May 19, 2011

Contents

The next release is May 26, 2011

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

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WEEKLY HIGHLIGHTS

Excess Vessel Supply and Low Cargo Demand Continue to Keep Bulk Ocean Rates Moderate

Ocean freight rates for shipping bulk grain continue to be moderate due to excess bulk vessel supply and sluggish cargo demand. During the week ending May 14, ocean freight rate for shipping bulk grain from the Gulf to Japan was $53 per metric ton (mt), 26 percent lower than the same period last year. The cost of shipping from the Pacific Northwest to Japan was $36 per mt—30 percent lower than the same period a year ago. During the week ending May 12, 32 **ocean-going grain vessels** were loaded in the Gulf, down 15 percent from last year. Forty-five vessels are expected to be loaded within the next 10 days, 6 percent less than the same period last year. According to a report by O'Neil Commodity Consulting, the world dry bulk fleet is expected to grow by 13 percent this year, but the cargo demand is expected to grow by only 5 percent.

Pacific Northwest Grain Inspections Rebound

For the week ending May 12, **total inspections of grain** (corn, wheat, and soybeans) for export from all major U.S. export regions reached 1.69 million metric tons (mmt), down 2 percent from the previous week but 21 percent above last year at this time. Pacific Northwest (PNW) grain inspections (.708 mmt) rebounded, increasing 32 percent from the past week and 72 percent above last year. PNW corn inspections (.309 mmt) jumped 176 percent from the previous week as shipments to Korea and Taiwan increased. Total inspections of corn (.801 mmt) for export also rebounded, increasing 30 percent from the past week, and 8 percent above the four-week running average.

Planting Progress

Excessive precipitation and flooding has delayed planting of corn and soybeans in many grain-producing States. Extensive flooding along the Mississippi River and its tributaries has caused a loss of acreage. Overall, the nation has planted 63 percent of its corn crop, compared to a 75-percent 5-year average. The eastern Corn Belt States of Ohio and Indiana are especially behind schedule. Ohio has planted only 7 percent of it corn crop compared to a 70 percent average, and Indiana has planted 29 percent of its corn, compared to a 66 percent average. North Dakota has planted 14 percent of its crop, compared to 55 percent average. However, Iowa has planted 92 percent of its crop, compared to 84 percent average, and Nebraska has planted 84 percent of it corn, compared to an 83 percent average. The above five States represented 38.5 percent of all the corn acres farmers intended to plant in March.

Mississippi River Disruption at Natchez, MS

On May 17, the Coast Guard reopened a portion of the Mississippi River that was shut down to navigation because of a levee failure at Vidalia, LA. The 15-mile stretch of the river in the Natchez–Vidalia area was reopened under tight restrictions. Only one barge tow is permitted downbound at a time through the restricted area. There will be another river closure on the 15-mile stretch once the Natchez gage reaches 62.5 feet, effectively isolating the Upper Mississippi River from the New Orleans Port Region. As of the morning of May 19, the river is at 61.9 feet, and will likely crest at the navigation stopping threshold of 62.5 feet on May 21. The gage has to drop to less than 61.5 feet for authorities to allow the 15-mile stretch to reopen.

Secondary Railcar Shuttle Bids Make Dramatic Move

During the week ending May 12, average May **non-shuttle secondary railcar bids/offers** held relatively constant at $6 per car above tariff, down only $2.50 from last week. In contrast, average shuttle rates were $139.50 per car below tariff, jumping up $182.50 from last week. This movement follows last week's per car shuttle bid/offer increase of $140.50. The spread between shuttle and non-shuttle secondary railcar bids/offers has narrowed from $471.50 to only $145.50 over the past two weeks, by far the narrowest spread between shuttle and non-shuttle rates in May. Previously, the May spread had averaged $485.68 for every week since the beginning of February. This dramatic increase in shuttle bids/offers shows tightening capacity in the shuttle market. Considering the persistently higher-than-average grain car loadings, there is indication that flood interruptions with barge traffic are creating increased demand for rail.

Snapshots by Sector

Rail

U.S. railroads originated 23,158 **carloads of grain** during the week ending May 7, down 3 percent from last week, up 20 percent from last year, and 13 percent higher than the 3-year average.

Barge

During the week ending May 14, **barge grain movements** totaled 506,291 tons, 75.5 percent higher than the previous week but 37 percent lower than the same period last year.

During the week ending May 14, 324 grain barges **moved down river**, up 76 percent from last week; 268 grain barges were **unloaded in New Orleans**, down 21 percent from the previous week.

Fuel

During the week ending May 16, U.S. average **diesel fuel prices** decreased 4 cent per gallon to $4.06—down 1 percent from the previous week but 31 percent higher than the same week last year.

Feature Article/Calendar

Trucking Rates and Farm Values Push Up Wheat Landed Costs

Strong demand for wheat and reduced world supplies during the 2010/11 marketing year caused wheat prices to rise. As a result, first quarter total landed costs for shipping wheat to Japan were significantly higher than last year and last quarter (see table). Transportation costs overall were significantly lower than last year but slightly above the fourth quarter 2010.

The cost of shipping U.S. wheat to Japan from the Pacific Northwest (PNW) and Gulf during the first quarter 2011 increased slightly from the fourth quarter 2010. Transportation costs from Kansas and North Dakota through the PNW increased over 1 percent from quarter to quarter, but decreased 22 and 13 percent from year to year. The costs through the Gulf, increased 2 and 1 percent from Kansas and North Dakota, compared to the previous quarter. Year-to-year transportation costs for shipping through the Gulf decreased over 19 percent from Kansas and 14 percent from North Dakota because of lower rail and ocean rates.

Quarterly rate comparisons for shipping KS & ND wheat to Japan through the PNW

	KS					ND				
Mode	**2010 1st qtr**	**2010 4th qtr**	**2011 1st qtr**	**Year-to-Year change**	**Quarterly change**	**2010 1st qtr**	**2010 4th qtr**	**2011 1st qtr**	**Year-to-Year change**	**Quarterly change**
	- $/metric ton -			**%**	**%**				**%**	**%**
Truck	10.46	8.94	11.34	8.41	26.85	10.46	8.94	11.34	8.41	26.85
Rail[1]	64.34	47.70	46.06	-28.41	-3.44	52.40	47.67	45.94	-12.33	-3.63
Ocean vessel	39.67	31.34	31.92	-19.54	1.85	39.67	31.34	31.92	-19.54	1.85
Transportation Costs	114.47	87.98	89.32	-21.97	1.52	102.53	87.95	89.20	-13.00	1.42
Farm Value[2]	162.53	238.83	280.23	72.42	17.33	176.25	228.06	291.87	65.60	27.98
Total Landed Cost	277.00	326.81	369.55	33.41	13.08	278.78	316.01	381.07	36.69	20.59
Transport % of landed cost	41.32	26.92	24.17			36.78	27.83	23.41		

Quarterly rate comparisons for shipping KS & ND wheat to Japan through the Gulf

	KS					ND				
Mode	**2010 1st qtr**	**2010 4th qtr**	**2011 1st qtr**	**Year-to-Year change**	**Quarterly change**	**2010 1st qtr**	**2010 4th qtr**	**2011 1st qtr**	**Year-to-Year change**	**Quarterly change**
	- $/metric ton -			**%**	**%**	**- $/metric ton -**			**%**	**%**
Truck	10.46	8.94	11.34	8.41	26.85	10.46	8.94	11.34	8.41	26.85
Rail[1]	43.31	31.46	32.01	-26.09	1.75	66.15	57.03	57.10	-13.68	0.12
Ocean vessel	67.29	56.25	54.79	-18.58	-2.60	67.29	56.25	54.79	-18.58	-2.60
Transportation Costs	121.06	96.65	98.14	-18.93	1.54	143.90	122.22	123.23	-14.36	0.83
Farm Value[2]	162.53	238.83	280.23	72.42	17.33	176.25	228.06	291.87	65.60	27.98
Total Landed Cost	283.59	335.48	378.37	33.42	12.78	320.15	350.28	415.10	29.66	18.51
Transport % of landed cost	42.69	28.81	25.94			44.95	34.89	29.69		

Source: USDA/AMS/TMP

[1] Rail tariff rates include fuel surchrages and revisions for heavy axle railcars and shuttle trains.

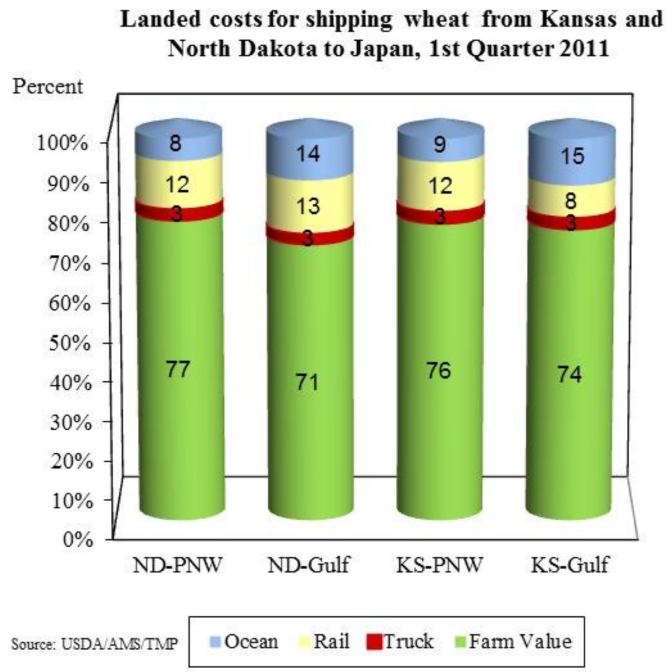
[2] Source: USDA/NASS, wheat prices for North Dakota (mainly HRS) and Kansas (mainly HRW)

The total landed cost (farm value plus transportation costs) to ship wheat from each State increased during the first quarter as truck rates and farm values increased (see table), ranging from $370 to $415 per metric ton. North Dakota landed costs continued to exceed those from Kansas. Overall, first quarter transportation costs represented 23 to 29 percent of the total landed costs, down from the previous quarter and last year.

Compared to the same time last year, first quarter farm values for wheat in each State represented a larger share of the total landed cost: 76 and 74 percent from Kansas and 77 and 71 percent from North Dakota (see figure). North Dakota farm value ($292 per metric ton) for wheat increased 28 percent from quarter to quarter and Kansas farm value ($280 per metric ton) increased 17 percent quarter to quarter (see table).

The cost of moving wheat by truck to a railhead increased 27 percent from quarter to quarter because diesel prices and trucking demand increased. Compared to last year, truck rates increased over 8 percent.

Quarter-to-quarter ocean freight rates for shipping wheat to Japan during the first quarter increased about 2 percent from the PNW but dropped about 3 percent from the Gulf (see table). Compared to last year, ocean rates for shipping wheat to Japan decreased 20 percent through the PNW and 19 percent through the Gulf because of flooding in major coal-producing countries and high stock piles of iron ore in China. (*see* ***GTR dated 5/5/11***).



Rail tariff rates to the PNW from Kansas and North Dakota decreased over 3 percent from quarter to quarter. Compared to last year, however, wheat rail rates from Kansas and North Dakota to the PNW dropped 28 and 12 percent, respectively (see table). Rail rates from Kansas to the Gulf increased about 2 percent quarter to quarter and North Dakota rail rates to the Gulf increased under 1 percent from quarter- to- quarter. Rail from each State to the Gulf dropped 26 and 14 percent from year to year (see table).

According to the USDA, first quarter wheat exports to Japan totaled .855 mmt, up 38 percent from the fourth quarter 2010 and 4 percent above the first quarter last year. Total first quarter wheat exports to Japan accounted for about 9 percent of total U.S. wheat exports. For the same period, total U.S. wheat exports reached 9.1 million metric tons, up 57 percent from the past year. Year-to-date export sales (based on the marketing year) of all wheat shipped are up 51 percent from last year because of demand raised by the Russian export ban on grain last year. *Johnny.Hill@ams.usda.gov*

Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators[1]

	Truck	Rail[2]	Barge	Ocean	
Week ending				Gulf	Pacific
05/18/11	273	129	234	237	213
05/11/11	275	104	236	237	213

[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	5/13/2011	5/6/2011
Corn	IL--Gulf	-0.73	-0.79
Corn	NE--Gulf	-0.93	-0.99
Soybean	IA--Gulf	-1.03	-1.04
HRW	KS--Gulf	-1.44	-1.46
HRS	ND--Portland	-3.22	-3.48

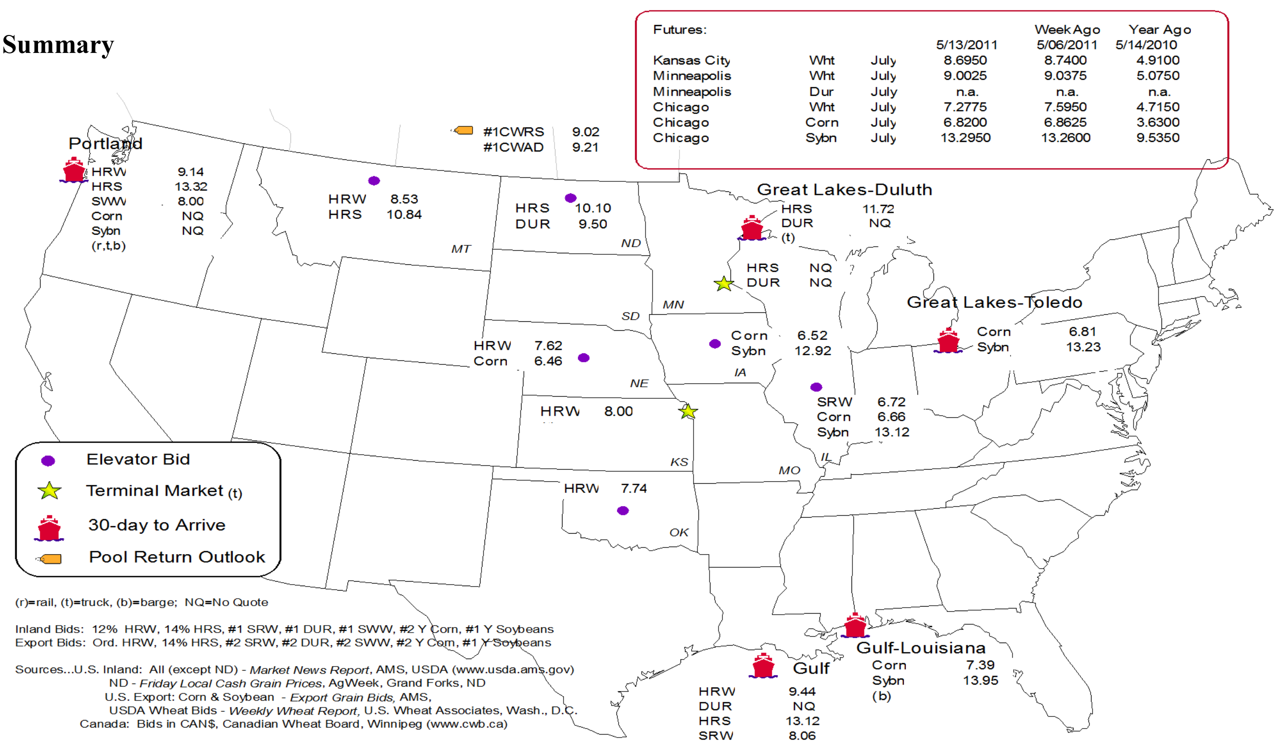
Note: nq = no quote

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
5/11/2011[p]	778	1,830	1,094	3,882	629	8,213
5/04/2011[r]	404	2,508	1,090	3,219	391	7,612
2011 YTD	18,526	43,811	16,246	75,113	13,228	166,924
2010YTD	6,921	27,561	17,622	64,091	16,419	132,614
2011 YTD as % of 2010 YTD	268	159	92	117	81	126
Last 4 weeks as % of 2010[2]	369	209	117	119	155	143
Last 4 weeks as % of 4-year avg.[2]	99	180	129	91	129	114
Total 2010	33,971	83,492	42,794	177,896	32,780	370,933
Total 2009	33,423	57,646	36,738	175,965	30,328	334,100

[1] Data is incomplete as it is voluntarily provided

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

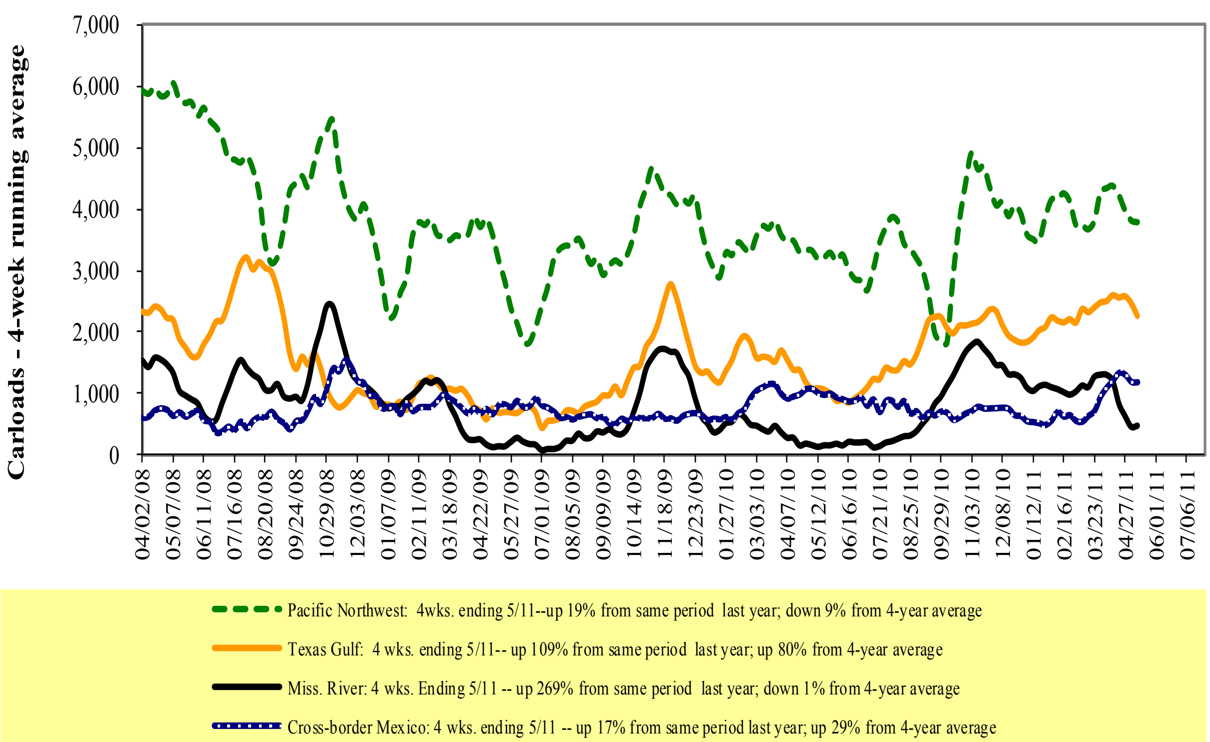
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

Source: Transportation & Marketing Programs/AMS/USDA

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

Figure 2

Rail Deliveries to Port



Source: Transportation & Marketing Programs/AMS/USDA

Table 4

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

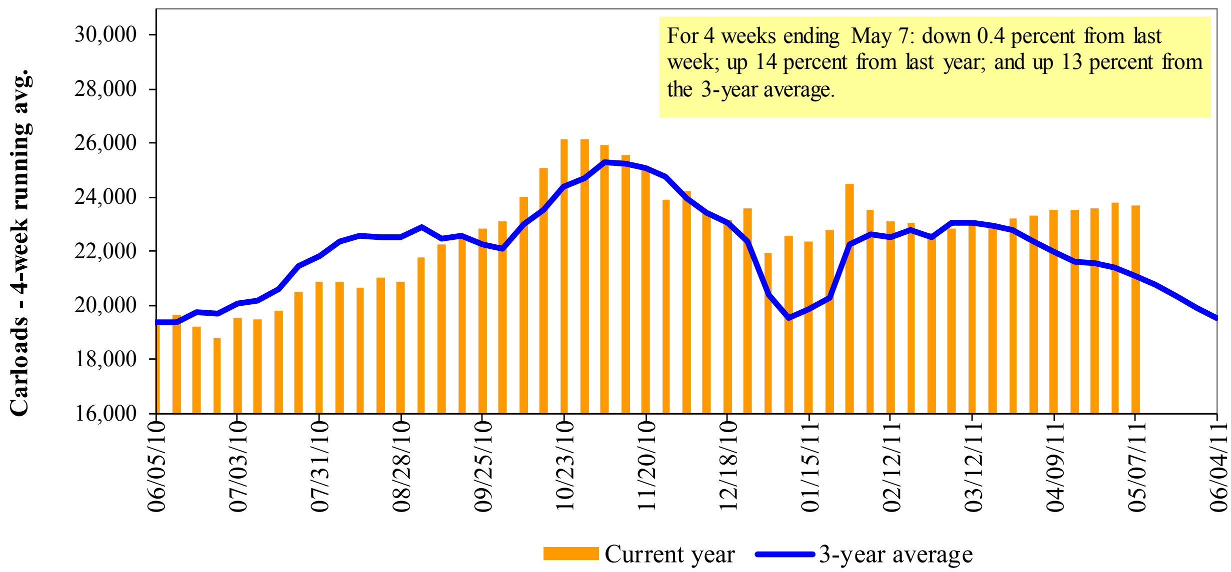
	East		West			U.S. total	Canada	
Week ending	CSXT	NS	BNSF	KCS	UP		CN	CP
05/07/11	1,763	2,850	11,448	963	6,134	23,158	4,733	5,049
This week last year	1,800	3,297	8,410	784	4,954	19,245	3,601	6,296
2011 YTD	38,259	53,997	207,894	11,361	111,586	423,097	73,740	84,689
2010 YTD	41,061	55,277	189,674	13,738	97,964	397,714	72,867	98,467
2011 YTD as % of 2010 YTD	93	98	110	83	114	106	101	86
Last 4 weeks as % of 2010[1]	100	93	125	106	115	114	110	84
Last 4 weeks as % of 3-yr avg.	83	100	125	103	113	113	104	89
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							
5/12/2011	May-11	May-10	Jun-11	Jun-10	Jul-11	Jul-10	Aug-11	Aug-10
BNSF[3]								
COT grain units	3	0	4	0	3	0	no offer	0
COT grain single-car[5]	0 . . 6	0 . . 63	0 . . 31	0 . . 10	2 . . 17	0	no offer	0 . . 2
UP[4]								
GCAS/Region 1	no bids	no offer	no bids	no bids	no bids	no bids	n/a	n/a
GCAS/Region 2	no bids	no offer	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.

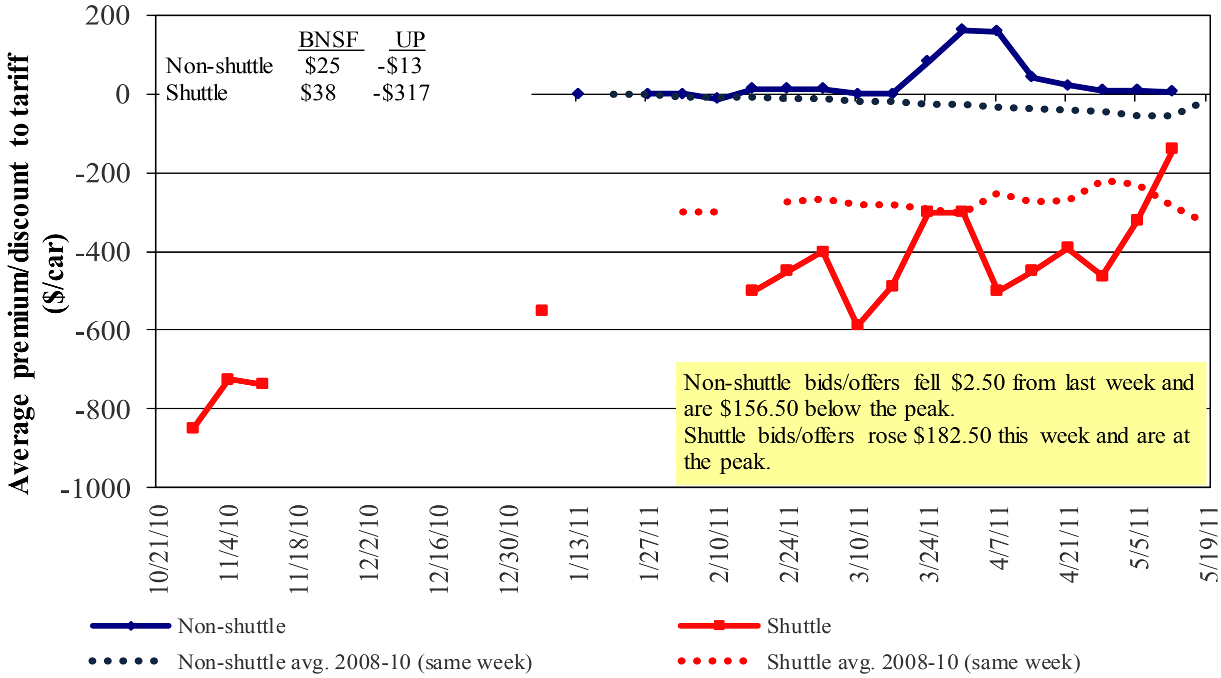
[5]Range is shown because average is not available. Not available = n/a.

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 May 2011, Secondary Market

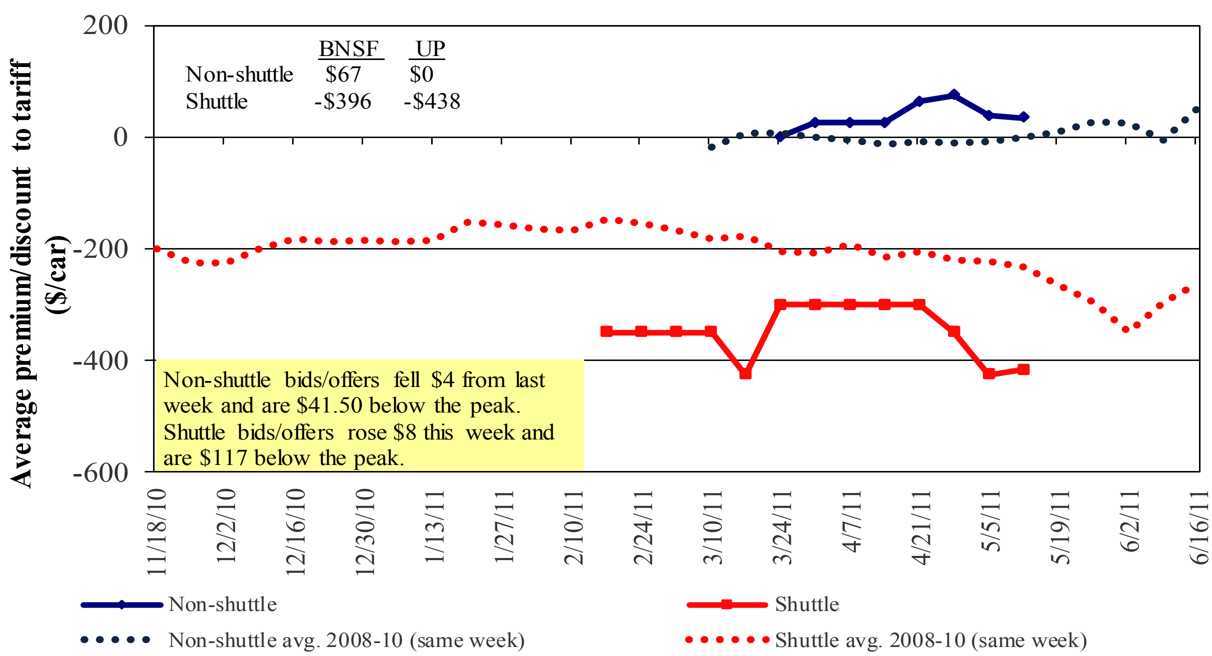


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

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

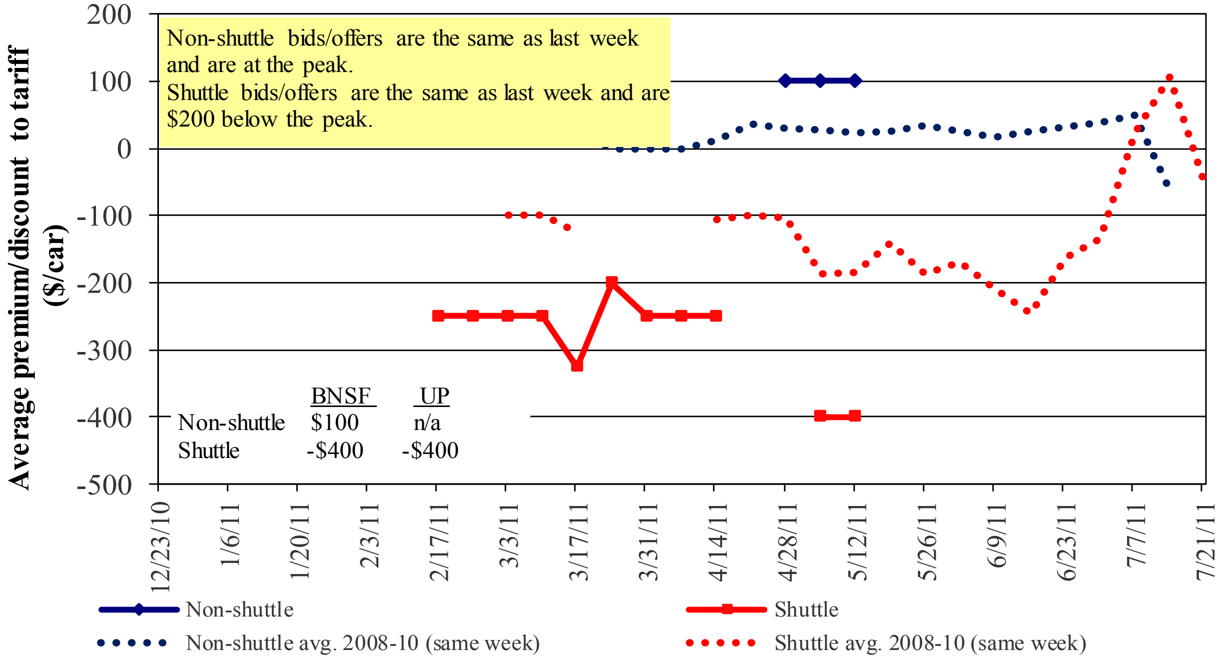


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in July 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					
5/12/2011	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11
Non-shuttle						
BNSF-GF	25	67	100	n/a	n/a	n/a
Change from last week	-	(8)	-	n/a	n/a	n/a
Change from same week 2010	25	67	n/a	n/a	n/a	n/a
UP-Pool	(13)	-	n/a	n/a	n/a	n/a
Change from last week	(5)	-	n/a	n/a	n/a	n/a
Change from same week 2010	n/a	(10)	n/a	n/a	n/a	n/a
Shuttle[2]						
BNSF-GF	38	(396)	(400)	-400	n/a	n/a
Change from last week	307	104	-	n/a	n/a	n/a
Change from same week 2010	363	(179)	n/a	-375	n/a	n/a
UP-Pool	(317)	(438)	(400)	(300)	(250)	750
Change from last week	58	(88)	n/a	-	(50)	-
Change from same week 2010	(117)	(263)	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 Shipments[1]

Effective date: 5/2/2011	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	$187	$30.49	$0.83
	Grand Forks, ND	Duluth-Superior, MN	$2,822	$107	$29.09	$0.79
	Wichita, KS	Los Angeles, CA	$5,710	$551	$62.17	$1.69
	Wichita, KS	New Orleans, LA	$3,384	$329	$36.87	$1.00
	Sioux Falls, SD	Galveston-Houston, TX	$5,410	$452	$58.21	$1.58
	Northwest KS	Galveston-Houston, TX	$3,651	$361	$39.84	$1.08
	Amarillo, TX	Los Angeles, CA	$3,850	$502	$43.22	$1.18
Corn	Champaign-Urbana, IL	New Orleans, LA	$2,812	$372	$31.62	$0.86
	Toledo, OH	Raleigh, NC	$3,760	$416	$41.47	$1.13
	Des Moines, IA	Davenport, IA	$1,843	$79	$19.08	$0.52
	Indianapolis, IN	Atlanta, GA	$3,196	$312	$34.84	$0.95
	Indianapolis, IN	Knoxville, TN	$2,760	$200	$29.40	$0.80
	Des Moines, IA	Little Rock, AR	$2,938	$232	$31.48	$0.86
	Des Moines, IA	Los Angeles, CA	$4,372	$675	$50.11	$1.36
Soybeans	Minneapolis, MN	New Orleans, LA	$3,206	$402	$35.83	$0.98
	Toledo, OH	Huntsville, AL	$2,921	$295	$31.94	$0.87
	Indianapolis, IN	Raleigh, NC	$3,830	$419	$42.19	$1.15
	Indianapolis, IN	Huntsville, AL	$2,613	$200	$27.94	$0.76
	Champaign-Urbana, IL	New Orleans, LA	$3,156	$372	$35.04	$0.95
Shuttle Train						
Wheat	Great Falls, MT	Portland, OR	$3,239	$317	$35.31	$0.96
	Wichita, KS	Galveston-Houston, TX	$3,144	$247	$33.67	$0.92
	Chicago, IL	Albany, NY	$3,497	$390	$38.60	$1.05
	Grand Forks, ND	Portland, OR	$4,702	$547	$52.13	$1.42
	Grand Forks, ND	Galveston-Houston, TX	$5,648	$570	$61.75	$1.68
	Northwest KS	Portland, OR	$4,619	$592	$51.74	$1.41
Corn	Minneapolis, MN	Portland, OR	$4,680	$666	$53.09	$1.44
	Sioux Falls, SD	Tacoma, WA	$4,640	$610	$52.14	$1.42
	Champaign-Urbana, IL	New Orleans, LA	$2,677	$372	$30.28	$0.82
	Lincoln, NE	Galveston-Houston, TX	$3,190	$356	$35.21	$0.96
	Des Moines, IA	Amarillo, TX	$3,330	$291	$35.96	$0.98
	Minneapolis, MN	Tacoma, WA	$4,680	$661	$53.04	$1.44
	Council Bluffs, IA	Stockton, CA	$4,080	$684	$47.31	$1.29
Soybeans	Sioux Falls, SD	Tacoma, WA	$4,840	$610	$54.12	$1.47
	Minneapolis, MN	Portland, OR	$4,830	$666	$54.58	$1.49
	Fargo, ND	Tacoma, WA	$4,730	$543	$52.36	$1.43
	Council Bluffs, IA	New Orleans, LA	$3,510	$429	$39.12	$1.06
	Toledo, OH	Huntsville, AL	$2,536	$295	$28.12	$0.77
	Grand Island, NE	Portland, OR	$4,520	$606	$50.90	$1.39

[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: 5/2/2011				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	$579	$75.95	$2.06	6
	OK	Cuautitlan, EM	$6,191	$606	$69.45	$1.89	8
	KS	Guadalajara, JA	$6,825	$832	$78.24	$2.13	9
	TX	Salinas Victoria, NL	$3,277	$237	$35.90	$0.98	6
Corn	IA	Guadalajara, JA	$7,520	$872	$85.74	$2.18	12
	SD	Penjamo, GJ	$7,245	$757	$81.77	$2.07	9
	NE	Queretaro, QA	$6,590	$779	$75.29	$1.91	11
	SD	Salinas Victoria, NL	$5,360	$576	$60.65	$1.54	13
	MO	Tlalnepantla, EM	$5,762	$759	$66.63	$1.69	12
	SD	Torreon, CU	$6,248	$634	$70.32	$1.78	13
Soybeans	MO	Bojay (Tula), HG	$6,705	$758	$76.25	$2.07	10
	NE	Guadalajara, JA	$7,519	$862	$85.63	$2.33	14
	IA	El Castillo, JA[5]	$7,770	$753	$87.08	$2.37	12
	KS	Torreon, CU	$6,042	$593	$67.78	$1.84	15
Sorghum	OK	Cuautitlan, EM	$5,350	$575	$60.54	$1.54	18
	TX	Guadalajara, JA	$6,289	$493	$69.29	$1.76	11
	NE	Penjamo, GJ	$6,905	$797	$78.70	$2.00	8
	KS	Queretaro, QA	$6,038	$538	$67.18	$1.70	13
	NE	Salinas Victoria, NL	$4,818	$511	$54.45	$1.38	13
	NE	Torreon, CU	$5,804	$634	$65.78	$1.67	11

[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

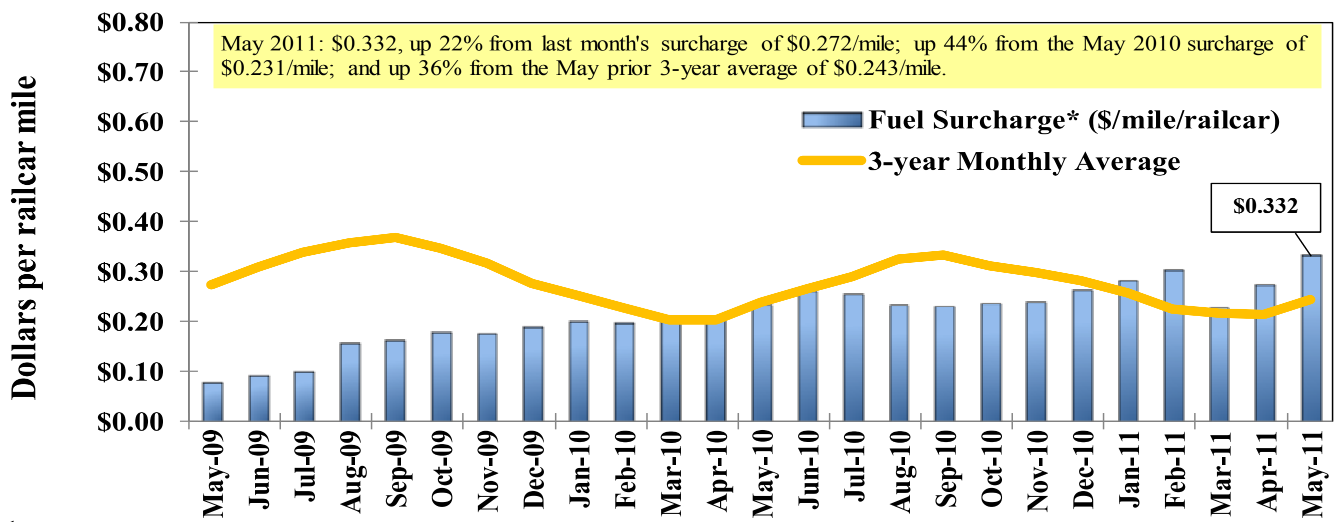
[4]Percentage change year over year calculated using tariff rate plus fuel surchage

[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]



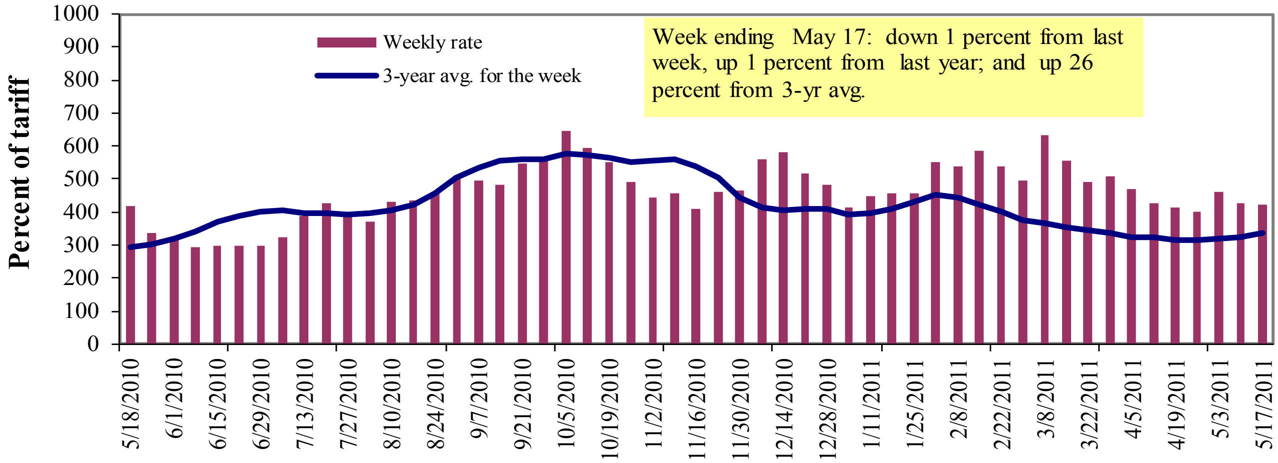
[1] Weighted by each Class I railroad's proportion of grain traffic for the prior year.
* Mileage-based fuel surcharges for March and April 2007 are estimated. Beginning January 2009, the Canadian Pacific fuel surcharge is computed by a monthly average of the bi-weekly fuel surcharge.
** BNSF strike 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]	5/17/2011	550	433	422	315	425	425	292
	5/10/2011	-	445	425	325	400	405	-
$/ton	5/17/2011	34.05	23.04	19.58	12.57	19.93	17.17	9.17
	5/10/2011	-	23.67	19.72	12.97	18.76	16.36	-
Current week % change from the same week:								
	Last year	15	5	1	5	20	20	6
	3-year avg. [2]	38	22	26	25	60	60	28
Rate[1]	June	550	452	452	325	445	445	305
	August	600	525	525	420	538	538	433

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

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

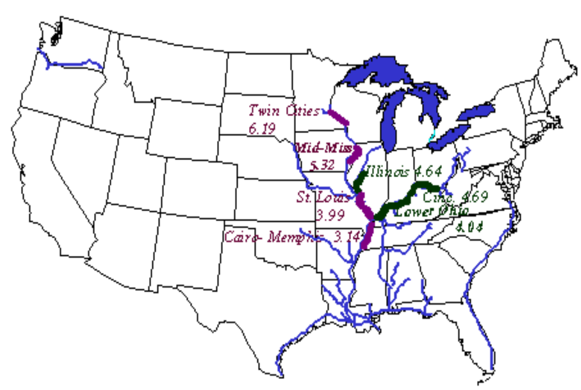
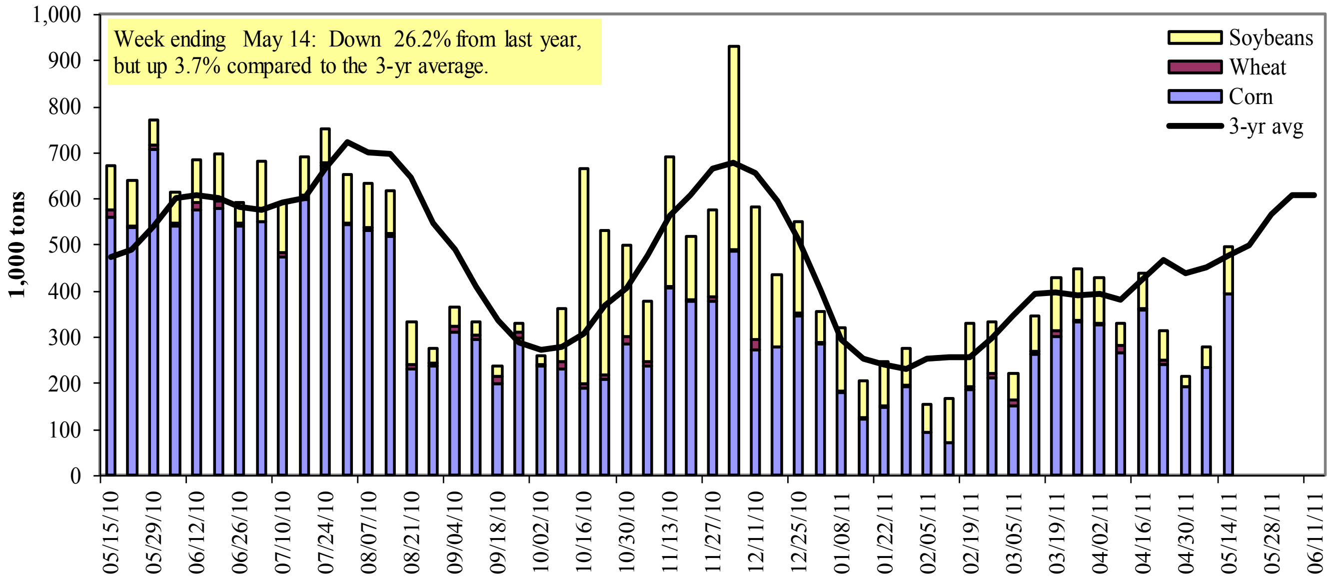


Figure 10

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 5/14/2011	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	169	0	53	9	231
Winfield, MO (L25)	211	0	73	0	284
Alton, IL (L26)	402	2	95	0	499
Granite City, IL (L27)	394	2	100	0	496
Illinois River (L8)	156	0	6	0	162
Ohio River (L52)	9	0	2	0	11
Arkansas River (L1)	0	0	0	0	0
Weekly total - 2011	403	2	101	0	506
Weekly total - 2010	652	33	114	9	807
2011 YTD[1]	6,260	386	3,176	125	9,948
2010 YTD	7,448	400	3,457	164	11,469
2011 as % of 2010 YTD	84	97	92	76	87
Last 4 weeks as % of 2010[2]	54	47	61	44	55
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.

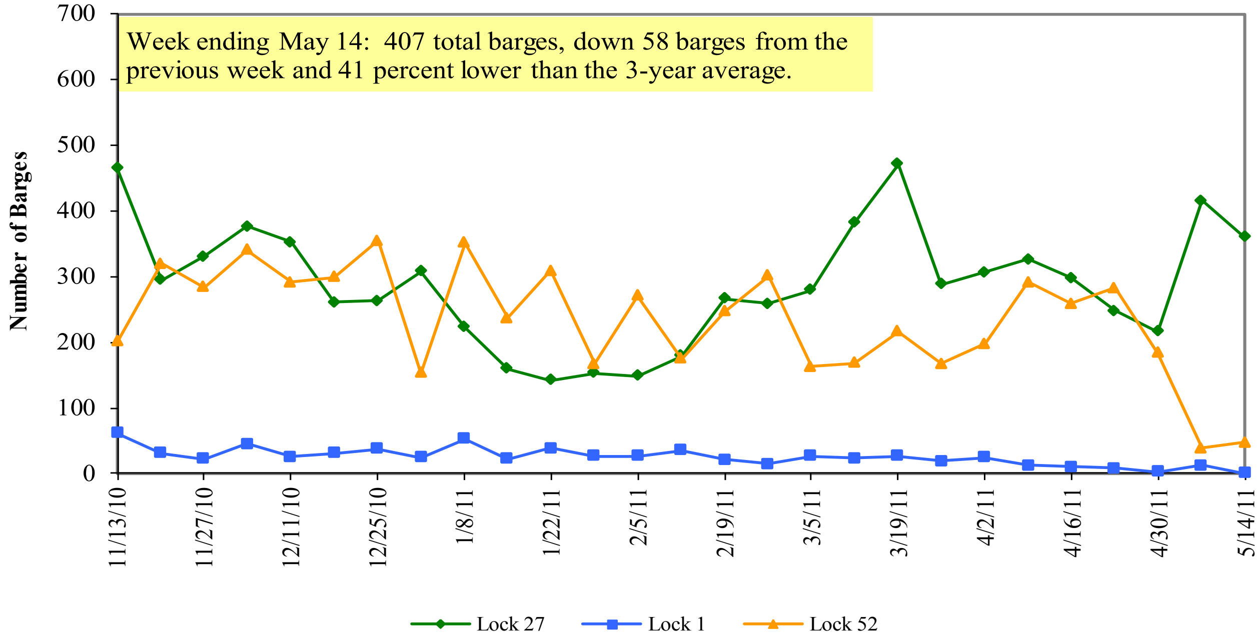
[2] As a percent of same period in 2010.

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

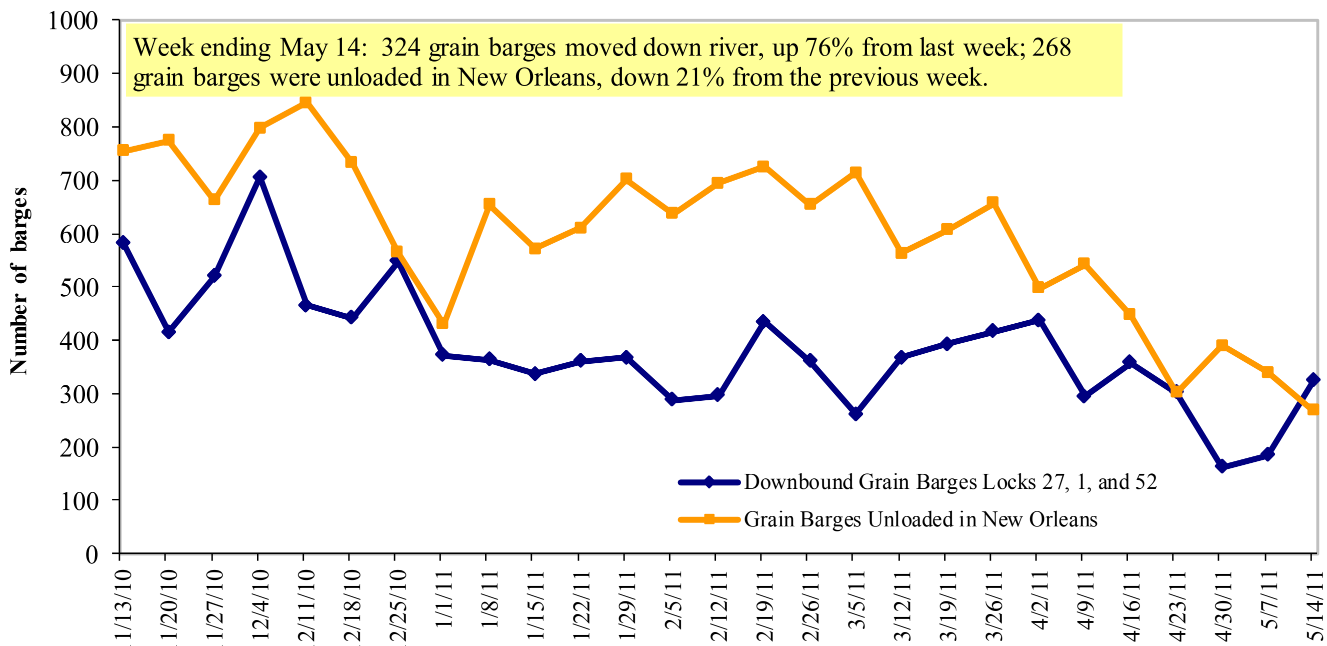
Upbound Empty Barges Transiting Mississippi River Locks 27, Arkansas River Lock and Dam 1, and Ohio River Locks and Dam 52



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 5/16/2011 (US $/gallon)

			Change from	
Region	**Location**	**Price**	**Week ago**	**Year ago**
I	East Coast	4.075	-0.042	0.966
	New England	4.207	-0.011	1.065
	Central Atlantic	4.210	-0.038	0.978
	Lower Atlantic	4.005	-0.047	0.951
II	Midwest[2]	4.015	-0.051	0.948
III	Gulf Coast[3]	3.996	-0.026	0.954
IV	Rocky Mountain	4.134	-0.022	0.977
V	West Coast	4.248	-0.059	1.044
	California	4.371	-0.088	1.133
Total	U.S.	4.061	-0.043	0.967

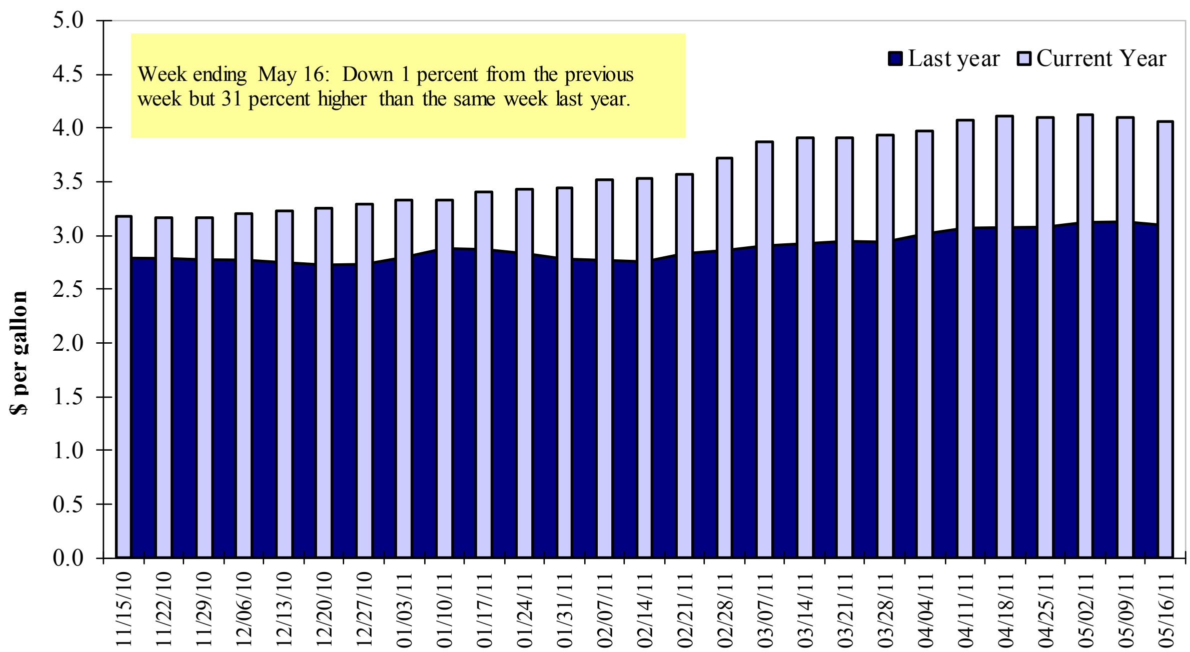
[1]Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

[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]									
5/5/2011	2,234	378	1,263	854	43	4,771	11,389	4,621	20,781
This week year ago	813	247	507	397	111	2,074	11,123	1,942	15,139
Cumulative exports-marketing year[2]									
2010/11 YTD	14,653	2,555	7,932	4,443	925	30,509	30,051	36,525	97,085
2009/10 YTD	7,879	2,635	5,083	3,688	909	20,193	31,117	35,699	87,009
YTD 2010/11 as % of 2009/10	186	97	156	120	102	151	97	102	112
Last 4 wks as % of same period 2009/10	327	193	297	263	50	277	109	249	150
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 05/05/11	Total Commitments[2]			% change current MY from last MY	Exports[3]
	2011/12 Next MY	2010/11 Current MY	2009/10 Last MY		2009/10
		- 1,000 mt -			- 1,000 mt -
Japan	667	12,691	12,129	5	14,343
Mexico	1,057	6,490	7,531	(14)	7,999
Korea	1	4,717	6,963	(32)	7,562
Taiwan	0	2,349	2,720	(14)	2,949
Egypt	0	2,506	1,960	28	2,935
Top 5 importers	**1,725**	**28,753**	**31,303**	**(8)**	**35,788**
Total US corn export sales	**3,251**	**41,441**	**42,241**	**(2)**	**50,460**
% of Projected	7%	86%	84%		
Change from Last Week	24	434	819		
Top 5 importers' share of U.S. corn export sales	53%	69%	74%		
USDA forecast, May 2011	**45,720**	**48,260**	**50,460**	**(4)**	
Corn Use for Ethanol USDA forecast, Ethanol May 2011	**128,270**	**127,000**	**116,027**	**9**	

(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 05/05/2011	Total Commitments[2] 2011/12 Current MY	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	5,907	25,413	21,789	17	22,454
Mexico	74	2,731	2,721	0	3,276
Japan	118	1,961	2,096	(6)	2,347
EU-25	0	2,599	2,697	(4)	2,647
Taiwan	0	1,238	1,408	(12)	1,556
Top 5 importers	**6,099**	**33,942**	**30,711**	**11**	**32,280**
Total US soybean export sales	**6,723**	**41,086**	**37,378**	**10**	**40,850**
% of Projected	16%	97%	91%		
Change from last week	3	21	283		
Top 5 importers' share of U.S. soybean export sales	91%	83%	82%		
USDA forecast, May 2011	**41,910**	**42,180**	**40,850**	**3**	
Soybean Use for Biodiesel USDA forecast, May 2011	**8,393**	**5,995**	**4,076**	**47**	

(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 05/05/2011	Total Commitments[2] 2011/12 Next MY	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	240	3,682	3,452	7	3,233
Japan	146	3,611	3,244	11	3,148
Mexico	288	2,645	1,956	35	1,975
Philippines	650	1,890	1,568	21	1,518
Korea, South	74	1,658	1,203	38	1,111
Taiwan	41	951	844	13	844
Venezuela	86	648	735	(12)	658
Colombia	150	876	547	60	575
Peru	0	1,056	558	89	567
Egypt	767	3,951	456	767	529
Top 10 importers	**2,441**	**20,967**	**14,562**	**44**	**14,156**
Total US wheat export sales	**2,874**	**35,280**	**22,267**	**58**	**23,980**
% of Projected	10%	102%	93%		
Change from last week	230	321	244		
Top 10 importers' share of U.S. wheat export sales	85%	59%	65%		
USDA forecast, May 2011	**28,580**	**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 05/12/11	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	387	357	108	5,405	3,910	138	175	197	11,062
Corn	309	112	276	3,276	3,543	92	96	88	9,950
Soybeans	12	66	18	3,011	4,241	71	110	62	10,191
Total	**708**	**535**	**132**	**11,692**	**11,693**	**100**	**132**	**124**	**31,203**
Mississippi Gulf									
Wheat	163	188	87	2,231	1,428	156	199	196	4,199
Corn	453	462	98	9,775	10,398	94	96	99	29,794
Soybeans	52	39	133	9,054	8,253	110	58	44	22,519
Total	**668**	**689**	**97**	**21,060**	**20,080**	**105**	**99**	**96**	**56,512**
Texas Gulf									
Wheat	144	392	37	5,631	2,922	193	211	213	9,339
Corn	16	44	35	518	841	62	52	82	1,859
Soybeans	0	3	0	763	667	114	13	24	1,916
Total	**160**	**439**	**36**	**6,912**	**4,430**	**156**	**165**	**186**	**13,115**
Great Lakes									
Wheat	63	43	144	367	159	232	573	483	1,897
Corn	0	0	n/a	0	16	0	0	0	119
Soybeans	0	0	n/a	0	0	n/a	n/a	0	655
Total	**63**	**43**	**144**	**367**	**174**	**211**	**413**	**306**	**2,672**
Atlantic									
Wheat	58	1	4,202	472	99	475	2,704	152	343
Corn	23	0	n/a	128	147	87	111	185	469
Soybeans	5	8	67	393	674	58	135	69	1,417
Total	**86**	**9**	**955**	**992**	**921**	**108**	**232**	**129**	**2,229**
U.S. total from ports[2]									
Wheat	816	982	83	14,107	8,518	166	203	209	26,839
Corn	801	618	130	13,697	14,945	92	93	95	42,192
Soybeans	69	115	60	13,220	13,835	96	73	50	36,699
Total	**1,685**	**1,715**	**98**	**41,024**	**37,299**	**110**	**124**	**120**	**105,730**

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

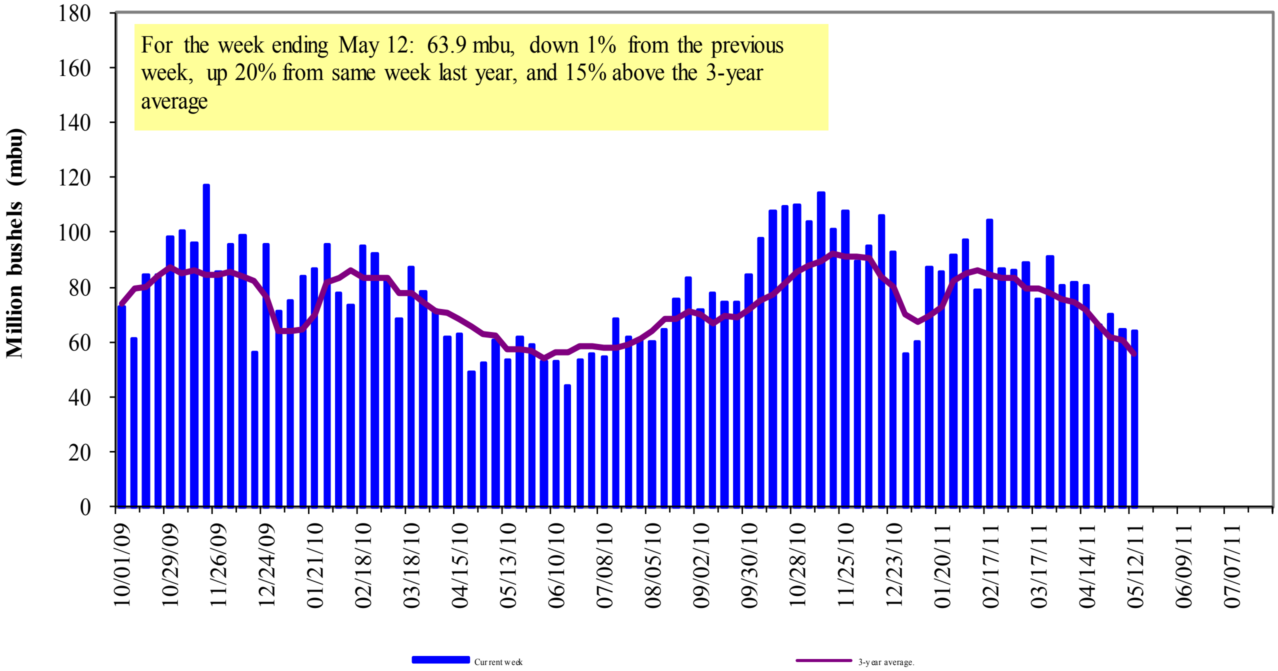
[2] Total includes only port regions shown above

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)

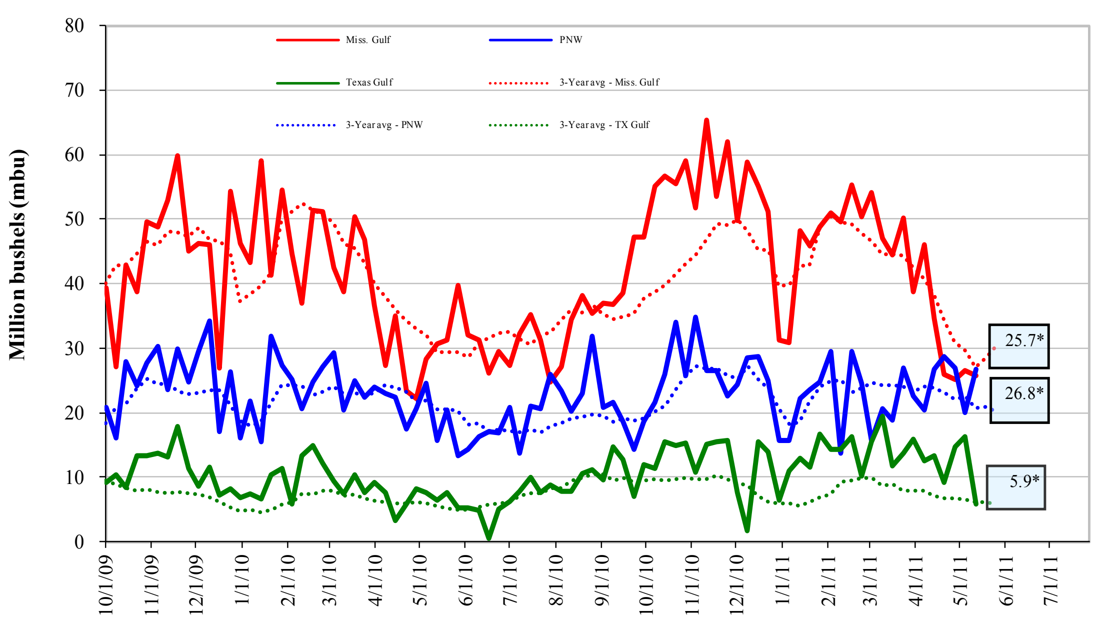


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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.

May 12 % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	down 3	down 64	downp 26	up 34
Last year (same week)	down 14	down 8	down 15	up 71
3-yr avg. (4-wk mov. avg.)	down 5	down 5	down 5	up 65

Ocean Transportation

Table 17

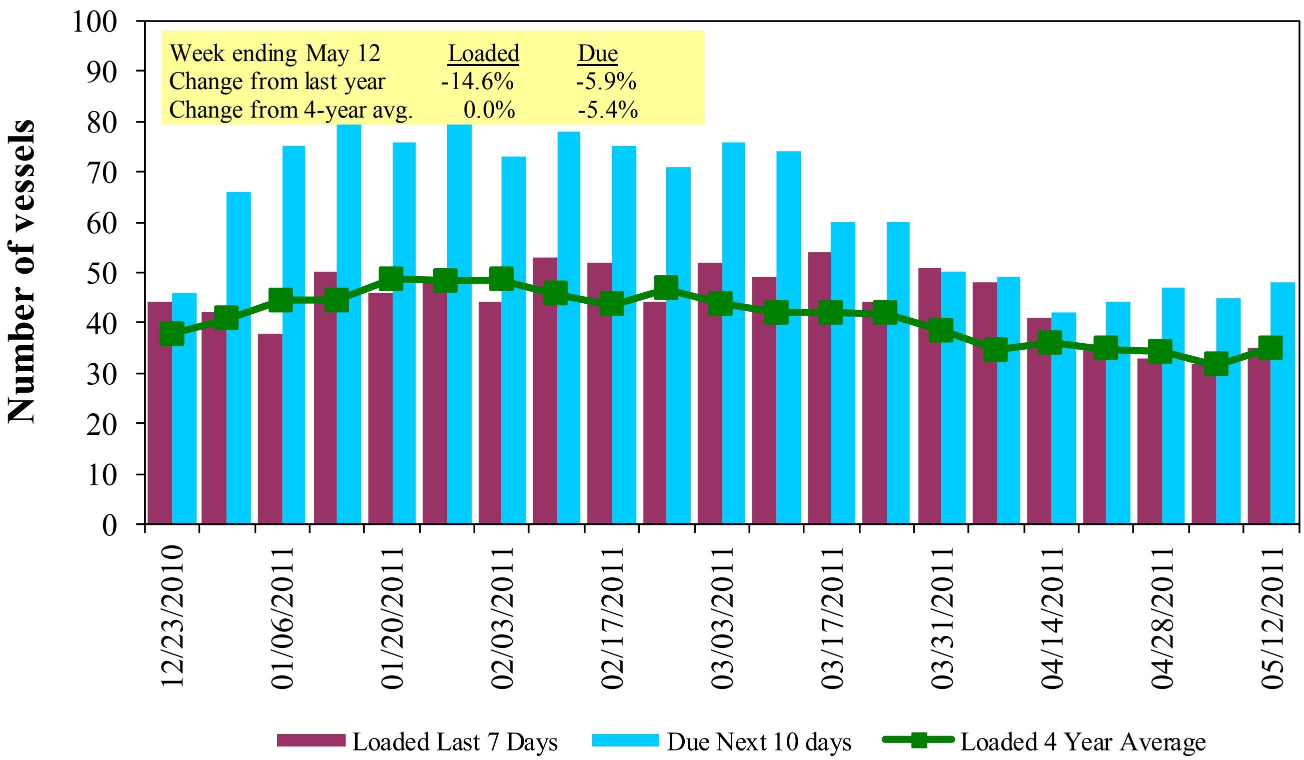
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

	Gulf			Pacific Northwest	Vancouver B.C.
Date	In port	Loaded 7-days	Due next 10-days	In port	In port
5/12/2011	25	35	48	18	15
5/5/2011	32	32	45	22	12
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

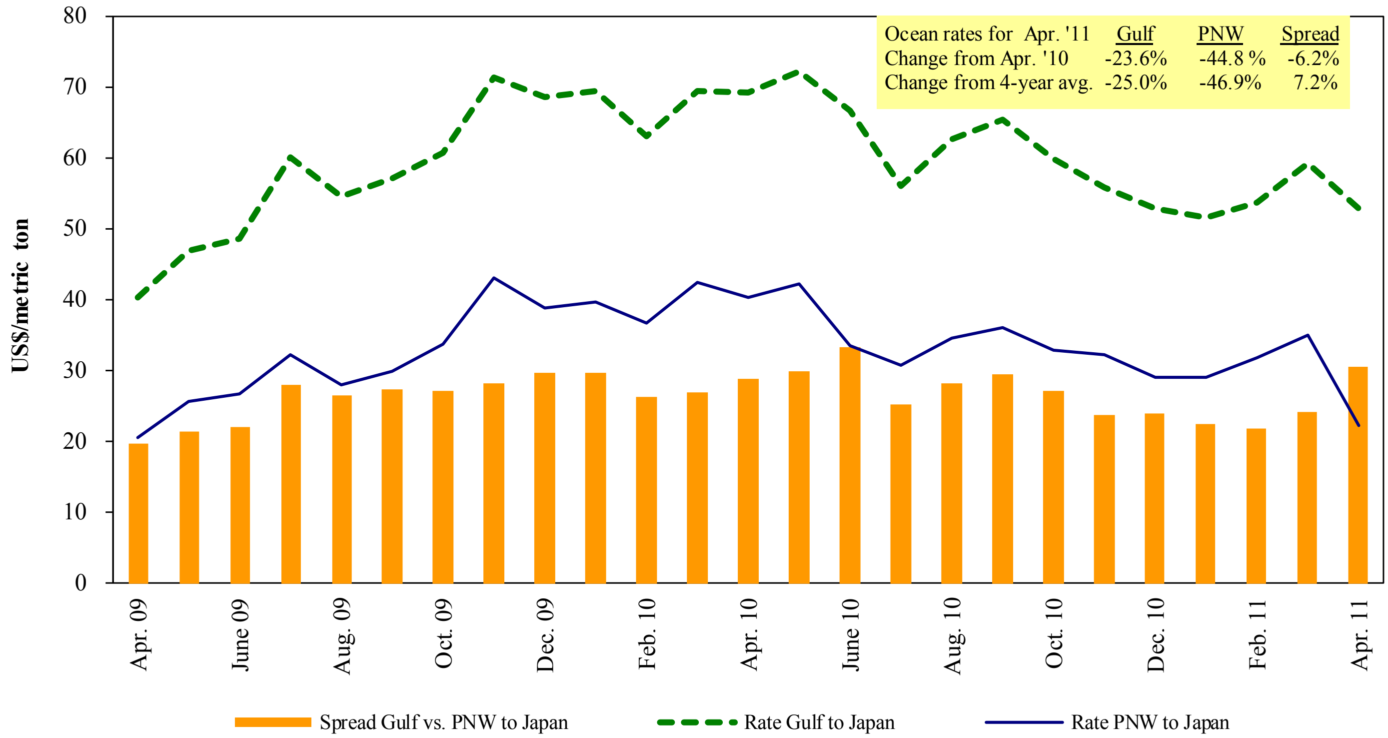


Source:Transportation & Marketing Programs/AMS/USDA

[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 05/14/2011

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US$/metric ton)
U.S. Gulf	China	Heavy Grain	May 1/10	55,000	56.00
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	Egypt	Grain	May 1/10	60,000	28.50
U.S. Gulf	Isreal	Wheat	May 20/30	50,000	36.00
U.S. Gulf	Nicaragua	Corn/Soybean meal	Feb 7/17	24,000	56.42
U.S. Gulf	Nigeria	Wheat	Apr 17/23	25,000	46.50
U.S. Gulf	Djibouti[1]	Wheat	Mar 31/Apr 9	17,260	129.95
PNW	Rotterdam	Heavy Grain	Feb 15/25	55,000	26.00
Brazil	China	Heavy Grain	May 18/27	60,000	49.50
Brazil	China	Heavy Grain	April 5/15	60,000	51.00
Brazil	China	Heavy Grain	April 1/15	55,000	47.00
River Plate	Algeria	Corn	May 15/25	25,000	42.25
River Plate	Algeria	Corn	Apr 15/25	25,000	41.50
River Plate	Algeria	Corn	April 15/25	30,000	41.50
River Plate	Morocco	corn	Feb 28/Mar 8	25,000	37.25
River Plate	Morocco	Heavy Grain	Apr 25/28	2,500	44.50
River Plate	Spain	Maize	May 16/18	25,000	44.00
River Plate	Spain	Corn	Apri 24/25	2,500	46.00
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

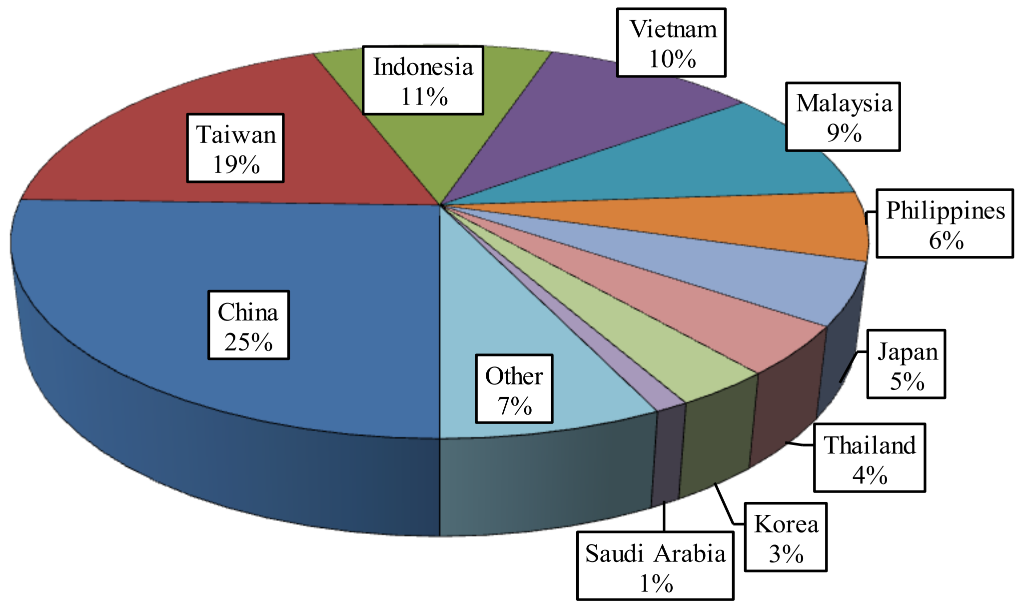
[1]75 percent of food aid from the United States is required to be shipped on U.S.-flag vessels.

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

In 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, January 2011

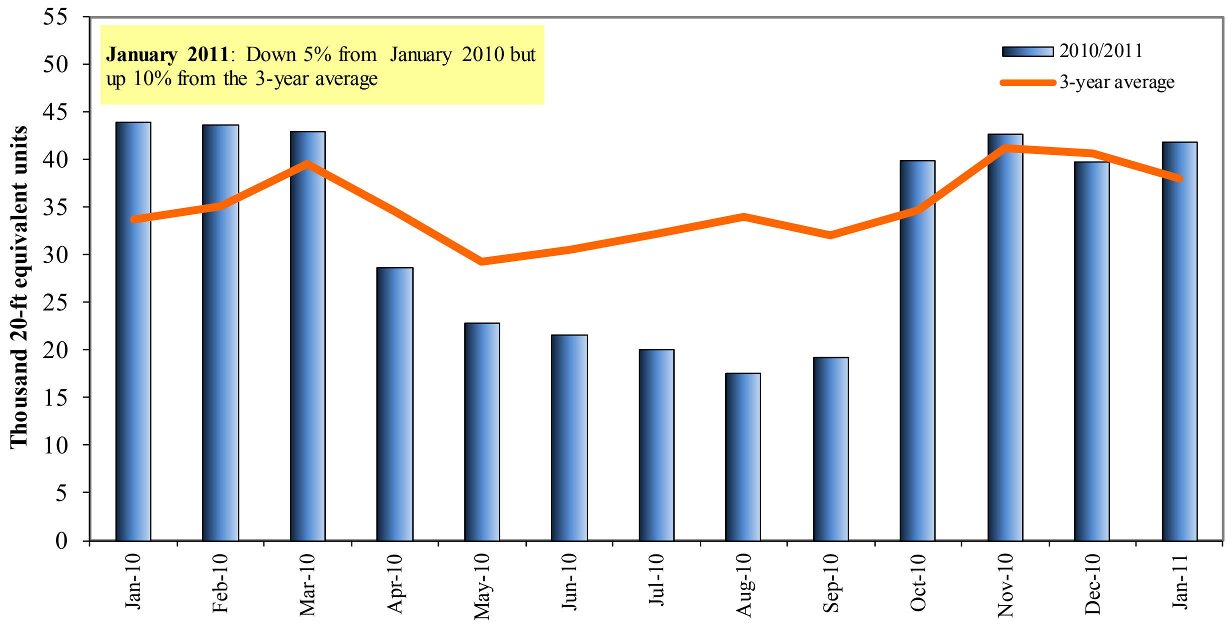


Source: USDA/Agricultural Marketing Service/Transportation Services Division analysis of Port Import Export Reporting Service (PIERS) data

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**.

Contacts and Links

Coordinators		
Surajudeen (Deen) Olowolayemo	surajudeen.olowolayemo@ams.usda.gov	(202) 694 - 3050
Pierre Bahizi	pierre.bahizi@ams.usda.gov	(202) 694 - 2503
Weekly Highlight Editors		
Marina Denicoff	marina.denicoff@ams.usda.gov	(202) 694 - 2504
Surajudeen (Deen) Olowolayemo	surajudeen.olowolayemo@ams.usda.gov	(202) 694 - 3050
April Taylor	april.taylor@ams.usda.gov	(202) 295 - 7374
Grain Transportation Indicators		
Surajudeen (Deen) Olowolayemo	surajudeen.olowolayemo@ams.usda.gov	(202) 694 - 3050
Rail Transportation		
Marvin Prater	marvin.prater@ams.usda.gov	(202) 694 - 3051
Johnny Hill	johnny.hill@ams.usda.gov	(202) 694 - 2506
Adam Sparger	adam.sparger@ams.usda.gov	(202) 694 - 3054
Barge Transportation		
Nicholas Marathon	nick.marathon@ams.usda.gov	(202) 694 - 2508
April Taylor	april.taylor@ams.usda.gov	(202) 295 - 7374
Truck Transportation		
April Taylor	april.taylor@ams.usda.gov	(202) 295 - 7374
Grain Exports		
Johnny Hill	johnny.hill@ams.usda.gov	(202) 694 - 2506
Marina Denicoff	marina.denicoff@ams.usda.gov	(202) 694 - 2504
Ocean Transportation		
Surajudeen (Deen) Olowolayemo (Freight rates and vessels)	surajudeen.olowolayemo@ams.usda.gov	(202) 694 - 3050
April Taylor (Container movements)	april.taylor@ams.usda.gov	(202) 295 - 7374

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