



# GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service  
United States Department of Agriculture



APRIL 19, 1999

**China's WTO Bid.** China's efforts to join the World Trade Organization (WTO) could actually be detrimental to certain Chinese agricultural groups, such as corn growers, according to a Chinese agricultural official. With the liberalizing of agricultural imports, China corn producers will likely lose some of their domestic market share to foreign producers with much lower production costs. The potential for increased competition is especially critical for Chinese farmers, as several consecutive bumper crops have already slowed their income growth. On the other hand, Feng Haifa of the Chinese Academy of Agriculture is strongly in favor of the recent agricultural trade agreement reached between the U.S. and China and feels that entrance into the WTO will eventually "bring more benefits than losses along with the increase in our country's economic strength and agricultural competitiveness." A Peking University economist, Lu Feng, shared this view, stating that, despite China's higher production costs, the producers would remain competitive in other, more labor-intensive farm products, helping to maintain export revenue. Feng also said that entry into the WTO would allow China's exporters to diversify their foreign markets and, along with increased competition for the farm sector, would also attract foreign investment. China has already offered to reduce tariffs for many agricultural commodities to as low as 1-3 percent. Early last week, U.S. Trade Representative, Charlene Barshefsky, remained hopeful that details for a final WTO agreement could be settled before September. (*Bridge News 4/14, Reuters 4/15, 4/16*)

**Japan Plans To Change Import Controls.** Japan hopes to soon modify import controls on wheat and barley for feed, according to an official of the Food Agency, which controls all imports of wheat and barley. The plan, intended to relax Agency controls on the feed grains, would benefit end-users, such as feed makers and flour mills. It would begin with a so-called simultaneous buy and sell (SBS) system, allowing the end-users to import the raw materials at a specific price, quality, and origin, as they require. The Food Agency currently imports these feed grains at international prices but then sells them at higher official domestic prices. The Agency also purchases high-priced domestic wheat and barley and sells the grains below official purchasing prices, but still considerably higher than international prices. This liberalization would benefit Japan's feed industry with lower prices. The SBS system would also allow Japan to import wheat and barley from other exporters, including the European Union, Eastern Europe, and Argentina, in addition to the U.S., Canada, and Australia, their current trade partners for wheat and barley. Japanese farmers are currently able to produce only 10 percent of the key grains for domestic use, excluding rice. (*Reuters 4/14*)

**Administration Weighs Crop Insurance.** With farmer income expected to decrease 6 percent this year, U.S. Secretary of Agriculture, Dan Glickman, stated that USDA is continuing to work on changes to a crop insurance program to assist farmers during times of low prices or difficult crop years. Many producers claim the current program does not cover issues such as multiyear disasters and offers low return at premium costs. Secretary Glickman stated that it would be difficult finding budget offsets for this type of program, but that Congress is becoming increasingly interested in dealing with farm problems. In the meantime, the House, last week, passed guidelines for a final budget for fiscal year 2000, which would allow Congressional Agriculture Committees to spend \$6 billion during the next 5 years for an expanded crop insurance program. The current program costs roughly \$1.7 billion for fiscal year 1999. (*Bridge News 4/14*)

**GMO's Create Problem For Grain Handlers.** Segregating genetically modified organism (GMO) corn is creating problems for grain companies since it is virtually identical in appearance and characteristic to conventional varieties. Archer Daniels Midland and A.E. Staley Manufacturing have both stated that they will not accept genetically modified grains that are not approved for export to the European Union (EU). However, Don Comer, a Nebraska grain merchandiser states, "I don't know how elevators would test for it, and even if you could, it would be very difficult to keep separate at harvest with soybeans, milo, and different kinds of corn coming in." The National Corn Growers Association is maintaining a policy of "Know Before You Grow," advising that growers know which hybrids to keep in domestic distribution and which to keep out of export channels. As of August 1998, no genetically modified crops were certified for export into the EU. "The burden of proof is on farmers, and they won't tell you anyway," said Comer. (*Bridge News 4/14*)

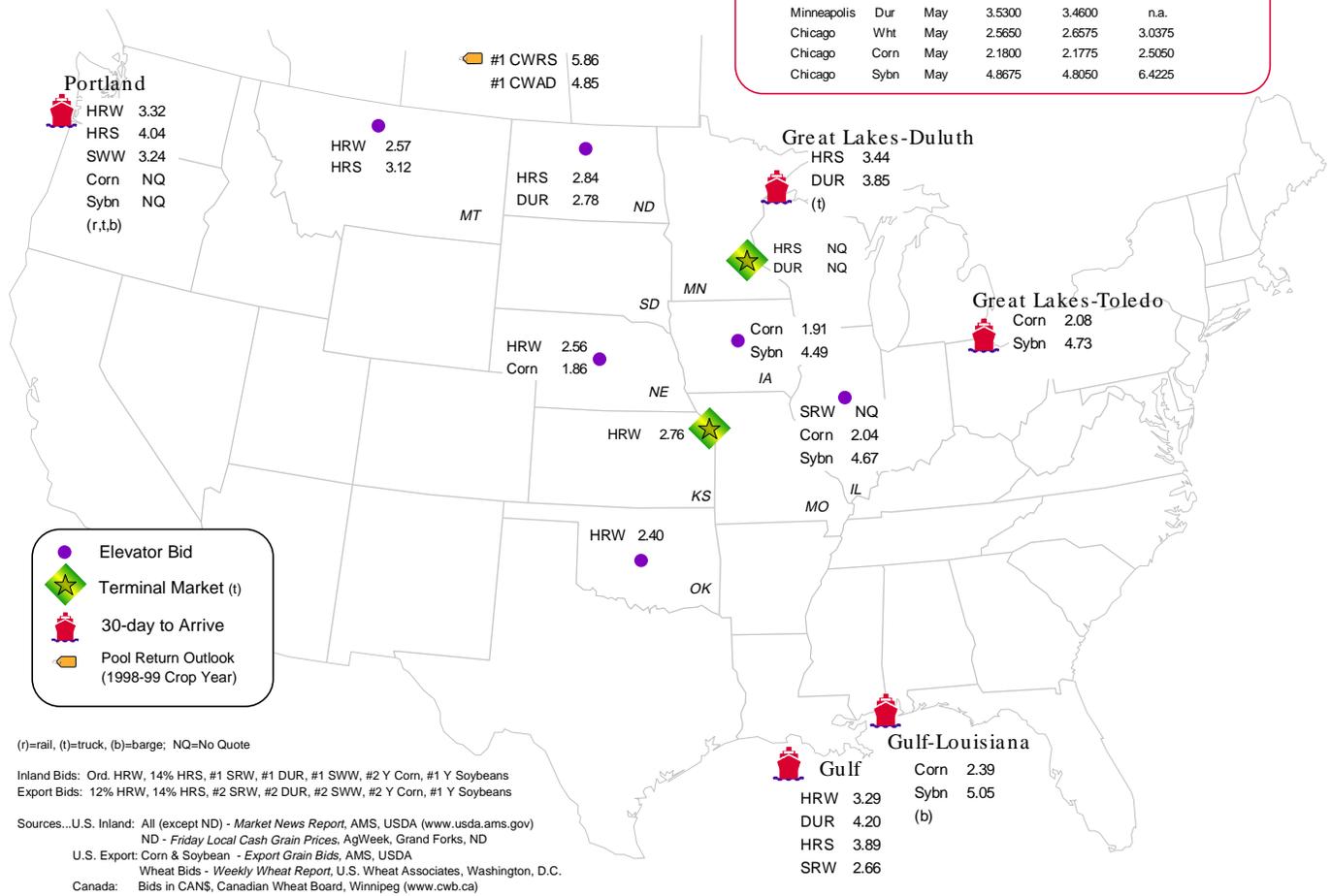
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# Grain Bid Summary

Futures:			04/16/99	Week Ago 04/09/99	Year Ago 04/17/98
Kansas City	Wht	May	2.8700	2.9150	3.2400
Minneapolis	Wht	May	3.2850	3.3225	3.6950
Minneapolis	Dur	May	3.5300	3.4600	n.a.
Chicago	Wht	May	2.5650	2.6575	3.0375
Chicago	Corn	May	2.1800	2.1775	2.5050
Chicago	Sybn	May	4.8675	4.8050	6.4225



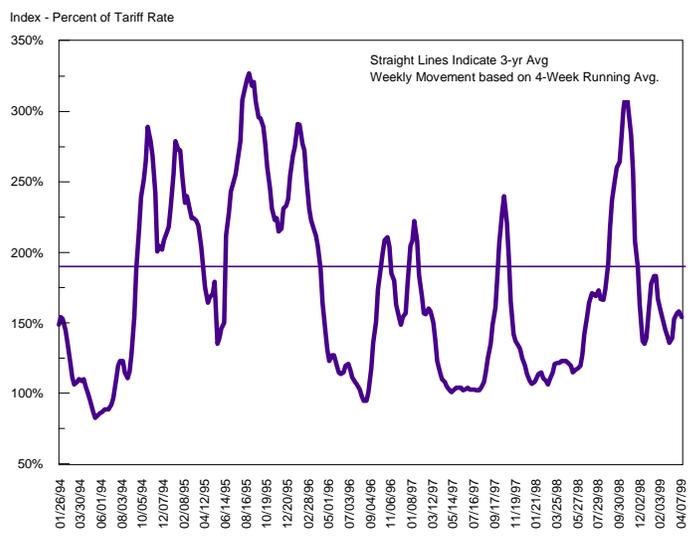
- Elevator Bid
- ★ Terminal Market (t)
- 🏠 30-day to Arrive
- 🚛 Pool Return Outlook (1998-99 Crop Year)

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

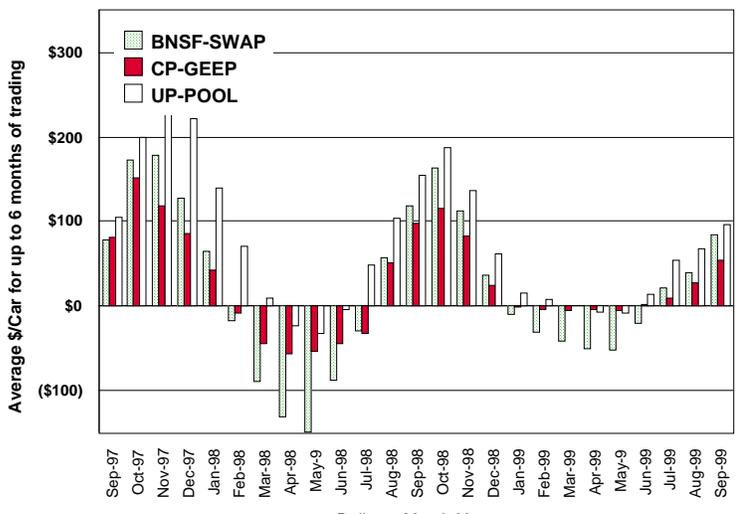
Inland Bids: Ord. HRW, 14% HRS, #1 SRW, #1 DUR, #1 SWW, #2 Y Corn, #1 Y Soybeans  
 Export Bids: 12% HRW, 14% HRS, #2 SRW, #2 DUR, #2 SWW, #2 Y Corn, #1 Y Soybeans

Sources...U.S. Inland: All (except ND) - *Market News Report*, AMS, USDA ([www.usda.ams.gov](http://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](http://www.cwb.ca))

## Spot Barge Rate - Illinois River



## Secondary Rail Market Bids



See the Grain Trax page at [www.ugpti.org](http://www.ugpti.org) for more graphs of rail premiums.

<b>Rail Car 'Auction' Offerings</b>				
Delivery for:	Jun-99		July-99	
	<u>Offered</u>	<u>% Sold</u>	<u>Offered</u>	<u>% Sold</u>
<b>BNSF-COT</b>	5,543	19%	9,500	25%
<b>UP-GCAS</b>	5,400	20%		

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				
	<b>Delivery Period</b>			
	May-99	Jun-99	Jul-99	Aug-99
BNSF-GF	\$0	\$(29)	\$(4)	\$28
CP-GEEP	\$(2)	\$(5)	\$7	\$38
UP-Pool	\$0	\$(5)	\$5	\$76

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:	May-99	Jun-99	Jul-99
COT/N. Grain	no bids	no bids	no bids
COT/S. Grain	no bid	\$0	\$4
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
4/16/99	Twin Cities	twk	185
		nwk	185
	Illinois River	on tow	140
		twk	135
		nwk	135
	Mid Miss	on tow	150
	St. Louis	twk	100

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

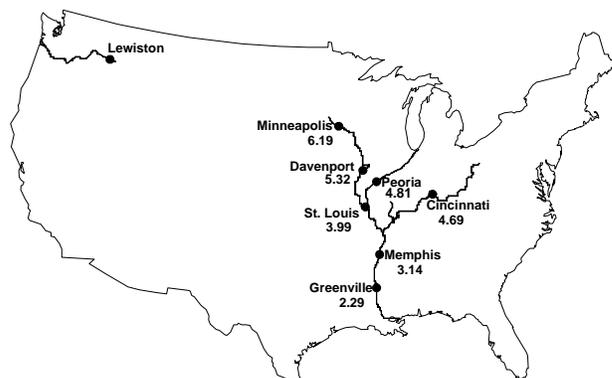
twk=this week  
 nwk=next week  
 on tow=ready to be loaded

**Southbound Barge Freight Spot Rates**

	4/14/99	4/7/99	May '99	July '99
Twin Cities	190	187	177	178
Mid-Mississippi	152	150	146	146
Illinois River	140	139	135	137
St. Louis-Cairo	101	110	103	112
Lower Ohio	101	108	109	119
Cairo-Memphis	98	105	100	108

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

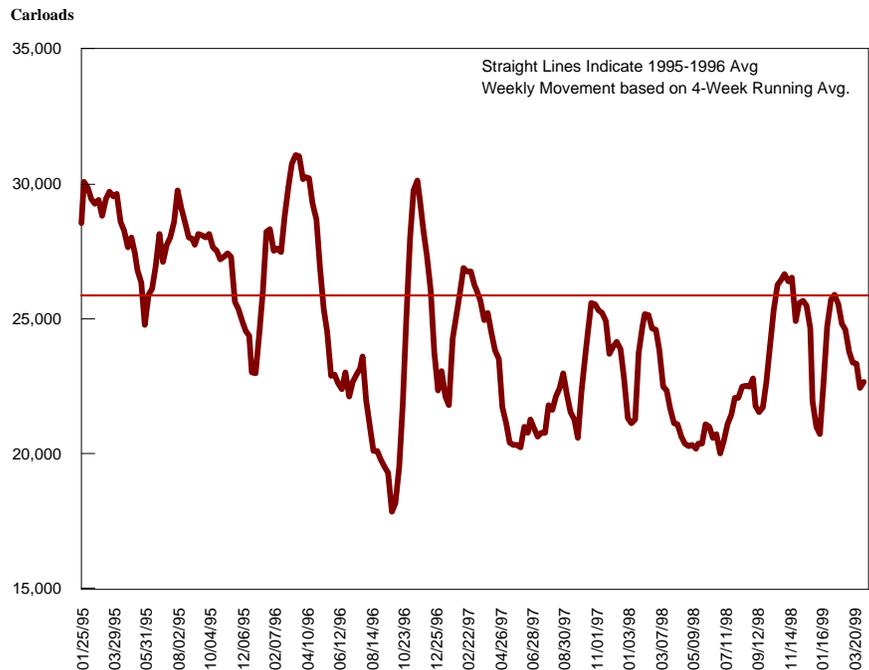
**Barge Benchmark Tariff Rates  
 Est. 1976 - 'Tariff No. 7'**



Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
3/27/99	23,044
4/3/99	21,846
4/10/99	23,291
Year to Date - 1999	336,759
Year to Date - 1998**	324,387
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	
04/10/99	895	2,431	690	2,326	8,387	872	7,690	2,483	3,853
This Week Last Year	662	1,934	1,277	2,183	6,889	528	5,573	2,459	4,071
1999 YTD	11,152	36,068	19,794	35,861	115,759	10,141	107,984	27,108	41,874
1998 YTD*	10,542	34,717	18,346	36,170	123,418	9,673	91,521	39,011	61,385
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

April 1999

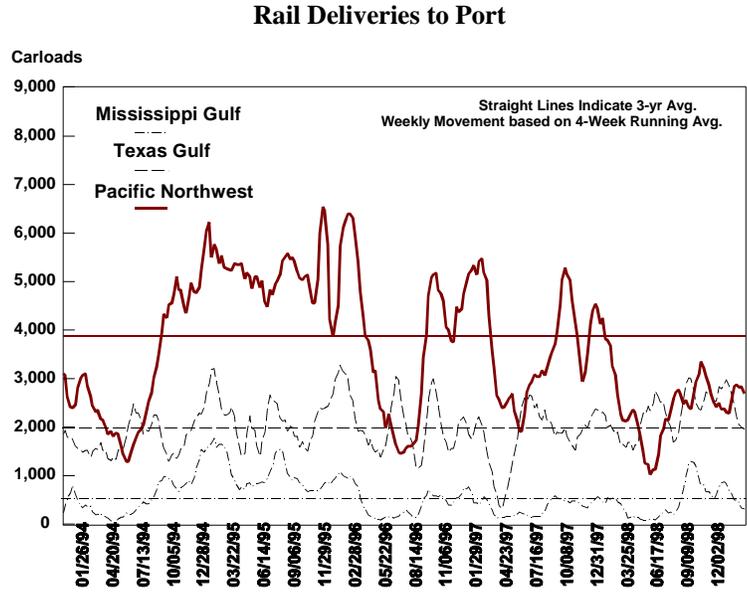
Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
03/01/99	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,150	\$19.51	\$0.65
03/01/99	43521	Wheat	Minneapolis, MN	Portland, OR	\$4,442	\$40.31	\$1.33
03/01/99	46540	Wheat	Kansas City, MO	Houston, TX	\$1,850	\$16.79	\$0.56
03/01/99	43586	Wheat	Kansas City, MO	Portland, OR	\$4,226	\$38.35	\$1.27
03/01/99	43581	Wheat	Omaha, NE	Portland, OR	\$4,205	\$38.16	\$1.26
03/01/99	31040	Corn	Minneapolis, MN	Portland, OR	\$2,865	\$22.87	\$0.80
03/01/99	31035	Corn	Kansas City, MO	Portland, OR	\$3,100	\$24.74	\$0.87
03/01/99	31040	Corn	Omaha, NE	Portland, OR	\$2,485	\$19.83	\$0.70
03/01/99	61180	Soybean	Minneapolis, MN	Portland, OR	\$3,330	\$30.22	\$1.00
03/01/99	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

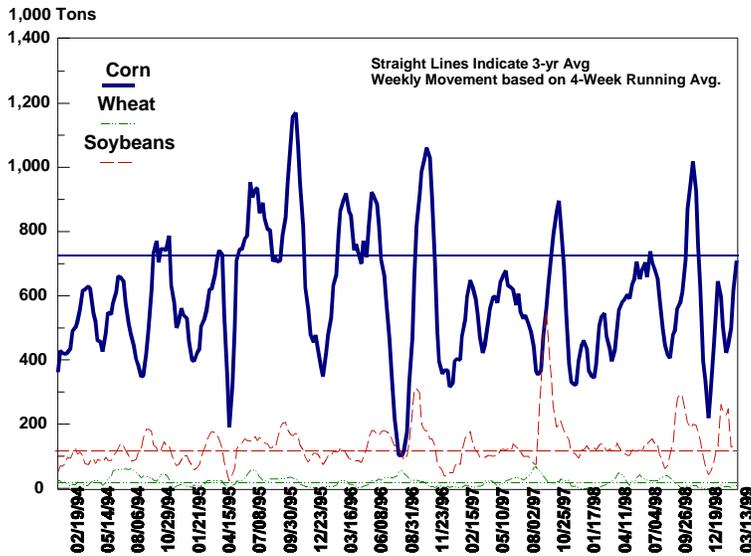
Rail Deliveries to Port				
Carloads				
	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
03/03/99	606	2,061	3,190	179
03/10/99	334	1,947	3,324	846
03/17/99	654	2,342	2,426	390
03/24/99	178	1,816	2,349	85
03/31/99	237	1,924	3,250	164
04/07/99	225	1,798	2,772	677
YTD 1999	8,144	34,597	36,570	5,661
YTD 1998	6,691	29,904	53,022	4,586
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:** Due to technical difficulties, this data must necessarily be estimated. We hope to correct this problem soon. Thank you.

Barge Movements - Locks 27



Barge Grain Movements				
for week ending 04/10/99				
	Corn	Wht	Sybn	Total
	1,000 Tons			
<b>Mississippi River</b>				
Rock Island, IL (L15)	445	2	48	495
Winfield, MO (L25)	518	11	48	577
Alton, IL (L26)	683	5	89	777
Granite City, IL (L27)	713	5	94	812
<b>Illinois River (L8)</b>	194	5	38	237
<b>Ohio (L52)</b>	23	1	12	116
<b>Arkansas (L1)</b>	0	58	1	59
1999 YTD	8,025	691	1,925	11,784
1998 YTD	6,513	322	2,242	10,276
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>									
04/08/99	1,242	518	1,062	525	160	3,506	7,274	2,572	13,352
This Week Year Ago	1,127	274	1,081	490	169	3,140	5,657	1,678	10,475
<u>Cumulative Exports-Crop Year</u>									
98/99 YTD	8,970	1,973	5,524	4,822	849	22,139	28,194	16,733	67,066
97/98 YTD	8,622	4,505	5,275	4,922	1,118	24,441	23,033	17,713	65,187
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

**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
04/15/99	197	154	0	76	676	233	156	16	9
1999 YTD	3,143	2,337	67	1,692	9,912	5,158	1,887	208	599
1998 YTD *	2,783	2,346	348	1,767	7,686	6,155	1,835	62	474
% of Last Year	29%	53%	10%	34%	32%	35%	26%	37%	43%
1998 Total	10,838	4,373	651	5,048	31,330	14,917	7,270	562	1,392

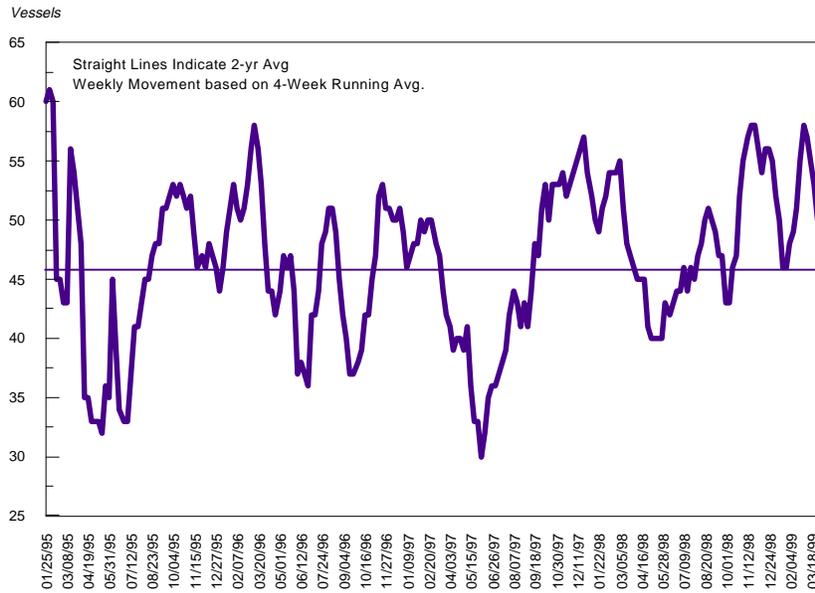
Source: Federal Grain Inspection Service \* YTD-Year-to-Date ('98 = 53 week period)

**Select Canadian Ports - Export Inspections**

1,000 Metric Tons, Crop Year

	Wheat	Durum	Barley
Week Ended: 04/15/99			
Vancouver	3,035	652	261
Prince Rupert	1,207	7	0
Prairie Direct	618	342	705
Thunder Bay	295	93	97
St. Lawrence	1,544	1,205	0
1999 YTD Exports	6,699	2,299	824
1998 YTD Exports	11,976	2,887	782
% of Last Year	56%	80%	105%

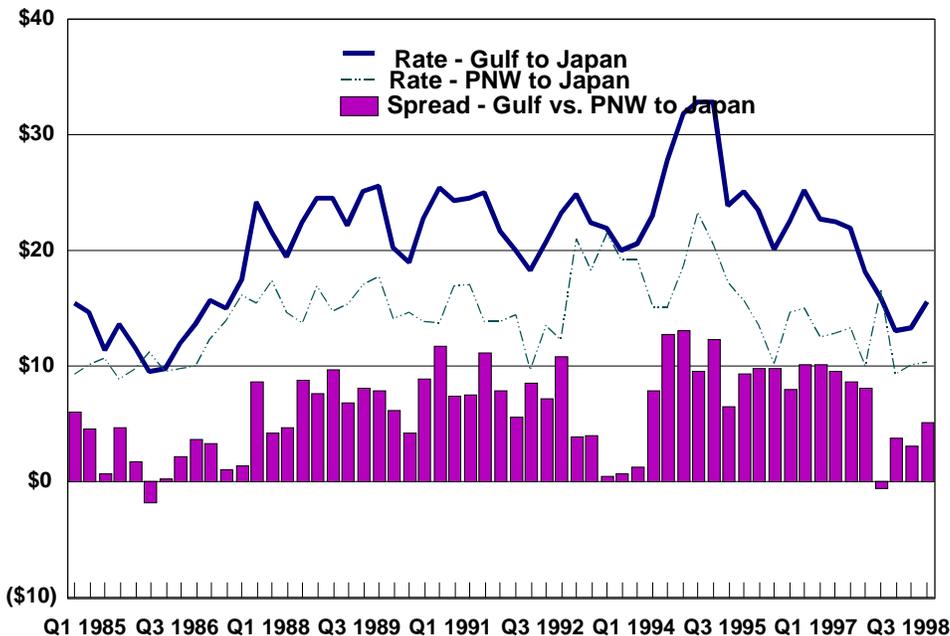
Source: Canadian Grains Commission \*Year Ago-This Week a Year Ago \*\* YTD-Year-to-Date Crop Year 8/1-7/31



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

<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>
04/08/99	27	44	57	8			10	8	7
04/15/99	21	50	62	10			11	10	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

	1999 1 <sup>st</sup> Qtr	1998 1 <sup>st</sup> Qtr	% Change		1999 1 <sup>st</sup> Qtr	1998 1 <sup>st</sup> Qtr	% Change
<b>Gulf to</b>				<b>Pacific NW to</b>			
Japan	\$15.62	\$18.24	-14%	Japan	\$10.41	\$10.08	3%
Mexico	\$14.22	\$12.15	17%	Red Sea/ Arabian Sea	\$45.81		
Venezuela	\$11.33	\$11.13	2%				
N. Europe	\$12.16	\$9.85	23%	<b>Argentina to</b>			
N. Africa	\$17.12	\$14.65	17%	N. Europe	\$14.55	\$12.32	18%
				Japan	\$21.35	\$20.93	2%

Source: Transportation & Marketing/AMS/USDA

**Ocean Freight Rates (Select Locations) - week ending 04/17/99**

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Gulf	Dominican Rep.	Wheat	May	20,000	\$39.98 (MT)
Gulf	Portugal	Grains	April	25,000	\$12.75
Gulf	Egypt	Heavy Grain	April/May	58,000	\$12.00
Gulf	Morocco	Corn	April	20,000	\$19.00
Gulf	Taiwan	Heavy Grain	June	54,000	\$13.75
Gulf	Japan	Heavy Grain	April/May/June	40,000/54,000	\$14.40-16.50
Tampa	Amsterdam	Grains	April	25,000	\$13.50
So. Brazil	Poland	Grains	Prompt	20,000	\$19.25
River Plate/Rio Grande	Spain	Grains	May	43,000	\$14.30
Black Sea	So. Korea	Wheat	April/Prompt	50,000	\$13.95/14.50

Source: Maritime Research Inc.