



# GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service  
United States Department of Agriculture



FEBRUARY 8, 2000

**Feelings Differ Over Biotech Agreement.** The recently signed Protocol on Biosafety is receiving mixed feedback from all parts of the agricultural sector. The protocol, approved by 130 countries on January 29 in Montreal, set forth the objective to "contribute to ensuring an adequate level of protection in the field of the safe transfer, handling and use of living modified organisms resulting from modern biotechnology that may have adverse effects on the conservation and sustainable use of biological diversity, taking also into account risks to human health, and specifically focusing on transboundary movements" (See text at <http://biosafety.ihe.be/Menu/Biodiv.html>). The agreement, which may still take 2 years to go into effect, spares producers the potentially expensive requirement of separating genetically modified (GM) crops from conventional crops. In addition, the pact also requires that importing countries such as those of the European Union, Asia, and developing countries not be allowed to restrict grain imports without scientific evidence that the food is harmful to human health, the environment, or nontargeted species. The protocol does require, however, that shipments be labeled to indicate that they "may contain" GM crops, even if they are altered to provide more nutrients, for example. This is a "substantial problem" for U.S. producers, according to U.S. Senator Richard Lugar (R-IN), Chairman of the Senate Agriculture Committee. "To say the least, this is a damper on exports and trade," Sen. Lugar continued. A similar view was shared by Gary Goldberg, chief executive officer of the American Corn Growers Association, stating that the pact will "severely burden farmers and grain elevators..." Goldberg added, "Everywhere we turn, additional obstacles are being placed in the way for farmers to continue planting" genetically modified crops. Groups such as the American Soybean Association recognize several positive aspects of the protocol. However, the group is concerned with the potential implications surrounding the inclusion of the so-called "precautionary principle," which, reportedly, would allow an importing country to reject food imports if it had evidence, but not necessarily proof, that they presented a health concern. Other agricultural groups, however, adopt a more positive viewpoint. Susan Keith, director of public policy for the National Corn Growers Association, expressed confidence that "nothing in this agreement should dissuade U.S. farmers from using biotechnology." Any segregation will be a market-driven decision and not due to the agreement, according to Keith. The U.S. Grains Council is "cautiously optimistic" over the agreement. Internationally, the agreement was praised by the European Commission and European biotechnology firms. EuropaBio, a lobbyist group for European biotech firms, stated that the agreement "...confirms that biotechnology can move forward to develop products beneficial for both man and the environment." (*Reuters 1/31, 2/1, AP 1/31, Washington Times 2/7, http://biosafety.ihe.be*)

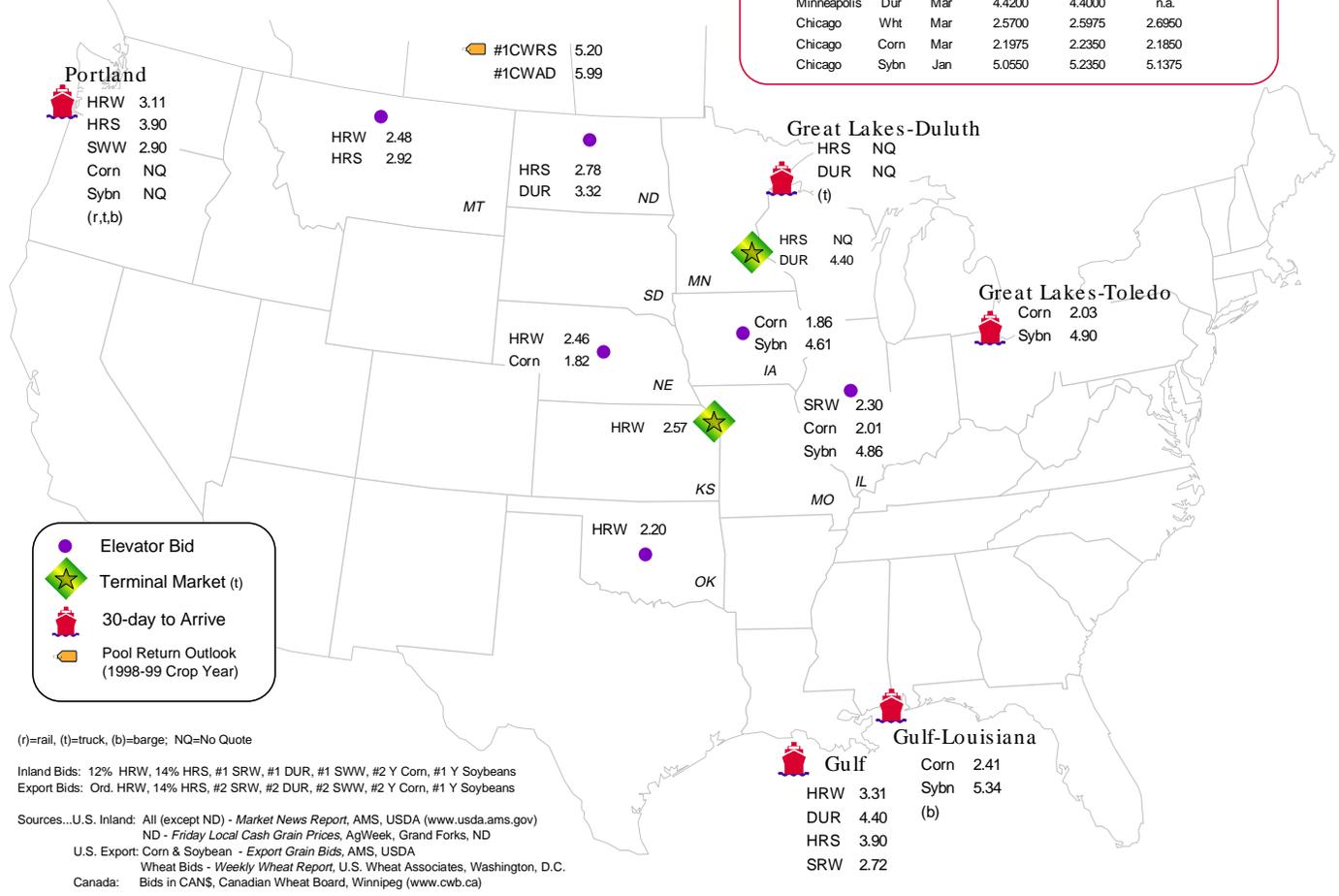
**Soy Protein Level Will Likely Determine Exports.** Japanese grain traders are looking more to Brazil than to the United States for spring soybean shipments. According to analysts, drought conditions across parts of the U.S. soybean growing regions last summer decreased protein content and increased oil content to the extent that Brazilian soybeans are becoming much more competitive. "It all comes down to price," stated a trader, "If U.S. soybeans aren't compensated by price per unit of protein then [importers] may look elsewhere." Some Japanese importers have been willing to purchase U.S. soybeans with a guaranteed protein content of 35.5 percent but have paid a premium. A 5- to 7-cent-per-bushel surcharge was added. One trading source reported that Brazilian exports of soybeans to Japan may increase to 900,000 metric tons during April-August, compared to nearly 700,000 metric tons last year, due to U.S. quality. Brazil is the world's second largest soybean producer (20 percent) behind the U.S. (48 percent), based on 1998 production data. (*BridgeNews 2/3, Reuters 2/7, www.ourfood.com*)

**U.S. Concerned with CWB.** According to U.S. Trade Representative, Charlene Barshefsky, the Canadian Wheat Board (CWB) will be a top priority during future World Trade Organization negotiations. The United States has long felt that the CWB has taken advantage of its inherent marketing power to undercut U.S. prices in the world market. The CWB "will be very high on our agenda," said Barshefsky. Meanwhile, a group of approximately 150 irate Canadian farmers gathered in Saskatchewan to protest their lack of provincial aid. It has reportedly been the worst year for Canadian farmers since the Depression. (*Reuters 2/4, AP 2/7*)

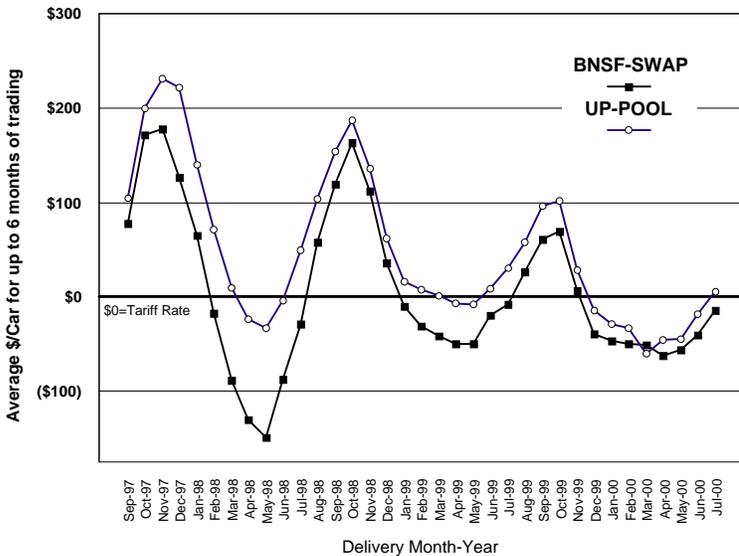
**Australia Concerned with U.S. Farm Aid.** Australia's National Farmers' Federation (NFF), already upset over last year's U.S. farm aid package, has rekindled its anger with the latest U.S. farm aid proposals for the years 2000-2002. "Our members will be outraged to learn of the U.S. Government's proposals to blatantly bankroll their under-performing U.S. competitors," according to NFF president Ian Donges. "...approval of the latest package would lift levels of protection to new ludicrous levels," he also stated. Donges emphasized that 30 percent of Australia's farmers experienced negative farm cash income during 1998/1999. (*Reuters 2/4*)

# Grain Bid Summary

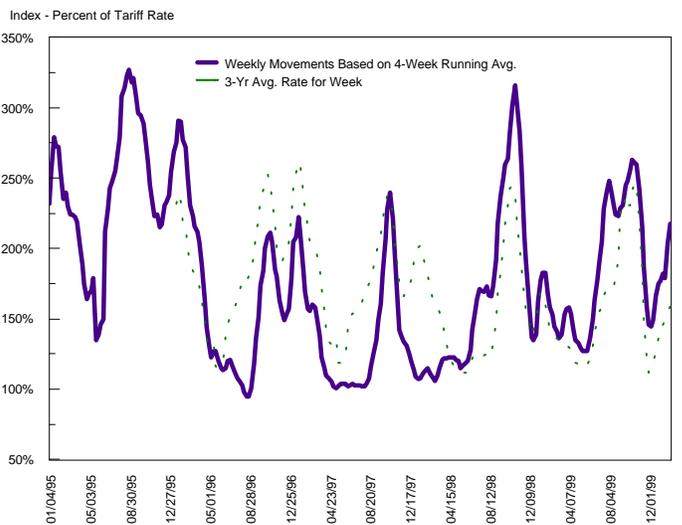
Futures:			02/04/00	Week Ago 01/28/00	Year Ago 02/05/99
Kansas City	Wht	Mar	2.8475	2.8775	3.0625
Minneapolis	Wht	Mar	3.1525	3.2225	3.5825
Minneapolis	Dur	Mar	4.4200	4.4000	n.a.
Chicago	Wht	Mar	2.5700	2.5975	2.6950
Chicago	Corn	Mar	2.1975	2.2350	2.1850
Chicago	Sybn	Jan	5.0550	5.2350	5.1375



## Secondary Rail Market Bids



## Spot Barge Rate - Illinois River



<b>Rail Car 'Auction' Offerings</b>				
Delivery for:	Feb-00		Apr-00	
	<u>Offered</u>	<u>% Sold</u>	<u>Offered</u>	<u>% Sold</u>
<b>BNSF-COT</b>	11,000	11%	11,999	1%
<b>UP-GCAS</b>	5,400	1%	0	0%

Source: Transportation & Marketing /AMS/USDA; www.bnsf.com; www.uprr.com

**Secondary Rail Car Market**

Average Premium/Discount to Tariff, \$/Car - Last Week

	<b>Delivery Period</b>			
	Feb-00	Mar-00	Apr-00	May-00
BNSF-GF	\$(6)	\$(52)	\$(53)	\$(34)
UP-Pool	\$1	\$(10)	\$(31)	\$(31)

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:	Feb-00	Mar-00	Apr-00
COT/N. Grain	no bid	no bid	no bid
COT/S. Grain	no bid	no bid	no bid
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
Summary Of Daily Barge Trades Reported To St. Louis Merchants Exchange.			

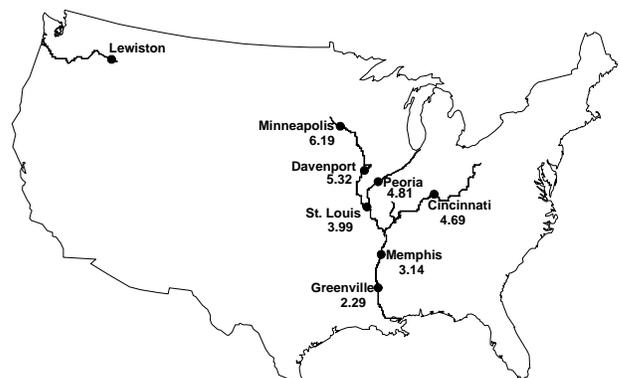
(\*\*) current data unavailable

**Southbound Barge Freight Spot Rates**

	2/2/00	1/26/99	Mar. '00	May '00
Twin Cities	nq	nq	210	198
Mid-Mississippi	nq	nq	181	170
Illinois River	221	276	168	156
St. Louis	140	166	139	132
Lower Ohio	138	158	136	131
Cairo-Memphis	134	155	133	126

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

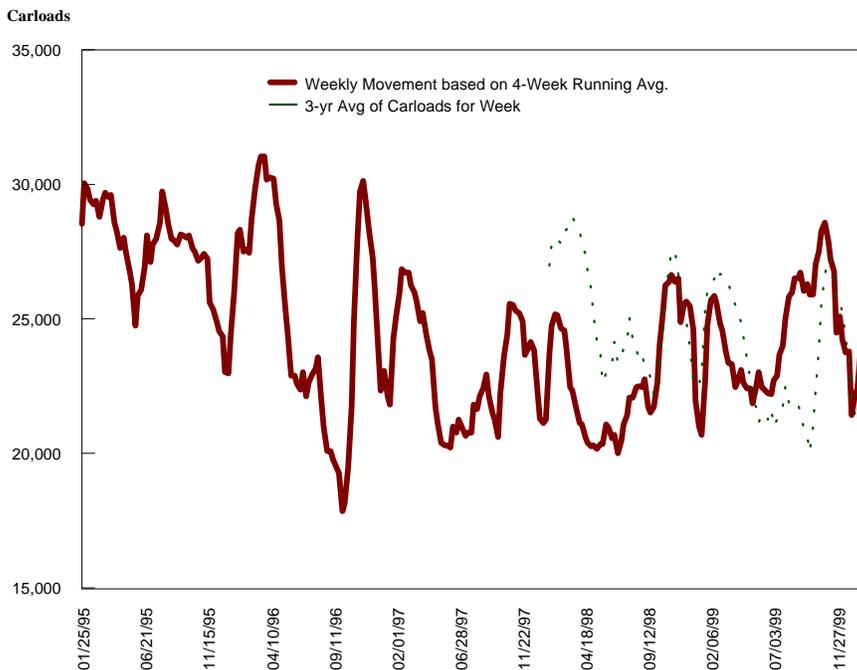
**Barge Benchmark Tariff Rates  
Est. 1976 - 'Tariff No. 7'**



Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
1/15/00	25,952
01/22/00	25,023
01/29/00	22,712
Year to Date - 2000	99,688
Year to Date - 1999	99,002
Total 1999	1,269,741
Total 1998	

\*\*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
01/29/00	0	2,719	1,992	2,662	7,855	838	6,646	2,594	3,811
This Week Last Year	941	3,074	1,778	3,141	8,051	694	8,456	2,290	3,213
2000 YTD	0	11,784	7,380	11,852	34,897	2,808	30,967	10,898	14,047
1999 YTD	2,686	10,136	5,724	10,041	34,400	3,109	32,906	7,163	12,536
1999 Total	15,522	132,157	88,056	138,379	465,088	33,911	398,262	121,381	206,328
1998 Total	40,192	126,128	77,811	131,158	431,459	34,503	342,609	113,568	215,005

Source: Association of American Railroads

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

Tariff Rail Rates for Unit Train Shipments

February 2000

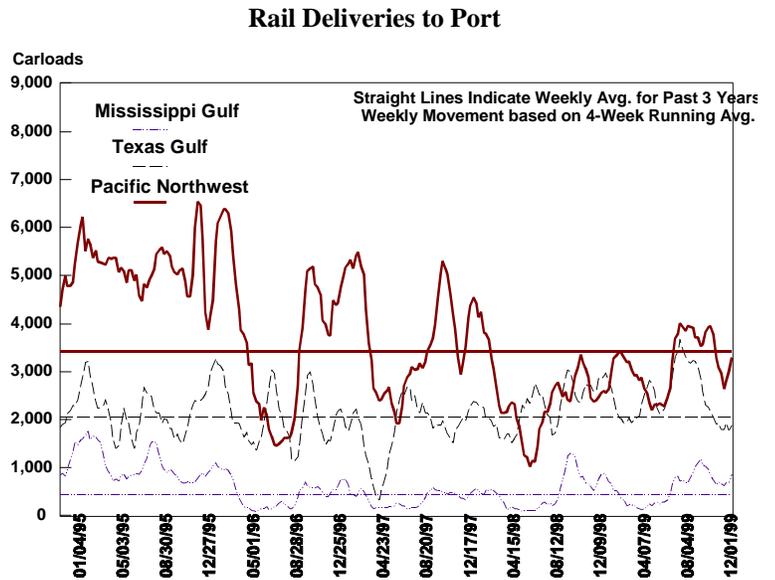
Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
02/07/00	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$22.60	\$0.62
02/07/00	43521	Wheat	Minneapolis, MN	Portland, OR	\$3,877	\$42.74	\$1.16
02/07/00	46540	Wheat	Kansas City, MO	Houston, TX	\$1,550	\$17.09	\$0.47
02/07/00	43586	Wheat	Kansas City, MO	Portland, OR	\$4,133	\$45.56	\$1.24
02/07/00	43581	Wheat	Omaha, NE	Portland, OR	\$3,805	\$41.94	\$1.14
02/07/00	31040	Corn	Minneapolis, MN	Portland, OR	\$3,000	\$33.07	\$0.84
02/07/00	31035	Corn	Kansas City, MO	Portland, OR	\$2,600	\$28.66	\$0.73
02/07/00	31040	Corn	Omaha, NE	Portland, OR	\$2,615	\$28.82	\$0.73
02/07/00	61180	Soybean	Minneapolis, MN	Portland, OR	\$2,880	\$31.75	\$0.86
02/07/00	61180	Soybean	Omaha, NE	Portland, OR	\$2,480	\$27.34	\$0.74
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

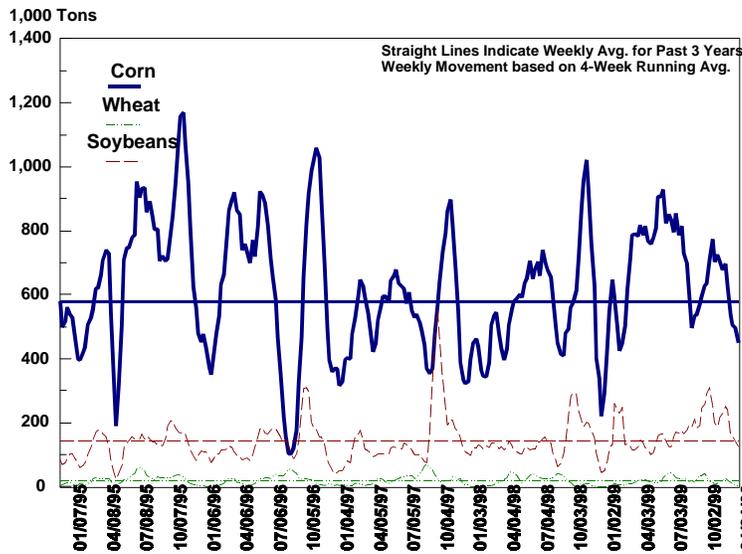
Rail Deliveries to Port				
Carloads				
	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
12/22/99	1,008	2,566	3,384	261
12/29/99	460	1,435	2,645	65
01/05/00	494	1,634	2,235	62
01/12/00	810	2,097	2,927	18
01/19/00	954	1,999*	4,160	870
01/26/00	1,191	1,805	3,827	373
YTD 2000	3,449	7,535*	13,149	1,323
YTD 1999	3,101	11,393	9,821	1,653
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



(\*) Revised Data

Barge Movements - Locks 27



Barge Grain Movements

for week ending 1/29/00

	Corn	Wht	Sybn	Total
	1,000 Tons			
<b>Mississippi River</b>				
Rock Island, IL (L15)	0	0	0	0
Winfield, MO (L25)	0	0	0	0
Alton, IL (L26)	262	0	126	395
Granite City, IL (L27)	276	0	82	370
<b>Illinois River (L8)</b>	289	0	102	406
<b>Ohio (L52)</b>	67	5	36	145
<b>Arkansas (L1)</b>	0	11	11	23
2000 YTD	2,088	100	704	3,083
1999 YTD	1,588	191	335	2,453
Total 1999	31,001	2,401	8,674	45,134
Total 1998	31,226	2,420	8,866	45,625

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>									
01/27/00	870	428	837	442	237	2,813	7,615	3,613	14,041
This Week Year Ago	1,507	271	821	528	175	3,300	8,489	3,493	15,282
<u>Cumulative Exports-Crop Year</u>									
99/00 YTD	7,882	2,888	3,696	2,768	673	17,908	20,689	13,688	52,285
98/99 YTD	7,253	1,327	4,539	4,110	604	17,833	18,441	17,713	53,987
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

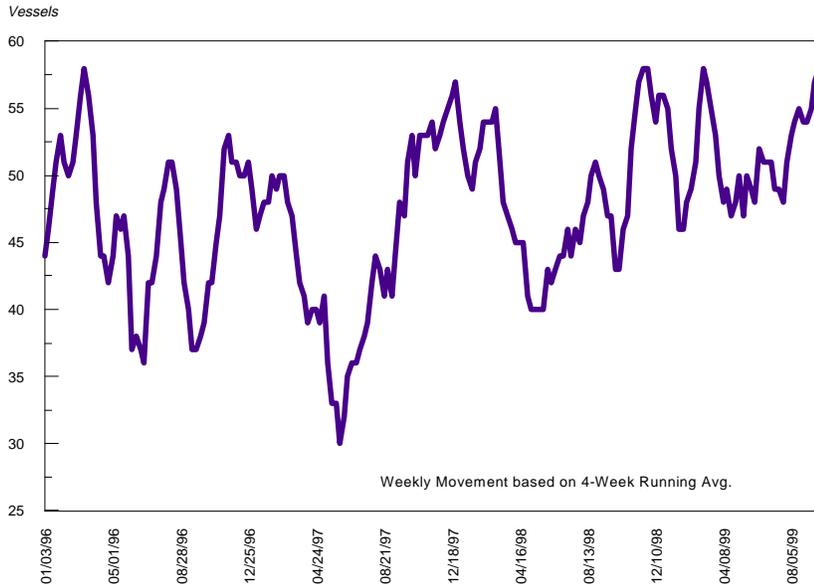
Source: Foreign Agricultural Service YTD-Year-to-Date ([www.fas.usda.gov](http://www.fas.usda.gov)) Crop Year:Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31

<b>Select U.S. Port Regions - Gain 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
02/03/00	281	176	44	115	621	617	98	0	0
2000 YTD	916	778	137	497	2,995	2,164	455	3	87
1999 YTD *	858	392	17	313	2,369	1,579	702	31	269
% of Last Year	8%	18%	21%	10%	10%	15%	6%	1%	6%
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			
	Wheat	Durum	Barley
Week Ended: 2/03/00			
Vancouver	2,553	514	272
Prince Rupert	1,695	4	68
Prairie Direct	437	172	196
Thunder Bay	468	193	165
St. Lawrence	1,673	922	0
1999 YTD Exports	6,826	1,805	701
1998 YTD Exports	5,172	1,470	446
% of Last Year	132%	123%	157%

Source: Canadian Grains Commission; \*current data unavailable  
YTD-Year-to-Date Crop Year 8/1-7/31



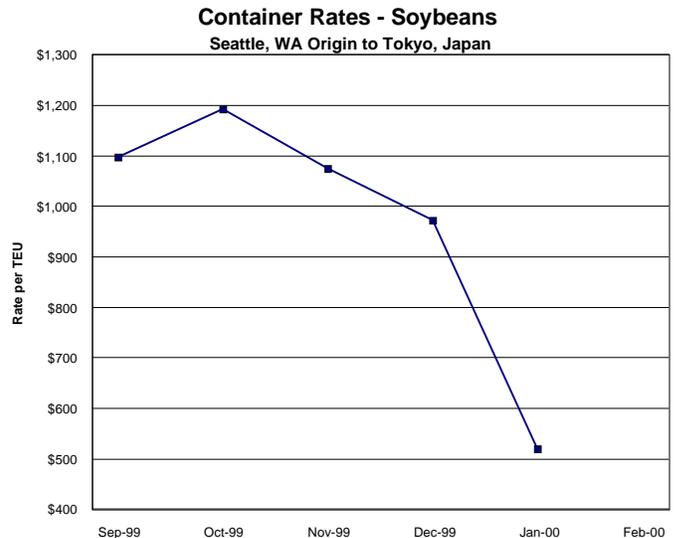
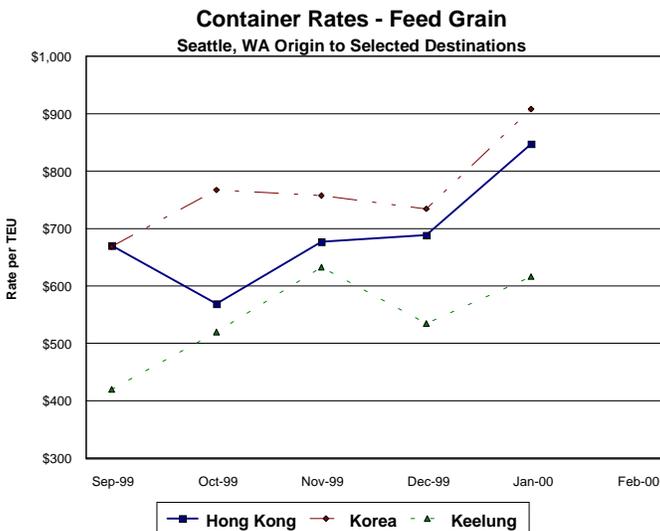
**Gulf Region  
Vessels Loaded  
- Past 7 Days-**

	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
01/27/00	33	54	74	12			8	7	3
02/03/00	40	48	70	9			6	12	4
1999 Range	(14..47)	(39..65)	(34..80)	(6..18)			(2..20)	(2..15)	(0..9)
1998 Range	(19..62)	(34..64)	(40..93)				(1..19)	(3..14)	(0..10)
1999 Avg	32	52	65				9	9	3
1998 Avg	40	48	61				10	9	3
1997 Avg	33	45	58						

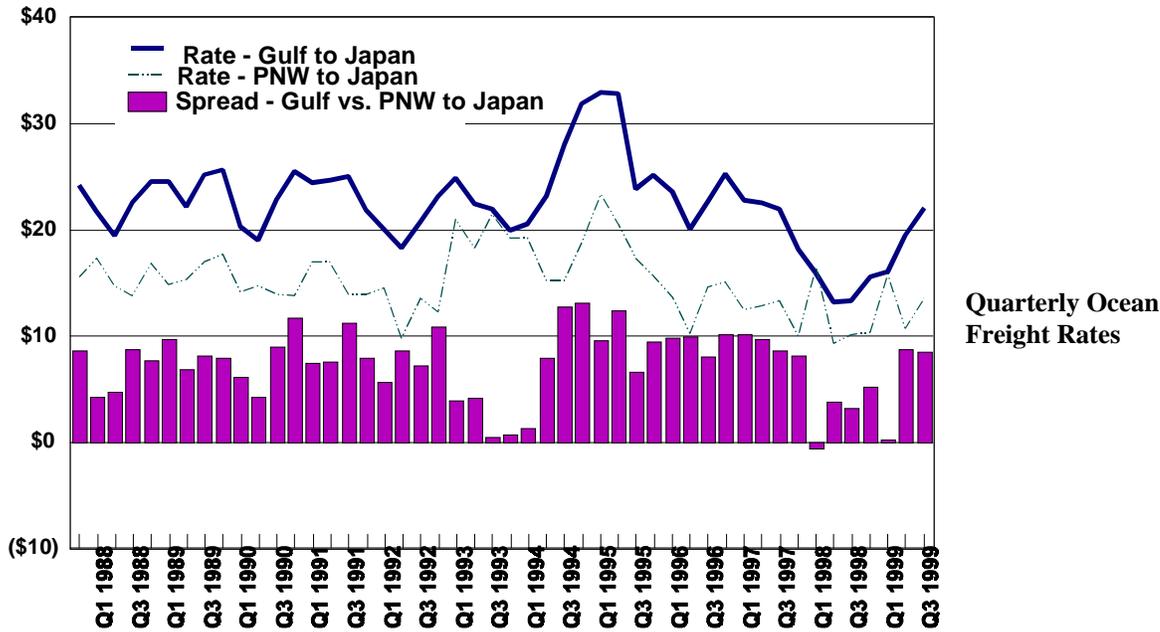
Source: Transportation & Marketing /AMS/ USDA

**Container Ocean Freight Rates**

Monthly Weighted Averages Based on Shipping Line Monthly Mkt. Share



US\$/Metric Ton



**Quarterly Ocean Freight Rates**

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

	1999 4 <sup>th</sup> Qtr	1998 4 <sup>th</sup> Qtr	% Change		1999 4 <sup>th</sup> Qtr	1998 4 <sup>th</sup> Qtr	% Change
<b>Gulf to</b>				<b>Pacific NW to</b>			
Japan	\$22.07	\$13.33	66%	Japan	\$13.55	\$10.17	33%
Mexico	\$15.21	\$14.41	6%	Red Sea/ Arabian Sea			
Venezuela	\$12.10	\$10.87	11%				
N. Europe	\$13.68	\$8.81	55%	<b>Argentina to</b>			
N. Africa	\$21.65	\$15.26	42%	N. Europe	\$17.77	\$12.56	42%
				Japan			

Source: Transportation & Marketing/AMS/USDA; (\*) rates shown are for metric ton (2,250 lbs.=one metric ton)

**Ocean Freight Rates \*(Select Locations) - week ending 2/5/00**

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Gulf	United Kingdom	Grains	Prompt	20,000	\$15.50
Gulf	Holland	Heavy Grain	February	60,000	\$11.15
Gulf	Egypt	Heavy Grain	Prompt	55,000	\$12.50
Gulf	Egypt	Heavy Grain	February	55,000	\$12.00/12.75
Gulf	Taiwan	Heavy Grain	February	54,000	\$19.00
Gulf	Japan	Heavy Grain	February	54,000	\$21.25
Gulf	China	Heavy Grain	February	55,000	\$19.40/19.85
River Plate	Spain	Grains	February	20,000	\$18.75
Rouen (France)	Casablanca	Heavy Grain	February	20,000	\$10.50
Hamburg	Tunisia	Wheat	Spot	25,000	\$12.00

Source: Maritime Research Inc. (\*) rates shown are for long ton (2,240 lbs.=one long ton), F.O.B., except where otherwise indicated.