



GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service
United States Department of Agriculture



APRIL 18, 2000

Annual NGFA Convention Features Noteworthy Speakers. Industry leaders provided participants with insight into the direction of domestic and world agriculture at the recent National Grain and Feed Association (NGFA) Convention. **Allen Andreas**, Chairman and CEO, Archer Daniels Midland Company, discussed several fundamental changes to the agricultural sector, including the rapid globalization of food economies, aggressive investments, the affects of the Asian crisis, and the ongoing impact of e-commerce. Andreas predicted that the industry will continue to grow with improved products at competitive prices, while investors continue to seek aggressive returns. He stated that, although the food industry system cannot be replaced by electronic innovations, it will be driven by the new technology, as well as biotechnology. Advances in biotechnology will be the key to meeting an increase in world food trade volume, which Andreas expects to double during the next decade and then double again during the following decade. In addition, Andreas believes that the current world population of roughly 6 billion will increase by 1.5 billion during the next two decades. This growth, along with limited freshwater access for agriculture in many world regions, will demand increased trade and the use of biotechnology. With regard to the World Trade Organization (WTO), Andreas believes that, since China comprises 20 percent of the world's population, it must be given (WTO) support. Further, he feels that membership should be extended to all nations, as increased trade will foster increased global stewardship of land and other fragile resources. Current American Farm Bureau Federation (AFB) President, **Bob Stallman**, discussed the future priorities and direction of the AFB. Stallman agreed with Andreas that China offers tremendous trade potential and support must be given to this opportunity, despite protests from those such as organized labor and environmental groups. The AFB views foreign markets as the promise for American agriculture, but believes unfair obstacles must be eliminated. According to Stallman, agricultural trade sanctions should be eliminated; otherwise, the industry should be paid for lost sales. Also harmful to American exports are average export tariffs of roughly 50 percent, while the U.S. imposes an average tariff of only 5 percent. The AFB will oppose any supply management proposals to the 1996 farm legislation.

Rep. Charles Stenholm (D-TX), Ranking Member of the House Agriculture Committee, stated that the 1996 farm bill was designed to be the last farm bill and a means to "get Government out of our way." However, given factors such as the unyielding trade policies of the European Union (EU) and Japan, a free world market is not possible, and U.S. producers do not believe in being unilaterally disarmed, according to Rep. Stenholm. Other topics discussed included trade sanctions, trade relations with China, and biotechnology. Rep. Stenholm believes that trade sanctions against a particular country will not be effective unless imposed by all other countries. Trade relations with China and the support of Normal Trade Relations (NTR) is becoming a political battle, and he urged pressure on both sides of House of Representatives to support the issue. Also, Rep. Stenholm sees the uncertain marketability of biotechnology as a significant problem for agriculture and faulted a presumptuous corporate America for this. Europe has begun to use the matter as a nontariff trade barrier. The goal for the U.S., in this regard, is to emphasize the safety of biotechnology. Rep. Stenholm also stressed that the U.S. has the safest, most abundant food supply at the lowest cost but that trade is absolutely critical in order for the industry to survive. One solution he mentioned was for producers to join together and establish commodity prices. The recent merger moratorium imposed by the Surface Transportation Board (STB) was addressed by **Paul Tellier**, Chairman and CEO, Canadian National/Illinois Central Railroads, and **Matt Rose**, President and Chief Operating Officer, Burlington Northern Santa Fe Railway (BNSF). CN/IC and BNSF merger plans face opposition from competing lines, customer groups and Federal Government agencies. In reaction to the STB moratorium, CN/IC's Tellier strongly emphasized that there is no consensus for the moratorium and that opposition comes largely from other rail lines which may be unable compete with a BNSF-CN/IC combination. Tellier also felt that the moratorium is bad policy, is harmful to shippers, is unlawful, and should not be the role of the STB. He also mentioned that a BNSF-CN/IC merger with minimal overlapping service, would create the most efficient railroad in North America with benefits such as better use of assets, extended single line service, and more efficient transatlantic service. Likewise, BNSF's Matt Rose touted the on-time performance, days-late improvements, and a penalty free COT (certificate of transportation) program. He also noted the customer focused benefits of increased BNSF capital investment on program maintenance, locomotives, expansion, and information systems, for example. Rose highlighted several points regarding the role of the STB and rules for the industry. He mentioned, for example, that the STB should support railroad efforts to gain efficiencies or add capacity that promotes growth for U.S. agriculture, and impose conditions that preserve competition when approving Class 1 carrier consolidation. In addition, merging or consolidating railroads should not pass costs on to the marketplace, as well as railroads should compensate shippers damaged by merger related service disruptions. Among other points, Rose also noted that the STB should closely scrutinize the impact of a proposed merger on the financial health of the resulting entity. The USDA strongly supports the STB moratorium on rail mergers. It is the view of this Federal agency that the rapid consolidation of the railroad industry requires a comprehensive and thoughtful review of merger policy before approval of further mergers.

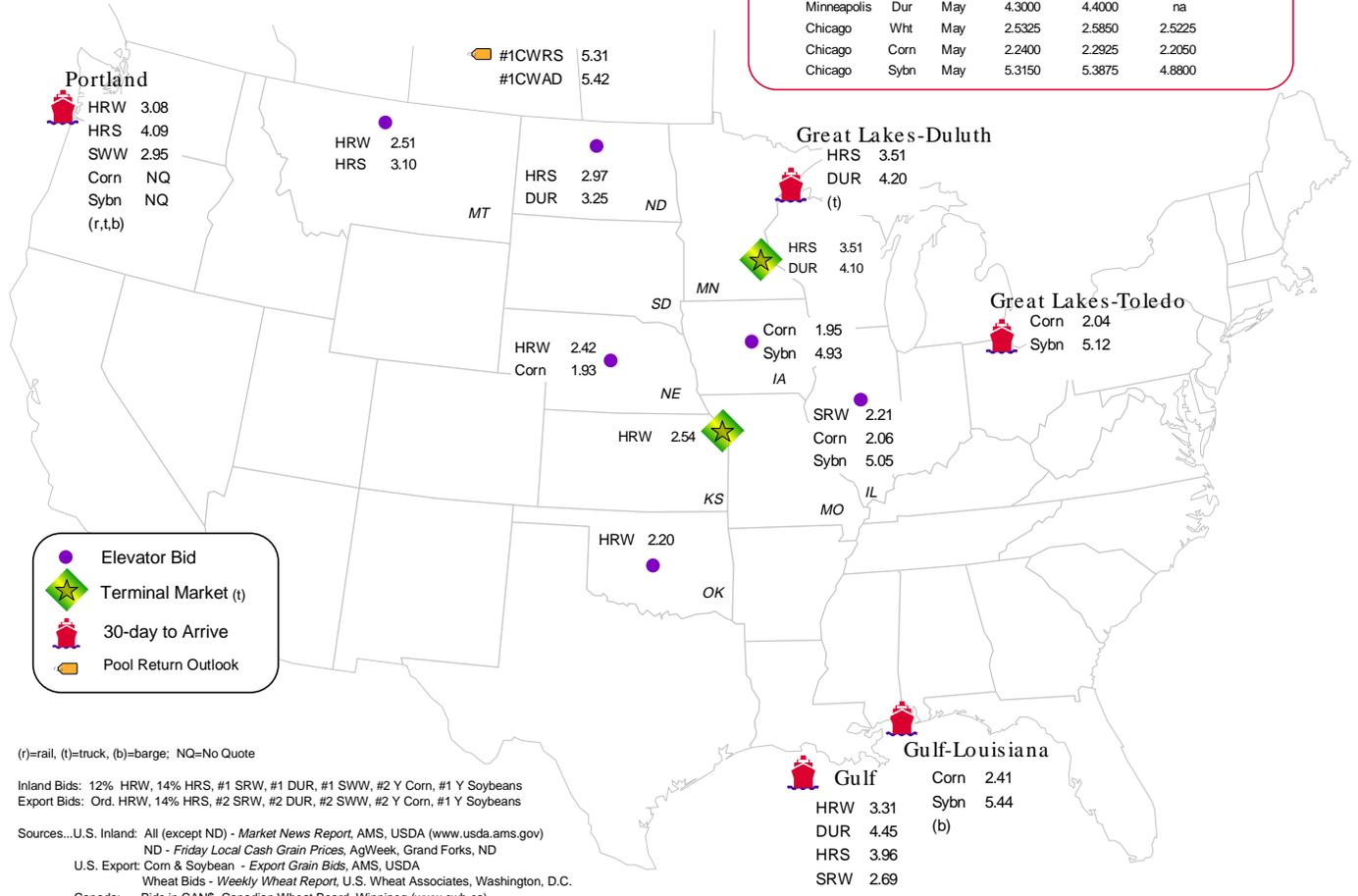
Report is prepared by Karl Hacker, Agricultural Economist, Transportation & Marketing, Agricultural Marketing Service, USDA (202) 690-1304. Report design by Kimberly Vachal, Upper Great Plains Transportation Institute, North Dakota State University. You can retrieve this document from our Automatic Fax 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

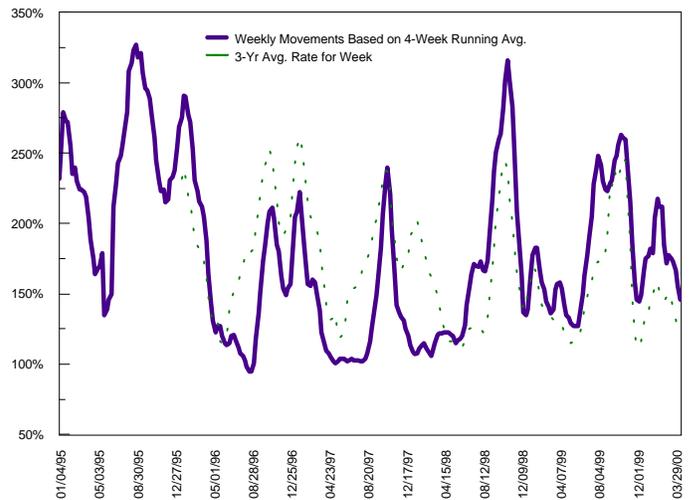


Futures:			04/14/00	Week Ago 04/07/00	Year Ago 04/17/99
Kansas City	Wht	May	2.7875	2.8350	2.8025
Minneapolis	Wht	May	3.1900	3.2350	3.2650
Minneapolis	Dur	May	4.3000	4.4000	na
Chicago	Wht	May	2.5325	2.5850	2.5225
Chicago	Corn	May	2.2400	2.2925	2.2050
Chicago	Sybn	May	5.3150	5.3875	4.8800

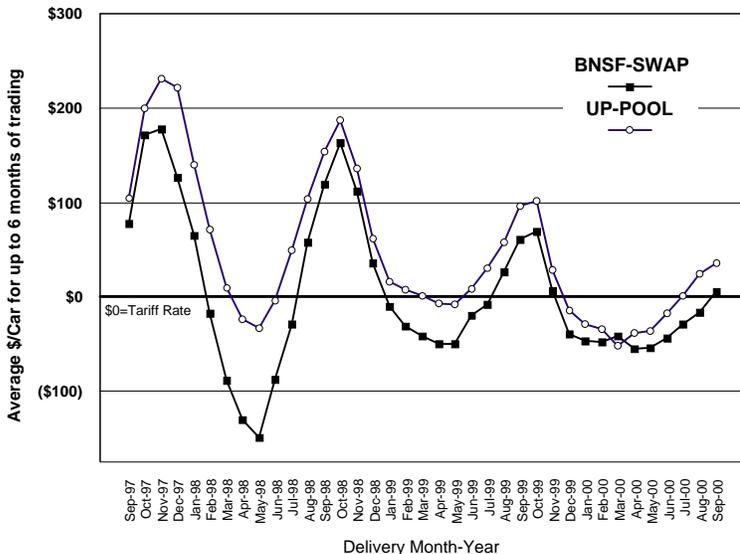


Spot Barge Rate - Illinois River

Index - Percent of Tariff Rate



Secondary Rail Market Bids



Rail Car 'Auction' Offerings				
Delivery for:	Apr-00		Jun-00	
	<u>Offered</u>	<u>% Sold</u>	<u>Offered</u>	<u>% Sold</u>
BNSF-COT	11,999	16%	12,000	27%
UP-GCAS	5,400	1%	5,400	3%

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			
	Apr-00	May-00	Jun-00	Jul-00
BNSF-GF	\$(15)	\$(61)	\$(57)	\$(47)
UP-Pool	n.a.	\$(26)	\$(26)	\$(20)

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:	May-00	Jun-00	Jul-00
COT/N. Grain	no bid	no bid	no bid
COT/S. Grain	no bid	no bid	\$0
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.			

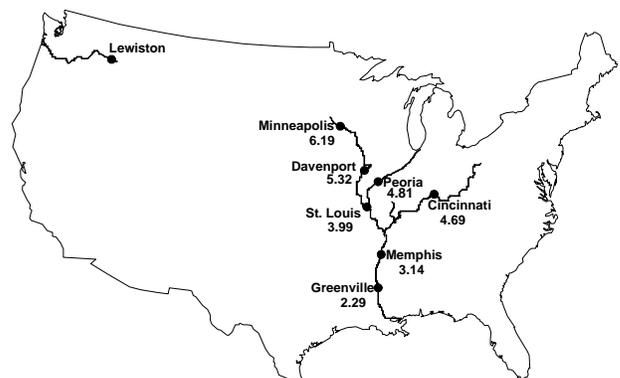
(* we regret that this data is currently unavailable

Southbound Barge Freight Spot Rates

	4/12/00	4/5/00	May '00	July '00
Twin Cities	186	183	187	199
Mid-Mississippi	154	149	156	170
Illinois River	134	140	141	160
St. Louis	116	117	121	134
Lower Ohio	121	123	124	138
Cairo-Memphis	111	113	116	135

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

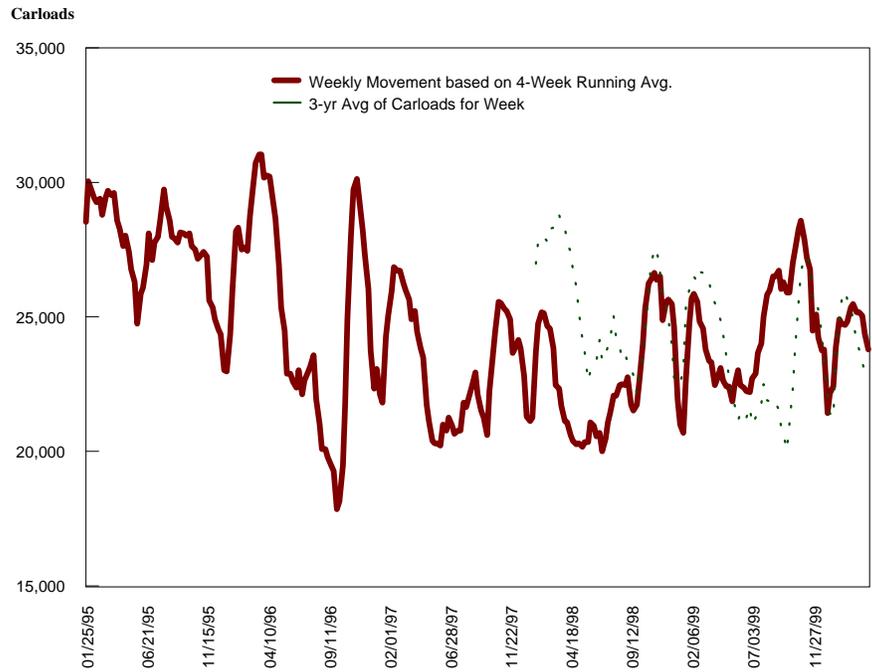
**Barge Benchmark Tariff Rates
Est. 1976 - 'Tariff No. 7'**



Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
3/25/00	24,183
4/1/00	23,129
4/8/00	22,683
Year to Date - 2000	347,084
Year to Date - 1999	336,759
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
04/08/00	0	2,994	1,432	2,772	7,241	472	7,772	2,802	5,529
This Week Last Year	895	2,431	690	2,326	8,387	872	7,690	2,483	3,853
2000 YTD	0	40,699	26,411	41,256	119,849	8,930	109,939	40,755	62,887
1999 YTD	11,152	36,068	19,794	35,861	115,759	10,141	107,984	27,108	41,874
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

April 2000

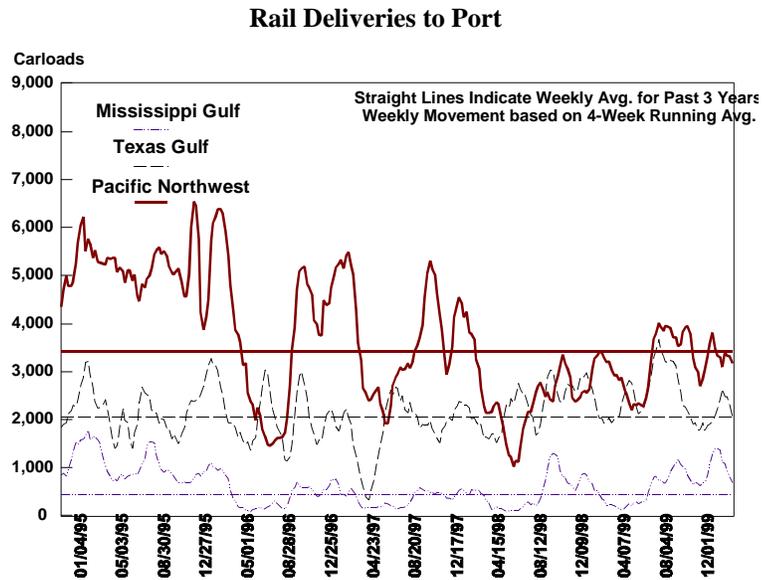
Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
04/10/00	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$22.60	\$0.62
04/10/00	43521	Wheat	Minneapolis, MN	Portland, OR	\$3,877	\$42.74	\$1.16
04/10/00	46540	Wheat	Kansas City, MO	Houston, TX	\$1,550	\$17.09	\$0.47
04/10/00	43586	Wheat	Kansas City, MO	Portland, OR	\$4,133	\$45.56	\$1.24
04/10/00	43581	Wheat	Omaha, NE	Portland, OR	\$3,805	\$41.94	\$1.14
04/10/00	31040	Corn	Minneapolis, MN	Portland, OR	\$3,000	\$33.07	\$0.84
04/10/00	31035	Corn	Kansas City, MO	Portland, OR	\$2,600	\$28.66	\$0.73
04/10/00	31040	Corn	Omaha, NE	Portland, OR	\$2,615	\$28.82	\$0.73
04/10/00	61180	Soybean	Minneapolis, MN	Portland, OR	\$2,880	\$31.75	\$0.86
04/10/00	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

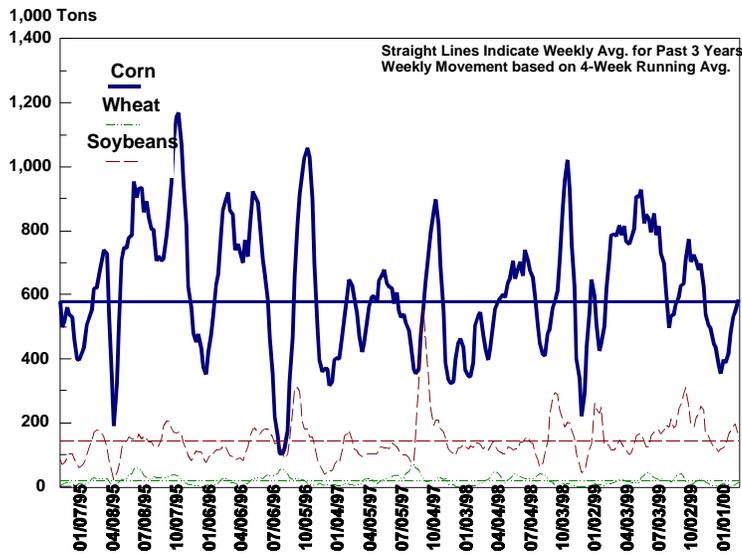
Rail Deliveries to Port				
Carloads				
	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
03/01/00	1,195	2,519	3,121	769
03/08/00	853	3,042	3,118	770
03/15/00	1,111	1,993	4,202	206
03/22/00	640	2,358	2,923	396
03/29/00	629*	1,804	2,998	110
04/05/00	355	2,076	2,601	237
YTD 2000	13,824	30,322	45,625	5,892
YTD 1999	8,169	34,487	41,149	5,661
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 4/8/00

	Corn	Wht	Sybn	Total
	1,000 Tons			
Mississippi River				
Rock Island, IL (L15)	328	20	34	391
Winfield, MO (L25)	435	36	48	535
Alton, IL (L26)	573	22	107	717
Granite City, IL (L27)	554	22	120	711
Illinois River (L8)	169	0	54	223
Ohio (L52)	29	7	19	67
Arkansas (L1)	0	24	7	31
2000 YTD	7,464	432	2,699	11,190
1999 YTD	8,025	691	1,925	11,784
Total 1999*	36,711	2,883	9,771	51,887
Total 1998*	31,001	2,401	8,674	45,134

Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.
Source: U.S. Army Corp of Engineers; * Corrected Data

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

	HRW	SRW	HRS	Wheat		All	Corn	Soybean	Total
				SWW	DUR				
<u>Unshipped Exports-Crop Year</u>									
04/06/00	1,112	345	1,035	597	322	3,411	7,305	2,041	12,757
This Week Year Ago	1,242	518	1,062	525	160	3,506	7,274	2,572	13,352
<u>Cumulative Exports-Crop Year</u>									
99/00 YTD	9,298	3,726	4,803	3,390	804	22,022	29,711	20,471	72,204
98/99 YTD	8,970	1,973	5,524	4,822	849	22,139	28,194	17,713	68,046
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

	Pacific Region			Mississippi Gulf			Texas Gulf		
	Wheat	Corn	Soybean	Wheat	Corn	Soybean	Wheat	Corn	Soybean
04/13/00	86	163	13	131	616	266	93	0	39
2000 YTD	2,537	2,488	560	1,799	9,309	6,689	1,545	86	670
1999 YTD *	2,946	2,183	67	1,616	9,236	4,925	1,730	191	590
% of Last Year	23%	57%	86%	36%	30%	45%	21%	15%	48%
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)

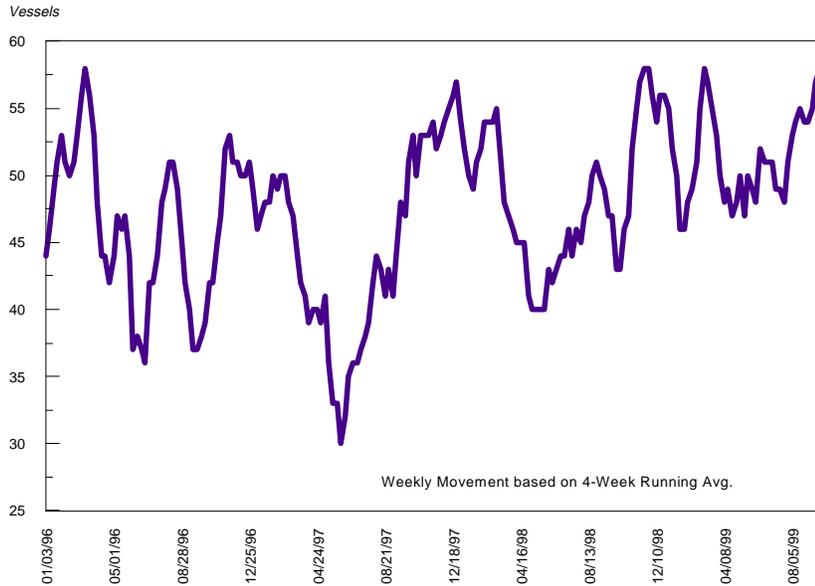
Select Canadian Ports - Export Inspections

1,000 Metric Tons, Crop Year

	Wheat	Durum	Barley
Week Ended: 4/13/00			
Vancouver	4,050	638	571
Prince Rupert	2,805	3	89
Prairie Direct	731	193	324
Thunder Bay	468	193	186
St. Lawrence	2,099	1,379	0
1999 YTD Exports	10,153	2,406	1,174
1998 YTD Exports	6,898	2,334	647
% of Last Year	147%	103%	181%

Source: Canadian Grains Commission

YTD-Year-to-Date Crop Year 8/1-7/31



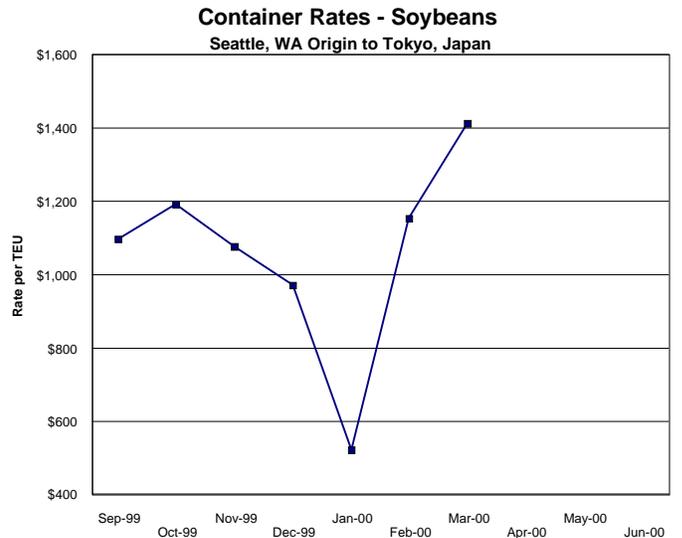
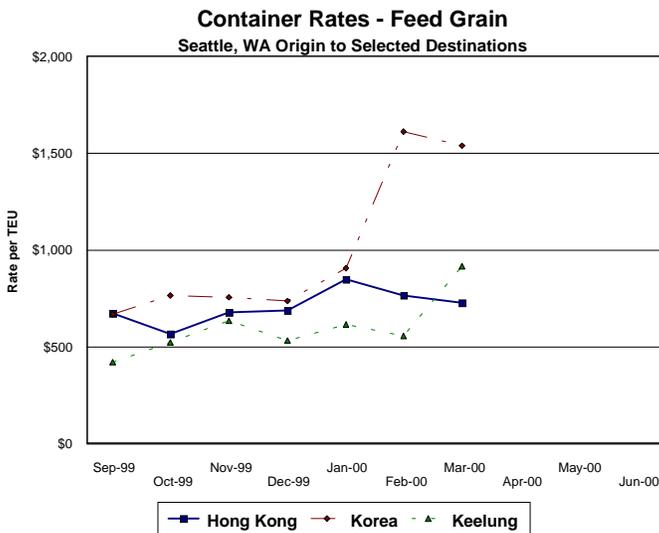
**Gulf Region
Vessels Loaded
- Past 7 Days-**

	Gulf			Pacific Northwest			Vancouver, B.C.		
	In Port	Loaded 7-Days	Due Next 10-Days	In Port	Loaded 7-Days	Due Next 10-Days	In Port	Loaded 7-Days	Due Next 10-Days
04/06/00	26	46	53	8			7	12	3
04/13/00	24	47	59	8			7	8	0
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						

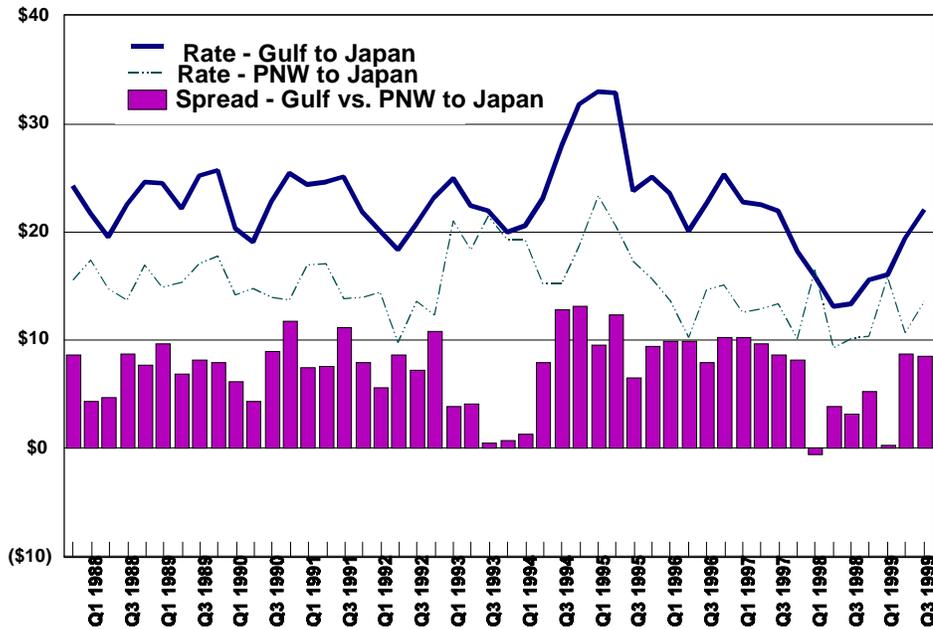
Source: Transportation & Marketing /AMS/ USDA

Container Ocean Freight Rates

Monthly Weighted Averages Based on Shipping Line Monthly Mkt. Share



US\$/Metric Ton



Quarterly Ocean Freight Rates

Quarterly Ocean Freight Rates

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

	1999 4 th Qtr	1998 4 th Qtr	% Change		1999 4 th Qtr	1998 4 th Qtr	% Change
Gulf to				Pacific NW to			
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%	Argentina to			
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 4/15/00

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Gulf	Rota (Spain)	Heavy Grain	Apr10/20	55,000	\$14.25
Gulf	Amsterdam	Heavy Grain	Apr21/27	55,000	\$12.50
Gulf	Egypt	Heavy Grain	Apr13/24	55,000	\$14.50
Gulf	Taiwan	Heavy Grain	May11/20	56,000	\$22.00
Gulf	Japan	Heavy Grain	May1/10	54,000	\$22.50
Gulf	China	Heavy Grain	Apr20/30	55,000	\$21.50
N. Brazil	Vera Cruz (Mex.)	Heavy Grain	Prompt	25,000	\$15.00
Paranagua	Lisbon	Heavy Grain	Apr26/May3	40,000	\$16.00
Parana River	Spain	Grains	Apr10/20	42,000	\$19.75
Parana River	Thailand	Grains	Apr17/22	30,000	\$29.50

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