



# GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service  
United States Department of Agriculture



SEPTEMBER 21, 1999

**GMO Crops Struggle For Acceptance.** Having increased their stake in genetically engineered crops to as much as 35 percent for all corn and 55 percent for all soybeans, U.S. farmers may face some difficulty in finding a market. Uncertainty about such things as costs of testing and crop segregation, as well as safety issues, is making genetically modified organism (GMO) crops a difficult sell on the world market. Not only does the European Union maintain its concern over food safety of GMO crops, but the concern now appears to be spreading to other U.S. customers, including Japan, Australia, New Zealand, Mexico and South Korea. "There's a considerable amount of exports at stake...and we're not interested in losing the business," said Martin Andreas, an official at Archer Daniels Midland (ADM). ADM, along with other grain buyers, recently requested that farmers segregate GMO crops from non-GMO crops due to customer concern. The segregation will necessarily involve added costs during harvesting, handling, and transportation; and crops will ultimately need to be "tested at every place where they are co-mingled," according to Neil Harl, lawyer and economics professor at Iowa State University. In the meantime, Harl states farmers will be asked to promise that their crop is from non-GMO seed but emphasizes that farmers should be careful what they sign. Elevators will also have difficulty in dealing with the issue of segregation, since they have long been built to handle large quantities of grain but will now be required to have many smaller storage facilities. Concerns over GMO crops are being felt in the legal and research arenas, as well. Jeremy Rifkin, Director of the Foundation on Economic Trends, recently announced that antitrust laws would be used when he files suits against the large agribusinesses, which, he claims, are using genetic engineering to control world agriculture. The concern over the "growing consolidation and industrialization in agriculture," has even led U.S. Agriculture Secretary, Dan Glickman, to caution that the USDA will need "to examine all of our laws and policies to ensure that, in the rush to bring biotech products to market, small and medium family farmers are not simply plowed under." Glickman also pointed out the necessity that "biotechnology serves society, not the other way around." Indiana University biologist, Martha Crouch, discontinued research in plant genetics 9 years ago when it appeared that new discoveries were leading to new products that were "used to strengthen the hand of industrial agriculture and agribusiness," Crouch said. "I felt this was being done at the expense of small farmers and the environment," she added. In the meantime, American Soybean Association officials are saying that customers would have smaller quantities of non-GMO soy available, it would likely cost more, and 100-percent purity could not be guaranteed. The American Corn Growers Association, on the other hand, is warning farmers to order non-GMO seed as soon as possible. The Association believes the uncertainty surrounding GMO crops may lead to a possible shortage of non-GMO seed. The American Seed Trade Association has a list of approximately 2,000 U.S. grain handlers who are willing to accept genetically modified corn, which has, otherwise, not been approved for export to the European Union. The list is available on the Internet at <http://asta.farmprogress.com>. (AP 9/20, South Bend Tribune 9/18, Reuters 9/20, Bridge News 9/20, American Seed Trade Association Web Site 9/21)

**House and Senate Discuss Sanctions Against Cuba.** Members of both the U.S. House of Representatives and Senate will try reach a compromise on a bill which would allow the sale of food and medical supplies to Cuba. Senator Byron Dorgan, (D-ND), along with Senate Minority Leader, Tom Daschle (D-SD), have lead the movement to lift the embargo. "When you've got public policy that doesn't work, then after four decades you consider changing it," says Senator Dorgan. With Cuba's close proximity, U.S. farm groups hope to be trading \$2 billion worth of wheat, soybeans, corn, rice, meat and poultry with the island country within the next 5 years, if the ban is lifted. Critics however, doubt the possibility of this level of trade due to Cuba's poverty level. In addition, it is reported that President Clinton has no intention of lifting the Cuban trade embargo. (AP 9/20)

**Wheat Accumulating In The High Plains.** Weak demand at Texas Gulf ports, as well as weak domestic demand for ordinary wheat, is causing a growing glut in the High Plains, from West Texas to Omaha, NE, according to wheat industry sources. "We keep loading trains in the country to make room for fall crops, and people are literally running out of space," said Morgan Shay, a cash wheat trader at the Kansas City Board of Trade. Although rail car availability remains relatively stable, and there are no long delays, there are, however, some complications at Gulf ports, where a lack of vessels is causing unloading delays. (Reuters 9/21)

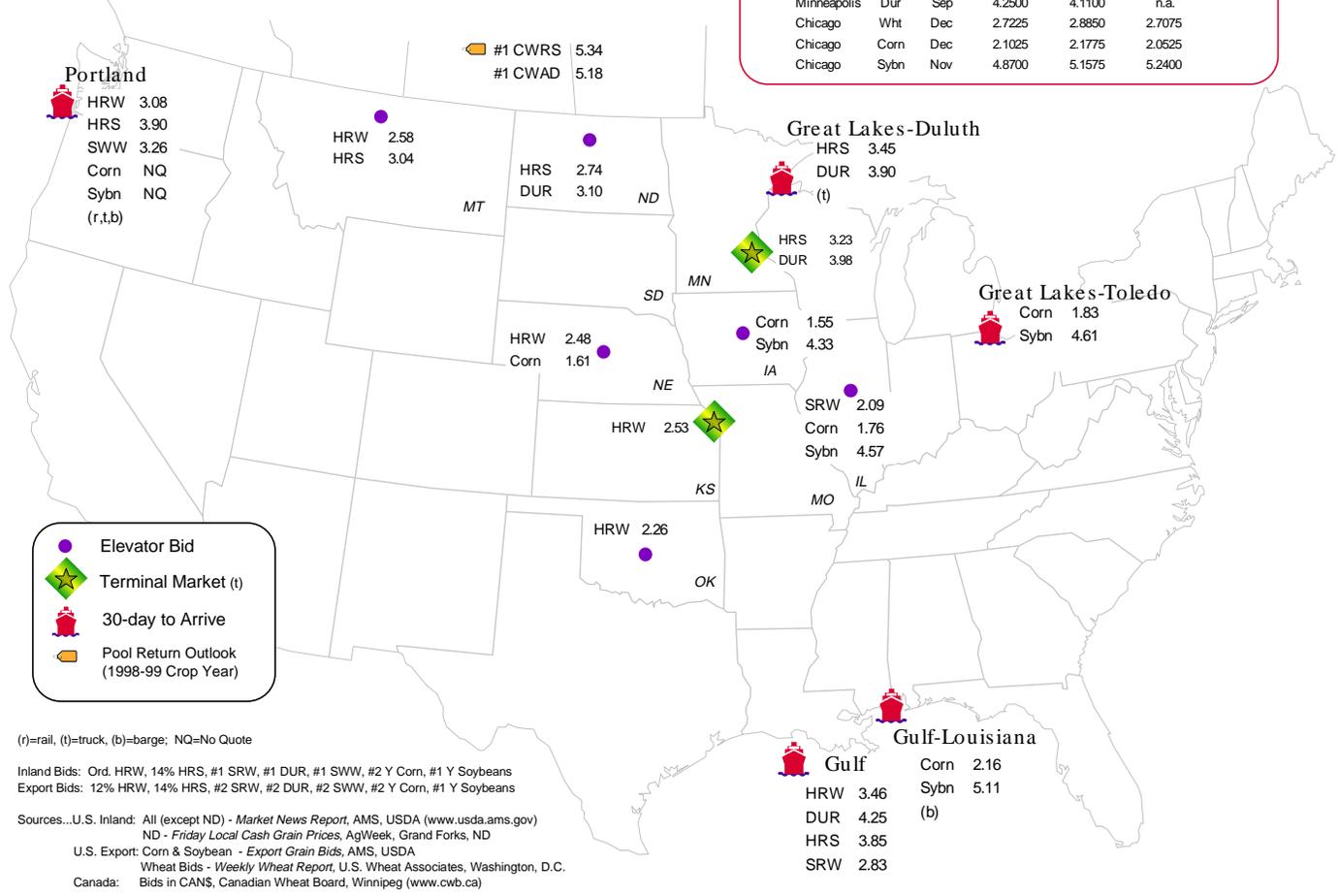
---

Report is prepared by Karl Hacker and Chambre' Malone, 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](http://www.ams.usda.gov/tmd/grain.htm). E-mail comments to [GTR@usda.gov](mailto:GTR@usda.gov).

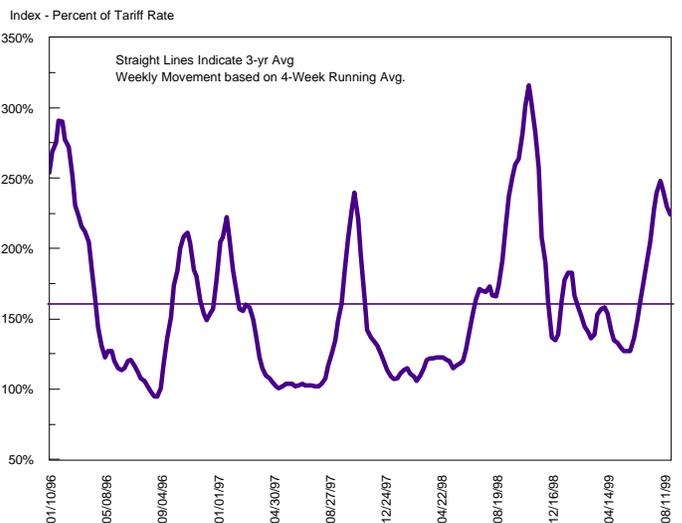
The United States Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation and marital or family status. (Not all prohibited bases apply to all programs). Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotope, etc.) should contact the USDA's TARGET Center at (202)720-2600. To file a complaint, write USDA, Director of Civil Rights, Room 326-W, Whitten Building, 14<sup>th</sup> and Independence Avenue, SW, Washington, DC, 20250-9419, or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

# Grain Bid Summary

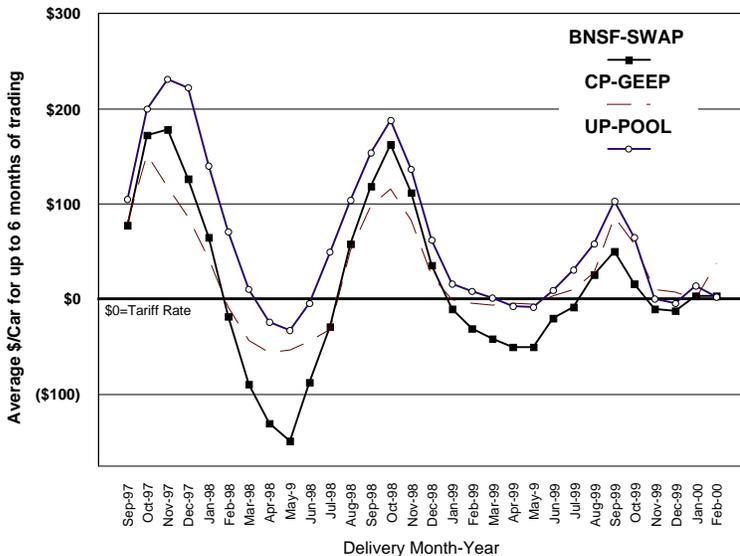
Futures:			09/20/99	Week Ago 09/10/99	Year Ago 09/21/98
Kansas City	Wht	Dec	2.9450	3.0750	2.9925
Minneapolis	Wht	Dec	3.3100	3.4700	3.4200
Minneapolis	Dur	Sep	4.2500	4.1100	n.a.
Chicago	Wht	Dec	2.7225	2.8850	2.7075
Chicago	Corn	Dec	2.1025	2.1775	2.0525
Chicago	Sybn	Nov	4.8700	5.1575	5.2400



## Spot Barge Rate - Illinois River



## Secondary Rail Market Bids



<b>Rail Car 'Auction' Offerings</b>				
Delivery for:	Oct-99		Dec-99	
	<u>Offered</u>	<u>% Sold</u>	<u>Offered</u>	<u>% Sold</u>
<b>BNSF-COT</b>	12,175	100%	12,175	39%
<b>UP-GCAS</b>	5,400	70%	5,400	24%

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>			
	Oct-99	Nov-99	Dec-99	Jan-99
BNSF-GF	\$16	\$(12)	\$(2)	\$(5)
CP-GEEP	\$58	\$7	\$12	\$0
UP-Pool	\$65	\$(4)	\$(5)	\$0

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:	Oct-99	Nov-99	Dec-99
COT/N. Grain	sold out	no bid	no bid
COT/S. Grain	sold out	\$1	no bid
GCAS/Region 2	\$80	no bid	no bid
GCAS/Region 4	\$5	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
9/17/99	Twin Cities	nwk	275
	Lower Ohio River	nwk	230
	Mid Miss	nwk	270*
	Illinois River	nwk	260*
	St Louis	nwk	245*
	Ohio River	nwk	250*

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

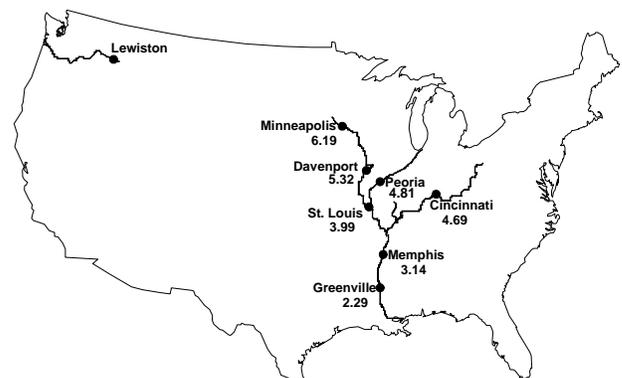
twk=this week  
 nwk=next week  
 (\*) indicates bid rates only

**Southbound Barge Freight Spot Rates**

	9/15/99	9/8/99	Oct. '99	Nov. '99
Twin Cities	256	254	284	nq
Mid-Mississippi	251	249	278	nq
Illinois River	239	238	272	162
St. Louis	218	250	248	132
Lower Ohio	241	271	274	139
Cairo-Memphis	210	248	250	132

Source: Transportation & Marketing /AMS/USDA

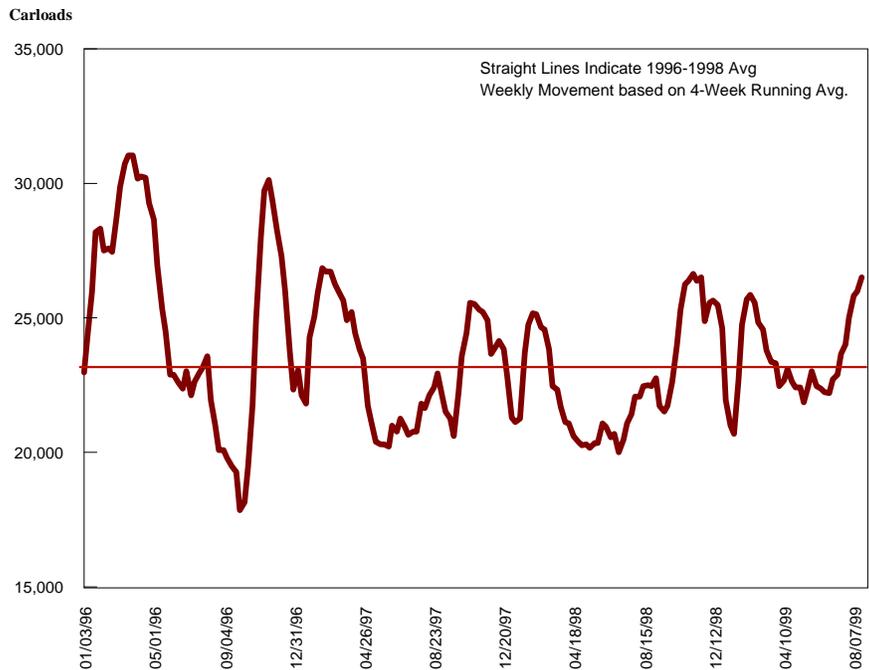
**Barge Benchmark Tariff Rates  
 Est. 1976 - 'Tariff No. 7'**



**Grain Car Loadings for Class I Railroads**

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
8/28/99	27,009
9/4/99	26,815
9/11/99	24,109
Year to Date - 1999	864,363
Year to Date - 1998**	790,985
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
09/11/99	0	1,695	1,719	2,060	10,619	502	7,514	1,797	4,104
This Week Last Year	586	1,648	1,221	1,675	7,408	641	6,430	1,861	4,733
1999 YTD	15,522	86,806	59,886	93,658	309,479	24,469	274,543	78,224	138,728
1998 YTD*	25,296	81,470	53,956	87,835	289,013	23,099	230,316	80,143	147,209
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: Association of American Railroads

\*\*1998 - 52 weeks  
\* 1997 - 53 weeks

**Tariff Rail Rates for Unit Train Shipments**

September 1999

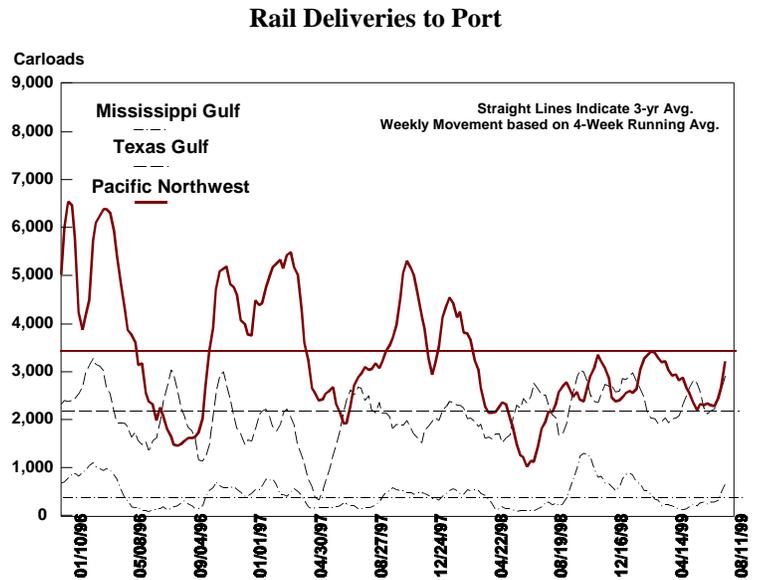
Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
09/01/99	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,150	\$23.70	\$0.65
09/01/99	43521	Wheat	Minneapolis, MN	Portland, OR	\$4,442	\$48.96	\$1.33
09/01/99	46540	Wheat	Kansas City, MO	Houston, TX	\$1,850	\$20.39	\$0.56
09/01/99	43586	Wheat	Kansas City, MO	Portland, OR	\$4,604	\$50.75	\$1.38
09/01/99	43581	Wheat	Omaha, NE	Portland, OR	\$4,205	\$46.35	\$1.26
09/01/99	31040	Corn	Minneapolis, MN	Portland, OR	\$2,951	\$32.53	\$0.83
09/01/99	31035	Corn	Kansas City, MO	Portland, OR	\$3,100	\$34.17	\$0.87
09/01/99	31040	Corn	Omaha, NE	Portland, OR	\$2,526	\$27.84	\$0.71
09/01/99	61180	Soybean	Minneapolis, MN	Portland, OR	\$3,280	\$36.16	\$0.98
09/01/99	61180	Soybean	Omaha, NE	Portland, OR	\$2,980	\$32.85	\$0.89
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

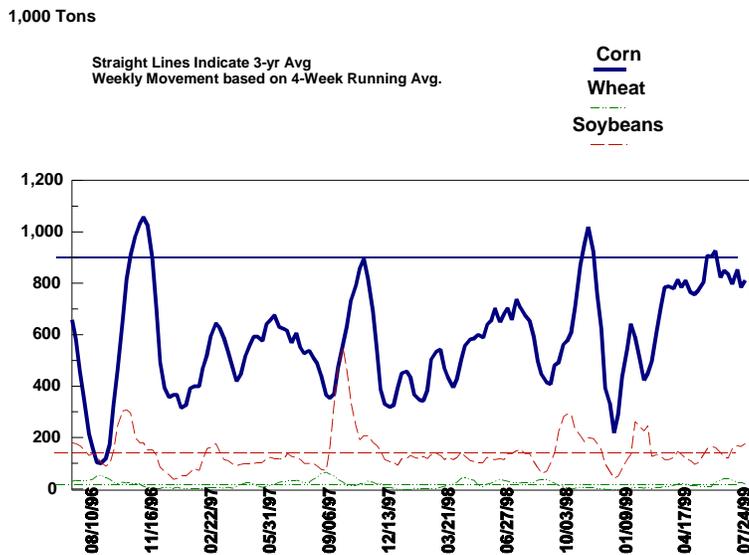
Rail Deliveries to Port				
Carloads				
	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
08/04/99	512	2,859	2,936	147
08/11/99	855	2,674	2,940	129
08/18/99	925	3,693	4,512	187
08/25/99	951	4,044	4,418	440
09/01/99	586	3,351	3,218*	438
09/08/99	448	3,602	3,794	274
YTD 1999	16,050	92,126	103,643	9,648
YTD 1998	10,859	75,335	93,775	6,700
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 9/11/99

	Corn	Wht	Sybn	Total
	1,000 Tons			
<b>Mississippi River</b>				
Rock Island, IL (L15)	342	3	44	389
Winfield, MO (L25)	392	0	127	523
Alton, IL (L26)	631	2	216	861
Granite City, IL (L27)	637	11	232	892
<b>Illinois River (L8)</b>	106	2	36	145
<b>Ohio (L52)</b>	31	9	10	63
<b>Arkansas (L1)</b>	0	55	0	55
1999 YTD	26,079	2,193	5,555	35,824
1998 YTD	20,143	1,848	5,180	29,244
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>									
09/09/99	1,242	603	686	570	250	3,350	8,841	4,143	16,334
This Week Year Ago	1,760	415	1,131	1,433	257	4,996	7,787	5,108	17,891
<u>Cumulative Exports-Crop Year</u>									
98/99 YTD	3,887	993	1,543	772	251	7,446	1,333	411	9,190
97/98 YTD	3,374	610	1,780	1,304	238	7,304	809	17,713	25,826
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

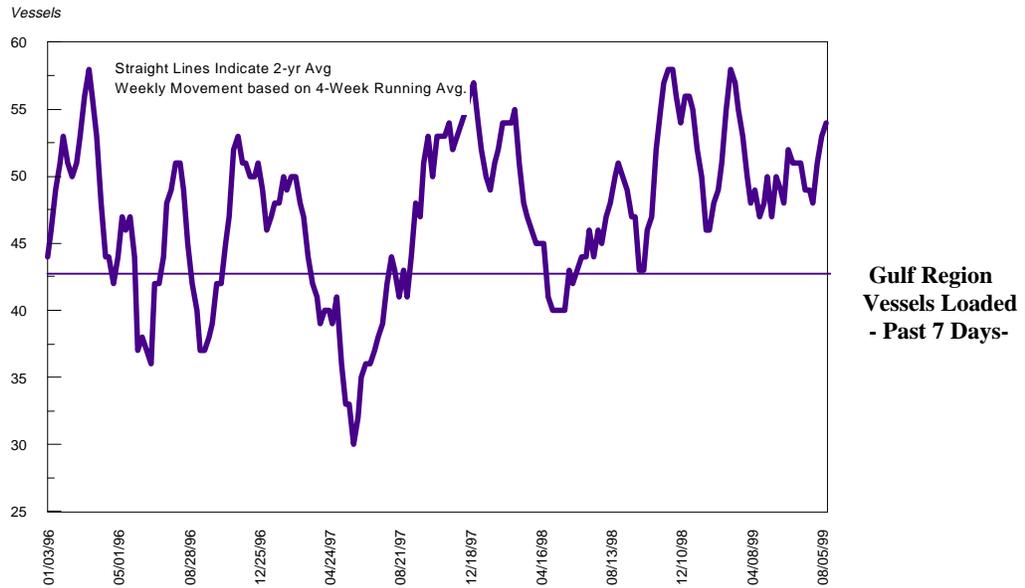
Source: Foreign Agricultural Service YTD-Year-to-Date ([www.fas.usda.gov](http://www.fas.usda.gov)) Crop Year:Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31

<b>Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons</b>									
	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>		
	Wheat	Corn	Soybean	Wheat	Corn	Soybean	Wheat	Corn	Soybean
09/16/99	173	179	75	164	828	279	89	5	93
1999 YTD	6,923	6,402	563	4,980	25,839	9,319	6,192	514	914
1998 YTD *	6,597	3,383	418	3,602	19,913	8,786	4,954	259	624
% of Last Year	64%	146%	87%	99%	82%	62%	85%	91%	66%
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)

<b>Select Canadian Ports - Export Inspections</b>			
1,000 Metric Tons, Crop Year			
	<u>Wheat</u>	<u>Durum</u>	<u>Barley</u>
Week Ended: 09/17/99			
Vancouver	559	156	57
Prince Rupert	0	0	0
Prairie Direct	116	42	23
Thunder Bay	117	43	17
St. Lawrence	338	262	0
1999 YTD Exports	1,130	503	97
1998 YTD Exports	1,179	309	27
% of Last Year	96%	163%	359%

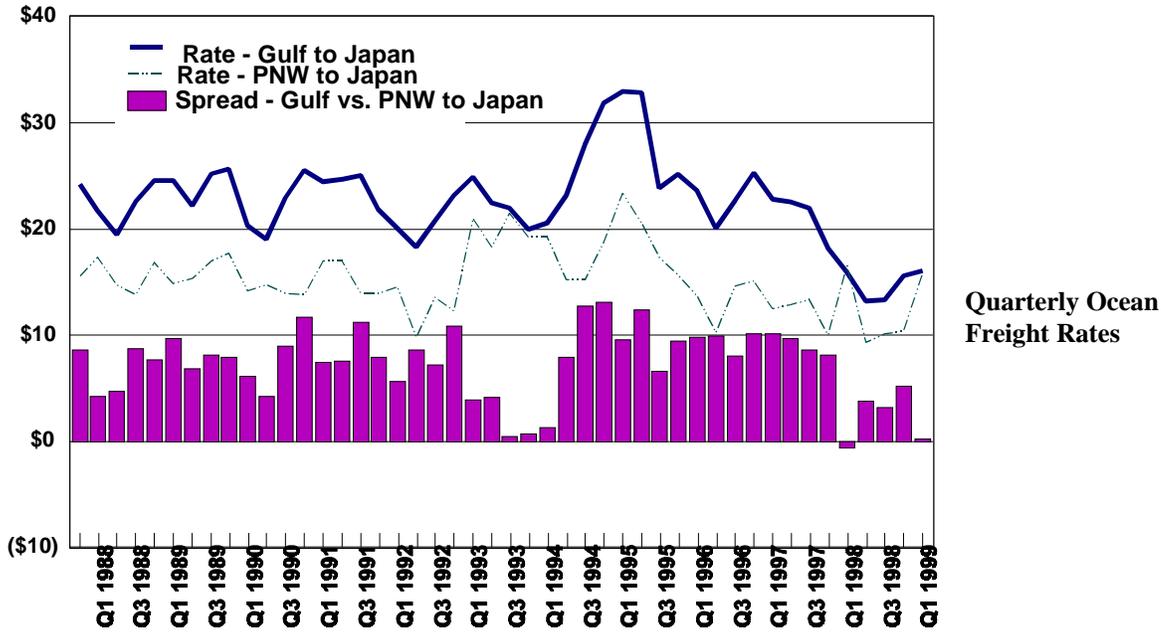
Source: Canadian Grains Commission \*Year Ago-This Week a Year Ago \*\* YTD-Year-to-Date Crop Year 8/1-7/31



	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
09/09/99	36	56	71	9			7	2	1
09/16/99	31	58	64	8			9	9	2
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 <sup>nd</sup> Qtr	1998 2 <sup>nd</sup> Qtr	% Change		1999 2 <sup>nd</sup> Qtr	1998 2 <sup>nd</sup> Qtr	% Change
<b>Gulf to</b>				<b>Pacific NW to</b>			
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%	<b>Argentina to</b>			
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  
 (\*) rates shown are metric ton (2,250 lbs.)

**Ocean Freight Rates\* (Select Locations) - week ending 09/18/99**

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Gulf	Dominican Republic	Heavy Grain	September	23,275	\$11.15
Gulf	Guatemala	Wheat	September	13,000	\$20.00
Gulf	Iran	Grains	October	100,000	\$19.00
PNW	Taiwan	Heavy Grain	October	60,000	\$11.50
So. Brazil	Ireland	Grains	September	24,000	\$15.42
Hamburg	Algeria	Wheat	September	25,000	\$15.25
Romania	Morocco	Wheat	Prompt	10,000	\$15.25
Black Sea	Bangladesh	Wheat	Prompt	22,500/25,000	\$25.00

Source: Maritime Research Inc.  
 (\*) rates shown are long ton (2,240 lbs.), F.O.B