



GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service
United States Department of Agriculture



June 15, 1999

Cargill To Purchase Continental's French Grain Division. The purchase of the French division of U.S. grain firm Continental Grain by Cargill Inc. is still under discussion, a source close to Cargill said on Friday. "Nothing is done. The French part is still in negotiation. It's complex," the source told Reuters. Privately-held Cargill announced last November it was buying the worldwide grain operations of Continental, its chief U.S. rival. Terms of the deal, which is still awaiting official approval, were not disclosed. Cargill is taking longer to decide the details of acquiring Continental France because the division includes both cereals trading and storage activities, the latter being of less interest to Cargill, the source explained. Cargill's buy of Continental has been delayed after coming under fire from U.S. farming groups and politicians. The deal was originally expected to be completed by the end of March and Cargill subsequently said it thought it would get U.S. Justice Department approval by the end of May. (*Reuters, 6/11*)

Renewed Call For "Fast Track" Authority To Negotiate Trade Agreements. On June 12, President Clinton renewed a call for "fast track" authority to negotiate (without congressional interference) international trade agreements with improved labor and environmental safeguards. At the time, Clinton announced his signing of an executive order prohibiting federal agencies from buying products made using forced or abusive child labor, in an effort to encourage an open trading system with humane labor standards. In a speech to graduating students at the University of Chicago, Clinton said he would ask Congress to give him the ability to link the creation of more global markets with efforts to protect the world from such threats as increasing greenhouse gas emissions. In addition, White House economic advisor Gene Sperling said that the Labor Department will have four months to compile a list of products with a history of child labor. Any time a federal agency buys a product on the list the agency will have to ascertain that the contractor did not purchase it from a plant engaging in abusive child labor, even if it is the low bidder. (*Washington Post, 6/13*)

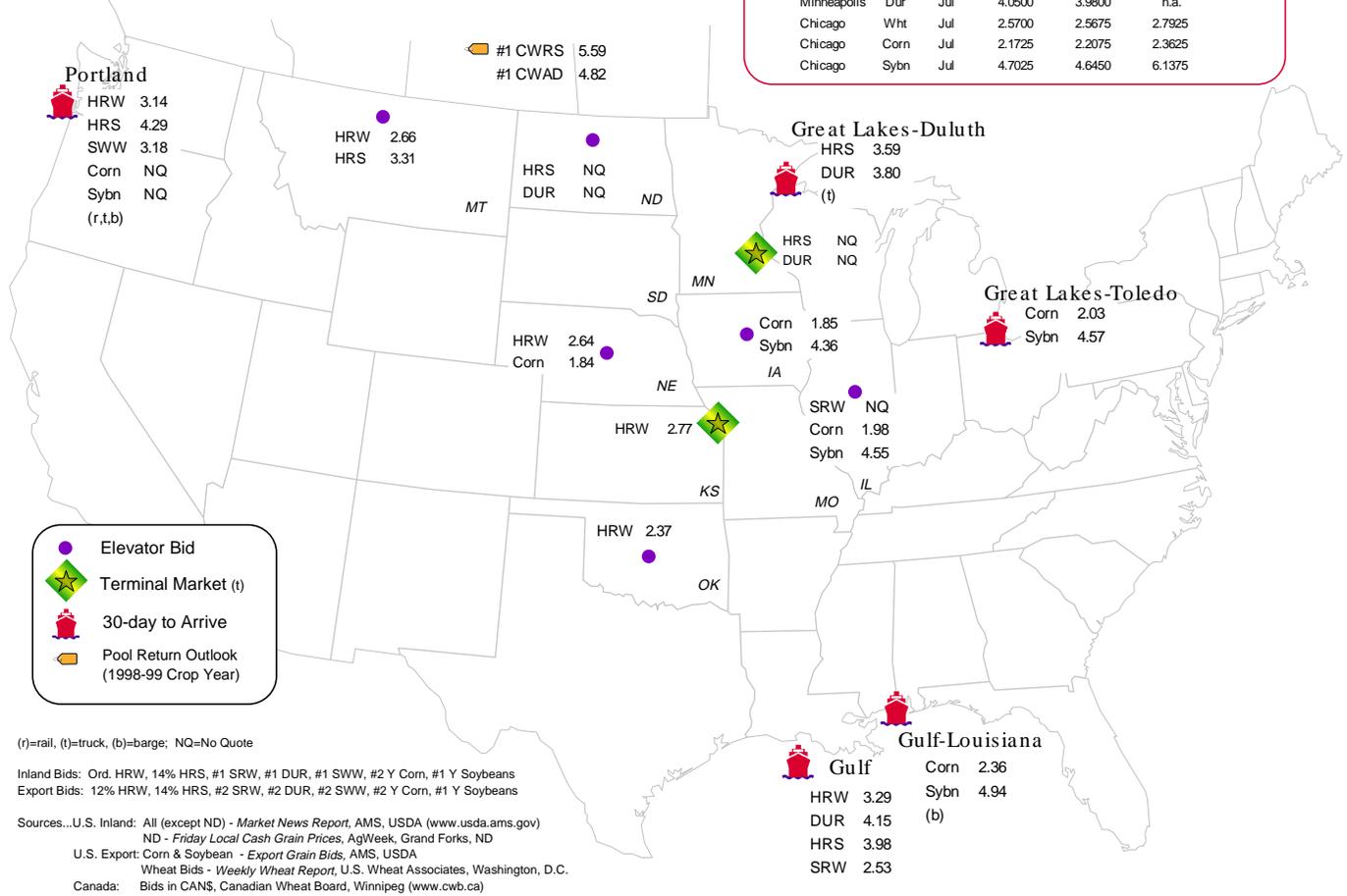
Complaint Files Over Lack Of Rail Car Delivery. A co-op based in Tribune, KS, has filed a complaint with the federal government, claiming it suffered losses because a railway company did not deliver the railcars it had ordered to move grain. Farmco Co-op filed the complaint with the Surface Transportation Board (STB), the federal regulatory agency that oversees railroads. It is seeking \$334,662 in actual damages from Wichita-based Central Kansas Railway and Kansas Southwestern Railway. The co-op, which owns eight elevators in northwest KS, paid for the delivery of guaranteed rail cars to transport wheat in time for the fall harvest, said Jim Irlandi, a Wichita transportation consultant who filed the complaint for Farmco. According to the complaint, 303 of those cars never arrived, causing grain to pile up on the ground. Alternate transportation had to be arranged and losses were incurred, Irlandi said. Mike Ogborn, manager of Central Kansas Railway, said the complaint is without merit. Irlandi said it will be months before the paperwork is done and the STB makes a decision. But he said a decision in favor of Farmco would be an enormous precedent for shippers. And, he said, if the decision goes the other way, the co-op is prepared to take its case to federal court. (*AP, 6/12*)

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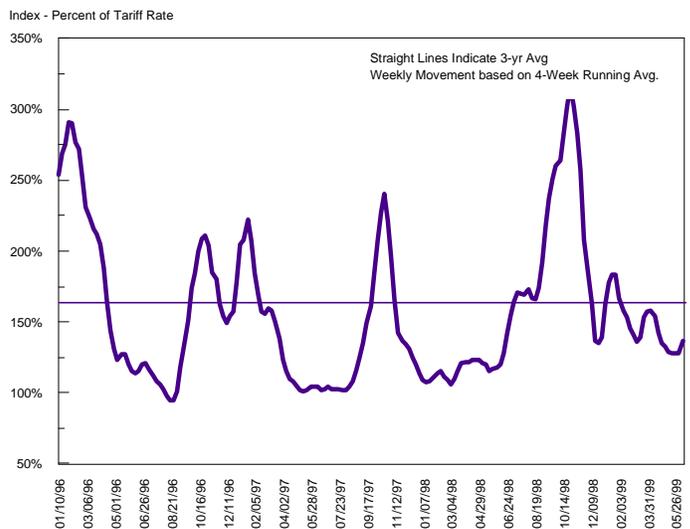
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Grain Bid Summary

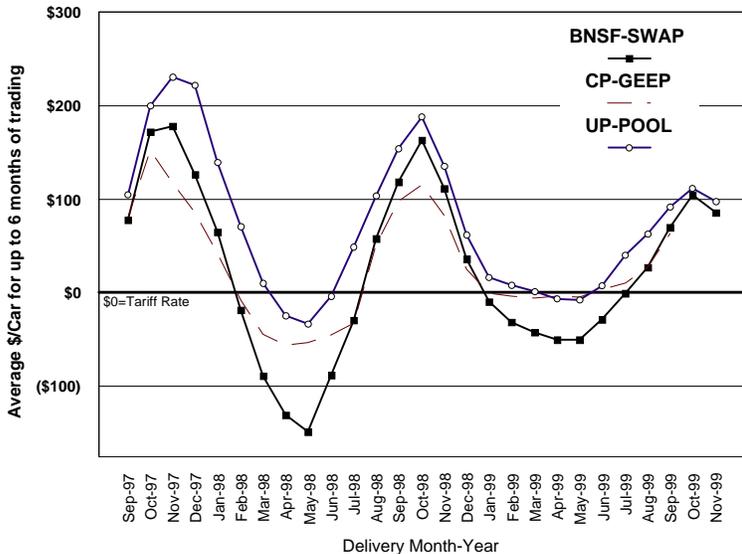
Futures:			06/12/99	Week Ago 06/04/99	Year Ago 06/12/98
Kansas City	Wht	Jul	2.8900	2.8475	2.9950
Minneapolis	Wht	Jul	3.4125	2.3550	3.4750
Minneapolis	Dur	Jul	4.0500	3.9800	n.a.
Chicago	Wht	Jul	2.5700	2.5675	2.7925
Chicago	Corn	Jul	2.1725	2.2075	2.3625
Chicago	Sybn	Jul	4.7025	4.6450	6.1375



Spot Barge Rate - Illinois River



Secondary Rail Market Bids



Rail Car 'Auction' Offerings				
Delivery for:	Jul-99		Sep-99	
	Offered	% Sold	Offered	% Sold
BNSF-COT	9,500	53%	9,500	64%
UP-GCAS	5,400	30%	5,400	38%

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			
	Jun-99	Aug-99	Sep-99	Oct-99
BNSF-GF	\$(74)	\$3	\$41	\$88
CP-GEEP	\$6	\$17		
UP-Pool	\$(6)	\$35	\$65	\$95

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:	Jul-99	Aug-99	Sep-99
COT/N. Grain	no bid	no bid	\$33
COT/S. Grain	no bid	\$2	\$6
GCAS/Region 2	no bid	\$1	\$1
GCAS/Region 4	\$4	\$1	\$2

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
6/11/99	Twin Cities	nwk	190
		T or nwk	190
	Mid Miss	T or nwk	170
		July	170
		Aug.	180
	Illinois River	nwk	170
		July	165
		twk	170
	Cairo-Stl	nwk	130
	St. Louis	nwk	130
		T or nwk	125
		nwk	125

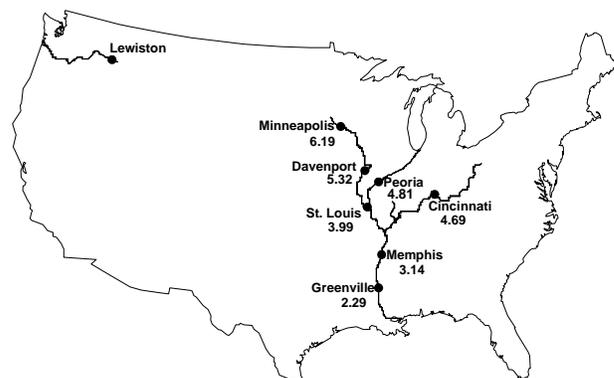
Summary Of Daily Barge Trades Reported To St. Louis Merchants Exchange.

nwk=next week

Southbound Barge Freight Spot Rates				
	6/9/99	6/2/99	July '99	Sept. '99
Twin Cities	188	164	193	242
Mid-Mississippi	165	139	169	216
Illinois River	160	129	160	211
St. Louis-Cairo	113	95	123	188
Lower Ohio	107	95	126	209
Cairo-Memphis	112	91	121	178

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

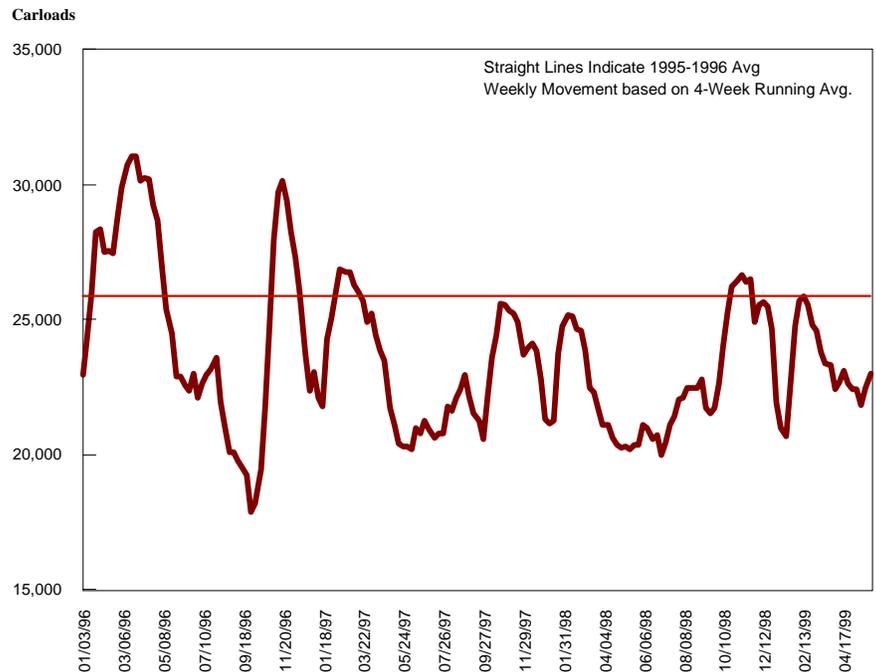
Barge Benchmark Tariff Rates
Est. 1976 - 'Tariff No. 7'



Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
5/22/99	23,565
5/29/99	23,165
6/5/99	21,013
Year to Date - 1999	516,322
Year to Date - 1998**	490,008
Total 1998**	1,183,860
Total 1997*	1,199,995
Source: American Association of Railroads	

**1998 - 52 weeks
* 1997 - 53 weeks



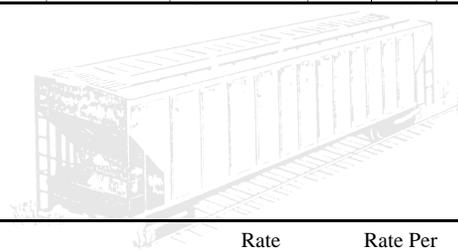
Class I Rail Carrier Grain Car Bulletin

Carloads

	East				West			Canada	
	Conrail	CSXT	IC	NS	BNSF	KCS	UP	CN	CP
06/05/99	105	2,266	1,969	2,909	6,199	618	6,947	2,249	3,817
This Week Last Year	583	2,675	1,544	2,566	8,165	539	6,014	1,730	3,109
1999 YTD	15,522	54,573	34,270	57,545	173,912	15,934	164,566	56,534	97,163
1998 YTD*	15,022	53,811	31,210	56,707	179,748	14,528	138,982	55,626	91,183
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

June 1999

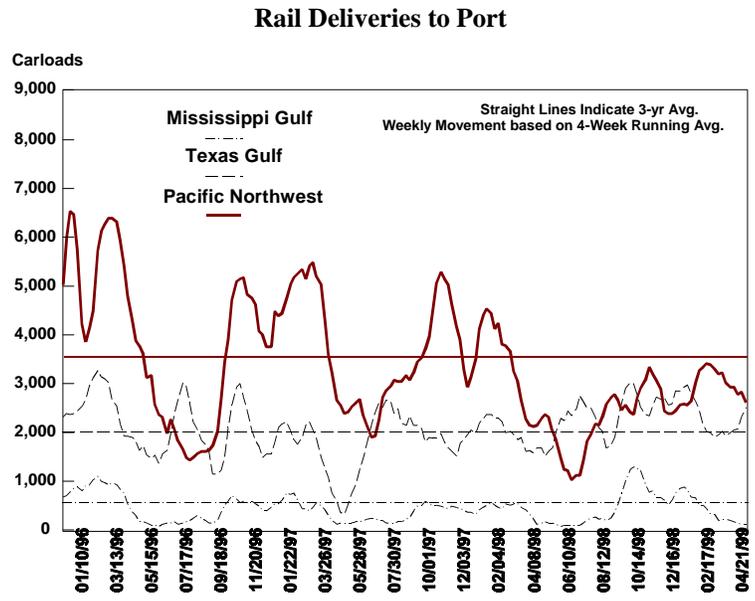
Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
06/01/99	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,150	\$19.51	\$0.65
06/01/99	43521	Wheat	Minneapolis, MN	Portland, OR	\$4,442	\$40.31	\$1.33
06/01/99	46540	Wheat	Kansas City, MO	Houston, TX	\$1,850	\$16.79	\$0.56
06/01/99	43586	Wheat	Kansas City, MO	Portland, OR	\$4,604	\$41.78	\$1.38
06/01/99	43581	Wheat	Omaha, NE	Portland, OR	\$4,205	\$38.16	\$1.26
06/01/99	31040	Corn	Minneapolis, MN	Portland, OR	\$2,915	\$23.26	\$0.82
06/01/99	31035	Corn	Kansas City, MO	Portland, OR	\$3,100	\$24.74	\$0.87
06/01/99	31040	Corn	Omaha, NE	Portland, OR	\$2,535	\$20.23	\$0.71
06/01/99	61180	Soybean	Minneapolis, MN	Portland, OR	\$3,330	\$30.22	\$1.00
06/01/99	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

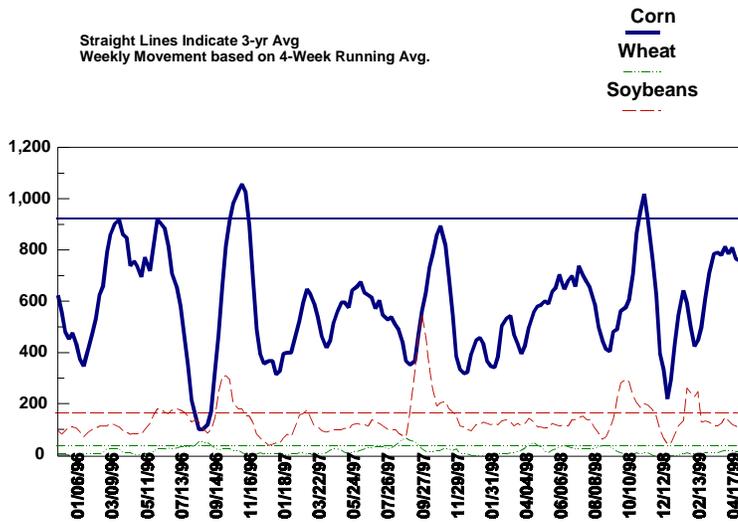
Rail Deliveries to Port				
Carloads				
	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
04/28/99	279	1,546	2,908	217
05/05/99	115	2,096	2,984	230
05/12/99	110	2,406	2,640	81
05/19/99	104	2,277	2,602	29
05/26/99	169	2,473	3,093	242
06/02/99	191	2,916	2,077	57
YTD 1999	9,559	52,629	63,266	7,121
YTD 1998	8,759	42,594	71,025	5,769
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

1,000 Tons



Barge Grain Movements

for week ending 06/05/99

	Corn	Wht	Sybn	Total
	1,000 Tons			
Mississippi River				
Rock Island, IL (L15)	497	8	72	581
Winfield, MO (L25)	662	12	124	800
Alton, IL (L26)	783	15	140	939
Granite City, IL (L27)	815	29	120	965
Illinois River (L8)	228	3	25	296
Ohio (L52)	11	6	19	85
Arkansas (L1)	0	26	3	28
1999 YTD	14,531	1,014	3,057	20,081
1998 YTD	10,696	742	3,297	16,252
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>									
06/03/99	1,244	351	902	402	197	3,094	8,966	2,204	14,264
This Week Year Ago	1,425	303	1,004	580	213	2,525	6,301	1,843	10,669
<u>Cumulative Exports-Crop Year</u>									
98/99 YTD	76	63	49	29	10	227	15,737	19,010	34,974
97/98 YTD	53	28	79	45	0	205	27,814	17,713	45,732
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
95/96 Total									

Note: The new marketing year for wheat and wheat products began June 1, 1999.

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
06/10/99	188	58	16	147	876	197	179	34	4
1999 YTD	4,748	3,389	239	2,843	15,488	6,658	3,472	312	680
1998 YTD *	4,215	3,043	391	2,335	11,279	7,174	2,582	178	560
% of Last Year	44%	78%	37%	56%	49%	45%	48%	56%	49%
1998 Total	10,838	4,373	651	5,048	31,330	14,917	7,270	562	1,392

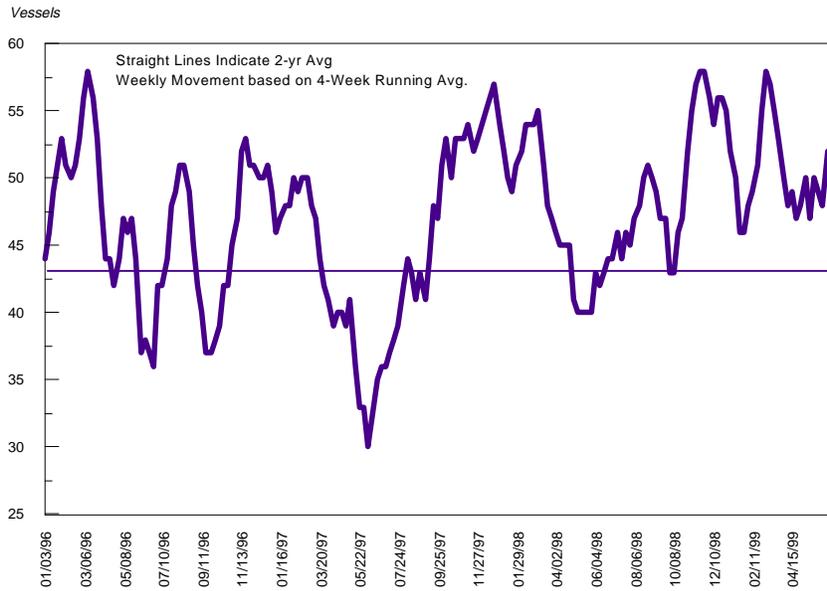
Source: Federal Grain Inspection Service * YTD-Year-to-Date ('98 = 53 week period)

Select Canadian Ports - Export Inspections

1,000 Metric Tons, Crop Year

	Wheat	Durum	Barley
Week Ended: 06/10/99			
Vancouver	4,359	900	340
Prince Rupert	1,225	6	0
Prairie Direct	865	481	289
Thunder Bay	495	191	234
St. Lawrence	1,770	1,475	0
1999 YTD Exports	8,714	3,053	863
1998 YTD Exports	14,162	3,683	2,070
% of Last Year	62%	83%	42%

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

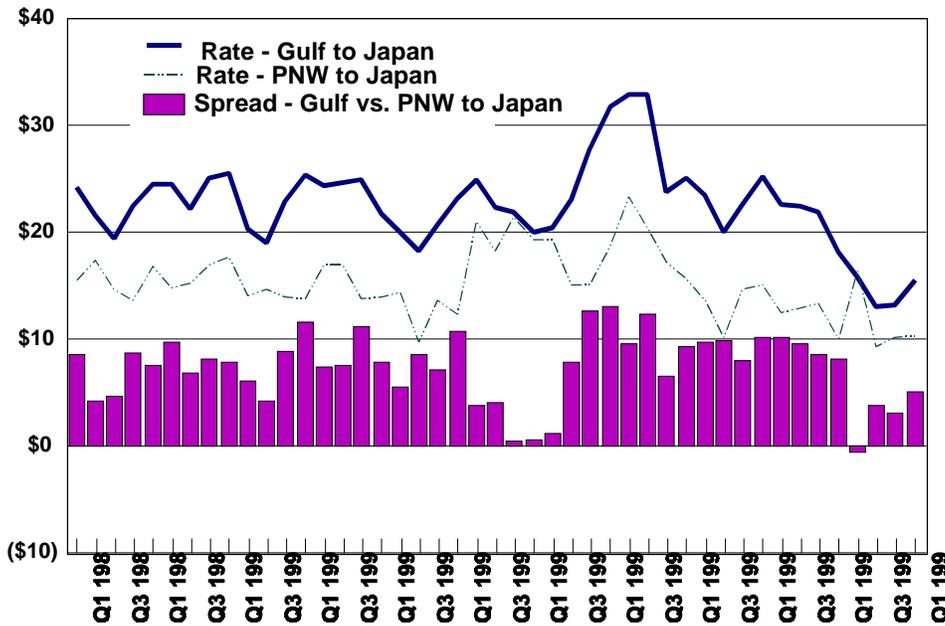


**Gulf Region
Vessels Loaded
- Past 7 Days-**

	Gulf			Pacific Northwest			Vancouver, B.C.		
	In Port	Loaded 7-Days	Due Next 10-Days	In Port	Loaded 7-Days	Due Next 10-Days	In Port	Loaded 7-Days	Due Next 10-Days
06/03/99	33	49	60	7			10	8	5
06/10/99	24	54	65	6			10	8	5
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

US\$/Metric Ton



Quarterly Ocean Freight Rates

Quarterly Ocean Freight Rates

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

	1999 1 st Qtr	1998 1 st Qtr	% Change		1999 1 st Qtr	1997 1 st Qtr	% Change
Gulf to				Pacific NW to			
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%	Argentina to			
N. Europe	\$12.16	\$9.85	23%	N. Europe	\$14.55	\$12.32	18%
N. Africa	\$17.12	\$14.65	17%	Japan	\$21.35	\$20.93	2%

Source: Transportation & Marketing/AMS/USDA

Ocean Freight Rates (Select Locations) - week ending 06/12/99

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Thunder Bay	Algeria	Wheat	June/July	18,000	\$27.50
Lake Charles	Buenaventura (Columbia)	Heavy Grain	June	12,000	\$21.00
Gulf	Madras (Spain)	Heavy Grain	Prompt	25,000	\$25.00
Gulf	Taiwan	Heavy Grain	June	54,000/56,000	\$16.50
Gulf	Japan	Heavy Grain	June	40,000/54,000	\$16.25-\$17.00
Rio Grande	Spain	Grains/ Heavy Grain	June	30,000	\$13.50-\$18.00
Rouen	China	Heavy Grain	Prompt	30,000	\$22.00

Source: Maritime Research Inc.