



Agricultural
Marketing
Service



A weekly publication of the
Transportation and Marketing Programs/Transportation Services Division
www.ams.usda.gov/GTR

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WEEKLY HIGHLIGHTS

House Bill Would Strengthen Exemptions for Certain Farm Vehicles and Drivers

Section 6601 of [H.R. 7, American Energy and Infrastructure Jobs Act of 2012](#), introduced January 31, would clarify that Commercial Driver's License, drug testing, medical certificate, and hours of service requirements do not apply to certain farm vehicles and drivers. These vehicles are defined as traveling in the State in which the vehicle is registered or another State; operated by a farm owner or operator, a ranch owner or operator, or an employee or family member; and transporting to or from a farm or ranch, agricultural commodities, livestock, machinery, or supplies. Vehicles must not be used for hire and must have a gross vehicle weight no greater than 26,001 pounds. The weight restriction does not apply to farm vehicles traveling within 150 air miles of the farm or ranch where they are operated. Farm vehicles operated pursuant to a crop-share farm lease agreement are included in the exemptions.

Study With Respect to Truck Sizes and Weights Proposed

During the mark-up of [H.R. 7, American Energy and Infrastructure Jobs Act of 2012](#), on February 2, the House Transportation and Infrastructure Committee removed a provision in section 1404 that would have allowed longer combination vehicles to operate on additional routes in the States where they are currently permitted. Also removed was a provision to allow States to permit a gross vehicle weight of 97,000 pounds on the Interstate system, compared to the current 80,000 pound limit, if the vehicle is equipped with at least 6 axles. Instead, [under a new section 1405](#), the Secretary of Transportation will be directed to conduct an extensive study on the effects of increased truck sizes and weights on safety, pavements, bridges, cost responsibility and recovery, the ability of regions to meet repair and reconstruction needs, diversion of freight between modes, and all Federal rules and regulations. A report to Congress on the study would be due no later than 3 years after the date the bill is signed into law.

Corn Inspections Boost Total Exports

For the week ending February 2, total inspections of corn for export reached 1 million metric tons (mmt), up 73 percent from the past week and 35 percent above last year at this time (.743 mmt). Shipments of corn from the Mississippi Gulf and Pacific Northwest to Asia increased during this period. Outstanding (unshipped) export sales of corn have been increasing for the past two weeks. Total wheat (.395 mmt) inspections dropped 22 percent as shipments to Nigeria and Mexico declined. Inspections of soybeans (.966 mmt) decreased 15 percent from the previous week as shipments to Egypt and the Netherlands receded. However, total inspections of grain for export were up 6 percent from the previous week due to increased corn shipments.

New Longview Grain Terminal Received its First Grain Vessel

Official grain operations have begun at the new EGT export grain terminal at the Port of Longview, WA. The first grain vessel arrived at the port on February 7. The terminal operator, EGT Development, and the local 21 International Longshore and Warehouse Union reached a tentative labor agreement on January 23, with the help of the Washington State Governor's office.

Snapshots by Sector

Rail

U.S. railroads originated 20,119 carloads of grain during the week ending January 28, down 4 percent from last week, 19 percent from last year, and 11 percent lower than the 3-year average.

During the week ending February 2, average February non-shuttle secondary railcar bids/offers per car were \$13 below tariff, down \$3 from last week and \$147 lower than last year. Average shuttle rates were \$137 below tariff, up \$107 from last week and \$322 lower than last year.

Barge

During the week ending February 4, [barge grain movements](#) totaled 720,442 tons, 16 percent higher than the previous week and 56 percent higher than the same period last year.

During the week ending February 4, 453 grain barges [moved down river](#), up 16 percent from last week; 657 grain barges were [unloaded in New Orleans](#), down 17 percent from the previous week.

Ocean

During the week ending February 2, 39 [ocean-going grain vessels](#) were loaded in the Gulf, down 11 percent from last year. Forty-four vessels are expected to be loaded within the next 10 days, 40 percent less than the same period last year.

During the week ending February 3, the ocean freight rate for shipping bulk grain from the Gulf to Japan was \$47 per mt, down 4 percent from the previous week. The cost of shipping from the Pacific Northwest to Japan was \$25 per mt, down 4 percent from the previous week.

Fuel

During the week ending February 6, U.S. average [diesel fuel prices](#) increased 1 cent to \$3.86 per gallon, 0.2 percent higher than the previous week and up 10 percent from the same week last year.

Feature Article/Calendar

Grain Transportation Update

Projected Lower Global Corn and Soybean Production May Shift Some Demand to the United States

In its February World Agricultural Supply and Demand Estimates report, USDA projected 2011/12 corn, soybean, and wheat exports to be 3.95 billion bushels (bbu), a 14.6 percent decrease from last year, but a 2 percent (75 million bushels) increase from the January forecast (Table 1). The 50-million-bushel increase in the projection of corn exports was caused by reduced supplies in Argentina and recent increases in both sales and shipments. The 25-million-bushel increase in the wheat export projection is due to a stronger-than-expected pace of sales and shipments. USDA left the soybean export projection unchanged this month despite the lag in export sales relative to last year because lower crop forecasts from South America are expected to be offset by additional U.S. sales and exports during the second half of the marketing year.

	Corn	Soybeans	Wheat	Total	Y/Y
2011/12 (Projected)					
Production	12,358	3,056	1,999	17,413	-3.2%
Exports	1,700	1,275	975	3,950	-14.6%
Domestic Use	11,005	1,736	1,162	13,903	-1.6%
Ending Stocks/Use	6%	9%	40%		
2010/11 (Estimated)					
Production	12,447	3,329	2,207	17,983	-3.7%
Exports	1,835	1,501	1,289	4,625	6.1%
Domestic Use	11,220	1,779	1,128	14,127	0.3%
Ending Stocks/Use	9%	7%	36%		
2009/10					
Production	13,092	3,359	2,218	18,669	
Exports	1,980	1,499	879	4,358	
Domestic Use	11,086	1,862	1,138	14,086	
Ending Stocks/Use	13%	4%	48%		

Looking back over the fourth quarter 2011, corn exports increased 11 percent from the same period in 2010, but soybean and wheat exports were down 28 and 26 percent due to competition from non-US suppliers. This export scenario is changing with stronger-than-expected shipments of wheat and corn since the beginning of 2012. The pace of grain exports is expected to remain strong in the first half of 2012 as drought in South America and potential winterkill of wheat in Europe may shift more world demand for grains and oilseeds to the United States.

Higher grain basis (the cash price less the near-month futures contracts) indicate market expectations of higher demand for U.S. grains. According to the DTN National Average Basis (DTN National price index less Chicago futures contract), the grain basis in 2012 have been above the 5-year average in expectation of lower corn and soybean crops from South America, a potential threat to the European wheat crop, and continued weakness in the U.S. dollar index.

Although lower than last year, the outlook for transportation demand for U.S. grain exports has improved. Recent strong corn, soybean, and wheat export inspections, low ocean freight rates, and increased concern about the weather impact on world crop supplies are indicators of higher demand for U.S. grain and the subsequent freight demand.

High Water and Weak Export Demand Limits Grain Barge Traffic for 2011

Table 2 shows that grain barge shipments rebounded during the fourth quarter of 2011 after being constrained by major flooding during the second and third quarters. Fourth quarter movements were slightly above the 5-year average but were lower than three of the four past fourth quarters. Total movements in 2011 were lower than in 2007, 2009, and 2010. In 2008, flooding had a significant impact on barge shipments.

In 2011, the number of grain barges unloaded in the New Orleans was 27,472, about the same as the 27,563 in 2008. The average annual number of unloaded barges in the non-flood years of 2007, 2009, and 2010 was 30,828. In 2010, approximately 76 percent of the grain barge tonnages

Table 2. Average Weekly Grain Barge Shipments by Quarter, and Total Annual 1997-2011

Year	Average Weekly Shipments				Annual Total
	1st quarter	2d quarter	3d quarter	4th quarter	
1,000 tons					
2007	543	666	632	806	34,397
2008	522	491	567	561	27,839
2009	567	763	664	761	35,920
2010	576	692	630	762	34,584
2011	570	510	508	746	30,355
5 year avg.	556	624	600	727	32,619

Source: U.S. Army Corps of Engineers, Weekly shipments at Mississippi River Locks 27, Arkansas River Lock 1, and Ohio River Locks 52.

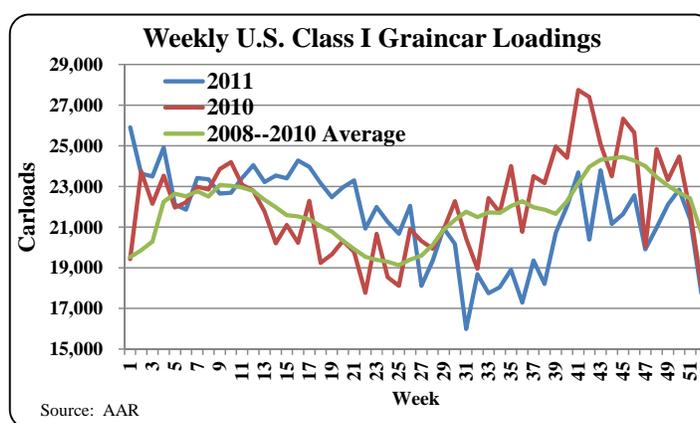
delivered to the New Orleans area originate in the locking portion of the Mississippi, Ohio, or Arkansas rivers.

In 2011, St. Louis-to-New Orleans grain barge rates for the first and second quarters were above average, while third and fourth quarter rates were below average (see table 3). Grain barge rates may be influenced by the increase in barge demand for export coal. The U.S. Energy Information Administration estimates that 2011 exports of coal will exceed 100 million tons for the first time since 1992. With the increased coal traffic this year, some grain barges may have been used for delivering coal. At this time, there are no notable developments in the diversion of grain barges to the coal market, but the situation is worth watching in the future because of implications for the capacity of the grain barge fleet and its potential impact on rates.

Year	1st quarter	2d quarter	3d quarter	4th quarter
2007	240	218	557	347
2008	357	361	490	550
2009	289	198	271	365
2010	247	219	397	427
2011	418	331	354	350
5-year avg.	310	265	414	408

Second Half Graincar Loadings Weak

Grain carloadings for Class I railroads during the second half of 2011 were 523,801, down 12 percent from the second half 2010 (596,156) and 10 percent less than the 3-year average (581,624) for the second half of the year (Figure 1). Grain carloadings during the first 4 weeks of 2012 were 83,217, down 15 percent from the same period in 2011 (97,966) but up 3.5 percent from the 3-year average for the period (80,419). Weaker grain exports have contributed to the weak grain carloadings, but grain carloadings appear to be strengthening during the first quarter of 2012.



Ocean Freight Rates in 2011 Tempered by Excess Vessel Supply and Sluggish Demand

In 2011, ocean freight rates for shipping bulk grains were lower than the previous year and the 4-year averages. 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 rates were kept low by record new vessel deliveries fueled by ship owners' optimistic response to freight market and global economic recovery. A total of 1,094 (94.65 million deadweight) new bulk vessels were delivered as of December 2011, compared to 174 vessels a year earlier (**GTR, dated 02/02/12**). In addition, weak demand for bulk shipments caused by inclement weather in coal-producing regions of Eastern Australia and iron ore exporting regions of Western Australia also contributed to the lower rates.

Freight rates continue to be relatively low. As of February 3, the rate for shipping bulk grain from the U.S. Gulf to Japan was \$47 per metric ton (mt), 4 percent below last year. For the same week, the rate from the Pacific Northwest to Japan was \$25 per mt, 14 percent below last year. The rate from the U.S. Gulf to Europe was \$18 per mt, 18 percent less than last year. The dry bulk market continues to have an excess supply of vessels and weak demand caused by slower-than-expected global economic recovery.

Average Diesel Fuel Prices Steady during Fourth Quarter, but Increases Expected in 2012

The average diesel price during the fourth quarter was \$3.86 per gallon, just 2 cents higher than the annual 2011 average of \$3.84 per gallon. The fourth quarter average price was about the same as the previous quarter and 22 percent higher than the same quarter of 2010. The 2011 average price was 28 percent higher than the previous year. The Energy Information Administration of the U.S. Department of Energy expects the price of West Texas Intermediate (WTI) crude oil to average about \$100 per barrel in 2012, almost \$6 per barrel higher than the average price last year. The recent futures and options data implies the market believes there is about a one-in-fifteen chance that the average WTI price in June 2012 will exceed \$125 per barrel, and about a one-in-fifty chance that it would exceed \$140 per barrel. Fluctuations in crude oil prices significantly impact diesel fuel prices.

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Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators¹

Week ending	Truck	Rail ²	Barge	Ocean	
				Gulf	Pacific
02/08/12	259	89	219	210	177
02/01/12	258	85	257	219	184

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	2/3/2012	1/27/2012
Corn	IL--Gulf	-0.69	-0.75
Corn	NE--Gulf	-0.84	-0.90
Soybean	IA--Gulf	-1.31	-1.34
HRW	KS--Gulf	-1.45	-1.45
HRS	ND--Portland	-1.73	-1.65

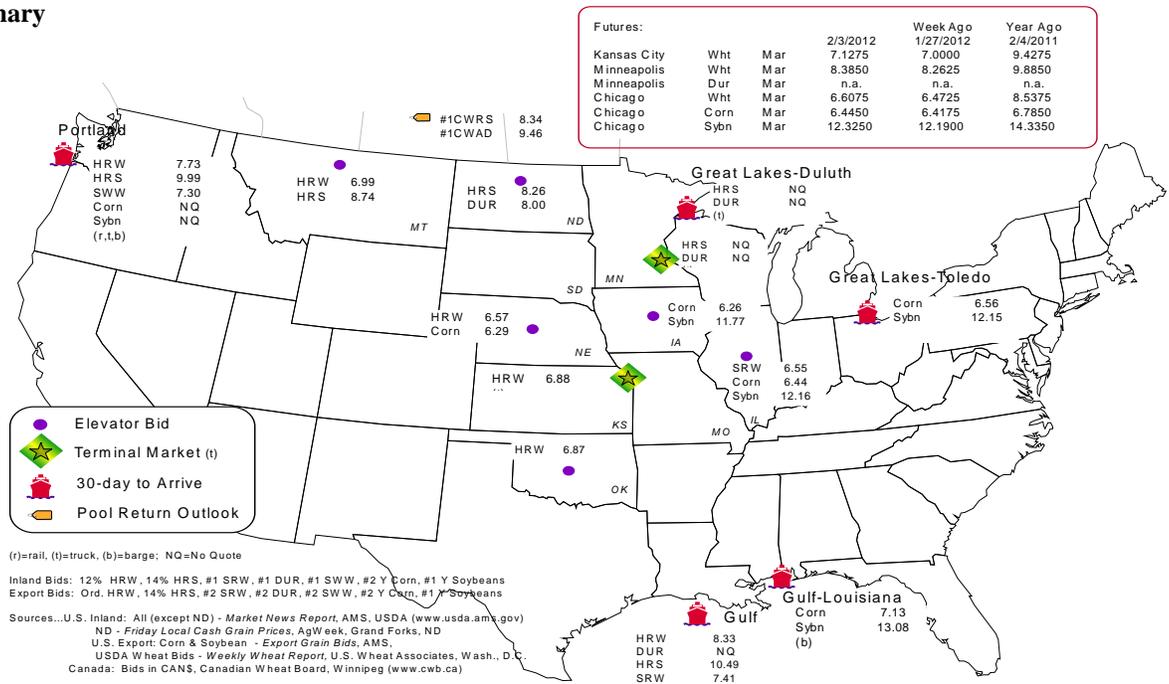
Note: nq = no quote

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	
2/01/2012 ^p	449	798	490	2,553	587	4,877
1/25/2011 ^r	25	755	1,480	1,909	453	4,622
2012 YTD	647	3,861	4,632	13,196	2,234	24,570
2011 YTD	2,643	7,584	3,166	15,783	6,215	35,391
2012 YTD as % of 2011 YTD	24	51	146	84	36	69
Last 4 weeks as % of 2011 ²	14	32	170	60	58	54
Last 4 weeks as % of 4-year avg. ²	14	38	155	62	48	56
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.

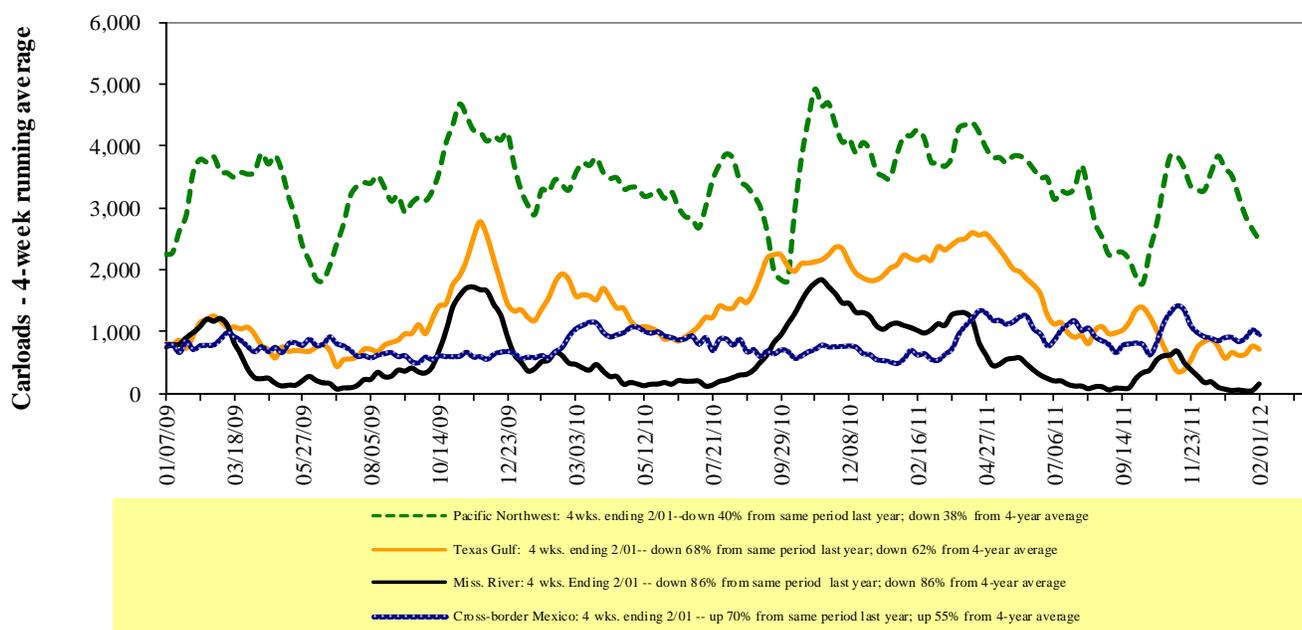
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

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

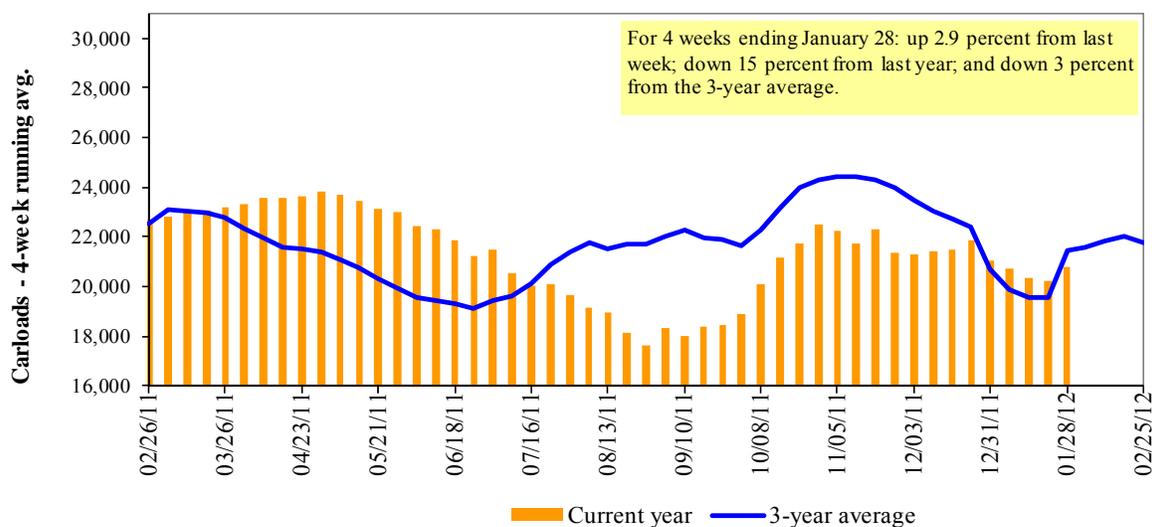
Table 4

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
01/28/12	2,436	2,884	9,035	670	5,094	20,119	3,409	5,938
This week last year	2,423	2,982	12,391	630	6,499	24,925	4,213	4,431
2012 YTD	8,981	11,573	39,522	2,234	20,907	83,217	13,858	20,214
2011 YTD	9,825	12,282	47,651	2,648	25,560	97,966	15,225	18,289
2012 YTD as % of 2011 YTD	91	94	83	84	82	85	91	111
Last 4 weeks as % of 2011 ¹	91	94	83	84	82	85	91	111
Last 4 weeks as % of 3-yr avg. ¹	92	102	95	76	95	95	88	102
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
2/2/2012								
BNSF ³								
COT grain units	no bids	no offer	no bids	no offer	no bids	0	no bids	0
COT grain single-car ⁵	6	no offer	0	no offer	0	0 . . 11	no bids	0 . . 6
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.

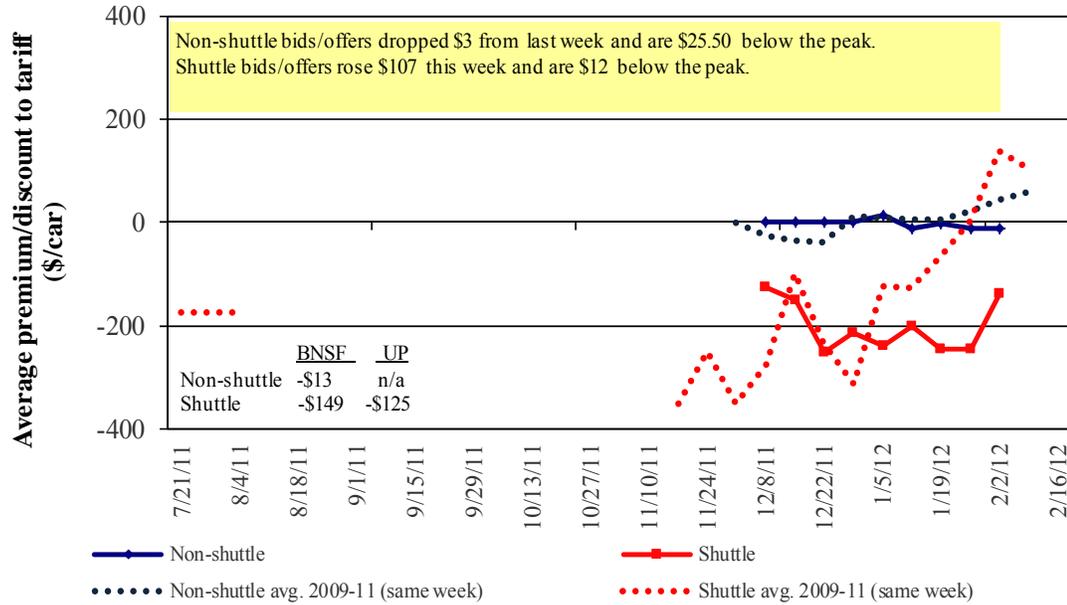
⁵Range is shown because average is not available. Not available = n/a.

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

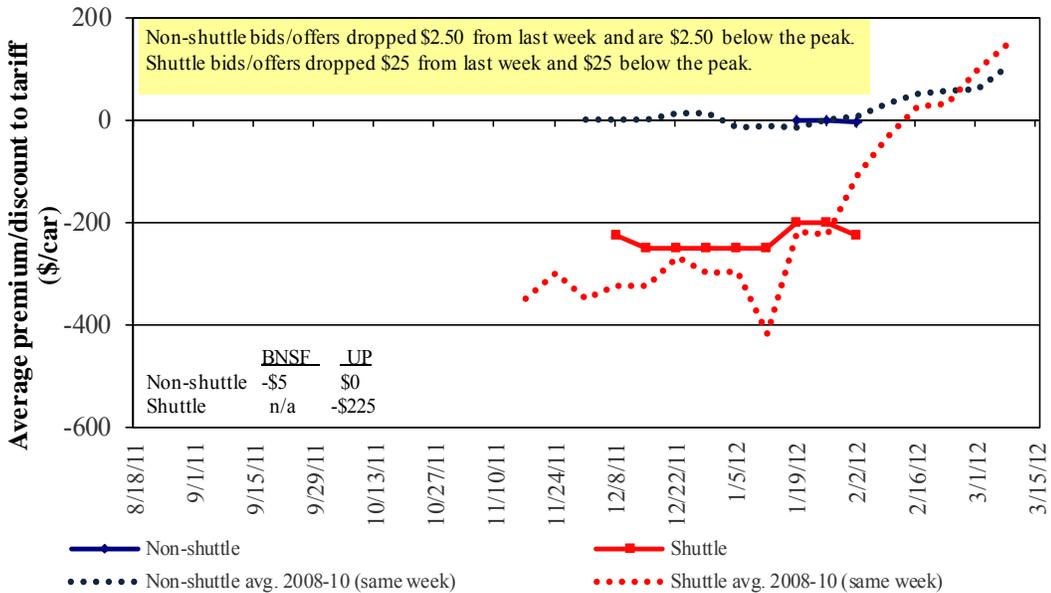


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

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

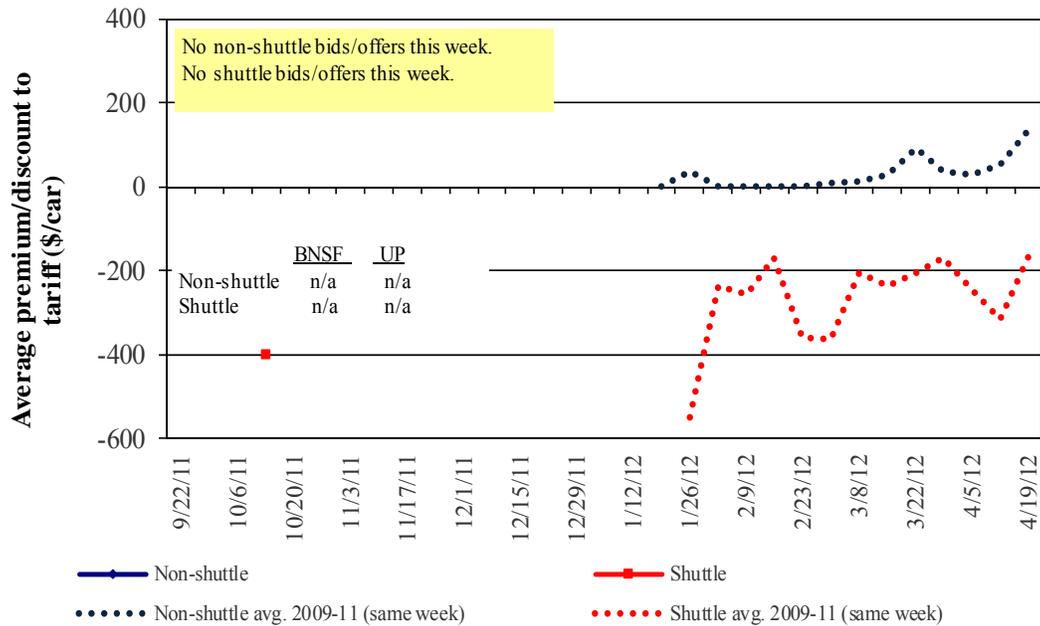


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

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	(13)	(5)	n/a	n/a	n/a	n/a
Change from last week	12	(5)	n/a	n/a	n/a	n/a
Change from same week 2010	(226)	(85)	n/a	n/a	n/a	n/a
UP-Pool	n/a	-	n/a	n/a	n/a	n/a
Change from last week	n/a	-	n/a	n/a	n/a	n/a
Change from same week 2010	n/a	-	n/a	n/a	n/a	n/a
Shuttle²						
BNSF-GF	(149)	n/a	n/a	n/a	n/a	n/a
Change from last week	176	n/a	n/a	n/a	n/a	n/a
Change from same week 2010	(582)	n/a	n/a	n/a	n/a	n/a
UP-Pool	(125)	(225)	n/a	n/a	n/a	n/a
Change from last week	38	(25)	n/a	n/a	n/a	n/a
Change from same week 2010	(62)	138	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
2/9/2012	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	\$182	\$31.52	\$0.86	6
	Grand Forks, ND	Duluth-Superior, MN	\$3,260	\$104	\$33.41	\$0.91	17
	Wichita, KS	Los Angeles, CA	\$5,895	\$536	\$63.86	\$1.74	7
	Wichita, KS	New Orleans, LA	\$3,492	\$320	\$37.86	\$1.03	6
	Sioux Falls, SD	Galveston-Houston, TX	\$5,573	\$440	\$59.71	\$1.63	4
	Northwest KS	Galveston-Houston, TX	\$3,760	\$351	\$40.82	\$1.11	6
	Amarillo, TX	Los Angeles, CA	\$3,959	\$489	\$44.17	\$1.20	7
Corn	Champaign-Urbana, IL	New Orleans, LA	\$3,038	\$362	\$33.77	\$0.92	12
	Toledo, OH	Raleigh, NC	\$4,382	\$407	\$47.56	\$1.29	19
	Des Moines, IA	Davenport, IA	\$1,934	\$77	\$19.97	\$0.54	6
	Indianapolis, IN	Atlanta, GA	\$3,821	\$306	\$40.98	\$1.12	21
	Indianapolis, IN	Knoxville, TN	\$3,273	\$196	\$34.45	\$0.94	20
	Des Moines, IA	Little Rock, AR	\$3,685	\$225	\$38.83	\$1.06	27
Soybeans	Des Moines, IA	Los Angeles, CA	\$5,825	\$656	\$64.36	\$1.75	35
	Minneapolis, MN	New Orleans, LA	\$3,499	\$395	\$38.67	\$1.05	7
	Toledo, OH	Huntsville, AL	\$3,057	\$289	\$33.23	\$0.90	7
	Indianapolis, IN	Raleigh, NC	\$4,013	\$410	\$43.92	\$1.20	8
	Indianapolis, IN	Huntsville, AL	\$2,749	\$196	\$29.25	\$0.80	7
Champaign-Urbana, IL	New Orleans, LA	\$3,382	\$362	\$37.18	\$1.01	11	
Shuttle Train							
Wheat	Great Falls, MT	Portland, OR	\$3,351	\$308	\$36.34	\$0.99	7
	Wichita, KS	Galveston-Houston, TX	\$3,247	\$240	\$34.63	\$0.94	5
	Chicago, IL	Albany, NY	\$3,645	\$382	\$39.99	\$1.09	7
	Grand Forks, ND	Portland, OR	\$4,832	\$532	\$53.27	\$1.45	8
	Grand Forks, ND	Galveston-Houston, TX	\$5,854	\$554	\$63.64	\$1.73	8
	Northwest KS	Portland, OR	\$4,727	\$576	\$52.66	\$1.43	6
Corn	Minneapolis, MN	Portland, OR	\$4,800	\$648	\$54.10	\$1.47	8
	Sioux Falls, SD	Tacoma, WA	\$4,760	\$593	\$53.16	\$1.45	8
	Champaign-Urbana, IL	New Orleans, LA	\$2,857	\$362	\$31.97	\$0.87	11
	Lincoln, NE	Galveston-Houston, TX	\$3,310	\$346	\$36.30	\$0.99	8
	Des Moines, IA	Amarillo, TX	\$3,430	\$283	\$36.88	\$1.00	6
	Minneapolis, MN	Tacoma, WA	\$4,800	\$643	\$54.05	\$1.47	8
Soybeans	Council Bluffs, IA	Stockton, CA	\$4,200	\$665	\$48.31	\$1.31	10
	Sioux Falls, SD	Tacoma, WA	\$5,040	\$593	\$55.94	\$1.52	9
	Minneapolis, MN	Portland, OR	\$5,030	\$648	\$56.38	\$1.53	9
	Fargo, ND	Tacoma, WA	\$4,930	\$527	\$54.20	\$1.47	9
	Council Bluffs, IA	New Orleans, LA	\$3,710	\$418	\$40.99	\$1.12	9
	Toledo, OH	Huntsville, AL	\$2,672	\$289	\$29.40	\$0.80	8
Grand Island, NE	Portland, OR	\$5,115	\$589	\$56.65	\$1.54	16	

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	\$563	\$84.85	\$2.31	8
	OK	Cuatitlan, EM	\$6,747	\$589	\$74.96	\$2.04	7
	KS	Guadalajara, JA	\$7,411	\$872	\$84.63	\$2.30	7
	TX	Salinas Victoria, NL	\$3,703	\$240	\$40.29	\$1.10	7
Corn	IA	Guadalajara, JA	\$7,699	\$884	\$87.70	\$2.23	7
	SD	Penjamo, GJ	\$7,776	\$736	\$86.98	\$2.21	11
	NE	Queretaro, QA	\$7,048	\$759	\$79.77	\$2.02	13
	SD	Salinas Victoria, NL	\$5,650	\$560	\$63.45	\$1.61	11
	MO	Tlalnepantla, EM	\$6,263	\$740	\$71.55	\$1.82	15
	SD	Torreón, CU	\$6,522	\$617	\$72.94	\$1.85	9
Soybeans	MO	Bojay (Tula), HG	\$6,926	\$769	\$78.62	\$2.14	10
	NE	Guadalajara, JA	\$7,904	\$884	\$89.79	\$2.44	11
	IA	El Castillo, JA ⁵	\$8,255	\$732	\$91.82	\$2.50	11
	KS	Torreón, CU	\$6,396	\$603	\$71.51	\$1.94	12
Sorghum	OK	Cuatitlan, EM	\$5,670	\$559	\$63.65	\$1.62	13
	TX	Guadalajara, JA	\$6,653	\$479	\$72.87	\$1.85	10
	NE	Penjamo, GJ	\$7,426	\$826	\$84.32	\$2.14	14
	KS	Queretaro, QA	\$6,353	\$523	\$70.25	\$1.78	12
	NE	Salinas Victoria, NL	\$5,103	\$497	\$57.22	\$1.45	12
	NE	Torreón, CU	\$6,068	\$640	\$68.54	\$1.74	8

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

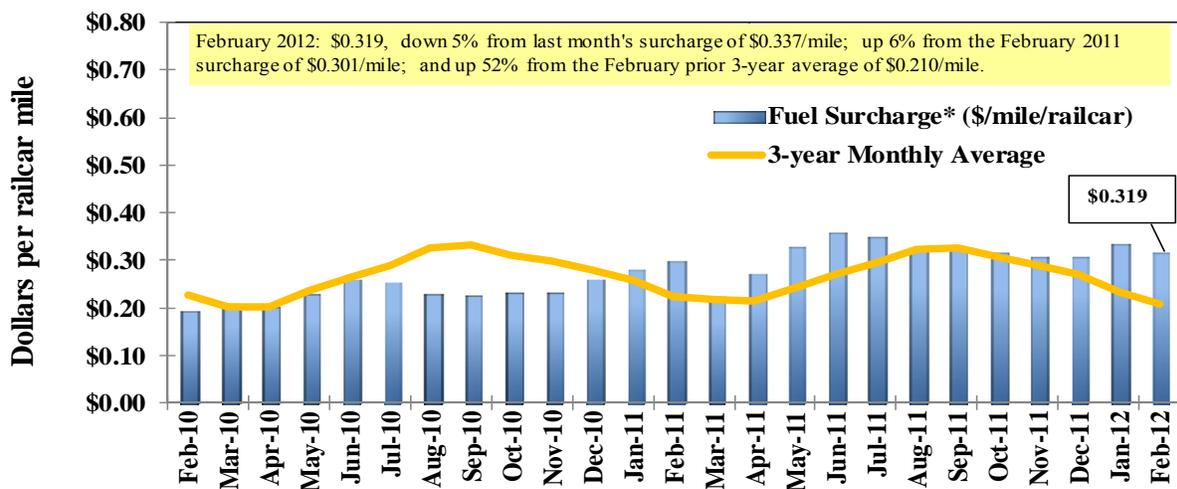
³Approximate load per car = 97.87 metric tons: Corn & Sorghum 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

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.

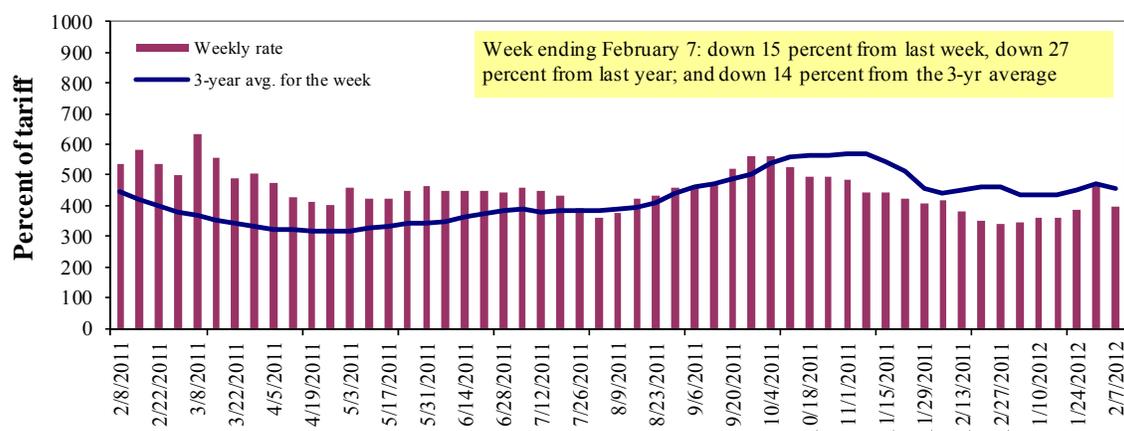
** BNSF strike price (diesel price when fuel surcharges begin) changed from \$1.25/gal. to \$2.50/gal. starting March 1, 2011. As a result, the weighted average fuel surcharge for March 2011 was \$0.227/mile instead of \$0.331/mile.

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

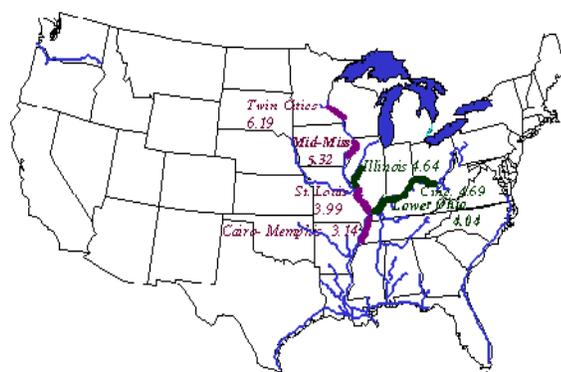
Weekly Barge Freight Rates: Southbound Only

		Twin Cities	Mid- Mississippi	Lower Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo- Memphis
Rate¹	2/7/2012	--	--	395	295	355	355	249
	1/31/2012	--	--	462	357	388	388	272
\$/ton	2/7/2012	--	--	18.33	11.77	16.65	14.34	7.82
	1/31/2012	--	--	21.44	14.24	18.20	15.68	8.54
Current week % change from the same week:								
	Last year	--	--	-27	-31	-18	-18	-36
	3-year avg. ²	--	--	-14	-19	-4	-4	-21
Rate¹	March	--	390	383	290	348	348	248
	May	426	380	378	284	344	371	244

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



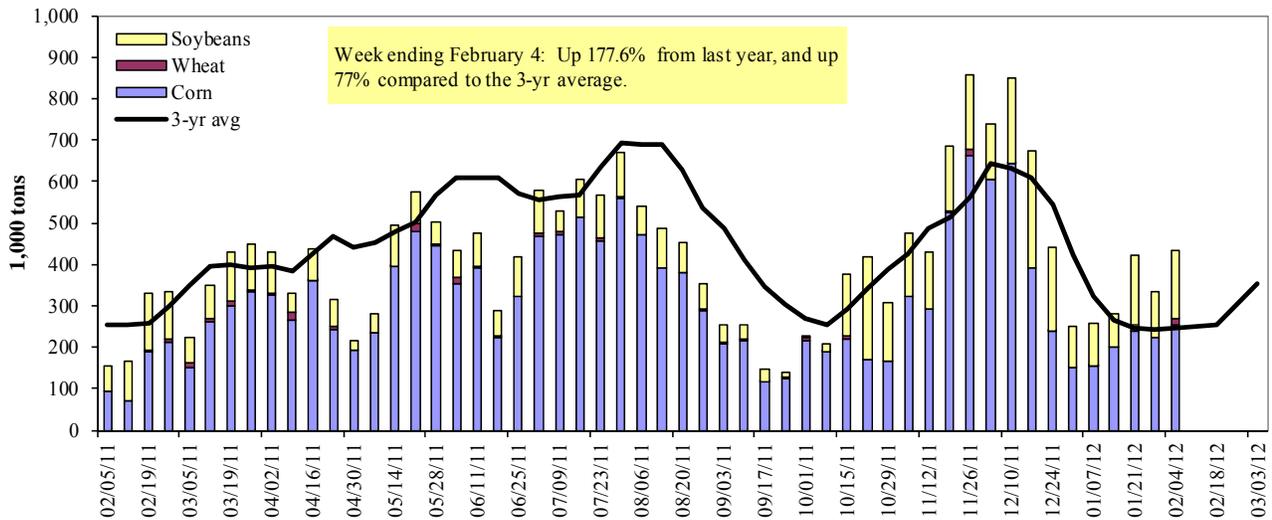
Calculating barge rate per ton:

(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/mvrirmi/omni/webprts/default.asp)

Table 10

Barge Grain Movements (1,000 tons)

Week ending 2/4/2012	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	0	0	0	0	0
Winfield, MO (L25)	5	0	0	0	5
Alton, IL (L26)	270	16	131	0	416
Granite City, IL (L27)	255	17	162	3	437
Illinois River (L8)	87	0	36	0	123
Ohio River (L52)	120	3	122	0	244
Arkansas River (L1)	0	7	29	3	39
Weekly total - 2012	374	28	313	6	720
Weekly total - 2011	265	15	175	7	462
2012 YTD ¹	1,667	127	1,331	13	3,138
2011 YTD	1,451	92	1,164	21	2,728
2012 as % of 2011 YTD	115	138	114	59	115
Last 4 weeks as % of 2011 ²	120	144	123	77	122
Total 2011	19,921	1,460	8,553	422	30,356

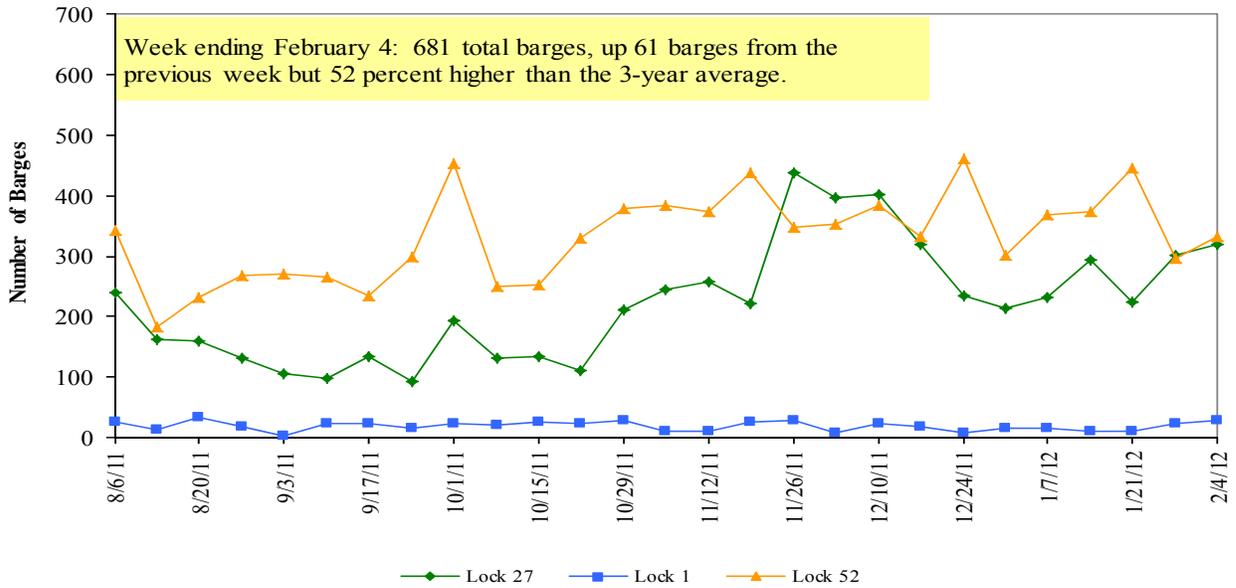
¹ Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

² As a percent of same period in 2011.

Note: Total may not add exactly, due to rounding

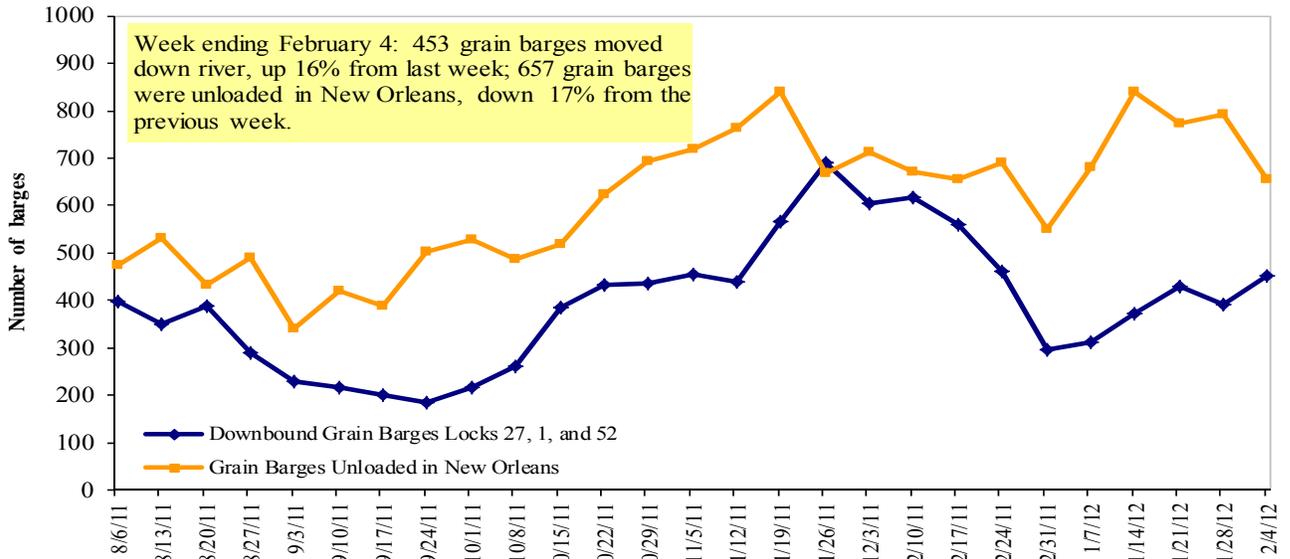
Source: U.S. Army Corps of Engineers (www.mvr.usace.army.mil/mvrirmi/omni/webprts/default.asp)

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 2/6/2012 (US \$/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	3.948	0.003	0.383
	New England	4.101	0.013	0.384
	Central Atlantic	4.046	0.006	0.364
	Lower Atlantic	3.846	-0.002	0.345
II	Midwest ²	3.751	0.017	0.276
III	Gulf Coast ³	3.775	-0.001	0.320
IV	Rocky Mountain	3.817	0.001	0.358
V	West Coast	4.036	0.003	0.406
	California	4.128	0.008	0.421
Total	U.S.	3.856	0.006	0.343

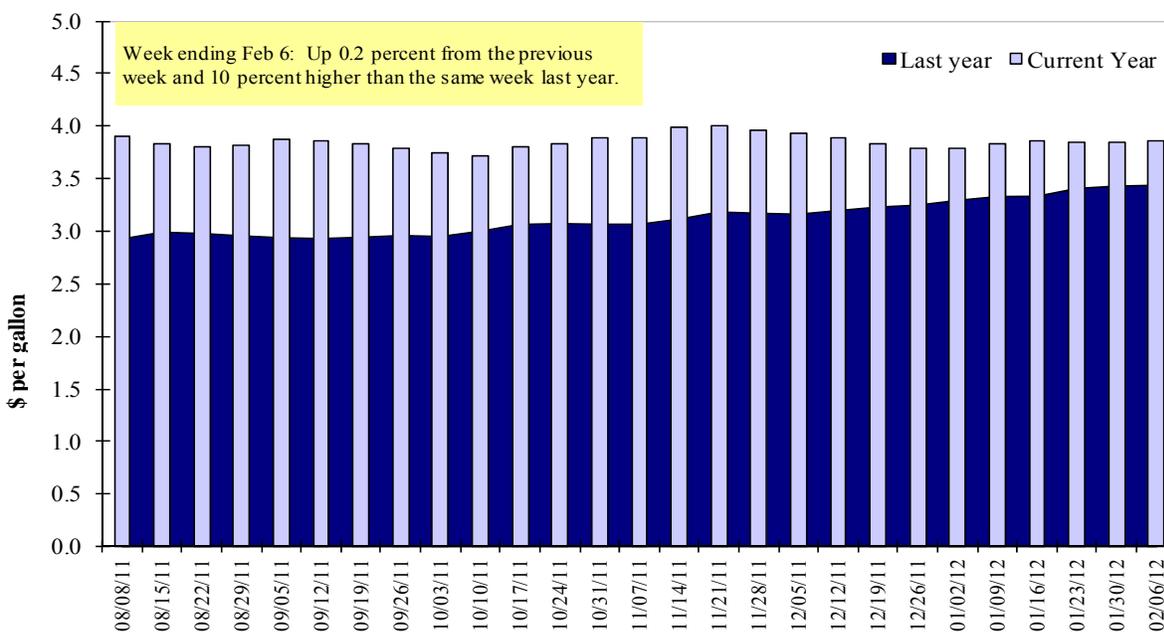
¹Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

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									
1/26/2012	1,452	592	1,199	1,458	30	4,731	10,739	7,012	22,482
This week year ago	3,915	844	2,667	1,301	116	8,843	12,005	12,478	33,326
Cumulative exports-marketing year²									
2011/12 YTD	6,790	2,254	4,236	3,280	375	16,935	16,883	19,307	53,125
2010/11 YTD	9,345	1,454	5,273	3,033	706	19,810	17,245	25,889	62,944
YTD 2011/12 as % of 2010/11	73	155	80	108	53	85	98	75	84
Last 4 wks as % of same period 2010/11	35	71	46	99	34	51	88	64	69
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 01/26/12	Total Commitments ²		% change current MY from last MY	Exports ³ 2010/11
	2011/12 Current MY	2010/11 Last MY		
	- 1,000 mt -			- 1,000 mt -
Japan	7,075	8,444	(16)	14,279
Mexico	6,963	4,209	65	7,019
Korea	2,809	3,563	(21)	6,104
Egypt	468	1,995	(77)	3,302
Taiwan	1,038	1,599	(35)	2,393
Top 5 importers	18,352	19,810	(7)	33,096
Total US corn export sales	27,623	29,250	(6)	46,610
% of Projected	64%	63%		
Change from Last Week	912	1,167		
Top 5 importers' share of U.S. corn export sales	66%	68%		
USDA forecast, February 2012	43,180	46,600	(7)	
Corn Use for Ethanol USDA forecast, Ethanol February 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 01/26/2012	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	18,176	24,082	(25)	24,445
Mexico	1,800	2,006	(10)	3,215
Japan	1,108	1,472	(25)	1,887
EU-25	543	2,047	(73)	2,607
Indonesia	871	931	(6)	1,397
Top 5 importers	22,498	30,539	(26)	33,551
Total US soybean export sales	26,319	38,367	(31)	40,690
% of Projected	76%	94%		
Change from last week	308	1,032		
Top 5 importers' share of U.S. soybean export sales	85%	80%		
USDA forecast, February 2012	34,700	40,860	(15)	
Soybean Use for Biodiesel USDA forecast, February 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 01/26/2012	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	2,610	2,575	1	3,233
Japan	2,958	2,895	2	3,148
Mexico	2,913	2,418	20	2,601
Philippines	1,800	1,762	2	1,518
Korea	1,421	1,363	4	1,111
Peru	555	801	(31)	923
Taiwan	705	778	(9)	913
Colombia	421	623	(32)	783
Indonesia	653	555	18	781
Yemen	322	613	(48)	659
Top 10 importers	14,357	14,382	(0.2)	15,670
Total US wheat export sales	21,666	28,653	(24)	33,439
% of Projected	82%	82%		
Change from last week	519	534		
Top 10 importers' share of U.S. wheat export sales	66%	50%		
USDA forecast, February 2012	26,540	35,080	(24)	

(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 02/02/12	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	222	202	110	947	1,320	72	77	94	13,995
Corn	180	51	357	491	702	70	83	82	9,198
Soybeans	194	288	67	1,138	1,086	105	97	92	7,321
Total	597	541	110	2,575	3,107	83	86	90	30,513
Mississippi Gulf									
Wheat	63	157	40	467	479	98	91	127	5,031
Corn	685	386	177	2,453	1,924	127	123	112	26,267
Soybeans	635	743	85	3,169	3,581	88	93	93	19,262
Total	1,384	1,287	108	6,089	5,984	102	103	103	50,560
Texas Gulf									
Wheat	102	139	74	507	1,249	41	43	66	10,837
Corn	0	0	n/a	1	102	1	1	1	1,021
Soybeans	0	0	n/a	0	445	0	0	0	926
Total	102	139	74	508	1,796	28	29	41	12,784
Interior									
Wheat	7	14	51	47	131	36	58	61	1,110
Corn	132	130	101	684	413	165	62	155	7,509
Soybeans	61	84	73	423	339	125	116	121	4,273
Total	200	228	88	1,154	884	131	34	133	12,892
Great Lakes									
Wheat	0	0	n/a	0	2	0	0	0	1,038
Corn	0	14	0	14	0	n/a	n/a	0	178
Soybeans	0	0	n/a	0	0	n/a	n/a	0	382
Total	0	14	0	14	2	666	666	1,997	1,598
Atlantic									
Wheat	0	0	n/a	2	204	1	1	2	686
Corn	6	0	n/a	26	32	83	60	76	295
Soybeans	75	23	333	188	172	109	108	115	1,042
Total	81	23	358	216	407	53	58	79	2,022
U.S. total from ports²									
Wheat	395	512	77	1,969	3,384	58	62	86	32,697
Corn	1,002	581	173	3,669	3,172	116	116	108	44,466
Soybeans	966	1,138	85	4,918	5,623	87	88	90	33,205
Total	2,364	2,231	106	10,557	12,180	87	88	95	110,369

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

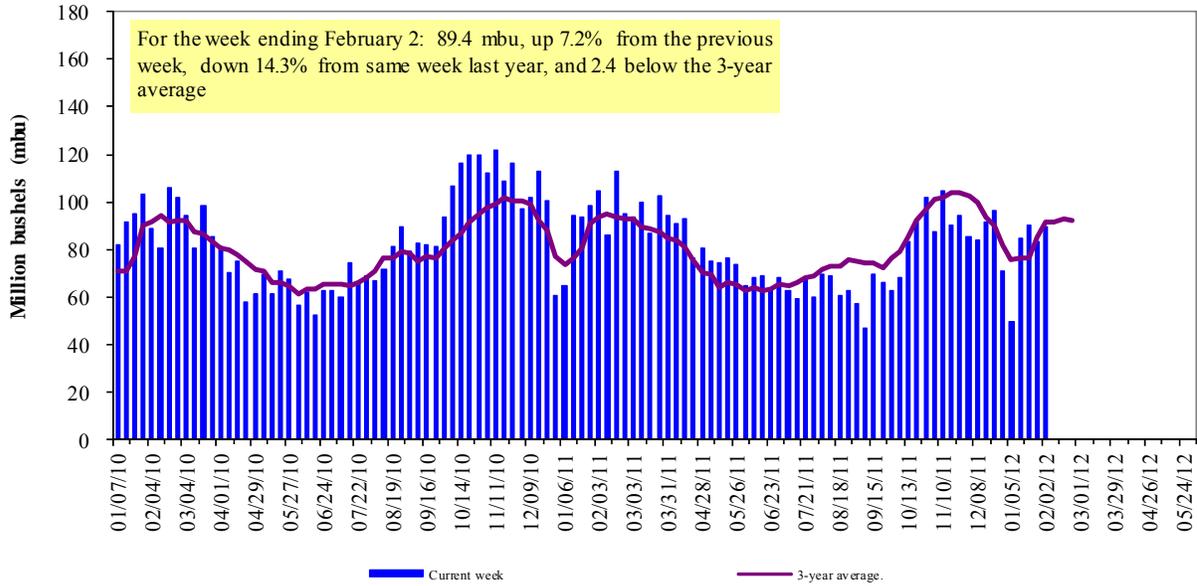
² Total includes only port regions shown above; Interior land-based shipments now included.

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)

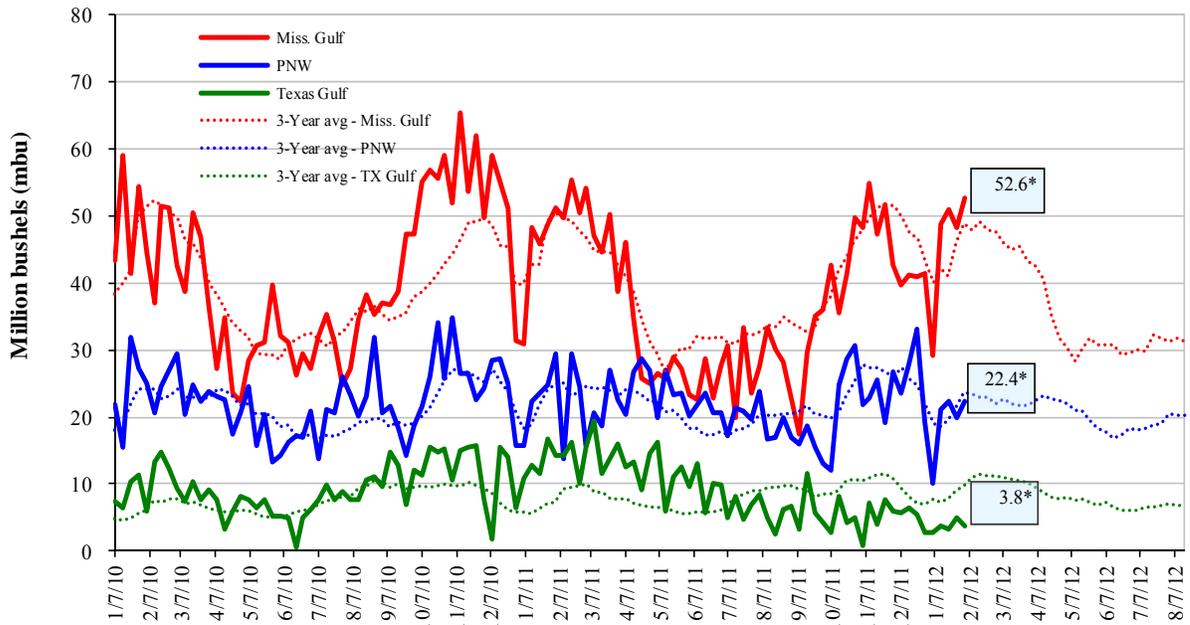


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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.

February 2 % change from:	MS.Gulf	TX_Gulf	U.S.Gulf	PNW
Last week	up 9	down 26	up 6	up 12
Last year (same week)	up 3	down 74	down 14	down 24
3-yr avg (4-wk mov. avg.)	up 8	down 61	down 4	down 17

Ocean Transportation

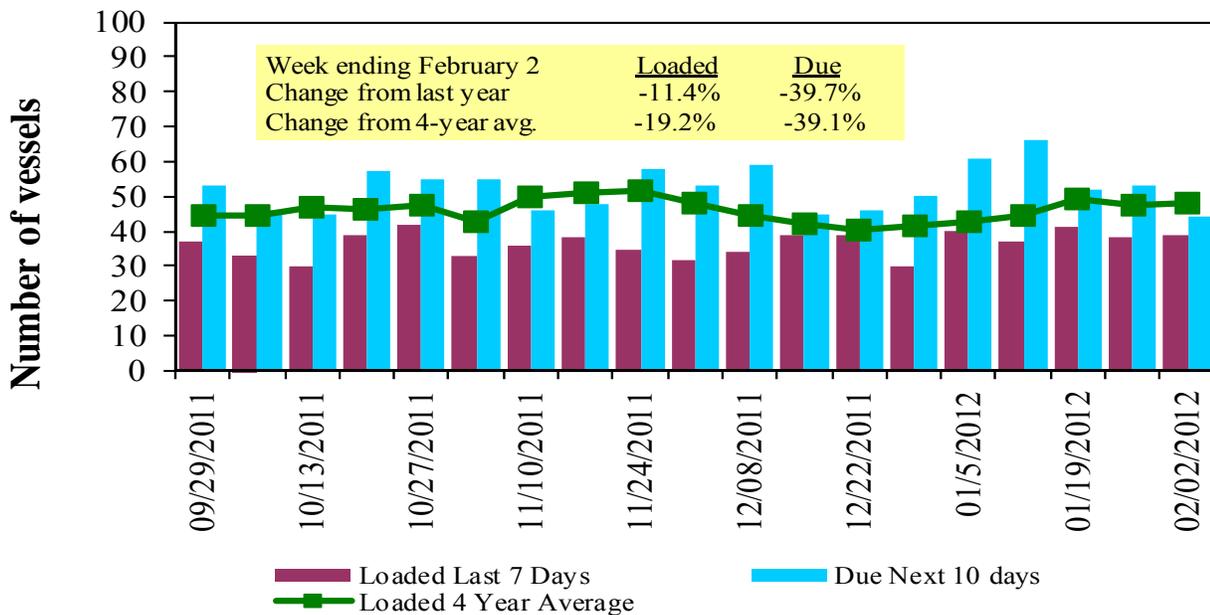
Table 17

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
2/2/2012	37	39	44	14	n/a
1/26/2012	36	38	53	5	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

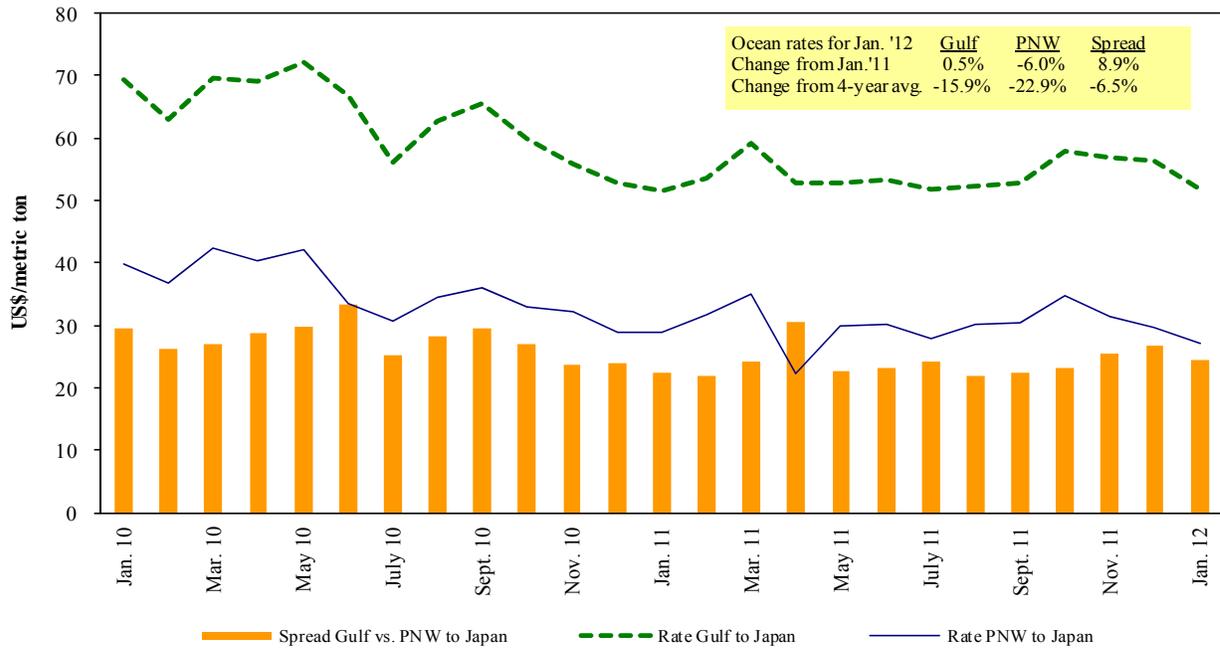
Figure 16
U.S. Gulf¹ Vessel Loading Activity



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 2/04/2012

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	Korea	Heavy Grain	Mar 1/10	55,000	46.00
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
Brazil	China	Heavy Grain	Mar 1/10	60,000	44.75
River Plate	Algeria	Maize	Feb 5/15	25,000	32.50
River Plate	China	Heavy Grain	Feb 20/25	60,000	45.00
Russia	Yemen	Grain	Dec 1/3	35,000	42.00

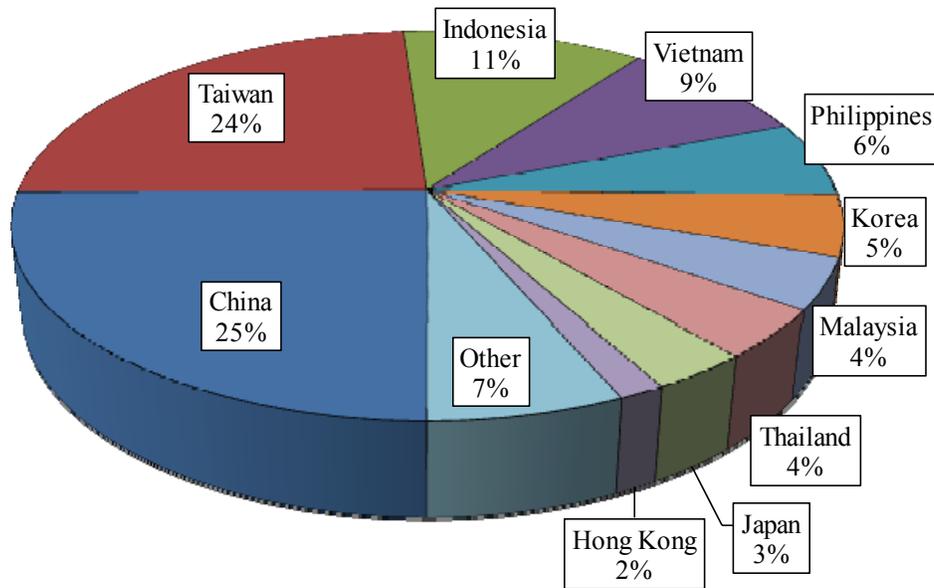
Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option

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

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

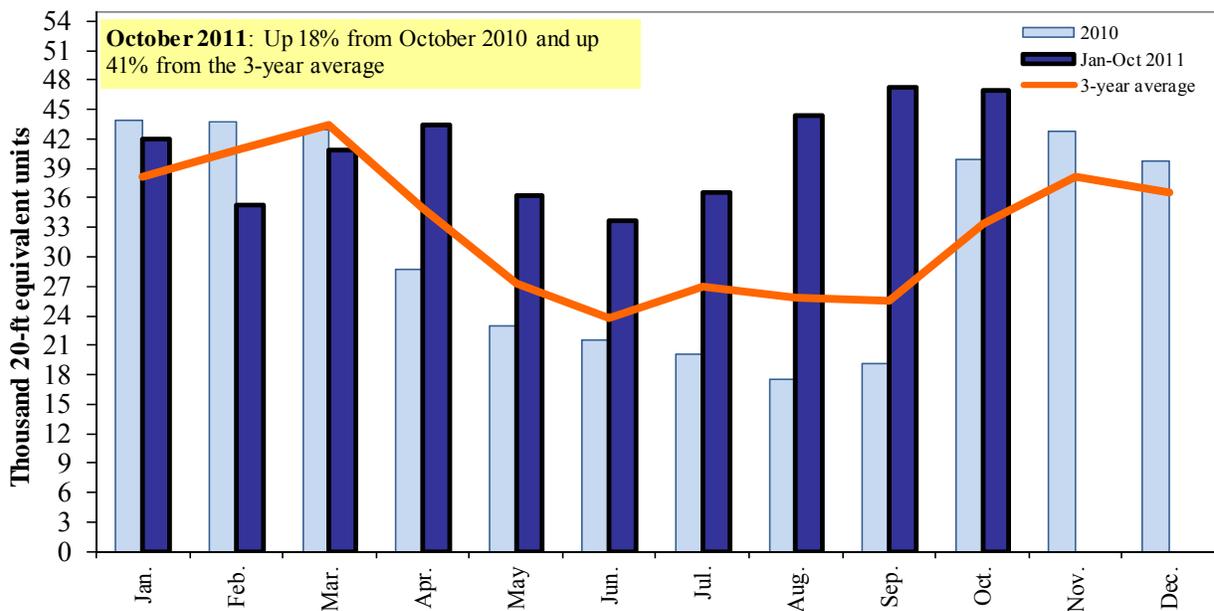


Source: USDA/Agricultural Marketing Service/Transportation Services Division analysis of Port Import Export Reporting Service (PIERS) data

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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