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Transportation and Marketing Programs/Transportation Services Division
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Contents

Subscription Information

The next release is July 1, 2010

WEEKLY HIGHLIGHTS

Flooding Closes Mississippi River

Heavy rains over southeast Iowa have caused flooding on the Upper Mississippi River. Highwater conditions closed Mississippi River Lock and Dam 20, Canton, MO, on June 22. River forecasts indicate that Lock 20 will remain closed until June 28 or 29. Lock 21, Quincy, IL, and Lock 22, New London, MO, will close when the river rises to potentially unsafe levels in the next day or so. The expected duration of the river closure is likely to be only a few days, and should not create major traffic disruptions.

Bulk Ocean Freight Rates Continue to Fall

Ocean shipping rates for bulk grain have declined for four consecutive weeks. For the week ending June 18, the cost of shipping grain from the U.S. Gulf to Japan was $66.50 per metric ton (mt)—down 9 percent from the year-to-date (YTD) peak of $73 per mt during the week ending May 21. The cost of shipping from the Pacific Northwest to Japan was $34 per mt—down 21 percent from the YTD peak of $43 per mt on May 21. The decrease is attributed to a Chinese holiday and more vessels chasing less demand. About 16.3 million deadweight tonnes of new dry bulk capacity were delivered during the first quarter of 2010 while only 1.0 million deadweight tonnes were scrapped, causing a net expansion of the dry bulk fleet by 3.5 percent.

Diesel Fuel Prices Inch Up After Five Weekly Declines

During the week ending June 21, U.S. average **diesel fuel prices** increased 3 cents per gallon to $2.96—1 percent lower than the previous week but 13 percent higher than the same week last year. Crude oil spot prices also increased this week from a low of near $74 to a high of near $78. Bloomberg reports that the U.S. economic recovery is increasing demand for trucking service, thereby increasing demand for diesel fuel. However, industry uncertainty about available inventories of crude oil is also causing some volatility in the market.

Soybean Inspections Continue to Increase

Total inspections of grain (corn, wheat, and soybeans) from all major U.S. export regions for the week ending June 17 reached 1.02 million metric tons (mmt), down 27 percent from the past week and 42 percent below last year. Increased soybean inspections (0.180 mt), which were up 21 percent from the previous week did not offset the decrease in total grain inspections. However, indications from the transportation sector and export sales reports point to increased inspections in the near-term outlook. Grain carloadings and barge volumes increased this week. Also, new weekly export sales of corn to Japan (0.442 mmt), China (0.230 mmt), and Egypt (.186 mmt), and additional soybean sales to China, indicate stronger shipments returning before the end of the summer.

Snapshots by Sector

Rail

U.S. railroads originated 20,670 **carloads of grain** during the week ending June 12, up 16 percent from the previous week, up 22 percent from the same week last year, and 5 percent higher than the 3-year average.

During the week ending June 19, average July **secondary railcar bids/offers** were $6 below tariff for non-shuttle, $4 lower than last week. Shuttle rates were $388 below tariff, $13 lower than last week

Ocean

During the week ending June 17, 36 **ocean-going grain vessels** were loaded in the Gulf, down 8 percent from last year. Forty-nine vessels are expected to be loaded in the U.S. Gulf within the next 10 days, up 2 percent from last year.

During the week ending June 18, the cost of shipping grain from the Gulf to Japan averaged $66.50 per mt, down 3 percent from the previous week. The rate from the Pacific Northwest to Japan was $34 per mt, down 8 percent from the previous week.

Barge

During the week ending June 19, **barge grain movements** totaled 816,642 tons, 7 percent higher than the previous week but 23 percent lower than the same period last year.

Feature Article/Calendar

The Effects of Transportation on Soybean Basis Received by Producers

In a recent study published for the Soy Transportation Coalition and prepared by O'Neil Commodity Consulting, the impact of transportation rate changes and service disruptions on local soybean basis (difference in prices received by producers vs. the Chicago Board of Trade futures price) was investigated.[1] The main findings of the report included two key observations:

- From 2004 to 2009, soybean basis in seven of the top soybean producing States widened, resulting in lower prices for producers.
- Transportation was the largest determinant in setting basis.

However, the author also noted that handling margins, or the amount an elevator or processor asks to store or move grain, also appeared to widen. To determine this, rate and fuel surcharge data from the rail and barge industry was correlated with local basis data in 36 communities. After examining all 36 communities individually, an overall pattern emerged that clearly indicated a trend toward a widening basis, mainly due to higher transportation costs.

The analysis was conducted for 36 local areas in a seven-State area consisting of Illinois, Indiana, Iowa, Nebraska, North Dakota, Ohio, and South Dakota. The data was collected over a six-year period from 2004 to 2009 and covers the transportation cost and basis prices from several sources.

The author only used BNSF rail rates and fuel surcharges in the interests of "…simplicity, and knowing that all railroads must be competitive with one another, and that their rate increases generally mimic one another." However, the author does not point out that fuel surcharges (**Figure 7**) vary greatly between railroads, which could minimize or enhance the transportation cost effects. O'Neil Commodity Consulting noted that eastern railroads' (CSX and Norfolk Southern) soybean rates were not used because, "Eastern railroad soybean rates are impossible to accurately document as they largely rely on private contracts negotiated with each individual shipper and not on public tariffs."

Data Findings and Survey Results

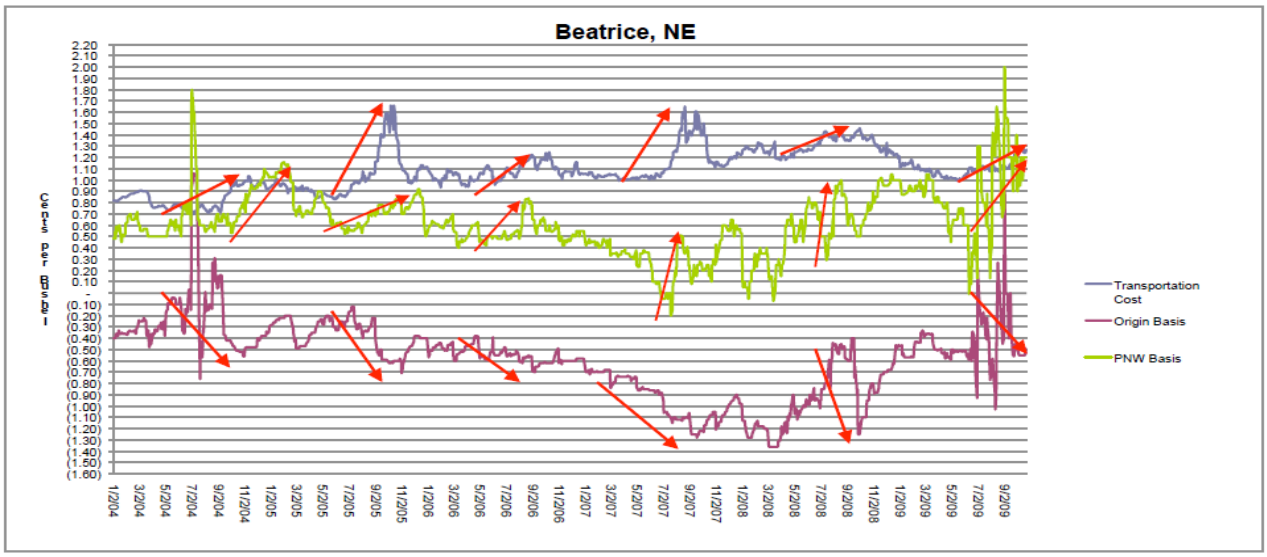
As noted by the author, global supply and demand factors play the largest role in price determination through futures trading mechanisms. However, the local basis determines the amount of a given futures price a producer receives. The local basis is greatly determined by transportation costs to a destination market and the prevailing local demand/supply of transportation (**see GTR Feature July 2, 2009**). Consequently, the transportation cost factors like equipment availability, fuel surcharges, and disruptions to transportation capacity determine most of the basis spread to potential sale markets, and determine the relative local value of a commodity.

One of the goals for this study was to determine who pays for the changes in transportation cost, whether they are by a planned increase or by a disaster that affects transportation capacity. To determine a general "feeling" in the marketplace as to where transportation costs are paid, the study author surveyed 11 commodity traders whose local soybean sale/purchase price is directly affected by transportation costs. The survey was not meant as a comprehensive report, but as a way to test the "feeling" in the marketplace. The overwhelming majority in this survey believed producers picked up the cost. Of the 11 traders surveyed, seven believed that transportation cost increases are ultimately passed back to the

[1] Soy Transportation Coalition, *Transportation and the Farmer's Bottom Line*, Prepared by O'Neil Commodity Consulting, June 2010. http://www.soytransportation.org/whatsnew/transportationfarmerincomes-finalreportmay10.pdf

shipper/producer; two traders believed cost increases were shared equally between shipper/producer and the end user, and two others believed that the end user paid for the increases.

The author examined data on basis changes and the corollary effects on basis by transportation. As is seen in the chart below for Beatrice, NE, as transportation cost increased, origin basis decreased. Between 2004 and 2009 the spread between the origin basis and export basis widened by $0.40/bushel while transportation costs increased only $0.26/bushel, a difference of $0.14/bushel. This follows conventional wisdom, as the basis spread is known to be chiefly determined by transportation cost. What was surprising, however, was the PNW and NOLA basis reaction to transportation cost changes. These destination basis prices were found to follow transportation cost, meaning PNW basis increased as transportation costs increased.



Source: Soy Transportation Coalition Farmer Income, http://www.soytransportation.org/farmerincomes/index.html

Destination price increases should be a positive factor for farmer's income. If the destination NOLA and/or PNW basis increases, or the price paid at the destination market increases, that increase should be passed back to the producer. From 2004 to 2009, that was shown not to be the case. In all 36 origin areas, it was found that the basis spread between the local market and destination widened; transportation costs and handling margins increased, and producers received a lower price locally. This could imply that transportation and handling companies are receiving an ever-greater share of the income from exported soybeans.

Conclusion

Several conclusions can be drawn from the results in this study but one is primary. In the short term, localized supply and demand factors, which are characterized by "demand pull" or "supply push" markets, change the basis for local elevators and subsequently affect the price received by producers. However, over the long run (2004 to 2009 for this study), when all the short term and local effects are smoothed away, basis levels have widened as transportation costs and handling margins have increased. As basis widens, producer incomes inevitably fall. Daniel.Nibarger@ams.usda.gov

Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators[1]

	Truck	Rail[2]	Barge	Ocean	
Week ending				Gulf	Pacific
06/23/10	199	89	166	297	241
06/16/10	197	93	166	306	262

[1]Indicator: Base year 2000 = 100; Weekly updates include truck = diesel ($/gallon); rail = nearby secondary rail market ($/car); barge = Illinois River barge rate (index = percent of tariff rate); and ocean = routes to Japan ($/metric ton)

[2]The rail indicator is not an index. It is the difference between the nearby secondary rail market bid for this week and the average bid for year 2000 (+) 100.

Source: Transportation & Marketing Programs/AMS/USDA

Table 2

Market Update: U.S. Origins to Export Position Price Spreads ($/bushel)

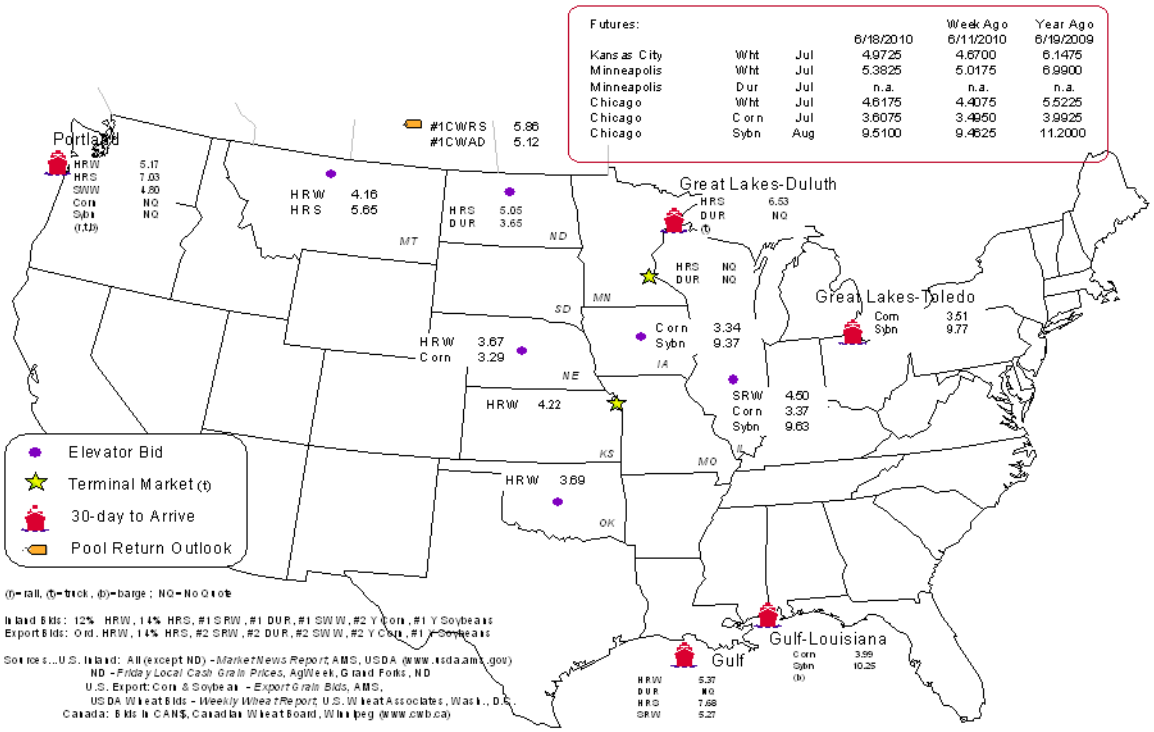
Commodity	Origin--Destination	6/18/2010	6/11/2010
Corn	IL--Gulf	-0.62	-0.63
Corn	NE--Gulf	-0.70	-0.72
Soybean	IA--Gulf	-0.88	-0.95
HRW	KS--Gulf	-1.15	-1.05
HRS	ND--Portland	-1.98	-1.25

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 market supply and demand. The map may be used to monitor market and time differentials.

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
6/16/2010[p]	430	857	974	2,528	103	4,892
6/09/2010[r]	n/a	1,037	909	3,147	136	5,229
2010 YTD	7,958	32,013	22,188	79,657	17,173	158,989
2009 YTD	13,028	20,916	19,316	74,599	12,639	140,498
2010 YTD as % of 2009 YTD	61	153	115	107	136	113
Last 4 weeks as % of 2009[2]	120	108	109	165	36	127
Last 4 weeks as % of 4-year avg.[2]	41	58	115	82	55	76
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 2009 and prior 4-year average.

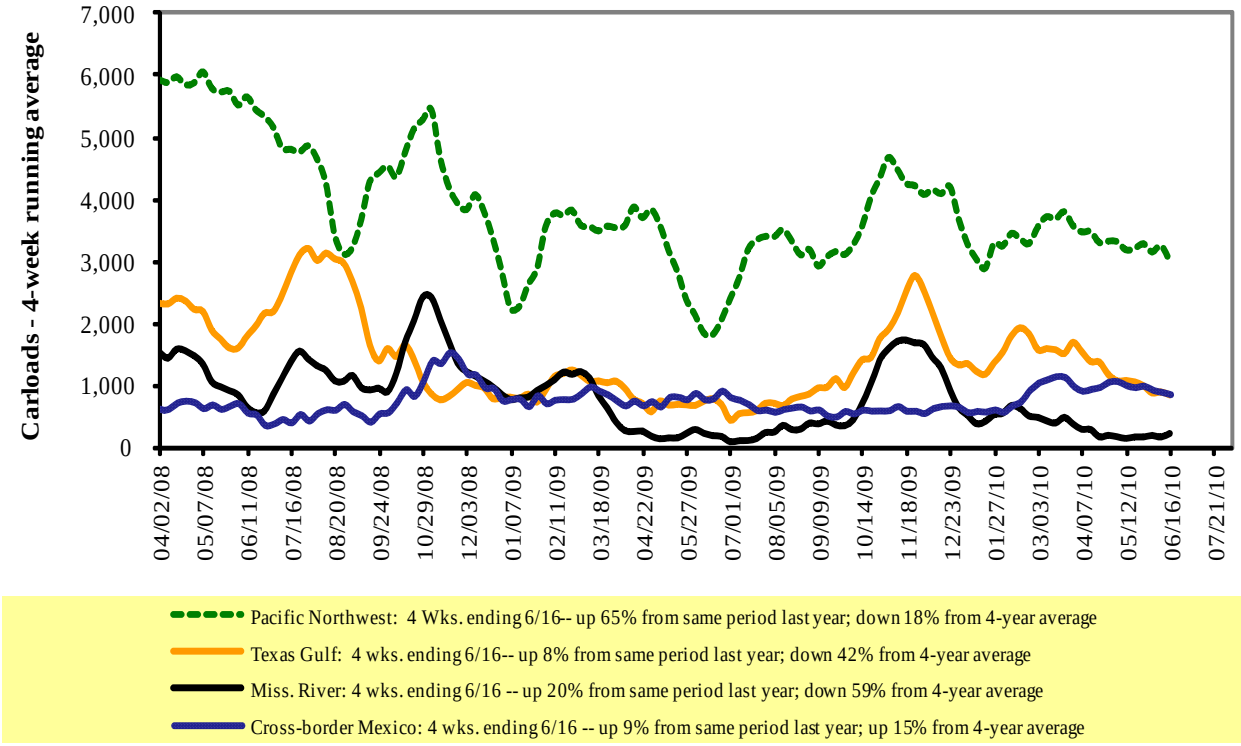
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

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)

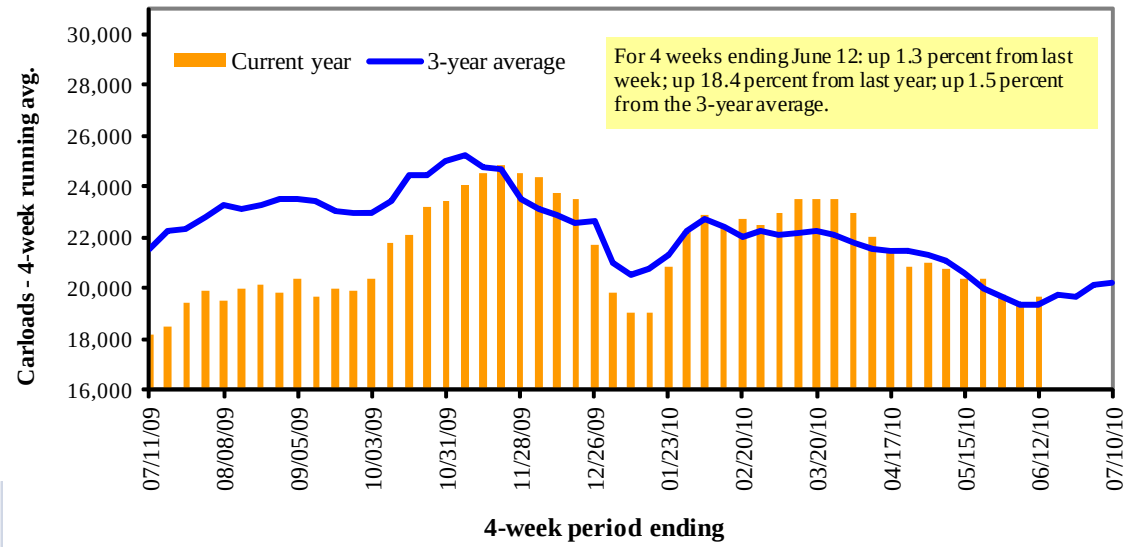
Week ending	East		West			U.S. total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
06/12/10	1,945	2,728	10,603	792	4,602	20,670	3,408	5,479
This week last year	1,889	2,918	6,957	792	4,388	16,944	4,525	4,848
2010 YTD	51,984	70,111	235,101	17,428	121,514	496,138	92,509	123,016
2009 YTD	50,350	59,464	194,432	16,123	106,934	427,303	94,527	122,215
2010 YTD as % of 2009 YTD	103	118	121	108	114	116	98	101
Last 4 weeks as % of 2009[1]	124	101	132	100	109	118	94	101
Last 4 weeks as % of 3-yr avg.[1]	94	92	108	106	99	101	90	103
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							
6/19/2010	Jul-10	Jul-09	Aug-10	Aug-09	Sep-10	Sep-09	Oct-10	Oct-09
BNSF[3]								
COT grain units	0	no offer	0	0	no offer	no bids	no offer	0
COT grain single-car[5]	0 . . 20	no offer	13 . . 25	3	32 . . 40	3	1 . . 11	2
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	2	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.

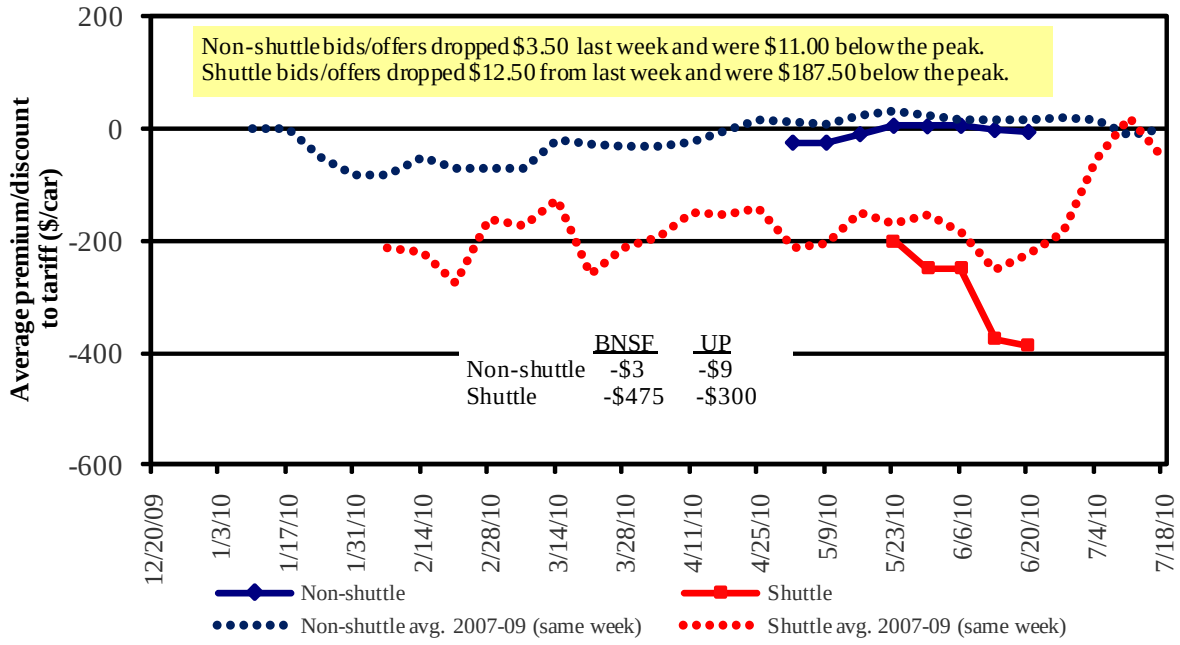
[5]Range is shown because average is not available. Not available = n/a.

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 July 2010, Secondary Market

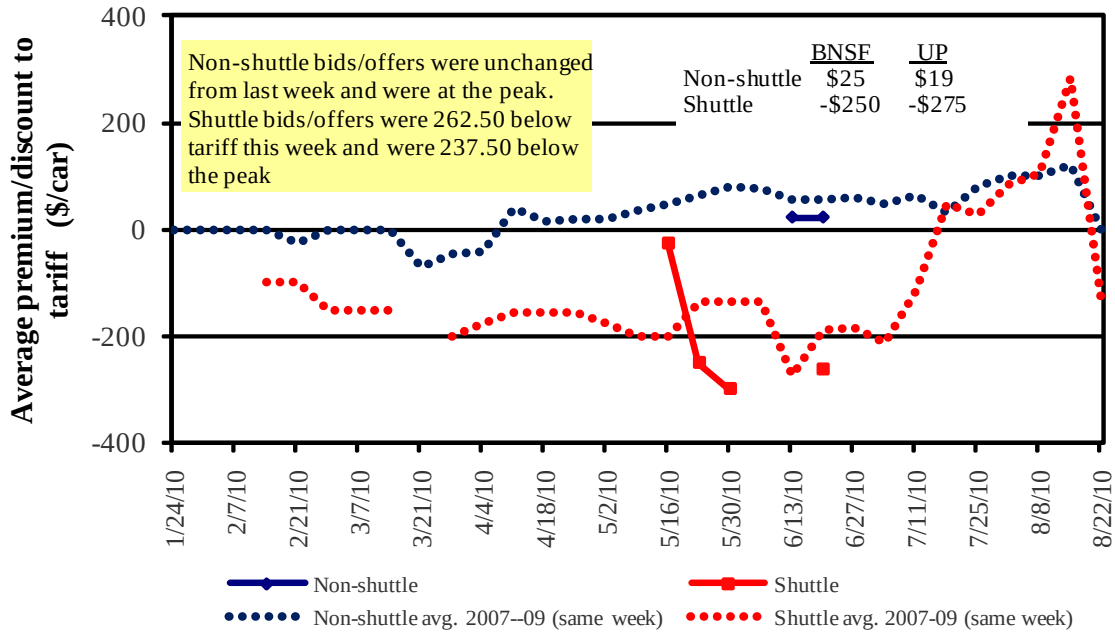


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

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

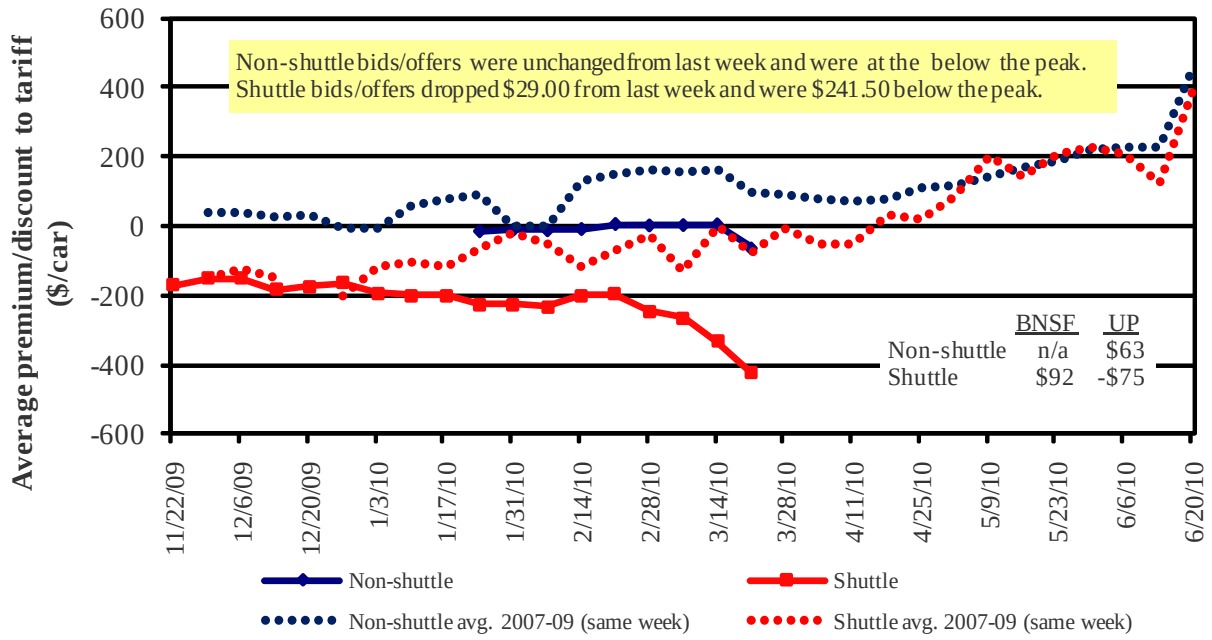


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in September 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					
6/19/2010	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10
Non-shuttle						
BNSF-GF	-3	25	n/a	n/a	n/a	n/a
Change from last week	-1	0	n/a	n/a	n/a	n/a
Change from same week 2009	14	n/a	n/a	n/a	n/a	n/a
UP-Pool	-9	19	63	n/a	n/a	n/a
Change from last week	-6	0	0	n/a	n/a	n/a
Change from same week 2009	-23	6	13	n/a	n/a	n/a
Shuttle[2]						
BNSF-GF	-475	-250	92	n/a	300	n/a
Change from last week	-75	n/a	-133	n/a	n/a	n/a
Change from same week 2009	-350	n/a	n/a	n/a	300	n/a
UP-Pool	-300	-275	-75	n/a	n/a	n/a
Change from last week	50	n/a	75	n/a	n/a	n/a
Change from same week 2009	-81	-175	0	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:			Tariff	Fuel surcharge	Tariff plus surcharge per:		Percent change
6/1/2010	Origin region	Destination region	rate/car	per car	metric ton	bushel[2]	Y/Y[3]
Unit train[1]							
Wheat	Chicago, IL	Albany, NY	$2,622	$159	$30.65	$0.83	10
	Kansas City, MO	Galveston, TX	$2,828	$165	$32.99	$0.90	18
	South Central, KS	Galveston, TX	$3,805	$323	$45.50	$1.24	16
	Minneapolis, MN	Houston, TX	$3,799	$654	$49.09	$1.34	14
	St. Louis, MO	Houston, TX	$3,715	$160	$42.71	$1.16	17
	South Central, ND	Houston, TX	$5,478	$727	$68.40	$1.86	10
	Minneapolis, MN	Portland, OR	$4,200	$795	$55.06	$1.50	14
	South Central, ND	Portland, OR	$4,200	$653	$53.49	$1.46	13
	Northwest, KS	Portland, OR	$5,100	$869	$65.80	$1.79	10
	Chicago, IL	Richmond, VA	$2,834	$237	$33.85	$0.92	18
Corn	Chicago, IL	Baton Rouge, LA	$2,925	$202	$34.47	$0.88	0
	Council Bluffs, IA	Baton Rouge, LA	$3,020	$216	$35.67	$0.91	0
	Kansas City, MO	Dalhart, TX	$3,284	$236	$38.80	$0.99	3
	Minneapolis, MN	Portland, OR	$3,609	$795	$48.54	$1.23	9
	Evansville, IN	Raleigh, NC	$3,204	$231	$37.87	$0.96	12
	Columbus, OH	Raleigh, NC	$3,093	$202	$36.32	$0.92	12
	Council Bluffs, IA	Stockton, CA	$4,900	$859	$63.48	$1.61	-2
Soybeans	Chicago, IL	Baton Rouge, LA	$3,178	$202	$37.26	$1.01	6
	Council Bluffs, IA	Baton Rouge, LA	$3,192	$216	$37.57	$1.02	7
	Minneapolis, MN	Portland, OR	$4,110	$795	$54.07	$1.47	13
	Evansville, IN	Raleigh, NC	$3,204	$231	$37.87	$1.03	12
	Chicago, IL	Raleigh, NC	$3,804	$288	$45.10	$1.23	11
Shuttle Train							
Wheat	St. Louis, MO	Houston, TX	$2,972	$160	$34.52	$0.94	19
	Minneapolis, MN	Portland, OR	$3,700	$795	$49.55	$1.35	13
Corn	Fremont, NE	Houston, TX	$2,520	$481	$33.08	$0.84	8
	Minneapolis, MN	Portland, OR	$3,528	$795	$47.65	$1.21	14
Soybeans	Council Bluffs, IA	Houston, TX	$2,787	$466	$35.86	$0.98	7
	Minneapolis, MN	Portland, OR	$3,774	$795	$50.36	$1.37	16

[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: 6/7/2010							
				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	$740	$71.84	$1.95	12
	OK	Cuautitlan, EM	$5,857	$587	$65.84	$1.79	14
	KS	Guadalajara, JA	$6,438	$607	$71.97	$1.96	15
	TX	Salinas Victoria, NL	$3,292	$197	$35.65	$0.97	13
Corn	IA	Guadalajara, JA	$6,670	$704	$75.34	$2.05	11
	SD	Penjamo, GJ	$6,440	$968	$75.69	$2.06	9
	NE	Queretaro, QA	$6,130	$586	$68.62	$1.87	6
	SD	Salinas Victoria, NL	$4,570	$736	$54.21	$1.47	3
	MO	Tlalnepantla, EM	$5,318	$570	$60.17	$1.64	7
	SD	Torreon, CU	$5,330	$811	$62.74	$1.71	7
Soybeans	MO	Bojay (Tula), HG	$6,066	$606	$68.17	$1.85	10
	NE	Guadalajara, JA	$6,550	$695	$74.03	$2.01	12
	IA	Penjamo (Celaya), GJ	$6,690	$962	$78.18	$2.13	16
	KS	Torreon, CU	$5,255	$461	$58.40	$1.59	10
Sorghum	OK	Cuautitlan, EM	$4,339	$735	$51.84	$1.41	8
	TX	Guadalajara, JA	$5,350	$630	$61.10	$1.66	16
	NE	Penjamo, GJ	$6,395	$638	$71.86	$1.95	9
	KS	Queretaro, QA	$5,398	$450	$59.75	$1.62	4
	NE	Salinas Victoria, NL	$4,282	$463	$48.48	$1.32	4
	NE	Torreon, CU	$5,240	$525	$58.90	$1.60	8

[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.

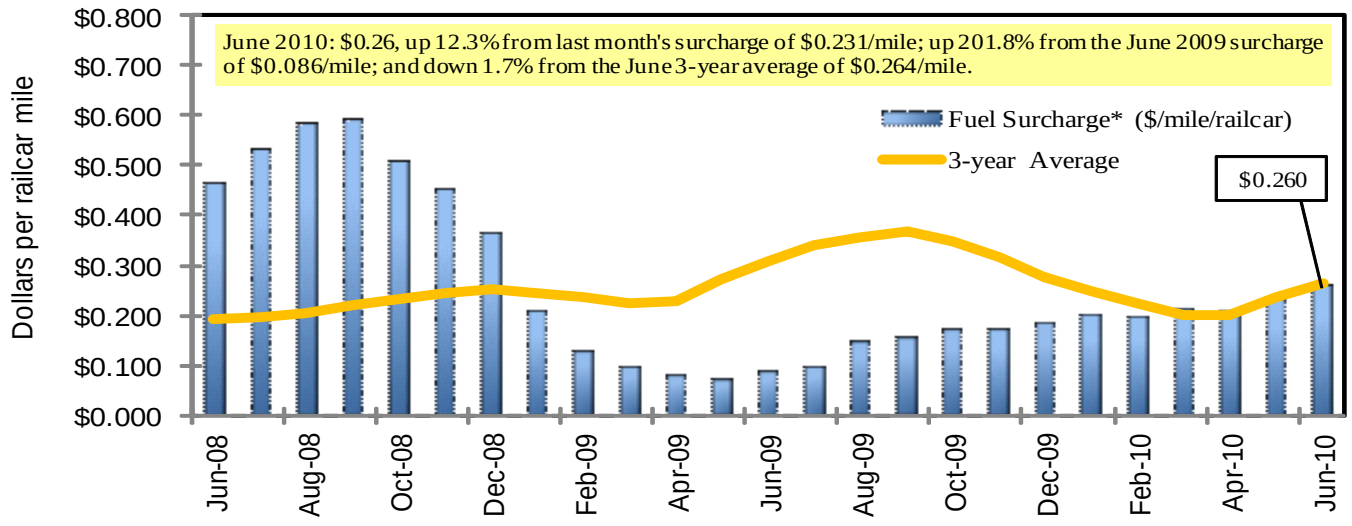
[2]Approximate load per car = 97.87 metric tons: Corn & Sorghum 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

[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.

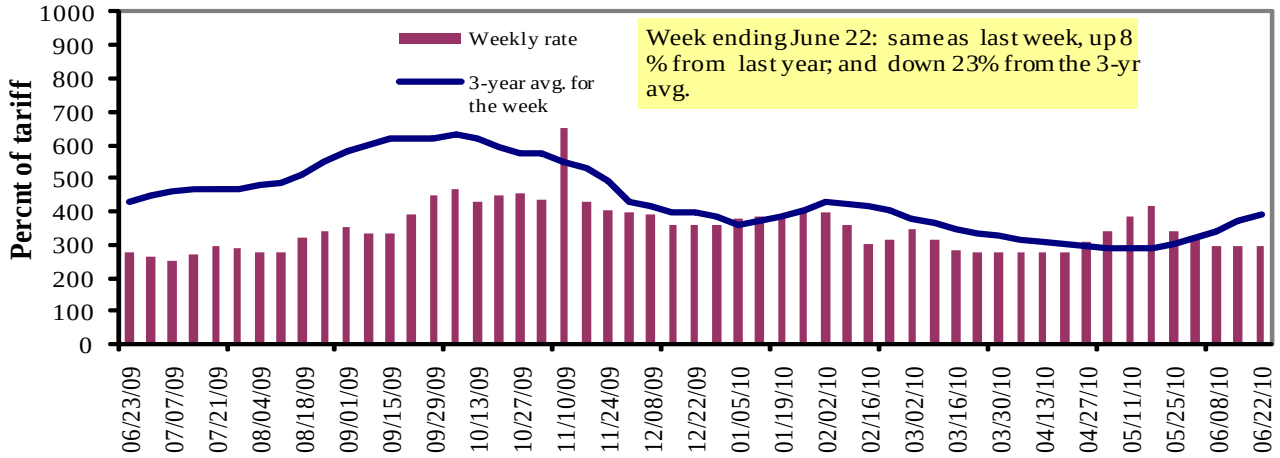
* Mileage-based fuel surcharges for March and April 2007 are estimated. Beginning January 2009, the Canadian Pacific fuel surcharge is computed by a monthly average of the bi-weekly fuel surcharge.

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]	6/22/2010	360	305	298	200	237	237	190
	6/15/2010	363	303	299	201	258	258	190
$/ton	6/22/2010	22.28	16.23	13.83	7.98	11.12	9.57	5.97
	6/15/2010	22.47	16.12	13.87	8.02	12.10	10.42	5.97
Current week % change from the same week:								
	Last year	7	7	8	4	19	19	8
	3-year avg.[2]	-17	-23	-23	-34	-26	-25	-32
Rate[1]	July	368	312	313	215	250	250	218
	September	532	522	522	493	527	527	485

[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

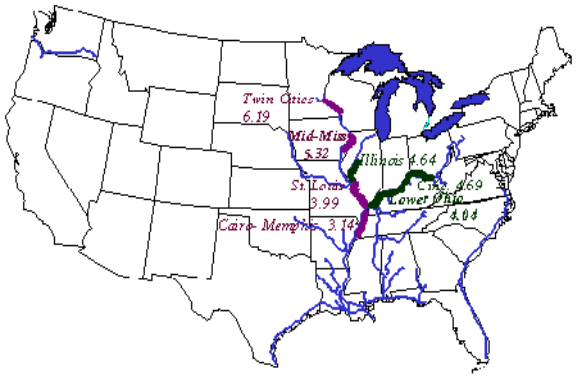
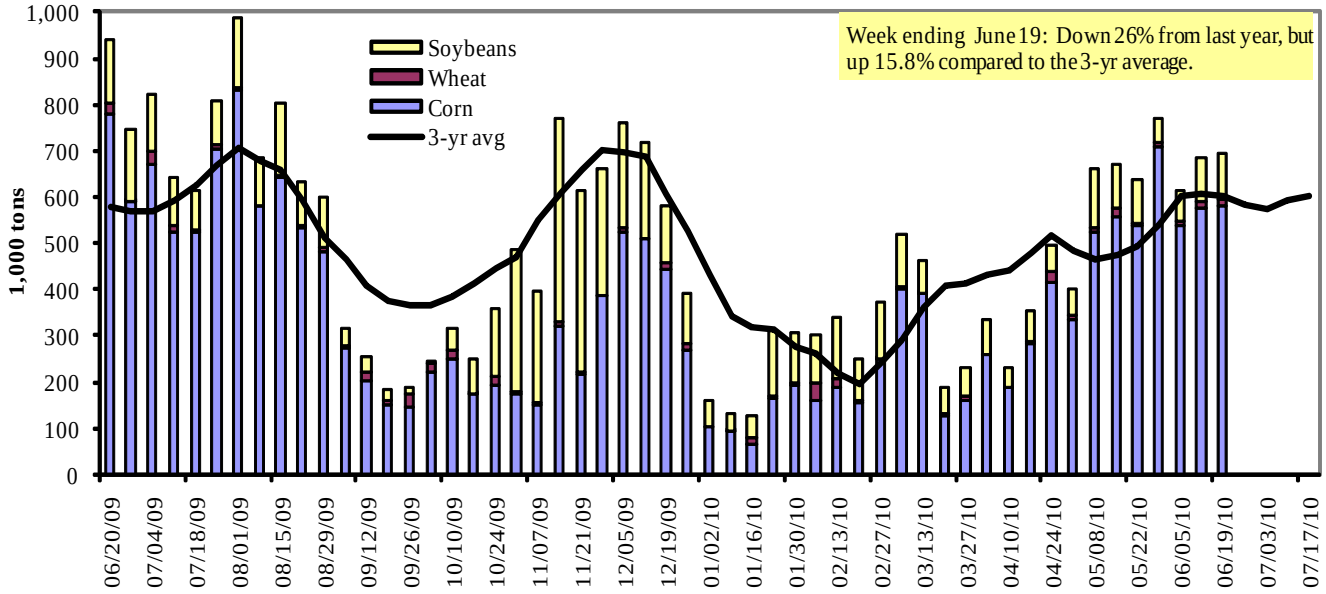


Figure 10

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 6/19/2010	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	242	9	35	2	288
Winfield, MO (L25)	382	14	77	0	473
Alton, IL (L26)	582	14	102	0	698
Granite City, IL (L27)	581	14	102	0	696
Illinois River (L8)	179	0	22	0	201
Ohio River (L52)	47	5	30	2	84
Arkansas River (L1)	0	17	4	16	37
Weekly total - 2010	628	36	136	17	817
Weekly total - 2009	814	44	181	23	1,062
2010 YTD[1]	10,857	529	4,184	237	15,807
2009 YTD	11,007	627	4,569	222	16,425
2010 as % of 2009 YTD	99	84	92	106	96
Last 4 weeks as % of 2009[2]	110	62	56	92	95
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.

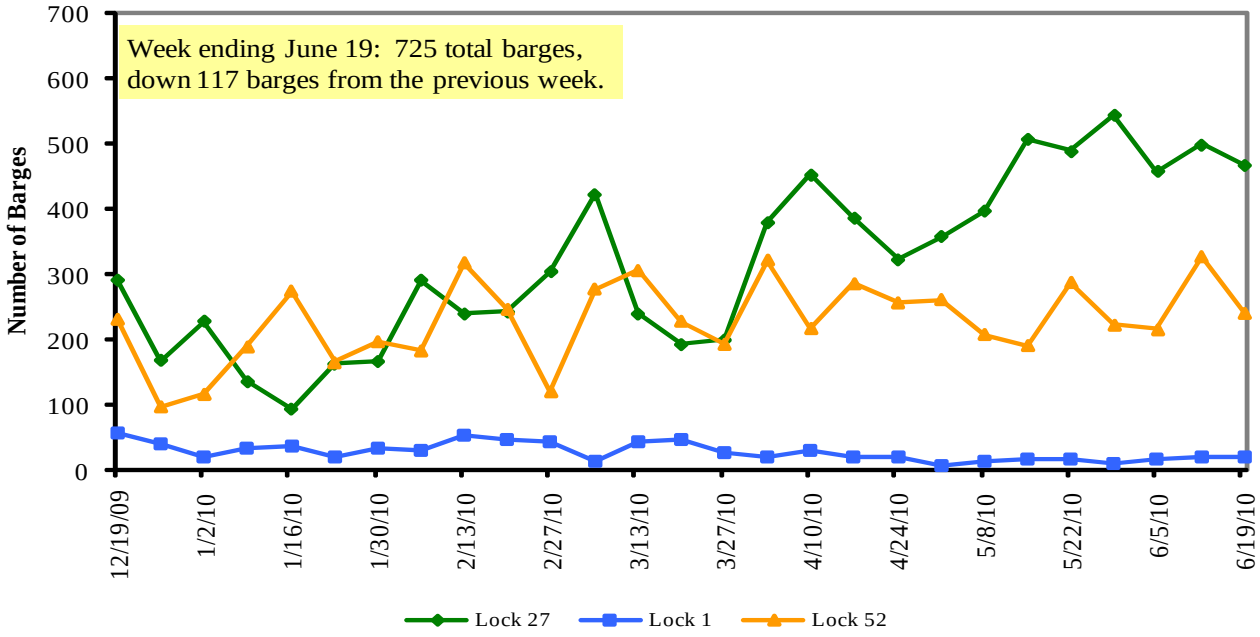
[2] As a percent of same period in 2009.

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

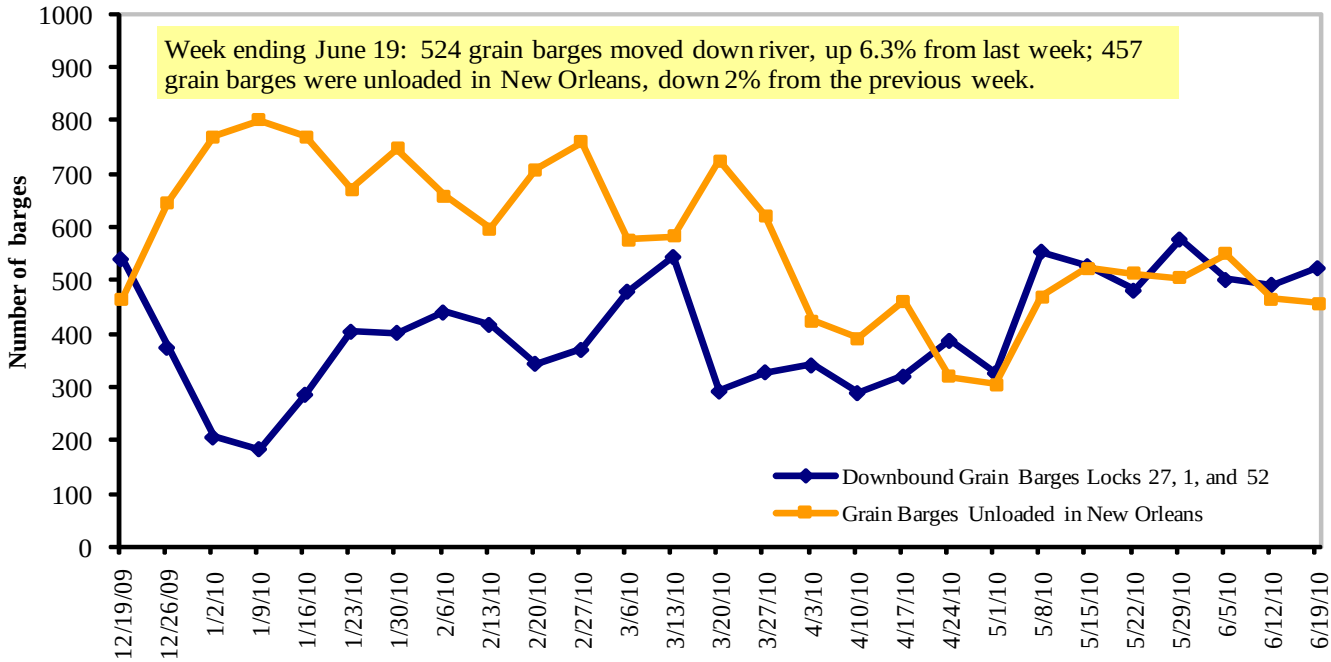
Upbound Empty Barges Transiting Mississippi River Locks 27, Arkansas River Lock and Dam 1, and Ohio River Locks and Dam 52



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 6/21/2010 (US$/gallon)

			Change from	
Region	Location	Price	Week ago	Year ago
I	East Coast	2.974	0.025	0.340
	New England	3.029	0.004	0.359
	Central Atlantic	3.088	0.021	0.358
	Lower Atlantic	2.921	0.029	0.331
II	Midwest[2]	2.936	0.044	0.349
III	Gulf Coast[3]	2.908	0.034	0.325
IV	Rocky Mountain	2.980	-0.009	0.366
V	West Coast	3.093	0.039	0.373
	California	3.125	0.057	0.336
Total	U.S.	2.961	0.033	0.345

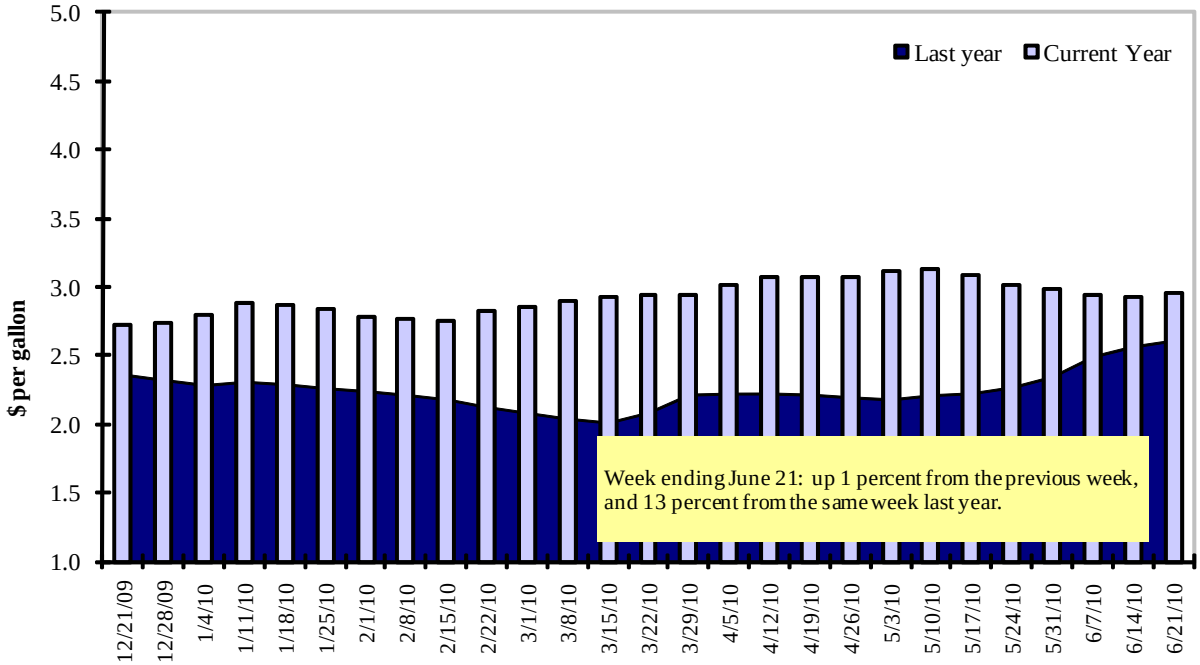
[1]Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

[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]									
6/10/2010	1,878	485	995	992	243	4,592	10,386	2,071	17,049
This week year ago	1,016	504	763	807	196	3,286	9,424	3,877	16,587
Cumulative exports-marketing year[2]									
2009/10 YTD	206	79	121	98	36	540	36,547	36,643	73,730
2008/09 YTD	206	24	121	110	7	468	32,965	29,944	63,377
YTD 2009/10 as % of 2008/09	100	329.17	100	89	514	115	111	122	116
Last 4 wks as % of same period 2008/09	105	73	87	75	76	87	112	57	69
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; the new marketing year begins for wheat

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 06/10/10	Total Commitments[2]			% change	Exports[3]
	2010/11 Next MY	2009/10 Current MY	2008/09 Last MY	current MY from last MY	2008/09
		- 1,000 mt -			- 1,000 mt -
Japan	121	13,673	14,180	(4)	15,910
Mexico	668	7,761	6,927	12	7,454
Korea	173	7,572	4,355	74	5,129
Taiwan	0	2,925	3,226	(9)	3,198
Egypt	0	2,335	1,639	42	2,233
Top 5 importers	**962**	**34,266**	**30,327**	**13**	**33,924**
Total US corn export sales	**1,493**	**46,934**	**42,390**	**11**	**45,214**
% of Projected	3%	95%	90%		
Change from Last Week	136	1,090	767		
Top 5 importers' share of U.S. corn export sales	64%	73%	72%		
USDA forecast, June 2010	**50,800**	**49,530**	**47,180**	**5**	
Corn Use for Ethanol USDA forecast, Ethanol June 2010	**119,380**	**114,300**	**93,396**	**22**	

(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 06/10/10	Total Commitments[2]			% change current MY from last MY	Exports[3]
	2010/11 Next MY	2009/10 Current MY	2008/09 Last MY		2008/09
		- 1,000 mt -			- 1,000 mt -
China	3,324	22,135	18,464	20	18,681
Mexico	50	3,030	2,910	4	3,098
Japan	56	2,243	2,404	(7)	2,410
EU-25	0	2,698	2,178	24	2,180
Taiwan	0	1,549	1,454	7	1,592
Top 5 importers	**3,430**	**31,654**	**27,410**	**15**	**27,961**
Total US soybean export sales	**4,215**	**38,714**	**33,821**	**14**	
% of Projected	11%	98%	97%		
Change from last week	452	(136)	146		
Top 5 importers' share of U.S. soybean export sales	81%	82%	81%		
USDA forecast, June 2010	**36,740**	**39,600**	**34,930**	**13**	
Soybean Use for Biodiesel USDA forecast, June 2010	**6,954**	**5,275**	**4,573**	**15**	

(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 06/10/2010	Total Commitments[2]		% change current MY from last MY	Exports[3]
	2010/11 Current MY	2009/10 Last MY		2009/10
	- 1,000 mt -			- 1,000 mt -
Nigeria	816	369	121	3,233
Japan	585	298	97	3,148
Mexico	640	419	53	1,975
Philippines	683	437	57	1,518
Korea, South	411	317	30	1,111
Taiwan	103	170	(40)	844
Venezuela	106	69	53	658
Colombia	145	159	(9)	575
Peru	216	97	122	567
Indonesia	81	93	(13)	529
Top 10 importers	**3,786**	**2,428**	**56**	**14,156**
Total US wheat export sales	**5,133**	**3,755**	**37**	**21,686**
% of Projected	21%	16%		
Change from last week	960	269		
Top 10 importers' share of U.S. wheat export sales	74%	65%		
USDA forecast, June 2010	**24,490**	**24,090**	**2**	

(n) indicates negative number.

[1]Based on FAS **2008/09** Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Jun 1 - Ma

[2] Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report.

Table 16

Grain Inspections for Export by U.S. Port Region (1,000 metric tons)

Port regions	Week ending 06/17/10	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	245	4,902	4,636	106	96	104	10,091
Corn	0	4,412	3,694	119	98	66	8,498
Soybeans	73	4,400	3,743	118	1,141	65	9,743
Total	**318**	**13,713**	**12,073**	**114**	**106**	**80**	**28,332**
Mississippi Gulf							
Wheat	55	1,794	1,939	93	107	82	4,019
Corn	516	13,706	13,806	99	113	116	28,843
Soybeans	105	8,717	9,639	90	41	61	21,831
Total	**676**	**24,216**	**25,384**	**95**	**93**	**102**	**54,693**
Texas Gulf							
Wheat	12	3,468	2,502	139	77	65	5,735
Corn	0	918	775	118	62	118	1,968
Soybeans	0	667	472	141	n/a	n/a	2,402
Total	**12**	**5,053**	**3,749**	**135**	**75**	**68**	**10,105**
Great Lakes							
Wheat	0	217	114	191	268	122	990
Corn	0	31	79	39	0	0	353
Soybeans	0	0	54	0	0	0	781
Total	**0**	**248**	**247**	**101**	**66**	**41**	**2,124**
Atlantic							
Wheat	0	127	205	62	283	62	552
Corn	8	176	76	232	39	39	472
Soybeans	2	687	417	165	42	46	1,268
Total	**9**	**990**	**698**	**142**	**84**	**53**	**2,292**
U.S. total from ports[2]							
Wheat	312	10,507	9,396	112	95	85	21,387
Corn	523	19,242	18,430	104	107	100	40,134
Soybeans	180	14,471	14,324	101	53	61	36,025
Total	**1,015**	**44,221**	**42,150**	**105**	**94**	**90**	**97,546**

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

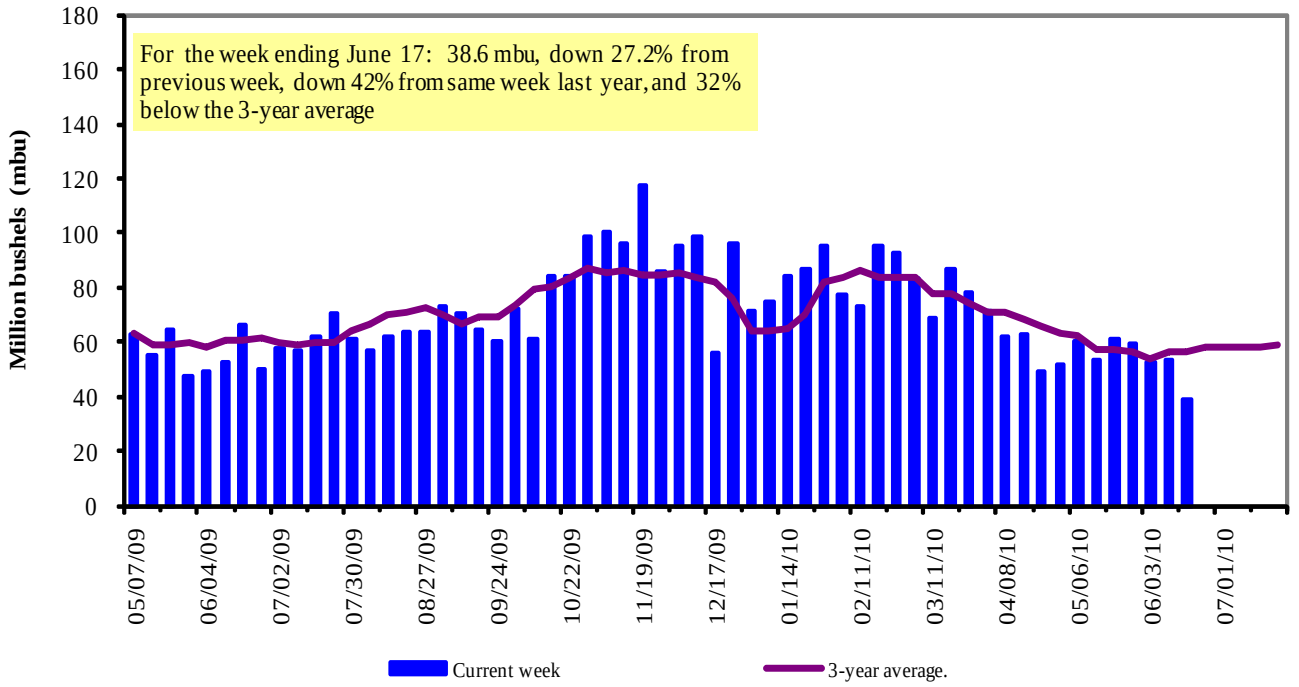
[2] Total includes only port regions shown above

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)

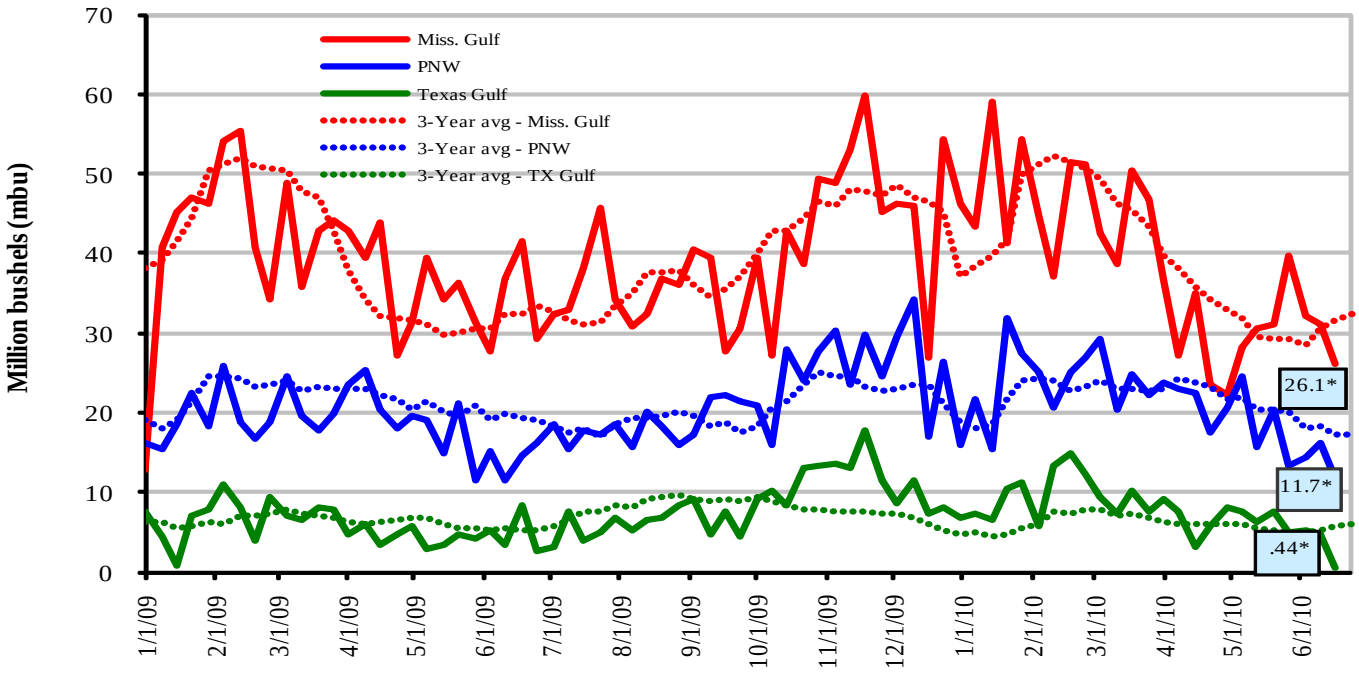


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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

Figure 15

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



Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov); *mbu, this week.

June 17, % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	down 16.3	down 91	down 26.3	down 28
Last year (same week)	down 37	down 95	down 47	down 20
3-yr avg. (4-wk mov. avg.)	down 17.3	down 9 2	down 29	down 29

Ocean Transportation

Table 17

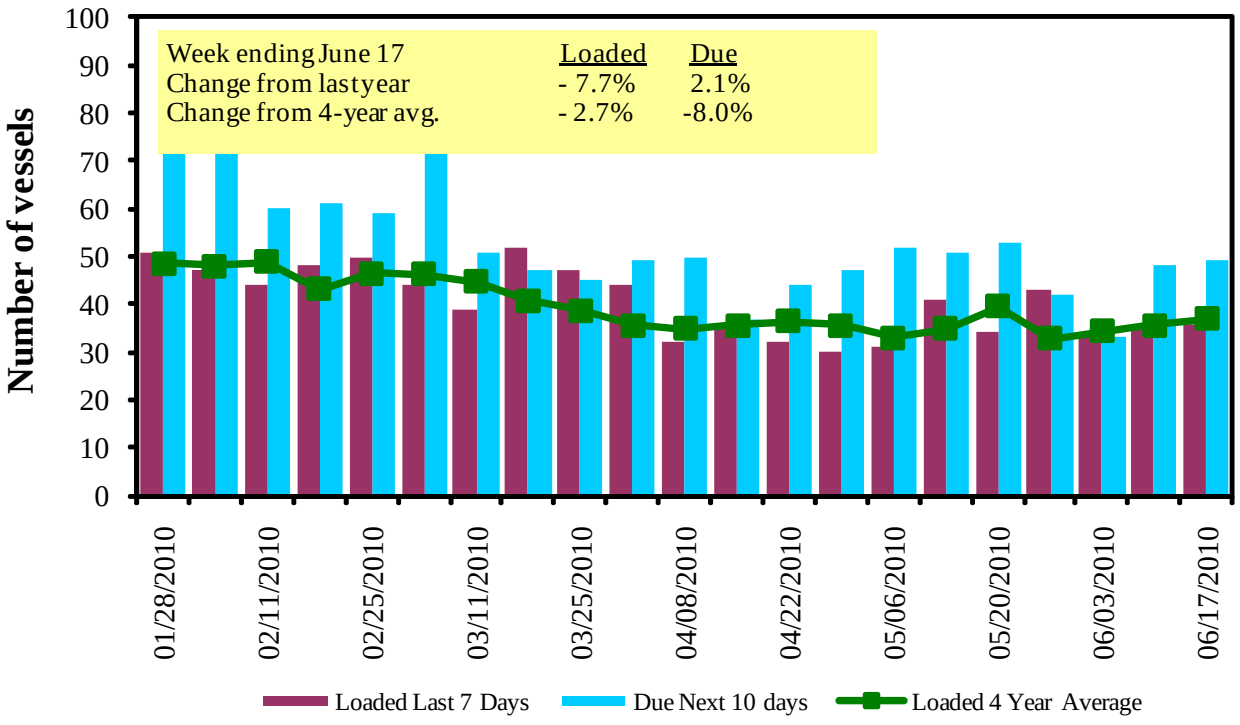
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

	Gulf			Pacific Northwest	Vancouver B.C.
Date	In port	Loaded 7-days	Due next 10-days	In port	In port
6/17/2010	21	36	49	9	17
6/10/2010	15	36	48	5	15
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

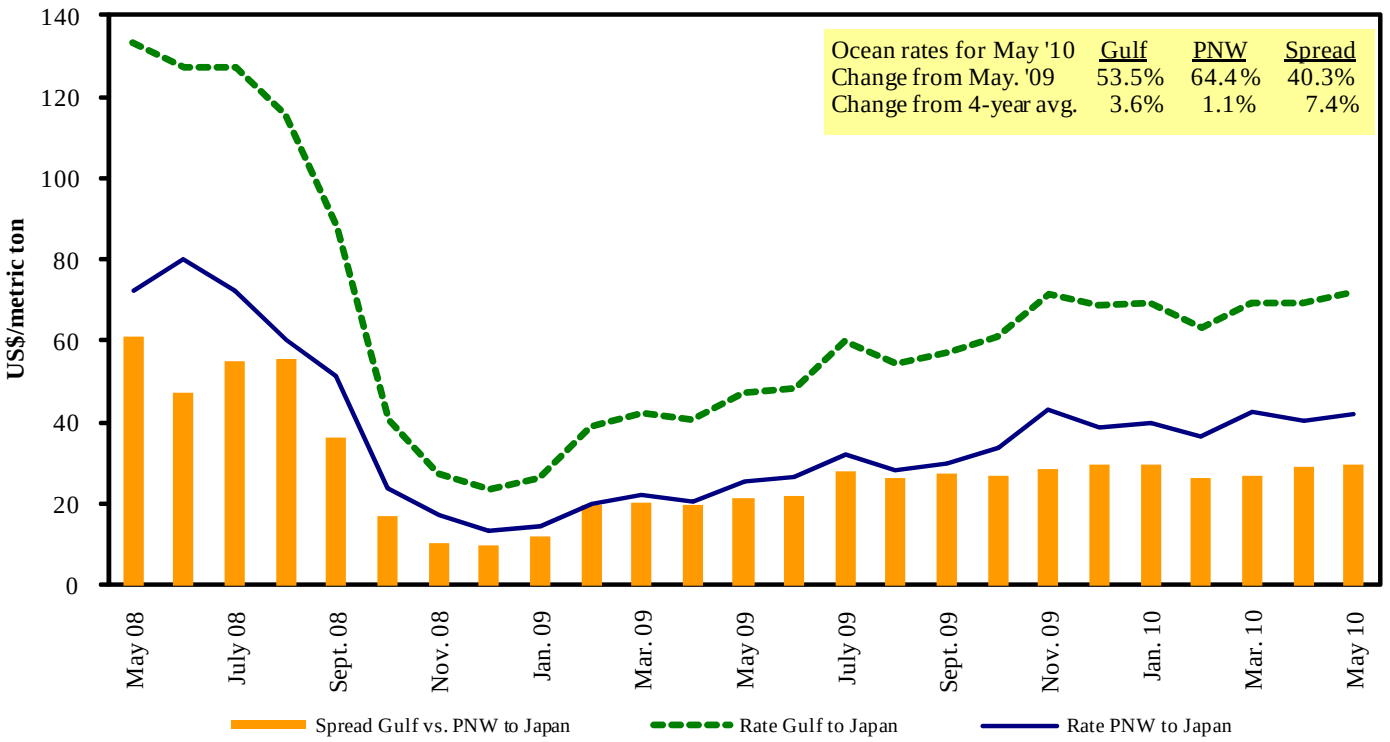


Source: Transportation & Marketing Programs/AMS/USDA

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

Figure 17

Grain Vessel Rates, U.S. to Japan



Source: O'Neil Commodity Consulting

Table 18

Ocean Freight Rates For Selected Shipments, Week Ending 6/19/2010

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
St. Lawrence	Morocco	Wheat	Apr 27/ May 5	21,000	38.75
Ukraine	Saudi Arabia	Barley	May 20/30	35,000	42.00
France	Algeria	Wheat	May 25/30	25,000	31.00
France	Algeria	Wheat	May 10/20	25,000	26.75
France	Algeria	Wheat	Apr 5/15	25,000	25.50
France	Algeria	Wheat	Jun 25/30	25,000	29.00
France	Algeria	Wheat	Jul 5/10	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

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

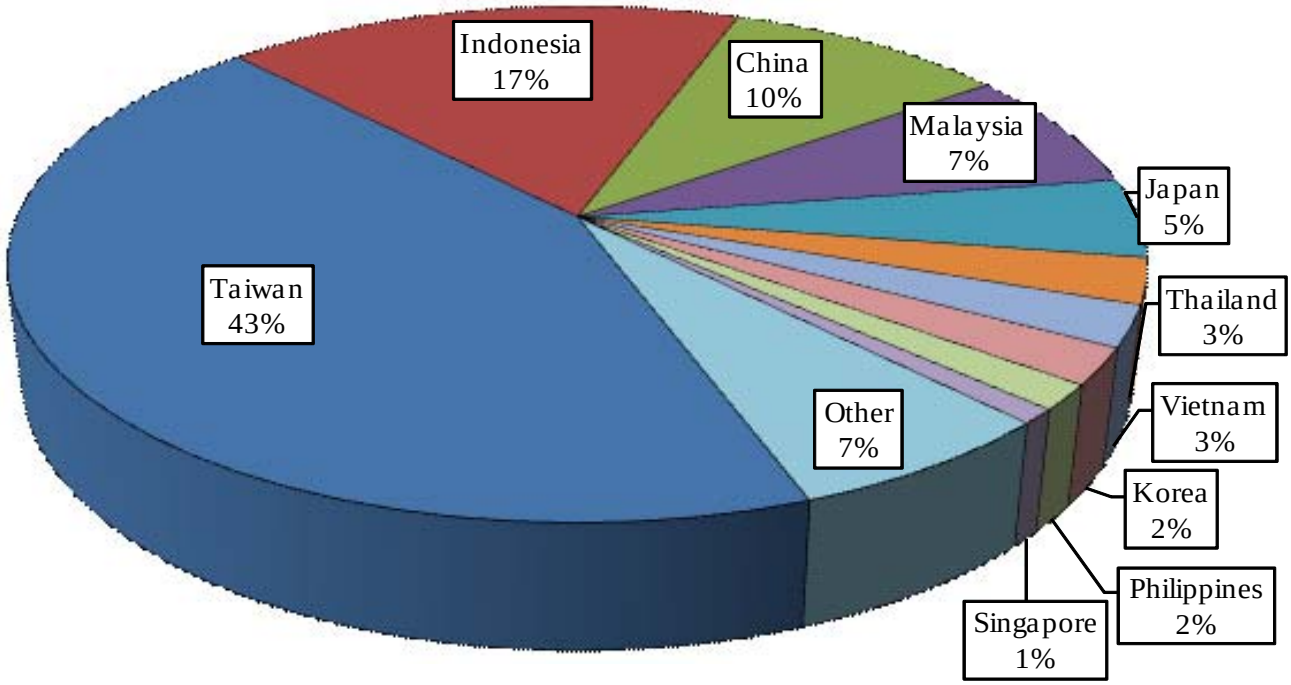
[1]75 percent of food aid from the United States is required to be shipped on U.S.-flag vessels.

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

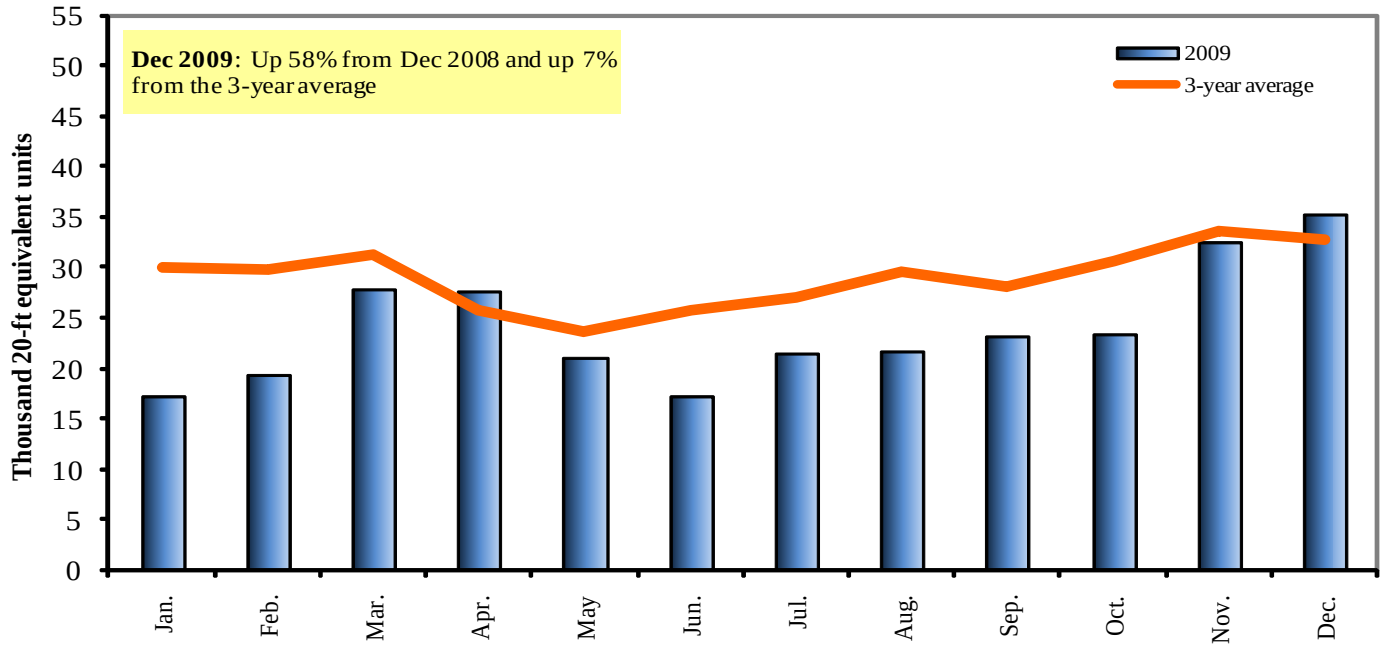
Top 10 Destination Markets for U.S. Containerized Grain Exports, December 2009



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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