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Transportation and Marketing Programs/Transportation Services Division
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USDA Agricultural Marketing Service

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Contents

The next release is Dec. 29, 2011

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WEEKLY HIGHLIGHTS

Port of Long Beach Receives TIGER Grant for Environmental and Economic Improvements

The U.S. Department of Transportation, through the Transportation Investment Generating Economic Recovery (TIGER) program, awarded a $17 million grant to the Port of Long Beach to help fund its Green Port Gateway project. The TIGER grant will increase the rail capacity at the port by 50 percent through infrastructure improvements that include adding a third mainline track, extending rail staging areas, and relieving a rail chokepoint. The Green Port Gateway project hopes to reduce greenhouse gases, improve road congestion, and improve overall efficiency by shifting freight shipments from truck to rail. By 2035, the port will be able to move 35 percent of its goods via on-dock rail. The ports of Los Angeles and Long Beach together handle 40 percent of the Nation's international containerized traffic.

Corn Inspections Highest Since March

For the week ending December 15, **total inspections of corn** for export reached 1.12 million metric tons (mmt), up 20 percent from the previous week and 40 percent above last year at this time. Inspections of corn were also the highest since March 3 (1.17 mmt); they were destined primarily to Asia. Corn inspections jumped by 58 percent in the Pacific Northwest and by 11 percent in the Mississippi Gulf as total inspections rebounded in these regions. For the last 4 weeks, inspections of corn have been 23 percent higher than last year and 30 percent higher than the three year average. Total inspections of grain from all major export regions reached 2.36 mmt, up 6 percent from the last week, but 22 percent below last year. Outstanding (unshipped) **export sales** were still lower than last year for wheat and soybeans, but outstanding corn sales maintained about the same pace as last year.

Winter Conditions and Lock Repairs Will Limit Navigation

Starting January 2 and ending on March 2, 2012, the U.S. Army Corps of Engineers (Corps) will close Mississippi River Locks 16, 17, and 18 for repairs. The Corps has already closed many other Mississippi River Locks because of ice accumulations and repairs. From January 4 to March 12, 2012, the larger main chamber at Mississippi River Locks 27 (Chain of Rocks Locks) will be closed for repairs, but the smaller auxiliary chamber will remain open. Barge traffic will be slowed by having to use the smaller chamber at Locks 27, the last locks on the Upper Mississippi River for downbound grain.

Snapshots by Sector

Rail

U.S. railroads originated 22,101 **carloads of grain** during the week ending December 10, up 5 percent from last week, down 5 percent from last year, and 6 percent lower than the 3-year average.

During the week ending December 15, average January non-shuttle **secondary railcar bids/offers per car** were $20.50 below tariff, up $4.50 from last week and $33 lower than last year. Average shuttle rates were $113 below tariff, down $75.50 from last week and $108.50 lower than last year.

Barge

During the week ending December 17, **barge grain movements** totaled 867,313 tons, 10 percent lower than the previous week and 22 percent higher than the same period last year.

During the week ending December 17, 560 grain barges **moved down river**, down 9 percent from last week, and 657 grain barges were **unloaded in New Orleans**, down 2 percent from the previous week.

Ocean

During the week ending December 15, 39 **ocean-going grain vessels** were loaded in the Gulf, down 20 percent from this week last year. Forty-five vessels are expected to be loaded within the next 10 days, 8 percent less than the same period last year.

During the week ending December 16, the ocean freight rate for shipping bulk grain from the Gulf to Japan was $57.50 per metric ton (mt), 3 percent more than the previous week. The cost of shipping from the Pacific Northwest to Japan was $30 per mt, 2 percent more than the previous week.

Fuel

During the week ending December 19, U.S. average **diesel fuel prices** decreased 7 cents to $3.82 per gallon—down 1.7 percent from the previous week but 18 percent higher than the same week last year.

Feature Article/Calendar

Third Quarter Soybean Transportation Costs Mixed

Transportation costs for shipping soybeans during the third quarter were mixed for both the United States and Brazil. The quarter-to-quarter cost of shipping soybeans from Minneapolis, MN, to Hamburg, Germany, remained stable (table 1), while the cost of shipping to Shanghai, China, decreased by 2 percent (table 2). The transportation cost of moving soybeans from Davenport, IA, to Hamburg increased by 5 percent (table 1), and the cost of moving Iowa soybeans to Shanghai remained relatively stable (table 2). The cost of transporting soybeans from Fargo, ND, and Sioux Falls, SD, to Shanghai both increased by 2 percent (table 2).

The costs of shipping Brazilian soybean during the third quarter were also mixed. It cost 2 percent more than the previous quarter to ship soybeans from North Mato Grosso (MT) to either Hamburg or China (tables 1 and 2). However, the cost of shipping soybeans from South Goiás (GO) to Hamburg decreased by 4 percent, and the cost of

Table 1-Quarterly costs of transporting soybeans from U.S. and Brazil to Hamburg, Germany

	2010 3rd qtr.	2011 2nd qtr.	2011 3rd qtr.	Percent change Yr. to Yr.	Percent change Qtr. to Qtr.	2010 3rd qtr.	2011 2nd qtr.	2011 3rd qtr.	Percent change Yr. to Yr.	Percent change Qtr. to Qtr.
	United States (via U.S. Gulf)									
	Minneapolis, MN --$/mt--					Davenport, IA --$/mt--				
Truck	9.74	11.34	12.62	29.57	11.29	9.74	11.34	12.62	29.57	11.29
Barge	32.82	37.26	33.78	2.93	-9.34	26.16	27.27	26.39	0.88	-3.23
Ocean[1]	28.31	21.52	23.94	-15.44	11.25	28.31	21.52	23.94	-15.44	11.25
Total transportation[2]	70.87	70.12	70.34	-0.75	0.31	64.21	60.13	62.95	-1.96	4.69
Farm Value[3]	352.25	465.42	461.75	31.09	-0.79	362.05	481.34	478.89	32.27	-0.51
Landed Cost	423.12	535.54	532.09	25.75	-0.64	426.26	541.47	541.84	27.11	0.07
Transport % of landed cost	16.75	13.09	13.22			15.06	11.10	11.62		
	Brazil									
	North MT[4] - Santos[5] --$/mt--					South GO[4] - Paranagua[5] --$/mt--				
Truck	120.16	125.83	127.77	6.33	1.54	66.52	70.31	65.25	-1.91	-7.20
Ocean[6]	34.42	35.00	36.65	6.48	4.71	36.92	36.00	37.29	1.00	3.58
Total transportation[2]	154.58	160.83	164.42	6.37	2.23	103.44	106.31	102.54	-0.87	-3.55
Farm Value [7]	328.51	386.58	416.62	26.82	7.77	315.43	413.15	417.65	32.41	1.09
Landed Cost	483.09	547.41	581.04	20.28	6.14	418.87	519.46	520.19	24.19	0.14
Transport % of landed cost	32.00	29.38	28.30			24.70	20.47	19.71		

[1]Source: O'Neil Commodity Consulting

[3]Source: USDA/NASS

[4]Producing regions: MT= Mato Grosso, GO = Goiás

[5]Export ports

[6]Source: ESALQ/ USP (University of São Paulo, Brazil) and USDA/AMS

[7]Source: Companhia Nacional de Abastecimento (CONAB) www.conab.gov.br, 2010 value for North MT has been revised

Note: Total may not add exactly due to rounding

shipping to Shanghai decreased by 2 percent.

The cost of shipping soybeans from Davenport to Hamburg was pushed up by increases in truck and ocean rates. A decrease in barge rates and relatively stable ocean freight rates pushed down the cost of shipping from Minneapolis to Shanghai. The cost of shipping through the Pacific Northwest (PNW) was pushed up by a combined increase in truck, ocean, and rail rates. Truck rates rose due to increased demand for trucking services and relatively high diesel prices. Although still lower than last year, the ocean freight rate for shipping bulk grain through the PNW to Shanghai increased 2 percent over the previous quarter. The cost of shipping from North MT to both Hamburg and Shanghai increased due to increases in truck and ocean rates during the quarter. However, the cost of shipping from South GO to Hamburg and Shanghai decreased due to a decline in truck rates which was partially offset by an increase in the ocean freight rate.

A general decline in the landed costs in the United States was caused by a decrease in farm prices compared to the previous quarter. However, the landed costs were higher than a year ago because the farm prices were significantly higher. The transportation shares of the landed costs for shipping U.S. soybeans to Hamburg ranged from 12–13 percent, and to Shanghai ranged from 16–18 percent. On the contrary, Brazil quarter-to-quarter and year-to-year landed costs increased due to Brazil's increase in farm prices. The transportation shares of the landed cost for shipping soybeans from Brazil to Hamburg ranged from 20–28 percent, and the transportation shares of shipping to Shanghai ranged from 23–30 percent.

Table 2-Quarterly costs of transporting soybeans from U.S. and Brazil to Shanghai, China

	2010 3rd qtr.	2011 2nd qtr.	2011 3rd qtr.	Percent change Yr. to Yr.	Percent change Qtr. to Qtr.	2010 3rd qtr.	2011 2nd qtr.	2011 3rd qtr.	Percent change Yr. to Yr.	Percent change Qtr. to Qtr.
	United States (via U.S. Gulf)									
	Minneapolis, MN --$/mt--					**Davenport, IA** --$/mt--				
Truck	9.74	11.34	12.62	29.57	11.29	9.74	11.34	12.62	29.57	11.29
Barge	32.82	37.26	33.78	2.93	-9.34	26.16	27.27	26.39	0.88	-3.23
Ocean[1]	60.33	51.58	51.62	-14.44	0.08	60.33	51.58	51.62	-14.44	0.08
Total transportation[2]	102.89	100.18	98.02	-4.73	-2.16	96.23	90.19	90.63	-5.82	0.49
Farm Value[3]	352.25	465.42	461.75	31.09	-0.79	362.05	481.34	478.89	32.27	-0.51
Landed Cost	455.14	565.60	559.77	22.99	-1.03	458.28	571.53	569.52	24.27	-0.35
Transport % of landed cost	22.61	17.71	17.51			21.00	15.78	15.91		
	Via PNW									
	Fargo, ND					**Sioux Falls, SD**				
Truck	9.74	11.34	12.62	29.57	11.29	9.74	11.34	12.62	29.57	11.29
Ocean[1]	33.15	28.88	29.43	-11.22	1.90	33.15	28.88	29.43	-11.22	1.90
Rail	48.83	52.16	52.51	7.54	0.67	50.50	53.90	54.29	7.50	0.72
Total transportation[2]	91.72	92.38	94.56	3.10	2.36	93.39	94.12	96.34	3.16	2.36
Farm Value[3]	347.35	460.52	456.85	31.52	-0.80	348.82	471.54	456.85	30.97	-3.12
Landed Cost	439.07	552.90	551.41	25.59	-0.27	442.21	565.66	553.19	25.10	-2.20
Transport % of landed cost	20.89	16.71	17.15			21.12	16.64	17.42		
	Brazil									
	North MT[4] - Santos[5] --$/mt--					**South GO[4] - Paranagua[5]** --$/mt--				
Truck	120.16	125.83	127.77	6.33	1.54	66.52	70.31	65.25	-1.91	-7.20
Ocean[6]	58.17	50.05	52.31	-10.07	4.52	63.10	57.62	59.61	-5.53	3.45
Total transportation[2]	178.33	175.88	180.08	0.98	2.39	129.62	127.93	124.86	-3.67	-2.40
Farm Value [7]	328.51	386.58	416.62	26.82	7.77	315.43	413.45	417.65	32.41	1.02
Landed Cost	506.84	562.46	596.70	17.73	6.09	445.05	541.38	542.51	21.90	0.21
Transport % of landed cost	35.18	31.27	30.18			29.12	23.63	23.02		

[1]Source: O'Neil Commodity Consulting
[3]Source: USDA/NASS
[4]Producing regions: MT= Mato Grosso, GO = Goiás
[5]Export ports
[6]Source: ESALQ/ USP (University of São Paulo, Brazil) and USDA/AMS, 2010 value for North MT has been revised
[7]Source: Companhia Nacional de Abastecimento (CONAB) www.conab.gov.br
Note: Total may not add exactly due to rounding

Market Outlook: During July–September, 1.09 million metric tons (mmt) of U.S. soybeans were exported to China. The value of the exports was about $57.43 million. The export quantity was smaller than the same period a year earlier partly because China's soybean imports in the first half of marketing year (MY) 10/11 had been relatively high. In addition, the Chinese government released 3 mmt of soybean reserve/stocks in April, which curbed imports (USDA, FAS GAIN Report #: CH11032). However, China's soybean imports are expected to grow by 6.4 percent during the MY 11/12 because of the continued growth in protein meal demand by Chinese livestock and aquacultural sectors. In addition, increased disposable income of Chinese consumers demanding vegetable oils, falling domestic production have been attributed as reasons for the projected increase in China's soybean imports (USDA, FAS GAIN Report #: CH11032). There was also an excess capacity in Chinese soybean crushing industry fueling demand for foreign soybeans. For more on Brazil's soybean shipments, see ***Brazil Soybean Transportation***.
Surajudeen.olowolayemo@ams.usda.gov

Grain Transportation Indicators

Table 1
Grain Transport Cost Indicators[1]

	Truck	Rail[2]	Barge	Ocean	
Week ending				Gulf	Pacific
12/21/11	256	75	196	257	213
12/14/11	261	70	211	250	209

[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

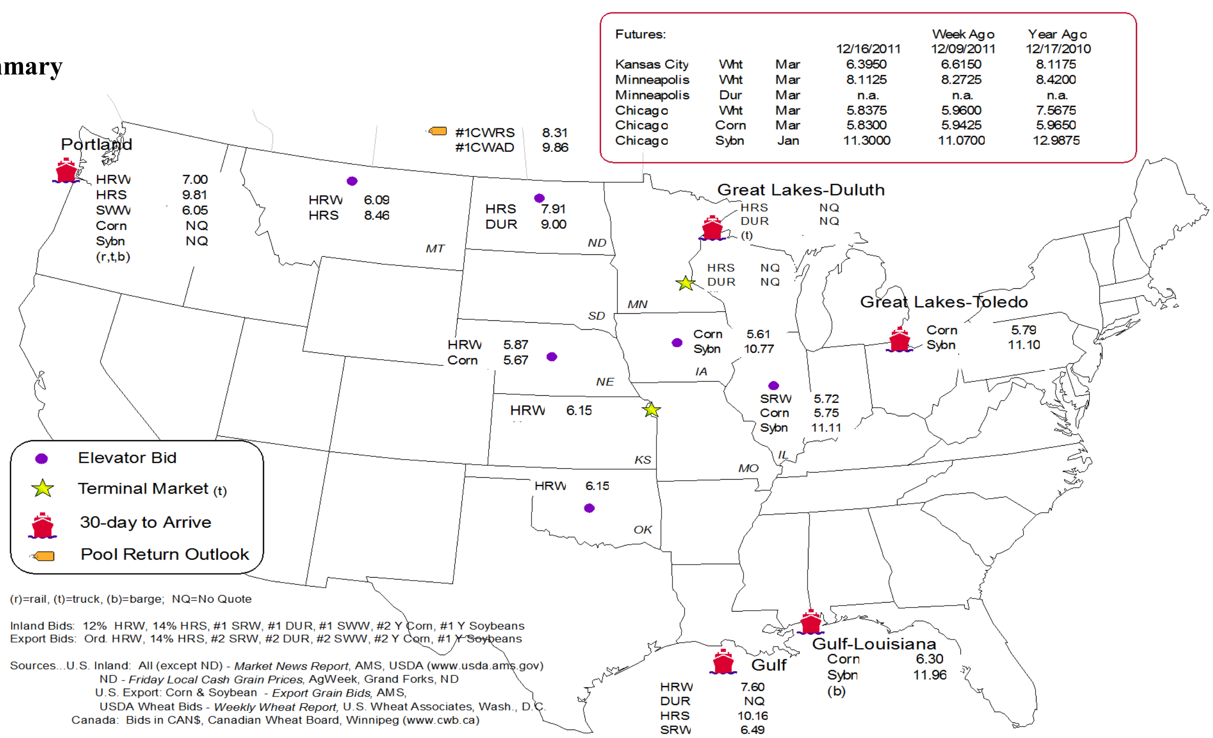
Table 2
Market Update: U.S. Origins to Export Position Price Spreads ($/bushel)

Commodity	Origin--Destination	12/16/20111	12/09/20111
Corn	IL--Gulf	-0.55	-0.64
Corn	NE--Gulf	-0.63	-0.67
Soybean	IA--Gulf	-1.19	-1.24
HRW	KS--Gulf	-1.45	-1.45
HRS	ND--Portland	-1.90	-1.85

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
12/14/2011[p]	117	780	1,188	4,315	578	6,978
12/07/2011[r]	111	634	778	3,652	589	5,764
2011 YTD	27,298	76,642	47,092	172,400	23,137	346,569
2010 YTD	31,769	79,736	41,542	170,845	31,366	355,258
2011 YTD as % of 2010 YTD	86	96	113	101	74	98
Last 4 weeks as % of 2010[2]	14	45	118	92	60	69
Last 4 weeks as % of 4-year avg.[2]	14	49	121	83	55	66
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.

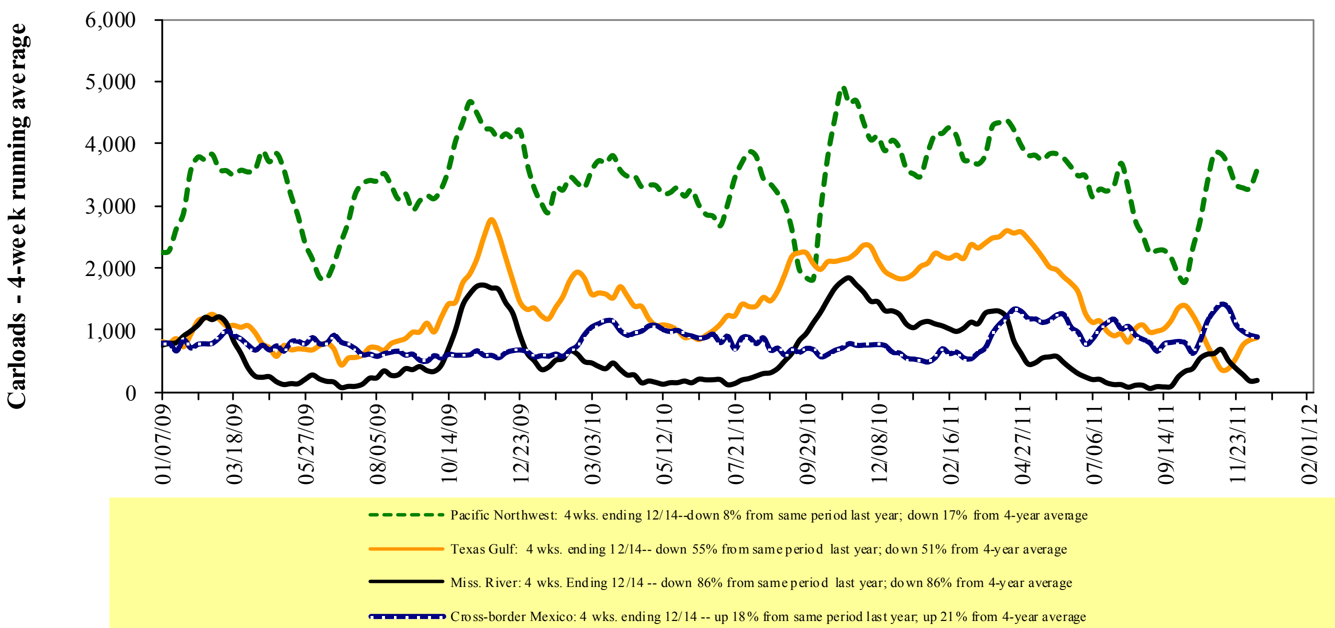
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

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)

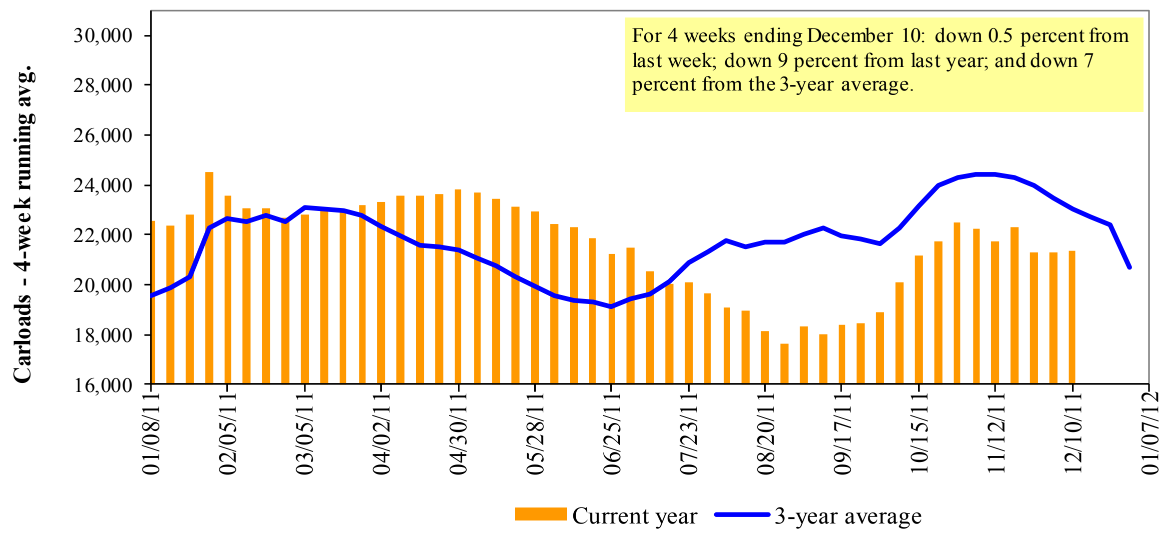
Week ending	East		West			U.S. total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
12/10/11	2,321	2,275	11,705	442	5,358	22,101	4,445	5,461
This week last year	2,643	3,112	11,392	756	5,421	23,324	3,787	5,191
2011 YTD	91,794	142,498	515,055	33,233	277,979	1,060,559	189,503	253,630
2010 YTD	105,658	151,004	516,130	34,262	278,209	1,085,263	192,425	253,466
2011 YTD as % of 2010 YTD	87	94	100	97	100	98	98	100
Last 4 weeks as % of 2010[1]	101	87	97	57	83	91	95	109
Last 4 weeks as % of 3-yr avg.[1]	102	91	101	51	84	94	94	100
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 12/15/2011	Delivery period							
	Jan-12	Jan-11	Feb-12	Feb-11	Mar-12	Mar-11	Apr-12	Apr-11
BNSF[3]								
COT grain units	no bids	47	no bids	3	no bids	0	no bids	no bids
COT grain single-car[5]	8	1 . . 11	0	no bids	0	0 . . 1	no bids	0
UP[4]								
GCAS/Region 1	no bids	no bids	no offer	no bids	no offer	no bids	n/a	n/a
GCAS/Region 2	no bids	no bids	no offer	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.

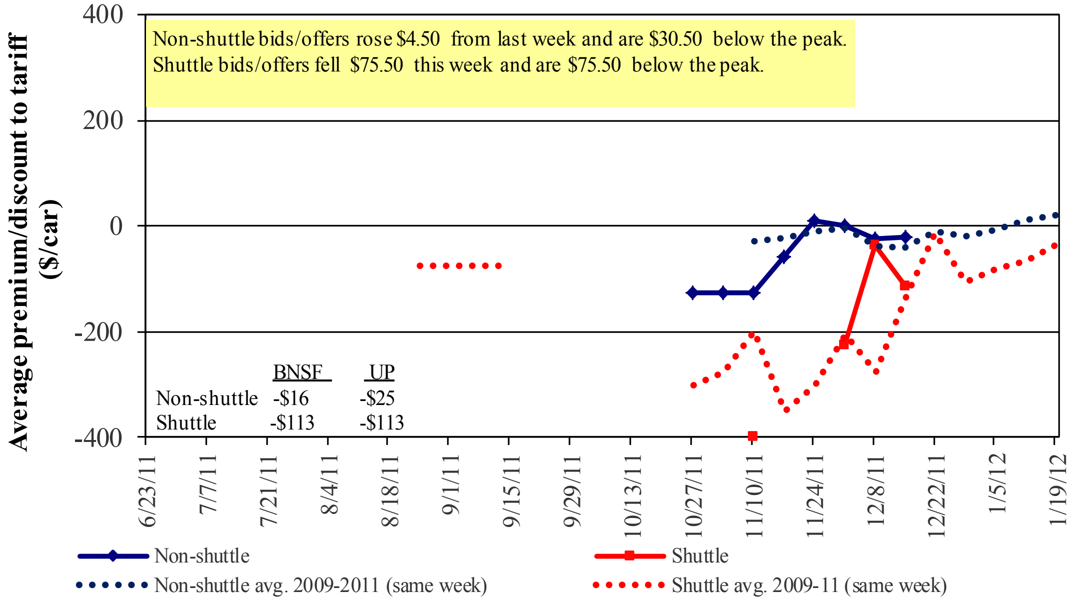
[5]Range is shown because average is not available. Not available = n/a.

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 January 2012, Secondary Market

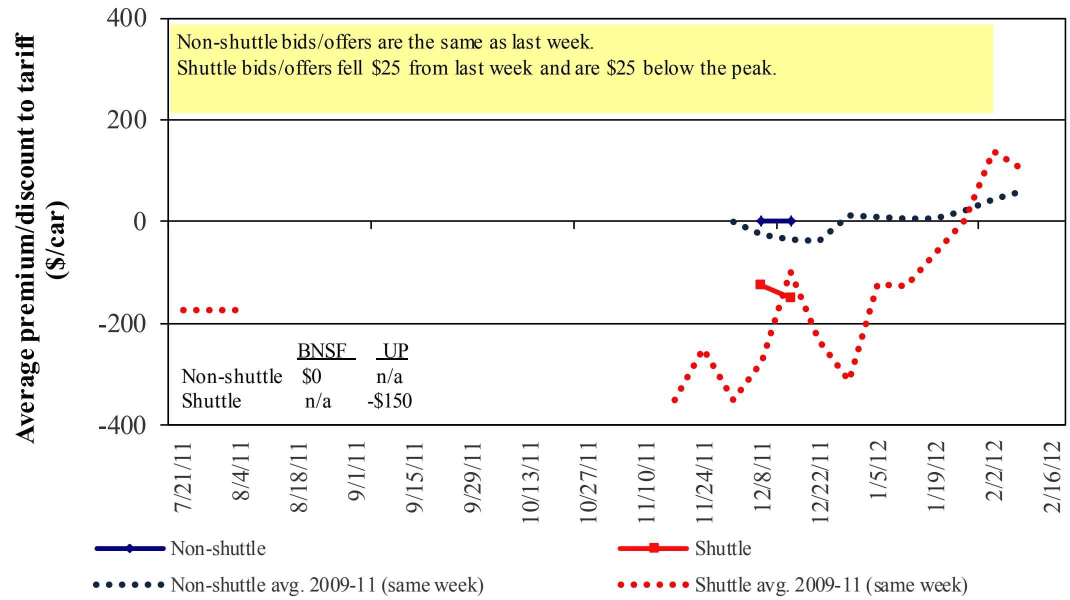


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

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

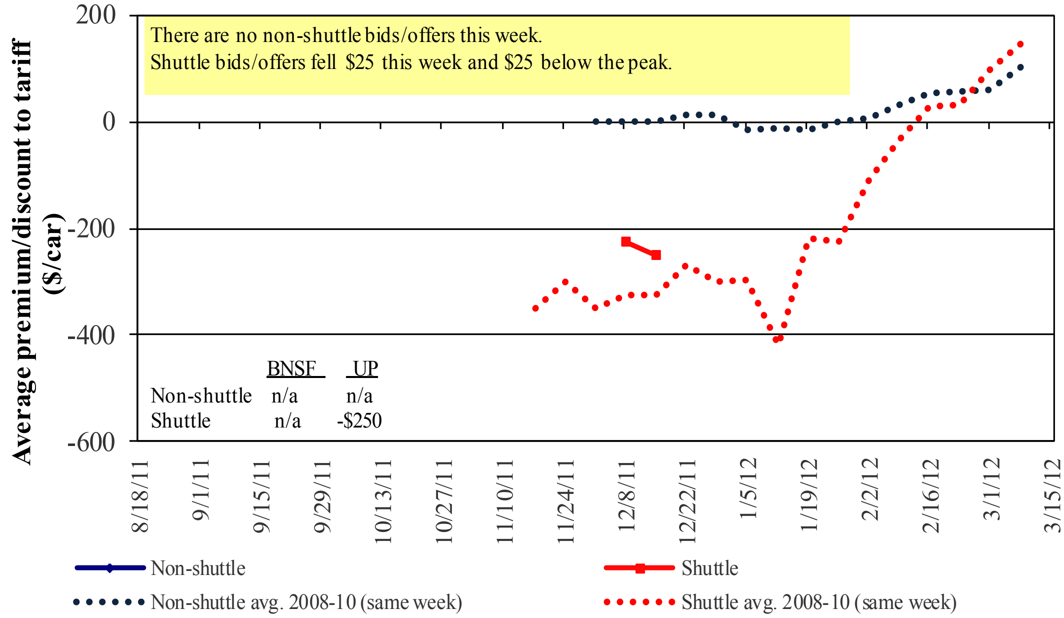


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in March 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					
12/15/2011	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12
Non-shuttle						
BNSF-GF	(16)	-	n/a	n/a	n/a	n/a
Change from last week	(16)	-	n/a	n/a	n/a	n/a
Change from same week 2010	(66)	38	n/a	n/a	n/a	n/a
UP-Pool	(25)	n/a	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	-	n/a	n/a	n/a	n/a	n/a
Shuttle[2]						
BNSF-GF	(113)	n/a	n/a	n/a	n/a	n/a
Change from last week	(88)	n/a	n/a	n/a	n/a	n/a
Change from same week 2010	(213)	n/a	n/a	n/a	n/a	n/a
UP-Pool	(113)	(150)	(250)	(400)	n/a	n/a
Change from last week	(63)	(25)	(25)	n/a	n/a	n/a
Change from same week 2010	(4)	83	75	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: 12/5/2011	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	$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
	Des Moines, IA	Los Angeles, CA	$4,985	$620	$55.66	$1.51	18
Soybeans	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
	Council Bluffs, IA	Stockton, CA	$4,200	$627	$47.93	$1.30	11
Soybeans	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

[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: 12/5/2011				**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	$7,741	$531	$84.52	$2.30	11
	OK	Cuautitlan, 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	Tlalnepantla, 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	Cuautitlan, 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

[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

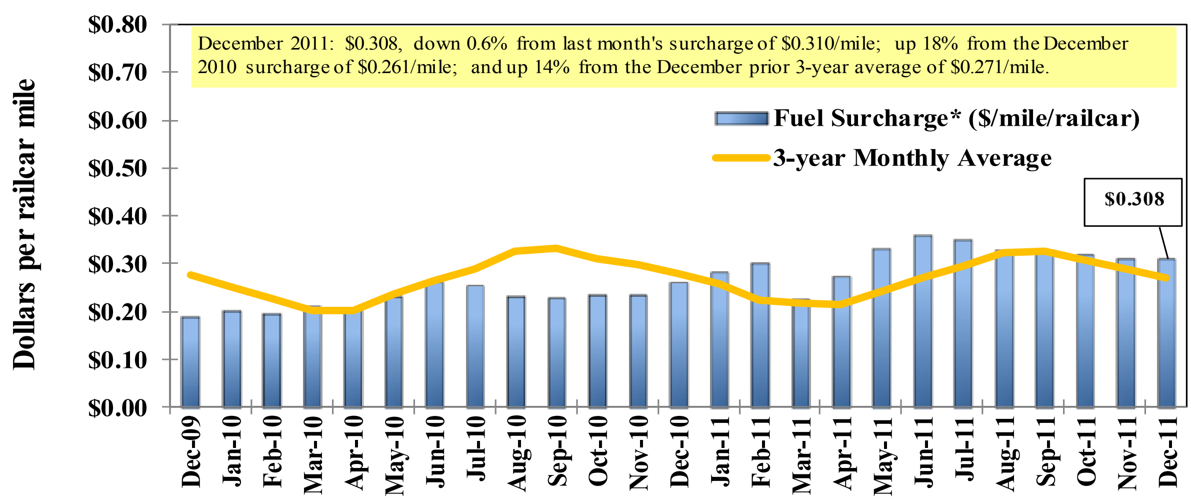
[4]Percentage change year over year calculated using tariff rate plus fuel surchage

[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.

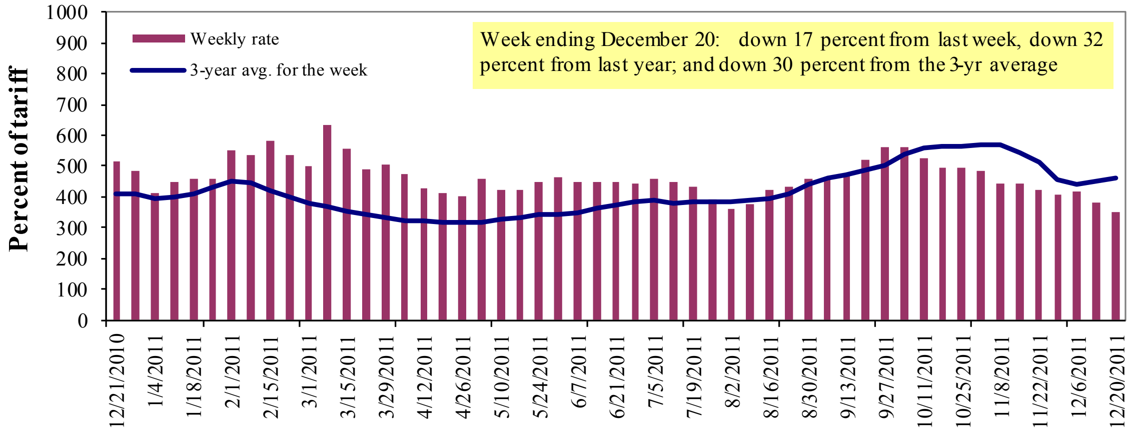
** BNSF strike price (diesel price when fuel surcharges begin) changed from $1.25/gal. to $2.50/gal starting March 1, 2011. As a result, the weighted average fuel surcharge for March 2011 was $0.227/mile instead of $0.331/mile.

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]	12/20/2011	--	--	353	260	335	335	238
	12/13/2011	--	--	380	278	353	353	257
$/ton	12/20/2011	--	--	16.38	10.37	15.71	13.53	7.47
	12/13/2011	--	--	17.63	11.09	16.56	14.26	8.07
Current week % change from the same week:								
	Last year	--	--	-32	-32	-18	-18	-34
	3-year avg. [2]	--	--	-23	-30	-15	-14	-25
Rate[1]	January	--	--	375	278	358	358	243
	March	--	403	393	277	352	352	242

[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

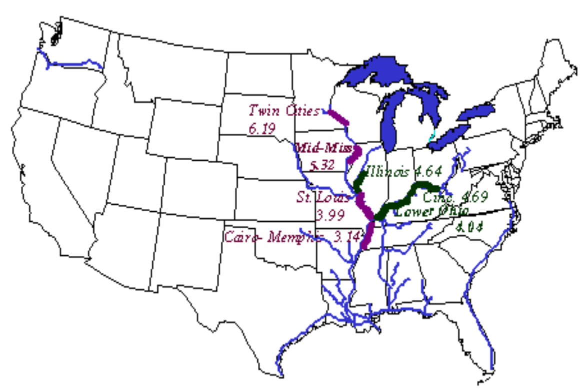
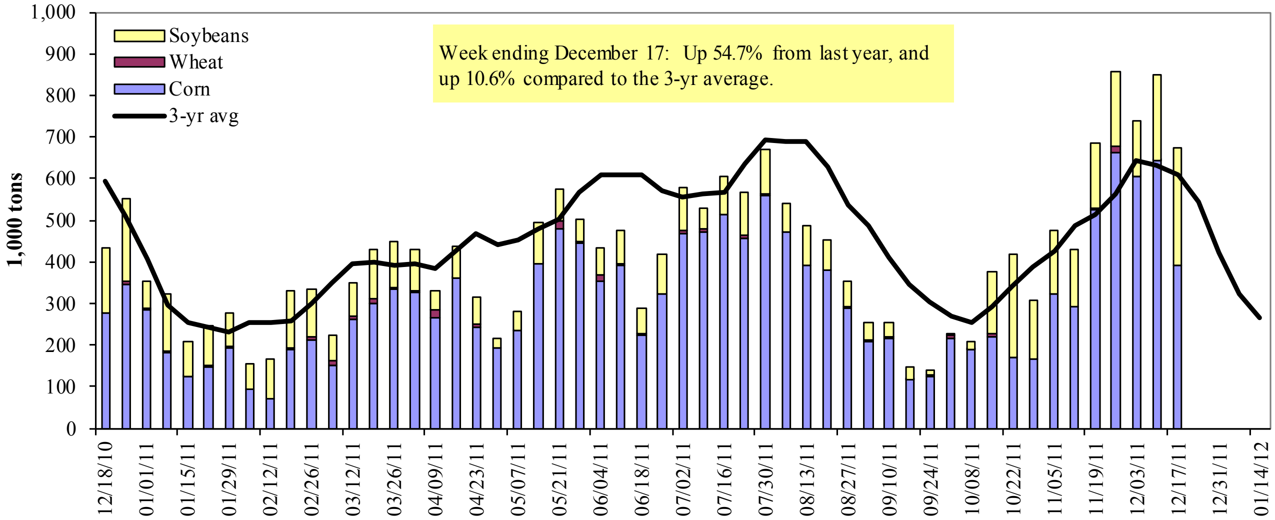


Figure 10

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

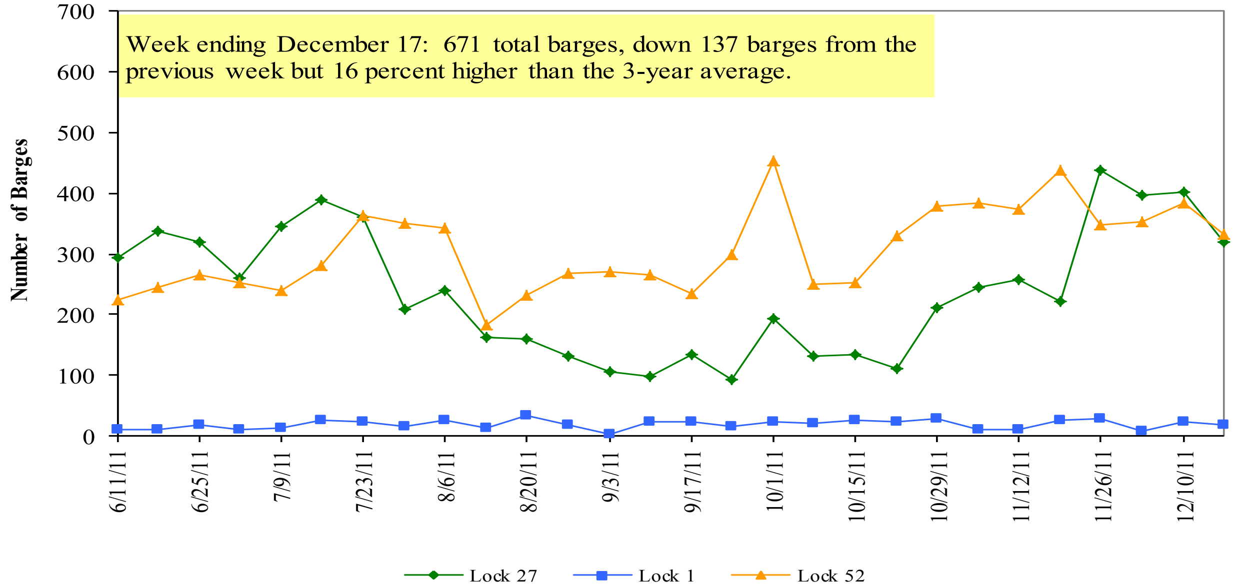
Barge Grain Movements (1,000 tons)

Week ending 12/17/2011	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	12	0	2	0	14
Winfield, MO (L25)	84	0	168	0	252
Alton, IL (L26)	400	0	280	2	682
Granite City, IL (L27)	391	0	282	2	675
Illinois River (L8)	241	0	88	2	330
Ohio River (L52)	68	16	91	2	176
Arkansas River (L1)	0	10	7	0	17
Weekly total - 2011	459	25	380	3	867
Weekly total - 2010	349	17	335	11	712
2011 YTD[1]	19,281	1,409	8,047	421	29,158
2010 YTD	21,983	1,165	9,804	461	33,413
2011 as % of 2010 YTD	88	121	82	91	87
Last 4 weeks as % of 2010[2]	156	132	100	100	15,600
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

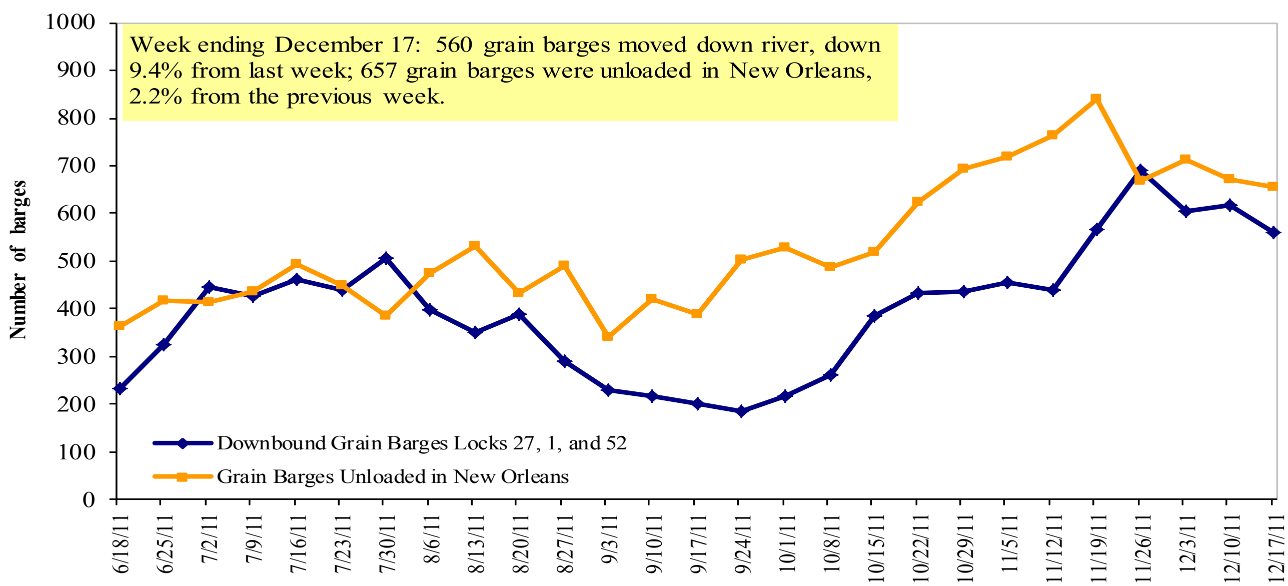
Upbound Empty Barges Transiting Mississippi River Locks 27, Arkansas River Lock and Dam 1, and Ohio River Locks and Dam 52



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 12/19/2011 (US $/gallon)

Region	Location	Price	Change from Week ago	Change from Year ago
I	East Coast	3.873	-0.044	0.613
	New England	3.995	-0.037	0.620
	Central Atlantic	3.963	-0.040	0.582
	Lower Atlantic	3.783	-0.047	0.586
II	Midwest[2]	3.765	-0.083	0.536
III	Gulf Coast[3]	3.727	-0.067	0.544
IV	Rocky Mountain	3.913	-0.078	0.623
V	West Coast	3.992	-0.069	0.626
	California	4.047	-0.075	0.640
Total	U.S.	3.828	-0.066	0.580

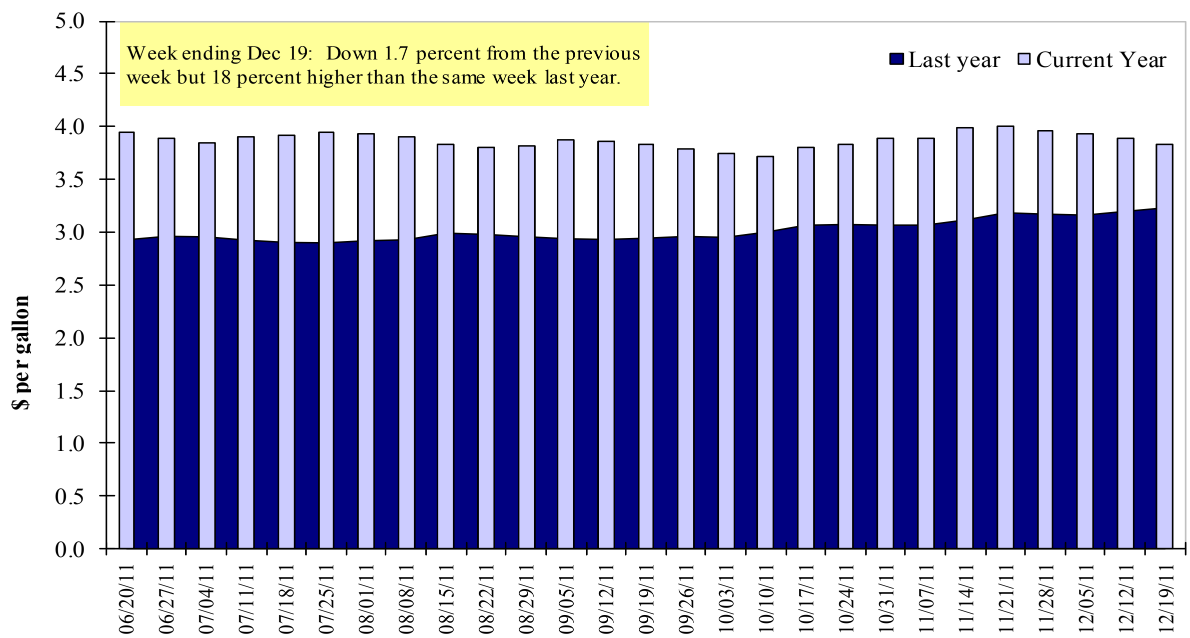
[1]Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

[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)

Week ending	Wheat HRW	Wheat SRW	Wheat HRS	Wheat SWW	Wheat DUR	All wheat	Corn	Soybeans	Total
Export Balances[1]									
12/8/2011	1,311	700	1,116	1,190	79	4,396	12,390	10,465	27,251
This week year ago	4,012	810	2,737	1,273	164	8,996	12,365	15,478	36,839
Cumulative exports-marketing year[2]									
2011/12 YTD	5,769	1,896	3,785	2,528	294	14,271	10,948	12,057	37,276
2010/11 YTD	7,257	1,037	4,273	2,479	590	15,635	11,985	18,008	45,628
YTD 2011/12 as % of 2010/11	79	183	89	102	50	91	91	67	82
Last 4 wks as % of same period 2010/11	35	88	44	89	40	50	105	72	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 Importers[1] of U.S. Corn

Week ending 12/08/11	Total Commitments[2] 2011/12 Current MY	Total Commitments[2] 2010/11 Last MY	% change current MY from last MY	Exports[3] 2010/11
	- 1,000 mt -			- 1,000 mt -
Japan	5,681	6,831	(17)	14,279
Mexico	5,002	3,755	33	7,019
Korea	2,208	3,163	(30)	6,104
Egypt	328	1,633	(80)	3,302
Taiwan	937	1,197	(22)	2,393
Top 5 importers	**14,155**	**16,579**	**(15)**	**33,096**
Total US corn export sales	**23,338**	**24,350**	**(4)**	**46,610**
% of Projected	57%	52%		
Change from Last Week	500	811		
Top 5 importers' share of U.S. corn export sales	61%	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 Importers[1] of U.S. Soybeans

Week Ending 12/08/2011	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	16,196	21,382	(24)	24,445
Mexico	1,362	1,521	(10)	3,215
Japan	60	1,142	(95)	1,887
EU-25	301	1,200	(75)	2,607
Indonesia	552	5,471	(90)	1,397
Top 5 importers	**18,471**	**30,715**	**(40)**	**33,551**
Total US soybean export sales	**22,522**	**33,486**	**(33)**	**40,690**
% of Projected	64%	82%		
Change from last week	469	85		
Top 5 importers' share of U.S. soybean export sales	82%	92%		
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.

[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 12/08/2011	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	2,140	2,180	(2)	3,233
Japan	2,311	2,443	(5)	3,148
Mexico	2,538	2,140	19	2,601
Philippines	1,655	1,719	(4)	1,518
Korea	1,033	1,234	(16)	1,111
Peru	551	694	(21)	923
Taiwan	537	600	(10)	913
Colombia	427	564	(24)	783
Indonesia	524	383	37	781
Yemen	272	414		659
Top 10 importers	**11,987**	**12,370**	**(3)**	**15,670**
Total US wheat export sales	**18,666**	**24,631**	**(24)**	**33,439**
% of Projected	71%	70%		
Change from last week	318	1,569		
Top 10 importers' share of U.S. wheat export sales	64%	50%		
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 12/15/11	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	262	265	99	13,571	10,678	127	105	117	11,062
Corn	276	175	158	8,632	9,645	89	122	111	9,950
Soybeans	203	192	106	6,922	9,794	71	68	71	10,191
Total	**740**	**632**	**117**	**29,125**	**30,117**	**97**	**93**	**95**	**31,203**
Mississippi Gulf									
Wheat	21	50	41	4,903	4,037	121	48	71	4,199
Corn	641	575	111	25,488	28,677	89	115	136	29,794
Soybeans	413	418	99	17,986	21,632	83	59	69	22,519
Total	**1,074**	**1,043**	**103**	**48,377**	**54,345**	**89**	**77**	**92**	**56,512**
Texas Gulf									
Wheat	104	95	110	10,616	9,007	118	63	84	9,339
Corn	39	2	1,657	989	1,765	56	118	111	1,859
Soybeans	0	56	0	926	1,793	52	37	47	1,916
Total	**143**	**153**	**93**	**12,531**	**12,564**	**100**	**60**	**77**	**13,115**
Interior									
Wheat	24	10	238	1,084	909	119	69	79	926
Corn	153	177	86	7,220	6,206	116	73	154	6,388
Soybeans	73	108	67	4,121	3,503	118	123	127	3,641
Total	**250**	**296**	**84**	**12,425**	**10,617**	**117**	**57**	**138**	**10,954**
Great Lakes									
Wheat	35	38	93	1,038	1,873	55	38	65	1,897
Corn	11	0	n/a	178	100	178	n/a	80	119
Soybeans	59	18	334	336	655	51	45	65	655
Total	**104**	**55**	**189**	**1,552**	**2,628**	**59**	**45**	**66**	**2,672**
Atlantic									
Wheat	0	13	0	699	341	205	152	139	343
Corn	0	0	n/a	268	469	57	16	15	469
Soybeans	46	24	189	901	1,338	67	66	70	1,417
Total	**46**	**37**	**122**	**1,868**	**2,148**	**87**	**69**	**71**	**2,229**
U.S. total from ports[2]									
Wheat	445	470	95	31,911	26,844	119	73	94	27,765
Corn	1,120	929	120	42,774	46,862	91	123	130	48,580
Soybeans	793	816	97	31,192	38,714	81	62	71	40,340
Total	**2,357**	**2,216**	**106**	**105,878**	**112,420**	**94**	**82**	**93**	**116,684**

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

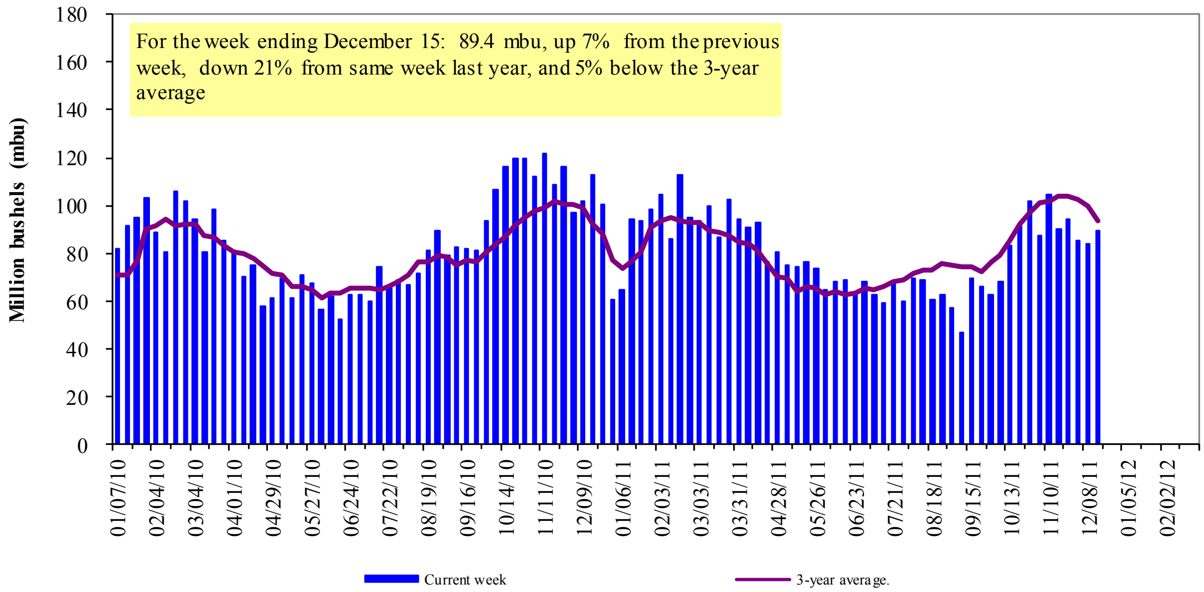
[2] Total includes only port regions shown above; Interior land-based shipments now included.

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)

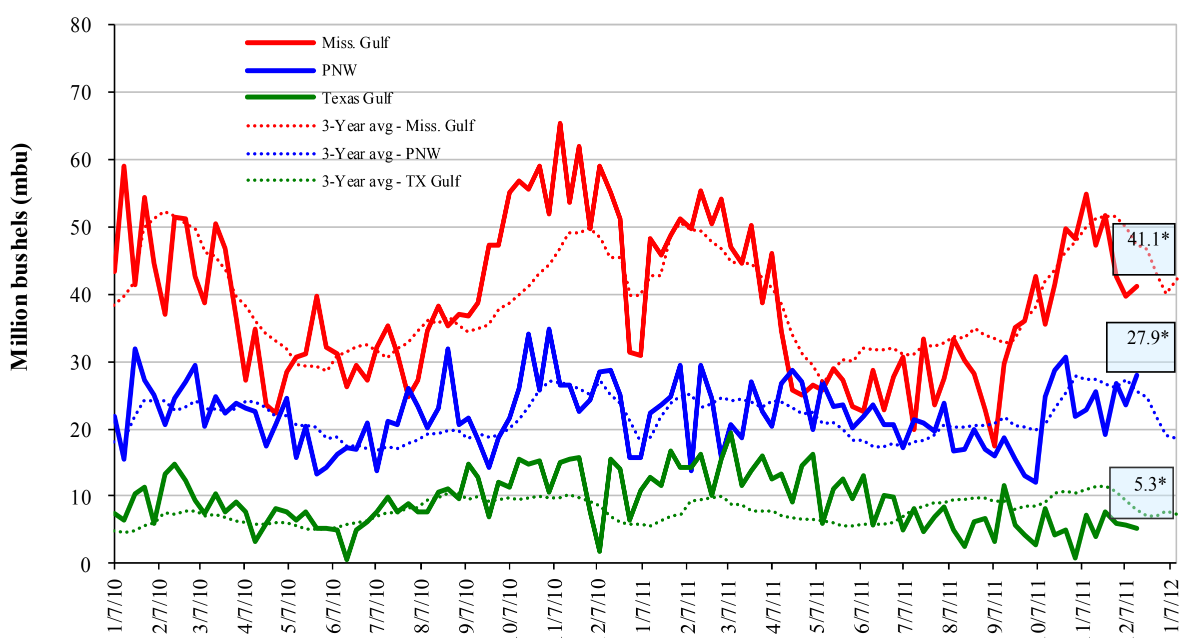


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

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.

December 15 % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	up 3	down 5	up 2	up 18
Last year (same week)	down 25	down 66	down 34	down 3
3-yr avg. (4-wk mov. avg.)	down 13	down 33	down 16	up 31

Ocean Transportation

Table 17

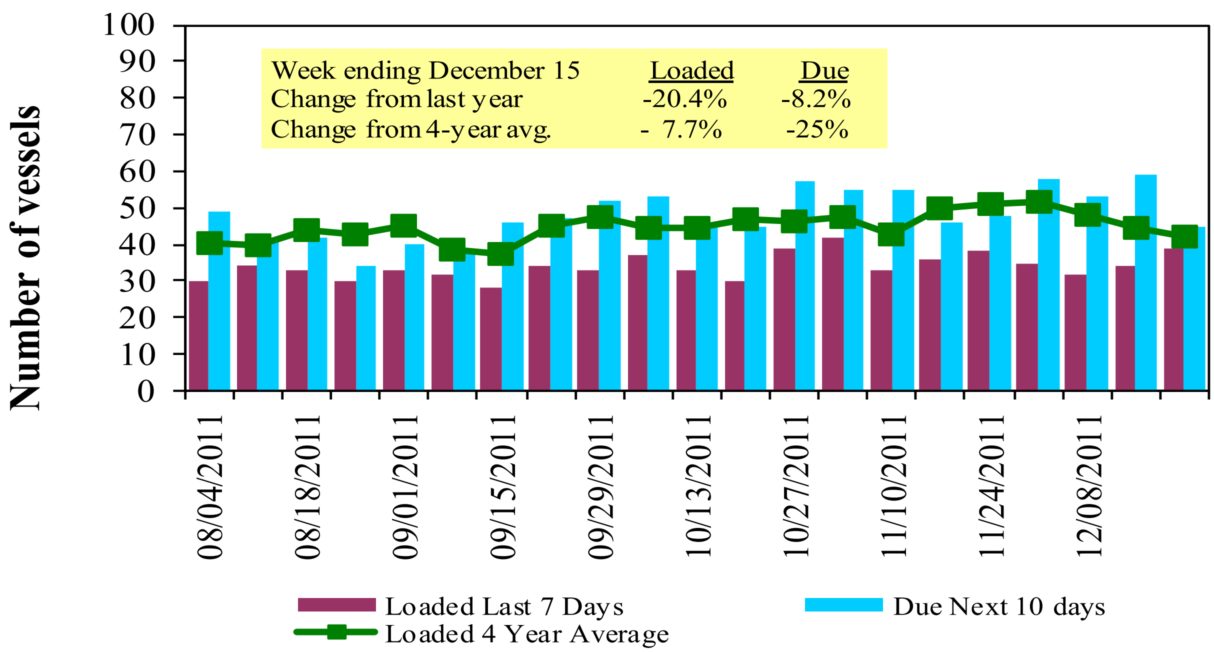
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

	Gulf			Pacific Northwest	Vancouver B.C.
Date	In port	Loaded 7-days	Due next 10-days	In port	In port
12/15/2011	25	39	45	10	9
12/8/2011	25	34	59	12	10
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

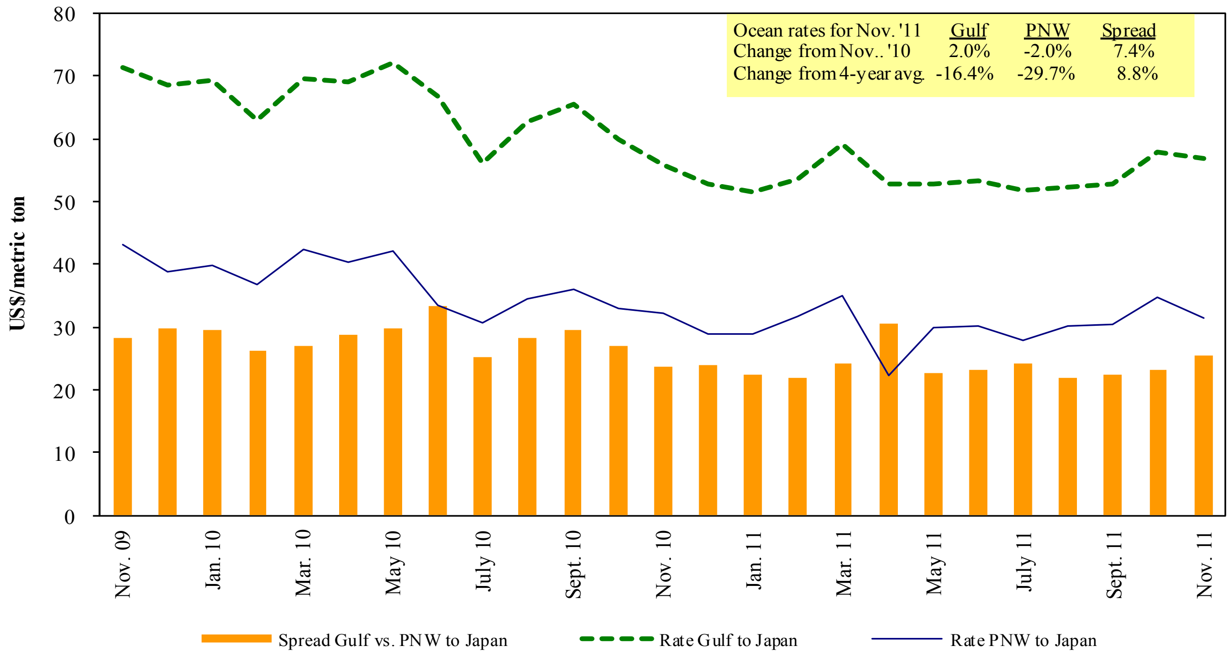
U.S. Gulf[1] Vessel Loading Activity



Source:Transportation & Marketing Programs/AMS/USDA

Figure 17

Grain Vessel Rates, U.S. to Japan



Source: O'Neil Commodity Consulting

Table 18

Ocean Freight Rates For Selected Shipments, Week Ending 12/17/2011

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
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

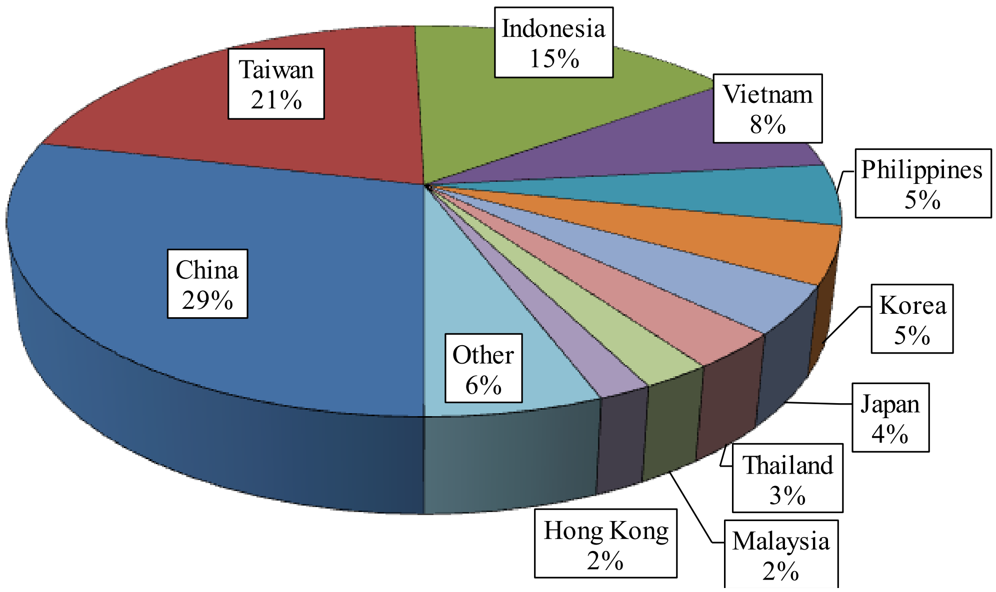
[1]75 percent of food aid from the United States is required to be shipped on U.S.-flag vessels.

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, September 2011

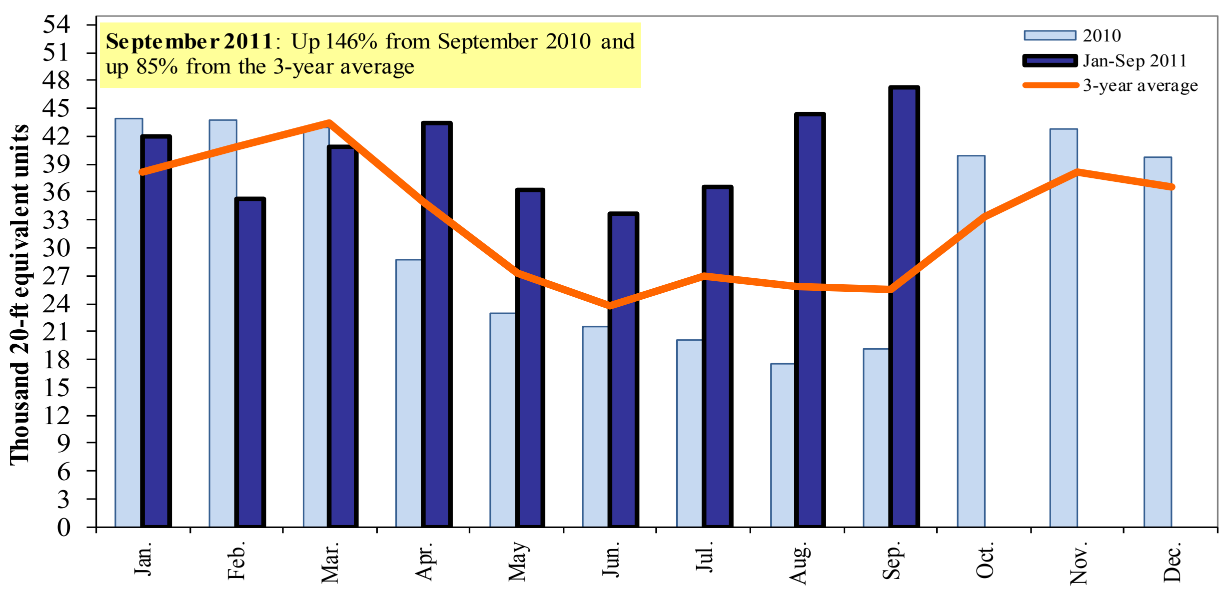


Source: USDA/Agricultural Marketing Service/Transportation Services Division analysis of Port Import Export Reporting Service (PIERS) data

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
Adam Sparger	adam.sparger@ams.usda.gov	(202) 205 - 8701
Weekly Highlight Editors		
Marina Denicoff	marina.denicoff@ams.usda.gov	(202) 690 - 3244
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
Marina Denicoff	marina.denicoff@ams.usda.gov	(202) 690 - 3244
Ocean Transportation		
Surajudeen (Deen) Olowolayemo (Freight rates and vessels)	surajudeen.olowolayemo@ams.usda.gov	(202) 720 - 0119
April Taylor (Container movements)	april.taylor@ams.usda.gov	(202) 295 - 7374

Subscription Information: Send relevant information to **GTRContactUs@ams.usda.gov** for an electronic copy *(printed copies are also available upon request)*.