



Nov. 24, 2010

Contents

Article/
Calendar

Grain
Transportation
Indicators

Rail

Barge

Truck

Exports

Ocean

Brazil

Mexico

Quarterly
Updates

Specialists

Subscription
Information

The next
release is
December 2, 2010

WEEKLY HIGHLIGHTS

No Class I Railroad Was Determined to be Revenue Adequate in 2009

Reduced railroad traffic during 2009 combined with continued high levels of railroad capital investment contributed to the report by the Surface Transportation Board (STB) that none of the major U.S. railroads were revenue adequate during 2009. To be judged revenue adequate, a railroad must achieve a rate of return on investment (ROI) equal to or greater than the rail industry cost of capital for 2009, which the STB estimated to be 10.43 percent. BNSF had a tax-adjusted ROI of 8.67 percent; CSX Corporation, 7.3 percent; Canadian National U.S. operations, 6.04 percent; Canadian Pacific U.S. operations, 6.28 percent; Kansas City Southern Railway, 6.51 percent, Norfolk Southern Railway, 7.69 percent; and Union Pacific Railroad, 8.62 percent.

Grain Traffic Robust in the Great Lakes-St. Lawrence Seaway

Markets in Europe and North Africa have looked to North American grain farmers to satisfy their demand for grain since Russia announced its drought-induced grain export ban in August. Consequently, nearly 1.9 million metric tons of U.S. grain moved through the Great Lakes and St. Lawrence Seaway through October 2010, an increase of nearly 23 percent over 2009 levels of traffic.

Weekly Grain Inspections Lowest Since September

For the week ending November 18, total inspections of grain (corn, wheat, and soybeans) from all major U.S. export regions reached 2.09 million metric tons (mmt), down 25 percent from the previous week and 33 percent below last year. Inspections of all three major grains were also below the past week. This is the lowest amount of weekly grain inspections since September 23, 2010 (74.4mmt)

Grain Farmers Thankful For a Good Crop, High Prices, and Early Harvest

This year, grain farmers are thankful for a rare combination—bumper crop production combined with high prices. In addition, the smooth and rapid progression of the fall harvest has allowed grain farmers to complete the wheat, soybean, and corn harvests earlier than normal and prior to winter closing access to the fields. Sorghum and sunflower seed harvests also are progressing rapidly and are expected to be completed soon.

Snapshots by Sector

Rail

U.S. railroads originated 26,334 **carloads of grain** during the week ending November 13, up 12 percent from last week, up 6 percent from last year, and 5 percent higher than the 3-year average.

During the week ending November 20, average December non-shuttle **secondary railcar bids/offers** were \$30.50 below tariff, down \$39.50 from last week. Average shuttle rates were \$492 below tariff, down \$158.50 from last week.

Ocean

During the week ending November 18, 57 **ocean-going grain vessels** were loaded in the Gulf, up 2 percent from last year. Fifty-three vessels are expected to be loaded in the U.S. Gulf within the next 10 days, down 28 percent from last year.

During the week ending November 19, the cost of shipping grain from the Gulf to Japan averaged \$53.50 per mt, down 9 percent from the previous week. The rate from the Pacific Northwest to Japan was \$31 per mt, down 10 percent from the previous week.

Barge

During the week ending November 20, **barge grain movements** totaled 633,367 tons, 29.5 percent lower than the previous week and 35 percent lower than the same period last year.

Fuel

During the week ending November 22, U.S. average **diesel fuel prices** decreased 1 cent per gallon to \$3.17—0.4 percent lower than the previous week, but 14 percent higher than the same week last year.

Containerized Grain Exports

In August, **containerized grain exports** to Asia totaled nearly 17,500 20-foot containers—24 percent lower than the previous year, 48 percent lower than the 3-year average, and 13 percent lower than July movements.

Feature Article/Calendar

Wheat Transportation Costs Drop During Third Quarter

Reacting to lower iron ore imports by China, ocean bulk rates decreased during the third quarter and more than offset the increases in grain truck and rail transportation costs. Lower ocean rates caused third quarter transportation costs for shipping wheat from Kansas (KS) and North Dakota (ND) to Japan through the Pacific Northwest (PNW) to drop 4 percent from the previous quarter. However, the transportation costs remained higher than last year by 8 percent (see table). The cost of shipping from KS to Japan through the U.S. Gulf decreased 6 percent from the second quarter, but increased about 7 percent above last year (see table). The cost to ship wheat from ND through the Gulf was down 4 percent from the second quarter but up 6 percent from last year. Third quarter wheat transportation costs represented 32 to 40 percent of the landed costs, down from the previous quarter, due mainly to lower transportation costs for all origins.

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

Mode	KS					ND				
	2009 3rd qtr	2010 2nd qtr	2010 3rd qtr	Year-to-Year change	Quarterly change	2009 3rd qtr	2010 2nd qtr	2010 3rd qtr	Year-to-Year change	Quarterly change
	- \$/metric ton -					- \$/metric ton -				
Truck	10.38	8.66	9.74	-6.17	12.47	10.38	8.66	9.74	-6.17	12.47
Rail ¹	44.93	47.81	48.52	7.99	1.49	44.22	47.29	48.16	8.91	1.84
Ocean vessel	30.03	39.38	33.77	12.45	-14.25	30.03	39.38	33.77	12.45	-14.25
Transportation Costs	85.34	95.85	92.03	7.84	-3.99	84.63	95.33	91.67	8.32	-3.84
Farm Value ²	172.21	151.02	198.91	15.50	31.71	193.39	164.86	189.72	-1.90	15.08
Total Landed Cost	257.55	246.87	290.94	12.96	17.85	278.02	260.19	281.39	1.21	8.15
Transport % of landed cost	33.14	38.83	31.63			30.44	36.64	32.58		

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

Mode	KS					ND				
	2009 3rd qtr	2010 2nd qtr	2010 3rd qtr	Year-to-Year change	Quarterly change	2009 3rd qtr	2010 2nd qtr	2010 3rd qtr	Year-to-Year change	Quarterly change
	- \$/metric ton -					- \$/metric ton -				
Truck	10.38	8.66	9.74	-6.17	12.47	10.38	8.66	9.74	-6.17	12.47
Rail ¹	29.30	31.33	32.02	9.28	2.20	53.66	56.82	57.69	7.51	1.53
Ocean vessel	57.28	69.36	61.45	7.28	-11.40	57.28	69.36	61.45	7.28	-11.40
Transportation Costs	96.96	109.35	103.21	6.45	-5.61	121.32	134.84	128.88	6.23	-4.42
Farm Value ²	172.21	151.02	198.91	15.50	31.71	193.39	164.86	189.72	-1.90	15.08
Total Landed Cost	269.17	260.37	302.12	12.24	16.03	314.71	299.70	318.60	1.24	6.31
Transport % of landed cost	36.02	42.00	34.16			38.55	44.99	40.45		

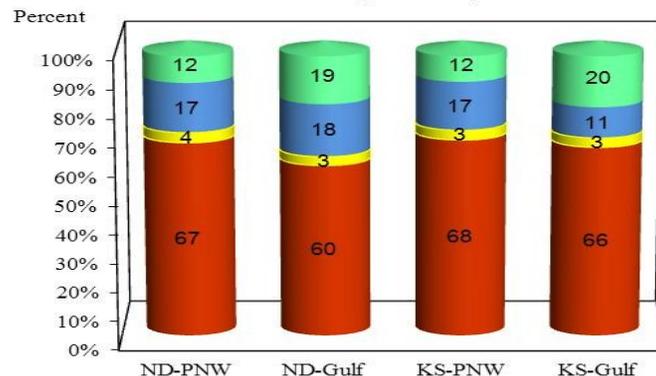
Source: USDA/AMSTMP

¹ Rail tariff rates include fuel surcharges and revisions for heavy axle railcars and shuttle trains.

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

The total landed cost (farm value plus transportation costs) for shipping wheat to Japan ranged from \$281 to \$319 per mt, up overall from the previous quarter and last year (see table). Total landed costs from quarter to quarter, which increased 18 and 16 percent from KS and 8 and 6 percent from ND, were driven mainly by higher farm values and increased truck rates. Although year-to-year landed costs increased 13 and 12 percent for KS, ND costs increased just over 1 percent compared to last year due primarily to lower farm values for wheat. Landed costs for shipping wheat from KS via the PNW surpassed ND costs for the first time since the fourth quarter 2007, due to higher farm values). KS farm value for wheat surpassed ND values for the first time since the third quarter 2007, a record year for U.S. wheat exports.

Landed costs for shipping wheat from Kansas and North Dakota to Japan, 3rd Quarter 2010



Source: USDA/AMS/TMP



This was probably due to increased demand for hard red winter wheat, which is grown primarily in KS. Third quarter farm values for wheat produced in KS accounted for 68 and 66 percent of total landed cost (see figure).

Ocean rates for wheat shipped from the PNW to Japan decreased 14 percent from the second quarter due in part to low iron ore imports from China, but increased more than 12 percent from last year. Ocean rates for wheat shipped from the Gulf to Japan decreased 11 percent from the second quarter, but increased 7 percent from last year. Higher year-to-year ocean rates were driven up by increased demand for bulk shipments due to modest improvement in global economic conditions compared to last year.

Third quarter rail rates increased mainly due to increasing demand for rail service during the early grain harvest. Rail rates from KS and ND to the PNW during the third quarter increased about 2 percent compared to the previous quarter; and 8 and 9 percent from last year. Rail rates from each State to the Gulf also increased 2 percent from the previous quarter and 8 and 9 percent year-to-year (see table). The cost of moving wheat from both States by truck to a rail-served grain elevator increased 12 percent during the third quarter as demand heightened.

According to the Foreign Agricultural Service, calendar year-to-date wheat exports to Japan through September totaled 2.55 million metric tons, up 15 percent from last year, and representing about 13 percent of total U.S. wheat exports. For the same period, total U.S. wheat exports reached 20.4 million metric tons, up 24 percent from last year. For the 2010/11 marketing year, year -to-date export sales (shipped) of all wheat are up 35 percent from the previous year (See *GTR, Table 12*). Johnny.Hill@ams.usda.gov

Grain Transportation Indicators

Table 1
Grain Transport Cost Indicators¹

Week ending	Truck	Rail ²	Barge	Ocean	
				Gulf	Pacific
11/24/10	213	126	256	239	220
11/17/10	214	104	228	264	245

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)

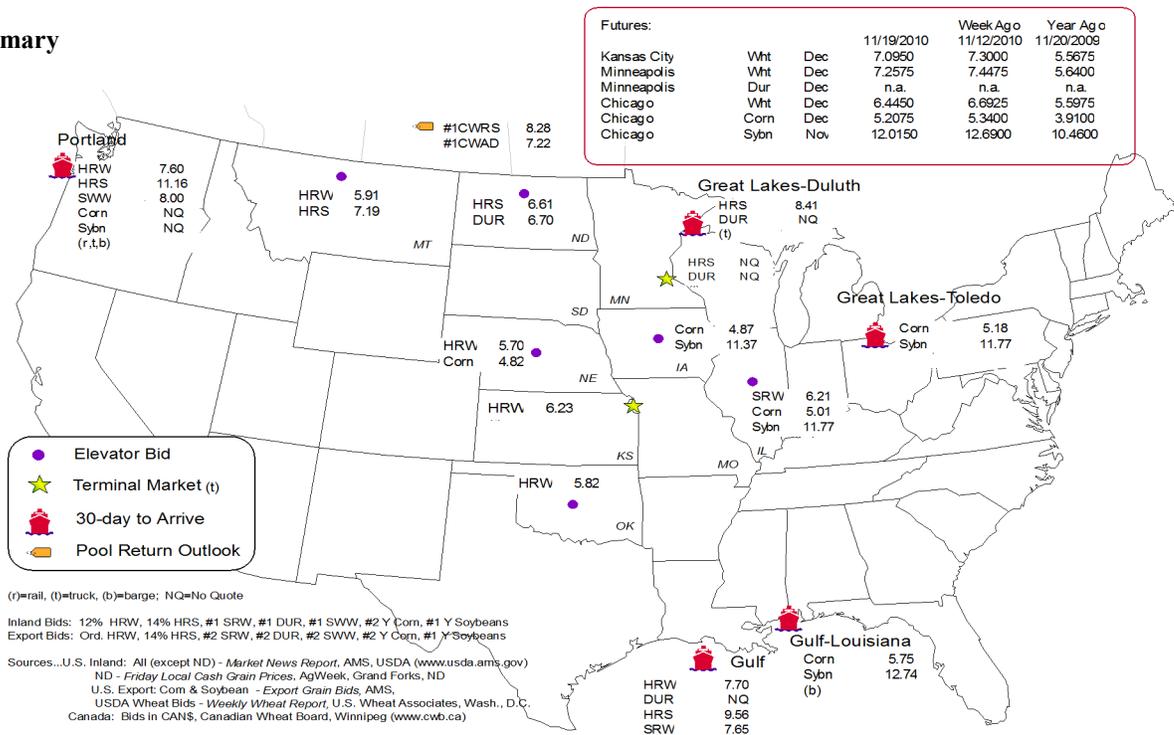
Commodity	Origin--Destination	11/19/2010	11/12/2010
Corn	IL--Gulf	-0.74	-0.72
Corn	NE--Gulf	-0.93	-0.98
Soybean	IA--Gulf	-1.37	-1.27
HRW	KS--Gulf	-1.47	-1.47
HRS	ND--Portland	-4.55	-4.45

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	
11/17/2010 ^p	1,644	2,502	554	4,821	1,427	10,948
11/10/2010 ^r	1,776	2,528	780	4,574	947	10,605
2010 YTD	26,520	71,857	38,453	155,304	27,628	319,762
2009 YTD	27,649	48,056	32,997	152,870	23,365	284,937
2010 YTD as % of 2009 YTD	96	150	117	102	118	112
Last 4 weeks as % of 2009 ²	100	88	127	110	110	104
Last 4 weeks as % of 4-year avg. ²	92	104	81	100	111	99
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.

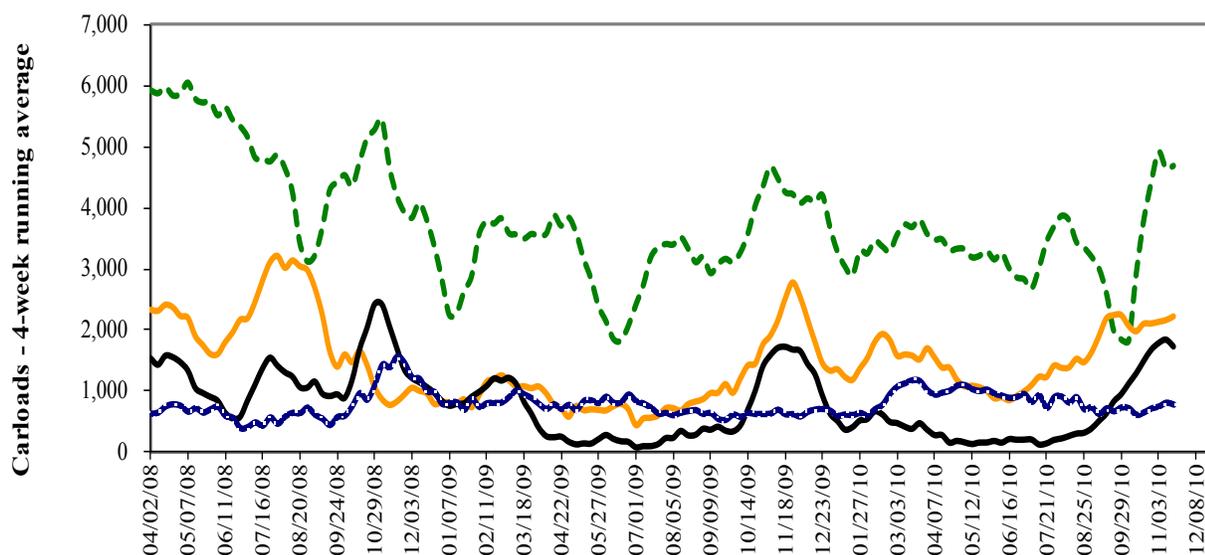
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

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: 4wks. ending 11/17-- up 10% from same period last year; unchanged from 4-year average
- Texas Gulf: 4 wks. ending 11/17-- down 12% from same period last year; up 4% from 4-year average
- Miss. River: 4 wks. ending 11/17 -- unchanged from same period last year; down 8% from 4-year average
- ... Cross-border Mexico: 4 wks. ending 11/17 -- up 27% from same period last year; down 19% from 4-year average

Source: Transportation & Marketing Programs/AMS/USDA

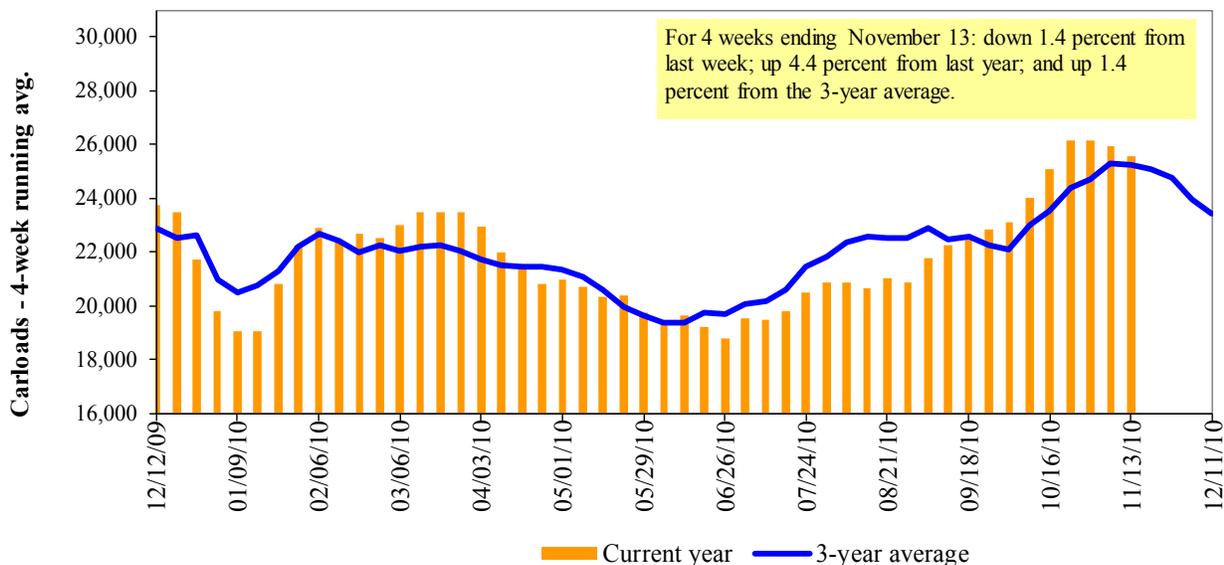
Table 4

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
11/13/10	2,701	3,441	12,723	664	6,805	26,334	4,501	5,515
This week last year	2,434	3,858	10,621	1,115	6,889	24,917	4,493	5,387
2010 YTD	96,587	137,875	471,233	31,488	254,427	991,610	175,750	231,941
2009 YTD	90,077	120,692	413,218	31,959	229,161	885,107	175,880	244,427
2010 YTD as % of 2009 YTD	107	114	114	99	111	112	100	95
Last 4 weeks as % of 2009 ¹	98	102	109	70	106	104	102	95
Last 4 weeks as % of 3-yr avg.	83	99	105	79	108	101	89	90
Total 2009	105,278	142,254	483,618	36,912	268,811	1,036,873	200,871	278,997

¹As a percent of the same period in 2009 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							
	Dec-10	Dec-09	Jan-11	Jan-10	Feb-11	Feb-10	Mar-11	Mar-10
11/20/2010								
BNSF ³								
COT grain units	no bids	no offer	1	2	no bids	1	0	0
COT grain single-car ⁵	0	no offer	5	1..44	5	1	no bids	0
UP ⁴								
GCAS/Region 1	no bids	no bids	no bids	no bids	1	no bids	n/a	no offer
GCAS/Region 2	no bids	1	no bids	no bids	no bids	no bids	n/a	no offer

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

²Average premium/discount to tariff, last auction

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

⁴UP - GCAS = Grain Car Allocation System

Region 1 includes: AR, IL, LA, MO, NM, OK, TX, WI, and Duluth, MN.

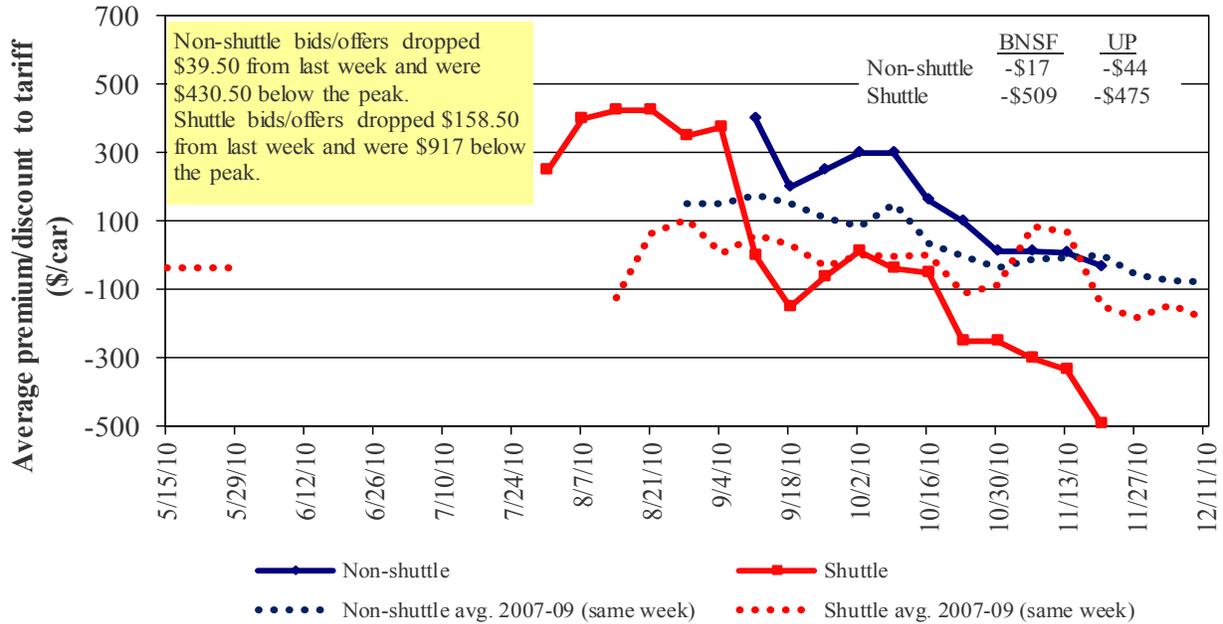
Region 2 includes: CO, IA, KS, MN, NE, WY, and Kansas City and St. Joseph, MO.

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

Source: Transportation & Marketing Programs/AMS/USDA.

The **secondary rail market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The **auction and secondary rail** values are indicators of rail service quality and demand/supply.

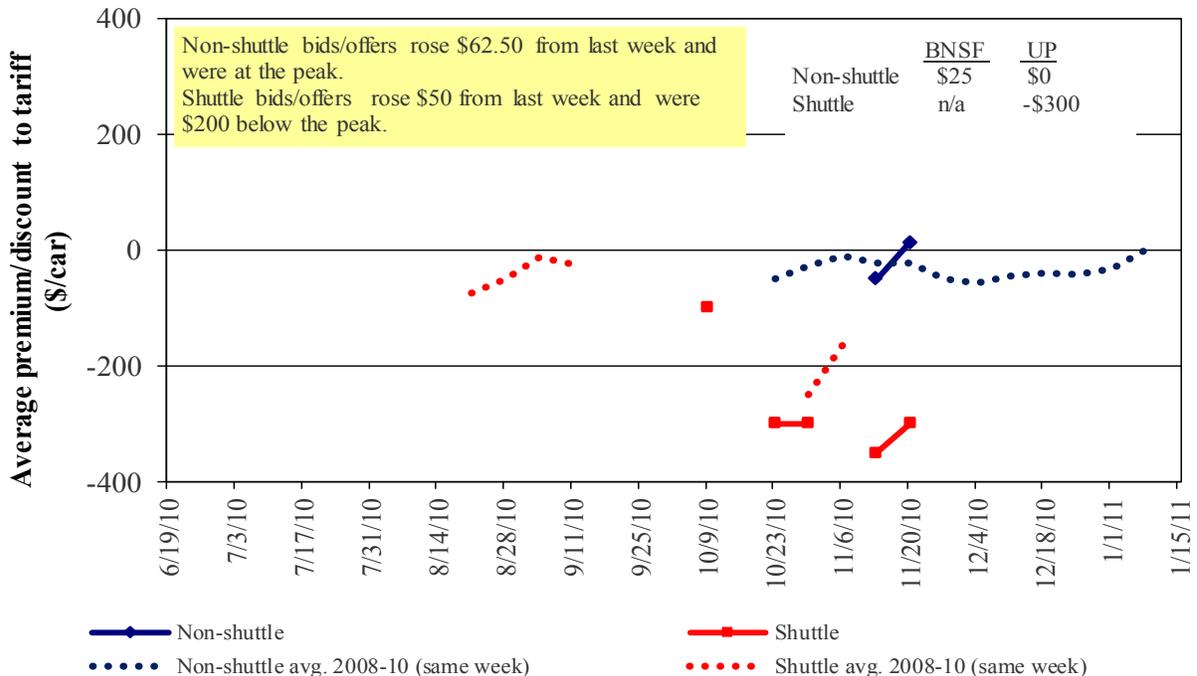
Figure 4
Bids/Offers for Railcars to be Delivered in December 2010, Secondary Market



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 January 2011, Secondary Market

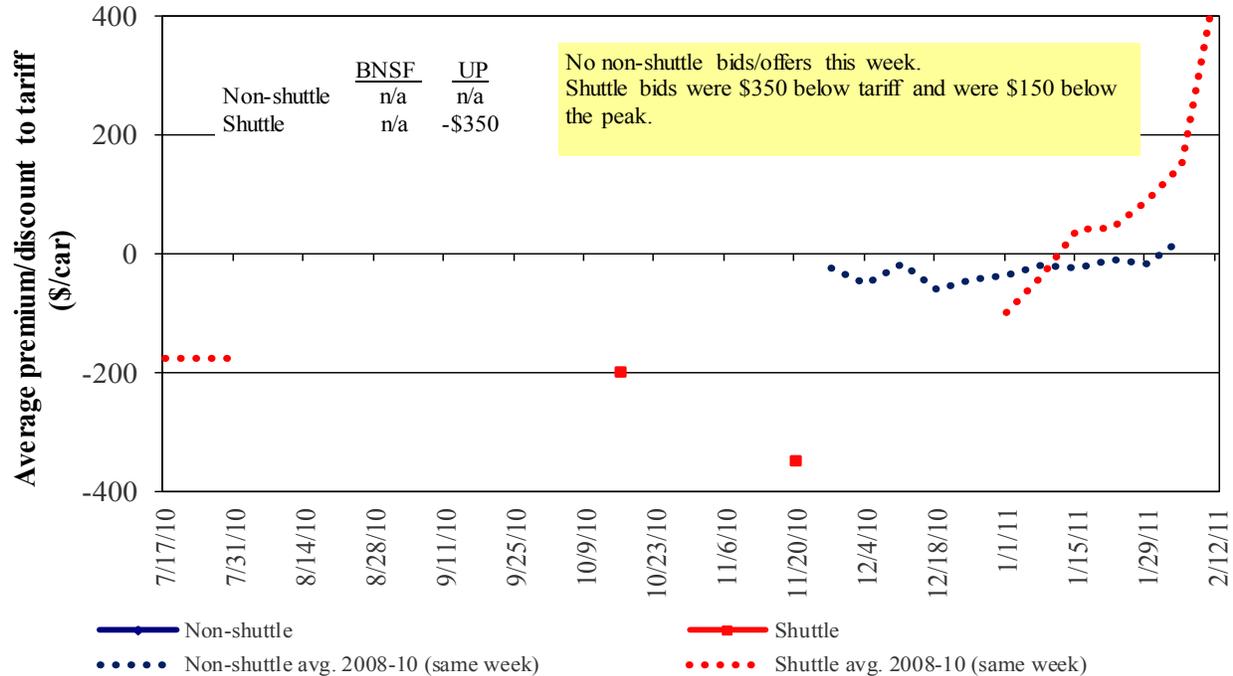


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in February 2011, 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					
	Dec-10	Jan-10	Feb-10	Mar-10	Apr-10	May-10
11/20/2010						
Non-shuttle						
BNSF-GF	(17)	25	n/a	n/a	n/a	n/a
Change from last week	(67)	n/a	n/a	n/a	n/a	n/a
Change from same week 2009	(217)	n/a	n/a	n/a	n/a	n/a
UP-Pool	(44)	-	n/a	n/a	n/a	n/a
Change from last week	(12)	50	n/a	n/a	n/a	n/a
Change from same week 2009	(103)	n/a	n/a	n/a	n/a	n/a
Shuttle²						
BNSF-GF	(509)	n/a	n/a	n/a	n/a	n/a
Change from last week	(142)	n/a	n/a	n/a	n/a	n/a
Change from same week 2009	(922)	n/a	n/a	n/a	n/a	n/a
UP-Pool	(475)	(300)	(350)	(350)	(625)	n/a
Change from last week	(175)	50	n/a	n/a	n/a	n/a
Change from same week 2009	n/a	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 Shipments¹

Effective date:						
11/1/2010	Origin region*	Destination region*	Tariff rate/car	Fuel surcharge per car	Tariff plus surcharge per:	
					metric ton	bushel ²
Unit train						
Wheat	Wichita, KS	St. Louis, MO	\$2,774	\$86	\$28.40	\$0.77
	Grand Forks, ND	Duluth-Superior, MN	\$2,563	\$128	\$26.72	\$0.73
	Wichita, KS	Los Angeles, CA	\$5,047	\$658	\$56.65	\$1.54
	Wichita, KS	New Orleans, LA	\$3,275	\$151	\$34.02	\$0.93
	Sioux Falls, SD	Galveston-Houston, TX	\$4,981	\$540	\$54.83	\$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	\$2,812	\$171	\$29.62	\$0.81
	Toledo, OH	Raleigh, NC	\$3,760	\$208	\$39.40	\$1.07
	Des Moines, IA	Davenport, IA	\$1,843	\$36	\$18.66	\$0.51
	Indianapolis, IN	Atlanta, GA	\$3,196	\$156	\$33.29	\$0.91
	Indianapolis, IN	Knoxville, TN	\$2,760	\$100	\$28.40	\$0.77
	Des Moines, IA	Little Rock, AR	\$2,938	\$106	\$30.23	\$0.82
	Des Moines, IA	Los Angeles, CA	\$4,372	\$310	\$46.49	\$1.27
Soybeans	Minneapolis, MN	New Orleans, LA	\$3,316	\$164	\$34.56	\$0.94
	Toledo, OH	Huntsville, AL	\$2,921	\$148	\$30.47	\$0.83
	Indianapolis, IN	Raleigh, NC	\$3,830	\$209	\$40.11	\$1.09
	Indianapolis, IN	Huntsville, AL	\$2,613	\$100	\$26.94	\$0.73
	Champaign-Urbana, IL	New Orleans, LA	\$3,156	\$171	\$33.04	\$0.90
Shuttle Train						
Wheat	Great Falls, MT	Portland, OR	\$2,868	\$378	\$32.24	\$0.88
	Wichita, KS	Galveston-Houston, TX	\$2,867	\$295	\$31.40	\$0.85
	Chicago, IL	Albany, NY	\$3,497	\$195	\$36.66	\$1.00
	Grand Forks, ND	Portland, OR	\$4,131	\$654	\$47.51	\$1.29
	Grand Forks, ND	Galveston-Houston, TX	\$5,046	\$681	\$56.87	\$1.55
	Northwest KS	Portland, OR	\$4,510	\$272	\$47.49	\$1.29
	Corn	Minneapolis, MN	Portland, OR	\$4,000	\$796	\$47.63
Sioux Falls, SD		Tacoma, WA	\$4,000	\$729	\$46.96	\$1.28
Champaign-Urbana, IL		New Orleans, LA	\$2,677	\$171	\$28.28	\$0.77
Lincoln, NE		Galveston-Houston, TX	\$2,880	\$425	\$32.82	\$0.89
Des Moines, IA		Amarillo, TX	\$3,330	\$134	\$34.40	\$0.94
Minneapolis, MN		Tacoma, WA	\$4,000	\$789	\$47.56	\$1.29
Council Bluffs, IA		Stockton, CA	\$3,480	\$817	\$42.67	\$1.16
Soybeans	Sioux Falls, SD	Tacoma, WA	\$4,320	\$729	\$50.14	\$1.36
	Minneapolis, MN	Portland, OR	\$4,270	\$796	\$50.31	\$1.37
	Fargo, ND	Tacoma, WA	\$4,270	\$648	\$48.84	\$1.33
	Council Bluffs, IA	New Orleans, LA	\$3,510	\$197	\$36.81	\$1.00
	Toledo, OH	Huntsville, AL	\$2,536	\$148	\$26.65	\$0.73
	Grand Island, NE	Portland, OR	\$4,420	\$278	\$46.66	\$1.27

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 = 111 short tons (100.7 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

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

Table 8

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

Effective date: 11/1/2010		Fuel				Percent	
Commodity	Origin state	Destination region	Tariff rate/car ¹	surcharge per car ²	Tariff plus surcharge per: metric ton ³	bushel ³	change Y/Y ⁴
Wheat	MT	Chihuahua, CI	\$6,705	\$691	\$75.57	\$2.05	9
	OK	Cuautitlan, EM	\$6,026	\$537	\$67.05	\$1.82	7
	KS	Guadalajara, JA	\$6,705	\$814	\$76.83	\$2.09	9
	TX	Salinas Victoria, NL	\$3,397	\$178	\$36.53	\$0.99	10
Corn	IA	Guadalajara, JA	\$7,000	\$815	\$79.85	\$2.17	8
	SD	Penjamo, GJ	\$6,520	\$905	\$75.86	\$2.06	2
	NE	Queretaro, QA	\$6,240	\$534	\$69.21	\$1.88	3
	SD	Salinas Victoria, NL	\$4,785	\$688	\$55.92	\$1.52	7
	MO	Tlalnepantla, EM	\$5,428	\$520	\$60.78	\$1.65	3
	SD	Torreon, CU	\$5,610	\$758	\$65.06	\$1.77	6
Soybeans	MO	Bojay (Tula), HG	\$6,103	\$695	\$69.46	\$1.89	3
	NE	Guadalajara, JA	\$6,700	\$784	\$76.47	\$2.08	6
	IA	Penjamo (Celaya), GJ	\$6,690	\$899	\$77.54	\$2.11	3
	KS	Torreon, CU	\$5,405	\$509	\$60.42	\$1.64	5
Sorghum	OK	Cuautitlan, EM	\$4,729	\$687	\$55.34	\$1.50	11
	TX	Guadalajara, JA	\$5,670	\$589	\$63.95	\$1.74	8
	NE	Penjamo, GJ	\$6,455	\$721	\$73.32	\$1.99	2
	KS	Queretaro, QA	\$5,591	\$406	\$61.27	\$1.67	3
	NE	Salinas Victoria, NL	\$4,410	\$421	\$49.35	\$1.34	2
	NE	Torreon, CU	\$5,400	\$554	\$60.83	\$1.65	4

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

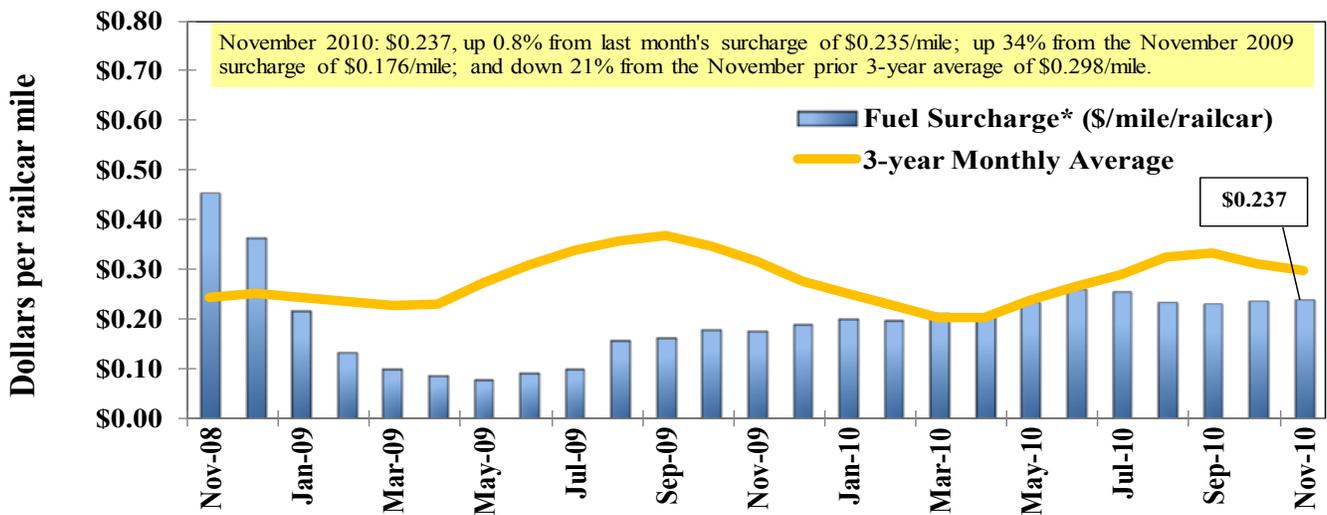
³Approximate load per car = 97.87 metric tons: Corn & Sorghum 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

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.

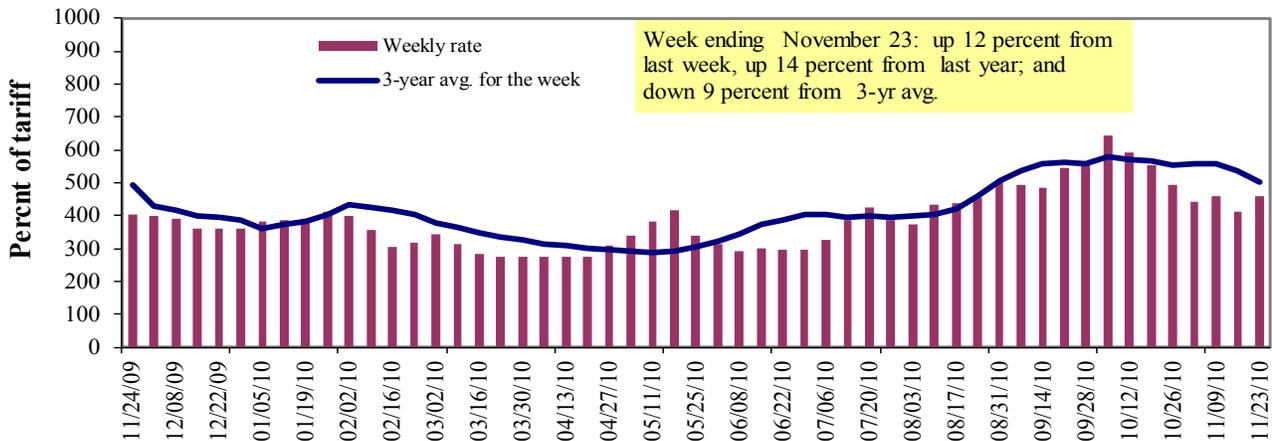
* Mileage-based fuel surcharges for March and April 2007 are estimated. Beginning January 2009, the Canadian Pacific fuel surcharge is computed by a monthly average of the bi-weekly fuel surcharge.

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

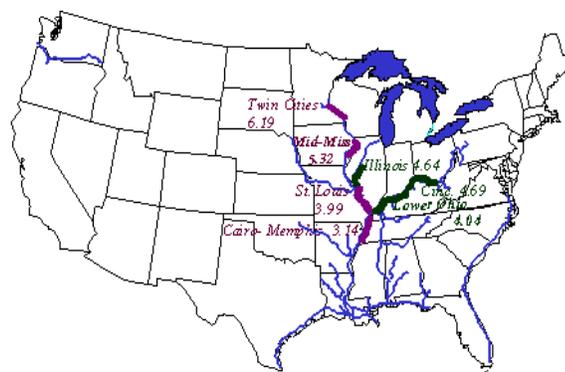
Weekly Barge Freight Rates: Southbound Only

		Twin Cities	Mid-Mississippi	Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo-Memphis
Rate¹	11/23/2010	450	439	460	371	405	405	338
	11/16/2010	481	409	410	321	394	394	299
\$/ton	11/23/2010	27.86	23.35	21.34	14.80	18.99	16.36	10.61
	11/16/2010	29.77	21.76	19.02	12.81	18.48	15.92	9.39
Current week % change from the same week:								
	Last year	-	10	14	17	7	7	16
	3-year avg. ²	17	-9	-9	-18	-14	-14	-19
Rate¹	December	-	-	453	353	406	406	323
	January	-	-	413	329	385	385	305

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



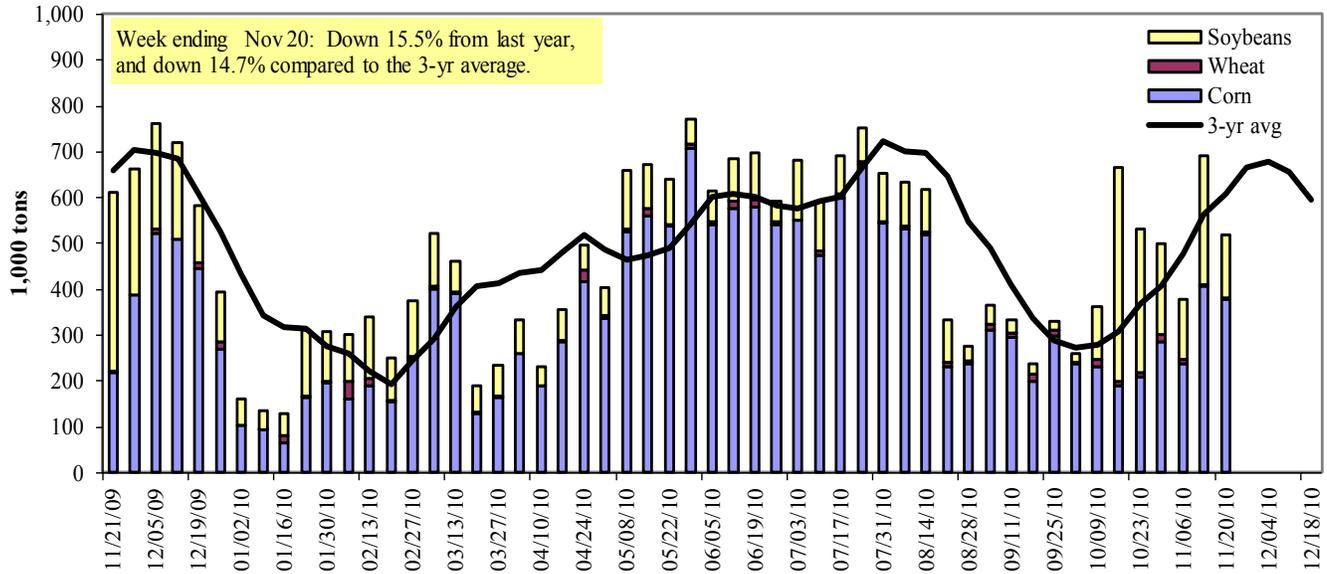
Calculating barge rate per ton:

$(\text{Index} * 1976 \text{ tariff benchmark rate per ton}) / 100$

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/mvrmi/omni/webprts/default.asp)

Table 10

Barge Grain Movements (1,000 tons)

Week ending 11/20/2010	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	303	5	92	8	408
Winfield, MO (L25)	350	8	134	12	504
Alton, IL (L26)	363	8	153	12	536
Granite City, IL (L27)	377	5	136	12	530
Illinois River (L8)	40	0	23	2	65
Ohio River (L52)	37	2	16	5	59
Arkansas River (L1)	0	1	29	14	45
Weekly total - 2010	414	7	181	31	633
Weekly total - 2009	337	25	604	14	980
2010 YTD ¹	20,510	1,108	8,309	438	30,365
2009 YTD	20,794	1,438	8,837	393	31,463
2010 as % of 2009 YTD	99	77	94	112	97
Last 4 weeks as % of 2009 ²	119	36	54	96	77
Total 2009	23,424	1,501	10,465	430	35,819

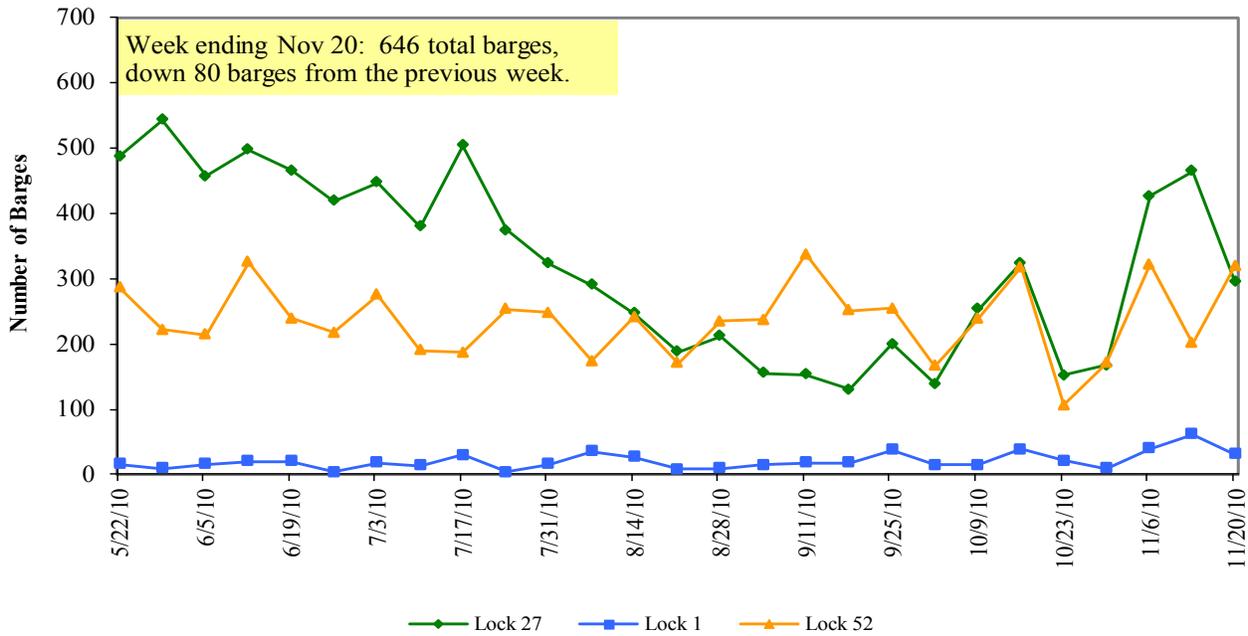
¹ Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

² As a percent of same period in 2009.

Note: Total may not add exactly, due to rounding

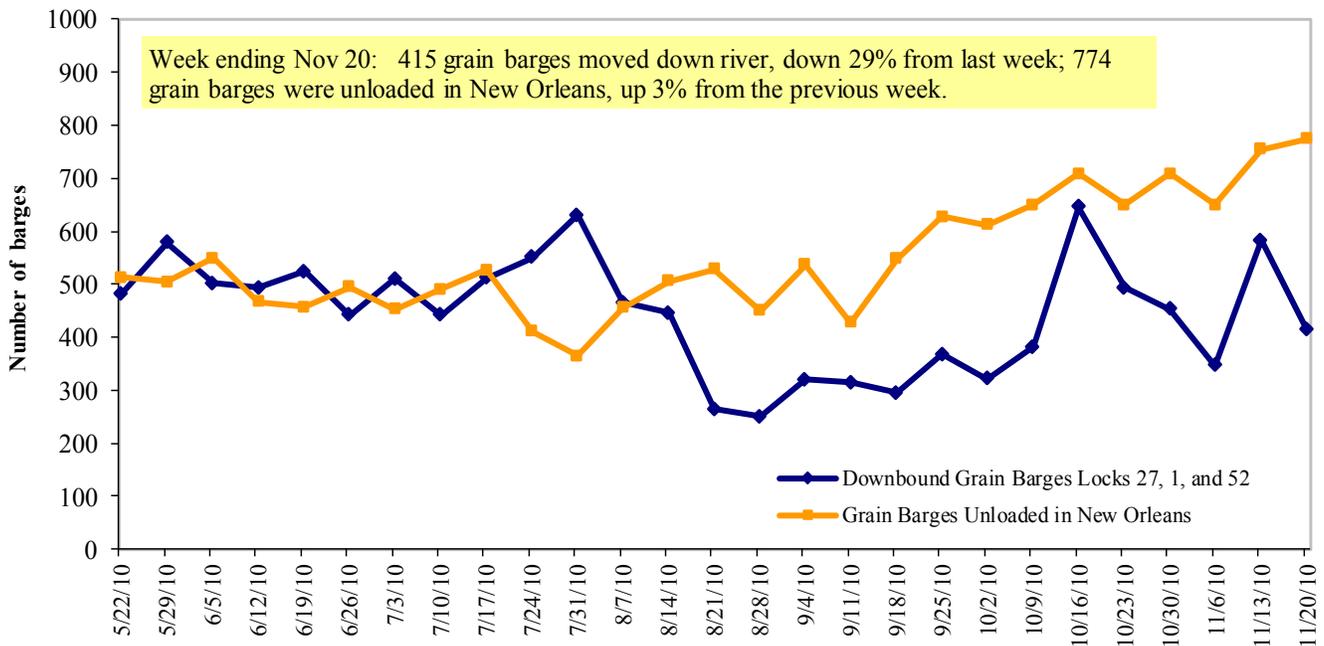
Source: U.S. Army Corps of Engineers (www.mvr.usace.army.mil/mvrmi/omni/webprts/default.asp)

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 11/22/2010 (US \$/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	3.172	-0.015	0.369
	New England	3.235	0.005	0.367
	Central Atlantic	3.293	-0.010	0.386
	Lower Atlantic	3.115	-0.018	0.362
II	Midwest ²	3.156	-0.011	0.394
III	Gulf Coast ³	3.087	-0.013	0.349
IV	Rocky Mountain	3.265	-0.013	0.440
	West Coast	3.316	-0.013	0.420
V	California	3.340	0.001	0.386
	Total	U.S.	3.171	-0.013

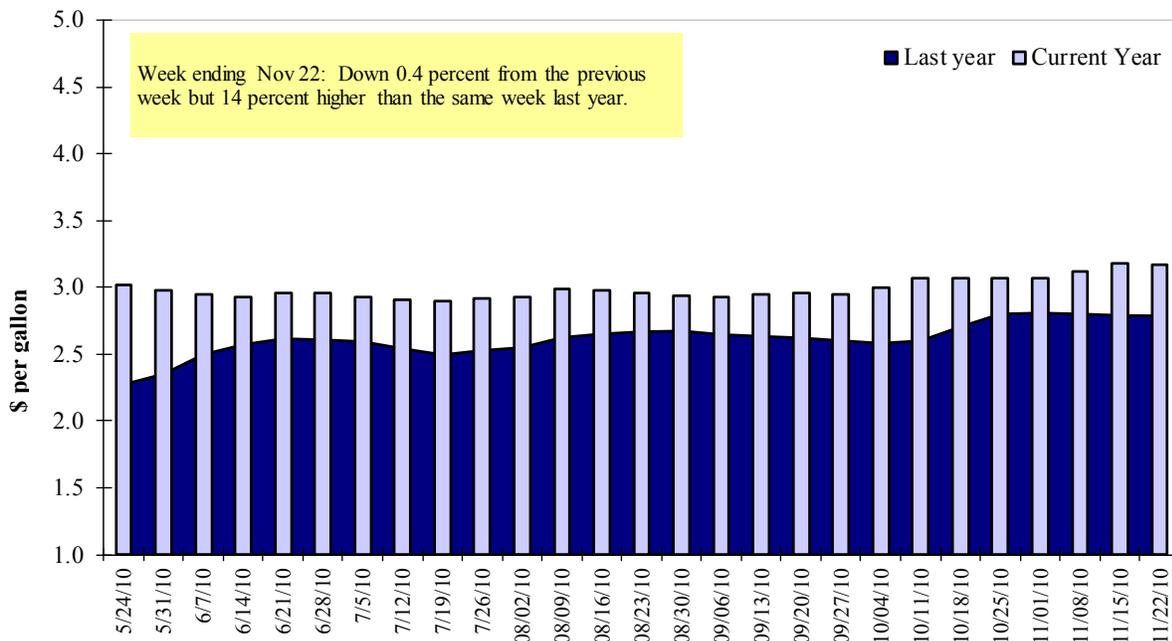
¹Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

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									
11/11/2010	3,801	596	2,646	1,246	157	8,444	12,375	18,843	39,662
This week year ago	1,318	505	1,044	793	312	3,972	9,540	17,057	30,569
Cumulative exports-marketing year²									
2010/11 YTD	6,236	913	3,546	2,143	512	13,349	8,912	11,905	34,166
2009/10 YTD	3,642	1,573	2,366	1,955	528	10,063	9,151	8,784	27,998
YTD 2010/11 as % of 2009/10	171	58	150	110	97	133	97	136	122
Last 4 wks as % of same period 2008/09	266	115	222	153	61	196	134	117	133
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 Importers¹ of U.S. Corn

Week ending 11/11/10	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 -
Japan	6,293	5,010	26	14,343
Mexico	3,158	3,183	(1)	7,999
Korea ⁴	2,229	2,540	(12)	7,562
Taiwan	914	1,074	(15)	2,949
Egypt ⁵	1,424	613	132	2,935
Top 5 importers	14,017	12,420	13	35,788
Total US corn export sales	21,287	18,691	14	50,460
% of Projected	43%	37%		
Change from Last Week	534	353		
Top 5 importers' share of U.S. corn export sales	66%	66%		
USDA forecast, November 2010	49,530	50,460	(2)	
Corn Use for Ethanol USDA forecast, Ethanol November 2010	121,920	115,824	5	

(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: 281,000 mt on 11/15 to S. Korea for 2010/11.

⁵ Not included - FAS Press Release: 120,000 mt on 11/15 to Egypt for 2010/11.

Table 14

Top 5 Importers¹ of U.S. Soybeans

Week ending 11/11/10	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 -
China	19,051	15,786	21	22,454
Mexico	1,395	1,142	22	3,276
Japan	1,193	1,189	0	2,347
EU-25	809	632	28	2,647
Taiwan	650	836	(22)	1,556
Top 5 importers	23,097	19,584	18	32,280
Total US soybean export sales	30,748	25,841	19	40,850
% of Projected	72%	63%		
Change from last week	1,007	1,350		
Top 5 importers' share of U.S. soybean export sales	75%	76%		
USDA forecast, November 2010	42,730	40,850	5	
Soybean Use for Biodiesel USDA forecast, November 2010	6,954	4,076	71	

(n) indicates negative number.

¹Based on FAS 2008/09 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 11/11/2010	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	2,018	1,923	5	3,233
Japan	2,200	1,711	29	3,148
Mexico	1,849	1,172	58	1,975
Philippines	1,663	1,147	45	1,518
Korea, South	1,093	704	55	1,111
Taiwan	544	571	(5)	844
Venezuela	325	327	(1)	658
Colombia	439	420	5	575
Peru	678	336	101	567
Egypt	1,984	456	335	529
Top 10 importers	12,793	8,766	46	14,156
Total US wheat export sales	21,793	14,035	55	23,980
% of Projected	64%	59%		
Change from last week	943	363		
Top 10 importers' share of U.S. wheat export sales	59%	62%		
USDA forecast, November 2010	34,020	23,980	42	

(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 11/18/10	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	104	9,737	9,061	107	76	77	10,091
Corn	212	8,893	7,374	121	261	86	8,498
Soybeans	238	8,489	7,894	108	86	120	9,743
Total	553	27,119	24,329	111	96	101	28,332
Mississippi Gulf							
Wheat	8	3,540	3,730	95	68	58	4,019
Corn	353	26,627	26,593	100	108	85	28,843
Soybeans	753	17,532	17,280	101	97	133	21,831
Total	1,114	47,700	47,602	100	99	107	54,693
Texas Gulf							
Wheat	239	8,223	5,098	161	174	119	5,735
Corn	51	1,681	1,783	94	118	139	1,968
Soybeans	70	1,488	1,769	84	52	157	2,402
Total	361	11,392	8,650	132	94	132	10,105
Great Lakes							
Wheat	22	1,554	873	178	97	78	990
Corn	0	100	319	31	72	38	353
Soybeans	29	486	640	76	53	116	781
Total	50	2,140	1,831	117	65	87	2,124
Atlantic							
Wheat	0	314	551	57	1,986	121	552
Corn	0	423	427	99	42	51	472
Soybeans	15	1,038	720	144	113	174	1,268
Total	15	1,776	1,698	105	107	131	2,292
U.S. total from ports²							
Wheat	372	23,368	19,312	121	104	87	21,387
Corn	616	37,725	36,496	103	120	86	40,134
Soybeans	1,106	29,034	28,303	103	86	131	36,025
Total	2,094	90,126	84,110	107	96	108	97,546

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

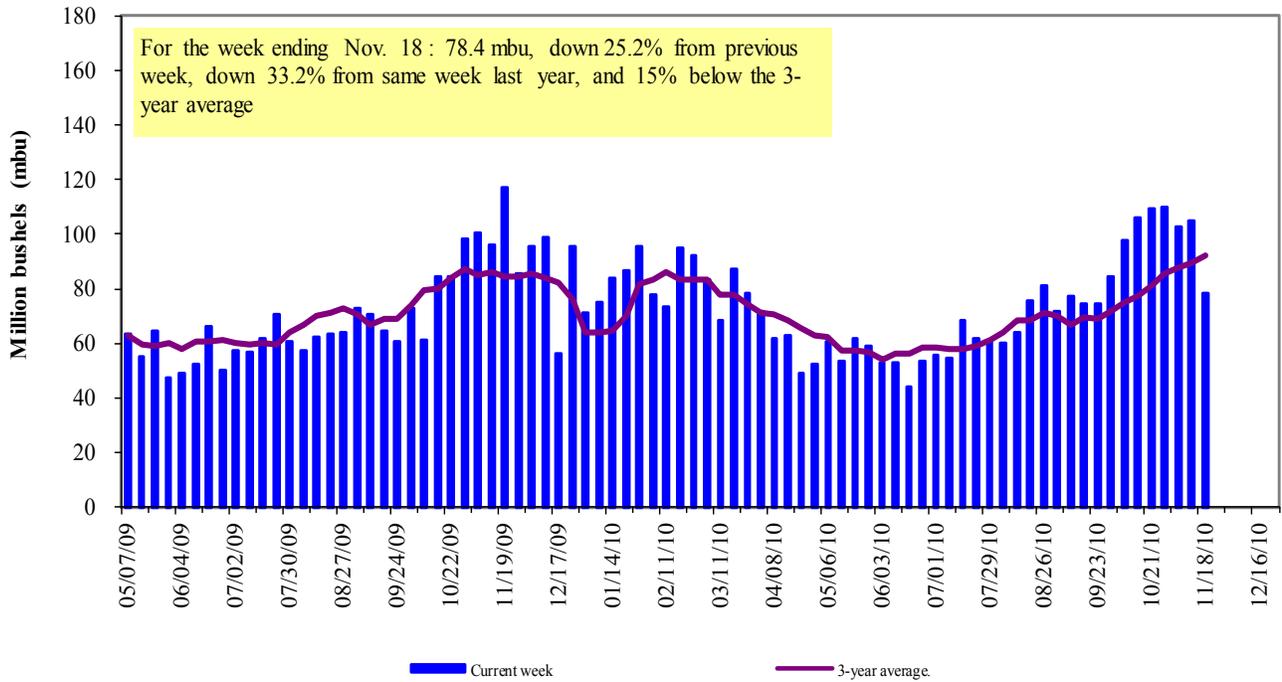
² Total includes only port regions shown above

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)

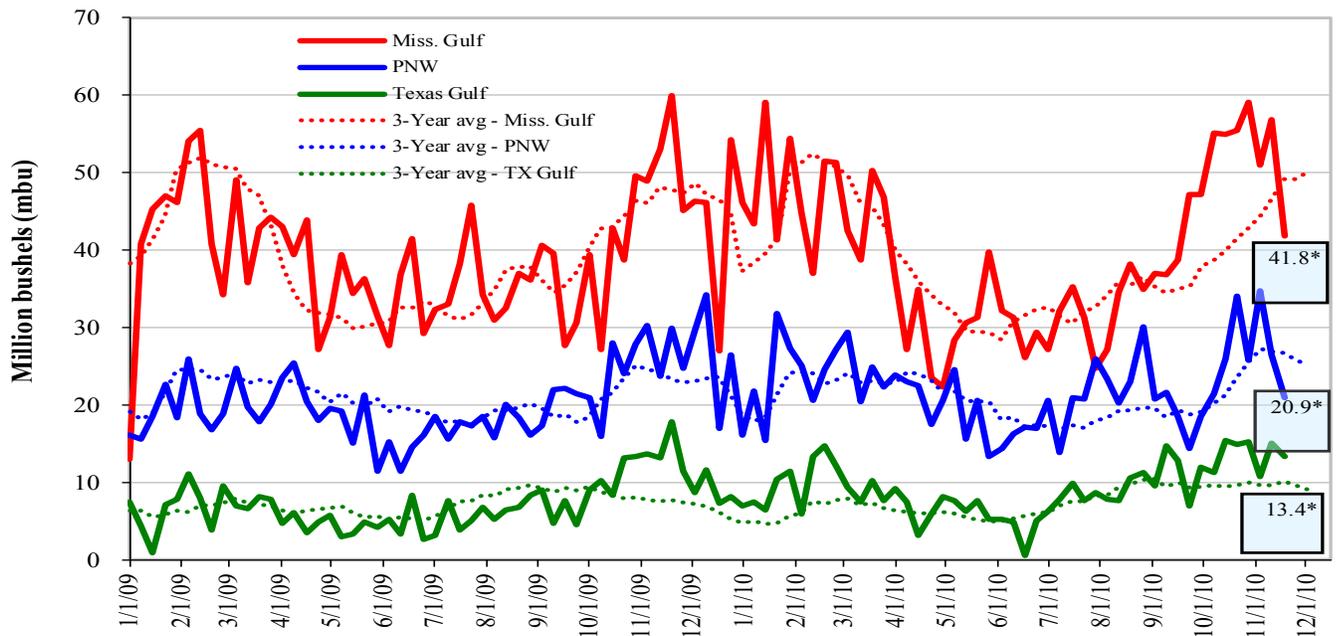


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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.

Nov 18, % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	down 27	down 11	down 23	down 21
Last year (same week)	down 30	down 25	down 29	down 30
3-yr avg. (4-wk mov. avg.)	down 15	up 31	down 7	down 24

Ocean Transportation

Table 17

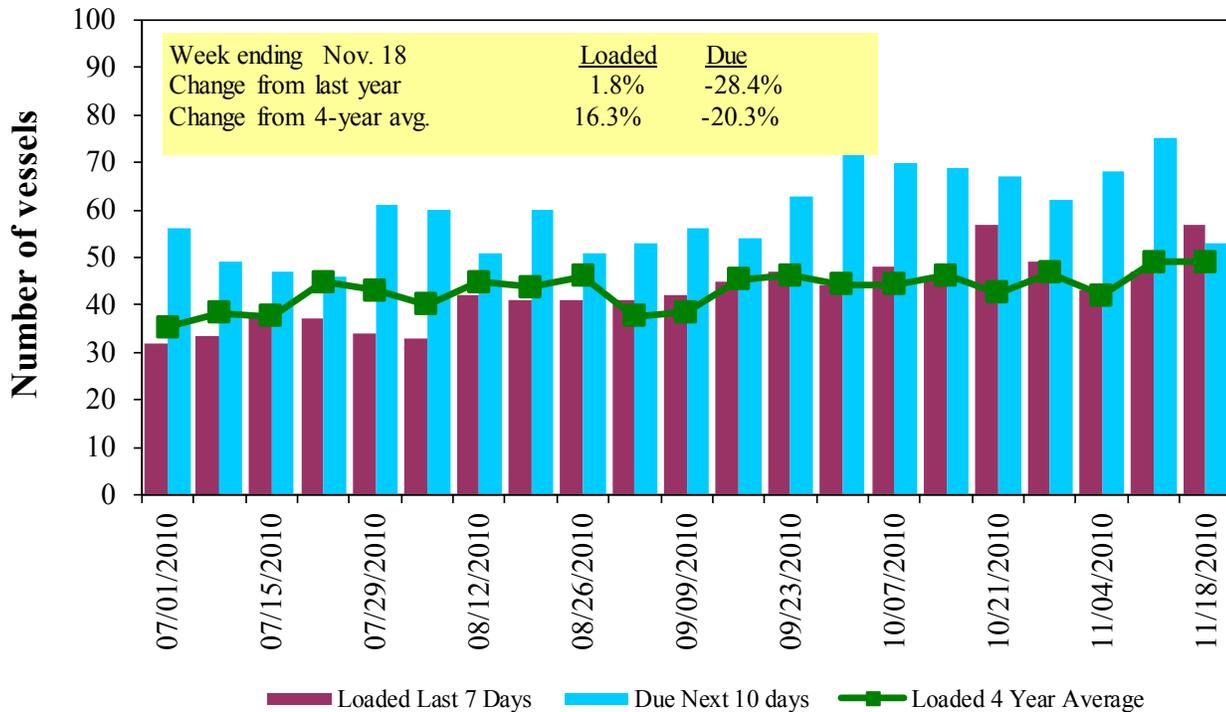
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In port	Loaded 7-days	Due next 10-days	In port	In port
11/18/2010	54	57	53	12	14
11/11/2010	48	47	75	11	13
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

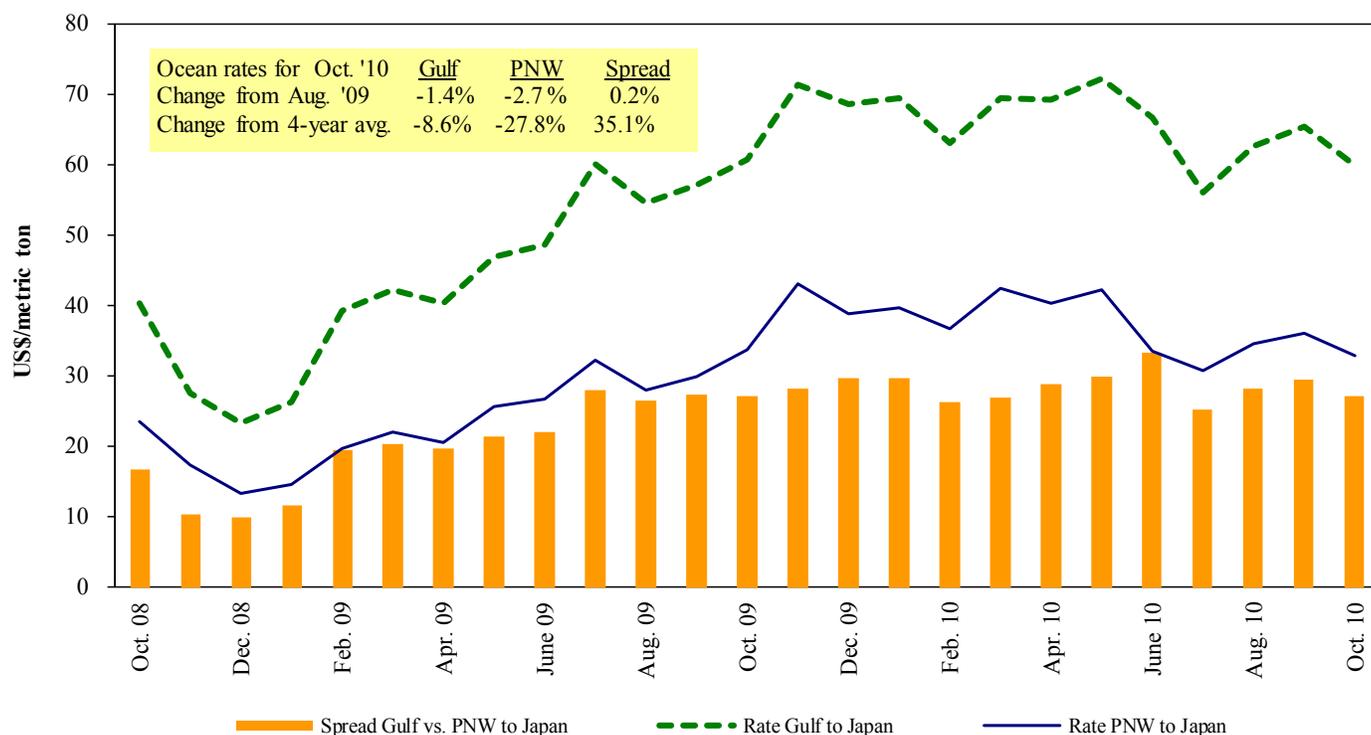


Source: Transportation & Marketing Programs/AMS/USDA

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

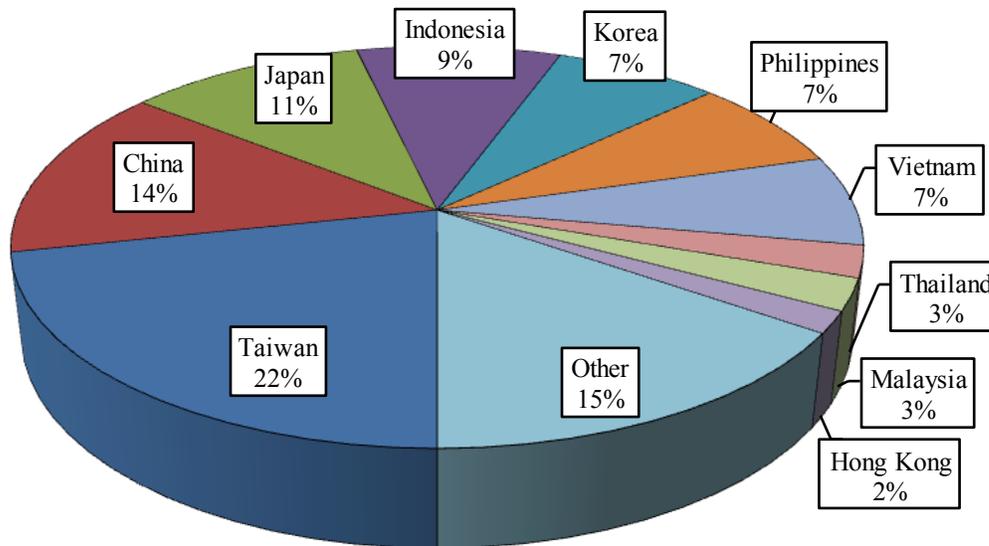
Ocean Freight Rates For Selected Shipments, Week Ending 11/20/2010

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US\$/metric ton)
U.S. Gulf	China	Heavy Grain	Dec 1/5	55,000	63.00
U.S. Gulf	China	Heavy Grain	Nov 20/30	55,000	56.00
U.S. Gulf	China	Heavy Grain	Nov 15/24	55,000	57.00
U.S. Gulf	China	Heavy Grain	Nov 15/24	55,000	56.75
U.S. Gulf	China	Heavy Grain	Oct 22/30	55,000	57.00
U.S. Gulf	China	Heavy Grain	Oct 15/30	55,000	57.00
U.S. Gulf	China	Heavy Grain	Oct 16/25	55,000	57.00
U.S. Gulf	China	Heavy Grain	Oct 14/23	55,000	61.50
U.S. Gulf	China	Heavy Grain	Oct 15/25	55,000	62.00
U.S. Gulf	China	Heavy Grain	Oct 15/25	55,000	58.75
U.S. Gulf	China	Heavy Grain	Oct 1/10	54,000	64.00
U.S. Gulf	N. China	Heavy Grain	Oct 1/10	55,000	63.50
U.S. Gulf	N. China	Heavy Grain	Oct 1/25	55,000	63.50
U.S. Gulf	Egypt Med	Heavy Grain	Sep 5/10	55,000	42.00
U.S. Gulf	Portugal	Soybeanmeal	Oct 29/Nov 10	24,000	36.00
U.S. PNW	Bangladesh ¹	Wheat	Aug 20/30	24,590	92.00
Brazil	Algeria	Corn	Oct 15/20	25,000	36.00

In 2009, containers were used to transport 5 percent of total waterborne grain exports, and 6 percent of U.S. grain exports to Asia.

Figure 18

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

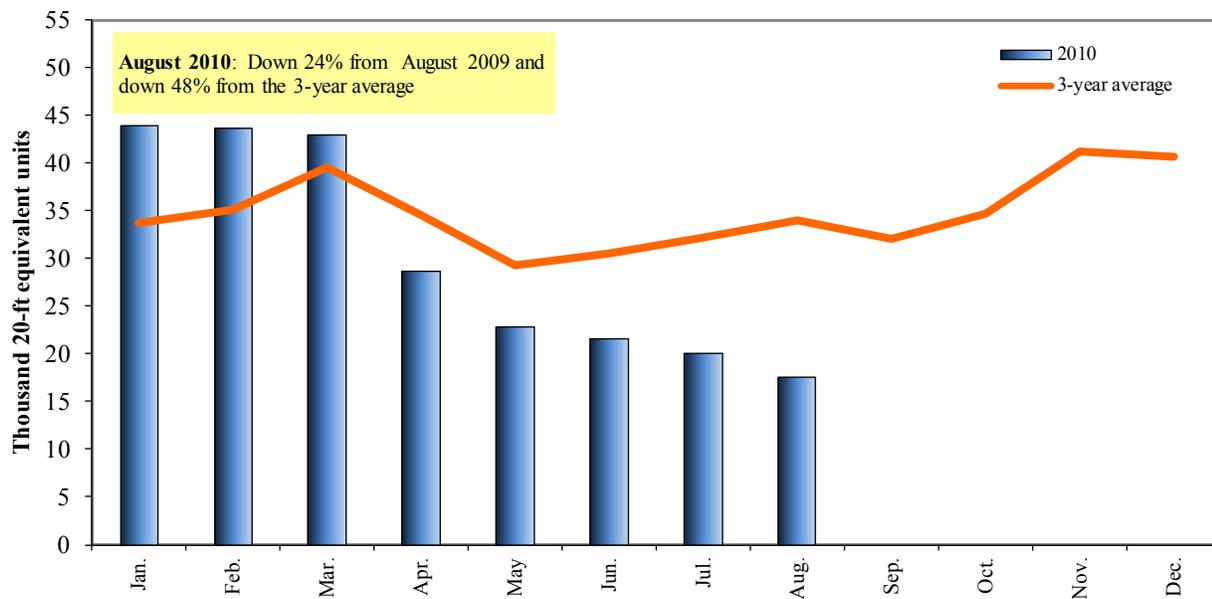


Source: Port Import Export Reporting Service (PIERS)

Note: The following Harmonized Tariff Codes are used to calculate containerized grains movements (recently added codes are highlighted in bold type): 100190, 100200, 100300, 100400, 100590, 100700, 110100, 230310, 110220, 110290, 120100, 230210, 230990, **230330**, and **120810**.

Figure 19

Monthly Shipments of Containerized Grain to Asia



Source: Port Import Export Reporting Service (PIERS), *Journal of Commerce*

Note: The following Harmonized Tariff Codes are used to calculate containerized grains movements (recently added codes are highlighted in bold type): 100190, 100200, 100300, 100400, 100590, 100700, 110100, 230310, 110220, 110290, 120100, 230210, 230990, **230330**, and **120810**.

Contacts and Links

Coordinators

Surajudeen (Deen) Olowolayemo surajudeen.olowolayemo@ams.usda.gov (202) 694 - 3050
Pierre Bahizi pierre.bahizi@ams.usda.gov (202) 694 - 2503

Weekly Highlight Editors

Marina Denicoff marina.denicoff@ams.usda.gov (202) 694 - 2504
Surajudeen (Deen) Olowolayemo surajudeen.olowolayemo@ams.usda.gov (202) 694 - 3050
April Taylor april.taylor@ams.usda.gov (202) 295 - 7374

Grain Transportation Indicators

Surajudeen (Deen) Olowolayemo surajudeen.olowolayemo@ams.usda.gov (202) 694 - 3050

Rail Transportation

Marvin Prater marvin.prater@ams.usda.gov (202) 694 - 3051
Johnny Hill johnny.hill@ams.usda.gov (202) 694 - 2506

Barge Transportation

Nicholas Marathon nick.marathon@ams.usda.gov (202) 694 - 2508
April Taylor april.taylor@ams.usda.gov (202) 295 - 7374

Truck Transportation

April Taylor april.taylor@ams.usda.gov (202) 295 - 7374

Grain Exports

Johnny Hill johnny.hill@ams.usda.gov (202) 694 - 2506
Marina Denicoff marina.denicoff@ams.usda.gov (202) 694 - 2504

Ocean Transportation

Surajudeen (Deen) Olowolayemo surajudeen.olowolayemo@ams.usda.gov (202) 694 - 3050
(Freight rates and vessels)
April Taylor april.taylor@ams.usda.gov (202) 295 - 7374
(Container movements)

Subscription Information: Send relevant information to GTRContactUs@ams.usda.gov for an electronic copy (*printed copies are also available upon request*).

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation or marital or family status. (Not all prohibited bases apply to all programs). Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact the USDA's TARGET Center at (202)720-2600 (Voice and TDD).

To file a complaint of discrimination, write USDA, Director of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410, or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.