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release is
August 16, 2012



Grain Transportation Report

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

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WEEKLY HIGHLIGHTS

Corn Harvest Begins in the South with Less than Expected Impact from the Drought...

As of August 7, a surprising 63 percent of the Arkansas corn crop is in good or excellent condition and 16 percent harvested. Louisiana corn is even in better shape, with 81 percent in good or excellent condition and 38 percent harvested. Corn condition in Mississippi is 77 percent good or excellent and 16 percent harvested. Last year, these three States represented 2.3 percent of all the harvested corn acreages.

...Low Water Conditions Persist; Lake Providence Closed Until Dredged

As the corn harvest begins in the South, barge transportation on the lower Mississippi River continues to experience low water, which reduces the loading capacity and slows the movement of barges. Lake Providence, LA, a barge shipping point for Louisiana grain, has been closed because of low water and requires dredging to reopen. The U.S. Army Corps of Engineers is managing a limited supply of dredges up and down the river to meet a growing demand for dredging services. The Lake Providence dock is not on the main Mississippi River Channel. Low water could be a problem for other barge loading facilities that are not near the main navigation channel.

Fuel Prices Increase for Fifth Straight Week

During the week ending August 6, U.S. average **diesel fuel prices** increased 5 cents to \$3.85 per gallon—5 cents lower than the same week last year. Over the past 5 weeks, prices have increased 20 cents from \$3.65 for the week ending July 2. Oil analysts attribute the price increases to oil supply issues in Norway and the easing of European economic fears. This has tightened the Brent crude oil market, the main driver of diesel and gasoline prices in the East and Gulf Coasts of the United States. They also believe the recent price increases demonstrate the lag between crude coming to market and being refined, and the associated effect on diesel prices. On a separate note, GTR **Table 11** now includes diesel prices for West Coast less California.

Wheat Inspections Continue to Increase

For the week ending August 2, inspections of wheat continued to rise, reaching .570 million metric tons (mmt), having increased 10 percent from the previous week. Pacific Northwest wheat inspections increased 54 percent from the past week and Mississippi Gulf wheat inspections increased 17 percent. Shipments of wheat to Asia and Africa also continued to increase. U.S. wheat exports could remain strong because of less competition from other countries. Outstanding wheat export sales for the week ending July 26 also were higher at 5.1 mmt. Despite the increase in inspections of wheat, **total grain inspections** dropped 5 percent from the past week to 1.42 mmt as corn and soybean inspections decreased.

Snapshots by Sector

Rail

U.S. railroads originated 18,669 **carloads of grain** during the week ending July 28, up 7 percent from last week, down 8 percent from last year, and 8 percent lower than the 3-year average.

During the week ending August 2, average August non-shuttle **secondary railcar bids/offers per car** were \$121.50 below tariff, the same as last week and \$144.50 lower than last year. Average shuttle bids/offers were \$175 below tariff, \$106.50 higher than last week and \$489.50 higher than last year.

Ocean

During the week ending August 2, 34 **ocean-going grain vessels** were loaded in the Gulf, unchanged from the same period last year. Forty-two vessels are expected to be loaded within the next 10 days, 2 percent more than the same period last year.

During the week ending August 4, the ocean freight rate for shipping bulk grain from the Gulf to Japan was \$50 per mt, down 1 percent from the previous week. The cost of shipping from the Pacific Northwest to Japan was \$28 per mt, unchanged from the previous week.

Barge

During the week ending August 4, **barge grain movements** totaled 706,398 tons, 5 percent lower than the previous week but 12 percent higher than the same period last year.

During the week ending August 4, 449 grain barges **moved down river**, down 6 percent from last week; 465 grain barges were **unloaded in New Orleans**, up 2 percent from the previous week.

Containerized Grain Exports

Containerized grain exports to Asia in May totaled more than 43,000 20-foot equivalent units—14.8 percent higher than the previous year, 49 percent higher than the 4-year average, and 21 percent higher than April movements.

Feature Article/Calendar

Bulk Ocean Freight Rates Remain Low

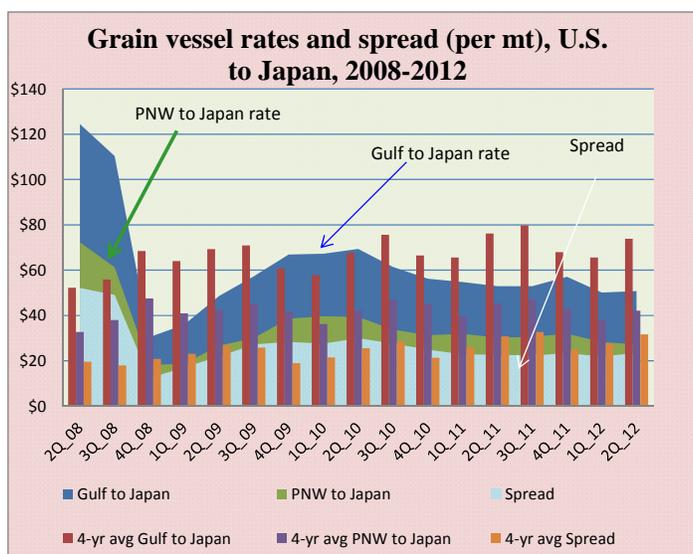
Excess vessel supply and weak demand continue to keep the ocean freight rates low for shipping bulk commodities, including grains. Ocean freight rates for shipping bulk grains fluctuated during the 2nd quarter, but remained lower than the same period a year ago and significantly lower than their 4-year averages. The rates for shipping bulk grains from the U.S. Gulf (Gulf) to Japan and Europe increased by 1 and 4 percent, respectively, from the 1st quarter (see table below). However, the rates from the Pacific Northwest (PNW) to Japan decreased 4 percent during the quarter. The bulk ocean freight rate from the Gulf to Japan averaged close to \$51 per metric ton (mt) during the quarter. Rates from the PNW to Japan averaged a little over \$27 per mt, and the Gulf to Europe rates averaged \$21 per mt. The spread between the Gulf and PNW rates was \$24 per mt—a 7 percent increase compared to the previous quarter and 4 percent more than last year (see table and figure below). The increase in spread contributed to the increase in the PNW share of exports. The PNW share of exports increased from 20 percent during the previous quarter to 25 percent of total grain inspected for export during the 2nd quarter. The PNW share of exports also increased when compared to the same period last year at 22 percent.

Ocean freight rates for grain routes during 2 nd quarter 2012							
Route	Apr.	May	June	2 nd quarter 2012	Change from		
					1 st qtr '12	2 nd qtr '11	4-yr avg
	--\$/mt--			--\$/mt--	Percent		
U.S. Gulf to Japan	52.75	50.75	48.90	50.80	1.2	-4	-31
PNW to Japan	29.75	26.88	25.20	27.28	-3.5	-10	-35
U.S. Gulf to Europe	21.00	20.88	20.40	20.76	4	-4	-42
Spread	23.00	23.87	23.70	23.52	7	4	-26

Source: O'Neil Commodity Consulting

The quarter began with increasing rates in April, caused in part by increased grain and coal shipments from the East Coast of South America and Indonesia. Smaller vessel segments, especially Panamax, benefitted from the increased bulk trades. However, the increase in ocean rates could not be sustained through the quarter as various market dynamics kicked in. Chinese iron ore imports declined during April as higher international iron ore prices forced Chinese steel millers to procure iron ore from domestic sources, dampening seaborne iron trade.

Despite the lackluster performance of the freight market, owners continued to place orders for new vessels. From April to June, 84 new vessels were contracted—about 5.1 million deadweight tonnages (mdwt)—and about 6.9 mdwt of older vessels were scrapped. A Drewry report published in June reported that Chinese shipping yards were offering discounts to lure owners from South Korea and Japan.



Market Outlook: As of August 4, the ocean freight rate for shipping grain from the Gulf to Japan was \$50 per mt, and from PNW to Japan was \$28 per mt. In addition to the new vessel orderbook keeping up with the slightly increasing demolition activity of older vessels, the rapid spate of new deliveries is also increasing the bulk vessel supply. A total of 529 vessels have been delivered this year, amounting to 44.4 mdwt capacities. Another 1,148 vessels—93.5 mdwt, amounting to 25.8 percent of the current fleet—are scheduled for delivery by the end of the year. Increasing vessel supply is expected to keep ocean freight rates low or moderate. China’s iron ore imports reportedly grew by 10 percent in May. If this trend continues, it may exert upward pressure on ocean freight rates. While iron ore exports from Australia have been increasing, exports from Brazil declined during the first four months of the year. The Indonesian government is also considering imposing a 20 percent tax on exports of bauxites as well as nickel, iron, and copper ores in order to make miners submit a plan to build local smelters. If the tax becomes effective, it may have a negative effect on bulk trade, thereby depressing the ocean freight rates. Given the current state of the global economy and the existing level of bulk vessel supply, it is reasonable to assume that ocean freight rates for shipping bulk commodities will remain stable, at least in the short term. surajudeen.olowolayemo@ams.usda.gov

Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators¹

Week ending	Truck	Rail		Barge	Ocean	
		Unit	Train	Shuttle	Gulf	Pacific
08/08/12	258	219	194	169	224	199
08/01/12	255	219	190	197	226	199

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	8/3/2012	7/27/2012
Corn	IL--Gulf	-0.49	-0.49
Corn	NE--Gulf	-0.68	-0.77
Soybean	IA--Gulf	-0.91	-1.47
HRW	KS--Gulf	-1.37	-1.33
HRS	ND--Portland	-1.93	-1.82

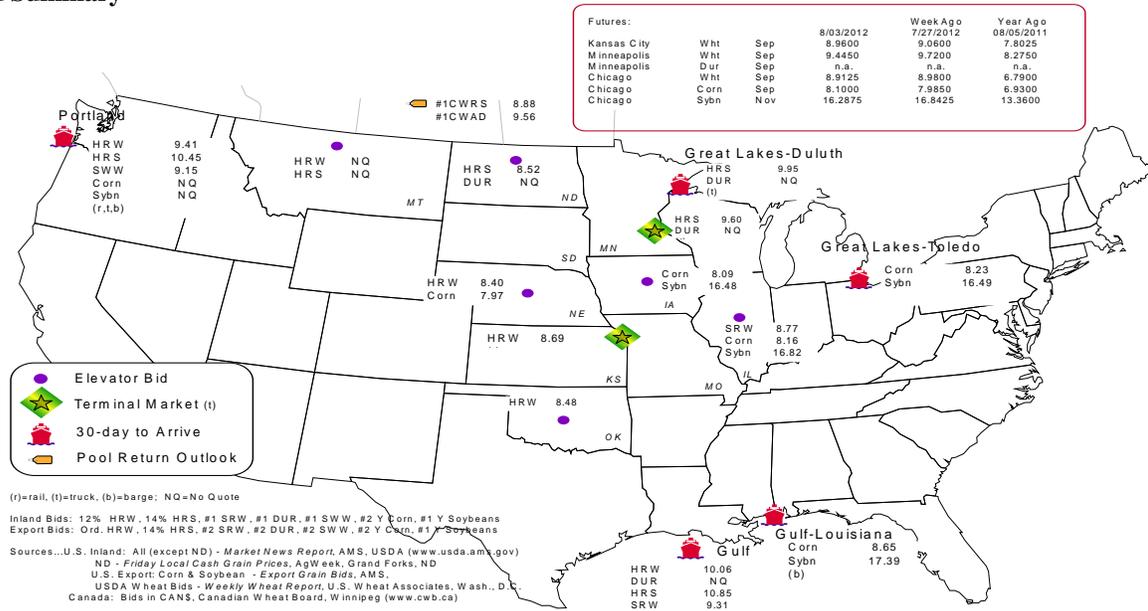
Note: nq = no quote

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	
8/01/2012 ^p	393	362	952	2,366	109	4,182
7/25/2012 ^r	280	979	662	3,389	219	5,529
2012 YTD ^r	5,216	23,048	35,056	121,429	11,144	195,893
2011 YTD ^r	21,726	59,733	28,853	117,719	16,287	244,318
2012 YTD as % of 2011 YTD	24	39	121	103	68	80
Last 4 weeks as % of 2011 ²	242	65	84	76	63	79
Last 4 weeks as % of 4-year avg. ²	59	39	118	71	55	68
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.

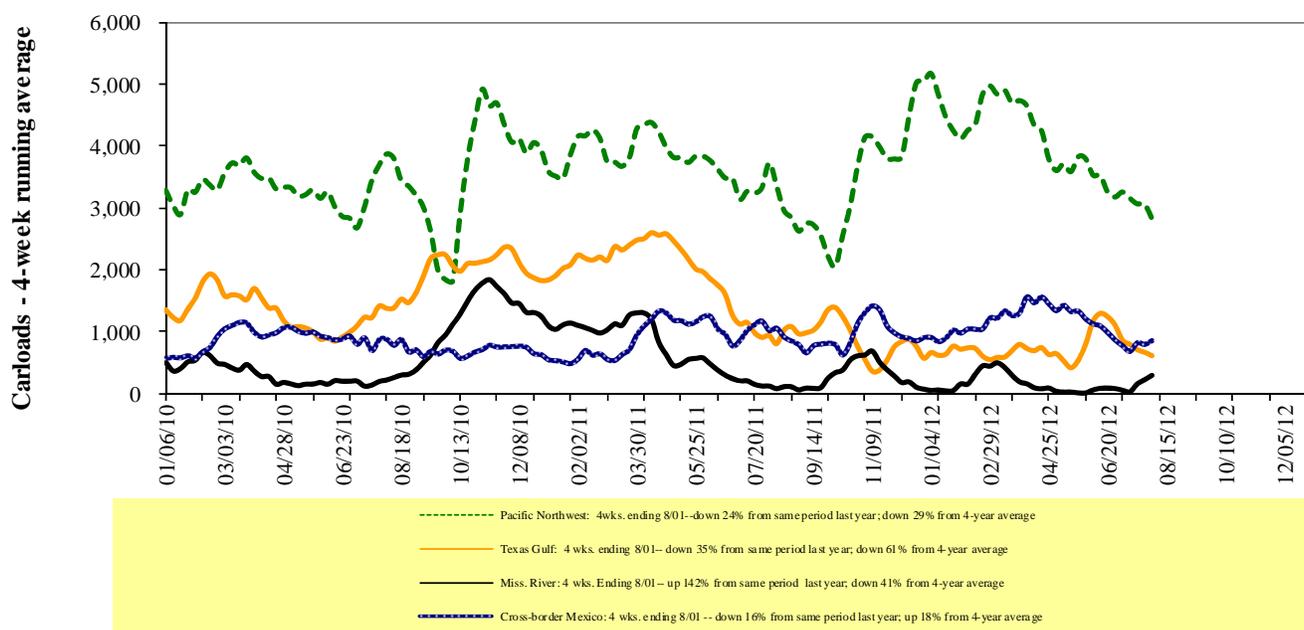
YTD = year-to-date; p = preliminary data; r = revised data; YTD PNW carloads includes revisions back to August 2011 ; n/a = not available

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

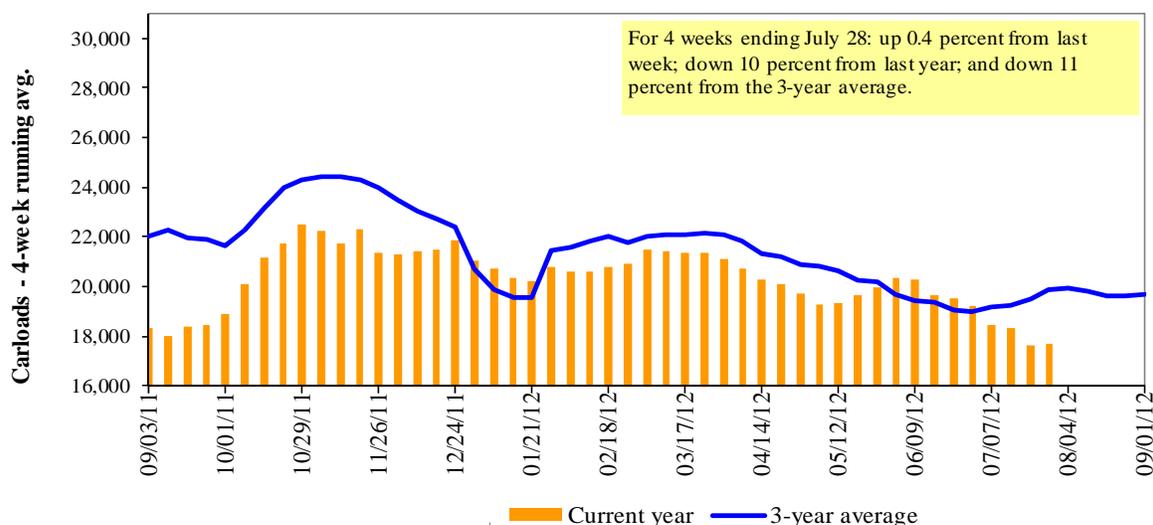
Table 4

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
07/28/12	1,085	3,102	8,577	557	5,348	18,669	3,919	4,717
This week last year	1,693	3,031	9,789	263	5,404	20,180	3,362	6,517
2012 YTD	55,391	85,103	288,330	14,989	155,557	599,370	115,314	140,362
2011 YTD	58,996	91,659	326,336	19,978	180,363	677,332	116,925	149,729
2012 YTD as % of 2011 YTD	94	93	88	75	86	88	99	94
Last 4 weeks as % of 2011 ¹	81	97	88	80	93	90	112	82
Last 4 weeks as % of 3-yr avg. ¹	75	100	84	77	93	88	111	82
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							
	Aug-12	Aug-11	Sep-12	Sep-11	Oct-12	Oct-11	Nov-12	Nov-11
BNSF ³								
COT grain units	5	7	0	no bids	2	139	no offer	7
COT grain single-car ⁵	0	3 . . 7	0 . . 5	5 . . 55	3 . . 27	1 . . 25	no offer	0 . . 25
UP ⁴								
GCAS/Region 1	no bids	1	no bids	no bids	1	no bids	n/a	n/a
GCAS/Region 2	no bids	no bids	no bids	no bids	1	35	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.

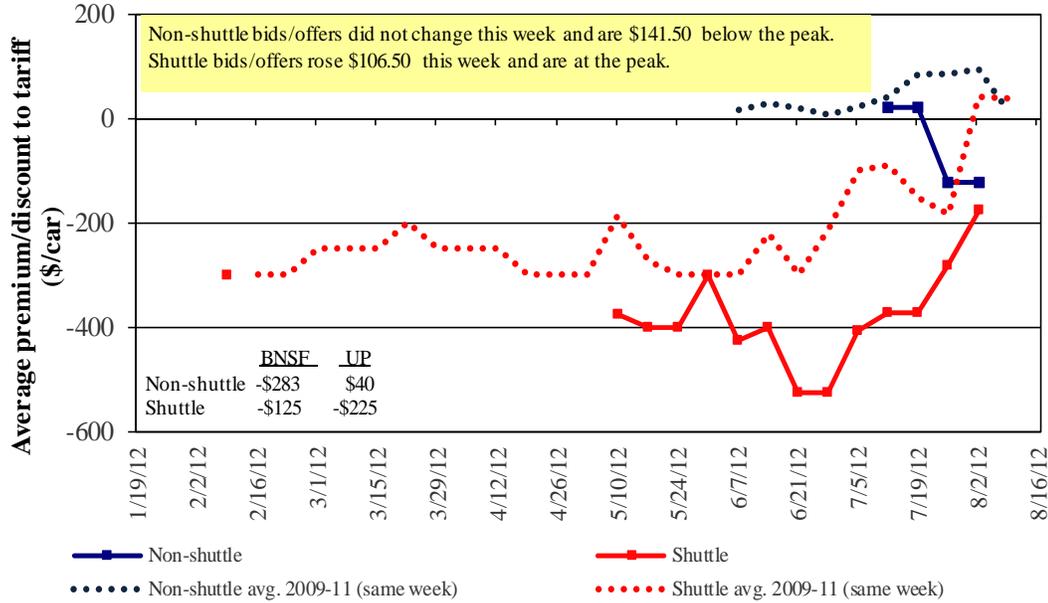
⁵Range is shown because average is not available. Not available = n/a.

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 August 2012, Secondary Market

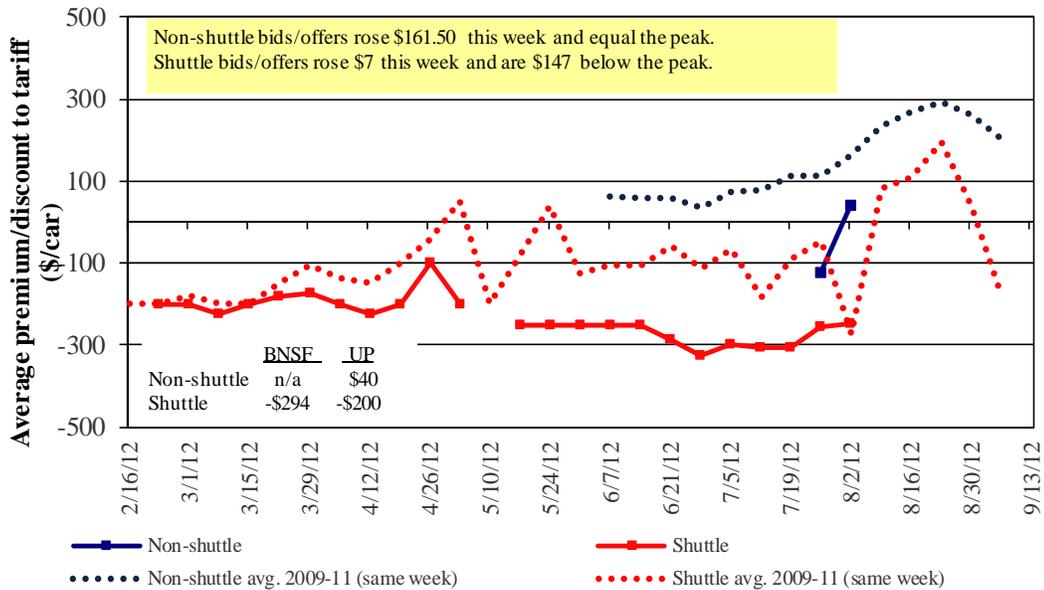


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

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

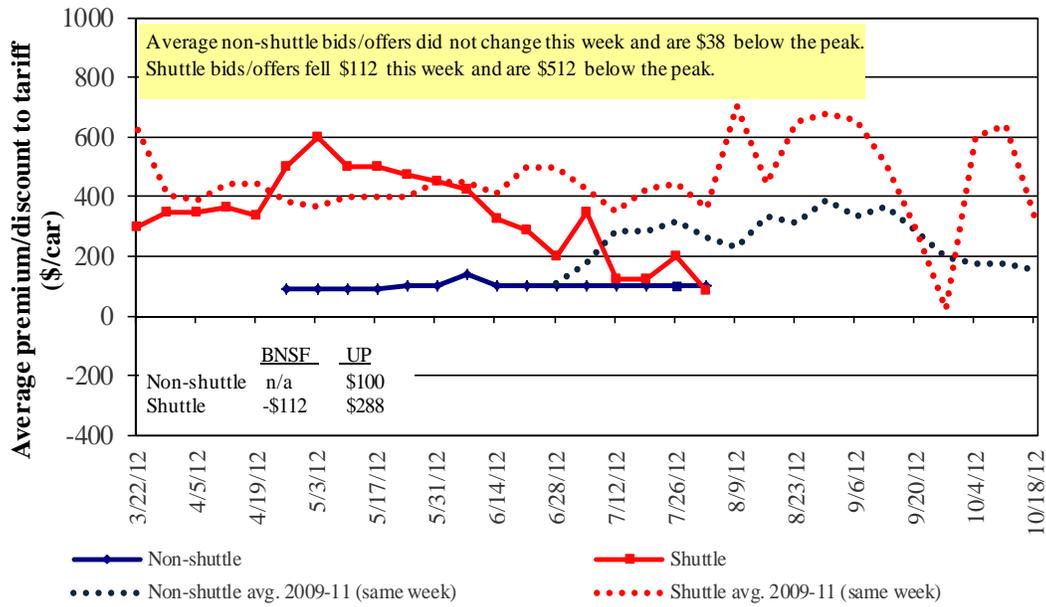


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in October 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					
	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13
Non-shuttle						
BNSF-GF	(283)	n/a	n/a	n/a	n/a	n/a
Change from last week	-	n/a	n/a	n/a	n/a	n/a
Change from same week 2011	(321)	n/a	n/a	n/a	n/a	n/a
UP-Pool	40	40	100	n/a	n/a	n/a
Change from last week	-	-	-	n/a	n/a	n/a
Change from same week 2011	32	(23)	n/a	n/a	n/a	n/a
Shuttle²						
BNSF-GF	(125)	(294)	(112)	n/a	n/a	n/a
Change from last week	113	(11)	n/a	n/a	n/a	n/a
Change from same week 2011	554	189	n/a	n/a	n/a	n/a
UP-Pool	(225)	(200)	288	n/a	n/a	n/a
Change from last week	100	25	88	n/a	n/a	n/a
Change from same week 2011	425	367	38	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:							Percent
8/1/2012	Origin region*	Destination region*	Tariff rate/car	Fuel surcharge per car	Tariff plus surcharge per:		change Y/Y ³
					metric ton	bushe ^l ²	
Unit train							
Wheat	Wichita, KS	St. Louis, MO	\$3,144	\$172	\$32.93	\$0.90	4
	Grand Forks, ND	Duluth-Superior, MN	\$3,445	\$95	\$35.16	\$0.96	21
	Wichita, KS	Los Angeles, CA	\$6,026	\$490	\$64.70	\$1.76	4
	Wichita, KS	New Orleans, LA	\$3,645	\$303	\$39.20	\$1.07	3
	Sioux Falls, SD	Galveston-Houston, TX	\$5,573	\$402	\$59.33	\$1.61	2
	Northwest KS	Galveston-Houston, TX	\$3,912	\$332	\$42.14	\$1.15	3
	Amarillo, TX	Los Angeles, CA	\$4,112	\$461	\$45.42	\$1.24	3
Corn	Champaign-Urbana, IL	New Orleans, LA	\$3,038	\$342	\$33.57	\$0.91	6
	Toledo, OH	Raleigh, NC	\$4,382	\$381	\$47.30	\$1.29	14
	Des Moines, IA	Davenport, IA	\$1,934	\$72	\$19.92	\$0.54	4
	Indianapolis, IN	Atlanta, GA	\$3,821	\$286	\$40.78	\$1.11	17
	Indianapolis, IN	Knoxville, TN	\$3,273	\$183	\$34.32	\$0.93	17
	Des Moines, IA	Little Rock, AR	\$3,074	\$213	\$32.64	\$0.89	4
	Des Moines, IA	Los Angeles, CA	\$4,985	\$620	\$55.66	\$1.51	2
Soybeans	Minneapolis, MN	New Orleans, LA	\$3,134	\$365	\$34.75	\$0.95	-5
	Toledo, OH	Huntsville, AL	\$3,497	\$271	\$37.41	\$1.02	17
	Indianapolis, IN	Raleigh, NC	\$4,453	\$384	\$48.03	\$1.31	14
	Indianapolis, IN	Huntsville, AL	\$3,189	\$183	\$33.49	\$0.91	20
	Champaign-Urbana, IL	New Orleans, LA	\$3,382	\$342	\$36.98	\$1.01	6
Shuttle Train							
Wheat	Great Falls, MT	Portland, OR	\$3,481	\$282	\$37.36	\$1.02	6
	Wichita, KS	Galveston-Houston, TX	\$3,634	\$219	\$38.26	\$1.04	14
	Chicago, IL	Albany, NY	\$3,645	\$357	\$39.74	\$1.08	3
	Grand Forks, ND	Portland, OR	\$4,963	\$486	\$54.12	\$1.47	4
	Grand Forks, ND	Galveston-Houston, TX	\$5,984	\$507	\$64.45	\$1.75	4
	Northwest KS	Portland, OR	\$4,880	\$544	\$53.86	\$1.47	2
Corn	Minneapolis, MN	Portland, OR	\$4,800	\$592	\$53.55	\$1.46	1
	Sioux Falls, SD	Tacoma, WA	\$4,760	\$542	\$52.66	\$1.43	1
	Champaign-Urbana, IL	New Orleans, LA	\$2,857	\$342	\$31.77	\$0.86	5
	Lincoln, NE	Galveston-Houston, TX	\$3,310	\$316	\$36.01	\$0.98	2
	Des Moines, IA	Amarillo, TX	\$3,430	\$268	\$36.72	\$1.00	2
	Minneapolis, MN	Tacoma, WA	\$4,800	\$588	\$53.50	\$1.46	1
	Council Bluffs, IA	Stockton, CA	\$4,200	\$608	\$47.74	\$1.30	1
Soybeans	Sioux Falls, SD	Tacoma, WA	\$5,040	\$542	\$55.44	\$1.51	2
	Minneapolis, MN	Portland, OR	\$5,030	\$592	\$55.83	\$1.52	2
	Fargo, ND	Tacoma, WA	\$4,930	\$482	\$53.75	\$1.46	3
	Council Bluffs, IA	New Orleans, LA	\$3,710	\$394	\$40.76	\$1.11	4
	Toledo, OH	Huntsville, AL	\$2,672	\$271	\$29.22	\$0.80	4
	Grand Island, NE	Portland, OR	\$5,115	\$557	\$56.32	\$1.53	11

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: 8/1/2012

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	\$515	\$84.35	\$2.29	2
	OK	Cuautitlan, EM	\$6,837	\$625	\$76.24	\$2.07	3
	KS	Guadalajara, JA	\$7,444	\$604	\$82.23	\$2.24	0
	TX	Salinas Victoria, NL	\$3,725	\$236	\$40.46	\$1.10	1
Corn	IA	Guadalajara, JA	\$7,699	\$710	\$85.92	\$2.18	1
	SD	Penjamo, GJ	\$7,776	\$673	\$86.33	\$2.19	6
	NE	Queretaro, QA	\$7,097	\$631	\$78.96	\$2.00	2
	SD	Salinas Victoria, NL	\$5,700	\$512	\$63.47	\$1.61	5
	MO	Tlalnepantla, EM	\$6,538	\$613	\$73.07	\$1.85	6
	SD	Torreon, CU	\$6,522	\$564	\$72.40	\$1.84	3
Soybeans	MO	Bojay (Tula), HG	\$7,350	\$599	\$81.22	\$2.21	6
	NE	Guadalajara, JA	\$7,904	\$685	\$87.76	\$2.39	2
	IA	El Castillo, JA ⁵	\$8,255	\$669	\$91.18	\$2.48	5
	KS	Torreon, CU	\$6,421	\$425	\$69.95	\$1.90	3
Sorghum	OK	Cuautitlan, EM	\$5,730	\$511	\$63.77	\$1.62	5
	TX	Guadalajara, JA	\$6,653	\$438	\$72.45	\$1.84	5
	NE	Penjamo, GJ	\$7,426	\$611	\$82.12	\$2.08	4
	KS	Queretaro, QA	\$6,460	\$384	\$69.93	\$1.77	4
	NE	Salinas Victoria, NL	\$5,153	\$450	\$57.24	\$1.45	5
	NE	Torreon, CU	\$6,068	\$502	\$67.13	\$1.70	2

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

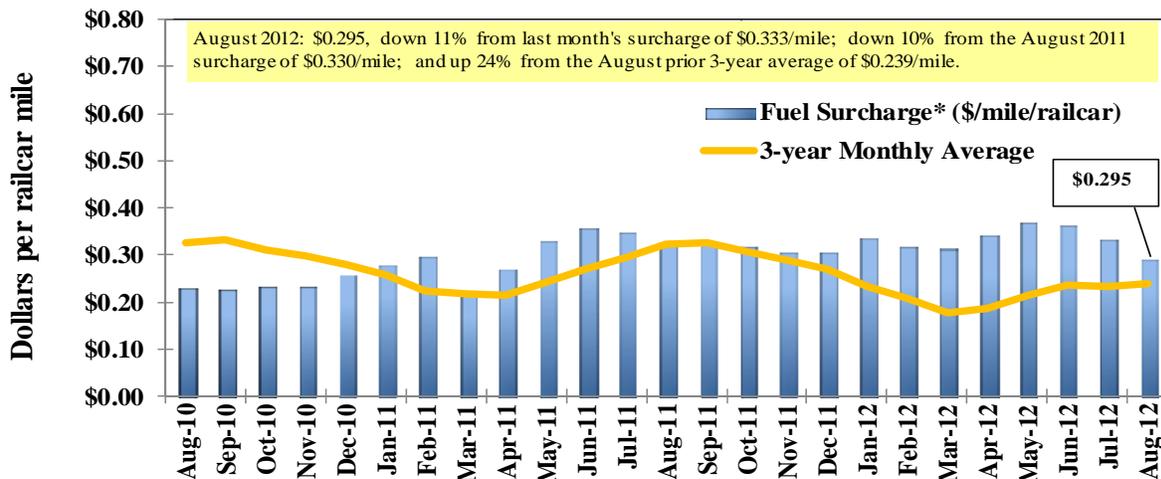
³Approximate load per car = 97.87 metric tons: Corn & Sorghum 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

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.

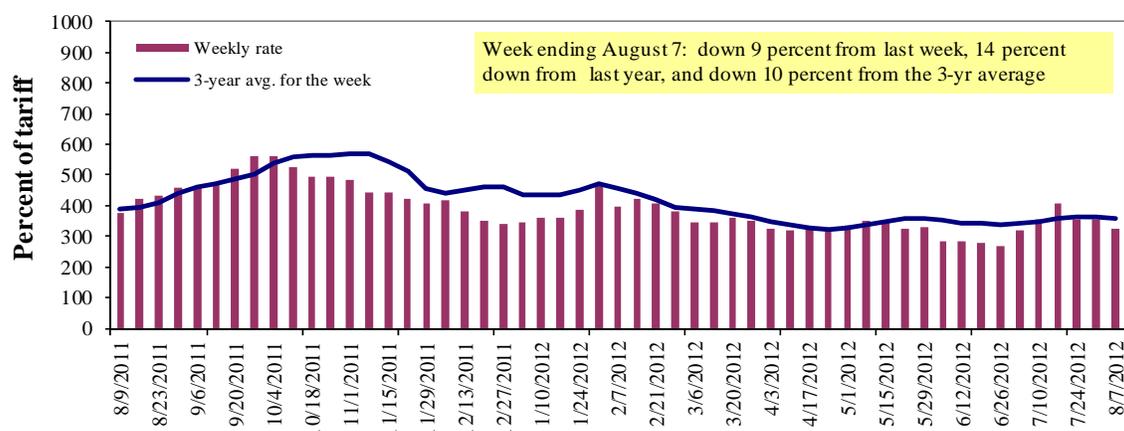
** BNSF strike price (diesel price when fuel surcharges begin) changed from \$1.25/gal. to \$2.50/gal. starting March 1, 2011. As a result, the weighted average fuel surcharge for March 2011 was \$0.227/mile instead of \$0.331/mile.

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	8/7/2012	424	347	323	262	284	284	226
	7/31/2012	445	357	355	330	333	333	312
\$/ton	8/7/2012	26.25	18.46	14.99	10.45	13.32	11.47	7.10
	7/31/2012	27.55	18.99	16.47	13.17	15.62	13.45	9.80
Current week % change from the same week:								
	Last year	-7	-12	-14	-10	-21	-21	-18
	3-year avg. ²	2	-4	-10	-6	-16	-16	-14
Rate¹	September	425	360	338	262	302	302	237
	November	486	444	430	357	423	423	339

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

Source: Transportation & Marketing Programs/AMS/USDA

Calculating barge rate per ton:

(Index * 1976 tariff benchmark rate per ton)/100

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

Figure 9
Benchmark tariff rates

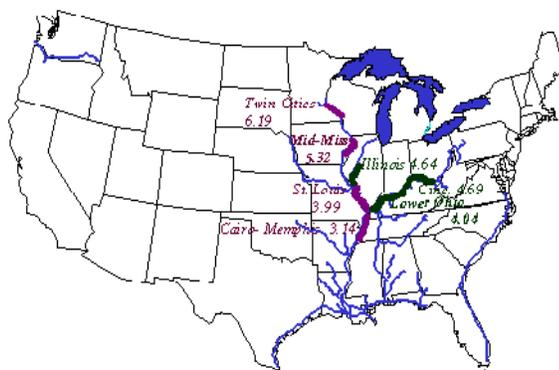
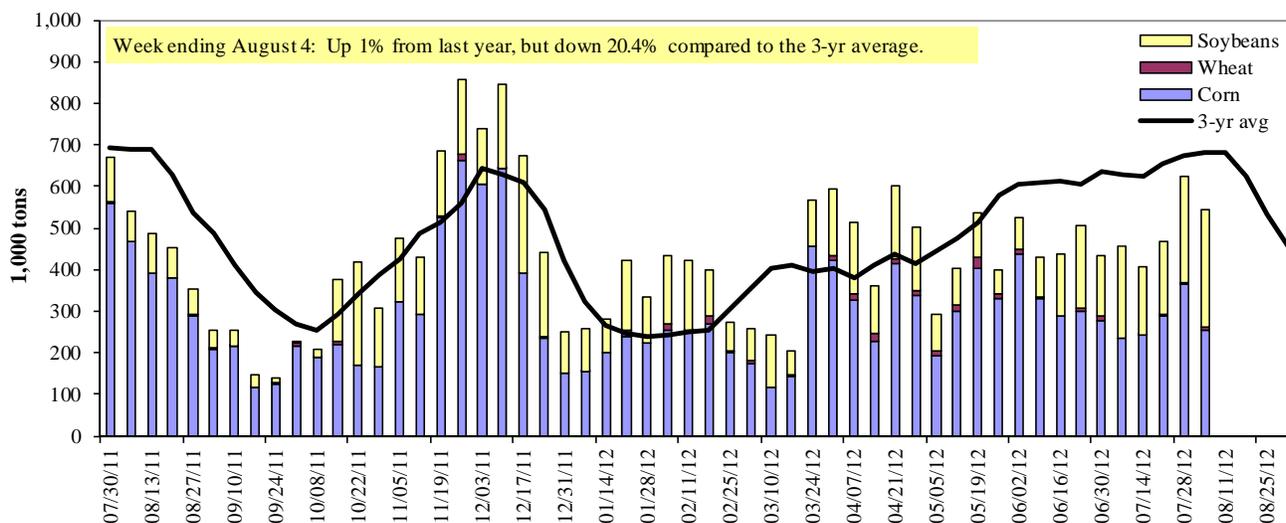


Figure 10

Barge Movements on the Mississippi 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/mvrimi/omni/webprts/default.asp)

Table 10

Barge Grain Movements (1,000 tons)

Week ending 8/04/2012	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	125	0	87	2	213
Winfield, MO (L25)	239	2	204	2	446
Alton, IL (L26)	263	2	278	2	544
Granite City, IL (L27)	256	5	283	2	546
Illinois River (L8)	57	0	105	0	162
Ohio River (L52)	50	7	67	4	127
Arkansas River (L1)	4	28	1	0	34
Weekly total - 2012	310	39	352	5	706
Weekly total - 2011	484	38	97	11	630
2012 YTD ¹	10,885	1,244	6,503	189	18,822
2011 YTD	11,865	975	4,433	236	17,508
2012 as % of 2011 YTD	92	128	147	80	108
Last 4 weeks as % of 2011 ²	62	52	221	38	90
Total 2011	19,921	1,460	8,553	422	30,356

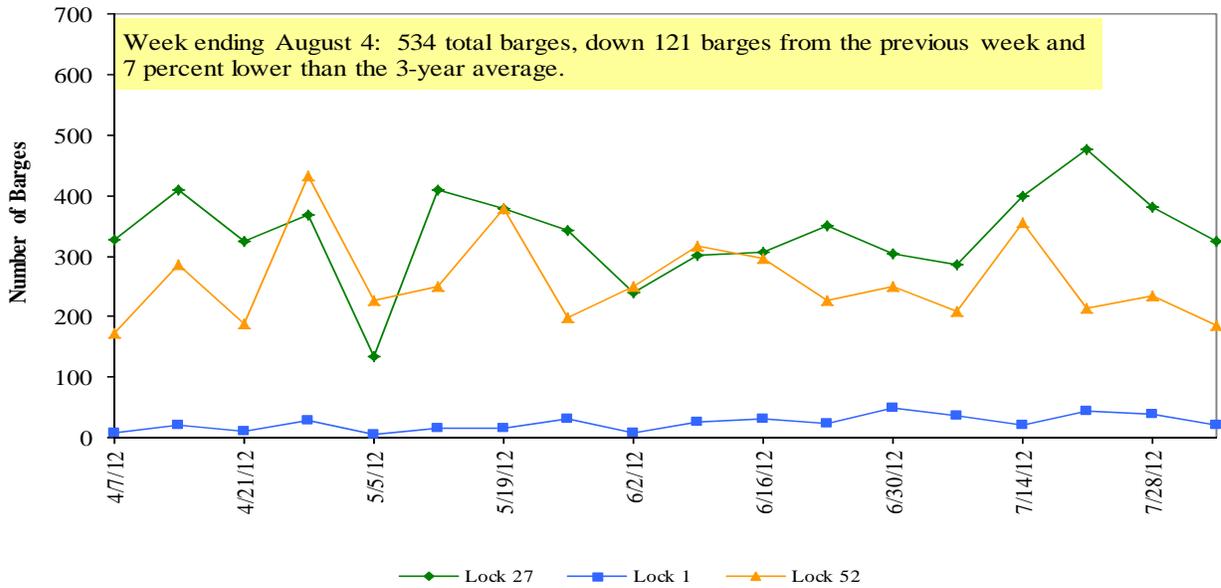
¹ Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

² As a percent of same period in 2011.

Note: Total may not add exactly, due to rounding

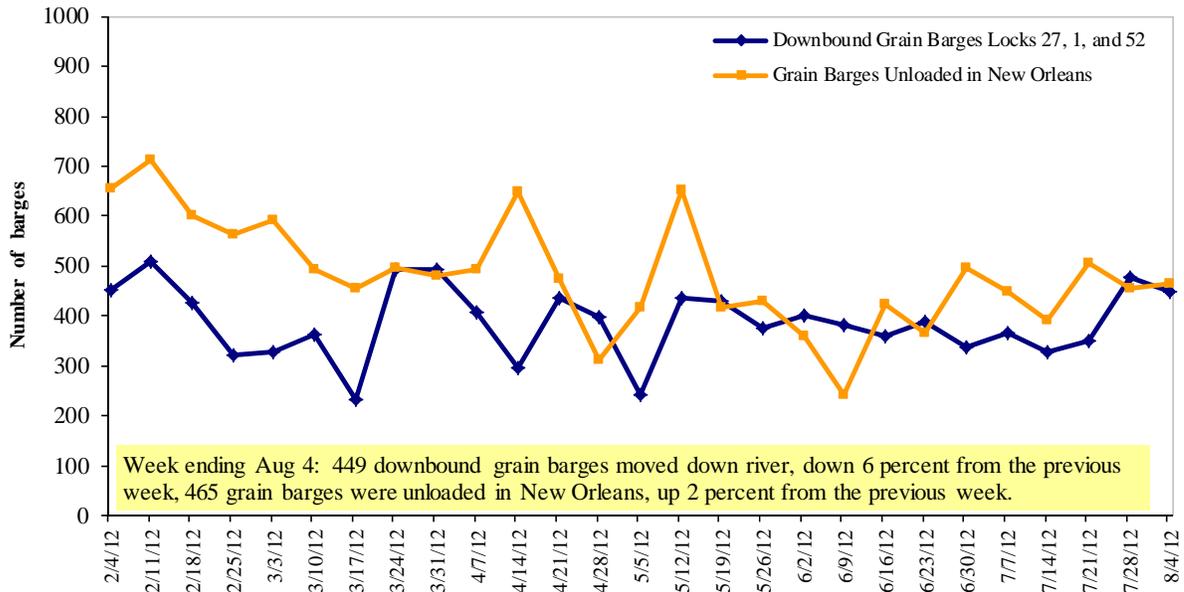
Source: U.S. Army Corps of Engineers (www.mvr.usace.army.mil/mvrimi/omni/webprts/default.asp)

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 8/6/2012 (US \$/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	3.869	0.027	-0.067
	New England	3.946	0.015	-0.085
	Central Atlantic	3.934	0.026	-0.119
	Lower Atlantic	3.806	0.031	-0.071
II	Midwest ²	3.851	0.069	-0.024
III	Gulf Coast ³	3.752	0.056	-0.116
IV	Rocky Mountain	3.813	0.084	-0.038
V	West Coast	3.959	0.061	0.010
	West Coast less California	3.883	0.067	-
	California	4.023	0.056	-0.044
Total	U.S.	3.850	0.054	-0.047

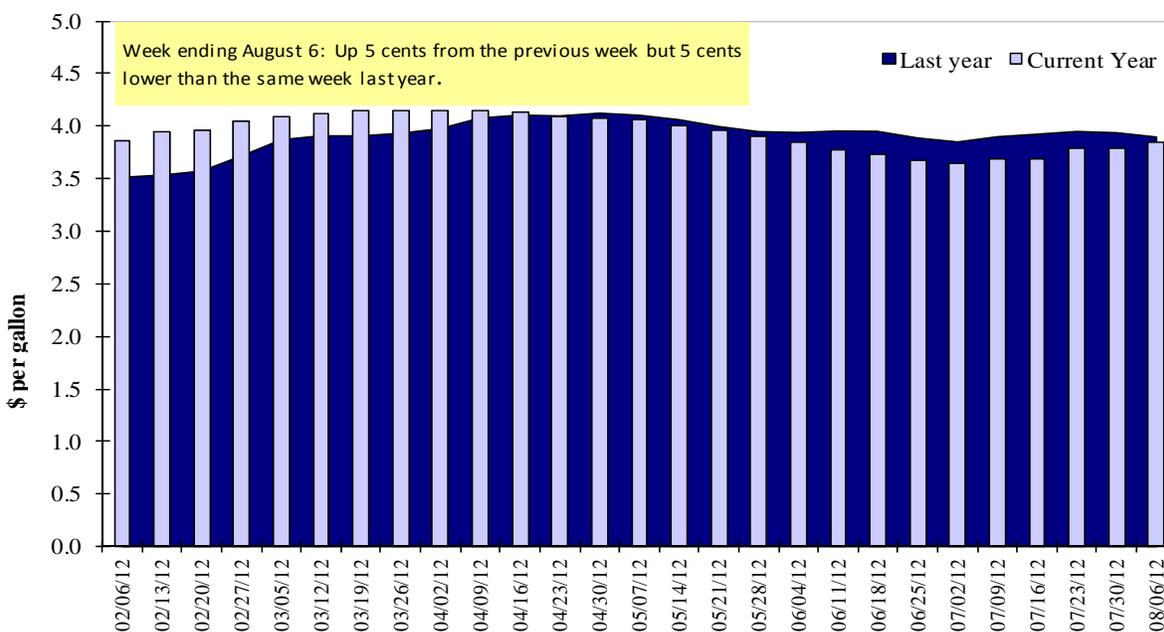
¹Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

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									
7/26/2012	1,509	745	1,449	1,266	102	5,072	3,732	4,135	12,939
This week year ago	1,819	979	1,709	1,140	153	5,800	6,236	2,761	14,797
Cumulative exports-marketing year²									
2011/12 YTD	1,871	631	819	447	78	3,846	35,581	34,349	73,776
2010/11 YTD	2,159	548	1,204	737	113	4,761	41,126	38,900	84,787
YTD 2011/12 as % of 2010/11	87	115	68	61	69	81	87	88	87
Last 4 wks as % of same period 2010/11	82	82	80	102	76	85	72	164	94
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 07/26/12	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 -
Japan	1,346	11,997	14,524	(17)	14,279
Mexico	1,099	9,560	6,977	37	7,019
Korea	306	3,739	6,003	(38)	6,104
China*	861	5,249	743	607	978
Taiwan	0	1,276	2,694	(53)	2,393
Top 5 importers	3,613	31,820	30,941	3	30,772
Total US corn export sales	6,577	39,313	47,362	(17)	46,600
% of Projected	16%	97%	102%		
Change from prior week	23	179	297		
Top 5 importers' share of U.S. corn export sales	55%	81%	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 07/26/2012	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	9,976	24,152	25,476	(5)	24,445
Mexico	287	3,176	3,208	(1)	3,215
Japan	129	1,795	2,203	(18)	1,887
EU	232	1,157	2,599	(55)	2,607
Indonesia	76	1,556	1,650	(6)	1,680
Top 5 importers	10,699	31,836	35,135	(9)	33,833
Total US soybean export sales	15,122	38,484	41,661	(8)	40,860
% of Projected	41%	106%	102%		
Change from prior week	52	194	(406)		
Top 5 importers' share of U.S. soybean export sales	71%	83%	84%		
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 07/26/2012	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	1,123	1,464	(23)	3,512
Mexico	1,205	1,253	(4)	3,496
Nigeria	779	1,166	(33)	3,248
Philippines	744	1,066	(30)	2,039
Korea	551	386	43	1,983
Egypt	131	121	9	950
Taiwan	342	243	41	888
Indonesia	176	316	(44)	830
Venezuela	321	175	84	594
Iraq	209	412	(49)	572
Top 10 importers	5,580	6,601	(15)	18,111
Total US wheat export sales	8,918	10,561	(16)	28,530
% of Projected	27%	37%		
Change from prior week	516	500		
Top 10 importers' share of U.S. wheat export sales	63%	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 08/02/12	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	222	145	154	7,630	8,792	87	69	89	13,995
Corn	125	234	53	4,713	6,208	76	57	55	9,198
Soybeans	82	55	150	5,349	3,467	154	151	90	7,321
Total	429	433	99	17,691	18,467	96	69	72	30,513
Mississippi Gulf									
Wheat	165	141	117	3,855	3,359	115	111	118	5,031
Corn	276	224	123	12,070	15,833	76	55	46	26,267
Soybeans	201	292	69	10,703	10,052	106	352	217	19,262
Total	643	658	98	26,628	29,244	91	95	80	50,560
Texas Gulf									
Wheat	158	219	72	3,843	8,194	47	76	87	10,837
Corn	0	0	n/a	295	810	36	0	0	1,021
Soybeans	0	0	n/a	5	763	1	n/a	0	926
Total	158	219	72	4,142	9,767	42	73	75	12,784
Interior									
Wheat	21	11	192	728	662	110	53	117	1,110
Corn	100	89	112	4,681	4,341	108	78	82	7,509
Soybeans	61	73	83	2,581	2,309	112	57	174	4,273
Total	182	173	105	7,991	7,312	109	84	107	12,892
Great Lakes									
Wheat	0	0	n/a	182	642	28	37	21	1,038
Corn	0	0	n/a	37	66	57	0	0	178
Soybeans	0	0	n/a	147	22	661	n/a	0	382
Total	0	0	n/a	367	731	50	75	49	1,598
Atlantic									
Wheat	3	3	88	235	611	38	24	29	686
Corn	5	0	n/a	101	187	54	57	34	295
Soybeans	3	6	46	585	460	127	112	171	1,042
Total	10	9	113	921	1,258	73	53	55	2,022
U.S. total from ports²									
Wheat	570	519	110	16,472	22,261	74	78	91	32,697
Corn	506	548	92	21,897	27,444	80	57	51	44,466
Soybeans	347	425	81	19,370	17,074	113	249	179	33,205
Total	1,422	1,492	95	57,740	66,779	86	82	79	110,369

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

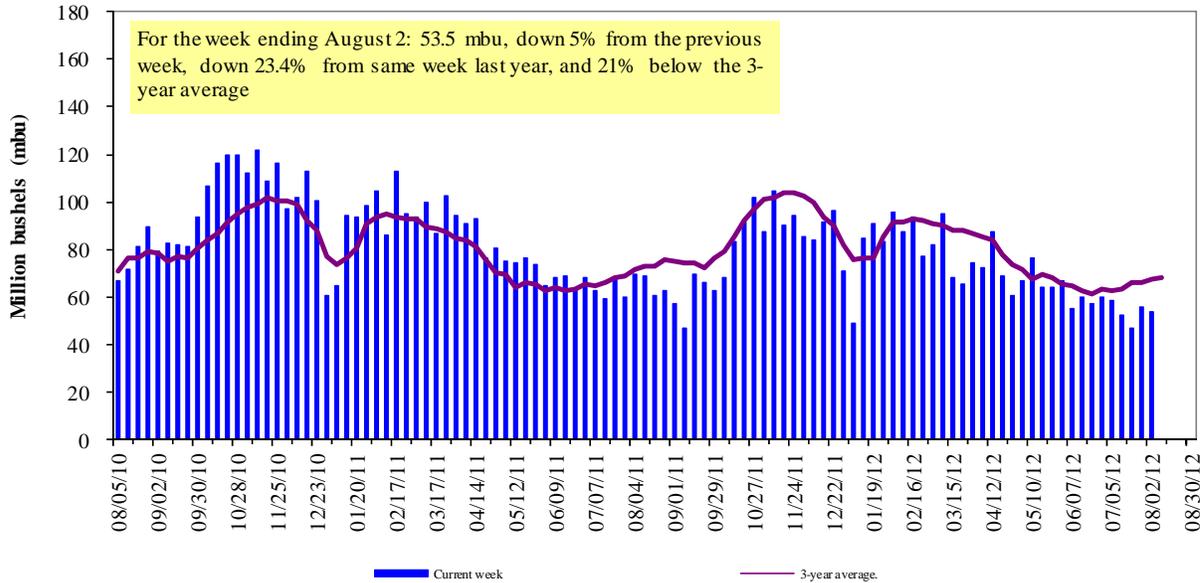
² Total includes only port regions shown above; Interior land-based shipments now included.

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)

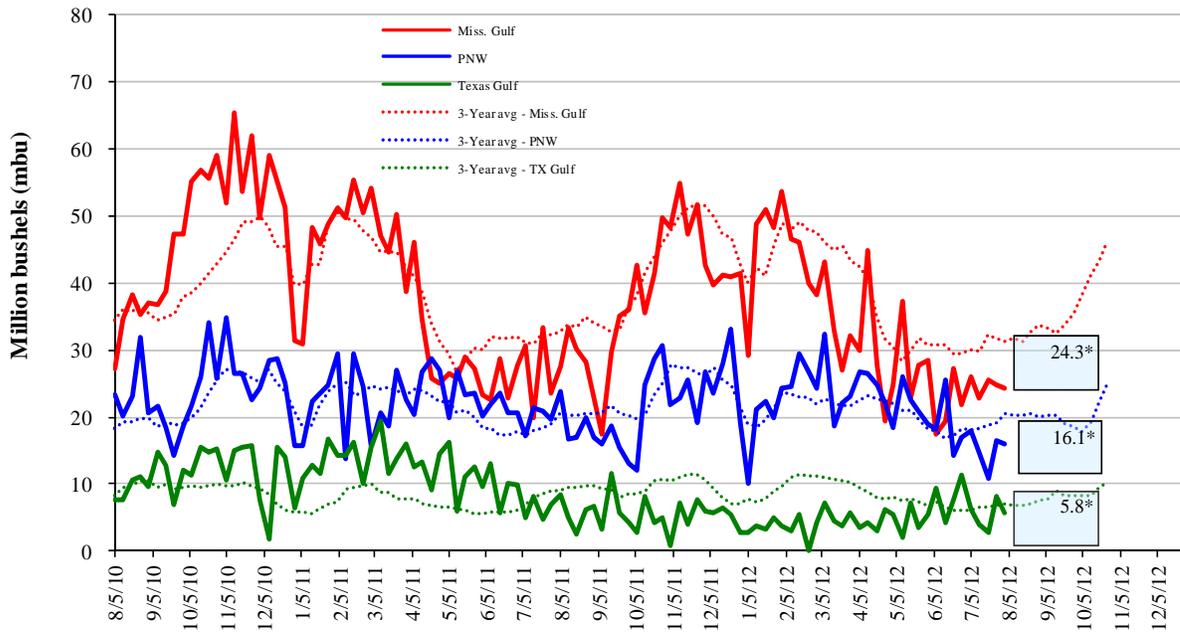


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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.

August 7 % change from:	MSGulf	TX Gulf	U.S.Gulf	PNW
Last week	down 2	down 28	down 8	down 3
Last year (same week)	down 11	down 31	down 16	down 32
3-yr avg. (4-wk mov. avg.)	down 22	down 17	down 21	down 23

Ocean Transportation

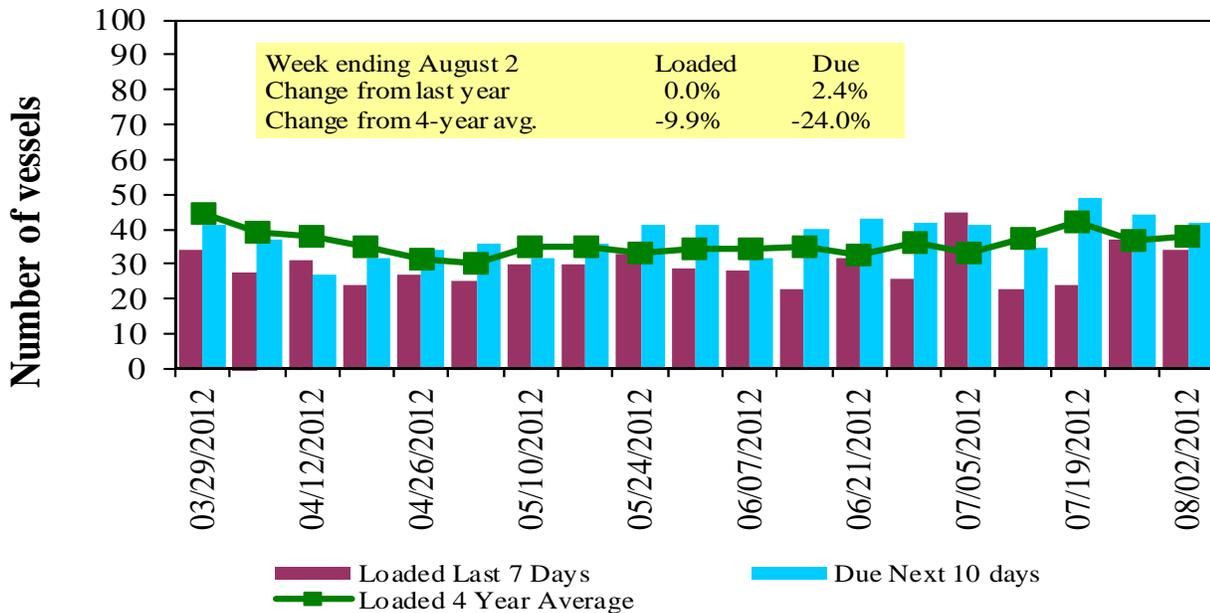
Table 17

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

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In port	Loaded	Due next	In port	In port
		7-days	10-days		
8/2/2012	22	34	42	11	n/a
7/26/2012	23	37	44	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

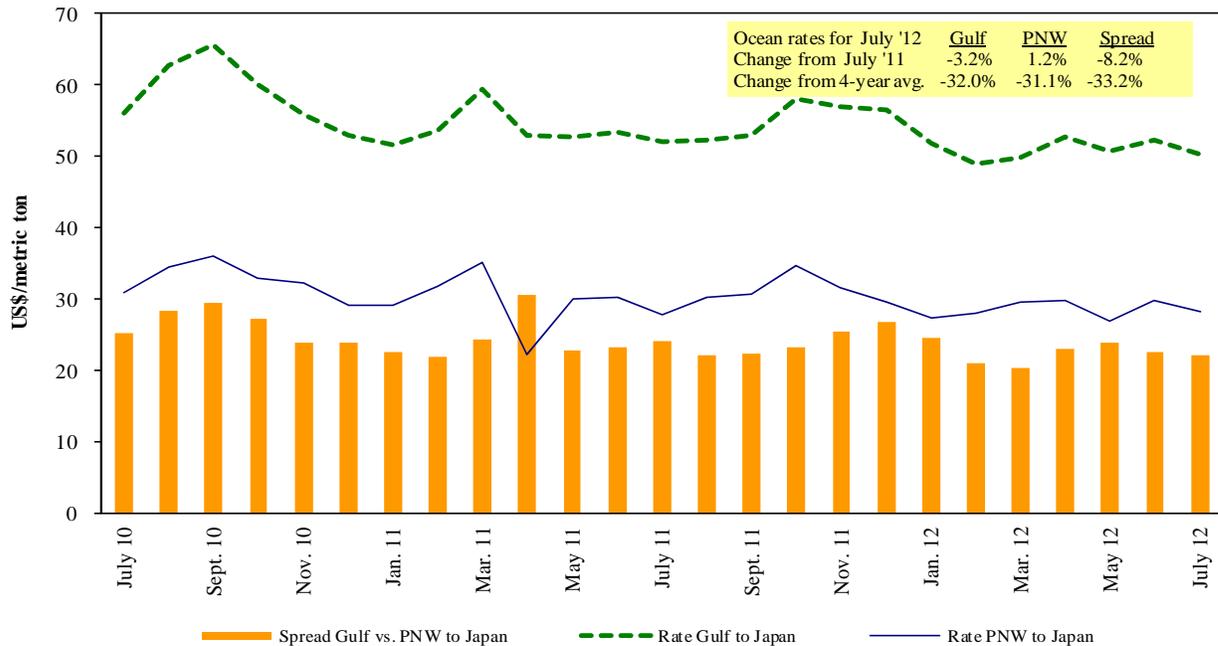
Figure 16
U.S. Gulf^d Vessel Loading Activity



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 08/04/2012

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
Australia	China	Grain	Jul 26/Aug 4	65,000	19.45
Brazil	China	Heavy Grain	Aug 10/20	60,000	48.50
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
Ukraine	Kenya	Grain	Jul 25/28	26,000	49.50

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

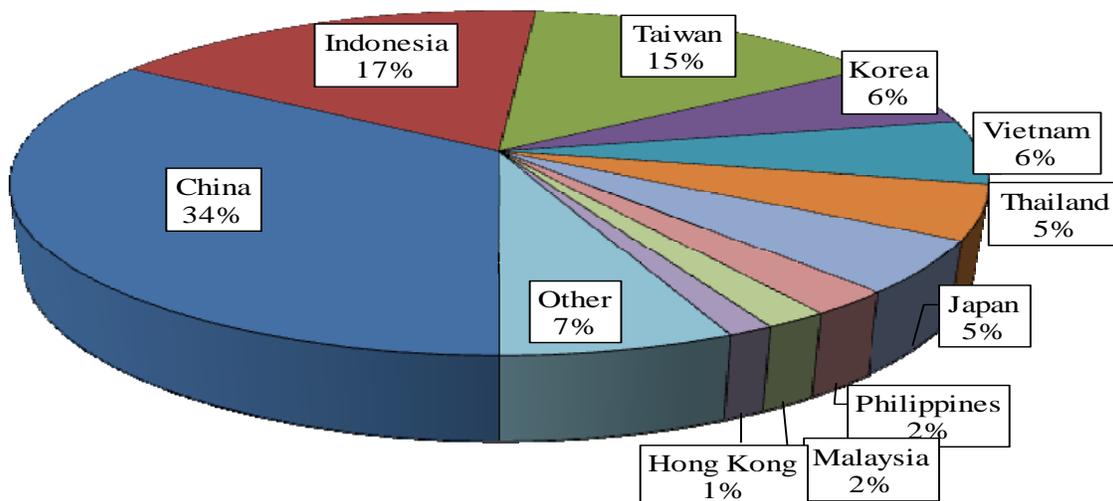
¹75 percent of food aid from the United States is required to be shipped on U.S.-flag vessels.

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, May 2012

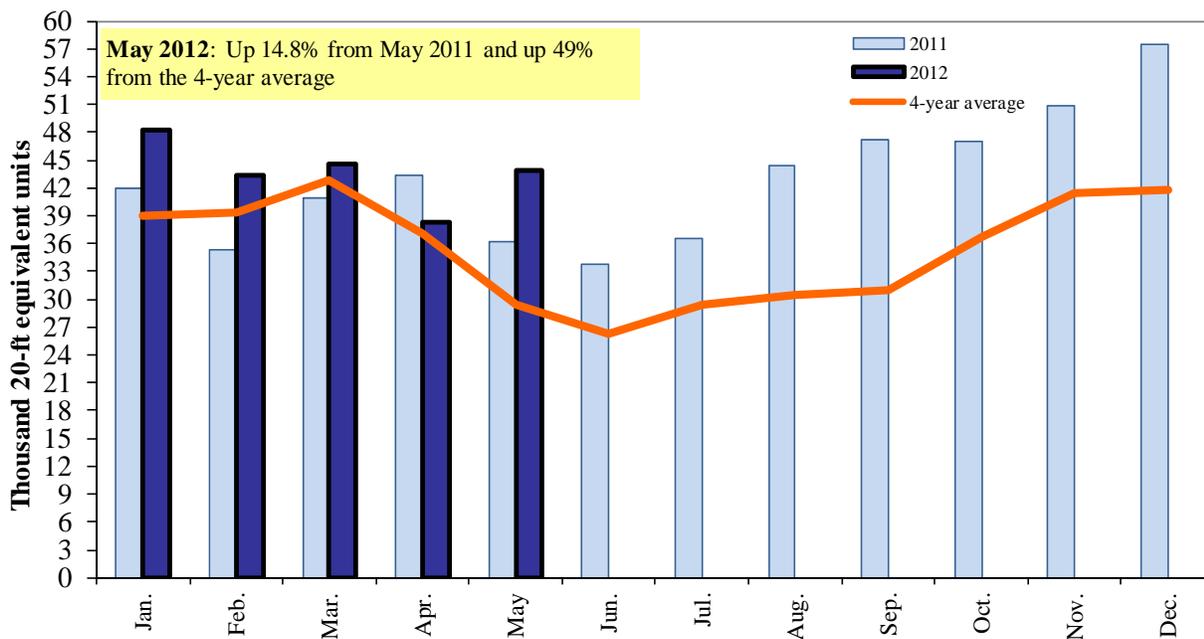


Source: USDA/Agricultural Marketing Service/Transportation Services Division analysis of Port Import Export Reporting Service (PIERS) data

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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