



WEEKLY HIGHLIGHTS

July 15, 2010

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USDA Raises 2010/11 Wheat and Soybean Export Forecast

In its July 9 monthly [World Agricultural Supply and Demand Estimates](#) report, USDA raised its forecast of the 2010/11 wheat exports to 1.0 billion bushels (bbu)—up 100 million bushels (mbu) from the previous estimate and 135 mbu higher than the 2009/10 exports. The change in U.S. exports is based on smaller crops in other major exporting countries such as FSU-12, Canada, EU-27, India, and Turkey, which are expected to be offset by larger wheat crops in the United States and China. Based on additional reported sales to China, USDA raised the 2009/10 soybean export estimate to a record 1.46 bbu. The 2010/11 soybean export projection was raised to 1.37 bbu, up 20 mbu from last month's report. The increase in soybean and wheat export projections more than offset a 50-mbu drop in the 2010/11 corn export projection. Higher expected exports could translate into additional demand for transportation services.

AASHTO's Latest Study Details a U.S. Transportation Crisis

On July 8, The American Association of State Highway and Transportation Officials (AASHTO) released a report, *Unlocking Freight*, at a national news conference in Des Moines, Iowa, and at two regional news conferences in Tennessee and Pennsylvania. AASHTO reports that U.S. highways, railroads, ports, and waterways require investment well beyond current levels to maintain—much less improve—their performance. The report documents the need for U.S. transportation infrastructure investment and provides specific solutions, such as interstate expansion, regional multimodal corridor development, and planning and investing in multimodal strategic frameworks. For the full report, go to <http://expandingcapacity.transportation.org>.

FMCSA Proposes a Two-Year Limited Exemption for Anhydrous Ammonia Transportation

On July 8, the Federal Motor Carrier Safety Administration (FMCSA) proposed a two-year, limited [exemption](#) from the federal hours-of-service regulations for the transportation of anhydrous ammonia. The exemption covers shipments from any distribution point to a local farm retailer or to the ultimate consumer, and from a local farm retailer to the ultimate consumer, as long as the transportation takes place within a 100 air-mile radius of the retail or wholesale distribution point. Should FMCSA decide to grant the exemption, it would be valid for up to two years unless revoked earlier by FMCSA. Supporting documents may be viewed and comments must be submitted by August 13, 2010 at <http://www.regulations.gov>, under docket ID number FMCSA-2010-0230.

Soybean Inspections Rebound After Two Week Decline

Total inspections of grain (corn, wheat, and soybeans) from all major U.S. export regions for the week ending July 8 reached 1.34 million metric tons (mmt), down 5 percent from the past week and 10 percent below last year. Total inspections of wheat and corn were down 11 and 14 percent from the past week, but soybean inspections rebounded due to increased shipments to China and Mexico from the Mississippi Gulf. Corn inspections may increase in the coming months due to increases in recent export sales reports. Total grain inspections in the Mississippi Gulf region jumped 14 percent from the past week as the winter wheat harvest intensified and the world demand for soybeans increased.

Snapshots by Sector

Rail

U.S. railroads originated 20,903 [carloads of grain](#) during the week ending July 3, up 15 percent from the previous week, 9 percent from last year, and down 1 percent from the 3-year average.

During the week ending July 10, average [July secondary railcar bids/offers](#) were \$63 above tariff for non-shuttle, \$61 higher than last week. Shuttle rates were \$38 above tariff, \$245 higher than last week.

Ocean

During the week ending July 8, 33 [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, down 2 percent from last year.

During the week ending July 8, the cost of shipping grain from the Gulf to Japan averaged \$51 per mt, down 9 percent from the previous week. The rate from the Pacific Northwest to Japan was \$27 per mt, down 11 percent from the previous week

Barge

During the week ending July 10, [barge grain movements](#) totaled 678,746 tons, 14 percent lower than the previous week and 1 percent lower than the same period last year.

Fuel

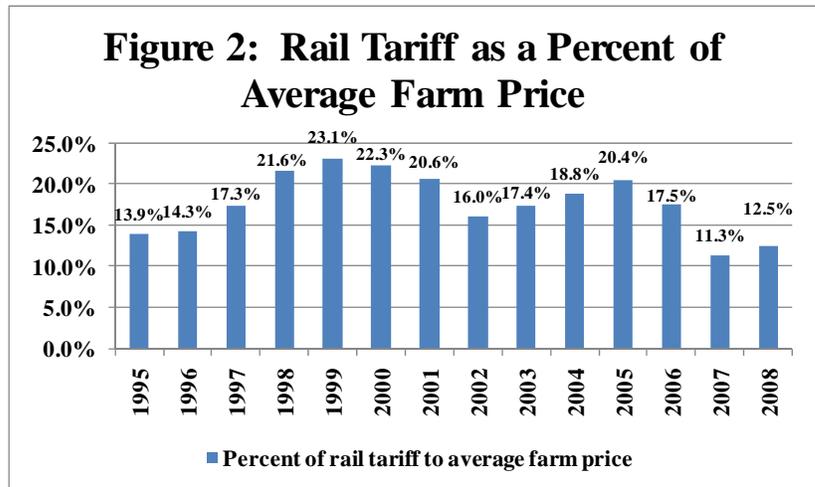
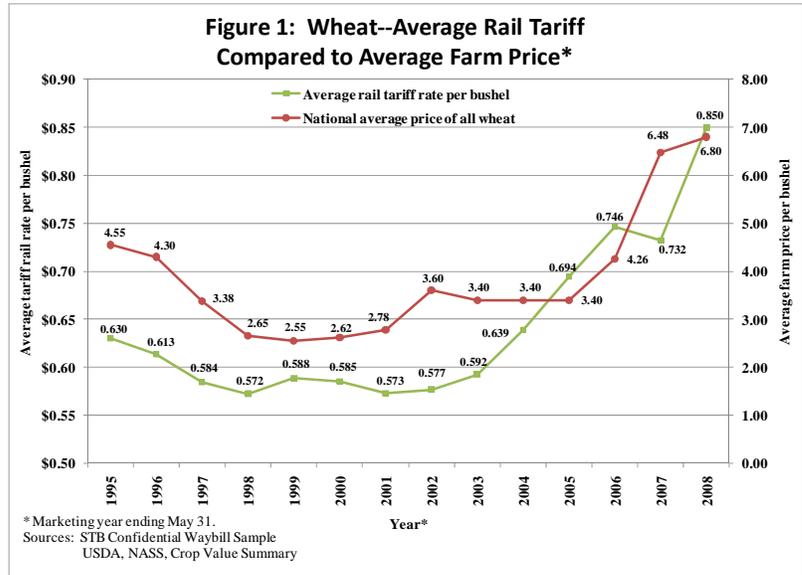
During the week ending July 12, U.S. average [diesel fuel prices](#) decreased 2 cents per gallon to \$2.90—1 percent lower than the previous week, but 14 percent higher than the same week last year.

RAIL RATES AFFECT PRODUCERS' INCOME

Agricultural producers are “price takers” rather than “price makers,” with little control in the short run over the price they receive for their products. They are normally unable to pass cost increases on to customers, and must absorb them because of their lack of market power. Consequently, increases in transportation costs result in decreased producer profit. For agricultural shippers with no cost-effective alternative to rail and located far from markets, rail is the only viable transportation available and the rail rate determines the net price the producer receives.

The costs of rail transportation to market represent a significant percentage of the average on-farm price of grain and oilseeds because they are bulk commodities with a low value in proportion to their weight (see Figure 1).

Average rail tariff rates, which include some of the railroad fuel surcharges since 2001, vary as a percent of the average U.S. farm price of wheat¹. In 2007, when wheat prices were high due to a shortfall of wheat production in competing countries, the average rail tariff rate was 11.3 percent of the average on-farm price (see Figure 2). In 1999, when wheat prices were low, the average rail tariff rate was 23.1 percent of the on-farm price. Rail transportation costs for individual movements of agricultural products have been as much as 40 percent of the delivered price. Lower prices and incomes from transportation inefficiencies hinder farmers from borrowing funds to purchase fertilizer, seed, and machinery, reducing economic prosperity in rural areas. Higher transportation cost also affects the

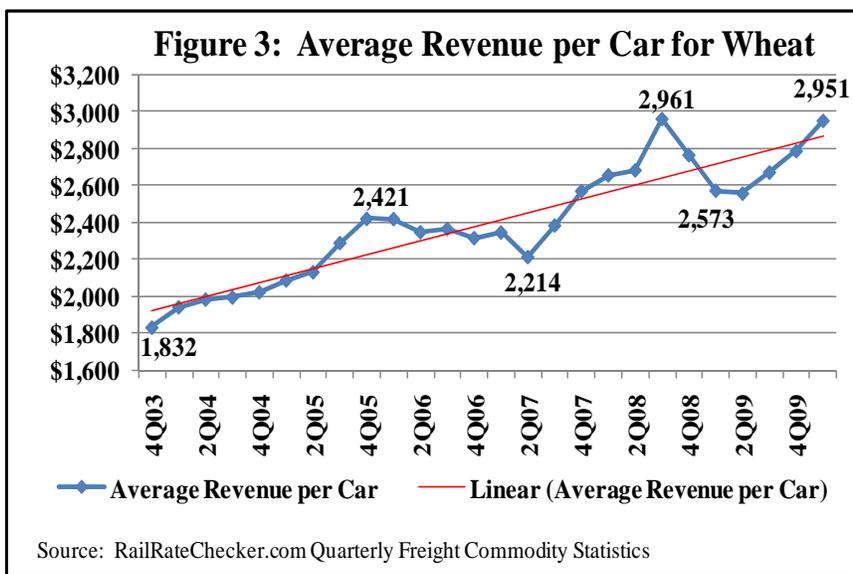


¹ Some railroads report fuel surcharges as freight revenue; other railroads report fuel surcharges as miscellaneous income which is not included in freight revenue.

competitive position of U.S. agricultural products in highly competitive export markets. The rates agricultural shippers pay for rail transportation can facilitate or inhibit American competitiveness in world agricultural markets.

Despite concerns regarding rapidly increasing rail transportation rates since 2004, rates for land transportation of agricultural commodities in the United States remain among the lowest in the world. Figure 2 shows that the rail transportation rates during 2007, as a percentage of the price of a bushel of wheat, was at a 14-year low.

Average rail revenue per carload of wheat has increased from \$1,832 in the fourth quarter 2003 to \$2,951 in the first quarter 2010, an increase of 61 percent (see Figure 3). On average, rail revenues have increased by 2 percent per quarter since 2004, driven primarily by higher costs due to rail congestion and fuel costs. The economic recession, which began in December 2007, has eliminated rail congestion as a rate factor since 2008.



The rail revenue per carload in the first quarter 2010 is slightly less than that in the third quarter 2008, when high fuel surcharges drove rail rate increases. From the third quarter 2008 to the first quarter 2010, fuel surcharges have decreased 64 percent, indicating that much of the revenue increases in the past year have resulted from tariff rate increases. Rail revenues per carload have increased nearly 15 percent since the first quarter 2009.

For the 2010/2011 marketing year, rail capacity has been available to transport the wheat crop in an efficient manner. Covered hopper supply has been adequate; railroads report that some covered hoppers still remain in storage. Consequently, rail service has generally been timely.

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Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators¹

Week ending	Truck	Rail ²	Barge	Ocean	
				Gulf	Pacific
07/14/10	195	137	216	228	191
07/07/10	196	103	181	250	216

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)

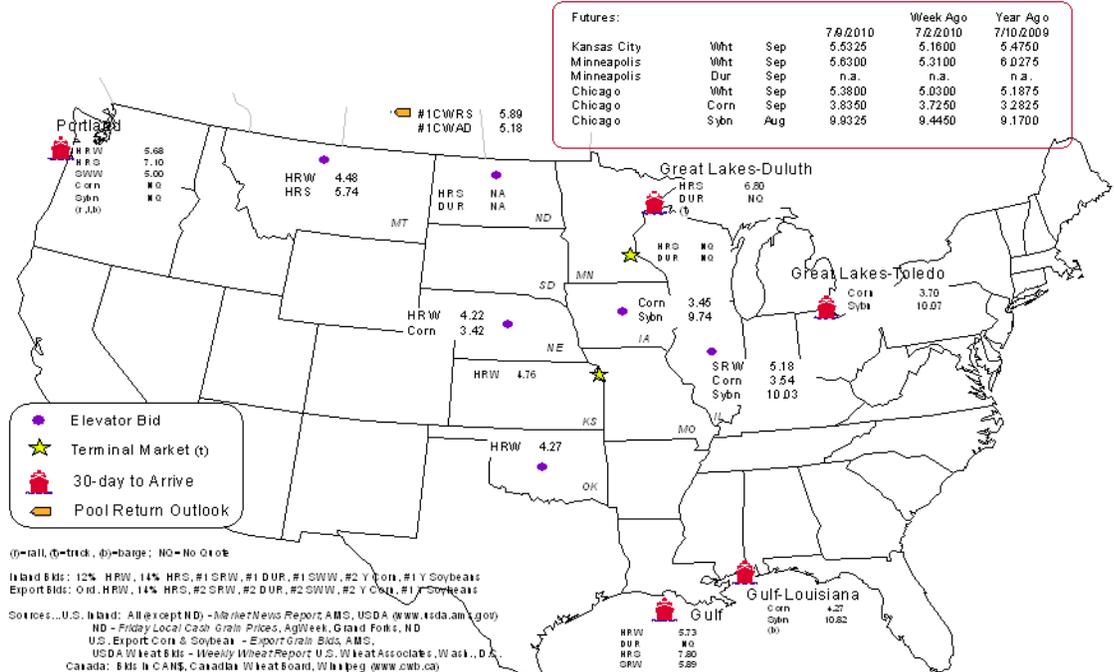
Commodity	Origin--Destination	7/9/2010	7/2/2010
Corn	IL--Gulf	-0.73	-0.70
Corn	NE--Gulf	-0.85	-0.80
Soybean	IA--Gulf	-1.08	-0.98
HRW	KS--Gulf	-0.97	-0.93
HRS	ND--Portland	n/a	-1.61

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		Cross-Border	Pacific	Atlantic &	Total
	Gulf	Texas Gulf	Mexico	Northwest	East Gulf	
7/07/2010 ^p	5	1,238	388	2,541	93	4,265
6/30/2010 ^r	214	849	806	3,031	185	5,085
2010 YTD	8,335	35,155	24,423	87,843	17,490	173,246
2009 YTD	13,401	22,439	21,696	83,648	13,725	154,909
2010 YTD as % of 2009 YTD	62	157	113	105	127	112
Last 4 weeks as % of 2009 ²	216	183	103	98	27	106
Last 4 weeks as % of 4-year avg. ²	30	62	114	72	34	69
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.

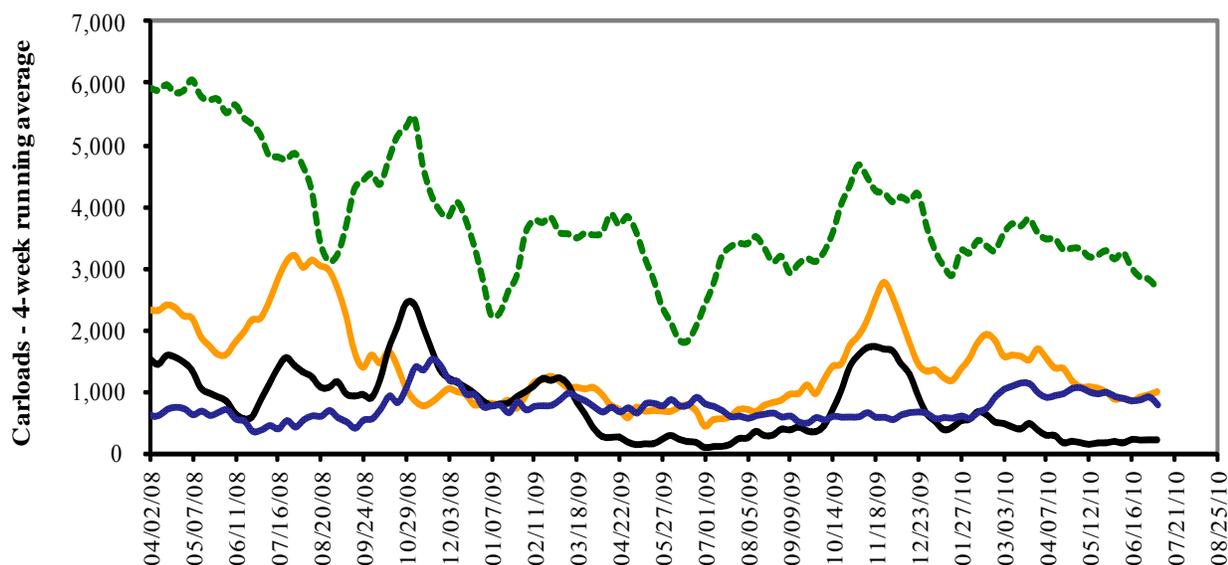
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

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



- - - Pacific Northwest: 4 Wks. ending 7/07-- down 2% from same period last year; down 28% from 4-year average
— Texas Gulf: 4 wks. ending 7/07-- up 83% from same period last year; down 38% from 4-year average
— Miss. River: 4 wks. ending 7/07 -- up 116% from same period last year; down 70% from 4-year average
— Cross-border Mexico: 4 wks. ending 7/07 -- up 3% from same period last year; up 14% from 4-year average

Source: Transportation & Marketing Programs/AMS/USDA

Table 4

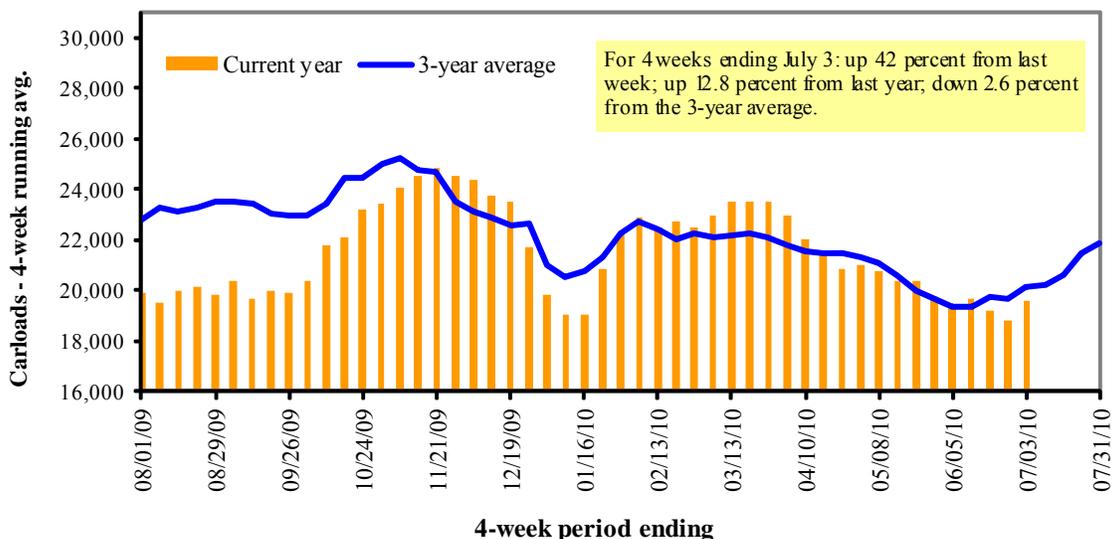
Class I Rail Carrier Grain Car Bulletin (grain carloads originated)

Week ending	East		West			U.S. total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
07/03/10	2,116	3,171	9,411	733	5,472	20,903	3,721	3,329
This week last year	2,026	2,478	9,292	422	5,031	19,249	3,370	6,535
2010 YTD	58,045	79,493	260,055	19,577	136,528	553,698	102,187	4,819
2009 YTD	56,059	67,620	217,789	17,749	120,525	479,742	105,484	0,032
2010 YTD as % of 2009 YTD	104	118	119	110	113	115	97	96
Last 4 weeks as % of 2009 ¹	105	109	117	122	109	113	85	76
Last 4 weeks as % of 3-yr avg. ¹	82	99	101	121	95	97	86	90
Total 2009	105,278	142,254	483,618	36,912	268,811	1,036,873	270,871	8,997

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							
	Jul-10	Jul-09	Aug-10	Aug-09	Sep-10	Sep-09	Oct-10	Oct-09
BNSF ³								
COT grain units	13	no offer	3	1	no offer	1	15	1
COT grain single-car ⁵	1 . . 101	no offer	67 . . 121	3 . . 20	277	1 . . 11	3 . . 10	0
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	1	1	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.

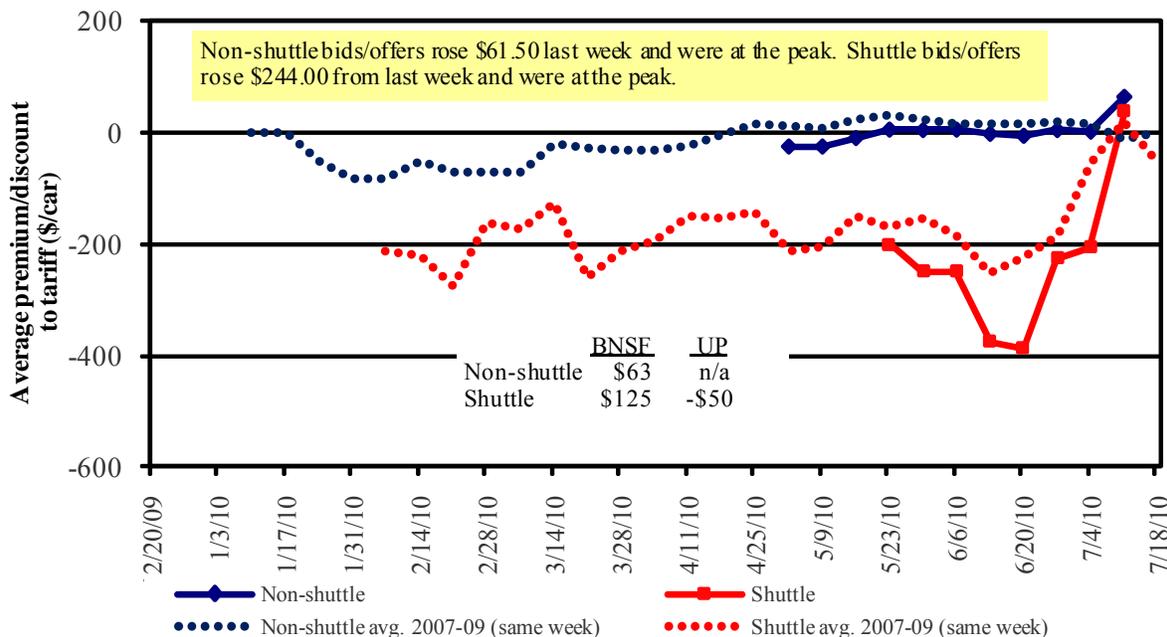
⁵Range is shown because average is not available. Not available = n/a.

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 July 2010, Secondary Market

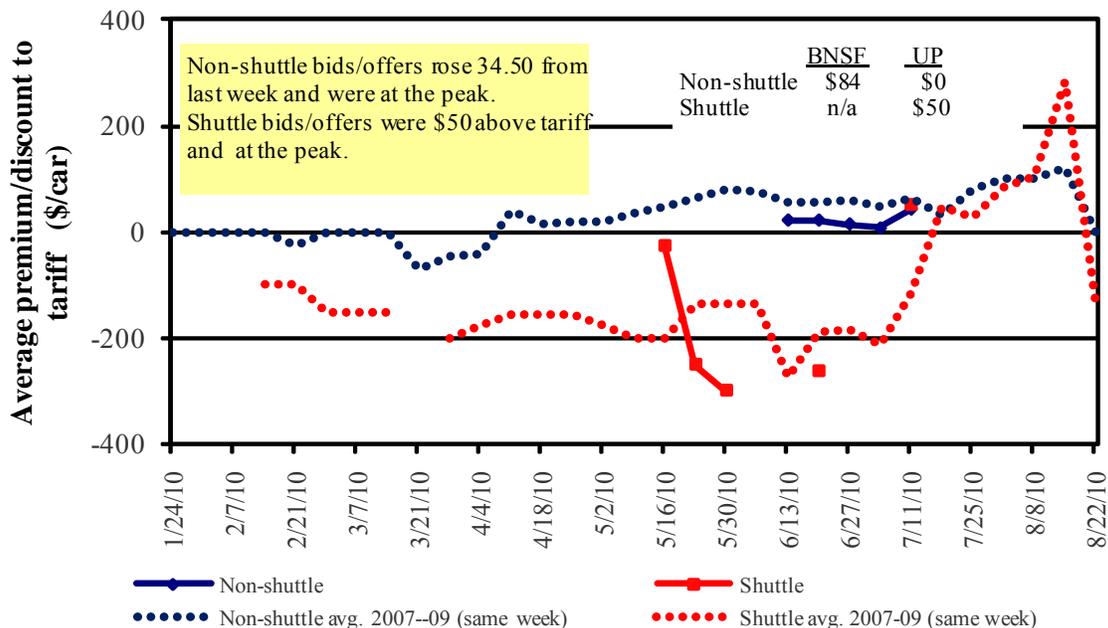


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

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

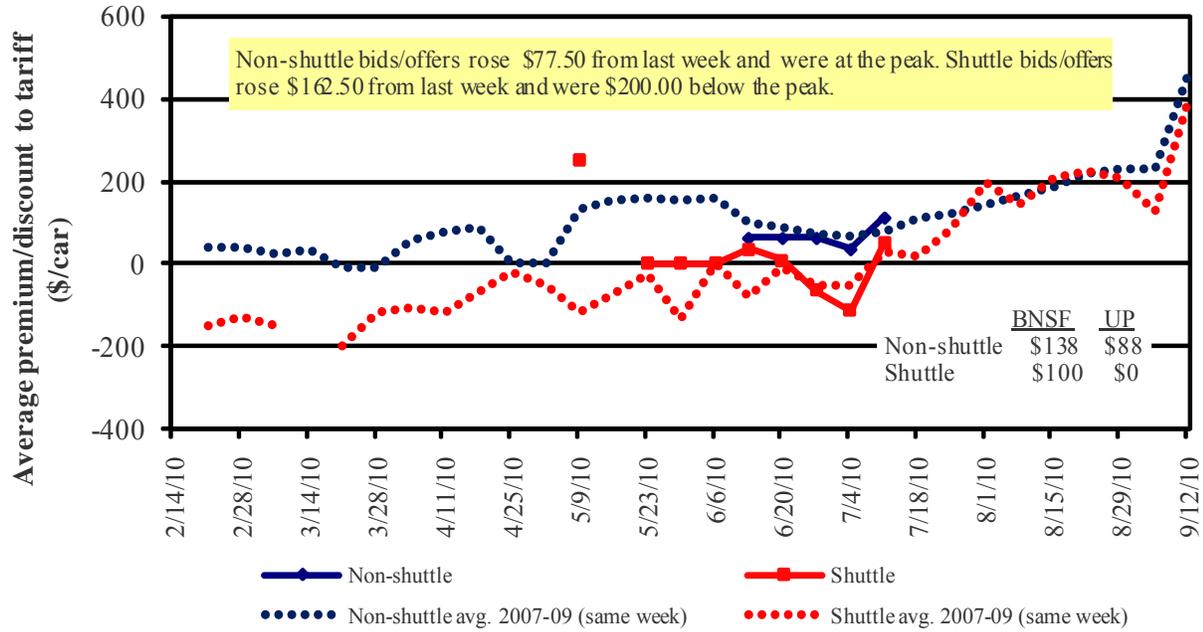


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

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					
	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10
Non-shuttle						
BNSF-GF	63	84	138	n/a	n/a	n/a
Change from last week	60	74	143	n/a	n/a	n/a
Change from same week 2009	58	76	148	n/a	n/a	n/a
UP-Pool	n/a	0	88	175	n/a	n/a
Change from last week	n/a	-5	12	0	n/a	n/a
Change from same week 2009	n/a	-10	63	n/a	n/a	n/a
Shuttle²						
BNSF-GF	125	n/a	100	400	313	n/a
Change from last week	325	n/a	300	n/a	13	n/a
Change from same week 2009	70	n/a	n/a	175	313	n/a
UP-Pool	-50	50	0	n/a	n/a	n/a
Change from last week	163	n/a	25	n/a	n/a	n/a
Change from same week 2009	-250	150	-50	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:		Origin region	Destination region	Tariff rate/car	Fuel surcharge per car	Tariff plus surcharge per:		Percent change Y/Y ³
7/1/2010	metric ton					bushel ²		
<u>Unit train¹</u>								
Wheat	Chicago, IL	Albany, NY	\$2,622	\$132	\$30.36	\$0.83	7	
	Kansas City, MO	Galveston, TX	\$2,828	\$165	\$32.99	\$0.90	12	
	South Central, KS	Galveston, TX	\$3,805	\$323	\$45.50	\$1.24	12	
	Minneapolis, MN	Houston, TX	\$3,799	\$654	\$49.09	\$1.34	14	
	St. Louis, MO	Houston, TX	\$3,715	\$160	\$42.71	\$1.16	13	
	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	7	
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	
<u>Shuttle Train</u>								
Wheat	St. Louis, MO	Houston, TX	\$2,942	\$160	\$34.19	\$0.93	11	
	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	

¹A unit train refers to shipments of at least 25 cars. Shuttle train rates are available for qualified shipments of 90-110 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: 7/5/2010

Commodity	Origin state	Destination region	Tariff rate/car ¹	Fuel	Tariff plus surcharge per:		Percent change Y/Y ⁴
				surcharge per car ²	metric ton ³	bushel ³	
Wheat	MT	Chihuahua, CI	\$6,291	\$773	\$72.18	\$1.96	12
	OK	Cautitlan, EM	\$5,857	\$588	\$65.85	\$1.79	13
	KS	Guadalajara, JA	\$6,436	\$867	\$74.62	\$2.03	18
	TX	Salinas Victoria, NL	\$3,292	\$198	\$35.66	\$0.97	12
Corn	IA	Guadalajara, JA	\$6,670	\$839	\$76.72	\$2.09	13
	SD	Penjamo, GJ	\$6,440	\$979	\$75.80	\$2.06	9
	NE	Queretaro, QA	\$6,130	\$593	\$68.69	\$1.87	6
	SD	Salinas Victoria, NL	\$4,570	\$736	\$54.21	\$1.47	3
	MO	Tlalnepantla, EM	\$5,318	\$577	\$60.24	\$1.64	7
	SD	Torreon, CU	\$5,330	\$814	\$62.78	\$1.71	7
Soybeans	MO	Bojay (Tula), HG	\$6,066	\$745	\$69.59	\$1.89	13
	NE	Guadalajara, JA	\$6,550	\$820	\$75.30	\$2.05	14
	IA	Penjamo (Celaya), GJ	\$6,690	\$989	\$78.46	\$2.13	13
	KS	Torreon, CU	\$5,255	\$558	\$59.39	\$1.61	12
Sorghum	OK	Cautitlan, EM	\$4,339	\$735	\$51.84	\$1.41	8
	TX	Guadalajara, JA	\$5,350	\$758	\$62.41	\$1.70	19
	NE	Penjamo, GJ	\$6,395	\$771	\$73.22	\$1.99	11
	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	\$596	\$59.63	\$1.62	10

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.

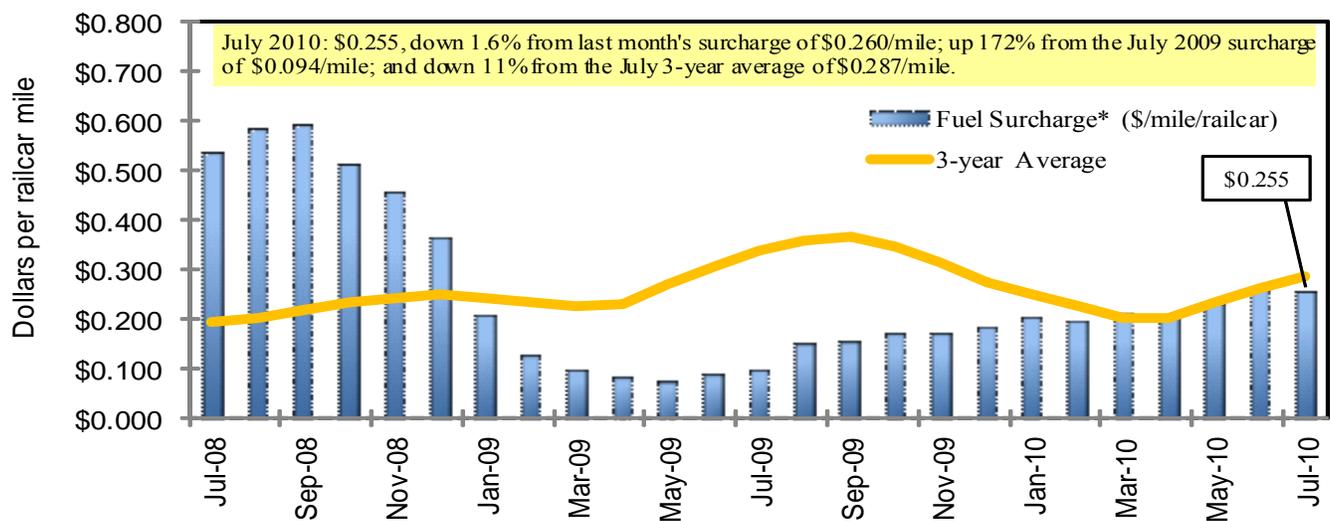
²Fuel surcharge adjusted to reflect the change in Ferrocarril Mexicano, S.A. de C.V. railroad fuel surcharge policy as of 10/01/2009

³Approximate load per car = 97.87 metric tons: Corn & Sorghum 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

⁴Percentage 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.

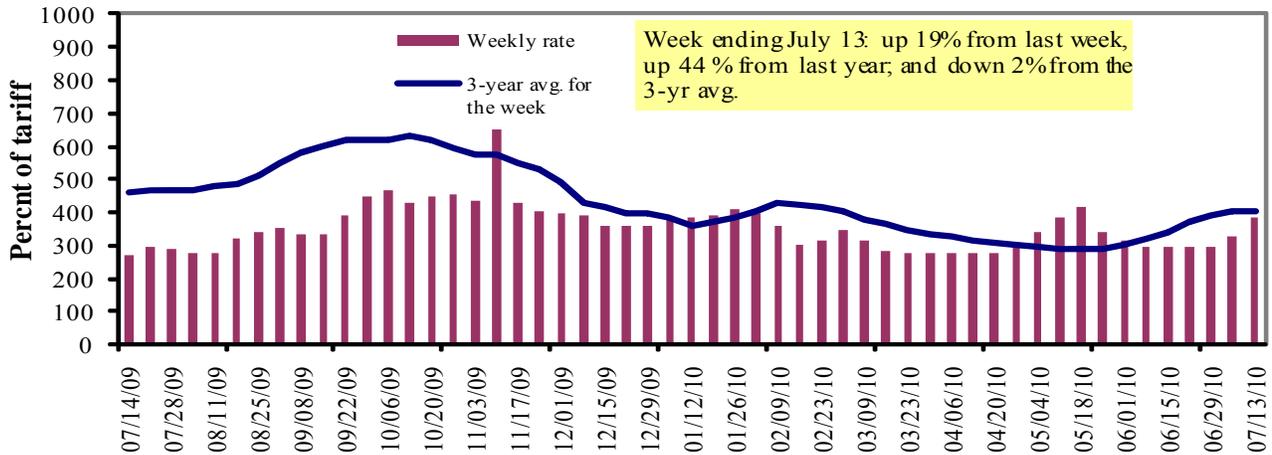
* Mileage-based fuel surcharges for March and April 2007 are estimated. Beginning January 2009, the Canadian Pacific fuel surcharge is computed by a monthly average of the bi-weekly fuel surcharge.

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

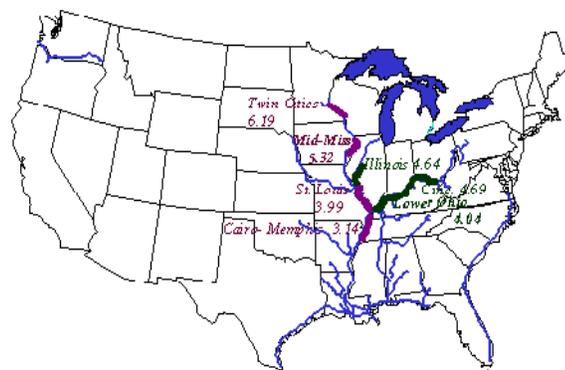
Weekly Barge Freight Rates: Southbound Only

		Twin Cities	Mid- Mississippi	Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo- Memphis
Rate¹	7/13/2010	459	391	388	294	303	303	268
	7/6/2010	405	330	325	224	249	249	203
\$/ton	7/13/2010	28.41	20.80	18.00	11.73	14.21	12.24	8.42
	7/6/2010	25.07	17.56	15.08	8.94	11.68	10.06	6.37
Current week % change from the same week:								
	Last year	32	39	44	54	50	50	47
	3-year avg. ²	1	-4	-2	-3	-8	-8	1
Rate¹	August	475	431	429	403	413	413	395
	October	574	553	550	518	548	548	500

¹Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); ²4-week moving average; ton = 2,000 pounds.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 9
Benchmark tariff rates



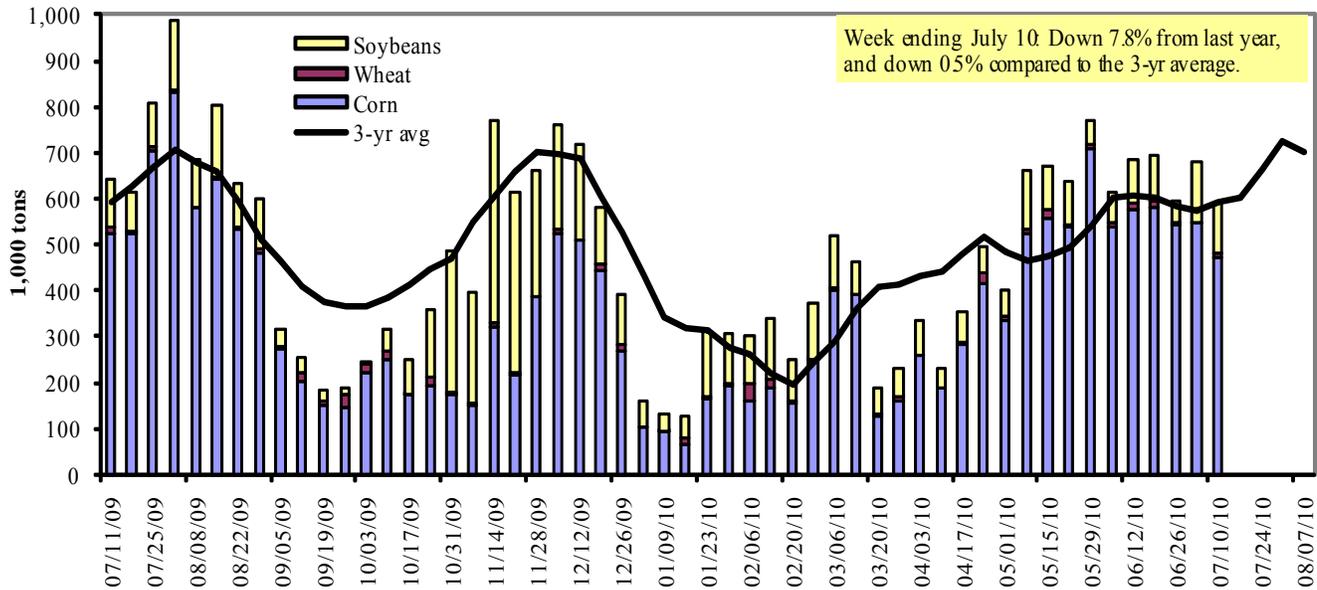
Calculating barge rate per ton:

(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 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/webprts/default.asp)

Table 10

Barge Grain Movements (1,000 tons)

Week ending 7/10/2010	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	144	5	34	0	183
Winfield, MO (L25)	292	8	57	0	357
Alton, IL (L26)	471	8	107	0	586
Granite City, IL (L27)	475	8	108	0	591
Illinois River (L8)	172	0	16	0	188
Ohio River (L52)	36	6	16	0	58
Arkansas River (L1)	1	17	12	0	30
Weekly total - 2010	512	31	137	0	679
Weekly total - 2009	535	34	117	0	687
2010 YTD ¹	12,535	626	4,546	254	17,961
2009 YTD	12,871	791	5,020	244	18,926
2010 as % of 2009 YTD	97	79	91	104	95
Last 4 weeks as % of 2009 ²	86	64	79	77	83
Total 2009	23,424	1,501	10,465	430	35,819

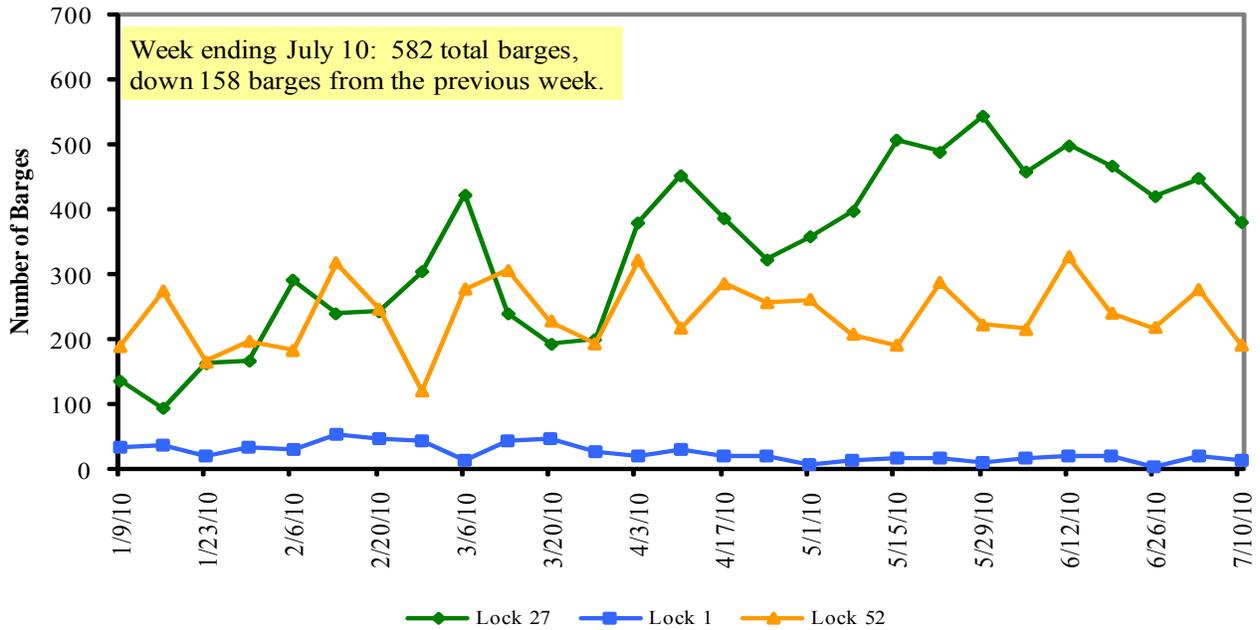
¹ Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

² As a percent of same period in 2009.

Note: Total may not add exactly, due to rounding

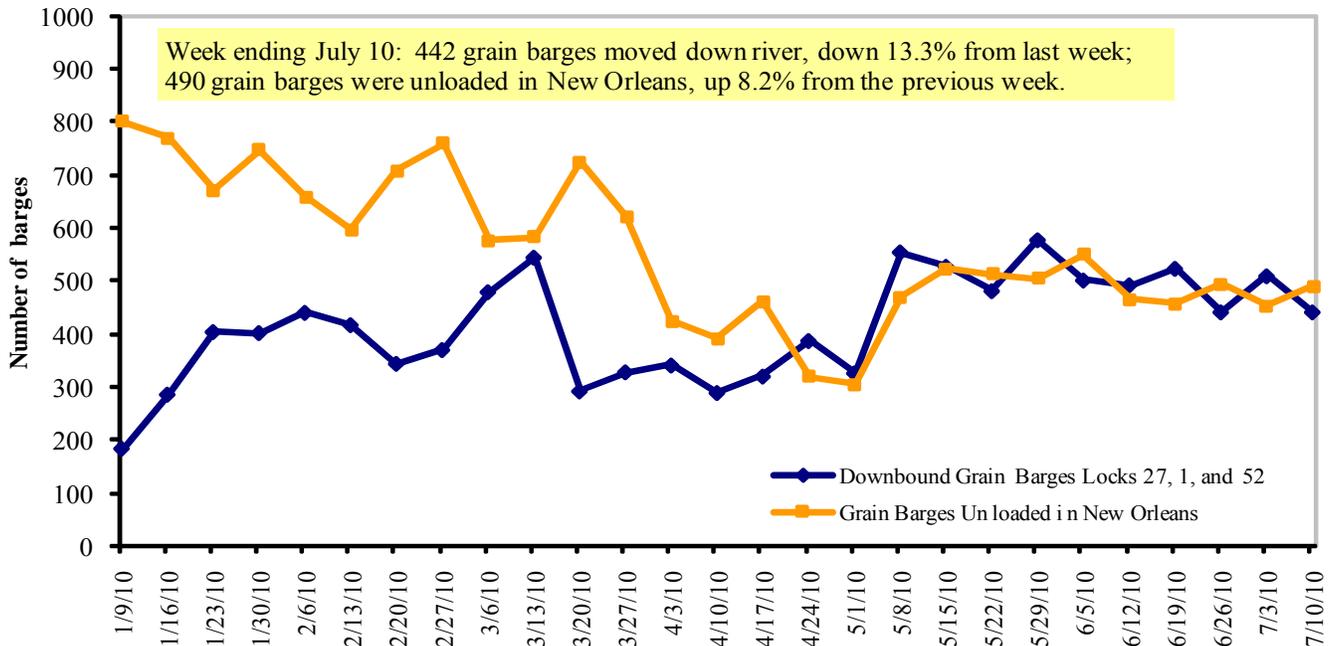
Source: U.S. Army Corps of Engineers (www.mvr.usace.army.mil/mvrirmi/omni/webprts/default.asp)

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 7/12/2010 (US\$/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	2.921	-0.023	0.362
	New England	3.017	-0.016	0.394
	Central Atlantic	3.022	-0.033	0.359
	Lower Atlantic	2.869	-0.020	0.361
II	Midwest ²	2.865	-0.025	0.353
III	Gulf Coast ³	2.857	-0.009	0.363
IV	Rocky Mountain	2.912	-0.016	0.293
V	West Coast	3.057	-0.020	0.416
	California	3.123	-0.009	0.396
Total	U.S.	2.903	-0.021	0.361

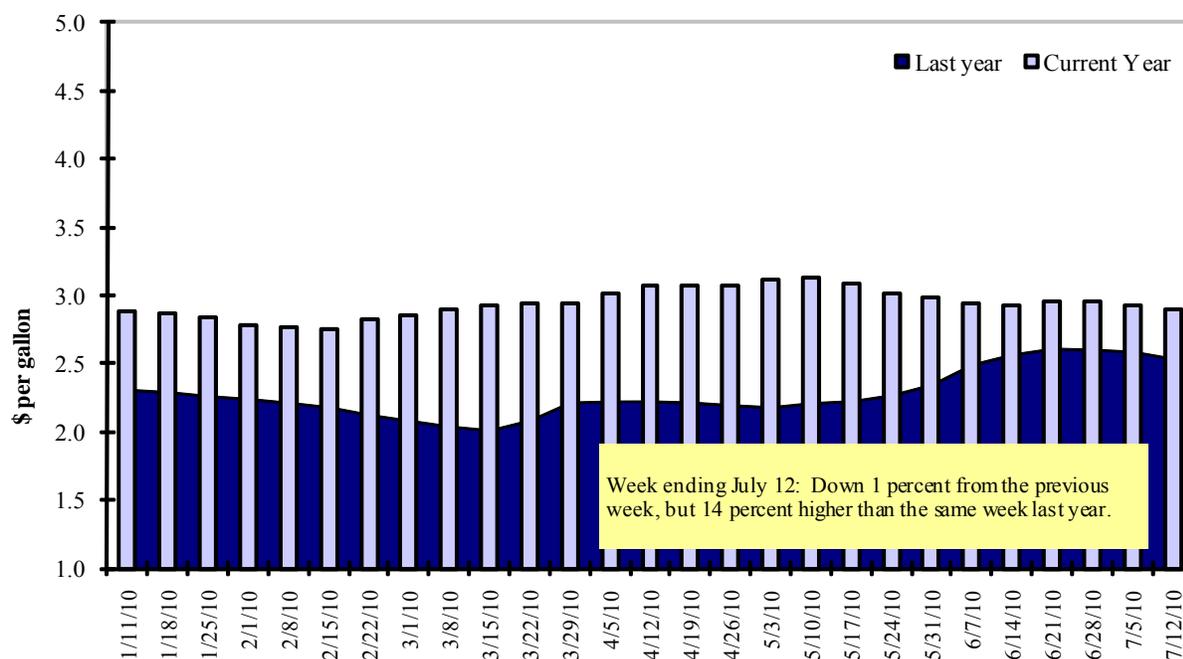
¹Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

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									
7/1/2010	2,066	540	1,013	959	280	4,858	9,860	2,452	17,170
This week year ago	1,093	462	896	785	185	3,422	9,266	3,202	15,890
Cumulative exports-marketing year²									
2009/10 YTD	792	212	453	433	37	1,927	39,348	37,097	78,372
2008/09 YTD	524	193	338	419	54	1,527	35,714	31,127	68,368
YTD 2009/10 as % of 2008/09	151	110	134	103	69	126	110	119	115
Last 4 wks as % of same period 2008/09	188	113	111	130	138	142	112	70	110
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 Importers¹ of U.S. Corn

Week ending 07/01/10	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	252	14,645	15,178	(4)	15,910
Mexico	808	7,867	7,073	11	7,454
Korea	288	7,711	4,782	61	5,129
Taiwan	0	2,988	3,413	(12)	3,198
Egypt	0	2,699	2,039	32	2,233
Top 5 importers	1,348	35,910	32,485	11	33,924
Total US corn export sales	2,227	49,208	44,980	9	45,214
% of Projected	4%	99%	95%		
Change from Last Week	325	501	749		
Top 5 importers' share of U.S. corn export sales	61%	73%	72%		
USDA forecast, July 2010	50,800	49,530	47,180	5	
Corn Use for Ethanol USDA forecast, Ethanol July 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 Importers¹ of U.S. Soybeans

Week ending 07/01/10	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 -
China	4,083	22,500	18,853	19	18,681
Mexico	130	3,122	2,999	4	3,098
Japan 5	7	2,369	2,512	(6)	2,410
EU-25	0	2,698	2,180	24	2,180
Taiwan	0	1,565	1,528	2	1,592
Top 5 importers	4,270	32,254	28,072	15	27,961
Total US soybean export sales	5,501	39,549	34,329	15	
% of Projected	15%	100%	98%		
Change from last week	602	263	287		
Top 5 importers' share of U.S. soybean export sales	78%	82%	82%		
USDA forecast, July 2010	37,290	39,740	34,930	14	
Soybean Use for Biodiesel USDA forecast, July 2010	6,954	5,275	4,573	15	

(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 07/01/2010	Total Commitments ²		% change current MY from last MY	Exports ³ 2009/10
	2010/11 Current MY	2009/10 Last MY		
	- 1,000 mt -			- 1,000 mt -
Nigeria	916	589	55	3,233
Japan	770	470	64	3,148
Mexico	835	520	61	1,975
Philippines	801	543	48	1,518
Korea, South	457	432	6	1,111
Taiwan	104	255	(59)	844
Venezuela	140	124	13	658
Colombia	208	143	45	575
Peru	301	126	139	567
Indonesia	82	94	(13)	529
Top 10 importers	4,614	3,296	40	14,156
Total US wheat export sales	6,785	4,949	37	23,540
% of Projected	25%	21%		
Change from last week	514	584		
Top 10 importers' share of U.S. wheat export sales	68%	67%		
USDA forecast, July 2010	27,220	23,540	16	

(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 07/08/10	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	117	5,571	5,068	110	156	189	10,091
Corn	183	5,175	4,261	121	96	83	8,498
Soybeans	0	4,400	4,071	108	22	19	9,743
Total	300	15,146	13,400	113	102	98	28,332
Mississippi Gulf							
Wheat	60	1,945	2,085	93	112	53	4,019
Corn	578	15,524	15,507	100	97	106	28,843
Soybeans	159	9,000	10,243	88	41	57	21,831
Total	797	26,469	27,836	95	83	90	54,693
Texas Gulf							
Wheat	191	3,952	2,801	141	108	75	5,735
Corn	27	964	846	114	32	42	1,968
Soybeans	0	667	472	141	n/a	n/a	2,402
Total	218	5,582	4,119	136	91	70	10,105
Great Lakes							
Wheat	26	244	135	180	78	66	990
Corn	0	31	104	29	0	0	353
Soybeans	0	0	69	0	0	0	781
Total	26	274	309	89	26	26	2,124
Atlantic							
Wheat	0	160	276	58	44	23	552
Corn	0	195	89	218	150	125	472
Soybeans	0	693	428	162	44	101	1,268
Total	0	1,047	794	132	61	39	2,292
U.S. total from ports²							
Wheat	393	11,872	10,366	115	125	97	21,387
Corn	788	21,888	20,808	105	93	96	40,134
Soybeans	160	14,760	15,284	97	36	44	36,025
Total	1,341	48,520	46,458	104	88	87	97,546

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

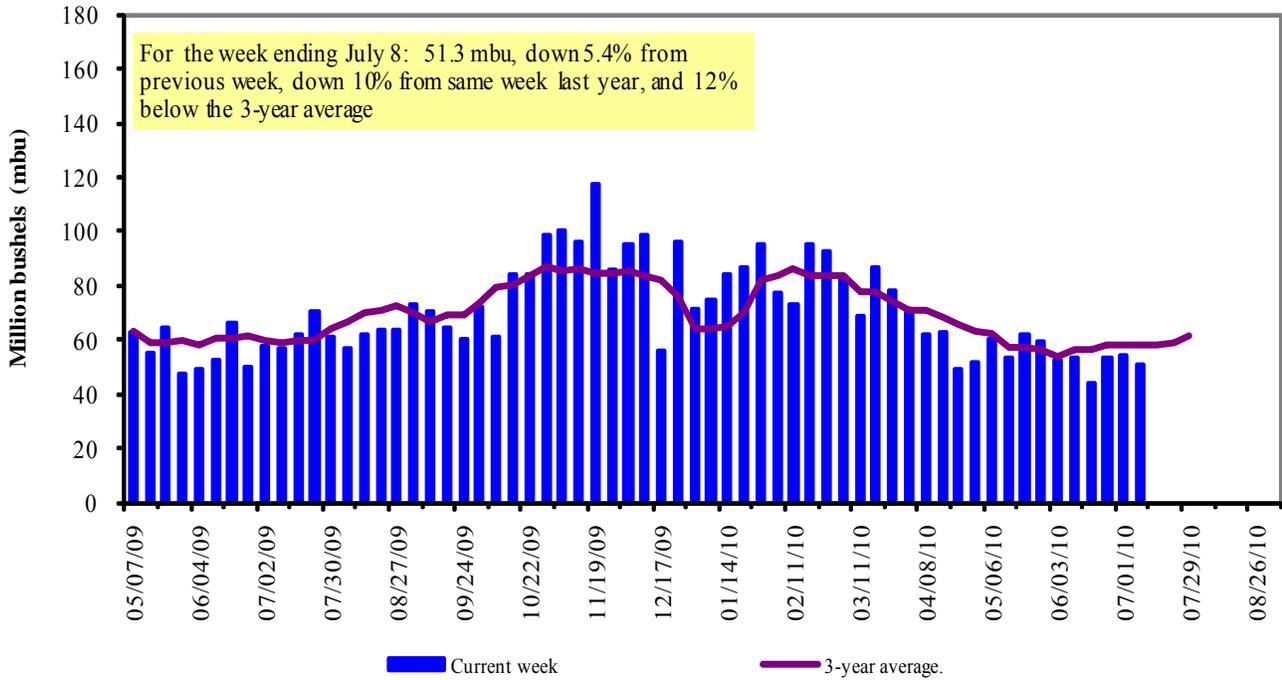
² Total includes only port regions shown above

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)

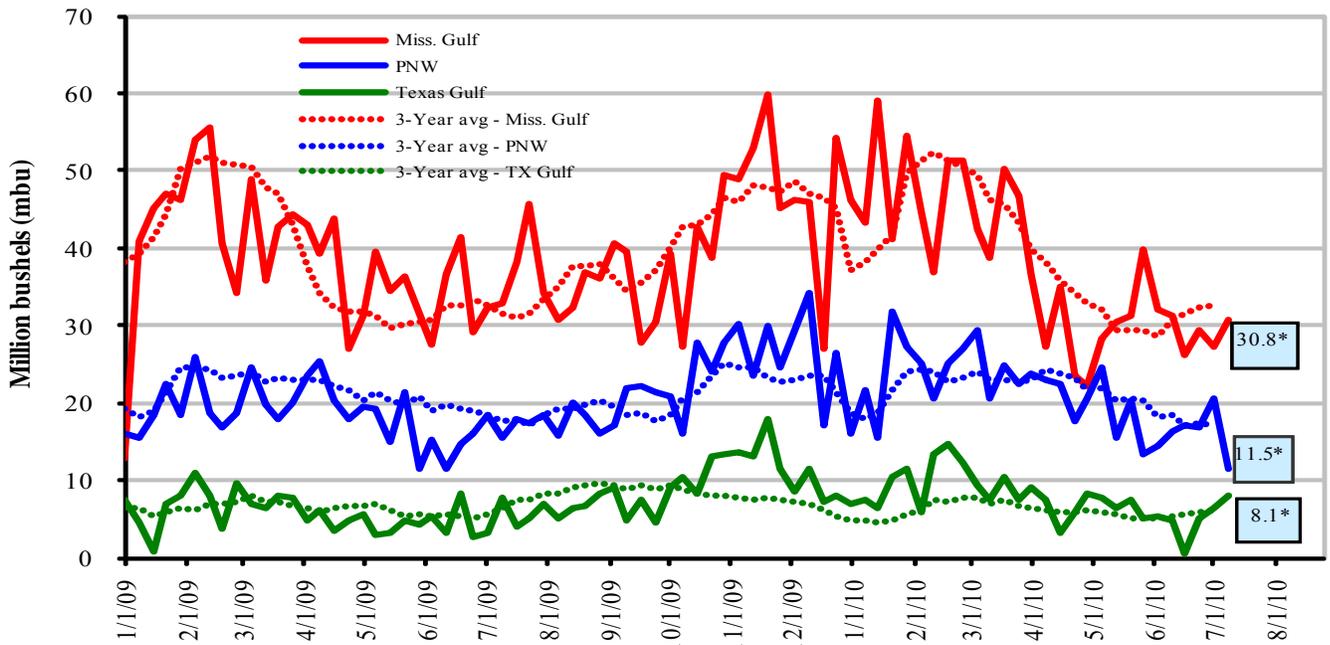


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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.

July 8, % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	up 13	up 28	up 16	down 44
Last year (same week)	down 7	up 5.4	down 4.4	down 26
3-yr avg. (4-wk mov. avg.)	up 2.2	up 14	up 0.8	down 29

Ocean Transportation

Table 17

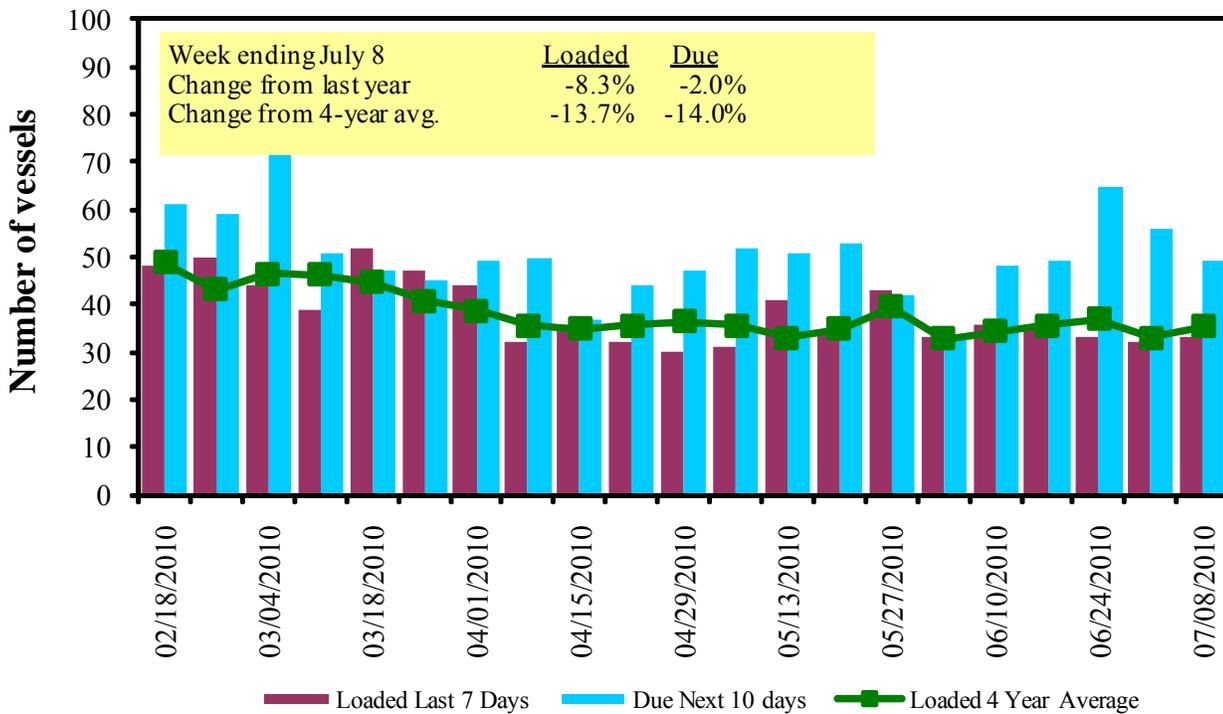
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In port	Loaded 7-days	Due next 10-days	In port	In port
7/8/2010	33	33	49	6	9
7/1/2010	28	32	56	6	4
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

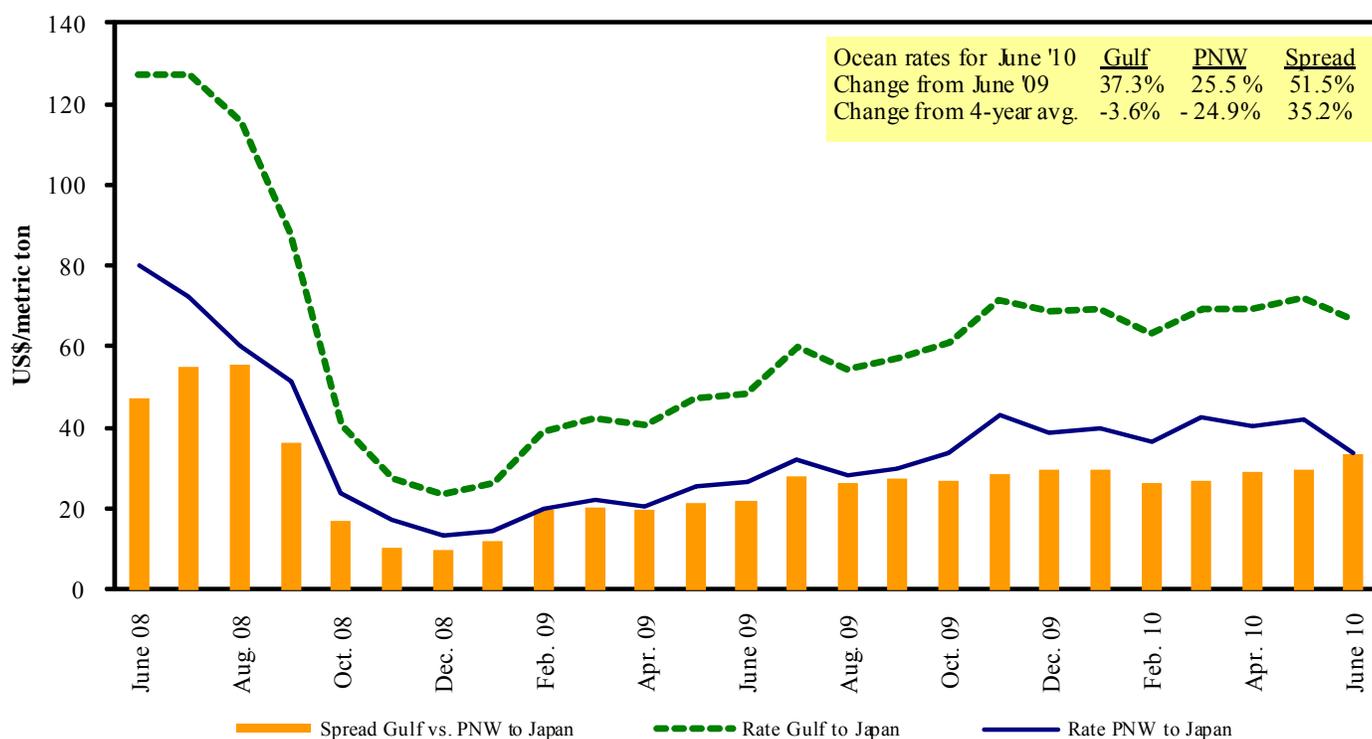


Source: Transportation & Marketing Programs/AMS/USDA

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 7/10/2010

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US\$/metric ton)
U.S. Gulf	China	Heavy Grain	July 15/30	55,000	59.00
U.S. Gulf	South Africa	Wheat	Jun 28/30	25,000	57.50
U.S. Gulf	South Africa	Wheat	July 1/10	25,000	56.00
U.S. Atlantic	Poland	Soybeans	Mar 9/15	24,000	50.00
U.S. PNW	Bangladesh ¹	Wheat	Aug 20/30	24,590	92.00
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	Jun 25/30	25,000	29.00
France	Algeria	Wheat	Jul 5/10	25,000	25.50
River Plate	Algeria	Soybeanmeal	July 1/10	25,000	56.00
River Plate	Algeria	Soybeanmeal	May 28/31	25,000	69.00

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

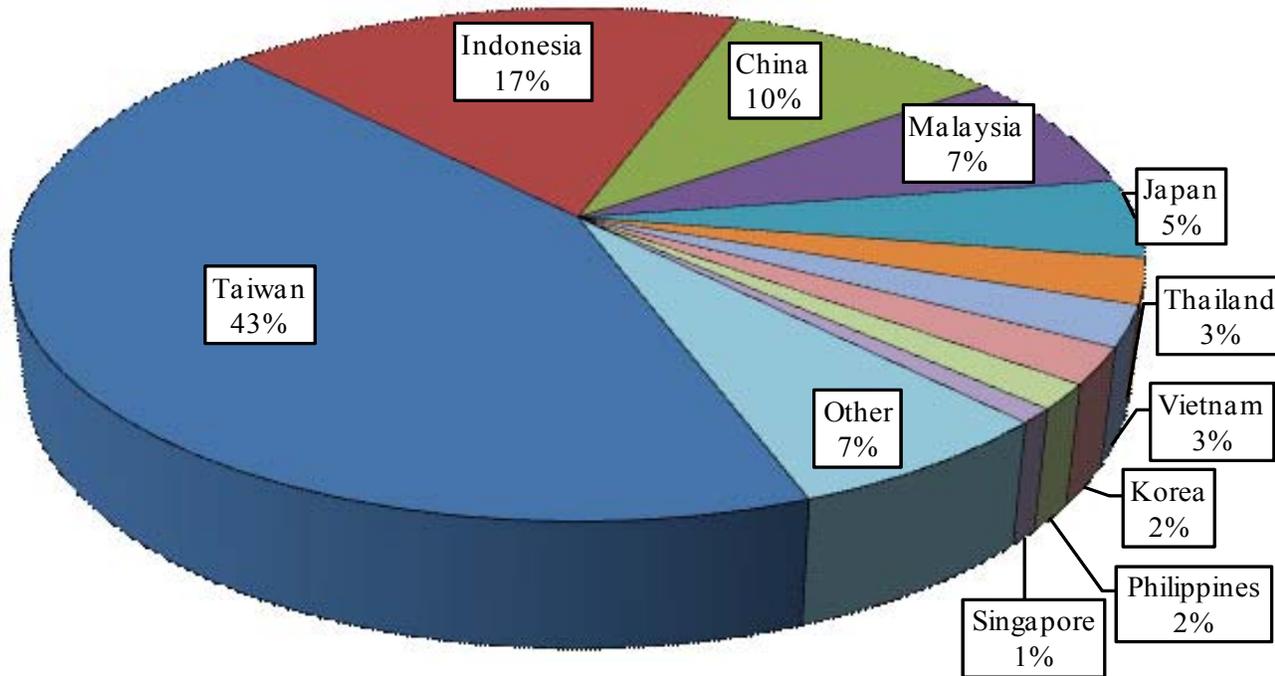
¹75 percent of food aid from the United States is required to be shipped on U.S.-flag vessels.

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

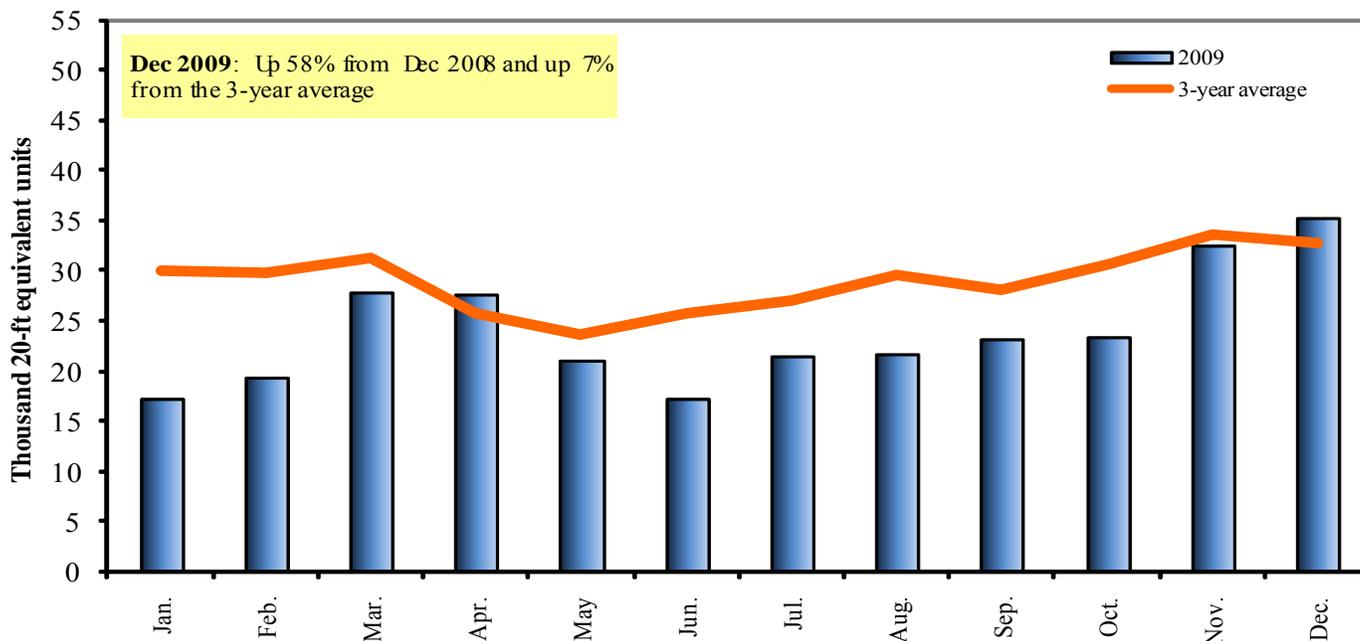
Top 10 Destination Markets for U.S. Containerized Grain Exports, December 2009



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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