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Transportation and Marketing Programs/Transportation Services Division
www.ams.usda.gov/GTR

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Sept. 23, 2010

Contents

The next release is September 30, 2010

WEEKLY HIGHLIGHTS

Corn Harvest Continues Fast Pace

As of September 19, the corn harvest is ahead of its normal pace for this time of year, with 18 percent of the corn harvested nationwide compared to the average of 10 percent. In seven States, more than a third of the corn has been harvested: Tennessee (84 percent), North Carolina (82 percent), Kentucky (68 percent), Texas (57 percent), Kansas (39 percent), Illinois (38 percent), and Missouri (34 percent). Texas is behind its normal harvest pace of 70 percent by this time of year. Iowa and Minnesota corn harvests have just begun and harvested amounts are minor compared to the other States. Currently, no major transportation issues are associated with this year's corn harvest. The Nation's soybean harvest is currently 8 percent completed, slightly ahead the 6 percent average harvest pace.

Total Grain Inspections Down; Soybeans Jump 95 Percent

For the week ending September 16, total inspections of grain (corn, wheat, and soybeans) from all major U.S. export regions reached 1.74 million metric tons (mmt), down 15 percent from the past week but 3 percent above last year. Soybean inspections (.316 mmt) increased 95 percent from the previous week and were 25 percent higher than the previous 4-week average, as export sales remained strong. Shipments of soybeans increased to China and Egypt. But, the increase in soybean exports was not enough to offset corn and wheat declines. Corn inspections dropped 38 percent this week after averaging above 1 mmt during the prior 4 weeks. Wheat inspections decreased 8 percent, but were 10 percent above the 4-week average. Export sales of wheat remained very strong, with current outstanding sales up 90 percent from last year.

ATA Appeals U.S. District Court Decision In Favor of the Port of Los Angeles' Clean Truck Program

The American Trucking Association (ATA) has filed an appeal with the Ninth Circuit Court of Appeals to overturn the decision by a U.S. District Court last month to allow the Port of Los Angeles to implement what ATA feels are illegal actions against truck owner-operators serving the port. The Port of Los Angeles is moving forward with portions of its Clean Truck Program (CTP) that were originally enjoined as a result of the lawsuit with the ATA. Causing the greatest controversy is the requirement for truckers serving the port to be employee drivers. The ATA has requested that the injunction of these aspects of the CTP remain in place during the appeal process. The Port has developed a plan to progressively implement the previously enjoined actions over the next 3 years. This plan is pending approval from the Los Angeles Board of Harbor Commissioners, which could review the proposal during its next meeting on September 27.

Snapshots by Sector

Rail

U.S. railroads originated 20,769 **carloads of grain** during the holiday week ending September 11, down 14 percent from the prior week, but up 17 percent from last year and about the same as the 3-year average.

During the week ending September 18, average October non-shuttle **secondary railcar bids/offers** were $571 above tariff, down $305 from last week. Average shuttle rates were $315 above tariff, down $648 from last week.

Ocean

During the week ending September 16, 45 **ocean-going grain vessels** were loaded in the Gulf, up 18 percent from last year. Fifty-four vessels are expected to be loaded in the U.S. Gulf within the next 10 days, up 6 percent from last year.

During the week ending September 17, the cost of shipping grain from the Gulf to Japan averaged $65 per mt, down 4 percent from the previous week. The rate from the Pacific Northwest to Japan was $35 per mt, down 12 percent from the previous week.

Barge

During the week ending Sep 18, **barge grain movements** totaled 459,667 tons, 7 percent lower than the previous week but 88 percent higher than the same period last year.

Fuel

During the week ending Sep 20, U.S. average **diesel fuel prices** increased 2 cent per gallon to $2.96—0.6 percent higher than the previous week and 13 percent higher than the same week last year.

Feature Article/Calendar

Wheat Transportation Costs to Japan Down In PNW but Up in the Gulf

The cost to ship U.S. wheat from Kansas and North Dakota to Japan showed mixed results during the second quarter 2010. Although lower truck rates pushed wheat transportation costs for shipping through the Pacific Northwest (PNW) down slightly, they did not offset the costs for shipping through the Gulf (see table). The cost to ship wheat from Kansas and North Dakota through the PNW decreased 1and 2 percent respectively from the first quarter, but rates were 18 and 20 percent above last year, a period of lower shipping costs (*see* ***GTR dated 07/22/10***). The cost to ship wheat through the Gulf increased 1 percent from the previous quarter for Kansas and North Dakota. Compared to last year, however, transportation costs through the Gulf increased 25 and 21 percent respectively, due to higher ocean rates (see table).

Quarterly rate comparisons for shipping KS & ND wheat to Japan through the PNW

Mode	KS 2009 2nd qtr	KS 2010 1st qtr	KS 2010 2nd qtr	KS Year-to-Year change	KS Quarterly change	ND 2009 2nd qtr	ND 2010 1st qtr	ND 2010 2nd qtr	ND Year-to-Year change	ND Quarterly change
	- $/metric ton -			%	%	- $/metric ton -			%	%
Truck	10.10	10.46	8.66	-14.26	-17.21	10.10	10.46	8.66	-14.26	-17.21
Rail[1]	59.24	64.34	65.04	9.79	1.09	47.13	52.40	52.92	12.29	0.99
Ocean vessel	26.69	39.67	39.38	47.55	-0.73	26.69	39.67	39.38	47.55	-0.73
Transportation Costs	96.03	114.47	113.08	17.75	-1.21	83.92	102.53	100.96	20.31	-1.53
Farm Value[2]	210.79	162.53	151.02	-28.36	-7.08	244.96	176.25	164.86	-32.70	-6.46
Total Landed Cost	306.82	277.00	264.10	-13.92	-4.66	328.88	278.78	265.82	-19.17	-4.65
Transport % of landed cost	31.30	41.32	42.82			25.52	36.78	37.98		

Quarterly rate comparisons for shipping KS & ND wheat to Japan through the Gulf

Mode	KS 2009 2nd qtr	KS 2010 1st qtr	KS 2010 2nd qtr	KS Year-to-Year change	KS Quarterly change	ND 2009 2nd qtr	ND 2010 1st qtr	ND 2010 2nd qtr	ND Year-to-Year change	ND Quarterly change
	- $/metric ton -			%	%	- $/metric ton -			%	%
Truck	10.10	10.46	8.66	-14.26	-17.21	10.10	10.46	8.66	-14.26	-17.21
Rail[1]	39.27	43.31	44.12	12.35	1.87	62.19	66.15	67.76	8.96	2.43
Ocean vessel	48.63	67.29	69.36	42.63	3.08	48.63	67.29	69.36	42.63	3.08
Transportation Costs	98.00	121.06	122.14	24.63	0.89	120.92	143.90	145.78	20.56	1.31
Farm Value[2]	210.79	162.53	151.02	-28.36	-7.08	244.96	176.25	164.86	-32.70	-6.46
Total Landed Cost	308.79	283.59	273.16	-11.54	-3.68	365.88	320.15	310.64	-15.10	-2.97
Transport % of landed cost	31.74	42.69	44.71			33.05	44.95	46.93		

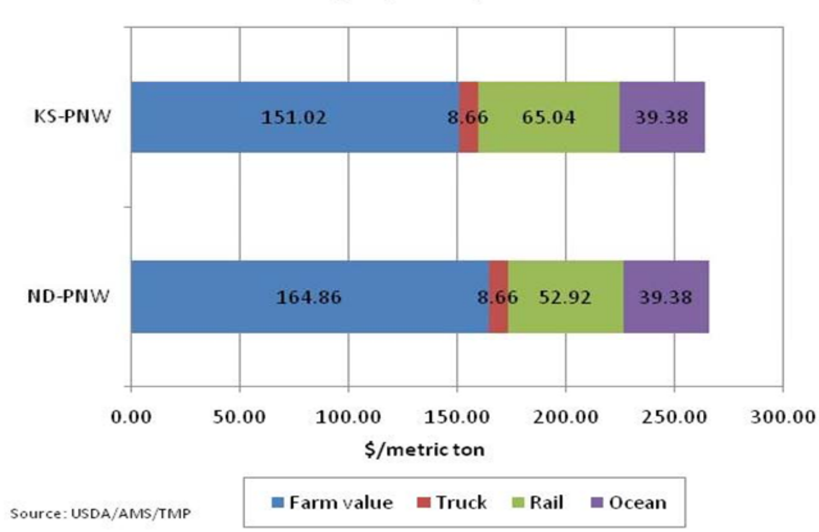
Source: USDA/AMS/TMP

[1] Rail tariff rates include fuel surchrages.

[2] Source: USDA/NASS, wheat prices for North Dakota (mainly HRS) and Kansas (mainly HRW)

PNW Cost Analysis: Compared to the previous quarter, PNW total landed costs (farm value plus transportation costs) for shipping wheat to Japan decreased about 5 percent for Kansas and North Dakota during the second quarter (see table). Year-to-year landed costs were down 14 and 19 percent respectively. Farm values for wheat during the second quarter were lower, and therefore accounted for a smaller share of the landed costs compared to the past quarter and last year. The total landed cost to ship from each State through the PNW was about the same (see figure 1). Ocean rates for shipping from the PNW to Japan dropped slightly from quarter to quarter, but increased about 48 percent year to year. The increased ocean rate spread between the PNW and Gulf favored increased second quarter exports from the PNW (*see* ***GTR dated 07/29/10***). Rail costs for shipping wheat from each State to the PNW increased slightly from quarter

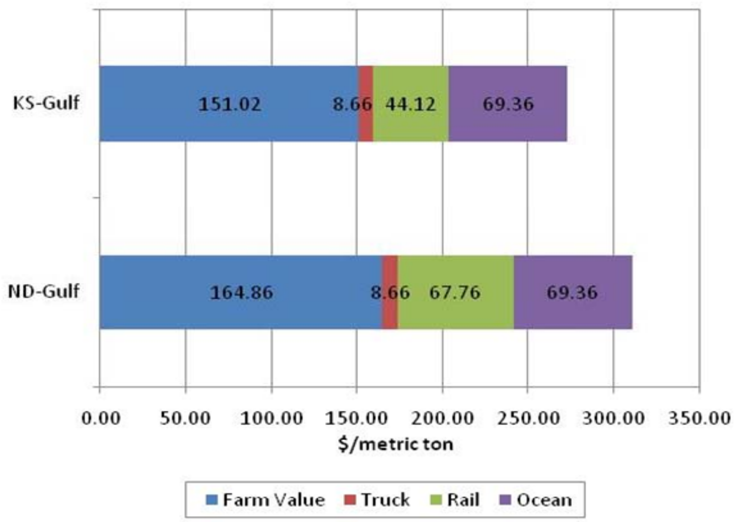
Figure 1: Landed Costs for Shipping Wheat (PNW) to Japan, 2nd Quarter 2010



to quarter, but increased 10 and 12 percent from last year due partly to the rise in fuel surcharges. Second quarter PNW transportation costs represented 38 to 43 percent of the total landed costs (see table).

Gulf Cost Analysis: The total landed cost to ship wheat from Kansas and North Dakota through the Gulf during the second quarter decreased 4 and 3 percent from the first quarter; and 12 and 15 percent year to year (see table). Although truck rates decreased 17 percent from the previous quarter, the drop could not offset the increase in overall Gulf transport costs; which increased 1percent from the past quarter. Ocean rates for shipping wheat to Japan from the Gulf increased over 3 percent from the previous quarter, but rates increased 43 percent from last year. Rail rates to the Gulf from Kansas and North Dakota increased 2 percent. Second quarter Gulf transportation costs represented 45 to 47 percent of the total landed costs (see table).

Figure 2: Landed Costs for Shipping Wheat (Gulf) to Japan, 2nd Quarter 2010



PNW vs. Gulf Cost Comparison: The slowdown in trucking activity and lower diesel prices pushed the cost of moving wheat by truck to a rail yard down significantly from last quarter. Trucking rates dropped over 14 percent from last year. Compared to the previous quarter, rates to ship wheat by rail to each port region increased slightly due in part to higher fuel surcharges. Rail rates also continued to increase notably from last year in the PNW and Gulf (see table). Quarter to quarter ocean rates were down slightly for shipping from the PNW, but up 3 percent for the Gulf. North Dakota total landed costs continued to surpass Kansas total landed costs in the Gulf due to higher rail costs and farm value (see figure 2).

According to the USDA, second quarter wheat inspected for export to Japan totaled .885 mmt, up 8 percent from the first quarter and 21 percent above last year. Total second quarter wheat exports to Japan accounted for 15 percent of total U.S. wheat exports (5.98mmt). Japan was the top importer of U.S. wheat during the second quarter. *Johnny.Hill@ams.usda.gov*

Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators[1]

	Truck	Rail[2]	Barge	Ocean	
Week ending				Gulf	Pacific
09/22/10	199	666	303	291	248
09/15/10	198	970	264	304	284

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

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

Source: Transportation & Marketing Programs/AMS/USDA

Table 2

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

Commodity	Origin--Destination	9/17/2010	9/10/2010
Corn	IL--Gulf	-0.73	-0.68
Corn	NE--Gulf	-1.02	-0.97
Soybean	IA--Gulf	-1.23	-0.99
HRW	KS--Gulf	-1.67	-1.65
HRS	ND--Portland	-4.28	-4.15

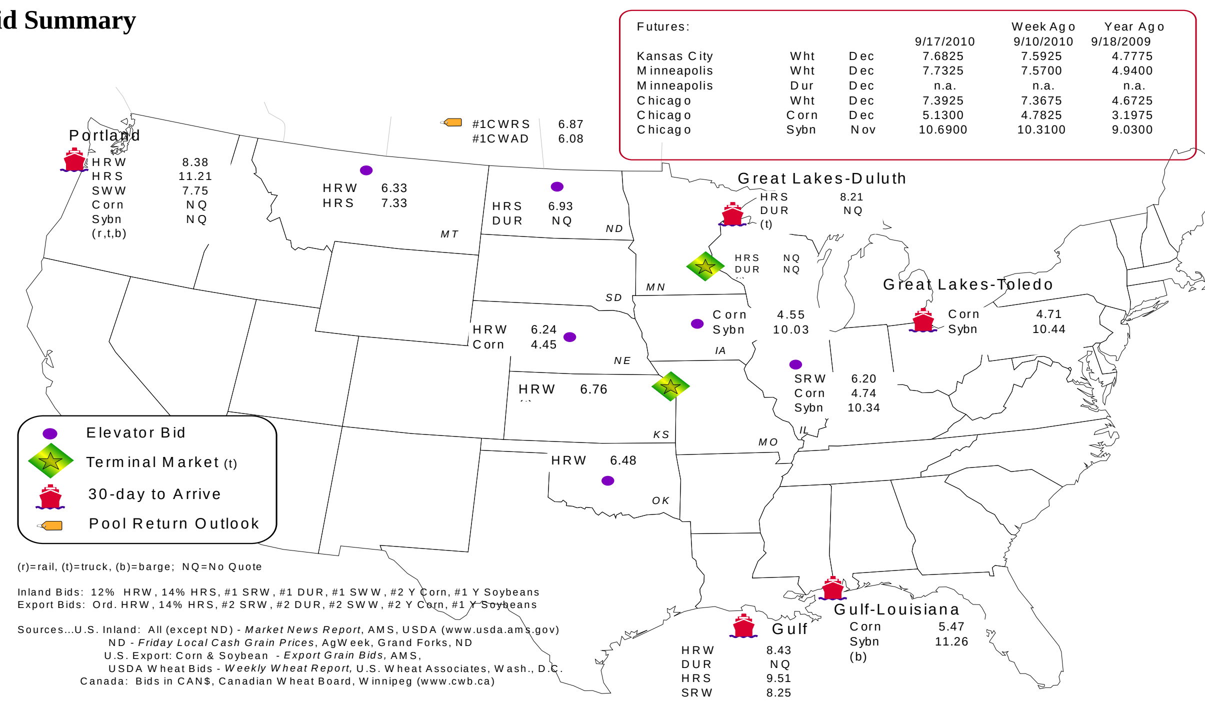
Note: nq = no quote

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
9/15/2010[p]	884	2,773	929	1,305	174	6,065
9/08/2010[r]	757	2,500	543	2,823	254	6,877
2010 YTD	12,376	52,814	32,337	120,266	19,013	236,806
2009 YTD	16,524	30,712	27,503	116,731	16,358	207,828
2010 YTD as % of 2009 YTD	75	172	118	103	116	114
Last 4 weeks as % of 2009[2]	152	225	132	85	59	119
Last 4 weeks as % of 4-year avg.[2]	51	108	101	73	39	79
Total 2009	33,423	57,646	36,738	175,965	30,328	334,100
Total 2008	68,768	107,542	37,491	255,852	33,028	502,681

[1] Data is incomplete as it is voluntarily provided

[2] Compared with same 4-weeks in 2009 and prior 4-year average.

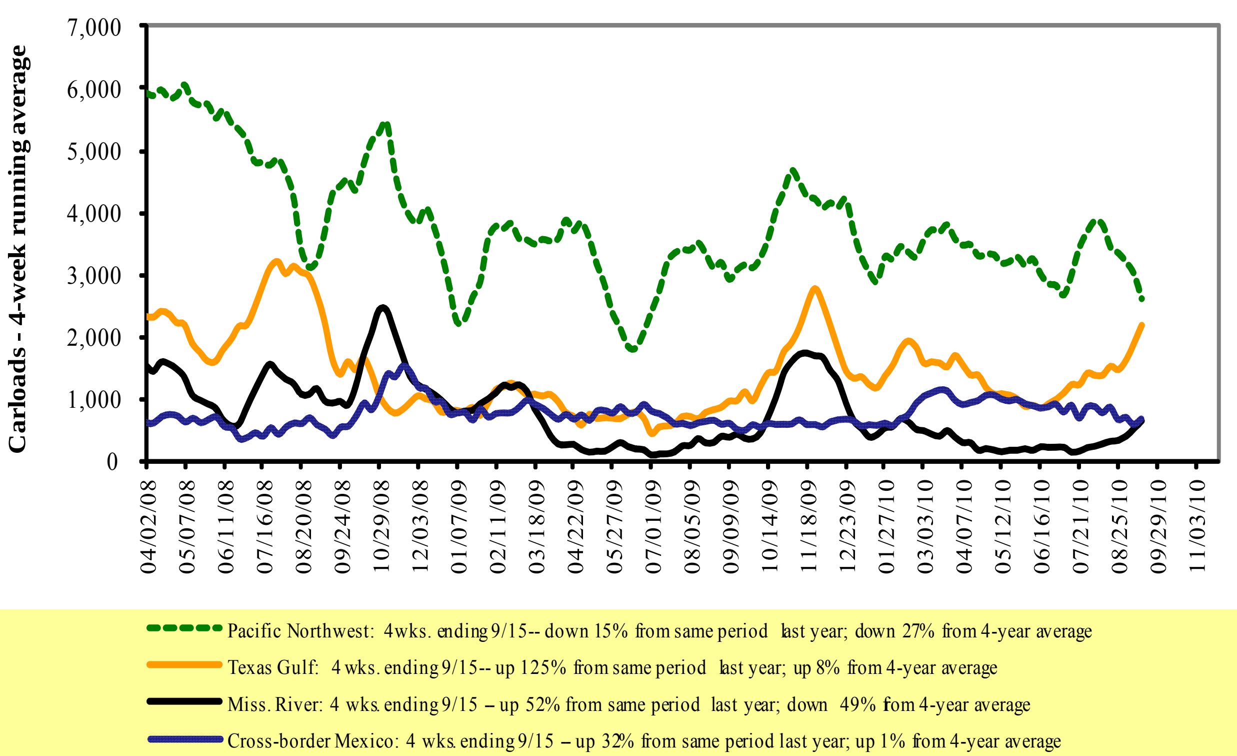
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

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)

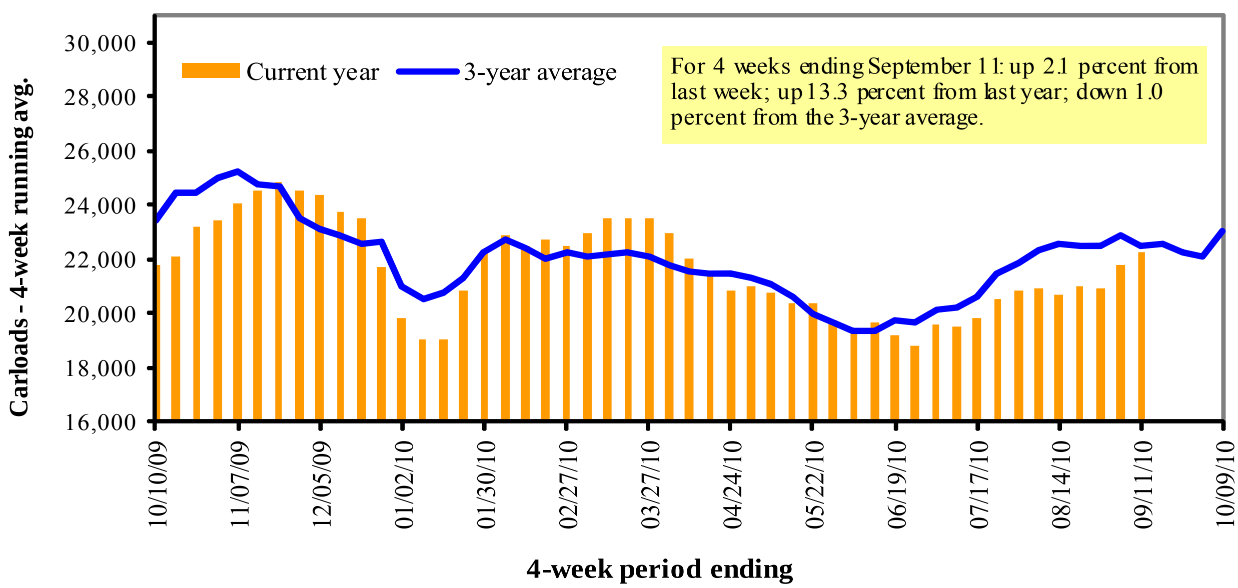
	East		West			U.S. total	Canada	
Week ending	**CSXT**	**NS**	**BNSF**	**KCS**	**UP**		**CN**	**CP**
09/11/10	1,240	2,061	10,282	404	6,782	20,769	3,422	3,543
This week last year	934	2,181	10,134	509	3,929	17,687	2,815	5,165
2010 YTD	74,557	106,224	366,115	24,778	193,775	765,449	138,531	7,120
2009 YTD	71,555	93,362	315,754	23,754	172,601	677,026	140,188	3,873
2010 YTD as % of 2009 YTD	104	114	116	104	112	113	99	97
Last 4 weeks as % of 2009[1]	101	100	111	77	132	113	97	100
Last 4 weeks as % of 3-yr avg.[1]	79	82	103	72	108	99	83	107
Total 2009	105,278	142,254	483,618	36,912	268,811	1,036,873	270,871	8,997

[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**							
9/18/2010	**Oct-10**	**Oct-09**	**Nov-10**	**Nov-09**	**Dec-10**	**Dec-09**	**Jan-11**	**Jan-10**
BNSF[3]								
COT grain units	no offer	no offer	no offer	0	no offer	no bids	187	no bids
COT grain single-car[5]	no offer	no offer	no offer	no bids	no offer	0	no offer	0 . . 1
UP[4]								
GCAS/Region 1	no offer	no bids	no offer	no bids	46	no bids	n/a	no offer
GCAS/Region 2	no offer	no bids	no bids	1	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.

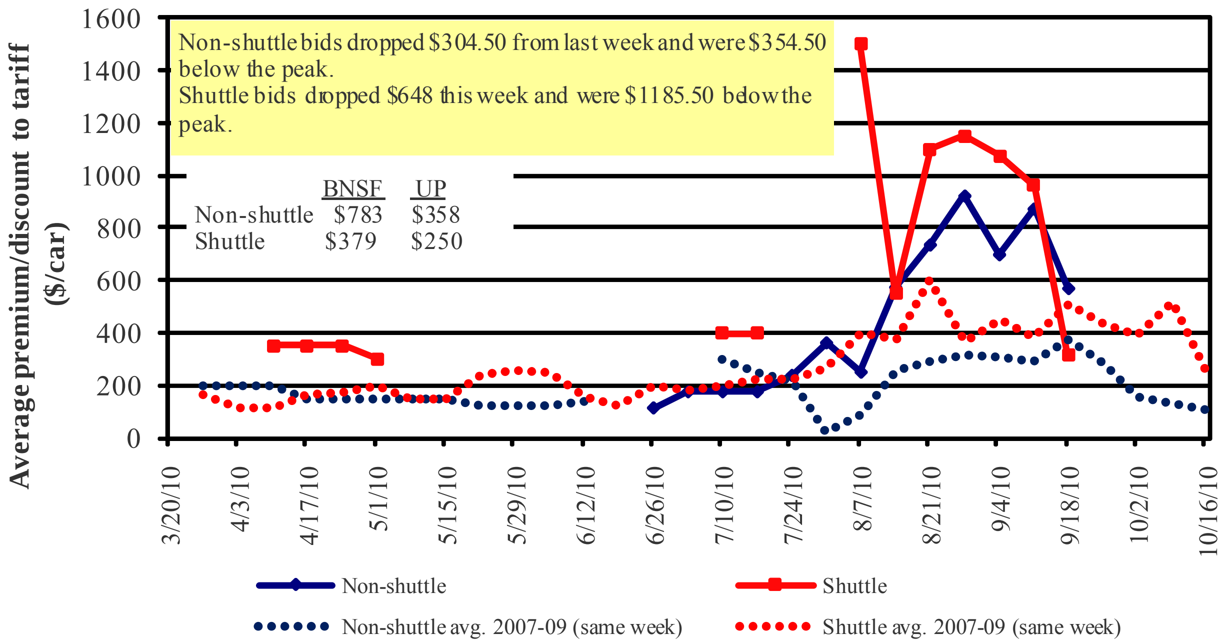
[5]Range is shown because average is not available. Not available = n/a.

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 October 2010, Secondary Market

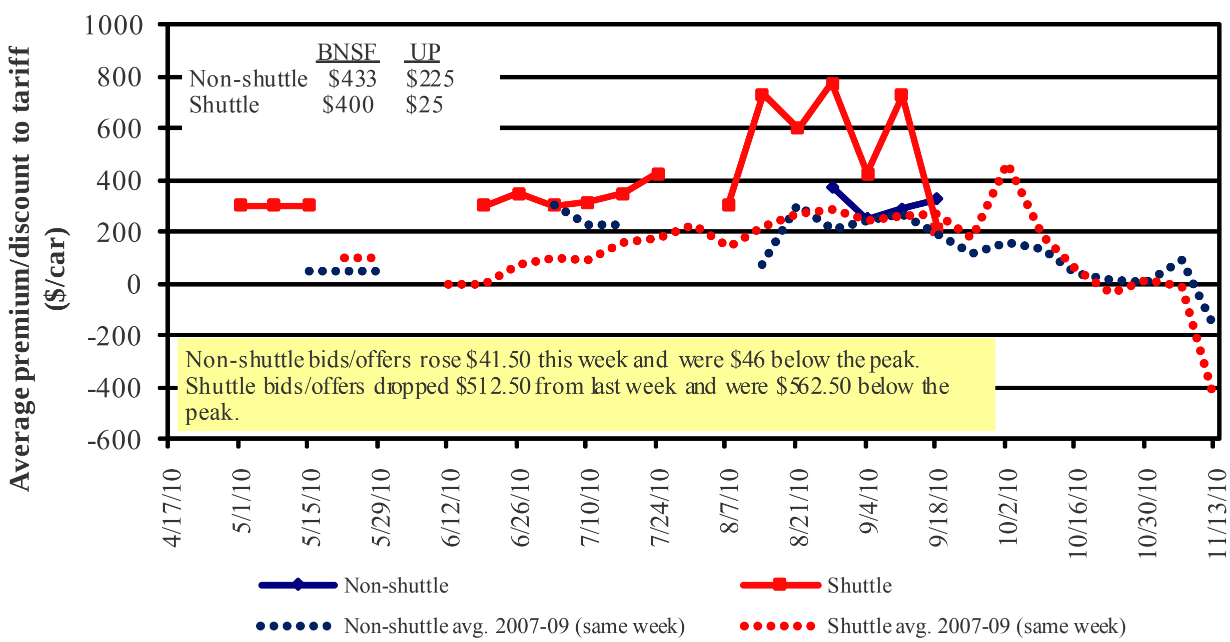


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

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

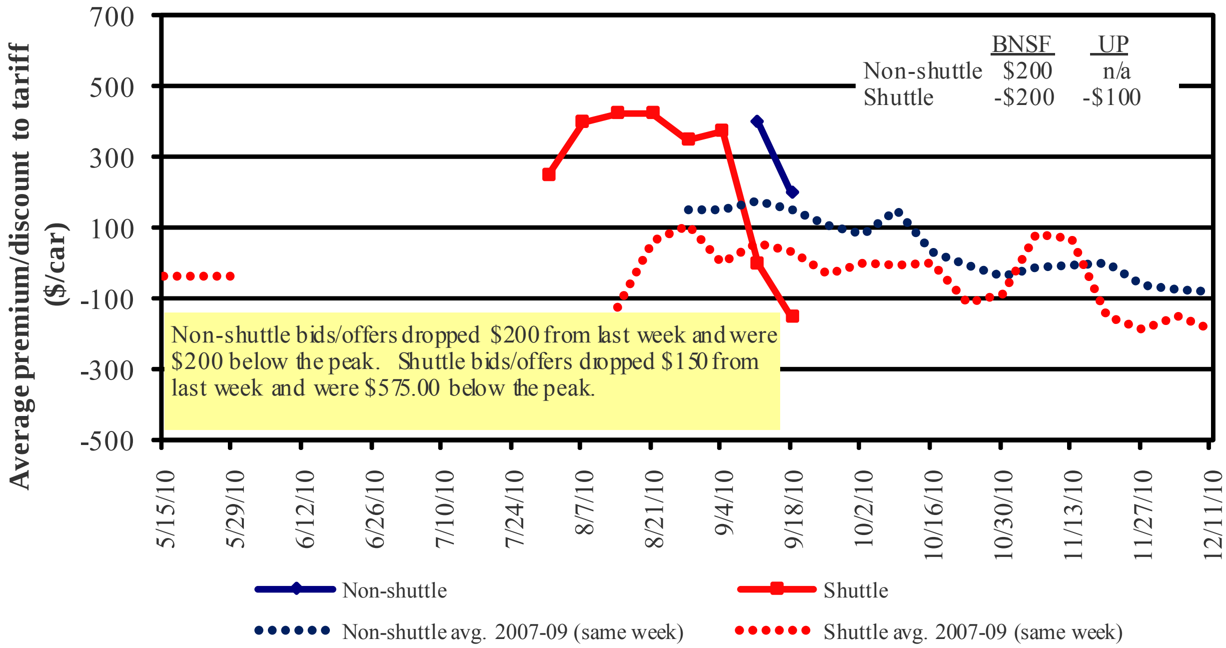


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in December 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					
9/18/2010	Oct-10	Nov-10	Dec-10	Jan-10	Feb-10	Mar-10
Non-shuttle						
BNSF-GF	783	433	200	n/a	n/a	n/a
Change from last week	(92)	(92)	(200)	n/a	n/a	n/a
Change from same week 2009	683	n/a	n/a	n/a	n/a	n/a
UP-Pool	358	225	n/a	n/a	n/a	n/a
Change from last week	n/a	175	n/a	n/a	n/a	n/a
Change from same week 2009	137	(75)	n/a	n/a	n/a	n/a
Shuttle[2]						
BNSF-GF	379	400	(200)	n/a	n/a	n/a
Change from last week	(821)	(700)	n/a	n/a	n/a	n/a
Change from same week 2009	(4)	268	(217)	n/a	n/a	n/a
UP-Pool	250	25	(100)	n/a	n/a	n/a
Change from last week	(475)	(325)	(100)	n/a	n/a	n/a
Change from same week 2009	n/a	(275)	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: 9/1/2010	Origin region*	Destination region*	Tariff rate/car	Fuel surcharge per car	Tariff plus surcharge per: metric ton	Tariff plus surcharge per: bushel[2]
Unit train						
Wheat	South Central KS	St. Louis, MO	$2,774	$86	$28.40	$0.77
	Grand Forks, ND	Duluth-Superior, MN	$2,563	$125	$26.69	$0.73
	South Central KS	Los Angeles, CA	$5,047	$643	$56.50	$1.54
	South Central KS	New Orleans, LA	$3,275	$151	$34.02	$0.93
	Sioux Falls, SD	Galveston-Houston, TX	$4,981	$528	$54.70	$1.49
	Northwest KS	Galveston-Houston, TX	$3,543	$166	$36.83	$1.00
	Amarillo, TX	Los Angeles, CA	$3,742	$231	$39.45	$1.07
Corn	Champaign-Urbana, IL	New Orleans, LA	$2,785	$171	$29.35	$0.80
	Toledo, OH	Raleigh, NC	$3,471	$199	$36.45	$0.99
	Des Moines, IA	Davenport, IA	$1,912	$36	$19.35	$0.53
	Indianapolis, IN	Atlanta, GA	$2,993	$150	$31.21	$0.85
	Indianapolis, IN	Knoxville, TN	$2,557	$96	$26.34	$0.72
	Des Moines, IA	Little Rock, AR	$2,848	$106	$29.34	$0.80
	Des Moines, IA	Los Angeles, CA	$4,263	$310	$45.41	$1.24
Soybeans	Minneapolis, MN	New Orleans, LA	$3,181	$156	$33.14	$0.90
	Toledo, OH	Huntsville, AL	$2,748	$141	$28.69	$0.78
	Indianapolis, IN	Raleigh, NC	$3,540	$201	$37.15	$1.01
	Indianapolis, IN	Huntsville, AL	$2,443	$96	$25.21	$0.69
	Champaign-Urbana, IL	New Orleans, LA	$3,038	$171	$31.87	$0.87
Shuttle Train						
Wheat	Great Falls, MT	Portland, OR	$2,868	$370	$32.15	$0.88
	South Central KS	Galveston-Houston, TX	$2,867	$288	$31.33	$0.85
	Chicago, IL	Albany, NY	$3,811	$187	$39.70	$1.08
	Grand Forks, ND	Portland, OR	$4,131	$638	$47.36	$1.29
	Grand Forks, ND	Galveston-Houston, TX	$5,046	$665	$56.71	$1.54
	Northwest KS	Portland, OR	$4,510	$272	$47.49	$1.29
Corn M	inneapolis, MN	Portland, OR	$3,920	$777	$46.65	$1.27
	Sioux Falls, SD	Tacoma, WA	$3,920	$712	$46.00	$1.25
	Champaign-Urbana, IL	New Orleans, LA	$2,677	$171	$28.28	$0.77
	Lincoln, NE	Galveston-Houston, TX	$2,800	$415	$31.93	$0.87
	Des Moines, IA	Amarillo, TX	$3,230	$134	$33.40	$0.91
	Minneapolis, MN	Tacoma, WA	$3,920	$771	$46.59	$1.27
	Council Bluffs, IA	Stockton, CA	$3,400	$798	$41.68	$1.13
Soybeans	Sioux Falls, SD	Tacoma, WA	$4,320	$712	$49.97	$1.36
	Minneapolis, MN	Portland, OR	$4,270	$777	$50.12	$1.36
	Fargo, ND	Tacoma, WA	$4,270	$633	$48.69	$1.33
	Council Bluffs, IA	New Orleans, LA	$3,410	$197	$35.82	$0.97
	Toledo, OH	Huntsville, AL	$2,366	$141	$24.90	$0.68
	Grand Island, NE	Portland, OR	$4,420	$278	$46.66	$1.27

[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 = 111 short tons (100.7 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

*Regional economic areas defined by the Bureau of Economic Analysis (BEA)

Table 8

Tariff Rail Rates for U.S. Bulk Grain Shipments to Mexico

Commodity	Origin state	Destination region	Tariff rate/car[1]	Fuel surcharge per car[2]	Tariff plus surcharge per: metric ton[3]	Tariff plus surcharge per: bushel[3]	Percent change Y/Y[4]
Effective date: 9/6/2010							
Wheat	MT	Chihuahua, CI	$6,705	$732	$75.99	$2.07	13
	OK	Cuautitlan, EM	$5,857	$562	$65.58	$1.78	10
	KS	Guadalajara, JA	$6,436	$865	$74.60	$2.03	16
	TX	Salinas Victoria, NL	$3,292	$175	$35.42	$0.96	9
Corn	IA	Guadalajara, JA	$6,670	$808	$76.41	$2.08	9
	SD	Penjamo, GJ	$6,440	$936	$75.36	$2.05	9
	NE	Queretaro, QA	$6,130	$520	$67.95	$1.85	2
	SD	Salinas Victoria, NL	$4,570	$672	$53.56	$1.46	3
	MO	Tlalnepantla, EM	$5,318	$506	$59.51	$1.62	2
	SD	Torreon, CU	$5,330	$766	$62.28	$1.69	7
Soybeans	MO	Bojay (Tula), HG	$6,066	$720	$69.33	$1.89	9
	NE	Guadalajara, JA	$6,550	$789	$74.99	$2.04	10
	IA	Penjamo (Celaya), GJ	$6,690	$948	$78.04	$2.12	10
	KS	Torreon, CU	$5,255	$530	$59.11	$1.61	9
Sorghum	OK	Cuautitlan, EM	$4,339	$671	$51.19	$1.39	4
	TX	Guadalajara, JA	$5,350	$756	$62.39	$1.70	16
	NE	Penjamo, GJ	$6,395	$741	$72.91	$1.98	8
	KS	Queretaro, QA	$5,398	$400	$59.24	$1.61	1
	NE	Salinas Victoria, NL	$4,282	$414	$47.98	$1.30	1
	NE	Torreon, CU	$5,240	$560	$59.26	$1.61	6

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

[2]Fuel surcharge adjusted to reflect the change in Ferrocarril Mexicano, S.A. de C.V railroad fuel surcharge policy as of 10/01/200

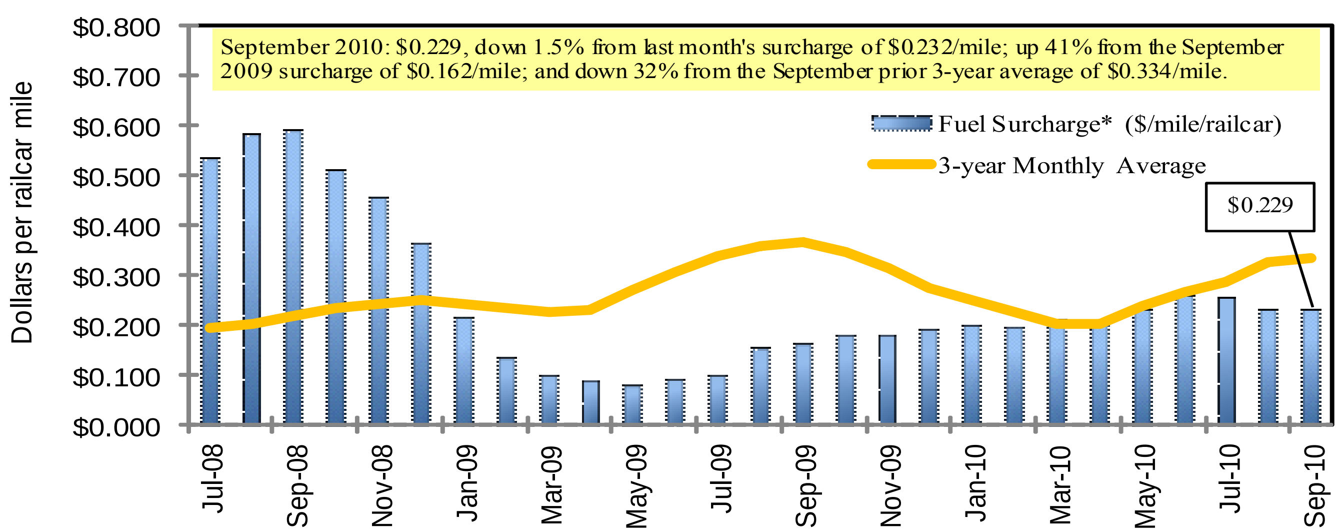
[3]Approximate load per car = 97.87 metric tons: Corn & Sorghum 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

[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.

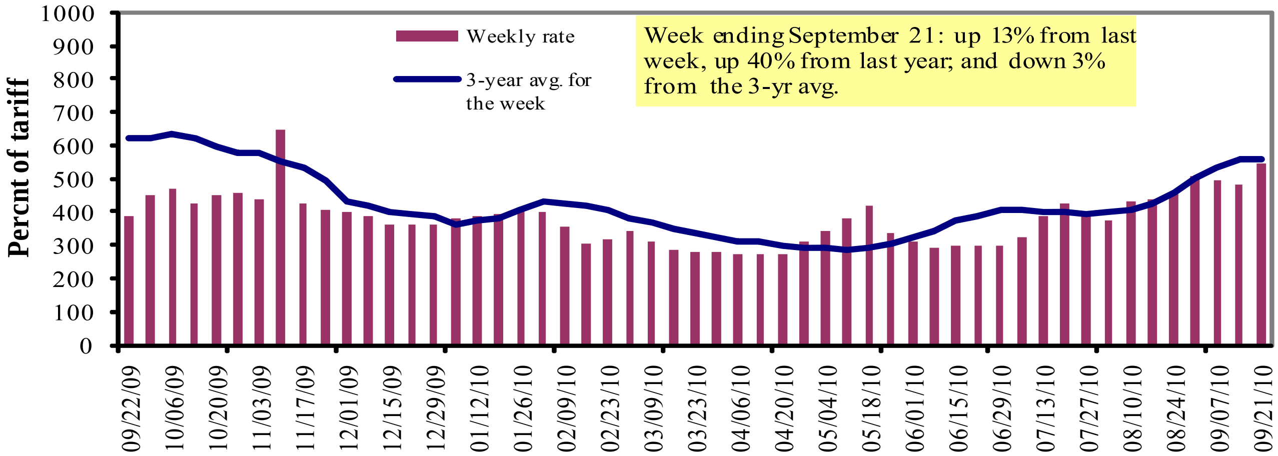
* Mileage-based fuel surcharges for March and April 2007 are estimated. Beginning January 2009, the Canadian Pacific fuel surcharge is computed by a monthly average of the bi-weekly fuel surcharge.

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]	9/21/2010	531	523	545	500	588	588	466
	9/14/2010	483	480	484	475	547	547	463
$/ton	9/21/2010	32.87	27.82	25.29	19.95	27.58	23.76	14.63
	9/14/2010	29.90	25.54	22.46	18.95	25.65	22.10	14.54
Current week % change from the same week:								
	Last year	39	35	40	40	56	56	47
	3-year avg. [2]	2	-4	-3	-8	1	1	-12
Rate[1]	October	583	565	549	532	590	590	500
	December	-	-	419	323	372	372	307

[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

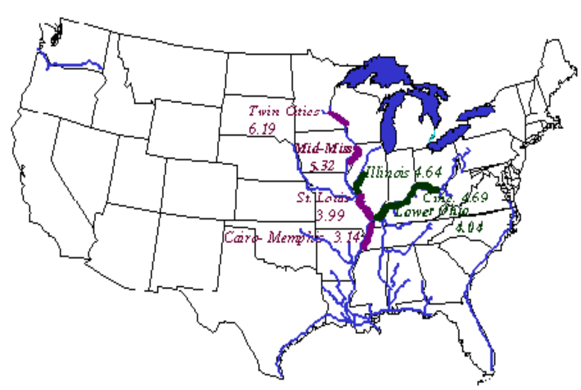
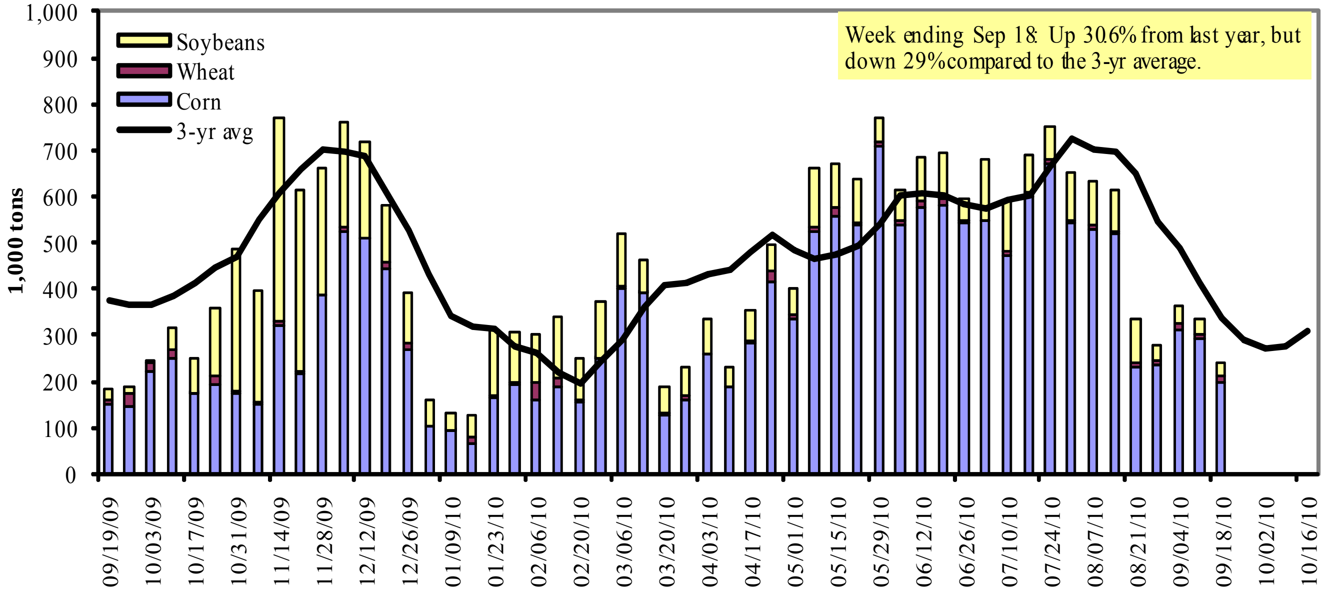


Figure 10

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 9/18/2010	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	72	6	2	0	80
Winfield, MO (L25)	122	11	19	0	152
Alton, IL (L26)	235	14	35	2	286
Granite City, IL (L27)	200	14	25	2	240
Illinois River (L8)	48	0	0	0	48
Ohio River (L52)	153	2	10	0	165
Arkansas River (L1)	14	15	13	12	54
Weekly total - 2010	367	31	48	13	460
Weekly total - 2009	162	44	39	0	244
2010 YTD[1]	17,337	974	5,432	343	24,086
2009 YTD	18,044	1,159	6,100	283	25,586
2010 as % of 2009 YTD	96	84	89	121	94
Last 4 weeks as % of 2009[2]	121	78	78	1,056	112
Total 2009	23,424	1,501	10,465	430	35,819

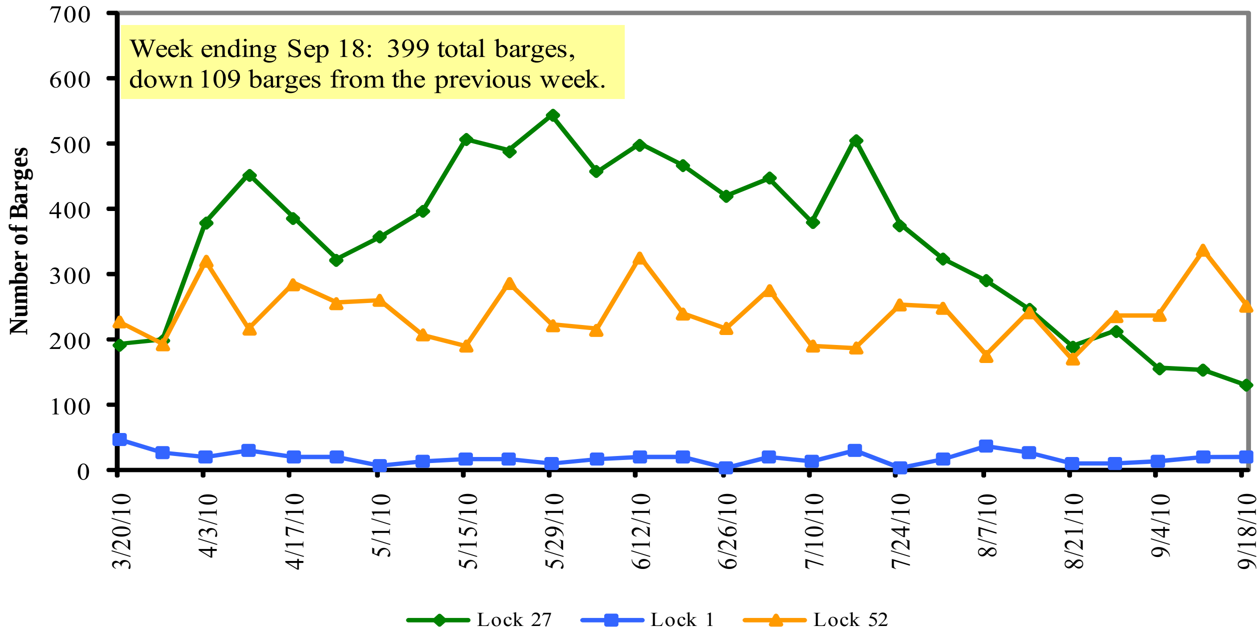
[1] Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

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

Note: Total may not add exactly, due to rounding

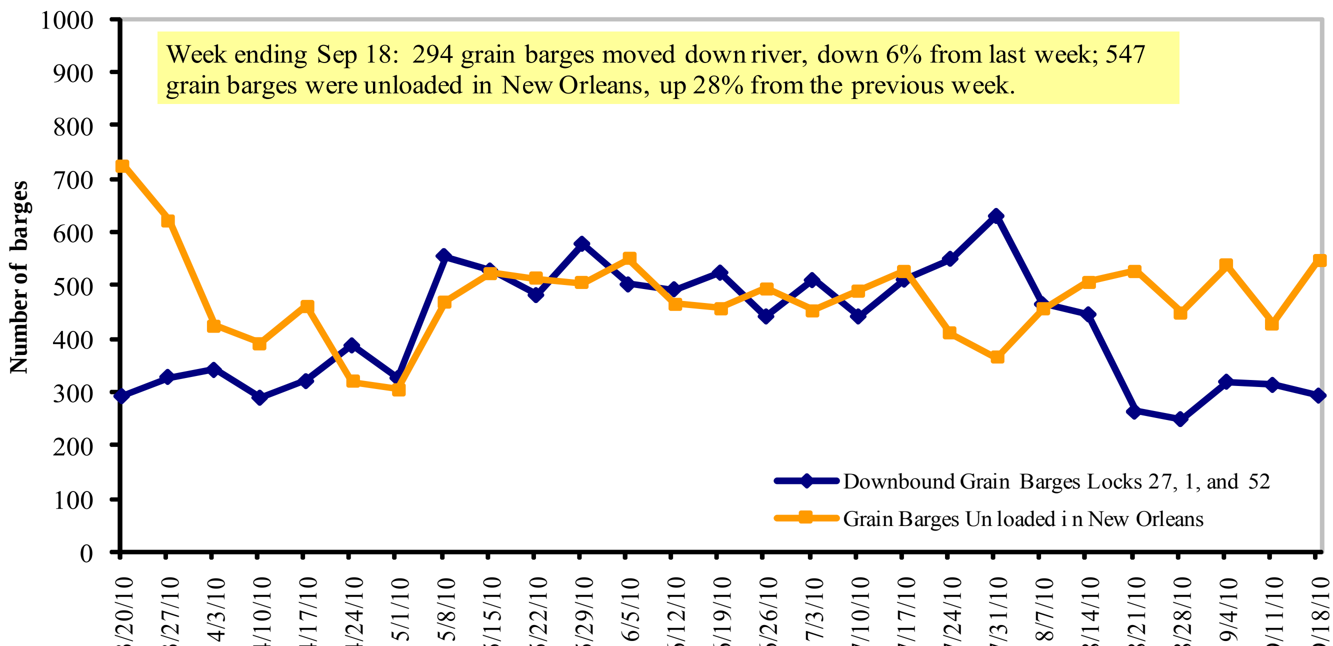
Source: U.S. Army Corps of Engineers (www.mvr.usace.army.mil/mvrimi/omni/webrpts/default.asp)

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 9/20/2010 (US $/gallon)

			Change from	
Region	**Location**	**Price**	**Week ago**	**Year ago**
I	East Coast	2.949	0.017	0.318
	New England	2.997	0.010	0.289
	Central Atlantic	3.041	0.022	0.303
	Lower Atlantic	2.905	0.015	0.327
II	Midwest[2]	2.944	0.024	0.346
III	Gulf Coast[3]	2.890	0.003	0.348
IV	Rocky Mountain	3.037	0.006	0.359
V	West Coast	3.120	0.019	0.337
	California	3.150	0.008	0.323
Total	U.S.	2.960	0.017	0.338

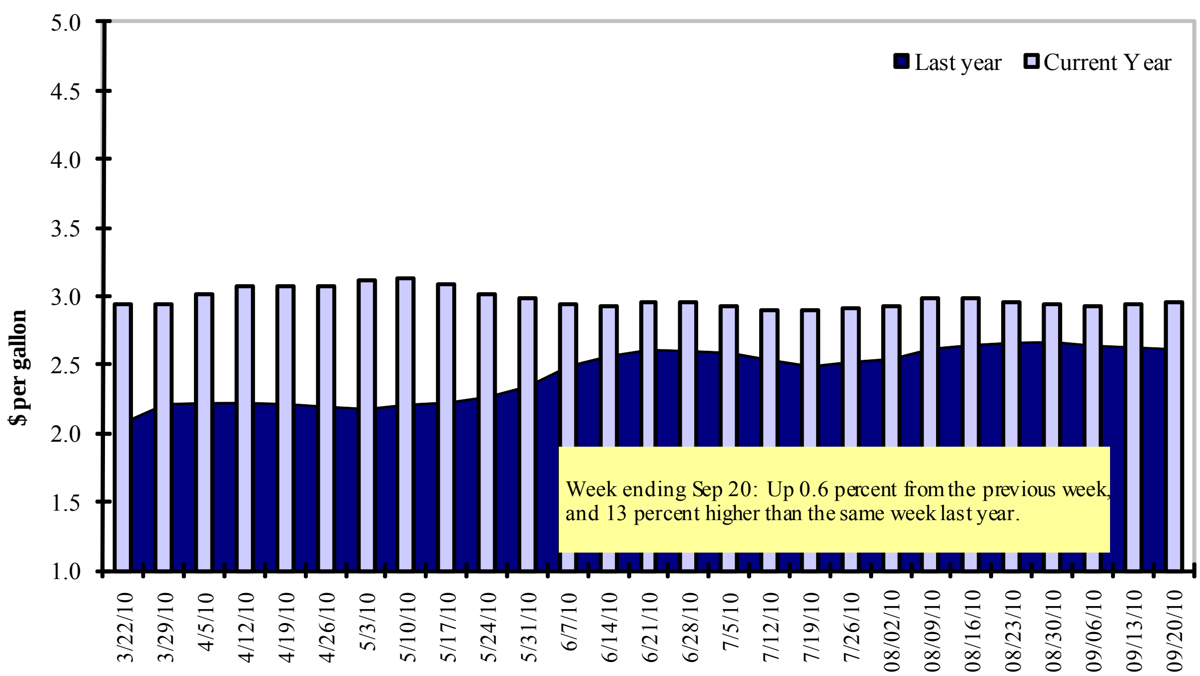
[1]Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

[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]									
9/9/2010	3,506	598	2,177	1,385	373	8,039	14,588	18,201	40,828
This week year ago	1,284	802	917	930	290	4,224	11,935	17,173	33,332
Cumulative exports-marketing year[2]									
2010/11 YTD	3,712	560	1,828	1,162	221	7,483	1,385	254	9,122
2009/10 YTD	2,121	912	1,212	1,036	202	5,484	1,699	458	7,641
YTD 2010/11 as % of 2009/10	175	61	151	112	109	136	82	55	119
Last 4 wks as % of same period 2008/09	283	76	234	143	122	191	85	58	85
2009/10 Total	8,458	2,733	5,329	3,897	983	21,400	47,700	39,285	108,385
2008/09 Total	11,244	5,100	5,408	3,420	454	25,626	44,650	33,705	103,981

[1] Current unshipped export sales to date

[2] Shipped export sales to date; the new marketing year now in effect for corn and soybeans

Note: YTD = year-to-date. Marketing Year: wheat = 6/01-5/31, corn & soybeans = 9/01-8/31

Source: Foreign Agricultural Service/USDA (www.fas.usda.gov)

Table 13

Top 5 Importers[1] of U.S. Corn

Week ending 09/09/10	Total Commitments[2]		% change	Exports[3]
	2010/11	2009/10	current MY	
	Current MY	Last MY	from last MY	2008/09
	- 1,000 mt -			- 1,000 mt -
Japan	4,752	2,935	62	15,910
Mexico	2,326	2,063	13	7,454
Korea[4]	1,113	1,959	(43)	5,129
Taiwan	652	718	(9)	3,198
Egypt[5]	1,121	622	80	2,233
Top 5 importers	**9,964**	**8,298**	**20**	**33,924**
Total US corn export sales	**15,973**	**13,634**	**17**	**47,180**
% of Projected	30%	27%		
Change from Last Week	584	966		
Top 5 importers' share of U.S. corn export sales	62%	61%		
USDA forecast, September 2010	**53,340**	**50,290**	**6**	
Corn Use for Ethanol USDA forecast, Ethanol September 2010	**119,380**	**115,189**	**4**	

(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.

[4]Not included - FAS Press Release: 110,000 mt on 9/20 to Korea for 2010/11.

[5]Not included - FAS Press Release: 120,000 mt on 9/20 to Egypt for 2010/11.

Table 14

Top 5 Importers[1] of U.S. Soybeans

Week ending 09/09/10	Total Commitments[2] 2010/11 Current MY	2009/10 Last MY	% change current MY from last MY	Exports[3] 2008/09
	- 1,000 mt -			- 1,000 mt -
China	11,350	11,476	(1)	18,681
Mexico	806	628	28	3,098
Japan 648		773	(16)	2,410
EU-25	65	364	(82)	2,180
Taiwan	274	372	(26)	1,592
Top 5 importers	**13,143**	**13,613**	**(3)**	**27,961**
Total US soybean export sales	**19,539**	**18,783**	**4**	**34,930**
% of Projected	48%	46%		
Change from last week	4,224	4,688		
Top 5 importers' share of U.S. soybean export sales	67%	72%		
USDA forecast, September 2010	**40,420**	**40,690**	**(1)**	
Soybean Use for Biodiesel USDA forecast, September 2010	**6,954**	**4,076**	**71**	

(n) indicates negative number.

[1]Based on FAS 2008/09 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year (MY) = Sep 1 - A

[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 09/09/2010	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	1,511	1,401	8	3,233
Japan	1,613	1,202	34	3,148
Mexico	1,345	857	57	1,975
Philippines	1,166	745	57	1,518
Korea, South	932	530	76	1,111
Taiwan	344	342	0	844
Venezuela	237	215	10	658
Colombia	359	297	21	575
Peru	533	295	81	567
Egypt	1,061	351	203	529
Top 10 importers	**9,099**	**6,234**	**46**	**14,156**
Total US wheat export sales	**15,522**	**9,708**	**60**	**23,980**
% of Projected	46%	40%		
Change from last week	485	424		
Top 10 importers' share of U.S. wheat export sales	59%	64%		
USDA forecast, September 2010	**34,020**	**23,980**	**42**	

(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 09/16/10	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	380	7,987	7,087	113	113	108	10,091
Corn	58	8,033	6,654	121	106	130	8,498
Soybeans	0	5,044	4,596	110	138	89	9,743
Total	**437**	**21,064**	**18,336**	**115**	**111**	**114**	**28,332**
Mississippi Gulf							
Wheat	52	2,829	2,984	95	103	73	4,019
Corn	531	21,507	22,175	97	103	103	28,843
Soybeans	316	10,850	12,130	89	87	124	21,831
Total	**899**	**35,185**	**37,289**	**94**	**99**	**102**	**54,693**
Texas Gulf							
Wheat	268	6,256	3,964	158	207	116	5,735
Corn	37	1,322	1,423	93	61	121	1,968
Soybeans	0	669	472	142	n/a	n/a	2,402
Total	**305**	**8,247**	**5,859**	**141**	**153**	**116**	**10,105**
Great Lakes							
Wheat	98	964	482	200	192	139	990
Corn	0	53	244	22	0	0	353
Soybeans	0	0	69	0	n/a	0	781
Total	**98**	**1,017**	**795**	**128**	**140**	**117**	**2,124**
Atlantic							
Wheat	0	195	481	41	0	0	552
Corn	0	277	162	171	38	66	472
Soybeans	0	716	479	149	26	22	1,268
Total	**0**	**1,188**	**1,121**	**106**	**17**	**15**	**2,292**
U.S. total from ports[2]							
Wheat	798	18,231	14,997	122	138	104	21,387
Corn	626	31,191	30,657	102	97	108	40,134
Soybeans	316	17,280	17,745	97	94	113	36,025
Total	**1,739**	**66,701**	**63,400**	**105**	**109**	**107**	**97,546**

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

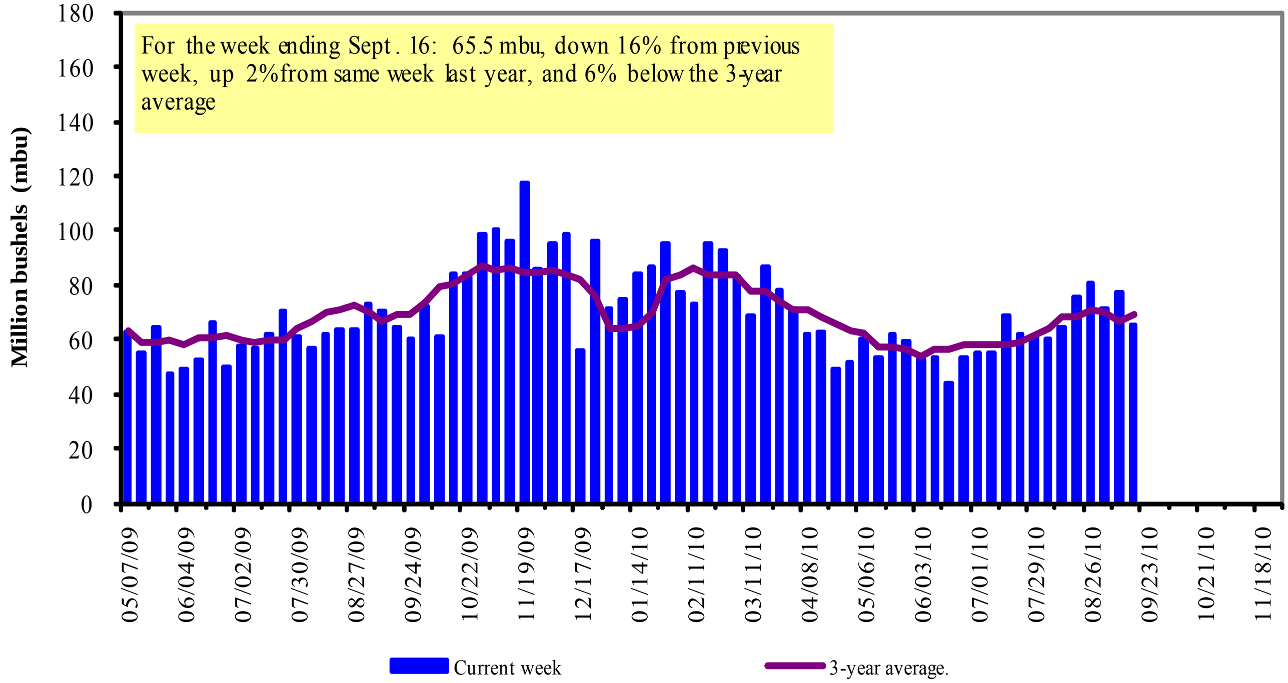
[2] Total includes only port regions shown above

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)

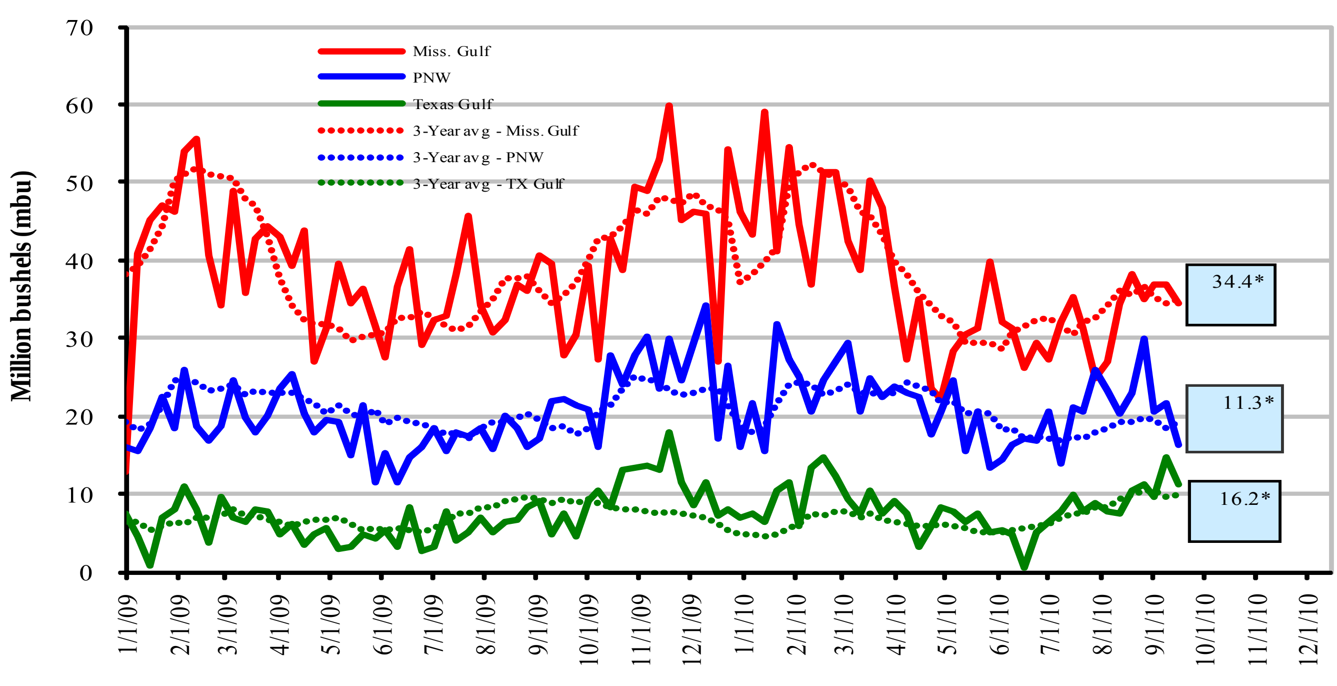


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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.

Sept 16, % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	down 6	down 23	down 11	down 25
Last year (same week)	up 24	up 48	up 29	down 27
3-yr avg. (4-wk mov. avg.)	down 2	up 14	up 2	down 23

Ocean Transportation

Table 17

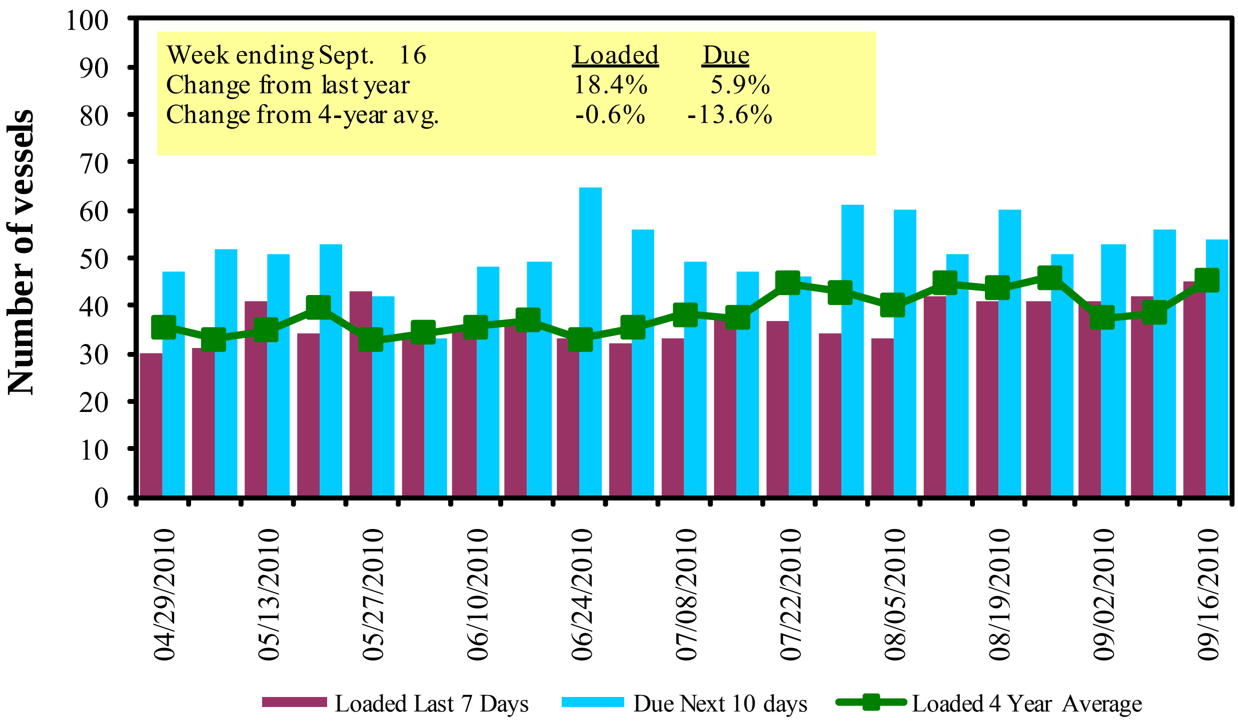
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

Date	Gulf In port	Gulf Loaded 7-days	Gulf Due next 10-days	Pacific Northwest In port	Vancouver B.C. In port
9/16/2010	43	45	54	11	9
9/9/2010	39	42	56	15	9
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

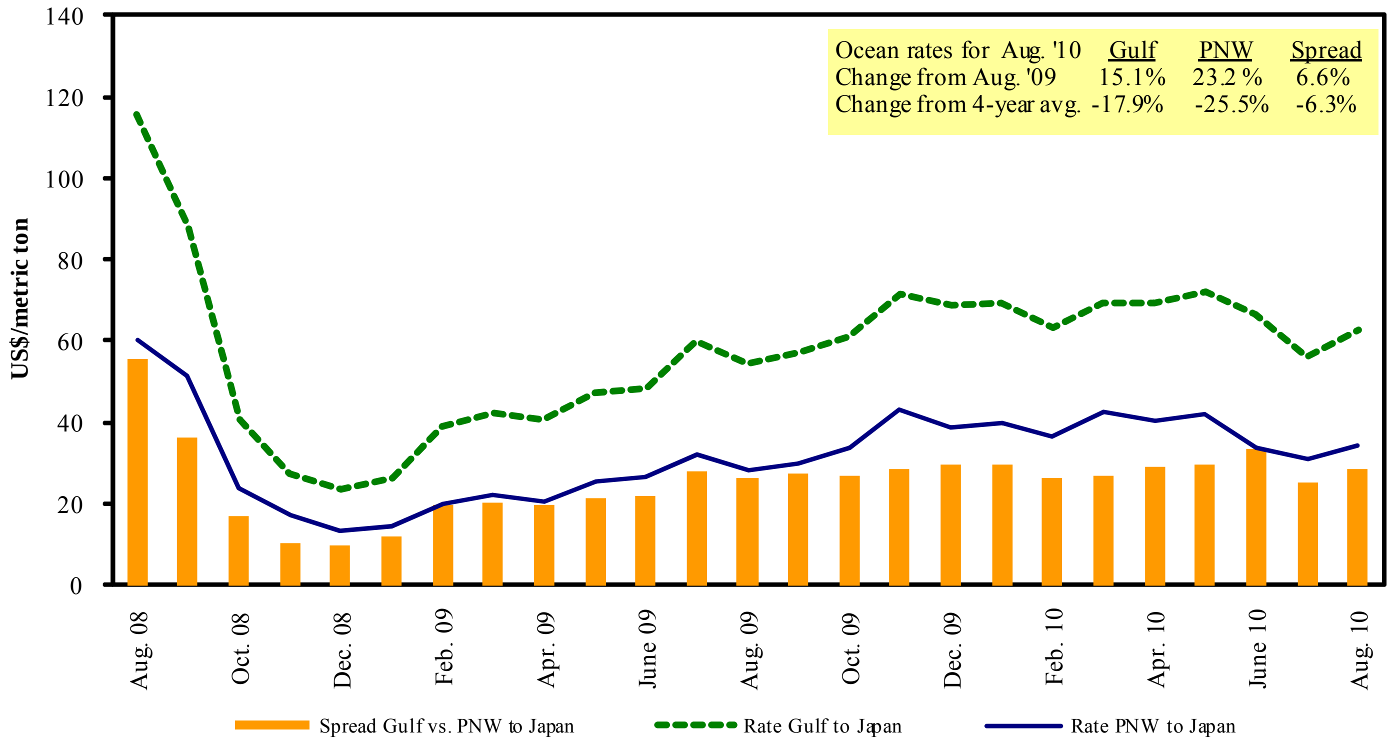


Source: Transportation & Marketing Programs/AMS/USDA

[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 9/18/2010

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	Egypt Med	Heavy Grain	Sep 5/10	55,000	42.00
U.S. Gulf	South Africa	Wheat	Aug 20/30	25,000	59.50
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. PNW	Bangladesh[1]	Wheat	Aug 20/30	24,590	92.00
St. Lawrence	Morocco	Wheat	Aug 25/30	25,000	29.75
St. Lawrence	Morocco	Wheat	Jul 26/31	25,000	26.50
Brazil	Spain	Corn	Aug 10/15	25,000	31.50
France	Algeria	Wheat	Jun 25/30	25,000	29.00
France	Algeria	Wheat	Jul 5/10	25,000	25.50
India Chi	na	Grains	Sep 5/10	20,000	27.50
River Plate	Algeria	Soybeanmeal	July 1/10	25,000	56.00
River Plate	Baltic	Soybeanmeal	Sep 24/26	23,000	47.50

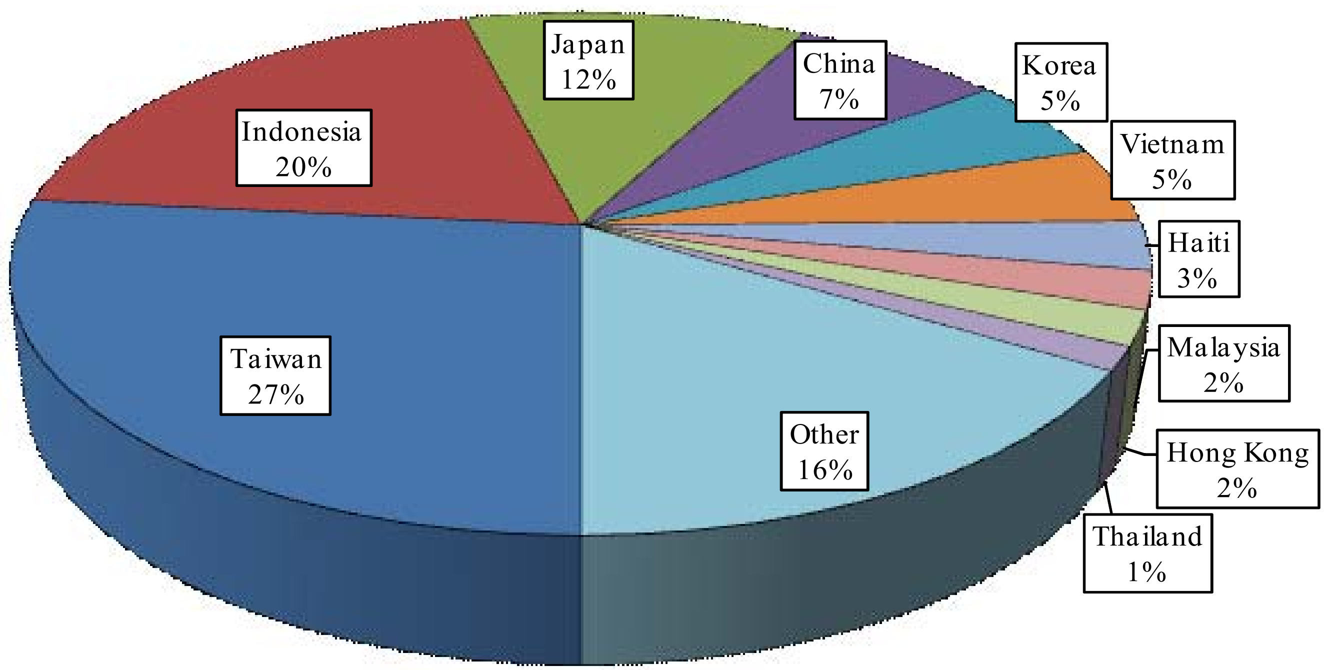
Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option

[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

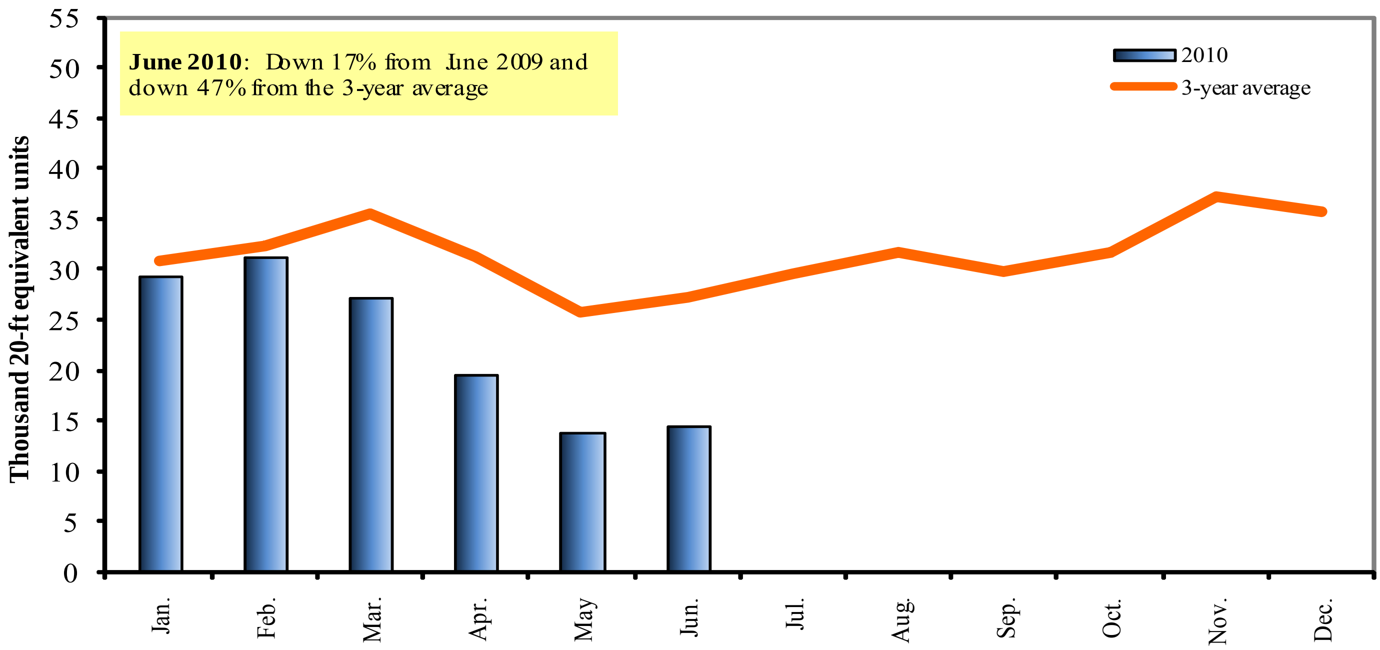
Top 10 Destination Markets for U.S. Containerized Grain Exports, June 2010



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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