



GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service
United States Department of Agriculture



APRIL 10, 2001

CN's Tellier Seeks Shorter Grain Car Cycle Times. During a recent presentation to the Canada Grains Council, Paul Tellier, Canadian National Railway Company (CN) president and chief executive officer, challenged those in the grain handling and transportation system to become more efficient in delivering grain to ports and returning the grain hopper cars to the prairies for reloading. Tellier stated that since 1999, CN has managed to reduce a 21-day cycle time by 2.5 days, which he felt was "promising, but not good enough." With the help of all parties, he is hopeful that this trip can be made in 11 days, stating that "no commodity can remain competitive on world markets with that kind of (21-day) turnaround time." To reduce cycle time to this degree, he suggested four components: 1) a more modern and efficient grain transportation system; 2) the ability to provide just-in-time delivery for grain; 3) the ability to respond quickly to market demand in the event of an immediate demand for a particular grain of a particular quality; and 4) teamwork, involving the entire grain handling system. A reduced turnaround time would lower inventory and storage costs and permit spot sales of grains, meaning increased profit for farmers, and would require fewer grain cars, meaning CN would have more room to lower rates, according to Tellier.

Tellier stressed teamwork throughout the system. He was pleased with the \$1.2 million investment made by grain companies since the early 1990's in high throughput country elevators. But, he also emphasized the need for increased efficiency at export terminals particularly involving work rules. "When crunch comes, the ports must be able to operate around the clock, seven days a week," he stated. Railroads, he admitted, also play a crucial role, and must remain open to the concerns of farmers and others in the supply chain, considering any suggestions to improve service. The use of short lines will also need to be increased and be allowed to operate under commercial agreements and freely created partnerships. Tellier noted that increased efficiency is entirely possible, as exemplified in the six-day cycle time of the hundred-car Supertrain which regularly travels between Illinois and Iowa to New Orleans, and in CN's test Shuttle Train project which has operated continuously from the prairies to Vancouver, B.C., on a seven-day cycle time.

Efficiency, Tellier stated, comes from the market pull "of knowing when and where grain is required and having the flexibility to respond. It does not come from a system where we push the product from the elevators to the ports when it is not yet needed." (Canadian National Website <http://www.cn.ca/news/>)

AAPA President Outlines Port Priorities. James H. Hartung, chairman of the U.S. delegation of the American Association of Port Authorities (AAPA), expressed concern during a presentation at the National Press Club in Washington, D.C. on March 23, over several Congressional issues that will affect U.S. ports. Representing more than 150 public port authorities in the United States, Canada, Latin America and the Caribbean, the mission of the four delegations of the AAPA includes the promotion of common port community interests, as well as providing leadership on trade, transportation, environmental and other issues related to port development and operations. During the presentation, AAPA's Hartung, who also serves as president and CEO of the Toledo-Lucas County Port Authority, Toledo, Ohio, mentioned the Association's legislative priorities as 1) ensuring adequate funding for federal navigation channel projects in the Fiscal Year 2002 budget for the U.S. Army Corp of Engineers; 2) repealing the Harbor Maintenance Tax; 3) establishing a mandatory ballast water management program; and 4) continuing to work with Congress and the Bush Administration on port and maritime security issues. The AAPA does not believe that a new Federal program is required to address port and maritime security issues.

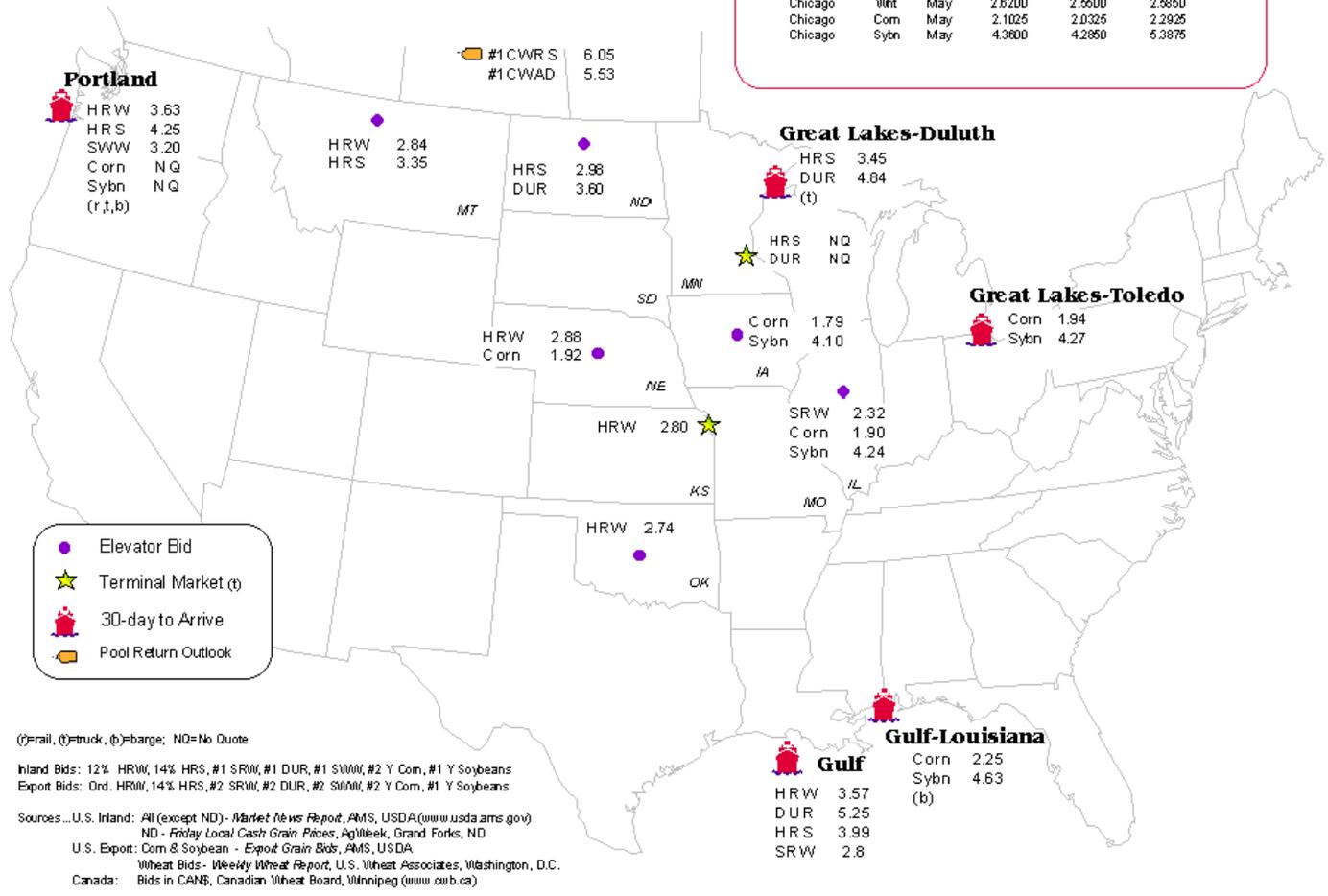
A point of contention for several years, the Harbor Maintenance Tax was created in 1987 as an ad valorem (according to value) charge on exports and imports, obligating shippers as well as vessel owners and operators to pay a fee for the maintenance and use of U.S. ports and harbors. In 1998, the U.S. Supreme Court ruled the fee to be unconstitutional, no longer requiring that exporters, loading cargo at U.S. ports, be subject to the fee. The fee, however, did remain in place for imports, domestic shipments, foreign trade zone admissions, as well as for passenger travel. According to Hartung, the AAPA and other organizations do not feel that there is a user fee system that can reasonably and equitably raise revenues from the users of navigation channels relative to the distribution of national benefits. Ports, he said, believe that the only acceptable option is for Congress to appropriate funding from general revenues, as was the case prior to 1986. The AAPA also supports adherence to the National Invasive Species Act of 1996 (NISA), and wants a national mandatory ballast water management program, instead of the state programs which are now gradually being created. Currently, the Great Lakes region is the only U.S. region that maintains a mandatory program for ballast water exchange. Other regions have voluntary programs under the U.S. Coast Guard. The AAPA, therefore, would like consistency and a mandatory program on a national level. (AAPA, <http://www.aapa-ports.org/pressroom>, U.S. Court of International Trade <http://www.uscit.gov>, Legal Information Institute, <http://supct.law.cornell.edu> US Department of Transportation Maritime Administration, U.S. Coast Guard)

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.

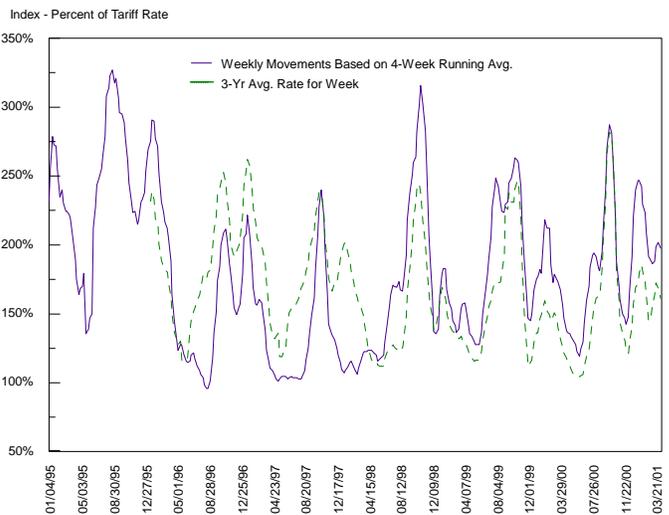
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Grain Bid Summary

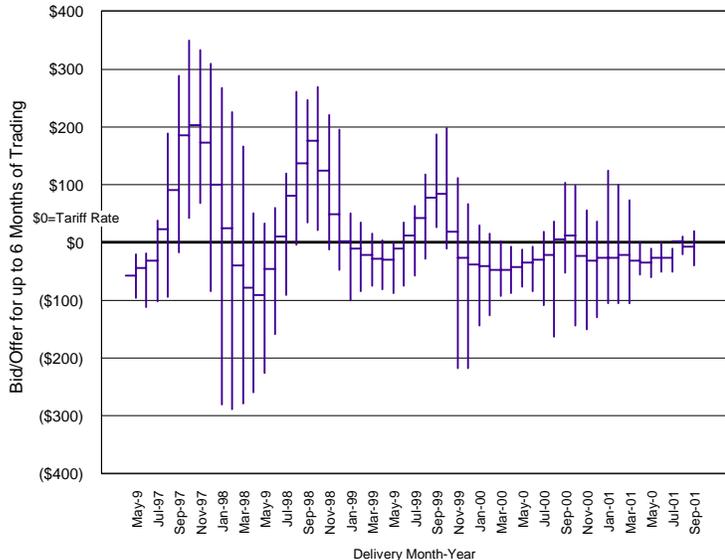
Futures:				Week Ago	Year Ago
Kansas City	Wht	May	040601	030601	040700
Minneapolis	Wht	May	3.0900	3.0150	2.8350
Minneapolis	Wht	May	3.1450	3.1350	3.2350
Minneapolis	Dur	July	4.5500	4.5600	n.a.
Chicago	Wht	May	2.6200	2.5600	2.8850
Chicago	Corn	May	2.1025	2.0325	2.2925
Chicago	Sybn	May	4.3800	4.2850	5.3875



Spot Barge Rate - Illinois River



Secondary Rail Market Bids



Rail Car 'Auction' Offerings				
Delivery for:	Apr-01		Jun-01	
	Offered	% Sold	Offered	% Sold
BNSF-COT	10,857	15%	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			
	Apr-01	May-01	Jun-01	Jul-01
BNSF-GF	\$(18)	\$(27)	\$(19)	\$(10)
UP-Pool	\$(36)	\$(42)	\$(35)	\$(22)

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-01	Jun-01	Jul-01
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 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	Cash
04/10/01	St. Louis	May	130	135
		July	136	145
		Sept	195	205
		Nov	156	0
		Jan	143	0
	Illinois River	May	140	148
		July	155	160
		Sept	218	223
		Nov	181	0
		Jan	0	0

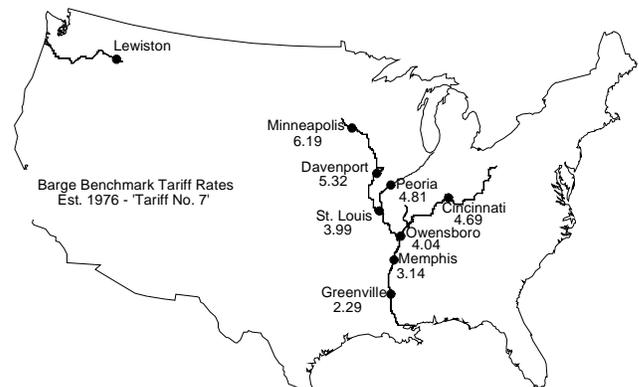
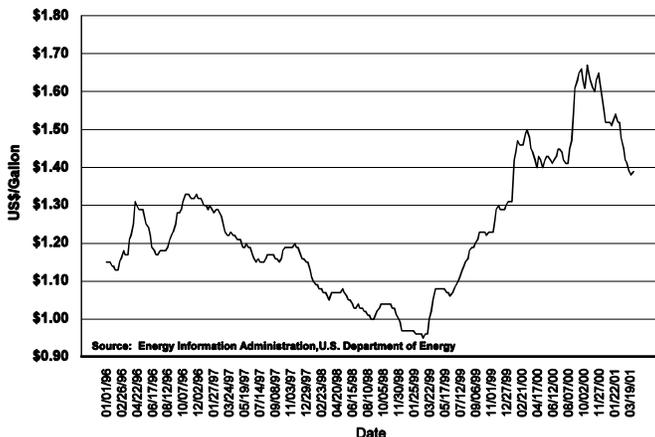
Source: St. Louis Merchants Exchange

Southbound Barge Freight Spot Rates

	4/4/01	3/28/01	April '01	June '01
Twin Cities	0	0	184	196
Mid-Mississippi	178	213	156	172
Illinois River	178	208	150	166
St. Louis	147	155	132	145
Lower Ohio	173	160	141	156
Cairo-Memphis	146	141	129	141

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

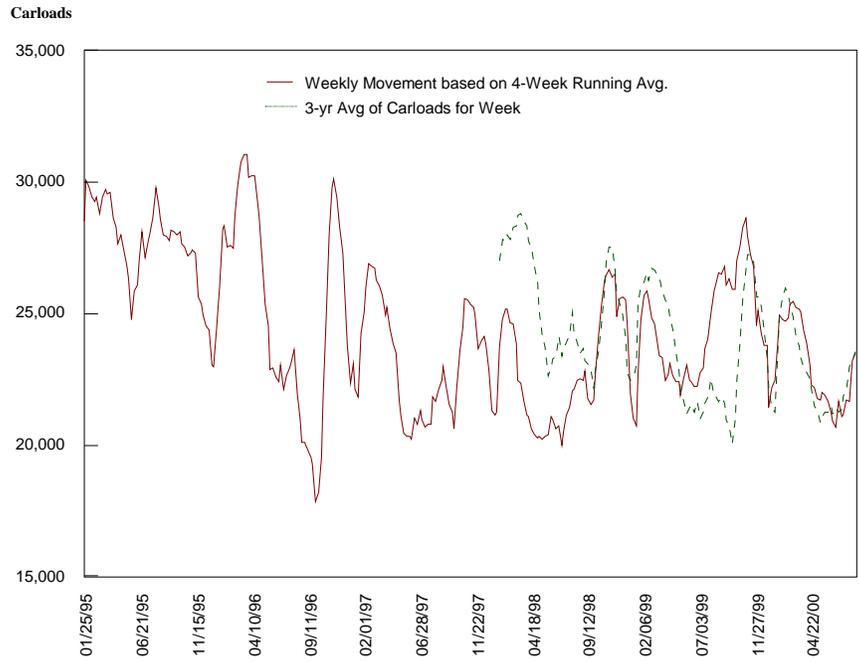
Weekly Retail Diesel (Road) Prices (Including Taxes)



Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
03/17/01	23,866
03/24/01	22,038
03/31/01	22,824
Year to Date - 2001	295,703
Year to Date - 2000	324,401
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

	<u>East</u>				<u>West</u>			<u>Canada</u>	
	Conrail	CSXT	IC	NS	BNSF	KCS	UP	CN	CP
03/31/01	0	2,906	0	3,071	9,284	527	7,036	4,784	3,941
This Week Last Year	0	2,543	1,335	3,115	7,586	478	8,072	3,223	4,825
2001 YTD	0	43,703	0	41,055	117,615	6,397	86,933	62,424	61,286
2000 YTD	0	37,705	24,979	38,484	112,608	8,458	102,167	37,953	57,358
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

April 2001

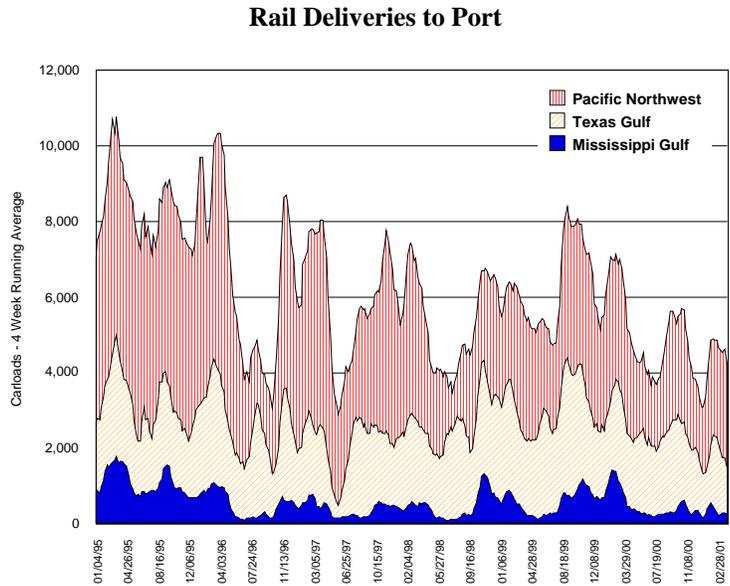
Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
04/05/01	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$22.60	\$0.62
04/05/01	43521	Wheat	Minneapolis, MN	Portland, OR	\$3,877	\$42.74	\$1.16
04/05/01	46540	Wheat	Kansas City, MO	Houston, TX	\$1,550	\$17.09	\$0.47
04/05/01	43586	Wheat	Kansas City, MO	Portland, OR	\$4,240	\$46.74	\$1.27
04/05/01	43581	Wheat	Omaha, NE	Portland, OR	\$3,905	\$43.04	\$1.17
04/05/01	31040	Corn	Minneapolis, MN	Portland, OR	\$2,900	\$31.97	\$0.81
04/05/01	31035	Corn	Kansas City, MO	Portland, OR	\$2,700	\$29.76	\$0.76
04/05/01	31040	Corn	Omaha, NE	Portland, OR	\$2,700	\$29.76	\$0.76
04/05/01	61180	Soybean	Minneapolis, MN	Portland, OR	\$2,680	\$29.54	\$0.80
04/05/01	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

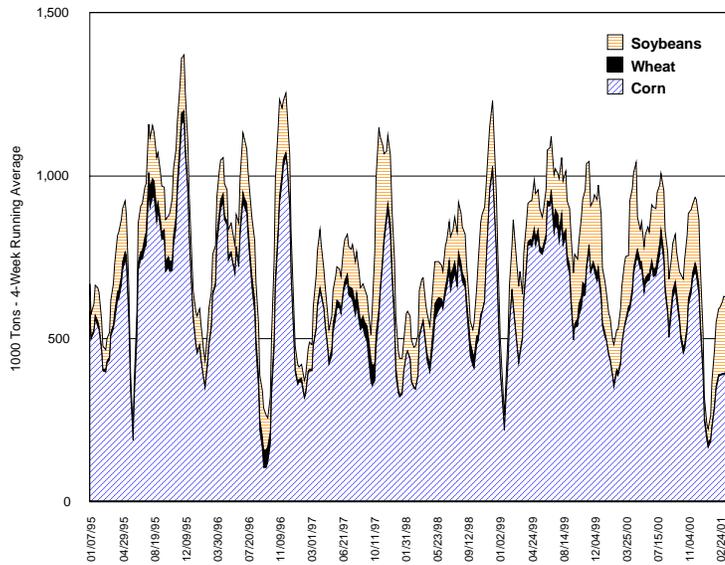
Rail Deliveries to Port Carloads				
	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
02/28/01	137*	1,903	3,024	1,185
03/07/01	274*	1,993	2,193	764
03/14/01	425*	1,113	2,842	942
03/21/01	234*	995	2,994	996
03/28/01	192*	1,774	3,538	774
04/04/01	132*	968*	1,714*	407*
YTD 2001	4,413	20,931	35,901	11,960
YTD 2000	13,824	30,322	45,625	5,892
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
 (**) Revised Data

Barge Movements - Locks 27



Barge Grain Movements

for week ending 3/31/01

	Corn	Wht	Sybn	Total
	1,000 Tons			
Mississippi River				
Rock Island, IL (L15)	86	4	49	140
Winfield, MO (L25)	137	5	107	251
Alton, IL (L26)	409	5	92	508
Granite City, IL (L27)	399	5	96	501
Illinois River (L8)	187	0	8	195
Ohio (L52)	44	0	25	69
Arkansas (L1)	0	14	7	21
2001 YTD	6,110	496	2,939	10,196
2000 YTD	6,880	379	2,552	10,381
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)

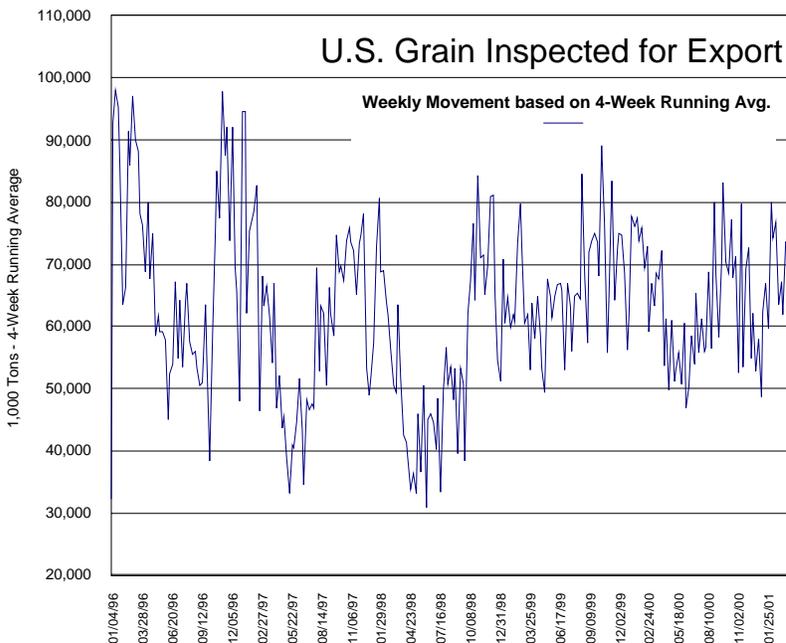
	HRW	SRW	HRS	Wheat		DUR	All	Corn	Soybean	Total
				SWW						
<u>Unshipped Exports-Crop Year</u>										
03/29/01	1,200	633	2,068	736		282	3,921	6,338	2,968	13,227
This Week Year Ago	1,056	360	1,155	592		323	3,486	7,397	2,328	13,211
<u>Cumulative Exports-Crop Year</u>										
00/01 YTD	7,716	3,721	4,693	4,306		933	21,368	26,668	21,648	69,684
99/00 YTD	9,168	3,631	4,588	3,282		797	21,464	28,827	17,713	68,004
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
04/05/01	296	116	68	158	835	436	92	8	7
2000 YTD	2,705	1,304	1,121	1,461	8,238	6,365	1,355	146	701
1999 YTD *	2,451	2,325	548	1,668	8,693	6,423	1,452	86	631
% of Last Year	25%	30%	172%	29%	26%	43%	19%	26%	50%
1998 Total	10,838	4,373	651	5,048	31,330	14,917	7,270	562	1,392

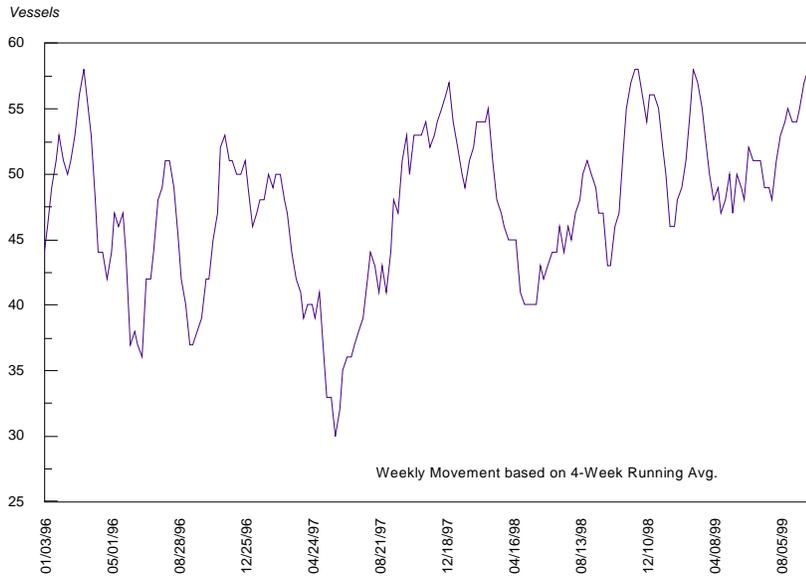
Source: Federal Grain Inspection Service YTD-Year-to-Date



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

	Wheat	Durum	Barley
Week Ended: 3/15/01			
Vancouver	3,723	299	822
Prince Rupert	1,098		0
Prairie Direct	814	192	224
Thunder Bay	490	171	36
St. Lawrence	1,722	1,340	25
2000 YTD Exports	7,847	2,002	1,107
1999 YTD Exports	8,731	2,113	932
% of Last Year	90%	95%	119%

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



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

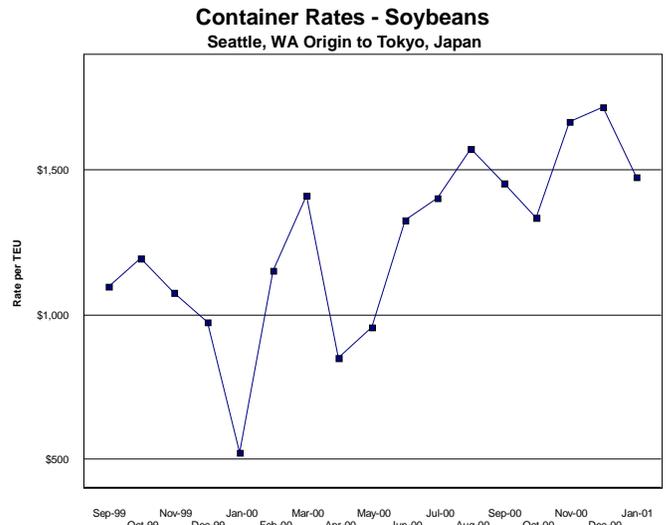
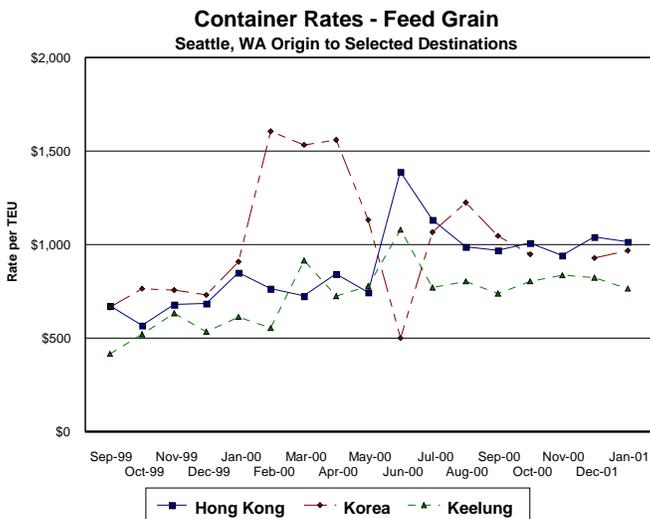
Port Region Ocean Grain Vessels

	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
03/29/01	47	55	74	9			15	11	1
04/05/01	33	50	64	6			12	6	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

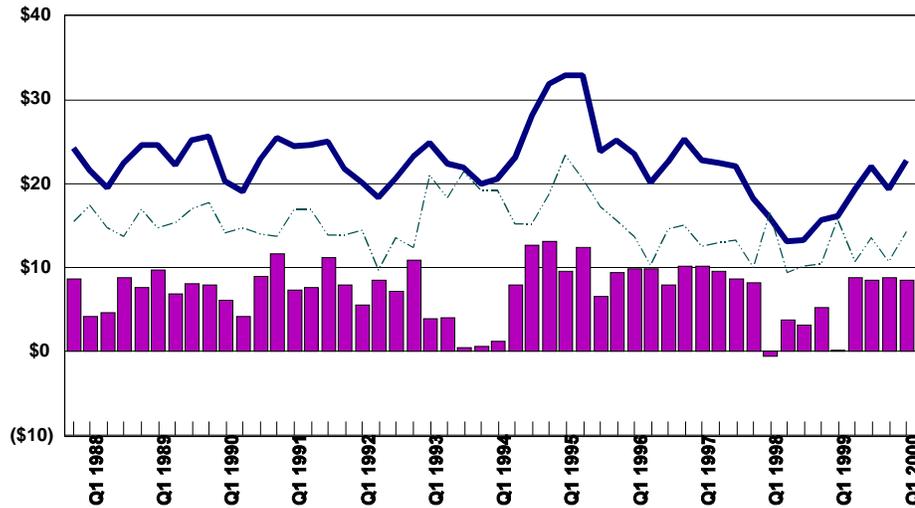
Container Ocean Freight Rates

Monthly Weighted Averages Based on Shipping Line Monthly Mkt. Share
Source: Transportation & Marketing/AMS/USDA



— 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

	2000 4 th Qtr	1999 4 th Qtr	% Change		2000 4 th Qtr	1999 4 th 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%	Argentina to			
N. Africa	\$22.26	\$21.65	3%	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 4/7/01

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Gulf	Rotterdam	Grains	Prompt	25,000	\$20.00
Gulf	Rotterdam	Grains	Apr.6/12	30,000	\$18.00
Gulf	Lagos	Wheat	Prompt	17,000	\$21.50
Gulf	Japan	Heavy Grain	Spot	54,000	\$21.75
Gulf	Japan	Heavy Grain	Apr.20/30	54,000	\$21.75
Paranagua	Lisbon/Hamburg	Pellets	Apr.10/15	30,000	\$20.50
River Plate	Cuba	Corn	Spot	25,000	\$26.50
Parana River	Spain (Med.)	Heavy Grain	Apr.10/20	30,000	\$22.00
Parana River	Iran	Corn	Apr.10/20	50,000	\$25.50
River Plate/B. Blanca	Japan	Heavy Grain	Apr.25/May5	30,000	\$31.00

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