Grain Transportation Report

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

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Contents

The next release is Oct. 9, '08

WEEKLY HIGHLIGHTS

Recovery from Hurricane Ike Continues
Galveston Island remains without fully restored electricity, water, and sewer services. However, the Port of Galveston is partially open and has been able to service some vessel calls. The ADM grain elevator and CHS Crop Nutrient Terminal on Galveston Island are still closed. ADM is servicing grain vessels through its facility in Corpus Christi where possible. The railroads have repaired the port terminal and causeway track damage; the first train to service Galveston Island after Hurricane Ike arrived the morning of September 26.

Total Grain Inspections Up for Third Consecutive Week
For the week ending September 25, total inspections of grain (corn, wheat, soybeans) for export reached 1.65 million metric tons (mmt), up 1.8 percent from the previous week, but down 29 percent from this time last year. This was the third consecutive increase in weekly grain inspections. Compared to the previous week, inspections of grain increased 25 percent in the U.S. Gulf (1.05 mmt), driven by a rebound in soybean inspections (.598 mmt) and a continuing increase in corn inspections (.846 mmt). Pacific Northwest (PNW) (.553 mmt) decreased 12 percent from the previous week as wheat and corn shipments to Asia declined. Demand for wheat from the PNW was dampened by increased global competition.

Tight Fuel Supplies Following Hurricanes Ike and Gustav Continue
Oil production in the Gulf of Mexico and pipeline operations are returning to normal after Hurricanes Ike and Gustav. However, analysts report that fuel supplies, particularly along the Gulf Coast and in the Southeast, will likely be tight for the next few weeks. Farmers in the Midwest are concerned about scarce diesel fuel supplies during the fall harvest season. Tight supplies, however, had little impact on average diesel fuel price during the week ending September 29. U.S. average diesel fuel prices were $3.96 per gallon, unchanged from the previous week. Average diesel fuel prices in the Midwest were $3.93 per gallon, only one cent higher than the previous week.

Barge Movements Increase on the Lower Mississippi River As Southern Harvest Progresses
For the second week in a row, barge operators report increased barge movements on the Lower Mississippi River as favorable weather allowed a rain-delayed corn harvest to continue in the southern States. In Arkansas, corn farmers took advantage of another dry week to harvest an additional 19 percent of the corn crop but were 2 weeks behind last year and the 5-year average. The Arkansas corn harvest is 75 percent completed, compared to 96 percent for the 5-year average. This week, **barge rates** for areas south of Memphis were 853 percent of tariff, or $29.94 per ton from Osceola, AR, to New Orleans, a slight drop from last week's 2008 weekly high of 860 percent of tariff.

Snapshots by Sector

Rail
U.S. railroads originated 19,385 **carloads of grain** during the week ending September 20, down 17 percent from the previous week, 22 percent from the same week last year, and 18 percent lower than the 3-year average.

Ocean
During the week ending September 25, 50 U.S. **grain vessels** were loaded in the Gulf, down 14 percent from last year. Sixty-three **vessels** are due within the next 10 days, down 20 percent from last year.

As of September 26, the cost of shipping grain from the Gulf to Japan was $65 per mt, down 29 percent from the previous week. The rate from the PNW to Japan was $43 per mt, down 28 percent from the previous week.

Containerized Grain Exports
Containerized grain exports to Asia in July totaled just over 35,000 twenty-foot equivalent units—9 percent higher than the previous year and 84 percent higher than the 3-year average.

Feature Article/Calendar

Wheat Transportation Costs to Japan Increase. The cost to ship U.S. wheat to Japan increased for each route during the second quarter, pushed up by higher ocean freight rates and increased rail costs from Kansas (see table). The cost to ship wheat from Kansas and North Dakota through the Pacific Northwest (PNW) increased 10 percent from the first quarter and was respectively 34 and 36 percent above last year. The cost through the Gulf increased 15 percent from the previous quarter for Kansas and 11 percent for North Dakota, and increased 68 and 63 percent respectively over last year's cost due to rate increases in each mode (see table).

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

	KS					ND				
Mode	2007 2nd qtr	2008 1st qtr	2008 2nd qtr	Year-to-Year change	Quarterly change	2007 2nd qtr	2008 1st qtr	2008 2nd qtr	Year-to-Year change	Quarterly change
	- $/metric ton -				%	- $/metric ton -				%
Truck	9.66	12.11	12.38	28.16	2.23	9.66	12.11	12.38	28.16	2.23
Rail [1]	58.03	61.27	63.31	9.10	3.33	47.91	50.62	52.29	9.14	3.30
Ocean vessel	42.87	61.30	72.33	68.72	17.99	42.87	61.30	72.33	68.72	17.99
Transportation Costs	110.56	134.68	148.02	33.88	9.90	100.44	124.03	137.00	36.40	10.46
Farm Value [2]	180.66	359.11	314.28	73.96	-12.48	183.84	425.12	411.53	123.85	-3.20
Total Landed Cost	291.22	493.79	462.30	58.75	-6.38	284.28	549.15	548.53	92.95	-0.11
Transport % of landed cost	37.96	27.27	32.02			35.33	22.59	24.98		

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

	KS					ND				
Mode	2007 2nd qtr	2008 1st qtr	2008 2nd qtr	Year-to-Year change	Quarterly change	2007 2nd qtr	2008 1st qtr	2008 2nd qtr	Year-to-Year change	Quarterly change
	- $/metric ton -				%	- $/metric ton -				%
Truck	9.66	12.11	12.38	28.16	2.23	9.66	12.11	12.38	28.16	2.23
Rail [1]	31.97	35.92	37.94	18.67	5.62	46.62	58.64	56.83	21.90	-3.09
Ocean vessel	62.22	104.22	124.53	100.14	19.49	62.22	104.22	124.53	100.14	19.49
Transportation Costs	103.85	152.25	174.85	68.37	14.84	118.50	174.97	193.74	63.49	10.73
Farm Value [2]	180.66	359.11	314.28	73.96	-12.48	183.84	425.12	411.53	123.85	-3.20
Total Landed Cost	284.51	511.36	489.13	71.92	-4.35	302.34	600.09	605.27	100.20	0.86
Transport % of landed cost	36.50	29.77	35.75			39.19	29.16	32.01		

[1] Rail tariff rates now include fuel surcharges.

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

PNW Cost Analysis: PNW total landed costs (farm value plus transportation costs) for shipping wheat decreased for North Dakota and Kansas during the second quarter (see table). Lower PNW landed costs were caused primarily by reduced farm values for wheat. Ocean rates for shipping wheat to Japan from the PNW increased 18 percent from the previous quarter and 69 percent over last year. Rail costs from each state to the PNW increased 3 percent from the first quarter and 9 percent from last year. Ocean rates accounted for 53 percent of the transportation costs from North Dakota to the PNW and 49 percent of the transportation costs from Kansas (see figures 1, 2). Second quarter PNW transportation costs represented 25 to 32 percent of the total landed costs (see table).

Figure 1 - 2nd Quarter Wheat Transportation Costs By Mode, North Dakota to PNW, %

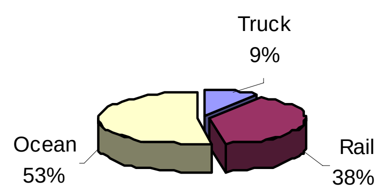
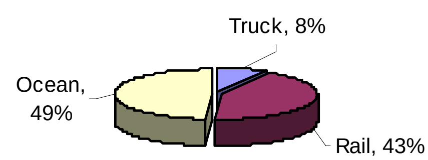


Figure 2 - 2nd Quarter Wheat Transportation Costs By Mode, Kansas to PNW, %



Gulf Cost Analysis: The total landed cost to ship wheat from North Dakota through the Gulf increased slightly from the first quarter, driven to a new record by increased ocean rates and the high farm value (see table). In Kansas however, the lower landed cost to ship wheat through the Gulf was reduced by lower farm values for wheat. Ocean rates for shipping wheat to Japan from the Gulf increased 20 percent from the previous quarter and 100 percent over last year. Ocean rates accounted for 65 percent of the transportation costs from North Dakota to the Gulf and 71 percent of the costs from Kansas (see figure 3, 4). The drivers were an increased demand for bulk shipments and worldwide port congestion (*see* ***GTR dated 9/25/08***). Rail rates to the Gulf from Kansas increased 6 percent while rates from North Dakota decreased 3 percent. Second quarter Gulf transportation costs represented 32 to 36 percent of the total landed costs (see table).

Figure 3 - 2nd Quarter Wheat Transportaion Costs By Mode, North Dakota to Gulf, %

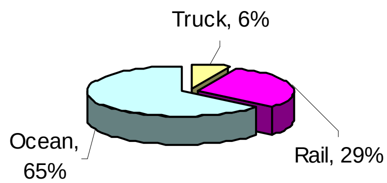
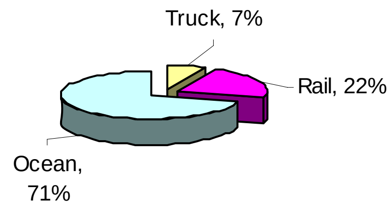


Figure 4 - 2nd Quarter Wheat Transportation Costs By Mode, Kansas to Gulf, %



PNW vs Gulf Cost Comparison: Higher diesel prices continued to boost the cost of moving wheat by truck to a railhead, pushing it up 2 percent from last quarter and 28 percent above last year. Although transportation cost overall increased for each route during the second quarter, the cost for shipping wheat from the U.S. Gulf to Japan were somewhat higher than shipping through the PNW due to higher ocean rates. Compared to the previous quarter, rail costs were also up for each route, with the exception of North Dakota to Gulf rail rates.

According to the Foreign Agricultural Service, second quarter wheat exports to Japan totaled .941mmt, down 13 percent from the first quarter. This could be partly due to increased transportation costs and increased competition from foreign supplies. Total second quarter wheat exports to Japan accounted for about 14 percent of total U.S. wheat exports. *Johnny.Hill@usda.gov*

Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators[1]

	Truck	Rail[2]	Barge	Ocean	
Week ending				Gulf	Pacific
10/01/08	266	99	347	291	305
09/24/08	266	51	331	407	426

[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	9/26/2008	9/19/2008
Corn	IL--Gulf	-0.90	-0.92
Corn	NE--Gulf	-0.80	-0.94
Soybean	IA--Gulf	-1.65	-1.63
HRW	KS--Gulf	-1.40	-1.35
HRS	ND--Portland	-2.15	-2.30

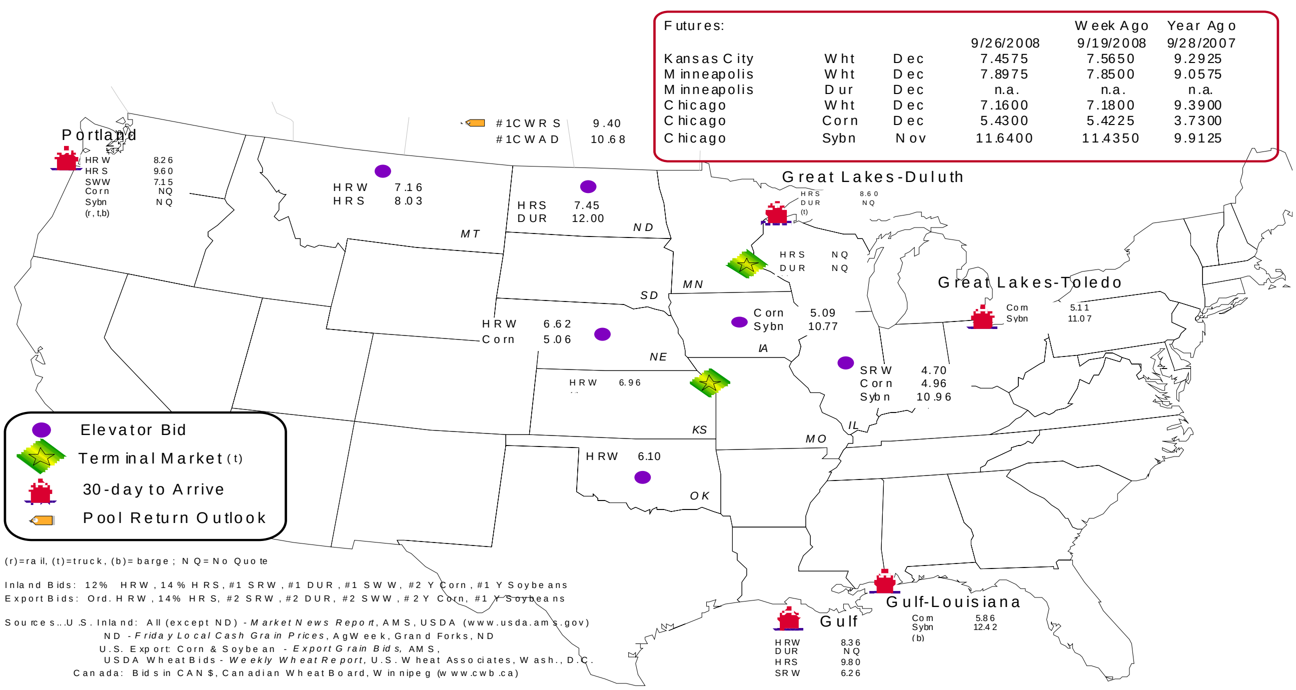
Note: nq = no quote

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
9/24/2008[p]	1,138	1,234	1,001	4,375	518	8,266
9/17/2008[r]	775	615	417	4,598	316	6,721
2008 YTD	48,098	92,618	22,652	198,916	24,737	387,021
2007 YTD	37,612	76,177	32,337	157,279	17,090	320,495
2008 YTD as % of 2007 YTD	128	122	70	126	145	121
Last 4 weeks as % of 2007 [3]	59	32	60	149	60	75
Last 4 weeks as % of 4-year avg.[3]	71	56	54	130	92	90
Total 2007	62,169	113,730	40,725	227,970	31,369	475,963
Total 2006	96,593	99,866	45,971	213,682	29,334	485,446

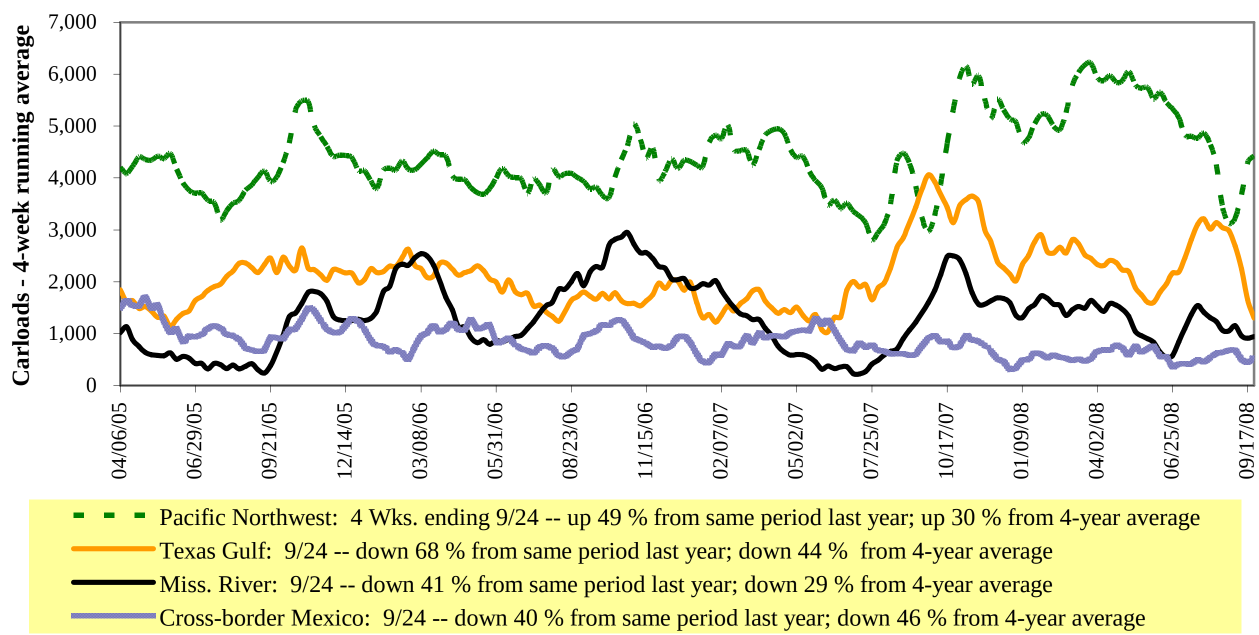
[1] Data is incomplete as it is voluntarily provided; [2] Mississippi Gulf data back to January, 2004 from several new sources has been added resulting in large increases in the numbers reported; [3] Compared with same 4-weeks in 2007 and prior 4-year average.

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)

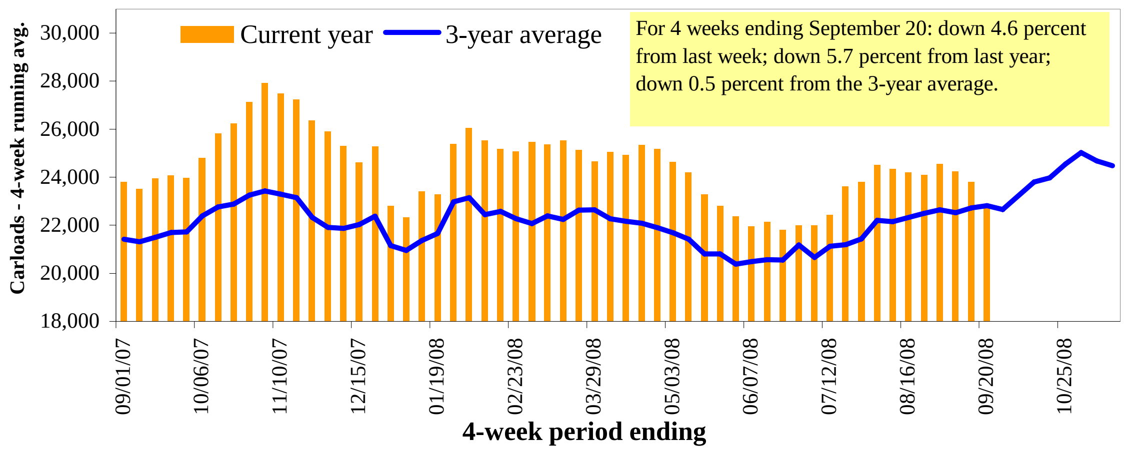
	East		West			U.S. total	Canada	
Week ending	**CSXT**	**NS**	**BNSF**	**KCS**	**UP**		**CN**	**CP**
09/20/08	1,964	2,651	9,559	395	4,816	19,385	3,671	4,516
This week last year	2,048	3,186	11,767	721	7,247	24,969	6,129	5,608
2008 YTD	102,254	117,564	421,617	25,987	245,066	912,488	162,457	150,347
2007 YTD	103,205	119,761	373,340	24,248	201,297	821,851	177,125	171,382
2008 YTD as % of 2007 YTD	99	98	113	107	122	111	92	88
Last 4 weeks as % of 2007[1]	112	80	99	89	89	94	71	92
Last 4 weeks as % of 3-yr avg.[1]	79	85	109	112	97	100	78	102
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							
9/27/2008	**Oct-08**	**Oct-07**	**Nov-08**	**Nov-07**	**Dec-08**	**Dec-07**	**Jan-09**	**Jan-08**
BNSF[3]								
COT grain units	no offer	no offer	no bids	no offer	no bids	no offer	no bids	135
COT grain single-car[5]	no offer	no offer	no bids	no offer	no bids	no offer	no bids	152. .317
UP[4]								
GCAS/Region 1	no bids	no offer	no bids	no offer	no offer	2	no offer	no offer
GCAS/Region 2	1	no offer	no bids	no offer	no offer	69	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.

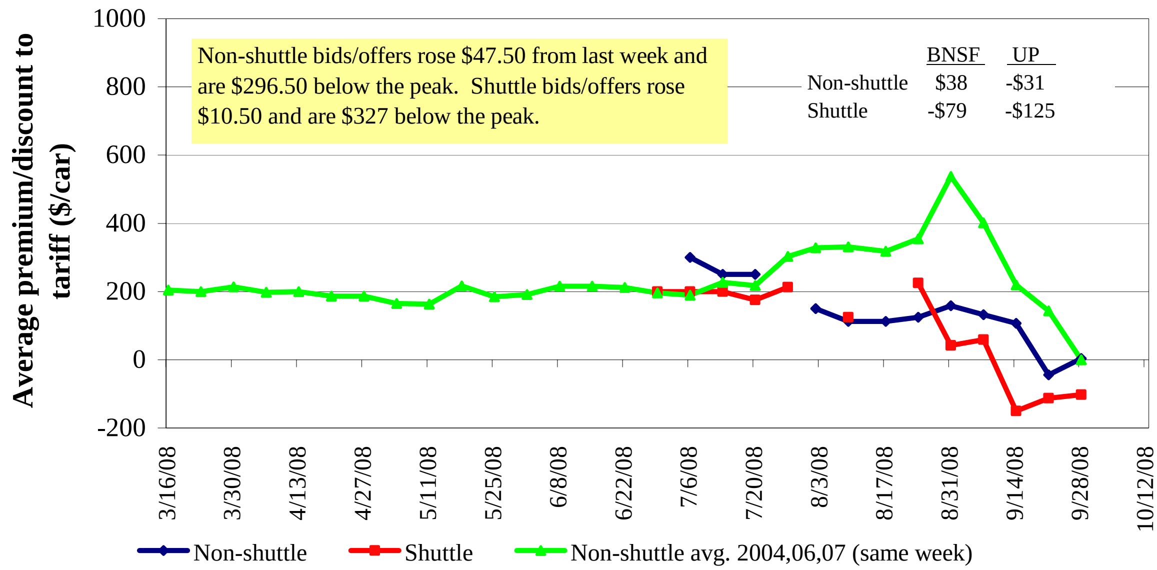
Source: Transportation & Marketing Programs/AMS/USDA.

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

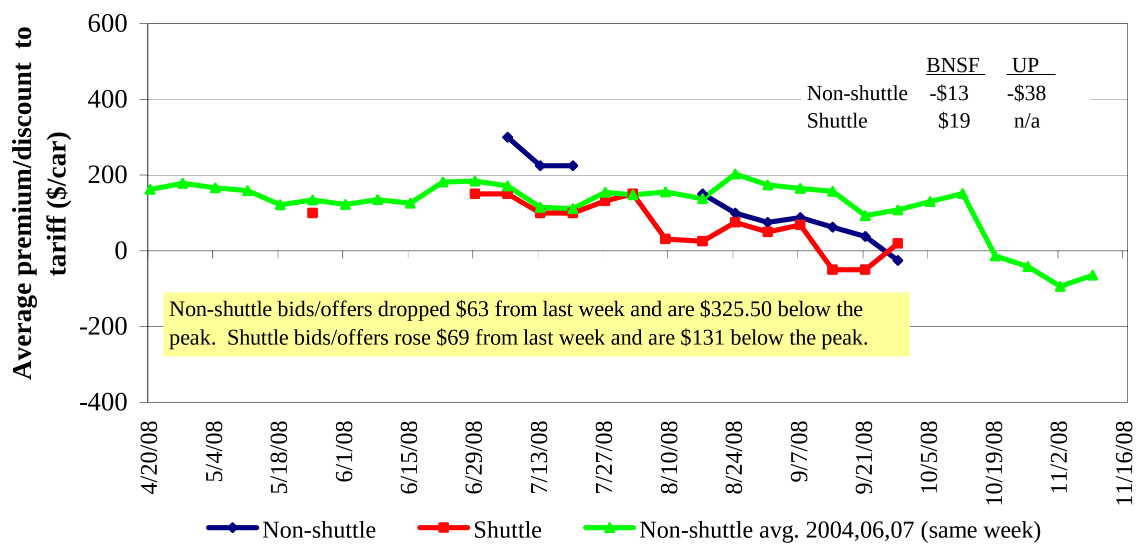
Bids/Offers for Railcars to be Delivered in October 2008, Secondary Market



Excludes 2005 from the 3-year non-shuttle average due to abnormally high rates following Hurricanes Katrina and Rita.
Non-shuttle bids include unit-train and single-car bids. n/a = not available.
Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

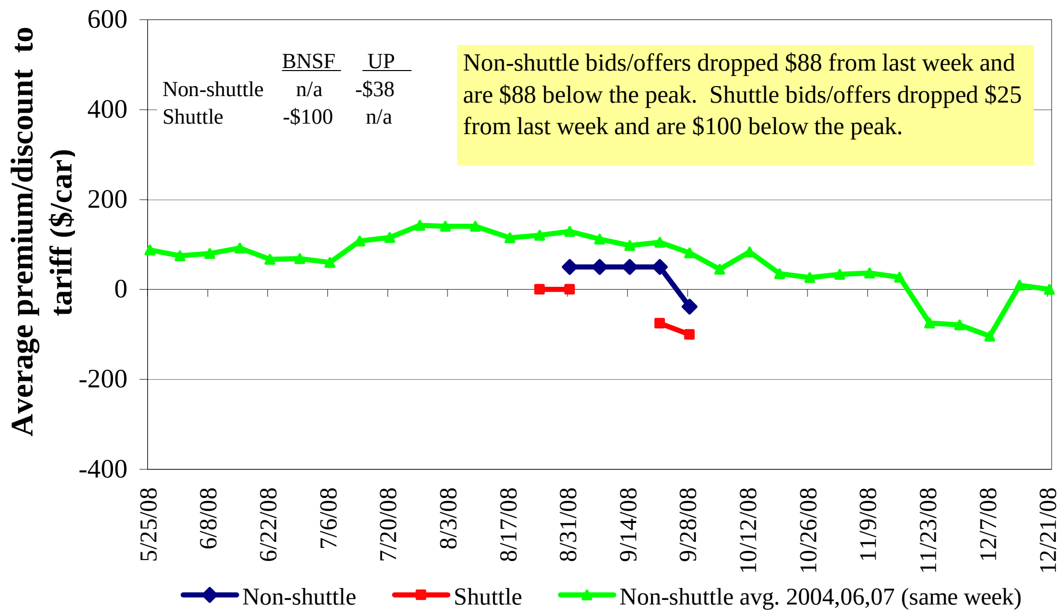
Bids/Offers for Railcars to be Delivered in November 2008, Secondary Market



Excludes 2005 from the 3-year non-shuttle average due to abnormally high rates following Hurricanes Katrina and Rita.
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 December 2008, Secondary Market



Excludes 2005 from the 3-year non-shuttle average due to abnormally high rates following Hurricanes Katrina and Rita.
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					
9/27/2008	**Oct-08**	**Nov-08**	**Dec-08**	**Jan-09**	**Feb-09**	**Mar-09**
Non-shuttle						
BNSF-GF	38	-13	n/a	n/a	n/a	n/a
Change from last week	38	-38	n/a	n/a	n/a	n/a
Change from same week 2007	-362	-274	n/a	n/a	n/a	n/a
UP-Pool	-31	-38	-38	n/a	n/a	n/a
Change from last week	57	-88	-88	n/a	n/a	n/a
Change from same week 2007	-381	n/a	n/a	n/a	n/a	n/a
Shuttle[2]						
BNSF-GF	-79	19	-100	n/a	n/a	n/a
Change from last week	96	69	-25	n/a	n/a	n/a
Change from same week 2007	-1254	n/a	n/a	n/a	n/a	n/a
UP-Pool	-125	n/a	n/a	n/a	n/a	n/a
Change from last week	-75	n/a	n/a	n/a	n/a	n/a
Change from same week 2007	-738	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: 9/8/2008	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[1]							
Wheat	Chicago, IL	Albany, NY	$2,422	$460	$31.77	$0.86	18
	Kansas City, MO	Galveston, TX	$2,528	$437	$32.69	$0.89	23
	South Central, KS	Galveston, TX	$3,170	$611	$41.67	$1.13	25
	Minneapolis, MN	Houston, TX	$3,314	$1,237	$50.17	$1.37	20
	St. Louis, MO	Houston, TX	$3,080	$424	$38.62	$1.05	26
	South Central, ND	Houston, TX	$5,278	$1,375	$73.34	$2.00	31
	Minneapolis, MN	Portland, OR	$3,840	$1,503	$58.90	$1.60	17
	South Central, ND	Portland, OR	$3,840	$1,235	$55.94	$1.52	15
	Northwest, KS	Portland, OR	$4,615	$1,644	$69.00	$1.88	17
	Chicago, IL	Richmond, VA	$2,353	$596	$32.50	$0.88	5
Corn	Chicago, IL	Baton Rouge, LA	$3,260	$536	$41.84	$1.06	17
	Council Bluffs, IA	Baton Rouge, LA	$3,107	$572	$40.56	$1.03	19
	Kansas City, MO	Dalhart, TX	$3,284	$445	$41.11	$1.04	20
	Minneapolis, MN	Portland, OR	$3,350	$1,503	$53.50	$1.36	23
	Evansville, IN	Raleigh, NC	$2,708	$582	$36.27	$0.92	21
	Columbus, OH	Raleigh, NC	$2,597	$509	$34.24	$0.87	20
	Council Bluffs, IA	Stockton, CA	$5,280	$1,624	$76.11	$1.93	19
Soybeans	Chicago, IL	Baton Rouge, LA	$3,309	$536	$42.38	$1.15	17
	Council Bluffs, IA	Baton Rouge, LA	$3,156	$572	$41.10	$1.12	19
	Minneapolis, MN	Portland, OR	$4,160	$1,503	$62.43	$1.70	21
	Evansville, IN	Raleigh, NC	$2,708	$582	$36.27	$0.99	21
	Chicago, IL	Raleigh, NC	$3,308	$724	$44.45	$1.21	20
Shuttle Train							
Wheat	St. Louis, MO	Houston, TX	$2,642	$424	$33.80	$0.92	31
	Minneapolis, MN	Portland, OR	$3,540	$1,503	$55.59	$1.51	19
Corn	Fremont, NE	Houston, TX	$2,448	$909	$37.01	$0.94	25
	Minneapolis, MN	Portland, OR	$3,348	$1,503	$53.48	$1.36	25
Soybeans	Council Bluffs, IA	Houston, TX	$2,606	$881	$38.44	$1.05	23
	Minneapolis, MN	Portland, OR	$3,502	$1,503	$55.17	$1.50	25

[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.

[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

Table 8

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

Effective date:	9/8/2008			Fuel			Percent
	Origin		Tariff	surcharge	Tariff plus surcharge per:		change
Commodity	**state**	**Destination region**	**rate/car[1]**	**per car**	**metric ton**	**bushel[2]**	**Y/Y[3]**
Wheat	MT	Chihuahua, CI	$5,803	$1,399	$73.59	$2.00	19
	OK	Cuautitlan, EM	$5,314	$1,214	$66.70	$1.81	30
	KS	Guadalajara, JA	$5,784	$1,278	$72.15	$1.96	28
	TX	Salinas Victoria, NL	$2,939	$440	$34.53	$0.94	n/a
Corn	IA	Guadalajara, JA	$6,668	$1,477	$83.23	$2.11	18
	SD	Penjamo, GJ	$6,515	$1,830	$85.27	$2.16	19
	NE	Queretaro, QA	$6,021	$1,352	$75.33	$1.91	n/a
	SD	Salinas Victoria, NL	$4,597	$1,391	$61.18	$1.55	21
	MO	Tlalnepantla, EM	$5,429	$1,317	$68.93	$1.75	n/a
	SD	Torreon, CU	$5,510	$1,533	$71.96	$1.83	19
Soybeans	MO	Bojay (Tula), HG	$6,131	$1,280	$75.72	$2.06	19
	NE	Guadalajara, JA	$6,674	$1,468	$83.19	$2.26	21
	IA	Penjamo (Celaya), GJ	$6,546	$1,819	$85.47	$2.32	22
	KS	Torreon, CU	$5,282	$989	$64.07	$1.74	19
Sorghum	OK	Cuautitlan, EM	$4,224	$1,389	$57.36	$1.46	20
	TX	Guadalajara, JA	$4,720	$1,191	$60.40	$1.53	16
	NE	Penjamo, GJ	$6,248	$1,357	$77.70	$1.97	19
	KS	Queretaro, QA	$5,341	$983	$64.61	$1.64	16
	NE	Salinas Victoria, NL	$4,279	$981	$53.75	$1.36	18
	NE	Torreon, CU	$5,210	$1,117	$64.64	$1.64	18

[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.

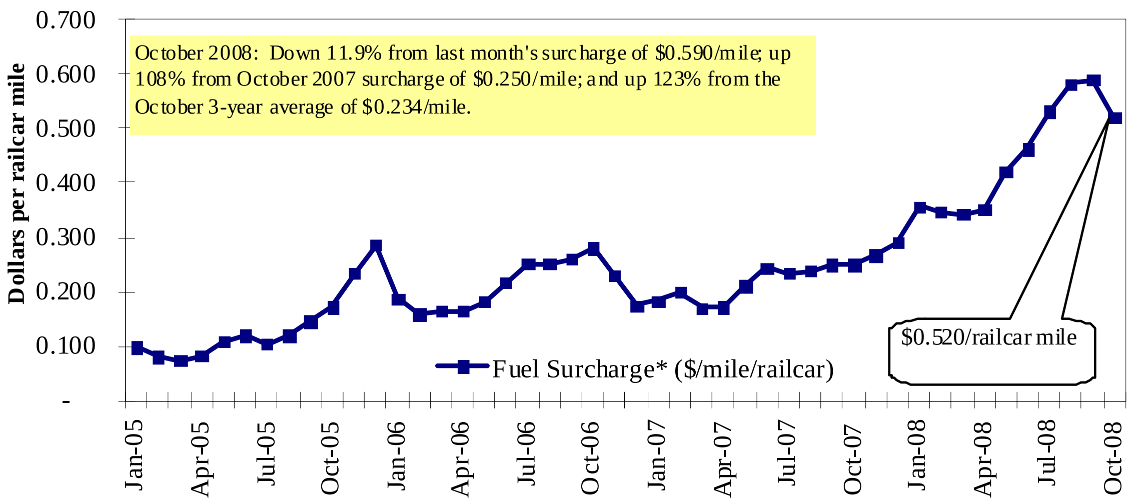
[2]Approximate load per car = 97.87 metric tons: Corn & Sorghum 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

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

Sources: www.bnsf.com, www.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.

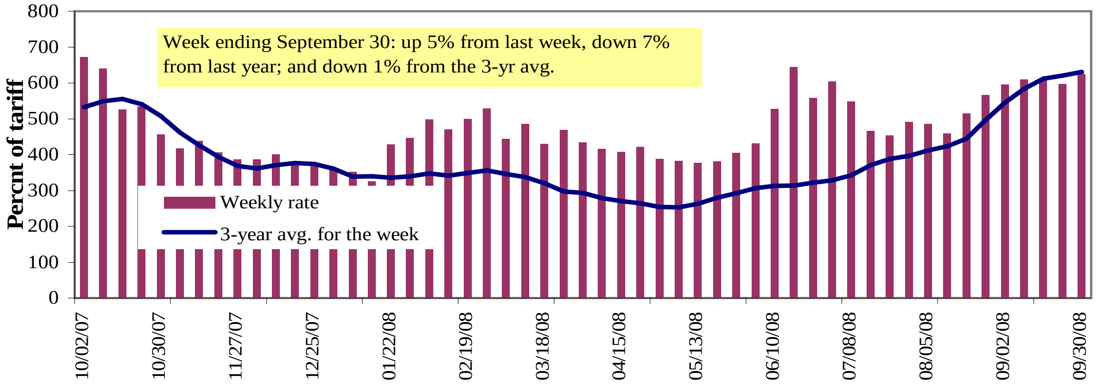
* Mileage-based fuel surcharges from December 2004 through March 2007 are estimated.

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]	9/30/2008	558	596	625	665	745	745	680
	9/23/2008	570	591	596	635	742	745	654
$/ton	9/30/2008	34.54	31.71	29.00	26.53	34.94	30.10	21.35
	9/23/2008	35.28	31.44	27.65	25.34	34.80	30.10	20.54
Current week % change from the same week:								
	Last year	-15	-12	-7	25	23	23	30
	3-year avg. [2]	-6	-4	-1	11	17	16	17
Rate[1]	October	613	656	654	670	725	725	665
	December	-	-	504	425	473	473	389

[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

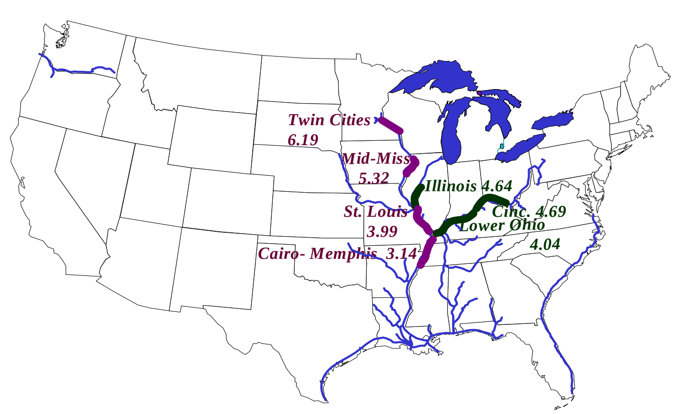
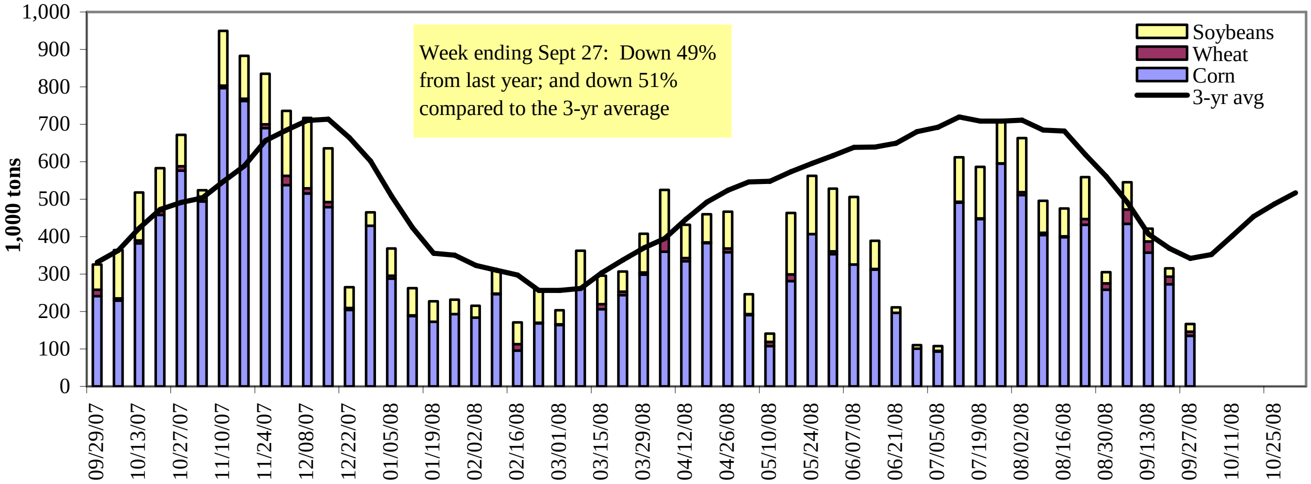


Figure 10

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 9/27/2008	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	48	3	11	2	64
Winfield, MO (L25)	113	8	23	2	146
Alton, IL (L26)	143	8	23	2	176
Granite City, IL (L27)	135	11	21	2	169
Illinois River (L8)	22	0	0	0	22
Ohio River (L52)	80	5	6	0	90
Arkansas River (L1)	11	27	0	4	41
Weekly total - 2008	226	42	27	5	300
Weekly total - 2007	354	41	90	20	505
2008 YTD[1]	14,337	1,280	4,555	370	20,542
2007 YTD	17,739	1,408	4,359	418	23,923
2008 as % of 2007 YTD	81	91	105	89	86
Last 4 weeks as % of 2007[2]	123	123	70	24	111
Total 2007	25,510	1,711	6,566	980	34,398

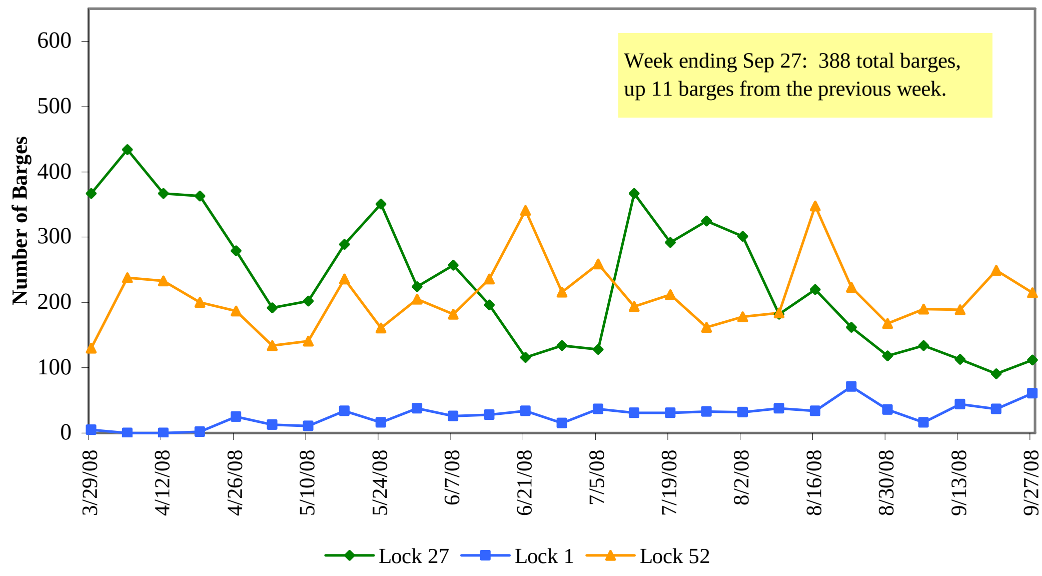
[1] Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

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

Note: Total may not add exactly, due to rounding

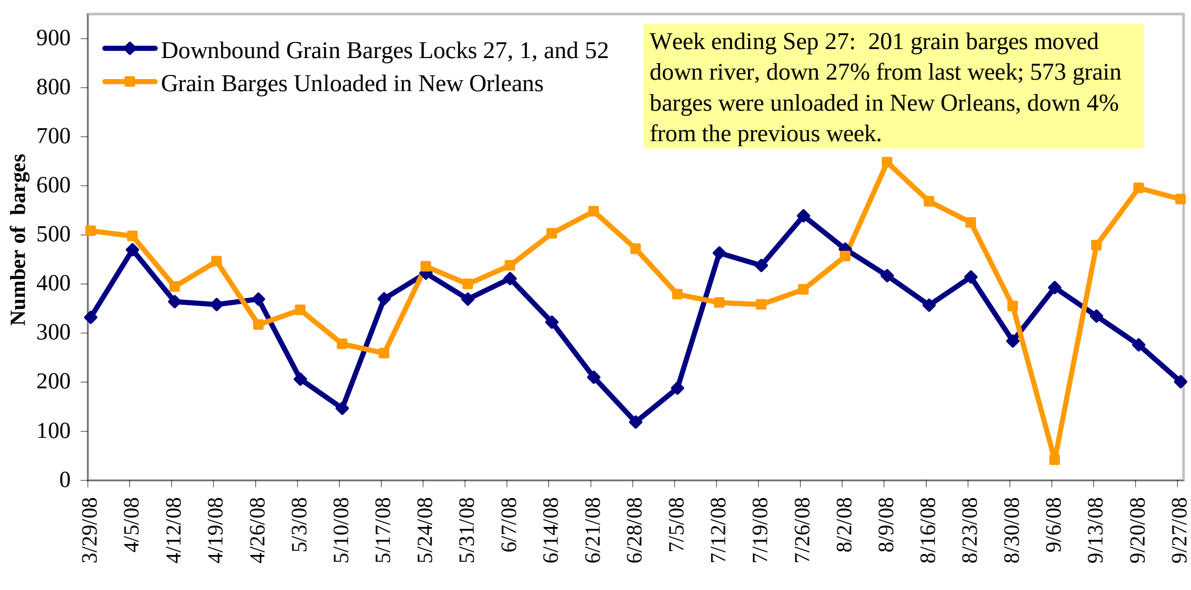
Source: U.S. Army Corps of Engineers (www.mvr.usace.army.mil/mvrimi/omni/webrpts/default.asp)

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 as diesel fuel is a significant expense for truck grain movements.

Table 11

Retail on-Highway Diesel Prices[1], Week Ending 9/29/08 (US$/gallon)

Region	Location	Price	Change from Week ago	Change from Year ago
I	East Coast	4.020	-0.001	0.968
	New England	4.077	-0.033	0.960
	Central Atlantic	4.073	-0.008	0.932
	Lower Atlantic	3.992	0.005	0.984
II	Midwest[2]	3.936	0.005	0.875
III	Gulf Coast[3]	3.929	0.005	0.954
IV	Rocky Mountain	3.944	-0.020	0.844
V	West Coast	3.941	-0.002	0.851
	California	3.963	0.012	0.820
Total	U.S.	3.959	0.001	0.911

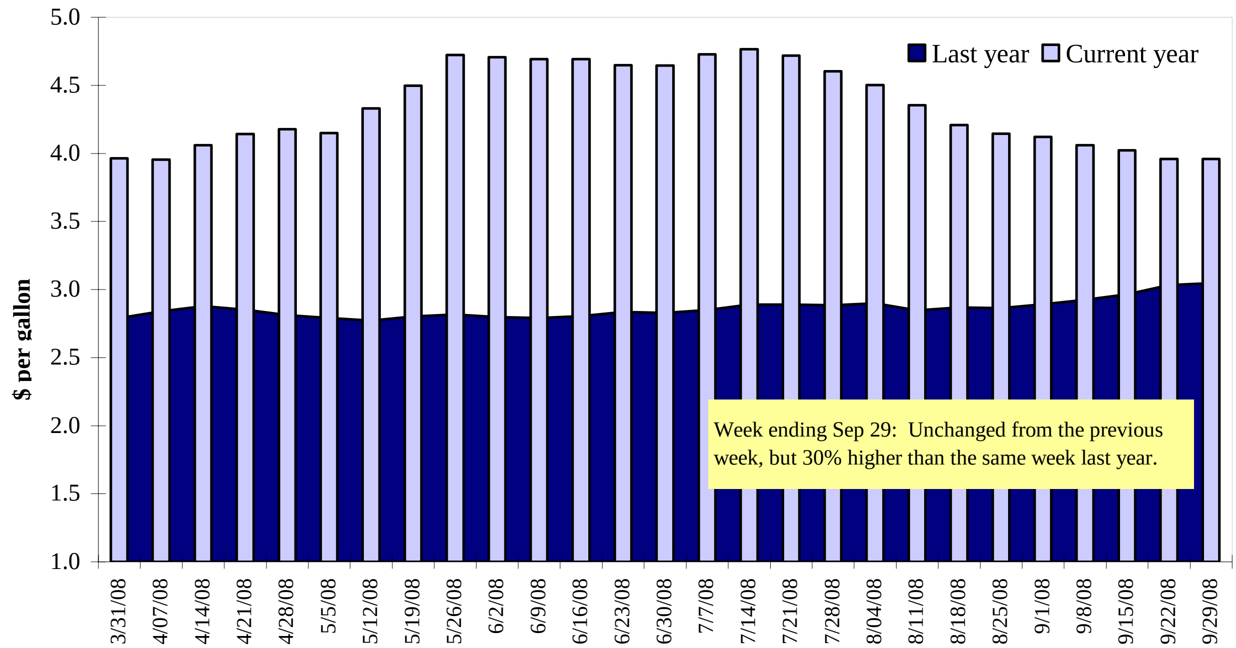
[1]Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

[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]									
9/18/2008	2,565	989	1,502	743	149	5,948	10,900	9,651	26,499
This week year ago	5,440	1,389	2,777	1,472	449	11,527	17,415	8,366	37,308
Cumulative exports-marketing year[2]									
2008/09 YTD	5,371	2,594	1,478	851	162	10,455	2,056	319	12,830
2007/08 YTD	4,197	2,793	2,174	1,351	293	10,808	2,960	1,000	14,768
YTD 2008/09 as % of 2007/08	128	93	68	63	55	97	69	32	87
Last 4 wks as % of same period 2007/08	50	75	58	52	33	54	53	85	61
2007/08 Total	13,709	5,568	7,842	4,191	1,075	32,385	59,666	30,411	122,462
2006/07 Total	6,800	3,866	6,480	4,996	761	22,902	53,799	30,261	106,962

[1] Current unshipped export sales to date

[2] Shipped export sales to date; new marketing year 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 09/18/08	**Total Commitments**[2]		**% change**	**Exports**[3]
	2008/09	**2007/08**	**current MY**	
	Current MY	**Last MY**	**from last MY**	**2007/08**
	- 1,000 mt -			- 1,000 mt -
Japan	4,037	5,123	(21)	15,294
Mexico	2,980	4,204	(29)	8,767
Korea	1,252	1,415	(12)	8,621
Taiwan	269	778	(65)	3,476
Egypt	336	657	(49)	3,309
Top 5 importers	**8,873**	**12,177**	**(27)**	**39,467**
Total US corn export sales	**12,956**	**20,375**	**(36)**	**59,950**
% of Projected	26%	33%		
Change from Last Week	548	1,698		
Top 5 importers' share of U.S. corn export sales	68%	60%		
USDA forecast, September 2008	**50,800**	**61,595**	**(18)**	
Corn Use for Ethanol USDA forecast, September 2008	**104,140**	**76,200**	**37**	

(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 09/18/08	Total Commitments[2] 2008/09 Current MY	2007/08 Last MY	% change current MY from last MY	Exports[3] 2007/08
	- 1,000 mt -			- 1,000 mt -
China[4]	5,142	4,973	3	13,354
Mexico	701	902	(22)	3,575
Japan	1,310	870	51	2,710
EU-25	305	188	63	3,896
Taiwan	243	317	(23)	1,728
Top 5 importers	**7,700**	**7,249**	**6**	**25,262**
Total US soybean export sales	**9,971**	**9,366**	**6**	
% of Projected	37%	30%		
Change from last week	613	746		
Top 5 importers' share of U.S. soybean export sales	77%	77%		
USDA forecast, September 2008	**27,220**	**31,430**	**(13)**	
Soybean Use for Biodiesel USDA forecast, September 2008	**7,810**	**7,300**	**7**	

(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: **410,000 mt** to China (230,000 mt on 9/22 and 180,000 on 9/24) for 2008/09.

Table 15

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

Week ending 09/18/08	Total Commitments[2] 2008/09 Current MY	2007/08 Last MY	% change current MY from last MY	Exports[3] 2007/08
	- 1,000 mt -			- 1,000 mt -
Japan	1,809	1,472	23	3,319
Egypt	1,284	2,636	(51)	3,276
Nigeria	1,623	1,524	6	2,597
Mexico	1,626	1,230	32	2,568
Iraq	1,166	1,504	(22)	1,964
Phililppines	1,134	1,146	(1)	1,538
Korea, South	605	613	(1)	1,509
Indonesia	394	377	5	1,093
Taiwan	231	541	(57)	1,068
Venezuela	273	439	(38)	997
Top 10 importers	**10,143**	**11,482**	**(12)**	**19,930**
Total US wheat export sales[4]	**16,403**	**22,349**	**(27)**	**34,480**
% of Projected	60%	65%		
Change from last week	284	1,514		
Top 10 importers' share of U.S. wheat export sales	62%	51%		
USDA forecast, September 2008	**27,220**	**34,480**	**(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: **116,000 mt** to Unknown on 9/23 (82,000 mt HRW and 34,000 mt HRS) for 2008/09.

Table 16

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

Port regions	Week ending 09/25/08	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	339	8,273	8,671	95	147	131	11,913
Corn	210	10,273	6,718	153	226	136	9,171
Soybeans	4	5,591	4,583	122	25	32	7,648
Total	**553**	**24,136**	**19,973**	**121**	**145**	**121**	**28,732**
Mississippi Gulf							
Wheat	72	4,573	5,030	91	59	111	6,296
Corn	621	22,428	24,997	90	52	65	34,832
Soybeans	199	8,886	9,340	95	44	45	14,930
Total	**892**	**35,887**	**39,367**	**91**	**52**	**66**	**56,058**
Texas Gulf							
Wheat	133	7,705	5,946	130	33	59	8,558
Corn	26	1,390	811	171	27	25	1,441
Soybeans	0	105	76	139	n/a	0	108
Total	**159**	**9,200**	**6,833**	**135**	**33**	**53**	**10,107**
Great Lakes							
Wheat	21	551	1,663	33	43	67	2,721
Corn	15	212	494	43	56	41	894
Soybeans	0	41	88	47	0	0	510
Total	**36**	**804**	**2,245**	**36**	**42**	**58**	**4,125**
Atlantic							
Wheat	1	712	950	75	8	10	1,281
Corn	4	465	306	152	8	8	699
Soybeans	0	352	314	112	5,694	148	564
Total	**5**	**1,530**	**1,569**	**97**	**24**	**24**	**2,544**
U.S. total from ports[2]							
Wheat	566	21,262	20,597	103	64	92	30,770
Corn	876	34,768	33,327	104	68	74	47,036
Soybeans	203	14,976	14,401	104	39	42	23,760
Total	**1,645**	**71,006**	**68,324**	**104**	**63**	**76**	**101,566**

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

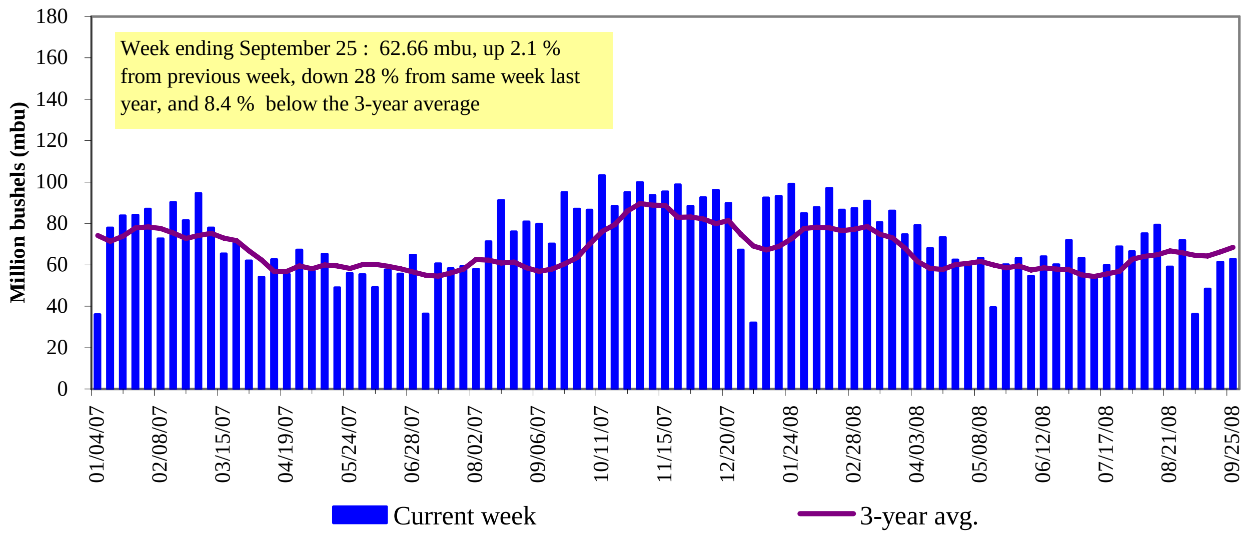
[2] Total includes only port regions shown above

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, 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 48 percent of the 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)

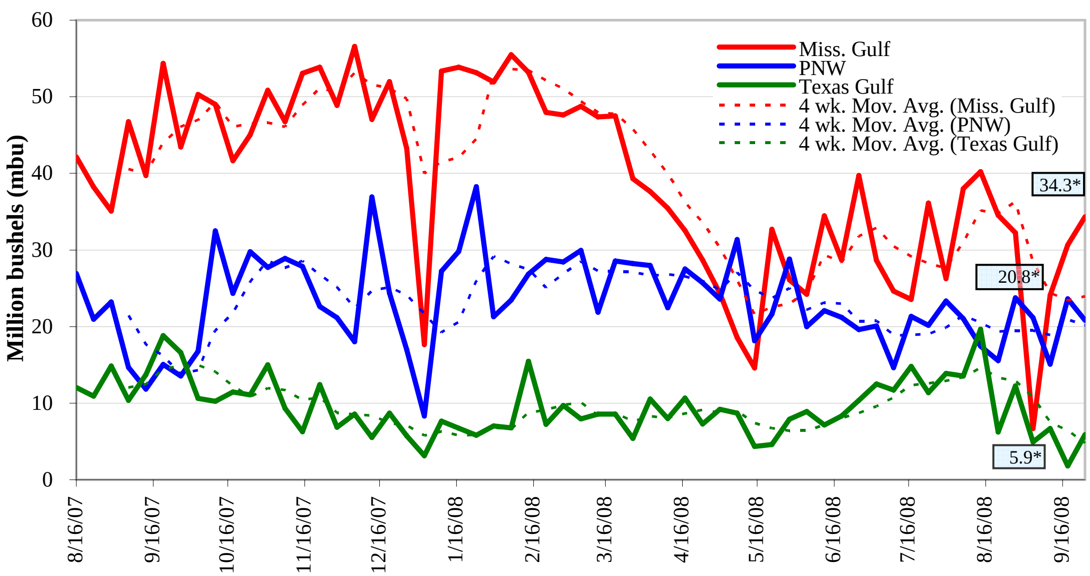


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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.

Sep.25: % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	up 12	up 229	up 24	down 12
Last year (same week)	down 21	down 64	down 33	up 54
3-yr avg. (4-wk mov. avg.)	down 5.1	down 36	down 11	up 25

Ocean Transportation

Table 17

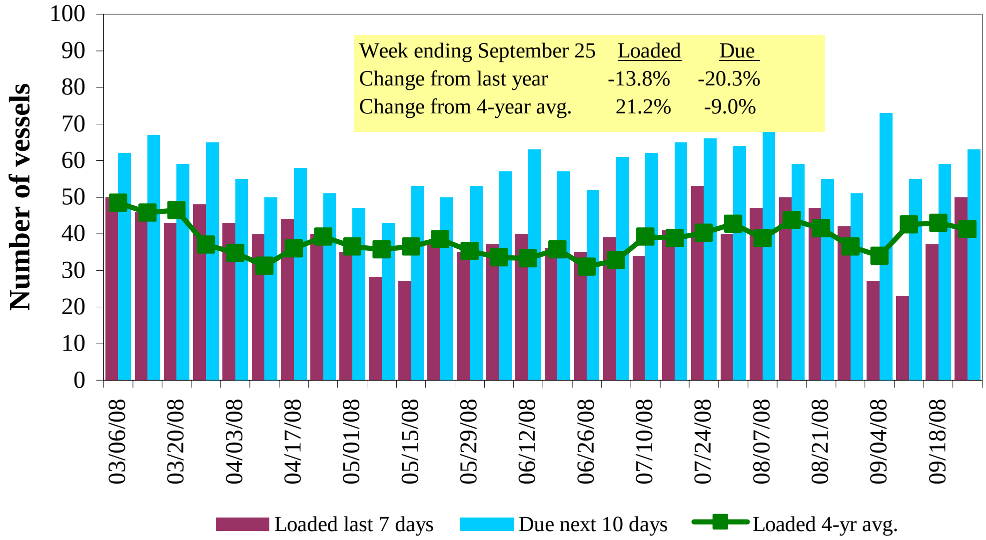
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

Date	Gulf In port	Gulf Loaded 7-days	Gulf Due next 10-days	Pacific Northwest In port	Vancouver B.C. In port
9/25/2008	32	50	63	13	3
9/18/2008	40	37	59	12	2
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

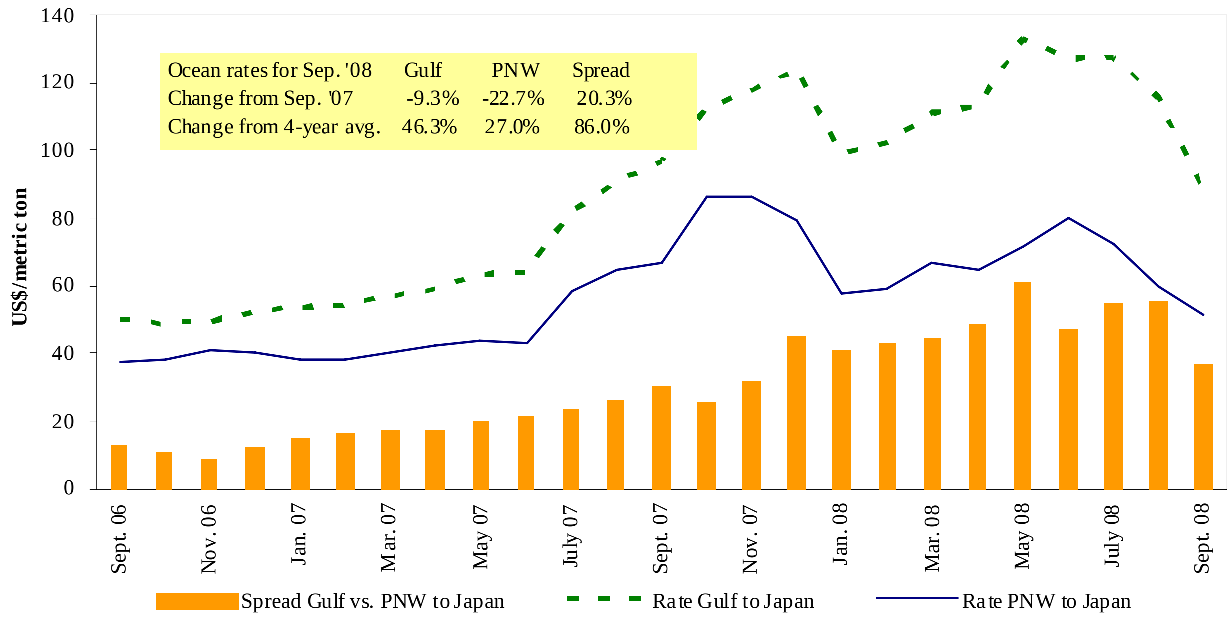


Source:Transportation & Marketing Programs/AMS/USDA

[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 9/27/2008

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US$/metric ton)
U.S. Gulf	Ethiopia[1]	Wheat	Oct 5/15	34,180	129.96
U.S. Gulf	Egypt Mediterranean	Wheat	Oct 10/20	60,000	54.00
Brazil	Belgium	Hvy Grain	May 26/30	50,000	77.25
Brazil	Montoir	Soybean Meal	Sep 9/15	43,000	55.00
Brazil	Thailand	Soybean	Sep 23/27	42,000	75.00
River Plate	Egypt Mediterranean	Hvy Grain	Jul 5/10	22,500	90.00
River Plate	Spain Mediterranean	Soybean Meal	Jun 5/10	25,000	115.00
River Plate	Spain	Grain	Jul 18/25	22,500	86.00
River Plate	Algeria	Hvy Grain	Oct 10/20	35,000	89.00
River Plate	Algeria	Soybean Meal	Aug 25/30	25,000	92.00
River Plate	Algeria	Hvy Grain	Jul 20/30	35,000	98.00
River Plate	Algeria	Hvy Grain	Sep 1/10	20,000	101.00
River Plate	Egypt	Hvy Grain	Jul 10/12	30,000	90.00
River Plate	Morocco	Maize	Aug 2/10	20,000	91.00
River Plate	Morocco	Hvy Grain	Aug 2/12	22,000	96.50
River Plate	Morocco	Hvy Grain	Sep 15/22	25,000	77.00
Russia	Egypt Mediterranean	Wheat	Sep 16/20	25,000	28.00
Vancouver	China	Canola	Sep 22/29	55,000	44.00

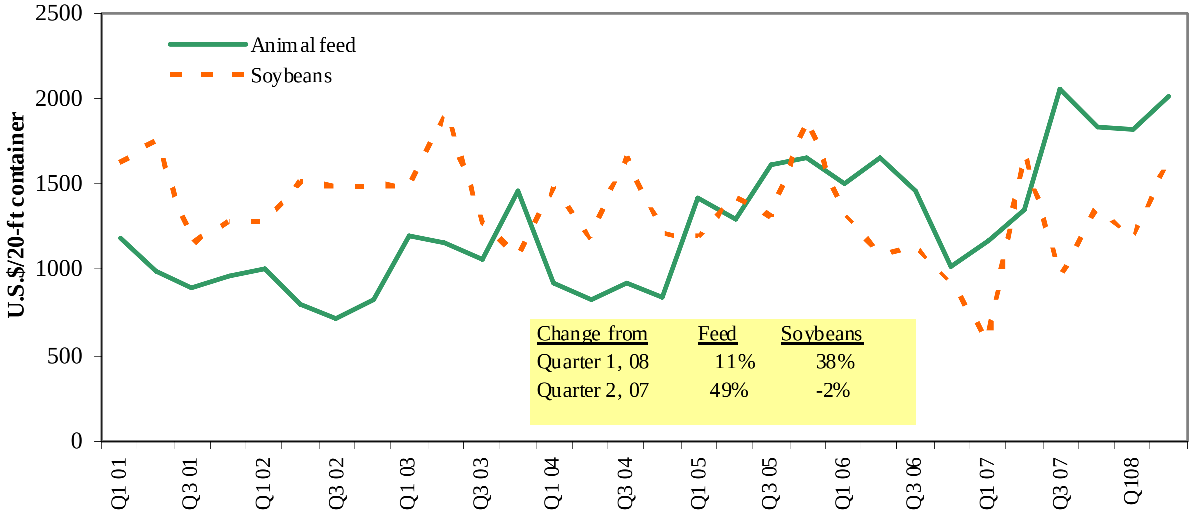
Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option

[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 (40%), Hong Kong (17%), Kaohsiung/Keelung-Taiwan (16%), Tokyo-Japan (15%). Soybeans: Busan-Korea, (1%), Kaohsiung/Keelung-Taiwan (96%), Tokyo-Japan (3%)

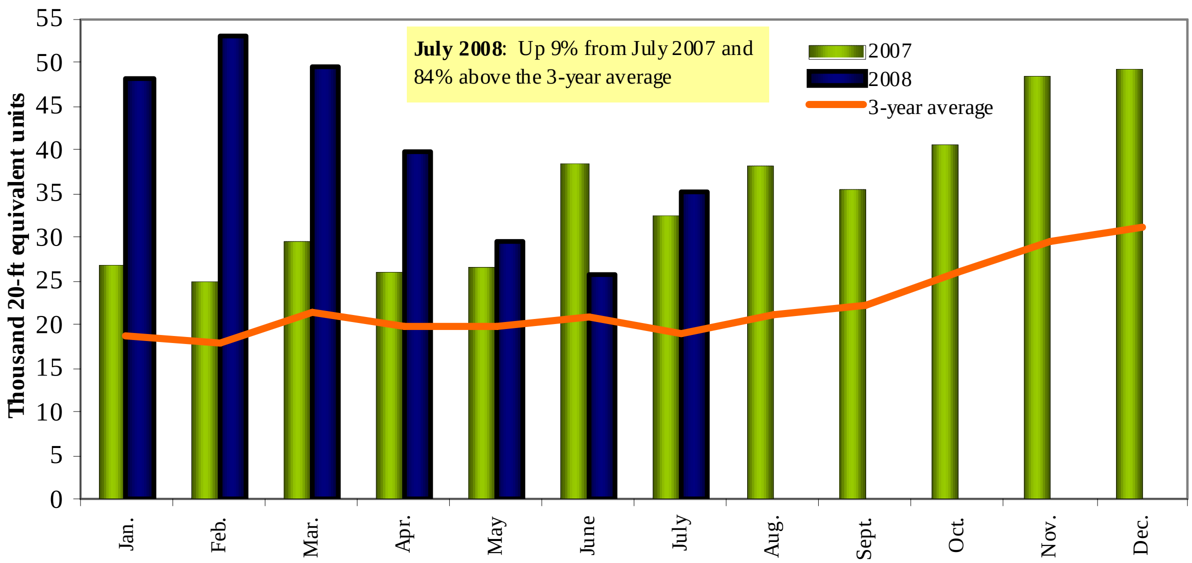
Source: Ocean Rate Bulletin, Quarter 2, 2008, Transportation & Marketing Programs/AMS/USDA

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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