



# GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service  
United States Department of Agriculture

May 24, 1999



**BNSF Restructures, Slashes Costs.** Burlington Northern and Santa Fe Railway Co. (BNSF), under pressure to improve financial performance, on Friday announced a wide-ranging management shakeup and cost-cutting program. Changes include the naming of a new president, reassignment of several senior executives, and the departure of a senior marketing official. Matthew Rose was named president of the railroad, taking the place of Robert Krebs who will retain his positions as chairman and chief executive. Personnel cuts will begin with a reduction of approximately 400 jobs, or 7 percent of the salaried work force, by June 30. Additional efficiency improvements have been identified, the company said, to bring the final reduction in managers to 1,000. The moves came as BNSF's steady traffic growth over the past 2 years showed signs of fizzling, while pressure was mounting to show positive earnings growth through accelerated revenue gains and additional cost reductions. Based on industry average salaries for nonunion employees, a reduction of 1,000 persons could save BNSF more than \$100 million annually. And trimming of the 1,000 managers would reduce those ranks by more than 17 percent. "Since the beginning of the year, our service has consistently exceeded 90 percent on time," Mr. Krebs said. "We have virtually eliminated locomotive delays. The overall condition of our railroad is excellent, and for the first time, we have excess capacity. Therefore, we will be able to reduce capital spending." (*The Journal of Commerce* 5/24)

**NY Shippers Finally Get Rail Choice.** A Surface Transportation Board (STB) decision late last week revised the terms for competition between CSX Transportation, Inc. and the Canadian Pacific Railway (CP) after next week's breakup of Conrail, Inc., which currently provides service between Albany, NY, and New York City. When that service is established as part of the Conrail division, it will be the first major rail-to-rail competition for New York City shippers since Conrail was created in 1976. The \$10 billion acquisition of Conrail by CSX and Norfolk Southern Corp. (NS) provided for CSX to take over the Albany-New York City route. The STB last year required the Canadian carrier and CSX to work out terms to allow service by CP over the line. Since then, the carriers have battled over tracking rights fees, switching charges, and service authority. The latest STB decision called for a 48-percent reduction in the switching charge and a 27-percent reduction in trackage rights fees that CP must pay to CSX. New York city and State officials pressed the STB for improved service on their side of the Hudson in light of head-to-head competition that will begin June 1 between NS and CSX across the river in New Jersey. (*The Journal of Commerce* 5/24)

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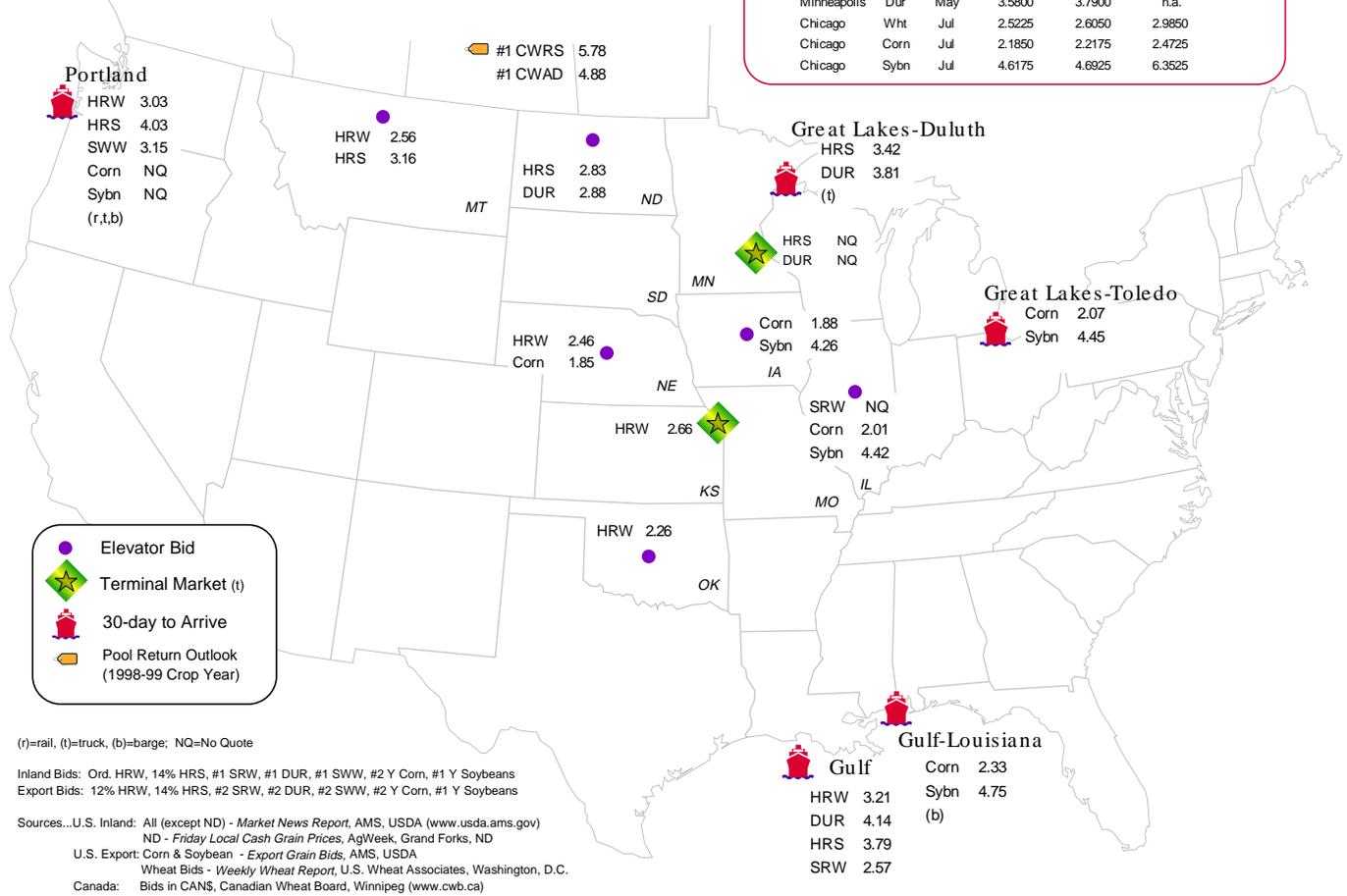
This report is prepared by Karl Hacker and Karla Martin, Agricultural Economists, Transportation & Marketing, Agricultural Marketing Service, USDA (202) 690-1304. Report design by Kimberly Vachal, Upper Great Plains Transportation Institute, North Dakota State University. You can retrieve this document from our Automatic Fax System by using the handset on your fax machine and dialing (202) 690-1707. This report can be found on the Internet at [www.ams.usda.gov/tmd/grain.htm](http://www.ams.usda.gov/tmd/grain.htm). E-mail comments to [GTR@usda.gov](mailto:GTR@usda.gov).

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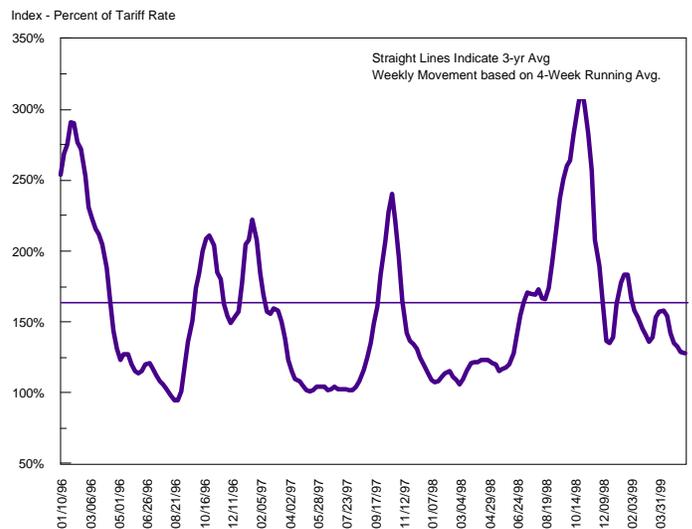
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# Grain Bid Summary

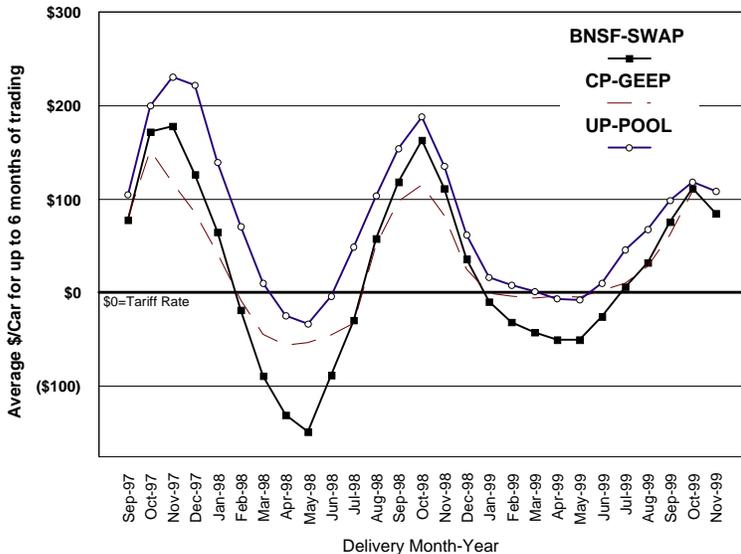
Futures:			05/21/99	Week Ago 05/14/99	Year Ago 05/22/98
Kansas City	Wht	Jul	2.7750	2.8225	3.2100
Minneapolis	Wht	Jul	3.2050	3.2550	3.6275
Minneapolis	Dur	May	3.5800	3.7900	n.a.
Chicago	Wht	Jul	2.5225	2.6050	2.9850
Chicago	Corn	Jul	2.1850	2.2175	2.4725
Chicago	Sybn	Jul	4.6175	4.6925	6.3625



## Spot Barge Rate - Illinois River



## Secondary Rail Market Bids



Rail Car 'Auction' Offerings				
Delivery for:	Jul-99		Sep-99	
	Offered	% Sold	Offered	% Sold
BNSF-COT	9,500	45%	9,500	41%
UP-GCAS	5,400	16%	5,400	17%

Source: Transportation & Marketing /AMS/USDA; www.bnsf.com; www.uprr.com

Secondary Rail Car Market				
Average Premium/Discount to Tariff, \$/Car - Last Week				
	Delivery Period			
	Jun-99	Aug-99	Sep-99	Oct-99
BNSF-GF	\$(29)	\$21	\$64	\$93
CP-GEEP	\$11	\$22	\$0	\$0
UP-Pool	\$(10)	\$51	\$72	\$97

Source: T&M/AMS/USDA. Data from Atwood/ConAgra., Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.;

GF=Guaranteed Freight, GEEP=Guaranteed Eqpt. Exchange, Pool=Guaranteed Pool

*note... bids listed are market INDICATORS only & are NOT guaranteed prices, missing value=No Bid Quoted*

Railroad Car 'Auction' Results			
Average Premium/Discount to Tariff, \$/Car - Last Auction			
Delivery for:	Jul-99	Aug-99	Sep-99
COT/N. Grain	no bid	\$3	\$36
COT/S. Grain	no bid	\$8	\$73
GCAS/Region 2	no bid	\$9	\$19
GCAS/Region 4	\$5	\$42	\$44

Source: T&M/AMS/USDA. Data from [www.bnsf.com](http://www.bnsf.com), [www.uprr.com](http://www.uprr.com). (COT=Certificate of Transportation; GCAS=Grain Car Allocation System)

**Southbound Barge Freight Nominal Values\***

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	Rate
5/21/99	Illinois Ruver	Tues. & nwk	125
		June	130
		nwk	127.5
		nwk	130
	St. Louis	Tues. or nwk	90
		June	95
	Mid Miss	June	140
		Twin Cities	Tues. & nwk
	Twin Cities	nwk	165
		nwk	160
	Ohio River	twk	90

Summary Of Daily Barge Trades Reported To St. Louis Merchants Exchange.

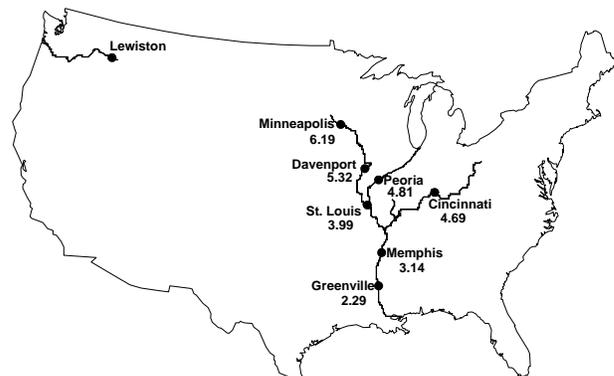
twk=this week  
 nwk=next week  
 Tues.=Tuesday

**Southbound Barge Freight Spot Rates**

	5/19/99	5/12/99	June '99	August '99
Twin Cities	162	160	170	195
Mid-Mississippi	140	136	145	170
Illinois River	130	131	135	160
St. Louis-Cairo	95	94	105	130
Lower Ohio	90	95	110	150
Cairo-Memphis	95	92	100	130

Source: Transportation & Marketing /AMS/USDA  
 nq- no quote

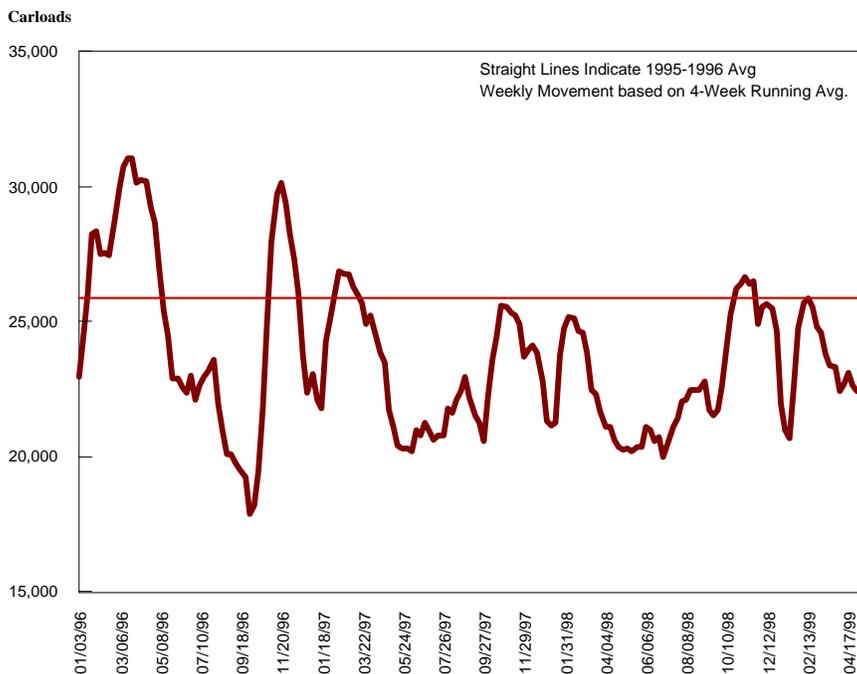
**Barge Benchmark Tariff Rates  
 Est. 1976 - 'Tariff No. 7'**



Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
5/1/99	21,001
5/8/99	23,279
5/15/99	22,130
Year to Date - 1999	403,170
Year to Date - 1998**	425,969
Total 1998**	1,183,860
Total 1997*	1,199,995
Source: American Association of Railroads	

\*\*1998 - 52 weeks  
\* 1997 - 53 weeks



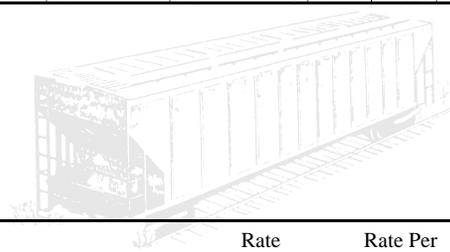
Class I Rail Carrier Grain Car Bulletin

Carloads

	East				West			Canada	
	Conrail	CSXT	IC	NS	BNSF	KCS	UP	CN	CP
05/15/99	763	2,086	2,112	2,510	7,092	924	6,643	2,378	4,057
This Week Last Year	476	2,208	1,721	2,543	6,776	705	5,919	2,145	3,145
1999 YTD	14,486	47,586	28,733	48,605	152,420	14,224	142,525	39,034	61,660
1998 YTD*	13,292	46,358	26,124	48,782	157,461	12,728	121,224	49,921	81,387
1997 Total**	29,834	118,581	80,255	124,834	428,243	34,690	378,888	171,428	272,156
1996 Total	31,733	111,509	48,695	131,568	432,687	30,009	439,865	129,714	181,387

Source: American Association of Railroads

\*\*1998 - 52 weeks  
\* 1997 - 53 weeks



Tariff Rail Rates for Unit Train Shipments

May 1999

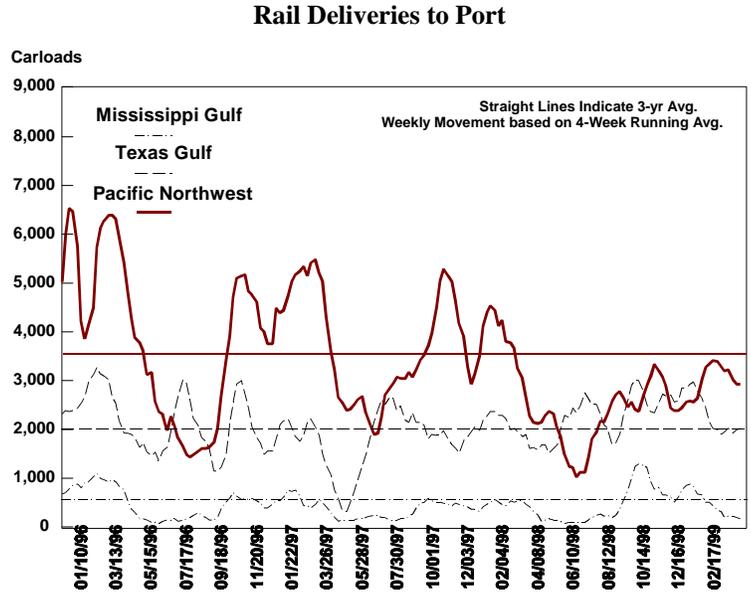
Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
05/01/99	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,150	\$19.51	\$0.65
05/01/99	43521	Wheat	Minneapolis, MN	Portland, OR	\$4,442	\$40.31	\$1.33
05/01/99	46540	Wheat	Kansas City, MO	Houston, TX	\$1,850	\$16.79	\$0.56
05/01/99	43586	Wheat	Kansas City, MO	Portland, OR	\$4,604	\$41.78	\$1.38
05/01/99	43581	Wheat	Omaha, NE	Portland, OR	\$4,205	\$38.16	\$1.26
05/01/99	31040	Corn	Minneapolis, MN	Portland, OR	\$2,865	\$22.87	\$0.80
05/01/99	31035	Corn	Kansas City, MO	Portland, OR	\$3,100	\$24.74	\$0.87
05/01/99	31040	Corn	Omaha, NE	Portland, OR	\$2,485	\$19.83	\$0.70
05/01/99	61180	Soybean	Minneapolis, MN	Portland, OR	\$3,330	\$30.22	\$1.00
05/01/99	61180	Soybean	Omaha, NE	Portland, OR	\$3,030	\$27.50	\$0.91
05/01/98	61180	Soybean	Omaha, NE	Portland, OR	\$2,780	\$25.23	\$0.83

Source: www.bnsf.com

Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

Rail Deliveries to Port				
Carloads				
	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
04/07/99	225	1,798	3,390	677
04/14/99	233	2,296	2,598	215
04/21/99	189	2,132	3,215	389
04/28/99	279	1,546	2,908	217
05/05/99	115	2,096	2,984	230
05/12/99	110	2,328	2,640	81
YTD 1999	9,095	44,885	55,494	6,793
YTD 1998	8,214	38,028	63,649	5,495
Total 1998	23,844	115,321	138,461	12,505
Total 1997	20,152	93,265	195,953	9,147

Source: Transportation & Marketing/AMS/USDA

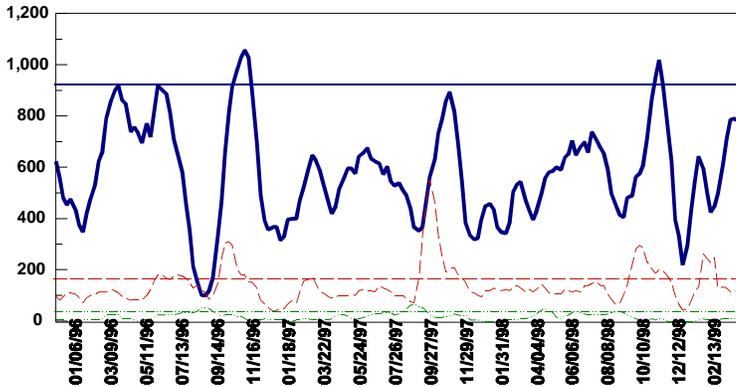


Barge Movements - Locks 27

1,000 Tons

Straight Lines Indicate 3-yr Avg  
Weekly Movement based on 4-Week Running Avg.

Corn  
Wheat  
Soybeans



Barge Grain Movements

for week ending 05/15/99

	Corn	Wht	Sybn	Total
	1,000 Tons			
<b>Mississippi River</b>				
Rock Island, IL (L15)	436	5	17	463
Winfield, MO (L25)	579	11	58	647
Alton, IL (L26)	830	12	97	940
Granite City, IL (L27)	813	20	868	922
<b>Illinois River (L8)</b>	231	2	44	277
<b>Ohio (L52)</b>	25	3	21	84
<b>Arkansas (L1)</b>	0	7	3	10
1999 YTD	12,265	889	2,700	17,184
1998 YTD	8,821	639	2,972	13,864
Total 1998	31,226	2,420	8,866	45,625
Total 1997	29,685	2,689	9,584	45,315

Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.  
Source: U.S. Army Corp of Engineers

**U.S. Export Balances\*** (1,000 Metric Tons)

	HRW	SRW	HRS	Wheat		All	Corn	Soybean	Total
				SWW	DUR				
<u>Unshipped Exports-Crop Year</u>									
05/13/99	1,433	412	1,093	377	105	3,421	8,560	2,251	14,232
This Week Year Ago	948	207	1,160	428	160	2,903	6,047	1,632	10,582
<u>Cumulative Exports-Crop Year</u>									
98/99 YTD	9,753	2,369	6,171	5,218	948	24,460	32,560	18,251	75,271
97/98 YTD	9,348	4,660	5,909	5,260	1,191	26,367	25,837	17,713	69,917
97/98 Total	9,858	4,710	6,305	5,413	1,232	27,518	37,220	24,516	89,254
96/97 Total	7,387	3,645	7,864	6,105	963	25,965	44,476	24,501	94,942
95/96 Total									

**Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons**

	Pacific Region			Mississippi Gulf			Texas Gulf		
	Wheat	Corn	Soybean	Wheat	Corn	Soybean	Wheat	Corn	Soybean
05/20/99	144	131	11	135	895	229	209	4	8
1999 YTD	4,096	3,003	222	2,404	13,193	6,200	2,801	261	638
1998 YTD *	3,640	2,657	363	2,142	9,790	6,839	2,133	172	540
% of Last Year	38%	69%	34%	48%	42%	42%	39%	46%	46%
1998 Total	10,838	4,373	651	5,048	31,330	14,917	7,270	562	1,392

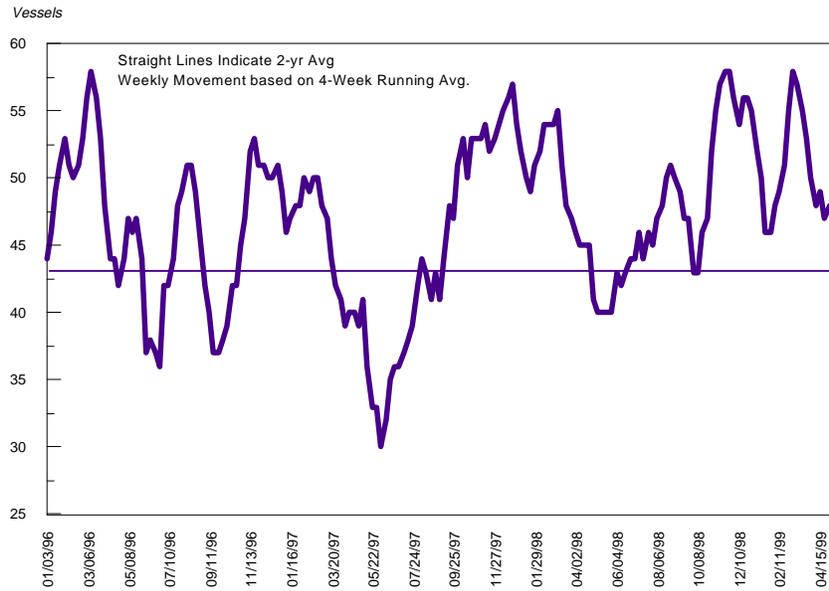
Source: Federal Grain Inspection Service \* YTD-Year-to-Date ('98 = 53 week period)

**Select Canadian Ports - Export Inspections**

1,000 Metric Tons, Crop Year

	Wheat	Durum	Barley
Week Ended: 05/20/99			
Vancouver	3,823	851	297
Prince Rupert	1,224	7	0
Prairie Direct	798	430	250
Thunder Bay	409	115	219
St. Lawrence	1,664	1,407	0
1999 YTD Exports	7,918	2,810	767
1998 YTD Exports	13,572	3,371	1,970
% of Last Year	58%	83%	39%

Source: Canadian Grains Commission \*Year Ago-This Week a Year Ago \*\* YTD-Year-to-Date Crop Year 8/1-7/31

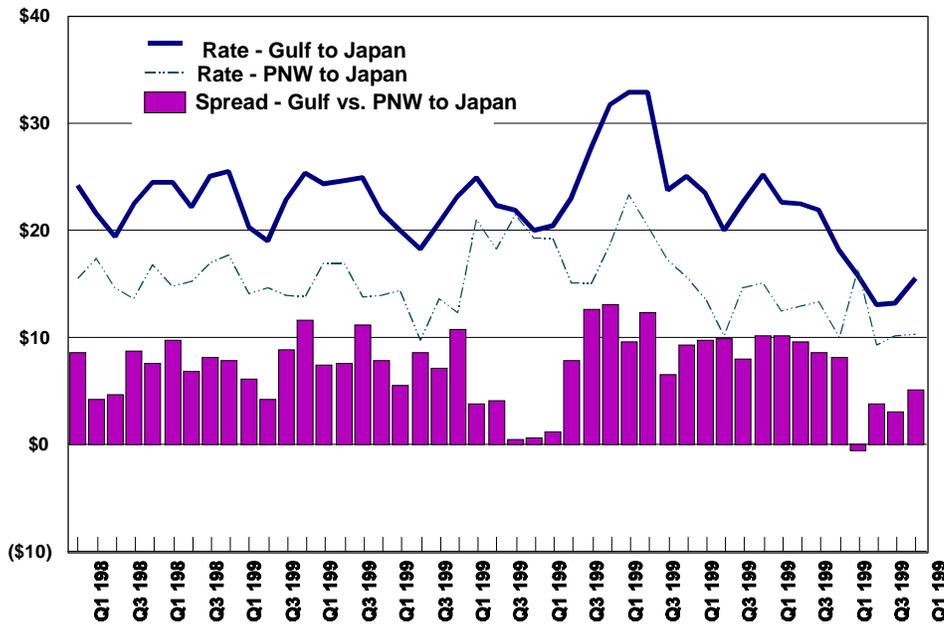


**Gulf Region  
Vessels Loaded  
- Past 7 Days-**

<b>Port Region Ocean Grain Vessels</b>									
	<b>Gulf</b>			<b>Pacific Northwest</b>			<b>Vancouver, B.C.</b>		
	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>
05/13/99	29	39	64	9			12	8	1
05/20/99	28	55	70	11			14	7	2
1998 Range	(19..62)	(34..64)	(40..93)				(1..16)	(3..14)	(0..10)
1997 Range	(11..52)	(25..61)	(31..89)						
1998 Avg	40	48	61				9.42	8.92	2.71
1997 Avg	33	45	58						
1996 Avg	38	46	62						

Source: Transportation & Marketing /AMS/ USDA

US\$/Metric Ton



Quarterly Ocean Freight Rates

**Quarterly Ocean Freight Rates**

Average Rates & Percentage Changes, U.S. Dollars/Metric Ton - Basis

	1999 1 <sup>st</sup> Qtr	1998 1 <sup>st</sup> Qtr	% Change		1999 1 <sup>st</sup> Qtr	1997 1 <sup>st</sup> Qtr	% Change
<b>Gulf to</b>				<b>Pacific NW to</b>			
Japan	\$15.62	\$18.24	-14%	Japan	\$10.41	\$10.08	3%
Mexico	\$14.22	\$12.15	17%	Red Sea/ Arabian Sea	\$45.81		
Venezuela	\$11.33	\$11.13	2%				
N. Europe	\$12.16	\$9.85	23%	<b>Argentina to</b>			
N. Africa	\$17.12	\$14.65	17%	N. Europe	\$14.55	\$12.32	18%
				Japan	\$21.35	\$20.93	2%

Source: Transportation & Marketing/AMS/USDA

**Ocean Freight Rates (Select Locations) - week ending 05/21/99**

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Gulf	Egypt	Heavy Grain	Prompt	54,000	\$13.00
Gulf	Japan	Heavy Grain	June	54,000	\$16.50-16.85
River Plate	China	Heavy Grain	May	40,000	\$23.24
Bahia Blanca	Spain	Heavy Grain	May	30,000	\$17.50
River Plate	Spain	Heavy Grain	May	30	\$17.50
St. Lawrence	Tema	Wheat	Prompt	21,000	\$18.00
South Brazil	Poland	Grains	May	20,000	\$19.50
Duluth	Algeria	Wheat Grain	May	15,000	\$32.50

Source: Maritime Research Inc.