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Agricultural Marketing Service

A weekly publication of the
Transportation and Marketing Programs/Transportation Services Division
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Contents

The next release is June 9, 2011

WEEKLY HIGHLIGHTS

Barge Rates Up; More Grain Supplies Needed at New Orleans Export Elevators

Since mid-April, when flooding closed sections of the upper Mississippi River and slowed barge movements on the lower Mississippi River, barge rates have risen about 17 percent for grain shipped from St. Louis to New Orleans. This week, **St. Louis rates** increased to about $13.97, compared to $13.21 per ton last week. Current rates are 34 percent higher than last May, when St. Louis rates were about $10.43 per ton. Rates did increase this week at the same time as New Orleans corn bids strengthened, indicating more supplies of grain are needed at the port because of delayed barge movements. DTN news service has reported a stronger basis at the Gulf during the last couple of days for June and July delivery of corn. The Pacific Northwest export market basis levels were unchanged.

Weekly Corn Inspections Up Slightly; Soybean Inspections Continue to Increase

For the week ending May 26, **total inspections of grain** (corn, wheat, and soybeans) for export from all major U.S. export regions reached 1.74 million metric tons (mmt), down 3 percent from the previous week but 13.4 percent above last year at this time. Although total grain inspections dropped, total soybean inspections (.236 mmt) continued increasing, up 33 percent from the past week, as shipments to China rebounded. These soybean exports were moved primarily through the Pacific Northwest (PNW) port region. Total corn inspections (.810 mmt) increased only 2 percent from the past week; however, corn inspections through the PNW increased 53 percent over the previous week. Corn inspections were 10 percent above the previous four-week average and soybean inspections were 93 percent higher than the four-week average.

Corn Planting Only Nine Percentage Points Behind Average

As of May 29, the Nation's corn farmers have planted 86 percent of the corn crop, only 9 percentage points behind the 5-year average of 95 percent. Ohio has had the wettest February-to-April period on record. As a result of rain soaked fields, Ohio has planted only 19 percent of its corn, 74 percentage points behind its 5-year average. Other States that are behind their planting pace include Indiana at 59 percent (87 percent average), Michigan at 67 percent (92 percent average), and North Dakota at 74 percent (91 average). The top three corn producing States - Iowa, Illinois, and Nebraska – are between 94 and 100 percent planted. States with delayed corn plantings could push their harvest demand for transportation later into the year.

Snapshots by Sector

Rail

U.S. railroads originated 22,952 **carloads of grain** during the week ending May 21, up 2 percent from last week, up 13 percent from last year, and 17 percent higher than the 3-year average.

During the week ending May 26, average June non-shuttle **secondary railcar bids/offers** were $31.50 above tariff, up $12 from last week. Average shuttle rates were $282.50 below tariff, down $7 from last week.

Ocean

During the week ending May 26, 33 **ocean-going grain vessels** were loaded in the Gulf, down 23 percent from last year. Forty-one vessels are expected to be loaded within the next 10 days, 2 percent less than the same period last year.

During the week ending May 27, the ocean freight rate for shipping bulk grain from the Gulf to Japan was $53.50 per metric ton (mt), 4 percent higher than the previous week. The cost of shipping from the Pacific Northwest to Japan was $31 per mt—7 percent higher than the previous week.

Barge

During the week ending May 28, **barge grain movements** totaled 682,570 tons, 8.6 percent lower than the previous week and 24 percent lower than the same period last year.

During the week ending May 28, 445 grain barges **moved down river**, down 6 percent from last week; 366 grain barges were **unloaded in New Orleans**, down 1 percent from the previous week.

Fuel

During the week ending May 30, U.S. average **diesel fuel prices** decreased 5 cent per gallon to $3.95—down 1.2 percent from the previous week, but 32 percent higher than the same week last year.

Feature Article/Calendar

Corn and Soybean Transportation Costs Decrease in Gulf; Increase in PNW

Transportation costs for shipping corn and soybeans from Minneapolis, MN to Japan through the Gulf decreased during the first quarter 2011 mainly because of significantly lower barge rates (*see table*). The drop in barge rates during the quarter was normal because of slower demand this time of the year and fewer non-grain barge movements. The cost for shipping grain from the Pacific Northwest (PNW), however, increased from the previous quarter, pushed up by higher truck rates as diesel prices increased due to unrest in the Middle East. Quarter-to-quarter ocean rates were slightly higher for shipping from the PNW due to increased shipping activity. However, increased vessel supply pushed ocean rates down in the Gulf (*see* ***GTR 5//05/11***).

Table 1: Cost of Shipping Corn and Soybeans from Minneapolis to Japan through the U.S. Gulf

	Corn					Soybeans				
	$/metric ton			Percent change		$/metric ton			Percent Change	
	1stQtr 10	4thQtr 10	1stQtr 11	Yr. to Yr.	Qtr to Qtr	1stQtr 10	4thQtr 10	1stQtr 11	Yr. to Yr.	Qtr to Qtr
Truck	n/a	8.94	11.34	n/a	26.85	n/a	8.94	11.34	n/a	26.85
Barge	n/a	41.85	35.94	n/a	-14.12	n/a	41.85	35.94	n/a	-14.12
Ocean	n/a	56.35	54.79	n/a	-2.77	n/a	56.35	54.79	n/a	-2.77
Total Transportation Cost	n/a	107.14	102.07	n/a	-4.73	n/a	107.14	102.07	n/a	-4.73
Farm Value [2]	n/a	164.56	162.33	n/a	-1.36	n/a	385.69	438.47	n/a	13.68
Total Landed Cost	n/a	271.70	264.40	n/a	-2.69	n/a	492.83	540.54	n/a	9.68
Transportation % Landed Cost	n/a	39.43	38.60			n/a	21.74	18.88		

Table 2: Cost of Shipping Corn and Soybeans from Minneapolis to Japan through the U.S. PNW

	Corn					Soybeans				
	$/metric ton			Percent change		$/metric ton			Percent Change	
	1stQtr 10	4thQtr 10	1stQtr 11	Yr. to Yr.	Qtr to Qtr	1stQtr 10	4thQtr 10	1stQtr 11	Yr. to Yr.	Qtr to Qtr
Truck	10.46	8.94	11.34	8.41	26.85	10.46	8.94	11.34	8.41	26.85
Rail [1]	46.10	47.94	48.33	4.84	0.81	48.58	50.49	49.82	2.55	-1.33
Ocean	39.67	31.34	31.92	-19.54	1.85	39.67	31.34	31.92	-19.54	1.85
Total Transportation Cost	96.23	88.22	91.59	-4.82	3.82	98.71	90.77	93.08	-5.70	2.54
Farm Value [2]	138.18	164.56	162.33	17.48	-1.36	340.98	385.69	438.47	28.59	13.68
Total Landed Cost	234.41	252.78	253.92	8.32	0.45	439.69	476.46	531.55	20.89	11.56
Transportation % Landed Cost	41.05	34.90	36.07			22.45	19.05	17.51		

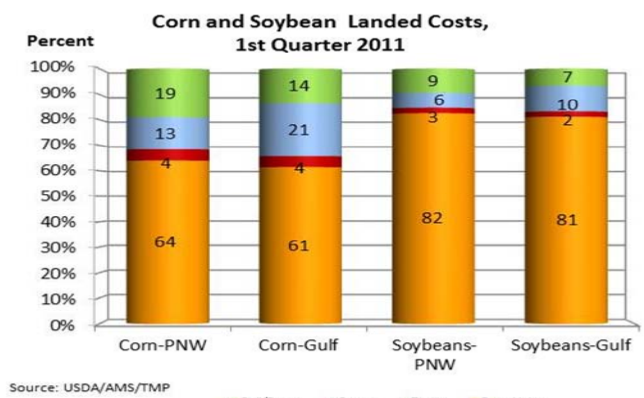
Source: USDA/AMS/TMP

[1] Rail tariffs include fuel surcharges and revisions for heavy axle rail cars and shuttle trains

[2] Source: USDA/NASS, Agricultural Prices

U.S. Gulf Costs: Total first quarter transportation costs for shipping corn and soybeans from Minneapolis through the Gulf to Japan decreased 5 percent quarter to quarter, due mainly to a 14 percent decrease in barge rates. First quarter barge rates for shipping grain to the Gulf decreased because of slower demand for barge service and higher barge availability. The 27 percent increase in quarter-to-quarter truck rates could not offset the drop in overall transportation costs for shipping from the Gulf, because barge and ocean rates account for the majority of total transportation costs.

Compared to the fourth quarter 2010, the total landed cost for shipping from the U.S. Gulf to Japan during the first quarter 2011 dropped 3 percent for shipping corn but increased 10 percent for soybeans due primarily to higher truck rates and soybean farm value. Corn farm values were slightly below the past quarter; accounting for 61 percent of the landed cost, while soybean farm value accounted for 81percent of the landed cost for shipping from the Gulf (*see figure*). Transportation costs for shipping corn from the Gulf to Japan accounted for about 39 percent of the total landed cost during the second quarter, slightly below the previous quarter. The 19 percent transportation cost share of the total landed costs for soybeans was also below the previous quarter due to



the increasing share for soybean farm value (tables 1). Total Gulf exports of corn decreased 7 percent during the first quarter but soybeans increased 11 percent due to strong demand from China (***GTR dated April 14, 2011***).

Pacific Northwest Costs: Total transportation costs from Minneapolis via the Pacific Northwest (PNW) to Japan increased about 4 percent for corn and about 3 percent for soybeans from quarter to quarter (see table 2). Higher truck rates pushed transport costs up from the previous quarter and last year. From year to year, transportation costs for shipping corn and soybeans to the PNW decreased 5 and 6 percent respectively, due mainly to a 20 percent drop in ocean rates (table 2). Compared to the fourth quarter 2010, PNW rail rates increased about 1 percent for corn but decreased over 1 percent for soybeans. Year-to-year rail rates for shipping grain to the PNW increased 5 percent for corn and 3 percent for soybeans due to higher fuel surcharges (*see GTR table 7*).

The quarter-to-quarter increase in truck rates and ocean rates caused first quarter PNW total landed costs to increase slightly for corn. For soybeans, however, higher truck rates and increased soybean farm value pushed landed costs up about 12 percent quarter to quarter and up 21 percent year to year (see table 2). Transportation costs for corn shipped through the PNW accounted for about 36 percent of the total landed costs during the first quarter, above the previous quarter but below last year. First quarter transportation costs for soybeans shipped through the PNW accounted for 18 percent of the total landed costs, which was below the previous quarter and last year. Soybean farm value, at $438 per metric ton, was the highest since second quarter 2008, accounting for 82 percent of the landed cost to ship from the PNW (*see figure*). Total PNW exports of corn and soybeans decreased 11 and 30 percent during the first quarter as shipments to Asia decreased, which could be because of the 17 percent drop in the Gulf and PNW ocean rate spread.
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Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators[1]

	Truck	Rail[2]	Barge	Ocean	
Week ending				Gulf	Pacific
06/01/11	265	127	257	239	220
05/25/11	268	115	249	230	206

[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)

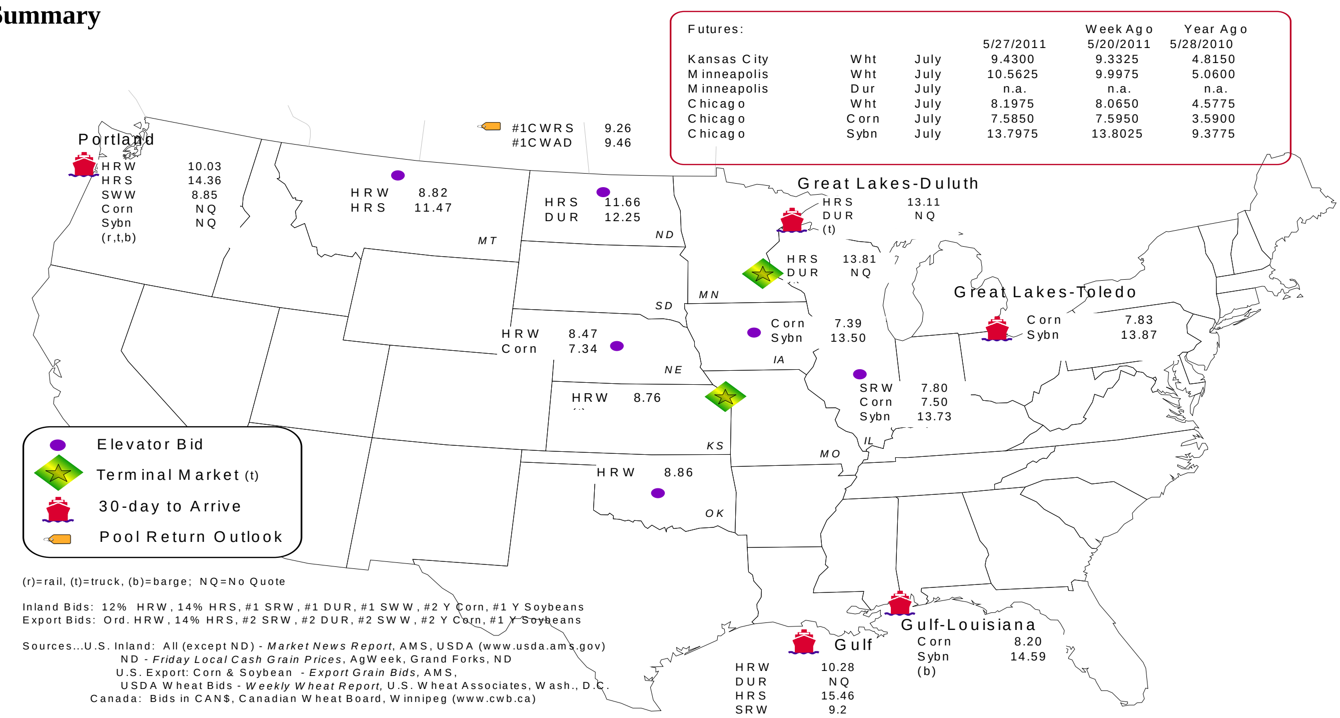
Commodity	Origin--Destination	5/27/2011	5/20/2011
Corn	IL--Gulf	-0.70	-0.74
Corn	NE--Gulf	-0.86	-0.89
Soybean	IA--Gulf	-1.09	-1.09
HRW	KS--Gulf	-1.52	-1.61
HRS	ND--Portland	-2.70	-2.80

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
5/25/2011[p]	554	1,670	1,338	4,341	433	8,336
5/18/2011[r]	537	1,596	1,152	3,797	410	7,492
2011 YTD	19,617	47,346	18,737	83,348	14,071	183,119
2010YTD	7,320	29,400	19,730	70,828	16,682	143,960
2011 YTD as % of 2010 YTD	268	161	95	118	84	127
Last 4 weeks as % of 2010[2]	370	197	116	117	193	141
Last 4 weeks as % of 4-year avg.[2]	132	169	128	100	129	119
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.

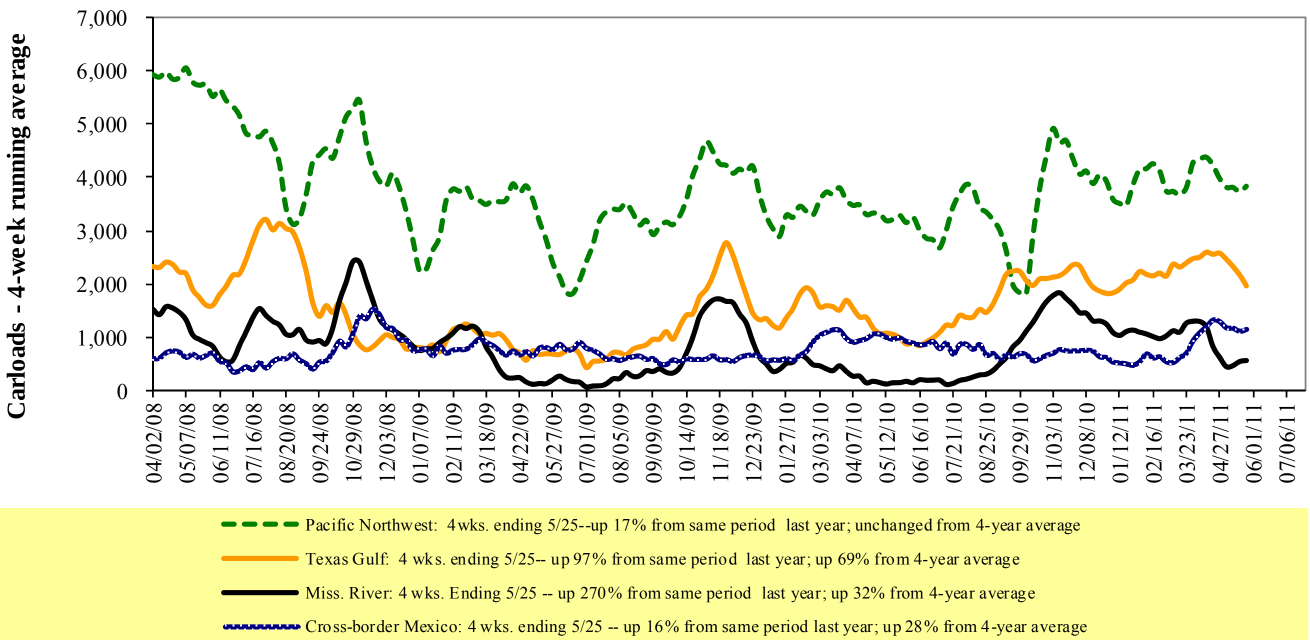
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

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)

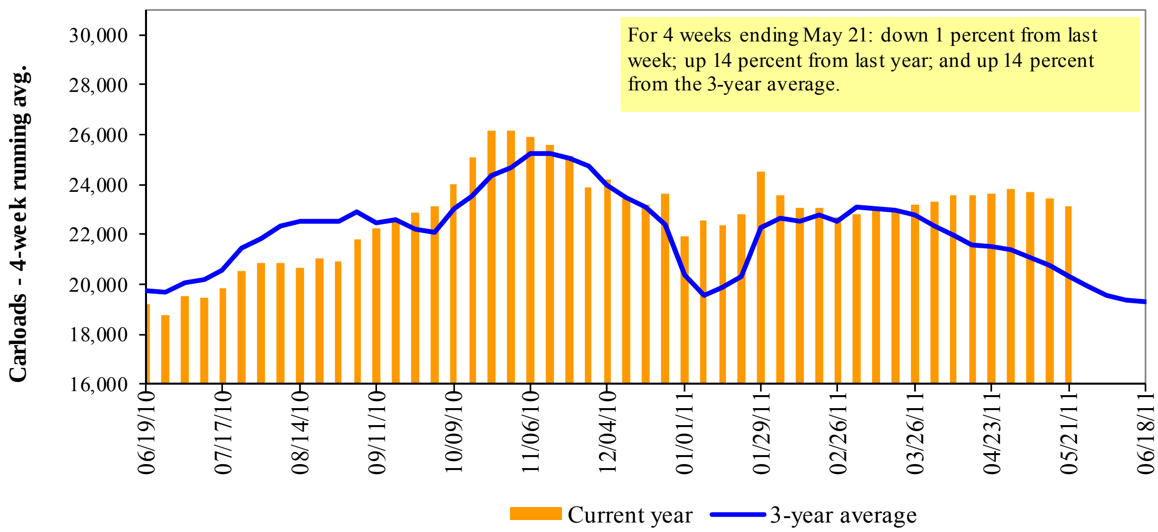
	East		West			U.S. total	Canada	
Week ending	**CSXT**	**NS**	**BNSF**	**KCS**	**UP**		**CN**	**CP**
05/21/11	2,018	3,312	11,214	874	5,534	22,952	4,332	5,136
This week last year	1,997	2,835	9,143	948	5,397	20,320	4,098	5,437
2011 YTD	42,142	60,769	229,560	12,771	123,279	468,521	82,205	95,638
2010 YTD	45,355	61,406	207,697	15,500	107,729	437,687	81,488	109,012
2011 YTD as % of 2010 YTD	93	99	111	82	114	107	101	88
Last 4 weeks as % of 2010[1]	86	102	125	89	116	114	108	98
Last 4 weeks as % of 3-yr avg.[1]	80	106	129	98	111	114	101	100
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							
5/26/2011	**Jun-11**	**Jun-10**	**Jul-11**	**Jul-10**	**Aug-11**	**Aug-10**	**Sep-11**	**Sep-10**
BNSF[3]								
COT grain units	5	2	no bids	0	no offer	2	no offer	no offer
COT grain single-car[5]	0 . . 25	0 . . 50	0	0 . . 5	no offer	0 . . 3	no offer	3 . . 7
UP[4]								
GCAS/Region 1	no bids	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

[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.

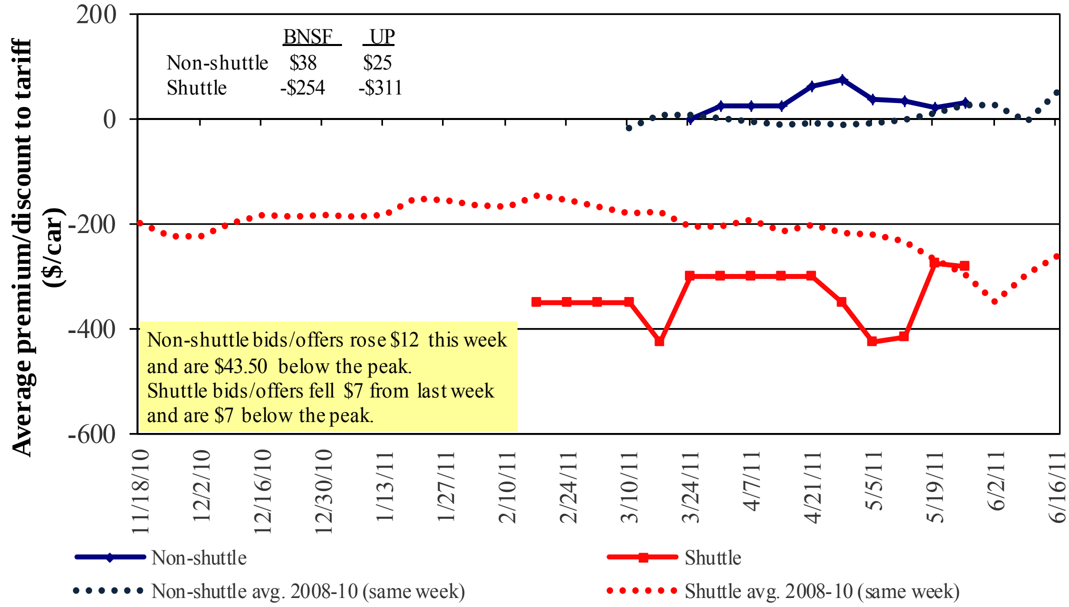
[5]Range is shown because average is not available. Not available = n/a.

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 June 2011, Secondary Market

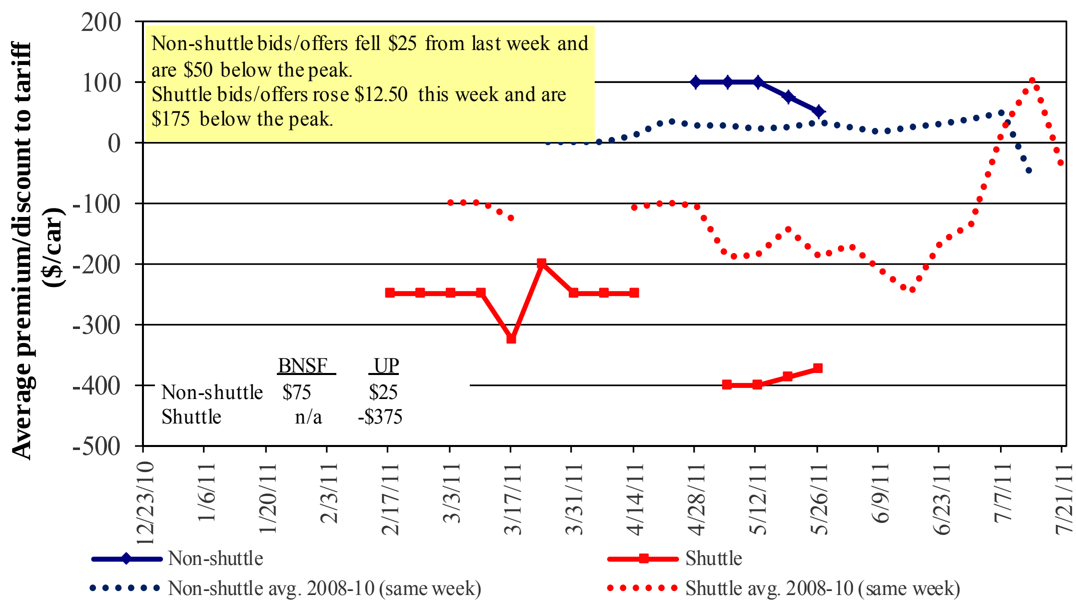


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

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

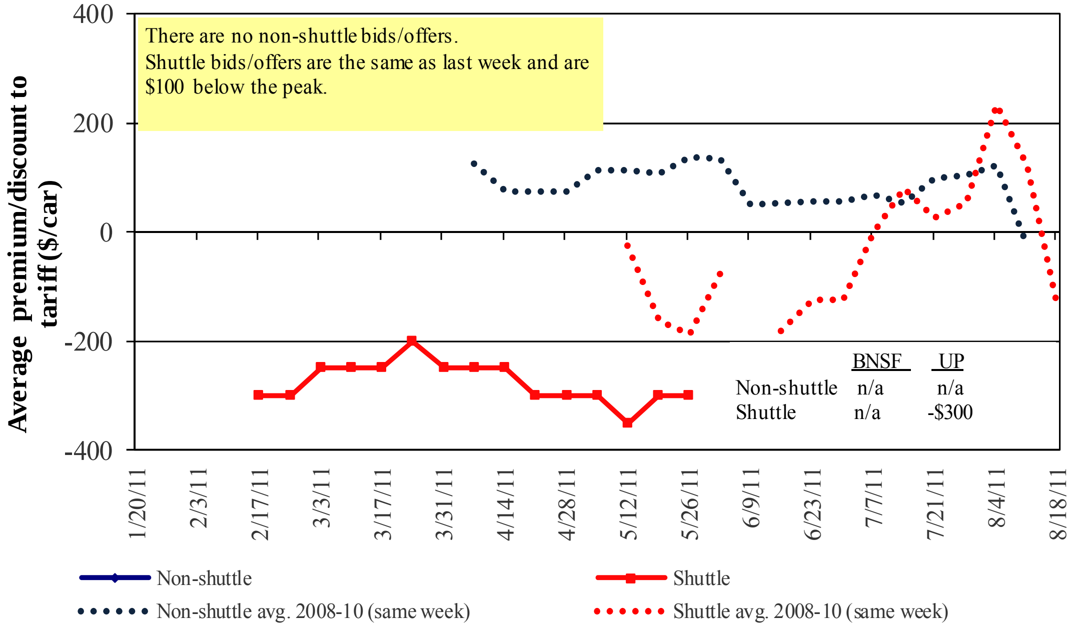


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in August 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					
5/26/2011	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11
Non-shuttle						
BNSF-GF	38	75	n/a	n/a	n/a	n/a
Change from last week	7	-	n/a	n/a	n/a	n/a
Change from same week 2010	34	75	n/a	n/a	n/a	n/a
UP-Pool	25	25	n/a	n/a	n/a	n/a
Change from last week	17	n/a	n/a	n/a	n/a	n/a
Change from same week 2010	25	17	n/a	n/a	n/a	n/a
Shuttle[2]						
BNSF-GF	(254)	n/a	n/a	300	n/a	n/a
Change from last week	(53)	n/a	n/a	n/a	n/a	n/a
Change from same week 2010	-	n/a	n/a	300	n/a	n/a
UP-Pool	(311)	(375)	(300)	(250)	700	n/a
Change from last week	39	-	-	-	100	n/a
Change from same week 2010	(36)	(125)	-	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	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

Commodity	Origin state	Destination region	Tariff rate/car[1]	Fuel surcharge per car[2]	Tariff plus surcharge per: metric ton[3]	bushel[3]	Percent change Y/Y[4]
Effective date: 5/2/2011							
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

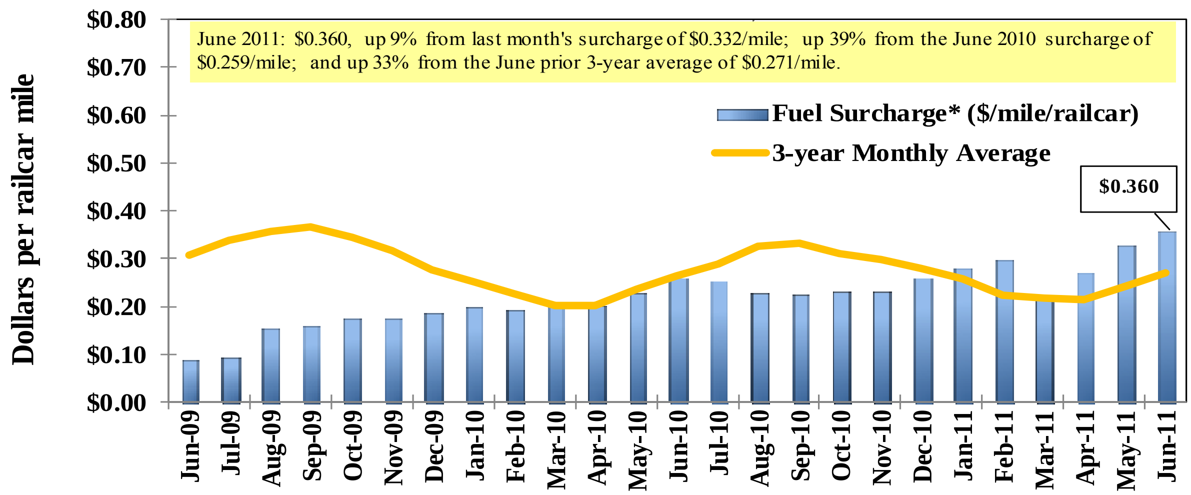
[4]Percentage change year over year calculated using tariff rate plus fuel surchage

[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.

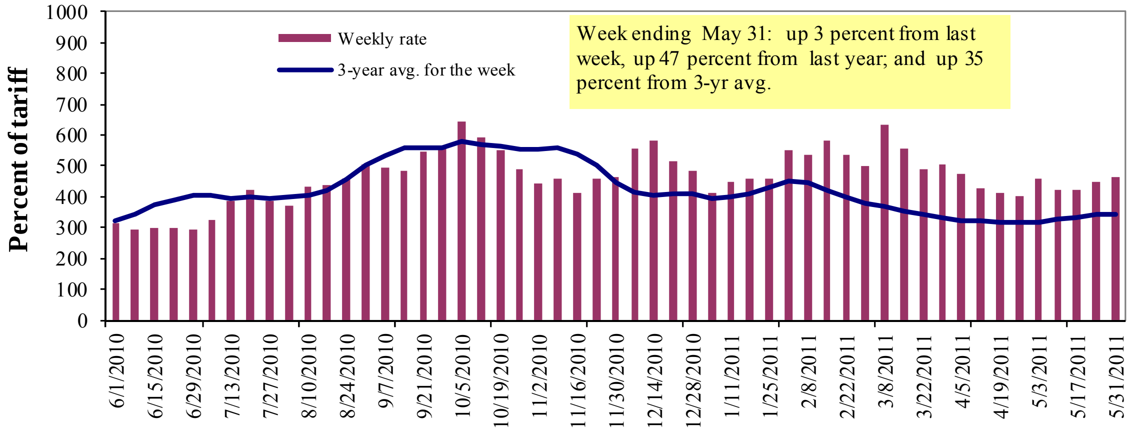
** BNSF strike price (diesel price when fuel surcharges begin) changed from $1.25/gal. to $2.50/gal starting March 1, 2011. As a result, the weighted average fuel surcharge for March 2011 was $0.227/mile instead of $0.331/mile.

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]	5/31/2011	542	485	463	350	438	438	308
	5/24/2011	530	453	449	331	435	435	295
$/ton	5/31/2011	33.55	25.80	21.48	13.97	20.54	17.70	9.67
	5/24/2011	32.81	24.10	20.83	13.21	20.40	17.57	9.26
Current week % change from the same week:								
	Last year	45	55	47	62	51	51	55
	3-year avg. [2]	32	35	35	33	55	55	26
Rate[1]	June	538	468	455	355	430	430	300
	August	563	500	498	423	500	500	413

[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

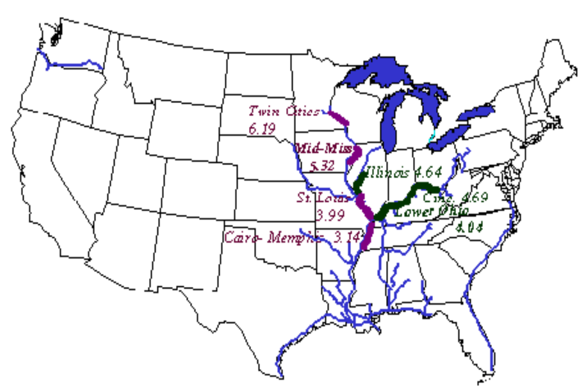
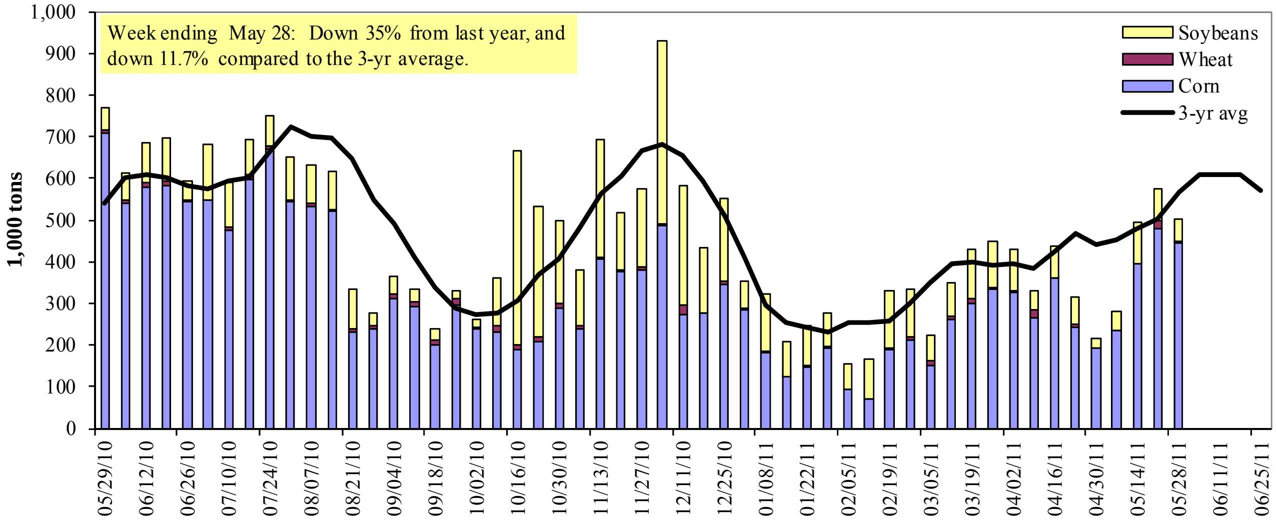


Figure 10

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 5/28/2011	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	228	5	29	0	262
Winfield, MO (L25)	310	2	31	0	343
Alton, IL (L26)	423	3	53	0	479
Granite City, IL (L27)	445	3	53	0	501
Illinois River (L8)	151	2	16	0	169
Ohio River (L52)	68	14	31	0	113
Arkansas River (L1)	0	41	28	0	69
Weekly total - 2011	513	57	112	0	683
Weekly total - 2010	786	16	88	13	902
2011 YTD[1]	7,358	485	3,400	134	11,377
2010 YTD	8,842	436	3,668	189	13,135
2011 as % of 2010 YTD	83	111	93	71	87
Last 4 weeks as % of 2010[2]	65	103	76	29	67
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.

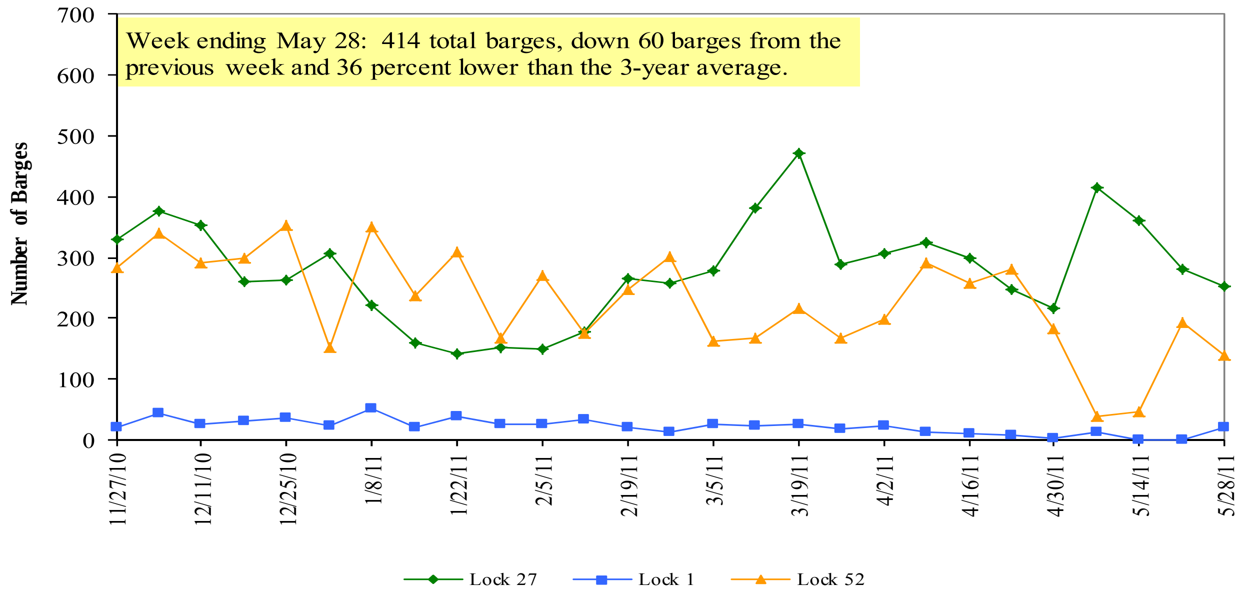
[2] As a percent of same period in 2010.

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

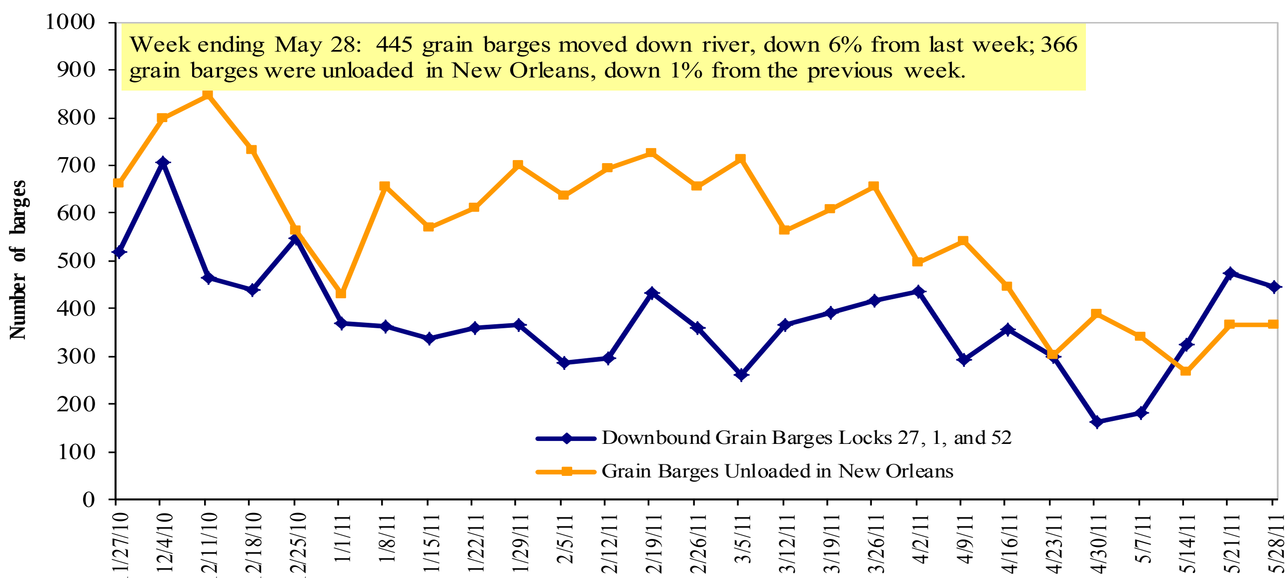
Upbound Empty Barges Transiting Mississippi River Locks 27, Arkansas River Lock and Dam 1, and Ohio River Locks and Dam 52



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 5/30/2011 (US $/gallon)

Region	Location	Price	Change from Week ago	Change from Year ago
I	East Coast	3.962	-0.049	0.957
	New England	4.121	-0.040	1.057
	Central Atlantic	4.082	-0.056	0.961
	Lower Atlantic	3.897	-0.046	0.947
II	Midwest[2]	3.896	-0.046	0.956
III	Gulf Coast[3]	3.884	-0.051	0.948
IV	Rocky Mountain	4.020	-0.081	0.959
V	West Coast	4.161	-0.040	1.079
	California	4.227	-0.060	1.133
Total	U.S.	3.948	-0.049	0.968

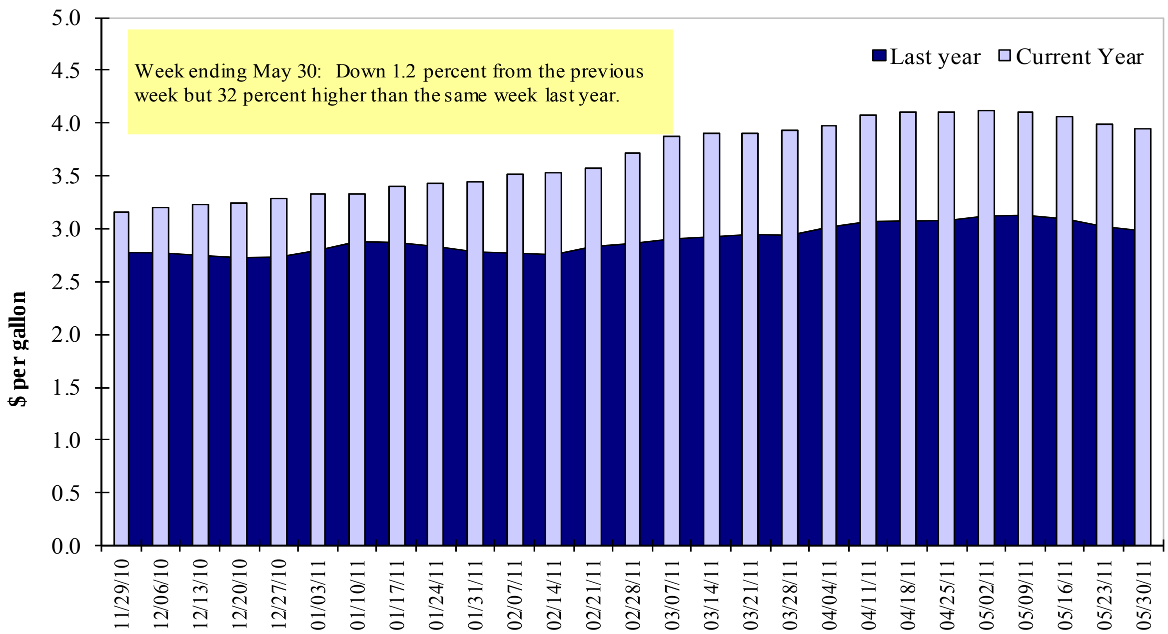
[1]Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

[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]									
5/19/2011	1,593	175	882	615	23	3,288	11,044	4,422	18,754
This week year ago	591	256	369	269	81	1,566	11,290	2,180	15,036
Cumulative exports-marketing year[2]									
2010/11 YTD	15,301	2,747	8,378	4,709	956	32,089	31,967	37,053	101,109
2009/10 YTD	8,285	2,695	5,290	3,873	957	21,100	33,336	36,115	90,551
YTD 2010/11 as % of 2009/10	185	102	158	122	100	152	96	103	112
Last 4 wks as % of same period 2009/10	354	122	312	301	52	282	101	212	136
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 05/19/11	Total Commitments[2]			% change	Exports[3]
	2011/12	2010/11	2009/10	current MY	
	Next MY	Current MY	Last MY	from last MY	2009/10
		- 1,000 mt -			- 1,000 mt -
Japan	662	13,153	12,959	1	14,343
Mexico	1,091	6,587	7,563	(13)	7,999
Korea	1	5,307	7,077	(25)	7,562
Taiwan	0	2,391	2,801	(15)	2,949
Egypt	40	2,680	2,074	29	2,935
Top 5 importers	**1,795**	**30,118**	**32,473**	**(7)**	**35,788**
Total US corn export sales	**3,612**	**43,011**	**44,626**	**(4)**	**50,460**
% of Projected	8%	89%	88%		
Change from Last Week	53	727	1,031		
Top 5 importers' share of U.S. corn export sales	50%	70%	73%		
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 05/19/2011	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	5,900	25,549	22,136	15	22,454
Mexico	74	2,919	2,904	0	3,276
Japan	119	2,014	2,177	(8)	2,347
EU-25	0	2,599	2,697	(4)	2,647
Taiwan	0	1,353	1,473	(8)	1,556
Top 5 importers	**6,093**	**34,434**	**31,388**	**10**	**32,280**
Total US soybean export sales	**6,717**	**41,475**	**38,395**	**8**	**40,850**
% of Projected	16%	98%	94%		
Change from last week	(6)	163	276		
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 05/19/2011	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	320	3,815	3,507	9	3,233
Japan	113	3,614	3,347	8	3,148
Mexico	460	2,662	1,981	34	1,975
Philippines	686	1,896	1,571	21	1,518
Korea, South	74	1,666	1,209	38	1,111
Taiwan	41	953	844	13	844
Venezuela	126	640	739	(13)	658
Colombia	206	835	564	48	575
Peru	156	994	563	76	567
Egypt	783	4,021	456	783	529
Top 10 importers	**2,964**	**21,096**	**14,781**	**43**	**14,156**
Total US wheat export sales	**4,007**	**35,378**	**22,666**	**56**	**23,980**
% of Projected	14%	102%	65%		
Change from last week	461	(29)	149		
Top 10 importers' share of U.S. wheat export sales	74%	60%	65%		
USDA forecast, May 2011	**28,580**	**34,700**	**34,700**	**0**	

(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 05/26/11	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	257	438	59	6,102	4,300	142	160	173	11,062
Corn	278	182	153	3,737	4,032	93	91	85	9,950
Soybeans	84	0	n/a	3,095	4,248	73	208	66	10,191
Total	**619**	**620**	**100**	**12,933**	**12,580**	**103**	**128**	**117**	**31,203**
Mississippi Gulf									
Wheat	68	39	173	2,338	1,561	150	166	148	4,199
Corn	503	555	91	10,833	11,922	91	75	89	29,794
Soybeans	132	158	84	9,343	8,422	111	88	62	22,519
Total	**703**	**752**	**94**	**22,514**	**21,905**	**103**	**84**	**89**	**56,512**
Texas Gulf									
Wheat	344	251	137	6,225	3,231	193	181	210	9,339
Corn	0	49	0	567	880	64	108	154	1,859
Soybeans	0	0	n/a	763	667	114	n/a	61	1,916
Total	**344**	**300**	**115**	**7,556**	**4,778**	**158**	**171**	**203**	**13,115**
Great Lakes									
Wheat	28	46	62	442	199	221	418	527	1,897
Corn	8	0	n/a	8	31	27	55	48	119
Soybeans	8	15	53	22	0	n/a	n/a	123	655
Total	**44**	**60**	74	**472**	**230**	**205**	**361**	**302**	**2,672**
Atlantic									
Wheat	1	46	3	519	101	516	5,215	297	343
Corn	20	6	333	153	169	91	95	189	469
Soybeans	13	5	258	410	680	60	281	93	1,417
Total	**34**	**56**	**60**	**1,082**	**950**	**114**	**363**	**206**	**2,229**
U.S. total from ports[2]									
Wheat	698	820	85	15,626	9,392	166	180	190	26,839
Corn	810	791	102	15,298	17,034	90	80	90	42,192
Soybeans	236	177	133	13,633	14,017	97	115	65	36,699
Total	**1,744**	**1,788**	**98**	**44,558**	**40,444**	**110**	**113**	**115**	**105,730**

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

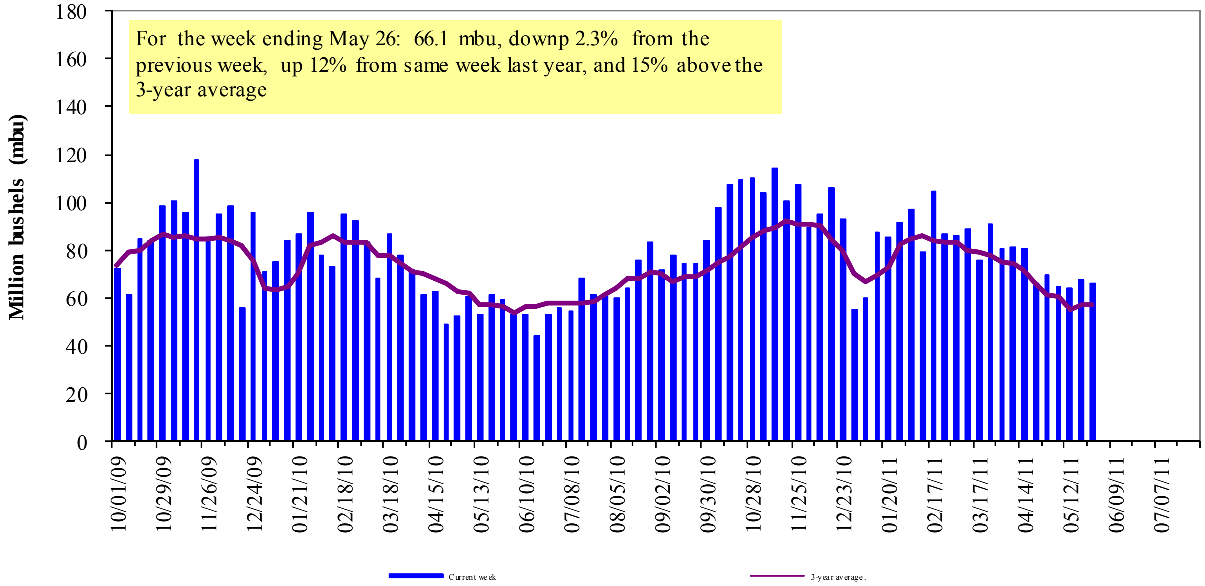
[2] Total includes only port regions shown above

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)

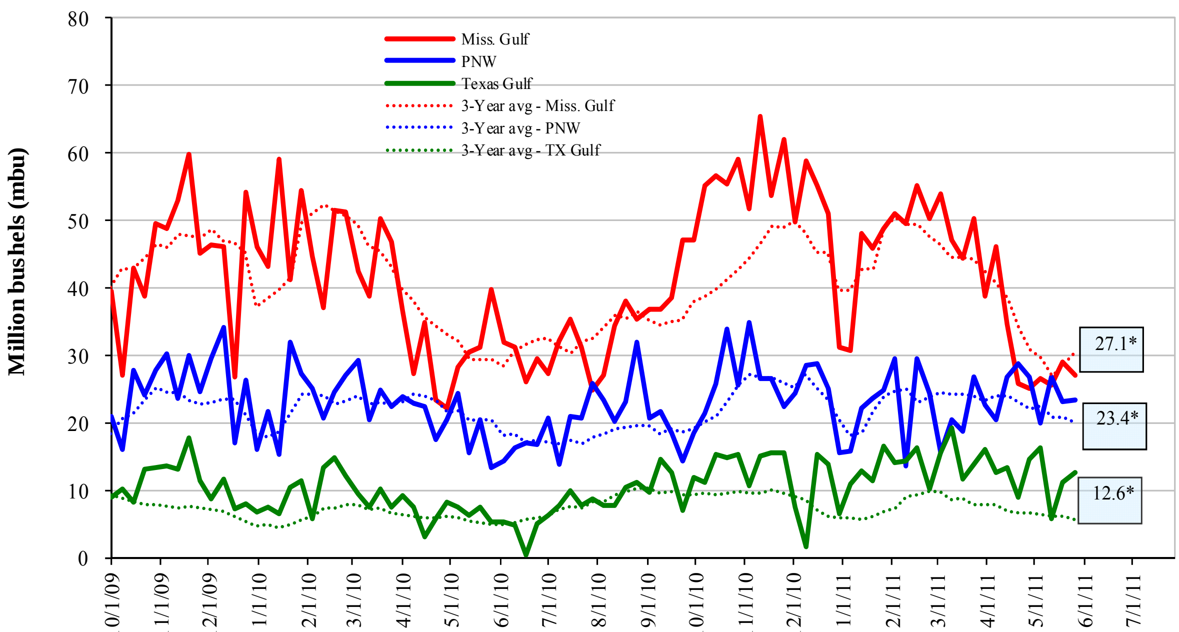


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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 26 % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	down 7	up 13	down 1	up 1
Last year (same week)	down 32	up 140	down 12	up 75
3-yr avg. (4-wk mov. avg.)	down 11	up 123	up 11	up 31

Ocean Transportation

Table 17

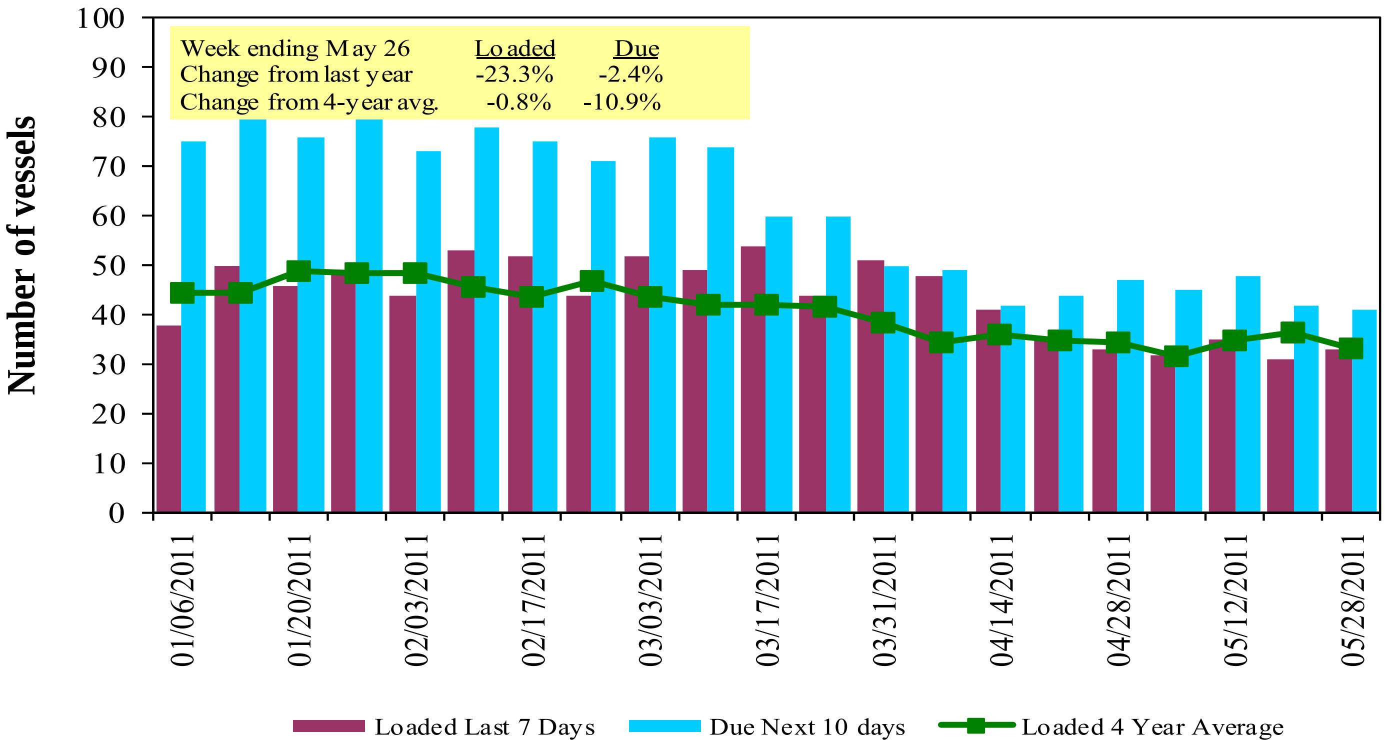
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

	Gulf			Pacific Northwest	Vancouver B.C.
Date	In port	Loaded 7-days	Due next 10-days	In port	In port
5/26/2011	27	33	41	13	15
5/19/2011	33	31	42	13	20
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

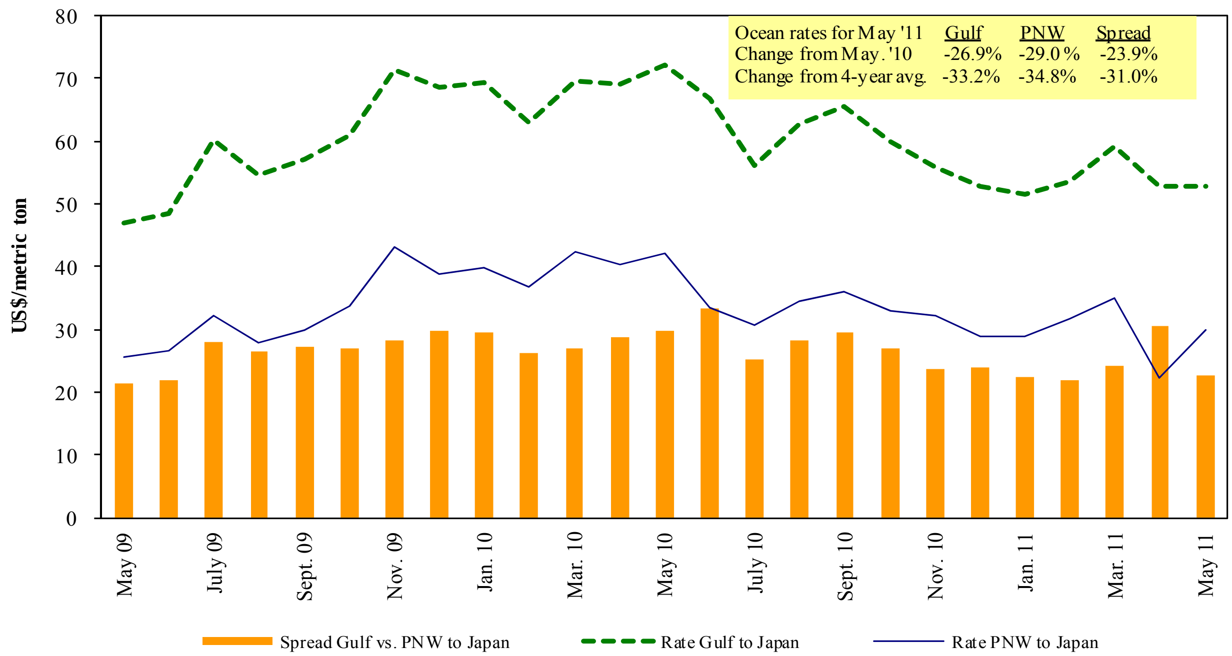


Source:Transportation & Marketing Programs/AMS/USDA

[1]U.S. Gulf includes Mississippi, Texas, and East Gulf.

Figure 17

Grain Vessel Rates, U.S. to Japan



Source: O'Neil Commodity Consulting

Ocean Freight Rates For Selected Shipments, Week Ending 05/28/2011

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	Japan	Heavy Grain	June 1/12	54,000	52.50
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
Brazil	Turkey	Heavy Grain	May 20/30	50,000	32.00
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
Ukraine	Spain Med	Corn	May 20/24	25,000	18.00
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

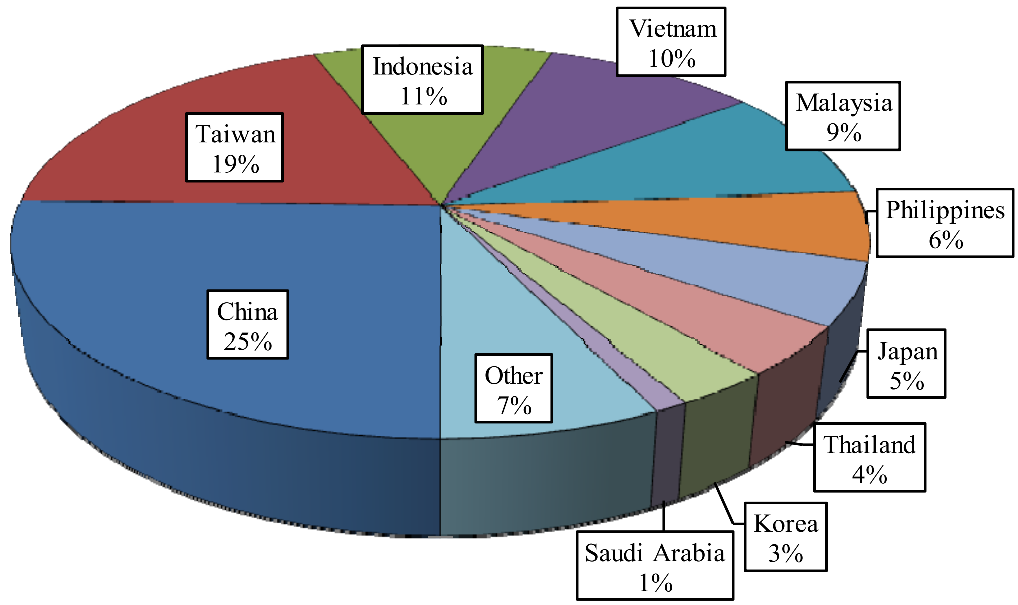
[1]75 percent of food aid from the United States is required to be shipped on U.S.-flag vessels.

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

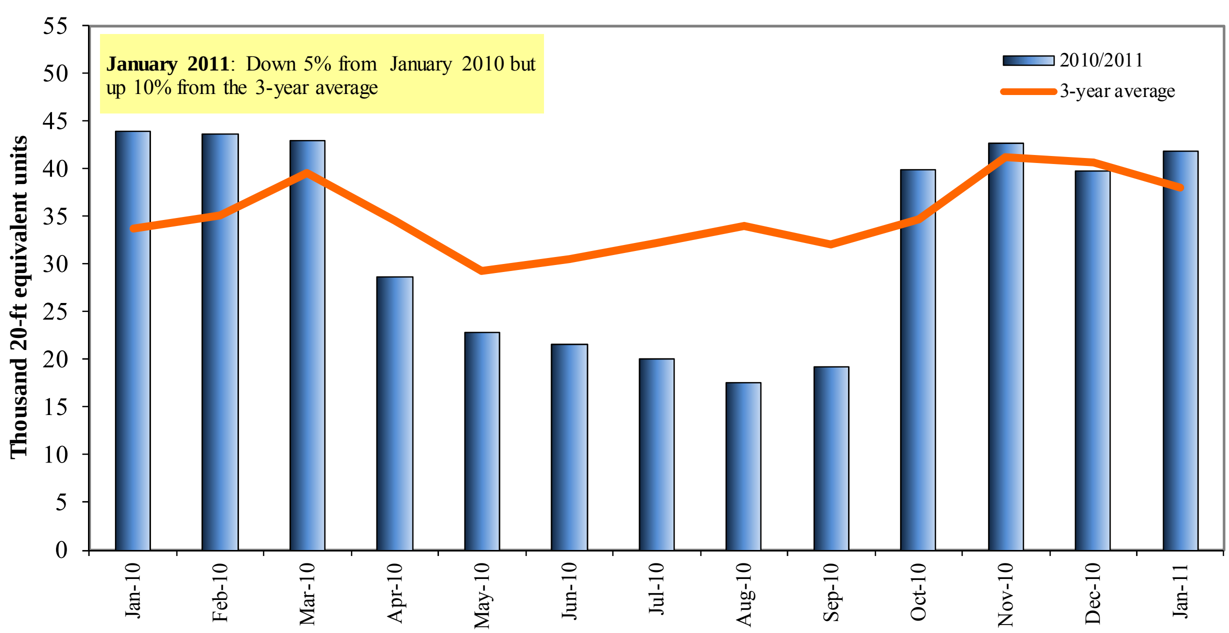


Source: USDA/Agricultural Marketing Service/Transportation Services Division analysis of Port Import Export Reporting Service (PIERS) data

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**.

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