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Contents

The next release is August 30, 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

Mississippi River near Greenville, MS, Reopens for Limited Barge Traffic
After being closed for a few days earlier this week, the 11-mile stretch of the Mississippi River near Greenville, MS, is open. The Coast Guard is allowing only southbound traffic at this time to clear the queue; northbound traffic, mostly empty barges, will be next to clear. As of 8:45am this morning, the southbound queue was 29 tugs—down from 72 yesterday. Coast Guard buoy cutters are standing by in case repositioning of the buoys is necessary. River gauge levels in this region are low and are forecast to continue to fall through early next week. The river gauge near Greenville was at 7.56 feet at 7:00 am – down from 7.62 feet at 2:00 pm yesterday. Gauge levels are forecast by the National Weather Service to fall throughout the remainder of this week to just under 7 feet by Monday. The record low water level in this area was set in 1964 at 6.70ft. Refloating grounded barges, repositioning buoy, and dredging activities have been ongoing through this persistent and severe drought in this area.

Corn Harvest Begins Earlier than Normal
As of August 19, the U.S. corn harvest is ahead of the normal pace for this time of year, with 4 percent of the corn crop harvested, compared to the previous 5-year average of just 1 percent, according to the August 20 USDA Crop Progress Report. The marketing year for corn begins on September 1. Harvest was underway in 8 major corn-producing States that represent about 39 percent of the harvested corn acreage estimated by the USDA in its August 10 Crop Production Report. Illinois reported 3 percent, and Nebraska 1 percent, of the corn crop was harvested – the most harvested this early in at least 5 years. Other States ahead of normal pace include Kansas, Kentucky, Missouri, North Carolina, Tennessee, and Texas.

Gulf Grain Vessel Loading Activity Likely to Increase
Grain vessel loading activity in the U.S. Gulf is expected to increase. For the week ending August 16, 50 ocean-going vessels are expected to be loaded in the U.S. Gulf during the next 10 days—this is the highest since January 26, and 47 percent higher than the same week last year. Meanwhile, ocean freight rates for shipping bulk grain have remained relatively low. As of August 17, the rate for shipping grain from the U.S. Gulf to Japan was $50 per mt (mt)—unchanged from the previous week but 6 percent less than the same period last year. The rate from the Pacific Northwest to Japan was $27 per mt—unchanged from the previous week and 16 percent less than last year.

Unscheduled Panama Canal Lock Lane Outage
The East Lane of the Gatum Locks on the Panama Canal will be out of service for repairs to the sill of Miter Gates 21 and 22 during August 20 -25. During the outage, there will also be rehabilitation and maintenance of rising stem valve numbers 238, 239, 244 and 245. Rules governing the Transit Reservation System under specified conditions will be in effect from August 21 through August 24 and applications for reserved transits will be received starting August 18. For more details, see http://www.pancanal.com/common/maritime/advisories/2012/a-18-2012.pdf

Snapshots by Sector

Rail
U.S. railroads originated 18,905 **carloads of grain** during the week ending August 11, up 6 percent from last week, 1 percent from last year, and 2 percent lower than the 3-year average.

During the week ending August 16, average September non-shuttle **secondary railcar bids/offers per car** were $15 above tariff, the same as the previous week and $37.50 lower than last year. Average shuttle bids/offers were $369 below tariff, $69 lower than last week and $125 higher than last year.

Barge
During the week ending August 18, **barge grain movements** totaled 536,332 tons, 13 percent lower than the previous week but 4 percent higher than the same period last year.

During the week ending August 18, 352 grain barges **moved down river**, down 11.6 percent from last week; 502 grain barges were **unloaded in New Orleans**, down 9.7 percent from the previous week.

Fuel
During the week ending August 20, U.S. average **diesel fuel prices** increased 6 cents to $4.03 per gallon—22 cents higher than the same week last year.

Feature Article/Calendar

Second Quarter Transportation Costs for Shipping Wheat to Japan Increase

The cost of shipping U.S. wheat from Kansas and North Dakota to Japan through the Pacific Northwest (PNW) and Gulf increased during the second quarter 2012. Transportation costs for shipping wheat through the PNW and U.S. Gulf were moved mainly by higher truck rates (*see tables 1, 2*). The cost to ship wheat from Kansas and North Dakota through the PNW increased 3 percent from the first quarter, but rates remained 1 percent lower than last year. The cost to ship wheat through the Gulf from Kansas and North Dakota increased 6 and 4 percent quarter-to-quarter. Year-to-year transportation costs from North Dakota through the Gulf increased about 1 percent. The total landed costs, however, for shipping wheat from the PNW and Gulf to Japan were down quarter-to-quarter and year-to-year.

Table 1: Quarterly rate comparisons for shipping KS & ND wheat to Japan through the PNW

	KS					ND				
Mode	2011 2nd qtr	2012 1st qtr	2012 2nd qtr	Year-to-Year change	Quarterly change	2011 2nd qtr	2012 1st qtr	2012 2nd qtr	Year-to-Year change	Quarterly change
				%	%				%	%
Truck	11.34	9.14	11.66	2.82	27.57	11.34	9.14	11.66	2.82	27.57
Rail[1]	51.89	52.71	53.51	3.12	1.52	51.93	52.89	53.97	3.93	2.04
Ocean vessel	30.24	28.28	27.28	-9.79	-3.54	30.24	28.28	27.28	-9.79	-3.54
Transportation Costs	93.47	90.13	92.45	-1.09	2.57	93.51	90.31	92.91	-0.64	2.88
Farm Value[2]	288.68	249.61	234.91	-18.63	-5.89	345.88	294.93	283.78	-17.95	-3.78
Total Landed Cost	382.15	339.74	327.36	-14.34	-3.64	439.39	385.24	376.69	-14.27	-2.22
Transport % of landed cost	24.46	26.53	28.24			21.28	23.44	24.66		

Table 2: Quarterly rate comparisons for shipping KS & ND wheat to Japan through the Gulf

	KS					ND				
Mode	2011 2nd qtr	2012 1st qtr	2012 2nd qtr	Year-to-Year change	Quarterly change	2011 2nd qtr	2012 1st qtr	2012 2nd qtr	Year-to-Year change	Quarterly change
				%	%				%	%
Truck	11.34	9.14	11.66	2.82	27.57	11.34	9.14	11.66	2.82	27.57
Rail[1]	33.58	34.31	36.22	7.86	5.57	61.54	63.33	64.37	4.60	1.64
Ocean vessel	52.97	50.18	50.88	-3.95	1.39	52.97	50.18	50.88	-3.95	1.39
Transportation Costs	97.89	93.63	98.76	0.89	5.48	125.85	122.65	126.91	0.84	3.47
Farm Value[2]	288.68	249.61	234.91	-18.63	-5.89	345.88	294.93	283.78	-17.95	-3.78
Total Landed Cost	386.57	343.24	333.67	-13.68	-2.79	471.73	417.58	410.69	-12.94	-1.65
Transport % of landed cost	25.32	27.28	29.60			26.68	29.37	30.90		

Source: USDA/AMS/TMP

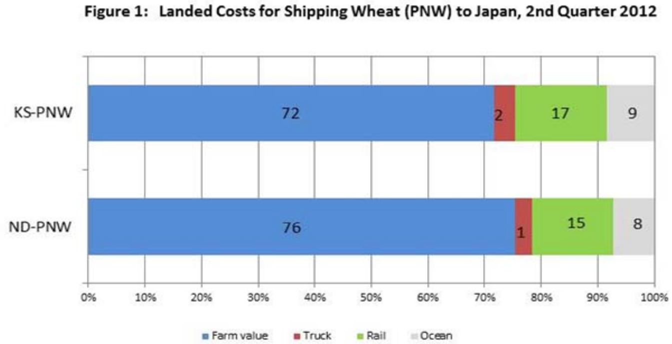
[1] Rail tariff rates include fuel surchrages and revisions for heavy axle railcars and shuttle trains.

[2] Source: USDA/NASS, wheat prices for North Dakota (mainly HRS) and Kansas (mainly HRW)

PNW Cost Analysis: The total landed cost to ship from each State through the PNW ranged from $327 to $377 per metric ton *(see table 1)*. Compared to the previous quarter, PNW total landed costs (farm value plus transportation costs) for shipping wheat to Japan decreased 4 percent for Kansas and 2 percent for North Dakota during the second quarter (*see table 1*). Year-to-year landed costs were down 14 percent for shipping from each State. Farm values averaged about 72 percent of the landed cost for Kansas and 76 percent for North Dakota, below last year's shares (*see figure 1*).

Ocean rates for shipping grain from the PNW to Japan decreased 4 percent quarter to quarter and 10 percent year-to-year, mostly because of slow demand for bulk shipments and increased vessel supply. PNW quarter-to-quarter rail rates for shipping wheat from each State to the PNW increased 2 percent from Kansas and North Dakota. From year to year, rail rates increased 3 percent for Kansas and 4 percent, respectively, for North Dakota because of the rise in fuel surcharges. Truck rates jumped 28 percent quarter-to-quarter because of increasing demand for trucking services. Compared to last year, truck rates increased about 3 percent. Second quarter PNW transportation costs represented 25 to 28 percent of the total landed costs (*see table 1*).

Figure 1: Landed Costs for Shipping Wheat (PNW) to Japan, 2nd Quarter 2012



Gulf Cost Analysis: The total landed cost to ship wheat from Kansas and North Dakota through the Gulf during the second quarter decreased 3 and 2 percent, respectively, from the first quarter, and 14 and 13 percent year-to-year (*see table 2*). The total landed cost to ship from each State through the Gulf was $334 to $411/mt. Lower wheat farm values pushed its share of the landed cost down to 71 percent for Kansas and 69 percent for North Dakota (*see figure* 2).

Ocean rates for shipping wheat to Japan from the Gulf increased 1 percent from the previous quarter but dropped 4 percent below last year. Rail rates to the Gulf from Kansas and North Dakota increased 6 and 2 percent quarter-to-quarter and 8 and 5 percent year-to-year. Second quarter Gulf transportation costs were 30 to 31 percent of the total landed costs, greater than the previous quarter and last year (*see table 2*).

PNW vs. Gulf Cost Comparison: Compared to the previous quarter, rates to ship wheat by rail to each port region increased as fuel surcharges continued to rise. Rail rates also continued to increase from last year in the PNW and Gulf (*see tables 1, 2*). Quarter-to-quarter ocean rates increased 4 percent for shipping from the Gulf, and 2 percent from the PNW. North Dakota total landed costs and farm values continued to surpass that of Kansas (*see figures 1, 2*).

According to the USDA, second quarter wheat inspected for export to Japan totaled .809 mmt, unchanged from the first quarter 2012 but 26 percent below the second quarter last year. Second quarter wheat exports to Japan accounted for 11 percent of total U.S. wheat exports (8.0 mmt). During the second quarter 2012, Japan was the third largest importer of U.S. wheat behind Egypt and Mexico. U.S. wheat exports are expected to increase in 2012/13 because of strong demand and reduced competition from other major producers such as China and Russia. *Johnny.Hill@ams.usda.gov*

Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators[1]

Week ending	Truck	Rail: Unit Train	Rail: Shuttle	Barge	Ocean: Gulf	Ocean: Pacific
08/22/12	270	227	186	183	224	191
08/15/12	265	224	187	203	224	191

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

Source: Transportation & Marketing Programs/AMS/USDA

Table 2

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

Commodity	Origin--Destination	8/17/2012	8/10/2012
Corn	IL--Gulf	-0.15	-0.33
Corn	NE--Gulf	-0.26	-0.48
Soybean	IA--Gulf	-0.75	-0.79
HRW	KS--Gulf	-1.42	-1.37
HRS	ND--Portland	-1.85	-1.98

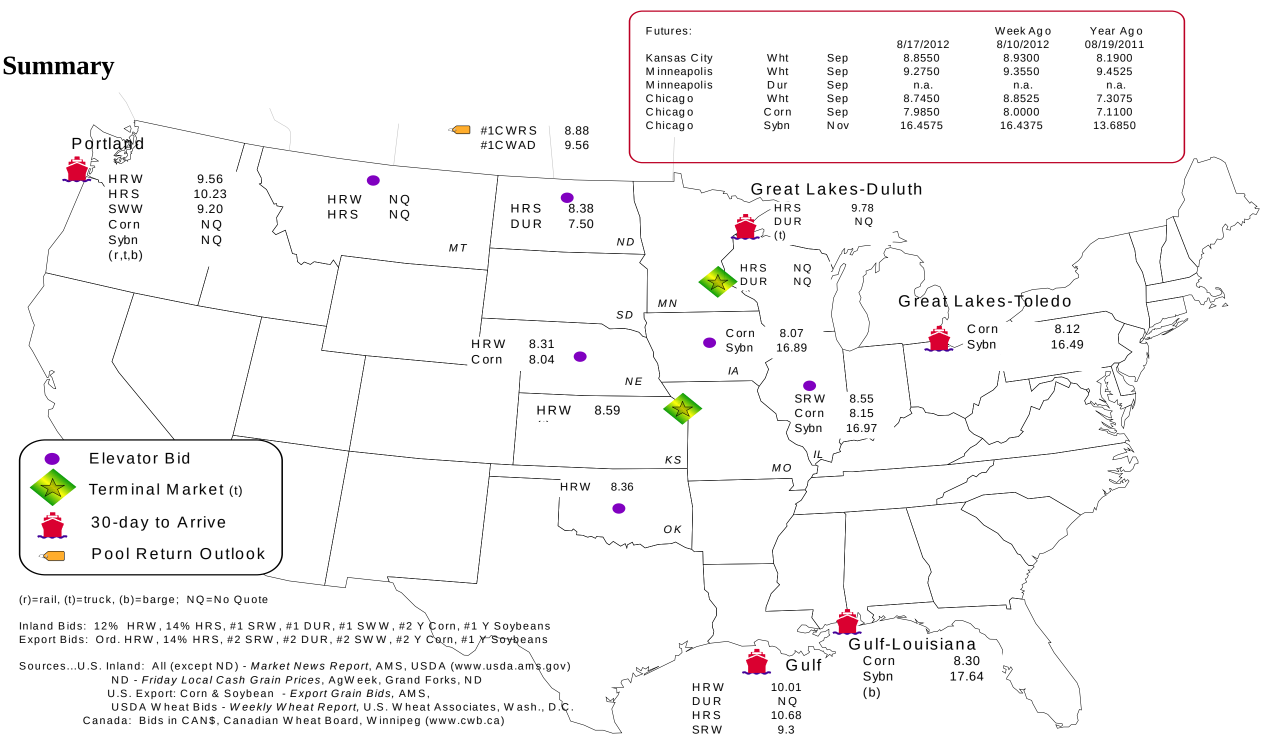
Note: nq = no quote

Source: Transportation & Marketing Programs/AMS/USDA

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

Figure 1

Grain bid Summary



Rail Transportation

Table 3

Rail Deliveries to Port (carloads)[1]

Week ending	Mississippi Gulf	Texas Gulf	Cross-Border Mexico	Pacific Northwest	Atlantic & East Gulf	Total
8/15/2012[p]	257	660	660	4,532	126	6,235
8/08/2012[r]	791	768	492	3,753	32	5,836
2012 YTD[r]	6,264	24,481	36,208	129,824	11,302	208,079
2011 YTD[r]	21,854	61,995	30,812	122,068	16,787	253,516
2012 YTD as % of 2011 YTD	29	39	118	106	67	82
Last 4 weeks as % of 2011[2]	387	68	75	119	51	104
Last 4 weeks as % of 4-year avg.[2]	90	43	90	101	67	84
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.

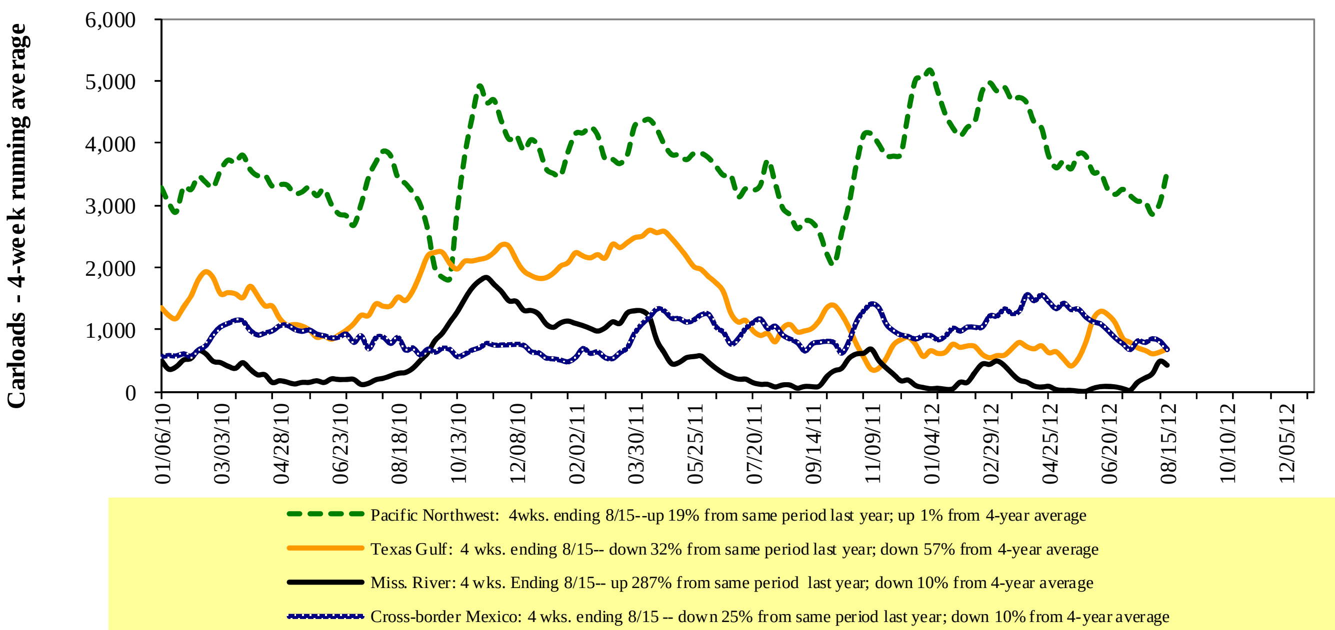
YTD = year-to-date; p = preliminary data; r = revised data; YTD PNW carloads includes revisions back to August 2011 ; n/a = not available

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)

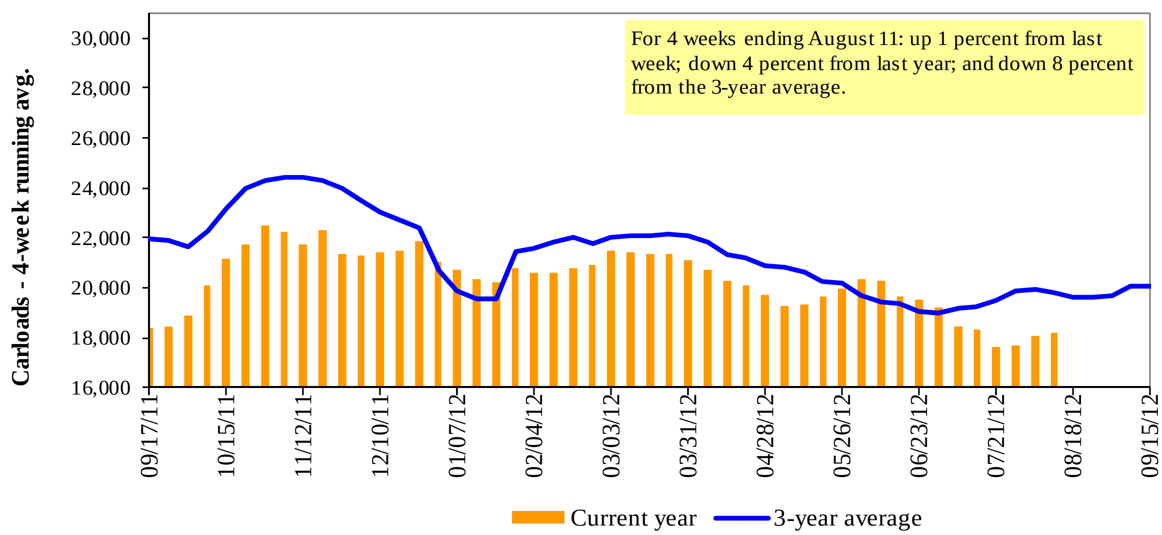
Week ending	East		West			U.S. total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
08/11/12	1,086	2,523	10,174	478	4,644	18,905	3,589	5,091
This week last year	1,562	2,003	8,993	1,086	5,032	18,676	3,185	6,333
2012 YTD	57,319	90,564	307,958	16,184	164,017	636,042	122,737	150,836
2011 YTD	61,687	96,081	342,496	21,624	190,109	711,997	123,360	161,978
2012 YTD as % of 2011 YTD	93	94	90	75	86	89	99	93
Last 4 weeks as % of 2011[1]	73	114	98	80	93	96	114	78
Last 4 weeks as % of 3-yr avg.[1]	67	108	93	91	90	92	105	85
Total 2011	98,506	150,869	546,090	34,683	292,401	1,122,549	200,610	269,399

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

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

Figure 3

Total Weekly U.S. Class I Railroad Grain Car Loadings



Source: Association of American Railroads

Table 5

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

Week ending 8/16/2012	Delivery period							
	Sep-12	Sep-11	Oct-12	Oct-11	Nov-12	Nov-11	Dec-12	Dec-11
BNSF[3]								
COT grain units	1	no bids	no bids	52	no offer	0	no offer	n/a
COT grain single-car[5]	0 . . 6	no bids	0 . . 10	14 . . 25	no offer	7 . . 25	no offer	n/a
UP[4]								
GCAS/Region 1	no bids	no bids	no bids	no bids	no bids	no bids	n/a	n/a
GCAS/Region 2	1	no bids	no bids	35	no bids	no bids	n/a	n/a

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

[2]Average premium/discount to tariff, last auction

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

[4]UP - GCAS = Grain Car Allocation System

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

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

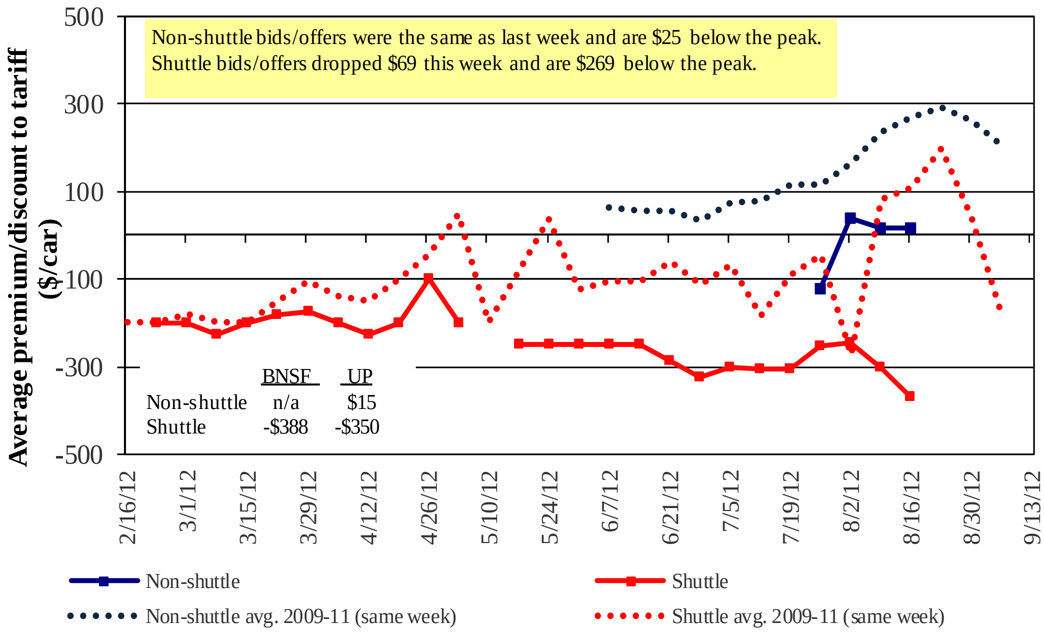
[5]Range is shown because average is not available. Not available = n/a.

Source: Transportation & Marketing Programs/AMS/USDA.

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

Figure 4

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

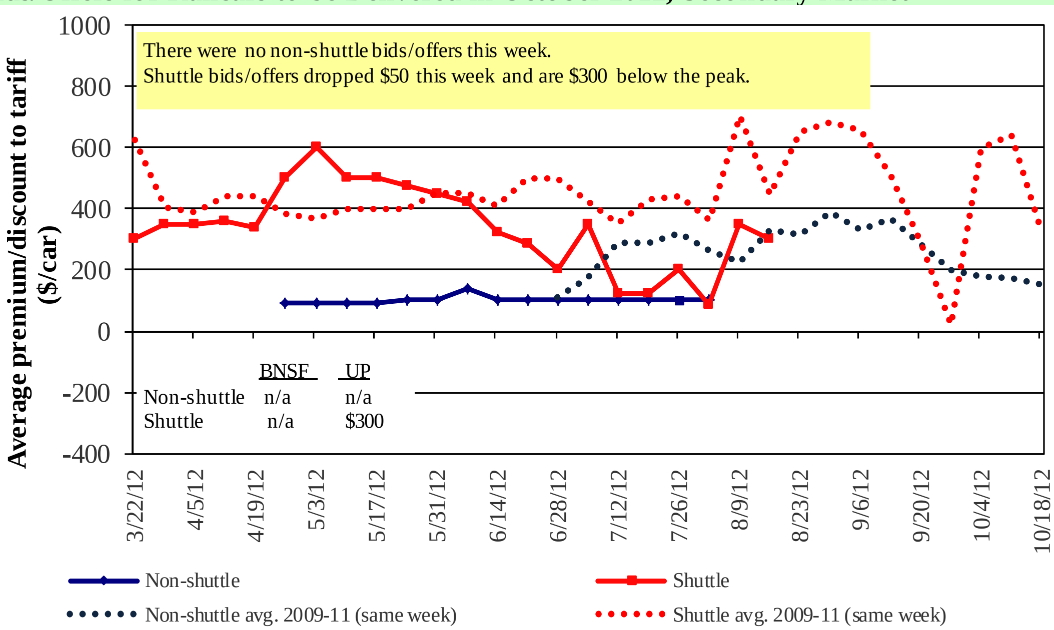


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

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

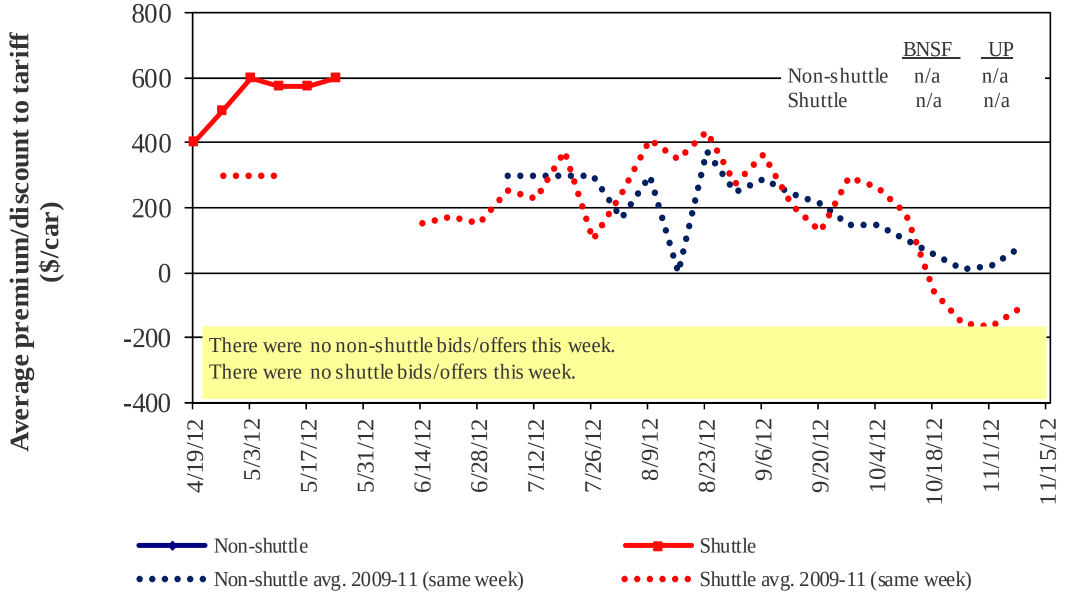


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in November 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					
8/16/2012	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13
Non-shuttle						
BNSF-GF	n/a	n/a	n/a	n/a	n/a	n/a
Change from last week	n/a	n/a	n/a	n/a	n/a	n/a
Change from same week 2011	n/a	n/a	n/a	n/a	n/a	n/a
UP-Pool	15	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	(23)	n/a	n/a	n/a	n/a	n/a
Shuttle[2]						
BNSF-GF	(388)	n/a	n/a	n/a	n/a	n/a
Change from last week	(55)	n/a	n/a	n/a	n/a	n/a
Change from same week 2011	-	n/a	n/a	n/a	n/a	n/a
UP-Pool	(350)	300	n/a	(100)	n/a	n/a
Change from last week	(83)	(50)	n/a	n/a	n/a	n/a
Change from same week 2011	250	(150)	n/a	50	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 Shipments[1]

Effective date: 8/1/2012	Origin region*	Destination region*	Tariff rate/car	Fuel surcharge per car	Tariff plus surcharge per: metric ton	Tariff plus surcharge per: bushel[2]	Percent change Y/Y[3]
Unit train							
Wheat	Wichita, KS	St. Louis, MO	$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

[1]A unit train refers to shipments of at least 25 cars. Shuttle train rates are available for qualified shipments of 75-120 cars that meet railroad efficiency requirements.

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

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

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

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

Table 8

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

Effective date: 8/1/2012				Fuel			Percent
	Origin		Tariff	surcharge	Tariff plus surcharge per:		change
Commodity	state	Destination region	rate/car[1]	per car[2]	metric ton[3]	bushel[3]	Y/Y[4]
Wheat	MT	Chihuahua, CI	$7,741	$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

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

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

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

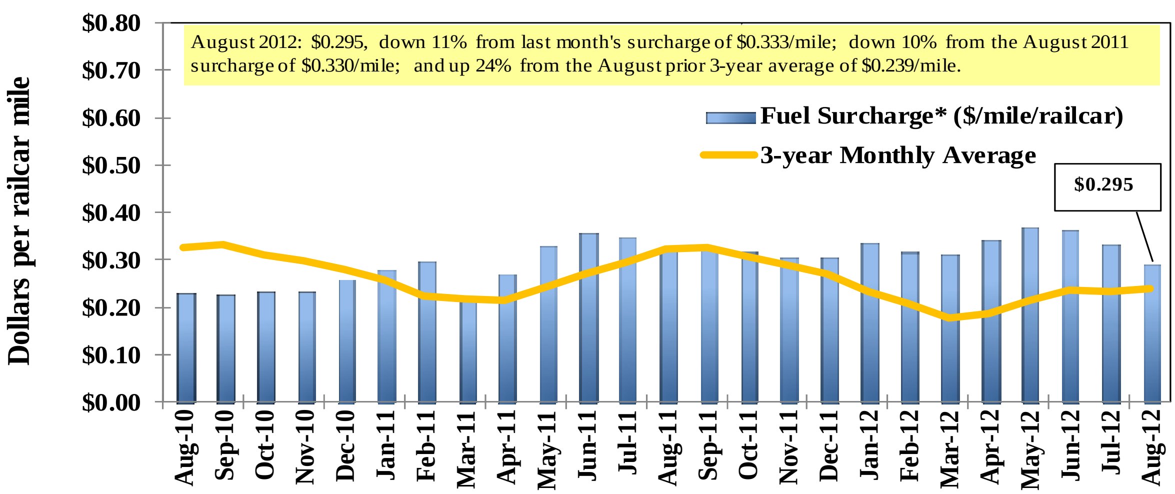
[4]Percentage change year over year calculated using tariff rate plus fuel surchage

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

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

Figure 7

Railroad Fuel Surcharges, North American Weighted Average[1]



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

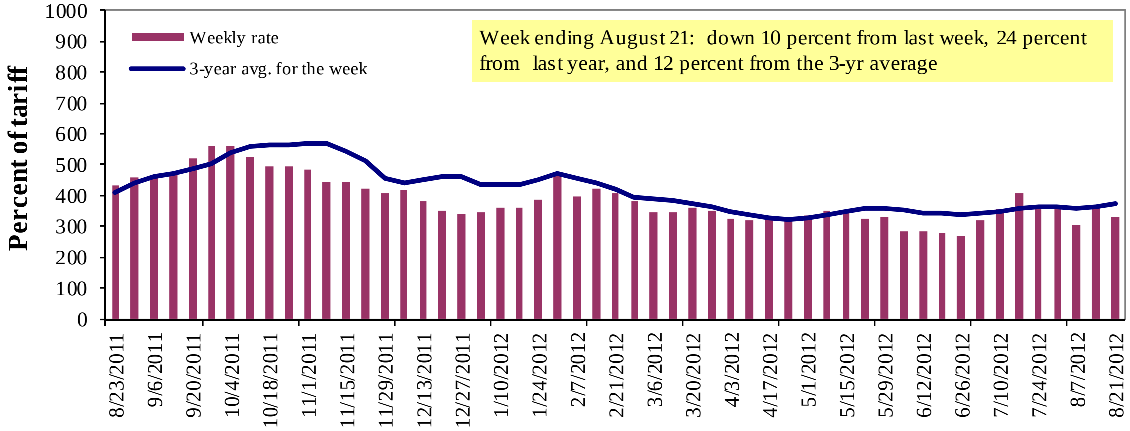
* Mileage-based fuel surcharges for March and April 2007 are estimated. Beginning January 2009, the Canadian Pacific fuel surcharge is computed by a monthly average of the bi-weekly fuel surcharge.

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

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

Barge Transportation

Figure 8
Illinois River Barge Freight Rate[1,2]



[1]Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); [2]4-week moving average of the 3-year average.

Source: Transportation & Marketing Programs/AMS/USDA

Table 9
Weekly Barge Freight Rates: Southbound Only

		Twin Cities	Mid-Mississippi	Lower Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo-Memphis
Rate[1]	8/21/2012	402	347	330	353	343	343	380
	8/14/2012	400	368	365	348	348	348	387
$/ton	8/21/2012	24.88	18.46	15.31	14.08	16.09	13.86	11.93
	8/14/2012	24.76	19.58	16.94	13.89	16.32	14.06	12.15
Current week % change from the same week:								
	Last year	-15	-20	-24	-7	-20	-20	8
	3-year avg. [2]	-5	-11	-12	12	-10	-10	25
Rate[1]	September	472	432	428	403	383	383	397
	November	483	412	397	338	382	382	323

[1]Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); [2]4-week moving average; ton = 2,000 pounds

Source: Transportation & Marketing Programs/AMS/USDA

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

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

Figure 9
Benchmark tariff rates

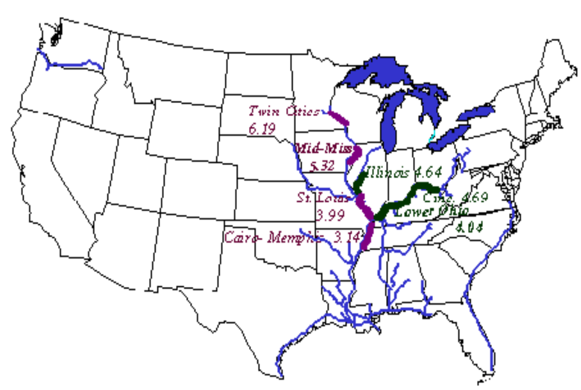
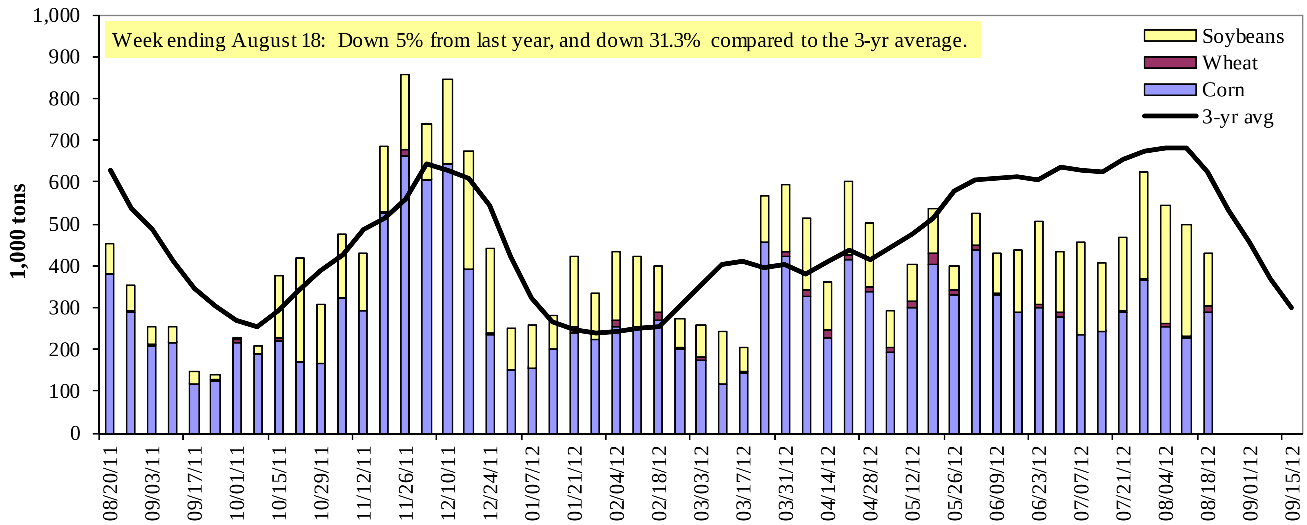


Figure 10

Barge Movements on the Mississippi River[1] (Locks 27 - Granite City, IL)



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

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

Table 10

Barge Grain Movements (1,000 tons)

Week ending 8/18/2012	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	83	5	46	3	136
Winfield, MO (L25)	194	12	66	2	274
Alton, IL (L26)	281	14	116	2	413
Granite City, IL (L27)	289	14	126	2	430
Illinois River (L8)	37	2	27	0	66
Ohio River (L52)	7	2	14	0	23
Arkansas River (L1)	57	27	0	0	83
Weekly total - 2012	352	43	140	2	536
Weekly total - 2011	390	30	92	1	514
2012 YTD[1]	11,492	1,336	6,956	190	19,975
2011 YTD	12,652	1,053	4,625	246	18,576
2012 as % of 2011 YTD	91	127	150	77	108
Last 4 weeks as % of 2011[2]	71	60	272	31	105
Total 2011	19,921	1,460	8,553	422	30,356

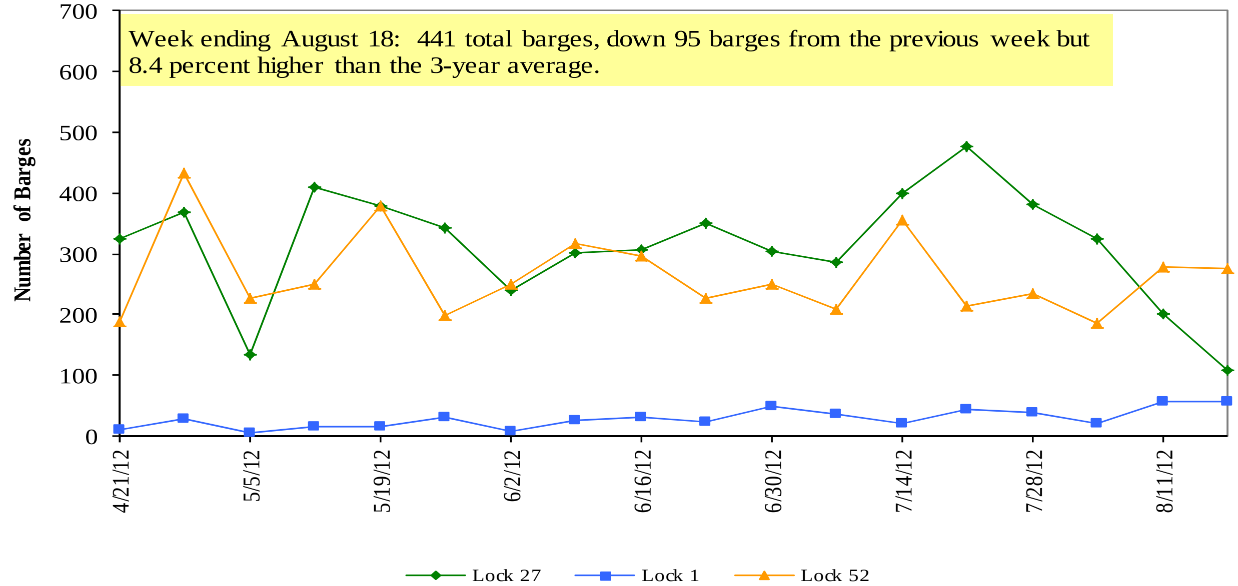
[1] Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

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

Note: Total may not add exactly, due to rounding
Source: U.S. Army Corps of Engineers (www.mvr.usace.army.mil/mvrimi/omni/webrpts/default.asp)

Figure 11

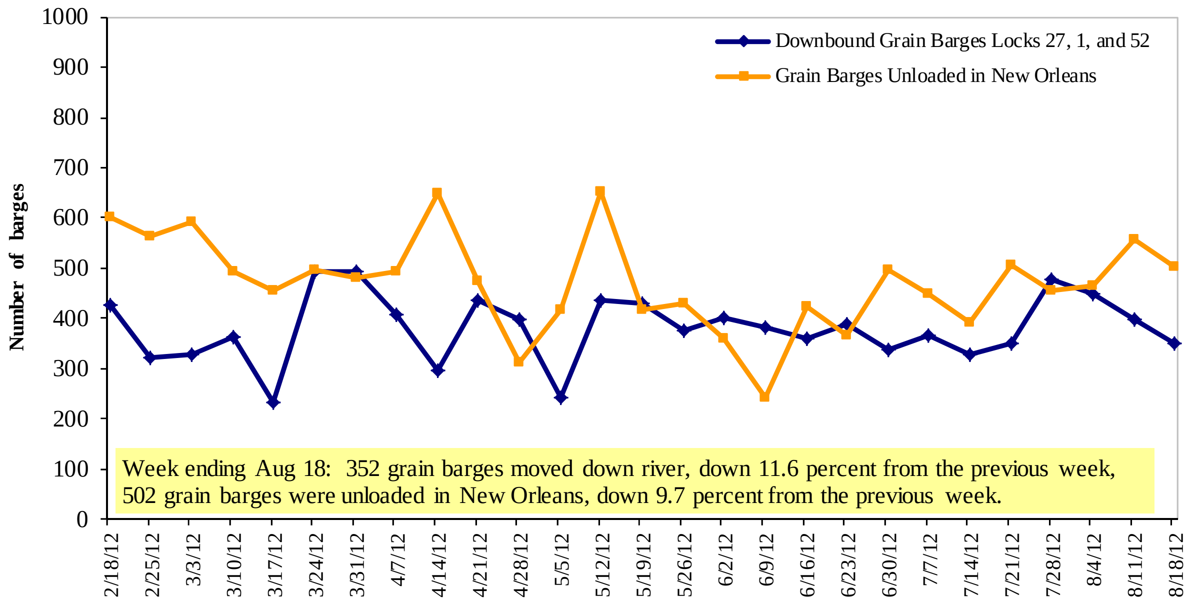
Upbound Empty Barges Transiting Mississippi River Locks 27, Arkansas River Lock and Dam 1, and Ohio River Locks and Dam 52



Source: U.S. Army Corps of Engineers

Figure 12

Grain Barges for Export in New Orleans Region



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

Truck Transportation

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

Table 11

Retail on-Highway Diesel Prices[1], Week Ending 8/20/2012 (US $/gallon)

Region	Location	Price	Change from Week ago	Change from Year ago
I	East Coast	4.006	0.054	0.162
	New England	4.087	0.076	0.093
	Central Atlantic	4.069	0.065	0.125
	Lower Atlantic	3.944	0.043	0.156
II	Midwest[2]	4.015	0.047	0.226
III	Gulf Coast[3]	3.911	0.055	0.139
IV	Rocky Mountain	4.062	0.104	0.247
V	West Coast	4.254	0.102	0.399
	West Coast less California	4.184	0.106	-
	California	4.313	0.098	0.385
Total	U.S.	4.026	0.061	0.216

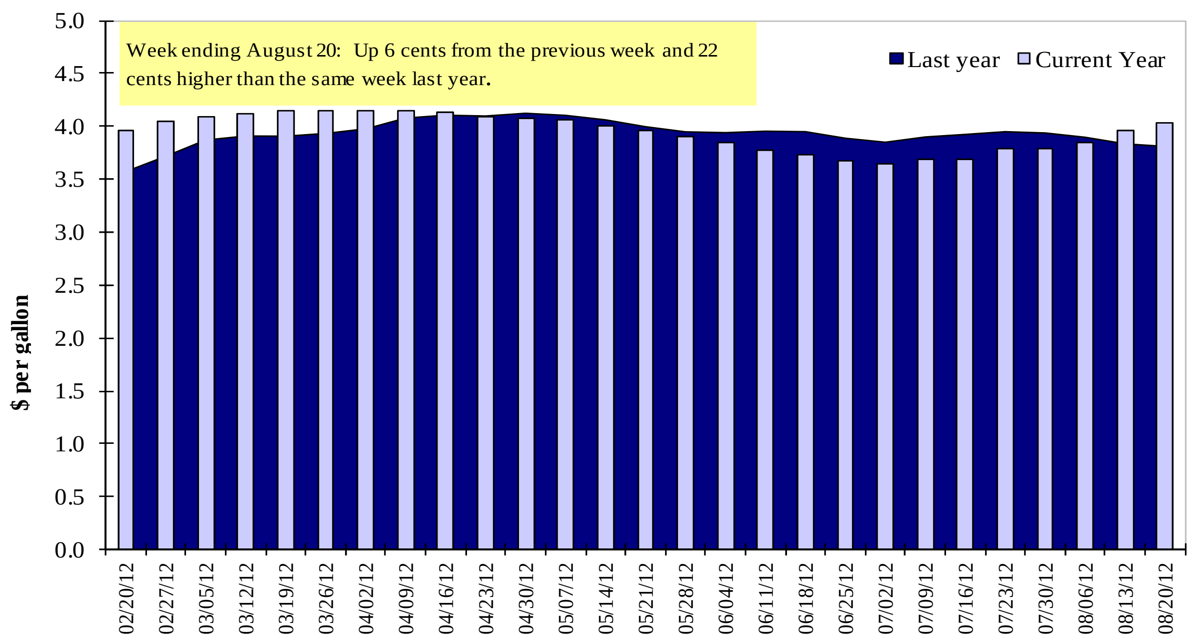
[1]Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

[2]Same as North Central [3]Same as South Central

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

Figure 13

Weekly Diesel Fuel Prices, U.S. Average



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

Grain Exports

Table 12

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

Week ending	Wheat HRW	Wheat SRW	Wheat HRS	Wheat SWW	Wheat DUR	All wheat	Corn	Soybeans	Total
Export Balances[1]									
8/9/2012	1,462	676	1,512	1,225	104	4,978	2,920	3,597	11,495
This week year ago	1,742	891	1,607	1,021	186	5,447	5,069	2,888	13,404
Cumulative exports-marketing year[2]									
2011/12 YTD	2,319	811	1,049	709	114	5,002	36,690	35,179	76,871
2010/11 YTD	2,650	770	1,503	1,003	113	6,040	42,977	39,235	88,252
YTD 2011/12 as % of 2010/11	88	105	70	71	101	83	85	90	87
Last 4 wks as % of same period 2010/11	86	83	91	120	60	93	70	138	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 Importers[1] of U.S. Corn

Week ending 08/09/12	Total Commitments[2] 2012/13 Next MY	Total Commitments[2] 2011/12 Current MY	Total Commitments[2] 2010/11 Last MY	% change current MY from last MY	Exports[3] 2010/11
		- 1,000 mt -			- 1,000 mt -
Japan	1,391	12,267	14,783	(17)	14,279
Mexico	2,154	9,596	7,031	36	7,019
Korea	306	3,739	6,100	(39)	6,104
China*	800	5,314	804	561	978
Taiwan	24	1,283	2,775	(54)	2,393
Top 5 importers	**4,676**	**32,199**	**31,492**	**2**	**30,772**
Total US corn export sales	**7,636**	**39,611**	**48,046**	**(18)**	**46,590**
% of Projected	23%	101%	103%		
Change from prior week	**131**	**123**	**244**		
Top 5 importers' share of U.S. corn export sales	61%	81%	66%		
USDA forecast, August 2012	**33,020**	**39,370**	**46,590**	**(15)**	
Corn Use for Ethanol USDA forecast, Ethanol August 2012	**114,300**	**127,000**	**127,534**	**(0.4)**	

(n) indicates negative number.

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

[2]Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report, or Export Sales Query--http://www.fas.usda.gov/esrquery/

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

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

Table 14

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

Week Ending 08/09/2012	Total Commitments[2] 2012/13 Next MY	2011/12 Current MY	2010/11 Last MY	% change current MY from last MY	Exports[3] 2010/11
		- 1,000 mt -			- 1,000 mt -
China	10,667	24,332	25,651	(5)	24,445
Mexico	369	3,178	3,236	(2)	3,215
Japan	130	1,859	2,233	(17)	1,887
EU	232	1,157	2,599	(55)	2,607
Indonesia	82	1,639	1,676	(2)	1,680
Top 5 importers	**11,478**	**32,165**	**35,395**	**(9)**	**33,833**
Total US soybean export sales	**16,242**	**38,686**	**42,124**	**(8)**	**40,850**
% of Projected	54%	105%	103%		
Change from prior week	925	97	224		
Top 5 importers' share of U.S. soybean export sales	71%	83%	84%		
USDA forecast, August 2012	**30,210**	**36,740**	**40,850**	**(10)**	

(n) indicates negative number.

[1] Based on FAS 2008/09 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year (MY) = Sep 1 - Aug 31.

[2] Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report, or Export Sales Query--http://www.fas.usda.gov/esrquery/

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

Table 15

Top 10 Importers[1] of All U.S. Wheat

Week Ending 08/09/2012	Total Commitments[2] 2012/13 Current MY	2011/12 Last MY	% change current MY from last MY	Exports[3] 2011/12
	- 1,000 mt -			- 1,000 mt -
Japan	1,335	1,638	(18)	3,512
Mexico	1,296	1,350	(4)	3,496
Nigeria	958	1,286	(26)	3,248
Philippines	812	1,072	(24)	2,039
Korea	680	454	50	1,983
Egypt	131	184	(29)	950
Taiwan	344	250	38	888
Indonesia	332	374	(11)	830
Venezuela	337	214	57	594
Iraq	209	464	(55)	572
Top 10 importers	**6,434**	**7,286**	**(12)**	**18,111**
Total US wheat export sales	**9,980**	**11,486**	**(13)**	**28,530**
% of Projected	31%	40%		
Change from prior week	397	549		
Top 10 importers' share of U.S. wheat export sales	64%	63%		63%
USDA forecast, August 2012	**32,660**	**28,560**	**14**	

(n) indicates negative number.

[1] Modified from the FAS **2011/12** Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Jun 1 - May 31.

[2] Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report, or Export Sales Query--http://www.fas.usda.gov/esrquery/

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

Table 16

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

Port regions	Week ending 08/16/12	Previous Week[1]	Current Week as % of Previous	2012 YTD[1]	2011 YTD[1]	2012 YTD as % of 2011 YTD	Last 4-weeks as % of 2011	Last 4-weeks as % of 3-yr. avg.	Total[1] 2011
Pacific Northwest									
Wheat	420	379	111	8,428	9,260	91	116	132	13,995
Corn	56	139	40	4,907	6,566	75	67	54	9,198
Soybeans	129	66	195	5,543	3,532	157	168	156	7,321
Total	**604**	**584**	**104**	**18,879**	**19,358**	**98**	**101**	**96**	**30,513**
Mississippi Gulf									
Wheat	94	66	144	4,015	3,676	109	93	126	5,031
Corn	408	313	131	12,790	16,893	76	59	54	26,267
Soybeans	407	278	147	11,388	10,327	110	312	193	19,262
Total	**910**	**656**	**139**	**28,194**	**30,896**	**91**	**97**	**88**	**50,560**
Texas Gulf									
Wheat	100	136	74	4,079	8,400	49	103	99	10,837
Corn	0	30	0	325	810	40	109	24	1,021
Soybeans	0	0	n/a	5	763	1	n/a	0	926
Total	**100**	**166**	**60**	**4,409**	**9,973**	**44**	**103**	**86**	**12,784**
Interior									
Wheat	13	26	51	776	701	111	39	111	1,110
Corn	79	101	78	4,874	4,698	104	102	71	7,509
Soybeans	35	83	42	2,706	2,451	110	60	136	4,273
Total	**127**	**210**	**61**	**8,357**	**7,850**	**106**	**93**	**90**	**12,892**
Great Lakes									
Wheat	11	0	n/a	193	667	29	37	9	1,038
Corn	0	8	0	46	109	42	15	24	178
Soybeans	0	0	n/a	147	22	661	n/a	0	382
Total	**11**	**8**	**128**	**386**	**798**	**48**	**23**	**13**	**1,598**
Atlantic									
Wheat	0	1	0	235	641	37	10	14	686
Corn	5	0	n/a	106	194	54	78	68	295
Soybeans	13	3	422	602	472	128	97	115	1,042
Total	**18**	**4**	**448**	**943**	**1,307**	**72**	**39**	**48**	**2,022**
U.S. total from ports[2]									
Wheat	638	607	105	17,726	23,344	76	102	111	32,697
Corn	547	591	93	23,049	29,270	79	60	55	44,466
Soybeans	584	430	136	20,391	17,567	116	208	173	33,205
Total	**1,770**	**1,627**	**109**	**61,166**	**70,182**	**87**	**93**	**89**	**110,369**

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

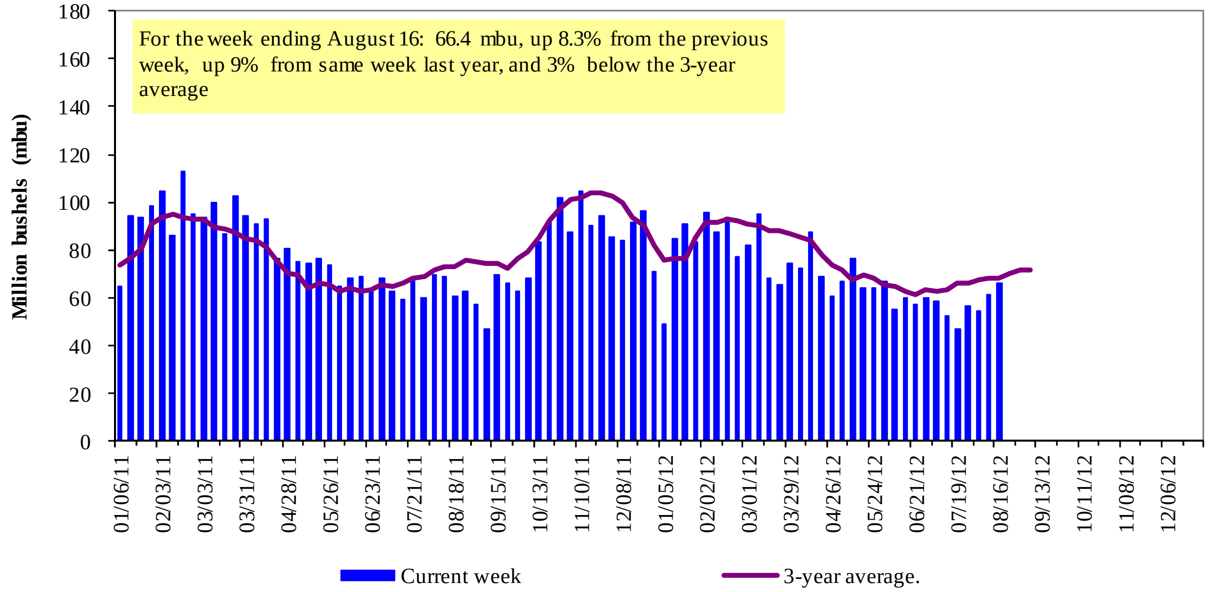
[2] Total includes only port regions shown above; Interior land-based shipments now included.

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)

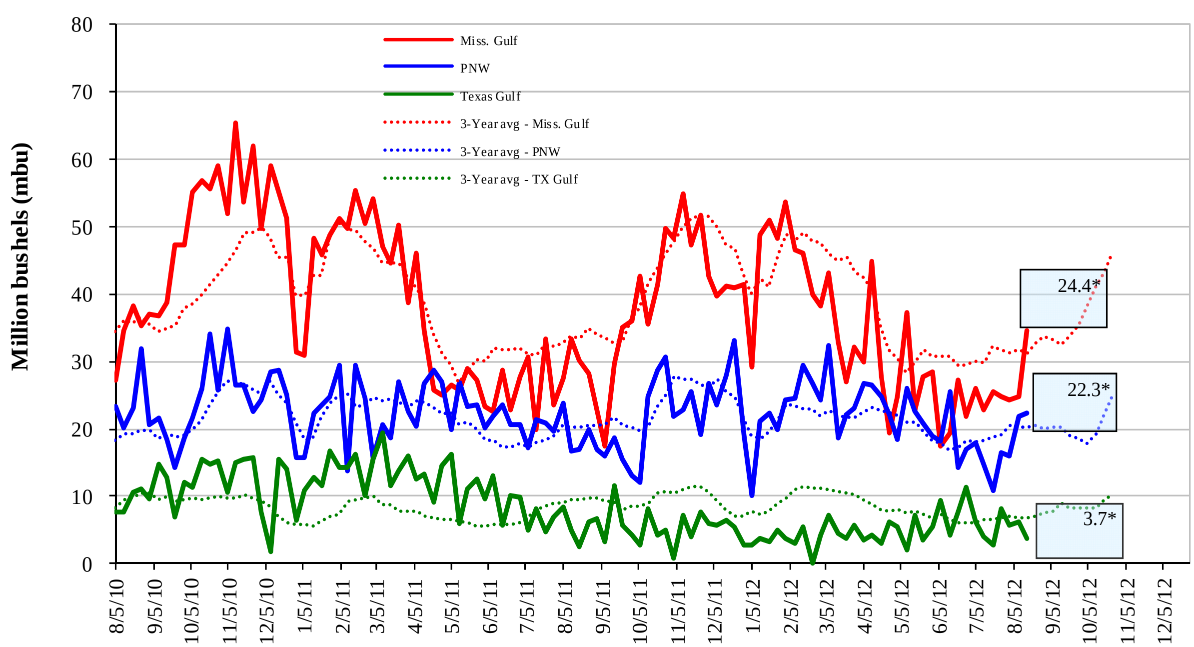


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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

Figure 15

U.S. Grain Inspections: U.S. Gulf and PNW[1] (wheat, corn, and soybeans)



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

August 16 % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	up 38	down 40	up 23	up 3
Last year (same week)	up 14	up 42	up 17	up 32
3-yr avg. (4-wk mov. avg.)	up 10	down 47	down 0.1	up 15

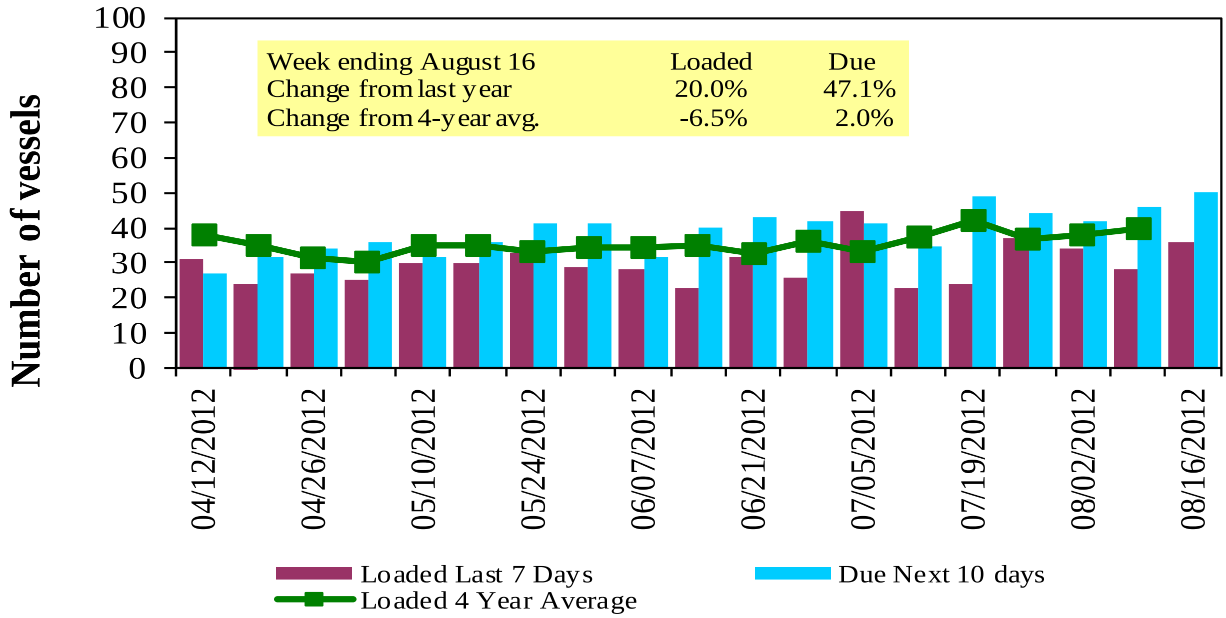
Ocean Transportation

Table 17
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

	Gulf			Pacific Northwest	Vancouver B.C.
Date	In port	Loaded 7-days	Due next 10-days	In port	In port
8/16/2012	20	36	50	12	n/a
8/9/2012	22	28	46	13	n/a
2011 range	(14..65)	(28..54)	(34..83)	(5..25)	(1..20)
2011 avg.	31	38	53	15	12

Source: Transportation & Marketing Programs/AMS/USDA

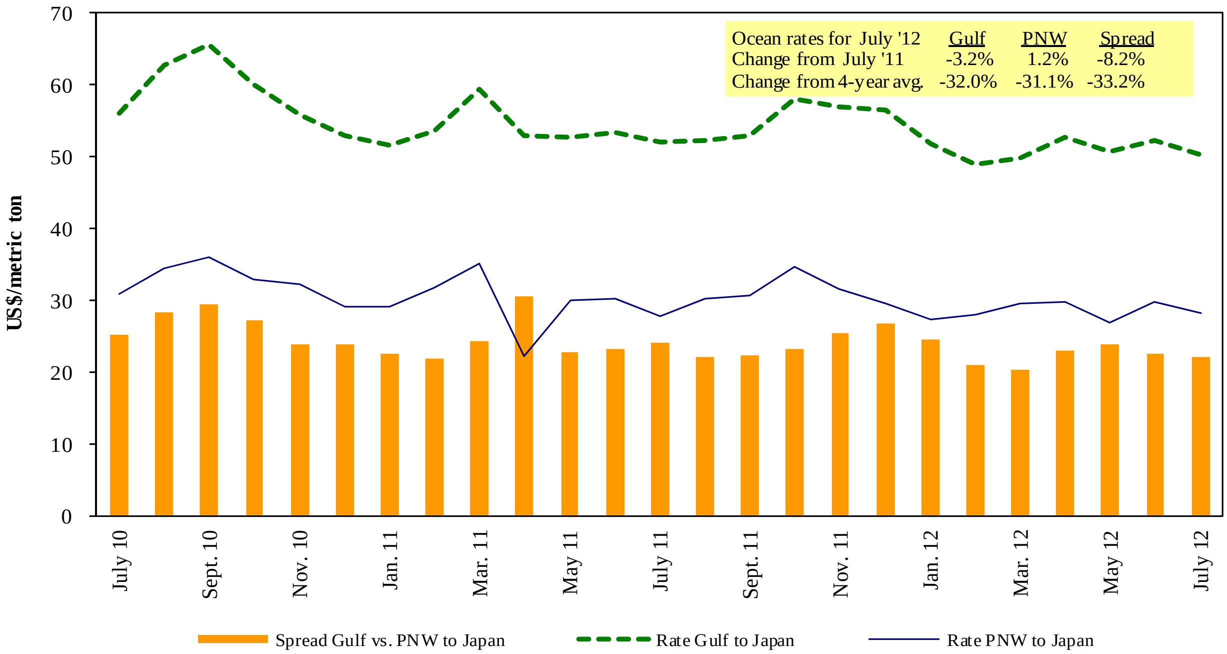
Figure 16
U.S. Gulf[1] Vessel Loading Activity



Source:Transportation & Marketing Programs/AMS/USDA

Figure 17

Grain Vessel Rates, U.S. to Japan



Source: O'Neil Commodity Consulting

Table 18

Ocean Freight Rates For Selected Shipments, Week Ending 08/18/2012

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US$/metric ton)
PNW	Djibouti[1]	Wheat	May 5/15	26,430	118.03
Australia	China	Grain	Jul 26/Aug 4	65,000	19.45
Brazil	Algeria	Corn	Aug 18/25	30,000	24.50
Brazil	China	Heavy Grain	Aug10/20	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	Egypt	Corn	Aug 18/20	45,000	28.50
River Plate	Algeria	Corn	Aug 20/30	25,000	32.50
River Plate	Algeria	Corn	Jul 5/15	25,000	34.00
River Plate	Tunisia	Heavy Grain	Aug 17/20	30,000	28.50
Russia	Egypt Med	Wheat	Aug 17/23	60,000	12.00
Ukraine	Japan	Corn	Apr 6/15	47,000	47.50
Ukraine	Kenya	Grain	Jul 25/28	26,000	49.50

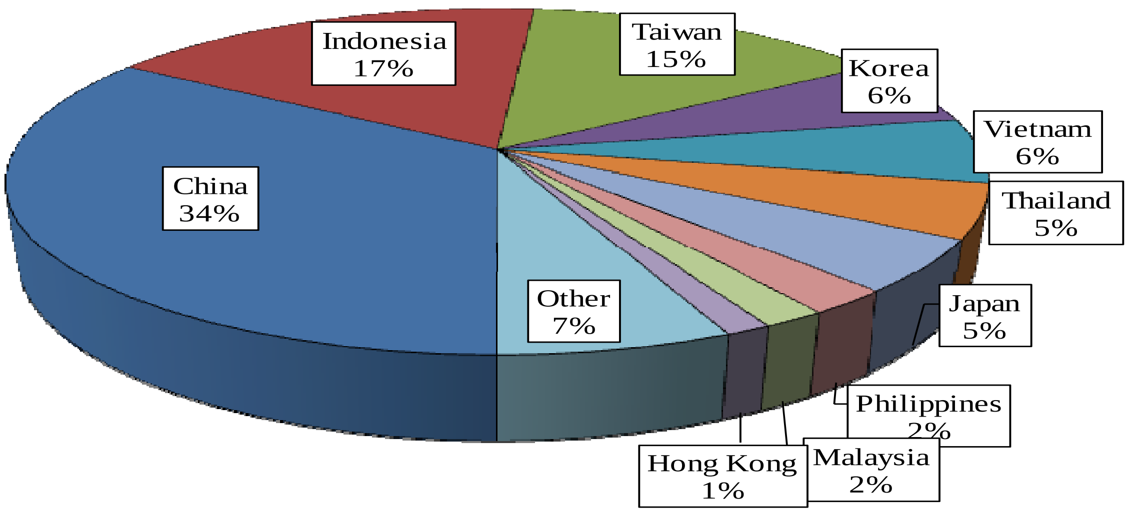
Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option

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

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

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

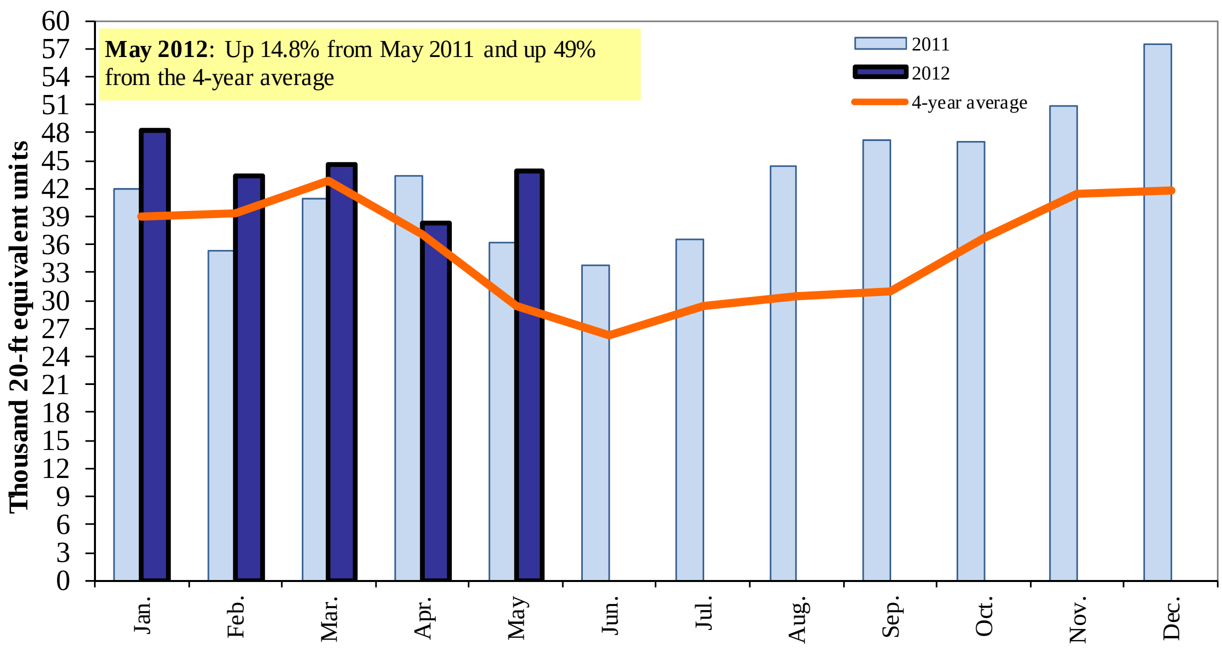
Figure 18
Top 10 Destination Markets for U.S. Containerized Grain Exports, May 2012



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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