USDA Agricultural Marketing Service

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Contact Us

**April 15, 2010**



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The next release is April 22, 2010

## WEEKLY HIGHLIGHTS

### Upper Mississippi River Opens for Season

On April 11, the first tow of barges arrived at St. Paul, MN, marking the beginning of the 2010 shipping season for the Upper Mississippi River. The navigation season opened later than usual this year because of scheduled maintenance work on Lock and Dam (L&D) 25, near St. Louis, that was not completed until April 4. Since then about 700 empty barges have moved northbound through L&D 25. The season typically opens around mid-March. The earliest opening was March 3, 1983, and the latest was May 8, 2001, delayed by severe flooding on the Mississippi River.

### Grain Carloads Rebound for Class I Railroads in 1st Quarter 2010

Class I railroads originated 294,857 carloads of grain during the 1st quarter of 2010, up 16 percent from last year and 2 percent above the prior 3-year average. During the last 4 weeks, **grain car loadings** were up 22 percent from the same 4 weeks last year and were 6 percent above the 3-year average. Increased **grain exports** have contributed to the increased rail traffic.

### Average Diesel Fuel Prices Surpass $3 per Gallon

During the week ending April 12, U.S. average **diesel fuel prices** increased 5 cents per gallon to $3.07—1.8 percent higher than the previous week and 38 percent higher than the same week last year. Prior to last week, diesel prices have not been above $3 per gallon since November 2008. The price per gallon increased 13 cents during the past 2 weeks; over the past 8 weeks, prices have increased 31 cents per gallon. The volatility in crude oil markets and the ongoing economic recovery have put sustained pressure on diesel fuel prices. Crude oil prices have reached more than $86 per barrel while the recovering industrial sectors are fueling the demand for oil.

### Grain Inspections Continue to Recede as Shipments to Asia Decline

For the week ending April 8, **total inspections** of grain (corn, wheat, and soybeans) from major U.S. export regions reached 1.52 million metric tons (mmt), down 20 percent from the past week and 21 percent below last year. Shipments of corn and wheat to all major Asian markets dropped. Mississippi Gulf inspections—mainly corn—dropped 27 percent from the past week and Pacific Northwest inspections—primarily wheat—dropped 16 percent. Total **soybean inspections** (.340 mmt) dropped 10 percent from the previous week. Inspections of soybeans shipped to China dropped 7 percent.

## Snapshots by Sector

### Rail

U.S. Railroads originated 21,773 **carloads of grain** during the week ending April 3, down 5 percent from last week, up 18 percent from the same week last year, and 3 percent higher than the 3-year average.

During the week ending April 10, average April **secondary railcar bids/offers** were $16 below tariff for non-shuttle, up $6 from last week. Shuttle rates were $194 below tariff, $23 higher than last week.

### Ocean

During the week ending April 8, 32 **ocean-going grain vessels** were loaded in the Gulf, down 11 percent from last year. Fifty vessels are expected to be loaded in the U.S. Gulf within the next 10 days, up 4 percent from last year.

During the week ending April 9, the cost of shipping grain from the Gulf to Japan averaged $70 per mt, up 4 percent from the previous week. The rate from the Pacific Northwest to Japan was $42 per mt, up 5 percent from the previous week.

### Barge

During the week ending April 10, **barge grain movements** totaled 461,885 tons, 13 percent lower than the previous week and 30 percent lower than the same period last year.

# Feature Article/Calendar

## Railroad Concentration and Market Shares

Since the 1920s, railroads have undergone several mergers. During the 1960s and 1970s, many of the mergers combined financially weak railroads with stronger firms in the hope of developing financially stable railroads large enough to compete effectively with other transportation modes. After the Staggers Act of 1980, the pace of merger activity picked up as railroads strove to increase geographic range, eliminate duplicate lines, reduce costs, and gain increased market power, all in order to become more profitable.

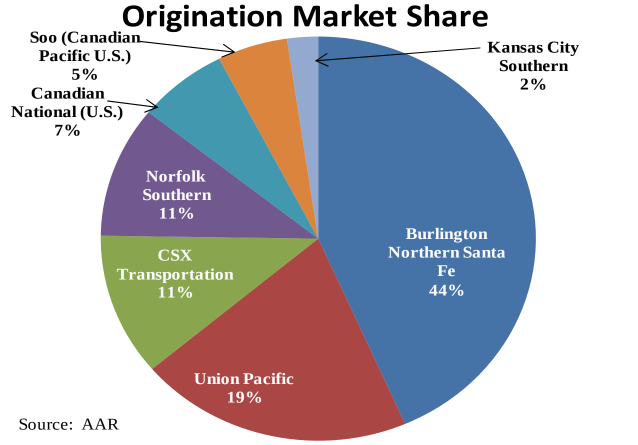
At the time of enactment of the Staggers Act, many did not foresee the extent of the loss of rail-to-rail competition because of mergers and the resulting increase in market power of the railroads. Many economists, however, anticipated the abandonment of rail lines because the regulated railroad industry was characterized by over-capacity. Consequently, a reduction in excess capacity was a logical and expected result of deregulation. The concentration of increased tonnage on fewer track miles has enabled railroads to reap the benefits from economies of density. Studies have shown that rail costs have fallen 60 percent in real terms—and that most of these savings have been passed on to shippers.[1]

Today we have four major railroads for grain transportation—two serving the western United States and two serving the East. In addition to these four mega railroads, in 2008 three smaller Class I railroads served the central portion of the Nation, and there were 33 regional railroads and 525 local railroads.

### Market Concentration and Share

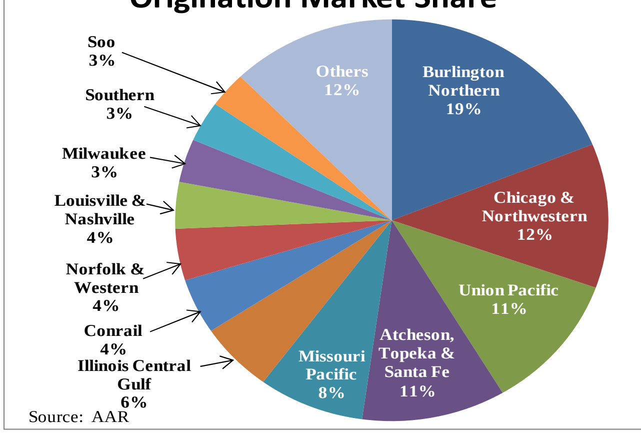
The top four Class I railroads originated 85 percent of grain and oilseed traffic in 2008, compared to only 53 percent in 1980 (see figures 1 and 2). In addition, the market share of the current railroads has changed from that of their predecessors. The Burlington Northern and the Atchison, Topeka & Santa Fe combined for only 30 percent of grain and oilseeds originations in 1980. By 2008, the Burlington Northern Santa Fe (BNSF) had 44 percent of the market. The Chicago & Northwestern, Union Pacific, and Missouri Pacific, all predecessors of the current Union Pacific (UP), had a market share of 31 percent in 1980. UP market share decreased to only 19 percent in 2008.

**Figure 1. 2008 Railroad Grain Origination Market Share**




Source: AAR

**Figure 2. 1980 Railroad Grain Origination Market Share**

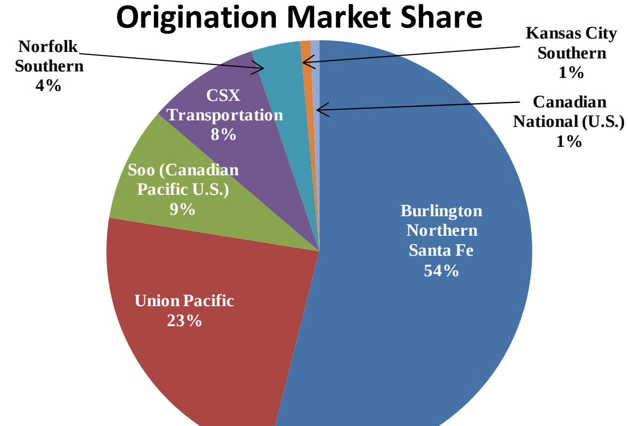



Source: AAR

[1]Surface Transportation Board, *Study of Railroad Rates: 1985-2007*, January 2009.

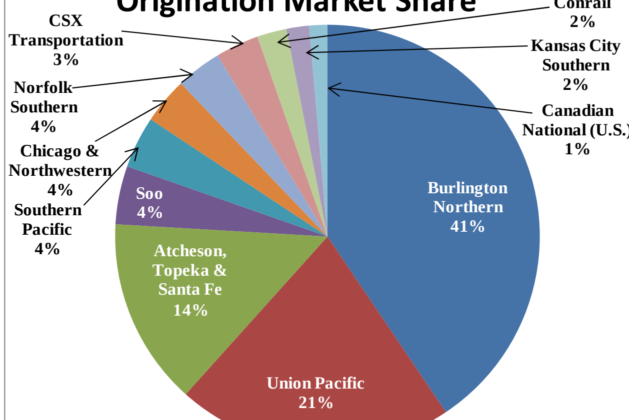
Railroad concentration and market shares are even higher for specific commodities. For instance, the top four Class I railroads transported 94 percent of the wheat in 2008 compared to 80 percent in 1994 (see figures 3 and 4). Over that time, the consolidation was unevenly distributed between the railroads. The market share for BNSF increased in comparison to its predecessors—54 percent in 2008 compared to 41 percent in 1994. The UP market share actually decreased over the same timeframe; it had only 23 percent in 2008 compared to the 29 percent of its predecessors in 1994. The Soo (Canadian Pacific U.S.) market share increased to 9 percent in 2008 from only 4 percent in 1994, while the CSX market share increased to 8 percent compared to only 4 percent for its predecessors.

**Figure 3. 2008 Railroad Wheat Origination Market Share**




Source: AAR

**Figure 4. 1994 Railroad Wheat Origination Market Share**




Source: AAR

The level of rail-to-rail competition in agriculture should not be viewed as a function of the market concentration of railroads in the Nation as a whole. Instead, it is a function of the quality and effectiveness of competitive options in particular markets. Because farming is located in rural regions, often distant from markets and lacking cost-effective transportation competition, regional markets are especially important when reviewing competition in agricultural transportation. The level of transportation competition is not only the competing railroads to which shippers or receivers have access, but also the effectiveness of competition from the other transportation modes.

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# Grain Transportation Indicators

Table 1

**Grain Transport Cost Indicators**[1]

| | Truck | Rail[2] | Barge | Ocean | |
|---|---|---|---|---|---|
| Week ending | | | | Gulf | Pacific |
| 04/14/10 | 206 | 80 | 153 | 313 | 298 |
| 04/07/10 | 202 | 74 | 153 | 300 | 284 |

[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)**

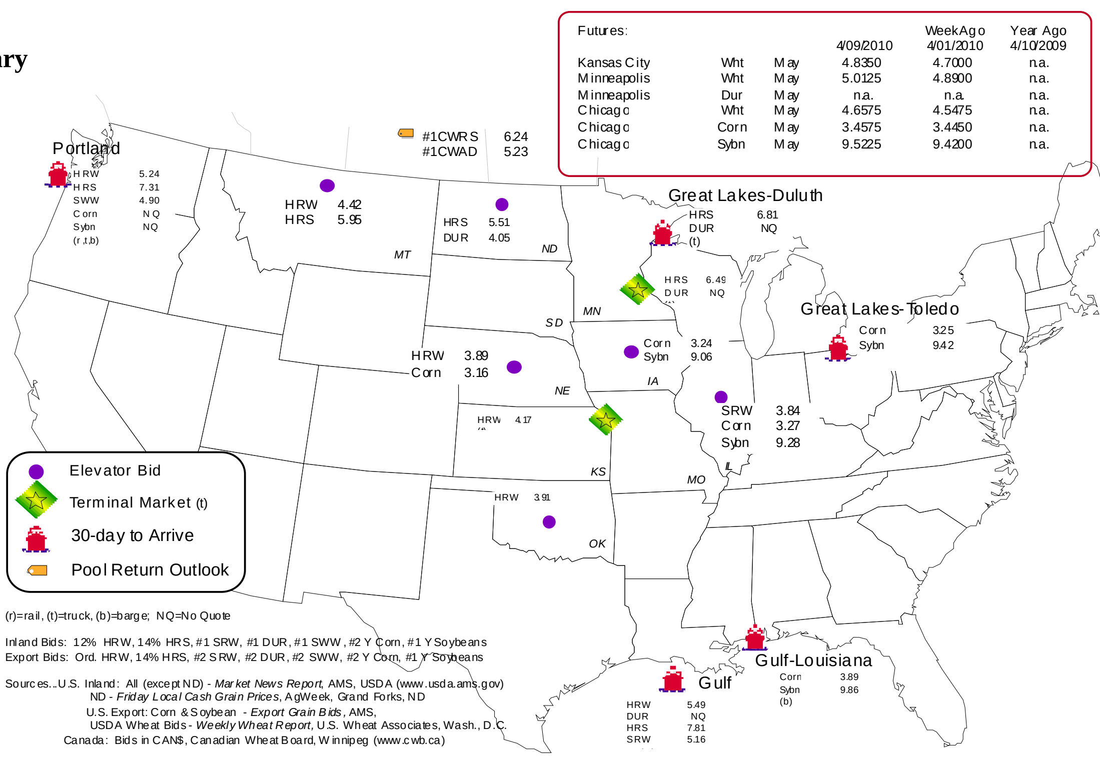
| Commodity | Origin--Destination | 4/9/2010 | 4/2/2010 |
|---|---|---|---|
| Corn | IL--Gulf | -0.62 | -0.64 |
| Corn | NE--Gulf | -0.73 | -0.72 |
| Soybean | IA--Gulf | -0.80 | -0.89 |
| HRW | KS--Gulf | -1.32 | -1.47 |
| HRS | ND--Portland | -1.80 | -2.05 |

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 |
|---|---|---|---|---|---|---|
| 4/07/2010[p] | 200 | 1,598 | 854 | 3,724 | 626 | 7,002 |
| 3/31/2010[r] | 84 | 1,822 | 551 | 2,804 | 507 | 5,768 |
| 2010 YTD | 6,186 | 22,283 | 12,237 | 48,067 | 14,550 | 103,323 |
| 2009 YTD | 11,428 | 14,136 | 11,488 | 48,395 | 8,892 | 94,339 |
| 2010 YTD as % of 2009 YTD | 54 | 158 | 107 | 99 | 164 | 110 |
| Last 4 weeks as % of 2009[2] | 107 | 161 | 134 | 97 | 130 | 115 |
| Last 4 weeks as % of 4-year avg.[2] | 28 | 89 | 108 | 75 | 123 | 79 |
| 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.

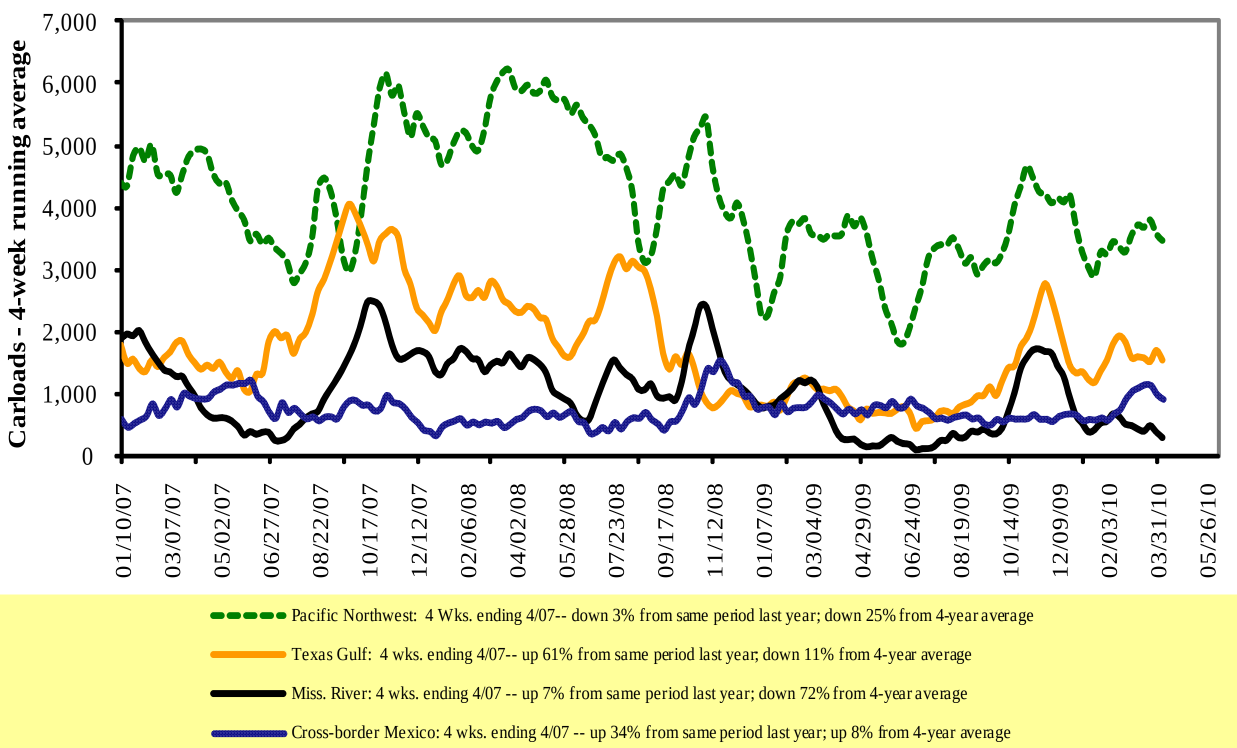
**YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available**

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)

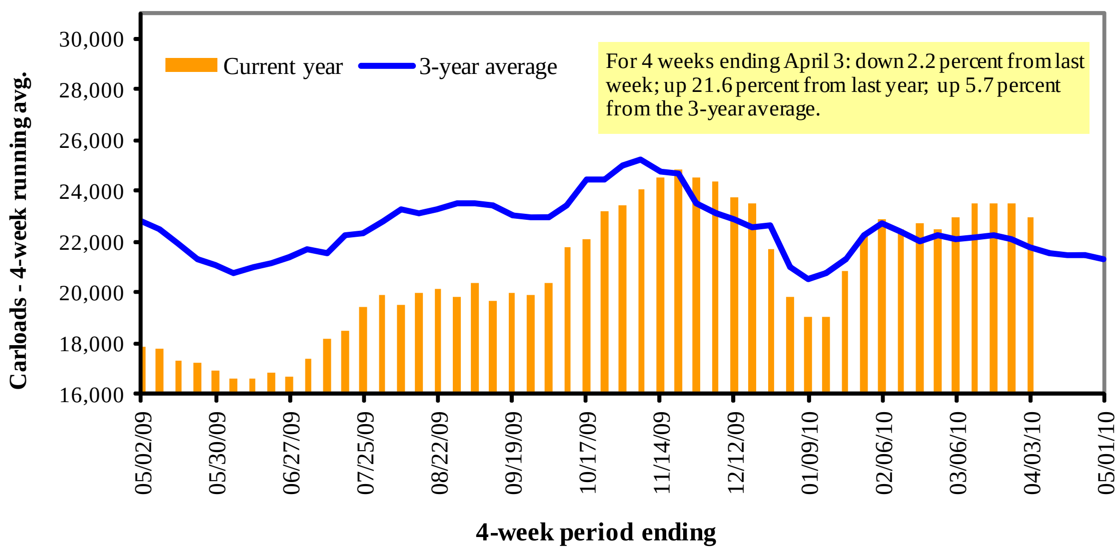
| Week ending | East | | West | | | U.S. total | Canada | |
|---|---|---|---|---|---|---|---|---|
| | CSXT | NS | BNSF | KCS | UP | | CN | CP |
| 04/03/10 | 2,036 | 3,275 | 10,410 | 668 | 5,384 | 21,773 | 3,898 | 4,810 |
| This week last year | 2,069 | 2,784 | 8,113 | 659 | 4,904 | 18,529 | 4,336 | 5,335 |
| 2010 YTD | 30,680 | 39,996 | 141,524 | 10,107 | 72,550 | 294,857 | 53,588 | 67,289 |
| 2009 YTD | 30,733 | 33,266 | 118,146 | 9,216 | 63,781 | 255,142 | 56,066 | 69,566 |
| 2010 YTD as % of 2009 YTD | 100 | 120 | 120 | 110 | 114 | 116 | 96 | 97 |
| Last 4 weeks as % of 2009[1] | 103 | 124 | 128 | 105 | 120 | 122 | 99 | 101 |
| Last 4 weeks as % of 3-yr avg.[1] | 88 | 109 | 110 | 106 | 104 | 106 | 92 | 108 |
| 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 4/10/2010 | Delivery period | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 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 | 0 | no bids | 0 |
| COT grain single-car[5] | 0 . . 5 | no offer | 0 . . 50 | no bids | 1 | no bids | 0 . . 1 | 0 . . 8 |
| UP[4] | | | | | | | | |
| GCAS/Region 1 | no bids | no bids | no bids | no bids | no bids | no bids | n/a | no offer |
| GCAS/Region 2 | no bids | no bids | no bids | no bids | no bids | no bids | n/a | 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.

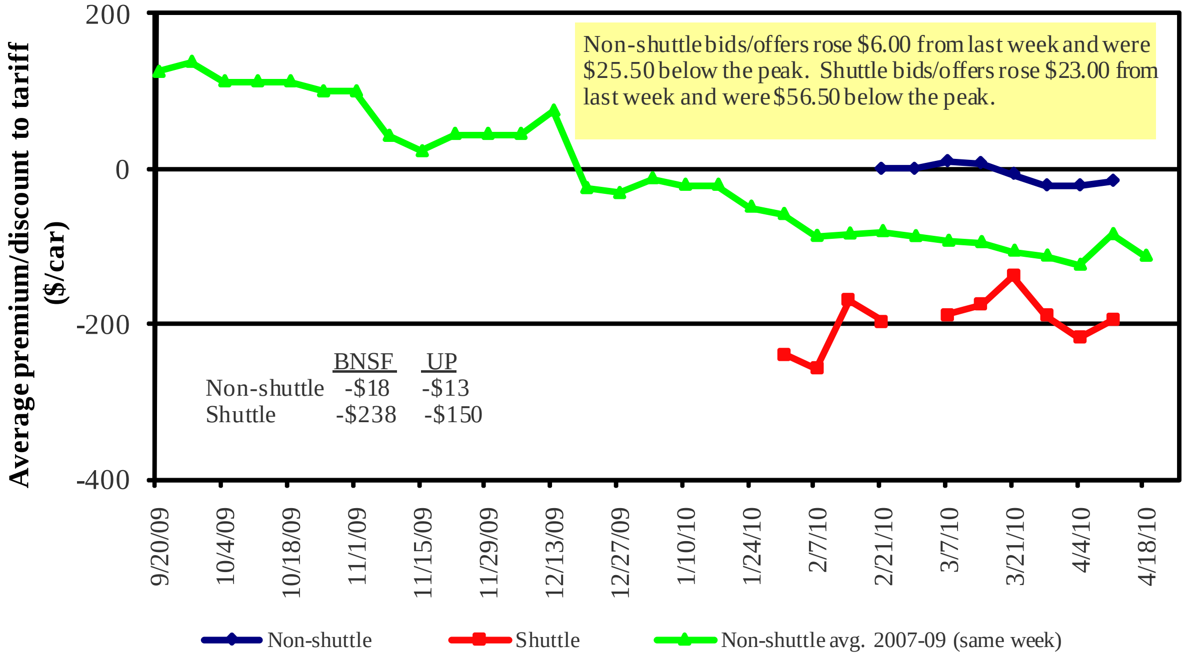
[5]Range is shown because average is not available. Not available = n/a.

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**

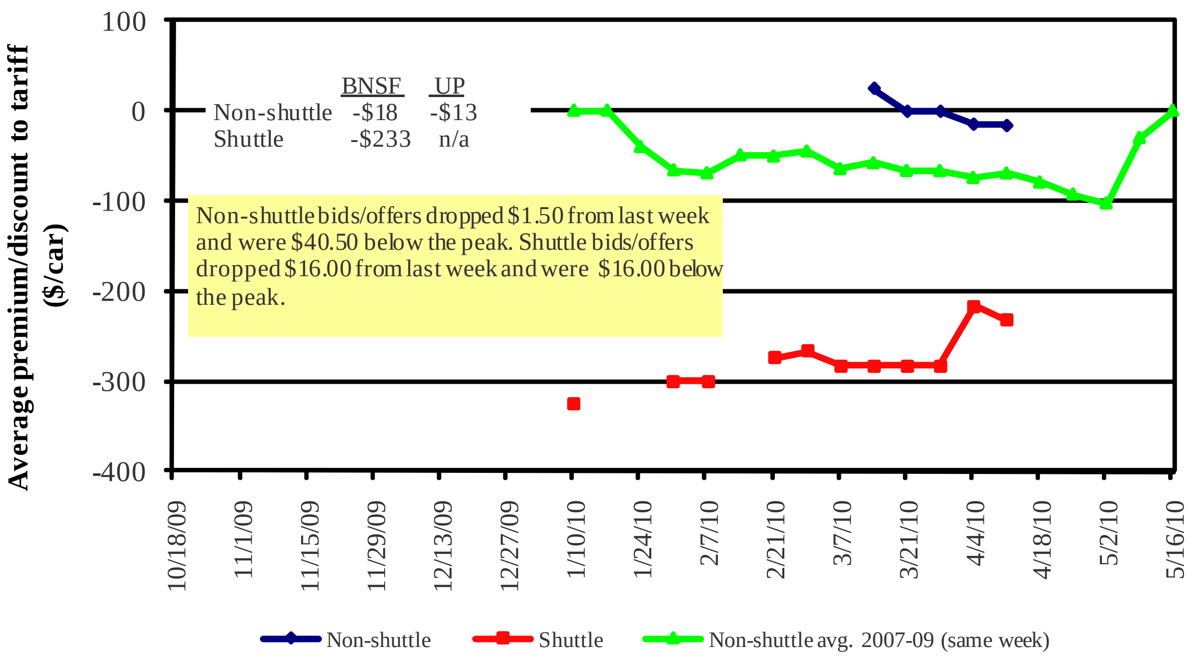



Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

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

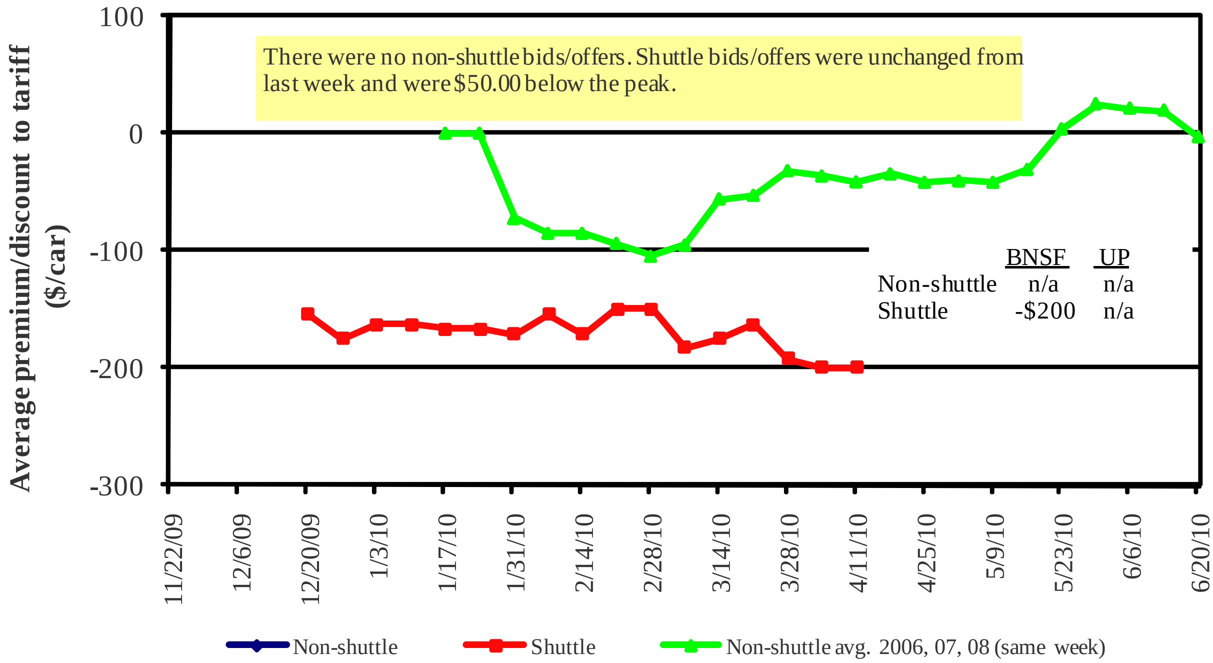



Non-shuttle bids include unit-train and single-car bids. n/a = not available.

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** | | | | | |
|---|---|---|---|---|---|---|
| **4/10/2010** | **Apr-10** | **May-10** | **Jun-10** | **Jul-10** | **Aug-10** | **Sep-10** |
| **Non-shuttle** | | | | | | |
| BNSF-GF | -18 | -18 | n/a | n/a | n/a | n/a |
| Change from last week | -5 | -8 | n/a | n/a | n/a | n/a |
| Change from same week 2009 | -18 | -7 | n/a | n/a | n/a | n/a |
| UP-Pool | -13 | -13 | n/a | n/a | n/a | n/a |
| Change from last week | 17 | 5 | n/a | n/a | n/a | n/a |
| Change from same week 2009 | n/a | 4 | n/a | n/a | n/a | n/a |
| **Shuttle[2]** | | | | | | |
| BNSF-GF | -238 | -233 | -200 | n/a | n/a | n/a |
| Change from last week | 96 | -16 | 0 | n/a | n/a | n/a |
| Change from same week 2009 | 87 | 42 | -33 | n/a | n/a | n/a |
| UP-Pool | -150 | n/a | n/a | n/a | n/a | n/a |
| Change from last week | -50 | n/a | n/a | n/a | n/a | n/a |
| Change from same week 2009 | 225 | 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 | | | 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 | $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.

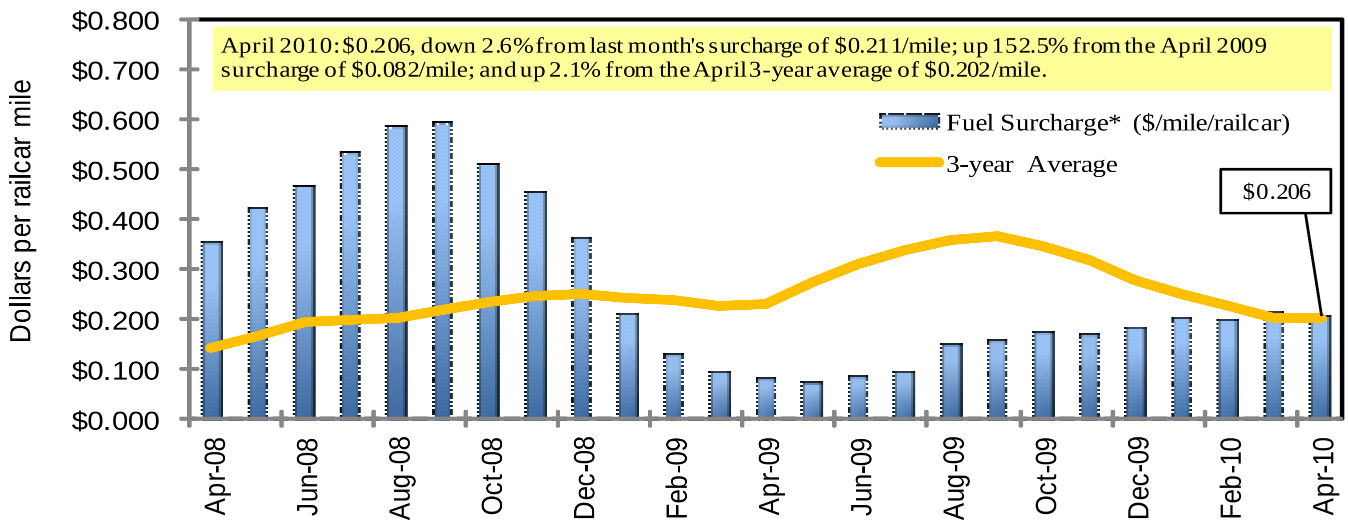
[2]Approximate load per car = 97.87 metric tons: Corn & Sorghum 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

[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.

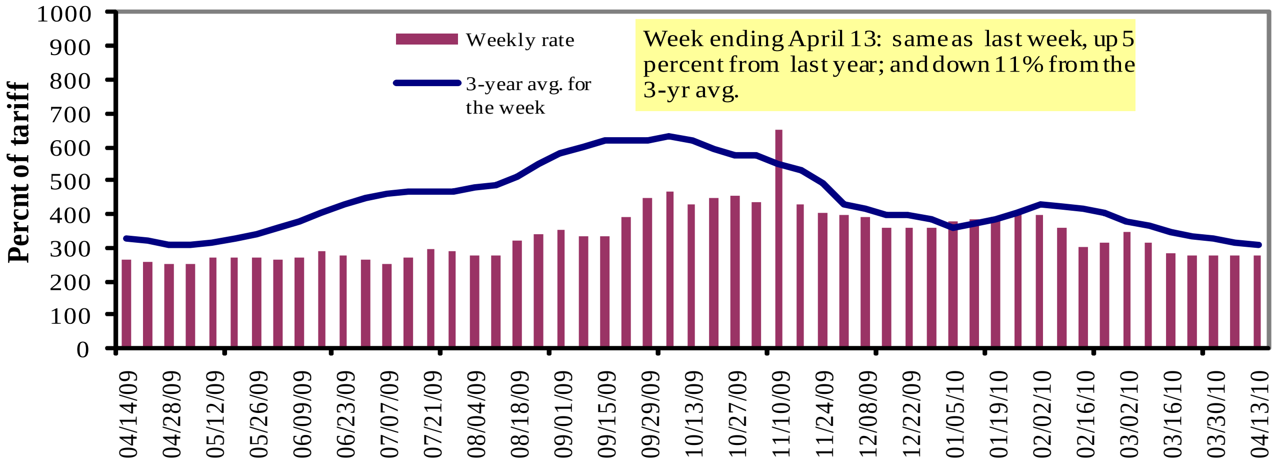
* Mileage-based fuel surcharges for March and April 2007 are estimated. Beginning January 2009, the Canadian Pacific fuel surcharge is computed by a monthly average of the bi-weekly fuel surcharge.

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]** | 4/13/2010 | 331 | 293 | 275 | 198 | 226 | 226 | 180 |
| | 4/6/2010 | - | 298 | 275 | 199 | 230 | 230 | 180 |
| **$/ton** | 4/13/2010 | 20.49 | 15.59 | 12.76 | 7.90 | 10.60 | 9.13 | 5.65 |
| | 4/6/2010 | - | 15.85 | 12.76 | 7.94 | 10.79 | 9.29 | 5.65 |
| **Current week % change from the same week:** | | | | | | | | |
| | Last year | 6 | 5 | 5 | -1 | 1 | 1 | -5 |
| | 3-year avg. [2] | -10 | -16 | -11 | -17 | -16 | -16 | -18 |
| **Rate[1]** | May | 329 | 290 | 278 | 201 | 230 | 230 | 188 |
| | July | 344 | 304 | 296 | 223 | 256 | 256 | 213 |

[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

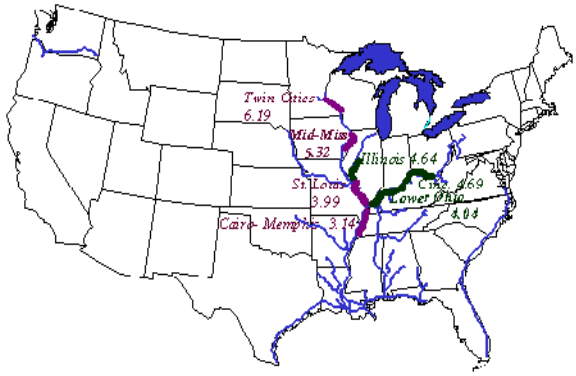
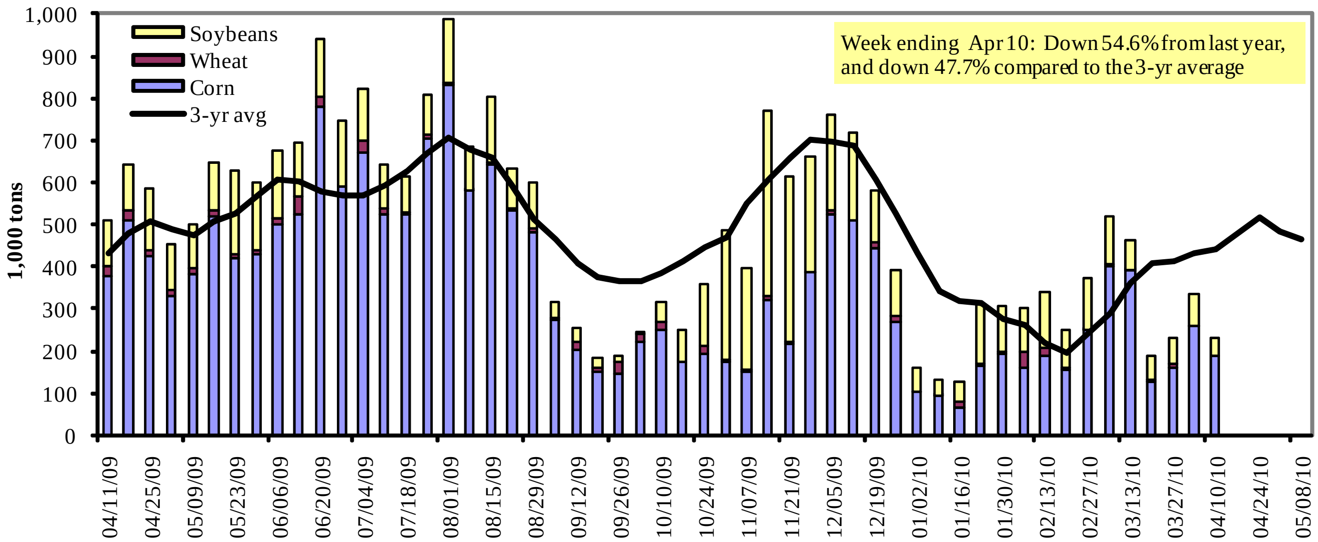


Figure 10

**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 4/10/2010 | Corn | Wheat | Soybeans | Other | Total |
|---|---|---|---|---|---|
| **Mississippi River** | | | | | |
| Rock Island, IL (L15) | 11 | 0 | 3 | 0 | 14 |
| Winfield, MO (L25) | 16 | 0 | 15 | 0 | 31 |
| Alton, IL (L26) | 178 | 0 | 34 | 0 | 212 |
| Granite City, IL (L27) | 189 | 0 | 42 | 0 | 231 |
| **Illinois River (L8)** | 140 | 0 | 23 | 0 | 163 |
| **Ohio River (L52)** | 157 | 2 | 37 | 0 | 196 |
| **Arkansas River (L1)** | 0 | 17 | 15 | 3 | 35 |
| | | | | | |
| Weekly total - 2010 | 346 | 19 | 94 | 3 | 462 |
| Weekly total - 2009 | 448 | 37 | 165 | 13 | 663 |
| 2010 YTD[1] | 5,021 | 281 | 3,055 | 129 | 8,486 |
| 2009 YTD | 5,604 | 304 | 2,732 | 106 | 8,747 |
| 2010 as % of 2009 YTD | 90 | 92 | 112 | 121 | 97 |
| Last 4 weeks as % of 2009[2] | 81 | 54 | 76 | 76 | 78 |
| 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.

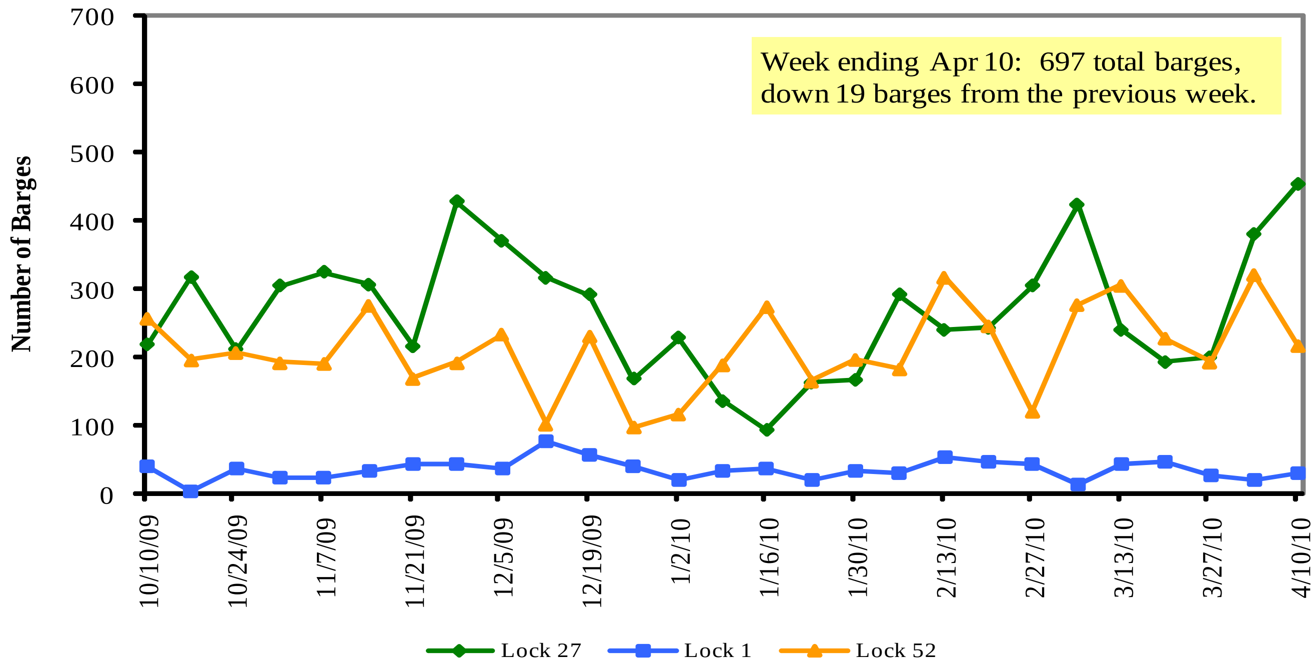
[2] As a percent of same period in 2009.

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

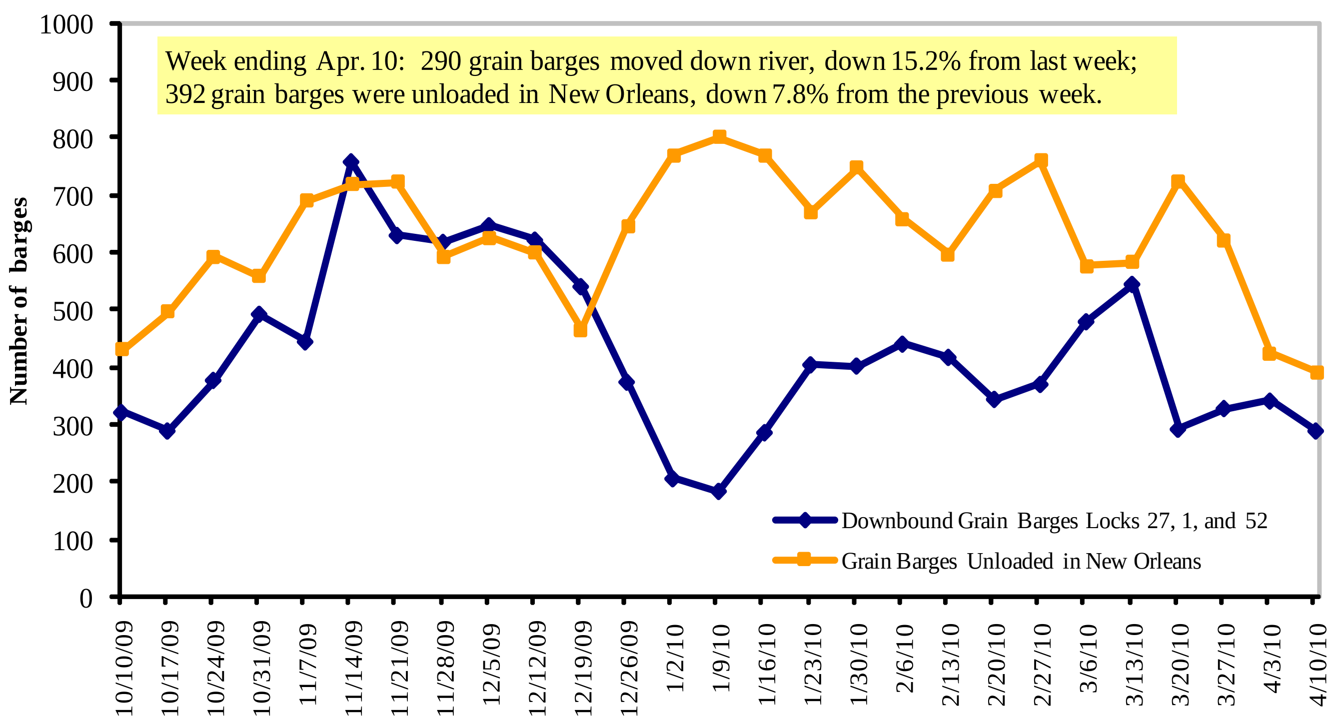
## Upbound Empty Barges Transiting Mississippi River Locks 27, Arkansas River Lock and Dam 1, and Ohio River Locks and Dam 52




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 4/12/2010 (US$/gallon)**

| Region | Location | Price | Change from Week ago | Change from Year ago |
|---|---|---|---|---|
| I | East Coast | 3.082 | 0.050 | 0.809 |
| | New England | 3.086 | 0.032 | 0.666 |
| | Central Atlantic | 3.186 | 0.050 | 0.784 |
| | Lower Atlantic | 3.037 | 0.051 | 0.833 |
| II | Midwest[2] | 3.045 | 0.056 | 0.870 |
| III | Gulf Coast[3] | 3.023 | 0.045 | 0.821 |
| IV | Rocky Mountain | 3.082 | 0.038 | 0.832 |
| V | West Coast | 3.187 | 0.074 | 0.851 |
| | California | 3.221 | 0.074 | 0.871 |
| Total | U.S. | 3.069 | 0.054 | 0.840 |

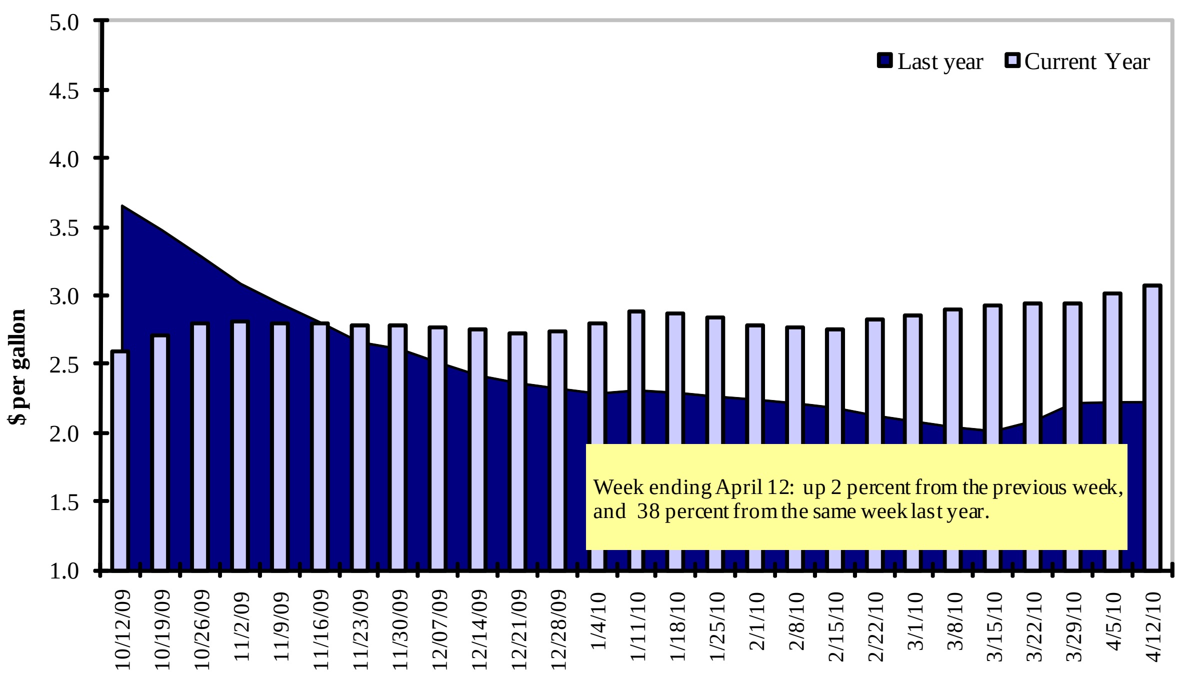
[1]Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

[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]** | | | | | | | | | |
| 4/1/2010 | 1,117 | 451 | 1,118 | 610 | 139 | 3,435 | 9,809 | 2,456 | 15,700 |
| This week year ago | 965 | 401 | 899 | 586 | 66 | 2,916 | 9,664 | 3,802 | 16,382 |
| **Cumulative exports-marketing year[2]** | | | | | | | | | |
| 2009/10 YTD | 7,089 | 2,368 | 4,342 | 3,351 | 847 | 17,997 | 26,065 | 34,127 | 78,189 |
| 2008/09 YTD | 10,252 | 4,656 | 4,582 | 2,822 | 365 | 22,675 | 24,367 | 25,728 | 72,770 |
| YTD 2009/10 as % of 2008/09 | 69 | 51 | 95 | 119 | 232 | 79 | 107 | 133 | 107 |
| Last 4 wks as % of same period 2008/09 | 139 | 121 | 117 | 112 | 231 | 126 | 101 | 84 | 102 |
| 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 04/01/10 | 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 | 10,049 | 11,580 | (13) | 15,910 |
| Mexico | 6,801 | 5,902 | 15 | 7,454 |
| Korea | 5,711 | 3,897 | 47 | 5,129 |
| Taiwan | 2,423 | 2,551 | (5) | 3,198 |
| Egypt | 1,503 | 1,358 | 11 | 2,233 |
| **Top 5 importers** | **26,487** | **25,289** | **5** | **33,924** |
| **Total US corn export sales** | **35,874** | **34,030** | **5** | **45,214** |
| % of Projected | 74% | 72% | | |
| Change from Last Week | 1,358 | 1,063 | | |
| **Top 5 importers' share of U.S. corn export sales** | 74% | 74% | | |
| **USDA forecast, April 2010** | **48,260** | **47,180** | **2** | |
| **Corn Use for Ethanol USDA forecast, Ethanol April 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 04/01/10 | 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[4] | 21,723 | 16,939 | 28 | 18,681 |
| Mexico | 2,448 | 2,282 | 7 | 3,098 |
| Japan | 1,997 | 2,229 | (10) | 2,410 |
| EU-25 | 2,664 | 2,173 | 23 | 2,180 |
| Taiwan | 1,331 | 1,310 | 2 | 1,592 |
| **Top 5 importers** | **30,162** | **24,933** | **21** | **27,961** |
| **Total US soybean export sales** | **36,582** | **29,530** | **24** | |
| % of Projected | 93% | 85% | | |
| Change from last week | 206 | 432 | | |
| **Top 5 importers' share of U.S. soybean export sales** | 82% | 84% | | |
| **USDA forecast, April 2010** | **39,330** | **34,930** | **13** | |
| **Soybean Use for Biodiesel USDA forecast, April 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.

[4] Not included - FAS Press Release: 120,000 mt on 04/12 to China for 2009/10.

Table 15

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

| Week Ending 04/01/2010 | 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 | 3,017 | 2,984 | 1 | 3,103 |
| Nigeria | 3,287 | 2,473 | 33 | 2,661 |
| Mexico | 1,852 | 2,435 | (24) | 2,423 |
| Egypt | 456 | 1,923 | (76) | 1,928 |
| Philippines | 1,679 | 1,458 | 15 | 1,480 |
| Iraq | 307 | 1,205 | (75) | 1,205 |
| Korea, South | 1,169 | 1,136 | 3 | 1,127 |
| Brazil | 214 | 773 | (72) | 789 |
| Colombia | 521 | 773 | (33) | 749 |
| Taiwan | 807 | 710 | 14 | 714 |
| **Top 10 importers** | **13,308** | **15,869** | **(16)** | **16,179** |
| **Total US wheat export sales** | **21,432** | **25,402** | **(16)** | **27,640** |
| % of Projected | 91% | 92% | | |
| Change from last week | 324 | 284 | | |
| **Top 10 importers' share of U.S. wheat export sales** | 62% | 62% | | |
| **USDA forecast, April 2010** | **23,540** | **27,640** | **(15)** | |

(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 04/08/10 | 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 | 150 | 2,740 | 2,688 | 102 | 83 | 80 | 10,091 |
| Corn | 195 | 2,345 | 1,895 | 124 | 108 | 72 | 8,498 |
| Soybeans | 189 | 3,880 | 3,091 | 126 | 126 | 136 | 9,743 |
| **Total** | **533** | **8,965** | **7,674** | **117** | **105** | **95** | **28,332** |
| **Mississippi Gulf** | | | | | | | |
| Wheat | 112 | 1,058 | 1,233 | 86 | 122 | 104 | 4,019 |
| Corn | 437 | 7,721 | 7,935 | 97 | 98 | 103 | 28,843 |
| Soybeans | 144 | 7,549 | 7,100 | 106 | 91 | 106 | 21,831 |
| **Total** | **692** | **16,328** | **16,268** | **100** | **94** | **104** | **54,693** |
| **Texas Gulf** | | | | | | | |
| Wheat | 118 | 2,298 | 1,498 | 153 | 134 | 138 | 5,735 |
| Corn | 81 | 628 | 531 | 118 | 173 | 197 | 1,968 |
| Soybeans | 0 | 647 | 472 | 137 | 0 | 0 | 2,402 |
| **Total** | **199** | **3,573** | **2,500** | **143** | **128** | **140** | **10,105** |
| **Great Lakes** | | | | | | | |
| Wheat | 63 | 65 | 0 | 17,157 | n/a | 119 | 990 |
| Corn | 0 | 0 | 26 | 0 | 0 | 0 | 353 |
| Soybeans | 0 | 0 | 0 | n/a | n/a | 0 | 781 |
| **Total** | **63** | **65** | **26** | **249** | **244** | **86** | **2,124** |
| **Atlantic** | | | | | | | |
| Wheat | 20 | 69 | 169 | 41 | 55 | 52 | 552 |
| Corn | 2 | 104 | 36 | 289 | 227 | 90 | 472 |
| Soybeans | 8 | 569 | 337 | 169 | 190 | 327 | 1,268 |
| **Total** | **30** | **743** | **542** | **137** | **111** | **111** | **2,292** |
| **U.S. total from ports[2]** | | | | | | | |
| Wheat | 463 | 6,230 | 5,588 | 111 | 96 | 100 | 21,387 |
| Corn | 715 | 10,798 | 10,423 | 104 | 103 | 98 | 40,134 |
| Soybeans | 340 | 12,645 | 11,000 | 115 | 104 | 119 | 36,025 |
| **Total** | **1,518** | **29,674** | **27,011** | **110** | **101** | **104** | **97,546** |

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

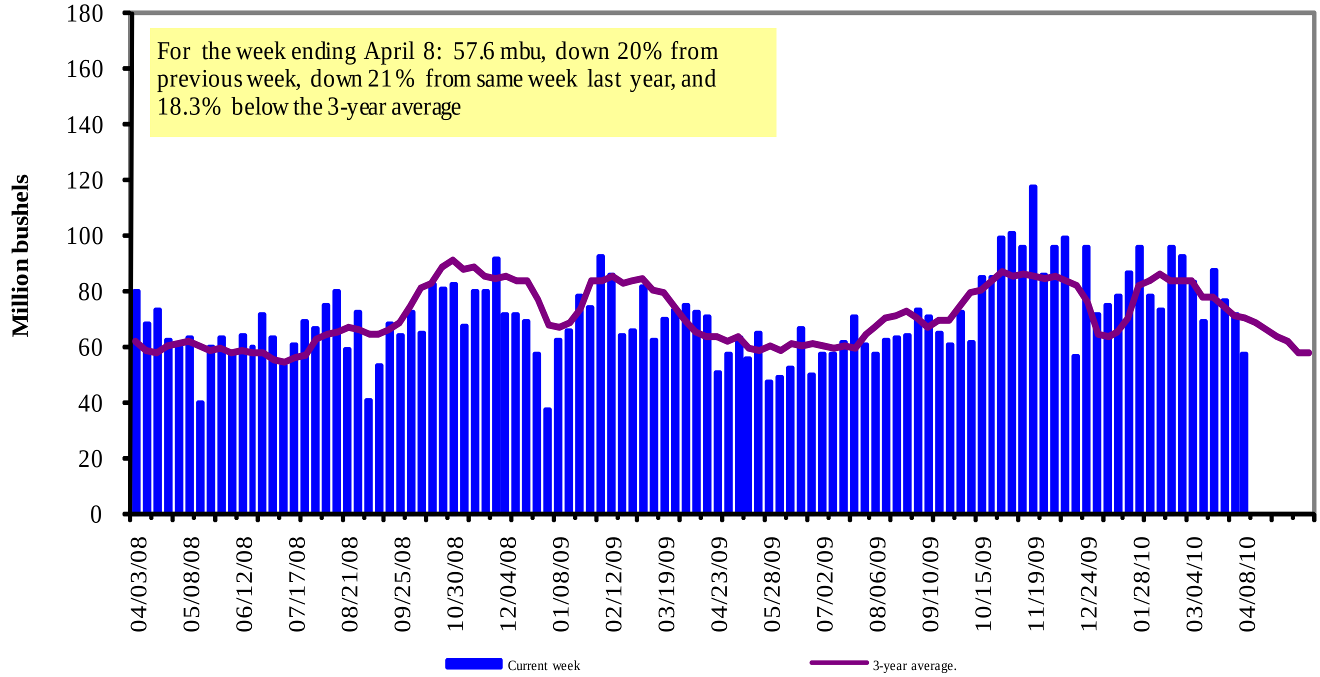
[2] Total includes only port regions shown above

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)

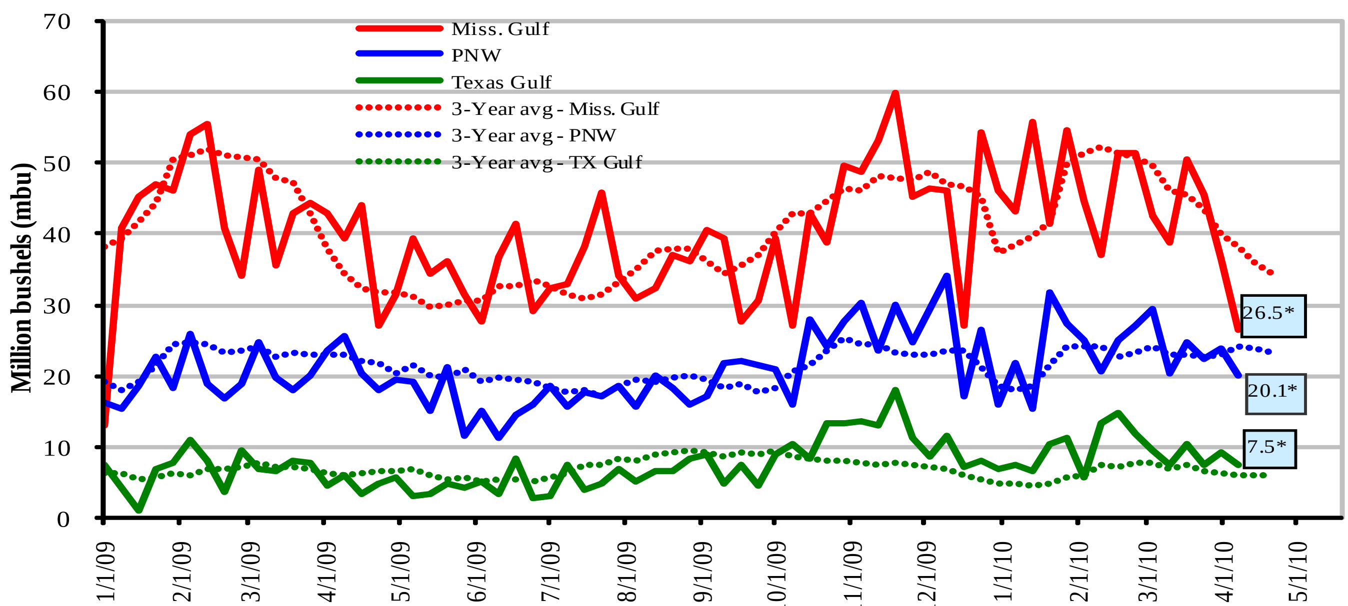



Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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

Figure 15

## U.S. Grain Inspections: U.S. Gulf and PNW[1] (wheat, corn, and soybeans)




Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov); *mbu, this week.
[1] The 3 -year average is based on a 4-week moving average.

| April 8, % change from: | MS Gulf | TX Gulf | U.S. Gulf | PNW |
|---|---|---|---|---|
| Last week | down 27 | down 18 | down 25 | down 16 |
| Last year (same week) | down 33 | up 23 | down 25 | down 21 |
| 3-yr avg. (4-wk mov. avg.) | down 30 | up 23 | down 23 | down 18 |

# Ocean Transportation

Table 17

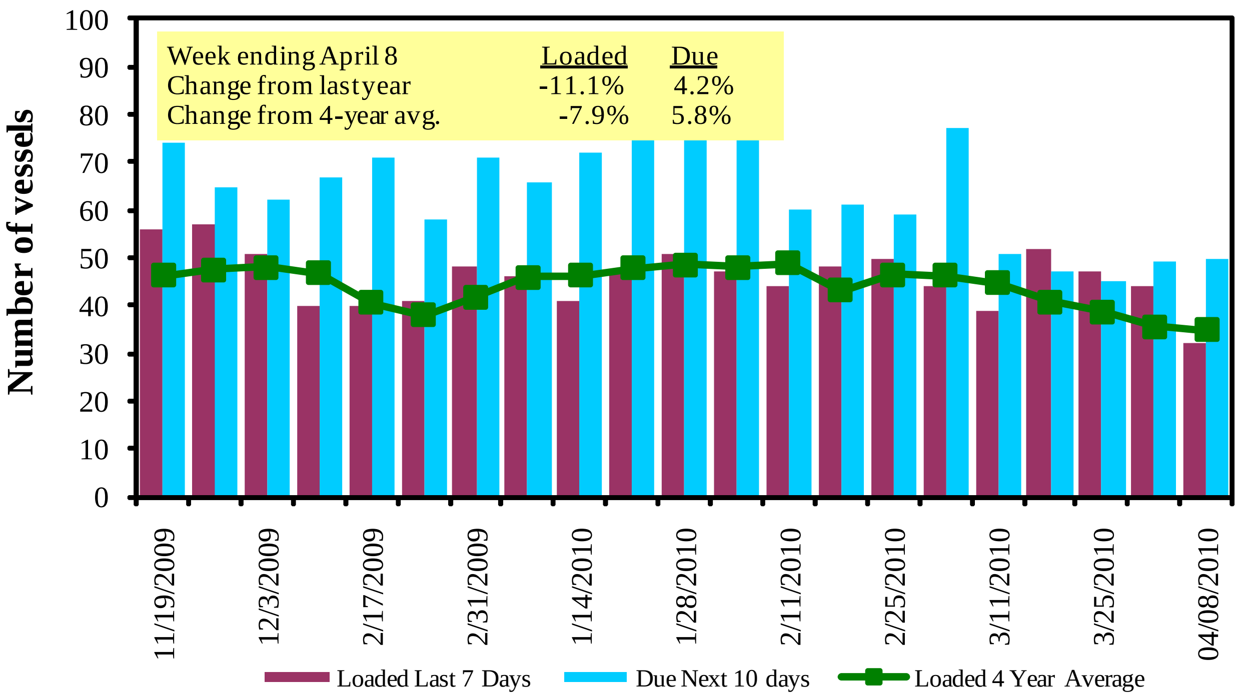
**Weekly Port Region Grain Ocean Vessel Activity (number of vessels)**

| | Gulf | | | Pacific Northwest | Vancouver B.C. |
|---|---|---|---|---|---|
| Date | In port | Loaded 7-days | Due next 10-days | In port | In port |
| 4/8/2010 | 29 | 32 | 50 | 14 | 13 |
| 4/1/2010 | 25 | 44 | 49 | 14 | 7 |
| 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**

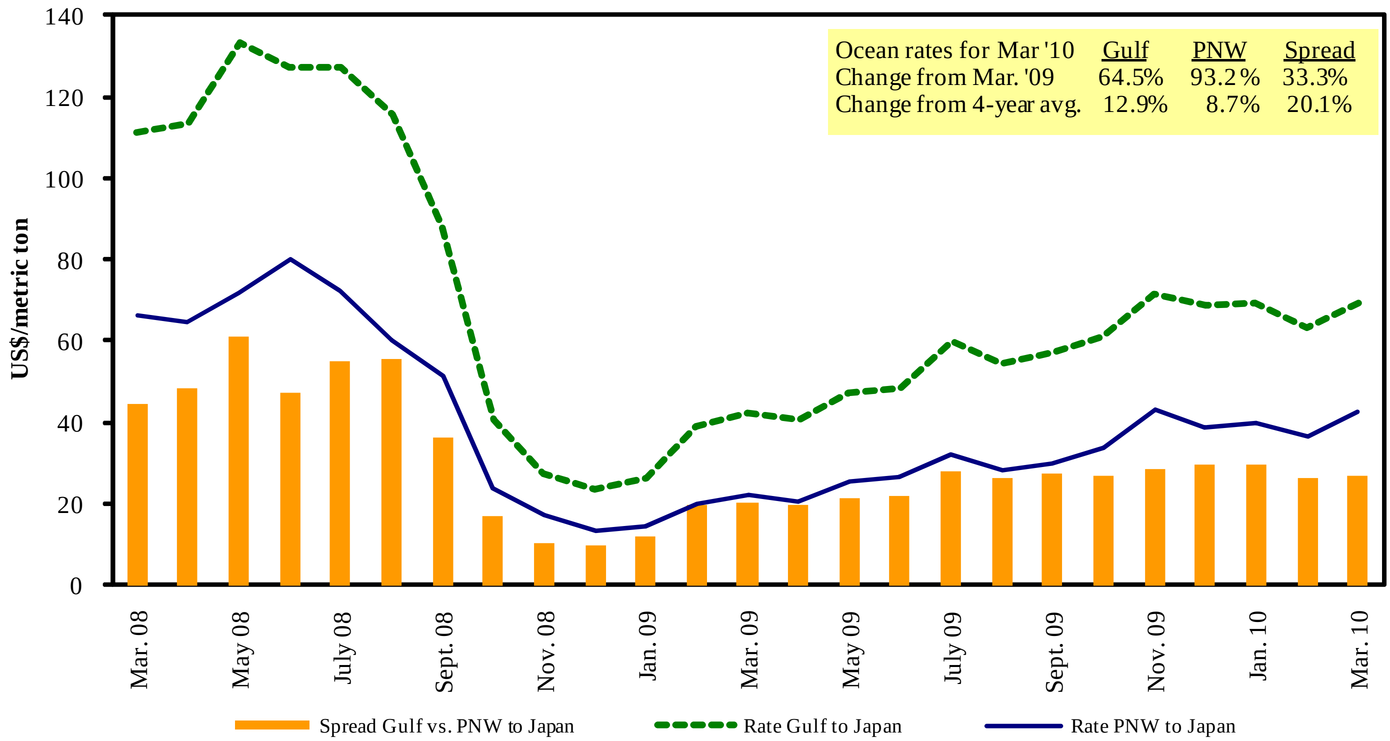
**U.S. Gulf[1] Vessel Loading Activity**




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 4/10/2010

| 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

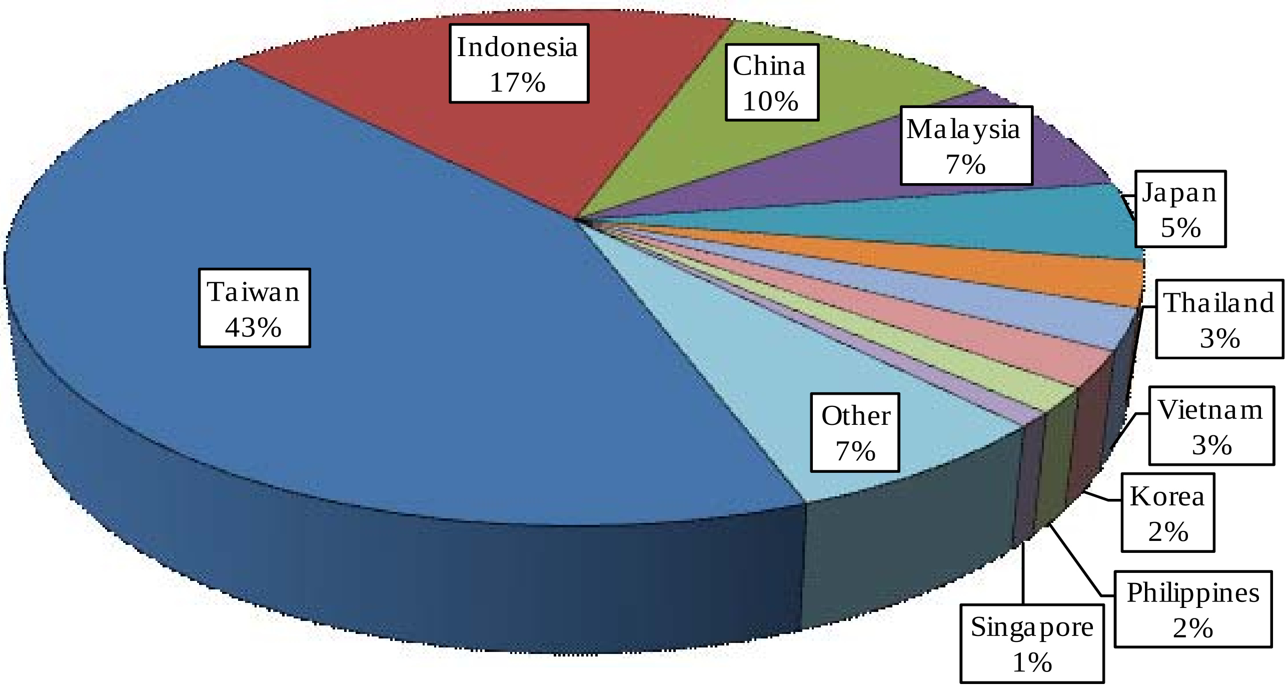
[1]75 percent of food aid from the United States is required to be shipped on U.S.-flag vessels.

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

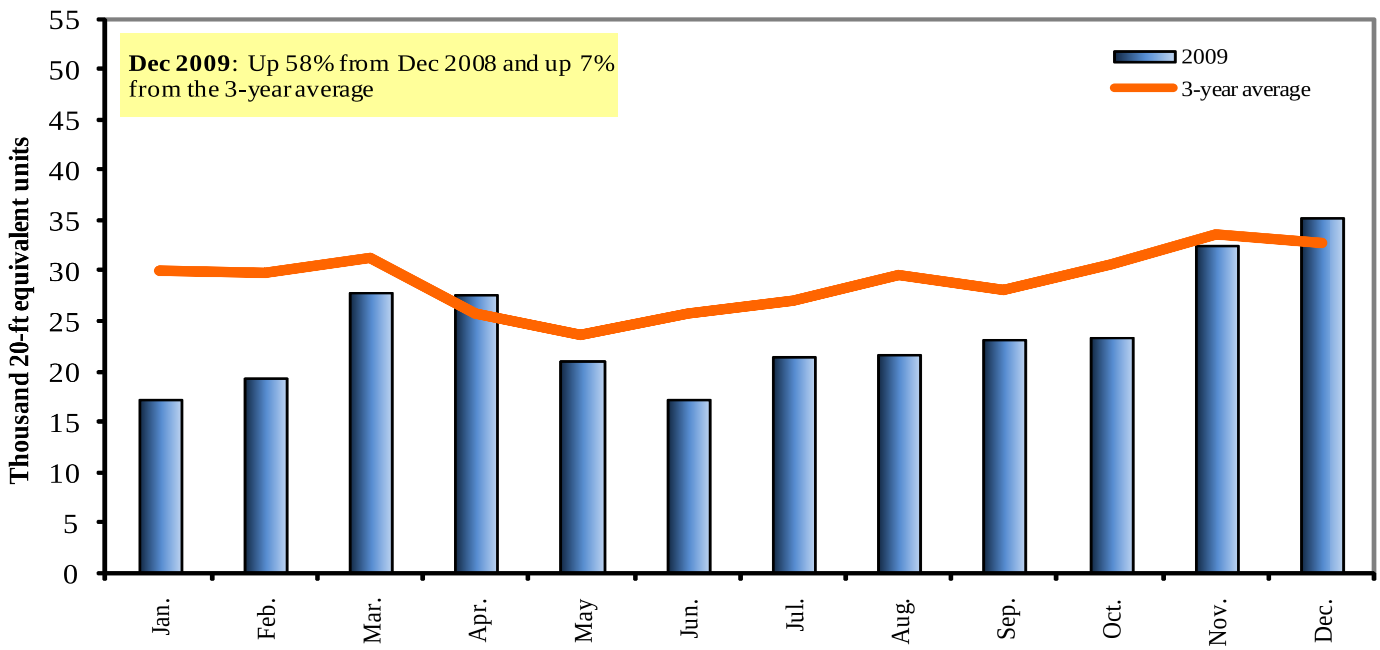
**Top 10 Destination Markets for U.S. Containerized Grain Exports, December 2009**




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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**Related Websites**

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