



GRAIN TRANSPORTATION REPORT

Shipper and Exporter Assistance Program
Transportation and Marketing Division
Agricultural Marketing Service
United States Department of Agriculture

October 6, 1997

UP Evaluates Options In Clearing Congestion. Officials for the Union Pacific Railroad (UP) are evaluating various solutions to reduce rail traffic backlogs. One UP plan was to charter a vessel to transport containers from Los Angeles, CA to Savannah, GA through the Panama Canal. The steamship companies said ocean transport through the Canal would take approximately 12 days, more than twice as long as a typical rail shipment. Steamship representatives felt, despite the delay, rail would still be much faster. The UP has decided to implement another plan, which will entail transferring thousands of shipments to competitor rail lines. It has been reported that the move will cost the UP millions in lost revenue and profit, as it hands over much of its business to the Burlington Northern and Santa Fe Railway, Kansas City Southern Railway, Illinois Central Railroad and several other smaller rail lines. The transfers will essentially occur throughout the entire UP system. Long term solutions by the UP include increasing the number of rail cars per train, devote more locomotives to bulk shipments and reduce the number of locomotives currently hauling intermodal trains, adopt an operating plan which would shift the makeup of trains away from the most congested facilities in Texas and California, and seek a more flexible assignment system with rail unions that represent train crews. Ed Trandahl, a UP spokesman, said the UP plans to hire 1,500 employees, including engineers, brakemen and switchmen, during the next few months. (*Bridge News, Journal of Commerce, USDA*)

Grain Movement Seriously Affected. Recent UP system backlogs are impacting grain shipments as the harvest intensifies. Congestion problems are beginning much earlier this year in areas of upper Midwest and northern tier states. In addition, Jonathan Schlueter, executive Vice President of the Pacific Northwest Grain and Feed Association, stated that wheat is being stored outside for up to two months in Idaho, Montana, Oregon and Washington. According to emergency storage permits, this wheat must be picked up by October 15. Other states are having similar problems further aggravating the situation. Schlueter added that "the situation is extremely serious and getting much worse, at a time when the bulk of the nation's grain is coming." (*Bridge News*)

Change In Free Time Policy Postponed By BNSF. The Burlington Northern Santa Fe Railroad (BNSF) has delayed its new rule regarding free time allowed before demurrage is assessed. According to BNSF officials, the new policy will be implemented on November 1, 1997, to allow adequate time to administer the program. The rule change will alter the time allowed grain elevators to load rail cars from 48 hours to 24 hours, and will charge \$50 per car per day for any train not loaded within that time. Also, the railroad will no longer allow Sunday as a "free" day. The time for unloading grain will also be shortened from 72 hours to 48 hours, after which time penalties will be applied. The policy change will be most acutely felt in states like Montana, which produces as much as 30 percent of the wheat shipped out by rail in the Pacific Northwest. The new changes will remain in effect until March 1998. (*AP, USDA*)

River Situation. At the Melvin Price Locks and Dam during the previous 24 hours ending midnight Sunday (Oct. 5), 18 tows with 243 barges passed upbound, and 7 tows with 77 barges passed in the downbound direction. Also, on Oct. 5, a 14 hour transit delay had tows backed up at Lock & Dam 25. On Monday (Oct. 6), at 6:00 a.m., there was one tow waiting to go upbound, and none waiting to go downbound. In the Columbia River Basin on Friday (Oct. 3), 6 vessels were at berth loading, while 4 waited.

NOTE: The *Grain Transportation* report will not be issued on October 13, 1997, in observance of **Columbus Day**.

SOUTHBOUND BARGE FREIGHT RATES*

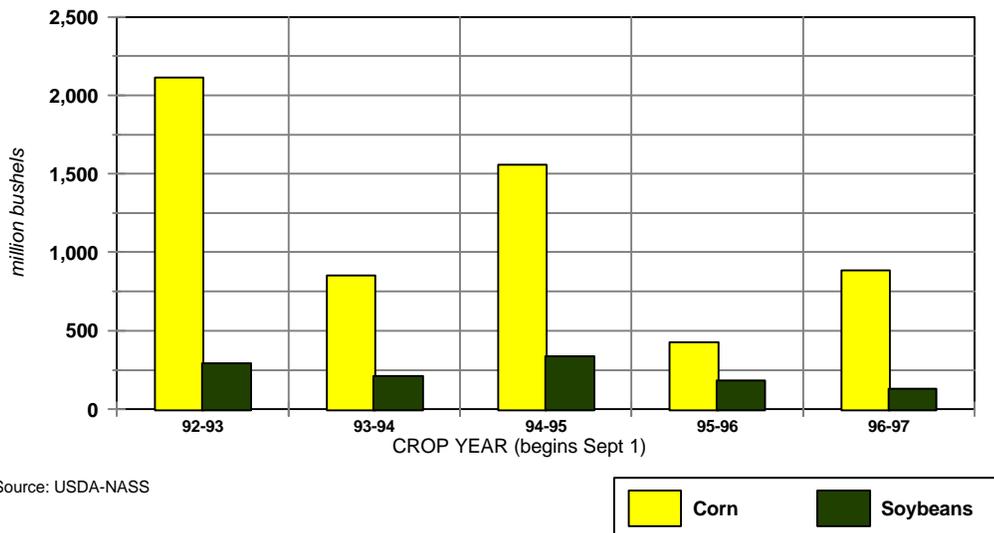
Week Ended September 26

River/Region	Contract Period	Rate**
Data not available		

* Based on Actual Trades from the Merchants Exchange of St. Louis Barge Call Session

** Rates are Quoted as a Percentage of the 1976 Tariff Benchmark

SEPTEMBER 1 CORN & SOYBEAN STOCKS



Corn Stocks Increase While Soybean Stocks Decline . According to USDA’s recent report on *Grain Stocks*, both on-farm, and off-farm, old crop corn totaled 884 million bushels in all positions on September 1, 1997, up 108 percent from last year for the corresponding date, but still 43 percent below the September 1, 1995 level. Of the total stocks of corn, 475 million are stored on-farm, while 409 million bushels are stored off-farm. Old crop soybeans stored in all locations September 1, totaled 132 million bushels, down 28 percent from last year for the same date. This is the lowest ending stocks total since the 1976 crop year. On-farm stocks of soybeans, estimated at 44 million bushels, were down 27 percent from the corresponding date last year. Off-farm storage of soybeans totaled 88 million bushels, down 29 percent from a year ago.

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WEEK ENDED

1997

COMPARABLE WEEK 1996

INSPECTIONS FOR EXPORT

1,000 Bushels

Aug 28	74,316 *	61,993
Sept 4	59,616 *	61,240
Sept 11	78,752 *	62,885
Sept 18	78,237 *	62,950
Sept 25	72,882	76,661
Calendar Year to Date	2,581,754 *	3,095,344

* Revised

RAIL CARLOADINGS

Carloads

Aug 30	24,817 *	23,153 *
Sept 6	18,071 *	16,879 *
Sept 13	20,539 *	18,930 *
Sept 20	21,643 *	18,781 *
Sept 27	22,168 *	16,924 *
Calendar Year to Date	893,285 *	904,024 *

* Revised - Soo Line Not Included

RAIL DELIVERIES TO PORT

Carloads

	North Atlantic	So. Atlantic & Gulf	Pacific Coast	North Atlantic	So. Atlantic & Gulf	Pacific Coast
Aug 27	2	2,585	2,734	0	2,097	1,710
Sept 3	2	2,042	3,662	9	1,975	1,242
Sept 10	26	2,675	3,266	0	2,776	1,629
Sept 17	38	2,395	2,527	1	1,547	1,890
Sept 24	23	2,505	3,274	4	1,561	1,712
CY to Date	1,244	85,549 *	138,627	2,613	113,055	148,282

* Revised

BARGE GRAIN MOVEMENTS

1,000 Tons

River / Lock Number	Week ending 9/27/97					Week ending 9/28/96				
	CORN	WHT.	SOY	OTHER	TOTAL	CORN	WHT.	SOY	OTHER	TOTAL
Miss./15	158	54	6	2	219	45	57	39	3	144
Miss./25	276	53	36	2	367	84	48	62	2	195
Miss./26	266	58	57	2	382	179	42	75	2	298
Miss./27	281	73	62	0	417	157	50	81	8	294
Ill. /8	28	0	11	0	39	64	3	15	0	83
Ohio /52	17	22	6	55	100	12	0	0	47	58
Ark./1	0	48	0	0	48	0	17	1	0	18

Calendar year totals for Miss./27, Ohio/52 and Ark./1:

Year	Corn	Wheat	Soybeans	Other Grains	Total
1997	20,969	2,086	5,032	2,370	30,457
1996	23,983	1,921	5,306	2,977	34,188

Other grains include barley, sorghum and oats. Totals may not add due to rounding. Data source: U.S. Army Corps of Engineers.

MAJOR EXPORT SALES **1,000 Metric Tons*

WEEK ENDED	1997			COMPARABLE WEEK		
	WHEAT	CORN	SOYBEANS	WHEAT	1996 CORN	SOYBEANS
Aug 29	5,292	7,705	7,641	5,652	13,975	4,637
Sept 5	5,336	7,730	7,759	5,275	14,289	4,589
Sept 12	5,255	7,761	8,097	4,928	14,671	4,666
Sept 19	5,147	7,750	8,531	4,664	14,851	4,972
Sept 26	4,920	7,693	9,804	4,297	14,714	5,382

*Unshipped Balances-Current & Next Marketing Year

GULF COAST OCEAN GRAIN VESSELS

	IN PORT	LOADED 7 DAYS	DUE NEXT 10 DAYS	IN PORT	LOADED 7 DAYS	DUE NEXT 10 DAYS
Sept 4	33	39	55	34	38	42
Sept 11	33	46	59	28	36	49
Sept 18	35	56	64	39	32	55
Sept 25	52	48	56	40	43	50
Oct 2	36	52	52	35	39	52

AVERAGE GRAIN PRICES*Dollars Per Bushel*

	WHEAT	CORN ¹	SOYBEANS ²	WHEAT	CORN ¹	SOYBEANS ²
Aug 29	3.95	2.75	7.30	4.94	4.14	8.12
Sept 5	3.98	2.72	6.65	4.76	3.63	8.07
Sept 12	3.83	2.75	6.56	4.68	3.68	8.22
Sept 19	3.83	2.67	6.49	4.61	3.40	8.02
Sept 26	3.81	2.65	6.30	4.76	3.29	7.93

(Wheat-#1 HRW-ORD., Kansas City; Corn-#2 Yellow, Chicago; Soybeans-#1 Yellow, Chicago)

¹ Bought to arrive 15 days; ² Bought to arrive 30 days.**OCEAN FREIGHT RATES****Dollars/Tons - Basis Vessel Size/Ton*

U.S. Loading Port	Destination	Estimated Freight Rates	Dates of Movement
Lakes	Spain	\$23.00 - (23M)	October
Lakes	Italy	\$24.00 - (22M)	October
Lakes	Tunisia	\$25.00 - (25M)	October
Gulf	Morocco	\$11.75 - (30M)	October
Gulf	Rotterdam	\$11.60 - (35M)	October
Gulf	Japan	\$22.00 - (54M)	October
Gulf	Taiwan	\$21.90 - (54M)	October

*These ocean fixtures are based on full ship charters.