Grain Transportation Report

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

Contact Us

June 19, 2008

Contents

The next release is June 26, '08

WEEKLY HIGHLIGHTS

Upper Mississippi River Locks Closed to Navigation

Due to severe flood conditions, a 241-mile stretch of the Mississippi River is closed to navigation. Locks 15 through 25 are closed. If drier weather persists, the locks are expected to re-open in 2 to 3 weeks. When the river re-opens there will probably be a strong demand for barge service, and a significant increase in barge rates. **Mississippi Gulf** grain export **inspections**, as of the week ending June 12, have not been affected, and increased by 42 percent from the previous week.

Repairs Nearly Complete on Flooded Northern Iowa Rail Lines; Other Lines Farther South Flood

Repairs on many of the flooded rail lines near completion in northern Iowa, including the Union Pacific (UP) mainline through Cedar Rapids, IA. Repairs to washed-out short line railroad bridges located in Waterloo and Cedar Rapids are expected to require 6 months or longer. Last Friday, UP embargoed east-west mainline traffic (except coal) through Cedar Rapids, but permits were offered for 500 carloads on Wednesday. Rail lines in southern Iowa, Illinois, Missouri, and Tennessee are now closed due to new flooding in these areas as the river crests further south. BNSF reports the east-west line through Quincy, IL, and main lines at several locations south of Burlington, IA, on the Mississippi River are closed.

Spread Narrows as Ocean Shipping Rates Fall

As of June 13, the spread between grain ocean shipping rates to Japan from the U.S. Gulf and the Pacific Northwest (PNW) fell 22 percent from a week earlier, to $43 per metric ton. The cost of shipping grain from the Gulf to Japan was $121 per mt, down 10 percent from the previous week. The rate from the PNW to Japan was $78 per mt, down 2 percent from the previous week. The rates fell as the rapid increase in Chinese demand for steel, iron ore, and coal has slowed down. In addition, a recent announcement by the Chinese government that it would be releasing some of its iron ore stocks into domestic markets may have contributed to the temporary slowdown in freight demand.

EPA Proposes Vessel Discharge Permits

The U.S. Environmental Protection Agency is proposing two general permits under the Clean Water Act that will cover discharges incidental to normal operation of commercial and recreational vessels. Based on agency estimates, as many as 91,000 commercial vessels and about 13 million recreational boats could be affected. As a result of a court ruling, which is currently under appeal, vessel owners or operators whose discharges have been exempt from Clean Water Act requirements for the last 35 years will require a permit as of September 30. EPA is inviting comments and attendance at public meetings for a period of 45 days. Further information is available at http://www.epa.gov/npdes/vessels.

Snapshots by Sector

Rail

U.S. railroads originated 21,475 **carloads of grain** during the week ending June 7, down 5.3 percent from the previous week, up 3 percent from the same week last year, and less than 1 percent higher than the 3-year average.

Ocean

During the week ending June 12, 40 ocean-going **grain vessels** were loaded in the Gulf, up 21 percent from last year. Within the next 10 days, 63 **vessels** are due which is up 29 percent from last year.

Barge

During the week ending June 14, **barge grain movements** totaled 496,000 tons, down 22 percent from the previous week and down 44 percent from the same period last year.

Fuel

During the week ending June 16, U.S. average **diesel fuel prices** were $4.69 per gallon—unchanged from the previous week and 67 percent higher than the same week last year.

Exports Sales

On June 19, USDA reported export sales of 2.24 mmt of **soybeans** to China for delivery in the 2008/09 marketing year and a cancellation of export sales of 463,500 metric tons of soybeans for delivery this marketing year. Total soybean export sales to China for 2008/09 are now 3.0 mmt, about the same as last year at this time.

Feature Article/Calendar

Grain Exports to Mexico Increase Amid Fluctuating Shipment Costs and Rising Farm Prices. More feed grains were shipped to Mexico during the 1st quarter than during the same period a year earlier. Farm prices increased for the major grain commodities (corn, wheat, and soybeans). Transportation costs varied with mode and route. About 2.7 million metric tons (mmt) of feed grains were shipped to Mexico during the 1st quarter, 23 percent more than the same period last year (U.S. Department of Commerce/USDA FAS, Foreign Trade Data). Corn shipments to Mexico increased 49 percent to 2.5 mmt, wheat, at 0.73 mmt, increased 22 percent, and soybeans, at .97 mmt, increased just over 6 percent. Increased grain imports by Mexico are fueled by a strong demand from its livestock sector and full implementation of the North American Free Trade Agreement, which eliminated corn tariffs in January 2008 (**USDA, GAIN Report MX8017**). However, transportation cost varies among commodities and routes of shipment. Although total transportation cost declined for waterborne corn and soybeans, it increased for waterborne wheat. The opposite was true for commodities transported over land where the transportation cost for wheat decreased while soybeans and corn increased.

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

	Water route $/metric ton					Land route $/metric ton				
	2007 1st qtr.	2007 4th qtr.	2008 1st qtr.	Percent change Yr. to Yr.	Percent change Qtr. to Qtr.	2007 1st qtr.	2007 4th qtr.	2008 1st qtr.	Percent change Yr. to Yr.	Percent change Qtr. to Qtr.
					Corn					
Origin			IL					IA/NE		
Truck	10.23	10.26	12.11	18.4	18.0	4.83	4.86	4.97	2.9	2.3
Rail [1]	31.64	33.88	33.88	7.1	0.0	66.30	70.57	71.38	7.7	1.1
Ocean [2]	14.31	30.03	22.84	59.6	-23.9					
Barge	15.87	23.63	22.56	42.2	-4.5					
Total transportation cost	72.05	97.80	91.39	26.8	-6.6	71.13	75.43	76.35	7.3	1.2
Farm Value	130.83	138.71	172.56	31.9	24.4	127.42	136.61	170.86	34.1	25.1
Landed Cost	202.88	236.51	263.95	30.1	11.6	198.55	212.04	247.21	24.5	16.6
Transport % of landed cost	36	41	35			36	36	31		
					Soybeans					
Origin			IL					MN/NE		
Truck	10.23	10.26	12.11	18.4	18.0	4.83	4.86	4.97	2.9	2.3
Rail [1]	31.64	33.88	33.88	7.1	0.0	63.60	68.71	69.48	9.2	1.1
Ocean [2]	14.31	30.03	22.84	59.6	-23.9					
Barge	15.87	23.63	22.56	42.2	-4.5					
Total transportation cost	72.05	97.80	91.39	26.8	-6.6	68.43	73.57	74.45	8.8	1.2
Farm Value	253.78	354.58	415.20	63.6	17.1	239.88	331.06	403.38	68.2	21.8
Landed Cost	325.83	452.38	506.59	55.5	12.0	308.31	404.63	477.83	55.0	18.1
Transport % of landed cost	22	22	18			22	18	16		
					Wheat					
Origin			KS					OK		
Truck	29.73	22.11	41.79	40.6	89.0	4.88	4.69	3.77	-22.7	-19.6
Rail [1]	31.64	33.88	33.88	7.1	0.0	48.50	59.56	59.59	22.9	0.1
Ocean [2]	14.31	30.03	22.84	59.6	-23.9					
Barge	10.67	16.15	15.41	44.4	-4.6					
Total transportation cost	86.35	102.17	113.92	31.9	11.5	53.38	64.25	63.36	18.7	-1.4
Farm Value	175.14	291.38	340.74	94.6	16.9	174.53	294.44	354.82	103.3	20.5
Landed Cost	261.49	393.55	454.66	73.9	15.5	227.91	358.69	418.18	83.5	16.6
Transport % of landed cost	33	26	25			23	18	15		

[1] Rail rates include U.S. and Mexico portions of the movement. Mexico rail rates are revised based on actual quoted market rates. BNSF and Union Pacific quoted rail tariff rates are through rates for shuttle trains.

[2] Estimates based on the data obtained from the Baltic Exchange

The cost of transporting corn and soybeans from Illinois to Mexico by water declined 7 percent, respectively, due to a significant drop in ocean shipping rates—down 24 percent from the previous quarter. However, the decline was not enough to offset an 89-percent increase in trucking rates for Kansas wheat transported over longer distances by truck. The combination of these factors resulted in the total transportation cost increasing by 12 percent. High demand for trucking activity in that region is partly responsible for the increased trucking rates. Transportation costs over land were pushed up by increases in both truck and rail rates. However, transportation for Oklahoma wheat transported over land decreased partly due to a lower demand for trucking activity in the region, which decreased trucking rates.

With the exception of Kansas wheat, transportation costs changed only moderately. In addition, farmers received robust prices during the quarter. Farm values for all the commodities increased during the 1st quarter. Increases ranged from 17 to 24 percent for grain transported by water and 21 to 25 percent for grain transported over land. Due to the high farm prices, the total value of feed grains exported to Mexico during the 1st quarter increased by about 43 percent to $592.6 million (U.S. Department of Commerce/USDA FAS, Foreign Trade Data) over the same period a year ago. Surajudeen.Olowolayemo@usda.gov

Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators[1]

	Truck	Rail[2]	Barge	Ocean	
Week ending				Gulf	Pacific
06/18/08	315	178	358	541	553
06/11/08	315	156	293	604	567

[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.

Table 2

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

Commodity	Origin--Destination	6/13/2008	6/6/2008
Corn	IL--Gulf	-0.82	-0.67
Corn	NE--Gulf	-0.83	-0.70
Soybean	IA--Gulf	-1.31	-4.60
HRW	KS--Gulf	-1.65	-1.70
HRS	ND--Portland	-3.52	-3.29

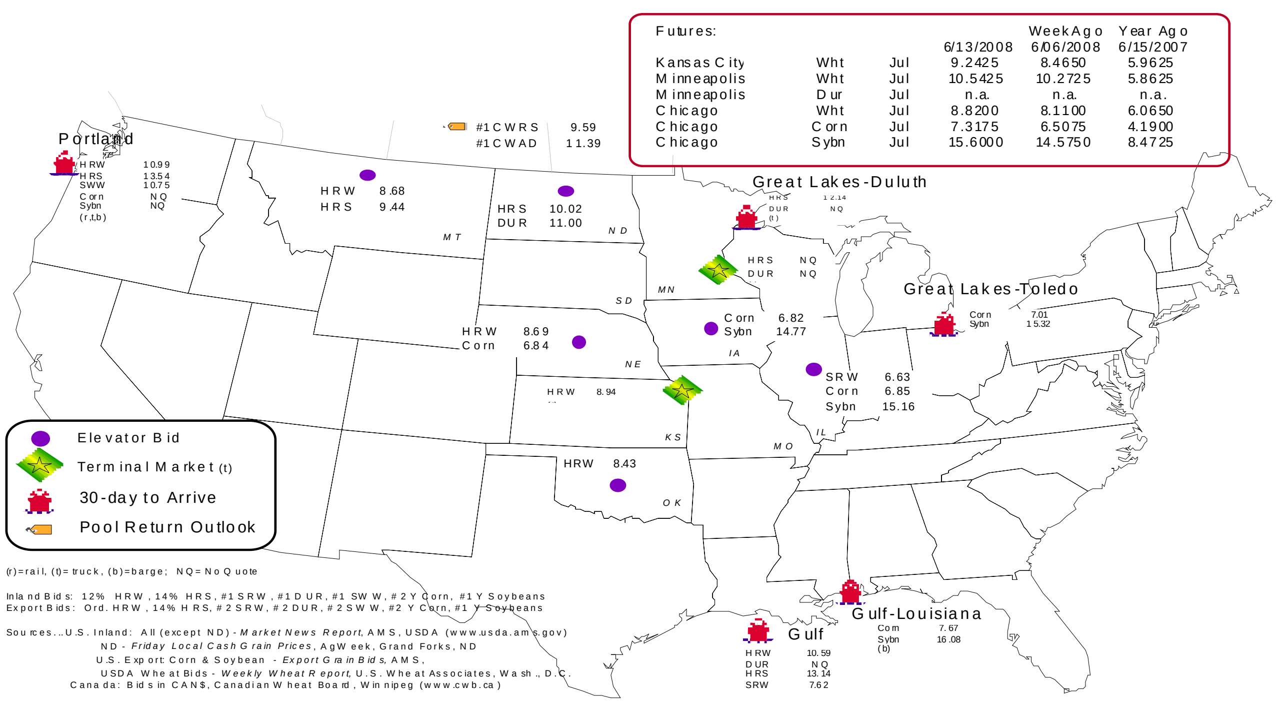
Note: nq = no quote

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[2]	Texas Gulf	Cross-Border Mexico	Pacific Northwest	Atlantic & East Gulf	Total
6/11/2008[p]	359	1,843	262	5,596	173	8,233
6/04/2008[r]	494	2,373	493	5,324	186	8,870
2008 YTD	31,445	55,728	14,575	134,243	20,239	256,230
2007 YTD	24,961	35,432	21,214	105,939	10,537	198,083
2008 YTD as % of 2007 YTD	126	157	69	127	192	129
Last 4 weeks as % of 2007[3]	195	128	54	158	104	135
Last 4 weeks as % of 4-year avg.[3]	117	100	60	141	152	120
Total 2007	62,106	113,459	40,725	227,970	31,369	475,629
Total 2006	96,593	99,866	45,971	213,682	29,334	485,446

[1] Data is incomplete as it is voluntarily provided; [2] Mississippi Gulf data back to January, 2004 from several new sources has been added resulting in large increases in the numbers reported; [3] Compared with same 4-weeks in 2007 and prior 4-year average.

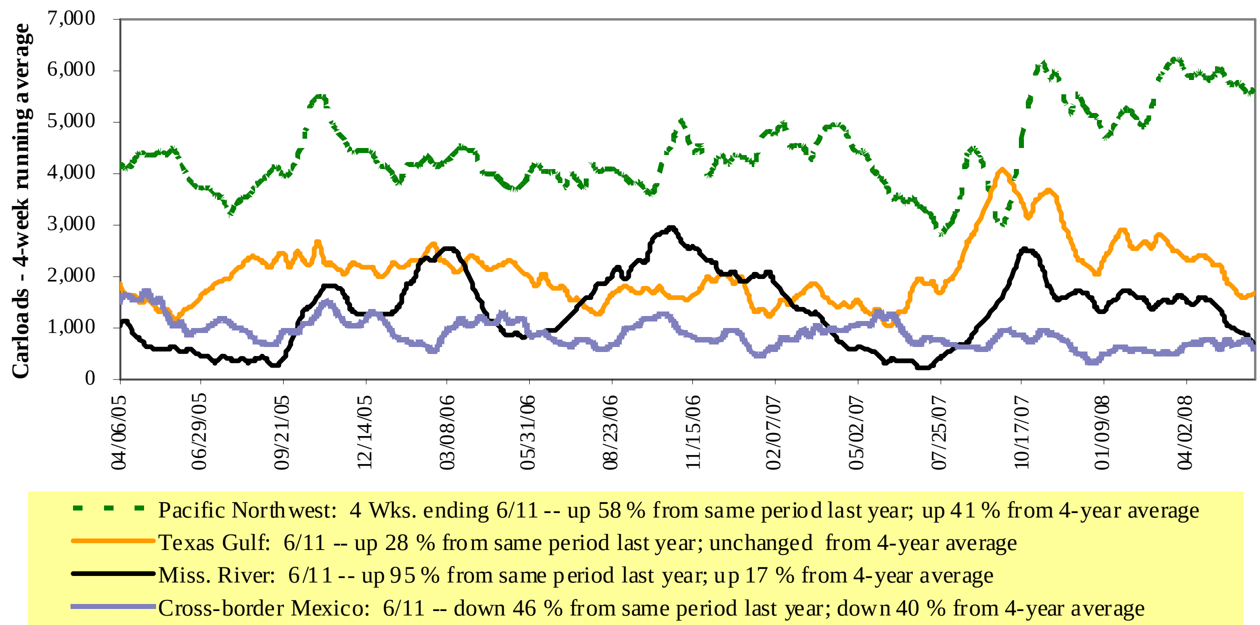
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

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)

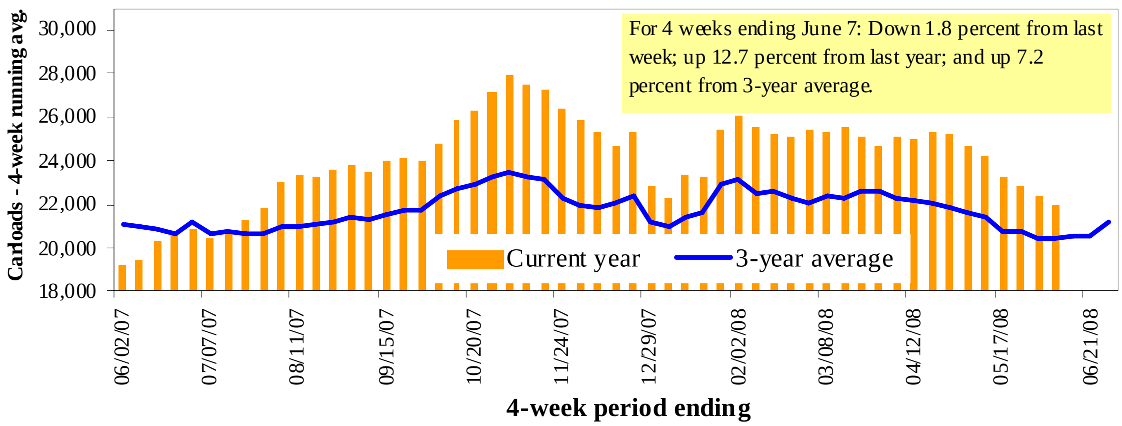
	East		West			U.S. total	Canada	
Week ending	CSXT	NS	BNSF	KCS	UP		CN	CP
06/07/08	1,939	3,440	9,903	563	5,630	21,475	3,291	4,142
This week last year	3,022	2,812	9,760	548	4,703	20,845	3,229	3,459
2008 YTD	67,413	71,230	257,994	16,266	150,550	563,453	104,905	98,656
2007 YTD	67,007	70,408	216,790	15,008	111,556	480,769	105,955	102,656
2008 YTD as % of 2007 YTD	101	101	119	108	135	117	99	96
Last 4 weeks as % of 2007[1]	85	105	115	119	130	113	104	99
Last 4 weeks as % of 3-yr avg.[1]	83	106	113	127	109	107	108	104
Total 2007	147,937	166,780	536,362	33,980	292,973	1,178,032	250,852	240,401

[1]As a percent of the same period in 2007 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							
6/14/2008	Jun-08	Jun-07	Jul-08	Jul-07	Aug-08	Aug-07	Sep-08	Sep-07
BNSF[3]								
COT grain units	no offer	no offer	47	no bids	no offer	0	185	0
COT grain single-car[5]	no offer	no offer	no offer	0	200 . . 244	18. .22	109 . . 250	0. .6
UP[4]								
GCAS/Region 1	no offer	no offer	no bid	no bids	1	no bids	no offer	no offer
GCAS/Region 2	no offer	no offer	no bids	no bids	no bids	no bids	no offer	no offer

[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.

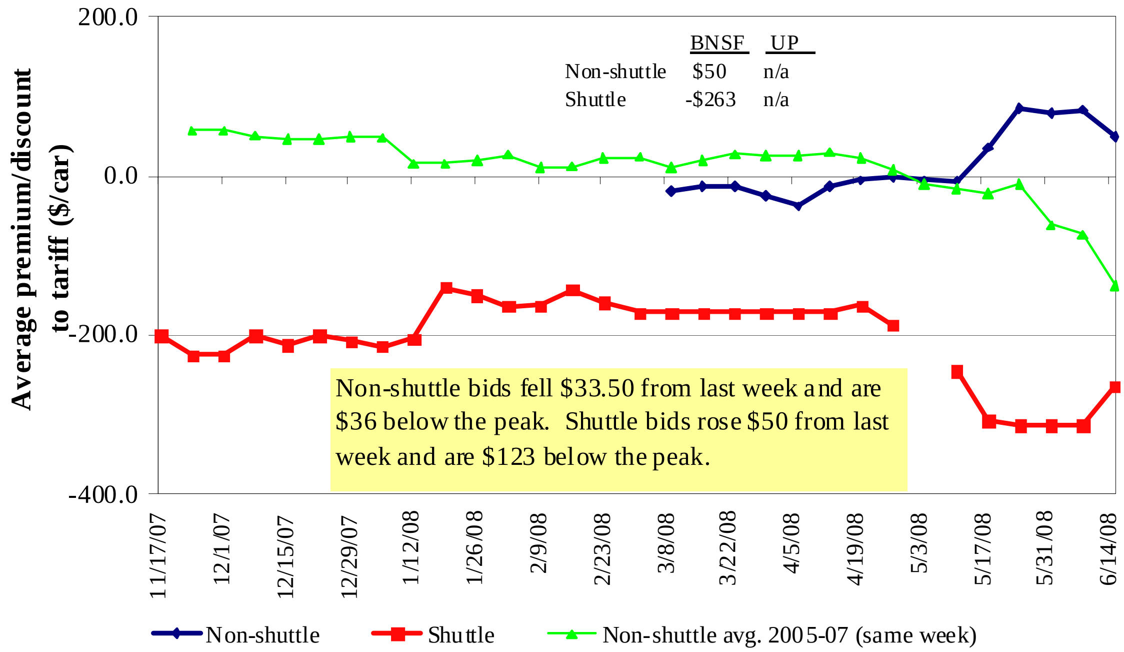
Source: Transportation & Marketing Programs/AMS/USDA.

Rail service may be ordered directly from the railroad via **auction** for guaranteed service, or via tariff for nonguaranteed service, or through the secondary railcar market.

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 June 2008, Secondary Market

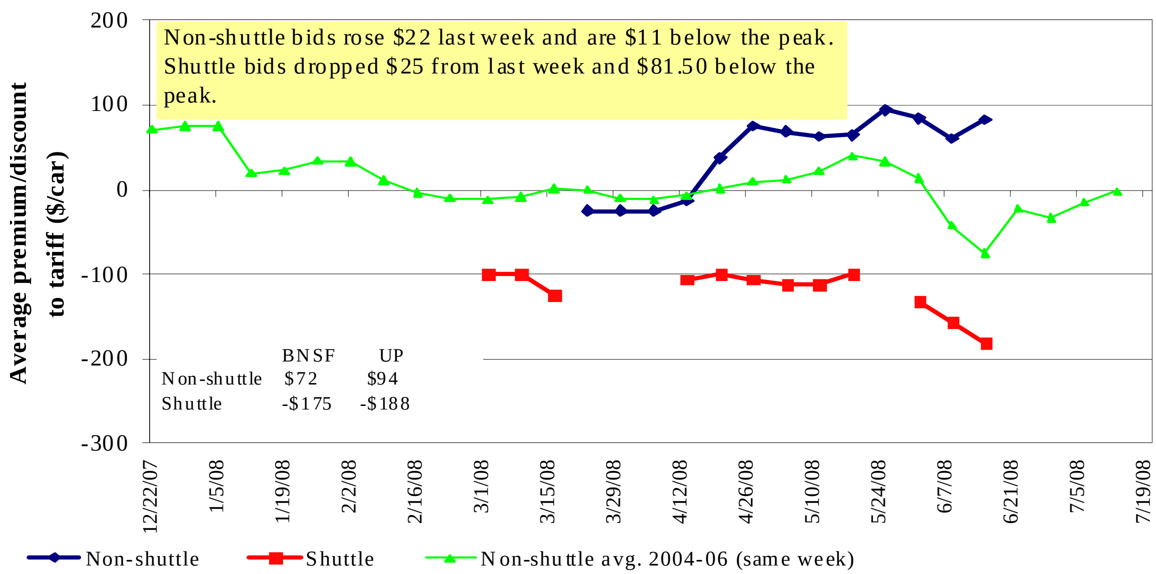


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

Bids/Offers for Railcars to be Delivered in July 2008, Secondary Market

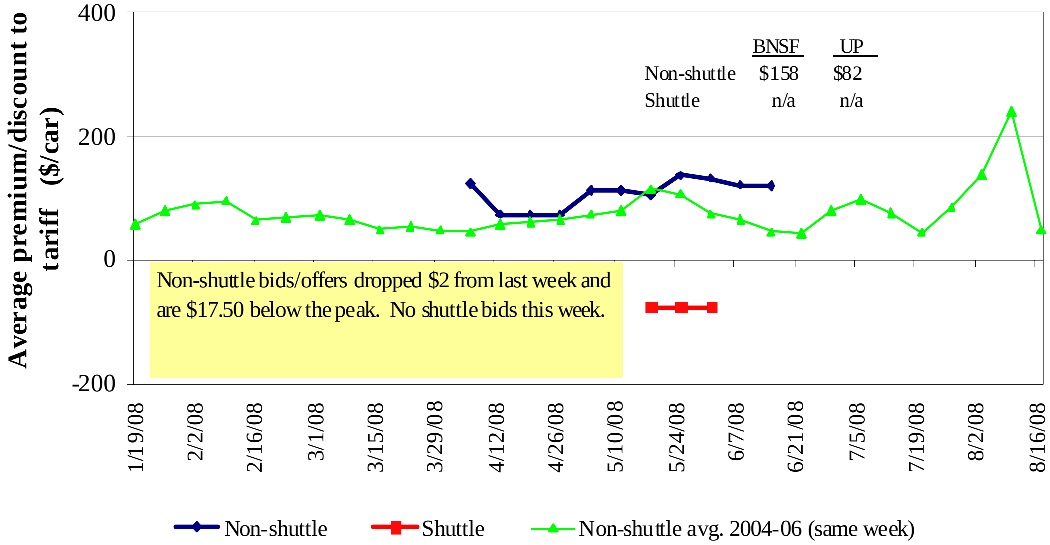


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in August 2008, 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					
6/14/2008	Jun 08	Jul 08	Aug-08	Sept-08	Oct-08	Nov-08
Non-shuttle						
BNSF-GF	50	72	158	250	n/a	n/a
Change from last week	-17	25	8	0	n/a	n/a
Change from same week 2007	n/a	82	133	230	n/a	n/a
UP-Pool	n/a	94	82	94	n/a	n/a
Change from last week	n/a	19	-12	n/a	n/a	n/a
Change from same week 2007	n/a	153	32	-38	n/a	n/a
Shuttle[2]						
BNSF-GF	-263	-175	n/a	n/a	n/a	n/a
Change from last week	-12	-12	n/a	n/a	n/a	n/a
Change from same week 2007	154	225	n/a	n/a	n/a	n/a
UP-Pool	n/a	-188	n/a	n/a	n/a	n/a
Change from last week	n/a	-38	n/a	n/a	n/a	n/a
Change from same week 2007	n/a	n/a	n/a	n/a	n/a	n/a

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

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

Note: Bids listed are market INDICATORS only & are NOT guaranteed prices,
n/a = not available; GF = guaranteed freight; Pool = guaranteed pool

Sources: Transportation and Marketing Programs/AMS/USDA

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

Table 7

Tariff Rail Rates for Unit and Shuttle Train Shipments[1]

Effective date: 6/2/2008	Origin region	Destination region	Rate/car	As % of same month last year	Rate per metric ton	Rate per bushel[2]
Unit train[1]						
Wheat	Chicago, IL	Albany, NY	$2,322	100	$25.60	$0.70
	Kansas City, MO	Galveston, TX	$2,528	111	$27.87	$0.76
	South Central, KS	Galveston, TX	$2,995	113	$33.01	$0.90
	Minneapolis, MN	Houston, TX	$3,214	100	$35.43	$0.96
	St. Louis, MO	Houston, TX	$2,905	110	$32.02	$0.87
	South Central, ND	Houston, TX	$4,149	114	$45.73	$1.24
	Minneapolis, MN	Portland, OR	$3,840	100	$42.33	$1.15
	South Central, ND	Portland, OR	$3,840	100	$42.33	$1.15
	Northwest, KS	Portland, OR	$4,540	99	$50.04	$1.36
	Chicago, IL	Richmond, VA	$2,353	90	$25.94	$0.71
Corn	Chicago, IL	Baton Rouge, LA	$3,260	106	$35.93	$0.91
	Council Bluffs, IA	Baton Rouge, LA	$3,107	106	$34.25	$0.87
	Kansas City, MO	Dalhart, TX	$3,204	110	$35.32	$0.90
	Minneapolis, MN	Portland, OR	$3,350	103	$36.93	$0.94
	Evansville, IN	Raleigh, NC	$2,708	107	$29.85	$0.76
	Columbus, OH	Raleigh, NC	$2,597	107	$28.63	$0.73
	Council Bluffs, IA	Stockton, CA	$5,280	104	$58.20	$1.48
Soybeans	Chicago, IL	Baton Rouge, LA	$3,309	106	$36.47	$0.99
	Council Bluffs, IA	Baton Rouge, LA	$3,156	106	$34.79	$0.95
	Minneapolis, MN	Portland, OR	$4,160	105	$45.86	$1.25
	Evansville, IN	Raleigh, NC	$2,708	107	$29.85	$0.81
	Chicago, IL	Raleigh, NC	$3,308	106	$36.46	$0.99
Shuttle Train						
Wheat	St. Louis, MO	Houston, TX	$2,642	125	$29.12	$0.79
	Minneapolis, MN	Portland, OR	$3,540	100	$39.02	$1.06
Corn	Fremont, NE	Houston, TX	$2,448	108	$26.98	$0.69
	Minneapolis, MN	Portland, OR	$3,348	106	$36.90	$0.94
Soybeans	Council Bluffs, IA	Houston, TX	$2,606	108	$28.73	$0.78
	Minneapolis, MN	Portland, OR	$3,502	106	$38.60	$1.05

[1]A unit train refers to shipments of at least 52 cars. Shuttle train rates are available for qualified shipments of 75-110 cars that meet railroad efficiency requirements.

[2]Approximate load per car = 100 short tons (90.72 metric tons): corn 56 lbs./bu., wheat & soybeans 60 lbs./bu.

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

Table 8

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

Effective date: 6/2/08					**As % of**		
Commodity	**Origin state**	**Border crossing region**	**Train size**[1]	**Tariff rate**[2]	**same month last year**	**Rate per metric ton**	**Rate per bushel**[3]
Wheat	KS	Brownsville, TX	Shuttle	$3,908	116	$39.93	$1.09
	ND	Eagle Pass, TX	Unit	$4,900	106	$50.07	$1.36
	OK	El Paso, TX	Shuttle	$2,463	105	$25.17	$0.68
	OK	El Paso, TX	Unit	$3,448	119	$35.23	$0.96
	AR	Laredo, TX	Unit	$3,622	122	$37.01	$1.01
	IL	Laredo, TX	Unit	$4,508	117	$46.06	$1.25
	MT	Laredo, TX	Shuttle	n/a	n/a	n/a	n/a
	TX	Laredo, TX	Shuttle	$3,154	121	$32.23	$0.88
	MO	Laredo, TX	Shuttle	$3,776	117	$38.58	$1.05
	WI	Laredo, TX	Unit	$4,747	116	$48.50	$1.32
Corn	NE	Brownsville, TX	Shuttle	$4,318	105	$44.12	$1.12
	NE	Brownsville, TX	Unit	$4,217[4]	105	$43.09	$1.09
	IA	Eagle Pass, TX	Unit	$4,570	105	$46.69	$1.18
	MO	Eagle Pass, TX	Shuttle	$4,066[4]	106	$41.55	$1.05
	NE	Eagle Pass, TX	Shuttle	$4,466[4]	105	$45.63	$1.16
	IA	Laredo, TX	Shuttle	$4,486	105	$45.84	$1.16
Soybean	IA	Brownsville, TX	Shuttle	$4,167	105	$42.58	$1.16
	MN	Brownsville, TX	Shuttle	$4,365	105	$44.60	$1.21
	NE	Brownsville, TX	Shuttle	$3,958	105	$40.44	$1.10
	NE	Eagle Pass, TX	Shuttle	$4,041	105	$41.29	$1.12
	IA	Laredo, TX	Unit	$4,209	105	$43.01	$1.17

[1]A unit train refers to shipments of at least 52 cars. Shuttle train are available for qualified shipments of 75--110 cars that meet railroad efficiency requirements.

[2]Rates are based upon published tariff rates for high-capacity rail cars.

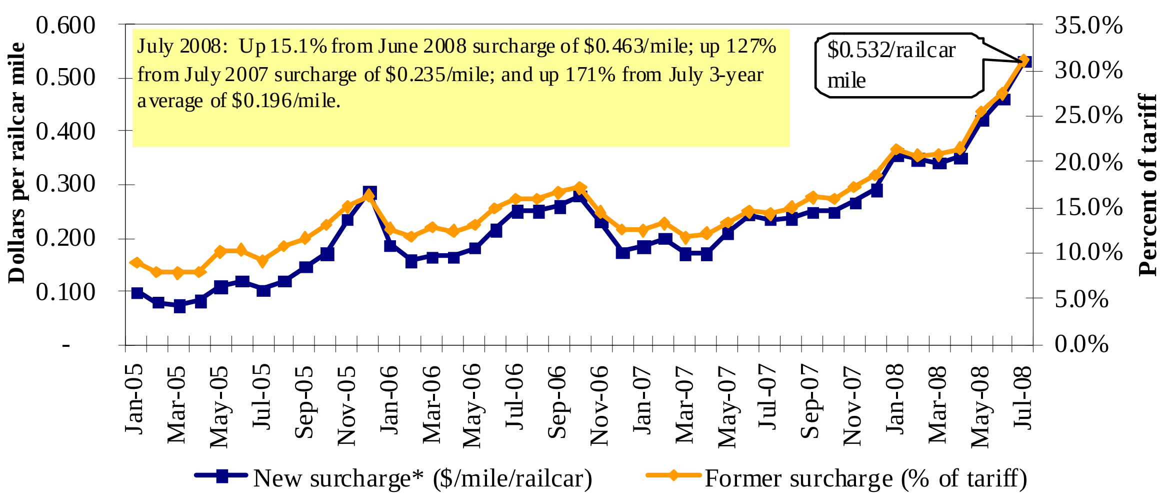
[3]Approximate load per car = 97.87 metric tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

[4]High-capacity rate not available, rate estimated using published low-capacity tariff rate x 1.08

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

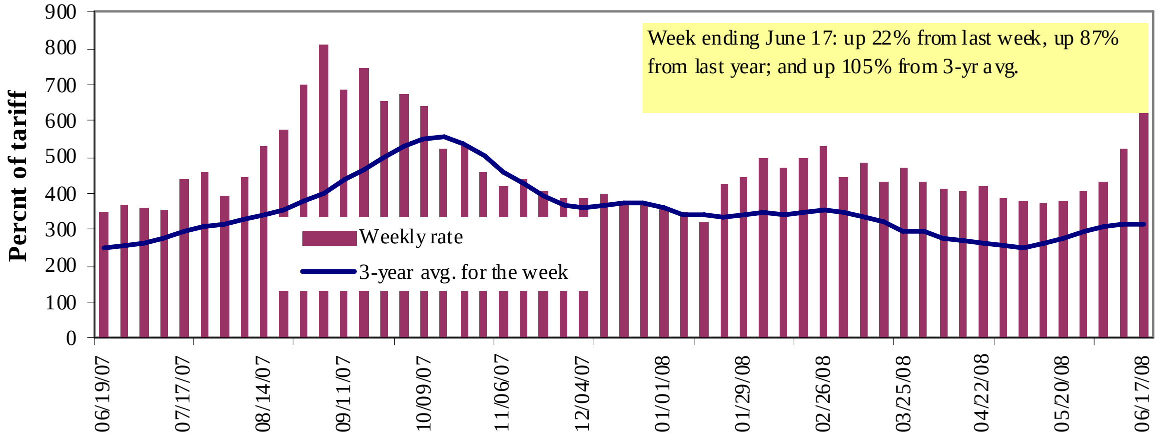
* Mileage-based fuel surcharges from December 2004 through March 2007 are estimated.

Sources: www.bnsf.com, www.cn.ca, www8.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	Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo-Memphis
Rate[1]	6/17/2008	605	588	644	460	595	595	470
	6/10/2008	522	523	527	428	423	423	411
$/ton	6/17/2008	37.45	31.28	29.88	18.35	27.91	24.04	14.76
	6/10/2008	32.31	27.82	24.45	17.08	19.84	17.09	12.91
Current week % change from the same week:								
	Last year	46	56	87	64	118	120	86
	3-year avg. [2]	59	79	105	92	147	147	111
Rate[1]	July	615	584	575	492	585	585	483
	September	693	691	704	687	710	710	685

[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

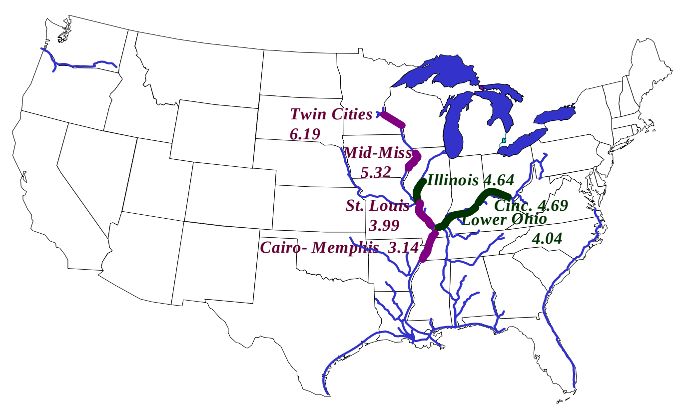
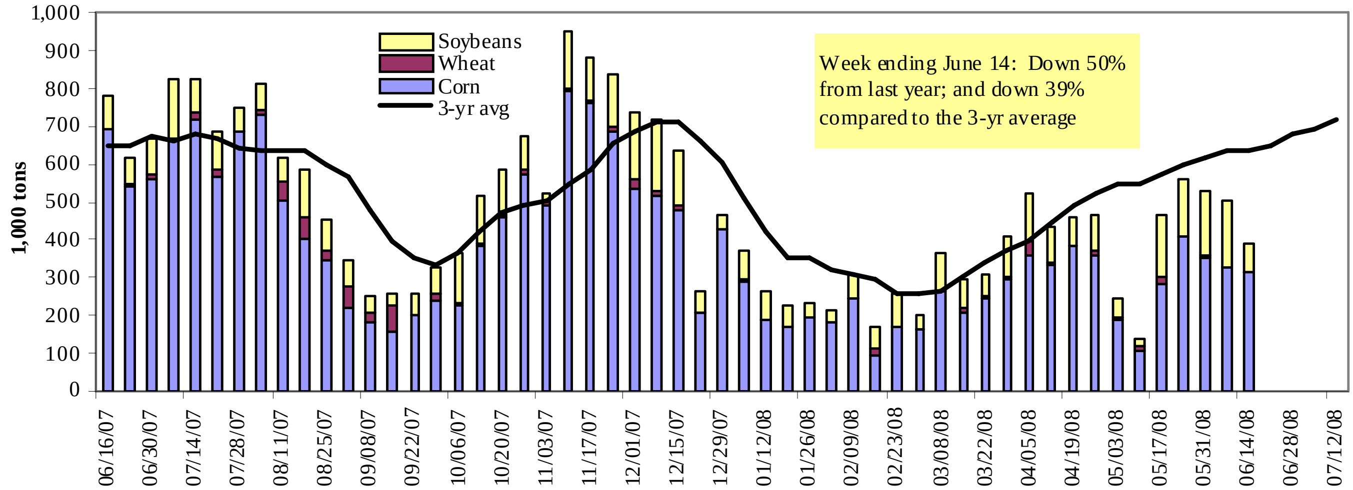


Figure 10

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 6/14/2008	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	93	0	30	0	123
Winfield, MO (L25)	187	0	63	5	255
Alton, IL (L26)	279	0	70	5	354
Granite City, IL (L27)	312	2	75	5	393
Illinois River (L8)	78	0	2	0	80
Ohio River (L52)	27	0	6	2	34
Arkansas River (L1)	0	27	33	8	69
Weekly total - 2008	338	29	115	14	496
Weekly total - 2007	748	10	99	29	885
2008 YTD[1]	8,670	364	3,371	278	12,682
2007 YTD	10,422	662	3,003	237	14,323
2008 as % of 2007 YTD	83	55	112	118	89
Last 4 weeks as % of 2007[2]	61	62	198	88	78
Total 2007	25,510	1,711	6,566	888	34,398

[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.

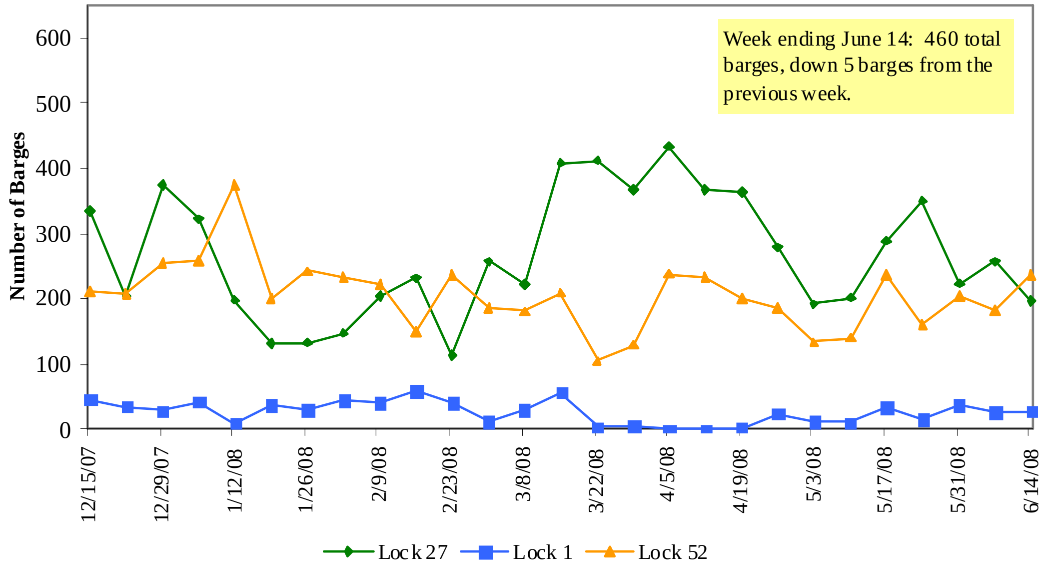
[2] As a percent of same period in 2007.

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

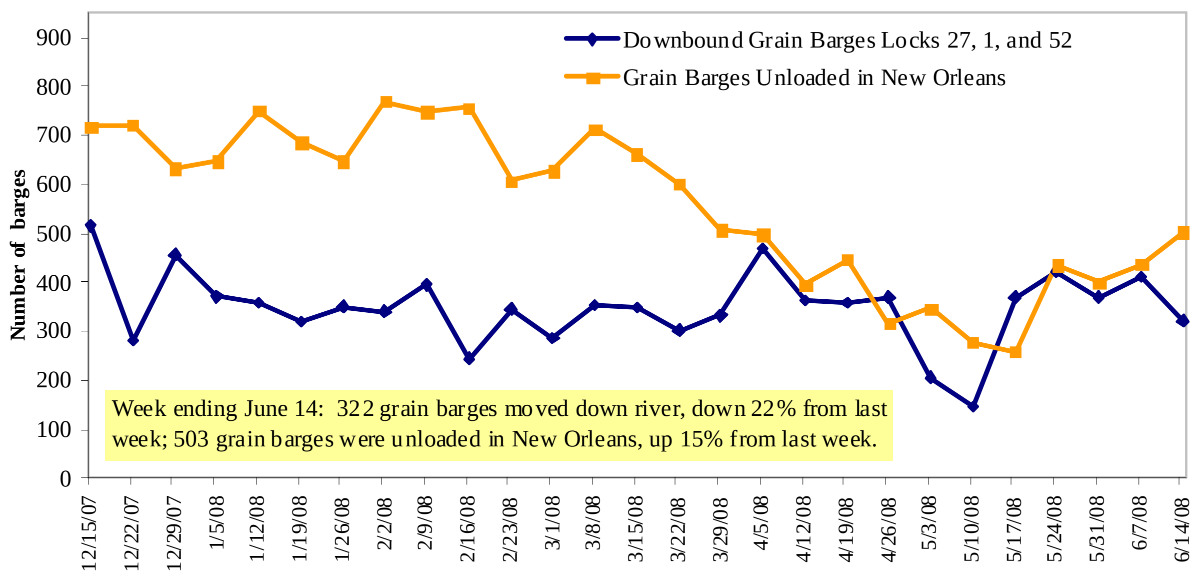
Upbound Empty Barges Transiting Mississippi River Locks 27, Arkansas River Lock and Dam 1, and Ohio River Locks and Dam 52



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. Diesel fuel is a significant expense for truck grain movements.

Table 11

Retail on-Highway Diesel Prices[1], Week Ending 6/16/08 (US$/gallon)

Region	Location	Price	Change from Week ago	Change from Year ago
I	East Coast	4.752	0.009	1.952
	New England	4.853	0.019	1.976
	Central Atlantic	4.874	-0.005	2.005
	Lower Atlantic	4.690	0.013	1.926
II	Midwest[2]	4.618	0.003	1.844
III	Gulf Coast[3]	4.656	-0.002	1.903
IV	Rocky Mountain	4.685	-0.013	1.778
V	West Coast	4.852	-0.022	1.894
	California	4.969	-0.023	1.936
Total	U.S.	4.692	0.000	1.887

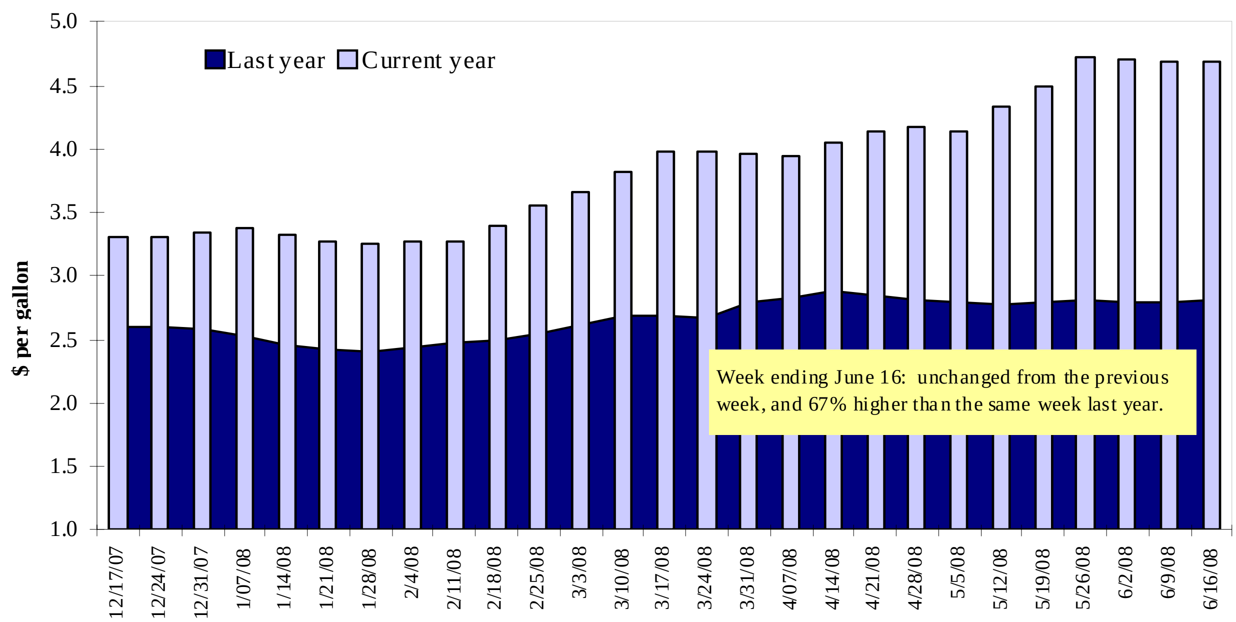
[1]Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

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

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

Figure 13

Weekly Diesel Fuel Prices, U.S. Average



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

Grain Exports

Table 12

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

Week ending[1]	HRW	SRW	HRS	SWW	DUR	All wheat	Corn	Soybeans	Total
	Wheat								
Export Balances									
6/5/2008	3,458	1,544	1,129	812	235	7,177	11,085	3,658	21,920
This week year ago	1,595	1,033	922	718	209	4,476	8,343	2,262	15,081
Cumulative exports-marketing year [2]									
2007/08 YTD	206	75	77	0	8	367	48,031	26,629	75,027
2006/07 YTD	62	45	92	56	12	268	42,037	26,951	69,256
YTD 2007/08 as % of 2006/07	332	167	84	1	67	137	114	99	108
Last 4 wks as % of same period 2006/07	306	297	245	115	467	265	144	151	154
2006/07 Total	6,800	3,866	6,480	4,996	761	22,902	53,799	30,261	106,962
2005/06 Total	10,459	2,037	7,244	4,159	930	24,828	54,354	25,570	104,752

[1] Current unshipped export sales to date

[2] Shipped export sales to date; 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 06/05/08	**Total Commitments[2]**			**% change**	**Exports[3]**
	2008/09	**2007/08**	**2006/07**	**current MY**	
	Next MY	**Current MY**	**Last MY**	**from last MY**	**2006/07**
		- 1,000 mt -			**- 1,000 mt -**
Japan	735	15,102	14,254	6	15,640
Mexico	786	8,603	9,442	(9)	9,114
Taiwan	0	3,286	4,048	(19)	4,517
Korea	384	8,337	3,621	130	4,079
Egypt	0	3,139	2,945	7	3,508
Top 5 importers	**1,904**	**38,467**	**34,310**	**12**	**36,858**
Total US corn export sales	**3,242**	**59,115**	**50,380**	**17**	
% of Projected	6%	93%	93%		
Change from Last Week	54	525	527		
Top 5 importers' share of U.S. corn export sales	59%	65%	68%		
USDA forecast, June 2008	**50,800**	**63,500**	**53,970**	**18**	
Corn Use for Ethanol USDA forecast, June 2008	**101,600**	**76,200**	**53,772**	**42**	

(n) indicates negative number.

[1]Based on FAS 2006/07 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 06/05/08	Total Commitments[2] 2008/09 Next MY	2007/08 Current MY	2006/07 Last MY	% change current MY from last MY	Exports[3] 2006/07
		- 1,000 mt -			- 1,000 mt -
China[4]	761	13,507	11,064	22	11,455
Mexico	187	3,491	3,678	(5)	3,854
Japan	649	2,797	2,848	(1.8)	3,159
EU-25	305	3,704	3,577	4	3,551
Taiwan	0	1,540	1,728	(11)	1,942
Top 5 importers	**1,902**	**25,039**	**22,894**	**9**	**23,960**
Total US soybean export sales	**2,579**	**30,286**	**29,213**	**4**	
% of Projected	9%	102%	96%		
Change from last week	29	272	222		
Top 5 importers' share of U.S. soybean export sales	74%	83%	78%		
USDA forecast, June 2008	**28,580**	**29,670**	**30,430**	**(2)**	
Soybean Use for Biodiesel USDA forecast, June 2008	**7,435**	**7,075**	**6,705**	**6**	

(n) indicates negative number.

[1]Based on FAS 2006/07 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.

[4]Not Included, FAS Press Release: **2.24 million mt** to China on 6/19 for 2008/09.

Table 15

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

Week ending 06/05/08	Total Commitments[2] 2008/09 Current MY	2008/07 Last MY	% change current MY from last MY	Exports[3] 2007/08
	- 1,000 mt -			- 1,000 mt -
Japan	599	506	18	3,319
Egypt	418	275	52	3,276
Nigeria[4]	477	449	6	2,597
Mexico	721	437	65	2,568
Iraq	1,146	300	282	1,964
Phililppines	775	529	47	1,538
Korea, South	296	118	150	1,509
Indonesia	97	125	(23)	1,093
Taiwan	65	133	(51)	1,068
Venezuela	84	106	(21)	997
Top 10 importers	**4,678**	**2,979**	**57**	**19,930**
Total US wheat export sales	**7,544**	**4,744**	**59**	**23,789**
% of Projected	28%	14%		
Change from last week	1,856	1,647		
Top 10 importers' share of U.S. wheat export sales	62%	63%		
USDA forecast, June 2008	**27,220**	**34,430**	**(21)**	

(n) indicates negative number.

[1]Based on FAS 2007/08 Marketing Year Ranking Reports (except Algeria) - 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.

[4]Not Included, FAS Press Release: **100,000 mt** Nigeria on 6/11 for 2008/09.

Table 16

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

Port regions	Week ending 06/12/08	2008 YTD[1]	2007 YTD[1]	2008 YTD as % of 2007 YTD	Last 4-weeks as % of 2007	Last 4-weeks as % of 3-yr. avg.	Total[1] 2007
Pacific Northwest							
Wheat	174	5,440	5,464	100	106	105	11,913
Corn	263	6,414	4,203	153	157	135	9,171
Soybeans	133	4,384	3,558	123	222	245	7,648
Total	**570**	**16,238**	**13,224**	**123**	**142**	**133**	**28,732**
Mississippi Gulf							
Wheat	17	1,911	2,466	77	117	106	6,296
Corn	680	15,024	15,159	99	102	86	34,832
Soybeans	193	7,242	7,216	100	93	97	14,930
Total	**890**	**24,177**	**24,841**	**97**	**102**	**90**	**56,058**
Texas Gulf							
Wheat	195	3,968	2,338	170	174	189	8,558
Corn	0	964	546	177	101	32	1,441
Soybeans	0	105	71	148	0	n/a	108
Total	**195**	**5,036**	**2,955**	**170**	**169**	**158**	**10,107**
Great Lakes							
Wheat	0	189	388	49	0	0	2,721
Corn	0	56	213	26	12	9	894
Soybeans	0	26	26	99	103	82	510
Total	**0**	**271**	**627**	**43**	**13**	**11**	**4,125**
Atlantic							
Wheat	0	333	345	97	107	65	1,281
Corn	0	433	209	208	22	22	699
Soybeans	0	319	273	117	106	35	564
Total	**0**	**1,086**	**827**	**131**	**58**	**39**	**2,544**
U.S. total from ports[2]							
Wheat	387	11,652	10,614	110	128	117	30,770
Corn	944	22,891	20,329	113	98	94	47,036
Soybeans	326	12,076	11,143	108	163	131	23,760
Total	**1,656**	**46,620**	**42,086**	**111**	**112**	**104**	**101,566**

[1] Includes weekly revisions, some regional totals may not add exactly due to rounding.

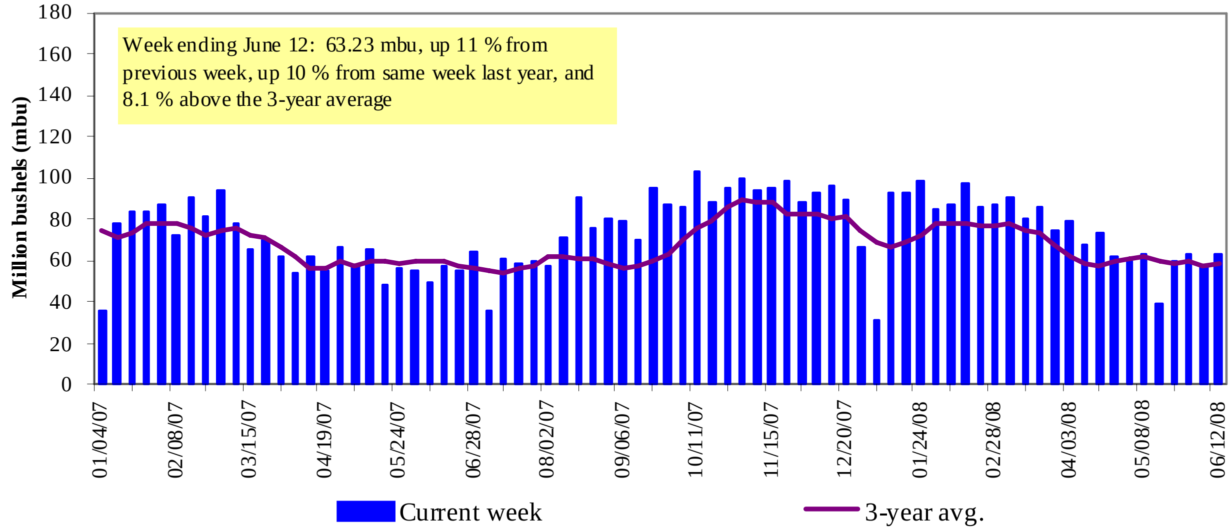
[2] Total includes only port regions shown above

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, it 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 48 percent of these U.S. export grain shipments departed through the Mississippi Gulf region in 2007.

Figure 14

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

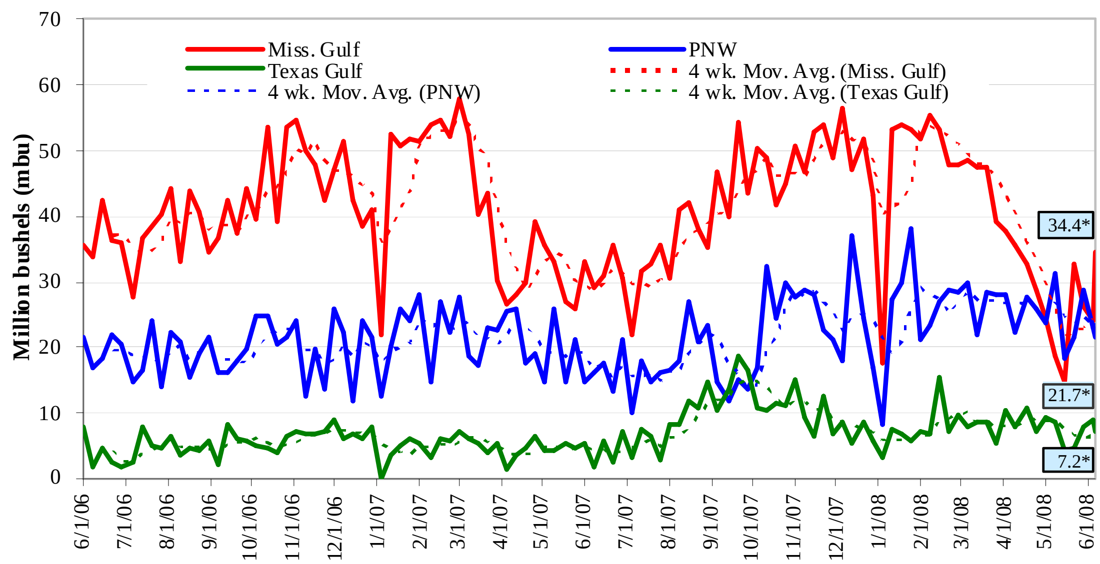


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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

Figure 15

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



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

June 12: % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	up 42	down 20	up 26	down 6
Last year (same week)	up 12	up 23	up 14	up 24
3-yr avg. (4-wk mov. avg.)	up 5	up 56	up 12	up 21

Ocean Transportation

Table 17

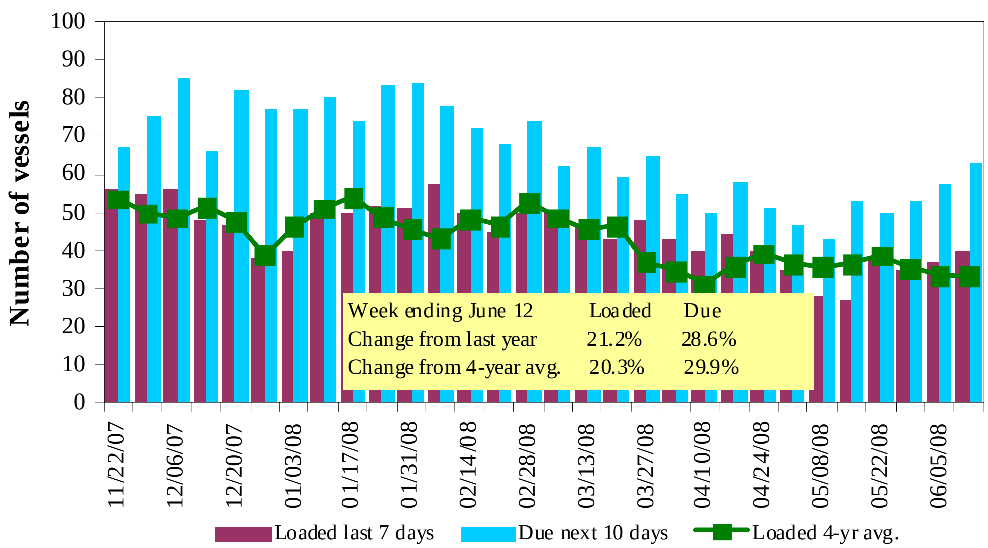
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

	Gulf			Pacific Northwest	Vancouver B.C.
Date	In port	Loaded 7-days	Due next 10-days	In port	In port
6/12/2008	19	40	63	8	4
6/5/2008	22	37	57	9	3
2007 range	(15..55)	(27..61)	(39..87)	(3..16)	(0..15)
2007 avg.	33	44	64	8	7

Source: Transportation & Marketing Programs/AMS/USDA

Figure 16

U.S. Gulf[1] Vessel Loading Activity

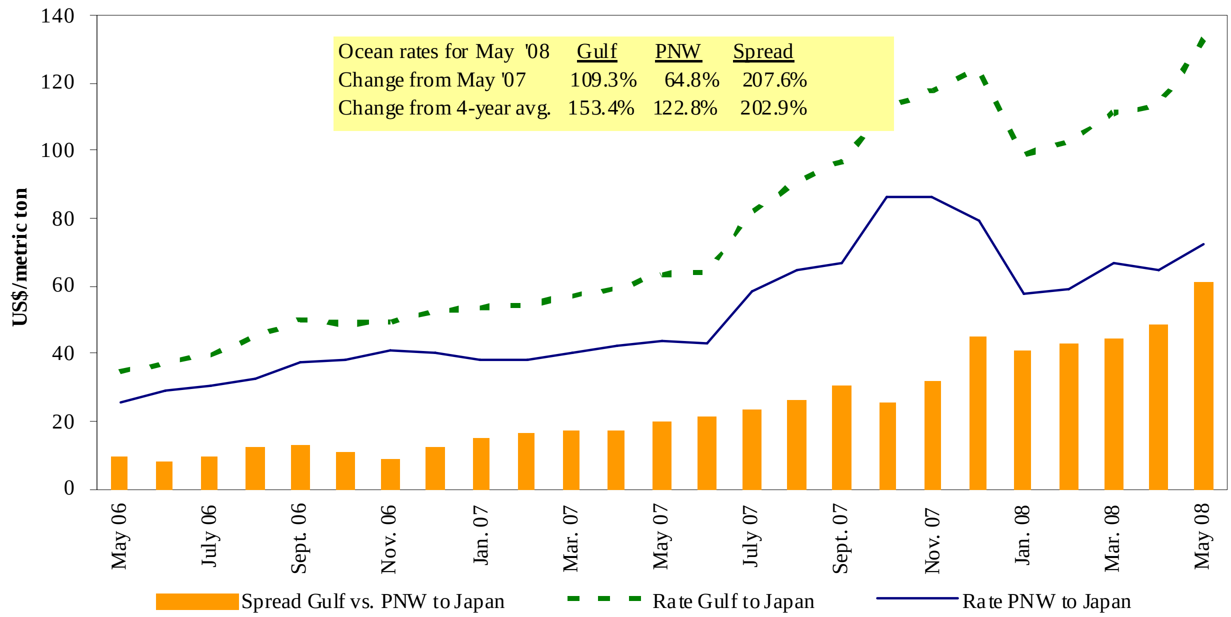


Source:Transportation & Marketing Programs/AMS/USDA

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

Figure 17

Grain Vessel Rates, U.S. to Japan



Source: Baltic Exchange (www.balticexchange.com)/ Drewry Shipping Consultants Ltd (www.drewry.co.uk)/O'Neil Commodity Consulting

Table 18

Ocean Freight Rates For Selected Shipments, Week Ending 6/14/2008

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US$/metric ton)
U.S. Gulf	Algeria	Hvy Grain	Feb 1/10	30,000	67.50
U.S. Gulf	Algeria	Hvy Grain	Jan 1/10	30,000	80.00
U.S. Gulf	China	Grain	Mar 25/30	50,000	95.00
U.S. Gulf	Morocco	Hvy Grain	Feb 5/15	25,000	62.75
U.S. Gulf	Haiti[1]	Wheat	Apr 25/May5	9,260	220.39
Brazil	Europe	Soybean Meal	Mar 3/10	28,000	64.00
Brazil	Belgium	Hvy Grain	Apr 4/14	50,000	67.50
Brazil	Belgium	Hvy Grain	May 26/30	50,000	77.25
River Plate	Spain Mediterranean	Soybean Meal	Jun 5/10	25,000	115.00
River Plate	Algeria	Hvy Grain	May 30/Jun 5	30,000	112.00
River Plate	Libya	Corn	Mar 1/10	25,000	77.00

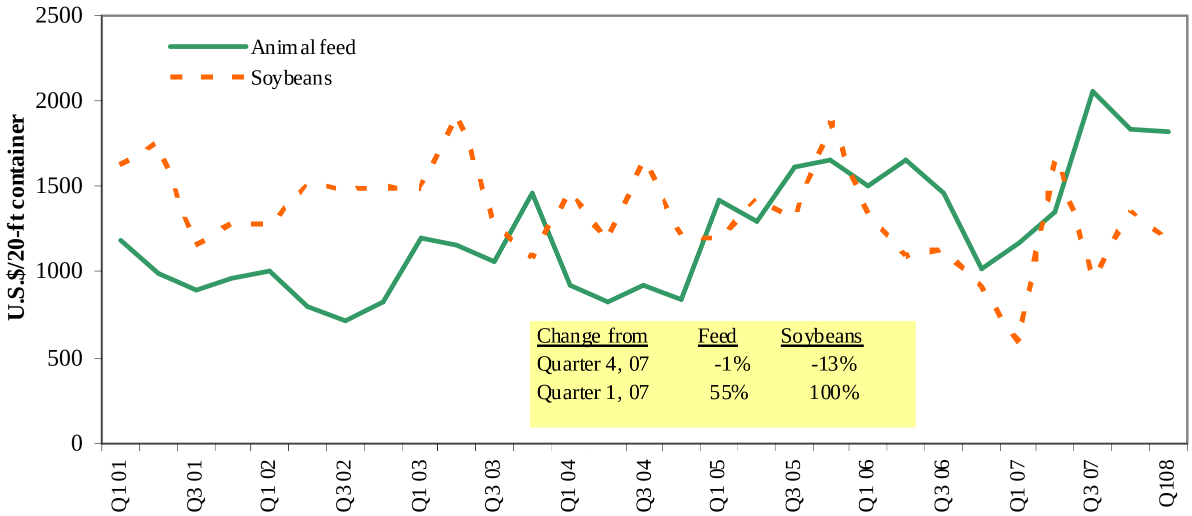
Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option

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

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

Figure 18

Ocean Rates[1] for Containerized Shipments to Selected Asian Countries



[1]Rates are weighted by shipping line market share and destination country. Rates provided are publicly filed tariff rates, not those negotiated in a confidential service contract.

Countries include: Animal Feed: Bangkok-Thailand (12%), Busan-Korea (14%), Hong Kong (16%), Kaohsiung/Keelung-Taiwan (50%), Tokyo-Japan (8%). Soybeans: Bangkok-Thailand (2%), Busan-Korea, (3%), Kaohsiung/Keelung-Taiwan (91%), Tokyo-Japan (4%)

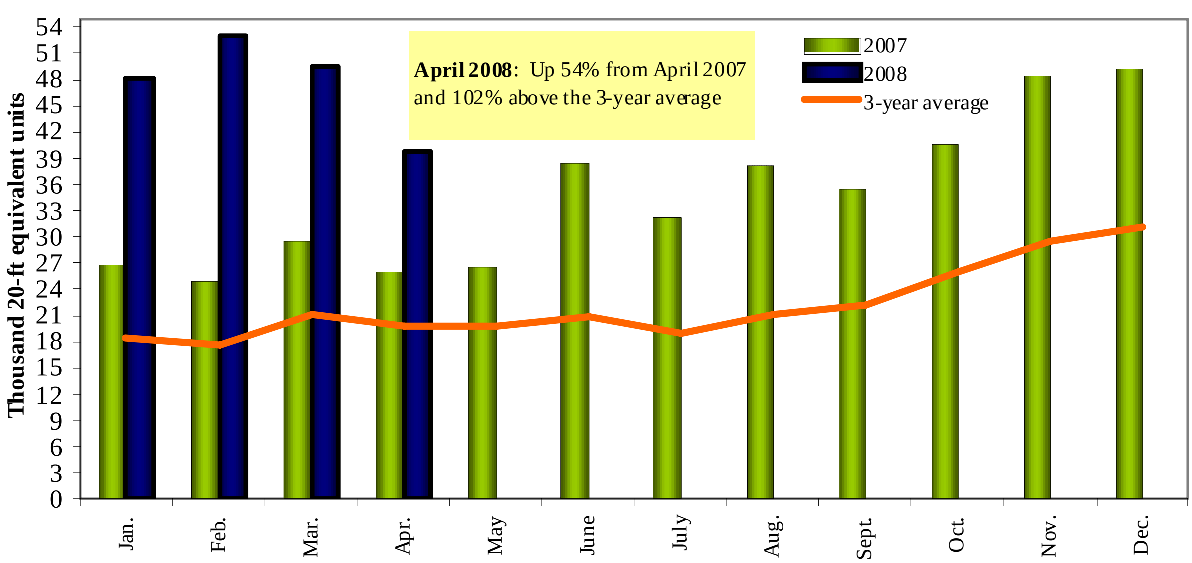
Source: Ocean Rate Bulletin, Quarter 1, 2008, Transportation & Marketing Programs/AMS/USDA

Container ocean freight rates – average rate per twenty-foot equivalent unit (TEU) weighted by shipping line market share and trade route.

During 2007, containers were used to transport 5 percent of total U.S. waterborne grain exports, and 9 percent of U.S. grain exports to Asia.

Figure 19

Monthly Shipments of Containerized Grain to Asia



Source: Port Import Export Reporting Service (PIERS), *Journal of Commerce*

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