



February 2, 2012

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WEEKLY HIGHLIGHTS

Soybean Inspections Highest Since Late November

For the week ending January 26, total inspections of soybeans for export reached 1.13 million metric tons (mmt), up 14 percent from the previous week and the highest since November 24 (1.14 mmt). Inspections of soybeans rebounded because of an increase in shipments to China. Total wheat inspections (.508 mmt) were also up, increasing 5 percent from the past week. Wheat **outstanding export sales** also continued to increase. The increase in soybean and wheat inspections, however, could not offset the 7 percent weekly drop in **total inspections** (corn, wheat, soybeans) of grain (2.22 mmt) because corn inspections (.577 mmt) decreased 37 percent from the previous week as shipments to Asia receded.

Mississippi Lock 25 Scheduled to be Closed for Repairs During February and March

Mississippi Lock 25, Winfield, MO, is scheduled to be closed for repairs during February 14–21. After reopening for 24 hours, it will be closed again from February 22 through March 7. A third closure will begin on March 8 and end on March 15. During the last closure, the lock will reopen several times to permit barge passage. Weather permitting, the nearby Illinois River, and Mississippi Locks 26 and 27, will remain open throughout the Lock 25 closure. However, the main chamber at Locks 27 is currently closed for repairs until March 15. This will cause delays at Locks 27 because all traffic must use the auxiliary chamber for locking.

The Port of Indiana-Burns Harbor Handles First January Traffic in 6 Years

The Port of Indiana-Burns Harbor on Lake Michigan announced the lake vessel shipment of 16,000 tons of local corn to a biofuel plant in Ontario, Canada. Since the mild winter has not produced ice accumulations on much of the Lakes, the vessel was the first to use the port during January since 2006. The port's shipping season usually ends December 30, when the St. Lawrence Seaway Locks are closed for the winter. During mild winters, lake vessels can continue to run within portions of the Lakes, but cannot pass through the locks. The Seaway reopens to ocean traffic in late March.

CO/UP Wheat Workgroup Formed

The Colorado Wheat Administrative Committee (CWAC), Colorado Association of Wheat Growers (CAWG), and Union Pacific Railroad (UP) have announced the creation of the Colorado/UP Wheat Workgroup. The Workgroup will discuss rates and rail service issues, while working together to resolve differences. Eighty percent of Colorado's winter wheat production moves by rail to Gulf of Mexico or Pacific Northwest ports for export to 67 different countries.

Snapshots by Sector

Rail

U.S. railroads originated 20,915 **carloads of grain** during the week ending January 21, down 2 percent from last week, 11 percent from last year, and 4 percent lower than the 3-year average.

During the week ending January 26, average February non-shuttle **secondary railcar bids/offers** per car were \$10 below tariff, down \$6.50 from last week and \$100 lower than last year. Average shuttle rates were \$244 below tariff, the same as last week and \$146 lower than last year.

Barge

During the week ending January 28, **barge grain movements** totaled 620,950 tons, 10 percent lower than the previous week but 6.4 percent higher than the same period last year.

During the week ending January 28, 391 grain barges **moved down river**, down 9 percent from last week, and 793 grain barges were **unloaded in New Orleans**, up 2.7 percent from the previous week.

Ocean

During the week ending January 26, 38 **ocean-going grain vessels** were loaded in the Gulf, down 22 percent from last year. Fifty-three vessels are expected to be loaded within the next 10 days, 36 percent less than the same period last year.

During the week ending January 27, the ocean freight rate for shipping bulk grain from the Gulf to Japan was \$49 per mt, down 4 percent from the previous week. The cost of shipping from the Pacific Northwest to Japan was \$26 per mt—down 4 percent from the previous week.

Fuel

During the week ending January 30, U.S. average **diesel fuel prices** remained at \$3.85 per gallon—up 12 percent from the same week last year.

Feature Article/Calendar

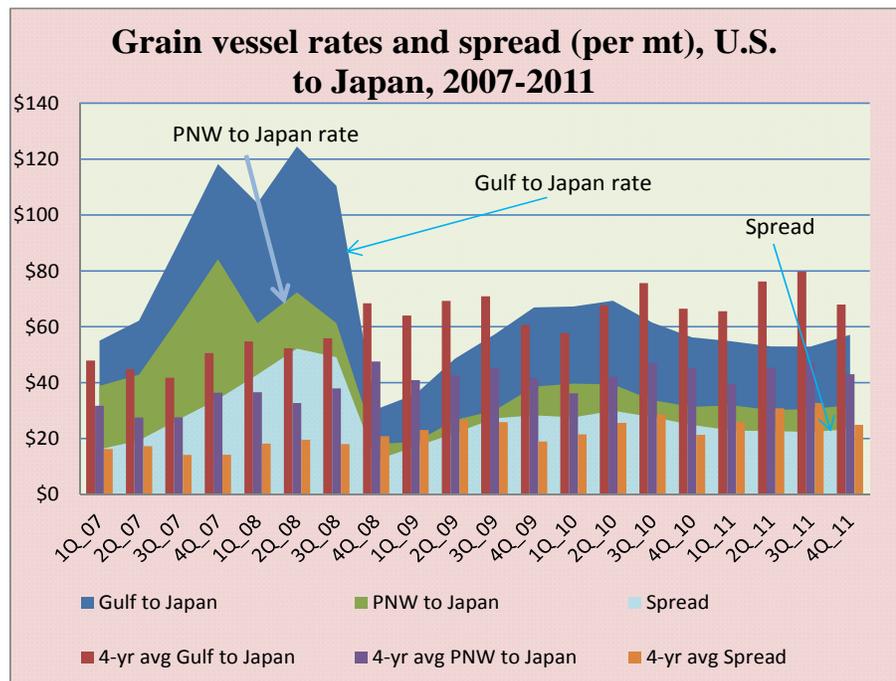
Bulk Ocean Rate Review: Record New Vessel Deliveries and Sluggish Demand Kept Rates Low in 2011

Although higher than during the global financial meltdown of 2008 and 2009, ocean freight rates for shipping bulk commodities, including grain, have been moderately low during 2011. Ocean freight rates were kept low in part by record deliveries of new vessels to the fleet, fueled by a wave of optimism about the anticipated pace of global economic recovery. In addition, natural disasters such as flooding in the coal-producing regions of Eastern Australia and cyclones in the iron ore exporting regions of Western Australia reduced trade volumes and, consequently, rates.

In 2011, the rates for shipping bulk grain from the U.S. Gulf to Japan averaged \$54.45 per metric ton (mt)—14 percent lower than the previous year and 24 percent less than the 4-year average. The rates from the Pacific Northwest (PNW) to Japan averaged \$31.17 per mt—13 percent less than the previous year and 28 percent less than the 4-year average. The transatlantic rates from the U.S. Gulf to Rotterdam averaged \$23.42 per mt, 12 percent less than the previous year and 41 percent less than the 4-year average.

The first quarter of 2011 started with falling rates after modest increases in 2009-2010, following the improvement in the global economy after reaching the record lows in the fourth quarter of 2008 at the peak of the global financial crisis (see figure). In addition to the excess supply of vessels, there were flooding and cyclones in some regions of Australia, disrupting coal and iron shipments, which reduced the demand for bulk

shipping. Also, during the early part of the first quarter, some states in India had put a ban on iron ore exports. Furthermore, China started the year with huge iron stockpiles. However, the rates started to rise later during the quarter as demand for bulk shipments picked up. The market was also supported by healthy South American grain volumes. Operations at the coal terminals of Queensland, Australia returned to normal, increasing the chartering activity in the dry bulk market.



During the second and third quarters of 2011, ocean rates fell and remained relatively low because of many factors, including persistent disruptions and political and economic turmoil in some parts of the world that continued to hinder the dry bulk trade. There was continued unrest in the Middle East and economic problems in the Eurozone, posing risks to the dry bulk trade. There were also lingering effects

of the natural disasters in Australia and the tsunami in Japan, dampening the bulk trade volumes and keeping the bulk ocean freight rates low. Flooding in Australia forced miners to suspend production at several coal mines, resulting in lower coal exports. U.S. grain shipments declined as South American corn and soybean harvests competed with the U.S. grain shipping season. In addition to China's restriction of iron imports, there were holidays in parts of Asia.

The ocean freight market rallied during the middle of the third quarter. However, rates were still lower than the previous year and the 4-year averages. Iron ore shipments from Western Australia to China, and India's demand for iron ore boosted the demand for bulk carriers. Russia removed its ban on grain exports, which also increased dry bulk volumes.

At the beginning of the fourth quarter, the rate increase continued. However, the rate could not be sustained because ship owners, optimistic about the freight market recovery, responded by placing orders for new vessels and delaying scrapping of the old ones. As vessel capacity increased, rates started to decline again during November and December, culminating in moderate average fourth quarter rates.

The cost of shipping bulk grain from the U.S. Gulf to Japan during the fourth quarter averaged \$57.13 per metric ton (mt) (see figure)—8 percent more than the previous quarter and 2 percent higher than last year. The rates from the PNW to Japan averaged \$31.96 per mt—5 percent higher than the previous year and 2 percent higher than last year.

A new record was set by the delivery of 1,094 (94.65 million deadweight) new bulk vessels in 2011, according to a report published by Hellenic Shipping News Worldwide on December 29. The previous record, set in 2010, was only 174 vessels delivered. The 388 bulkers that were scrapped in 2011, compared to 262 in 2010, were not enough to offset the growth in the bulk vessel fleet, which still grew 12 percent from a year earlier.

Now and A Look Beyond: As of January 27, the ocean freight rate for shipping bulk grain from the Gulf to Japan was \$49 per mt, 4 percent less than the previous week. The cost of shipping from the PNW to Japan was \$26 per mt—4 percent less than the previous week. As indicated by the Baltic Drybulk Index which has been falling recently, ocean freight rates may continue at these low levels. The Chinese Lunar Year Holidays also contribute to the depressed rates. Most industry analysts are projecting a bleak future for the freight market, at least in the near term, because bulk vessel supply continues to outpace demand due to slower than expected global economic recovery. Low or moderate ocean freight rates may bode well for U.S. grain shippers by moderating the landed costs of ocean-going U.S. grain exports.

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Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators¹

Week ending	Truck	Rail ²	Barge	Ocean	
				Gulf	Pacific
02/01/12	258	85	257	219	184
01/25/12	258	92	214	228	191

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)

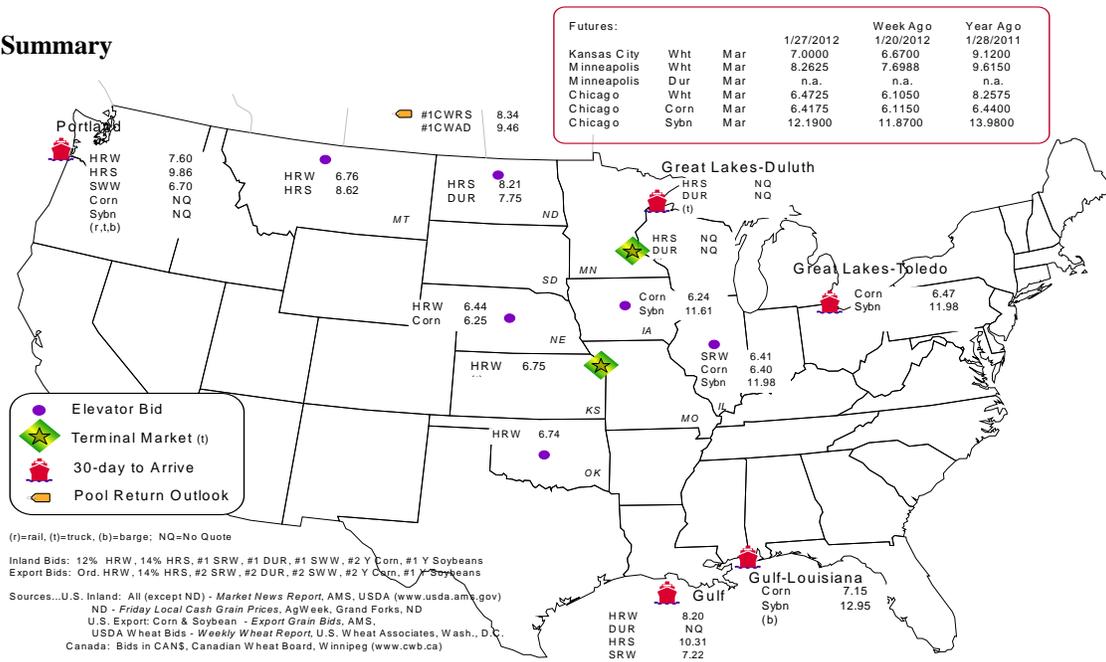
Commodity	Origin--Destination	1/27/2012	1/20/2012
Corn	IL--Gulf	-0.75	-0.68
Corn	NE--Gulf	-0.90	-0.86
Soybean	IA--Gulf	-1.34	-1.32
HRW	KS--Gulf	-1.45	-1.40
HRS	ND--Portland	-1.65	-1.70

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	
1/25/2012 ^p	25	505	1,396	1,909	453	4,288
1/18/2011 ^r	0	697	951	2,544	459	4,651
2012 YTD	198	2,651	4,058	10,643	1,647	19,197
2011 YTD	2,054	5,462	2,494	13,156	4,969	28,135
2012 YTD as % of 2011 YTD	10	49	163	81	33	68
Last 4 weeks as % of 2011 ²	4	32	205	69	48	57
Last 4 weeks as % of 4-year avg. ²	5	38	160	71	44	59
Total 2011	27,358	77,515	48,782	178,990	24,088	356,733
Total 2010	33,971	83,492	42,794	177,896	32,780	370,933

¹ Data is incomplete as it is voluntarily provided

² Compared with same 4-weeks in 2011 and prior 4-year average.

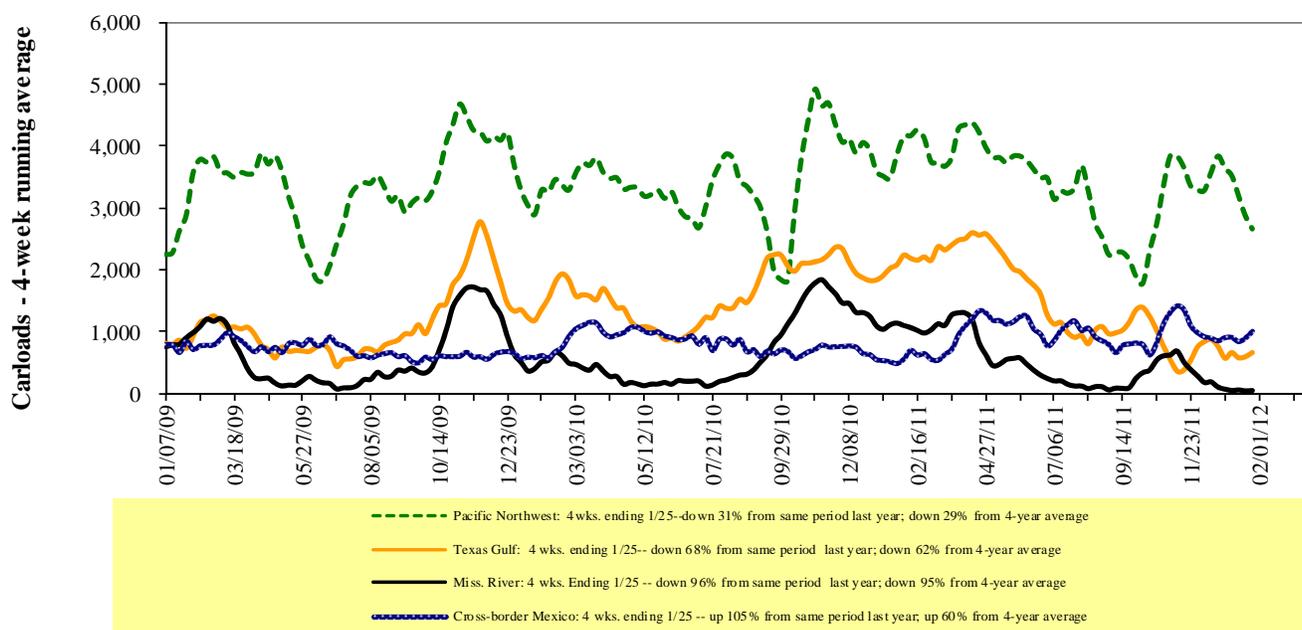
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

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

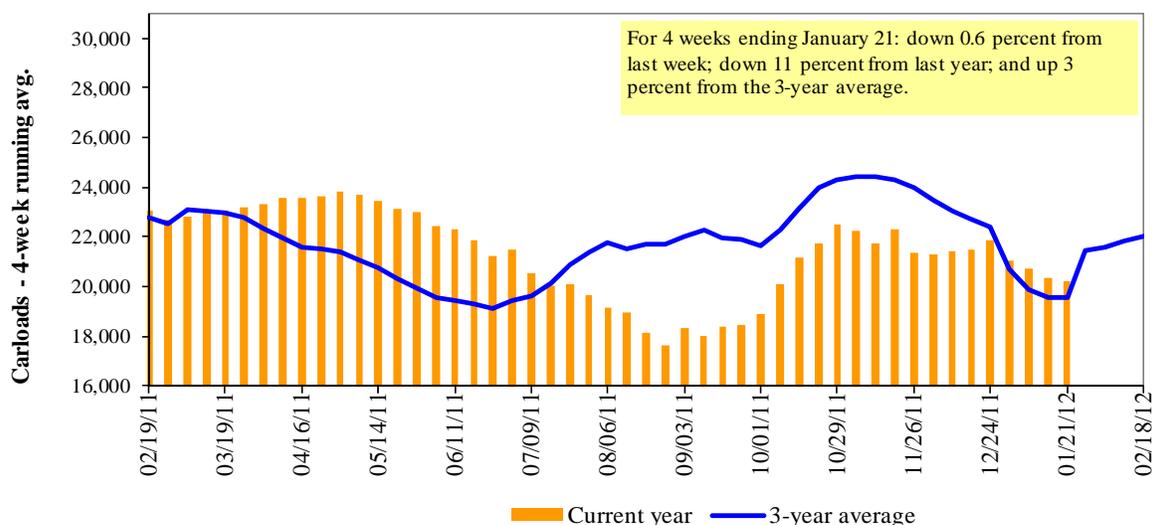
Table 4

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
01/21/12	2,061	2,796	10,087	409	5,562	20,915	2,944	4,528
This week last year	2,233	2,727	12,023	735	5,777	23,495	3,372	4,402
2012 YTD	6,545	8,689	30,487	1,564	15,813	63,098	10,449	14,276
2011 YTD	7,402	9,300	35,260	2,018	19,061	73,041	11,012	13,858
2012 YTD as % of 2011 YTD	88	93	86	78	83	86	95	103
Last 4 weeks as % of 2011 ¹	90	93	91	81	83	89	99	102
Last 4 weeks as % of 3-yr avg. ¹	89	99	100	73	95	97	93	95
Total 2011	98,506	150,869	546,090	34,683	292,401	1,122,549	200,610	269,399

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

Railcar Auction Offerings¹ (\$/car)²

Week ending	Delivery period							
	Feb-12	Feb-11	Mar-12	Mar-11	Apr-12	Apr-11	May-12	May-11
BNSF ³								
COT grain units	no bids	no offer	no bids	9	no bids	0	no bids	0
COT grain single-car ⁵	0 . . 10	15 . . 36	no bids	0	no bids	0	no bids	0
UP ⁴								
GCAS/Region 1	1	1	no bids	no bids	no bids	no bids	n/a	n/a
GCAS/Region 2	no bids	no bids	no bids	no bids	no bids	no bids	n/a	n/a

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.

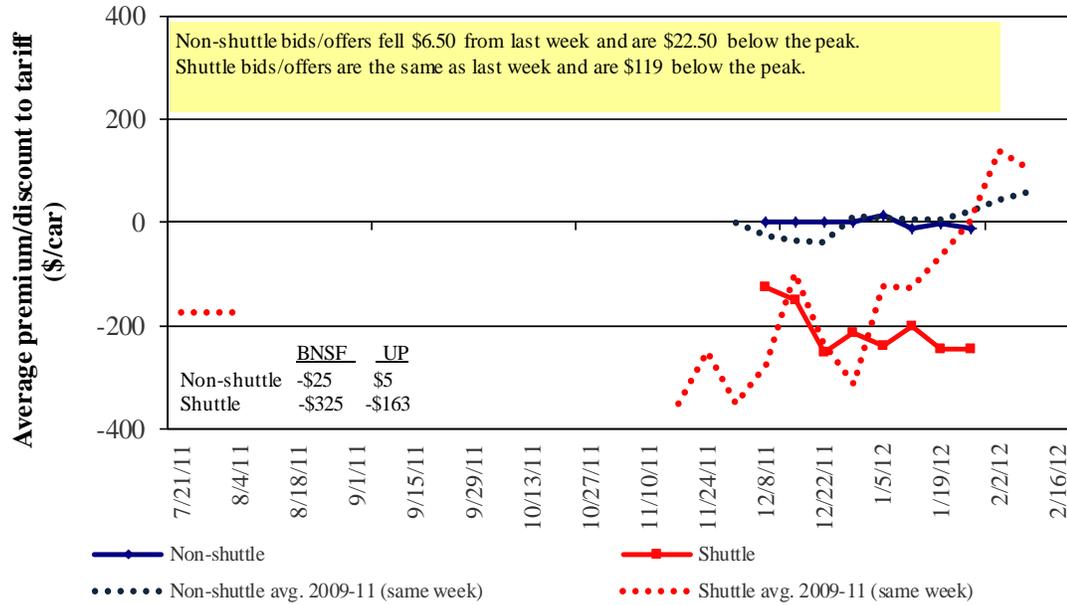
⁵Range is shown because average is not available. Not available = n/a.

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 February 2012, Secondary Market

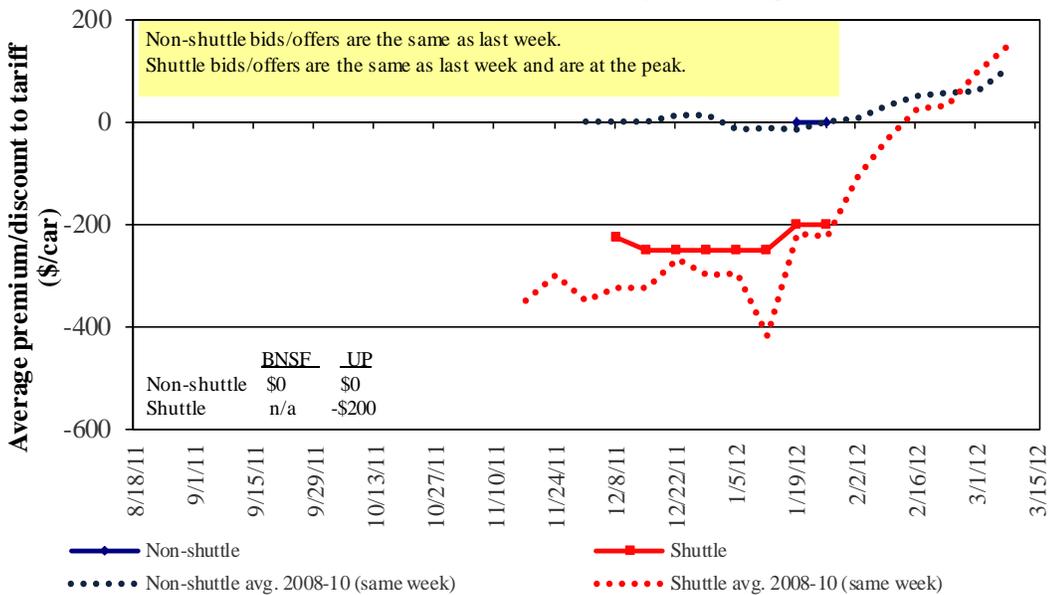


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

Bids/Offers for Railcars to be Delivered in March 2012, Secondary Market

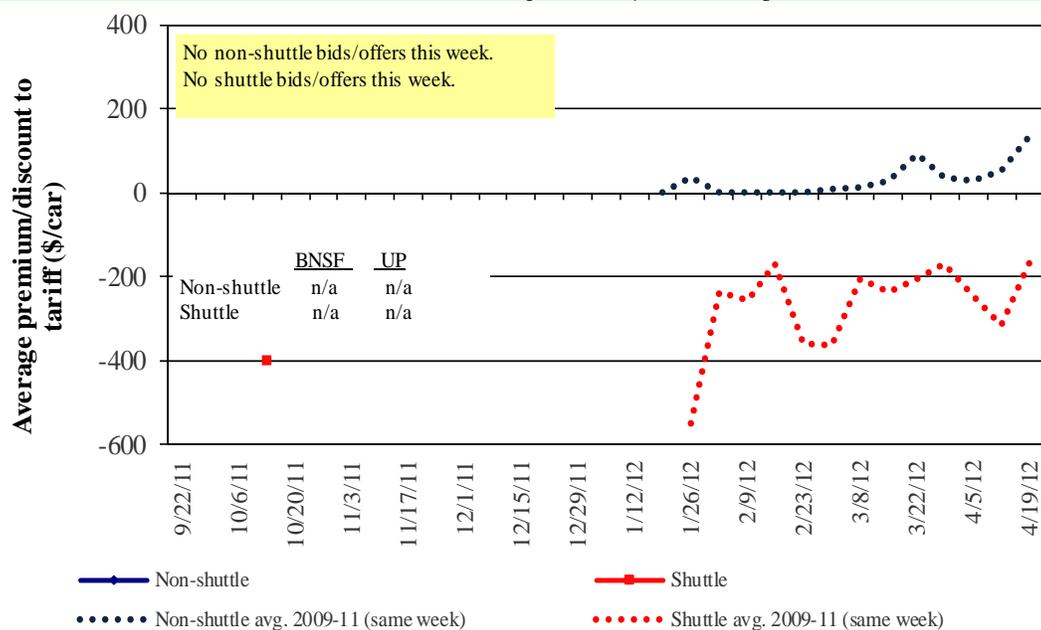


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in April 2012, 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 Railcar Market (\$/car)¹

Week ending	Delivery period					
	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12
Non-shuttle						
BNSF-GF	(25)	-	n/a	n/a	n/a	n/a
Change from last week	-	-	n/a	n/a	n/a	n/a
Change from same week 2010	(192)	(70)	n/a	n/a	n/a	n/a
UP-Pool	5	-	n/a	n/a	n/a	n/a
Change from last week	(13)	n/a	n/a	n/a	n/a	n/a
Change from same week 2010	(7)	-	n/a	n/a	n/a	n/a
Shuttle²						
BNSF-GF	(325)	n/a	n/a	n/a	n/a	n/a
Change from last week	(50)	n/a	n/a	n/a	n/a	n/a
Change from same week 2010	(379)	n/a	n/a	n/a	n/a	n/a
UP-Pool	(163)	(200)	n/a	n/a	n/a	n/a
Change from last week	50	-	n/a	n/a	n/a	n/a
Change from same week 2010	87	225	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:				Fuel	Tariff plus surcharge per:		Percent
1/2/2012	Origin region*	Destination region*	Tariff rate/car	surcharge per car	metric ton	bushe ^l ²	change Y/Y ³
Unit train							
Wheat	Wichita, KS	St. Louis, MO	\$2,992	\$192	\$31.62	\$0.86	11
	Grand Forks, ND	Duluth-Superior, MN	\$3,097	\$110	\$31.85	\$0.87	19
	Wichita, KS	Los Angeles, CA	\$5,710	\$566	\$62.32	\$1.70	9
	Wichita, KS	New Orleans, LA	\$3,492	\$338	\$38.04	\$1.04	11
	Sioux Falls, SD	Galveston-Houston, TX	\$5,410	\$465	\$58.34	\$1.59	5
	Northwest KS	Galveston-Houston, TX	\$3,760	\$371	\$41.02	\$1.12	10
	Amarillo, TX	Los Angeles, CA	\$3,959	\$516	\$44.44	\$1.21	11
Corn	Champaign-Urbana, IL	New Orleans, LA	\$3,062	\$382	\$34.20	\$0.93	14
	Toledo, OH	Raleigh, NC	\$3,942	\$433	\$43.45	\$1.18	9
	Des Moines, IA	Davenport, IA	\$1,934	\$81	\$20.01	\$0.54	7
	Indianapolis, IN	Atlanta, GA	\$3,381	\$325	\$36.80	\$1.00	9
	Indianapolis, IN	Knoxville, TN	\$2,833	\$209	\$30.20	\$0.82	6
	Des Moines, IA	Little Rock, AR	\$3,074	\$238	\$32.89	\$0.90	8
	Des Moines, IA	Los Angeles, CA	\$4,985	\$693	\$56.38	\$1.53	19
Soybeans	Minneapolis, MN	New Orleans, LA	\$3,489	\$417	\$38.79	\$1.06	9
	Toledo, OH	Huntsville, AL	\$3,057	\$308	\$33.41	\$0.91	9
	Indianapolis, IN	Raleigh, NC	\$4,013	\$436	\$44.18	\$1.20	9
	Indianapolis, IN	Huntsville, AL	\$2,749	\$209	\$29.37	\$0.80	8
	Champaign-Urbana, IL	New Orleans, LA	\$3,406	\$382	\$37.62	\$1.02	13
Shuttle Train							
Wheat	Great Falls, MT	Portland, OR	\$3,239	\$326	\$35.40	\$0.96	8
	Wichita, KS	Galveston-Houston, TX	\$3,144	\$253	\$33.74	\$0.92	6
	Chicago, IL	Albany, NY	\$3,645	\$406	\$40.23	\$1.09	9
	Grand Forks, ND	Portland, OR	\$4,702	\$562	\$52.28	\$1.42	8
	Grand Forks, ND	Galveston-Houston, TX	\$5,745	\$586	\$62.87	\$1.71	9
	Northwest KS	Portland, OR	\$4,727	\$608	\$52.98	\$1.44	10
	Corn	Minneapolis, MN	Portland, OR	\$4,800	\$685	\$54.47	\$1.48
Sioux Falls, SD		Tacoma, WA	\$4,760	\$627	\$53.50	\$1.46	9
Champaign-Urbana, IL		New Orleans, LA	\$2,877	\$382	\$32.37	\$0.88	13
Lincoln, NE		Galveston-Houston, TX	\$3,310	\$366	\$36.50	\$0.99	10
Des Moines, IA		Amarillo, TX	\$3,430	\$299	\$37.03	\$1.01	7
Minneapolis, MN		Tacoma, WA	\$4,800	\$679	\$54.41	\$1.48	10
Council Bluffs, IA		Stockton, CA	\$4,200	\$703	\$48.69	\$1.33	12
Soybeans	Sioux Falls, SD	Tacoma, WA	\$5,040	\$627	\$56.28	\$1.53	10
	Minneapolis, MN	Portland, OR	\$5,030	\$685	\$56.75	\$1.54	11
	Fargo, ND	Tacoma, WA	\$4,930	\$558	\$54.49	\$1.48	10
	Council Bluffs, IA	New Orleans, LA	\$3,710	\$441	\$41.22	\$1.12	11
	Toledo, OH	Huntsville, AL	\$2,672	\$308	\$29.59	\$0.81	10
Grand Island, NE	Portland, OR	\$4,520	\$622	\$51.06	\$1.39	6	

¹A unit train refers to shipments of at least 25 cars. Shuttle train rates are available for qualified shipments of

75-120 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

Commodity	Origin state	Destination region	Tariff rate/car ¹	Fuel		Percent change Y/Y ⁴	
				surcharge per car ²	Tariff plus surcharge per: metric ton ³ bushel ³		
Wheat	MT	Chihuahua, CI	\$7,741	\$595	\$85.17	\$2.32	9
	OK	Cuautitlan, EM	\$6,804	\$623	\$75.88	\$2.06	9
	KS	Guadalajara, JA	\$7,411	\$896	\$84.88	\$2.31	8
	TX	Salinas Victoria, NL	\$3,753	\$253	\$40.93	\$1.11	10
Corn	IA	Guadalajara, JA	\$7,699	\$918	\$88.04	\$2.23	8
	SD	Penjamo, GJ	\$7,776	\$778	\$87.41	\$2.22	12
	NE	Queretaro, QA	\$7,048	\$799	\$80.18	\$2.03	14
	SD	Salinas Victoria, NL	\$5,650	\$592	\$63.77	\$1.62	12
	MO	Tlalnepantla, EM	\$6,227	\$778	\$71.58	\$1.82	16
	SD	Torreon, CU	\$6,522	\$652	\$73.30	\$1.86	10
Soybeans	MO	Bojay (Tula), HG	\$6,986	\$803	\$79.58	\$2.16	9
	NE	Guadalajara, JA	\$7,904	\$918	\$90.14	\$2.45	10
	IA	El Castillo, JA ⁵	\$8,255	\$774	\$92.25	\$2.51	8
	KS	Torreon, CU	\$6,396	\$628	\$71.77	\$1.95	10
Sorghum	OK	Cuautitlan, EM	\$5,885	\$591	\$66.17	\$1.68	18
	TX	Guadalajara, JA	\$6,653	\$507	\$73.15	\$1.86	11
	NE	Penjamo, GJ	\$7,446	\$859	\$84.86	\$2.15	15
	KS	Queretaro, QA	\$6,353	\$552	\$70.55	\$1.79	13
	NE	Salinas Victoria, NL	\$5,103	\$525	\$57.50	\$1.46	13
	NE	Torreon, CU	\$6,068	\$668	\$68.82	\$1.75	9

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

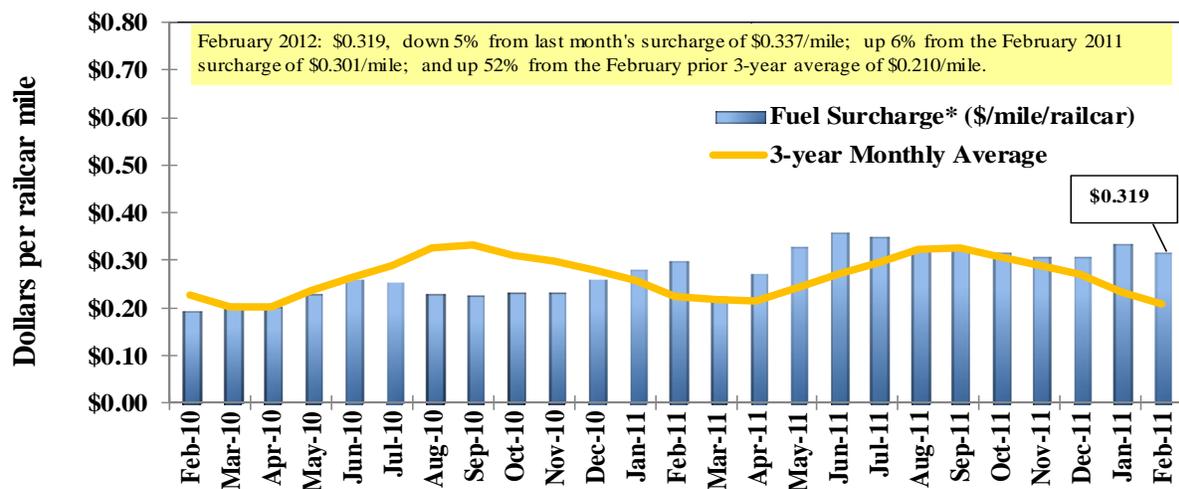
³Approximate load per car = 97.87 metric tons: Corn & Sorghum 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

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.

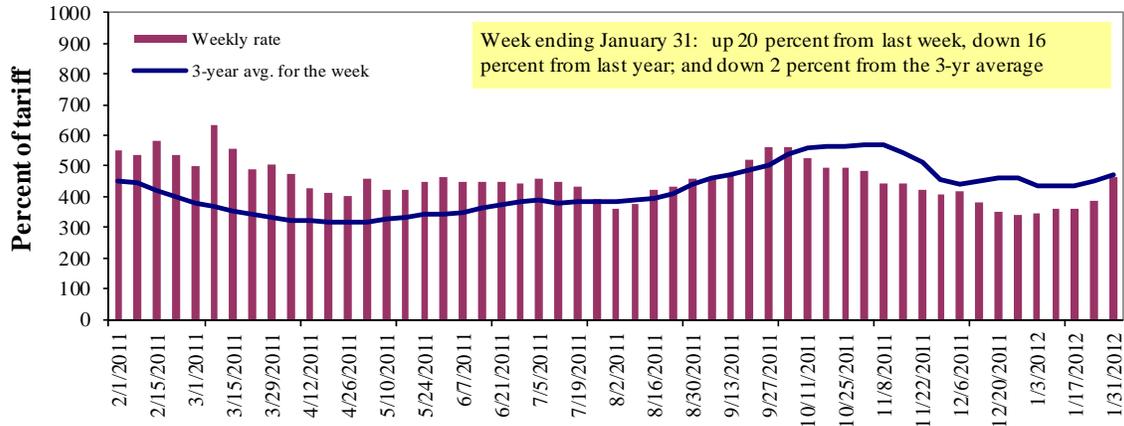
** BNSF strike price (diesel price when fuel surcharges begin) changed from \$1.25/gal. to \$2.50/gal. starting March 1, 2011. As a result, the weighted average fuel surcharge for March 2011 was \$0.227/mile instead of \$0.331/mile.

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

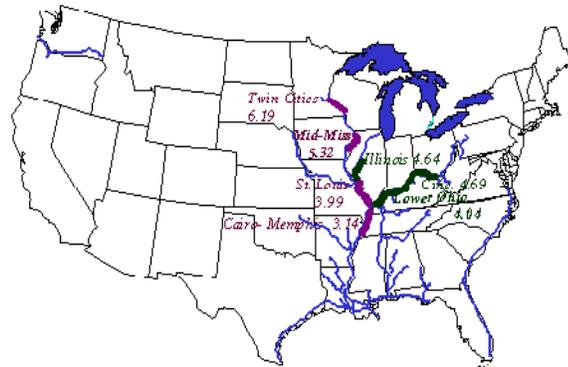
Weekly Barge Freight Rates: Southbound Only

		Twin Cities	Mid-Mississippi	Lower Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo-Memphis
Rate¹	1/31/2012	--	--	462	357	388	388	272
	1/24/2012	--	--	385	310	340	340	240
\$/ton	1/31/2012	--	--	21.44	14.24	18.20	15.68	8.54
	1/24/2012	--	--	17.86	12.37	15.95	13.74	7.54
Current week % change from the same week:								
	Last year	--	--	-16	-25	-8	-8	-29
	3-year avg. ²	--	--	-2	-5	1	1	-17
Rate¹	February	--	--	430	337	372	372	265
	April	432	388	380	298	347	347	245

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



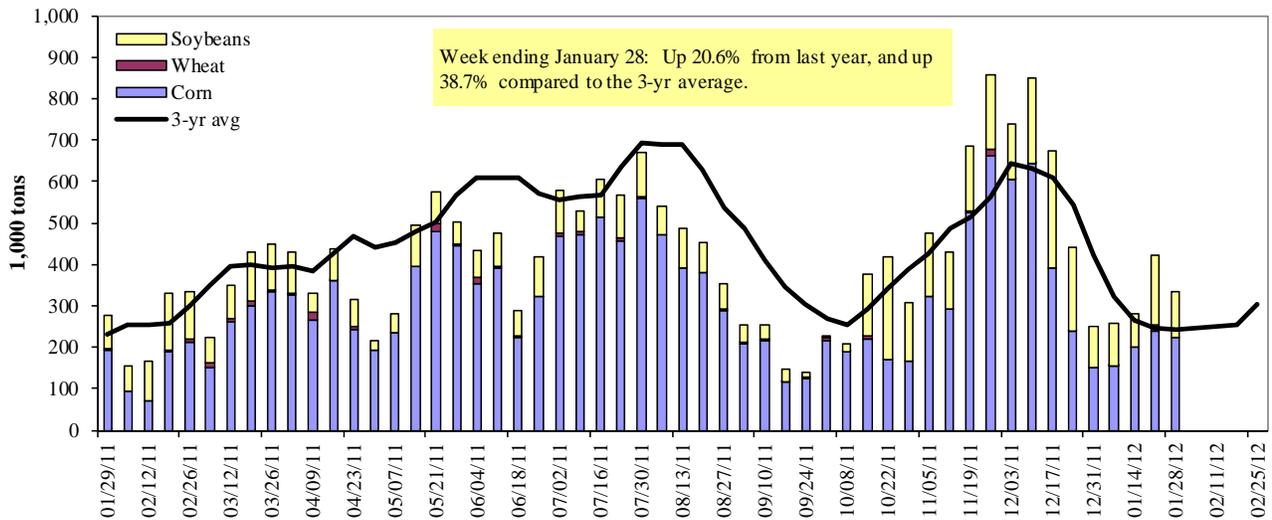
Calculating barge rate per ton:

(Index * 1976 tariff benchmark rate per ton)/100

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map (see figure 9).

Figure 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/mvrimi/omni/webprts/default.asp)

Table 10

Barge Grain Movements (1,000 tons)

Week ending 1/28/2012	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	0	0	0	0	0
Winfield, MO (L25)	23	0	11	0	33
Alton, IL (L26)	229	0	120	0	348
Granite City, IL (L27)	225	0	109	0	335
Illinois River (L8)	153	0	91	0	243
Ohio River (L52)	117	4	121	5	247
Arkansas River (L1)	0	13	27	0	40
Weekly total - 2012	342	16	257	5	621
Weekly total - 2011	341	21	216	5	583
2012 YTD ¹	1,293	99	1,018	7	2,417
2011 YTD	1,186	77	989	14	2,266
2012 as % of 2011 YTD	109	129	103	47	107
Last 4 weeks as % of 2011 ²	109	129	103	47	107
Total 2011	19,921	1,460	8,553	422	30,356

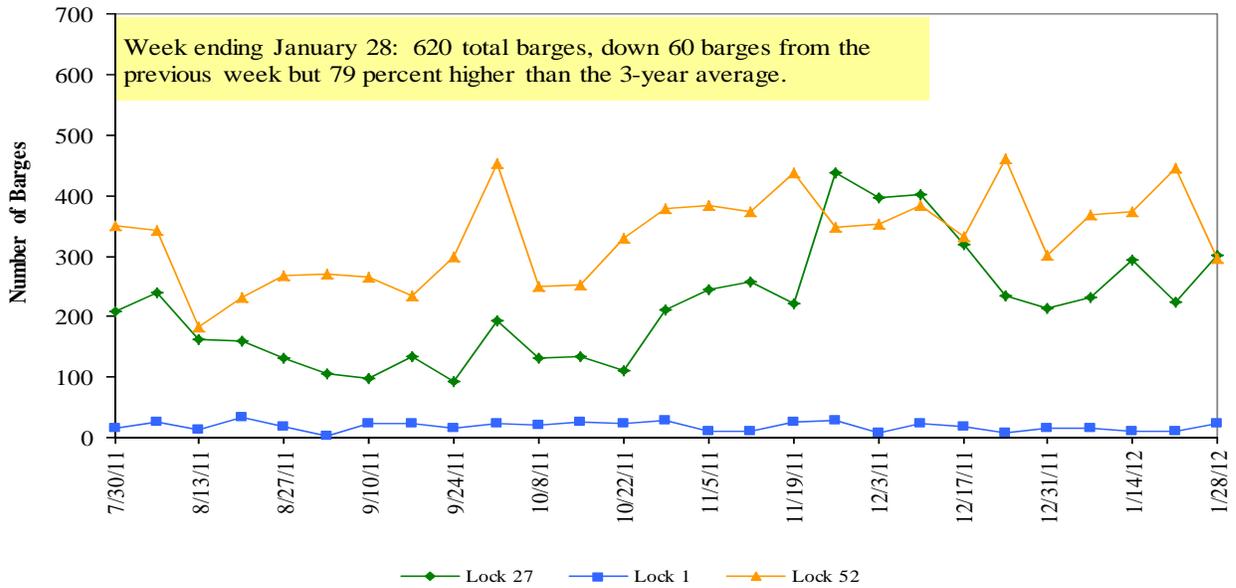
¹ Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

² As a percent of same period in 2011.

Note: Total may not add exactly, due to rounding

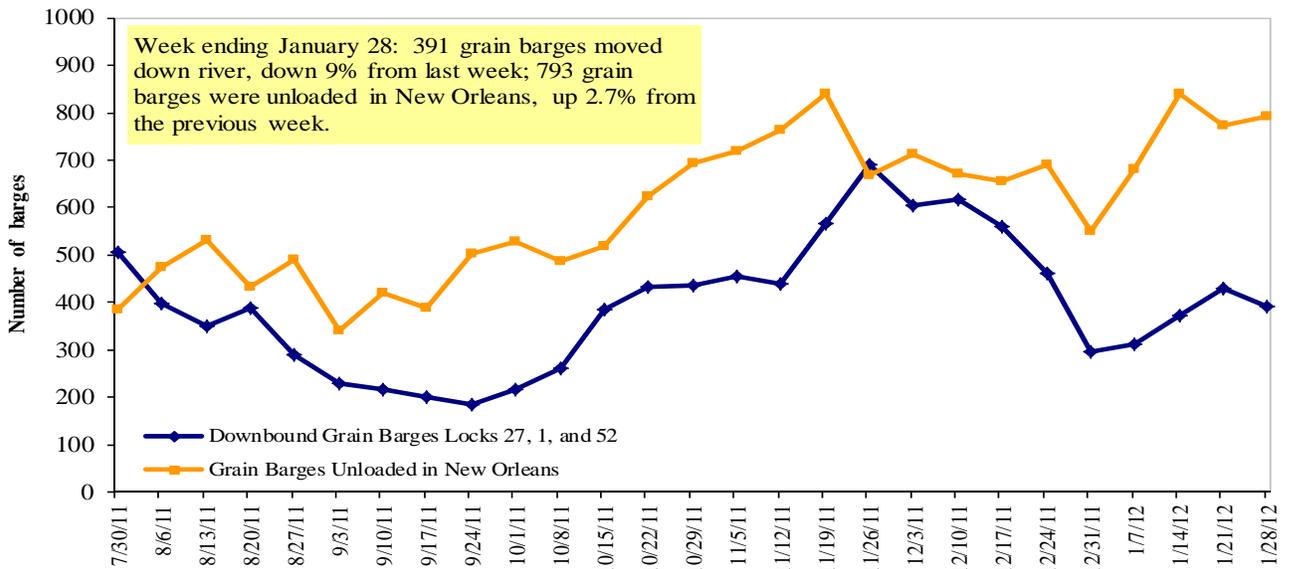
Source: U.S. Army Corps of Engineers (www.mvr.usace.army.mil/mvrimi/omni/webprts/default.asp)

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 1/30/2012 (US \$/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	3.945	0.007	0.451
	New England	4.088	0.011	0.455
	Central Atlantic	4.040	0.010	0.429
	Lower Atlantic	3.848	0.005	0.416
II	Midwest ²	3.734	-0.002	0.335
III	Gulf Coast ³	3.776	0.002	0.392
IV	Rocky Mountain	3.816	-0.001	0.420
V	West Coast	4.033	-0.004	0.500
	California	4.120	-0.001	0.508
Total	U.S.	3.850	0.002	0.412

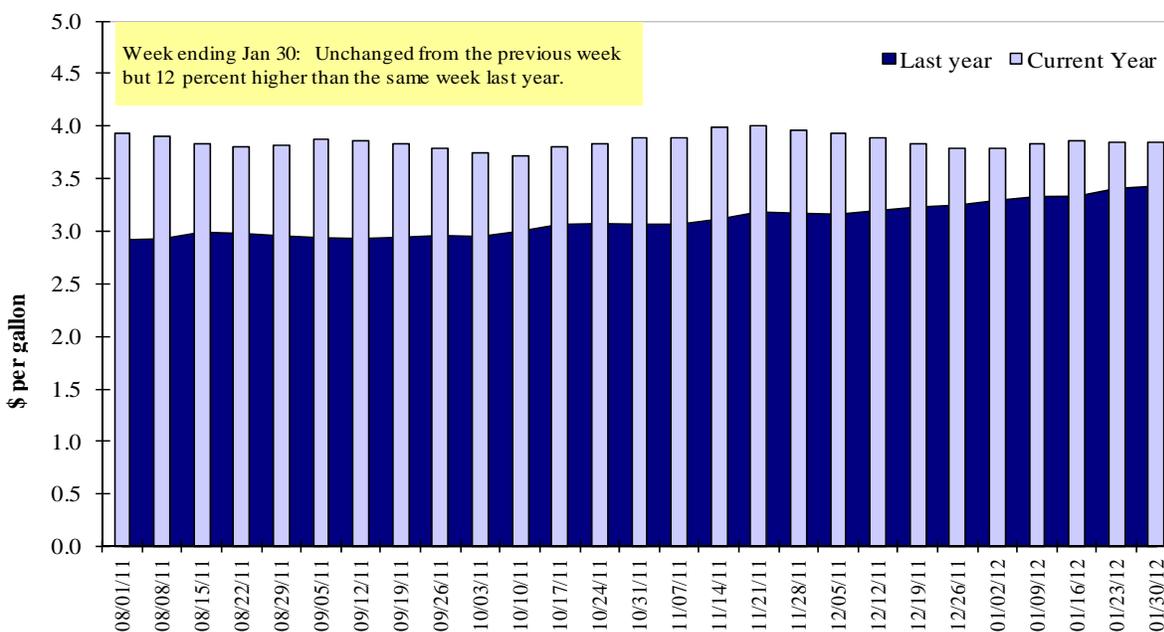
¹Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

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									
1/19/2012	1,346	629	1,219	1,443	30	4,667	10,497	7,873	23,037
This week year ago	3,993	781	2,682	1,343	101	8,900	11,700	12,565	33,165
Cumulative exports-marketing year²									
2011/12 YTD	6,545	2,176	4,167	3,217	375	16,481	16,214	18,137	50,832
2010/11 YTD	9,030	1,406	5,148	2,934	701	19,219	16,383	24,769	60,371
YTD 2011/12 as % of 2010/11	72	155	81	110	53	86	99	73	84
Last 4 wks as % of same period 2010/11	33	77	45	88	46	49	90	68	71
2010/11 Total	15,837	2,828	8,623	4,717	979	32,984	44,569	39,753	117,306
2009/10 Total	8,458	2,733	5,329	3,897	983	21,400	47,700	39,285	108,385

¹ Current unshipped export sales to date

² Shipped export sales to date; the new marketing year is 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 01/19/12	Total Commitments ²		% change current MY from last MY	Exports ³ 2010/11
	2011/12 Current MY	2010/11 Last MY		
- 1,000 mt -				
Japan	6,768	8,052	(16)	14,279
Mexico	6,521	4,138	58	7,019
Korea	2,779	3,491	(20)	6,104
Egypt	468	1,870	(75)	3,302
Taiwan	1,033	1,407	(27)	2,393
Top 5 importers	17,569	18,957	(7)	33,096
Total US corn export sales	26,711	28,083	(5)	46,610
% of Projected	64%	60%		
Change from Last Week	958	415		
Top 5 importers' share of U.S. corn export sales	66%	68%		
USDA forecast, January 2012	41,910	46,600	(10)	
Corn Use for Ethanol USDA forecast, Ethanol January 2012	127,000	127,534	(0.4)	

(n) indicates negative number.

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

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

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

Table 14

Top 5 Importers¹ of U.S. Soybeans

Week Ending 01/19/2012	Total Commitments ²		% change current MY from last MY	Exports ³ 2010/11
	2011/12 Current MY	2010/11 Last MY		
	- 1,000 mt -			- 1,000 mt -
China	17,930	23,728	(24)	24,445
Mexico	1,791	1,978	(9)	3,215
Japan	1,064	1,368	(22)	1,887
EU-25	404	1,869	(78)	2,607
Indonesia	867	921	(6)	1,397
Top 5 importers	22,056	29,864	(26)	33,551
Total US soybean export sales	26,011	37,335	(30)	40,690
% of Projected	75%	91%		
Change from last week	466	781		
Top 5 importers' share of U.S. soybean export sales	85%	80%		
USDA forecast, January 2012	34,700	40,860	(15)	
Soybean Use for Biodiesel USDA forecast, January 2012	8,632	6,115	41	

(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 01/19/2012	Total Commitments ²		% change current MY from last MY	Exports ³ 2010/11
	2011/12 Current MY	2010/11 Last MY		
	- 1,000 mt -			- 1,000 mt -
Nigeria	2,504	2,556	(2)	3,233
Japan	2,926	2,848	3	3,148
Mexico	2,889	2,350	23	2,601
Philippines	1,799	1,723	4	1,518
Korea	1,419	1,363	4	1,111
Peru	551	777	(29)	923
Taiwan	705	720	(2)	913
Colombia	420	624	(33)	783
Indonesia	650	495	31	781
Yemen	322	613	(48)	659
Top 10 importers	14,185	14,068	1	15,670
Total US wheat export sales	21,147	28,119	(25)	33,439
% of Projected	82%	80%		
Change from last week	605	894		
Top 10 importers' share of U.S. wheat export sales	67%	50%		
USDA forecast, January 2012	25,860	35,080	(26)	

(n) indicates negative number.

¹Modified from the FAS 2010/11 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 01/26/12	Previous Week ¹	Current Week as % of Previous	2012 YTD ¹	2011 YTD ¹	2012 YTD as % of 2011 YTD	Last 4-weeks as % of		Total ¹ 2011
							2011	3-yr. avg.	
Pacific Northwest									
Wheat	202	273	74	724	999	73	73	81	13,995
Corn	51	190	27	311	542	57	57	59	9,198
Soybeans	288	130	221	944	775	122	122	107	7,321
Total	541	593	91	1,979	2,316	85	85	86	30,513
Mississippi Gulf									
Wheat	157	113	140	404	384	105	105	135	5,031
Corn	386	533	72	1,768	1,450	122	122	101	26,267
Soybeans	743	707	105	2,534	2,792	91	91	90	19,262
Total	1,287	1,353	95	4,706	4,626	102	102	96	50,560
Texas Gulf									
Wheat	139	91	152	405	921	44	44	70	10,837
Corn	0	0	n/a	1	71	2	2	2	1,021
Soybeans	0	0	n/a	0	417	0	0	0	926
Total	139	91	152	406	1,410	29	29	42	12,784
Interior									
Wheat	10	7	145	36	100	36	39	60	1,110
Corn	126	192	66	549	334	164	62	150	7,509
Soybeans	78	96	81	356	267	134	110	140	4,273
Total	215	296	73	941	701	134	36	138	12,892
Great Lakes									
Wheat	0	0	n/a	0	0	n/a	n/a	0	1,038
Corn	14	0	n/a	14	0	n/a	n/a	0	178
Soybeans	0	0	n/a	0	0	n/a	n/a	0	382
Total	14	0	n/a	14	0	n/a	n/a	1,878	1,598
Atlantic									
Wheat	0	1	0	2	145	1	1	2	686
Corn	0	4	0	21	32	65	65	77	295
Soybeans	21	58	37	111	161	69	69	72	1,042
Total	21	63	34	133	338	39	39	53	2,022
U.S. total from ports²									
Wheat	508	484	105	1,570	2,550	62	62	83	32,697
Corn	577	920	63	2,664	2,429	110	110	96	44,466
Soybeans	1,131	991	114	3,945	4,411	89	89	89	33,205
Total	2,217	2,396	93	8,178	9,390	87	87	90	110,369

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

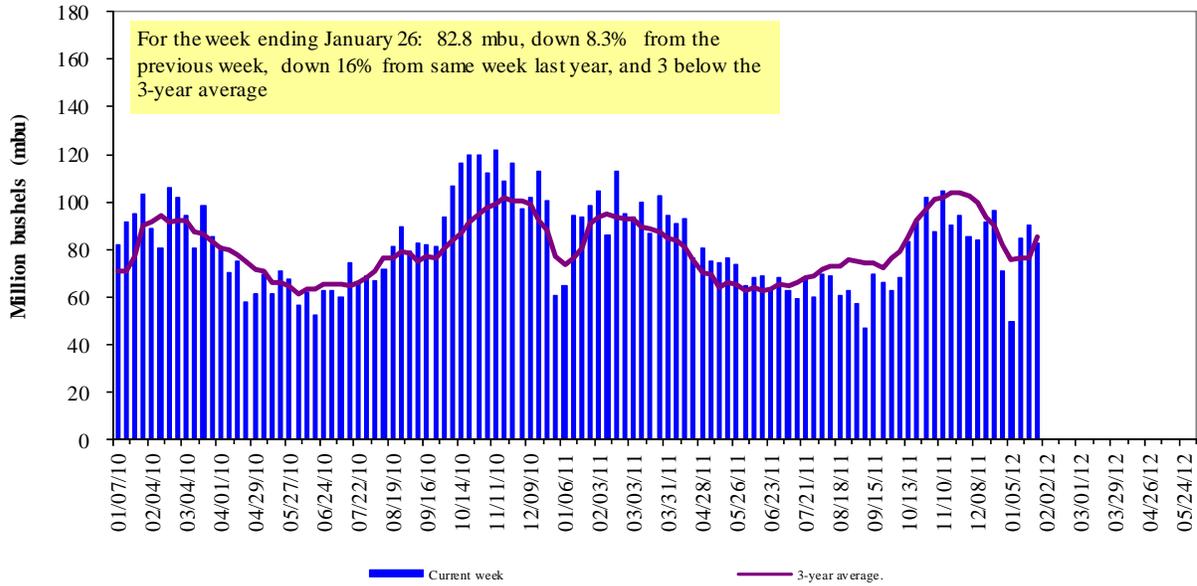
² Total includes only port regions shown above; Interior land-based shipments now included.

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 59 percent of the U.S. export grain shipments departed through the U.S. Gulf region in 2011.

Figure 14

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

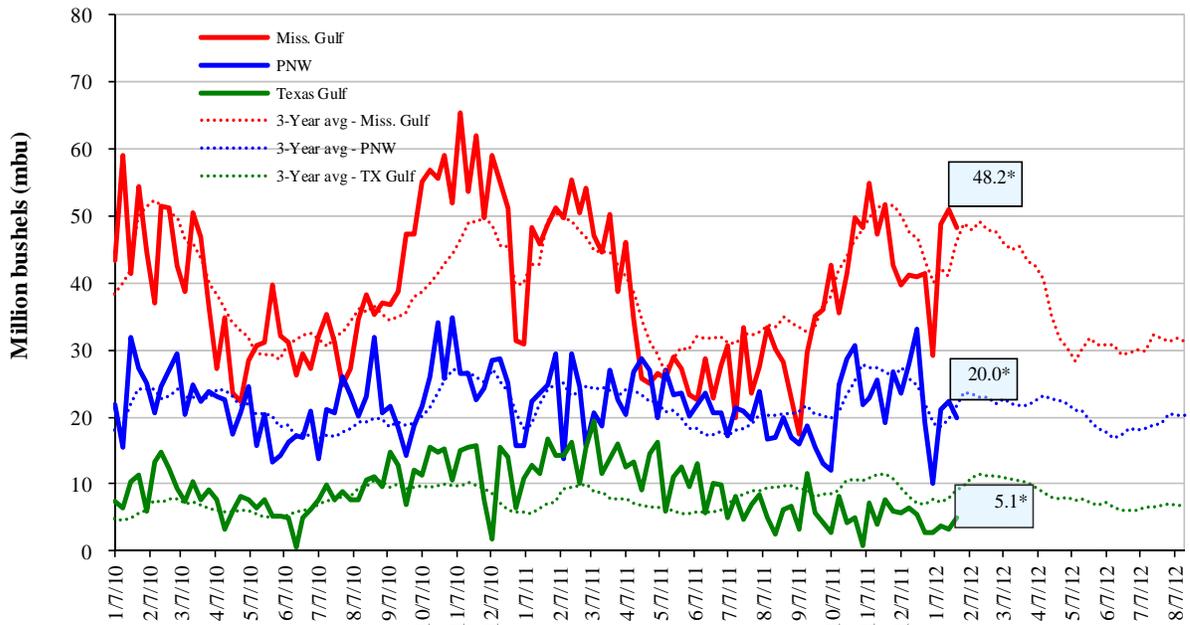


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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.

January 26 % change from:	MSGulf	TX_Gulf	U.S. Gulf	PNW
Last week	down 6	up 52	down 2	down 10
Last year (same week)	down 1	down 18	down 18	down 19
3-yr avg. (4-wk mov. avg.)	up 5	down 3	down 3	down 15

Ocean Transportation

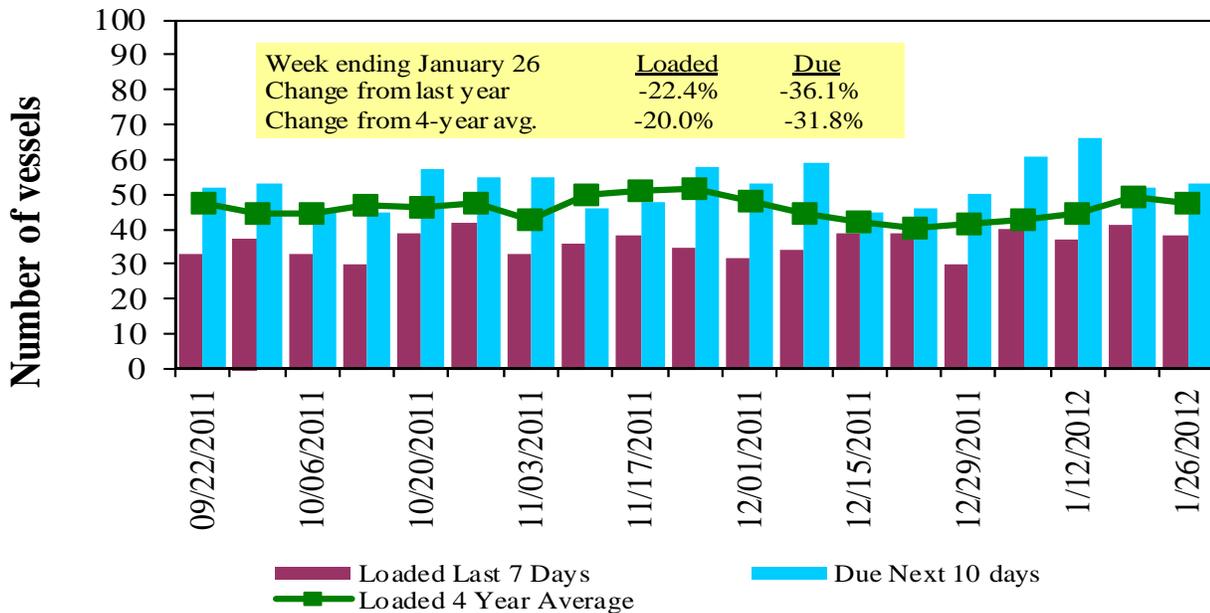
Table 17

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
1/26/2012	36	38	53	5	n/a
1/19/2012	36	41	52	6	n/a
2011 range	(14..65)	(28..54)	(34..83)	(5..25)	(1..20)
2011 avg.	31	38	53	15	12

Source: Transportation & Marketing Programs/AMS/USDA

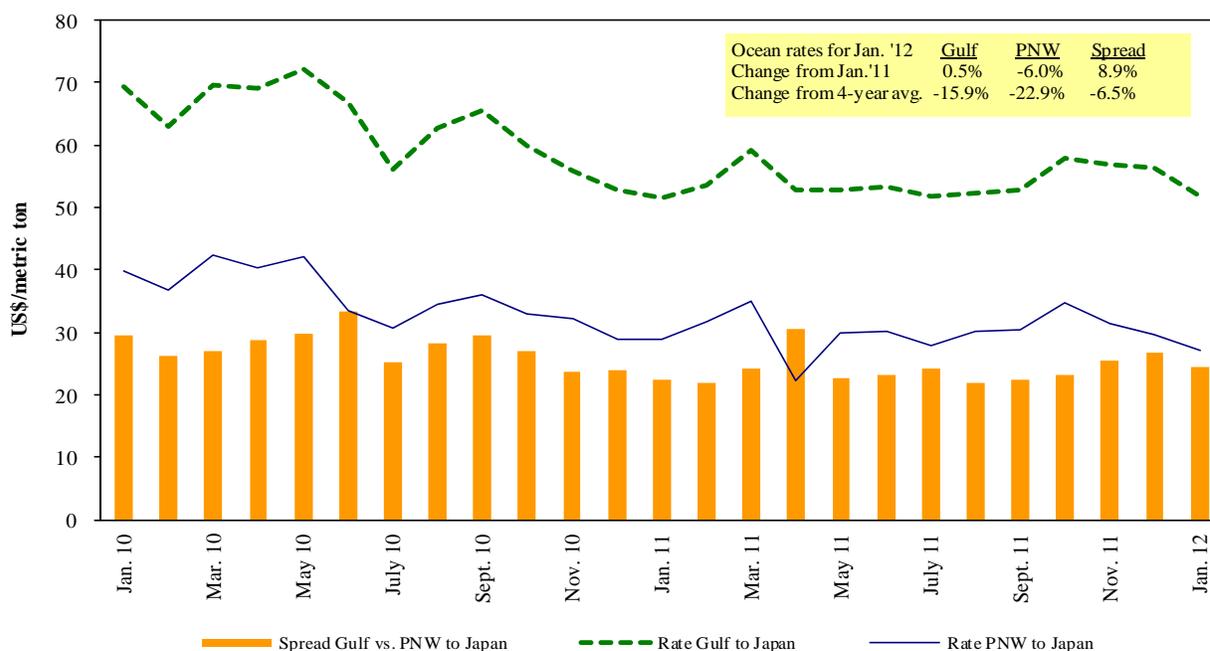
Figure 16
U.S. Gulf^d Vessel Loading Activity



Source: Transportation & Marketing Programs/AMS/USDA

Figure 17

Grain Vessel Rates, U.S. to Japan



Source: O'Neil Commodity Consulting

Table 18

Ocean Freight Rates For Selected Shipments, Week Ending 1/28/2012

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US\$/metric ton)
U.S. Gulf	China	Heavy Grain	Feb 1/10	55,000	51.00
U.S. Gulf	China	Heavy Grain	Feb 15/25	55,000	52.50
U.S. Gulf	China	Heavy Grain	Dec 20/30	55,000	57.00
U.S. Gulf	China	Heavy Grain	Dec 15/30	55,000	55.50
U.S. Gulf	China	Heavy Grain	Dec 10/20	55,000	56.00
U.S. Gulf	China	Heavy Grain	Dec 1/30	55,000	51.00
U.S. Gulf	China	Heavy Grain	Oct 21/30	55,000	52.50
U.S. Gulf	China	Heavy Grain	Oct 5/10	60,000	59.00
U.S. Gulf	Korea	Grain	Nov 25/Dec 5	55,000	57.00
U.S. Gulf	Tunisia	Soybeans	Jan 10/15	30,000	37.50
U.S. Gulf	Kenya ¹	Wheat	Jan 16/25	11,000	188.00
Brazil	Taiwan	Heavy Grain	Feb 1/10	65,000	29.50
PNW	China	Grain	Jan 10/20	55,000	26.75
PNW	China	Heavy Grain	Dec 5/20	6,500	26.00
River Plate	Algeria	Maize	Feb 5/15	25,000	32.50
Russia	Yemen	Grain	Dec 1/3	35,000	42.00

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

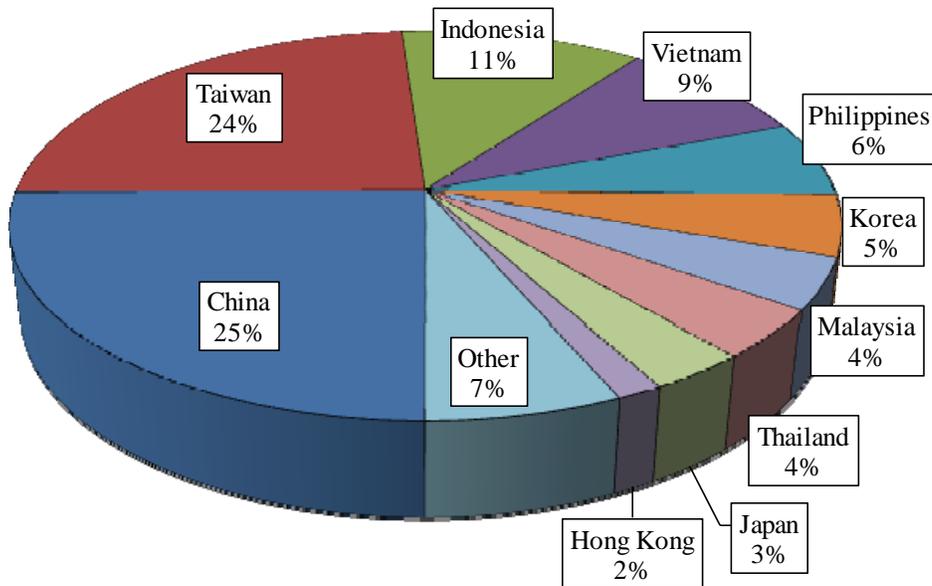
¹75 percent of food aid from the United States is required to be shipped on U.S.-flag vessels.

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

In 2010, containers were used to transport 5 percent of total U.S. waterborne grain exports, and 7 percent of U.S. grain exports to Asia. Asia is the top destination for U.S. containerized grain exports—94 percent in 2010.

Figure 18

Top 10 Destination Markets for U.S. Containerized Grain Exports, October 2011

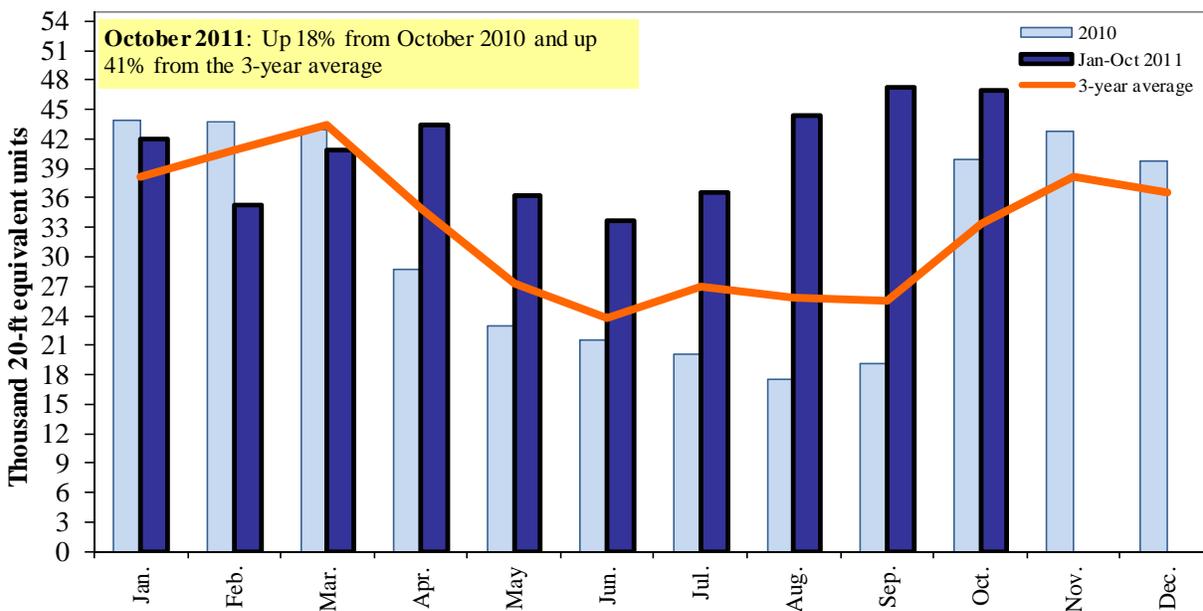


Source: USDA/Agricultural Marketing Service/Transportation Services Division analysis of Port Import Export Reporting Service (PIERS) data

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: USDA/Agricultural Marketing Service/Transportation Services Division analysis of Port Import Export Reporting Service (PIERS) data

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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