



WEEKLY HIGHLIGHTS

August 25, 2011

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The next
release is
Sept. 1, 2011

USDA Permanently Waives Specialty Grains Inspections and Fees

On August 29, the USDA regulation that waives the specialty grains inspections and fees will go into effect. The new regulation makes permanent a temporary waiver put into effect in 2005. During the temporary waiver, the Grain Inspection, Packers and Stockyards Administration (GIPSA) found that specialty grain sales contracts have strict specifications for production and shipping, which make GIPSA inspections and fees an unnecessary cost to the industry. Without the USDA inspection fees, specialty grain shippers save approximately \$1.46 per metric ton. Specialty grains include products that have not been genetically modified or grains having beneficial traits such as high oil, protein, or sugar content. U.S. specialty grains, which usually are shipped in ocean containers, are popular in Asia, particularly in Taiwan and Japan.

Total Grain Inspections Continue Down; Soybeans Rebound

For the week ending August 18, **total inspections of grain** (corn, wheat, and soybeans) for export from all major U.S. export regions reached 1.36 million metric tons (mmt), down 9.2 percent from the previous week and 32 percent below last year this time. Despite the drop in total inspections, soybean inspections (.227 mmt) increased 83 percent from the past week due to increased demand from Japan and Korea. Soybean inspections were the highest since May 26, 2011 (.236 mmt). Inspections of soybeans were up in the Mississippi Gulf and Pacific Northwest. Corn (.665 mmt) and wheat (.471 mmt) inspections continued to fall; decreasing 18 and 17 percent from the past week. Unshipped balances of corn and wheat continued below the past week and last year ([table 12](#)).

Panama Canal Lock Maintenance Scheduled

The West Lane of the Gatun Locks on the Panama Canal will be closed for maintenance and repair work on August 28 – September 3, 2011. The estimated transit capacity of the Canal due to the maintenance work is 26–28 vessels per day, rather than the normal transit capacity of 38–40 vessels. At this time, no major delays are anticipated.

Snapshots by Sector

Rail

U.S. railroads originated 18,676 **carloads of grain** during the week ending August 13, up 17 percent from last week, down 1.5 percent from last year, and 8 percent lower than the 3-year average.

During the week ending August 18, average September non-shuttle **secondary railcar bids/offers** were \$52.50 above tariff, down \$29 from last week and \$656 lower than last year. Average shuttle rates were \$494 below tariff, down \$24.50 from last week and \$1,473 lower than last year.

Barge

During the week ending August 20, **barge grain movements** totaled 513,745 tons, 7 percent lower than the previous week and 25 percent higher than the same period last year.

During the week ending August 20, 329 grain barges **moved down river**, down 7 percent from last week; 433 grain barges were **unloaded in New Orleans**, down 19 percent from the previous week.

Ocean

During the week ending August 18, 30 **ocean-going grain vessels** were loaded in the Gulf, down 27 percent from last year. Thirty-four vessels are expected to be loaded within the next 10 days, 43 percent less than the same period last year.

During the week ending August 19, ocean freight rate for shipping bulk grain from the Gulf to Japan was \$53 per metric ton (mt), up 4 percent from the previous week. The cost of shipping from the Pacific Northwest to Japan was \$32 per mt—14 percent more than the previous week.

Fuel

During the week ending August 22, U.S. average **diesel fuel prices** decreased 2.5 cents to \$3.81 per gallon—0.6 percent lower than the previous week, but 29 percent higher than the same week last year.

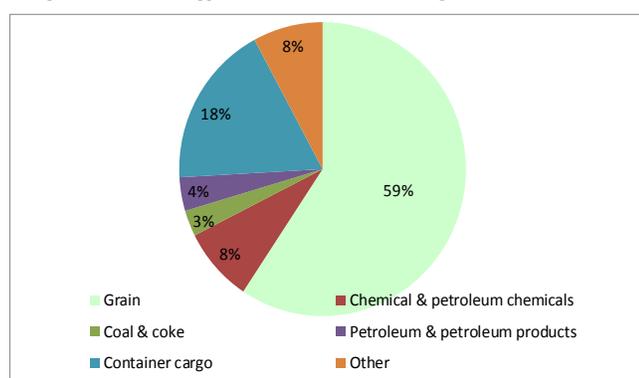
Feature Article/Calendar

U.S Grain Shipments through Panama Canal Increasing

The Panama Canal continues to be an essential outlet for U.S. grain and other agricultural commodities exported to Asia and western South American countries. The canal is important to U.S.-Asian trade because of the reduced voyage time for cargo leaving the East Coast (Atlantic, Great Lakes, and Gulf of Mexico) of the United States to Asia, compared to shipping via the Suez Canal. During fiscal year 2010, the United States was the leading user of the canal, followed by China, Chile, and Japan. Approximately 78 percent of the tonnages destined for Asia originated from the U.S. Gulf ports. The Panama Canal's role in U.S.-Asian trade will likely be enhanced as the ongoing expansion of the canal by the Panama Canal Authority (Spanish: Autoridad del Canal de Panamá (ACP)) is completed. In 2007, ACP embarked on a \$5.25 billion expansion project scheduled to be completed in 2014 or 2015 (**GTR, dated 10/08/09**). After completion, the canal will allow larger vessels and faster passage between the Atlantic and Pacific Oceans. Currently, Panamax-sized vessels (50,001 to 80,000-ton capacity) are the largest vessels able to pass through the canal. This kind of vessel is usually used to transport grain leaving the East Coast ports of the United States to Asia passing through the canal. As of July, the Shipping Insight Report by Drewry, indicates Panamax vessels represent about 18 percent of the world dry bulk fleet tonnages.

During 2010, a total of 51.90 million metric tons (mmt) of cargo transited the canal on the way to Asia from the East Coast of the United States. About 59 percent (30.80 mmt) of the total were grains (see figure). Other commodities transiting the canal include chemical and petroleum chemicals, coal and coke, petroleum and petroleum products, and container cargo. Grain shipments through the canal have increased to 59 percent since 2008, when they represented about 49 percent of the total shipments from the East Coast of the United States. Soybeans were the largest quantity of grain transported to Asia through the canal in 2010, followed by corn, representing 45 and 36 percent, respectively, of total grain shipments. Historically, corn has been the dominant grain transiting the canal. However, for the past two years soybeans have been the major commodity transiting the canal. Approximately 12.15 mmt and 13.55 mmt of soybeans from East Coast of the United States passed through the canal in 2009 and 2010, respectively, compared to 8.95 mmt and 11.23 mmt of corn during those periods (see table).

Principal Commodities Shipped from East Coast U.S. through the Canal to Asia in 2010



Source: www.pancanal.com

Grain Movements from East Coast of United States to Asia through the Panama Canal

	Fiscal Year				
	2010	2009	2008	2007	2006
	---Thousands of metric tons**----				
Corn	11,226	8,949	9,498	10,366	14,004
Rice	23	24	13	41	65
Sorghum	4,961	4,879	4,352	4,311	4,476
Soybeans	13,770	12,146	6,320	7,536	8,048
Wheat	36	-	35	4	128
Other	778	1,679	251	-	437
Total	30,796	27,677	20,470	23,309	27,158
% change from previous year	11	35	-12	-14	47
% change from 3-year average	29	17	-12	-4	-

**numbers may not exactly match those reported by the Panama Canal Authority due to conversion and rounding

Source: www.pancanal.com

Expansion Could Have Long-term Benefit to U.S. Grain Shippers

During 2010, 12,582 transits of ocean-going commercial vessels passed through the canal carrying a total of 208.10 mmt of cargo—a 3 percent increase from 2009 at 201.07mmt. The canal is currently undergoing expansion, which is scheduled to be completed in 2014 or 2015. The expansion program includes construction of the new Post-Panamax locks on the Pacific and Atlantic sides and dredging activities to enable safe passage of Post-Panamax (80-110,000-ton capacity) vessels.

The question remains, how beneficial will the expansion of the canal be to U.S. agricultural shippers? Although it is too early to tell how much benefit will accrue to U.S. shippers, the canal expansion allows the passage of larger and wider vessels. This could facilitate better traffic flows, increase efficiency, and increase cost effectiveness (**GTR, dated 10/08/09**). The typical grain shipments leaving the United States to Japan and China range from 54,000 mt - 55,000 mt. An expanded canal could facilitate loading of heavier grain shipments depending on the receiving ports at the foreign destination. U.S. grain shipments through the canal have increased during 2010, due in part to increased export shipments of soybeans to China. The canal will remain valuable to U.S. shippers, especially if the demand for U.S. grains in China and other Asian countries continues to grow. In addition, ocean freight rates for shipping bulk grain from the U.S. Gulf have been relatively low, making shipping out of the U.S. Gulf ports very competitive. As of August 19, the ocean rate for shipping bulk grain from the U.S. Gulf to Japan was \$53 per mt, compared to an average of \$101.99 per mt in 2008 and \$63.59 per mt in 2010. Ocean freight rates for shipping bulk commodities including grains have been relatively low due to excess supply of vessels and weak demand for bulk shipping caused by sluggish world economy. If ocean freight rates remain low, it could spur increased shipments out of the Gulf and thus enhance the importance of the Panama Canal to U.S. agricultural shippers.

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Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators¹

Week ending	Truck	Rail ²	Barge	Ocean	
				Gulf	Pacific
08/24/11	256	148	242	237	227
08/17/11	257	177	235	228	199

¹Indicator: Base year 2000 = 100; Weekly updates include truck = diesel (\$/gallon); rail = nearby secondary rail market (\$/car); barge = Illinois River barge rate (index = percent of tariff rate); and ocean = routes to Japan (\$/metric ton)

²The rail indicator is not an index. It is the difference between the nearby secondary rail market bid for this week and the average bid for year 2000 (+) 100. Source: Transportation & Marketing Programs/AMS/USDA

Table 2

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

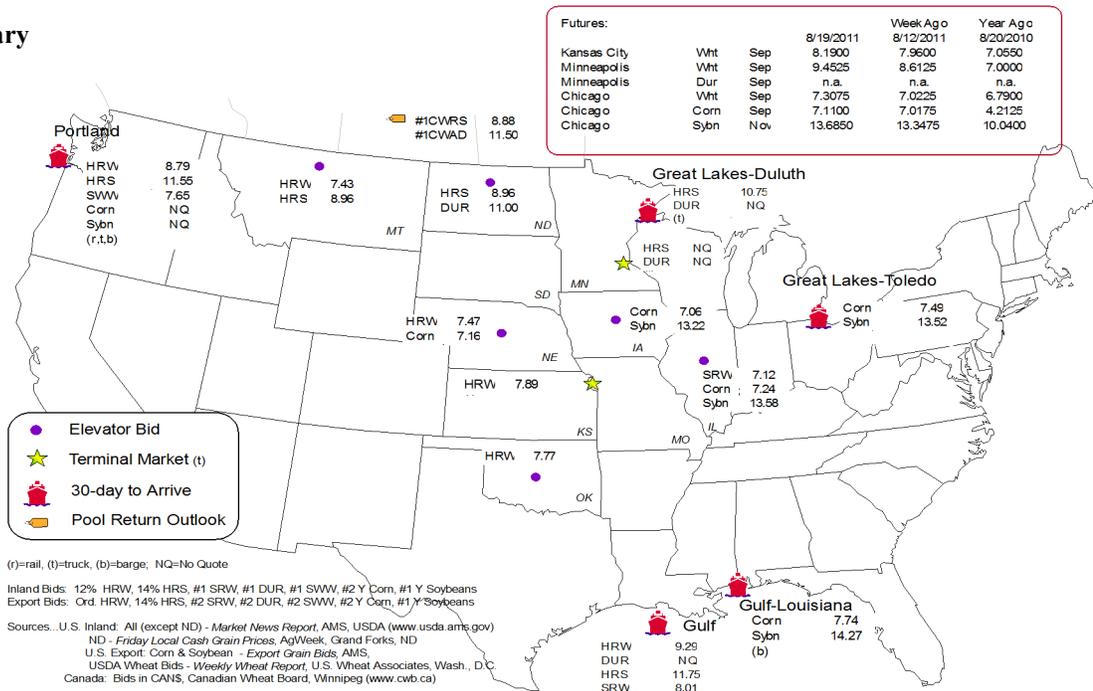
Commodity	Origin--Destination	8/19/2011	8/12/2011
Corn	IL--Gulf	-0.50	-0.60
Corn	NE--Gulf	-0.58	-0.65
Soybean	IA--Gulf	-1.05	-1.09
HRW	KS--Gulf	-1.40	-1.35
HRS	ND--Portland	-2.59	-2.25

Note: nq = no quote

Source: Transportation & Marketing Programs/AMS/USDA

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

Figure 1
Grain bid Summary



Rail Transportation

Table 3

Rail Deliveries to Port (carloads)¹

Week ending	Mississippi		Cross-Border	Pacific	Atlantic &	Total
	Gulf	Texas Gulf	Mexico	Northwest	East Gulf	
8/17/2011 ^P	128	1,588	793	1,586	168	4,263
8/10/2011 ^r	n/a	771	1,161	2,116	332	4,380
2011 YTD	21,854	62,092	30,807	121,253	16,787	252,793
2010YTD	9,869	44,074	29,659	109,797	18,278	211,677
2011 YTD as % of 2010 YTD	221	141	104	110	92	119
Last 4 weeks as % of 2010 ²	37	69	104	80	237	81
Last 4 weeks as % of 4-year avg. ²	19	55	132	81	128	75
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.

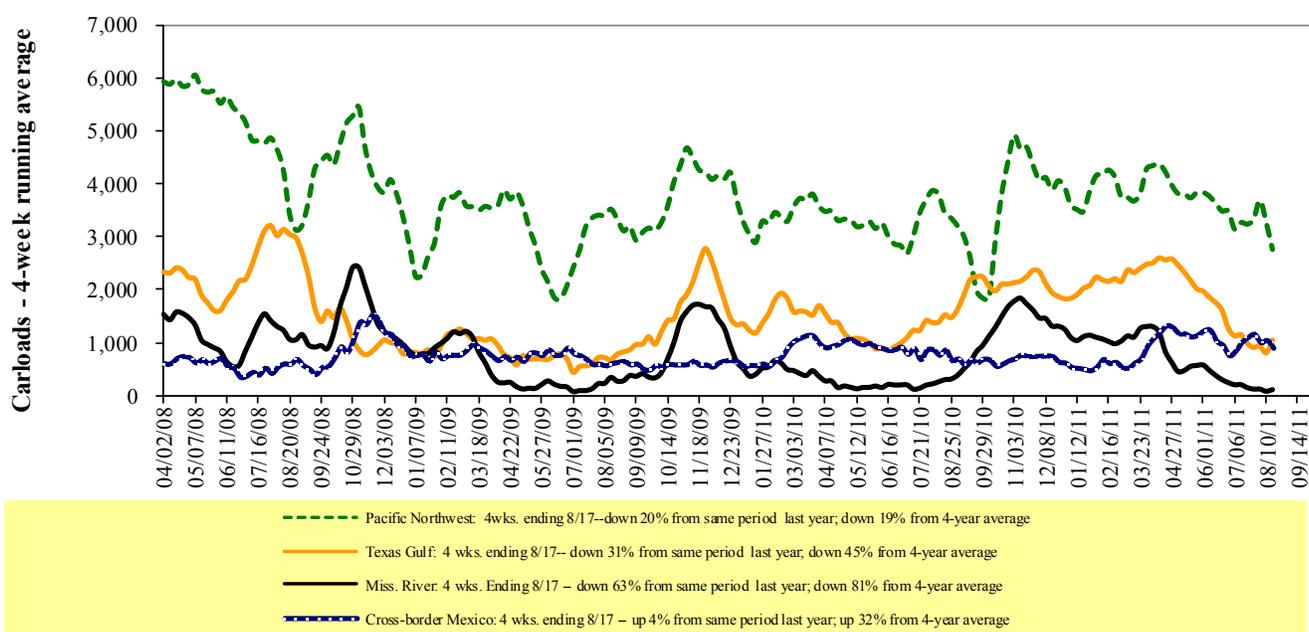
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

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

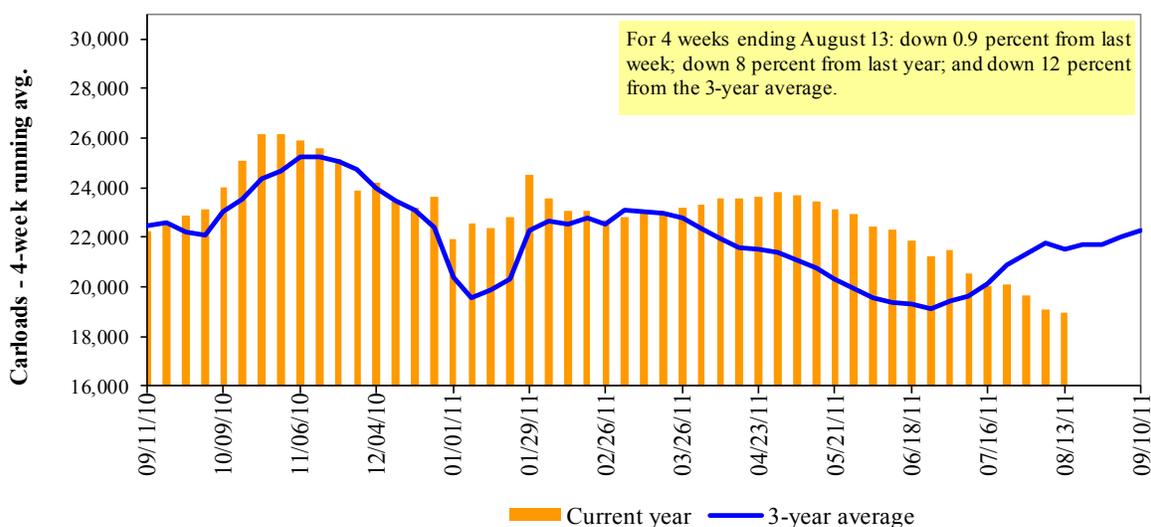
Table 4

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

Week ending	East		West			U.S. total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
08/13/11	1,562	2,003	8,993	1,086	5,032	18,676	3,185	6,333
This week last year	1,704	2,612	9,542	595	4,506	18,959	3,882	5,873
2011 YTD	61,687	96,081	342,496	21,624	190,109	711,997	123,360	161,978
2010 YTD	69,065	96,388	320,370	22,889	167,586	676,298	124,829	167,100
2011 YTD as % of 2010 YTD	89	100	107	94	113	105	99	97
Last 4 weeks as % of 2010 ¹	85	92	89	125	95	92	87	117
Last 4 weeks as % of 3-yr avg. ¹	77	88	87	112	89	87	87	125
Total 2010	111,935	159,836	546,901	35,807	295,361	1,149,840	203,038	265,835

¹As a percent of the same period in 2009 and the prior 3-year average. YTD = year-to-date.

Source: Association of American Railroads (www.aar.org)

Figure 3**Total Weekly U.S. Class I Railroad Grain Car Loadings**

Source: Association of American Railroads

Table 5

Rail Car Auction Offerings¹ (\$/car)²

Week ending	Delivery period							
	Sep-11	Sep-10	Oct-11	Oct-10	Nov-11	Nov-10	Dec-11	Dec-10
BNSF ³								
COT grain units	no offer	no offer	4	no offer	no bids	no offer	no bids	158
COT grain single-car ⁵	no offer	no offer	no offer	no offer	no offer	no offer	0 . . 50	2 . . 209
UP ⁴								
GCAS/Region 1	no bids	194	no bids	no offer	no bids	338	n/a	n/a
GCAS/Region 2	no bids	567	35	no offer	1	206	n/a	n/a

¹Auction offerings are for single-car and unit train shipments only.

²Average premium/discount to tariff, last auction

³BNSF - COT = Certificate of Transportation; north grain and south grain bids were combined effective the week ending 6/24/06.

⁴UP - GCAS = Grain Car Allocation System

 Region 1 includes: AR, IL, LA, MO, NM, OK, TX, WI, and Duluth, MN.

 Region 2 includes: CO, IA, KS, MN, NE, WY, and Kansas City and St. Joseph, MO.

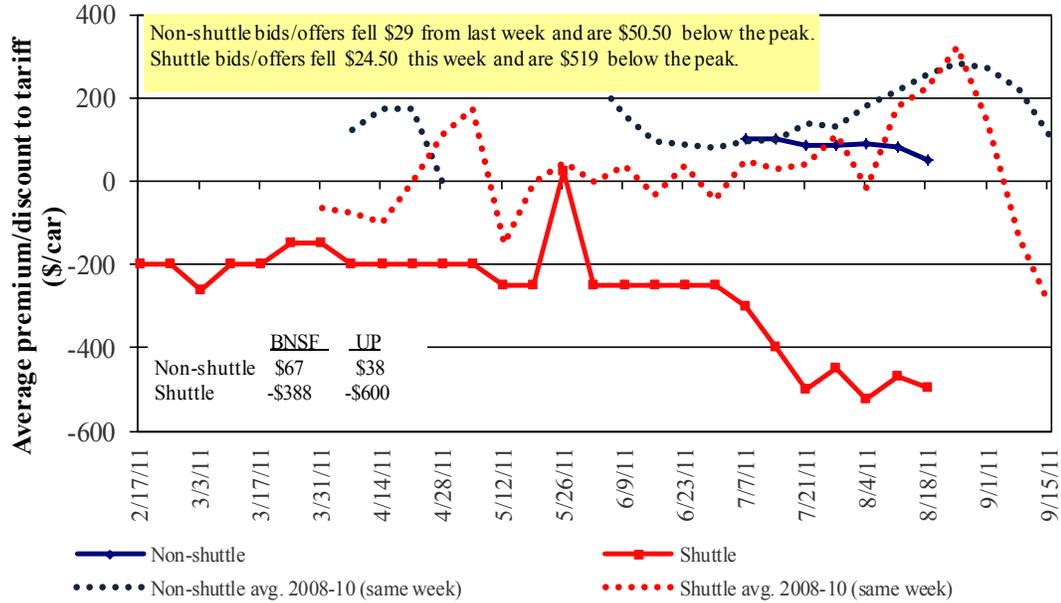
⁵Range is shown because average is not available. Not available = n/a.

Source: Transportation & Marketing Programs/AMS/USDA.

The **secondary rail market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The **auction and secondary rail** values are indicators of rail service quality and demand/supply.

Figure 4

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

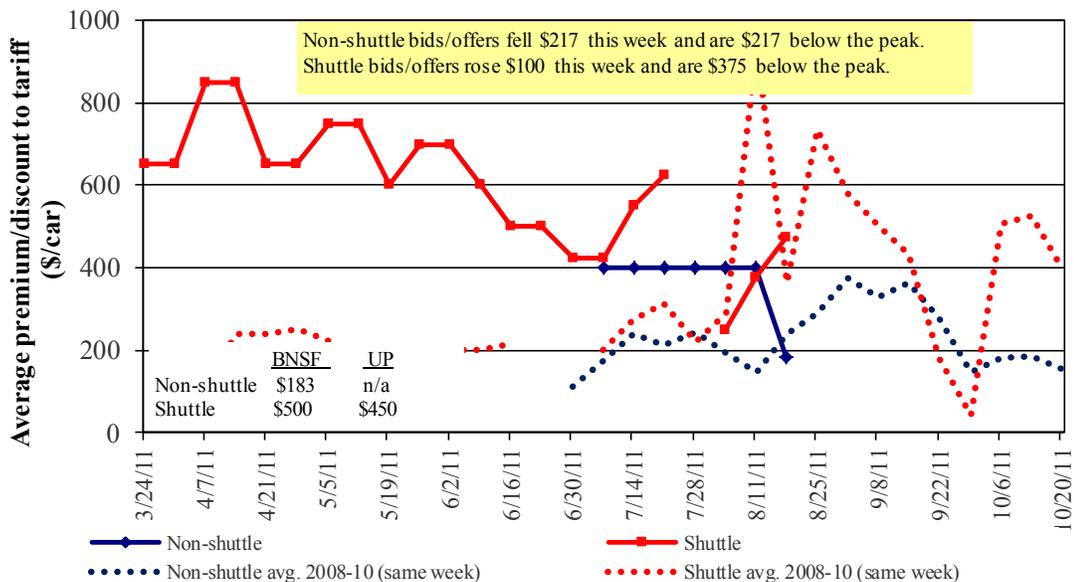


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

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

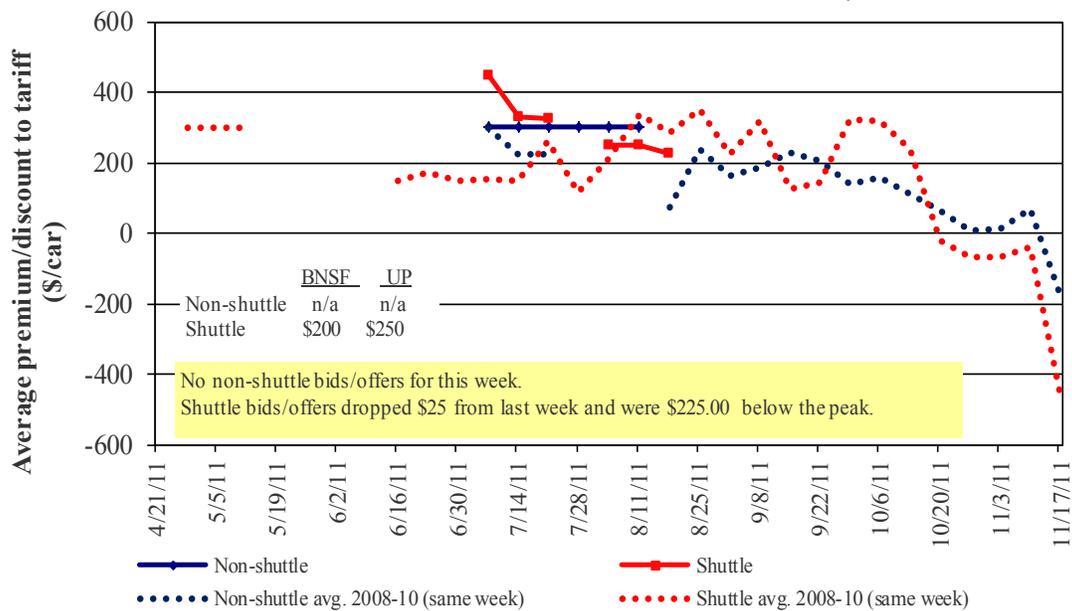


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in November 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					
	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12
Non-shuttle						
BNSF-GF	67	183	n/a	n/a	n/a	n/a
Change from last week	(46)	(217)	n/a	n/a	n/a	n/a
Change from same week 2010	(725)	(517)	n/a	n/a	n/a	n/a
UP-Pool	38	n/a	n/a	n/a	n/a	n/a
Change from last week	(12)	n/a	n/a	n/a	n/a	n/a
Change from same week 2010	(587)	n/a	n/a	n/a	n/a	n/a
Shuttle²						
BNSF-GF	(388)	500	200	n/a	n/a	n/a
Change from last week	18	50	n/a	n/a	n/a	n/a
Change from same week 2010	(1,596)	n/a	(300)	n/a	n/a	n/a
UP-Pool	(600)	450	250	(150)	n/a	n/a
Change from last week	(67)	150	-	(50)	n/a	n/a
Change from same week 2010	(1,350)	(650)	(450)	(550)	n/a	n/a

¹Average premium/discount to tariff, \$/car-last week

²Shuttle bids are a new data series; prior to this we provided only non-shuttle rates.

Note: Bids listed are market INDICATORS only & are NOT guaranteed prices,

n/a = not available; GF = guaranteed freight; Pool = guaranteed pool

Sources: Transportation and Marketing Programs/AMS/USDA

Data from Atwood/ConAgra, Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.

Table 7

Tariff Rail Rates for Unit and Shuttle Train Shipments¹

Effective date:			Tariff	Fuel	Tariff plus surcharge per:		Percent
8/1/2011	Origin region*	Destination region*	rate/car	surcharge per car	metric ton	bushe ²	change Y/Y ³
Unit train							
Wheat	Wichita, KS	St. Louis, MO	\$2,992	\$187	\$31.57	\$0.86	11
	Grand Forks, ND	Duluth-Superior, MN	\$2,822	\$107	\$29.09	\$0.79	9
	Wichita, KS	Los Angeles, CA	\$5,710	\$551	\$62.17	\$1.69	10
	Wichita, KS	New Orleans, LA	\$3,492	\$329	\$37.95	\$1.03	12
	Sioux Falls, SD	Galveston-Houston, TX	\$5,410	\$452	\$58.21	\$1.58	6
	Northwest KS	Galveston-Houston, TX	\$3,760	\$361	\$40.92	\$1.11	11
	Amarillo, TX	Los Angeles, CA	\$3,959	\$502	\$44.30	\$1.21	12
Corn	Champaign-Urbana, IL	New Orleans, LA	\$2,812	\$372	\$31.62	\$0.86	8
	Toledo, OH	Raleigh, NC	\$3,760	\$424	\$41.55	\$1.13	14
	Des Moines, IA	Davenport, IA	\$1,843	\$79	\$19.08	\$0.52	-1
	Indianapolis, IN	Atlanta, GA	\$3,196	\$319	\$34.90	\$0.95	12
	Indianapolis, IN	Knoxville, TN	\$2,760	\$204	\$29.44	\$0.80	12
	Des Moines, IA	Little Rock, AR	\$2,938	\$232	\$31.48	\$0.86	7
	Des Moines, IA	Los Angeles, CA	\$4,835	\$675	\$54.71	\$1.49	20
Soybeans	Minneapolis, MN	New Orleans, LA	\$3,289	\$410	\$36.73	\$1.00	11
	Toledo, OH	Huntsville, AL	\$2,921	\$301	\$32.00	\$0.87	11
	Indianapolis, IN	Raleigh, NC	\$3,830	\$427	\$42.28	\$1.15	14
	Indianapolis, IN	Huntsville, AL	\$2,613	\$204	\$27.98	\$0.76	11
	Champaign-Urbana, IL	New Orleans, LA	\$3,156	\$372	\$35.04	\$0.95	10
Shuttle Train							
Wheat	Great Falls, MT	Portland, OR	\$3,239	\$317	\$35.31	\$0.96	10
	Wichita, KS	Galveston-Houston, TX	\$3,144	\$247	\$33.67	\$0.92	7
	Chicago, IL	Albany, NY	\$3,497	\$398	\$38.68	\$1.05	-3
	Grand Forks, ND	Portland, OR	\$4,702	\$547	\$52.13	\$1.42	10
	Grand Forks, ND	Galveston-Houston, TX	\$5,648	\$570	\$61.75	\$1.68	9
	Northwest KS	Portland, OR	\$4,727	\$592	\$52.82	\$1.44	11
	Corn	Minneapolis, MN	Portland, OR	\$4,680	\$666	\$53.09	\$1.44
Sioux Falls, SD		Tacoma, WA	\$4,640	\$610	\$52.14	\$1.42	13
Champaign-Urbana, IL		New Orleans, LA	\$2,677	\$372	\$30.28	\$0.82	7
Lincoln, NE		Galveston-Houston, TX	\$3,190	\$356	\$35.21	\$0.96	10
Des Moines, IA		Amarillo, TX	\$3,330	\$291	\$35.96	\$0.98	8
Minneapolis, MN		Tacoma, WA	\$4,680	\$661	\$53.04	\$1.44	13
Council Bluffs, IA		Stockton, CA	\$4,080	\$684	\$47.31	\$1.29	13
Soybeans	Sioux Falls, SD	Tacoma, WA	\$4,840	\$610	\$54.12	\$1.47	10
	Minneapolis, MN	Portland, OR	\$4,830	\$666	\$54.58	\$1.49	11
	Fargo, ND	Tacoma, WA	\$4,730	\$543	\$52.36	\$1.43	9
	Council Bluffs, IA	New Orleans, LA	\$3,510	\$429	\$39.12	\$1.06	9
	Toledo, OH	Huntsville, AL	\$2,536	\$301	\$28.18	\$0.77	13
	Grand Island, NE	Portland, OR	\$4,520	\$606	\$50.90	\$1.39	11

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 surcharge

Sources: www.bnsf.com, www.cpr.ca, www.csx.com, www.uprr.com

*Regional economic areas defined by the Bureau of Economic Analysis (BEA)

Table 8

Tariff Rail Rates for U.S. Bulk Grain Shipments to Mexico

Effective date: 8/1/2011				Fuel	Tariff plus surcharge per:		Percent
Commodity	Origin state	Destination region	Tariff rate/car ¹	surcharge per car ²	metric ton ³	bushel ³	change Y/Y ⁴
Wheat	MT	Chihuahua, CI	\$7,491	\$579	\$82.46	\$2.24	15
	OK	Cuautitlan, EM	\$6,610	\$606	\$73.73	\$2.00	12
	KS	Guadalajara, JA	\$7,210	\$861	\$82.47	\$2.24	10
	TX	Salinas Victoria, NL	\$3,656	\$246	\$39.88	\$1.08	12
Corn	IA	Guadalajara, JA	\$7,445	\$881	\$85.06	\$2.16	11
	SD	Penjamo, GJ	\$7,245	\$757	\$81.77	\$2.07	8
	NE	Queretaro, QA	\$6,802	\$779	\$77.46	\$1.97	14
	SD	Salinas Victoria, NL	\$5,360	\$576	\$60.65	\$1.54	13
	MO	Tlalnepantla, EM	\$5,959	\$759	\$68.64	\$1.74	15
	SD	Torreon, CU	\$6,248	\$634	\$70.32	\$1.78	13
Soybeans	MO	Bojay (Tula), HG	\$6,705	\$772	\$76.39	\$2.08	10
	NE	Guadalajara, JA	\$7,519	\$876	\$85.78	\$2.33	14
	IA	El Castillo, JA ⁵	\$7,770	\$753	\$87.08	\$2.37	11
	KS	Torreon, CU	\$6,042	\$601	\$67.87	\$1.85	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	\$810	\$78.83	\$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	\$641	\$65.85	\$1.67	11

¹Rates are based upon published tariff rates for high-capacity shuttle trains. Shuttle trains are available for qualified shipments of 75–110 cars that meet railroad efficiency requirements.

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

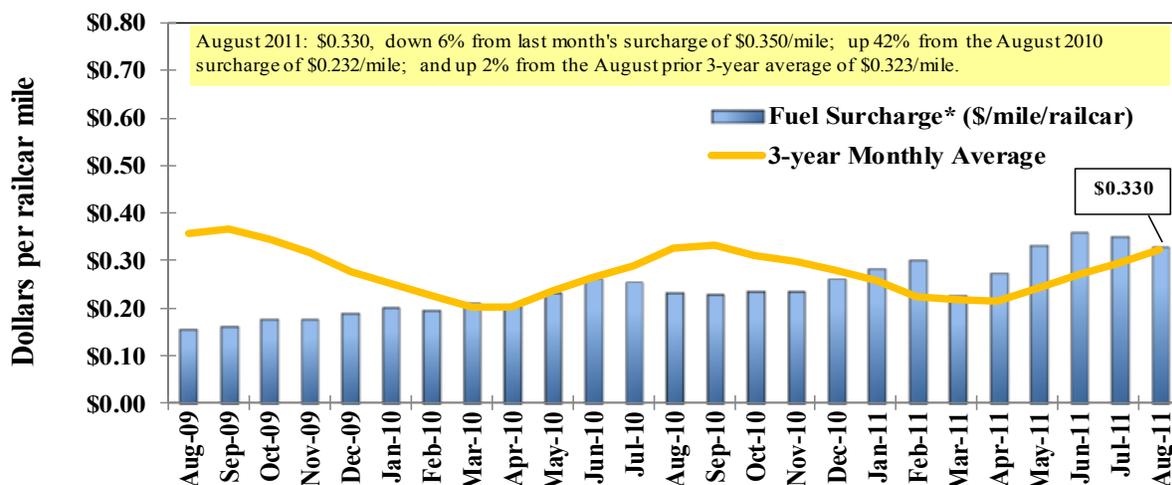
³Approximate load per car = 97.87 metric tons: Corn & Sorghum 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

⁴Percentage change year over year calculated using tariff rate plus fuel surcharge

⁵Beginning 12/6/10, El Castillo, JA replaced Penjamo, GJ as the destination

Sources: www.bnsf.com, www.uprr.com, www.kcsouthern.com

Figure 7

Railroad Fuel Surcharges, North American Weighted Average¹

¹ Weighted by each Class I railroad's proportion of grain traffic for the prior year.

* Mileage-based fuel surcharges for March and April 2007 are estimated. Beginning January 2009, the Canadian Pacific fuel surcharge is computed by a monthly average of the bi-weekly fuel surcharge.

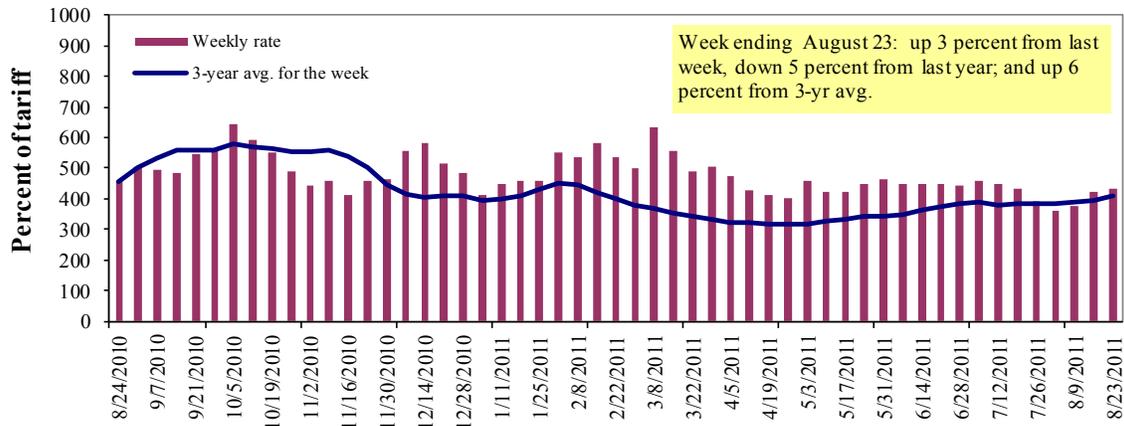
** BNSF strike price (diesel price when fuel surcharges begin) changed from \$1.25/gal. to \$2.50/gal starting March 1, 2011. As a result, the weighted average fuel surcharge for March 2011 was \$0.227/mile instead of \$0.331/mile.

Sources: www.bnsf.com, www.cn.ca, www.cpr.ca, www.csx.com, www.kcsi.com, www.nscorp.com, www.uprr.com

Barge Transportation

Figure 8

Illinois River Barge Freight Rate^{1,2}



¹Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); ²4-week moving average of the 3-year average.

Source: Transportation & Marketing Programs/AMS/USDA

Table 9

Weekly Barge Freight Rates: Southbound Only

		Twin Cities	Mid- Mississippi	Lower Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo- Memphis
Rate¹	8/23/2011	475	435	435	380	432	432	353
	8/16/2011	500	431	423	365	403	403	337
\$/ton	8/23/2011	29.40	23.14	20.18	15.16	20.26	17.45	11.08
	8/16/2011	30.95	22.93	19.63	14.56	18.90	16.28	10.58
Current week % change from the same week:								
	Last year	-1	-5	-5	-16	-22	-22	-19
	3-year avg. ²	8	5	6	5	8	8	0
Rate¹	September	588	585	568	508	580	580	503
	November	620	562	547	443	505	505	422

¹Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); ²4-week moving average; ton = 2,000 pounds

Source: Transportation & Marketing Programs/AMS/USDA

Figure 9
Benchmark tariff rates

Calculating barge rate per ton:

(Index * 1976 tariff benchmark rate per ton)/100

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map (see figure 9).

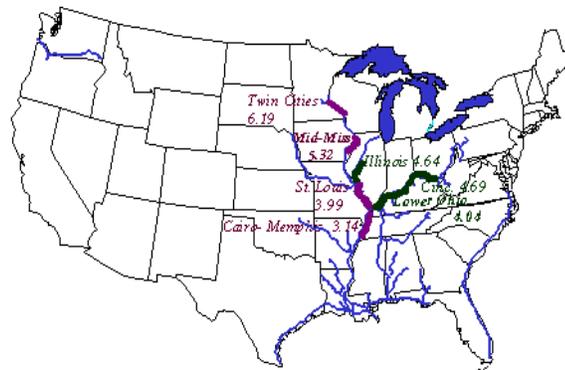
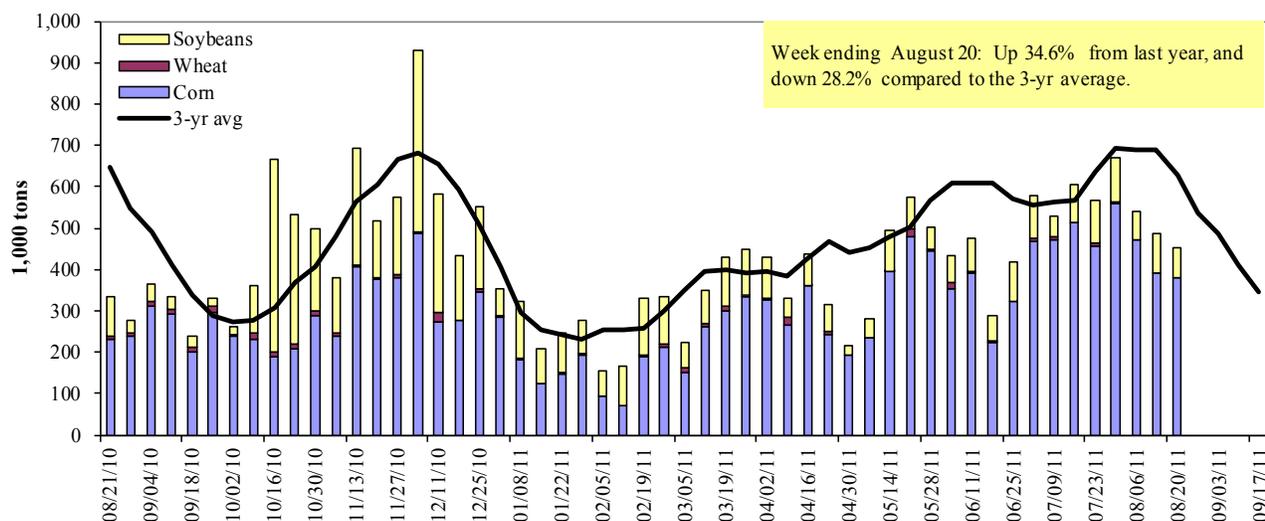


Figure 10

Barge Movements on the Mississippi River¹ (Locks 27 - Granite City, IL)

¹ The 3-year average is a 4-week moving average.

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

Table 10

Barge Grain Movements (1,000 tons)

Week ending 8/20/2011	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	276	2	37	6	321
Winfield, MO (L25)	343	0	57	0	400
Alton, IL (L26)	417	0	62	0	479
Granite City, IL (L27)	379	0	72	0	451
Illinois River (L8)	59	0	3	0	62
Ohio River (L52)	11	14	17	0	41
Arkansas River (L1)	0	17	3	1	21
Weekly total - 2011	390	30	92	1	514
Weekly total - 2010	247	35	122	6	410
2011 YTD ¹	12,652	1,053	4,625	246	18,576
2010 YTD	15,751	836	5,069	292	21,948
2011 as % of 2010 YTD	80	126	91	84	85
Last 4 weeks as % of 2010 ²	94	123	85	177	94
Total 2010	22,768	1,220	10,373	481	34,841

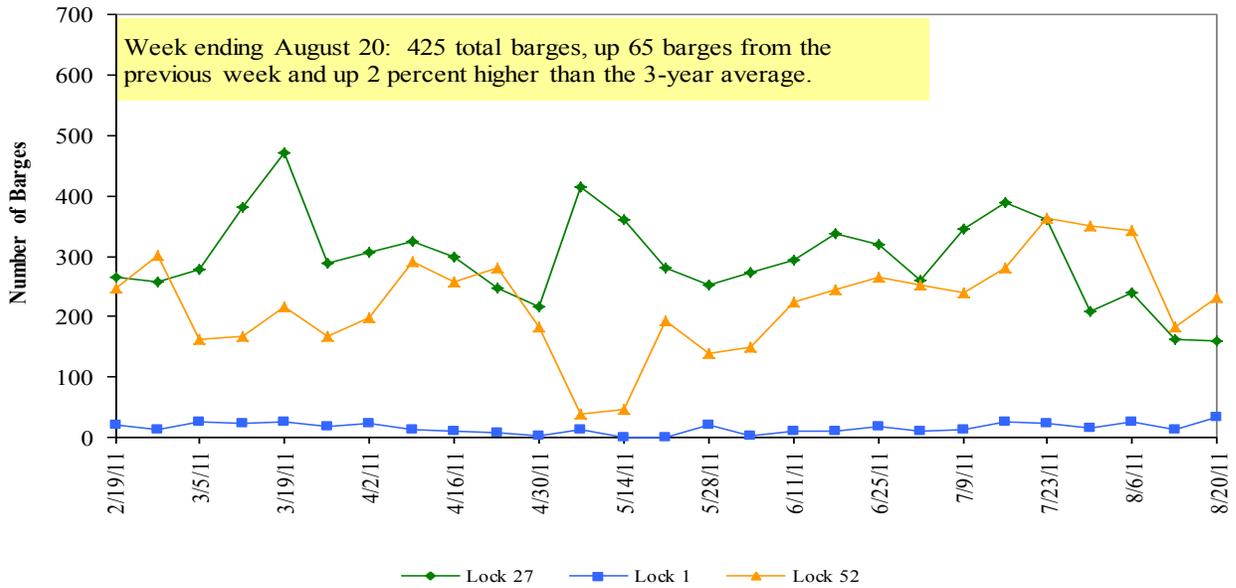
¹ Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

² As a percent of same period in 2010.

Note: Total may not add exactly, due to rounding

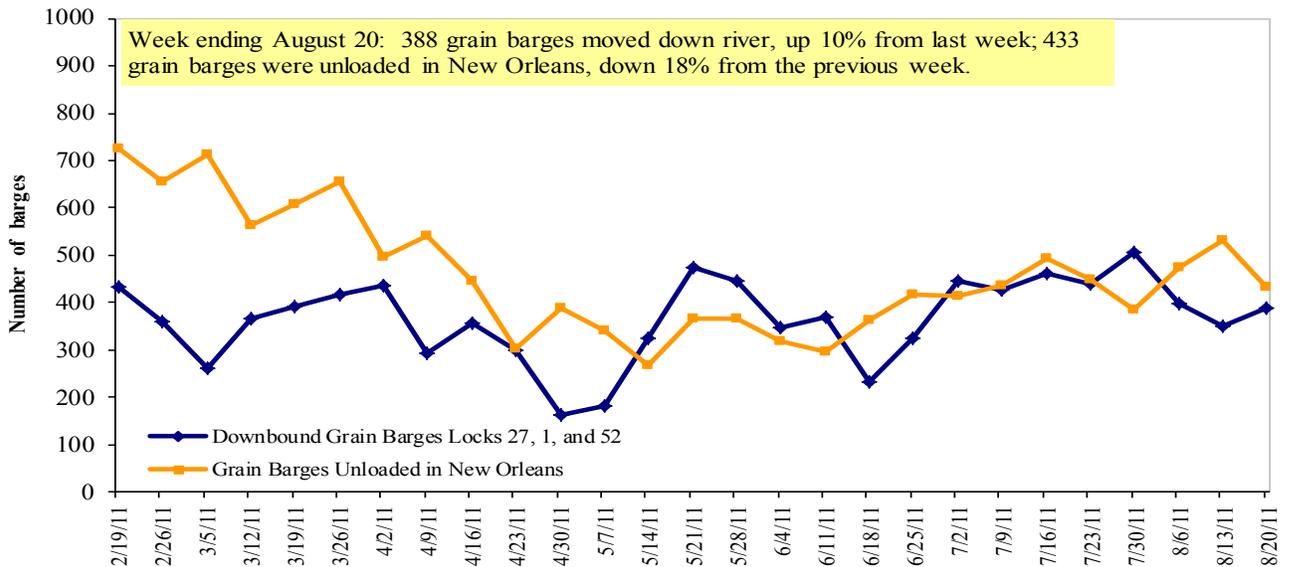
Source: U.S. Army Corps of Engineers (www.mvr.usace.army.mil/mvrini/omni/webprts/default.asp)

Figure 11
Upbound Empty Barges Transiting Mississippi River Locks 27, Arkansas River Lock and Dam 1, and Ohio River Locks and Dam 52



Source: U.S. Army Corps of Engineers

Figure 12
Grain Barges for Export in New Orleans Region



Source: U.S. Army Corps of Engineers and GIPSA

Truck Transportation

The **weekly diesel price** provides a proxy for trends in U.S. truck rates as diesel fuel is a significant expense for truck grain movements.

Table 11

Retail on-Highway Diesel Prices¹, Week Ending 8/22/2011 (US \$/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	3.844	-0.027	0.892
	New England	3.994	-0.007	0.985
	Central Atlantic	3.944	-0.039	0.906
	Lower Atlantic	3.788	-0.023	0.878
II	Midwest ²	3.789	-0.026	0.862
III	Gulf Coast ³	3.772	-0.034	0.856
IV	Rocky Mountain	3.815	-0.011	0.799
V	West Coast	3.855	-0.008	0.741
	California	3.928	-0.029	0.757
Total	U.S.	3.810	-0.025	0.853

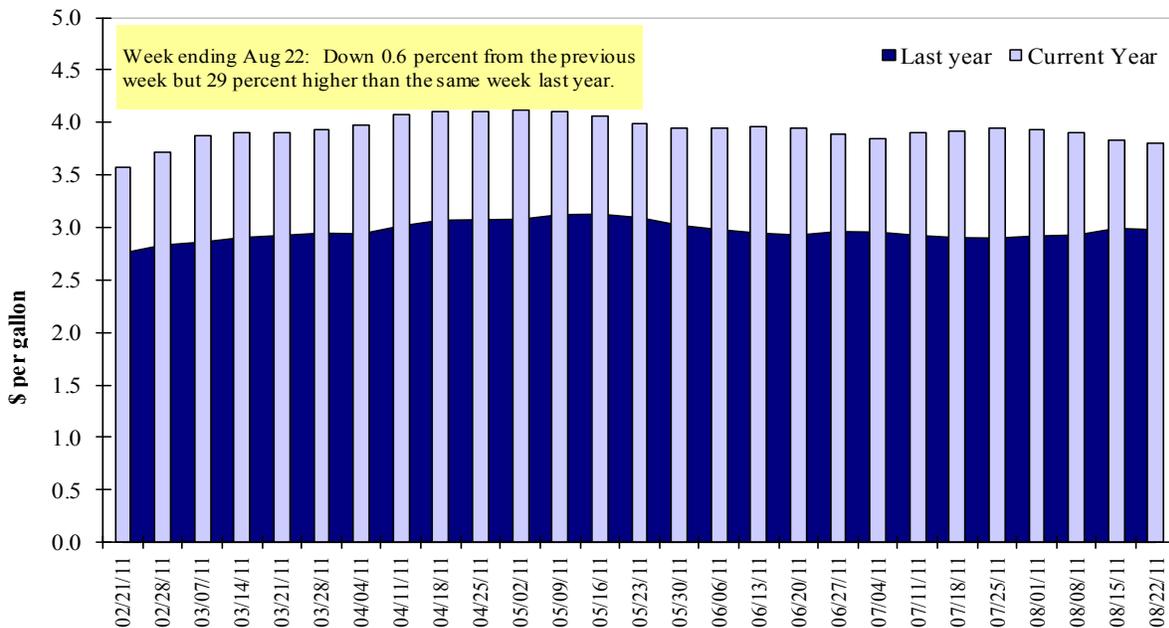
¹Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

²Same as North Central ³Same as South Central

Source: Energy Information Administration/U.S. Department of Energy (www.eia.doe.gov)

Figure 13

Weekly Diesel Fuel Prices, U.S. Average



Source: Retail On-Highway Diesel Prices, Energy Information Administration, Dept. of Energy

Grain Exports

Table 12

U.S. Export Balances and Cumulative Exports (1,000 metric tons)

Week ending	Wheat						Corn	Soybeans	Total
	HRW	SRW	HRS	SWW	DUR	All wheat			
Export Balances¹									
8/11/2011	1,742	891	1,607	1,021	186	5,447	5,069	2,888	13,404
This week year ago	3,191	559	1,781	1,230	370	7,131	7,053	2,391	16,575
Cumulative exports-marketing year²									
2010/11 YTD	2,650	770	1,503	1,003	113	6,040	42,977	39,235	88,252
2009/10 YTD	2,242	437	1,170	859	144	4,851	45,386	38,729	88,966
YTD 2010/11 as % of 2009/10	118	176	128	117	78	125	95	101	99
Last 4 wks as % of same period 2009/10	55	164	96	89	45	79	84	124	88
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 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 Importers¹ of U.S. Corn

Week ending 08/11/11	Total Commitments ²			% change current MY from last MY	Exports ³ 2009/10
	2011/12 Next MY	2010/11 Current MY	2009/10 Last MY		
	- 1,000 mt -				- 1,000 mt -
Japan	1,289	14,783	16,057	(8)	14,343
Mexico	2,062	7,031	8,258	(15)	7,999
Korea	446	6,100	7,835	(22)	7,562
Taiwan	66	2,775	3,223	(14)	2,949
Egypt	100	3,197	3,080	4	2,935
Top 5 importers	3,963	33,885	38,454	(12)	35,788
Total US corn export sales	8,580	48,046	52,438	(8)	50,460
% of Projected	19%	104%	104%		
Change from Last Week	281	244	595		
Top 5 importers' share of U.S. corn export sales	46%	71%	73%		
USDA forecast, August 2011	44,450	46,360	50,300	(8)	
Corn Use for Ethanol USDA forecast, Ethanol August 2011	129,540	127,508	116,027	10	

(n) indicates negative number.

¹ Based on FAS Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year (MY) = Sep 1 - Aug 31.

² Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report.

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

Table 14

Top 5 Importers¹ of U.S. Soybeans

Week Ending 08/11/2011	Total Commitments ²			% change current MY from last MY	Exports ³ 2009/10
	2011/12 Next MY	2010/11 Current MY	2009/10 Last MY		
	- 1,000 mt -				- 1,000 mt -
China	8,355	25,651	23,042	11	22,454
Mexico	206	3,236	3,323	(3)	3,276
Japan	124	2,233	2,576	(13)	2,347
EU-25	60	2,599	2,703	(4)	2,647
Taiwan	29	1,451	1,574	(8)	1,556
Top 5 importers	8,773	35,169	33,217	6	32,280
Total US soybean export sales	10,455	42,124	41,120	2	40,850
% of Projected	27%	104%	101%		
Change from last week	197	224	172		
Top 5 importers' share of U.S. soybean export sales	84%	83%	81%		
USDA forecast, August 2011	38,100	40,690	40,850	(0.4)	
Soybean Use for Biodiesel USDA forecast, August 2011	8,393	5,155	4,031	28	

(n) indicates negative number.

¹Based on FAS 2008/09 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year (MY) = Sep 1 - Aug 31.²Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report.³FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 15

Top 10 Importers¹ of All U.S. Wheat

Week Ending 08/11/2011	Total Commitments ²		% change current MY from last MY	Exports ³ 2010/11
	2011/12 Current MY	2010/11 Last MY		
	- 1,000 mt -			- 1,000 mt -
Nigeria	1,286	1,295	(1)	3,233
Japan	1,638	1,339	22	3,148
Mexico	1,350	1,184	14	2,601
Philippines	1,072	1,099	(2)	1,518
Korea	454	646	(30)	1,111
Peru	427	427	(0)	923
Taiwan	250	185	35	913
Colombia	267	330	(19)	783
Indonesia	374	141	165	781
Yemen	170	167		659
Top 10 importers	7,288	6,814	7	15,670
Total US wheat export sales	11,486	11,982	(4)	33,439
% of Projected	38%	34%		
Change from last week	549	1,412		
Top 10 importers' share of U.S. wheat export sales	63%	57%		
USDA forecast, August 2011	29,940	35,080	(15)	

(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.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 08/18/11	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		Total ¹ 2010
							2010	3-yr. avg.	
Pacific Northwest									
Wheat	144	323	45	9,260	6,852	135	105	117	11,062
Corn	236	123	192	6,566	7,041	93	68	79	9,950
Soybeans	65	0	n/a	3,532	4,836	73	78	94	10,191
Total	445	446	100	19,358	18,729	103	84	96	31,203
Mississippi Gulf									
Wheat	226	91	247	3,676	2,431	151	202	100	4,199
Corn	405	655	62	16,893	18,984	89	97	90	29,794
Soybeans	161	113	142	10,327	10,053	103	45	59	22,519
Total	793	860	92	30,896	31,467	98	92	86	56,512
Texas Gulf									
Wheat	71	135	52	8,400	5,200	162	73	68	9,339
Corn	0	0	n/a	810	1,134	71	23	19	1,859
Soybeans	0	0	n/a	763	667	114	0	0	1,916
Total	71	135	52	9,973	7,001	142	66	61	13,115
Great Lakes									
Wheat	2	22	11	667	511	130	14	27	1,897
Corn	16	26	61	109	53	207	0	138	119
Soybeans	0	0	n/a	22	0	n/a	0	0	655
Total	18	48	38	798	563	142	37	55	2,672
Atlantic									
Wheat	28	2	1,705	641	195	329	3,004	76	343
Corn	8	0	n/a	194	260	75	48	101	469
Soybeans	1	11	7	472	712	66	195	147	1,417
Total	37	12	299	1,307	1,166	112	279	92	2,229
U.S. total from ports²									
Wheat	471	573	82	22,644	15,189	149	99	91	26,839
Corn	665	804	83	24,572	27,471	89	85	84	42,192
Soybeans	227	124	183	15,116	16,267	93	54	69	36,699
Total	1,364	1,501	91	62,332	58,926	106	85	85	105,730

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

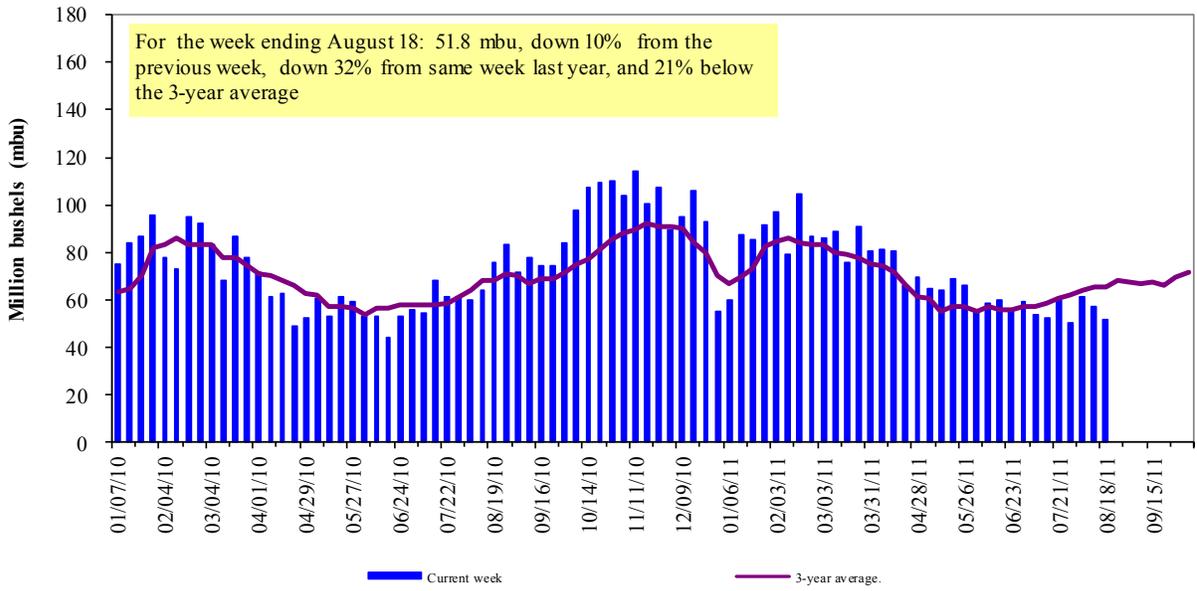
² Total includes only port regions shown above

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)

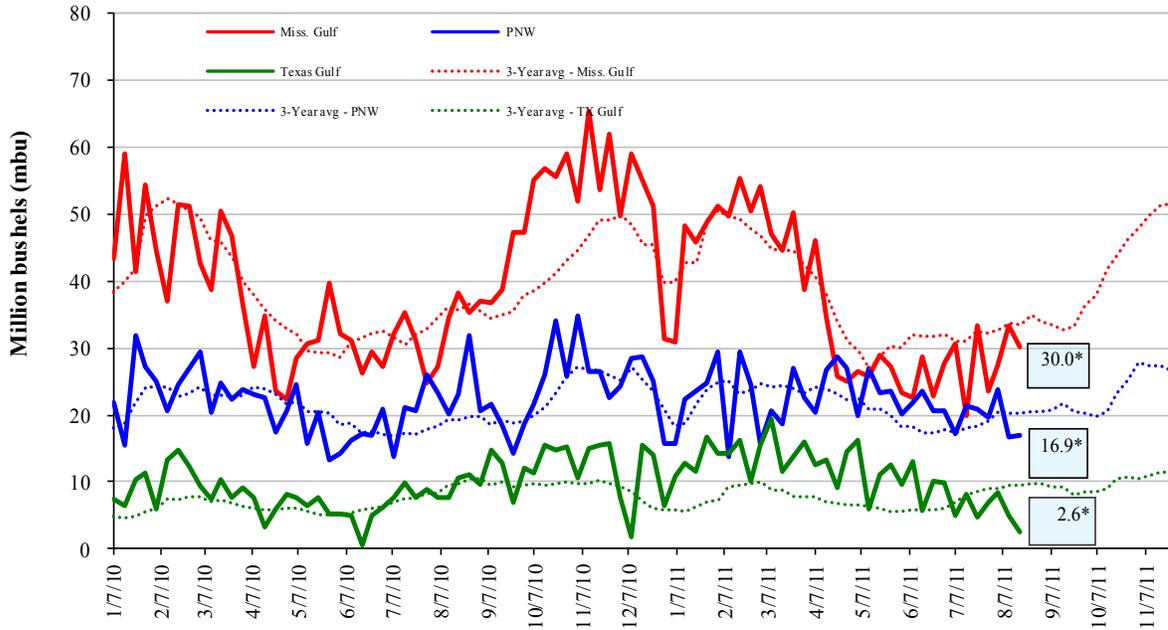


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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

Figure 15

U.S. Grain Inspections: U.S. Gulf and PNW¹ (wheat, corn, and soybeans)



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

August 18 % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	down 9	down 48	down 14	up 1.6
Last year (same week)	down 21	down 75	down 33	down 27
3-yr avg. (4-wk mov. avg.)	down 10	down 73	down 24	down 10

Ocean Transportation

Table 17

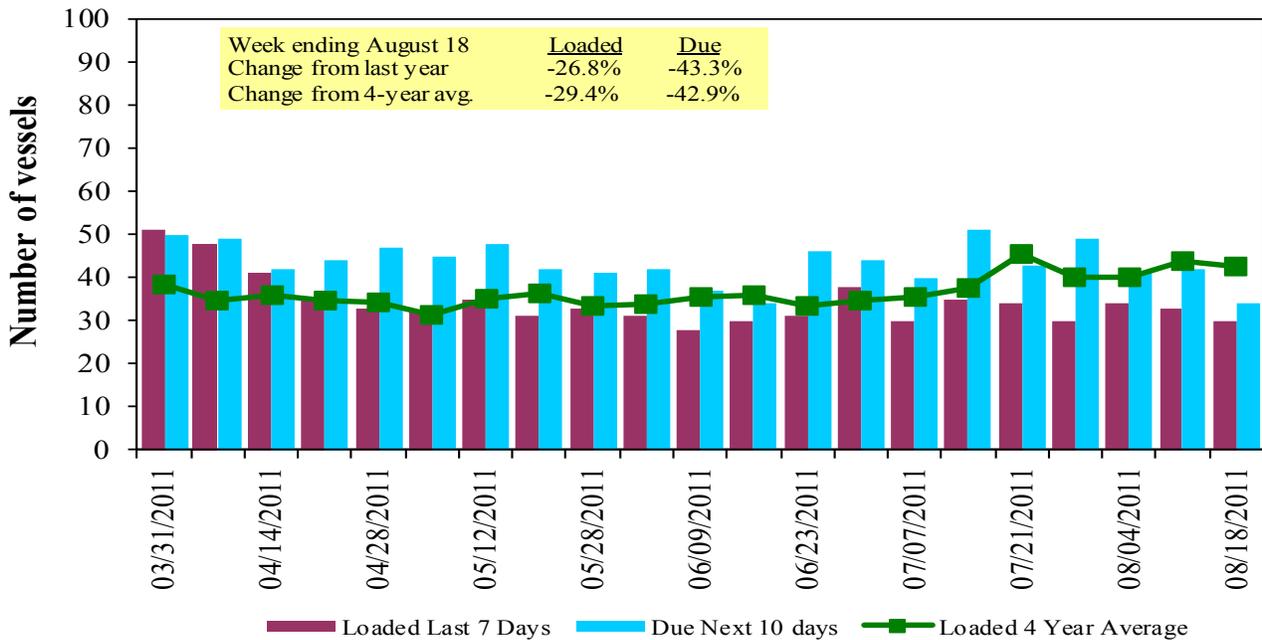
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In port	Loaded 7-days	Due next 10-days	In port	In port
8/18/2011	26	30	34	13	8
8/11/2011	16	33	42	7	7
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. Gulf¹ Vessel Loading Activity

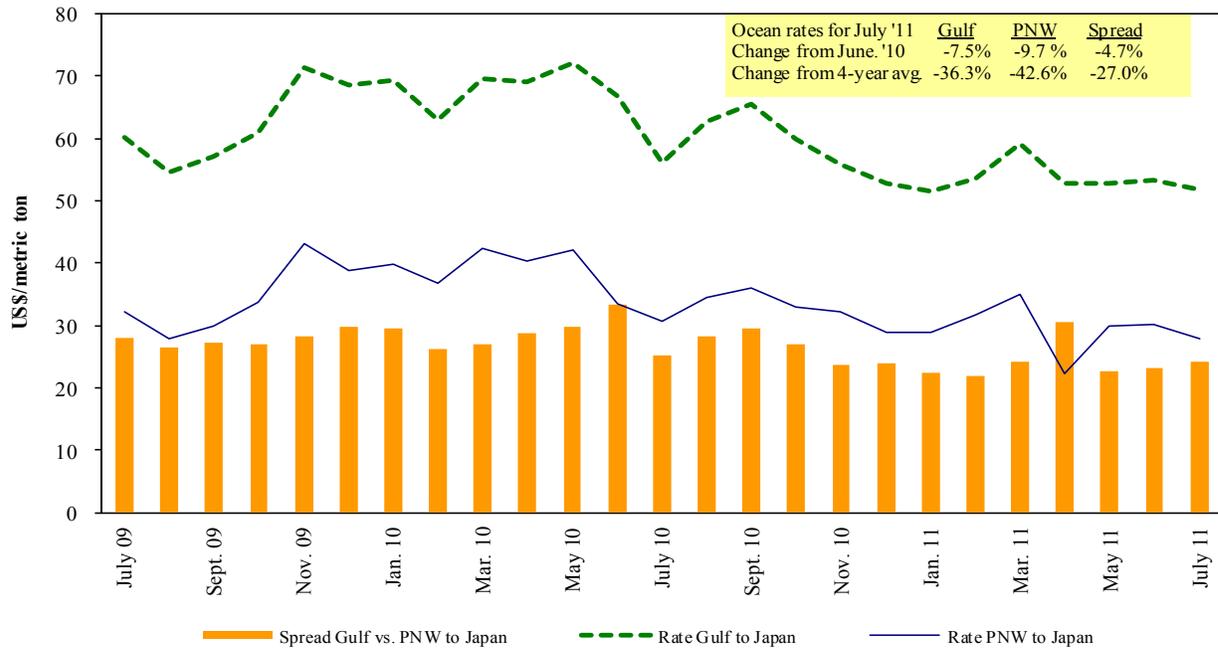


Source: Transportation & Marketing Programs/AMS/USDA

¹U.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 08/20/2011

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US\$/metric ton)
U.S. Gulf	China	Heavy Grain	Sep 1/10	60,000	48.25
U.S. Gulf	China	Heavy Grain	Aug 17/Sep 30	60,000	49.00
U.S. Gulf	China	Heavy Grain	Dec 1/30	55,000	51.00
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	Djibouti ¹	Wheat	Mar 31/Apr 9	17,260	129.95
Brazil	China	Heavy Grain	May 18/27	60,000	49.50
Brazil	China	Heavy Grain	April 5/15	60,000	51.00
Brazil	Turkey	Heavy Grain	May 20/30	50,000	32.00
River Plate	Algeria	Corn	July 15/25	25,000	43.50
River Plate	Algeria	Corn	July 1/10	25,000	42.90
River Plate	Algeria	Corn	June 15/25	25,000	42.75
River Plate	Algeria	Wheat	Aug 18/25	25,000	49.00
River Plate	Spain	Maize	May 16/18	25,000	44.00
South Africa	Taiwan	Corn	Aug 5/15	55,000	31.00
Ukraine	Spain Med	Corn	May 20/24	25,000	18.00

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

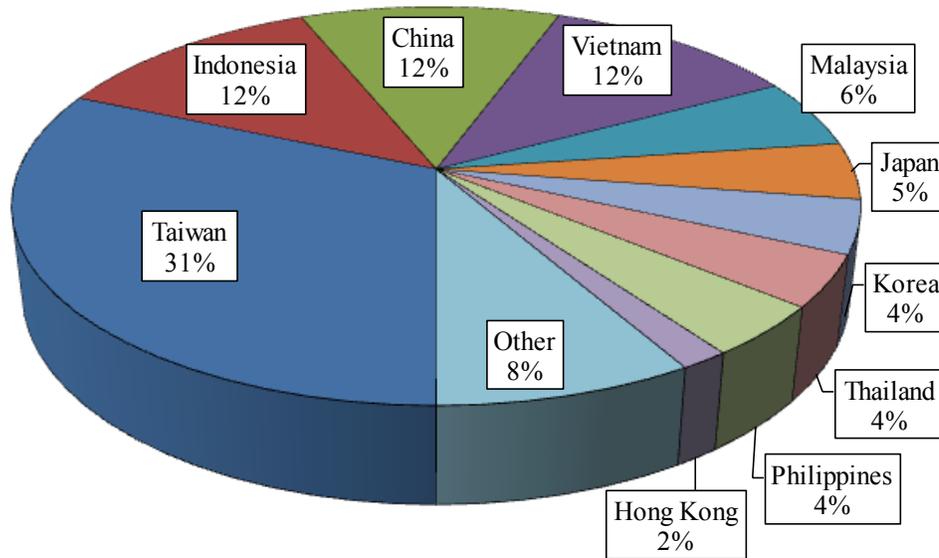
¹75 percent of food aid from the United States is required to be shipped on U.S.-flag vessels.

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, April 2011

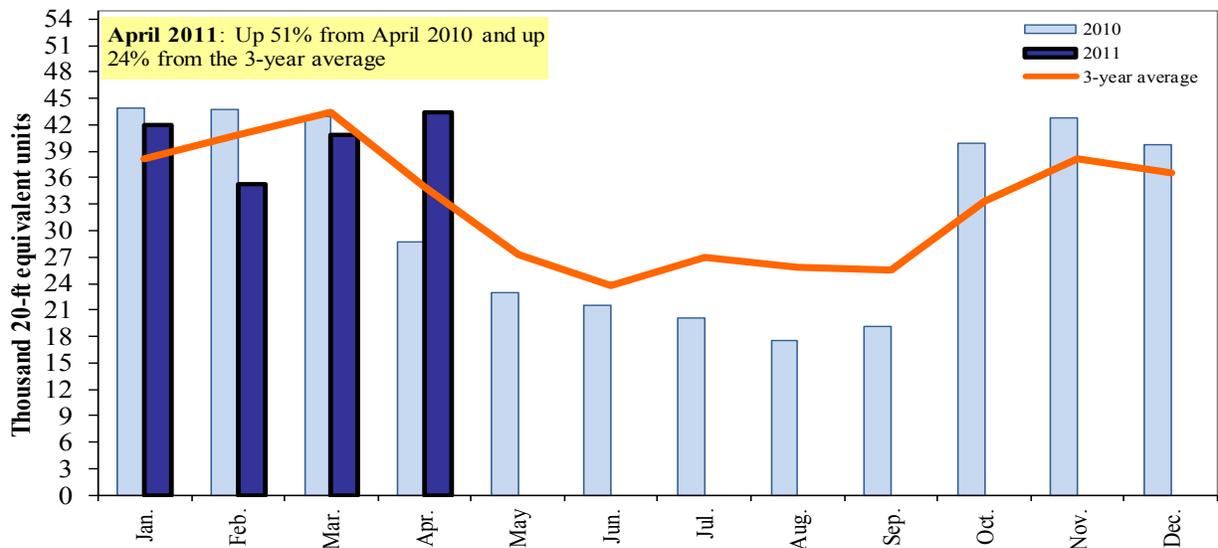


Source: USDA/Agricultural Marketing Service/Transportation Services Division analysis of Port Import Export Reporting Service (PIERS) data

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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