GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service
United States Department of Agriculture

MARCH 6, 2001

Farmers May Face Fertilizer Shortages and Logistical Problems This Spring. Higher natural gas prices have driven up the cost of producing anhydrous ammonia, a nitrogen fertilizer used extensively by corn producers to prepare fields for planting. Natural gas is a primary ingredient in the production of anhydrous ammonia. Production costs escalated from approximately $70 a ton in December 1999 to $295 a ton in December 2000. By late January 2001, only 50 percent of domestic manufacturers were producing anhydrous ammonia because of the high cost of production. The decline in production reduced the supply of anhydrous ammonia for U.S. farmers by 2 million metric tons, about 10 percent of annual capacity. Corn farmers may have to pay an extra $20 per acre for fertilizer and wheat farmers can expect fertilizer expenses of about $10 more per acre over last year, according to the American Farm Bureau.

Members of USDA's Transportation and Marketing staff recently contacted a number of agricultural groups and anhydrous ammonia users and found that the possibility of not having adequate supplies of anhydrous ammonia fertilizer for this spring's planting season is causing concern, especially in eastern Corn Belt States where some of the older, less efficient anhydrous ammonia plants ceased production in January. In addition, increasing truck fuel prices and surcharges will make it more costly to obtain fertilizer that will be available. Although railroads transport substantial amounts of anhydrous ammonia to farmer cooperative storage areas, much of the fertilizer is delivered to farms by truck. Some Farm Belt cooperatives' reported fuel costs of 50 percent more than last year and 50 to 60 cents per ton in fuel surcharges for anhydrous ammonia trucked in. The cost of anhydrous ammonia in some cases has also doubled over last year to a record $450 a ton. The doubled price of anhydrous ammonia may result in less corn being planted. Less corn production from Eastern Corn Belt farmers could spell trouble for southeast poultry and livestock producers who are major receivers of corn from northeast sources. Besides the threat of inadequate feed supplies for southeast livestock and poultry, freight costs would be higher to obtain corn from alternate States, such as Iowa.

Over the last few weeks, however, production of anhydrous ammonia has resumed and prices are coming down. Currently, over 95 percent of capacity is reportedly back up and running, trying to make up for down time as spring planting approaches. Even as production resumes, farmers are concerned over having enough anhydrous ammonia. Spot shortages and worse is still a worry, as is potential logistical problems associated with getting anhydrous ammonia to farmers when they need it. For example, rain could cause spring planting delays. A rush to prepare fields and plant could also exacerbate shortages and strain available transportation. (Contact: USDA, Transportation and Marketing, Marketing and Transportation Analysis, John Batson, John.Batson@usda.gov, or Jim DelCiello, James.DelCiello@usda.gov)

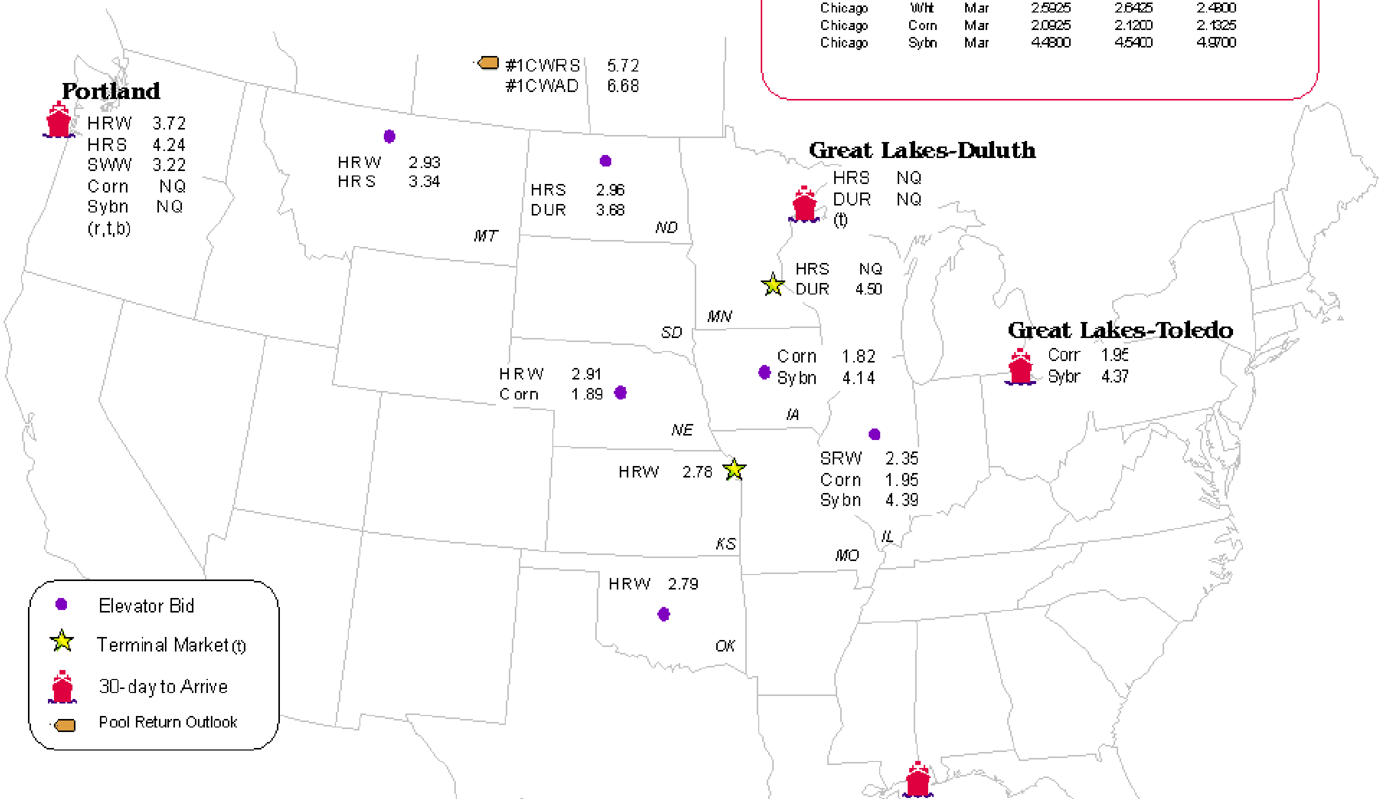
STB Schedules Oral Arguments For Merger Rules. Due to the complexity and importance of the issues, the Surface Transportation Board (STB) has scheduled oral arguments on its proposed new major railroad merger rules for April 5, 2001. The Board anticipates providing a total time of four hours for participants to make their arguments. One of the major changes proposed by the STB, which is supported by shipper groups and the USDA, but vigorously opposed by Class 1 railroads, is the requirement that new major railroad mergers enhance competition, not just preserve it as in past merger policy. Another major policy issue likely to be raised during these oral arguments is the mandatory reimbursement of shippers and smaller railroads by merging Class 1 railroads for damages caused by service disruptions due to a major railroad merger.

In March, 2000, in response to years of complaints from shippers and public officials concerning the lack of rail competition, poor and unreliable service in the wake of several large rail mergers, and the proposed merger between a major U.S. railroad and a Canadian railroad, the STB imposed a 15-month moratorium on all rail mergers while it developed new policy and merger guidelines. USDA participated in this rule-making by offering suggestions to the Board that may be effective in protecting the public interests than the proposed new rules advanced by STB. The STB expects to issue new rail merger regulations by June 11, 2000. (Contact: USDA, Transportation and Marketing, Marketing and Transportation Analysis, Marvin Prater, Marvin.Prater@usda.gov)

Report is prepared by Karl Hacker and Sigal Nissan, Agricultural Economists, Transportation & Marketing, Agricultural Marketing Service, USDA (202) 690-1304. Report design by Kimberly Vachal, Upper Great Plains Transportation Institute, North Dakota State University. This report can be found on the Internet at www.ams.usda.gov/tmd/grain.htm. E-mail comments to Karl.Hacker@usda.gov .

Grain Bid Summary

Futures:			02/23/01	Week Ago 02/16/01	Year Ago 02/25/00
Kansas City	Wht	Mar	3.0700	3.1000	2.7700
Minneapolis	Wht	Mar	3.1525	3.2025	3.1075
Minneapolis	Dur	Mar	4.8500	4.8400	n.a.
Chicago	Wht	Mar	2.5925	2.6425	2.4800
Chicago	Corn	Mar	2.0925	2.1200	2.1325
Chicago	Sybn	Mar	4.4800	4.5400	4.9700

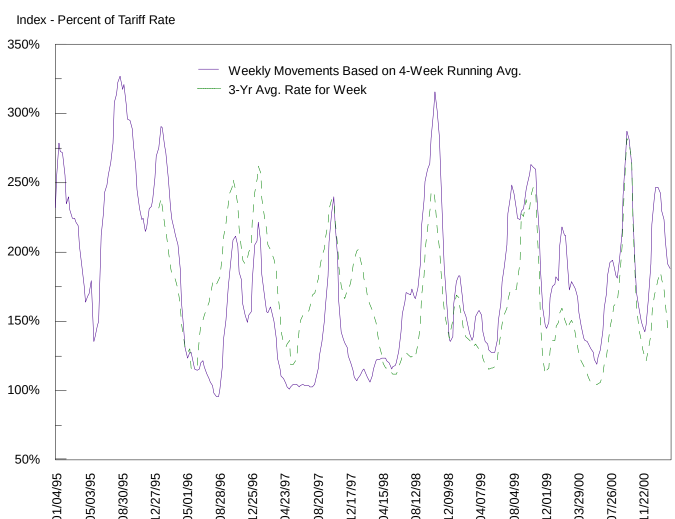


(r)=rail, (t)=truck, (b)=barge; NQ=No Quote

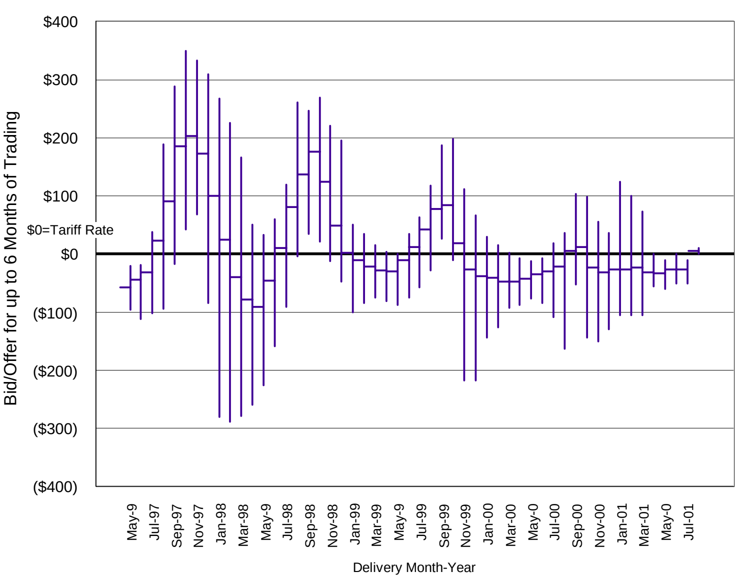
Inland Bids: 12% HRW, 14% HRS, #1 SRW, #1 DUR, #1 SWW, #2 Y Corn, #1 Y Soybeans
Export Bids: Ord. HRW, 14% HRS, #2 SRW, #2 DUR, #2 SWW, #2 Y Corn, #1 Y Soybeans

Sources...U.S. Inland: All (except ND) - *Market News Report*, AMS, USDA(www.usda.ams.gov)
ND - *Friday Local Cash Grain Prices*, AgWeek, Grand Forks, ND
U.S. Export: Corn & Soybean - *Export Grain Bids*, AMS, USDA
Wheat Bids - *Weekly Wheat Report*, U.S. Wheat Associates, Washington, D.C.
Canada: Bids in CAN$, Canadian Wheat Board, Winnipeg (www.cwb.ca)

Spot Barge Rate - Illinois River



Secondary Rail Market Bids



Rail Car 'Auction' Offerings

Delivery for:	Mar-01		May-01	
	Offered	% Sold	Offered	% Sold
BNSF-COT	12,141	67%	12,143	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			
	Mar-01	Apr-01	May-01	Jun-01
BNSF-GF	$53	$1	$(5)	$(8)
UP-Pool	$6	$(29)	$(38)	$(32)

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:	Apr-01	May-01	Jun-01
COT/N. Grain	$0	$0	$0
COT/S. Grain	no bid	no bid	no bid
GCAS/Region 2	no bid	no bid	no offer
GCAS/Region 4	no bid	no bid	no offer

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

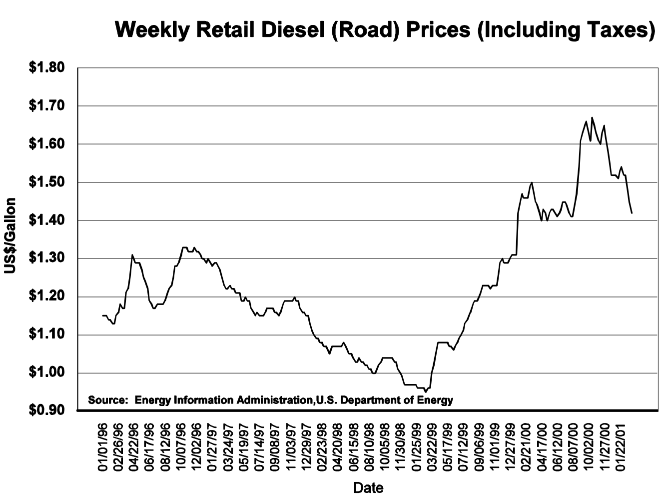
Week ended	River/Region	Contract Period	Rate: Futures	Rate: Cash
03/6/01	St. Louis	Apr	135	145
		June	129	145
		Aug	156	160
		Oct	215	0
		Dec	143	0
	Illinois River	Apr	151	160
		June	149	160
		Aug	183	183
		Oct	239	0
		Dec	163	0

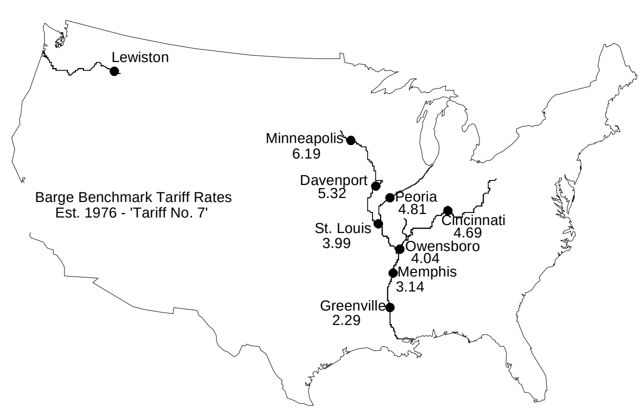
Source: St. Louis Merchants Exchange

Southbound Barge Freight Spot Rates

	2/28/01	2/21/01	Mar. '01	May '01
Twin Cities	0	0	0	188
Mid-Mississippi	198	0	187	164
Illinois River	193	167	171	152
St. Louis	172	135	147	132
Lower Ohio	155	140	145	134
Cairo-Memphis	152	131	139	128

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



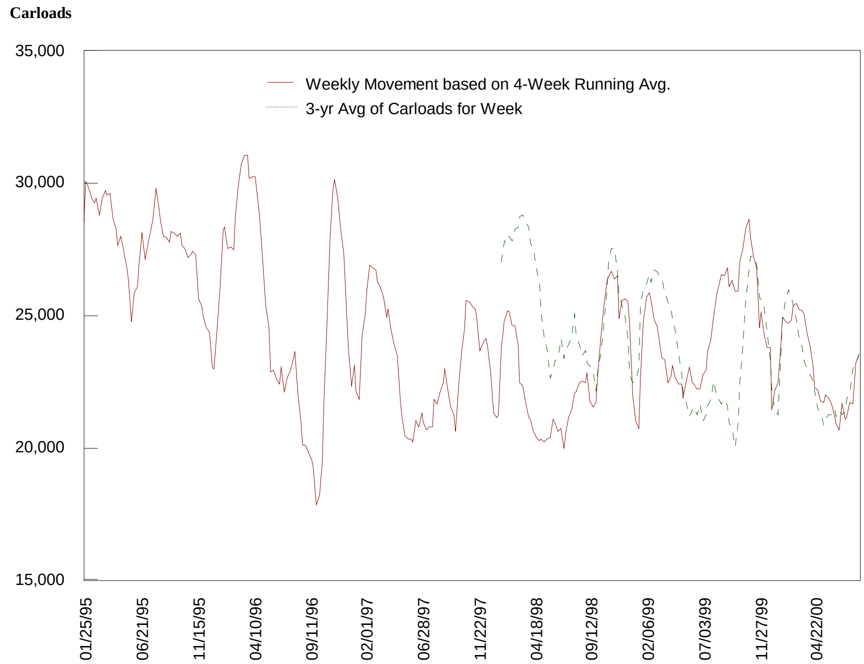


Class I Railroad Grain Car Loadings

Week Ending:	Carloads
2/10/01	22,743
2/17/01	22,488
2/24/01	22,716
Year to Date - 2001	181,101
Year to Date - 2000	201,077
Total 2000	1,188,917
Total 1999	1,270,375

Source: Association of American Railroads

Grain Car Loadings for Class I Railroads



Class I Rail Carrier Grain Car Bulletin

Grain Carloads Originated

	East				West			Canada	
	Conrail	**CSXT**	**IC**	**NS**	**BNSF**	**KCS**	**UP**	**CN**	**CP**
02/24/01	0	3,852	0	3,097	9,026	593	6,148	4,629	5,820
This Week Last Year	0	2,759	1,846	3,311	8,230	668	7,929	2,635	4,223
2001 YTD	0	27,546	0	25,808	71,905	4,031	51,811	38,441	40,968
2000 YTD	0	22,971	15,567	24,044	69,942	5,412	63,141	22,602	31,970
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

February 2001

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
03/02/01	45560	Wheat	Minneapolis, MN	Houston, TX	$2,050	$22.60	$0.62
03/02/01	43521	Wheat	Minneapolis, MN	Portland, OR	$3,877	$42.74	$1.16
03/02/01	46540	Wheat	Kansas City, MO	Houston, TX	$1,550	$17.09	$0.47
03/02/01	43586	Wheat	Kansas City, MO	Portland, OR	$4,240	$46.74	$1.27
03/02/01	43581	Wheat	Omaha, NE	Portland, OR	$3,905	$43.04	$1.17
03/02/01	31040	Corn	Minneapolis, MN	Portland, OR	$2,900	$31.97	$0.81
03/02/01	31035	Corn	Kansas City, MO	Portland, OR	$2,700	$29.76	$0.76
03/02/01	31040	Corn	Omaha, NE	Portland, OR	$2,700	$29.76	$0.76
03/02/01	61180	Soybean	Minneapolis, MN	Portland, OR	$2,680	$29.54	$0.80
03/02/01	61180	Soybean	Omaha, NE	Portland, OR	$2,430	$26.79	$0.73
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

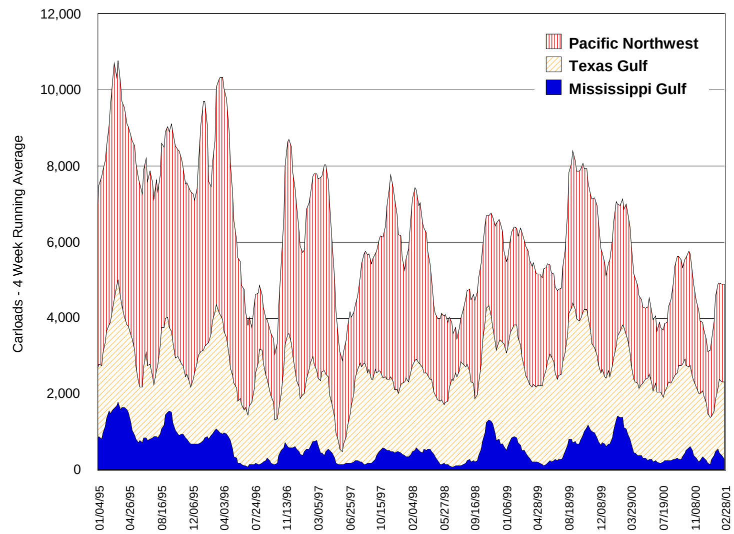
Rail Deliveries to Port
Carloads

	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
01/24/01	445*	1,556	2,694	831
01/31/01	524*	1,569	3,000	892
02/07/01	523*	2,442	2,341	908
02/14/01	301*	2,224	2,039	1,251
02/21/01	149*	1,600	2,838	972
02/28/01	99*	1,980	3,024	1,185
YTD 2001	3,105	14,584	22,620	8,077
YTD 2000	10,236	19,049	29,783	4,173
Total 1998	23,844	115,321	138,461	12,505
Total 1997	20,152	93,265	195,953	9,147

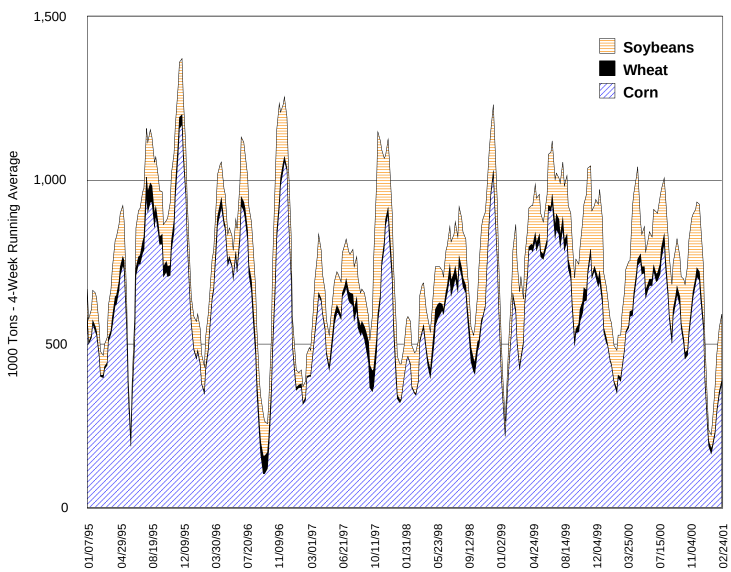
Source: Transportation & Marketing/AMS/USDA

(*) Incomplete Data

Rail Deliveries to Port



Barge Movements - Locks 27



Barge Grain Movements
for week ending 2/24/00

	Corn	Wht	Sybn	Total
	1,000 Tons			
Mississippi River				
Rock Island, IL (L15)	0	0	0	0
Winfield, MO (L25)	14	3	17	35
Alton, IL (L26)	389	5	167	568
Granite City, IL (L27)	412	5	171	595
Illinois River (L8)	287	2	180	476
Ohio (L52)	125	11	53	246
Arkansas (L1)	0	22	7	29
2001 YTD	3,607	293	1,700	6,006
2000 YTD	3,976	242	1,448	6,024
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; n/a=not available

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

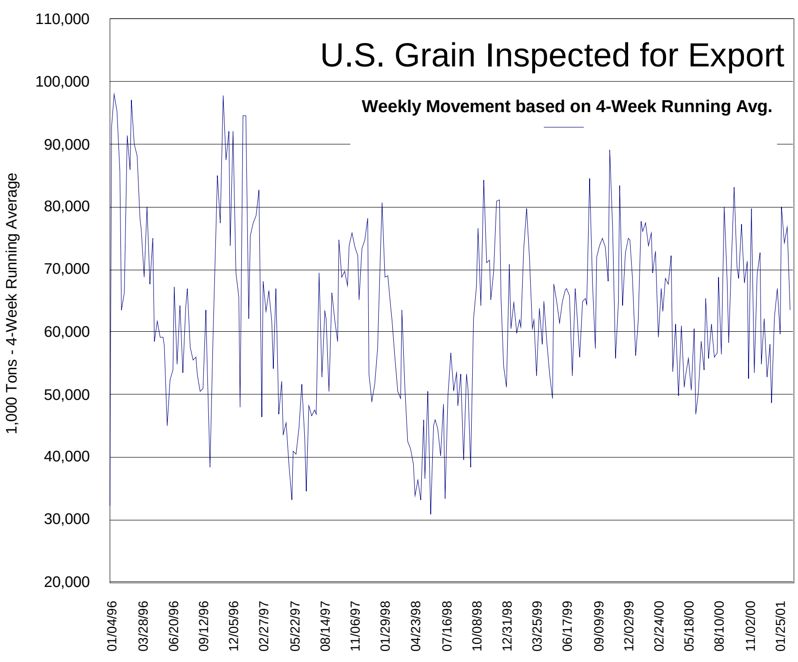
	Wheat						Corn	Soybean	Total
	HRW	*SRW*	*HRS*	*SWW*	*DUR*	*All*			
Unshipped Exports-Crop Year									
02/22/01	1,188	491	913	941	174	3,707	7,303	5,793	16,803
This Week Year Ago	963	405	996	482	210	3,057	7,590	3,958	14,605
Cumulative Exports-Crop Year									
00/01 YTD	7,056	3,411	4,231	3,737	867	19,302	21,728	17,326	58,356
99/00 YTD	8,540	3,286	4,134	3,035	713	19,709	24,291	17,713	61,713
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

	Pacific Region			Mississippi Gulf			Texas Gulf		
	Wheat	*Corn*	*Soybean*	*Wheat*	*Corn*	*Soybean*	*Wheat*	*Corn*	*Soybean*
03/01/01	196	113	120	126	461	445	102	27	95
2000 YTD	1,670	754	688	917	4,757	3,868	954	98	382
1999 YTD *	1,609	1,544	268	1,072	5,487	4,087	858	38	385
% of Last Year	15%	17%	106%	18%	15%	26%	13%	17%	27%
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

	Wheat	Durum	Barley
Week Ended: 2/22/01			
Vancouver	3,452	296	750
Prince Rupert	892		0
Prairie Direct	737	180	207
Thunder Bay	490	171	36
St. Lawrence	1,617	1,269	25
2000 YTD Exports	7,188	1,916	1,018
1999 YTD Exports	7,740	1,952	766
% of Last Year	93%	98%	133%

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

Gulf Region Vessels Loaded - Past 7 Days-

Port Region Ocean Grain Vessels

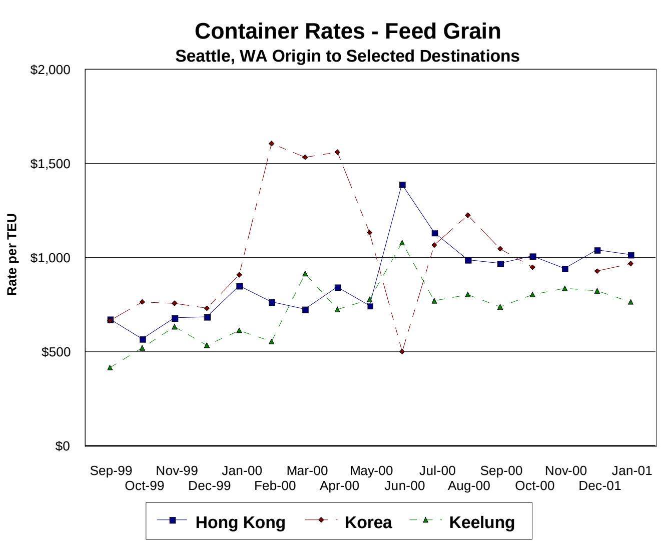
	Gulf			Pacific Northwest			Vancouver, B.C.		
	In Port	Loaded 7-Days	Due Next 10-Days	In Port	Loaded 7-Days	Due Next 10-Days	In Port	Loaded 7-Days	Due Next 10-Days
02/22/01	51	54	80	14			11	9	4
03/01/01	59	45	67	7			13	11	1
1999 Range	(14..47)	(39..65)	(34..80)	(6..18)			(2..20)	(2..15)	(0..9)
1998 Range	(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						

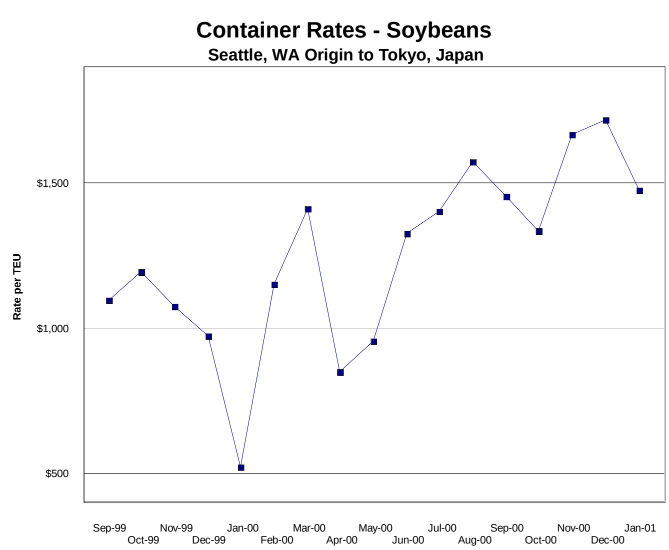
Source: Transportation & Marketing /AMS/ USDA

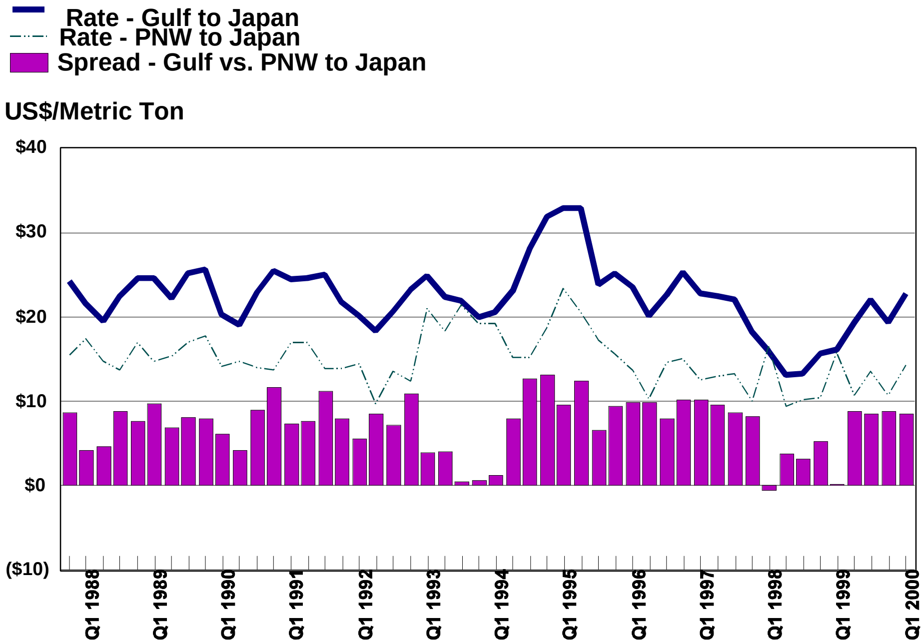
Container Ocean Freight Rates

Monthly Weighted Averages Based on Shipping Line Monthly Mkt. Share

Source: Transportation & Marketing/AMS/USDA







Quarterly Ocean Freight Rates

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

	2000 4th Qtr	1999 4th Qtr	% Change		2000 4th Qtr	1999 4th Qtr	% Change
Gulf to				**Pacific NW to**			
Japan	$22.38	$22.07	1%	Japan	$15.87	$13.55	17%
Mexico	$13.39	$15.21	-12%	Red Sea/ Arabian Sea	$26.70		
Venezuela	$13.29	$12.10	10%				
N. Europe	$14.96	$13.68	9%				
N. Africa	$22.26	$21.65	3%	**Argentina to**			
				N. Europe	$18.97	$17.77	7%
				Japan			

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 3/03/01**

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate ($Ton)
Duluth	Tunisia	Wheat	Apr.1/5	18,000	$35.00
Baltimore	Rotterdam (Neth.)	Grains	Mar.1/5	38,000	$11.50
Tampa	Ireland	Grains	Mar.13/18	20,000	$15.00
Gulf	Egypt	Heavy Grain	Mar.7/15	55,000	$14.00
Gulf	Tunisia	Wheat	Mar.4/10	28,000	$19.50
Gulf	Taiwan	Heavy Grain	Mar.9/19	56,000	$21.00
Gulf	Japan	Heavy Grain	Mar.5/14	54,000	$22.00
Gulf	Japan	Heavy Grain	Mar.15/25	54,000	$22.25
Tilbury (U.K.)	Tunisia	Wheat	Mar.7/10	28,000	$15.00
Rouen (France)	Morocco	Wheat	Mar.5/10	30,000	$9.35

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