



GRAIN TRANSPORTATION REPORT

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

October 20, 1997

Grain Storage Dilemma. Grain producers and elevator managers in Kansas are experiencing record harvest, a grain storage capacity shortage, and an extensive rail transportation backlog. After a record summer harvest of 492 million bushels of wheat, which has already filled many of the state's elevators, Kansas is now trying to store the corn, soybean, and milo harvest. Exacerbating the problem, is a congested and backlogged Union Pacific (UP) rail system. UP responded by obtaining 200 additional locomotives, hiring more than 1,500 employees and rearranging its shipping patterns to relieve congestion, according to UP spokesman Ed Trandahl. In addition to the rail congestion, farmers are not selling their grain in anticipation of higher prices in the coming months, further adding to the storage problems. Don Clough, manager of Satanta Co-op Grain Co., in southwest Kansas, said "Producer selling is very slow at this point." As a result of these situations, grain is being stored on the ground at many elevators. The Governor of Kansas, Bill Graves, has announced that the Kansas Department of Agriculture will issue conditional licenses allowing elevators to temporarily store farmer owned grain in non-licensed, private facilities. According to Tom Tunnell, president of the Kansas Grain and Feed Association, the state has 900 million bushels of federal and state licensed storage capacity. Tunnell said that the combined harvest of wheat, corn, soybeans and milo in Kansas will exceed 1.2 billion bushels this year. State elevators, incidentally, are not allowed to store farmer-owned grain outdoors, with or without the order. Under this emergency policy, however, a temporary storage site may be licensed immediately, while the financial and bonding information, which is usually required, may be delayed for 30 days. After that time, the Governor would likely declare a grain storage emergency or grain storage disaster, according to a Kansas Department of Agriculture official. (*Knight-Ridder, Bridge News, AP, USDA*)

Union Pacific Problems Continue. While officials at Union Pacific (UP) are claiming that its rail service is improving, many of its customers are still having difficulty obtaining rail cars for inbound and outbound freight. Some shippers are seeking reparations and others have filed lawsuits against the rail line concerning service. UP officials have stated, in their "Service Recovery Plan," filed with the Surface Transportation Board on October 1, 1997, that it may take up to 90 days to restore timely service to some regions. Meanwhile, some elevators have begun to use the less economical truck transportation to move grain. Transporting by truck will eventually lower the bid price paid to farmers. Customers of the UP and Burlington Northern Santa Fe (BNSF) are also frustrated over new deadlines being imposed to load and unload rail cars. UP customers are allowed 15 hours, while BNSF allows 24 hours to load cars, after which time late charges are levied. "It really makes you wonder why we've got to load in 24 hours and then our employees sit there and watch the train sit there for two weeks," said Don Comer of the Aurora Co-op. A public hearing concerning rail service problems is scheduled to take place on October 27, 1997 in Washington, DC. (*Knight-Ridder, Bridge News, AP, USDA*)

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SOUTHBOUND BARGE FREIGHT RATES*

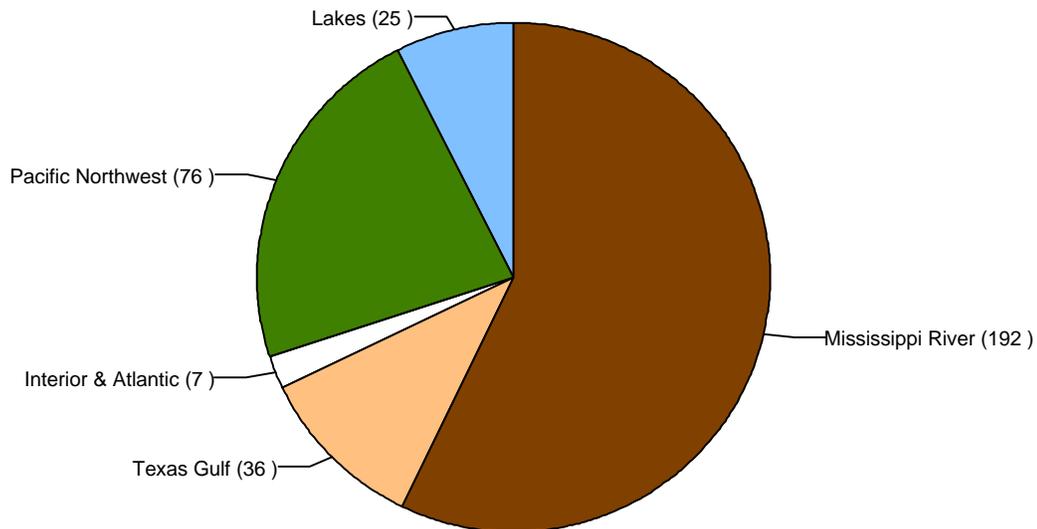
Week Ended October 10

River/Region	Contract Period	Rate**
No trades reported		

* 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

**U.S. GRAIN EXPORTS, BY REGION
SEPTEMBER 1997**



WEEK ENDED 1997 COMPARABLE WEEK
1996

INSPECTIONS FOR EXPORT

1,000 Bushels

Sept 11	78,752 *	62,885
Sept 18	78,237 *	62,950
Sept 25	76,372 *	76,661
Oct 2	89,867 *	72,229
Oct 9	87,457	53,389
Calendar Year to Date	2,762,568 *	3,220,962

* Revised

RAIL CARLOADINGS

Carloads

Sept 13	20,539 *	18,930 *
Sept 20	21,643 *	18,781 *
Sept 27	22,168 *	16,924 *
Oct 4	24,636 *	17,873
Oct 11	25,968	24,526
Calendar Year to Date	943,889 *	946,423 *

* Revised - Soo Line Not Included

RAIL DELIVERIES TO PORT

Carloads

	North Atlantic	So. Atlantic & Gulf	Pacific Coast	North Atlantic	So. Atlantic & Gulf	Pacific Coast
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
Oct 1	29	3,089	3,249	0	1,324	1,373
Oct 8	171	2,301	3,886	0	822	1,979
CY to Date	1,444	90,939 *	145,762	2,613	115,201	151,634

* Revised

BARGE GRAIN MOVEMENTS

1,000 Tons

River / Lock Number	Week ending 10/11/97					Week ending 10/12/96				
	CORN	WHT.	SOY	OTHER	TOTAL	CORN	WHT.	SOY	OTHER	TOTAL
Miss./15	125	14	296	2	437	21	9	26	5	60
Miss./25	216	8	231	2	455	70	38	121	0	229
Miss./26	400	11	44	24	479	346	34	184	2	566
Miss./27	419	48	493	24	984	337	35	198	2	572
Ill. /8	182	3	201	16	402	154	10	43	0	207
Ohio /52	58	11	39	61	168	65	3	9	45	121
Ark./1	2	21	10	0	33	0	21	6	0	27

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

Year	Corn	Wheat	Soybeans	Other Grains	Total
1997	21,828	2,257	5,685	2,532	32,302
1996	24,546	2,001	5,554	3,078	35,178

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
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
Oct 3	4,678	7,487	10,370	3,898	14,778	5,725
Oct 10	4,587	7,279	10,722	4,073	15,080	6,704

*Unshipped Balances-Current & Next Marketing Year

GULF COAST OCEAN GRAIN VESSELS

	1997			COMPARABLE WEEK		
	IN PORT	LOADED 7 DAYS	DUE NEXT 10 DAYS	IN PORT	LOADED 7 DAYS	DUE NEXT 10 DAYS
Sept 18	35	56	64	39	32	55
Sept 25	52	48	56	40	43	50
Oct 2	36	52	52	35	39	52
Oct 9	31	54	62	31	43	71
Oct 16	37	46	64	34	42	68

AVERAGE GRAIN PRICES*Dollars Per Bushel*

	1997			COMPARABLE WEEK		
	WHEAT	CORN ¹	SOYBEANS ²	WHEAT	CORN ¹	SOYBEANS ²
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
Oct 3	3.71	2.59	6.25	4.73	3.05	7.44
Oct 10	3.83	2.82	6.66	4.75	3.09	7.32

(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
Gulf	Rotterdam	\$10.50 - (60M)	October
N. Atlantic	Japan	\$23.00 - (54M)	October
N. Atlantic	Lisbon	\$10.00 - (20M)	October
Gulf	Egypt	\$11.75 - (55M)	October
Gulf	Japan	\$22.50 - (54M)	October
Gulf	China	\$22.50 - \$23.75 (50-55M)	October
Gulf	Tunisia	\$17.50 - (25M)	October

*These ocean fixtures are based on full ship charters.