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Transportation and Marketing Programs/Transportation Services Division
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July 29, 2010

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WEEKLY HIGHLIGHTS

Grain Rail Volumes Improve Over 2009, but are Short of the Record Levels of 2008

According to the Association of American Railroad's *Weekly Railroad Traffic*, U.S. Class I railroads moved 593,964 railcars of grain in the first 28 weeks of 2010, which ended July 17 (**Table 4**). This is up 15 percent from 2009, when a slowdown caused by the recession and low commodity prices depressed shipments. While 2010 rail carloadings are significantly higher than last year, they are 12 percent below 2008, when nearly all Class I railroads set volume records for grain movements. Weekly rail shipments of grain are expected to increase through the rest of the year as wheat harvest picks up and the fall harvest season for corn and soybeans begins.

White House Office of Management and Budget Begins Review of Proposed Hours of Service Rule

On July 26, OMB received a draft notice of proposed rulemaking regarding drivers' hours of service, for a 90-day review. The OMB review is part of the October 26, 2009 settlement agreement between Public Citizen and the Federal Motor Carrier Safety Administration (FMCSA). The agreement delays judicial review of the current hours of service rule, pending publication of a new notice of proposed rulemaking in the Federal Register in late October 2010. Public Citizen objects to an 11th hour of driving during a 14-hour maximum on duty period. They also object to the ability of drivers to restart a 7 or 8 consecutive day period of 60 or 70 hours maximum on-duty time after taking 34 or more consecutive hours off duty.

Weekly Corn Export Inspections Increase; Total Grain Inspections Down

Inspections of grain (corn, wheat, and soybeans) from all major U.S. export regions for the week ending July 22 totaled 1.62 million metric tons (mmt), down 10 percent from the past week and 11 percent below last year. A 14 percent weekly jump in corn inspections (1.05 mmt) was not enough to offset a decrease in the weekly soybean and wheat inspections. Corn inspections also continued above the 4-week and 3-year averages for the fourth consecutive week as shipments to Asia and Egypt remained strong. Pacific Northwest corn inspections increased 35 percent from the past week and 37 percent above last year, while the Mississippi Gulf corn inspections increased slightly.

Scrap Rate of Older Railcars Has Increased

As scrap metal prices rise with a global economic recovery, railcar owners are retiring older railcars rather than refurbishing them. The annual scrap rate is usually 2 to 3 percent of the railcar fleet, but was 4.6 percent in 2009 (72,000 railcars) and is expected to be 5.7 percent in 2010 (85,000 railcars). Railcars that are being retired include boxcars, covered hoppers, coal hoppers, tank cars, gondolas, and some intermodal cars. The higher scrap rates combined with the recent lack of new car orders and low production levels could lead to railcar shortages when transportation demand increases.

Snapshots by Sector

Rail

U.S. railroads originated 19,941 **carloads of grain** during the week ending July 17, down 2 percent from the previous week, 6 percent higher than last year and 8 percent lower than the 3-year average.

During the week ending July 24, average **August secondary railcar bids/offers** were $199 above tariff for non-shuttle, $115 higher than last week. Shuttle rates were $112 above tariff, $38 lower than last week.

Ocean

During the week ending July 22, 37 **ocean-going grain vessels** were loaded in the Gulf, down 16 percent from last year. Forty-six vessels are expected to be loaded in the U.S. Gulf within the next 10 days, up 15 percent from last year.

During the week ending July 23, the cost of shipping grain from the Gulf to Japan averaged $57.50 per mt, up 3 percent from the previous week. The rate from the Pacific Northwest to Japan was $32 per mt, up 3 percent from the previous week.

Barge

During the week ending July 24, **barge grain movements** totaled 871,243 tons, 10 percent higher than the previous week but less than 1percent lower than the same period last year.

Fuel

During the week ending July 26, U.S. average **diesel fuel prices** increased 2 cents per gallon to $2.92—0.70 percent higher than the previous week, and 15 percent higher than the same week last year.

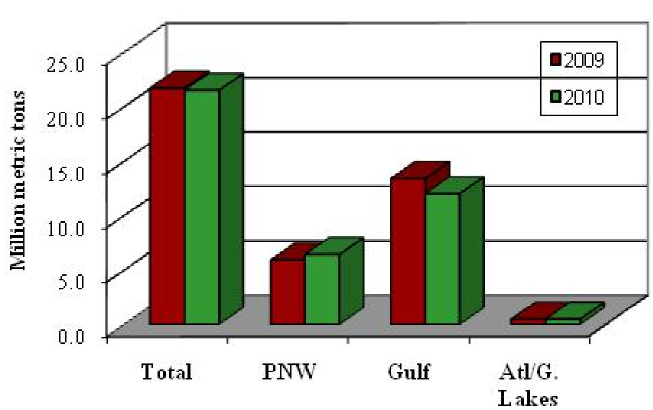
Feature Article/Calendar

SECOND QUARTER GRAIN INSPECTIONS DOWN SLIGHTLY

According to the Grain Inspection, Packers and Stockyards Administration (GIPSA), total grain (wheat, corn, and soybeans) inspected for export from all U.S. ports totaled 21.50 million metric tons (mmt) during the second quarter, down 1 percent from last year (see figure 1). This amount, however, is 11 percent above the first quarter of 2010, but 4 percent below the 5-year average for the second quarter. Despite the slight drop in overall grain inspections, demand for corn and wheat increased during the second quarter (see figure 2). The outlook for the next quarter is for increasing grain inspections due to the normal seasonality in grain shipping patterns that show increased shipments of grain as wheat harvest begins on May 1, and corn and soybeans crop years start on September 1(***see GTR, Figure 14***).

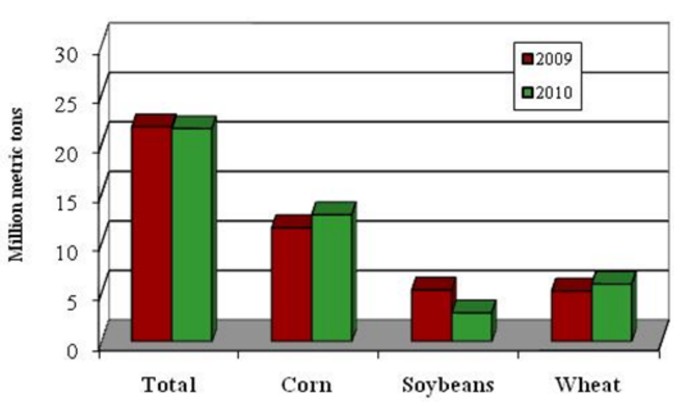
Grain inspections increased in the Pacific Northwest (PNW) and Atlantic/Great Lakes during the second quarter. U.S. Gulf inspections, however, dropped 10 percent from last year, to 12.00 mmt due mainly to lower shipments of soybeans. Compared to last year, second quarter Gulf soybean inspections dropped 55 percent as purchases by Asia dropped 67 percent due to higher soybean production and availability from South America. Rail-to-port deliveries of grain to the Gulf decreased 6 percent during the second quarter as the increased ocean rate spread favored the PNW. Grain inspections in the PNW (6.42 mmt) increased 9 percent from last year but were still 3 percent below the 5-year average. Increased grain inspections in the PNW were probably due in part to a 12 percent increase in rail deliveries to port. Atlantic/Great Lakes grain inspections increased 10 percent from last year, driven up by increased demand for wheat from Canada and Europe, and due to lower than expected production in these countries.

Figure 1- Second quarter grain inspections by port regions



Total second quarter corn inspections (12.84 mmt) increased 12 percent from last year, the highest since 2006 (14.12 mmt). PNW corn inspections increased 24 percent from last year as demand from Asia increased. Gulf corn inspections rose 2 percent. Total wheat inspections (5.81 mmt) also rebounded during the second quarter, increasing 15 percent from last year. Shipments of wheat to Nigeria and Latin America increased during the second quarter. Second quarter wheat inspections increased 10 percent in the Gulf and 14 percent in the PNW.

Figure 2- Second quarter grain inspections by type



As demand for U.S. soybeans from China declined, total second quarter soybean inspections decreased to 2.85 mmt, 45 percent below last year and 33 percent below the 5-year average.

Gulf second quarter soybean inspections (1.41 mmt) dropped 55 percent; the lowest since 2004 (1.04 mmt) while the PNW (.707 mmt) decreased 35 percent due to lower demand from Asia.

Outlook for the 2010/11 year is mixed, with wheat exports rising, corn remaining steady, and soybean exports declining (***see GTR, Tables 13-15***). USDA projects U.S. wheat exports for the 2010/11 marketing year to increase as supplies from other wheat exporters decrease and U.S. prices remain competitive. USDA projects U.S. corn exports to remain steady in 2010/11 due to tighter domestic supplies, higher demand from ethanol production, and rising prices that are expected to reduce the export competitiveness of U.S. corn. Also, USDA projects U.S. soybean exports in 2010/11 to decrease due to stronger competition from Brazil, but still rank second to this year's expected record. *Johnny.Hill@ams.usda.gov*

Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators[1]

Week ending	Truck	Rail[2]	Barge	Ocean: Gulf	Ocean: Pacific
07/28/10	196	208	216	257	227
07/21/10	195	179	236	250	220

[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	7/23/2010	7/16/2010
Corn	IL--Gulf	-0.63	-0.68
Corn	NE--Gulf	-0.80	-0.84
Soybean	IA--Gulf	-1.26	-1.28
HRW	KS--Gulf	-1.29	-1.05
HRS	ND--Portland	-1.91	-1.89

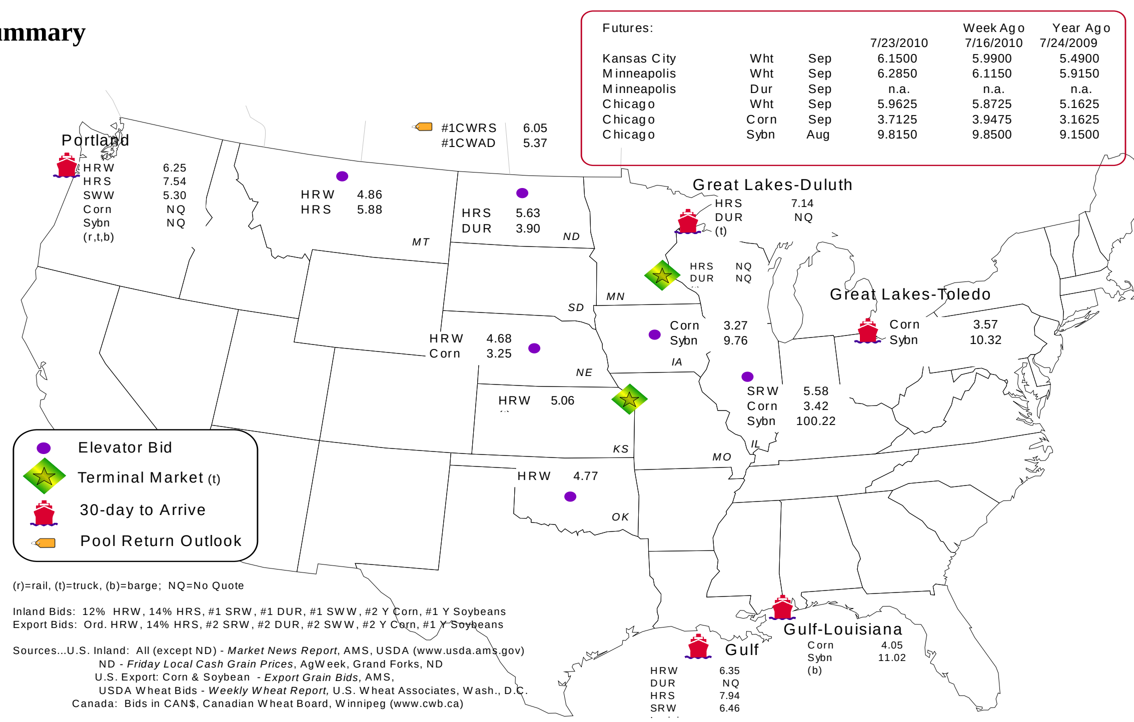
Note: nq = no quote

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
7/21/2010[p]	231	682	205	4,315	193	5,626
7/14/2010[r]	105	1,401	1,411	3,875	194	6,986
2010 YTD	8,671	37,611	26,045	96,033	17,877	186,237
2009 YTD	13,789	23,702	22,799	91,093	14,412	165,795
2010 YTD as % of 2009 YTD	63	159	114	105	124	112
Last 4 weeks as % of 2009[2]	107	191	115	103	46	111
Last 4 weeks as % of 4-year avg.[2]	15	67	105	94	43	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.

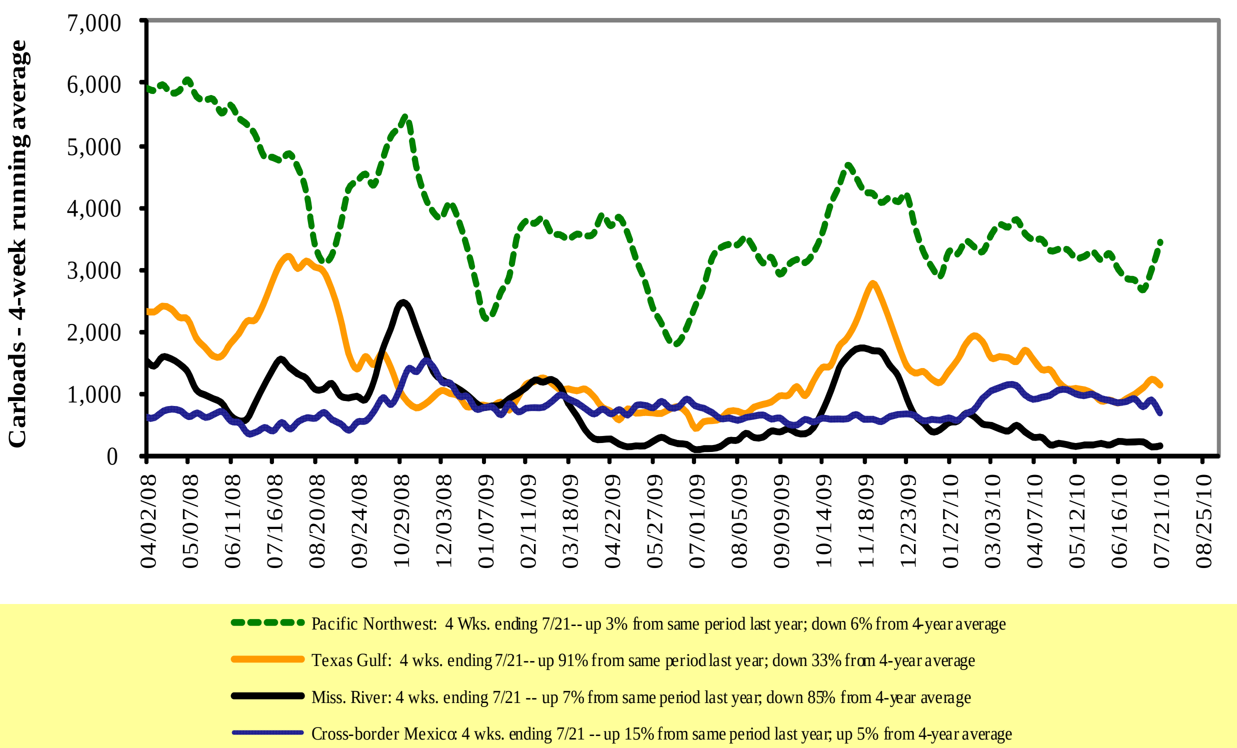
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

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)

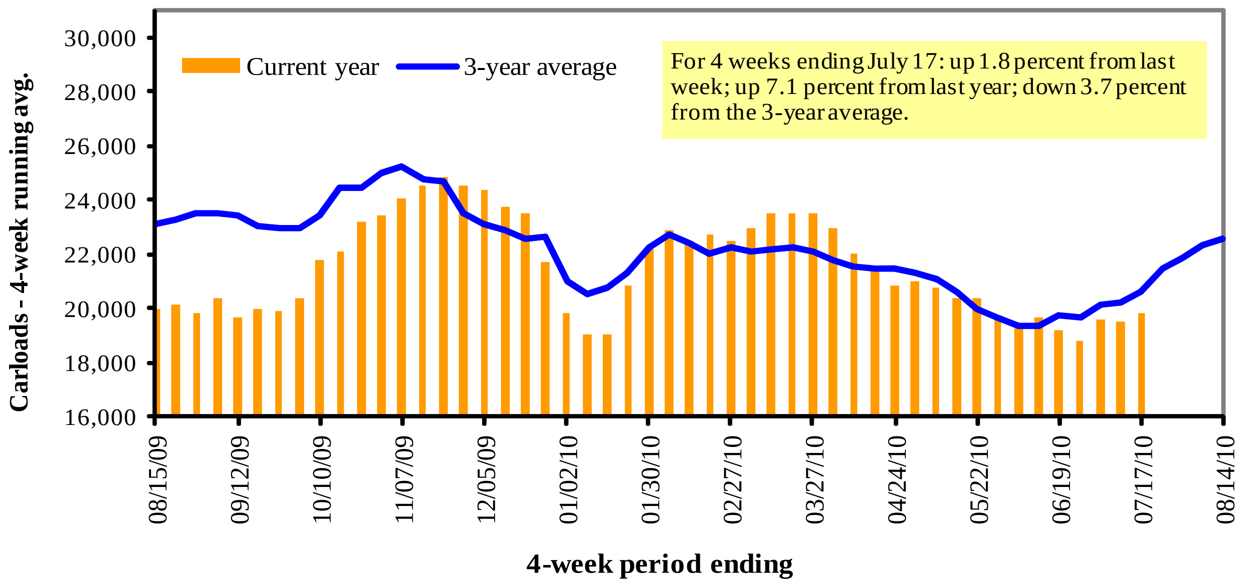
Week ending	East		West			U.S. total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
07/17/10	2,300	2,927	9,884	601	4,229	19,941	3,783	5,627
This week last year	1,711	2,384	8,912	691	5,131	18,829	3,177	5,397
2010 YTD	61,999	85,600	279,456	20,761	146,148	593,964	109,804	145,151
2009 YTD	59,659	72,859	235,946	19,027	131,160	518,651	111,647	150,852
2010 YTD as % of 2009 YTD	104	117	118	109	111	115	98	96
Last 4 weeks as % of 2009[1]	112	114	107	113	101	107	109	78
Last 4 weeks as % of 3-yr avg.[1]	82	101	101	113	90	96	95	93
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							
7/24/2010	Aug-10	Aug-09	Sep-10	Sep-09	Oct-10	Oct-09	Nov-10	Nov-09
BNSF[3]								
COT grain units	318	1	280	no offer	280	1	155	1
COT grain single-car[5]	6 . . 356	0 . . 11	159 . . 303	37 . . 52	0 . . 244	0 . . 7	0 . . 179	0 . . 7
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	1	12	1	no offer	1	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.

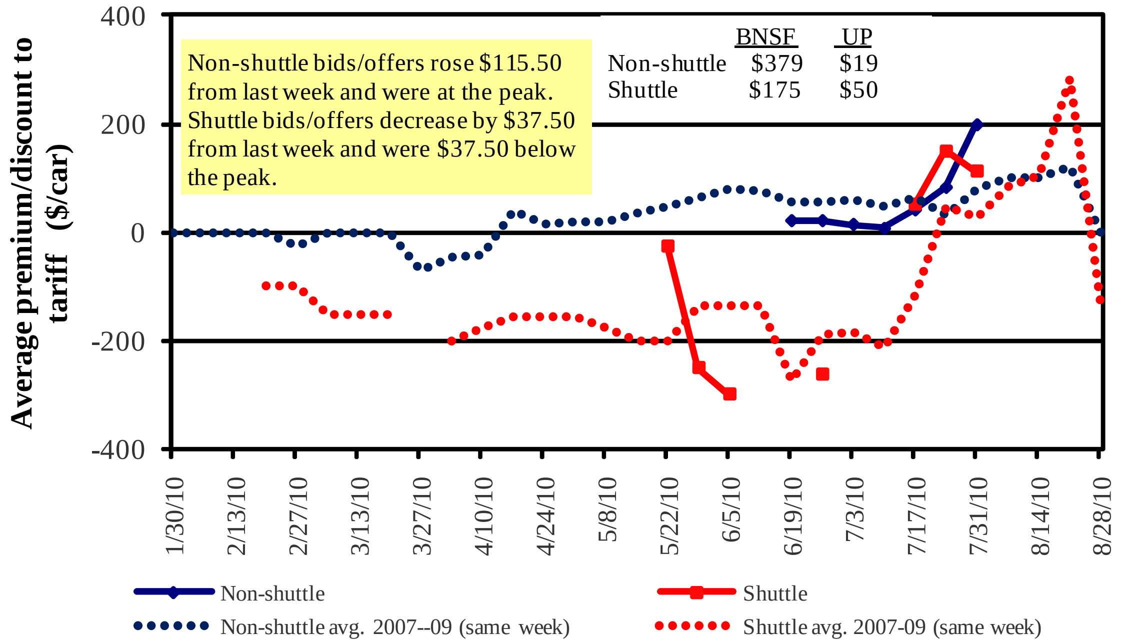
[5]Range is shown because average is not available. Not available = n/a.

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 August 2010, Secondary Market

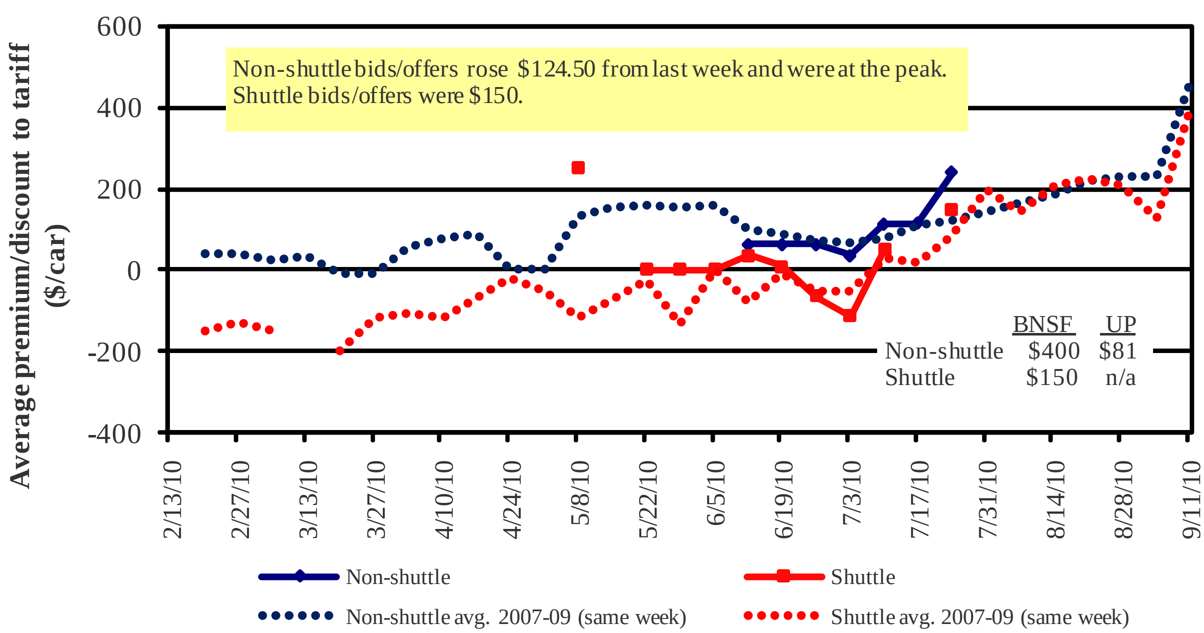


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

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

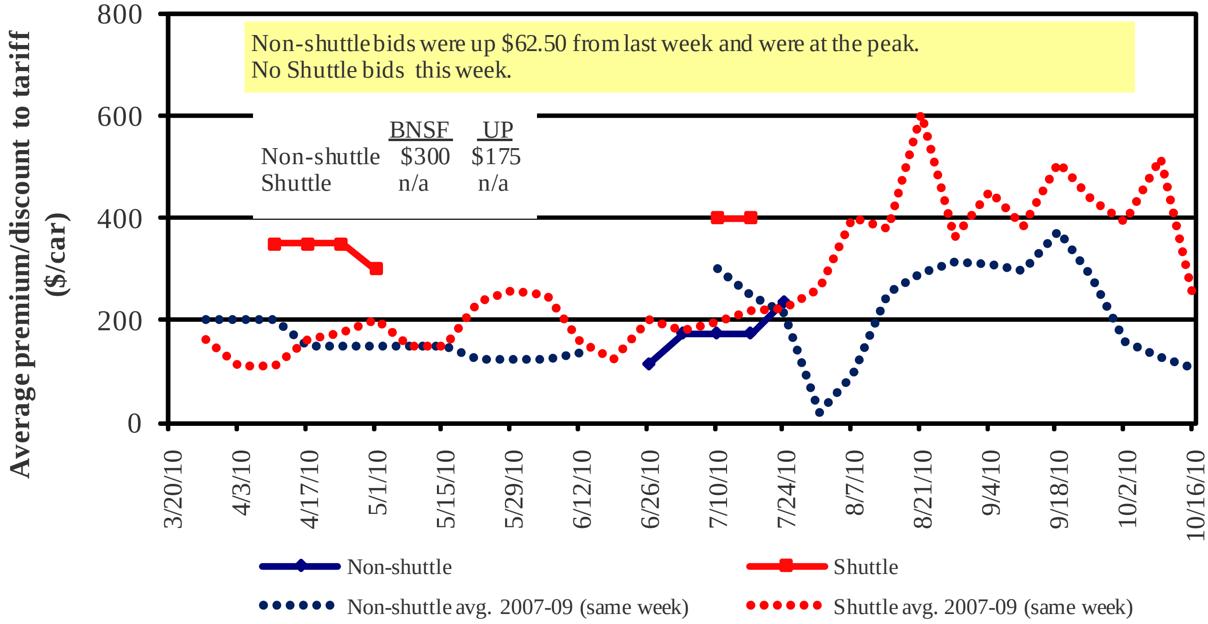


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in October 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					
7/24/2010	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-10
Non-shuttle						
BNSF-GF	379	400	300	n/a	n/a	n/a
Change from last week	237	250	n/a	n/a	n/a	n/a
Change from same week 2009	362	389	n/a	n/a	n/a	n/a
UP-Pool	19	81	175	n/a	n/a	n/a
Change from last week	-6	-1	0	n/a	n/a	n/a
Change from same week 2009	-16	61	n/a	n/a	n/a	n/a
Shuttle[2]						
BNSF-GF	175	150	n/a	425	n/a	n/a
Change from last week	25	n/a	n/a	75	n/a	n/a
Change from same week 2009	125	37	n/a	n/a	n/a	n/a
UP-Pool	50	n/a	n/a	n/a	n/a	n/a
Change from last week	n/a	n/a	n/a	n/a	n/a	n/a
Change from same week 2009	83	n/a	n/a	n/a	n/a	n/a

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

[2]Shuttle bids are a new data series; prior to this we provided only non-shuttle rates.

Note: Bids listed are market INDICATORS only & are NOT guaranteed prices,
n/a = not available; GF = guaranteed freight; Pool = guaranteed pool

Sources: Transportation and Marketing Programs/AMS/USDA

Data from Atwood/ConAgra, Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.

Table 7

Tariff Rail Rates for Unit and Shuttle Train Shipments[1]

Effective date:			Tariff	Fuel surcharge	Tariff plus surcharge per:		Percent change
7/1/2010	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	$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
Shuttle Train							
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

[1]A 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.

[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: 7/5/2010 Commodity	Origin state	Destination region	Tariff rate/car[1]	Fuel surcharge per car[2]	Tariff plus surcharge per: metric ton[3]	bushel[3]	Percent change Y/Y[4]
Wheat	MT	Chihuahua, CI	$6,291	$773	$72.18	$1.96	12
	OK	Cuautitlan, 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	Cuautitlan, 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

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

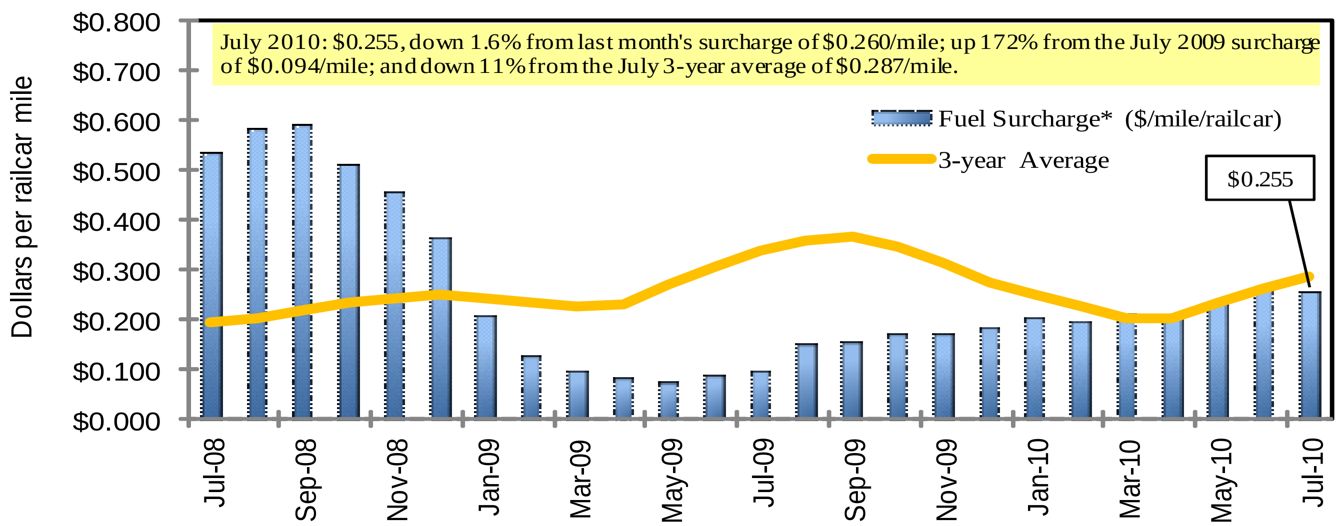
[3]Approximate load per car = 97.87 metric tons: Corn & Sorghum 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

[4]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]



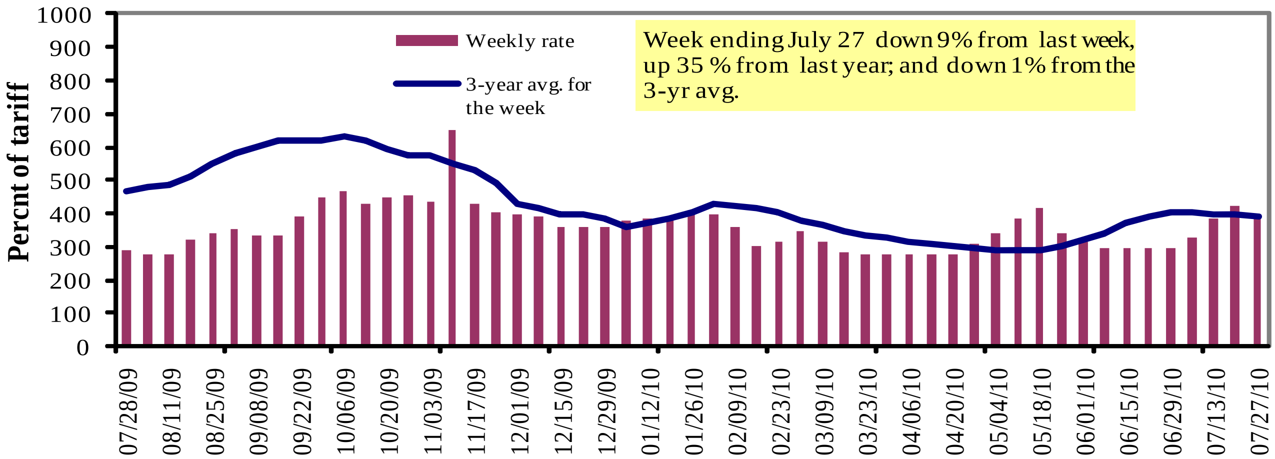
[1] Weighted by each Class I railroad's proportion of grain traffic for the prior year.
* Mileage-based fuel surcharges for March and April 2007 are estimated. Beginning January 2009, the Canadian Pacific fuel surcharge is computed by a monthly average of the bi-weekly fuel surcharge.

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]	7/27/2010	462	397	388	298	397	397	290
	7/20/2010	496	428	425	325	405	405	314
$/ton	7/27/2010	28.60	21.12	18.00	11.89	18.62	16.04	9.11
	7/20/2010	30.70	22.77	19.72	12.97	18.99	16.36	9.86
Current week % change from the same week:								
	Last year	39	39	35	30	70	70	49
	3-year avg. [2]	0	-3	-1	-3	25	25	4
Rate[1]	August	473	435	430	395	425	425	417
	October	570	557	555	537	558	558	528

[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

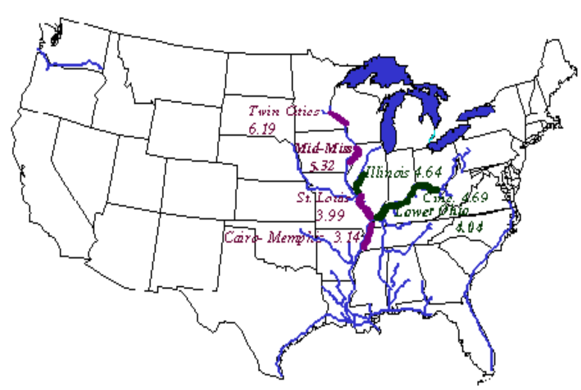
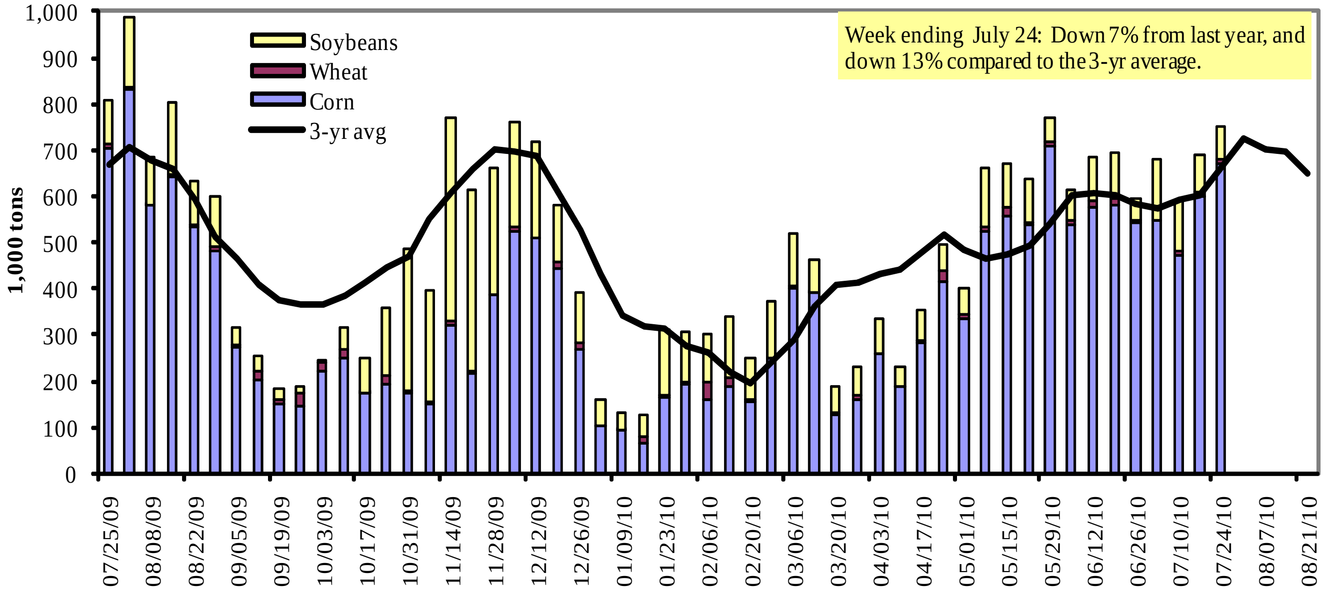


Figure 10

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 7/24/2010	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	194	0	29	3	226
Winfield, MO (L25)	496	6	55	3	560
Alton, IL (L26)	717	11	73	9	810
Granite City, IL (L27)	671	8	72	9	760
Illinois River (L8)	218	3	12	6	239
Ohio River (L52)	67	12	15	0	94
Arkansas River (L1)	0	8	8	0	17
Weekly total - 2010	739	28	95	9	871
Weekly total - 2009	715	36	112	11	873
2010 YTD[1]	13,910	701	4,739	273	19,623
2009 YTD	14,132	855	5,248	255	20,491
2010 as % of 2009 YTD	98	82	90	107	96
Last 4 weeks as % of 2009[2]	99	69	97	151	98
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.

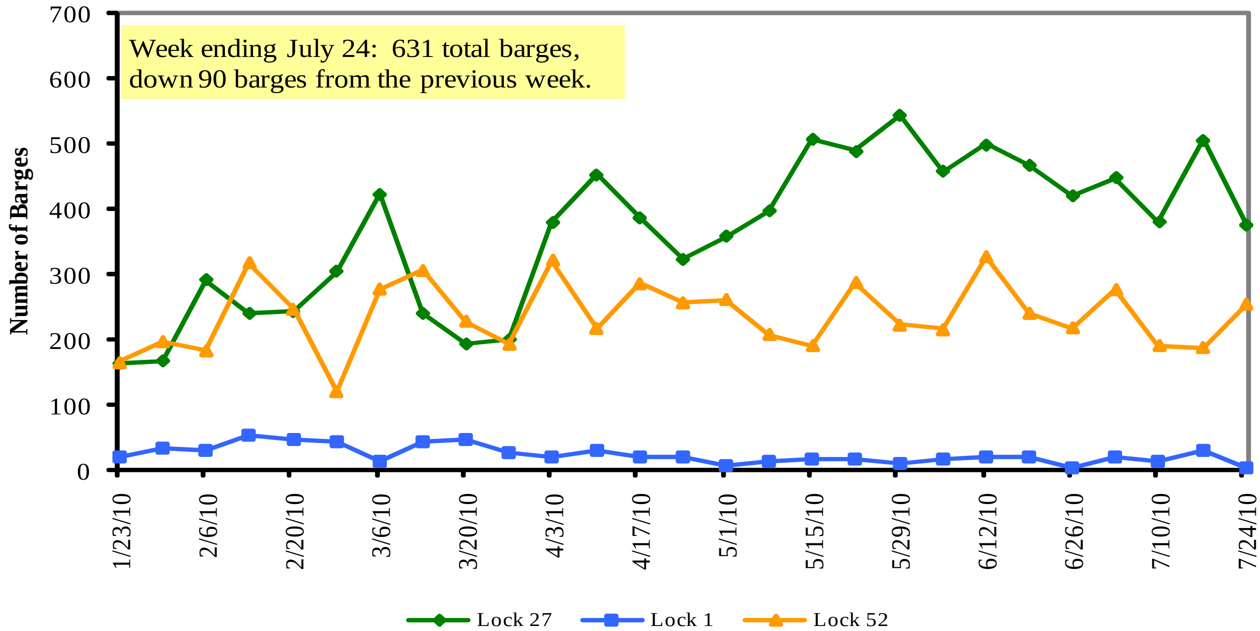
[2] As a percent of same period in 2009.

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

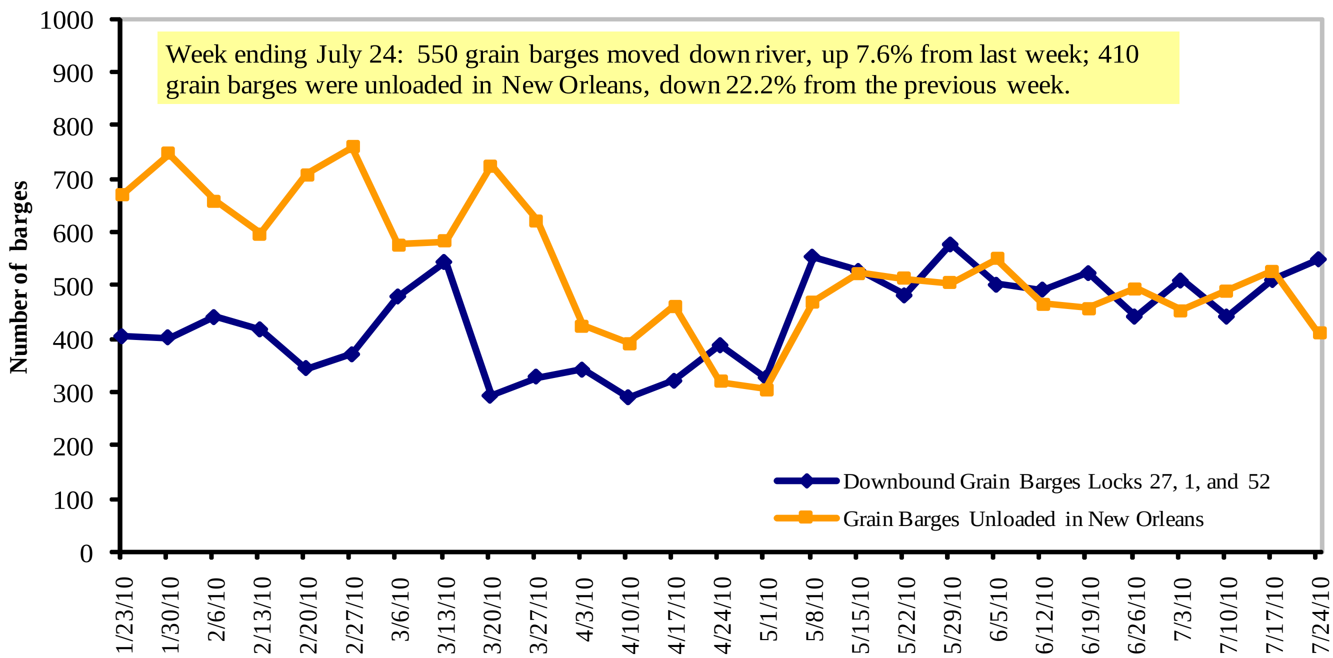
Upbound Empty Barges Transiting Mississippi River Locks 27, Arkansas River Lock and Dam 1, and Ohio River Locks and Dam 52



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 7/26/2010 (US$/gallon)

Region	Location	Price	Change from Week ago	Change from Year ago
I	East Coast	2.928	0.015	0.378
	New England	3.014	-0.001	0.401
	Central Atlantic	3.020	0.008	0.377
	Lower Atlantic	2.880	0.019	0.375
II	Midwest[2]	2.891	0.025	0.391
III	Gulf Coast[3]	2.875	0.016	0.382
IV	Rocky Mountain	2.920	0.018	0.380
V	West Coast	3.060	0.018	0.443
	California	3.125	0.009	0.405
Total	U.S.	2.919	0.020	0.391

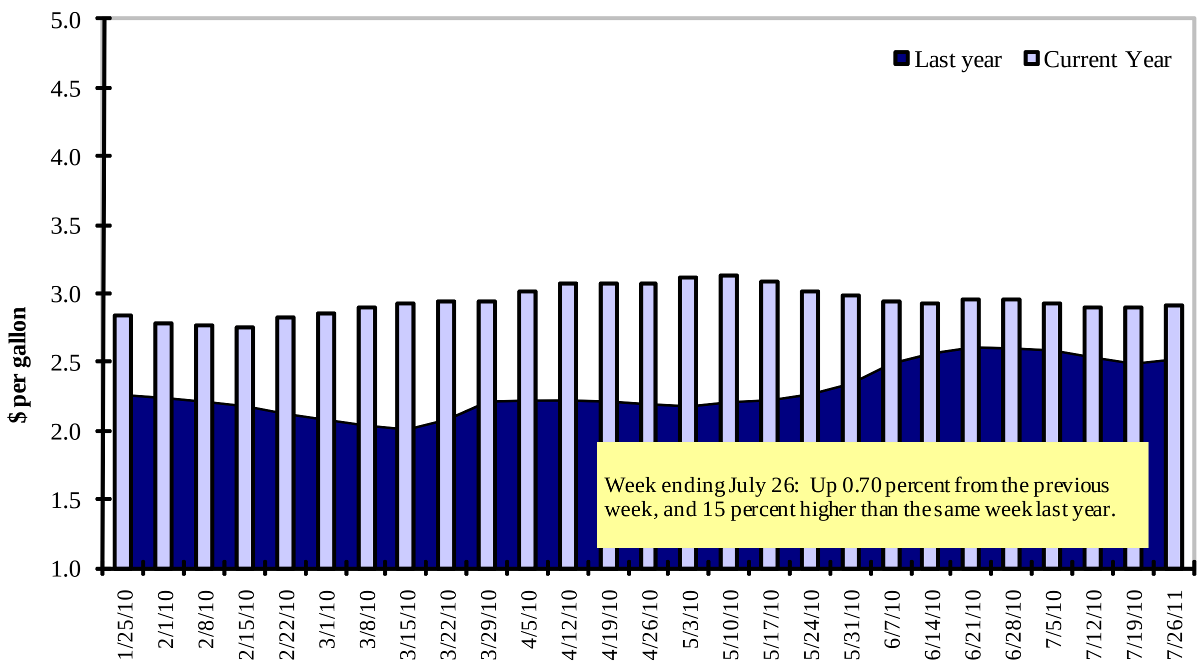
[1]Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

[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]									
7/15/2010	1,825	519	1,035	976	294	4,649	9,161	2,749	16,559
This week year ago	1,308	538	851	705	183	3,586	8,833	2,984	15,403
Cumulative exports-marketing year[2]									
2009/10 YTD	1,317	291	598	559	64	2,828	41,339	37,578	81,745
2008/09 YTD	819	267	450	538	55	2,128	37,605	31,800	71,533
YTD 2009/10 as % of 2008/09	161	109	133	104	116	133	110	118	114
Last 4 wks as % of same period 2008/09	152	99	119	140	152	134	110	87	111
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 07/15/10	Total Commitments[2]			% change	Exports[3]
	2010/11	2009/10	2008/09	current MY	
	Next MY	Current MY	Last MY	from last MY	2008/09
		- 1,000 mt -			- 1,000 mt -
Japan	425	15,115	15,919	(5)	15,910
Mexico	837	7,991	7,322	9	7,454
Korea	343	7,689	5,044	52	5,129
Taiwan	0	3,047	3,448	(12)	3,198
Egypt	60	2,907	1,925	51	2,233
Top 5 importers	**1,665**	**36,750**	**33,657**	**9**	**33,924**
Total US corn export sales	**3,114**	**50,500**	**46,438**	**9**	**47,180**
% of Projected	6%	102%	98%		
Change from Last Week	541	614	758		
Top 5 importers' share of U.S. corn export sales	53%	73%	72%		
USDA forecast, July 2010	**49,530**	**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 Importers[1] of U.S. Soybeans

Week ending 07/15/10	Total Commitments[2] 2010/11 Next MY	2009/10 Current MY	2008/09 Last MY	% change current MY from last MY	Exports[3] 2008/09
		- 1,000 mt -			- 1,000 mt -
China	4,650	22,737	19,122	19	18,681
Mexico	224	3,201	3,128	2	3,098
Japan	132	2,416	2,575	(6)	2,410
EU-25	0	2,698	2,186	23	2,180
Taiwan	0	1,565	1,548	1	1,592
Top 5 importers	**5,006**	**32,616**	**28,558**	**14**	**27,961**
Total US soybean export sales	**7,175**	**40,327**	**34,784**	**16**	**34,930**
% of Projected	19%	101%	100%		
Change from last week	1,115	112	320		
Top 5 importers' share of U.S. soybean export sales	70%	81%	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.

[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 07/15/2010	Total Commitments[2] 2010/11 Current MY	2009/10 Last MY	% change current MY from last MY	Exports[3] 2009/10
	- 1,000 mt -			- 1,000 mt -
Nigeria	1,116	1,954	(43)	3,233
Japan	774	569	36	3,148
Mexico	951	647	47	1,975
Philippines	843	553	52	1,518
Korea, South	489	463	6	1,111
Taiwan	150	255	(41)	844
Venezuela	146	133	9	658
Colombia	264	179	47	575
Peru	351	142	147	567
Indonesia	82	59	39	529
Top 10 importers	**5,163**	**4,955**	**4**	**14,156**
Total US wheat export sales	**7,477**	**5,714**	**31**	**23,540**
% of Projected	27%	24%		
Change from last week	382	342		
Top 10 importers' share of U.S. wheat export sales	69%	87%		
USDA forecast, July 2010	**27,220**	**23,540**	**16**	

(n) indicates negative number.

[1]Based on FAS **2008/09** Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Jun 1 - May 31.

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

[3] FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 16

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

Port regions	Week ending 07/22/10	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	145	5,896	5,385	109	113	141	10,091
Corn	331	5,808	4,685	124	125	118	8,498
Soybeans	64	4,597	4,257	108	60	55	9,743
Total	**540**	**16,301**	**14,328**	**114**	**109**	**112**	**28,332**
Mississippi Gulf							
Wheat	75	2,183	2,242	97	134	62	4,019
Corn	656	16,862	17,163	98	91	110	28,843
Soybeans	100	9,207	10,609	87	50	83	21,831
Total	**831**	**28,251**	**30,014**	**94**	**85**	**99**	**54,693**
Texas Gulf							
Wheat	149	4,362	2,994	146	188	112	5,735
Corn	49	1,012	893	113	64	65	1,968
Soybeans	0	667	472	141	n/a	0	2,402
Total	**197**	**6,041**	**4,358**	**139**	**160**	**105**	**10,105**
Great Lakes							
Wheat	37	302	140	216	1,825	157	990
Corn	3	42	120	35	28	24	353
Soybeans	0	0	69	0	n/a	0	781
Total	**40**	**345**	**329**	**105**	**213**	**94**	**2,124**
Atlantic							
Wheat	0	193	331	58	27	27	552
Corn	13	235	111	212	115	172	472
Soybeans	2	701	434	161	62	137	1,268
Total	**16**	**1,129**	**877**	**129**	**48**	**54**	**2,292**
U.S. total from ports[2]							
Wheat	406	12,936	11,092	117	137	102	21,387
Corn	1,052	23,959	22,972	104	97	110	40,134
Soybeans	166	15,171	15,842	96	53	71	36,025
Total	**1,624**	**52,067**	**49,906**	**104**	**98**	**102**	**97,546**

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

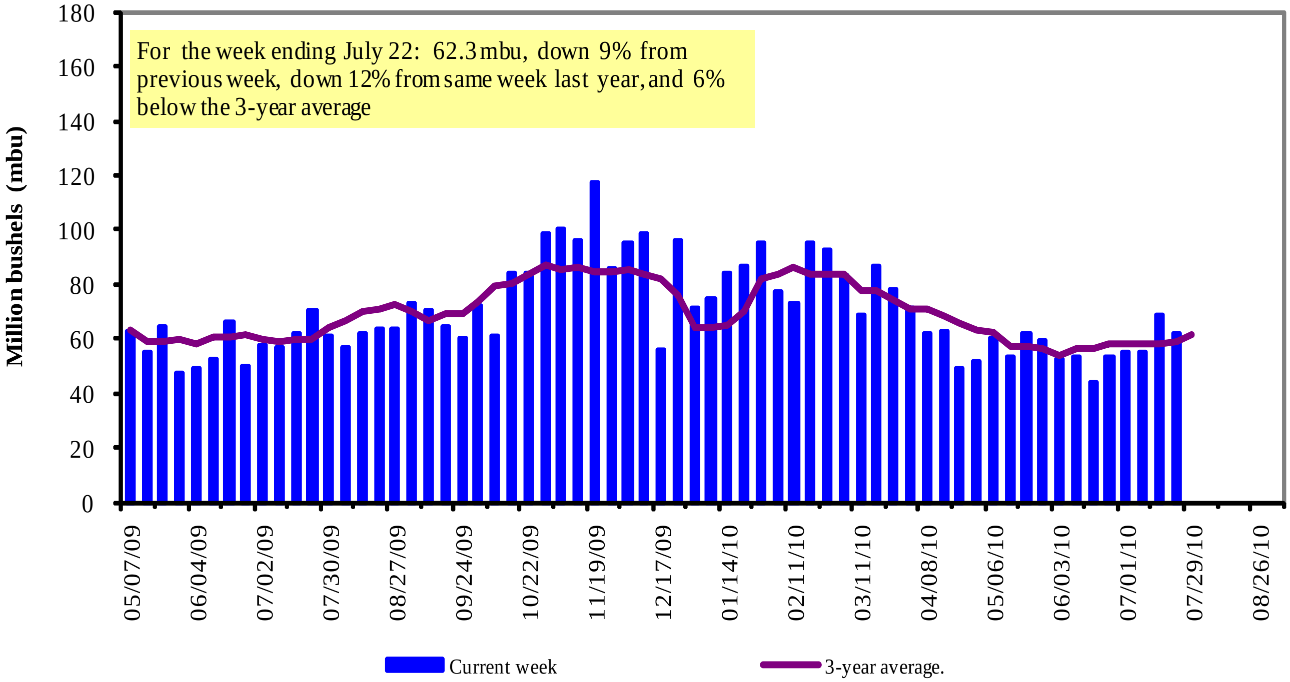
[2] Total includes only port regions shown above

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)

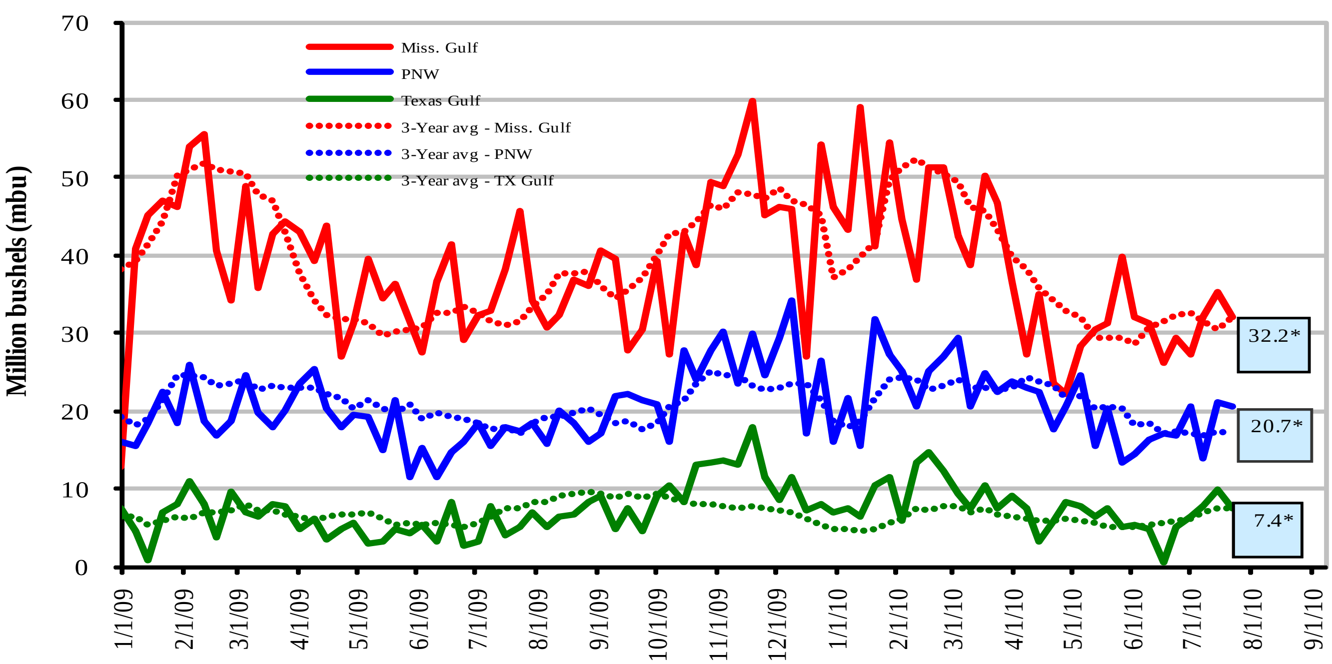


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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.

July 22, % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	down 9	down 26	down 12.4	down 2
Last year (same week)	down 30	up 48	down 22	up 20
3-yr avg. (4-wk mov. avg.)	up 0.7	down 1.4	up 0.3	up 16

Ocean Transportation

Table 17

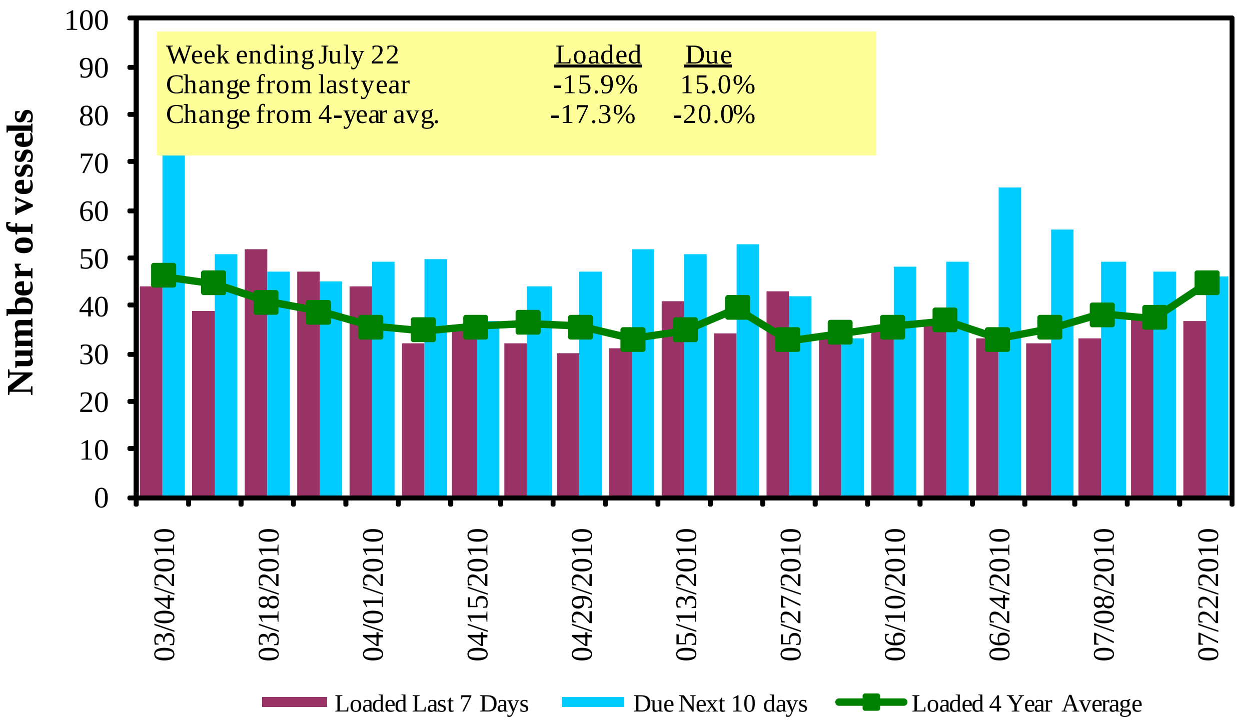
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

	Gulf			Pacific Northwest	Vancouver B.C.
Date	In port	Loaded 7-days	Due next 10-days	In port	In port
7/22/2010	32	37	46	7	15
7/15/2010	28	38	47	9	17
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

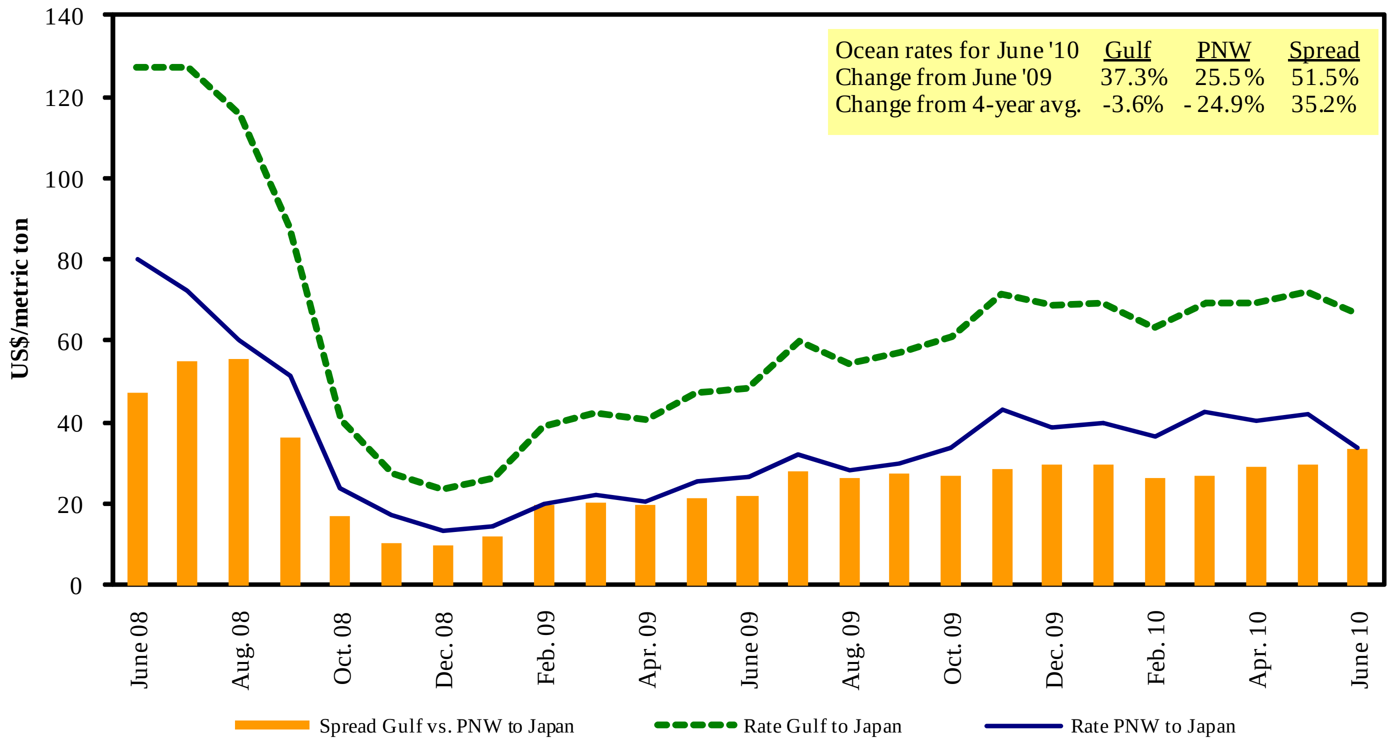
U.S. Gulf[1] Vessel Loading Activity



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 7/24/2010

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	China	Heavy Grain	Aug 5/10	55,000	56.00
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
St. Lawrence	Morocco	Wheat	Jul 26/31	25,000	26.50
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

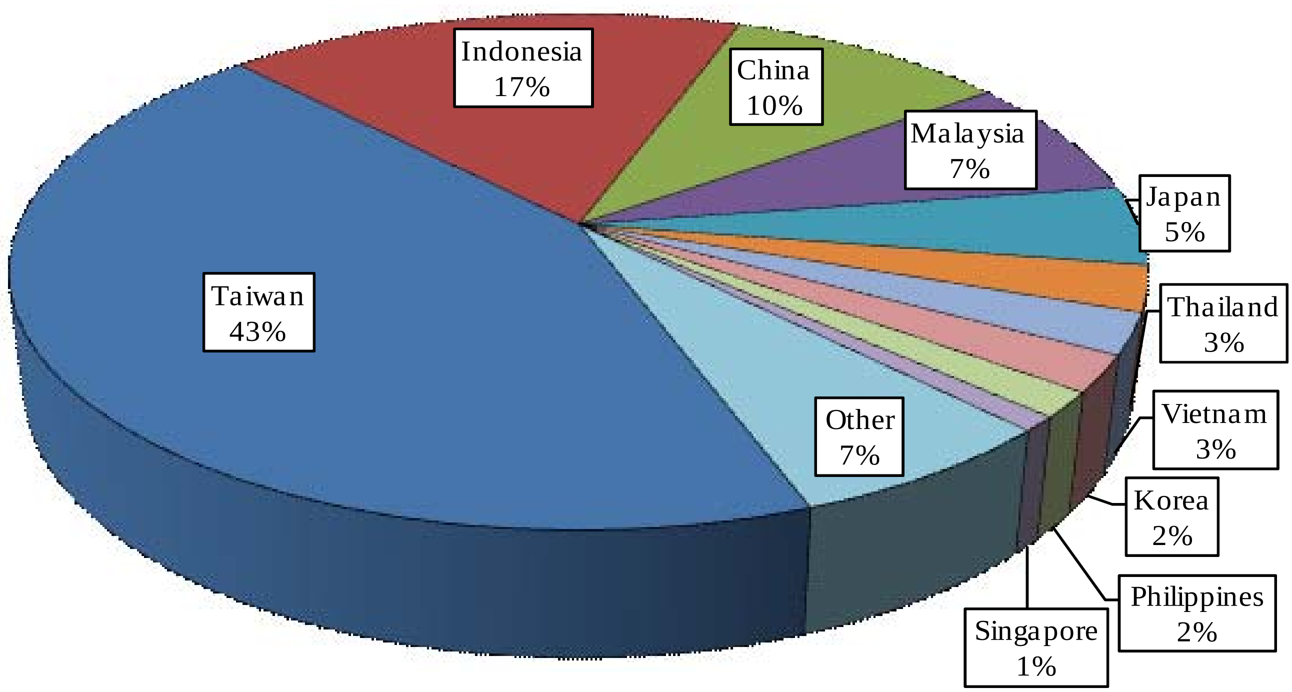
Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option

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

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

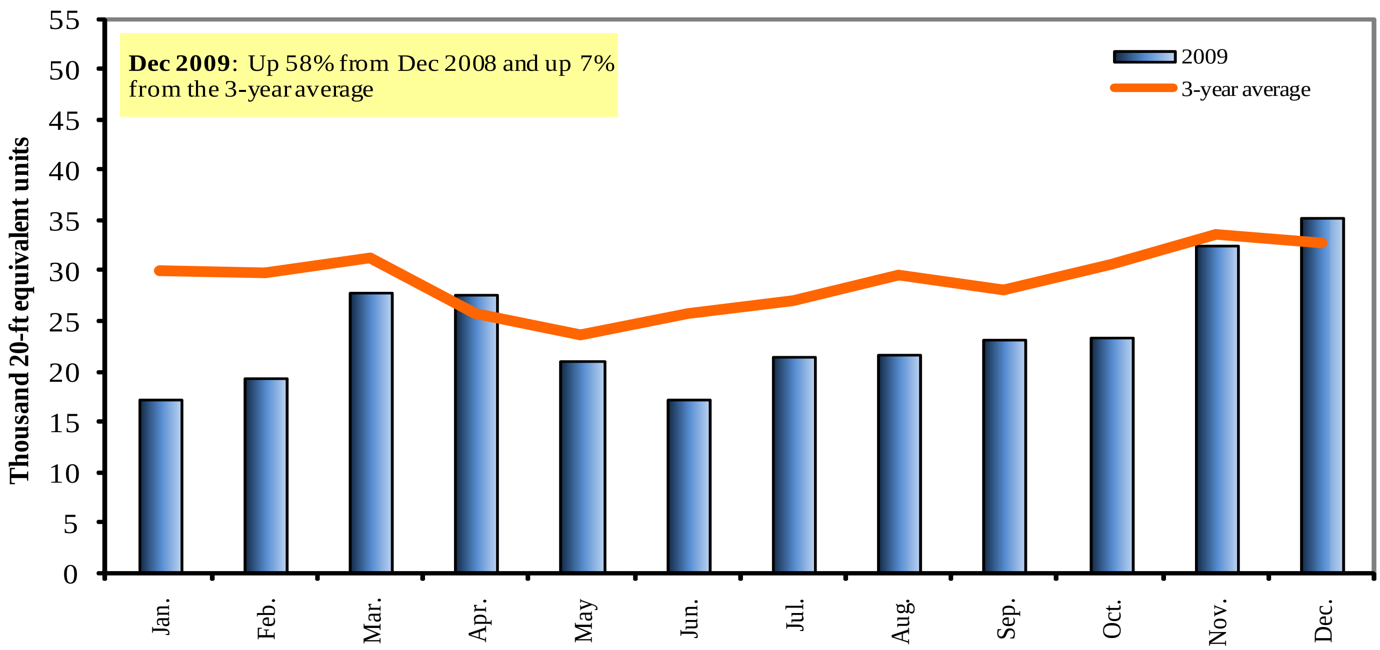
Top 10 Destination Markets for U.S. Containerized Grain Exports, December 2009



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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