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Marketing and Transportation Analysis

GRAIN TRANSPORTATION PROSPECTS



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GRAIN TRANSPORTATION PROSPECTS

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Cover Photo: Taken by Nick Marathon, AMS. An empty grain vessel traveling up the Mississippi River bound for the Port of New Orleans (April 2001)

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Summary

U.S. grain (oats, sorghum, barley, wheat, corn, and rye) and soybean production is projected at 15.5 billion bushels for 2001/02, down 2.3 percent from the 2000/01 marketing year. Planting intentions indicate that total acres planted of grain (excluding rice) and soybeans are 233 million acres. Total use is projected down slightly to 15.9 billion bushels but is down less than supply, leaving projected ending stocks down marginally from a year earlier.

Grain (excluding rice) and soybean stocks, as of March 1, were reported in all positions at 9.21 billion bushels, up 3 percent from last year and 18 percent above the 5-year average. Of the top producing regions, the Eastern and Western Corn Belts and the Central Plains are forecast as having approximately 7.20 billion bushels of on- and off-farm stocks combined; that is, 78 percent of the U.S. total stocks in all positions.

The 2001/02 outlook for all U.S. wheat calls for a smaller crop, reduced use, declining stocks, and higher prices. Total wheat production is projected at 1.96 billion bushels, 12 percent less than in 2000/01. Lower area and yields put the winter wheat production forecast at 14 percent below last year's estimates. Lower ending stocks put the projected average farm price per bushel between \$2.75 and \$3.35, compared to an estimated \$2.63 for last year.

The U.S. corn crop for 2001/02 is projected at 9.58 billion bushels, down 4 percent from last year's crop. Total acreage intended to be planted by farmers in 2001 is 76.7 million acres. Projected harvest acreage is 4 percent lower than the previous year at 69.9 million acres. Exports of U.S. corn are projected to increase slightly due to reduced competition from foreign exporters. The forecast average farm price per bushel is \$1.65-\$2.05. Since the total use is projected to be only slightly larger than the expected crop, the ending stocks are expected to be close to the forecast carry-in level for 2001/02.

Soybean production is projected at 2.99 billion bushels, or 81.2 million tons. Total soybean supplies are projected at 3.28 billion bushels. The season average soybean farm prices for 2001/02 are projected to fall to \$3.90-\$4.50 per bushel. This would be the lowest average price in 30 years and the fifth consecutive annual price decline. In addition, intended soybean acreage will be up in all regions except the Delta, where farmers intend to plant 410 thousand acres less than last year.

For April-May 2001, average ocean freight rates from two key grain routes, U.S. Gulf to Japan and Pacific Northwest to Japan, were \$22.76 and \$15.73 per metric ton, respectively, down slightly from the second quarter in 2000. With a weaker global economy, carriers adding numerous ships, and a cargo space utilization rate of less than 60 percent for exports, U.S. grain exporters will have a strong bargaining position in this year's transpacific service contract negotiations.

During early spring when the river opens, upper Mississippi River grain exporters rely upon an ample supply of barges to get their grain down the river. This year, traffic at Locks and Dam (L&D) 15 (which is across the river from Davenport, IA) started the week of March 4-10 and increased almost weekly until navigation restrictions were implemented in April due to flooding conditions. With the river reopened, there should be significant increases in barge movements in June that could extend through the end of the season. Barge grain movements for the first quarter 2001 were 27.2 million bushels per week. Movements for the beginning of the second quarter 2001 were 27.4 million bushels per week.

Despite temporary disruptions to rail service due to flooding on the Mississippi River, overall railroad performance measures on nearly all railroads have been improving. While waiting for the Surface

Transportation Board (STB) to issue new rules governing major railroad mergers, major railroads are entering into partnership alliances as a way to provide expanded and improved service. The STB released its new rail merger regulations on June 11.

Year-to-date, the western railroads (Burlington Northern Southern Fe (BNSF) and Union Pacific (UP)) have originated 4.8 percent fewer railcars than during the same period in 2000. As of May 12, BNSF had 22,413 covered hopper railcars in its active grain fleet, with the number in storage increasing to 4,654. All of BNSF's yards seem to be relatively fluid, as the average dwell time for April is 26.1 hours, the lowest of the U.S.-owned railroads. UP had a reduced covered hopper grain fleet of 28,245 railcars. The reduction should not affect service since cycle time has improved and demand is weaker.

Kansas City Southern Railway (KCS) has overhauled its main north-south line over which most of its grain traffic moves. The rehabilitation should improve service and turnaround times for KCS over last year when major delays occurred. Its grain car fleet is 3,365 covered hoppers as of May 14.

In the East, grain cars have increased 8.2 percent, compared to last year's originations on the eastern railroads, for the first 18 weeks of 2001. CSX Transportation's average train speed has increased from 17.6 miles per hour in April 2000 to 21.0 miles per hour for the week ending May 11, 2001. Also, the average of terminal dwell times has steadily improved throughout the period.

Norfolk Southern Railroad (NS) has a supply of approximately 5,500 covered hoppers assigned to agriculture, which is about 500 fewer than last year. Due to vastly improved cycle times, NS expects its grain-hauling capacity to remain the same and service to be adequate. NS reports that the cycle time on 50-car unit trains has decreased to 16.1 days. Its lines are much less congested since the number of railcars on line has decreased from 219,539 in April 2000 to only 203,139 on May 11, 2001. Terminal dwell times (23.7 hours) and other railroad performance measures are at levels equal to or surpassing those prior to its acquisition of portions of Conrail.

In fuel markets, diesel continues to experience volatile pricing in 2001, despite the fact that the West Texas intermediate crude oil prices show a downward trend. The *National Energy Policy* and the *Commercial Drivers License Review Rule*, which were recently publicized, focus heavily on fuel supplies and the trucking industry, respectively.

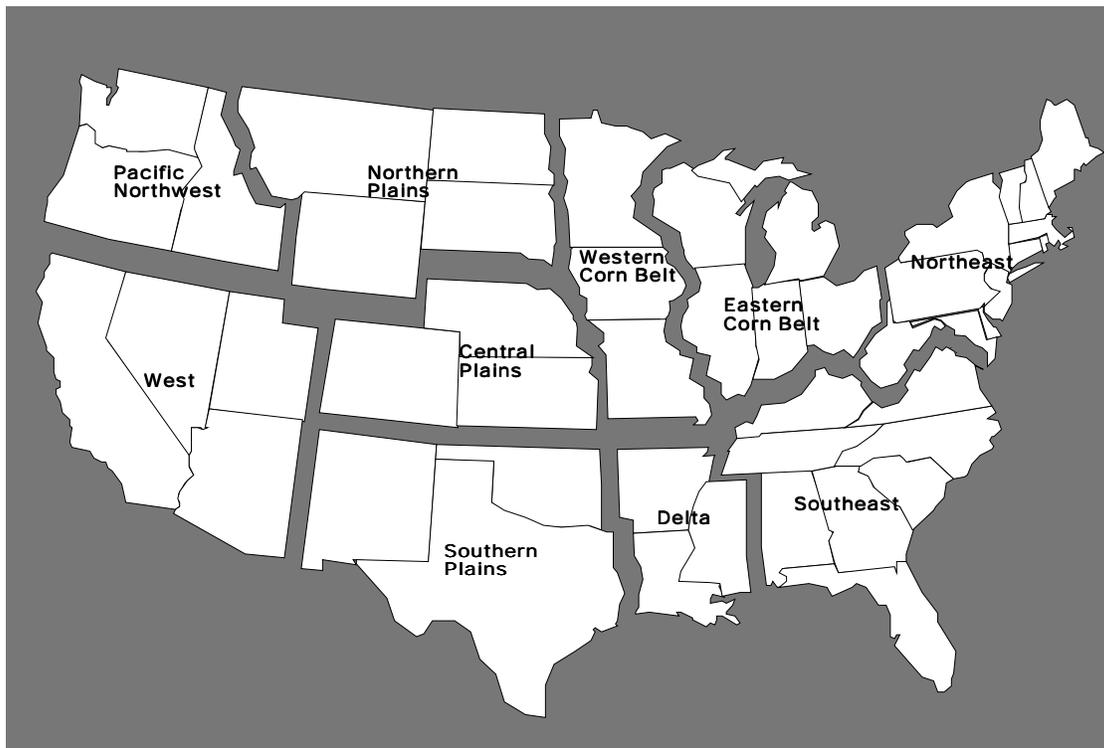
Grain Market Situation

Grain and Soybeans

Supplies. U.S. grain (oats, sorghum, barley, wheat, corn, and rye) and soybean production is projected at 15.5 billion bushels for 2001/02, down 2.3 percent from the 2000/01 marketing year. Total use is projected down slightly to 15.9 billion bushels but is down less than supply, leaving projected ending stocks down marginally from a year earlier.

Planting intentions indicate that total acres planted of grain and soybeans (excluding rice) are 233 million acres, 3.32 million acres fewer than during the previous year. There were 76.7 million acres of corn estimated for 2001/02, down 4 percent from 2000/01. Soybean acres planted for 2001/02 are estimated at 76.7 million acres, 3 percent more than during the previous year. North Dakota in the Northern Plains increased its acres planted by 26 percent for this planting/marketing year. The Eastern and Western Corn Belts and Central and Northern Plains comprise the majority of acres planted for 2001/02 with 54.3, 49.6, 39.8, and 44.1 million acres, respectively, totaling 187.8 million acres (figure 1, table 1).

Figure 1--U.S. grain production regions



Source: USDA-AMS

Table 1--U.S. grain¹ and soybean acres planted, 1996-2000, 2001 intended²

Region	1996	1997	1998	1999	2000	2001	Percent of 2000	Percent of 5-yr. avg.
	-1,000 acres -							
Northeast	6,145	6,364	6,422	6,294	6,107	6,201	102	99
Southeast	14,342	14,451	14,208	26,631	26,480	26,022	98	135
Delta	10,017	9,737	9,845	8,858	9,040	8,455	94	89
Eastern Corn Belt	54,490	54,948	54,968	54,591	54,558	54,316	100	99
Western Corn Belt	48,509	49,307	49,807	49,310	49,762	49,587	100	101
Southern Plains	22,507	21,581	22,092	21,400	20,145	19,020	94	88
Central Plains	41,046	40,521	39,768	39,647	39,826	39,837	100	99
Northern Plains	37,960	36,737	34,379	41,005	44,121	44,082	100	113
Pacific Northwest	7,233	7,051	6,925	6,685	6,695	6,620	99	96
West	2,566	2,483	2,458	2,123	2,094	2,055	98	88
United States	244,815	243,180	240,872	234,558	236,086	232,763	99	97

¹ U.S. grains include corn, sorghum, barley, oats, wheat, rye.

² Intended to be planted as of early March.

Source: USDA-NASS

Use. Domestic use of grains and soybeans is expected to be little changed from a year earlier. Projected exports are down 100 million bushels, largely because of lower wheat shipments. Total use is projected down slightly to 15.9 billion bushels but is down less than supply, leaving projected ending stocks down marginally from a year earlier.

Stocks and Storage. Grain and soybean stocks in all positions are projected at 9.21 billion bushels, up 3 percent from last year and 18 percent above the 5-year average (table 2). Of the top producing regions, the Eastern and Western Corn Belts and the Central Plains are forecast as having approximately 7.20 billion bushels of on- and off-farm stocks combined; that is, 78 percent of the United States total stocks in all positions. The Northeast has an 86-percent increase of on-farm stocks, compared to 2000. This is the greatest increase of all the regions. The Delta has the highest decrease in off-farm stocks at 36 percent below last year. In the Corn Belts, the Eastern Corn Belt has increased 127 million bushels for on-farm stocks over last year, and the Western Corn Belt has 6 percent more stocks on farm than last year, 102 million bushels. U.S. grain storage capacity utilization for 2001/02 is 47 percent for all positions of stocks stored in the United States (table 3).

Wheat

The 2001/02 outlook for U.S. wheat calls for a smaller crop, reduced use, declining stocks, and higher prices. Total wheat production is projected at 1.96 billion bushels, 12 percent less than during 2000/2001. Lower planted area and yields also put the winter wheat production forecast at 14 percent below last year's estimates. According to planting intentions by the farmers and average harvested-to-planted ratios and yields, lower spring wheat production (including durum) is anticipated. Reduction in feed and residual use due to smaller wheat supplies and more attractive corn prices is expected to reduce domestic use. While the exports are expected to drop due to strong foreign competition, the ending stocks are projected down 240 million bushels from the

Table 2--U.S. grain and soybean stocks by position, March 1, 1995-2001

Region	1995			1996			1997		
	On farms	Off farms	Total	On farms	Off farms	Total	On farms	Off farms	Total
	<i>million bushels</i>			<i>million bushels</i>			<i>million bushels</i>		
Northeast	62	57	119	40	44	84	64	53	117
Southeast	85	124	209	45	110	154	64	102	165
Delta	10	69	78	6	68	73	7	60	67
Eastern Corn Belt	1390	1244	2634	865	999	1864	1013	835	1848
Western Corn Belt	1750	993	2743	1137	935	2073	1462	742	2204
Southern Plains	21	225	246	10	184	194	15	163	177
Central Plains	660	740	1401	328	627	955	616	655	1271
Northern Plains	538	172	710	313	201	514	504	175	679
Pacific Northwest	32	115	147	28	125	153	36	128	164
West	3	28	31	2	24	26	3	30	32
Unallocated	161	76	236	109	68	177	138	53	190
United States	4712	3842	8554	2882	3385	6266	3920	2994	6914

Region	1998			1999			2000		
	On farms	Off farms	Total	On farms	Off farms	Total	On farms	Off farms	Total
	<i>million bushels</i>			<i>million bushels</i>			<i>million bushels</i>		
Northeast	39	57	96	42	57	99	34	71	105
Southeast	40	106	146	42	104	146	43	117	160
Delta	0	72	72	0	94	94	0	84	84
Eastern Corn Belt	1210	1105	2315	1388	1190	2578	1275	1350	2625
Western Corn Belt	1499	818	2318	1892	989	2880	1777	1009	2787
Southern Plains	11	259	269	14	326	340	10	332	341
Central Plains	632	818	1450	788	870	1658	674	884	1558
Northern Plains	512	158	670	643	200	843	564	197	761
Pacific Northwest	53	150	204	46	154	200	48	154	202
West	1	34	35	2	45	47	1	32	33
Unallocated	213	49	262	209	55	264	194	64	257
United States	4209	3626	7835	5066	4076	9142	4619	4293	8912

Region	2001			Percent of 2000			Percent of 5-yr. avg.		
	On farms	Off farms	Total	On farms	Off farms	Total	On farms	Off farms	Total
	<i>million bushels</i>								
Northeast	62	66	129	186	93	122	143	117	128
Southeast	59	126	185	137	108	116	126	117	120
Delta	0	62	62	125	74	74	4	82	79
Eastern Corn Belt	1402	1371	2774	110	102	106	122	125	123
Western Corn Belt	1882	1043	2925	106	103	105	121	116	119
Southern Plains	8	266	274	79	80	80	66	105	104
Central Plains	619	879	1498	92	99	96	102	114	109
Northern Plains	604	216	820	107	109	108	119	116	118
Pacific Northwest	41	148	189	85	96	93	97	104	102
West	1	35	36	130	109	110	43	107	104
Unallocated	246	76	322	127	119	125	143	132	140
United States	4924	4287	9211	107	100	103	119	117	118

Source: USDA-NASS

Table 3--U.S. grain storage capacity utilization, March 1, 1996-2001

Region	1996			1997			1998		
	On farms	Off farms	Total	On farms	Off farms	Total	On farms	Off farms	Total
	<i>percent</i>			<i>percent</i>			<i>percent</i>		
Northeast	16	30	21	28	36	31	17	38	25
Southeast	8	32	17	12	29	19	8	31	17
Delta	3	18	14	4	17	13	0	20	14
Eastern Corn Belt	30	47	37	35	40	37	42	53	46
Western Corn Belt	35	55	41	46	44	45	47	48	47
Southern Plains	4	17	15	6	17	15	5	29	25
Central Plains	20	40	30	38	43	41	39	55	47
Northern Plains	20	45	25	32	39	33	33	36	33
Pacific Northwest	10	33	24	14	33	26	22	39	32
West	0	17	18	0	21	23	0	24	25
United States	26	41	32	36	37	36	38	46	41

Region	1999			2000			2001		
	On farms	Off farms	Total	On farms	Off farms	Total	On farms	Off farms	Total
	<i>percent</i>			<i>percent</i>			<i>percent</i>		
Northeast	18	39	26	15	48	28	27	45	34
Southeast	9	31	18	9	36	19	12	40	23
Delta	0	25	17	0	22	14	0	16	11
Eastern Corn Belt	46	57	51	43	63	51	46	62	53
Western Corn Belt	59	57	58	55	59	56	57	60	58
Southern Plains	6	38	31	5	40	33	3	31	25
Central Plains	48	57	52	41	57	49	39	52	45
Northern Plains	40	44	41	35	121	36	37	47	39
Pacific Northwest	19	40	32	20	40	32	2	39	24
West	0	33	34	0	22	22	0	22	23
United States	46	51	48	41	53	46	44	51	47

Source: USDA-NASS

forecast carry-in level because use is projected to exceed production. The resulting lower ending stocks put the forecast price for 2001/02 between \$2.75 and \$3.35 per bushel, compared with an estimated \$2.63 for 2000/01.

As of May 1, winter wheat yield is forecast at 41.8 bushels per acre, down 2.8 bushels from last year's 44.6 bushels. In Kansas (Central Plains), the largest wheat-producing State, the crop is forecast at 286 million bushels, down from 348 million a year earlier. In the Pacific Northwest (PNW), Washington is forecast to produce 110 million bushels for 2001/02, down 16 percent from 2000/01. In addition, yield and harvested area were down 10 bushels per acre and 50 thousand acres, respectively. Last year, Oklahoma was the second highest producing wheat State with 143 million bushels. This year, Oklahoma is 31.9 percent behind its previous production year at 97.2 million bushels. South Dakota's production is forecast down by 66 percent from the 2000/01 production year of 53.8 million bushels of winter wheat.

Supplies. For the 2001/02 marketing year beginning June 1, production projections for all classes of wheat are 1.96 billion bushels, down 12 percent from last year. With imports projected at 95 million bushels, the total supplies are projected at 2.89 billion bushels, down 377 million bushels or 12 percent, compared to this time last year. Ending stocks for the 2001/02 marketing year are projected at 591 million bushels, down 238 million bushels or 29 percent from last year.

Production projections of winter wheat for 2001/02 are at 1.34 billion bushels, down 221 million bushels or 14 percent (table 4). Hard red winter (HRW) wheat production is projected at 718 million bushels, down 126 million bushels or 15 percent from 2000. Soft red winter (SRW) wheat is projected at 410 million bushels, 13 percent below last year, while white winter wheat is projected at 213 million bushels for the 2001/02 marketing year, down 14 percent from 2000. Planted area for the 2001 winter wheat crop is 41.3 million acres, down 5 percent from 2000 and the lowest since 1971. Of the total acreage, 29.1 million acres are devoted to HRW, 8.8 million acres to SRW, and 3.4 million acres to white winter wheat production.

Winter wheat production is forecast down in all the major producing regions (figure 2), with the Central Plains experiencing the largest absolute decline of 58 million bushels. This is 12 percent below last year and 26 percent below the 5-year average for the region. Forecast harvested acres are down 1 million acres, while the forecast yield of 34 bushels per acre is down 3 bushels from 2000. In the Southern Plains, production is expected to fall by 29 million bushels or 14 percent below last year and 30 percent below the 5-year average. Lower harvested areas and yields are responsible for a 32-percent decline in Oklahoma's winter wheat output. Northern Plains production is expected to fall by 40 million bushels, down 64 percent from last year and 63 percent below the 5-year average. Winter wheat production in South Dakota is down by 66 percent due to reduced harvested area and yields. The harvested area and yields are down by 57 and 21 percent, respectively. Production is forecast down 38 million bushels in the PNW or 16 percent below last year and 17 percent below the 5-year average. Both lower harvested area and yields are indicated for the States of Idaho, Oregon, and Washington. Production in the Eastern and Western Corn Belts is expected to fall by 32 and 12 million bushels, respectively. This is 15 percent below the previous year and 9 percent below the 5-year average in the Eastern Corn Belt. In the Western Corn Belt, production is 24 percent below last year and 28 percent below the 5-year average. Production in the Northeast, Southeast, and Delta regions is 21, 15, and 23 percent, respectively, below the previous year and 19, 17, and 7 percent below the 5-year average.

Planting intentions for 2001 are 15.5 million acres of spring wheat (excluding durum). This acreage is 2 percent above last year and 9 percent below the 5-year average (table 5). Intended acreage is up in all regions, with the Northern Plains and PNW increasing their respective acreage by 101 and 100 thousand acres. While the Northern Plains' acreage is 1 percent above the previous year and 12 percent below the 5-year average, the PNW acreage is 7 percent above the previous year and 17 percent above the 5-year average.

Table 4--U.S. winter wheat production, 1996/97-2001/02

Region	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	Percent of 2000/01	Percent of 5-yr. avg.
	<i>million bushels</i>							
Northeast	34	39	34	37	37	29	79	81
Southeast	117	125	101	110	110	94	85	83
Delta	84	51	57	65	82	63	77	93
Eastern Corn Belt	149	212	206	215	212	180	85	91
Western Corn Belt	51	61	60	47	51	39	76	72
Southern Plains	173	298	343	284	213	184	86	70
Central Plains	399	658	677	617	475	417	88	74
Northern Plains	63	43	70	68	63	23	36	37
Pacific Northwest	292	264	253	180	242	204	84	83
West	46	38	32	38	32	29	89	77
Other States ¹	0	0	0	0	0	42	0	0
United States	1,470	1,846	1,881	1,697	1,563	1,341	86	79

¹ Other States include: Alabama, Arizona, Florida, Iowa, Louisiana, Minnesota, Nevada, New Jersey, New Mexico, North Dakota, Utah, West Virginia, and Wisconsin.

Source: USDA-NASS

Use. Total wheat use for 2001/02 is projected at 2.29 billion bushels, down 139 million bushels or 6 percent from 2000/2001. Domestic use is projected at 1.30 billion bushels, down 39 million bushels or 3 percent above 2001/02. Exports are projected at 1.00 billion bushels, down 100 million bushels or 9 percent below last year.

Stocks and Storage. Wheat stored in all positions on March 1 is at 1.34 billion bushels, down 5 percent from a year ago and 18 percent above the 5-year average (table 6). On-farm stocks, estimated at 390 million bushels, were down 8 percent from the previous year and 6 percent above the 5-year average. Off-farm stocks, estimated at 950 million bushels, were down 4 percent from a year ago and 24 percent above the 5-year average.

Compared to the previous year, March 1 stocks were down or relatively unchanged in all regions except the West, Western Corn Belt, and Southeast where the stocks rose by 1.9, 2.6, and 9.8 million bushels, respectively (9, 3, and 4 percent, respectively). These figures are 21, 13, and 38 percent, respectively, above the 5-year average for the regions. The Western Corn Belt kept 63 percent of its stocks off farm. Ninety-eight percent of the Southeast stocks were kept off farm. The Northeast kept all of its stocks in off-farm facilities. Stocks were down in the traditional wheat-producing regions, with the Central Plains experiencing the largest reduction of approximately 28 million bushels, 8 percent below the previous year's level and 23 percent above the 5-year average. In the Central Plains, 86 percent of stocks were held in off-farm locations. Northern Plains stocks fell by approximately 8 million bushels or 2 percent below the previous year and 7 percent above the 5-year average. The Northern Plains kept 72 percent of its stocks on farms, while 28 percent were kept off farm. The Plains regions were responsible for storing a combined 62 percent of the Nation's wheat stocks, with the Northern Plains leading with almost 27 percent, followed by the Central Plains with 24 percent of the total stocks kept. The largest share of the Nation's on-farm stocks were kept in the Northern Plains, accounting for 65 percent of the total on-farm stocks, while the Central Plains kept the largest share of the Nation's off-farm stocks, accounting for 29 percent of the total stocks kept in off-farm facilities.

Figure 2--Winter wheat production forecast

Winter Wheat Production Forecast (in Millions of Bushels)
by District/State, May 1, 2001
for a Selected State Area

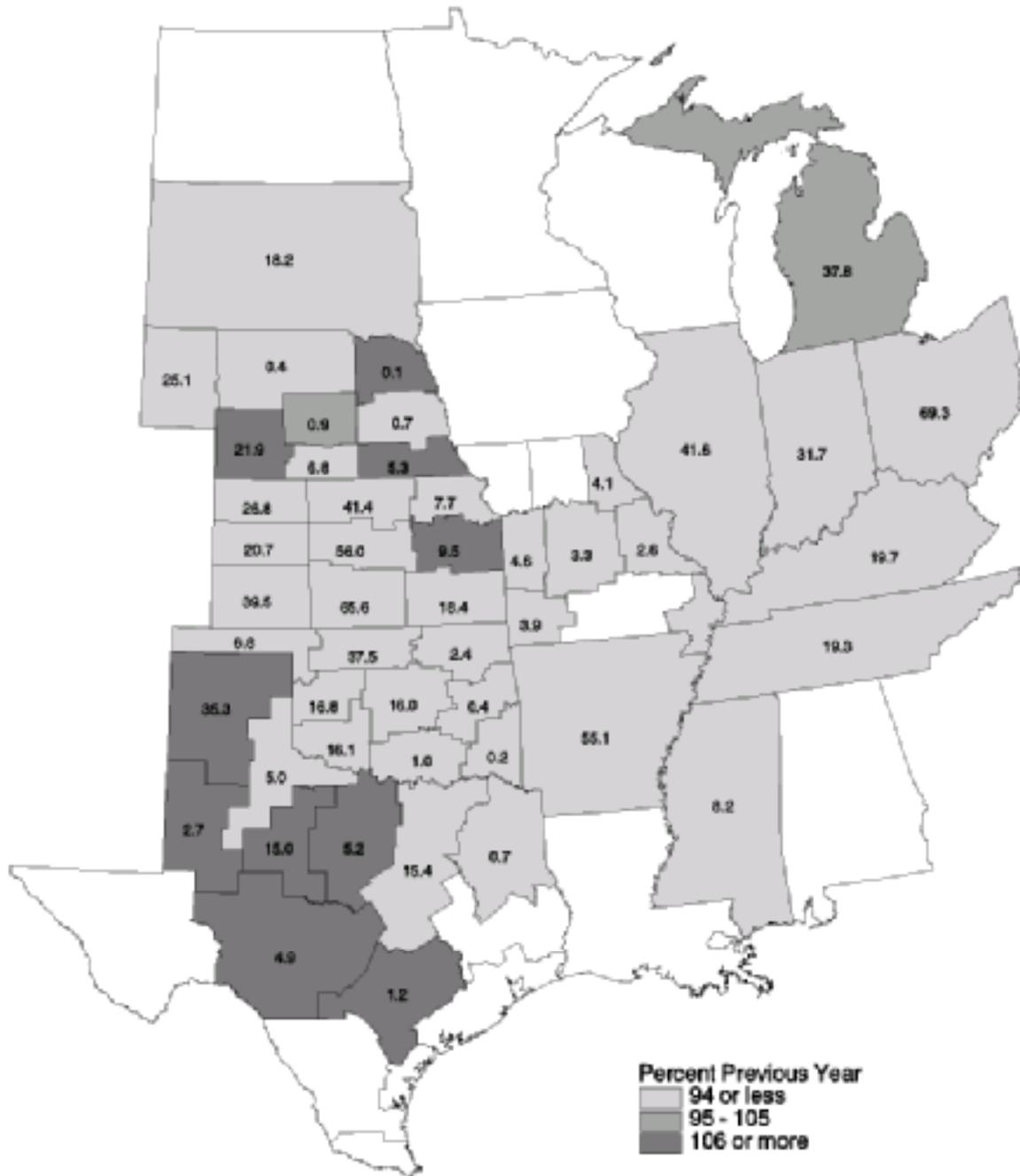


Table 5--U.S. spring wheat (excluding durum) acres planted 1996-2000, 2001 intended¹

Region	1996	1997	1998	1999	2000	2001	Percent of 2000	Percent of 5-yr. avg.
-1,000 acres -								
Northeast	0	0	0	0	0	0	0	0
Southeast	0	0	0	0	0	0	0	0
Delta	0	0	0	0	0	0	0	0
Eastern Corn Belt	12	8	8	8	9	10	111	111
Western Corn Belt	2,550	2,450	1,950	2,000	2,000	2,050	103	94
Southern Plains	0	0	0	0	0	0	0	0
Central Plains	70	53	62	53	48	52	108	91
Northern Plains	16,130	15,420	12,464	11,810	11,811	11,912	101	88
Pacific Northwest	1,230	1,155	1,100	1,350	1,345	1,445	107	117
West	38	31	33	32	31	32	103	97
United States	20,030	19,117	15,617	15,348	15,244	15,501	102	91

Source: USDA-NASS

¹ Intended to be planted as of early March.

Corn

U.S. corn crop for 2001/02 is projected at 9.58 billion bushels, down 4 percent from 2000/01. Little change is expected for total corn use in 2001/02 and a slight reduction in domestic use. Reduced feed and residual use due to declining numbers of feed cattle are expected to be largely offset by expanding industrial use. Exports of U.S. corn are projected to increase due to reduced competition from foreign exporters. The forecast price range for corn is \$1.65-\$2.05 for 2001/02, compared to \$1.80-\$1.90 for 2000/01. Since the total use is projected to be slightly larger than the expected crop, the ending stocks are expected to be close to the forecast carry-in level for 2001/02.

Supplies. The first projections of the 2001/02 corn crop put production at 9.58 billion bushels, down 393 million bushels or 4 percent from last year. With beginning stocks projected at 2.0 million bushels and imports at 10 million bushels, the total supply for 2001/02 is projected at 11.6 billion bushels. This is down 110 million bushels or 1 percent from the projected available supplies for 2000/01. Ending stocks for 2001/02 are projected at 1.92 billion bushels, down 80 million bushels or 4 percent from last year.

Total acreage intended to be planted by farmers in 2001 is projected at 76.7 million acres, 4 percent lower than in 2000 (table 7). Projected harvested acreage of 69.9 million acres is also 4 percent lower than the previous year. However, projected yield per harvested acre is 137 million bushels and is relatively the same. Intended acreage was down in all regions except the Northeast where planting intentions suggested that farmers intend to plant 3.7 million acres, up 1.43 million acres or 4 percent from last year and 1 percent below the 5-year average. The largest absolute reduction in acreage is in the Eastern Corn Belt where farmers intend to devote 750 thousand fewer acres to corn than they did last year. Farmers in the Eastern Corn Belt indicate that they will plant 25.4 million acres, down 3 percent each, compared to last year and to 5-year average. Intended acreage in the Western Corn Belt at 21.6 million acres is down 7.0 million acres or 3 percent, compared to both last year's level and the 5-year average. Farmers in the Central Plains indicate that they will reduce their corn acreage by 470,000 acres to 12.8 million acres this year, 4 percent less acreage than the last year. Southern Plains acreage

Table 6--U.S. wheat stocks by position, March 1, 1995-2001

Region	1995			1996			1997		
	On farms	Off farms	Total	On farms	Off farms	Total	On farms	Off farms	Total
	<i>million bushels</i>			<i>million bushels</i>			<i>million bushels</i>		
Northeast	0	15	15	0	14	14	0	13	13
Southeast	1	18	19	0	14	14	0	13	14
Delta	0	5	5	0	5	5	0	7	7
Eastern Corn Belt	3	87	89	2	72	74	2	46	48
Western Corn Belt	33	45	78	23	49	72	35	32	67
Southern Plains	5	96	101	3	78	80	3	51	54
Central Plains	31	155	186	20	144	164	23	126	148
Northern Plains	236	96	332	149	110	259	225	93	318
Pacific Northwest	21	91	111	19	96	114	26	99	125
West	1	15	15	0	12	12	1	14	14
Unallocated	6	13	19	5	9	14	6	7	13
United States	335	634	969	221	603	823	321	501	822

Region	1998			1999			2000		
	On farms	Off farms	Total	On farms	Off farms	Total	On farms	Off farms	Total
	<i>million bushels</i>			<i>million bushels</i>			<i>million bushels</i>		
Northeast	0	21	0	0	23	23	0	30	30
Southeast	1	21	7	1	20	20	1	25	25
Delta	0	9	5	0	23	23	0	9	9
Eastern Corn Belt	5	95	85	9	138	148	8	159	167
Western Corn Belt	31	46	74	40	60	100	33	56	89
Southern Plains	6	111	115	11	182	192	7	177	184
Central Plains	53	245	298	63	271	334	57	288	344
Northern Plains	245	82	325	297	99	396	267	95	362
Pacific Northwest	43	116	159	33	118	151	36	120	156
West	1	16	11	2	26	28	1	20	20
Unallocated	15	5	86	15	15	30	16	15	31
United States	400	767	1,167	470	975	1,445	425	992	1,417

Region	2001			Percent of 2000			Percent of 5-yr. avg.		
	On farms	Off farms	Total	On farms	Off farms	Total	On farms	Off farms	Total
	<i>million bushels</i>								
Northeast	0	26	26	0	89	89	0	131	166
Southeast	1	26	26	86	104	104	100	139	163
Delta	0	9	9	125	100	101	96	82	89
Eastern Corn Belt	6	156	162	76	98	97	120	153	155
Western Corn Belt	34	57	91	104	102	103	104	118	113
Southern Plains	6	149	154	79	84	84	95	124	123
Central Plains	44	273	317	78	95	92	103	127	123
Northern Plains	254	101	355	95	106	98	107	105	107
Pacific Northwest	31	114	145	85	95	93	97	104	103
West	1	21	22	130	109	109	90	122	129
Unallocated	14	18	32	88	119	103	124	176	92
United States	390	950	1,340	92	96	95	106	124	118

Source: USDA-NASS

Table 7--U.S. corn acres planted 1996-2000, 2001 intended¹

Region	1996	1997	1998	1999	2000	2001	Percent of 2000	Percent of 5-yr. avg.
	-1,000 acres -							
Northeast	3,682	3,805	3,725	3,680	3,516	3,659	104	99
Southeast	4,910	4,670	4,670	4,160	4,205	3,898	93	86
Delta	1,405	1,080	1,485	785	970	850	88	74
Eastern Corn Belt	26,100	27,250	25,950	25,850	26,150	25,400	97	97
Western Corn Belt	22,850	21,900	22,450	21,850	22,250	21,550	97	97
Southern Plains	2,430	2,335	2,810	2,530	2,550	2,310	91	91
Central Plains	12,000	12,740	12,980	12,980	13,300	12,830	96	100
Northern Plains	4,890	4,725	5,025	4,550	5,535	5,190	94	105
Pacific Northwest	345	325	360	365	405	370	91	103
West	617	707	732	636	664	636	96	95
United States	79,229	79,537	80,187	77,386	79,545	76,693	96	97

Source: USDA-NASS

¹ Intended to be planted as of early March.

is 2.3 million, 9 percent less than last year's level and the 5-year average. Northern Plains acreage is 5.2 million, 4 percent less than the 2000 level and 5 percent above the 5-year average.

Use. Total corn use for 2001/02 is at 9.67 billion bushels, down 30 million bushels from last year. Domestic use is projected at 7.74 billion bushels, down 55 million bushels or approximately 1 percent from a year earlier. Export corn use for the current marketing year is projected at 1.93 billion bushels, up 25 million bushels or 1 percent from 2000/2001 estimates. The average farm price for corn is forecast between \$1.65 and \$2.05 per bushel for 2001/02.

Stocks and Storage. March 1 corn stocks in all positions totaled 6.04 billion bushels, up 8 percent from March 2000 and 23 percent above the 5-year average and the highest since 1987 (table 8). Of the total stocks, 3.6 billion bushels were stored on farms, up 9 percent from last year and 22 percent above the 5-year average. On-farm stocks represent 60 percent of the total stocks. There were 2.44 billion bushels of stocks stored off farms, up 6 percent from last year and 24 percent above the 5-year average.

March 1 stocks were reported up for 2001 in all regions except the Southern Plains where total stocks kept were 1 percent below last year and 29 percent above the 5-year average for the region. Of the Nation's stocks, 72 percent were kept in the Corn Belt regions, with the Western Corn Belt accounting for 37 percent of the total stocks kept. The Eastern Corn Belt recorded the largest absolute increase in stocks with a gain of 146 million bushels, up 7 percent from last year and 65 percent above the 5-year average. There were 2.1 billion bushels of corn stored in the Eastern Corn Belt, 54 percent of its stocks on farm. The Eastern Corn Belt is responsible for keeping 35 percent of the Nation's stocks. In the Western Corn Belt, 2.2 billion bushels of corn were stored on and off farms, 7 percent above last year's level and 61 percent above the 5-year average. The Western Corn Belt kept 67 percent of its stocks on farms. Northern Plains stocks increased by 51.6 million bushels above last year's level to 297.7 million bushels. This represents a 21-percent increase compared to last year and a 93-percent increase compared to the 5-year average. In the Central Plains, 9.35 billion of bushels of corn stored in the Central Plains is relatively unchanged, compared to last year; however, it is 41 percent above the 5-year average. The Northeast kept 105.6 million bushels of corn on and off farms. This is 46 percent above last

year's level and 80 percent above the 5-year average. Forty-four percent of the Northeast stocks were kept in off-farm facilities.

Soybeans

Soybean production is projected at 2.99 billion bushels or 81.2 million tons, an increase of 7.8 percent over 2000/01. Total soybean supplies are projected to increase by over 7 percent to a record 3.28 billion bushels. Anticipated reduction in exports is expected to partially offset a modest gain in domestic soybean crush, resulting in a carryover (ending stocks) of 500 million bushels, almost double a year earlier. The season average soybean farm prices for 2001/02 are projected to fall to \$3.90-\$4.50 per bushel, compared to an estimated \$4.40 per bushel in 2000/01. This would be the lowest average price in 30 years and the fifth consecutive annual price decline.

Supplies. U.S. Department of Agriculture (USDA) projections for the coming year's soybean crop put 2001/02 soybean production at 2.99 billion bushels, up 215 million bushels (7.8 percent) from 2000/01. With beginning stocks at 295 million bushels and imports at 3 million bushels, the total supplies for 2001/02 will equal 3,283 million bushels, up 220 million bushels or 7 percent above last year's level.

The intended acreage devoted to soybean production by farmers is at a record 76.7 million acres in 2001, up 3 percent from last year (table 9). Total harvested area is projected at 75.6 million acres, up 3 million acres or 4 percent, compared to 2000/01. Yield per harvested acre is up by 1.4 bushels or 4 percent, compared to last year. Farmers in 22 of the 31 soybean-producing States reportedly intend to plant more acres this year, while farmers in eight States intend to plant fewer acres than in 2000.

Intended soybean acreage will be up in all regions except the Delta where farmers intend to plant 410,000 fewer acres of soybeans this year, compared to last year. The Delta's intended acreage of 5.6 million acres is 7 percent below last year and 15 percent below the 5-year average. Producers in the Eastern Corn Belt intend to plant 25.1 million acres of soybeans this year. This acreage represents an increase of 850,000 acres or a 4-percent increase above last year and 7 percent above the 5-year average. Producers in the Western Corn Belt intend to plant 23.9 million acres of soybeans, up 700,000 acres or 3 percent above last year and 8 percent above the 5-year average. Intended acreage in the Northern Plains increased by 1 million acres to 11.95 million acres, up 9 percent from the previous year and 77 percent above the 5-year average. Northern Plains acreage is up 3 percent from last year and 22 percent above the 5-year average. Southeast acreage at 11.4 million acres is up 115,000 acres or 1 percent above last year and 45 percent above the 5-year average.

Use. Total soybean use for 2001/02 is projected at 2.78 billion bushels, up 15 million bushels. The 2001/02 domestic crush is projected at 1.63 billion bushels. Soybean exports are projected at 980 million bushels, down 10 million bushels. The average farm price for soybeans is projected between \$3.90 and \$4.50 per bushel, compared to an estimated price of \$4.40 per bushel last year.

Stocks and Storage. Soybeans stored in all positions on March 1 totaled 1.40 billion bushels, up 1 percent from March 1, 2000. On-farm stocks, estimated at 780 million bushels, were up 7 percent from the same period a year ago. Off-farm stocks at 625 million bushels were down 6 percent, compared to the same period last year (table 10).

March 1 soybean stocks were down in all regions except the Eastern Corn Belt and Northern Plains. Eastern Corn Belt stocks rose by 8.4 million bushels, which is 2 percent more than last year and 9 percent more than the

Table 8--U.S. corn stocks by position, March 1, 1995-2001

Region	1995			1996			1997		
	On farms	Off farms	Total	On farms	Off farms	Total	On farms	Off farms	Total
	<i>million bushels</i>			<i>million bushels</i>			<i>million bushels</i>		
Northeast	56	28	84	35	27	62	60	37	97
Southeast	53	59	112	28	56	83	48	56	104
Delta	0	18	18	0	12	12	0	13	13
Eastern Corn Belt	1,145	888	2,033	666	679	1,345	825	579	1,404
Western Corn Belt	1,401	624	2,025	844	591	1,435	1,150	488	1,638
Southern Plains	10	71	81	4	59	63	6	58	64
Central Plains	529	355	884	253	321	574	497	336	833
Northern Plains	178	24	202	84	31	115	173	37	210
Pacific Northwest	0	8	8	0	6	6	0	10	10
West	0	6	6	0	7	7	0	9	9
Unallocated	130	10	140	87	11	98	111	2	113
United States	3,502	2,090	5,592	2,000	1,799	3,800	2,870	1,624	4,494

Region	1998			1999			2000		
	On farms	Off farms	Total	On farms	Off farms	Total	On farms	Off farms	Total
	<i>million bushels</i>			<i>million bushels</i>			<i>million bushels</i>		
Northeast	35	32	67	39	28	67	31	41	72
Southeast	39	58	97	41	51	92	42	62	104
Delta	0	23	23	0	27	27	0	24	24
Eastern Corn Belt	978	801	1,779	1,080	809	1,889	1,020	952	1,972
Western Corn Belt	1,151	529	1,680	1,469	639	2,108	1,386	674	2,060
Southern Plains	0	90	90	0	84	84	0	79	79
Central Plains	496	378	874	620	422	1,042	519	416	935
Northern Plains	156	29	185	221	40	261	200	46	246
Pacific Northwest	0	9	9	0	11	11	0	9	9
West	0	10	10	0	11	11	0	8	8
Unallocated	120	7	127	100	4	280	102	3	276
United States	2,975	1,965	4,940	3,570	2,126	5,696	3,300	2,302	5,602

Region	2001			Percent of 2000			Percent of 5-yr. avg.		
	On farms	Off farms	Total	On farms	Off farms	Total	On farms	Off farms	Total
	<i>million bushels</i>								
Northeast	59	47	106	190	113	146	148	141	145
Southeast	58	70	128	138	113	123	147	123	133
Delta	0	25	25	0	101	101	0	126	126
Eastern Corn Belt	1,135	983	2,118	111	103	107	124	129	126
Western Corn Belt	1,475	729	2,204	106	108	107	123	125	123
Southern Plains	0	78	78	0	99	99	0	105	103
Central Plains	504	431	935	97	104	100	106	115	110
Northern Plains	238	60	298	119	129	121	143	163	146
Pacific Northwest	0	10	10	0	108	108	0	115	115
West	0	10	10	0	121	121	0	113	113
Unallocated	131	7	138	128	251	50	126	140	77
United States	3,600	2,437	6,037	109	106	108	122	124	123

Source: USDA-NASS

Table 9--U.S. soybean acres planted 1996-2000, 2001 intentions¹

Region	1996	1997	1998	1999	2000	2001	Percent of 2000	Percent of 5-yr. avg.
-1,000 acres -								
Northeast	1,120	1,268	1,305	1,300	1,386	1,452	105	114
Southeast	5,415	5,767	5,660	11,080	11,230	11,345	101	145
Delta	6,450	7,150	6,800	6,370	5,980	5,570	93	85
Eastern Corn Belt	22,370	22,610	23,850	24,100	24,200	25,050	104	107
Western Corn Belt	19,600	22,000	22,500	23,200	23,150	23,850	103	108
Southern Plains	590	760	910	880	750	790	105	102
Central Plains	5,100	6,000	6,350	7,150	7,600	7,850	103	122
Northern Plains	3,550	4,450	5,000	9,750	10,950	11,950	109	177
Pacific Northwest	0	0	0	0	0	0	0	0
West	0	0	0	0	0	0	0	0
United States	64,195	70,005	72,375	73,730	74,496	76,657	103	108

Source: USDA-NASS

¹ Intended to be planted as of early March.

5-year average. In the Eastern Corn Belt, 54 percent of stocks were kept on the farms. Northern Plains stocks grew by 16.96 million bushels to 82.5 million bushels, up 26 percent from the previous year and 53 percent above the 5-year average. In the Northern Plains, 70 percent of stocks were kept on farms. Of the Nation's soybean stocks, 73 percent were kept in the Corn Belts, with the Western Corn Belt storing 40 percent of the total soybeans stored and the Eastern Corn Belt keeping 33 percent of the total soybeans kept in storage. Southeast region stocks fell by 8.93 million bushels to 27.4 million bushels. This is 3 percent less than last year and 17 percent less than the 5-year average. All of the Southeast stocks were held off farms. The Central Plains stocks at 128.95 million bushels fell by 6.2 million bushels, compared to last year, a 5-percent reduction from last year's level and 13 percent above the 5-year average. In the Central Plains, 67 percent of stocks were kept off farm, while 33 percent were kept on farms. The largest on-farm stocks were kept in the Western Corn Belt region, accounting for 45 percent of the Nation's on-farm stocks, followed by the Eastern Corn Belt with 32 percent of the Nation's on-farm stocks. However, the Eastern Corn Belt kept the largest share of the Nation's off-farm stocks, accounting 35 percent of the stocks, followed by the Western Corn Belt with 34 percent of the Nation's off-farm stocks.

Table 10--U.S. soybean stocks by position, March 1, 1995-2001

Region	1995			1996			1997		
	On farms	Off farms	Total	On farms	Off farms	Total	On farms	Off farms	Total
	<i>million bushels</i>			<i>million bushels</i>			<i>million bushels</i>		
Northeast	0	11	11	0	2	2	0	2	2
Southeast	32	45	77	17	38	55	15	30	46
Delta	9	44	53	5	48	53	6	39	45
Eastern Corn Belt	226	248	474	183	229	413	171	193	364
Western Corn Belt	282	253	535	245	238	483	245	177	422
Southern Plains	0	6	6	0	6	6	0	0	0
Central Plains	41	85	126	29	75	104	33	59	92
Northern Plains	33	14	48	25	18	42	31	14	45
Pacific Northwest	0	0	0	0	0	0	0	0	0
West	0	0	0	0	0	0	0	0	0
Unallocated	13	29	42	8	24	32	12	27	39
United States	635	735	1,370	512	678	1,190	514	542	1,056

Region	1998			1999			2000		
	On farms	Off farms	Total	On farms	Off farms	Total	On farms	Off farms	Total
	<i>million bushels</i>			<i>million bushels</i>			<i>million bushels</i>		
Northeast	0	2	2	0	3	3	0	19	19
Southeast	0	25	25	0	33	33	0	28	28
Delta	0	39	39	0	42	42	0	50	50
Eastern Corn Belt	219	187	406	289	216	505	238	222	460
Western Corn Belt	294	193	487	358	236	594	341	227	568
Southern Plains	0	3	3	0	3	3	0	7	7
Central Plains	41	75	116	60	65	125	57	78	135
Northern Plains	36	16	52	43	22	65	44	22	66
Pacific Northwest	0	0	0	0	0	0	0	0	0
West	0	0	0	0	0	0	0	0	0
Unallocated	47	25	72	65	24	89	50	20	70
United States	637	566	1,203	815	643	1,458	730	666	1,396

Region	2001			Percent of 2000			Percent of 5-yr. avg.		
	On farms	Off farms	Total	On farms	Off farms	Total	On farms	Off farms	Total
	<i>million bushels</i>								
Northeast	0	9	9	0	47	47	0	155	155
Southeast	0	0	0	0	0	0	0	0	0
Delta	0	29	29	0	57	57	0	66	63
Eastern Corn Belt	252	217	469	106	97	102	114	103	109
Western Corn Belt	352	211	563	103	93	99	119	99	110
Southern Plains	0	3	3	0	43	43	0	79	79
Central Plains	43	86	129	75	110	95	98	122	113
Northern Plains	58	25	83	132	114	126	162	134	153
Pacific Northwest	0	0	0	0	0	0	0	0	0
West	0	0	0	0	0	0	0	0	0
Unallocated	75	25	100	150	127	143	206	104	166
United States	780	625	1,405	107	94	101	122	101	111

Source: USDA-NASS

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Transportation Situation

Ocean Freight

For April-May 2001, average ocean freight rates from two key grain routes, U.S. Gulf to Japan (Gulf) and PNW to Japan, were \$22.76 and \$15.73 per metric ton, respectively, down slightly from second quarter 2000. The rates from the PNW dropped 8.3 percent, while the rates from the Gulf increased 2.8 percent from the previous quarter. The “spread”¹ between the Gulf and PNW ocean rates increased from an average \$4.98 per metric ton in the first quarter of 2001 to approximately \$7.03 per metric ton in the second quarter (table 11).

Table 11--Average daily ocean grain freight rates to Japan by month

		<i>For first 6 months</i>					
Export range	Year	January	February	March	April	May	June
		<i>\$/ metric ton</i>					
Gulf ^{***}	1998	20.35	17.85	18.46	18.14	17.08	14.40
	1999	13.92	15.13	16.32	16.16	18.28	16.40
	2000	21.57	20.74	22.05	22.59	23.05	23.26
	2001 [†]	22.20	21.67	22.52	22.49	23.02	N/A
	5-year average	20.71	20.19	20.93	20.60	20.65	19.80
	10-year average	23.24	22.54	23.11	23.15	23.92	22.40
	15-year average	23.15	22.87	23.45	23.32	23.87	20.50
Pacific Northwest ^{**}	1998	11.43	9.40	12.19	11.52	10.89	10.62
	1999	9.56	9.22	10.34	9.58	11.26	11.73
	2000	14.75	14.83	16.42	15.77	15.64	15.94
	2001 [†]	17.04	16.95	17.46	16.15	15.30	N/A
	5-year average	13.40	12.98	14.38	13.48	13.13	12.64
	10-year average	14.05	13.71	14.43	13.87	13.82	13.50
	15-year average	13.84	13.83	14.58	13.70	13.60	12.56
Spread ¹	1998	8.92	8.45	6.27	6.62	6.19	3.78
	1999	4.36	5.91	5.98	6.58	7.02	4.67
	2000	6.82	5.91	5.63	6.82	7.41	7.32
	2001 [†]	5.16	4.72	5.06	6.34	7.72	N/A
	5-year average	7.31	7.21	6.55	7.12	7.51	7.16
	10-year average	9.18	8.83	8.69	9.27	10.10	8.89
	15-year average	9.31	9.05	8.87	9.62	10.26	7.94

¹Gulf minus Pacific Northwest

*Value is based on average daily rates from January 1 through mid-May 2001

*** Route 2

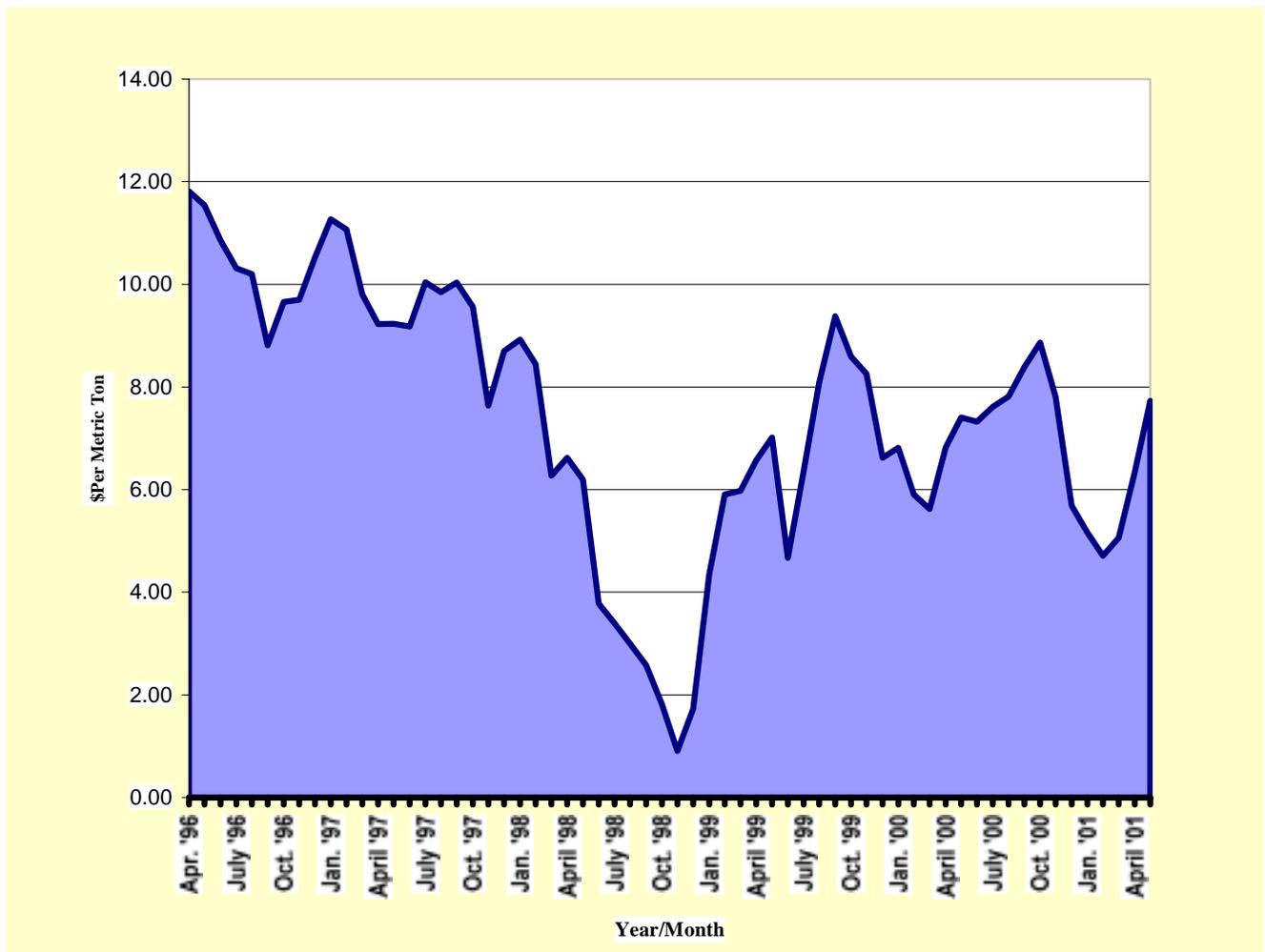
** Route 3

Source: Baltic Exchange

¹The difference between the Gulf and PNW to Japan ocean freight rates is called “spread” rates.

The first quarter average of ocean freight rates from the Gulf to Japan was \$22.13 per metric ton, which exceeded the 5-year average but did not reach the 10- and 15-year averages.² The rates from the PNW, on the other hand, exceeded all 5-, 10-, and 15-year averages for the first quarter. For the second quarter 2001,³ the relationship between quarterly average ocean freight rates and their 5-, 10-, and 15-year averages was the same as it was for the first quarter. March rates from the PNW to Japan averaged \$17.46 per metric ton (figures 3 and 4), which was the highest per ton for a single month since September 1995. Since then, the rate from the PNW

Figure 3--Five-year monthly average spread



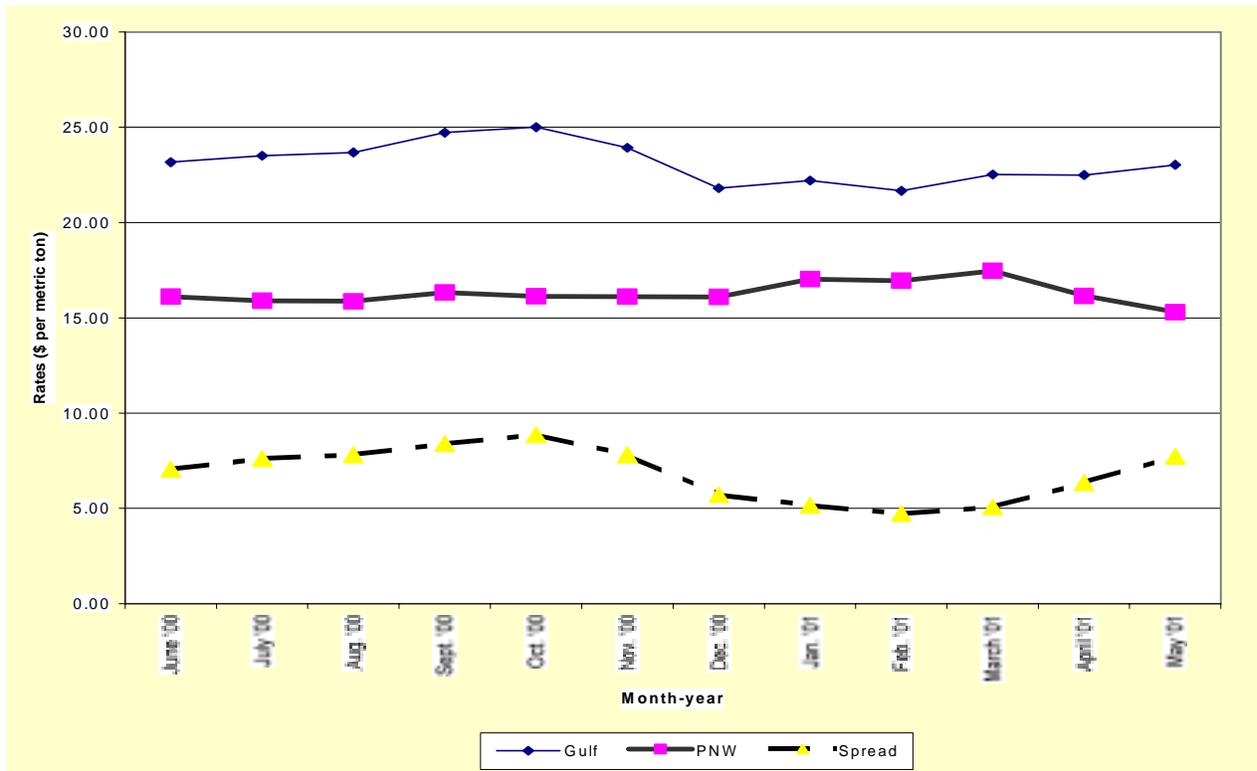
² The 10-year average of ocean freight rates is abnormally high because it includes the data from 1995. Ocean freight rates for 1995 were much higher than those of an average year.

³ For the second quarter 2001, only data from April and May were included.

has dropped more than 12 percent. The average ocean freight rate from the Gulf to Japan for the month of May was the highest since November 2000. For this route, the ocean freight rate for May was 2.2 percent higher than for March. The combination of higher rates from the Gulf and lower rates from the PNW made the “spread” ocean freight rates for the month of May be \$2.66 per metric ton higher than the average rate spread in March.

World supply and demand factors establish shipping market conditions and ocean freight rates. With a weaker global economy, carriers adding numerous ships, and a cargo space utilization rate of less than 60 percent for exports, U.S. grain exporters will have a strong bargaining position in this year’s transpacific service contract negotiations. The average number of spot fixtures out of the Mediterranean has been falling. In 1998, the use was 70 vessels per month. This fell to 66 in 1999 and 51 by 2000, with December 2000 recording a utilization for 39 vessels. While vessel capacity in the Pacific is expected to increase by 11 percent in 2001, according to Drewry Shipping Consultants, cargo volumes (even in the busiest U.S. trade lanes) are projected to increase by less than 6 percent. During the Asian financial crisis of 1997-99, there was no slack season in the eastbound Pacific since U.S. consumer confidence was high. Today, carriers’ hope for a substantial rate increase may not be realized because of excess shipping capacity and the stronger bargaining position of shippers.

Figure 4--Ocean freight rates to Japan

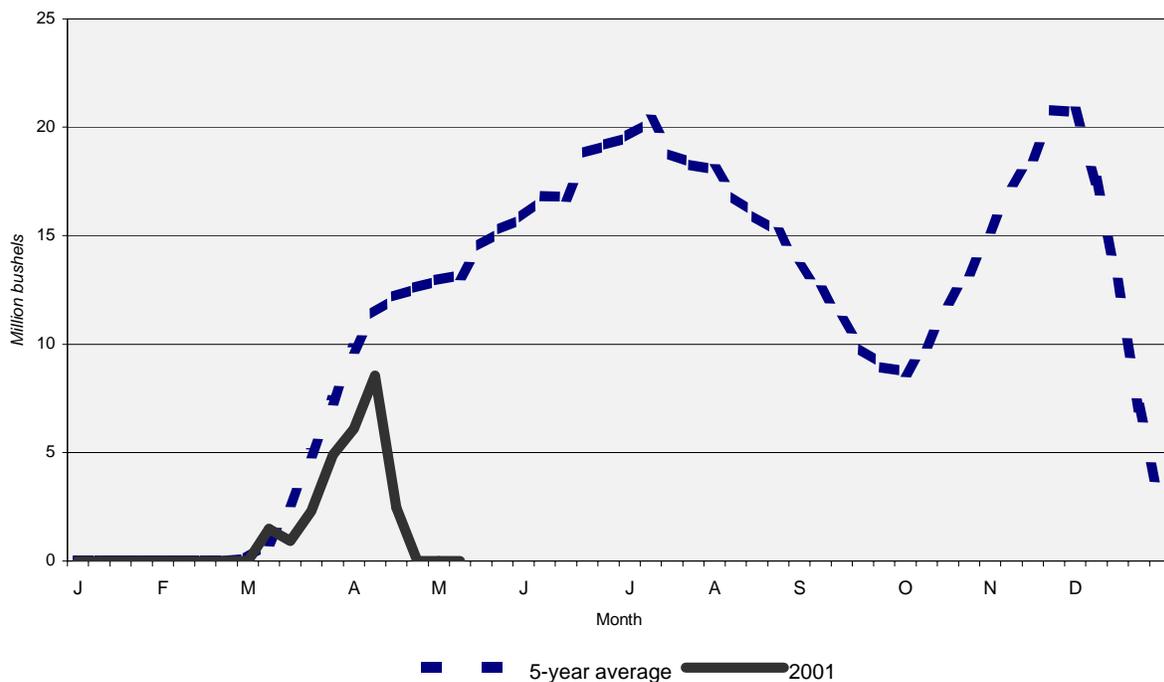


Barge

Throughout the past winter, most of the upper Mississippi River was closed to navigation with typical ice accumulations that stopped traffic until late February and March. During the early part of 2001, persistent freezing temperatures caused icy conditions that stalled or halted traffic on some of the normally open stretches of the upper Mississippi River and Illinois Waterway. Generally, the Illinois Waterway is open throughout the winter, and most of the Mississippi River below the Iowa border is relatively ice free. When warmer spring temperatures arrived, unusually heavy rainfall and a rapidly melting snowpack caused extreme flooding conditions that stopped all traffic for nearly 400 miles along the Mississippi River. Segments of the river were closed from early April to late May. Many grain shippers had no other alternative than to wait until the river opened to resume grain movements to Mississippi River export facilities in Louisiana.

During early spring when the river opens, upper Mississippi River grain exporters rely upon an ample supply of barges to get their grain down the river. Figure 5 shows the weekly grain shipments for this year and the 5-year average for Locks and Dam (L&D) 15 at Rock Island, IL (which is across the river from Davenport, IA). This year, traffic at L&D 15 started the week of March 4-10 and increased almost weekly until navigation restrictions were implemented in April. There should be significant increases in barge movements in June that could extend through the end of the season.

**Figure 5--Weekly grain traffic through Locks and Dam 15, Rock Island, IL,
5-year moving average and 2001 year-to-date**



Barge grain movements for first quarter 2001 were 27,241 bushels per week, a slight decrease from a year earlier and the 5-year average (table 12). Grain barge shipments are monitored by USDA from weekly lock reports provided by the U.S. Army Corps of Engineers. The collective data from Mississippi River Locks 27, Ohio River Locks 52, and Norrell Lock on the Arkansas River are considered to be the total volume of barged grain since each lock is the last or second to last one in its respective river.

Table 12--Average weekly barge shipments by quarter, 1996-2001

Year	1st quarter (Jan.-Mar.)	2d quarter (Apr.-June)	3d quarter (July-Sept.)	4th quarter (Oct.-Dec.)	Annual (Jan.-Dec.)
<i>1,000 bushels</i>					
1996	29,971	36,549	25,811	39,847	33,045
1997	26,383	27,612	28,138	39,864	30,499
1998	25,932	27,601	30,391	37,790	30,428
1999	29,074	38,105	36,497	36,372	35,012
2000	27,932	33,384	34,207	34,552	32,519
2001	27,241	27,381 *			
5-yr. avg.	27,858	32,650	31,009	37,685	32,301

Note: All averages based on shipments through Mississippi L&D 27, Ohio L&D 52, and Norrell L&D on the Arkansas River.

* As of May 5, 2001.

Source: U.S. Army Corps of Engineers

Barge grain movements for the beginning of second quarter 2001 were 27,381 bushels per week, below the 5-year average, but this only includes data available through May 5. At this time of year, there are generally weekly increases in grain volumes; however, the Mississippi River flooding and a weakened demand for export grain have limited grain barge shipments. There have been no significant increases in grain traffic on the Ohio River, which has not been affected by the flooding.

Barge freight rates for grain shipped from St. Louis, MO, to New Orleans, LA, for the first quarter of 2001 averaged 166 percent of tariff, which was 26 percent higher than the 5-year average (table 13). Adverse river conditions on the upper Mississippi River caused a higher demand for barges in the St. Louis area. Barge rates are quoted in terms of differentials from barge tariff benchmarks.⁴ The tariff rate from St. Louis to New Orleans is \$3.99 per ton; therefore, the spot market rate quoted is 1.66 times \$3.99 or \$6.62 per ton. Due to weather conditions and flooding, there were no reported barge freight rates for Minneapolis-St. Paul, MN, to New Orleans during the first quarter and for April and most of May.

⁴ The benchmarks are from the Bulk Grain and Grain Products Freight Tariff No. 7, which was issued by the Waterways Freight Bureau (WFB) of the Interstate Commerce Commission (ICC). In 1976, the United States Department of Justice entered into an agreement with the ICC and made Tariff No. 7 no longer applicable. Today, the WFB no longer exists, and the ICC has become the Surface Transportation Board of the U.S. Department of Transportation. However, the barge industry continues to use the benchmarks as rate units.

Table 13--Average weekly barge rates by quarter, 1996-2001

Region/year	1st quarter (Jan.-Mar.)	2d quarter (Apr.-June)	3d quarter (July-Sept.)	4th quarter (Oct.-Dec.)
percent of tariff				
Minneapolis-St. Paul to New Orleans:		Tariff = \$6.19 per ton		
1996	no rates	180	151	236
1997	165	146	179	249
1998	164	166	241	325
1999	213	182	271	269
2000	210	177	248	202
2001	no rates	no rates		
5-yr. avg.	190	171	217	256
St. Louis to New Orleans:		Tariff = \$3.99 per ton		
1996	180	99	106	148
1997	118	90	122	140
1998	93	106	199	189
1999	123	107	196	163
2000	145	110	201	161
2001	166	124		
5-yr. avg.	132	102	164	158

Source: USDA-AMS

Note: Twin Cities 100 percent tariff rate is \$6.10 per ton. St. Louis 100 percent tariff rate is \$3.99 per ton.

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Rail

Despite temporary disruptions to rail service due to flooding on the upper Mississippi River in late April and early May, overall service quality on nearly all railroads has been improving. While waiting for the Surface Transportation Board (STB) to issue new rules governing major railroad mergers, major railroads are entering into partnership alliances as a way to provide expanded and improved service. The STB released its new rail merger regulations on June 11. These regulations could greatly influence railroads' decisions regarding alliances and mergers, affecting the configuration of the rail industry and the future availability of rail service to agricultural shippers.

Fuel prices remain at high levels, but since railroads are at least three times as fuel efficient as trucks and fuel costs represent a lower percentage of operating expenses for railroads, truckers will be affected much more adversely by these high fuel prices. Weaker economic conditions will create pressure on railroad earnings, encouraging railroads to look for opportunities to improve carload revenue yields; thus, improved service levels, as well as cost advantages over trucks during periods of higher fuel prices, may provide an opportunity for railroads to recapture some traffic from trucks while modestly increasing rail tariff rates.

Grain carloads originated on U.S. Class I railroads decreased slightly (1.4 percent) during the first 18 weeks of 2001 as compared to the same period in 2000 (395,613 carloads compared to 401,337 carloads) and decreased 6.8 percent as compared to the average of the comparable periods of 1995-1998.⁵ Grain carloads originated by U.S. Class I railroads during the most recent 4 weeks were 4.6 percent fewer than in the same period of 2000 (76,972 carloads versus 80,664 carloads) and 13.1 percent fewer than the average of the comparable periods of 1995 to 1998.

The drop since mid-April in the demand for grain transportation—after strong demand earlier in the year—can be attributed mainly to two factors: (1) the export of substantial quantities of soybeans to China in the first quarter, which now has been completed, and (2) increased quantities of grain exported to Mexico prior to the expiration of quotas. Thus, the overall decrease in grain car loadings has accelerated during the last month.

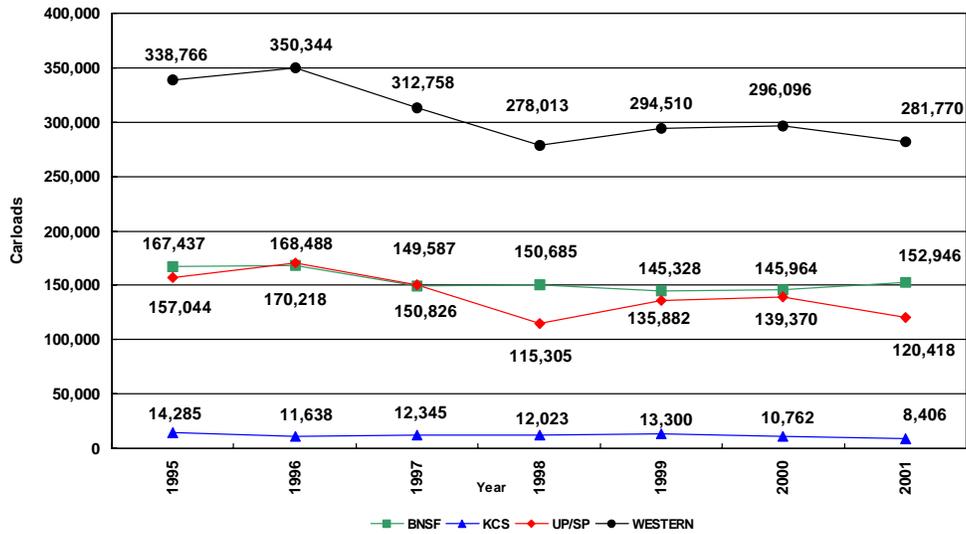
Western Railroads

Grain cars originated on western railroads during the first 18 weeks of 2001 were down 4.8 percent (281,770 carloads versus 296,096 carloads) compared to the corresponding period in 2000 and were down 11.9 percent from the average of the corresponding periods of 1995-1998 (figure 6). The decreased demand for the transportation of grain on the western railroads has intensified during the last 4 weeks. Grain carloadings on the western railroads during the most recent 4 weeks of 2001 decreased 6.1 percent as compared to the corresponding period in 2000 (53,896 carloads compared to 57,378) and decreased 19.7 percent as compared to the average of comparable periods in 1995-1998 (figure 7).

Rail industry sources state that both feed grain and feed product movements to feedlots have been strong during the past month. Spring wheat movements to domestic markets have been up, but the demand for HRW wheat movements has been weak in both domestic and export markets. Until mid-April, China had been purchasing

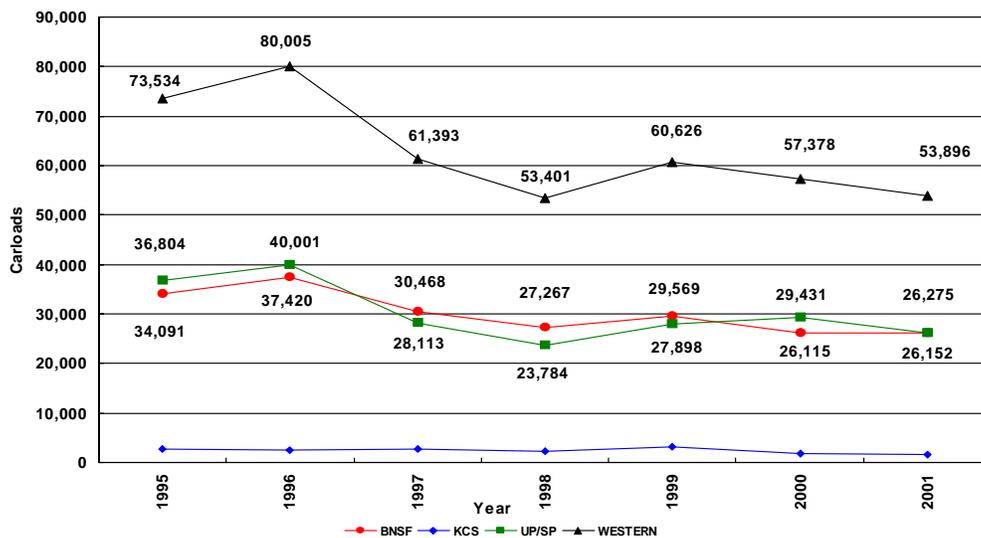
⁵ All traffic comparisons exclude Illinois Central, which, in the fourth quarter of 2000, began to report its cars originated as part of that originated by Canadian National.

**Figure 6--Western Class 1 railroad carloads of grain originated
(first 18 weeks of the year, 1995-2001)**



Source: Weekly Railroad Traffic, Association of American Railroads.

**Figure 7--Western Class 1 railroad carloads of grain originated
(weeks 15 through 18, 1995-2001)**



Source: Weekly Railroad Traffic, Association of American Railroads.

substantial quantities of soybeans, and Mexico had been purchasing corn and other feed grains. Also, grain movements to the Gulf ports of Texas and Louisiana have been slow.

Since the wheat crop for 2001/02 is projected to be sharply lower than last year's crop, the need to relocate grain will also be less. In addition, the incentives for storing wheat have increased. Thus, the demand for grain transportation on the western railroads this summer is likely to be weaker than normal, even though there are plenty of railcars and locomotives available.

With the exception of minor delays due to flooding on the upper Mississippi River during late April and early May, grain shippers appear not to have been affected by any significant rail transportation problems. Due to the continuing focus on improving customer service, the western railroads have generally continued to improve. The average train speeds for the week of May 11 for all western railroads were above 24 miles per hour, and the average speed of grain unit trains was greater than 21 miles per hour.

Bidding activity for guaranteed grain cars on the two major western railroads, Burlington Northern Santa Fe Railway (BNSF) and Union Pacific Railroad (UP), has been slow. Premiums in the secondary railcar market for June are selling at discounts ranging from \$62 to \$110 and for July are selling at discounts ranging from \$38 to \$84. Both of the major western railroads currently have railcars in storage.

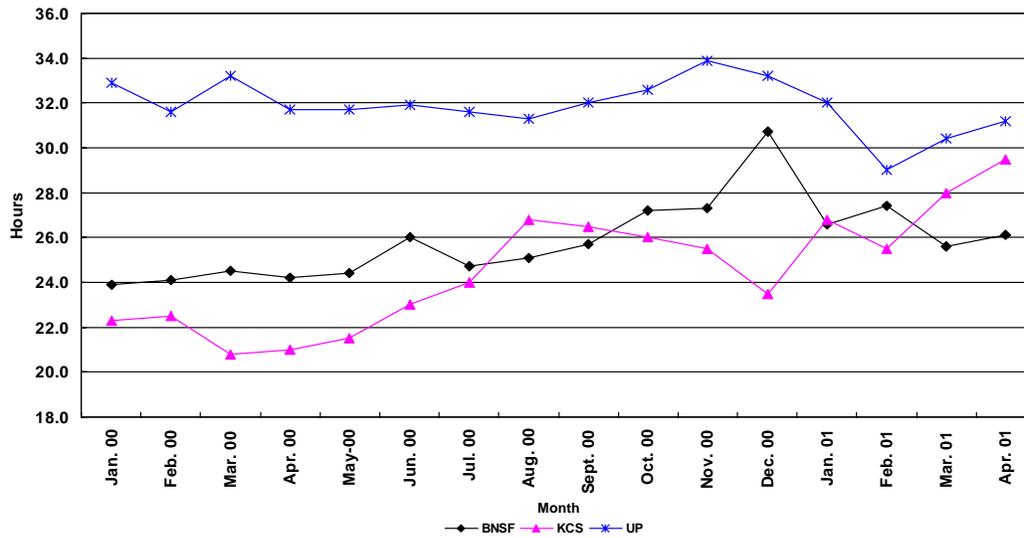
Burlington Northern Santa Fe. Grain movement on BNSF increased 4.8 percent for the first 18 weeks of 2001 (152,946 railcars versus last year's 145,964), but is still 3.8 percent less than the average of comparable periods from 1995 to 1998 (figure 6). The increase in the number of grain cars originated, however, has slowed during the past 4 weeks, increasing only 0.6 percent over the comparable period in 2000 (26,275 railcars compared to 26,115) (figure 7). The number of grain cars originated during the last 4 weeks is also 18.7 percent fewer than the average for the comparable periods from 1995 to 1998.

As of May 26, BNSF had 22,510 covered hopper railcars in its active grain fleet, with the number in storage increasing to 4,460. As of May 29, BNSF reported only 555 past-due railcar orders that were an average of 4.3 days late. Only a little more than 5 percent of the guaranteed railcars offered for the month of May were sold, and so far, about 4 percent of the guaranteed railcars offered for June and July have been sold. Activity on guaranteed cars offered for August and September is much greater, however, with 26 and 30 percent, respectively, sold so far. BNSF will probably further reduce the size of its grain fleet since increased shuttle-train volumes are expected to reduce the cycle times for its grain fleet. For the week ending May 12, BNSF reported an average grain fleet cycle time of 28.77 days. Since BNSF currently has a surplus of more than 100 locomotives, loaded cars should not have to wait for power. However, trains of 27 and 54 railcars may wait 3-4 days for matching loads to fill out a train.

All of BNSF's yards seem to be relatively fluid. The simple average of the reported terminal dwell times for April is 26.1 hours (figure 8), which is the lowest of the U.S.-owned railroads. This improved to 25.9 hours for the week ending May 25.

Kansas City Southern Railway. Grain originated on the Kansas City Southern Railway (KCS) during the first 18 weeks of 2001 was down 21.9 percent compared to the same period in 2000 (8,406 railcars compared to 10,762) and was down 33.1 percent from the average of comparable periods from 1995 to 1998 (figure 6). Grain originated during the past 4 weeks was down even further, 19.8 percent, compared to the same period in 2000, and down 43.4 percent, compared to the average of comparable periods from 1995 to 1998 (figure 7).

**Figure 8--Western Class I railroad average terminal dwell times¹
(January 2000-April 2001)**



¹ Simple average of all terminals.

Source: Weekly Railroad Traffic, Association of American Railroads

KCS has overhauled its main north-south line over which most of its grain traffic moves. The rehabilitation should improve service and turnaround times for KCS over last year when major delays occurred. Grain unit trains on KCS averaged a speed of 22.8 miles per hour during April. The simple average of reported terminal dwell times for the 3 weeks ending May 25 decreased to 23.5 hours. The average of terminal dwell times had increased from 25.5 hours in February until it reached a peak in April of 29.5 hours (figure 8).

KCS reports its grain car fleet at 3,365 covered hoppers as of May 29. Of this fleet, 600 railcars were reported in service to processors, 2,395 railcars were in guaranteed service programs, and 35 railcars were out of service.

Union Pacific. Grain movements on the UP were down 13.6 percent for the first 18 weeks of 2001, compared to the same period in 2000 (120,418 railcars versus 139,370), and down 18.8 percent, compared to the average of the same periods from 1995 to 1998 (figure 6). This has improved slightly during the last 4 weeks, down 11.1 percent, compared to the same period in 2000 (26,152 railcars compared to 29,431), and 18.7 percent, compared to the average of the same periods from 1995 to 1998 (figure 7).

As of April 1, UP had reduced its covered hopper grain fleet to 28,245 railcars. The reduction in the grain fleet should not affect service, though, since cycle times have improved and demand is weaker. UP states that it has reduced the cycle time on shuttle trains to 9.7 days. From February through May, an average of 3,350 of these railcars have been allocated to shuttles, approximately 3,500 have been assigned to carload service, approximately 12,000 have been assigned to guaranteed freight pools, and approximately 5,400 have been offered on voucher programs. UP states that it currently has around 4,000 covered hopper railcars in storage and, due to this year's wheat crop being projected much lower, expects to have plenty of railcars to meet demand. Due to the adequate availability of railcars, bids for guaranteed railcars have been weak.

Service on UP has been consistently improving since the end of 1998, and UP states that its service delivery index is as high as it has ever been. UP expects to finish major improvements to its Kansas-Pacific line this summer. The Kansas-Pacific line improved from 10 miles per hour in some locations to 49 miles per hour, which will substantially improve UP's service to grain shippers. UP is also coordinating track maintenance with expected movements to minimize service disruptions. UP states that it expects to have adequate locomotive power throughout the summer.

UP has announced a new, more flexible shuttle plan, which will become effective in June. The new shuttle plan does not restrict purchasers to specific corridors and allows the customer to adjust the train size for individual shuttles. UP has also been partnering with Canadian Pacific to move Dakota wheat to the PNW.

UP reports that the average speed for grain unit trains was 22.3 miles per hour for April. The simple average of the terminal dwell times for April is 31.2 hours, and for the week ending May 25, the average of terminal dwell times had been reduced to 30.4 hours. UP's terminal dwell times are currently the longest of the U.S.-owned Class I railroads (figure 8).

Eastern Railroads

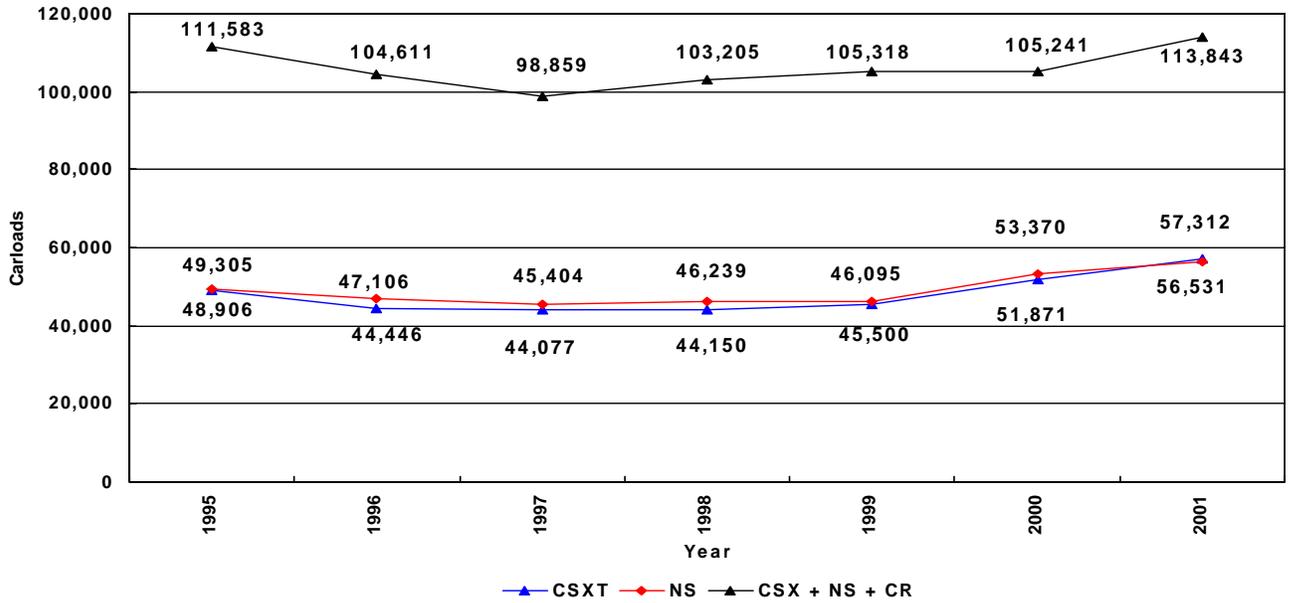
The eastern railroads now are moving more grain than prior to the split of Conrail. Grain cars originated on the eastern railroads for the first 18 weeks of 2001 increased 8.2 percent over those originated in the comparable period of 2000 (113,843 railcars compared to 105,241) and increased 8.1 percent over those originated on those lines in the comparable period of 1999 (figure 9).⁶ This increase in grain traffic on the eastern railroads has weakened during the past 4 weeks. Grain traffic originated on the eastern railroads decreased 0.9 percent during the most recent 4 weeks as compared to the same period in 2000 (23,076 railcars compared to 23,286) but still was 3.8 percent greater than that originated in the comparable period of 1999 (figure 10). Despite increased grain movement to the East Coast, neither CSX Transportation nor Norfolk Southern Railroad (NS) gained any substantial amounts of grain traffic due to the flooding on the upper Mississippi River during late April and early May.

CSX Transportation. During the first 18 weeks of 2001, CSX grain carloadings were 10.5 percent greater than during the same period in 2000 (57,312 carloads compared to 51,871) (figure 9). However, grain traffic on CSX decreased 4.4 percent during the past 4 weeks as compared to the same period in 2000 (10,675 carloads versus 11,172) (figure 10).

CSX states that export movements to the East Coast have recently died off due to the harvest of South American grain crops. CSX's export movements of grain year-to-date have increased more than 50 percent, compared to the same period in 2000. Export movements for CSX, however, represent a relatively small portion of its grain movements. CSX also states that deliveries of grain to feed businesses have increased slightly year-to-date, but its deliveries of soybeans to processing plants have decreased approximately 20 percent year-to-date. During May, however, CSX deliveries to soybean processing plants have begun to increase.

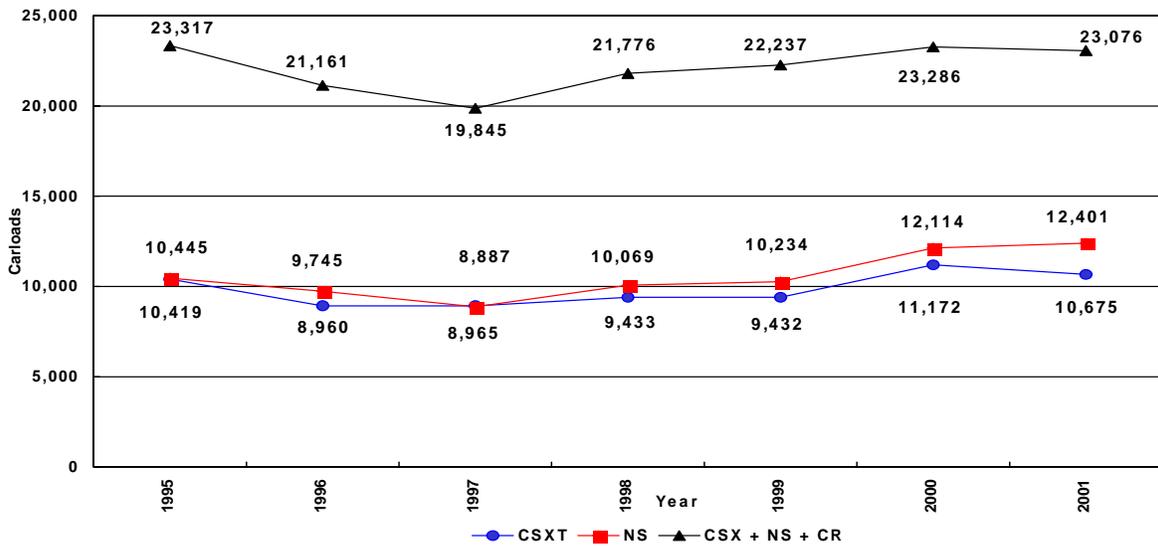
⁶ All traffic comparisons exclude Illinois Central, which, in the fourth quarter of 2000, began to report its cars originated as part of that originated by Canadian National. This leaves only the comparison of current rail traffic on CSX and NS to that of CSX, NS, and Conrail in the periods prior to the split of Conrail in June 1999.

**Figure 9--Eastern Class 1 railroad carloads of grain originated
(first 18 weeks of the year, 1995-2001)**



Source: Weekly Railroad Traffic, Association of American Railroads.

**Figure 10--Eastern Class 1 railroad carloads of grain originated
(weeks 15 through 18, 1995-2001)**



Source: Weekly Railroad Traffic, Association of American Railroads.

CSX reports that its supply of covered hopper railcars (approximately 11,000 for all commodities) is currently adequate, with approximately 700 covered hopper railcars available for loading at this time. CSX expects the supply of covered hopper railcars to be adequate during June and July. The availability of locomotive power and crews also continues to be adequate. In addition, CSX reports good cycle times due in part to emphasis on shuttle and unit trains. CSX is currently getting 2-2.5 turns per month on its shuttle trains.

CSX reports that operations across its system are very fluid. The number of railcars on line has continued to decrease steadily, from an average of 270,927 in April 2000 to 238,538 as of May 25, 2001. This indicates that traffic is moving through the rail system and is being delivered to customers rather than sitting idle. CSX plans to close the rail line between New Orleans, LA, and Montgomery, AL, for 4 days, July 2-6, to repair bridges, rails, crossings, and cross ties. Most freight trains will be rerouted during that period, but some may be delayed for a few days.

CSX's average train speed increased from 17.6 miles per hour in April 2000 to 21.1 miles per hour for the week ending May 25, 2001. The average speed of CSX's grain unit trains increased from 15.6 miles per hour in April 2000 to 19.3 miles per hour for the week ending May 25, 2001. These average train speeds are now faster than the pre-Conrail-split average train speeds of 18.9 miles during April 1999 and average grain train speeds of 17.6 miles per hour during April 1999 (figure 11).

In addition, the simple average of terminal dwell times for CSX has continued to steadily improve (with the exception of December 2000 and January 2001). CSX's simple average of terminal dwell times for April was 28.1 hours, compared to an average of 35.1 hours during April 2000 and an average of 31.3 hours in April 1999, which was prior to the split of Conrail (figure 12). All CSX railroad performance measures are now at levels equal to or surpassing those prior to its acquisition of portions of Conrail.

Norfolk Southern. Grain movements for the first 18 weeks of 2001 increased 5.9 percent on NS, compared to the comparable period in 2000 (56,531 carloads versus 53,370) (figure 9). This rate of increase has slowed, however, as NS originated 2.4 percent more railcars during the last 4 weeks as compared to the same period in 2000 (12,401 railcars compared to 12,114) (figure 10).

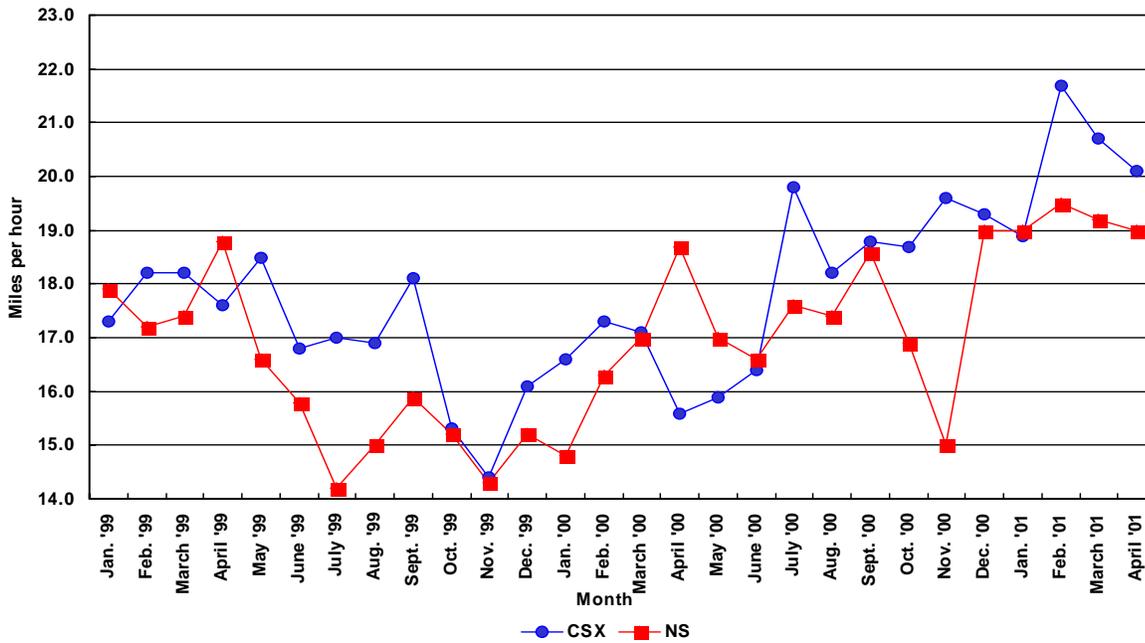
According to NS, transportation of grain to the Delaware, Maryland, and Virginia (DelMarVa) region has decreased due to improved yields of local crops last year. Movements of poultry feed to Georgia, South Carolina, and Alabama are slightly down from last year, but have improved during the last 4-6 weeks. Movements of soybeans to processors are also up, as well as short haul movements of grain to processors in the Midwest. Export movements to Eastern ports and the Gulf have also increased.

NS has a supply of approximately 5,500 covered hoppers assigned to agriculture, which is about 500 fewer than last year. Due to vastly improved cycle times, however, NS expects its grain-hauling capacity to remain the same and service to be adequate. NS reports that the cycle time on 50-car unit trains is 16.1 days. NS also states that its locomotive fleet is adequate. East-west movements over its Illinois division, however, had been delayed for a 7-10 day period due to the flooding on the upper Mississippi River.

NS lines are much less congested since the number of railcars on line has decreased from 219,539 in April 2000 to only 201,142 on May 25, 2001. The average train speed increased from 20.2 miles per hour in April 2000 to 21.8 miles per hour for the week ending May 25, 2001. The average train speed for grain unit trains also increased from 18.7 miles per hour in April 2000 to 19.0 miles per hour for April 2001 (figure 11). These average train speeds are now faster than those before the split of Conrail. The simple average of the terminal dwell times also decreased from 30.7 hours in April 2000 to 27.5 hours for April 2001 (figure 12). The simple

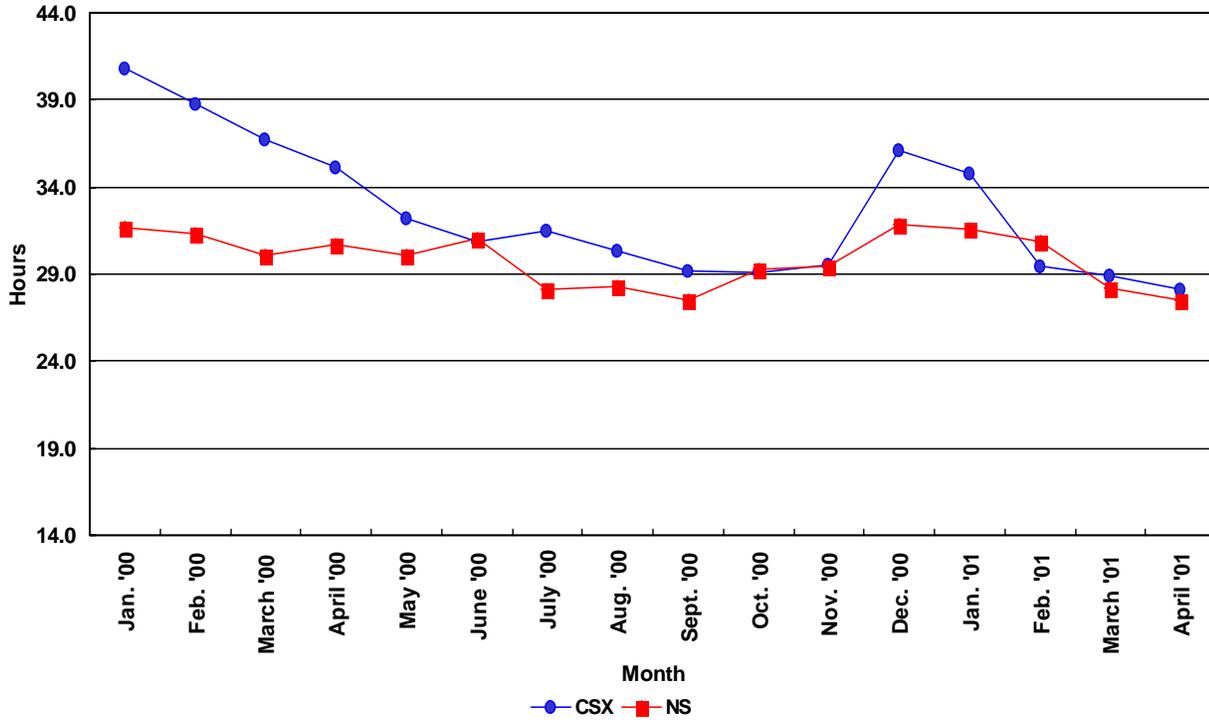
average of the terminal dwell times for April 1999, before the split of Conrail, was 28.3 hours. The weighted average of the terminal dwell times for April 2001 was 23.7 hours, compared to 25.5 hours in April 2000. Thus, all NS railroad performance measures are now at levels equal to or surpassing those prior to its acquisition of portions of Conrail.

Figure 11--Eastern railroad average monthly grain train speeds (January 1999-April 2001)



Source: Weekly Railroad Traffic, Association of American Railroads

**Figure 12--Eastern railroad average terminal dwell times¹
(January 2000-April 2001)**



¹ Simple average of all terminals.

Source: Weekly Railroad Traffic, Association of American Railroads

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Trucking Situation

Volatility in fuel markets will continue to influence grain transportation marketing. On a related note, recent long-term public-sector initiatives and regulations may also influence the market in the near future.

Fuel Prices

Diesel fuel markets continue to experience volatile pricing. While the benchmark indicator at New York's Mercantile Exchange for West Texas intermediate crude oil has trended downward to \$28.88 in May from \$30.33 a year ago,⁷ these lower commodity prices do not correspond to recent price data for diesel at the pump. Indeed the signs of price volatility are still apparent. Figure 13 shows that, while prices began to dip in late January, they also began to rise in early April. The table also illustrates that diesel prices are beginning to trend upward and may match the recent peak witnessed last fall when prices hit \$1.67 per gallon during the peak shipping season.⁸ The data also indicate that price trends in the Midwest (Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, Ohio, Oklahoma, Tennessee, and Wisconsin) exceed the national average. Concerns over fuel supplies and energy-related issues will likely continue. In addition, greater demands for oil and gas will occur as the summer driving season begins, putting greater constraints on the available supply of oil.

Executive Policies and Regulatory Updates

The National Energy Policy

On May 17, President Bush issued a National Energy Policy (NEP). The policy is a comprehensive framework, detailing significant energy-related issues. USDA Secretary Veneman participated in all aspects of the report with other cabinet-level officials, known as the National Energy Policy Development Group. The policy includes the group's 105 recommendations.

Readers can access the entire report online at www.whitehouse.gov/energy.

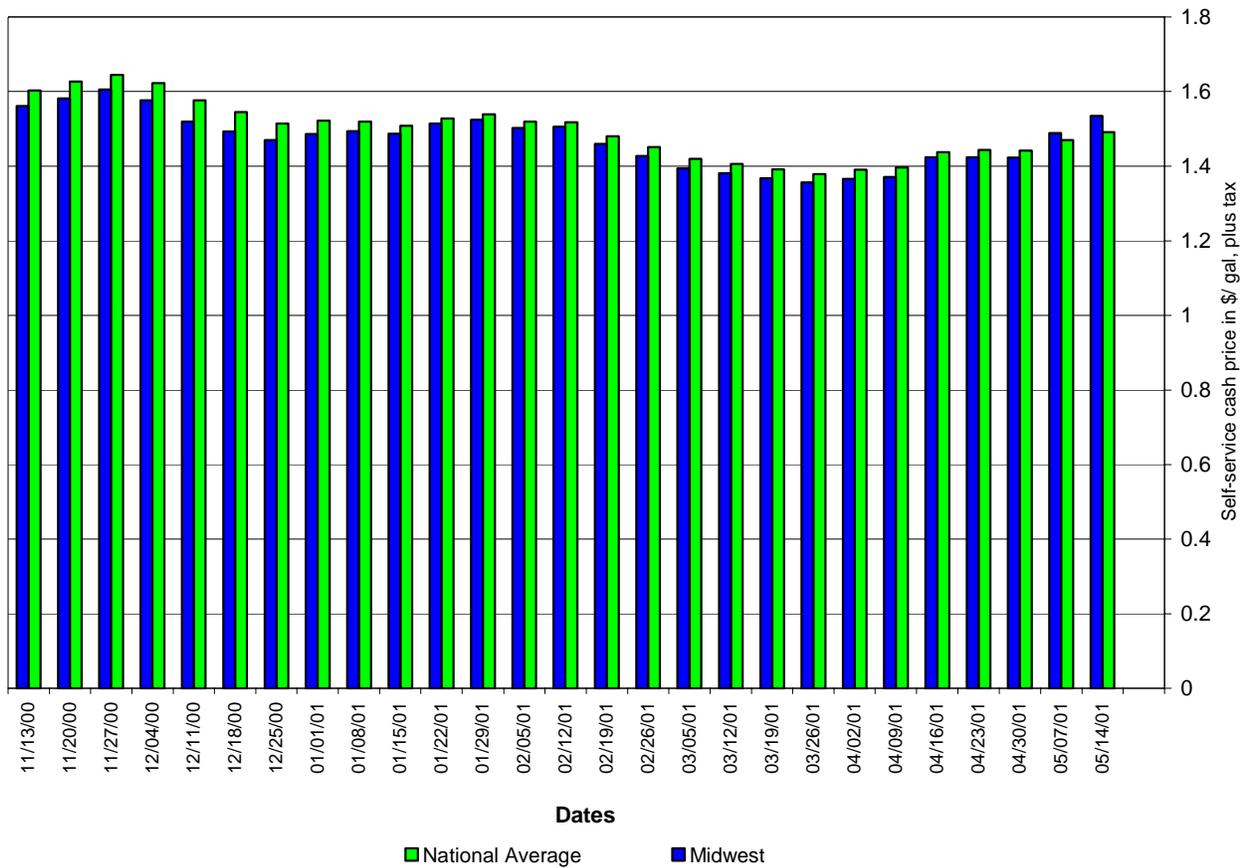
While discussion of the entire policy is beyond the scope of this publication, certain components of the policy may affect agricultural trade, transportation, and marketing. The NEP will, among other things:

- Consider changing statutes and regulations governing energy exploration in areas on or within the Outer Continental Shelf
- Promote energy studies to allow cities and municipalities greater flexibility to exchange various fuel blends of lower emission gasoline to ease energy shortages
- Promote "more regulatory certainty" and streamline energy permitting procedures, especially those for oil refinery owners
- Review the Corporate Average Fuel Economy standards, once the National Academy of Sciences issues its report on these standards in July
- Consider other "market-based approaches" to increasing fuel economy

⁷ Oil Prices, *Wall Street Journal*, 5-18-01, C12, Dow Jones Energy Service

⁸ See www.eia.doe.gov/pub/oil_gas/petroleum/data_publications. Cf. www.opisnet.com/fleetweb/prices, where prices for the week of May 14, 2001, averaged \$1.46 per gallon.

Figure 13--U.S. on-highway diesel prices, November 13, 2000-May 14, 2001



Source: U.S. Department of Energy at www.eia.doe.gov.

- Expand tax incentives for wind and methane energy sources used to produce electricity
- Review and promote congestion mitigation technologies and strategies and will work with Congress on their effective implementation
- Set forth a temporary income tax credit for citizens that purchase vehicles using so-called “hybrid engines” or fuel cells between 2002 and 2007
- Establish mandatory reduction targets for vehicles that produce sulfur dioxide, nitrogen oxide, and mercury emissions

Commercial Drivers License Review Rule

The U.S. Department of Transportation’s Federal Motor Carrier Safety Administration (FMCSA) has issued a proposed rule that requires drivers of large trucks or buses to be disqualified from truck driving if convicted of certain criminal offenses (www.fmcsa.dot.gov). These offenses include drunk driving, leaving the scene of an accident, committing a substance-related felony, violating and/or disregarding railroad-highway grade crossing signage, excessive speeding, and reckless driving.

If the proposed rule becomes final, it would require States to disqualify a driver's commercial licenses upon conviction. Implementation of regulations would vary by State, while the time period for disqualification would vary according to the offense involved. Trucking firms would also have a State requirement to prohibit disqualified drivers from operating commercial vehicles. FMCSA seeks to assure driver safety with this proposed rule, based on estimates that almost 500 truck crashes would be eliminated annually if the rule goes into effect.

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Appendix

Table A--Freight cars on line, January-April 2001				
Car type/railroad	January	February	March	April
All U.S. freight cars:				
Burlington Northern Santa Fe	202,934	208,210	206,242	205,004
CSX Transportation	248,951	244,157	243,402	241,349
Kansas City Southern Railroad	29,369	29,830	31,752	31,675
Norfolk Southern	206,495	204,222	203,374	204,156
Union Pacific	316,697	321,600	320,805	319,546
All U.S. railroads	1,004,446	1,008,019	1,005,575	1,001,730
U.S. covered hoppers:				
Burlington Northern Santa Fe	60,903	62,899	62,284	60,180
CSX Transportation	61,732	61,215	61,190	60,347
Kansas City Southern Railroad	8,350	8,175	8,739	8,614
Norfolk Southern	43,324	43,017	42,788	42,813
Union Pacific	99,407	99,922	99,272	99,496
All railroads	273,716	275,228	274,273	2,274,910
All Canadian freight cars:				
Canadian National	115,073	114,632	112,142	110,190
Canadian Pacific	73,481	71,922	74,474	74,289
All Canadian railroads:	188,554	186,554	186,616	184,478

Notes: The number of cars on line is a weekly average of the inventory of railroad and private owned freight cars on each railroad's system.

For information and specific definitions for individual railroads, see www.railroadpm.org.

Source: Association of American Railroads, Railroad Performance Measures

Table B—Average train speed, January-April 2001

Train type/railroad	January	February	March	April
All U.S. trains:				
Burlington Northern Santa Fe	25.8	24.5	25.3	24.3
CSX Transportation	20.9	21.5	21.4	21.2
Kansas City Southern Railway	24.2	23.8	22.1	22.7
Norfolk Southern	21.5	22.1	22.3	22.0
Union Pacific	25.9	24.3	24.2	24.3
Ave. all U.S. railroads	23.7	23.2	23.1	22.9
U.S. grain trains:				
Burlington Northern Santa Fe	23.0	21.6	21.6	21.5
CSX Transportation	18.9	21.7	20.7	20.1
Kansas City Southern Railway	24.1	23.8	22.9	22.8
Norfolk Southern	19.0	19.5	19.2	19.0
Union Pacific	23.2	21.8	21.8	22.3
Ave. all railroads	21.6	21.7	21.2	21.1
All Canadian trains:				
Canadian National	23.6	22.4	23.7	24.4
Canadian Pacific	26.8	26.0	26.1	26.9
Ave. all Canadian railroads	25.2	24.2	24.9	25.7

Notes: Average train speed is calculated by dividing train-miles by hours operated for the line-haul portion of the movement and excludes time spent in terminals (dwell time).
For information and specific definitions for individual railroads, see www.railroadpm.org.

Source: Association of American Railroads, Railroad Performance Measures

Table C--Average dwell times for selected terminals by railroad, January-April 2001

Railroad/selected terminal/city and State	January	February	March	April
Burlington Northern Santa Fe:				
Barstow, CA	27.0	27.0	28.0	29.0
Fort Worth, TX	31.0	33.0	31.0	29.0
Houston, TX	18.0	17.0	15.0	17.0
Kansas City-Argentine, KS	28.0	28.0	26.0	26.0
Minn./St. Paul-Northtown, MN	27.0	33.0	29.0	31.0
Pasco, WA	21.0	21.0	20.0	22.0
CSX Transportation:				
Cincinnati, OH	29.3	26.9	25.0	24.8
Corbin, KY	28.3	23.6	20.7	21.8
Hamlet, NC	32.3	29.2	28.7	30.1
Louisville, KY	36.8	34.1	32.8	31.9
Nashville, TN	35.5	27.5	30.2	29.7
Kansas City Southern Railway:				
Kansas City, MO	25.0	20.0	20.0	21.0
Shreveport, LA	35.0	35.0	35.0	43.0
Norfolk Southern:				
Chattanooga, TN	31.7	30.5	27.8	26.4
Columbus, OH	30.2	33.3	26.4	26.8
Knoxville, TN	38.0	33.8	34.3	36.9
Linwood, NC	33.5	31.1	31.7	29.0
Macon, GA	28.8	25.8	26.6	25.6
Union Pacific:				
Houston-Englewood, TX	34.1	27.5	34.7	29.5
Houston-Settegast, TX	34.9	24.9	30.5	30.1
Roseville, CA	35.0	30.9	29.5	29.7
Kansas City-Neff, MO	35.2	31.4	39.2	36.2
North Platte-East, NE	26.4	30.9	25.8	27.7
North Platte-West, NE	28.0	27.7	26.9	36.1
Fort Worth-Centennial, TX	30.9	26.1	32.5	34.8

Notes: Dwell time is the total time, on average, that a car spends at a terminal location.

A terminal can be a single or multiple yard facility.

For information on additional terminals and specific definitions for individual railroads, see www.railroadpm.org.

Additional Sources of Information on the Internet

More detailed information on grain and oilseed production and stocks is available from the National Agricultural Statistics Service in:

Crop Production,

<http://jan.mannlib.cornell.edu/reports/nassr/field/pcp-bb>

Grain Stocks,

<http://jan.mannlib.cornell.edu/reports/nassr/field/pcp-bb>

Small Grains Summary,

<http://jan.mannlib.cornell.edu/reports/nassr/field/pcp-bbs>

More detailed information on grain and oilseed supplies and use is available from the Economic Research Service in:

Feed Outlook,

<http://usda.mannlib.cornell.edu/reports/ersor/field/fds-bb>

Wheat Outlook,

<http://usda.mannlib.cornell.edu/reports/ersor/field/ocs-bb>

Oil Crops Outlook,

<http://usda.mannlib.cornell.edu/reports/ersor/field/ocs-bb>

The latest and most detailed grain and oilseed supply and demand information is available from the World Agricultural Outlook Board in:

<http://www.usda.gov/oce/waob/wasde/wasde.htm>

For additional information on grain and rail transportation, contact the authors in this publication or go to:

USDA-AMS, *Grain Transportation Report*,

<http://www.ams.usda.gov/tmd/grain.htm>

U.S. Surface Transportation Board,

<http://www.stb.dot.gov>

Association of American Railroads,

<http://www.aar.org>

CSX Transportation,

<http://www.csx.com>

Kansas City Southern,

<http://www.kcsi.com>

Norfolk Southern,

<http://www.nscorp.com>

Union Pacific,

<http://www.up.com>

The next issue of *Grain Transportation Prospects* will be published in August.