



WEEKLY HIGHLIGHTS

January 20, 2011

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Vancouver, WA, Port Expansion Expected to Increase Grain Exports

The Port of Vancouver, WA, has granted United Grain Corporation permission to tear down three buildings on the port's Terminal 2 adjacent to the grain terminal. Removing the buildings will accommodate the company's planned expansion of grain exports and allow the port to continue its larger and longer-term West Vancouver Freight Access rail project, which is planned to cost \$150 million and be completed by 2017. United Grain's \$72 million project to expand the company's grain handling operations would provide an additional 60,000 tons of storage space for corn and soybeans, which is expected to result in an additional 2 million tons of grain moving through the port. The Columbia River channel-deepening project is one of the reasons behind United Grain's expansion. Because the depth of the shipping channel has been increased to 43 feet, about 7,200 tons of additional grain can be loaded onto each vessel that docks at the port. The project will be completed over the next several years.

OMB Reviewing TWIC Reader Requirements

On January 12, the Office of Management and Budget (OMB) received the Coast Guard's notice of proposed rulemaking to establish Transportation Worker Identification Credential (TWIC) reader requirements for maritime facilities and vessels. After review by OMB, the proposed rule will be published in the *Federal Register* and made available for comment at www.regulations.gov under docket number USCG-2007-28915. According to *Land Line Magazine*, over 1.6 million TWICs have been issued to transportation professionals, including nearly 232,000 merchant mariners, over 300,000 truck drivers, and nearly 12,000 rail crew members.

FMC Orders Special Monitoring Requirements for Three Global Vessel Alliance Agreements

Severe disruptions in ocean transportation service experienced last year by U.S. exporters and importers has led the Federal Maritime Commission (FMC) to conclude that [more timely notice and reporting](#) is needed for global vessel alliance agreements. The agreements have the potential to be complex and anticompetitive in multiple trade lanes. Effective January 24, New World Alliance, Grand Alliance, and CKYH Alliance and their member carriers must file with the FMC their meeting minutes and monthly reports on vessel capacity allocated to the U.S. market, including U.S. cargo loadings, both inbound and outbound. The alliances must provide notice of planned changes in vessel capacity, substitution of vessels, or adjustments in sailings that could change the weekly vessel capacity by five percent or more.

Weekly Grain Inspections Up Slightly

For the week ending January 13, **total inspections of grain** (corn, wheat, and soybeans) from all major U.S. export regions reached 2.16 million metric tons (mmt), up 3 percent from the previous week, but 3.3 percent below the same week last year. Inspections were 16 percent above the 3-year average. Corn and soybean inspections rebounded from the past week as shipments to Asia increased.

Snapshots by Sector

Rail

U.S. railroads originated 25,913 **carloads of grain** during the week ending January 8, up 43 percent from last week, 33 percent from last year, and 31 percent higher than the 3-year average.

During the week ending January 13, average January non-shuttle **secondary railcar bids/offers** were \$112.50 above tariff, up \$46.50 from last week. Average shuttle rates were \$25 below tariff, up \$223 from last week.

Barge

During the week ending January 15, **barge grain movements** totaled 539,076 tons, 5 percent lower than the previous week but 82 percent higher than the same period last year.

During the week ending January 15, 337 grain barges **moved down river**, down 7 percent from last week; 571 grain barges were **unloaded in New Orleans**, down 13 percent from the previous week.

Fuel

During the week ending January 10, U.S. average **diesel fuel prices** were \$3.41—up 2 percent from the previous week, and 18.7 percent higher than the same week last year.

Ocean

During the week ending January 13, 50 **ocean-going grain vessels** were loaded in the Gulf, up 22 percent from last year. Eighty-one vessels are expected to be loaded in the U.S. Gulf within the next 10 days, up 13 percent from last year.

During the week ending January 14, the cost of shipping grain from the Gulf to Japan averaged \$54 per mt, up 2 percent from the previous week. The rate from the Pacific Northwest to Japan was \$32 per mt, up 10 percent from the previous week.

Feature Article/Calendar

Grain Transportation Update

Grain transportation volume during the first quarter of 2011 is expected to be robust because of high crop prices, near-record corn and record soybean harvests, and strong export demand. Lower projected grain ending stocks and higher demand have led to a surge in crop prices, which could encourage farmers to sell more grain than usual during the first quarter. The Russian grain export ban, lower grain production in Europe, and a falling value of the U.S. dollar have led to increased demand for U.S. grain.

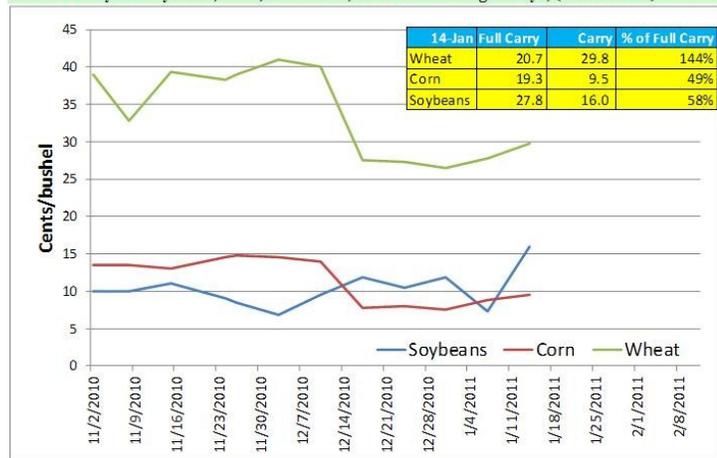
Lower Grain Ending Stocks and Higher Demand in the 2010/11 Marketing Year

After USDA's January World Agricultural Supply and Demand Estimates (WASDE) report, which showed lower production and higher use than last year, commodity prices surged and are currently 40–65 percent higher than at this time last year. In January, USDA projected that corn, wheat and soybean production for the 2010/11 marketing year will total 17.98 billion bushels, 3.7 percent lower than last year (see table). At the same time, exports are projected to increase by 10.8 percent from last year. This projection is based on continued strong Chinese demand for U.S. soybeans, higher demand for U.S. wheat due to the Russian grain export ban, and corn exports that are only slightly lower than last year.

Major Grains: Production and Use, January 2011 WASDE, million bushels					
	Corn	Soybeans	Wheat	Total	Y/Y
United States 2010/11 (Projected)					
Production	12,447	3,329	2,208	17,984	-3.7%
Exports	1,950	1,590	1,300	4,840	10.8%
Domestic Use	11,480	1,765	1,176	14,421	2.5%
Ending Stocks/Use	5.5%	4.2%	33.0%		
2009/10 (Estimated)					
Production	13,092	3,359	2,218	18,669	6.3%
Exports	1,987	1,501	881	4,369	5.5%
Domestic Use	11,079	1,860	1,137	14,076	6.4%
Ending Stocks/Use	13.1%	4.5%	48.4%		
2008/09					
Production	12,092	2,967	2,499	17,558	
Exports	1,849	1,279	1,015	4,143	
Domestic Use	10,207	1,768	1,260	13,235	
Ending Stocks/Use	13.9%	4.5%	28.9%		

The projected 2010/11 wheat and corn ending stocks-to-use ratios are 15.4 and 7.6 percentage points lower than they were in 2009/10 and the soybean ending stocks-to-use ratio is slightly lower at 4.2 percent. The tight market has resulted in a significant increase in corn, soybean, and wheat prices. As reflected in the March futures contracts, corn prices are 65 percent, soybeans 60 percent, and wheat 39 percent higher than last year. In addition, strong market carries in corn and wheat during the fall months slowed the pace of corn and wheat exports, pushing the demand for grain transportation into this quarter and potentially into the spring months (see figure).

Market Carry for Soybeans, Corn, and Wheat, as of week ending Fridays, (cents/bushel)*



*Example: Nearby carry for Soybeans in December is the difference between the January and March contracts.

Bulk Ocean Freight Rates Were Moderate in 2010; Trends Expected to Continue in 2011

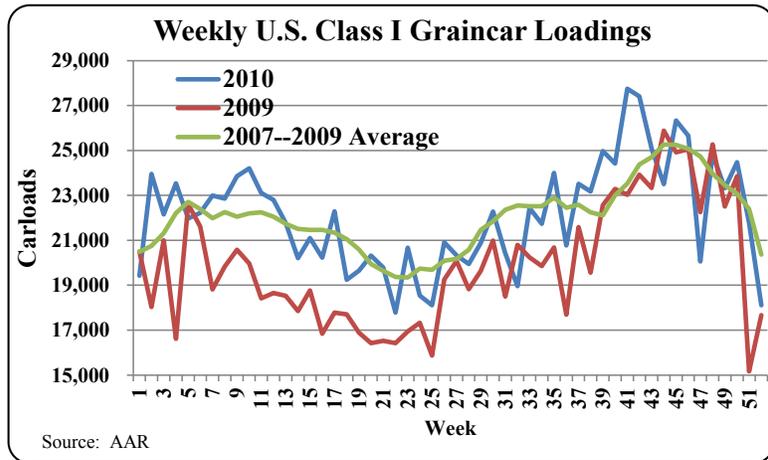
Although ocean freight rates for bulk shipments increased from 2009 to 2010, they were far below the levels in 2008 and 2007, when ocean freight rates skyrocketed. The 2010 rates were also below their 4-year averages. The rates for shipping bulk grain from the U.S. Gulf to Japan averaged \$63.59 per metric ton (mt) during 2010—4 percent below the 4-year average. The rates from the Pacific Northwest to Japan averaged \$36.04 per mt—14 percent below the 4-year average. The rates from the U.S. Gulf to Rotterdam averaged \$26.48 per mt, 32 percent lower than the 4-year average. The rates were kept low due to moderate demand for bulk shipping and increased vessel supply during the year. So far the rates have remained moderate since the beginning of 2011. As of January 14, the rate for shipping grain from the U.S. Gulf to Japan was \$54 per mt, and from Pacific Northwest to Japan was \$32 per mt. The rate from the U.S. Gulf to Rotterdam was \$24 per mt. The rates are likely to remain moderate unless there is a significant increase in demand for bulk shipments.

Average Diesel Fuel Prices Increased in 2010, Continue to Rise in 2011

The average on-highway diesel price in the United States in 2010 was \$2.99 per gallon, 21 percent higher than 2009 and 1 percent higher than the 4-year average. During the 4th Quarter, U.S. on-highway diesel fuel prices averaged \$3.14 per gallon, 7 percent higher than the previous quarter and 15 percent higher than last year. From the first week in October, prices have been above \$3 per gallon with a high of \$3.29 during the last week of December. In that same week, crude oil was priced at \$87 per barrel, a \$17 increase from the December 2009 average. The Energy Information Administration’s (EIA) estimated on-highway diesel fuel prices to average \$3.40 per gallon this year, 41 cents per gallon higher than last year and \$3.52 per gallon in 2012. As of January 17, the average price of diesel was \$3.41 per gallon.

Rail Grain Car Loadings Stronger in 2010; Off to Good Start in 2011

Class I railroad grain car loadings for 2010 (1,149,840) were 11 percent greater than in 2009 (1,036,873) and 0.5 percent above the 2007–09 average (1,143,457). Due to the large 2010/11 grain and oilseeds crop, robust exports, and high crop prices, railcar loadings for the next 3 months are expected to be close to those of 2007, a banner year. Class I railroad grain car loadings for the first week of 2011 (25,913) were 33 percent more than in 2010 (19,429) and 16 percent above the 2008-2010 average (22,417).

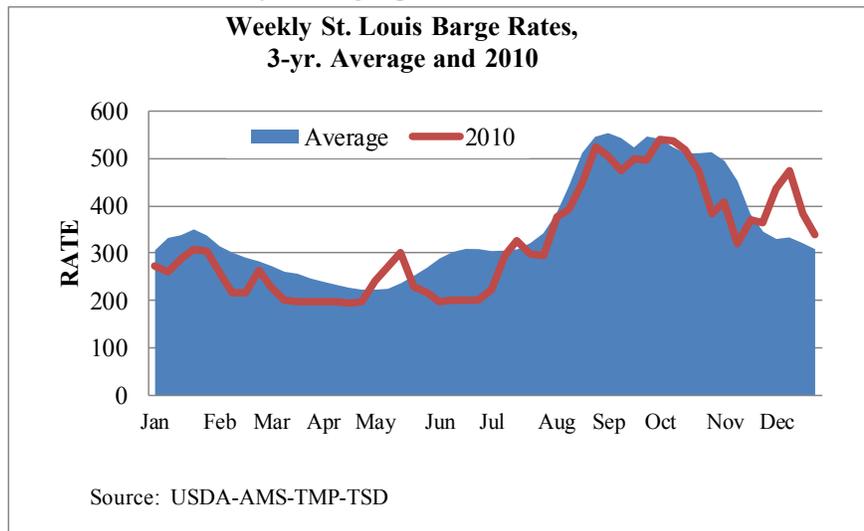


Barge Rates Below Average Most of 2010

Weekly barge rates for grain shipped from St. Louis to New Orleans have been below average for most of the year except for brief periods in May, August, and all of December (see graph). Near-average rates for most of 2010 were accompanied by total barge volumes that were similar to those in 2009. The December rate increase was due to widespread freezing temperatures that limited barge movements and effectively reduced the barge supply. Freezing temperatures can slow the barge cleaning process, which then slows the return of barges to the next shipper. Ice accumulations on the river also create delays as barge operators must contend with harsh winter navigation conditions.

On January 15–16, the U.S. Army Corps of Engineers (Corps) reported that ice accumulations forced the temporary closing of Melvin Price (MP) Locks and Dam (north of St. Louis). The Corps implemented procedures that “flushed” ice out of the lock chamber and made the facility fully operational again. In 2010, the MP Locks and Dam moved more than 54,000 barges, totaling 56 million tons. About half of the tonnage was food and farm products.

GTRContactUs@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	
1/12/2011 ^p	853	1,935	449	3,573	841	7,651
1/05/2010 ^r	1,100	1,678	468	3,421	761	7,428
2011 YTD	1,953	3,613	917	6,994	1,602	15,079
2010YTD	768	2,517	1,364	5,433	2,717	12,799
2011 YTD as % of 2010 YTD	254	144	67	129	59	118
Last 4 weeks as % of 2010 ²	284	150	91	116	64	120
Last 4 weeks as % of 4-year avg. ²	92	117	86	97	91	99
Total 2010	33,971	83,492	42,794	177,896	32,780	370,933
Total 2009	33,423	57,646	36,738	175,965	30,328	334,100

¹ Data is incomplete as it is voluntarily provided

² Compared with same 4-weeks in 2010 and prior 4-year average.

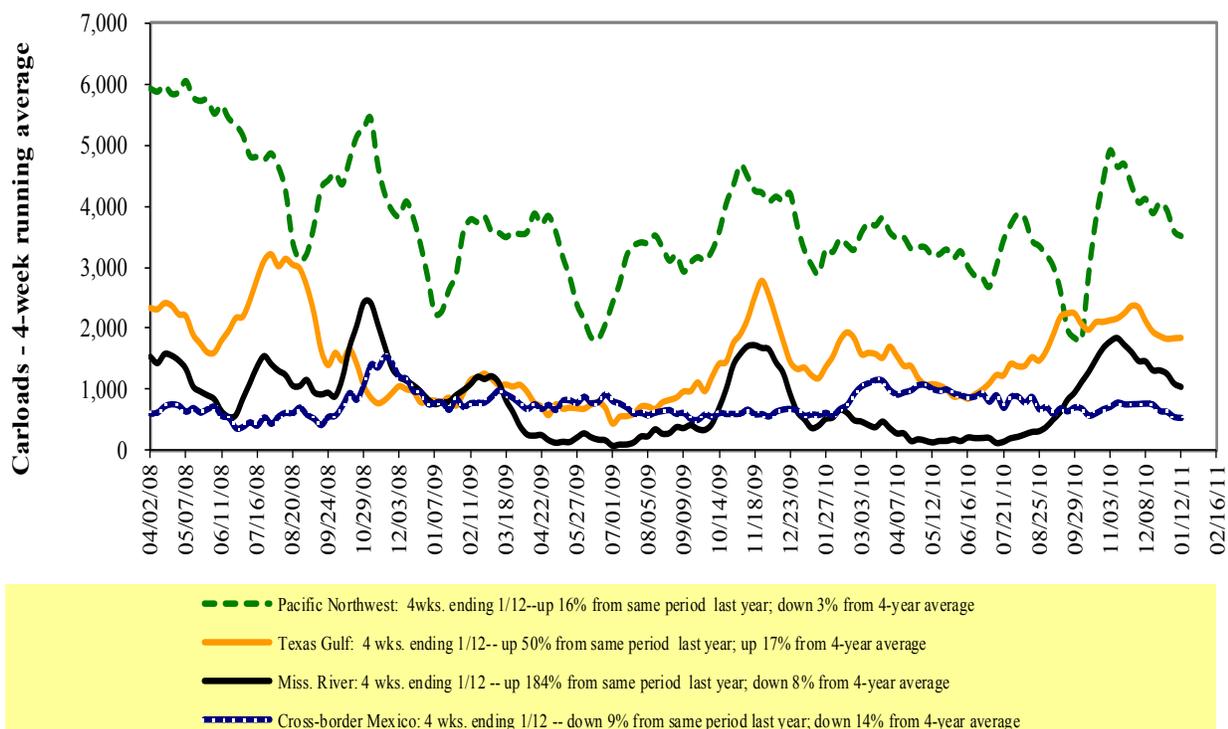
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

Source: Transportation & Marketing Programs/AMS/USDA

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

Figure 2

Rail Deliveries to Port



Source: Transportation & Marketing Programs/AMS/USDA

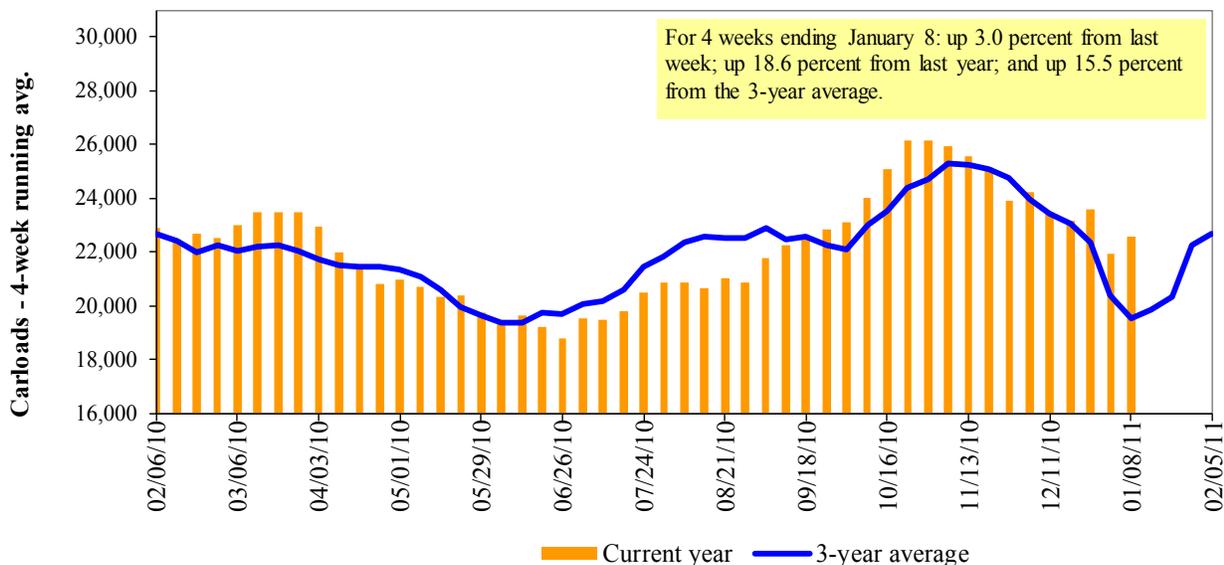
Table 4

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

Week ending	East		West			U.S. total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
01/08/11	2,648	3,409	11,941	684	7,231	25,913	3,605	5,317
This week last year	2,523	2,761	9,156	575	4,414	19,429	3,763	5,498
2011 YTD	2,648	3,409	11,941	684	7,231	25,913	3,605	5,317
2010 YTD	2,523	2,761	9,156	575	4,414	19,429	3,763	5,498
2011 YTD as % of 2010 YTD	105	123	130	119	164	133	96	97
Last 4 weeks as % of 2010 ¹	108	109	119	101	130	119	111	102
Last 4 weeks as % of 3-yr avg.	98	116	117	91	125	116	96	109
Total 2010	111,935	159,836	546,901	35,807	295,361	1,149,840	203,038	265,835

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							
	Jan-11	Jan-10	Feb-11	Feb-10	Mar-11	Mar-10	Apr-11	Apr-10
1/13/2011								
BNSF ³								
COT grain units	no offer	no offer	no offer	0	0	no bids	no bids	no bids
COT grain single-car ⁵	no offer	no offer	3	0..12	0	0	0	no bids
UP ⁴								
GCAS/Region 1	1	no offer	no bids	no bids	no bids	no bids	n/a	no offer
GCAS/Region 2	no bids	no offer	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.

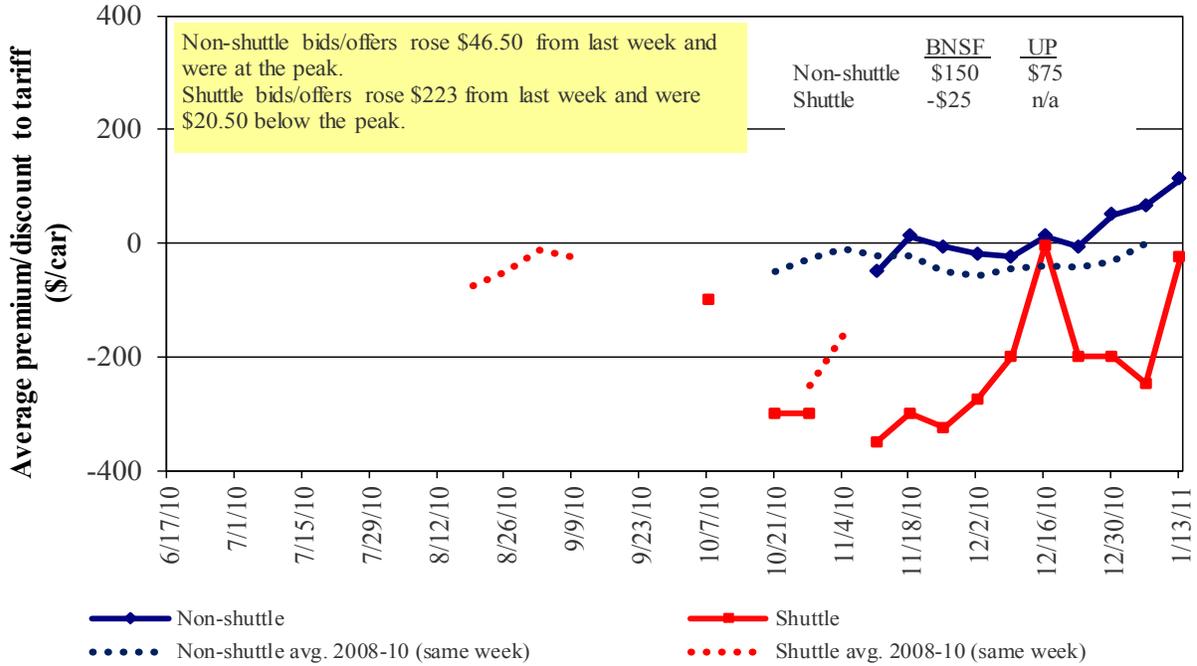
⁵Range is shown because average is not available. Not available = n/a.

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 January 2011, Secondary Market

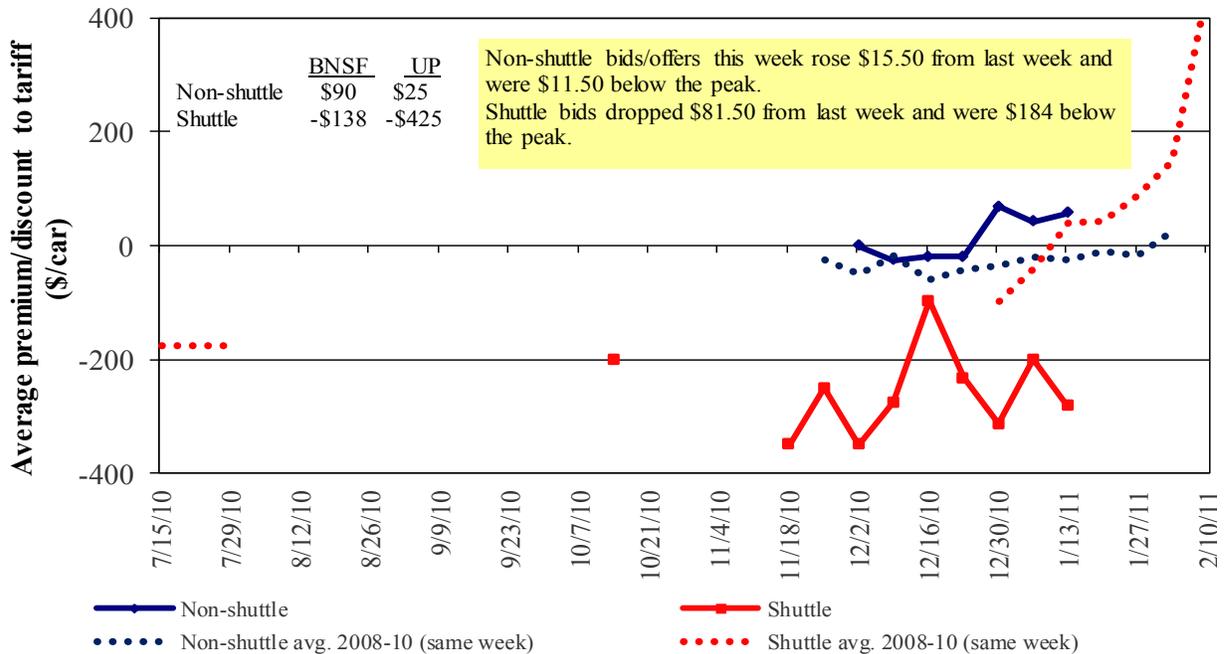


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

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

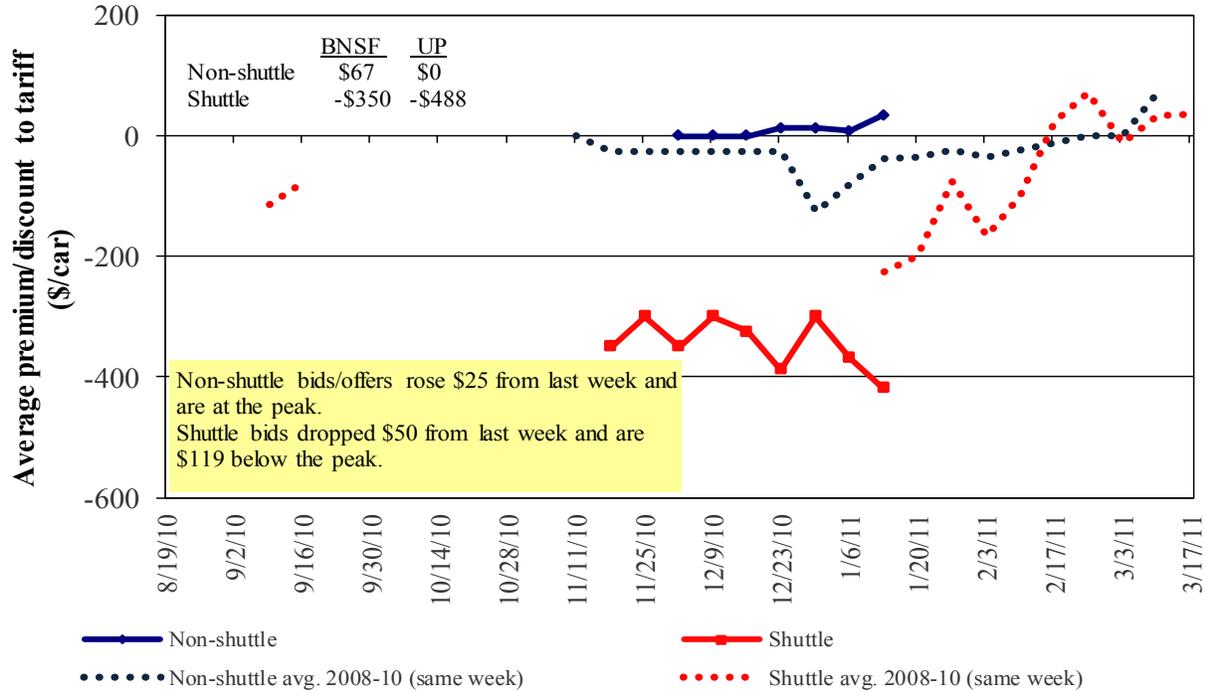


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in March 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					
	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11
1/13/2011						
Non-shuttle						
BNSF-GF	150	90	67	n/a	n/a	n/a
Change from last week	93	44	50	n/a	n/a	n/a
Change from same week 2010	150	68	n/a	n/a	n/a	n/a
UP-Pool	75	25	-	-	-	n/a
Change from last week	-	(13)	-	n/a	n/a	n/a
Change from same week 2010	n/a	38	25	n/a	n/a	n/a
Shuttle²						
BNSF-GF	(25)	(138)	(350)	n/a	n/a	n/a
Change from last week	(129)	(88)	(50)	n/a	n/a	n/a
Change from same week 2010	(150)	(138)	n/a	n/a	n/a	n/a
UP-Pool	n/a	(425)	(488)	n/a	n/a	n/a
Change from last week	n/a	(75)	(50)	n/a	n/a	n/a
Change from same week 2010	n/a	(532)	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:						
1/3/2011	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	\$106	\$28.60	\$0.78
	Grand Forks, ND	Duluth-Superior, MN	\$2,563	\$143	\$26.87	\$0.73
	Wichita, KS	Los Angeles, CA	\$5,047	\$734	\$57.41	\$1.56
	Wichita, KS	New Orleans, LA	\$3,275	\$187	\$34.38	\$0.94
	Sioux Falls, SD	Galveston-Houston, TX	\$4,981	\$603	\$55.45	\$1.51
	Northwest KS	Galveston-Houston, TX	\$3,543	\$205	\$37.22	\$1.01
	Amarillo, TX	Los Angeles, CA	\$3,742	\$285	\$39.99	\$1.09
Corn	Champaign-Urbana, IL	New Orleans, LA	\$2,812	\$211	\$30.02	\$0.82
	Toledo, OH	Raleigh, NC	\$3,760	\$251	\$39.83	\$1.08
	Des Moines, IA	Davenport, IA	\$1,843	\$45	\$18.75	\$0.51
	Indianapolis, IN	Atlanta, GA	\$3,196	\$189	\$33.61	\$0.91
	Indianapolis, IN	Knoxville, TN	\$2,760	\$121	\$28.61	\$0.78
	Des Moines, IA	Little Rock, AR	\$2,938	\$131	\$30.48	\$0.83
	Des Moines, IA	Los Angeles, CA	\$4,372	\$383	\$47.22	\$1.29
Soybeans	Minneapolis, MN	New Orleans, LA	\$3,381	\$216	\$35.72	\$0.97
	Toledo, OH	Huntsville, AL	\$2,921	\$178	\$30.78	\$0.84
	Indianapolis, IN	Raleigh, NC	\$3,830	\$253	\$40.54	\$1.10
	Indianapolis, IN	Huntsville, AL	\$2,613	\$121	\$27.15	\$0.74
	Champaign-Urbana, IL	New Orleans, LA	\$3,156	\$211	\$33.44	\$0.91
Shuttle Train						
Wheat	Great Falls, MT	Portland, OR	\$2,868	\$422	\$32.68	\$0.89
	Wichita, KS	Galveston-Houston, TX	\$2,867	\$329	\$31.74	\$0.86
	Chicago, IL	Albany, NY	\$3,497	\$235	\$37.07	\$1.01
	Grand Forks, ND	Portland, OR	\$4,131	\$730	\$48.27	\$1.31
	Grand Forks, ND	Galveston-Houston, TX	\$5,046	\$760	\$57.65	\$1.57
Corn	Northwest KS	Portland, OR	\$4,510	\$336	\$48.12	\$1.31
	Minneapolis, MN	Portland, OR	\$4,120	\$888	\$49.74	\$1.35
	Sioux Falls, SD	Tacoma, WA	\$4,120	\$814	\$48.99	\$1.33
	Champaign-Urbana, IL	New Orleans, LA	\$2,677	\$211	\$28.68	\$0.78
	Lincoln, NE	Galveston-Houston, TX	\$2,880	\$474	\$33.31	\$0.91
	Des Moines, IA	Amarillo, TX	\$3,330	\$165	\$34.71	\$0.94
	Minneapolis, MN	Tacoma, WA	\$4,120	\$881	\$49.67	\$1.35
	Council Bluffs, IA	Stockton, CA	\$3,480	\$912	\$43.61	\$1.19
Soybeans	Sioux Falls, SD	Tacoma, WA	\$4,320	\$814	\$50.98	\$1.39
	Minneapolis, MN	Portland, OR	\$4,270	\$888	\$51.23	\$1.39
	Fargo, ND	Tacoma, WA	\$4,270	\$723	\$49.59	\$1.35
	Council Bluffs, IA	New Orleans, LA	\$3,510	\$244	\$37.28	\$1.01
	Toledo, OH	Huntsville, AL	\$2,536	\$178	\$26.95	\$0.73
Grand Island, NE	Portland, OR	\$4,520	\$344	\$48.30	\$1.31	

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: 1/3/2011			Fuel				Percent
Commodity	Origin state	Destination region	Tariff rate/car ¹	surcharge per car ²	Tariff plus surcharge per:		change Y/Y ⁴
					metric ton ³	bushel ³	
Wheat	MT	Chihuahua, CI	\$6,854	\$772	\$77.92	\$2.12	11
	OK	Cuautitlan, EM	\$6,191	\$613	\$69.52	\$1.89	10
	KS	Guadalajara, JA	\$6,825	\$890	\$78.83	\$2.14	12
	TX	Salinas Victoria, NL	\$3,433	\$208	\$37.20	\$1.01	12
Corn	IA	Guadalajara, JA	\$7,056	\$901	\$81.29	\$2.06	9
	SD	Penjamo, GJ	\$6,619	\$1,010	\$77.95	\$1.98	4
	NE	Queretaro, QA	\$6,240	\$626	\$70.16	\$1.78	3
	SD	Salinas Victoria, NL	\$4,785	\$768	\$56.73	\$1.44	7
	MO	Tlalnepantla, EM	\$5,428	\$610	\$61.70	\$1.57	4
	SD	Torreón, CU	\$5,681	\$846	\$66.69	\$1.69	8
Soybeans	MO	Bojay (Tula), HG	\$6,351	\$771	\$72.77	\$1.98	7
	NE	Guadalajara, JA	\$7,166	\$876	\$82.17	\$2.23	14
	IA	El Castillo, JA ⁵	\$7,352	\$1,004	\$85.38	\$2.32	12
	KS	Torreón, CU	\$5,800	\$571	\$65.09	\$1.77	13
Sorghum	OK	Cuautitlan, EM	\$4,729	\$767	\$56.15	\$1.42	11
	TX	Guadalajara, JA	\$5,781	\$657	\$65.78	\$1.67	11
	NE	Penjamo, GJ	\$6,407	\$793	\$73.57	\$1.87	2
	KS	Queretaro, QA	\$5,641	\$470	\$62.44	\$1.58	5
	NE	Salinas Victoria, NL	\$4,500	\$484	\$50.92	\$1.29	5
	NE	Torreón, CU	\$5,546	\$625	\$63.05	\$1.60	7

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

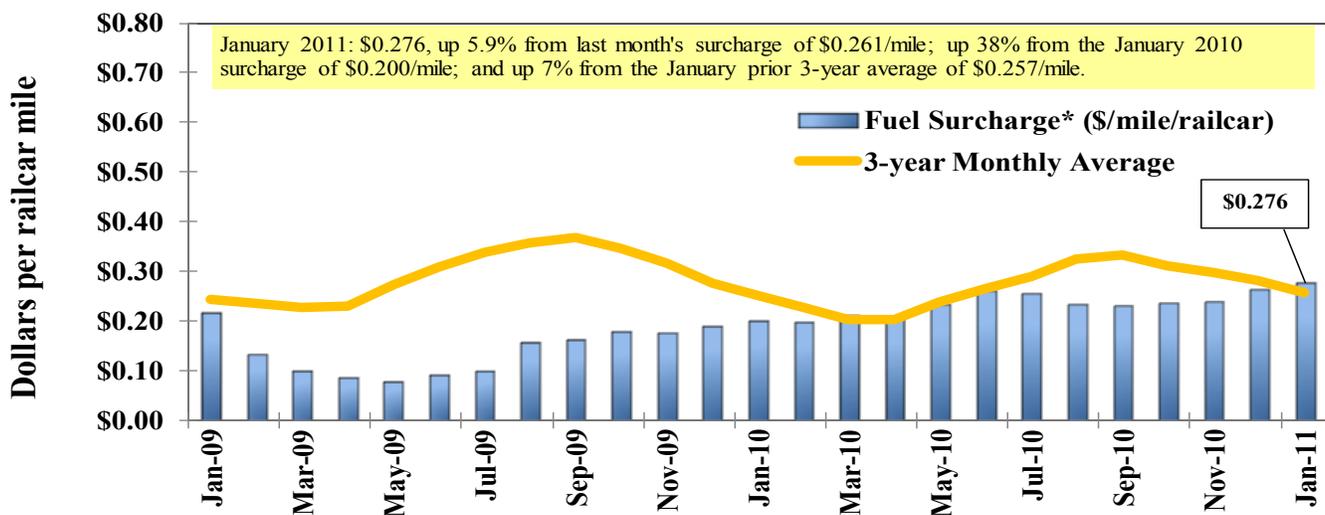
³Approximate load per car = 97.87 metric tons: Corn & Sorghum 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

⁴Percentage change year over year calculated using tariff rate plus fuel surcharge

⁵Beginning 12/6/10, El Castillo, JA replaced Penjamo, GJ as the destination

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.

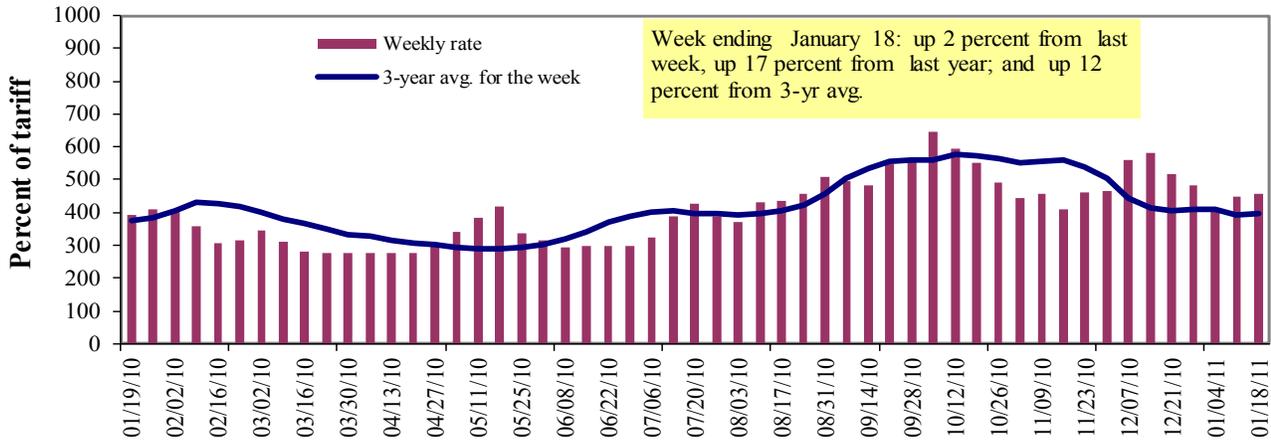
* Mileage-based fuel surcharges for March and April 2007 are estimated. Beginning January 2009, the Canadian Pacific fuel surcharge is computed by a monthly average of the bi-weekly fuel surcharge.

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

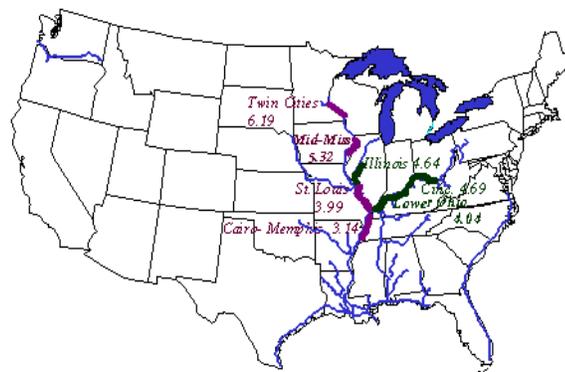
Weekly Barge Freight Rates: Southbound Only

		Twin Cities	Mid-Mississippi	Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo-Memphis
Rate ¹	1/18/2011	-	-	458	396	439	439	373
	1/11/2011	-	-	450	380	436	436	360
\$/ton	1/18/2011	-	-	21.25	15.80	20.59	17.74	11.71
	1/11/2011	-	-	20.88	15.16	20.45	17.61	11.30
Current week % change from the same week:								
	Last year	-	-	17	37	33	33	48
	3-year avg. ²	-	-	12	25	27	27	31
Rate ¹	February	-	-	425	324	394	394	306
	April	410	380	368	290	339	339	273

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



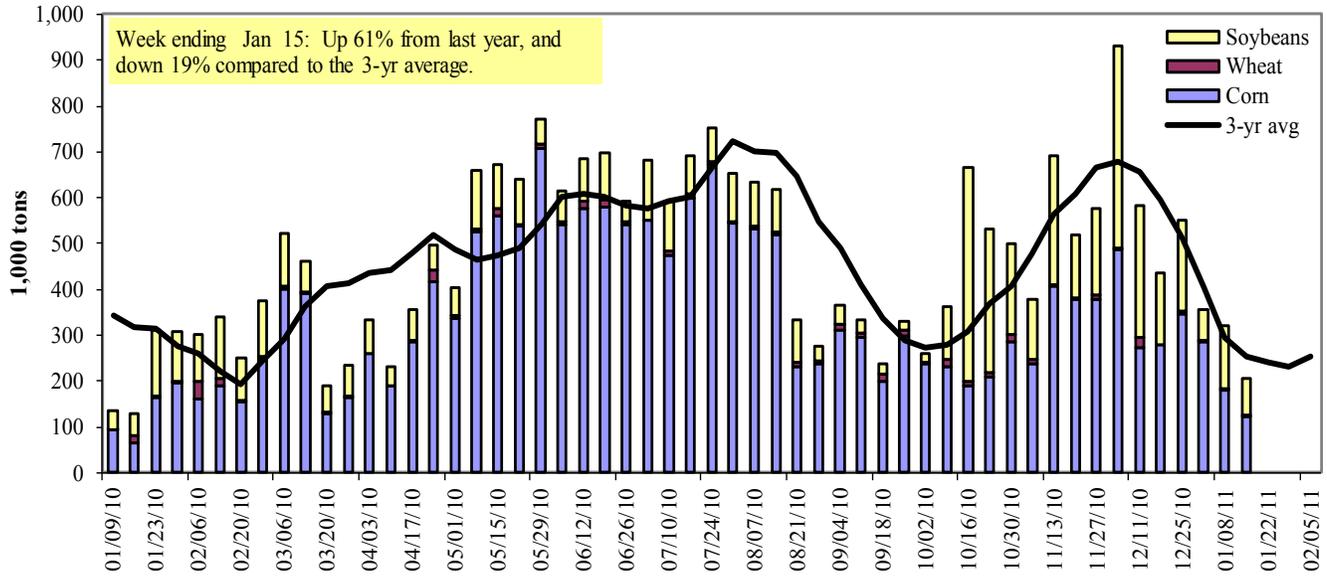
Calculating barge rate per ton:

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

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/webbrpts/default.asp)

Table 10

Barge Grain Movements (1,000 tons)

Week ending 1/15/2011	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	0	0	0	0	0
Winfield, MO (L25)	0	0	0	0	0
Alton, IL (L26)	120	3	48	3	174
Granite City, IL (L27)	123	3	81	3	210
Illinois River (L8)	99	2	50	3	154
Ohio River (L52)	144	12	138	0	295
Arkansas River (L1)	0	3	31	0	34
Weekly total - 2011	267	18	251	3	539
Weekly total - 2010	127	8	146	14	295
2011 YTD ¹	543	37	518	8	1,107
2010 YTD	263	20	298	21	603
2011 as % of 2010 YTD	207	180	174	38	184
Last 4 weeks as % of 2010 ²	171	106	141	107	153
Total 2010	22,904	1,233	10,525	488	35,148

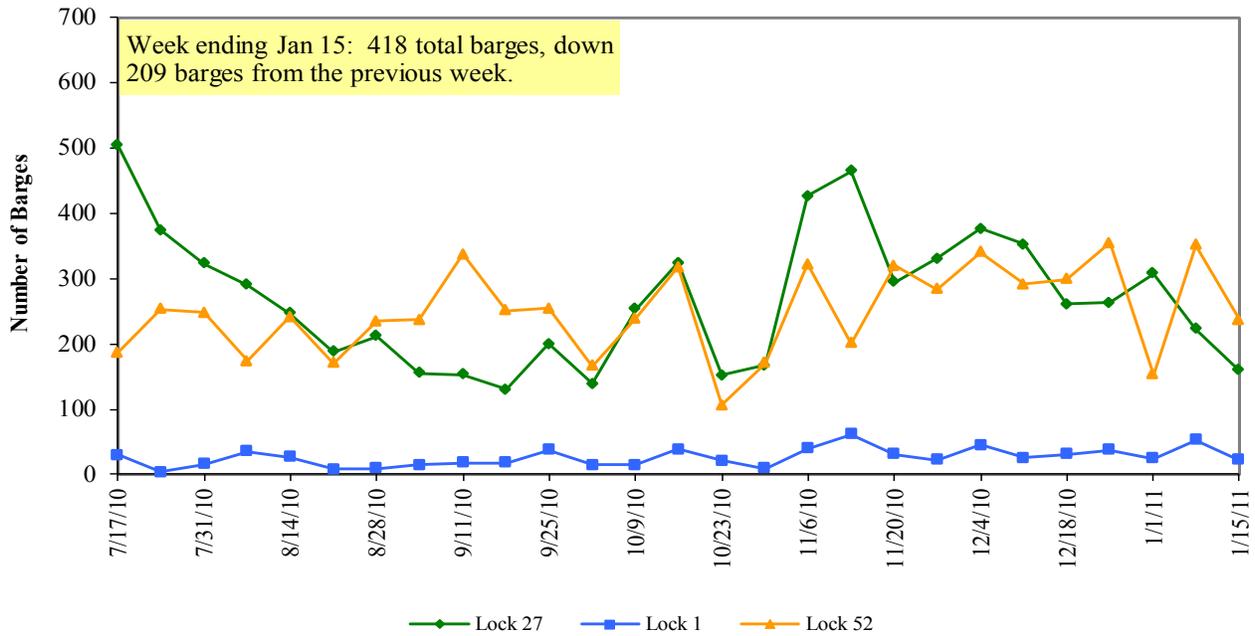
¹ Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

² As a percent of same period in 2010.

Note: Total may not add exactly, due to rounding

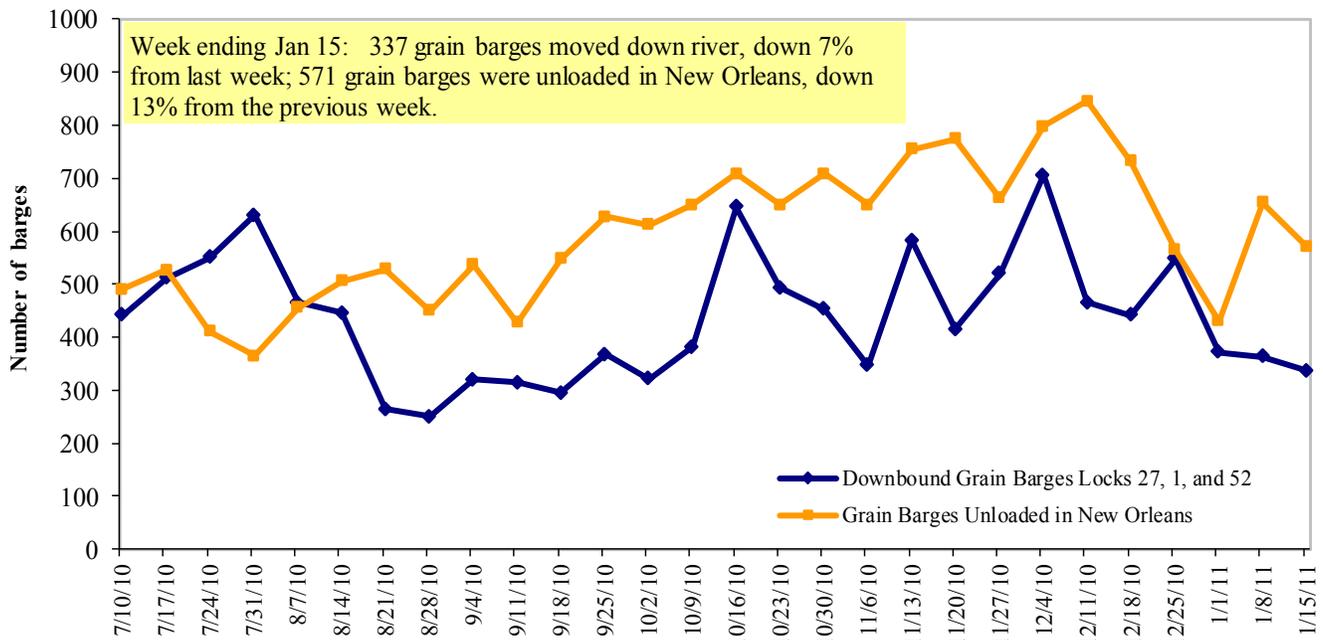
Source: U.S. Army Corps of Engineers (www.mvr.usace.army.mil/mvrmi/omni/webbrpts/default.asp)

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 1/17/2011 (US \$/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	3.448	0.084	0.525
	New England	3.560	0.110	0.495
	Central Atlantic	3.556	0.078	0.533
	Lower Atlantic	3.392	0.084	0.525
II	Midwest ²	3.371	0.069	0.537
III	Gulf Coast ³	3.366	0.082	0.535
IV	Rocky Mountain	3.374	0.040	0.547
V	West Coast	3.509	0.064	0.562
	California	3.562	0.046	0.554
Total	U.S.	3.407	0.074	0.537

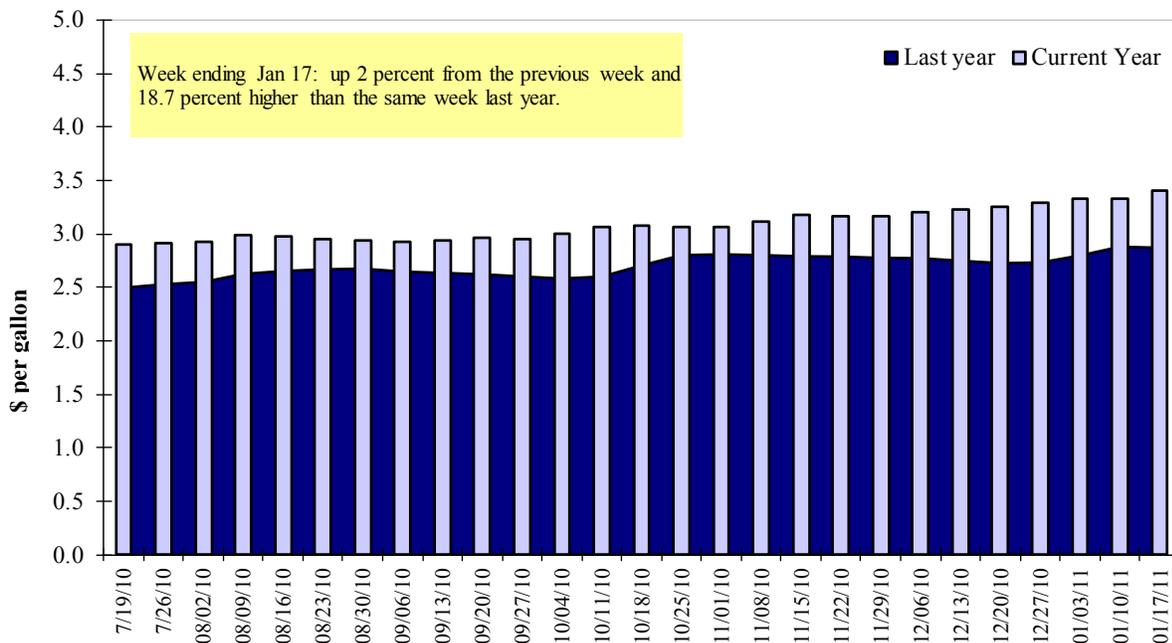
¹Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

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									
1/6/2011	3,675	810	2,537	1,197	101	8,320	11,738	13,674	33,732
This week year ago	1,323	478	882	671	214	3,568	10,829	11,648	26,045
Cumulative exports-marketing year²									
2010/11 YTD	8,369	1,234	4,815	2,788	672	17,879	15,026	22,222	55,127
2009/10 YTD	4,719	1,803	2,995	2,475	674	12,666	14,876	21,314	48,856
YTD 2010/11 as % of 2009/10	177	68	161	113	100	141	101	104	113
Last 4 wks as % of same period 2009/10	297	172	291	186	50	243	111	123	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 01/06/11	Total Commitments ²		% change current MY from last MY	Exports ³ 2009/10
	2010/11 Current MY	2009/10 Last MY		
- 1,000 mt -				
Japan	7,648	6,888	11	14,343
Mexico	4,101	5,232	(22)	7,999
Korea	3,428	3,424	0	7,562
Taiwan	1,256	1,625	(23)	2,949
Egypt	1,789	830	116	2,935
Top 5 importers	18,222	17,998	1	35,788
Total US corn export sales	26,764	25,705	4	50,460
% of Projected	54%	51%		
Change from Last Week	439	327		
Top 5 importers' share of U.S. corn export sales	68%	70%		
USDA forecast, January 2011	49,530	50,460	(2)	
Corn Use for Ethanol USDA forecast, Ethanol January 2011	124,460	116,027	7	

(n) indicates negative number.

¹ Based on FAS Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year (MY) = Sep 1 - Aug 31.

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

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

Table 14

Top 5 Importers¹ of U.S. Soybeans

Week ending 01/06/11	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	22,840	20,285	13	22,454
Mexico	1,809	1,546	17	3,276
Japan	1,225	1,514	(19)	2,347
EU-25	1,664	1,669	(0)	2,647
Taiwan	865	1,100	(21)	1,556
Top 5 importers	28,403	26,113	9	32,280
Total US soybean export sales	35,896	32,961	9	40,850
% of Projected	83%	81%		
Change from last week	495	754		
Top 5 importers' share of U.S. soybean export sales	79%	79%		
USDA forecast, January 2011	43,270	40,850	6	
Soybean Use for Biodiesel USDA forecast, January 2011	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 01/06/2011	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	2,387	2,330	2	3,233
Japan	2,586	2,201	18	3,148
Mexico	2,272	1,375	65	1,975
Philippines	1,721	1,319	31	1,518
Korea, South	1,273	883	44	1,111
Taiwan	664	617	8	844
Venezuela	488	420	16	658
Colombia	593	434	37	575
Peru	739	399	85	567
Egypt	2,632	456	478	529
Top 10 importers	15,355	10,433	47	14,156
Total US wheat export sales	26,199	16,234	61	23,980
% of Projected	74%	68%		
Change from last week	147	182		
Top 10 importers' share of U.S. wheat export sales	59%	64%		
USDA forecast, January 2010	35,380	23,980	48	

(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 01/13/11	Previous Week ¹	Current Week as % of Previous	2011 YTD ¹	2010 YTD ¹	2011 YTD as % of 2010 YTD	Last 4-weeks as % of		Total ¹ 2010
							2010	3-yr. avg.	
Pacific Northwest									
Wheat	278	252	110	530	323	164	148	128	11,062
Corn	149	166	90	315	85	373	78	103	9,950
Soybeans	132	237	56	369	304	121	101	112	10,191
Total	559	655	85	1,215	711	171	106	115	31,203
Mississippi Gulf									
Wheat	86	21	415	107	28	376	157	135	4,199
Corn	280	280	100	560	393	142	98	85	29,794
Soybeans	854	727	117	1,580	730	217	70	105	22,519
Total	1,220	1,028	119	2,247	1,151	195	82	98	56,512
Texas Gulf									
Wheat	193	300	64	493	97	510	239	236	9,339
Corn	35	0	n/a	35	0	n/a	200	133	1,859
Soybeans	118	56	211	173	106	163	79	191	1,916
Total	346	356	97	702	203	345	159	208	13,115
Great Lakes									
Wheat	0	0	n/a	0	2	0	1,045	584	1,897
Corn	0	0	n/a	0	0	n/a	n/a	251	119
Soybeans	0	0	n/a	0	0	n/a	n/a	0	655
Total	0	0	n/a	0	2	0	1,887	248	2,672
Atlantic									
Wheat	20	59	33	79	0	41,414	300	250	343
Corn	0	0	n/a	0	16	0	0	0	469
Soybeans	16	0	4,193	17	50	35	34	68	1,417
Total	36	60	60	96	66	146	54	79	2,229
U.S. total from ports²									
Wheat	577	632	91	1,209	450	269	181	163	26,839
Corn	464	447	104	911	494	185	94	90	42,192
Soybeans	1,119	1,019	110	2,140	1,190	180	73	109	36,699
Total	2,161	2,098	103	4,260	2,134	200	94	111	105,730

¹ Data includes revisions from prior weeks; some regional totals may not add exactly due to rounding.

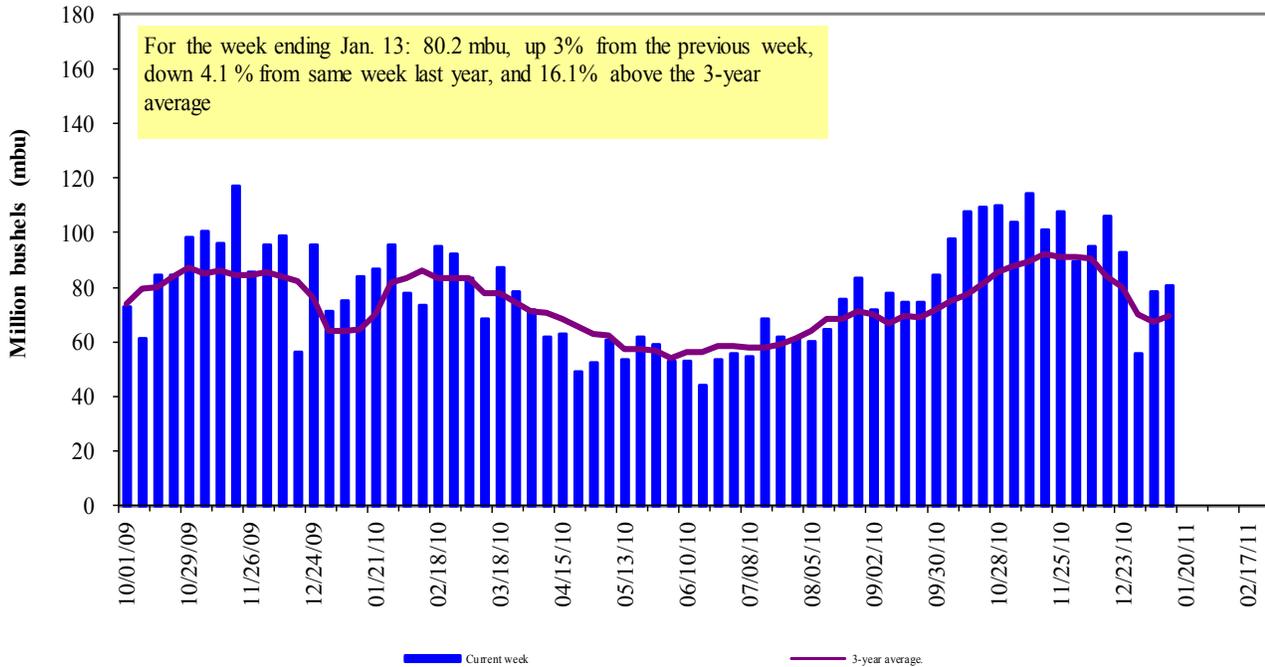
² Total includes only port regions shown above

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 61 percent of the U.S. export grain shipments departed through the U.S. Gulf region in 2010.

Figure 14

U.S. grain inspected for export (wheat, corn, and soybeans)

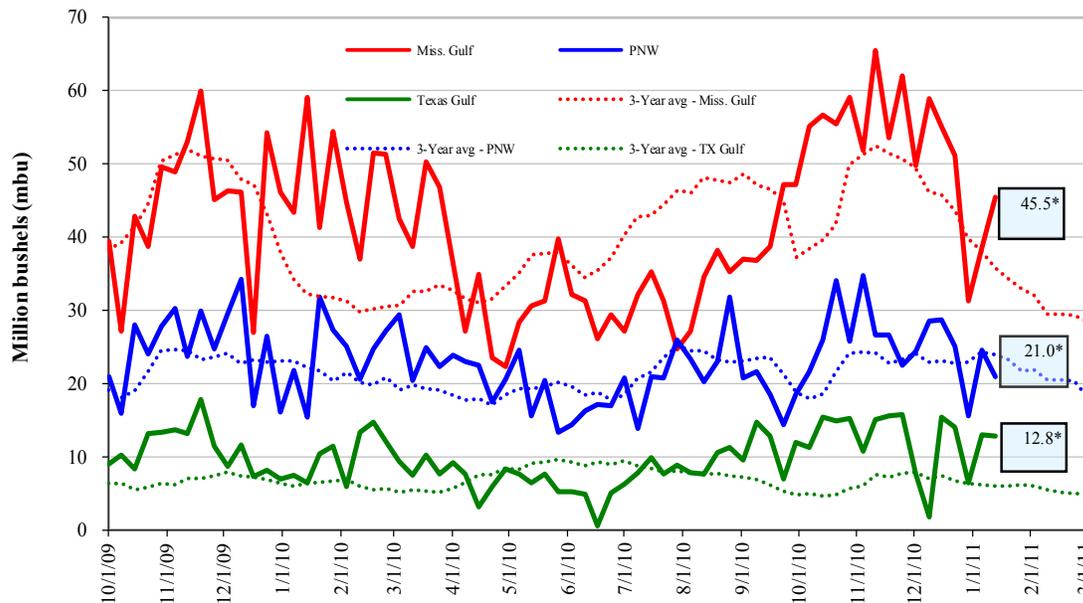


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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.

Jan 13 % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	up 18	down 2	up 13	down 15
Last year (same week)	down 23	up 75	down 11	up 36
3-yr avg. (4-wk mov. avg.)	up 6	up 129	up 20	down 1

Ocean Transportation

Table 17

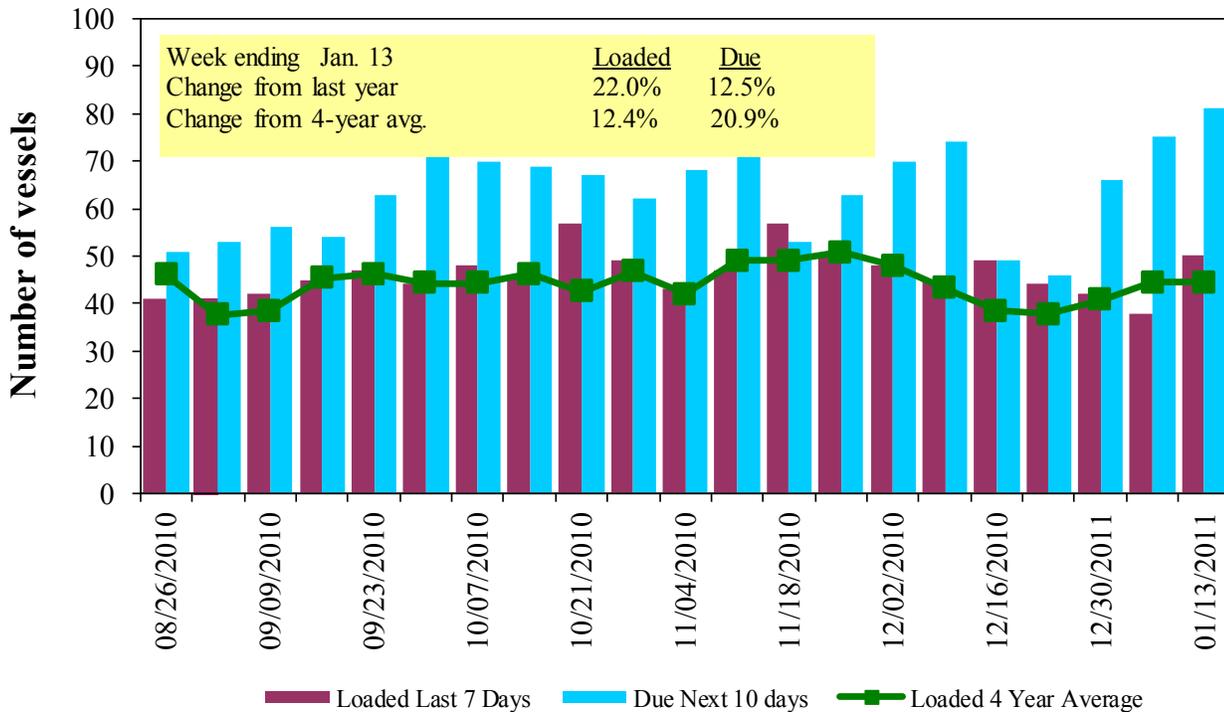
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In port	Loaded 7-days	Due next 10-days	In port	In port
1/13/2011	26	50	81	15	n/a
1/6/2011	39	38	75	19	13
2010 range	(15..69)	(30..57)	(33..84)	(4..24)	(2..20)
2010 avg.	41	42	58	12	11

Source: Transportation & Marketing Programs/AMS/USDA

Figure 16

U.S. Gulf¹ Vessel Loading Activity

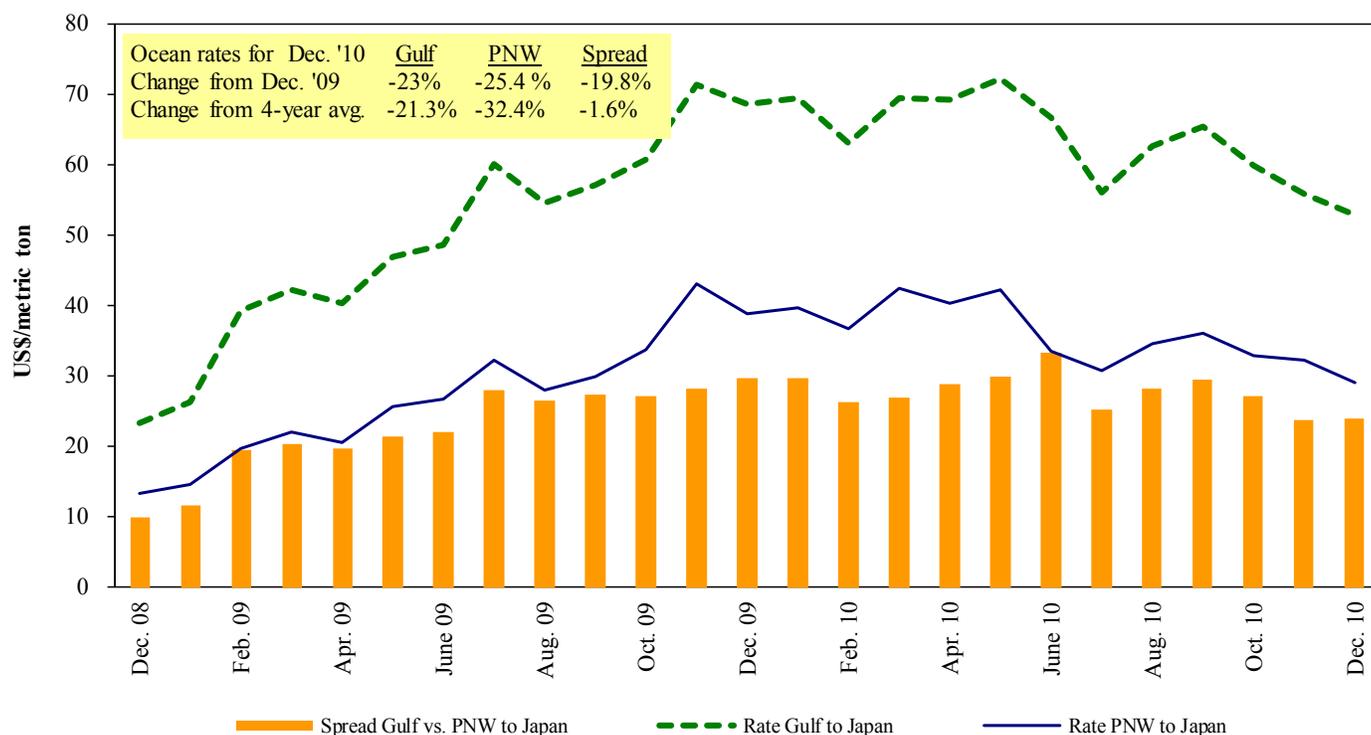


Source: Transportation & Marketing Programs/AMS/USDA

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 1/15/2011

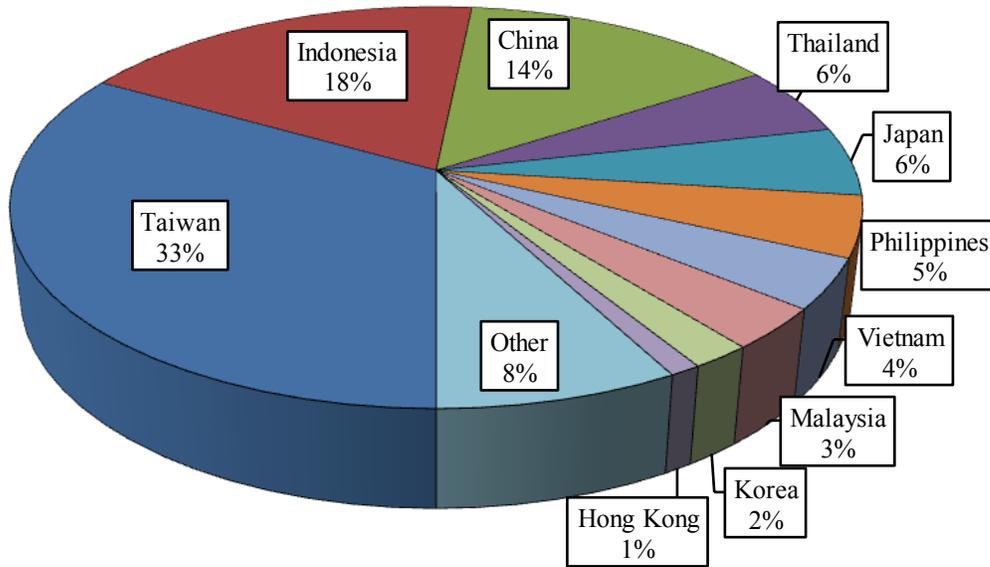
Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US\$/metric ton)
U.S. Gulf	China	Heavy Grain	Dec 22/31	55,000	57.00
U.S. Gulf	China	Heavy Grain	Dec 20/30	55,000	57.00
U.S. Gulf	China	Heavy Grain	Dec 1/5	55,000	63.00
U.S. Gulf	China	Heavy Grain	Nov 20/30	55,000	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	Pakistan ¹	Wheat	Nov 26/Dec 6	8,100	77.99
PNW	Pakistan	Heavy Grain	Jan 15/25	42,000	46.00
River Plate	Algeria	Corn	Jan 22/27	30,000	43.00
River Plate	Algeria	Corn	Dec 5/10	25,000	36.00
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
Romania	Egypt Med	Wheat	Nov 1/10	25,000	17.25

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

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, October 2010

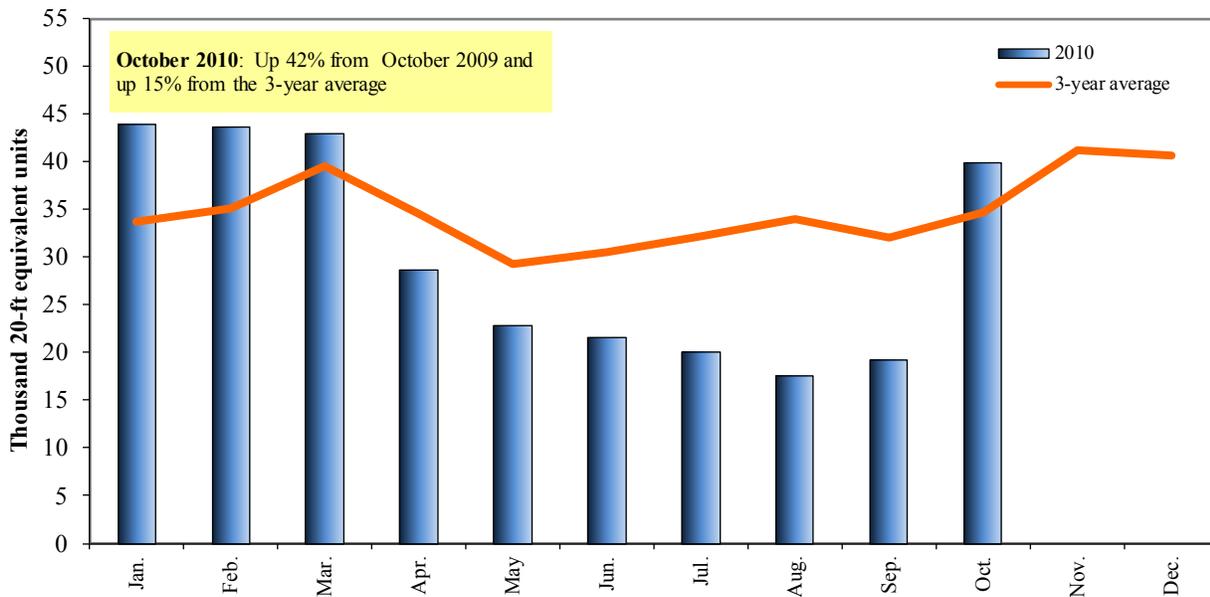


Source: Port Import Export Reporting Service (PIERS)

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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