



# GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service  
United States Department of Agriculture



NOVEMBER 20, 2001

**STB Rules on Railroad Classification:** On November 7, the Surface Transportation Board (STB) ruled that financial data from affiliated railroads with integrated operations in the United States must be combined for purposes of determining whether railroad systems are Class I, Class II, or Class III railroads. The regulatory classification of a railroad is determined by its level of revenues, indexed for inflation. During 1999, a Class I railroad generated revenues of at least \$258.5 million, a Class II railroad had operating revenues of \$20.7-\$258.4 million, and Class III railroads had revenues of less than \$20.7 million. Under STB rules, a railroad attains Class I status only after satisfying the revenue requirement for 3 consecutive years.

In its decision, the STB referred favorably to the concerns expressed by both USDA and the short line and regional railroad industry, stating that it does not intend to reimpose reporting requirements on smaller, non-Class I railroads that had been relieved of reporting obligations in the 1980s and that Class II and III railroads would not be reclassified simply because they have corporate relationships with other railroads. However, the STB noted that, when a group of commonly controlled railroads is operated as a single, integrated rail system, that integration should be recognized for railroad classification purposes. The reporting requirements will take effect in the reporting year beginning January 1, 2002.

In its comments, filed on November 27, 2000, USDA agreed with the STB that consolidated financial reporting would have some benefits but expressed concern that it could have possible adverse effects on smaller railroads serving rural areas. USDA stated that consolidated reporting of financial data could result in the reclassification of smaller railroads as either Class I or II railroads, which would result in greatly increased reporting requirements, as well as application of more stringent merger rules and labor protection conditions. Although they have preserved rail service to agricultural and other regions, smaller railroads are often only marginally profitable since they operate lines having lower railcar traffic densities. Thus, increased costs associated with increased regulatory burdens could affect the ability of smaller railroads to continue serving rural areas and could increase shipping costs, which are ultimately borne by agricultural producers. Thus, USDA asserted that commonly owned, noncontiguous lines should not have the same reporting requirements as commonly owned, contiguous lines. (USDA, Marketing and Transportation Analysis, Marvin Prater, [Marvin.Prater@usda.gov](mailto:Marvin.Prater@usda.gov), 11/13/01)

**Mississippi Locks 27 Hits Weekly Million-Ton Mark.** Grain traffic at Mississippi River Locks and Dam 27, the last lock on the Mississippi River, was 1.1 million tons for the week ending November 10, a 48-percent increase over last week's volume but only a 5-percent increase as compared to the 5-year weekly average. This indicates a late start of the annual surge of barged grain shipments that will continue until mid-December, when most of the upper Mississippi River is closed to barge shipping for the winter. (USDA, Marketing and Transportation Analysis, Nick Marathon, [Nick.Marathon@usda.gov](mailto:Nick.Marathon@usda.gov), 11/14/01)

**Small Planes Over Barges on the Mississippi River.** Once again, there are reports of small planes flying low over barges on the Mississippi River. On November 11, the Federal Bureau of Investigation (FBI) reported that three small airplanes flew about 30 feet over a tugboat and its barges, with one plane dropping a smoky substance. The incident happened on the Mississippi River, 14 miles upstream from Cairo, IL. There were no injuries, and the Coast Guard did not find any suspicious or hazardous material. The FBI is searching for the owners of the planes. (USDA, Marketing and Transportation Analysis, Nick Marathon, [Nick.Marathon@usda.gov](mailto:Nick.Marathon@usda.gov), 11/9/01)

**Possibility for Increased Rail Operations.** Union Pacific Railroad (UP) states that increased security due to the September 11 terrorist attacks could result in new rail business opportunities because railroads have not experienced lengthy border delays as have trucks. The U.S. Customs Service's gamma x-ray machine at Laredo, TX, can look through steel railcars and identify anything suspicious; this allows the rail interchange at the border to be fluid. UP revenues from shipping into and out of Mexico remain strong, especially for agricultural products.

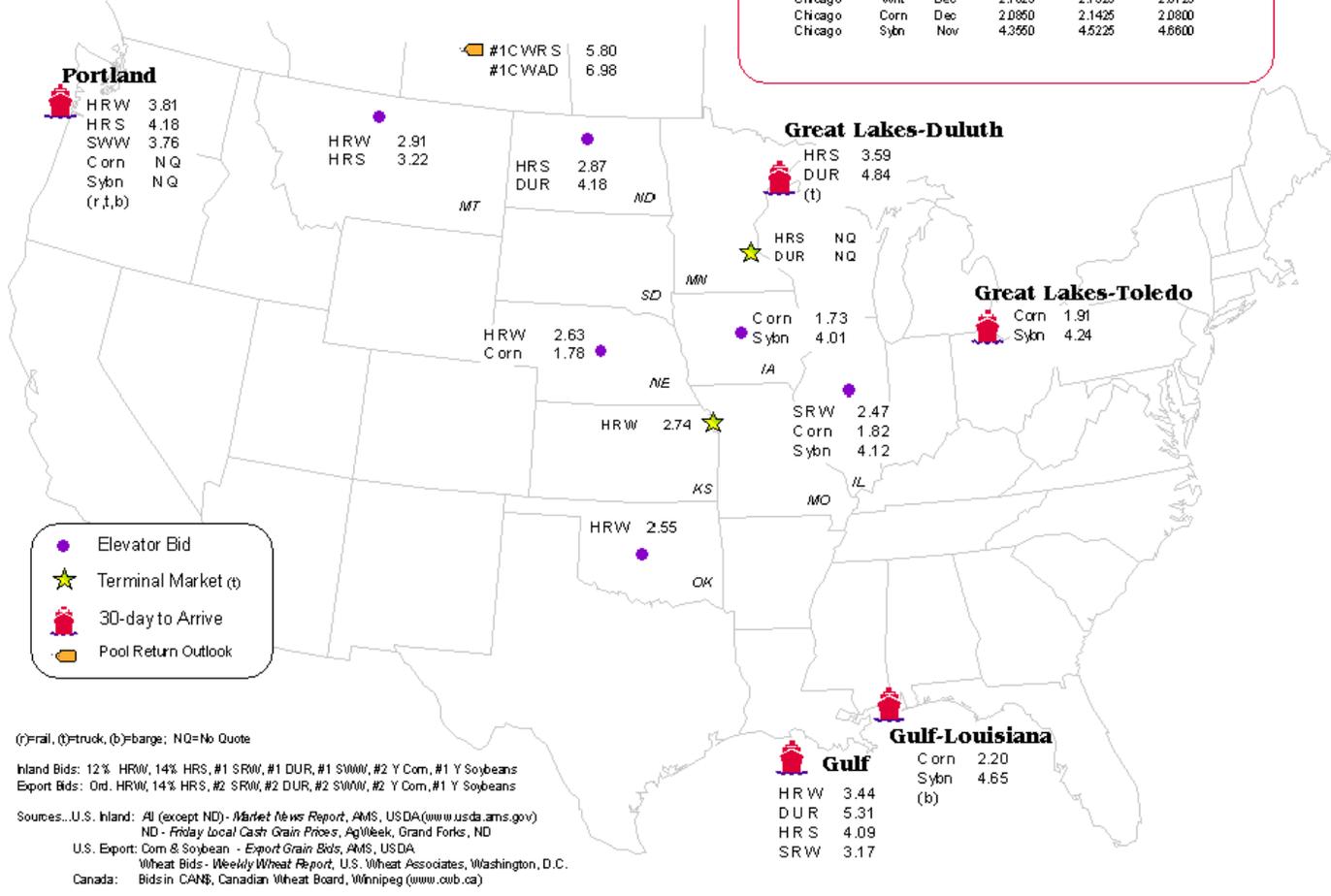
The Railway Association of Canada (RAC) states that railroads can do more to reduce border congestion. RAC claims that Canada exports 85 percent of its goods to the United States while 50 percent of U.S. exports go to Canada. Almost two million freight shipments cross the U.S.-Canadian border by rail each year. (USDA, Marketing and Transportation Analysis, Marvin Prater, [Marvin.Prater@usda.gov](mailto:Marvin.Prater@usda.gov), 11/6/01)

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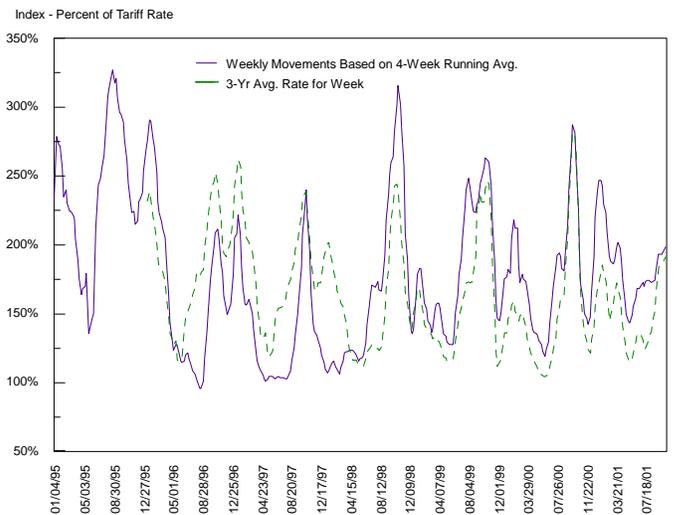
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# Grain Bid Summary

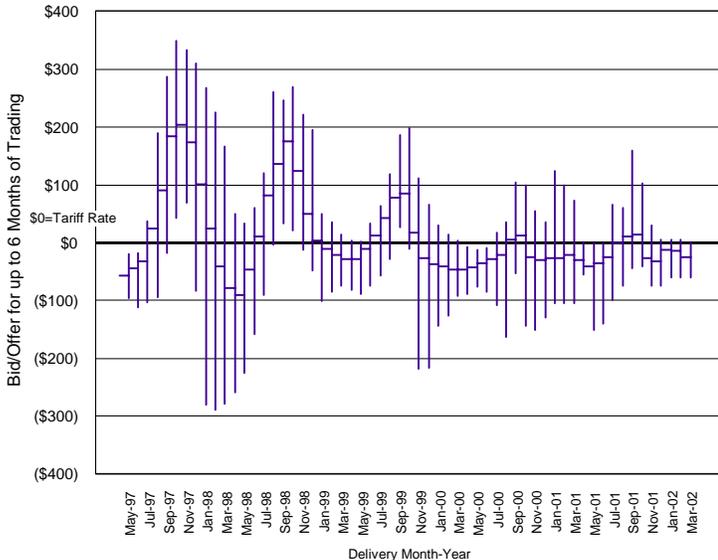
Futures:			10/11/2001	Week Ago 10/04/2001	Year Ago 10/13/2000
Kansas City	Wht	Dec	2.8375	2.8600	3.2000
Minneapolis	Wht	Dec	3.0600	3.0650	3.3275
Minneapolis	Dur	Dec	n.a.	n.a.	n.a.
Chicago	Wht	Dec	2.7625	2.7325	2.6725
Chicago	Corn	Dec	2.0850	2.1425	2.0800
Chicago	Sybn	Nov	4.3550	4.5225	4.6600



## Spot Barge Rate - Illinois River



## Secondary Rail Market Bids



Rail Car 'Auction' Offerings				
Delivery for:	Dec-01		Jan-02	
	Offered	% Sold	Offered	% Sold
BNSF-COT	11,047	20%	13,454	2%
UP-GCAS	5,400	0%	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			
	Nov-01	Dec-01	Jan-02	Feb-02
BNSF-GF	\$(56)	\$(42)	\$(27)	\$(27)
UP-Pool	\$10	\$(18)	\$(35)	\$(37)

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:	Dec-01	Jan-02	Feb-02
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/Cash Basis Values**

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	Rate	
			Futures	Cash
11/16/01	St. Louis	Dec	128	135
		Feb	128	135
		Apr	139	135
		Jun	0	135
	Illinois River	Aug	0	0
		Dec	173	163
		Feb	180	183
		Apr	0	163
		Jun	0	0
		Aug	0	0

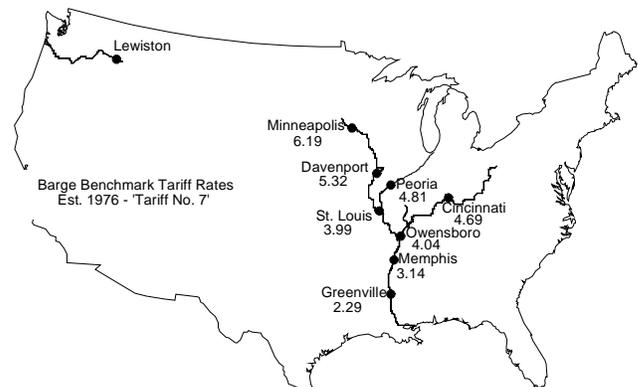
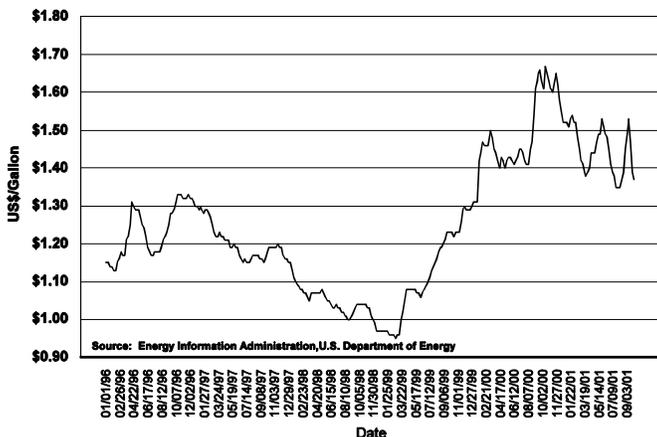
Source: St. Louis Merchants Exchange

**Southbound Barge Freight Spot Rates**

	11/14/01	11/7/01	Dec '01	Feb '02
Twin Cities	186	200	0	0
Mid-Mississippi	196	185	0	0
Illinois River	136	179	167	177
St. Louis	135	165	138	136
Lower Ohio	169	200	145	144
Cairo-Memphis	128	161	133	132

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

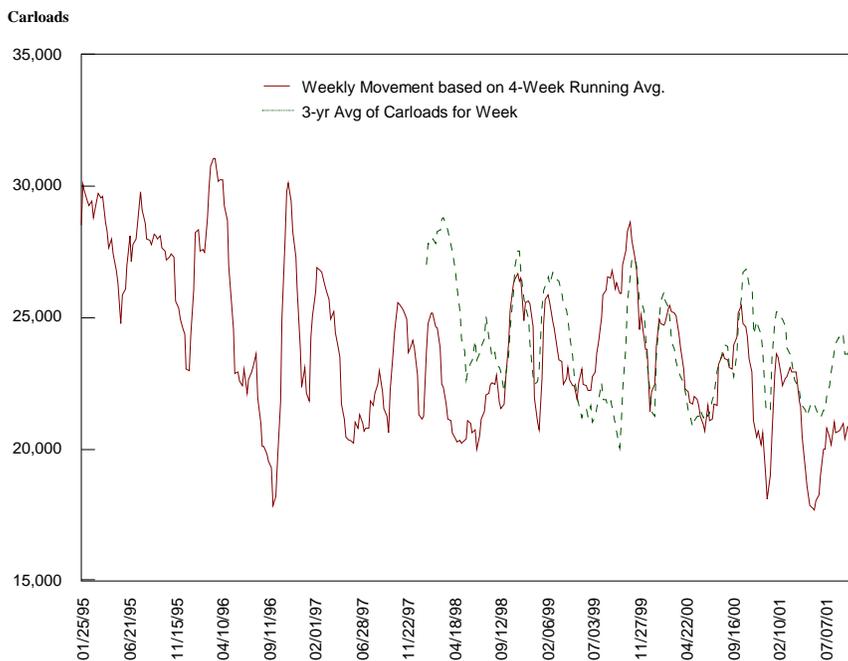
**Weekly Retail Diesel (Road) Prices (Including Taxes)**



**Grain Car Loadings for Class I Railroads**

<b>Class I Railroad Grain Car Loadings</b>	
Week Ending:	Carloads
10/27/01	25,002
11/03/01	26,917
11/10/01	25,567
Year to Date - 2001	969,238
Year to Date - 2000	1,052,586
Total 2000	1,188,917
Total 1999	1,270,375

Source: Association of American Railroads



**Class I Rail Carrier Grain Car Bulletin**

Grain Carloads Originated

	East				West			Canada	
	Conrail	CSXT	IC	NS	BNSF	KCS	UP	CN	CP
11/10/01	0	3,454	0	4,503	9,622	563	7,425	5,360	5,258
This Week Last Year	0	3,355	0	2,943	8,369	468	6,552	4,132	4,356
2001 YTD	0	131,952	0	140,731	371,565	22,133	302,857	220,573	202,856
2000 YTD	0	127,783	70,155	134,522	371,149	24,066	324,911	131,246	209,929
2000 Total	0	147,708	70,155	153,905	425,849	26,515	364,785	160,749	239,670
1999 Total	15,522	132,157	88,056	138,379	465,088	33,911	398,262	121,381	206,328

Source: Association of American Railroads

**Tariff Rail Rates for Unit Train Shipments**

October 2001

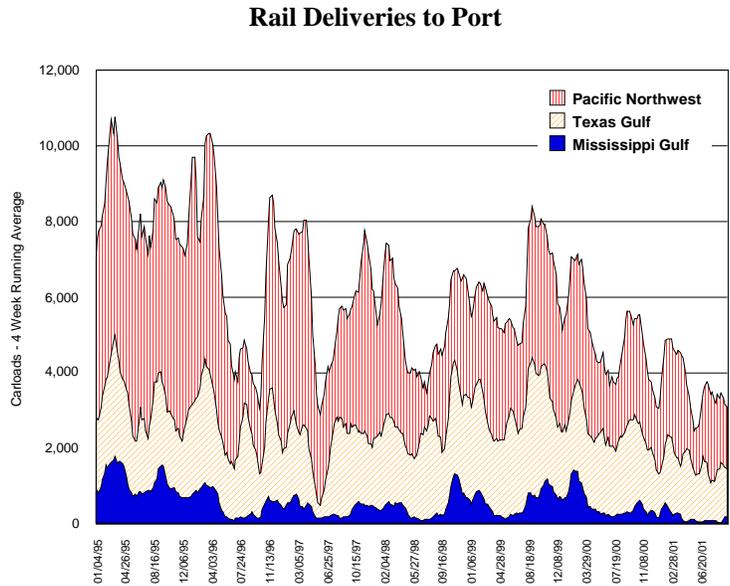
Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
11/05/01	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$22.60	\$0.62
11/05/01	43521	Wheat	Minneapolis, MN	Portland, OR	\$3,877	\$42.74	\$1.16
11/05/01	46540	Wheat	Kansas City, MO	Houston, TX	\$1,650	\$18.19	\$0.50
11/05/01	43586	Wheat	Kansas City, MO	Portland, OR	\$4,240	\$46.74	\$1.27
11/05/01	43581	Wheat	Omaha, NE	Portland, OR	\$3,905	\$43.04	\$1.17
11/05/01	31040	Corn	Minneapolis, MN	Portland, OR	\$2,900	\$31.97	\$0.81
11/05/01	31035	Corn	Kansas City, MO	Portland, OR	\$2,700	\$29.76	\$0.76
11/05/01	31040	Corn	Omaha, NE	Portland, OR	\$2,700	\$29.76	\$0.76
11/05/01	61180	Soybean	Minneapolis, MN	Portland, OR	\$2,730	\$30.09	\$0.82
11/05/01	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

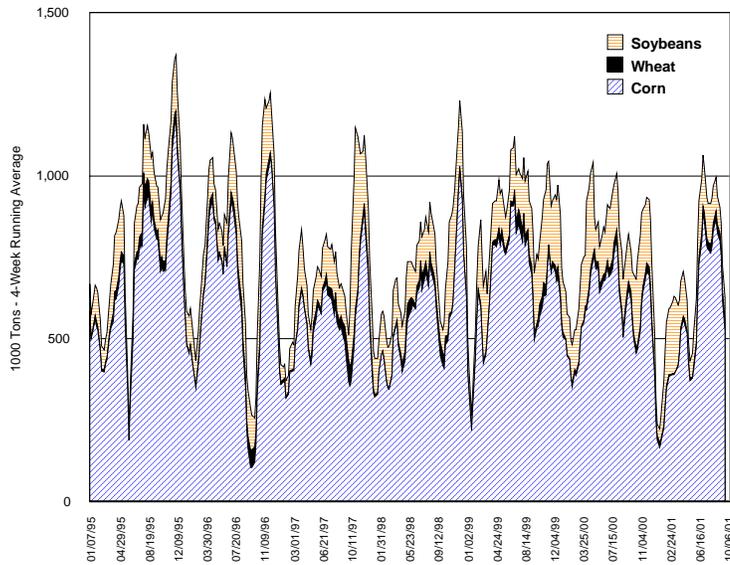
<b>Rail Deliveries to Port</b>				
<b>Carloads</b>				
	<b>Mississippi Gulf</b>	<b>Texas Gulf</b>	<b>Pacific Northwest</b>	<b>Atlantic &amp; East Gulf</b>
Week Ending:				
10/10/01	477*	2,215	2,861	519
10/17/01	591*	1,513	2,808	696
10/24/01	669*	1,368	3,157	1,000
10/31/01	511*	2,228	3,663	1,242
11/07/01	120*	1,461	3,336	533
11/14/01	206*	1,713*	1,954	313
YTD 2001	9,186*	69,428*	99,859	22,779
YTD 2000	24,131	95,301	118,088	13,285
Total 2000	25,675	105,308	129,464	14,816
Total 1999	30,038	132,069	161,492	14,446

Source: Transportation & Marketing/AMS/USDA



(\*) Incomplete Data  
 (\*\*) Revised Data

**Barge Movements - Locks 27**



<b>Barge Grain Movements</b>				
for week ending 11/10/01				
	<b>Corn</b>	<b>Wht</b>	<b>Sybn</b>	<b>Total</b>
	1,000 Tons			
<b>Mississippi River</b>				
Rock Island, IL (L15)	325	5	177	509
Winfield, MO (L25)	410	9	313	735
Alton, IL (L26)	639	25	404	1,092
Granite City, IL (L27)	364	25	399	813
<b>Illinois River (L8)</b>	n/a			
<b>Ohio (L52)</b>	134	14	52	207
<b>Arkansas (L1)</b>	n/a			
2001 YTD	26,995	2,363	8,111	39,144
2000 YTD	29,109	2,209	8,893	41,754
Total 2000	33,482	2,518	10,327	48,247
Total 1999	36,711	2,883	9,771	51,887

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)

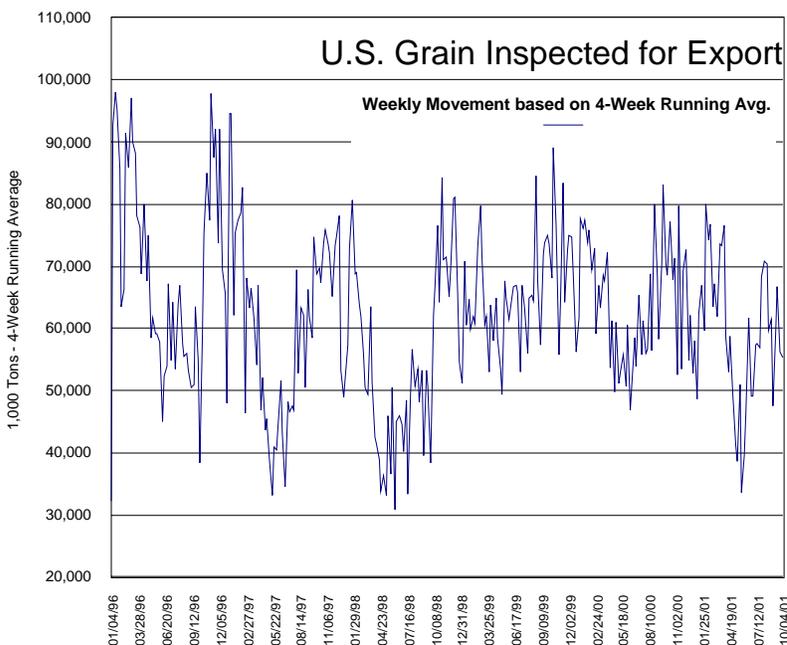
	<i>HRW</i>	<i>SRW</i>	<i>HRS</i>	Wheat <i>SWW</i>	<i>DUR</i>	<i>All</i>	Corn	Soybean	Total
<u>Unshipped Exports-Crop Year</u>									
11/08/01	1,254	937	1,019	567	265	4,042	6,838	8,406	19,286
This Week Year Ago	1,225	370	971	874	339	3,772	6,622	5,757	16,151
<u>Cumulative Exports-Crop Year</u>									
00/01 YTD	3,657	2,497	2,437	1,475	589	10,654	8,569	5,868	25,091
99/00 YTD	4,568	2,330	2,436	2,227	546	12,108	9,650	17,713	39,471
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>
11/15/01	160	53	120	130	452	596	61	4	0
2001 YTD	8,523	4,720	2,380	5,570	30,790	13,588	5,005	257	1,382
2000 YTD	8,648	5,596	1,510	6,010	31,425	15,225	6,355	419	962
% of Last Year	86%	79%	139%	82%	87%	76%	72%	55%	137%
1998 Total	10,838	4,373	651	5,048	31,330	14,917	7,270	562	1,392

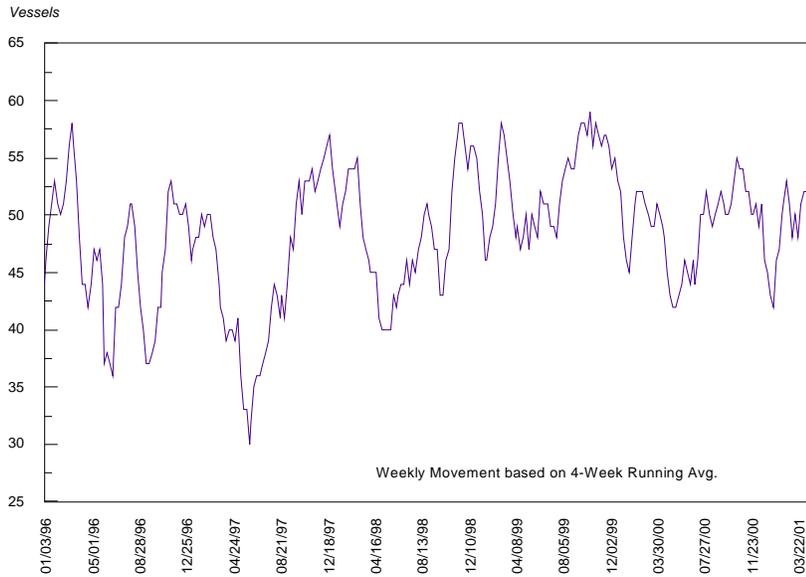
Source: Federal Grain Inspection Service YTD-Year-to-Date



**Select Canadian Ports - Export Inspections**  
1,000 Metric Tons, Crop Year

	<u>Wheat</u>	<u>Durum</u>	<u>Barley</u>
Week Ended: 11/15/01			
Vancouver	2,149	126	136
Prince Rupert	67	0	0
Prairie Direct	295	105	87
Thunder Bay	172	76	0
St. Lawrence	1,014	445	4
2001 YTD Exports	3,697	752	227
2000 YTD Exports	3,874	936	332
% of Last Year	95%	80%	68%

Source: Canadian Grains Commission, Crop year 8/1-7/31



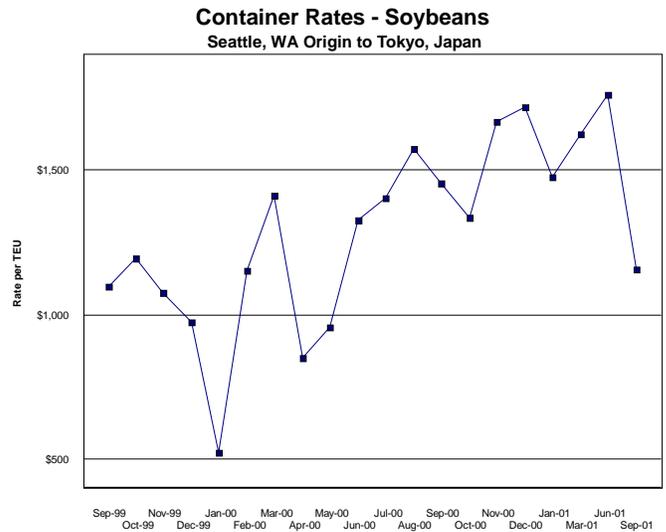
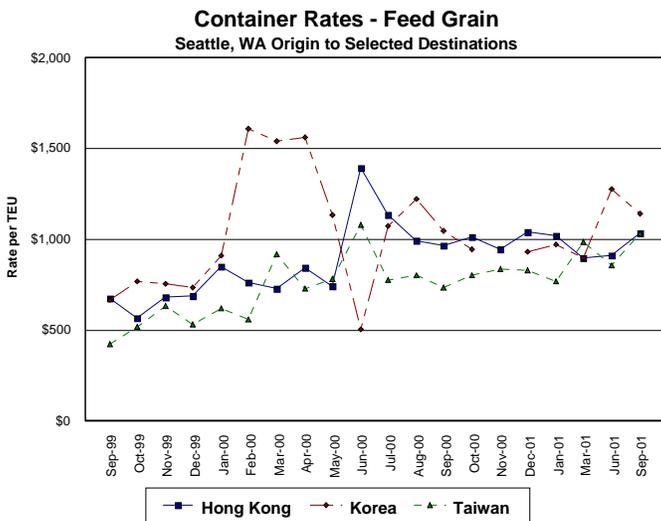
**Gulf Region  
Vessels Loaded  
- Past 7 Days-**

	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
11/8/01	35	57	66				16	12	7
11/15/01	33	55	73				17	14	2
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

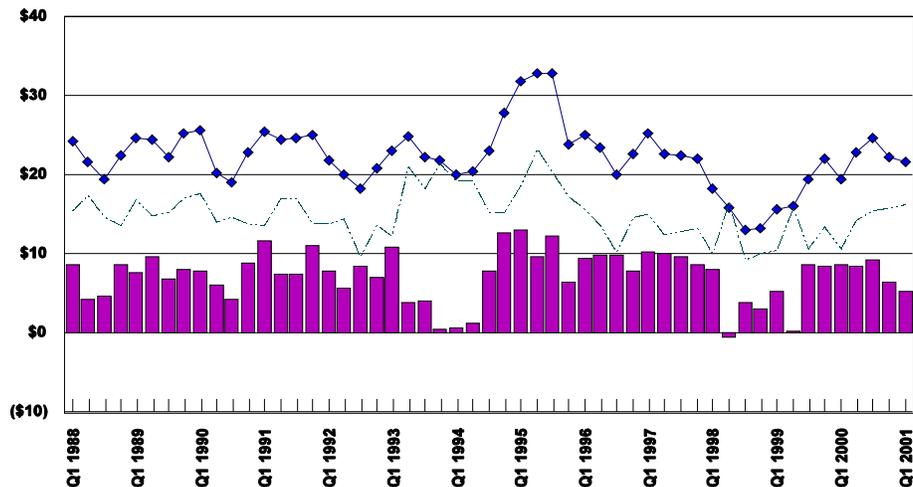
**Container Ocean Freight Rates**

Monthly Weighted Averages Based on Shipping Line Monthly Mkt. Share



- ◆ Rate - Gulf to Japan
- Rate - PNW to Japan
- Spread - Gulf vs. PNW to Japan

US\$/Metric Ton



Quarterly Ocean Freight Rates

**Quarterly Ocean Freight Rates**

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

	2001 3 <sup>rd</sup> Qtr	2000 3 <sup>rd</sup> Qtr	% Change		2001 3 <sup>rd</sup> Qtr	2000 3 <sup>rd</sup> Qtr	% Change
<b>Gulf to</b>				<b>Pacific NW to</b>			
Japan	\$29.40	\$36.42	-19%	Japan	\$10.46	\$15.43	-32%
Mexico		\$16.11	-	Red Sea/ Arabian Sea		\$29.03	
Venezuela	\$13.45	\$15.13	-11%				
N. Europe	\$12.06	\$18.07	-33%	<b>Argentina to</b>			
N. Africa	\$18.21	\$34.19	-47%	Mediterranean Sea		\$20.57	
Mediterranean Sea	\$12.05	\$16.59	-27%	N. Europe	\$16.22	\$18.62	-13%
Red Sea/Arabian	\$15.26			Japan	\$29.40	\$36.42	-19%

Source: Transportation & Marketing/AMS/USDA; (\*) rates shown are for metric ton (2,204.62 lbs.=one metric ton)

**Ocean Freight Rates (Select Locations) - week ending 11/17/01**

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Gulf	Amsterdam	Grains	Nov 15/19	55,000	\$10.35
Gulf	Japan	Heavy Grain	Dec 5/15	54,000	\$16.75
Gulf	Japan	Heavy Grain	Nov 25/Dec 5	54,000	\$17.25
Brazil	Zadar	Heavy Grain	Prompt	25,000	\$16.00
Nikolayev	Spain	Wheat	Dec 10/20	20,000	\$14.00
Odessa	Algeria	Barley	Prompt	13,500	\$21.25
Durban	Japan	Corn	Prompt	33,000	\$16.25

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