



GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service
United States Department of Agriculture



MARCH 19, 2002

California Governor Pushes Back Fuel Mandate.

On March 7, California Governor Gray Davis issued an Executive Order that allows California refineries an additional 12 months to transition from the use of methyl tertiary butyl ether (MTBE) to ethanol. Both MTBE and ethanol can be used to achieve Federal clean air standards set by the U.S. Environmental Protection Agency (EPA). However, MTBE has been linked to groundwater contamination and is highly toxic. The EPA recently denied California's request for a waiver of clean air standards. As a result, California must use ethanol to supplement its fuel market demands and achieve clean air standards. The feasibility of moving large quantities of ethanol from Midwest refineries to California markets has been controversial. Governor Davis' extension of the MTBE phase-out is now due to take effect in January 1, 2004. It gives California more time to implement new fuel infrastructure improvements and increase their distribution capacity. It also stabilizes California fuel prices (historically the highest in the country) and allows Congress to consider harmonizing various Federal fuel standards and renewable fuel incentives under the Energy Policy Act of 2002 (S. 1766) and the Energy Reform Act of 2001 (S. 517). Ethanol is the third largest market for U.S. corn, using more than 600 million bushels and boosting farm income as much as \$3 billion in 2000 or 30-35 cents per bushel. (USDA, Transportation Services Program, Jim Del Ciello, James.DelCiello@usda.gov).

IMO Develops Measures for Improving Security of Ships.

A draft of measures to improve the security of ships was developed as a result of the International Maritime Organization's (IMO) recent Maritime Safety Committee's Intersessional Working Group of Maritime Safety. Included in the proposed measures is the adoption of international codes for the security and regulation of ships and port facilities. Such codes would require that ships and ports develop security plans and appoint security officers that meet agreed-upon standards. Also included

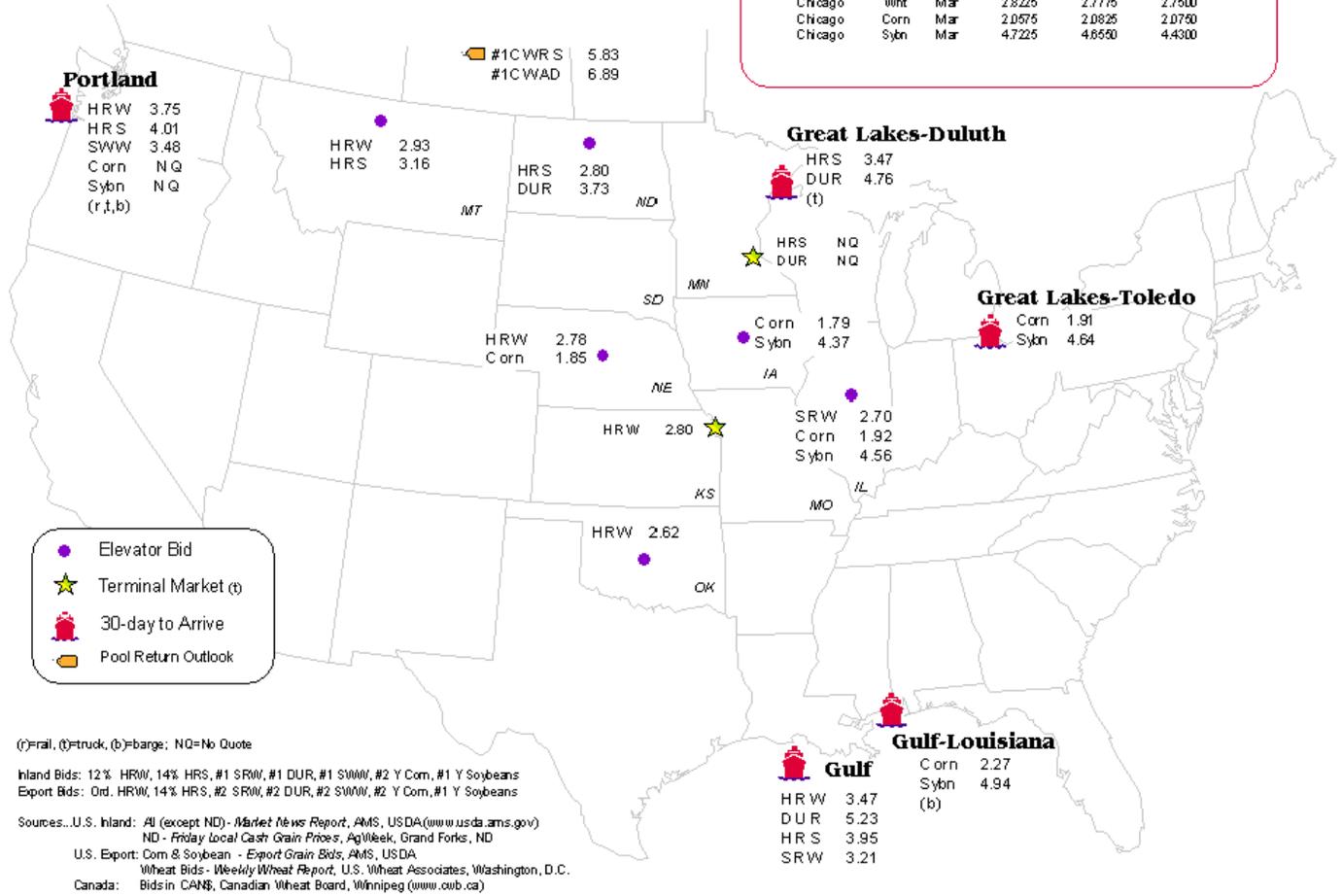
are proposed international standards for determining port vulnerability and assessing threat levels. The IMO also desires full disclosure of the ownership of ships and cargo and the fitting of all ships with a surreptitious hijack alarm. In cooperation with the World Customs Organisation, IMO would like to establish international measures to better secure containerized cargo without hindering the worldwide movement of nearly 190 million containers of cargo each year. This entire set of measures will be reviewed and further discussed in the Safety Committee's meeting this May for submission at the December 2002 Diplomatic Conference where these measures could be adopted. For container and ocean freight rates, please refer to pages 7-8 of this report. (USDA, Transportation Services Program, Heidi Reichert, Heidi.Reichert@usda.gov).

Risk of Contamination of Food in Containers.

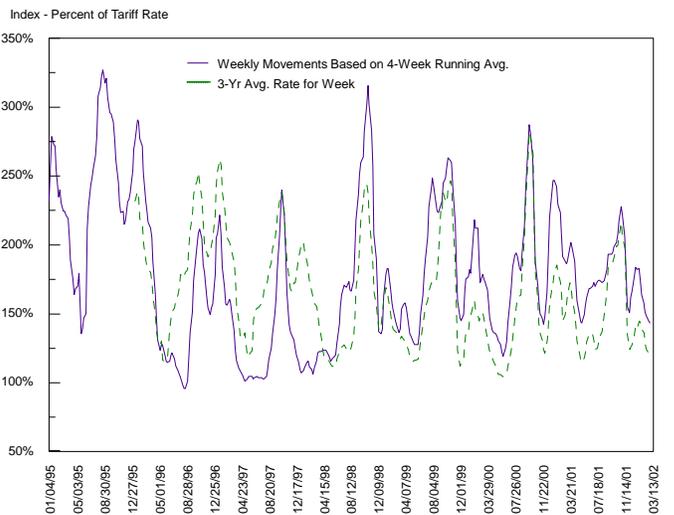
Unlike bulk shipping, agricultural and food products shipped via 20- or 40-foot metal containers are loaded into the container from the storage facility and, ideally, not touched again until received by the importer or receiver. Nevertheless, U.S. Customs has specifically requested that exporters shipping to the United States use electronic seals for container shipments so that shippers, importers, and Customs officials can verify that the shipment has not been opened or tampered with after leaving the point of origin. Currently, indicative seals that only signify whether a container has been tampered with are the most common seals used by agricultural shippers. New container seals include metal or plastic strips, printed with unique symbols or numbers, steel bolts or locks that can only be removed by heavy-duty cutters, and electronic seals that have microchips and security codes imbedded within them. For soybeans and feed grain container rates, see page 7 of this report. (USDA, Transportation Services Program, Heidi Reichert, Heidi.Reichert@usda.gov).

Grain Bid Summary

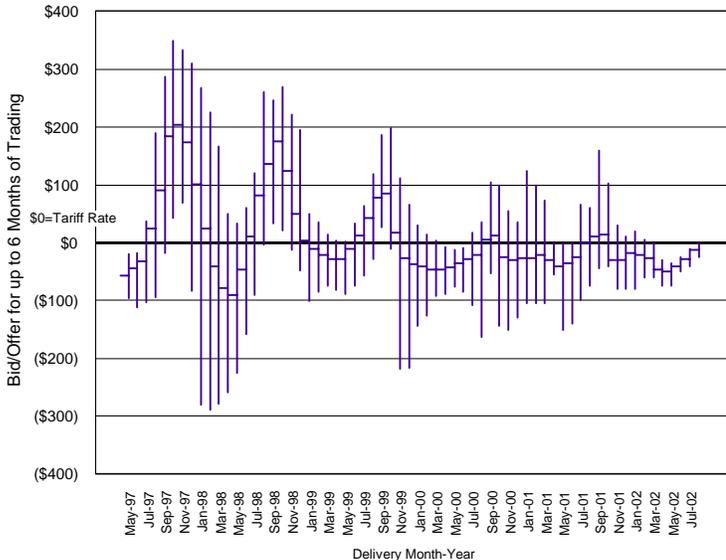
Futures:			03/15/2002	Week Ago 03/08/2002	Year Ago 03/16/2001
Kansas City	Wht	Mar	2.8675	2.8600	3.1600
Minneapolis	Wht	Mar	3.0125	2.9925	3.2525
Minneapolis	Dur	Mar	n.a.	n.a.	n.a.
Chicago	Wht	Mar	2.8225	2.7775	2.7500
Chicago	Corn	Mar	2.0575	2.0825	2.0750
Chicago	Sybn	Mar	4.7225	4.6550	4.4300



Spot Barge Rate - Illinois River



Secondary Rail Market Bids



Rail Car 'Auction' Offerings				
Delivery for:	Apr-02		May-02	
	Offered	% Sold	Offered	% Sold
BNSF-COT	12,966	8%	12,735	6%
UP-GCAS	5,400	10%	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-02	Apr-02	May-02	Jun-02
BNSF-GF	\$3	\$(15)	\$(25)	\$(16)
UP-Pool	\$(5)	\$(23)	\$(35)	\$(28)

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-02	May-02	Jun-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
03/15/02	St. Louis	Mar	0	115
		May	136	120
		Jul	0	140
		Sept	0	188
		Nov	0	0
	Illinois River	Mar	0	140
		May	0	138
		Jul	0	165
		Sept	0	205
		Nov	0	0

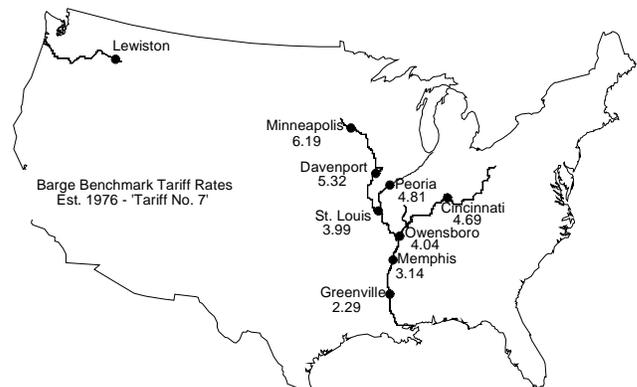
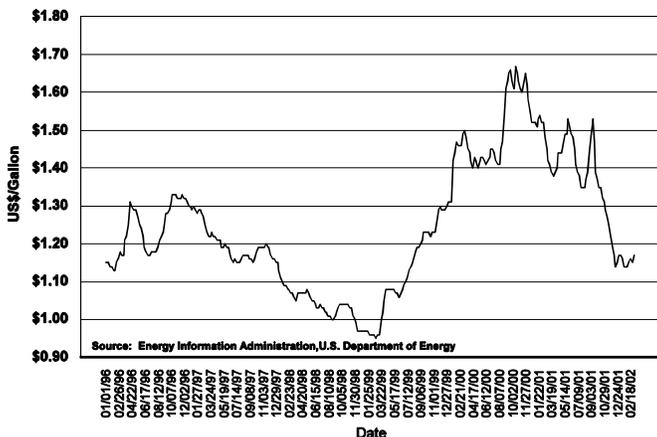
Source: St. Louis Merchants Exchange

Southbound Barge Freight Spot Rates

	3/13/02	3/6/02	Apr '02	Jun '02
Twin Cities	0	0	183	188
Mid-Mississippi	150	150	149	157
Illinois River	134	140	140	146
St. Louis	113	116	117	123
Lower Ohio	124	128	127	131
Cairo-Memphis	109	111	111	115

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

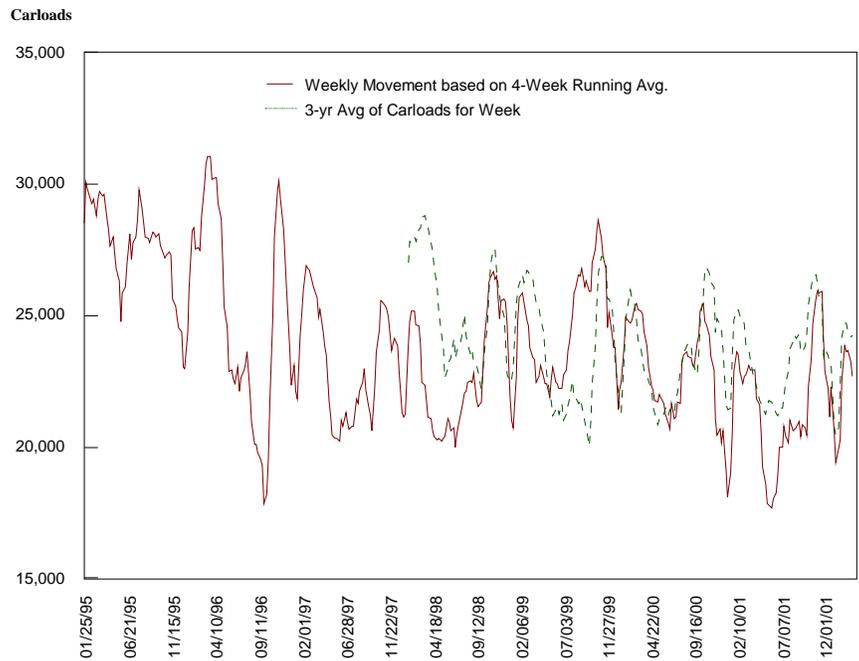
Weekly Retail Diesel (Road) Prices (Including Taxes)



Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
2/23/02	22,187
03/02/02	21,227
03/09/02	20,480
Year to Date - 2002	224,993
Year to Date - 2001	226,975
Total 2001	1,117,601
Total 2000	1,188,917

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
03/09/02	0	2,691	0	3,132	7,260	554	6,843	3,747	3,423
This Week Last Year	0	3,321	0	3,371	8,939	530	6,815	4,786	4,107
2002 YTD	0	30,720	0	31,530	83,936	6,945	67,707	39,899	37,348
2001 YTD	0	34,602	0	32,438	89,625	5,007	65,303	47,795	49,302
2001 Total	0	151,864	0	163,018	428,603	26,330	347,156	254,982	232,461
2000 Total	0	147,708	70,155	153,905	425,849	26,515	364,785	160,749	239,670

Source: Association of American Railroads

Tariff Rail Rates for Unit Train Shipments

March 2002

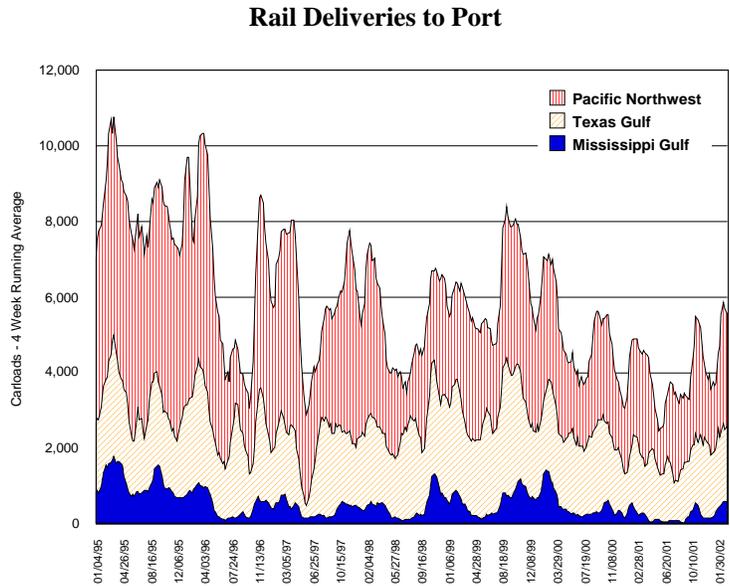
Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
03/04/02	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$22.60	\$0.62
03/04/02	43521	Wheat	Minneapolis, MN	Portland, OR	\$3,877	\$42.74	\$1.16
03/04/02	46540	Wheat	Kansas City, MO	Houston, TX	\$1,650	\$18.19	\$0.50
03/04/02	43586	Wheat	Kansas City, MO	Portland, OR	\$4,347	\$47.92	\$1.30
03/04/02	43581	Wheat	Omaha, NE	Portland, OR	\$4,005	\$44.15	\$1.20
03/04/02	31040	Corn	Minneapolis, MN	Portland, OR	NA	\$0.00	\$0.00
03/04/02	31035	Corn	Kansas City, MO	Portland, OR	\$2,700	\$29.76	\$0.76
03/04/02	31040	Corn	Omaha, NE	Portland, OR	NA	\$0.00	\$0.00
03/04/02	61180	Soybean	Minneapolis, MN	Portland, OR	NA	\$0.00	\$0.00
03/04/02	61180	Soybean	Omaha, NE	Portland, OR	NA	\$0.00	\$0.00
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

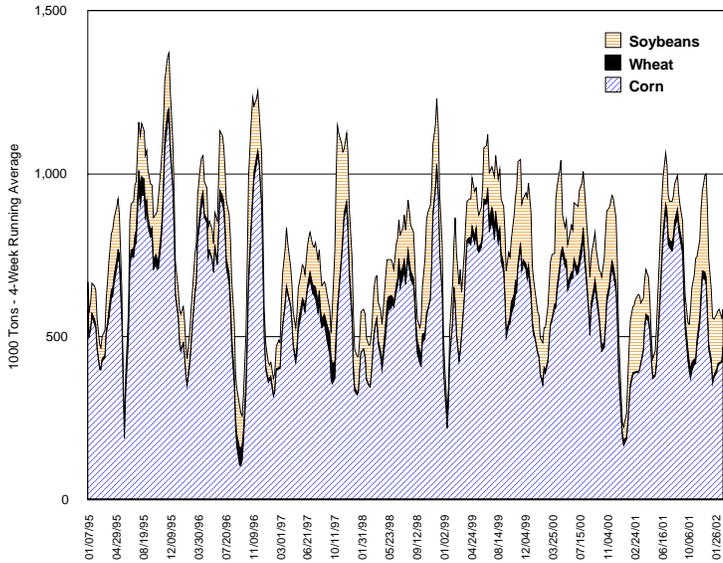
Rail Deliveries to Port				
Carloads				
	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
02/06/02	287*	1,328	3,484	663
02/13/02	640*	2,078	4,316	497
02/20/02	758*	2,058	2,523	603
02/27/02	609*	2,165	2,518	875
03/06/02	300*	1,953*	2,518	380
03/13/02	264*	1,253*	1,864	349
YTD 2002	4,510*	19,253*	25,329	7,478
YTD 2001	3,430	16,081	24,646	8,841
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
 (**) Identical figures are correct

Barge Movements - Locks 27



Barge Grain Movements				
for week ending 3/09/02				
	Corn	Wht	Sybn	Total
	1,000 Tons			
Mississippi River				
Rock Island, IL (L15)	0	0	0	0
Winfield, MO (L25)	32	0	0	32
Alton, IL (L26)	441	6	102	550
Granite City, IL (L27)	414	6	84	504
Illinois River (L8)	326	6	48	380
Ohio (L52)	173	8	55	278
Arkansas (L1)	0	27	14	41
2002 YTD	5,621	359	2,240	8,678
2001 YTD	4,533	401	2,381	7,843
Total 2001	31,878	2,679	10,616	47,091
Total 2000	33,482	2,518	10,327	48,247

Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.
 Source: U.S. Army Corp of Engineers; L15 & L25 closed for winter.

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

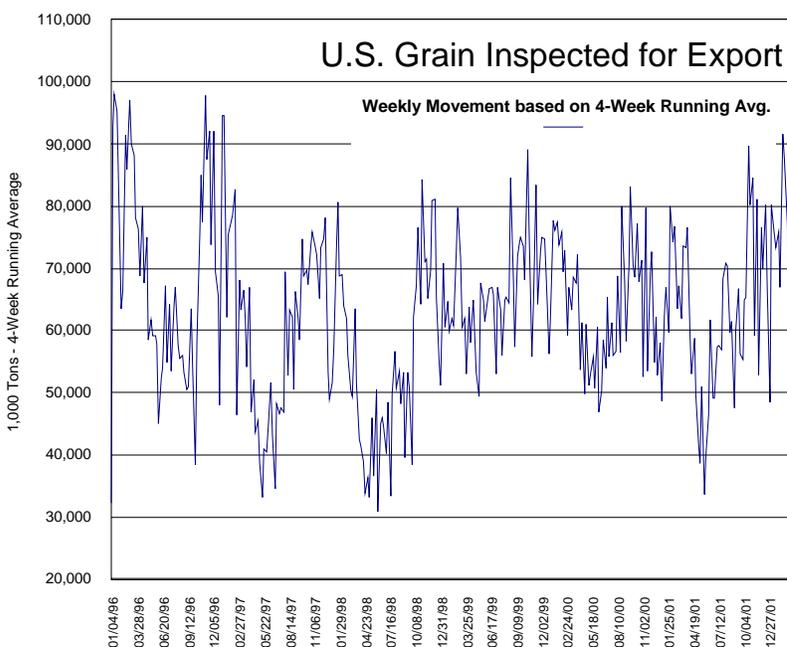
	HRW	SRW	HRS	Wheat SWW	DUR	All	Corn	Soybean	Total
<u>Unshipped Exports-Crop Year</u>									
03/07/02	1,349	721	808	390	147	3,416	7,583	4,030	15,029
This Week Year Ago	1,075	399	899	798	195	3,365	7,488	4,733	15,586
<u>Cumulative Exports-Crop Year</u>									
01/02 YTD	6,538	4,285	4,280	2,569	994	18,666	22,701	21,247	62,614
00/01 YTD	7,404	3,619	4,414	4,035	874	20,346	23,341	17,713	61,400
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>		
	Wheat	Corn	Soybean	Wheat	Corn	Soybean	Wheat	Corn	Soybean
03/14/02	200	110	17	140	879	390	98	6	46
2001 YTD	1,865	1,127	835	1,162	7,297	6,229	1,163	20	643
2000 YTD	2,064	951	870	1,137	5,792	4,880	1,168	130	520
% of Last Year	19%	19%	49%	17%	21%	35%	17%	4%	64%
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: 03/07/02			
Vancouver	4,141	251	353
Prince Rupert	801	0	0
Prairie Direct	365	282	198
Thunder Bay	294	191	45
St. Lawrence	2,255	1,253	0
2001 YTD Exports	7,856	1,977	596
2000 YTD Exports	7,557	1,971	1,096
% of Last Year	104%	100%	54%

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



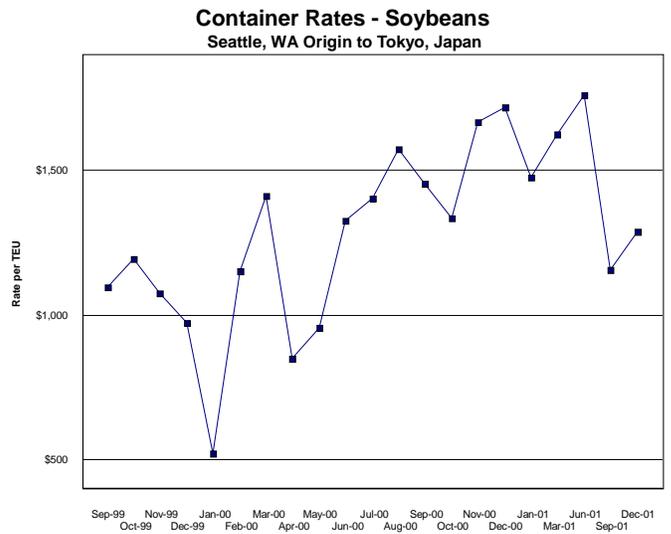
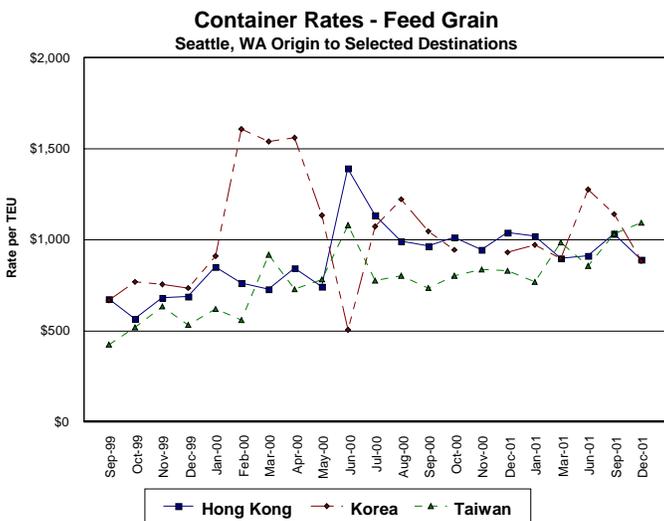
**Gulf Region
Vessels Loaded
- Past 7 Days-**

	Gulf			Pacific Northwest			Vancouver, B.C.		
	In Port	Loaded 7-Days	Due Next 10-Days	In Port	Loaded 7-Days	Due Next 10-Days	In Port	Loaded 7-Days	Due Next 10-Days
03/07/02	33	65	68	12	5		3	10	5
03/14/02	31	56	67	10	5		7	5	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

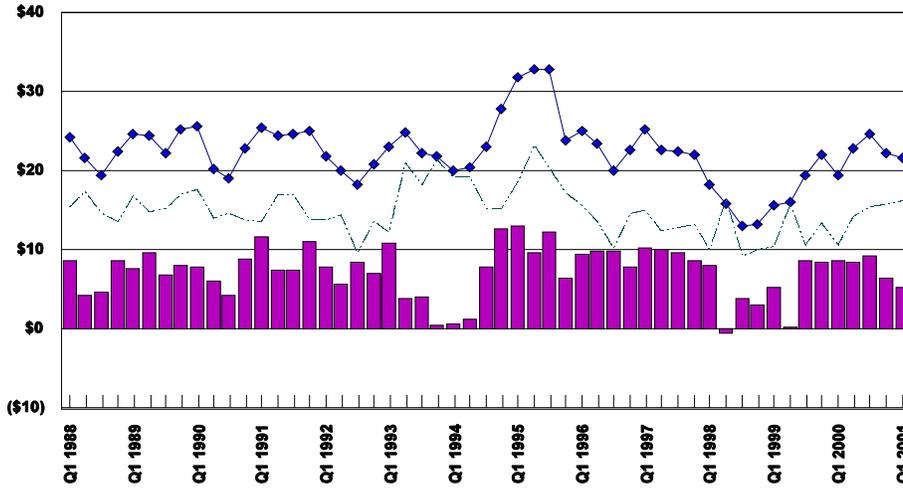
Container Ocean Freight Rates

Monthly Weighted Averages Based on Shipping Line Monthly Mkt. Share



- ◆ 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 4 th Qtr	2000 4 th Qtr	% Change		2001 4 th Qtr	2000 4 th Qtr	% Change
Gulf to				Pacific NW to			
Japan	\$16.25	\$22.38	-27%	Japan	\$9.64	\$15.87	-39%
Mexico		\$13.39	-	Red Sea/ Arabian Sea		\$26.70	-
Venezuela		\$13.29	-	Argentina to			
N. Europe	\$11.73	\$14.96	-22%	Med. Sea	\$17.47		-
N. Africa	\$16.98	\$22.26	-24%	N. Europe	\$16.22	\$18.97	-14%
Med. Sea	\$10.58	\$15.19	-30%	Japan	\$26.33		-

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 3/16/02

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Gulf	Ireland	Grains	Mar 14/19	25,000	\$14.50
Tampa	Continent	Grains	Mar 15/22	20,000	\$15.00
Tampa	Lisbon/Hamburg	Grains	Mar 18/22	18,000	\$15.25
Gulf	Mombasa, Kenya	Wheat	Mar	20,000	\$72.19
Gulf	Japan	Heavy Grain	Apr 3/15	42,000	\$20.00
Gulf	Japan	Heavy Grain	Apr 4/12	54,000	\$19.80
N. Pacific	Taiwan	Heavy Grain	Apr 4/16	55,000	\$10.95
N. Pacific	Taiwan	Heavy Grain	Apr 20/30	55,000	\$10.80
Paranagua, Brazil	Japan	Heavy Grain	Mar 20/25	30,000	\$26.00
Ukraine	Italy	Wheat	Mar 15/25	26,000	\$9.00

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