



GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service
United States Department of Agriculture



MARCH 14, 2000

USDA Critical Of Additional Mergers. In comments recently presented before the Surface Transportation Board (STB), the USDA stated its strong opposition to additional railroad consolidation at this time due to the need to improve rail service first. The USDA document, signed by Marketing and Regulatory Program Under Secretary, Michael Dunn, comes after a December 20, 1999 merger announcement by the Burlington Northern Santa Fe Railroad (BNSF) and the Canadian National Railroad (CN). The consolidation would create a 50,000 mile railroad system extending between Los Angeles and Halifax, Nova Scotia and the Gulf of Mexico and Vancouver, British Columbia, making it the largest railroad in North America. However, the USDA, representing the interests of agricultural producers and shippers, contends that the poor service provided by railroads following previous mergers is cause to oppose future mergers. Railroads need to get better before they get bigger, according to the Department. During 1997 and 1998, a series of listening sessions provided agricultural producers, shippers and local and State officials the opportunity to express their views rail transportation. During these listening sessions, agricultural shippers discussed problems such as a lack of competition among railroads, unavailability of general tariff freight cars, unreasonable delays by railroads in moving loaded cars from shippers' facilities, the failure by railroads to timely notify shippers of car placement, and the inappropriate and ineffective railcar ordering systems failure to meet the needs of smaller grain shippers. In addition, while loading windows have decreased, demurrage penalties, a charge to shippers for holding railcars for an excessive amount of time, have increased. This, while grain elevators are given inadequate notice of railcar delivery. Other issues, such as the segregated handling needed to separate specific bio-engineered crop varieties, will further complicate matters. To avoid commingling of increasing number of grain varieties, smaller-sized shipments will be needed, and will conflict with the ongoing push by Class 1 railroads for the use of the larger unit-trains and shuttle trains. According to the USDA document, rail customers are expected to adjust to the policies of Class 1 railroads rather than have the railroads respond to the needs of customers. During recent testimony to the STB, John Mittleider, of the North Dakota Barley Council commented on this matter, stating, "Huge railroads do not understand the needs of smaller shippers. They are anxious to haul grain from main line stations in 50 or 100 car units." He continued, "Big railroads are pushing in a direction that is often opposite of where agriculture needs to go." This testimony along with others concerning rail mergers and consolidations may be found at may be found at the STB website, www.stb.dot.gov. (USDA, *Grainnet.com*)

BNSF To Increase Rates. The Burlington Northern Santa Fe Railroad (BNSF) plans to increase rates beginning April 1 for wheat transported from the north-central states of Minnesota, North Dakota, South Dakota and Montana. The rate increase from 11 to 12 cents per bushel is a return to pre-July rates, according to BNSF spokesman Jim Sarbourin. Rail rates had been reduced at that time to compete with truck rates. Accordingly, some wheat handlers in the region reported that they will need to reduce their prices paid to producers. (*Grainnet.com*)

U.S.-EU Optimistic Over WTO. U.S. Agriculture Secretary Dan Glickman and the European Union farm commissioner Franz Fischler, dismissed the failure to reach consensus during the recent World Trade Organization (WTO) talks in Seattle, and instead expressed hope for future World Trade Organization talks to begin March 23 in Geneva. Meeting at the Agra Europe Outlook 2000, the two officials emphasized the need to include developing countries in the trade liberalization process. In addition, Secretary Glickman concentrated on China's bid to join the WTO, as well as the concerns of consumers. (*Reuters 2/9*)

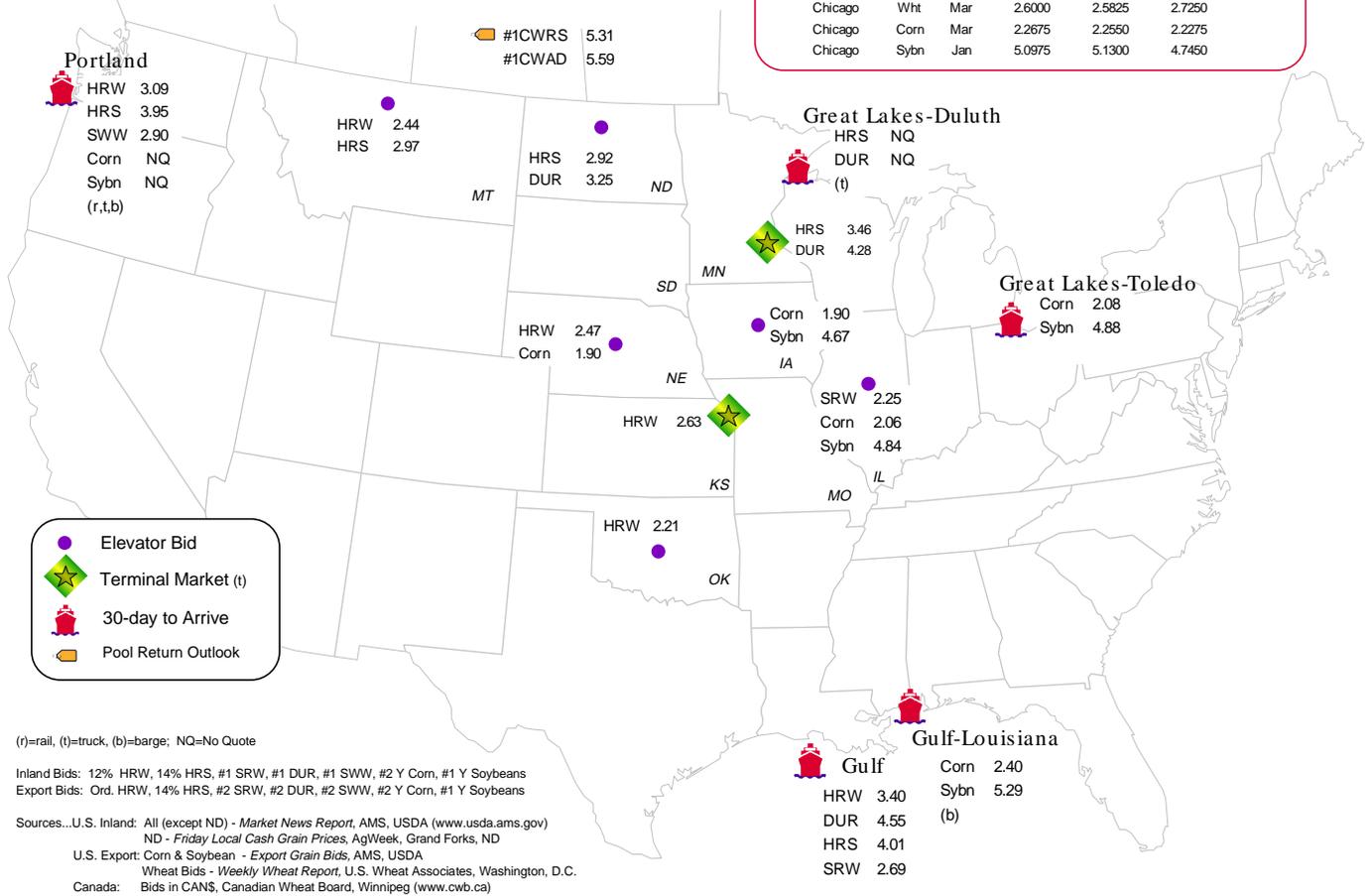
Identity Preserved Grain Website Published. The Shipper and Exporter Assistance (SEA) Program of USDA's Agricultural Marketing Service (AMS) and the Upper Great Plains Transportation Institute (UGPTI), have worked together to develop an informational website concerned with shipping identity preserved (IP) grain in containers. The website was created by Heidi Reichert (USDA) and Kimberly Vachal (UGPTI), in response to the many questions and concerns raised by grain producers and shippers who want to prevent specialty grain from commingling with other grains throughout the entire logistic process, at both the domestic and international level. The information provided in the website includes potential markets for IP grains, the logistics of moving such grains in containers versus traditional bulk systems, and the costs involved. There is also a downloadable spreadsheet that allows a grain producer or shipper to do a price comparison of bulk and container grain shipments. The website is also intended to encourage feedback, questions, inquiries and recommendations about transporting IP grain. This information will be used in the USDA and Department of Transportation (DOT) task force on IP grain transportation, of which, Heidi Reichert and Kimberly Vachal are participants. As part of its goal, the USDA-DOT task force plans to develop a research document addressing the difficulties of shipping specialty and identity preserved grain domestically and internationally. The website is available at: www.ams.usda.gov/tmd/ipgrain. For more information, you may contact Heidi Reichert by telephone at (202) 690-2325, or by e-mail at: heidi.reichert@usda.gov

.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. E-mail comments to GTR@usda.gov.

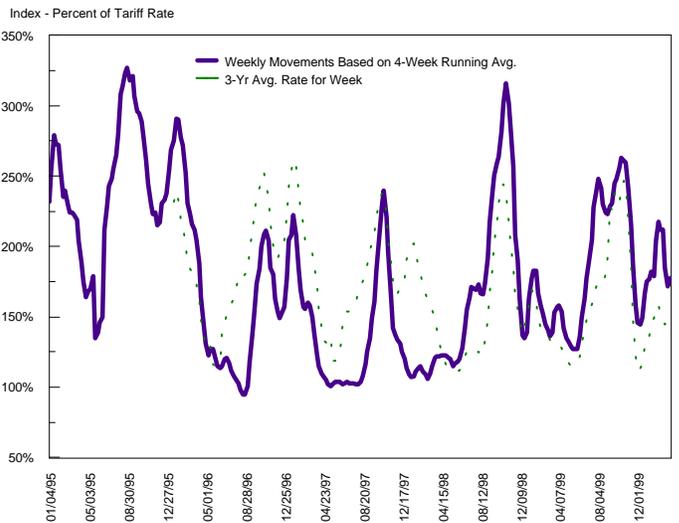
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Grain Bid Summary

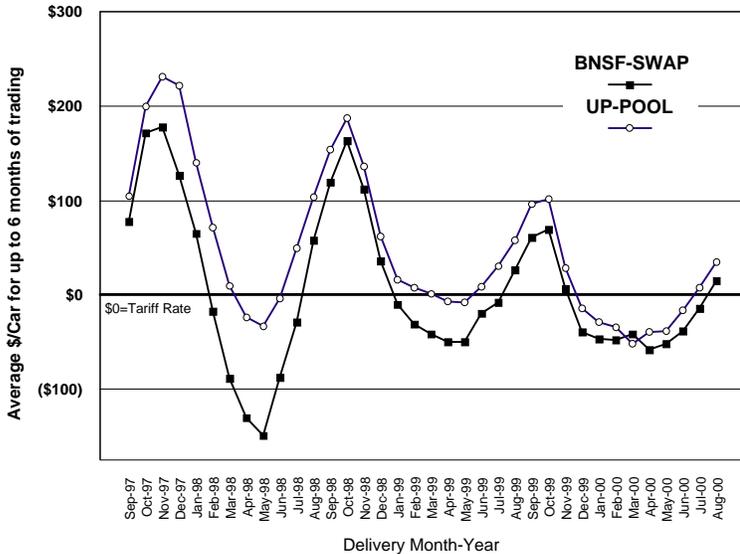
Futures:			03/10/00	Week Ago 03/03/00	Year Ago 03/12/99
Kansas City	Wht	Mar	2.8900	2.8675	3.0225
Minneapolis	Wht	Mar	3.2050	3.2100	3.4700
Minneapolis	Dur	Mar	4.3000	NQ	n.a.
Chicago	Wht	Mar	2.6000	2.5825	2.7250
Chicago	Corn	Mar	2.2675	2.2550	2.2275
Chicago	Sybn	Jan	5.0975	5.1300	4.7450



Spot Barge Rate - Illinois River



Secondary Rail Market Bids



Rail Car 'Auction' Offerings				
Delivery for:	Mar-00		May-00	
	<u>Offered</u>	<u>% Sold</u>	<u>Offered</u>	<u>% Sold</u>
BNSF-COT	12,000	3%	12,000	1%
UP-GCAS	5,400	1%	5,400	0%

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			
	Mar-00	Apr-00	May-00	Jun-00
BNSF-GF	\$(1)	\$(41)	\$(31)	\$(17)
UP-PoolERR		\$(7)	\$(12)	\$(10)

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:	Mar-00	Apr-00	May-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, 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.			

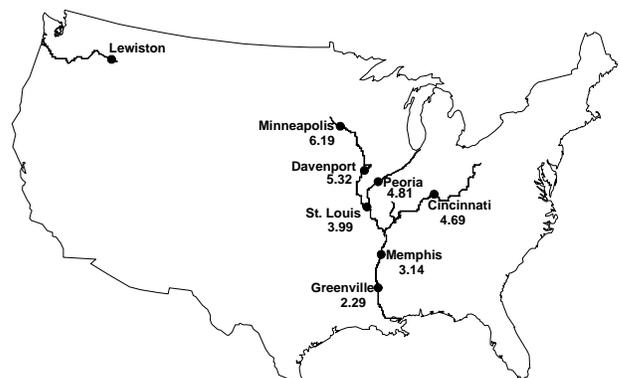
(* current data unavailable)

Southbound Barge Freight Spot Rates

	3/1/00	3/1/00	Apr. '00	June '00
Twin Cities	225	nq	207	207
Mid-Mississippi	187	188	177	177
Illinois River	183	168	166	166
St. Louis	144	153	137	137
Lower Ohio	170	166	145	145
Cairo-Memphis	136	139	132	132

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

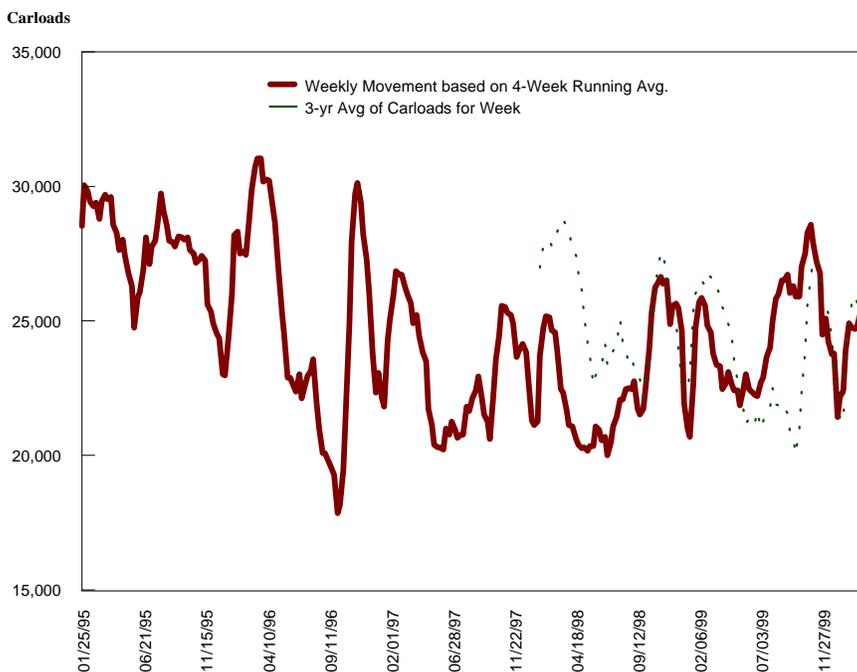
**Barge Benchmark Tariff Rates
Est. 1976 - 'Tariff No. 7'**



Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
2/19/00	25,440
02/26/00	24,743
03/04/00	25,858
Year to Date - 2000	226,935
Year to Date - 1999	223,635
Total 1999	1,269,741

**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
03/04/00	0	2,740	2,350	2,721	9,328	482	8,237	3,194	5,012
This Week Last Year	830	2,540	1,165	2,361	9,764	516	8,136	2,086	2,355
2000 YTD	0	25,711	17,917	26,765	79,270	5,894	71,378	25,796	36,982
1999 YTD	7,018	23,735	13,246	23,919	77,711	6,412	71,594	17,448	26,309
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

March 2000

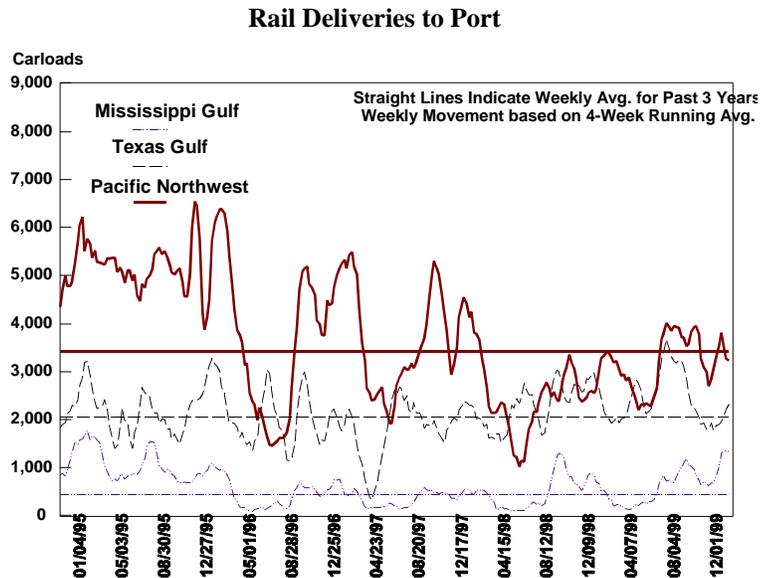
Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
03/06/00	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$22.60	\$0.62
03/06/00	43521	Wheat	Minneapolis, MN	Portland, OR	\$3,877	\$42.74	\$1.16
03/06/00	46540	Wheat	Kansas City, MO	Houston, TX	\$1,550	\$17.09	\$0.47
03/06/00	43586	Wheat	Kansas City, MO	Portland, OR	\$4,133	\$45.56	\$1.24
03/06/00	43581	Wheat	Omaha, NE	Portland, OR	\$3,805	\$41.94	\$1.14
03/06/00	31040	Corn	Minneapolis, MN	Portland, OR	\$3,000	\$33.07	\$0.84
03/06/00	31035	Corn	Kansas City, MO	Portland, OR	\$2,600	\$28.66	\$0.73
03/06/00	31040	Corn	Omaha, NE	Portland, OR	\$2,615	\$28.82	\$0.73
03/06/00	61180	Soybean	Minneapolis, MN	Portland, OR	\$2,880	\$31.75	\$0.86
03/06/00	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

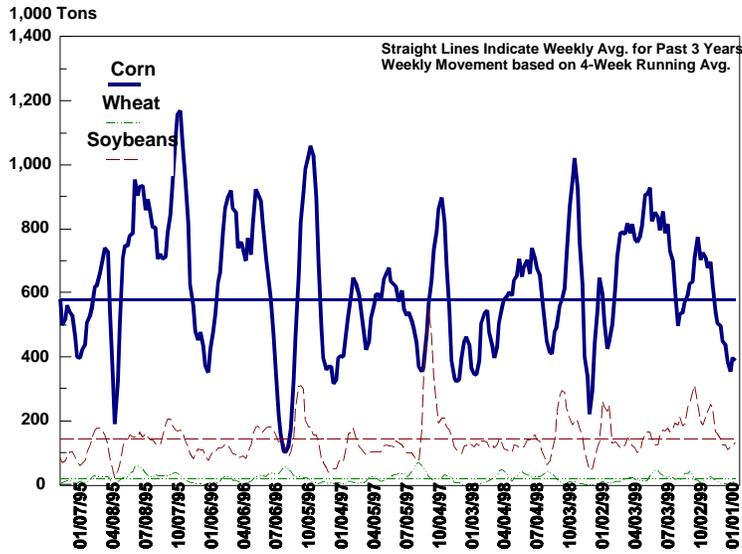
Rail Deliveries to Port				
Carloads				
	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
01/26/00	1,191	1,805	3,903	373
02/02/00	1,302	1,668	3,282	105
02/09/00	1,810	2,370	3,896	830
02/16/00	1,187	2,580	2,816	621
02/23/00	1,167	2,286*	3,128	525
03/01/00	1,195	2,046*	3,121	769
YTD 2000	10,110	18,485*	29,571	4,173
YTD 1999	6,516	24,642	24,193	3,514
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



* Incomplete Data

Barge Movements - Locks 27



Barge Grain Movements

for week ending 3/4/00

	Corn	Wht	Sybn	Total
1,000 Tons				
Mississippi River				
Rock Island, IL (L15)	43	0	2	45
Winfield, MO (L25)	32	0	20	53
Alton, IL (L26)	399	2	126	527
Granite City, IL (L27)	418	2	125	544
Illinois River (L8)	261	2	113	375
Ohio (L52)	44	4	25	132
Arkansas (L1)	0	1	15	17
2000 YTD	4,438	250	1,613	6,717
1999 YTD	4,642	449	1,182	7,086
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>									
02/24/00	966	434	1,109	557	302	3,368	8,220	3,852	15,440
This Week Year Ago	1,542	743	837	728	278	4,128	8,247	3,037	15,412
<u>Cumulative Exports-Crop Year</u>									
99/00 YTD	8,687	3,371	4,208	3,076	741	20,084	25,024	17,091	62,199
98/99 YTD	8,230	1,545	5,142	4,446	684	20,046	23,320	17,713	61,079
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

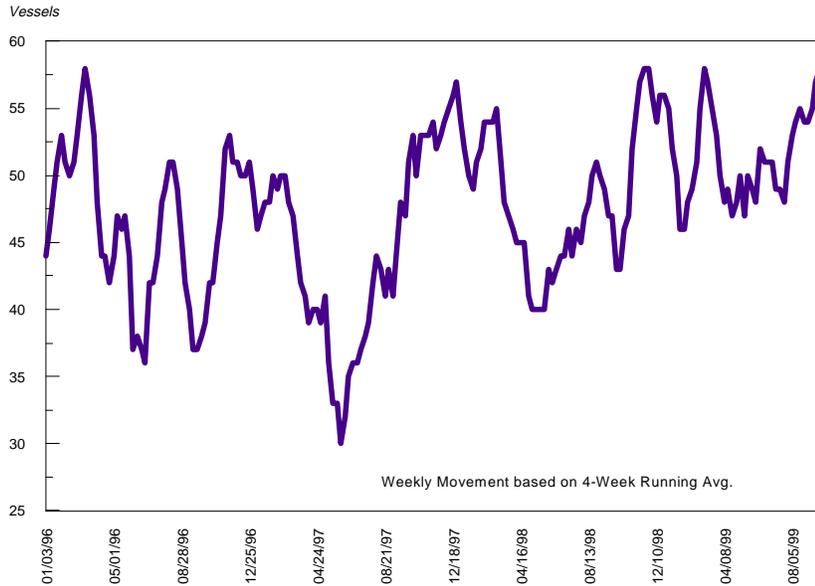
Source: Foreign Agricultural Service YTD-Year-to-Date (www.fas.usda.gov) Crop Year:Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31

Select U.S. Port Regions - Gain Inspections for Export - 1,000 Metric Tons									
	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>		
	Wheat	Corn	Soybean	Wheat	Corn	Soybean	Wheat	Corn	Soybean
03/09/00	116	183	69	43	563	559	122	27	88
2000 YTD	1,724	1,727	337	1,116	6,049	4,646	979	65	473
1999 YTD *	1,902	1,161	61	934	5,862	3,471	1,383	73	499
% of Last Year	16%	39%	52%	22%	19%	31%	13%	12%	34%
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: 3/09/00			
Vancouver	3,193	580	356
Prince Rupert	2,292	3	68
Prairie Direct	562	171	255
Thunder Bay	468	193	165
St. Lawrence	1,870	1,118	0
1999 YTD Exports	8,385	2,065	847
1998 YTD Exports	6,138	2,049	531
% of Last Year	137%	101%	160%

Source: Canadian Grains Commission
YTD-Year-to-Date Crop Year 8/1-7/31



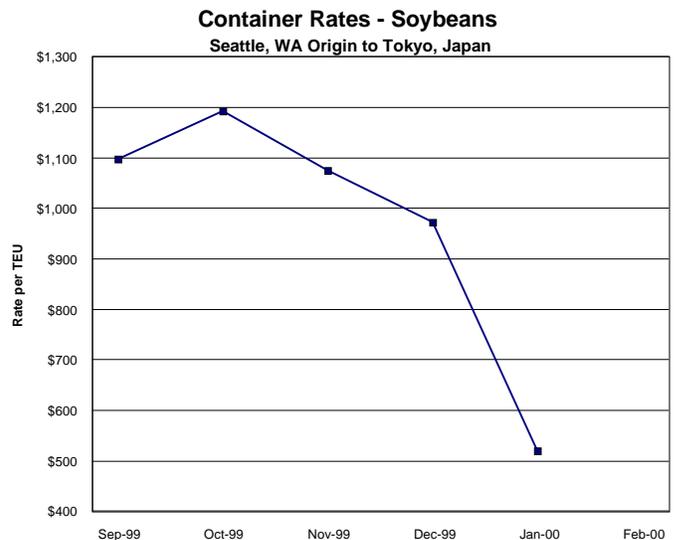
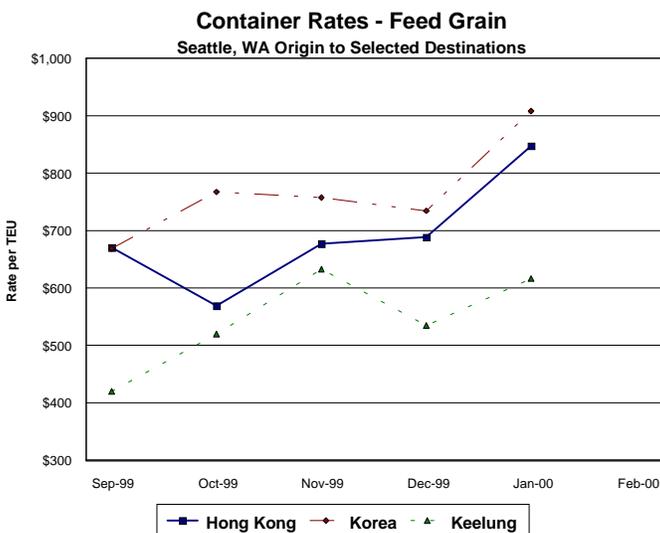
**Gulf Region
Vessels Loaded
- Past 7 Days-**

	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
03/02/00	50	44	65	10			9	12	5
03/09/00	47	52	58	9			10	10	3
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						

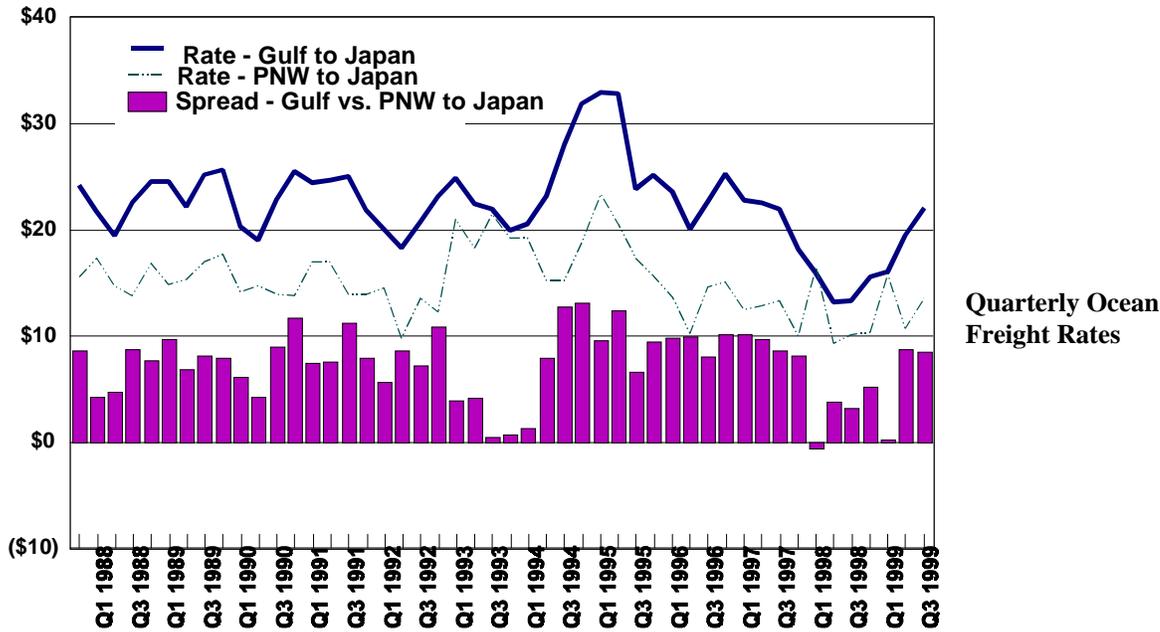
Source: Transportation & Marketing /AMS/ USDA

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	1998	%		1999	1998	%	
		4 th Qtr	4 th Qtr	Change		4 th Qtr	4 th Qtr	Change	
Gulf to	Japan	\$22.07	\$13.33	66%	Pacific NW to	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%					
	N. Africa	\$21.65	\$15.26	42%					
					Argentina to				
					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 3/11/00						
Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)	
Gulf	Mexico (EC)	Heavy Grain	March	30,000	\$10.00	
Gulf	Colombia	Heavy Grain	March	23,000	\$16.00	
Gulf	El Salvador	Heavy Grain	Prompt	32,000	\$16.75	
Gulf	Egypt/Beirut	Grains	Prompt	40,000	\$16.25	
Gulf	Tunisia	Heavy Grain	Prompt	25,000	\$20.50	
So. Brazil	Europe	Soybeans	March	50,000	\$15.40	
So. Brazil	Lisbon/Hamburg	Heavy Grain	March	60,000	\$16.00	
Brazil	Japan	Heavy Grain	May	54,000	\$26.00	
Parana/Nec./Bahia B.	E. Med. (2 Pts.)	Heavy Grain	March	55,000	\$18.75	
Hamburg	Saudi Red Sea	Barley	Prompt	60,000	\$16.50	

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