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

Harvest Pace Gains Momentum

As of October 23, 65 percent of the U.S. corn crop has been harvested, 14 percentage points ahead of the 5-year average. The top two corn-producing States, Iowa and Illinois, have harvested 45 percent and 64 percent, respectively, of their corn crop. Iowa is currently 29 points ahead of its average pace and Illinois is 16 points ahead. Other top ten corn-producing States with above-average corn harvest paces include Missouri (93 percent current /71 percent average), Kansas (85 percent current/73 percent average), Minnesota (79 percent current/43 percent average), South Dakota (67 percent current/33 percent average), and Nebraska (49 percent current/39 percent average). States with below-average corn harvest include Ohio with 14 percent harvested, 27 points behind its average pace, and Indiana, with 42 percent harvested and 13 points behind average. The Nation's soybean harvest is 80 percent complete—9 points better than the 5-year average. Most States are ahead of their typical soybean harvest pace with the exception of Ohio and Indiana, which are 34 and 5 percent, respectively, behind their average pace.

Corn Inspections Rebound

For the week ending October 20, **total inspections of grain** (corn, wheat, and soybeans) for export from all major U.S. export regions reached 2.35 million metric tons (mmt), up 6 percent from the previous week but 27 percent below last year at this time. Total grain inspections increased 17 percent in the Mississippi Gulf and 7 percent in the Pacific Northwest. Corn (.749 mmt) and wheat (.475 mmt) increased 39 and 6 percent from the past week. Corn shipments to Asia and Mexico increased 15 and 214 percent, respectively, from the previous week. Shipments of wheat to Asia and Mexico were up 117 and 29 percent from the past week. However, soybean inspections (1.12 mmt) dropped 9 percent from the previous week as shipments to Egypt and Mexico declined. Outstanding (unshipped) export sales of wheat and corn were up from the past week. (**Table 12**)

Diesel Fuel Prices Increase 10 cents in 2 weeks

During the week ending October 24, U.S. average **diesel fuel prices** increased an additional 2 cents to $3.83 per gallon—0.6 percent higher than the previous week and 25 percent higher than the same week last year. Over the past 2 weeks, prices have increased 10 cents per gallon in response to rising crude oil futures prices, which topped $90 per barrel this past week. Recent volatility in the fuel and crude oil markets can be tracked to conflicting supply and demand determinants. The Energy Information Administration's recent *Short-Term Energy Outlook* reports that oil prices face upward pressure as a result of ongoing unrest in oil-producing regions, including heightened turmoil in Syria and, at the same time, downward pressure as fears persist about the rate of global economic recovery, effects of the debt crisis in the European Union, and other fiscal issues facing national governments.

Panama Canal Expansion Expected to Improve Competitiveness of U.S. Soybeans

A study funded by the United Soybean Board expects the soon-to-be-expanded Panama Canal to double the area that draws U.S. soybeans to the Mississippi River for export. Additionally, the study expects the total volume of U.S. soybean and grain exports moving through the Canal to increase by 30 percent. For more information and to see the actual study, you can visit the United Soybean Board **website**.

Upper Mississippi River Barge Rates Up As Winter Approaches

On the Missssissippi River, St. Paul, MN, barge rates for export grain rose 7 percent this week, while Davenport, IA, barge export rates rose only 2 percent. St. Louis, MO, export grain rates dropped 9 percent for the week. Ohio River export grain barge rates dropped 6 percent. The increase in rates on the uppermost portions of the Mississippi River is expected at this time of year as demand for barge service increases during harvest, and the navigation season comes to an end as winter approaches. Barge operators are focused on quickly getting barges in and out of the upper reaches of the Mississippi River due to impending ice accumulations. Locks and Dam 15, near Daveneport , typically closes by late December.

Snapshots by Sector

Rail

U.S. railroads originated 23,697 **carloads of grain** during the week ending October 15, up 8 percent from last week, down 15 percent from last year, and 5 percent lower than the 3-year average.

During the week ending October 20, average November non-shuttle **secondary railcar bids/offers** were $33 below tariff, the same as last week and $212 lower than last year. Average shuttle rates were $250 below tariff, down $50 from last week and $25 lower than last year.

Barge

During the week ending October 22, **barge grain movements** totaled 681,617 tons, 15 percent higher than the previous week but 11.5 percent lower than the same period last year.

During the week ending October 22, 434 grain barges **moved down river**, up 13 percent from last week; 625 grain barges were **unloaded in New Orleans**, up 20.4 percent from the previous week.

Ocean

During the week ending October 20, 39 **ocean-going grain vessels** were loaded in the Gulf, down 32 percent from last year. Fifty-seven vessels are expected to be loaded within the next 10 days, 15 percent less than the same period last year.

During the week ending October 21, the ocean freight rate for shipping bulk grain from the Gulf to Japan was $59 per metric ton, unchanged from the previous week. The cost of shipping from the Pacific Northwest to Japan was $35 per mt, down 3 percent from the previous week.

Feature Article/Calendar

Third Quarter Grain Inspections Lowest Since 2005

Third quarter 2011 inspections of wheat, corn, and soybeans for export from all U.S. ports totaled 21.52 million metric tons (mmt), down 16 percent from last year at this time and from the 5-year average (see table). Third quarter inspections were also 16 percent below the second quarter 2011, according to the Grain Inspection, Packers, and Stockyards Administration (GIPSA). Third quarter inspections of grain were the lowest since 2005 (see table). Demand decreased for U.S. grain because of higher U.S. prices and increased competition from Russia and other major exporting countries. Shipments of grain to Asia and Mexico during the third quarter dropped 13 and 15 percent from the second quarter and were 17 percent less than last year. Russia reentered the market on July 1 after its ban on grain exports last year.

U.S. Gulf grain inspections totaled 11.88 mmt during the third quarter, down 22 percent from last year and 23 percent below the 5-year average. Third quarter rail deliveries to Mississippi Gulf ports dropped 69 percent from last year and from the second quarter 2011. River conditions improved significantly during the third quarter after portions of the Mississippi River recovered from record flooding. Barge operators handled a backlog of delayed barge shipments, but reduced barge volumes were more of the result of lackluster export shipments than flood-related issues. U.S. Gulf third quarter inspections were the lowest in six years, and grain traffic through the Mississippi River locks dropped 16 percent below last year.

Total Quarter Third Grain Inspections By Port Regions, 2001-2011
(Includes Total, Corn, Soybeans, and Wheat)

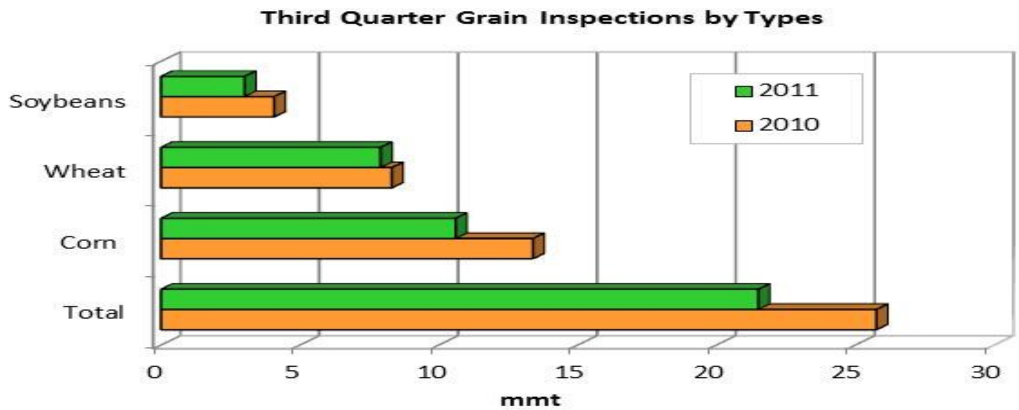
Year	PNW	% of Average	U.S. Gulf	% of Average	East/Great Lakes	% of Average	U.S. Total[1]	% of Average
				1000 Metric Tons				
2001	4,316	66%	16,756	109%	2,070	150%	24,560	96%
2002	3,606	55%	15,569	101%	1,382	100%	21,213	83%
2003	4,381	67%	15,095	98%	1,186	86%	21,386	84%
2004	5,879	90%	13,950	91%	1,270	92%	21,829	86%
2005	5,739	88%	11,247	73%	1,175	85%	19,455	76%
2006	6,442	98%	15,404	100%	1,815	131%	25,817	101%
2007	5,927	91%	17,030	111%	2,112	153%	27,737	109%
2008	6,775	104%	14,334	93%	847	61%	24,484	96%
2009	6,396	98%	14,670	96%	948	69%	23,857	93%
2010	7,168	110%	15,294	100%	1,182	86%	25,747	101%
2011	6,328	97%	11,880	77%	553	40%	21,524	84%
2006-2010 Avg	6,542		15,346		1,381		25,528	

Source: USDA/GIPSA
[1]Total includes Interior inspections

Total PNW grain inspections reached 6.33 mmt, down 12 percent from last year and 3 percent below the 5-year average (see table). PNW inspections of corn and soybean shipments dropped from last year. The spread, which typically favors the PNW when it rises, decreased 10 percent from the second quarter and was 16 percent below last year. During the third quarter, ocean rates continued to fall below their 4-year averages.

Third quarter Atlantic/Great Lakes grain inspections totaled .553 mmt, the lowest on record. Wheat inspections in the region dropped 77 percent from last year as shipments to Canada and Europe slowed down.

Wheat, Corn, and Soybean Inspections Recede According to GIPSA, third quarter wheat inspections at all ports totaled 7.95 mmt, down 4 percent from last year and 3 percent below the 5 year average (see figure). Although wheat inspections and export sales were strong during the second quarter 2011, exports dropped considerably during the third quarter. Third quarter wheat exports decreased mostly to Asia and Nigeria. For the 2011/12 marketing year, U.S. wheat exports are expected to decrease because of greater supplies in Canada, Russia, and Europe. U.S. Gulf third quarter wheat inspections (3.61 mmt) decreased 9 percent from last year. Although wheat inspections were down overall during the third quarter, PNW wheat inspections (3.70 mmt) increased 19 percent from last year.



Soybean inspections (3.01 mmt) at all ports decreased 26 percent during the third quarter because of increased competition from South America and higher U.S. prices. During September 2011, outstanding (unshipped) soybean export sales averaged 14.8 mmt, 23 percent below last year at this time. Asia accounted for about 55 percent of total U.S. soybeans inspected for export during the third quarter, with China accounting for 65 percent of total soybean exports to Asia. About 54 percent of total soybean inspections occurred in the U.S. Gulf; the PNW inspected 18 percent. The Interior soybean inspections accounted for 26 percent of total third-quarter soybean inspections.

The amount of corn inspected for export from all major port regions reached 10.56 mmt, down 21 percent from last year and the lowest since 2005 (10.24 mmt). Higher U.S. corn prices have caused increased competition among competitors such as South America and Ukraine. Gulf corn inspections decreased 22 percent from last year to 6.64 mmt during the third quarter. PNW corn inspections decreased 37 percent due to smaller shipments to Japan and China. East/Great Lakes corn inspections (.155 mmt) increased 27 percent from last year. Lower production and higher prices are expected to force total U.S. corn exports for 2011/12 below the past year. *Johnny.Hill@ams.usda.gov*

Grain Transportation Indicators

Table 1
Grain Transport Cost Indicators[1]

Week ending	Truck	Rail[2]	Barge	Ocean Gulf	Ocean Pacific
10/26/11	257	62	274	264	248
10/19/11	255	62	276	264	255

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

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

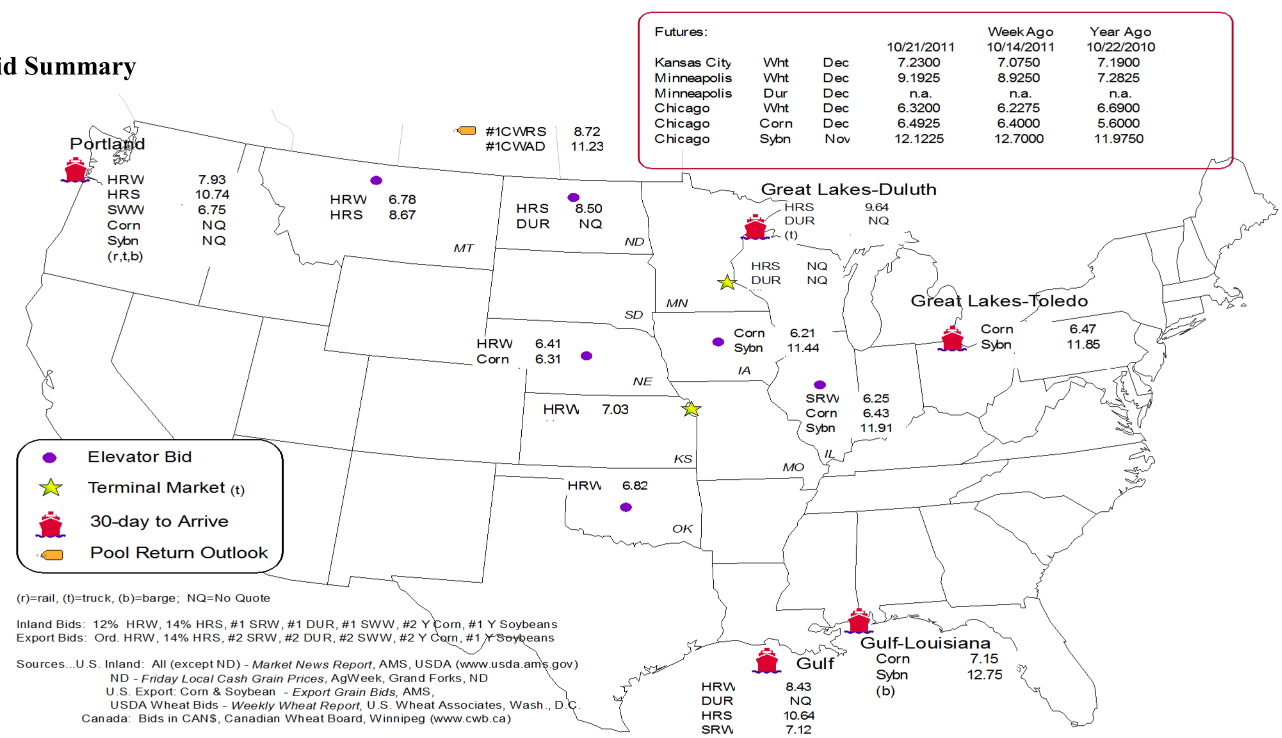
Table 2
Market Update: U.S. Origins to Export Position Price Spreads ($/bushel)

Commodity	Origin--Destination	10/21/2011	10/14/2011
Corn	IL--Gulf	-0.72	-0.79
Corn	NE--Gulf	-0.84	-0.91
Soybean	IA--Gulf	-1.31	-1.39
HRW	KS--Gulf	-1.40	-1.45
HRS	ND--Portland	-2.24	-2.34

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
10/19/2011[p]	791	470	1,550	3,745	420	6,976
10/12/2011[r]	279	1,060	615	3,699	213	5,866
2011 YTD	24,508	71,522	38,045	143,362	18,027	295,464
2010YTD	19,613	62,976	35,450	136,549	23,028	277,616
2011 YTD as % of 2010 YTD	125	114	107	105	78	106
Last 4 weeks as % of 2010[2]	36	48	135	72	28	60
Last 4 weeks as % of 4-year avg.[2]	31	48	116	61	32	55
Total 2010	33,971	83,492	42,794	177,896	32,780	370,933
Total 2009	33,423	57,646	36,738	175,965	30,328	334,100

[1] Data is incomplete as it is voluntarily provided

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

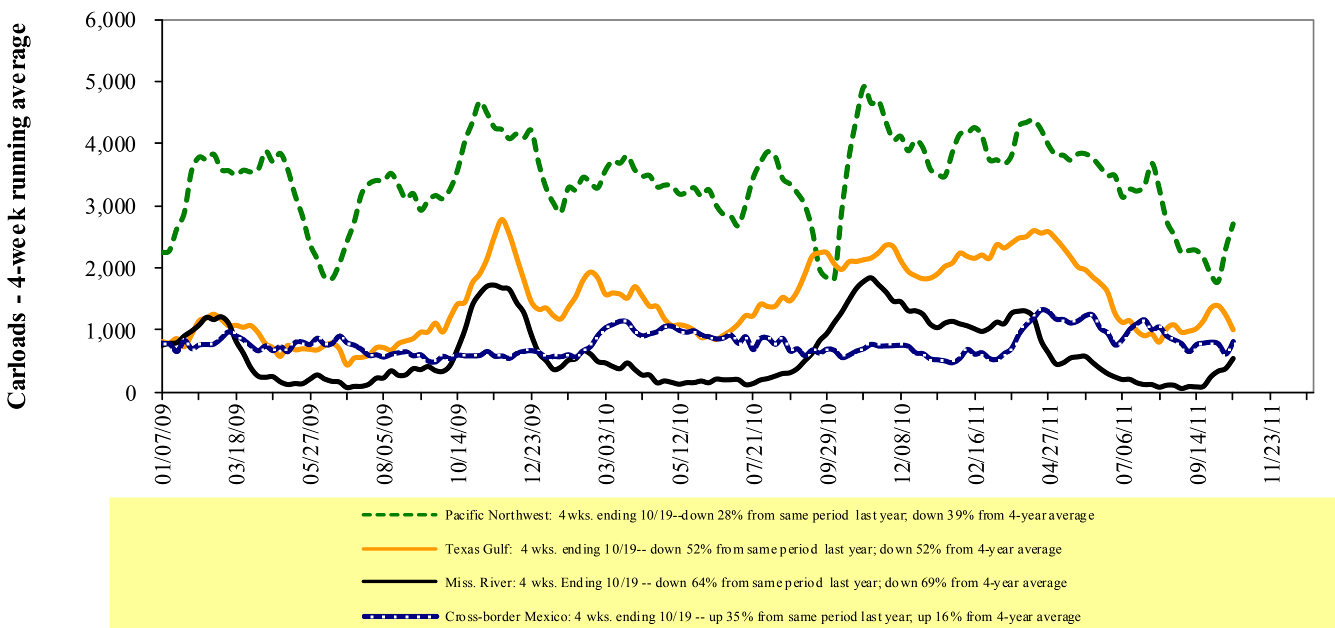
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

Source: Transportation & Marketing Programs/AMS/USDA

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

Figure 2

Rail Deliveries to Port



Source: Transportation & Marketing Programs/AMS/USDA

Table 4

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

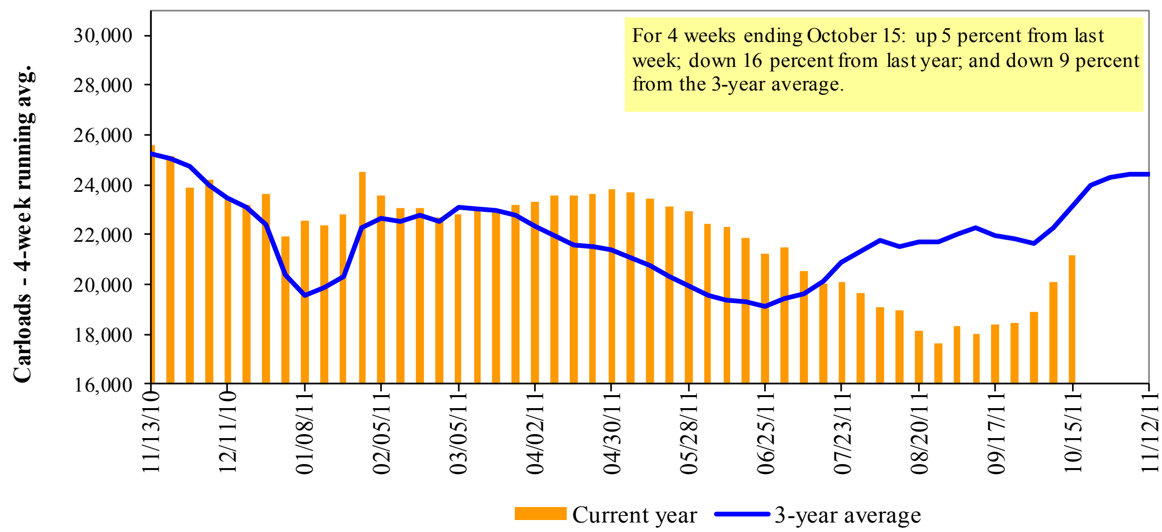
	East		West			U.S. total	Canada	
Week ending	**CSXT**	**NS**	**BNSF**	**KCS**	**UP**		**CN**	**CP**
10/15/11	2,448	3,858	10,459	754	6,178	23,697	4,787	5,586
This week last year	2,685	3,602	12,804	930	7,726	27,747	4,725	5,517
2011 YTD	72,691	118,146	430,701	28,661	237,806	888,005	156,415	207,824
2010 YTD	86,401	123,534	423,533	28,709	226,874	889,051	158,408	211,962
2011 YTD as % of 2010 YTD	84	96	102	100	105	100	99	98
Last 4 weeks as % of 2010[1]	65	82	89	111	82	84	99	102
Last 4 weeks as % of 3-yr avg.[1]	76	93	93	115	89	91	99	93
Total 2010	111,935	159,836	546,901	35,807	295,361	1,149,840	203,038	265,835

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

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

Figure 3

Total Weekly U.S. Class I Railroad Grain Car Loadings



Source: Association of American Railroads

Table 5

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

Week ending	Delivery period							
10/20/2011	**Nov-11**	**Nov-10**	**Dec-11**	**Dec-10**	**Jan-12**	**Jan-11**	**Feb-12**	**Feb-11**
BNSF[3]								
COT grain units	no bids	no offer	no bids	no offer	no offer	no offer	no offer	no offer
COT grain single-car[5]	10 . . 25	no offer	20	no offer	0	no offer	0	2
UP[4]								
GCAS/Region 1	no bids	no offer	no bids	no bids	no offer	no bids	n/a	n/a
GCAS/Region 2	no bids	no bids	no bids	no bids	no offer	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.

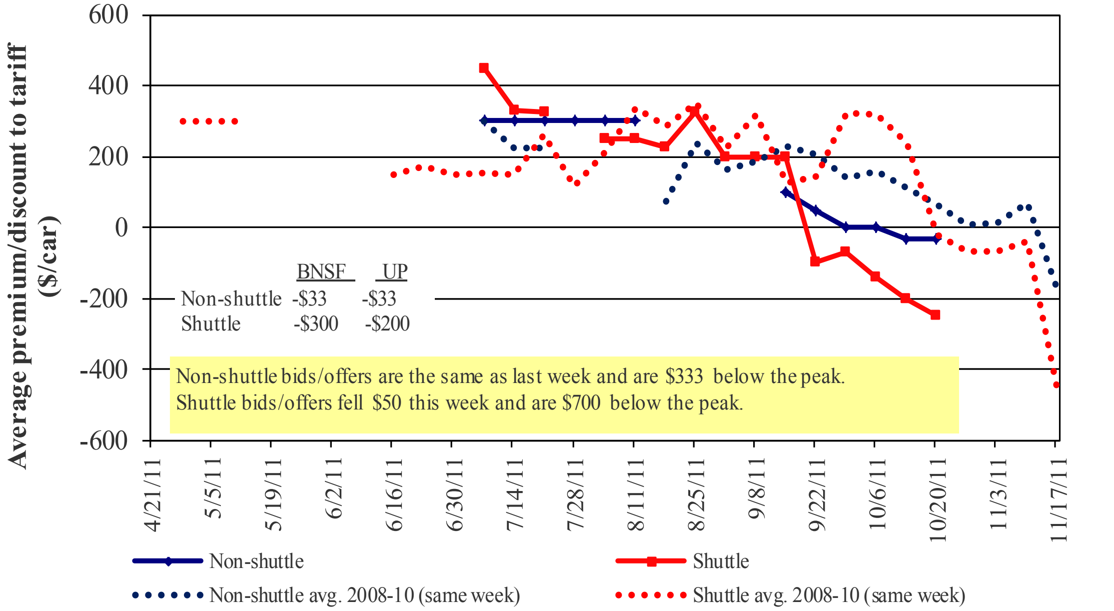
[5]Range is shown because average is not available. Not available = n/a.

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 November 2011, Secondary Market

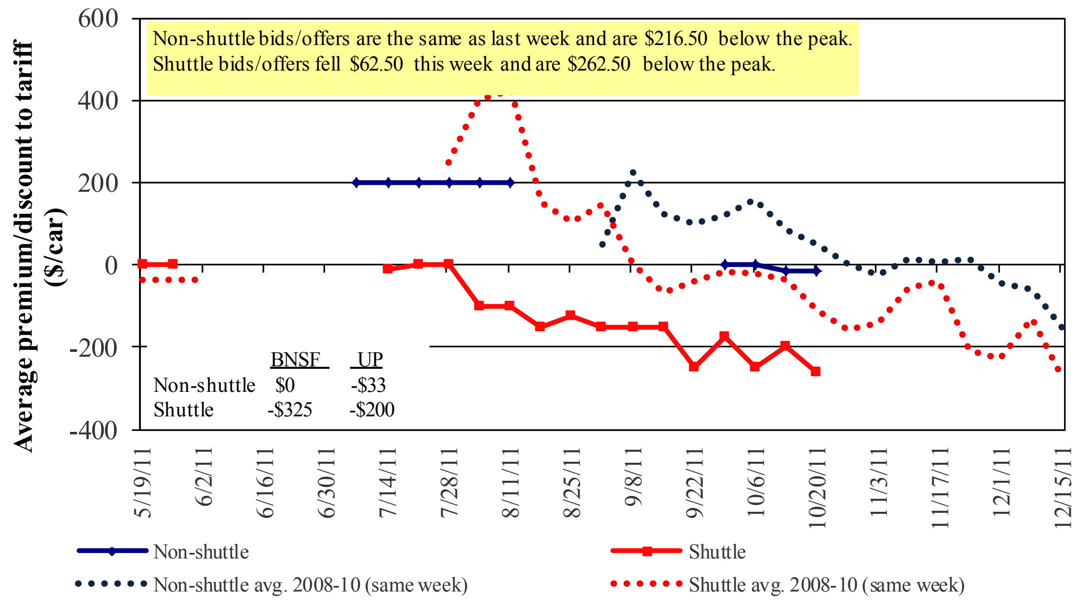


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

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

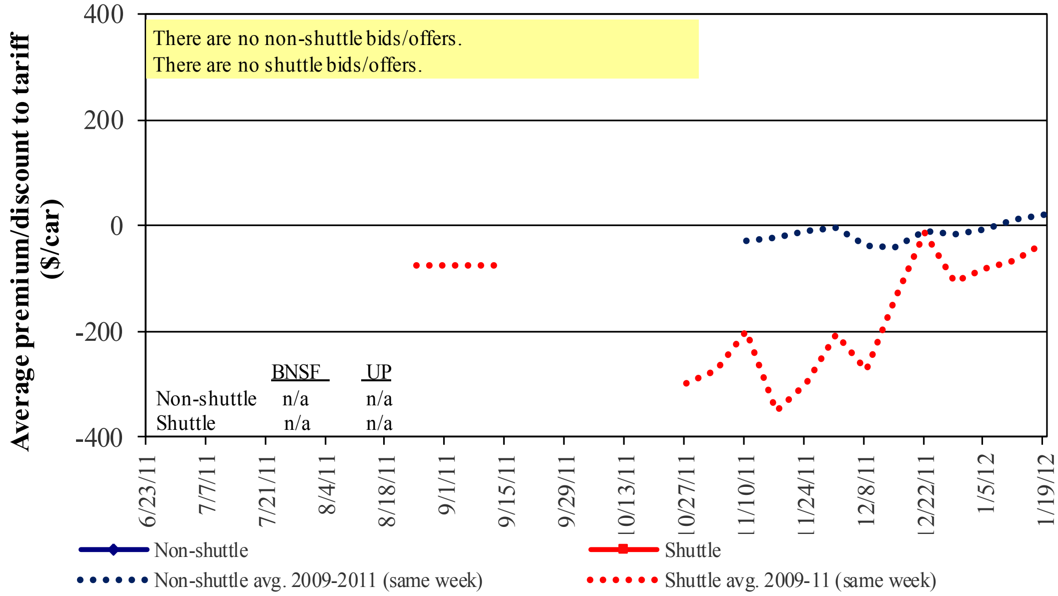


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in January 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 10/20/2011	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12
	Delivery period					
Non-shuttle						
BNSF-GF	(33)	-	n/a	n/a	n/a	n/a
Change from last week	-	-	n/a	n/a	n/a	n/a
Change from same week 2010	(366)	(200)	n/a	n/a	n/a	n/a
UP-Pool	(33)	(33)	n/a	n/a	n/a	n/a
Change from last week	-	-	n/a	n/a	n/a	n/a
Change from same week 2010	(58)	(33)	n/a	n/a	n/a	n/a
Shuttle[2]						
BNSF-GF	(300)	(325)	n/a	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 2010	(50)	(25)	n/a	n/a	n/a	n/a
UP-Pool	(200)	(200)	n/a	n/a	n/a	n/a
Change from last week	-	-	n/a	n/a	n/a	n/a
Change from same week 2010	-	-	n/a	n/a	n/a	n/a

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

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

Note: Bids listed are market INDICATORS only & are NOT guaranteed prices,
n/a = not available; GF = guaranteed freight; Pool = guaranteed pool

Sources: Transportation and Marketing Programs/AMS/USDA

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

Table 7

Tariff Rail Rates for Unit and Shuttle Train Shipments[1]

Effective date: 10/3/2011	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	$182	$31.52	$0.86	11
	Grand Forks, ND	Duluth-Superior, MN	$3,097	$104	$31.79	$0.87	19
	Wichita, KS	Los Angeles, CA	$5,710	$536	$62.02	$1.69	9
	Wichita, KS	New Orleans, LA	$3,492	$320	$37.86	$1.03	11
	Sioux Falls, SD	Galveston-Houston, TX	$5,410	$440	$58.09	$1.58	6
	Northwest KS	Galveston-Houston, TX	$3,760	$351	$40.82	$1.11	11
	Amarillo, TX	Los Angeles, CA	$3,959	$489	$44.17	$1.20	12
Corn	Champaign-Urbana, IL	New Orleans, LA	$3,062	$362	$34.00	$0.93	14
	Toledo, OH	Raleigh, NC	$3,942	$407	$43.19	$1.18	10
	Des Moines, IA	Davenport, IA	$1,934	$77	$19.97	$0.54	7
	Indianapolis, IN	Atlanta, GA	$3,381	$306	$36.61	$1.00	10
	Indianapolis, IN	Knoxville, TN	$2,833	$196	$30.08	$0.82	6
	Des Moines, IA	Little Rock, AR	$3,074	$225	$32.76	$0.89	8
	Des Moines, IA	Los Angeles, CA	$4,985	$656	$56.02	$1.52	20
Soybeans	Minneapolis, MN	New Orleans, LA	$3,424	$395	$37.92	$1.03	10
	Toledo, OH	Huntsville, AL	$3,057	$289	$33.23	$0.90	9
	Indianapolis, IN	Raleigh, NC	$4,013	$410	$43.92	$1.20	9
	Indianapolis, IN	Huntsville, AL	$2,749	$196	$29.25	$0.80	9
	Champaign-Urbana, IL	New Orleans, LA	$3,406	$362	$37.42	$1.02	13
Shuttle Train							
Wheat	Great Falls, MT	Portland, OR	$3,239	$308	$35.22	$0.96	9
	Wichita, KS	Galveston-Houston, TX	$3,144	$240	$33.60	$0.91	7
	Chicago, IL	Albany, NY	$3,645	$382	$39.99	$1.09	9
	Grand Forks, ND	Portland, OR	$4,702	$532	$51.98	$1.41	9
	Grand Forks, ND	Galveston-Houston, TX	$5,745	$554	$62.55	$1.70	10
	Northwest KS	Portland, OR	$4,727	$576	$52.66	$1.43	11
Corn	Minneapolis, MN	Portland, OR	$4,800	$648	$54.10	$1.47	16
	Sioux Falls, SD	Tacoma, WA	$4,760	$593	$53.16	$1.45	15
	Champaign-Urbana, IL	New Orleans, LA	$2,877	$362	$32.17	$0.88	13
	Lincoln, NE	Galveston-Houston, TX	$3,310	$346	$36.30	$0.99	13
	Des Moines, IA	Amarillo, TX	$3,430	$283	$36.88	$1.00	7
	Minneapolis, MN	Tacoma, WA	$4,800	$643	$54.05	$1.47	16
	Council Bluffs, IA	Stockton, CA	$4,200	$665	$48.31	$1.31	15
Soybeans	Sioux Falls, SD	Tacoma, WA	$5,040	$593	$55.94	$1.52	12
	Minneapolis, MN	Portland, OR	$5,030	$648	$56.38	$1.53	12
	Fargo, ND	Tacoma, WA	$4,930	$527	$54.20	$1.47	11
	Council Bluffs, IA	New Orleans, LA	$3,710	$418	$40.99	$1.12	11
	Toledo, OH	Huntsville, AL	$2,672	$289	$29.40	$0.80	10
	Grand Island, NE	Portland, OR	$4,520	$589	$50.74	$1.38	8

[1]A unit train refers to shipments of at least 25 cars. Shuttle train rates are available for qualified shipments of 90-110 cars that meet railroad efficiency requirements.

[2]Approximate load per car = 111 short tons (100.7 metric tons): corn 56 lbs./bu., wheat & soybeans 60 lbs./bu.

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

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

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

Table 8

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

Effective date: 10/3/2011				Fuel			Percent
	Origin		Tariff	surcharge	Tariff plus surcharge per:		change
Commodity	state	Destination region	rate/car[1]	per car[2]	metric ton[3]	bushel[3]	Y/Y[4]
Wheat	MT	Chihuahua, CI	$7,491	$563	$82.29	$2.24	8
	OK	Cuautitlan, EM	$6,610	$589	$73.56	$2.00	10
	KS	Guadalajara, JA	$7,210	$849	$82.35	$2.24	7
	TX	Salinas Victoria, NL	$3,656	$240	$39.81	$1.08	10
Corn	IA	Guadalajara, JA	$7,445	$864	$84.89	$2.15	5
	SD	Penjamo, GJ	$7,245	$736	$81.55	$2.07	7
	NE	Queretaro, QA	$7,012	$759	$79.40	$2.01	15
	SD	Salinas Victoria, NL	$5,650	$560	$63.45	$1.61	13
	MO	Tlalnepantla, EM	$6,227	$740	$71.19	$1.81	17
	SD	Torreon, CU	$6,248	$617	$70.14	$1.78	7
Soybeans	MO	Bojay (Tula), HG	$6,745	$760	$76.69	$2.09	10
	NE	Guadalajara, JA	$7,662	$869	$87.16	$2.37	13
	IA	El Castillo, JA[5]	$7,770	$732	$86.87	$2.36	11
	KS	Torreon, CU	$6,169	$594	$69.10	$1.88	13
Sorghum	OK	Cuautitlan, EM	$5,670	$559	$63.65	$1.62	15
	TX	Guadalajara, JA	$6,653	$479	$72.87	$1.85	10
	NE	Penjamo, GJ	$7,171	$794	$81.38	$2.07	14
	KS	Queretaro, QA	$6,198	$523	$68.67	$1.74	12
	NE	Salinas Victoria, NL	$4,963	$497	$55.79	$1.42	13
	NE	Torreon, CU	$5,941	$627	$67.11	$1.70	10

[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

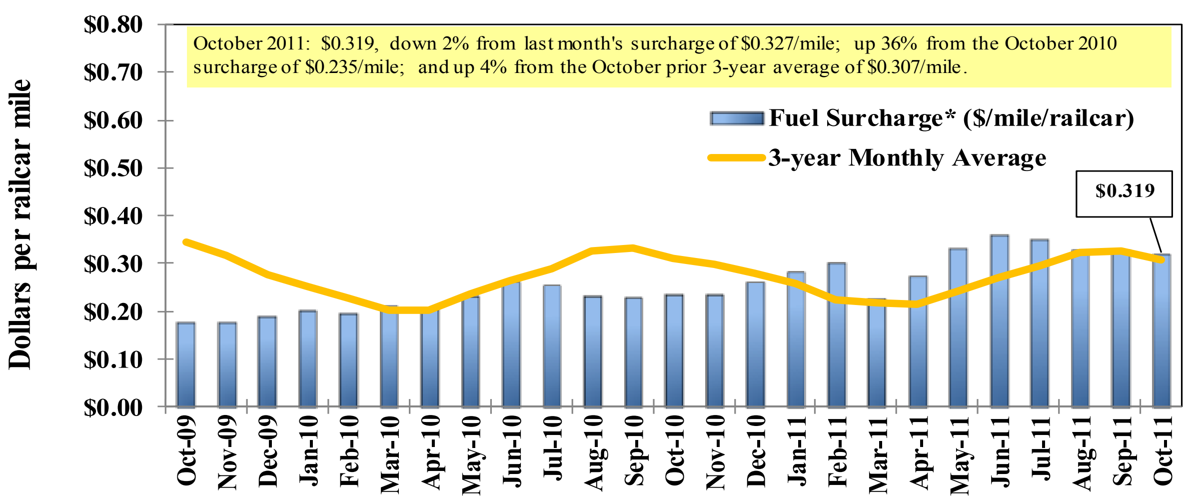
[4]Percentage change year over year calculated using tariff rate plus fuel surchage

[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.

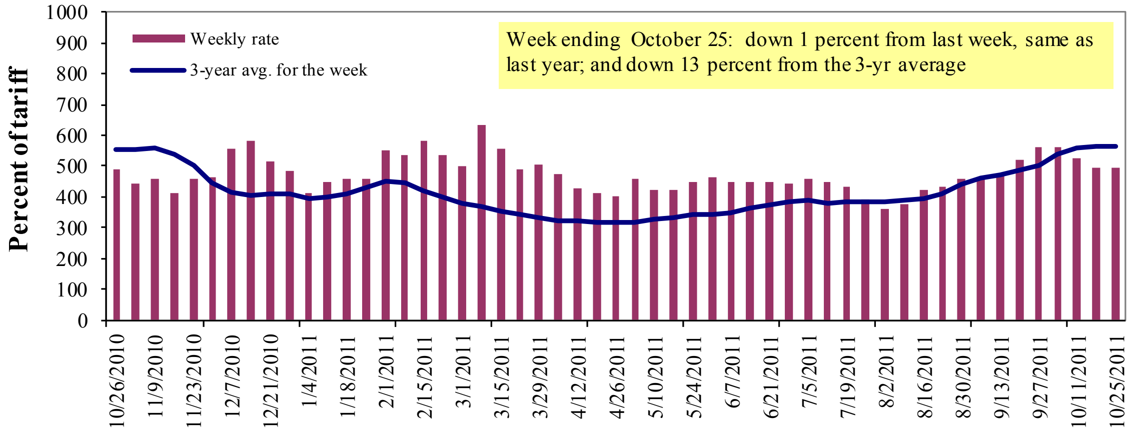
** BNSF strike price (diesel price when fuel surcharges begin) changed from $1.25/gal. to $2.50/gal starting March 1, 2011. As a result, the weighted average fuel surcharge for March 2011 was $0.227/mile instead of $0.331/mile.

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]	10/25/2011	513	498	493	388	475	475	350
	10/18/2011	482	486	496	428	506	506	388
$/ton	10/25/2011	31.75	26.49	22.88	15.48	22.28	19.19	10.99
	10/18/2011	29.84	25.86	23.01	17.08	23.73	20.44	12.18
Current week % change from the same week:								
	Last year	-19	-8	0	-18	0	0	-16
	3-year avg. [2]	-11	-12	-13	-28	-25	-25	-37
Rate[1]	November	485	443	438	353	422	422	308
	January	--	--	450	330	413	413	282

[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

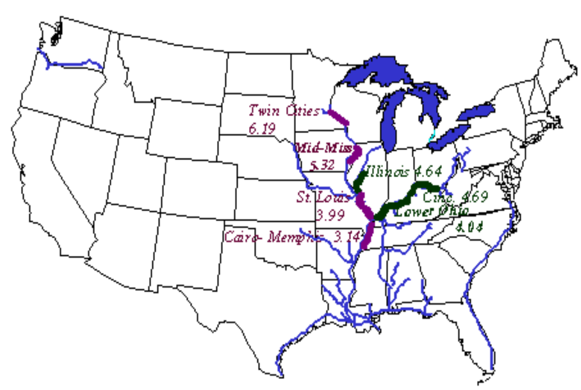
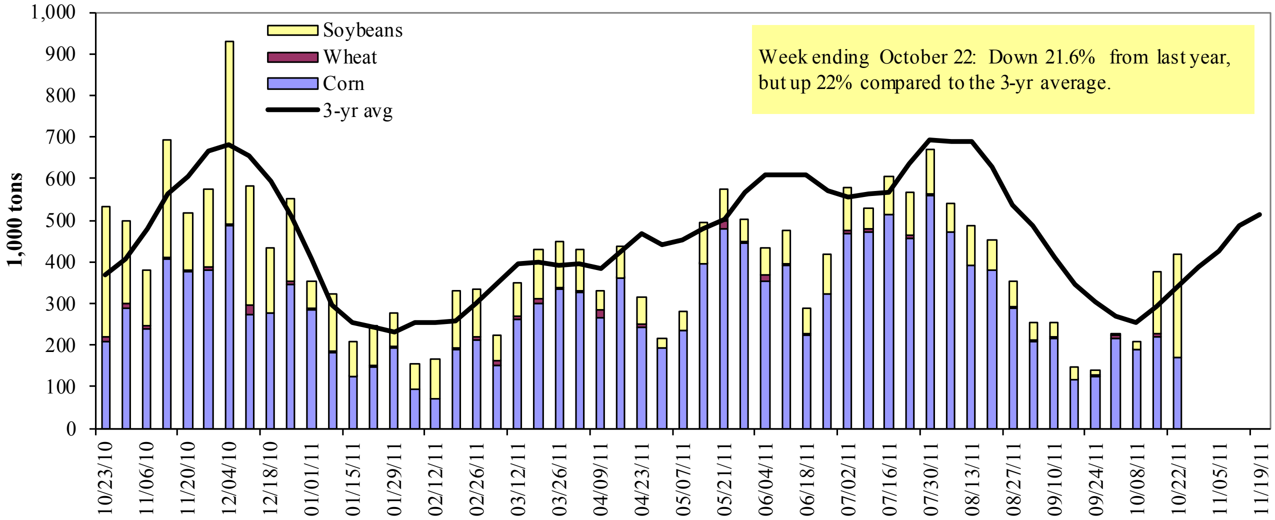


Figure 10

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 10/22/2011	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	63	0	123	14	200
Winfield, MO (L25)	76	0	196	14	286
Alton, IL (L26)	166	0	228	33	427
Granite City, IL (L27)	170	0	247	14	431
Illinois River (L8)	81	0	19	19	119
Ohio River (L52)	117	0	84	5	206
Arkansas River (L1)	0	13	31	1	45
Weekly total - 2011	287	13	362	20	682
Weekly total - 2010	254	15	483	18	770
2011 YTD[1]	15,107	1,270	5,642	322	22,342
2010 YTD	18,864	1,057	6,968	382	27,271
2011 as % of 2010 YTD	80	120	81	84	82
Last 4 weeks as % of 2010[2]	101	115	45	73	70
Total 2010	22,768	1,220	10,373	481	34,841

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

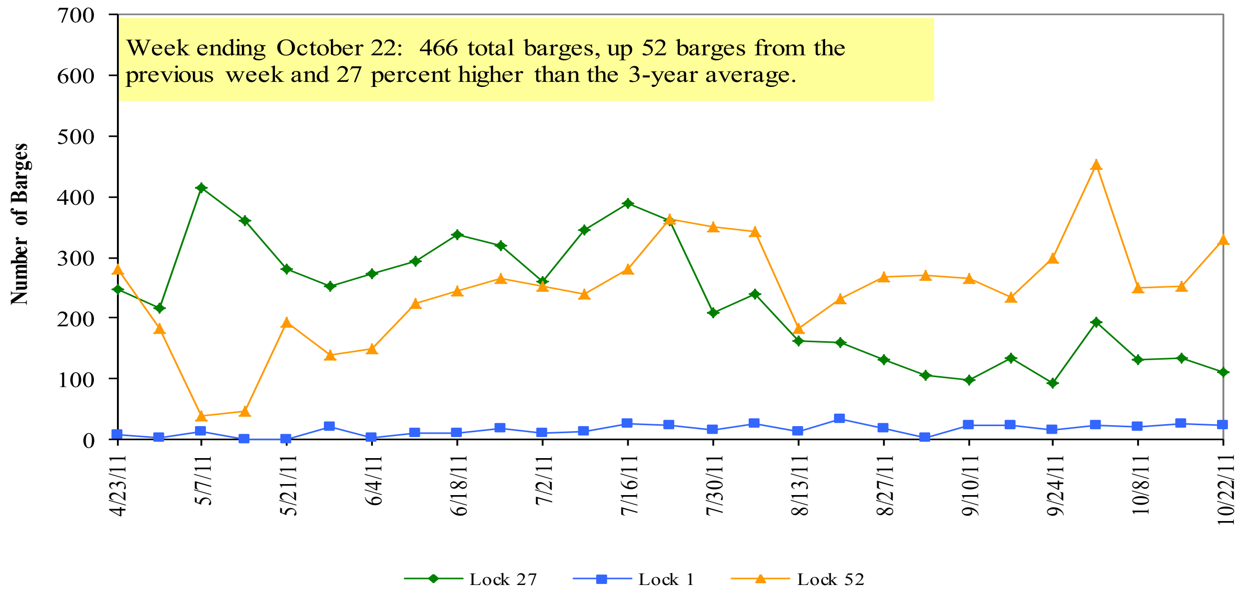
[2] As a percent of same period in 2010.

Note: Total may not add exactly, due to rounding

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

Figure 11

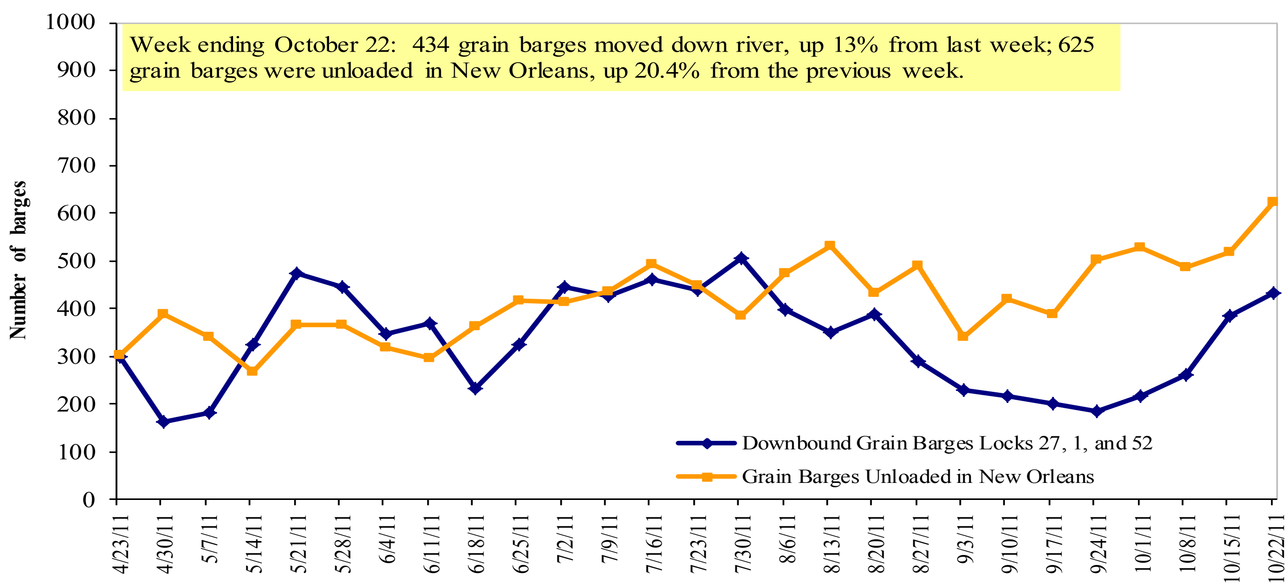
Upbound Empty Barges Transiting Mississippi River Locks 27, Arkansas River Lock and Dam 1, and Ohio River Locks and Dam 52



Source: U.S. Army Corps of Engineers

Figure 12

Grain Barges for Export in New Orleans Region



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

Truck Transportation

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

Table 11

Retail on-Highway Diesel Prices[1], Week Ending 10/24/2011 (US $/gallon)

Region	Location	Price	Change from Week ago	Change from Year ago
I	East Coast	3.832	0.017	0.768
	New England	3.925	0.018	0.789
	Central Atlantic	3.946	0.024	0.766
	Lower Atlantic	3.775	0.014	0.767
II	Midwest[2]	3.782	0.028	0.734
III	Gulf Coast[3]	3.745	0.019	0.760
IV	Rocky Mountain	3.909	0.024	0.781
V	West Coast	4.049	0.039	0.806
	California	4.096	0.043	0.867
Total	U.S.	3.825	0.024	0.758

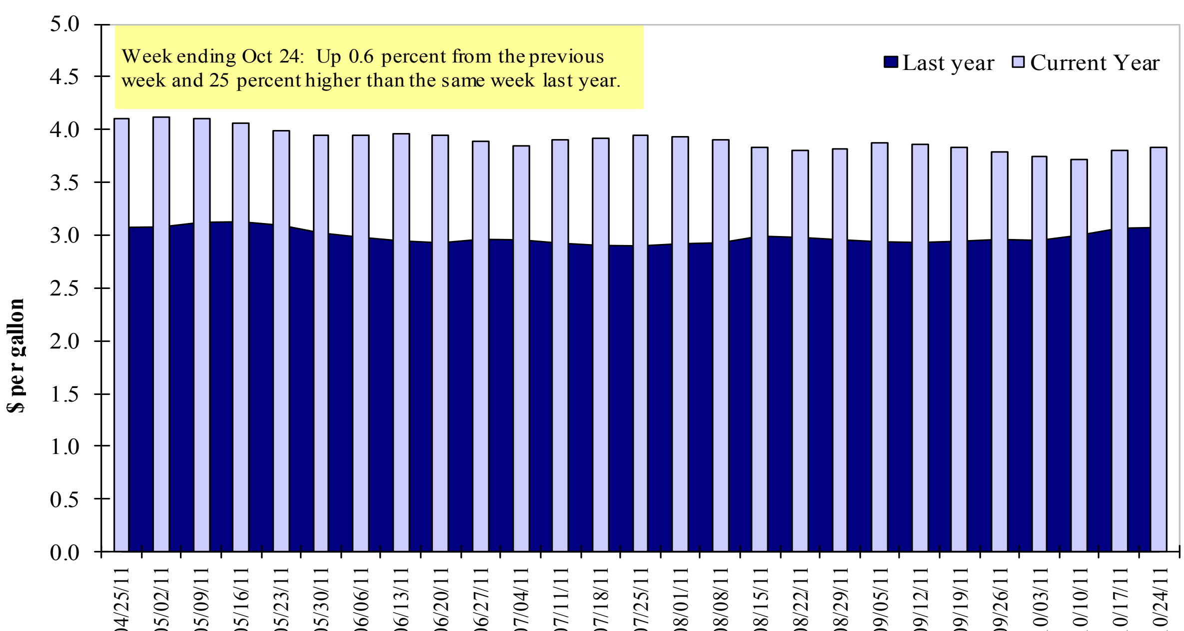
[1]Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

[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]									
10/13/2011	1,426	769	1,302	1,002	78	4,577	15,829	15,084	35,490
This week year ago	3,531	546	2,029	1,220	211	7,536	13,247	20,760	41,543
Cumulative exports-marketing year [2]									
2011/12 YTD	4,687	1,407	2,753	1,890	237	10,974	4,302	3,000	18,276
2010/11 YTD	5,354	734	3,004	1,820	401	11,312	5,920	4,559	21,791
YTD 2011/12 as % of 2010/11	88	192	92	104	59	97	73	66	84
Last 4 wks as % of same period 2010/11	41	134	64	80	39	60	110	74	83
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 corn and soybeans

Note: YTD = year-to-date. Marketing Year: wheat = 6/01-5/31, corn & soybeans = 9/01-8/31

Source: Foreign Agricultural Service/USDA (www.fas.usda.gov)

Table 13

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

Week ending 10/13/11	Total Commitments[2] 2011/12 Current MY	2010/11 Last MY	% change current MY from last MY	Exports[3] 2010/11
	- 1,000 mt -			- 1,000 mt -
Japan	4,294	5,590	(23)	14,279
Mexico	3,721	3,004	24	7,019
Korea	1,683	1,482	14	6,104
Egypt	359	1,294	(72)	3,302
Taiwan	702	768	(9)	2,393
Top 5 importers	**10,760**	**12,137**	**(11)**	**33,096**
Total US corn export sales	**20,131**	**19,167**	**5**	**46,610**
% of Projected	49%	41%		
Change from Last Week	1,763	194		
Top 5 importers' share of U.S. corn export sales	53%	63%		
USDA forecast, October 2011	**40,712**	**46,692**	**(13)**	
Corn Use for Ethanol USDA forecast, Ethanol October 2011	**127,000**	**127,508**	**(0)**	

(n) indicates negative number.

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

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

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

Table 14

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

Week Ending 10/13/2011	Total Commitments[2] 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	12,659	15,304	(17)	24,445
Mexico	1,031	1,067	(3)	3,215
Japan	647	922	(30)	1,887
EU-25	128	427	(70)	2,607
Indonesia	446	601	(26)	1,397
Top 5 importers	**14,910**	**18,322**	**(19)**	**33,551**
Total US soybean export sales	**18,085**	**25,319**	**(29)**	**40,690**
% of Projected	48%	62%		
Change from last week	595	2,017		
Top 5 importers' share of U.S. soybean export sales	82%	72%		
USDA forecast, October 2011	**37,466**	**40,872**	**(8)**	
Soybean Use for Biodiesel USDA forecast, October 2011	**8,632**	**5,995**	**44**	

(n) indicates negative number.

[1]Based on FAS 2008/09 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year (MY) = Sep 1 - Aug 31.

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

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

Table 15

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

Week Ending 10/13/2011	Total Commitments[2] 2011/12 Current MY	2010/11 Last MY	% change current MY from last MY	Exports[3] 2010/11
	- 1,000 mt -			- 1,000 mt -
Nigeria	1,716	1,854	(7)	3,233
Japan	2,092	731	186	3,148
Mexico	1,977	1,462	35	2,601
Philippines	1,329	1,461	(9)	1,518
Korea	632	1,013	(38)	1,111
Peru	581	588	(1)	923
Taiwan	455	399	14	913
Colombia	365	425	(14)	783
Indonesia	462	362	28	781
Yemen	267	246		659
Top 10 importers	**9,876**	**8,539**	**16**	**15,670**
Total US wheat export sales	**15,551**	**18,848**	**(17)**	**33,439**
% of Projected	59%	54%		
Change from last week	399	574		
Top 10 importers' share of U.S. wheat export sales	64%	45%		
USDA forecast, October 2011	**26,567**	**35,123**	**(24)**	

(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 10/20/11	Previous Week[1]	Current Week as % of Previous	2011 YTD[1]	2010 YTD[1]	2011 YTD as % of 2010 YTD	Last 4-weeks as % of 2010	Last 4-weeks as % of 3-yr. avg.	Total[1] 2010
Pacific Northwest									
Wheat	253	160	158	11,835	9,173	129	104	115	11,062
Corn	24	0	n/a	7,063	8,394	84	21	10	9,950
Soybeans	441	512	86	4,879	6,709	73	65	78	10,191
Total	**718**	**673**	**107**	**23,777**	**24,275**	**98**	**76**	**83**	**31,203**
Mississippi Gulf									
Wheat	118	19	612	4,373	3,289	133	78	57	4,199
Corn	503	444	113	21,458	24,753	87	91	102	29,794
Soybeans	469	468	100	12,606	14,169	89	54	80	22,519
Total	**1,090**	**932**	**117**	**38,437**	**42,210**	**91**	**72**	**88**	**56,512**
Texas Gulf									
Wheat	93	221	42	9,817	7,471	131	50	62	9,339
Corn	23	0	n/a	832	1,475	56	20	24	1,859
Soybeans	0	0	n/a	763	991	77	0	0	1,916
Total	**116**	**221**	**52**	**11,412**	**9,937**	**115**	**36**	**46**	**13,115**
Interior									
Wheat	7	20	36	923	719	128	32	118	926
Corn	169	85	199	5,744	5,372	107	69	100	6,388
Soybeans	211	149	141	3,386	2,839	119	89	132	3,641
Total	**387**	**254**	**152**	**10,053**	**8,931**	**113**	**120**	**116**	**10,954**
Great Lakes									
Wheat	2	27	9	869	1,421	61	19	28	1,897
Corn	0	10	n/a	159	71	223	52	42	119
Soybeans	0	79	n/a	101	284	36	28	36	655
Total	**2**	**116**	2	**1,129**	**1,776**	**64**	**24**	**33**	**2,672**
Atlantic									
Wheat	1	0	n/a	652	271	241	4	3	343
Corn	30	1	n/a	234	397	59	40	37	469
Soybeans	1	27	3	523	801	65	44	77	1,417
Total	**31**	**28**	**111**	**1,409**	**1,469**	**96**	**32**	**35**	**2,229**
U.S. total from ports[2]									
Wheat	475	448	106	28,469	22,343	127	69	76	27,765
Corn	749	540	139	35,490	40,462	88	89	89	48,580
Soybeans	1,121	1,235	91	22,259	25,793	86	58	79	40,340
Total	**2,345**	**2,224**	**105**	**86,218**	**88,598**	**97**	**69**	**81**	**116,684**

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

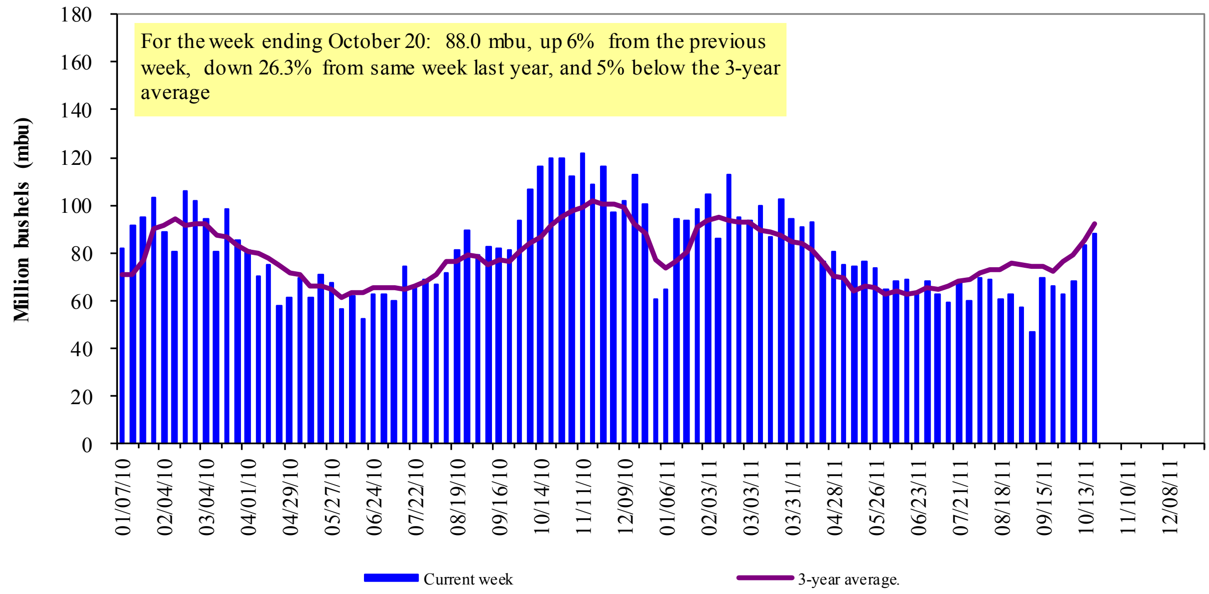
[2] Total includes only port regions shown above; Interior land-based shipments now included.

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 61 percent of the U.S. export grain shipments departed through the U.S. Gulf region in 2010.

Figure 14

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

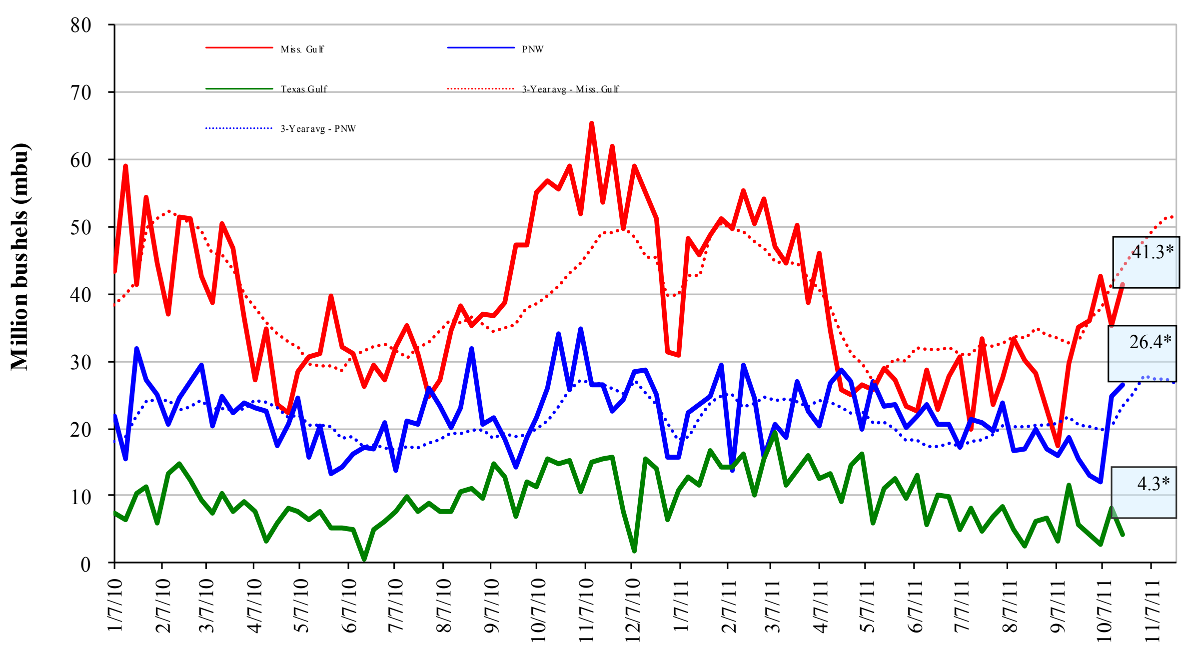


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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

Figure 15

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



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

October 20 % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	up 17	down 47	up 5	up 7
Last year (same week)	down 26	down 71	down 35	down 22
3-yr avg. (4-wk mov. avg.)	down 6	down 59	down 16	down 9

Ocean Transportation

Table 17

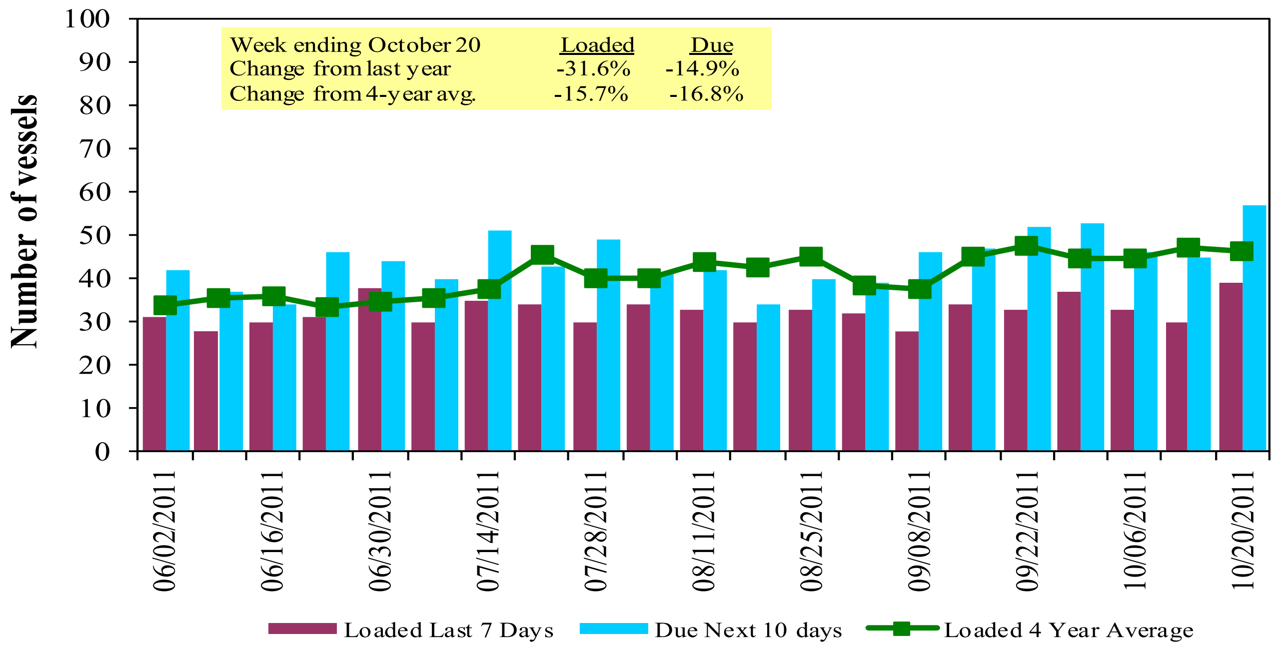
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

	Gulf			Pacific Northwest	Vancouver B.C.
Date	In port	Loaded 7-days	Due next 10-days	In port	In port
10/20/2011	24	39	57	12	16
10/13/2011	36	30	45	15	9
2010 range	(15..69)	(30..57)	(33..84)	(4..24)	(2..20)
2010 avg.	41	42	58	12	11

Source: Transportation & Marketing Programs/AMS/USDA

Figure 16

U.S. Gulf[1] Vessel Loading Activity

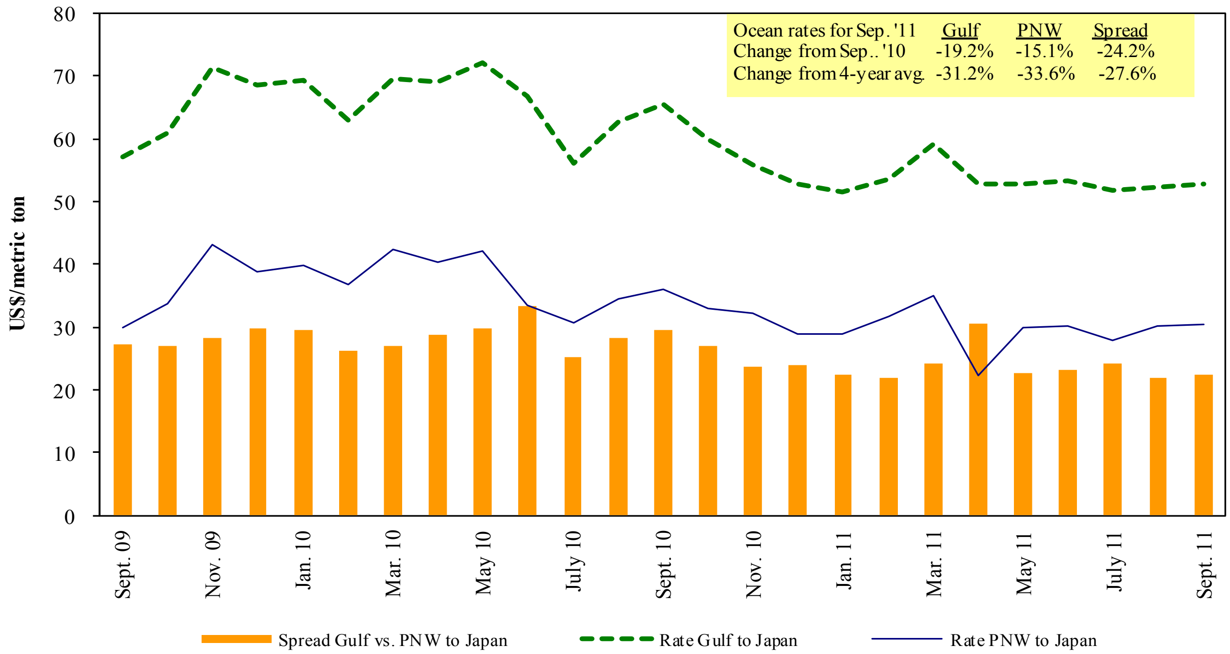


Source:Transportation & Marketing Programs/AMS/USDA

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

Figure 17

Grain Vessel Rates, U.S. to Japan



Source: O'Neil Commodity Consulting

Table 18

Ocean Freight Rates For Selected Shipments, Week Ending 10/22/2011

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US$/metric ton)
U.S. Gulf	China	Heavy Grain	Oct 21/30	55,000	52.50
U.S. Gulf	China	Heavy Grain	Oct 5/10	60,000	59.00
U.S. Gulf	China	Heavy Grain	Sep 15/30	60,000	54.00
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	Sierra Leone[1]	Wheat	Dec 5/15	16,960	257.90
France	Algeria	Wheat	Sep 25/30	25,000	24.50
River Plate	Algeria	Maize	Oct 20/30	25,000	36.00
River Plate	Algeria	Maize	Oct 1/5	25,000	34.50
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
South Africa	Taiwan	Corn	Aug 5/15	55,000	31.00

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

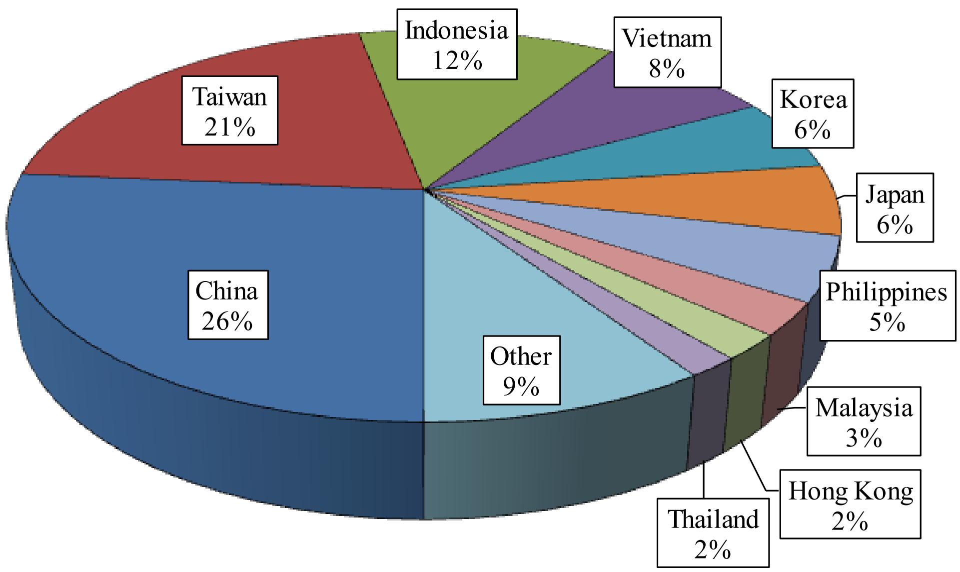
[1]75 percent of food aid from the United States is required to be shipped on U.S.-flag vessels.

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

In 2010, containers were used to transport 5 percent of total U.S. waterborne grain exports, and 7 percent of U.S. grain exports to Asia. Asia is the top destination for U.S. containerized grain exports—94 percent in 2010.

Figure 18

Top 10 Destination Markets for U.S. Containerized Grain Exports, July 2011

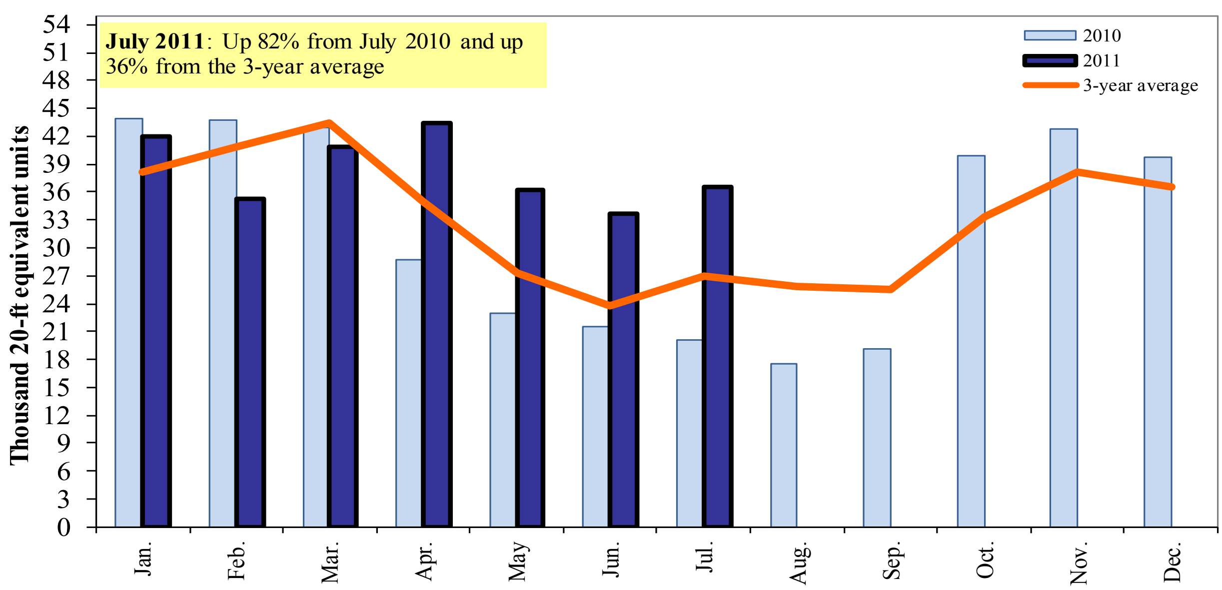


Source: USDA/Agricultural Marketing Service/Transportation Services Division analysis of Port Import Export Reporting Service (PIERS) data

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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