



WEEKLY HIGHLIGHTS

June 3, 2010

Contents

**Article/
Calendar**

**Grain
Transportation
Indicators**

Rail

Barge

Truck

Exports

Ocean

Brazil

Mexico

**Quarterly
Updates**

Specialists

**Subscription
Information**

The next
release is

Barge Operations Begin to Return to Normal as High Water Levels Decline

During much of the spring, high water levels have increased operating costs and slowed barge transportation on the Mississippi, Ohio, Illinois, Arkansas, Tennessee, and Cumberland Rivers. Barges operating in the higher and swifter currents must be moved by more powerful towboats, which are more expensive to operate. The faster currents also can reduce the number of barges a towboat can push in order to maintain safe operations. However, by late-May water levels started to fall, and since then most areas are returning to normal operations. There are still daylight-only restrictions on portions of the lower Mississippi River, as that portion of the river system is the last to be affected by high water events.

Grain Exports Drive Stronger Rail Deliveries to Port

As of May 27, calendar year-to-date **grain quantity inspected for export** is 6 percent higher than last year at this time. The higher demand for U.S. grain, mostly from Asia, has driven the year-to-date **rail grain deliveries to U.S. ports** to increase 12 percent from last year. Rail deliveries of grain to the Texas Gulf ports are up 59 percent, while those to the Atlantic and East Gulf ports are up 47 percent, and those crossing the border to Mexico are up 18 percent. Although export inspections in the Pacific Northwest (PNW) are up 18 percent year to date, rail deliveries to PNW ports are up only 2 percent. This could reflect more grain being delivered by barge and truck to PNW grain export facilities or a decrease in the amount of grain being held in those facilities.

Corn Inspections Highest Since September 2009

During the week ending May 27, **total inspections of grain** (corn, wheat, and soybeans) from all major U.S. export regions reached 1.53 million metric tons (mmt), down 5 percent from the past week but 23 percent higher than last year. Despite the drop in overall grain inspections, corn inspections increased 14 percent and were the highest since September 3, 2009. Total Mississippi Gulf inspections reached 1.02 mmt, up 27 percent from the past week. Corn inspections in the Mississippi Gulf increased 33 percent from the past week and were the highest since July 23, 2009. The increase was due mainly to more shipments to Japan and Taiwan. Total soybean inspections also rebounded from the past week due mainly to more shipments to Japan and Mexico out of the Mississippi Gulf. Pacific Northwest grain inspections dropped 36 percent from a week ago.

Energy Use in the U.S. Food System Increases, but Decreases in the Transportation of Food

A recent Economic Research Service analysis, *Energy Use in the U.S. Food System*, suggests that the energy used in growing, processing, packaging, distributing, storing, preparing, serving, and disposing of food grew from 14.4 percent of the national energy budget in 2002 to an estimated 15.7 percent in 2007. According to ERS, freight services are among the most energy-intensive industries serving the U.S. food supply chain, but represent less than 5 percent of the total energy used by the food system. The average distance most food products were shipped has increased. The average distance per shipment of milled grain products, preparations, and bakery products increased from 189 miles in 2002 to 262 miles in 2007. The average distance per shipment of other prepared foodstuffs, fats, and oils increased from 179 miles to 230 miles. Energy use per truck mile decreased from 23,461 to 23,260 Btu, and energy use per freight car rail mile decreased from 15,003 to 14,990 Btu. [

Snapshots by Sector

Rail

U.S. railroads originated 20,320 **carloads of grain** during the week ending May 22, up 3 percent from the previous week, up 24 percent from the same week last year, and 10 percent higher than the 3-year average.

During the week ending May 29, average June **secondary railcar bids/offers** were \$2 above tariff for non-shuttle, \$1 higher than last week. Shuttle rates were \$265 below tariff, \$21 lower than last week.

Ocean

During the week ending May 27, 43 **ocean-going grain vessels** were loaded in the Gulf, up 105 percent from last year. Forty-two vessels are expected to be loaded in the U.S. Gulf within the next 10 days, down 5 percent from last year.

During the week ending May 21, the cost of shipping grain from the Gulf to Japan averaged \$71.50 per mt, down 2 percent from the previous week. The rate from the Pacific Northwest to Japan was \$41 per mt, down 5 percent from the previous week.

Barge

During the week ending May 29, **barge grain movements** totaled 901,789 tons, 18 percent higher than the previous week and 24 percent higher than the same period last year.

Feature Article/Calendar

Rail is Essential to U.S. Agriculture

In the United States, farmers are dispersed throughout the country. Unlike some industries, agriculture is typically unable to move operations because it relies on the land that is tied to a particular climate. Because farmers are tied to the agriculturally productive geographical areas, they must be able to transport their production to markets, many of which are located long distances from the farms and producing regions. The major production regions for grains and oilseeds—the commodities that move the most ton-miles along the transportation system—are concentrated in the Nation’s heartland. But the many of the grain and oilseed consumption markets—domestic processors or ports for exports to foreign markets—are located long distances away.

Nine of the ten top wheat-producing States are more than 150 miles from barge transportation on the Mississippi River, which usually provides the strongest competition to railroads for the long-distance movement of grain to export ports. Unlike other agricultural shippers in the United States, wheat shippers in much of the Great Plains have no cost-effective transportation alternatives to railroads. The wheat produced in these areas moves long distances to domestic markets for processing and consumption or to coastal ports for export. Shippers in these regions have little direct access to inland waterway transportation and the distances involved to the end market can make truck transportation uneconomical. Consequently, wheat is particularly dependent on rail. During 2007, 66 percent of all wheat and wheat exports moved by rail.

The share of the grain harvest moved by rail has been declining since deregulation in 1980. In that year, railroads moved half the grain harvest. By 2007, the rail share had declined to 33 percent as farmers used other transportation options. Most of the traffic lost to rail now moves by truck, partly as a result of changes in grain markets, especially the location of more cattle feedlots and newly constructed ethanol plants in grain-producing States. Most of the grain for these feedlots and ethanol plants moves relatively short distances, and most is moved by truck. Although rail shipments of grains and oilseeds have increased at an average annual rate of 1.1 percent over the last fifteen years, truck shipments have increased by 4.4 percent per year.

An affordable and reliable transportation network is necessary to maintain the strength and competitiveness of American agriculture and our rural communities. Rail service is a particularly important part of that network for U.S. agriculture because it is virtually the only cost-effective shipping alternative available for lower-value, bulky commodities in rural areas that are distant from water transportation and markets.

Agricultural shippers in Montana and North Dakota are particularly dependent on rail transportation because of their distance to inland waterways and the prohibitive distance for the use of trucks to the ultimate market destinations. The map in figure 1 shows that, on average, railroads transported more than 70 percent of the grains and oilseeds originated in Montana and North Dakota during the crop marketing years from 2004 to 2007. Another study indicates that during crop marketing year 2004, railroads transported 78 percent of North Dakota crops.¹ Another recent study states that nearly 100 percent of Montana wheat is shipped by rail, which corresponds with USDA findings.^{2,3}

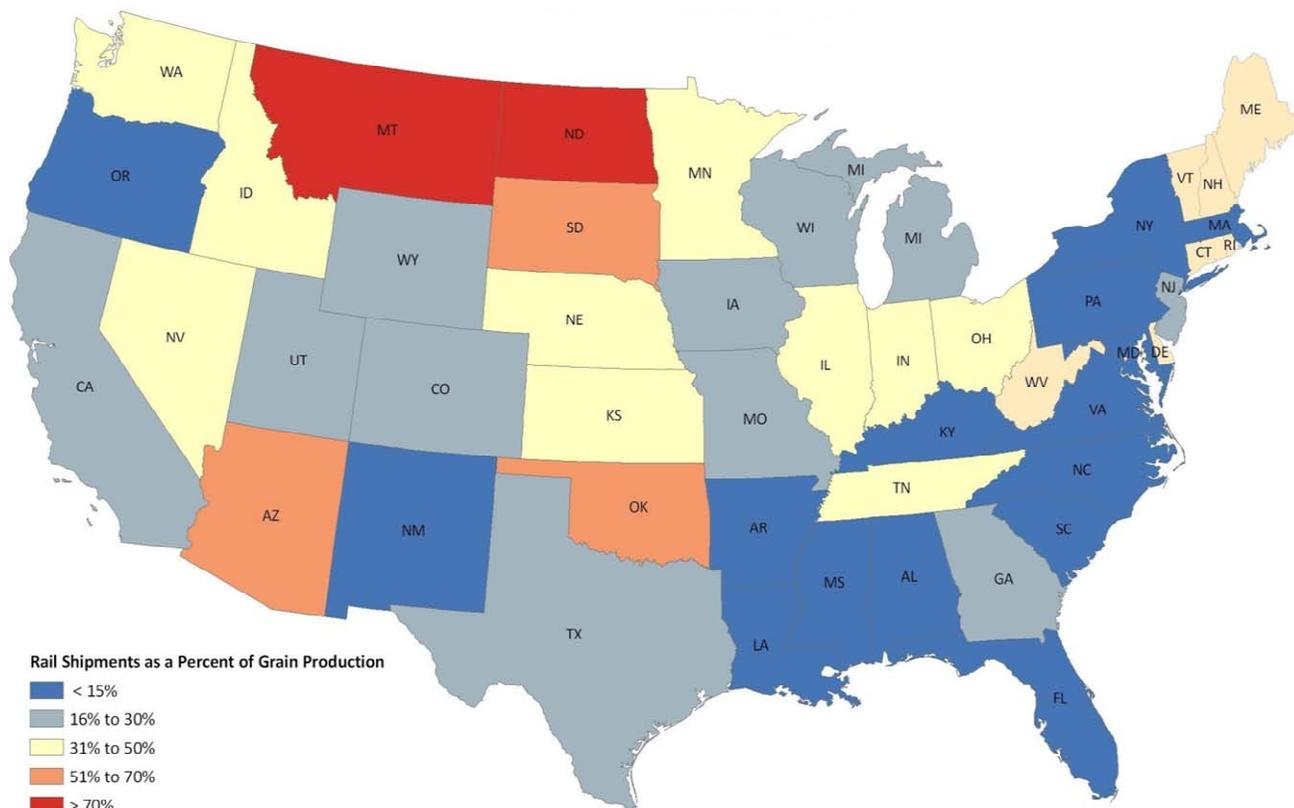
¹ Tolliver, Denver, and Alan Dybing, *Impacts of Transportation Infrastructure on the Economy of North Dakota*, April 2007, a report to the North Dakota Legislative Council by the Upper Great Plains Transportation Institute, pg. 37.

² Cutler, John, Andrew Goldstein, G. W. Fauth III, Thomas Crowley, and Terry Whiteside, *Railroad Rates and Services Provided to Montana Shippers: A Report Prepared for the State of Montana*, February 2009.

³ <http://www.ams.usda.gov/AMSV1.0/RuralTransportationStudy>

During the crop marketing years 2004–2007, railroads transported more than 50 percent of the grain production of Arizona, Oklahoma, and South Dakota. During the same time, rail moved more than 30 percent of grain and oilseed production in Idaho, Illinois, Indiana, Kansas, Minnesota, Nebraska, Nevada, Ohio, Tennessee, and Washington.

Figure 1: Railroad shipment/grain production ratio, average 2004-2007 marketing years



Source: USDA/National Agricultural Statistics Service and USDA Analysis of the STB Waybill Samples

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Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators¹

Week ending	Truck	Rail ²	Barge	Ocean	
				Gulf	Pacific
06/02/10	200	97	174	320	291
05/26/10	203	96	188	326	305

¹Indicator: 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)

²The 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)

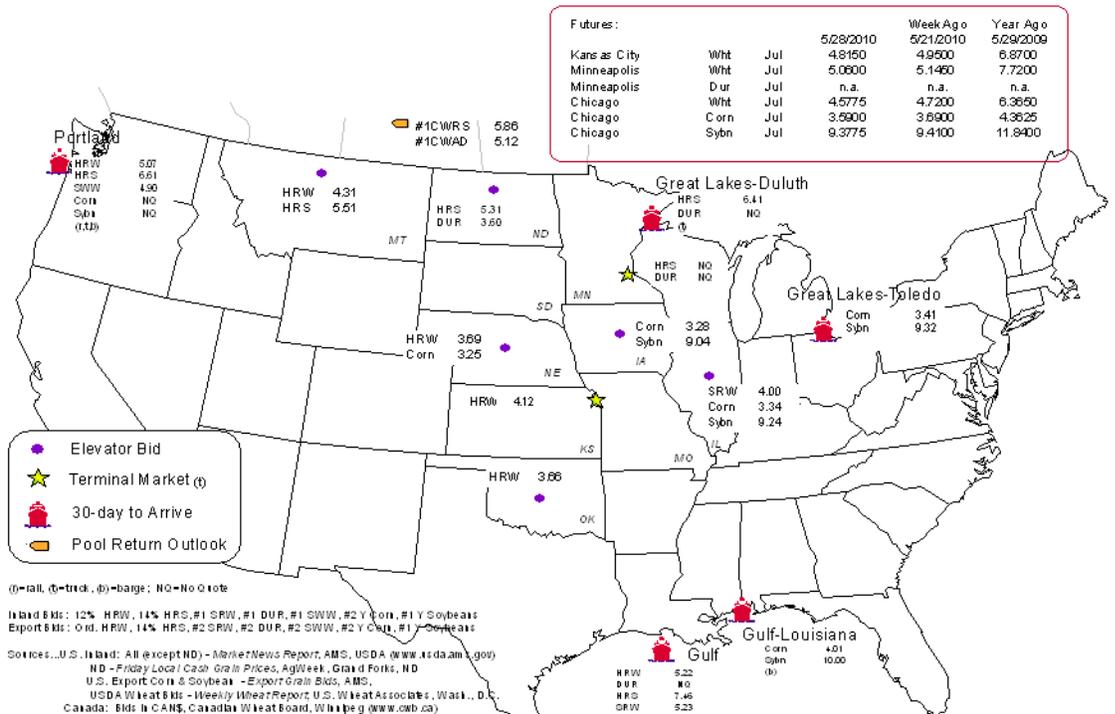
Commodity	Origin--Destination	5/28/2010	5/21/2010
Corn	IL--Gulf	-0.67	-0.72
Corn	NE--Gulf	-0.76	-0.80
Soybean	IA--Gulf	-0.96	-1.01
HRW	KS--Gulf	-1.10	-1.20
HRS	ND--Portland	-1.30	-1.31

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		Cross-Border	Pacific	Atlantic &	Total
	Gulf	Texas Gulf	Mexico	Northwest	East Gulf	
5/26/2010 ^p	201	784	979	3,216	136	5,316
5/19/2010 ^r	198	1,055	1,120	3,521	127	6,021
2010 YTD	7,320	29,402	19,688	70,828	16,682	143,920
2009 YTD	12,622	18,537	16,655	69,413	11,316	128,543
2010 YTD as % of 2009 YTD	58	159	118	102	147	112
Last 4 weeks as % of 2009 ²	74	145	128	138	71	129
Last 4 weeks as % of 4-year avg. ²	27	75	112	83	61	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.

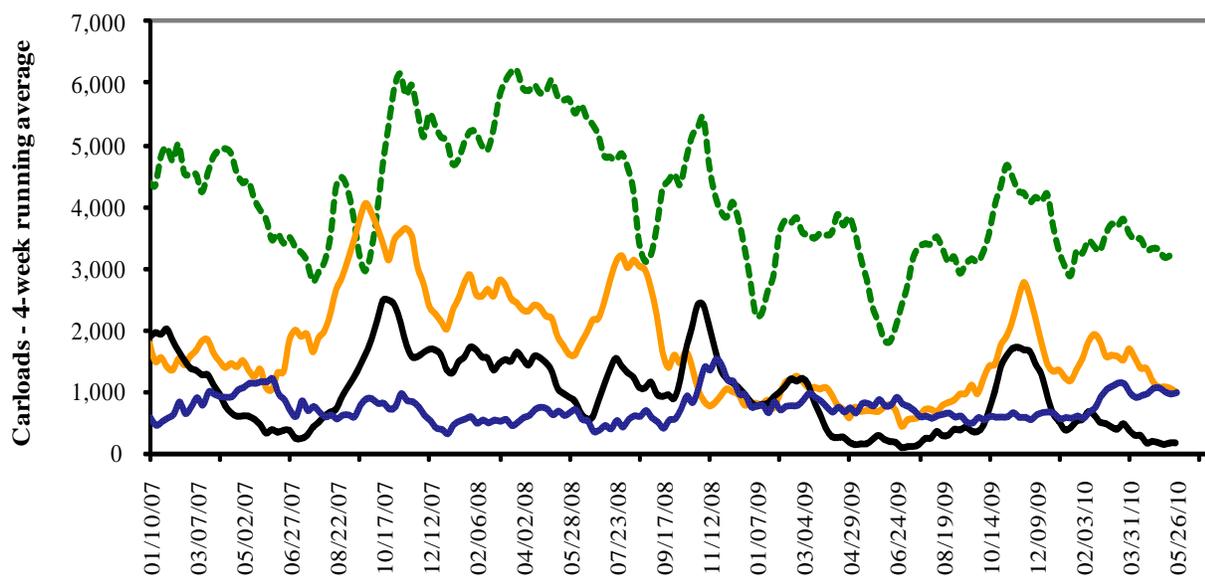
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

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



---●--- Pacific Northwest: 4 Wks. ending 5/26-- up 38% from same period last year; down 17% from 4-year average
—●— Texas Gulf: 4 wks. ending 5/26-- up 45% from same period last year; down 25% from 4-year average
—●— Miss. River: 4 wks. ending 5/26 -- down 26% from same period last year; down 73% from 4-year average
—●— Cross-border Mexico: 4 wks. ending 5/26 -- up 28% from same period last year; up 12% from 4-year average

Source: Transportation & Marketing Programs/AMS/USDA

Table 4

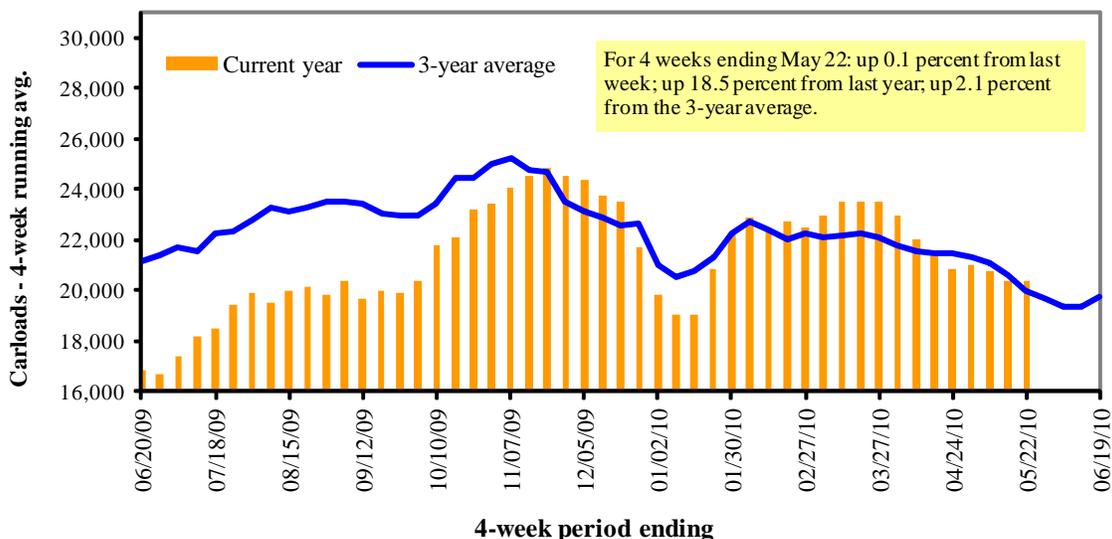
Class I Rail Carrier Grain Car Bulletin (grain carloads originated)

Week ending	East		West			U.S. total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
05/22/10	1,997	2,835	9,143	948	5,397	20,320	4,098	5,437
This week last year	1,749	2,921	6,416	741	4,593	16,420	3,503	4,923
2010 YTD	45,427	61,554	207,697	15,500	107,729	437,907	81,524	108,512
2009 YTD	45,227	51,121	173,096	13,977	93,983	377,404	82,023	107,454
2010 YTD as % of 2009 YTD	100	120	120	111	115	116	99	101
Last 4 weeks as % of 2009 ¹	108	118	123	121	115	118	110	107
Last 4 weeks as % of 3-yr avg. ¹	84	105	108	118	98	102	89	109
Total 2009	105,278	142,254	483,618	36,912	268,811	1,036,873	200,871	278,997

¹As 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 Offerings¹ (\$/car)²

Week ending	Delivery period							
	Jun-10	Jun-09	Jul-10	Jul-09	Aug-10	Aug-09	Sep-10	Sep-09
BNSF ³								
COT grain units	2	no offer	0	no bids	2	no bids	no offer	no bids
COT grain single-car ⁵	0..50	no offer	0..5	0..1	0..3	0..1	3..7	0..1
UP ⁴								
GCAS/Region 1	1	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

¹Auction offerings are for single-car and unit train shipments only.

²Average premium/discount to tariff, last auction

³BNSF - COT = Certificate of Transportation; north grain and south grain bids were combined effective the week ending 6/24/06.

⁴UP - 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.

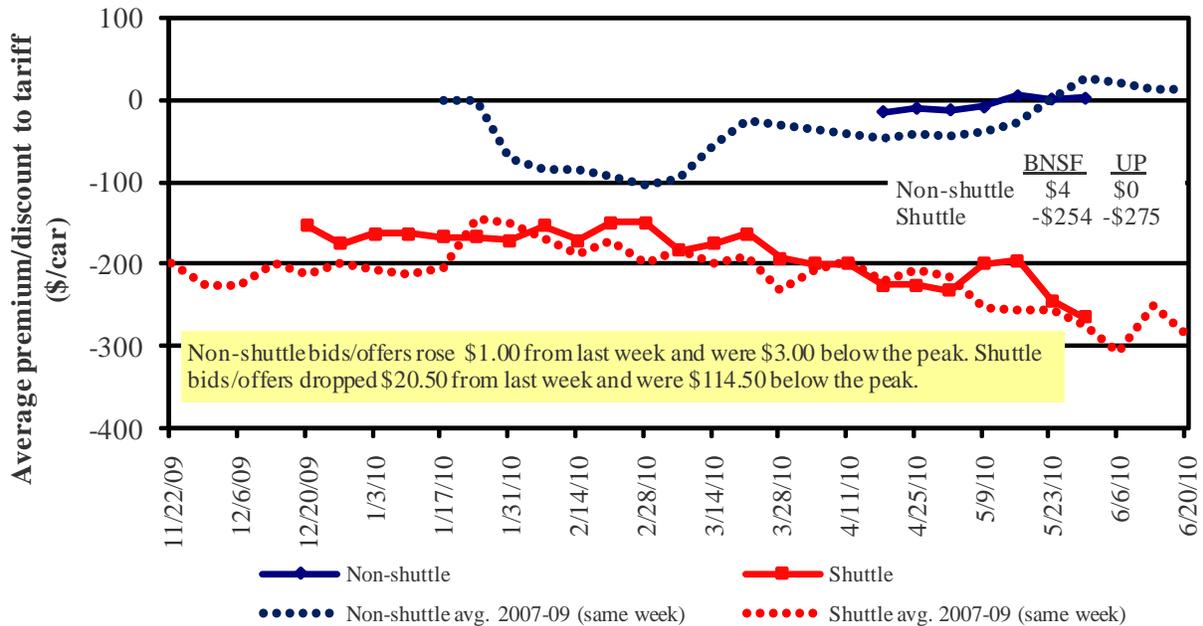
⁵Range is shown because average is not available. Not available = n/a.

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

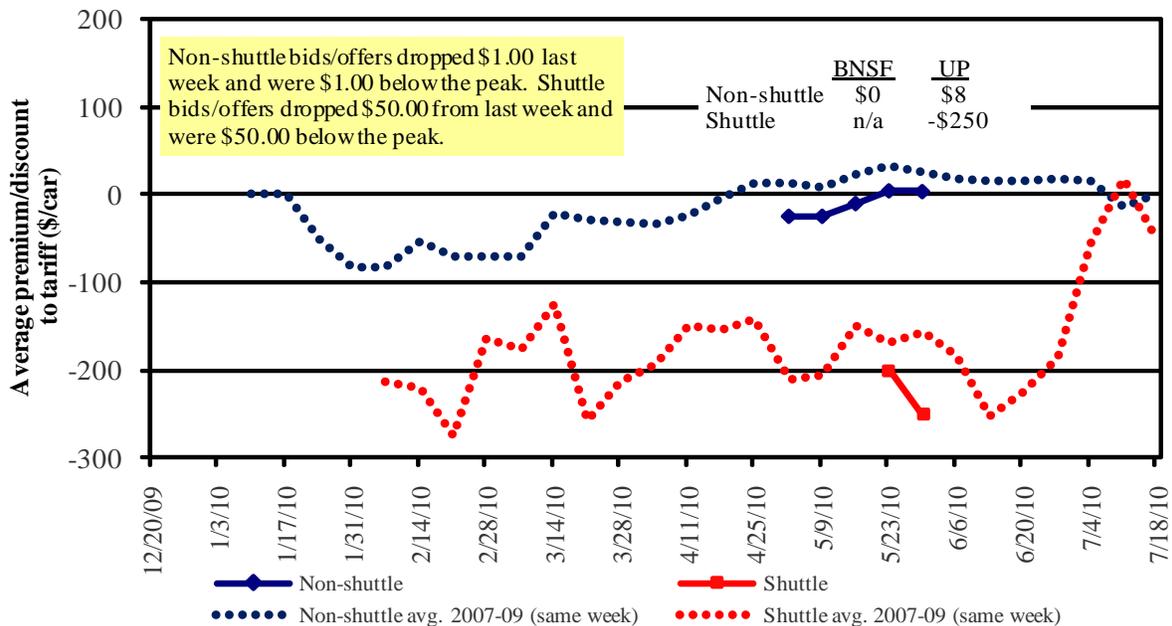
Bids/Offers for Railcars to be Delivered in June 2010, Secondary Market



Non-shuttle bids include unit-train and single-car bids. n/a = not available.
 Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

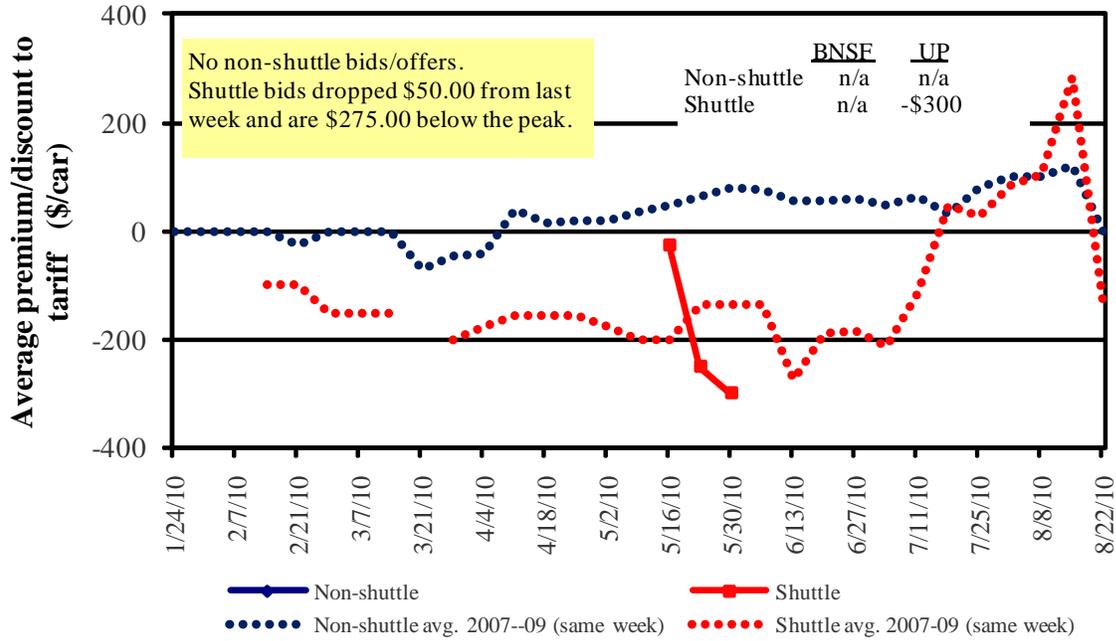
Bids/Offers for Railcars to be Delivered in July 2010, Secondary Market



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 August 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					
	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10
Non-shuttle						
BNSF-GF	4	0	n/a	n/a	n/a	n/a
Change from last week	2	-2	n/a	n/a	n/a	n/a
Change from same week 2009	11	-3	n/a	n/a	n/a	n/a
UP-Pool	0	8	n/a	n/a	n/a	n/a
Change from last week	0	0	n/a	n/a	n/a	n/a
Change from same week 2009	7	4	n/a	n/a	n/a	n/a
Shuttle²						
BNSF-GF	-254	n/a	n/a	0	n/a	n/a
Change from last week	-16	n/a	n/a	0	n/a	n/a
Change from same week 2009	-12	n/a	n/a	-88	n/a	n/a
UP-Pool	-275	-250	-300	n/a	n/a	n/a
Change from last week	-25	n/a	-50	n/a	n/a	n/a
Change from same week 2009	106	-125	n/a	n/a	n/a	n/a

¹Average premium/discount to tariff, \$/car-last week

²Shuttle 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 Shipments¹

Effective date:			Tariff	Fuel	Tariff plus surcharge per:		Percent
5/1/2010	Origin region	Destination region	rate/car	surcharge per car	metric ton	bushel ²	change Y/Y ³
<u>Unit train¹</u>							
Wheat	Chicago, IL	Albany, NY	\$2,622	\$148	\$30.53	\$0.83	10
	Kansas City, MO	Galveston, TX	\$2,753	\$140	\$31.89	\$0.87	14
	South Central, KS	Galveston, TX	\$3,655	\$295	\$43.54	\$1.19	11
	Minneapolis, MN	Houston, TX	\$3,799	\$597	\$48.46	\$1.32	14
	St. Louis, MO	Houston, TX	\$3,565	\$136	\$40.80	\$1.11	12
	South Central, ND	Houston, TX	\$5,478	\$664	\$67.70	\$1.84	9
	Minneapolis, MN	Portland, OR	\$4,200	\$726	\$54.30	\$1.48	14
	South Central, ND	Portland, OR	\$4,200	\$596	\$52.87	\$1.44	13
	Northwest, KS	Portland, OR	\$5,100	\$794	\$64.97	\$1.77	9
	Chicago, IL	Richmond, VA	\$2,834	\$201	\$33.46	\$0.91	18
Corn	Chicago, IL	Baton Rouge, LA	\$2,925	\$172	\$34.14	\$0.87	-1
	Council Bluffs, IA	Baton Rouge, LA	\$3,020	\$184	\$35.31	\$0.90	-1
	Kansas City, MO	Dalhart, TX	\$3,284	\$215	\$38.57	\$0.98	3
	Minneapolis, MN	Portland, OR	\$3,609	\$726	\$47.78	\$1.21	9
	Evansville, IN	Raleigh, NC	\$3,204	\$197	\$37.49	\$0.95	12
	Columbus, OH	Raleigh, NC	\$3,093	\$172	\$35.99	\$0.91	12
	Council Bluffs, IA	Stockton, CA	\$4,900	\$784	\$62.66	\$1.59	-2
Soybeans	Chicago, IL	Baton Rouge, LA	\$3,178	\$172	\$36.93	\$1.01	5
	Council Bluffs, IA	Baton Rouge, LA	\$3,192	\$184	\$37.21	\$1.01	6
	Minneapolis, MN	Portland, OR	\$4,110	\$726	\$53.30	\$1.45	13
	Evansville, IN	Raleigh, NC	\$3,204	\$197	\$37.49	\$1.02	12
	Chicago, IL	Raleigh, NC	\$3,804	\$245	\$44.63	\$1.21	11
<u>Shuttle Train</u>							
Wheat	St. Louis, MO	Houston, TX	\$2,867	\$136	\$33.10	\$0.90	14
	Minneapolis, MN	Portland, OR	\$3,700	\$726	\$48.78	\$1.33	13
Corn	Fremont, NE	Houston, TX	\$2,520	\$439	\$32.62	\$0.83	8
	Minneapolis, MN	Portland, OR	\$3,528	\$726	\$46.89	\$1.19	14
Soybeans	Council Bluffs, IA	Houston, TX	\$2,787	\$425	\$35.41	\$0.96	7
	Minneapolis, MN	Portland, OR	\$3,774	\$726	\$49.60	\$1.35	16

¹A 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.

²Approximate load per car = 100 short tons (90.72 metric tons): corn 56 lbs./bu., wheat & soybeans 60 lbs./bu.

³Percentage change year over year calculated using tariff rate plus fuel surcharge

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: 5/3/2010

Commodity	Origin state	Destination region	Tariff rate/car ¹	Fuel surcharge per car	Tariff plus surcharge per:		Percent change Y/Y ³
					metric ton	bushel ²	
Wheat	MT	Chihuahua, CI	\$6,291	\$675	\$71.18	\$1.94	11
	OK	Cuautitlan, EM	\$5,726	\$527	\$63.89	\$1.74	12
	KS	Guadalajara, JA	\$6,196	\$543	\$68.85	\$1.87	12
	TX	Salinas Victoria, NL	\$3,154	\$175	\$34.01	\$0.92	10
Corn	IA	Guadalajara, JA	\$6,670	\$630	\$74.59	\$2.03	10
	SD	Penjamo, GJ	\$6,440	\$884	\$74.83	\$2.03	8
	NE	Queretaro, QA	\$6,130	\$520	\$67.95	\$1.85	5
	SD	Salinas Victoria, NL	\$4,570	\$672	\$53.56	\$1.46	3
	MO	Tlalnepantla, EM	\$5,318	\$506	\$59.51	\$1.62	6
	SD	Torreon, CU	\$5,330	\$740	\$62.02	\$1.69	7
Soybeans	MO	Bojay (Tula), HG	\$6,066	\$542	\$67.52	\$1.84	10
	NE	Guadalajara, JA	\$6,550	\$622	\$73.28	\$1.99	11
	IA	Penjamo (Celaya), GJ	\$6,690	\$878	\$77.33	\$2.10	16
	KS	Torreon, CU	\$5,255	\$411	\$57.89	\$1.57	9
Sorghum	OK	Cuautitlan, EM	\$4,339	\$671	\$51.19	\$1.39	7
	TX	Guadalajara, JA	\$5,350	\$575	\$60.54	\$1.65	16
	NE	Penjamo, GJ	\$6,395	\$570	\$71.16	\$1.93	8
	KS	Queretaro, QA	\$5,398	\$400	\$59.24	\$1.61	4
	NE	Salinas Victoria, NL	\$4,282	\$414	\$47.98	\$1.30	4
	NE	Torreon, CU	\$5,240	\$469	\$58.33	\$1.59	8

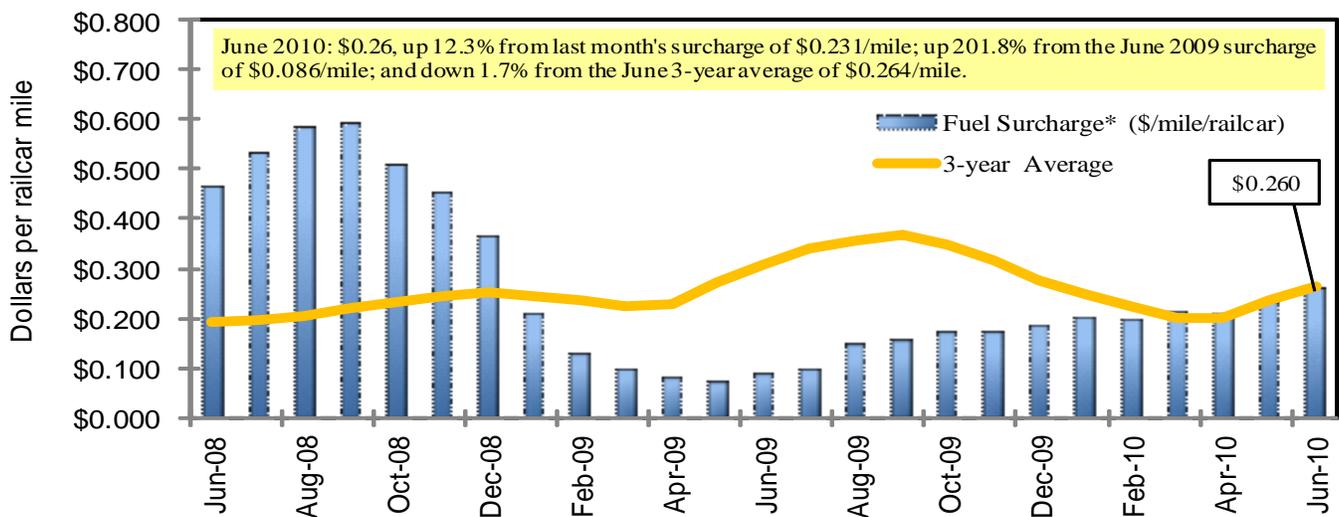
¹Rates are based upon published tariff rates for high-capacity shuttle trains. Shuttle trains are available for qualified shipments of 75--110 cars that meet railroad efficiency requirements.

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

³Percentage change year over year calculated using tariff rate plus fuel surcharge

Sources: www.bnsf.com, www.uprr.com, www.kcsouthern.com

Figure 7

Railroad Fuel Surcharges, North American Weighted Average¹

¹ Weighted by each Class I railroad's proportion of grain traffic for the prior year.

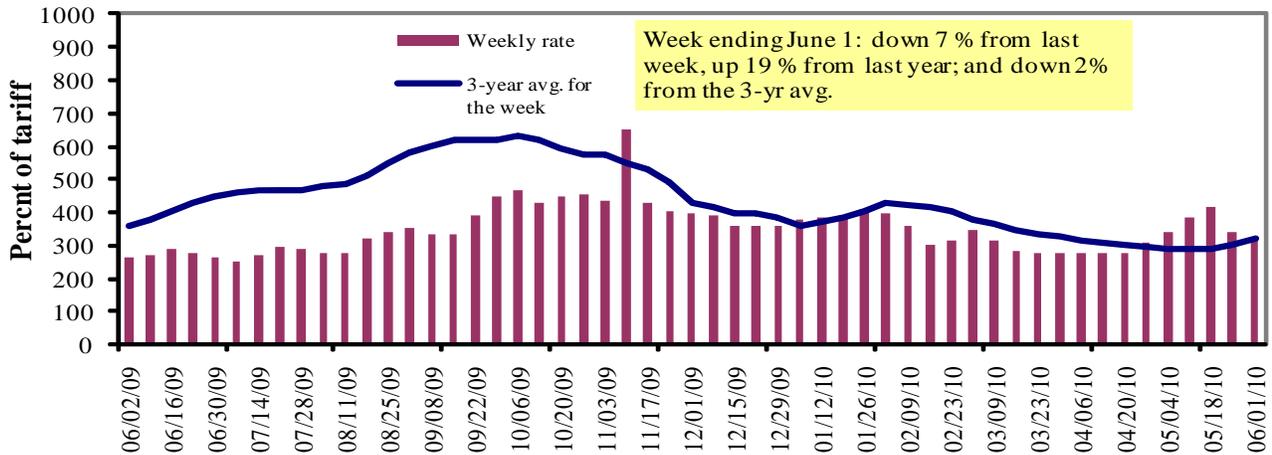
* Mileage-based fuel surcharges for March and April 2007 are estimated. Beginning January 2009, the Canadian Pacific fuel surcharge is computed by a monthly average of the bi-weekly fuel surcharge.

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}



¹Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); ²4-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
Rate¹	6/1/2010	374	312	314	216	291	291	199
	5/25/2010	404	338	338	230	316	316	220
\$/ton	6/1/2010	23.15	16.60	14.57	8.62	13.65	11.76	6.25
	5/25/2010	25.01	17.98	15.68	9.18	14.82	12.77	6.91
Current week % change from the same week:								
	Last year	5	4	19	5	43	43	9
	3-year avg. ²	-4	-8	-2	-14	16	16	-13
Rate¹	July	385	325	323	240	312	312	240
	September	523	518	520	493	518	518	486

¹Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); ²4-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

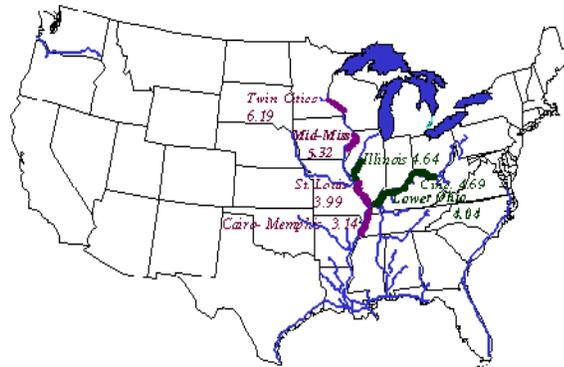
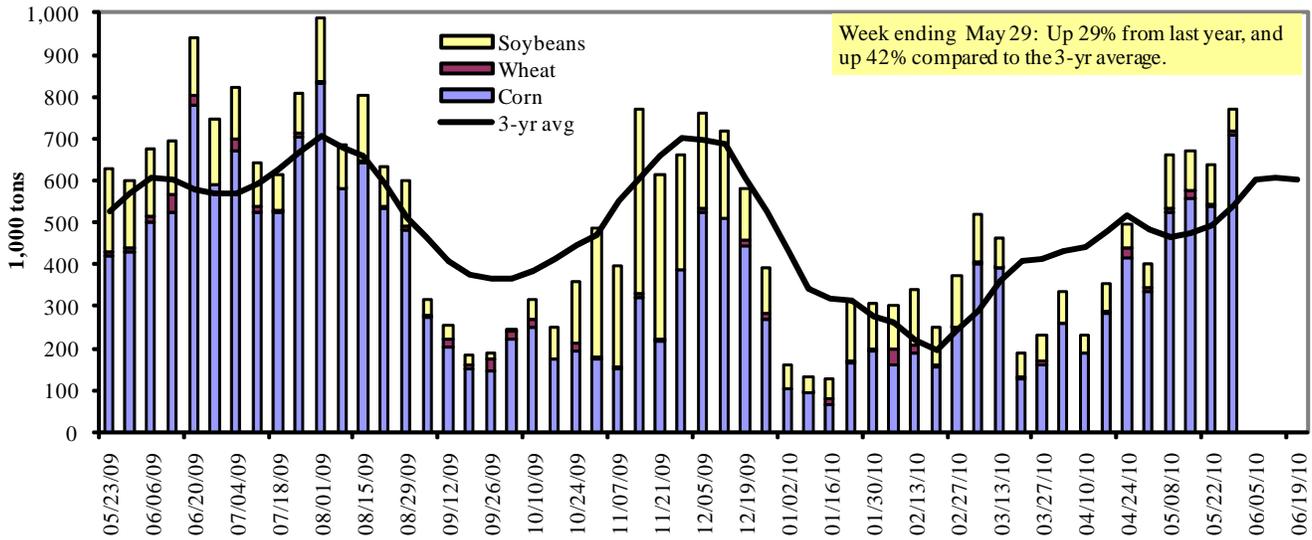


Figure 10

Barge Movements on the Mississippi River¹ (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/mvrirmi/omni/webrpts/default.asp)

Table 10

Barge Grain Movements (1,000 tons)

Week ending 5/29/2010	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	185	0	20	2	207
Winfield, MO (L25)	384	2	34	3	423
Alton, IL (L26)	680	8	50	3	741
Granite City, IL (L27)	708	10	53	2	772
Illinois River (L8)	208	6	3	0	217
Ohio River (L52)	78	3	25	0	106
Arkansas River (L1)	0	3	10	11	24
Weekly total - 2010	786	16	88	13	902
Weekly total - 2009	477	22	216	14	728
2010 YTD ¹	8,978	448	3,820	196	13,442
2009 YTD	9,067	492	3,984	178	13,721
2010 as % of 2009 YTD	99	91	96	110	98
Last 4 weeks as % of 2009 ²	134	122	70	158	118
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.

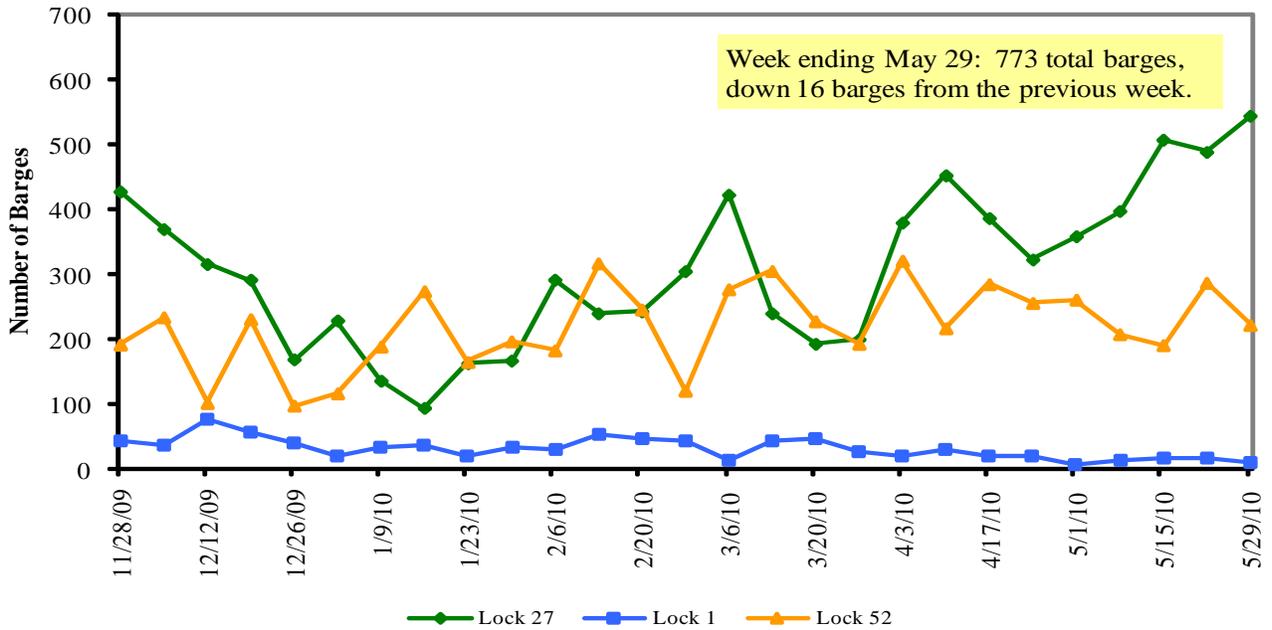
² As a percent of same period in 2009.

Note: Total may not add exactly, due to rounding

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

Figure 11

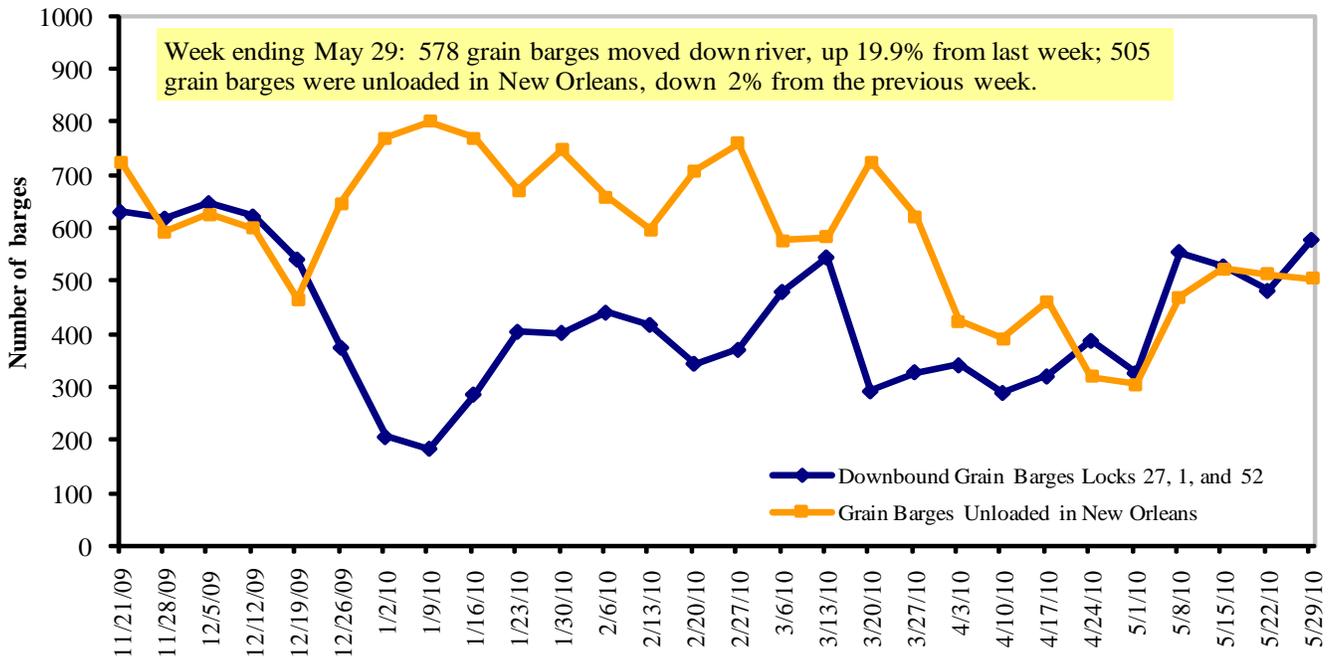
Upbound Empty Barges Transiting Mississippi River Locks 27, Arkansas River Lock and Dam 1, and Ohio River Locks and Dam 52



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 Prices¹, Week Ending 5/31/2010 (US\$/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	3.005	-0.034	0.636
	New England	3.064	-0.034	0.626
	Central Atlantic	3.121	-0.044	0.664
	Lower Atlantic	2.950	-0.031	0.624
II	Midwest ²	2.940	-0.045	0.618
III	Gulf Coast ³	2.936	-0.041	0.613
IV	Rocky Mountain	3.061	0.044	0.718
V	West Coast	3.082	-0.050	0.622
	California	3.094	-0.068	0.592
Total	U.S.	2.980	-0.041	0.628

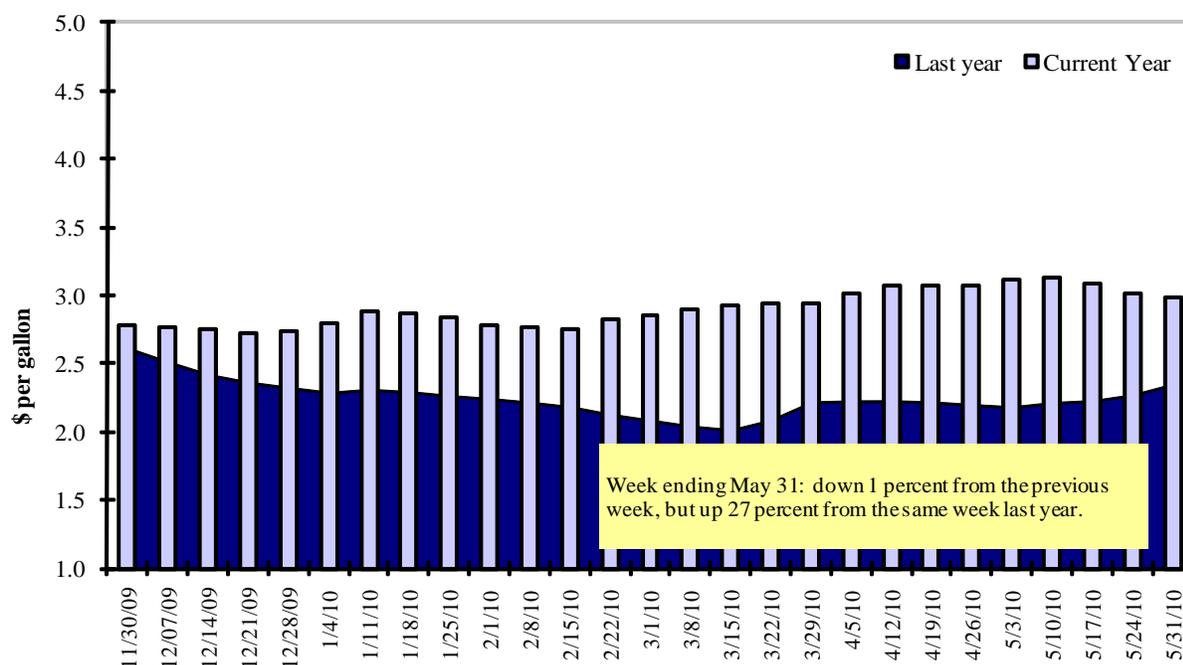
¹Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

²Same as North Central ³Same 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)

Week ending	Wheat						Corn	Soybeans	Total
	HRW	SRW	HRS	SWW	DUR	All wheat			
Export Balances¹									
5/20/2010	591	256	369	269	81	1,566	11,290	2,180	15,036
This week year ago	461	145	361	232	5	1,205	9,638	4,779	15,622
Cumulative exports-marketing year²									
2009/10 YTD	8,285	2,695	5,290	3,873	957	21,100	33,336	36,115	90,551
2008/09 YTD	11,138	5,051	5,350	3,345	454	25,338	30,667	28,981	84,986
YTD 2009/10 as % of 2008/09	74	53	99	116	211	83	109	125	107
Last 4 wks as % of same period 2008/09	166	172	142	158	2,050	165	117	43	98
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 Importers¹ of U.S. Corn

Week ending 05/20/10	Total Commitments ²			% change current MY from last MY	Exports ³ 2008/09
	2010/11	2009/10	2008/09		
	Next MY	Current MY	Last MY		
	- 1,000 mt -				- 1,000 mt -
Japan	67	12,959	13,531	(4)	15,910
Mexico	668	7,563	6,566	15	7,454
Korea	0	7,077	4,452	59	5,129
Taiwan	0	2,801	3,023	(7)	3,198
Egypt	55	2,074	1,500	38	2,233
Top 5 importers	790	32,473	29,073	12	33,924
Total US corn export sales	1,099	44,626	40,305	11	45,214
% of Projected	2%	90%	85%		
Change from Last Week	(174)	1,031	756		
Top 5 importers' share of U.S. corn export sales	72%	73%	72%		
USDA forecast, May 2010	50,800	49,530	47,180	5	
Corn Use for Ethanol USDA forecast, Ethanol May 2010	116,840	111,760	93,396	20	

(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 Importers¹ of U.S. Soybeans

Week ending 05/20/10	Total Commitments ²			% change current MY from last MY	Exports ³ 2008/09
	2009/10 Next MY	2008/09 Current MY	2008/09 Last MY		
	- 1,000 mt -				- 1,000 mt -
China	2,794	22,076	18,522	19	18,681
Mexico	40	2,894	2,737	6	3,098
Japan	53	2,159	2,351	(8)	2,410
EU-25	0	2,697	2,195	23	2,180
Taiwan	0	1,472	1,436	3	1,592
Top 5 importers	2,887	31,299	27,241	15	27,961
Total US soybean export sales	3,619	38,295	33,760	13	
% of Projected	10%	97%	97%		
Change from last week	120	176	237		
Top 5 importers' share of U.S.					
soybean export sales	80%	82%	81%		
USDA forecast, May 2010	36,740	39,600	34,930	13	
Soybean Use for Biodiesel USDA					
forecast, May 2010	6,954	5,275	4,566	16	

(n) indicates negative number.

¹Based on FAS 2006/07 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year (MY) = Sep 1 - Aug 31.²Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report.³FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 15

Top 10 Importers¹ of All U.S. Wheat

Week Ending 05/20/2010	Total Commitments ²			% change current MY from last MY	Exports ³ 2008/09
	2010/11 Next MY	2009/10 Current MY	2008/09 Last MY		
	- 1,000 mt -				- 1,000 mt -
Japan	249	3,347	3,271	2	3,103
Nigeria	416	3,507	2,779	26	2,661
Mexico	278	1,973	2,482	(21)	2,423
Egypt	0	456	1,928	(76)	1,928
Philippines	530	1,571	1,532	2	1,480
Iraq	0	307	1,205	(75)	1,205
Korea, South	216	1,209	1,146	5	1,127
Brazil	0	267	789	(66)	789
Colombia	119	564	789	(29)	749
Taiwan	73	844	714	18	714
Top 10 importers	1,880	14,044	16,635	(16)	16,179
Total US wheat export sales	2,778	22,666	26,543	(15)	27,640
% of Projected	11%	88%	96%		
Change from last week	337	149	104		
Top 10 importers' share of U.S.					
wheat export sales	68%	62%	63%		
USDA forecast, May 2010	24,490	25,840	27,640	(7)	

(n) indicates negative number.

¹Based on FAS 2008/09 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Jun 1 - May 31.²Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report.³FAS 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 05/27/10	2010 YTD ¹	2009 YTD ¹	2010 YTD as % of 2009 YTD	Last 4-weeks as % of		Total ¹ 2009
					2009	3-yr. avg.	
Pacific Northwest							
Wheat	116	4,295	3,999	107	110	105	10,091
Corn	229	4,026	3,240	124	123	94	8,498
Soybeans	0	4,263	3,743	114	45	30	9,743
Total	345	12,584	10,983	115	110	91	28,332
Mississippi Gulf							
Wheat	51	1,561	1,746	89	92	78	4,019
Corn	869	11,860	12,040	99	112	128	28,843
Soybeans	100	8,367	8,839	95	42	68	21,831
Total	1,021	21,789	22,625	96	91	110	54,693
Texas Gulf							
Wheat	128	3,183	2,112	151	171	127	5,735
Corn	10	876	711	123	184	206	1,968
Soybeans	0	667	472	141	n/a	0	2,402
Total	138	4,725	3,294	143	169	138	10,105
Great Lakes							
Wheat	22	197	99	199	201	68	990
Corn	0	31	52	59	57	39	353
Soybeans	0	0	35	0	0	0	781
Total	22	228	186	122	70	46	2,124
Atlantic							
Wheat	0	74	196	38	n/a	5	552
Corn	0	165	59	280	314	180	472
Soybeans	0	595	403	148	4	6	1,268
Total	0	833	657	127	52	45	2,292
U.S. total from ports²							
Wheat	316	9,310	8,152	114	121	102	21,387
Corn	1,109	16,957	16,102	105	116	117	40,134
Soybeans	101	13,892	13,491	103	40	54	36,025
Total	1,526	40,159	37,745	106	101	103	97,546

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

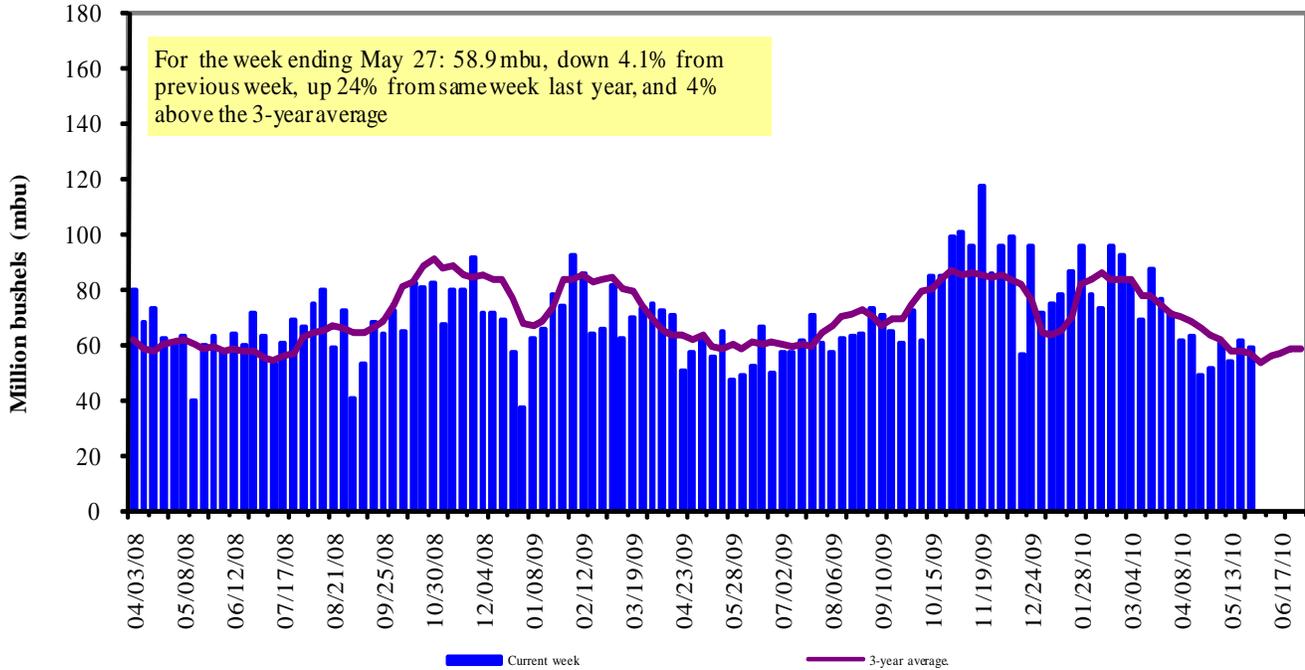
² Total includes only port regions shown above

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)

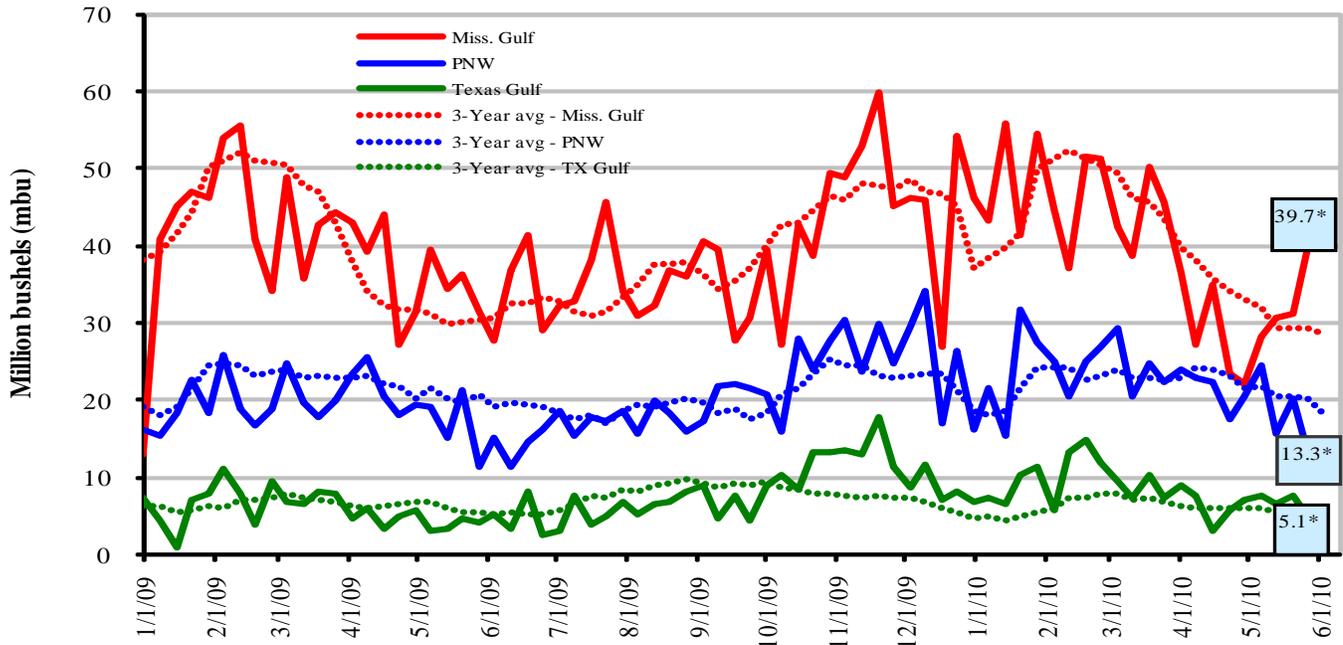


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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

Figure 15

U.S. Grain Inspections: U.S. Gulf and PNW¹ (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.

<u>May 27, % change from:</u>	<u>MS Gulf</u>	<u>TX Gulf</u>	<u>U.S. Gulf</u>	<u>PNW</u>
Last week	up 27	down 33	up 15	down 35
Last year (same week)	up 26	up 20	up 26	up 16
3-yr avg. (4-wk mov. avg.)	up 35	up 1.3	up 30	down 28

Ocean Transportation

Table 17

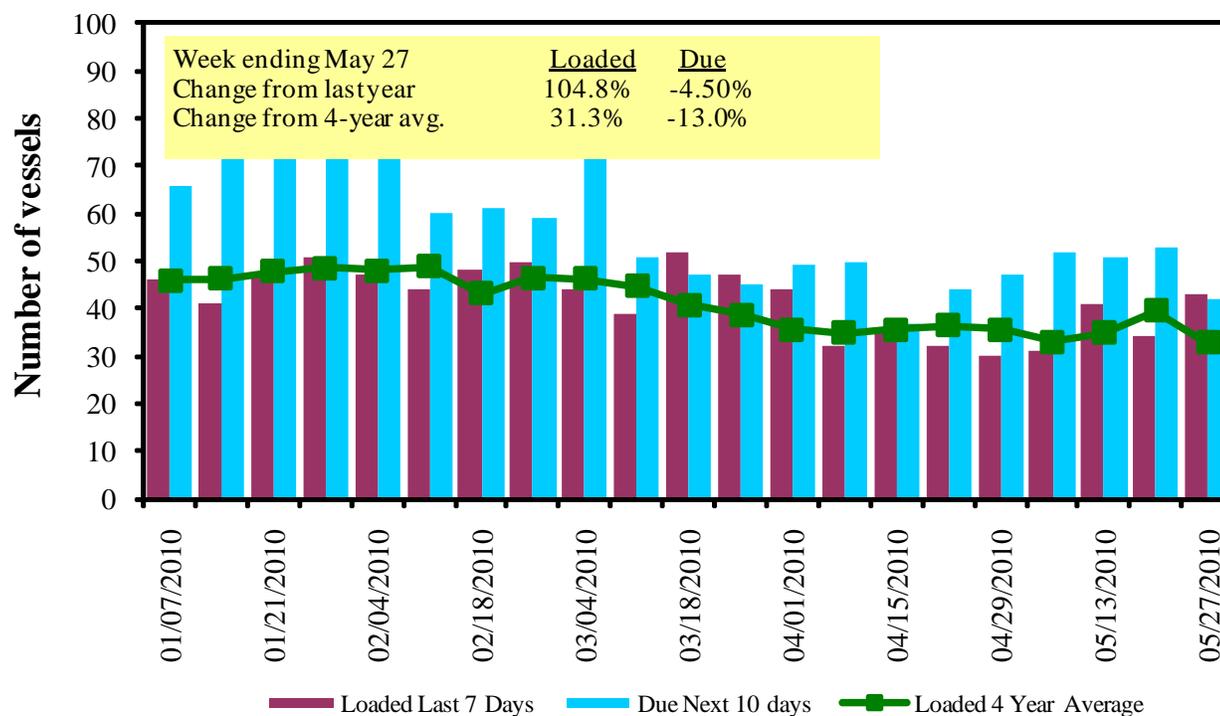
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In port	Loaded 7-days	Due next 10-days	In port	In port
5/27/2010	32	43	42	8	7
5/20/2010	27	34	53	4	8
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. Gulf¹ Vessel Loading Activity

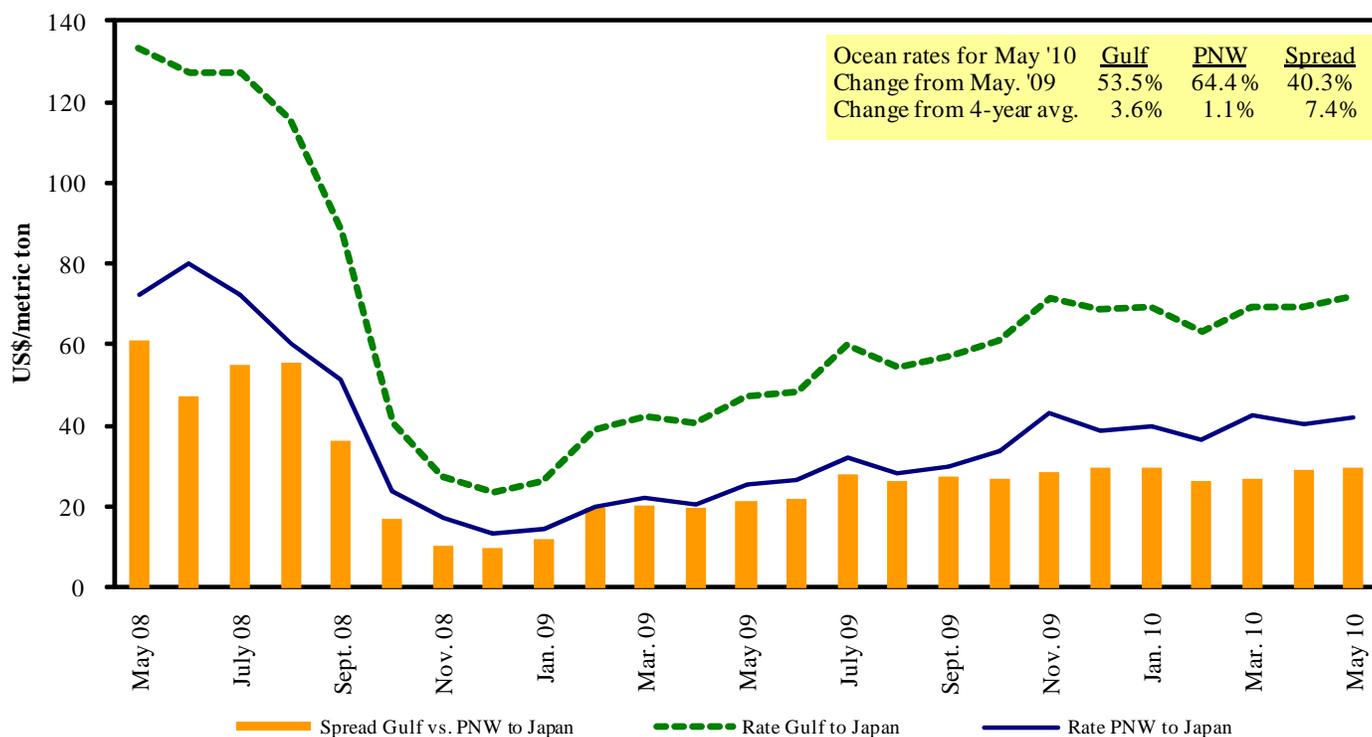


Source: Transportation & Marketing Programs/AMS/USDA

¹U.S. Gulf includes Mississippi, Texas, and East Gulf.

Figure 17

Grain Vessel Rates, U.S. to Japan



Source: O'Neil Commodity Consulting

Table 18

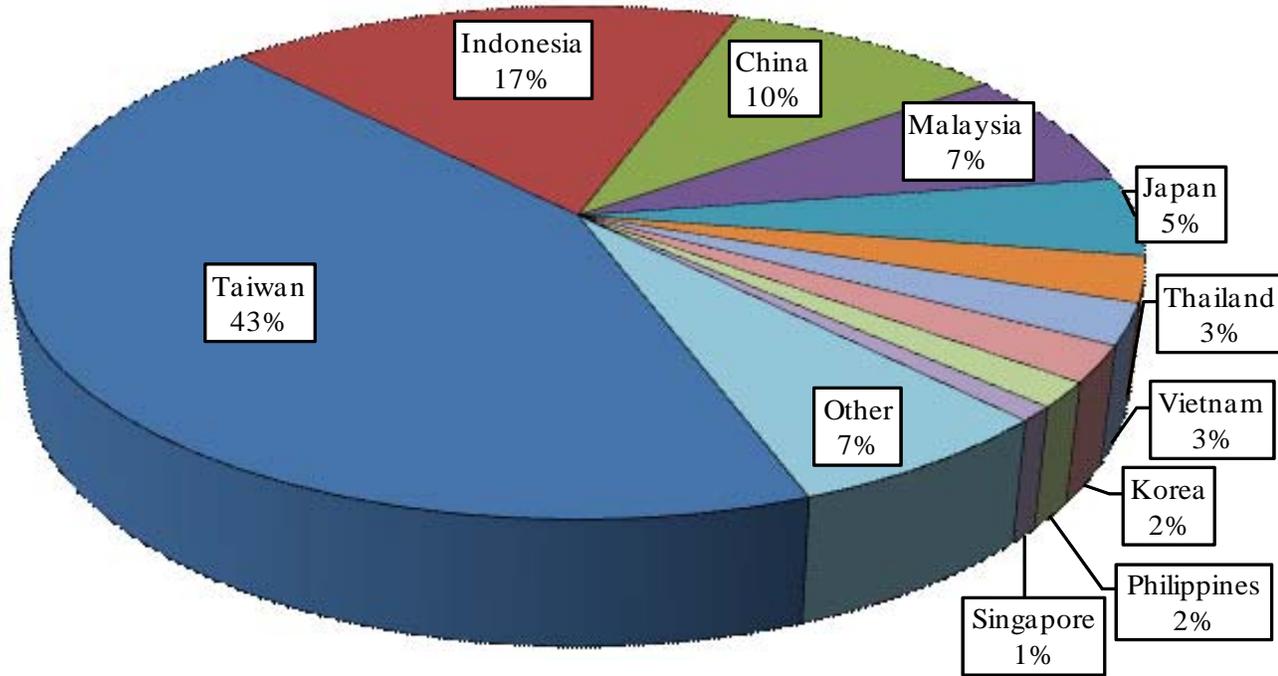
Ocean Freight Rates For Selected Shipments, Week Ending 5/29/2010

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US\$/metric ton)
U.S. Gulf	China	Hvy Grain	Nov	55000	61.00
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
St. Lawrence	Morocco	Wheat	Apr 27/ May 5	21,000	38.75
Ukraine	Saudi Arabia	Barley	May 20/30	35,000	42.00
Ukraine	Kenya	Wheat	Dec 25/30	25,000	52.00
Ukraine	Mediterranean	Wheat	Dec 14/18	30,000	20.00
France	Algeria	Wheat	May 25/30	25,000	31.00
France	Algeria	Wheat	May 10/20	25,000	26.75
France	Algeria	Hvy Grain	Jan 15/20	28,500	28.25
France	Algeria	Wheat	Apr 5/15	25,000	25.50
River Plate	Algeria	Soybeanmeal	May 28/31	25,000	69.00
River Plate	Denmark	Soybeanmeal	Apr 24/28	25,000	65.00

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

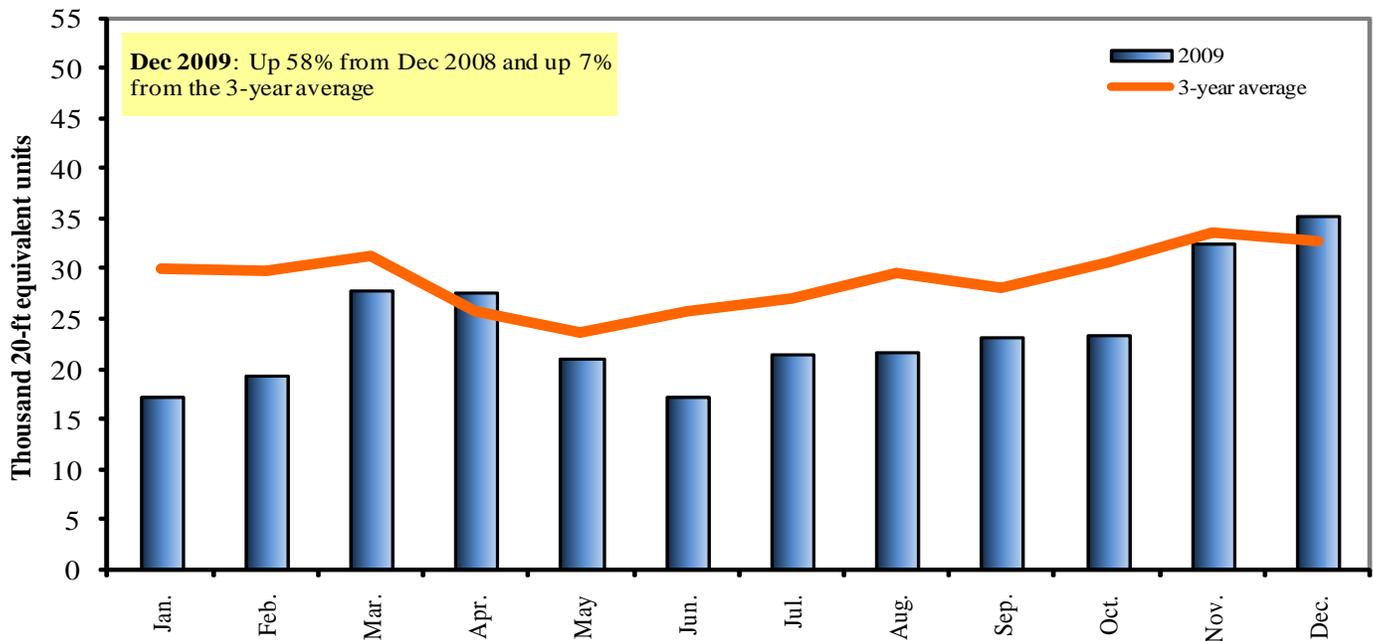
Top 10 Destination Markets for U.S. Containerized Grain Exports, December 2009



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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