



GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service
United States Department of Agriculture

JUNE 29, 1999



Weather Hurts Some, Benefits Others. Wet weather is hampering the harvest of acres of Kansas and Oklahoma wheat. Comprising a third of the nation's wheat production, the two States are significantly short of last year's levels of harvested acreage. At this time last year, Kansas had already completed 31 percent of its winter wheat harvest, compared with 2 percent this year, while Oklahoma's 1998 winter wheat crop had been 79 percent harvested, compared with 51 percent this year. Winter wheat is mostly used to make bread. According to some weather forecasts, the unseasonably wet weather should subside during the week, with the exception of parts of central and western Kansas and certain parts Oklahoma, which are expected to have additional rainfall toward midweek. The problem of excessive moisture is manifested in several ways, not the least of which is rot during storage, as well as shriveling of the heads once the wheat dries, the latter of which will also lower weight per bushel and price received. The wet conditions will also cause wheat heads to shatter, making the crop only suitable for feed. Another concern is that there will be a shortage of "cutters" once the fields are dry and farmers rush to harvest their crops. While the wet weather is detrimental to parts of the Midwest, durum wheat farmers in Arizona are welcoming excessively dry weather as a factor in decreasing the likelihood of the karnal bunt fungus. Karnal bunt thrives in moist environments. With Arizona's dry winter and summer, however, there has yet to be a reported occurrence of the fungus. "This shows how dependent this fungus is upon environmental conditions," according to Joe Sigg, deputy director of the Arizona State Department of Agriculture. USDA has imposed a Karnal bunt quarantine since 1996. This, as well as low demand, has since caused many Arizona producers to turn to other crops, resulting in a more than 50-percent drop in wheat production for the State. A USDA spokesman stated that the situation will continue to be monitored and it is hoped that the problem will be eliminated completely. While Arizona depends on the dry weather to decrease karnal bunt, researchers have developed a new wheat variety, claimed to be the most scab-tolerant variety to date. Developed by USDA's Robert H. Busch of the Agricultural Research Service (ARS), along with others from ARS and universities, McVey spring wheat will be available to producers in the Northern Plains by next spring, where wheat scab poses a continual threat to millions of acres. (*AP 6/24, 6/28, USA Today 6/29, Grainnet.com 6/28*)

More Aid For Russia? Russia's extremely hot weather so far this summer and the ongoing effects of a poor economy indicate that it may again need U.S. aid. Russia's expectations of harvesting 70 million tons of grain are falling dismally short, to a figure likely to be less than 55 million tons. Of this, approximately 30 million tons will be wheat. Russian Agriculture Minister, Vladimir Shcherbak, has made it known that Russia would like for the U.S. to donate animal feed such as soybeans, soy meal, and corn so that there will be more grain available for the Russian people. Speaking with *Reuters*, Shcherbak also stated that the funds from the domestic sale of the donated feed could be used to improve agricultural production. From the U.S. point of the view, providing aid would be a substantial benefit to American producers, as stocks of grain and other agricultural products are near an all-time high. Referring to the Russians, USDA Secretary, Dan Glickman, stated, "Absolutely, we'd look at a package. Obviously, there are the resources here." (*New York Times 6/27*)

Competitive Pricing Detrimental For China. China is having difficulty exporting its surplus corn due to competition from low U.S. prices. China's high production costs and its inability to further decrease the subsidized export price have essentially barred it from exporting to South Korea, usually its primary market. South Korean buyers have already purchased grain as far in advance as August-September, mostly from the U.S. One trader stated that, "China's price needs to drop \$5-\$10 per (metric) ton to move volume, and that's a big gap." (*Bridge News 6/24*)

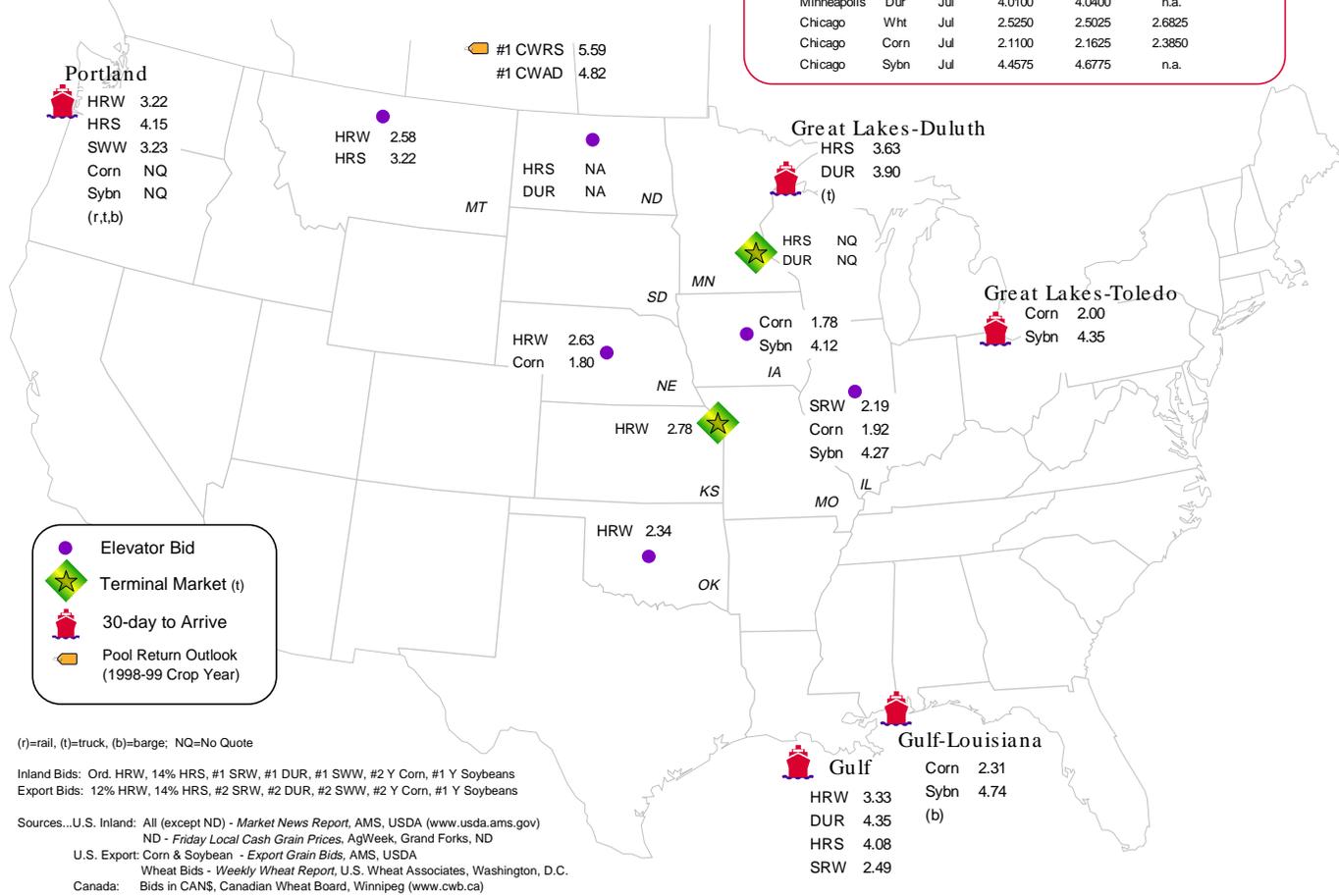
Japanese Company To Invest In PNW Elevator. Mitsubishi Corporation plans to invest in an export elevator owned by the Kalama Export Company. The U.S.-based company, located along the Columbia River in Kalama, WA, is currently jointly owned by ADM and Conagra. The inclusion of the Japanese company will provide it with a 10-percent share, while the two U.S. firms will each hold a 45-percent share. Through its investment, Mitsubishi intends to become involved in "origination," that is, buying grain from three Nebraska elevators owned by its subsidiary, Agrex, Inc., instead of major grain companies. Storage capacity at Kalama Export Company will be increased from the current 50,000 metric tons to 90,000 by the end of 2000, according to a trader at Mitsubishi. (*Bridge News 6/22*).

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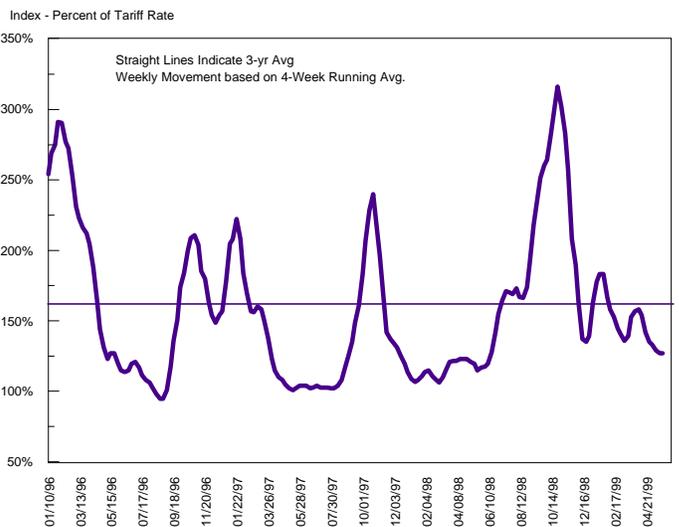
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Grain Bid Summary

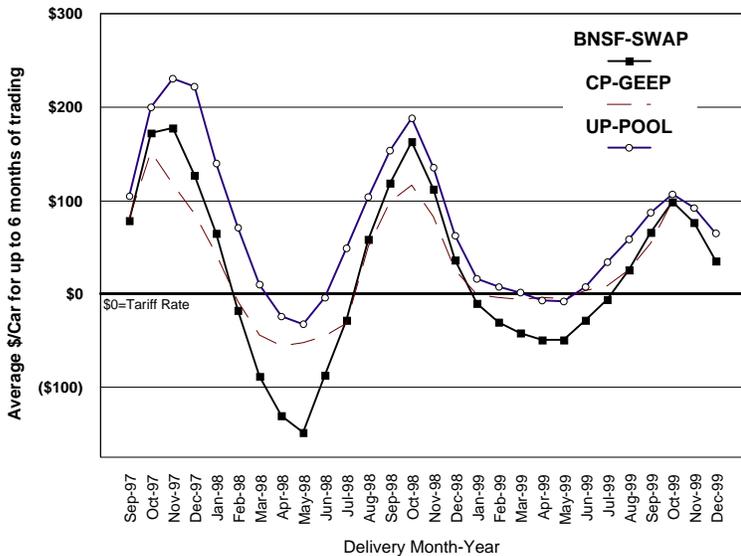
Futures:			06/28/99	Week Ago 06/22/99	Year Ago 06/29/98
Kansas City	Wht	Jul	2.8250	2.8025	2.9450
Minneapolis	Wht	Jul	3.4475	3.3675	3.4700
Minneapolis	Dur	Jul	4.0100	4.0400	n.a.
Chicago	Wht	Jul	2.5250	2.5025	2.6825
Chicago	Corn	Jul	2.1100	2.1625	2.3850
Chicago	Sybn	Jul	4.4575	4.6775	n.a.



Spot Barge Rate - Illinois River



Secondary Rail Market Bids



Rail Car 'Auction' Offerings				
Delivery for:	Aug-99		Oct-99	
	<u>Offered</u>	<u>% Sold</u>	<u>Offered</u>	<u>% Sold</u>
BNSF-COT	9,500	87%	12,175	37%
UP-GCAS	2,162	40%		

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			
	Jul-99	Sep-99	Oct-99	Nov-99
BNSF-GF	\$(35)	\$38	\$65	\$52
CP-GEEP	\$4	\$3		
UP-Pool	\$(7)	\$51	\$84	\$77

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:	Aug-99	Sep-99	Oct-99	
COT/N. Grain	\$0	\$18	\$56	
COT/S. Grain	no bid	\$2	\$15	
GCAS/Region 2	no bid	\$3	no offer	
GCAS/Region 4	\$2	\$1	no offer	

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
6/25/99	Illinois River	twk/nwk	180
		Mid Miss	180
		Sept.	230
	Twin Cities	twk/nwk	210
		July	210
	St. Louis	twk/nwk	135

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

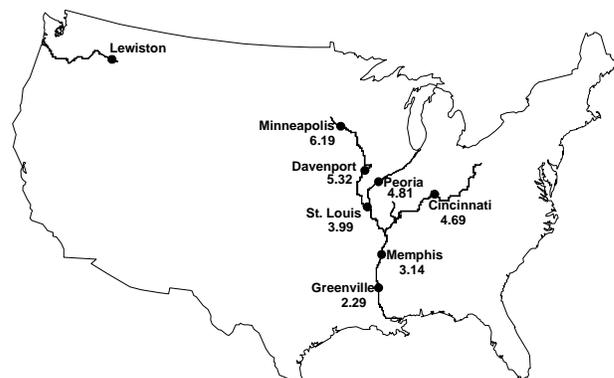
twk=this week
nwk=next week

Southbound Barge Freight Spot Rates

	6/23/99	6/16/99	July '99	Sept. '99
Twin Cities	220	204	219	251
Mid-Mississippi	185	179	186	227
Illinois River	184	179	181	226
St. Louis-Cairo	139	133	142	197
Lower Ohio	148	123	148	230
Cairo-Memphis	133	126	137	198

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

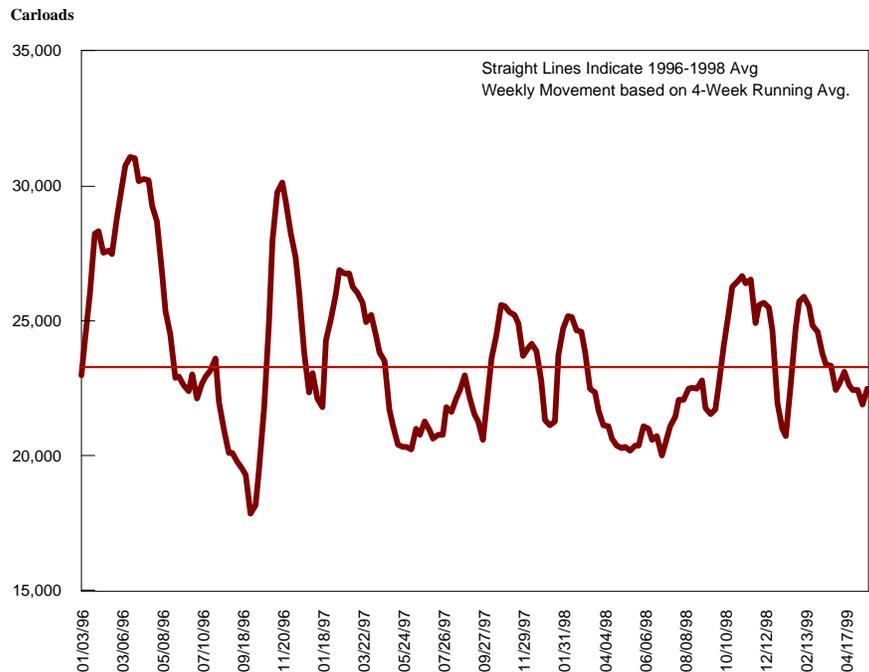
**Barge Benchmark Tariff Rates
Est. 1976 - 'Tariff No. 7'**



Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
6/5/99	21,013
6/12/99	21,808
6/19/99	23,051
Year to Date - 1999	561,181
Year to Date - 1998**	529,584
Total 1998**	1,183,860
Total 1997*	1,199,995
Source: Association of American 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
06/19/99	0	2,796	2,366	2,836	7,054	785	7,214	2,162	4,697
This Week Last Year	549	2,167	1,722	2,410	6,694	556	5,554	1,394	3,812
1999 YTD	15,522	59,204	38,198	62,688	188,874	17,445	179,250	50,405	83,245
1998 YTD*	16,244	58,170	34,683	61,276	192,659	15,536	151,016	58,659	98,776
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

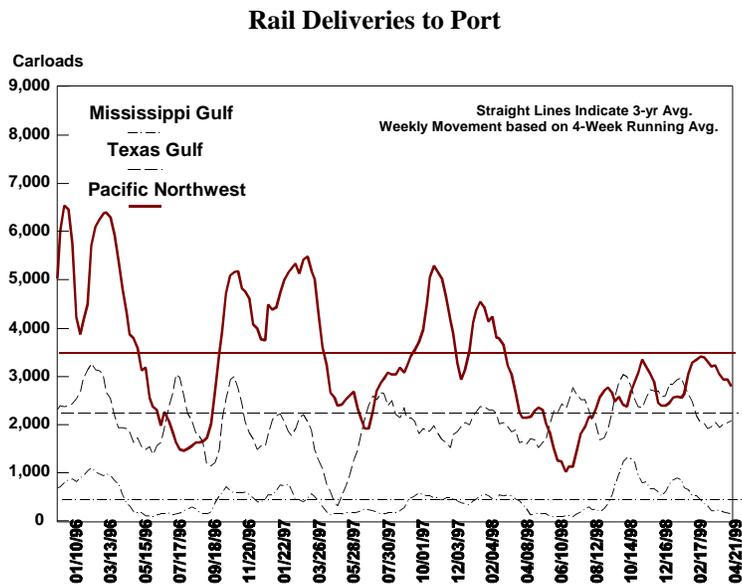
Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
06/01/99	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,150	\$23.70	\$0.65
06/01/99	43521	Wheat	Minneapolis, MN	Portland, OR	\$4,442	\$48.96	\$1.33
06/01/99	46540	Wheat	Kansas City, MO	Houston, TX	\$1,850	\$20.39	\$0.56
06/01/99	43586	Wheat	Kansas City, MO	Portland, OR	\$4,604	\$50.75	\$1.38
06/01/99	43581	Wheat	Omaha, NE	Portland, OR	\$4,205	\$46.35	\$1.26
06/01/99	31040	Corn	Minneapolis, MN	Portland, OR	\$2,915	\$32.13	\$0.82
06/01/99	31035	Corn	Kansas City, MO	Portland, OR	\$3,100	\$34.17	\$0.87
06/01/99	31040	Corn	Omaha, NE	Portland, OR	\$2,535	\$27.94	\$0.71
06/01/99	61180	Soybean	Minneapolis, MN	Portland, OR	\$3,330	\$36.71	\$1.00
06/01/99	61180	Soybean	Omaha, NE	Portland, OR	\$3,030	\$33.40	\$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:				
05/12/99	110	2,406	2,640	81
05/19/99	104	2,277	2,775	29
05/26/99	169	2,470	3,095	242
06/02/99	191	2,916	2,134	57
06/09/99	265	3,087	2,225	3
06/16/99	335	2,769	1,944	5
YTD 1999	10,159	58,482	67,667	7,129
YTD 1998	8,897	46,638	74,438	5,949
Total 1998	23,844	115,321	138,461	12,505
Total 1997	20,152	93,265	195,953	9,147

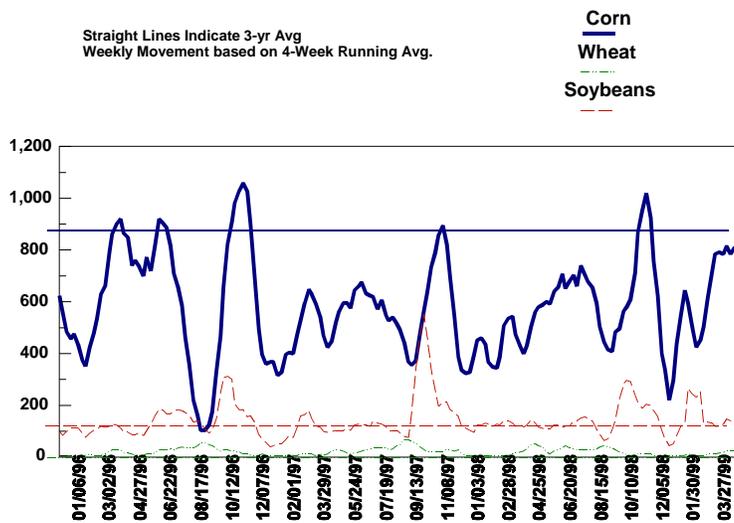
Source: Transportation & Marketing/AMS/USDA



*Note: Corrected data.

Barge Movements - Locks 27

1,000 Tons



Barge Grain Movements				
for week ending 06/19/99				
	Corn	Wht	Sybn	Total
	1,000 Tons			
Mississippi River				
Rock Island, IL (L15)	471	9	53	533
Winfield, MO (L25)	748	8	91	846
Alton, IL (L26)	967	9	157	1,133
Granite City, IL (L27)	956	15	199	1,173
Illinois River (L8)	198	2	78	278
Ohio (L52)	26	7	20	93
Arkansas (L1)	0	39	0	39
1999 YTD	16,406	1,111	3,400	22,472
1998 YTD	11,978	799	3,448	17,905
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>									
06/17/99	1,426	275	851	403	202	3,157	8,306	2,058	13,521
This Week Year Ago	1,796	259	1,022	585	217	3,878	6,587	1,919	12,384
<u>Cumulative Exports-Crop Year</u>									
98/99 YTD	548	183	242	123	32	1,129	38,119	19,474	58,722
97/98 YTD	401	109	304	129	0	943	29,187	17,713	47,843
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
06/24/99	125	891	284	160	2	4	174	112	0
1999 YTD	5,023	4,397	409	3,103	16,418	6,839	3,896	436	680
1998 YTD *	4,489	3,117	399	2,428	12,356	7,346	2,845	185	580
% of Last Year	46%	101%	63%	61%	52%	46%	54%	78%	49%
1998 Total	10,838	4,373	651	5,048	31,330	14,917	7,270	562	1,392

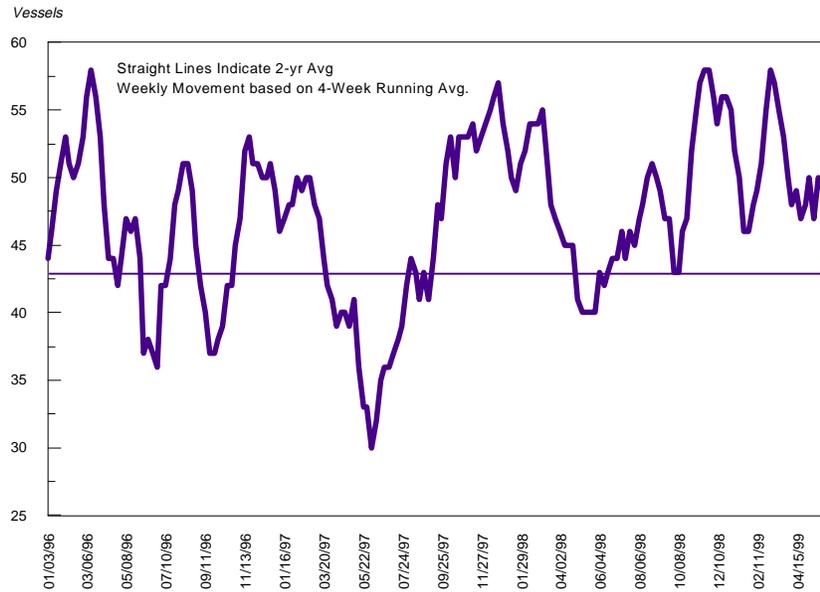
Source: Federal Grain Inspection Service * YTD-Year-to-Date ('98 = 53 week period)

Select Canadian Ports - Export Inspections

1,000 Metric Tons, Crop Year

	Wheat	Durum	Barley
Week Ended: 06/23/99			
Vancouver	4,642	986	371
Prince Rupert	1,225	6	0
Prairie Direct	935	523	329
Thunder Bay	538	220	236
St. Lawrence	1,787	1,539	0
1999YTD Exports	9,127	3,274	936
1998 YTD Exports	14,455	3,858	2,115
% of Last Year	63%	85%	44%

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

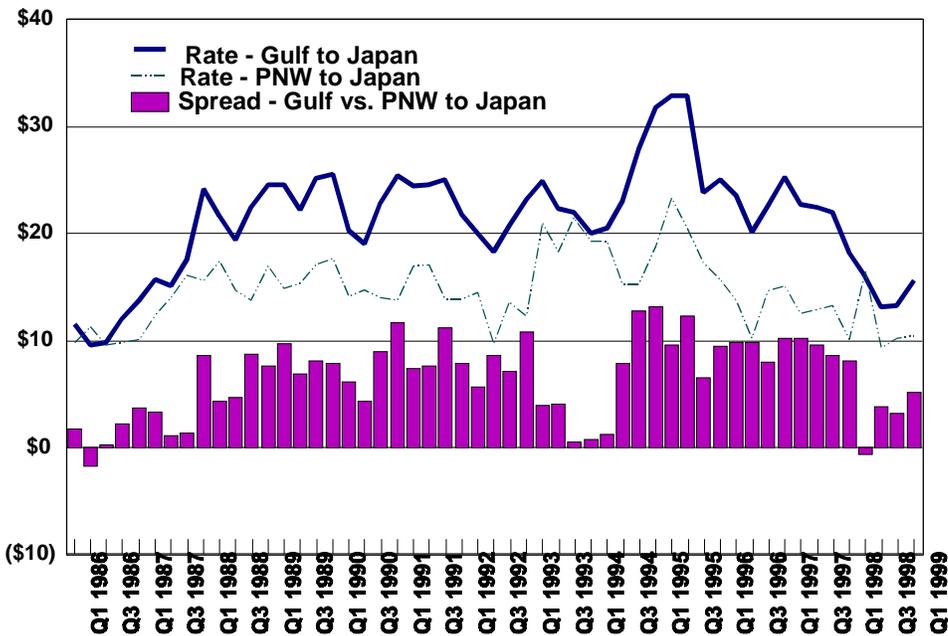


**Gulf Region
Vessels Loaded
- Past 7 Days-**

	Gulf			Pacific Northwest			Vancouver, B.C.		
	In Port	Loaded	Due Next	In Port	Loaded	Due Next	In Port	Loaded	Due Next
		7-Days	10-Days		7-Days	10-Days		7-Days	10-Days
06/17/99	27	49	76	10			9	11	1
06/24/99	29	52	68	8			8	7	0
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	1998 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%				
N. Europe	\$12.16	\$9.85	23%	Argentina to			
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 06/26/99

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Thunder Bay	United Kingdom	Wheat	June/July	35,000	\$17.50
Thunder Bay	Greece (2 Pts.)	Heavy Grain	July	18,000	\$24.00
Duluth	Tunisia	Heavy Grain	July	18,000/25,000	\$22.00-24.50
Gulf	Lisbon/Hamburg	Grains	June	30,000	\$11.17
Gulf	Egypt	Heavy Grain	July	55,000	\$10.25-11.00
Gulf	Taiwan	Heavy Grain	June/July	54,000	\$16.50
Gulf	Japan	Heavy Grain	July/August	40,000/54,000	\$15.75
PNW	No. Korea	Corn	June/July	20,000	\$83.22 (MT)
River Plate	Tunisia	Meals	July	20,000	\$21.25
France	Saudi Arabia	Barley	June	50,000	\$13.00

Source: Maritime Research Inc.