



GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service
United States Department of Agriculture

September 21, 1998

Taking The Old Out - Bringing The New In. Some Minnesota grain elevator operators have begun moving old-crop grain out of storage and piling it on the ground, clearing bin space for the upcoming harvest. Some elevator operators have decided that it is easier to take the unprecedented step of piling grain on the ground now instead of trying to find labor for the job in the midst of fall cutting. With an almost perfect growing season in some areas, USDA is projecting a 951.8-million-bushel Minnesota corn crop and a 276-million-bushel soybean harvest, both record-setting numbers. Early corn yields south of Minneapolis are holding true to that prediction, running as high as 190 bushels per acre in some locations, State agriculture officials said. Also causing storage concerns are significant amounts of Government-owned grain in some elevators. The grain, which was involved in USDA's 9-month loan program, cannot be piled outdoors under USDA licensing rules. And, "With low cash market prices offering little incentive to move crops, the piles that have come early this year may be around for awhile...this may be a challenge," said Tom Cashman of the Northwest Agri-Dealers Association. Kansas farmers as well may end up putting twice as much grain on the ground this fall as last year because of a lack of storage space in elevators and increased yields. After a recent meeting of the Governor's Working Group on Grain Storage and Transportation, Kansas Agriculture Secretary, Allie Devine, said, "Anytime you have grain on the ground, you have serious problems. Once it is exposed to the elements, there is the risk of loss." (*Bridge News*)

DeBruce Scheduled To Reopen. Having been closed for several months following a June 8 explosion, DeBruce Grain Inc. will again be able to accept grain into its storage facility in Wichita, Kansas, starting this week. The elevator, which, over the years, has tended to accept mostly wheat and sorghum, will initially accept 10 to 13 million bushels of grain, short, however, of its original 20-million bushel capacity. An official with DeBruce did not know when the elevator would again be able to return to this capacity. (*Reuters*)

FAO Reports Safe Level For Global Cereal Stocks. For the first time in 3 years, the U.N. Food and Agriculture Organization (FAO) reports that global supplies of cereal grains for the 1997/1998 season have reached a level considered to be the minimum necessary for world food security. The most recent FAO Global Food Report states that a current level of 17.4 percent of consumption, or 329 million tons, falls within the 17-18 percent minimum range. This is in contrast to 1995/1996, when the global stock to consumption ratio dropped to 14 percent. Adverse weather patterns and/or civil strife were the two most important factors blamed for the number of countries experiencing food emergencies increasing from 38 to 40, since June. Weather patterns associated with El Nino and La Nina were major factors contributing to food shortages in Africa, Latin America, and Asia. Africa has had particular difficulty with food shortages, as civil conflict, in some cases, aggravates their weather woes. In addition, the U.S. State Department recently announced that 300,000 metric tons of U.S. wheat will be donated to North Korea, despite their military operations. The U.S. donation is in response to a January appeal by the U.N. World Food Program. (*Reuters, AP*)

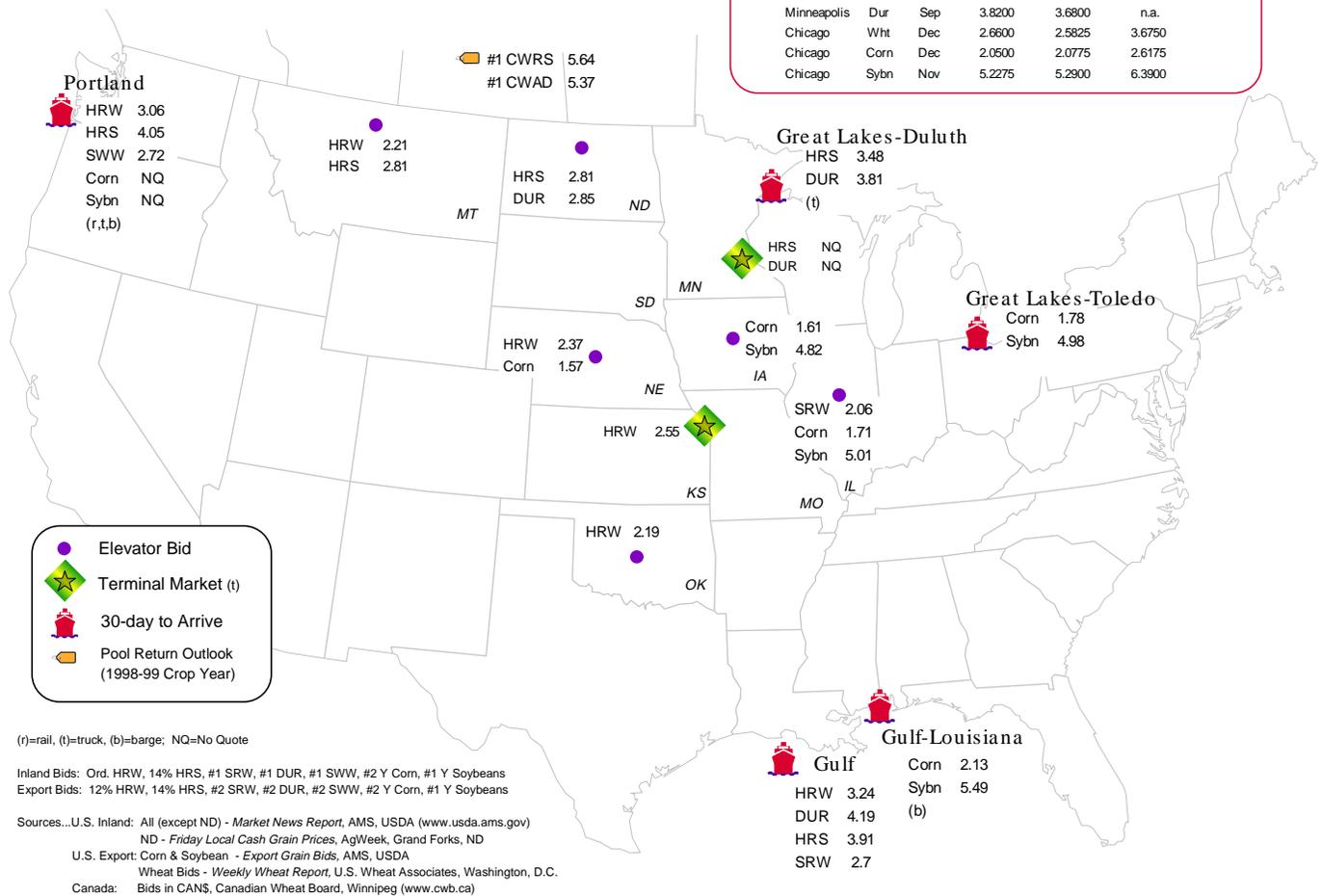
Agriculture House Committee Goes Live On Line. The U.S. House Agriculture Committee will become the first congressional panel to broadcast its proceedings live in audio format over the Internet. The Committee will begin its live audio hearing September 23, 1998, at 10:00 a.m., EDT, and can be accessed at <http://www.house.gov/agriculture/audio.htm>. This first live Internet hearing is on emergency food assistance programs. The committee hearings are closely monitored by lobbyists for food, farm, and consumer groups and can last several hours depending upon how many times they are interrupted for voting by the full House. (*Reuters*)

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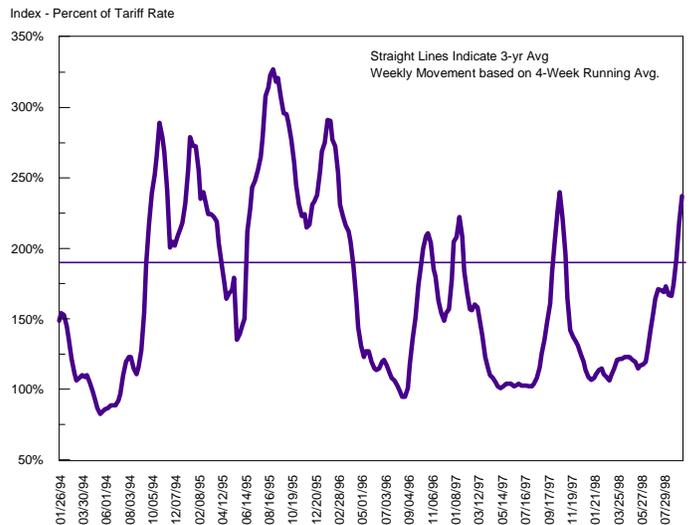
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Grain Bid Summary

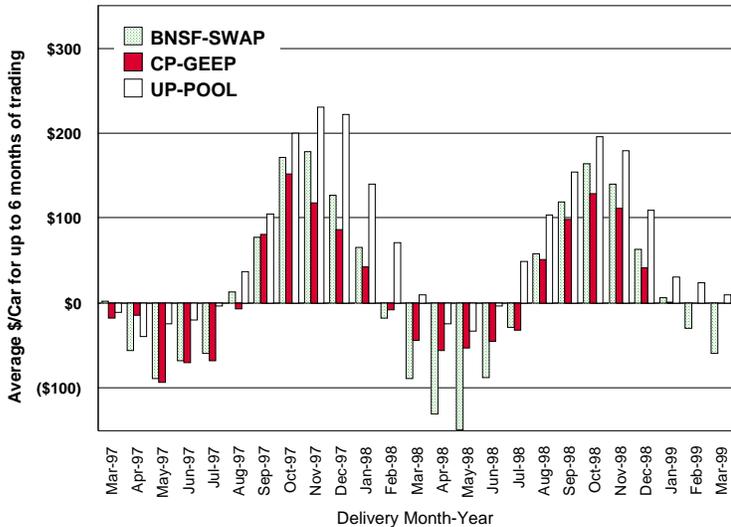
Futures:			09/18/98	Week Ago 09/11/98	Year Ago 09/19/98
Kansas City	Wht	Dec	2.9225	2.8400	3.8000
Minneapolis	Wht	Dec	3.3250	3.1850	3.9700
Minneapolis	Dur	Sep	3.8200	3.6800	n.a.
Chicago	Wht	Dec	2.6600	2.5825	3.6750
Chicago	Corn	Dec	2.0500	2.0775	2.6175
Chicago	Sybn	Nov	5.2275	5.2900	6.3900



Spot Barge Rate - Illinois River



Secondary Rail Market Bids



See the Grain Trax page at www.ugpti.org for more graphs of rail premiums.

Rail Car 'Auction' Offerings				
Delivery for:	Nov-98		Feb-99	
	Offered	% Sold	Offered	% Sold
BNSF-COT	5,205	100%	5,303	32%
UP-GCAS	5,000	43%	no offer	no offer

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

Secondary Rail Car Market				
Average Premium/Discount to Tariff, \$/Car - Last Week				
	Delivery Period			
	Oct-98	Nov-98	Dec-98	Jan-99
BNSF-COT	\$57	\$(12)	\$(48)	\$(60)
CP-GEEP	\$(20)	\$(22)	\$(5)	\$(6)
UP-Pool	\$155	\$29	\$6	\$4

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

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

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

Railroad Car 'Auction' Results			
Average Premium/Discount to Tariff, \$/Car - Last Auction			
Delivery for:	Nov-98	Jan-99	Feb-99
COT/N. Grain	no offer	no offer	no offer
COT/S. Grain	no offer	no offer	no offer
GCAS/Region 2	no bid	no bid	no bid
GCAS/Region 4	\$4	no bid	no bid

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

Southbound Barge Freight Nominal Values*

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

Week ended	River/Region	Contract Period	Rate
9/17/98	Mid Miss	nwk	270
		Oct.	280
	Ohio River	9/13-9/27	285
		twk	250
	St. Louis	nwk	250
		Oct.	250

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

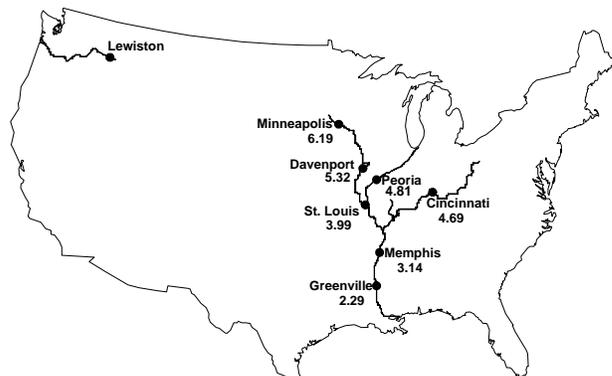
twk=this week
nwk=next week

Southbound Barge Freight Spot Rates

	9/16/98	9/9/98	Oct. '98	Dec. '98
Twin Cities	253	250	288	nq
Mid-Mississippi	253	258	279	nq
Illinois River	241	256	269	168
St. Louis-Cairo	250	258	256	126
Lower Ohio	283	276	283	147
Cairo-Memphis	249	263	258	122

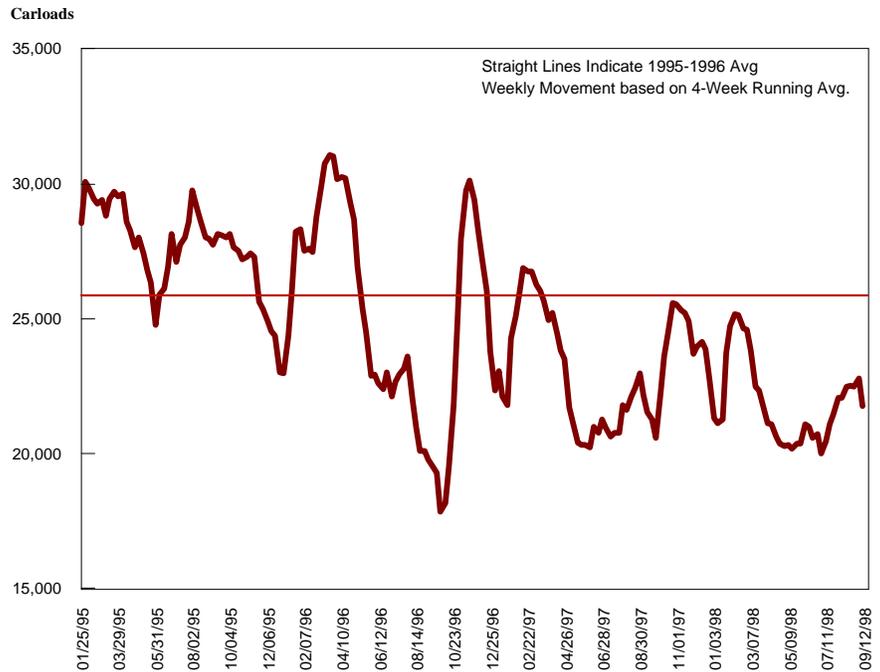
Source: Transportation & Marketing /AMS/USDA
nq- no quote

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



Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
8/29/98	21,632
9/5/98	23,126
9/12/98	19,609
Year to Date - 1998	790,985
Year to Date - 1997	825,850
Total 1997	1,199,995
Total 1996	1,235,123
Source: American Association of Railroads	



Class I Rail Carrier Grain Car Bulletin

Carloads

	East				West			Canada	
	Conrail	CSXT	IC	NS	BNSF	KCS	UP	CN	CP
09/12/98	586	1,648	1,221	1,675	7,408	641	6,430	1,861	4,733
This Week Last Year	419	1,199	1,028	1,274	7,992	648	5,393	3,104	5,613
1998 YTD	25,296	81,470	53,956	87,835	289,013	23,099	230,316	80,143	147,209
1997 YTD	17,366	77,018	54,205	82,742	287,024	23,496	278,759	118,757	184,318
1996 Total	31,733	111,509	48,695	131,568	432,687	30,009	439,865	129,714	181,387
1995 Total	37,851	133,755	61,612	139,043	410,274	34,393	447,786		

Source: American Association of Railroads

Tariff Rail Rates for Unit Train Shipments

September 1998

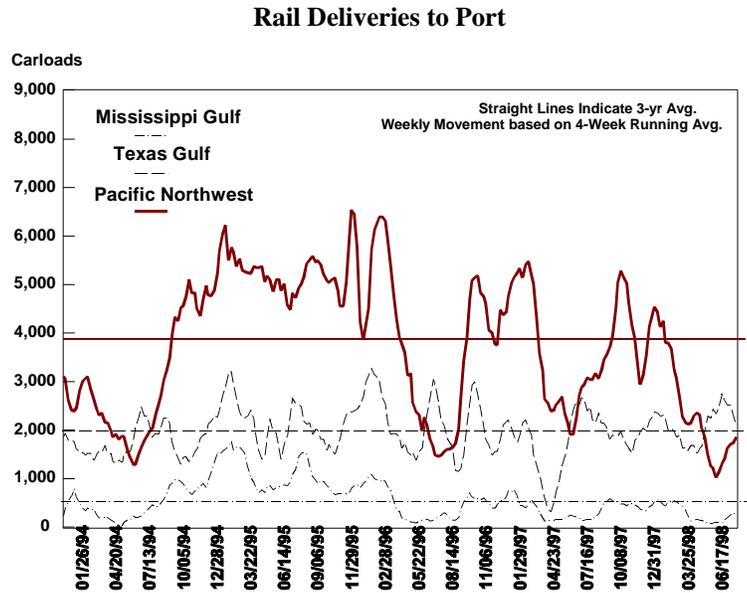
Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
05/01/98	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$18.60	\$0.62
05/01/98	43521	Wheat	Minneapolis, MN	Portland, OR	\$4,027	\$36.54	\$1.21
05/01/98	46540	Wheat	Kansas City, MO	Houston, TX	\$1,350	\$12.25	\$0.41
05/01/98	43586	Wheat	Kansas City, MO	Portland, OR	\$3,812	\$34.59	\$1.14
05/01/98	43581	Wheat	Omaha, NE	Portland, OR	\$3,505	\$31.81	\$1.05
05/01/98	31040	Corn	Minneapolis, MN	Portland, OR	\$2,865	\$22.87	\$0.80
05/01/98	33111	Corn	Kansas City, MO	Houston, TX	\$1,450	\$11.57	\$0.41
05/01/98	31035	Corn	Kansas City, MO	Portland, OR	\$2,600	\$20.75	\$0.73
05/01/98	31040	Corn	Omaha, NE	Portland, OR	\$2,485	\$19.83	\$0.70
05/01/98	61180	Soybean	Minneapolis, MN	Portland, OR	\$3,080	\$27.95	\$0.92
05/01/98	61180	Soybean	Omaha, NE	Portland, OR	\$2,780	\$25.23	\$0.83

Source: www.bnsf.com

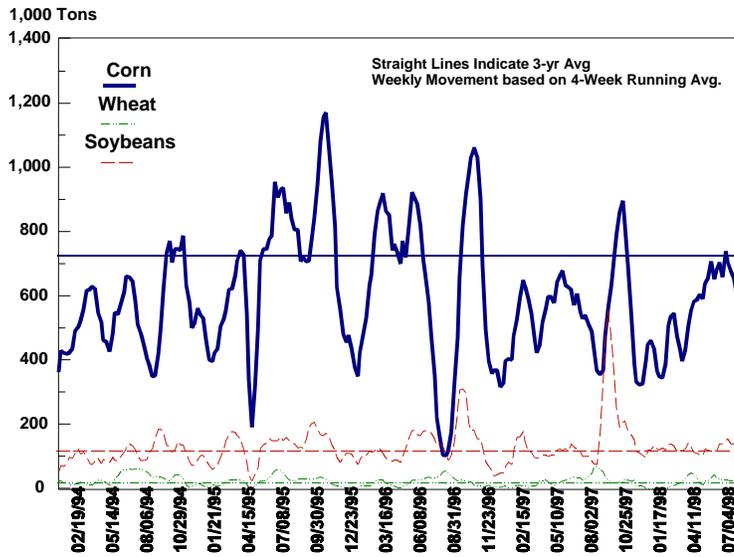
Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

Rail Deliveries to Port				
Carloads				
	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
08/26/98	441	3,116	1,790	0
09/02/98	171	1,968	1,744	1
09/09/98	60	1,521	2,161	22
YTD 1998	10,859	75,335	92,357	6,700
YTD 1997	12,615	62,599	131,021	4,323
Total 1997	20,152	93,265	195,953	9,147
Total 1996	25,899	113,804	199,709	11,304

Source: Transportation & Marketing/AMS/USDA



Barge Movements - Locks 27



Barge Grain Movements				
for week ending 09/12/98				
	Corn	Wht	Sybn	Total
	1,000 Tons			
Mississippi River				
Rock Island, IL (L15)	209	21	17	256
Winfield, MO (L25)	420	41	65	530
Alton, IL (L26)	529	55	61	650
Granite City, IL (L27)	538	57	66	665
Illinois River (L8)	80	9	13	102
Ohio (L52)	32	29	7	113
Arkansas (L1)	0	46	6	52
1998 YTD	20,368	1,867	5,372	29,735
1997 YTD	20,270	1,801	4,897	29,259
Total 1997	29,685	2,689	9,584	45,315
Total 1996	34,210	2,348	8,297	48,963

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

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

	HRW	SRW	HRS	Wheat		All	Corn	Soybean	Total
				SWW	DUR				
<u>Unshipped Exports-Crop Year</u>									
09/10/98	1,760	415	1,131	1,433	257	4,996	7,787	5,108	17,891
This Week Year Ago	2,140	809	1,180	716	411	5,255	7,761	8,097	21,113
<u>Cumulative Exports-Crop Year</u>									
98/99 YTD	3,376	610	1,811	1,304	238	7,337	809	230	8,376
97/98 YTD	3,001	2,094	1,796	1,444	363	8,698	793	340	9,831
96/97 Total	2,595	1,643	1,432	1,240	361	7,271	43,991	24,273	75,535
95/96 Total	9,867	6,792	8,918	6,443	897	32,917	55,769	23,550	112,236

Source: Foreign Agricultural Service YTD-Year-to-Date (fas.usda.gov) Crop Year: Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31

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

	Pacific Region			Mississippi Gulf			Texas Gulf		
	Wheat	Corn	Soybean	Wheat	Corn	Soybean	Wheat	Corn	Soybean
09/17/98	200	0	0	152	756	121	168	0	0
1998 YTD **	6,798	3,383	418	3,754	20,669	8,907	5,122	259	624
1997 YTD **	7,936	7,757	939	4,385	20,584	10,461	3,541	958	428
% of Last Year	86%	44%	44%	86%	100%	85%	145%	27%	146%
1997 Total	11,156	9,728	1,764	6,349	28,183	18,658	5,106	1,001	1,014

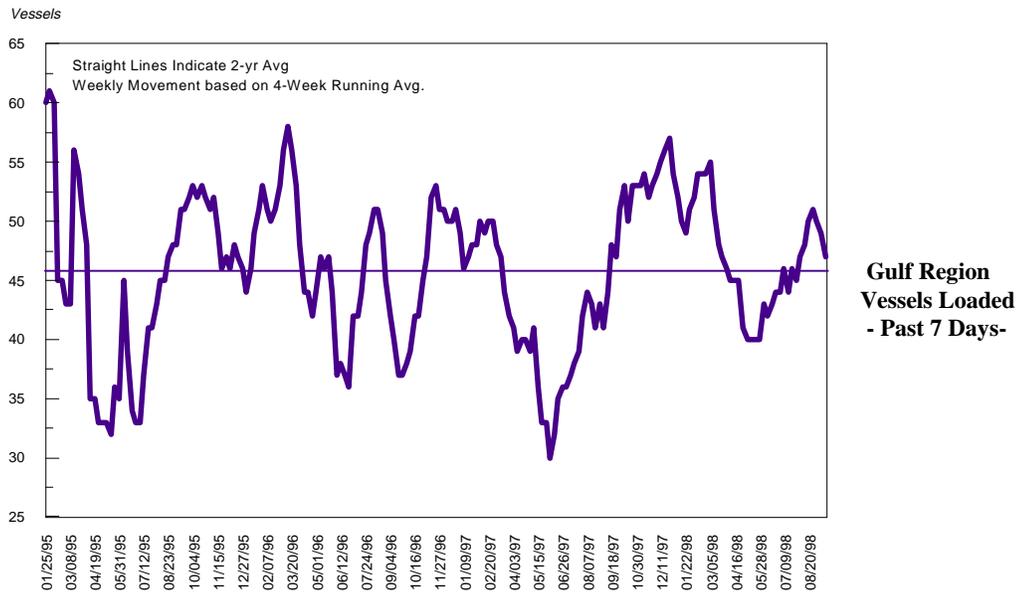
Source: Federal Grain Inspection Service *Year Ago-This Week a Year Ago ** YTD-Year-to-Date

Select Canadian Ports - Export Inspections

1,000 Metric Tons, Crop Year

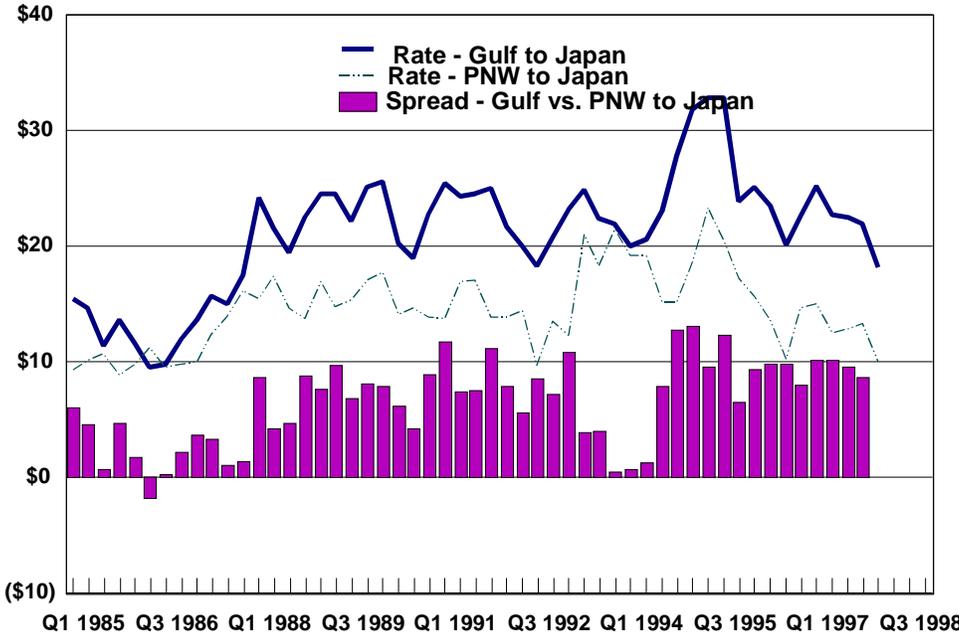
	Wheat	Durum	Barley
Week Ended: 09/17/98			
Vancouver	665	86	11
Prince Rupert	53	0	0
Prairie Direct	47	16	16
Thunder Bay	141	53	0
St. Lawrence	159	154	0
1998 YTD Exports	1,179	309	27
1997 YTD Exports	2,425	510	316
% of Last Year	49%	61%	9%

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



Port Region Ocean Grain Vessels									
	Gulf			Pacific Northwest			Vancouver, B.C.		
	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>
09/10/98	41	46	53	9			8	7	5
09/17/98	49	42	59	12			8	11	4
1997 Range	(11..52)	(25..61)	(31..89)						
1996 Range	(17..46)	(38..61)	(27..88)						
1997 Avg	33	45	58						
1996 Avg	38	46	62						
1995 Avg	31	46	61						
Source: Transportation & Marketing /AMS/ USDA									

US\$/Metric Ton



Quarterly Ocean Freight Rates

Quarterly Ocean Freight Rates

Weighted Average Rates & Vessel Size, U.S. Dollars/Metric Ton - Basis

	1998 1 st Qtr	1997 1 st Qtr	% Change		1998 1 st Qtr	1997 1 st Qtr	% Change
Gulf to				Pacific NW to			
Japan	\$18.24	\$25.29	-28%	Japan	\$10.08	\$15.08	-33%
Mexico	\$12.15	\$17.99	-32%	Red Sea/ Arabian Sea		\$20.17	
Venezuela	\$11.13	\$16.73	-33%				
N. Europe	\$9.85	\$12.60	-22%	Argentina to			
N. Africa	\$14.65	\$18.84	-22%	N. Europe	\$12.32	\$17.98	-31%
				Japan	\$20.93	\$33.64	-38%

Source: Transportation & Marketing/AMS/USDA

Ocean Freight Rates

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Great Lakes	Morocco	Wheat	September	18,000	\$22.00
Gulf	No. Spain	Heavy Grains	October	56,000	\$10.25
Gulf	Israel	Wheat	Sept./Oct.	55,000	\$8.10
Gulf	Japan	Heavy Grains	Sept./Oct	40,000-54,000	\$12.50-12.75
Gulf	Egypt (Med.)	Wheat	September	55,000	\$8.25
Gulf	Taiwan	Heavy Grains	Sept./Oct./Nov.	40,000-54,000	\$12.25-12.75
Gulf	Indonesia	Heavy Grains	Sept./Oct.	32,500	\$14.00
Vancouver (B.C.)	Ecuador	Wheat	September	21,000	\$16.25
River Plate (Argentina)	Rotterdam	Grains	Sept./Oct.	40,000	\$11.00
Northern Europe	Saudi Arabia	Barley	September	50,000	\$10.85

Source: Maritime Research Inc.