



September 8, 2011

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WEEKLY HIGHLIGHTS

Tropical Storm Lee Stalls Gulf Traffic

On September 2, the outer bands of Tropical Storm Lee crossed southern Louisiana, starting a pattern of torrential rains and strong winds that battered ports along the Gulf of Mexico. The Bar Pilots Association, the only group that can sail vessels through the Southwest Pass of the Mississippi River, suspended their service from September 2-5. During the pilot outage, all traffic was prevented from entering or exiting the Mississippi River. There are no reports of major damages to grain export facilities as a result of the tropical storm. Barge operators have indicated delays in unloading barges and a slow return of empty barges. The Canadian National Railroad reported a main line closure between Jackson, MS, and Hammond, LA, due to heavy rain and flooding caused by the storm.

Projected Late Harvest and Slow Grain Exports Weaken September Secondary Railcar Market

Spring rains over a large section of the United States resulted in late crop planting and an expected later-than-normal harvest. In addition, recent grain export activity has been relatively slow. Consequently, the secondary railcar market for September is weaker than normal. During the week ending September 1, average September **non-shuttle secondary railcar bids/offers** were \$8.50 per car above tariff, down \$19 from last week and \$741.50 from last year. Average shuttle rates were \$475 per car below tariff, down \$56 from last week and \$1187.50 from last year. Lower secondary railcar market prices reduce the total cost of shipping grain by rail and indicate that shippers' demand for graincars during September is lower than expected availability.

Grain Inspections Down from Past Week

For the week ending September 1, **total inspections of grain** (corn, wheat, and soybeans) for export from all major U.S. export regions reached 1.24 million metric tons (mmt), down 15 percent from the previous week and 35 percent below last year at this time. Compared to the past week, inspections dropped for each of the three major grains. Outstanding export balances (unshipped) of each grain also continued lower than the previous week. Grain inspected in the Pacific Northwest and Mississippi Gulf was also down from the previous week due primarily to lower corn and wheat shipments. Texas Gulf grain inspections (.179 mmt), however, were up 7 percent from the past week because of a rebound in wheat shipments to Iraq.

National Grain Car Council, September 13, 2011

A **meeting of the National Grain Car Council** (NGCC) will be held Tuesday, September 13, 2011 at 1:00 p.m. at the Intercontinental on the Plaza, 401 Ward Parkway, Kansas City, MO, 64112. NGCC was formed by the former Interstate Commerce Commission and is comprised of representatives knowledgeable in grain transportation including Class I, II, and III railroads; grain shippers and receivers; railcar manufacturers; and private railcar owners. NGCC convenes meetings to allow members to discuss issues affecting the grain transportation industry. The purpose of this meeting will be to discuss issues regarding rail service, velocity, equipment, and problems both from a carrier and shipper perspective. In addition, railcar manufacturers and owners will be discussing the fleet size, building estimates, and supply issues. There will also be an open forum covering weather and export related issues.

Snapshots by Sector

Rail

U.S. railroads originated 18,046 **carloads of grain** during the week ending August 27, up 2 percent from last week, down 17 percent from last year, and 18 percent lower than the 3-year average.

Barge

During the week ending September 3, **barge grain movements** totaled 349,170 tons, 22 percent lower than the previous week and 30 percent lower than the same period last year.

During the week ending September 3, 229 grain barges **moved down river**, down 21 percent from last week; 341 grain barges were **unloaded in New Orleans**, down 30 percent from the previous week.

Ocean

During the week ending September 1, 32 **ocean-going grain vessels** were loaded in the Gulf, down 22 percent from last year. Thirty-nine vessels are expected to be loaded within the next 10 days, 26 percent less than the same period last year.

During the week ending September 2, ocean freight rate for shipping bulk grain from the Gulf to Japan was \$54.00 per metric ton (mt), down 1 percent from the previous week. The cost of shipping from the Pacific Northwest to Japan was \$34.50 per mt—1 percent more than the previous week.

Fuel

During the week ending September 5, U.S. average **diesel fuel prices** increased 5 cents to \$3.87 per gallon—1 percent higher than the previous week and 32 percent higher than the same week last year.

Containerized Grain Exports

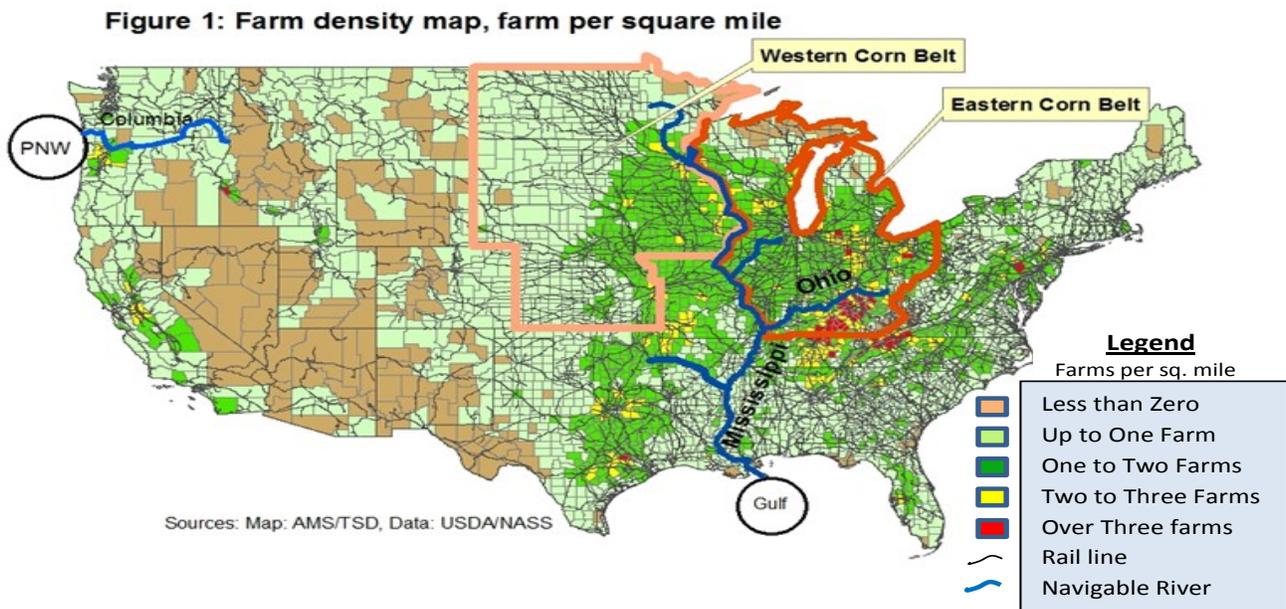
Containerized grain exports to Asia in May were 58 percent higher than the previous year, 33 percent higher than the 3-year average, but 17 percent lower than April movements.

Size and Location of Grain Elevators Influence Logistics

Grain elevators are a critical component of the grain supply chain. Their size and location affect shipping logistics for grains and soybeans. In general, grain elevators store and move enough products to create economies of scale and merchandising opportunities in shipping bulk grain at the best price. Grain elevators can be located in the country, on a river, or at an export port.

Country elevators are located within the country's interior and usually do not have access to a major river system such as the Mississippi or Ohio Rivers. They are primarily connected to markets by truck or rail transportation. Most are located close to the farmer, and purchase their grain directly from the grower. Figure 1 shows the concentration of farms per square mile. Many country elevators are small, with limited storage capacity and resources, and are not equipped to deal with transportation logistics and varying transportation costs. However, a growing number of country elevators are now capable of loading 110- to 120-car shuttle trains within 15 hours.

River elevators are located on the inland waterway system and are served by truck, rail, and barge transportation. The major rivers in the inland waterway system are the Mississippi, Ohio, and Columbia/Snake Rivers.



Export elevators are located at export ports, such as the Gulf and Pacific Northwest (PNW) regions (see Figure 1). Export elevators receive their grains from terminal or river elevators. Grains may be transported to an export elevator by truck, rail, or barge. Export elevators are the last link between the inland transportation system and export markets that are served by ocean-going vessels. Export elevators are larger operations and can deal with large volume overseas customers.

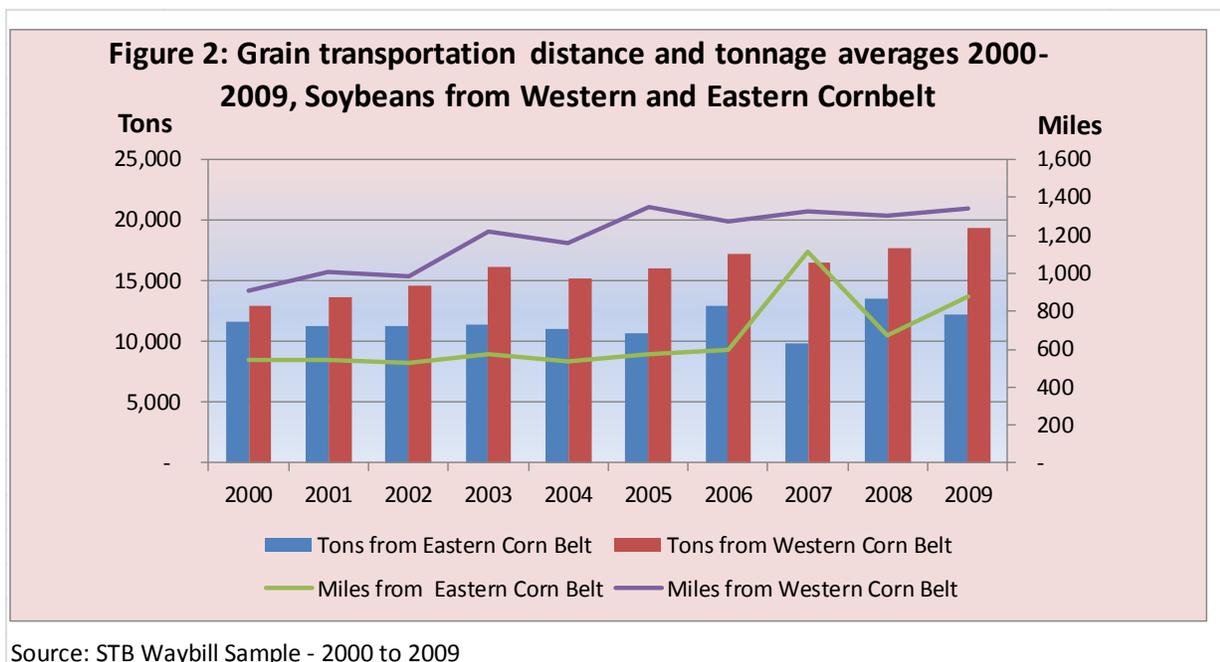
PNW ports receive most of their grains and oilseeds from terminal elevators that have shuttle-loading capacity and are located on major railroad lines. These elevators have large storage capacities and are able to load Panamax vessels, which have capacities of 55,000 tons. Export elevators at the Mississippi River Gulf ports receive their grains mainly from river elevators; most grains are transported downriver to New Orleans by barges.

Transportation costs often determine the amount of sales. Smaller elevators (country elevators) typically receive grain by truck from their customers. They often do not have the resources to deal directly with large export markets and instead sell to a local buyer. However, they have the advantage of selling their product to

local processing facilities and feedlots because they have the flexibility to ship by truck or local rail. On the other hand larger elevators that can handle shuttle trains and have a definitive advantage because their market extends across the United States and often times beyond.

The best location for an elevator is as close as possible to farmers while still maintaining access to a navigable river, major highways, and major railroads. This transportation situation allows the elevator to buy grain from nearby growers and ship it to distant customers.

The above notion has been supported by two trends noticed in the analysis. The first one is a change in shipping distances. According to the Surface Transportation Board’s Waybill Sample, the average rail shipping distance for soybeans originating in the Western Corn Belt—Iowa, Kansas, Minnesota, Nebraska, North Dakota and South Dakota (see Figure 2)—increased from 906 miles in 2000 to 1,339 miles in 2009. Another emerging trend is the larger shipment size. The grain processing plants are moving to primary destination markets near population centers or animal feed lots. Therefore the processor must take advantage of economies of scale to minimize cost. The Waybill data also shows that the average tonnage has increased from 12,931 tons in 2000 to 19,347 tons in 2009.



It is cheaper to ship large quantities of grain from the production region to consumption regions for processing. Processing companies (e.g. mills and soybean crushers) can then sell their products to nearby customers by truck or rail. A typical shipment of soy meal or flour to a local customer will be 500 to 2,000 tons. Typical shipments of grain or soybeans to an export elevator consist of 110-car shuttle trains (11,000 tons or more) or a fleet of barges (22,500 to 60,000 tons).

Locational differences create comparative advantages among grain elevators. Large processing plants or elevators located in the Western Corn Belt with large rail loading facilities have an advantage of selling their product to export buyers via the Pacific Northwest. Large processing plants or elevators located by the Mississippi river have the advantage of using barge in addition to truck and rail.

In conclusion, the size and location of elevators affect transportation costs. Larger elevators have a competitive advantage over smaller elevators because of economies of scale. Export elevators have direct access to foreign buyers (who buy in large quantities) via the export ports. However, smaller elevators have the important role of buying directly from the growers and supplying local processors by rail or truck.

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Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators¹

Week ending	Truck	Rail ²	Barge	Ocean	
				Gulf	Pacific
09/07/11	260	270	256	242	245
08/31/11	256	123	254	244	241

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

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

Table 2

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

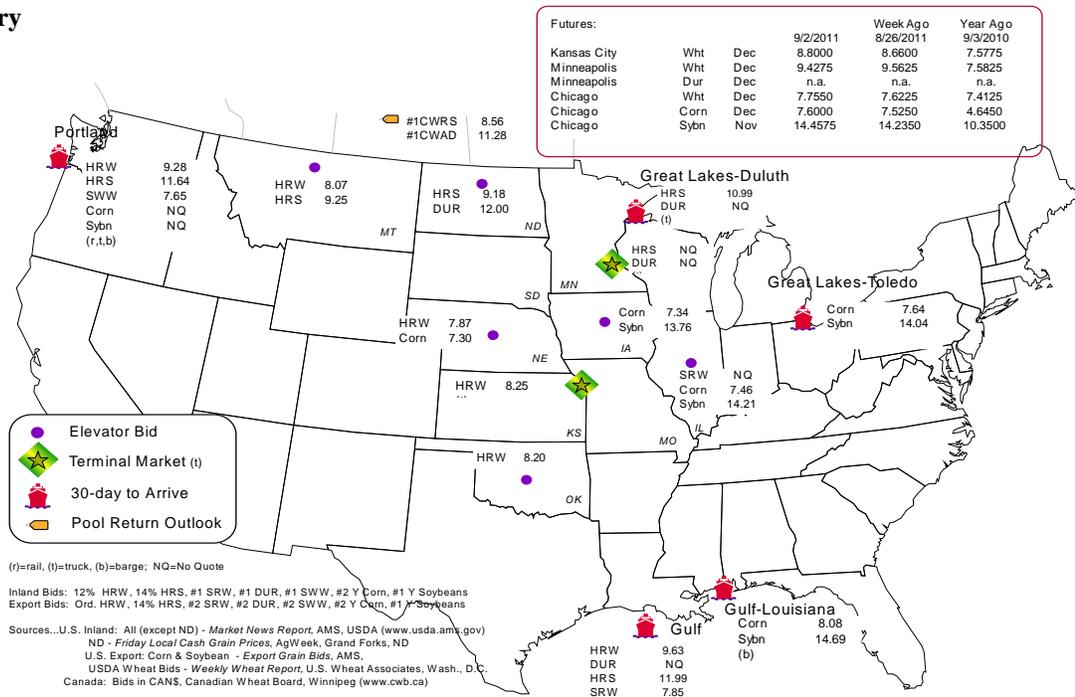
Commodity	Origin--Destination	9/2/2011	8/26/2011
Corn	IL--Gulf	-0.62	-0.91
Corn	NE--Gulf	-0.78	-0.87
Soybean	IA--Gulf	-0.93	-1.09
HRW	KS--Gulf	-1.38	-1.45
HRS	ND--Portland	-2.46	-2.14

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	
8/31/2011 ^p	1	700	597	2,624	n/a	3,922
8/24/2011 ^r	108	897	651	2,647	95	4,398
2011 YTD	21,963	63,592	32,060	126,525	16,882	261,022
2010YTD	10,735	47,539	30,949	116,138	18,585	223,946
2011 YTD as % of 2010 YTD	205	134	104	109	91	117
Last 4 weeks as % of 2010 ²	16	59	111	70	108	70
Last 4 weeks as % of 4-year avg. ²	8	48	126	64	54	59
Total 2010	33,971	83,492	42,794	177,896	32,780	370,933
Total 2009	33,423	57,646	36,738	175,965	30,328	334,100

¹ Data is incomplete as it is voluntarily provided

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

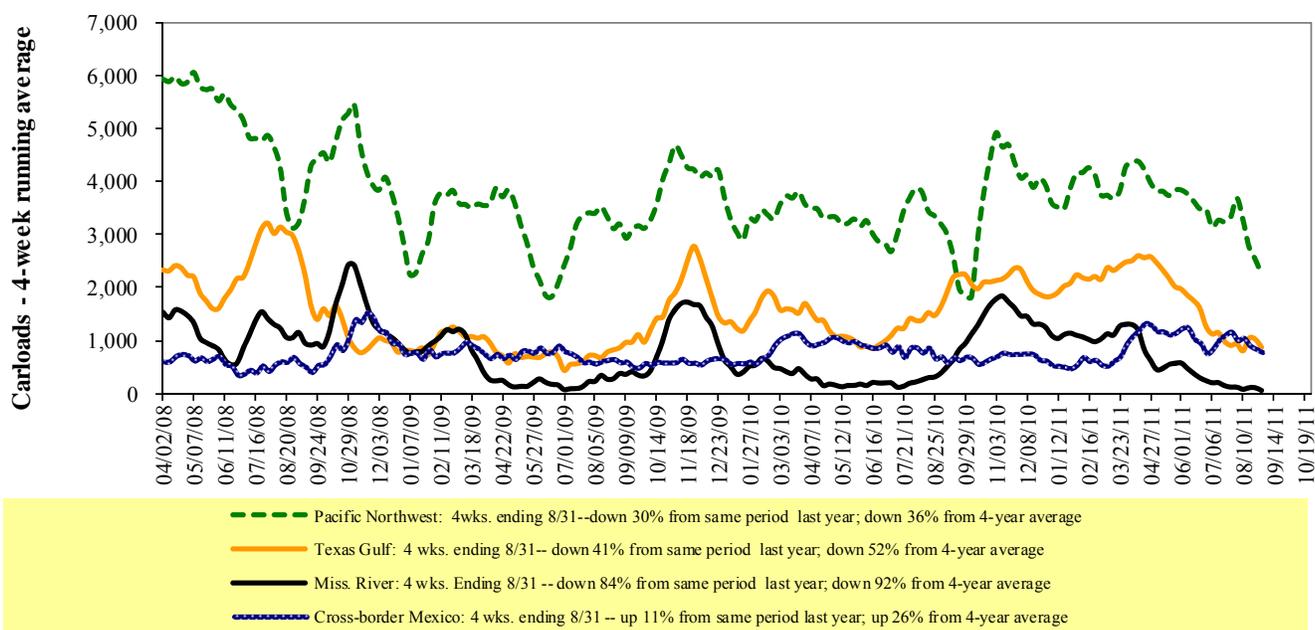
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

Source: Transportation & Marketing Programs/AMS/USDA

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

Figure 2

Rail Deliveries to Port



Source: Transportation & Marketing Programs/AMS/USDA

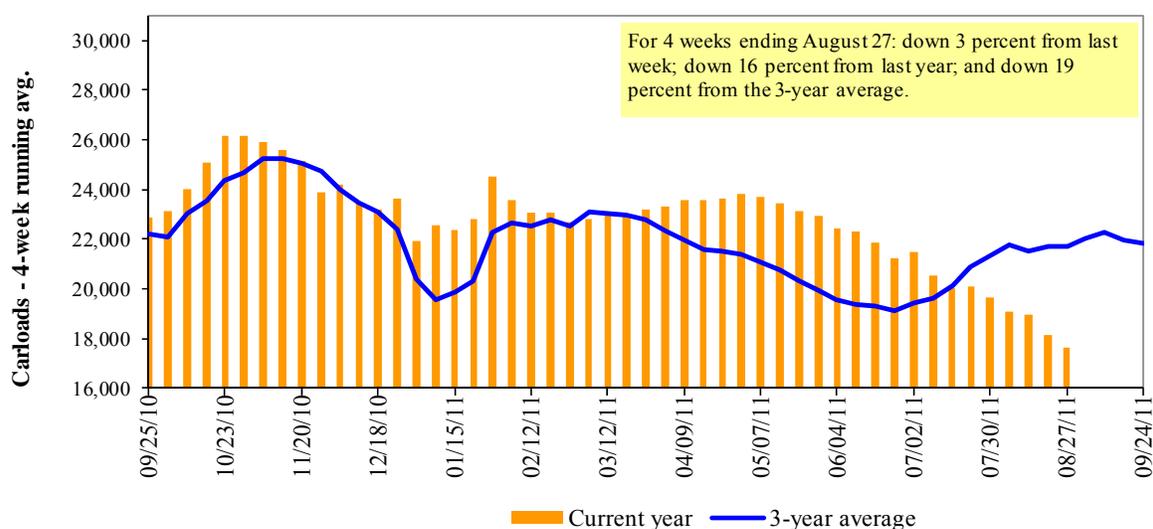
Table 4

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

Week ending	East		West			U.S. total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
08/27/11	1,034	2,336	8,880	623	5,173	18,046	3,406	5,452
This week last year	1,458	2,435	9,748	799	7,292	21,732	3,241	5,450
2011 YTD	63,849	100,662	360,203	22,831	200,247	747,792	130,013	173,251
2010 YTD	71,846	101,239	342,549	23,887	180,941	720,462	131,408	177,624
2011 YTD as % of 2010 YTD	89	99	105	96	111	104	99	98
Last 4 weeks as % of 2010 ¹	78	89	81	131	86	84	92	111
Last 4 weeks as % of 3-yr avg. ¹	69	81	81	118	83	82	86	122
Total 2010	111,935	159,836	546,901	35,807	295,361	1,149,840	203,038	265,835

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

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

Figure 3**Total Weekly U.S. Class I Railroad Grain Car Loadings**

Source: Association of American Railroads

Table 5

Rail Car Auction Offerings¹ (\$/car)²

Week ending	Delivery period							
	Sep-11	Sep-10	Oct-11	Oct-10	Nov-11	Nov-10	Dec-11	Dec-10
9/1/2011								
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	50	no offer	1 . . 50	no offer
UP ⁴								
GCAS/Region 1	no bids	no offer	no bids	no offer	no bids	201	n/a	n/a
GCAS/Region 2	no bids	no offer	16	no offer	1	306	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.

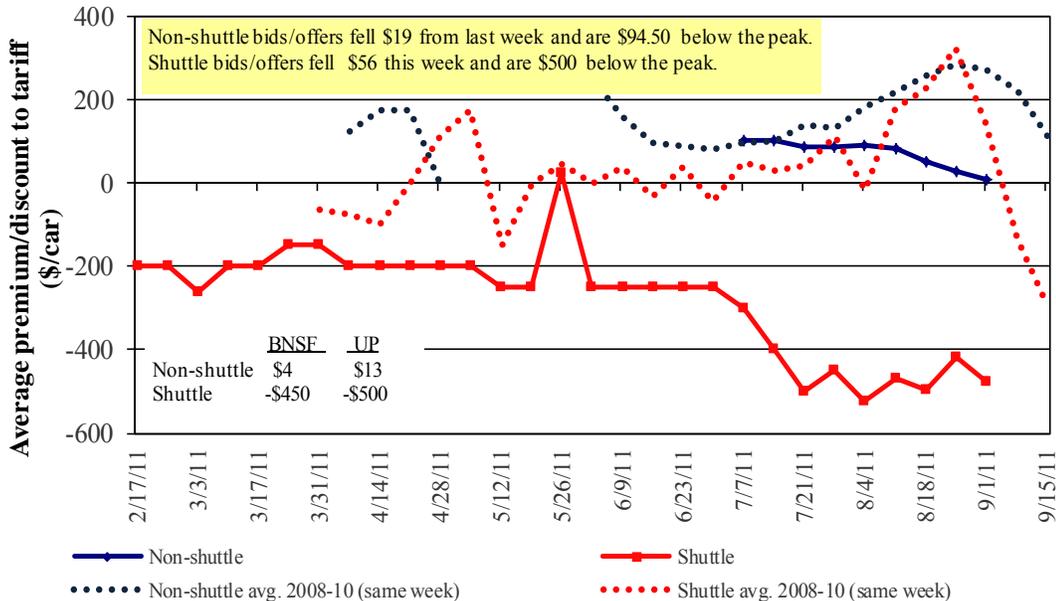
⁵Range is shown because average is not available. Not available = n/a.

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 September 2011, Secondary Market

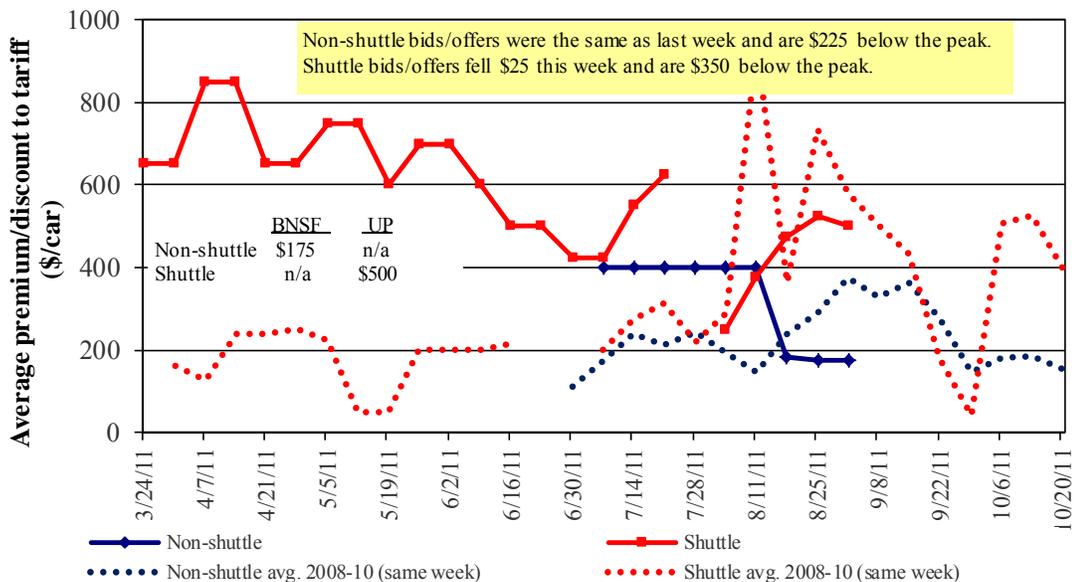


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

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

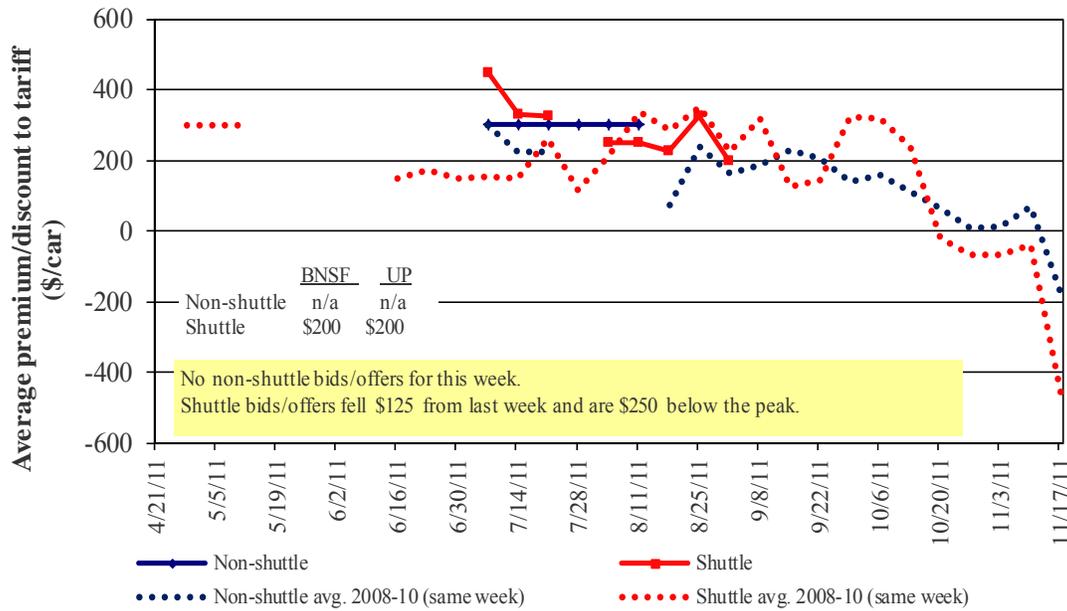


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

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					
	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12
Non-shuttle						
BNSF-GF	4	175	n/a	n/a	n/a	n/a
Change from last week	(26)	-	n/a	n/a	n/a	n/a
Change from same week 2010	(746)	(325)	n/a	n/a	n/a	n/a
UP-Pool	13	n/a	n/a	n/a	n/a	n/a
Change from last week	(12)	n/a	n/a	n/a	n/a	n/a
Change from same week 2010	n/a	n/a	n/a	n/a	n/a	n/a
Shuttle²						
BNSF-GF	(450)	n/a	200	n/a	n/a	n/a
Change from last week	(50)	n/a	(200)	n/a	n/a	n/a
Change from same week 2010	(1,475)	n/a	n/a	n/a	n/a	n/a
UP-Pool	(500)	500	200	(150)	n/a	n/a
Change from last week	(62)	(50)	(50)	(25)	n/a	n/a
Change from same week 2010	(900)	(350)	(225)	(300)	n/a	n/a

¹ Average premium/discount to tariff, \$/car-last week

² Shuttle bids are a new data series; prior to this we provided only non-shuttle rates.

Note: Bids listed are market INDICATORS only & are NOT guaranteed prices,

n/a = not available; GF = guaranteed freight; Pool = guaranteed pool

Sources: Transportation and Marketing Programs/AMS/USDA

Data from Atwood/ConAgra, Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.

Table 7

Tariff Rail Rates for Unit and Shuttle Train Shipments¹

Effective date:				Fuel	Tariff plus surcharge per:		Percent	
9/6/2011	Origin region*	Destination region*	Tariff rate/car	surcharge per car	metric ton	bushel ²	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	\$3,097	\$107	\$31.82	\$0.87	19	
	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	\$416	\$41.47	\$1.13	14	
	Des Moines, IA	Davenport, IA	\$1,843	\$79	\$19.08	\$0.52	-1	
	Indianapolis, IN	Atlanta, GA	\$3,196	\$312	\$34.84	\$0.95	12	
	Indianapolis, IN	Knoxville, TN	\$2,760	\$200	\$29.40	\$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	\$402	\$36.65	\$1.00	11	
	Toledo, OH	Huntsville, AL	\$2,921	\$295	\$31.94	\$0.87	11	
	Indianapolis, IN	Raleigh, NC	\$3,830	\$419	\$42.19	\$1.15	14	
	Indianapolis, IN	Huntsville, AL	\$2,613	\$200	\$27.94	\$0.76	11	
	Champaign-Urbana, IL	New Orleans, LA	\$3,406	\$372	\$37.52	\$1.02	18	
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	\$390	\$38.60	\$1.05	-3	
	Grand Forks, ND	Portland, OR	\$4,702	\$547	\$52.13	\$1.42	10	
	Grand Forks, ND	Galveston-Houston, TX	\$5,745	\$570	\$62.71	\$1.71	11	
Corn	Northwest KS	Portland, OR	\$4,727	\$592	\$52.82	\$1.44	11	
	Minneapolis, MN	Portland, OR	\$4,680	\$666	\$53.09	\$1.44	14	
	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	14	
	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	8
		Minneapolis, MN	Portland, OR	\$4,830	\$666	\$54.58	\$1.49	9
Fargo, ND		Tacoma, WA	\$4,730	\$543	\$52.36	\$1.43	8	
Council Bluffs, IA		New Orleans, LA	\$3,710	\$429	\$41.10	\$1.12	15	
Toledo, OH		Huntsville, AL	\$2,536	\$295	\$28.12	\$0.77	13	
Grand Island, NE	Portland, OR	\$4,520	\$606	\$50.90	\$1.39	9		

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

²Approximate load per car = 111 short tons (100.7 metric tons): com 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

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	\$7,491	\$579	\$82.46	\$2.24	9
	OK	Cuautitlan, EM	\$6,610	\$606	\$73.73	\$2.00	12
	KS	Guadalajara, JA	\$7,210	\$861	\$82.47	\$2.24	11
	TX	Salinas Victoria, NL	\$3,656	\$246	\$39.88	\$1.08	13
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	12
	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

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

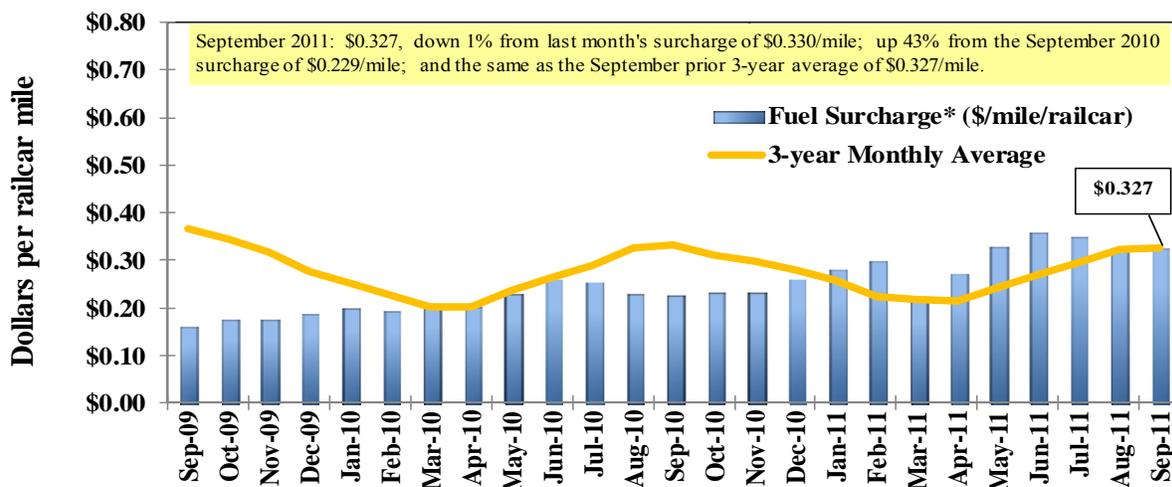
³Approximate load per car = 97.87 metric tons: Corn & Sorghum 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

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.

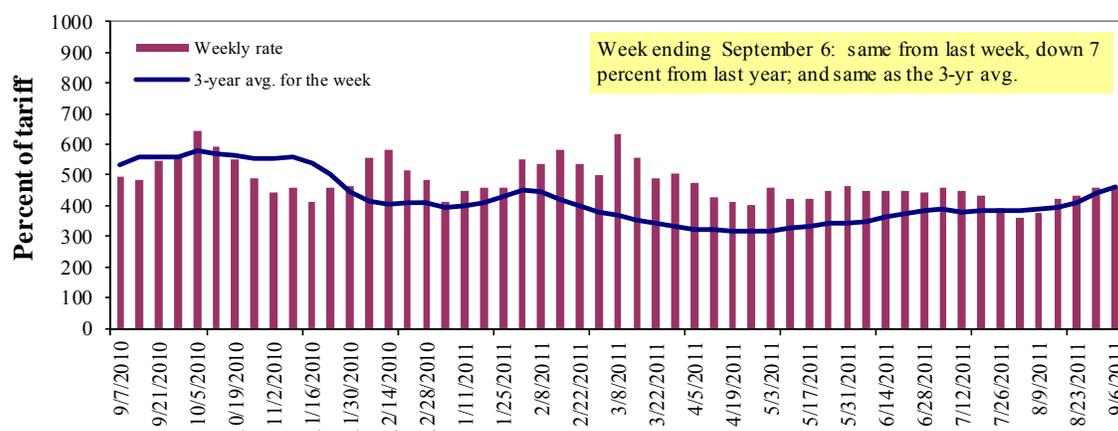
** BNSF strike price (diesel price when fuel surcharges begin) changed from \$1.25/gal. to \$2.50/gal starting March 1, 2011. As a result, the weighted average fuel surcharge for March 2011 was \$0.227/mile instead of \$0.331/mile.

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

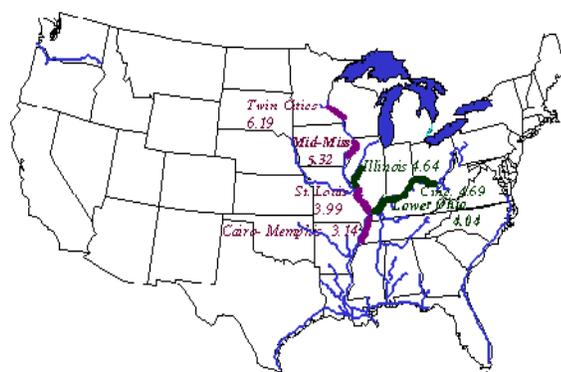
Weekly Barge Freight Rates: Southbound Only

		Twin Cities	Mid- Mississippi	Lower Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo- Memphis
Rate¹	9/6/2011	475	460	460	410	485	485	388
	8/30/2011	472	438	458	370	455	455	367
\$/ton	9/6/2011	29.40	24.47	21.34	16.36	22.75	19.59	12.18
	8/30/2011	29.22	23.30	21.25	14.76	21.34	18.38	11.52
Current week % change from the same week:								
	Last year	-6	-8	-7	-19	-20	-20	-20
	3-year avg. ²	2	0	0	-7	0	0	-11
Rate¹	October	620	588	578	520	575	575	500
	December	--	--	450	400	445	445	355

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

Source: Transportation & Marketing Programs/AMS/USDA

Figure 9
Benchmark tariff rates

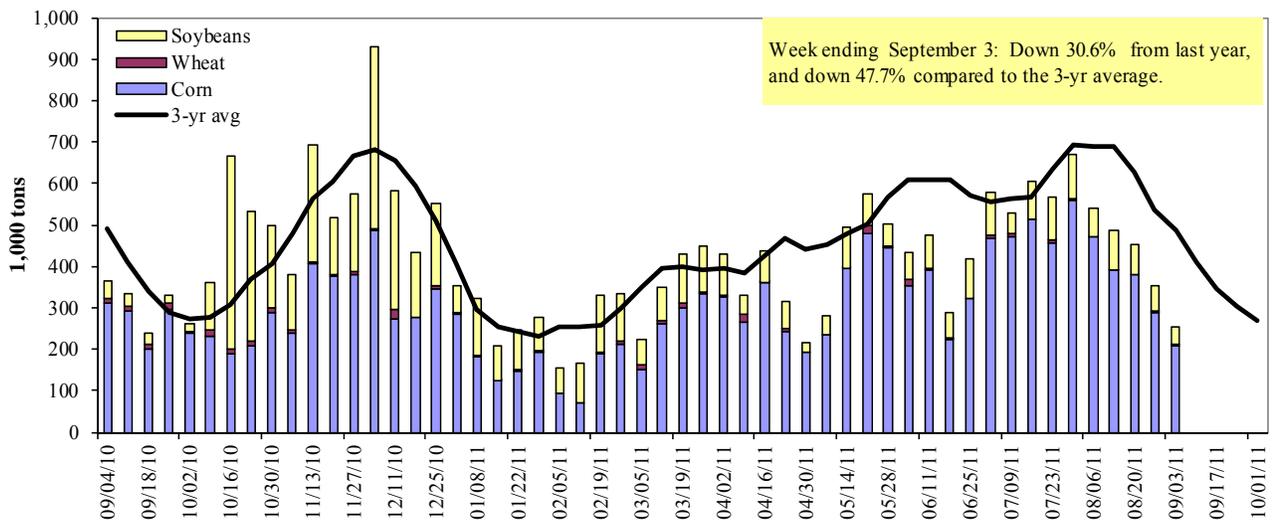


Calculating barge rate per ton:

(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 10

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

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

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

Table 10

Barge Grain Movements (1,000 tons)

Week ending 9/3/2011	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	112	0	27	20	159
Winfield, MO (L25)	163	3	35	15	216
Alton, IL (L26)	197	3	39	15	254
Granite City, IL (L27)	207	6	41	15	268
Illinois River (L8)	32	0	5	0	37
Ohio River (L52)	7	23	12	0	42
Arkansas River (L1)	23	11	3	1	38
Weekly total - 2011	237	41	55	17	349
Weekly total - 2010	419	19	57	3	497
2011 YTD ¹	13,197	1,130	4,771	276	19,374
2010 YTD	16,445	893	5,182	304	22,824
2011 as % of 2010 YTD	80	126	92	91	85
Last 4 weeks as % of 2010 ²	90	120	100	133	95
Total 2010	22,768	1,220	10,373	481	34,841

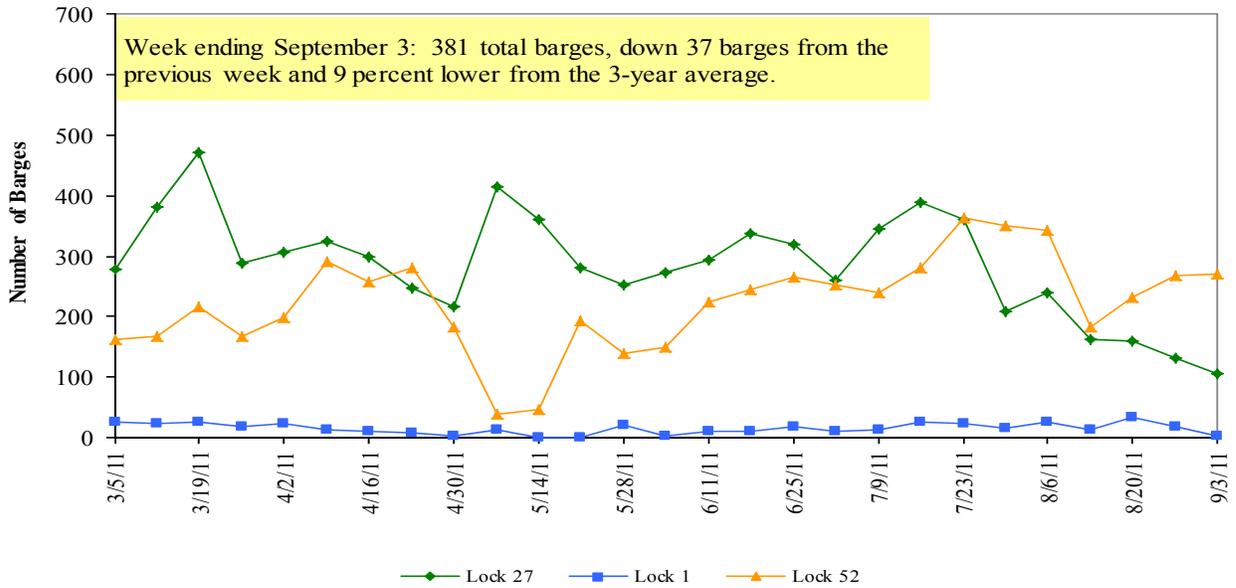
¹ Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

² As a percent of same period in 2010.

Note: Total may not add exactly, due to rounding

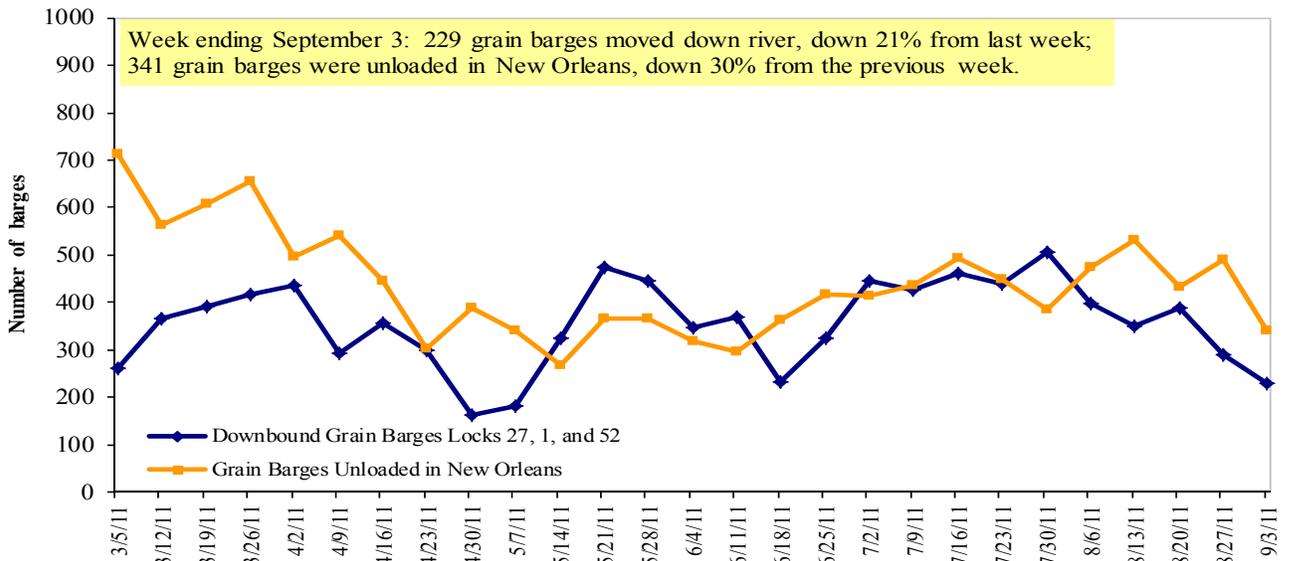
Source: U.S. Army Corps of Engineers (www.mvr.usace.army.mil/mvrirmi/omni/webprts/default.asp)

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 9/5/2011 (US \$/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	3.886	0.043	0.963
	New England	3.994	0.017	0.999
	Central Atlantic	3.987	0.057	0.980
	Lower Atlantic	3.833	0.040	0.953
II	Midwest ²	3.852	0.049	0.952
III	Gulf Coast ³	3.800	0.037	0.924
IV	Rocky Mountain	3.890	0.051	0.869
V	West Coast	3.981	0.073	0.877
	California	4.058	0.100	0.913
Total	U.S.	3.868	0.048	0.937

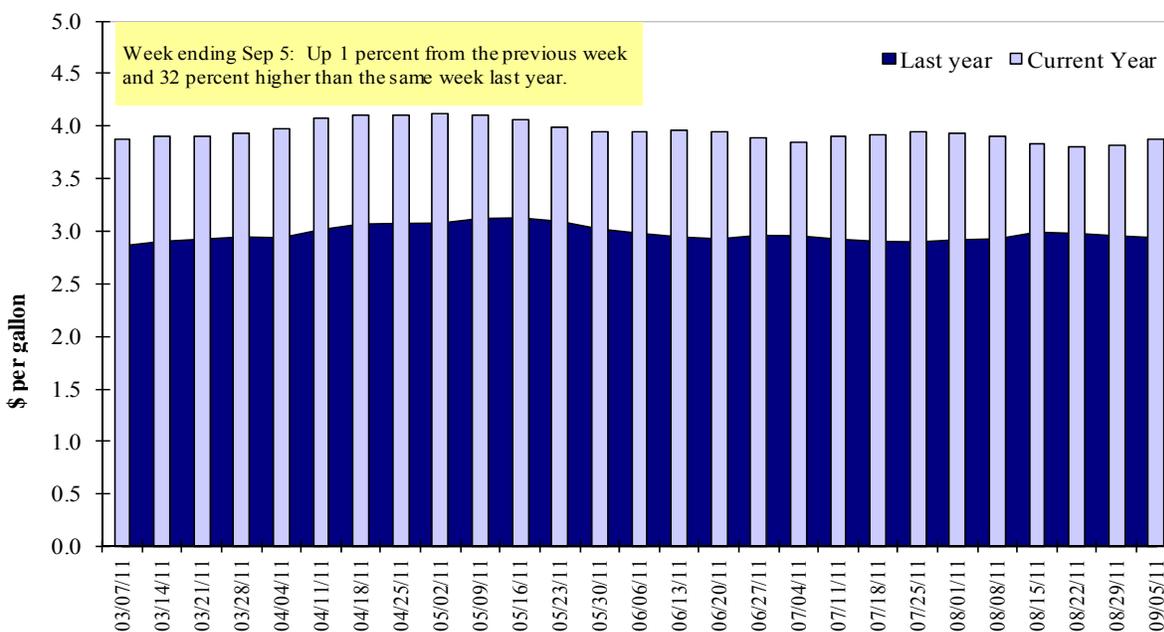
¹Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

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									
8/25/2011	1,746	652	1,537	1,008	141	5,084	3,540	2,478	11,102
This week year ago	3,585	629	2,232	1,329	357	8,133	4,753	2,004	14,890
Cumulative exports-marketing year²									
2010/11 YTD	3,040	1,066	1,676	1,187	149	7,118	44,569	39,753	91,440
2009/10 YTD	2,903	497	1,365	998	188	5,951	47,640	39,285	92,876
YTD 2010/11 as % of 2009/10	105	214	123	119	79	120	94	101	98
Last 4 wks as % of same period 2009/10	48	125	73	78	49	66	100	136	86
2009/10 Total	8,458	2,733	5,329	3,897	983	21,400	47,700	39,285	108,385
2008/09 Total	11,244	5,100	5,408	3,420	454	25,626	44,650	33,705	103,981

¹ Current unshipped export sales to date

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

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

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

Table 13

Top 5 Importers¹ of U.S. Corn

Week ending 08/25/11	Total Commitments ²			% change current MY from last MY	Exports ³ 2009/10
	2011/12 Next MY	2010/11 Current MY	2009/10 Last MY		
	- 1,000 mt -				- 1,000 mt -
Japan	1,432	14,949	16,214	(8)	14,343
Mexico	2,050	7,121	8,243	(14)	7,999
Korea	446	6,172	7,778	(21)	7,562
Taiwan	89	2,815	3,303	(15)	2,949
Egypt	100	3,370	3,157	7	2,935
Top 5 importers	4,117	34,427	38,694	(11)	35,788
Total US corn export sales	9,690	48,109	52,393	(8)	50,460
% of Projected	22%	104%	104%		
Change from Last Week	958	(321)	(29)		
Top 5 importers' share of U.S. corn export sales	42%	72%	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 Importers¹ of U.S. Soybeans

Week Ending 08/25/2011	Total Commitments ²			% change current MY from last MY	Exports ³ 2009/10
	2011/12 Next MY	2010/11 Current MY	2009/10 Last MY		
	- 1,000 mt -				- 1,000 mt -
China	8,905	25,595	23,160	11	22,454
Mexico	292	3,284	3,328	(1)	3,276
Japan	124	2,214	2,621	(16)	2,347
EU-25	120	2,599	2,703	(4)	2,647
Taiwan	65	1,489	1,577	(6)	1,556
Top 5 importers	9,506	35,182	33,388	5	32,280
Total US soybean export sales	11,599	42,231	41,289	2	40,850
% of Projected	30%	104%	101%		
Change from last week	594	(0)	1		
Top 5 importers' share of U.S. soybean export sales	82%	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.

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

Table 15

Top 10 Importers¹ of All U.S. Wheat

Week Ending 08/25/2011	Total Commitments ²		% change current MY from last MY	Exports ³ 2010/11
	2011/12 Current MY	2010/11 Last MY		
	- 1,000 mt -			- 1,000 mt -
Nigeria	1,337	1,491	(10)	3,233
Japan	1,729	1,396	24	3,148
Mexico	1,487	1,323	12	2,601
Philippines	1,104	1,151	(4)	1,518
Korea	497	752	(34)	1,111
Peru	435	447	(3)	923
Taiwan	253	290	(13)	913
Colombia	294	364	(19)	783
Indonesia	374	206	82	781
Yemen	220	217		659
Top 10 importers	7,729	7,636	1	15,670
Total US wheat export sales	12,202	14,084	(13)	33,439
% of Projected	41%	40%		
Change from last week	369	1,024		
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.

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

Table 16

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

Port regions	Week ending 09/01/11	Previous Week ¹	Current Week as % of Previous	2011 YTD ¹	2010 YTD ¹	2011 YTD as % of 2010 YTD	Last 4-weeks as % of		Total ¹ 2010
							2010	3-yr. avg.	
Pacific Northwest									
Wheat	277	337	82	9,874	7,133	138	111	113	11,062
Corn	72	135	53	6,773	7,518	90	40	56	9,950
Soybeans	59	60	98	3,651	4,911	74	92	87	10,191
Total	407	532	77	20,298	19,562	104	71	84	31,203
Mississippi Gulf									
Wheat	56	77	74	3,809	2,530	151	181	98	4,199
Corn	439	535	82	17,867	19,678	91	86	88	29,794
Soybeans	95	120	79	10,541	10,171	104	55	63	22,519
Total	591	731	81	32,218	32,380	100	85	84	56,512
Texas Gulf									
Wheat	179	168	107	8,748	5,444	161	67	64	9,339
Corn	0	0	n/a	810	1,191	68	0	0	1,859
Soybeans	0	0	n/a	763	667	114	0	0	1,916
Total	179	168	107	10,321	7,302	141	55	53	13,115
Great Lakes									
Wheat	47	31	151	744	631	118	34	47	1,897
Corn	15	0	n/a	124	53	235	0	165	119
Soybeans	0	0	n/a	22	0	n/a	0	0	655
Total	62	31	199	890	683	130	53	62	2,672
Atlantic									
Wheat	0	0	n/a	641	195	329	2,685	58	343
Corn	0	0	n/a	194	272	71	24	39	469
Soybeans	1	3	49	476	713	67	157	73	1,417
Total	1	3	49	1,311	1,181	111	122	57	2,229
U.S. total from ports²									
Wheat	560	612	91	23,816	15,933	149	95	87	26,839
Corn	526	670	78	25,768	28,712	90	67	75	42,192
Soybeans	155	183	85	15,454	16,463	94	63	68	36,699
Total	1,240	1,465	85	65,038	61,108	106	75	78	105,730

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

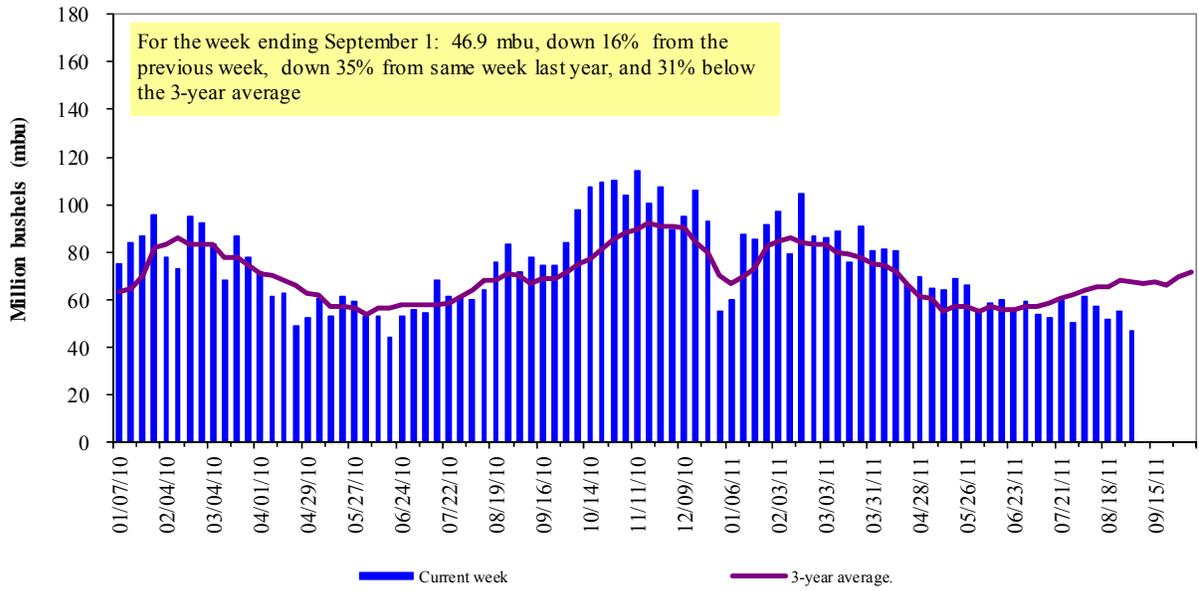
² Total includes only port regions shown above

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

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

Figure 14

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

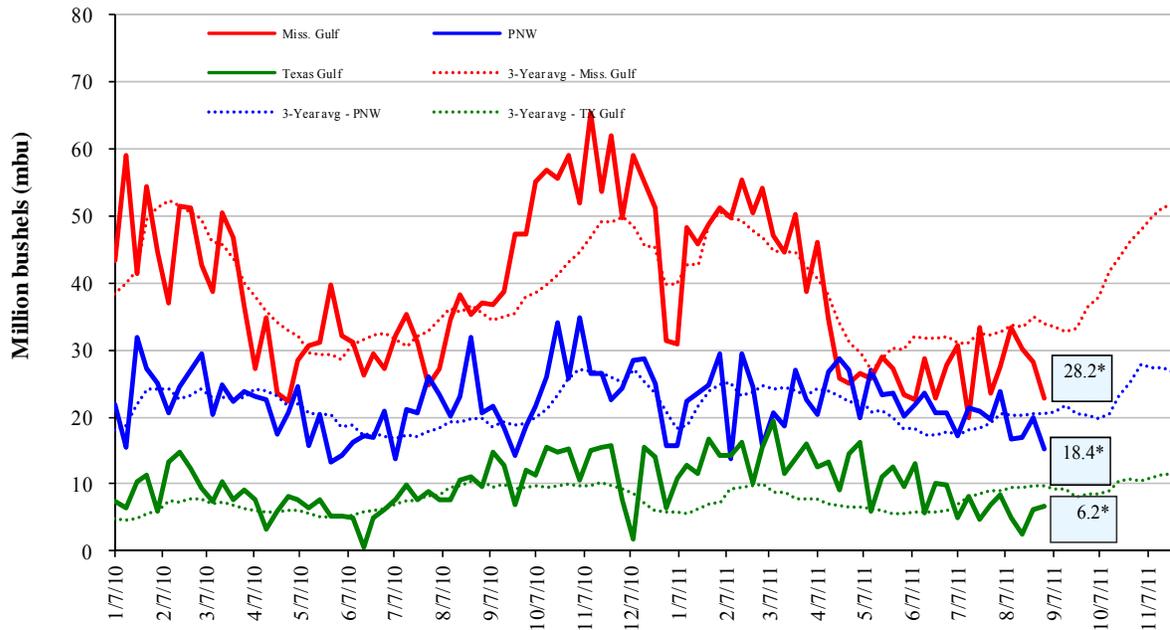


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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

Figure 15

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



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

September 1 % change from:	MSGulf	TX Gulf	U.S. Gulf	PNW
Last week	down 19	up 6	down 15	down 24
Last year (same week)	down 38	down 32	down 37	down 27
3-yr avg. (4-wk mov. avg.)	down 33	down 32	down 33	down 26

Ocean Transportation

Table 17

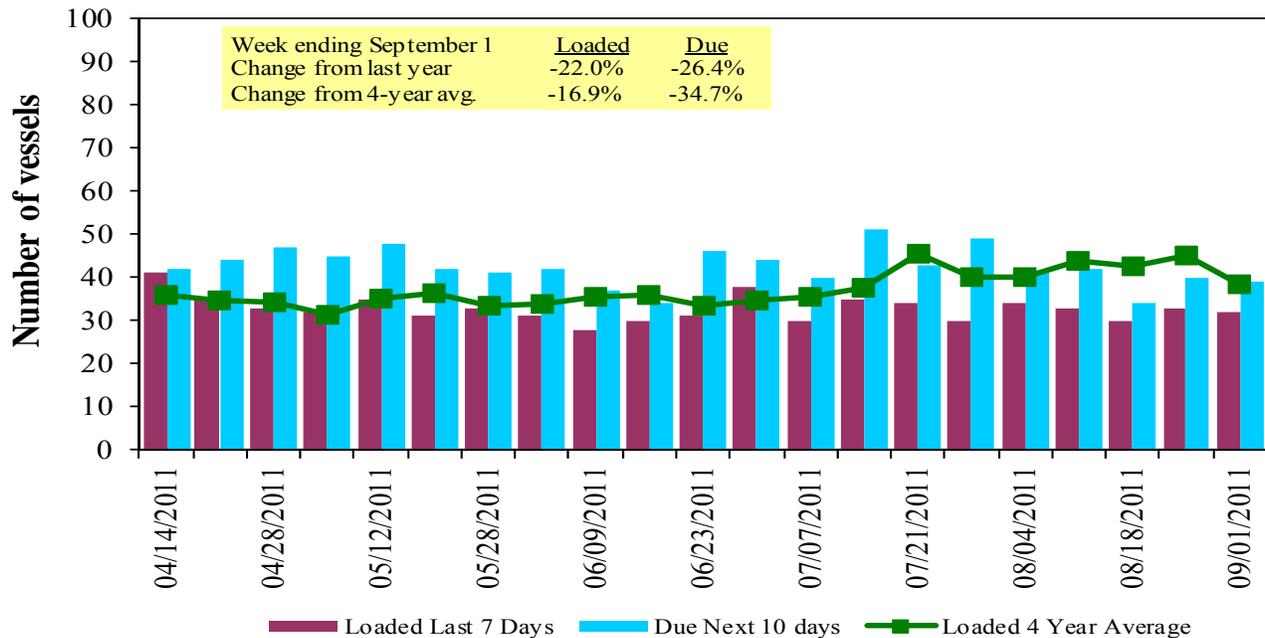
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In port	Loaded 7-days	Due next 10-days	In port	In port
9/1/2011	21	32	39	9	5
8/25/2011	14	33	40	5	7
2010 range	(15..69)	(30..57)	(33..84)	(4..24)	(2..20)
2010 avg.	41	42	58	12	11

Source: Transportation & Marketing Programs/AMS/USDA

Figure 16

U.S. Gulf¹ Vessel Loading Activity

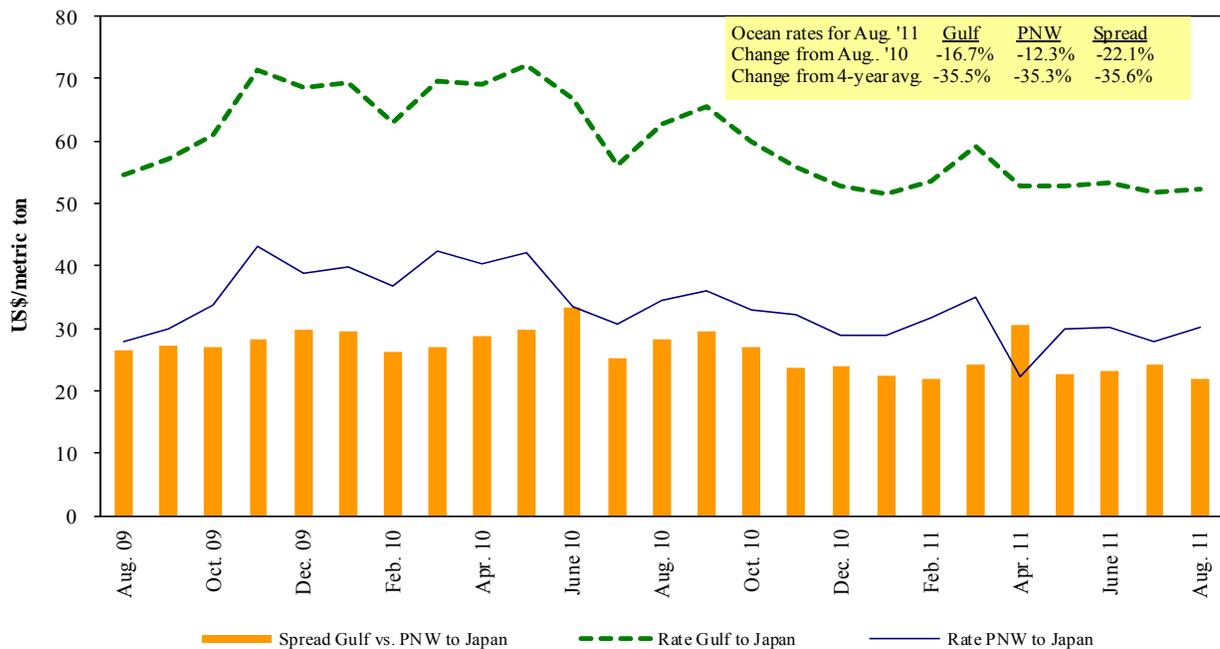


Source: Transportation & Marketing Programs/AMS/USDA

¹U.S. Gulf includes Mississippi, Texas, and East Gulf.

Figure 17

Grain Vessel Rates, U.S. to Japan



Source: O'Neil Commodity Consulting

Table 18

Ocean Freight Rates For Selected Shipments, Week Ending 09/03/2011

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	Israel	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

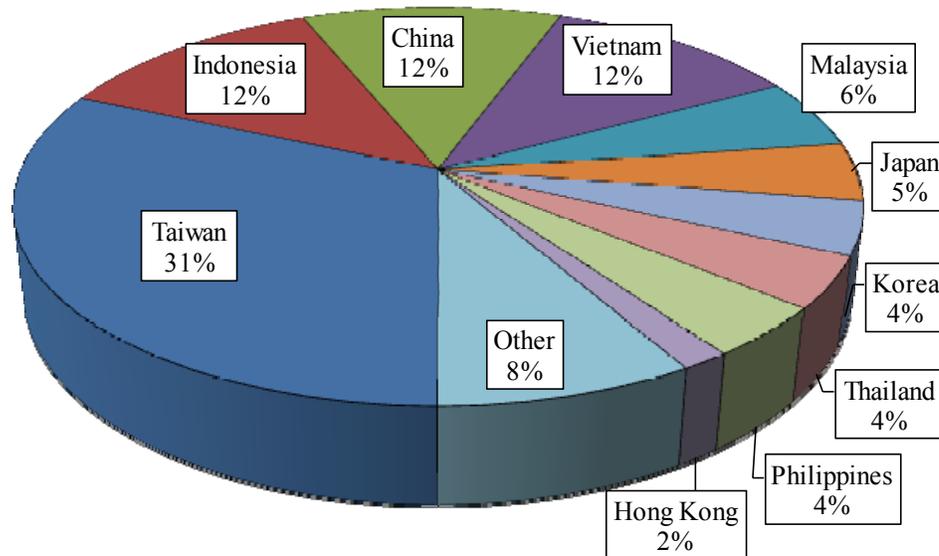
Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option

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

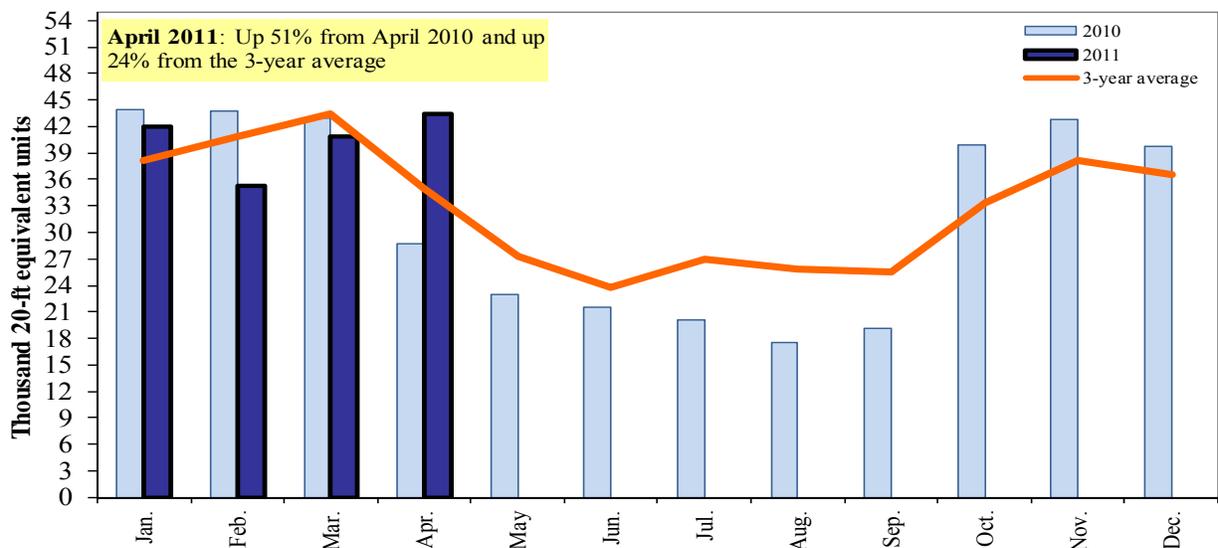


Source: USDA/Agricultural Marketing Service/Transportation Services Division analysis of Port Import Export Reporting Service (PIERS) data

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**.

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