USDA

Agricultural Marketing Service

Grain Transportation Report

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

Contact Us

June 21, 2012

Contents

The next release is June 28, 2012

WEEKLY HIGHLIGHTS

Study of Rural Transportation Issues

On June 20, the Senate approved amendment SA 2299 to the Farm Bill, S.3240, to require the Secretary of Agriculture and Secretary of Transportation to conduct a study on rural transportation issues, and to require the Secretary of Agriculture to participate on behalf of the interests of agriculture and rural America in all policy development proceedings or other proceedings of the Surface Transportation Board that may establish freight rail transportation policy affecting agriculture and rural America. .

Exemption Renewal Requested for the Distribution of Anhydrous Ammonia

On June 5, U.S. Department of Transportation's Federal Motor Carrier Safety Administration (FMCSA) acknowledged receiving a May 2 letter co-signed by Congressman Blaine Luetkemeyer and Congressman Sam Graves requesting the renewal of the 2-year limited exemption from driver hours of service rules for the distribution of anhydrous ammonia in agricultural operations. The current exemption expires October 9, 2012, unless revoked earlier. FMCSA will publish a notice under Docket ID FMCSA-2010-0230 announcing the May 16 application for renewal from The Fertilizer Institute and will provide a 30-day period for comments before making a decision whether to grant the exemption renewal.

TSA Offers Extended Expiration Date for TWIC Holders

Beginning in August, the Transportation Security Administration (TSA) will offer eligible holders of its Transportation Worker Identification Credential (TWIC) the opportunity to replace their expiring TWICs with a 3-year extended expiration date (EED) TWIC for a reduced fee of $60. TWIC holders must be U.S. citizens or U.S. nationals with a TWIC expiration date on or before December 31, 2014. The new EED TWIC can be initiated by phone and the TWIC holder can pick up the activated TWIC at an enrollment center of his/her choosing. This extension is being offered due to implementation delays for TWIC card readers. For more details, visit: www.tsa.gov/twic.

Pacific Northwest and Mississippi Gulf Grain Inspections Rebound

For the week ending June 14, **total inspections of grain** (wheat, corn, soybeans) for export in the Pacific Northwest (PNW) and Mississippi Gulf rebounded, increasing 26 and 10 percent from the previous week. Wheat and corn shipments increased in both regions and were destined primarily for Asia. Corn (.629 mmt) inspections at all major ports were up 41 percent from the past week, but were down 8 percent for wheat (.562 mmt) and 46 percent for soybeans (.215 mmt). Increased outstanding export sales of wheat and soybeans could push inspections of each up for the upcoming week. The increases in the PNW and Gulf could not offset the drop in total grain inspections at all major ports, which reached 1.41mmt, down 3 percent from the past week and 22 percent below this time last year.

Snapshots by Sector

Rail

U.S. railroads originated 19,547 **carloads of grain** during the week ending June 9, up 0.1 percent from last week, down 11 percent from last year, and 4 percent higher than the 3-year average.

During the week ending June 14, average June non-shuttle **secondary railcar bids/offers per car** were $12.50 above tariff, up $7.50 from last week. Average shuttle bids/offers were $556.50 below tariff, down $69 from last week.

Ocean

During the week ending June 14, 23 **ocean-going grain vessels** were loaded in the Gulf, down 23 percent from the same period last year. Forty vessels are expected to be loaded within the next 10 days, 18 percent more than the same period last year.

During the week ending June 15, the ocean freight rate for shipping bulk grain from the Gulf to Japan was $50.50 per mt, up 3 percent from the previous week. The cost of shipping from the Pacific Northwest to Japan was $27 per mt, up 1 percent from the previous week.

Barge

During the week ending June 16, **barge grain movements** totaled 556,214 tons, 2 percent lower than the previous week but 59 percent higher than the same period last year.

During the week ending June 16, 359 grain barges **moved down river**, up 6 percent from last week; 425 grain barges were **unloaded in New Orleans**, up 75 percent from the previous week.

Fuel

During the week ending June 18, U.S. average **diesel fuel prices** decreased 5 cents to $3.73 per gallon—22 cents lower than the same week last year.

Feature Article/Calendar

First Quarter 2012 Corn and Soybean Transportation Costs Down but Landed Costs Up

Transportation costs of all three modes used for shipping corn and soybeans from Minneapolis, MN, to Japan through the Gulf and Pacific Northwest (PNW) decreased during the first quarter 2012. The drop, however, was not enough to offset the rise in farm-level prices, which led to higher total landed costs. The quarter-to-quarter drop in transportation costs overall was mainly because of lower truck and ocean rates (*see tables*). First quarter barge rates for shipping grain to the Gulf decreased the most among the transportation modes, helping to push quarter-to-quarter transportation costs down notably in the Gulf. Barge rates declined as demand decreased and more barges became available. Truck rates decreased during the quarter partly because of lower demand for trucking services. Quarter-to-quarter ocean rates were down significantly for shipping from the Gulf and PNW due to lower demand for bulk shipping. Increased vessel supply also continued to push ocean rates down in the Gulf and PNW (*see GTR 5/03/12*).

Table 1: Cost of Shipping Corn and Soybeans from Minneapolis to Japan through the U.S. Gulf

	Corn					Soybeans				
	$/metric ton			Percent change		$/metric ton			Percent Change	
	1stQtr 11	4thQtr 11	1stQtr 12	Yr. to Yr.	Qtr to Qtr	1stQtr 11	4thQtr 11	1stQtr 12	Yr. to Yr.	Qtr to Qtr
Truck	n/a	10.22	9.14	n/a	-10.57	n/a	10.22	9.14	n/a	-10.57
Barge	n/a	35.25	29.27	n/a	-16.96	n/a	35.25	29.27	n/a	-16.96
Ocean	n/a	57.13	50.18	n/a	-12.17	n/a	57.13	50.18	n/a	-12.17
Total Transportation Cost	n/a	102.60	88.59	n/a	-13.65	n/a	102.60	88.59	n/a	-13.65
Farm Value [1]	n/a	215.74	237.39	n/a	10.04	n/a	418.88	447.05	n/a	6.73
Total Landed Cost	n/a	318.34	325.98	n/a	2.40	n/a	521.48	535.64	n/a	2.72
Transportation % Landed Cost	n/a	32.23	27.18			n/a	19.67	16.54		

Table 2: Cost of Shipping Corn and Soybeans from Minneapolis to Japan through the U.S. PNW

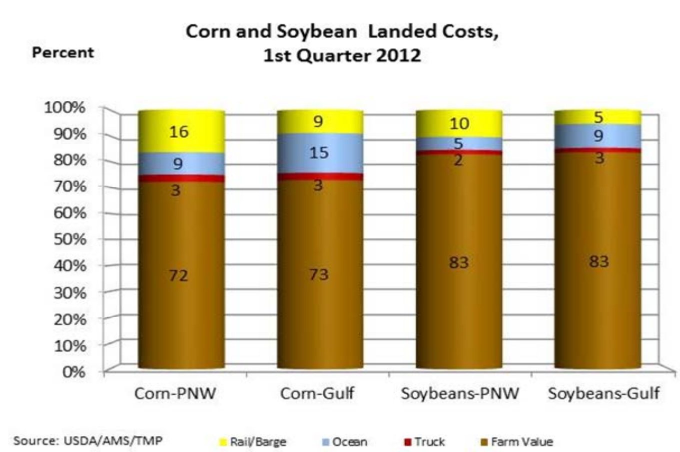
	Corn					Soybeans				
	$/metric ton			Percent change		$/metric ton			Percent Change	
	1stQtr 11	4thQtr 11	1stQtr 12	Yr. to Yr.	Qtr to Qtr	1stQtr 11	4thQtr 11	1stQtr 12	Yr. to Yr.	Qtr to Qtr
Truck	11.34	10.22	9.14	-19.40	-10.57	11.34	10.22	9.14	-19.40	-10.57
Rail[2]	48.33	53.93	54.16	12.06	0.43	49.82	56.20	56.45	13.31	0.44
Ocean	31.92	31.96	28.28	-11.40	-11.51	31.92	31.96	28.28	-11.40	-11.51
Total Transportation Cost	91.59	96.11	91.58	-0.01	-4.71	93.08	98.38	93.87	0.85	-4.58
Farm Value [1]	162.33	215.74	237.39	46.24	10.04	438.47	418.88	447.05	1.96	6.73
Total Landed Cost	253.92	311.85	328.97	29.56	5.49	531.55	517.26	540.92	1.76	4.57
Transportation % Landed Cost	36.07	30.82	27.84			17.51	19.02	17.35		

Source: USDA/AMS/TMP
n/a = not available

[1] Source: USDA/NASS, Agricultural Prices
[2] Rail tariffs include fuel surcharges and revisions for heavy axle rail cars and shuttle trains

U.S. Gulf Costs: Total first quarter transportation costs for shipping corn and soybeans from Minneapolis through the Gulf to Japan decreased 14 percent from the previous quarter due to a notable drop in barge, ocean, and truck rates (see *table 1*). Ocean rates dropped 12 percent quarter- to- quarter due to slow demand for bulk commodities. Truck rates decreased 11 percent quarter- to- quarter partly due to lack of demand for trucking services.

Compared to the fourth quarter 2011, the total landed cost for shipping from the U.S. Gulf to Japan during the first quarter 2012 increased 2 percent for shipping corn and 3 percent for soybeans due solely to higher farm values ($237/metric ton, (mt). Corn farm values were 10 percent above the previous quarter, accounting for 73 percent of the landed cost in the Gulf.



Soybean farm value ($447/mt) increased 7 percent, accounting for 83 percent of the landed cost for shipping from the Gulf (*see figure*). Transportation costs for shipping corn from the Gulf to Japan accounted for about 27 percent of the total landed cost during the first quarter, less than the previous quarter. The 17 percent transportation cost share of the total landed costs for soybeans was also below the previous quarter due to the increasing share for soybean farm value (*see table 1*).

Pacific Northwest Costs: Total transportation costs from Minneapolis via the Pacific Northwest (PNW) to Japan decreased 5 percent for corn and soybeans quarter to quarter (see table 2). Lower truck and ocean rates pushed transport costs down from the previous quarter. Year-to-year transportation costs, however, from the PNW remained stable because of steady rail rates. Compared to the fourth quarter 2011, PNW rail rates increased about 1 percent for corn and soybeans. Year-to-year rail rates for shipping grain to the PNW increased 12 percent for corn and 13 percent for soybeans because of higher fuel surcharges (*see GTR table 7*).

The increase in farm values caused first quarter PNW total landed corn costs to increase over 5 percent quarter-to-quarter and 30 percent year-to-year (see table 2). Corn farm value accounted for 72 percent of the landed cost for shipping corn from the PNW (see figure). The increase in soybean farm value also helped push PNW total landed costs for shipping soybeans up about 5 percent quarter-to-quarter. The year-to-year total landed costs increased only 2 percent because of a slight increase in the soybean farm value when compared to last year (see table 2). Transportation costs for corn shipped through the PNW accounted for about 28 percent of the total landed costs during the first quarter, below the previous quarter and last year. First quarter transportation costs for soybeans shipped through the PNW accounted for 17 percent of the total landed costs, also below the previous quarter and last year. Soybean farm value, at $447 per mt, was above the past quarter and last year, accounting for 83 percent of the landed cost to ship from the PNW (*see figure*).

Market Outlook: Sluggish global economic growth could continue to keep transportation costs moderate. However, USDA projects 2012/13 corn exports to increase to 48.26 mmt, up 15 percent from the 2011/12 estimate. The projected 2012/13 soybean exports (40.42 mmt) are expected to increase 11 percent from the 2011/12 estimated soybean exports. If farm values continue to remain strong, moderate transportation costs will help keep United States competitive in the corn and soybean world market.
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Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators[1]

	Truck	Rail		Barge	Ocean	
Week ending		Unit Train	Shuttle		Gulf	Pacific
06/20/12	253	230	182	154	226	191
06/13/12	254	229	185	158	219	174

[1]Indicator: Base year 2000 = 100; Weekly updates include truck = diesel ($/gallon); rail = near-month secondary rail market bid and monthly tariff rate with fuel surcharge ($/car); barge = Illinois River barge rate (index = percent of tariff rate); and ocean = routes to Japan ($/metric ton)

Source: Transportation & Marketing Programs/AMS/USDA

Table 2

Market Update: U.S. Origins to Export Position Price Spreads ($/bushel)

Commodity	Origin--Destination	6/15/2012	6/8/2012
Corn	IL--Gulf	-0.45	-0.48
Corn	NE--Gulf	-0.56	-0.61
Soybean	IA--Gulf	-1.07	-1.15
HRW	KS--Gulf	-1.05	-1.34
HRS	ND--Portland	-1.70	-1.38

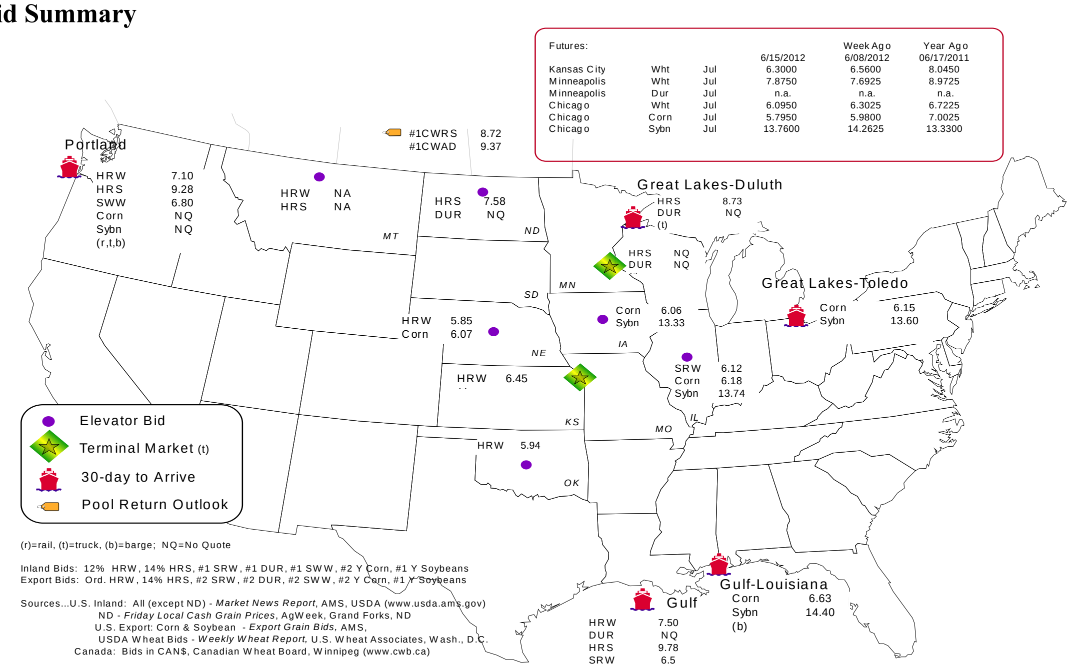
Note: nq = no quote

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
6/13/2012[p]	110	713	1,020	3,446	203	5,492
6/06/2012[r]	215	1,562	1,073	2,972	105	5,927
2012 YTD[r]	3,929	17,867	29,475	100,536	9,990	161,797
2011 YTD[r]	20,581	52,687	21,603	93,508	14,596	202,975
2012 YTD as % of 2011 YTD	19	34	136	108	68	80
Last 4 weeks as % of 2011[2]	23	71	105	97	90	88
Last 4 weeks as % of 4-year avg.[2]	25	96	134	100	79	98
Total 2011	27,358	77,515	48,782	191,092	24,088	368,835
Total 2010	33,971	83,492	42,794	177,896	32,780	370,933

[1] Data is incomplete as it is voluntarily provided

[2] Compared with same 4-weeks in 2011 and prior 4-year average.

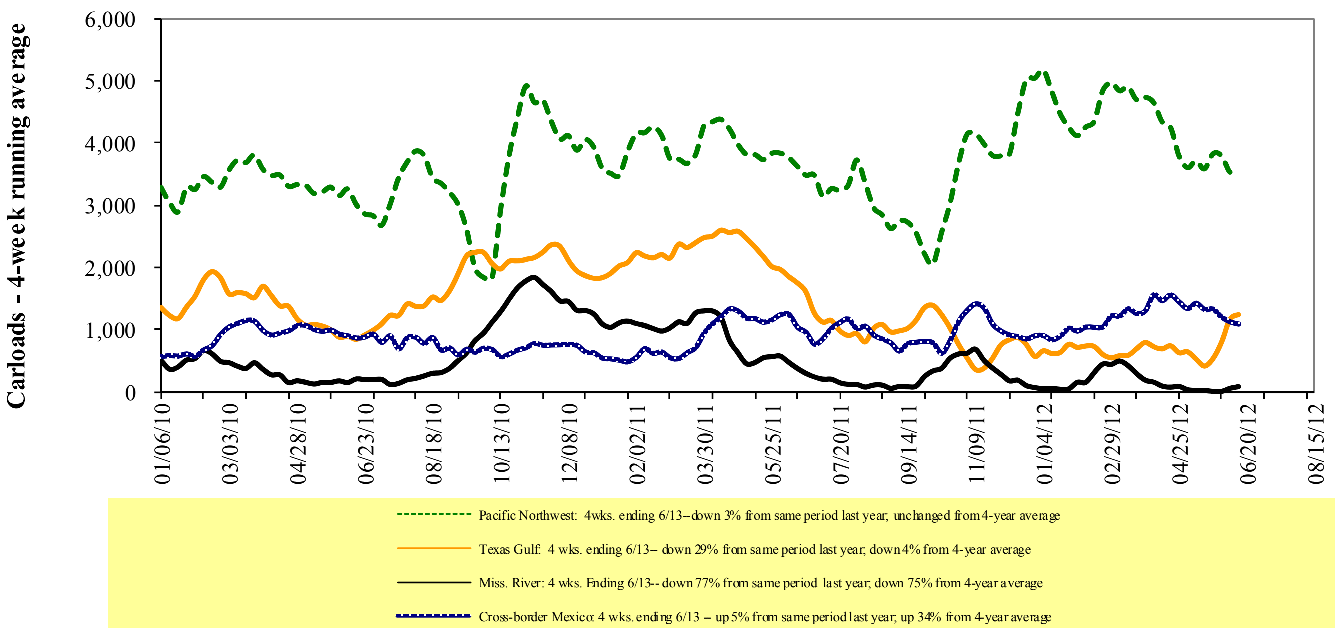
YTD = year-to-date; p = preliminary data; r = revised data; YTD PNW carloads includes revisions back to August 2011 ; n/a = not available

Source: Transportation & Marketing Programs/AMS/USDA

Railroads originate approximately 29 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)

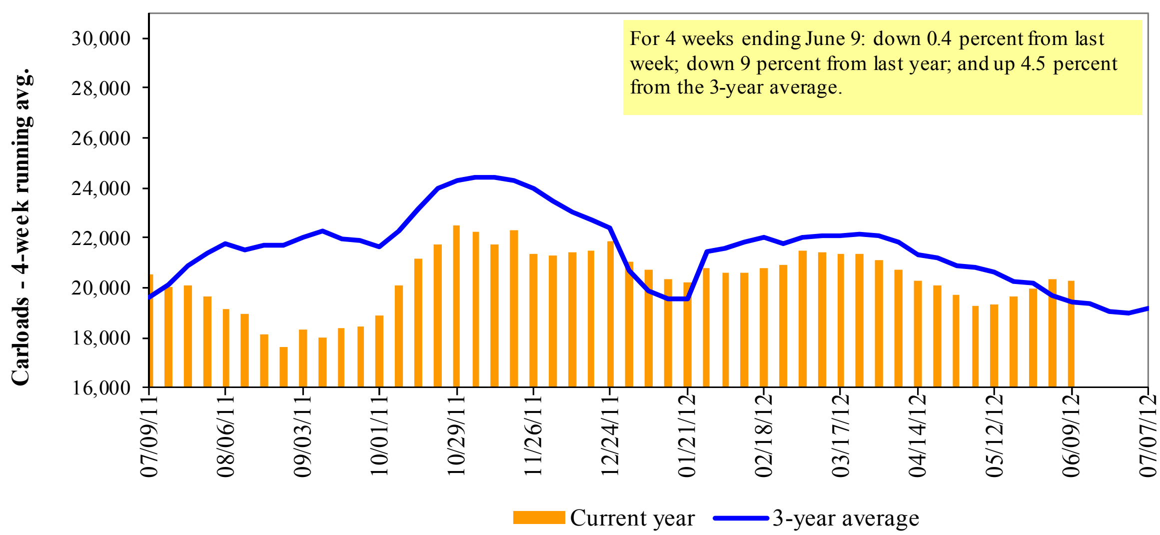
	East		West			U.S. total	Canada	
Week ending	**CSXT**	**NS**	**BNSF**	**KCS**	**UP**		**CN**	**CP**
06/09/12	1,842	2,889	8,430	769	5,617	19,547	3,437	4,197
This week last year	1,794	2,959	11,236	760	5,247	21,996	3,239	5,444
2012 YTD	45,411	65,128	229,766	11,643	119,344	471,292	88,541	108,722
2011 YTD	47,447	70,403	260,434	15,412	141,057	534,753	91,949	111,458
2012 YTD as % of 2011 YTD	96	93	88	76	85	88	96	98
Last 4 weeks as % of 2011[1]	88	87	90	69	99	91	100	66
Last 4 weeks as % of 3-yr avg.[1]	85	94	107	78	116	104	93	68
Total 2011	98,506	150,869	546,090	34,683	292,401	1,122,549	200,610	269,399

[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

Railcar Auction Offerings[1] ($/car)[2]

Week ending	**Delivery period**							
6/14/2012	**Jun-12**	**Jun-11**	**Jul-12**	**Jul-11**	**Aug-12**	**Aug-11**	**Sep-12**	**Sep-11**
BNSF[3]								
COT grain units	no offer	no bids	no bids	no offer	no bids	39	3	51
COT grain single-car[5]	no offer	0 . . 1	0 . . 5	0 . . 1	0 . . 10	0 . . 67	37 . . 50	0 . . 77
UP[4]								
GCAS/Region 1	no offer	no bids	no bids	no bids	no bids	no bids	n/a	n/a
GCAS/Region 2	no offer	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.

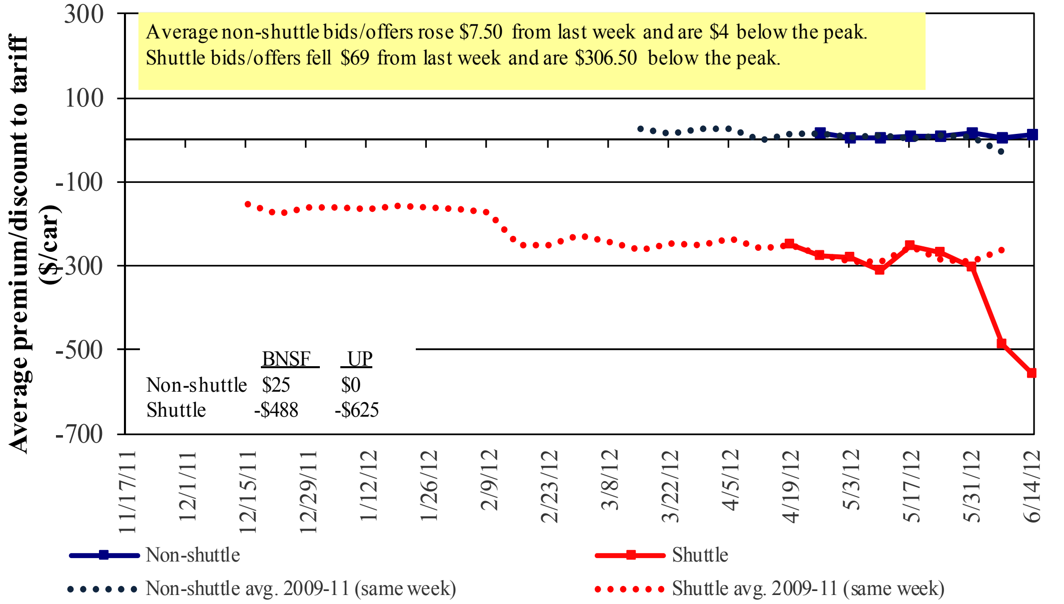
[5]Range is shown because average is not available. Not available = n/a.

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 2012, Secondary Market

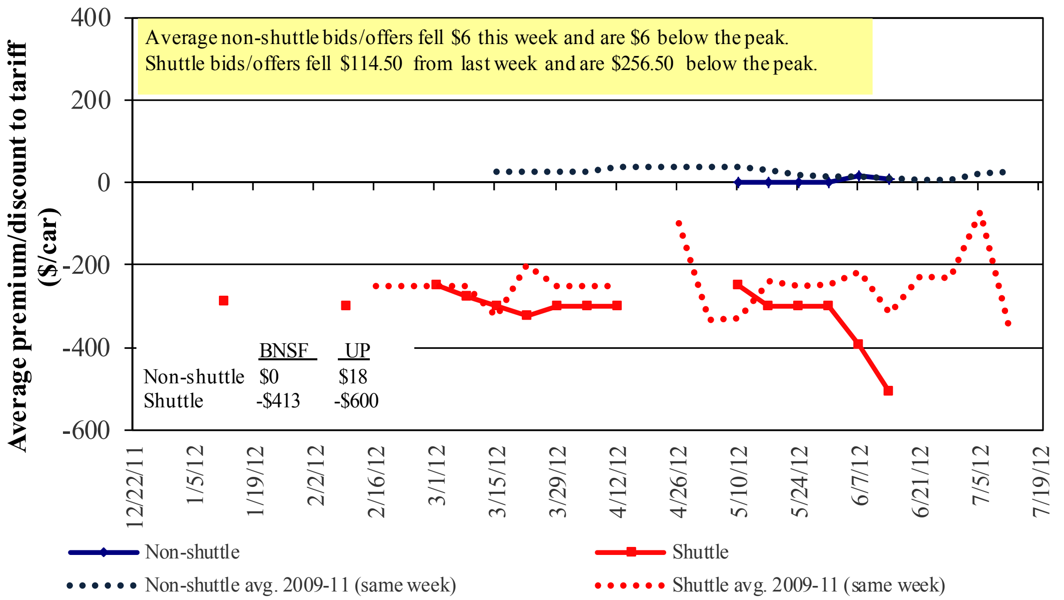


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

Bids/Offers for Railcars to be Delivered in July 2012, Secondary Market

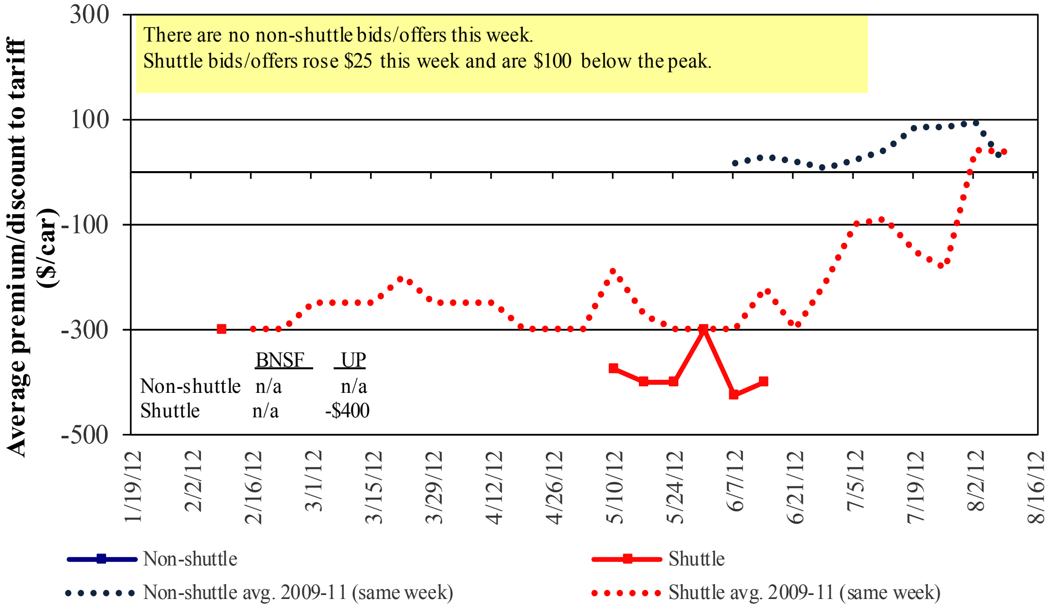


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in August 2012, 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 Railcar Market ($/car)[1]

Week ending 6/14/2012	Delivery period Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12
Non-shuttle						
BNSF-GF	25	-	n/a	n/a	n/a	n/a
Change from last week	15	-	n/a	n/a	n/a	n/a
Change from same week 2011	n/a	(50)	n/a	n/a	n/a	n/a
UP-Pool	-	18	n/a	n/a	100	n/a
Change from last week	-	(12)	n/a	n/a	(38)	n/a
Change from same week 2011	n/a	(7)	n/a	n/a	n/a	n/a
Shuttle[2]						
BNSF-GF	(488)	(413)	n/a	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 2011	n/a	12	n/a	n/a	n/a	n/a
UP-Pool	(625)	(600)	(400)	(250)	325	n/a
Change from last week	(25)	(208)	25	-	(100)	n/a
Change from same week 2011	n/a	(250)	(100)	-	(175)	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: 6/1/2012	Origin region*	Destination region*	Tariff rate/car	Fuel surcharge per car	Tariff plus surcharge per: metric ton	Tariff plus surcharge per: bushel[2]	Percent change Y/Y[3]
Unit train							
Wheat	Wichita, KS	St. Louis, MO	$2,992	$207	$31.77	$0.86	0
	Grand Forks, ND	Duluth-Superior, MN	$3,260	$122	$33.59	$0.91	15
	Wichita, KS	Los Angeles, CA	$6,026	$627	$66.07	$1.80	5
	Wichita, KS	New Orleans, LA	$3,645	$365	$39.82	$1.08	4
	Sioux Falls, SD	Galveston-Houston, TX	$5,573	$515	$60.46	$1.65	3
	Northwest KS	Galveston-Houston, TX	$3,912	$400	$42.82	$1.17	4
	Amarillo, TX	Los Angeles, CA	$4,112	$556	$46.36	$1.26	4
Corn	Champaign-Urbana, IL	New Orleans, LA	$3,038	$412	$34.26	$0.93	7
	Toledo, OH	Raleigh, NC	$4,382	$459	$48.07	$1.31	15
	Des Moines, IA	Davenport, IA	$1,934	$87	$20.07	$0.55	5
	Indianapolis, IN	Atlanta, GA	$3,821	$345	$41.37	$1.13	18
	Indianapolis, IN	Knoxville, TN	$3,273	$221	$34.70	$0.94	17
	Des Moines, IA	Little Rock, AR	$3,074	$257	$33.08	$0.90	4
	Des Moines, IA	Los Angeles, CA	$4,985	$747	$56.93	$1.55	3
Soybeans	Minneapolis, MN	New Orleans, LA	$3,249	$454	$36.78	$1.00	5
	Toledo, OH	Huntsville, AL	$3,497	$326	$37.96	$1.03	18
	Indianapolis, IN	Raleigh, NC	$4,453	$462	$48.81	$1.33	15
	Indianapolis, IN	Huntsville, AL	$3,189	$221	$33.86	$0.92	21
	Champaign-Urbana, IL	New Orleans, LA	$3,382	$412	$37.68	$1.03	7
Shuttle Train							
Wheat	Great Falls, MT	Portland, OR	$3,351	$361	$36.86	$1.00	3
	Wichita, KS	Galveston-Houston, TX	$3,634	$281	$38.88	$1.06	15
	Chicago, IL	Albany, NY	$3,645	$430	$40.47	$1.10	4
	Grand Forks, ND	Portland, OR	$4,832	$623	$54.17	$1.47	3
	Grand Forks, ND	Galveston-Houston, TX	$5,854	$649	$64.58	$1.76	4
	Northwest KS	Portland, OR	$4,793	$656	$54.11	$1.47	2
Corn	Minneapolis, MN	Portland, OR	$4,800	$759	$55.20	$1.50	3
	Sioux Falls, SD	Tacoma, WA	$4,760	$695	$54.17	$1.47	3
	Champaign-Urbana, IL	New Orleans, LA	$2,857	$412	$32.47	$0.88	6
	Lincoln, NE	Galveston-Houston, TX	$3,310	$405	$36.89	$1.00	4
	Des Moines, IA	Amarillo, TX	$3,430	$323	$37.27	$1.01	3
	Minneapolis, MN	Tacoma, WA	$4,800	$753	$55.14	$1.50	3
	Council Bluffs, IA	Stockton, CA	$4,200	$779	$49.44	$1.35	3
Soybeans	Sioux Falls, SD	Tacoma, WA	$5,040	$695	$56.95	$1.55	4
	Minneapolis, MN	Portland, OR	$5,030	$759	$57.49	$1.56	4
	Fargo, ND	Tacoma, WA	$4,930	$618	$55.09	$1.50	4
	Council Bluffs, IA	New Orleans, LA	$3,710	$476	$41.57	$1.13	5
	Toledo, OH	Huntsville, AL	$2,672	$326	$29.77	$0.81	5
	Grand Island, NE	Portland, OR	$5,115	$671	$57.46	$1.56	12

[1] A unit train refers to shipments of at least 25 cars. Shuttle train rates are available for qualified shipments of 75-120 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: 6/1/2012				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	$7,741	$659	$85.83	$2.33	12
	OK	Cuautitlan, EM	$6,780	$801	$77.46	$2.11	10
	KS	Guadalajara, JA	$7,444	$774	$83.97	$2.28	6
	TX	Salinas Victoria, NL	$3,725	$302	$41.14	$1.12	9
Corn	IA	Guadalajara, JA	$7,699	$910	$87.96	$2.23	8
	SD	Penjamo, GJ	$7,776	$863	$88.27	$2.24	17
	NE	Queretaro, QA	$7,073	$808	$80.53	$2.04	3
	SD	Salinas Victoria, NL	$5,650	$656	$64.43	$1.63	5
	MO	Tlalnepantla, EM	$6,518	$785	$74.62	$1.89	8
	SD	Torreon, CU	$6,522	$722	$74.02	$1.88	14
Soybeans	MO	Bojay (Tula), HG	$7,350	$768	$82.94	$2.26	8
	NE	Guadalajara, JA	$7,904	$878	$89.73	$2.44	4
	IA	El Castillo, JA[5]	$8,255	$857	$93.11	$2.53	6
	KS	Torreon, CU	$6,421	$544	$71.17	$1.94	4
Sorghum	OK	Cuautitlan, EM	$5,670	$655	$64.62	$1.64	6
	TX	Guadalajara, JA	$6,653	$561	$73.71	$1.87	6
	NE	Penjamo, GJ	$7,426	$783	$83.88	$2.13	6
	KS	Queretaro, QA	$6,425	$492	$70.67	$1.79	4
	NE	Salinas Victoria, NL	$5,128	$576	$58.28	$1.48	6
	NE	Torreon, CU	$6,068	$643	$68.57	$1.74	3

[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

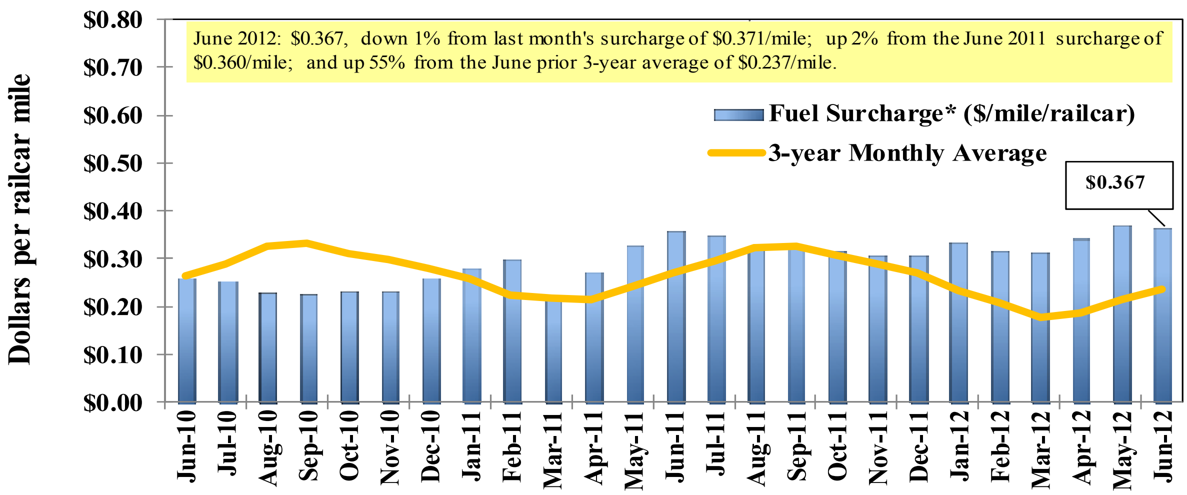
[4]Percentage change year over year calculated using tariff rate plus fuel surchage

[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.

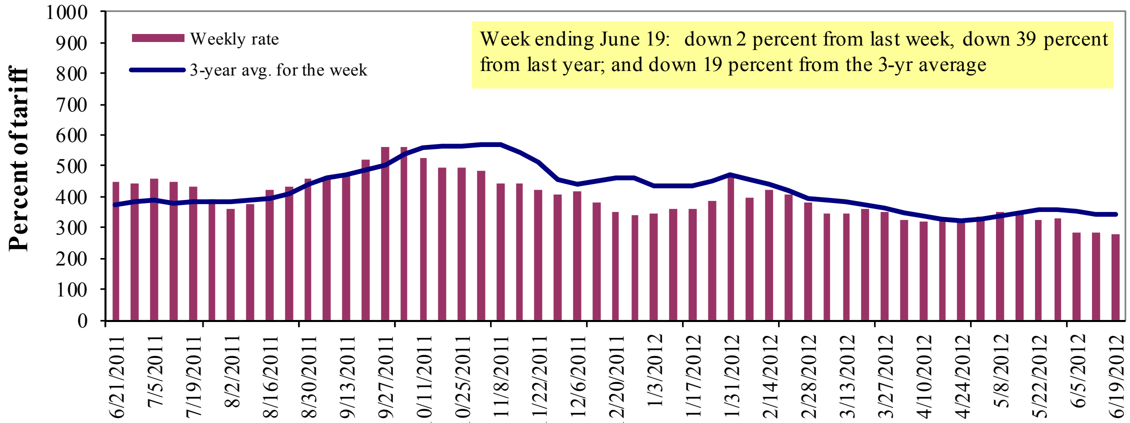
** BNSF strike price (diesel price when fuel surcharges begin) changed from $1.25/gal. to $2.50/gal starting March 1, 2011. As a result, the weighted average fuel surcharge for March 2011 was $0.227/mile instead of $0.331/mile.

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]	6/19/2012	375	313	277	232	265	265	198
	6/12/2012	386	320	284	218	266	266	200
$/ton	6/19/2012	23.21	16.65	12.85	9.26	12.43	10.71	6.22
	6/12/2012	23.89	17.02	13.18	8.70	12.48	10.75	6.28
Current week % change from the same week:								
	Last year	-33	-35	-39	-36	-33	-33	-39
	3-year avg. [2]	-11	-13	-19	-8	-9	-9	-14
Rate[1]	July	385	313	295	250	275	275	225
	September	540	480	480	408	495	495	425

[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

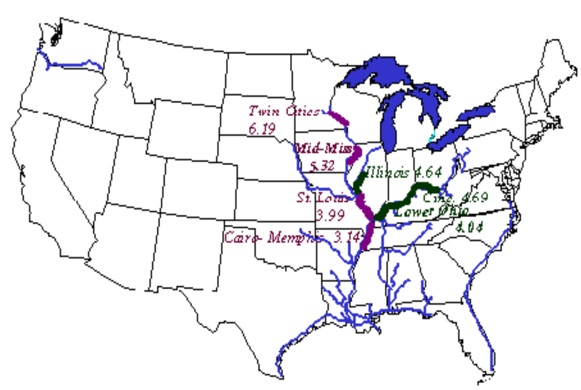
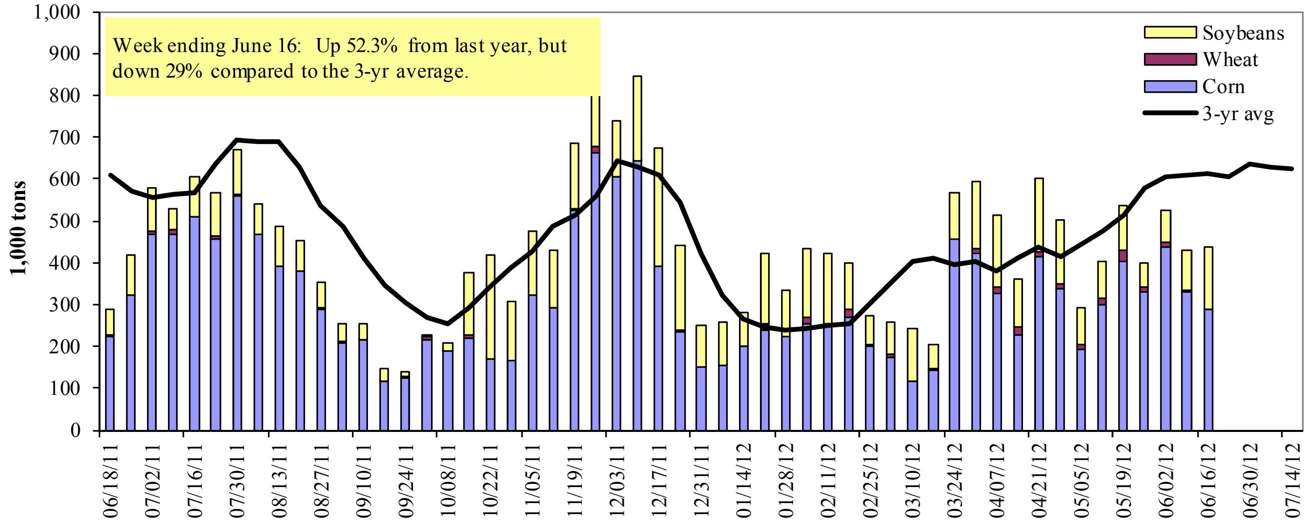


Figure 10

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 6/16/2012	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	176	5	65	0	245
Winfield, MO (L25)	247	0	76	0	323
Alton, IL (L26)	308	0	127	0	434
Granite City, IL (L27)	287	0	150	0	437
Illinois River (L8)	59	0	39	0	98
Ohio River (L52)	15	32	27	2	75
Arkansas River (L1)	0	39	3	1	43
Weekly total - 2012	302	71	180	3	556
Weekly total - 2011	261	17	73	0	351
2012 YTD[1]	8,722	945	4,813	138	14,618
2011 YTD	8,483	560	3,657	146	12,846
2012 as % of 2011 YTD	103	169	132	95	114
Last 4 weeks as % of 2011[2]	92	67	136	39	104
Total 2011	19,921	1,460	8,553	422	30,356

[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.

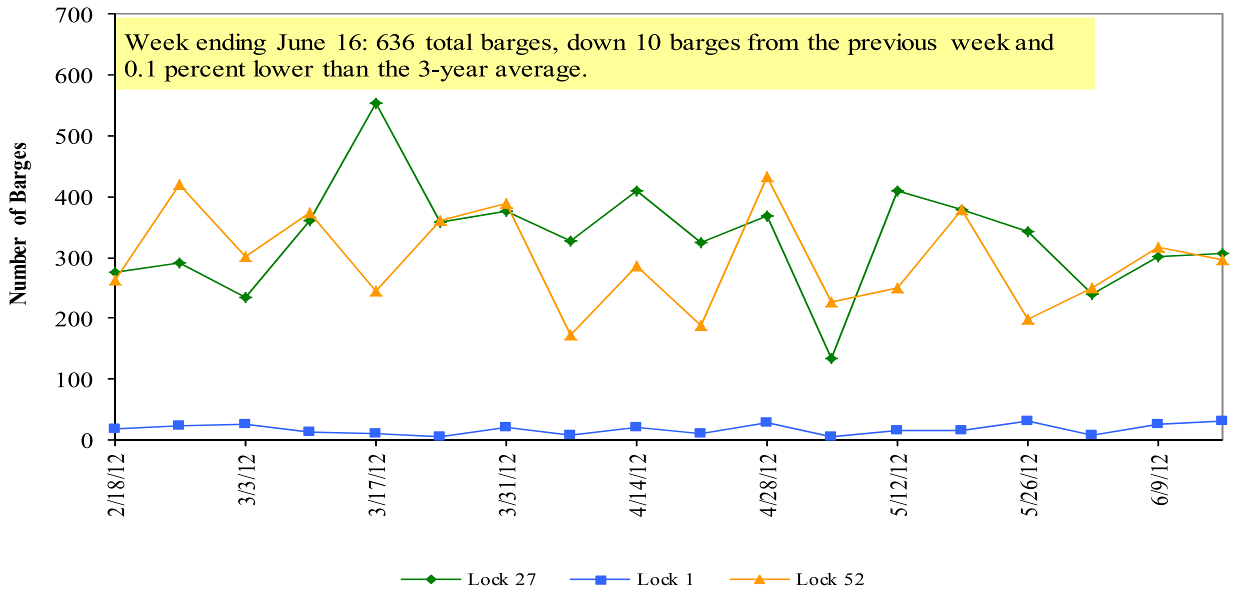
[2] As a percent of same period in 2011.

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

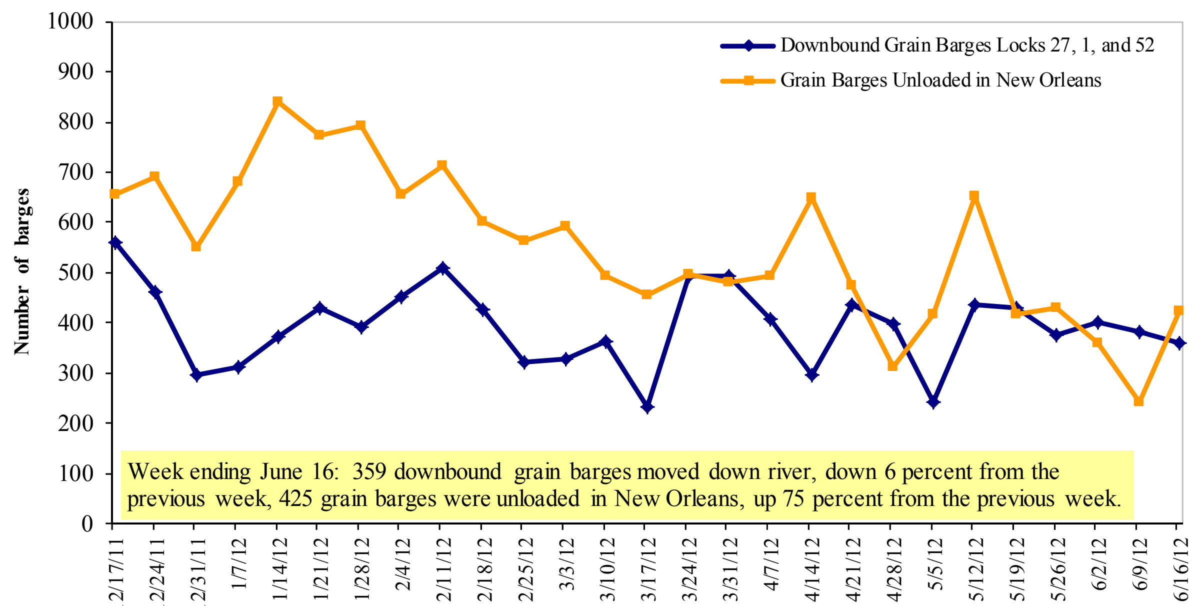
Upbound Empty Barges Transiting Mississippi River Locks 27, Arkansas River Lock and Dam 1, and Ohio River Locks and Dam 52



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 6/18/2012 (US $/gallon)

			Change from	
Region	**Location**	**Price**	**Week ago**	**Year ago**
I	East Coast	3.766	-0.052	-0.196
	New England	3.923	-0.051	-0.154
	Central Atlantic	3.868	-0.041	-0.206
	Lower Atlantic	3.660	-0.061	-0.244
II	Midwest[2]	3.655	-0.041	-0.249
III	Gulf Coast[3]	3.654	-0.044	-0.242
IV	Rocky Mountain	3.832	-0.041	-0.127
V	West Coast	3.899	-0.092	-0.257
	California	3.966	-0.100	-0.270
Total	U.S.	3.729	-0.052	-0.221

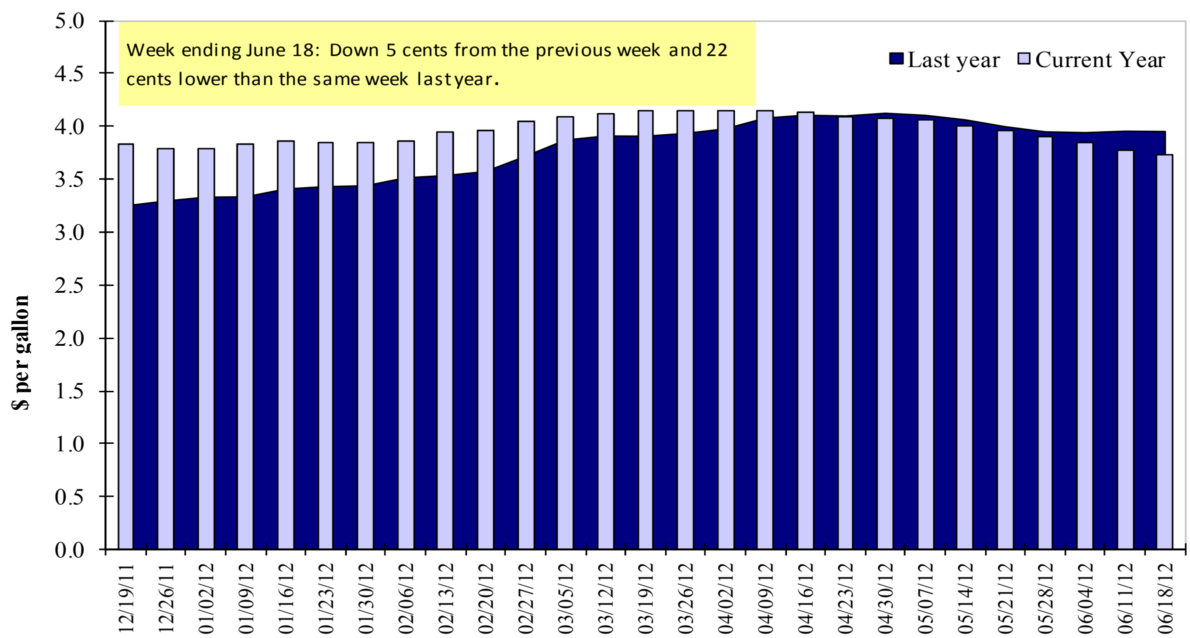
[1]Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

[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)

Week ending	HRW	SRW	HRS	SWW	DUR	All wheat	Corn	Soybeans	Total
	Wheat								
Export Balances[1]									
6/7/2012	1,630	819	1,375	915	143	4,881	7,382	5,272	17,535
This week year ago	2,155	722	2,075	1,207	143	6,301	9,407	4,223	19,931
Cumulative exports-marketing year[2]									
2011/12 YTD	333	80	149	106	0	667	31,174	31,515	63,356
2010/11 YTD	360	74	158	178	23	793	34,692	37,634	73,119
YTD 2011/12 as % of 2010/11	93	108	94	60	0	84	90	84	87
Last 4 wks as % of same period 2010/11	40	58	39	41	40	41	85	127	80
2010/11 Total	15,837	2,828	8,623	4,717	979	32,984	44,569	39,753	117,306
2009/10 Total	8,458	2,733	5,329	3,897	983	21,400	47,700	39,285	108,385

[1] Current unshipped export sales to date

[2] Shipped export sales to date; the new marketing year is now in effect for wheat

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 06/07/12	**Total Commitments**[2]			**% change**	**Exports**[3]
	2012/13	**2011/12**	**2010/11**	**current MY**	
	Next MY	**Current MY**	**Last MY**	**from last MY**	**2010/11**
		- 1,000 mt -			- 1,000 mt -
Japan	992	10,971	13,646	(20)	14,279
Mexico	741	9,426	6,639	42	7,019
Korea	181	3,791	5,427	(30)	6,104
China*	1,041	5,016	556	803	978
Taiwan	0	1,542	2,455	(37)	2,393
Top 5 importers	**2,956**	**30,746**	**28,722**	**7**	**30,772**
Total US corn export sales	**5,600**	**38,556**	**44,098**	**(13)**	**46,600**
% of Projected	12%	92%	95%		
Change from prior week	78	92	296		
Top 5 importers' share of U.S. corn export sales	53%	80%	65%		
USDA forecast, June 2012	**48,260**	**41,910**	**46,600**	**(10)**	
Corn Use for Ethanol USDA forecast, Ethanol June 2012	**127,000**	**128,270**	**127,534**	**0.6**	

(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, or Export Sales Query--http://www.fas.usda.gov/esrquery/

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

*China -- New to the Top 5 in the 2011/12 Marketing Year, replacing Egypt.

Table 14

Top 5 Importers[1] of U.S. Soybeans

Week Ending 06/07/2012	Total Commitments[2] 2012/13 Next MY	2011/12 Current MY	2010/11 Last MY	% change current MY from last MY	Exports[3] 2010/11
		- 1,000 mt -			- 1,000 mt -
China	8,909	22,911	25,604	(11)	24,445
Mexico	134	3,077	3,024	2	3,215
Japan	0	1,728	2,162	(20)	1,887
EU	60	1,092	2,599	(58)	2,607
Indonesia	64	1,471	1,448	2	1,397
Top 5 importers	**9,166**	**30,279**	**34,836**	**(13)**	**33,551**
Total US soybean export sales	**11,555**	**36,786**	**41,857**	**(12)**	**40,860**
% of Projected	29%	101%	102%		
Change from prior week	580	425	179		
Top 5 importers' share of U.S. soybean export sales	79%	82%	83%		
USDA forecast, June 2012	**40,420**	**36,330**	**40,860**	**(11)**	

(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, or Export Sales Query--http://www.fas.usda.gov/esrquery/

[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 06/07/2012	Total Commitments[2] 2012/13 Current MY	2011/12 Last MY	% change current MY from last MY	Exports[3] 2011/12
	- 1,000 mt -			- 1,000 mt -
Japan	603	974	(38)	3,512
Mexico	846	660	28	3,496
Nigeria	374	695	(46)	3,248
Philippines	419	886	(53)	2,039
Korea	331	155	114	1,983
Egypt	113	58	95	950
Taiwan	235	231	2	888
Indonesia	79	200	(60)	830
Venezuela	23	167	(87)	594
Iraq	200	200	0	572
Top 10 importers	**3,222**	**4,225**	**(24)**	**18,111**
Total US wheat export sales	**5,548**	**7,094**	**(22)**	**28,710**
% of Projected	18%	25%		
Change from prior week	433	455		
Top 10 importers' share of U.S. wheat export sales	58%	60%		63%
USDA forecast, June 2012	**31,300**	**28,710**	**9**	

(n) indicates negative number.

[1] Modified from the FAS **2010/11** 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, or Export Sales Query--http://www.fas.usda.gov/esrquery/

[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 06/14/12	Previous Week[1]	Current Week as % of Previous	2012 YTD[1]	2011 YTD[1]	2012 YTD as % of 2011 YTD	Last 4-weeks as % of 2011	Last 4-weeks as % of 3-yr. avg.	Total[1] 2011
Pacific Northwest									
Wheat	292	229	128	6,474	6,982	93	82	106	13,995
Corn	257	64	400	3,478	4,522	77	73	96	9,198
Soybeans	64	195	33	4,706	3,161	149	300	450	7,321
Total	**613**	**488**	**126**	**14,658**	**14,665**	**100**	**92**	**121**	**30,513**
Mississippi Gulf									
Wheat	109	100	109	3,119	2,559	122	182	188	5,031
Corn	315	249	126	9,911	12,322	80	66	56	26,267
Soybeans	81	112	73	9,048	9,557	95	175	106	19,262
Total	**505**	**461**	**110**	**22,078**	**24,438**	**90**	**93**	**77**	**50,560**
Texas Gulf									
Wheat	113	249	46	2,595	6,838	38	62	98	10,837
Corn	0	7	0	295	719	41	11	17	1,021
Soybeans	2	0	n/a	2	763	0	n/a	0	926
Total	**115**	**256**	**45**	**2,892**	**8,320**	**35**	**56**	**88**	**12,784**
Interior									
Wheat	23	32	70	580	516	112	203	157	1,110
Corn	57	125	46	3,920	3,359	117	90	95	7,509
Soybeans	36	60	60	2,035	1,921	106	66	120	4,273
Total	**116**	**217**	**53**	**6,534**	**5,796**	**113**	**135**	**107**	**12,892**
Great Lakes									
Wheat	0	0	n/a	112	564	20	54	112	1,038
Corn	0	0	n/a	37	8	445	89	64	178
Soybeans	23	24	97	106	22	477	846	735	382
Total	**23**	**24**	**99**	**256**	**595**	**43**	**99**	**174**	**1,598**
Atlantic									
Wheat	24	0	n/a	193	524	37	1,670	759	686
Corn	0	0	n/a	80	166	48	14	22	295
Soybeans	9	5	168	492	428	115	104	142	1,042
Total	**33**	**5**	**621**	**765**	**1,118**	**68**	**203**	**253**	**2,022**
U.S. total from ports[2]									
Wheat	562	610	92	13,073	17,983	73	90	122	32,697
Corn	629	445	141	17,722	21,096	84	66	69	44,466
Soybeans	215	395	54	16,389	15,852	103	187	154	33,205
Total	**1,406**	**1,450**	**97**	**47,184**	**54,932**	**86**	**87**	**96**	**110,369**

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

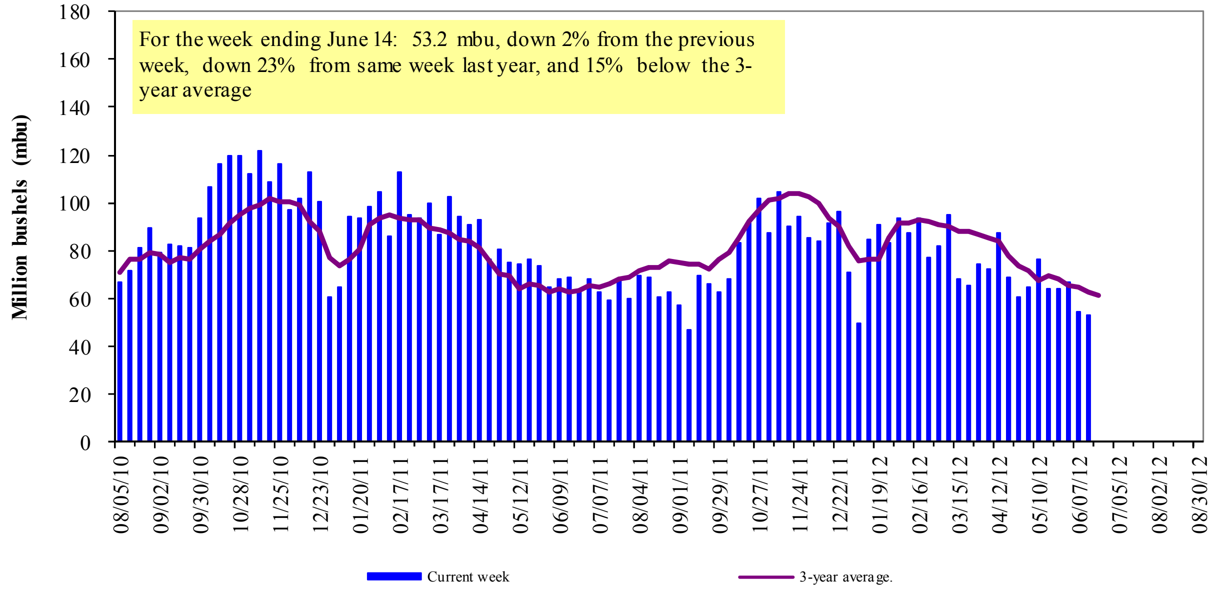
[2] Total includes only port regions shown above; Interior land-based shipments now included.

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 59 percent of the U.S. export grain shipments departed through the U.S. Gulf region in 2011.

Figure 14

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

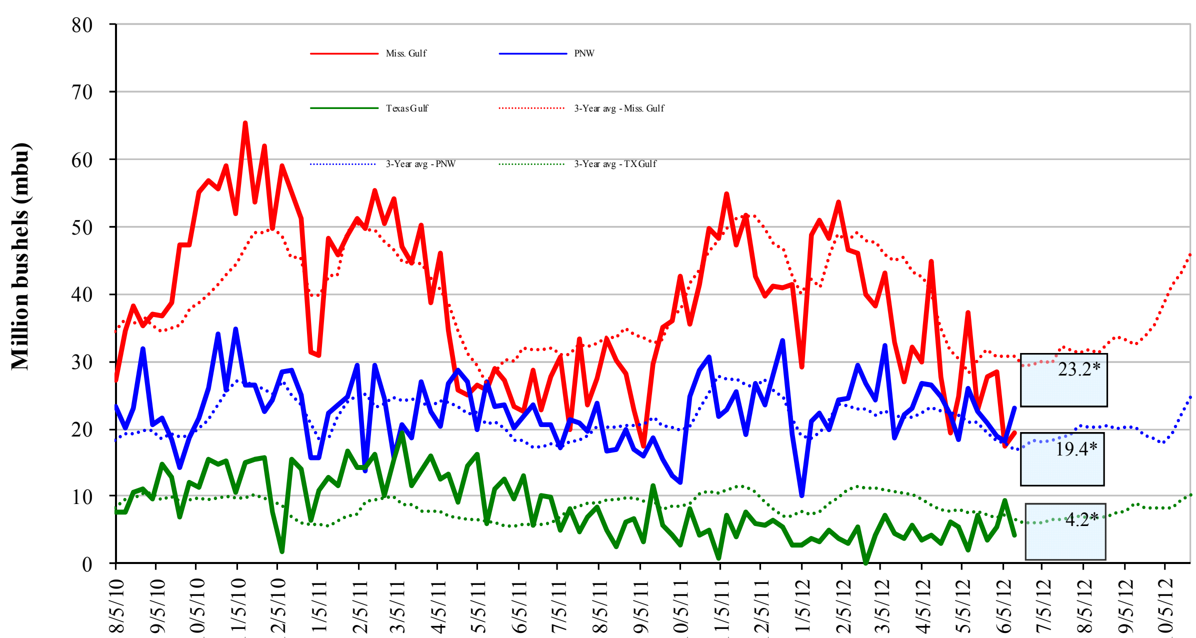


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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.

June 14 % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	up 10	down 55	down 13	up 28
Last year (same week)	down 33	down 27	down 32	down 2
3-yr avg. (4-wk mov. avg.)	down 37	down 35	down 37	up 26

Ocean Transportation

Table 17

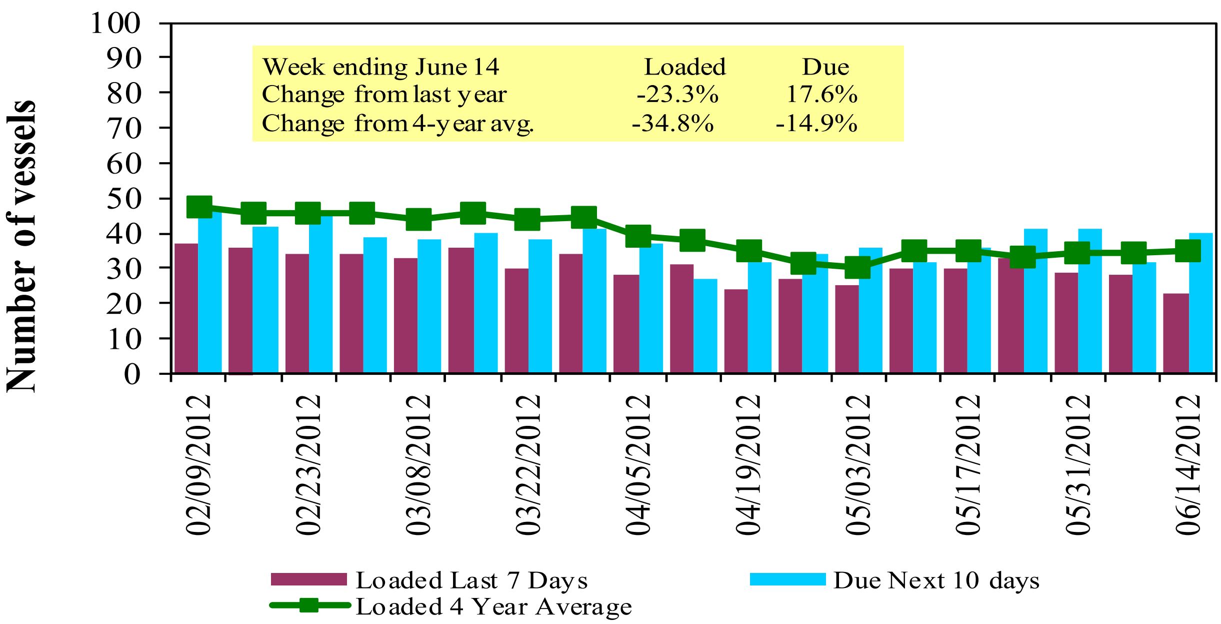
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

	Gulf			Pacific Northwest	Vancouver B.C.
Date	In port	Loaded 7-days	Due next 10-days	In port	In port
6/14/2012	19	23	40	4	n/a
6/7/2012	17	28	32	9	n/a
2011 range	(14..65)	(28..54)	(34..83)	(5..25)	(1..20)
2011 avg.	31	38	53	15	12

Source: Transportation & Marketing Programs/AMS/USDA

Figure 16

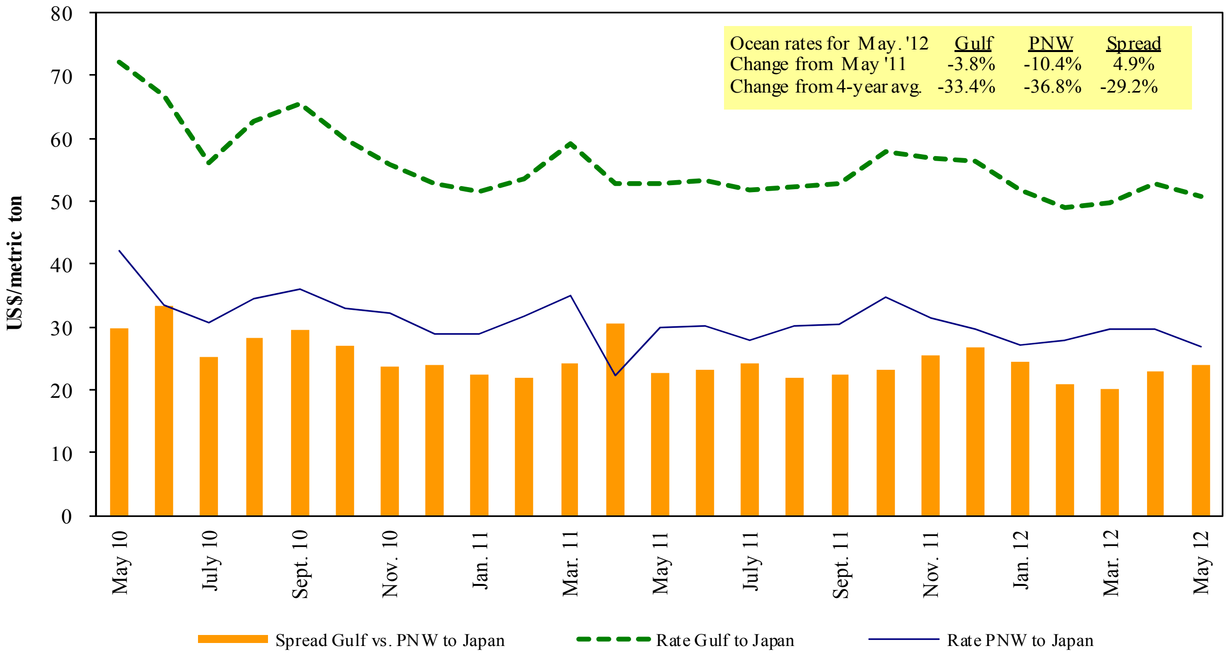
U.S. Gulf[1] Vessel Loading Activity



Source:Transportation & Marketing Programs/AMS/USDA

Figure 17

Grain Vessel Rates, U.S. to Japan



Source: O'Neil Commodity Consulting

Table 18

Ocean Freight Rates For Selected Shipments, Week Ending 06/16/2012

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US$/metric ton)
U.S. Gulf	China	Heavy Grain	Mar 1/10	50,000	46.65
U.S. Gulf	Korea	Heavy Grain	Mar 1/10	55,000	46.00
U.S. Gulf	Japan	Heavy Grain	Apr 1/10	58,000	46.00
PNW	Djibouti[1]	Wheat	May 5/15	26,430	118.03
PNW	China	Grain	Jan 10/20	55,000	26.75
St. Lawrence	Nigeria	Wheat	Apr 5/15	25,000	45.00
Argentina	Morocco	Barley	Apr 1/10	25,000	39.75
Australia	Vietnam	Grain	Mar 1/10	60,000	19.00
Brazil	Tunisia	Wheat	Feb 14/16	23,750	38.50
Brazil	Taiwan	Heavy Grain	Feb 1/10	65,000	29.50
Brazil	China	Heavy Grain	May 20/30	60,000	47.75
Brazil	China	Heavy Grain	May 1/30	66,000	40.50
Brazil	China	Heavy Grain	Apr 1/10	60,000	47.75
Brazil	China	Heavy Grain	Mar 5/15	60,000	43.00
Brazil	China	Grain	Mar 1/10	55,000	47.00
River Plate	China	Heavy Grain	Feb 20/25	60,000	45.00
River Plate	Egypt Med	Corn	Feb 25/ Mar 5	30,000	39.25
River Plate	Morocco	Corn	Mar 25/30	25,000	35.00
Ukraine	Japan	Corn	Apr 6/15	47,000	47.50

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

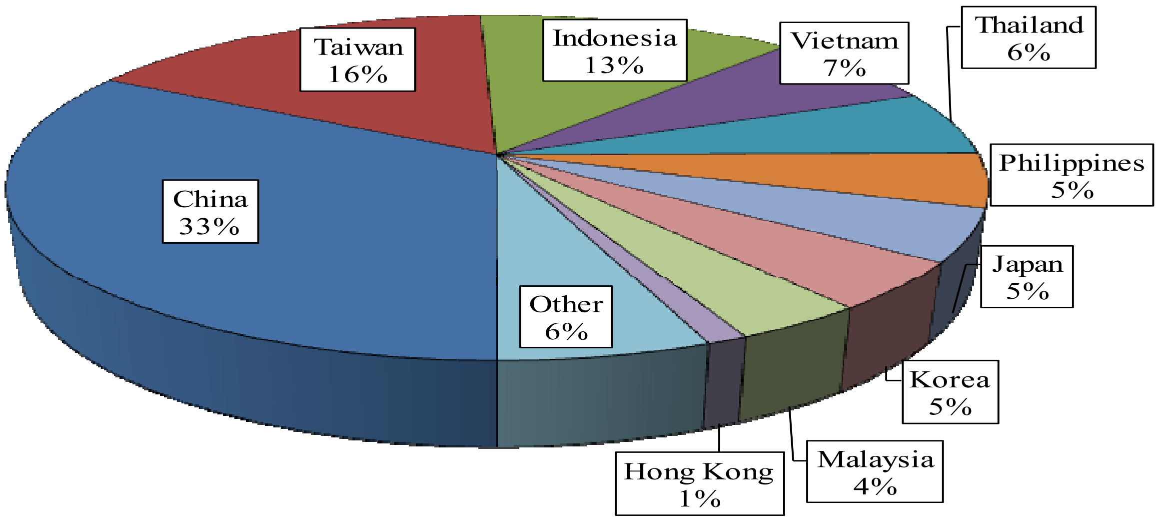
[1] 75 percent of food aid from the United States is required to be shipped on U.S.-flag vessels.

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

In 2011, containers were used to transport 7 percent of total U.S. waterborne grain exports, up 2 percentage points from 2010. Approximately 11 percent of U.S. waterborne grain exports in 2011 went to Asia, up 4 percentage points from 2010. Asia is the top destination for U.S. containerized grain exports—96 percent in 2011.

Figure 18

Top 10 Destination Markets for U.S. Containerized Grain Exports, March 2012

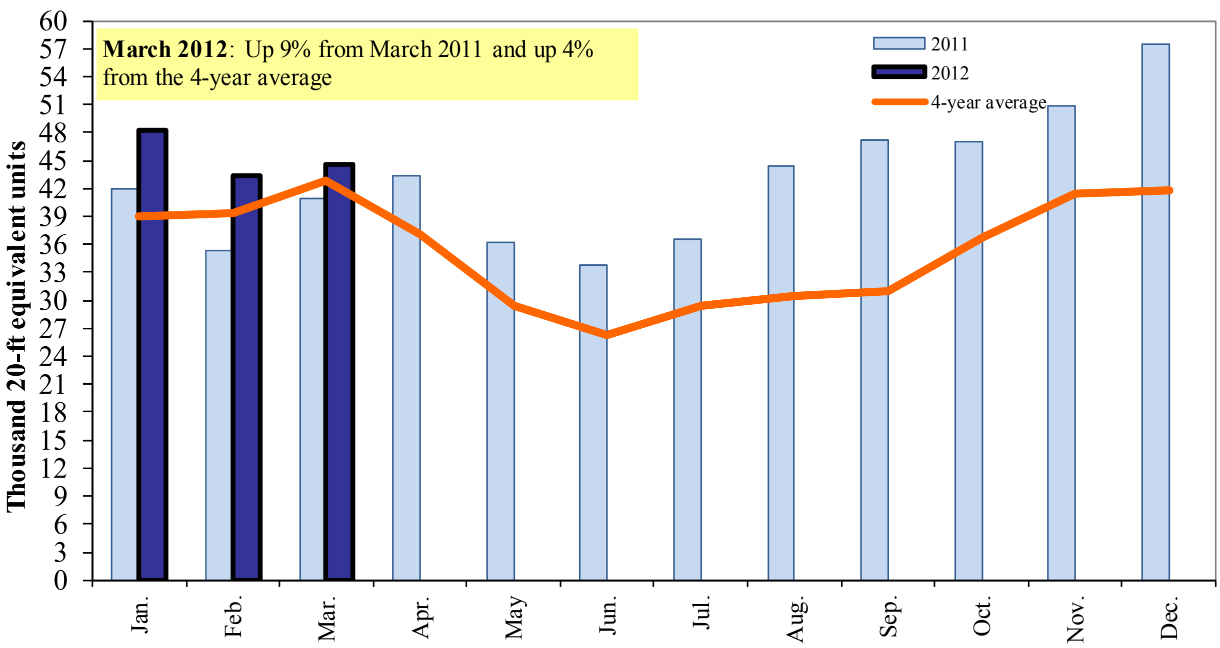


Source: USDA/Agricultural Marketing Service/Transportation Services Division analysis of Port Import Export Reporting Service (PIERS) data

Note: The following Harmonized Tariff Codes are used to calculate containerized grains movements: 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: 100190, 100200, 100300, 100400, 100590, 100700, 110100, 230310, 110220, 110290, 120100, 230210, 230990, 230330, and 120810.

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