



June 30, 2011

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WEEKLY HIGHLIGHTS

Flooding Continues to Hinder Grain Transportation

Reservoirs along the Missouri River continue to sustain record flood levels, forcing the Army Corps of Engineers (Corps) to continue releasing water into the Missouri River. These releases, combined with recent rainfall, have maintained the flood conditions throughout the Missouri River basin. Additional levee breaches this week along the Missouri River and the Souris River near Minot, ND, caused more road and rail disruptions. High water levels near Kansas City and St. Joseph, MO, caused UP and BNSF to reinstate rail embargoes and take measures to reinforce tracks and bridges. Rail service continues to be rerouted, but service delays of 48–72 hours persist. Ongoing road and bridge closures, including parts of Interstate 29, have led to lengthy regional detours through Iowa, Kansas, Missouri, and Nebraska.

Mississippi River Flooding Boosts Seaway Grain Traffic

Shipments of grain, salt, coal, and petroleum products increased on the St. Lawrence Seaway since the season opened on March 22. From March 22 to May 31, about 7.6 million metric tons (mmt) of cargo were transported, compared to just under 7.4 mmt during the same period last year. In 2010, about 1.4 mmt of grain were inspected for export through the Seaway (0.775 mmt of wheat and 0.599 mmt of soybeans). So far this calendar year, 0.250 mmt of grains have been inspected for export through the Seaway, compared to only 0.047 mmt during the same period last year. Year-to-date St. Lawrence wheat exports, at 0.247 mmt, are 796 percent higher than last year. Increased grain shipments through the Seaway can be partly attributed to diversions from flooding on the Mississippi River and overall higher U.S. **wheat exports** during the 2010/11 marketing year, which ended on May 31.

Public Comment on FMCSA Safety Regulations Extended Until August 1

On June 27, the Federal Motor Carrier Administration (FMCSA) extended the public comment period on [*Regulatory Guidance: Applicability of the Federal Motor Carrier Safety Regulations to Operators of Certain Farm Vehicles and Off-Road Agricultural Equipment*](#) from June 30 until August 1. FMCSA received a letter signed by 18 U.S. Senators and numerous requests from the agricultural industry to extend the comment period. The Senators and industry acknowledged the importance of the issues covered by the notice and requested additional time to provide farmers, many of whom have planting and harvesting responsibilities during this time of the year, additional time to review the notice and consider the likely impacts of the guidance on their operations. Supporting documents and comments may be viewed at: <http://www.regulations.gov>, under docket number [FMCSA-2011-0146](#).

Total Inspections Down but Soybeans Rebound

For the week ending June 23, **total inspections of grain** (corn, wheat, and soybeans) for export from all major U.S. export regions reached 1.39 million metric tons (mmt), down 11 percent from the previous week and 0.4 percent below last year at this time. Despite the drop in total inspections of grain, soybean inspections (0.191 mmt) increased 108 percent from the past week because of a jump in shipments to China and Indonesia. Pacific Northwest (0.085 mmt) and Mississippi Gulf (0.106 mmt) soybean inspections rebounded from the previous week. However, total corn inspections dropped notably from the previous week, due in part to lower shipments to Mexico and Asia. Wheat inspections for the same period were down slightly.

Snapshots by Sector

Rail

U.S. railroads originated 21,270 **carloads of grain** during the week ending June 18, down 3 percent from last week, up 15 percent from last year, and 10 percent higher than the 3-year average.

During the week ending June 23, average July **non-shuttle secondary railcar bids/offers** were \$6.50 above tariff, down \$31 from last week. Average shuttle rates were \$356.50 below tariff, up \$31 from last week.

Barge

During the week ending June 25, **barge grain movements** totaled 506,520 tons, 44 percent higher than the previous week but 26 percent lower than the same period last year.

During the week ending June 25, 324 grain barges **moved down river**, up 40 percent from last week; 416 grain barges were **unloaded in New Orleans**, up 14 percent from the previous week.

Ocean

During the week ending June 23, 31 **ocean-going grain vessels** were loaded in the Gulf, down 6 percent from last year. Forty-six vessels are expected to be loaded within the next 10 days, 29 percent less than the same period last year.

During the week ending June 24, the average ocean freight rate for shipping bulk grain from the Gulf to Japan was \$52 per metric ton (mt), down 4 percent from the previous week. The cost of shipping from the Pacific Northwest to Japan was \$29.00 per mt—19 percent less than the previous week.

Fuel

During the week ending June 27, U.S. average **diesel fuel prices** decreased 6 cents to \$3.89 per gallon—1.6 percent lower than the previous week but 31.5 percent higher than the same week last year.

Rail Movements of Ethanol Continue to Grow Despite Lower Production; DDGS Movements Drop

Production of ethanol in the United States during the first quarter decreased even though production and blending of ethanol remain profitable. Most cellulosic ethanol projects are still in the pilot or demonstration phase to either improve the conversion technology or determine if it can be scaled to commercial level of production. Biofuels continue to receive political support domestically and by the Group of Twenty (G20).¹ On June 21, the Environmental Protection Agency (EPA) announced the proposed renewable fuel standard for 2012, which includes a range of 3.45–12.9 million gallons of cellulosic ethanol to be used in the U.S. fuel supply. EPA estimates renewable fuels will make up over 9 percent of transportation fuels in the United States next year, composed mainly of ethanol. Rail, the primary mode of transportation for corn-based ethanol, usually mirrors the trend in ethanol production, but continued to increase slightly during the first quarter. Rail is also the primary mode used to ship distillers grains (DDGS) to port for export. Shipments of DDGS by rail decreased significantly this quarter because of lower demand from China after it filed an anti-dumping case against the United States on December 28, 2010.

Ethanol Production

According to the U.S. Energy Information Administration, first quarter ethanol production in the United States was 3.45 billion gallons, 2 percent lower than the fourth quarter of 2010, but 10 percent higher than the first quarter of last year (see table 1).

	2009	2010	2011	2011 Percent Change	
				Qtr. to Qtr	Year to Year
Jan-March (Q1)	2.43	3.15	3.45	-2%	10%
Apr-Jun (Q2)	2.58	3.23			
July-Sep (Q3)	2.87	3.34			
Oct-Dec (Q4)	3.05	3.51			
Year Total	10.94	13.23			

Source: EIA, http://tonto.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=M_EPOOXE_YNP_NUS_MBBL&f=M

Figure 1 demonstrates that corn ethanol profitability decreased in the early part of 2011, but has been on the rise in recent weeks. Continued support from the Renewable Fuels Standard (RFS) program provides market stability for the existing renewable fuels; continued investment in research and development facilitates the development of new conversion technologies and renewable fuels.

Rail Transportation

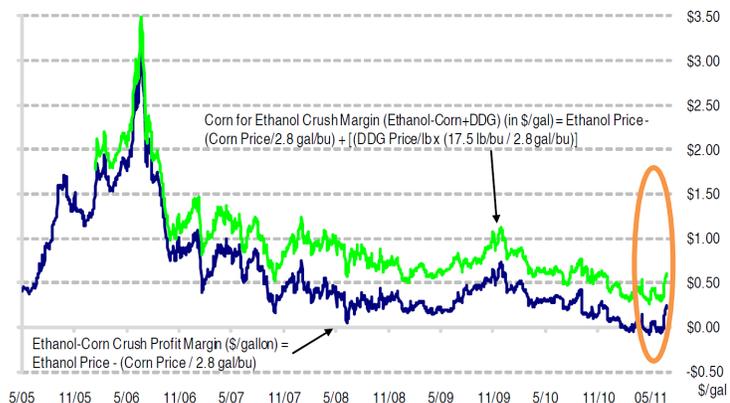
While ethanol production decreased during the first three months of the year, U.S. railroads moved 98,383 carloads of alcohol (an estimated 80 percent of that is ethanol)—2 percent higher than the previous quarter and 8 percent higher than same period last year (see figure 2). Recent flood conditions, however, are reportedly beginning to have an impact on railcar turnaround and availability in some areas of the Upper Midwest.

Rail movements of DDGS, however, took a sharp turn down during the first quarter, dropping 5.5 percent from the previous quarter and 2 percent from the first quarter last year (see figure 3). This drop was probably caused by a fall in U.S. DDGS exports (0.673 mmt), which were 8 percent lower than the previous quarter. The reduced exports were the result of

Figure 1: Corn Ethanol Crush Margins, Indicator of Profitability

(Source: CME Group Weekly Ethanol Report)

Spread: CBOT Ethanol-Corn and Ethanol-Corn+DDG Crush Margins (\$/gallon)



¹ The Group of Twenty, the G20, was established in 1999, in the wake of the 1997 Asian Financial Crisis, to bring together major advanced and emerging economies to stabilize the global financial market. <<http://www.g20.org/index.aspx>>

the December 28, 2010, anti-dumping suit filed by China, a major importer of DDGS, with the World Trade Organization (WTO). The WTO suit could last into next year. During the first quarter, Mexico surpassed China as the top destination for U.S. DDGS.

Figure 2: Quarterly Carloads of Alcohol and Co-products Terminated by Major Railroads in the United States

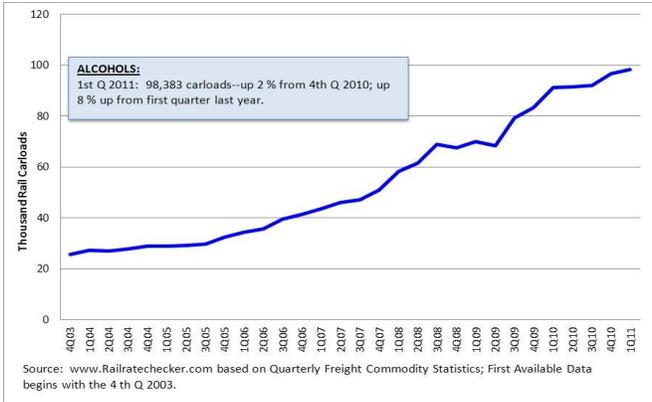
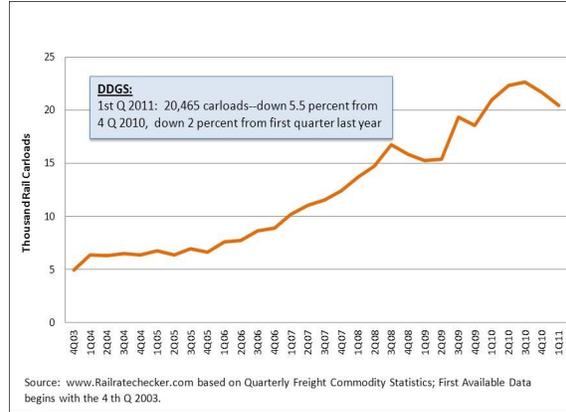


Figure 3: Quarterly Carloads of Distillers Dried Grains Terminated by Major Railroads in the United States



Market Outlook

The outlook for 2011 ethanol and DDGS movements is mixed. The size of the 2011/12 corn crop is uncertain at this point due to late planting this spring. This uncertainty is causing strong volatility in corn prices that could expose some ethanol biorefineries to price risk. Recent flood condition in the Upper Midwest could also slow ethanol movements to market in the short term. The DDGS export market slowdown could continue, which would make more DDGS available for the domestic market via trucks, leading to reduced demand for rail service. However, continued government support for expanding distribution infrastructure, investments into next generation renewable fuels, and strong global demand could maintain ethanol biorefinery capacity utilization rates at a high level, resulting in continued demand for ethanol rail service. Marina.Denicoff@ams.usda.gov

Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators¹

Week ending	Truck	Rail ²	Barge	Ocean	
				Gulf	Pacific
06/29/11	261	102	247	233	206
06/22/11	265	133	250	242	216

¹Indicator: Base year 2000 = 100; Weekly updates include truck = diesel (\$/gallon); rail = nearby secondary rail market (\$/car); barge = Illinois River barge rate (index = percent of tariff rate); and ocean = routes to Japan (\$/metric ton)

²The rail indicator is not an index. It is the difference between the nearby secondary rail market bid for this week and the average bid for year 2000 (+) 100. Source: Transportation & Marketing Programs/AMS/USDA

Table 2

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

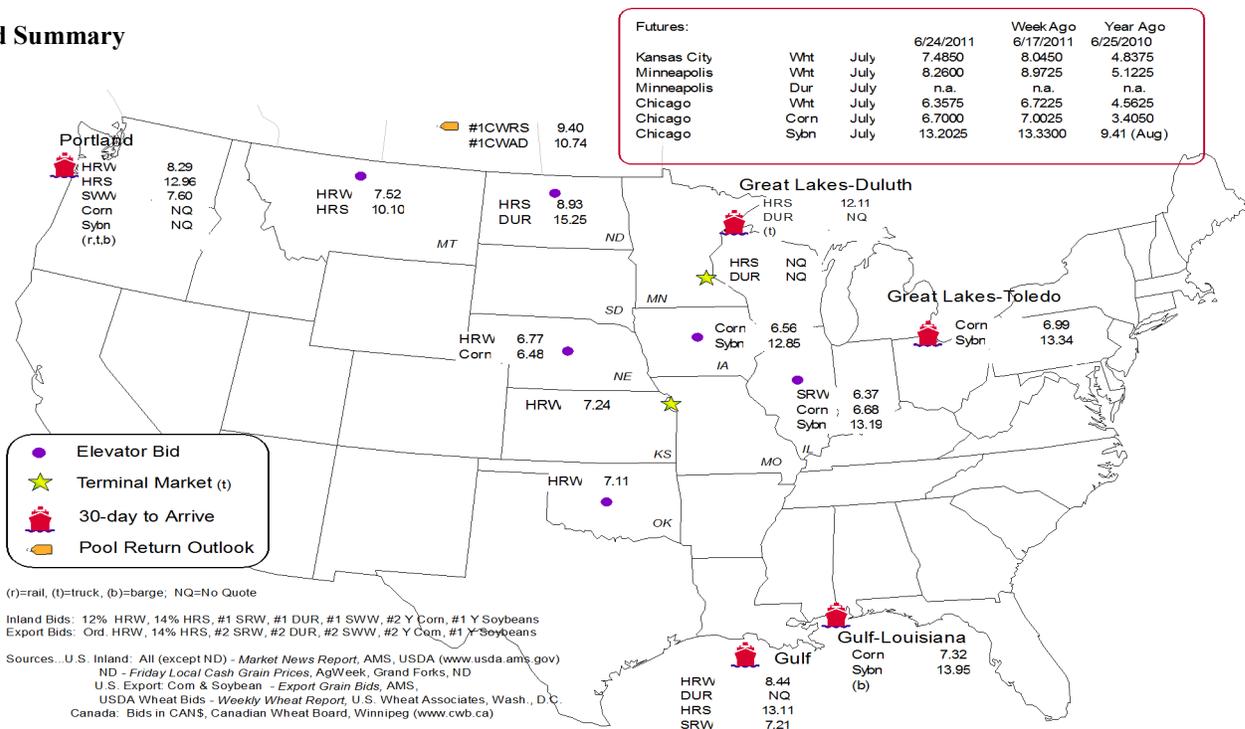
Commodity	Origin--Destination	6/24/2011	6/17/2011
Corn	IL--Gulf	-0.64	-0.66
Corn	NE--Gulf	-0.84	-0.84
Soybean	IA--Gulf	-1.10	-1.15
HRW	KS--Gulf	-1.20	-1.30
HRS	ND--Portland	-4.03	-3.85

Note: nq = no quote

Source: Transportation & Marketing Programs/AMS/USDA

The **grain bid summary** illustrates the market relationships for commodities. Positive and negative adjustments in differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.

Figure 1
Grain bid Summary



Rail Transportation

Table 3

Rail Deliveries to Port (carloads)¹

Week ending	Mississippi		Cross-Border	Pacific	Atlantic &	Total
	Gulf	Texas Gulf	Mexico	Northwest	East Gulf	
6/22/2011 ^p	231	1,341	1,016	3,770	401	6,759
6/15/2011 ^r	156	1,094	322	3,251	274	5,097
2011 YTD	20,812	53,924	22,619	97,278	14,997	209,630
2010YTD	8,116	33,063	23,301	82,271	17,212	163,963
2011 YTD as % of 2010 YTD	256	163	97	118	87	128
Last 4 weeks as % of 2010 ²	150	175	109	122	175	132
Last 4 weeks as % of 4-year avg. ²	92	125	126	102	98	109
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.

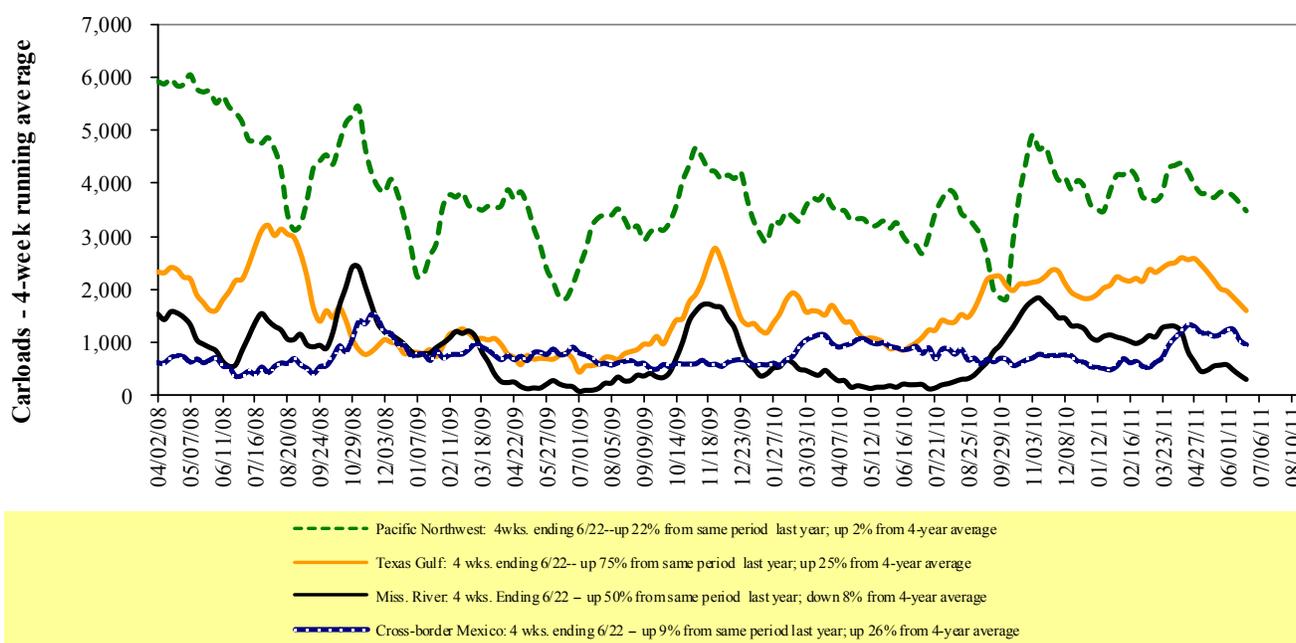
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

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

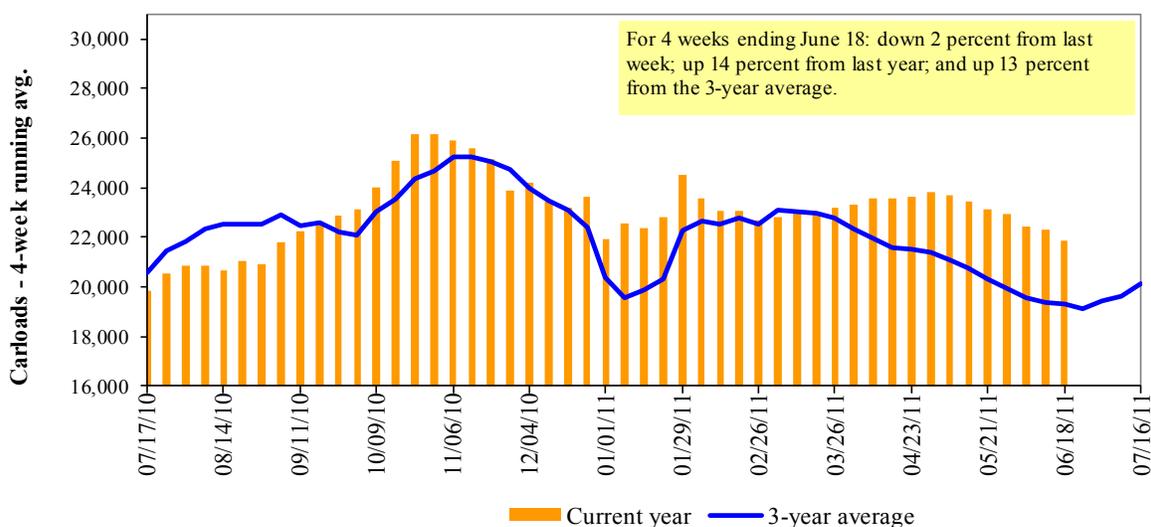
Table 4

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

Week ending	East		West			U.S. total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
06/18/11	1,540	3,193	9,610	742	6,185	21,270	3,544	5,900
This week last year	1,818	3,333	7,719	741	4,935	18,546	2,958	4,683
2011 YTD	48,987	73,596	270,044	16,154	147,242	556,023	95,493	117,358
2010 YTD	53,730	73,296	242,820	18,169	126,449	514,464	95,431	128,199
2011 YTD as % of 2010 YTD	91	100	111	89	116	108	100	92
Last 4 weeks as % of 2010 ¹	82	108	115	127	128	114	95	113
Last 4 weeks as % of 3-yr avg. ¹	84	105	117	126	120	113	87	107
Total 2010	111,935	159,836	546,901	35,807	295,361	1,149,840	203,038	265,835

¹As a percent of the same period in 2009 and the prior 3-year average. YTD = year-to-date.

Source: Association of American Railroads (www.aar.org)

Figure 3**Total Weekly U.S. Class I Railroad Grain Car Loadings**

Source: Association of American Railroads

Table 5

Rail Car Auction Offerings¹ (\$/car)²

Week ending	Delivery period							
	Jul-11	Jul-10	Aug-11	Aug-10	Sep-11	Sep-10	Oct-11	Oct-10
6/23/2011								
BNSF ³								
COT grain units	1	0	6	1	6	no offer	66	no offer
COT grain single-car ⁵	0	0 .. 112	no bids	no offer	no bids	no offer	51 .. 67	51 .. 61
UP ⁴								
GCAS/Region 1	no bids	no bids	no bids	no bids	no bids	no bids	n/a	n/a
GCAS/Region 2	1	no bids	no bids	no bids	no bids	1	n/a	n/a

¹Auction offerings are for single-car and unit train shipments only.

²Average premium/discount to tariff, last auction

³BNSF - COT = Certificate of Transportation; north grain and south grain bids were combined effective the week ending 6/24/06.

⁴UP - GCAS = Grain Car Allocation System

 Region 1 includes: AR, IL, LA, MO, NM, OK, TX, WI, and Duluth, MN.

 Region 2 includes: CO, IA, KS, MN, NE, WY, and Kansas City and St. Joseph, MO.

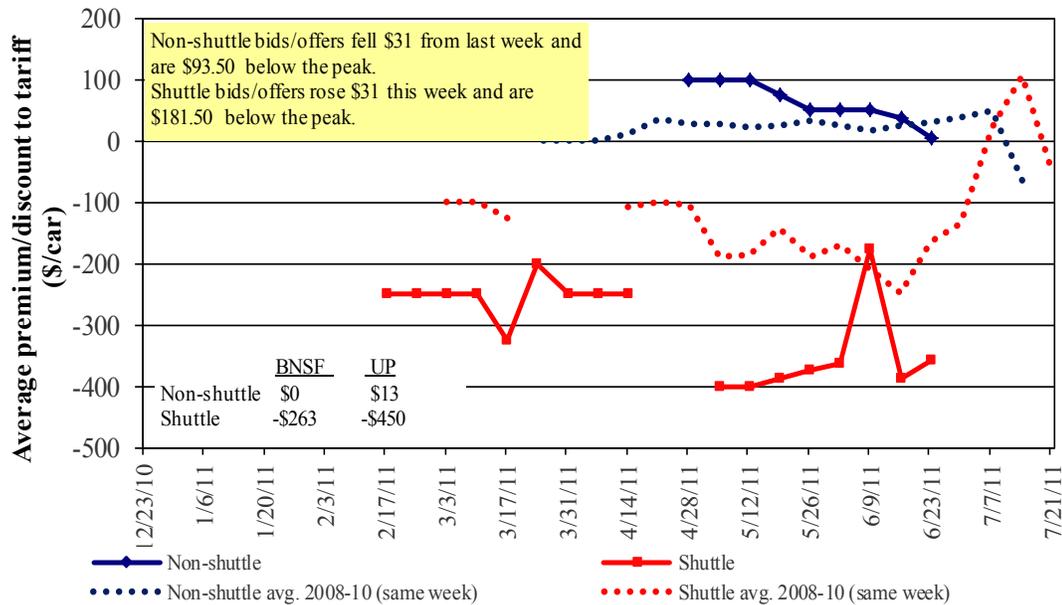
⁵Range is shown because average is not available. Not available = n/a.

Source: Transportation & Marketing Programs/AMS/USDA.

The **secondary rail market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The **auction and secondary rail** values are indicators of rail service quality and demand/supply.

Figure 4

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

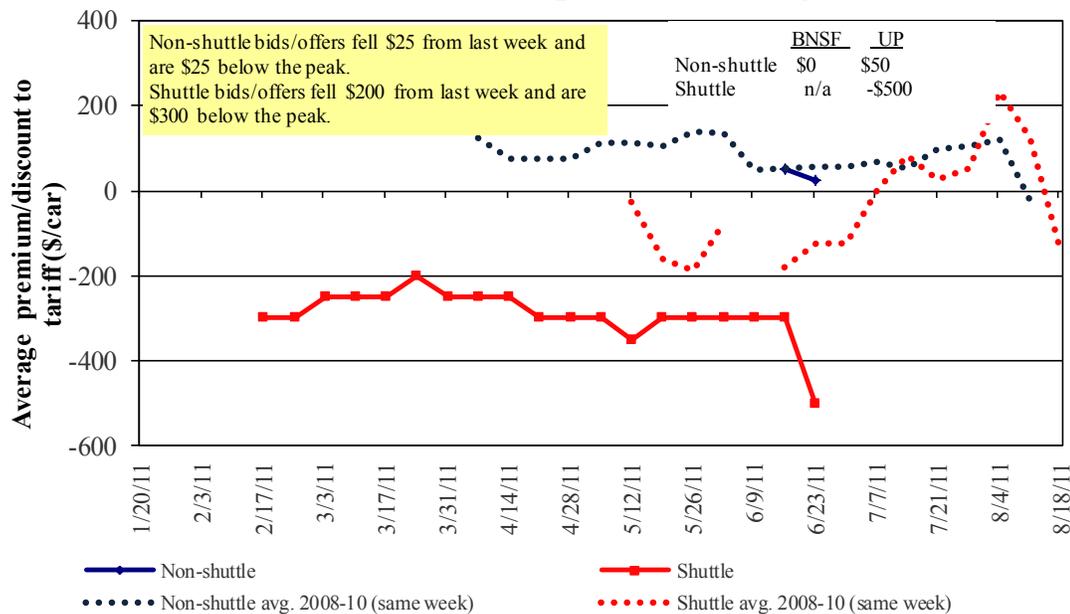


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

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

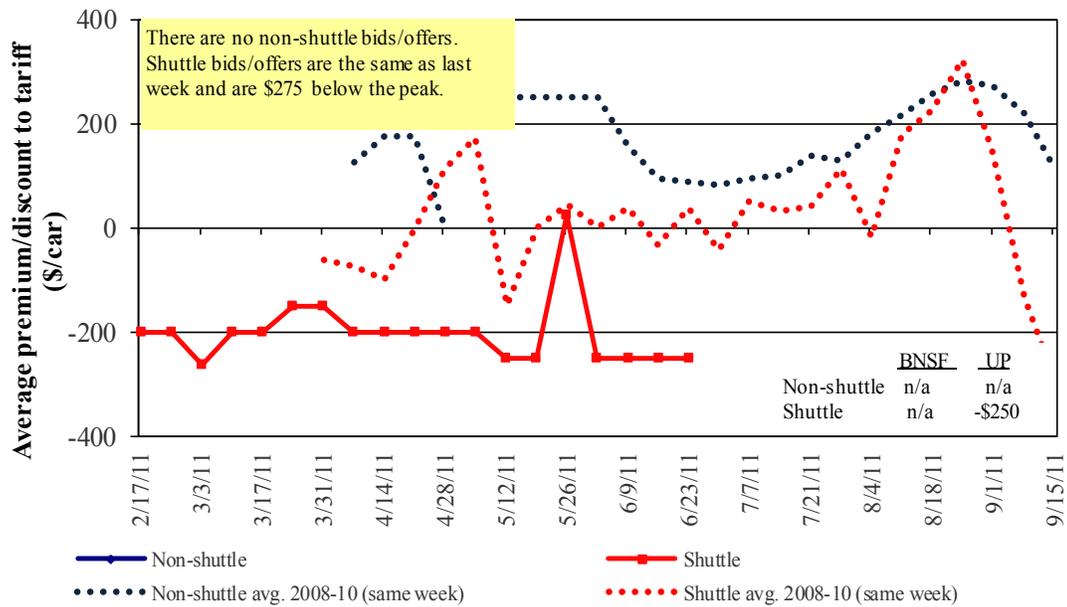


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in September 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					
	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
Non-shuttle						
BNSF-GF	-	-	n/a	n/a	n/a	n/a
Change from last week	(50)	(50)	n/a	n/a	n/a	n/a
Change from same week 2010	(8)	(25)	n/a	n/a	n/a	n/a
UP-Pool	13	50	n/a	n/a	n/a	n/a
Change from last week	(12)	-	n/a	n/a	n/a	n/a
Change from same week 2010	13	45	n/a	n/a	n/a	n/a
Shuttle²						
BNSF-GF	(263)	n/a	n/a	n/a	n/a	n/a
Change from last week	162	n/a	n/a	n/a	n/a	n/a
Change from same week 2010	(13)	n/a	n/a	n/a	n/a	n/a
UP-Pool	(450)	(500)	(250)	500	n/a	n/a
Change from last week	(100)	(200)	-	-	n/a	n/a
Change from same week 2010	(250)	n/a	(150)	n/a	n/a	n/a

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

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

Note: Bids listed are market INDICATORS only & are NOT guaranteed prices,

n/a = not available; GF = guaranteed freight; Pool = guaranteed pool

Sources: Transportation and Marketing Programs/AMS/USDA

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

Table 7

Tariff Rail Rates for Unit and Shuttle Train Shipments¹

Effective date:			Tariff	Fuel	Tariff plus surcharge per:		Percent
6/6/2011	Origin region*	Destination region*	rate/car	surcharge per car	metric ton	bushel ²	change Y/Y ³
Unit train							
Wheat	Wichita, KS	St. Louis, MO	\$2,992	\$202	\$31.72	\$0.86	11
	Grand Forks, ND	Duluth-Superior, MN	\$2,822	\$119	\$29.21	\$0.79	16
	Wichita, KS	Los Angeles, CA	\$5,710	\$612	\$62.78	\$1.71	10
	Wichita, KS	New Orleans, LA	\$3,492	\$356	\$38.21	\$1.04	11
	Sioux Falls, SD	Galveston-Houston, TX	\$5,410	\$502	\$58.71	\$1.60	6
	Northwest KS	Galveston-Houston, TX	\$3,760	\$390	\$41.21	\$1.12	11
	Amarillo, TX	Los Angeles, CA	\$3,959	\$543	\$44.71	\$1.22	12
Corn	Champaign-Urbana, IL	New Orleans, LA	\$2,812	\$402	\$31.92	\$0.87	8
	Toledo, OH	Raleigh, NC	\$3,760	\$450	\$41.81	\$1.14	14
	Des Moines, IA	Davenport, IA	\$1,843	\$85	\$19.15	\$0.52	-1
	Indianapolis, IN	Atlanta, GA	\$3,196	\$338	\$35.09	\$0.96	12
	Indianapolis, IN	Knoxville, TN	\$2,760	\$217	\$29.56	\$0.80	12
	Des Moines, IA	Little Rock, AR	\$2,938	\$250	\$31.66	\$0.86	7
	Des Moines, IA	Los Angeles, CA	\$4,835	\$729	\$55.26	\$1.50	20
Soybeans	Minneapolis, MN	New Orleans, LA	\$3,089	\$439	\$35.04	\$0.95	11
	Toledo, OH	Huntsville, AL	\$2,921	\$320	\$32.18	\$0.88	11
	Indianapolis, IN	Raleigh, NC	\$3,830	\$453	\$42.54	\$1.16	13
	Indianapolis, IN	Huntsville, AL	\$2,613	\$217	\$28.10	\$0.76	11
	Champaign-Urbana, IL	New Orleans, LA	\$3,156	\$402	\$35.34	\$0.96	10
Shuttle Train							
Wheat	Great Falls, MT	Portland, OR	\$3,239	\$352	\$35.66	\$0.97	13
	Wichita, KS	Galveston-Houston, TX	\$3,144	\$274	\$33.94	\$0.92	7
	Chicago, IL	Albany, NY	\$3,497	\$422	\$38.92	\$1.06	-3
	Grand Forks, ND	Portland, OR	\$4,702	\$608	\$52.73	\$1.44	12
	Grand Forks, ND	Galveston-Houston, TX	\$5,648	\$633	\$62.38	\$1.70	11
	Northwest KS	Portland, OR	\$4,727	\$640	\$53.29	\$1.45	11
	Minneapolis, MN	Portland, OR	\$4,680	\$740	\$53.83	\$1.46	14
Corn	Sioux Falls, SD	Tacoma, WA	\$4,640	\$678	\$52.81	\$1.44	13
	Champaign-Urbana, IL	New Orleans, LA	\$2,677	\$402	\$30.58	\$0.83	7
	Lincoln, NE	Galveston-Houston, TX	\$3,190	\$395	\$35.60	\$0.97	10
	Des Moines, IA	Amarillo, TX	\$3,330	\$315	\$36.19	\$0.99	8
	Minneapolis, MN	Tacoma, WA	\$4,680	\$734	\$53.77	\$1.46	14
	Council Bluffs, IA	Stockton, CA	\$4,080	\$760	\$48.06	\$1.31	13
	Sioux Falls, SD	Tacoma, WA	\$4,840	\$678	\$54.80	\$1.49	10
	Minneapolis, MN	Portland, OR	\$4,830	\$740	\$55.32	\$1.51	11
	Fargo, ND	Tacoma, WA	\$4,730	\$603	\$52.96	\$1.44	10
	Council Bluffs, IA	New Orleans, LA	\$3,510	\$464	\$39.46	\$1.07	9
Soybeans	Toledo, OH	Huntsville, AL	\$2,536	\$320	\$28.36	\$0.77	13
	Grand Island, NE	Portland, OR	\$4,520	\$655	\$51.39	\$1.40	11

¹A unit train refers to shipments of at least 25 cars. Shuttle train rates are available for qualified shipments of 90-110 cars that meet railroad efficiency requirements.

²Approximate load per car = 111 short tons (100.7 metric tons): corn 56 lbs./bu., wheat & soybeans 60 lbs./bu.

³Percentage change year over year calculated using tariff rate plus fuel surcharge

Sources: www.bnsf.com, www.cpr.ca, www.csx.com, www.uprr.com

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

Table 8

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

Commodity	Origin state	Destination region	Tariff rate/car ¹	Fuel surcharge per car ²	Tariff plus surcharge per:		Percent change Y/Y ⁴
					metric ton ³	bushel ³	
Wheat	MT	Chihuahua, CI	\$6,854	\$643	\$76.60	\$2.08	6
	OK	Cuautitlan, EM	\$6,245	\$666	\$70.61	\$1.92	7
	KS	Guadalajara, JA	\$6,879	\$896	\$79.44	\$2.16	6
	TX	Salinas Victoria, NL	\$3,411	\$269	\$37.60	\$1.02	5
Corn	IA	Guadalajara, JA	\$7,057	\$935	\$81.66	\$2.07	6
	SD	Penjamo, GJ	\$6,521	\$842	\$75.23	\$1.91	-1
	NE	Queretaro, QA	\$6,802	\$852	\$78.20	\$1.98	14
	SD	Salinas Victoria, NL	\$5,360	\$640	\$61.30	\$1.56	13
	MO	Tlalnepantla, EM	\$5,959	\$830	\$69.37	\$1.76	15
	SD	Torreón, CU	\$5,623	\$705	\$64.66	\$1.64	3
Soybeans	MO	Bojay (Tula), HG	\$6,705	\$818	\$76.86	\$2.09	10
	NE	Guadalajara, JA	\$7,519	\$930	\$86.33	\$2.35	15
	IA	El Castillo, JA ⁵	\$7,770	\$836	\$87.94	\$2.39	12
	KS	Torreón, CU	\$6,042	\$640	\$68.27	\$1.86	15
Sorghum	OK	Cuautitlan, EM	\$5,350	\$639	\$61.19	\$1.55	18
	TX	Guadalajara, JA	\$6,289	\$548	\$69.85	\$1.77	12
	NE	Penjamo, GJ	\$6,905	\$860	\$79.34	\$2.01	8
	KS	Queretaro, QA	\$6,038	\$588	\$67.69	\$1.72	13
	NE	Salinas Victoria, NL	\$4,818	\$560	\$54.95	\$1.39	13
	NE	Torreón, CU	\$5,804	\$687	\$66.32	\$1.68	11

¹Rates are based upon published tariff rates for high-capacity shuttle trains. Shuttle trains are available for qualified shipments of 75--110 cars that meet railroad efficiency requirements.

²Fuel surcharge adjusted to reflect the change in Ferrocarril Mexicano, S.A. de C.V railroad fuel surcharge policy as of 10/01/2009

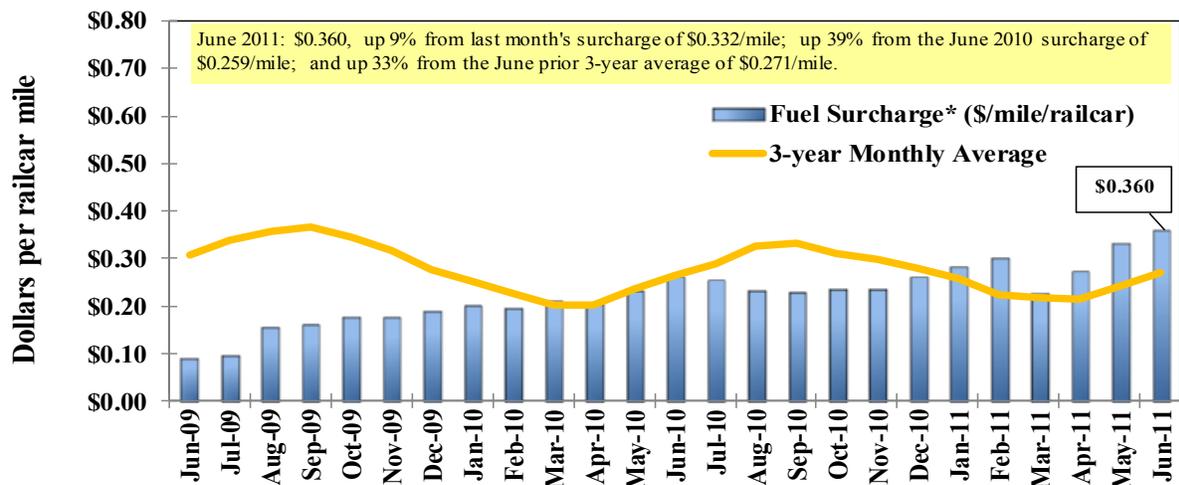
³Approximate load per car = 97.87 metric tons: Corn & Sorghum 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

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

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

Sources: www.bnsf.com, www.upr.com, www.kcsouthern.com

Figure 7

Railroad Fuel Surcharges, North American Weighted Average¹

¹ Weighted by each Class I railroad's proportion of grain traffic for the prior year.

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

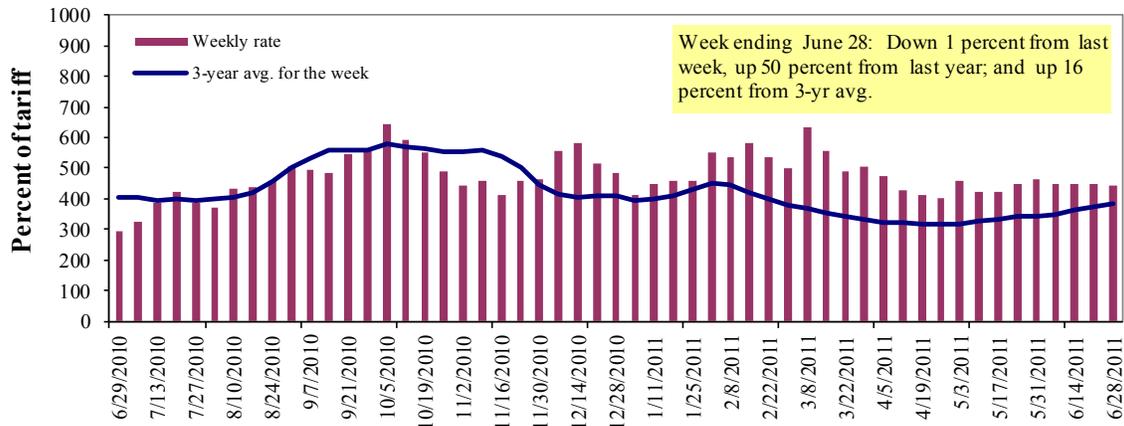
** BNSF strike price (diesel price when fuel surcharges begin) changed from \$1.25/gal. to \$2.50/gal starting March 1, 2011. As a result, the weighted average fuel surcharge for March 2011 was \$0.227/mile instead of \$0.331/mile.

Sources: www.bnsf.com, www.cn.ca, www.cpr.ca, www.csx.com, www.kcsi.com, www.nscorp.com, www.upr.com

Barge Transportation

Figure 8

Illinois River Barge Freight Rate^{1,2}



¹Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); ²4-week moving average of the 3-year average.

Source: Transportation & Marketing Programs/AMS/USDA

Table 9

Weekly Barge Freight Rates: Southbound Only

		Twin Cities	Mid-Mississippi	Lower Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo-Memphis
Rate¹	6/28/2011	550	468	445	337	405	405	303
	6/21/2011	558	485	450	362	393	393	323
\$/ton	6/28/2011	34.05	24.90	20.65	13.45	18.99	16.36	9.51
	6/21/2011	34.54	25.80	20.88	14.44	18.43	15.88	10.14
Current week % change from the same week:								
	Last year	40	46	50	68	78	78	60
	3-year avg. ²	28	22	16	19	24	24	16
Rate¹	July	548	455	445	338	407	407	308
	September	658	597	597	560	618	618	558

¹Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); ²4-week moving average; ton = 2,000 pounds

Source: Transportation & Marketing Programs/AMS/USDA

Figure 9
Benchmark tariff rates

Calculating barge rate per ton:

(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).

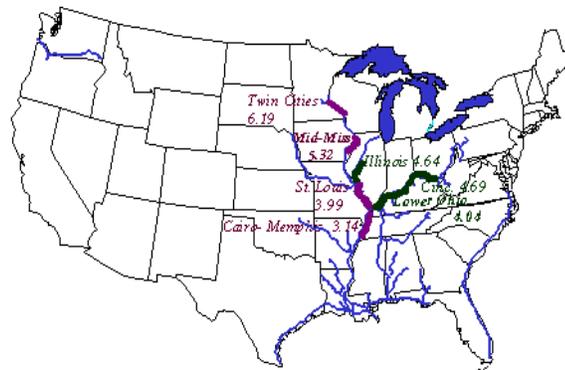
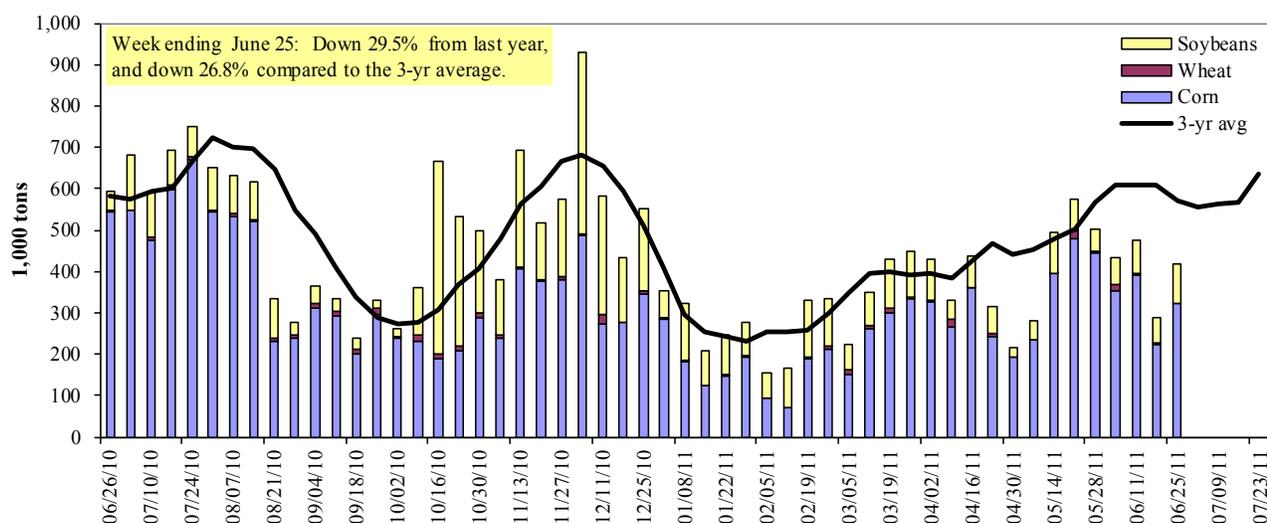


Figure 10

Barge Movements on the Mississippi River¹ (Locks 27 - Granite City, IL)



¹ The 3-year average is a 4-week moving average.

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

Table 10

Barge Grain Movements (1,000 tons)

Week ending 6/25/2011	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	184	6	44	0	234
Winfield, MO (L25)	267	0	83	0	350
Alton, IL (L26)	354	0	89	0	443
Granite City, IL (L27)	324	0	95	0	419
Illinois River (L8)	81	2	10	0	93
Ohio River (L52)	21	27	5	0	53
Arkansas River (L1)	0	22	1	10	34
Weekly total - 2011	345	50	102	10	507
Weekly total - 2010	572	42	70	4	689
2011 YTD ¹	8,828	609	3,759	156	13,352
2010 YTD	11,294	558	4,102	234	16,188
2011 as % of 2010 YTD	78	109	92	66	82
Last 4 weeks as % of 2010 ²	60	102	83	48	65
Total 2010	22,768	1,220	10,373	481	34,841

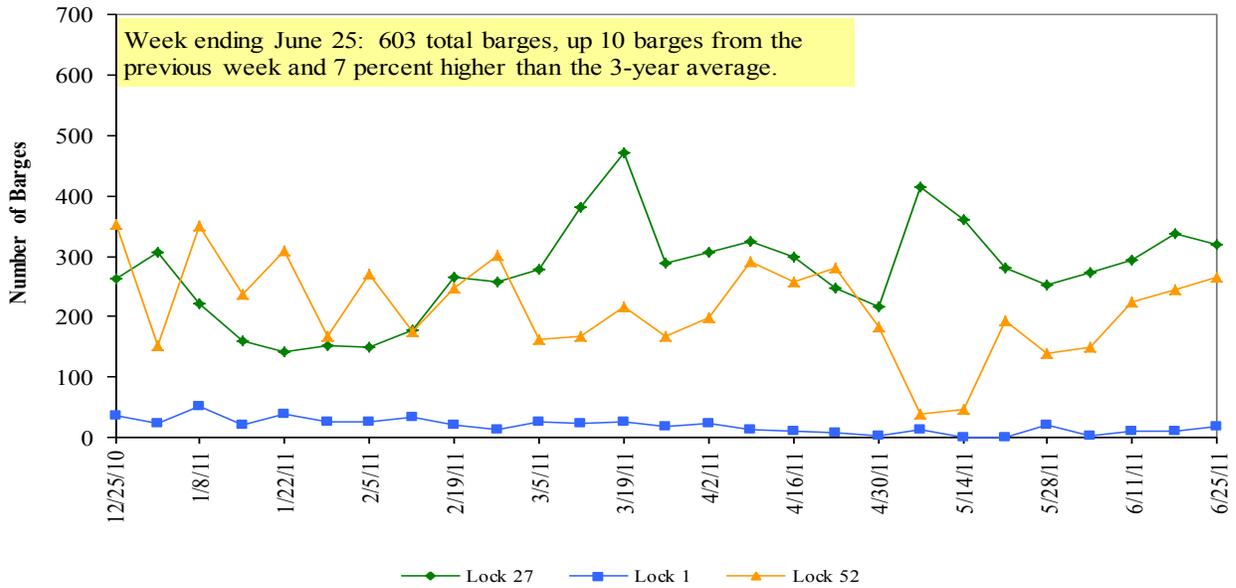
¹ Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

² As a percent of same period in 2010.

Note: Total may not add exactly, due to rounding

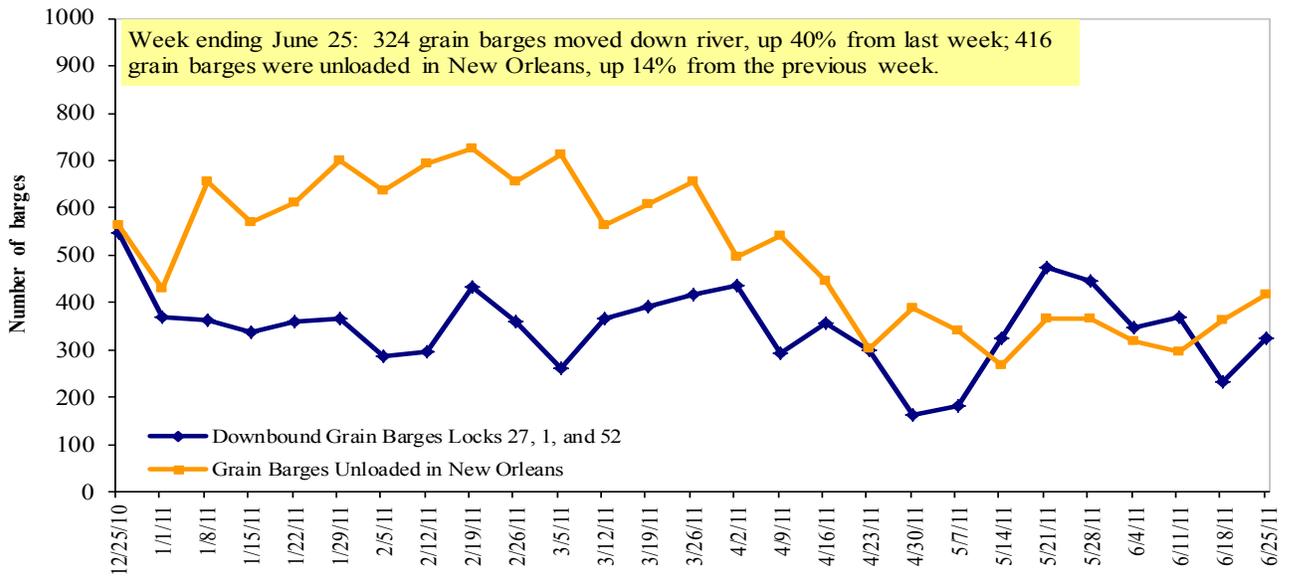
Source: U.S. Army Corps of Engineers (www.mvr.usace.army.mil/mvrini/omni/webbrpts/default.asp)

Figure 11
Upbound Empty Barges Transiting Mississippi River Locks 27, Arkansas River Lock and Dam 1, and Ohio River Locks and Dam 52



Source: U.S. Army Corps of Engineers

Figure 12
Grain Barges for Export in New Orleans Region



Source: U.S. Army Corps of Engineers and GIPSA

Truck Transportation

The **weekly diesel price** provides a proxy for trends in U.S. truck rates as diesel fuel is a significant expense for truck grain movements.

Table 11

Retail on-Highway Diesel Prices¹, Week Ending 6/27/2011 (US \$/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	3.914	-0.048	0.939
	New England	4.038	-0.039	0.994
	Central Atlantic	4.014	-0.060	0.923
	Lower Atlantic	3.860	-0.044	0.941
II	Midwest ²	3.842	-0.062	0.912
III	Gulf Coast ³	3.834	-0.062	0.941
IV	Rocky Mountain	3.885	-0.074	0.929
V	West Coast	4.069	-0.087	0.970
	California	4.146	-0.090	0.999
Total	U.S.	3.888	-0.062	0.932

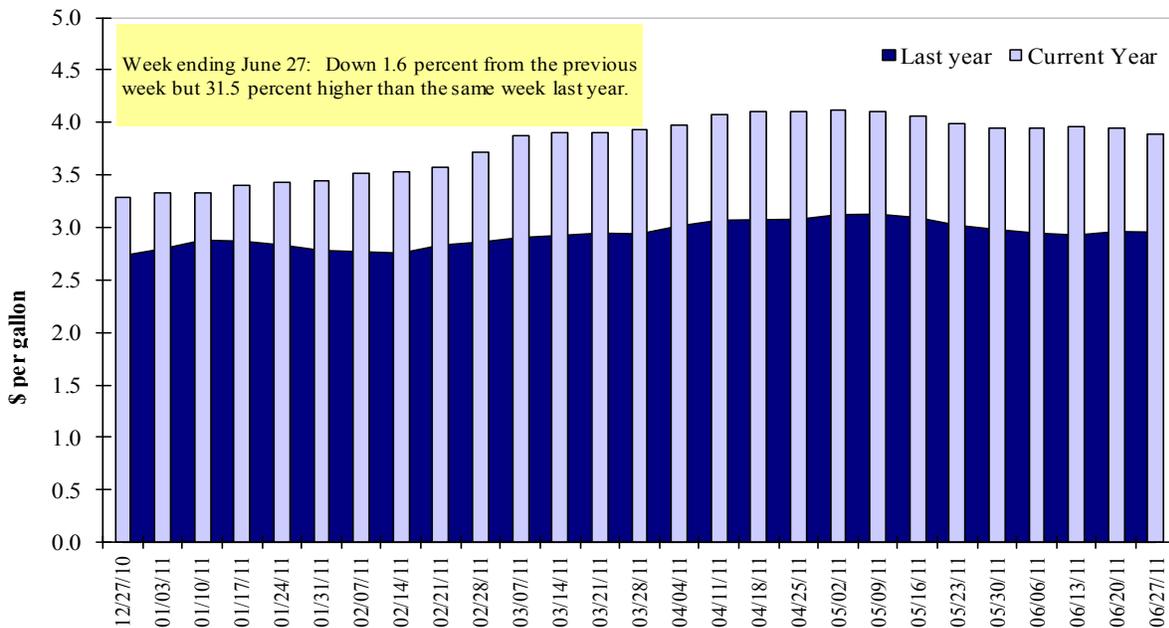
¹Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

²Same as North Central ³Same as South Central

Source: Energy Information Administration/U.S. Department of Energy (www.eia.doe.gov)

Figure 13

Weekly Diesel Fuel Prices, U.S. Average



Source: Retail On-Highway Diesel Prices, Energy Information Administration, Dept. of Energy

Grain Exports

Table 12

U.S. Export Balances and Cumulative Exports (1,000 metric tons)

Week ending	Wheat						Corn	Soybeans	Total
	HRW	SRW	HRS	SWW	DUR	All wheat			
Export Balances¹									
6/16/2011	2,154	821	2,006	1,203	118	6,301	8,650	4,007	18,958
This week year ago	2,169	514	1,021	1,079	250	5,033	10,692	2,140	17,865
Cumulative exports-marketing year²									
2010/11 YTD	648	119	353	286	48	1,455	35,859	37,818	75,132
2009/10 YTD	302	117	211	156	36	821	37,365	36,882	75,068
YTD 2010/11 as % of 2009/10	215	102	167	183	133	177	96	103	100
Last 4 wks as % of same period 2009/10	78	103	139	89	50	75	91	174	97
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 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 Importers¹ of U.S. Corn

Week ending 06/16/11	Total Commitments ²			% change current MY from last MY	Exports ³ 2009/10
	2011/12 Next MY	2010/11 Current MY	2009/10 Last MY		
		- 1,000 mt -			- 1,000 mt -
Japan	818	13,808	14,115	(2.2)	14,343
Mexico	1,798	6,680	7,795	(14)	7,999
Korea	1	5,509	7,624	(28)	7,562
Taiwan	0	2,475	2,957	(16)	2,949
Egypt	40	2,797	2,521	11	2,935
Top 5 importers	2,657	31,270	35,012	(11)	35,788
Total US corn export sales	4,591	44,509	48,057	(7)	50,460
% of Projected	10%	92%	95%		
Change from Last Week	120	411	1,123		
Top 5 importers' share of U.S. corn export sales	58%	70%	73%		
USDA forecast, June 2011	45,720	48,260	50,460	(4)	
Corn Use for Ethanol USDA forecast, Ethanol June 2011	128,270	127,000	116,027	9	

(n) indicates negative number.

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

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

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

Table 14

Top 5 Importers¹ of U.S. Soybeans

Week Ending 06/16/2011	Total Commitments ²			% change current MY from last MY	Exports ³ 2009/10
	2011/12 Next MY	2010/11 Current MY	2009/10 Last MY		
	- 1,000 mt -				- 1,000 mt -
China	6,193	25,490	22,199	15	22,454
Mexico	89	3,056	3,054	0	3,276
Japan	120	2,233	2,389	(7)	2,347
EU-25	60	2,599	2,698	(4)	2,647
Taiwan	0	1,365	1,563	(13)	1,556
Top 5 importers	6,462	34,743	31,903	9	32,280
Total US soybean export sales	7,032	41,825	39,022	7	40,850
% of Projected	17%	99%	96%		
Change from last week	236	(32)	308		
Top 5 importers' share of U.S. soybean export sales	92%	83%	82%		
USDA forecast, June 2011	41,910	42,180	40,850	3	
Soybean Use for Biodiesel USDA forecast, June 2011	8,393	5,755	4,031	43	

(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 Importers¹ of All U.S. Wheat

Week Ending 06/16/2011	Total Commitments ²		% change current MY from last MY	Exports ³ 2010/11
	2011/12 Current MY	2010/11 Last MY		
	- 1,000 mt -			- 1,000 mt -
Nigeria	822	863	(5)	3,233
Japan	1,142	649	76	3,148
Mexico	728	659	10	2,601
Philippines	891	715	25	1,518
Korea	227	411	(45)	1,111
Peru	336	236	43	923
Taiwan	233	103	126	913
Colombia	231	168	37	783
Indonesia	200	82	145	781
Yemen	167	1		659
Top 10 importers	4,977	3,886	28	15,670
Total US wheat export sales	7,755	5,853	32	33,439
% of Projected	27%	17%		
Change from last week	661	721		
Top 10 importers' share of U.S. wheat export sales	64%	66%		
USDA forecast, June 2011	28,580	35,240	(19)	

(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.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 06/23/11	Previous Week ¹	Current Week as % of Previous	2011 YTD ¹	2010 YTD ¹	2011 YTD as % of 2010 YTD	Last 4-weeks as % of		Total ¹ 2010
							2010	3-yr. avg.	
Pacific Northwest									
Wheat	163	310	52	7,143	5,199	137	116	144	11,062
Corn	227	311	73	4,749	4,709	101	150	121	9,950
Soybeans	85	0	n/a	3,246	4,386	74	110	56	10,191
Total	474	621	76	15,137	14,294	106	129	121	31,203
Mississippi Gulf									
Wheat	79	106	75	2,639	1,869	141	98	96	4,199
Corn	402	556	72	12,724	14,315	89	79	80	29,794
Soybeans	106	81	131	9,663	8,791	110	87	51	22,519
Total	587	743	79	25,025	24,975	100	82	76	56,512
Texas Gulf									
Wheat	271	114	238	7,108	3,601	197	239	153	9,339
Corn	5	41	12	724	937	77	278	267	1,859
Soybeans	0	0	n/a	763	667	114	n/a	n/a	1,916
Total	276	155	178	8,595	5,204	165	244	164	13,115
Great Lakes									
Wheat	5	31	17	569	217	262	564	466	1,897
Corn	16	0	n/a	25	31	80	n/a	101	119
Soybeans	0	0	n/a	22	0	n/a	n/a	0	655
Total	21	31	70	616	248	248	655	238	2,672
Atlantic									
Wheat	33	4	877	556	160	348	63	68	343
Corn	0	4	0	166	195	85	50	65	469
Soybeans	0	11	0	428	693	62	145	151	1,417
Total	33	18	178	1,150	1,047	110	70	79	2,229
U.S. total from ports²									
Wheat	551	564	98	18,015	11,046	163	143	140	26,839
Corn	650	912	71	18,387	20,187	91	98	94	42,192
Soybeans	191	92	208	14,122	14,536	97	94	53	36,699
Total	1,391	1,567	89	50,524	45,769	110	112	101	105,730

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

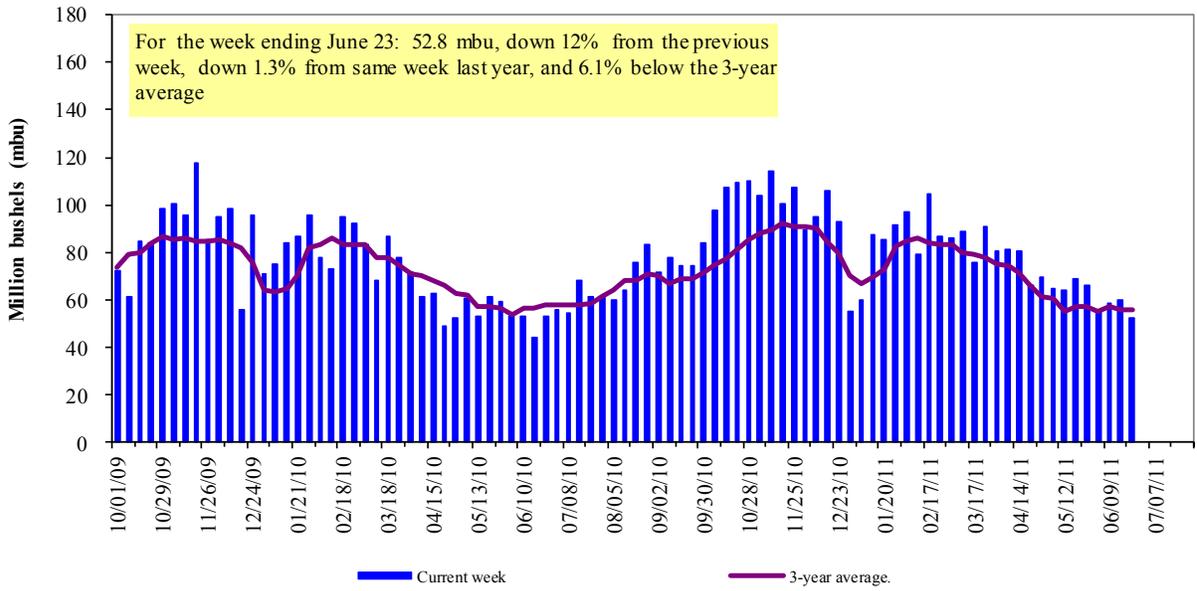
² Total includes only port regions shown above

Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov); YTD= year-to-date; n/a = not applicable

The United States exports approximately one-quarter of the grain it produces. On average, this includes nearly 45 percent of U.S.-grown wheat, 35 percent of U.S.-grown soybeans, and 20 percent of the U.S.-grown corn. Approximately 61 percent of the U.S. export grain shipments departed through the U.S. Gulf region in 2010.

Figure 14

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

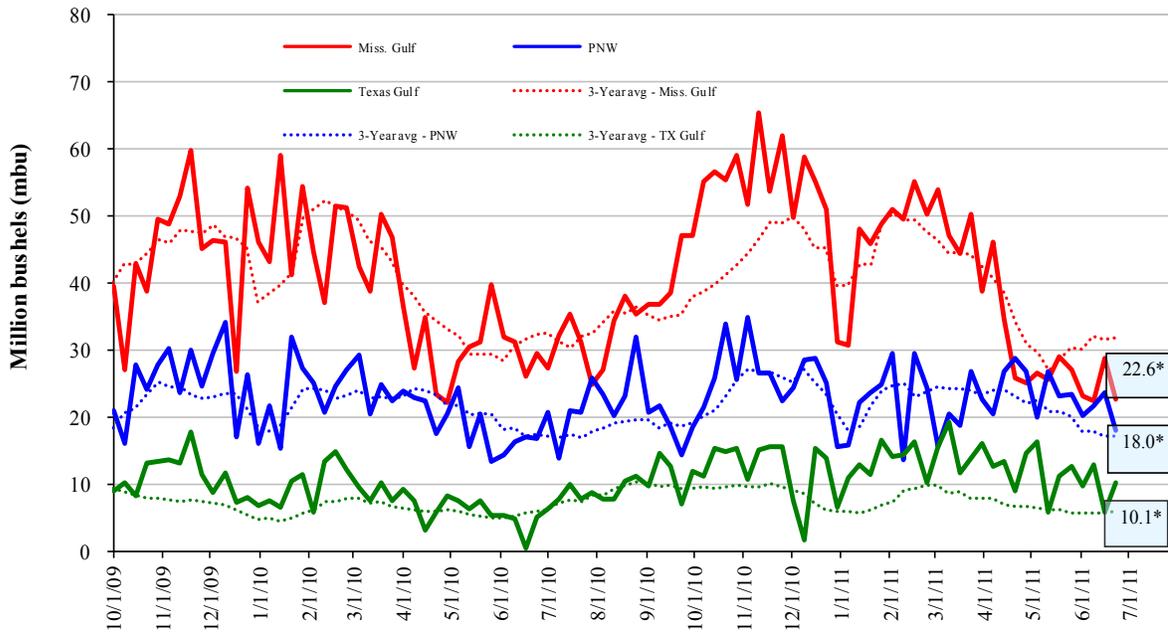


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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

Figure 15

U.S. Grain Inspections: U.S. Gulf and PNW¹ (wheat, corn, and soybeans)



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

June 23% change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	down 21	up 75	down 5	down 24
Last year (same week)	down 23	up 99	down 5	up 6.3
3-yr avg. (4-wk mov. avg.)	down 29	up 73	down 13	up 3

Ocean Transportation

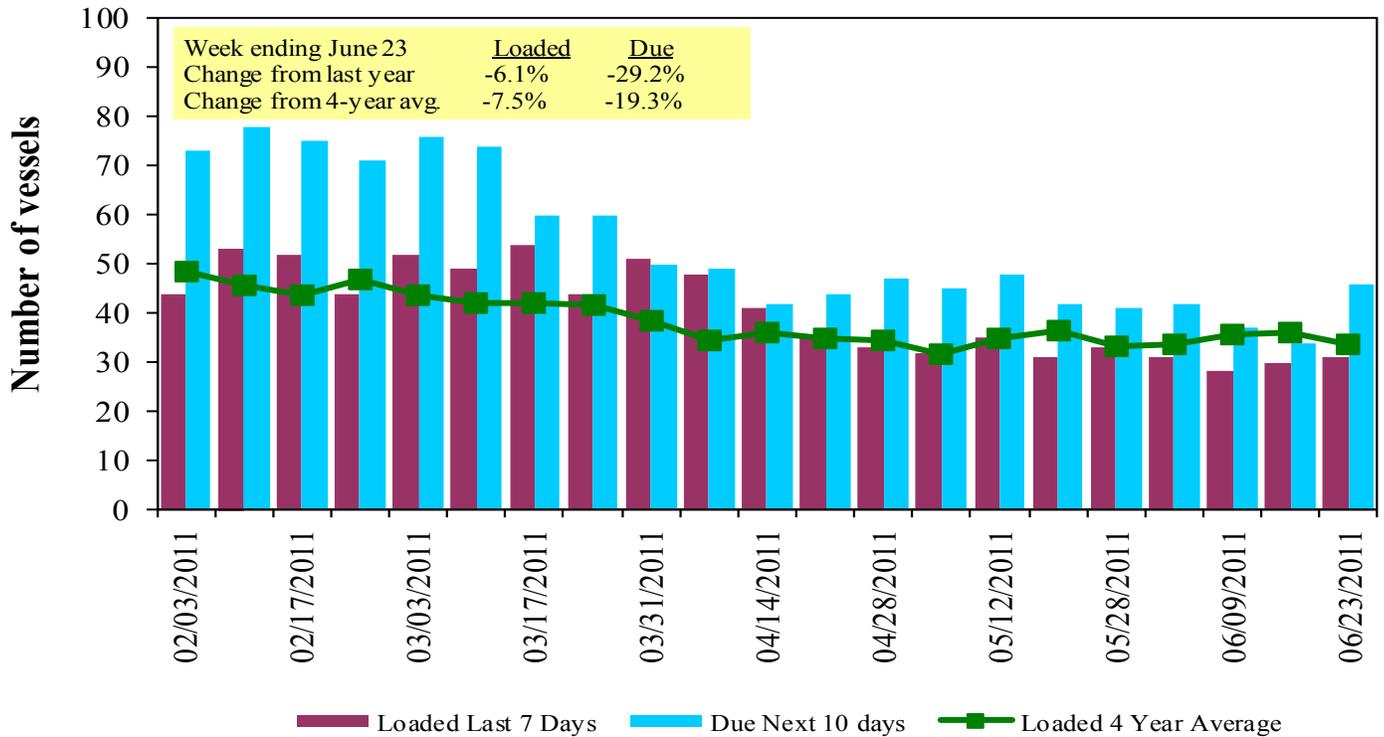
Table 17

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

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In port	Loaded 7-days	Due next 10-days	In port	In port
6/23/2011	24	31	46	20	10
6/16/2011	23	30	34	17	11
2010 range	(15..69)	(30..57)	(33..84)	(4..24)	(2..20)
2010 avg.	41	42	58	12	11

Source: Transportation & Marketing Programs/AMS/USDA

Figure 16
U.S. Gulf¹ Vessel Loading Activity

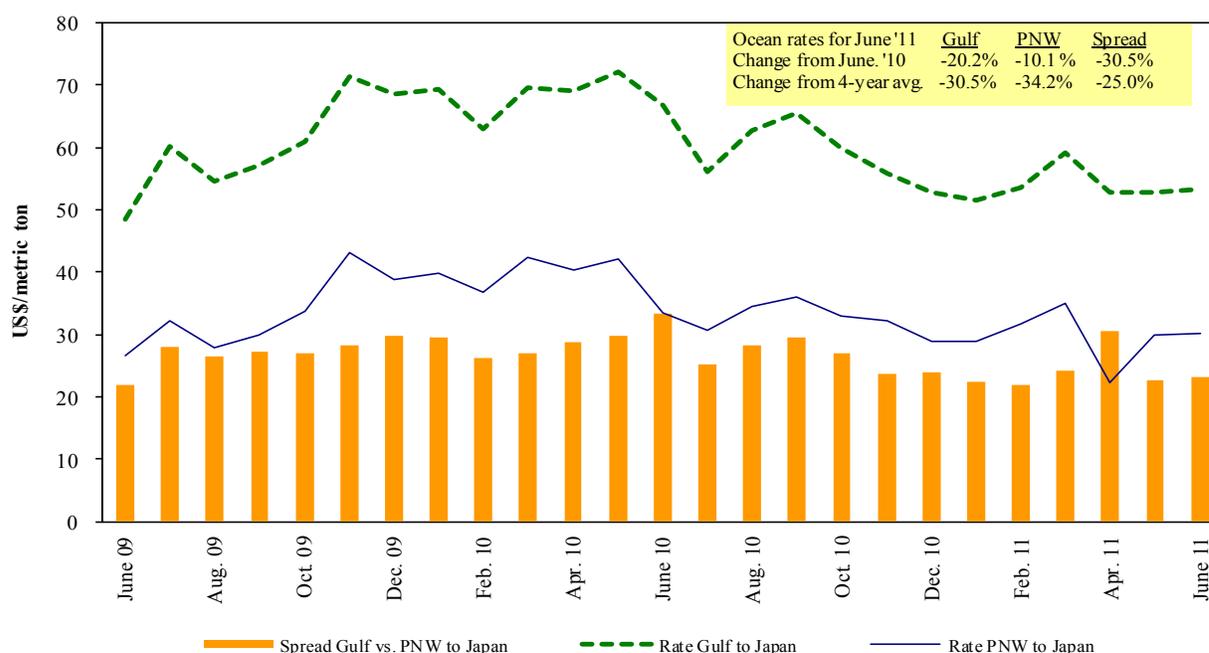


Source: Transportation & Marketing Programs/AMS/USDA

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

Figure 17

Grain Vessel Rates, U.S. to Japan



Source: O'Neil Commodity Consulting

Table 18

Ocean Freight Rates For Selected Shipments, Week Ending 06/25/2011

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	Japan	Heavy Grain	June 1/12	54,000	52.50
U.S. Gulf	Isreal	Wheat	May 20/30	50,000	36.00
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
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	Juli 1/10	25,000	42.90
River Plate	Algeria	Corn	June 15/25	25,000	42.75
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	Heavy Grain	Apr 25/28	2,500	44.50
River Plate	Spain	Maize	May 16/18	25,000	44.00
River Plate	Spain	Corn	Apr 24/25	2,500	46.00
Ukraine	Spain Med	Corn	May 20/24	25,000	18.00

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

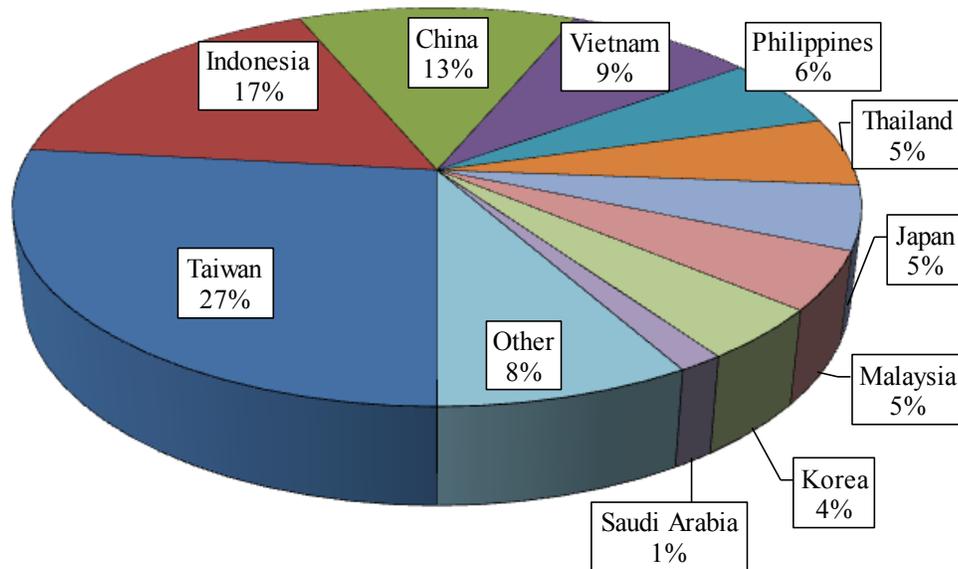
¹75 percent of food aid from the United States is required to be shipped on U.S.-flag vessels.

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

In 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, March 2011

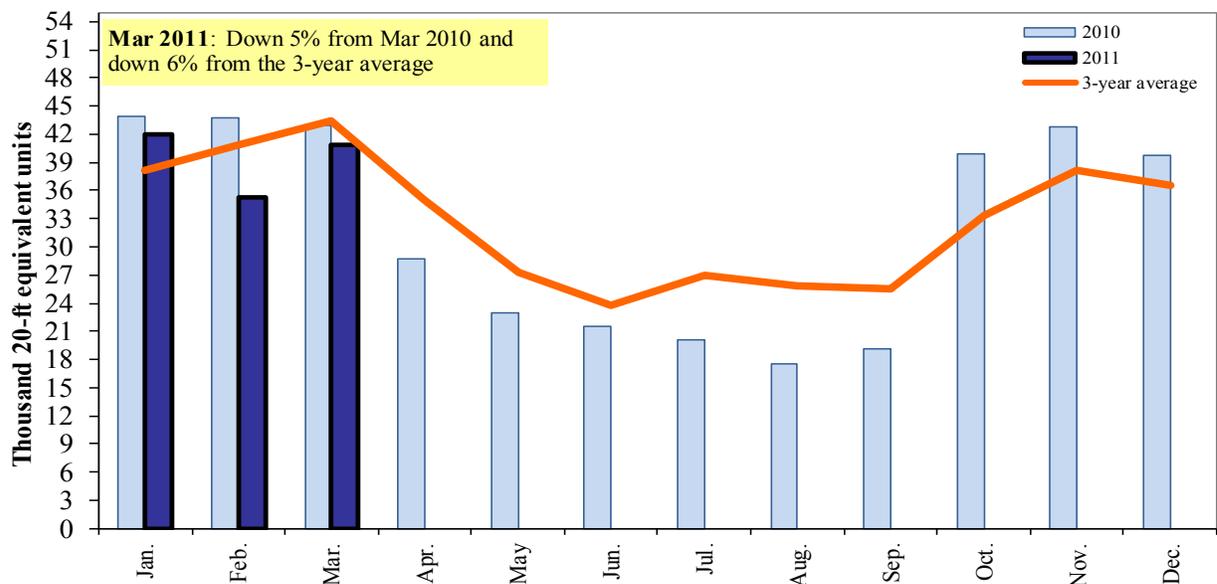


Source: USDA/Agricultural Marketing Service/Transportation Services Division analysis of Port Import Export Reporting Service (PIERS) data

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**.

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