USDA Agricultural Marketing Service

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

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May 26, 2011

Contents

The next release is June 2, 2011

WEEKLY HIGHLIGHTS

Barge Grain Movements Improve; Barge Traffic Delayed by Flood Conditions on Lower Mississippi River

Barge grain movements are improving because the Ohio River and the lower Arkansas River are now accessible to the Mississippi River. **Barge grain movements** during the week ending May 21 totaled 746,908 tons, 47.5 percent higher than the previous week but 2 percent lower than the same period last year. During the same week, 474 grain **barges moved down river**, up 46 percent from last week and 368 grain barges were **unloaded in New Orleans**, up 37 percent from the previous week. Barges traveling on the Lower Mississippi River may experience some delays and congestion because of high water. Water levels are expected to gradually decrease over the next few weeks. The Coast Guard is maintaining tight navigation restrictions to ensure safety, particularly around the 9-mile segment (mile marker 228–237) of the Mississippi River at Baton Rouge, LA. This section of the river was closed for a few days following a barge accident on May 20.

Weekly Grain Inspections Increase Despite Mississippi River Floods

For the week ending May 19, **total inspections of grain** (corn, wheat, and soybeans) for export from all major U.S. export regions reached 1.79 million metric tons (mmt), up 6 percent from the previous week and 11 percent above last year this time. Mississippi Gulf (0.752 mmt) and Texas Gulf (0.3 mmt) grain inspections increased 12 and 87 percent from the previous week. **Year-to-date Mississippi Gulf** grain inspections are up 4 percent from last year despite the flood conditions that have slowed grain barge movements this spring. Total soybean inspections (0.177 mmt) increased 157 percent as shipments to Asia rebounded. Inspections of soybeans (0.197 mmt) were the highest since April 21.

Corn Planting Gains Speed; Concerns Remain in Northern Tier States

Farmers made substantial progress planting corn last week. On May 22, 79 percent of the corn crop was planted, compared to a 5-year average of 87 percent. Concerns remain, however, in northern tier States because more rain is forecast for northern and eastern parts of the Corn Belt. Ohio has only 11 percent of the crop planted compared to a 5-year average of 80 percent. Pennsylvania has 40 percent planted, 34 percentage points lower than the average. Indiana and North Dakota have 49 percent planted. On the more positive side, Illinois, Iowa, Kansas, and Nebraska had more than 90 percent planted. Delayed planting could push harvest demand for transportation later in the year.

Diesel Fuel Prices Drop to $4.00 per Gallon

During the week ending May 23, U.S. average **diesel fuel prices** decreased 6 cent per gallon to $4.00—down 1.6 percent from the previous week but 32 percent higher than the same week last year. Prices have fallen 13 cents per gallon over the past 3 weeks. Crude oil prices have been falling slightly, encouraging the decrease in fuel prices. The Energy Information Administration's *This Week in Petroleum* says some pressure has been taken off oil and fuel prices by news that the flood conditions in the Mississippi Gulf will have less impact on local refineries than previously expected.

Snapshots by Sector

Rail

U.S. railroads originated 22,472 **carloads of grain** during the week ending May 14, down 3 percent from the previous week, up 14 percent from last year, and 12 percent higher than the 3-year average.

During the week ending May 19, average June **non-shuttle secondary railcar bids/offers** were $19.50 above tariff, down $14 from the previous week. Average shuttle rates were $275.50 below tariff, up $141.50 from the previous week.

Ocean

During the week ending May 19, 31 **ocean-going grain vessels** were loaded in the Gulf, down 9 percent from last year. Forty-two vessels are expected to be loaded within the next 10 days, 21 percent less than the same period last year.

During the week ending May 19, the ocean freight rate for shipping bulk grain from the Gulf to Japan was $51.50 per metric ton (mt), 3 percent lower than the previous week. The cost of shipping from the Pacific Northwest to Japan was $29 per mt, also 3 percent lower than the previous week.

Feature Article/Calendar

Transportation Share of Landed Cost to Mexico Decreases As Grain Prices Increase

Despite a general increase in the transportation costs of shipping grains from the United States to Mexico, the transportation shares of the landed cost actually fell due to increases in farm prices. U.S. farmers received robust farm prices during the 1st quarter (see figures 1 and 2), compared to the previous quarter and a year earlier, due to strong global demand for U.S. grain. Corn prices increased by 16–18 percent, soybean prices increased by 11–12 percent and wheat prices increased by 18 percent from the previous quarter (see table). Farm prices also increased significantly from a year ago.

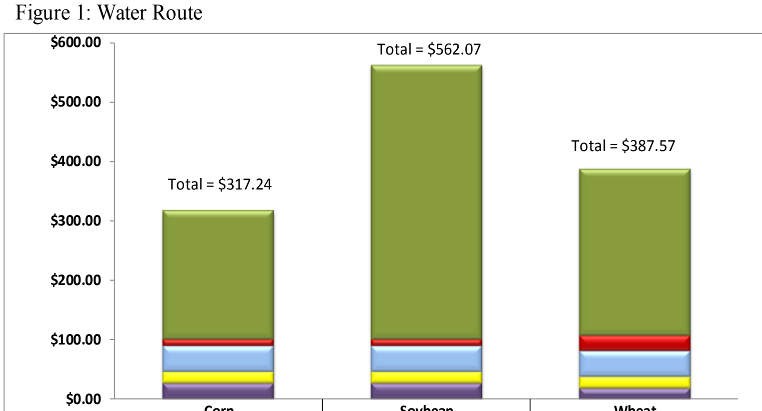
Quarterly costs of transporting U.S. grain to Guadalajara, Mexico

	Water route $/metric ton					Land route $/metric ton				
	2010 1st qtr.	2010 4th qtr.	2011 1st qtr.	Percent change Yr. to Yr.	Percent change Qtr. to Qtr.	2010 1st qtr.	2010 4th qtr.	2011 1st qtr.	Percent change Yr. to Yr.	Percent change Qtr. to Qtr.
Corn										
Origin			IL					IA		
Truck	10.46	8.94	11.34	8.4	26.8	5.00	3.74	3.50	-30.0	-6.4
Rail [1]	32.76	40.26	43.99	34.3	9.3	73.61	80.34	80.58	9.5	0.3
Ocean[2]	20.75	19.83	18.75	-9.6	-5.4					
Barge	18.08	26.20	26.24	45.1	0.2					
Total transportation cost	82.05	95.23	100.32	22.3	5.3	78.61	84.08	84.08	7.0	0.0
Farm Value	139.63	183.72	216.92	55.4	18.1	144.87	180.31	209.83	44.8	16.4
Landed Cost	221.68	278.95	317.24	43.1	13.7	223.48	264.39	293.91	31.5	11.2
Transport % of landed cost	37	34	32			35	32	29		
Soybeans										
Origin			IL					NE		
Truck	10.46	8.94	11.34	8.4	26.8	5.00	3.74	3.50	-30.0	-6.4
Rail [1]	32.76	40.26	43.99	34.3	9.3	71.53	77.33	80.51	12.6	4.1
Ocean[2]	20.75	19.83	18.75	-9.6	-5.4					
Barge	18.08	26.20	26.24	45.1	0.2					
Total transportation cost	82.05	95.23	100.32	22.3	5.3	76.53	81.07	84.01	9.8	3.6
Farm Value	354.09	413.98	461.75	30.4	11.5	344.90	400.26	445.82	29.3	11.4
Landed Cost	436.14	509.21	562.07	28.9	10.4	421.43	481.33	529.83	25.7	10.1
Transport % of landed cost	19	19	18			18	17	16		
Wheat										
Origin			KS					KS		
Truck	21.29	24.23	25.71	20.8	6.1	5.00	3.74	3.50	-30.0	-6.4
Rail [1]	32.76	40.26	43.99	34.3	9.3	68.16	77.09	78.19	14.7	1.4
Ocean[2]	20.75	19.83	18.75	-9.6	-5.4					
Barge	11.24	18.78	18.40	63.7	-2.0					
Total transportation cost	86.04	103.10	106.85	24.2	3.6	73.16	80.83	81.69	11.7	1.1
Farm Value	162.53	238.83	280.72	72.7	17.5	162.53	238.83	280.72	72.7	17.5
Landed Cost	248.57	341.93	387.57	55.9	13.3	235.69	319.66	362.41	53.8	13.4
Transport % of landed cost	35	30	28			31	25	23		

[1]Rail rates include U.S. and Mexico portions of the movement. Mexico rail rates are estimated based on actual quoted market rates. BNSF and Union Pacific quoted rail tariff rates are through rates for shuttle trains. Rail rates include fuel surcharges. Origins are modified from past tables. Rail rates for water route were revised from previous estimates
[2]Source: O'Neil Commodity Consulting

Although ocean freight rates declined during the quarter, increases in truck and rail rates pushed up quarterly seaborne transportation costs for corn, soybeans, and wheat by 5, 5, and 4 percent, respectively. Transportation costs for seaborne grain also increased significantly from the same period a year earlier, when truck, rail, and barge rates were all lower than the current quarter. Ocean freight rates declined from the previous quarter and from a year earlier due to sluggish demand for bulk shipping caused by bad weather in major coal producing countries and high stock piles of iron ore in China (see **GTR, dated 5/5/11**). Rail rates increased partly due to high diesel prices and fuel surcharges.

Figure 1: Water Route



	Corn	Soybean	Wheat
Farm Value	$216.92	$461.75	$280.72
Truck	$11.34	$11.34	$25.71
Rail	$43.99	$43.99	$43.99
Ocean	$18.75	$18.75	$18.75
Barge	$26.24	$26.24	$18.40

Transportation cost of corn shipped by land remained unchanged from last quarter; soybean and wheat transportation costs increased by 4 and 2 percent, respectively. While the total landed costs increased for corn, soybeans, and wheat, transportation shares of the landed costs decreased from quarter to quarter and from year to year (see table). Corn transportation shares of the landed costs ranged from 29–31 percent, soybeans from 16–18 percent, and wheat from 23–28 percent.

Figure 2: Land Route

Market Outlook: During the 1st quarter 2011, about 1.62 million metric ton (mmt) of corn, .66 mmt of soybeans, and .83 mmt of wheat were exported to Mexico. Although wheat exports increased by 39 percent from the same period a year ago, corn and soybean exports were down 25 and 27 percent, respectively. However, the value of the exports increased. Corn exports were valued at $474.3 million, soybean exports at $358.2 million and wheat exports at $269.5 million. Total value of the exports was about $1.1 billion. The value of corn exports increased by 16 percent, soybean exports increased by 2 percent, wheat exports by 107 percent. The value of total exports increased by 24 percent. Although there was a reduction in the quantity of grain exported compared to a year ago, the increase in farm prices was beneficial, increasing the value of total exports. However, transportation cost should be kept as low as possible to counterbalance higher commodity prices and keep U.S. exports competitive. Surajudeen.Olowolayemo@usda.gov

Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators[1]

	Truck	Rail[2]	Barge	Ocean	
Week ending				Gulf	Pacific
05/25/11	268	115	249	230	206
05/18/11	273	129	234	237	213

[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	5/20/2011	5/13/2011
Corn	IL--Gulf	-0.74	-0.73
Corn	NE--Gulf	-0.89	-0.93
Soybean	IA--Gulf	-1.09	-1.03
HRW	KS--Gulf	-1.61	-1.44
HRS	ND--Portland	-2.80	-3.22

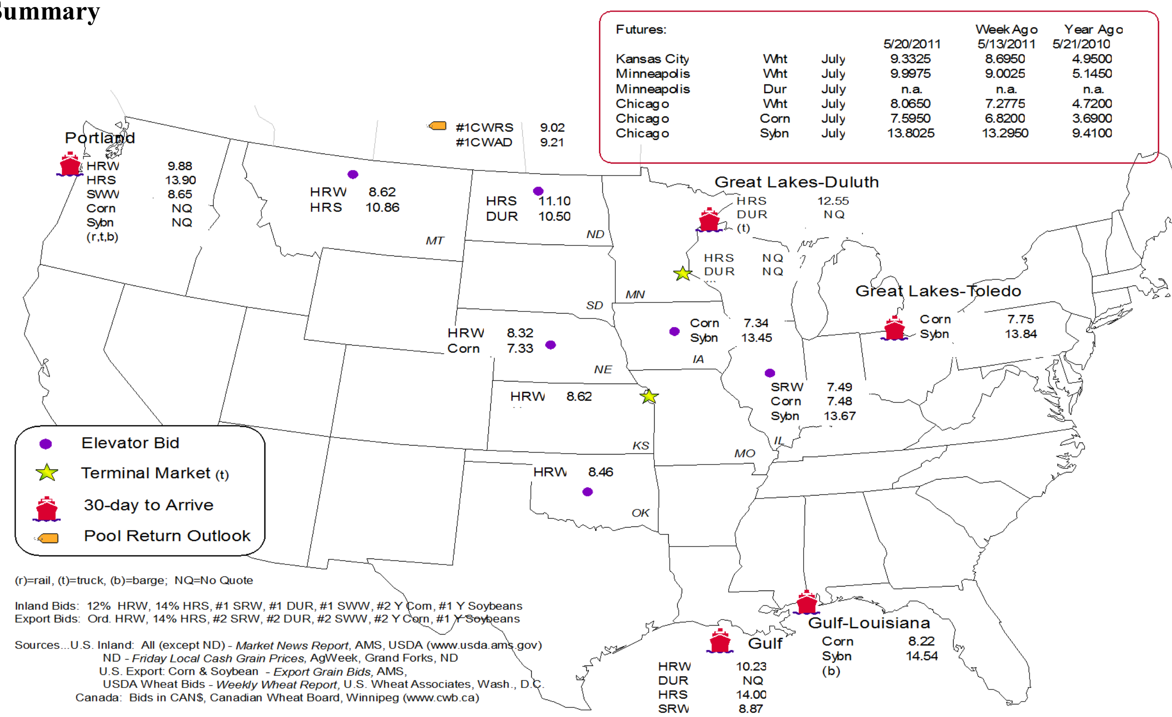
Note: nq = no quote

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
5/18/2011[p]	537	1,596	1,152	3,797	410	7,492
5/11/2011[r]	778	2,099	1,095	3,979	629	8,580
2011 YTD	19,063	45,676	17,399	79,007	13,638	174,783
2010YTD	7,119	28,616	18,751	67,612	16,546	138,644
2011 YTD as % of 2010 YTD	268	160	93	117	82	126
Last 4 weeks as % of 2010[2]	360	205	115	116	187	143
Last 4 weeks as % of 4-year avg.[2]	122	183	126	94	132	117
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.

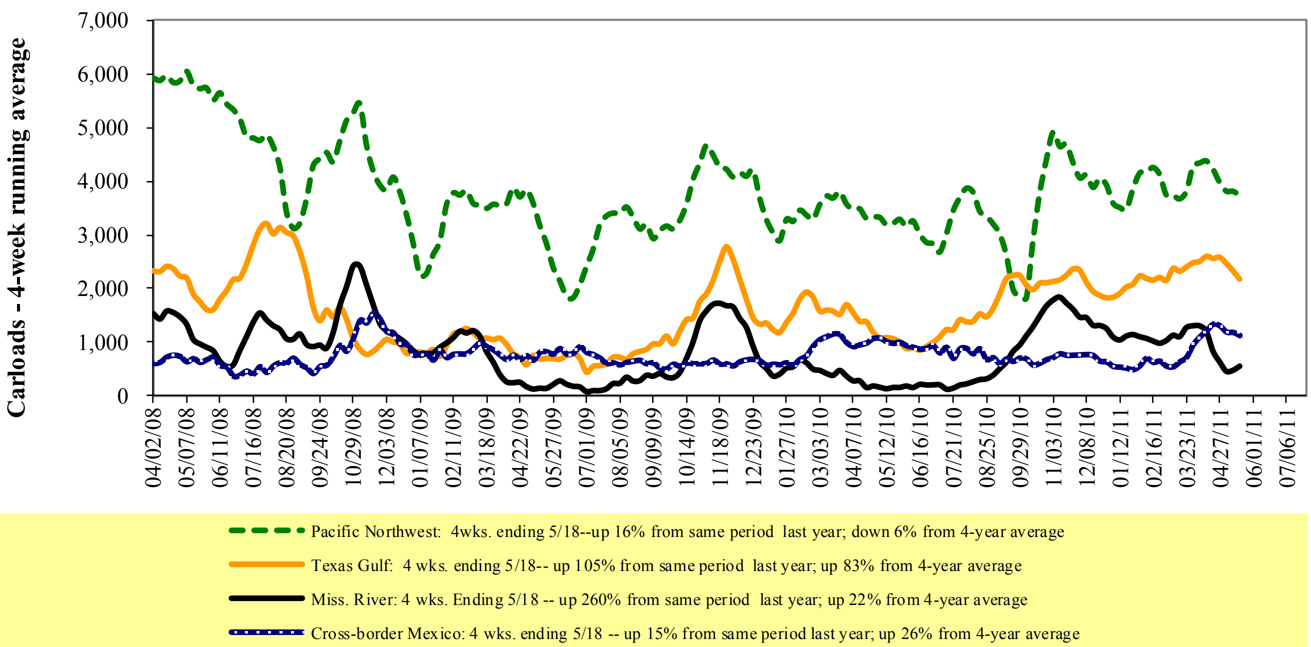
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

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)

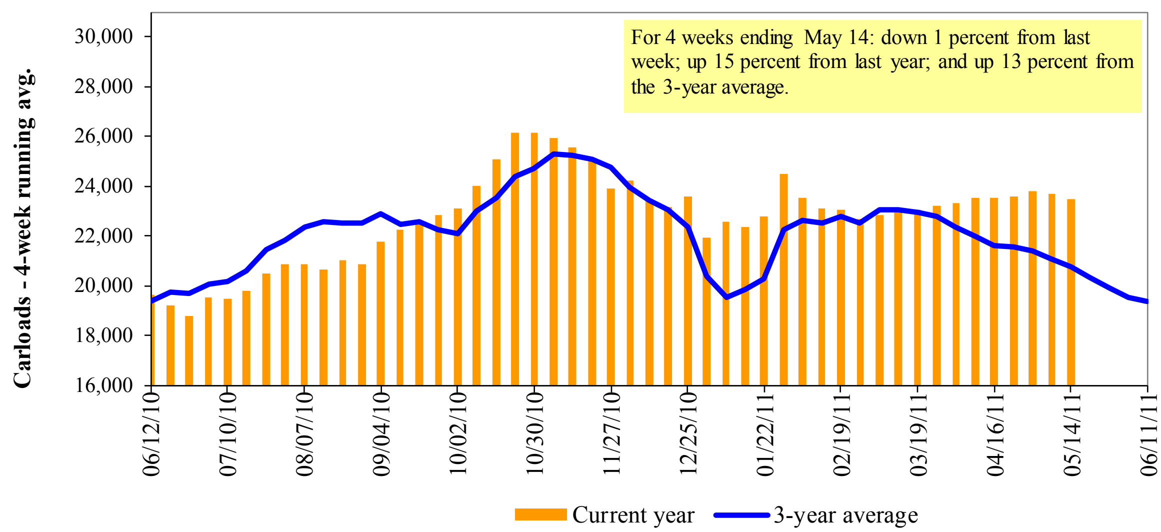
	East		West			U.S. total	Canada	
Week ending	**CSXT**	**NS**	**BNSF**	**KCS**	**UP**		**CN**	**CP**
05/14/11	1,865	3,460	10,452	536	6,159	22,472	4,133	5,813
This week last year	2,297	3,294	8,880	814	4,368	19,653	4,523	5,108
2011 YTD	40,124	57,457	218,346	11,897	117,745	445,569	77,873	90,502
2010 YTD	43,358	58,571	198,554	14,552	102,332	417,367	77,390	103,575
2011 YTD as % of 2010 YTD	93	98	110	82	115	107	101	87
Last 4 weeks as % of 2010[1]	86	93	127	92	125	115	107	90
Last 4 weeks as % of 3-yr avg.	78	103	128	96	115	114	99	93
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**							
5/19/2011	**Jun-11**	**Jun-10**	**Jul-11**	**Jul-10**	**Aug-11**	**Aug-10**	**Sep-11**	**Sep-10**
BNSF[3]								
COT grain units	0	0	0	0	no offer	0	no offer	6
COT grain single-car[5]	0 . . 1	3 . . 10	0	0	no offer	0 . . 5	no offer	1 . . 5
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	no bids	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.

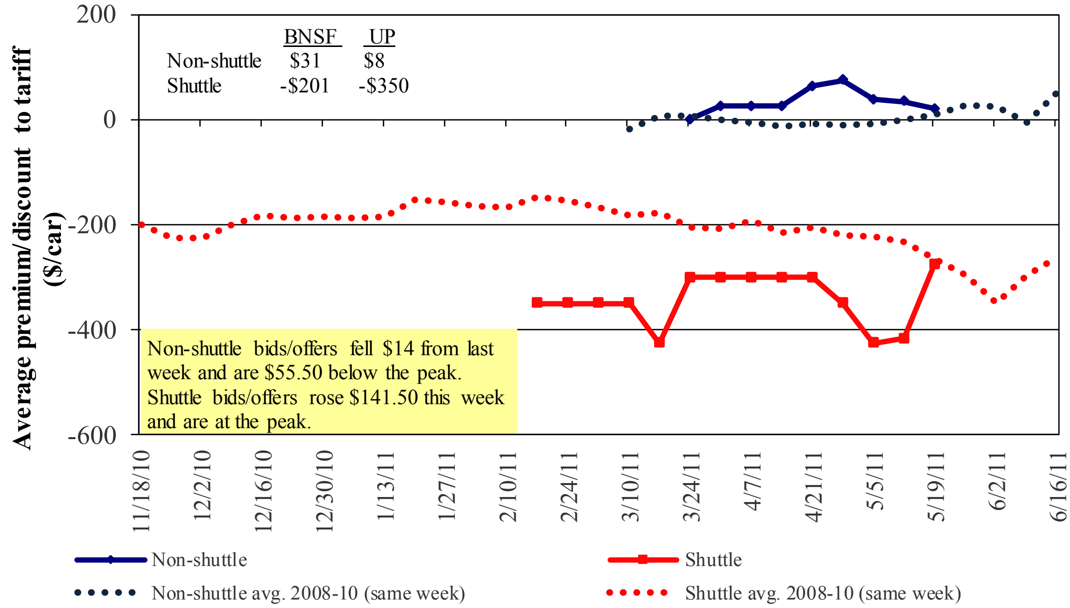
[5]Range is shown because average is not available. Not available = n/a.

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

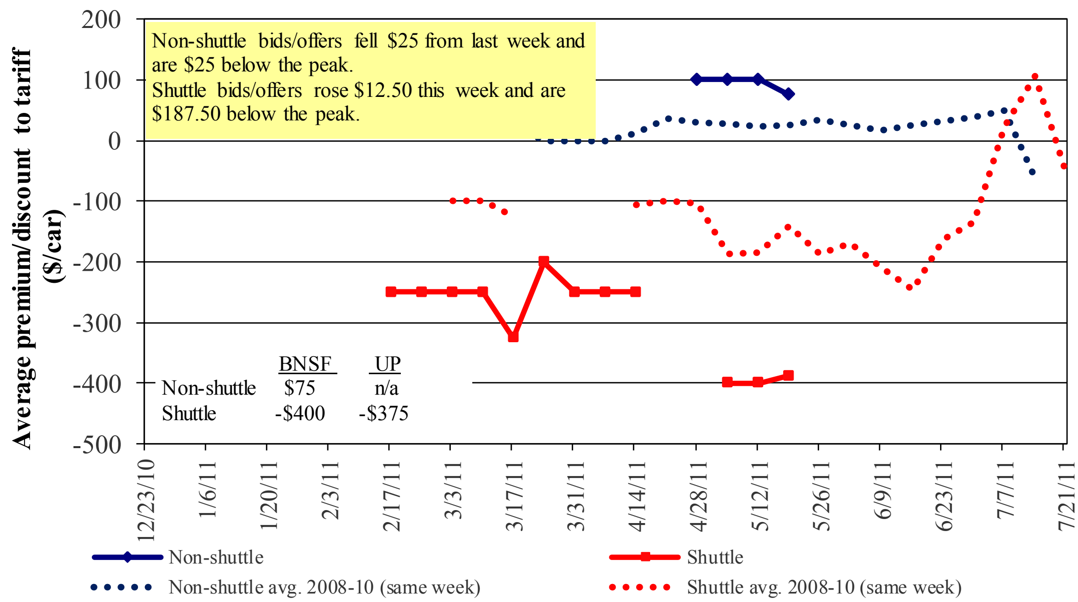
Bids/Offers for Railcars to be Delivered in June 2011, Secondary Market



Non-shuttle bids include unit-train and single-car bids. n/a = not available.
Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

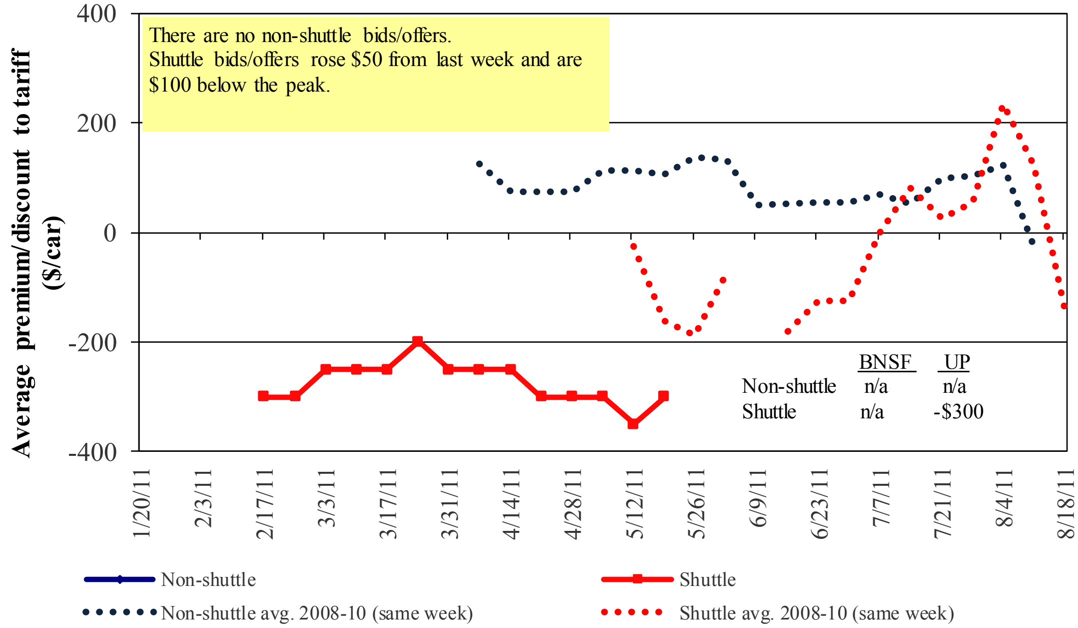
Bids/Offers for Railcars to be Delivered in July 2011, Secondary Market



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 August 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					
5/19/2011	**Jun-11**	**Jul-11**	**Aug-11**	**Sep-11**	**Oct-11**	**Nov-11**
Non-shuttle						
BNSF-GF	31	75	n/a	n/a	n/a	n/a
Change from last week	(36)	(25)	n/a	n/a	n/a	n/a
Change from same week 2010	29	73	n/a	n/a	n/a	n/a
UP-Pool	8	n/a	n/a	n/a	n/a	n/a
Change from last week	8	n/a	n/a	n/a	n/a	n/a
Change from same week 2010	8	n/a	n/a	n/a	n/a	n/a
Shuttle[2]						
BNSF-GF	(201)	(400)	n/a	n/a	n/a	n/a
Change from last week	195	-	n/a	n/a	n/a	n/a
Change from same week 2010	37	(200)	n/a	n/a	n/a	n/a
UP-Pool	(350)	(375)	(300)	(250)	600	n/a
Change from last week	88	25	-	-	(150)	n/a
Change from same week 2010	(100)	n/a	(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: 5/2/2011	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	$187	$30.49	$0.83
	Grand Forks, ND	Duluth-Superior, MN	$2,822	$107	$29.09	$0.79
	Wichita, KS	Los Angeles, CA	$5,710	$551	$62.17	$1.69
	Wichita, KS	New Orleans, LA	$3,384	$329	$36.87	$1.00
	Sioux Falls, SD	Galveston-Houston, TX	$5,410	$452	$58.21	$1.58
	Northwest KS	Galveston-Houston, TX	$3,651	$361	$39.84	$1.08
	Amarillo, TX	Los Angeles, CA	$3,850	$502	$43.22	$1.18
Corn	Champaign-Urbana, IL	New Orleans, LA	$2,812	$372	$31.62	$0.86
	Toledo, OH	Raleigh, NC	$3,760	$416	$41.47	$1.13
	Des Moines, IA	Davenport, IA	$1,843	$79	$19.08	$0.52
	Indianapolis, IN	Atlanta, GA	$3,196	$312	$34.84	$0.95
	Indianapolis, IN	Knoxville, TN	$2,760	$200	$29.40	$0.80
	Des Moines, IA	Little Rock, AR	$2,938	$232	$31.48	$0.86
	Des Moines, IA	Los Angeles, CA	$4,372	$675	$50.11	$1.36
Soybeans	Minneapolis, MN	New Orleans, LA	$3,206	$402	$35.83	$0.98
	Toledo, OH	Huntsville, AL	$2,921	$295	$31.94	$0.87
	Indianapolis, IN	Raleigh, NC	$3,830	$419	$42.19	$1.15
	Indianapolis, IN	Huntsville, AL	$2,613	$200	$27.94	$0.76
	Champaign-Urbana, IL	New Orleans, LA	$3,156	$372	$35.04	$0.95
Shuttle Train						
Wheat	Great Falls, MT	Portland, OR	$3,239	$317	$35.31	$0.96
	Wichita, KS	Galveston-Houston, TX	$3,144	$247	$33.67	$0.92
	Chicago, IL	Albany, NY	$3,497	$390	$38.60	$1.05
	Grand Forks, ND	Portland, OR	$4,702	$547	$52.13	$1.42
	Grand Forks, ND	Galveston-Houston, TX	$5,648	$570	$61.75	$1.68
	Northwest KS	Portland, OR	$4,619	$592	$51.74	$1.41
Corn	Minneapolis, MN	Portland, OR	$4,680	$666	$53.09	$1.44
	Sioux Falls, SD	Tacoma, WA	$4,640	$610	$52.14	$1.42
	Champaign-Urbana, IL	New Orleans, LA	$2,677	$372	$30.28	$0.82
	Lincoln, NE	Galveston-Houston, TX	$3,190	$356	$35.21	$0.96
	Des Moines, IA	Amarillo, TX	$3,330	$291	$35.96	$0.98
	Minneapolis, MN	Tacoma, WA	$4,680	$661	$53.04	$1.44
	Council Bluffs, IA	Stockton, CA	$4,080	$684	$47.31	$1.29
Soybeans	Sioux Falls, SD	Tacoma, WA	$4,840	$610	$54.12	$1.47
	Minneapolis, MN	Portland, OR	$4,830	$666	$54.58	$1.49
	Fargo, ND	Tacoma, WA	$4,730	$543	$52.36	$1.43
	Council Bluffs, IA	New Orleans, LA	$3,510	$429	$39.12	$1.06
	Toledo, OH	Huntsville, AL	$2,536	$295	$28.12	$0.77
	Grand Island, NE	Portland, OR	$4,520	$606	$50.90	$1.39

[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: 5/2/2011				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	$6,854	$579	$75.95	$2.06	6
	OK	Cuautitlan, EM	$6,191	$606	$69.45	$1.89	8
	KS	Guadalajara, JA	$6,825	$832	$78.24	$2.13	9
	TX	Salinas Victoria, NL	$3,277	$237	$35.90	$0.98	6
Corn	IA	Guadalajara, JA	$7,520	$872	$85.74	$2.18	12
	SD	Penjamo, GJ	$7,245	$757	$81.77	$2.07	9
	NE	Queretaro, QA	$6,590	$779	$75.29	$1.91	11
	SD	Salinas Victoria, NL	$5,360	$576	$60.65	$1.54	13
	MO	Tlalnepantla, EM	$5,762	$759	$66.63	$1.69	12
	SD	Torreon, CU	$6,248	$634	$70.32	$1.78	13
Soybeans	MO	Bojay (Tula), HG	$6,705	$758	$76.25	$2.07	10
	NE	Guadalajara, JA	$7,519	$862	$85.63	$2.33	14
	IA	El Castillo, JA[5]	$7,770	$753	$87.08	$2.37	12
	KS	Torreon, CU	$6,042	$593	$67.78	$1.84	15
Sorghum	OK	Cuautitlan, EM	$5,350	$575	$60.54	$1.54	18
	TX	Guadalajara, JA	$6,289	$493	$69.29	$1.76	11
	NE	Penjamo, GJ	$6,905	$797	$78.70	$2.00	8
	KS	Queretaro, QA	$6,038	$538	$67.18	$1.70	13
	NE	Salinas Victoria, NL	$4,818	$511	$54.45	$1.38	13
	NE	Torreon, CU	$5,804	$634	$65.78	$1.67	11

[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

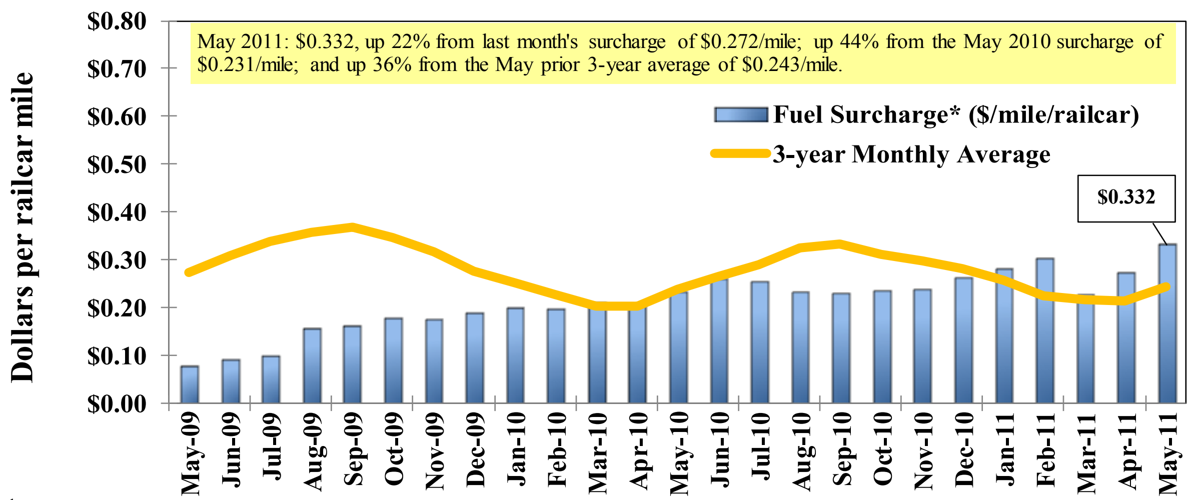
[4]Percentage change year over year calculated using tariff rate plus fuel surchage

[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.

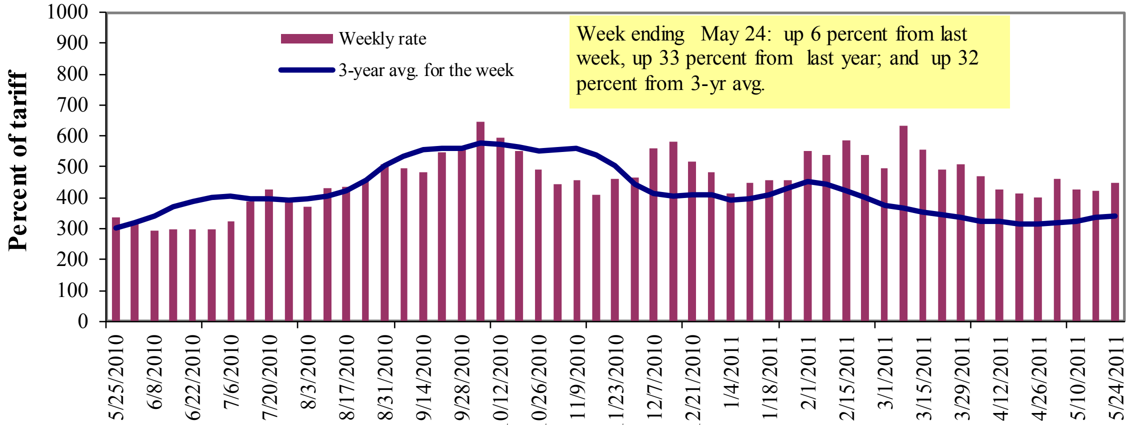
** BNSF strike price (diesel price when fuel surcharges begin) changed from $1.25/gal. to $2.50/gal starting March 1, 2011. As a result, the weighted average fuel surcharge for March 2011 was $0.227/mile instead of $0.331/mile.

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]	5/24/2011	530	453	449	331	435	435	295
	5/17/2011	550	433	422	315	425	425	292
$/ton	5/24/2011	32.81	24.10	20.83	13.21	20.40	17.57	9.26
	5/17/2011	34.05	23.04	19.58	12.57	19.93	17.17	9.17
Current week % change from the same week:								
	Last year	31	34	33	44	38	38	34
	3-year avg. [2]	30	26	32	28	58	58	24
Rate[1]	June	528	455	450	328	438	438	313
	August	538	483	483	425	480	480	413

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

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

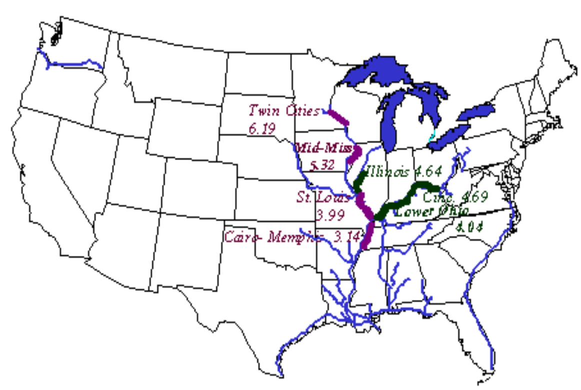
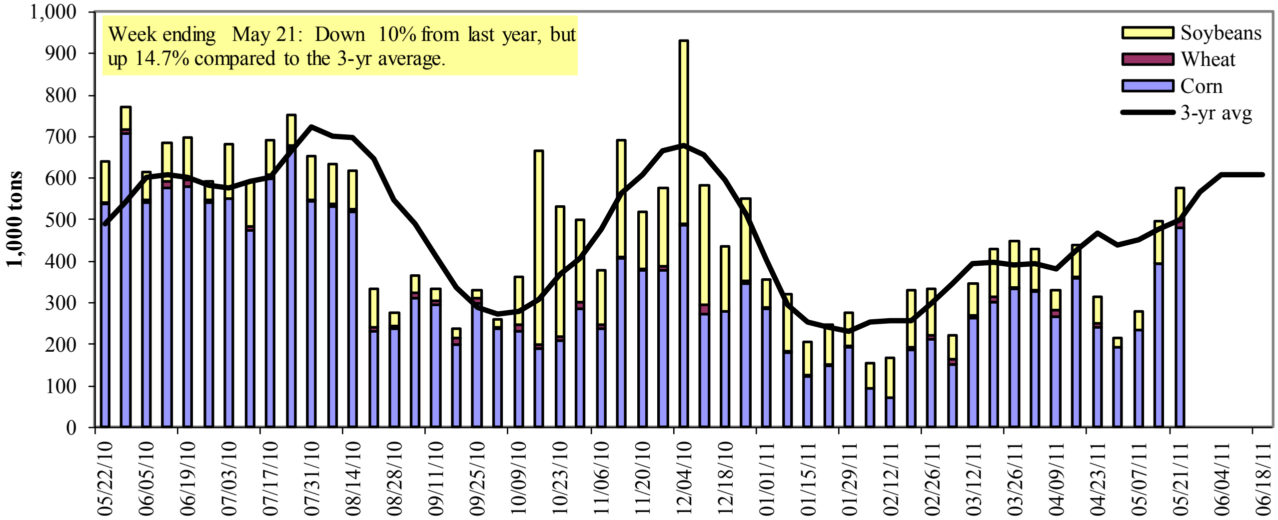


Figure 10

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 5/21/2011	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	221	0	25	0	246
Winfield, MO (L25)	345	18	58	9	430
Alton, IL (L26)	448	20	75	9	552
Granite City, IL (L27)	480	20	75	9	584
Illinois River (L8)	108	2	48	0	158
Ohio River (L52)	105	22	37	0	163
Arkansas River (L1)	0	0	0	0	0
Weekly total - 2011	585	41	112	9	747
Weekly total - 2010	608	20	123	13	765
2011 YTD[1]	6,845	428	3,288	134	10,695
2010 YTD	8,056	420	3,580	177	12,233
2011 as % of 2010 YTD	85	102	92	76	87
Last 4 weeks as % of 2010[2]	62	51	60	49	61
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.

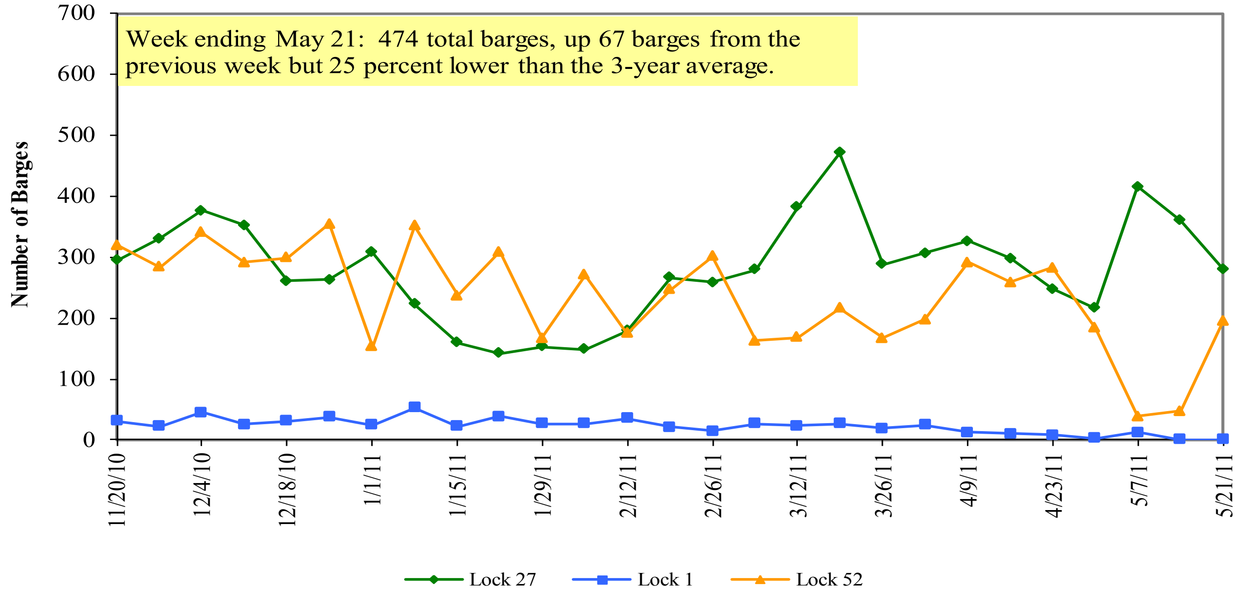
[2] As a percent of same period in 2010.

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

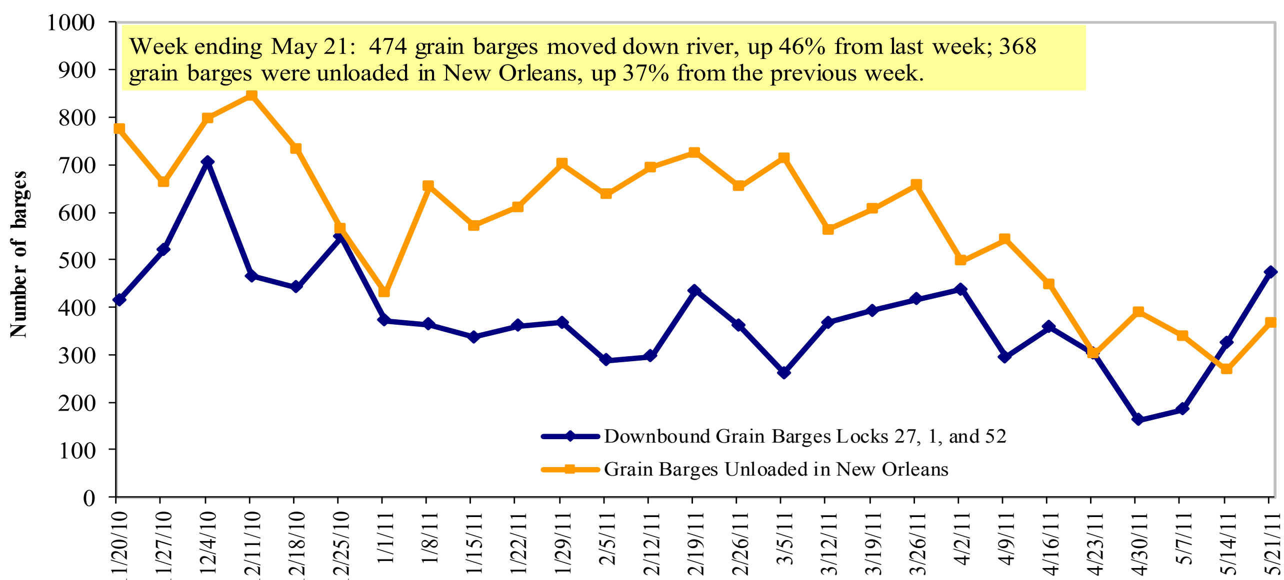
Upbound Empty Barges Transiting Mississippi River Locks 27, Arkansas River Lock and Dam 1, and Ohio River Locks and Dam 52



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 5/23/2011 (US $/gallon)

			Change from	
Region	**Location**	**Price**	**Week ago**	**Year ago**
I	East Coast	4.011	-0.064	0.972
	New England	4.161	-0.046	1.063
	Central Atlantic	4.138	-0.072	0.973
	Lower Atlantic	3.943	-0.062	0.962
II	Midwest[2]	3.942	-0.073	0.957
III	Gulf Coast[3]	3.935	-0.061	0.958
IV	Rocky Mountain	4.101	-0.033	1.084
V	West Coast	4.201	-0.047	1.069
	California	4.287	-0.084	1.125
Total	U.S.	3.997	-0.064	0.976

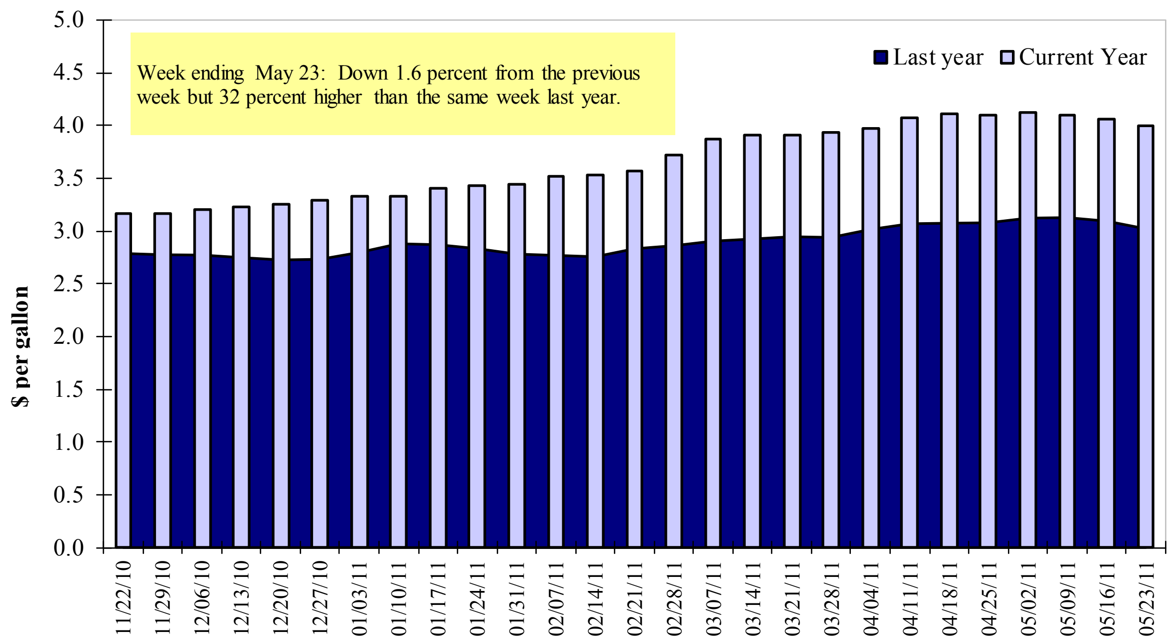
[1]Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

[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]									
5/12/2011	1,982	235	1,057	786	43	4,103	11,271	4,671	20,045
This week year ago	743	235	493	392	125	1,989	11,499	2,149	15,637
Cumulative exports-marketing year[2]									
2010/11 YTD	14,979	2,692	8,177	4,529	925	31,303	31,013	36,641	98,957
2009/10 YTD	8,037	2,662	5,162	3,751	916	20,528	32,096	35,970	88,594
YTD 2010/11 as % of 2009/10	186	101	158	121	101	152	97	102	112
Last 4 wks as % of same period 2009/10	324	171	267	238	39	257	102	221	138
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 05/12/11	**Total Commitments**[2]			**% change**	**Exports**[3]
	2011/12	**2010/11**	**2009/10**	**current MY**	
	Next MY	**Current MY**	**Last MY**	**from last MY**	**2009/10**
		- 1,000 mt -			- 1,000 mt -
Japan	662	12,945	12,604	3	14,343
Mexico	1,066	6,552	7,488	(12)	7,999
Korea	1	5,236	7,009	(25)	7,562
Taiwan	0	2,363	2,776	(15)	2,949
Egypt	40	2,566	2,058	25	2,935
Top 5 importers	**1,770**	**29,662**	**31,934**	**(7)**	**35,788**
Total US corn export sales	**3,559**	**42,284**	**43,595**	**(3)**	**50,460**
% of Projected	8%	88%	86%		
Change from Last Week	308	843	1,354		
Top 5 importers' share of U.S. corn export sales	50%	70%	73%		
USDA forecast, May 2011	**45,720**	**48,260**	**50,460**	**(4)**	
Corn Use for Ethanol USDA forecast, Ethanol May 2011	**128,270**	**127,000**	**116,027**	**9**	

(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 05/12/2011	Total Commitments[2]			% change	Exports[3]
	2011/12	2010/11	2009/10	current MY	
	Current MY	Current MY	Last MY	from last MY	2009/10
		- 1,000 mt -			- 1,000 mt -
China	5,907	25,545	22,076	16	22,454
Mexico	74	2,814	2,894	(3)	3,276
Japan	0	2,011	2,159	(7)	2,347
EU-25	0	2,599	2,697	(4)	2,647
Taiwan	0	1,269	1,472	(14)	1,556
Top 5 importers	**5,981**	**34,239**	**31,299**	**9**	**32,280**
Total US soybean export sales	**6,723**	**41,311**	**38,119**	**8**	**40,850**
% of Projected	16%	98%	93%		
Change from last week	0	166	479		
Top 5 importers' share of U.S. soybean export sales	89%	83%	82%		
USDA forecast, May 2011	**41,910**	**42,180**	**40,850**	**3**	
Soybean Use for Biodiesel USDA forecast, May 2011	**8,393**	**5,995**	**4,076**	**47**	

(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 05/12/2011	Total Commitments[2]			% change	Exports[3]
	2011/12	2010/11	2009/10	current MY	
	Next MY	Current MY	Last MY	from last MY	2009/10
		- 1,000 mt -			- 1,000 mt -
Nigeria	240	3,822	3,452	11	3,233
Japan	146	3,614	3,394	6	3,148
Mexico	288	2,638	1,973	34	1,975
Philippines	650	1,890	1,568	21	1,518
Korea, South	74	1,659	1,204	38	1,111
Taiwan	41	951	844	13	844
Venezuela	86	656	694	(5)	658
Colombia	191	847	540	57	575
Peru	146	984	563	75	567
Egypt	768	3,954	456	768	529
Top 10 importers	**2,629**	**21,015**	**14,688**	**43**	**14,156**
Total US wheat export sales	**3,546**	**35,406**	**22,518**	**57**	**23,980**
% of Projected	12%	102%	94%		
Change from last week	672	127	251		
Top 10 importers' share of U.S. wheat export sales	74%	59%	65%		
USDA forecast, May 2011	**28,580**	**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 05/19/11	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	438	389	113	5,845	4,183	140	152	180	11,062
Corn	182	310	59	3,459	3,801	91	91	90	9,950
Soybeans	0	12	0	3,011	4,248	71	99	26	10,191
Total	**620**	**711**	**87**	**12,314**	**12,232**	**101**	**120**	**117**	**31,203**
Mississippi Gulf									
Wheat	39	163	24	2,271	1,511	150	168	169	4,199
Corn	555	453	122	10,329	11,052	93	89	96	29,794
Soybeans	158	52	305	9,211	8,322	111	75	51	22,519
Total	**752**	**668**	**112**	**21,811**	**20,885**	**104**	**95**	**93**	**56,512**
Texas Gulf									
Wheat	251	144	174	5,882	3,101	190	183	213	9,339
Corn	49	16	313	567	868	65	71	107	1,859
Soybeans	0	0	n/a	763	667	114	118	52	1,916
Total	**300**	**160**	**187**	**7,212**	**4,636**	**156**	**161**	**196**	**13,115**
Great Lakes									
Wheat	46	63	73	413	178	233	574	540	1,897
Corn	0	0	n/a	0	31	0	0	0	119
Soybeans	15	0	n/a	15	0	n/a	n/a	81	655
Total	**60**	**63**	97	**428**	**208**	**205**	**437**	**280**	**2,672**
Atlantic									
Wheat	46	58	78	518	101	515	3,640	251	343
Corn	6	23	26	134	169	79	81	151	469
Soybeans	4	5	86	397	678	59	197	79	1,417
Total	**56**	**86**	**65**	**1,048**	**947**	**111**	**285**	**170**	**2,229**
U.S. total from ports[2]									
Wheat	820	818	100	14,928	9,073	165	177	198	26,839
Corn	791	801	99	14,489	15,921	91	88	94	42,192
Soybeans	177	69	256	13,397	13,914	96	84	46	36,699
Total	**1,787**	**1,688**	**106**	**42,814**	**38,908**	**110**	**118**	**117**	**105,730**

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

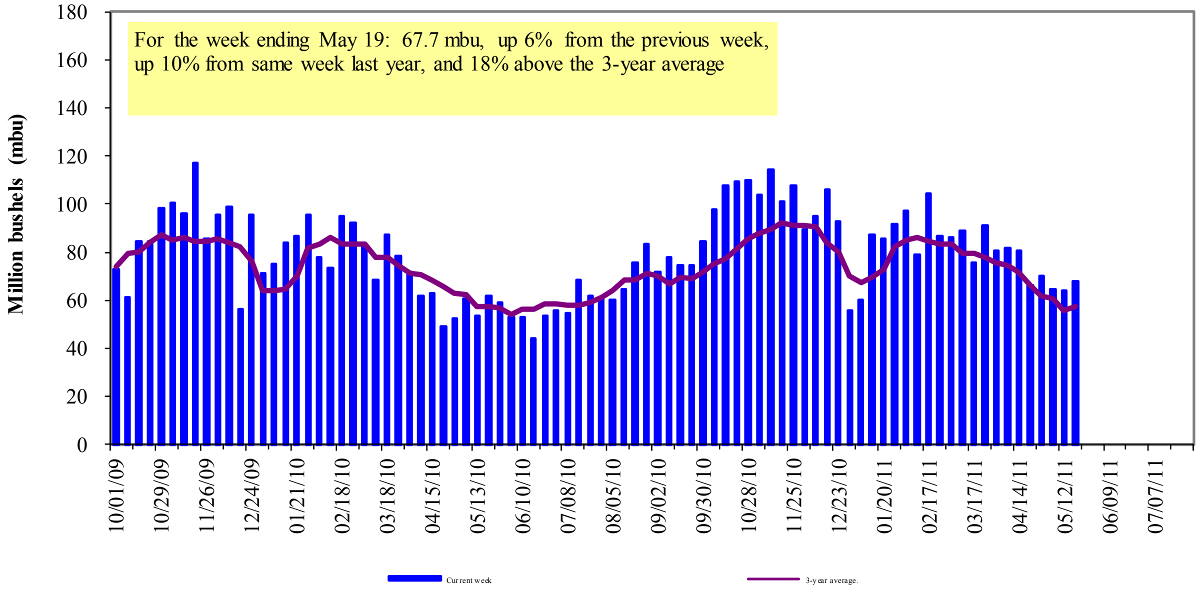
[2] Total includes only port regions shown above

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)

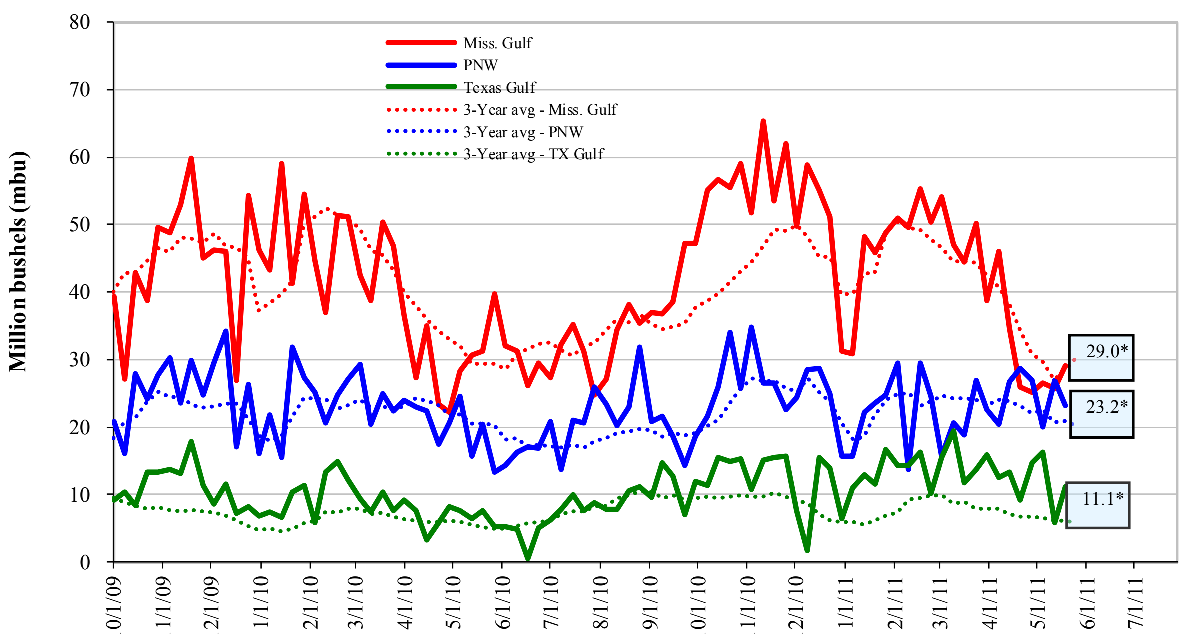


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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.

May 19 % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	up 13	up 88	up 27	down 14
Last year (same week)	down 7	up 46	up 3.4	down 14
3-yr avg. (4-wk mov. avg.)	up 1.2	up 81	up 15	up 10

Ocean Transportation

Table 17

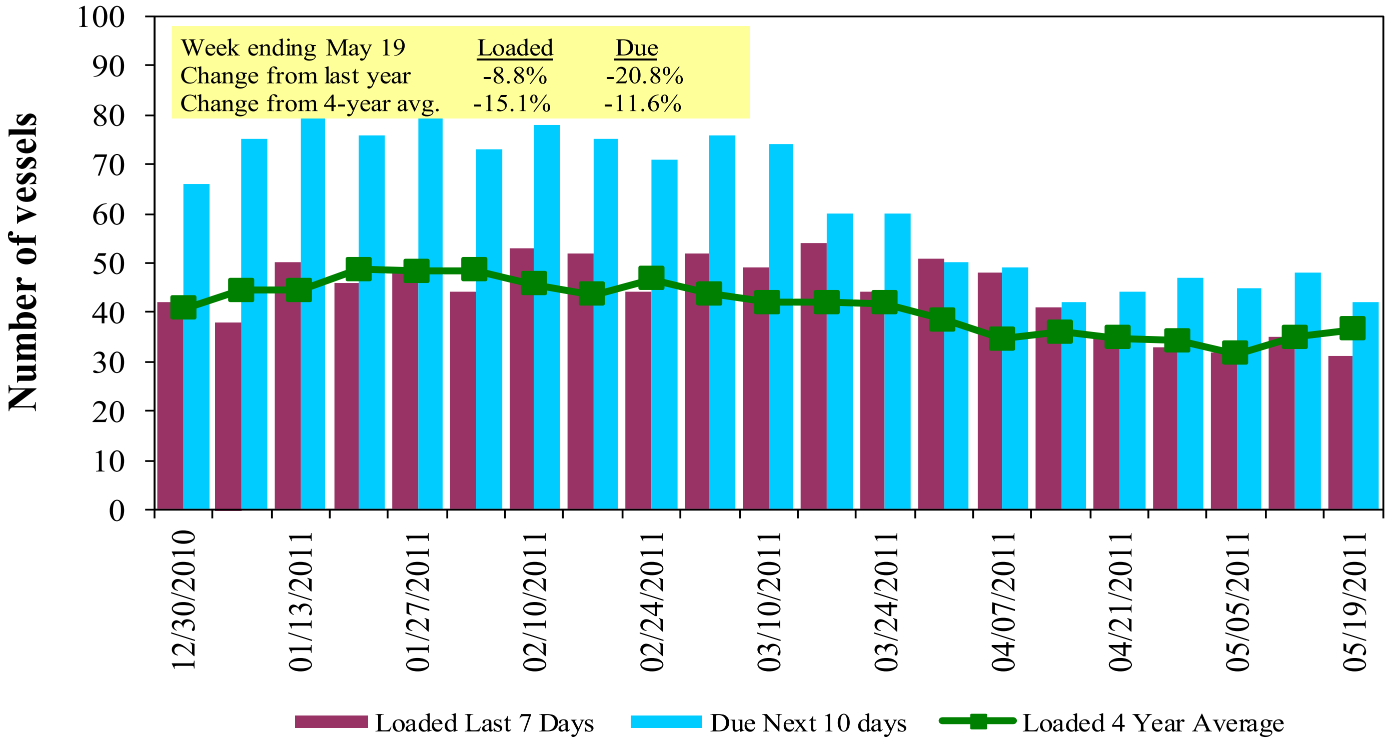
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

	Gulf			Pacific Northwest	Vancouver B.C.
Date	In port	Loaded 7-days	Due next 10-days	In port	In port
5/19/2011	33	31	42	13	20
5/12/2011	25	35	48	18	15
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

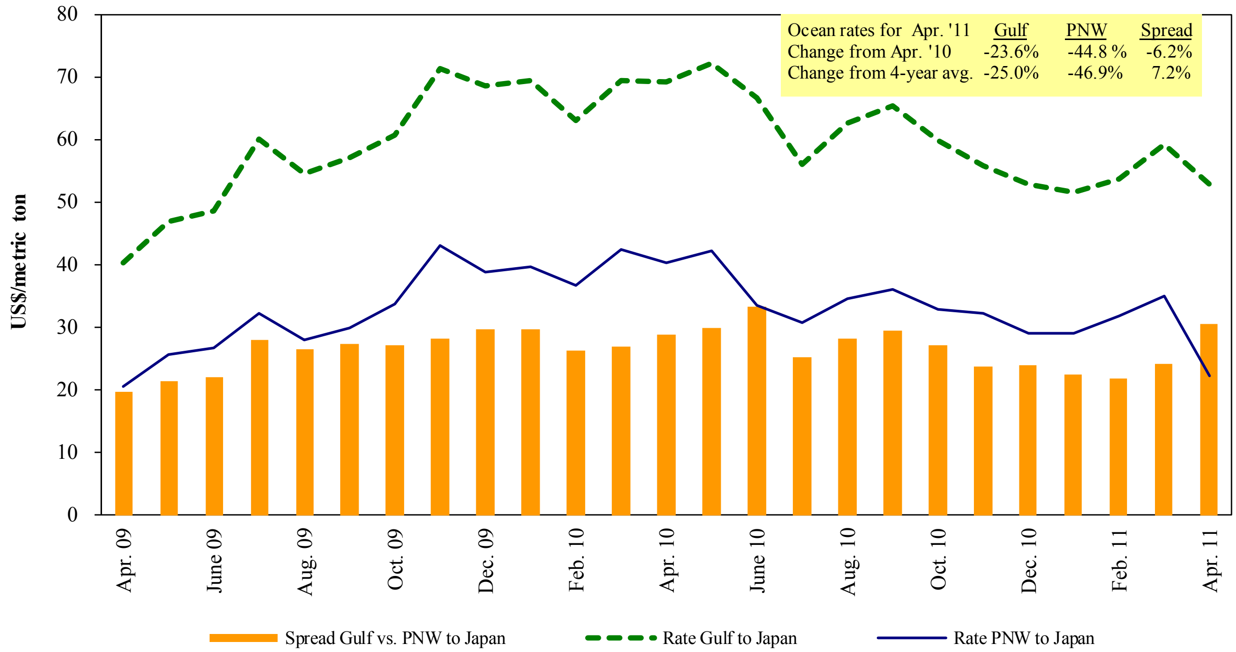


Source:Transportation & Marketing Programs/AMS/USDA

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

Figure 17

Grain Vessel Rates, U.S. to Japan



Source: O'Neil Commodity Consulting

Ocean Freight Rates For Selected Shipments, Week Ending 05/21/2011

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US$/metric ton)
U.S. Gulf	China	Heavy Grain	May 1/10	55,000	56.00
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	Egypt	Grain	May 1/10	60,000	28.50
U.S. Gulf	Isreal	Wheat	May 20/30	50,000	36.00
U.S. Gulf	Nicaragua	Corn/Soybean meal	Feb 7/17	24,000	56.42
U.S. Gulf	Nigeria	Wheat	Apr 17/23	25,000	46.50
U.S. Gulf	Djibouti[1]	Wheat	Mar 31/Apr 9	17,260	129.95
PNW	Rotterdam	Heavy Grain	Feb 15/25	55,000	26.00
Brazil	China	Heavy Grain	May 18/27	60,000	49.50
Brazil	China	Heavy Grain	April 5/15	60,000	51.00
Brazil	China	Heavy Grain	April 1/15	55,000	47.00
Brazil	Turkey	Heavy Grain	May 20/30	50,000	32.00
River Plate	Algeria	Corn	May 15/25	25,000	42.25
River Plate	Algeria	Corn	Apr 15/25	25,000	41.50
River Plate	Algeria	Corn	April 15/25	30,000	41.50
River Plate	Morocco	corn	Feb 28/Mar 8	25,000	37.25
River Plate	Morocco	Heavy Grain	Apr 25/28	2,500	44.50
River Plate	Spain	Maize	May 16/18	25,000	44.00
River Plate	Spain	Corn	Apri 24/25	2,500	46.00
Ukraine	Spain Med	Corn	May 20/24	25,000	18.00
Uruguay	Algeria	Wheat	Feb 5/10	25,000	46.00

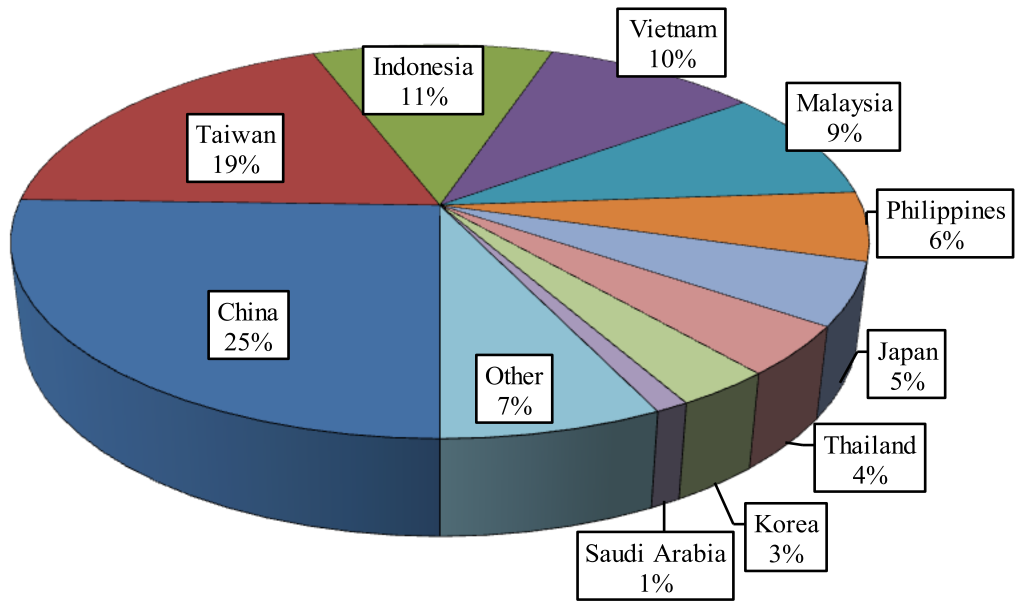
Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option

[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)

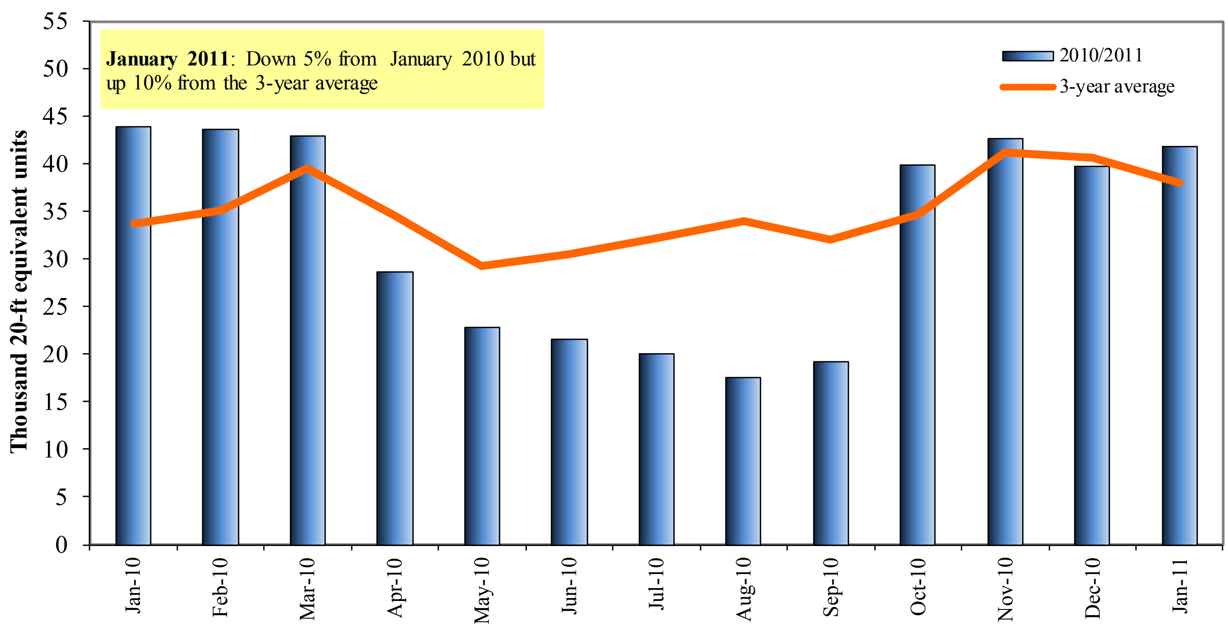
In 2010, containers were used to transport 5 percent of total U.S. waterborne grain exports, and 7 percent of U.S. grain exports to Asia. Asia is the top destination for U.S. containerized grain exports—94 percent in 2010.

Figure 18
Top 10 Destination Markets for U.S. Containerized Grain Exports, January 2011



Source: USDA/Agricultural Marketing Service/Transportation Services Division analysis of Port Import Export Reporting Service (PIERS) data
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: USDA/Agricultural Marketing Service/Transportation Services Division analysis of Port Import Export Reporting Service (PIERS) data
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

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