Agricultural Marketing Service

March 17, 2011

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WEEKLY HIGHLIGHTS

Port Status in Japan

After the earthquake and tsunami in Japan last week, the main grain handling ports sustained little damage. Three ocean ports in the northeastern part of Japan are closed; however, all other major ports, including Tokyo, are open and operational. Rotational power outages may cause some delay at the ports as Japan strives to conserve energy. Currently, only 1 of the top 10 Japanese ports that receives U.S. agricultural exports is shutdown. This port, Kashima, receives about 8 percent of U.S. agricultural exports to Japan. Japan is the 4th largest market for U.S. agricultural exports in value and the 3rd largest in volume.

Dredging Continues at Mouth of Mississippi River

The U.S. Army Corps of Engineers is implementing a dredging schedule to keep the authorized depth at the mouth at the Mississippi River at 45 feet. On March 2, the Mississippi River Bar Pilots increased the operating draft for ocean vessels from 44 feet to 45 feet near the mouth of the Mississippi River. Bar Pilots take command of all vessels entering or exiting the mouth of the Mississippi River. For most of the year, high water conditions have carried large quantities of silt that accumulates at the mouth of the Mississippi River. The silt deposits are dredged to return the river to normal operating depths. When water depths are reduced, some grain vessels cannot be loaded at the vessel's maximum cargo capacity, causing economic inefficiencies for U.S. grain exporters in the global market. The Corps is responsible for dredging the mouth of the Mississippi River. There is debate on whether there will be sufficient funding for more dredging later in the 2011 Fiscal Year.

Guidance for TWIC Readers Published

The Coast Guard announced the release of, and is seeking comments on, Policy Advisory Council (PAC) Decision 01–11, "Voluntary Use of TWIC Readers." This PAC Decision provides guidance for using Transportation Security Identification Credential (TWIC) readers as part of a Vessel Security Plan or Facility Security Plan and is directed at owners and operators of vessels and facilities regulated under the Maritime Transportation Security Act, for the purpose of purchasing and installing TWIC readers and systems. Comments and related materials must be submitted on or before May 16 using www.regulations.gov and the docket number USCG–2011–0129.

Wheat and Soybean Inspections Increase

For the week ending March 10, total inspections of grain (corn, wheat, and soybeans) for export from all major U.S. export regions reached 2.2 million metric tons (mmt), down 3 percent from the previous week but 22 percent above this time last year. Despite the drop in total inspections, wheat (.663 mmt) and soybean (.758 mmt) inspections each increased 18 percent from the previous week. Outstanding export sales of wheat and soybeans also remained significantly higher than the same time last year (see table 12). Wheat shipments increased to Africa and the Middle East and shipments of soybeans notably increased to North Africa and Europe. Pacific Northwest and Texas Gulf grain inspection rebounded from the past week. Corn inspections dropped 26 percent from the past week as shipments destined to Asia decreased.

Snapshots by Sector

Rail

U.S. railroads originated 22,663 **carloads of grain** during the week ending March 5, up 0.6 percent from last week, down 0.7 percent from last year, and 1 percent lower than the 3-year average.

During the week ending March 10, average March **non-shuttle secondary railcar bids/offers** were $162.50 above tariff, down $6.50 from last week. Average shuttle rates were $325 above tariff, up $125 from last week.

Ocean

During the week ending March10, 49 **ocean-going grain vessels** were loaded in the Gulf, up 26 percent from last year. Seventy-four vessels are expected to be loaded in the U.S. Gulf within the next 10 days, up 45 percent from last year.

During the week ending March 11, the **cost of shipping grain** from the Gulf to Japan averaged $60 per mt, up 2 percent from the previous week. The rate from the Pacific Northwest to Japan was $35 per mt, up 3 percent from the previous week.

Barge

During the week ending March 12, **barge grain movements** totaled 566,492 tons, 37.7 percent higher than the previous week but 35 percent lower than the same period last year.

During the week ending March 12, 368 grain barges **moved down river**, up 41 percent from last week; 563 grain barges were **unloaded in New Orleans**, down 21 percent from the previous week.

Fuel

During the week ending March 14, U.S. average **diesel fuel prices** increased 4 cents per gallon to $3.91—up 1 percent from the previous week and 33.7 percent higher than the same week last year.

Feature Article/Calendar

Grain Transportation Cost to Mexico Rises for Land, But is Still Cheaper Than Water Route

Despite increases in the total transportation cost of shipping grain from the United States to Mexico, the total landed costs (transportation cost plus farm value) of shipping by land are still lower than shipping via the water route. The cost of shipping corn and soybeans by land and water routes increased during the 4th quarter (see table below). The cost of shipping wheat by land increased, but decreased for water. The total transportation cost of shipping corn by land increased 3 percent, soybeans 1 percent, and wheat 2 percent. Total transportation cost for corn and soybean shipments by water increased by 1 percent, while the cost of shipping wheat by water decreased by 4 percent.

Quarterly costs of transporting U.S. grain to Guadalajara, Mexico

	Water route $/metric ton					Land route $/metric ton				
	2009 4th qtr.	2010 3rd qtr.	2010 4th qtr.	Percent change Yr. to Yr.	Percent change Qtr. to Qtr	2009 4th qtr.	2010 3rd qtr.	2010 4th qtr.	Percent change Yr. to Yr.	Percent change Qtr. to Qtr.
Corn										
Origin			IL					IA		
Truck	11.36	9.74	8.94	-21.3	-8.2	5.52	4.89	3.74	-32.2	-23.5
Rail [1]	36.99	40.09	40.26	8.8	0.4	73.45	76.54	80.34	9.4	5.0
Ocean[2]	20.22	21.64	19.83	-1.9	-8.4					
Barge	22.64	22.87	26.20	15.7	14.6					
Total transportation cost	91.21	94.34	95.23	4.4	0.9	78.97	81.43	84.08	6.5	3.3
Farm Value	140.41	148.15	183.72	30.8	24.0	145.40	145.92	180.31	24.0	23.6
Landed Cost	231.62	242.49	278.95	20.4	15.0	224.37	227.35	264.39	17.8	16.3
Transport % of landed cost	39	39	34			35	36	32		
Soybeans										
Origin			IL					NE		
Truck	11.36	9.74	8.94	-21.3	-8.2	5.52	4.89	3.74	-32.2	-23.5
Rail [1]	36.99	40.09	40.26	8.8	0.4	71.86	75.12	77.33	7.6	2.9
Ocean[2]	20.22	21.64	19.83	-1.9	-8.4					
Barge	22.64	22.87	26.20	15.7	14.6					
Total transportation cost	91.21	94.34	95.23	4.4	0.9	77.38	80.01	81.07	4.8	1.3
Farm Value	362.78	371.11	413.98	14.1	11.6	351.88	356.41	400.26	13.7	12.3
Landed Cost	453.99	465.45	509.21	12.2	9.4	429.26	436.42	481.33	12.1	10.3
Transport % of landed cost	20	20	19			18	18	17		
Wheat										
Origin			KS					KS		
Truck*	23.18	27.91	24.23	4.5	-13.2	5.52	4.89	3.74	-32.2	-23.5
Rail [1]	36.99	40.09	40.26	8.8	0.4	69.66	74.62	77.09	10.7	3.3
Ocean[2]	20.22	21.64	19.83	-1.9	-8.4					
Barge	16.70	17.46	18.78	12.5	7.6					
Total transportation cost	97.09	107.10	103.10	6.2	-3.7	75.18	79.51	80.83	7.5	1.7
Farm Value	162.28	198.91	238.83	47.2	20.1	172.21	198.91	238.83	38.7	20.1
Landed Cost	259.37	306.01	341.93	31.8	11.7	247.39	278.42	319.66	29.2	14.8
Transport % of landed cost	37	35	30			30	29	25		

[1]Rail rates include U.S. and Mexico portions of the movement. Mexico rail rates are estimated based on actual quoted market rates. BNSF and Union Pacific quoted rail tariff rates are through rates for shuttle trains. Rail rates include fuel surcharges. Origins are modified from past tables. Rail rates for water route were revised from previous estimates

[2]Source: O'Neil Commodity Consulting

*Truck rates for land route were revised from the previous estimates

Truck and ocean rates decreased but rail tariff rates increased during the quarter, causing increases in total transportation costs. Although diesel prices increased during the quarter, higher diesel fuel costs probably were not fully transferred to shippers, resulting in lower truck rates (see **GTR, dated 2/17/11**). Ocean rates for shipping bulk commodities declined during the quarter because of a seasonal slowdown in bulk shipping due to the various holidays around the world (see **GTR, dated 1/27/11**). Rail rates increased because of higher fuel surcharges. However, total transportation costs of shipping by land are lower than the water route. Lower transportation costs in conjunction with lower farm values resulted in lower total landed cost of shipping grain by land, compared to the water route. Transportation costs represented 19 to 34 percent of the landed costs when grains were shipped via the water route, and 17 to 32 percent when shipped by land.

Routes/Transportation Modes: Grains are shipped from the United States to Mexico by land and water routes. For the water route, corn and soybeans are shipped from farms in Illinois, Iowa, Nebraska, and other States and wheat is shipped from farms in Kansas and other States by truck to the country elevators, then loaded onto barges and shipped to New Orleans, where they are transported by ocean-going vessels to Vera Cruz, Mexico. From Vera Cruz, the grains are transported by rail to Guadalajara (see map). Illinois and Kansas are chosen for analysis for the water route because they are among the leading States in corn and soybean, and wheat production, respectively. In addition, these two States still have access to Mississippi river for barge transportation when the upper segment of the river is closed during the winter season. For the land route, corn and soybeans are trucked from farms in Iowa, Nebraska, and other States to a rail-served grain elevator to be transported by rail directly to Guadalajara (see map). Wheat from Kansas and other states can be transported in a similar fashion. Some wheat from Texas and other states in close proximity is likely transported directly to Mexico by truck, but that is not included in this analysis.

Market Outlook:
Approximately 3.1 million metric tons of corn, soybeans and wheat with a value of about $1.02 billion were purchased by Mexico during the 4th quarter. Adverse weather conditions and reduced harvested area could impact Mexican corn production during the marketing year 2010/11 (***USDA GAIN Report #: MX 1006***). Some corn flour millers are reportedly negotiating purchases of U.S. yellow corn to make tortillas normally made from domestically produced white corn (***USDA GAIN Report #: 1012***). Moderate transportation costs and farm prices will enhance exports to Mexico. For more information about agricultural shipments to Mexico, see ***Mexico Transport Cost Indicator Report,*** **dated 3/9/2011.**

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Grain Transportation Indicators

Table 1
Grain Transport Cost Indicators[1]

	Truck	Rail[2]	Barge	Ocean	
Week ending				Gulf	Pacific
03/16/11	262	195	309	268	248
03/09/11	260	264	352	264	241

[1]Indicator: 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)

[2]The 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

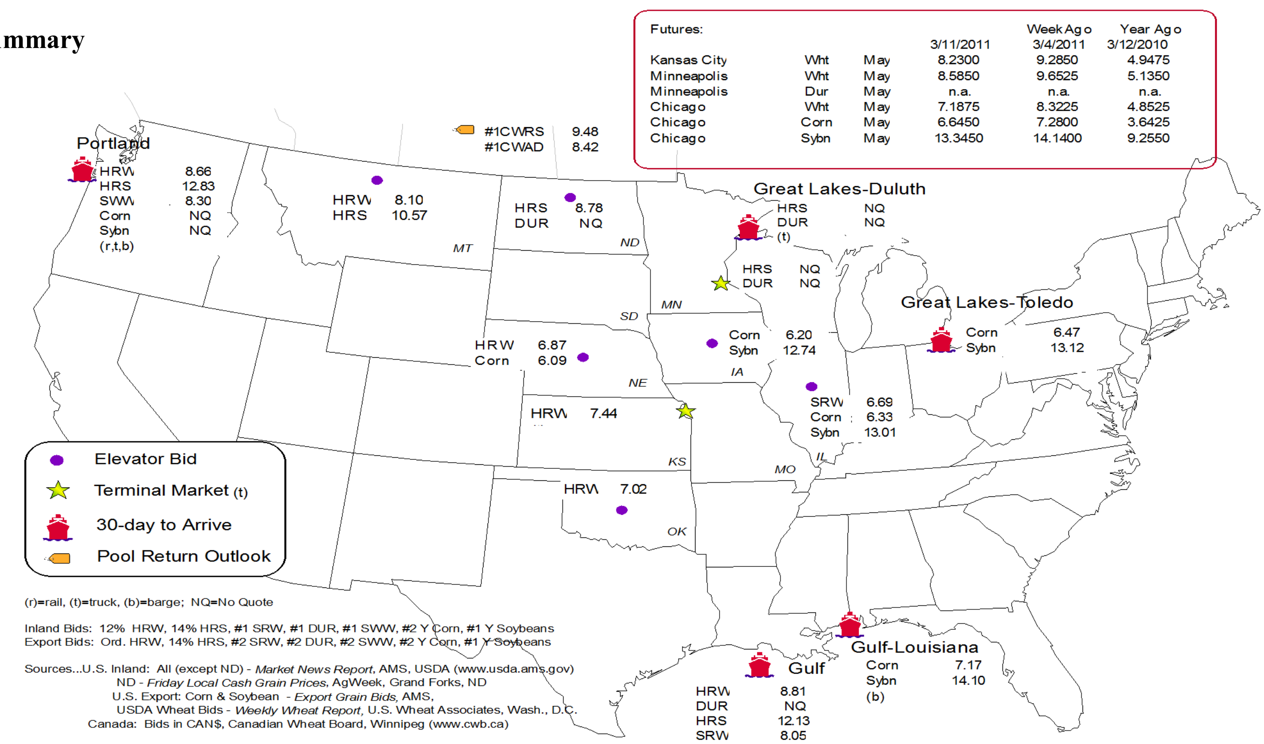
Table 2
Market Update: U.S. Origins to Export Position Price Spreads ($/bushel)

Commodity	Origin--Destination	3/11/2011	3/4/2011
Corn	IL--Gulf	-0.84	-0.78
Corn	NE--Gulf	-1.08	-1.00
Soybean	IA--Gulf	-1.36	-1.29
HRW	KS--Gulf	-1.37	-1.33
HRS	ND--Portland	-4.05	-3.98

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 Gulf	Texas Gulf	Cross-Border Mexico	Pacific Northwest	Atlantic & East Gulf	Total
3/09/2011[p]	1,113	1,989	969	3,614	748	8,433
3/02/2011[r]	1,147	1,961	374	3,054	822	7,358
2011 YTD	10,728	21,097	5,941	38,608	7,680	84,054
2010YTD	5,082	16,113	8,559	34,162	11,556	75,472
2011 YTD as % of 2010 YTD	211	131	69	113	66	111
Last 4 weeks as % of 2010[2]	272	133	49	100	67	104
Last 4 weeks as % of 4-year avg.[2]	103	120	61	84	86	91
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.

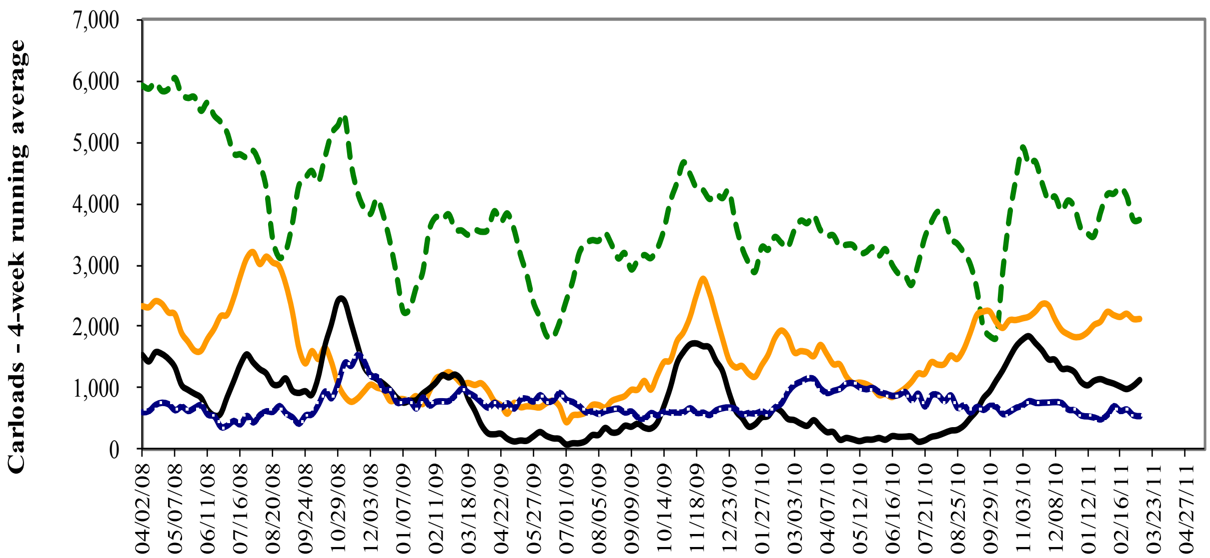
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

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



Pacific Northwest: 4wks. ending 3/09--unchanged from same period last year; down 16% from 4-year average

Texas Gulf: 4 wks. ending 3/09-- up 33% from same period last year; up 20% from 4-year average

Miss. River: 4 wks. Ending 3/09 -- up 172% from same period last year; up 3% from 4-year average

Cross-border Mexico: 4 wks. ending 3/09 -- down 51% from same period last year; down 49% from 4-year average

Source: Transportation & Marketing Programs/AMS/USDA

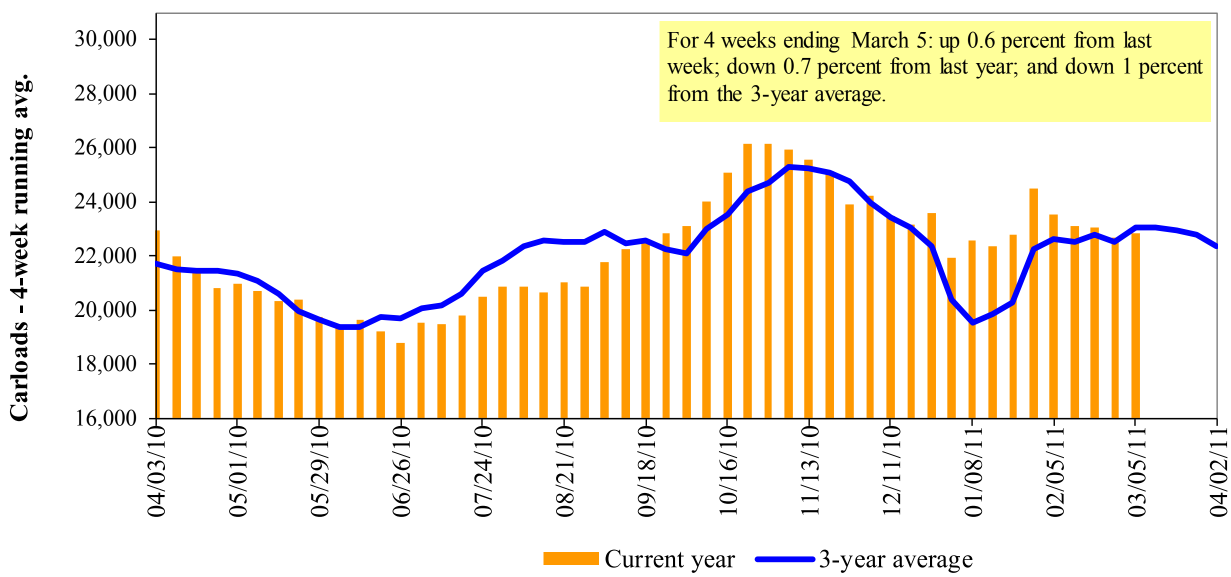
Table 4
Class I Rail Carrier Grain Car Bulletin (grain carloads originated)

	East		West			U.S. total	Canada	
Week ending	**CSXT**	**NS**	**BNSF**	**KCS**	**UP**		**CN**	**CP**
03/05/11	2,280	2,872	10,237	474	6,800	22,663	3,931	3,969
This week last year	2,528	3,763	10,631	927	6,003	23,852	3,826	6,003
2011 YTD	19,546	26,757	103,599	5,256	56,208	211,366	34,272	40,459
2010 YTD	21,144	27,568	96,797	7,225	50,027	202,761	36,688	46,380
2011 YTD as % of 2010 YTD	92	97	107	73	112	104	93	87
Last 4 weeks as % of 2010[1]	92	91	100	64	111	99	101	87
Last 4 weeks as % of 3-yr avg.	83	97	102	71	108	100	95	86
Total 2010	111,935	159,836	546,901	35,807	295,361	1,149,840	203,038	265,835

[1]As 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 Offerings[1] ($/car)[2]

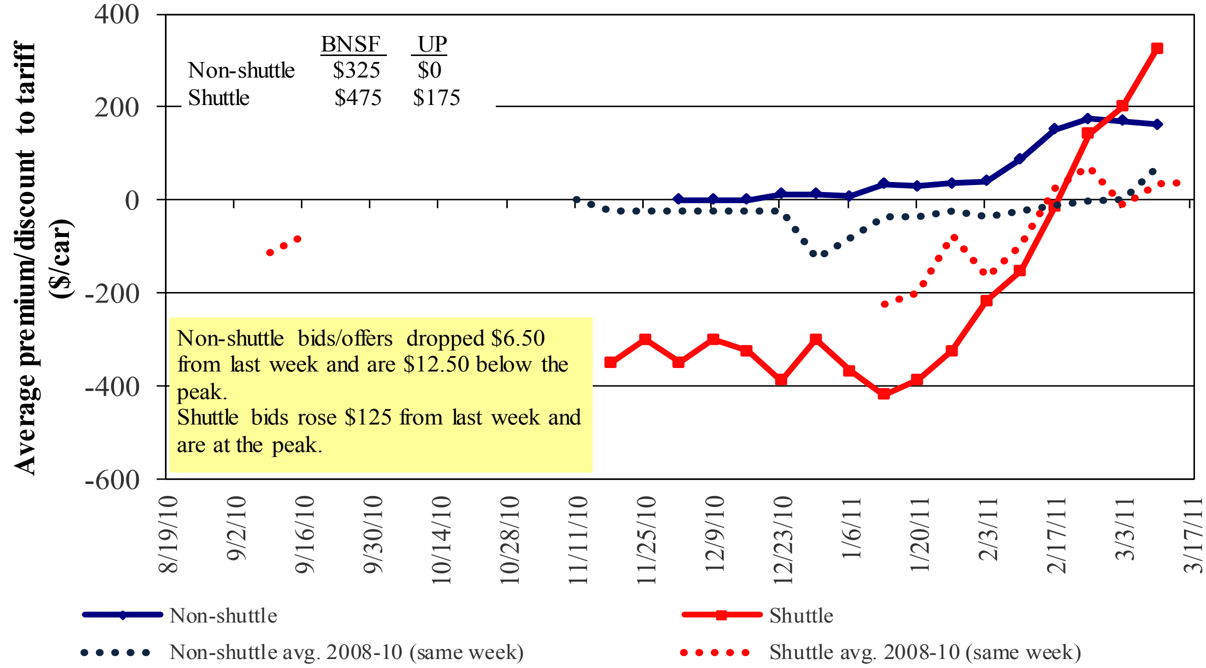
Week ending	Delivery period							
3/10/2011	**Mar-11**	**Mar-10**	**Apr-11**	**Apr-10**	**May-11**	**May-10**	**Jun-11**	**Jun-10**
BNSF[3]								
COT grain units	no offer	no offer	no offer	13	no offer	0	3	0
COT grain single-car[5]	no offer	no offer	no offer	4 . . 85	no offer	0 . . 1	0 . . 3	0
UP[4]								
GCAS/Region 1	no bids	no bids	no bids	no bids	no bids	no bids	n/a	n/a
GCAS/Region 2	1	1	no bids	no bids	no bids	no bids	n/a	n/a

[1]Auction offerings are for single-car and unit train shipments only.
[2]Average premium/discount to tariff, last auction
[3]BNSF - COT = Certificate of Transportation; north grain and south grain bids were combined effective the week ending 6/24/06.
[4]UP - 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.
[5]Range 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 March 2011, Secondary Market

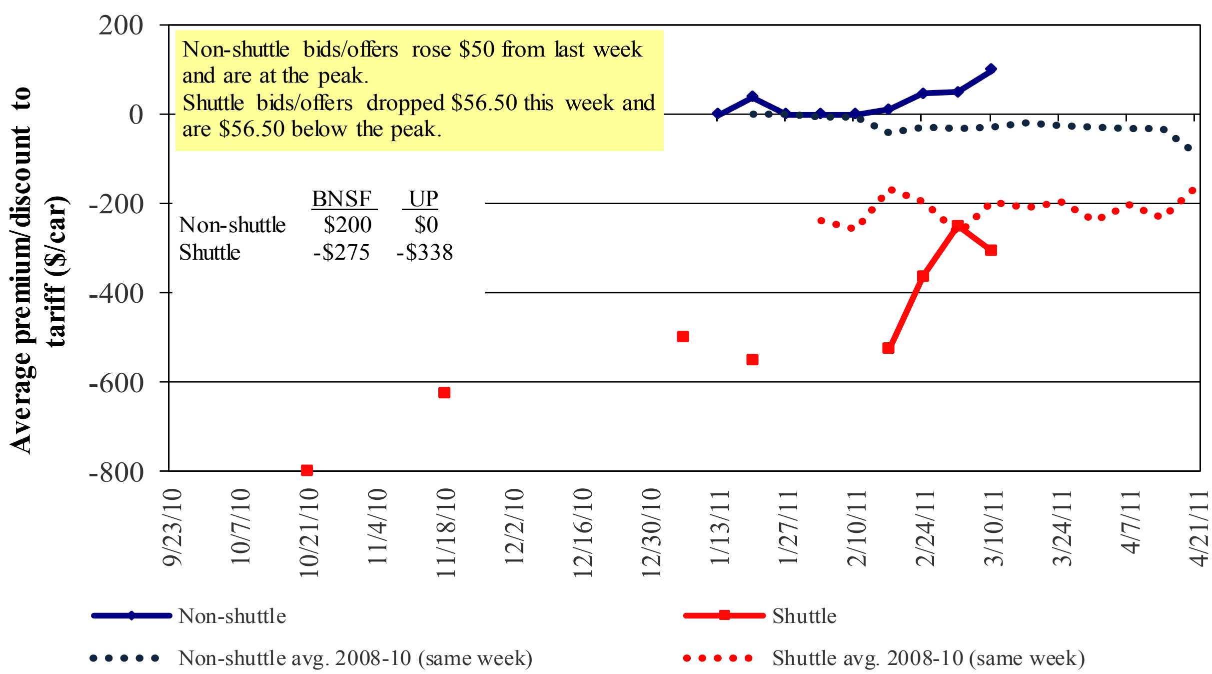


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

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

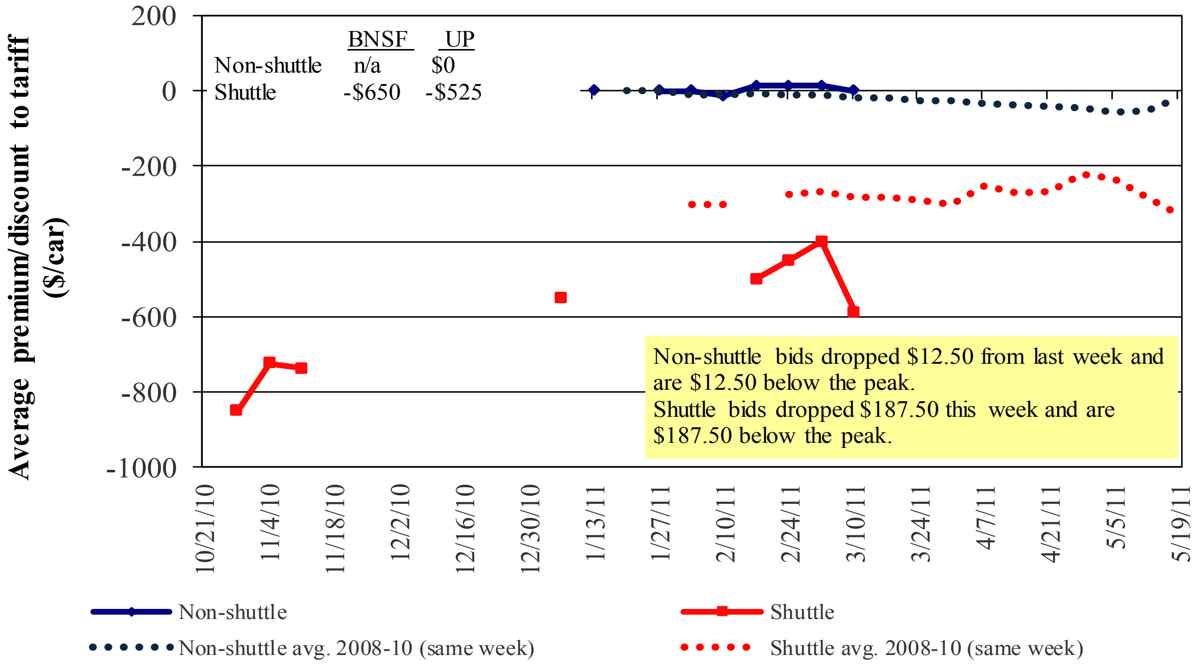


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in May 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					
3/10/2011	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11
Non-shuttle						
BNSF-GF	325	200	n/a	n/a	n/a	n/a
Change from last week	13	8	n/a	n/a	n/a	n/a
Change from same week 2010	175	180	n/a	n/a	n/a	n/a
UP-Pool	-	-	-	n/a	n/a	n/a
Change from last week	-	-	-	n/a	n/a	n/a
Change from same week 2010	n/a	5	(25)	n/a	n/a	n/a
Shuttle[2]						
BNSF-GF	475	(275)	(650)	n/a	n/a	n/a
Change from last week	150	n/a	n/a	n/a	n/a	n/a
Change from same week 2010	112	(100)	(367)	n/a	n/a	n/a
UP-Pool	175	(338)	(525)	(350)	(250)	(250)
Change from last week	100	(88)	(125)	-	-	-
Change from same week 2010	25	n/a	n/a	(175)	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 Shipments[1]

Effective date: 3/1/2011	Origin region*	Destination region*	Tariff rate/car	Fuel surcharge per car	Tariff plus surcharge per: metric ton	Tariff plus surcharge per: bushel[2]
Unit train						
Wheat	Wichita, KS	St. Louis, MO	$2,883	$132	$29.94	$0.81
	Grand Forks, ND	Duluth-Superior, MN	$2,727	$69	$27.76	$0.76
	Wichita, KS	Los Angeles, CA	$5,232	$352	$55.45	$1.51
	Wichita, KS	New Orleans, LA	$3,384	$231	$35.90	$0.98
	Sioux Falls, SD	Galveston-Houston, TX	$5,167	$289	$54.18	$1.47
	Northwest KS	Galveston-Houston, TX	$3,651	$254	$38.77	$1.06
	Amarillo, TX	Los Angeles, CA	$3,850	$353	$41.74	$1.14
Corn	Champaign-Urbana, IL	New Orleans, LA	$2,812	$262	$30.52	$0.83
	Toledo, OH	Raleigh, NC	$3,760	$303	$40.35	$1.10
	Des Moines, IA	Davenport, IA	$1,843	$55	$18.85	$0.51
	Indianapolis, IN	Atlanta, GA	$3,196	$228	$34.00	$0.93
	Indianapolis, IN	Knoxville, TN	$2,760	$146	$28.86	$0.79
	Des Moines, IA	Little Rock, AR	$2,938	$163	$30.79	$0.84
	Des Moines, IA	Los Angeles, CA	$4,372	$474	$48.12	$1.31
Soybeans	Minneapolis, MN	New Orleans, LA	$3,391	$276	$36.41	$0.99
	Toledo, OH	Huntsville, AL	$2,921	$215	$31.14	$0.85
	Indianapolis, IN	Raleigh, NC	$3,830	$305	$41.06	$1.12
	Indianapolis, IN	Huntsville, AL	$2,613	$146	$27.40	$0.75
	Champaign-Urbana, IL	New Orleans, LA	$3,156	$262	$33.94	$0.92
Shuttle Train						
Wheat	Great Falls, MT	Portland, OR	$2,966	$202	$31.46	$0.86
	Wichita, KS	Galveston-Houston, TX	$2,987	$158	$31.23	$0.85
	Chicago, IL	Albany, NY	$3,497	$284	$37.55	$1.02
	Grand Forks, ND	Portland, OR	$4,229	$350	$45.47	$1.24
	Grand Forks, ND	Galveston-Houston, TX	$5,144	$364	$54.70	$1.49
	Northwest KS	Portland, OR	$4,619	$416	$50.00	$1.36
Corn	Minneapolis, MN	Portland, OR	$4,120	$426	$45.14	$1.23
	Sioux Falls, SD	Tacoma, WA	$4,120	$390	$44.79	$1.22
	Champaign-Urbana, IL	New Orleans, LA	$2,677	$262	$29.18	$0.79
	Lincoln, NE	Galveston-Houston, TX	$2,880	$227	$30.86	$0.84
	Des Moines, IA	Amarillo, TX	$3,330	$205	$35.10	$0.96
	Minneapolis, MN	Tacoma, WA	$4,120	$422	$45.11	$1.23
	Council Bluffs, IA	Stockton, CA	$3,480	$437	$38.90	$1.06
Soybeans	Sioux Falls, SD	Tacoma, WA	$4,320	$390	$46.77	$1.27
	Minneapolis, MN	Portland, OR	$4,270	$426	$46.63	$1.27
	Fargo, ND	Tacoma, WA	$4,270	$347	$45.85	$1.25
	Council Bluffs, IA	New Orleans, LA	$3,510	$302	$37.85	$1.03
	Toledo, OH	Huntsville, AL	$2,536	$215	$27.32	$0.74
	Grand Island, NE	Portland, OR	$4,520	$426	$49.11	$1.34

[1]A 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.

[2]Approximate load per car = 111 short tons (100.7 metric tons): corn 56 lbs./bu., wheat & soybeans 60 lbs./bu.

[3]Percentage change year over year calculated using tariff rate plus fuel surchage

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: 3/1/2011				Fuel			Percent
	Origin		Tariff	surcharge	Tariff plus surcharge per:		change
Commodity	**state**	**Destination region**	**rate/car[1]**	**per car[2]**	**metric ton[3]**	**bushel[3]**	**Y/Y[4]**
Wheat	MT	Chihuahua, CI	$6,854	$370	$73.81	$2.01	4
	OK	Cuautitlan, EM	$6,191	$403	$67.38	$1.83	6
	KS	Guadalajara, JA	$6,825	$679	$76.67	$2.08	7
	TX	Salinas Victoria, NL	$3,470	$168	$37.17	$1.01	10
Corn	IA	Guadalajara, JA	$7,056	$659	$78.83	$2.00	4
	SD	Penjamo, GJ	$6,619	$484	$72.58	$1.84	-3
	NE	Queretaro, QA	$6,240	$535	$69.22	$1.76	2
	SD	Salinas Victoria, NL	$4,785	$368	$52.65	$1.34	-1
	MO	Tlalnepantla, EM	$5,428	$521	$60.79	$1.54	3
	SD	Torreon, CU	$5,681	$405	$62.19	$1.58	0
Soybeans	MO	Bojay (Tula), HG	$6,208	$569	$69.25	$1.88	2
	NE	Guadalajara, JA	$7,020	$646	$78.33	$2.13	6
	IA	El Castillo, JA[5]	$7,060	$481	$77.05	$2.09	1
	KS	Torreon, CU	$5,675	$437	$62.45	$1.70	8
Sorghum	OK	Cuautitlan, EM	$4,729	$367	$52.07	$1.32	2
	TX	Guadalajara, JA	$5,781	$315	$62.29	$1.58	1
	NE	Penjamo, GJ	$6,407	$591	$71.51	$1.81	-1
	KS	Queretaro, QA	$5,641	$364	$61.35	$1.56	4
	NE	Salinas Victoria, NL	$4,500	$343	$49.48	$1.26	4
	NE	Torreon, CU	$5,546	$464	$61.40	$1.56	4

[1]Rates 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.

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

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

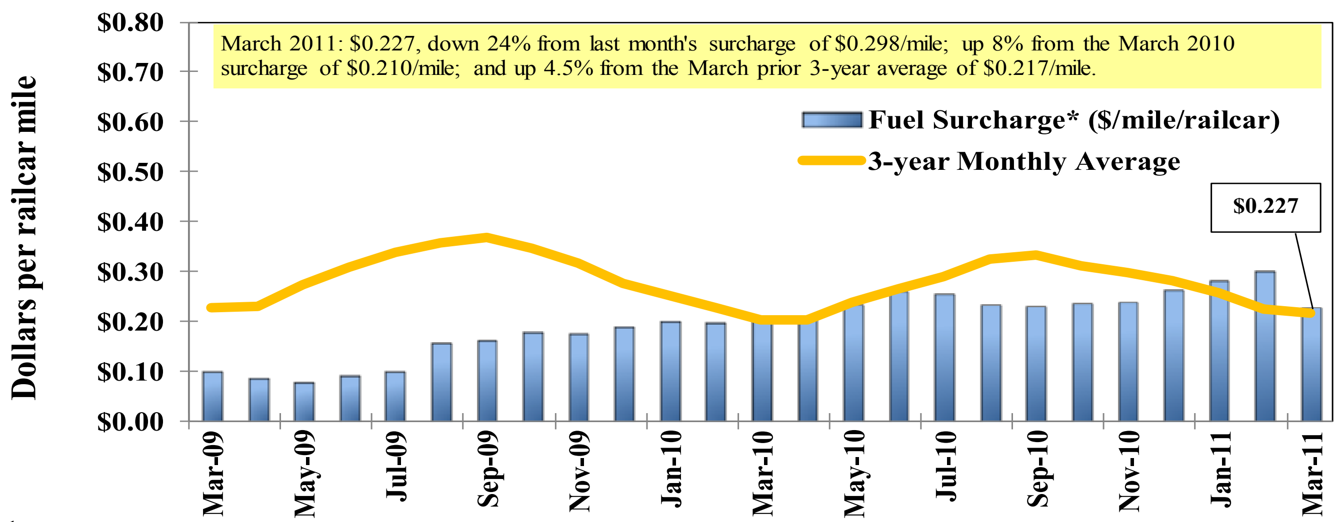
[4]Percentage change year over year calculated using tariff rate plus fuel surchage

[5] Beginning 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 Average[1]



[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.

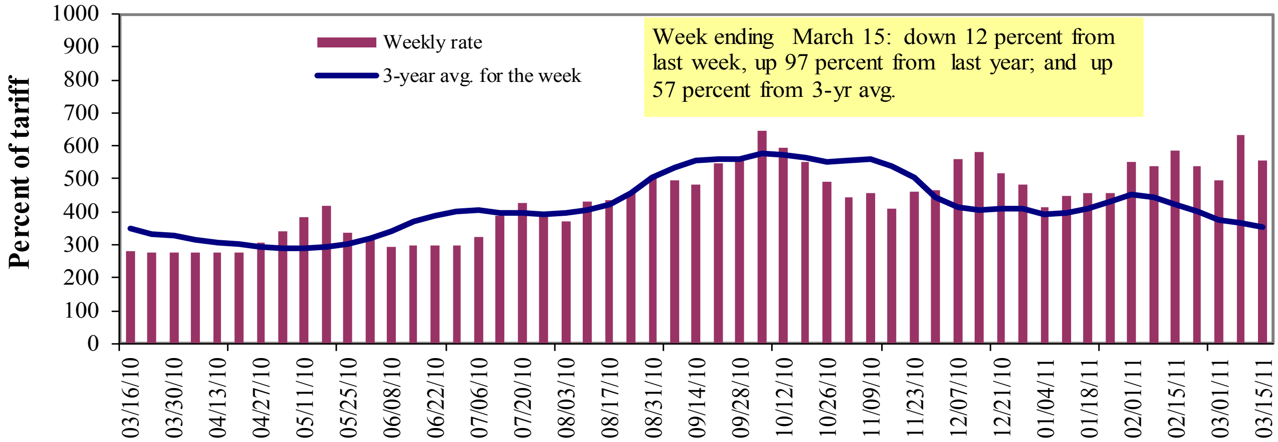
** BNSF strike price (diesel price when fuel surcharges begin) changed from $1.25/gal. to $2.50/gal starting March 1, 2011. As a result, the weighted average fuel surcharge for March 2011 was $0.227/mile instead of $0.331/mile.

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]



[1]Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); [2]4-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
Rate[1]	3/15/2011	-	-	556	475	513	513	409
	3/8/2011	-	-	633	519	455	455	463
$/ton	3/15/2011	-	-	25.80	18.95	24.06	20.73	12.84
	3/8/2011	-	-	29.37	20.71	21.34	18.38	14.54
Current week % change from the same week:								
	Last year	-		97	138	106	106	119
	3-year avg. [2]	-	-	57	73	78	77	68
Rate[1]	April	550	495	508	400	465	465	367
	June	522	475	463	377	442	442	358

[1]Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); [2]4-week moving average; ton = 2,000 pounds.

Source: Transportation & Marketing Programs/AMS/USDA

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 9

Benchmark tariff rates

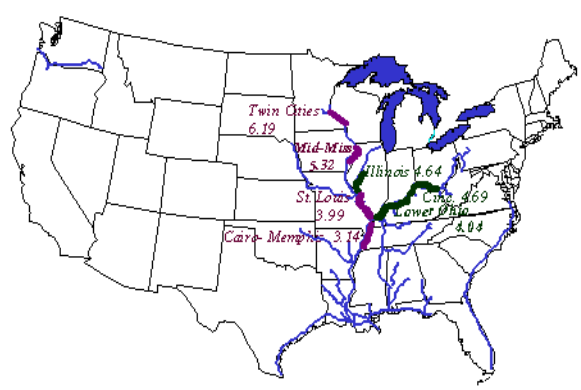
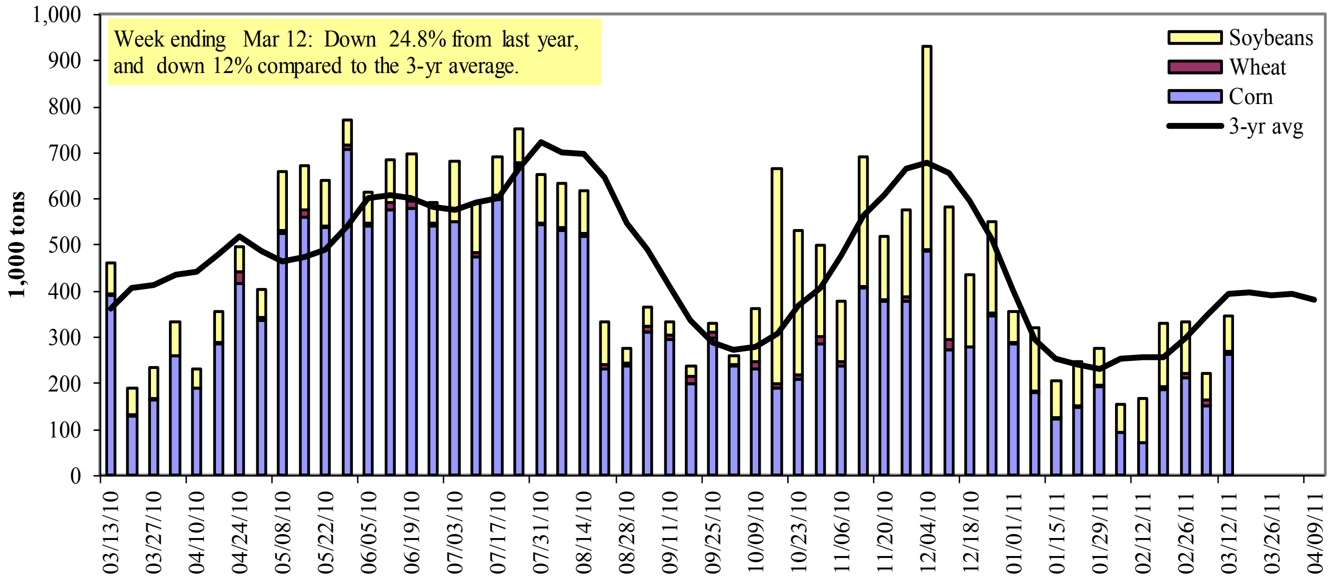


Figure 10

Barge Movements on the Mississippi River[1] (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/webrpts/default.asp)

Table 10

Barge Grain Movements (1,000 tons)

Week ending 3/12/2011	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	6	0	15	0	21
Winfield, MO (L25)	31	2	43	0	76
Alton, IL (L26)	251	8	82	0	341
Granite City, IL (L27)	263	8	77	0	347
Illinois River (L8)	208	6	36	0	250
Ohio River (L52)	105	0	38	0	143
Arkansas River (L1)	3	17	40	17	76
Weekly total - 2011	371	24	154	17	566
Weekly total - 2010	670	14	189	5	877
2011 YTD[1]	2,997	183	2,199	70	5,449
2010 YTD	3,522	195	2,379	87	6,183
2011 as % of 2010 YTD	85	94	92	81	88
Last 4 weeks as % of 2010[2]	69	205	100	207	81
Total 2010	22,768	1,220	10,373	481	34,841

[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.

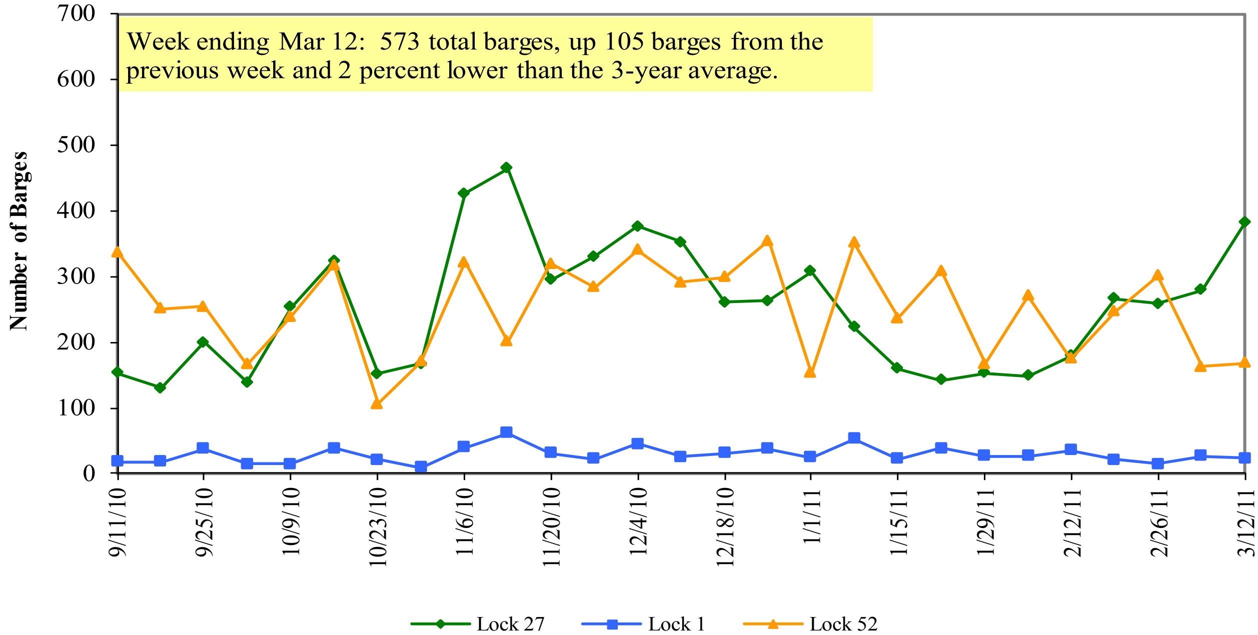
[2] As a percent of same period in 2010.

Note: Total may not add exactly, due to rounding

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

Figure 11

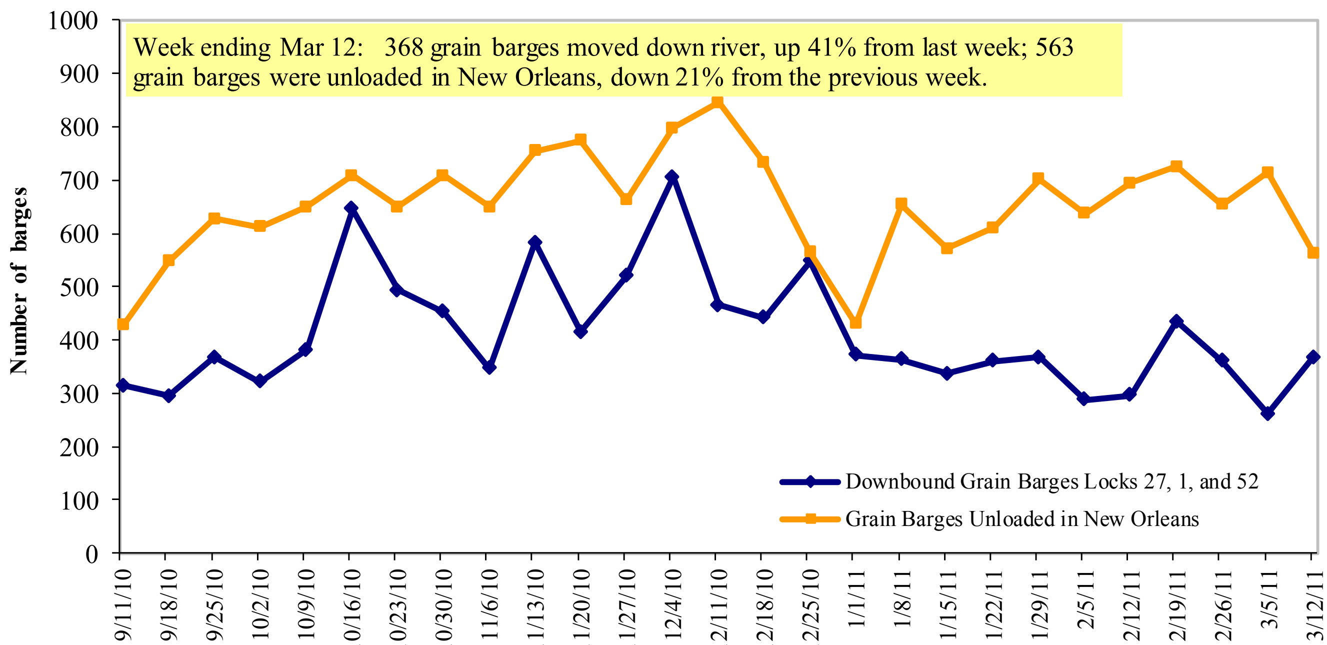
Upbound Empty Barges Transiting Mississippi River Locks 27, Arkansas River Lock and Dam 1, and Ohio River Locks and Dam 52



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 Prices[1], Week Ending 3/14/2011 (US $/gallon)

Region	Location	Price	Change from Week ago	Change from Year ago
I	East Coast	3.946	0.038	0.998
	New England	4.081	0.035	1.063
	Central Atlantic	4.061	0.047	1.006
	Lower Atlantic	3.885	0.035	0.990
II	Midwest[2]	3.859	0.036	0.964
III	Gulf Coast[3]	3.842	0.030	0.945
IV	Rocky Mountain	3.888	0.043	0.965
V	West Coast	4.091	0.045	1.086
	California	4.170	0.048	1.105
Total	U.S.	3.908	0.037	0.984

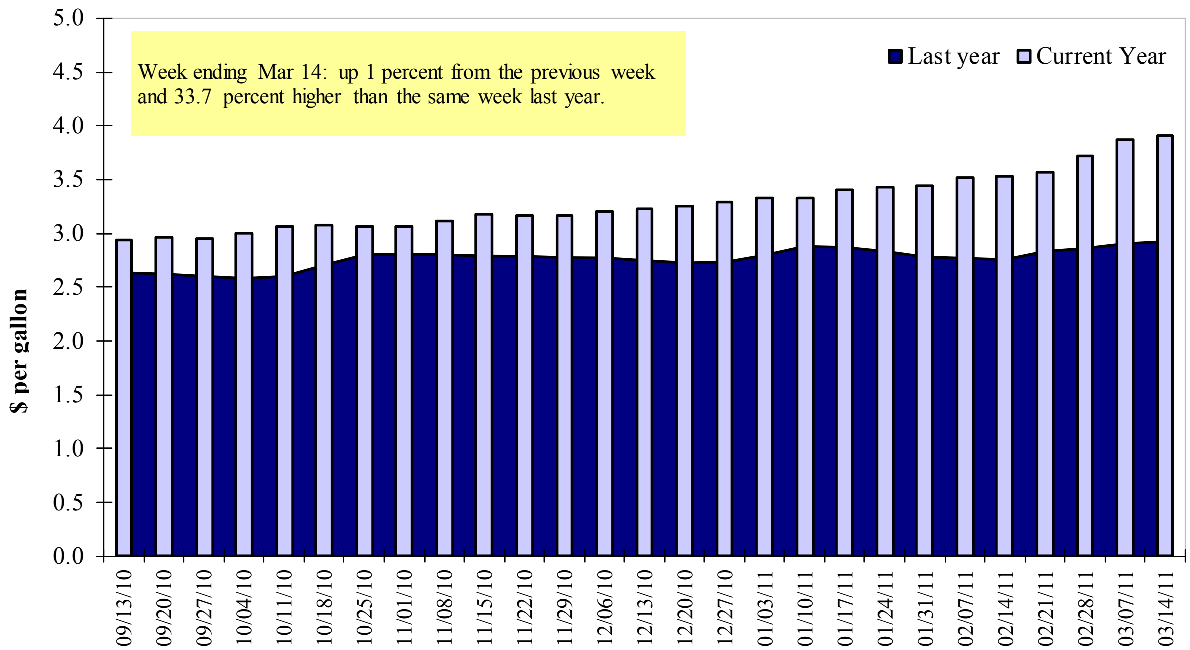
[1]Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

[2]Same as North Central [3]Same 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)

	Wheat						Corn	Soybeans	Total
Week ending	HRW	SRW	HRS	SWW	DUR	All wheat			
Export Balances[1]									
3/3/2011	3,780	903	2,434	1,265	126	8,508	12,791	8,066	29,365
This week year ago	1,524	531	940	638	207	3,838	10,477	4,768	19,083
Cumulative exports-marketing year[2]									
2010/11 YTD	11,209	1,805	6,036	3,483	748	23,281	21,655	31,744	76,680
2009/10 YTD	6,272	2,168	3,825	3,134	743	16,143	21,859	30,942	68,944
YTD 2010/11 as % of 2009/10	179	83	158	111	101	144	99	103	111
Last 4 wks as % of same period 2009/10	247	157	267	157	59	221	125	194	161
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 Importers[1] of U.S. Corn

Week ending 03/03/11	Total Commitments[2] 2010/11 Current MY	2009/10 Last MY	% change current MY from last MY	Exports[3] 2009/10
	- 1,000 mt -			- 1,000 mt -
Japan	10,068	8,881	13	14,343
Mexico	5,962	6,277	(5)	7,999
Korea	3,736	4,398	(15)	7,562
Taiwan	1,757	2,059	(15)	2,949
Egypt	2,307	1,361	69	2,935
Top 5 importers	**23,829**	**22,975**	**4**	**35,788**
Total US corn export sales	**34,446**	**32,336**	**7**	**50,460**
% of Projected	70%	64%		
Change from Last Week	477	339		
Top 5 importers' share of U.S. corn export sales	69%	71%		
USDA forecast, March 2011	**49,530**	**50,460**	**(2)**	
Corn Use for Ethanol USDA forecast, Ethanol March 2011	**125,730**	**116,027**	**8**	

(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 Importers[1] of U.S. Soybeans

Week ending 03/03/11	Total Commitments[2] 2010/11 Current MY	2009/10 Last MY	% change current MY from last MY	Exports[3] 2009/10
	- 1,000 mt -			- 1,000 mt -
China	24,947	21,642	15	22,454
Mexico	2,295	2,141	7	3,276
Japan	1,832	1,811	1	2,347
EU-25	2,521	2,532	(0.4)	2,647
Taiwan	1,141	1,249	(9)	1,556
Top 5 importers	**32,736**	**29,377**	**11**	**32,280**
Total US soybean export sales	**39,811**	**35,711**	**11**	**40,850**
% of Projected	92%	87%		
Change from last week	412	(116)		
Top 5 importers' share of U.S. soybean export sales	82%	82%		
USDA forecast, March 2011	**43,270**	**40,850**	**6**	
Soybean Use for Biodiesel USDA forecast, March 2011	**6,474**	**4,076**	**59**	

(n) indicates negative number.

[1]Based on FAS 2008/09 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 15

Top 10 Importers[1] of All U.S. Wheat

Week Ending 03/03/2011	Total Commitments[2] 2010/11 Current MY	2009/10 Last MY	% change current MY from last MY	Exports[3] 2009/10
	- 1,000 mt -			- 1,000 mt -
Nigeria	2,987	3,153	(5)	3,233
Japan	3,387	2,668	27	3,148
Mexico	2,545	1,812	40	1,975
Philippines	1,864	1,564	19	1,518
Korea, South	1,535	1,045	47	1,111
Taiwan	822	708	16	844
Venezuela	623	592	5	658
Colombia	700	511	37	575
Peru	862	438	97	567
Egypt	3,536	456	676	529
Top 10 importers	**18,860**	**12,947**	**46**	**14,156**
Total US wheat export sales	**31,788**	**19,981**	**59**	**23,980**
% of Projected	92%	83%		
Change from last week	576	408		
Top 10 importers' share of U.S. wheat export sales	59%	65%		
USDA forecast, March 2010	**34,700**	**23,980**	**45**	

(n) indicates negative number.

[1]Based on FAS **2008/09** Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Jun 1 - May 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 16

Grain Inspections for Export by U.S. Port Region (1,000 metric tons)

Port regions	Week ending 03/10/11	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 2010	Last 4-weeks as % of 3-yr. avg.	Total[1] 2010
Pacific Northwest									
Wheat	181	148	123	2,393	2,015	119	113	117	11,062
Corn	116	200	58	1,333	1,712	78	73	70	9,950
Soybeans	127	59	214	2,033	2,787	73	72	82	10,191
Total	**424**	**407**	**104**	**5,759**	**6,514**	**88**	**84**	**88**	**31,203**
Mississippi Gulf									
Wheat	89	61	145	907	639	142	158	115	4,199
Corn	578	792	73	4,937	5,180	95	100	97	29,794
Soybeans	548	563	97	6,884	6,446	107	122	143	22,519
Total	**1,215**	**1,417**	**86**	**12,728**	**12,265**	**104**	**112**	**116**	**56,512**
Texas Gulf									
Wheat	390	350	112	2,885	1,613	179	146	209	9,339
Corn	71	57	124	263	403	65	70	55	1,859
Soybeans	59	11	537	695	647	107	212	300	1,916
Total	**520**	**418**	**124**	**3,843**	**2,663**	**144**	**140**	**178**	**13,115**
Great Lakes									
Wheat	2	0	n/a	9	5	186	191	117	1,897
Corn	0	0	n/a	0	0	n/a	n/a	n/a	119
Soybeans	0	0	n/a	0	0	n/a	n/a	0	655
Total	**2**	**0**	n/a	**9**	**5**	**186**	**191**	**103**	**2,672**
Atlantic									
Wheat	1	1	37	271	48	564	21,491	139	343
Corn	18	4	447	75	86	87	79	58	469
Soybeans	24	13	185	300	546	55	48	90	1,417
Total	**43**	**19**	**231**	**646**	**680**	**95**	**77**	**91**	**2,229**
U.S. total from ports[2]									
Wheat	663	560	118	6,465	4,320	150	137	151	26,839
Corn	783	1,053	74	6,608	7,382	90	92	88	42,192
Soybeans	758	647	117	9,912	10,425	95	105	125	36,699
Total	**2,204**	**2,260**	**98**	**22,985**	**22,128**	**104**	**107**	**114**	**105,730**

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

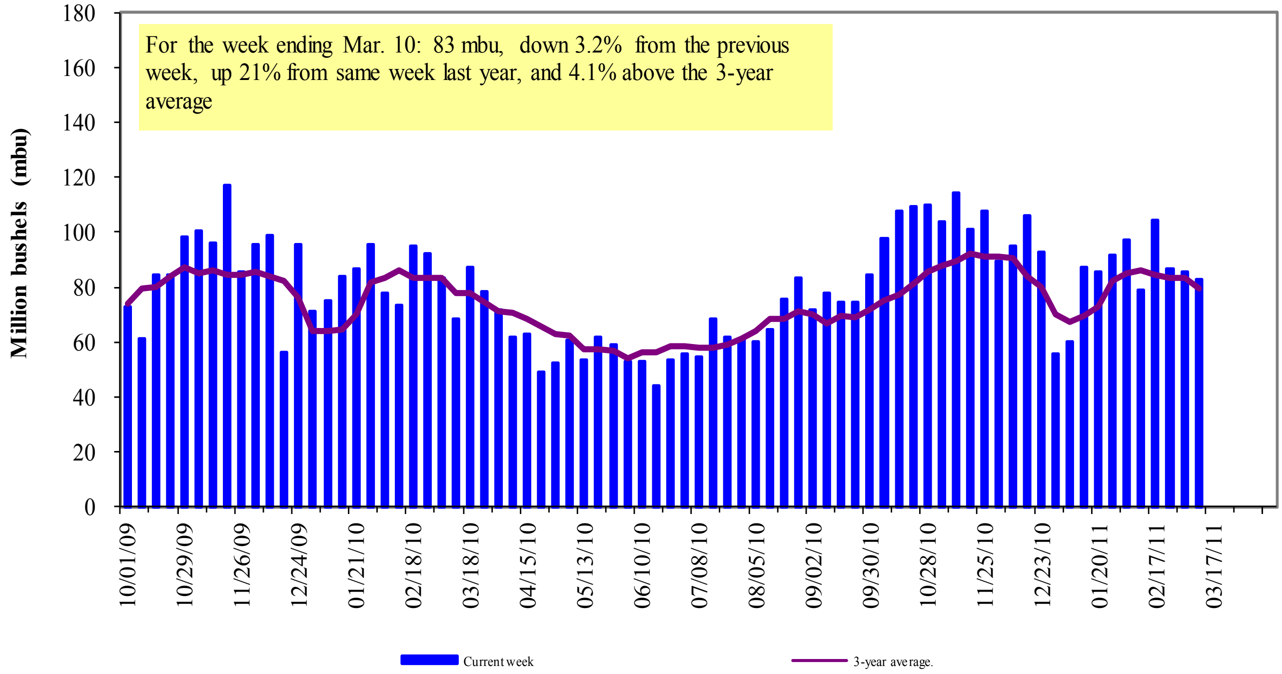
[2] Total includes only port regions shown above

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)

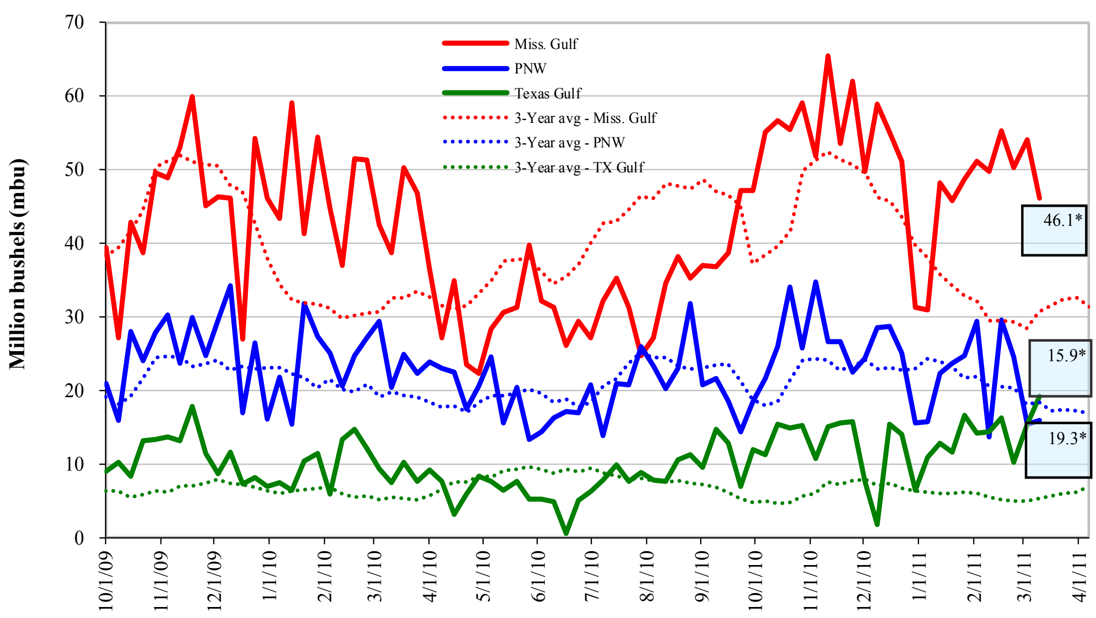


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

Note: 3-year average consists of 4-week running average

Figure 15

U.S. Grain Inspections: U.S. Gulf and PNW[1] (wheat, corn, and soybeans)



Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov); *mbu, this week.

Mar. 10 % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	down 15	up 24	down 6	up 3
Last year (same week)	up 19	up 159	up 42	down 23
3-yr avg. (4-wk mov. avg.)	up 3.3	up 122	up 23	down 23

Ocean Transportation

Table 17

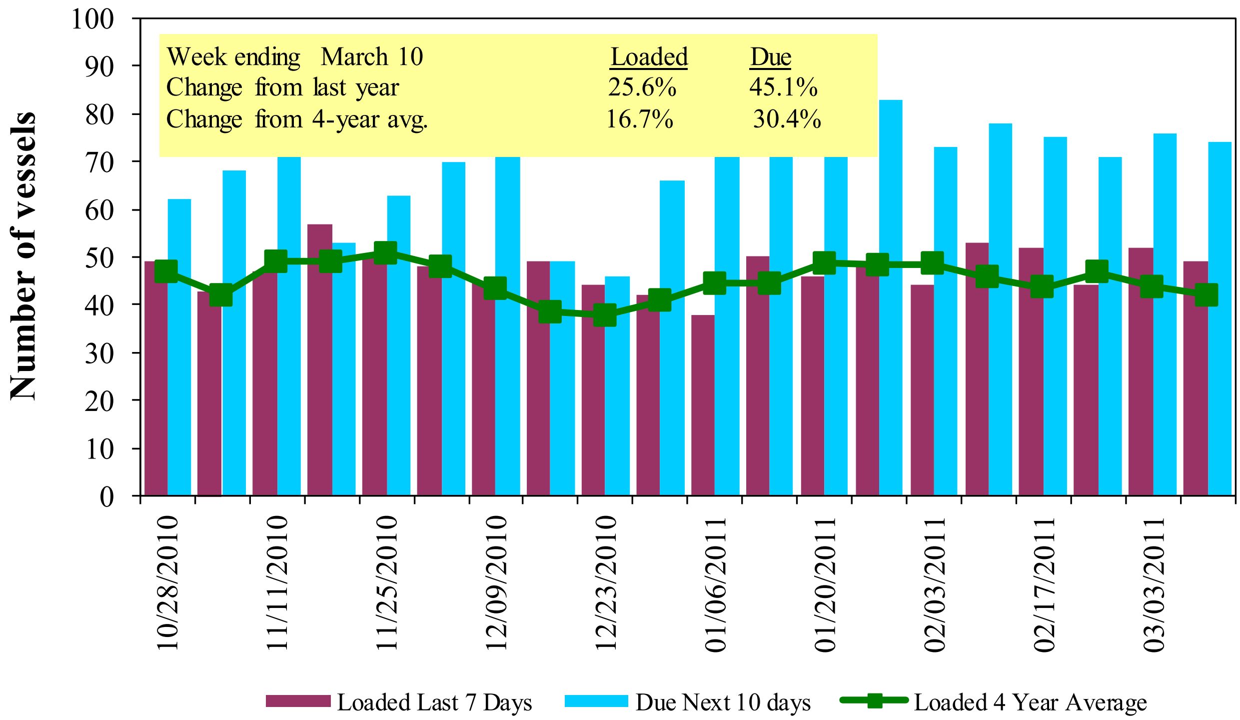
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

	Gulf			Pacific Northwest	Vancouver B.C.
Date	In port	Loaded 7-days	Due next 10-days	In port	In port
3/10/2011	61	49	74	19	11
3/3/2011	65	52	76	20	0
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. Gulf[1] Vessel Loading Activity

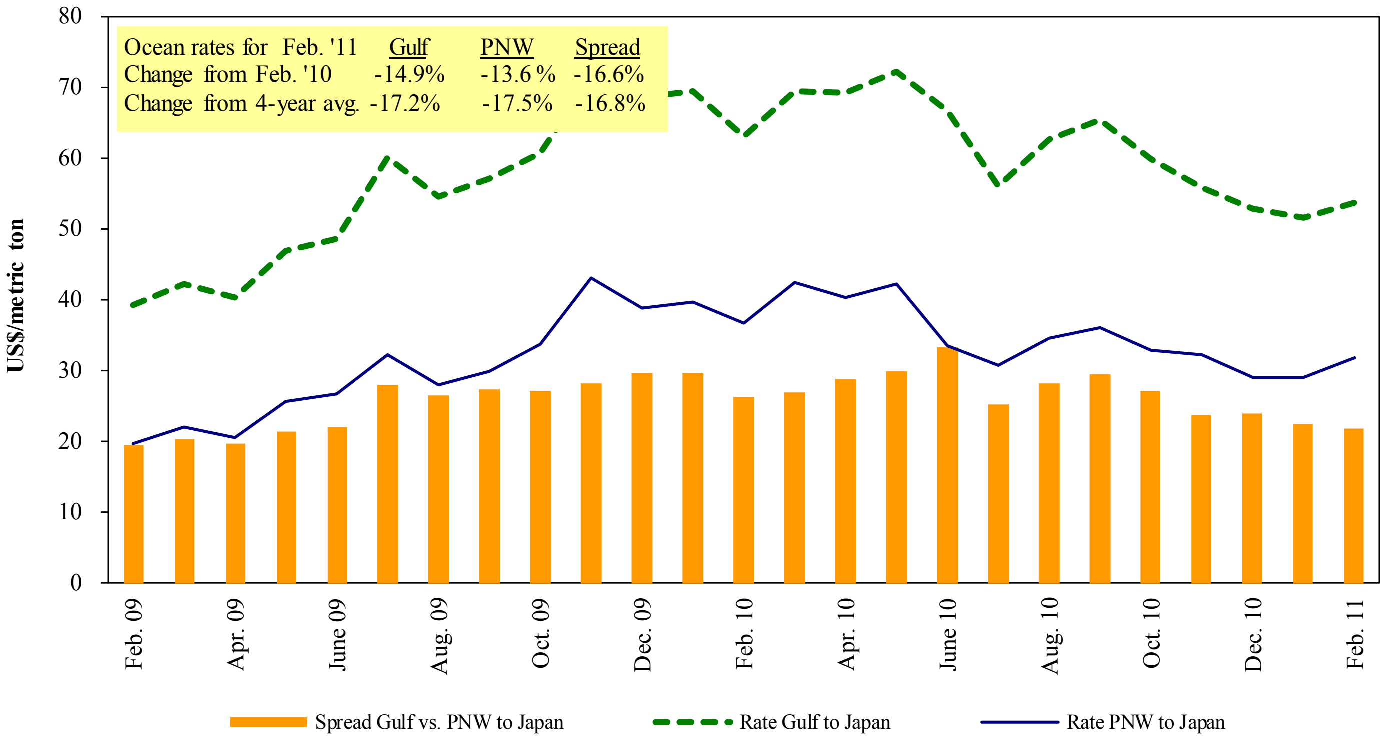


Source:Transportation & Marketing Programs/AMS/USDA

[1]U.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 3/12/2011

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US$/metric ton)
U.S. Gulf	China	Heavy Grain	Mar 20/29	52,000	52.00
U.S. Gulf	China	Heavy Grain	Mar 8/15	55,000	53.60
U.S. Gulf	China	Heavy Grain	Feb 1/28	58,000	48.00
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	Nicaragua	Corn/Soybean meal	Feb 7/17	24,000	56.42
U.S. Gulf	El Salvador[1]	Wheat	Feb 14/24	30,000	64.00
U.S. Gulf	Turkey	Heavy Grain	Jan 25/30	2,500	46.00
PNW	Pakistan	Heavy Grain	Jan 15/25	42,000	46.00
PNW	Rotterdam	Heavy Grain	Feb 15/25	55,000	26.00
Brazil	China	Heavy Grain	April 1/15	55,000	47.00
River Plate	Algeria	Corn	Jan 22/27	30,000	43.00
River Plate	Algeria	Corn	Dec 5/10	25,000	36.00
River Plate	Morocco	corn	Feb 28/Mar 8	25,000	37.25
Uruguay	Algeria	Wheat	Feb 5/10	25,000	46.00

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

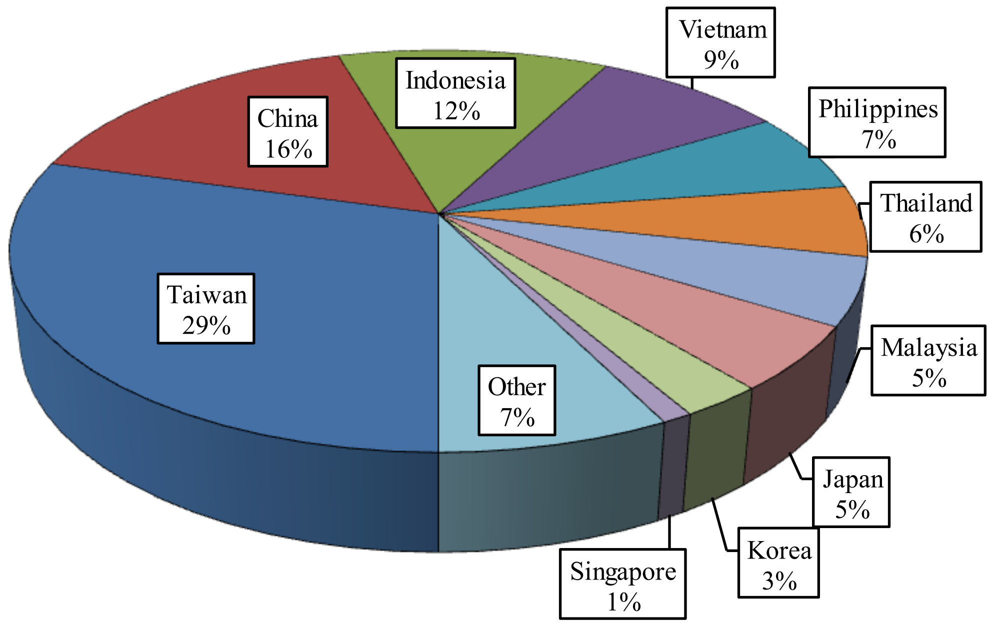
[1]75 percent of food aid from the United States is required to be shipped on U.S.-flag vessels.

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

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

Figure 18

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

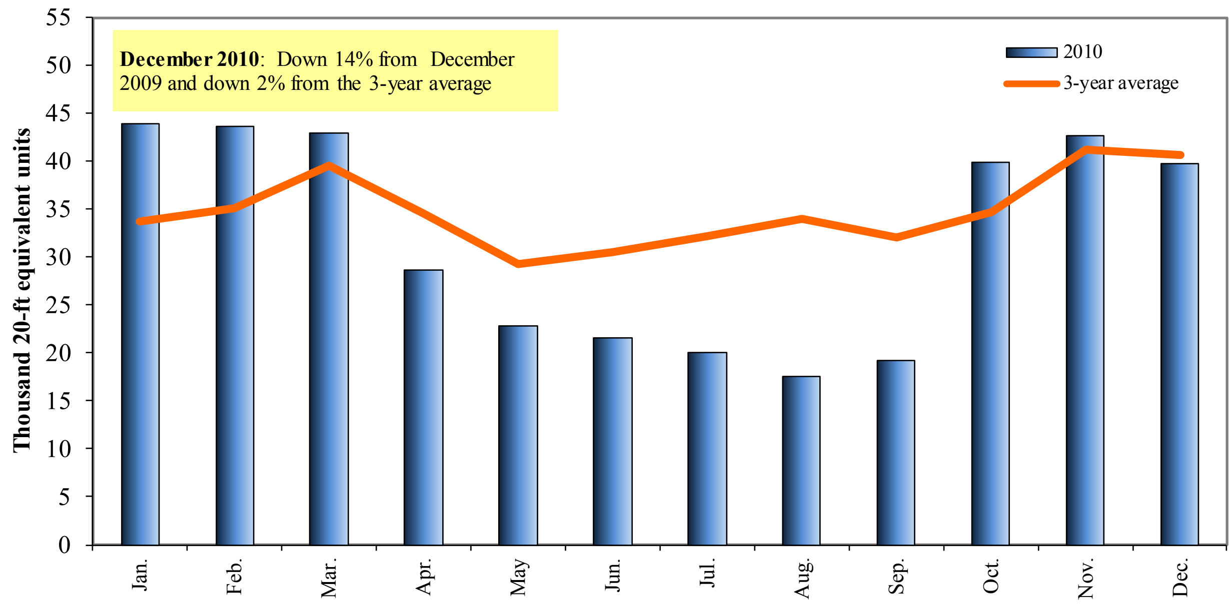


Source: Port Import Export Reporting Service (PIERS)

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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