USDA Agricultural Marketing Service

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Transportation and Marketing Programs/Transportation Services Division
www.ams.usda.gov/GTR

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March 31, 2011

Contents

The next release is April 7, 2011

WEEKLY HIGHLIGHTS

Japan Continues to Recover

All Japanese ports affected by the earthquake and subsequent tsunami on March 11 are open and usable for all cargoes according to a recent Journal of Commerce article quoting the Japanese Ministry of Land, Infrastructure, Transport and Tourism. However, the continued threat of radiation contamination restricts the use of the ports closest to the Fukushima Nuclear Power Plant. Some commodity and shipper organizations have reported that congestion has developed at many ports in the southern part of the country. These ports are working to absorb additional cargo in spite of rolling power outages and disruptions to the inland transportation service. No major disruptions to grain shipments have been reported.

All Locks Open on Columbia-Snake River System

After being closed since December 2010, inland commercial navigation on the Columbia and Snake Rivers resumed on March 26. The locks at The Dalles, John Day, and Lower Monumental dams were closed to enable the U.S. Army Corps of Engineers to replace their aging downstream lock gates during a planned extended outage coordinated with the inland navigation industry. These three locks and the other five locks along the Columbia-Snake River navigation system are now back in service, providing passage between Lewiston, ID, and Portland, OR. The reopening marked the end of the longest lock outage ever experienced on that navigation system. In 2009, the locks of the Columbia River handled 27.5 million tons of cargo, of which 61 percent were food and farm products; 8.8 million tons of commodities transited the Snake River locks, of which 86 percent were food and farm products.

UP to Open DDG Transload Facility this Summer

Union Pacific Railroad (UP) plans to build a transload facility at its rail yard in Yermo, CA. The facility will handle bulk shipments of distillers dried grains (DDG) brought in on unit trains from Iowa, Illinois, Minnesota, and Nebraska. Every week, DDG in covered hoppers from an 80-car unit train will be unloaded at the facility and reloaded into 300 shipping containers onto a designated stack train. The stack train will travel directly to on-dock loading areas at the ports of Los Angeles and Long Beach. UP's service will be designed so it can expand to bulk grain and processed grain products as well giving traditional bulk grain exporters more opportunities to move products in containers.

Wheat and Corn Boost Grain Inspections

For the week ending March 24, total inspections of grain (corn, wheat, and soybeans) for export from all major U.S. export regions reached 2.42 million metric tons (mmt), up 16 percent from the previous week and 17 percent above last year at this time. Increased inspections of grain were boosted by increased shipments of wheat (.778 mmt) and corn (.951 mmt), up 15 and 43 percent from the past week. Shipments of wheat and corn increased primarily to Asia. Inspections in the Pacific Northwest jumped 43 percent from the past week while the Mississippi Gulf inspections increased 7 percent from the same period.

Snapshots by Sector

Rail

U.S. railroads originated 23,416 **carloads of grain** during the week ending March 19, up 3 percent from last week, up 1 percent from last year, and 3 percent higher than the 3-year average.

During the week ending March 24, average April **non-shuttle secondary railcar bids/offers** were $150.50 above tariff, down $149.50 from last week. Average shuttle rates were $19 above tariff, up $181.50 from last week.

Ocean

During the week ending March 24, 44 **ocean-going grain vessels** were loaded in the Gulf, down 6 percent from last year. Sixty vessels are expected to be loaded in the U.S. Gulf within the next 10 days, up 33 percent from last year.

During the week ending March 25, the **cost of shipping grain** from the Gulf to Japan averaged $59 per mt, unchanged from the previous week. The rate from the Pacific Northwest to Japan was $35 per mt, down 3 percent from the previous week.

Barge

During the week ending March 26, **barge grain movements** totaled 657,319 tons, 6 percent higher than the previous week and 23.5 percent higher than the same period last year.

During the week ending March 26, 416 grain barges **moved down river**, up 7 percent from last week; 657 grain barges were **unloaded in New Orleans**, up 8 percent from the previous week.

Fuel

During the week ending March 28, U.S. average **diesel fuel prices** increased 2 cents per gallon to $3.93—up 0.6 percent from the previous week and 33.8 percent higher than the same week last year.

Feature Article/Calendar

U.S. Retains Competitive Advantage as Soybean Transportation Costs Decrease in PNW and Brazil

The United States retained its competitive advantage in shipping soybeans to Europe and China by having lower landed costs even as the transportation cost of shipping soybeans from Brazil decreased during the 4th quarter. Reduced truck and ocean rates, and moderate increases in farm prices helped the United States in maintaining its competitive advantage. Total transportation costs of shipping soybeans from Minneapolis, MN, and Davenport, IA, to Hamburg, Germany, increased 7 and 2 percent, respectively, during the 4th quarter (see table 1). The cost of shipping soybeans from Minneapolis to Shanghai, China, increased by 3 percent while the cost from Davenport remained about the same (see table 2). However, total transportation costs of shipping from Fargo, ND, and Sioux Falls, SD, through Pacific Northwest ports to China decreased about 5 percent during the quarter.

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

	2009 4th qtr.	2010 3rd qtr.	2010 4th qtr.	Percent change Yr. to Yr.	Percent change Qtr. to Qtr.	2009 4th qtr.	2010 3rd qtr.	2010 4th qtr.	Percent change Yr. to Yr.	Percent change Qtr. to Qtr.
	United States (via U.S. Gulf)									
	Minneapolis, MN --$/mt--					**Davenport, IA --$/mt--**				
Truck	11.38	9.74	8.94	-21.44	-8.21	11.38	9.74	8.94	-21.44	-8.21
Barge	33.50	32.82	41.82	24.84	27.42	26.51	26.16	31.85	20.14	21.75
Ocean[1]	26.38	28.31	24.84	-5.84	-12.26	26.38	28.31	24.84	-5.84	-12.26
Total transportation[2]	71.26	70.87	75.60	6.09	6.67	64.27	64.21	65.63	2.12	2.21
Farm Value[3]	346.86	352.25	385.69	11.19	9.49	351.51	362.05	399.16	13.56	10.25
Landed Cost	418.12	423.12	461.29	10.32	9.02	415.78	426.26	464.79	11.79	9.04
Transport % of landed cost	17.04	16.75	16.39			15.46	15.06	14.12		
	Brazil									
	North MT[4] - Santos[5] --$/mt--					**South GO[4] - Paranagua[5] --$/mt--**				
Truck	106.95	120.16	120.12	12.31	-0.03	56.01	66.52	64.38	14.94	-3.22
Ocean[6]	31.08	34.42	31.67	1.90	-7.99	30.53	36.92	33.50	9.73	-9.26
Total transportation[2]	138.03	154.58	151.79	9.97	-1.80	86.54	103.44	97.88	13.10	-5.38
Farm Value [7]	369.07	328.51	413.46	12.03	25.86	371.29	315.43	400.62	7.90	27.01
Landed Cost	507.10	483.09	565.25	11.47	17.01	457.83	418.87	498.50	8.88	19.01
Transport % of landed cost	27.22	32.00	26.85			18.90	24.70	19.63		

[1]Source: O'Neil Commodity Consulting

[3]Source: USDA/NASS

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

[5]Export ports

[6]Source: ESALQ/ USP (University of São Paulo, Brazil) and USDA/AMS

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

Note: Total may not add exactly due to rounding

Total transportation costs of shipping soybeans from North Mato Grosso (MT) and South Goiás (GO) to Hamburg decreased 2 and 5 percent, respectively. While the cost from North MT to Shanghai remained almost unchanged, the cost from South GO decreased 3 percent. Although there was a larger percentage reduction in truck and ocean rates in the United States compared to Brazil, the increase in barge rates during the quarter more than offset the reduction in those rates pushing up the total cost of shipping soybeans via the U.S. Gulf. Truck rates decreased during the quarter despite an increase in diesel fuel prices. Ocean rates for shipping bulk commodities also decreased because of a seasonal slowdown in bulk shipping during the quarter (see ***GTR*, dated 1/27/11**). Barge rates increased as a result of seasonal increase in demand for barges during the quarter.

Despite the reduction in overall transportation costs in Brazil, the United States maintained its competitive advantage because of lower farm prices received by U.S. farmers as compared to their Brazilian counterparts. Farm prices received in the United States during the 4th quarter ranged from $381.28 to $399.16 per mt, while the prices received in Brazil ranged from $400.62 to $413.46. Moderate farm prices and reduced truck and ocean rates culminated in lower landed costs of U.S. soybeans. Total landed cost ranged from $461.29 to $495.41 per mt for U.S. soybeans and $498.50 to $591.37 per mt for Brazilian soybeans. The United States' transportation share of the landed costs ranged from 14–22 percent, and Brazil's transportation share of the landed cost ranged from 20–30 percent.

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

	2009 4th qtr.	2010 3rd qtr.	2010 4th qtr.	Percent change Yr. to Yr.	Percent change Qtr. to Qtr.	2009 4th qtr.	2010 3rd qtr.	2010 4th qtr.	Percent change Yr. to Yr.	Percent change Qtr. to Qtr.
	United States (via U.S. Gulf)									
	Minneapolis, MN --$/mt--					**Davenport, IA** --$/mt--				
Truck	11.38	9.74	8.94	-21.44	-8.21	11.38	9.74	8.94	-21.44	-8.21
Barge	33.50	32.82	41.82	24.84	27.42	26.51	26.16	31.85	20.14	21.75
Ocean[1]	65.64	60.33	55.46	-15.51	-8.07	65.64	60.33	55.46	-15.51	-8.07
Total transportation[2]	110.52	102.89	106.22	-3.89	3.24	103.53	96.23	96.25	-7.03	0.02
Farm Value[3]	346.86	352.25	385.69	11.19	9.49	351.50	362.05	399.16	13.56	10.25
Landed Cost	457.38	455.14	491.91	7.55	8.08	455.03	458.28	495.41	8.87	8.10
Transport % of landed cost	24.16	22.61	21.59			22.75	21.00	19.43		
	Via PNW									
	Fargo, ND					**Sioux Falls, SD**				
Truck	11.38	9.74	8.94	-21.44	-8.21	11.38	9.74	8.94	-21.44	-8.21
Ocean[1]	37.85	33.15	29.25	-22.72	-11.76	37.85	33.15	29.25	-22.72	-11.76
Rail	46.70	48.83	48.99	4.90	0.33	47.86	50.50	50.31	5.12	-0.38
Total transportation[2]	95.93	91.72	87.18	-9.12	-4.95	97.09	93.39	88.50	-8.85	-5.24
Farm Value[3]	344.04	347.35	381.28	10.82	9.77	338.78	348.82	385.56	13.81	10.53
Landed Cost	439.97	439.07	468.46	6.48	6.69	435.87	442.21	474.06	8.76	7.20
Transport % of landed cost	21.80	20.89	18.61			22.27	21.12	18.67		
	Brazil									
	North MT[4] - Santos[5] --$/mt--					**South GO[4] - Paranagua[5]** --$/mt--				
Truck	106.95	120.16	120.12	12.31	-0.03	56.01	66.52	64.38	14.94	-3.22
Ocean[6]	55.63	58.17	57.79	3.88	-0.65	54.23	63.10	61.50	13.41	-2.54
Total transportation[2]	162.58	178.33	177.91	9.43	-0.24	110.24	129.62	125.88	14.19	-2.89
Farm Value [7]	369.07	328.51	413.46	12.03	25.86	371.29	315.43	400.62	7.90	27.01
Landed Cost	531.65	506.84	591.37	11.23	16.68	481.53	445.05	526.50	9.34	18.30
Transport % of landed cost	30.58	35.18	30.08			22.89	29.12	23.91		

[1]Source: O'Neil Commodity Consulting

[3]Source: USDA/NASS

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

[5]Export ports

[6]Source: ESALQ/ USP (University of São Paulo, Brazil) and USDA/AMS

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

Note: Total may not add exactly due to rounding

Market Outlook: During 2010, over 24 million metric tons (mmt) of soybeans were exported from the United States to China with a value of about $10.8 billion dollars. About 14.1 mmt of the total were exported during the 4th quarter with a value of $6.67 billion dollars. During the same period, a total of 2.58 mmt of soybeans were exported to Europe with close to 1 mmt exported in the 4th quarter alone. Current unshipped export balances of U.S. soybeans as of the week ending 3/17/11 stood at 6.82 mmt—92 percent above the same period last year (see ***GTR*, table 12**). Export of U.S. soybeans could continue to be strong if farm prices and transportation costs continue to be modest. As of the week ending March 25, the cost of shipping bulk grain to China was $58 per mt from the Gulf and $34 per mt from the PNW. The cost from the Gulf to Europe was only $23 per mt. For more on Brazil soybean transportation, see ***Brazil Soybean Transportation*,** dated 3/14/11. surajudeen.olowolayemo@ams.usda.gov

Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators[1]

Week ending	Truck	Rail[2]	Barge	Ocean Gulf	Ocean Pacific
03/30/11	264	246	282	264	248
03/23/11	262	245	273	264	255

[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	3/25/2011	3/18/2011
Corn	IL--Gulf	-0.77	-0.62
Corn	NE--Gulf	-1.05	-1.04
Soybean	IA--Gulf	-1.26	-1.22
HRW	KS--Gulf	-1.49	-1.44
HRS	ND--Portland	-3.80	-4.11

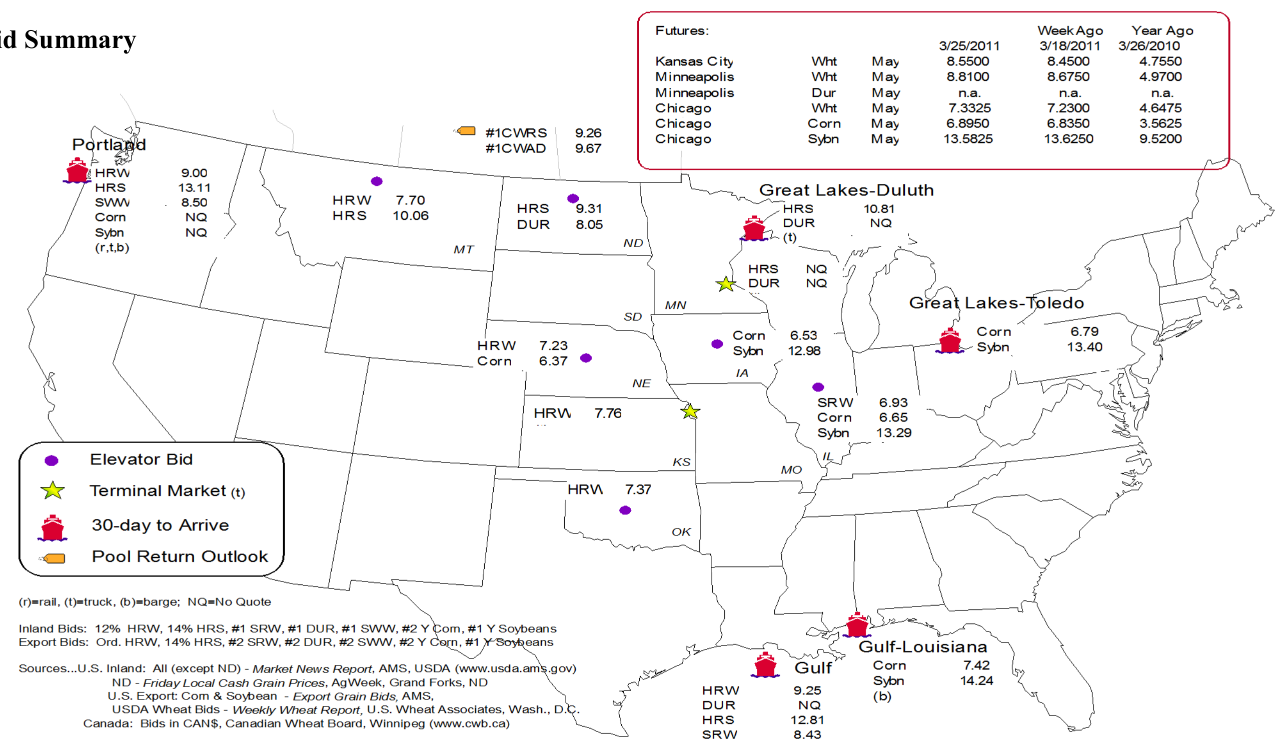
Note: nq = no quote

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
3/23/2011[p]	1,706	1,920	881	4,731	837	10,075
3/16/2011[r]	1,111	2,276	671	3,840	635	8,533
2011 YTD	13,545	26,295	7,493	47,179	9,152	103,664
2010YTD	5,902	18,862	10,841	41,539	13,417	90,561
2011 YTD as % of 2010 YTD	229	139	69	114	68	114
Last 4 weeks as % of 2010[2]	270	151	63	100	74	111
Last 4 weeks as % of 4-year avg.[2]	127	134	82	84	94	99
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.

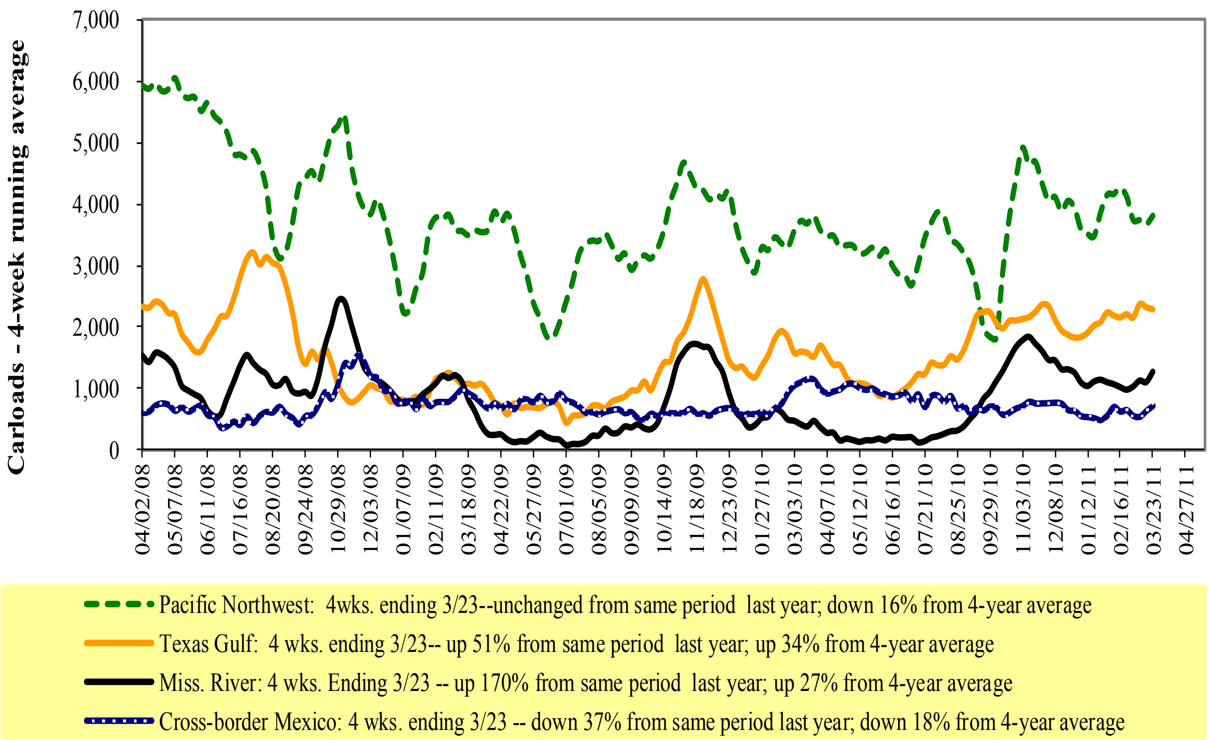
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

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



Source: Transportation & Marketing Programs/AMS/USDA

Table 4

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

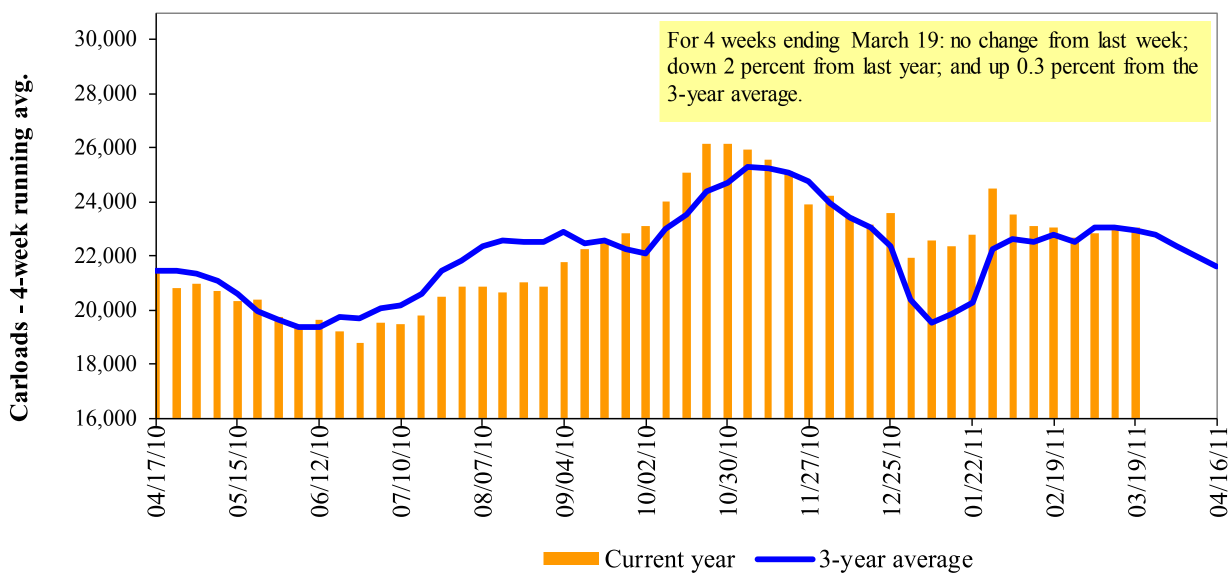
	East		West			U.S. total	Canada	
Week ending	**CSXT**	**NS**	**BNSF**	**KCS**	**UP**		**CN**	**CP**
03/19/11	2,053	2,775	11,630	581	6,377	23,416	4,388	4,504
This week last year	2,374	2,787	11,465	453	6,021	23,100	4,378	5,559
2011 YTD	23,828	32,733	125,739	6,396	68,773	257,469	42,795	49,304
2010 YTD	26,216	33,580	120,094	8,535	61,639	250,064	45,460	57,709
2011 YTD as % of 2010 YTD	91	97	105	75	112	103	94	85
Last 4 weeks as % of 2010[1]	83	92	98	68	111	98	102	76
Last 4 weeks as % of 3-yr avg.	81	104	101	77	109	100	97	79
Total 2010	111,935	159,836	546,901	35,807	295,361	1,149,840	203,038	265,835

[1]As 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 Offerings[1] ($/car)[2]

Week ending	Delivery period							
3/24/2011	**Apr-11**	**Apr-10**	**May-11**	**May-10**	**Jun-11**	**Jun-10**	**Jul-11**	**Jul-10**
BNSF[3]								
COT grain units	no offer	no bids	no offer	no bids	3	no bids	9	0
COT grain single-car[5]	no offer	0 . . 50	no offer	0 . . 3	27 . . 70	1 . . 5	27 . . 70	0 . . 5
UP[4]								
GCAS/Region 1	1	no bids	no bids	no bids	no bids	no bids	n/a	n/a
GCAS/Region 2	no bids	1	no bids	no bids	no bids	no bids	n/a	n/a

[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.

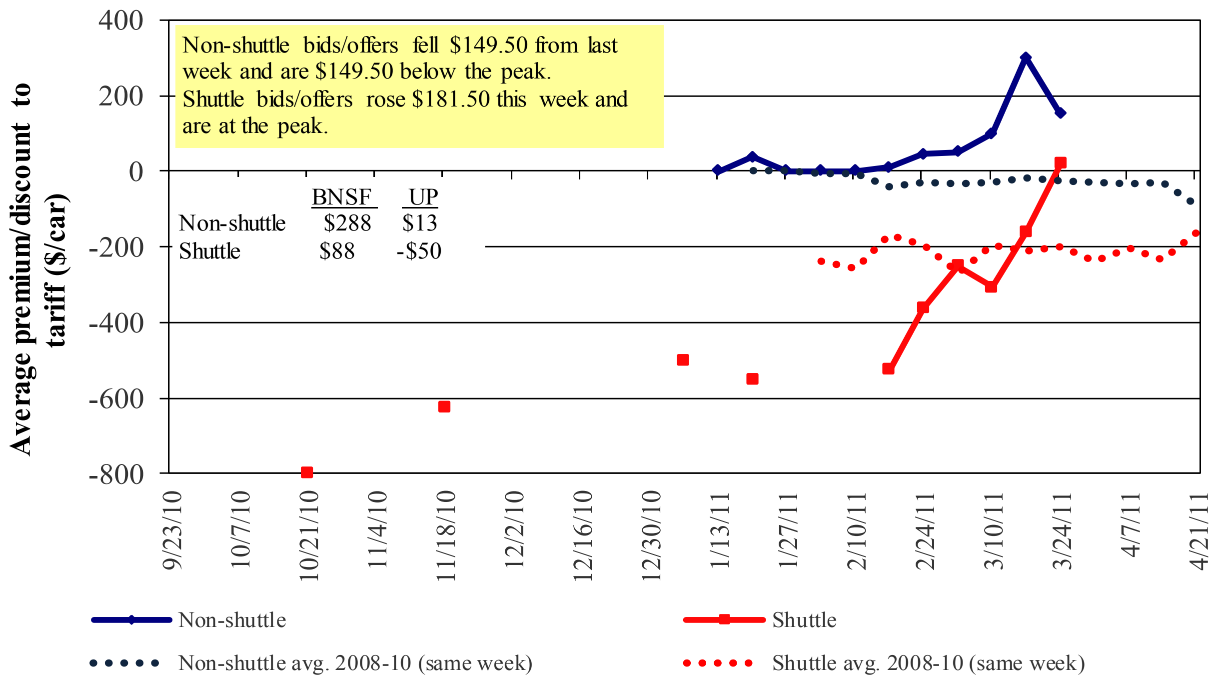
[5]Range is shown because average is not available. Not available = n/a.

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 April 2011, Secondary Market

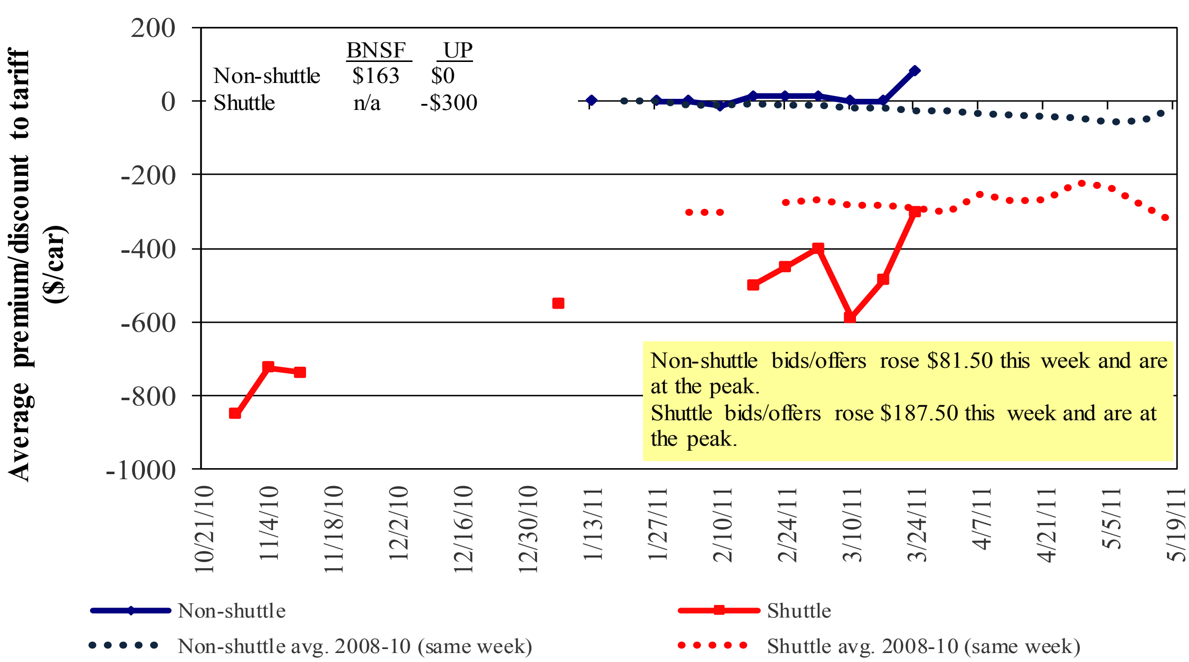


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

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

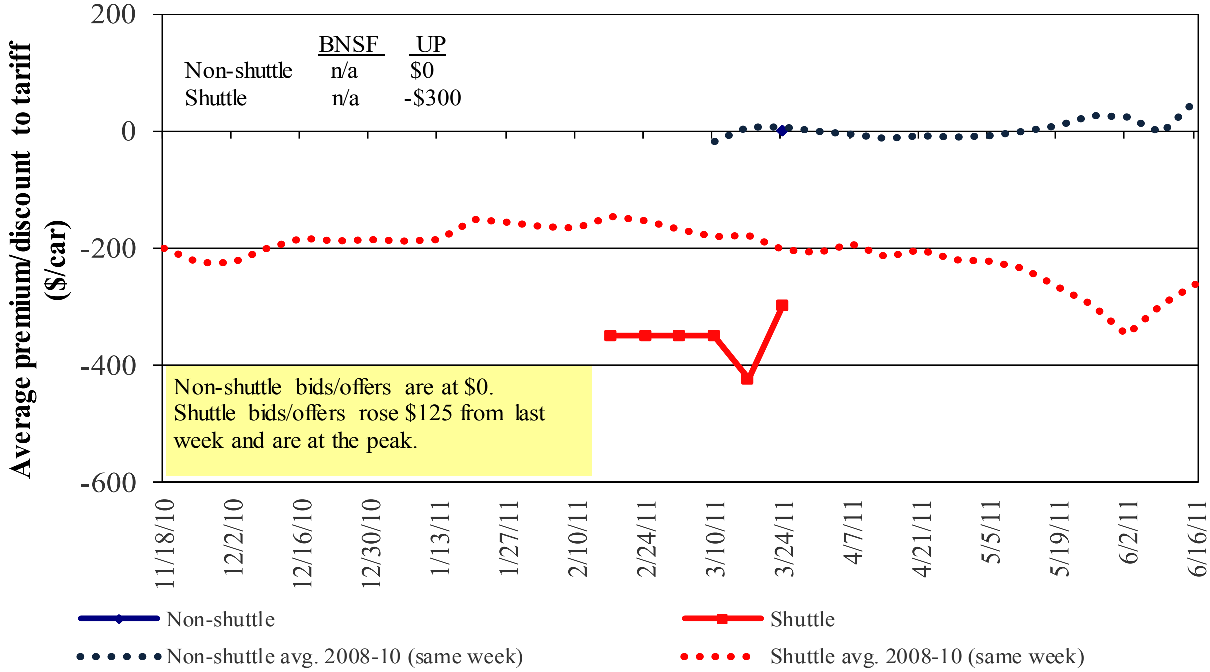


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in June 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					
3/24/2011	**Apr-11**	**May-11**	**Jun-11**	**Jul-11**	**Aug-11**	**Sep-11**
Non-shuttle						
BNSF-GF	288	163	n/a	n/a	n/a	n/a
Change from last week	100	n/a	n/a	n/a	n/a	n/a
Change from same week 2010	306	n/a	n/a	n/a	n/a	n/a
UP-Pool	13	-	-	n/a	n/a	n/a
Change from last week	-	-	n/a	n/a	n/a	n/a
Change from same week 2010	38	-	n/a	n/a	n/a	n/a
Shuttle[2]						
BNSF-GF	88	n/a	n/a	n/a	n/a	n/a
Change from last week	88	n/a	n/a	n/a	n/a	n/a
Change from same week 2010	367	n/a	n/a	n/a	n/a	n/a
UP-Pool	(50)	(300)	(300)	(200)	(200)	(150)
Change from last week	275	100	50	50	50	50
Change from same week 2010	50	n/a	n/a	n/a	n/a	n/a

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

[2]Shuttle bids are a new data series; prior to this we provided only non-shuttle rates.

Note: Bids listed are market INDICATORS only & are NOT guaranteed prices,
n/a = not available; GF = guaranteed freight; Pool = guaranteed pool

Sources: Transportation and Marketing Programs/AMS/USDA

Data from Atwood/ConAgra, Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.

Table 7

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

Effective date: 3/1/2011	Origin region*	Destination region*	Tariff rate/car	Fuel surcharge per car	Tariff plus surcharge per: metric ton	Tariff plus surcharge per: bushel[2]
Unit train						
Wheat	Wichita, KS	St. Louis, MO	$2,883	$132	$29.94	$0.81
	Grand Forks, ND	Duluth-Superior, MN	$2,727	$69	$27.76	$0.76
	Wichita, KS	Los Angeles, CA	$5,232	$352	$55.45	$1.51
	Wichita, KS	New Orleans, LA	$3,384	$231	$35.90	$0.98
	Sioux Falls, SD	Galveston-Houston, TX	$5,167	$289	$54.18	$1.47
	Northwest KS	Galveston-Houston, TX	$3,651	$254	$38.77	$1.06
	Amarillo, TX	Los Angeles, CA	$3,850	$353	$41.74	$1.14
Corn	Champaign-Urbana, IL	New Orleans, LA	$2,812	$262	$30.52	$0.83
	Toledo, OH	Raleigh, NC	$3,760	$303	$40.35	$1.10
	Des Moines, IA	Davenport, IA	$1,843	$55	$18.85	$0.51
	Indianapolis, IN	Atlanta, GA	$3,196	$228	$34.00	$0.93
	Indianapolis, IN	Knoxville, TN	$2,760	$146	$28.86	$0.79
	Des Moines, IA	Little Rock, AR	$2,938	$163	$30.79	$0.84
	Des Moines, IA	Los Angeles, CA	$4,372	$474	$48.12	$1.31
Soybeans	Minneapolis, MN	New Orleans, LA	$3,391	$276	$36.41	$0.99
	Toledo, OH	Huntsville, AL	$2,921	$215	$31.14	$0.85
	Indianapolis, IN	Raleigh, NC	$3,830	$305	$41.06	$1.12
	Indianapolis, IN	Huntsville, AL	$2,613	$146	$27.40	$0.75
	Champaign-Urbana, IL	New Orleans, LA	$3,156	$262	$33.94	$0.92
Shuttle Train						
Wheat	Great Falls, MT	Portland, OR	$2,966	$202	$31.46	$0.86
	Wichita, KS	Galveston-Houston, TX	$2,987	$158	$31.23	$0.85
	Chicago, IL	Albany, NY	$3,497	$284	$37.55	$1.02
	Grand Forks, ND	Portland, OR	$4,229	$350	$45.47	$1.24
	Grand Forks, ND	Galveston-Houston, TX	$5,144	$364	$54.70	$1.49
	Northwest KS	Portland, OR	$4,619	$416	$50.00	$1.36
Corn	Minneapolis, MN	Portland, OR	$4,120	$426	$45.14	$1.23
	Sioux Falls, SD	Tacoma, WA	$4,120	$390	$44.79	$1.22
	Champaign-Urbana, IL	New Orleans, LA	$2,677	$262	$29.18	$0.79
	Lincoln, NE	Galveston-Houston, TX	$2,880	$227	$30.86	$0.84
	Des Moines, IA	Amarillo, TX	$3,330	$205	$35.10	$0.96
	Minneapolis, MN	Tacoma, WA	$4,120	$422	$45.11	$1.23
	Council Bluffs, IA	Stockton, CA	$3,480	$437	$38.90	$1.06
Soybeans	Sioux Falls, SD	Tacoma, WA	$4,320	$390	$46.77	$1.27
	Minneapolis, MN	Portland, OR	$4,270	$426	$46.63	$1.27
	Fargo, ND	Tacoma, WA	$4,270	$347	$45.85	$1.25
	Council Bluffs, IA	New Orleans, LA	$3,510	$302	$37.85	$1.03
	Toledo, OH	Huntsville, AL	$2,536	$215	$27.32	$0.74
	Grand Island, NE	Portland, OR	$4,520	$426	$49.11	$1.34

[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: 3/1/2011 Commodity	Origin state	Destination region	Tariff rate/car[1]	Fuel surcharge per car[2]	Tariff plus surcharge per: metric ton[3]	bushel[3]	Percent change Y/Y[4]
Wheat	MT	Chihuahua, CI	$6,854	$370	$73.81	$2.01	4
	OK	Cuautitlan, EM	$6,191	$403	$67.38	$1.83	6
	KS	Guadalajara, JA	$6,825	$679	$76.67	$2.08	7
	TX	Salinas Victoria, NL	$3,470	$168	$37.17	$1.01	10
Corn	IA	Guadalajara, JA	$7,056	$659	$78.83	$2.00	4
	SD	Penjamo, GJ	$6,619	$484	$72.58	$1.84	-3
	NE	Queretaro, QA	$6,240	$535	$69.22	$1.76	2
	SD	Salinas Victoria, NL	$4,785	$368	$52.65	$1.34	-1
	MO	Tlalnepantla, EM	$5,428	$521	$60.79	$1.54	3
	SD	Torreon, CU	$5,681	$405	$62.19	$1.58	0
Soybeans	MO	Bojay (Tula), HG	$6,208	$569	$69.25	$1.88	2
	NE	Guadalajara, JA	$7,020	$646	$78.33	$2.13	6
	IA	El Castillo, JA[5]	$7,060	$481	$77.05	$2.09	1
	KS	Torreon, CU	$5,675	$437	$62.45	$1.70	8
Sorghum	OK	Cuautitlan, EM	$4,729	$367	$52.07	$1.32	2
	TX	Guadalajara, JA	$5,781	$315	$62.29	$1.58	1
	NE	Penjamo, GJ	$6,407	$591	$71.51	$1.81	-1
	KS	Queretaro, QA	$5,641	$364	$61.35	$1.56	4
	NE	Salinas Victoria, NL	$4,500	$343	$49.48	$1.26	4
	NE	Torreon, CU	$5,546	$464	$61.40	$1.56	4

[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 10/01/2009

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

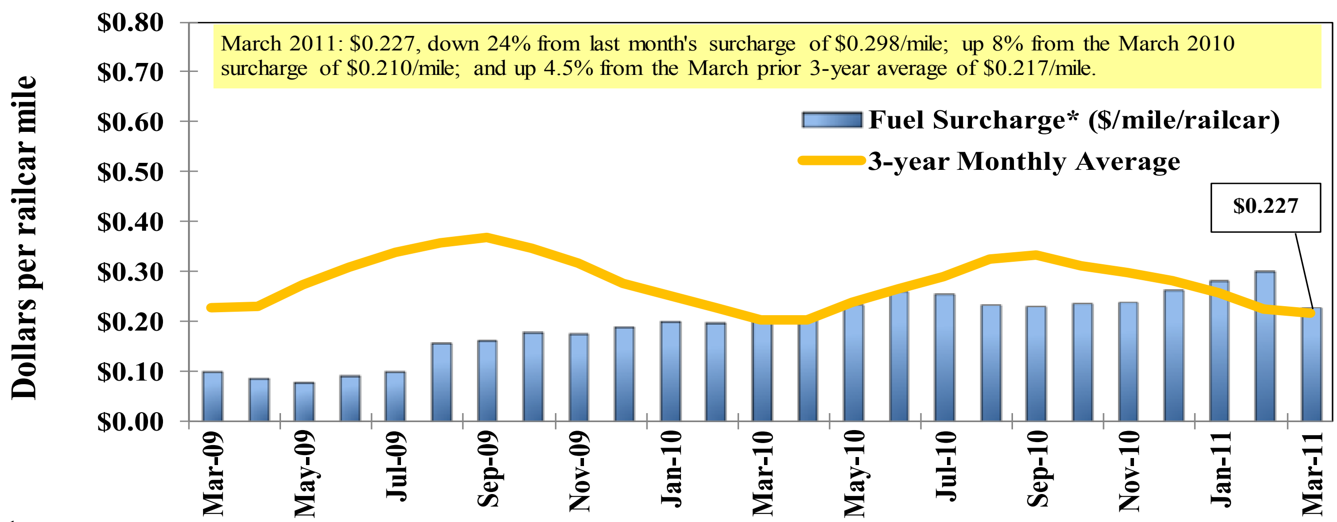
[4]Percentage change year over year calculated using tariff rate plus fuel surchage

[5] Beginning 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 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.

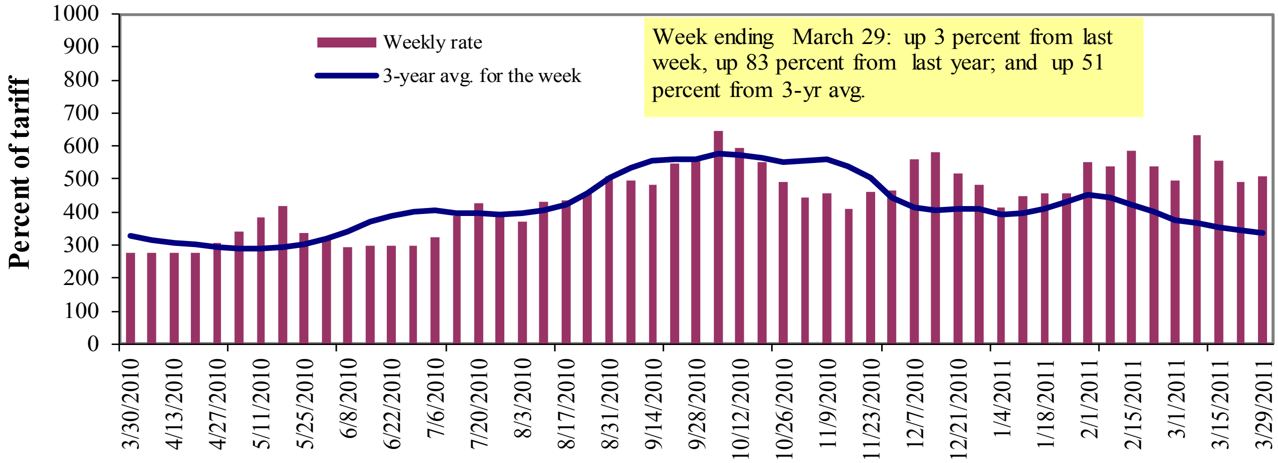
** BNSF strike price (diesel price when fuel surcharges begin) changed from $1.25/gal. to $2.50/gal starting March 1, 2011. As a result, the weighted average fuel surcharge for March 2011 was $0.227/mile instead of $0.331/mile.

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	Lower Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo-Memphis
Rate[1]	3/29/2011	-	512	507	383	457	457	332
	3/22/2011	-	506	491	375	440	440	350
$/ton	3/29/2011	-	27.24	23.52	15.28	21.43	18.46	10.42
	3/22/2011	-	26.92	22.78	14.96	20.64	17.78	10.99
Current week % change from the same week:								
	Last year	-	-	83	93	96	96	83
	3-year avg. [2]	-	54	51	47	60	60	43
Rate[1]	April	537	482	480	367	445	445	325
	June	533	473	468	353	437	437	332

[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

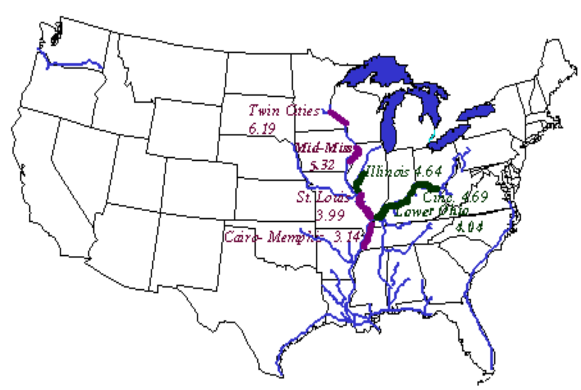
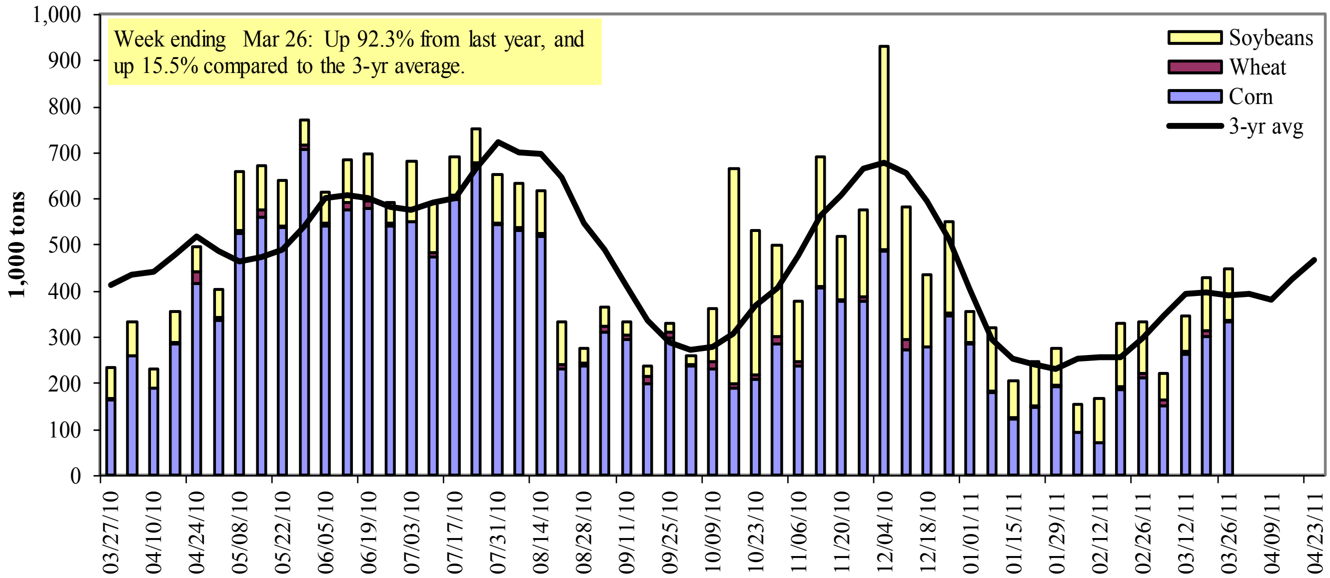


Figure 10

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 3/26/2011	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	49	0	33	0	82
Winfield, MO (L25)	200	3	79	0	282
Alton, IL (L26)	346	3	108	2	459
Granite City, IL (L27)	334	3	113	3	453
Illinois River (L8)	162	0	8	2	172
Ohio River (L52)	110	3	31	0	144
Arkansas River (L1)	0	20	38	3	60
Weekly total - 2011	444	26	182	6	657
Weekly total - 2010	343	18	157	14	532
2011 YTD[1]	3,845	229	2,564	82	6,720
2010 YTD	4,175	231	2,664	113	7,184
2011 as % of 2010 YTD	92	99	96	72	94
Last 4 weeks as % of 2010[2]	78	156	98	101	85
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.

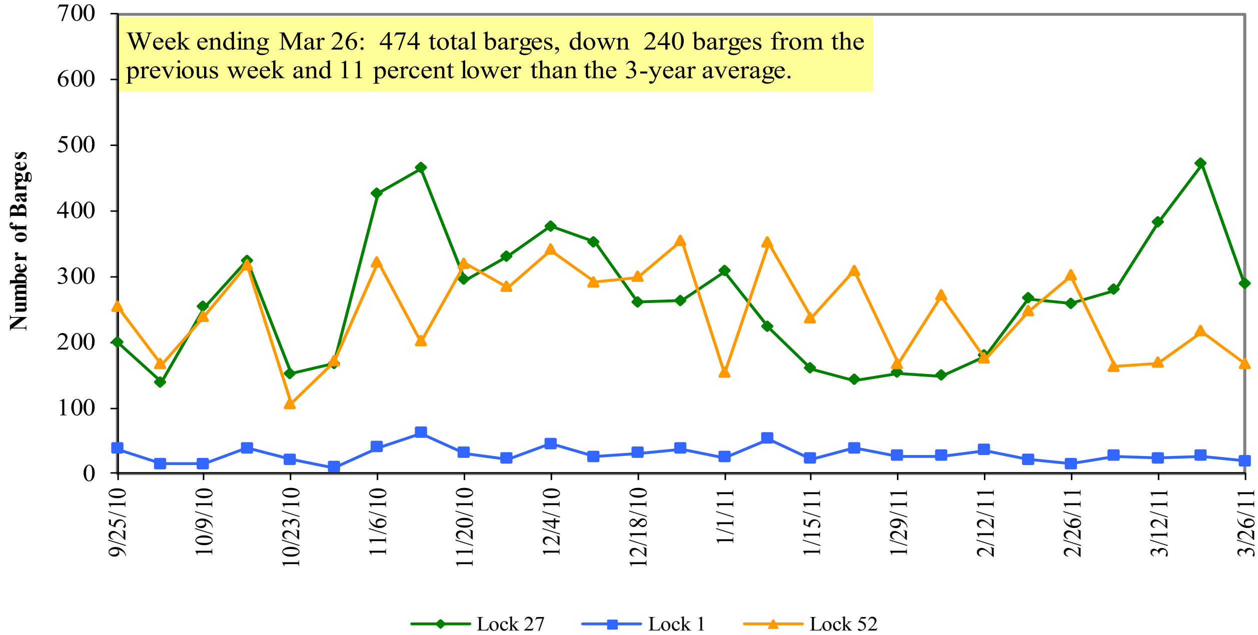
[2] As a percent of same period in 2010.

Note: Total may not add exactly, due to rounding

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

Figure 11

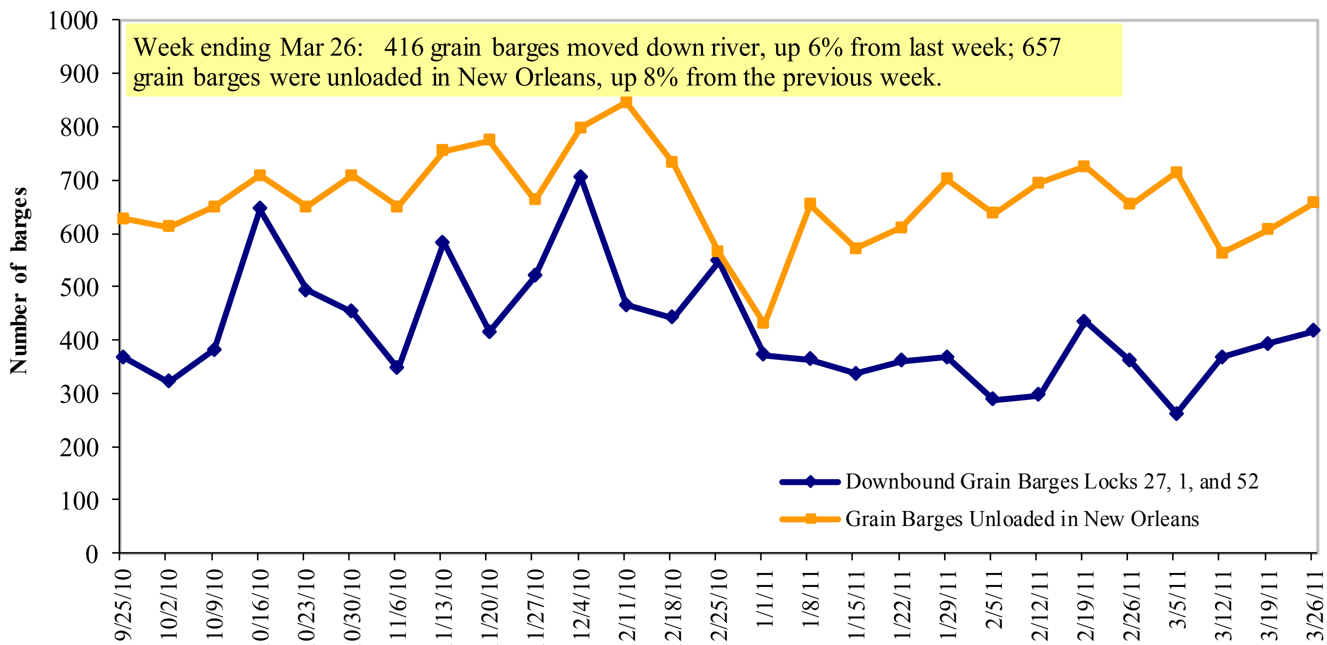
Upbound Empty Barges Transiting Mississippi River Locks 27, Arkansas River Lock and Dam 1, and Ohio River Locks and Dam 52



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 3/28/2011 (US $/gallon)

			Change from	
Region	**Location**	**Price**	**Week ago**	**Year ago**
I	East Coast	3.952	0.014	0.987
	New England	4.095	0.008	1.066
	Central Atlantic	4.061	0.015	0.986
	Lower Atlantic	3.892	0.014	0.979
II	Midwest[2]	3.883	0.028	0.973
III	Gulf Coast[3]	3.857	0.016	0.958
IV	Rocky Mountain	3.959	0.034	0.991
V	West Coast	4.155	0.051	1.128
	California	4.256	0.057	1.183
Total	U.S.	3.932	0.025	0.993

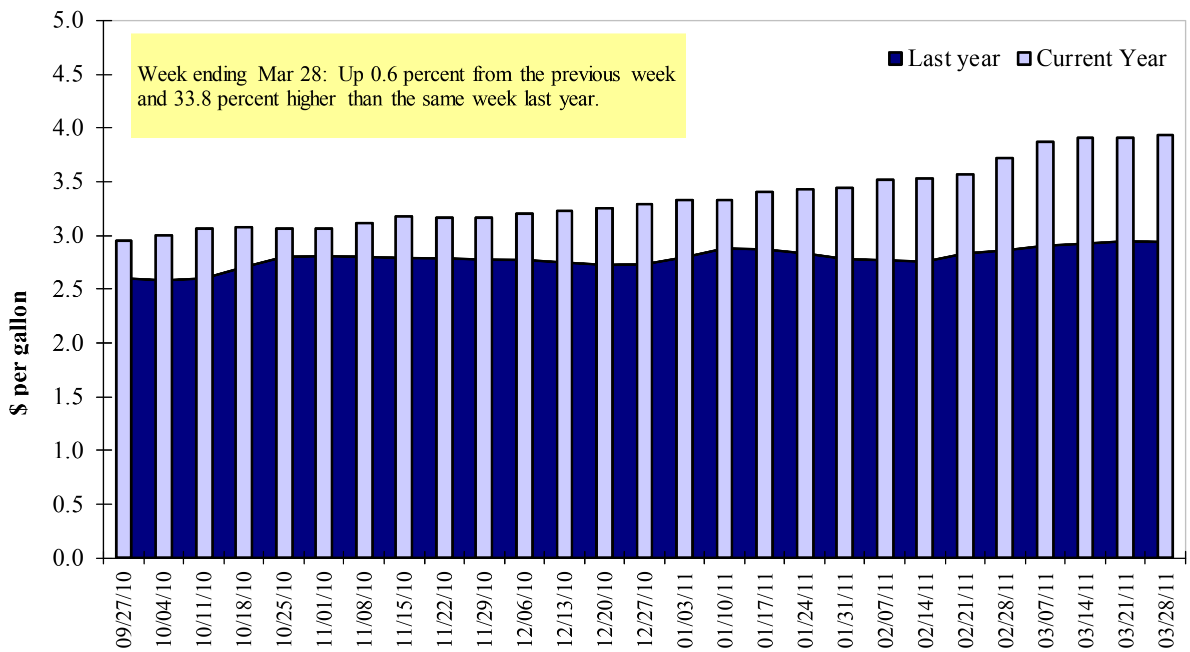
[1]Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

[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]									
3/17/2011	3,795	863	2,359	1,372	131	8,520	12,962	6,823	28,305
This week year ago	1,490	497	1,031	656	151	3,824	9,715	3,546	17,085
Cumulative exports-marketing year[2]									
2010/11 YTD	12,003	1,903	6,343	3,577	767	24,592	23,416	33,399	81,407
2009/10 YTD	6,588	2,271	3,951	3,212	831	16,853	23,975	32,652	73,480
YTD 2010/11 as % of 2009/10	182	84	161	111	92	146	98	102	111
Last 4 wks as % of same period 2009/10	255	180	233	156	87	222	134	216	171
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 03/17/11	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 -
Japan	10,745	9,446	14	14,343
Mexico	6,197	6,529	(5)	7,999
Korea	4,076	4,923	(17)	7,562
Taiwan	1,955	2,364	(17)	2,949
Egypt	2,406	1,332	81	2,935
Top 5 importers	**25,378**	**24,593**	**3**	**35,788**
Total US corn export sales	**36,378**	**33,690**	**8**	**50,460**
% of Projected	73%	67%		
Change from Last Week	895	607		
Top 5 importers' share of U.S. corn export sales	70%	73%		
USDA forecast, March 2011	**49,530**	**50,460**	**(2)**	
Corn Use for Ethanol USDA forecast, Ethanol March 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 Importers[1] of U.S. Soybeans

Week ending 03/17/11	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	24,971	21,650	15	22,454
Mexico	2,464	2,323	6	3,276
Japan	1,891	1,909	(1)	2,347
EU-25	2,599	2,667	(3)	2,647
Taiwan	1,171	1,325	(12)	1,556
Top 5 importers	**33,094**	**29,874**	**11**	**32,280**
Total US soybean export sales	**40,222**	**36,198**	**11**	**40,850**
% of Projected	93%	89%		
Change from last week	264	273		
Top 5 importers' share of U.S. soybean export sales	82%	83%		
USDA forecast, March 2011	**43,270**	**40,850**	**6**	
Soybean Use for Biodiesel USDA forecast, March 2011	**6,474**	**4,076**	**59**	

(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.

Table 15

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

Week Ending 03/17/2011	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	3,172	3,248	(2)	3,233
Japan	3,457	2,801	23	3,148
Mexico	2,595	1,816	43	1,975
Philippines	1,864	1,612	16	1,518
Korea, South	1,615	1,095	47	1,111
Taiwan	872	757	15	844
Venezuela	623	654	(5)	658
Colombia	793	540	47	575
Peru	922	474	94	567
Egypt	3,748	456	723	529
Top 10 importers	**19,660**	**13,454**	**46**	**14,156**
Total US wheat export sales	**33,111**	**20,678**	**60**	**23,980**
% of Projected	95%	86%		
Change from last week	659	697		
Top 10 importers' share of U.S. wheat export sales	59%	65%		
USDA forecast, March 2011	**34,700**	**23,980**	**45**	

(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 03/24/11	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 2010	Last 4-weeks as % of 3-yr. avg.	Total[1] 2010
Pacific Northwest									
Wheat	373	202	185	3,047	2,346	130	150	129	11,062
Corn	174	110	158	1,667	1,949	86	97	80	9,950
Soybeans	174	191	91	2,398	3,489	69	43	56	10,191
Total	**721**	**503**	**143**	**7,113**	**7,785**	**91**	**84**	**85**	**31,203**
Mississippi Gulf									
Wheat	110	234	47	1,252	870	144	151	120	4,199
Corn	702	532	132	6,195	6,648	93	101	100	29,794
Soybeans	508	466	109	7,858	7,289	108	120	129	22,519
Total	**1,320**	**1,233**	**107**	**15,304**	**14,807**	**103**	**111**	**112**	**56,512**
Texas Gulf									
Wheat	294	232	127	3,413	1,970	173	169	215	9,339
Corn	75	20	370	359	526	68	124	107	1,859
Soybeans	0	65	0	760	647	118	n/a	299	1,916
Total	**370**	**317**	**117**	**4,533**	**3,142**	**144**	**174**	**192**	**13,115**
Great Lakes									
Wheat	0	4	0	14	5	288	n/a	147	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**	**4**	**0**	**14**	**5**	**288**	**n/a**	**120**	**2,672**
Atlantic									
Wheat	1	2	31	274	49	565	693	15	343
Corn	0	0	n/a	75	98	76	75	53	469
Soybeans	4	17	24	322	611	53	37	75	1,417
Total	**5**	**19**	**25**	**671**	**758**	**89**	**46**	**55**	**2,229**
U.S. total from ports[2]									
Wheat	778	675	115	8,000	5,240	153	159	153	26,839
Corn	951	663	143	8,296	9,221	90	101	96	42,192
Soybeans	686	739	93	11,338	12,036	94	90	104	36,699
Total	**2,415**	**2,076**	**116**	**27,635**	**26,497**	**104**	**109**	**111**	**105,730**

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

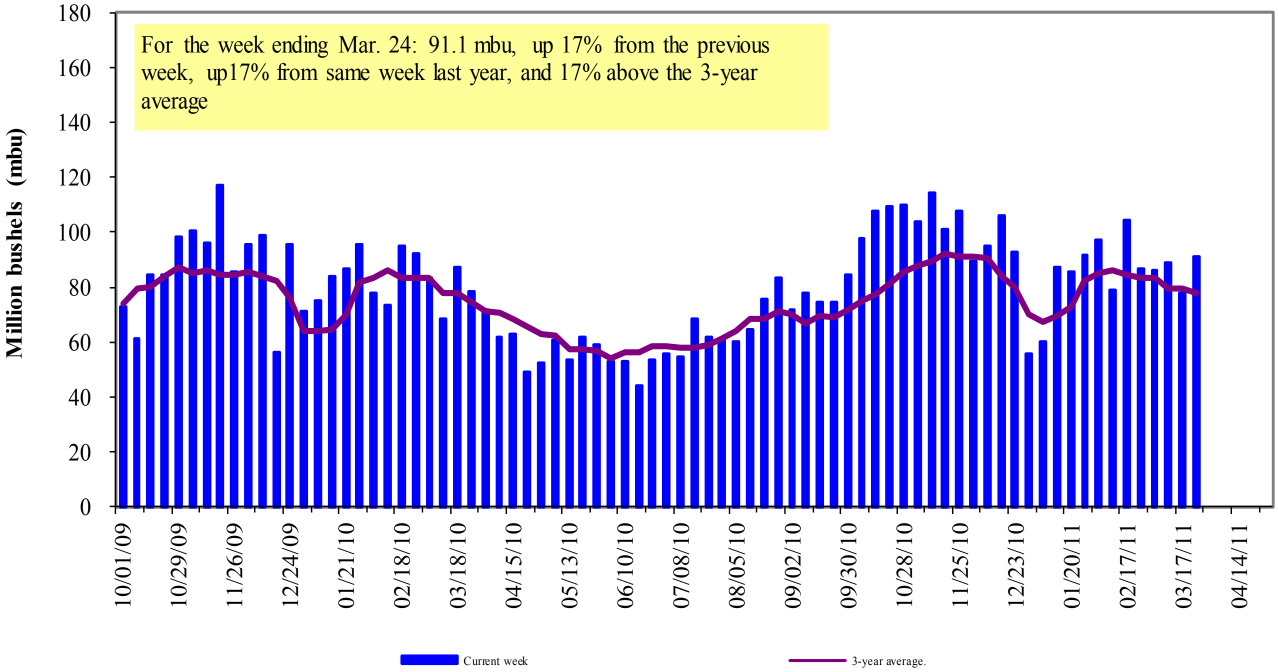
[2] Total includes only port regions shown above

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)

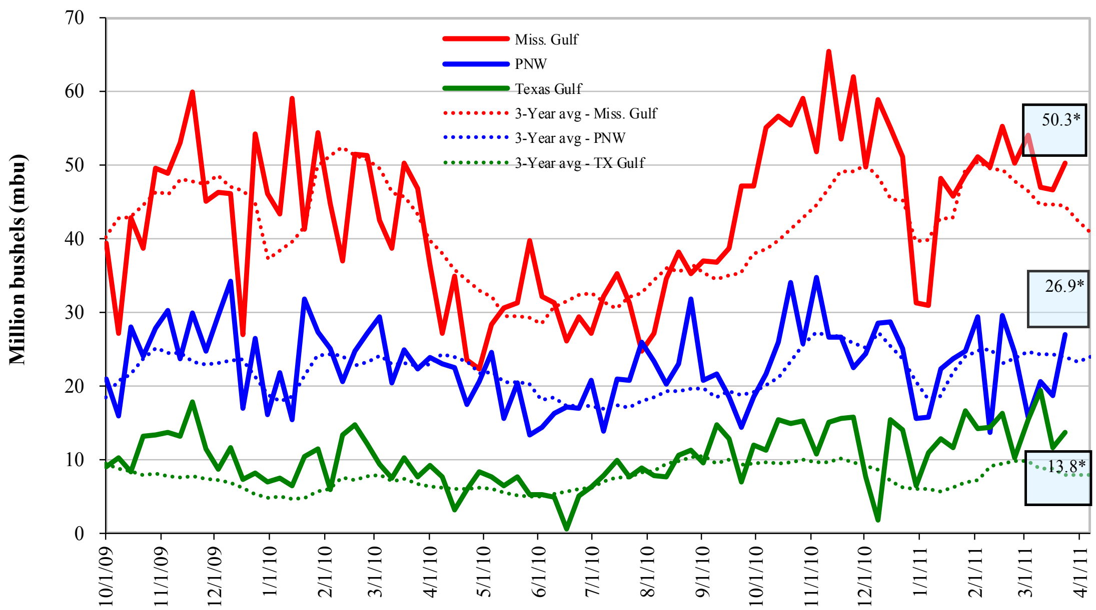


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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

Figure 15

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



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

Mar. 24 % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	up 8	up 18	up 10	up 44
Last year (same week)	up 7	up 82	up 18	up 20
3-yr avg. (4-wk mov. avg.)	up 13	up 74	up 22	up 14

Ocean Transportation

Table 17

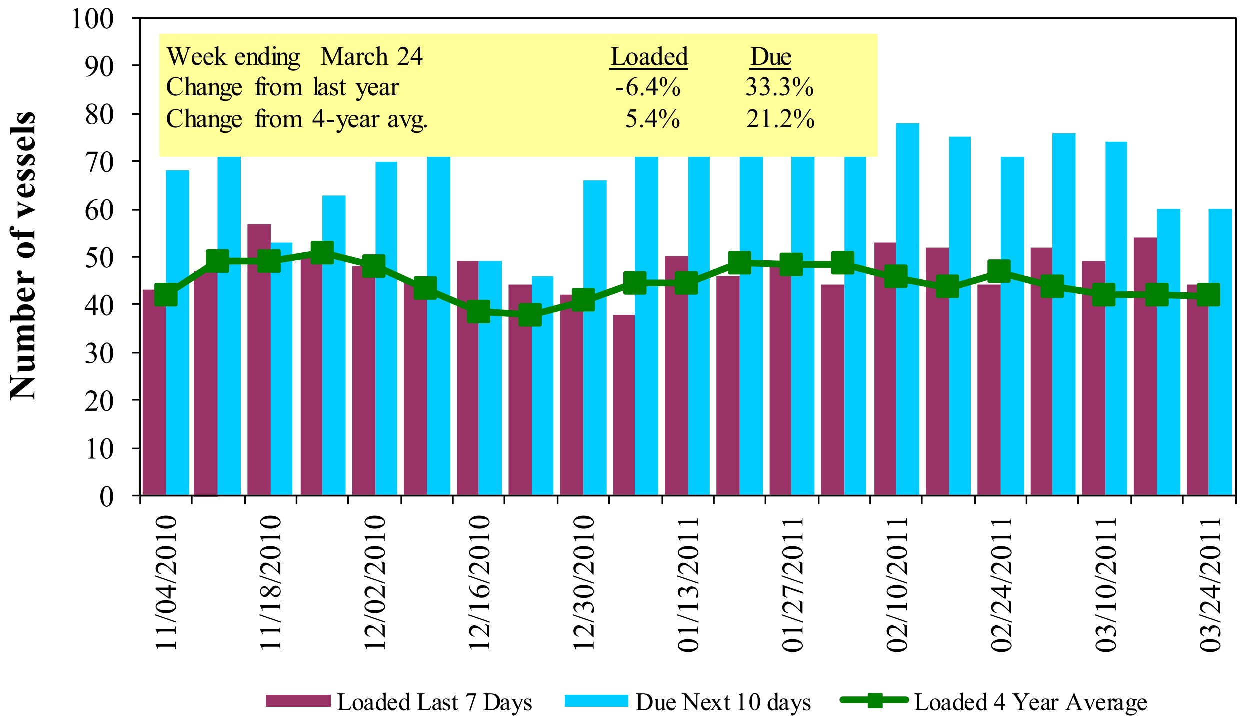
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

	Gulf			Pacific Northwest	Vancouver B.C.
Date	In port	Loaded 7-days	Due next 10-days	In port	In port
3/24/2011	50	44	60	21	0
3/17/2011	59	54	60	21	14
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. Gulf[1] Vessel Loading Activity

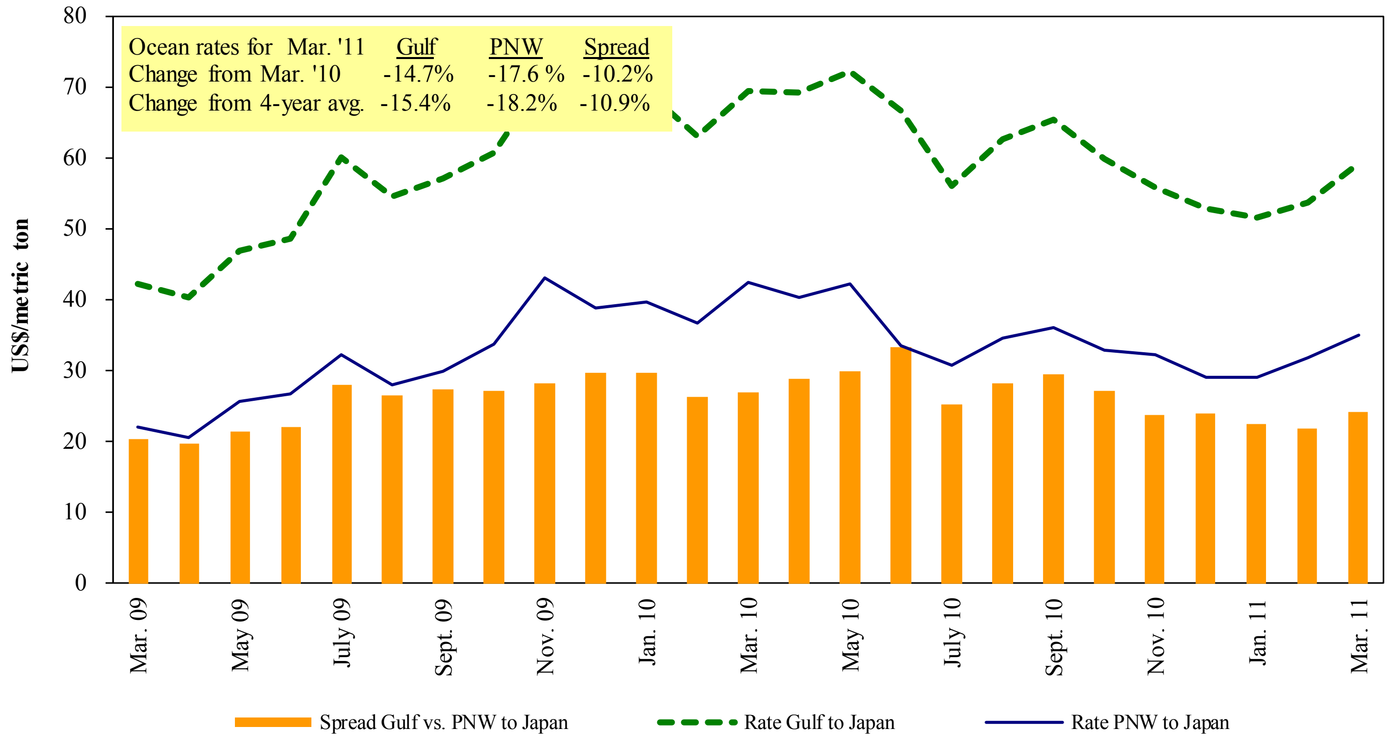


Source:Transportation & Marketing Programs/AMS/USDA

[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 3/26/2011

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US$/metric ton)
U.S. Gulf	China	Heavy Grain	Mar 20/29	52,000	52.00
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	Djibouti[1]	Wheat	Mar 31/Apr 9	17,260	129.95
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
Brazil	China	Heavy Grain	April 1/15	55,000	47.00
River Plate	Algeria	Corn	Jan 22/27	30,000	43.00
River Plate	Algeria	Corn	Dec 5/10	25,000	36.00
River Plate	Morocco	corn	Feb 28/Mar 8	25,000	37.25
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

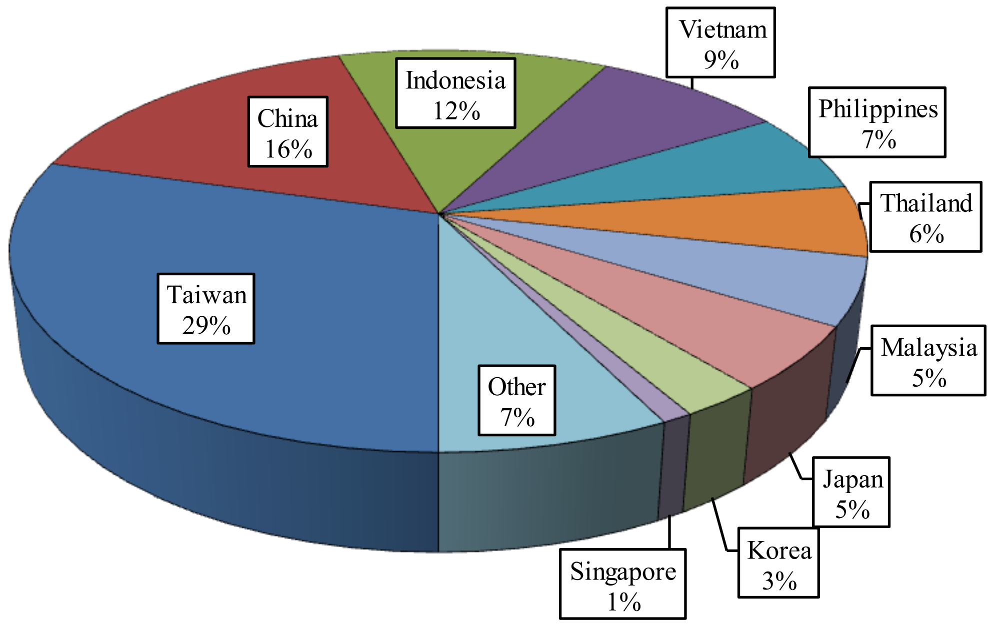
[1]75 percent of food aid from the United States is required to be shipped on U.S.-flag vessels.

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

In 2010, containers were used to transport 5 percent of total U.S. waterborne grain exports, and 7 percent of U.S. grain exports to Asia. Asia is the top destination for U.S. containerized grain exports—94 percent in 2010.

Figure 18

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

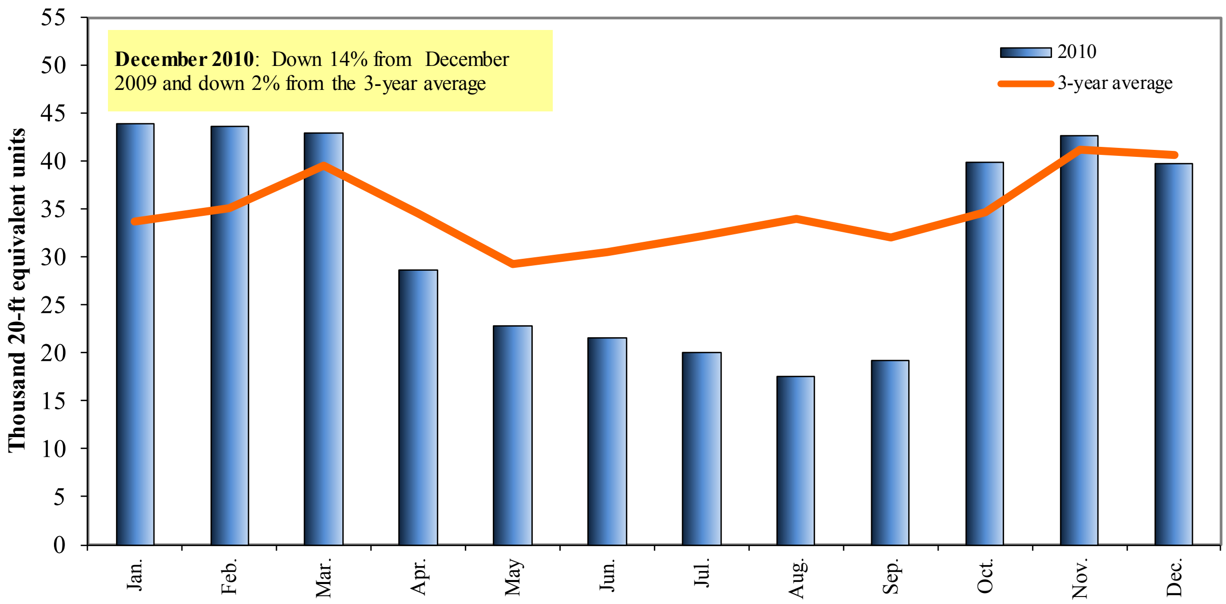


Source: Port Import Export Reporting Service (PIERS)

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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