Grain Transportation Report

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

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June 28, 2012

Contents

The next release is July 5, 2012

WEEKLY HIGHLIGHTS

Diesel Fuel Prices Fall for 11th Straight Week

During the week ending June 25, U.S. average **diesel fuel prices** decreased 5 cents to $3.68 per gallon—21 cents lower than the same week last year. Over the past 11 weeks, prices have fallen 47 cents from a peak of $4.15 during the week ending April 9. According to the Energy Information Administration (EIA), falling fuel prices reflect recent declines in crude oil prices. During the previous 12-week period, the spot prices for West Texas Intermediate (WTI) crude oil declined $24 per barrel to a low for the period of $78 and Brent crude oil fell $34 per barrel to a low of $89. Crude prices haven't been at these levels since the end of 2010. WTI and Brent are among the world's leading oil pricing benchmarks. Increased North American production, a weak global economy, and improved vehicle fuel efficiency have contributed to lower crude oil prices.

Barge Operators Adjust to Low Water; Rates Remain Stable

Low water has caused at least one barge company to set a maximum barge draft of 9 feet 6 inches on the Ohio River below Paducah, KY, and on the Lower Mississippi River. The Memphis, TN, gauge is currently at -3.4 feet, significantly lower than last year at this time when high-water raised the Memphis gauge to over 20 feet. At a 9-foot draft, a barge has 1,500 short tons of capacity; for each inch of reduced draft, the barge loses about 16.7 tons of capacity. A weak barge market has kept Memphis barge rates at $6.27 per ton for most of June, 36 percent lower than last June. Memphis barge rates have remained stable, ranging from $6.18 to $6.43 per ton.

Grain Inspections Down

For the week ending June 21, **total inspections of grain** (wheat, corn, soybeans) for export from all major U.S. ports reached 1.47 million metric tons (mmt), down 7 percent from the past week and 12 percent below last year at this time. Total grain inspections were down for each of the major grains. Mississippi and Texas Gulf grain inspections increased 40 and 83 percent from the past week. But these increases did not offset the drop in Pacific Northwest inspections, which decreased 46 percent as shipments to Asia declined. Despite the weekly decrease, wheat (.531 mmt) and soybeans (.252 mt) inspections for the last four weeks averaged 19 and 50 percent above the 3-year average. Outstanding export sales of wheat increased from the previous week.

China Drops Antidumping Case against U.S. DDGS; 2012 U.S. DDGS Exports to China Rising

On June 21, China's Ministry of Commerce announced that it will end an antidumping investigation against imports of U.S. distillers dried grains with solubles (DDGS) used as animal feed. DDGS are a co-product of corn ethanol production: 17.5 lbs. of DDGS are produced for every bushel of corn used in ethanol production. With no fear of import tariffs, U.S. DDGS shipments to China are likely to increase. In 2011, the United States exported 1.4 mmt of DDGS to China, 44 percent lower than in 2010. In the first four months of 2012, 0.7 mmt of DDGS have been shipped to China, 84 percent higher than during the same period last year.

Snapshots by Sector

Rail

U.S. railroads originated 18,650 **carloads of grain** during the week ending June 16, down 5 percent from last week, 12 percent from last year, and 5 percent lower than the 3-year average.

During the week ending June 21, average July non-shuttle **secondary railcar bids/offers per car** were $8 above tariff, down $1 from last week and $1.50 lower than last year. Average shuttle bids/offers were $525 below tariff, down $18.50 from last week and $168.50 lower than last year.

Ocean

During the week ending June 21, 32 **ocean-going grain vessels** were loaded in the Gulf, up 3.2 percent from the same period last year. Forty-three vessels are expected to be loaded within the next 10 days, 6.5 percent less than the same period last year.

During the week ending June 15, the ocean freight rate for shipping bulk grain from the Gulf to Japan was $48.50 per mt, down 4 percent from the previous week. The cost of shipping from the Pacific Northwest to Japan was $28.50 per mt, down 6 percent from the previous week.

Barge

During the week ending June 23, **barge grain movements** totaled 581,149 tons, 4 percent higher than the previous week and 15 percent higher than the same period last year.

During the week ending June 23, 388 grain barges **moved down river**, up 8 percent from last week; 366 grain barges were **unloaded in New Orleans**, down 14 percent from the previous week.

Seaborne Grain Transportation Costs to Mexico Declined; Land Route Costs Increased

The transportation costs of shipping bulk grains from the United States to Mexico via the water route declined during the 1st quarter of 2012, while the costs of transporting overland increased. The cost of shipping corn and soybeans from Illinois to the port of Vera Cruz, Mexico decreased 13 percent, compared to the previous quarter (see table). The cost of shipping Kansas wheat to Vera Cruz decreased by 29 percent during the quarter. In contrast, the costs of transporting corn, soybeans, and wheat from Iowa, Nebraska, and Kansas to Guadalajara, Mexico by land increased by 1 percent, during the quarter. Figure 1 illustrates the shipment costs for the water route and figure 2 illustrates the shipment costs for the land route.

Quarterly costs of transporting U.S. grain to Mexico

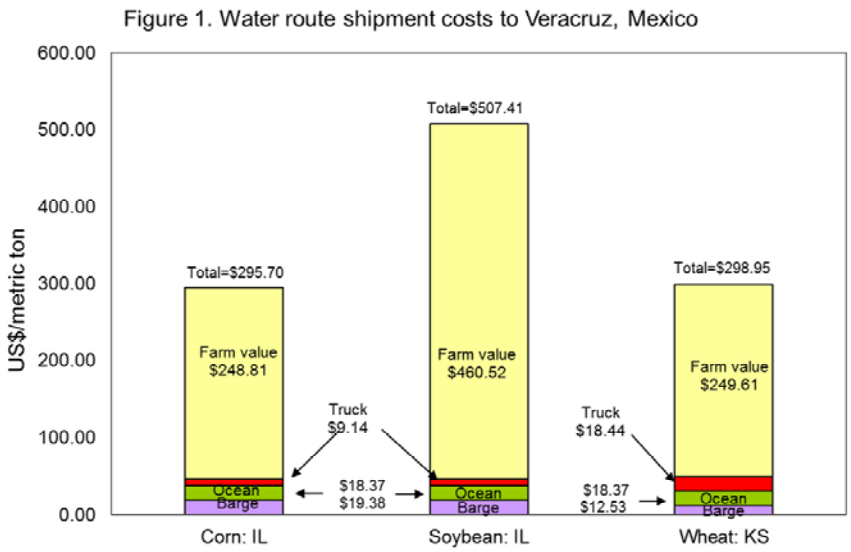
	Water route (to Veracruz) $/metric ton					Land route (to Guadalajara) $/metric ton				
	2011 1st qtr.	2011 4th qtr.	2012 1st qtr.	Percent change Yr. to Yr.	Percent change Qtr. to Qtr.	2011 1st qtr.	2011 4th qtr.	2012 1st qtr.	Percent change Yr. to Yr.	Percent change Qtr. to Qtr.
Corn										
Origin			IL					IA		
Truck	11.34	10.22	9.14	-19.4	-10.6	3.50	3.54	3.58	2.3	1.1
Rail [1]						80.58	86.54	87.78	8.9	1.4
Ocean [2]	18.75	21.21	18.37	-2.0	-13.4					
Barge	26.24	22.70	19.38	-26.1	-14.6					
Total transportation cost	56.33	54.13	46.89	-16.8	-13.4	84.08	90.08	91.36	8.7	1.4
Farm Value	216.92	232.14	248.81	14.7	7.2	209.83	225.32	241.98	15.3	7.4
Landed Cost	273.25	286.27	295.70	8.2	3.3	293.91	315.40	333.34	13.4	5.7
Transport % of landed cost	21	19	16			29	29	27		
Soybeans										
Origin			IL					NE		
Truck	11.34	10.22	9.14	-19.4	-10.6	3.50	3.54	3.58	2.3	1.1
Rail [1]						80.51	88.69	89.88	11.6	1.3
Ocean [2]	18.75	21.21	18.37	-2.0	-13.4					
Barge	26.24	22.70	19.38	-26.1	-14.6					
Total transportation cost	56.33	54.13	46.89	-16.8	-13.4	84.01	92.23	93.46	11.2	1.3
Farm Value	461.75	436.03	460.52	-0.3	5.6	445.82	421.33	440.92	-1.1	4.6
Landed Cost	518.08	490.16	507.41	-2.1	3.5	529.83	513.56	534.38	0.9	4.1
Transport % of landed cost	11	11	9			16	18	17		
Wheat										
Origin			KS					KS		
Truck*	25.71	32.36	18.44	-28.3	-43.0	3.50	3.54	3.58	2.3	1.1
Rail [1]						78.19	83.67	84.71	8.3	1.2
Ocean [2]	18.75	21.21	18.37	-2.0	-13.4					
Barge	18.40	15.39	12.53	-31.9	-18.6					
Total transportation cost	62.86	68.96	49.34	-21.5	-28.5	81.69	87.21	88.29	8.1	1.2
Farm Value	280.72	246.80	249.61	-11.1	1.1	280.72	246.80	249.61	-11.1	1.1
Landed Cost	387.57	315.76	298.95	-22.9	-5.3	362.41	334.01	337.90	-6.8	1.2
Transport % of landed cost	16	22	17			23	26	26		

[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

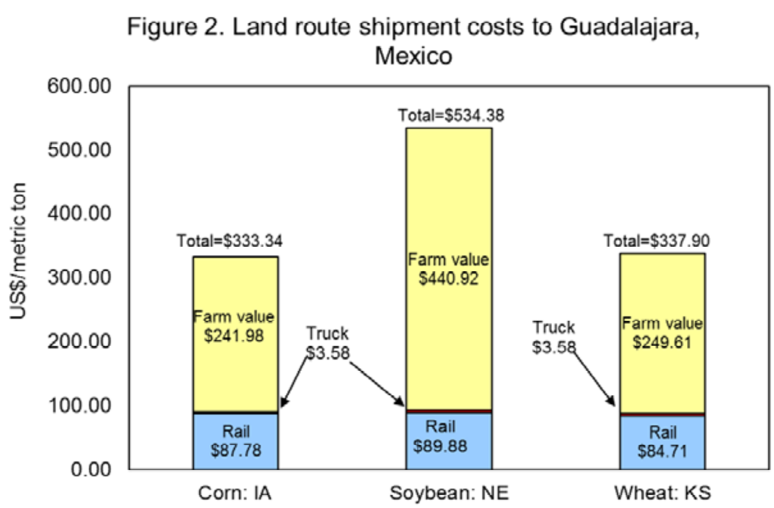
[2] Source: O'Neil Commodity Consulting

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

The transportation cost for seaborne grains declined because of decreased truck, barge and ocean freight rates. However, slight increases in the trucking and rail tariff rates modestly pushed up the transportation costs for the land route. The length of haul influenced the trucking rates during the quarter. The trucking rate decreased for water route where the grains were hauled for a longer distance, compared to an increase in the trucking rate for the landed route where the grains were only hauled for a short distance. Year-to-year transportation costs also decreased for grains shipped via the water route, and increased for those transported over land. In general, farmers received higher farm prices for their crops during the 1st quarter, compared to the previous quarter. Higher farm prices pushed up the landed costs with the exception of seaborne wheat from Kansas, where the increase in farm prices was offset by a decrease in the transportation cost. Year-to-year farm prices increased for corn, but decreased for soybeans and wheat. Transportation share of the landed costs for grains shipped through the water route ranged from 9 to 17 percent, and for the landed route, 17 to 27 percent. It is probable for the land route to have a larger proportion of transportation cost compared to the water route since the land route terminates at Guadalajara, while the water route terminates at the port of Vera Cruz. Grains delivered at the port of Vera Cruz still have to be transported by rail or inland truck to Guadalajara, which will incur additional costs.



Market Outlook:
Mexico's grain production continued to be hampered by extremely dry weather conditions during the first quarter. Mexico's corn production estimate for marketing year 2011/12 was revised downward due to lower-than-expected planted area and adverse weather conditions (**USDA, FAS GAIN Report # MX2005**). Mexico's wheat production is also facing a similar situation. During the first quarter of 2012, Mexico imported a total of 5.2 million metric tons (mmt) of grains and feed from the United States—a 40 percent increase over a year ago (USDA, GATS). During the same period, Mexico imported about 3.1 mmt of corn and 1.1 mmt of wheat. Mexican corn imports were 89 percent above the same period last year, while wheat imports were 32 percent above last year. Mexico imported 25 percent more soybeans from the United States during the first quarter than it did a year earlier—0.82 mmt, compared to 0.66 mmt a year ago. The growth in Mexican grain imports could be attributed in part to lower-than-previously estimated domestic production caused by adverse weather conditions. Transportation costs have been kept moderate partly by the current slow pace of global economic recovery. If the situation persists, moderate transportation costs could boost Mexican demand for U.S. grains. For more on agricultural transportation to Mexico, *see Mexico Transport Cost Indicator Report.* Surajudeen.olowolayemo@ams.usda.gov



Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators[1]

	Truck	Rail		Barge	Ocean	
Week ending		Unit Train	Shuttle		Gulf	Pacific
06/27/12	247	229	183	150	217	181
06/20/12	253	230	182	154	226	191

[1]Indicator: Base year 2000 = 100; Weekly updates include truck = diesel ($/gallon); rail = near-month secondary rail market bid and monthly tariff rate with fuel surcharge ($/car); barge = Illinois River barge rate (index = percent of tariff rate); and ocean = routes to Japan ($/metric ton)

Source: Transportation & Marketing Programs/AMS/USDA

Table 2

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

Commodity	Origin--Destination	6/22/2012	6/15/2012
Corn	IL--Gulf	-0.51	-0.45
Corn	NE--Gulf	-0.65	-0.56
Soybean	IA--Gulf	-1.13	-1.07
HRW	KS--Gulf	-1.40	-1.05
HRS	ND--Portland	-2.12	-1.70

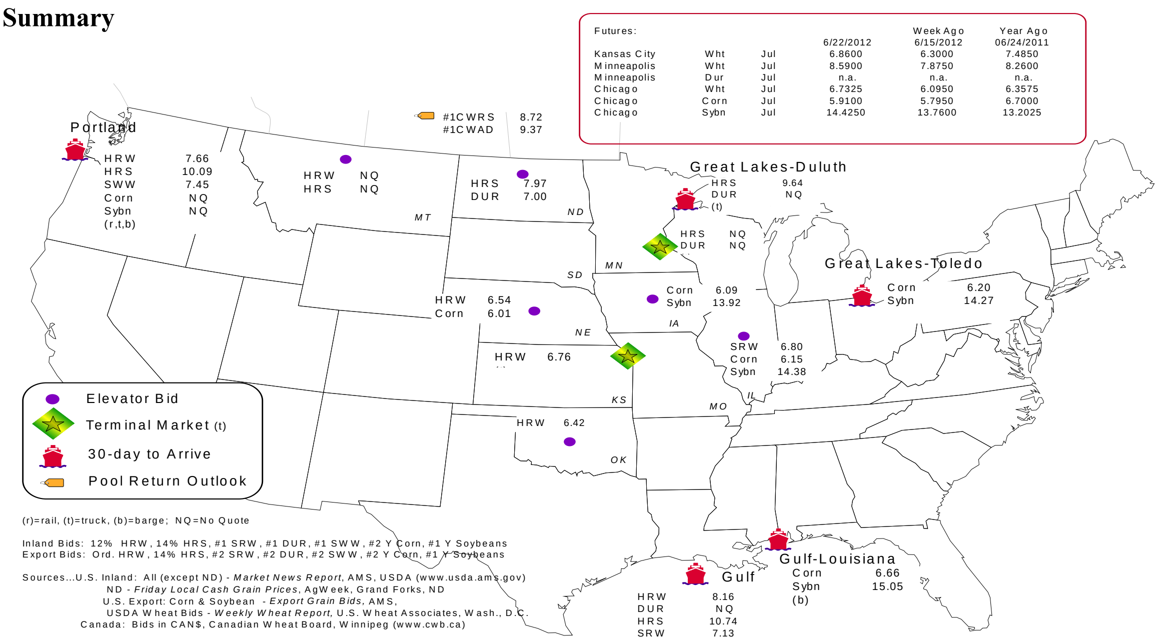
Note: nq = no quote

Source: Transportation & Marketing Programs/AMS/USDA

The **grain bid summary** illustrates the market relationships for commodities. Positive and negative adjustments in differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.

Figure 1

Grain bid Summary



Rail Transportation

Table 3

Rail Deliveries to Port (carloads)[1]

Week ending	Mississippi Gulf	Texas Gulf	Cross-Border Mexico	Pacific Northwest	Atlantic & East Gulf	Total
6/20/2012[p]	0	513	640	2,865	189	4,207
6/13/2012[r]	110	713	1,021	3,446	203	5,493
2012 YTD[r]	3,929	18,380	30,116	103,401	10,179	166,005
2011 YTD[r]	20,812	53,971	22,619	97,279	14,997	209,678
2012 YTD as % of 2011 YTD	19	34	133	106	68	79
Last 4 weeks as % of 2011[2]	29	69	103	93	74	85
Last 4 weeks as % of 4-year avg.[2]	28	86	119	94	73	92
Total 2011	27,358	77,515	48,782	191,092	24,088	368,835
Total 2010	33,971	83,492	42,794	177,896	32,780	370,933

[1] Data is incomplete as it is voluntarily provided

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

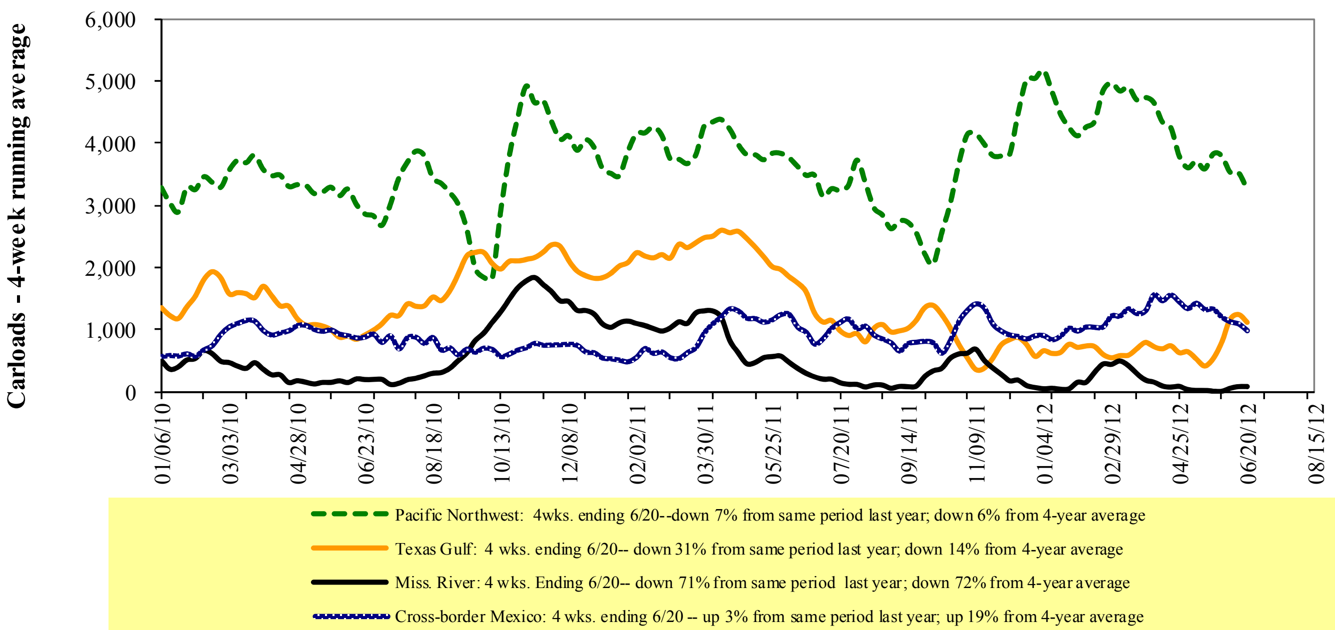
YTD = year-to-date; p = preliminary data; r = revised data; YTD PNW carloads includes revisions back to August 2011 ; n/a = not available

Source: Transportation & Marketing Programs/AMS/USDA

Railroads originate approximately 29 percent of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Figure 2

Rail Deliveries to Port



Source: Transportation & Marketing Programs/AMS/USDA

Table 4

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

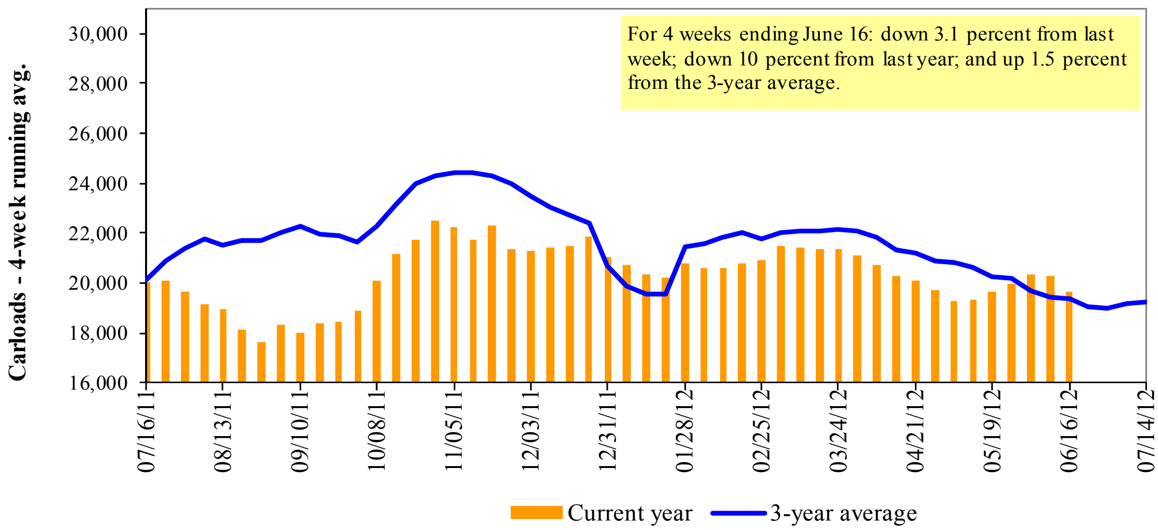
Week ending	East		West			U.S. total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
06/16/12	1,670	2,835	8,444	564	5,137	18,650	3,705	4,722
This week last year	1,540	3,193	9,610	742	6,185	21,270	3,544	5,900
2012 YTD	47,081	67,963	238,210	12,207	124,481	489,942	92,246	113,444
2011 YTD	48,987	73,596	270,044	16,154	147,242	556,023	95,493	117,358
2012 YTD as % of 2011 YTD	96	92	88	76	85	88	97	97
Last 4 weeks as % of 2011[1]	100	88	89	72	92	90	105	65
Last 4 weeks as % of 3-yr avg.[1]	92	94	104	82	110	102	95	69
Total 2011	98,506	150,869	546,090	34,683	292,401	1,122,549	200,610	269,399

[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

Railcar Auction Offerings[1] ($/car)[2]

Week ending 6/21/2012	Delivery period							
	Jul-12	Jul-11	Aug-12	Aug-11	Sep-12	Sep-11	Oct-12	Oct-11
BNSF[3]								
COT grain units	0	2	no bids	31	3	8	no offer	72
COT grain single-car[5]	10	0 . . 1	0 . . 12	0 . . 25	50 . . 57	1 . . 28	no offer	50 . . 80
UP[4]								
GCAS/Region 1	no bids	no bids	no bids	no bids	1	no bids	n/a	n/a
GCAS/Region 2	no bids	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.

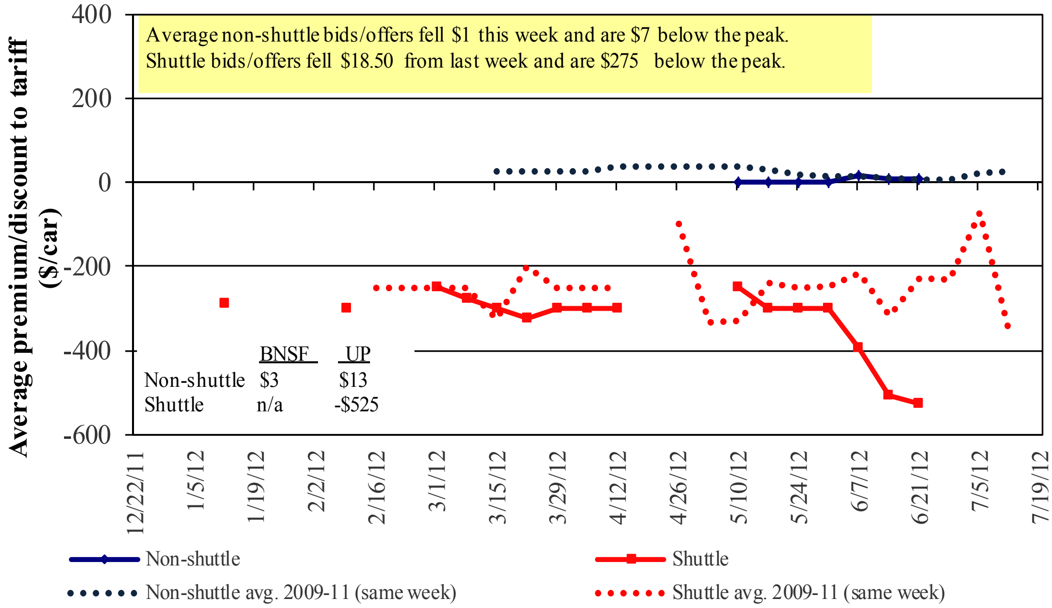
[5]Range is shown because average is not available. Not available = n/a.

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 July 2012, Secondary Market

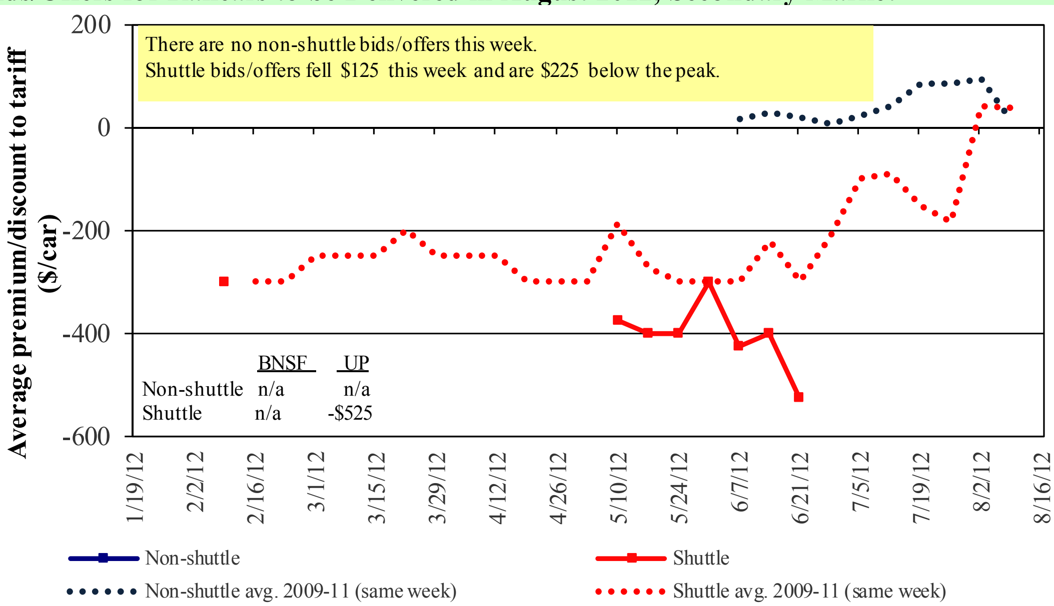


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

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

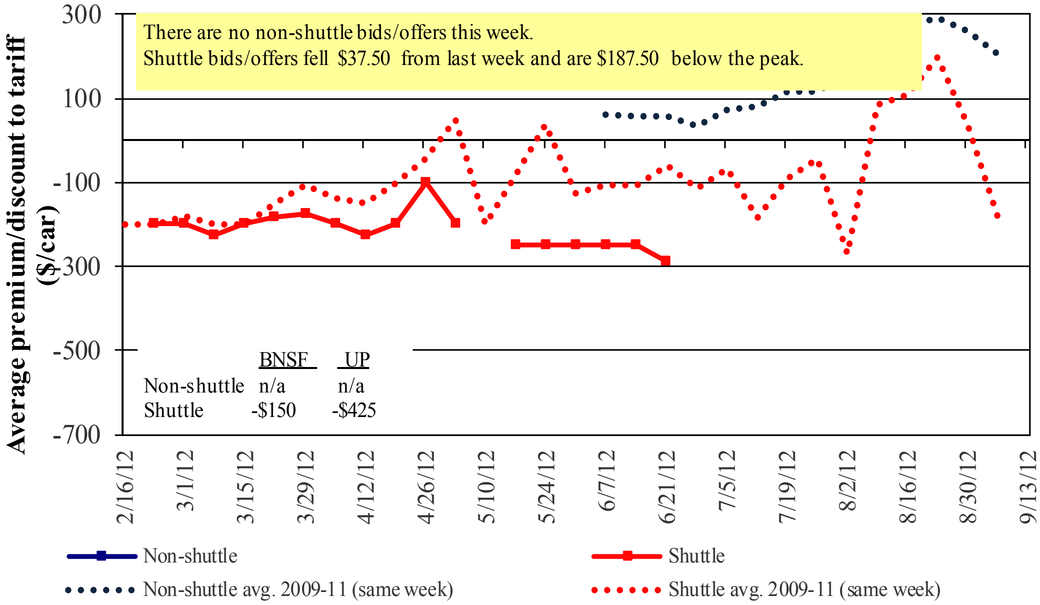


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

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



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

Source: Transportation & Marketing Programs/AMS/USDA

Table 6

Weekly Secondary Railcar Market ($/car)[1]

Week ending	Delivery period					
6/21/2012	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
Non-shuttle						
BNSF-GF	3	n/a	n/a	n/a	n/a	n/a
Change from last week	3	n/a	n/a	n/a	n/a	n/a
Change from same week 2011	3	n/a	n/a	n/a	n/a	n/a
UP-Pool	13	n/a	n/a	100	n/a	n/a
Change from last week	(5)	n/a	n/a	-	n/a	n/a
Change from same week 2011	-	n/a	n/a	n/a	n/a	n/a
Shuttle[2]						
BNSF-GF	n/a	n/a	(150)	n/a	n/a	n/a
Change from last week	n/a	n/a	n/a	n/a	n/a	n/a
Change from same week 2011	n/a	n/a	n/a	n/a	n/a	n/a
UP-Pool	(525)	(525)	(425)	288	n/a	n/a
Change from last week	75	(125)	(175)	(37)	n/a	n/a
Change from same week 2011	(75)	(25)	(175)	(212)	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: 6/1/2012	Origin region*	Destination region*	Tariff rate/car	Fuel surcharge per car	Tariff plus surcharge per: metric ton	Tariff plus surcharge per: bushel[2]	Percent change Y/Y[3]
Unit train							
Wheat	Wichita, KS	St. Louis, MO	$2,992	$207	$31.77	$0.86	0
	Grand Forks, ND	Duluth-Superior, MN	$3,260	$122	$33.59	$0.91	15
	Wichita, KS	Los Angeles, CA	$6,026	$627	$66.07	$1.80	5
	Wichita, KS	New Orleans, LA	$3,645	$365	$39.82	$1.08	4
	Sioux Falls, SD	Galveston-Houston, TX	$5,573	$515	$60.46	$1.65	3
	Northwest KS	Galveston-Houston, TX	$3,912	$400	$42.82	$1.17	4
	Amarillo, TX	Los Angeles, CA	$4,112	$556	$46.36	$1.26	4
Corn	Champaign-Urbana, IL	New Orleans, LA	$3,038	$412	$34.26	$0.93	7
	Toledo, OH	Raleigh, NC	$4,382	$459	$48.07	$1.31	15
	Des Moines, IA	Davenport, IA	$1,934	$87	$20.07	$0.55	5
	Indianapolis, IN	Atlanta, GA	$3,821	$345	$41.37	$1.13	18
	Indianapolis, IN	Knoxville, TN	$3,273	$221	$34.70	$0.94	17
	Des Moines, IA	Little Rock, AR	$3,074	$257	$33.08	$0.90	4
	Des Moines, IA	Los Angeles, CA	$4,985	$747	$56.93	$1.55	3
Soybeans	Minneapolis, MN	New Orleans, LA	$3,249	$454	$36.78	$1.00	5
	Toledo, OH	Huntsville, AL	$3,497	$326	$37.96	$1.03	18
	Indianapolis, IN	Raleigh, NC	$4,453	$462	$48.81	$1.33	15
	Indianapolis, IN	Huntsville, AL	$3,189	$221	$33.86	$0.92	21
	Champaign-Urbana, IL	New Orleans, LA	$3,382	$412	$37.68	$1.03	7
Shuttle Train							
Wheat	Great Falls, MT	Portland, OR	$3,351	$361	$36.86	$1.00	3
	Wichita, KS	Galveston-Houston, TX	$3,634	$281	$38.88	$1.06	15
	Chicago, IL	Albany, NY	$3,645	$430	$40.47	$1.10	4
	Grand Forks, ND	Portland, OR	$4,832	$623	$54.17	$1.47	3
	Grand Forks, ND	Galveston-Houston, TX	$5,854	$649	$64.58	$1.76	4
	Northwest KS	Portland, OR	$4,793	$656	$54.11	$1.47	2
Corn	Minneapolis, MN	Portland, OR	$4,800	$759	$55.20	$1.50	3
	Sioux Falls, SD	Tacoma, WA	$4,760	$695	$54.17	$1.47	3
	Champaign-Urbana, IL	New Orleans, LA	$2,857	$412	$32.47	$0.88	6
	Lincoln, NE	Galveston-Houston, TX	$3,310	$405	$36.89	$1.00	4
	Des Moines, IA	Amarillo, TX	$3,430	$323	$37.27	$1.01	3
	Minneapolis, MN	Tacoma, WA	$4,800	$753	$55.14	$1.50	3
	Council Bluffs, IA	Stockton, CA	$4,200	$779	$49.44	$1.35	3
Soybeans	Sioux Falls, SD	Tacoma, WA	$5,040	$695	$56.95	$1.55	4
	Minneapolis, MN	Portland, OR	$5,030	$759	$57.49	$1.56	4
	Fargo, ND	Tacoma, WA	$4,930	$618	$55.09	$1.50	4
	Council Bluffs, IA	New Orleans, LA	$3,710	$476	$41.57	$1.13	5
	Toledo, OH	Huntsville, AL	$2,672	$326	$29.77	$0.81	5
	Grand Island, NE	Portland, OR	$5,115	$671	$57.46	$1.56	12

[1] A unit train refers to shipments of at least 25 cars. Shuttle train rates are available for qualified shipments of 75-120 cars that meet railroad efficiency requirements.

[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: 6/1/2012				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	$7,741	$659	$85.83	$2.33	12
	OK	Cuautitlan, EM	$6,780	$801	$77.46	$2.11	10
	KS	Guadalajara, JA	$7,444	$774	$83.97	$2.28	6
	TX	Salinas Victoria, NL	$3,725	$302	$41.14	$1.12	9
Corn	IA	Guadalajara, JA	$7,699	$910	$87.96	$2.23	8
	SD	Penjamo, GJ	$7,776	$863	$88.27	$2.24	17
	NE	Queretaro, QA	$7,073	$808	$80.53	$2.04	3
	SD	Salinas Victoria, NL	$5,650	$656	$64.43	$1.63	5
	MO	Tlalnepantla, EM	$6,518	$785	$74.62	$1.89	8
	SD	Torreon, CU	$6,522	$722	$74.02	$1.88	14
Soybeans	MO	Bojay (Tula), HG	$7,350	$768	$82.94	$2.26	8
	NE	Guadalajara, JA	$7,904	$878	$89.73	$2.44	4
	IA	El Castillo, JA[5]	$8,255	$857	$93.11	$2.53	6
	KS	Torreon, CU	$6,421	$544	$71.17	$1.94	4
Sorghum	OK	Cuautitlan, EM	$5,670	$655	$64.62	$1.64	6
	TX	Guadalajara, JA	$6,653	$561	$73.71	$1.87	6
	NE	Penjamo, GJ	$7,426	$783	$83.88	$2.13	6
	KS	Queretaro, QA	$6,425	$492	$70.67	$1.79	4
	NE	Salinas Victoria, NL	$5,128	$576	$58.28	$1.48	6
	NE	Torreon, CU	$6,068	$643	$68.57	$1.74	3

[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

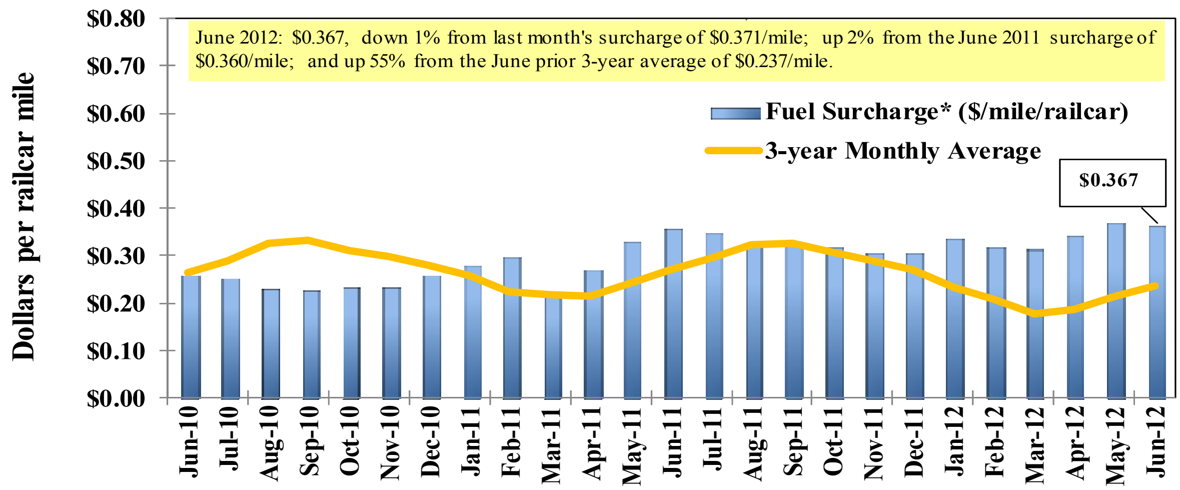
[4]Percentage change year over year calculated using tariff rate plus fuel surchage

[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.

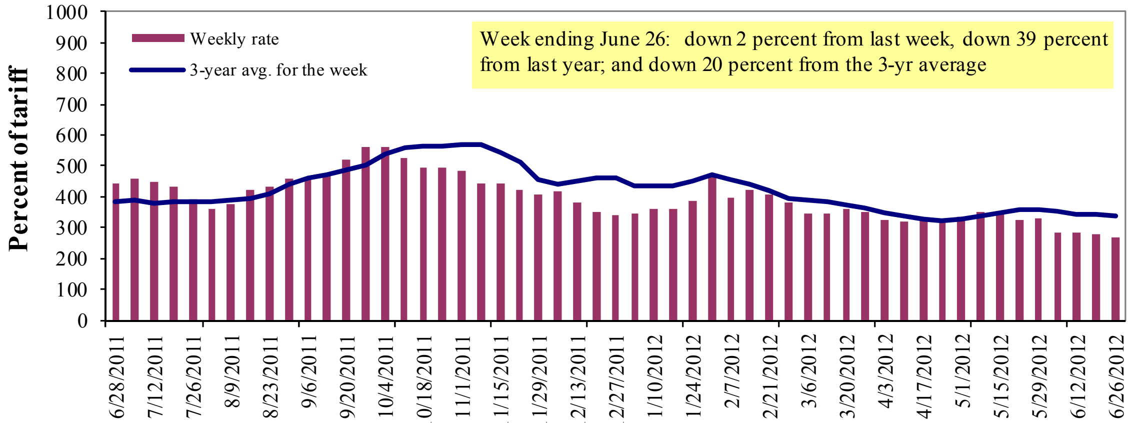
** BNSF strike price (diesel price when fuel surcharges begin) changed from $1.25/gal. to $2.50/gal starting March 1, 2011. As a result, the weighted average fuel surcharge for March 2011 was $0.227/mile instead of $0.331/mile.

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]	6/26/2012	375	307	270	238	250	257	197
	6/19/2012	375	313	277	232	265	265	198
$/ton	6/26/2012	23.21	16.33	12.53	9.50	11.73	10.38	6.19
	6/19/2012	23.21	16.65	12.85	9.26	12.43	10.71	6.22
Current week % change from the same week:								
	Last year	-32	-35	-39	-29	-38	-37	-35
	3-year avg. [2]	-11	-14	-20	-4	-12	-9	-13
Rate[1]	July	385	303	297	250	268	268	227
	September	530	480	465	422	477	477	263

[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

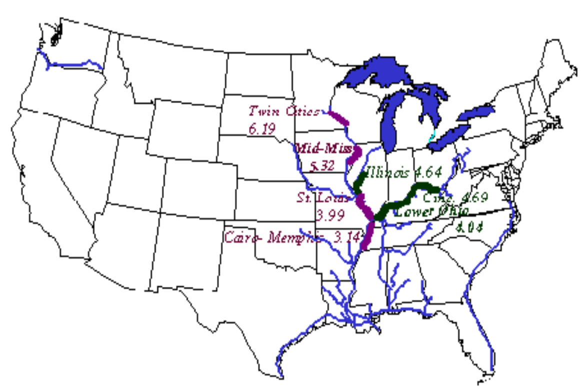
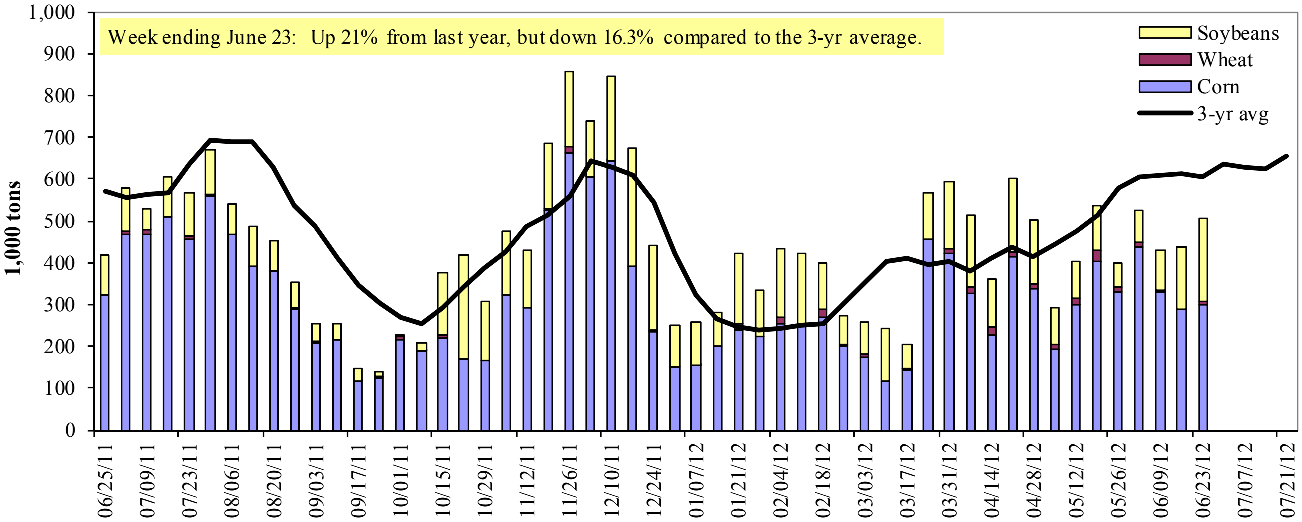


Figure 10

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 6/23/2012	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	148	5	77	19	248
Winfield, MO (L25)	208	6	119	19	352
Alton, IL (L26)	272	8	168	13	461
Granite City, IL (L27)	300	8	199	13	520
Illinois River (L8)	71	0	61	0	132
Ohio River (L52)	7	17	13	6	43
Arkansas River (L1)	0	17	1	0	18
Weekly total - 2012	307	42	214	19	581
Weekly total - 2011	345	50	102	10	507
2012 YTD[1]	9,029	986	5,027	157	15,199
2011 YTD	8,828	609	3,759	156	13,352
2012 as % of 2011 YTD	102	162	134	101	114
Last 4 weeks as % of 2011[2]	98	67	176	107	118
Total 2011	19,921	1,460	8,553	422	30,356

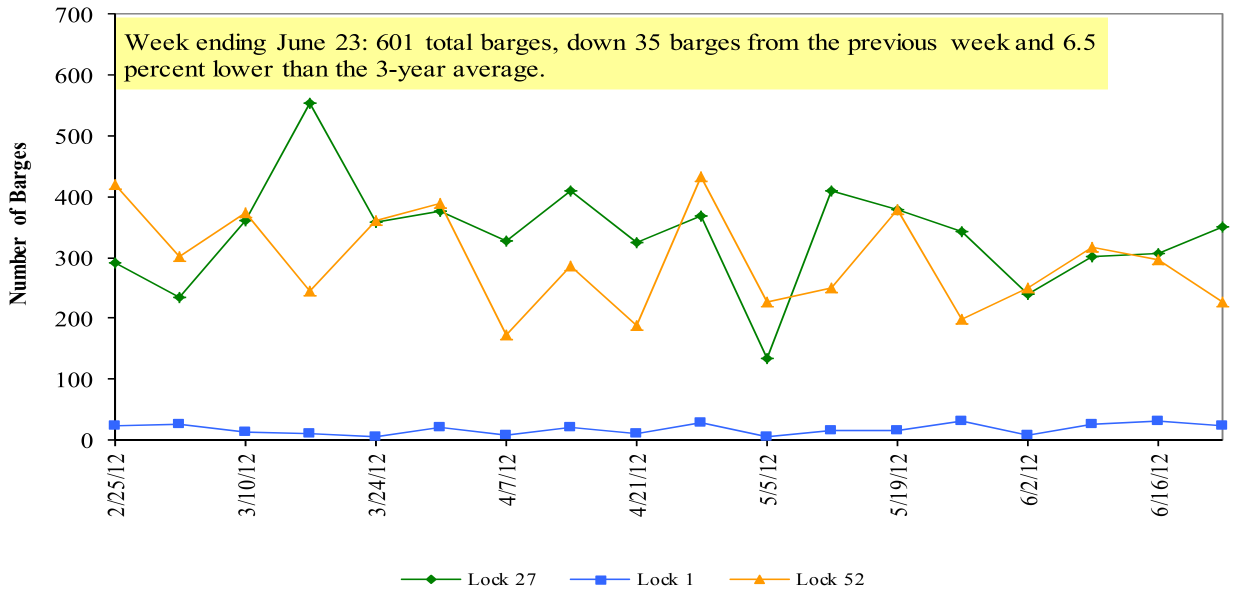
[1] Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

[2] As a percent of same period in 2011.

Note: Total may not add exactly, due to rounding

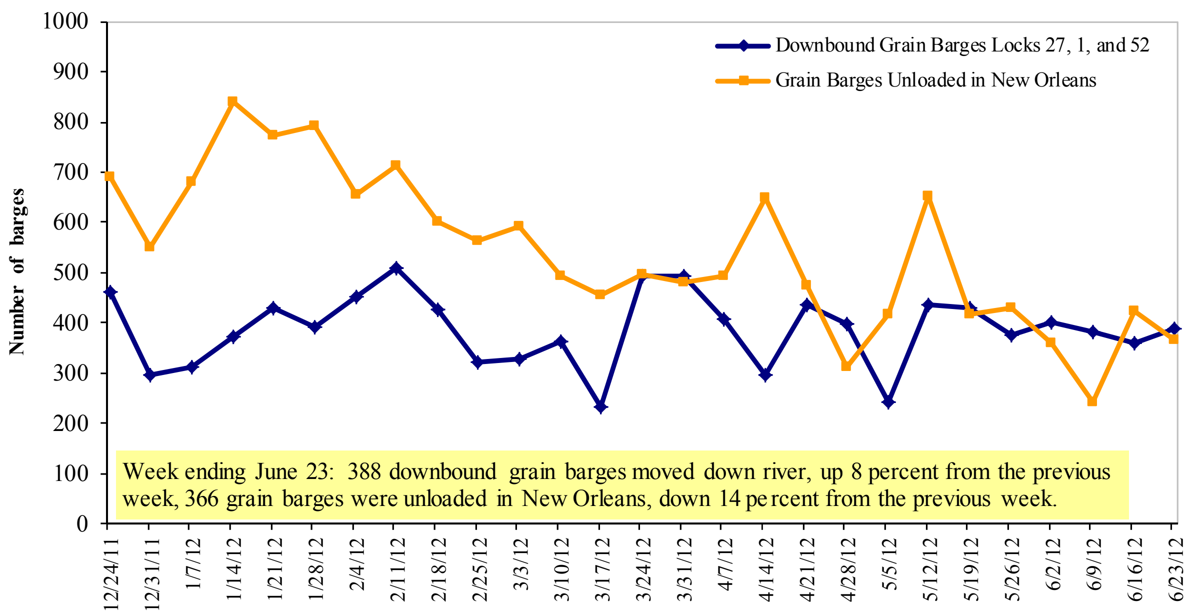
Source: U.S. Army Corps of Engineers (www.mvr.usace.army.mil/mvrimi/omni/webrpts/default.asp)

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 6/25/2012 (US $/gallon)

			Change from	
Region	**Location**	**Price**	**Week ago**	**Year ago**
I	East Coast	3.718	-0.048	-0.196
	New England	3.873	-0.050	-0.165
	Central Atlantic	3.817	-0.051	-0.197
	Lower Atlantic	3.616	-0.044	-0.244
II	Midwest[2]	3.606	-0.049	-0.236
III	Gulf Coast[3]	3.601	-0.053	-0.233
IV	Rocky Mountain	3.779	-0.053	-0.106
V	West Coast	3.839	-0.060	-0.230
	California	3.908	-0.058	-0.238
Total	U.S.	3.678	-0.051	-0.210

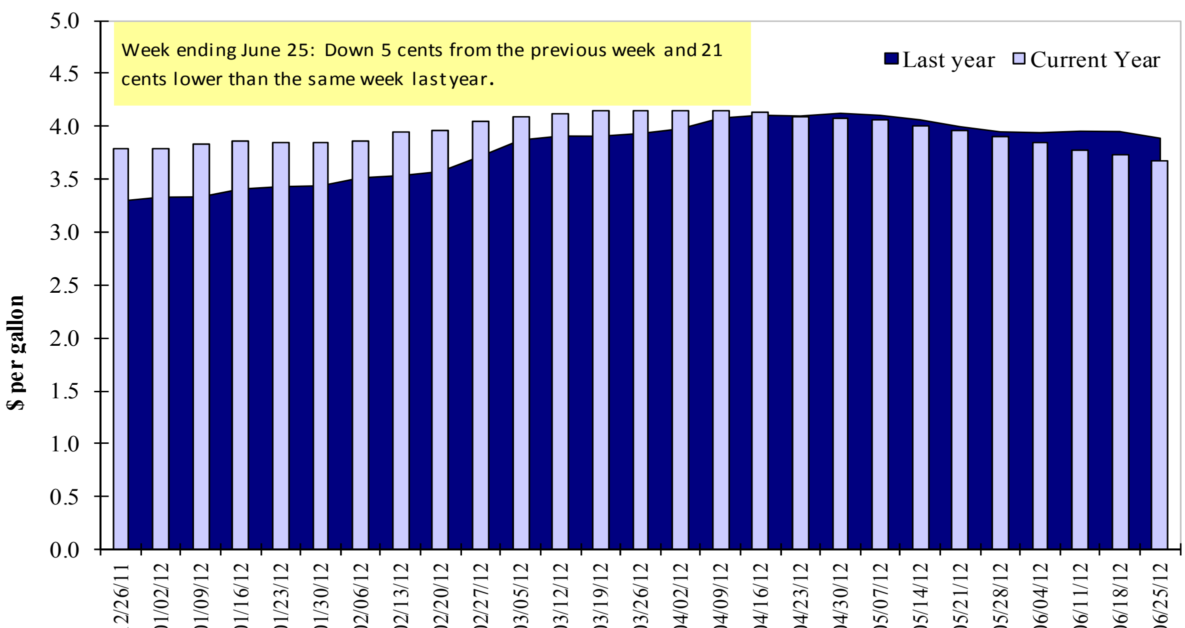
[1]Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

[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]									
6/14/2012	1,723	896	1,361	994	154	5,128	6,840	5,002	16,970
This week year ago	2,154	821	2,006	1,203	118	6,301	8,650	4,007	18,958
Cumulative exports-marketing year[2]									
2011/12 YTD	506	240	326	190	0	1,262	31,887	31,948	65,097
2010/11 YTD	648	119	353	286	48	1,455	35,859	37,818	75,132
YTD 2011/12 as % of 2010/11	78	202	92	66	0	87	89	84	87
Last 4 wks as % of same period 2010/11	51	64	47	53	72	52	87	131	85
2010/11 Total	15,837	2,828	8,623	4,717	979	32,984	44,569	39,753	117,306
2009/10 Total	8,458	2,733	5,329	3,897	983	21,400	47,700	39,285	108,385

[1] Current unshipped export sales to date

[2] Shipped export sales to date; the new marketing year is now in effect for wheat

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 06/14/12	**Total Commitments**[2]			**% change**	**Exports**[3]
	2012/13	**2011/12**	**2010/11**	**current MY**	
	Next MY	**Current MY**	**Last MY**	**from last MY**	**2010/11**
		- 1,000 mt -			- 1,000 mt -
Japan	992	11,076	13,808	(20)	14,279
Mexico	785	9,446	6,680	41	7,019
Korea	240	3,791	5,509	(31)	6,104
China*	1,041	5,036	556	807	978
Taiwan	0	1,546	2,475	(38)	2,393
Top 5 importers	**3,059**	**30,894**	**29,028**	**6**	**30,772**
Total US corn export sales	**5,810**	**38,727**	**44,509**	**(13)**	**46,600**
% of Projected	12%	92%	96%		
Change from prior week	211	171	411		
Top 5 importers' share of U.S. corn export sales	53%	80%	65%		
USDA forecast, June 2012	**48,260**	**41,910**	**46,600**	**(10)**	
Corn Use for Ethanol USDA forecast, Ethanol June 2012	**127,000**	**128,270**	**127,534**	**0.6**	

(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, or Export Sales Query--http://www.fas.usda.gov/esrquery/

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

*China -- New to the Top 5 in the 2011/12 Marketing Year, replacing Egypt.

Table 14

Top 5 Importers[1] of U.S. Soybeans

Week Ending 06/14/2012	Total Commitments[2] 2012/13 Next MY	2011/12 Current MY	2010/11 Last MY	% change current MY from last MY	Exports[3] 2010/11
		- 1,000 mt -			- 1,000 mt -
China	9,343	22,828	25,490	(10)	24,445
Mexico	134	3,098	3,056	1	3,215
Japan	0	1,800	2,233	(19)	1,887
EU	60	1,116	2,599	(57)	2,607
Indonesia	64	1,478	1,484	(0.4)	1,680
Top 5 importers	**9,600**	**30,319**	**34,862**	**(13)**	**33,833**
Total US soybean export sales	**11,999**	**36,950**	**41,825**	**(12)**	**40,860**
% of Projected	30%	102%	102%		
Change from prior week	444	164	(32)		
Top 5 importers' share of U.S. soybean export sales	80%	82%	83%		
USDA forecast, June 2012	**40,420**	**36,330**	**40,860**	**(11)**	

(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, or Export Sales Query--http://www.fas.usda.gov/esrquery/

[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 06/14/2012	Total Commitments[2] 2012/13 Current MY	2011/12 Last MY	% change current MY from last MY	Exports[3] 2011/12
	- 1,000 mt -			- 1,000 mt -
Japan	747	1,142	(35)	3,512
Mexico	862	728	18	3,496
Nigeria	435	822	(47)	3,248
Philippines	423	891	(52)	2,039
Korea	372	227	64	1,983
Egypt	126	118	7	950
Taiwan	285	233	22	888
Indonesia	79	200	(60)	830
Venezuela	23	160	(86)	594
Iraq	203	200	1	572
Top 10 importers	**3,553**	**4,720**	**(25)**	**18,111**
Total US wheat export sales[4]	**6,390**	**7,755**	**(18)**	**28,710**
% of Projected	20%	27%		
Change from prior week	842	661		
Top 10 importers' share of U.S. wheat export sales	56%	61%		63%
USDA forecast, June 2012	**31,300**	**28,710**	**9**	

(n) indicates negative number.

[1] Modified from the FAS **2010/11** 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, or Export Sales Query--http://www.fas.usda.gov/esrquery/

[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 06/21/12	Previous Week[1]	Current Week as % of Previous	2012 YTD[1]	2011 YTD[1]	2012 YTD as % of 2011 YTD	Last 4-weeks as % of 2011	Last 4-weeks as % of 3-yr. avg.	Total[1] 2011
Pacific Northwest									
Wheat	124	292	42	6,598	7,218	91	73	88	13,995
Corn	245	257	96	3,724	4,749	78	82	111	9,198
Soybeans	0	130	0	4,772	3,246	147	257	243	7,321
Total	**370**	**679**	**54**	**15,094**	**15,212**	**99**	**89**	**111**	**30,513**
Mississippi Gulf									
Wheat	149	111	134	3,271	2,646	124	160	168	5,031
Corn	354	315	112	10,265	12,724	81	66	57	26,267
Soybeans	207	81	254	9,255	9,663	96	213	126	19,262
Total	**710**	**508**	**140**	**22,790**	**25,033**	**91**	**96**	**80**	**50,560**
Texas Gulf									
Wheat	209	113	184	2,803	7,108	39	82	126	10,837
Corn	0	0	n/a	295	724	41	5	9	1,021
Soybeans	2	2	100	4	763	1	n/a	0	926
Total	**211**	**115**	**183**	**3,103**	**8,595**	**36**	**71**	**110**	**12,784**
Interior									
Wheat	25	29	86	612	533	115	180	191	1,110
Corn	88	131	67	4,104	3,485	118	92	94	7,509
Soybeans	38	61	62	2,099	1,921	109	69	117	4,273
Total	**151**	**221**	**68**	**6,815**	**5,940**	**115**	**160**	**108**	**12,892**
Great Lakes									
Wheat	0	0	0	112	569	20	57	112	1,038
Corn	0	0	n/a	37	25	152	46	52	178
Soybeans	0	23	0	106	22	477	n/a	563	382
Total	**0**	**23**	**0**	**256**	**616**	**41**	**111**	**168**	**1,598**
Atlantic									
Wheat	24	24	99	217	557	39	270	274	686
Corn	0	0	n/a	80	170	47	0	0	295
Soybeans	6	9	61	497	428	116	163	187	1,042
Total	**30**	**33**	**89**	**795**	**1,156**	**69**	**180**	**180**	**2,022**
U.S. total from ports[2]									
Wheat	531	571	93	13,614	18,632	73	92	119	32,697
Corn	687	703	98	18,505	21,877	85	69	72	44,466
Soybeans	252	306	82	16,733	16,044	104	201	150	33,205
Total	**1,471**	**1,580**	**93**	**48,853**	**56,553**	**86**	**90**	**97**	**110,369**

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

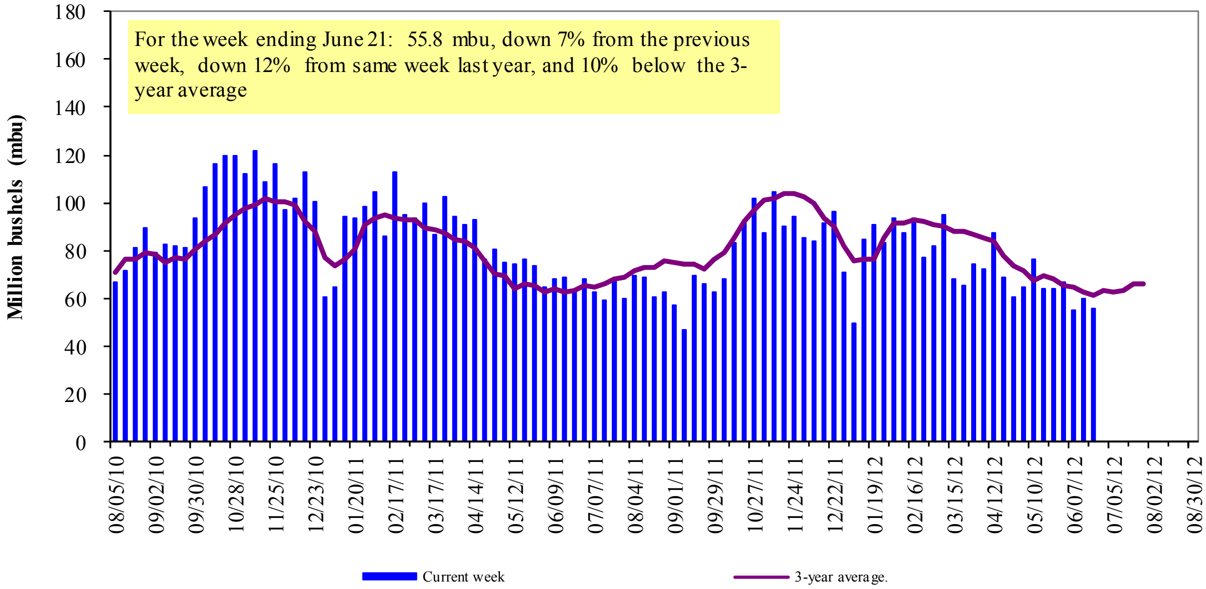
[2] Total includes only port regions shown above; Interior land-based shipments now included.

Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov); YTD= year-to-date; n/a = not applicable

The United States exports approximately one-quarter of the grain it produces. On average, this includes nearly 45 percent of U.S.-grown wheat, 35 percent of U.S.-grown soybeans, and 20 percent of the U.S.-grown corn. Approximately 59 percent of the U.S. export grain shipments departed through the U.S. Gulf region in 2011.

Figure 14

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

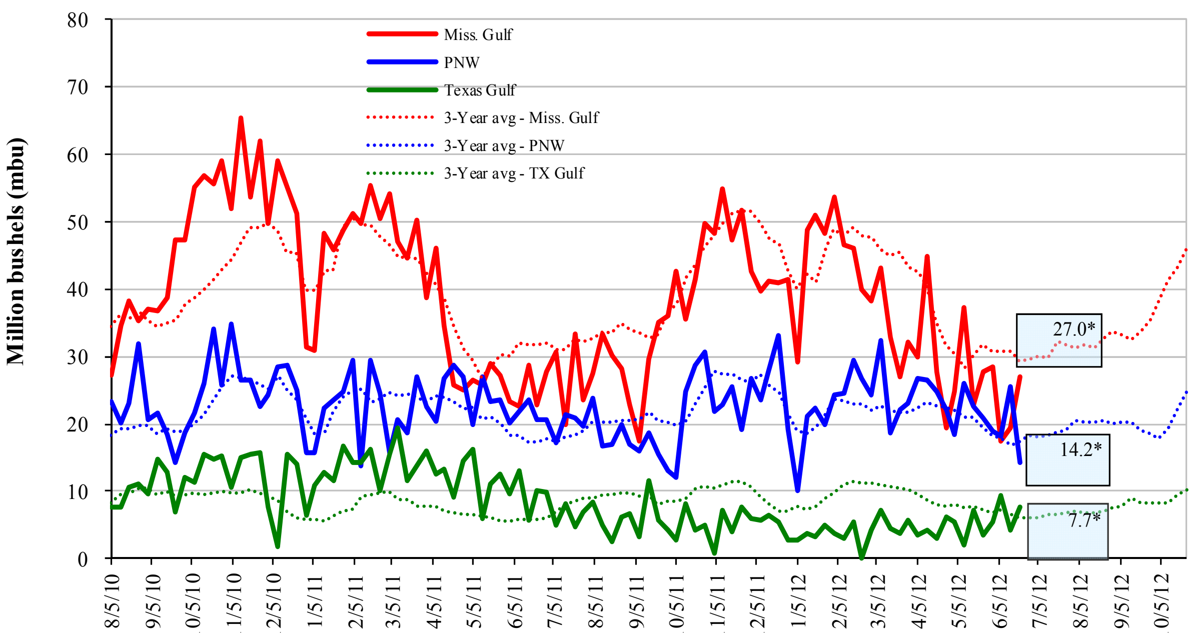


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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

Figure 15

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



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

June 21 % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	up 39	up 83	up 47	down 45
Last year (same week)	up 18	down 24	up 5	down 31
3-yr avg. (4-wk mov. avg.)	down 8	up 25	down 2	down 21

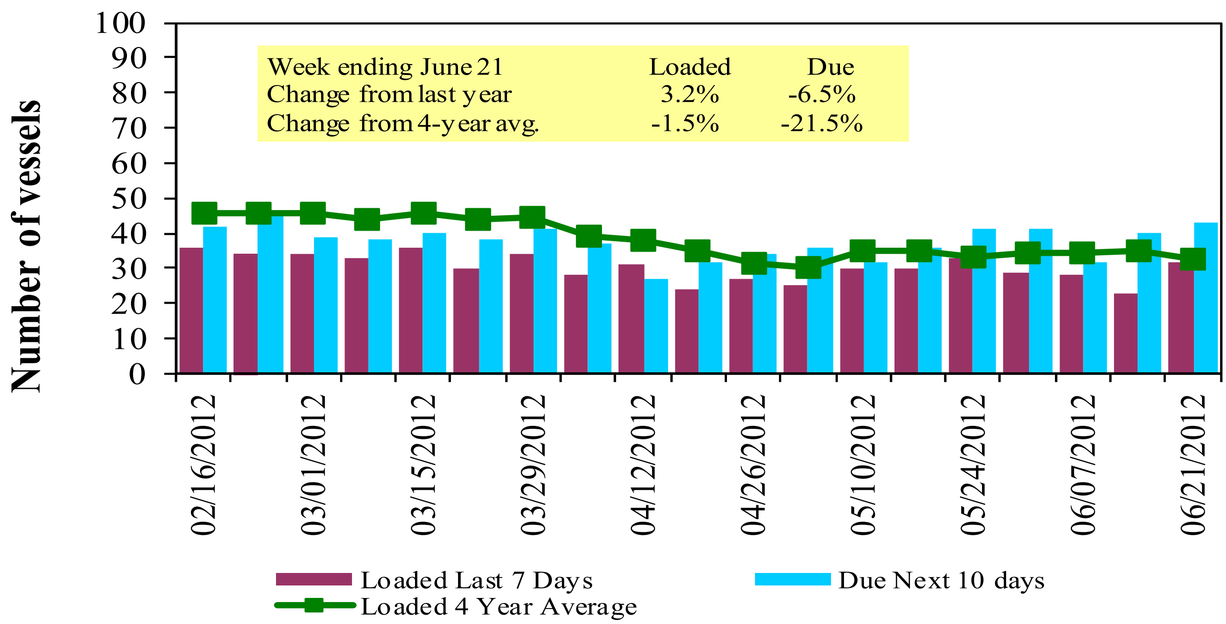
Ocean Transportation

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
6/21/2012	13	32	43	8	n/a
6/14/2012	19	23	40	4	n/a
2011 range	(14..65)	(28..54)	(34..83)	(5..25)	(1..20)
2011 avg.	31	38	53	15	12

Source: Transportation & Marketing Programs/AMS/USDA

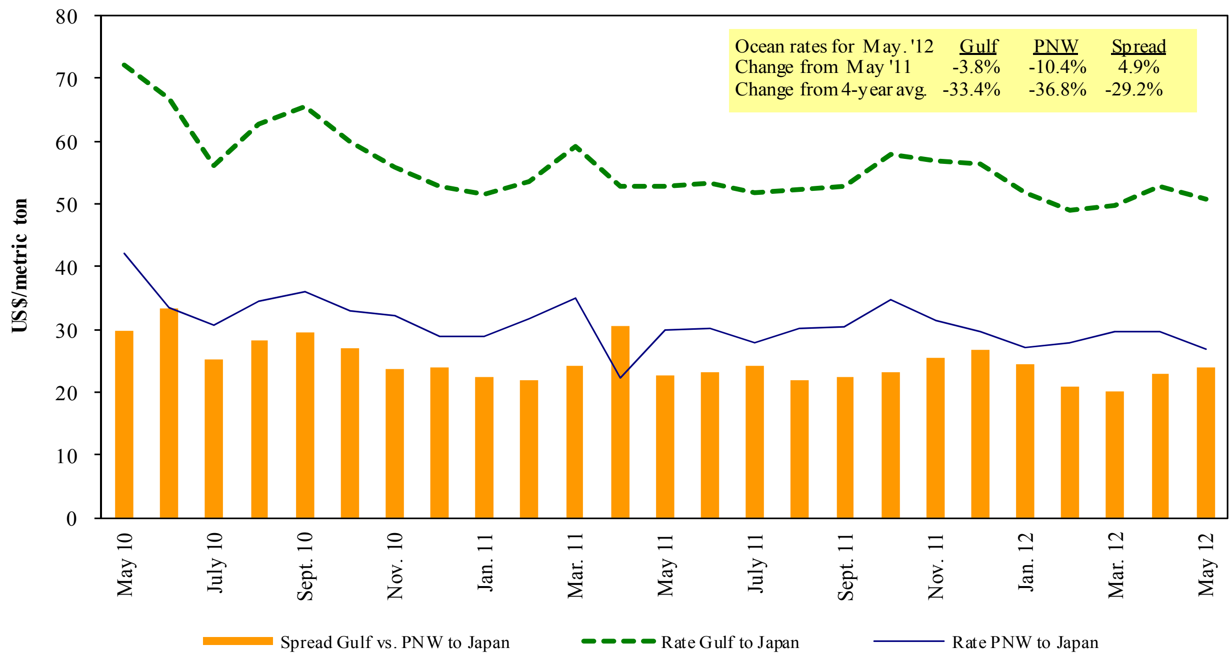
Figure 16
U.S. Gulf[1] Vessel Loading Activity



Source:Transportation & Marketing Programs/AMS/USDA

Figure 17

Grain Vessel Rates, U.S. to Japan



Source: O'Neil Commodity Consulting

Table 18

Ocean Freight Rates For Selected Shipments, Week Ending 06/23/2012

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US$/metric ton)
U.S. Gulf	China	Heavy Grain	Mar 1/10	50,000	46.65
U.S. Gulf	Korea	Heavy Grain	Mar 1/10	55,000	46.00
U.S. Gulf	Japan	Heavy Grain	Apr 1/10	58,000	46.00
PNW	Djibouti[1]	Wheat	May 5/15	26,430	118.03
PNW	China	Grain	Jan 10/20	55,000	26.75
St. Lawrence	Nigeria	Wheat	Apr 5/15	25,000	45.00
Argentina	Morocco	Barley	Apr 1/10	25,000	39.75
Australia	Vietnam	Grain	Mar 1/10	60,000	19.00
Brazil	China	Heavy Grain	May 20/30	60,000	47.75
Brazil	China	Heavy Grain	May 1/30	66,000	40.50
Brazil	China	Heavy Grain	Apr 1/10	60,000	47.75
Brazil	China	Heavy Grain	Mar 5/15	60,000	43.00
Brazil	China	Grain	Mar 1/10	55,000	47.00
River Plate	Algeria	Corn	Jul 5/15	25,000	34.00
River Plate	Egypt Med	Corn	Feb 25/ Mar 5	30,000	39.25
River Plate	Morocco	Corn	Mar 25/30	25,000	35.00
Ukraine	Japan	Corn	Apr 6/15	47,000	47.50

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

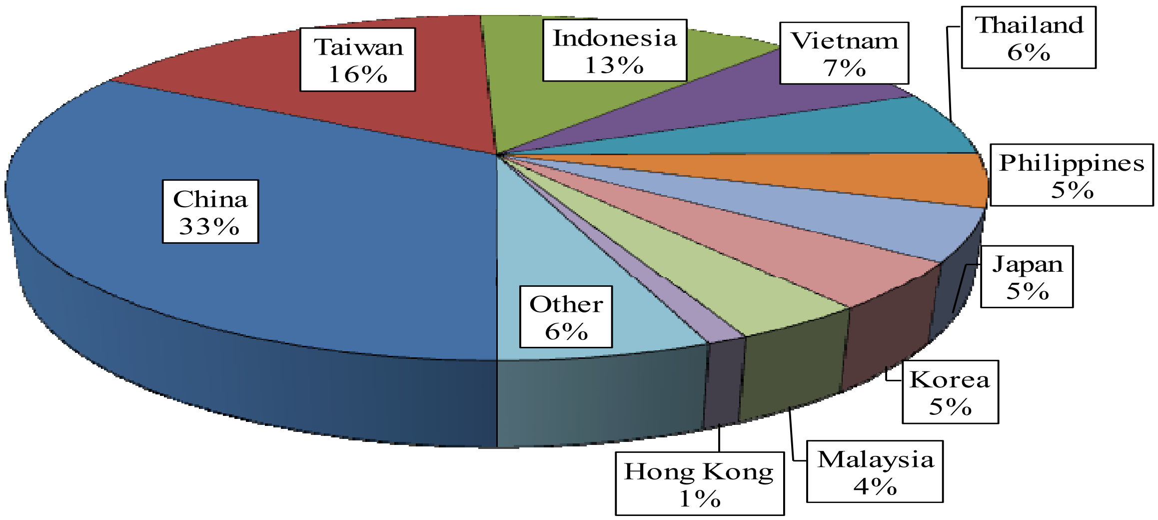
[1]75 percent of food aid from the United States is required to be shipped on U.S.-flag vessels.

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

In 2011, containers were used to transport 7 percent of total U.S. waterborne grain exports, up 2 percentage points from 2010. Approximately 11 percent of U.S. waterborne grain exports in 2011 went to Asia, up 4 percentage points from 2010. Asia is the top destination for U.S. containerized grain exports—96 percent in 2011.

Figure 18

Top 10 Destination Markets for U.S. Containerized Grain Exports, March 2012

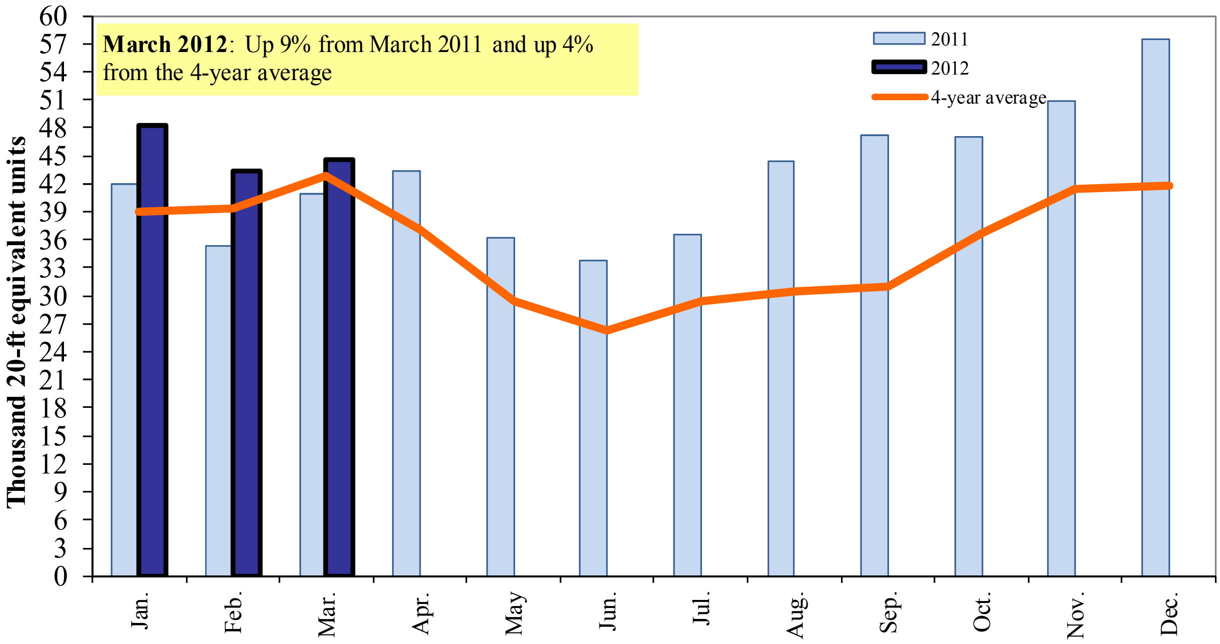


Source: USDA/Agricultural Marketing Service/Transportation Services Division analysis of Port Import Export Reporting Service (PIERS) data

Note: The following Harmonized Tariff Codes are used to calculate containerized grains movements: 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: 100190, 100200, 100300, 100400, 100590, 100700, 110100, 230310, 110220, 110290, 120100, 230210, 230990, 230330, and 120810.

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