



July 14, 2011

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WEEKLY HIGHLIGHTS

[Barge Restrictions Persist Near St. Louis as High Water Returns to Upper Portions of the Mississippi](#)

Daylight-only transit restrictions remain in effect on the Mississippi River at St. Louis, MO. These restrictions will likely be in effect for some time because long-term Missouri River high water flows are impacting Mississippi River levels at St. Louis. In addition, continued rainfall in the Upper Midwest is causing high water conditions to return to the upper Mississippi River. Some locks have reported increased transit times due to swift currents. The lower Mississippi River, however, is reporting improved conditions.

[Record Corn Production Projections May Increase Fall Grain Transportation Demand](#)

In its July World Agricultural Supply and Demand Estimates report (WASDE), USDA projects 2011/12 corn, soybean, and wheat production to reach a record of 18.8 billion bushels (bbu), based on record planted corn acreage (92.3 million acres) and production (13.47 billion bushels). This is 4.5 percent higher than the previous year and 1 percent above the previous record set in 2009/10. USDA projected 2011/12 domestic use of the three commodities to increase by 274 million bushels (mbu), which more than offset a 136 mbu drop in the projected exports. The larger corn crop and relatively strong domestic and export demand could lead to increased demand for grain transportation during the fall harvest and into the second half of the year.

[Soybean Inspections Rebound, but Not as Much as Needed](#)

For the week ending July 7, **total inspections of grain** (corn, wheat, and soybeans) for export from all major U.S. export regions reached 1.41 million metric tons (mmt), down 10 percent from the previous week and 1.4 percent below last year at this time. Soybean inspections (0.110 mmt) increased 45 percent from the past week because of higher shipments to Indonesia. The increase in soybean inspections, however, was not enough to offset a 0.187 mmt drop in corn and wheat inspections. In fact, the combined corn and soybean inspections (0.857 mmt) were about 40 percent below the weekly pace needed to ship the **outstanding export sales** of the two commodities for this marketing year. Wheat and corn inspections decreased by 20 and 6 percent from the previous week as shipments of wheat to Asia and corn to Africa decreased.

[NITL Requests Rulemaking on Railroad Competitive Switching](#)

The National Industrial Transportation League (NITL) filed a petition with the Surface Transportation Board (STB) that requests a rulemaking to adopt revised competitive switching rules. NITL proposed the elimination of the STB's current competitive access rules and the establishment of new rules where such rules apply to reciprocal switching. Although not all grain shippers would benefit from the adoption of NITL's recommendations, the recommendations would likely generally reduce reciprocal switching fees, which often exceed \$500 and have a variable cost of approximately \$100. A fee reduction would allow some grain shippers more economical access to a greater number of markets.

Snapshots by Sector

Rail

U.S. railroads originated 22,049 **carloads of grain** during the week ending July 2, up 7 percent from last week and 6 percent from last year, and 10 percent higher than the 3-year average.

During the week ending July 7, average July **non-shuttle secondary railcar bids/offers** were \$6.50 below tariff, the same as last week. Average shuttle rates were \$381.50 below tariff, down \$27.50 from last week.

Barge

During the week ending July 9, **barge grain movements** totaled 650,905 tons, 6 percent lower than the previous week and 4 percent lower than the same period last year.

During the week ending July 9, 426 grain barges **moved down river**, down 4.5 percent from last week; 435 grain barges were **unloaded in New Orleans**, up 4.8 percent from the previous week.

Ocean

During the week ending July 7, 30 **ocean-going grain vessels** were loaded in the Gulf, down 9 percent from last year. Forty vessels are expected to be loaded within the next 10 days, 18 percent less than the same period last year.

During the week ending July 8, ocean freight rate for shipping bulk grain from the Gulf to Japan was \$53 per metric ton (mt), up 2 percent from the previous week. The cost of shipping from the Pacific Northwest to Japan was \$29 per mt—4 percent more than the previous week.

Fuel

During the week ending July 9, U.S. average **diesel fuel prices** increased 5 cents to \$3.90 per gallon—1 percent higher than the previous week and 34 percent higher than the same week last year.

Feature Article/Calendar

Grain Transportation Update

Overview

Stormy weather during the first half of the year disrupted many segments of the grain transportation system. Blizzards in the Northern-tier states slowed grain transportation during February and March. This led to much heavier than normal snow accumulations, which contributed to flooding that began in April and has continued to disrupt transportation in various parts of the United States. Flooding in the Upper Mississippi River region led to record high water levels on portions of the Mississippi River. In the Missouri River Valley, record runoff from snow melt and rainfall produced massive floods that stretched the limits of the flood control system. The Missouri River feeds the Mississippi River at St. Louis, MO, leading to high water there and barge navigation restrictions, such as only being able to operate barges during daylight. Wet or flooded fields delayed plantings that could lead to a later than normal harvest, leading to transportation demand that could be compressed into a shorter period of time than normal. During the first six months of the year, commodity prices remained high until the end of June, when higher-than-expected corn plantings and stocks reversed the trend. Despite transportation disruptions, grain export activity remained above average because less grain was available from competing exporting countries.

2011 Flood Conditions Limit Barge Movements

Table 1 shows that for the second quarter of 2011, grain barge movements on the Mississippi River System were 24 percent lower than the 5-year average. This was caused by high water conditions on major portions of the Mississippi, Ohio, Illinois, Missouri, and Arkansas rivers. In April, 14 locks on the flooded waterways were closed for short periods. The flood waters began to recede on the upper portions of the river system as record flooding occurred on the lower Mississippi River. First and second quarter movements in 2011 were higher than 2008, when flood conditions in the Upper Mississippi Valley limited barge movements. In 2008, flood conditions were concentrated on the Upper Mississippi River rather than the entire system as is the case this year. First quarter 2011 movements were above average, however, the first quarter generally has limited activity because most of the Upper Mississippi River is closed during the winter months.

Table 1. Average Weekly Grain Barge Shipments on Mississippi River System by Quarter, and Annual Total, 2006-2011

Year	Average Weekly Shipments				Annual
	1st quarter	2d quarter	3d quarter	4th quarter	Total
1,000 tons					
2006	576	763	709	824	37,335
2007	543	666	632	806	34,397
2008	522	491	567	561	27,839
2009	567	763	664	761	35,920
2010	576	692	630	762	34,584
2011	570	510			
5 yr avg	557	675	640	743	34,015

Source: U.S. Army Corps of Engineers

For the week ending July 9, weekly barge movements were 651 thousand tons, slightly higher than average. Higher than average barge volumes can be expected for July as forecasts indicate that water levels will continue to recede and navigation conditions will improve. The average barge rate for grain shipped from St. Louis to New Orleans during June was \$13.76 per ton, a 53 percent increase compared to June of last year. Barge rates in June were 28 percent lower than during flood-impacted June 2008. Rates are likely to increase for the remainder of the year as the barge industry must move flood-delayed grain to market. Barge operators are offering St. Louis barge rates for October shipments at an average \$23.94 per ton.

First Half Grain Carloadings Extremely Strong

Grain carloadings for Class I railroads in the first half of 2011 are 598,748, the second highest for the past decade and behind the level of 630,087 in 2008. This is an 8 percent increase over the first half of 2010 (553,478), a 25 percent increase over the first half of 2009 (479,742), and an 8 percent increase above the 2008-2010 average. Despite persistent and record flooding causing delays and rerouting in the Mid-West, Upper Great Plains, and along the Mississippi, railroads have fared better than barges, which are experiencing lower grain traffic than during non-flood years. A similar pattern occurred in 2008, another flood year, when barge grain traffic decreased substantially and railroad grain carloadings peaked.

Steady production and high exports of grain have also driven rail carloadings this year as it remains the dominant mode of transportation for grain exports. The weekly grain carloadings have been above the 2010 levels, and also above the 2008–2010 averages for 22 of the past 26 weeks (see figure).

Low Bulk Ocean Freight Rates Continue for 2011

Bulk ocean freight rates continued to be relatively low during the first half of 2011 because of weak demand for bulk shipments and excess vessel supply. As of July 8, the rate for shipping bulk grain from the U.S. Gulf to Japan was \$53 per metric ton (mt)—

33 percent below the 3-year average. For the same week, the rate from the Pacific Northwest to Japan was \$29 per mt—35 percent below the 3-year average. Likewise, the rate from the U.S. Gulf to Rotterdam was \$23.50 per mt, 33 percent lower than the 3-year average. The dry bulk trade continued to be impacted by the after-effects of natural calamities in Australia and Japan. Although bulk vessel scrapping has increased slightly, and ordering of new vessels has slowed down, new delivery and vessel supply are still outpacing bulk vessel demand. The rates are likely to remain moderate at least until the harvest season.

Average Diesel Fuel and Crude Oil Prices Soar High in 2011

Average on-highway diesel fuel prices have increased 61 cents per gallon since the beginning of the year. The average diesel price during quarter 2 was \$4.02 per gallon, 11 percent higher than the previous quarter and 33 percent higher than the same quarter last year. According to the Energy Information Administration (EIA), average world crude oil prices have been above \$90 per barrel all year. A sharp upward trend started in late February that lasted through the end of April, when average prices rose to \$120 per barrel. Recent actions to mitigate rising prices brought prices down initially, but continued uncertainty of economic growth, as well as consumption and production of oil, have kept crude and fuel oil prices high.

Record Corn Production Projections May Increase Fall Grain Transportation Demand

In its July World Agricultural Supply and Demand Estimates report, USDA projected the 2011/12 corn, soybean, and wheat production to reach a record 18.8 billion bushels (bbu) based on record planted corn acreage (92.3 million acres). This is 4.5 percent higher than the previous year and 1 percent above the previous record set in 2009/10 (see table 2). Domestic use of the three commodities is projected to increase by 274 million bushels (mbu), which more than offsets a 136 mbu drop in projected exports. USDA expects China will import

2 million metric tons (mmt) of corn in 2011/12. This is the highest since 1994/95, when China imported 4.3 mmt, with 4.0 mmt coming from the United States.¹ The larger U.S. corn crop and relatively strong domestic and export demand for all three commodities could lead to increased demand for grain transportation during the fall harvest and into the second half of the year. GTRContactUs@ams.usda.gov

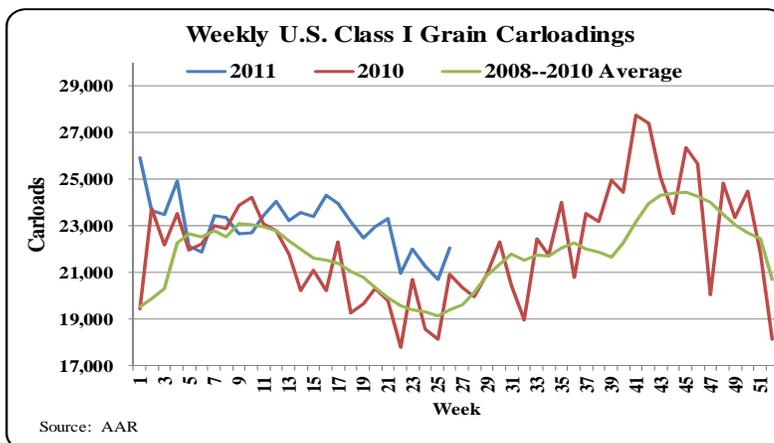


Table 2. Major Grains: Production and Use, July 2011 WASDE, million bushels

	Corn	Soybeans	Wheat	Total	Y/Y
<i>United States 2011/12 (Projected)</i>					
Production	13,470	3,225	2,106	18,801	4.5%
Exports	1,900	1,495	1,150	4,545	-2.9%
Domestic Use	11,600	1,769	1,247	14,616	1.9%
Ending Stocks/Use	6.4%	5.4%	28.0%		
<i>2010/11 (Estimated)</i>					
Production	12,447	3,329	2,208	17,984	-3.7%
Exports	1,875	1,520	1,286	4,681	7.1%
Domestic Use	11,430	1,775	1,137	14,342	1.9%
Ending Stocks/Use	6.6%	6.1%	39.7%		
<i>2009/10</i>					
Production	13,092	3,359	2,218	18,669	
Exports	1,987	1,501	881	4,369	
Domestic Use	11,079	1,860	1,137	14,076	
Ending Stocks/Use	13.1%	4.5%	48.4%		

¹ USDA, Foreign Agricultural Service, <http://www.fas.usda.gov/psdonline/psdQuery.aspx>

Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators¹

Week ending	Truck	Rail ²	Barge	Ocean	
				Gulf	Pacific
07/13/11	262	108	249	237	206
07/06/11	258	89	256	233	199

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)

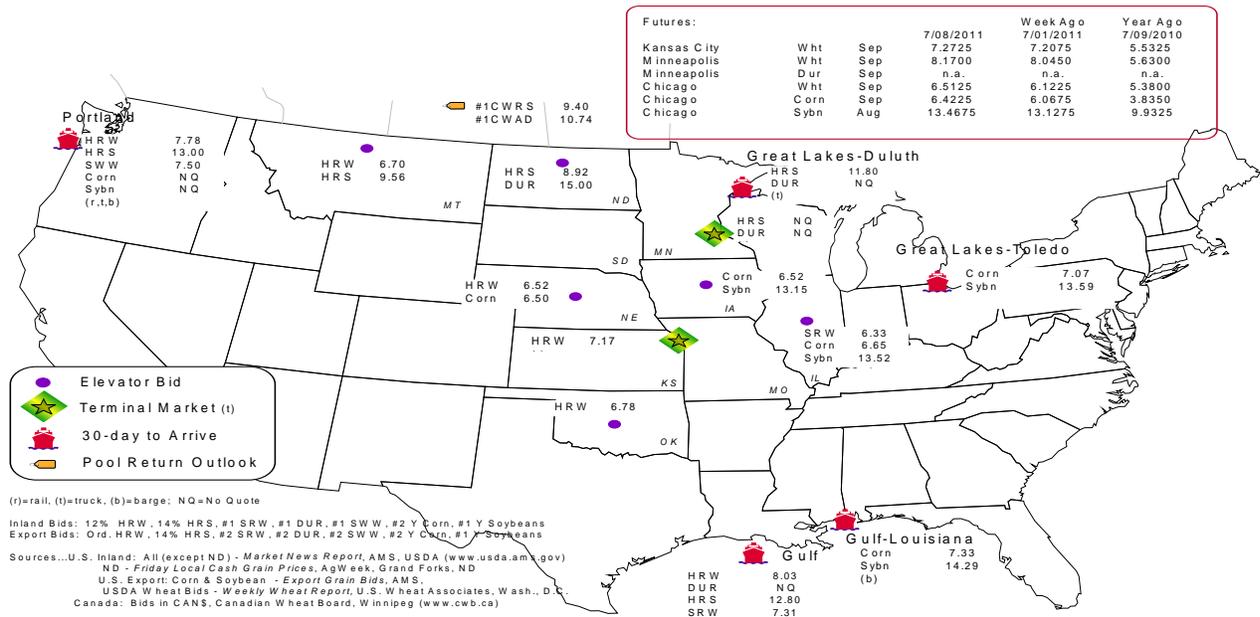
Commodity	Origin--Destination	7/8/2011	7/1/2011
Corn	IL--Gulf	-0.68	-0.84
Corn	NE--Gulf	-0.83	-1.07
Soybean	IA--Gulf	-1.14	-1.14
HRW	KS--Gulf	-0.86	-1.20
HRS	ND--Portland	-4.08	-3.77

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	
7/06/2011 ^p	209	1,054	1,461	2,316	182	5,222
6/29/2011 ^r	218	958	664	3,211	198	5,249
2011 YTD	21,239	55,983	24,744	102,806	15,377	220,149
2010YTD	8,335	35,526	24,504	87,843	17,490	173,698
2011 YTD as % of 2010 YTD	255	158	101	117	88	127
Last 4 weeks as % of 2010 ²	101	103	107	117	251	114
Last 4 weeks as % of 4-year avg. ²	50	74	130	92	100	89
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.

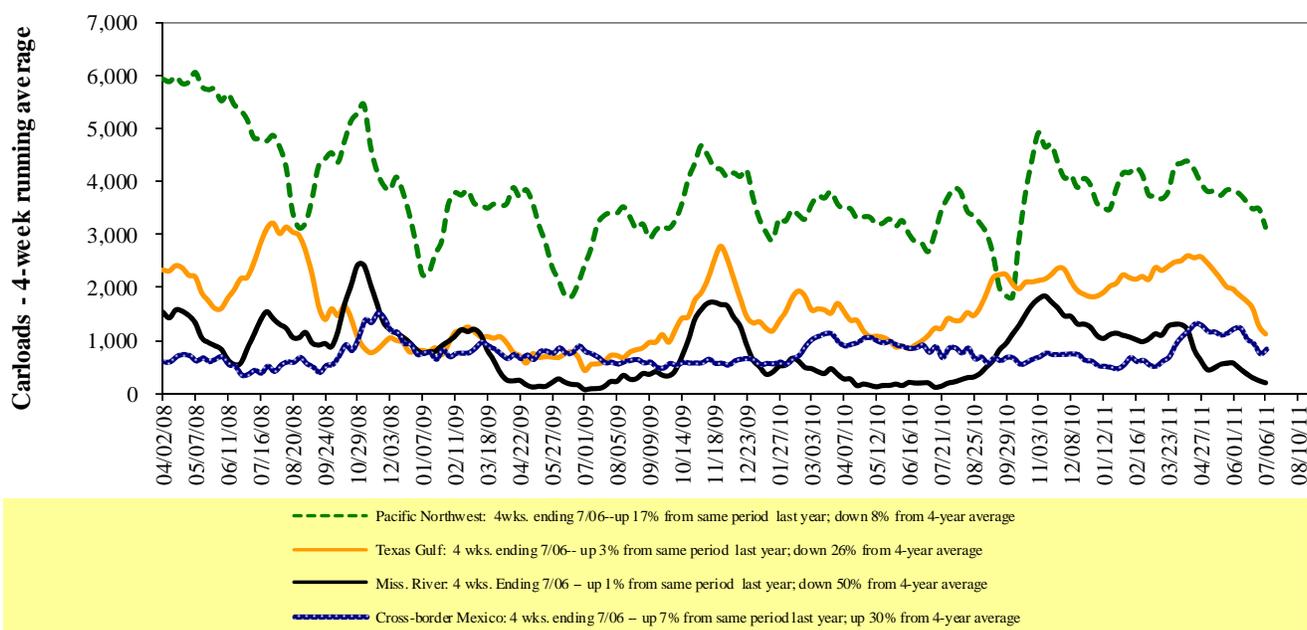
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

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

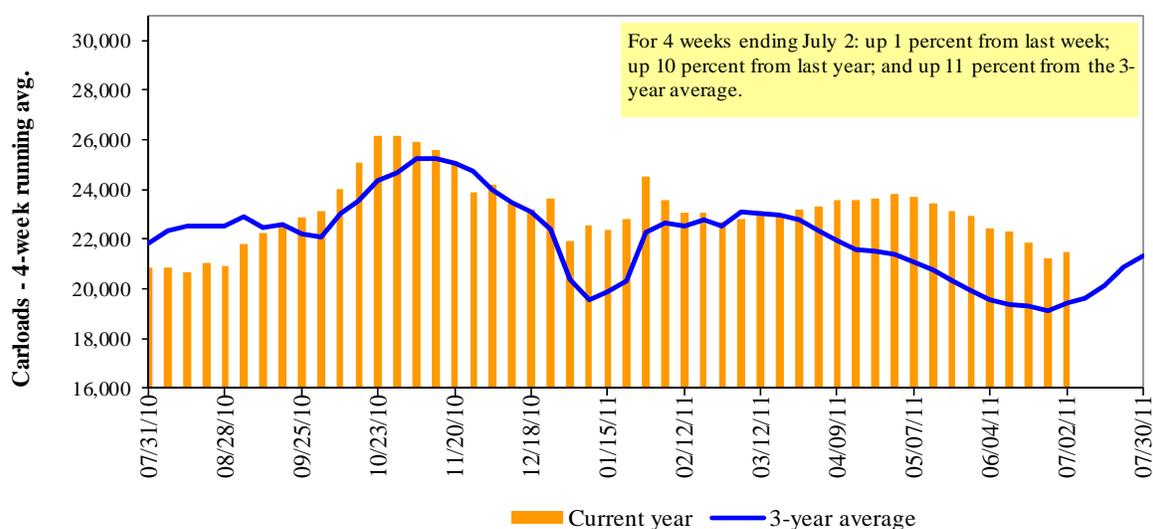
Table 4

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
07/02/11	1,879	2,943	10,589	1,053	5,585	22,049	3,874	5,558
This week last year	2,116	3,171	9,411	733	5,472	20,903	3,721	3,329
2011 YTD	52,368	79,956	289,582	17,810	159,032	598,748	103,034	127,438
2010 YTD	57,973	79,345	260,055	19,577	136,528	553,478	102,151	135,319
2011 YTD as % of 2010 YTD	90	101	111	91	116	108	101	94
Last 4 weeks as % of 2010 ¹	84	103	114	107	118	110	109	124
Last 4 weeks as % of 3-yr avg. ¹	79	103	116	123	114	109	101	110
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
7/7/2011								
BNSF ³								
COT grain units	no offer	13	no bids	3	no offer	no offer	no offer	15
COT grain single-car ⁵	0	1 . . 101	0	67 . . 121	no offer	277	no offer	3 . . 10
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	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.

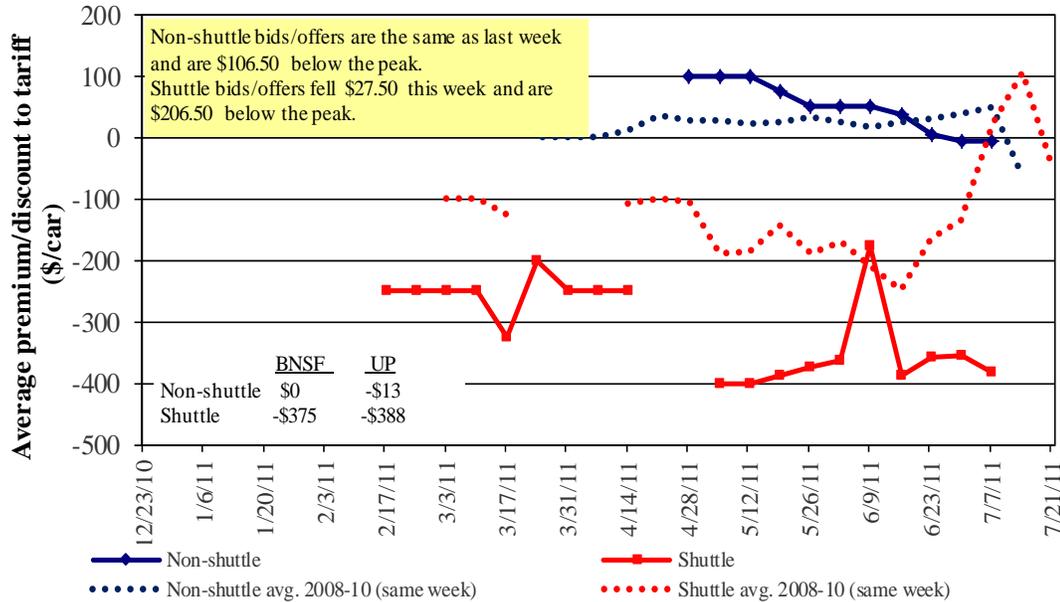
⁵Range is shown because average is not available. Not available = n/a.

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

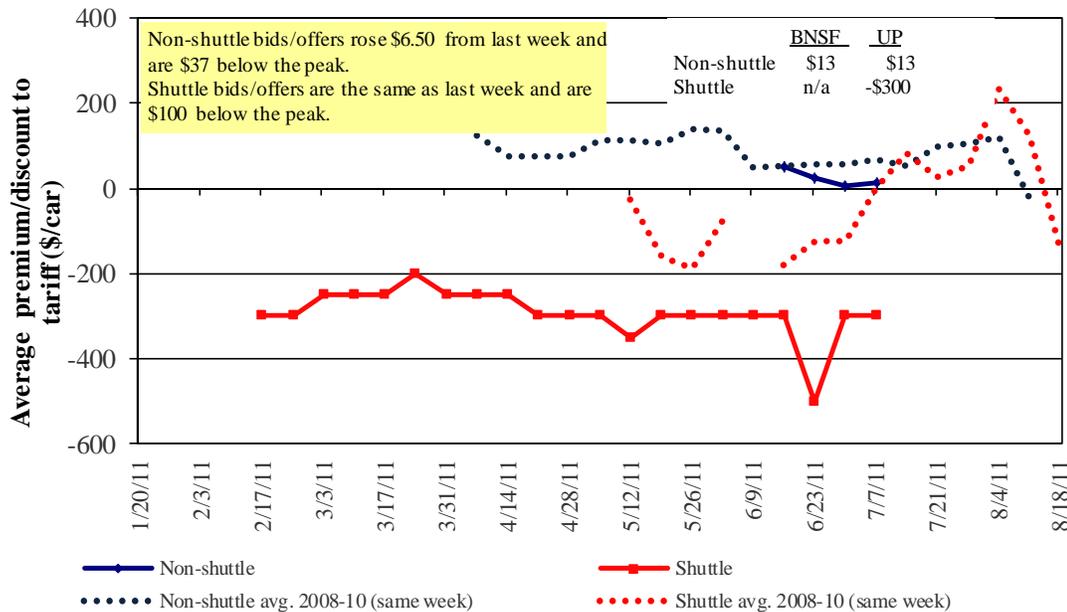


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

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

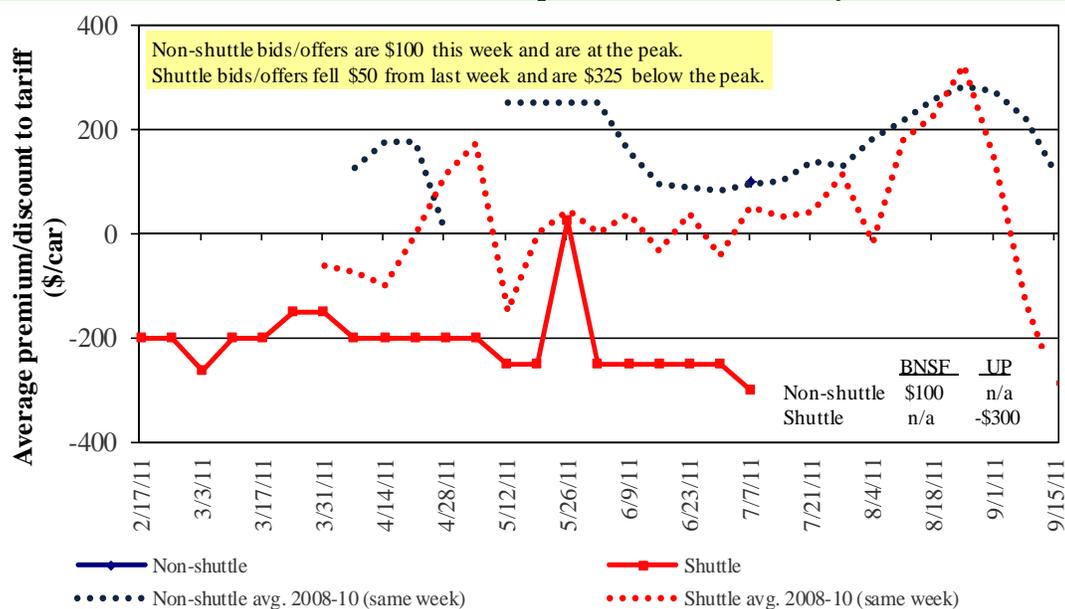


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

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	-	13	100	400	300	200
Change from last week	-	13	n/a	n/a	n/a	n/a
Change from same week 2010	(63)	(71)	(38)	n/a	n/a	n/a
UP-Pool	(13)	13	n/a	n/a	n/a	n/a
Change from last week	-	-	n/a	n/a	n/a	n/a
Change from same week 2010	n/a	13	n/a	n/a	n/a	n/a
Shuttle²						
BNSF-GF	(375)	n/a	n/a	n/a	450	n/a
Change from last week	(100)	n/a	n/a	n/a	n/a	n/a
Change from same week 2010	(500)	n/a	n/a	n/a	137	n/a
UP-Pool	(388)	(300)	(300)	425	n/a	n/a
Change from last week	45	-	(50)	-	n/a	n/a
Change from same week 2010	(338)	(350)	(300)	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 Shipments¹

Effective date:		Origin region*	Destination region*	Tariff rate/car	Fuel surcharge per car	Tariff plus surcharge per:		Percent change Y/Y ³
7/5/2011	metric ton					bushel ²		
Unit train								
Wheat	Wichita, KS	St. Louis, MO	\$2,992	\$197	\$31.67	\$0.86	11	
	Grand Forks, ND	Duluth-Superior, MN	\$2,822	\$116	\$29.18	\$0.79	16	
	Wichita, KS	Los Angeles, CA	\$5,710	\$597	\$62.63	\$1.70	10	
	Wichita, KS	New Orleans, LA	\$3,492	\$347	\$38.12	\$1.04	11	
	Sioux Falls, SD	Galveston-Houston, TX	\$5,410	\$490	\$58.59	\$1.59	6	
	Northwest KS	Galveston-Houston, TX	\$3,760	\$380	\$41.11	\$1.12	11	
	Amarillo, TX	Los Angeles, CA	\$3,959	\$529	\$44.57	\$1.21	12	
Corn	Champaign-Urbana, IL	New Orleans, LA	\$2,812	\$392	\$31.82	\$0.87	7	
	Toledo, OH	Raleigh, NC	\$3,760	\$450	\$41.81	\$1.14	14	
	Des Moines, IA	Davenport, IA	\$1,843	\$83	\$19.13	\$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	\$244	\$31.60	\$0.86	7	
	Des Moines, IA	Los Angeles, CA	\$4,835	\$711	\$55.07	\$1.50	20	
Soybeans	Minneapolis, MN	New Orleans, LA	\$3,109	\$439	\$35.24	\$0.96	17	
	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	\$392	\$35.24	\$0.96	10	
Shuttle Train								
Wheat	Great Falls, MT	Portland, OR	\$3,239	\$343	\$35.57	\$0.97	13	
	Wichita, KS	Galveston-Houston, TX	\$3,144	\$267	\$33.87	\$0.92	7	
	Chicago, IL	Albany, NY	\$3,497	\$422	\$38.92	\$1.06	-3	
	Grand Forks, ND	Portland, OR	\$4,702	\$593	\$52.58	\$1.43	12	
	Grand Forks, ND	Galveston-Houston, TX	\$5,648	\$617	\$62.22	\$1.69	10	
	Northwest KS	Portland, OR	\$4,727	\$624	\$53.13	\$1.45	11	
	Minneapolis, MN	Portland, OR	\$4,680	\$722	\$53.64	\$1.46	13	
Corn	Sioux Falls, SD	Tacoma, WA	\$4,640	\$661	\$52.64	\$1.43	13	
	Champaign-Urbana, IL	New Orleans, LA	\$2,677	\$392	\$30.48	\$0.83	7	
	Lincoln, NE	Galveston-Houston, TX	\$3,190	\$385	\$35.50	\$0.97	10	
	Des Moines, IA	Amarillo, TX	\$3,330	\$307	\$36.12	\$0.98	7	
	Minneapolis, MN	Tacoma, WA	\$4,680	\$716	\$53.59	\$1.46	13	
	Council Bluffs, IA	Stockton, CA	\$4,080	\$741	\$47.87	\$1.30	13	
	Sioux Falls, SD	Tacoma, WA	\$4,840	\$661	\$54.63	\$1.49	10	
Soybeans	Minneapolis, MN	Portland, OR	\$4,830	\$722	\$55.13	\$1.50	11	
	Fargo, ND	Tacoma, WA	\$4,730	\$588	\$52.81	\$1.44	9	
	Council Bluffs, IA	New Orleans, LA	\$3,510	\$452	\$39.35	\$1.07	9	
	Toledo, OH	Huntsville, AL	\$2,536	\$320	\$28.36	\$0.77	13	
	Grand Island, NE	Portland, OR	\$4,520	\$638	\$51.23	\$1.39	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

Effective date: 7/4/2011

Commodity	Origin state	Destination region	Tariff rate/car ¹	Fuel	Tariff plus surcharge per:		Percent change Y/Y ⁴
				surcharge per car ²	metric ton ³	bushel ³	
Wheat	MT	Chihuahua, CI	\$7,491	\$627	\$82.95	\$2.26	15
	OK	Cuautitlan, EM	\$6,610	\$649	\$74.17	\$2.02	13
	KS	Guadalajara, JA	\$7,210	\$884	\$82.70	\$2.25	11
	TX	Salinas Victoria, NL	\$3,656	\$263	\$40.04	\$1.09	12
Corn	IA	Guadalajara, JA	\$7,445	\$918	\$85.45	\$2.17	11
	SD	Penjamo, GJ	\$7,245	\$821	\$82.41	\$2.09	9
	NE	Queretaro, QA	\$6,802	\$832	\$78.00	\$1.98	14
	SD	Salinas Victoria, NL	\$5,360	\$624	\$61.14	\$1.55	13
	MO	Tlalnepantla, EM	\$5,959	\$811	\$69.17	\$1.76	15
	SD	Torreon, CU	\$6,248	\$687	\$70.86	\$1.80	13
Soybeans	MO	Bojay (Tula), HG	\$6,705	\$803	\$76.71	\$2.09	10
	NE	Guadalajara, JA	\$7,519	\$913	\$86.16	\$2.34	14
	IA	El Castillo, JA ⁵	\$7,770	\$815	\$87.72	\$2.39	12
	KS	Torreon, CU	\$6,042	\$628	\$68.15	\$1.85	15
Sorghum	OK	Cuautitlan, EM	\$5,350	\$623	\$61.03	\$1.55	18
	TX	Guadalajara, JA	\$6,289	\$534	\$69.71	\$1.77	12
	NE	Penjamo, GJ	\$6,905	\$845	\$79.18	\$2.01	8
	KS	Queretaro, QA	\$6,038	\$573	\$67.54	\$1.71	13
	NE	Salinas Victoria, NL	\$4,818	\$546	\$54.81	\$1.39	13
	NE	Torreon, CU	\$5,804	\$673	\$66.18	\$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

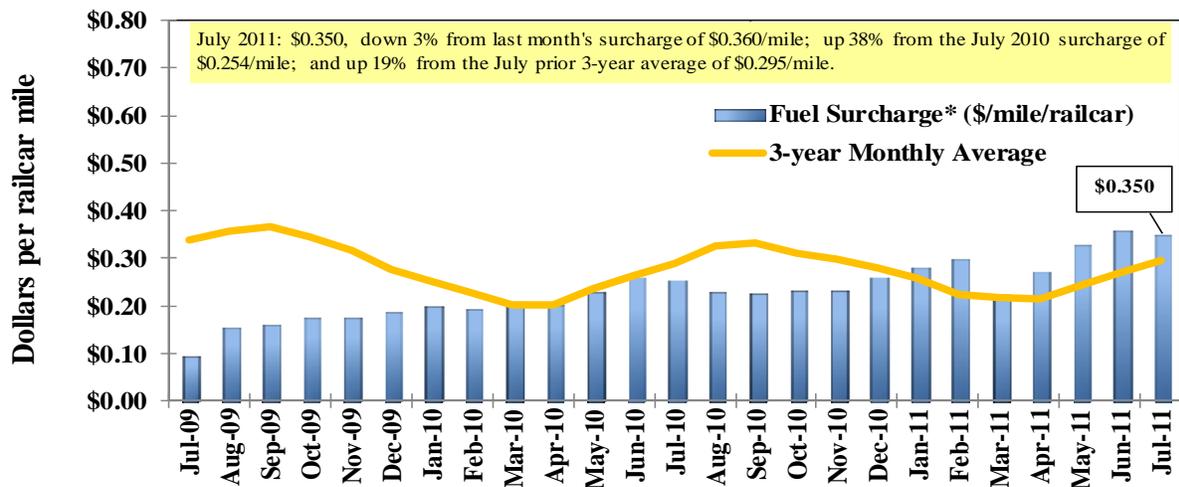
³Approximate load per car = 97.87 metric tons: Corn & Sorghum 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

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.

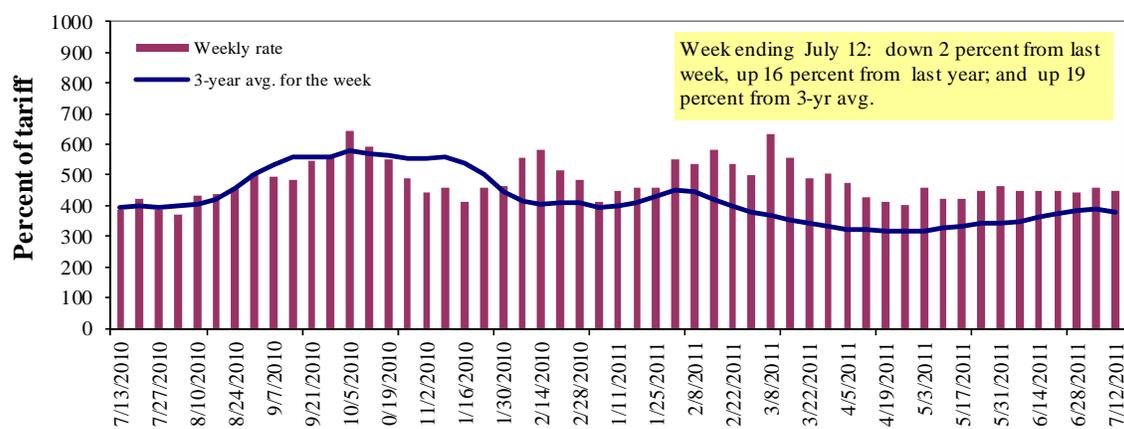
** BNSF strike price (diesel price when fuel surcharges begin) changed from \$1.25/gal. to \$2.50/gal. starting March 1, 2011. As a result, the weighted average fuel surcharge for March 2011 was \$0.227/mile instead of \$0.331/mile.

Sources: www.bnsf.com, www.cn.ca, www.cpr.ca, www.csx.com, www.ksis.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

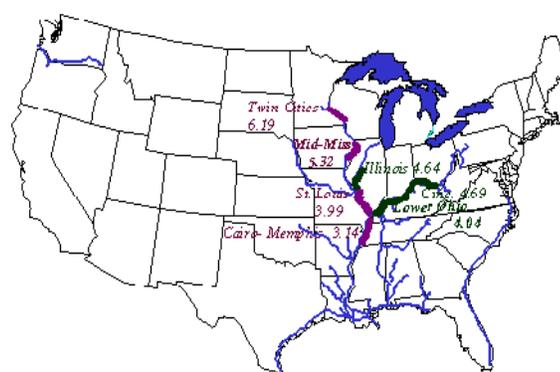
Weekly Barge Freight Rates: Southbound Only

		Twin Cities	Mid-Mississippi	Lower Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo-Memphis
Rate¹	7/12/2011	533	461	449	334	400	400	308
	7/5/2011	548	477	460	342	398	395	312
\$/ton	7/12/2011	32.99	24.53	20.83	13.33	18.76	16.16	9.67
	7/5/2011	33.92	25.38	21.34	13.65	18.67	15.96	9.80
Current week % change from the same week:								
	Last year	16	18	16	14	32	32	15
	3-year avg. ²	21	19	19	20	28	28	26
Rate¹	August	528	472	470	388	455	455	485
	October	700	693	680	635	700	700	575

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

Source: Transportation & Marketing Programs/AMS/USDA

Figure 9
Benchmark tariff rates

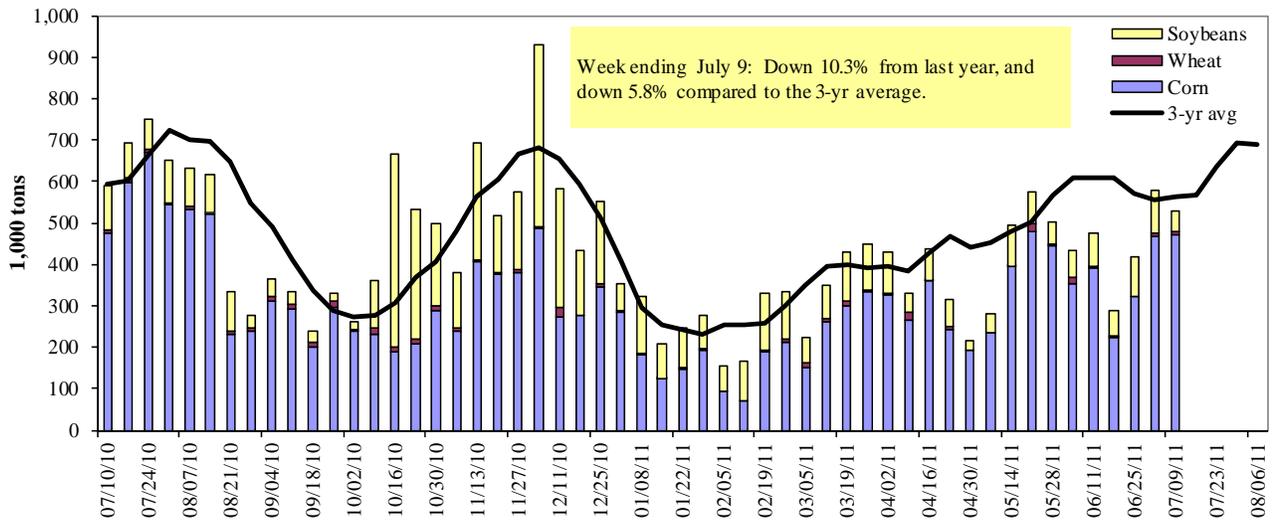


Calculating barge rate per ton:

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

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map (see figure 9).

Figure 10

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

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

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

Table 10

Barge Grain Movements (1,000 tons)

Week ending 7/9/2011	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	344	0	27	0	371
Winfield, MO (L25)	278	0	35	0	313
Alton, IL (L26)	464	9	50	0	523
Granite City, IL (L27)	470	9	51	2	531
Illinois River (L8)	175	2	23	0	200
Ohio River (L52)	21	62	20	0	103
Arkansas River (L1)	0	11	3	3	16
Weekly total - 2011	491	82	74	4	651
Weekly total - 2010	512	31	137	0	679
2011 YTD ¹	9,802	781	3,950	164	14,697
2010 YTD	12,399	613	4,394	247	17,654
2011 as % of 2010 YTD	79	127	90	66	83
Last 4 weeks as % of 2010 ²	69	179	73	53	74
Total 2010	22,768	1,220	10,373	481	34,841

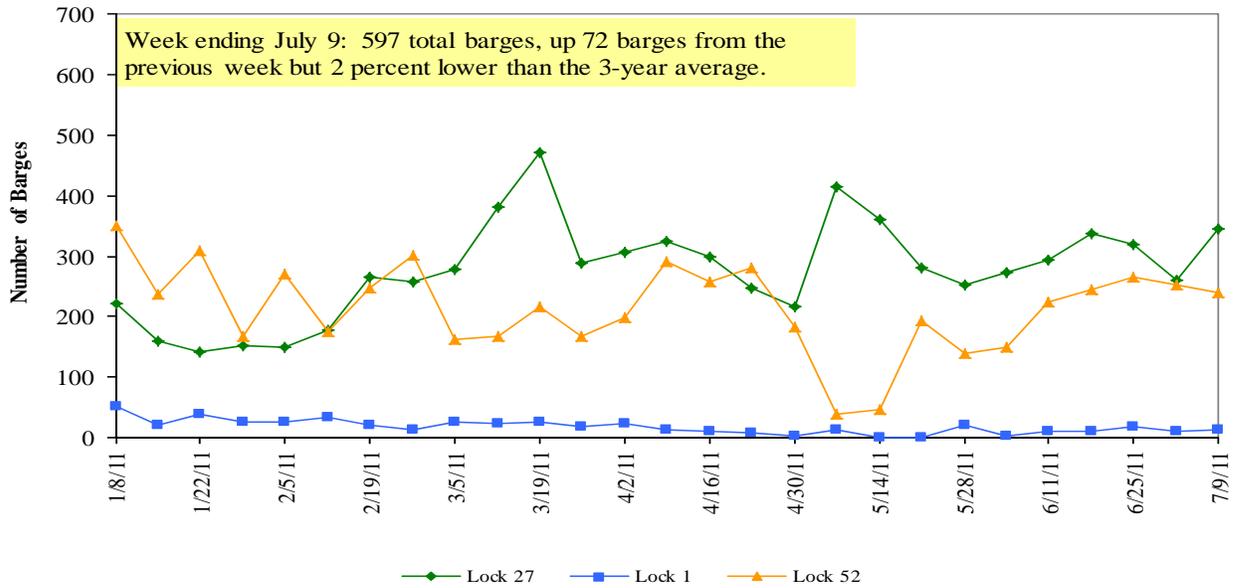
¹ Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

² As a percent of same period in 2010.

Note: Total may not add exactly, due to rounding

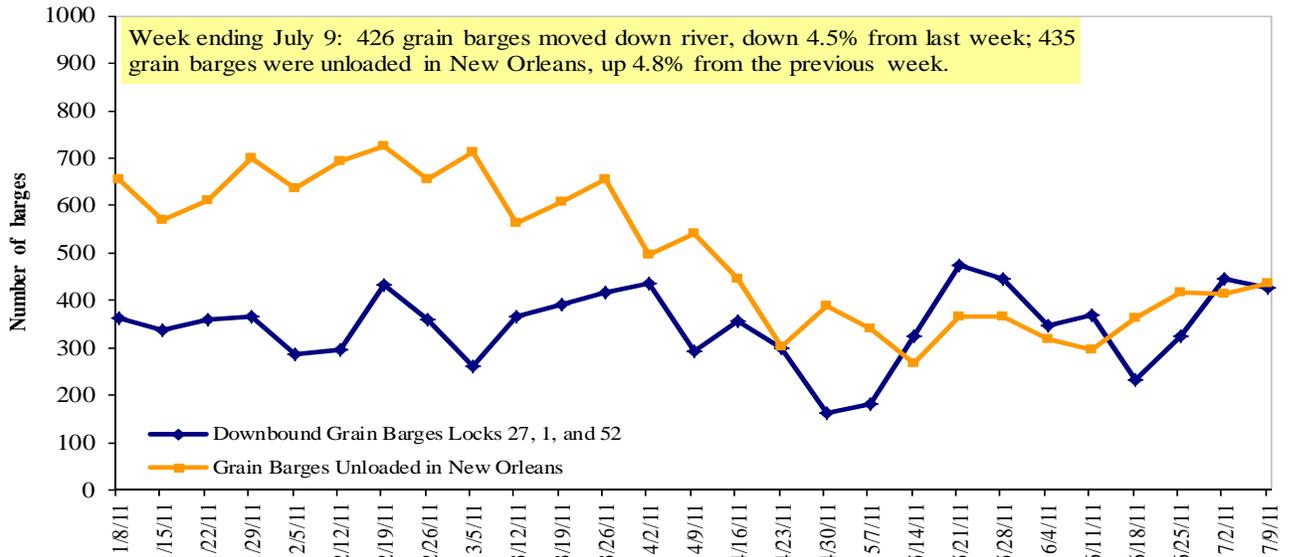
Source: U.S. Army Corps of Engineers (www.mvr.usace.army.mil/mvrirmi/omni/webprpts/default.asp)

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 7/11/2011 (US \$/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	3.926	0.056	1.005
	New England	4.012	0.003	0.995
	Central Atlantic	4.034	0.056	1.012
	Lower Atlantic	3.872	0.060	1.003
II	Midwest ²	3.875	0.057	1.010
III	Gulf Coast ³	3.856	0.058	0.999
IV	Rocky Mountain	3.838	-0.013	0.926
V	West Coast	4.012	0.019	0.955
	California	4.099	0.034	0.976
Total	U.S.	3.899	0.049	0.996

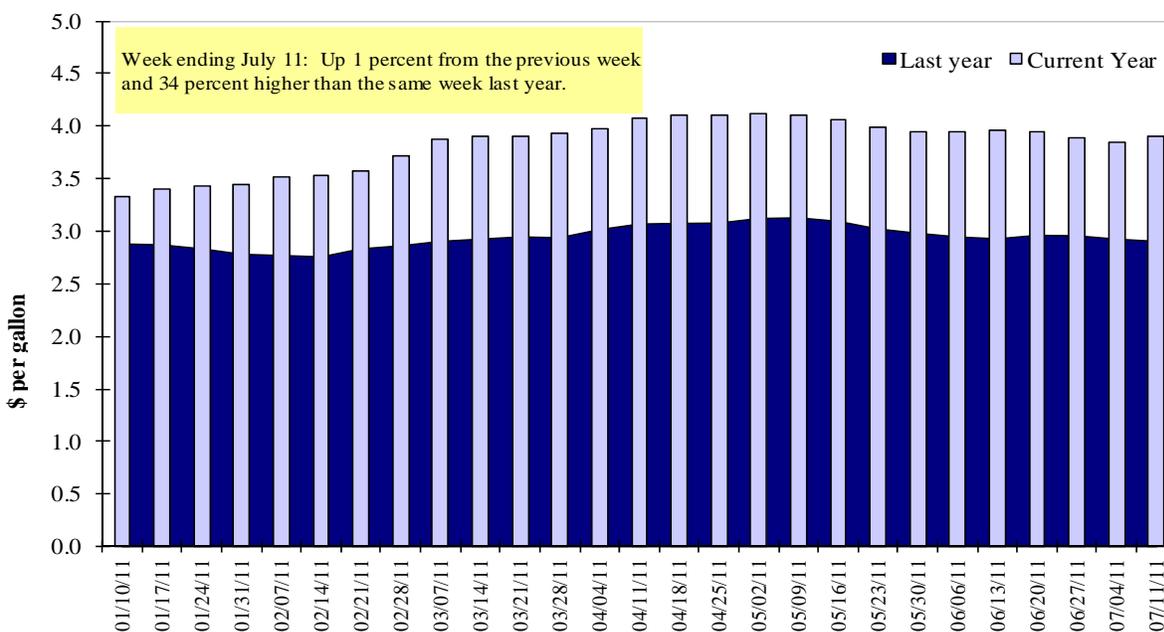
¹Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

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									
6/30/2011	1,908	1,004	1,911	1,163	74	6,060	8,267	3,671	17,998
This week year ago	2,066	540	1,013	959	280	4,858	9,860	2,452	17,170
Cumulative exports-marketing year²									
2010/11 YTD	1,284	229	581	486	85	2,664	37,555	38,124	78,343
2009/10 YTD	792	212	453	433	37	1,927	39,348	37,097	78,372
YTD 2010/11 as % of 2009/10	162	108	128	112	230	138	95	103	100
Last 4 wks as % of same period 2009/10	102	159	196	125	39	129	89	157	110
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 06/30/11	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	854	14,074	14,645	(4)	14,343
Mexico	1,830	6,819	7,867	(13)	7,999
Korea	1	5,623	7,711	(27)	7,562
Taiwan	0	2,570	2,988	(14)	2,949
Egypt	40	2,781	2,699	3	2,935
Top 5 importers	2,725	31,868	35,910	(11)	35,788
Total US corn export sales	5,702	45,823	49,208	(7)	50,460
% of Projected	12%	96%	98%		
Change from Last Week	869	622	501		
Top 5 importers' share of U.S. corn export sales	48%	70%	73%		
USDA forecast, July 2011	48,260	47,630	50,460	(6)	
Corn Use for Ethanol USDA forecast, Ethanol July 2011	130,810	128,270	116,027	11	

(n) indicates negative number.

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

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

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

Table 14

Top 5 Importers¹ of U.S. Soybeans

Week Ending 06/30/2011	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	6,313	25,866	22,500	15	22,454
Mexico	131	3,088	3,122	(1)	3,276
Japan	120	2,274	2,369	(4)	2,347
EU-25	60	2,599	2,698	(4)	2,647
Taiwan	0	1,382	1,565	(12)	1,556
Top 5 importers	6,624	35,210	32,254	9	32,280
Total US soybean export sales	7,619	41,795	39,549	6	40,850
% of Projected	19%	101%	97%		
Change from last week	129	306	263		
Top 5 importers' share of U.S. soybean export sales	87%	84%	82%		
USDA forecast, July 2011	40,690	41,370	40,850	1	
Soybean Use for Biodiesel USDA forecast, July 2011	8,393	5,515	4,031	37	

(n) indicates negative number.

¹Based on FAS 2008/09 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year (MY) = Sep 1 - Aug 31.²Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report.³FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 15

Top 10 Importers¹ of All U.S. Wheat

Week Ending 06/30/2011	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	935	916	2	3,233
Japan	1,144	770	49	3,148
Mexico	830	835	(1)	2,601
Philippines	1,028	801	28	1,518
Korea	254	457	(44)	1,111
Peru	333	301	11	923
Taiwan	239	104	130	913
Colombia	281	208	35	783
Indonesia	200	141	42	781
Yemen	170	0		659
Top 10 importers	5,414	4,532	19	15,670
Total US wheat export sales	8,724	6,785	29	33,439
% of Projected	28%	19%		
Change from last week	424	514		
Top 10 importers' share of U.S. wheat export sales	62%	67%		
USDA forecast, July 2011	31,300	35,000	(11)	

(n) indicates negative number.

¹Modified from the FAS 2010/11 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Jun 1 - May 31.²Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report.³FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 16

Grain Inspections for Export by U.S. Port Region (1,000 metric tons)

Port regions	Week ending 07/07/11	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	220	337	65	7,774	5,572	140	121	181	11,062
Corn	180	192	94	5,120	5,240	98	110	100	9,950
Soybeans	58	20	284	3,324	4,386	76	224	53	10,191
Total	458	549	83	16,219	15,198	107	120	119	31,203
Mississippi Gulf									
Wheat	214	90	238	2,951	1,945	152	240	154	4,199
Corn	530	575	92	13,829	15,559	89	87	91	29,794
Soybeans	44	53	84	9,760	9,000	108	73	45	22,519
Total	789	717	110	26,539	26,505	100	96	88	56,512
Texas Gulf									
Wheat	110	232	47	7,450	3,956	188	148	113	9,339
Corn	25	31	80	780	964	81	236	88	1,859
Soybeans	0	0	n/a	763	667	114	0	0	1,916
Total	135	264	51	8,994	5,587	161	155	109	13,115
Great Lakes									
Wheat	2	21	10	593	244	243	226	251	1,897
Corn	12	0	n/a	37	31	120	0	117	119
Soybeans	0	0	n/a	22	0	n/a	0	0	655
Total	14	21	67	652	274	238	334	165	2,672
Atlantic									
Wheat	3	5	65	565	193	293	68	43	343
Corn	0	0	n/a	170	195	87	31	44	469
Soybeans	8	3	240	440	697	63	191	202	1,417
Total	11	8	139	1,175	1,085	108	73	56	2,229
U.S. total from ports²									
Wheat	549	685	80	19,333	11,910	162	143	143	26,839
Corn	747	798	94	19,936	21,989	91	95	93	42,192
Soybeans	110	76	144	14,309	14,750	97	99	49	36,699
Total	1,406	1,559	90	53,579	48,649	110	111	100	105,730

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

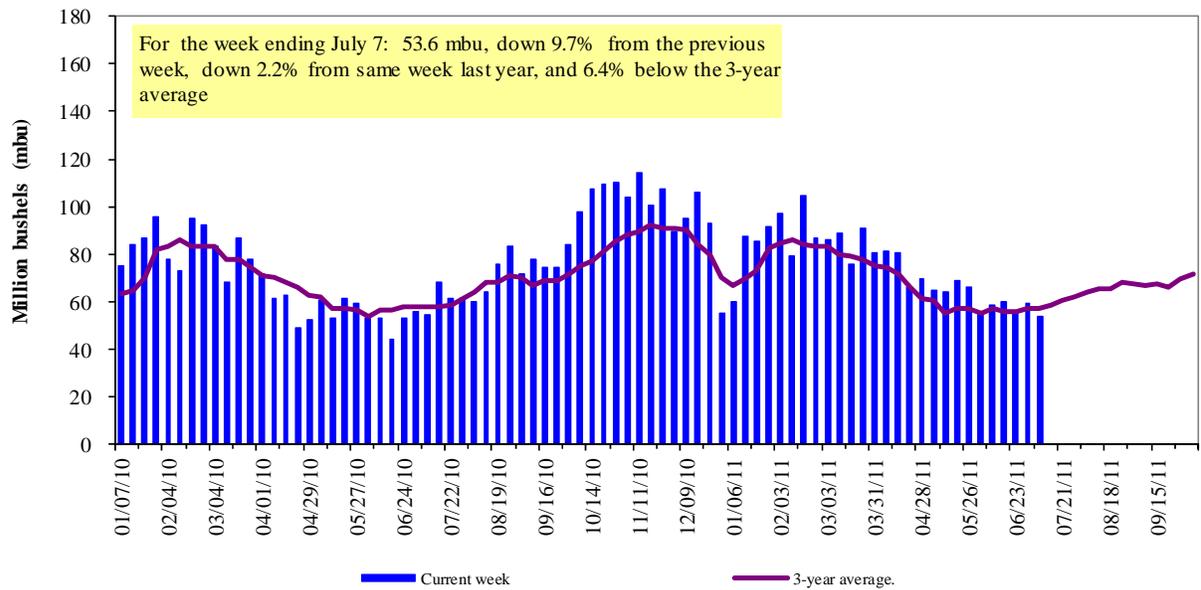
² Total includes only port regions shown above

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)

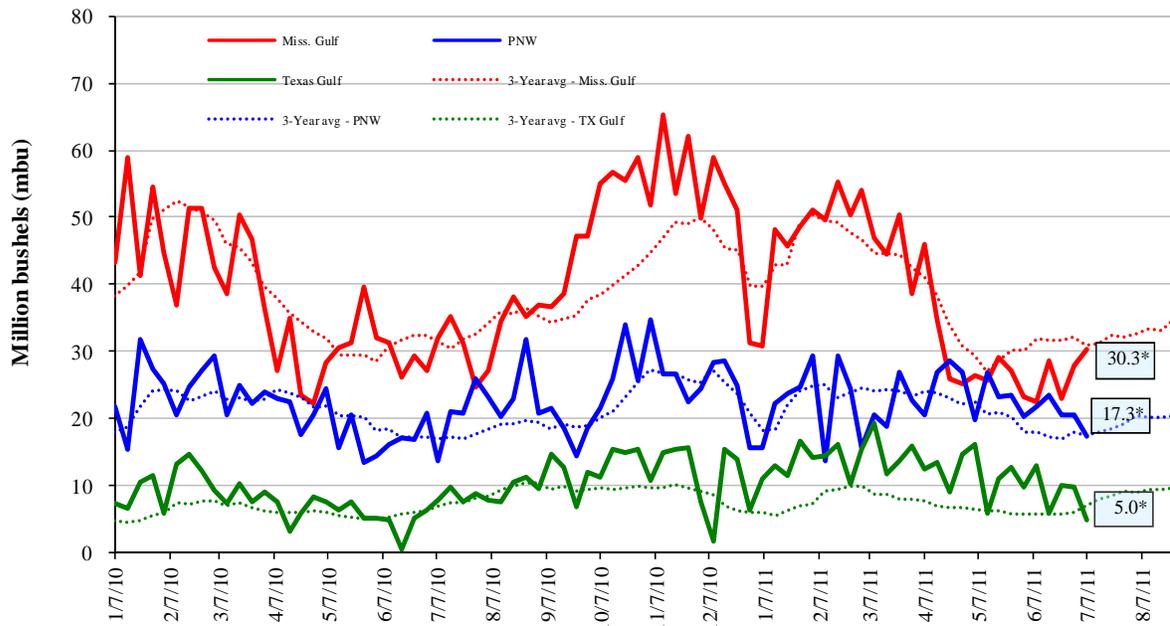


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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.

July 7% change from:	MSGulf	TX_Gulf	U.S. Gulf	PNW
Last week	up 9	down 49	down 6	down 16
Last year (same week)	down 6	down 36	down 12	up 25
3-yr avg. (4-wk mov. avg.)	down 2.3	down 29	down 7.2	up 18

Ocean Transportation

Table 17

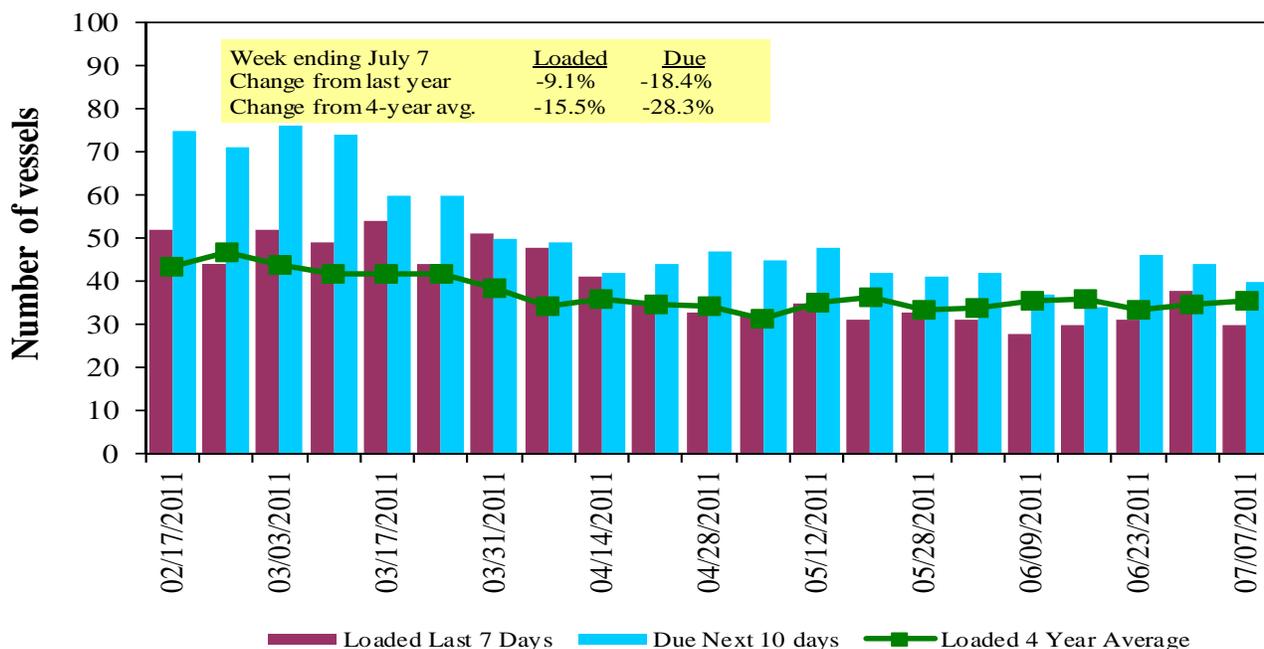
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In port	Loaded 7-days	Due next 10-days	In port	In port
7/7/2011	25	30	40	11	12
6/30/2011	28	38	44	14	10
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

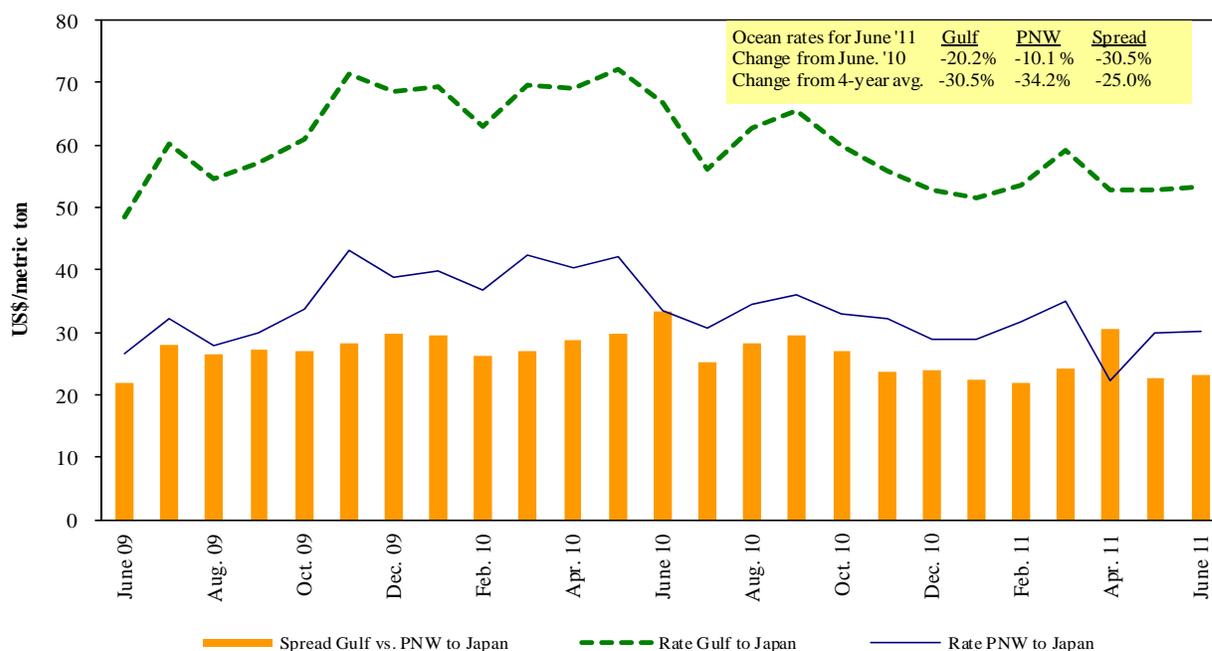


Source: Transportation & Marketing Programs/AMS/USDA

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 07/09/2011

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	Turkey	Heavy Grain	May 20/30	50,000	32.00
River Plate	Algeria	Corn	July 15/25	25,000	43.50
River Plate	Algeria	Corn	July 1/10	25,000	42.90
River Plate	Algeria	Corn	June 15/25	25,000	42.75
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

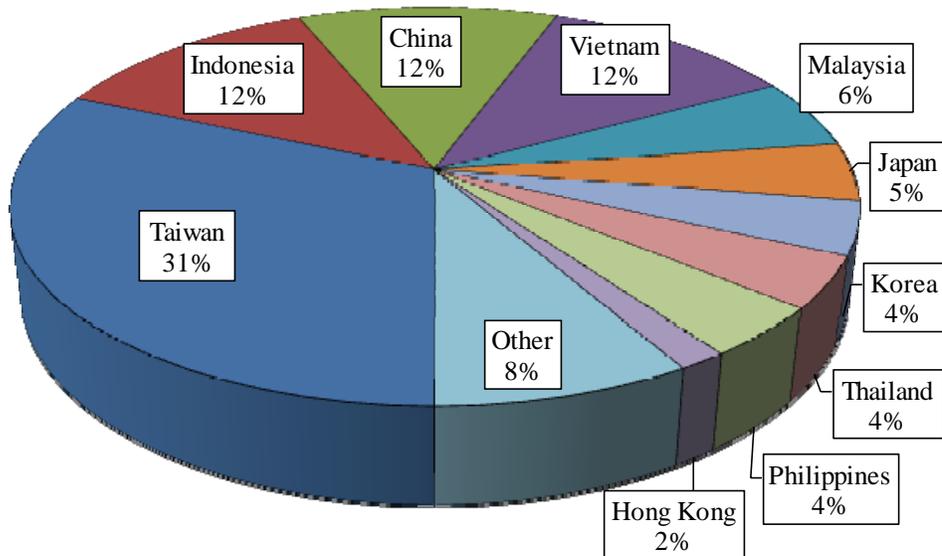
¹75 percent of food aid from the United States is required to be shipped on U.S.-flag vessels.

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, April 2011

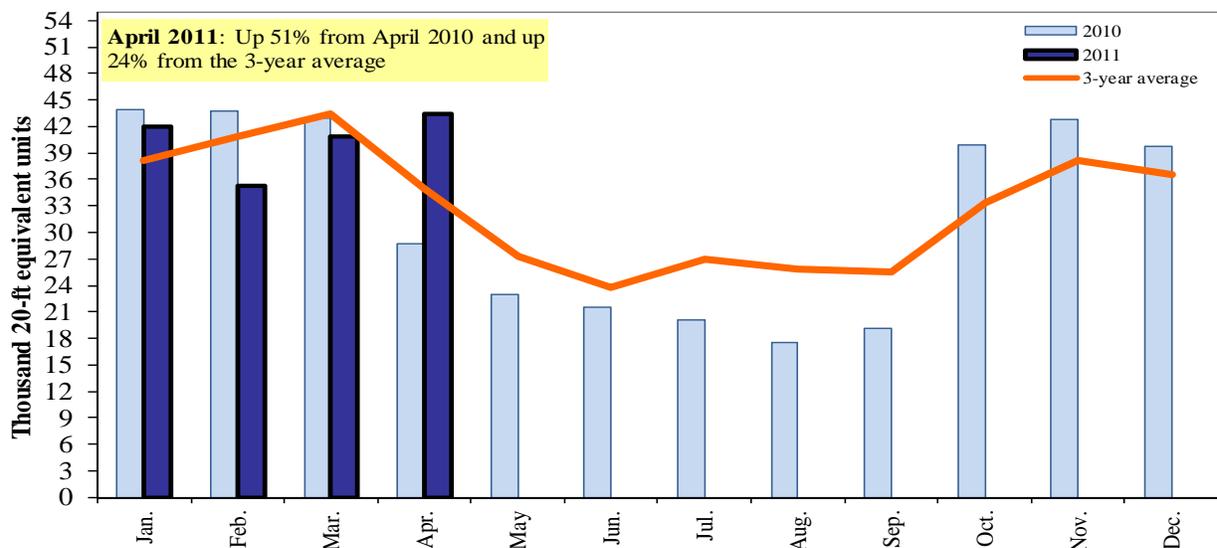


Source: USDA/Agricultural Marketing Service/Transportation Services Division analysis of Port Import Export Reporting Service (PIERS) data

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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