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

Contact Us

September 1, 2011

Contents

The next release is Sept. 8, 2011

WEEKLY HIGHLIGHTS

Wheat Inspections Rebound After Two Week Decline

For the week ending August 25, total inspections of grain (corn, wheat, and soybeans) for export from all major U.S. export regions reached 1.43 million metric tons (mmt), up 5 percent from the previous week but 35 percent below last year at this time. Wheat inspections (.612 mmt) increased after decreases over the past two weeks. Inspections of wheat increased 30 percent from the previous week; these shipments were destined mainly to Asia and Nigeria. Texas Gulf (.168 mmt) wheat inspections jumped 137 percent from the previous week while Pacific Northwest (.337 mmt) inspections of wheat rose 134 percent above the previous week.

Experts Expect Tight Container Supplies

Experts in the container shipping industry reported last week at the Midwest Shippers' Association's Specialty Grains Conference that containerized grain exporters, particularly those in the upper Midwest, will likely face tight container supplies during the last quarter of this year and early next year. A lackluster retail import peak season is expected this fall, which will limit the number of available containers for the grain harvest season and the months to follow. Additionally, the overall global container supply is low because container manufacturers in Asia shut down for a year in response to the 2008-09 recession. This has put pressure on container supplies and nearly doubled the cost of a container, discouraging ocean carriers from buying new containers. Both of these circumstances limit container supplies for U.S. exporters and could increase containerized export rates as well.

River Levels Returning to Normal; Ohio River Delays Likely Until November

For the first time this year, water levels on the Mississippi River System have been consistently below flood stage and river flows have been generally steady to falling. This is good news for the barge industry, which has had to adjust operations to adapt to higher-than-normal river levels for most of 2011. High water conditions still exist on the Missouri River, but portions of the lower Missouri River are open to all vessel traffic. On the Ohio River, major delays are occurring at Markland Locks and Dam, located near the Indiana-Ohio-Kentucky border. The main lock chamber at Markland is closed for repairs until early November and all traffic must use the smaller auxiliary lock. In 2010, 57.6 million tons of cargo transited Markland Locks, about half of the traffic was coal and 4 percent was grain.

Snapshots by Sector

Rail

U.S. railroads originated 17,749 **carloads of grain** during the week ending August 20, down 5 percent from last week, down 21 percent from last year, and 22 percent lower than the 3-year average.

During the week ending August 25, average September non-shuttle **secondary railcar bids/offers** were $27.50 above tariff, down $25 from last week and $802 lower than last year. Average shuttle rates were $419 below tariff, up $75 from last week and $1,506 lower than last year.

Barge

During the week ending August 27, **barge grain movements** totaled 448,439 tons, 19 percent lower than the previous week but 9 percent higher than the same period last year.

During the week ending August 27, 290 grain barges **moved down river**, down 25 percent from last week; 489 grain barges were **unloaded in New Orleans**, up 13 percent from the previous week.

Ocean

During the week ending August 25, 33 **ocean-going grain vessels** were loaded in the Gulf, down 20 percent from last year. Forty vessels are expected to be loaded within the next 10 days, 22 percent less than the same period last year.

During the week ending August 26, ocean freight rate for shipping bulk grain from the Gulf to Japan was $54.50 per metric ton (mt), up 3 percent from the previous week. The cost of shipping from the Pacific Northwest to Japan was $34 per mt—6 percent more than the previous week.

Fuel

During the week ending August 29, U.S. average **diesel fuel prices** increased 1cent to $3.82 per gallon—0.3 percent higher than the previous week, and 30 percent higher than the same week last year.

Feature Article/Calendar

Farm Prices Pushed Up Second Quarter Landed Cost for U.S. Grain to Mexico

Commodity prices have been robust lately, and U.S. farmers have been major beneficiaries of the rising prices. These higher farm prices significantly pushed up the landed cost of grain to Mexico during the second quarter. Transportation costs increased slightly for waterborne wheat and grains shipped to Mexico by land, but the landed cost has been primarily increased by the higher commodity prices. Corn prices increased between 17 and 20 percent during the quarter (see table below). Soybean prices increased 7 percent and wheat prices increased 3 percent over the previous quarter. Year-to-year increases in corn prices ranged from 80 to 93 percent, increases in soybean prices ranged from 40 to 41 percent, and the yearly increase in wheat prices was 91 percent.

Quarterly costs of transporting U.S. grain to Guadalajara, Mexico

	Water route $/metric ton					Land route $/metric ton				
	2010 2nd qtr.	2011 1st qtr.	2011 2nd qtr.	Percent change Yr. to Yr.	Percent change Qtr. to Qtr.	2010 2nd qtr.	2011 1st qtr.	2011 2nd qtr.	Percent change Yr. to Yr.	Percent change Qtr. to Qtr.
Corn										
Origin			**IL**					**IA**		
Truck	8.66	11.34	11.34	30.9	0.0	4.23	3.50	3.88	-8.3	10.9
Rail [1]	39.86	43.99	45.54	14.2	3.5	76.25	80.58	83.21	9.1	3.3
Ocean[2]	22.34	18.75	18.86	-15.6	0.6					
Barge	16.17	26.24	22.52	39.3	-14.2					
Total transportation cost	87.03	100.32	98.26	12.9	-2.1	80.48	84.08	87.09	8.2	3.6
Farm Value	135.43	216.92	261.01	92.7	20.3	136.34	209.83	245.66	80.2	17.1
Landed Cost	222.46	317.24	359.27	61.5	13.2	216.82	293.91	332.75	53.5	13.2
Transport % of landed cost	39	32	27			37	29	26		
Soybeans										
Origin			**IL**					**NE**		
Truck	8.66	11.34	11.34	30.9	0.0	4.23	3.50	3.88	-8.3	10.9
Rail [1]	39.86	43.99	45.54	14.2	3.5	74.83	80.51	84.31	12.7	4.7
Ocean[2]	22.34	18.75	18.86	-15.6	0.6					
Barge	16.17	26.24	22.52	39.3	-14.2					
Total transportation cost	87.03	100.32	98.26	12.9	-2.1	79.06	84.01	88.19	11.5	5.0
Farm Value	350.41	461.75	493.59	40.9	6.9	341.84	445.82	477.67	39.7	7.1
Landed Cost	437.44	562.07	591.85	35.3	5.3	420.90	529.83	565.86	34.4	6.8
Transport % of landed cost	20	18	17			19	16	16		
Wheat										
Origin			**KS**					**KS**		
Truck	24.54	25.71	33.78	37.7	31.4	4.23	3.50	3.88	-8.3	10.9
Rail [1]	39.86	43.99	45.54	14.2	3.5	72.54	78.19	78.32	8.0	0.2
Ocean[2]	22.34	18.75	18.86	-15.6	0.6					
Barge	9.64	18.40	14.57	51.1	-20.8					
Total transportation cost	96.38	106.85	112.75	17.0	5.5	76.77	81.69	82.20	7.1	0.6
Farm Value	151.02	280.72	288.68	91.2	2.8	151.02	280.72	288.68	91.2	2.8
Landed Cost	247.40	387.57	401.43	62.3	3.6	227.79	362.41	370.88	62.8	2.3
Transport % of landed cost	39	28	28			34	23	22		

[1]Rail rates include U.S. and Mexico portions of the movement. Mexico rail rates are estimated based on actual quoted market rates. BNSF and Union Pacific quoted rail tariff rates are through rates for shuttle trains. Rail rates include fuel surcharges. Origins are modified from past tables. Rail rates for water route were revised from previous estimates

[2]Source: O'Neil Commodity Consulting

Increases in rail tariff rates pushed up the transportation costs of shipping corn and soybeans by land. Although the cost of shipping wheat by land remained stable, the cost of seaborne wheat increased by 6 percent. A decline in the barge rate was not enough to offset increases in truck and rail tariff rates. However, the transportation costs of waterborne corn and soybeans decreased by 2 percent during the quarter because of a significant decline in barge rates due to the opening of the upper segment of the Mississippi River. Opening of the upper segment of the river results in more opportunities for barge movements and less cargo diversion to the Illinois River. Barge rates were significantly higher than last year because of the flooding on the upper Mississippi River system. Rail tariff rates increased partly due to increases in fuel surcharges compared to the previous quarter and a year earlier. Ocean freight rates remained relatively stable from the previous quarter but were lower than a year ago due to excess vessel supply and a weak global economy (**GTR, dated 07/28/11**).

Market Outlook: Although Mexican corn production for marketing year 2011/12 is estimated to be lower than anticipated because of poor weather conditions, the pace of corn imports will also continue to be lower than expected because of unattractive international prices (**USDA, FAS, GAIN Report #: MX1059**). Similarly, Mexican wheat production has been hampered by unfavorable dry weather in some wheat-producing regions. Lower wheat production is expected to boost imports for MY 2011/12. During April and June, about 2.57 million metric tons (mmt) of corn and 0.66 mmt of wheat were imported by Mexico from the United States. These represented an increase of 1 percent for corn and 18 percent for wheat, compared to the same period a year earlier. The total value of U.S. corn exports to Mexico was $809 million—73 percent more than the same period a year ago. The value of U.S. wheat exports to Mexico was about $222 million—90 percent greater than the same period a year earlier. Given the currently robust farm prices, it is important that the transportation costs remain low or moderate to make the landed cost of U.S. grain to Mexico competitive. For more analysis on Mexico transport cost indicators, see ***Mexico Transport Cost Indicator Report***, dated 08/29/11.
Surajudeen.olowolayemo@ams.usda.gov

Grain Transportation Indicators

Table 1
Grain Transport Cost Indicators[1]

	Truck	Rail[2]	Barge	Ocean	
Week ending				Gulf	Pacific
08/31/11	256	123	254	244	241
08/24/11	256	148	242	237	227

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

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

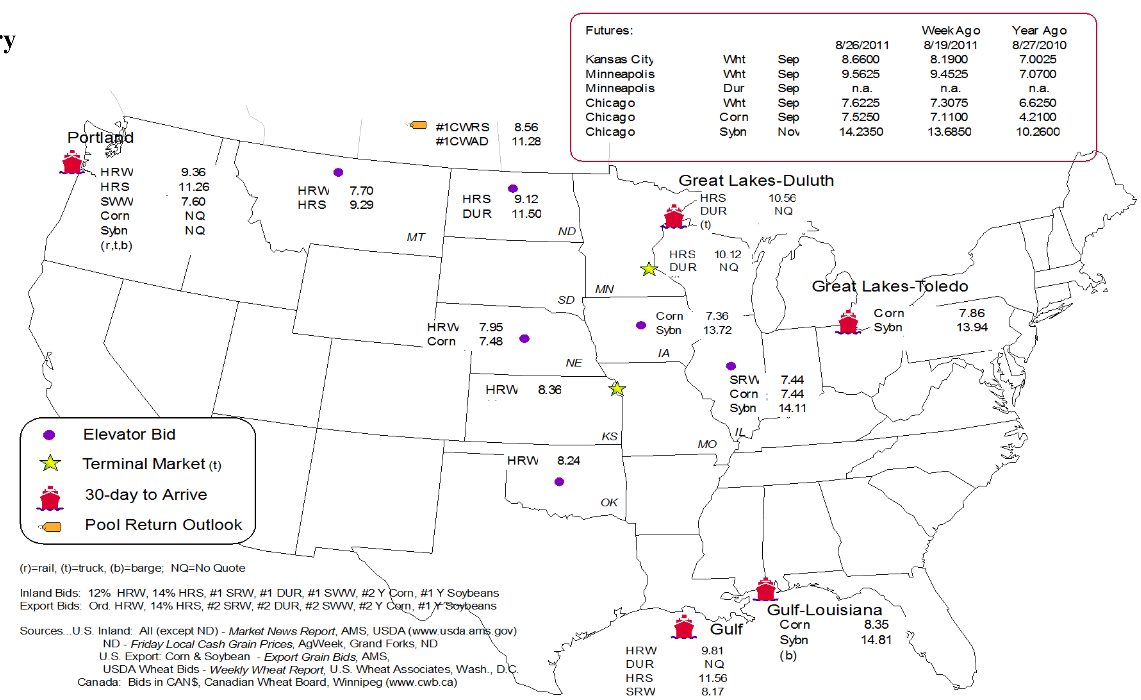
Table 2
Market Update: U.S. Origins to Export Position Price Spreads ($/bushel)

Commodity	Origin--Destination	8/26/2011	8/19/2011
Corn	IL--Gulf	-0.91	-0.50
Corn	NE--Gulf	-0.87	-0.58
Soybean	IA--Gulf	-1.09	-1.05
HRW	KS--Gulf	-1.45	-1.40
HRS	ND--Portland	-2.14	-2.59

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
8/24/2011[p]	108	558	651	2,644	95	4,056
8/17/2011[r]	128	1,588	798	1,587	168	4,269
2011 YTD	21,962	62,650	31,463	123,898	16,882	256,855
2010YTD	10,363	45,614	30,384	113,474	18,448	218,283
2011 YTD as % of 2010 YTD	212	137	104	109	92	118
Last 4 weeks as % of 2010[2]	35	70	126	75	155	79
Last 4 weeks as % of 4-year avg.[2]	19	52	130	73	94	68
Total 2010	33,971	83,492	42,794	177,896	32,780	370,933
Total 2009	33,423	57,646	36,738	175,965	30,328	334,100

[1] Data is incomplete as it is voluntarily provided

[2] Compared with same 4-weeks in 2010 and prior 4-year average.

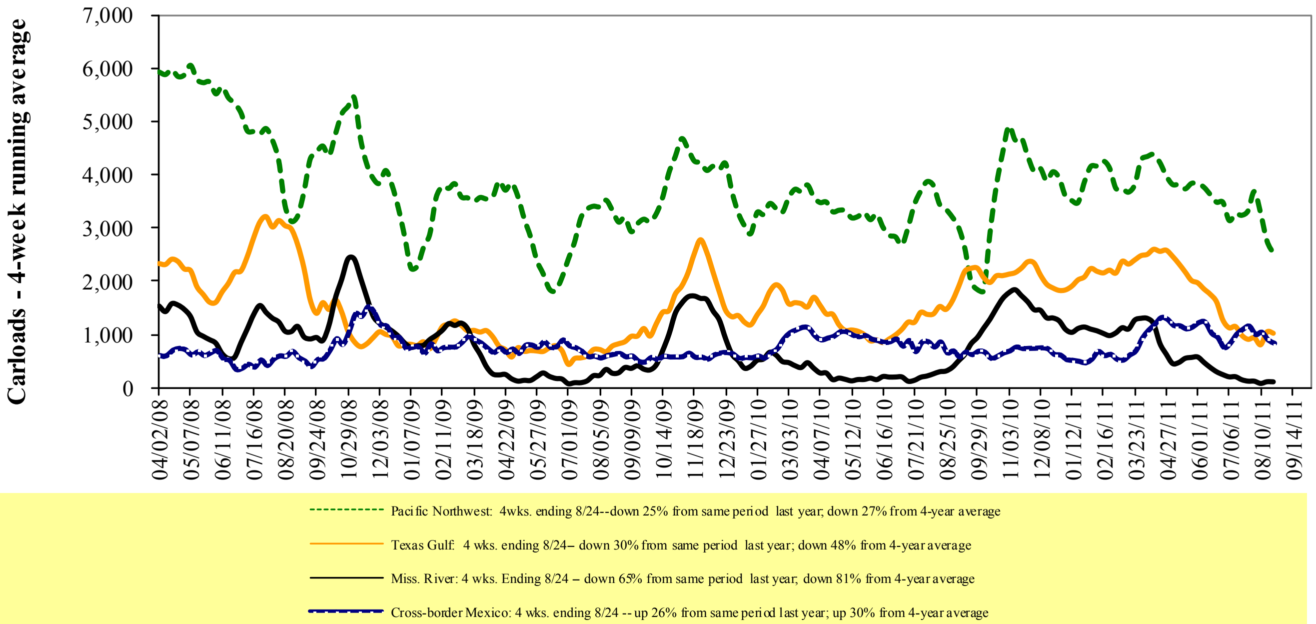
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

Source: Transportation & Marketing Programs/AMS/USDA

Railroads originate approximately 35 percent of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Figure 2

Rail Deliveries to Port



Source: Transportation & Marketing Programs/AMS/USDA

Table 4

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

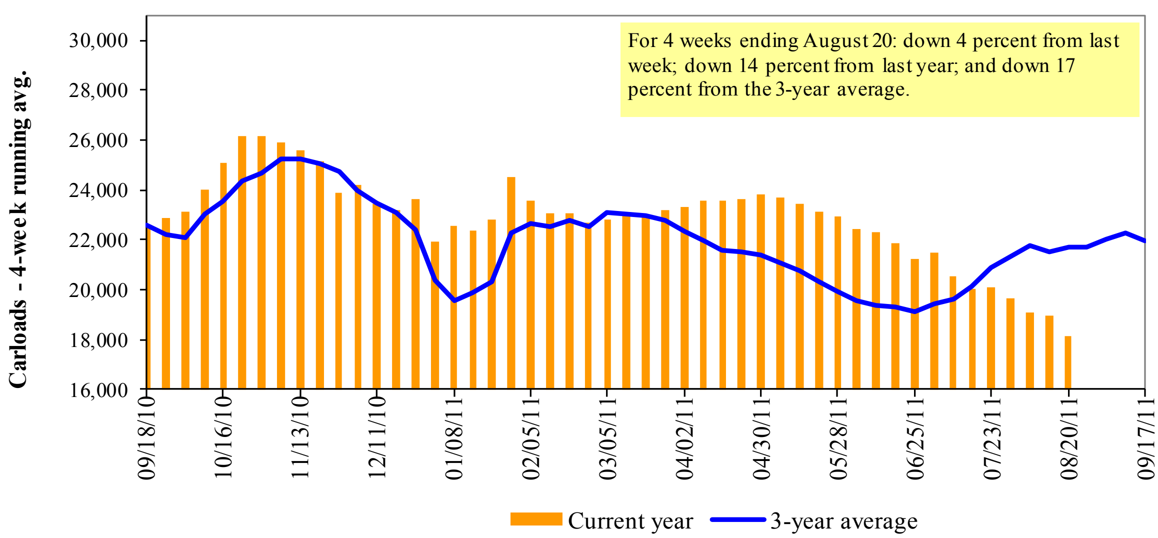
	East		West			U.S. total	Canada	
Week ending	CSXT	NS	BNSF	KCS	UP		CN	CP
08/20/11	1,128	2,245	8,827	584	4,965	17,749	3,247	5,821
This week last year	1,323	2,416	12,431	199	6,063	22,432	3,338	5,074
2011 YTD	62,815	98,326	351,323	22,208	195,074	729,746	126,607	167,799
2010 YTD	70,388	98,804	332,801	23,088	173,649	698,730	128,167	172,174
2011 YTD as % of 2010 YTD	89	100	106	96	112	104	99	97
Last 4 weeks as % of 2010[1]	84	91	80	130	93	86	90	115
Last 4 weeks as % of 3-yr avg.[1]	74	84	82	101	86	83	87	127
Total 2010	111,935	159,836	546,901	35,807	295,361	1,149,840	203,038	265,835

[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

Rail Car Auction Offerings[1] ($/car)[2]

Week ending	Delivery period							
8/25/2011	Sep-11	Sep-10	Oct-11	Oct-10	Nov-11	Nov-10	Dec-11	Dec-10
BNSF[3]								
COT grain units	no offer	no offer	no offer	no offer	no offer	no offer	no offer	no offer
COT grain single-car[5]	no offer	no offer	no offer	no offer	no offer	no offer	0 . . 100	7 . . 275
UP[4]								
GCAS/Region 1	no bids	194	no bids	no offer	no bids	338	n/a	n/a
GCAS/Region 2	no bids	567	16	no offer	1	206	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.

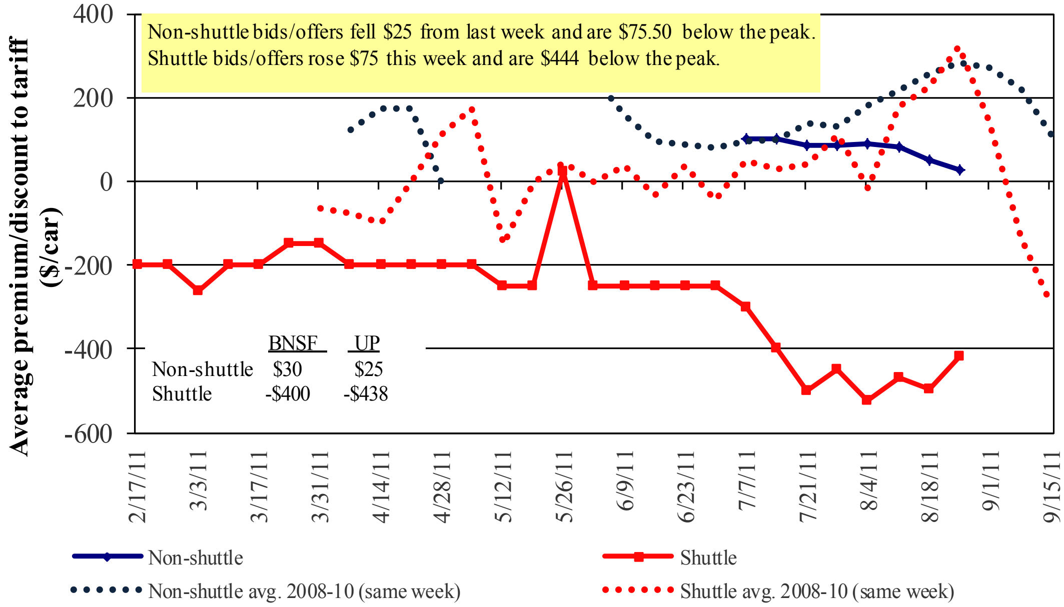
[5]Range is shown because average is not available. Not available = n/a.

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 2011, Secondary Market

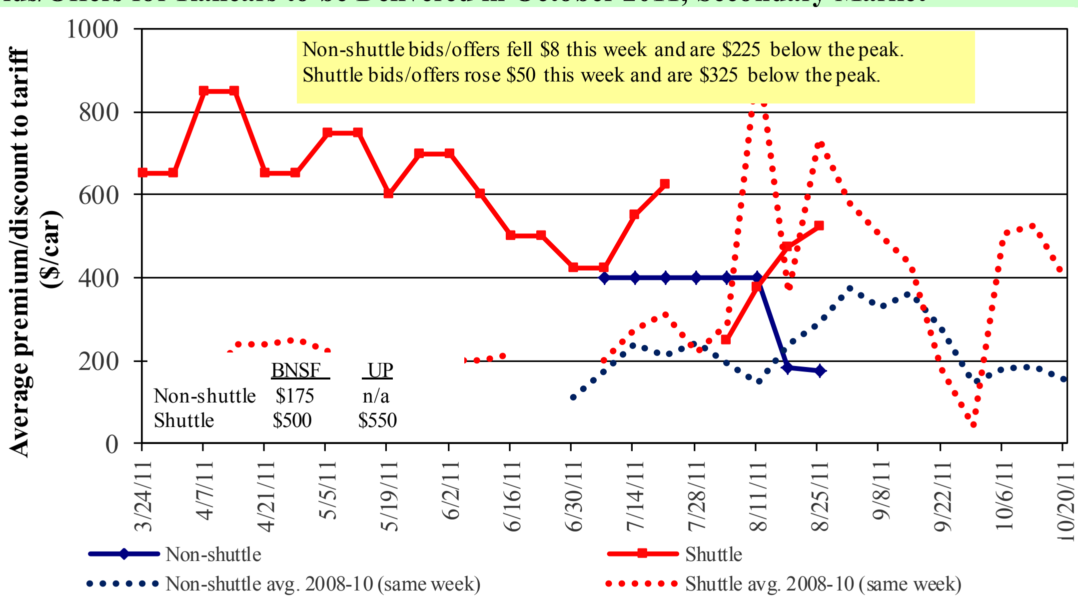


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

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

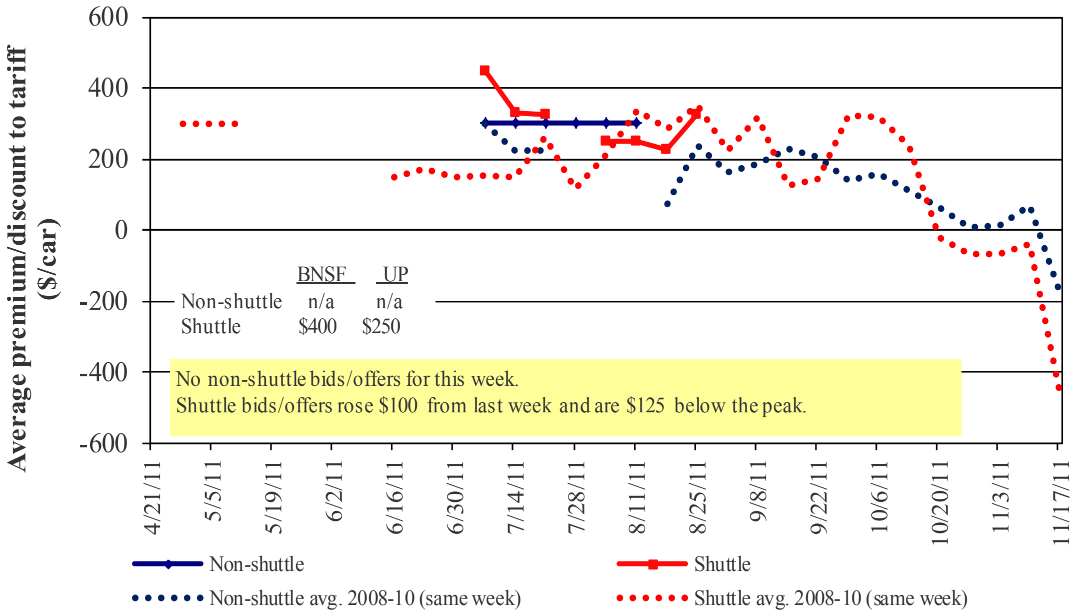


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

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



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

Source: Transportation & Marketing Programs/AMS/USDA

Table 6

Weekly Secondary Rail Car Market ($/car)[1]

Week ending	Delivery period					
8/25/2011	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12
Non-shuttle						
BNSF-GF	30	175	n/a	n/a	n/a	n/a
Change from last week	(37)	(8)	n/a	n/a	n/a	n/a
Change from same week 2010	(1,029)	(925)	n/a	n/a	n/a	n/a
UP-Pool	25	n/a	n/a	n/a	n/a	n/a
Change from last week	(13)	n/a	n/a	n/a	n/a	n/a
Change from same week 2010	(575)	n/a	n/a	n/a	n/a	n/a
Shuttle[2]						
BNSF-GF	(400)	500	400	n/a	n/a	n/a
Change from last week	(12)	-	200	n/a	n/a	n/a
Change from same week 2010	(1,800)	n/a	(700)	n/a	n/a	n/a
UP-Pool	(438)	550	250	(125)	n/a	n/a
Change from last week	162	100	-	25	n/a	n/a
Change from same week 2010	(1,213)	(600)	(200)	(325)	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: 8/1/2011	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	$2,992	$187	$31.57	$0.86	11
	Grand Forks, ND	Duluth-Superior, MN	$2,822	$107	$29.09	$0.79	9
	Wichita, KS	Los Angeles, CA	$5,710	$551	$62.17	$1.69	10
	Wichita, KS	New Orleans, LA	$3,492	$329	$37.95	$1.03	12
	Sioux Falls, SD	Galveston-Houston, TX	$5,410	$452	$58.21	$1.58	6
	Northwest KS	Galveston-Houston, TX	$3,760	$361	$40.92	$1.11	11
	Amarillo, TX	Los Angeles, CA	$3,959	$502	$44.30	$1.21	12
Corn	Champaign-Urbana, IL	New Orleans, LA	$2,812	$372	$31.62	$0.86	8
	Toledo, OH	Raleigh, NC	$3,760	$424	$41.55	$1.13	14
	Des Moines, IA	Davenport, IA	$1,843	$79	$19.08	$0.52	-1
	Indianapolis, IN	Atlanta, GA	$3,196	$319	$34.90	$0.95	12
	Indianapolis, IN	Knoxville, TN	$2,760	$204	$29.44	$0.80	12
	Des Moines, IA	Little Rock, AR	$2,938	$232	$31.48	$0.86	7
	Des Moines, IA	Los Angeles, CA	$4,835	$675	$54.71	$1.49	20
Soybeans	Minneapolis, MN	New Orleans, LA	$3,289	$410	$36.73	$1.00	11
	Toledo, OH	Huntsville, AL	$2,921	$301	$32.00	$0.87	11
	Indianapolis, IN	Raleigh, NC	$3,830	$427	$42.28	$1.15	14
	Indianapolis, IN	Huntsville, AL	$2,613	$204	$27.98	$0.76	11
	Champaign-Urbana, IL	New Orleans, LA	$3,156	$372	$35.04	$0.95	10
Shuttle Train							
Wheat	Great Falls, MT	Portland, OR	$3,239	$317	$35.31	$0.96	10
	Wichita, KS	Galveston-Houston, TX	$3,144	$247	$33.67	$0.92	7
	Chicago, IL	Albany, NY	$3,497	$398	$38.68	$1.05	-3
	Grand Forks, ND	Portland, OR	$4,702	$547	$52.13	$1.42	10
	Grand Forks, ND	Galveston-Houston, TX	$5,648	$570	$61.75	$1.68	9
	Northwest KS	Portland, OR	$4,727	$592	$52.82	$1.44	11
Corn	Minneapolis, MN	Portland, OR	$4,680	$666	$53.09	$1.44	13
	Sioux Falls, SD	Tacoma, WA	$4,640	$610	$52.14	$1.42	13
	Champaign-Urbana, IL	New Orleans, LA	$2,677	$372	$30.28	$0.82	7
	Lincoln, NE	Galveston-Houston, TX	$3,190	$356	$35.21	$0.96	10
	Des Moines, IA	Amarillo, TX	$3,330	$291	$35.96	$0.98	8
	Minneapolis, MN	Tacoma, WA	$4,680	$661	$53.04	$1.44	13
	Council Bluffs, IA	Stockton, CA	$4,080	$684	$47.31	$1.29	13
Soybeans	Sioux Falls, SD	Tacoma, WA	$4,840	$610	$54.12	$1.47	10
	Minneapolis, MN	Portland, OR	$4,830	$666	$54.58	$1.49	11
	Fargo, ND	Tacoma, WA	$4,730	$543	$52.36	$1.43	9
	Council Bluffs, IA	New Orleans, LA	$3,510	$429	$39.12	$1.06	9
	Toledo, OH	Huntsville, AL	$2,536	$301	$28.18	$0.77	13
	Grand Island, NE	Portland, OR	$4,520	$606	$50.90	$1.39	11

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

[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: 8/1/2011				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	$7,491	$579	$82.46	$2.24	15
	OK	Cuautitlan, EM	$6,610	$606	$73.73	$2.00	12
	KS	Guadalajara, JA	$7,210	$861	$82.47	$2.24	10
	TX	Salinas Victoria, NL	$3,656	$246	$39.88	$1.08	12
Corn	IA	Guadalajara, JA	$7,445	$881	$85.06	$2.16	11
	SD	Penjamo, GJ	$7,245	$757	$81.77	$2.07	8
	NE	Queretaro, QA	$6,802	$779	$77.46	$1.97	14
	SD	Salinas Victoria, NL	$5,360	$576	$60.65	$1.54	13
	MO	Tlalnepantla, EM	$5,959	$759	$68.64	$1.74	15
	SD	Torreon, CU	$6,248	$634	$70.32	$1.78	13
Soybeans	MO	Bojay (Tula), HG	$6,705	$772	$76.39	$2.08	10
	NE	Guadalajara, JA	$7,519	$876	$85.78	$2.33	14
	IA	El Castillo, JA[5]	$7,770	$753	$87.08	$2.37	11
	KS	Torreon, CU	$6,042	$601	$67.87	$1.85	15
Sorghum	OK	Cuautitlan, EM	$5,350	$575	$60.54	$1.54	18
	TX	Guadalajara, JA	$6,289	$493	$69.29	$1.76	11
	NE	Penjamo, GJ	$6,905	$810	$78.83	$2.00	8
	KS	Queretaro, QA	$6,038	$538	$67.18	$1.70	13
	NE	Salinas Victoria, NL	$4,818	$511	$54.45	$1.38	13
	NE	Torreon, CU	$5,804	$641	$65.85	$1.67	11

[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

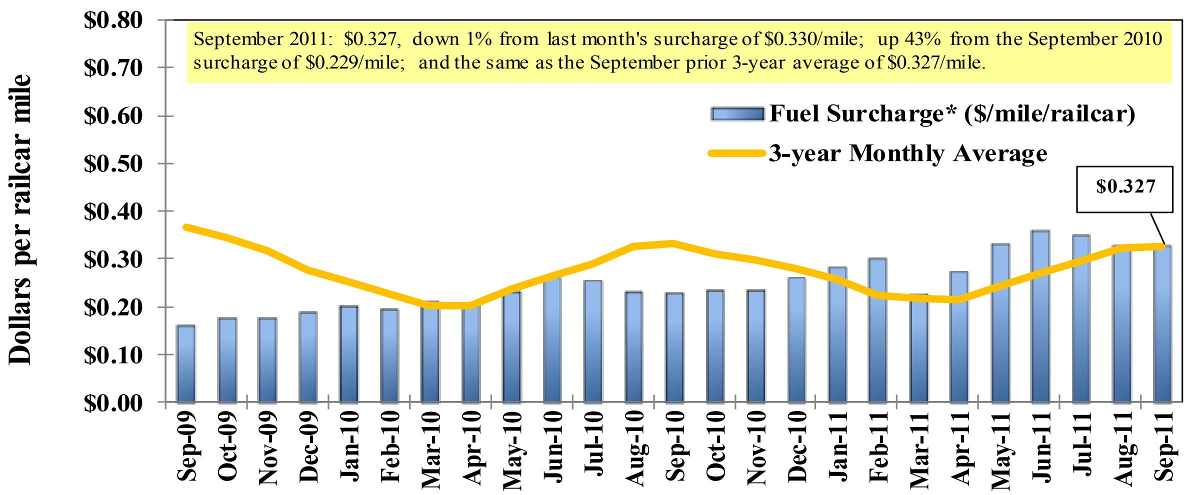
[4]Percentage change year over year calculated using tariff rate plus fuel surchage

[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.

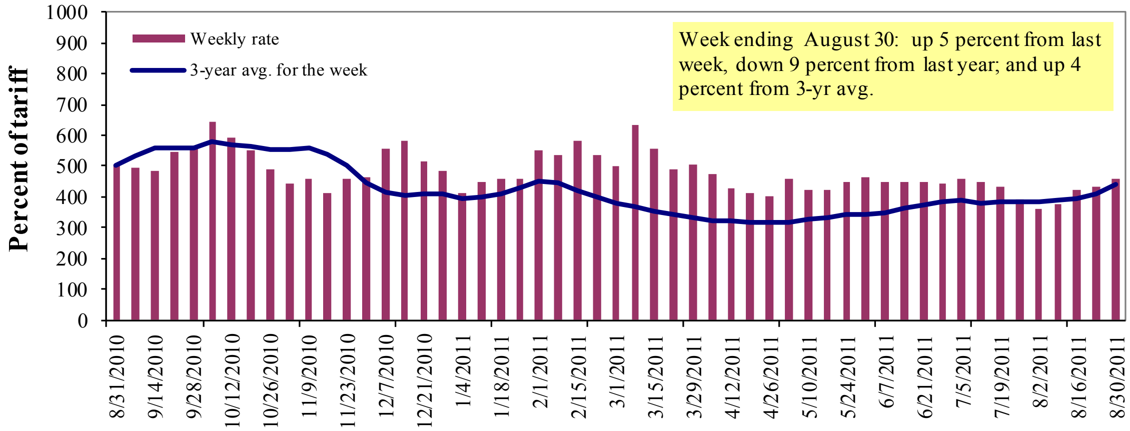
** BNSF strike price (diesel price when fuel surcharges begin) changed from $1.25/gal. to $2.50/gal starting March 1, 2011. As a result, the weighted average fuel surcharge for March 2011 was $0.227/mile instead of $0.331/mile.

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]	8/30/2011	472	438	458	370	455	455	367
	8/23/2011	475	435	435	380	432	432	353
$/ton	8/30/2011	29.22	23.30	21.25	14.76	21.34	18.38	11.52
	8/23/2011	29.40	23.14	20.18	15.16	20.26	17.45	11.08
Current week % change from the same week:								
	Last year	-7	-11	-9	-30	-26	-26	-27
	3-year avg. [2]	5	0	4	-9	2	2	-8
Rate[1]	September	558	477	538	502	558	558	473
	November	583	530	508	423	492	492	393

[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

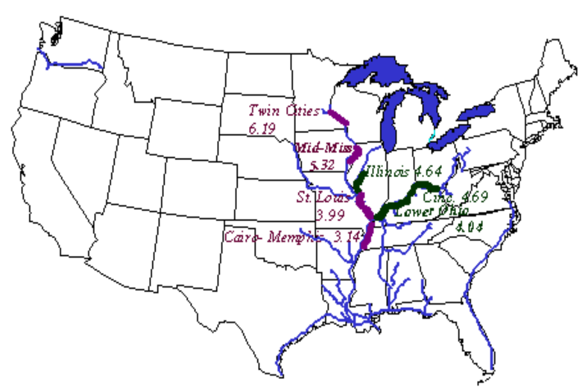
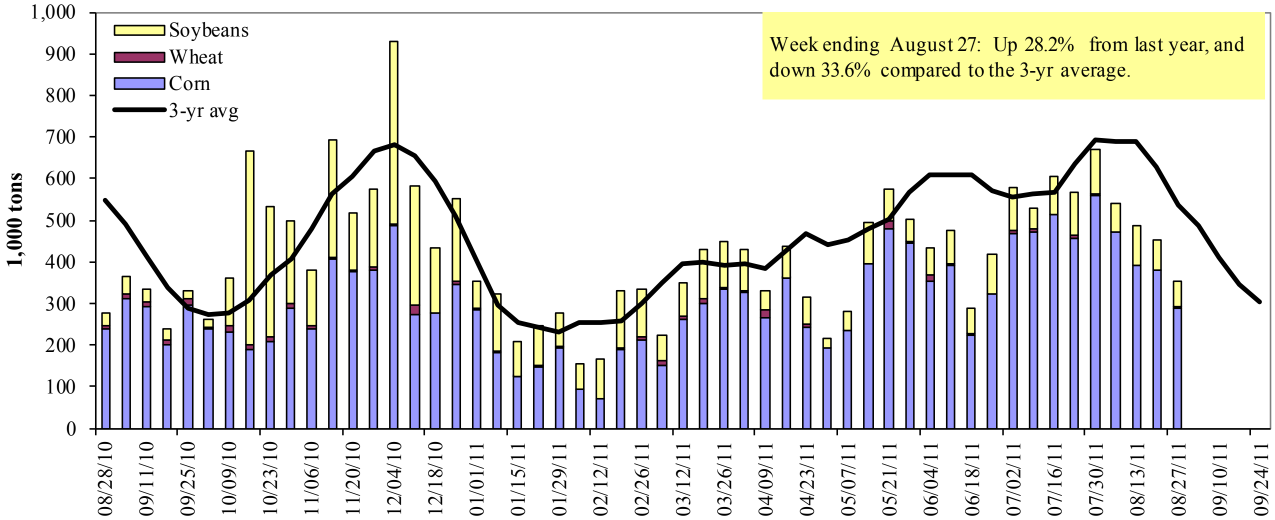


Figure 10

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 8/27/2011	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	211	3	25	0	239
Winfield, MO (L25)	261	5	53	6	325
Alton, IL (L26)	269	5	61	6	341
Granite City, IL (L27)	290	2	63	6	360
Illinois River (L8)	32	0	5	0	37
Ohio River (L52)	6	29	26	0	62
Arkansas River (L1)	13	6	1	7	27
Weekly total - 2011	309	37	90	13	448
Weekly total - 2010	275	38	56	9	379
2011 YTD[1]	12,961	1,089	4,715	260	19,025
2010 YTD	16,026	875	5,125	301	22,327
2011 as % of 2010 YTD	81	125	92	86	85
Last 4 weeks as % of 2010[2]	98	105	94	100	98
Total 2010	22,768	1,220	10,373	481	34,841

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

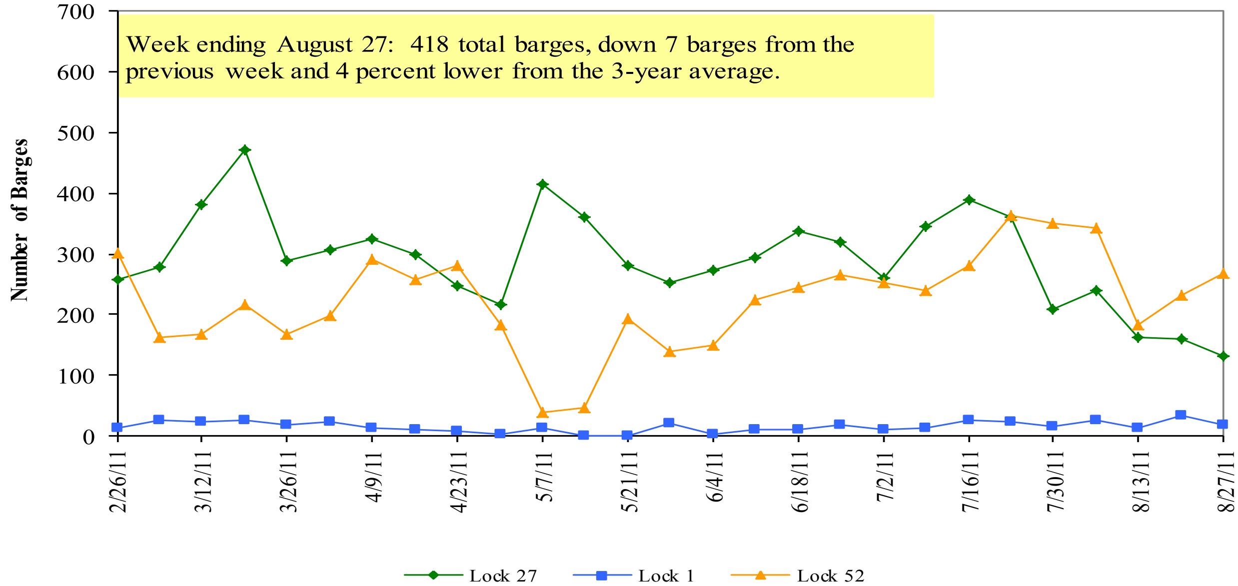
[2] As a percent of same period in 2010.

Note: Total may not add exactly, due to rounding

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

Figure 11

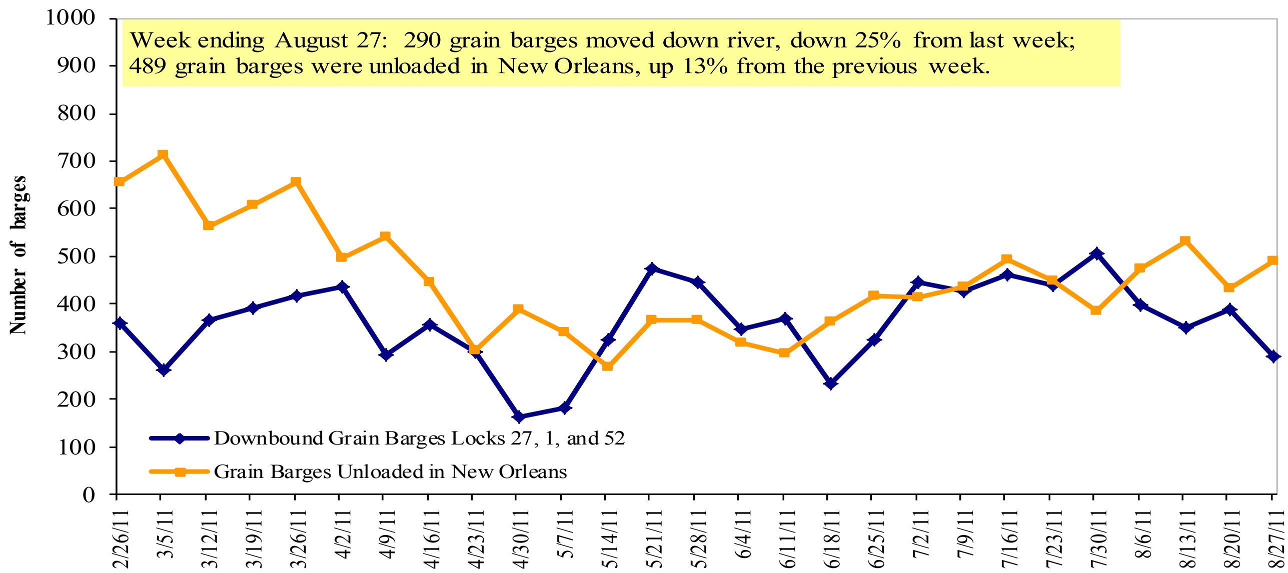
Upbound Empty Barges Transiting Mississippi River Locks 27, Arkansas River Lock and Dam 1, and Ohio River Locks and Dam 52



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 8/29/2011 (US $/gallon)

Region	Location	Price	Change from Week ago	Change from Year ago
I	East Coast	3.843	-0.001	0.913
	New England	3.977	-0.017	0.981
	Central Atlantic	3.930	-0.014	0.910
	Lower Atlantic	3.793	0.005	0.907
II	Midwest[2]	3.803	0.014	0.894
III	Gulf Coast[3]	3.763	-0.009	0.875
IV	Rocky Mountain	3.839	0.024	0.820
V	West Coast	3.908	0.053	0.807
	California	3.958	0.030	0.808
Total	U.S.	3.820	0.010	0.882

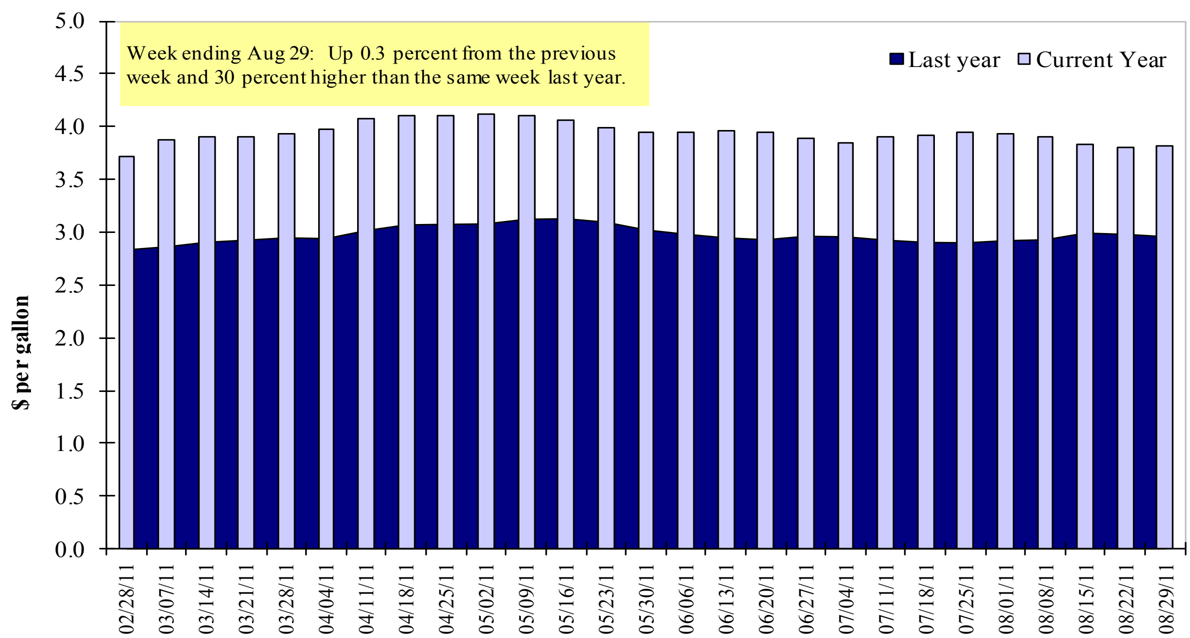
[1]Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

[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)

	Wheat						Corn	Soybeans	Total
Week ending	HRW	SRW	HRS	SWW	DUR	All wheat			
Export Balances[1]									
8/18/2011	1,777	708	1,602	1,044	193	5,325	4,627	2,713	12,665
This week year ago	3,565	608	1,952	1,246	331	7,702	5,923	2,237	15,862
Cumulative exports-marketing year[2]									
2010/11 YTD	2,757	983	1,563	1,090	116	6,509	43,803	39,518	89,830
2009/10 YTD	2,518	464	1,245	947	185	5,358	46,498	39,050	90,906
YTD 2010/11 as % of 2009/10	109	212	126	115	63	121	94	101	99
Last 4 wks as % of same period 2009/10	49	143	85	86	53	72	91	125	87
2009/10 Total	8,458	2,733	5,329	3,897	983	21,400	47,700	39,285	108,385
2008/09 Total	11,244	5,100	5,408	3,420	454	25,626	44,650	33,705	103,981

[1] Current unshipped export sales to date

[2] Shipped export sales to date; the new marketing year now in effect for wheat

Note: YTD = year-to-date. Marketing Year: wheat = 6/01-5/31, corn & soybeans = 9/01-8/31

Source: Foreign Agricultural Service/USDA (www.fas.usda.gov)

Table 13

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

Week ending 08/18/11	**Total Commitments**[2]			**% change**	**Exports**[3]
	2011/12	**2010/11**	**2009/10**	**current MY**	
	Next MY	**Current MY**	**Last MY**	**from last MY**	**2009/10**
		- 1,000 mt -			- 1,000 mt -
Japan	1,340	14,858	16,117	(8)	14,343
Mexico	2,105	7,099	8,243	(14)	7,999
Korea	446	6,110	7,774	(21)	7,562
Taiwan	69	2,816	3,295	(15)	2,949
Egypt	100	3,258	3,151	3	2,935
Top 5 importers	**4,061**	**34,141**	**38,578**	**(12)**	**35,788**
Total US corn export sales	**8,732**	**48,430**	**52,421**	**(8)**	**50,460**
% of Projected	20%	104%	104%		
Change from Last Week	152	384	(17)		
Top 5 importers' share of U.S. corn export sales	47%	70%	74%		
USDA forecast, August 2011	**44,450**	**46,360**	**50,300**	**(8)**	
Corn Use for Ethanol USDA forecast, Ethanol August 2011	**129,540**	**127,508**	**116,027**	**10**	

(n) indicates negative number.

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

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

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

Table 14

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

Week Ending 08/18/2011	Total Commitments[2] 2011/12 Next MY	2010/11 Current MY	2009/10 Last MY	% change current MY from last MY	Exports[3] 2009/10
		- 1,000 mt -			- 1,000 mt -
China	8,648	25,595	23,157	11	22,454
Mexico	216	3,284	3,336	(2)	3,276
Japan	124	2,253	2,609	(14)	2,347
EU-25	120	2,599	2,703	(4)	2,647
Taiwan	45	1,470	1,578	(7)	1,556
Top 5 importers	**9,152**	**35,201**	**33,383**	**5**	**32,280**
Total US soybean export sales	**11,005**	**42,231**	**41,288**	**2**	**40,850**
% of Projected	29%	104%	101%		
Change from last week	550	108	168		
Top 5 importers' share of U.S. soybean export sales	83%	83%	81%		
USDA forecast, August 2011	**38,100**	**40,690**	**40,850**	**(0.4)**	
Soybean Use for Biodiesel USDA forecast, August 2011	**8,393**	**5,155**	**4,031**	**28**	

(n) indicates negative number.

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

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

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

Table 15

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

Week Ending 08/18/2011	Total Commitments[2] 2011/12 Current MY	2010/11 Last MY	% change current MY from last MY	Exports[3] 2010/11
	- 1,000 mt -			- 1,000 mt -
Nigeria	1,304	1,320	(1)	3,233
Japan	1,725	1,344	28	3,148
Mexico	1,423	1,232	16	2,601
Philippines	1,074	1,100	(2)	1,518
Korea	454	728	(38)	1,111
Peru	400	443	(10)	923
Taiwan	250	238	5	913
Colombia	282	339	(17)	783
Indonesia	374	206	82	781
Yemen	220	167		659
Top 10 importers	**7,505**	**7,115**	**5**	**15,670**
Total US wheat export sales	**11,833**	**13,060**	**(9)**	**33,439**
% of Projected	40%	37%		
Change from last week	347	1,078		
Top 10 importers' share of U.S. wheat export sales	63%	54%		
USDA forecast, August 2011	**29,940**	**35,080**	**(15)**	

(n) indicates negative number.

[1] Modified from the FAS **2010/11** Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Jun 1 - May 31.

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

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

Table 16

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

Port regions	Week ending 08/25/11	Previous Week[1]	Current Week as % of Previous	2011 YTD[1]	2010 YTD[1]	2011 YTD as % of 2010 YTD	Last 4-weeks as % of 2010	Last 4-weeks as % of 3-yr. avg.	Total[1] 2010
Pacific Northwest									
Wheat	337	144	233	9,597	7,133	135	117	122	11,062
Corn	99	236	42	6,665	7,518	89	49	67	9,950
Soybeans	60	65	92	3,592	4,911	73	95	102	10,191
Total	**495**	**445**	**111**	**19,854**	**19,562**	**101**	**78**	**94**	**31,203**
Mississippi Gulf									
Wheat	77	226	34	3,753	2,530	148	212	118	4,199
Corn	535	405	132	17,428	19,678	89	89	89	29,794
Soybeans	120	161	74	10,447	10,171	103	50	56	22,519
Total	**731**	**793**	**92**	**31,627**	**32,380**	**98**	**88**	**85**	**56,512**
Texas Gulf									
Wheat	168	71	238	8,568	5,444	157	72	68	9,339
Corn	0	0	n/a	810	1,191	68	5	6	1,859
Soybeans	0	0	n/a	763	667	114	0	0	1,916
Total	**168**	**71**	**238**	**10,141**	**7,302**	**139**	**60**	**58**	**13,115**
Great Lakes									
Wheat	31	2	1,338	698	631	111	19	34	1,897
Corn	0	16	0	109	53	207	0	138	119
Soybeans	0	0	n/a	22	0	n/a	0	0	655
Total	**31**	**18**	167	**829**	**683**	**121**	**37**	**52**	**2,672**
Atlantic									
Wheat	0	28	0	641	195	329	5,734	87	343
Corn	0	8	0	194	272	71	36	71	469
Soybeans	3	1	338	475	713	67	164	111	1,417
Total	**3**	**37**	**7**	**1,310**	**1,181**	**111**	**211**	**88**	**2,229**
U.S. total from ports[2]									
Wheat	612	471	130	23,256	15,933	146	101	95	26,839
Corn	633	665	95	25,206	28,712	88	72	79	42,192
Soybeans	183	227	80	15,299	16,463	93	60	65	36,699
Total	**1,428**	**1,364**	**105**	**63,761**	**61,108**	**104**	**79**	**83**	**105,730**

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

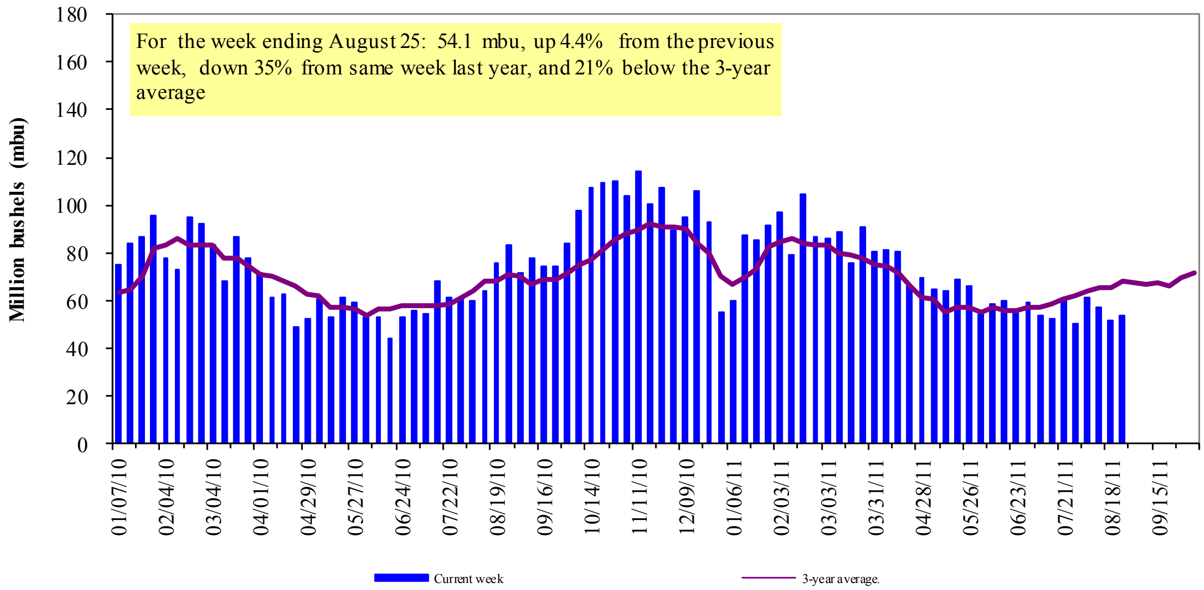
[2] Total includes only port regions shown above

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

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

Figure 14

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

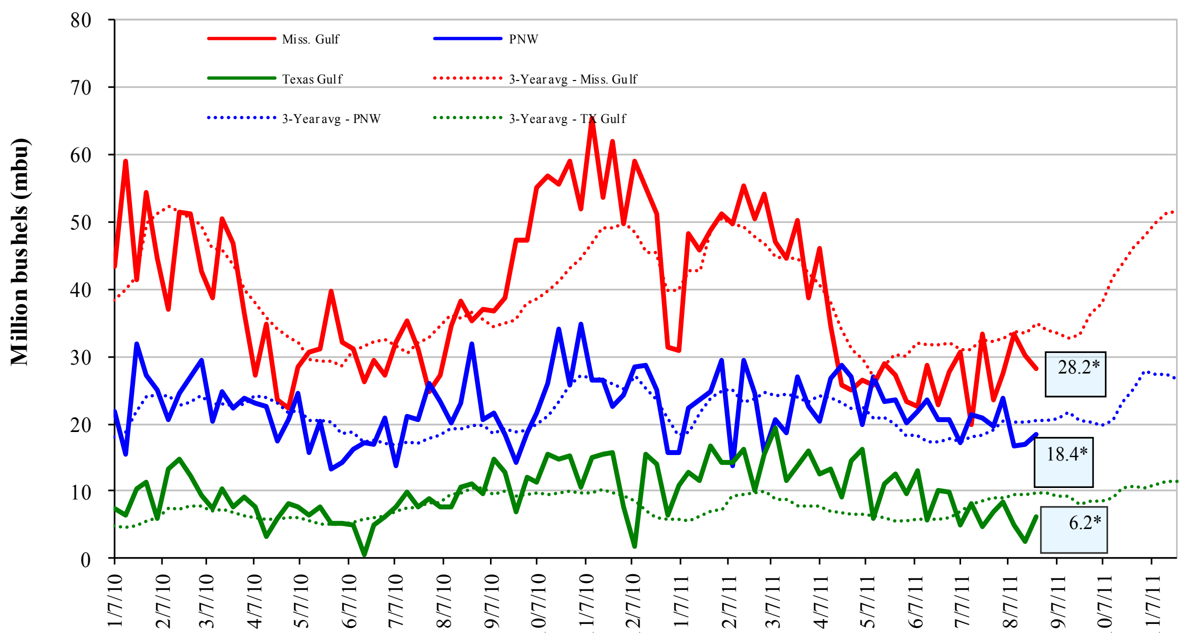


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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

Figure 15

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



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

August 25 % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	down 6	up 138	up 5	up 9
Last year (same week)	down 20	down 45	down 26	down 42
3-yr avg. (4-wk mov. avg.)	down 19	down 36	down 23	down 22

Ocean Transportation

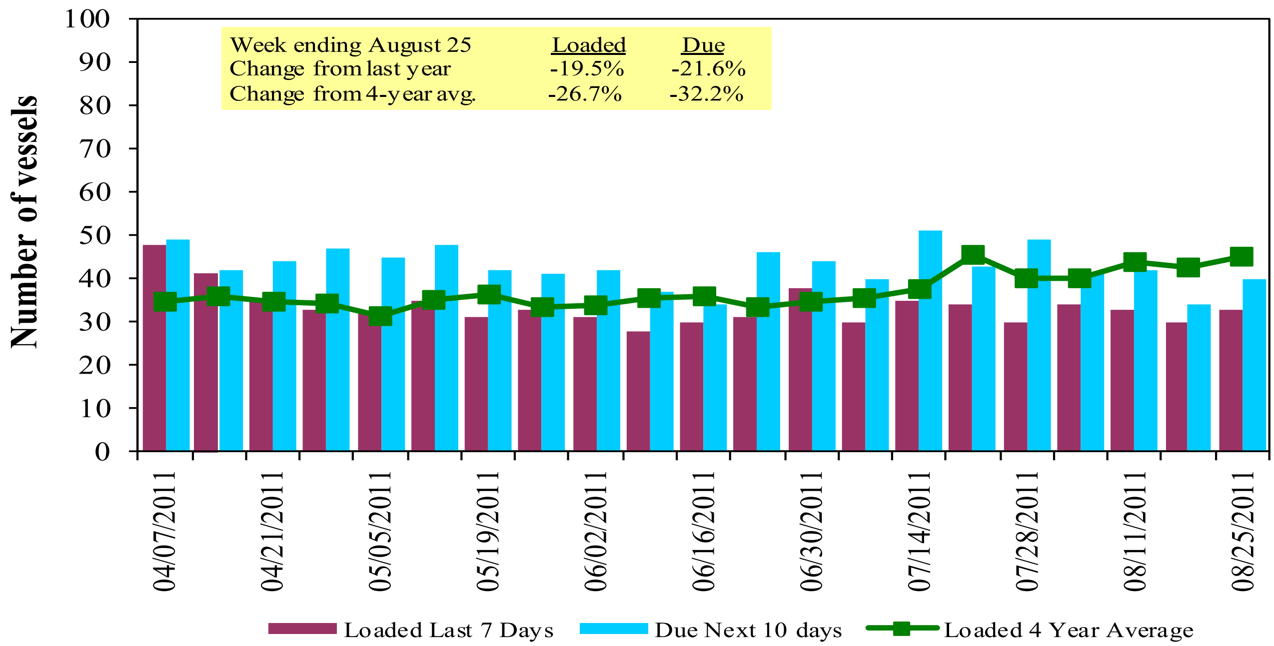
Table 17

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
8/25/2011	14	33	40	5	7
8/18/2011	26	30	34	13	8
2010 range	(15..69)	(30..57)	(33..84)	(4..24)	(2..20)
2010 avg.	41	42	58	12	11

Source: Transportation & Marketing Programs/AMS/USDA

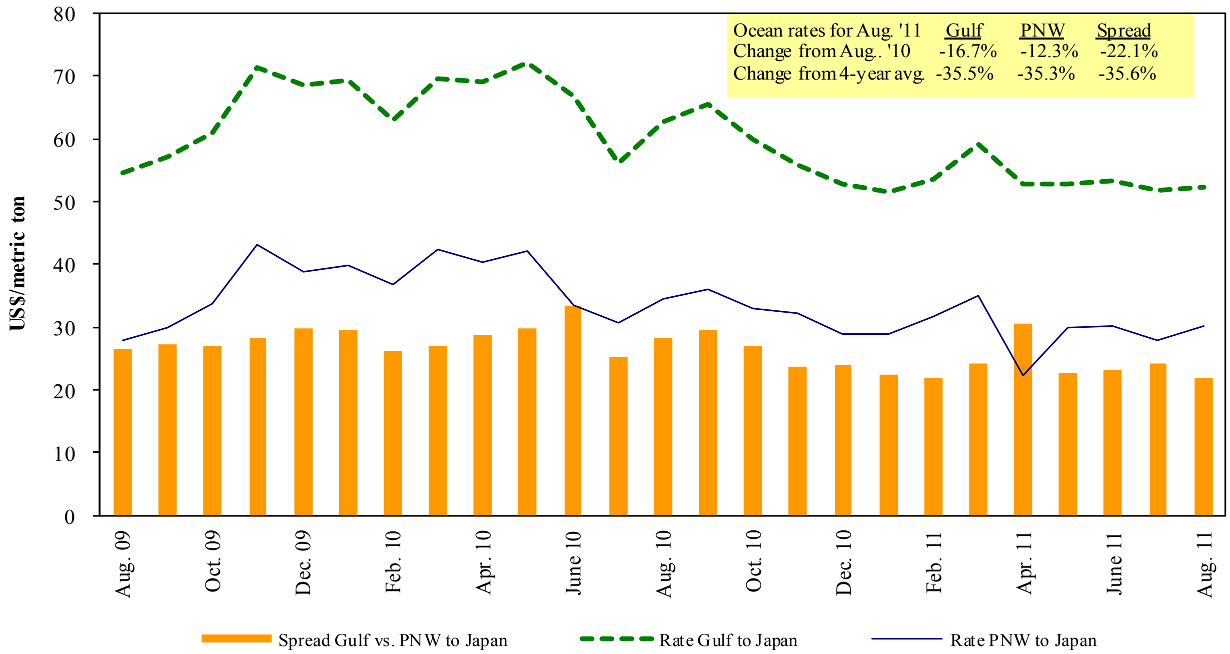
Figure 16
U.S. Gulf[1] Vessel Loading Activity



Source:Transportation & Marketing Programs/AMS/USDA
[1]U.S. Gulf includes Mississippi, Texas, and East Gulf.

Figure 17

Grain Vessel Rates, U.S. to Japan



Source: O'Neil Commodity Consulting

Table 18

Ocean Freight Rates For Selected Shipments, Week Ending 08/27/2011

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US$/metric ton)
U.S. Gulf	China	Heavy Grain	Sep 15/30	60,000	54.00
U.S. Gulf	China	Heavy Grain	Sep 1/10	60,000	48.25
U.S. Gulf	China	Heavy Grain	Aug 17/Sep 30	60,000	49.00
U.S. Gulf	China	Heavy Grain	Dec 1/30	55,000	51.00
U.S. Gulf	Egypt	Grain	May 1/10	60,000	28.50
U.S. Gulf	Japan	Heavy Grain	June 1/12	54,000	52.50
U.S. Gulf	Isreal	Wheat	May 20/30	50,000	36.00
U.S. Gulf	Djibouti[1]	Wheat	Mar 31/Apr 9	17,260	129.95
Brazil	China	Heavy Grain	May 18/27	60,000	49.50
Brazil	China	Heavy Grain	April 5/15	60,000	51.00
Brazil	Turkey	Heavy Grain	May 20/30	50,000	32.00
River Plate	Algeria	Corn	July 15/25	25,000	43.50
River Plate	Algeria	Corn	July 1/10	25,000	42.90
River Plate	Algeria	Corn	June 15/25	25,000	42.75
River Plate	Algeria	Wheat	Aug 18/25	25,000	49.00
River Plate	Spain	Maize	May 16/18	25,000	44.00
South Africa	Taiwan	Corn	Aug 5/15	55,000	31.00
Ukraine	Spain Med	Corn	May 20/24	25,000	18.00

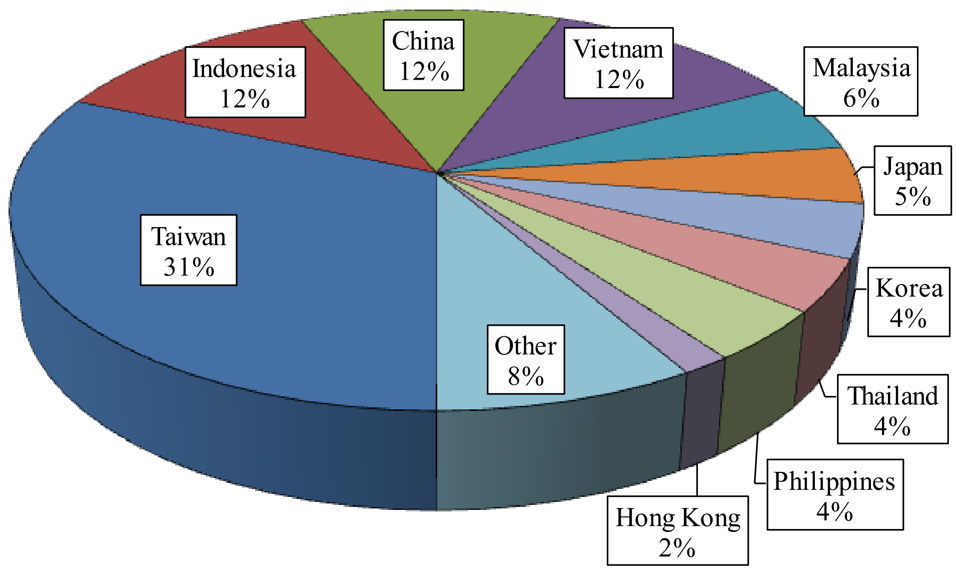
Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option

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

In 2010, containers were used to transport 5 percent of total U.S. waterborne grain exports, and 7 percent of U.S. grain exports to Asia. Asia is the top destination for U.S. containerized grain exports—94 percent in 2010.

Figure 18

Top 10 Destination Markets for U.S. Containerized Grain Exports, April 2011

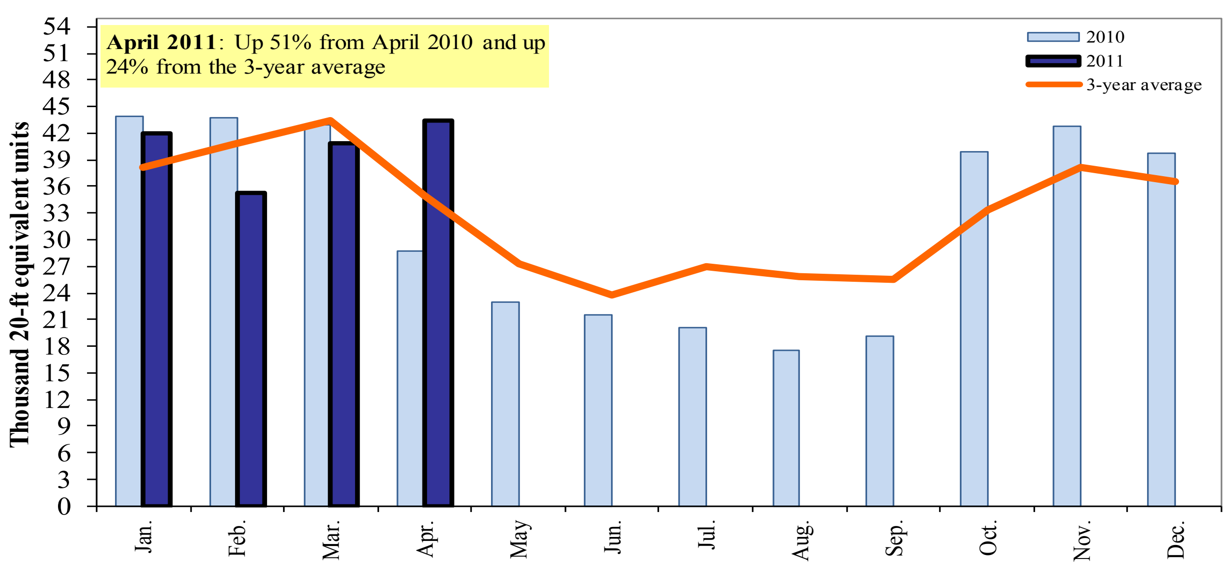


Source: USDA/Agricultural Marketing Service/Transportation Services Division analysis of Port Import Export Reporting Service (PIERS) data

Note: The following Harmonized Tariff Codes are used to calculate containerized grains movements (recently added codes are highlighted in bold type): 100190, 100200, 100300, 100400, 100590, 100700, 110100, 230310, 110220, 110290, 120100, 230210, 230990, **230330**, and **120810**.

Figure 19

Monthly Shipments of Containerized Grain to Asia



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

Note: The following Harmonized Tariff Codes are used to calculate containerized grains movements (recently added codes are highlighted in bold type): 100190, 100200, 100300, 100400, 100590, 100700, 110100, 230310, 110220, 110290, 120100, 230210, 230990, **230330**, and **120810**.

Contacts and Links

Coordinators		
Surajudeen (Deen) Olowolayemo	surajudeen.olowolayemo@ams.usda.gov	(202) 720 - 0119
Pierre Bahizi	pierre.bahizi@ams.usda.gov	(202) 690 - 0992
Weekly Highlight Editors		
Surajudeen (Deen) Olowolayemo	surajudeen.olowolayemo@ams.usda.gov	(202) 720 - 0119
April Taylor	april.taylor@ams.usda.gov	(202) 295 - 7374
Grain Transportation Indicators		
Surajudeen (Deen) Olowolayemo	surajudeen.olowolayemo@ams.usda.gov	(202) 720 - 0119
Rail Transportation		
Marvin Prater	marvin.prater@ams.usda.gov	(202) 720 - 0299
Johnny Hill	johnny.hill@ams.usda.gov	(202) 690 - 3295
Adam Sparger	adam.sparger@ams.usda.gov	(202) 205 - 8701
Christie McKinney	christie.mckinney@ams.usda.gov	
Barge Transportation		
Nicholas Marathon	nick.marathon@ams.usda.gov	(202) 690 - 4430
April Taylor	april.taylor@ams.usda.gov	(202) 295 - 7374
Truck Transportation		
April Taylor	april.taylor@ams.usda.gov	(202) 295 - 7374
Grain Exports		
Johnny Hill	johnny.hill@ams.usda.gov	(202) 690 - 3295
Christie McKinney	christie.mckinney@ams.usda.gov	
Ocean Transportation		
Surajudeen (Deen) Olowolayemo (Freight rates and vessels)	surajudeen.olowolayemo@ams.usda.gov	(202) 720 - 0119
April Taylor (Container movements)	april.taylor@ams.usda.gov	(202) 295 - 7374

Subscription Information: Send relevant information to **GTRContactUs@ams.usda.gov** for an electronic copy *(printed copies are also available upon request)*.