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WEEKLY HIGHLIGHTS

USDA Projects Lower Grain Exports

In the September 12 World Agricultural Supply and Demand Estimates (WASDE) report, USDA projected wheat, corn, and soybean total exports in the coming crop year (2011/12) to be 4.09 billion bushels, 12 percent lower than the 2010/11 crop year. U.S. corn exports for 2011/12 are projected to be 1.650 billion bushels, 10 percent lower than last year. The national average corn yield is forecast to be 148.1 bushels per acre, 16.3 bushels below the 2009/2010 crop year and the lowest since 2005/06. Corn use for ethanol is expected to be 5.0 billion bushels, a drop from last month's projection of 5.1 billion bushels caused by higher corn prices and a weakening outlook for U.S. gasoline demand. Soybean exports are projected to be 1.415 billion bushels, 80 million bushels less than last year. Overall, WASDE production projections for the new crop of wheat, corn, and soybeans are 17.7 billion bushels, a 2 percent reduction from last year. This year's crops have been adversely impacted by widespread disruptive weather that included extensive flooding and late-season droughts. On Thursday morning (September 15), an early freeze covered portions of the upper Midwest, including North Dakota, Minnesota, eastern South Dakota, northern Iowa, and parts of Wisconsin. Early frosts and prolonged freezing temperatures could impact crop development; final assessments will be made before the peak harvest season.

Soybean Inspections Highest Since April

For the week ending September 8, total inspections of grain (corn, wheat, and soybeans) for export from all major U.S. export regions reached 1.02 million metric tons (mmt), down 21 percent from the previous week and 50 percent below last year at this time. Although grain inspections dropped to the lowest level since January 1, 2009 (.973 mmt), inspections of soybeans reached .255 mmt, the highest since April 14, 2011 (.349 mmt). Soybean shipments destined to China jumped 161 percent from last week, accounting for about 94 percent of total soybeans inspected for export. Corn (.336 mmt) and wheat (.426 mmt) inspections, however, were down 36 and 30 percent from the previous week. Outstanding balances (unshipped) for each of the major grains were below last year at this time (Table 12).

House Extends Transportation Spending Bill

On Tuesday, the House unanimously approved extending highway and aviation spending for the eighth time since the last six-year spending bill expired two years ago. The measure will extend surface transportation programs until March 31, 2012, with authority to spend nearly $23 billion from the Highway Trust Fund. None of the policy issues that have sharply divided Republicans and Democrats were included in the extension.

Snapshots by Sector

Rail

U.S. railroads originated 18,895 **carloads of grain** during the week ending September 3, up 5 percent from last week, down 21 percent from last year, and 19 percent lower than the 3-year average.

During the week ending September 8, average September **non-shuttle secondary railcar bids/offers** were trading at tariff, down $8.50 from last week and $600 lower than last year. Average shuttle rates were $325 below tariff, up $150 from last week, but $225 lower than last year.

Barge

During the week ending September 10, **barge grain movements** totaled 337,154 tons, 3 percent lower than the previous week and 32 percent lower than the same period last year.

During the week ending September 10, 217 grain barges **moved down river**, down 5 percent from last week; 420 grain barges were **unloaded in New Orleans**, up 23 percent from the previous week.

Ocean

During the week ending September 8, 28 **ocean-going grain vessels** were loaded in the Gulf, down 33 percent from last year. Forty-six vessels are expected to be loaded within the next 10 days, 18 percent less than the same period last year.

During the week ending September 9, the ocean freight rate for shipping bulk grain from the Gulf to Japan was $54.00 per metric ton (mt), unchanged from the previous week. The cost of shipping from the Pacific Northwest to Japan was $35 per mt—1 percent more than the previous week.

Fuel

During the week ending September 12, U.S. average **diesel fuel prices** decreased 1 cent to $3.86 per gallon—0.1 percent lower than the previous week, but 31 percent higher than the same week last year.

Corn and Soybean Transportation Costs Down in Gulf but Up in PNW

Transportation costs for shipping corn and soybeans to Japan through the U.S. Gulf port region during the second quarter of 2011 were down slightly compared to the first quarter. However, transportation costs for shipping grain through the Pacific Northwest (PNW) increased moderately from the past quarter. Year-to-year costs increased slightly for shipping from the Gulf but decreased for shipping from the PNW. Truck rates were unchanged from the past quarter, but were 31 percent above last year because of higher fuel surcharges. Rail rates for shipping corn and soybeans through the Pacific Northwest showed the largest modal increase quarter-to-quarter, and barge rates for Gulf shipping increased slightly. Ocean rates continued lower due to excess vessel supply, and flooding in Queensland, Australia (**GTR , 7/28/11**).

Table 1: Cost of Shipping Corn and Soybeans from Minneapolis to Japan through the U.S. Gulf

	Corn					Soybeans				
	$/metric ton			Percent change		$/metric ton			Percent Change	
	2ndQtr 10	1stQtr 11	2ndQtr 11	Yr. to Yr.	Qtr to Qtr	2ndQtr 10	1stQtr 11	2ndQtr 11	Yr. to Yr.	Qtr to Qtr
Truck	8.66	11.34	11.34	30.95	0.00	8.66	11.34	11.34	30.95	0.00
Barge	22.02	35.94	36.30	64.85	1.00	22.02	35.94	36.30	64.85	1.00
Ocean	69.36	54.79	52.97	-23.63	-3.32	69.36	54.79	52.97	-23.63	-3.32
Total Transportation Cost	100.04	102.07	100.61	0.57	-1.43	100.04	102.07	100.61	0.57	-1.43
Farm Value [1]	129.26	162.33	222.82	72.38	37.26	336.69	438.47	465.42	38.23	6.15
Total Landed Cost	229.30	264.40	323.43	41.05	22.33	436.73	540.54	566.03	29.61	4.72
Transportation % Landed Cost	43.63	38.60	31.11			22.91	18.88	17.77		

Table 2: Cost of Shipping Corn and Soybeans from Minneapolis to Japan through the U.S. PNW

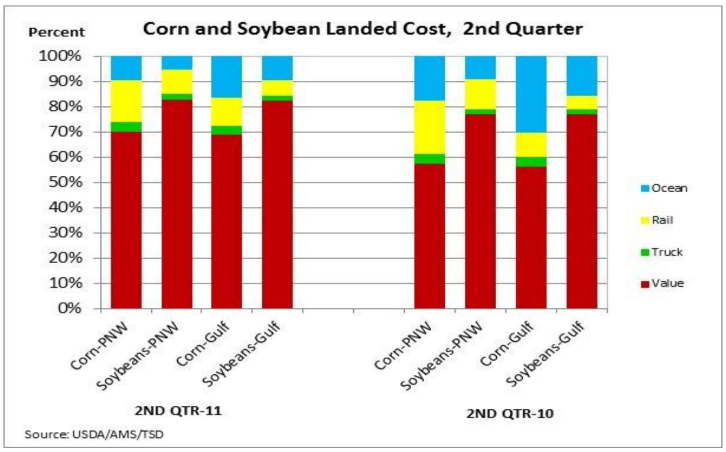
	Corn					Soybeans				
	$/metric ton			Percent change		$/metric ton			Percent Change	
	2ndQtr 10	1stQtr 11	2ndQtr 11	Yr. to Yr.	Qtr to Qtr	2ndQtr 10	1stQtr 11	2ndQtr 11	Yr. to Yr.	Qtr to Qtr
Truck	8.66	11.34	11.34	30.95	0.00	8.66	11.34	11.34	30.95	0.00
Rail [1]	46.71	48.33	52.85	13.14	9.35	49.19	49.82	54.34	10.47	9.07
Ocean	39.38	31.92	30.24	-23.21	-5.26	39.38	31.92	30.24	-23.21	-5.26
Total Transportation Cost	94.75	91.59	94.43	-0.34	3.10	97.23	93.08	95.92	-1.35	3.05
Farm Value [2]	129.26	162.33	222.82	72.38	37.26	336.69	438.47	465.42	38.23	6.15
Total Landed Cost	224.01	253.92	317.25	41.62	24.94	433.92	531.55	561.34	29.36	5.60
Transportation % Landed Cost	42.30	36.07	29.77			22.41	17.51	17.09		

Source: USDA/AMS/TMP

[1] Rail tariffs include fuel surcharges and revisions for heavy axle rail cars and shuttle trains

[2] Source: USDA/NASS, Agricultural Prices

U.S. Gulf Costs: Total second quarter transportation costs for shipping corn and soybeans from Minneapolis, MN, through the Gulf to Japan decreased over 1 percent quarter-to-quarter, but increased one half of a percent year-to-year (see table 1). Truck rates were unchanged from the first quarter but increased 31 percent year-to-year because of higher diesel prices (tables 1, 2). Second quarter barge rates for shipping grain to the Gulf increased only1 percent from the past quarter, but rates increased about 65 percent year-to-year. Barge rates were pushed up by floods on the Mississippi River during the second quarter (**GTR, 7/14/11**). The Coast Guard implemented restrictions that at certain times and locations required barge operators to use larger towboats, have fewer barges in a tow, and transit during daylight hours only. All these factors added costs for the barge market. Although rates have been elevated, they have been relatively stable.



Ocean rates continued to drop during the second quarter, falling over 3 percent quarter-to-quarter and 24 percent year-to-year.

Compared with the first quarter, the total landed cost for shipping from the U.S. Gulf to Japan increased 22 percent for corn and 5 percent for soybeans carried up by higher farm values. The cost was 41 and 30 percent above last year, and ranged from $323 to $566 per metric ton (mt). Corn and soybean farm values continued to increase, accounting for 69 and 82 percent of the landed cost for shipping from the Gulf (see figure). Transportation costs for shipping corn from the Gulf to Japan accounted for 31 percent of the total landed cost during the second quarter compared to 39 percent last year and 44 percent last year. The 18 percent share of the total landed costs for soybeans was slightly lower than the past quarter's share but notably below last year's (table 1).

Pacific Northwest Costs: Total transportation costs from Minneapolis, MN, to Japan via the PNW increased 3 percent for corn and soybeans quarter-to-quarter. The increase in costs was pushed up by a 9 percent jump in rail rates quarter-to-quarter. Increased rail rates were the result of higher fuel surcharges (*GTR figure 7*). From year to year, transportation costs for shipping corn and soybeans to the PNW dropped slightly because of a drop in ocean rates (table 2). Year-to-year rail rates for shipping grain to the PNW increased 13 percent for corn and 11 percent for soybeans, but could not offset the drop in total transportation costs.

The quarter-to-quarter decrease in rail rates, together with increased farm values, pushed PNW total landed costs up 25 percent for corn and 6 percent for soybeans , running from $317 to $561 per mt (see table 2). Transportation costs for corn shipped through the PNW accounted for about 30 percent of the total landed costs during the second quarter, below both the previous quarter and last year. Second quarter transportation costs for soybeans shipped through the PNW accounted for 17 percent of the total landed costs, also below the previous quarter and last year. Soybean farm values were the highest on record, accounting for 83 percent of the total landed costs in the PNW (see figure).

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Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators[1]

	Truck	Rail[2]	Barge	Ocean	
Week ending				Gulf	Pacific
09/14/11	259	245	264	242	248
09/07/11	260	270	256	242	245

[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	9/9/2011	9/2/2011
Corn	IL--Gulf	-0.70	-0.62
Corn	NE--Gulf	-0.86	-0.78
Soybean	IA--Gulf	-0.87	-0.93
HRW	KS--Gulf	-1.37	-1.38
HRS	ND--Portland	-2.44	-0.70

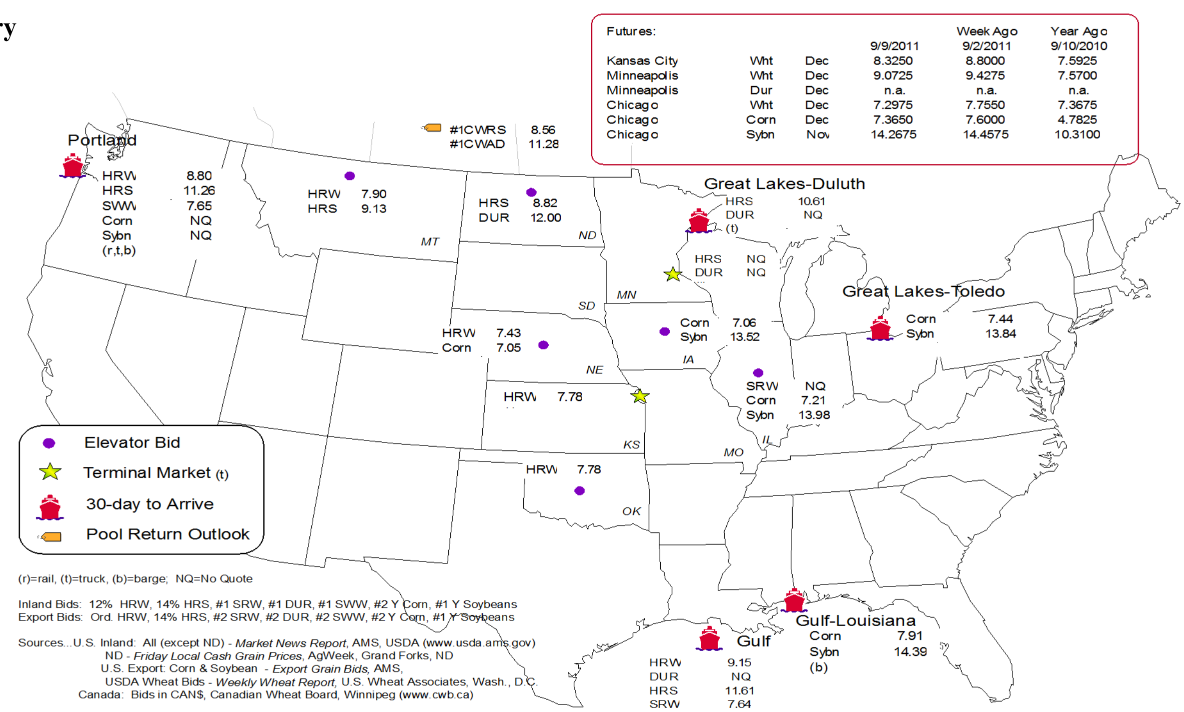
Note: nq = no quote

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
9/07/2011[p]	116	302	621	2,253	34	3,326
8/31/2011[r]	1	700	601	2,624	n/a	3,926
2011 YTD	22,079	63,894	32,685	128,778	16,916	264,352
2010YTD	11,492	50,039	31,493	118,961	18,839	230,824
2011 YTD as % of 2010 YTD	192	128	104	108	90	115
Last 4 weeks as % of 2010[2]	18	45	110	76	40	64
Last 4 weeks as % of 4-year avg.[2]	12	41	112	66	23	55
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.

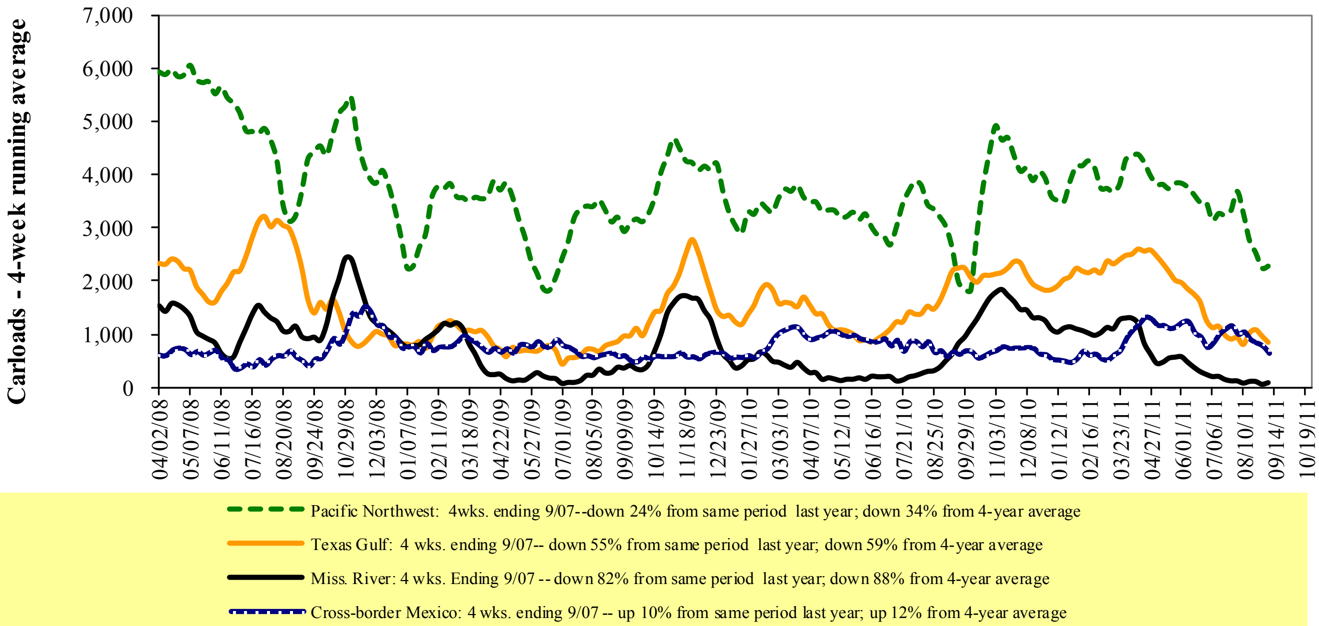
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

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)

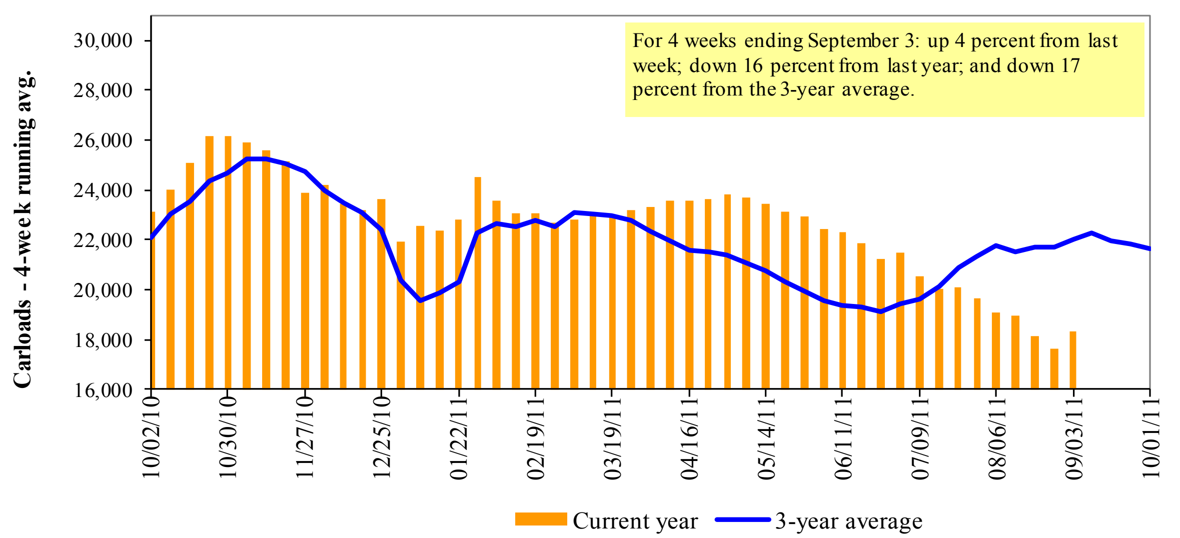
Week ending	East		West			U.S. total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
09/03/11	1,125	2,146	9,868	673	5,083	18,895	3,752	5,723
This week last year	1,399	2,776	13,284	487	6,052	23,998	3,665	6,453
2011 YTD	64,974	102,808	370,071	23,504	205,330	766,687	133,765	178,974
2010 YTD	73,245	104,015	355,833	24,374	186,993	744,460	135,073	184,077
2011 YTD as % of 2010 YTD	89	99	104	96	110	103	99	97
Last 4 weeks as % of 2010[1]	82	85	81	143	85	84	96	102
Last 4 weeks as % of 3-yr avg.[1]	72	78	82	120	85	83	93	115
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							
9/8/2011	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	50 . . 61	no offer	25 . . 41	no offer
UP[4]								
GCAS/Region 1	no bids	no offer	no bids	no offer	no bids	no offer	n/a	n/a
GCAS/Region 2	no bids	no offer	16	no offer	1	161	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.

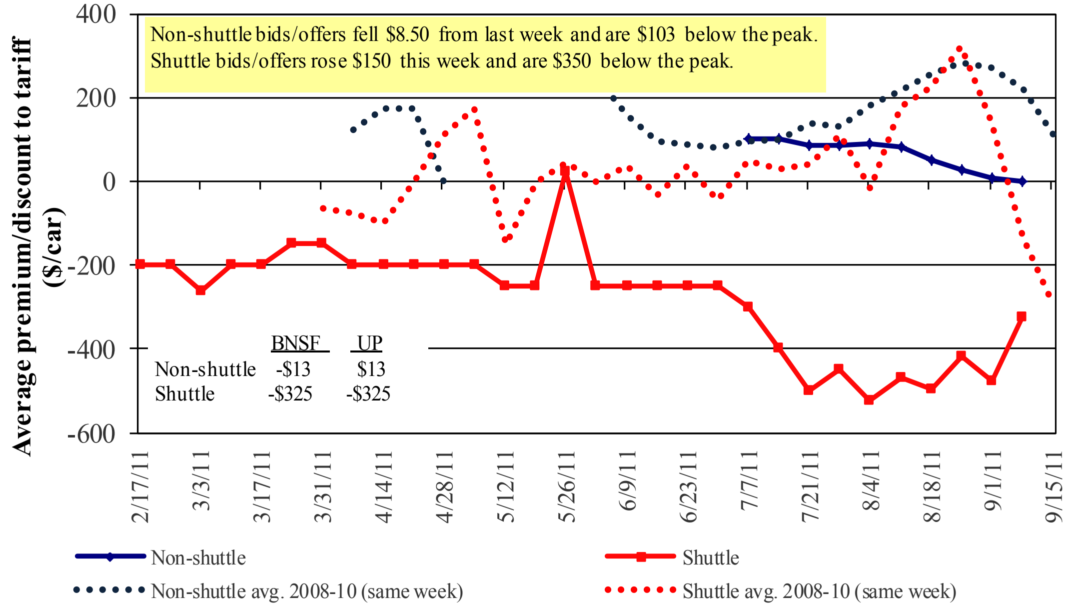
[5]Range is shown because average is not available. Not available = n/a.

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

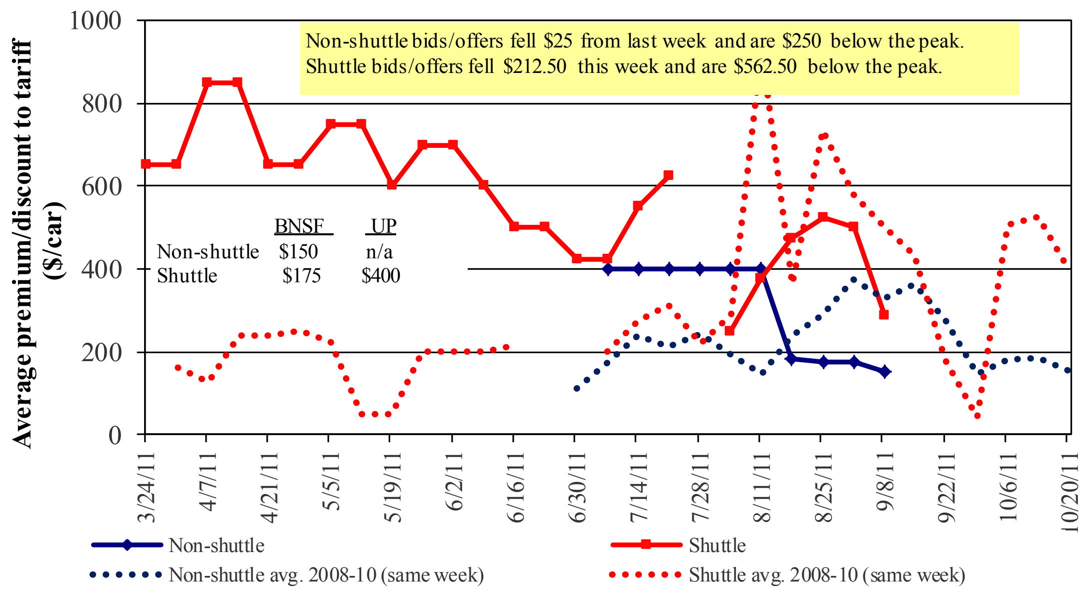


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

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

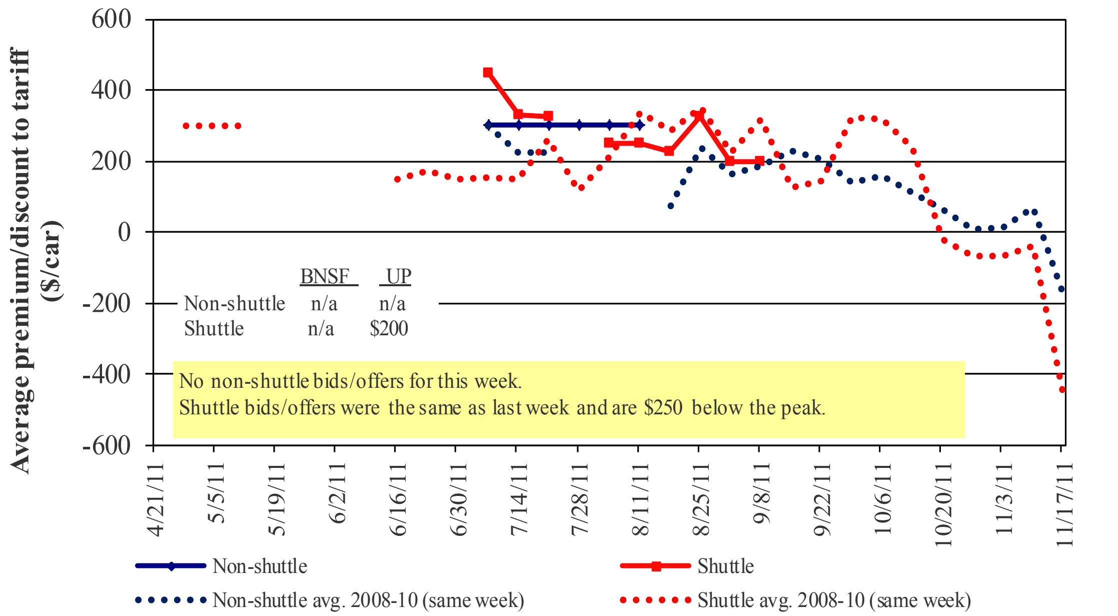


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

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					
9/8/2011	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12
Non-shuttle						
BNSF-GF	(13)	150	n/a	n/a	n/a	n/a
Change from last week	(17)	(25)	n/a	n/a	n/a	n/a
Change from same week 2010	(613)	(725)	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	-	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
Shuttle[2]						
BNSF-GF	(325)	175	n/a	n/a	n/a	n/a
Change from last week	125	n/a	n/a	n/a	n/a	n/a
Change from same week 2010	(300)	(1,025)	n/a	n/a	n/a	n/a
UP-Pool	(325)	400	200	(150)	n/a	n/a
Change from last week	175	(100)	-	-	n/a	n/a
Change from same week 2010	(150)	(325)	(150)	(150)	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: 9/6/2011	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	$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
	Northwest KS	Portland, OR	$4,727	$592	$52.82	$1.44	11
Corn	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

[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: 9/5/2011				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	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

[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

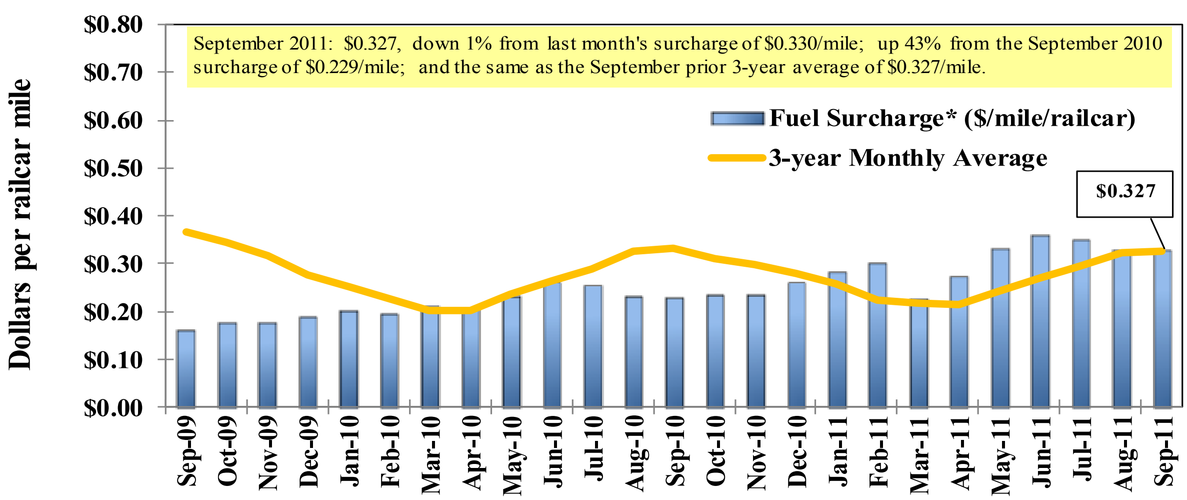
[4]Percentage change year over year calculated using tariff rate plus fuel surchage

[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.

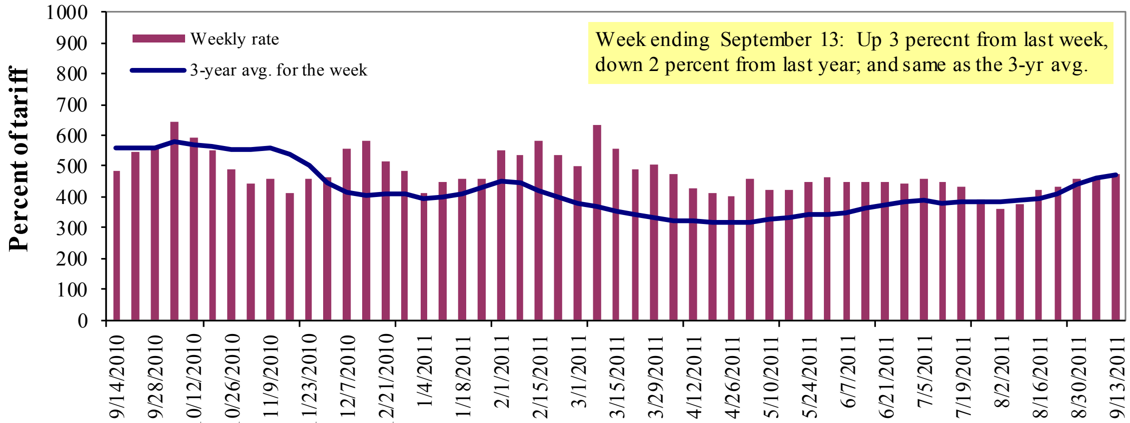
** BNSF strike price (diesel price when fuel surcharges begin) changed from $1.25/gal. to $2.50/gal starting March 1, 2011. As a result, the weighted average fuel surcharge for March 2011 was $0.227/mile instead of $0.331/mile.

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]	9/13/2011	485	478	475	400	478	478	395
	9/6/2011	475	460	460	410	485	485	388
$/ton	9/13/2011	30.02	25.43	22.04	15.96	22.42	19.31	12.40
	9/6/2011	29.40	24.47	21.34	16.36	22.75	19.59	12.18
Current week % change from the same week:								
	Last year	0	-1	-2	-16	-13	-13	-15
	3-year avg. [2]	3	2	0	-13	-6	-6	-12
Rate[1]	October	485	478	475	400	478	478	395
	December	--	--	453	385	444	444	350

[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

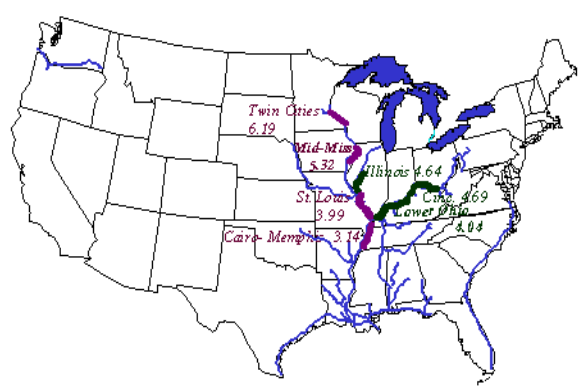
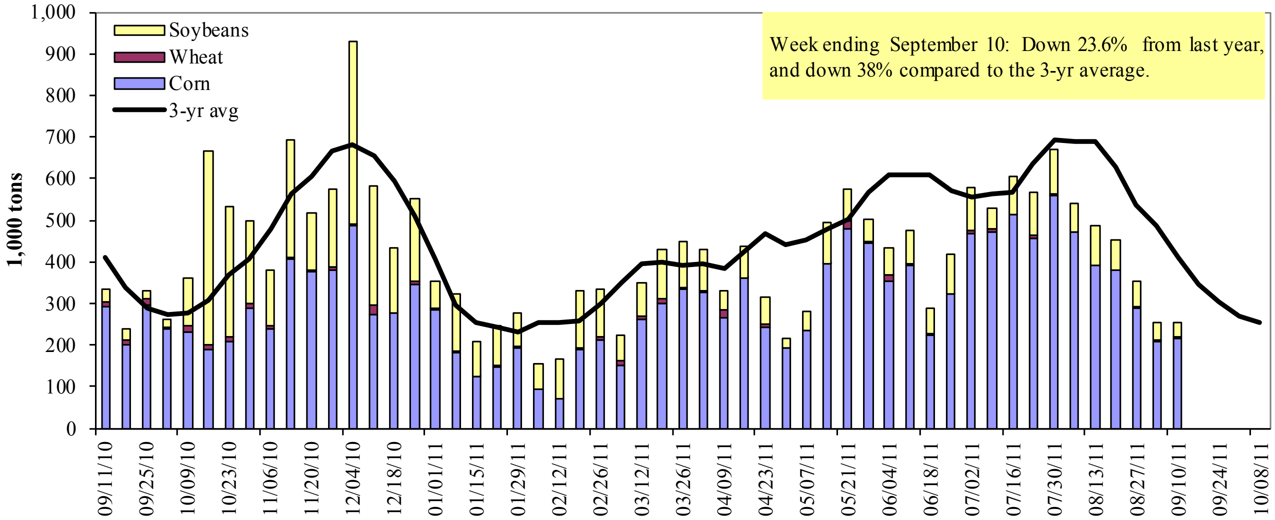


Figure 10

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 9/10/2011	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	79	0	21	0	100
Winfield, MO (L25)	201	0	40	5	246
Alton, IL (L26)	237	0	41	8	286
Granite City, IL (L27)	216	2	38	8	264
Illinois River (L8)	22	0	6	3	31
Ohio River (L52)	21	17	15	0	53
Arkansas River (L1)	16	3	0	1	21
Weekly total - 2011	253	21	54	9	337
Weekly total - 2010	389	38	50	19	495
2011 YTD[1]	13,450	1,151	4,824	286	19,711
2010 YTD	16,834	931	5,232	323	23,319
2011 as % of 2010 YTD	80	124	92	88	85
Last 4 weeks as % of 2010[2]	89	99	102	108	93
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.

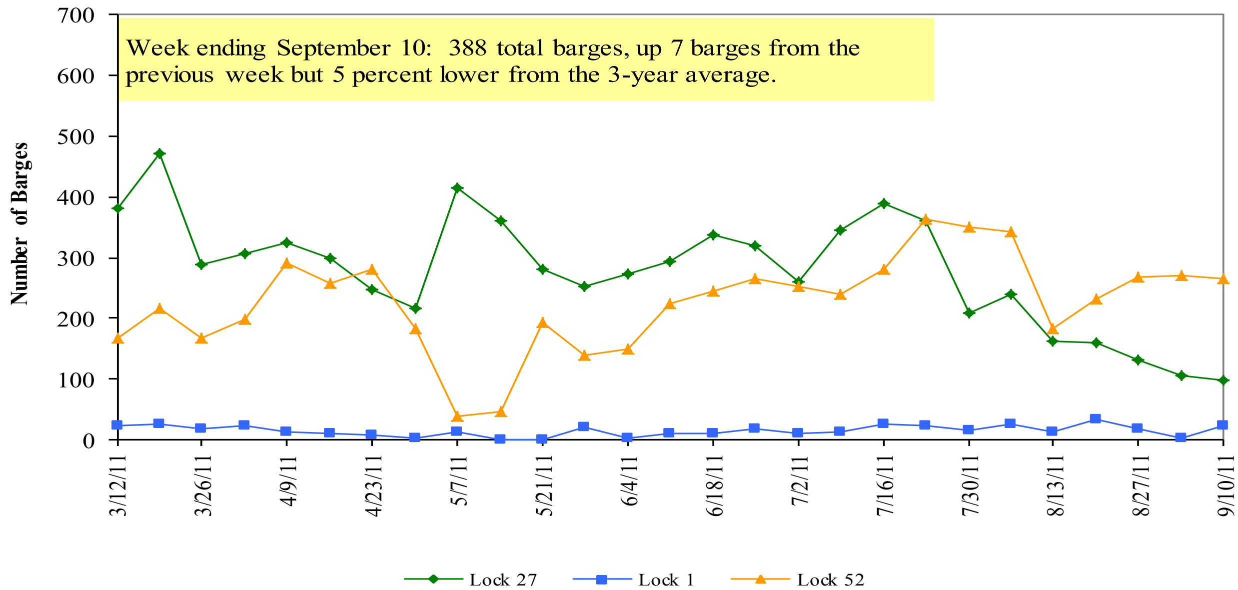
[2] As a percent of same period in 2010.

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

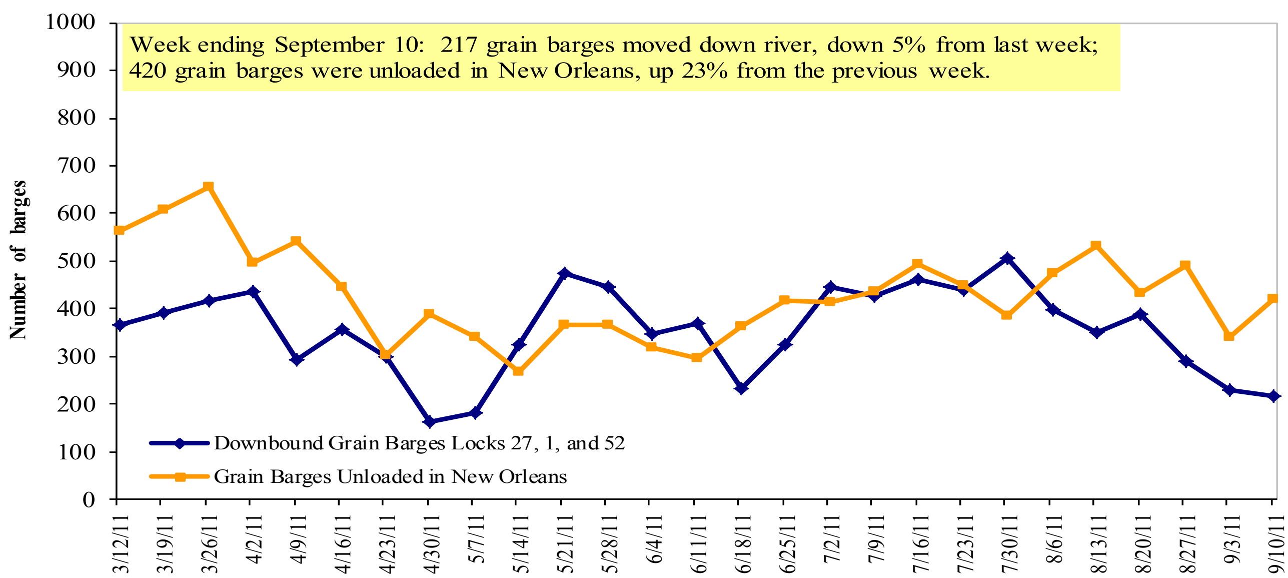
Upbound Empty Barges Transiting Mississippi River Locks 27, Arkansas River Lock and Dam 1, and Ohio River Locks and Dam 52



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 9/12/2011 (US $/gallon)

Region	Location	Price	Change from Week ago	Change from Year ago
I	East Coast	3.879	-0.007	0.947
	New England	3.985	-0.009	0.998
	Central Atlantic	3.985	-0.002	0.966
	Lower Atlantic	3.825	-0.008	0.935
II	Midwest[2]	3.841	-0.011	0.921
III	Gulf Coast[3]	3.790	-0.010	0.903
IV	Rocky Mountain	3.903	0.013	0.872
V	West Coast	3.984	0.003	0.883
	California	4.067	0.009	0.925
Total	U.S.	3.862	-0.006	0.919

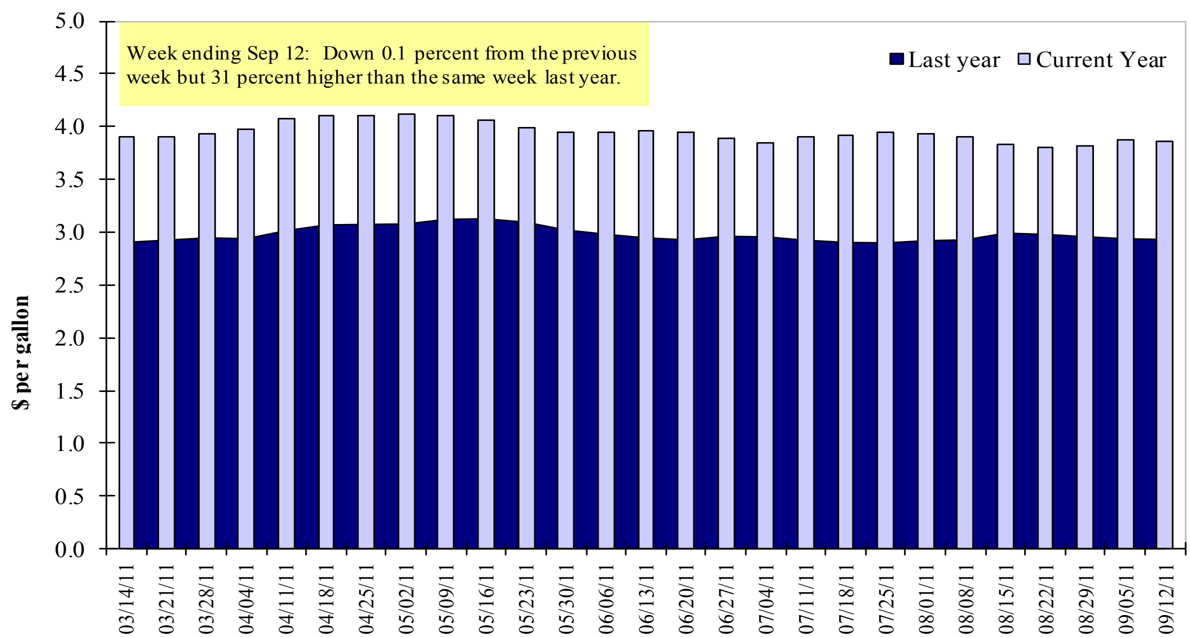
[1]Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

[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]									
9/1/2011	1,743	671	1,454	1,023	81	4,972	13,171	14,284	32,427
This week year ago	3,899	599	2,230	1,341	358	8,426	15,103	17,705	41,234
Cumulative exports-marketing year [2]									
2010/11 YTD	3,306	1,111	1,883	1,255	188	7,743	136	42	7,921
2009/10 YTD	3,152	541	1,608	1,121	190	6,611	286	81	6,978
YTD 2010/11 as % of 2009/10	105	205	117	112	99	117	48	52	114
Last 4 wks as % of same period 2009/10	45	122	70	76	42	62	44	32	42
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 is now in effect for corn and soybeans

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 09/01/11	**Total Commitments[2]**		**% change**	**Exports[3]**
	2011/12	**2010/11**	**current MY**	
	Current MY	**Last MY**	**from last MY**	**2010/11**
	- 1,000 mt -			- 1,000 mt -
Japan	2,373	4,496	(47)	14,279
Mexico	2,479	2,313	7	7,019
Korea	6,174	7,832	(21)	6,104
Egypt	3,309	3,160	5	3,302
Taiwan	2,817	3,305	(15)	2,393
Top 5 importers	**17,152**	**21,107**	**(19)**	**33,096**
Total US corn export sales	**13,307**	**15,388**	**(14)**	**46,610**
% of Projected	32%	33%		
Change from Last Week	3,616	4,772		
Top 5 importers' share of U.S. corn export sales	129%	137%		
USDA forecast, September 2011	**41,910**	**46,610**	**(10)**	
Corn Use for Ethanol USDA forecast, Ethanol September 2011	**127,000**	**116,612**	**9**	

(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 09/01/2011	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 -
China	10,280	10,200	1	24,445
Mexico	408	732	(44)	3,215
Japan	510	628	(19)	1,887
EU-25	120	65	84	2,607
Indonesia	404	286	41	1,397
Top 5 importers	**11,721**	**11,911**	**(2)**	**33,551**
Total US soybean export sales	**14,326**	**17,787**	**(19)**	**40,690**
% of Projected	37%	44%		
Change from last week	2,727	2,471		
Top 5 importers' share of U.S. soybean export sales	82%	67%		
USDA forecast, September 2011	**38,510**	**40,690**	**(5)**	
Soybean Use for Biodiesel USDA forecast, September 2011	**8,632**	**5,755**	**50**	

(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 09/01/2011	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	1,384	1,507	(8)	3,233
Japan	1,731	1,545	12	3,148
Mexico	1,556	1,343	16	2,601
Philippines	1,136	1,166	(3)	1,518
Korea	498	874	(43)	1,111
Peru	470	447	5	923
Taiwan	307	342	(10)	913
Colombia	284	359	(21)	783
Indonesia	374	267	40	781
Yemen	220	217		659
Top 10 importers	**7,960**	**8,066**	**(1)**	**15,670**
Total US wheat export sales	**12,715**	**15,037**	**(15)**	**33,439**
% of Projected	46%	43%		
Change from last week	512	953		
Top 10 importers' share of U.S. wheat export sales	63%	54%		
USDA forecast, September 2011	**27,896**	**35,080**	**(20)**	

(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 09/08/11	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	209	330	63	10,135	7,339	138	103	104	11,062
Corn	82	72	115	6,855	7,785	88	42	52	9,950
Soybeans	136	59	231	3,787	4,983	76	118	152	10,191
Total	**427**	**460**	**93**	**20,778**	**20,108**	**103**	**74**	**85**	**31,203**
Mississippi Gulf									
Wheat	88	56	157	3,897	2,663	146	125	108	4,199
Corn	254	439	58	18,121	20,237	90	67	71	29,794
Soybeans	118	95	125	10,660	10,446	102	50	64	22,519
Total	**460**	**591**	**78**	**32,678**	**33,347**	**98**	**68**	**74**	**56,512**
Texas Gulf									
Wheat	90	179	50	8,837	5,633	157	57	61	9,339
Corn	0	0	n/a	810	1,259	64	0	0	1,859
Soybeans	0	0	n/a	763	667	114	0	0	1,916
Total	**90**	**179**	**50**	**10,410**	**7,559**	**138**	**48**	**51**	**13,115**
Great Lakes									
Wheat	26	47	56	770	748	103	29	39	1,897
Corn	0	15	0	124	53	235	0	93	119
Soybeans	0	0	n/a	22	0	n/a	0	n/a	655
Total	**26**	**62**	43	**916**	**800**	**114**	**37**	**45**	**2,672**
Atlantic									
Wheat	13	0	n/a	654	195	336	3,737	84	343
Corn	0	0	n/a	194	276	70	21	32	469
Soybeans	0	1	35	476	715	67	60	38	1,417
Total	**14**	**1**	**1,060**	**1,325**	**1,186**	**112**	**119**	**63**	**2,229**
U.S. total from ports[2]									
Wheat	426	612	70	24,295	16,578	147	81	84	26,839
Corn	336	526	64	26,105	29,611	88	57	62	42,192
Soybeans	255	155	164	15,709	16,812	93	64	82	36,699
Total	**1,017**	**1,293**	**79**	**66,108**	**63,000**	**105**	**66**	**73**	**105,730**

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

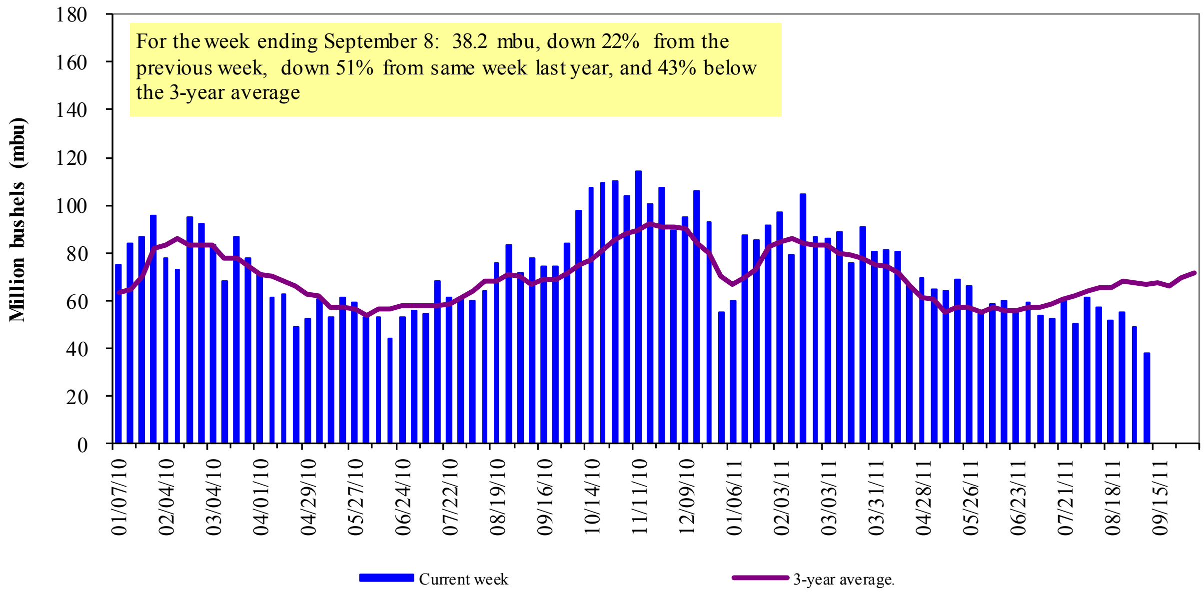
[2] Total includes only port regions shown above

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)

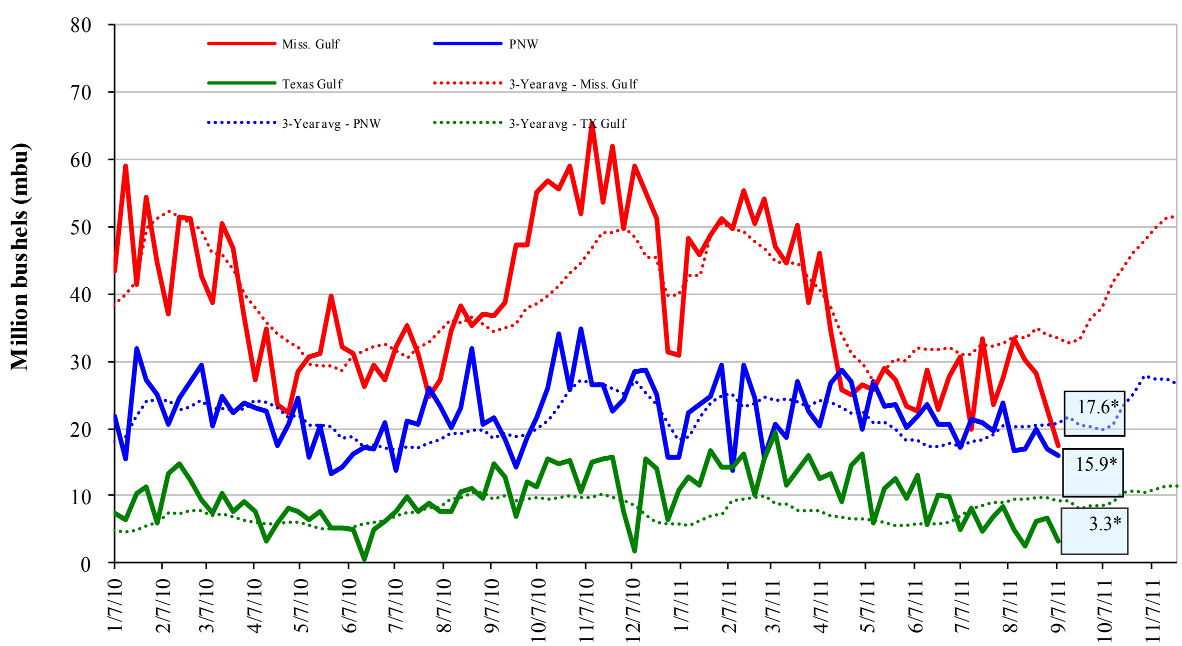


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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.

September 8 % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	down 23	down 50	down 29	down 7
Last year (same week)	down 52	down 78	down 60	down 26
3-yr avg. (4-wk mov. avg.)	down 47	down 64	down 51	down 22

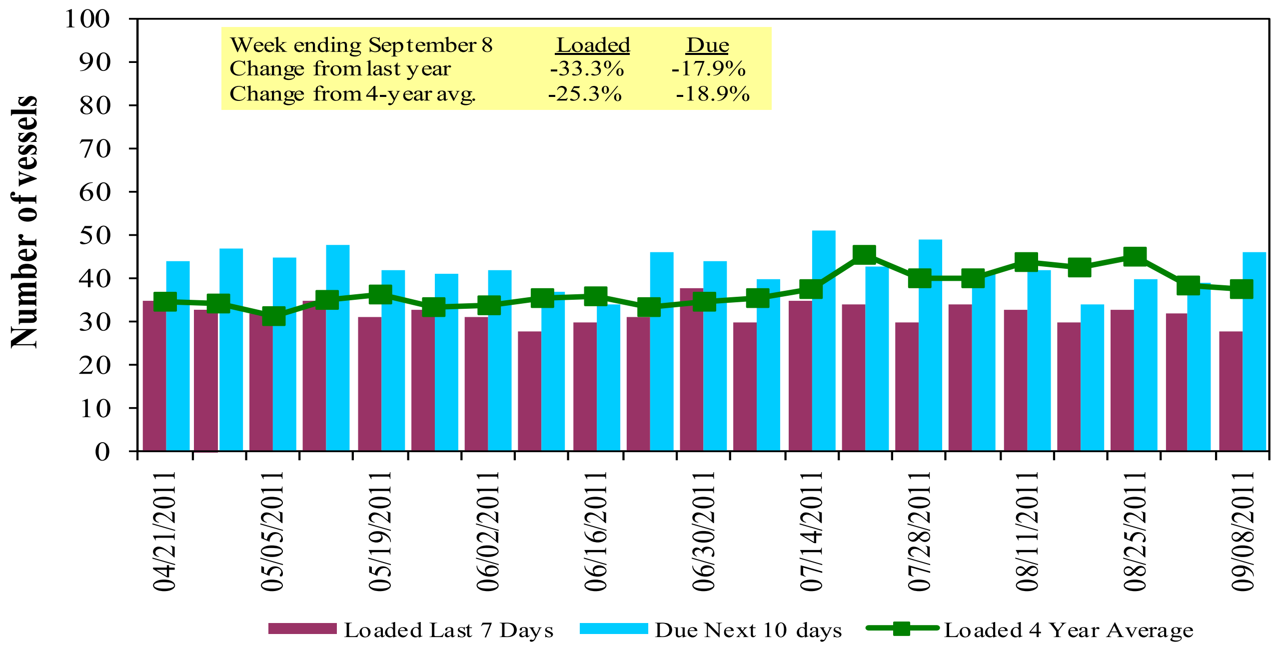
Ocean Transportation

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
9/8/2011	22	28	46	13	7
9/1/2011	21	32	39	9	5
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

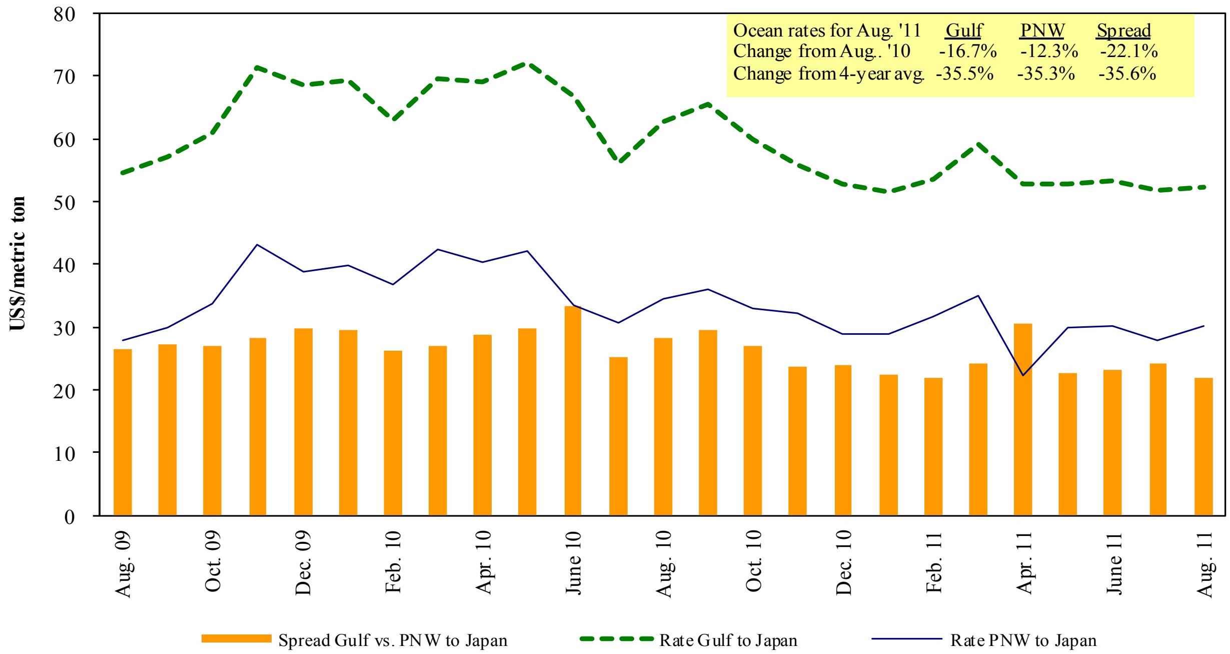
Figure 16
U.S. Gulf[1] Vessel Loading Activity



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 09/10/2011

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	Turkey	Heavy Grain	May 20/30	50,000	32.00
France	Algeria	Wheat	Sep 25/30	25,000	24.50
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

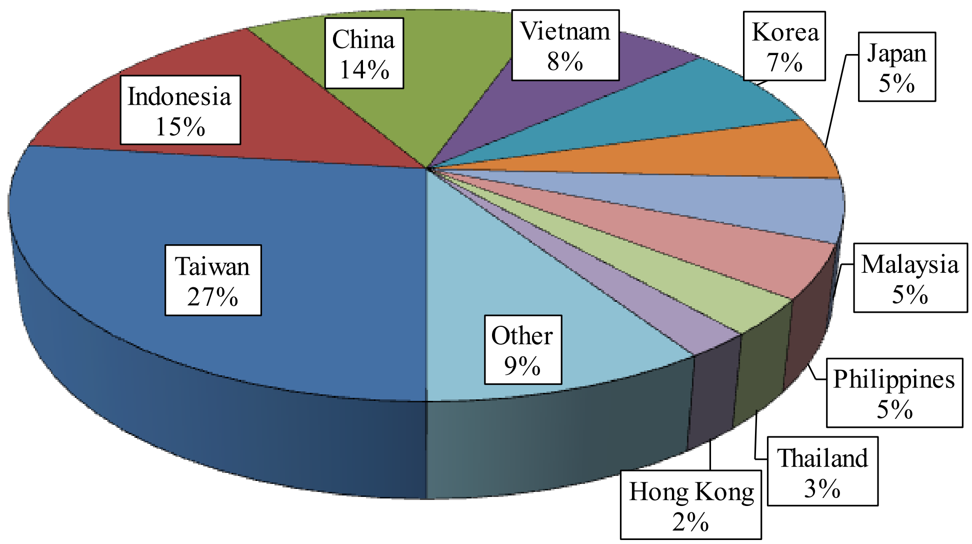
Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option

[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, May 2011

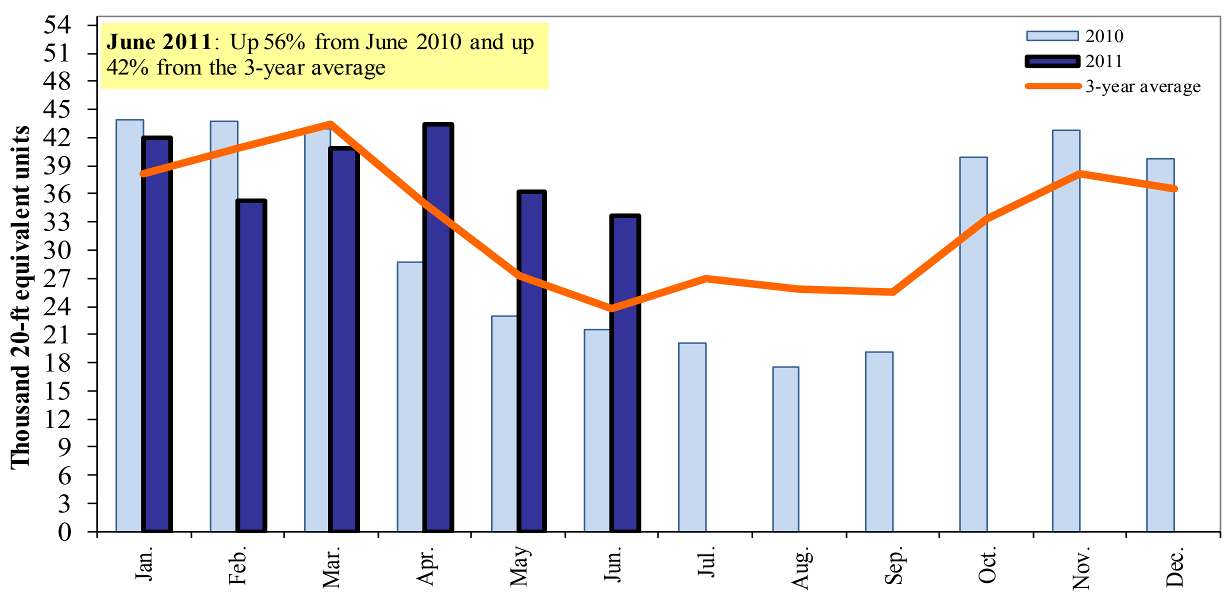


Source: USDA/Agricultural Marketing Service/Transportation Services Division analysis of Port Import Export Reporting Service (PIERS) data

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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