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The next
release is
March 3, 2011**WEEKLY HIGHLIGHTS****Gulf Grain Vessels Loading Activity Stays High**

For the week ending February 17, 52 **ocean-going grain vessels** were loaded during the past seven days—8 percent above last year, 20 percent above the 4-year average, and 11 percent higher than the year-to-date weekly average. Seventy-five vessels are expected to be loaded within the next 10 days—23 percent above last year, 25 percent above the 4-year average, and about the same as the year-to-date weekly average. Robust weekly export sales, **high unshipped export balances**, and favorable bulk ocean freight rates are boosting the Gulf grain vessel loading activity.

Grain Inspections Highest Since December

For the week ending February 17, **total inspections of grain** (corn, wheat, and soybeans) from all major U.S. export regions reached 2.70 million metric tons (mmt), up 29 percent from the previous week and 8 percent above last year this time. Corn, wheat, and soybean inspections all increased from the past week. Corn and soybean inspections jumped 42 and 32 percent, respectively, from the past week as shipments to Asia rebounded. Due also to strong demand from Asia, Pacific Northwest (.788 mmt) grain inspections increased 114 percent from the previous week. Mississippi Gulf (1.46 mmt) inspections increased 11 percent from the past week.

Commodity Prices Fall on Middle East Unrest, Favorable Weather Forecasts

Investors pulled out of their positions in agricultural commodities as the unrest in the Middle East continued to create more risk for their portfolios. Fundamental supply and demand factors are also adding to the downward price pressure of agricultural commodities. Rains over the past 6 weeks in Brazil have benefited the prospects for the soybean crop, harvesting of which is under way. U.S. soybean sales to China typically decline as the South American harvest enters the global market, which could reduce U.S. soybean shipments to China during the remainder of this marketing year, which ends August 31. Winter-wheat growing areas in the United States and China have received much needed moisture, and Australia reports the quality and quantity of its wheat production is better than expected following widespread flooding at harvest.

Rail Grain Demand Remains Strong Despite Two Weeks of Lower Volumes

Grain carloadings for U.S. Class I railroads have been weaker during the last two weeks because of weather-related delays. Total year-to-date **grain originations**, however, remain 7 percent ahead of last year, indicating relatively strong grain demand for rail transportation. Of the two western railroads, which originated 64 percent of U.S. grain hauled during 2009, Union Pacific (UP) is up 15 percent year-to-date while BNSF Railways (BNSF) is up 8 percent. Capacity on UP appears to be less constrained because UP states that its empty railcar deliveries to shippers are current while, on February 14, BNSF was 4,441 railcars behind schedule on empty railcar deliveries.

Snapshots by Sector**Rail**

U.S. railroads originated 21,861 **carloads of grain** during the week ending February 12, down 1 percent from last week, down 2 percent from last year, and 7 percent lower than the 3-year average.

During the week ending February 17, average March non-shuttle **secondary railcar bids/offers** were \$150.50 above tariff, up \$63 from last week. Average shuttle rates were \$14.50 below tariff, up \$137.50 from last week

Barge

During the week ending February 19, **barge grain movements** totaled 684,684 tons, 43 percent higher than the previous week, and 25 percent higher than the same period last year.

During the week ending February 19, 434 grain barges **moved down river**, up 47 percent from last week; 725 grain barges were **unloaded in New Orleans**, up 9 percent from the previous week.

Fuel

During the week ending February 21, U.S. average **diesel fuel prices** increased 4 cents per gallon to \$3.57—up 1 percent from the previous week and 26 percent higher than the same week last year.

Ocean

During the week ending February 18, the cost of shipping grain from the Gulf to Japan averaged \$56.50 per mt, up 7 percent from the previous week. The rate from the Pacific Northwest to Japan was \$33 per mt, up 3 percent from the previous week.

Feature Article/Calendar

Grain Exports to Asia: Ocean Freight Rates and Spread Influence Port Choice and Vessel Sizes

Ocean freight rates and spread fluctuate and could affect the choice of grain export port and vessel sizes. This article explores the relationship between the ocean freight rates from the Gulf and the Pacific Northwest (PNW), the ocean rate spread, and the port and shipment sizes.

The United States exports nearly one-quarter of the grain it produces. On average, this includes about 45 percent of U.S.-grown wheat, 35 percent of U.S.-grown soybeans, and 20 percent of the U.S.-grown corn (see [GTR, dated 2/10/11](#)). More than 50 percent of the U.S. grains and oilseeds exports are shipped to Asia—mainly Japan and China. Japan is the largest importer of U.S. corn. During 2010, 22 million metric tons (mmt) of grain and oilseeds were exported to Japan. Over 15 mmt of corn were exported to Japan, representing about 18 percent of the total U.S. grain and oilseeds exports and 29 percent of the corn exports. On the other hand, China is the largest importer of the U.S. soybeans, importing a total of 24.34 mmt during 2010—about 21 percent of the total U.S. grain and oilseed exports and 58 percent of the soybean exports.

Does the Ocean Rate Spread Matter?

Over 60 percent of U.S. grain exports were shipped to Asia through the Gulf region in 2010. However, the mix and size of the grain shipments, and export port of choice is influenced by ocean freight rates and the spread. Figure 1 shows the historical shares of the Gulf and Pacific Northwest (PNW) ports for corn shipments to Japan. According to the figure, the Gulf share decreased whenever the PNW share increased. These occurrences coincide with periods of high ocean freight rates and spread. During 2000 to 2002, the ocean freight rates and the spread were relatively low. Thus, the Gulf share of corn exports rose and PNW share declined. PNW's share of corn exports increased during 2003 when ocean rates started to increase (see figure 2) and peaked in 2004 during the first wave of a freight market boom when ocean rates were relatively high. The PNW's share declined again in 2006 and the Gulf share increased as ocean

Figure 1: Corn shipments to Japan by Port

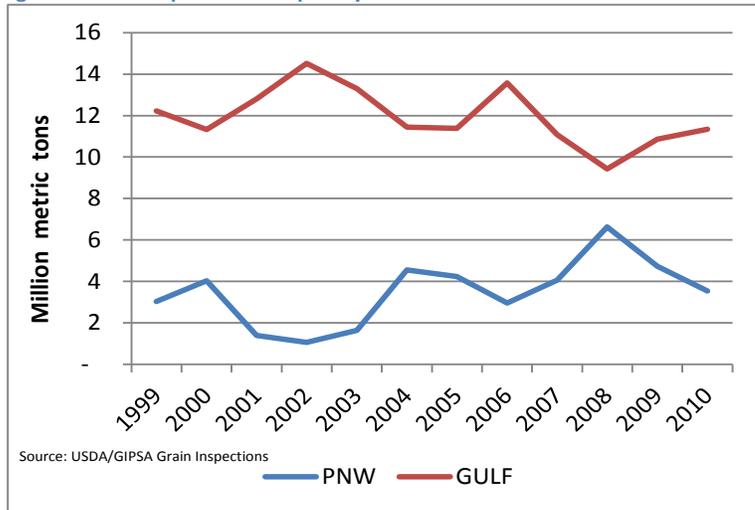
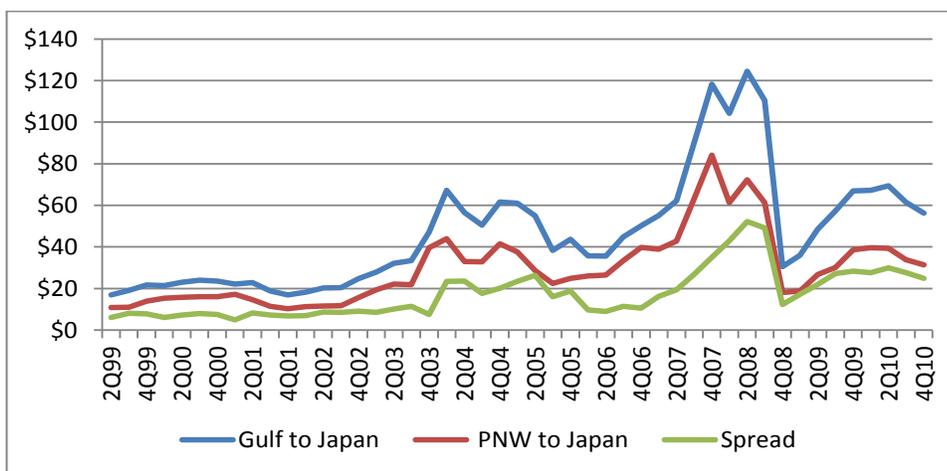


Figure 2: Ocean rates to Japan with Spread



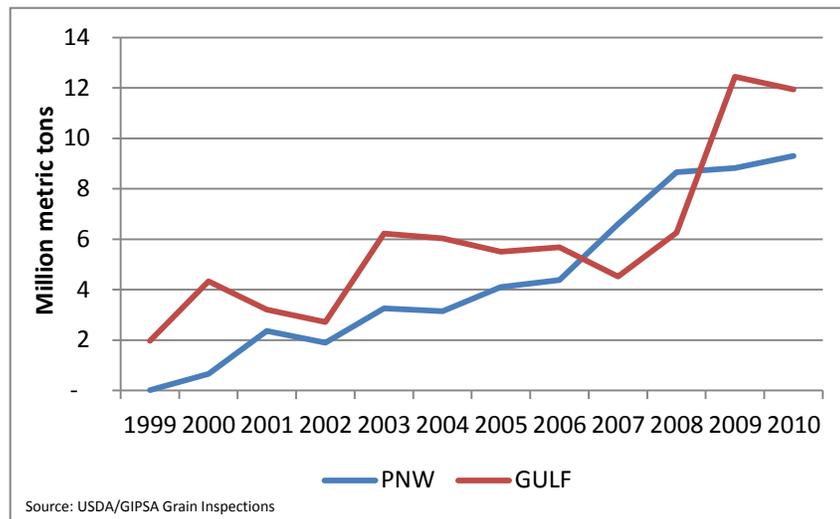
rates and the spread started falling. During the period of record high ocean freight rates—during the second wave of a freight market boom in 2007 and early part of 2008 (see figure 2)—PNW's share of

Source: Baltic Exchange Inc, Drewry Shipping Consultants, O'Neil Commodity Consulting

the same time (see figure 1). During May 2008, the rate for shipping grain from the Gulf to Japan averaged \$133.10 per mt. The rate from the PNW averaged \$72 per mt, and the spread reached a record high of \$61 per mt. Currently the ocean freight rates are relatively low and favor shipments from the Gulf.

Figure 1 Soybean Shipments to China by Port

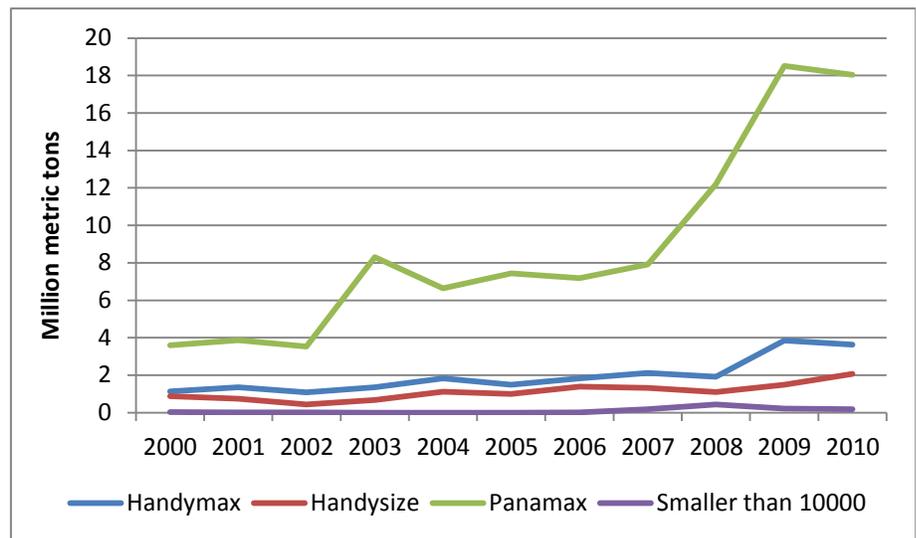
Soybean exports to China follow a pattern similar to corn exports to Japan (see figure 3). However, the PNW's share of soybean exports surpassed the Gulf during 2007 and 2008. Again, it should be noted this was a period of record high ocean freight rates and spread. The Gulf reclaimed its position as the leading grain export port when ocean freight rates fell to the current moderate levels.



Shipment sizes: The majority of grain and oilseed shipments to Japan and China was made in vessels ranging in size from 50,001 to 80,000 mt. In 2010, over 75 percent of shipments to China fell into that range. This is consistent with shipments in Panamax vessels—the traditional vessel for shipping grains. About 15 percent of the shipments were in vessels ranging between 30,001 and 50,000mt in size, which is consistent with shipments in Handymax vessels. It is also noteworthy that the use of Panamax vessels, which are much larger than Handymax vessels, tends to increase or peak during the periods of falling or relatively low ocean rates (see figure 4).

Figure 2: Soybean Shipments s to China by Size of shipment

Conclusion: Ocean freight rates and spread influence the choice of export port between the Gulf and PNW. Lower ocean freight rates and spread favor shipments from the Gulf. Shipments in larger vessels such as Panamax also increase when ocean freight rates are low. The relationship between the ocean rates and vessel sizes will be even more critical with the ongoing expansion of the Panama Canal that will allow passage of larger post-Panamax vessels.



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Grain Transportation Indicators

Table 1
Grain Transport Cost Indicators¹

Week ending	Truck	Rail ²	Barge	Ocean	
				Gulf	Pacific
02/23/11	240	246	299	253	234
02/16/11	237	183	324	237	227

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)

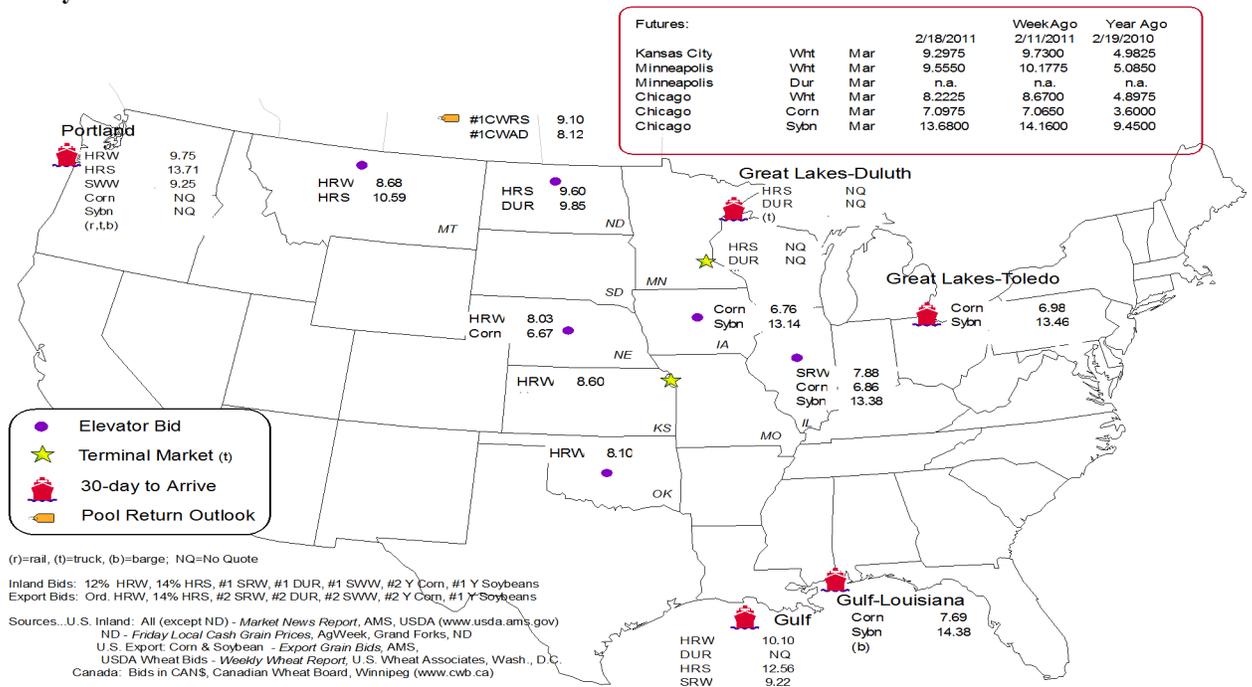
Commodity	Origin--Destination	2/18/2011	2/11/2011
Corn	IL--Gulf	-0.83	-0.74
Corn	NE--Gulf	-1.02	-0.92
Soybean	IA--Gulf	-1.24	-1.26
HRW	KS--Gulf	-1.50	-1.45
HRS	ND--Portland	-4.11	-4.32

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	
2/16/2011 ^p	1,208	2,271	285	4,110	496	8,370
2/09/2011 ^r	728	1,986	1,023	3,628	795	8,160
2011 YTD	7,432	14,880	4,040	27,764	5,300	59,416
2010YTD	3,793	11,383	5,077	22,651	8,256	51,160
2011 YTD as % of 2010 YTD	196	131	80	123	64	116
Last 4 weeks as % of 2010 ²	166	109	83	126	61	112
Last 4 weeks as % of 4-year avg. ²	81	115	87	100	77	97
Total 2010	33,971	83,492	42,794	177,896	32,780	370,933
Total 2009	33,423	57,646	36,738	175,965	30,328	334,100

¹ Data is incomplete as it is voluntarily provided

² Compared with same 4-weeks in 2010 and prior 4-year average.

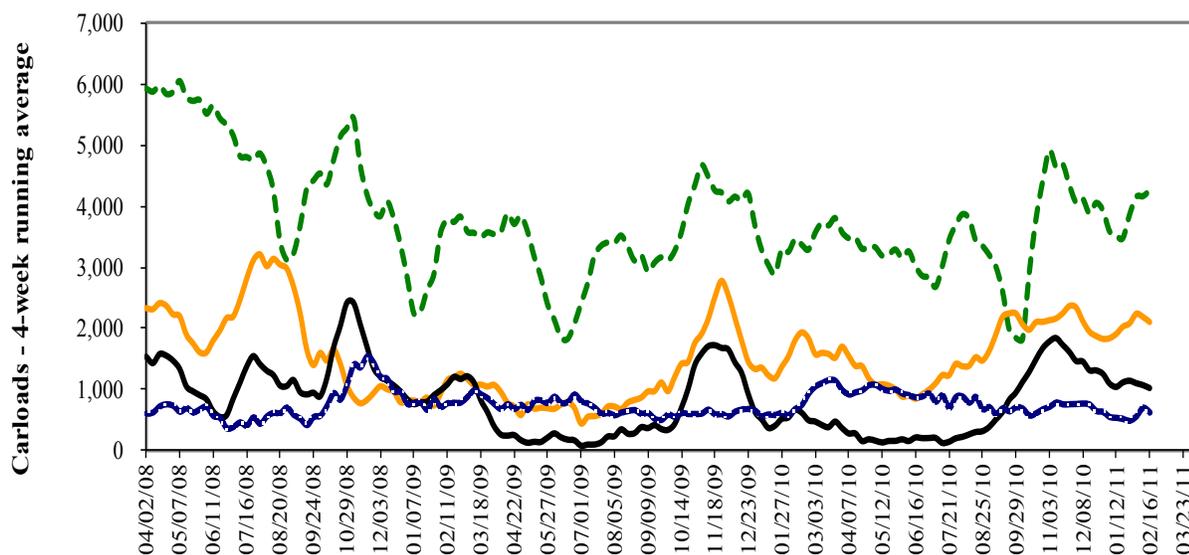
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

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 2/16 -- up 26% from same period last year; unchanged from 4-year average
— Texas Gulf: 4 wks. ending 2/16 -- up 9% from same period last year; up 15% from 4-year average
— Miss. River: 4 wks. Ending 2/16 -- up 66% from same period last year; down 19% from 4-year average
- - - Cross-border Mexico: 4 wks. ending 2/16 -- down 17% from same period last year; down 13% from 4-year average

Source: Transportation & Marketing Programs/AMS/USDA

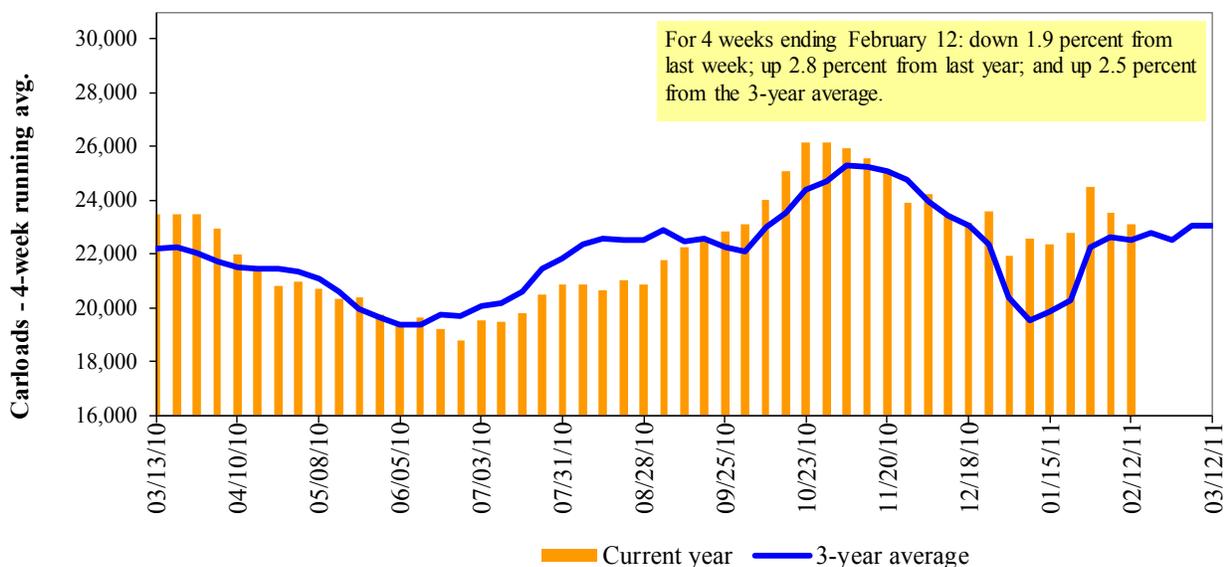
Table 4

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
02/12/11	2,398	2,601	10,657	562	5,643	21,861	4,064	4,283
This week last year	1,758	2,556	12,465	778	4,668	22,225	3,562	4,488
2011 YTD	13,681	17,773	70,089	3,684	36,706	141,933	22,450	27,019
2010 YTD	13,954	17,323	65,082	4,656	32,048	133,063	24,583	30,465
2011 YTD as % of 2010 YTD	98	103	108	79	115	107	91	89
Last 4 weeks as % of 2010 ¹	93	96	106	76	107	103	90	92
Last 4 weeks as % of 3-yr avg.	82	95	108	77	103	101	84	87
Total 2010	111,935	159,836	546,901	35,807	295,361	1,149,840	203,038	265,835

¹As a percent of the same period in 2009 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							
	Mar-11	Mar-10	Apr-11	Apr-10	May-11	May-10	Jun-11	Jun-10
2/17/2011								
BNSF ³								
COT grain units	no offer	8	13	0	5	0	8	no bids
COT grain single-car ⁵	no offer	0 . . 200	7 . . 36	1	no bids	0	no bids	0
UP ⁴								
GCAS/Region 1	no bids	no bids	no bids	no bids	no bids	no bids	n/a	n/a
GCAS/Region 2	no bids	39	no bids	no bids	no bids	no bids	n/a	n/a

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.

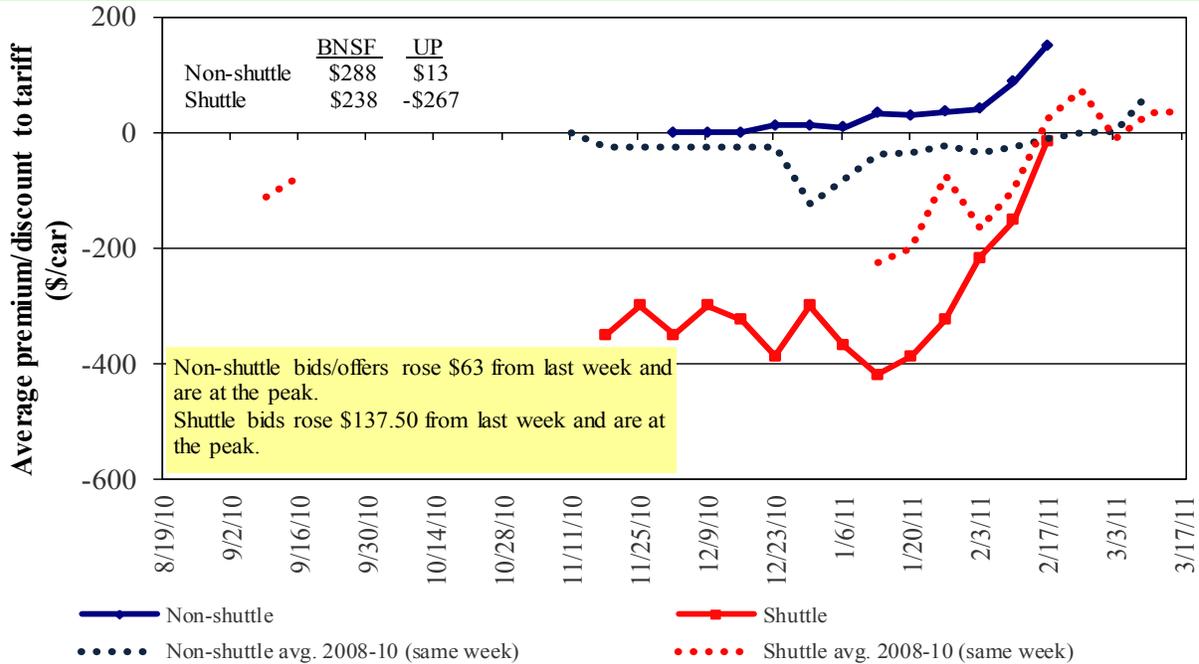
⁵Range is shown because average is not available. Not available = n/a.

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 March 2011, Secondary Market

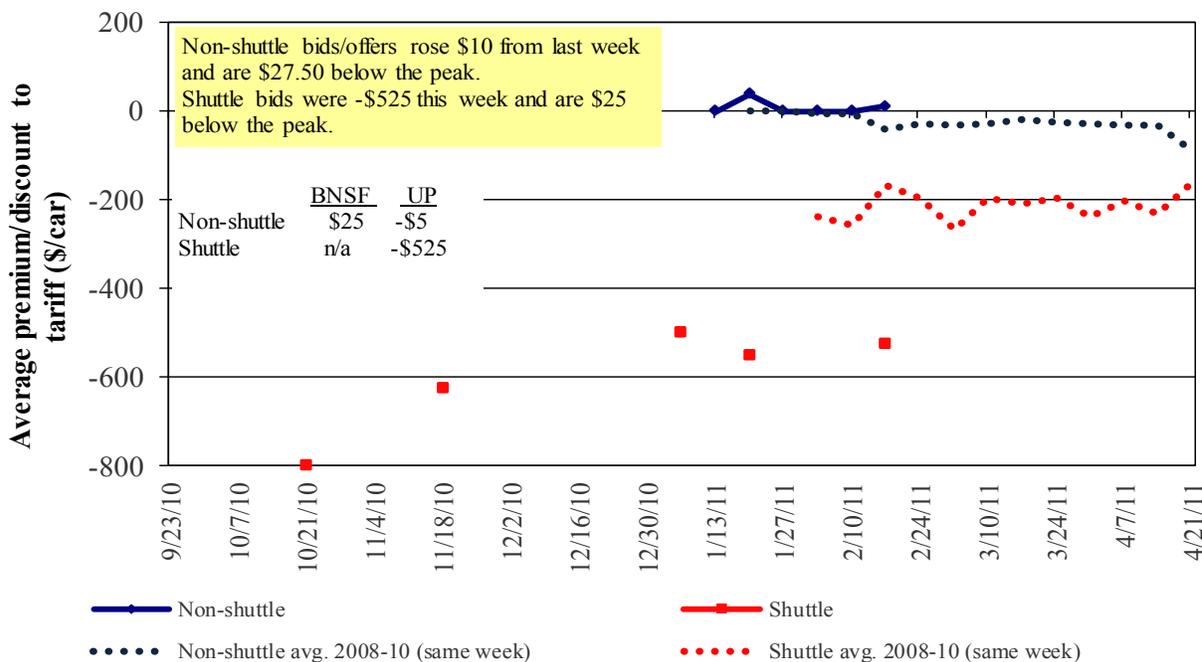


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

Bids/Offers for Railcars to be Delivered in April 2011, Secondary Market

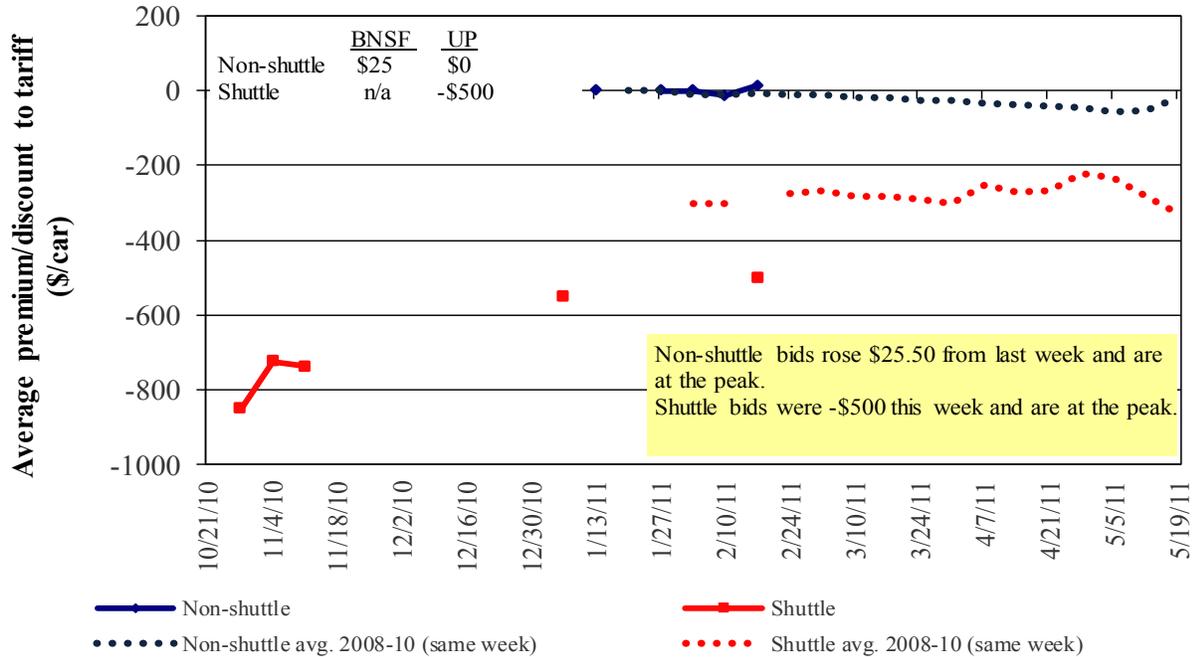


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in May 2011, 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					
	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11
2/17/2011						
Non-shuttle						
BNSF-GF	288	25	25	n/a	n/a	n/a
Change from last week	113	n/a	n/a	n/a	n/a	n/a
Change from same week 2010	250	n/a	n/a	n/a	n/a	n/a
UP-Pool	13	(5)	-	n/a	n/a	n/a
Change from last week	13	(5)	13	n/a	n/a	n/a
Change from same week 2010	(12)	(5)	n/a	n/a	n/a	n/a
Shuttle²						
BNSF-GF	238	n/a	n/a	n/a	n/a	-350
Change from last week	238	n/a	n/a	n/a	n/a	n/a
Change from same week 2010	(12)	n/a	n/a	n/a	n/a	n/a
UP-Pool	(267)	(525)	(500)	(350)	-250	-250
Change from last week	37	n/a	n/a	n/a	n/a	n/a
Change from same week 2010	(505)	n/a	n/a	(200)	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 Shipments¹

Effective date:						
2/7/2011	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	\$2,883	\$116	\$29.79	\$0.81
	Grand Forks, ND	Duluth-Superior, MN	\$2,727	\$149	\$28.56	\$0.78
	Wichita, KS	Los Angeles, CA	\$5,232	\$765	\$59.55	\$1.62
	Wichita, KS	New Orleans, LA	\$3,384	\$205	\$35.64	\$0.97
	Sioux Falls, SD	Galveston-Houston, TX	\$5,167	\$628	\$57.55	\$1.57
	Northwest KS	Galveston-Houston, TX	\$3,651	\$224	\$38.48	\$1.05
	Amarillo, TX	Los Angeles, CA	\$3,850	\$312	\$41.33	\$1.12
Corn	Champaign-Urbana, IL	New Orleans, LA	\$2,812	\$231	\$30.22	\$0.82
	Toledo, OH	Raleigh, NC	\$3,760	\$277	\$40.09	\$1.09
	Des Moines, IA	Davenport, IA	\$1,843	\$49	\$18.79	\$0.51
	Indianapolis, IN	Atlanta, GA	\$3,196	\$208	\$33.80	\$0.92
	Indianapolis, IN	Knoxville, TN	\$2,760	\$133	\$28.73	\$0.78
	Des Moines, IA	Little Rock, AR	\$2,938	\$144	\$30.61	\$0.83
	Des Moines, IA	Los Angeles, CA	\$4,372	\$419	\$47.58	\$1.29
Soybeans	Minneapolis, MN	New Orleans, LA	\$3,391	\$238	\$36.04	\$0.98
	Toledo, OH	Huntsville, AL	\$2,921	\$197	\$30.96	\$0.84
	Indianapolis, IN	Raleigh, NC	\$3,830	\$279	\$40.80	\$1.11
	Indianapolis, IN	Huntsville, AL	\$2,613	\$133	\$27.27	\$0.74
	Champaign-Urbana, IL	New Orleans, LA	\$3,156	\$231	\$33.64	\$0.92
Shuttle Train						
Wheat	Great Falls, MT	Portland, OR	\$2,966	\$440	\$33.82	\$0.92
	Wichita, KS	Galveston-Houston, TX	\$2,987	\$343	\$33.06	\$0.90
	Chicago, IL	Albany, NY	\$3,497	\$260	\$37.31	\$1.02
	Grand Forks, ND	Portland, OR	\$4,229	\$760	\$49.54	\$1.35
	Grand Forks, ND	Galveston-Houston, TX	\$5,144	\$792	\$58.94	\$1.60
Corn	Northwest KS	Portland, OR	\$4,619	\$368	\$49.52	\$1.35
	Minneapolis, MN	Portland, OR	\$4,120	\$926	\$50.10	\$1.36
	Sioux Falls, SD	Tacoma, WA	\$4,120	\$848	\$49.33	\$1.34
	Champaign-Urbana, IL	New Orleans, LA	\$2,677	\$231	\$28.88	\$0.79
	Lincoln, NE	Galveston-Houston, TX	\$2,880	\$494	\$33.51	\$0.91
	Des Moines, IA	Amarillo, TX	\$3,330	\$181	\$34.87	\$0.95
	Minneapolis, MN	Tacoma, WA	\$4,120	\$918	\$50.03	\$1.36
	Council Bluffs, IA	Stockton, CA	\$3,480	\$950	\$43.99	\$1.20
Soybeans	Sioux Falls, SD	Tacoma, WA	\$4,320	\$848	\$51.32	\$1.40
	Minneapolis, MN	Portland, OR	\$4,270	\$926	\$51.59	\$1.40
	Fargo, ND	Tacoma, WA	\$4,270	\$754	\$49.89	\$1.36
	Council Bluffs, IA	New Orleans, LA	\$3,510	\$267	\$37.51	\$1.02
	Toledo, OH	Huntsville, AL	\$2,536	\$197	\$27.14	\$0.74
Grand Island, NE	Portland, OR	\$4,520	\$377	\$48.62	\$1.32	

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

Effective date: 2/7/2011				Fuel	Tariff plus surcharge per:		Percent
Commodity	Origin state	Destination region	Tariff rate/car ¹	surcharge per car ²	metric ton ³	bushel ³	change Y/Y ⁴
Wheat	MT	Chihuahua, CI	\$6,854	\$804	\$78.25	\$2.13	10
	OK	Cuautitlan, EM	\$6,191	\$646	\$69.86	\$1.90	10
	KS	Guadalajara, JA	\$6,825	\$914	\$79.08	\$2.15	11
	TX	Salinas Victoria, NL	\$3,470	\$221	\$37.71	\$1.03	12
Corn	IA	Guadalajara, JA	\$7,056	\$934	\$81.64	\$2.07	8
	SD	Penjamo, GJ	\$6,619	\$1,052	\$78.38	\$1.99	5
	NE	Queretaro, QA	\$6,240	\$666	\$70.56	\$1.79	5
	SD	Salinas Victoria, NL	\$4,785	\$800	\$57.06	\$1.45	8
	MO	Tlalnepantla, EM	\$5,428	\$648	\$62.09	\$1.58	6
	SD	Torreon, CU	\$5,681	\$881	\$67.05	\$1.70	9
Soybeans	MO	Bojay (Tula), HG	\$6,208	\$800	\$71.61	\$1.95	6
	NE	Guadalajara, JA	\$7,020	\$910	\$81.02	\$2.20	11
	IA	El Castillo, JA ⁵	\$7,060	\$1,046	\$82.82	\$2.25	9
	KS	Torreon, CU	\$5,675	\$595	\$64.07	\$1.74	11
Sorghum	OK	Cuautitlan, EM	\$4,729	\$799	\$56.48	\$1.43	11
	TX	Guadalajara, JA	\$5,781	\$685	\$66.06	\$1.68	7
	NE	Penjamo, GJ	\$6,407	\$825	\$73.89	\$1.88	3
	KS	Queretaro, QA	\$5,641	\$500	\$62.74	\$1.59	7
	NE	Salinas Victoria, NL	\$4,500	\$512	\$51.20	\$1.30	8
	NE	Torreon, CU	\$5,546	\$653	\$63.34	\$1.61	8

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

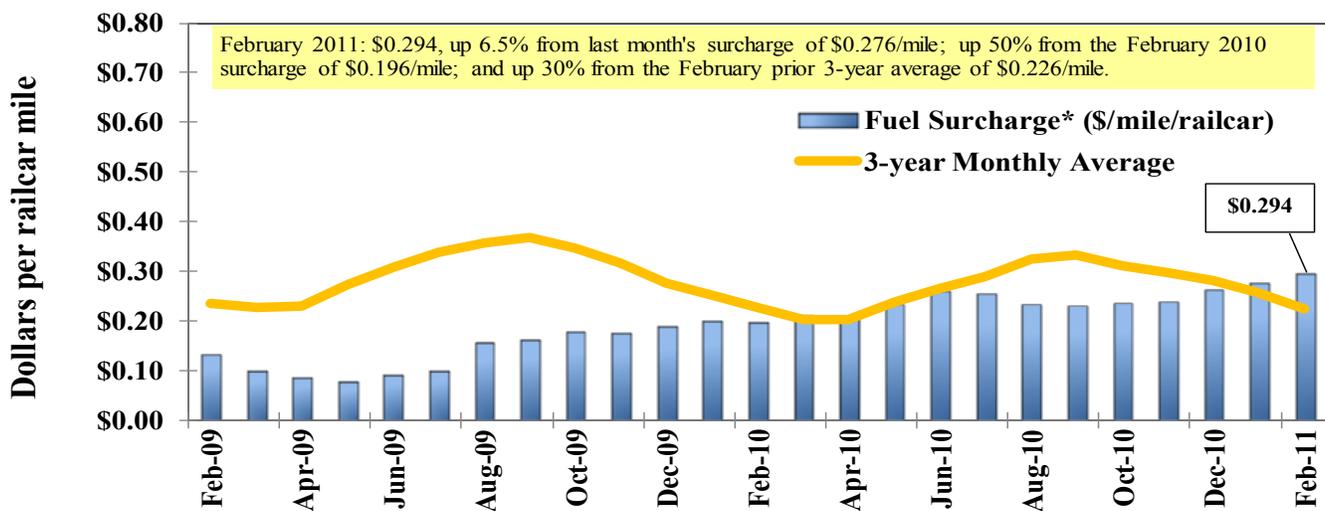
³Approximate load per car = 97.87 metric tons: Corn & Sorghum 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

⁴Percentage change year over year calculated using tariff rate plus fuel surcharge

⁵Beginning 12/6/10, El Castillo, JA replaced Penjamo, GJ as the destination

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.

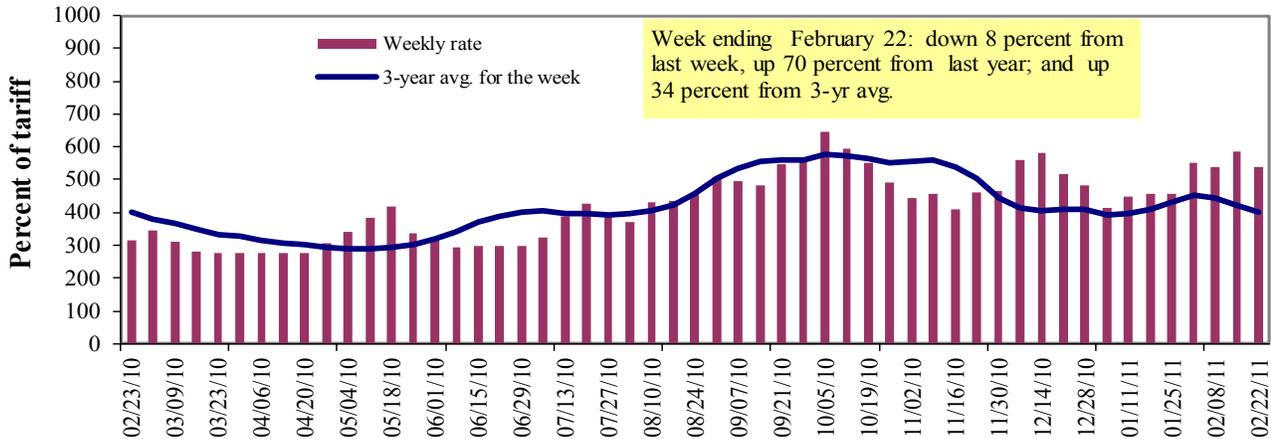
* Mileage-based fuel surcharges for March and April 2007 are estimated. Beginning January 2009, the Canadian Pacific fuel surcharge is computed by a monthly average of the bi-weekly fuel surcharge.

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

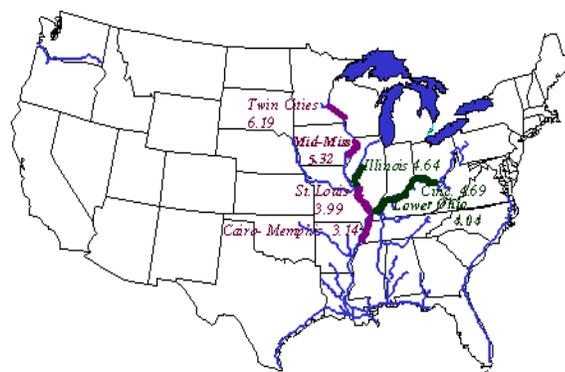
Weekly Barge Freight Rates: Southbound Only

		Twin Cities	Mid-Mississippi	Lower Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo-Memphis
Rate ¹	2/22/2011	-	-	538	440	463	463	400
	2/15/2011	-	-	584	488	500	500	438
\$/ton	2/22/2011	-	-	24.96	17.56	21.71	18.71	12.56
	2/15/2011	-	-	27.10	19.47	23.45	20.20	13.75
Current week % change from the same week:								
	Last year	-	-	70	105	81	81	108
	3-year avg. ²	-	-	34	47	49	48	52
Rate ¹	March	-	475	470	375	442	442	345
	May	455	417	413	318	400	400	295

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



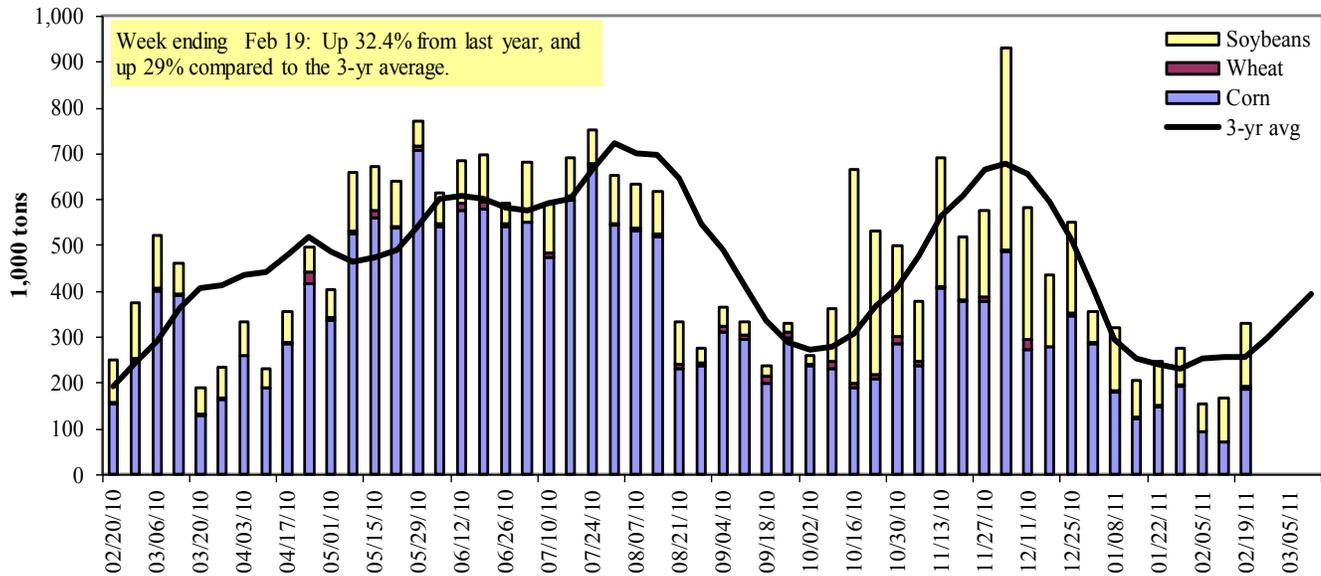
Calculating barge rate per ton:

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

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/mvrini/omni/webprts/default.asp)

Table 10

Barge Grain Movements (1,000 tons)

Week ending 2/19/2011	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	0	0	0	0	0
Winfield, MO (L25)	0	0	0	0	0
Alton, IL (L26)	180	6	110	0	296
Granite City, IL (L27)	188	6	137	0	331
Illinois River (L8)	144	2	90	0	236
Ohio River (L52)	182	9	103	5	298
Arkansas River (L1)	0	4	43	8	55
Weekly total - 2011	370	19	282	13	685
Weekly total - 2010	319	8	213	8	549
2011 YTD ¹	2,054	127	1,675	36	3,892
2010 YTD	1,937	166	1,790	72	3,965
2011 as % of 2010 YTD	106	76	94	50	98
Last 4 weeks as % of 2010 ²	90	79	84	62	86
Total 2010	22,768	1,220	10,373	481	34,841

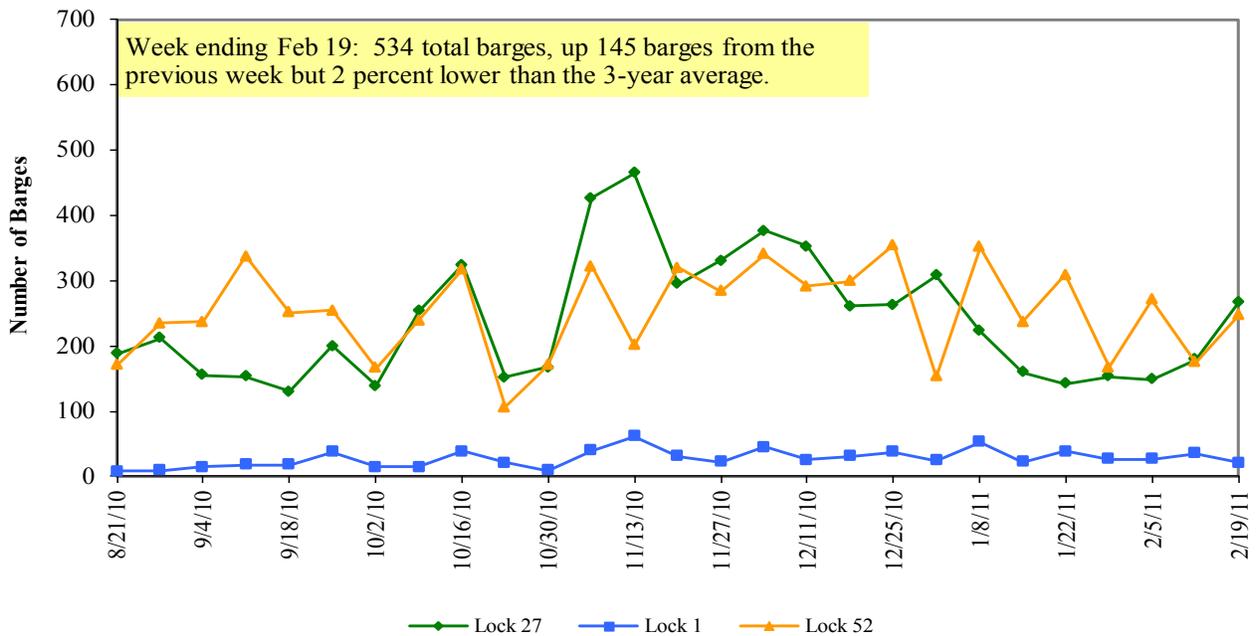
¹ Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

² As a percent of same period in 2010.

Note: Total may not add exactly, due to rounding

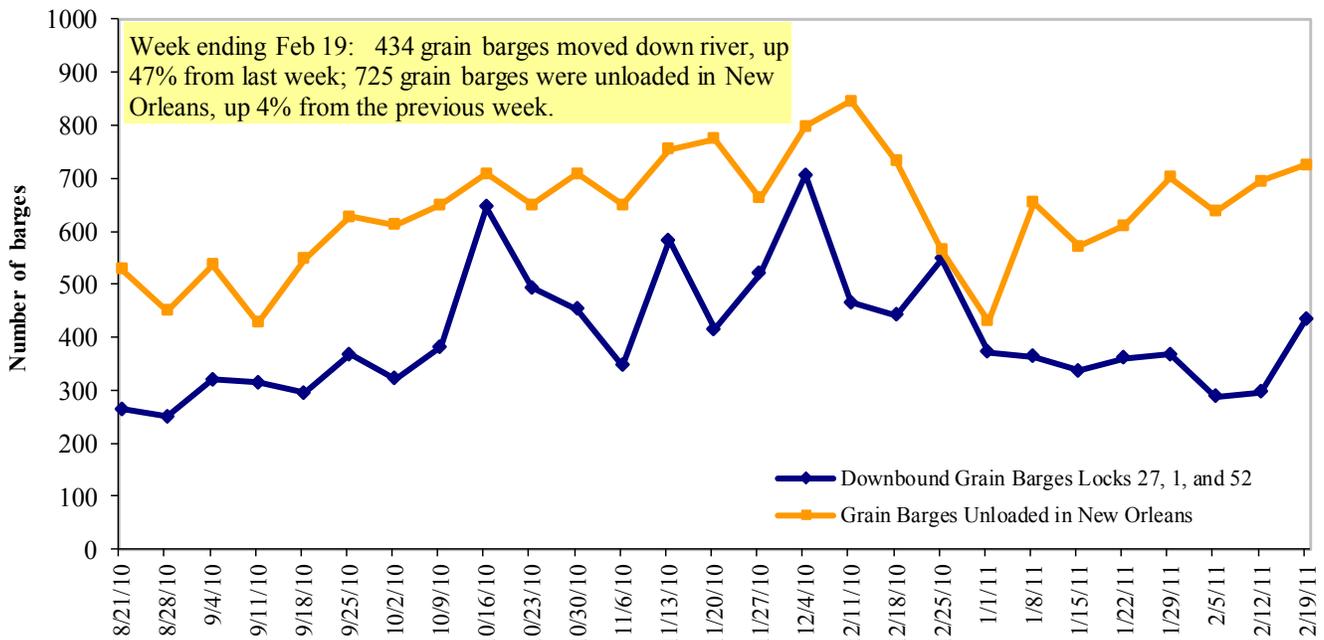
Source: U.S. Army Corps of Engineers (www.mvr.usace.army.mil/mvrini/omni/webprts/default.asp)

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 2/21/2011 (US \$/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	3.620	0.033	0.743
	New England	3.769	0.020	0.758
	Central Atlantic	3.734	0.034	0.767
	Lower Atlantic	3.557	0.033	0.731
II	Midwest ²	3.517	0.038	0.723
III	Gulf Coast ³	3.522	0.033	0.729
IV	Rocky Mountain	3.568	0.057	0.741
	West Coast	3.729	0.058	0.811
V	California	3.799	0.052	0.819
	Total	U.S.	3.573	0.039

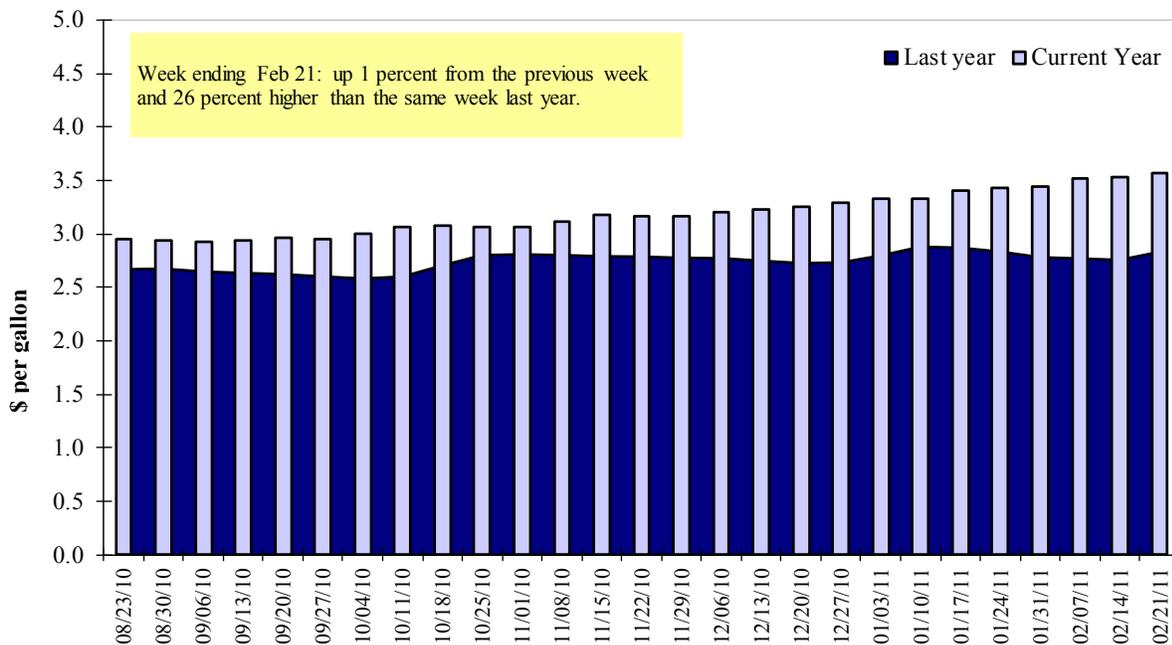
¹Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

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									
2/10/2011	3,712	707	2,526	1,312	107	8,365	12,798	10,756	31,919
This week year ago	1,714	531	1,115	880	186	4,427	12,236	7,615	24,278
Cumulative exports-marketing year²									
2010/11 YTD	10,151	1,602	5,585	3,207	735	21,279	18,590	28,146	68,015
2009/10 YTD	5,577	2,062	3,444	2,849	738	14,670	18,598	27,790	61,058
YTD 2010/11 as % of 2009/10	182	78	162	113	100	145	100	101	111
Last 4 wks as % of same period 2009/10	222	147	234	149	57	195	100	155	134
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 02/10/11	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 -
Japan	9,022	7,987	13	14,343
Mexico	4,941	6,111	(19)	7,999
Korea	3,615	4,109	(12)	7,562
Taiwan	1,635	1,893	(14)	2,949
Egypt	2,108	1,188	77	2,935
Top 5 importers	21,321	21,287	0.2	35,788
Total US corn export sales	31,387	30,835	2	50,460
% of Projected	63%	61%		
Change from Last Week	1,030	975		
Top 5 importers' share of U.S. corn export sales	68%	69%		
USDA forecast, February 2011	49,530	50,460	(2)	
Corn Use for Ethanol USDA forecast, Ethanol February 2011	125,730	116,027	8	

(n) indicates negative number.

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

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

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

Table 14

Top 5 Importers¹ of U.S. Soybeans

Week ending 02/10/11	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 -
China	23,900	21,658	10	22,454
Mexico	2,168	2,011	8	3,276
Japan	1,630	1,656	(2)	2,347
EU-25	2,314	2,329	(1)	2,647
Taiwan	1,177	1,218	(3)	1,556
Top 5 importers	31,188	28,872	8	32,280
Total US soybean export sales	38,902	35,405	10	40,850
% of Projected	90%	87%		
Change from last week	514	204		
Top 5 importers' share of U.S. soybean export sales	80%	82%		
USDA forecast, February 2011	43,270	40,850	6	
Soybean Use for Biodiesel USDA forecast, February 2011	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 - Aug 31.²Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report.³FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 15

Top 10 Importers¹ of All U.S. Wheat

Week Ending 02/10/2011	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	2,786	2,795	(0.3)	3,233
Japan	3,122	2,576	21	3,148
Mexico	2,525	1,784	42	1,975
Philippines	1,774	1,533	16	1,518
Korea, South	1,425	1,042	37	1,111
Taiwan	778	666	17	844
Venezuela	611	506	21	658
Colombia	636	519	23	575
Peru	858	421	104	567
Egypt	2,948	456	547	529
Top 10 importers	17,463	12,298	42	14,156
Total US wheat export sales	29,644	19,096	55	23,980
% of Projected	84%	80%		
Change from last week	599	409		
Top 10 importers' share of U.S. wheat export sales	59%	64%		
USDA forecast, February 2010	35,380	23,980	48	

(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 02/17/11	Previous Week ¹	Current Week as % of Previous	2011 YTD ¹	2010 YTD ¹	2011 YTD as % of 2010 YTD	Last 4-weeks as % of		Total ¹ 2010
							2010	3-yr. avg.	
Pacific Northwest									
Wheat	323	191	169	1,834	1,449	127	128	133	11,062
Corn	212	51	416	964	1,161	83	83	94	9,950
Soybeans	253	128	198	1,466	1,849	79	88	89	10,191
Total	788	369	213	4,264	4,459	96	100	105	31,203
Mississippi Gulf									
Wheat	57	109	52	645	480	134	114	118	4,199
Corn	645	518	125	3,086	3,292	94	105	88	29,794
Soybeans	757	690	110	5,028	5,019	100	112	118	22,519
Total	1,459	1,317	111	8,760	8,791	100	109	104	56,512
Texas Gulf									
Wheat	317	356	89	1,922	1,002	192	182	215	9,339
Corn	0	33	0	135	290	46	44	44	1,859
Soybeans	64	0	n/a	509	588	87	87	131	1,916
Total	381	389	98	2,566	1,880	136	132	159	13,115
Great Lakes									
Wheat	0	2	14	4	5	94	182	161	1,897
Corn	0	0	n/a	0	0	n/a	n/a	n/a	119
Soybeans	0	0	n/a	0	0	n/a	n/a	0	655
Total	0	2	14	4	5	94	182	132	2,672
Atlantic									
Wheat	60	3	2,338	266	48	558	579	1,685	343
Corn	12	10	123	53	48	112	141	55	469
Soybeans	27	16	168	216	424	51	30	39	1,417
Total	99	29	347	535	519	103	79	91	2,229
U.S. total from ports²									
Wheat	758	660	115	4,671	2,983	157	150	163	26,839
Corn	868	611	142	4,239	4,790	88	95	86	42,192
Soybeans	1,102	834	132	7,220	7,880	92	99	107	36,699
Total	2,728	2,106	130	16,130	15,654	103	109	110	105,730

¹ Data includes revisions from prior weeks; some regional totals may not add exactly due to rounding.

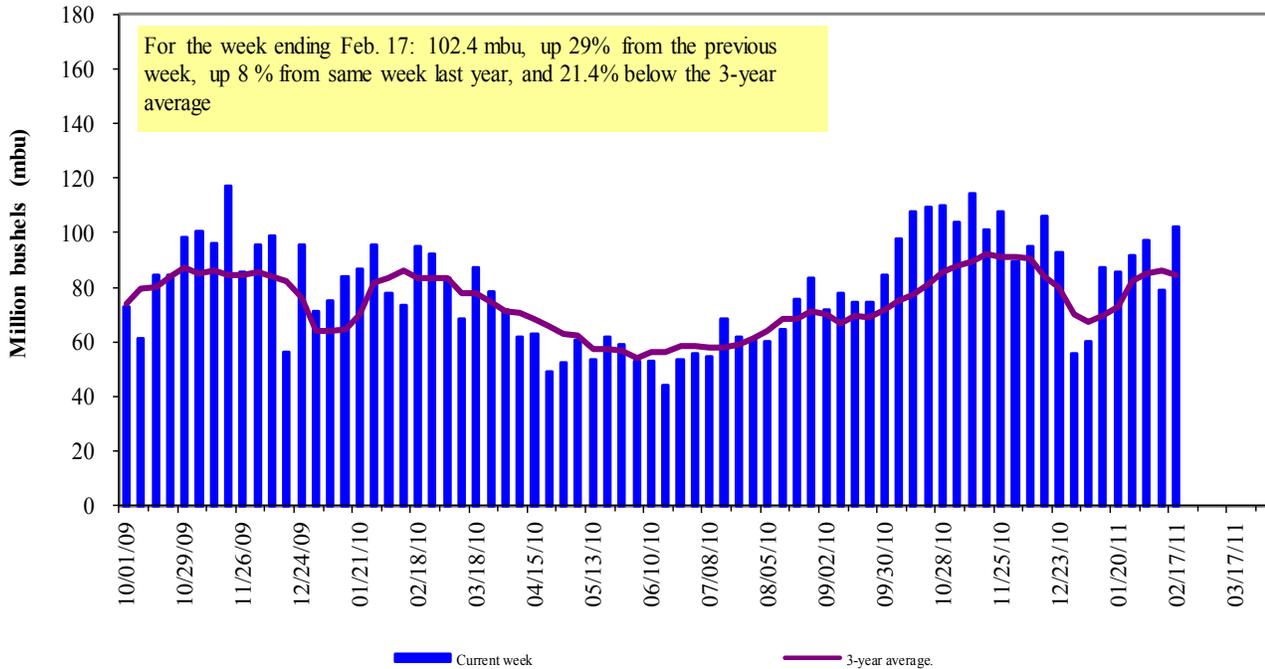
² Total includes only port regions shown above

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 61 percent of the U.S. export grain shipments departed through the U.S. Gulf region in 2010.

Figure 14

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

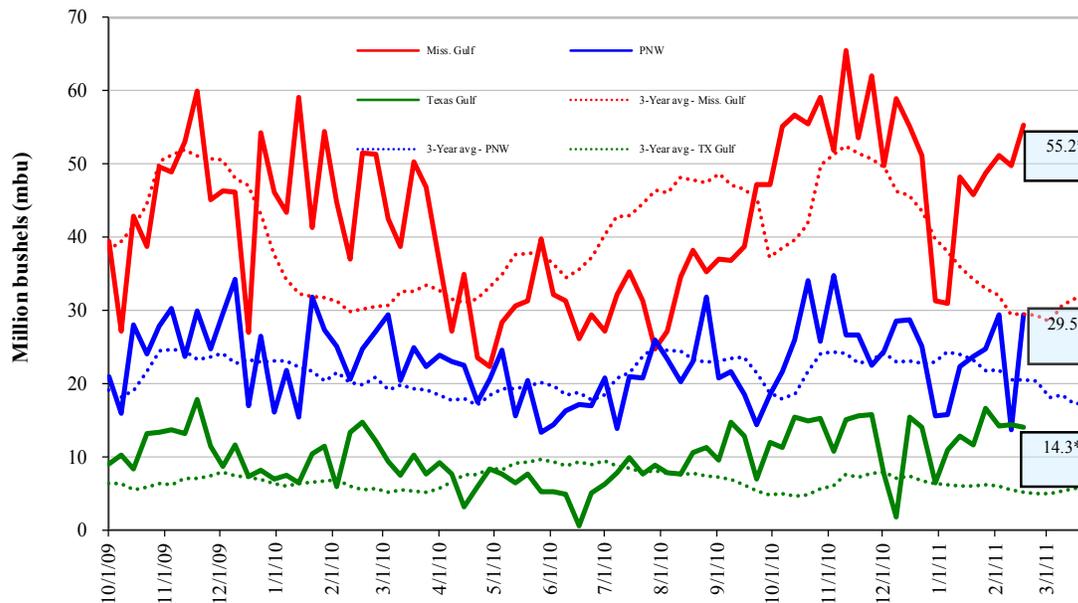


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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.

Feb. 17 % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	up 11	down 3	up 8	down 115
Last year (same week)	up 7	down 5	up 4	up 20
3-yr avg. (4-wk mov. avg.)	up 12	up 49	up 18	up 26

Ocean Transportation

Table 17

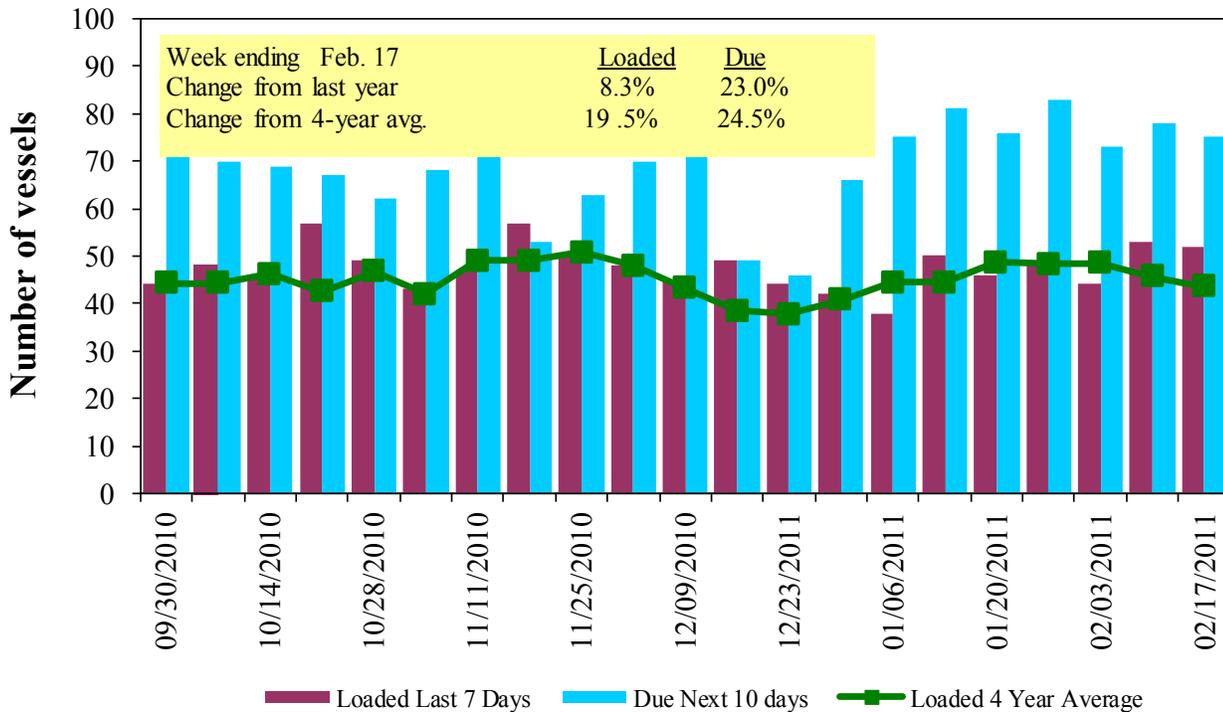
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In port	Loaded 7-days	Due next 10-days	In port	In port
2/17/2011	60	52	75	22	17
2/10/2011	59	53	78	19	13
2010 range	(15..69)	(30..57)	(33..84)	(4..24)	(2..20)
2010 avg.	41	42	58	12	11

Source: Transportation & Marketing Programs/AMS/USDA

Figure 16

U.S. Gulf¹ Vessel Loading Activity

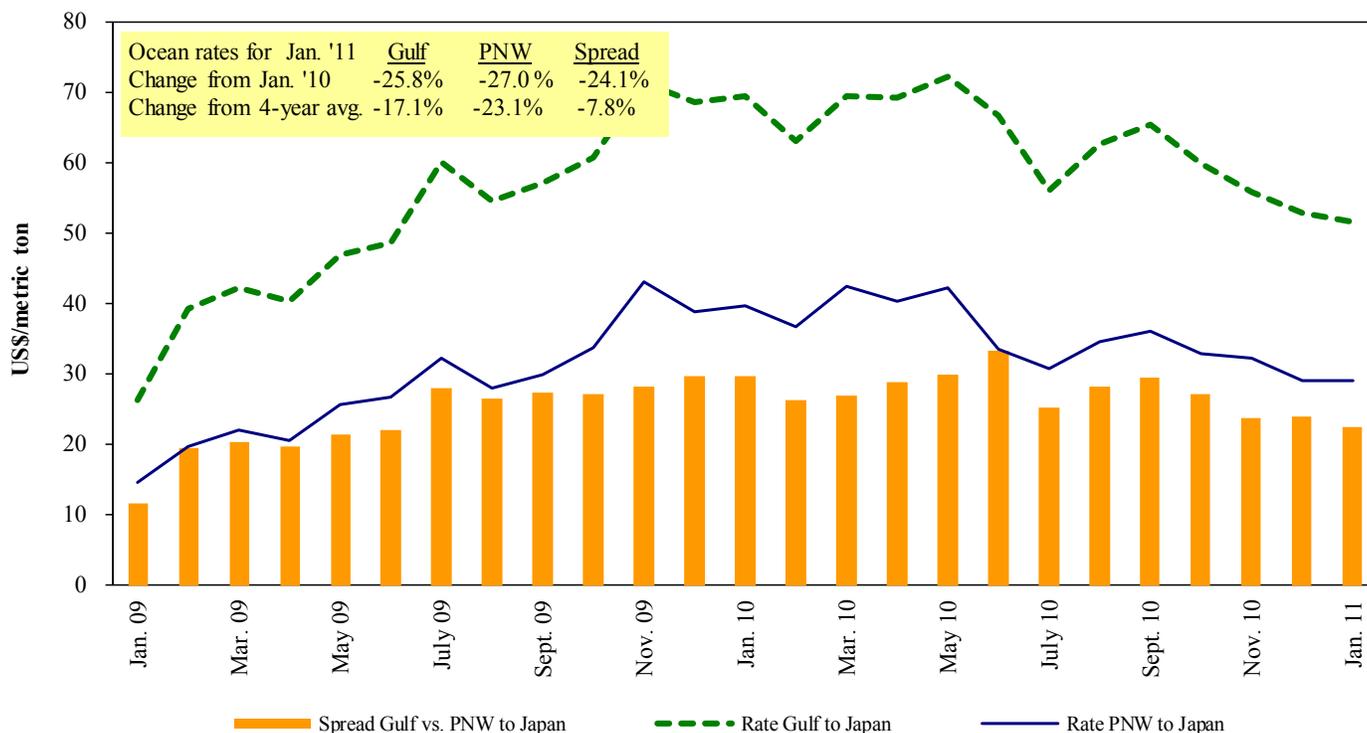


Source: Transportation & Marketing Programs/AMS/USDA

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 2/19/2011

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US\$/metric ton)
U.S. Gulf	China	Heavy Grain	Mar 8/15	55,000	53.60
U.S. Gulf	China	Heavy Grain	Feb 1/28	58,000	48.00
U.S. Gulf	China	Heavy Grain	Dec 22/31	55,000	57.00
U.S. Gulf	China	Heavy Grain	Dec 20/30	55,000	57.00
U.S. Gulf	China	Heavy Grain	Dec 1/5	55,000	63.00
U.S. Gulf	Nicaragua	Corn/Soybean meal	Feb 7/17	24,000	56.42
U.S. Gulf	El Salvador ¹	Wheat	Feb 14/24	30,000	64.00
U.S. Gulf	Turkey	Heavy Grain	Jan 25/30	2,500	46.00
PNW	Pakistan	Heavy Grain	Jan 15/25	42,000	46.00
PNW	Rotterdam	Heavy Grain	Feb 15/25	55,000	26.00
River Plate	Algeria	Corn	Jan 22/27	30,000	43.00
River Plate	Algeria	Corn	Dec 5/10	25,000	36.00
Uruguay	Algeria	Wheat	Feb 5/10	25,000	46.00

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

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

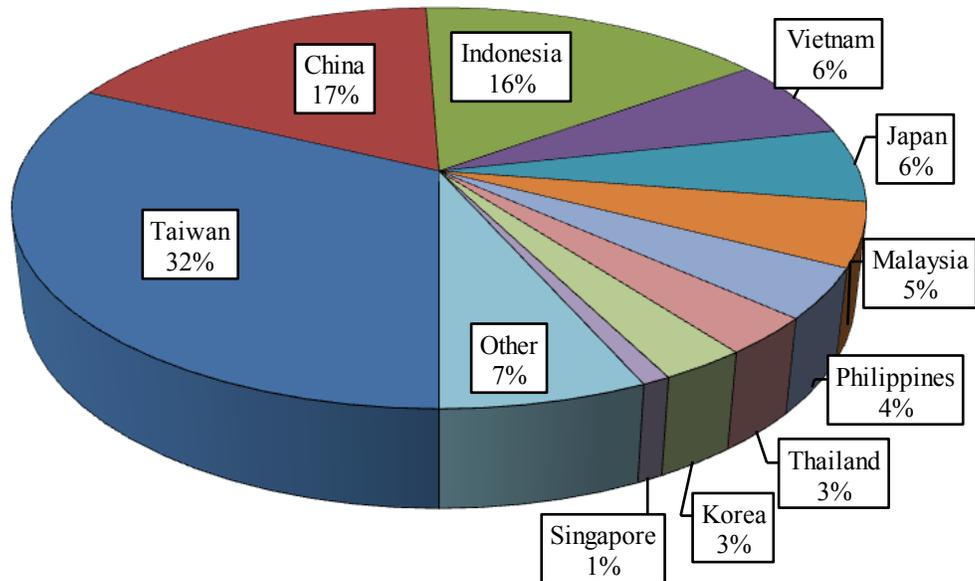
Source: Maritime Research Inc. (www.maritime-research.com)



In 2009, containers were used to transport 5 percent of total waterborne grain exports, and 6 percent of U.S. grain exports to Asia.

Figure 18

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

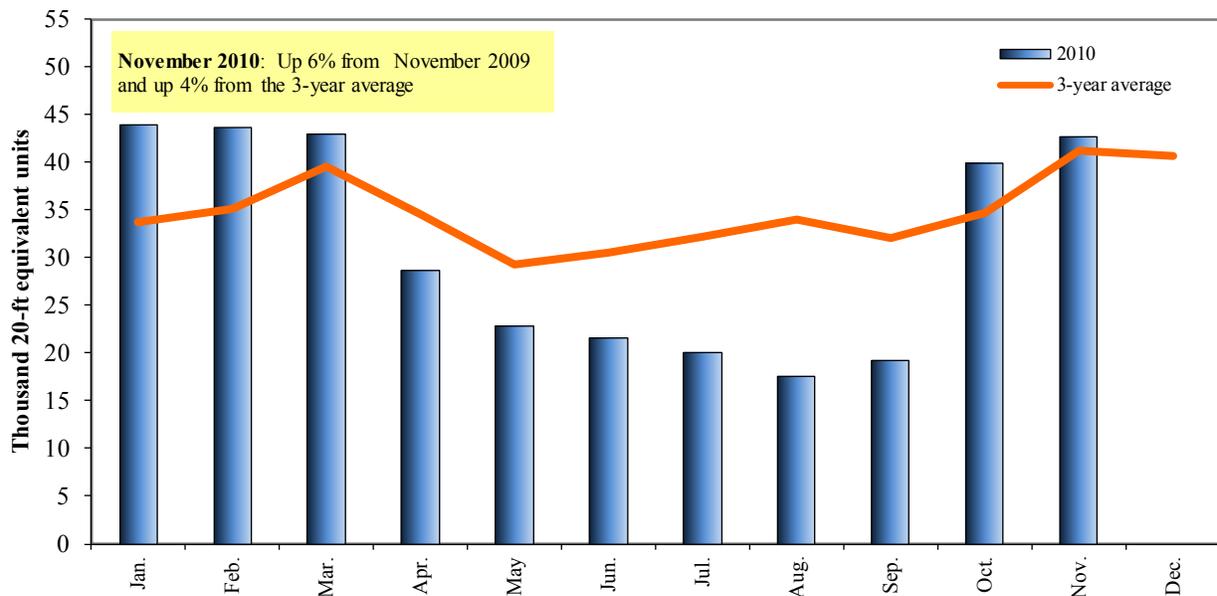


Source: Port Import Export Reporting Service (PIERS)

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**.

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