



# GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service  
United States Department of Agriculture

JANUARY 11, 1999



**Barge Movements Slow.** Cold weather and ice flows have been causing delays in barge traffic along the Illinois River, according to a spokesman for the U.S. Army Corps of Engineers, Rock Island District. Ron Fournier, of the U.S. Army Corps of Engineers, stated that "traffic is hampered because of large bodies of ice on the river, making it difficult for tows to navigate the river and locks." All locks, however, continued to operate on the Illinois, though some with difficulty. In addition, there are restrictions on the width and number of barges pushed by a tow within a 200-mile area between the Marseilles Lock and Dam in Morris, IL, and the La Grange Lock and Dam. Tows in this area have been limited to eight barges long and two barges wide, not exceeding 90 feet in width. In some sections, the ice situation is accompanied by low visibility. The good news is that the delays have decreased from approximately 2 days on some sections of the Illinois River to an average of 4-5 hours for locks below Joliet, IL. Industry sources confirmed that there have been problems moving barges. It was also mentioned that the anticipated warmer temperatures forecast for much of the Midwest during the next several days may increase melting, which will increase water levels and, likely, the potential for ice jam blockages in certain areas. (*Reuter, Army Corps of Engineers, USDA*)

**Shippers Turn To Rail.** Shippers have chosen to increase the volume of grain moved by rail, due to the cold weather impediments which have slowed barge movements on the Illinois River, normally open during winter months. Although there have been some reported improvements on the Illinois, the waterway most affected by ice flows and tow restrictions, a steady decrease in grain demand at river terminals has caused barge basis bids for grain shipments to decrease. A lack of Government demand for large quantities of wheat may have also contributed to the falling bid prices. (*Bridge News*)

**Economy Not Booming For Farmers.** Chris Hurt of Purdue University's Extension Office said on Tuesday that America's farms are in recession, while the rest of the Nation enjoys a booming economy fueled by low interest rates, high consumer confidence, and cheap commodities. He stated that part of the problems is Asian markets, which consume about 45 percent of agricultural exports from the United States but have dried up as the economies of several countries founder. "Sales of U.S. farm exports to Asian nations have dropped from a high of \$60 billion in 1995 to \$50 billion last year," Hurt said. He told the seventh annual Tri-State Farm Show that it will be 2-3 years before the Asian economy turns around, stabilizes, and returns to its growth pattern. A large surplus of U.S.-grown goods, coupled with a significant decrease in world demand for agricultural products, can spell big trouble for American producers. The warmer, drier summer expected this year in North and South America because of La Nina-driven weather should reduce yields but ultimately help farmers by reducing inventories and driving up prices (La Nina is a cold Pacific Ocean current that has the opposite effect on weather patterns as the warm El Nino current.). "It may not be a crisis across the whole region, but it's a crisis for a few individuals," Hurt said. *AP*

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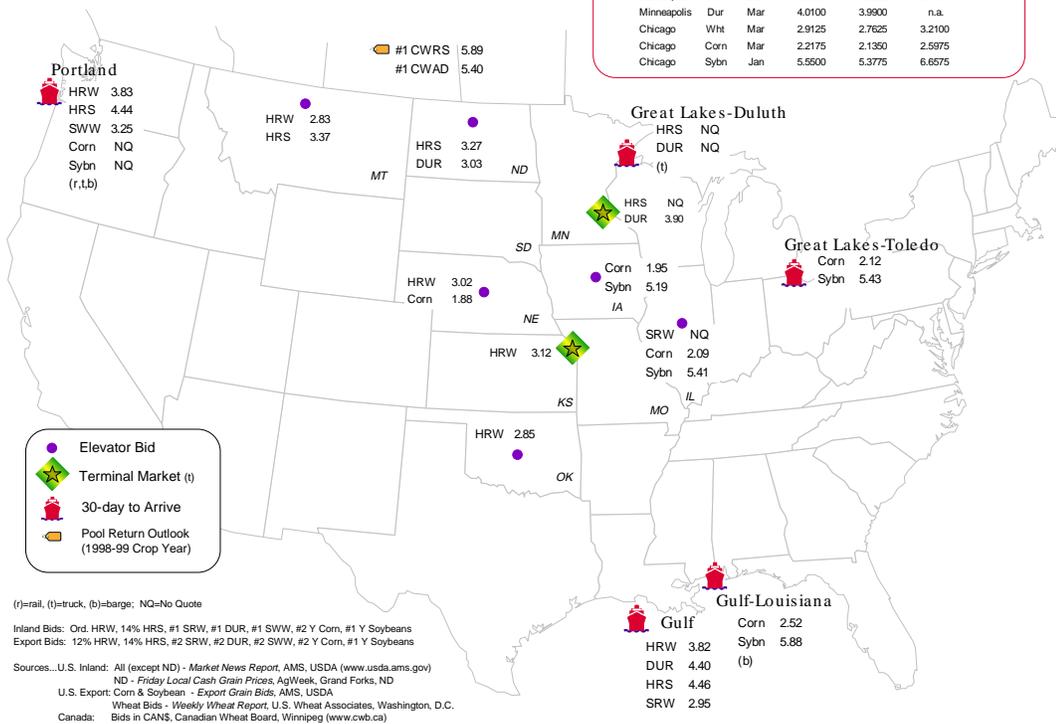
This report is prepared by Karl Hacker and Karla Martin, Agricultural Economists, Transportation & Marketing, Agricultural Marketing Service, USDA (202) 690-1304. Report design by Kimberly Vachal, formerly of the Upper Great Plains Transportation Institute, North Dakota State University. You can retrieve 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 [Nick\\_Marathon@USDA.gov](mailto:Nick_Marathon@USDA.gov).

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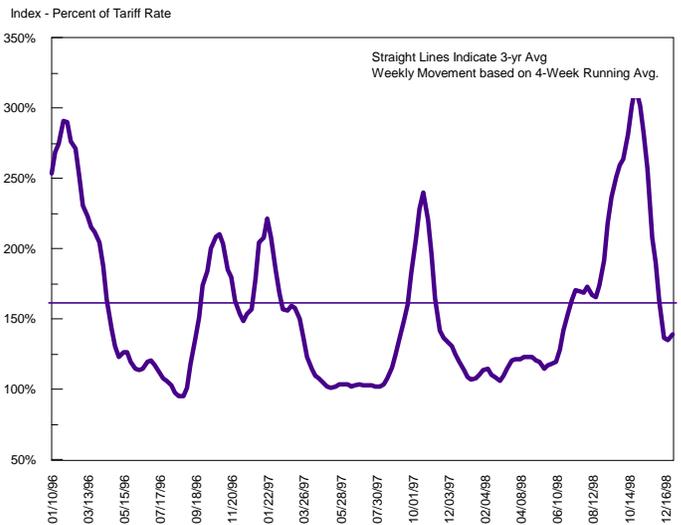
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### Grain Bid Summary

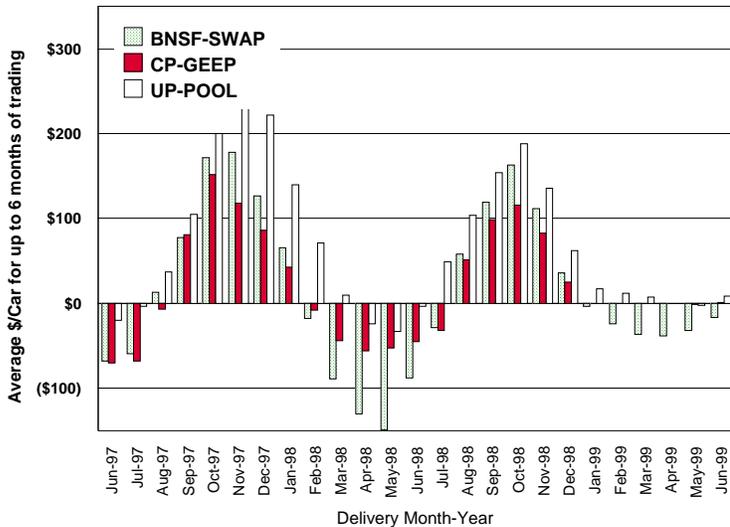
Futures:				Week Ago	Year Ago	
				01/08/99	12/31/98	01/09/98
Kansas City	Wht	Mar		3.2575	3.1400	3.3300
Minneapolis	Wht	Mar		3.6550	3.5925	3.6100
Minneapolis	Dur	Mar		4.0100	3.9900	n.a.
Chicago	Wht	Mar		2.9125	2.7625	3.2100
Chicago	Corn	Mar		2.2175	2.1350	2.5975
Chicago	Sybn	Jan		5.5500	5.3775	6.6575



### Spot Barge Rate - Illinois River



### Secondary Rail Market Bids



<b>Rail Car 'Auction' Offerings</b>				
Delivery for:	Jan-99		Mar-99	
	Offered	% Sold	Offered	% Sold
<b>BNSF-COT</b>	5,303	55%	5,764	6%
<b>UP-GCAS</b>	5,000	24%	5,000	10%

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

<b>Secondary Rail Car Market</b>				
Average Premium/Discount to Tariff, \$/Car - Last Week				
	Delivery Period			
	Jan-99	Feb-99	Mar-99	Apr-99
BNSF-GF	\$0	\$(54)	\$(54)	\$(66)
CP-GEEP	\$(8)	\$(10)	\$(10)	\$(2)
UP-Pool	\$1	\$1	\$(2)	\$(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*

<b>Railroad Car 'Auction' Results</b>			
Average Premium/Discount to Tariff, \$/Car - Last Auction			
Delivery for:	Jan-99	Mar-99	Apr-99
COT/N. Grain	no offer	no offer	no offer
COT/S. Grain	no offer	no offer	no offer
GCAS/Region 2	\$4	no bid	no bid
GCAS/Region 4	\$1	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
1/4/99	Illinois	twk	180
	Lower Ohio River	twk	120
	St. Louis	twk	110

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

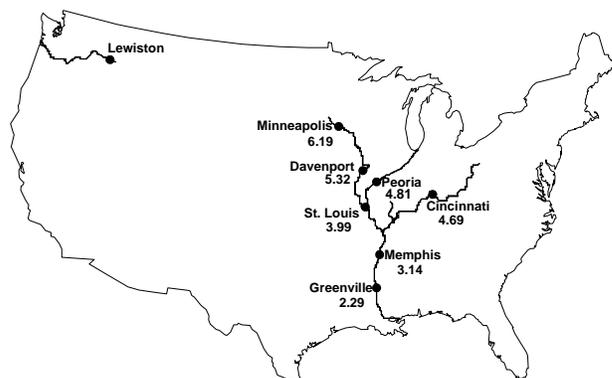
twk=this week  
nwk=next week

**Southbound Barge Freight Spot Rates**

	1/6/99	12/30/98	Feb. '98	Apr. '98
Twin Cities	nq	nq	nq	185
Mid-Mississippi	nq	nq	nq	150
Illinois River	221	161	173	139
St. Louis-Cairo	122	116	114	111
Lower Ohio	120	120	119	120
Cairo-Memphis	103	99	100	104

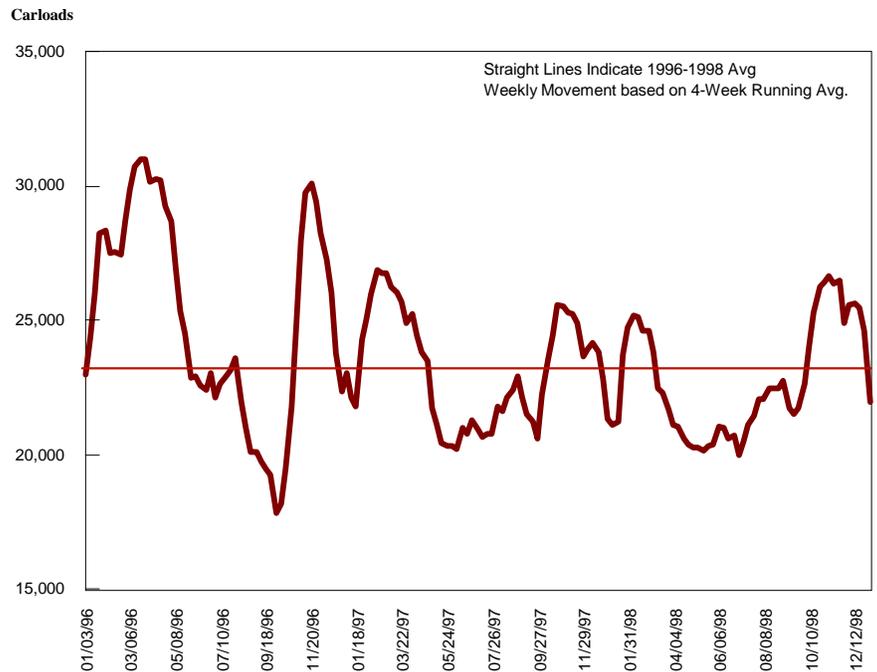
Source: Transportation & Marketing /AMS/USDA  
nq- no quote

**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
12/19/98	26,086
12/26/98	17,572
01/02/99	17,994
Year to Date - 1998	1,183,860
Year to Date - 1997	1,203,034
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
01/02/99	462	1,629	1,119	1,820	6,892	548	5,524	1,111	1,397
This Week Last Year	371	2,024	721	2,056	5,665	425	4,101	1,595	2,725
1998 YTD	40,192	126,128	77,811	131,158	431,459	34,503	342,609	113,568	215,005
1997 YTD	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
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

January 1999

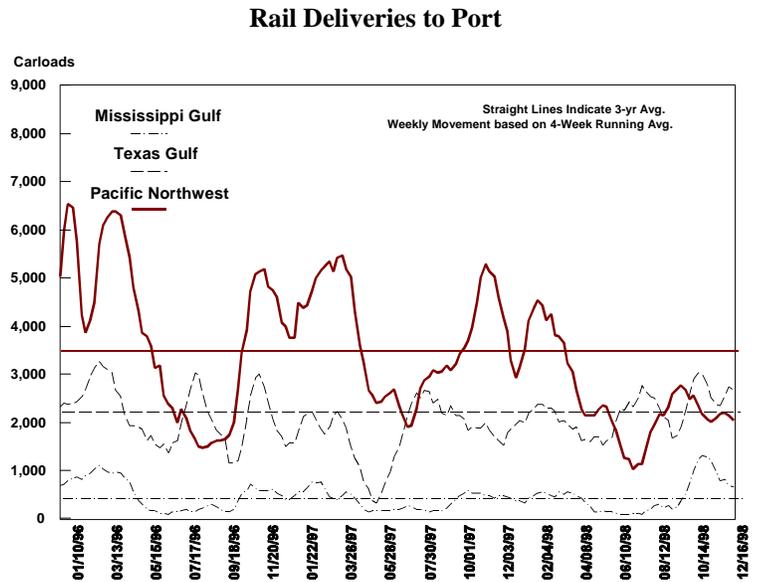
Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
12/01/98	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,150	\$19.51	\$0.65
12/01/98	43521	Wheat	Minneapolis, MN	Portland, OR	\$4,235	\$38.43	\$1.27
12/01/98	46540	Wheat	Kansas City, MO	Houston, TX	\$1,850	\$16.79	\$0.56
12/01/98	43586	Wheat	Kansas City, MO	Portland, OR	\$4,226	\$38.35	\$1.27
12/01/98	43581	Wheat	Omaha, NE	Portland, OR	\$4,205	\$38.16	\$1.26
12/01/98	31040	Corn	Minneapolis, MN	Portland, OR	\$2,865	\$22.87	\$0.80
12/01/98	31035	Corn	Kansas City, MO	Portland, OR	\$3,100	\$24.74	\$0.87
12/01/98	31040	Corn	Omaha, NE	Portland, OR	\$2,485	\$19.83	\$0.70
12/01/98	61180	Soybean	Minneapolis, MN	Portland, OR	\$3,330	\$30.22	\$1.00
12/01/98	61180	Soybean	Omaha, NE	Portland, OR	\$3,030	\$27.50	\$0.91
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

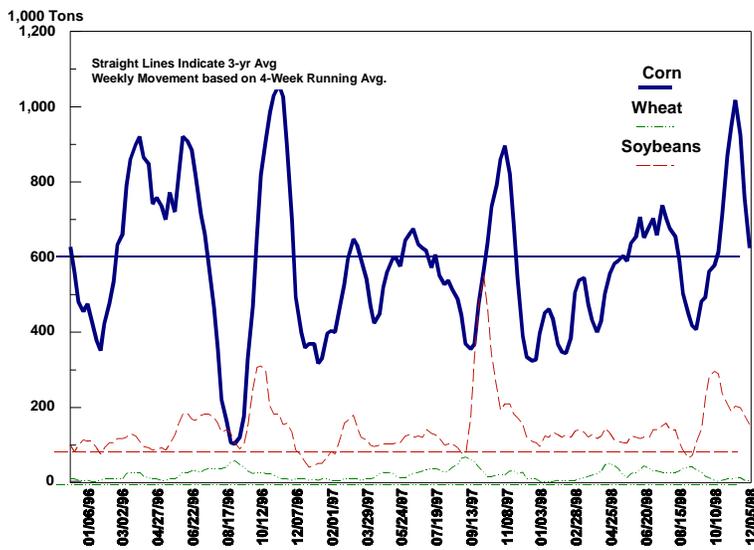
Rail Deliveries to Port				
Carloads				
	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
11/25/98	1,041	2,288	3,412	820
12/02/98	462	2,216	2,987	187
12/09/98	669	2,689	3,402	72
12/16/98	1,128	3,052	3,038	466
12/23/98	464	2,992	2,850	622
12/30/98	422	1,939	2,258	545
YTD 1998	23,844	115,321	138,461	12,505
YTD 1997	20,152	93,265	195,953	9,147
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



\*Note: Data prior to 12/30/98 has been revised. More recent data has been estimated.

Barge Movements - Locks 27



Barge Grain Movements				
for week ending 01/02/99				
	Corn	Wht	Sybn	Total
1,000 Tons				
<b>Mississippi River</b>				
Rock Island, IL (L15)	0	0	0	0
Winfield, MO (L25)	0	0	0	0
Alton, IL (L26)	385	0	76	461
Granite City, IL (L27)	385	0	74	460
<b>Illinois River (L8)</b>	260	0	41	302
<b>Ohio (L52)</b>	17	5	29	106
<b>Arkansas (L1)</b>	0	2	7	9
Total 1998	31,226	2,420	8,866	45,625
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>									
12/24/98	1,521	179	872	649	244	3,464	8,226	4,603	16,293
This Week Year Ago	1,578	713	903	872	214	4,281	6,647	5,162	16,090
<u>Cumulative Exports-Crop Year</u>									
98/99 YTD	6,318	1,254	4,028	3,565	465	15,629	14,689	9,345	39,663
97/98 YTD	5,848	3,601	3,855	3,408	858	17,570	12,025	13,070	42,665
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
01/07/99	191	111	0	50	371	477	141	15	0
1999 YTD *	191	111	0	50	371	477	141	15	0
1998 YTD *	10,838	4,373	651	5,048	31,330	14,917	7,270	562	1,392
% of Last Year	2%	3%	0%	1%	1%	3%	2%	3%	0%
1998 Total	10,838	4,373	651	5,048	31,330	14,917	7,270	562	1,392

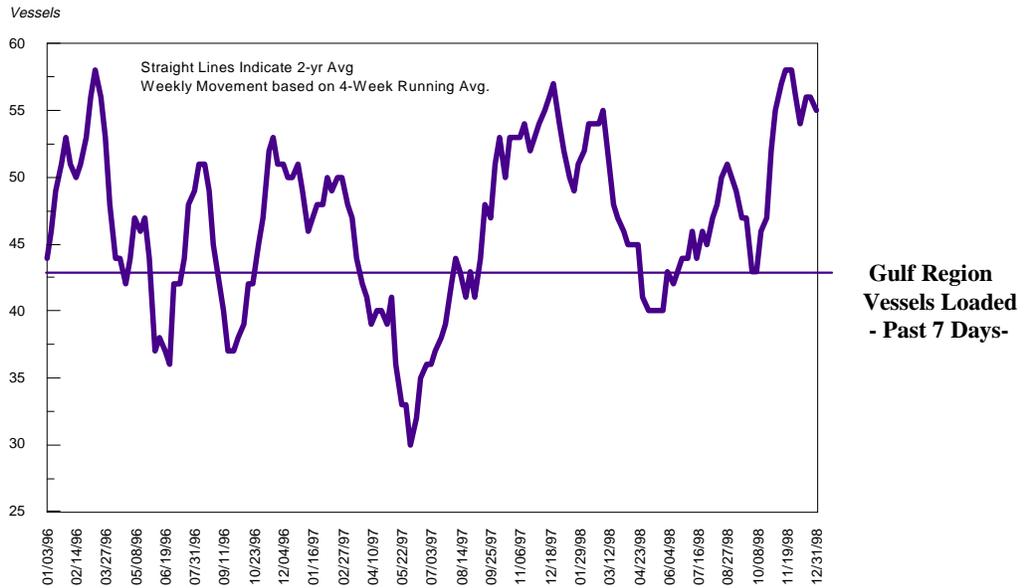
Source: Federal Grain Inspection Service \* YTD-Year-to-Date ('98 = 53 week period)

**Select Canadian Ports - Export Inspections**

1,000 Metric Tons, Crop Year

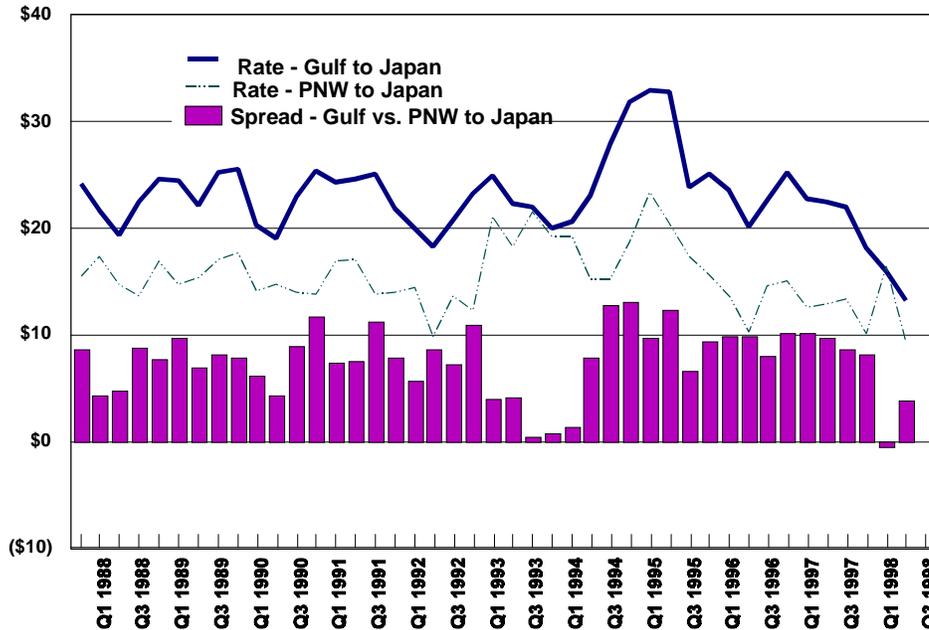
	Wheat	Durum	Barley
Week Ended: 01/17/99			
Vancouver	2,022	292	149
Prince Rupert	695	6	0
Prairie Direct	294	159	59
Thunder Bay	295	93	138
St. Lawrence	915	670	0
1998 YTD Exports	4,529	1,230	344
1997 YTD Exports	8,096	1,886	1,204
% of Last Year	56%	65%	29%

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



<b>Port Region Ocean Grain Vessels</b>									
	<b>Gulf</b>			<b>Pacific Northwest</b>			<b>Vancouver, B.C.</b>		
	<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>
12/31/98	30	48	55	12			n/a	n/a	n/a
01/07/99	41	41	76	11			16	8	7
1998 Range	(19..62)	(34..64)	(40..93)						
1997 Range	(11..52)	(25..61)	(31..89)						
1998 Avg	40	48	61						
1997 Avg	33	45	58						
1996 Avg	38	46	62						
Source: Transportation & Marketing /AMS/ USDA									

US\$/Metric Ton



Quarterly Ocean Freight Rates

**Quarterly Ocean Freight Rates**

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

	1998 3 <sup>rd</sup> Qtr	1997 3 <sup>rd</sup> Qtr	% Change		1998 3 <sup>rd</sup> Qtr	1997 3 <sup>rd</sup> Qtr	% Change
<b>Gulf to</b>				<b>Pacific NW to</b>			
Japan	\$13.17	\$22.55	-42%	Japan	\$9.35	\$12.92	-28%
Mexico	\$16.33	\$14.47	13%	Red Sea/ Arabian Sea	\$19.23		
Venezuela	\$10.30	\$13.78	-25%				
N. Europe	\$8.85	\$13.23	-33%	<b>Argentina to</b>			
N. Africa	\$13.87	\$15.44	-10%	N. Europe	\$12.15	\$14.83	-18%
				Japan	\$16.21	\$25.56	-37%

Source: Transportation & Marketing/AMS/USDA

**Ocean Freight Rates (Select Locations) - week ending 01/09/99**

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Gulf	Rio Haina (Dominican Republic)	Corn & Meals	Prompt	17,000 & 4,000	\$9.00
Gulf	Continent	Grains	January	50,000	\$7.50
Gulf	Japan	Heavy Grain	January	54,000	\$13.25
Vancouver (Canada)	Buenaventura (Colombia)	Wheat	January	20,880	\$14.80
Guaymas (Mexico)	La Guaira (Venezuela)	Wheat	January	11,000	\$15.75
Necochea (Argentina)	Algeria	Grains	January	25,000	\$19.25
Hamburg (Germany)	Jeddah (Saudi Arabia)	Barley	January	53,000/55,000	\$9.50

Source: Maritime Research Inc.