



GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service
United States Department of Agriculture

FEBRUARY 16, 1999



Possible Flooding Problems For The Mississippi Valley. Within U.S. cash markets, grain merchants are concerned due to high water on the Mississippi River. Recent rain has left water high on the southern portion of the river, and, according to forecasts, more is on the way. This will likely increase the delay of grain shipments to the Gulf of Mexico. Merchants say that despite some tow restrictions on the river between Cairo, IL, and New Orleans, LA, grain shipments haven't slowed dramatically yet. Nevertheless, they store enough grain of all types in Gulf elevators to meet supply needs for incoming foreign vessels. This could change if upcoming storms bring large amounts of rain to the Mississippi River valley. In that event, flooding problems could slow shipments further. However, Bridge Global Weather Services (GWS) said that widespread flooding on either the Ohio or Mississippi Rivers is not likely in the next several days. (*Bridge News --Feb 10*)

Cleaner Grain For The U.S. High Plains wheat farmers are applauding a move by the U.S. Department of Agriculture that would enhance the cleanliness of grain exports. U.S. producers are losing business to Canada and Australia due to a lack of wheat cleaning facilities at the Gulf. Data from the Texas Gulf ports show high levels of grain dust, cracked wheat, fungal spores, and other matter. Producers are convinced they could sell more wheat to nearby importers like Mexico, Colombia, and Bolivia, as well as more distant countries, if they could guarantee cleaner grain. No details are available yet, but USDA is attempting to secure approximately \$55 million to share the cost of installing cleaners at elevators. Various methods are used to clean grain, including aeration, screening, and centrifugal separation. No decisions have been made about what type of cleaning equipment will be involved in the project, according to USDA officials. Darrell Hanavan, executive director of the Colorado Wheat Administrative Committee stated, "This would be an industry shift, but it's something that is going to happen in a quality-conscious world." (*Reuters--Feb. 11*)

Federal Charges Filed In Fatal Elevator Blast. Federal work-safety officials filed civil charges on Wednesday, 8 months after a deadly explosion at the DeBruce Grain storage elevator near Wichita, KS. The U.S. Department of Labor and the Occupational Safety and Health Administration (OSHA) filed charges alleging 36 counts of "willful and serious" violations of Federal safety regulations. The charges allege that the elevator management should have known about the hazardous conditions that led to the explosion and should have corrected the problems. DeBruce faces up to \$1.7 million in fines. A company spokesman said DeBruce would contest the charges, which the company called "bizarre." (*Reuters--Feb. 11*)

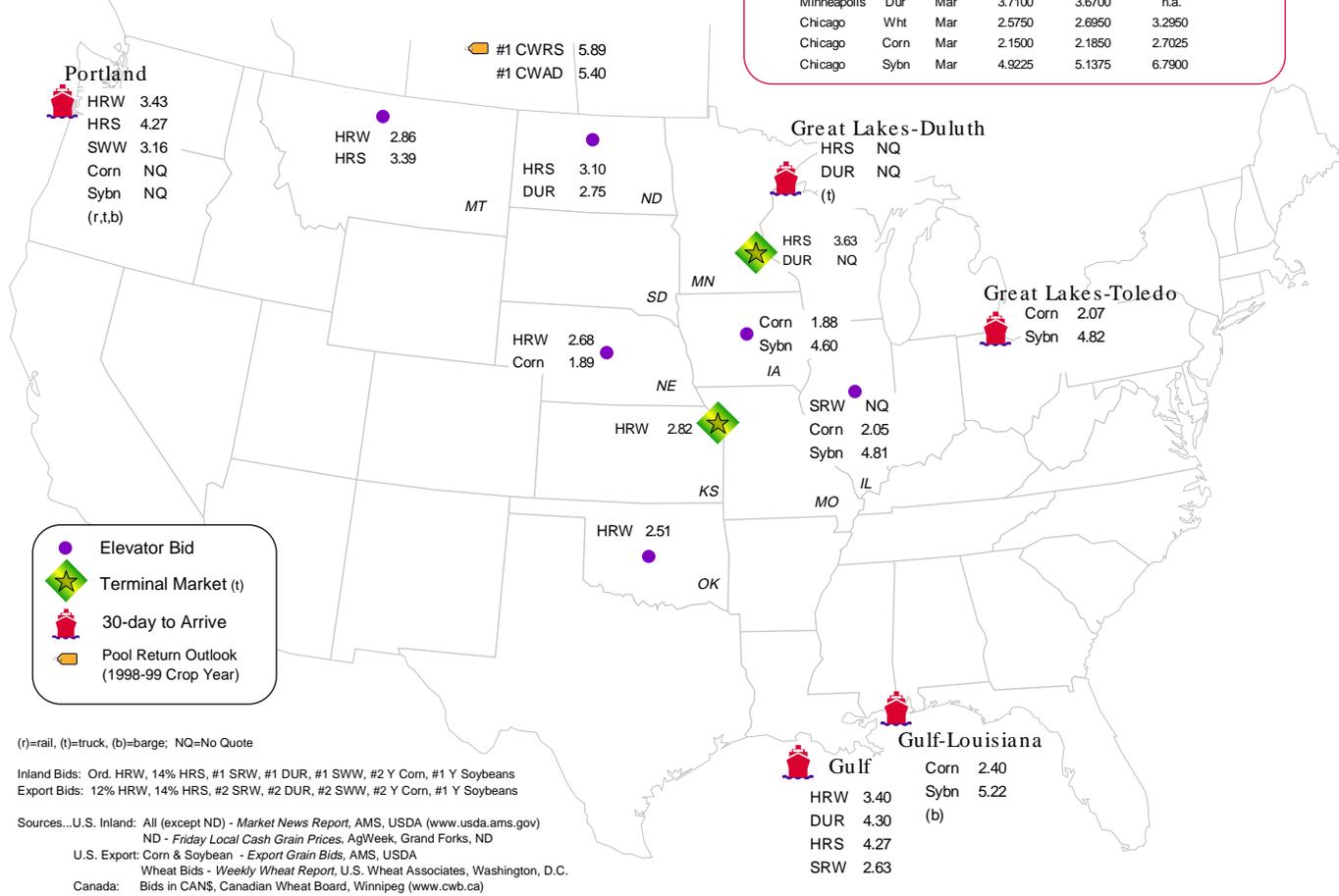
More Donations Likely. The U.S. will likely continue to make food donations to struggling countries in 1999, according U.S. Department of Agriculture Secretary, Dan Glickman. Appearing on C-SPAN's "Washington Journal," Glickman stated that the Administration has donated to struggling countries of world to support domestic prices as well help those who would benefit from U.S. food assistance. The U.S. agricultural surplus, along with a depressed Asian market, has lead to severely depressed prices. Secretary Glickman stated that the short-term outlook for the U.S. farming sector is "fairly distressing," essentially confirming the findings of Robert Young, codirector of the University of Missouri's Food and Agricultural Research Institute. In an interview with the *Wall Street Journal*, Young reported that he is decreasing his forecast of U.S. farm profits to \$44 billion for 1999. This is a drop of 8 percent, compared to last year, and a drop of 18 percent compared to the record profits of 3 years ago. The Secretary also reported that the Clinton Administration may consider asking Congress for additional financial assistance, depending on the needs of the farmers, as well as reforms to the crop insurance program. In a related matter, rural bankers representing the Independent Bankers Association of America have met with a House agricultural subcommittee, asking Congress to provide an agricultural safety net for both the farmers and the small country banks. Association president, William McQuillan, stated that small banks have adequate reserves and are following good lending practices, but, along with farmers, would like the assurance that they will have the financial resources to survive another year of possible excess production and low prices. McQuillan suggests that by setting policy now, Congress may avoid the scramble that may result if market surpluses depress prices in the future. (*Knight-Ridder, AP-Feb. 11/15*)

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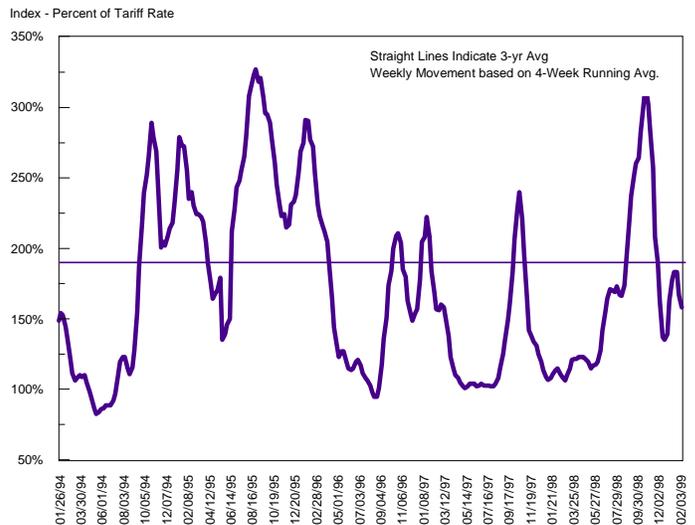
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Grain Bid Summary

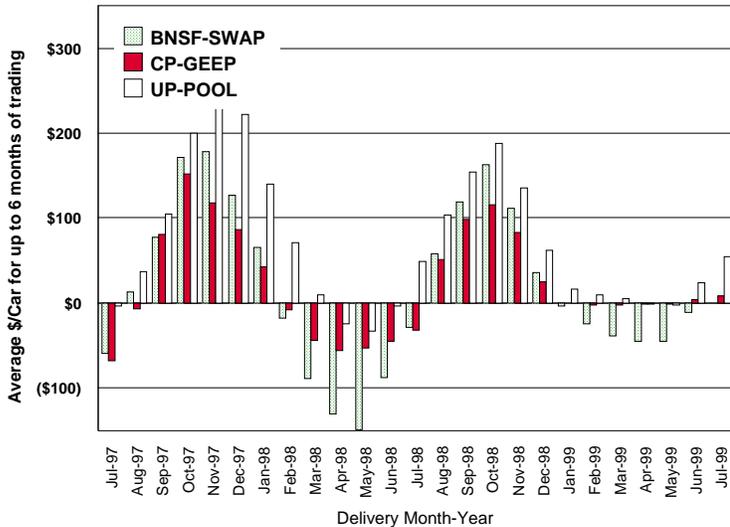
Futures:			02/12/99	Week Ago 02/05/99	Year Ago 02/13/98
Kansas City	Wht	Mar	2.9275	3.0625	3.4300
Minneapolis	Wht	Mar	3.4725	3.5825	3.7350
Minneapolis	Dur	Mar	3.7100	3.6700	n.a.
Chicago	Wht	Mar	2.5750	2.6950	3.2950
Chicago	Corn	Mar	2.1500	2.1850	2.7025
Chicago	Sybn	Mar	4.9225	5.1375	6.7900



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:	Feb-99		March-99	
	<u>Offered</u>	<u>% Sold</u>	<u>Offered</u>	<u>% Sold</u>
BNSF-COT	5,158	18%	5,764	10%
UP-GCAS	5,000	19%	5,000	16%

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			
	Feb-99	Mar-99	Apr-99	May-99
BNSF-GF	\$0	\$(23)	\$(50)	\$(49)
CP-GEEP	\$(14)	\$(13)	\$0	\$0
UP-Pool	\$(4)	\$(4)	\$(1)	\$(1)

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-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	no bid	no bid	no bid
GCAS/Region 4	no bid	no bid	\$1

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
2/11/99	Illinois River	twk	140
	St. Louis	twk	115
	Ohio River	twk	120
		Sept./Oct.	205
	Lower Ohio River	nwk	112.5
		Sept./Oct.	200
	Mid Miss.	30 day open	150

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

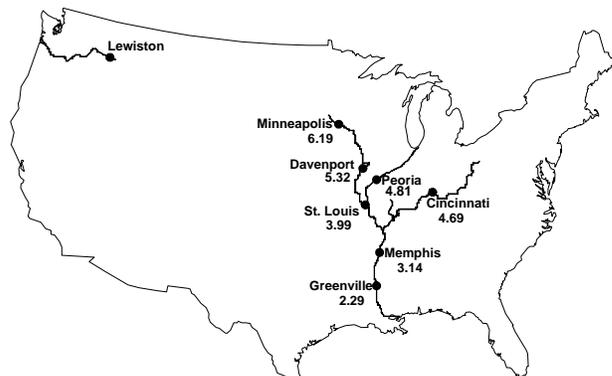
twk=this week
nwk=next week

Southbound Barge Freight Spot Rates

	2/10/99	2/3/99	March '99	May '99
Twin Cities	nq	nq	195	173
Mid-Mississippi	nq	nq	153	140
Illinois River	154	157	145	129
St. Louis-Cairo	116	115	112	106
Lower Ohio	116	116	116	113
Cairo-Memphis	107	100	106	102

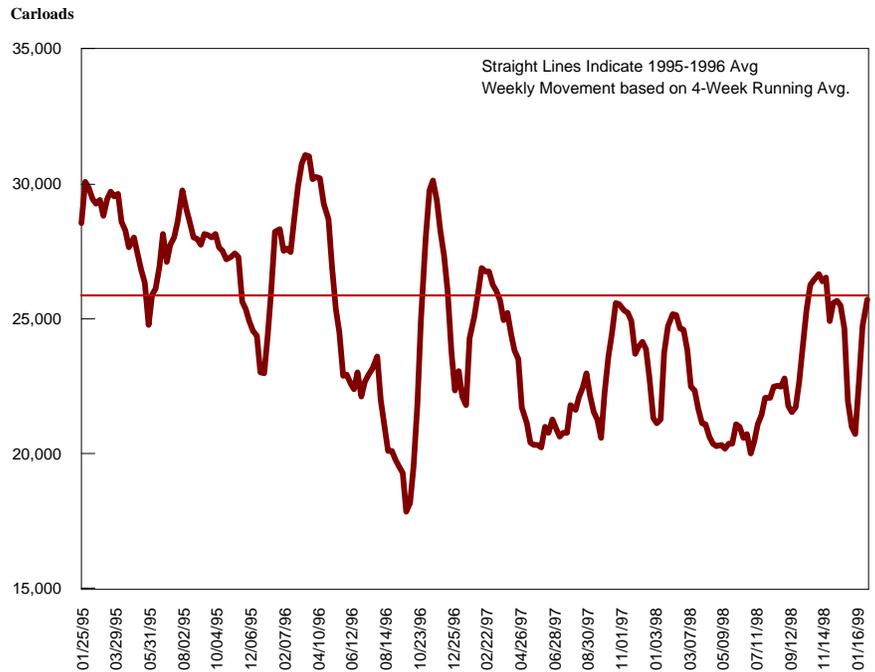
Source: Transportation & Marketing /AMS/USDA
nq- no quote

**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
1/23/99	25,585
01/30/99	26,135
02/06/99	26,292
Year to Date - 1999	125,294
Year to Date - 1998**	125,439
Total 1998**	1,183,860
Total 1997*	1,199,995
Source: American Association of Railroads	



**1998 - 52 weeks
* 1997 - 53 weeks

Class I Rail Carrier Grain Car Bulletin

Carloads

	Conrail		East		BNSF	West		Canada	
	CSXT	IC	NS	KCS		UP	CN	CP	
02/06/99	632	2,896	1,463	3,203	9,342	866	7,890	1,690	2,447
This Week Last Year	655	2,435	1,569	2,440	10,942	826	7,567	2,764	3,718
1999 YTD	3,318	13,032	7,187	13,244	43,742	3,975	40,796	8,853	14,983
1998 YTD*	4,225	13,293	6,297	13,424	48,187	3,525	36,488	14,235	20,419
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: American Association of Railroads

**1998 - 52 weeks
* 1997 - 53 weeks

Tariff Rail Rates for Unit Train Shipments

February 1999

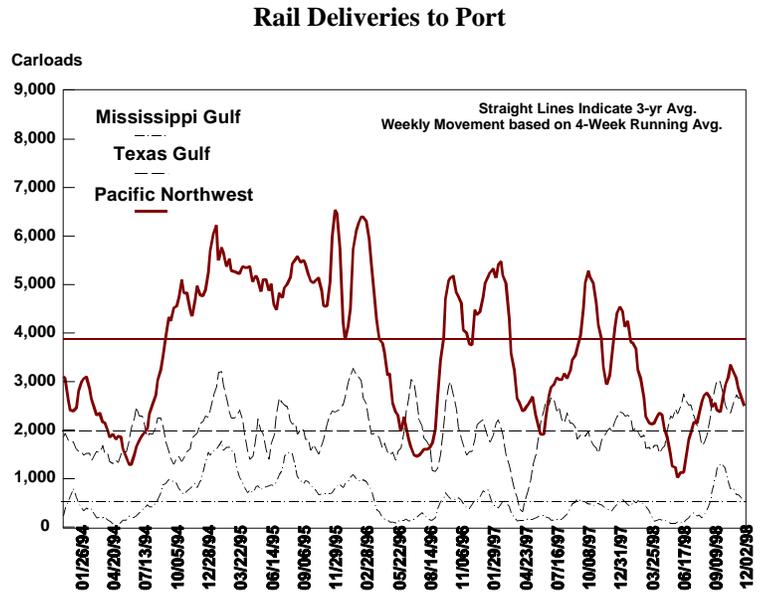
Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
02/01/99	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,150	\$19.51	\$0.65
02/01/99	43521	Wheat	Minneapolis, MN	Portland, OR	\$4,442	\$40.31	\$1.33
02/01/99	46540	Wheat	Kansas City, MO	Houston, TX	\$1,850	\$16.79	\$0.56
02/01/99	43586	Wheat	Kansas City, MO	Portland, OR	\$4,226	\$38.35	\$1.27
02/01/99	43581	Wheat	Omaha, NE	Portland, OR	\$4,205	\$38.16	\$1.26
02/01/99	31040	Corn	Minneapolis, MN	Portland, OR	\$2,865	\$22.87	\$0.80
02/01/99	31035	Corn	Kansas City, MO	Portland, OR	\$3,100	\$24.74	\$0.87
02/01/99	31040	Corn	Omaha, NE	Portland, OR	\$2,485	\$19.83	\$0.70
02/01/99	61180	Soybean	Minneapolis, MN	Portland, OR	\$3,330	\$30.22	\$1.00
02/01/99	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

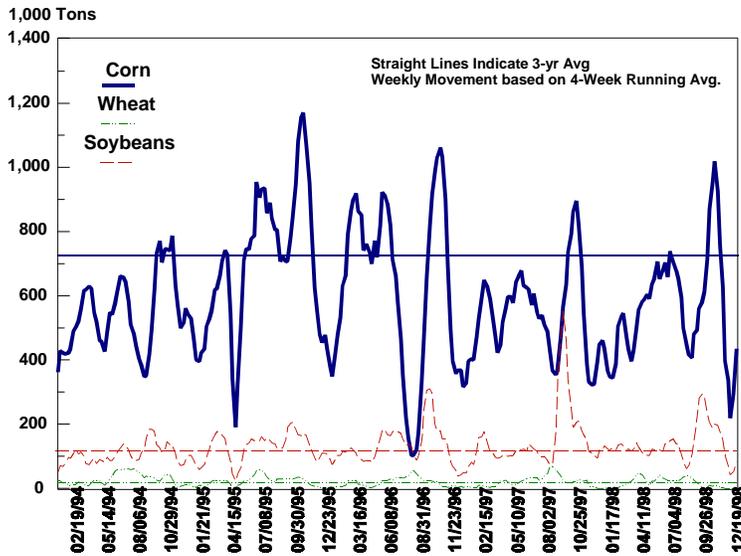
Rail Deliveries to Port				
Carloads				
	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
12/30/98	422	1,939	2,258	148
01/06/99	442	2,740	2,641	53
01/13/99	764	2,519	2,253	329
01/20/99	840	2,990	2,533	589
01/27/99	1,055	3,069	2,607	682
02/03/99	776	2,623	1,359	421
YTD 1999	3,877	13,941	11,393	2,074
YTD 1998	1,952	10,545	19,157	1,956
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: 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 02/06/99

	Corn	Wht	Sybn	Total
	1,000 Tons			
Mississippi River				
Rock Island, IL (L15)	0	0	0	0
Winfield, MO (L25)	0	0	0	0
Alton, IL (L26)	687	5	143	835
Granite City, IL (L27)	695	8	155	858
Illinois River (L8)	580	2	157	739
Ohio (L52)	86	4	18	198
Arkansas (L1)	0	40	4	44
1999 YTD	2,332	88	777	3,748
1998 YTD	2,028	141	571	3,330
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.
 Miss/25 closed for rehabilitation (12/15/98-3/2/99).
 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>									
02/04/99	1,509	242	882	525	161	3,320	8,541	3,648	15,509
This Week Year Ago	1,344	471	799	464	155	3,234	6,727	3,514	13,475
<u>Cumulative Exports-Crop Year</u>									
98/99 YTD	7,508	1,368	4,654	4,193	639	18,362	19,411	12,636	50,409
97/98 YTD	7,024	4,040	4,438	4,188	954	20,644	16,269	16,613	53,526
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
02/11/99	172	200	8	108	561	396	129	12	40
1999 YTD	1,254	622	25	530	3,660	2,253	1,015	43	328
1998 YTD *	1,301	833	102	760	3,059	2,844	846	0	329
% of Last Year	14%	32%	0%	20%	15%	18%	13%	28%	12%
1998 Total	10,838	4,373	651	5,048	31,330	14,917	7,270	562	1,392

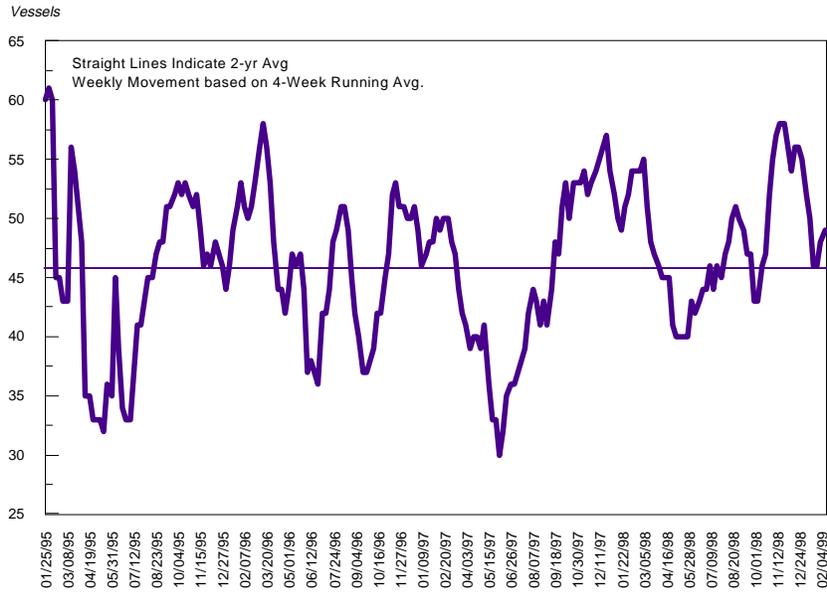
Source: Federal Grain Inspection Service * YTD-Year-to-Date ('98 = 53 week period)

Select Canadian Ports - Export Inspections

1,000 Metric Tons, Crop Year

	Wheat	Durum	Barley
Week Ended: 02/11/99			
Vancouver	2,402	440	182
Prince Rupert	963	6	0
Prairie Direct	385	233	124
Thunder Bay	295	93	144
St. Lawrence	1,047	858	0
1999 YTD Exports	5,401	1,639	449
1998 YTD Exports	9,657	2,257	1,371
% of Last Year	56%	73%	33%

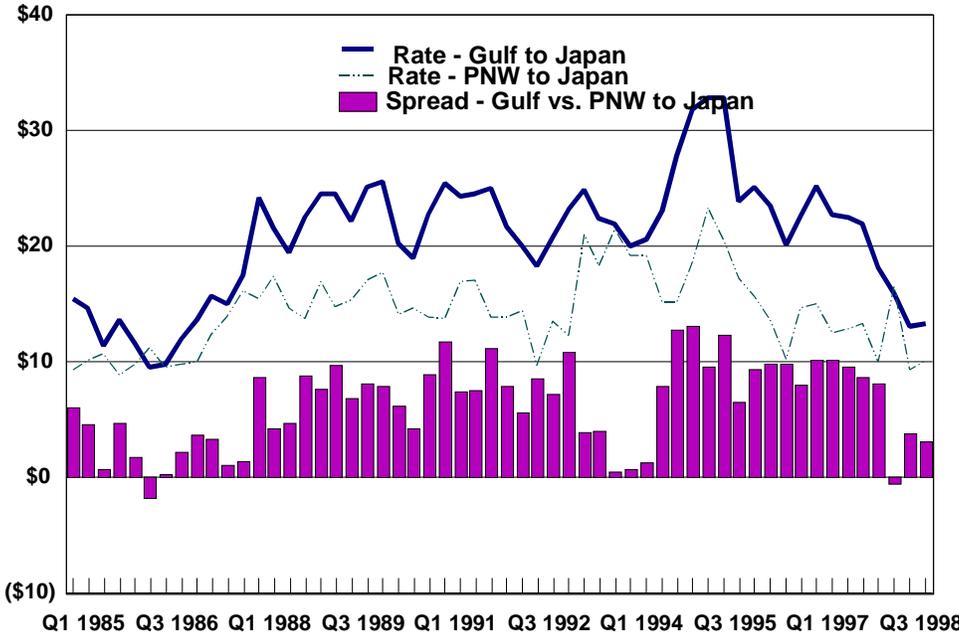
Source: Canadian Grains Commission *Year Ago-This Week a Year Ago ** YTD-Year-to-Date Crop Year 8/1-7/31



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

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>
02/04/99	39	50	63	11			12	9	9
02/11/99	45	54	73	9			16	7	4
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 4 th Qtr	1997 4 th Qtr	% Change		1998 4 th Qtr	1997 4 th Qtr	% Change
Gulf to				Pacific NW to			
Japan	\$13.33	\$22.01	-39%	Japan	\$10.17	\$13.34	-24%
Mexico	\$14.41	\$13.97	3%	Red Sea/ Arabian Sea		\$20.18	
Venezuela	\$10.87	\$13.59	-20%				
N. Europe	\$8.81	\$11.34	-22%	Argentina to			
N. Africa	\$15.26	\$14.80	3%	N. Europe	\$12.56	\$16.12	-22%
				Japan		\$23.23	

Source: Transportation & Marketing/AMS/USDA

Ocean Freight Rates (Select Locations) - week ending 02/13/99

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Gulf	Egypt (Med.)	Wheat	February	55,000	\$9.25
Gulf	Algeria	Wheat	February	25,000	\$16.50
Gulf	Morocco	Heavy Grain	Spot	25,000	\$15.40
Gulf	Taiwan	Heavy Grain	March	54,000	\$14.10
Gulf	Japan	Heavy Grain	Feb./March	40,000/54,000	\$14.25-15.15
Mobile	Japan	Heavy Grain	February	54,000	\$15.00
Paranagua	Lisbon/Hamburg	Grains	February	25,000	\$13.75-14.00
Brazil	Europe	Grains	February	50,000	\$11.75
Denmark	China	Heavy Grain	February	50,000	\$13.00
No. France	Saudi Arabia	Barley	Prompt	50,000	\$10.50

Source: Maritime Research Inc.