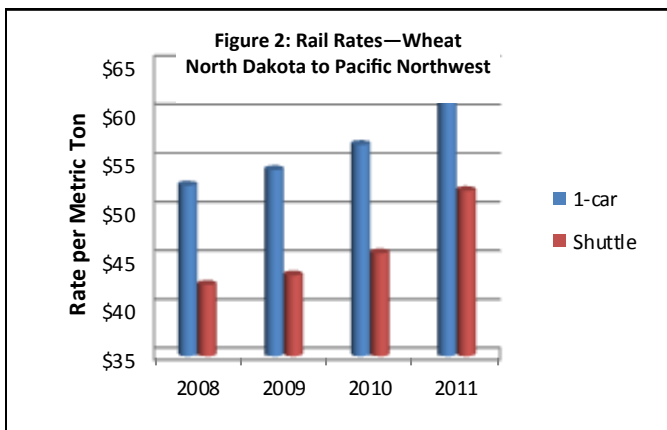
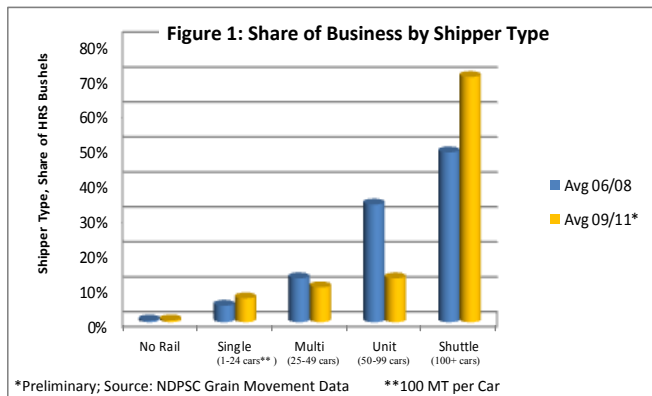


North Dakota is a forerunner in the U.S. wheat industry, ranking second among states in total wheat production and first in production of hard red spring wheat. This report summarizes some logistical trends associated with the movement of hard red spring wheat from elevator to domestic and export markets. Figure 1 illustrates a trend toward larger rail shipments in the wheat market. From 2006/08 to 2009/11, shuttle share increased from 49% to 70%. Further, rail rates to the Pacific Northwest continue to favor shuttles over single car shipments, as depicted in Figure 2 below.

Markets Hard red spring (HRS) wheat remains the leading crop planted in North Dakota (N.D. Agricultural Experiment Station, 2008), making it a key commodity in North Dakota agriculture. In fact, North Dakota accounts for nearly one-half of total HRS wheat production in the United States. This wheat moves to domestic and export markets in both east- and west-bound shipments.

Shipments of HRS wheat originating from North Dakota elevators are most often bound for the Minneapolis gateway (Figure 3). These shipments typically move beyond the gateway to U.S. domestic millers. The Pacific Northwest, a large U.S. grain port, is also a significant destination. In 2010/11, these two destinations combined for about 40% of market share. Crop reporting district (CRD) origin detail for these markets, as well as a map of the North Dakota districts is provided on page 2, along with a world map depicting top markets and export points.



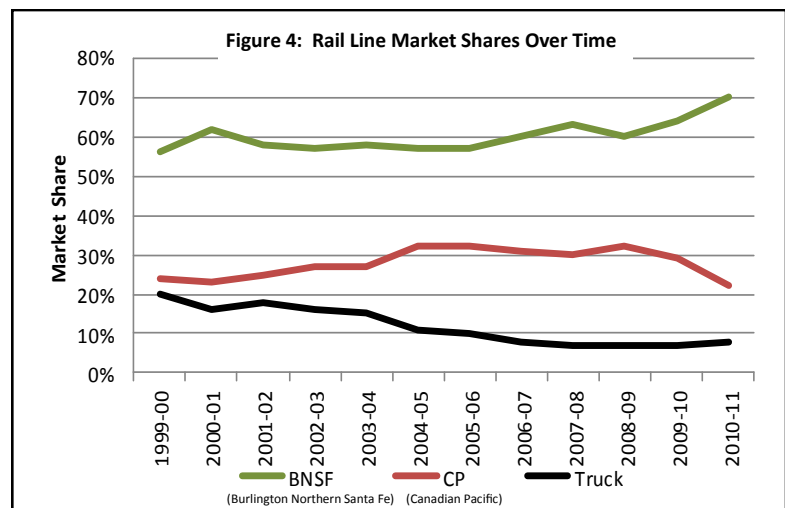
Rail Market Shares

Figure 4 shows the trends in market shares for Burlington Northern Santa Fe (BNSF)* and Canadian Pacific (CP)** rail lines as well as trucks for HRS wheat shipped from North Dakota elevators. BNSF remains the largest hauler of North Dakota wheat. Market share remained relatively steady from 1999/00 to 2008/09; however, over the past two years, BNSF has shown an increase from 60% to 70% of market share. Over the same time period, CP shows a decrease in market share from 32% to 22% after several years of steady growth. The truck share has shown a steady decline from a 1999 share of 20% to just 8% for shipments from ND elevators for the 2010/11 marketing year.

Figure 3: Destination for HRS Wheat Originating from ND Elevators
ND PSC Grain Movement Summary, July-June Market Year

1,000 Bushels

	Duluth	Mpls	Other MN & WI	Midland & Gulf	PNW	ND	Other	Total
Previous								
5 Yr Avg	12%	32%	5%	11%	18%	7%	16%	223,987
2006-07	6%	29%	4%	11%	25%	7%	18%	229,280
2007-08	8%	30%	3%	12%	21%	7%	19%	263,465
2008-09	6%	35%	5%	7%	18%	7%	22%	192,735
2009-10	6%	29%	3%	10%	18%	7%	27%	266,271
2010-11	7%	20%	5%	13%	21%	7%	27%	328,147



*Includes RRWV **Includes DMVW and NPR

Destinations for Hard Red Spring Wheat Shipments from ND CRD's
(1000 Bushels)

CRD 1 - Northwest								CRD 2 - North Central							
	Duluth	MN/WI	Midland	PNW	ND	Other	Total		Duluth	MN/WI	Midland	PNW	ND	Other	Total
Previous 5 Yr Avg	4%	14%	2%	68%	5%	6%	18,646	Previous 5 Yr Avg	19%	18%	12%	37%	4%	11%	19,156
2006-07	0%	13%	7%	69%	7%	2%	24,971	2006-07	5%	42%	15%	23%	2%	14%	24,889
2007-08	1%	18%	4%	62%	4%	10%	27,135	2007-08	10%	34%	13%	21%	3%	19%	28,203
2008-09	1%	31%	8%	50%	6%	4%	19,164	2008-09	5%	29%	12%	28%	3%	23%	18,905
2009-10	4%	29%	10%	36%	6%	16%	34,472	2009-10	7%	25%	7%	9%	3%	49%	25,272
2010-11	5%	16%	8%	46%	4%	20%	35,053	2010-11	1%	20%	17%	24%	3%	35%	27,521

CRD 3 - Northeast								CRD 4 - West Central							
	Duluth	MN/WI	Midland	PNW	ND	Other	Total		Duluth	MN/WI	Midland	PNW	ND	Other	Total
Previous 5 Yr Avg	15%	38%	6%	5%	17%	20%	58,944	Previous 5 Yr Avg	4%	66%	5%	5%	4%	16%	9,706
2006-07	7%	36%	7%	10%	15%	26%	66,731	2006-07	7%	28%	25%	6%	8%	26%	12,321
2007-08	9%	36%	9%	10%	12%	24%	75,259	2007-08	5%	28%	19%	7%	6%	35%	18,021
2008-09	5%	38%	3%	9%	12%	33%	65,227	2008-09	3%	30%	7%	14%	9%	36%	12,186
2009-10	10%	24%	8%	13%	15%	31%	66,503	2009-10	0%	29%	11%	13%	10%	38%	22,381
2010-11	14%	23%	11%	12%	12%	28%	102,337	2010-11	0%	22%	11%	16%	10%	42%	20,721

CRD 5 - Central								CRD 6 - East Central							
	Duluth	MN/WI	Midland	PNW	ND	Other	Total		Duluth	MN/WI	Midland	PNW	ND	Other	Total
Previous 5 Yr Avg	14%	44%	14%	9%	4%	15%	24,565	Previous 5 Yr Avg	17%	23%	20%	19%	3%	17%	32,065
2006-07	11%	43%	14%	7%	4%	20%	24,161	2006-07	6%	21%	14%	55%	3%	0%	28,960
2007-08	7%	55%	7%	5%	10%	16%	28,867	2007-08	15%	16%	11%	37%	6%	15%	26,023
2008-09	9%	53%	9%	3%	6%	19%	22,552	2008-09	10%	23%	16%	42%	4%	5%	22,884
2009-10	7%	48%	7%	5%	7%	27%	26,899	2009-10	12%	23%	16%	32%	6%	11%	20,945
2010-11	5%	29%	10%	9%	7%	40%	38,865	2010-11	4%	14%	30%	32%	9%	11%	35,101

CRD 7 - Southwest								CRD 8 - South Central							
	Duluth	MN/WI	Midland	PNW	ND	Other	Total		Duluth	MN/WI	Midland	PNW	ND	Other	Total
Previous 5 Yr Avg	7%	24%	15%	40%	2%	12%	25,041	Previous 5 Yr Avg	2%	85%	9%	2%	1%	2%	11,291
2006-07	7%	13%	12%	39%	0%	29%	22,790	2006-07	1%	90%	5%	1%	1%	3%	5,737
2007-08	10%	12%	26%	40%	0%	12%	32,956	2007-08	1%	84%	8%	1%	5%	2%	10,983
2008-09	24%	41%	8%	4%	1%	22%	9,734	2008-09	0%	84%	10%	0%	7%	0%	4,423
2009-10	8%	17%	15%	33%	2%	25%	39,404	2009-10	1%	84%	9%	1%	2%	3%	12,809
2010-11	10%	18%	9%	37%	1%	24%	36,102	2010-11	0%	81%	13%	0%	3%	3%	12,682

CRD 9 - Southeast							
	Duluth	MN/WI	Midland	PNW	ND	Other	Total
Previous 5 Yr Avg	6%	59%	7%	1%	4%	23%	24,574
2006-07	6%	33%	11%	25%	7%	18%	18,719
2007-08	5%	57%	12%	2%	2%	22%	16,018
2008-09	0%	70%	4%	5%	1%	19%	17,659
2009-10	1%	64%	4%	3%	2%	25%	17,586
2010-11	2%	48%	9%	7%	3%	31%	19,765

**One metric ton = 36.74 Bushels

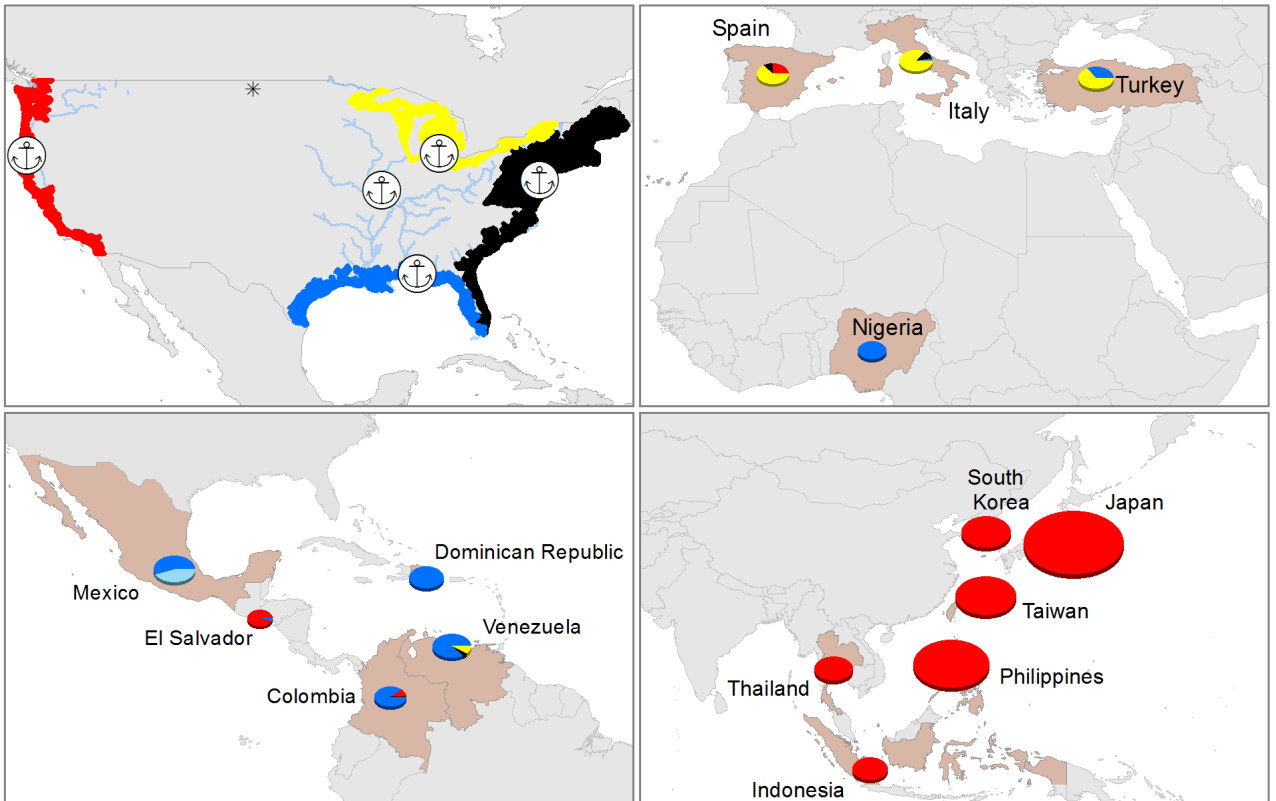
Patterns and methods of shipping HRS Wheat per the Annual North Dakota Elevator Marketing Report and the North Dakota Grain And Oilseed Transportation Statistics report. The complete reports, CRD map, and additional market information are available at <http://www.ugpti.org/resources/grain/>.

HRS Wheat Export by Region and Port Area

CHART LEGEND

Port Area

- Atlantic
- Gulf
- Interior
- Lakes
- Pacific



North Dakota Wheat Commission (N.D.) Buyers and Processors. Retrieved May 26, 2010, from <http://www.ndwheat.com/buyers/>
North Dakota Hard Red Spring Wheat: Variety Trial Results for 2008 and Selection Guide, N.D. Agricultural Experiment Station. NDSU Extension Service.

The content of this report reflects the views of the authors, who are responsible for the facts and accuracy of the information presented. This document is disseminated under the sponsorship of the North Dakota Wheat Commission.

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