



GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service
United States Department of Agriculture



NOVEMBER 16, 1999

U.S.-China Trade Agreement Reached, WTO Accession Remains. The U.S. agricultural sector stands to gain substantial benefits from the recently signed trade pact between the U.S. and China, according to industry representatives. After 6 days of talks, U.S. Trade Representative, Charlene Barshefsky, was able to reach an agreement with Chinese negotiators, which would lead to freer trade affecting agriculture as well as industries such as telecommunications, banking and finance, and automobiles. "Overall, it looks like a very good deal for American agriculture," said Alex Jackson, a trade specialist with the American Farm Bureau Federation. Reports show that the farm provisions for the agreement do not deviate substantially from those discussed by both sides in April, before talks were delayed due to the May bombing by NATO of the Chinese embassy in Yugoslavia. Specifically, the agreement would reduce tariffs on farm imports from the current 31.5 percent to 14.5 percent by January 2004. China will also be required to eliminate agricultural export subsidies; establish tariff-rate import quotas (TRQ) for wheat, corn, cotton, barley, and rice; and allow private trading for agriculture. It should be noted, however, that U.S. corn and wheat producers will not likely see an immediate increase in exports since China currently has large supplies of corn, for which China is a net exporter, and wheat, for which China has been mostly self-sufficient, currently holding large stocks. "Unless there is a disaster, I don't see China importing very much wheat," said one grain trader. A more optimistic member of the North Dakota Wheat Commission, confident that Chinese millers prefer spring wheat and durum (specifically spring wheat for noodle texture), expected the agreement to bode particularly well for these North Dakota varieties. Wheat producers in the Pacific Northwest (PNW) are also hopeful that, after decades, China will resume wheat purchases from that region. Until last April, China restricted wheat from the PNW due to the TCK smut fungus. In addition to wheat and corn, there appears to be a general agreement that the U.S. soybean industry will find the pact particularly beneficial. China is a net importer of soybeans and one of world's top importers of vegetable oils, including soyoil. With the opening of import quotas, China will be permitted to import 1.7 million metric tons of soyoil during the first year of the agreement, with an increase to 3.5 million metric tons by 2005. By 2006 there will be a complete elimination of the tariff-rate quota on soyoil. Soybean imports by China are expected to increase to 4.3 million metric tons during the 1999/2000 marketing year, up from 3.85 million metric tons during 1998/1999. World Bank economist, Deepak Bhattasali, expects China to decline in grain production and develop a comparative advantage in floriculture and horticulture. Globally, the U.S.-China trade pact is seen as an important step in China's bid to join the 134 member-countries making up the World Trade Organization (WTO). Besides Canada and other members, the 15-nation European Union (EU) will likely be the most formidable WTO member seeking a bilateral trade agreement prior to China's acceptance into the WTO. European Commission spokesman, Anthony Gooch, stated that the U.S.-China agreement would benefit the EU, since it shares about 80 percent of the U.S. objectives already determined to be satisfactory by China through the agreement. The remaining 20 percent, special to the EU, would need to be negotiated with China. Prior EU-China talks ended in October without agreement. In any event, Gooch believes that it would take "a number of months" before negotiations could be completed, certainly not before global WTO talks begin in Seattle on November 30. In addition to establishing trade agreements with other WTO members, China must pass a U.S. Congressional vote that would provide it with permanent normal trade status, or most favored nation (MFN) status as it was formerly known. China has been subject to this annual vote, allowing its exports to the U.S. to be traded under the lowest possible tariffs. (*Reuters 11/15, 11/16, AP 11/15, www.rferl.org 6/98, cwfa.org 7/98*)

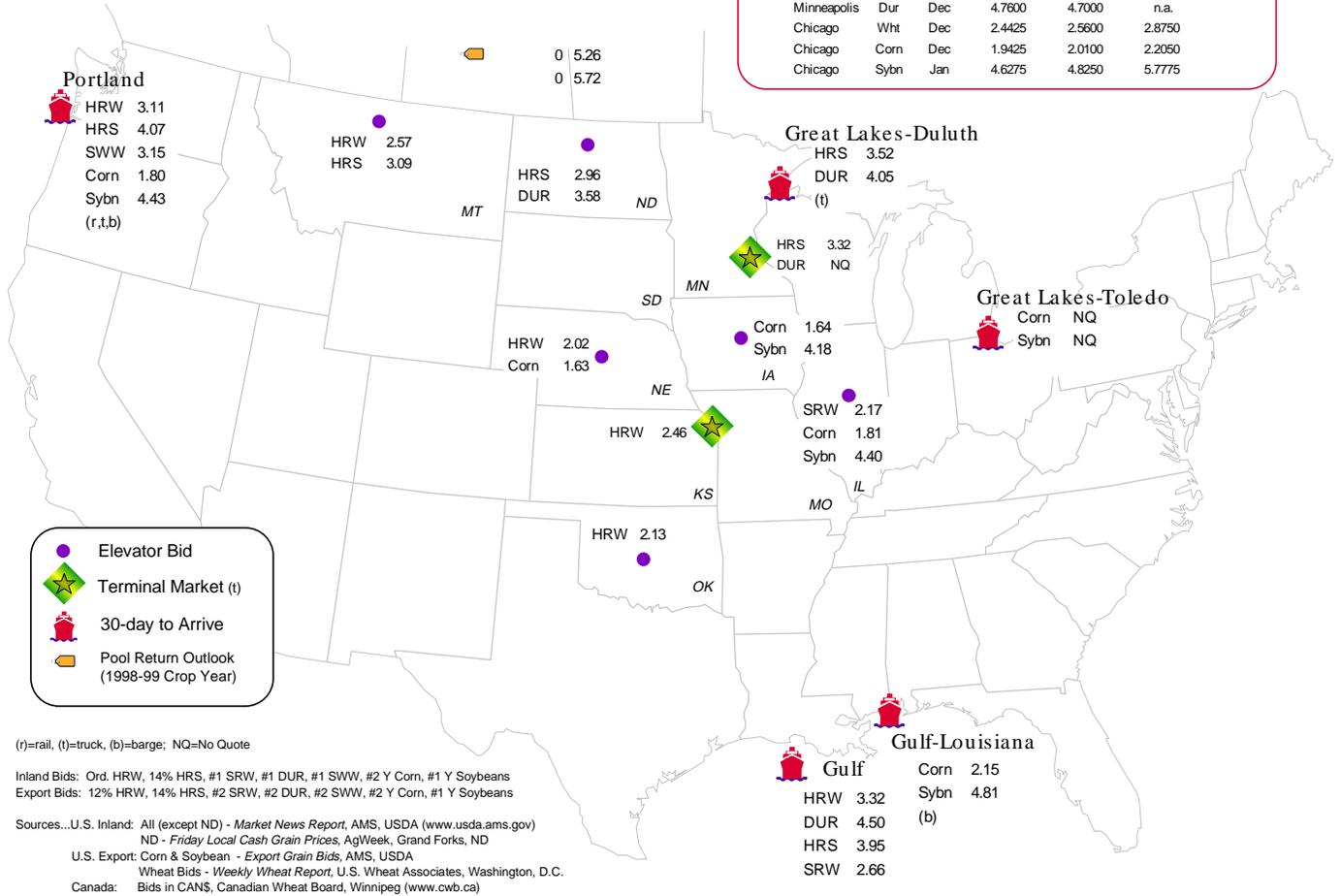
French Producers Critical Of U.S. Subsidies. Groups representing French grain producers are prompting European Union (EU) negotiators to raise the issue of U.S. farm subsidies during upcoming World Trade Organization talks in Seattle. The French corn producer group, AGPM, and wheat producer group, AGPB, presented a statement emphasizing that the U.S. "keeps damaging the market by increasing disguised aid and illegitimate measures that introduce serious distortions to the international grain market." EU farm subsidies have long been criticized by the U.S. and others, including Argentina, Australia, Brazil, and Canada, members of the 15-nation Cairns group, as unfair and trade distorting. While not denying these subsidies, AGPB President Henri de Benoist asks that EU negotiators focus on the U.S. system of marketing loans, emergency aid packages, crop insurance, credit guarantees, and food aid. According to Benoist, "Our position is to put everything on the table." He continued, "It's scandalous to not compare what is comparable." (*Reuters 11/16, USDA*)

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Grain Bid Summary

Futures:			11/12/99	Week Ago	Year Ago
Kansas City	Wht	Dec	2.7750	2.7950	3.2325
Minneapolis	Wht	Dec	3.2150	3.2575	3.6800
Minneapolis	Dur	Dec	4.7600	4.7000	n.a.
Chicago	Wht	Dec	2.4425	2.5600	2.8750
Chicago	Corn	Dec	1.9425	2.0100	2.2050
Chicago	Sybn	Jan	4.6275	4.8250	5.7775



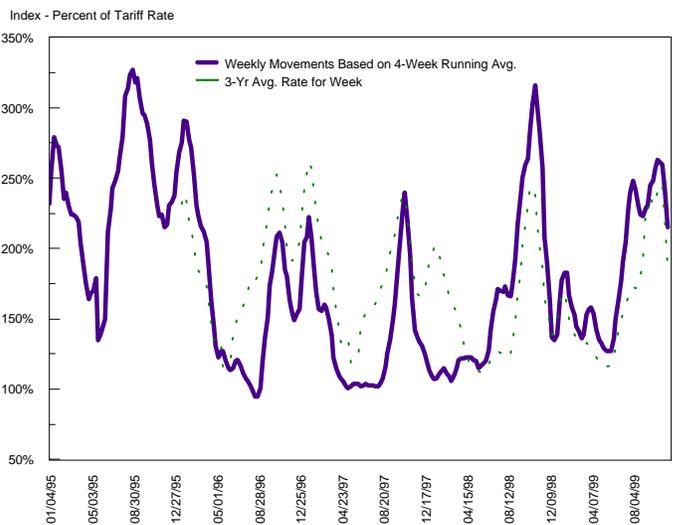
- Elevator Bid
- Terminal Market (t)
- 30-day to Arrive
- Pool Return Outlook (1998-99 Crop Year)

(r)=rail, (t)=truck, (b)=barge; NQ=No Quote

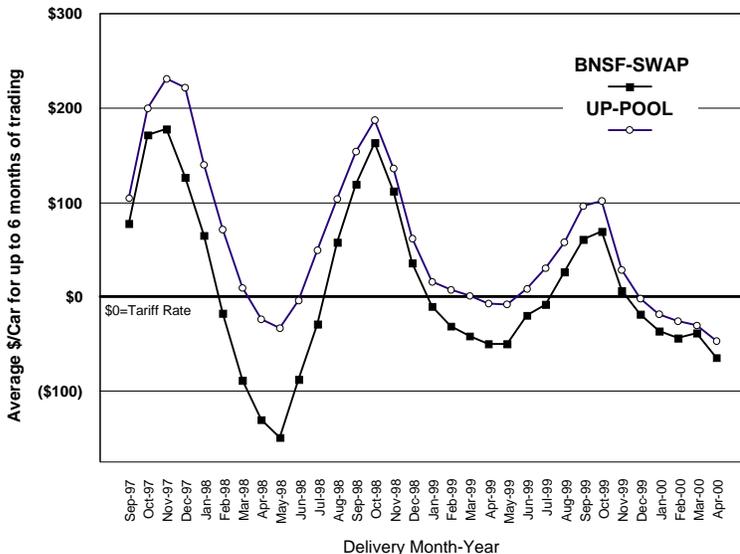
Inland Bids: Ord. HRW, 14% HRS, #1 SRW, #1 DUR, #1 SWW, #2 Y Corn, #1 Y Soybeans
 Export Bids: 12% HRW, 14% HRS, #2 SRW, #2 DUR, #2 SWW, #2 Y Corn, #1 Y Soybeans

Sources...U.S. Inland: All (except ND) - *Market News Report*, AMS, USDA (www.usda.ams.gov)
 ND - *Friday Local Cash Grain Prices*, AgWeek, Grand Forks, ND
 U.S. Export: Corn & Soybean - *Export Grain Bids*, AMS, USDA
 Wheat Bids - *Weekly Wheat Report*, U.S. Wheat Associates, Washington, D.C.
 Canada: Bids in CAN\$, Canadian Wheat Board, Winnipeg (www.cwb.ca)

Spot Barge Rate - Illinois River



Secondary Rail Market Bids



Rail Car 'Auction' Offerings				
Delivery for:	Nov-99		Jan-00	
	<u>Offered</u>	<u>% Sold</u>	<u>Offered</u>	<u>% Sold</u>
BNSF-COT	12,175	80%	12,000	15%
UP-GCAS	5,400	61%	5,400	0%

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			
	Nov-99	Dec-99	Jan-00	Feb-00
BNSF-GF	\$(218)	\$(122)	\$(102)	\$(97)
UP-Pool	\$(171)	\$(129)	\$(107)	\$(72)

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-99	Dec-99	Jan-00
COT/N. Grain	no bid	no bid	no bid
COT/S. Grain	no bid	no bid	no bid
GCAS/Region 2	no bid	no bid	no bid
GCAS/Region 4	no bid	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*
11/12/99	Mid Miss	nwk	160
	Illinois River	twk	160
	Ohio River	twk	135*
	St. Louis	nwk	115*

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

twk=this week

nwk=next week

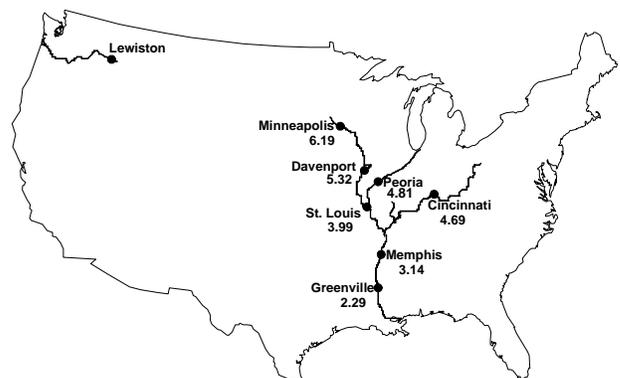
(*) percentage for bid rates

Southbound Barge Freight Spot Rates

	11/9/99	11/3/99	Dec. '99	Feb.. '00
Twin Cities	199	217	nq	nq
Mid-Mississippi	167	185	nq	nq
Illinois River	163	193	155	169
St. Louis	124	150	116	115
Lower Ohio	145	157	122	119
Cairo-Memphis	117	135	112	111

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

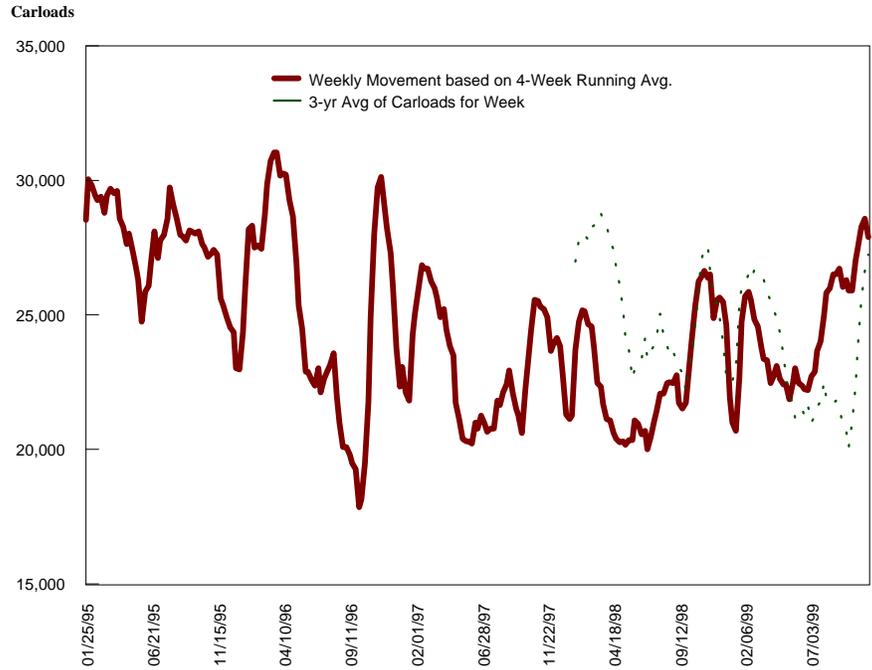
**Barge Benchmark Tariff Rates
Est. 1976 - 'Tariff No. 7'**



Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
10/23/99	28,540
10/30/99	28,093
11/06/99	25,764
Year to Date - 1999	1,084,168
Year to Date - 1998**	993,778
Total 1998**	1,183,860
Total 1997*	1,199,995

**1998 - 52 weeks
* 1997 - 53 weeks



Class I Rail Carrier Grain Car Bulletin

Carloads

			East		West			Canada	
	Conrail	CSXT	IC	NS	BNSF	KCS	UP	CN	CP
11/06/99	0	2,784	1,789	2,780	10,682	594	7,135	3,663	4,852
This Week Last Year	1,404	3,731	1,396	3,223	8,995	871	6,450	2,530	4,568
1999 YTD	15,522	109,955	76,211	116,667	394,764	29,037	343,012	99,112	176,089
1998 YTD*	33,223	105,816	66,721	111,338	360,654	29,449	286,577	96,832	184,893
1997 Total**	29,834	118,581	80,255	124,834	428,243	34,690	378,888	171,428	272,156
1996 Total	31,733	111,509	48,695	131,568	432,687	30,009	439,865	129,714	181,387

Source: Association of American Railroads

**1998 - 52 weeks
* 1997 - 53 weeks

Tariff Rail Rates for Unit Train Shipments

November 1999

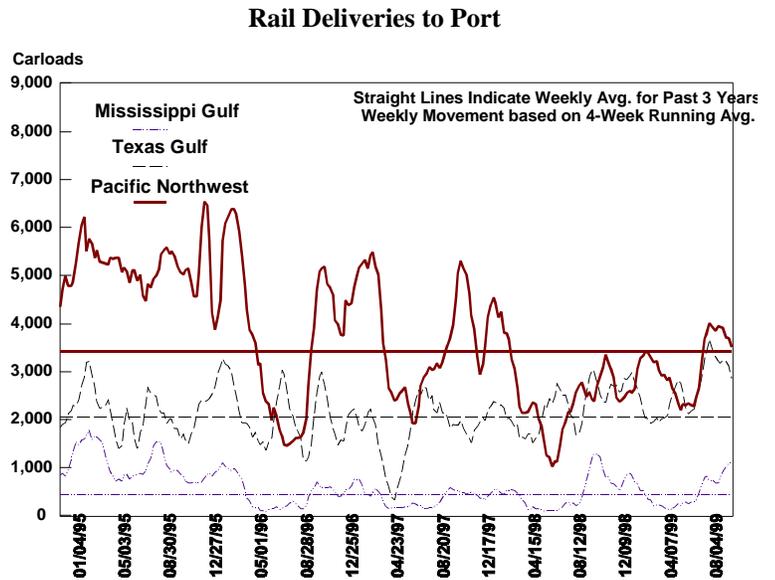
Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
11/01/99	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$22.60	\$0.62
11/01/99	43521	Wheat	Minneapolis, MN	Portland, OR	\$3,877	\$42.74	\$1.16
11/01/99	46540	Wheat	Kansas City, MO	Houston, TX	\$1,550	\$17.09	\$0.47
11/01/99	43586	Wheat	Kansas City, MO	Portland, OR	\$4,133	\$45.56	\$1.24
11/01/99	43581	Wheat	Omaha, NE	Portland, OR	\$3,805	\$41.94	\$1.14
11/01/99	31040	Corn	Minneapolis, MN	Portland, OR	\$2,800	\$30.86	\$0.78
11/01/99	31035	Corn	Kansas City, MO	Portland, OR	\$2,600	\$28.66	\$0.73
11/01/99	31040	Corn	Omaha, NE	Portland, OR	\$2,415	\$26.62	\$0.68
11/01/99	61180	Soybean	Minneapolis, MN	Portland, OR	\$2,880	\$31.75	\$0.86
11/01/99	61180	Soybean	Omaha, NE	Portland, OR	\$2,480	\$27.34	\$0.74
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

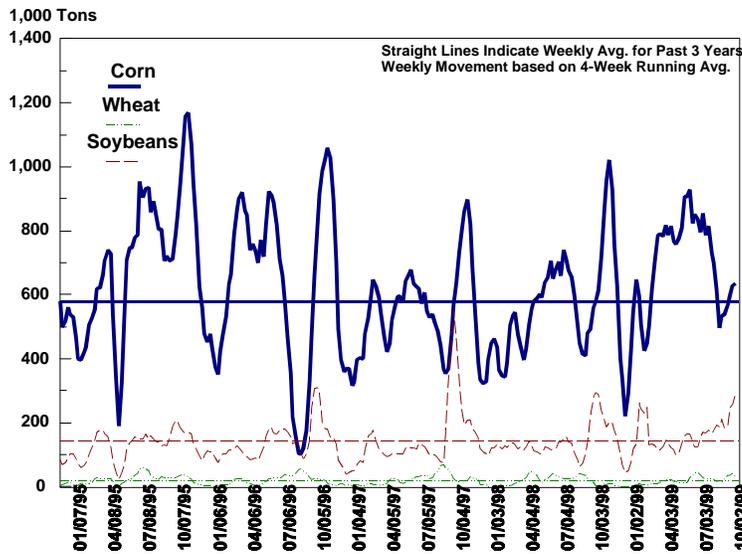
Rail Deliveries to Port				
Carloads				
	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
09/29/99	616	2,980	3,659	467
10/06/99	872	3,405	3,803	161
10/13/99	1,481	3,158	4,013	127
10/20/99	1,161	3,287	3,380	295
10/27/99	937	2,626	3,612	453
11/03/99	844*	2,333	3,063	452
YTD 1999	23,682	116,212	133,592	12,577
YTD 1998	17,308	95,118	114,561	9,456
Total 1998	23,844	115,321	138,461	12,505
Total 1997	20,152	93,265	195,953	9,147

Source: Transportation & Marketing/AMS/USDA



Note:*Incomplete data.

Barge Movements - Locks 27



Barge Grain Movements

for week ending 11/6/99

	Corn	Wht	Sybn	Total
1,000 Tons				
Mississippi River				
Rock Island, IL (L15)	497	6	185	701
Winfield, MO (L25)	497	3	181	694
Alton, IL (L26)	699	5	246	975
Granite City, IL (L27)	675	6	258	966
Illinois River (L8)	161	2	41	110
Ohio (L52)	54	2	41	110
Arkansas (L1)	0	11	17	28
1999 YTD	31,121	2,567	7,737	43,723
1998 YTD	24,450	2,197	7,043	36,223
Total 1998	31,226	2,420	8,866	45,625
Total 1997	29,685	2,689	9,584	45,315

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

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

	<i>HRW</i>	<i>SRW</i>	<i>HRS</i>	<u>Wheat</u>		<i>DUR</i>	<i>All</i>	<u>Corn</u>	<u>Soybean</u>	<u>Total</u>
				<i>SWW</i>						
<u>Unshipped Exports-Crop Year</u>										
11/04/99	1,255	262	923	483		209	3,131	8,508	5,286	16,925
This Week Year Ago	1,394	276	1,136	1,112		184	4,102	8,210	5,860	18,172
<u>Cumulative Exports-Crop Year</u>										
98/99 YTD	5,689	1,776	2,343	1,842		410	12,060	9,266	5,502	26,828
97/98 YTD	5,142	986	2,921	2,562		403	12,014	7,312	17,713	37,039
97/98 Total	9,858	4,710	6,305	5,413		1,232	27,518	37,220	24,516	89,254
96/97 Total	7,387	3,645	7,864	6,105		963	25,965	44,476	24,501	94,942

Source: Foreign Agricultural Service YTD-Year-to-Date (www.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

	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>		
	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>
11/11/99	74	212	33	76	644	437	169	0	54
1999 YTD	8,758	7,863	896	6,117	31,314	12,221	7,839	545	1,284
1998 YTD *	8,646	3,739	605	4,411	25,211	11,377	6,200	435	1,024
% of Last Year	81%	180%	138%	121%	100%	82%	108%	97%	92%
1998 Total	10,838	4,373	651	5,048	31,330	14,917	7,270	562	1,392

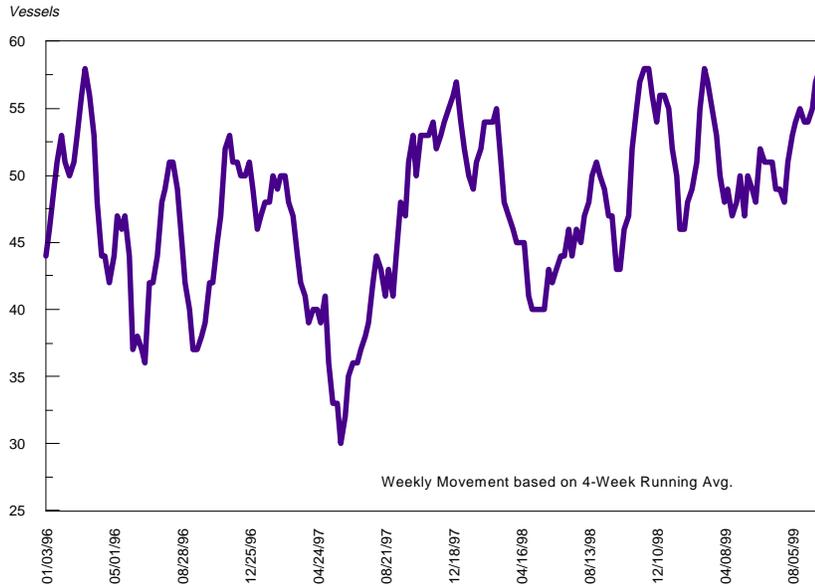
Source: Federal Grain Inspection Service * YTD-Year-to-Date (*98 = 53 week period)

Select Canadian Ports - Export Inspections

1,000 Metric Tons, Crop Year

	<u>Wheat</u>	<u>Durum</u>	<u>Barley</u>
Week Ended: 11/11/99			
Vancouver	1,196	374	143
Prince Rupert	368	0	21
Prairie Direct	277	97	58
Thunder Bay	278	95	53
St. Lawrence	1,053	548	0
1999 YTD Exports	3,172	1,114	275
1998 YTD Exports	2,851	793	217
% of Last Year	111%	140%	127%

Source: Canadian Grains Commission
YTD-Year-to-Date Crop Year 8/1-7/31



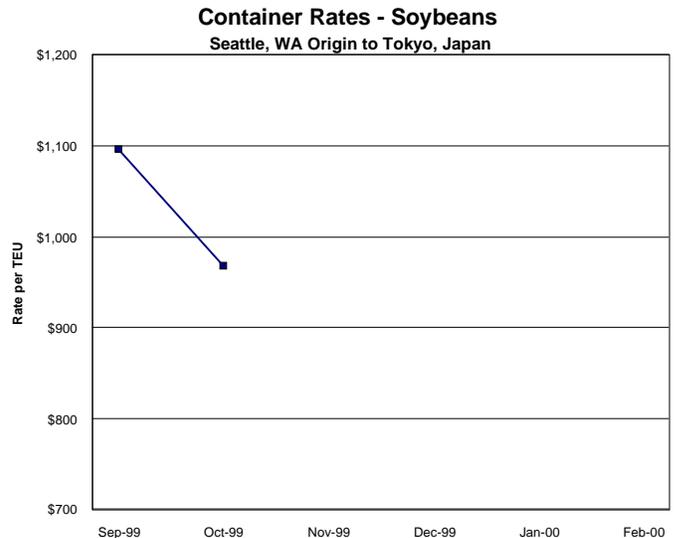
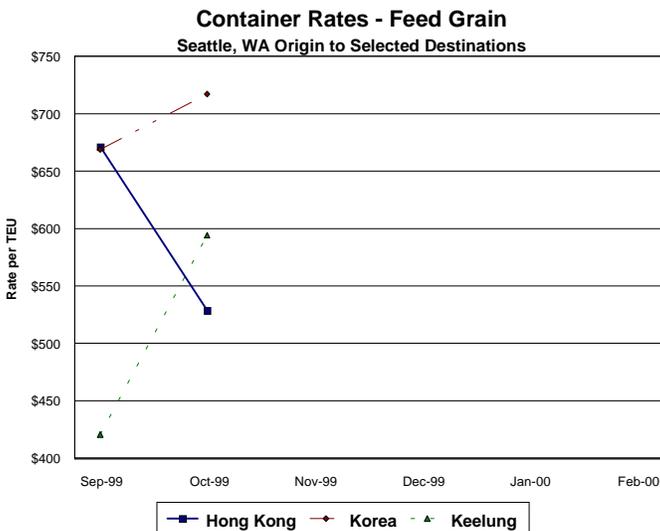
**Gulf Region
Vessels Loaded
- Past 7 Days-**

	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>
11/04/99	37	51	76	10			14	7	4
11/11/99	36	59	61	9			16	11	3
1998 Range	(19..62)	(34..64)	(40..93)				(1..16)	(3..14)	(0..10)
1997 Range	(11..52)	(25..61)	(31..89)						
1998 Avg	40	48	61				9	9	3
1997 Avg	33	45	58						
1996 Avg	38	46	62						

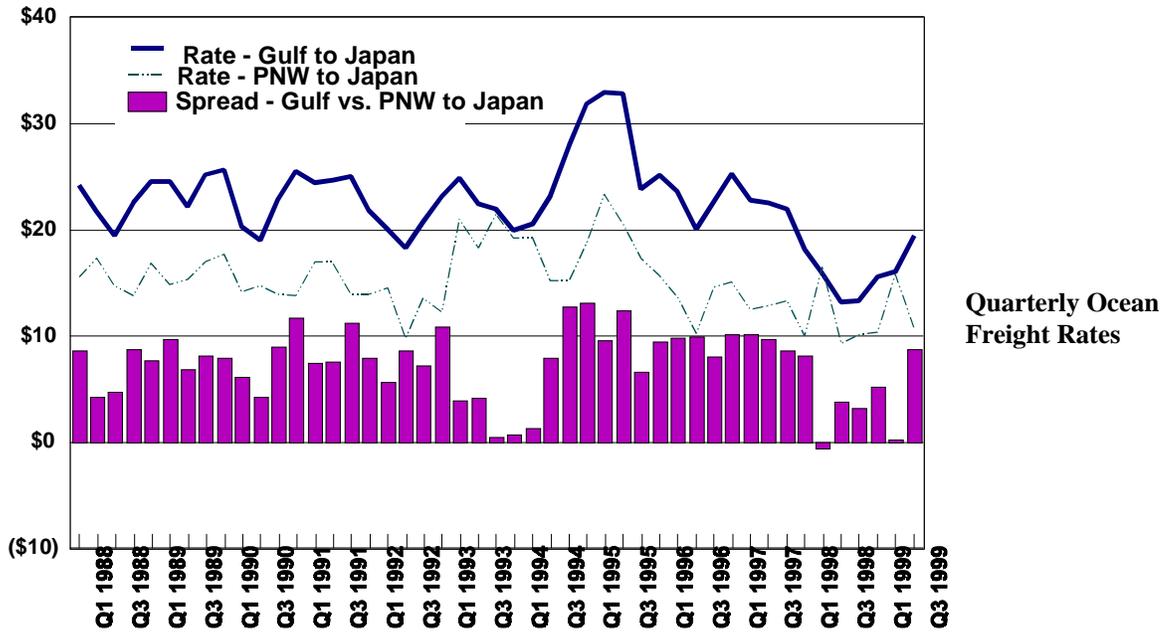
Source: Transportation & Marketing /AMS/ USDA

Container Ocean Freight Rates

Monthly Weighted Averages Based on Shipping Line Monthly Mkt. Share



US\$/Metric Ton



Quarterly Ocean Freight Rates

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

	1999 3 rd Qtr	1998 3 rd Qtr	% Change		1999 3 rd Qtr	1998 3 rd Qtr	% Change
Gulf to				Pacific NW to			
Japan	\$19.46	\$13.17	48%	Japan	\$10.71	\$9.35	15%
Mexico	\$14.97	\$16.33	-8%	Red Sea/ Arabian Sea			
Venezuela	\$12.64	\$10.30	23%	Argentina to			
N. Europe	\$13.31	\$8.85	50%	N. Europe	\$13.94	\$12.15	15%
N. Africa	\$18.20	\$13.87	31%	Japan	\$23.00	\$16.21	42%

Source: Transportation & Marketing/AMS/USDA

Ocean Freight Rates (Select Locations) - week ending 11/13/99

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Baie Comeau (Can.)	Egypt	Wheat	December	60,000	\$12.00
Gulf	Cyprus	Heavy Grain	November	60,000	\$15.00
Gulf	Japan	Heavy Grain	January	54,000	\$23.00
Gulf	China	Heavy Grain	Spot/Prompt	55,000	\$22.00/22.75
Gulf	China	Soybeans	November	55,000	\$22.00
Gulf	China	Heavy Grain	November	55,000	\$21.50
Paranagua	France (Atlantic)	Pellets	November	50,000	\$14.00
Parana River	Spain	Grains	November	25,000	\$19.25
Hamburg (Ger.)	Saudi Arabia	Barley	November	55,000	\$17.00
Germany (North Sea)	Saudi (Red Sea)	Barley	November	55,000	\$16.50

Source: Maritime Research Inc.