



WEEKLY HIGHLIGHTS

December 15, 2011

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Upper Mississippi River Navigation Season Ends, Gulf Activity Still Going Strong

On December 5, the U.S. Army Corps of Engineers (Corps), St. Paul District, closed Mississippi River Lock and Dam 7, near La Crosse, WI, to begin winter maintenance work. The closure shuts down the river; tows can no longer go further north. The Corps performs lock repairs during the winter because ice accumulations would stop navigation regardless of the repair activities. With the closure of Lock 7 and other nearby locks, there has been an increase in Illinois River traffic. La Grange Lock (Versailles, IL) on the Illinois River reports 379 thousand tons of grain moved during the week ending December 10, an 82 percent increase from the previous week. Weather permitting, the Illinois River remains open throughout the winter and provides a major source of export grain for Gulf elevators. Meanwhile, recent grain barge deliveries to the Gulf have been strong—4,376 grain barges were unloaded in New Orleans over the past 6 weeks, 7 percent higher than the 4-year average. In addition, vessel loading activity in the U.S. Gulf is expected to pick up soon; 59 ocean-going grain vessels are expected to be loaded within the next 10 days.

End of Year Brings Higher Demand for Shuttle Cars

Typically at the end of any given month, bids for grain car deliveries expiring for that month increase because fewer cars are still available. December has shown an especially strong end-of-month rally for bids on shuttle cars. During the week ending December 8, average December shuttle **secondary railcar bids/offers** were up \$208 per car from last week and \$66.50 higher than last year. In the past four weeks, shuttle bids have climbed \$466.50 per car to finish \$16.50 above tariff. This is the strongest monthly increase in the secondary shuttle market since December 2010 and only the second time in 2011 that shuttle bids have finished trading above tariff at expiration. The high premiums probably reflect grain shippers trying to meet year-end commitments. Average December non-shuttle rates stayed relatively flat at \$2.50 per car above tariff, up \$18 from last week and \$51.50 higher than last year.

Diesel Fuel Prices Fall 7 Cents Over the Past 2 Weeks

During the week ending December 12, U.S. average **diesel fuel prices** decreased 4 cents to \$3.89 per gallon—1 percent lower than the previous week but 20.5 percent higher than the same week last year. Over the past 2 weeks, prices have decreased 7 cents per gallon in response to lower crude oil futures prices. According to the Energy Information Administration, the reentry of Libyan oil production will slowly add to the overall global oil supply, taking some pressure off crude prices.

Wheat Inspections Rebound

For the week ending December 8, total inspections of wheat for export rebounded, reaching 0.463 million metric tons (mmt), up 16 percent from the previous week but 11 percent below last year this time. Total wheat exports were boosted by an 18 percent increase in Pacific Northwest wheat shipments destined to Asia and Guatemala (**Table 16**). Calendar year-to-date inspections of wheat from all major export regions are up 22 percent from last year. Lower corn and soybean inspections, however, moved total grain inspections (corn, wheat, soybeans) to 2.17 mmt, down 4 percent from the past week and 20 percent below last year. Outstanding export sales of corn, up 3 percent from last year, indicate a possible increase in upcoming inspections of corn (**Table 12**).

Port of Long Beach Plans Public Hearing for Proposed Grain Terminal

The Port of Long Beach is holding a public hearing on January 11 to review the plans and draft environmental report for a proposed grain export facility. Total Terminals International L.L.C. has proposed building the 10-acre facility at Pier T, which it leases from the port. The facility would be capable of transferring grain from rail cars to ocean shipping containers and could export 750,000 to 1.5 million tons of grain per year.

Snapshots by Sector

Rail

U.S. railroads originated 20,980 **carloads of grain** during the week ending December 3, up 5 percent from last week, down 16 percent from last year, and 4 percent lower than the 3-year average.

Barge

During the week ending December 10, **barge grain movements** totaled 962,450 tons, 2.6 percent higher than the previous week and 34 percent higher than the same period last year.

During the week ending December 10, 618 grain barges **moved down river**, up 2 percent from last week, and 672 grain barges were **unloaded in New Orleans**, down 6 percent from the previous week.

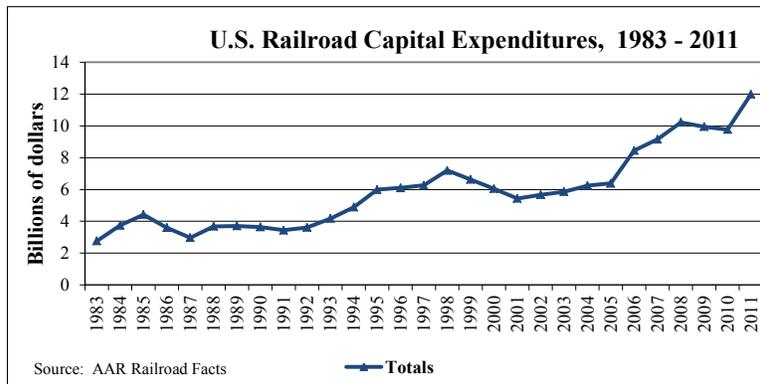
Ocean

During the week ending December 8, 34 **ocean-going grain vessels** were loaded in the Gulf, down 24 percent from last year. Fifty-nine vessels are expected to be loaded within the next 10 days, 20 percent less than the same period last year.

During the week ending December 9, the ocean freight rate for shipping bulk grain from the Gulf to Japan was \$56.00 per metric ton (mt), unchanged from the previous week. The cost of shipping from the Pacific Northwest to Japan was \$29.50 per mt—unchanged from the previous week.

Railroads Investing in Rail Capacity

Major railroad capital expenditure investments in the United States during 2011 are expected to exceed \$12 billion, surpassing the 2010 expenditures of \$9.8 billion by more than 20 percent. Although some of the increased expenditures are being spent on the legislatively-mandated Positive Train Control technology, railroads are increasing investments in rail capacity which are expected to benefit grain shippers by reducing peak season congestion.



BNSF Railway (BNSF) reports that it will invest approximately \$3.8 billion this year on capital improvements. In addition to major projects, BNSF expects to invest approximately \$400 million on freight cars and equipment, \$450 million on locomotive acquisitions, \$300 million on positive train control, and \$300 million on line, terminal, and intermodal expansion and efficiency projects. Major BNSF projects include:

- The completion of the Abo Canyon project east of Belen, NM, on its 2,200-mile corridor between Southern California and Chicago
- The Burlington Bridge lift span in Burlington, IA, and bridge approach spans
- The new Kansas City Intermodal Facility
- Improvements at its Los Angeles Intermodal Facility, which includes installing an automated gate system to improve terminal fluidity and a bridge over its main line, which connects to the main yard
- Interlocking improvements at Tower 55 in Fort Worth, TX

CSX Transportation (CSX) expects to invest \$2.2 billion in capital improvements during 2011. CSX is investing in 250 new locomotives and 3,800 railcars. Much of CSX's capacity expansion is focused on the National Gateway, an \$850 million cooperative venture with the Federal government, six States, and the District of Columbia that includes capacity enhancements to rail freight and intermodal. The National Gateway is a high-volume, double-stack, intermodal corridor from deepwater Mid-Atlantic ports to the Midwest. Part of the National Gateway, a \$175 million intermodal terminal located in Northwest Ohio opened in February, and CSX has announced the \$59 million expansion of its intermodal terminal at Columbus, OH, and the construction of a \$15 million facility in Louisville, KY.

Kansas City Southern Railway (KCS) is on pace to invest more than \$350 million in capital improvements in the United States and Mexico. KCS has purchased 30 new locomotives and has extended key sidings along its north-south route. In addition, KCS has expanded and upgraded its railcar fleet.

Norfolk Southern (NS) reports a capital budget for 2011 of \$2.2 billion, of which 17 percent is for capacity growth. NS has purchased 2,100 covered hopper railcars to replace older railcars and to add

capacity, has added 50 new locomotives earlier this year, and expects to take delivery of additional locomotives in the 4th quarter 2011. It is investing \$244 million on intermodal terminals, bulk transfer facilities, and mechanical repair facilities. It began construction on an intermodal terminal near Memphis, TN, in April, and intermodal terminals in Birmingham, AL, and Greencastle, PA in June. These intermodal terminals are part of the \$2.5 billion Crescent Corridor that stretches from Louisiana to New Jersey and are intended to divert truck traffic from highways.

Union Pacific Railroad (UP) anticipates total capital expenditures of \$3.3 billion for 2011. UP projects include:

- Double tracks on 53 miles in Arizona and on 29 miles on the Blair Subdivision in Nebraska and Iowa
- Extended sidings between Kansas City and Fort Worth, between Dallas and Shreveport, between Houston and San Antonio, and between Portland and North Platte
- Began construction of a new fueling facility, block-swap yard, and intermodal ramp at Santa Theresa, NM, that will cost over \$350 million
- Construction of a grain transload facility at Yermo, CA

Canadian National Railway (CN) plans to invest approximately \$1.7 billion on capital improvements throughout its system in the United States and Canada, of which \$220 million will be spent in the United States. The majority of the CN investment will be on track infrastructure to maintain safe railway operations and to improve the productivity and fluidity of its rail network. It will acquire 12 new locomotives and 250 new iron ore railcars. It expects to spend \$60 million during 2011 to integrate its recently acquired Elgin, Joliet & Eastern property in the Chicago area. In addition, it has begun a \$165 million project to expand the Kirk Yard in Gary, IN, and relocate a locomotive repair shop to Gary. It has also acquired more than 1,000 new intermodal containers this year.

Canadian Pacific (CP) expects to invest approximately \$1 billion in its capital program across its North American network, of which approximately \$300 million will be spent in the United States. It will add 91 locomotives during 2011 and 2012. In 2011, CP expects to spend \$40 million in capacity investments in North Dakota.

The increased level of railroad investments are expected to benefit agricultural and other shippers by adding to and improving railroad capacity, which will result in less congestion.

Marvin.Prater@ams.usda.gov

Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators¹

Week ending	Truck	Rail ²	Barge	Ocean	
				Gulf	Pacific
12/14/11	261	70	211	250	209
12/07/11	264	95	233	250	209

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)

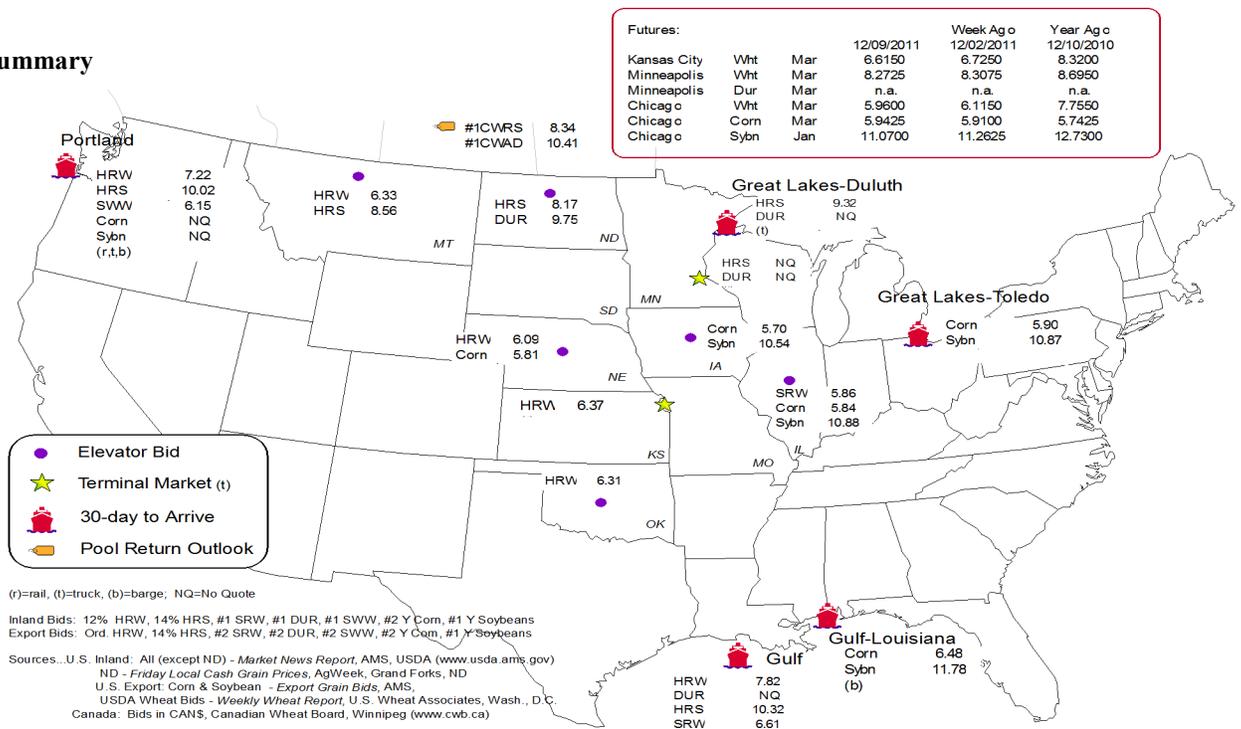
Commodity	Origin--Destination	12/09/2011	12/2/2011
Corn	IL--Gulf	-0.64	-0.63
Corn	NE--Gulf	-0.67	-0.64
Soybean	IA--Gulf	-1.24	-1.14
HRW	KS--Gulf	-1.45	-1.56
HRS	ND--Portland	-1.85	-1.86

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	
12/07/2011 ^p	111	521	768	3,647	589	5,636
11/30/2011 ^r	125	986	768	3,538	394	5,811
2011 YTD	27,181	75,743	45,894	168,080	22,559	339,457
2010 YTD	30,694	77,825	41,042	166,951	30,770	347,282
2011 YTD as % of 2010 YTD	89	97	112	101	73	98
Last 4 weeks as % of 2010 ²	12	38	119	80	53	60
Last 4 weeks as % of 4-year avg. ²	13	40	114	75	54	60
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.

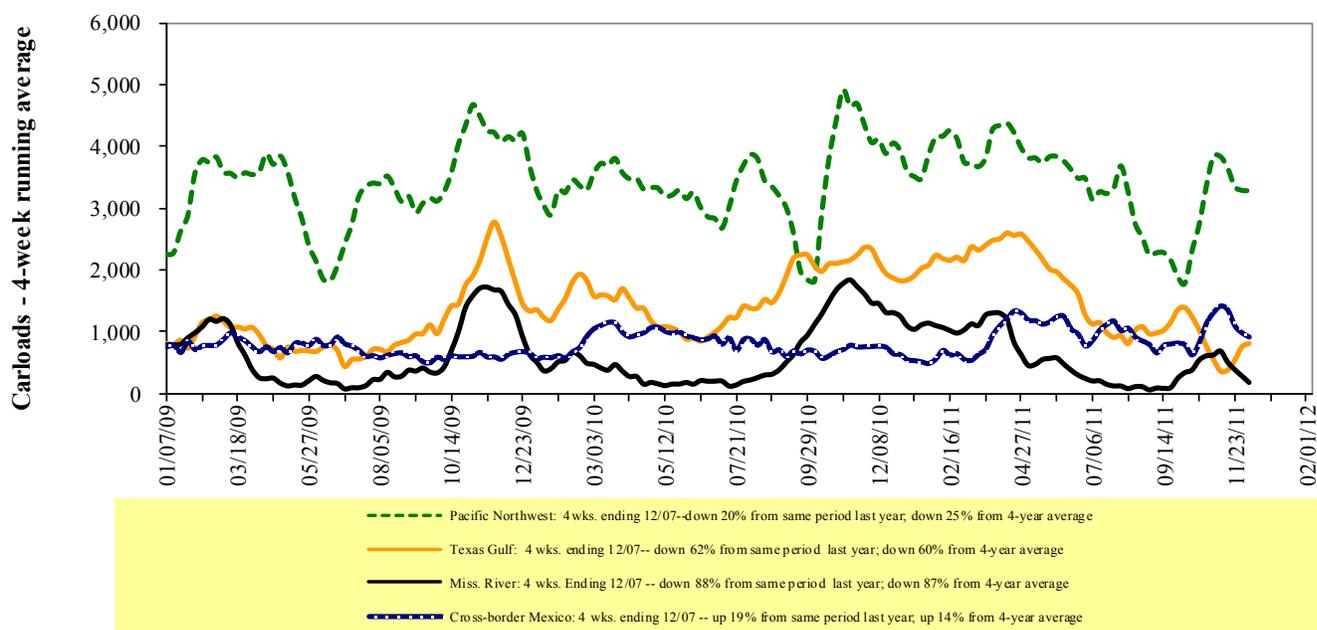
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

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

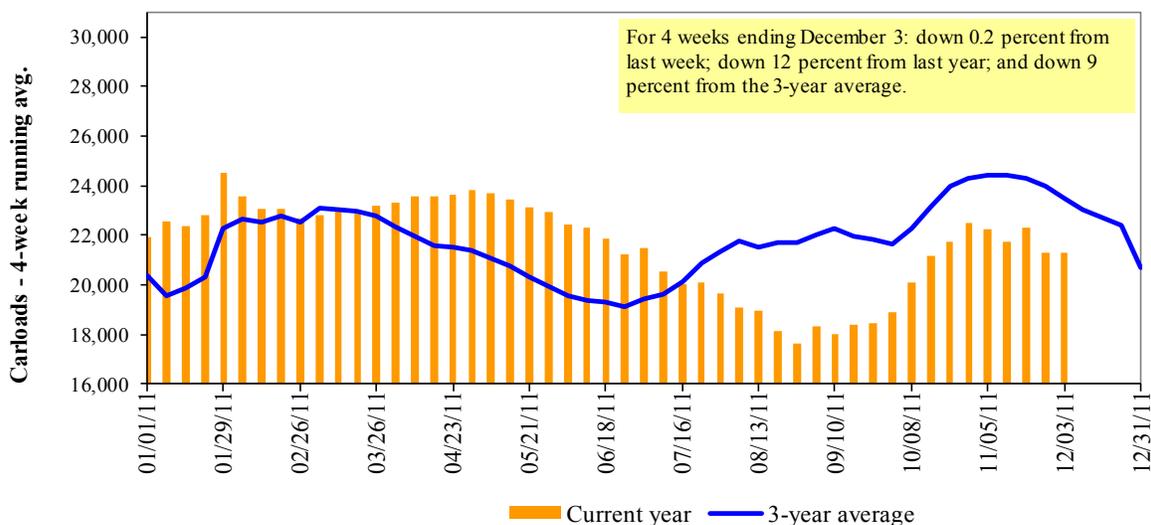
Table 4

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
12/03/11	1,490	3,298	11,116	393	4,683	20,980	4,140	6,112
This week last year	2,231	3,830	11,590	915	6,273	24,839	4,795	5,825
2011 YTD	89,473	140,223	503,350	32,791	272,621	1,038,458	185,058	248,169
2010 YTD	103,015	147,892	504,738	33,506	272,788	1,061,939	188,638	248,275
2011 YTD as % of 2010 YTD	87	95	100	98	100	98	98	100
Last 4 weeks as % of 2010 ¹	104	90	93	58	75	88	88	107
Last 4 weeks as % of 3-yr avg. ¹	104	93	98	50	77	91	88	100
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

Railcar Auction Offerings¹ (\$/car)²

Week ending	Delivery period							
	Dec-11	Dec-10	Jan-12	Jan-11	Feb-12	Feb-11	Mar-12	Mar-11
BNSF ³								
COT grain units	no bids	no bids	no bids	no bids	no bids	no bids	no bids	no bids
COT grain single-car ⁵	20	1	10	0..1	10	0..2	10	0..1
UP ⁴								
GCAS/Region 1	no bids	no bids	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

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.

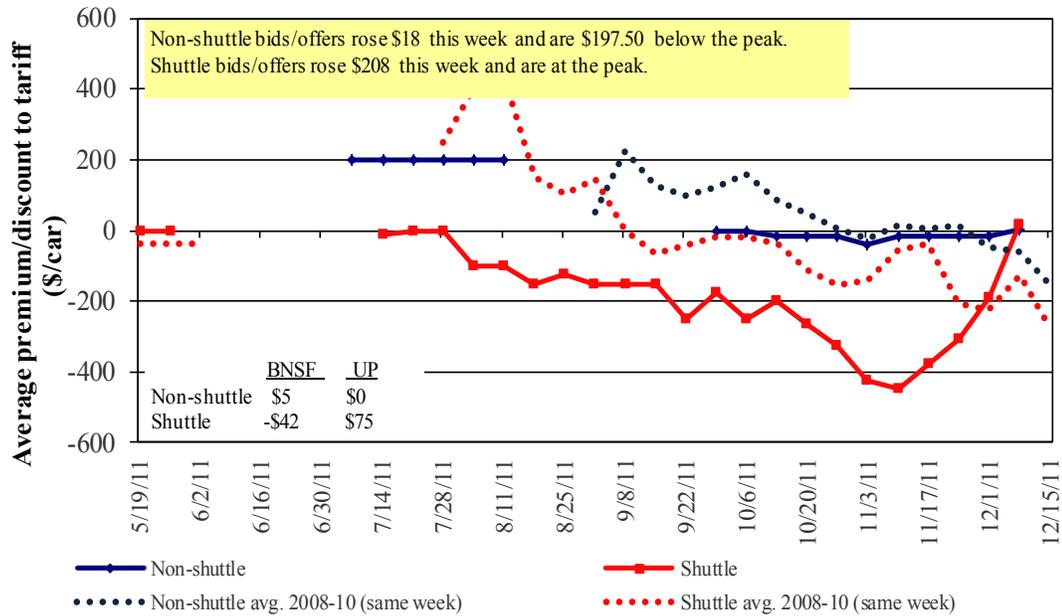
⁵Range is shown because average is not available. Not available = n/a.

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 December 2011, Secondary Market

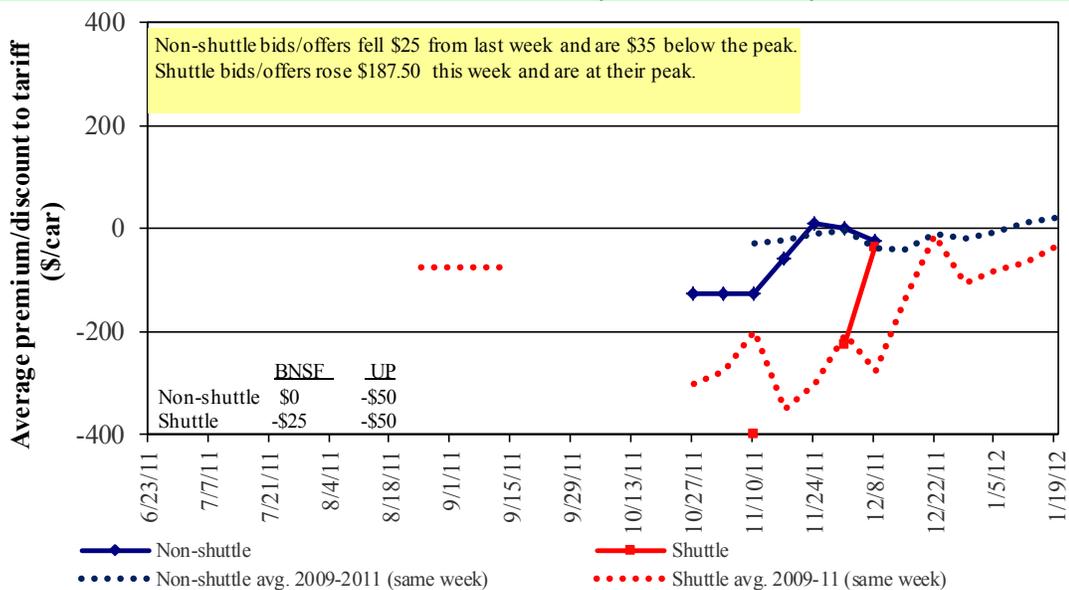


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

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

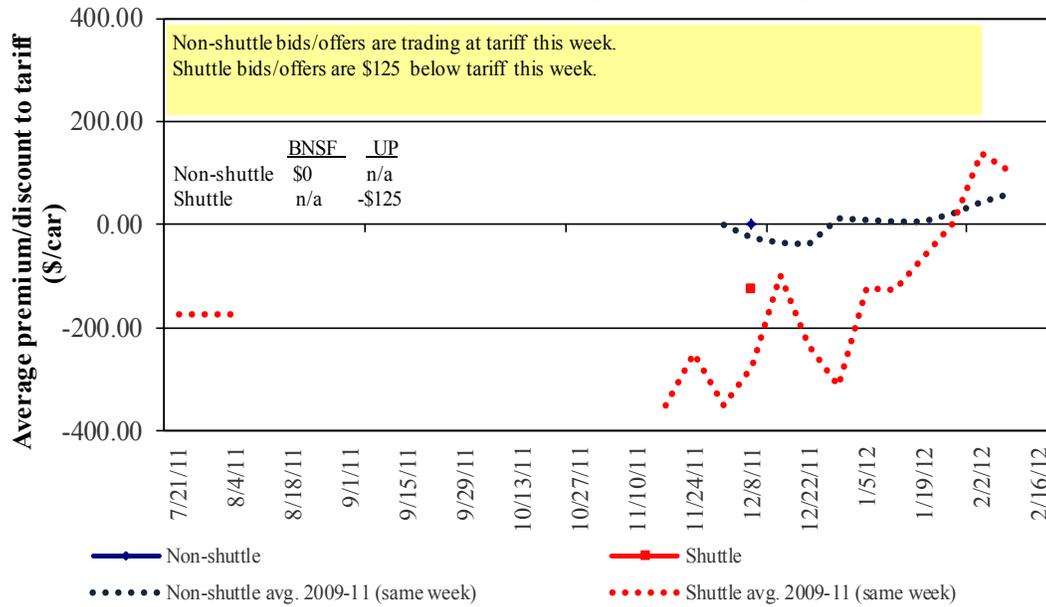


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in February 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					
	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12
Non-shuttle						
BNSF-GF	5	-	-	n/a	n/a	n/a
Change from last week	11	-	n/a	n/a	n/a	n/a
Change from same week 2010	93	7	50	n/a	n/a	n/a
UP-Pool	-	(50)	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 2010	10	(8)	n/a	n/a	n/a	n/a
Shuttle²						
BNSF-GF	(42)	(25)	n/a	n/a	n/a	n/a
Change from last week	191	175	n/a	n/a	n/a	n/a
Change from same week 2010	(192)	n/a	n/a	n/a	n/a	n/a
UP-Pool	75	(50)	(125)	(225)	n/a	n/a
Change from last week	225	200	n/a	n/a	n/a	n/a
Change from same week 2010	325	150	150	75	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:				Fuel	Tariff plus surcharge per:		Percent
12/5/2011	Origin region*	Destination region*	Tariff rate/car	surcharge per car	metric ton	bushe ²	change Y/Y ³
Unit train							
Wheat	Wichita, KS	St. Louis, MO	\$2,992	\$172	\$31.42	\$0.86	10
	Grand Forks, ND	Duluth-Superior, MN	\$3,097	\$98	\$31.73	\$0.86	18
	Wichita, KS	Los Angeles, CA	\$5,710	\$505	\$61.72	\$1.68	8
	Wichita, KS	New Orleans, LA	\$3,492	\$303	\$37.68	\$1.03	10
	Sioux Falls, SD	Galveston-Houston, TX	\$5,410	\$414	\$57.84	\$1.57	5
	Northwest KS	Galveston-Houston, TX	\$3,760	\$332	\$40.63	\$1.11	9
	Amarillo, TX	Los Angeles, CA	\$3,959	\$461	\$43.90	\$1.19	10
Corn	Champaign-Urbana, IL	New Orleans, LA	\$3,062	\$342	\$33.80	\$0.92	13
	Toledo, OH	Raleigh, NC	\$3,942	\$390	\$43.02	\$1.17	8
	Des Moines, IA	Davenport, IA	\$1,934	\$72	\$19.92	\$0.54	6
	Indianapolis, IN	Atlanta, GA	\$3,381	\$293	\$36.48	\$0.99	9
	Indianapolis, IN	Knoxville, TN	\$2,833	\$188	\$30.00	\$0.82	5
	Des Moines, IA	Little Rock, AR	\$3,074	\$213	\$32.64	\$0.89	7
Soybeans	Des Moines, IA	Los Angeles, CA	\$4,985	\$620	\$55.66	\$1.51	18
	Minneapolis, MN	New Orleans, LA	\$3,489	\$372	\$38.34	\$1.04	8
	Toledo, OH	Huntsville, AL	\$3,057	\$277	\$33.11	\$0.90	8
	Indianapolis, IN	Raleigh, NC	\$4,013	\$392	\$43.75	\$1.19	8
	Indianapolis, IN	Huntsville, AL	\$2,749	\$188	\$29.16	\$0.79	8
Champaign-Urbana, IL	New Orleans, LA	\$3,406	\$342	\$37.22	\$1.01	12	
Shuttle Train							
Wheat	Great Falls, MT	Portland, OR	\$3,239	\$290	\$35.05	\$0.95	8
	Wichita, KS	Galveston-Houston, TX	\$3,144	\$226	\$33.47	\$0.91	6
	Chicago, IL	Albany, NY	\$3,645	\$365	\$39.83	\$1.08	8
	Grand Forks, ND	Portland, OR	\$4,702	\$502	\$51.67	\$1.41	8
	Grand Forks, ND	Galveston-Houston, TX	\$5,745	\$522	\$62.24	\$1.69	9
	Northwest KS	Portland, OR	\$4,727	\$544	\$52.34	\$1.42	9
Corn	Minneapolis, MN	Portland, OR	\$4,800	\$611	\$53.73	\$1.46	9
	Sioux Falls, SD	Tacoma, WA	\$4,760	\$559	\$52.82	\$1.44	9
	Champaign-Urbana, IL	New Orleans, LA	\$2,877	\$342	\$31.97	\$0.87	12
	Lincoln, NE	Galveston-Houston, TX	\$3,310	\$326	\$36.11	\$0.98	9
	Des Moines, IA	Amarillo, TX	\$3,430	\$268	\$36.72	\$1.00	6
	Minneapolis, MN	Tacoma, WA	\$4,800	\$606	\$53.68	\$1.46	9
Soybeans	Council Bluffs, IA	Stockton, CA	\$4,200	\$627	\$47.93	\$1.30	11
	Sioux Falls, SD	Tacoma, WA	\$5,040	\$559	\$55.60	\$1.51	10
	Minneapolis, MN	Portland, OR	\$5,030	\$611	\$56.02	\$1.52	10
	Fargo, ND	Tacoma, WA	\$4,930	\$497	\$53.90	\$1.47	9
	Council Bluffs, IA	New Orleans, LA	\$3,710	\$394	\$40.76	\$1.11	10
	Toledo, OH	Huntsville, AL	\$2,672	\$277	\$29.28	\$0.80	9
Grand Island, NE	Portland, OR	\$4,520	\$557	\$50.41	\$1.37	5	

¹A 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.

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

³Percentage 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: 12/5/2011

Commodity	Origin state	Destination region	Tariff rate/car ¹	Fuel		Percent change Y/Y ⁴	
				surcharge per car ²	Tariff plus surcharge per: metric ton ³ bushel ³		
Wheat	MT	Chihuahua, CI	\$7,741	\$531	\$84.52	\$2.30	11
	OK	Cuatitlan, EM	\$6,804	\$556	\$75.20	\$2.04	11
	KS	Guadalajara, JA	\$7,411	\$836	\$84.26	\$2.29	9
	TX	Salinas Victoria, NL	\$3,753	\$227	\$40.66	\$1.11	11
Corn	IA	Guadalajara, JA	\$7,699	\$843	\$87.28	\$2.21	9
	SD	Penjamo, GJ	\$7,776	\$694	\$86.55	\$2.20	13
	NE	Queretaro, QA	\$7,048	\$720	\$79.37	\$2.01	14
	SD	Salinas Victoria, NL	\$5,650	\$528	\$63.12	\$1.60	12
	MO	Tlalhepantla, EM	\$6,227	\$701	\$70.80	\$1.80	16
	SD	Torreon, CU	\$6,522	\$581	\$72.58	\$1.84	11
Soybeans	MO	Bojay (Tula), HG	\$6,986	\$738	\$78.92	\$2.15	13
	NE	Guadalajara, JA	\$7,904	\$843	\$89.37	\$2.43	14
	IA	El Castillo, JA ⁵	\$8,255	\$690	\$91.40	\$2.48	13
	KS	Torreon, CU	\$6,396	\$574	\$71.22	\$1.94	14
Sorghum	OK	Cuatitlan, EM	\$5,885	\$527	\$65.52	\$1.66	17
	TX	Guadalajara, JA	\$6,653	\$452	\$72.59	\$1.84	13
	NE	Penjamo, GJ	\$7,446	\$789	\$84.14	\$2.14	12
	KS	Queretaro, QA	\$6,353	\$494	\$69.95	\$1.78	13
	NE	Salinas Victoria, NL	\$5,103	\$469	\$56.93	\$1.44	12
	NE	Torreon, CU	\$6,068	\$608	\$68.21	\$1.73	9

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

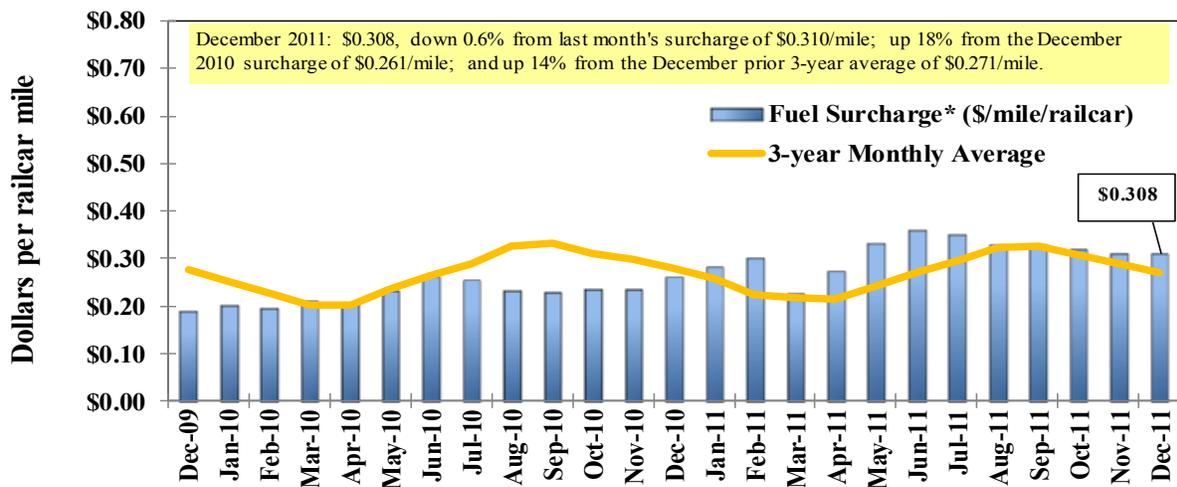
³Approximate load per car = 97.87 metric tons: Corn & Sorghum 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

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.

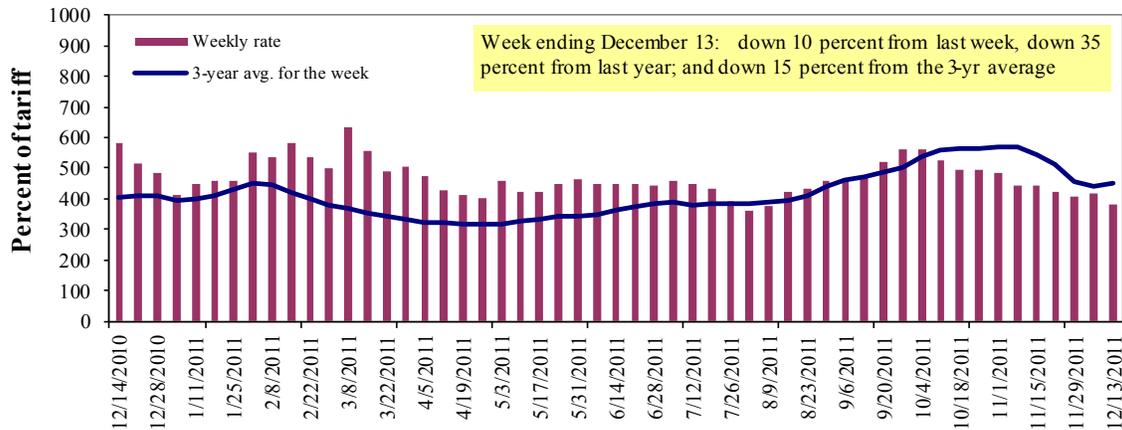
** BNSF strike price (diesel price when fuel surcharges begin) changed from \$1.25/gal. to \$2.50/gal. starting March 1, 2011. As a result, the weighted average fuel surcharge for March 2011 was \$0.227/mile instead of \$0.331/mile.

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

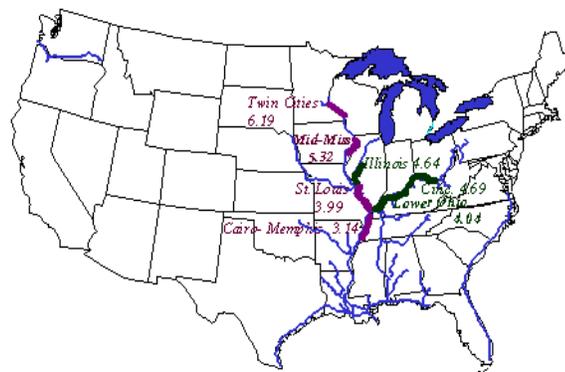
Weekly Barge Freight Rates: Southbound Only

		Twin Cities	Mid-Mississippi	Lower Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo-Memphis
Rate¹	12/13/2011	--	--	380	278	353	353	257
	12/6/2011	--	--	420	303	375	375	303
\$/ton	12/13/2011	--	--	17.63	11.09	16.56	14.26	8.07
	12/6/2011	--	--	19.49	12.09	17.59	15.15	9.51
Current week % change from the same week:								
	Last year	--	--	-35	-41	-29	-29	-38
	3-year avg. ²	--	--	-15	-23	-10	-9	-20
Rate¹	January	--	--	415	287	367	367	265
	March	--	398	397	285	358	358	258

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

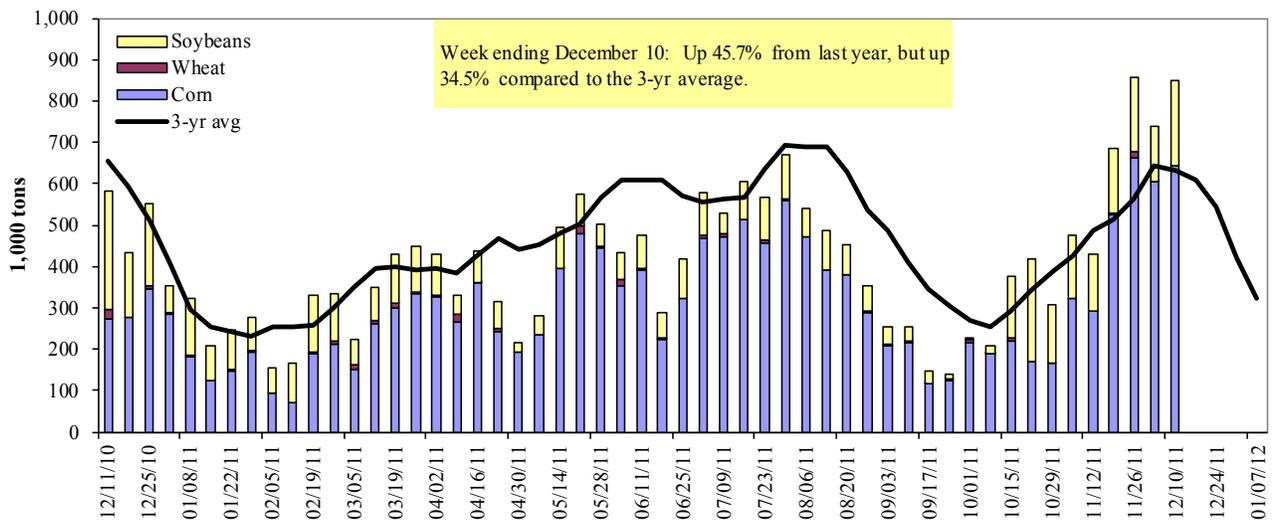


Calculating barge rate per ton:

$(\text{Index} * 1976 \text{ tariff benchmark rate per ton}) / 100$

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 12/10/2011	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	67	0	56	0	123
Winfield, MO (L25)	289	2	121	0	412
Alton, IL (L26)	631	0	204	0	835
Granite City, IL (L27)	642	2	204	0	848
Illinois River (L8)	294	0	86	0	380
Ohio River (L52)	45	4	41	0	89
Arkansas River (L1)	0	11	10	4	25
Weekly total - 2011	687	16	255	4	962
Weekly total - 2010	300	29	385	3	717
2011 YTD ¹	18,822	1,384	7,667	417	28,290
2010 YTD	21,634	1,148	9,469	450	32,701
2011 as % of 2010 YTD	87	120	81	93	87
Last 4 weeks as % of 2010 ²	158	116	74	129	118
Total 2010	22,768	1,220	10,373	481	34,841

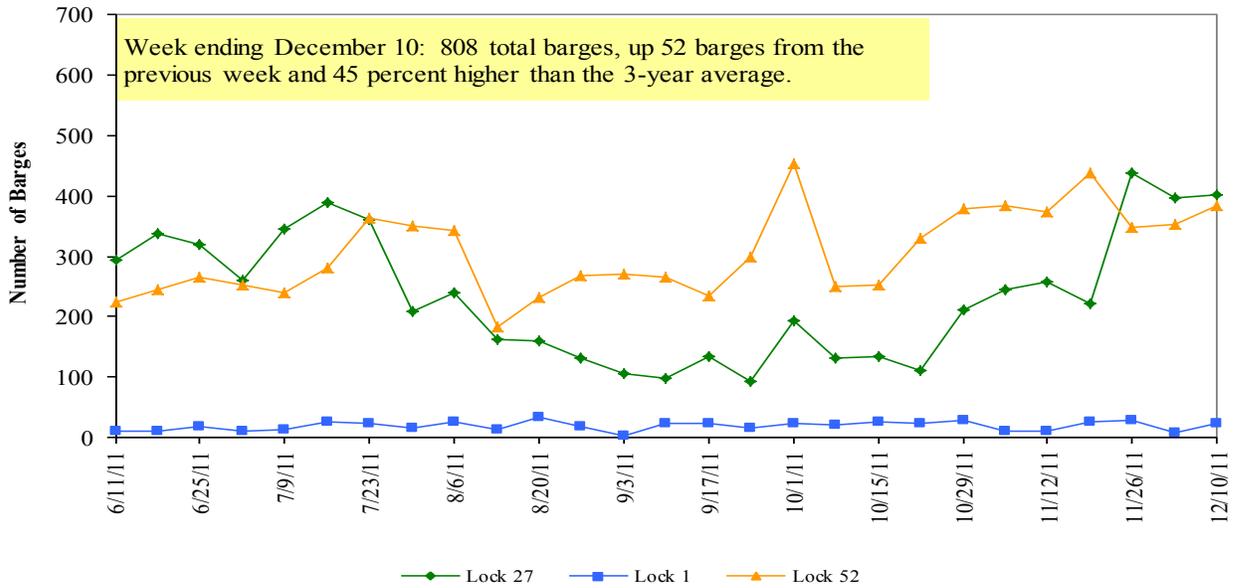
¹ Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

² As a percent of same period in 2010.

Note: Total may not add exactly, due to rounding

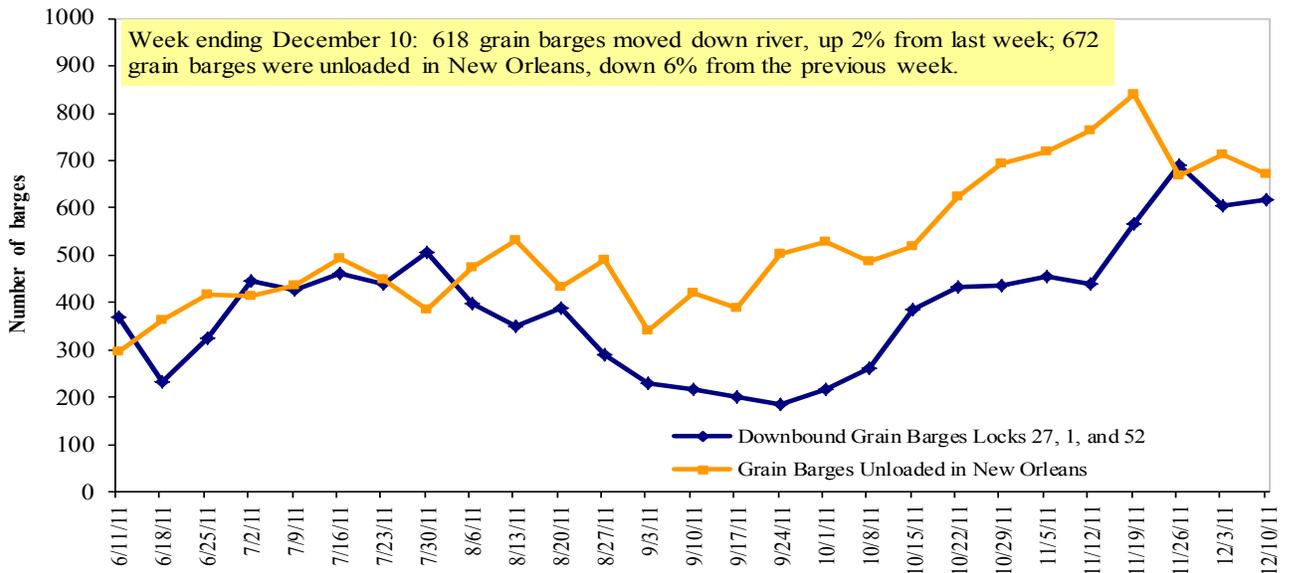
Source: U.S. Army Corps of Engineers (www.mvr.usace.army.mil/mvrini/omni/webprts/default.asp)

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 12/12/2011 (US \$/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	3.917	-0.017	0.669
	New England	4.032	-0.004	0.659
	Central Atlantic	4.003	-0.015	0.639
	Lower Atlantic	3.830	-0.032	0.643
II	Midwest ²	3.848	-0.059	0.643
III	Gulf Coast ³	3.794	-0.034	0.631
IV	Rocky Mountain	3.991	-0.044	0.706
	West Coast	4.061	-0.044	0.700
V	California	4.122	-0.050	0.719
	Total	U.S.	3.894	-0.037

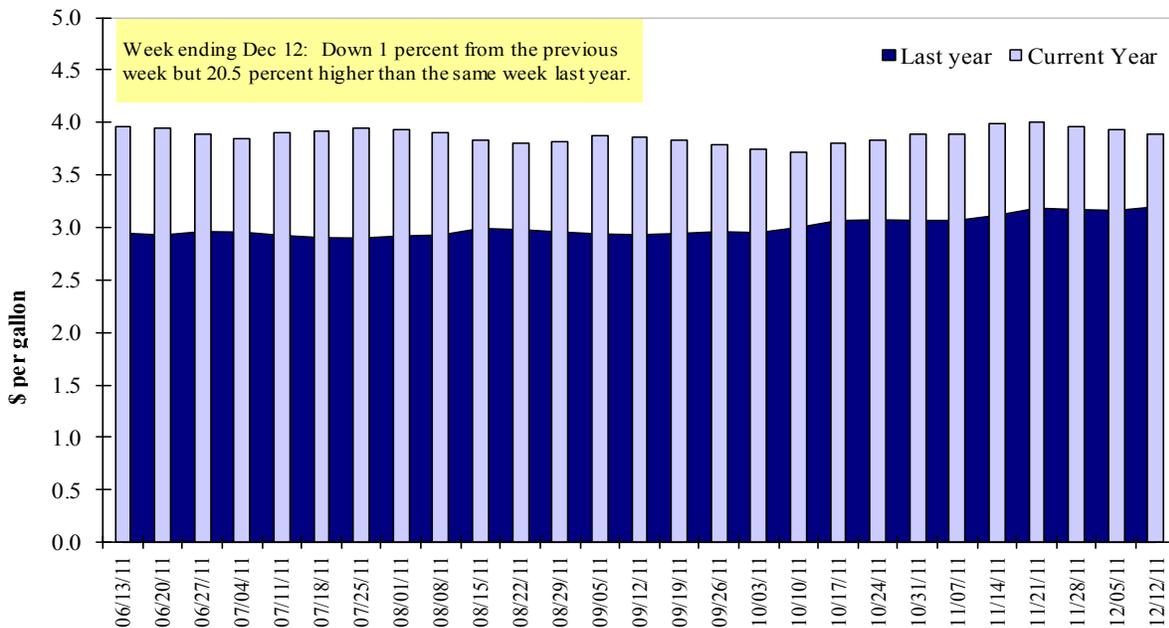
¹Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

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									
12/1/2011	1,411	685	1,251	1,205	64	4,616	12,773	11,049	28,438
This week year ago	3,613	802	2,750	1,273	163	8,601	12,365	16,659	37,625
Cumulative exports-marketing year²									
2011/12 YTD	5,563	1,888	3,544	2,443	294	13,732	10,066	10,202	34,000
2010/11 YTD	7,150	998	4,057	2,358	568	15,131	11,174	16,659	42,964
YTD 2011/12 as % of 2010/11	78	189	87	104	52	91	90	61	79
Last 4 wks as % of same period 2010/11	39	88	44	83	38	52	109	68	78
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 Importers¹ of U.S. Corn

Week ending 12/01/11	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 -
Japan	5,430	6,669	(19)	14,279
Mexico	4,686	3,362	39	7,019
Korea	2,203	3,094	(29)	6,104
Egypt	328	1,633	(80)	3,302
Taiwan	919	1,177	(22)	2,393
Top 5 importers	13,565	15,935	(15)	33,096
Total US corn export sales	22,839	23,539	(3)	46,610
% of Projected	56%	50%		
Change from Last Week	696	671		
Top 5 importers' share of U.S. corn export sales	59%	68%		
USDA forecast, December 2011	40,712	46,692	(13)	
Corn Use for Ethanol USDA forecast, Ethanol December 2011	127,000	127,534	(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 Importers¹ of U.S. Soybeans

Week Ending 12/01/2011	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 -
China	15,842	21,255	(25)	24,445
Mexico	1,344	1,516	(11)	3,215
Japan	60	1,094	(95)	1,887
EU-25	301	1,209	(75)	2,607
Indonesia	544	748	(27)	1,397
Top 5 importers	18,091	25,822	(30)	33,551
Total US soybean export sales	22,054	33,401	(34)	40,690
% of Projected	62%	82%		
Change from last week	770	638		
Top 5 importers' share of U.S. soybean export sales	82%	77%		
USDA forecast, December 2011	35,422	40,899	(13)	
Soybean Use for Biodiesel USDA forecast, December 2011	8,632	5,995	44	

(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 12/01/2011	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	2,042	2,111	(3)	3,233
Japan	2,242	2,272	(1)	3,148
Mexico	2,480	2,031	22	2,601
Philippines	1,655	1,719	(4)	1,518
Korea	1,028	1,233	(17)	1,111
Peru	551	670	(18)	923
Taiwan	537	553	(3)	913
Colombia	420	522	(19)	783
Indonesia	473	381	24	781
Yemen	272	299		659
Top 10 importers	11,699	11,790	(1)	15,670
Total US wheat export sales	18,348	23,062	(20)	33,439
% of Projected	70%	66%		
Change from last week	427	-140		
Top 10 importers' share of U.S. wheat export sales	64%	51%		
USDA forecast, December 2011	26,204	35,123	(25)	

(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 12/08/11	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	265	224	118	13,310	10,464	127	101	107	11,062
Corn	175	227	77	8,356	9,524	88	116	118	9,950
Soybeans	192	259	74	6,719	9,356	72	69	56	10,191
Total	632	710	89	28,385	29,344	97	93	86	31,203
Mississippi Gulf									
Wheat	50	70	71	4,882	3,924	124	64	72	4,199
Corn	575	601	96	24,847	28,117	88	116	127	29,794
Soybeans	418	449	93	17,574	20,843	84	64	73	22,519
Total	1,043	1,120	93	47,303	52,884	89	80	90	56,512
Texas Gulf									
Wheat	95	68	139	10,513	8,708	121	63	78	9,339
Corn	2	33	7	950	1,746	54	56	66	1,859
Soybeans	56	56	100	926	1,690	55	41	34	1,916
Total	153	157	97	12,388	12,144	102	57	63	13,115
Interior									
Wheat	10	8	124	1,060	891	119	87	69	926
Corn	143	125	115	7,033	6,110	115	73	131	6,388
Soybeans	104	86	121	4,043	3,445	117	118	132	3,641
Total	258	219	118	12,136	10,446	116	50	126	10,954
Great Lakes									
Wheat	30	0	n/a	996	1,827	55	21	35	1,897
Corn	0	0	n/a	167	100	167	n/a	44	119
Soybeans	18	0	n/a	277	567	49	41	34	655
Total	48	0	n/a	1,440	2,494	58	28	35	2,672
Atlantic									
Wheat	13	27	49	699	314	222	18,450	4,299	343
Corn	0	4	0	268	464	58	28	31	469
Soybeans	23	24	98	854	1,314	65	80	86	1,417
Total	36	55	66	1,821	2,092	87	87	94	2,229
U.S. total from ports²									
Wheat	463	397	116	31,459	26,128	120	73	87	27,765
Corn	895	991	90	41,621	46,061	90	118	122	48,580
Soybeans	811	873	93	30,394	37,216	82	67	69	40,340
Total	2,169	2,261	96	103,473	109,405	95	82	88	116,684

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

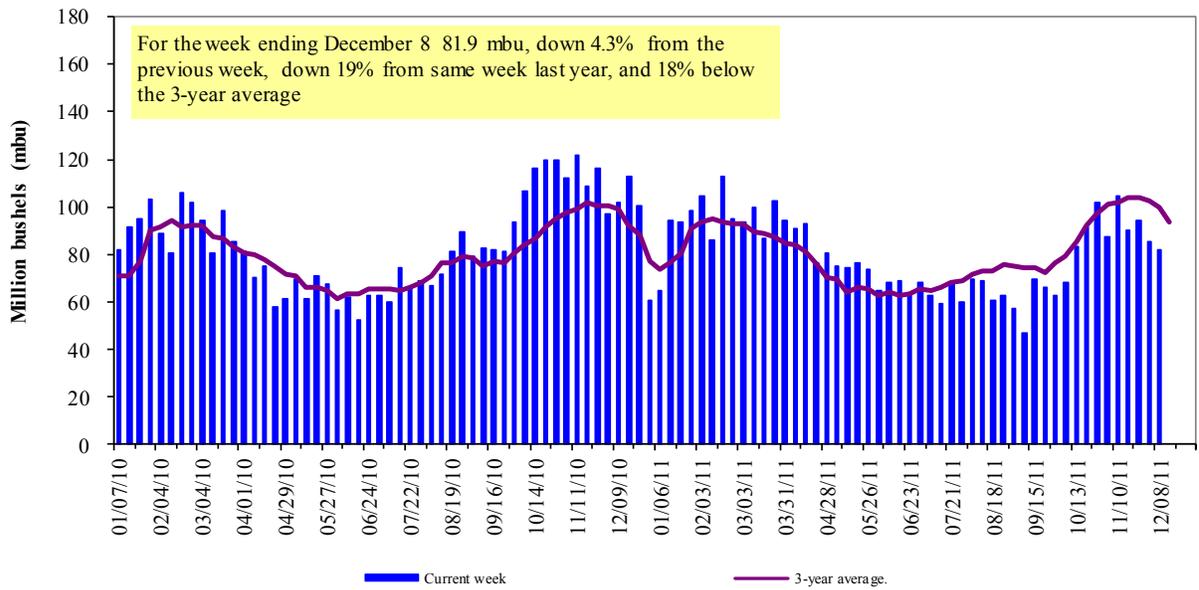
² Total includes only port regions shown above; Interior land-based shipments now included.

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)

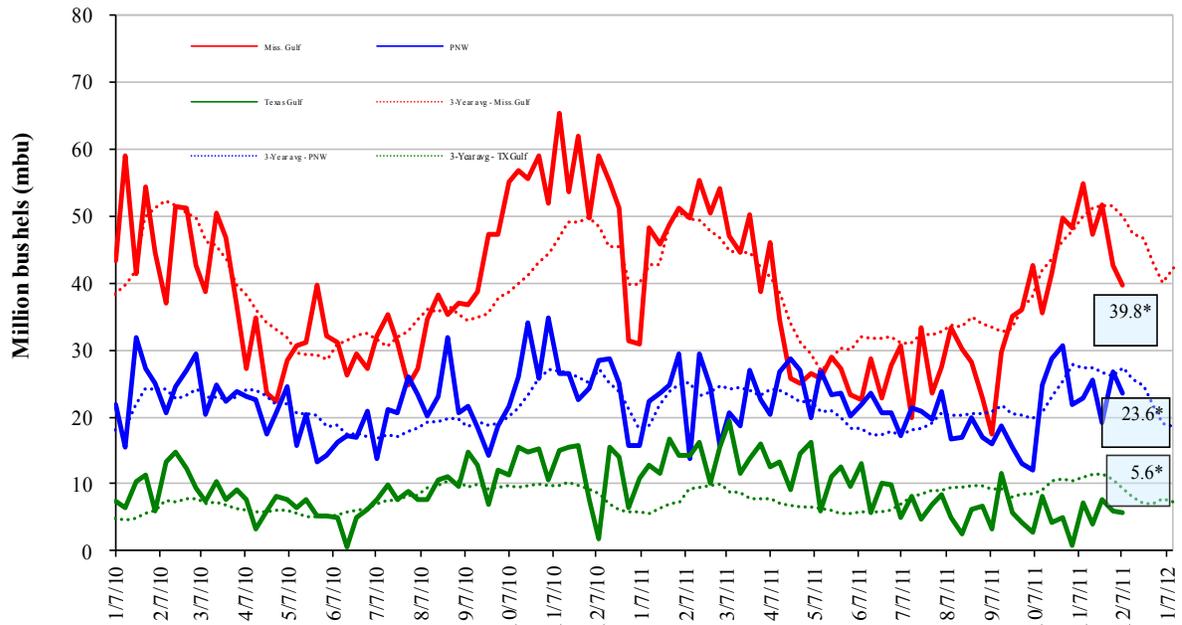


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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

Figure 15

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



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

December 8 % change from:	MSGulf	TX Gulf	U.S.Gulf	PNW
Last week	down 7	down 4	down 7	down 11
Last year (same week)	down 33	up 218	down 25	down 17
3-yr avg. (4-wk mov. avg.)	down 20	down 39	down 23	down 17

Ocean Transportation

Table 17

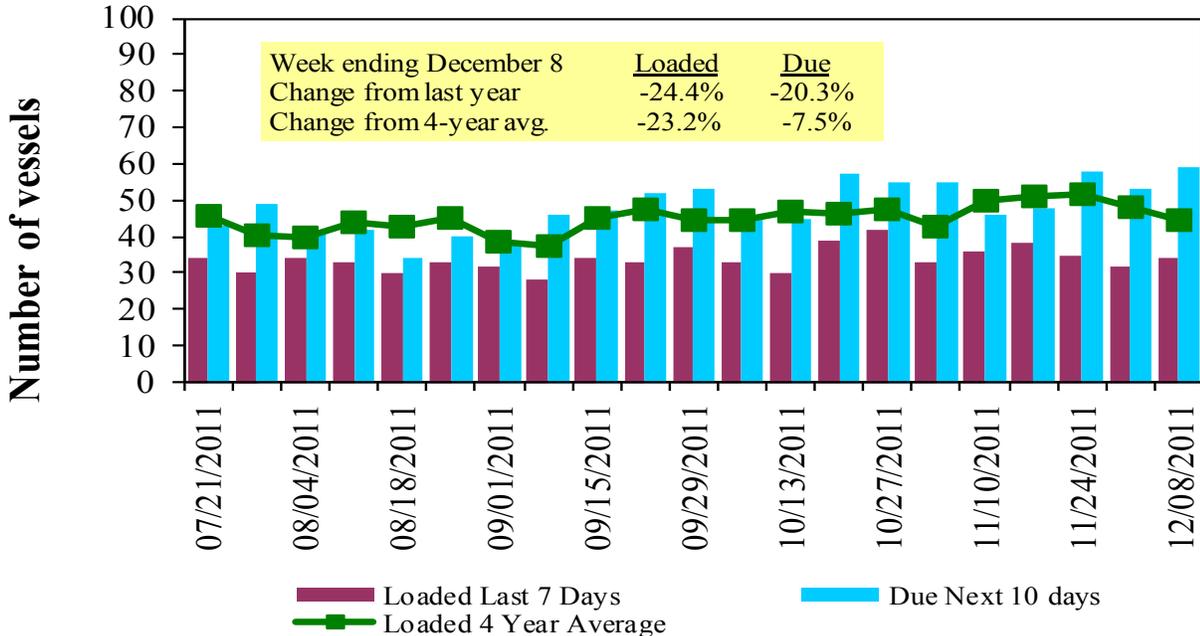
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In port	Loaded 7-days	Due next 10-days	In port	In port
12/8/2011	25	34	59	12	10
12/1/2011	23	32	53	14	11
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

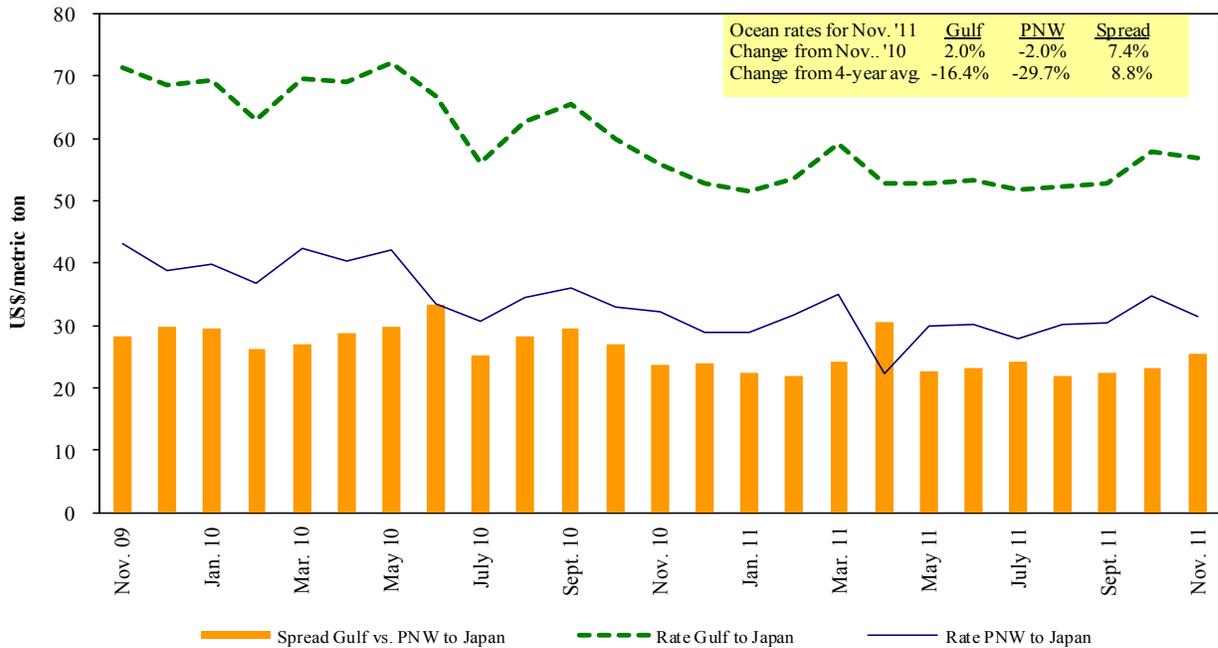
U.S. Gulf¹ Vessel Loading Activity



Source: Transportation & Marketing Programs/AMS/USDA

Figure 17

Grain Vessel Rates, U.S. to Japan



Source: O'Neil Commodity Consulting

Table 18

Ocean Freight Rates For Selected Shipments, Week Ending 12/10/2011

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US\$/metric ton)
U.S. Gulf	China	Heavy Grain	Dec 20/30	55,000	57.00
U.S. Gulf	China	Heavy Grain	Dec 15/30	55,000	55.50
U.S. Gulf	China	Heavy Grain	Dec 10/20	55,000	56.00
U.S. Gulf	China	Heavy Grain	Dec 1/30	55,000	51.00
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	Korea	Grain	Nov 25/Dec 5	55,000	57.00
U.S. Gulf	Djibouti ¹	Wheat	Dec 5/15	35,800	125.25
PNW	China	Grain	Jan 10/20	55,000	26.75
PNW	China	Heavy Grain	Dec 5/20	6,500	26.00
France	Algeria	Wheat	Nov 1/2	20,000	35.00
River Plate	Algeria	Maize	Oct 20/30	25,000	36.00
River Plate	Algeria	Maize	Oct 1/5	25,000	34.50
Russia	Yemen	Grain	Dec 1/3	35,000	42.00

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

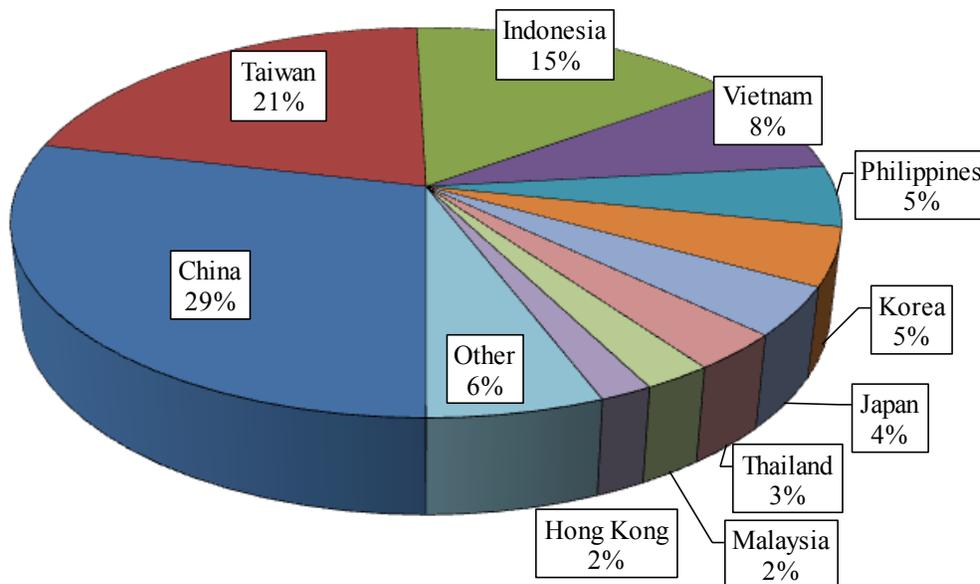
¹75 percent of food aid from the United States is required to be shipped on U.S.-flag vessels.

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, September 2011

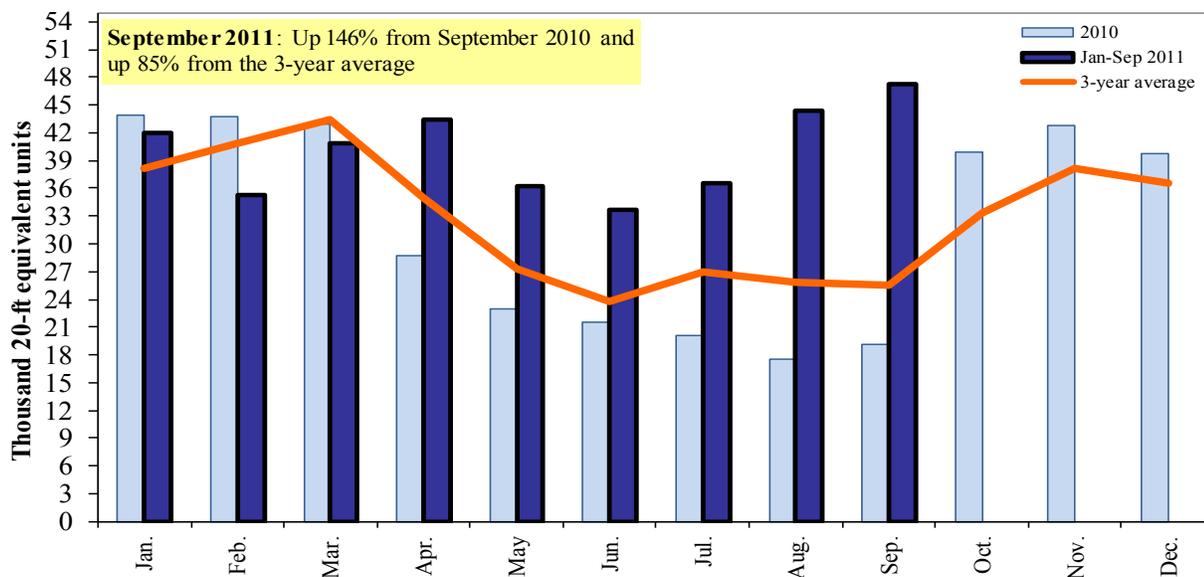


Source: USDA/Agricultural Marketing Service/Transportation Services Division analysis of Port Import Export Reporting Service (PIERS) data

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**.

Contacts and Links

Coordinators

Surajudeen (Deen) Olowolayemo surajudeen.olowolayemo@ams.usda.gov (202) 720 - 0119
Pierre Bahizi pierre.bahizi@ams.usda.gov (202) 690 - 0992

Weekly Highlight Editors

Surajudeen (Deen) Olowolayemo surajudeen.olowolayemo@ams.usda.gov (202) 720 - 0119
April Taylor april.taylor@ams.usda.gov (202) 295 - 7374
Nicholas Marathon nick.marathon@ams.usda.gov (202) 690 - 4430

Grain Transportation Indicators

Surajudeen (Deen) Olowolayemo surajudeen.olowolayemo@ams.usda.gov (202) 720 - 0119

Rail Transportation

Marvin Prater marvin.prater@ams.usda.gov (202) 720 - 0299
Johnny Hill johnny.hill@ams.usda.gov (202) 690 - 3295
Adam Sparger adam.sparger@ams.usda.gov (202) 205 - 8701

Barge Transportation

Nicholas Marathon nick.marathon@ams.usda.gov (202) 690 - 4430
April Taylor april.taylor@ams.usda.gov (202) 295 - 7374

Truck Transportation

April Taylor april.taylor@ams.usda.gov (202) 295 - 7374

Grain Exports

Johnny Hill johnny.hill@ams.usda.gov (202) 690 - 3295

Ocean Transportation

Surajudeen (Deen) Olowolayemo surajudeen.olowolayemo@ams.usda.gov (202) 720 - 0119
(Freight rates and vessels)
April Taylor april.taylor@ams.usda.gov (202) 295 - 7374
(Container movements)

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