



Dec 2, 2010

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WEEKLY HIGHLIGHTS

Upper Mississippi River to Shut Down for Repairs During Winter

From December 6 to March 15, 2011, Mississippi River Lock and Dam 10 (Guttenburg, IA) will be closed for repairs. Lock and Dam 11 (Dubuque, IA) will be closed for repairs from December 15 to March 11. Locks 20 (Canton, MO), 21 (Quincy, IL), and 22 (Hannibal, MO) will also be closed for repairs beginning January 2 and are scheduled to reopen on March 4. Typically, these locks are closed due to ice accumulations from mid-December to mid-March. The closure of these locks stops grain barge movements on most of the Upper Mississippi River. Weather permitting, the remaining three southern locks on the Mississippi River and the Illinois River will stay open during the winter season.

Wheat Shipments to Africa and Asia Rebound

For the week ending November 25, **total inspections of grain** (corn, wheat, and soybeans) from all major U.S. export regions reached 2.36 million metric tons (mmt), down 11 percent from the previous week but 3.4 percent higher than last year. Wheat inspections (.543 mmt), however, increased 4 percent from the past week as shipments to Africa and Asia rebounded. Wheat inspections were also above the previous 4-week average of .478 mmt. Corn inspections (.524 mmt) dropped 22 percent from the previous week and soybeans (1.30 mmt) decreased 10 percent. Soybean shipments to China (1.12 mmt), however, increased 11 percent. Higher volumes of barged corn indicate a possible rise in corn exports in the near term. Corn shipments by barge through the locking section of the Mississippi River have averaged 403,000 short tons over the previous four weeks, 36 percent higher than the previous 4-week average.

China Signs Agreements to Purchase Over 5.5 Million Metric Tons of U.S. Soybeans

The strong pace of China's purchases of U.S. soybeans has the backing of an agreement the Chinese signed with the U.S. soybean industry on November 22. This news confirms that transportation demand to ship U.S. soybeans in the most effective and efficient manner will remain strong in the coming months. The export sales report for the week ending November 18 had the 2010/11 marketing year shipments to China at 9.4 mmt compared to 7.4 mmt for the same week last year. Outstanding sales to China were 10.1 mmt compared with 9.2 mmt last year. U.S. soybean commitments at 19.5 mmt (shipments and outstanding sales) for the current year to China are already up nearly 3 mmt from last year. In November, USDA projected that China will import 57 mmt of soybeans in 2010/11, with the United States and Brazil as the main suppliers.

EPA Sets the 2011 RFS2, Lowers Cellulosic Ethanol Target

On November 29, the U.S. Environmental Protection Agency (EPA) set the total Renewable Fuels Standard (RFS2) requirement for 2011 at 13.95 billion gallons, of which 12.6 billion gallons will be starch-based ethanol—up .6 billion gallons from 2010. The remaining 1.35 billion gallons will be a combination of biodiesel and other advanced biofuels, including a 6.6-million gallon requirement specifically for cellulosic biofuels. The cellulosic ethanol level is much lower than the original 250 million gallon target set out in the 2007 Energy Bill, but high enough to include all the potential fuel from the facilities that could be producing in 2011. The RFS2 sets the minimum level of renewable fuels to be used in the U.S. fuel supply—estimated by the EPA to be about 8 percent of all U.S. fuel to be used in 2011. For more information, please visit <http://www.epa.gov/otaq/fuels/renewablefuels/420f10056.htm>.

Snapshots by Sector

Rail

U.S. railroads originated 25,651 **carloads of grain** during the week ending November 20, down 2.6 percent from last week, up 2.4 percent from last year and 6.5 percent higher than the 3-year average.

During the week ending November 27, average December non-shuttle **secondary railcar bids/offers** were \$48 below tariff, down \$17.50 from last week. Average shuttle rates were \$491.50 below tariff, up \$0.50 from last week.

Ocean

During the week ending November 25, 50 **ocean-going grain vessels** were loaded in the Gulf, up down 12 percent from last year. Sixty-three vessels are expected to be loaded in the U.S. Gulf within the next 10 days, down 3 percent from last year.

During the week ending November 26, the cost of shipping grain from the Gulf to Japan averaged \$53 per mt, down 1 percent from the previous week. The rate from the Pacific Northwest to Japan was \$30.50 per mt, down 2 percent from the previous week.

Barge

During the week ending November 27, **barge grain movements** totaled 810,988 tons, 28 percent higher than the previous week, but 16 percent lower than the same period last year.

Fuel

During the week ending November 29, U.S. average **diesel fuel prices** decreased 1 cent per gallon to \$3.16—0.3 percent lower than the previous week, but 14 percent higher than the same week last year.

Feature Article/Calendar

Third Quarter Soybean Transportation Costs Are Mixed

The costs of transporting soybeans from the United States and Brazil to Europe and China were mixed during the third quarter as some routes experienced lower ocean transportation costs that offset higher inland costs. Although the costs of shipping soybeans through the U.S. Gulf to both Europe and China increased, the costs of shipping through the Pacific Northwest (PNW) to China declined during the quarter. The cost of shipping from Brazil to China also increased. While it costs more to ship from North Mato Grosso, Brazil, to Europe, it costs slightly less to ship from South Goiás to Europe.

The total transportation cost of moving soybeans from Minneapolis, MN, to Hamburg, Germany via the Gulf ports increased by 14 percent, while the cost from Davenport, IA, increased by 16 percent from the previous quarter (table 1). The cost of transporting soybeans from the same locations through Gulf ports to China increased modestly, by only 1 percent (table 2). However, the cost of shipping soybeans from Fargo, ND, and Sioux Falls, SD, through the PNW ports decreased by 4 percent compared to the previous quarter. Soybean transportation costs from North Mato Grosso and South Goiás to China increased by 6 and 4 percent, respectively. The cost of shipping from North Mato Grosso to Hamburg increased by 3 percent while the cost of shipping from South Goiás decreased slightly, by less than half of a percent.

Table 1-Quarterly costs of transporting soybeans from U.S. and Brazil to Hamburg, Germany

	2009	2010	2010	Percent change		2009	2010	2010	Percent change	
	3 rd qtr.	2 nd qtr.	3 rd qtr.	Yr. to Yr.	Qtr. to Qtr.	3 rd qtr.	2 nd qtr.	3 rd qtr.	Yr. to Yr.	Qtr. to Qtr.
United States (via U.S. Gulf)										
	Minneapolis, MN					Davenport, IA				
	--\$/mt--					--\$/mt--				
Truck	10.38	8.66	9.74	-6.17	12.47	10.38	8.66	9.74	-6.17	12.47
Barge	23.88	25.45	32.82	37.44	28.96	18.88	18.88	26.16	38.56	38.56
Ocean ¹	19.81	27.87	28.31	42.91	1.58	19.81	27.87	28.31	42.91	1.58
Total transportation ²	54.07	61.98	70.87	31.07	14.34	49.07	55.41	64.21	30.85	15.88
Farm Value ³	376.50	336.69	352.25	-6.44	4.62	389.36	343.92	362.05	-7.01	5.27
Landed Cost	430.57	398.67	423.12	-1.73	6.13	438.43	399.33	426.26	-2.78	6.74
Transport % of landed cost	12.56	15.55	16.75			11.19	13.88	15.06		
Brazil										
	North MT⁴ - Santos⁵					South GO⁴ - Paranagua⁵				
	--\$/mt--					--\$/mt--				
Truck	100.41	113.73	120.16	19.67	5.65	54.03	65.82	66.52	23.12	1.06
Ocean ⁶	30.00	36.17	34.42	14.73	-4.84	31.55	38.08	36.92	17.02	-3.05
Total transportation ²	130.41	149.90	154.58	18.53	3.12	85.58	103.90	103.44	20.87	-0.44
Farm Value ⁷	347.80	304.36	328.51	-5.55	7.93	356.43	271.15	315.43	-11.50	16.33
Landed Cost	478.21	454.26	483.09	1.02	6.35	442.01	375.05	418.87	-5.24	11.68
Transport % of landed cost	27.27	33.00	32.00			19.36	27.70	24.70		

¹Source: O'Neil Commodity Consulting

³Source: USDA/NASS

⁴Producing regions: MT= Mato Grosso, GO = Goiás

⁵Export ports

⁶Source: ESALQ/ USP (University of São Paulo, Brazil) and USDA/AMS

⁷Source: Companhia Nacional de Abastecimento (CONAB) www.conab.gov.br

Note: Total may not add exactly due to rounding

The increased transportation cost from the U.S. Gulf to Europe was caused by increases in truck, barge, and ocean rates during the quarter. The quarterly decrease in ocean rates from the PNW to China more than offset the increases in truck and barge rates, causing total transportation costs to decrease. U.S. truck rates were raised by the increased demand for trucking services during the wheat harvest (see [GTR, dated 11/18/10](#)). U.S. barge rates increased as the market reacted to the anticipated rise in demand for barge services because of an earlier-than-average grain harvest and strong export sales and shipments. Ocean rates for shipping grain from the U.S. Gulf increased partly due to increased vessel loading activity during the quarter. Truck rates in Brazil increased because of higher transportation demand, limited truck supply resulting from fleet relocation due to sugar harvest, and appreciation of the Brazilian real against the dollar (see [Brazil Soybean Transportation, dated 10/28/10](#)).

Table 2-Quarterly costs of transporting soybeans from U.S. and Brazil to Shanghai, China

	2009	2010	2010	Percent change		2009	2010	2010	Percent change	
	3 rd qtr.	2 nd qtr.	3 rd qtr.	Yr. to Yr.	Qtr. to Qtr.	3 rd qtr.	2 nd qtr.	3 rd qtr.	Yr. to Yr.	Qtr. to Qtr.
United States (via U.S. Gulf)										
	Minneapolis, MN					Davenport, IA				
	--\$/mt--					--\$/mt--				
Truck	10.38	8.66	9.74	-6.17	12.47	10.38	8.66	9.74	-6.17	12.47
Barge	23.88	25.45	32.82	37.44	28.96	18.88	18.88	26.16	38.56	38.56
Ocean ¹	56.53	67.71	60.33	6.72	-10.90	56.53	67.71	60.33	6.72	-10.90
Total transportation ²	90.79	101.82	102.89	13.33	1.05	85.79	95.25	96.23	12.17	1.03
Farm Value ³	376.50	336.69	352.25	-6.44	4.62	389.36	343.92	362.05	-7.01	5.27
Landed Cost	467.29	438.51	455.14	-2.60	3.79	475.15	439.17	458.28	-3.55	4.35
Transport % of landed cost	19.43	23.22	22.61			18.06	21.69	21.00		
Via PNW										
	Fargo, ND					Sioux Falls, SD				
	--\$/mt--					--\$/mt--				
Truck	10.38	8.66	9.74	-6.17	12.47	10.38	8.66	9.74	-6.17	12.47
Ocean ¹	29.63	38.44	33.15	11.88	-13.76	29.63	38.44	33.15	11.88	-13.76
Rail	44.72	48.62	48.83	9.19	0.43	45.80	49.93	50.50	10.26	1.14
Total transportation ²	84.73	95.72	91.72	8.25	-4.18	85.81	97.03	93.39	8.83	-3.75
Farm Value ³	361.68	334.00	347.35	-3.96	4.00	367.99	335.59	348.82	-5.21	3.94
Landed Cost	446.41	429.72	439.07	-1.64	2.18	453.80	432.62	442.21	-2.55	2.22
Transport % of landed cost	18.98	22.27	20.89			18.91	22.43	21.12		
Brazil										
	North MT⁴ - Santos⁵					South GO⁴ - Paranagua⁵				
	--\$/mt--					--\$/mt--				
Truck	100.41	113.73	120.16	19.67	5.65	54.03	65.82	66.52	23.12	1.06
Ocean ⁶	49.00	55.08	58.17	18.71	5.61	48.78	58.58	63.10	29.36	7.72
Total transportation ²	149.41	168.81	178.33	19.36	5.64	102.81	124.40	129.62	26.08	4.20
Farm Value ⁷	347.80	304.36	328.51	-5.55	7.93	356.43	271.15	315.43	-11.50	16.33
Landed Cost	497.21	473.17	506.84	1.94	7.12	459.24	395.55	445.05	-3.09	12.51
Transport % of landed cost	30.05	35.68	35.18			22.39	31.45	29.12		

¹Source: O'Neil Commodity Consulting

³Source: USDA/NASS

⁴Producing regions: MT= Mato Grosso, GO = Goiás

⁵Export ports

⁶Source: ESALQ/ USP (University of São Paulo, Brazil) and USDA/AMS

⁷Source: Companhia Nacional de Abastecimento (CONAB) www.conab.gov.br

Note: Total may not add exactly due to rounding

U.S. soybean producers generally received higher farm prices than their Brazilian counterparts, making the U.S. transportation shares of the landed costs generally lower than Brazil. The transportation shares of the landed cost for U.S. soybeans ranged from 15–17 percent for shipment to Hamburg, and 21–23 percent for shipment to Shanghai. On the other hand, Brazil costs of transportation to Hamburg represented 25–32 percent of the landed costs, and the costs of transportation to Shanghai represented 29–35 percent of the landed costs.

Market Outlook: China continues to be an important export market for U.S. agriculture and the largest market for U.S. soybeans, with 2010 sales approaching \$9 billion. During the third quarter, about 3.7 mmt of export soybean sales were made to China. On November 24, China signed an agreement to purchase more than 5.5 mmt of U.S. soybeans. U.S. soybean producers continue to benefit from a competitive advantage over Brazil in transportation costs of shipping soybeans to China, especially during periods of lower or moderate ocean freight rates (see [GTR dated 10/21/2010](#)). Since U.S. farm prices are generally higher than Brazil, it is imperative that transportation costs remain low in order to keep the landed costs of U.S. soybeans at moderate and competitive levels. For more on Brazil Soybean Transportation, see [Soybean Transportation Guide: Brazil 2009](#), dated July 2010. Surajudeen.Olowolayemo@ams.usda.gov

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	
11/24/2010 ^p	1,123	2,063	1,096	3,194	1,393	8,869
11/17/2010 ^r	1,644	2,502	562	4,821	1,427	10,956
2010 YTD	27,643	73,920	39,557	158,498	29,021	328,639
2009 YTD	29,474	50,772	33,684	156,744	24,714	295,388
2010 YTD as % of 2009 YTD	94	146	117	101	117	111
Last 4 weeks as % of 2009 ²	96	81	126	103	103	97
Last 4 weeks as % of 4-year avg. ²	92	106	86	95	119	98
Total 2009	33,423	57,646	36,738	175,965	30,328	334,100
Total 2008	68,768	107,542	37,491	255,852	33,028	502,681

¹ Data is incomplete as it is voluntarily provided

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

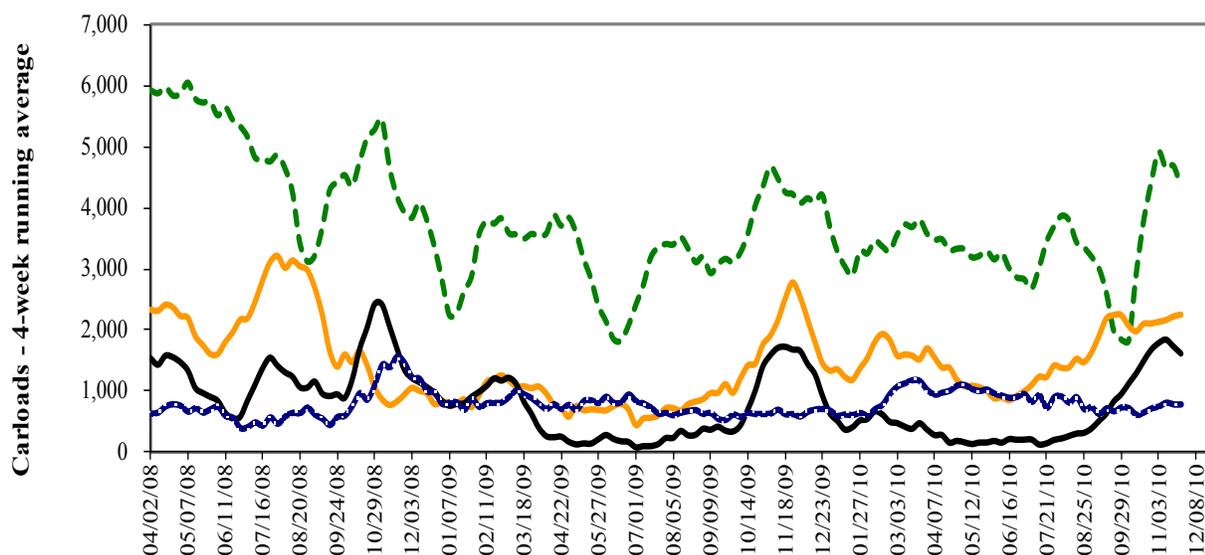
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

Source: Transportation & Marketing Programs/AMS/USDA

Railroads originate approximately 35 percent of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Figure 2

Rail Deliveries to Port



- - - Pacific Northwest: 4 wks. ending 11/24-- up 3% from same period last year; down 5% from 4-year average
— Texas Gulf: 4 wks. ending 11/24-- down 19% from same period last year; up 6% from 4-year average
— Miss. River: 4 wks. ending 11/24 -- down 4% from same period last year; down 8% from 4-year average
. . . Cross-border Mexico: 4 wks. ending 11/24 -- up 26% from same period last year; down 14% from 4-year average

Source: Transportation & Marketing Programs/AMS/USDA

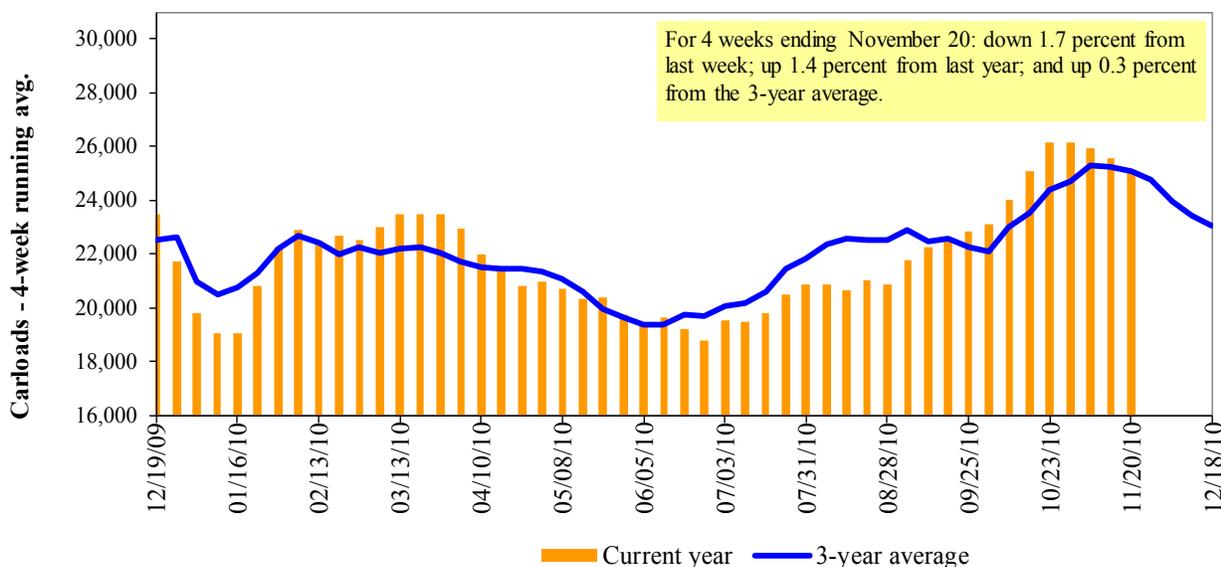
Table 4

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

Week ending	East		West			U.S. total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
11/20/10	2,086	3,753	12,403	736	6,673	25,651	4,243	5,568
This week last year	2,713	3,485	10,338	1,088	7,434	25,058	4,698	5,889
2010 YTD	98,673	141,628	483,636	32,224	261,100	1,017,261	179,993	237,509
2009 YTD	92,790	124,177	423,556	33,047	236,595	910,165	180,578	250,316
2010 YTD as % of 2009 YTD	106	114	114	98	110	112	100	95
Last 4 weeks as % of 2009 ¹	92	100	109	64	100	101	98	93
Last 4 weeks as % of 3-yr avg.	82	99	106	78	103	100	90	91
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
11/27/2010								
BNSF ³								
COT grain units	no bids	no offer	1	6	no bids	2	0	0
COT grain single-car ⁵	0	no offer	5	0..2	5	2	no bids	no bids
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.

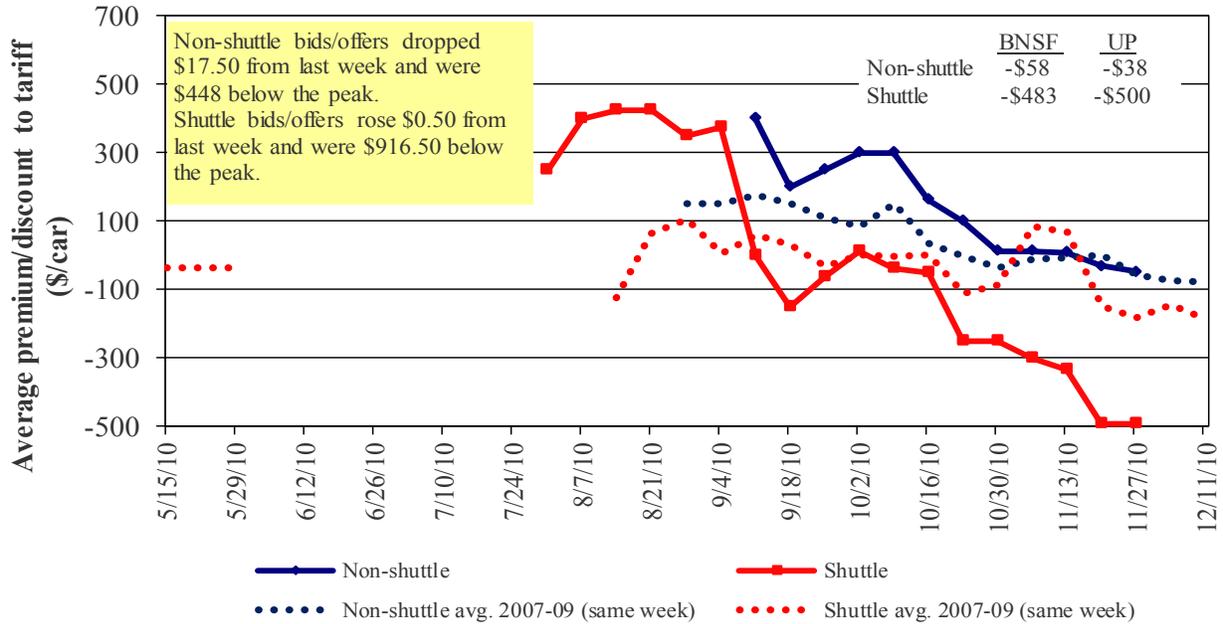
⁵Range is shown because average is not available. Not available = n/a.

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

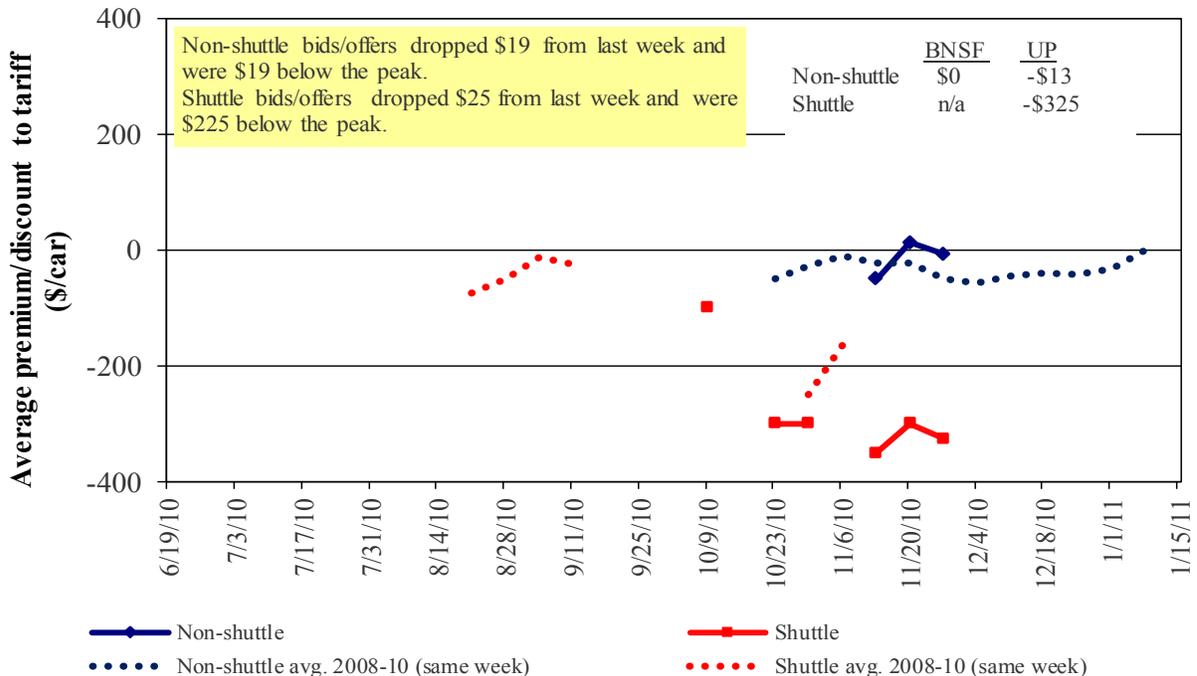


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

Bids/Offers for Railcars to be Delivered in January 2011, Secondary Market

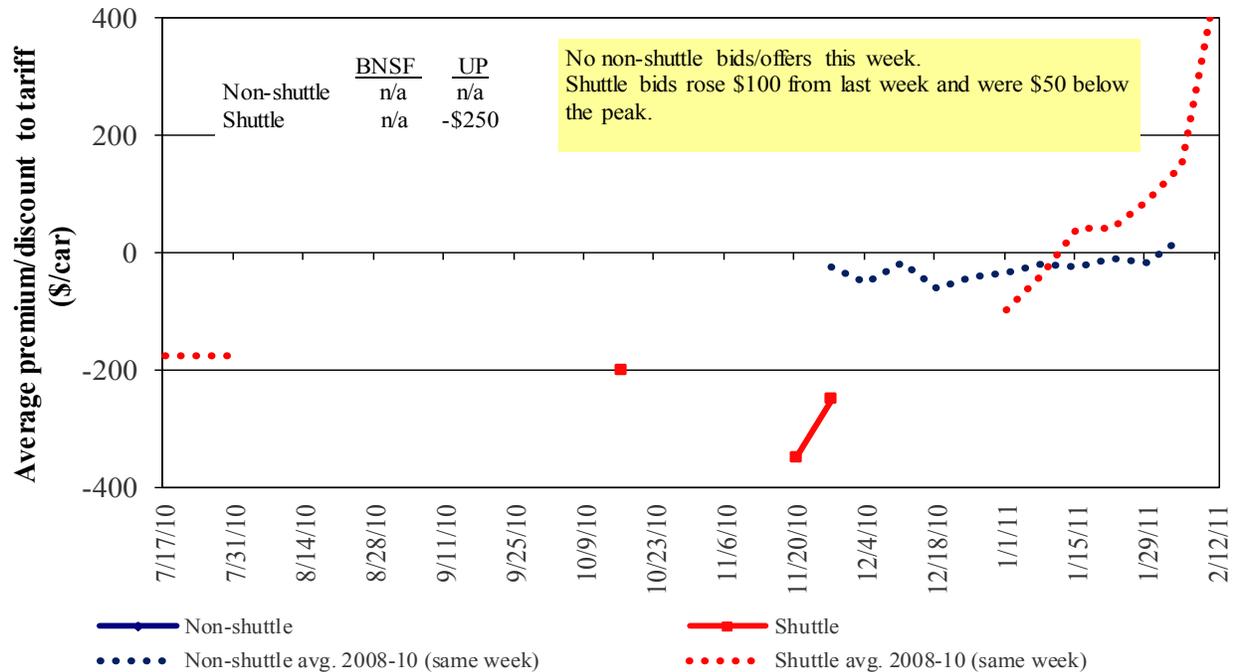


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

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
11/27/2010						
Non-shuttle						
BNSF-GF	(58)	-	n/a	n/a	n/a	n/a
Change from last week	(41)	(25)	n/a	n/a	n/a	n/a
Change from same week 2009	(383)	n/a	n/a	n/a	n/a	n/a
UP-Pool	(38)	(13)	n/a	n/a	n/a	n/a
Change from last week	6	(13)	n/a	n/a	n/a	n/a
Change from same week 2009	(83)	n/a	n/a	n/a	n/a	n/a
Shuttle²						
BNSF-GF	(483)	n/a	n/a	n/a	n/a	n/a
Change from last week	26	n/a	n/a	n/a	n/a	n/a
Change from same week 2009	(804)	n/a	n/a	n/a	n/a	n/a
UP-Pool	(500)	(325)	(250)	(300)	n/a	n/a
Change from last week	(25)	(25)	100	50	n/a	n/a
Change from same week 2009	(575)	(250)	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 change Y/Y ⁴
Commodity	Origin state	Destination region	Tariff rate/car ¹	surcharge per car ²	Tariff plus surcharge per: metric ton ³	bushel ³	
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.

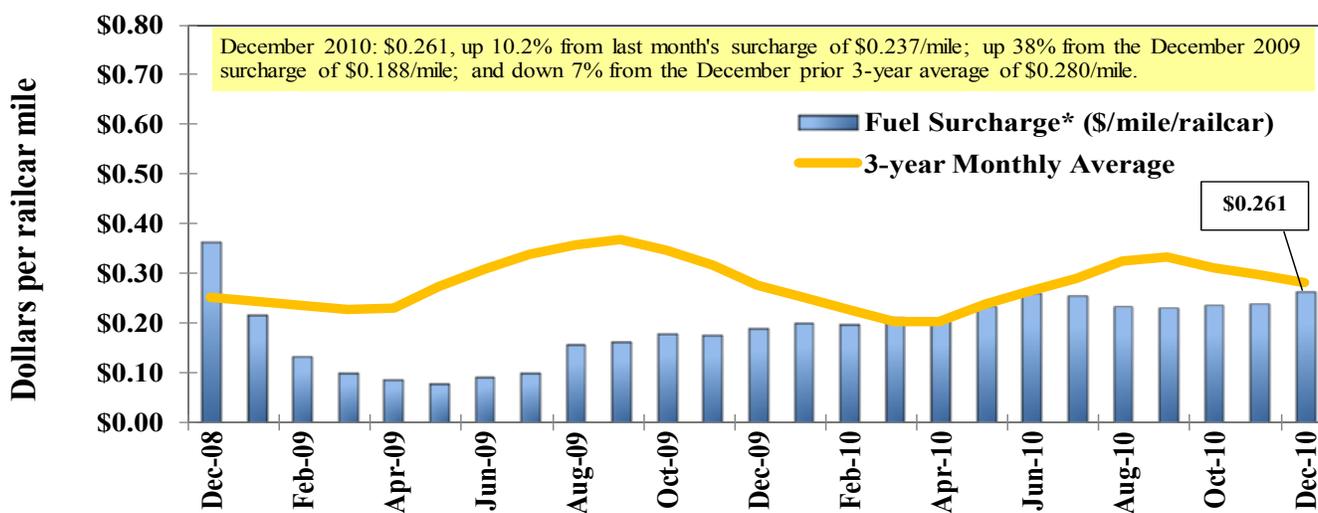
²Fuel surcharge adjusted to reflect the change in Ferrocarril Mexicano, S.A. de C.V railroad fuel surcharge policy as of 10/01/2009

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.

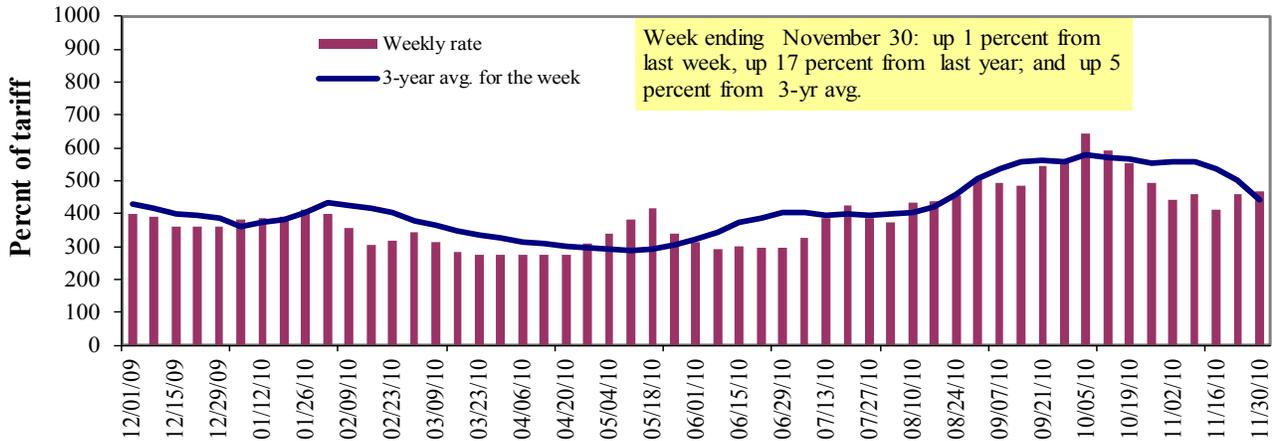
* Mileage-based fuel surcharges for March and April 2007 are estimated. Beginning January 2009, the Canadian Pacific fuel surcharge is computed by a monthly average of the bi-weekly fuel surcharge.

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

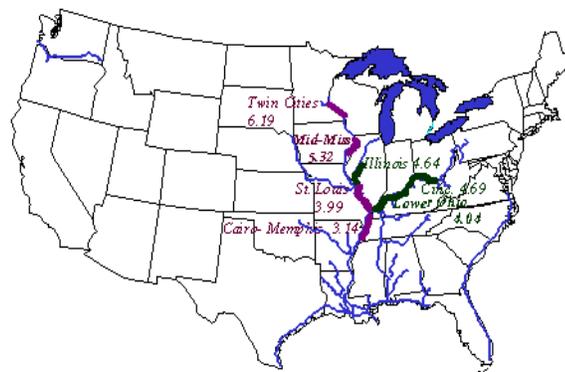
Weekly Barge Freight Rates: Southbound Only

		Twin Cities	Mid-Mississippi	Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo-Memphis
Rate¹	11/30/2010	-	454	466	365	471	471	340
	11/23/2010	450	439	460	371	405	405	338
\$/ton	11/30/2010	-	24.15	21.62	14.56	22.09	19.03	10.68
	11/23/2010	27.86	23.35	21.34	14.80	18.99	16.36	10.61
Current week % change from the same week:								
	Last year	-	16	17	28	20	28	29
	3-year avg. ²	-	3	5	-5	13	14	-4
Rate¹	December	-	-	453	353	406	406	323
	February	-	-	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



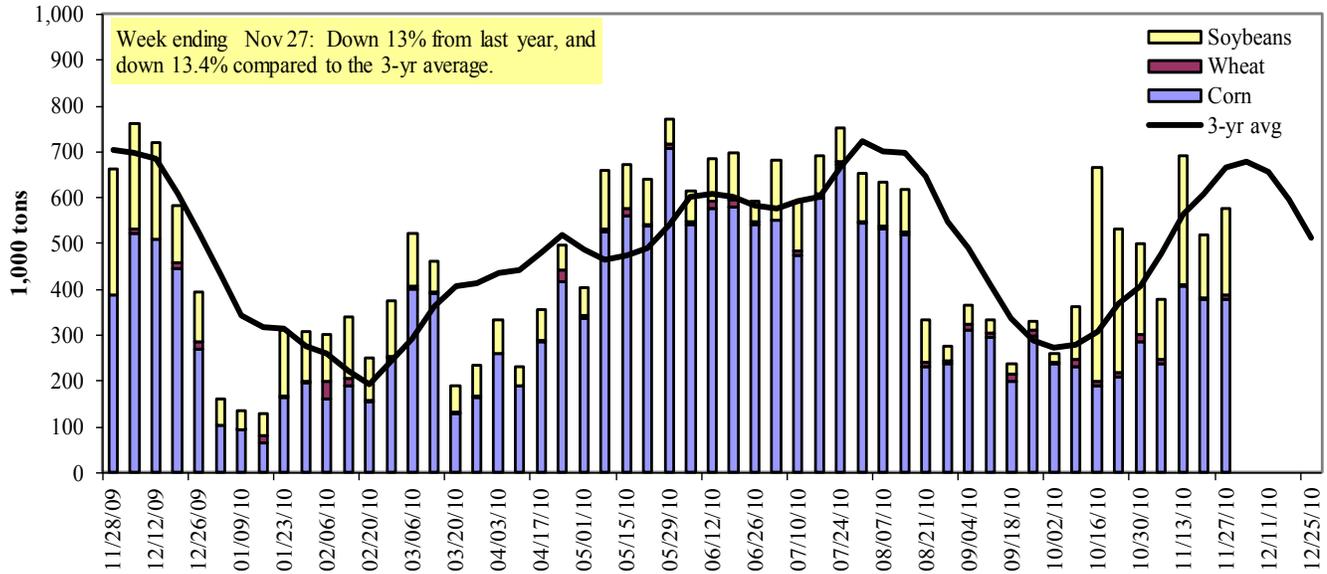
Calculating barge rate per ton:

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

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 11/27/2010	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	370	0	138	0	508
Winfield, MO (L25)	309	0	119	2	430
Alton, IL (L26)	400	6	177	2	585
Granite City, IL (L27)	379	9	188	2	578
Illinois River (L8)	50	6	48	0	104
Ohio River (L52)	64	2	84	0	149
Arkansas River (L1)	0	4	78	1	84
Weekly total - 2010	442	15	351	3	811
Weekly total - 2009	513	3	445	6	966
2010 YTD ¹	20,952	1,123	8,659	441	31,176
2009 YTD	21,307	1,441	9,282	399	32,429
2010 as % of 2009 YTD	98	78	93	111	96
Last 4 weeks as % of 2009 ²	105	37	56	96	76
Total 2009	23,424	1,501	10,465	430	35,819

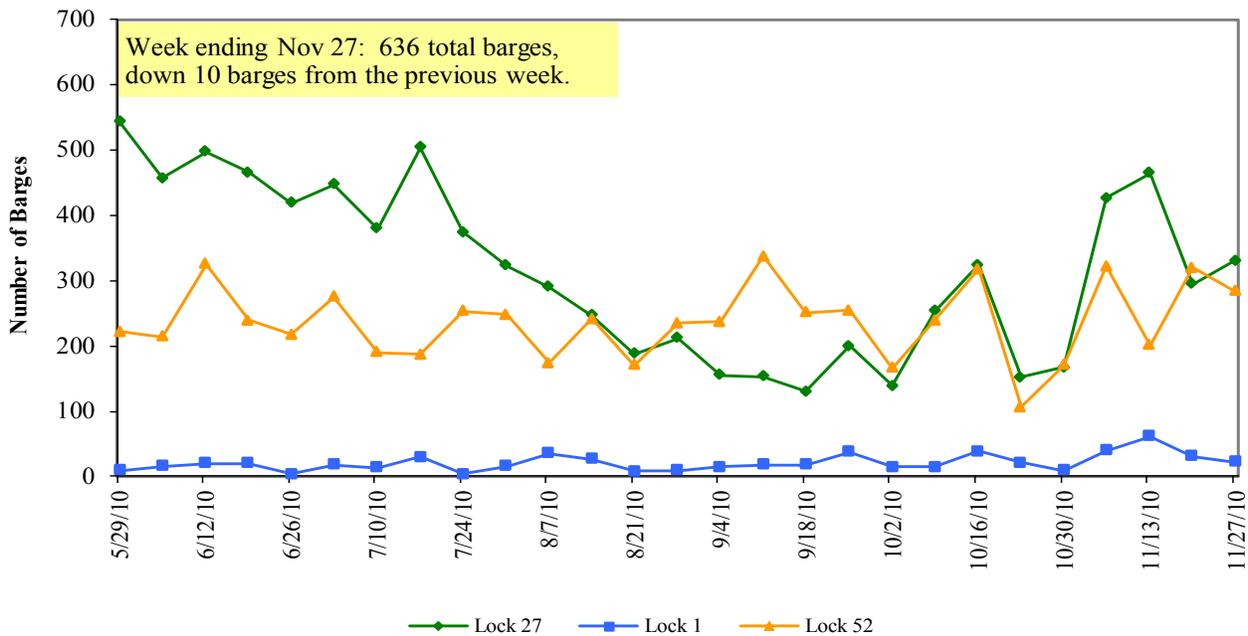
¹ Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

² As a percent of same period in 2009.

Note: Total may not add exactly, due to rounding

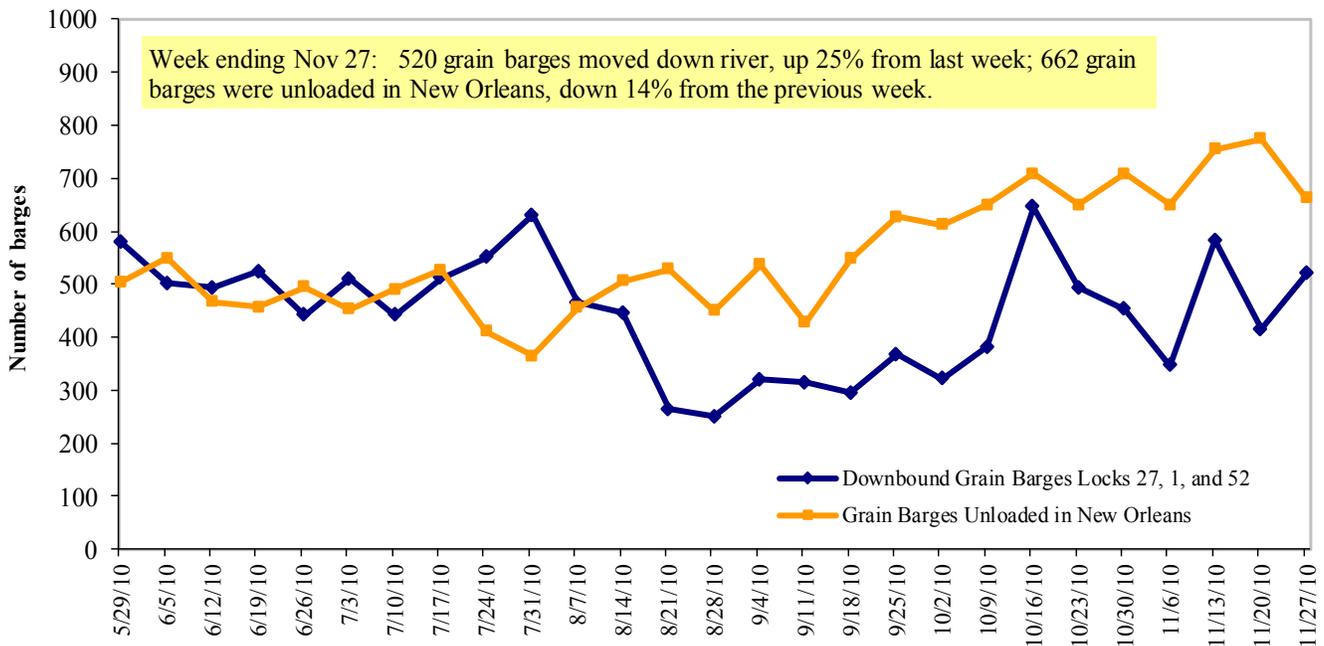
Source: U.S. Army Corps of Engineers (www.mvr.usace.army.mil/mvrmi/omni/webprts/default.asp)

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 11/29/2010 (US \$/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	3.166	-0.006	0.374
	New England	3.237	0.002	0.368
	Central Atlantic	3.288	-0.005	0.388
	Lower Atlantic	3.108	-0.007	0.370
II	Midwest ²	3.144	-0.012	0.396
III	Gulf Coast ³	3.078	-0.009	0.354
IV	Rocky Mountain	3.272	0.007	0.455
V	West Coast	3.300	-0.016	0.412
	California	3.328	-0.012	0.380
Total	U.S.	3.162	-0.009	0.387

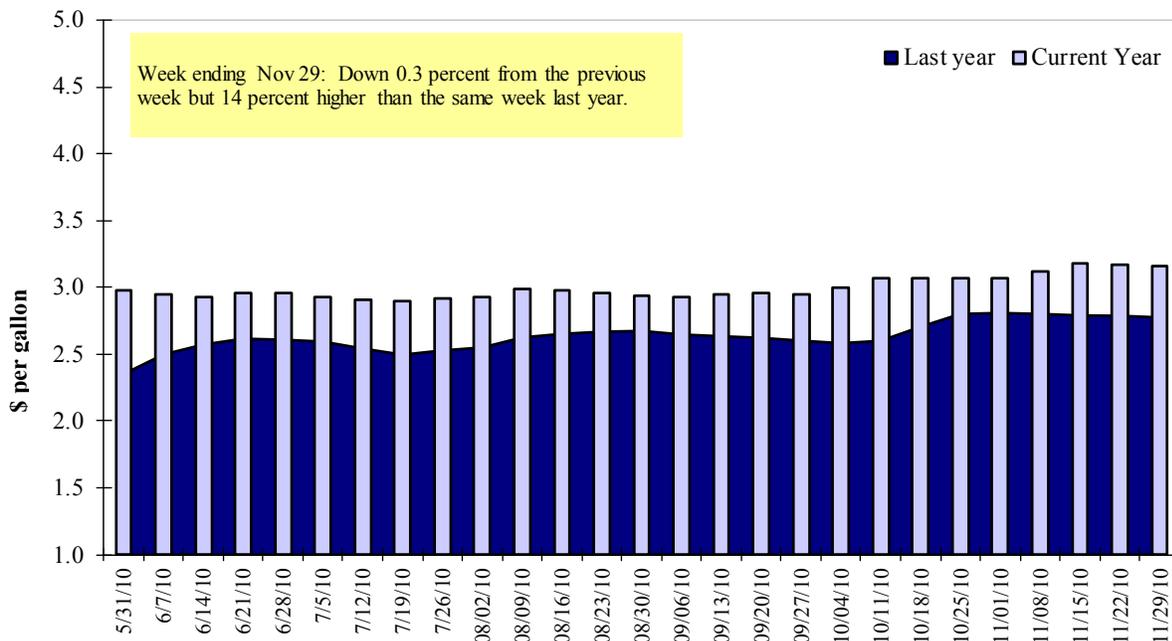
¹Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

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									
11/18/2010	3,660	694	2,772	1,344	195	8,665	12,416	17,885	38,966
This week year ago	1,300	473	1,108	724	303	3,908	10,136	15,758	29,802
Cumulative exports-marketing year²									
2010/11 YTD	6,562	934	3,654	2,198	526	13,873	9,695	13,537	37,105
2009/10 YTD	3,799	1,617	2,450	2,055	558	10,479	9,779	11,219	31,477
YTD 2010/11 as % of 2009/10	173	58	149	107	94	132	99	121	118
Last 4 wks as % of same period 2009/10	276	127	222	173	66	207	124	122	134
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 11/18/10	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	6,453	5,297	22	14,343
Mexico ⁴	3,159	3,848	(18)	7,999
Korea	2,609	2,659	(2)	7,562
Taiwan	940	1,091	(14)	2,949
Egypt	1,538	613	151	2,935
Top 5 importers	14,699	13,508	9	35,788
Total US corn export sales	22,110	19,915	11	50,460
% of Projected	45%	39%		
Change from Last Week	823	1,224		
Top 5 importers' share of U.S. corn export sales	66%	68%		
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: 120,000 mt on 11/29 to Mexico for 2010/11.

Table 14

Top 5 Importers¹ of U.S. Soybeans

Week ending 11/18/10	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 ⁴	19,505	16,646	17	22,454
Mexico	1,414	1,160	22	3,276
Japan	1,261	1,175	7	2,347
EU-25	1,033	827	25	2,647
Taiwan	722	848	(15)	1,556
Top 5 importers	23,935	20,655	16	32,280
Total US soybean export sales	31,422	26,976	16	40,850
% of Projected	74%	66%		
Change from last week	674	1,135		
Top 5 importers' share of U.S. soybean export sales	76%	77%		
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.⁴Not included - FAS Press Release: 780,000 mt on 11/24 to China for 2010/11.

Table 15

Top 10 Importers¹ of All U.S. Wheat

Week Ending 11/18/2010	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	2,068	1,956	6	3,233
Japan	2,203	1,797	23	3,148
Mexico	1,957	1,216	61	1,975
Philippines	1,664	1,247	33	1,518
Korea, South	1,187	733	62	1,111
Taiwan	553	573	(4)	844
Venezuela	360	345	4	658
Colombia	480	420	14	575
Peru	688	336	104	567
Egypt	2,165	456	375	529
Top 10 importers	13,325	9,078	47	14,156
Total US wheat export sales	22,538	14,386	57	23,980
% of Projected	66%	60%		
Change from last week	745	351		
Top 10 importers' share of U.S. wheat export sales	59%	63%		
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 11/25/10	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	179	10,005	9,343	107	75	88	10,091
Corn	50	8,946	7,500	119	162	70	8,498
Soybeans	311	8,866	8,150	109	100	140	9,743
Total	541	27,817	24,993	111	99	105	28,332
Mississippi Gulf							
Wheat	82	3,640	3,785	96	89	66	4,019
Corn	408	27,078	27,062	100	101	83	28,843
Soybeans	870	18,846	17,952	105	110	144	21,831
Total	1,360	49,565	48,799	102	106	113	54,693
Texas Gulf							
Wheat	179	8,402	5,187	162	172	126	5,735
Corn	66	1,746	1,826	96	168	175	1,968
Soybeans	86	1,574	1,945	81	43	129	2,402
Total	330	11,722	8,958	131	91	133	10,105
Great Lakes							
Wheat	103	1,703	902	189	183	135	990
Corn	0	100	319	31	48	16	353
Soybeans	26	512	703	73	46	91	781
Total	128	2,315	1,924	120	85	95	2,124
Atlantic							
Wheat	0	314	551	57	0	0	552
Corn	0	432	427	101	45	25	472
Soybeans	3	1,073	745	144	88	122	1,268
Total	3	1,820	1,723	106	82	84	2,292
U.S. total from ports²							
Wheat	543	24,064	19,768	122	109	98	21,387
Corn	524	38,303	37,133	103	112	80	40,134
Soybeans	1,296	30,871	29,495	105	94	139	36,025
Total	2,363	93,239	86,397	108	101	111	97,546

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

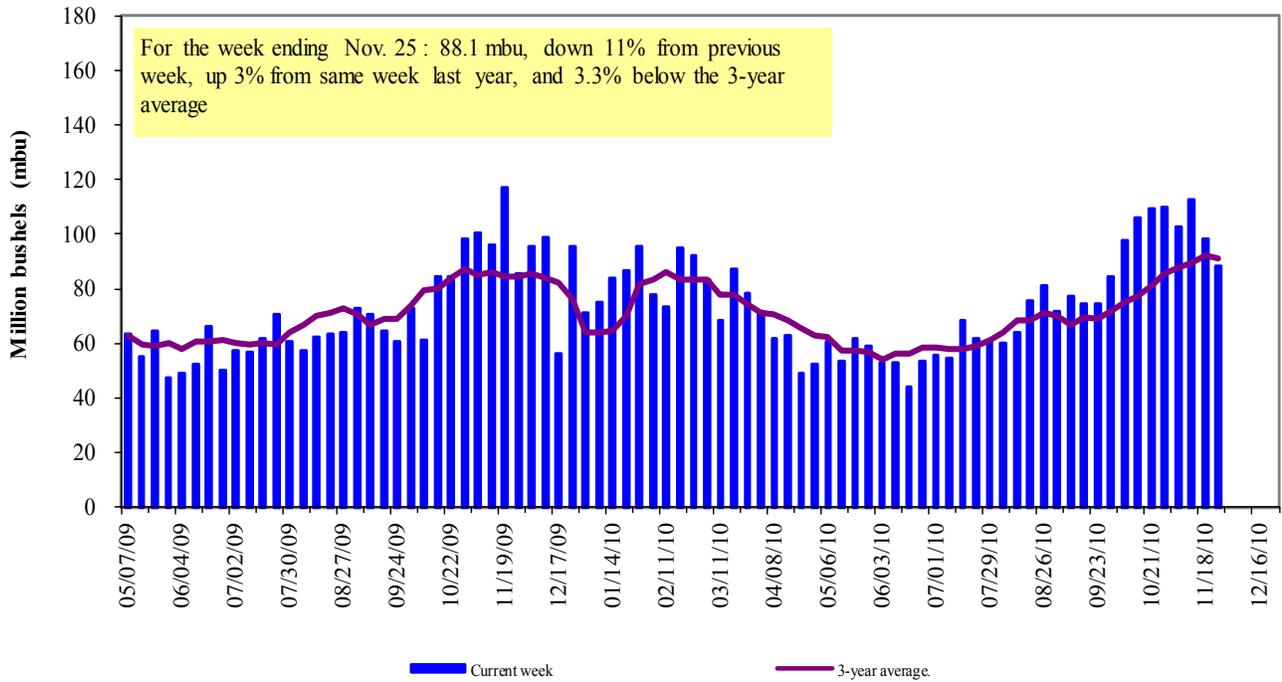
² Total includes only port regions shown above

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)

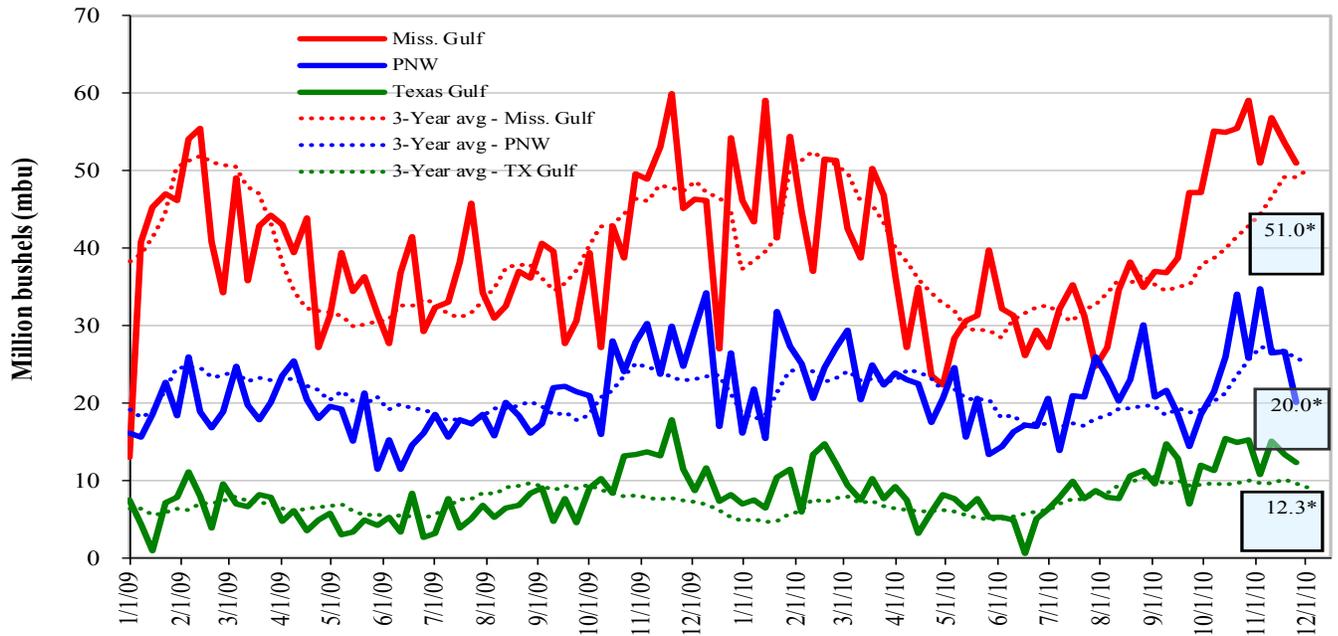


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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 25, % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	down 5	down 8	down 6	down 25
Last year (same week)	up 13	up 8	up 12	down 19
3-yr avg. (4-wk mov. avg.)	up 4	up 27	up 8	down 20

Ocean Transportation

Table 17

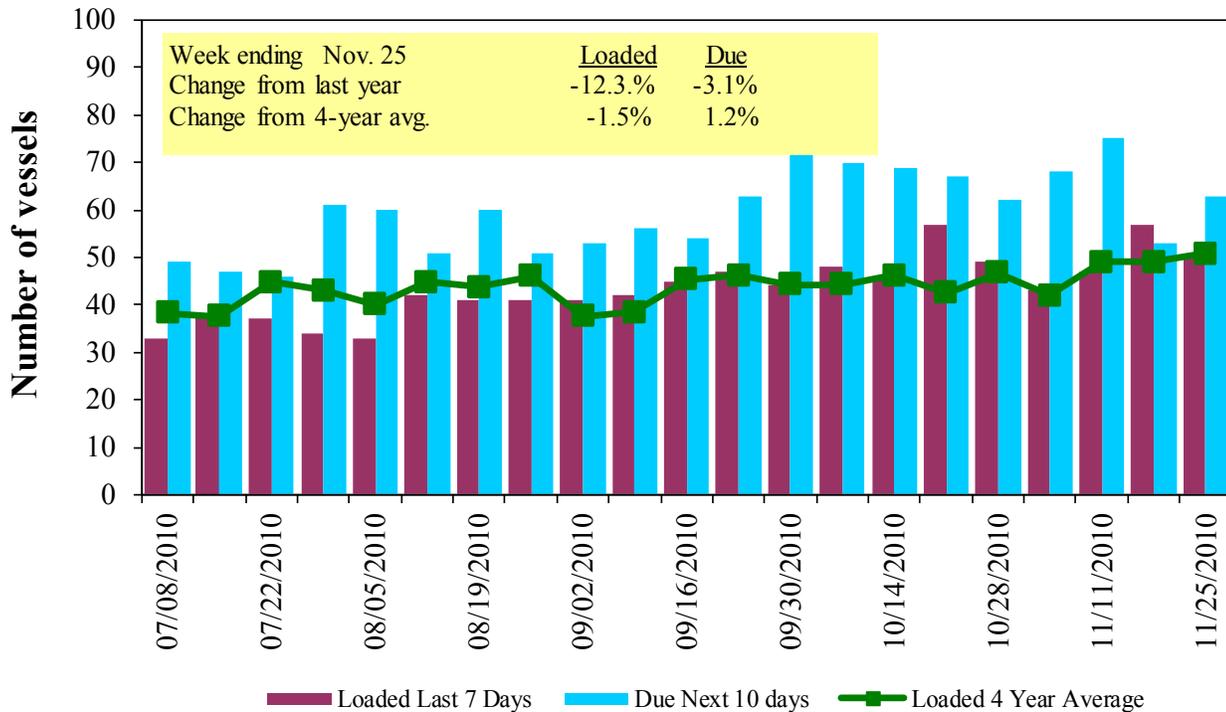
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In port	Loaded 7-days	Due next 10-days	In port	In port
11/25/2010	36	50	63	n/a	10
11/18/2010	54	57	53	12	14
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

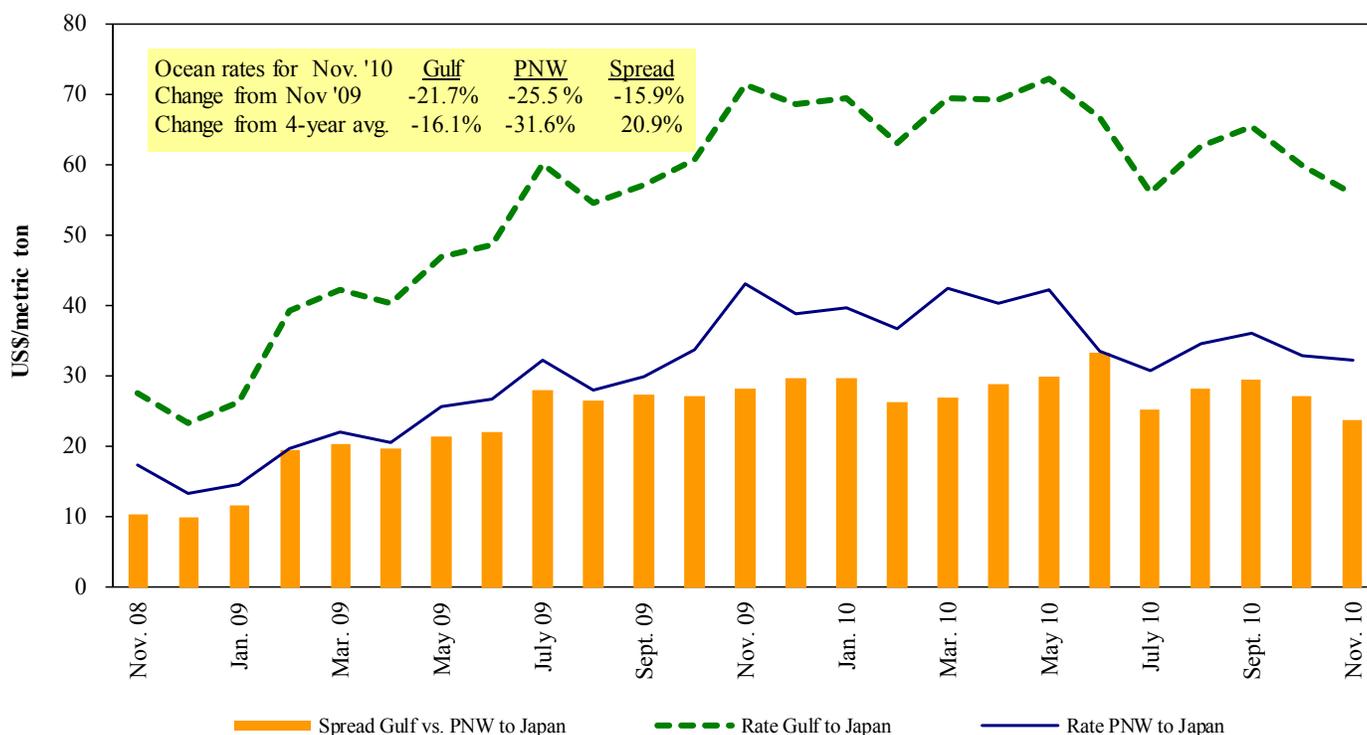


Source: Transportation & Marketing Programs/AMS/USDA

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 11/27/2010

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	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. Gulf	Pakistan ¹	Wheat	Nov 26/Dec 6	8,100	77.99
Brazil	Algeria	Corn	Oct 15/20	25,000	36.00
Brazil	Morocco	Heavy Grain	Oct 3/5	26,000	36.75
France	Algeria	Wheat	Oct 30/Nov 5	22,500	29.00
River Plate	Algeria	Soybeanmeal	Nov 28/30	25,000	39.50
River Plate	Algeria	Corn	Nov 16/25	25,000	31.00
River Plate	Italy	Heavy Grain	Nov 1/2	28,000	41.50
River Plate	Poland	Soybeanmeal	Oct 28/30	15,000	48.00
Romania	Egypt Med	Wheat	Nov 1/10	25,000	17.25
Ukraine	Egypt	Corn	Oct 20/25	25,000	18.75

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

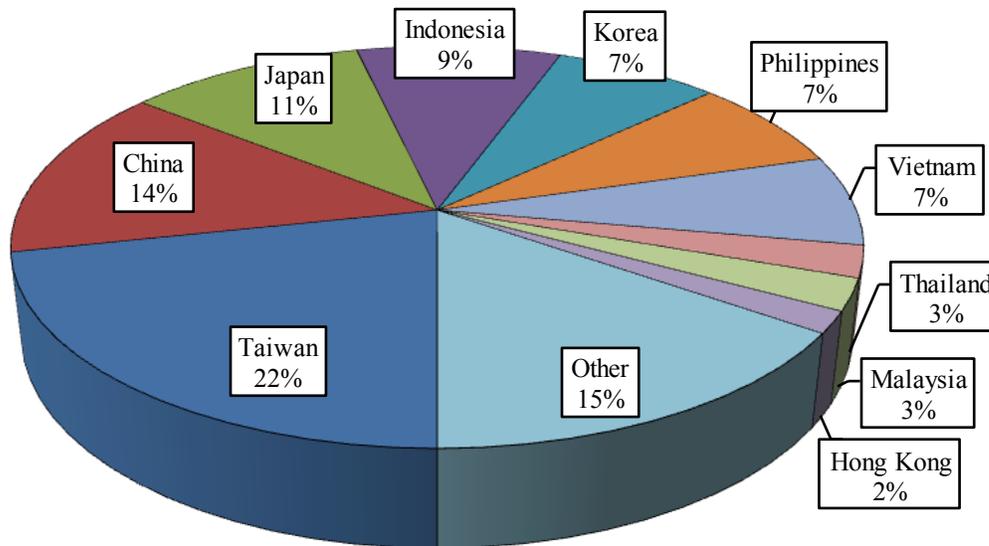
¹ 75 percent of food aid from the United States is required to be shipped on U.S.-flag vessels.

Source: Maritime Research Inc. (www.maritime-research.com)

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

Figure 18

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

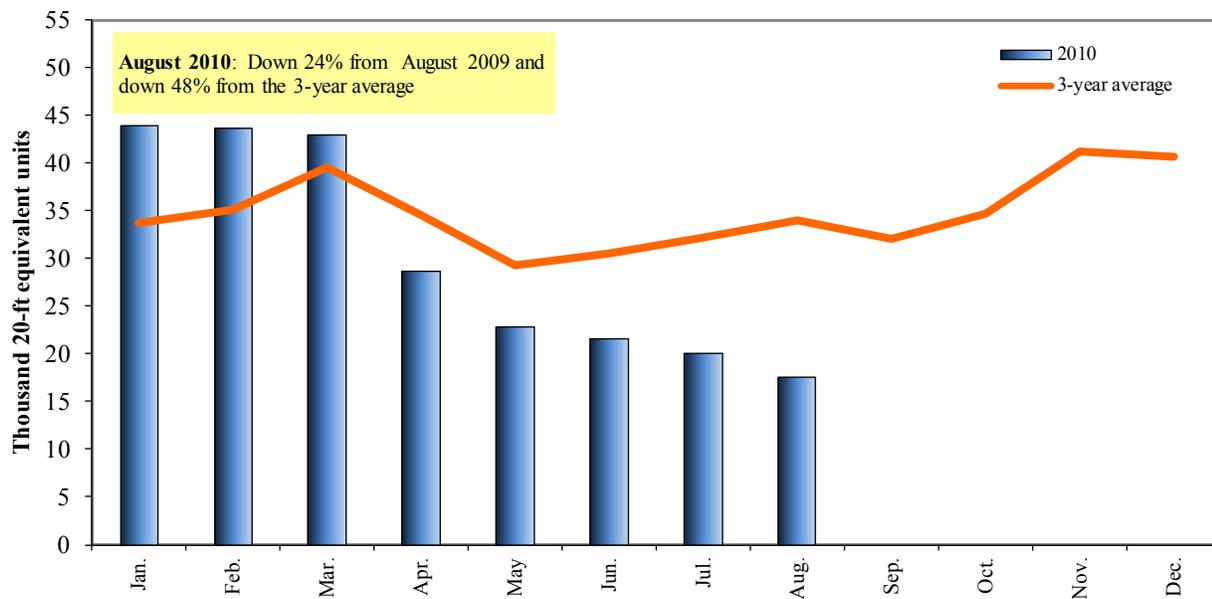


Source: Port Import Export Reporting Service (PIERS)

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**.

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Ocean Transportation

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