USDA Agricultural Marketing Service

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WEEKLY HIGHLIGHTS

Vancouver, WA, Port Expansion Expected to Increase Grain Exports

The Port of Vancouver, WA, has granted United Grain Corporation permission to tear down three buildings on the port's Terminal 2 adjacent to the grain terminal. Removing the buildings will accommodate the company's planned expansion of grain exports and allow the port to continue its larger and longer-term West Vancouver Freight Access rail project, which is planned to cost $150 million and be completed by 2017. United Grain's $72 million project to expand the company's grain handling operations would provide an additional 60,000 tons of storage space for corn and soybeans, which is expected to result in an additional 2 million tons of grain moving through the port. The Columbia River channel-deepening project is one of the reasons behind United Grain's expansion. Because the depth of the shipping channel has been increased to 43 feet, about 7,200 tons of additional grain can be loaded onto each vessel that docks at the port. The project will be completed over the next several years.

OMB Reviewing TWIC Reader Requirements

On January 12, the Office of Management and Budget (OMB) received the Coast Guard's notice of proposed rulemaking to establish Transportation Worker Identification Credential (TWIC) reader requirements for maritime facilities and vessels. After review by OMB, the proposed rule will be published in the *Federal Register* and made available for comment at www.regulations.gov under docket number USCG-2007-28915. According to *Land Line Magazine*, over 1.6 million TWICs have been issued to transportation professionals, including nearly 232,000 merchant mariners, over 300,000 truck drivers, and nearly 12,000 rail crew members.

FMC Orders Special Monitoring Requirements for Three Global Vessel Alliance Agreements

Severe disruptions in ocean transportation service experienced last year by U.S. exporters and importers has led the Federal Maritime Commission (FMC) to conclude that more timely notice and reporting is needed for global vessel alliance agreements. The agreements have the potential to be complex and anticompetitive in multiple trade lanes. Effective January 24, New World Alliance, Grand Alliance, and CKYH Alliance and their member carriers must file with the FMC their meeting minutes and monthly reports on vessel capacity allocated to the U.S. market, including U.S. cargo loadings, both inbound and outbound. The alliances must provide notice of planned changes in vessel capacity, substitution of vessels, or adjustments in sailings that could change the weekly vessel capacity by five percent or more.

Weekly Grain Inspections Up Slightly

For the week ending January13, **total inspections of grain** (corn, wheat, and soybeans) from all major U.S. export regions reached 2.16 million metric tons (mmt), up 3 percent from the previous week, but 3.3 percent below the same week last year. Inspections were 16 percent above the 3-year average. Corn and soybean inspections rebounded from the past week as shipments to Asia increased.

Snapshots by Sector

Rail

U.S. railroads originated 25,913 **carloads of grain**during the week ending January 8, up 43 percent from last week, 33 percent from last year, and 31 percent higher than the 3-year average.

During the week ending January 13, average January non-shuttle **secondary railcar bids/offers** were $112.50 above tariff, up $46.50 from last week. Average shuttle rates were $25 below tariff, up $223 from last week.

Barge

During the week ending January 15, **barge grain movements** totaled 539,076 tons, 5 percent lower than the previous week but 82 percent higher than the same period last year.

During the week ending January 15, 337 grain barges **moved down river**, down 7 percent from last week; 571 grain barges were **unloaded in New Orleans**, down13 percent from the previous week.

Fuel

During the week ending January 10, U.S. average **diesel fuel prices** were $3.41—up 2 percent from the previous week, and 18.7 percent higher than the same week last year.

Ocean

During the week ending January 13, 50 **ocean-going grain vessels** were loaded in the Gulf, up 22 percent from last year. Eighty-one vessels are expected to be loaded in the U.S. Gulf within the next 10 days, up 13 percent from last year.

During the week ending January 14, the cost of shipping grain from the Gulf to Japan averaged $54 per mt, up 2 percent from the previous week. The rate from the Pacific Northwest to Japan was $32 per mt, up10 percent from the previous week.