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Transportation and Marketing Programs/Transportation Services Division
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April 8, 2010

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WEEKLY HIGHLIGHTS

FMCSA Grants 90-Day Waiver from the Federal HOS Regulation

On March 22 the Federal Motor Carrier Safety Administration (FMCSA) granted a limited 90-day waiver from the Federal hours-of-service regulations for the transportation of anhydrous ammonia. This waiver extends the agricultural operations exemption to certain motor carriers engaged in the distribution of anhydrous ammonia during the 2010 spring planting season. It covers ammonia shipments from any distribution point to a local farm retailer or ultimate consumer and from a local farm retailer to the ultimate consumer. The transportation must take place within a 100 air-mile radius of the retail or wholesale distribution point. The FMCSA has determined that the waiver would likely achieve a level of safety that is equivalent to, or greater than, the level that would be achieved absent such exemption, based on the terms and conditions imposed. This waiver preempts inconsistent State and local requirements applicable to interstate commerce.

U.S. Fuel Prices Rise, Ethanol to Gasoline Spread Widens

U.S. average diesel prices increased 7.6 cents this week to $3.015 per gallon, the highest price since November 2008. In addition, the price of U.S. gasoline is now 81 cents per gallon higher than ethanol, the largest spread since September 2008. The rising gasoline prices may have spurred speculation that the demand for grain-based fuels will increase as blending ethanol with gasoline becomes more profitable.

Rail Rates for Idaho and Montana Grain Producers to Increase

Both BNSF Railway and Union Pacific anticipate rate increases in Idaho and Montana this summer. BNSF is increasing its rates on August 1 by 2.5 cents per bushel on its 100-car and 48-car trains, and by 4.5 cents per bushel for smaller trains. Union Pacific has said that it intends to raise rates this summer, but did not provide further information. These rate increases may hit Idaho and Montana's economies hard. Idaho's crop production was about 25 percent of the State's economy in 2008 and roughly 73 percent of all harvested crops are destined for export ports by rail. Montana's wheat and barley production is about one-third of the state's economy and nearly all of its wheat and barley production is shipped by rail to Portland, OR, for export to foreign markets.

Grain Inspections Lowest Since December

For the week ending April 1, **total inspections of grain** (corn, wheat, and soybeans) from major U.S. export regions reached 1.78 million metric tons (mmt), down 12 percent from the past week and 5 percent below last year. Inspections are the lowest since December 17 (1.50 mmt). A significant decrease in soybean inspections resulted in lower overall inspections in the Pacific Northwest and the Mississippi Gulf; soybeans inspected for export to China slid 36 percent from the past week. Despite the decrease in overall inspections, wheat inspections increased 40 percent from the previous week as shipments to Asia rebounded. Grain inspected for export in the Texas Gulf also increased, carried up by a 28 percent jump in wheat inspections.

Snapshots by Sector

Rail

U.S. Railroads originated 22,800 carloads of grain during the week ending March 27, down 1 percent from last week, up 22 percent from the same week last year, and 8 percent higher than the 3-year average.

During the week ending April 3, average April secondary railcar bids/offers were $22 below tariff for non-shuttle, unchanged from last week. Shuttle rates were $217 below tariff, $28 lower than last week.

Ocean

During the week ending April 1, 44 **ocean-going grain vessels** were loaded in the Gulf, up 10 percent from the same week last year. Forty-nine vessels are expected to be loaded in the U.S. Gulf within the next 10 days, up 20 percent from last year.

During the week ending April 2, the cost of shipping grain from the Gulf to Japan averaged $67 per mt, down 3 percent from the previous week. The rate from the Pacific Northwest to Japan was $40 per mt, down 2 percent from the previous week.

Barge

During the week ending April 3, **barge grain movements** totaled 532,531 tons, 0.07 percent higher than the previous week but 26 percent lower than the same period last year.

Fuel

During the week ending April 5, U.S. average **diesel fuel prices** increased 8 cent per gallon to $3.02—2.6 percent higher than the previous week and 35 percent higher than the same week last year.

Feature Article/Calendar

The "Common Factors" Moving Commodity Prices and Transportation

In an article published in July 2009 for the European Central Bank Working Paper Series a "common factor" between grain and non-grain commodities was analyzed.[1] The identified common factor consistently increased or decreased the price for non-fuel commodities such as corn, cotton, soybeans, tin, timber, and several others. The "common factor" is described not as a tangible good or commodity but a commonly held belief that 'traders are alternatively bullish or bearish on all commodities.' The article points out that "a broad range of prices of largely unrelated commodities . . . show a persistent tendency to move together." The author also noted that commodities tend to move together even after removing the effects from several normal economic factors, including the dollar exchange rate, oil prices, and interest rates. The author concludes that although the common factor is significant, it does not appear that the price trends are "speculative" in nature.

The interest in researching commodity price changes has resurfaced in the past few years as prices of several commodities like corn, soybeans, and aluminum reached record highs during 2007 and 2008. The recent boom in prices was unusual compared to past price increases because it reached a broader base of commodities and lasted longer than prior price swings. To prove the existence of the "common factor" between the commodities, the article analyzed several other possible reasons for these price increases:

1. The U.S. dollar exchange rate
2. Oil prices (also a factor in transportation costs)
3. The inflation-adjusted U.S. short term interest rate
4. Fertilizer prices and other input costs
5. The Dow Jones stock market index as a measure of financial security
6. Demand in the OECD countries and in Russia, China, India, Brazil, Indonesia, and South Africa

The "Common Factor" Effect on Transportation Flows

The "common factor" affects agricultural transportation in the United States and around the globe. Rises in prices of agricultural commodities, including grain, due to an increase in prices for non-agricultural commodities, can change which countries demand the products and ultimately the transportation flow. For example, as resource- or manufacturing-rich economies sell their bauxite, iron ore, or products directly produced from these commodities and gain cash, their purchases of grain and higher-value products like beef increase. This could result in shipments routed to different destinations than before the price increases, or to increased volume of those shipments.

This phenomenon occurred during the last boom as Southeast Asian countries such as Vietnam and Indonesia increased their purchases of grain and DDGS for beef and chicken feed. The phenomenon also occurred in China, on a larger scale. As China's manufacturing base created products from the bauxite, iron, and other commodities received in its ports, the increased economic activity tended to increase its demand for high-value cattle feed including DDGS and finished beef products.

Just as the "common factor" can change the price of commodities, there are certain "transmission channels" in agricultural transportation that move across commodities. In this respect, the market dynamics of non-agricultural commodities can be transmitted to agricultural commodities. Essentially

[1] European Central Bank Working Paper Series, "*How Important are Common Factors in Driving non-Fuel Commodity Prices? A Dynamic Factor Analysis,*" by Isabelle Vansteenkiste, Number 1072, July 2009. http://www.ecb.int/pub/pdf/scpwps/ecbwp1072.pdf

the demand for one bulk commodity quickly increases it can "transmit" the port congestion and transportation issues to other bulk commodities. This is most pronounced in the ocean transportation sector, where grain is offloaded from bulk and container vessels in the same ports as non-agricultural commodities. At these ports, the typically lower value agricultural commodities are competing for space and transportation resources with higher value ores, and finished products.

China's recent demand for soybeans has been well documented (see table 14), but coupled with its demand for coal (it consumes a third of the world's supply[1]), bauxite, and iron ore has created port congestion resulting in some losses of port efficiency and long lines for vessels to be unloaded. Not only does the Chinese, and Asian demand as a whole, increase congestion at its ports, it has also increased congestion at ports which supply these countries. According to *The Wall Street Journal*, bottlenecks at Australia's coal export terminals as of April 6 have pushed the number of ships delayed to a record 223. The resulting logjam is estimated to cost the country as much as eight million tonnes in lost exports and tens of millions of dollars in additional shipping charges. This is good news for United States grain exporters that compete with Australia. Since U.S. ports are not as clogged, U.S. producers and business can capitalize and ship products quicker and more frequently.

The transmission dynamic can be apparent between exports and imports. Empty containers have become highly-sought-after "commodities" in the United States. Container availability has been a concern in the agricultural industry for several years as containers can become difficult to find farther from a transload or port facility. Shipping companies keep containers closer to their ports to meet the needs of exporters in other countries quickly, but this can create a difficult shipping environment for agricultural producers in the interior of the country who are far from ports and want to export their products by container.

Rail transportation also is affected by the "transmission" phenomenon as well. During high levels of economic activity when rail capacity is stretched thin across all modes, history has shown that high revenue-producing carloads take priority over lower-revenue carloads, especially when viewed on a rate-per-ton basis. Since grain is a relatively low revenue-per-ton commodity, it may be given less priority in shipment timing.

Conclusion

According to a recent European Central Bank report, a "common factor" between commodities has consistently increased the price for commodities such as corn, cotton, soybeans, tin, timber, and several others during 2007 and 2008. That "common factor" was not a tangible good or commodity but an effect, a belief that 'traders are alternatively bullish or bearish on all commodities.' The commodities tended to move together even after removing the affects from several normal economic factors, like the dollar exchange rate, oil prices, and interest rates.

The common factor, and the resulting price increases or decreases, can also have a large effect on transportation flows for agricultural products as we have seen over the past few years in Southeast Asia and China. As noted in this article, the "common factor" idea can be transmitted not only across commodities, but across transportation modes as well. Coal and mineral shipments can clog ports, increasing transportation costs which result in lower revenue for agricultural producers. In the future, agricultural producers and shippers should note when the price of other commodities rise, or when congestion at hubs across the United States and the world rises, as this can quickly spill over to agricultural transportation. Daniel.Nibarger@ams.usda.gov.

[1] Business Insider, "Australian Port Congestion Gives Clues To A Staggering Surge In Demand From Japan, Korea, And China", April 6, 2010. http://www.businessinsider.com/australian-shipping-traffic-2010-4#ixzz0kL7YdwJy

Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators[1]

	Truck	Rail[2]	Barge	Ocean	
Week ending				Gulf	Pacific
04/07/10	202	74	153	300	284
03/31/10	197	74	153	309	291

[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)

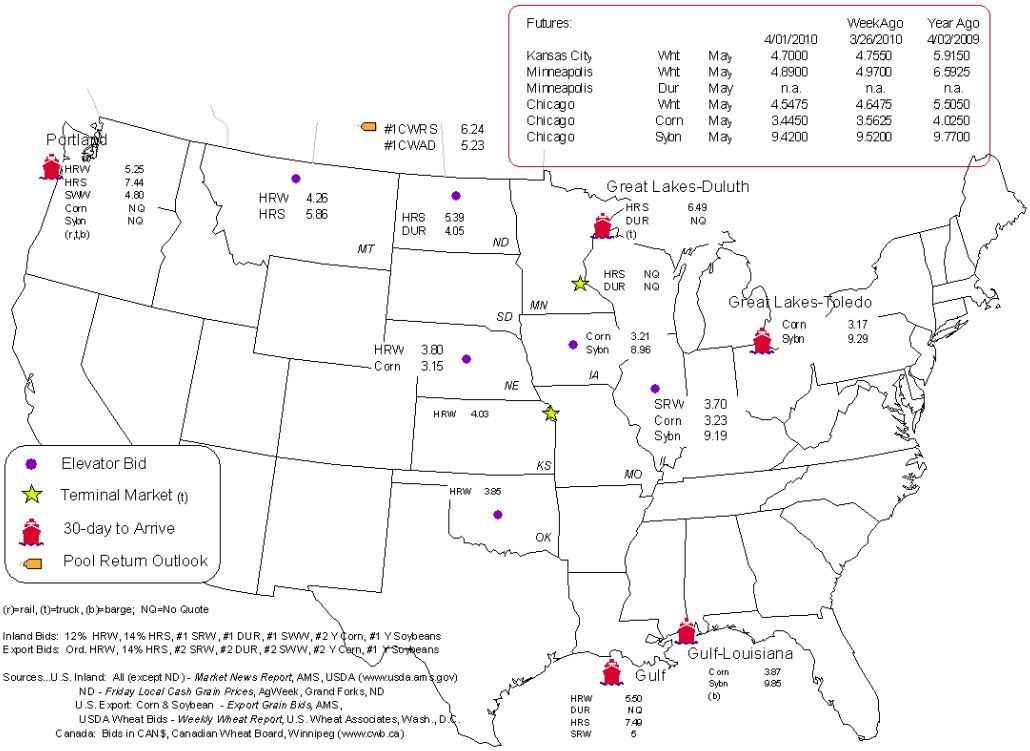
Commodity	Origin--Destination	4/2/2010	3/26/2010
Corn	IL--Gulf	-0.64	-0.60
Corn	NE--Gulf	-0.72	-0.69
Soybean	IA--Gulf	-0.89	-0.95
HRW	KS--Gulf	-1.47	-1.45
HRS	ND--Portland	-2.05	-1.95

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
3/31/2010[p]	84	1,822	550	2,801	507	5,764
3/24/2010[r]	594	1,169	1,117	4,147	1,104	8,131
2010 YTD	5,986	20,685	11,382	44,340	13,924	96,317
2009 YTD	11,123	13,479	10,488	44,484	8,508	88,082
2010 YTD as % of 2009 YTD	54	153	109	100	164	109
Last 4 weeks as % of 2009[2]	93	159	130	101	126	116
Last 4 weeks as % of 4-year avg.[2]	32	94	115	76	124	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.

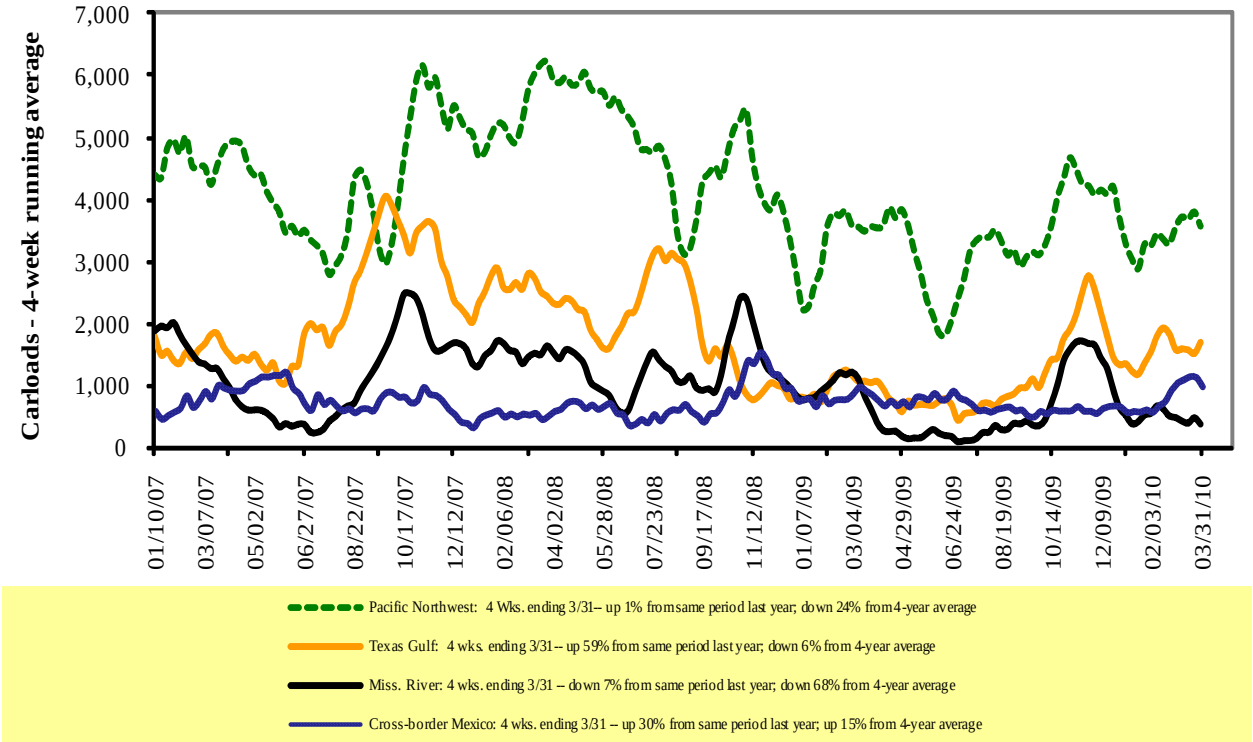
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

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)

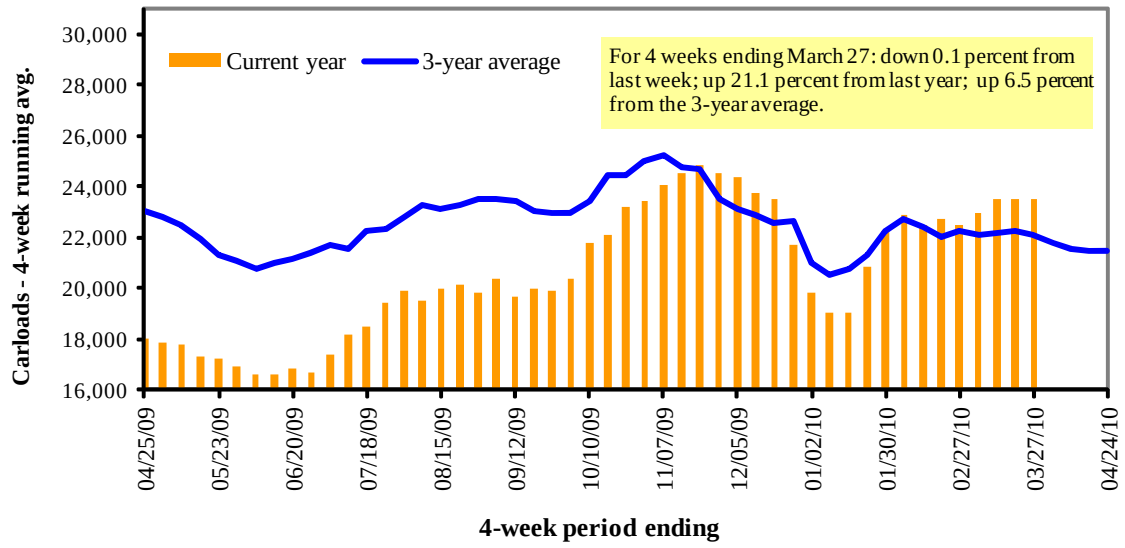
Week ending	East		West			U.S. total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
03/27/10	2,356	2,993	11,020	904	5,527	22,800	4,194	5,270
This week last year	2,598	2,332	8,164	696	4,859	18,649	3,620	4,608
2010 YTD	28,644	36,721	131,114	9,439	67,166	273,084	49,690	62,479
2009 YTD	28,664	30,482	110,033	8,557	58,877	236,613	51,730	64,231
2010 YTD as % of 2009 YTD	100	120	119	110	114	115	96	97
Last 4 weeks as % of 2009[1]	100	135	124	110	120	121	98	103
Last 4 weeks as % of 3-yr avg.[1]	93	113	109	111	104	107	94	113
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							
4/3/2010	Apr-10	Apr-09	May-10	May-09	Jun-10	Jun-09	Jul-10	Jul-09
BNSF[3]								
COT grain units	no bids	no offer	0	0	0	no bids	no bids	11
COT grain single-car[5]	0 . . 10	no offer	0 . . 5	no bids	0	0	no bids	0 . . 8
UP[4]								
GCAS/Region 1	no bids	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.

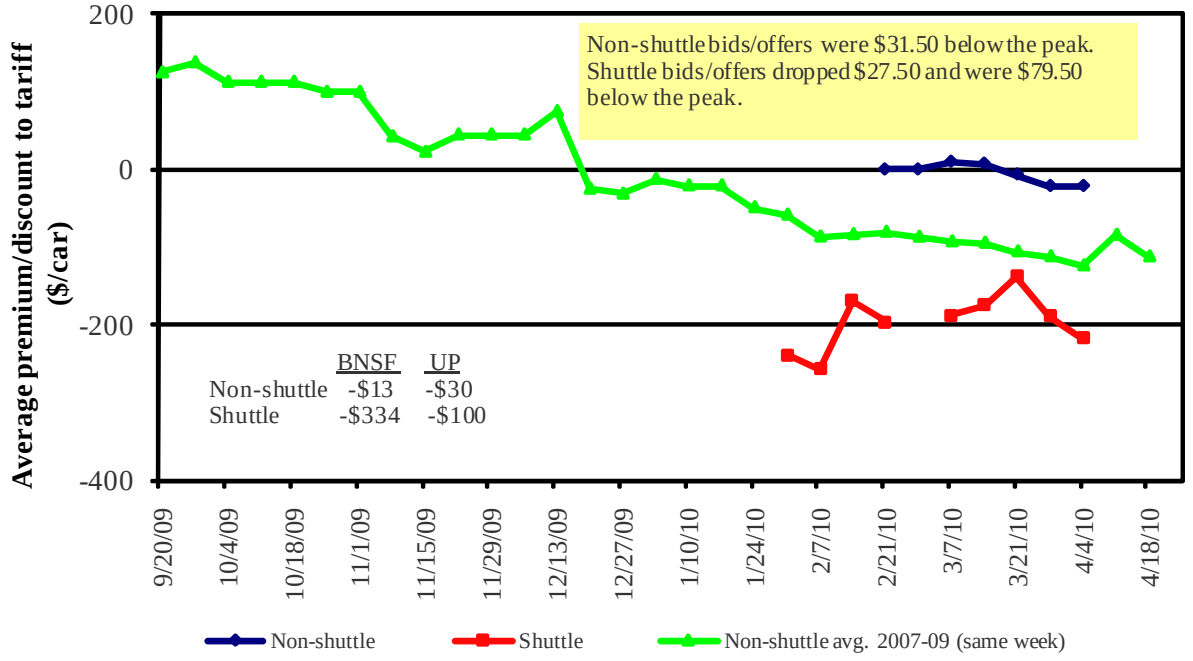
[5]Range is shown because average is not available. Not available = n/a.

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 April 2010, Secondary Market

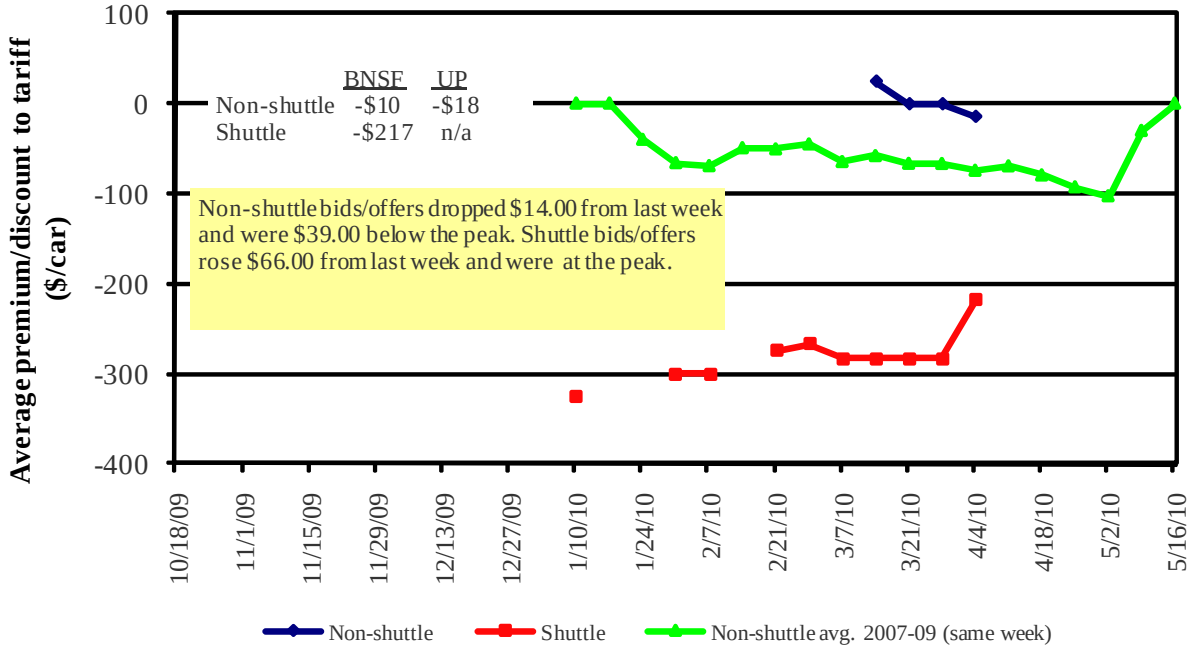


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

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

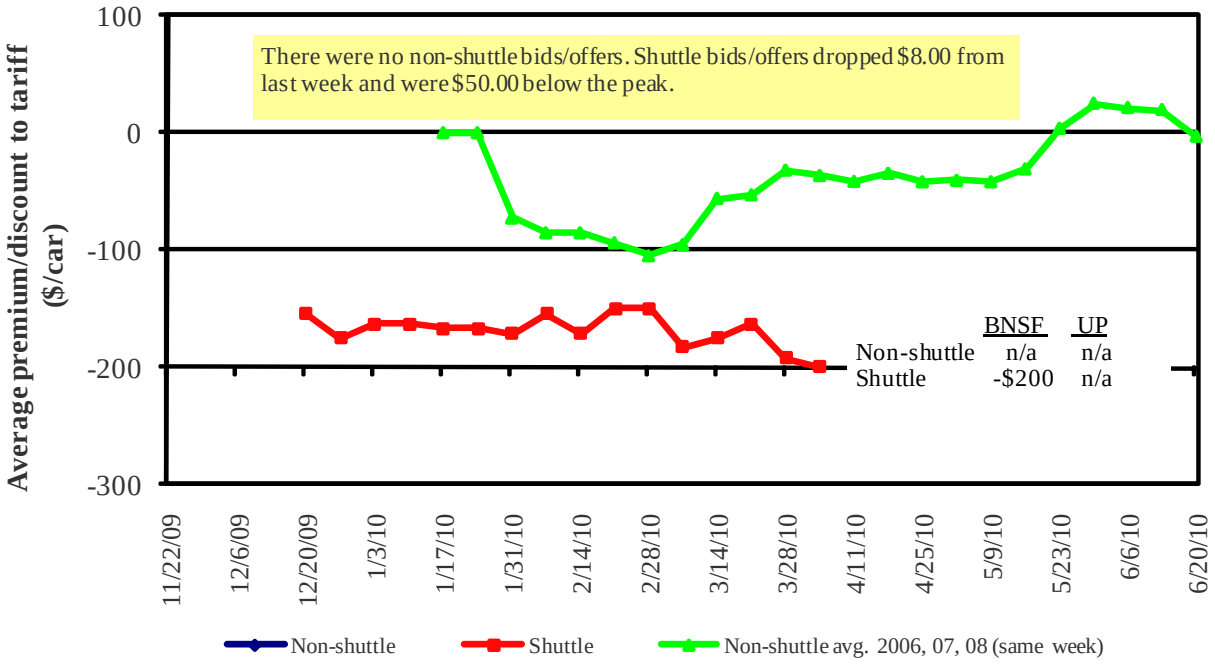


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in June 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	Delivery period					
4/3/2010	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10
Non-shuttle						
BNSF-GF	-13	-10	n/a	n/a	n/a	n/a
Change from last week	5	n/a	n/a	n/a	n/a	n/a
Change from same week 2009	-10	2	n/a	n/a	n/a	n/a
UP-Pool	-30	-18	n/a	n/a	n/a	n/a
Change from last week	-5	-18	n/a	n/a	n/a	n/a
Change from same week 2009	-13	15	n/a	n/a	n/a	n/a
Shuttle[2]						
BNSF-GF	-334	-217	-200	n/a	n/a	n/a
Change from last week	-55	66	-8	n/a	n/a	n/a
Change from same week 2009	-192	14	n/a	n/a	n/a	n/a
UP-Pool	-100	n/a	n/a	n/a	n/a	n/a
Change from last week	0	n/a	n/a	n/a	n/a	n/a
Change from same week 2009	175	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: 4/1/2010	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	$125	$30.28	$0.82	9
	Kansas City, MO	Galveston, TX	$2,753	$116	$31.62	$0.86	13
	South Central, KS	Galveston, TX	$3,655	$274	$43.31	$1.18	10
	Minneapolis, MN	Houston, TX	$3,799	$555	$47.99	$1.31	12
	St. Louis, MO	Houston, TX	$3,565	$112	$40.53	$1.10	11
	South Central, ND	Houston, TX	$5,478	$617	$67.18	$1.83	8
	Minneapolis, MN	Portland, OR	$4,200	$674	$53.72	$1.46	12
	South Central, ND	Portland, OR	$4,200	$553	$52.40	$1.43	11
	Northwest, KS	Portland, OR	$5,100	$737	$64.34	$1.75	10
	Chicago, IL	Richmond, VA	$2,834	$175	$33.17	$0.90	16
Corn	Chicago, IL	Baton Rouge, LA	$2,925	$142	$33.80	$0.86	-2
	Council Bluffs, IA	Baton Rouge, LA	$3,020	$151	$34.96	$0.89	-2
	Kansas City, MO	Dalhart, TX	$3,284	$200	$38.40	$0.98	2
	Minneapolis, MN	Portland, OR	$3,609	$674	$47.21	$1.20	7
	Evansville, IN	Raleigh, NC	$3,204	$171	$37.20	$0.95	11
	Columbus, OH	Raleigh, NC	$3,093	$150	$35.75	$0.91	11
	Council Bluffs, IA	Stockton, CA	$4,900	$728	$62.04	$1.58	-4
Soybeans	Chicago, IL	Baton Rouge, LA	$3,178	$142	$36.59	$1.00	4
	Council Bluffs, IA	Baton Rouge, LA	$3,192	$151	$36.85	$1.00	5
	Minneapolis, MN	Portland, OR	$4,110	$674	$52.73	$1.44	0
	Evansville, IN	Raleigh, NC	$3,204	$171	$37.20	$1.01	11
	Chicago, IL	Raleigh, NC	$3,804	$213	$44.28	$1.21	10
Shuttle Train							
Wheat	St. Louis, MO	Houston, TX	$2,867	$112	$32.84	$0.89	13
	Minneapolis, MN	Portland, OR	$3,700	$674	$48.21	$1.31	11
Corn	Fremont, NE	Houston, TX	$2,520	$408	$32.27	$0.82	6
	Minneapolis, MN	Portland, OR	$3,528	$674	$46.32	$1.18	12
Soybeans	Council Bluffs, IA	Houston, TX	$2,787	$395	$35.08	$0.95	5
	Minneapolis, MN	Portland, OR	$3,774	$674	$49.03	$1.33	14

[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: 4/5/2010							
				Fuel	Tariff plus surcharge per:		Percent
Commodity	Origin state	Destination region	Tariff rate/car[1]	surcharge per car	metric ton	bushel[2]	change Y/Y[3]
Wheat	MT	Chihuahua, CI	$6,291	$627	$70.69	$1.92	10
	OK	Cuautitlan, EM	$5,726	$477	$63.38	$1.72	11
	KS	Guadalajara, JA	$6,196	$489	$68.30	$1.86	10
	TX	Salinas Victoria, NL	$3,154	$155	$33.81	$0.92	9
Corn	IA	Guadalajara, JA	$6,670	$568	$73.95	$2.01	9
	SD	Penjamo, GJ	$6,440	$821	$74.19	$2.02	7
	NE	Queretaro, QA	$6,130	$461	$67.35	$1.83	4
	SD	Salinas Victoria, NL	$4,570	$624	$53.07	$1.44	1
	MO	Tlalnepantla, EM	$5,318	$449	$58.92	$1.60	5
	SD	Torreon, CU	$5,330	$687	$61.48	$1.67	5
Soybeans	MO	Bojay (Tula), HG	$6,016	$488	$66.46	$1.81	8
	NE	Guadalajara, JA	$6,550	$559	$72.64	$1.97	10
	IA	Penjamo (Celaya), GJ	$6,590	$815	$75.67	$2.06	13
	KS	Torreon, CU	$5,205	$368	$56.94	$1.55	7
Sorghum	OK	Cuautitlan, EM	$4,339	$623	$50.70	$1.38	6
	TX	Guadalajara, JA	$5,350	$534	$60.12	$1.63	15
	NE	Penjamo, GJ	$6,395	$511	$70.57	$1.92	7
	KS	Queretaro, QA	$5,398	$356	$58.79	$1.60	3
	NE	Salinas Victoria, NL	$4,282	$372	$47.55	$1.29	2
	NE	Torreon, CU	$5,240	$421	$57.84	$1.57	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.

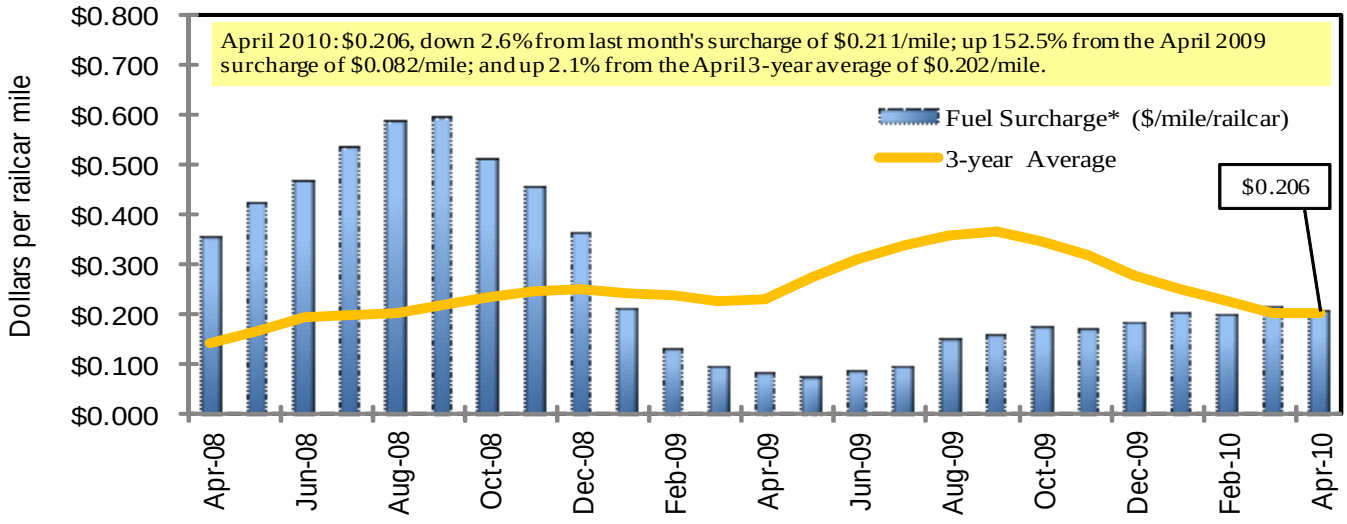
[2]Approximate load per car = 97.87 metric tons: Corn & Sorghum 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

[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.

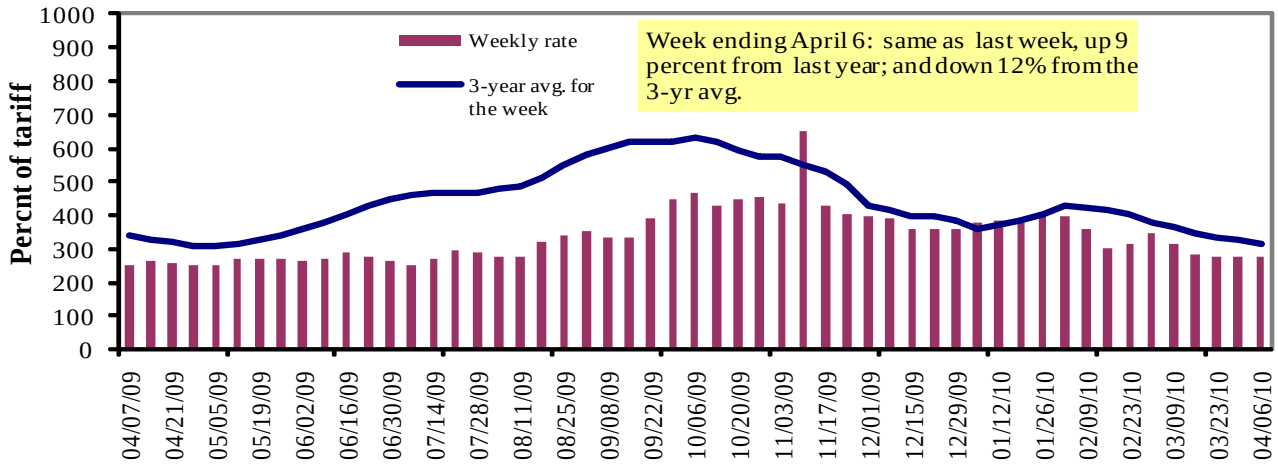
* Mileage-based fuel surcharges for March and April 2007 are estimated. Beginning January 2009, the Canadian Pacific fuel surcharge is computed by a monthly average of the bi-weekly fuel surcharge.

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]	4/6/2010	-	298	275	199	230	230	180
	3/30/2010	-	-	276	199	233	233	181
$/ton	4/6/2010	-	-	12.76	7.94	10.79	9.29	5.65
	3/30/2010	-	-	12.81	7.94	10.93	9.41	5.68
Current week % change from the same week:								
	Last year	-	8	9	-1	10	10	-3
	3-year avg. [2]	-	-16	-12	-19	-16	-16	-19
Rate[1]	May	334	295	279	200	236	236	185
	July	346	311	295	229	258	258	223

[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

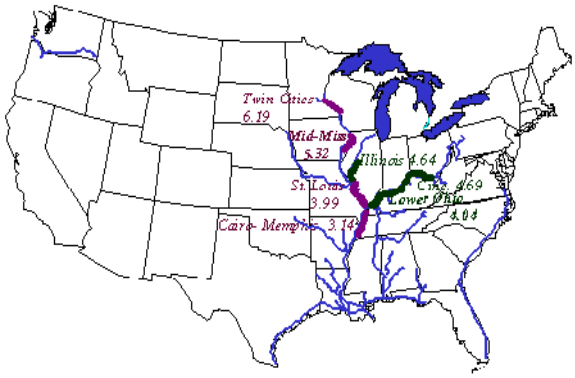
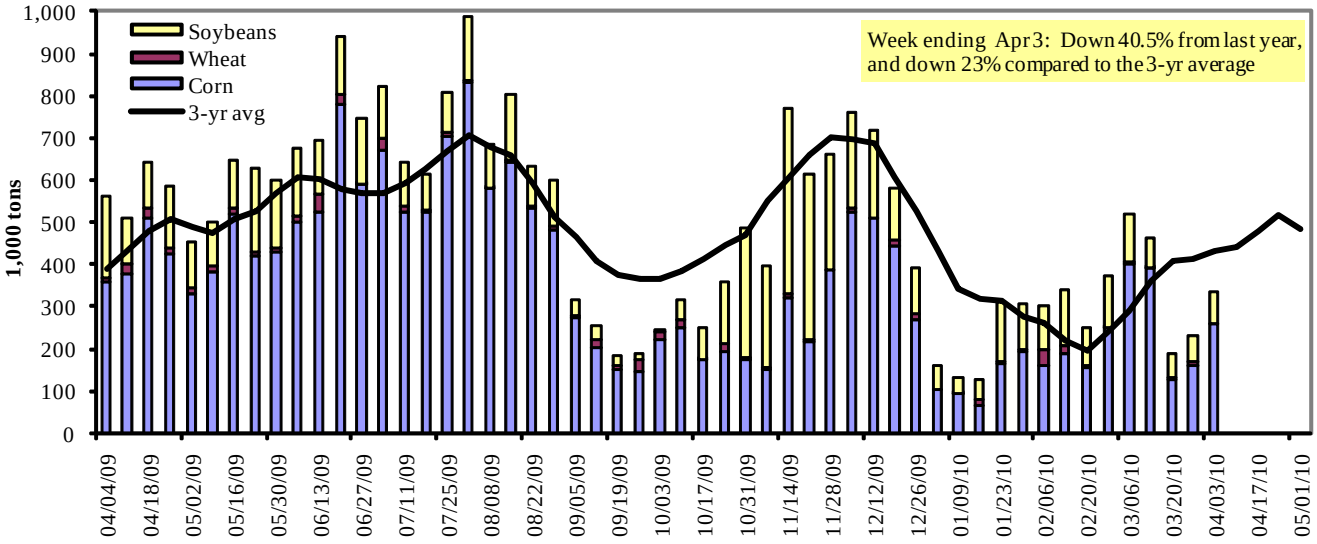


Figure 10

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 4/3/2010	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	2	0	0	0	2
Winfield, MO (L25)	2	0	0	0	2
Alton, IL (L26)	213	0	66	0	279
Granite City, IL (L27)	260	0	74	0	335
Illinois River (L8)	189	0	41	2	232
Ohio River (L52)	101	8	52	0	161
Arkansas River (L1)	3	10	19	6	37
Weekly total - 2010	364	19	144	6	533
Weekly total - 2009	432	26	242	18	717
2010 YTD[1]	4,675	263	2,961	126	8,024
2009 YTD	5,156	267	2,567	94	8,084
2010 as % of 2009 YTD	91	98	115	134	99
Last 4 weeks as % of 2009[2]	94	49	94	105	92
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.

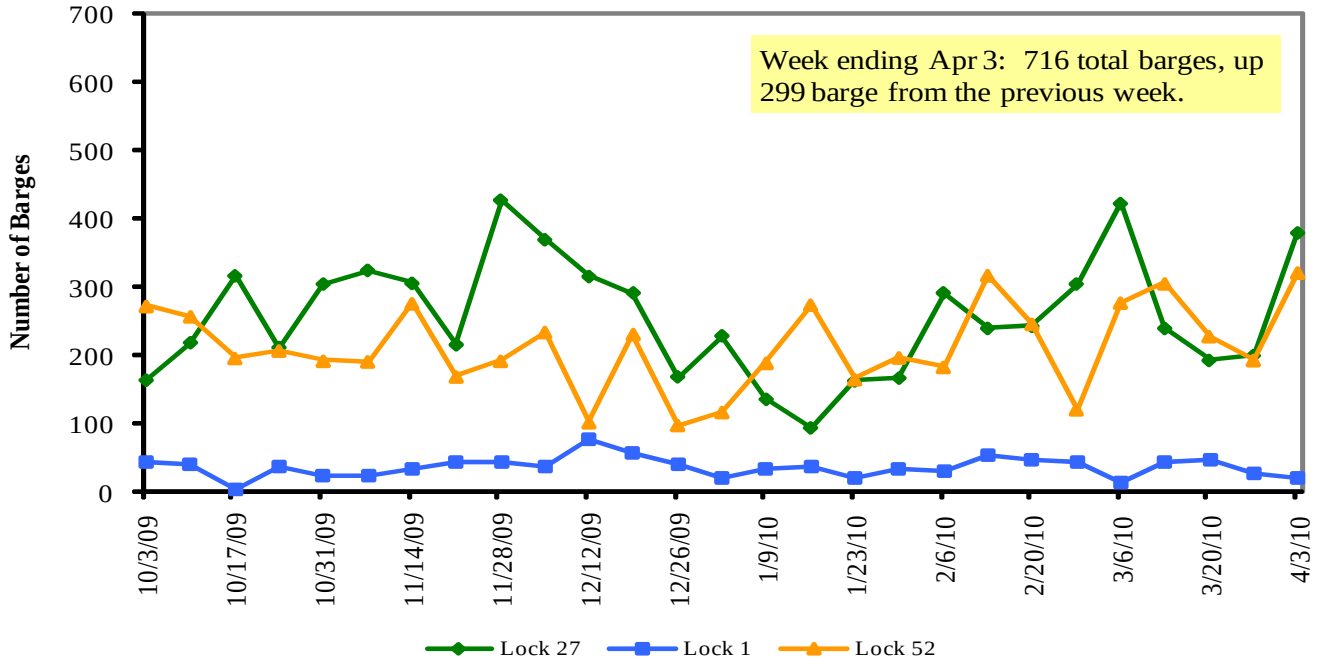
[2] As a percent of same period in 2009.

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

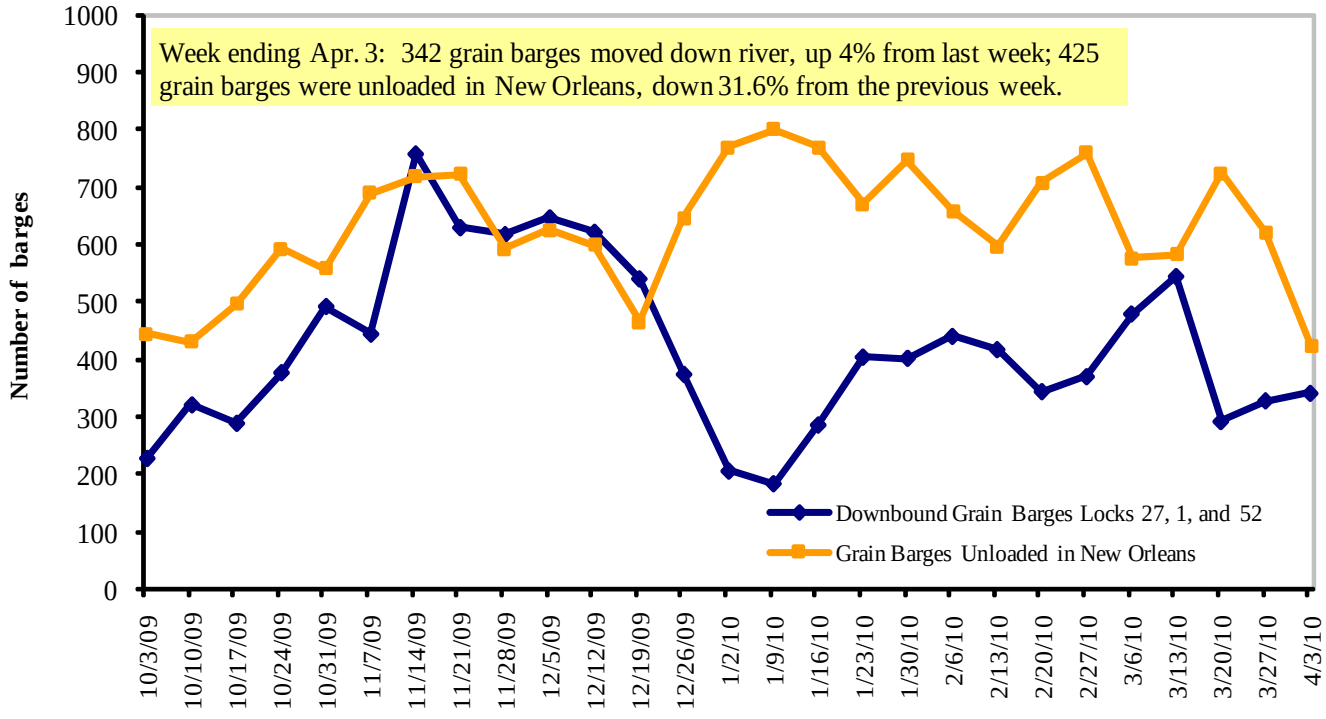
Upbound Empty Barges Transiting Mississippi River Locks 27, Arkansas River Lock and Dam 1, and Ohio River Locks and Dam 52



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 4/5/2010 (US$/gallon)

			Change from	
Region	**Location**	**Price**	**Week ago**	**Year ago**
I	East Coast	3.032	0.067	0.753
	New England	3.054	0.025	0.625
	Central Atlantic	3.136	0.061	0.717
	Lower Atlantic	2.986	0.073	0.781
II	Midwest[2]	2.989	0.079	0.811
III	Gulf Coast[3]	2.978	0.079	0.768
IV	Rocky Mountain	3.044	0.076	0.831
V	West Coast	3.113	0.086	0.802
	California	3.147	0.074	0.812
Total	U.S.	3.015	0.076	0.787

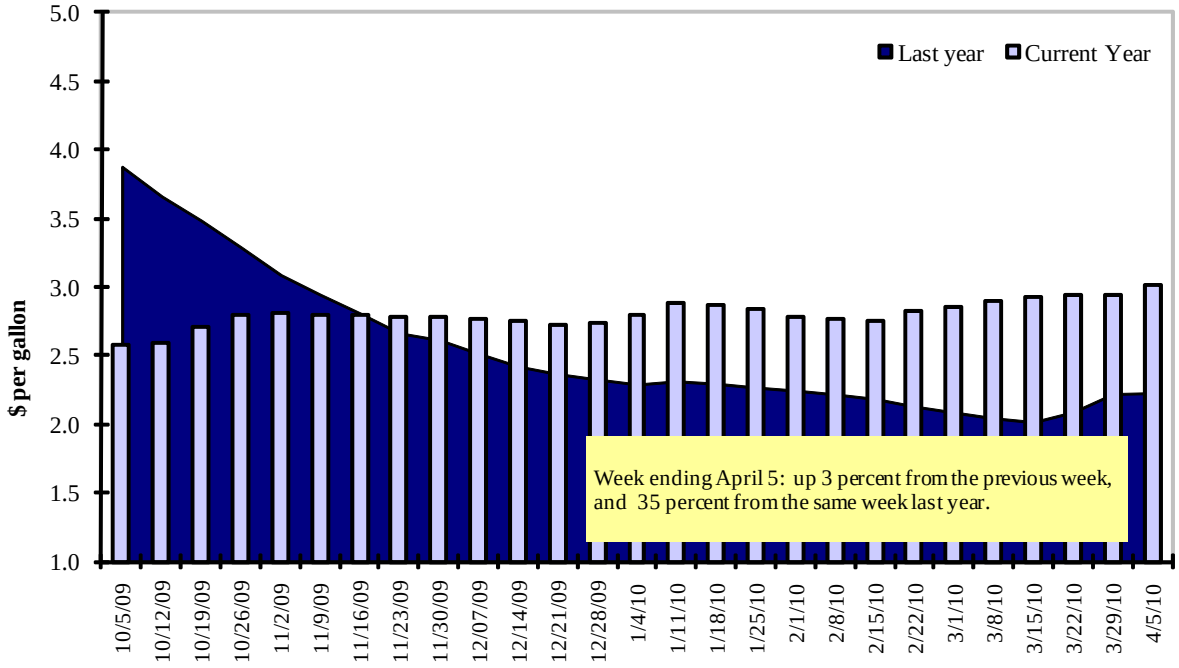
[1]Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

[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]									
3/25/2010	1,268	478	977	685	155	3,562	9,327	2,691	15,580
This week year ago	1,010	486	965	709	66	3,236	9,657	3,955	16,848
Cumulative exports-marketing year[2]									
2009/10 YTD	6,881	2,309	4,282	3,243	831	17,546	25,190	33,686	76,422
2008/09 YTD	10,115	4,541	4,469	2,677	365	22,167	23,310	25,144	70,621
YTD 2009/10 as % of 2008/09	68	51	96	121	228	79	108	134	108
Last 4 wks as % of same period 2008/09	143	104	104	94	257	117	103	95	104
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 03/25/10	**Total Commitments**[2]		**% change current MY from last MY**	**Exports**[3]
	2009/10 Current MY	**2008/09 Last MY**		**2008/09**
	- 1,000 mt -			**- 1,000 mt -**
Japan	9,769	11,169	(13)	15,910
Mexico	6,633	5,807	14	7,454
Korea	5,094	3,774	35	5,129
Taiwan	2,423	2,396	1	3,198
Egypt	1,383	1,230	12	2,233
Top 5 importers	**25,302**	**24,376**	**4**	**33,924**
Total US corn export sales	**34,516**	**32,968**	**5**	**45,214**
% of Projected	72%	70%		
Change from Last Week	826	1,251		
Top 5 importers' share of U.S. corn export sales	73%	74%		
USDA forecast, March 2010	**48,260**	**47,180**	**2**	
Corn Use for Ethanol USDA forecast, March 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 03/25/10	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	21,716	16,701	30	18,681
Mexico	2,359	2,209	7	3,098
Japan	1,952	2,207	(12)	2,410
EU-25	2,667	2,173	23	2,180
Taiwan	1,331	1,261	6	1,592
Top 5 importers	**30,025**	**24,550**	**22**	**27,961**
Total US soybean export sales	**36,377**	**29,098**	**25**	
% of Projected	94%	83%		
Change from last week	178	600		
Top 5 importers' share of U.S. soybean export sales	83%	84%		
USDA forecast, March 2010	**38,650**	**34,930**	**11**	
Soybean Use for Biodiesel USDA forecast, March 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 03/25/2010	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	2,971	2,984	(0.4)	3,103
Nigeria	3,281	2,473	33	2,661
Mexico	1,816	2,435	(25)	2,423
Egypt	456	1,923	(76)	1,928
Philippines	1,613	1,458	11	1,480
Iraq	307	1,205	(75)	1,205
Korea, South	1,151	1,136	1	1,127
Brazil	214	773	(72)	789
Colombia	520	773	(33)	749
Taiwan	759	710	7	714
Top 10 importers	**13,088**	**15,869**	**(18)**	**16,179**
Total US wheat export sales	**21,108**	**25,402**	**(17)**	**27,640**
% of Projected	94%	92%		
Change from last week	431	284		
Top 10 importers' share of U.S. wheat export sales	62%	62%		
USDA forecast, March 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 04/01/10	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	246	2,590	2,417	107	82	77	10,091
Corn	154	2,100	1,790	117	101	77	8,498
Soybeans	187	3,691	2,780	133	150	143	9,743
Total	**587**	**8,381**	**6,987**	**120**	**111**	**98**	**28,332**
Mississippi Gulf							
Wheat	76	946	1,116	85	67	85	4,019
Corn	698	7,284	7,304	100	107	105	28,843
Soybeans	171	7,406	6,820	109	109	121	21,831
Total	**945**	**15,636**	**15,240**	**103**	**103**	**108**	**54,693**
Texas Gulf							
Wheat	221	2,178	1,332	163	165	157	5,735
Corn	23	547	530	103	84	104	1,968
Soybeans	0	647	472	137	0	0	2,402
Total	**245**	**3,371**	**2,334**	**144**	**126**	**135**	**10,105**
Great Lakes							
Wheat	0	2	0	600	0	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**	**600**	**0**	**0**	**2,124**
Atlantic							
Wheat	0	22	167	13	0	0	552
Corn	0	94	32	295	284	53	472
Soybeans	7	549	328	167	264	410	1,268
Total	**7**	**665**	**527**	**126**	**99**	**85**	**2,292**
U.S. total from ports[2]							
Wheat	544	5,738	5,033	114	95	94	21,387
Corn	875	10,025	9,657	104	105	98	40,134
Soybeans	365	12,292	10,399	118	122	131	36,025
Total	**1,784**	**28,056**	**25,089**	**112**	**108**	**106**	**97,546**

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

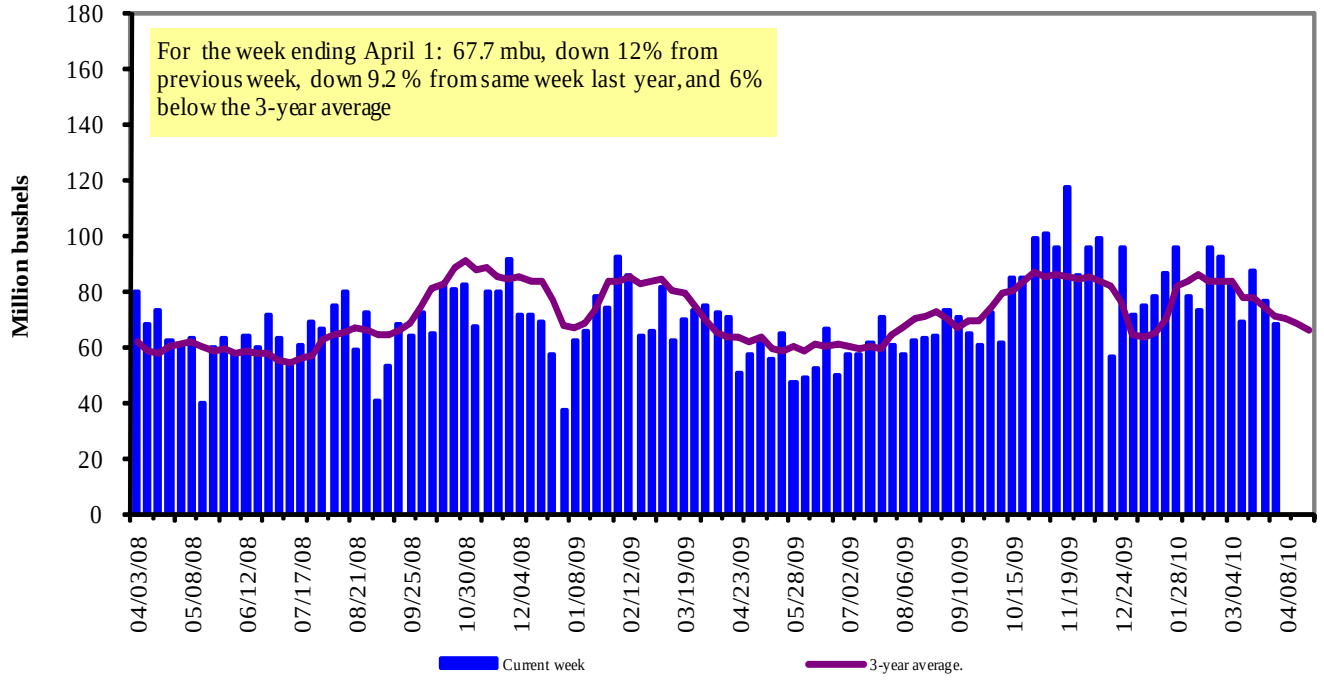
[2] Total includes only port regions shown above

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 26 percent of the wheat, soybeans, and corn it produces. On average, this includes 50 percent of its wheat, 37 percent of its soybeans, and 18 percent of its corn.

Figure 14

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

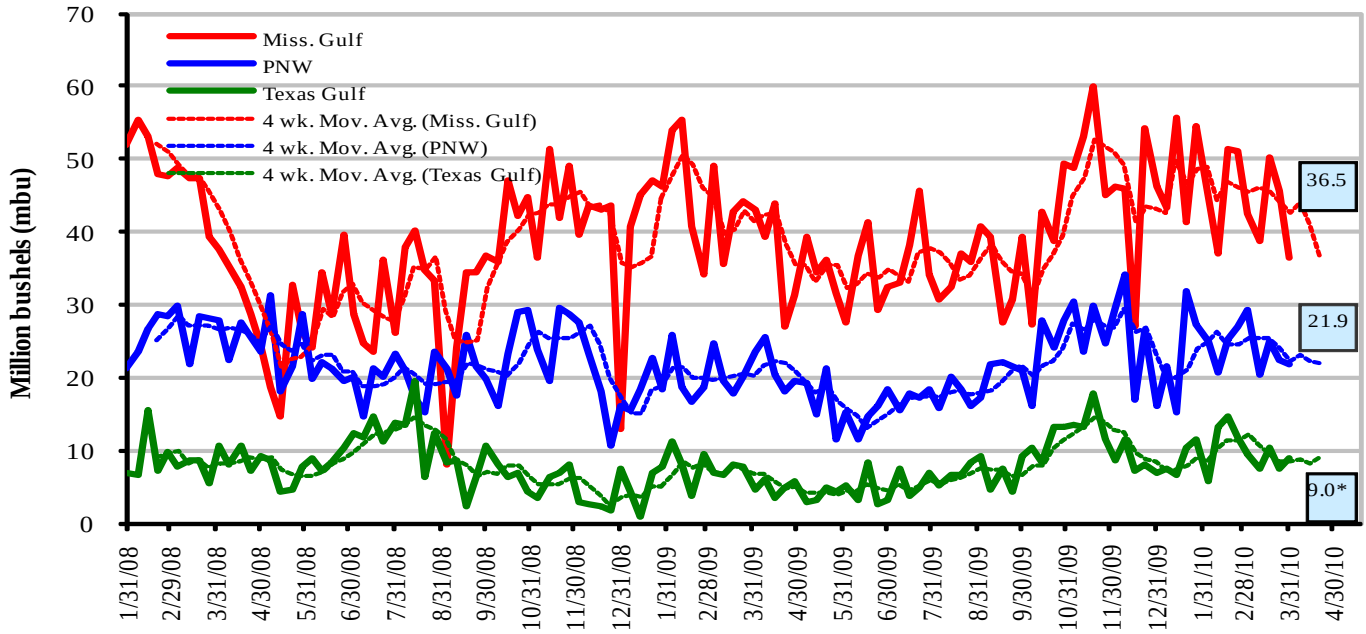


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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.

April 1, % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	down 20	up 22	down 14	down 2
Last year (same week)	up 15	up 92	down 4	down 7
3-yr avg. (4-wk mov. avg.)	up 8.3	up 42	down 1.4	down 14

Ocean Transportation

Table 17

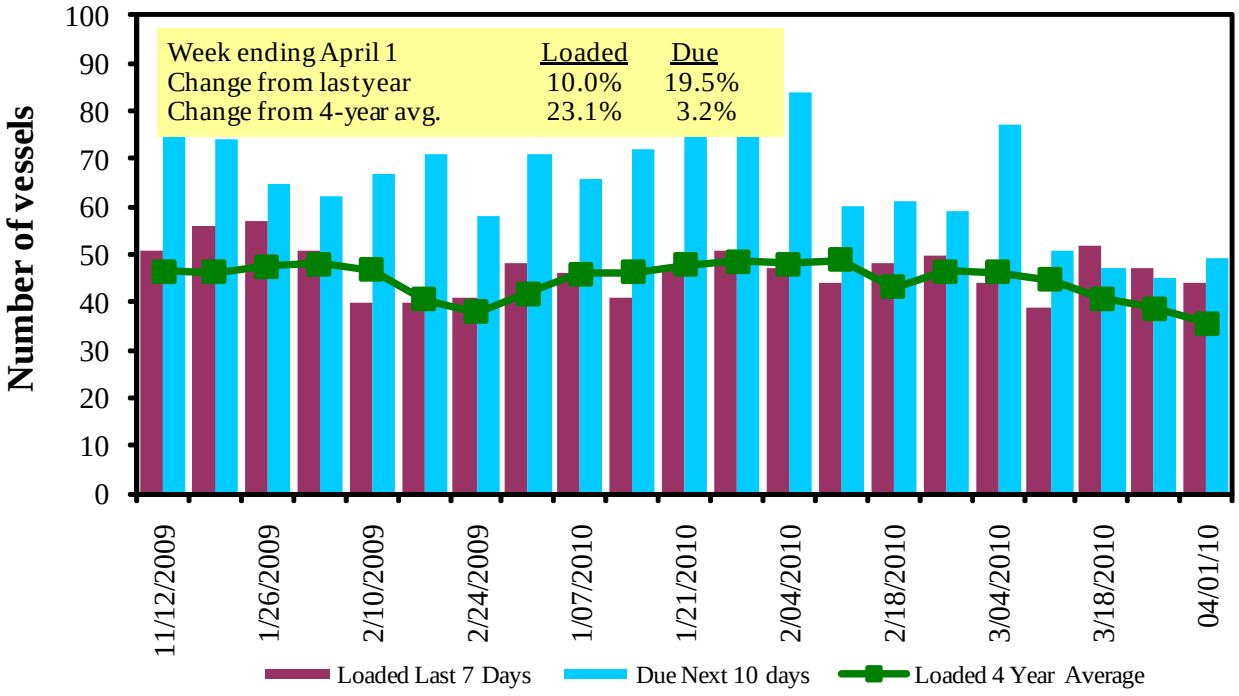
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

	Gulf			Pacific Northwest	Vancouver B.C.
Date	In port	Loaded 7-days	Due next 10-days	In port	In port
4/1/2010	25	44	49	14	7
3/25/2010	42	47	45	11	6
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

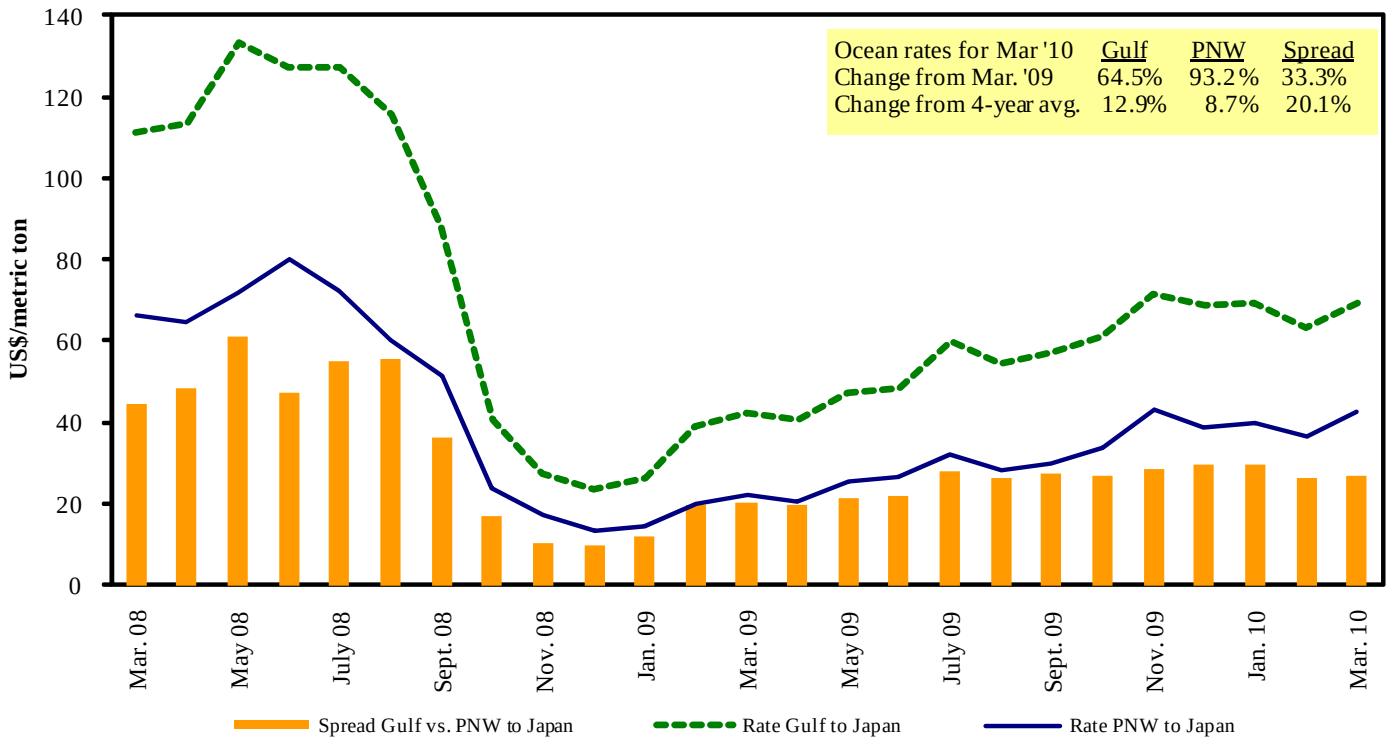


Source: Transportation & Marketing Programs/AMS/USDA

[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 4/3/2010

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US$/metric ton)
U.S. Gulf	Djibouti[1]	Wheat	Apr 5/15	23,000	134.65
U.S. Atlantic	Poland	Soybeans	Mar 9/15	24,000	50.00
U.S. Gulf	Morocco	Wheat	Mar 15/25	30,000	46.00
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
Ukraine	Kenya	Wheat	Dec 25/30	25,000	52.00
Ukraine	Mediterranean	Wheat	Dec 14/18	30,000	20.00
France	Algeria	Hvy Grain	Jan 15/20	28,500	28.25
France	Algeria	Wheat	Apr 5/15	25,000	25.50
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

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

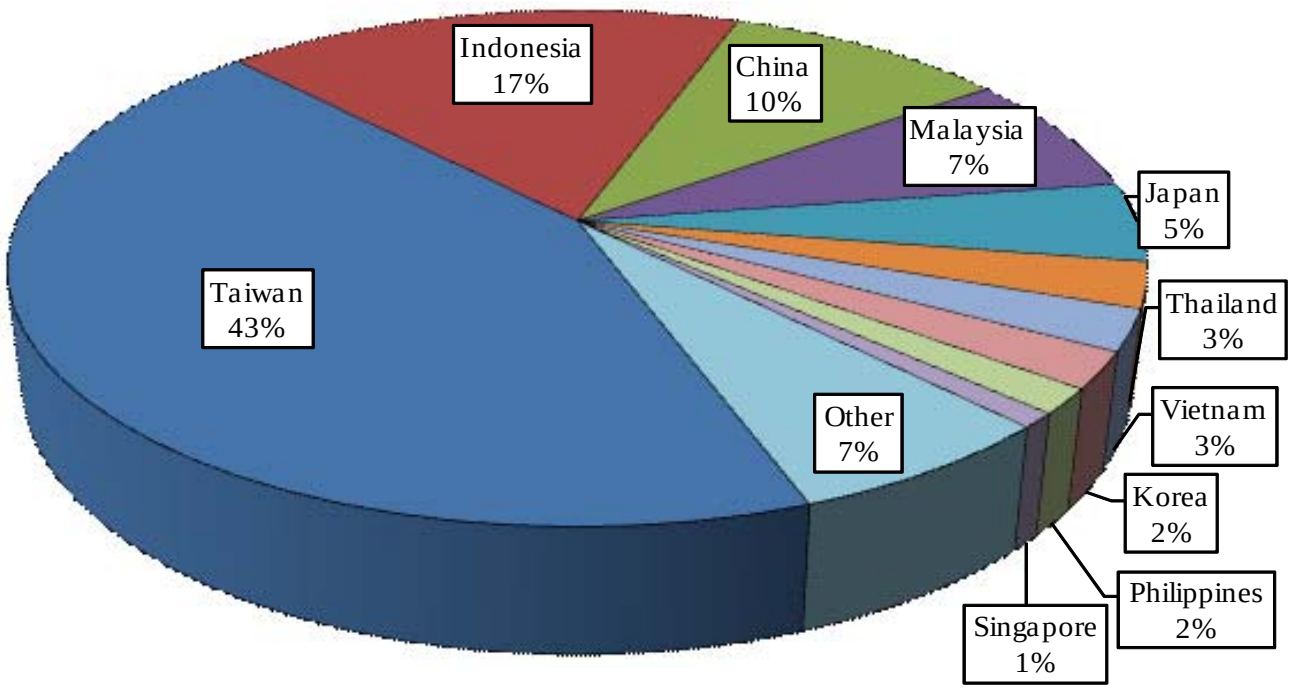
[1]75 percent of food aid from the United States is required to be shipped on U.S.-flag vessels.

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

In 2009, containers were used to transport 5 percent of total waterborne grain exports, and 6 percent of U.S. grain exports to Asia.

Figure 18

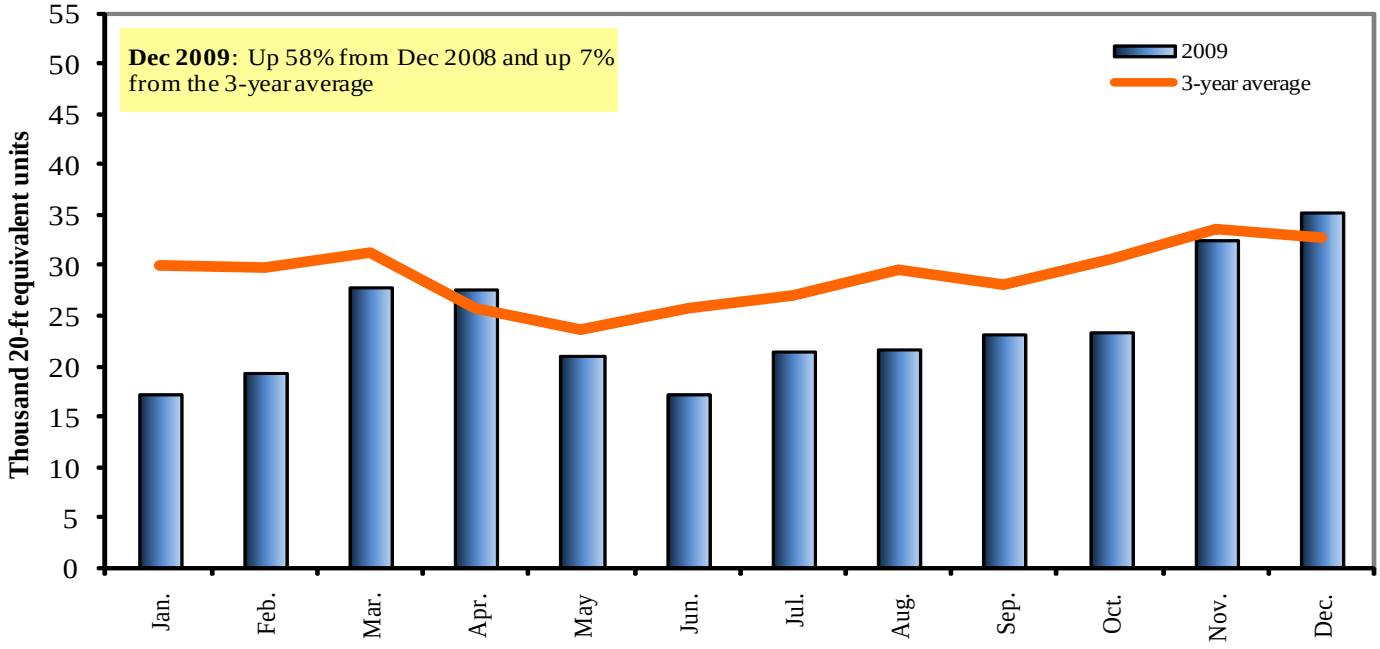
Top 10 Destination Markets for U.S. Containerized Grain Exports, December 2009



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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