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

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March 4, 2010

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WEEKLY HIGHLIGHTS

Little Movement in Forward Looking Transportation Demand

For the week ending Feb. 27, secondary rail car bids/offers for April were non-existent for BNSF and at tariff for the UP. May non-shuttle bids/offers were non-existent for both UP and BNSF. Shuttle rates did not fare better. Only BNSF shuttle movements for May had a bid/offer at $267 below tariff. Forward-looking barge rates were reportedly difficult to find as well. Barge rate offers are currently facing little demand for the May/June timeframe. Rate offers are down 13 percent from the 3-year average. The difficulties may be a result of uncertainty in the current market, and in the state of the economic recovery that is underway. Commodity prices for corn and soybeans for May 2010 fell early in 2010 and have not recovered. The fall in prices has probably led producers to hold grain in the short-term, reducing transportation activity and the need for booking nearby forward-looking transportation demand. However, large unshipped export balances still remain and are likely to increase transportation demand in the future as grain is shipped to export destinations.

Soybeans Drive Increase in PNW Grain Inspections

For the week ending February 25, total inspections of grain (corn, wheat, and soybeans) from major U.S. export regions reached 2.30 million metric tons (mmt), down 8.3 percent from the previous week but 34 percent above last year. Total shipments of corn, wheat, and soybeans were down compared to the previous week. However, Pacific Northwest (PNW) grain inspections increased 9 percent, with soybean inspections rising by 89 percent. Soybeans shipped from the PNW destined to China were 65 percent higher than the previous week. Total Mississippi Gulf grain inspections dropped 5 percent from the previous week.

Diesel Fuel Prices and Surcharges on the Rise

U.S. average diesel fuel prices increased 3 cents per gallon this week to $2.86—1 percent higher than last week and 37 percent higher than the same week last year. Prices have increased 11 cents per gallon in the last 2 weeks. More increases could follow as the world demand for petroleum products reacts to continued harsh weather conditions in the northern hemisphere, the recent Chilean earthquake, and economic recovery efforts in Asia, particularly China. Additionally, North American railroads increased their average March 2010 fuel surcharge by 1.5 cents/carload mile from February to $0.211/carload mile, an increase of nearly 8 percent in one month. Over the year, the surcharge has increased 124 percent from the March 2009 surcharge of $0.094/carload mile. Railroads base their fuel surcharge on the average U.S. diesel fuel price from two months prior, so January's average diesel fuel price is the basis for March's fuel surcharge.

Snapshots by Sector

Rail

U.S. Railroads originated 22,989 **carloads of grain** during the week ending February 20, up 3 percent from last week, 22 percent from the same week last year, and 6 percent higher than the 3-year average.

During the week ending February 27, average March **secondary railcar bids/offers** were $15 above tariff for non-shuttle, $17 lower than last week. Shuttle rates were $139 above tariff, $105 lower than last week.

Ocean

During the week ending February 25, 50 **ocean-going grain vessels** were loaded in the Gulf, up 28 percent from the same week last year. Fifty-nine vessels are expected to be loaded in the U.S. Gulf within the next 10 days, unchanged from last year.

During the week ending February 26, the cost of shipping grain from the Gulf to Japan averaged $65 per mt, up 3 percent from the previous week. The rate from the Pacific Northwest to Japan was $38 per mt, up 3 percent from the previous week.

Barge

During the week ending February 27, **barge grain movements** totaled 585,878 tons, 7 percent higher than the previous week, but 37 percent lower than the same period last year.

Feature Article/Calendar

Fourth Quarter Wheat Transportation Costs Increase, Landed Cost Remains Stable

The share of transportation in total landed costs for shipping wheat from Kansas (KS) and North Dakota (ND) increased over the quarter as ocean rates continued to increase and fuel costs moved higher. The slow economic recovery underway in the U.S. and a faster one in China can be seen in the double-digit quarterly increases in the ocean vessel rates. As Chinese demand for natural resources increased along with their GDP, the resulting increase in vessel activity has pushed vessel rates upward for both break-bulk and container (***see GTR 1-21-10)***. Rising fuel costs for wheat truck rates was more prevalent from quarter to quarter, pushing rates up about 10 percent. From year-to-year, however, truck rates increased about 18 percent as demand for trucking rose during the late harvest.

The total landed cost (farm value plus transportation costs) for shipping wheat to Japan ranged from $274 to $321 per mt, up slightly from the previous quarter when shipped from Kansas but down 2 and 1 percent from North Dakota. Lower on-farm wheat values, which decreased 8 percent, were the primary drivers for the drop in total landed costs from North Dakota to Japan. Fourth quarter wheat transportation costs represented 36 to 45 percent of the landed costs, up from the previous quarter.

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

	KS					ND				
Mode	2008 4th qtr	2009 3rd qtr	2009 4th qtr	Year-to-Year change	Quarterly change	2008 4th qtr	2009 3rd qtr	2009 4th qtr	Year-to-Year change	Quarterly change
	- $/metric ton -			%	%	- $/metric ton -			%	%
Truck	9.66	10.38	11.38	17.81	9.63	9.66	10.38	11.38	17.81	9.63
Rail[1]	66.28	61.03	62.15	-6.23	1.84	54.17	49.08	50.39	-6.98	2.67
Ocean vessel	18.10	30.03	38.60	113.26	28.54	18.10	30.03	38.60	113.26	28.54
Transportation Costs	94.04	101.44	112.13	19.24	10.54	81.93	89.49	100.37	22.51	12.16
Farm Value[2]	202.95	172.21	162.28	-20.04	-5.77	266.88	193.39	177.35	-33.55	-8.29
Total Landed Cost	296.99	273.65	274.41	-7.60	0.28	348.81	282.88	277.72	-20.38	-1.82
Transport % of landed cost	31.66	37.07	40.86			23.49	31.64	36.14		

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

	KS					ND				
Mode	2008 4th qtr	2009 3rd qtr	2009 4th qtr	Year-to-Year change	Quarterly change	2008 4th qtr	2009 3rd qtr	2009 4th qtr	Year-to-Year change	Quarterly change
	- $/metric ton -			%	%	- $/metric ton -			%	%
Truck	9.66	10.38	11.38	17.81	9.63	9.66	10.38	11.38	17.81	9.63
Rail[1]	41.47	41.18	41.59	0.29	1.00	70.70	63.89	65.11	-7.91	1.91
Ocean vessel	30.45	57.28	66.95	119.87	16.88	30.45	57.28	66.95	119.87	16.88
Transportation Costs	81.58	108.84	119.92	47.00	10.18	110.81	131.55	143.44	29.45	9.04
Farm Value[2]	202.95	172.21	162.28	-20.04	-5.77	266.88	193.39	177.35	-33.55	-8.29
Total Landed Cost	284.53	281.05	282.20	-0.82	0.41	377.69	324.94	320.79	-15.07	-1.28
Transport % of landed cost	28.67	38.73	42.49			29.34	40.48	44.71		

Source: USDA/AMS/TMP

[1] Rail tariff rates include fuel surcharges.

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

Wheat transportation costs for the fourth quarter 2009 from Kansas and North Dakota to Japan through the Pacific Northwest (PNW) increased to $112.13 and $100.37 per metric ton (mt), up 11 and 12 percent, respectively, from the previous quarter and up 19 and 23 percent from the previous year (see table). The cost of shipping from each State to Japan through the U.S. Gulf averaged $119.92 and $143.44 per mt, up 10 and 9 percent from the third quarter.

Ocean rates for wheat shipped from the PNW to Japan increased 29 percent from the third quarter and nearly 113 percent from the previous year (see table). Rates for wheat shipped from the Gulf increased 17 percent from the third quarter and 120 percent from last year. Rates from each export region rose on the easing of the global economic downturn and more promising forecasts.

Fourth quarter rail rates from Kansas and North Dakota to the PNW increased 2 and 3 percent from the previous quarter. Rail rates were pushed up by higher fuel surcharges during the quarter (see figure 7). From year to year, rail rates from Kansas and North Dakota to the PNW dropped 6 and 7 percent due to lower fuel surcharges, which more than offset increases in tariff rates (see table). The rates for moving wheat by rail from Kansas and North Dakota to the Gulf during the fourth quarter increased 1 and 2 percent respectively, from the previous quarter. The rates for moving wheat by rail from Kansas to the Gulf increased slightly from year to year, but North Dakota rates to the Gulf decreased 8 percent from last year due to lower fuel surcharges.

According to the Foreign Agricultural Service, U.S. wheat exports to Japan totaled 3.04 million metric tons in calendar year 2009, down 16 percent from the previous year. Exports to Japan accounted for 14 percent of total U.S. wheat exports. For the same period, total U.S. wheat exports reached 21.93 million metric tons, down 27 percent from the past year, as competition from other wheat-producing countries increased. For the 2009/10 marketing year, year-to-date export sales (shipped) of major wheat classes, with the exception of soft white wheat and durum wheat, are lower than the previous year *(See GTR, Table 12).*
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Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators[1]

Week ending	Truck	Rail[2]	Barge	Ocean Gulf	Ocean Pacific
03/03/10	192	234	192	291	270
02/24/10	190	127	176	282	262

[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)

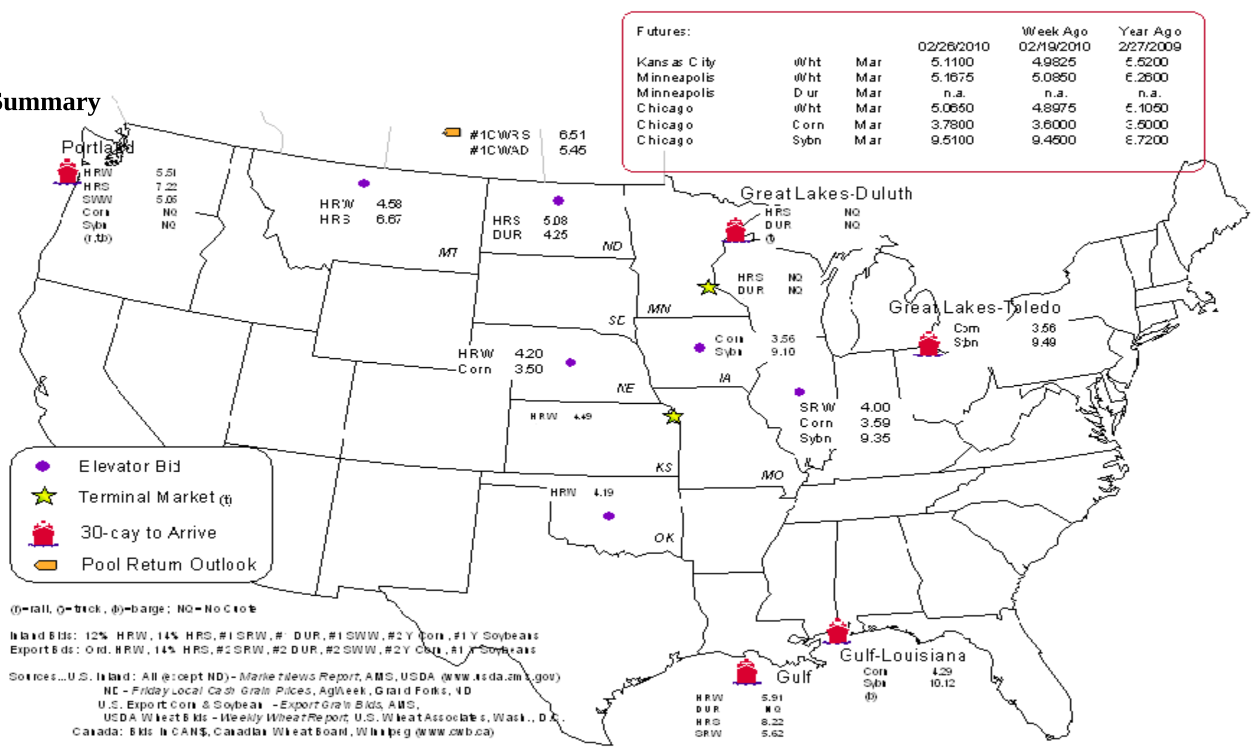
Commodity	Origin--Destination	2/26/2010	2/19/2010
Corn	IL--Gulf	-0.70	-0.66
Corn	NE--Gulf	-0.79	-0.74
Soybean	IA--Gulf	-1.02	-1.05
HRW	KS--Gulf	-1.42	-1.37
HRS	ND--Portland	-2.14	n/a

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 mar-

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
2/24/2010[p]	230	1,415	1,167	3,559	1,034	7,405
2/17/2010[r]	367	1,656	960	3,387	979	7,349
2010 YTD	4,023	12,799	6,240	26,210	9,290	58,562
2009 YTD	8,287	7,940	6,586	26,845	5,132	54,790
2010 YTD as % of 2009 YTD	49	161	95	98	181	107
Last 4 weeks as % of 2009[2]	42	146	118	85	154	98
Last 4 weeks as % of 4-year avg.[2]	31	95	129	73	160	81
Total 2009	33,423	57,646	36,738	175,965	30,328	334,100
Total 2008	68,768	107,542	37,491	255,852	33,028	502,681

[1] Data is incomplete as it is voluntarily provided

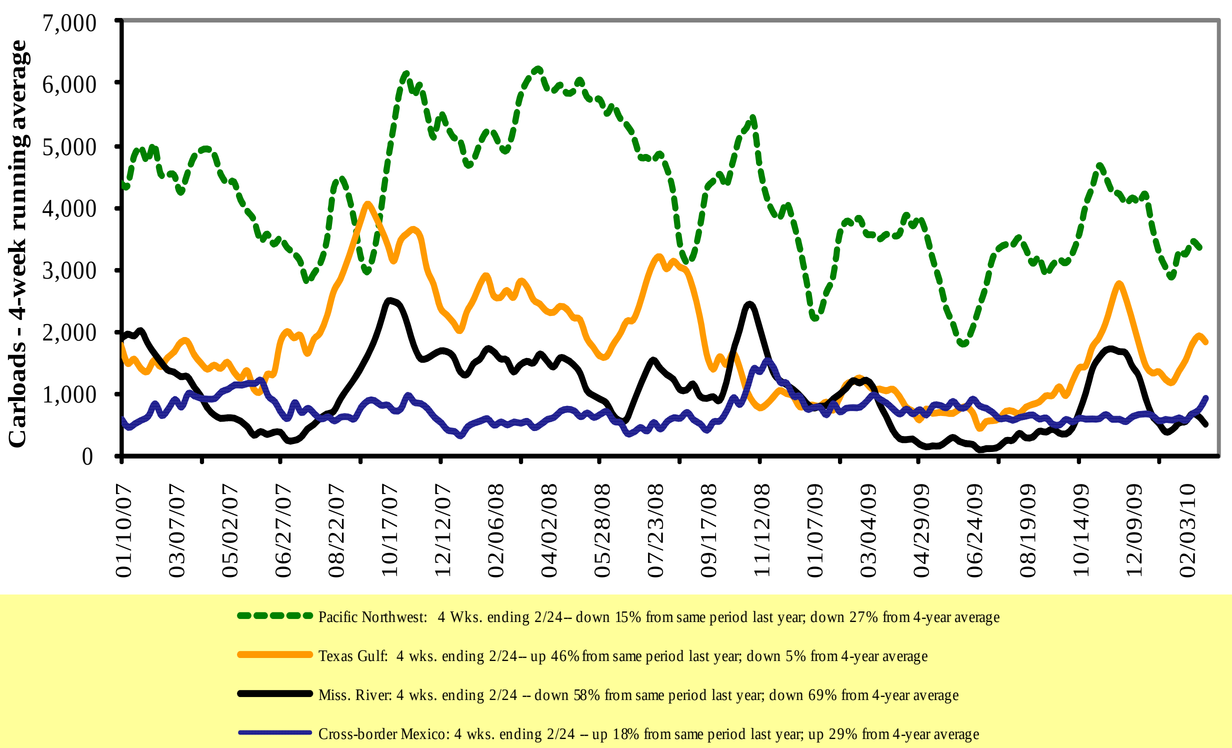
[2] Compared with same 4-weeks in 2008 and prior 4-year average.

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)

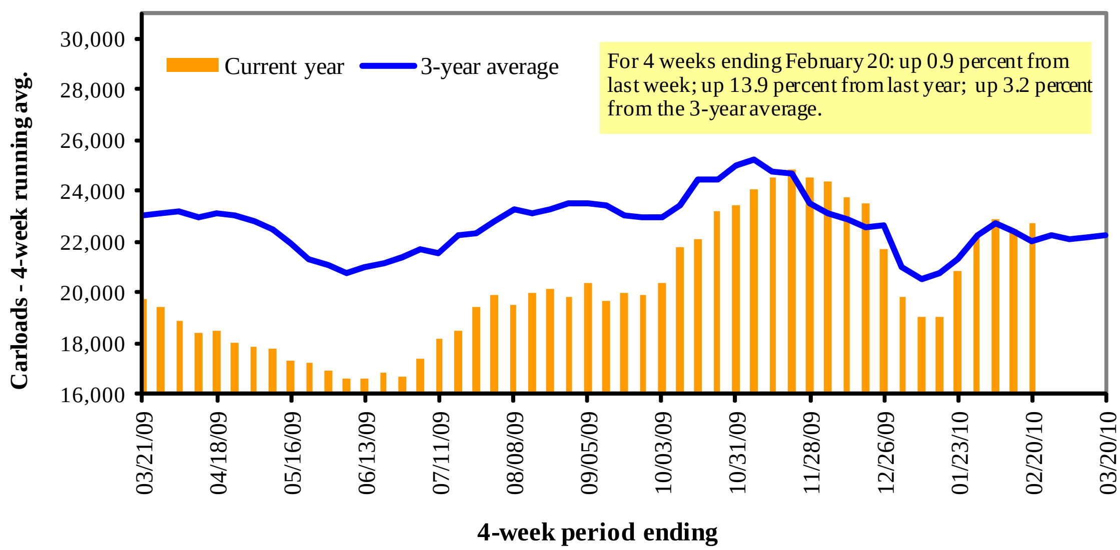
Week ending	East		West			U.S. total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
02/20/10	2,440	3,111	10,065	806	6,567	22,989	4,529	4,600
This week last year	2,548	2,761	8,365	662	4,478	18,814	5,191	3,887
2010 YTD	16,466	20,582	75,147	5,462	38,615	156,272	29,148	34,565
2009 YTD	16,541	18,518	64,291	5,349	34,473	139,172	29,846	36,543
2010 YTD as % of 2009 YTD	100	111	117	102	112	112	98	95
Last 4 weeks as % of 2009[1]	101	121	120	113	118	117	101	96
Last 4 weeks as % of 3-yr avg.[1]	82	101	103	124	104	101	93	105
Total 2009	105,278	142,254	483,618	36,912	268,811	1,036,873	200,871	278,997

[1]As a percent of the same period in 2008 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							
2/27/2009	Mar-10	Mar-09	Apr-10	Apr-09	May-10	May-09	Jun-10	Jun-09
BNSF[3]								
COT grain units	0	no bids	no bids	no bids	no bids	no bids	no bids	no bids
COT grain single-car[5]	0 . . 203	0	2 . .25	no bids	0 . . 4	no bids	0	no bids
UP[4]								
GCAS/Region 1	1	no bids	no bids	no bids	no bids	no bids	no offer	no offer
GCAS/Region 2	no bids	no bids	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.

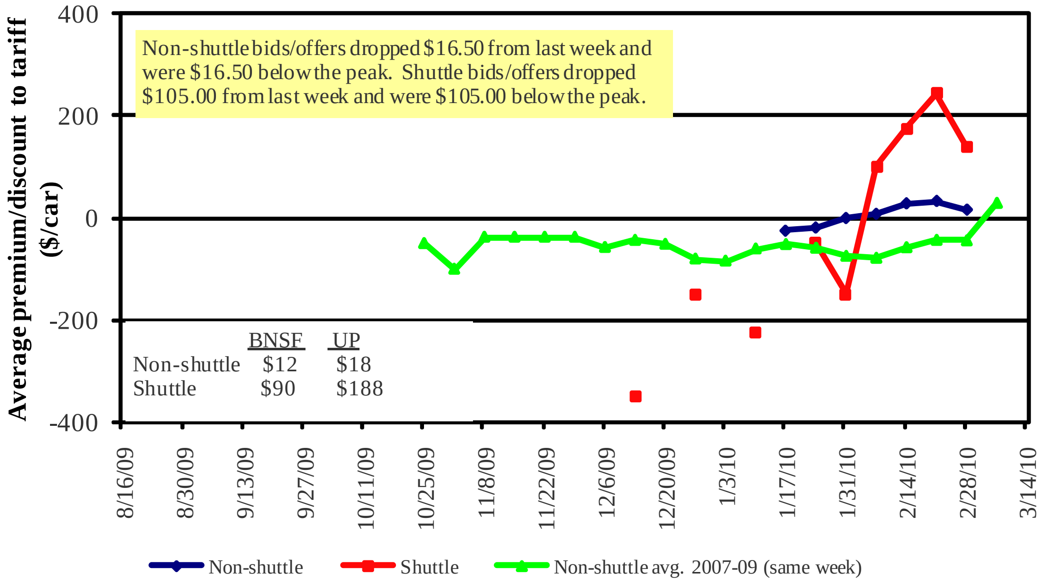
[5]Range is shown because average is not available. Not available = n/a.

Source: Transportation & Marketing Programs/AMS/USDA.

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 March 2010, Secondary Market

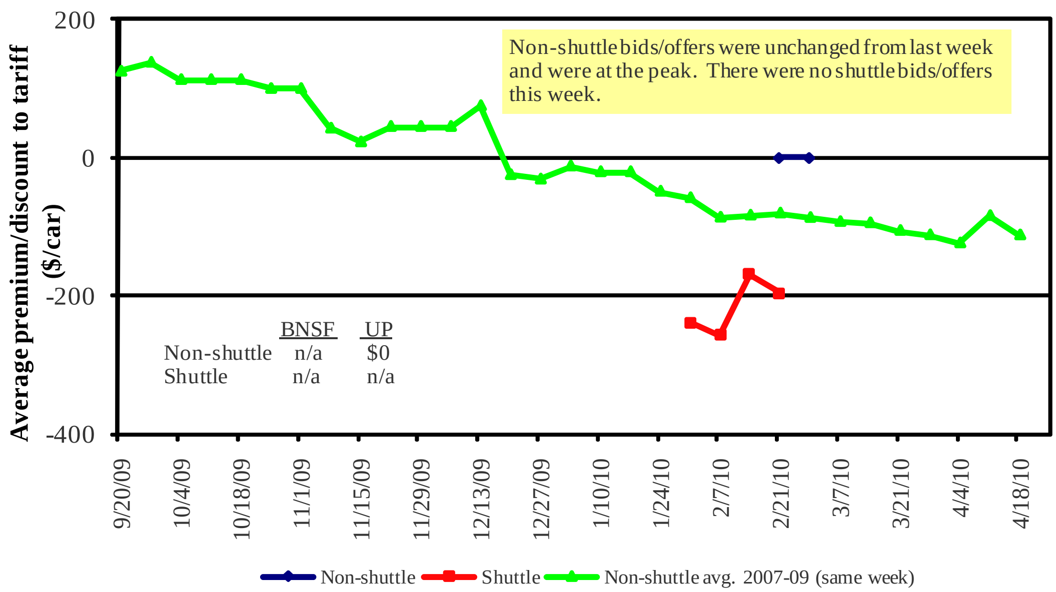


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

Bids/Offers for Railcars to be Delivered in April 2010, Secondary Market

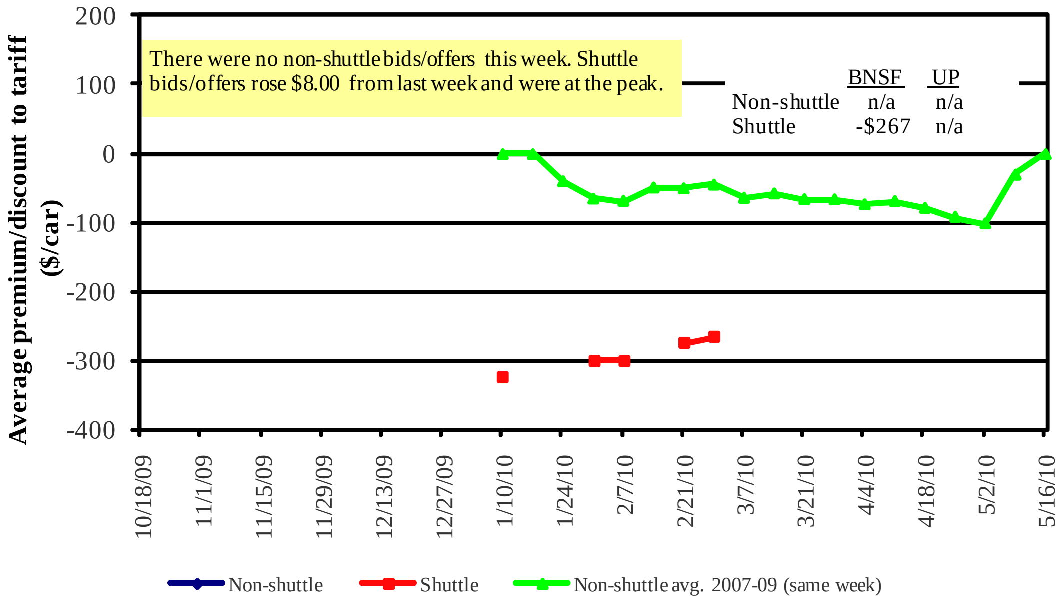


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in May 2010, 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 2/27/2010	Delivery period: Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10
Non-shuttle						
BNSF-GF	12	n/a	n/a	n/a	n/a	n/a
Change from last week	-26	n/a	n/a	n/a	n/a	n/a
Change from same week 2009	19	n/a	n/a	n/a	n/a	n/a
UP-Pool	18	0	n/a	n/a	n/a	n/a
Change from last week	-7	0	n/a	n/a	n/a	n/a
Change from same week 2009	43	33	n/a	n/a	n/a	n/a
Shuttle[2]						
BNSF-GF	90	n/a	-267	-150	n/a	n/a
Change from last week	-160	n/a	8	0	n/a	n/a
Change from same week 2009	278	n/a	n/a	n/a	n/a	n/a
UP-Pool	188	n/a	n/a	-150	n/a	n/a
Change from last week	-50	n/a	n/a	0	n/a	n/a
Change from same week 2009	363	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: 3/1/2010	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	$2,622	$105	$30.06	$0.82	8
	Kansas City, MO	Galveston, TX	$2,753	$124	$31.71	$0.86	14
	South Central, KS	Galveston, TX	$3,655	$281	$43.38	$1.18	10
	Minneapolis, MN	Houston, TX	$3,799	$569	$48.15	$1.31	11
	St. Louis, MO	Houston, TX	$3,565	$120	$40.62	$1.11	11
	South Central, ND	Houston, TX	$5,478	$632	$67.35	$1.83	7
	Minneapolis, MN	Portland, OR	$4,200	$691	$53.92	$1.47	11
	South Central, ND	Portland, OR	$4,200	$568	$52.55	$1.43	10
	Northwest, KS	Portland, OR	$5,100	$756	$64.55	$1.76	9
	Chicago, IL	Richmond, VA	$2,834	$193	$33.36	$0.91	15
Corn	Chicago, IL	Baton Rouge, LA	$2,925	$152	$33.91	$0.86	-2
	Council Bluffs, IA	Baton Rouge, LA	$3,020	$162	$35.07	$0.89	-1
	Kansas City, MO	Dalhart, TX	$3,284	$205	$38.46	$0.98	2
	Minneapolis, MN	Portland, OR	$3,609	$691	$47.40	$1.20	10
	Evansville, IN	Raleigh, NC	$3,204	$188	$37.39	$0.95	10
	Columbus, OH	Raleigh, NC	$3,093	$165	$35.91	$0.91	10
	Council Bluffs, IA	Stockton, CA	$4,900	$747	$62.24	$1.58	-4
Soybeans	Chicago, IL	Baton Rouge, LA	$3,178	$152	$36.70	$1.00	5
	Council Bluffs, IA	Baton Rouge, LA	$3,192	$162	$36.97	$1.01	5
	Minneapolis, MN	Portland, OR	$4,110	$691	$52.92	$1.44	-1
	Evansville, IN	Raleigh, NC	$3,204	$188	$37.39	$1.02	10
	Chicago, IL	Raleigh, NC	$3,804	$234	$44.51	$1.21	9
Shuttle Train							
Wheat	St. Louis, MO	Houston, TX	$2,867	$120	$32.93	$0.90	13
	Minneapolis, MN	Portland, OR	$3,700	$691	$48.40	$1.32	10
Corn	Fremont, NE	Houston, TX	$2,520	$418	$32.39	$0.82	5
	Minneapolis, MN	Portland, OR	$3,528	$691	$46.51	$1.18	11
Soybeans	Council Bluffs, IA	Houston, TX	$2,787	$405	$35.19	$0.96	4
	Minneapolis, MN	Portland, OR	$3,774	$691	$49.22	$1.34	13

[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: 3/1/2010				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	$6,291	$643	$70.85	$1.93	10
	OK	Cuautitlan, EM	$5,726	$494	$63.55	$1.73	11
	KS	Guadalajara, JA	$6,196	$507	$68.48	$1.86	10
	TX	Salinas Victoria, NL	$3,154	$162	$33.88	$0.92	9
Corn	IA	Guadalajara, JA	$6,670	$589	$74.17	$2.02	8
	SD	Penjamo, GJ	$6,440	$842	$74.40	$2.02	6
	NE	Queretaro, QA	$6,130	$481	$67.55	$1.84	4
	SD	Salinas Victoria, NL	$4,570	$640	$53.23	$1.45	1
	MO	Tlalnepantla, EM	$5,318	$468	$59.12	$1.61	4
	SD	Torreon, CU	$5,330	$705	$61.66	$1.68	4
Soybeans	MO	Bojay (Tula), HG	$5,994	$506	$66.41	$1.81	7
	NE	Guadalajara, JA	$6,475	$580	$72.09	$1.96	9
	IA	Penjamo (Celaya), GJ	$6,590	$836	$75.88	$2.06	12
	KS	Torreon, CU	$5,180	$382	$56.83	$1.55	7
Sorghum	OK	Cuautitlan, EM	$4,339	$639	$50.86	$1.38	5
	TX	Guadalajara, JA	$5,350	$548	$60.26	$1.64	14
	NE	Penjamo, GJ	$6,395	$531	$70.77	$1.92	7
	KS	Queretaro, QA	$5,383	$370	$58.78	$1.60	2
	NE	Salinas Victoria, NL	$4,282	$386	$47.69	$1.30	2
	NE	Torreon, CU	$5,240	$437	$58.00	$1.58	6

[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.

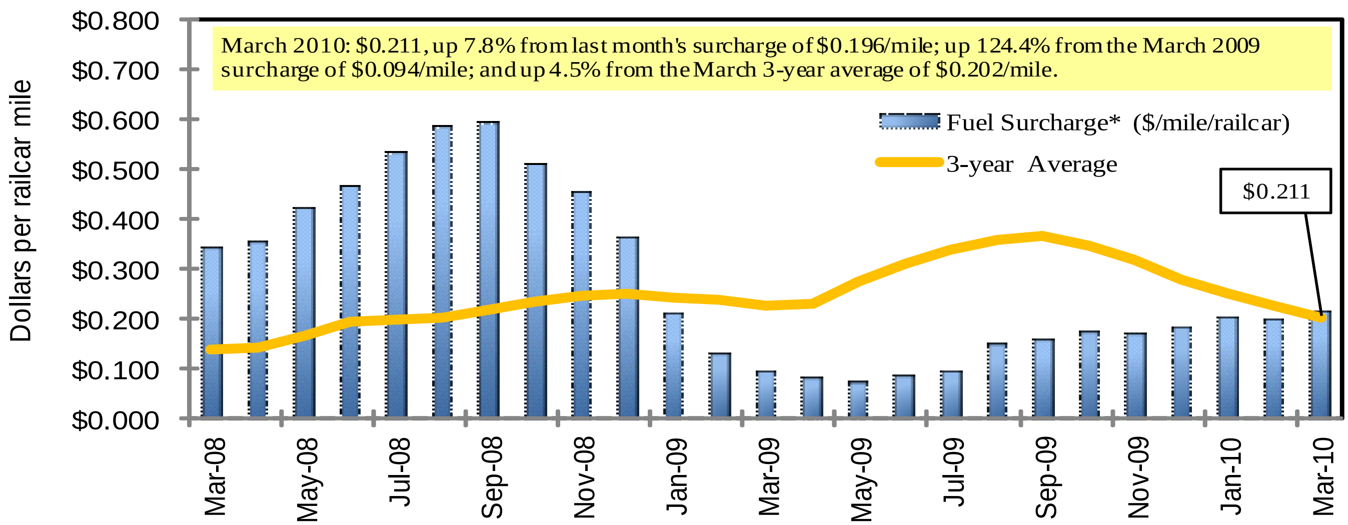
[2]Approximate load per car = 97.87 metric tons: Corn & Sorghum 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

[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.

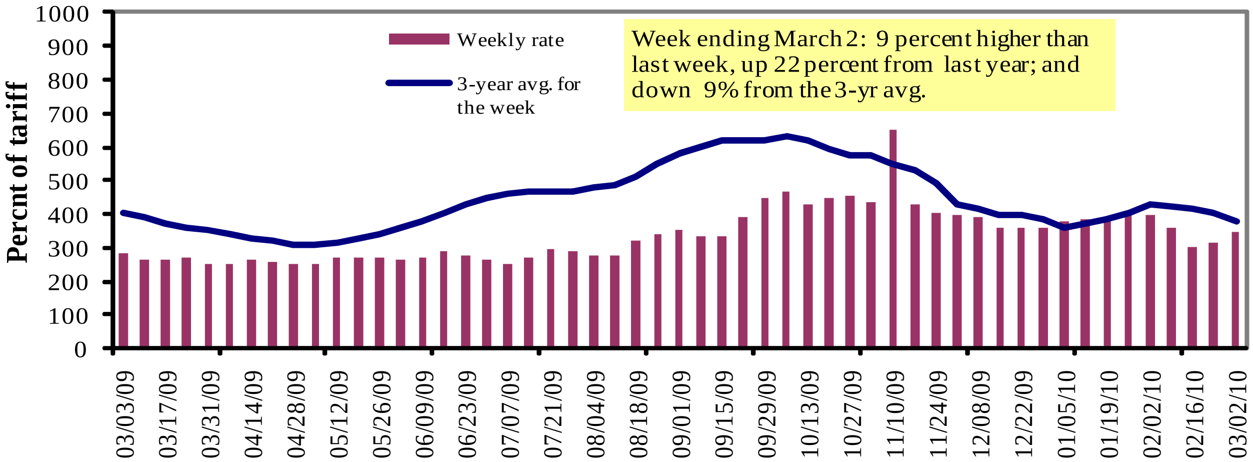
* Mileage-based fuel surcharges for March and April 2007 are estimated. Beginning January 2009, the Canadian Pacific fuel surcharge is computed by a monthly average of the bi-weekly fuel surcharge.

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	Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo-Memphis
Rate[1]	3/2/2010	-	-	345	262	274	274	229
	2/23/2010	-	-	317	215	255	255	192
$/ton	3/2/2010	-	-	16.01	10.45	12.85	11.07	7.19
	2/23/2010	-	-	14.71	8.58	11.96	10.30	6.03
Current week % change from the same week:								
	Last year	-	-	22	21	26	26	16
	3-year avg.[2]	-	-	-9	-10	-6	-7	-10
Rate[1]	April	348	328	312	234	259	259	204
	June	343	323	311	245	250	250	220

[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

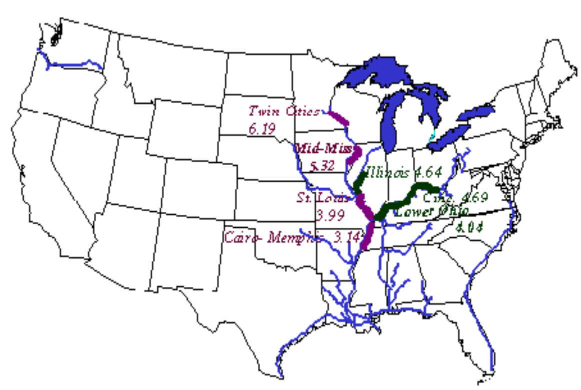
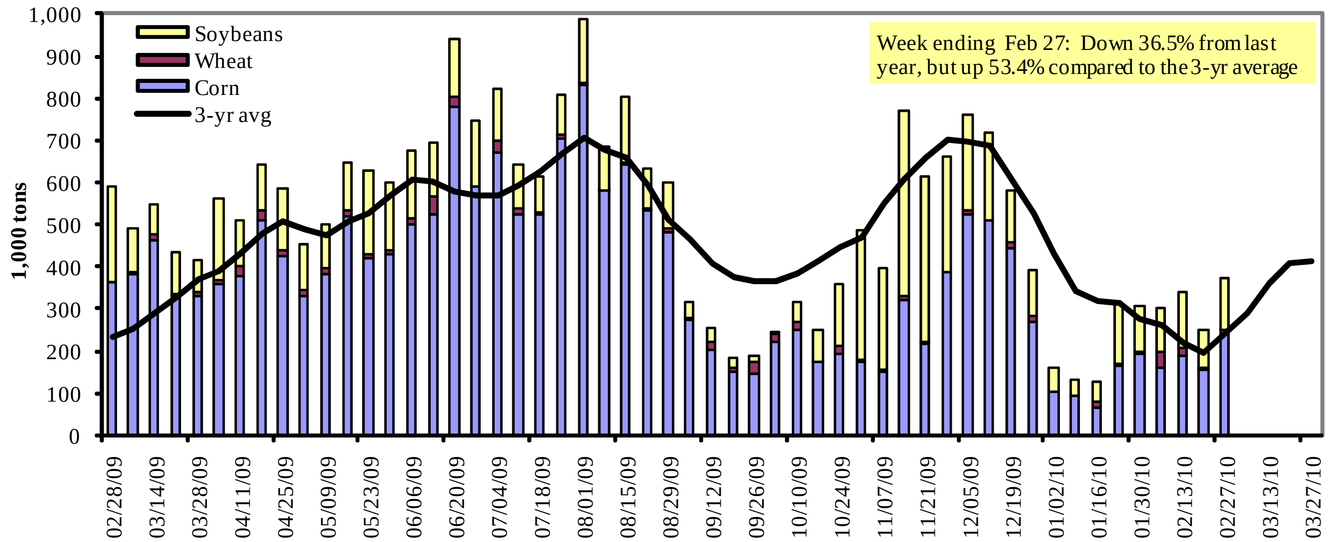


Figure 10

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 2/27/2010	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	0	0	0	0	0
Winfield, MO (L25)	0	0	0	0	0
Alton, IL (L26)	212	13	112	0	337
Granite City, IL (L27)	250	3	121	0	374
Illinois River (L8)	171	5	66	0	242
Ohio River (L52)	132	2	33	2	168
Arkansas River (L1)	0	1	41	1	44
Weekly total - 2010	382	6	195	3	586
Weekly total - 2009	556	22	342	7	927
2010 YTD[1]	2,454	185	2,137	82	4,858
2009 YTD	2,864	99	1,713	43	4,719
2010 as % of 2009 YTD	86	187	125	190	103
Last 4 weeks as % of 2009[2]	89	136	132	121	105
Total 2009	23,424	1,501	10,465	430	35,819

[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.

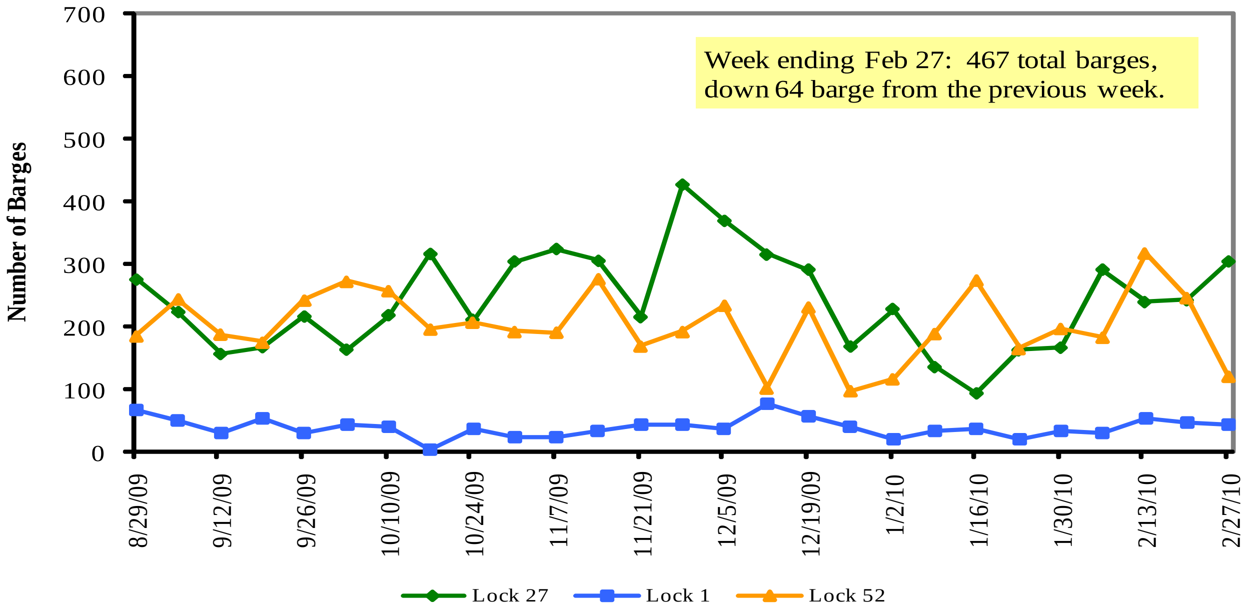
[2] As a percent of same period in 2009.

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

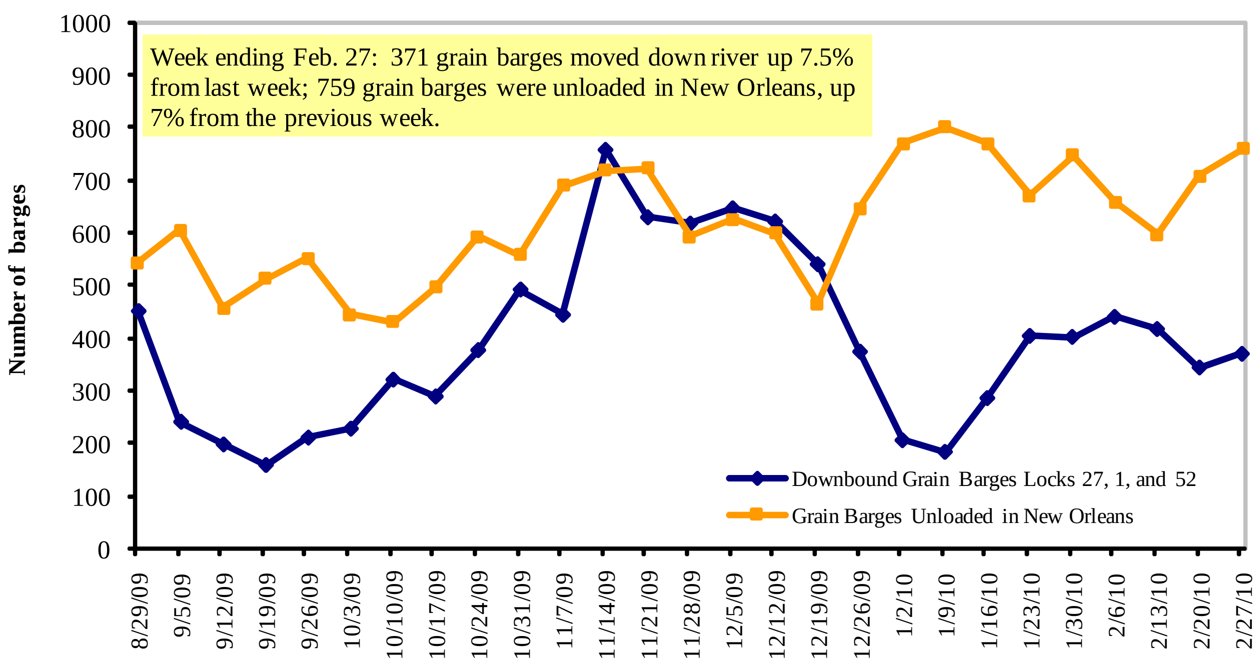
Upbound Empty Barges Transiting Mississippi River Locks 27, Arkansas River Lock and Dam 1, and Ohio River Locks and Dam 52



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 3/1/2010 (US$/gallon)

Region	Location	Price	Change from Week ago	Change from Year ago
I	East Coast	2.902	0.025	0.749
	New England	3.018	0.007	0.546
	Central Atlantic	3.013	0.046	0.699
	Lower Atlantic	2.844	0.018	0.789
II	Midwest[2]	2.825	0.031	0.795
III	Gulf Coast[3]	2.819	0.026	0.776
IV	Rocky Mountain	2.851	0.024	0.760
V	West Coast	2.956	0.038	0.771
	California	3.023	0.043	0.879
Total	U.S.	2.861	0.029	0.774

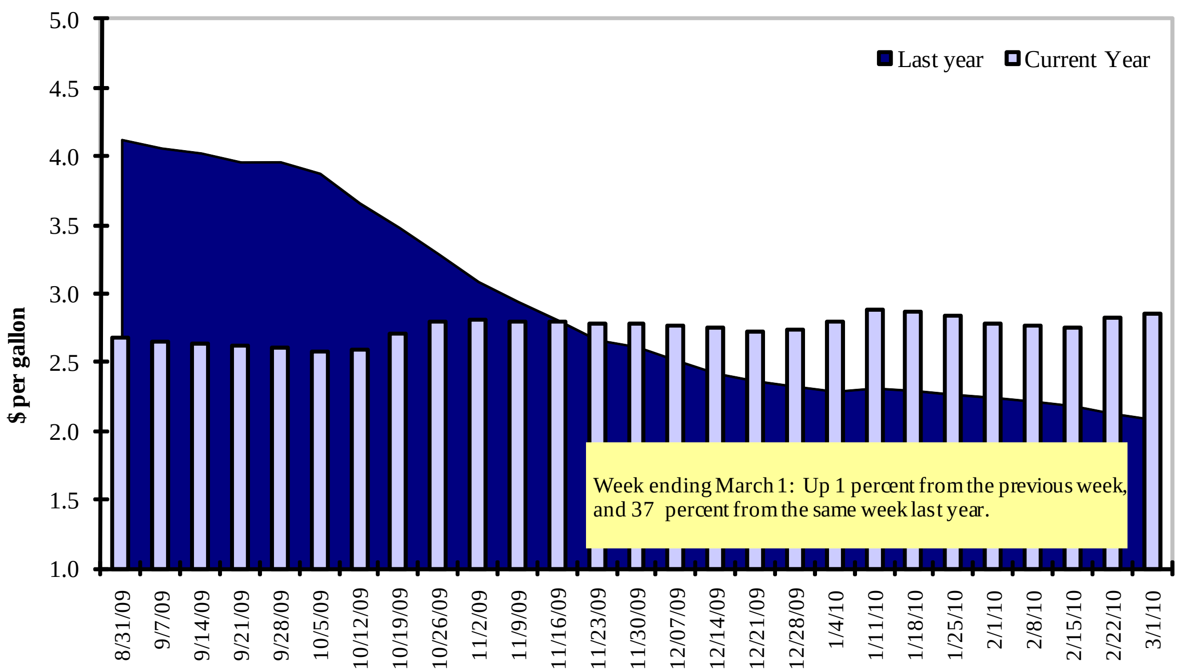
[1]Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

[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]									
2/18/2010	1,748	534	1,052	822	186	4,342	11,397	6,732	22,471
This week year ago	1,344	765	900	751	51	3,811	9,572	5,301	18,684
Cumulative exports-marketing year[2]									
2009/10 YTD	5,798	2,092	3,578	2,922	738	15,129	19,839	28,969	63,937
2008/09 YTD	9,346	4,081	4,070	2,324	360	20,181	18,629	21,632	60,442
YTD 2009/10 as % of 2008/09	62	51	88	126	205	75	106	134	106
Last 4 wks as % of same period 2008/09	126	67	119	118	380	114	124	152	130
2008/09 Total	11,244	5,100	5,408	3,420	454	25,626	44,650	33,705	103,981
2007/08 Total	13,709	5,568	7,842	4,191	1,075	32,385	59,666	30,411	122,462

[1] Current unshipped export sales to date

[2] Shipped export sales to date; 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 02/18/10	Total Commitments[2] 2009/10 Current MY	2008/09 Last MY	% change current MY from last MY	Exports[3] 2008/09
	- 1,000 mt -			- 1,000 mt -
Japan	8,201	9,631	(15)	15,910
Mexico	6,139	5,484	12	7,454
Korea	4,339	2,699	61	5,129
Taiwan	1,891	1,782	6	3,198
Egypt	1,251	1,159	8	2,233
Top 5 importers	**21,821**	**20,753**	**5**	**33,924**
Total US corn export sales[4]	**31,236**	**28,200**	**11**	**45,214**
% of Projected	61%	60%		
Change from Last Week	377	449		
Top 5 importers' share of U.S. corn export sales	70%	74%		
USDA forecast, February 2010	**50,800**	**47,180**	**8**	
Corn Use for Ethanol USDA forecast, February 2010	**109,220**	**93,396**	**17**	

(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 02/18/10	Total Commitments[2] 2009/10 Current MY	2008/09 Last MY	% change current MY from last MY	Exports[3] 2008/09
	- 1,000 mt -			- 1,000 mt -
China	21,893	15,854	38	18,681
Mexico	2,070	1,698	22	3,098
Japan	1,703	2,021	(16)	2,410
EU-25	2,444	2,015	21	2,180
Taiwan	1,221	1,080	13	1,592
Top 5 importers	**29,330**	**22,668**	**29**	**27,961**
Total US soybean export sales	**35,702**	**26,933**	**33**	
% of Projected	94%	77%		
Change from last week	239	339		
Top 5 importers' share of U.S. soybean export sales	82%	84%		
USDA forecast, February 2010	**38,100**	**34,930**	**9**	
Soybean Use for Biodiesel USDA forecast, February 2010	**5,275**	**4,566**	**16**	

(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 15

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

Week Ending 02/18/2010	Total Commitments[2] 2009/10 Current MY	2008/09 Last MY	% change current MY from last MY	Exports[3] 2008/09
	- 1,000 mt -			- 1,000 mt -
Japan	2,620	2,621	(0)	3,103
Nigeria	3,001	2,328	29	2,661
Mexico	1,784	2,353	(24)	2,423
Egypt	456	1,849	(75)	1,928
Philippines	1,559	1,417	10	1,480
Iraq	305	1,205	(75)	1,205
Korea, South	1,042	1,016	2	1,127
Brazil	214	777	(72)	789
Colombia	519	727	(29)	749
Taiwan	666	614	8	714
Top 10 importers	**12,166**	**14,907**	**(18)**	**16,179**
Total US wheat export sales	**19,472**	**23,993**	**(19)**	**27,640**
% of Projected	87%	87%		
Change from last week	376	465		
Top 10 importers' share of U.S. wheat export sales	62%	62%		
USDA forecast, February 2010	**22,450**	**27,640**	**(19)**	

(n) indicates negative number.

[1]Based on FAS **2008/09** 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 02/25/10	2010 YTD[1]	2009 YTD[1]	2010 YTD as % of 2009 YTD	Last 4-weeks as % of 2009	Last 4-weeks as % of 3-yr. avg.	Total[1] 2009
Pacific Northwest							
Wheat	228	1,674	1,466	114	138	96	10,091
Corn	112	1,271	979	130	113	102	8,498
Soybeans	372	2,221	1,718	129	113	112	9,743
Total	**711**	**5,166**	**4,163**	**124**	**120**	**104**	**28,332**
Mississippi Gulf							
Wheat	62	542	521	104	103	79	4,019
Corn	687	3,948	4,025	98	97	74	28,843
Soybeans	536	5,500	5,078	108	100	114	21,831
Total	**1,285**	**9,990**	**9,623**	**104**	**99**	**91**	**54,693**
Texas Gulf							
Wheat	182	1,185	767	154	196	149	5,735
Corn	55	345	254	136	130	107	1,968
Soybeans	59	647	400	162	72	197	2,402
Total	**297**	**2,177**	**1,421**	**153**	**139**	**145**	**10,105**
Great Lakes							
Wheat	0	2	0	n/a	n/a	0	990
Corn	0	0	0	n/a	n/a	n/a	353
Soybeans	0	0	0	n/a	n/a	0	781
Total	**0**	**2**	**0**	**n/a**	**n/a**	**0**	**2,124**
Atlantic							
Wheat	0	22	82	26	0	0	552
Corn	0	44	26	165	151	23	472
Soybeans	10	360	265	136	118	189	1,268
Total	**10**	**425**	**373**	**114**	**91**	**113**	**2,292**
U.S. total from ports[2]							
Wheat	472	3,425	2,835	121	142	107	21,387
Corn	854	5,607	5,285	106	103	80	40,134
Soybeans	976	8,728	7,461	117	102	119	36,025
Total	**2,302**	**17,760**	**15,581**	**114**	**108**	**100**	**97,546**

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

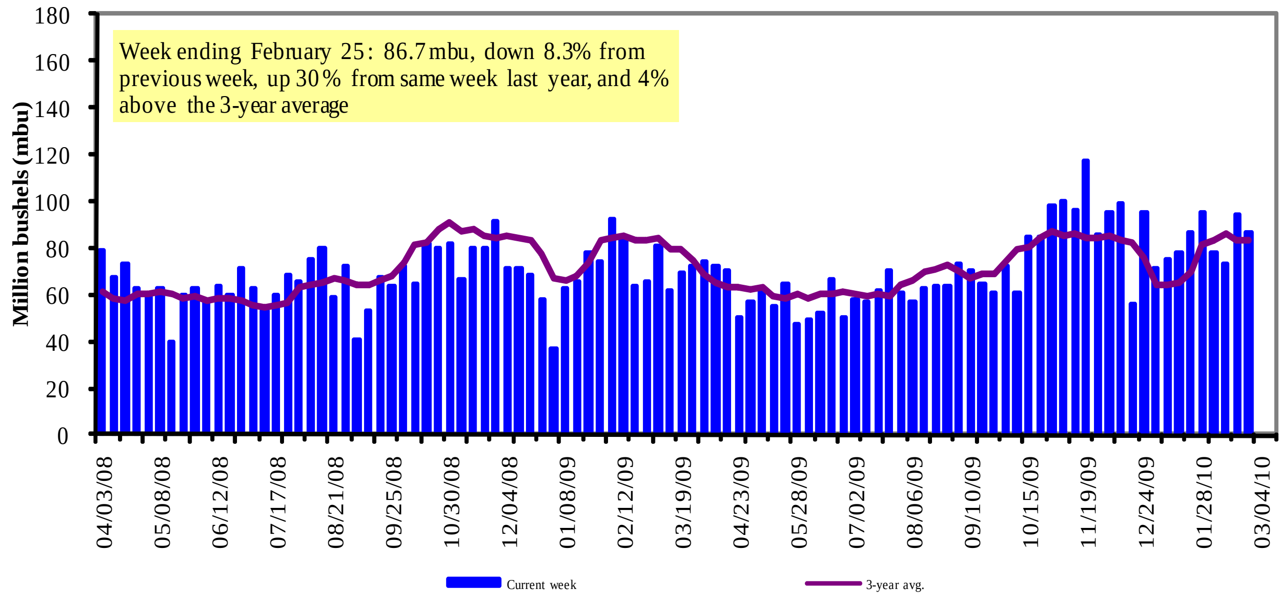
[2] Total includes only port regions shown above

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 62 percent of the U.S. export grain shipments departed through the U.S. Gulf region in 2009.

Figure 14

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

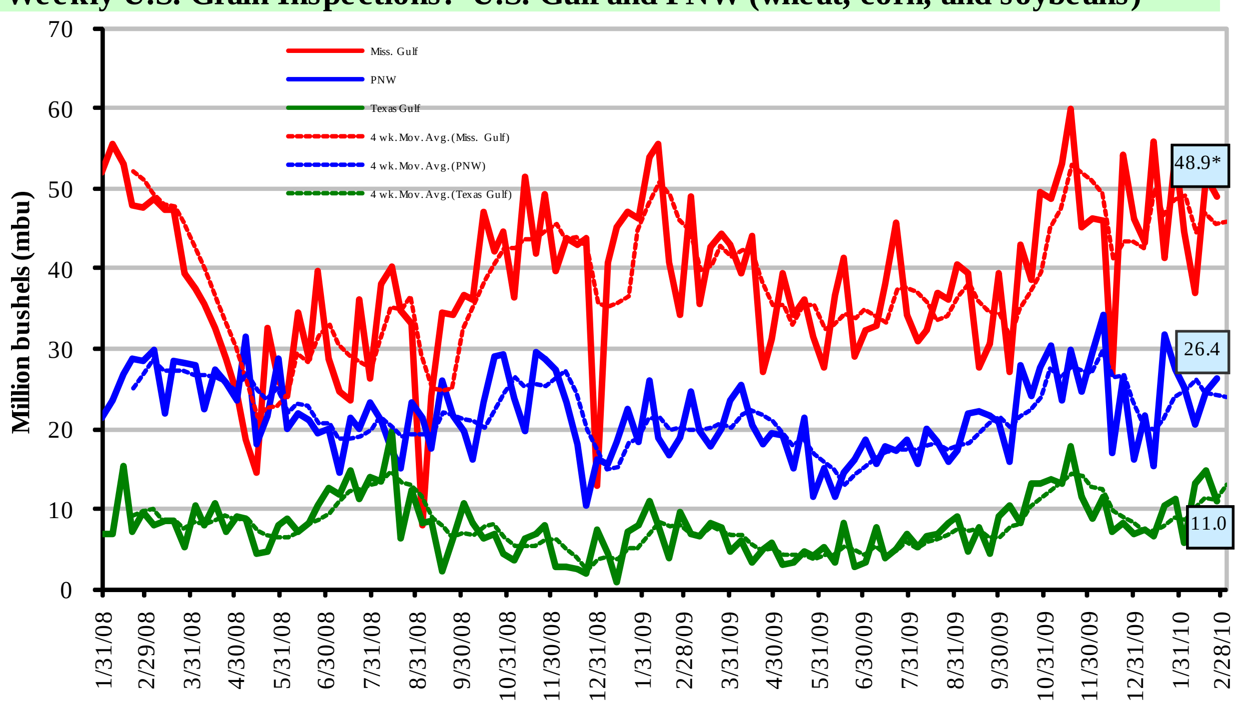


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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.

February 25, % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	down 5	down 26	down 10	up 7.1
Last year (same week)	up 43	up 16	up 37	up 40.1
3-yr avg. (4-wk mov. avg.)	down 3.3	up 41.2	up 3	up 6

Ocean Transportation

Table 17

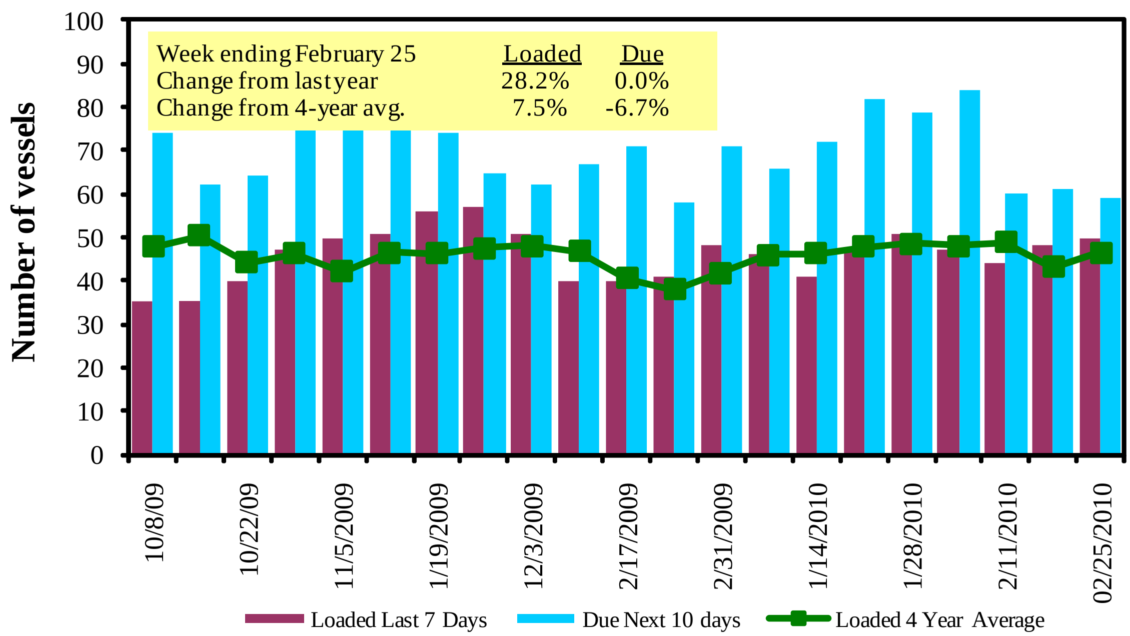
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

	Gulf			Pacific Northwest	Vancouver B.C.
Date	In port	Loaded 7-days	Due next 10-days	In port	In port
2/25/2010	59	50	59	13	8
2/18/2010	65	48	61	17	10
2009 range	(18..72)	(21..57)	(37..86)	(2..19)	(3..19)
2009 avg.	37	39	55	10	9

Source: Transportation & Marketing Programs/AMS/USDA

Figure 16

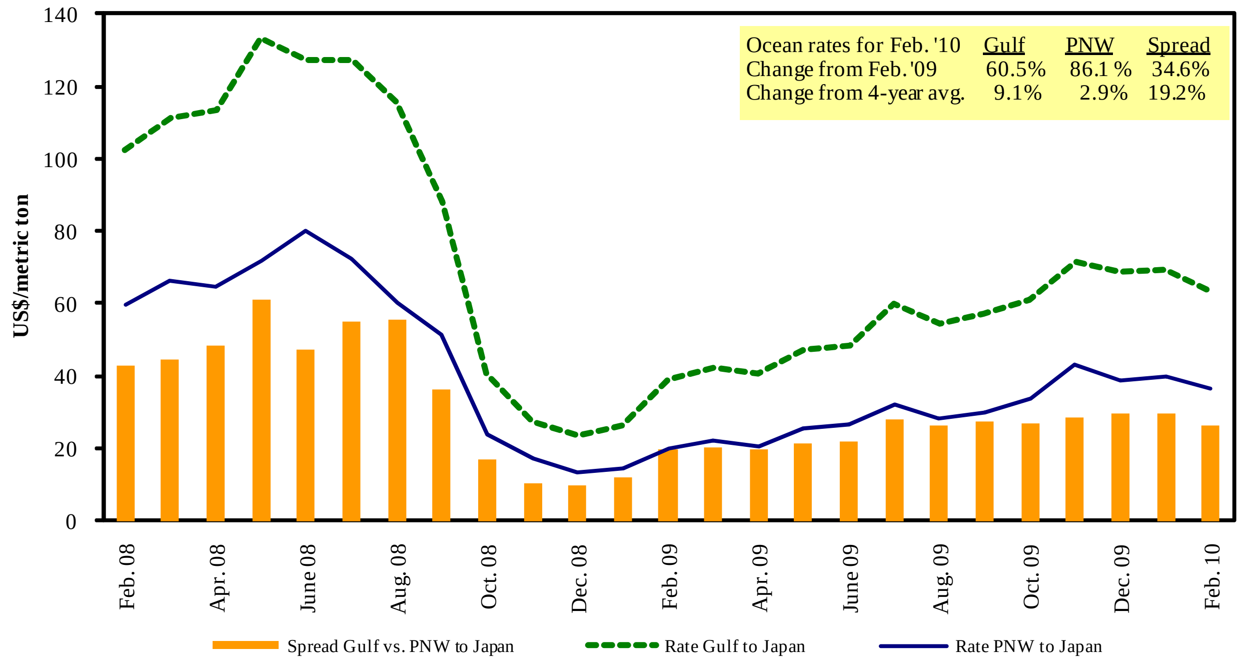
U.S. Gulf[1] Vessel Loading Activity



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: Drewry Shipping Consultants Ltd (www.drewry.co.uk)/O'Neil Commodity Consulting

Table 18

Ocean Freight Rates For Selected Shipments, Week Ending 2/27/2010

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US$/metric ton)
U.S. Gulf	Morocco	Wheat	Feb 25/28	30,000	41.00
U.S. Gulf	Morocco	Wheat	Feb 8/10	25,000	46.00
U.S. Gulf	Egyptian Mediterranean	Hvy Grain	Jan 7/12	60,000	39.00
U.S. Gulf	Djibouti[1]	Wheat	Jan 1/10	2,770	114.50
U.S. Gulf	China	Hvy Grain	Oct 20/30	55,000	54.00
Brazil	France	Grains	Sep 10/20	20,000	34.00
Brazil	Ireland	Grain	Dec 25/30	25,000	43.50
Brazil	Morocco	Corn	Oct 25/Nov 5	25,000	29.00
Ukraine	Kenya	Wheat	Dec 25/30	25,000	52.00
Ukraine	Mediterranean	Wheat	Dec 14/18	30,000	20.00
France	Algeria	Wheat	Nov 5/15	25,000	29.50
France	Algeria	Wheat	Oct 20/30	25,000	27.25
France	Algeria	Wheat	Sep 25/30	25,000	25.50
France	Algeria	Hvy Grain	Jan 15/20	28,500	28.25
River Plate	Continent	Grain	Dec 20/28	25,000	36.50
River Plate	Continent	Grain	Dec 1/10	25,000	48.00
River Plate	Continent	Grain	Nov 25/30	25,000	40.00
River Plate	Poland	Grains	Sep 1/20	24,000	37.25
River Plate	Poland	Soybeanmeal	Sep 5/15	25,000	37.75

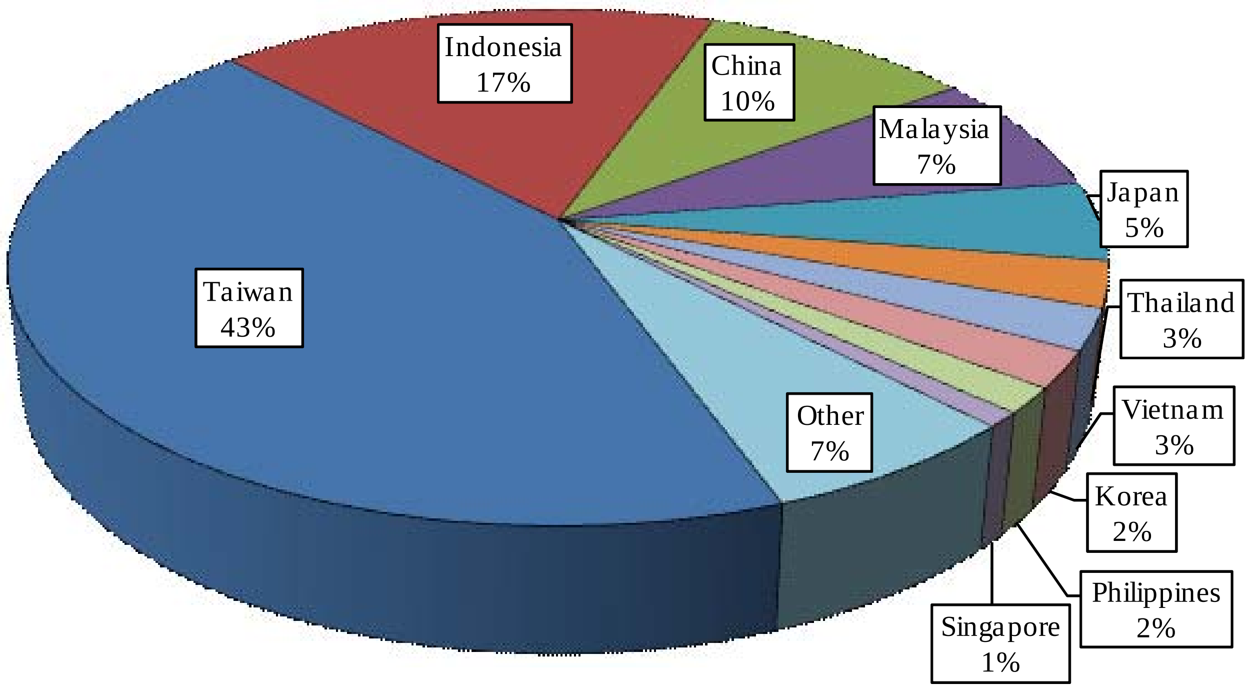
Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option

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

During 2008, containers were used to transport 6 percent of total U.S. waterborne grain exports, and 9 percent of U.S. grain exports to Asia.

Figure 18

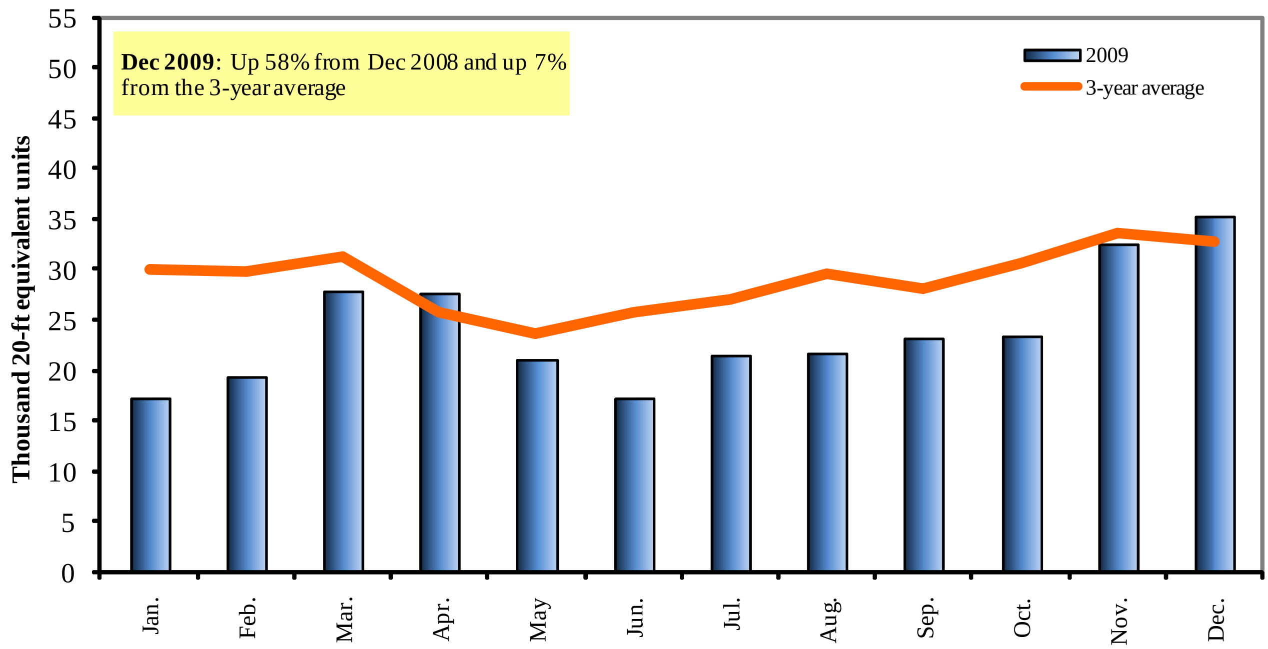
Top 10 Destination Markets for U.S. Containerized Grain Exports, December 2009



Source: Port Import Export Reporting Service (PIERS)

Figure 19

Monthly Shipments of Containerized Grain to Asia



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

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