



GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service
United States Department of Agriculture



AUGUST 10, 1999

Melvin Price Lock And Dam Begins 30-Day Closure. Following a delay caused by high waters, the U.S. Army Corps of Engineers (Corps) announced the closure of the main lock chamber of the Melvin Price Lock and Dam (replaced Lock and Dam 26) in Alton, IL, approximately 20 miles north of St. Louis, MO. The expected 30-day closure will allow contractors to repair damage caused by a tow accident. In the meantime, the smaller auxiliary chamber will remain open. Unlike the main chamber, however, the secondary and smaller chamber will make it necessary for the larger 15-barge tows to be separated during transit, which is likely to cause significant delays and congestion during the repair period. This is especially important when considering the location of the Melvin Price facility. All southbound river traffic from northern points along the busy Mississippi and Illinois rivers, as well as traffic moving northbound to points such as Minneapolis-St. Paul and Chicago, must pass through the Melvin Price Lock and Dam. The latest reports show a 23-hour delay for movements. It is expected that the repairs will be completed far in advance of the fall harvest. This normally brings the heaviest volume, as barges loaded with corn and soybeans head southbound before cold weather icing closes the northern parts of the rivers. In the meantime, the U.S. Coast Guard and the Corps are providing specific instructions which will help towboat operators reduce each lockage by as much as 15 minutes. Some grain shippers have stated that they have made preparations which should minimize the effects of the closure. (*Bridge News 8/4, U.S. Army Corps of Engineers Rock Island District Web Page 8/10, USDA*)

Proposed Emergency Farm Aid, Largest Ever. A record-setting \$7.4 billion emergency farm aid package was recently approved by the Senate in order to assist U.S. farmers, suffering economically from low commodity prices. The proposal includes \$5.5 billion in direct payments to farmers, as well as \$475 billion for soybean growers and \$400 billion for crop insurance subsidies. Senators Kent Conrad (D-ND) and Byron Dorgan (D-ND), among others, feel that, although it is a good step, there still needs to be some allowance made for farmers facing adverse conditions of drought or flooded land. Some senators feel that an additional \$500 million should be allocated expressly for these purposes. Others, such as Senator Bob Kerrey (D-NE), are pleased that farmers will eventually receive much-needed relief. However, Senator Kerrey is disappointed that the Senate, as he states, is adding another \$7.4 billion to the Freedom to Farm legislation. "This program is getting more and more expensive, and I believe it's time for us to change the law," he said. The House must approve a version of its relief package before both bills are negotiated by a House-Senate conference committee, with the final version being sent to President Clinton for approval. According to congressional aides and Federal officials, farmers would, optimistically, receive the emergency funds no later than October. Meanwhile, Australian producers and farm-sector and government officials are claiming that the U.S. proposal is essentially another way of disguising export subsidies. According to a spokesman for Australian Trade Minister, Mark Vaile, "...it's heading in exactly 180 degrees to what it should be." Speaking with *Reuters*, the spokesman also voiced concerns that the proposed emergency funding was not a good indication of what was ahead for the World Trade Organizations' agricultural trade liberalization talks in November. He also stated that the U.S. funding would slow necessary U.S. farm-sector restructuring, further isolate U.S. producers from market forces, and corrupt international markets. The Trade Minister will likely raise these issues in the next several weeks when he meets with U.S. Agriculture Secretary Dan Glickman in Argentina. (*AP 8/5, Bridge News 8/5, Des Moines Register 8/6, Reuters 8/6, 8/10*)

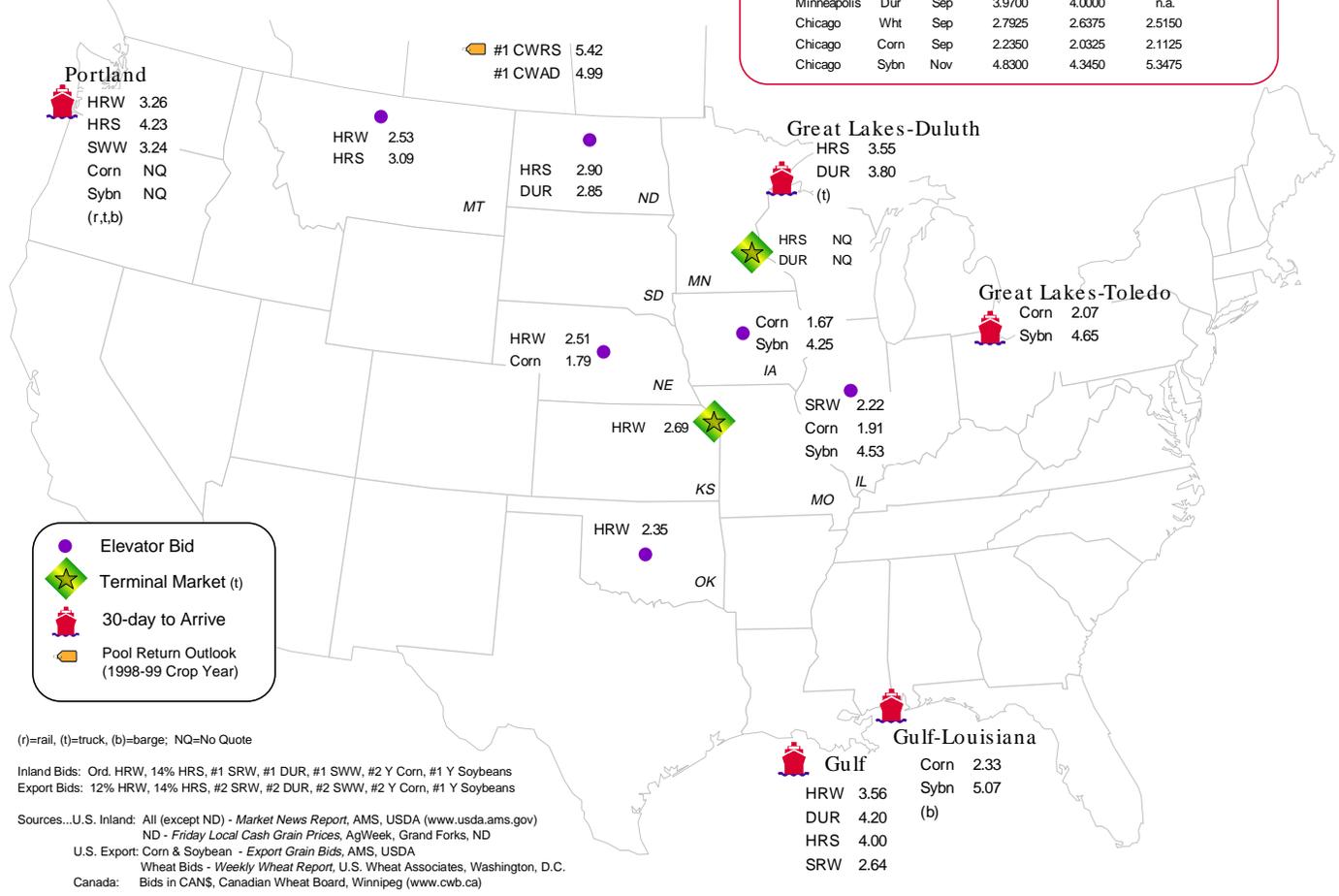
Experts Offer Opinions on Farm Problems. The *Des Moines Register* recently asked several prominent Iowans their suggestions on how the agriculture industry might be "repaired," given its current economic crisis. Former Republican Senator Cooper Evans stressed the need for a safety net. "It has to be structured so that payments come not from political decisions, but from market patterns," Evans stated. An adequate crop insurance program and policy focused on the formation of new cooperatives was also seen as important. Banker and U.S. expert on Soviet agriculture, John Chrystal, felt it would be necessary to reinstate the grain reserve, which, in the past, paid farmers to store their grain for no longer than 3 years. Republican State Senator Thurman Gaskill suggested that farm policy should be created so that some of the risks would be shared by the grain industry and government, instead of solely by the producer. Neil Hamilton, director of Drake University Agricultural Law Center, and Dennis Keeney, director of the Leopold Center for Sustainable Agriculture, shared the view that farm policy needs to emphasize the conservation of natural resources on private lands. They believe that this would, in effect, also provide some production control. Keeney went on to say, "...cooperatives and partnerships are among the things farm policy should encourage." (*Des Moines Register 8/8*)

Report is prepared by Karl Hacker, Chambre' Malone, and Karla Martin Transportation & Marketing, Agricultural Marketing Service, USDA (202) 690-1304. Report design by Kimberly Vachal, 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. E-mail comments to GTR@usda.gov.

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Grain Bid Summary

Futures:			08/06/99	Week Ago 07/30/99	Year Ago 08/07/98
Kansas City	Wht	Sep	2.9625	2.8600	2.7550
Minneapolis	Wht	Sep	3.3950	3.2725	3.1675
Minneapolis	Dur	Sep	3.9700	4.0000	n.a.
Chicago	Wht	Sep	2.7925	2.6375	2.5150
Chicago	Corn	Sep	2.2350	2.0325	2.1125
Chicago	Sybn	Nov	4.8300	4.3450	5.3475



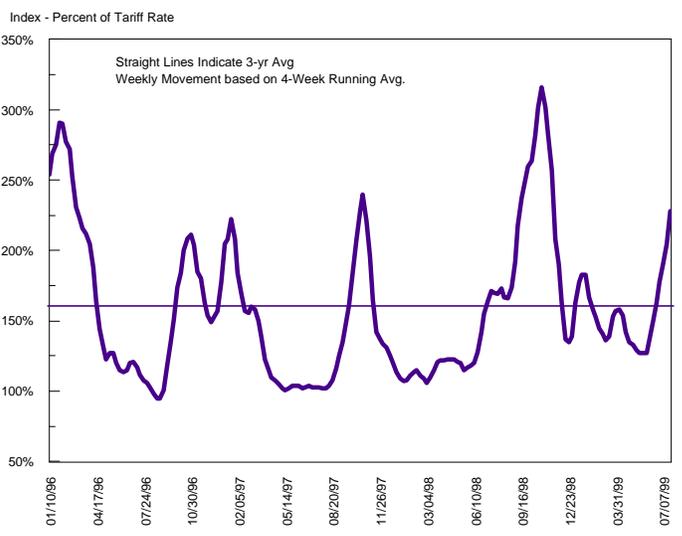
- Elevator Bid
- Terminal Market (t)
- 30-day to Arrive
- Pool Return Outlook (1998-99 Crop Year)

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

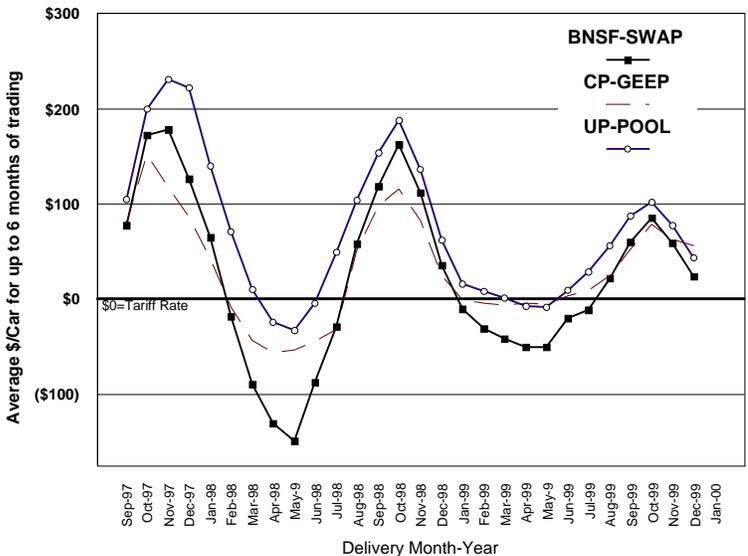
Inland Bids: Ord. HRW, 14% HRS, #1 SRW, #1 DUR, #1 SWW, #2 Y Corn, #1 Y Soybeans
 Export Bids: 12% HRW, 14% HRS, #2 SRW, #2 DUR, #2 SWW, #2 Y Corn, #1 Y Soybeans

Sources...U.S. Inland: All (except ND) - Market News Report, AMS, USDA (www.usda.ams.gov)
 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)

Spot Barge Rate - Illinois River



Secondary Rail Market Bids



Rail Car 'Auction' Offerings				
Delivery for:	Sep-99		Nov-99	
	Offered	% Sold	Offered	% Sold
BNSF-COT	9,500	98%	12,175	44%
UP-GCAS	5,400	86%	5,400	

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			
	Aug-99	Oct-99	Nov-99	Dec-99
BNSF-GF	\$49	\$74	\$30	\$18
CP-GEEP	\$32	\$52		
UP-Pool	\$96	\$157	\$67	\$42

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:	Sep-99	Oct-99	Nov-99
COT/N. Grain	no bid	\$71	\$18
COT/S. Grain	sold out	\$65	\$25
GCAS/Region 2	no offer	\$100	\$24
GCAS/Region 4	\$56	\$61	\$21

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
8/4/99	St. Louis	twk	165
	Twin Cities	nwk	310
	Mid Miss	twk	270
		wks 8/8,8/29	280
	MTCT	twk	180
	OTCT	nwk	175

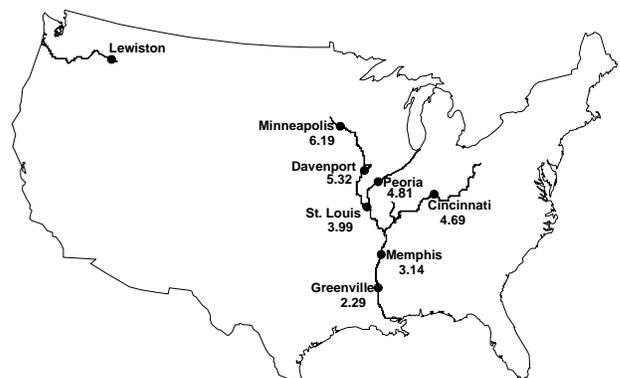
Summary Of Daily Barge Trades Reported To St. Louis Merchants Exchange.

twk=this week
 nwk=next week
 MTCT=Memphis Thru Cairo Terms
 OTCT=Osceala (Ark) Thru Cairo Terms

Southbound Barge Freight Spot Rates				
	8/4/99	7/28/99	Sept. '99	Nov. '99
Twin Cities	303	278	322	316
Mid-Mississippi	268	241	290	207
Illinois River	239	237	282	195
St. Louis	166	149	231	172
Lower Ohio	176	160	269	181
Cairo-Memphis	174	147	227	169

Source: Transportation & Marketing /AMS/USDA

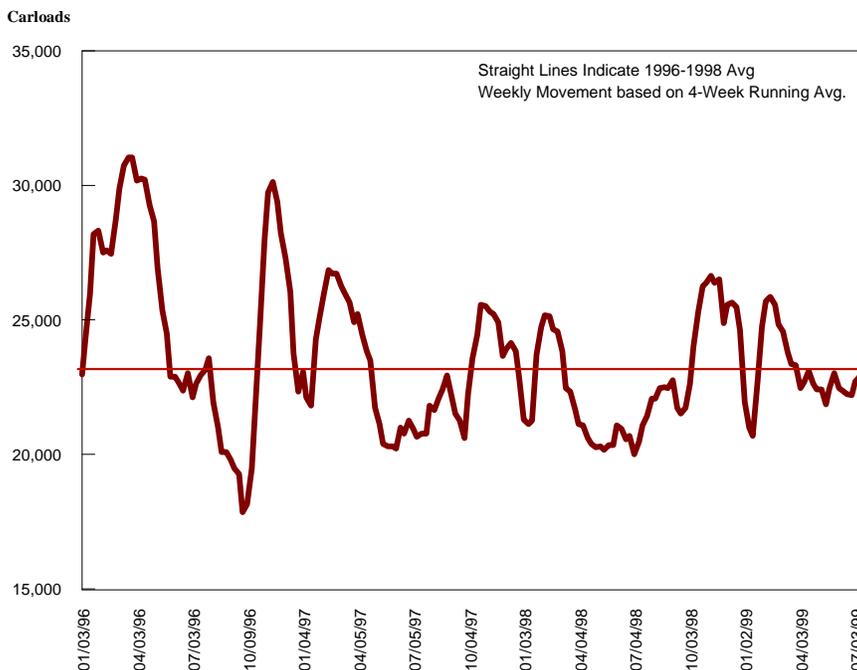
Barge Benchmark Tariff Rates
 Est. 1976 - 'Tariff No. 7'



Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
7/17/99	26,197
7/24/99	24,249
7/31/99	27,134
Year to Date - 1999	707,365
Year to Date - 1998**	658,386
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
07/31/99	0	2,171	2,130	2,571	11,534	359	8,369	2,539	5,305
This Week Last Year	1,054	1,613	1,652	2,430	8,627	503	5,942	1,901	4,458
1999 YTD	15,522	73,743	49,179	79,677	242,779	20,548	225,917	66,172	113,541
1998 YTD*	20,913	70,511	44,917	75,853	238,057	18,817	189,318	68,178	122,436
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

August 1999

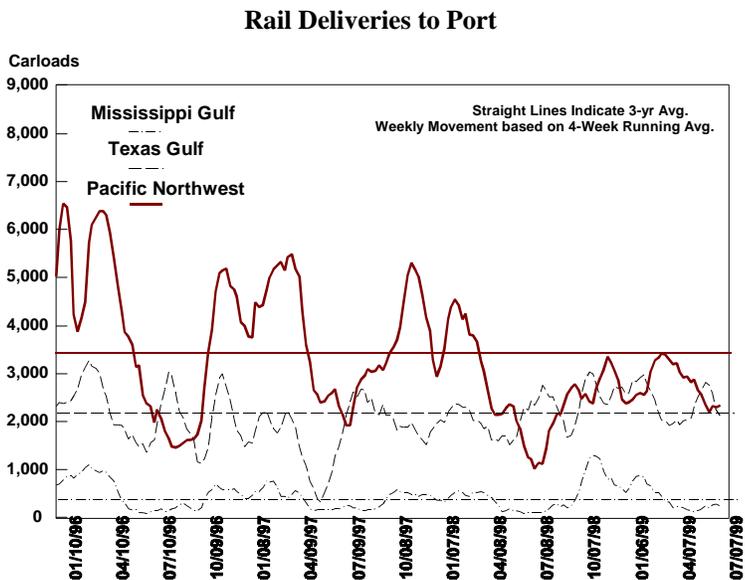
Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
08/01/99	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,150	\$23.70	\$0.65
08/01/99	43521	Wheat	Minneapolis, MN	Portland, OR	\$4,442	\$48.96	\$1.33
08/01/99	46540	Wheat	Kansas City, MO	Houston, TX	\$1,850	\$20.39	\$0.56
08/01/99	43586	Wheat	Kansas City, MO	Portland, OR	\$4,604	\$50.75	\$1.38
08/01/99	43581	Wheat	Omaha, NE	Portland, OR	\$4,205	\$46.35	\$1.26
08/01/99	31040	Corn	Minneapolis, MN	Portland, OR	\$2,951	\$32.53	\$0.83
08/01/99	31035	Corn	Kansas City, MO	Portland, OR	\$3,100	\$34.17	\$0.87
08/01/99	31040	Corn	Omaha, NE	Portland, OR	\$2,526	\$27.84	\$0.71
08/01/99	61180	Soybean	Minneapolis, MN	Portland, OR	\$3,480	\$38.36	\$1.04
08/01/99	61180	Soybean	Omaha, NE	Portland, OR	\$3,180	\$35.05	\$0.95
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

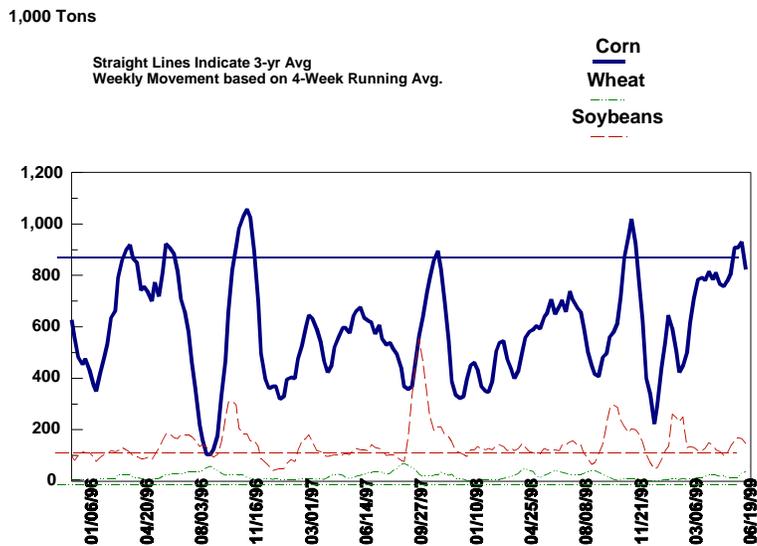
Rail Deliveries to Port				
Carloads				
	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
06/23/99	64	2,297	2,525	4
06/30/99	391	2,204	2,544	15
07/07/99	351	1,760*	2,153	145
07/14/99	203	2,256	2,168	119
07/21/99	243	2,489	2,304*	459
07/28/99	362	2,415	2,464	162
YTD 1999	11,773	71,903	81,825	8,033
YTD 1998	9,571	61,783	81,590	6,602
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



Barge Grain Movements				
for week ending 07/31/99				
	Corn	Wht	Sybn	Total
1,000 Tons				
Mississippi River				
Rock Island, IL (L15)	441	0	74	514
Winfield, MO (L25)	498	0	80	578
Alton, IL (L26)	742	10	136	887
Granite City, IL (L27)	752	29	149	930
Illinois River (L8)	264	5	56	930
Ohio (L52)	7	29	7	71
Arkansas (L1)	0	47	0	47
1999 YTD	21,600	1,645	4,321	29,339
1998 YTD	16,264	1,374	4,415	23,887
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
 Miss. Lock 27 main chamber closed for repairs until July 25.

U.S. Export Balances* (1,000 Metric Tons)

	<i>HRW</i>	<i>SRW</i>	<i>HRS</i>	<u>Wheat</u>		<i>DUR</i>	<i>All</i>	<u>Corn</u>	<u>Soybean</u>	<u>Total</u>
				<i>SWW</i>						
<u>Unshipped Exports-Crop Year</u>										
07/29/99	1,579	361	903	465		231	3,538	9,550	3,607	16,695
This Week Year Ago	1,569	312	1,076	936		252	4,144	6,992	2,568	13,704
<u>Cumulative Exports-Crop Year</u>										
98/99 YTD	2,152	617	728	398		122	4,017	44,348	20,988	69,353
97/98 YTD	2,087	342	958	459		107	3,953	33,370	17,713	55,036
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

Source: Foreign Agricultural Service YTD-Year-to-Date (www.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

	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>		
	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>
08/05/99	257	217	0	136	896	166	12	0	0
1999 YTD	5,960	5,314	422	4,142	21,314	7,749	4,757	460	733
1998 YTD *	5,138	3,249	402	2,998	15,955	7,907	4,105	243	620
% of Last Year	55%	122%	65%	82%	68%	52%	65%	82%	53%
1998 Total	10,838	4,373	651	5,048	31,330	14,917	7,270	562	1,392

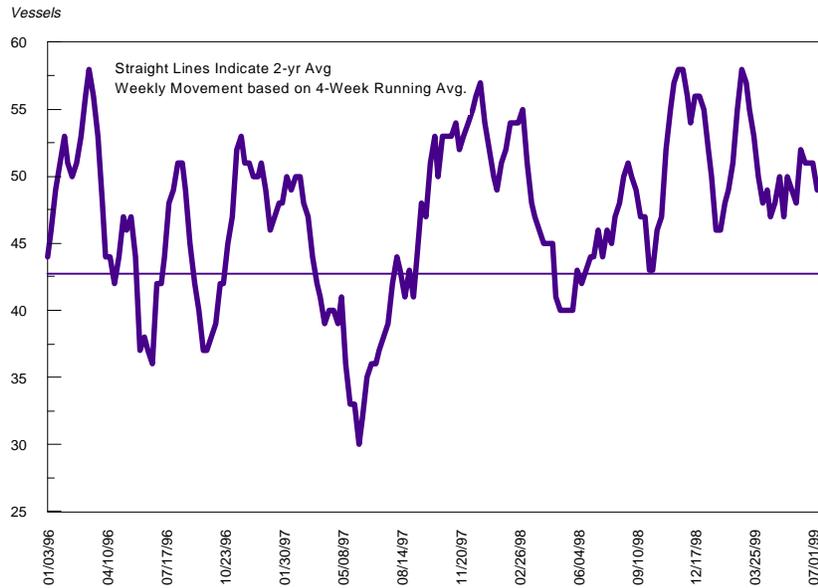
Source: Federal Grain Inspection Service * YTD-Year-to-Date (*98 = 53 week period)

Select Canadian Ports - Export Inspections

1,000 Metric Tons, Crop Year

	<u>Wheat</u>	<u>Durum</u>	<u>Barley</u>
Week Ended: 08/05/99			
Vancouver	5,534	1,110	476
Prince Rupert	1,248	6	0
Prairie Direct	1,102	625	362
Thunder Bay	682	259	255
St. Lawrence	2,005	1,781	0
1999YTD Exports	10,571	3,781	1,093
1998 YTD Exports	15,602	4,205	2,126
% of Last Year	68%	90%	51%

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

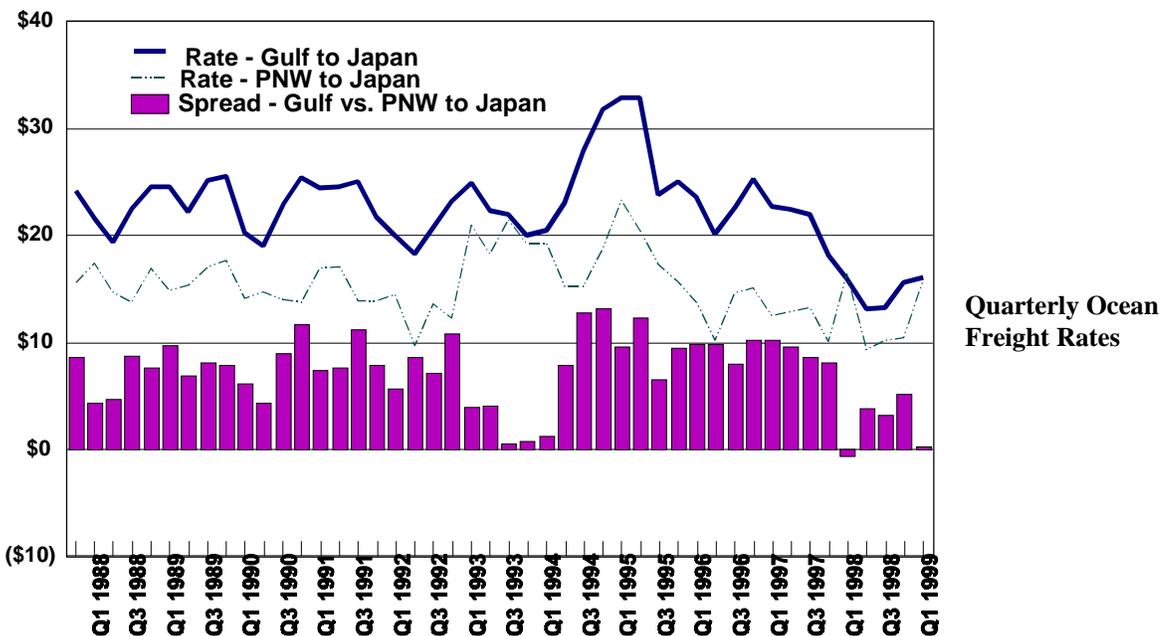


**Gulf Region
Vessels Loaded
- Past 7 Days-**

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>
07/29/99	33	62	76	16			8	15	4
08/05/99	32	56	67	11			8	5	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

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

	1999 2 nd Qtr	1998 2 nd Qtr	% Change		1999 2 nd Qtr	1998 2 nd Qtr	% Change
Gulf to				Pacific NW to			
Japan	\$16.08	\$15.93	1%	Japan	\$15.83	\$16.49	-4%
Mexico	\$22.45	\$12.42	81%	Red Sea/ Arabian Sea	\$45.80		
Venezuela	\$13.91	\$12.27	13%				
N. Europe	\$12.28	\$9.36	31%	Argentina to			
N. Africa	\$17.80	\$12.83	39%	N. Europe	\$23.92	\$13.13	82%
				Japan	\$20.82	\$18.55	12%

Source: Transportation & Marketing/AMS/USDA

Ocean Freight Rates (Select Locations) - week ending 08/07/99

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Duluth	Spain (Med)	Grains	August	18,000	\$22.00
Gulf	Mexico (EC)	Heavy Grain	August	24,000	\$9.70
Gulf	Colombia	Heavy Grain	Prompt	30,000	\$15.50
Gulf	Japan	Heavy Grain	September	54,000	\$19.00
PNW	Indonesia	Wheat	September	27,363	\$99.67 (MT)
PNW	Taiwan	Heavy Grain	September	54,000	\$10.90
N. Brazil	Italy (Adriatic)	Heavy Grain	Prompt	22,000	\$14.25
River Plate	Black Sea	Meals	August	16,500	\$30.00
N. France & N. Spain	Saudi Arabia	Barley	August	80,000	\$12.00-12.50
Northern Europe	Algeria	Wheat	August	25,000	\$13.75

Source: Maritime Research Inc.