



United States
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July 26, 2012



Grain Transportation Report

A weekly publication of the
Transportation and Marketing Programs/Transportation Services Division
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WEEKLY HIGHLIGHTS

Highway Bill Exempts Farm Vehicles and Drivers from Certain Federal Regulations...

Effective October 1, Section 32934 of the highway bill, [H.R. 4348](#), exempts all covered farm vehicles and their drivers from Federal Motor Carrier Safety Administration regulations pertaining to commercial driver's licenses; medical certificates; hours of service; and requirements for vehicle inspection, repair, and maintenance. It also prevents Federal transportation funding to a State from being terminated, limited, or interfered with as a result of the State exempting a covered farm vehicle or driver from any State requirement relating to the operation of that vehicle, and requires the Secretary of Transportation to conduct a study regarding the safety of farm vehicle exemptions. [Current regulations](#) allow States to voluntarily exempt farm vehicles within 150 miles of the farmer's farm, but require adjoining States to have reciprocity agreements in order to exempt vehicles that cross State lines.

... and Extends and Clarifies the Hours of Service Exemption for Drivers

Effective October 1, Section 32101(d) of the highway bill, [H.R. 4348](#), extends the maximum driving and on-duty time statutory exemption from a 100-air-mile to a 150-air-mile radius for drivers transporting agricultural commodities and farm supplies for agricultural purposes during planting and harvest seasons. The law clarifies that the exemption applies to locations within a 150-air-mile radius from the source of the commodities, and to the wholesale and retail distribution of farm supplies to farms, retail distribution points, or other locations where the farm supplies are intended to be used. The clarification will alleviate concerns about the October 9 expiration of the [limited exemption for the wholesale distribution of anhydrous ammonia fertilizer](#) for agricultural operations.

First E15 Station Opens in Kansas City

On July 18, a gas station in Kansas City was the first to officially offer a fuel blend that is 15 percent ethanol (E15). Most of the gasoline in the United States is 10 percent ethanol. Almost a year ago, the Environmental Protection Agency (EPA), in its [final rule](#), approved the use of E15 in cars of the model year 2001 or later. The new blender pumps can dispense a gasoline-ethanol blend of 10, 15, 30, or 85 percent ethanol, allowing not just the flex-fuel vehicles to use E15. This is good news for ethanol producers because ethanol stocks are plentiful. According to the weekly Energy Information Administration data ending July 6, ethanol production in 2012 has grown by about 1 compared to the same period in 2011, and gasoline consumption has decreased by 5 percent during the same period. Due to the current drought in the Corn Belt, USDA has lowered its forecast of the 2012/13 corn use for ethanol production to 4.9 billion bushels, down 3 percent from 2011/12.

Grain Inspections Continue to Decrease

For the week ending July 5, **total inspections of all major grains** (wheat, corn, soybeans) for export from all major U.S. ports reached 1.32 million metric tons (mmt), down 14 percent from the past week and 15 percent below last year. Wheat inspections (.406 mmt) remained mostly unchanged from the previous week, but corn (.553 mmt) and soybean (.356 mmt) inspections dropped 7 and 32 percent. Soybean inspections for the last four weeks, however, were 119 percent above last year and 56 percent above the 3-year average. Mississippi Gulf (.600 mmt) and Pacific Northwest (.391 mmt) grain inspections also receded from the previous week. Interior grain inspections (.179 mmt) remained higher due to increased Mexican demand for corn.

Snapshots by Sector

Rail

U.S. railroads originated 16,358 **carloads of grain** during the week ending July 7, down 11 percent from last week, 10 percent from last year, and 16 percent lower than the 3-year average.

During the week ending July 12, average July non-shuttle **secondary railcar bids/offers per car** were \$12.50 above tariff, up \$19 from last week and \$12.50 lower than last year. Average shuttle bids/offers were \$231.50 below tariff, up \$95.50 from last week and \$131 higher than last year.

Ocean

During the week ending July 12, 23 **ocean-going grain vessels** were loaded in the Gulf, down 34 percent from the same period last year. Thirty-five vessels are expected to be loaded within the next 10 days, 31 percent less than the same period last year.

During the week ending July 13, 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 \$28.50 per mt, up 6 percent from the previous week.

Barge

During the week ending July 14, **barge grain movements** totaled 525,454 tons, 9 percent lower than the previous week and 27 percent lower than the same period last year.

During the week ending July 14, 329 grain barges **moved down river**, down 10.6 percent from last week; 391 grain barges were **unloaded in New Orleans**, down 13percent from the previous week.

Fuel

During the week ending July 16, U.S. average **diesel fuel prices** increased 1 cent to \$3.70 per gallon—23 cents lower than the same week last year.

Feature Article/Calendar

Second Quarter Inspections Down but Soybeans Reach Record Level

According to the Grain Inspection, Packers and Stockyards Administration (GIPSA), total grain (wheat, corn, and soybeans) inspected for export from all U.S. ports totaled 21.73 million metric tons (mmt) during the second quarter 2012, down 15 percent from last year (see figure 1). This amount is 13 percent below the first quarter 2012, and 6 percent below the 5-year average for the second quarter. Wheat inspections remained strong, but were below last year because of increased competition from other exporters and Russia, following the expiration of its grain export ban on July 1, 2011. Strong Asian demand pushed second quarter soybean inspections to their highest level on record. The short-term outlook is for increased wheat and soybean shipments due to the stronger export sales pace, but for lower corn shipments due to the slower pace of sales (Tables 13, 14, and 15). In the longer-term outlook, on July 11 USDA lowered its corn and soybean export projections for 2012/13 marketing year, which starts on September 1, due to drought-affected crop conditions. Wheat exports, however, are expected to be higher than last year.

Grain inspections in each of the major exporting regions declined as foreign export competition increased, most notably from Russia. Pacific

Northwest (PNW) grain inspections totaled 7.48 mmt, down 6 percent from last year but 7 percent above the 5-year average. U.S. Gulf grain inspections reached 11.33 mmt, down 16 percent from last year and 11 percent below the 5-year average. Rail deliveries of grain to Gulf and PNW ports were down 64 and 3 percent, respectively, from last year during the second quarter. Atlantic/Great Lakes inspections (.644 mmt) decreased 40 percent because of lower demand from Canada and Africa. Interior (land-based) grain inspections reached 3.32 mmt, up 11 percent from last year and 26 percent above the 5-year average. Second quarter interior soybean inspections increased 19 percent due to increased demand from Mexico and Asia. At the same time, wheat inspections jumped 76 percent as shipments destined to Mexico increased.

Figure 1- Second quarter grain inspections by port regions

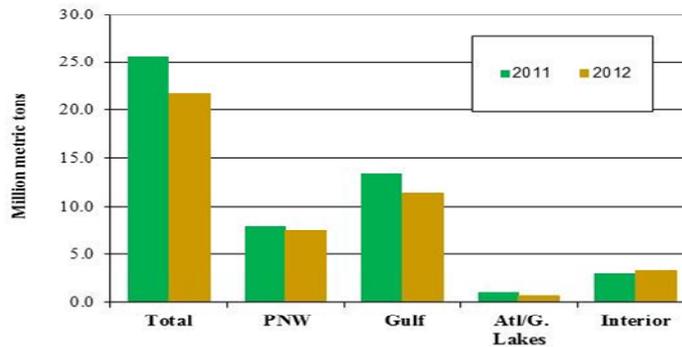
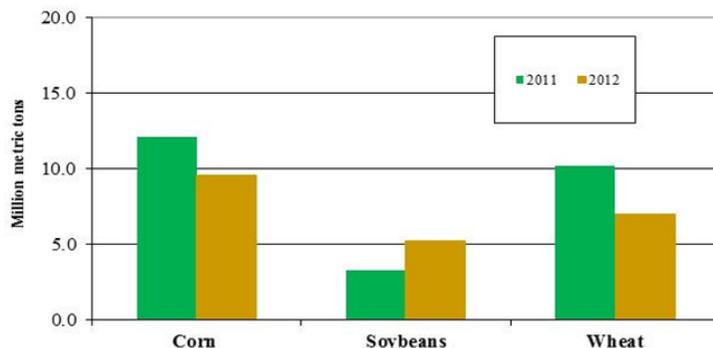


Figure 2- Second quarter grain inspections by type



According to GIPSA, total wheat inspections reached 6.98 mmt during the second quarter, down 32 percent from last year, but 3 percent above the 5-year average (see figure 2). Wheat inspections dropped 22 percent from last year in the Gulf (3.80 mmt) and 18 percent in the PNW (3.50 mmt), with fewer shipments to Latin America and Asia.

Total second quarter corn inspections (9.53 mmt) decreased 21 percent from last year because of increased competition and lower beginning stocks. Inspections of corn destined for China (1.36 mmt), however, skyrocketed during the second quarter. Lower corn demand from other Asian countries pushed PNW corn inspections (2.24 mmt) down 20 percent from last year. Gulf corn inspections (5.11 mmt) decreased 27 percent from last year as shipments to Asia and Latin America receded.

Total second quarter corn inspections (9.53 mmt) decreased 21

Total second quarter soybean inspections reached a record 5.22 mmt, up 60 percent from last year, drawn up by increased demand from China. Soybean inspections were 28 percent above the 5-year average. U.S. Gulf second quarter soybean inspections (2.42 mmt) increased 50 percent from last year, and PNW soybean inspections (1.54 mmt) increased 126 percent from last year as shipments to Asia jumped.

USDA expects 2012/13 U.S. wheat exports to increase due to reduced competition from Black Sea exporters. Soybean exports in 2012/13 are expected to be only slightly higher than in 2011/12, not by as much as previously projected by USDA because of reduced U.S. supplies and increased exports from South America and Canada. Because of the drought, USDA lowered its projection of the 2012/13 U.S. corn exports to about the same level as expected in 2011/12. Johnny.Hill@ams.usda.gov

Grain Transportation Indicators

Table 1
Grain Transport Cost Indicators¹

Week ending	Truck	Rail		Barge	Ocean	
		Unit Train	Shuttle		Gulf	Pacific
07/18/12	248	226	193	227	226	202
07/11/12	247	225	189	196	219	191

¹Indicator: 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)

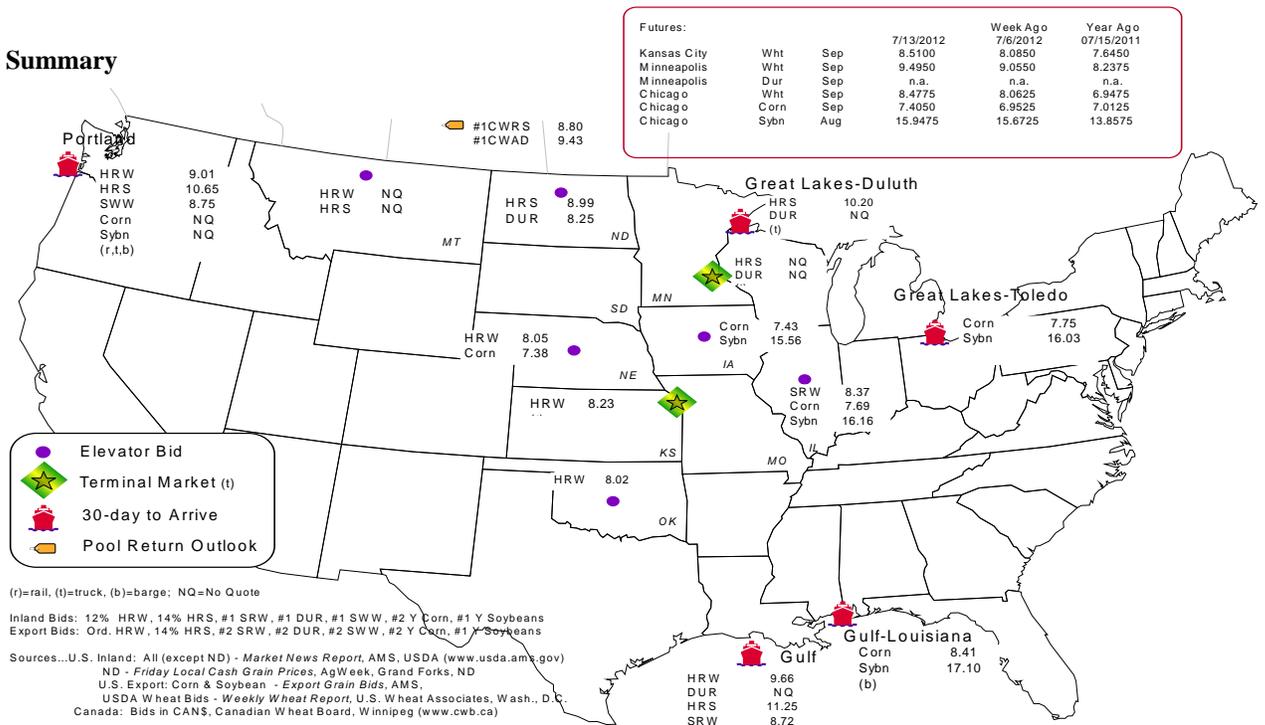
Commodity	Origin--Destination	7/13/2012	7/6/2012
Corn	IL--Gulf	-0.72	-0.69
Corn	NE--Gulf	-1.03	-0.96
Soybean	IA--Gulf	-1.54	-1.67
HRW	KS--Gulf	-1.43	-1.01
HRS	ND--Portland	-1.67	-1.92

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	
7/11/2012 ^p	0	466	650	2,934	110	4,160
7/04/2012 ^r	110	358	713	3,297	208	4,686
2012 YTD ^r	4,039	20,838	32,242	113,049	10,685	180,853
2011 YTD ^r	21,406	57,281	25,738	106,572	15,660	226,657
2012 YTD as % of 2011 YTD	19	36	125	106	68	80
Last 4 weeks as % of 2011 ²	13	60	67	96	65	80
Last 4 weeks as % of 4-year avg. ²	7	51	89	88	66	74
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.

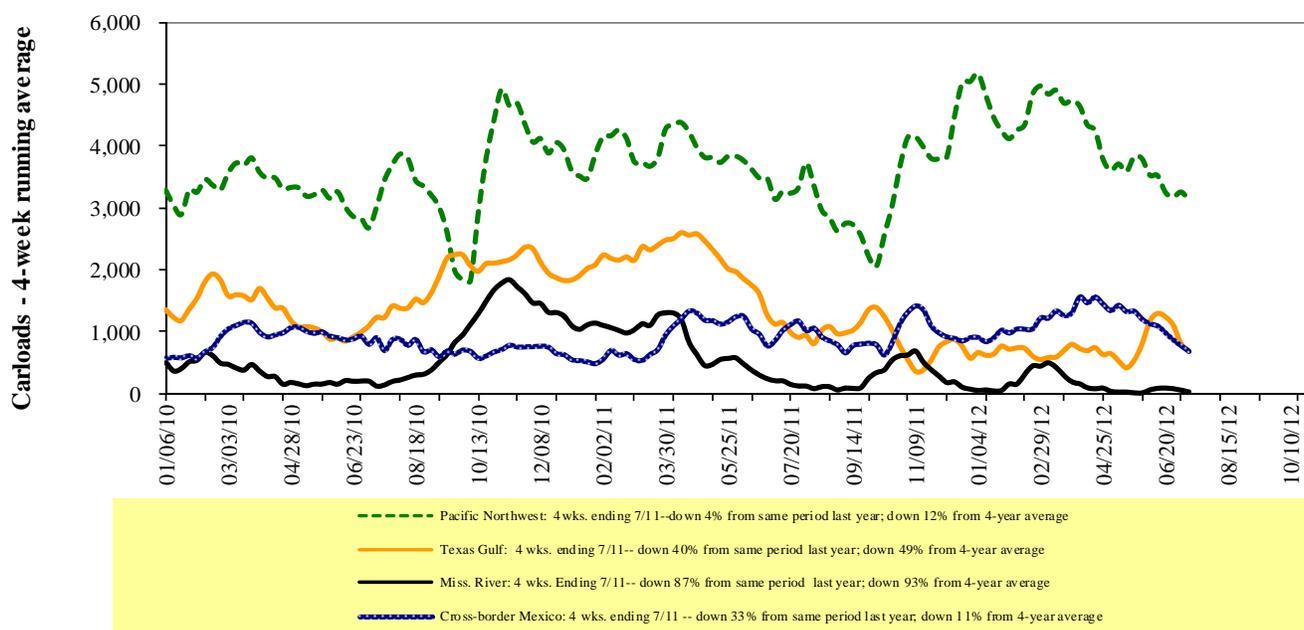
YTD = year-to-date; p = preliminary data; r = revised data; YTD PNW carloads includes revisions back to August 2011 ; n/a = not available

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

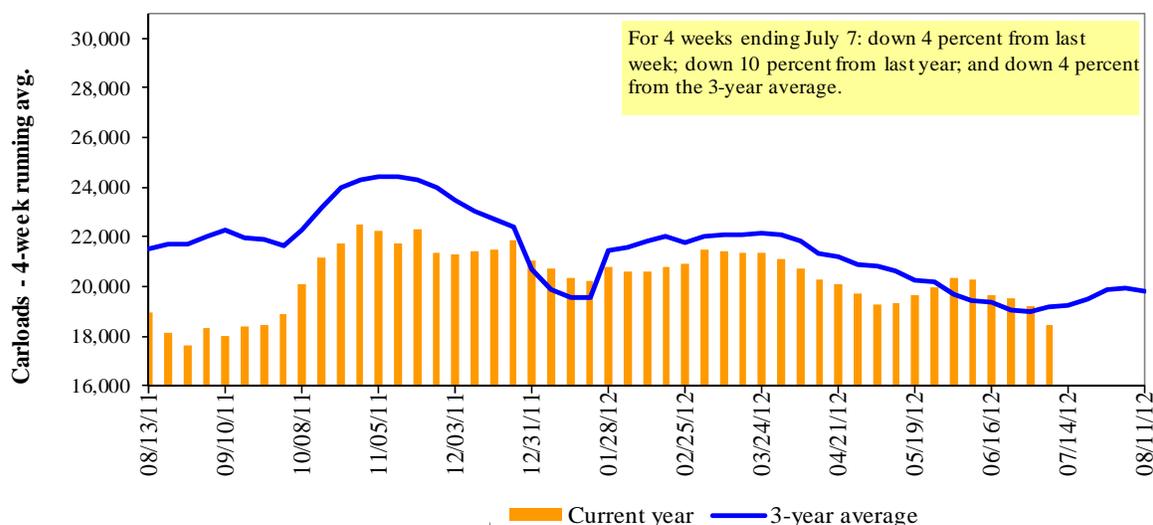
Table 4

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

Week ending	East		West			U.S. total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
07/07/12	1,472	2,542	7,575	404	4,365	16,358	3,535	3,896
This week last year	1,569	2,748	8,093	609	5,095	18,114	3,728	4,636
2012 YTD	51,508	76,301	263,510	13,665	140,001	544,985	103,351	126,089
2011 YTD	53,937	82,704	297,675	18,419	164,127	616,862	106,762	132,074
2012 YTD as % of 2011 YTD	95	92	89	74	85	88	97	95
Last 4 weeks as % of 2011 ¹	94	91	91	67	90	90	100	84
Last 4 weeks as % of 3-yr avg. ¹	84	93	97	76	99	95	105	86
Total 2011	98,506	150,869	546,090	34,683	292,401	1,122,549	200,610	269,399

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

Railcar Auction Offerings¹ (\$/car)²

Week ending	Delivery period							
	Jul-12	Jul-11	Aug-12	Aug-11	Sep-12	Sep-11	Oct-12	Oct-11
BNSF ³								
COT grain units	0	no offer	0	no bids	4	no offer	no offer	no offer
COT grain single-car ⁵	0 . . 26	0	5 . . 11	0	0 . . 2	no offer	no offer	no offer
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

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.

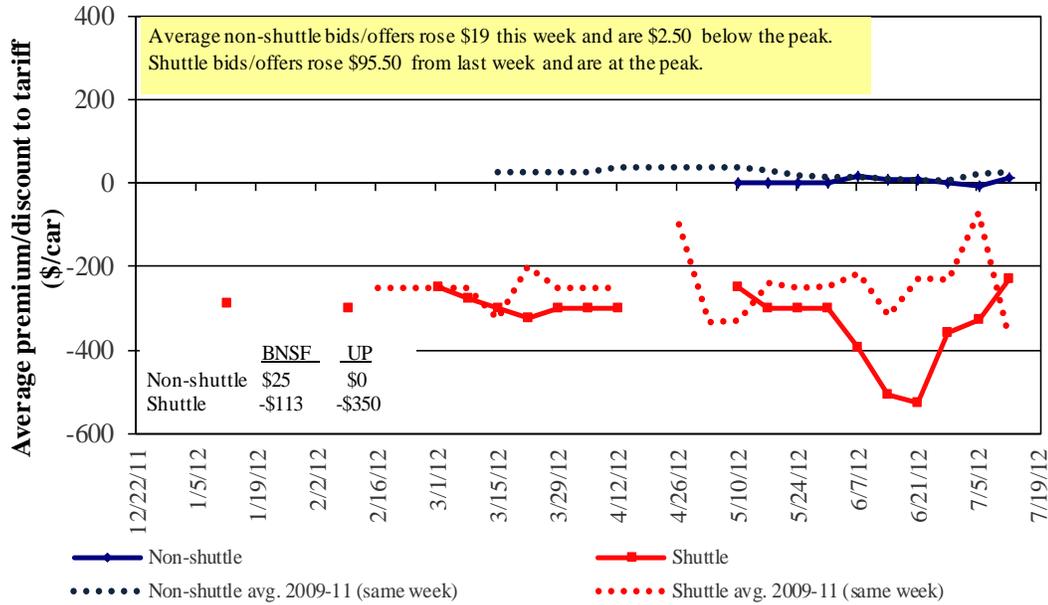
⁵Range is shown because average is not available. Not available = n/a.

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 2012, Secondary Market

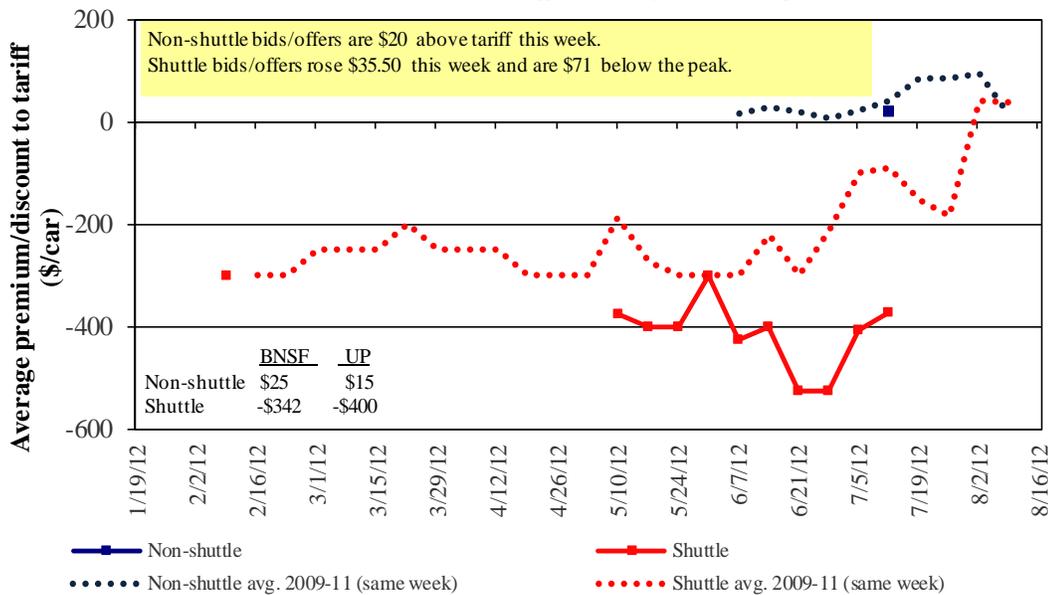


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

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

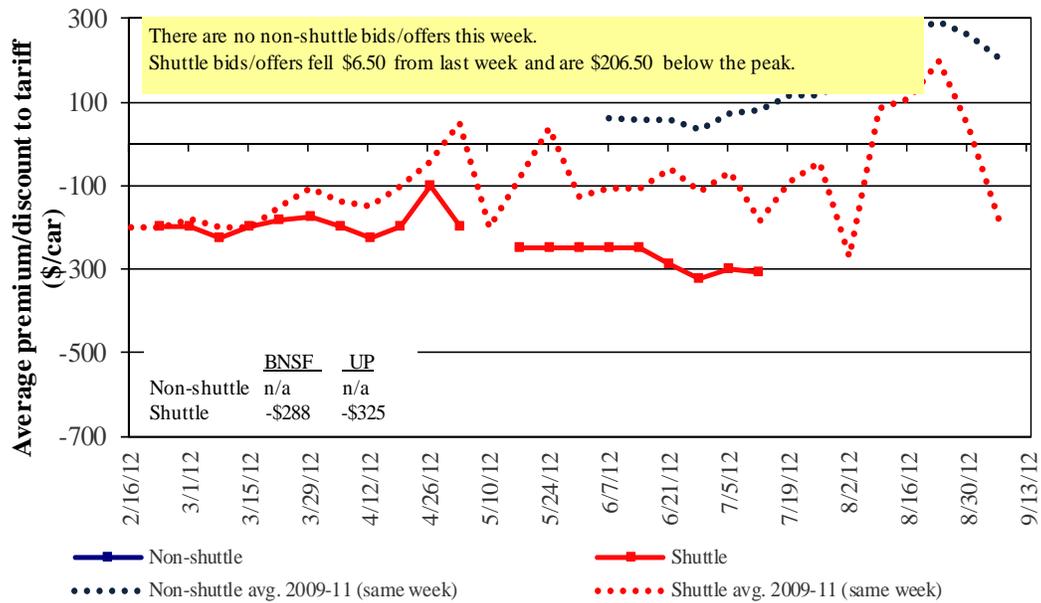


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in September 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	Delivery period					
	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
Non-shuttle						
BNSF-GF	25	25	n/a	n/a	n/a	n/a
Change from last week	38	n/a	n/a	n/a	n/a	n/a
Change from same week 2011	(25)	-	n/a	n/a	n/a	n/a
UP-Pool	-	15	n/a	100	n/a	n/a
Change from last week	-	n/a	n/a	-	n/a	n/a
Change from same week 2011	-	(4)	n/a	n/a	n/a	n/a
Shuttle²						
BNSF-GF	(113)	(342)	(288)	n/a	n/a	n/a
Change from last week	141	71	n/a	n/a	n/a	n/a
Change from same week 2011	312	58	112	n/a	n/a	n/a
UP-Pool	(350)	(400)	(325)	125	n/a	n/a
Change from last week	50	-	(25)	(225)	n/a	n/a
Change from same week 2011	(50)	50	75	(425)	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:				Fuel	Tariff plus surcharge per:		Percent
7/2/2012	Origin region*	Destination region*	Tariff rate/car	surcharge per car	metric ton	bushe ²	change Y/Y ³
Unit train							
Wheat	Wichita, KS	St. Louis, MO	\$3,144	\$192	\$33.13	\$0.90	5
	Grand Forks, ND	Duluth-Superior, MN	\$3,260	\$110	\$33.47	\$0.91	15
	Wichita, KS	Los Angeles, CA	\$6,026	\$566	\$65.46	\$1.78	5
	Wichita, KS	New Orleans, LA	\$3,645	\$338	\$39.56	\$1.08	4
	Sioux Falls, SD	Galveston-Houston, TX	\$5,573	\$465	\$59.96	\$1.63	2
	Northwest KS	Galveston-Houston, TX	\$3,912	\$371	\$42.53	\$1.16	3
	Amarillo, TX	Los Angeles, CA	\$4,112	\$516	\$45.95	\$1.25	3
Corn	Champaign-Urbana, IL	New Orleans, LA	\$2,038	\$382	\$24.03	\$0.65	-24
	Toledo, OH	Raleigh, NC	\$4,382	\$433	\$47.82	\$1.30	14
	Des Moines, IA	Davenport, IA	\$1,934	\$81	\$20.01	\$0.54	5
	Indianapolis, IN	Atlanta, GA	\$3,821	\$325	\$41.17	\$1.12	17
	Indianapolis, IN	Knoxville, TN	\$3,273	\$209	\$34.57	\$0.94	17
	Des Moines, IA	Little Rock, AR	\$3,074	\$238	\$32.89	\$0.90	4
Soybeans	Des Moines, IA	Los Angeles, CA	\$4,985	\$693	\$56.38	\$1.53	2
	Minneapolis, MN	New Orleans, LA	\$3,269	\$417	\$36.60	\$1.00	4
	Toledo, OH	Huntsville, AL	\$3,497	\$308	\$37.78	\$1.03	17
	Indianapolis, IN	Raleigh, NC	\$4,453	\$436	\$48.55	\$1.32	14
	Indianapolis, IN	Huntsville, AL	\$3,189	\$209	\$33.74	\$0.92	20
Champaign-Urbana, IL	New Orleans, LA	\$3,382	\$382	\$37.38	\$1.02	6	
Shuttle Train							
Wheat	Great Falls, MT	Portland, OR	\$3,351	\$326	\$36.51	\$0.99	3
	Wichita, KS	Galveston-Houston, TX	\$3,634	\$253	\$38.60	\$1.05	14
	Chicago, IL	Albany, NY	\$3,645	\$406	\$40.23	\$1.09	3
	Grand Forks, ND	Portland, OR	\$4,832	\$562	\$53.57	\$1.46	2
	Grand Forks, ND	Galveston-Houston, TX	\$5,854	\$586	\$63.95	\$1.74	3
	Northwest KS	Portland, OR	\$4,880	\$608	\$54.49	\$1.48	3
Corn	Minneapolis, MN	Portland, OR	\$4,800	\$685	\$54.47	\$1.48	2
	Sioux Falls, SD	Tacoma, WA	\$4,760	\$627	\$53.50	\$1.46	2
	Champaign-Urbana, IL	New Orleans, LA	\$2,857	\$382	\$32.17	\$0.88	6
	Lincoln, NE	Galveston-Houston, TX	\$3,310	\$366	\$36.50	\$0.99	3
	Des Moines, IA	Amarillo, TX	\$3,430	\$299	\$37.03	\$1.01	3
	Minneapolis, MN	Tacoma, WA	\$4,800	\$679	\$54.41	\$1.48	2
Soybeans	Council Bluffs, IA	Stockton, CA	\$4,200	\$703	\$48.69	\$1.33	2
	Sioux Falls, SD	Tacoma, WA	\$5,040	\$627	\$56.28	\$1.53	3
	Minneapolis, MN	Portland, OR	\$5,030	\$685	\$56.75	\$1.54	3
	Fargo, ND	Tacoma, WA	\$4,930	\$558	\$54.49	\$1.48	3
	Council Bluffs, IA	New Orleans, LA	\$3,710	\$441	\$41.22	\$1.12	5
	Toledo, OH	Huntsville, AL	\$2,672	\$308	\$29.59	\$0.81	4
Grand Island, NE	Portland, OR	\$4,720	\$622	\$53.05	\$1.44	4	

¹A 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.

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: 7/1/2012

Commodity	Origin state	Destination region	Tariff rate/car ¹	Fuel		Percent change Y/Y ⁴	
				surcharge per car ²	Tariff plus surcharge per: metric ton ³ bushel ³		
Wheat	MT	Chihuahua, CI	\$7,741	\$595	\$85.17	\$2.32	3
	OK	Cuautitlan, EM	\$6,837	\$723	\$77.24	\$2.10	4
	KS	Guadalajara, JA	\$7,444	\$698	\$83.19	\$2.26	1
	TX	Salinas Victoria, NL	\$3,725	\$272	\$40.84	\$1.11	2
Corn	IA	Guadalajara, JA	\$7,699	\$821	\$87.05	\$2.21	2
	SD	Penjamo, GJ	\$7,776	\$778	\$87.41	\$2.22	6
	NE	Queretaro, QA	\$7,097	\$729	\$79.96	\$2.03	3
	SD	Salinas Victoria, NL	\$5,700	\$592	\$64.29	\$1.63	5
	MO	Tlalnepantla, EM	\$6,538	\$709	\$74.05	\$1.88	7
	SD	Torreon, CU	\$6,522	\$652	\$73.30	\$1.86	3
Soybeans	MO	Bojay (Tula), HG	\$7,350	\$693	\$82.18	\$2.23	7
	NE	Guadalajara, JA	\$7,904	\$792	\$88.85	\$2.42	3
	IA	El Castillo, JA ⁵	\$8,255	\$774	\$92.25	\$2.51	5
	KS	Torreon, CU	\$6,421	\$491	\$70.63	\$1.92	4
Sorghum	OK	Cuautitlan, EM	\$5,730	\$591	\$64.58	\$1.64	6
	TX	Guadalajara, JA	\$6,653	\$507	\$73.15	\$1.86	5
	NE	Penjamo, GJ	\$7,426	\$707	\$83.10	\$2.11	5
	KS	Queretaro, QA	\$6,460	\$444	\$70.54	\$1.79	4
	NE	Salinas Victoria, NL	\$5,153	\$520	\$57.96	\$1.47	6
	NE	Torreon, CU	\$6,068	\$580	\$67.93	\$1.72	3

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

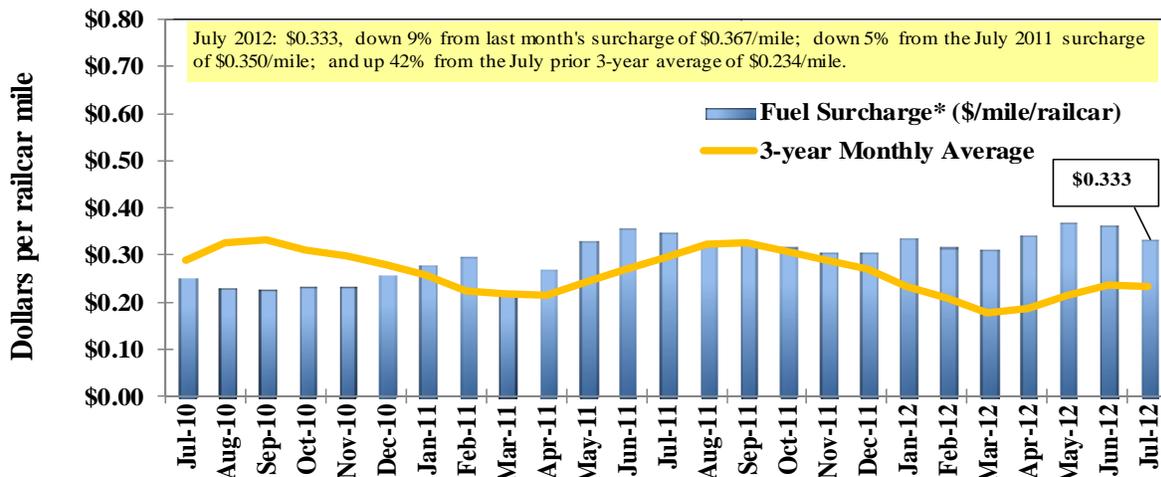
³Approximate load per car = 97.87 metric tons: Corn & Sorghum 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

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.uprr.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.

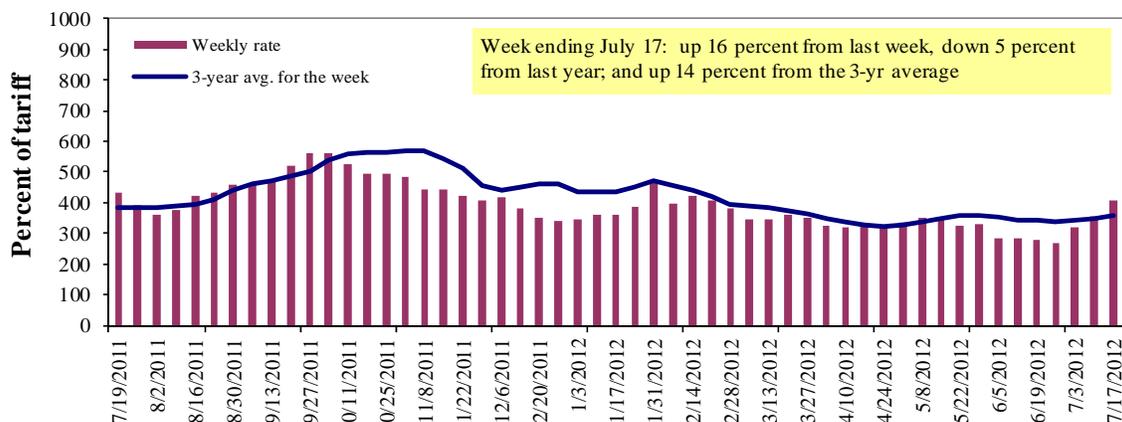
** BNSF strike price (diesel price when fuel surcharges begin) changed from \$1.25/gal. to \$2.50/gal starting March 1, 2011. As a result, the weighted average fuel surcharge for March 2011 was \$0.227/mile instead of \$0.331/mile.

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

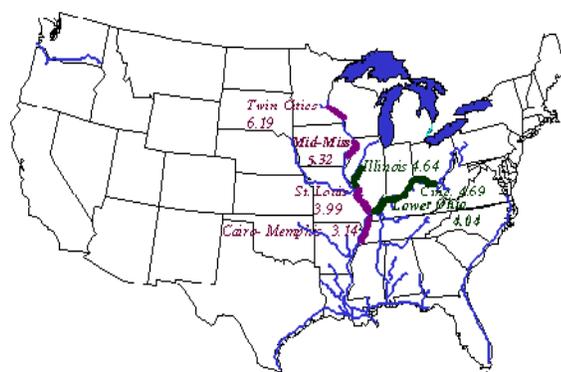
Weekly Barge Freight Rates: Southbound Only

		Twin Cities	Mid- Mississippi	Lower Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo- Memphis
Rate¹	7/17/2012	513	413	409	380	350	345	313
	7/10/2012	475	357	353	323	285	285	250
\$/ton	7/17/2012	31.75	21.97	18.98	15.16	16.42	13.94	9.83
	7/10/2012	29.40	18.99	16.38	12.89	13.37	11.51	7.85
Current week % change from the same week:								
	Last year	0	-5	-5	21	-11	-13	4
	3-year avg. ²	19	15	14	43	17	15	27
Rate¹	August	518	425	418	395	400	400	345
	October	575	510	510	463	463	463	425

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



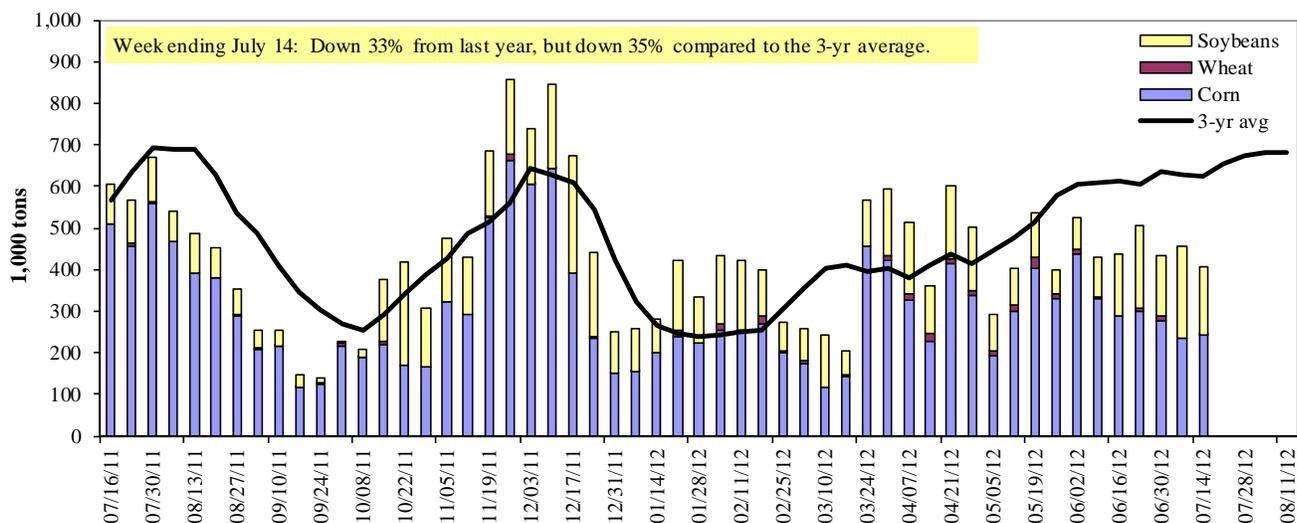
Calculating barge rate per ton:

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

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/mvrmi/omni/webprts/default.asp)

Table 10

Barge Grain Movements (1,000 tons)

Week ending 7/14/2012	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	128	2	69	0	198
Winfield, MO (L25)	180	2	92	0	273
Alton, IL (L26)	234	2	136	0	371
Granite City, IL (L27)	242	2	162	0	406
Illinois River (L8)	62	0	44	0	106
Ohio River (L52)	35	11	35	14	95
Arkansas River (L1)	0	21	4	0	25
Weekly total - 2012	277	33	201	14	525
Weekly total - 2011	523	42	151	7	723
2012 YTD ¹	9,878	1,135	5,634	176	16,823
2011 YTD	10,326	822	4,101	171	15,420
2012 as % of 2011 YTD	96	138	137	103	109
Last 4 weeks as % of 2011 ²	63	53	185	147	86
Total 2011	19,921	1,460	8,553	422	30,356

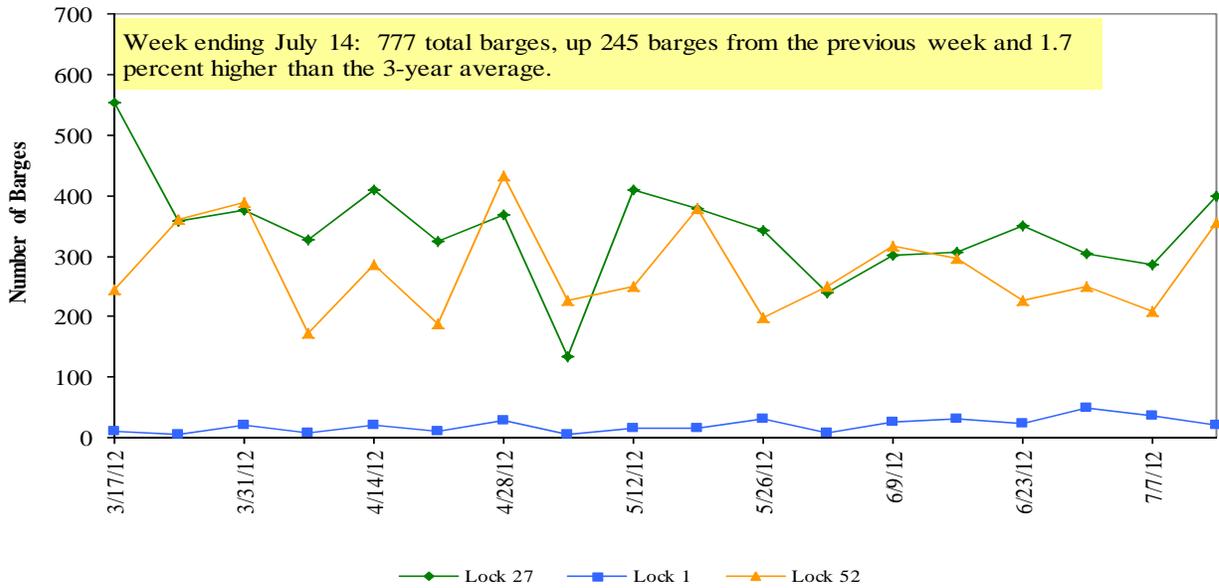
¹ Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

² As a percent of same period in 2011.

Note: Total may not add exactly, due to rounding

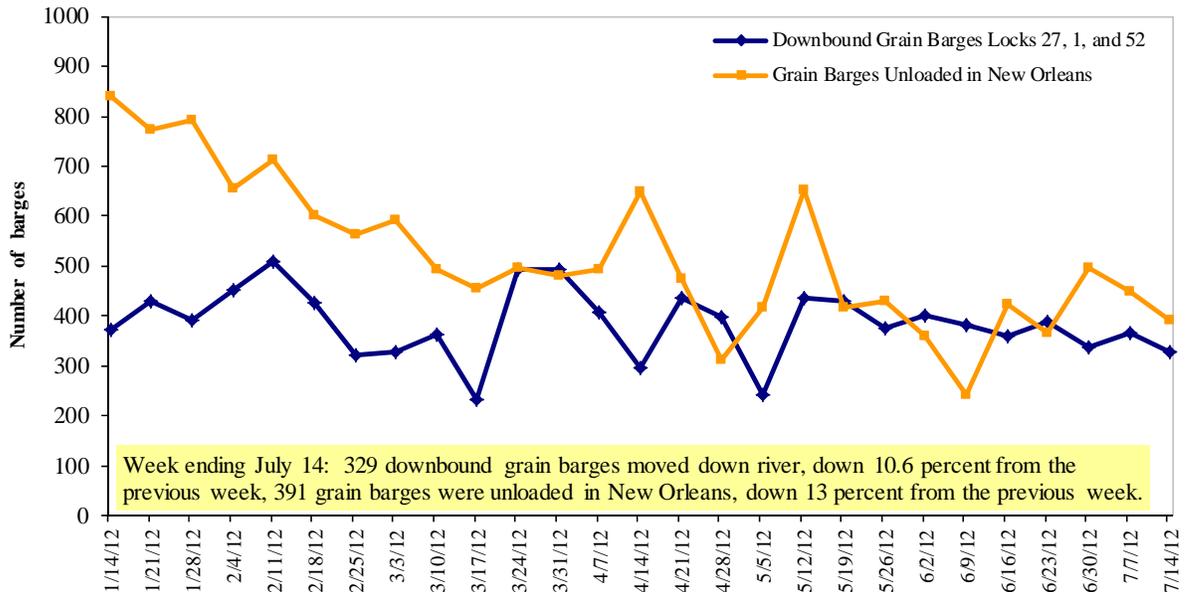
Source: U.S. Army Corps of Engineers (www.mvr.usace.army.mil/mvrmi/omni/webprts/default.asp)

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 7/16/2012 (US \$/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	3.741	0.010	-0.222
	New England	3.848	0.008	-0.186
	Central Atlantic	3.838	0.020	-0.228
	Lower Atlantic	3.648	0.002	-0.264
II	Midwest ²	3.659	0.021	-0.244
III	Gulf Coast ³	3.617	0.012	-0.265
IV	Rocky Mountain	3.672	-0.008	-0.155
V	West Coast	3.803	0.005	-0.202
	California	3.886	0.004	-0.228
Total	U.S.	3.695	0.012	-0.228

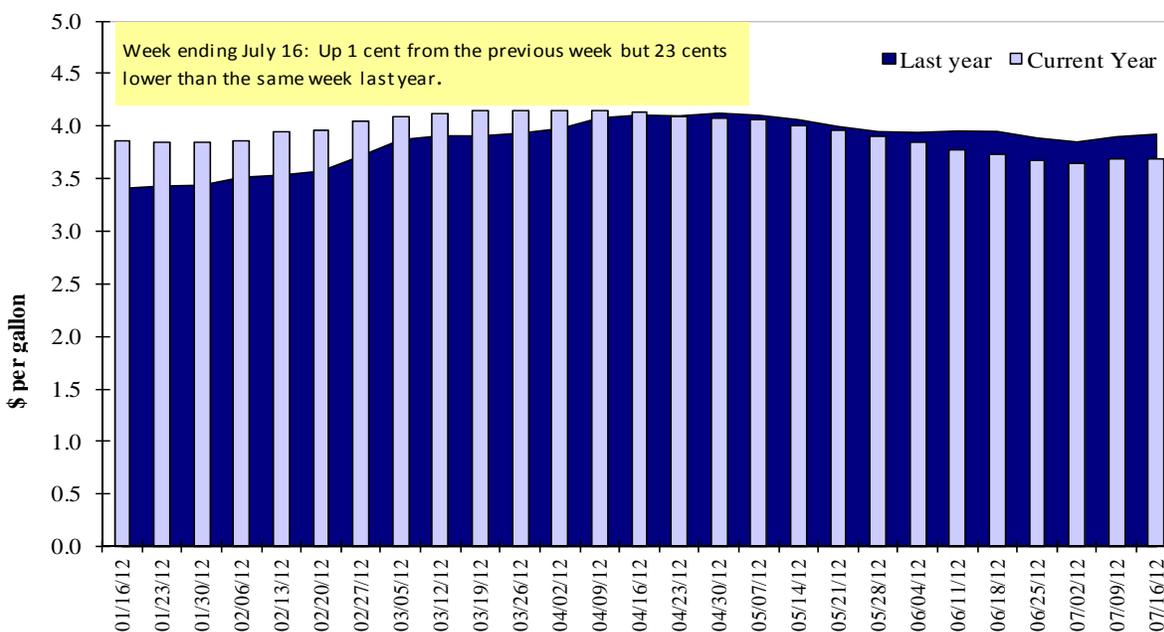
¹Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

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									
7/5/2012	1,417	806	1,287	1,066	127	4,703	5,309	4,951	14,963
This week year ago	1,993	997	1,806	1,133	74	6,003	7,888	3,435	17,326
Cumulative exports-marketing year²									
2011/12 YTD	1,349	441	564	346	43	2,743	33,803	32,577	69,123
2010/11 YTD	1,462	325	772	592	90	3,241	38,416	33,010	74,667
YTD 2011/12 as % of 2010/11	92	136	73	58	48	85	88	99	93
Last 4 wks as % of same period 2010/11	79	84	73	91	189	82	77	147	92
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 Importers¹ of U.S. Corn

Week ending 07/05/12	Total Commitments ²			% change current MY from last MY	Exports ³ 2010/11 - 1,000 mt -
	2012/13	2011/12	2010/11		
	Next MY	Current MY	Last MY		
	- 1,000 mt -				
Japan	1,025	11,628	14,122	(18)	14,279
Mexico	1,077	9,541	6,867	39	7,019
Korea	306	3,738	5,739	(35)	6,104
China*	1,101	5,166	630	720	978
Taiwan	0	1,365	2,653	(49)	2,393
Top 5 importers	3,509	31,439	30,012	5	30,772
Total US corn export sales	6,537	39,112	46,304	(16)	46,600
% of Projected	16%	96%	99%		
Change from prior week	492	173	481		
Top 5 importers' share of U.S. corn export sales	54%	80%	65%		
USDA forecast, July 2012	40,640	40,640	46,600	(13)	
Corn Use for Ethanol USDA forecast, Ethanol July 2012	124,460	128,270	127,534	1	

(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 Importers¹ of U.S. Soybeans

Week Ending 07/05/2012	Total Commitments ²			% change current MY from last MY	Exports ³ 2010/11
	2012/13 Next MY	2011/12 Current MY	2010/11 Last MY		
		- 1,000 mt -			- 1,000 mt -
China	10,023	23,562	25,959	(9)	24,445
Mexico	144	3,154	3,090	2	3,215
Japan	124	1,798	2,225	(19)	1,887
EU	120	1,116	2,599	(57)	2,607
Indonesia	64	1,518	1,610	(6)	1,680
Top 5 importers	10,474	31,148	35,483	(12)	33,833
Total US soybean export sales	14,280	37,961	41,799	(9)	40,860
% of Projected	38%	104%	102%		
Change from prior week	427	332	4		
Top 5 importers' share of U.S. soybean export sales	73%	82%	85%		
USDA forecast, July 2012	37,290	36,470	40,860	(11)	

(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, or Export Sales Query--
http://www.fas.usda.gov/esrquery/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 07/05/2012	Total Commitments ²		% change current MY from last MY	Exports ³ 2011/12
	2012/13 Current MY	2011/12 Last MY		
		- 1,000 mt -		- 1,000 mt -
Japan	860	1,272	(32)	3,512
Mexico	1,049	952	10	3,496
Nigeria	590	1,036	(43)	3,248
Philippines	631	1,053	(40)	2,039
Korea	436	293	49	1,983
Egypt	131	118	11	950
Taiwan	294	240	22	888
Indonesia	145	202	(28)	830
Venezuela	257	147	74	594
Iraq	209	399	(48)	572
Top 10 importers	4,600	5,713	(19)	18,111
Total US wheat export sales	7,446	9,244	(19)	28,530
% of Projected	23%	32%		
Change from prior week	312	519		
Top 10 importers' share of U.S. wheat export sales	62%	62%		63%
USDA forecast, July 2012	32,660	28,530	14	

(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, or Export Sales Query--http://www.fas.usda.gov/esrquery/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 07/12/12	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		Total ¹ 2011
							2011	3-yr. avg.	
Pacific Northwest									
Wheat	187	177	106	7,109	7,939	90	66	79	13,995
Corn	125	196	64	4,218	5,497	77	76	83	9,198
Soybeans	79	99	79	5,082	3,335	152	179	132	7,321
Total	391	473	83	16,410	16,771	98	80	87	30,513
Mississippi Gulf									
Wheat	91	42	220	3,499	3,023	116	81	113	5,031
Corn	307	330	93	11,277	14,207	79	72	61	26,267
Soybeans	202	316	64	9,878	9,833	100	301	163	19,262
Total	600	687	87	24,653	27,063	91	98	83	50,560
Texas Gulf									
Wheat	111	169	66	3,390	7,675	44	95	122	10,837
Corn	0	0	n/a	295	780	38	0	0	1,021
Soybeans	0	0	n/a	2	763	0	n/a	0	926
Total	111	169	66	3,687	9,219	40	88	110	12,784
Interior									
Wheat	14	17	83	659	590	112	170	143	1,110
Corn	121	67	179	4,391	3,915	112	80	80	7,509
Soybeans	44	44	100	2,304	2,135	108	71	126	4,273
Total	179	128	140	7,354	6,640	111	97	97	12,892
Great Lakes									
Wheat	0	0	n/a	164	638	26	70	107	1,038
Corn	0	0	n/a	37	45	84	0	0	178
Soybeans	19	0	n/a	125	22	561	n/a	356	382
Total	19	0	n/a	326	705	46	64	86	1,598
Atlantic									
Wheat	3	2	107	226	572	40	69	51	686
Corn	0	2	0	92	179	51	93	39	295
Soybeans	12	63	20	577	444	130	518	649	1,042
Total	15	67	22	895	1,194	75	170	121	2,022
U.S. total from ports²									
Wheat	406	407	100	15,047	20,438	74	80	100	32,697
Corn	553	595	93	20,311	24,622	82	71	67	44,466
Soybeans	356	522	68	17,968	16,532	109	219	156	33,205
Total	1,315	1,524	86	53,325	61,592	87	89	89	110,369

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

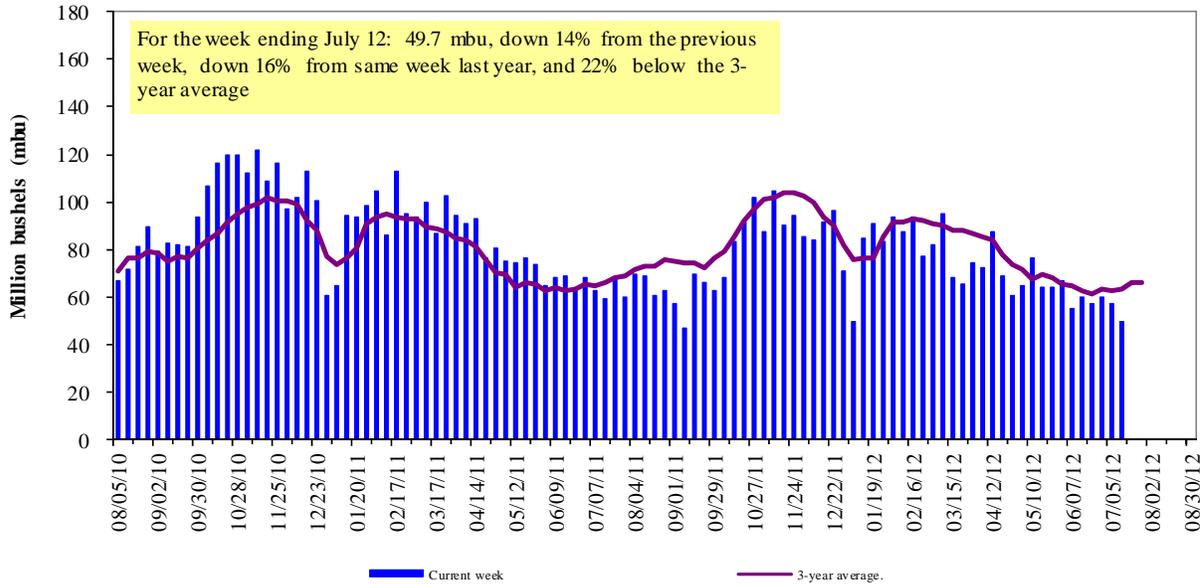
² Total includes only port regions shown above; Interior land-based shipments now included.

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)

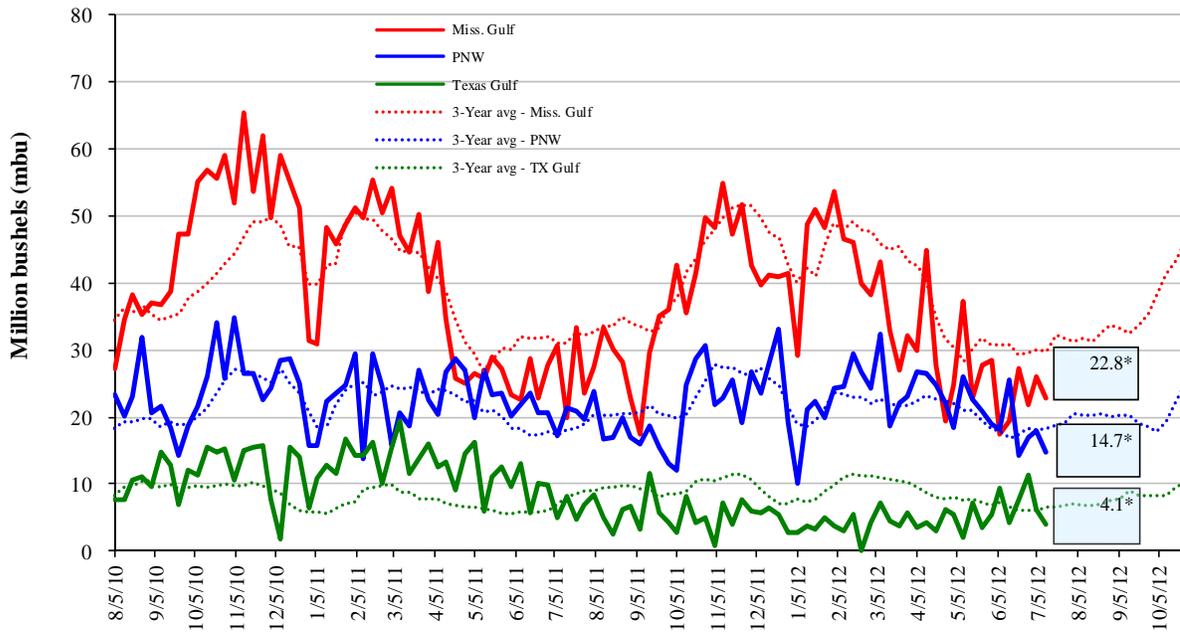


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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

Figure 15

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



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

<u>July 12 % change from:</u>	<u>MSGulf</u>	<u>TX Gulf</u>	<u>U.S. Gulf</u>	<u>PNW</u>
Last week	down 13	down 34	down 17	down 18
Last year (same week)	up 14	down 51	down 5	down 31
3-yr avg. (4-wk mov. avg.)	down 24	down 39	down 26	down 27

Ocean Transportation

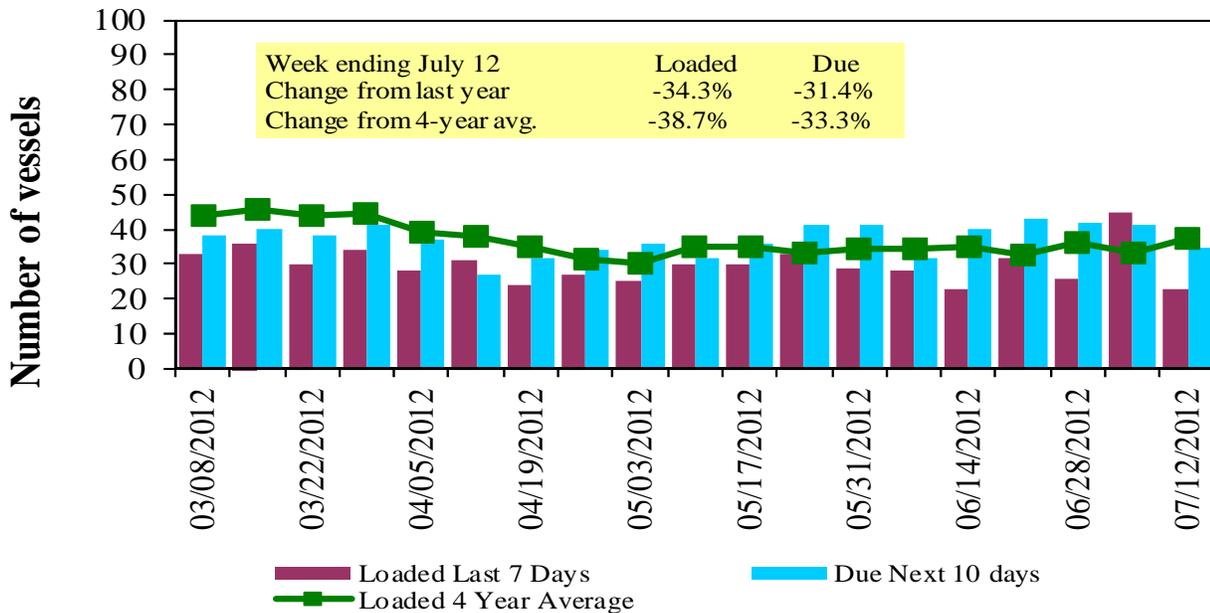
Table 17

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
7/12/2012	22	23	35	7	n/a
7/5/2012	17	45	41	8	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

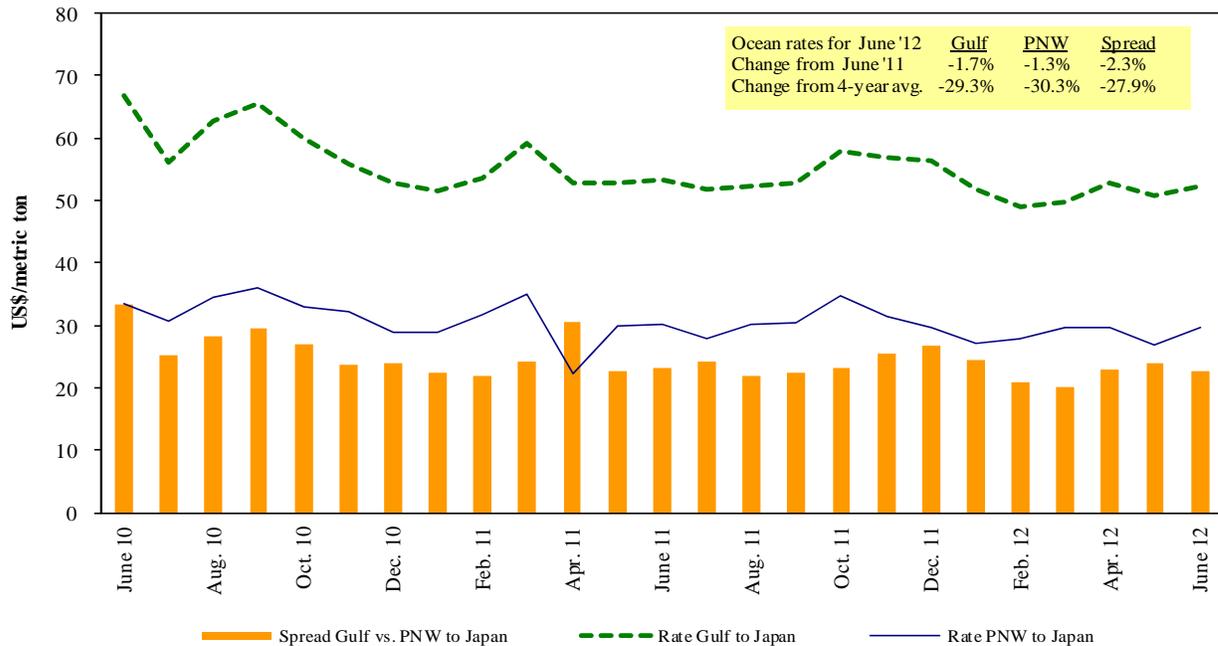
Figure 16
U.S. Gulf^d Vessel Loading Activity



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 07/14/2012

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US\$/metric ton)
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
Brazil	China	Heavy Grain	Jul 25/30	60,000	49.00
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
River Plate	Algeria	Corn	Jul 5/15	25,000	34.00
River Plate	Egypt Med	Corn	Feb 25/ Mar 5	30,000	39.25
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

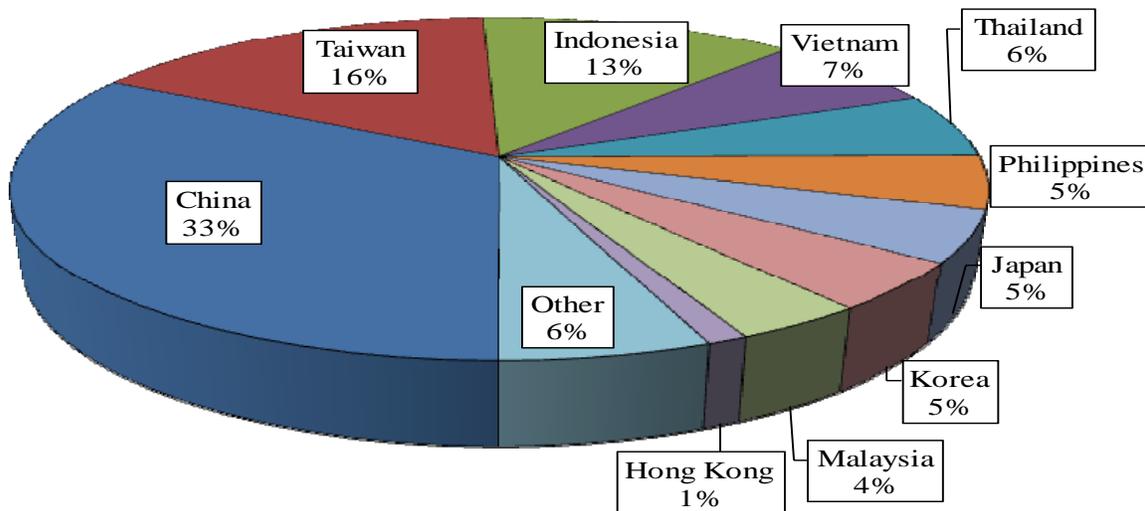
¹75 percent of food aid from the United States is required to be shipped on U.S.-flag vessels.

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

In 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

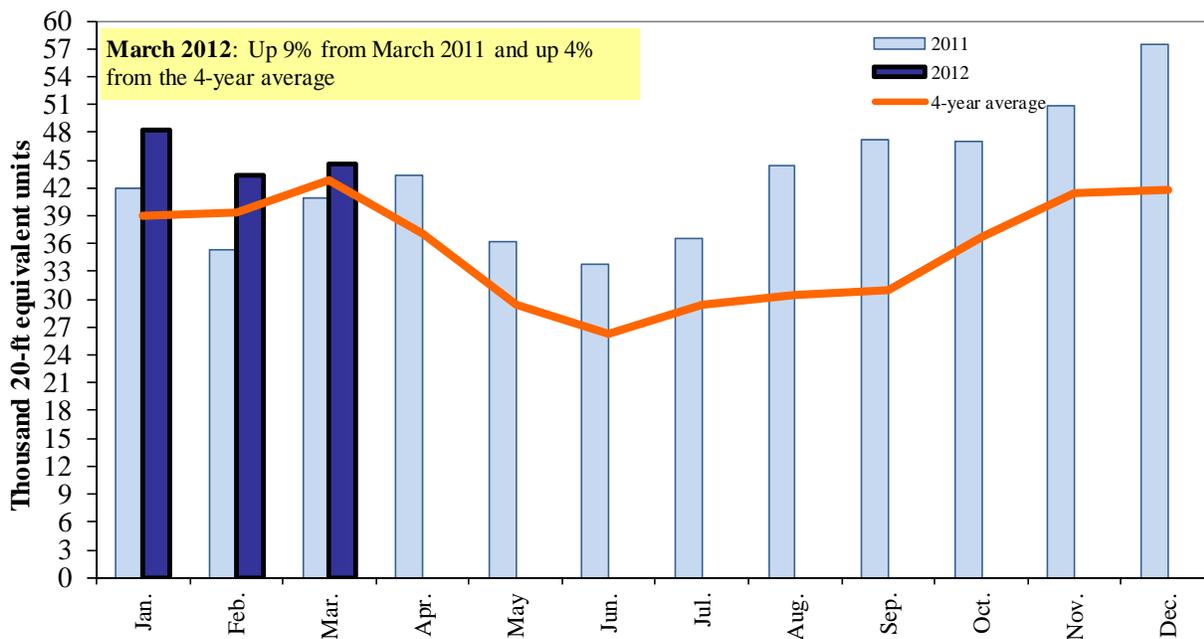


Source: USDA/Agricultural Marketing Service/Transportation Services Division analysis of Port Import Export Reporting Service (PIERS) data

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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