

Md. Extension Says Rail Corn Rates Up 40% Since 1967

The recent short-lived transportation shutdown caused by striking railroad signalmen added only insult to injury for agricultural processors and other freight shippers.

For as long as most of them can remember, shippers of grain and similar bulk commodities have been complaining about the poor condition of railroad boxcars, unnecessary demurrage and the undependability of rail freight shipping schedules.

The advent of "Big John" hopper cars about five years ago held big promise for alleviating some of these complaints. But their limited number and lack of adequate railroad sidings and loading equipment at many rural points to

handle the mammoth cars has made their appearance little more than a "flash in the pan."

Despite an appearance of doing little to improve service and equipment, U.S. railroads have gained permission from the Interstate Commerce Commission for a series of five ex parte freight rate increases which have raised the actual cost of shipping corn from the Midwest to Eastern Maryland by 40 per cent since 1967.

Railroad backers might argue that the cumulative total of these one-sided increases comes to only 32 per cent. But, like the compounding effect of installment loan interest, actual increase approximates the 40 per cent figure, according to John L. Crothers Jr, Extension grain marketing and transportation specialist at the University of Maryland.

Crothers pointed out in his weekly Maryland Grain Market letter for May 7 that, from July 1964 to August 1967, the cost for shipping a ton of corn 695 miles from Toledo, Ohio, to Snow Hill, Md., was \$7.30 per ton. Now the cost is \$10.20 per ton. But rail service and general equipment condition have deteriorated during the same time interval, he charged in a recent interview.

On top of that, Crothers pointed out, official railroad rate schedules have not been updated since 1964. Figuring the interim series of five ex parte rate increases as surcharges to the official rate

schedule has made present-day railroad shipping rate schedules so complex and jumbled that only experienced personnel can compute them properly.

And the jumbled mess has brought to a virtual standstill any possibility of instant, computerized freight shipping rate schedules, he observed.

The latest ruling by the Interstate Commerce Commission confirms a full six per cent rate hike sought by the railroads under Ex Parte 265 and a variable adjustment of the 15 per cent increase requested under Ex Parte 267. An interim eight per cent of this latter increase was already in effect in the East, Crothers reported.

The final ICC order under Ex Parte 267 permits the following

adjusted freight rate increases:

—14 per cent within the East;
—12 per cent within the West, between territories and on export-import traffic.

—6 per cent within the South. These increases are subject to the following limitations:

—Fresh fruit and vegetable piggyback rates from the West Coast increase only 9 per cent when they include a provision for protective service;

—Rate increases for fresh fruits, vegetables, nuts, processed foods, beverages and wines are limited to a maximum increase of 22 cents per cwt.

—Grain and grain products are limited to an 11 per cent increase.

—Lumber and forest products are limited to a maximum increase of 15 cents per cwt.

These freight rate increases are likely to be passed on to consumers for commodities like fresh foods from the West Coast, Crothers observed.

But the shipping rate increases for grain and grain products are likely to hit farmers hardest. He pointed out that the rate increases since 1967 for grain shipments from the Midwest to Eastern Maryland points amounts to 8 cents per bushel.

American Dairy Assn. Meeting

"The Annual Meeting of District 18 of American Dairy Association and Dairy Council which includes Adams, Berks, Chester, Cumberland, Dauphin, Franklin, Lebanon, Lancaster and York Pennsylvania Counties will take place at the Lebanon Valley Exposition Grounds, Cornwall and Evergreen Road, Lebanon, at 12 noon Thursday, August 5, with a chicken barbeque.

The barbeque tickets may be obtained from Earl Patches, Anville, Chairman; George Moyer, Myerstown; Jay Russell Ober, Lititz; Homer Campbell, Elizabethville; John C. Krone, Glen Rock; John Lasher, Lykens; Willard Gray, Downingtown; or Field Representative Ray Witwer, Lititz.

Staff members of ADA & DC will place special emphasis at this year's annual meeting in reporting on the newly formed United Dairy Industry Association and District 18's role in its future activities.

Also at the meeting, elections will be held to select three members to serve on the District 18 Board of Committeemen. The terms of Jay Russell Ober, Lititz; John C. Krone, Glen Rock; and Willard Gray of Downingtown, expire.

The District 18 membership will also be brought up to date on the activities during the past year by ADA & DC Director, George Moyer. Door prizes will be awarded and the membership is urged to make their reservations as soon as possible.



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