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Contents

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Grain Transportation Report

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

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WEEKLY HIGHLIGHTS

Gulf Grain Vessel Loading Activity Expected to Rebound After Hurricane Isaac

Ocean-vessel grain loading activity was hampered by Hurricane Isaac as most grain elevators in the New Orleans area were affected by interrupted power supply and other weather-related delays. Only 13 ocean-going grain vessels were loaded between August 30 and September 6 following the hurricane landing—54 percent less than the same period a year ago. However, loading activity is expected to pick up: 78 vessels are expected to be loaded from September 7–16, 70 percent more than the same period last year. This is the highest number of expected vessels to be loaded since the week ending February 10, 2011.

As Drought Continues, Barge Freight Rates Hit Highest Levels All Year

Throughout the Midwest, the lower and middle parts of the Mississippi River Valley, and the Central Plains, persistent drought conditions are anticipated through September. The U.S. Army Corps of Engineers has identified 15 critical river gages to monitor, 3 of which are at "Action Stage". Action Stage directs various agencies to implement dredging, increase reservoir releases, and establish draft/tow restrictions. The 3 action stage areas are Memphis, TN, Greenville, MS, and Vicksburg, MS. The most active grain barge market is on the lower Mississippi River, where freight rates jumped to a yearly high of 700 percent of tariff on September 11, probably as a result of the drought-induced low-water conditions.

National Grain Car Council Addresses Rail Needs for Upcoming Harvest

On September 13, the National Grain Car Council (NGCC) is holding a public meeting in Irving, TX, on railroads' preparations for transporting grain during the upcoming harvest. Topics of discussion include service issues, equipment availability, grain car demand, railroad/shipper issues, fleet size, leasing availability, new construction estimates, and supply issues. Other topics include updates on rail time indicators and railroad agricultural contract filings. In addition, the USDA will present its research on the changes in the rail market share of grain and oilseed transportation. NGCC draws its membership from a balanced selection of representatives from the Class I railroads, short line and regional railroads, grain shippers and receivers, private rail car owners, and rail car manufacturers.

Snapshots by Sector

Rail

U.S. railroads originated 17,277 **carloads of grain** during the week ending September 1, down 9 percent from last week, 9 percent from last year, and 14 percent lower than the 3-year average.

During the week ending September 6, average September non-shuttle **secondary railcar bids/offers per car** were $12.50 above tariff, $6 less than last week and $12.50 higher than last year. Average shuttle bids/offers were $187.50 below tariff, $209.50 more than last week and $72 higher than last year.

Ocean

As of September 7, the **ocean freight rate for shipping bulk grain** from the Gulf to Japan was $48 per mt, down 2 percent from the previous week. The cost of shipping from the Pacific Northwest to Japan was $24 per mt, down 6 percent from the previous week

Barge

During the week ending September 8, **barge grain movements** totaled 162,894 tons, 36 percent lower than the previous week and 52 percent lower than the same period last year. This was the lowest weekly total since 2008 when floods shut down the Mississippi River locks for 26 days.

During the week ending September 8, 108 **grain barges moved down river**, down 33.7 percent from last week; 469 grain barges were **unloaded in New Orleans**, up 105.7 percent from the previous week.

Fuel

During the week ending September 10, U.S. average **diesel fuel prices** were unchanged at $4.13 per gallon—27 cents higher than the same week last year.

Containerized Grain Exports

Containerized grain exports to Asia in June totaled more than 48,000 20-foot equivalent units—43 percent higher than the previous year, 83 percent higher than the 4-year average, and 9.6 percent higher than May movements.

Feature Article/Calendar

Second Quarter Corn and Soybean Transportation Costs Up in Gulf and PNW

Transportation costs for shipping corn and soybeans to Japan through the U.S. Gulf and Pacific Northwest (PNW) port regions during the second quarter of 2012 increased from the first quarter. Higher truck rates caused most of the increase in overall shipping costs quarter to quarter. Year-to-year transportation costs, however, were down notably for shipping from the Gulf. Lower year-to-year barge and ocean rates more than offset a small decrease in trucking rates, resulting in lower transportation costs in the Gulf. Year-to-year PNW transportation costs remained about the same for corn and soybeans (*Tables 1,2*). Excess vessel supply and weak demand continued to push year-to-year ocean rates down during the second quarter (**GTR, 8/09/12**). Quarter-to-quarter ocean rates were up slightly in the Gulf, but down in the PNW. Rail rates for shipping corn and soybeans through the PNW increased quarter to quarter and year to year as fuel surcharges continued to increase.

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	
	2ndQtr 11	1stQtr 12	2ndQtr 12	Yr. to Yr.	Qtr to Qtr	2ndQtr 11	1stQtr 12	2ndQtr 12	Yr. to Yr.	Qtr to Qtr
Truck	11.34	9.14	11.66	2.82	27.57	11.34	9.14	11.66	2.82	27.57
Barge	37.26	29.27	28.18	-24.37	-3.72	37.26	29.27	28.18	-24.37	-3.72
Ocean	52.97	50.18	50.80	-4.10	1.24	52.97	50.18	50.80	-4.10	1.24
Total Transportation Cost	101.57	88.59	90.64	-10.76	2.31	101.57	88.59	90.64	-10.76	2.31
Farm Value [1]	222.82	237.39	240.28	7.84	1.22	465.42	447.05	502.16	7.89	12.33
Total Landed Cost	324.39	325.98	330.92	2.01	1.52	566.99	535.64	592.80	4.55	10.67
Transportation % Landed Cost	31.31	27.18	27.39			17.91	16.54	15.29		

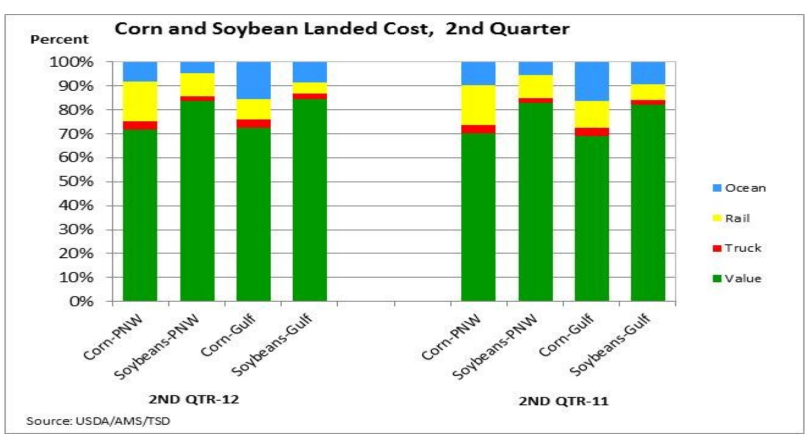
Table 2: Cost of Shipping Corn and Soybeans from Minneapolis to Japan through the U.S. PNW

	Corn					Soybeans				
	$/metric ton			Percent change		$/metric ton			Percent Change	
	2ndQtr 11	1stQtr 12	2ndQtr 12	Yr. to Yr.	Qtr to Qtr	2ndQtr 11	1stQtr 12	2ndQtr 12	Yr. to Yr.	Qtr to Qtr
Truck	11.34	9.14	11.66	2.82	27.57	11.34	9.14	11.66	2.82	27.57
Rail [2]	52.85	54.16	54.99	4.05	1.53	54.34	56.45	57.24	5.34	1.40
Ocean	30.24	28.28	27.28	-9.79	-3.54	30.24	28.28	27.28	-9.79	-3.54
Total Transportation Cost	94.43	91.58	93.93	-0.53	2.57	95.92	93.87	96.18	0.27	2.46
Farm Value [1]	222.82	237.39	240.28	7.84	1.22	465.42	447.05	502.16	7.89	12.33
Total Landed Cost	317.25	328.97	334.21	5.35	1.59	561.34	540.92	598.34	6.59	10.62
Transportation % Landed Cost	29.77	27.84	28.11			17.09	17.35	16.07		

Source: USDA/AMS/TMP
n/a = not available

[1] Source: USDA/NASS, Agricultural Prices
[2] Rail tariffs include fuel surcharges and revisions for heavy axle rail cars and shuttle trains

U.S. Gulf Costs: Total second quarter transportation costs for shipping corn and soybeans from Minneapolis, MN, through the Gulf to Japan increased 2 percent quarter to quarter, but decreased 10 percent year to year (*Table 1*). Higher trucking rates were the main drivers behind increased quarter-to-quarter transport costs. Ocean rates increased from the first quarter but decreased from the second quarter last year. Second quarter barge rates for shipping grain to the Gulf decreased from the past quarter and last year. Barge rates dropped because of the lower demand for barge services during this period.



Compared with the first quarter 2012, the total landed cost for shipping from the U.S. Gulf to Japan increased 2 percent for corn and 11 percent for soybeans, driven up by higher trucking rates and farm values. The landed cost was 2 and 5 percent above last year, and ranged from $331 to $593 per metric ton (mt). Corn and soybean farm values continued to increase, accounting for 73 and 85 percent of the landed cost for shipping from the Gulf, up from this time last year (see figure). Transportation costs for shipping corn from the Gulf to Japan accounted for 27 percent of the total landed cost during the second quarter, the same as last quarter but lower than same quarter last year. The transportation costs for soybeans as a share of the total landed costs was 15 percent, which is below the last quarter and last year (*Table 1*).

Pacific Northwest Costs: Total transportation costs from Minneapolis, MN, to Japan via the PNW increased for corn and soybeans quarter to quarter (*Table 2*). The increase in transportation costs was caused by the jump in trucking rates from quarter to quarter. Higher trucking rates were driven by an increasing demand for trucking services, probably due to the spring wheat harvest. Year-to-year transportation costs for shipping corn and soybeans to the PNW dropped slightly for corn but increased slightly for soybeans. Quarter-to-quarter rail rates for shipping grain to the PNW increased for corn and soybeans. Year-to-year rail rates for shipping corn and soybeans increased as well.

The quarter-to-quarter increase in trucking rates, together with increased farm values, pushed PNW total landed cost up 2 percent for corn and 11 percent for soybeans, ranging from $334 to $598 per mt (*Table 2*). Transportation costs for corn shipped through the PNW accounted for about 28 percent of the total landed cost during the second quarter, about equal to the previous quarter, but below last year. Second quarter transportation costs for soybeans shipped through the PNW accounted for 16 percent of the total landed cost, below the previous quarter and last year. Soybean farm values were at record highs during the second quarter, accounting for 84 percent of the total landed cost in the PNW (*see figure*).
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Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators[1]

Week ending	Truck	Rail: Unit Train	Rail: Shuttle	Barge	Ocean: Gulf	Ocean: Pacific
09/12/12	277	227	192	306	215	170
09/05/12	277	227	183	278	219	181

[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	9/7/2012	8/31/2012
Corn	IL--Gulf	-0.18	-0.30
Corn	NE--Gulf	-0.33	-0.47
Soybean	IA--Gulf	-1.11	-1.12
HRW	KS--Gulf	-1.39	-1.47
HRS	ND--Portland	-2.00	-2.01

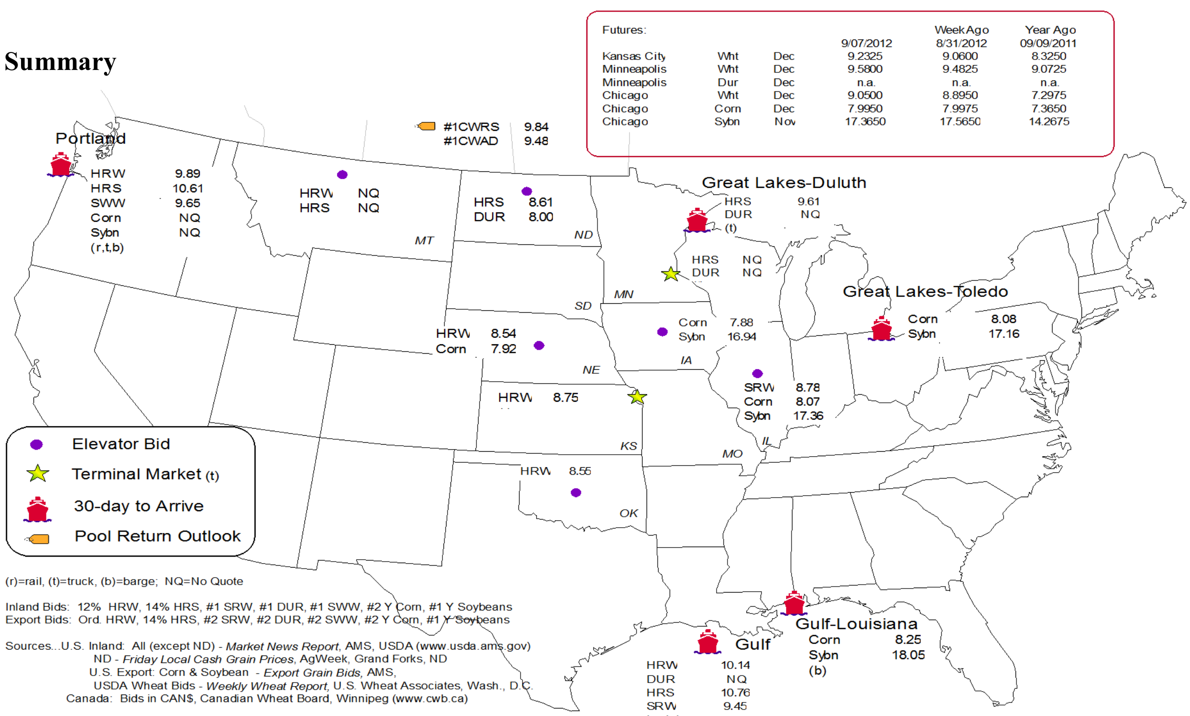
Note: nq = no quote

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
9/05/2012[p]	74	570	277	2,499	75	3,495
8/29/2012[r]	1	972	560	3,289	39	4,861
2012 YTD[r]	6,968	26,603	37,605	140,797	11,662	223,635
2011 YTD[r]	22,083	64,431	32,688	130,993	16,916	267,111
2012 YTD as % of 2011 YTD	32	41	115	107	69	84
Last 4 weeks as % of 2011[2]	269	71	77	136	164	116
Last 4 weeks as % of 4-year avg.[2]	46	43	83	126	68	90
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.

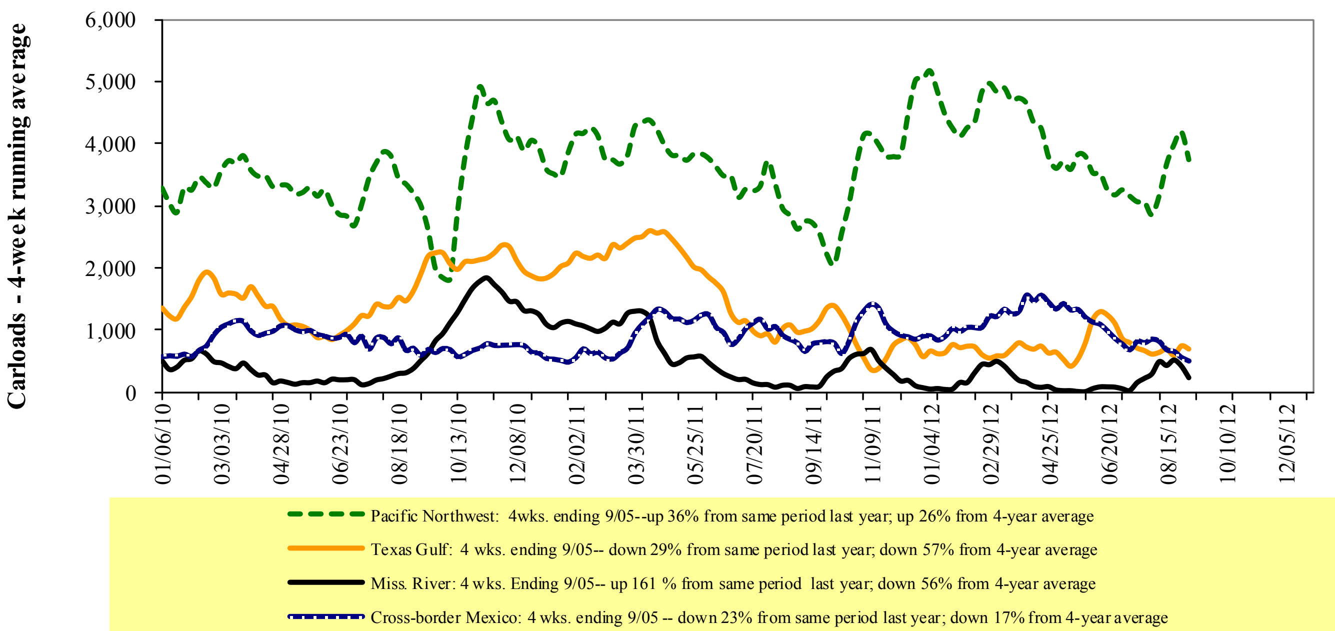
YTD = year-to-date; p = preliminary data; r = revised data; YTD PNW carloads includes revisions back to August 2011 ; n/a = not available

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)

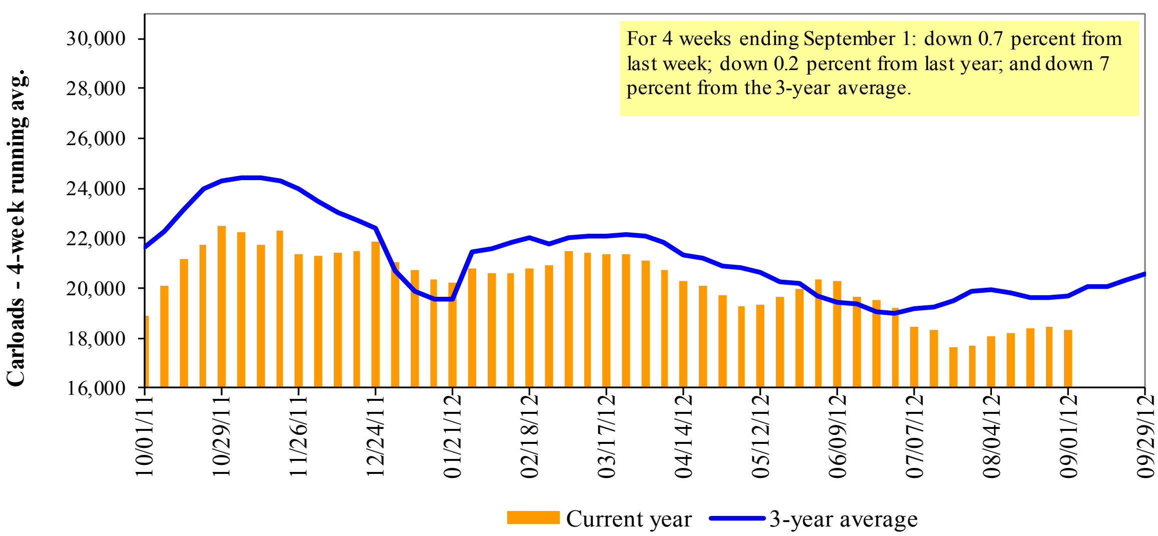
	East		West			U.S. total	Canada	
Week ending	**CSXT**	**NS**	**BNSF**	**KCS**	**UP**		**CN**	**CP**
09/01/12	971	2,280	9,583	588	3,855	17,277	3,647	4,237
This week last year	1,125	2,146	9,868	673	5,083	18,895	3,752	5,723
2012 YTD	60,283	98,254	338,003	17,708	176,083	690,331	134,325	165,499
2011 YTD	64,974	102,808	370,071	23,504	205,330	766,687	133,765	178,974
2012 YTD as % of 2011 YTD	93	96	91	75	86	90	100	92
Last 4 weeks as % of 2011[1]	84	117	110	67	83	100	112	85
Last 4 weeks as % of 3-yr avg.[1]	73	104	98	78	76	91	106	89
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	**Delivery period**							
9/6/2012	**Sep-12**	**Sep-11**	**Oct-12**	**Oct-11**	**Nov-12**	**Nov-11**	**Dec-12**	**Dec-11**
BNSF[3]								
COT grain units	no bids	no offer	0	no offer	0	no offer	0	no offer
COT grain single-car[5]	no bids	no offer	0	no offer	0 . . 3	50	0 . . 3	1 . . 50
UP[4]								
GCAS/Region 1	no bids	no bids	no bids	no bids	no bids	no bids	n/a	n/a
GCAS/Region 2	no bids	no bids	1	16	no bids	1	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.

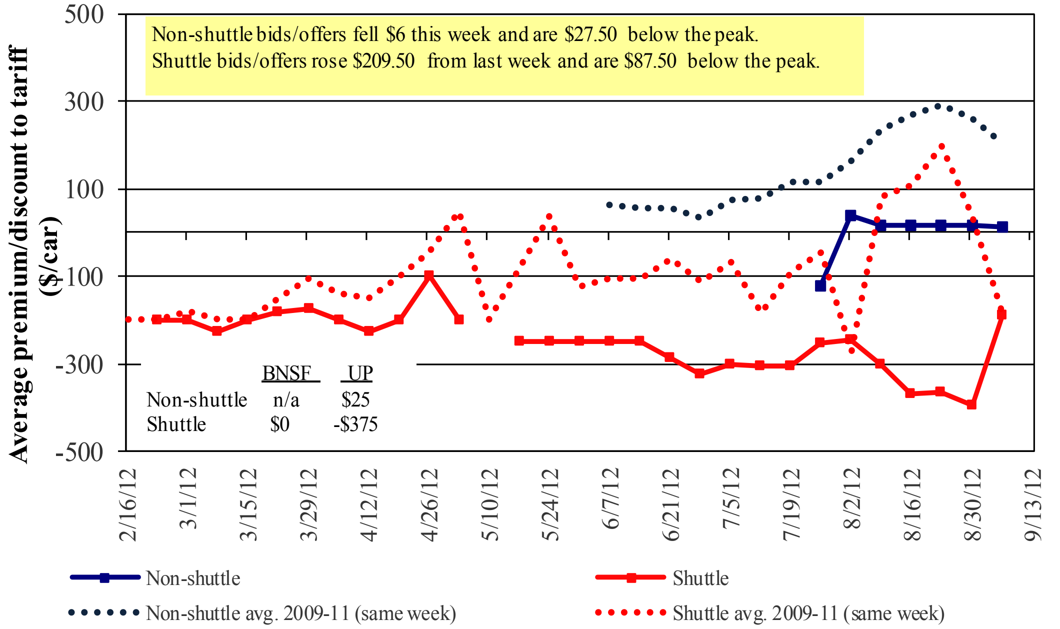
[5]Range is shown because average is not available. Not available = n/a.

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 September 2012, Secondary Market

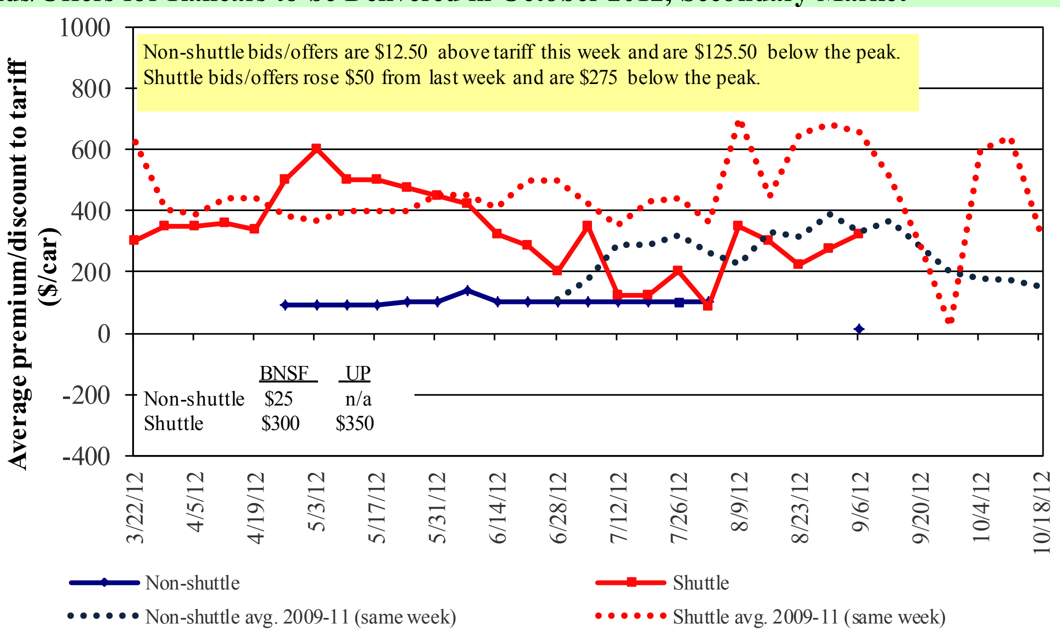


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

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

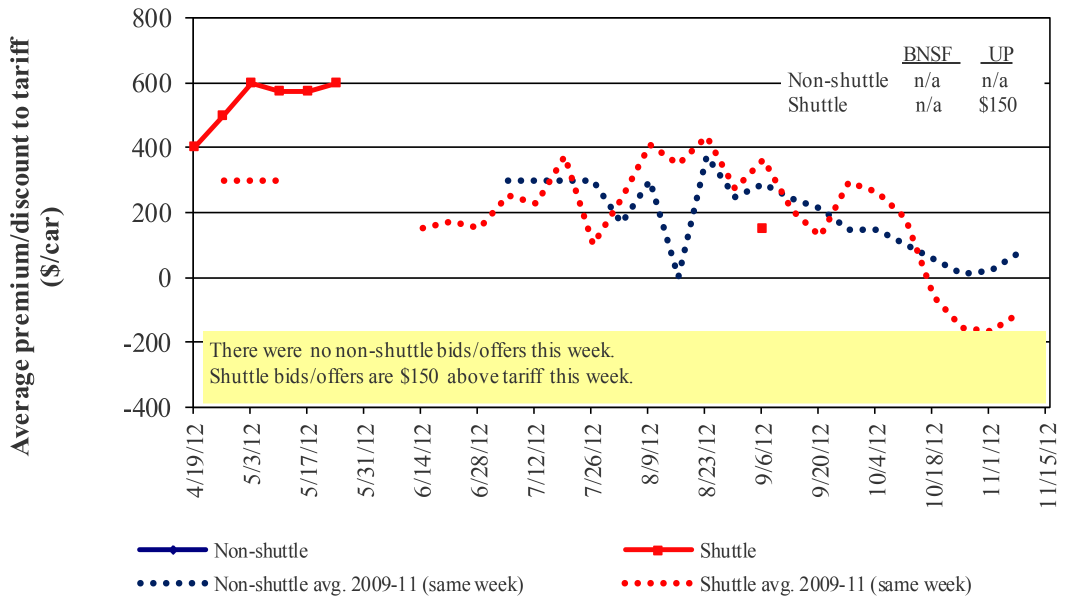


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in November 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					
9/6/2012	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13
Non-shuttle						
BNSF-GF	-	25	n/a	n/a	n/a	n/a
Change from last week	(37)	n/a	n/a	n/a	n/a	n/a
Change from same week 2011	13	(125)	n/a	n/a	n/a	n/a
UP-Pool	25	-	n/a	n/a	n/a	n/a
Change from last week	25	n/a	n/a	n/a	n/a	n/a
Change from same week 2011	12	n/a	n/a	n/a	n/a	n/a
Shuttle[2]						
BNSF-GF	-	300	n/a	n/a	n/a	n/a
Change from last week	244	n/a	n/a	n/a	n/a	n/a
Change from same week 2011	325	125	n/a	n/a	n/a	n/a
UP-Pool	(375)	350	150	50	n/a	n/a
Change from last week	550	(275)	n/a	n/a	n/a	n/a
Change from same week 2011	(50)	(50)	(50)	200	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: 9/1/2012	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	$3,144	$167	$32.88	$0.89	4
	Grand Forks, ND	Duluth-Superior, MN	$3,537	$92	$36.04	$0.98	13
	Wichita, KS	Los Angeles, CA	$6,026	$474	$64.55	$1.76	4
	Wichita, KS	New Orleans, LA	$3,645	$294	$39.11	$1.06	3
	Sioux Falls, SD	Galveston-Houston, TX	$5,573	$389	$59.21	$1.61	2
	Northwest KS	Galveston-Houston, TX	$3,912	$322	$42.04	$1.14	3
	Amarillo, TX	Los Angeles, CA	$4,112	$448	$45.28	$1.23	2
Corn	Champaign-Urbana, IL	New Orleans, LA	$3,038	$332	$33.47	$0.91	6
	Toledo, OH	Raleigh, NC	$4,382	$381	$47.30	$1.29	14
	Des Moines, IA	Davenport, IA	$1,934	$70	$19.90	$0.54	4
	Indianapolis, IN	Atlanta, GA	$3,821	$286	$40.78	$1.11	17
	Indianapolis, IN	Knoxville, TN	$3,273	$183	$34.32	$0.93	17
	Des Moines, IA	Little Rock, AR	$3,074	$207	$32.58	$0.89	4
	Des Moines, IA	Los Angeles, CA	$4,985	$602	$55.48	$1.51	1
Soybeans	Minneapolis, MN	New Orleans, LA	$3,179	$357	$35.12	$0.96	-4
	Toledo, OH	Huntsville, AL	$3,497	$271	$37.41	$1.02	17
	Indianapolis, IN	Raleigh, NC	$4,453	$384	$48.03	$1.31	14
	Indianapolis, IN	Huntsville, AL	$3,189	$183	$33.49	$0.91	20
	Champaign-Urbana, IL	New Orleans, LA	$3,382	$332	$36.88	$1.00	-2
Shuttle Train							
Wheat	Great Falls, MT	Portland, OR	$3,481	$273	$37.28	$1.01	6
	Wichita, KS	Galveston-Houston, TX	$3,634	$212	$38.20	$1.04	13
	Chicago, IL	Albany, NY	$3,645	$357	$39.74	$1.08	3
	Grand Forks, ND	Portland, OR	$4,963	$471	$53.96	$1.47	4
	Grand Forks, ND	Galveston-Houston, TX	$5,984	$491	$64.30	$1.75	3
	Northwest KS	Portland, OR	$4,880	$528	$53.70	$1.46	2
Corn	Minneapolis, MN	Portland, OR	$4,800	$574	$53.36	$1.45	1
	Sioux Falls, SD	Tacoma, WA	$4,760	$525	$52.49	$1.43	1
	Champaign-Urbana, IL	New Orleans, LA	$2,857	$332	$31.67	$0.86	5
	Lincoln, NE	Galveston-Houston, TX	$3,310	$306	$35.91	$0.98	2
	Des Moines, IA	Amarillo, TX	$3,430	$260	$36.64	$1.00	2
	Minneapolis, MN	Tacoma, WA	$4,800	$569	$53.32	$1.45	1
	Council Bluffs, IA	Stockton, CA	$4,200	$589	$47.55	$1.29	1
Soybeans	Sioux Falls, SD	Tacoma, WA	$5,040	$525	$55.27	$1.50	2
	Minneapolis, MN	Portland, OR	$5,030	$574	$55.65	$1.51	2
	Fargo, ND	Tacoma, WA	$4,930	$467	$53.60	$1.46	2
	Council Bluffs, IA	New Orleans, LA	$3,420	$383	$37.76	$1.03	-8
	Toledo, OH	Huntsville, AL	$2,672	$271	$29.22	$0.80	4
	Grand Island, NE	Portland, OR	$4,720	$540	$52.24	$1.42	3

[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

Commodity	Origin state	Destination region	Tariff rate/car[1]	Fuel surcharge per car[2]	Tariff plus surcharge per: metric ton[3]	Tariff plus surcharge per: bushel[3]	Percent change Y/Y[4]
Effective date: 9/1/2012							
Wheat	MT	Chihuahua, CI	$7,741	$498	$84.19	$2.29	2
	OK	Cuautitlan, EM	$6,837	$605	$76.04	$2.07	3
	KS	Guadalajara, JA	$7,444	$585	$82.04	$2.23	-1
	TX	Salinas Victoria, NL	$3,725	$228	$40.39	$1.10	1
Corn	IA	Guadalajara, JA	$7,699	$688	$85.69	$2.17	1
	SD	Penjamo, GJ	$7,776	$652	$86.12	$2.19	5
	NE	Queretaro, QA	$7,097	$611	$78.75	$2.00	2
	SD	Salinas Victoria, NL	$6,522	$496	$71.70	$1.82	18
	MO	Tlalnepantla, EM	$6,538	$594	$72.87	$1.85	6
	SD	Torreon, CU	$6,522	$546	$72.22	$1.83	3
Soybeans	MO	Bojay (Tula), HG	$7,350	$580	$81.03	$2.20	6
	NE	Guadalajara, JA	$7,904	$664	$87.54	$2.38	2
	IA	El Castillo, JA[5]	$8,255	$648	$90.97	$2.47	4
	KS	Torreon, CU	$6,421	$412	$69.81	$1.90	3
Sorghum	OK	Cuautitlan, EM	$5,730	$495	$63.61	$1.61	5
	TX	Guadalajara, JA	$6,653	$424	$72.31	$1.84	4
	NE	Penjamo, GJ	$7,426	$592	$81.93	$2.08	4
	KS	Queretaro, QA	$6,460	$372	$69.80	$1.77	4
	NE	Salinas Victoria, NL	$5,153	$436	$57.10	$1.45	5
	NE	Torreon, CU	$6,068	$486	$66.97	$1.70	2

[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

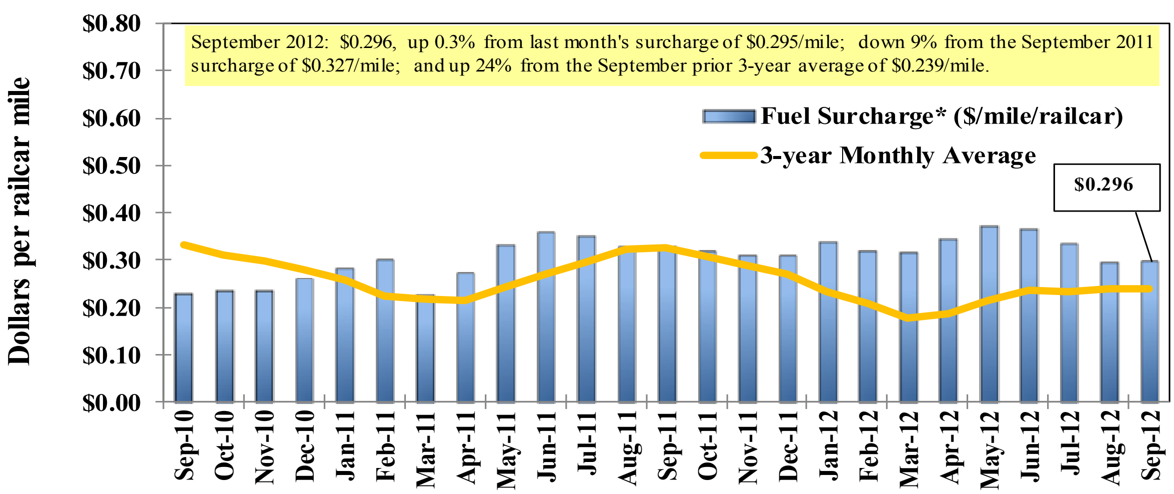
[4]Percentage change year over year calculated using tariff rate plus fuel surchage

[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.

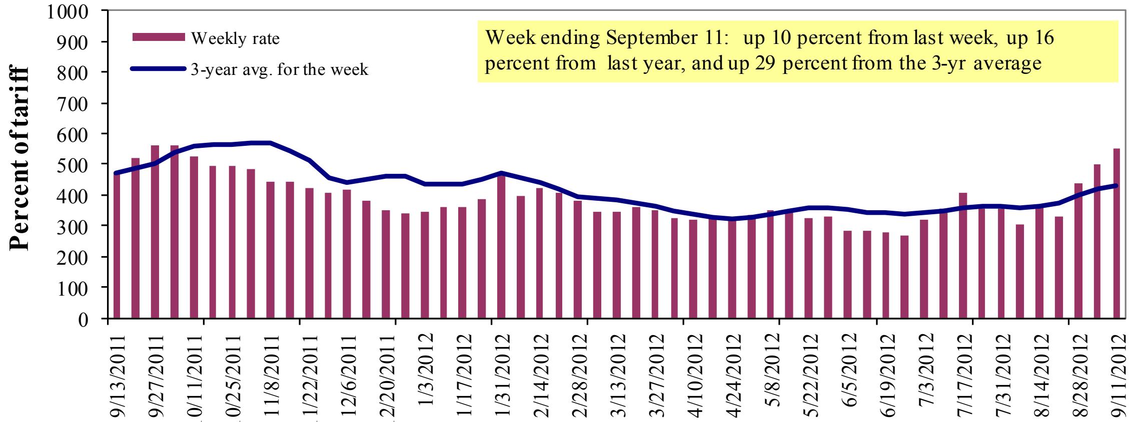
** BNSF strike price (diesel price when fuel surcharges begin) changed from $1.25/gal. to $2.50/gal starting March 1, 2011. As a result, the weighted average fuel surcharge for March 2011 was $0.227/mile instead of $0.331/mile.

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]	9/11/2012	538	545	550	600	588	588	700
	9/4/2012	475	495	500	533	495	495	588
$/ton	9/11/2012	33.30	28.99	25.52	23.94	27.58	23.76	21.98
	9/4/2012	29.40	26.33	23.20	21.27	23.22	20.00	18.46
Current week % change from the same week:								
	Last year	11	14	16	50	23	23	77
	3-year avg. [2]	21	26	29	52	26	26	82
Rate[1]	October	588	585	590	563	570	570	575
	December	-	-	405	343	375	375	308

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

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

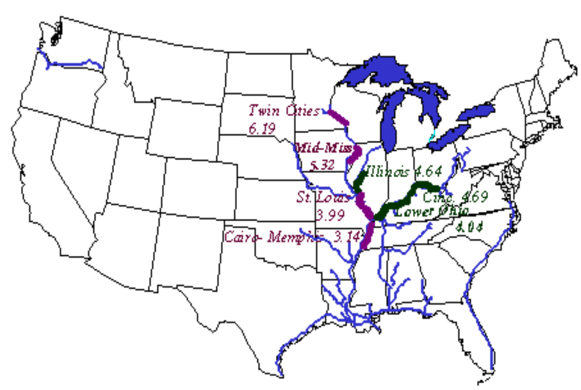
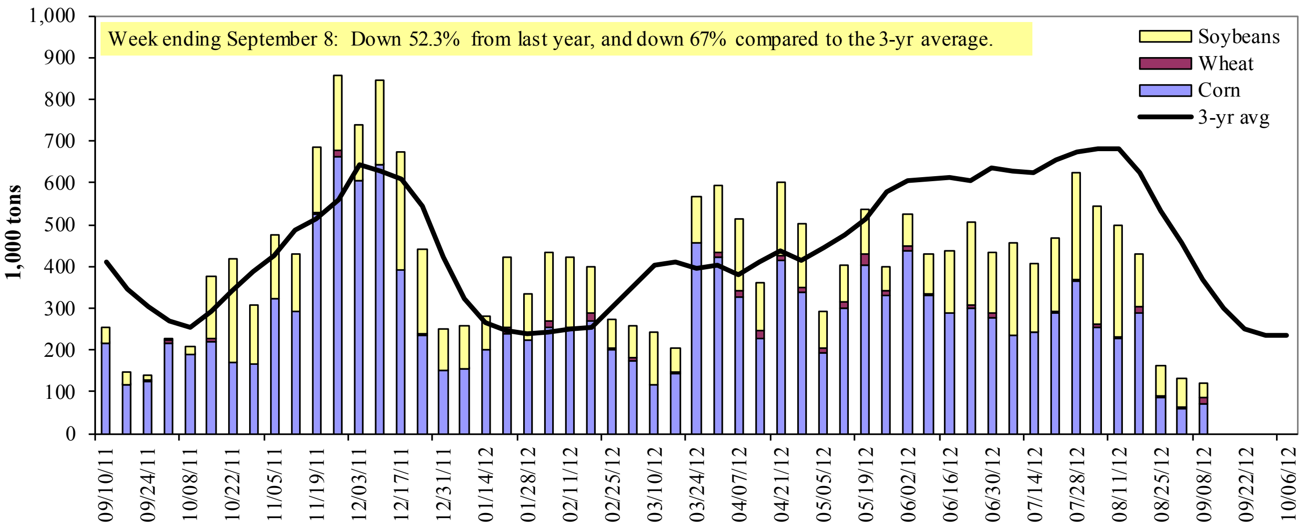


Figure 10

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 9/8/2012	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	30	5	9	0	43
Winfield, MO (L25)	39	17	28	0	84
Alton, IL (L26)	67	17	29	0	112
Granite City, IL (L27)	70	17	35	0	122
Illinois River (L8)	18	0	2	0	19
Ohio River (L52)	9	7	11	0	26
Arkansas River (L1)	0	0	14	1	15
Weekly total - 2012	78	23	60	1	163
Weekly total - 2011	253	21	54	9	337
2012 YTD[1]	11,844	1,420	7,209	193	20,666
2011 YTD	13,450	1,151	4,824	286	19,711
2012 as % of 2011 YTD	88	123	149	68	105
Last 4 weeks as % of 2011[2]	59	51	135	11	74
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.

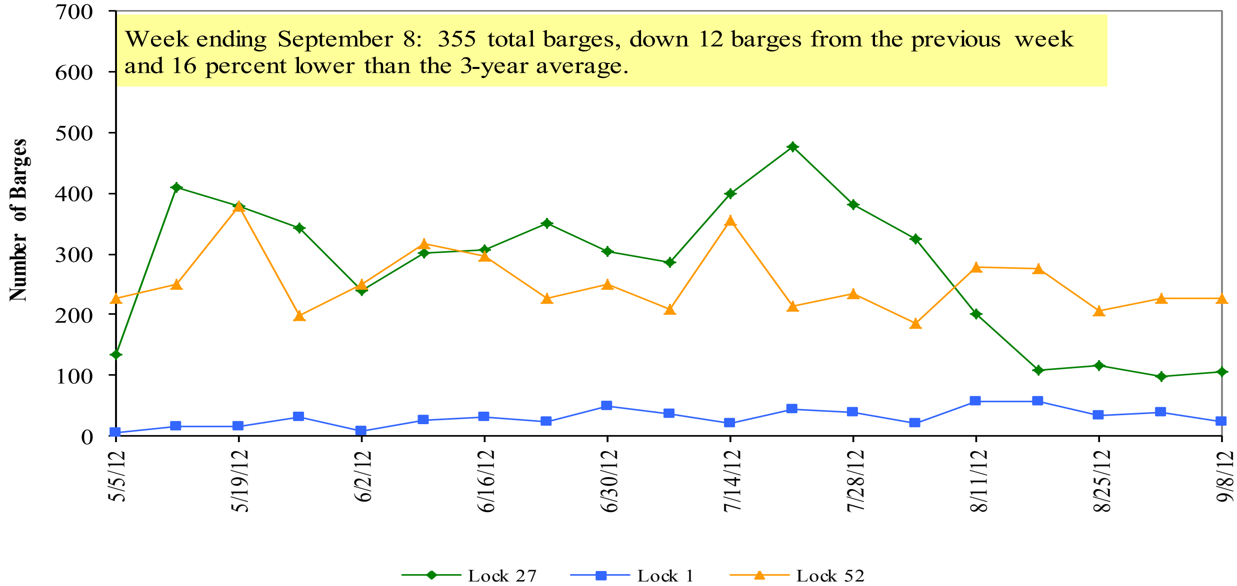
[2] As a percent of same period in 2011.

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

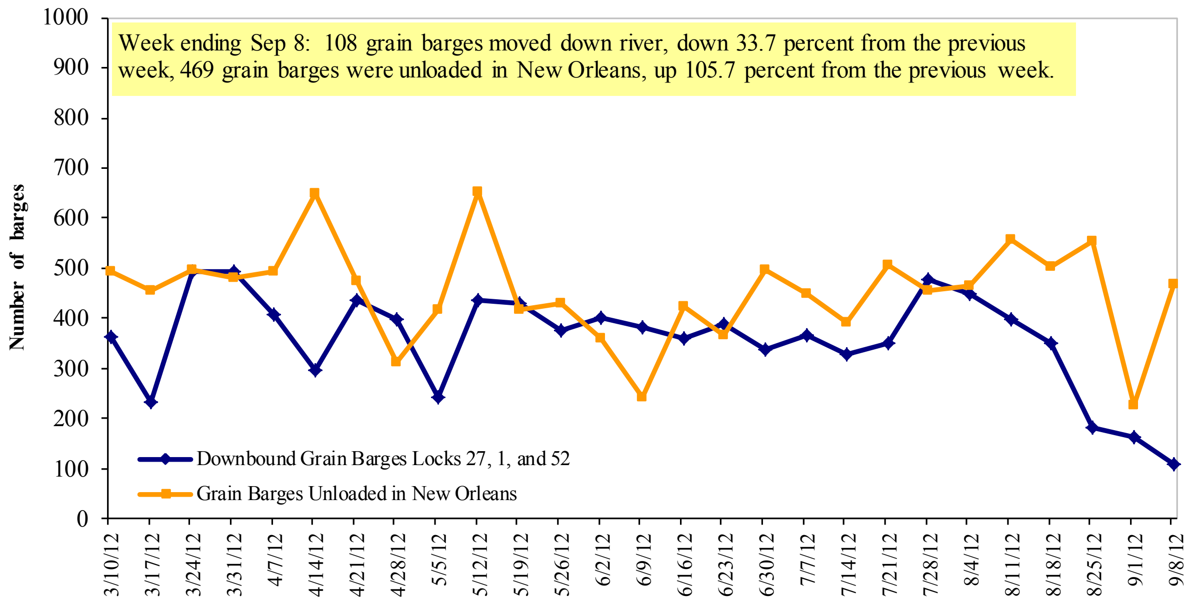
Upbound Empty Barges Transiting Mississippi River Locks 27, Arkansas River Lock and Dam 1, and Ohio River Locks and Dam 52



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 9/10/2012 (US $/gallon)

Region	Location	Price	Change from Week ago	Change from Year ago
I	East Coast	4.113	0.009	0.234
	New England	4.208	0.014	0.223
	Central Atlantic	4.175	0.022	0.190
	Lower Atlantic	4.049	-0.002	0.224
II	Midwest[2]	4.079	0.007	0.238
III	Gulf Coast[3]	4.021	-0.005	0.231
IV	Rocky Mountain	4.242	0.025	0.339
V	West Coast	4.423	-0.001	0.439
	West Coast less California	4.358	0.015	-
	California	4.477	-0.016	0.410
Total	U.S.	4.132	0.005	0.270

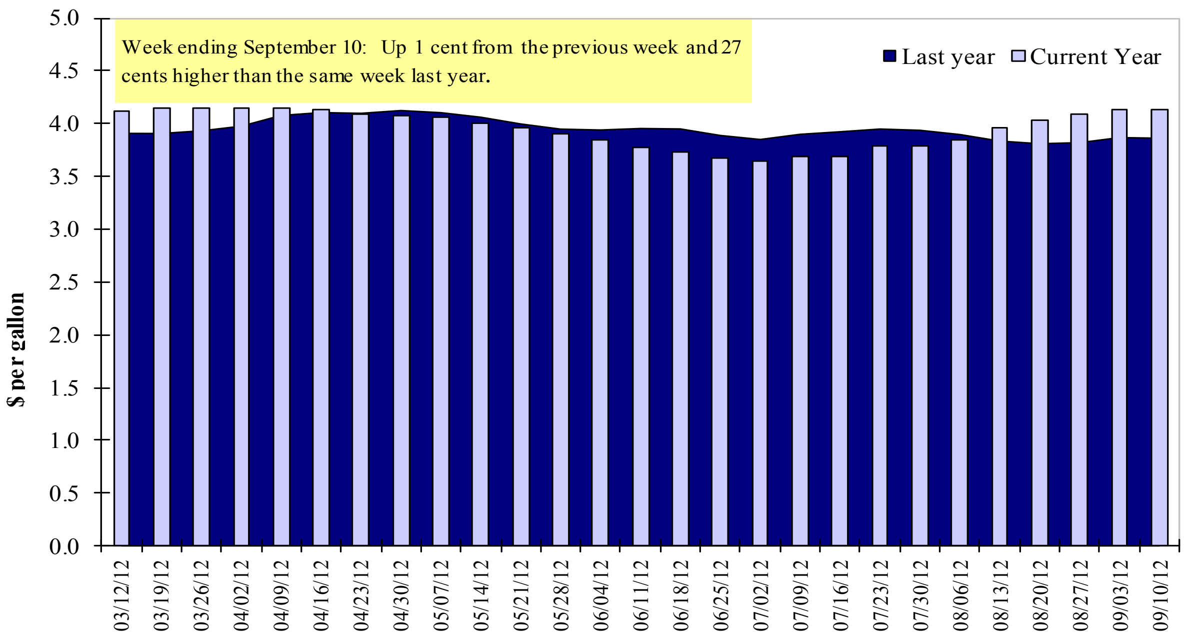
[1]Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

[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]									
8/30/2012	1,547	714	1,477	801	115	4,652	1,681	2,088	8,421
This week year ago	1,743	671	1,454	1,023	81	4,972	13,171	14,284	32,427
Cumulative exports-marketing year[2]									
2011/12 YTD	2,946	969	1,500	1,285	131	6,831	37,900	36,727	81,458
2010/11 YTD	3,306	1,111	1,883	1,255	188	7,743	136	42	7,921
YTD 2011/12 as % of 2010/11	89	87	80	102	70	88	27,868	87,445	1,028
Last 4 wks as % of same period 2010/11	85	99	105	98	127	96	17	20	30
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 2011/12 marketing year now ends 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 08/30/12	Total Commitments[2]			% change	Exports[3]
	2012/13	2011/12	2010/11[4]	current MY	
	Next MY	Current MY	Last MY	from last MY	2010/11
		- 1,000 mt -			- 1,000 mt -
Japan	1,504	12,367	14,949	(17)	14,279
Mexico	2,339	9,616	7,121	35	7,019
Korea	250	3,639	6,172	(41)	6,104
China*	801	5,414	978	454	978
Taiwan	49	1,314	2,815	(53)	2,393
Top 5 importers	**4,943**	**32,351**	**32,035**	**1**	**30,772**
Total US corn export sales	**8,150**	**39,581**	**48,109**	**(18)**	**46,590**
% of Projected	26%	101%	103%		
Change from prior week	**129**	**(104)**	**(321)**		
Top 5 importers' share of U.S. corn export sales	61%	82%	67%		
USDA forecast, September 2012	**31,750**	**39,120**	**46,590**	**(16)**	
Corn Use for Ethanol USDA forecast, Ethanol September 2012	**114,300**	**127,000**	**127,534**	**(0.4)**	

(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.

[4]As of 8/25/11, to correspond to the same week of the 2011/12 Marketing Year

Table 14

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

Week Ending 08/30/2012	Total Commitments[2] 2012/13 Next MY	2011/12 Current MY	2010/11[4] Last MY	% change current MY from last MY	Exports[3] 2010/11
		- 1,000 mt -			- 1,000 mt -
China	11,683	24,662	25,595	(4)	24,445
Mexico	457	3,180	3,284	(3)	3,215
Japan	156	1,890	2,254	(16)	1,887
EU	232	1,231	2,599	(53)	2,607
Indonesia	85	1,740	1,827	(5)	1,680
Top 5 importers	**12,613**	**32,703**	**35,560**	**(8)**	**33,833**
Total US soybean export sales	**18,080**	**38,814**	**42,231**	**(8)**	**40,850**
% of Projected	63%	105%	103%		
Change from prior week	521	5	(0.1)		
Top 5 importers' share of U.S. soybean export sales	70%	84%	84%		
USDA forecast, September 201	**28,710**	**37,010**	**40,850**	**(9)**	

(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.

[4]As of 8/25/11, to correspond to the same week of the 2011/12 Marketing Year

Table 15

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

Week Ending 08/30/2012	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	1,457	1,731	(16)	3,512
Mexico	1,567	1,556	1	3,496
Nigeria	1,413	1,384	2	3,248
Philippines	964	1,136	(15)	2,039
Korea	782	498	57	1,983
Egypt	131	247	(47)	950
Taiwan	441	307	43	888
Indonesia	344	374	(8)	830
Venezuela	362	239	51	594
Iraq	209	567	(63)	572
Top 10 importers	**7,668**	**8,039**	**(5)**	**18,111**
Total US wheat export sales	**11,483**	**12,715**	**(10)**	**28,560**
% of Projected	35%	45%		
Change from prior week	554	512		
Top 10 importers' share of U.S. wheat export sales	67%	63%		63%
USDA forecast, September 2012	**32,660**	**28,560**	**14**	

(n) indicates negative number.

[1] Modified from the FAS **2011/12** 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 09/06/12	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	357	456	78	9,652	10,138	95	161	168	13,995
Corn	41	0	16,160	4,951	6,855	72	19	11	9,198
Soybeans	13	66	19	5,689	3,787	150	86	103	7,321
Total	**410**	**522**	**79**	**20,291**	**20,780**	**98**	**108**	**94**	**30,513**
Mississippi Gulf									
Wheat	17	123	14	4,201	3,897	108	63	75	5,031
Corn	153	142	107	13,383	18,121	74	61	44	26,267
Soybeans	300	304	98	12,327	10,660	116	272	170	19,262
Total	**469**	**569**	**82**	**29,910**	**32,678**	**92**	**102**	**76**	**50,560**
Texas Gulf									
Wheat	76	111	68	4,319	8,837	49	67	49	10,837
Corn	0	0	n/a	329	810	41	n/a	2	1,021
Soybeans	0	0	n/a	5	763	1	n/a	0	926
Total	**76**	**111**	**68**	**4,652**	**10,410**	**45**	**68**	**41**	**12,784**
Interior									
Wheat	32	3	968	816	788	103	162	73	1,110
Corn	51	77	66	5,085	5,030	101	107	59	7,509
Soybeans	38	45	85	2,865	2,679	107	53	109	4,273
Total	**121**	**125**	**97**	**8,766**	**8,498**	**103**	**50**	**72**	**12,892**
Great Lakes									
Wheat	21	0	n/a	214	770	28	30	13	1,038
Corn	0	0	n/a	56	124	45	33	33	178
Soybeans	0	1	0	149	22	666	n/a	0	382
Total	**21**	**1**	**1,864**	**418**	**916**	**46**	**31**	**16**	**1,598**
Atlantic									
Wheat	31	0	7,075	268	643	42	106	95	686
Corn	3	0	n/a	109	194	56	96	30	295
Soybeans	2	8	26	618	476	130	584	424	1,042
Total	**36**	**8**	**440**	**995**	**1,314**	**76**	**162**	**106**	**2,022**
U.S. total from ports[2]									
Wheat	534	694	77	19,468	25,074	78	107	99	32,697
Corn	248	220	113	23,912	31,135	77	53	36	44,466
Soybeans	352	423	83	21,652	18,387	118	165	149	33,205
Total	**1,134**	**1,337**	**85**	**65,032**	**74,596**	**87**	**94**	**75**	**110,369**

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

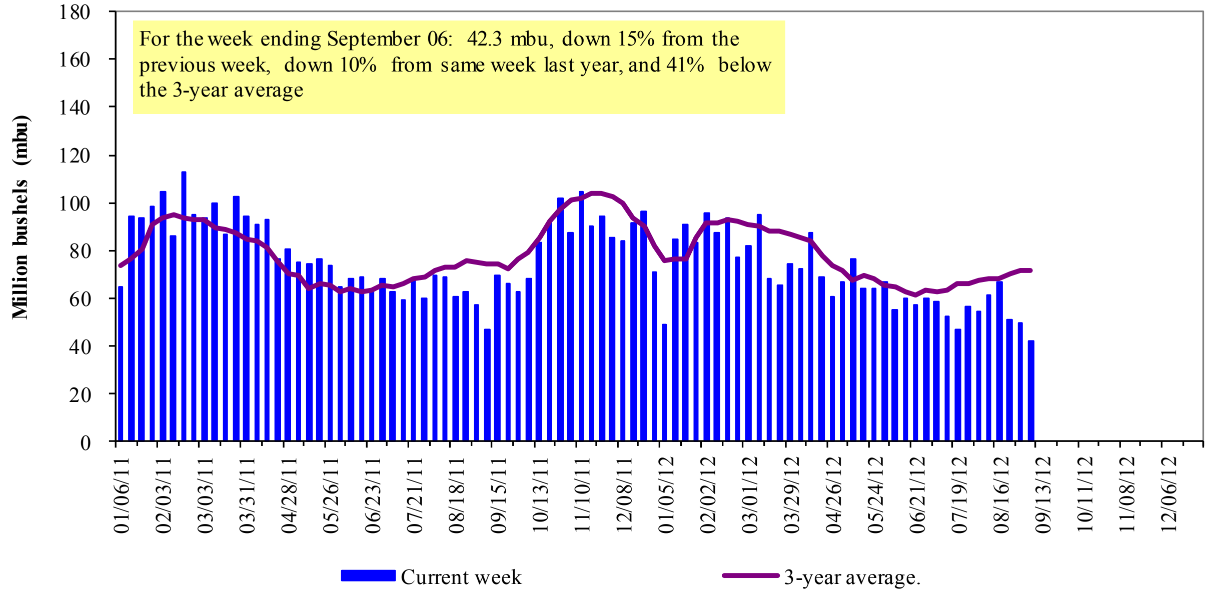
[2] Total includes only port regions shown above; Interior land-based shipments now included.

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)

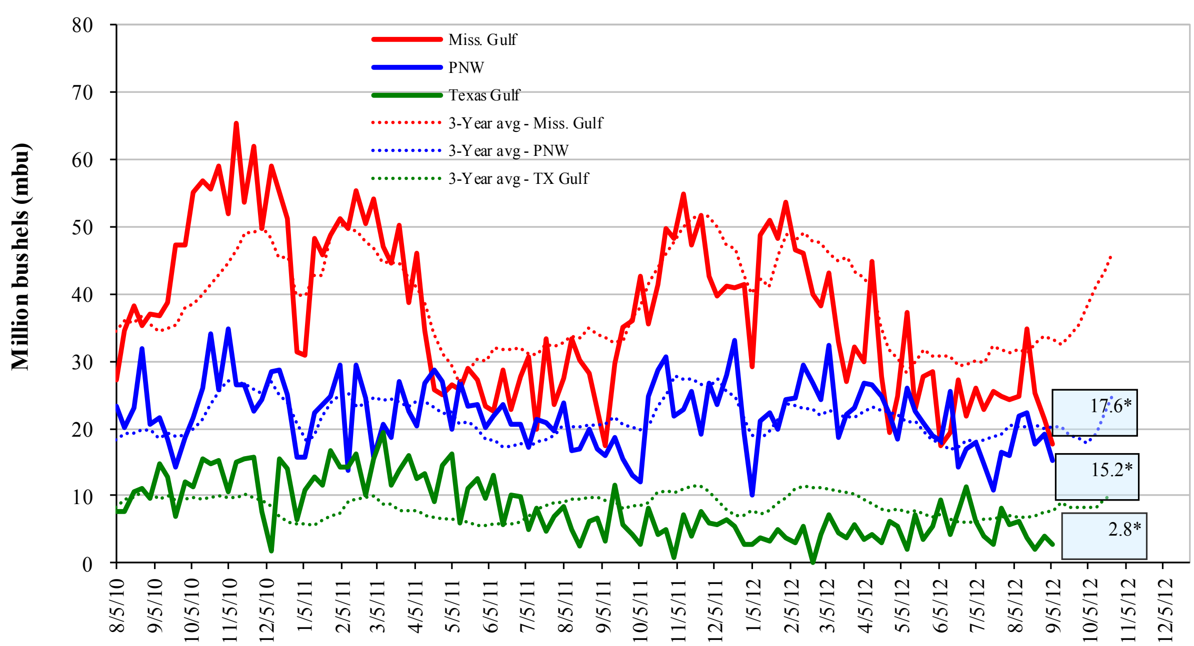


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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.

September 06 % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	down 17	down 32	down 20	down 21
Last year (same week)	up 0.4	down 15	down 2	down 5
3-yr avg. (4-wk mov. avg.)	down 47	down 64	down 50	down 24

Ocean Transportation

Table 17

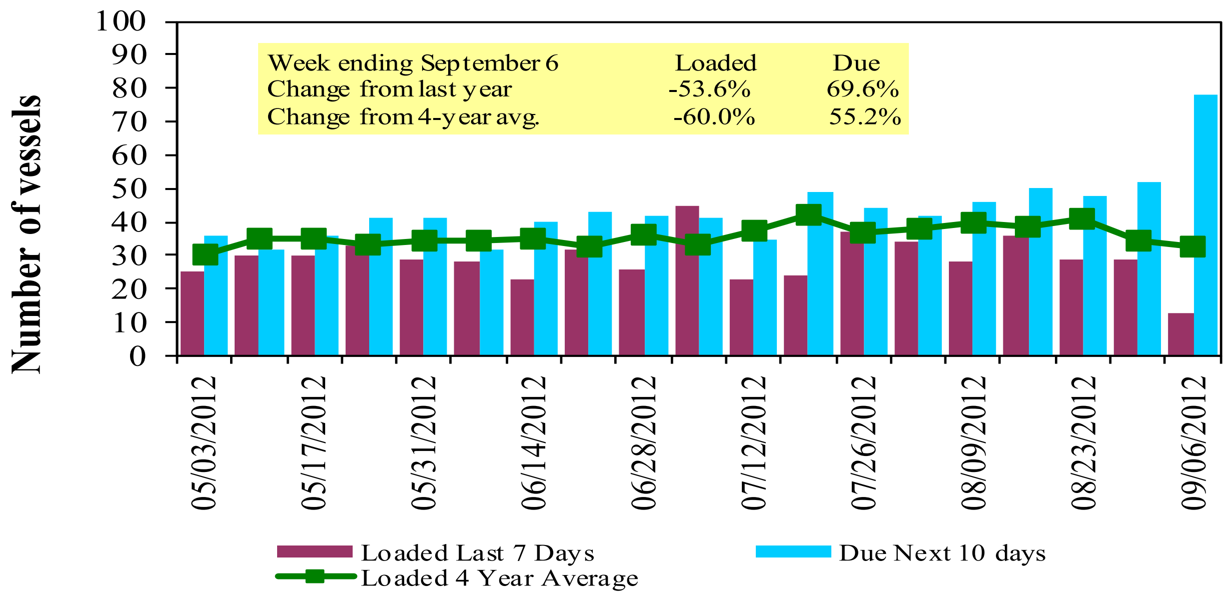
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

	Gulf			Pacific Northwest	Vancouver B.C.
Date	In port	Loaded 7-days	Due next 10-days	In port	In port
9/6/2012	22	13	78	8	n/a
8/30/2012	16	29	52	8	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

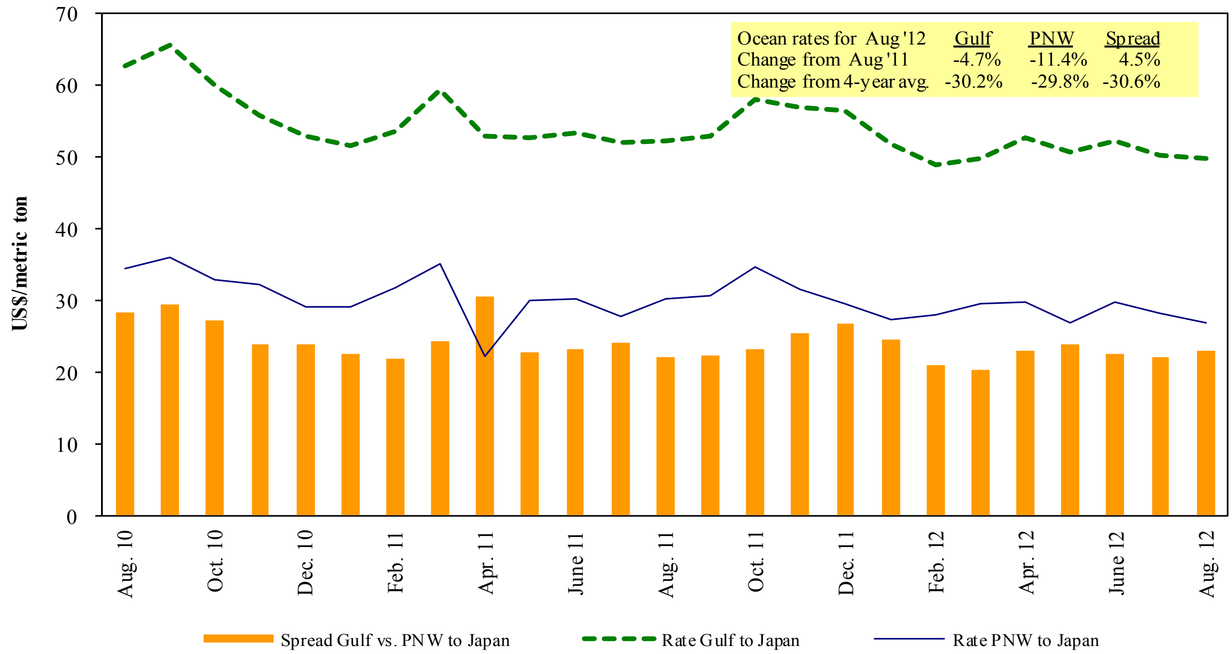
U.S. Gulf[1] Vessel Loading Activity



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 09/08/2012

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US$/metric ton)
U.S. Gulf	China	Heavy Grain	Sep 20/30	55,000	48.00
U.S. Gulf	China	Heavy Grain	Sep 13/22	55,000	45.50
U.S. Gulf	China	Heavy Grain	Sep 10/20	55,000	46.00
U.S. Gulf	China	Heavy Grain	Sep 10/20	55,000	48.00
U.S. Gulf	China	Heavy Grain	Sep 1/10	55,000	47.00
PNW	Djibouti[1]	Sorghum	Aug 18/28	17,500	98.28
Australia	China	Grain	Jul 26/Aug 4	65,000	19.45
Brazil	Algeria	Corn	Aug 18/25	30,000	24.50
Brazil	China	Heavy Grain	Aug10/20	60,000	48.50
Brazil	China	Heavy Grain	Jul 25/30	60,000	49.00
Brazil	Egypt	Corn	Aug 18/20	45,000	28.50
Mexico	Turkey	Wheat	Sep 10/25	55,000	24.75
River Plate	Algeria	Corn	Aug 20/30	25,000	32.50
River Plate	Algeria	Corn	Jul 5/15	25,000	34.00
River Plate	Tunisia	Heavy Grain	Aug 17/20	30,000	28.50
River Plate	Tunisia	Soybean Meal	Sep 1/10	25,000	36.00
Russia	Egypt Med	Wheat	Aug 17/23	60,000	12.00

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

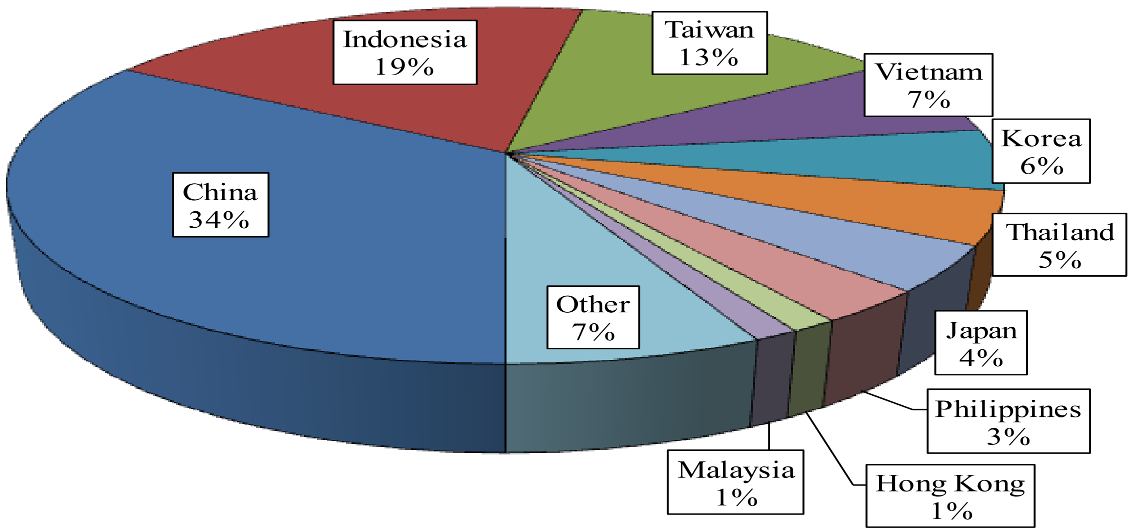
[1]75 percent of food aid from the United States is required to be shipped on U.S.-flag vessels.

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

In 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, June 2012

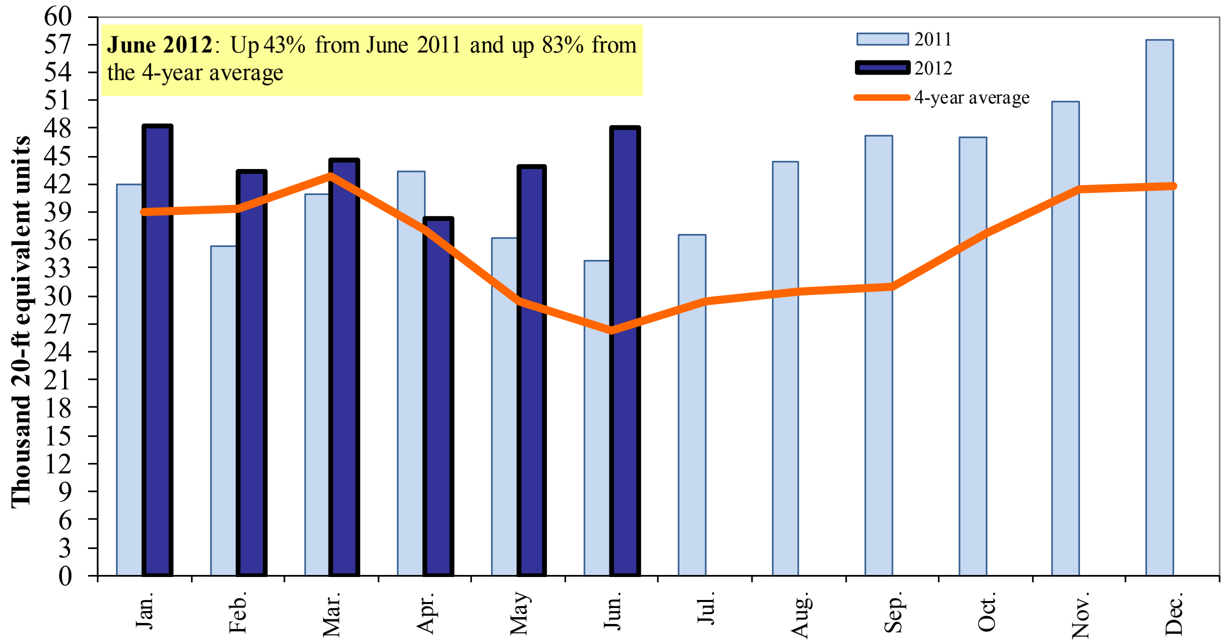


Source: USDA/Agricultural Marketing Service/Transportation Services Division analysis of Port Import Export Reporting Service (PIERS) data

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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