



# GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service  
United States Department of Agriculture

DECEMBER 28, 1999

Dear Readers:

In the past, we have decided to forego publishing the report the week prior to, or during, the start of the new year. In doing this, however, we have ignored the fact that many readers depend on the continuous availability of data in order to maintain accuracy and completeness in their analysis of the grain market. We regret this inconvenience and are, therefore, providing the December 28, 1999, edition of the *Grain Transportation Report*.

Many agricultural issues, be they weather, market, or political, affect the dynamics of the grain industry. The following have, to some degree, been significant during 1999:

1) **Genetically Modified Crops:** The reported benefits of producing GMO (genetically modified organism) crops gradually faded as important foreign markets questioned the long-term effects of these crops on human health and the environment. This uncertainty introduced further complications such as commodity testing, as well as segregation for storage and transportation. (*reported 4/19, 6/8, 9/14, 9/21, 10/19*)

2) **Panama Canal:** After nearly a century, the U.S. officially relinquished control and ownership of the Panama Canal to Panama on December 31, 1999. It has been reported that the canal has gradually become less strategically important to the U.S., both in terms of defense and trade. In addition, transit of the larger post-Panamax vessels will be prohibited due to the canal's size limitations. (*reported 12/14*)

3) **World Trade Organization (WTO) Talks:** Trade talks late in the year, intended to establish a framework for future negotiations among WTO (World Trade Organization) members, reportedly ended with less than optimal results. In addition to complexities surrounding contentious issues such as agriculture, member nations also focused on topics related to electronic commerce and labor standards. Future negotiations will take place in Geneva at WTO headquarters (*reported 11/30*)

4) **U.S.-China Trade Agreement:** Negotiators for the U.S. and China reached a trade agreement late in the year, a crucial step in China's long-time ambition to join the WTO. The agreement also paved the way for a similar trade pact between China and Canada. Several other WTO members must enter into agreements with China before it will be admitted into the global organization. China, along with other nonmember nations, attended the year-end meeting as observers. (*reported 4/12, 4/19, 4/26, 5/10, 10/26, 11/16, 11/30*)

5) **Financial Farm Crisis:** Poor economic conditions in Asia, along with a global oversupply of grain, led to depressed prices in the farming sector. The events gave Congress reason to appropriate \$7.65 billion, the largest agricultural aid package ever. The financial assistance also drew the attention of U.S. competitors, such as the European Union, who criticized the aid as being an unfair form of subsidization. (*reported 1/11, 3/8, 5/10, 7/13, 8/10, 8/17, 8/31, 10/26, 11/16*)

6) **Trade Sanctions:** For various reasons, unilateral trade sanctions have prohibited or limited U.S. agricultural producers' access to select foreign markets. With the economic problems facing the agricultural sector, the issue has gained attention among producers and U.S. lawmakers. Among other sanctioned markets, Cuba, with its proximity to the U.S. and its demand potential, is often cited as an area where U.S. agricultural exports could be expanded. (*reported 3/15, 7/27, 8/17, 9/21, 10/26, 11/9*)

7) **Agricultural Donations:** The United Nations provided 100,000 metric tons of wheat to China, in response to catastrophic flooding. The United States contributed 3.1 million metric tons of food to Russia, and the European Union donated approximately 1.5 metric tons of grain and other agricultural commodities. (*reported 1/25, 2/16, 2/22, 3/15, 6/29*)

8) **Consolidations/Merger:** Consolidations and mergers during the last several years have occurred in transportation as well as in the grain supply and food industries, all of which have bearing on grain producers. The concern of many is that these events will unfairly influence market conditions and affect service and cost advantages normally provided by a competitive market. (*reported 1/25, 2/8, 4/26, 5/24, 6/22, 7/13, 10/19, 11/9, 11/23*)

9) **Weather:** Usually a crucial variable in agriculture, severe weather also affects grain transportation, such as the potential threat flooding had on barge traffic early in the year. Excessive rain during midyear prevented some Midwest producers from harvesting their crops, leading to potential storage and quality problems. In the meantime, southwestern producers enjoyed dry weather, diminishing the likelihood of disease to the wheat crop. (*reported 2/16, 5/17, 6/29*)

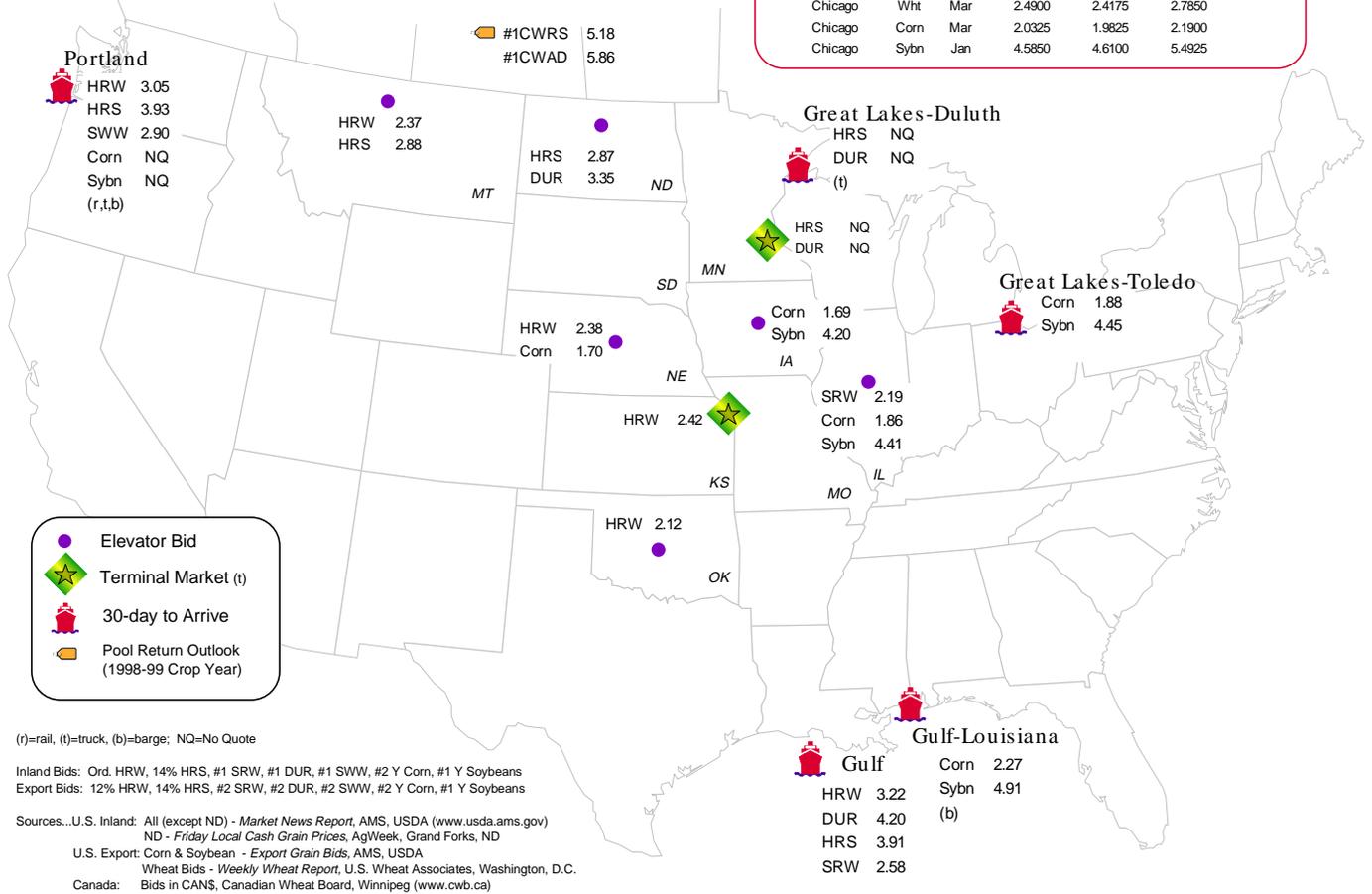
10) **Grain Storage:** While the volume of grain did not create the expected level of storage problems this year, other related issues were raised, such as sufficient storage for segregating genetically modified from conventional grain and the ability of country elevators to meet the steady storage demand required for the increasingly prevalent unit trains. (*reported 3/22, 4/19, 8/17*)

Report is prepared by Karl Hacker and Chambre' Malone, Transportation & Marketing, Agricultural Marketing Service, USDA (202) 690-1304. Report design by Kimberly Vachal, Upper Great Plains Transportation Institute, North Dakota State University. You can retrieve this document from our Automatic Fax System by using the handset on your fax machine and dialing (202) 690-1707. This report can be found on the Internet at [www.ams.usda.gov/tmd/grain.htm](http://www.ams.usda.gov/tmd/grain.htm). E-mail comments to [GTR@usda.gov](mailto:GTR@usda.gov).

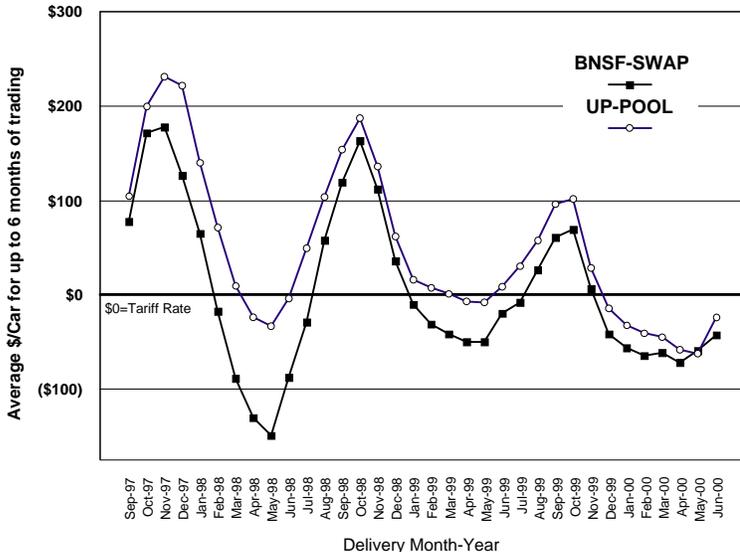
The United States Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation and marital or family status. (Not all prohibited bases apply to all programs). Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact the USDA's TARGET Center at (202)720-2600. To file a complaint, write USDA, Director of Civil Rights, Room 326-W, Whitten Building, 14<sup>th</sup> and Independence Avenue, SW, Washington, DC, 20250-9419, or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

# Grain Bid Summary

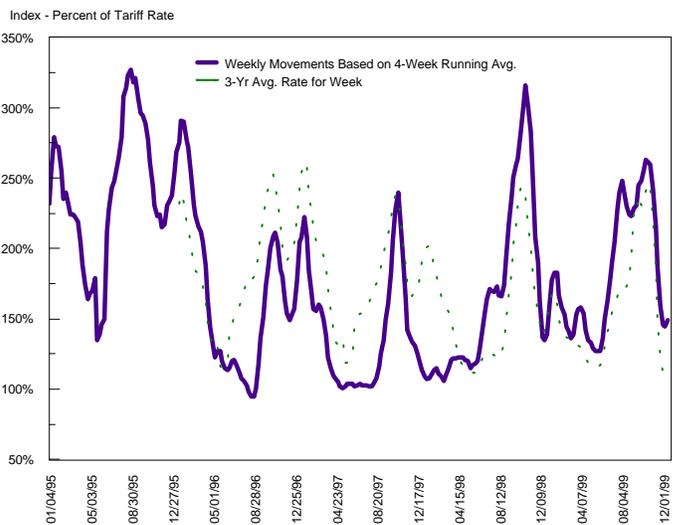
Futures:			12/17/99	Week Ago	Year Ago
			12/10/99	12/18/98	
Kansas City	Wht	Mar	2.7400	2.6925	3.1675
Minneapolis	Wht	Mar	3.1875	3.1850	3.5700
Minneapolis	Dur	Mar	4.5500	4.4200	n.a.
Chicago	Wht	Mar	2.4900	2.4175	2.7850
Chicago	Corn	Mar	2.0325	1.9825	2.1900
Chicago	Sybn	Jan	4.5850	4.6100	5.4925



## Secondary Rail Market Bids



## Spot Barge Rate - Illinois River



<b>Rail Car 'Auction' Offerings</b>				
Delivery for:	Feb-00		Apr-00	
	<u>Offered</u>	<u>% Sold</u>	<u>Offered</u>	<u>% Sold</u>
<b>BNSF-COT</b>	11,000	10%	11,999	0%
<b>UP-GCAS</b>	5,400	0%	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

	<b>Delivery Period</b>			
	Feb-00	Mar-00	Apr-00	May-00
BNSF-GF	\$(14)	\$(41)	\$(47)	\$(38)
UP-Pool	\$(20)	\$(28)	\$(31)	\$(31)

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:	Feb-00	Mar-00	Apr-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](http://www.bnsf.com), [www.uprr.com](http://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
12/23/99	Ill. River (full r.)	twk	170*
	Ill. River (full r.)	twk	170
	Ill. River (Pek.-S)	nwk	165**
	Ill. River (Pek.-S)	Jan.	175**
	St. Louis	twk	130*
	St. Louis	nwk	130*

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

twk=this week

nwk=next week

(\*) percentage for bid rates, no trades available

(\*\*) percentage for offered rates, no trade available

full r.=rate shown specified for full river

Pek.-S=rate shown specified for Pekin, Ill and South

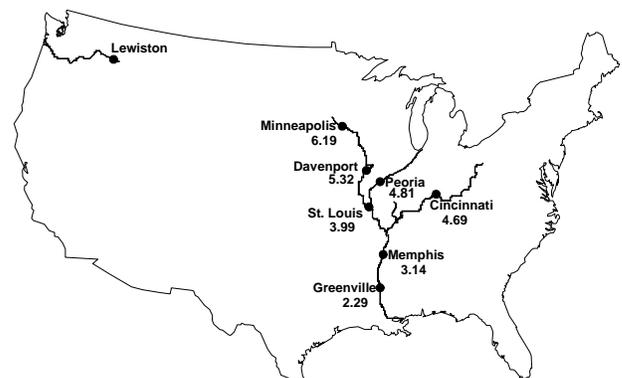
**Southbound Barge Freight Spot Rates**

	12/22/99	12/15/99	Jan. '00	Mar. '00
Twin Cities	nq	nq	nq	nq
Mid-Mississippi	nq	nq	nq	nq
Illinois River	202	163	189	160
St. Louis	159	120	140	129
Lower Ohio	139	122	133	127
Cairo-Memphis	128	116	126	123

Source: Transportation & Marketing /AMS/USDA

nq=no quote

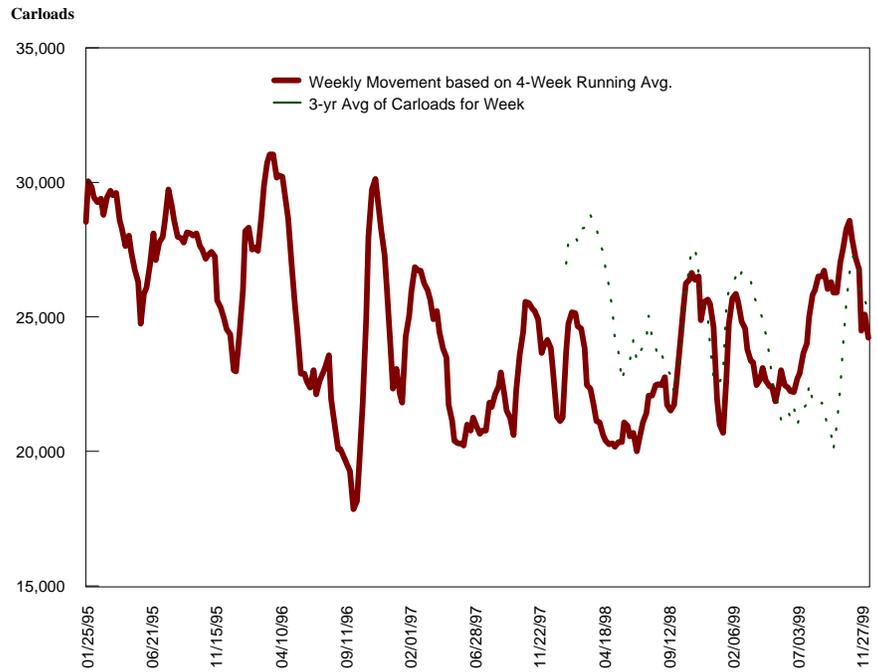
**Barge Benchmark Tariff Rates  
Est. 1976 - 'Tariff No. 7'**



Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
12/4/99	28,141
12/11/99	22,987
12/18/99	24,916
Year to Date - 1999	1,232,544
Year to Date - 1998	1,148,294
Total 1999	1,250,538

\*\*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
12/18/99	0	3,123	1,138	2,697	9,612	699	7,647	3,107	3,906
This Week Last Year	693	2,714	1,402	2,654	9,854	691	8,078	2,028	4,034
1999 YTD	15,522	127,596	85,177	133,695	451,960	32,533	387,061	118,493	201,911
1998 YTD	39,241	122,451	75,180	127,628	418,496	33,344	331,954	110,768	210,929
1999 Total	15,522	127,596	85,177	133,695	451,960	32,533	387,061	118,493	201,911
1998 Total	40,192	126,128	77,811	131,158	431,459	34,503	342,609	113,568	215,005

Source: Association of American Railroads

\*\*1998 - 52 weeks  
 \* 1997 - 53 weeks

Tariff Rail Rates for Unit Train Shipments

December 1999

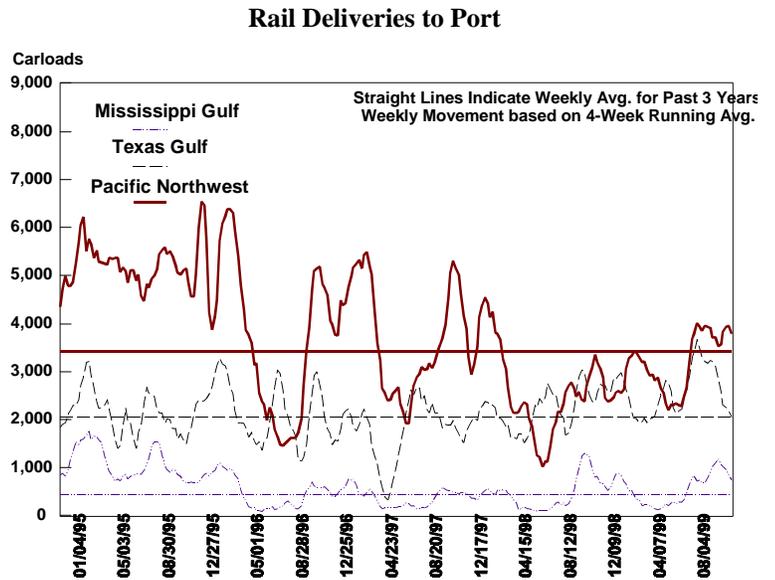
Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
01/03/00	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$22.60	\$0.62
01/03/00	43521	Wheat	Minneapolis, MN	Portland, OR	\$3,877	\$42.74	\$1.16
01/03/00	46540	Wheat	Kansas City, MO	Houston, TX	\$1,550	\$17.09	\$0.47
01/03/00	43586	Wheat	Kansas City, MO	Portland, OR	\$4,133	\$45.56	\$1.24
01/03/00	43581	Wheat	Omaha, NE	Portland, OR	\$3,805	\$41.94	\$1.14
01/03/00	31040	Corn	Minneapolis, MN	Portland, OR	\$2,800	\$30.86	\$0.78
01/03/00	31035	Corn	Kansas City, MO	Portland, OR	\$2,600	\$28.66	\$0.73
01/03/00	31040	Corn	Omaha, NE	Portland, OR	\$2,415	\$26.62	\$0.68
01/03/00	61180	Soybean	Minneapolis, MN	Portland, OR	\$2,880	\$31.75	\$0.86
01/03/00	61180	Soybean	Omaha, NE	Portland, OR	\$2,815	\$31.03	\$0.84
05/01/98	61180	Soybean	Omaha, NE	Portland, OR	\$2,780	\$25.23	\$0.83

Source: www.bnsf.com

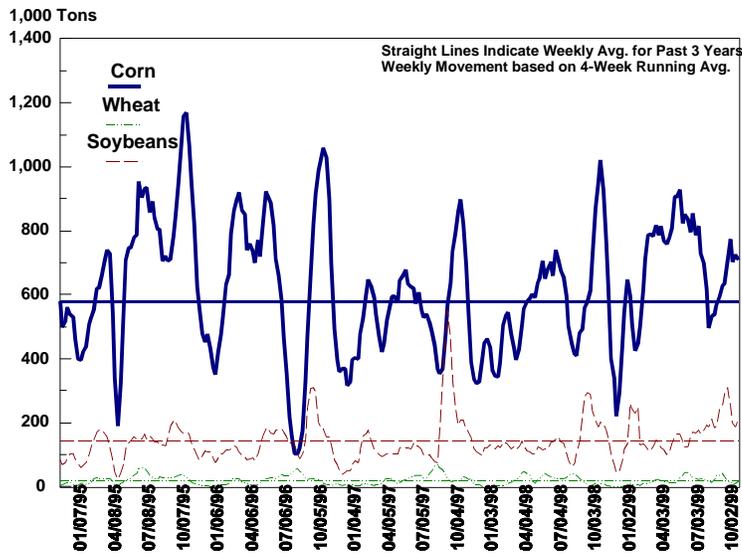
Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

Rail Deliveries to Port				
Carloads				
	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
11/24/99	1,039	2,106	4,187	473
12/01/99	968	2,135	4,385	234
12/08/99	744	2,444	4,122	107
12/15/99	607	1,997	3,104	64
12/22/99	671	1,629	3,556	15
12/15/99	564	1,545	2,328	650
YTD 1999	28,570	128,068	155,353	14,120
YTD 1998	22,958	110,390	133,353	11,812
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



Barge Movements - Locks 27



Barge Grain Movements

for week ending 12/18/99

	Corn	Wht	Sybn	Total
	1,000 Tons			
<b>Mississippi River</b>				
Rock Island, IL (L15)	99	0	39	139
Winfield, MO (L25)	250	13	130	392
Alton, IL (L26)	625	14	175	814
Granite City, IL (L27)	618	14	211	846
<b>Illinois River (L8)</b>	398	0	42	440
<b>Ohio (L52)</b>	16	24	8	90
<b>Arkansas (L1)</b>	0	0	0	0
1999 YTD	35,636	2,793	9,321	50,212
1998 YTD	29,976	2,375	8,362	43,662
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)

	HRW	SRW	HRS	Wheat		All	Corn	Soybean	Total
				SWW	DUR				
<u>Unshipped Exports-Crop Year</u>									
12/16/99	1,088	859	830	710	233	3,719	8,645	4,674	17,038
This Week Year Ago	1,602	188	920	659	236	3,606	8,534	4,522	16,662
<u>Cumulative Exports-Crop Year</u>									
99/00 YTD	6,943	2,174	3,197	2,225	534	15,072	15,227	10,083	40,382
98/99 YTD	6,133	1,233	3,912	3,449	465	15,192	13,679	17,713	46,584
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](http://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**

	Pacific Region			Mississippi Gulf			Texas Gulf		
	Wheat	Corn	Soybean	Wheat	Corn	Soybean	Wheat	Corn	Soybean
12/23/99	127	250	40	263	683	238	131	2	64
2000 YTD	9,853	8,953	1,116	7,037	35,498	15,256	8,645	557	1,479
1999 YTD *	10,838	4,373	651	5,048	31,330	14,917	7,270	562	1,392
% of Last Year	91%	205%	172%	139%	113%	102%	119%	99%	106%
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)

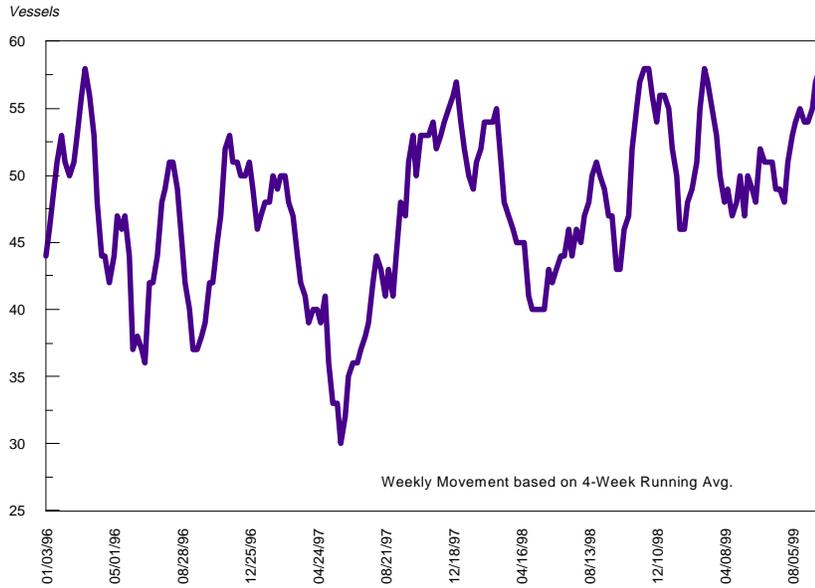
**Select Canadian Ports - Export Inspections\***

1,000 Metric Tons, Crop Year

	Wheat	Durum	Barley
Week Ended: 12/9/99			
Vancouver	2,277	467	271
Prince Rupert	1,477	0	48
Prairie Direct	375	150	157
Thunder Bay	468	193	165
St. Lawrence	1,574	900	0
1999 YTD Exports	6,171	1,710	641
1998 YTD Exports	4,920	1,325	376
% of Last Year	125%	129%	170%

Source: Canadian Grains Commission; \*Current data unavailable

YTD-Year-to-Date Crop Year 8/1-7/31



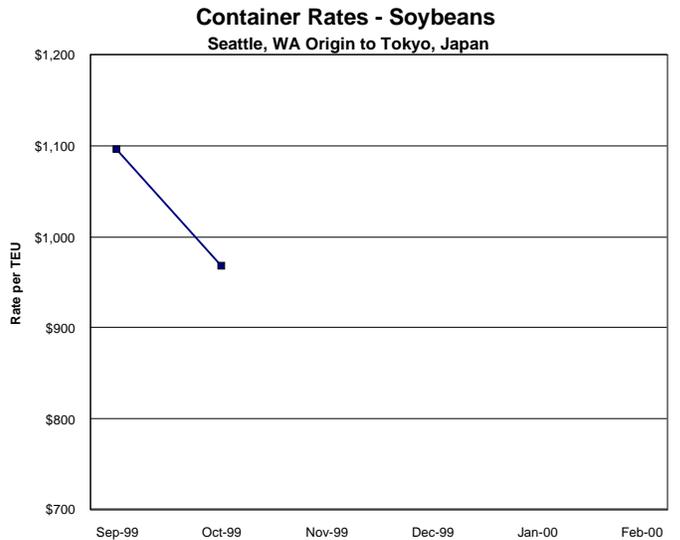
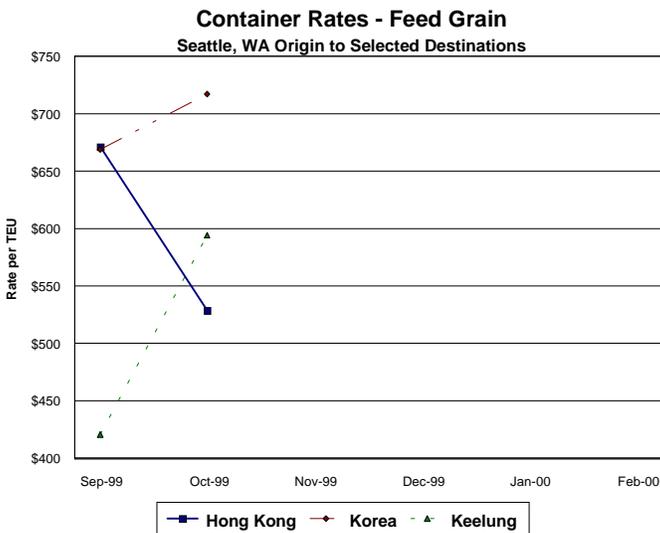
**Gulf Region  
Vessels Loaded  
- Past 7 Days-**

	Gulf			Pacific Northwest			Vancouver, B.C.		
	In Port	Loaded	Due Next	In Port	Loaded	Due Next	In Port	Loaded	Due Next
		7-Days	10-Days		7-Days	10-Days		7-Days	10-Days
12/16/99	47	61	68	9			11	8	3
12/23/99	34	50	63	9			4	5	4
1999 Range	(14..47)	(39..65)	(34..80)	(6..18)			(2..20)	(2..15)	(0..9)
1998 Range	(19..62)	(34..64)	(40..93)				(1..19)	(3..14)	(0..10)
1999 Avg	32	52	66				9	9	3
1998 Avg	40	48	61				10.314	8.9412	3.1569
1997 Avg	33	45	58						

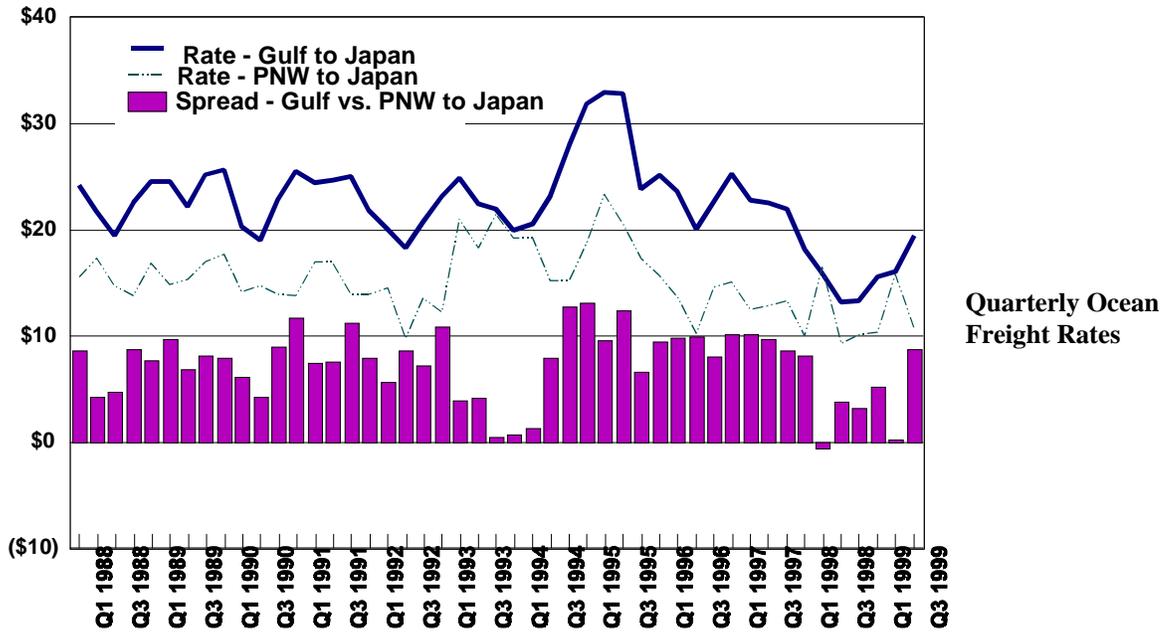
Source: Transportation & Marketing /AMS/ USDA

**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 <sup>rd</sup> Qtr	1998 3 <sup>rd</sup> Qtr	% Change		1999 3 <sup>rd</sup> Qtr	1998 3 <sup>rd</sup> Qtr	% Change
<b>Gulf to</b>				<b>Pacific NW to</b>			
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%	<b>Argentina to</b>			
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 12/25/99**

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Gulf	Venezuela	Heavy Grain	Spot	25,000	\$10.80
Gulf (Tampa)	United Kingdom	Grains	Spot	30,000	\$13.00
Gulf	Rotterdam	Grains	Spot	29,000	\$14.25
Gulf	Egypt	Heavy Grain	Prompt	40,000	\$13.50
Gulf	Algeria	Wheat	Dec./Jan.	25,000	\$20.00
U.S. (WC)	Yemen	Wheat	January	25,000	\$28.00
Parana River	Tunisia	Wheat	January	25,000	\$24.50
Europe	Algeria	Grains	Prompt	25,000	\$15.25
Rouen (France)	Algeria	Wheat	January	27,500	\$15.00
No. France	Saudi Arabia	Barley	Prompt	55,000	\$17.25

Source: Maritime Research Inc.