost of shipping from North MT is always above the cost of shipping from the U.S. locations because of higher trucking rates due to longer distances between North MT and the port of Santos. The distance between North MT and the port of Santos is approximately 1,190 miles; the distance between South GO and the port

of Paranaguá is 726 miles. The relative proximity of South GO to Paranaguá makes the transportation costs from South GO sometimes competitive to those of the United States, especially during periods of relatively high ocean freight rates as seen during 2007 and the early part of 2008.

Ocean shipping rates increased worldwide to a record level during 2007. Rates for shipping bulk grain from the U.S. Gulf to Japan increased 131 percent to $124 per metric ton from January 2007 to December 2007 (see **GTR, dated 4/10/2008**). Rates from the Pacific Northwest to Japan averaged $79 per mt during December 2007, a 107 percent increase over January rates. Rates increased during these periods due to increased global demand for bulk commodities, congestion in major ports around the world, and tight bulk vessel supply.



The effect of high ocean freight rates is felt more in the United States for longer shipping distances; such is the case of China. The distance between the port of New Orleans in the U.S. Gulf and Shanghai is 9,959 nautical miles, while the distances from the ports of Santos and Paranaguá to Shanghai are 10,901 and 10, 954 nautical miles, respectively. Shipments from the United States mainly pass through the Panama Canal and the toll charges are a significant portion of the ocean freight rates.

The effect of increased ocean freight rates is less in the case of U.S. shipments to Europe because of the relatively shorter distance. The distance between the U.S. Gulf and Hamburg is only 4,991 nautical miles, while the distances between Santos and Paranaguá to Hamburg are 5,672 and 5,802 nautical miles, respectively. As the global recession kicked in and ocean rates plummeted to record lows in 2008, U.S. transportation costs fell again and were significantly below those of Brazil. U.S. transportation costs started to rise in 2009 due to moderate improvements in global dry bulk shipping demand, which resulted in a moderate increase in ocean freight rates. Transportation costs of shipping from the United States were also pushed higher during the 1st quarter of 2010 due to the closure of the upper segment of the Mississippi River. 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**). The inability to use barge service throughout all the segments of the Mississippi River system during the winter season slightly increased the U.S. transportation cost.

Conclusion: Brazil enjoys a low-cost resource base for agricultural production and has raised output by expanding area and increasing productivity. Production expansion has exceeded the rate of increase in consumer demand, leaving surplus production for more exports. Although the Brazilian soybean producers generally receive lower farm prices than their U.S. counterparts, the total landed costs are not always lower than shipments from the United States. The United States enjoys a competitive advantage in overall transportation costs because of its extensive highway and rail networks and adequate access to inland waterways. However, this advantage is threatened when ocean freight rates are high or when the Upper Mississippi River is closed for the winter. Because farmers in the United States receive higher farm prices, the U.S. total landed cost tends to be higher, especially compared to shipments from South GO in Brazil. This makes it imperative to keep the United States transportation costs low to maintain the competitive edge over Brazil in soybean exports. surajudeen.olowolayemo@ams.usda.gov, pierre.bahizi@ams.usda.gov

Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators[1]

	Truck	Rail[2]	Barge	Ocean	
Week ending				Gulf	Pacific
10/20/10	206	362	307	264	227
10/13/10	206	421	330	268	234

[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	10/15/2010	10/8/2010
Corn	IL--Gulf	-0.78	-0.82
Corn	NE--Gulf	-1.18	-1.07
Soybean	IA--Gulf	-1.34	-1.38
HRW	KS--Gulf	-1.69	-1.79
HRS	ND--Portland	-3.95	n/a

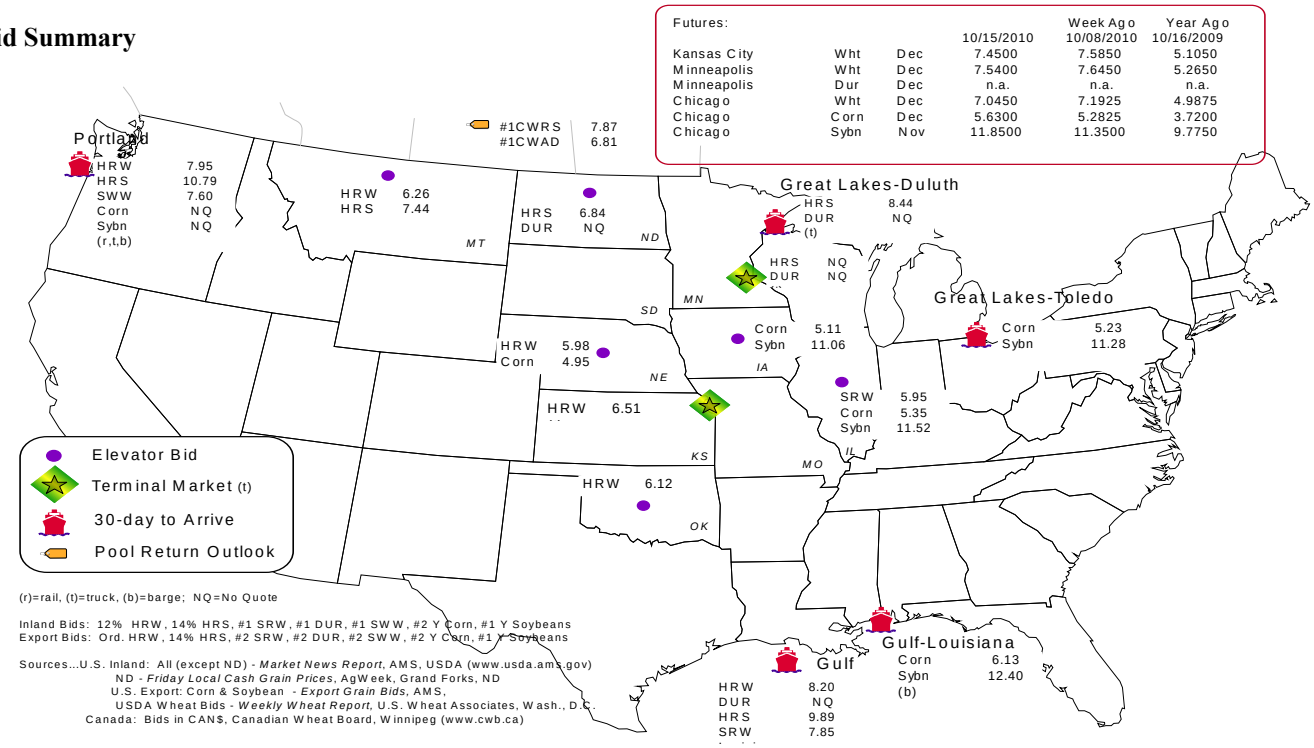
Note: nq = no quote

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
10/13/2010[p]	1,548	2,056	526	5,632	926	10,688
10/06/2010[r]	1,458	1,769	489	2,746	736	7,198
2010 YTD	17,519	60,334	34,735	131,881	21,907	266,376
2009 YTD	19,309	36,379	29,980	131,031	18,091	234,790
2010 YTD as % of 2009 YTD	91	166	116	101	121	113
Last 4 weeks as % of 2009[2]	185	133	95	81	167	110
Last 4 weeks as % of 4-year avg.[2]	67	91	64	68	107	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.

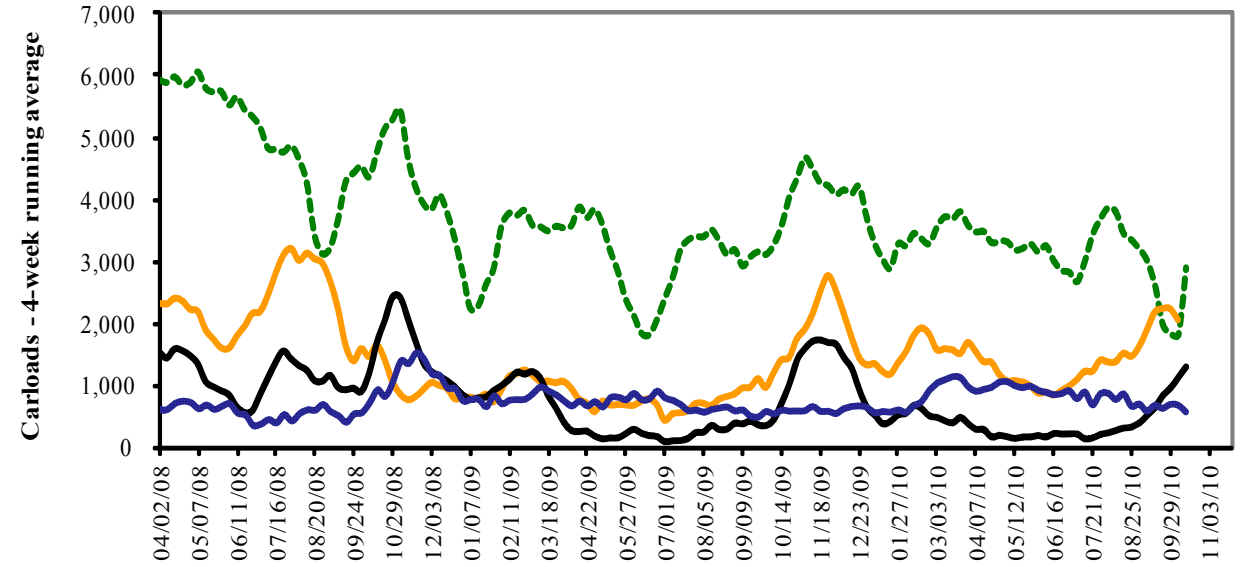
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

Source: Transportation & Marketing Programs/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 10/13-- down 19% from same period last year; down 32% from 4-year average

Texas Gulf: 4 wks ending 10/13-- up 33% from same period last year; down 9% from 4-year average

Miss. River: 4 wks. ending 10/13 – up 85% from same period last year; down 33% from 4-year average

Cross-border Mexico: 4 wks. ending 10/13 – down 5% from same period last year; down 36% from 4-year average

Source: Transportation & Marketing Programs/AMS/USDA

Table 4

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

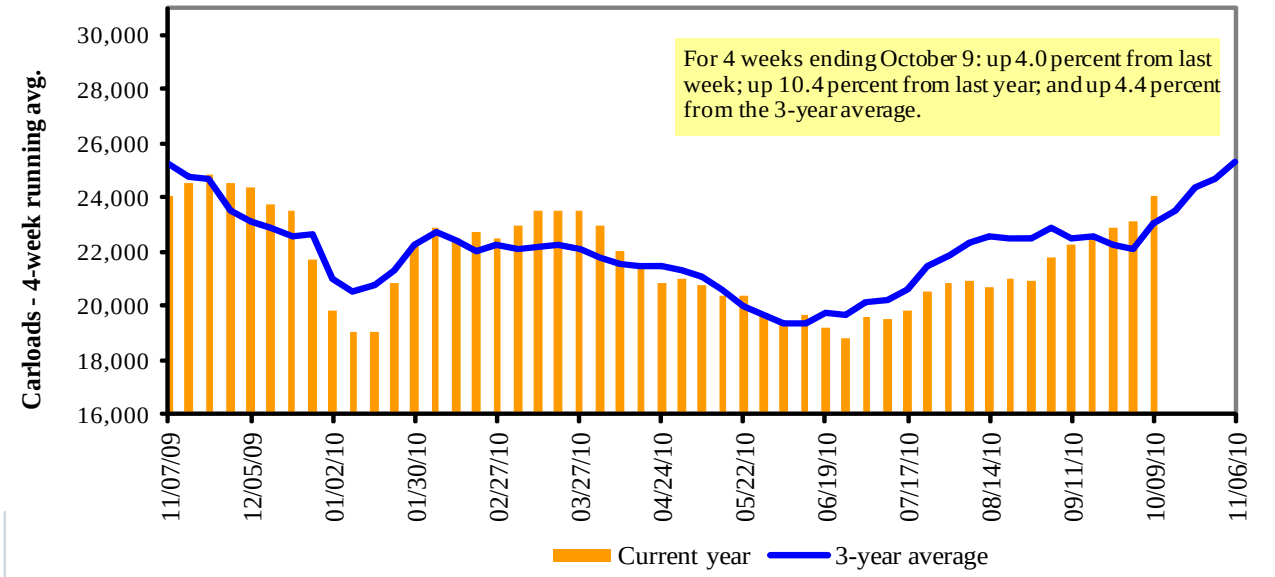
Week ending	East		West			U.S. total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
10/09/10	2,640	3,372	11,858	870	5,680	24,420	3,955	4,858
This week last year	1,936	3,213	9,638	1,119	7,381	23,287	4,063	5,559
2010 YTD	83,788	120,080	410,729	27,779	219,148	861,524	153,719	205,945
2009 YTD	77,704	103,758	359,248	26,986	196,329	764,025	155,407	217,079
2010 YTD as % of 2009 YTD	108	116	114	103	112	113	99	95
Last 4 weeks as % of 2009[1]	150	133	103	93	107	110	100	81
Last 4 weeks as % of 3-yr avg.[1]	120	121	99	100	102	104	84	84
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							
10/16/2010	Oct-10	Oct-09	Nov-10	Nov-09	Dec-10	Dec-09	Jan-11	Jan-10
BNSF[3]								
COT grain units	no offer	no offer	no offer	no offer	no offer	0	no offer	no bids
COT grain single-car[5]	no offer	no offer	no offer	no offer	no offer	no bids	no offer	2
UP[4]								
GCAS/Region 1	no offer	no offer	no offer	1	1	no bids	n/a	no offer
GCAS/Region 2	no offer	no offer	no bids	1	no bids	no bids	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.

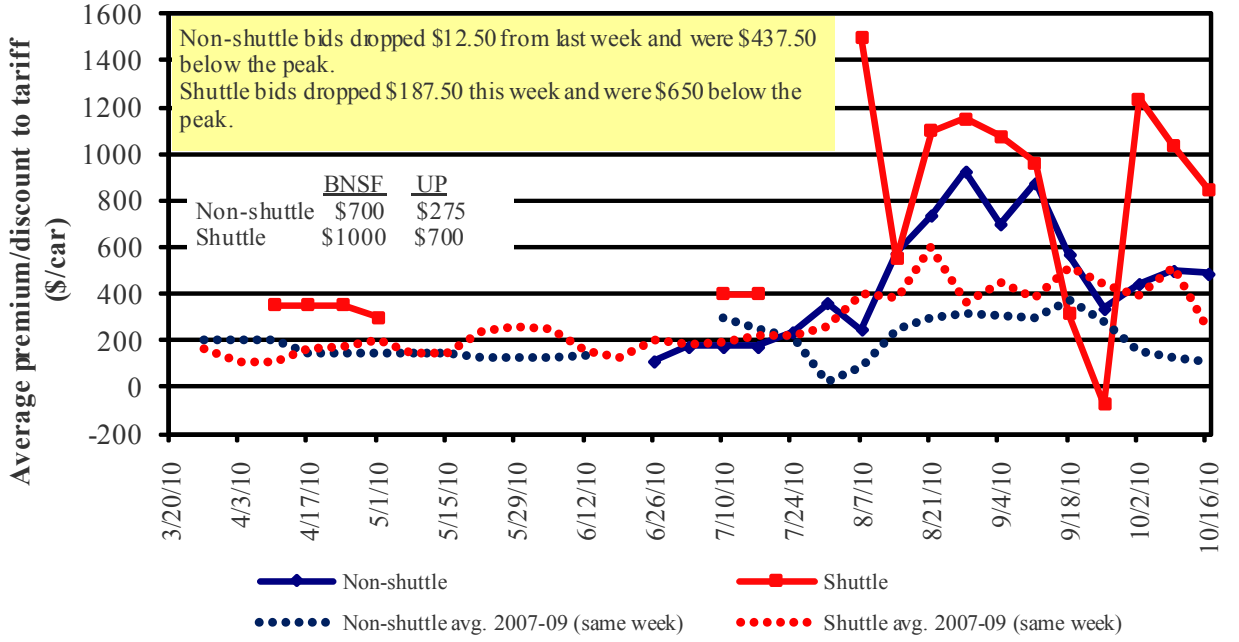
[5]Range is shown because average is not available. Not available = n/a.

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 October 2010, Secondary Market

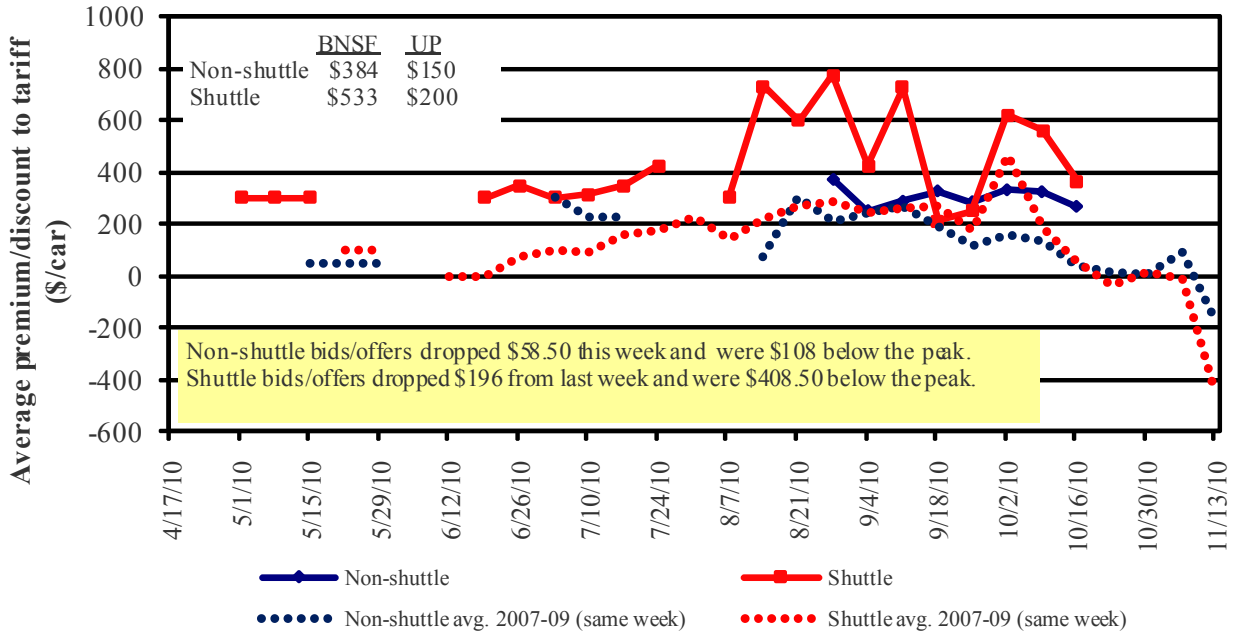


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

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

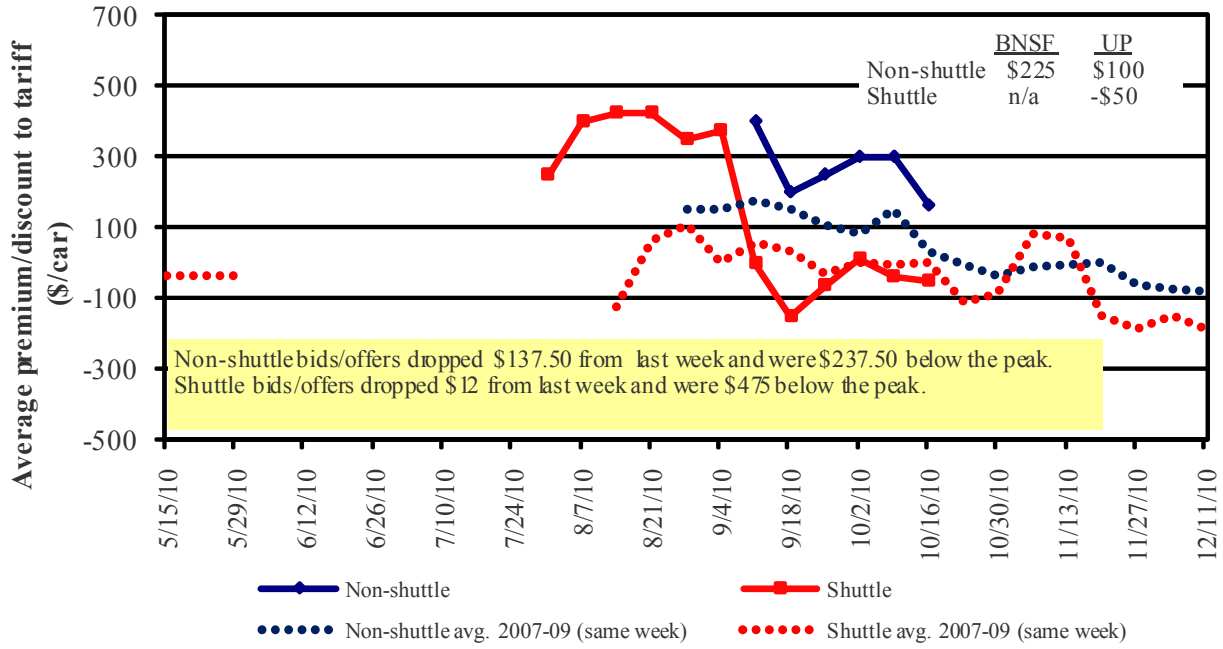


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

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					
10/16/2010	Oct-10	Nov-10	Dec-10	Jan-10	Feb-10	Mar-10
Non-shuttle						
BNSF-GF	700	384	225	n/a	n/a	n/a
Change from last week	-	(83)	(275)	n/a	n/a	n/a
Change from same week 2009	700	371	n/a	n/a	n/a	n/a
UP-Pool	275	150	100	n/a	n/a	n/a
Change from last week	(25)	(34)	-	n/a	n/a	n/a
Change from same week 2009	n/a	29	n/a	n/a	n/a	n/a
Shuttle[2]						
BNSF-GF	1,000	533	n/a	n/a	-200	n/a
Change from last week	(475)	(317)	n/a	n/a	n/a	n/a
Change from same week 2009	475	108	n/a	n/a	n/a	n/a
UP-Pool	700	200	(50)	n/a	n/a	n/a
Change from last week	100	(75)	(12)	n/a	n/a	n/a
Change from same week 2009	375	(150)	(50)	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: 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
Corn M	inneapolis, MN	Portland, OR	$3,920	$796	$46.83	$1.27
	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
Soybeans	Sioux Falls, SD	Tacoma, WA	$4,320	$729	$50.14	$1.36
	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

[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 = 111 short tons (100.7 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

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

Table 8

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

Effective date: 10/4/2010							
				Fuel			Percent
	Origin		Tariff	surcharge	Tariff plus surcharge per:		change
Commodity	state	Destination region	rate/car[1]	per car[2]	metric ton[3]	bushel[3]	Y/Y[4]
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	Torreon, 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	Torreon, 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	Torreon, CU	$5,400	$584	$61.15	$1.66	5

[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

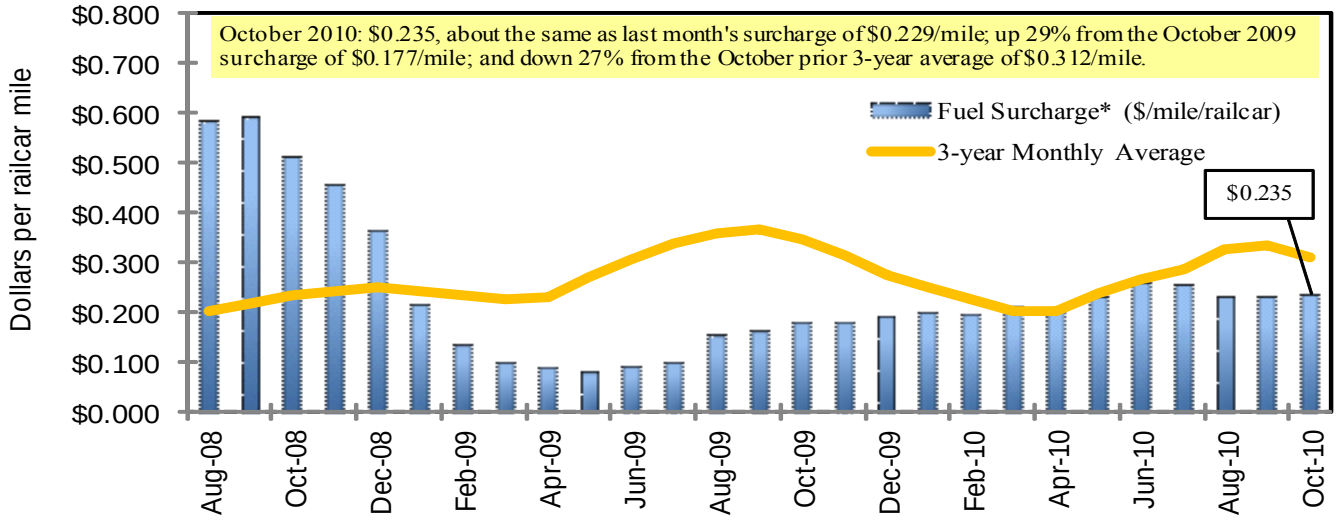
[3]Approximate load per car = 97.87 metric tons: Corn & Sorghum 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

[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]



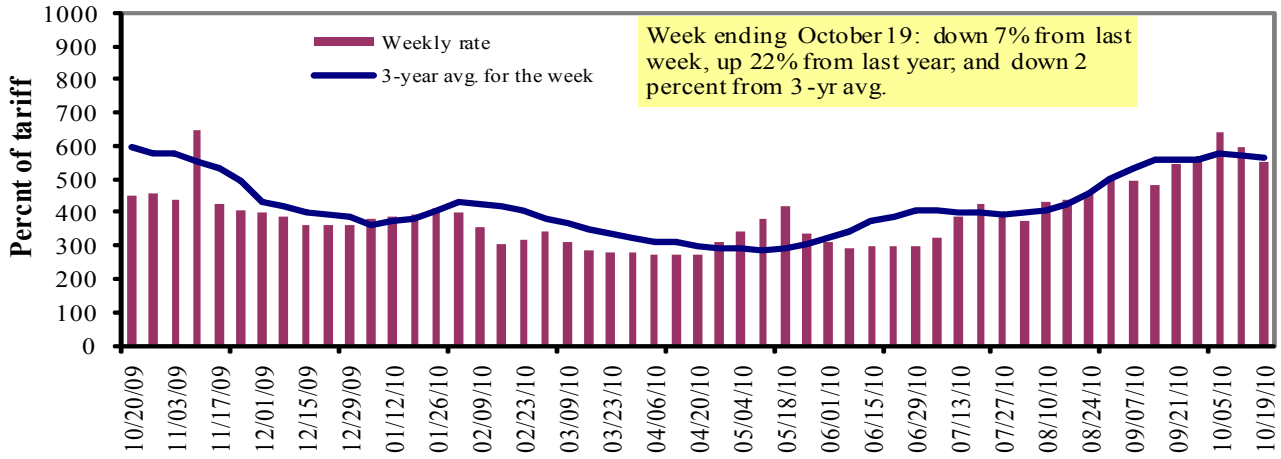
[1] Weighted by each Class I railroad's proportion of grain traffic for the prior year.
* Mileage-based fuel surcharges for March and April 2007 are estimated. Beginning January 2009, the Canadian Pacific fuel surcharge is computed by a monthly average of the bi-weekly fuel surcharge.

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]	10/19/2010	731	650	553	519	596	596	491
	10/12/2010	719	700	594	538	700	700	500
$/ton	10/19/2010	45.25	34.58	25.66	20.71	27.95	24.08	15.42
	10/12/2010	44.51	37.24	27.56	21.47	32.83	28.28	15.70
Current week % change from the same week:								
	Last year	62	44	22	40	30	30	46
	3-year avg.[2]	36	18	-2	-1	-4	-4	-11
Rate[1]	November	600	448	426	370	437	437	334
	January -		-	410	307	365	365	280

[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

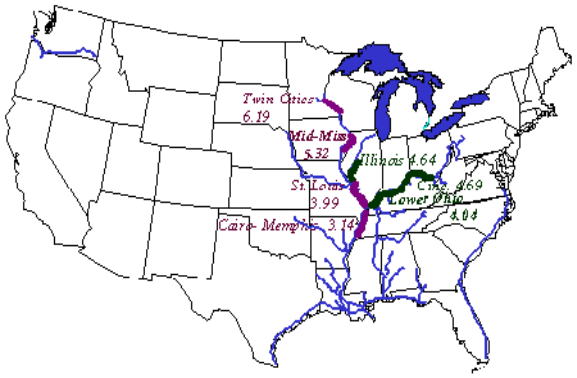
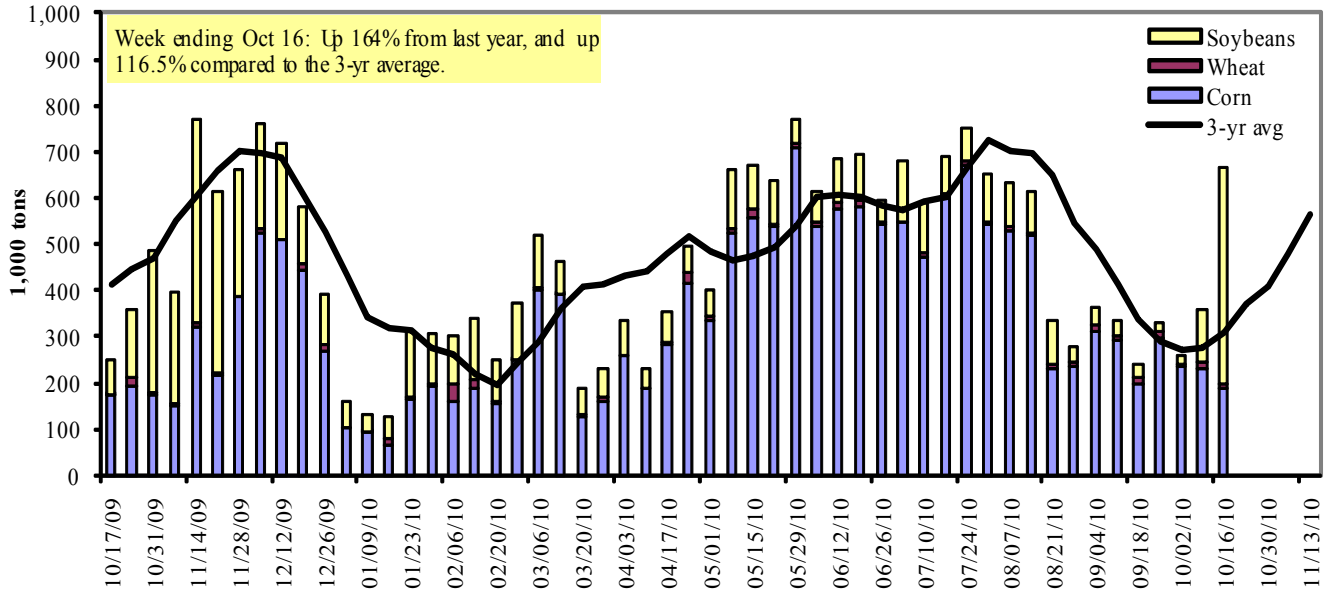


Figure 10

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 10/16/2010	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	69	2	174	0	245
Winfield, MO (L25)	55	2	330	0	387
Alton, IL (L26)	177	10	463	0	650
Granite City, IL (L27)	191	10	465	0	665
Illinois River (L8)	68	0	66	0	134
Ohio River (L52)	96	0	213	0	310
Arkansas River (L1)	0	4	31	2	37
Weekly total - 2010	288	14	709	2	1,012
Weekly total - 2009	286	14	147	8	455
2010 YTD[1]	18,745	1,055	6,637	371	26,808
2009 YTD	19,210	1,302	6,384	338	27,233
2010 as % of 2009 YTD	98	81	104	110	98
Last 4 weeks as % of 2009[2]	121	56	424	51	165
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.

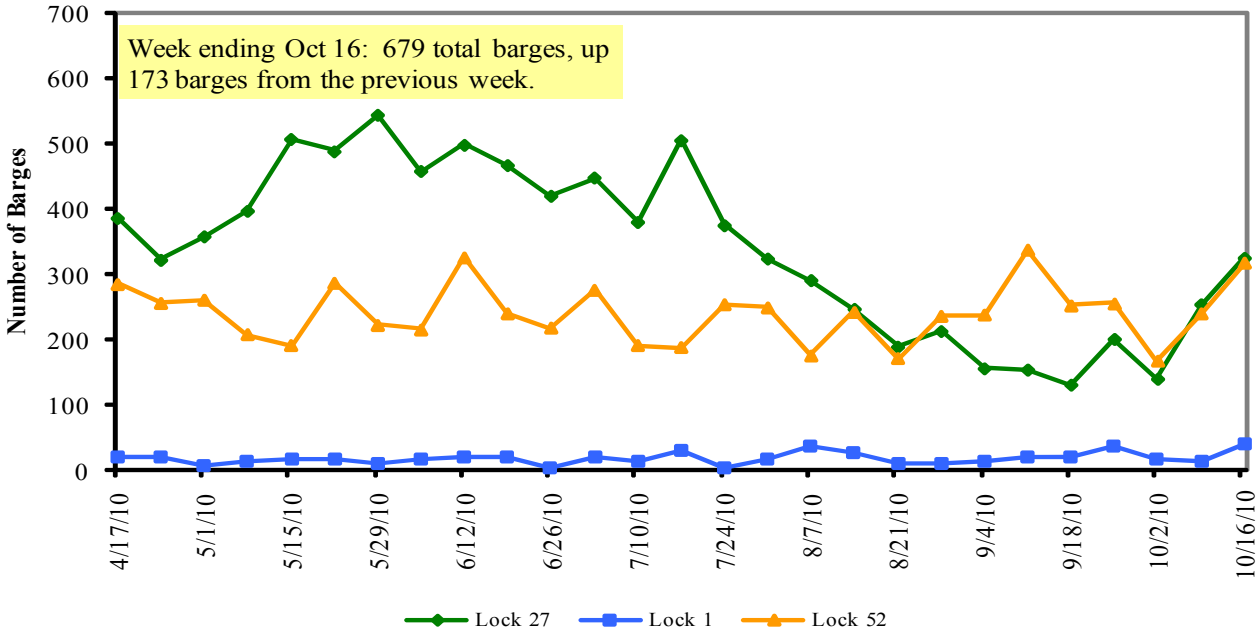
[2] As a percent of same period in 2009.

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

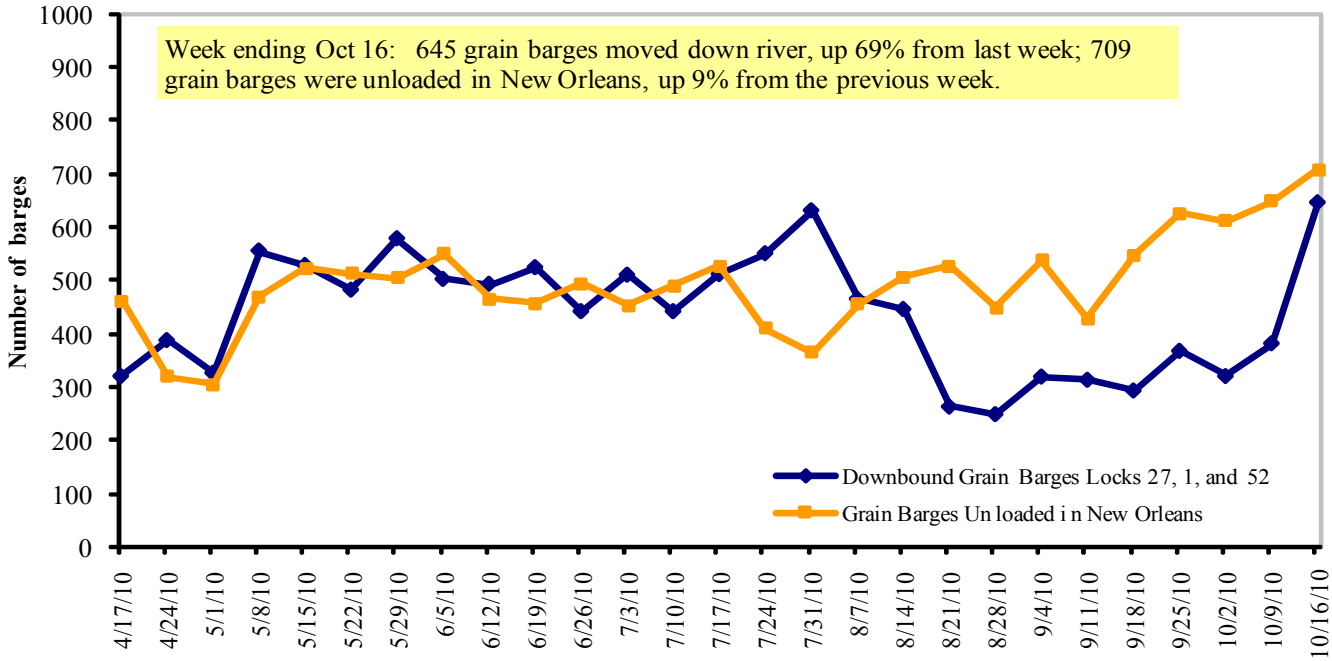
Upbound Empty Barges Transiting Mississippi River Locks 27, Arkansas River Lock and Dam 1, and Ohio River Locks and Dam 52



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 10/18/2010 (US $/gallon)

			Change from	
Region	Location	Price	Week ago	Year ago
I	East Coast	3.072	0.007	0.356
	New England	3.140	0.022	0.388
	Central Atlantic	3.188	0.010	0.357
	Lower Atlantic	3.016	0.005	0.352
II	Midwest[2]	3.063	0.008	0.370
III	Gulf Coast[3]	2.979	-0.003	0.335
IV	Rocky Mountain	3.112	0.027	0.408
V	West Coast	3.249	0.010	0.427
	California	3.232	0.017	0.358
Total	U.S.	3.073	0.007	0.368

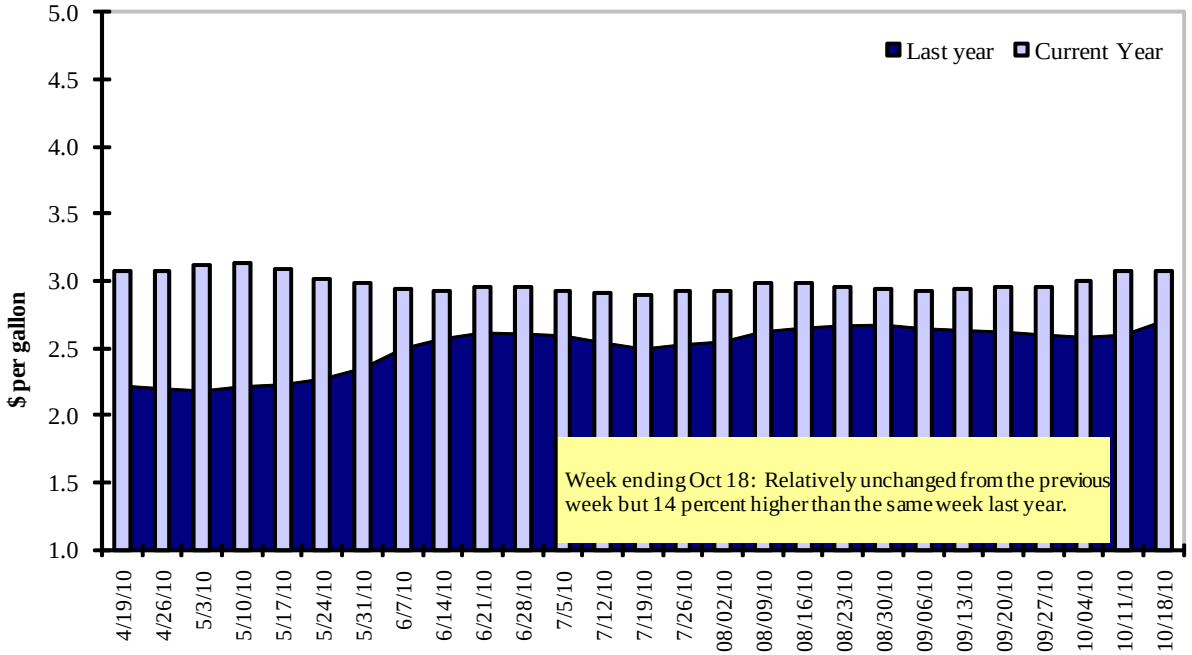
[1]Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

[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]									
10/7/2010	3,505	488	2,110	1,254	197	7,554	13,868	20,368	41,790
This week year ago	1,100	623	1,009	932	404	4,069	11,167	19,577	34,813
Cumulative exports-marketing year[2]									
2010/11 YTD	5,058	714	2,798	1,764	395	10,729	5,105	2,965	18,799
2009/10 YTD	2,981	1,262	1,849	1,488	351	7,932	5,517	1,696	15,145
YTD 2010/11 as % of 2009/10	170	57	151	119	113	135	93	175	124
Last 4 wks as % of same period 2008/09	330	90	216	134	56	193	126	100	120
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 Importers[1] of U.S. Corn

Week ending 10/07/10	Total Commitments[2] 2010/11 Current MY	Total Commitments[2] 2009/10 Last MY	% change current MY from last MY	Exports[3] 2009/10
	- 1,000 mt -			- 1,000 mt -
Japan	5,445	4,011	36	14,343
Mexico	3,050	2,883	6	7,999
Korea	1,483	2,425	(39)	7,562
Taiwan	750	924	(19)	2,949
Egypt	1,270	613	107	2,935
Top 5 importers	**11,997**	**10,855**	**11**	**35,788**
Total US corn export sales	**18,973**	**16,684**	**14**	**48,405**
% of Projected	37%	33%		
Change from Last Week	906	632		
Top 5 importers' share of U.S. corn export sales	63%	65%		
USDA forecast, October 2010	**50,800**	**50,470**	**1**	
Corn Use for Ethanol USDA forecast, Ethanol October 2010	**119,380**	**115,824**	**3**	

(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 10/07/10	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 -
China[4]	9,118	12,689	(28)	22,454
Mexico	1,026	710	44	3,276
Japan	807	946	(15)	2,347
EU-25	325	445	(27)	2,647
Taiwan	492	569	(13)	1,556
Top 5 importers	**11,769**	**15,359**	**(23)**	**32,280**
Total US soybean export sales[5]	**23,333**	**21,273**	**10**	**34,930**
% of Projected	56%	52%		
Change from last week	1,109	655		
Top 5 importers' share of U.S. soybean export sales	50%	72%		
USDA forecast, October 2010	**41,370**	**40,770**	**1**	
Soybean Use for Biodiesel USDA forecast, October 2010	**6,954**	**4,076**	**71**	

(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: **.64 mmt** (.28 mmt on 10/14; .24 mmt on 10/15; .12 mmt on 10/18) to China for 2010/11.

[5] Not included - FAS Press Release: .279 mmt on 10/15 to Unknown for 2010/11.

Table 15

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

Week Ending 10/07/2010	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	1,717	1,736	(1)	3,233
Japan	1,829	1,509	21	3,148
Mexico	1,421	979	45	1,975
Philippines	1,437	964	49	1,518
Korea, South	1,015	614	65	1,111
Taiwan	398	430	(7)	844
Venezuela	272	272	(0)	658
Colombia	408	379	8	575
Peru	568	321	77	567
Egypt	1,565	421	272	529
Top 10 importers	**10,630**	**7,625**	**39**	**14,156**
Total US wheat export sales	**18,283**	**12,001**	**52**	**23,980**
% of Projected	54%	50%		
Change from last week	372	480		
Top 10 importers' share of U.S. wheat export sales	58%	64%		
USDA forecast, October 2010	**34,020**	**23,980**	**42**	

(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.

Table 16

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

Port regions	Week ending 10/14/10	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	134	8,922	8,099	110	100	98	10,091
Corn	1	8,338	7,161	116	48	50	8,498
Soybeans	563	6,026	5,397	112	123	118	9,743
Total	**698**	**23,286**	**20,657**	**113**	**93**	**95**	**28,332**
Mississippi Gulf							
Wheat	92	3,181	3,334	95	93	56	4,019
Corn	582	24,244	24,338	100	123	107	28,843
Soybeans	637	13,097	13,279	99	196	203	21,831
Total	**1,312**	**40,522**	**40,951**	**99**	**143**	**125**	**54,693**
Texas Gulf							
Wheat	238	7,193	4,580	157	146	108	5,735
Corn	48	1,449	1,560	93	93	93	1,968
Soybeans	131	873	588	148	173	473	2,402
Total	**417**	**9,515**	**6,728**	**141**	**141**	**121**	**10,105**
Great Lakes							
Wheat	72	1,387	668	207	226	130	990
Corn	19	71	279	26	53	51	353
Soybeans	69	237	159	149	265	163	781
Total	**159**	**1,695**	**1,106**	**153**	**218**	**134**	**2,124**
Atlantic							
Wheat	25	271	546	50	80	56	552
Corn	17	351	308	114	50	60	472
Soybeans	26	754	491	154	252	371	1,268
Total	**68**	**1,376**	**1,345**	**102**	**69**	**69**	**2,292**
U.S. total from ports[2]							
Wheat	561	20,953	17,228	122	118	94	21,387
Corn	667	34,453	33,646	102	104	96	40,134
Soybeans	1,426	20,987	19,913	105	171	174	36,025
Total	**2,654**	**76,394**	**70,787**	**108**	**128**	**115**	**97,546**

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

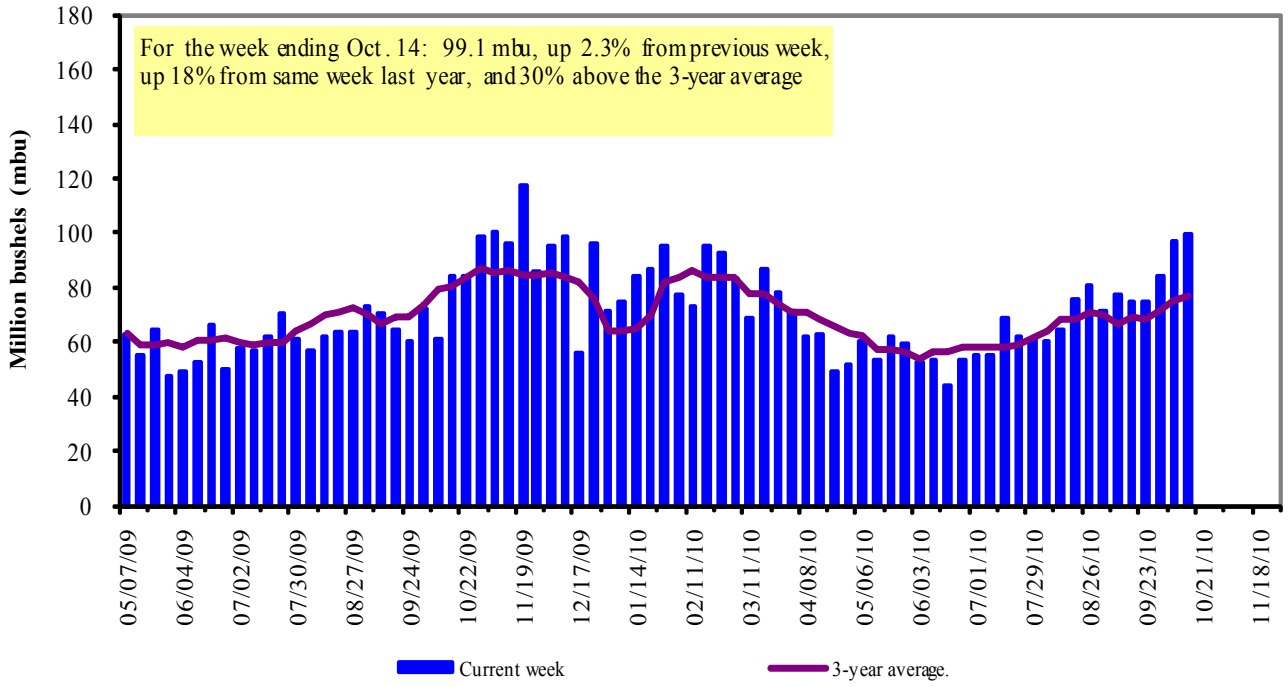
[2] Total includes only port regions shown above

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)

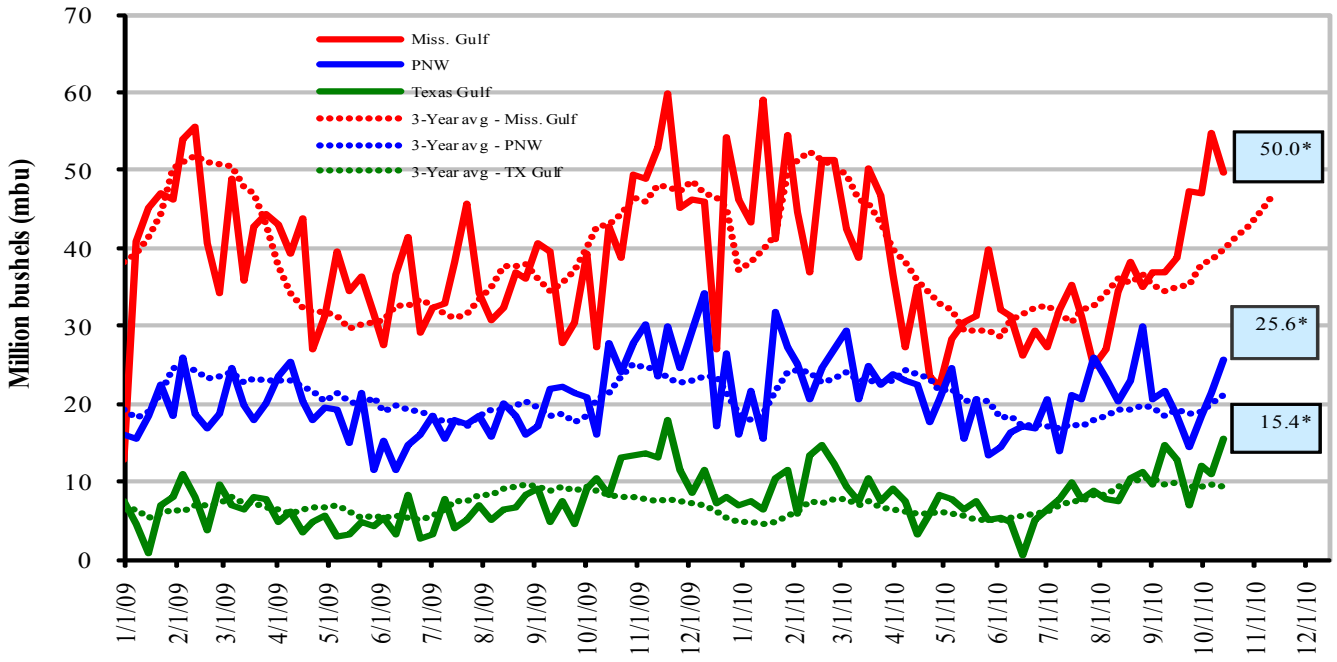


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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.

Oct 14, % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	down 9	up 39	down 1	up 19
Last year (same week)	up 16	up 84	up 27	down 8
3-yr avg. (4-wk mov. avg.)	up25	up 64	up 32	up 2

Table 17

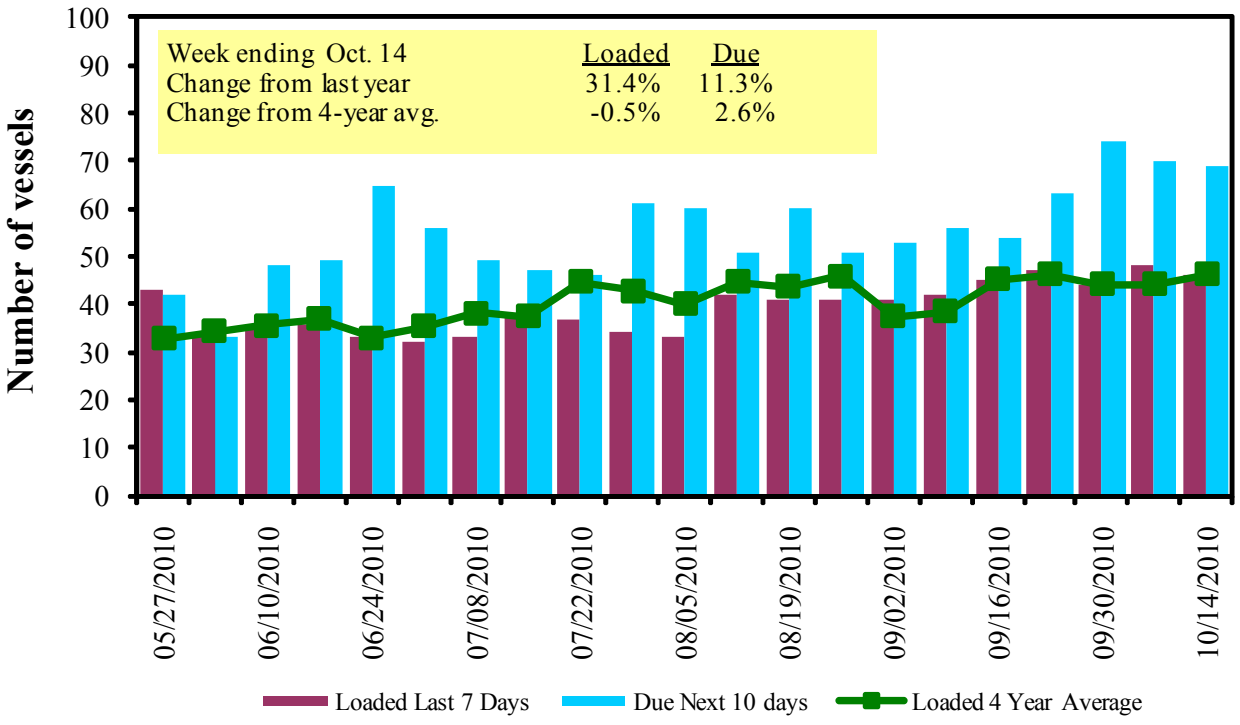
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

	Gulf			Pacific Northwest	Vancouver B.C.
Date	In port	Loaded 7-days	Due next 10-days	In port	In port
10/14/2010	42	46	69	9	11
10/7/2010	37	48	70	5	15
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

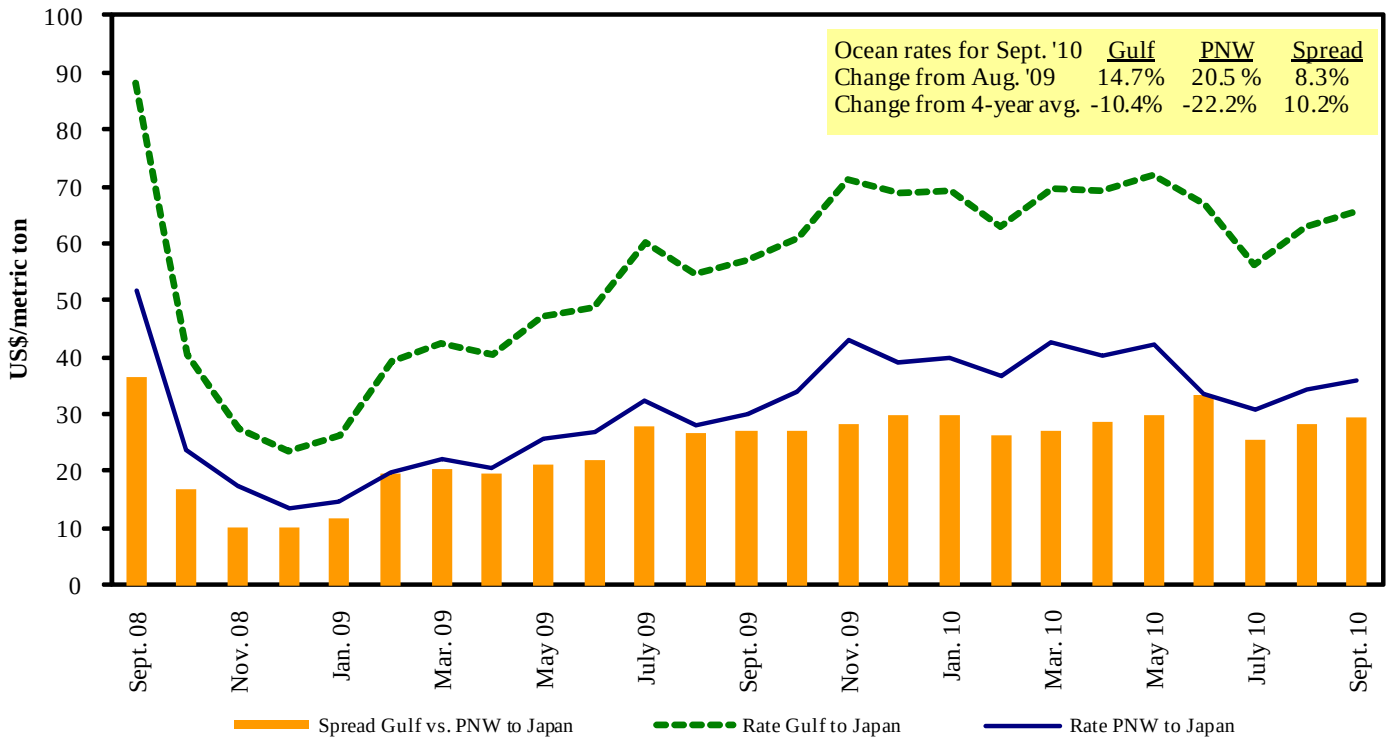


Source: Transportation & Marketing Programs/AMS/USDA

[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

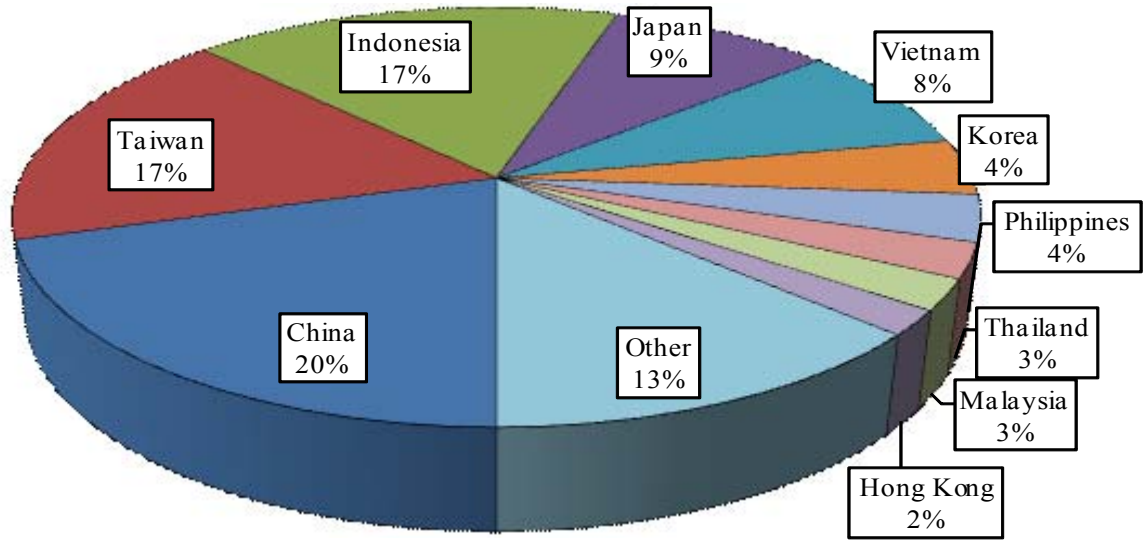
Ocean Freight Rates For Selected Shipments, Week Ending 10/16/2010

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US $/metric ton)
U.S. Gulf	China	Heavy Grain	Oct 15/30	55,000	57.00
U.S. Gulf	China	Heavy Grain	Oct 16/25	55,000	57.00
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 15/25	55,000	58.75
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. PNW	Bangladesh[1]	Wheat	Aug 20/30	24,590	92.00
St. Lawrence	Morocco	Wheat	Aug 25/30	25,000	29.75
Brazil	Algeria	Corn	Oct 15/20	25,000	36.00
Brazil	Morocco	Heavy Grain	Oct 3/5	26,000	36.75
Brazil	Spain	Corn	Aug 10/15	25,000	31.50
India	China	Grains	Sep 5/10	20,000	27.50
River Plate	Baltic	Soybeanmeal	Sep 24/26	23,000	47.50

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, July 2010

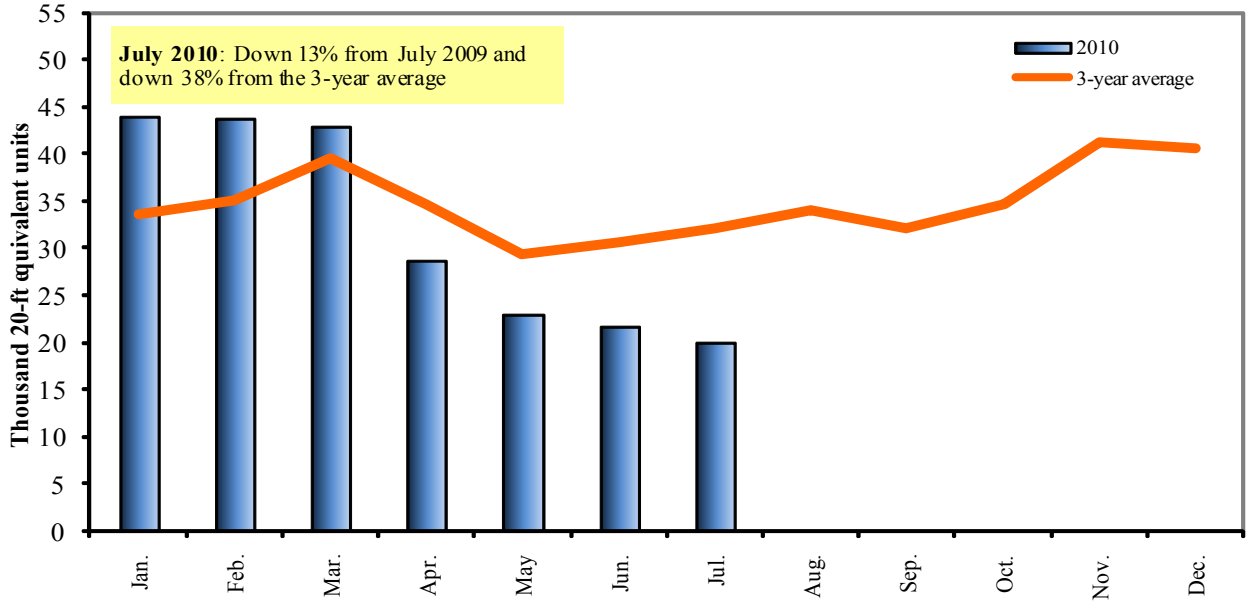


Source: Port Import Export Reporting Service (PIERS)

Note: The following Harmonized Tariff Codes are used to calculate containerized grains movements (recently added codes are highlighted in bold type): 100190, 100200, 100300, 100400, 100590, 100700, 110100, 230310, 110220, 110290, 120100, 230210, 230990, **230330**, and **120810**.

Figure 19

Monthly Shipments of Containerized Grain to Asia



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

Note: The following Harmonized Tariff Codes are used to calculate containerized grains movements (recently added codes are highlighted in bold type): 100190, 100200, 100300, 100400, 100590, 100700, 110100, 230310, 110220, 110290, 120100, 230210, 230990, **230330**, and **120810**.

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
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
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
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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