

GRAINS & TRAINS

The recent surge in farm exports put such a strain on railroad capacity that many shippers are wondering if the trains can meet their future needs. ERS takes a look at rural shipping problems.

Jack Smith in Plain's County, Nebraska, was more than a little upset. His grain harvest was in, but it had no place to go. The country elevator down the road couldn't handle any more grain until boxcars were dispatched to unload the jammed facility.

Joe White, the elevator manager, didn't feel much better. With record high grain prices and high interest rates on unmoved inventories, each day's delay in shipping cost him money—and restricted the cash flow to area farmers. Yet his unfilled orders for more boxcars had been backlogged for weeks.

Meanwhile, down the tracks in Gulfport, Louisiana, rail cars were arriving with grain faster than port elevators could unload their burgeoning stocks onto grain ships bound for the Black Sea.

Freight cars were stacking up in holding patterns reminiscent of a busy airport suddenly overwhelmed by a groundswell of thick fog. And

until the cars were relieved of their cargoes, they could not make the return trip north to pick up more grain.

Rural doubts. An extreme situation? Maybe, but scenarios like this one were all too familiar to grain producers and shippers trying to meet sales commitments during the recent boom in agricultural exports.

Moving goods in rural areas has always had its problems, but a preliminary ERS study report on rural transportation suggests that shipping snags may have reached the crisis stage.

Rural users are seriously questioning the ability of the grain marketing and transportation system to meet their needs. They see inadequate and costly transportation as a possible constraint on future increases in production and sales.

While ultimate solutions to rural shipping hangups are still being debated among transportation planners, for now the practical answers seem to lie in increasing the operating efficiency of the existing network. And railroads are the backbone of the grain transportation system.

Troubled railroads. The railroads, however, are a financially beleaguered industry. Even though traffic volume set records last year and freight

rates were up, many lines have continued to fall into serious disrepair and financial insolvency. Several have declared bankruptcy.

Reorganization of faltering rail lines has been enacted as a remedy for deteriorating profits—and service—but many rural communities are concerned about the potential economic effects of rail abandonments, which would undoubtedly be part of any reorganization plan.

Many unprofitable branch lines have been abandoned by the railroads in past years, and frequently these lightly-traveled lines were located in rural areas.

Looking at agriculture in aggregate, ERS economists feel that so far, abandonments have not seriously reduced important rail segments serving agricultural users.

Adverse effects. Some local communities may have been adversely affected if they had no ready recourse to other modes of transportation. But in many cases rural businesses had already turned to other modes while the rail lines were still operating.

A major difficulty for many country elevators and shippers is a shortage of freight cars when rural shipments step up. Car shortages became critical in some areas last year when export movements gained momentum.

While the car supply problem is usually thought of as an inadequate fleet, some economists believe that at least for the grains, it could be as readily alleviated by improving car utilization as by expanding the number of cars.

Steps have been taken in this direction, and the railroads say the car supply outlook for this year's grain harvest is the brightest in almost 2 years. ERS economists expect only normal shortages through the wheat harvest.

Car supplies up. According to the

Association of American Railroads, car shortages to agricultural shippers, reflected in backlogs of unfilled orders, have dropped sharply since last February. Also, additional covered hopper cars are now joining the grain car fleet at a rate of more than 1,500 a month. The railroads say this rate is likely to increase during the last part of the year when grain shipments are heaviest.

Since mid-1972, the covered hopper fleet has jumped from 181,500 to 209,000 cars. With a capacity of up to 100 tons, these large cars now move nearly 70 percent of all rail-hauled grains.

Not only do they carry an average of 3,000 bushels compared with 2,000 for the general purpose boxcar once used in most grain shipments, but they can also be loaded and unloaded much faster.

Covered hoppers are representative of the trend toward larger average capacities for all freight cars—which has helped to offset their declining numbers in recent years.

Load restrictions. However, there's a hitch to switching over completely to the jumbo cars. In some areas, shippers and country elevators still require the smaller boxcar because they are located on branch lines that can't support large hoppers.

And in times of peak demand, there often haven't been enough boxcars to meet the needs of all the lines with load restrictions. From 1960 to 1972, the number of boxcars declined by nearly half—about 309,000 cars—by far the greatest decrease for any type of car.

However, the railroads note that backlogged shipper orders for general purpose boxcars have also been dramatically reduced this spring, and their supply situation has been further improved by the increasing use of larger cars wherever possible.

Future boxcar supplies would also benefit from a proposal to set up a free-running nationwide pool of box-

[Continued on Page 56]

ROANOKE YEARLING STEER SALE

Thursday, Sept. 12, 1974
at 7:00 P.M.

1500 HEAD
500 lbs. & Up

State Sponsored and State Graded

For information contact:
Roanoke-Hollins Stock Yards
Box 7005, on US Route 11 north of Roanoke
Hollins, Virginia 24019
Joe Graham, Manager,
Phone: (703) 992-1112

DAIRY CATTLE SALE

Sale to be held at the ABERDEEN SALES CO. INC.,
Livestock Auction Market located on Md. Rt. 22 6 mi.
West of Aberdeen, Md. and 6 mi. East of Bel Air, Md. in
Churchville, Harford Co., Md. on

FRIDAY, SEPTEMBER 13, 1974

8:00 P.M.

50 HEAD OF TOP HOLSTEIN CATTLE

Mr. John Bell of Catlett, Va. will have 2 loads of top fresh and springing Holstein cows and heifers. All of these heifers are by artificial breeding and out of the top herds in Virginia.

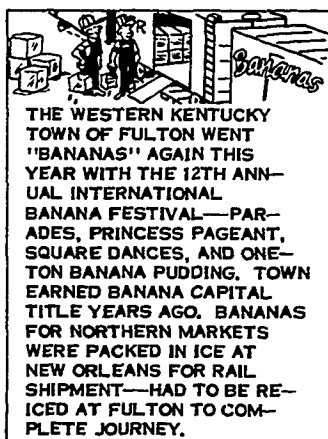
Mr. Austin Raley of Fallston, Md. will have 1 load of fresh and close springing Holstein heifers to sell. In addition, we have several fine consignments from local farmers.

All cattle T.B. Accredited and Certified Bangs Free; tested within 30 days of sale for out of state shipment.

ABERDEEN SALES CO. INC.

Livestock Auction Mkt.
Kent R. Ferrell, Jr.
Auctioneer
Complete Sale Management

CONSIGNMENTS WELCOME
TRUCKING AVAILABLE
PRIVATE SALES DAILY
Phone: 301-734-6050
Night: 734-7105
734-7978



THE WESTERN KENTUCKY
TOWN OF FULTON WENT
"BANANAS" AGAIN THIS
YEAR WITH THE 12TH ANNUAL
INTERNATIONAL
BANANA FESTIVAL—PARADES,
PRINCESS PAGEANT, SQUARE
DANCES, AND ONE-TON BANANA
PUDDING. TOWN EARNED BANANA
CAPITAL TITLE YEARS AGO. BANANAS
FOR NORTHERN MARKETS WERE
PACKED IN ICE AT NEW ORLEANS
FOR RAIL SHIPMENT—HAD TO BE
REJECTED AT FULTON TO COMPLETE
JOURNEY.



EVERY WEDNESDAY IS DAIRY DAY

AT NEW HOLLAND SALES STABLES, INC.
New Holland, Pa.

If you need 1 cow or a truck load, we have from 100 to 200 cows to sell every week at your price. Mostly fresh and close springing Holsteins.

Cows from local farmers and our regular shippers including Marvin Eshleman, Glenn Fite, Gordon Fritz, Blaine Hoffer, Dale Hostetter, Bill Lang, H. D. Matz, and Jerry Miller

SALE STARTS 12:30 SHARP

SPECIAL DISPERSAL SALE

MONDAY, SEPT. 9, 7:30 P.M.

A complete Herd Dispersal of 89 Good Cows
Certified herd with some Purebred and a lot of
Fall cows Good herd replacement cows

**GREEN DRAGON
LIVESTOCK SALES**

RD3, Ephrata, Pa.

Phone: 717-733-2334

Walter Risser, Manager



WANTED

**Home For
51 HEAD HOLSTEIN FEEDERS**
average 740 lbs. each

Well grown - carrying good flesh - castrated -
dehorned - implanted - wormed, ready to go
Make an offer

**Call 717-448-2971
between 6 & 9 P.M.**

J. MONAHAN,
Pleasant Mount,
Wayne Co., Pa.

PUBLIC AUCTION

For the Heirs of Jennie N. Gustafson, 333 acre farm, located on
Quaker Neck Road, Route 289, just past the Chester River Yacht &
Country Club, 2 miles South of Chestertown, Md

**SATURDAY,
SEPTEMBER 14, 1974**

At 1:00 P.M.

**REAL ESTATE:
333 ACRE DAIRY FARM**

333 Acres with about 275 tillable. Approx. 6500 road frontage.
Improved by frame house 8 rooms & bath central H/W heat 28 stall
dairy barn concrete paved area and large loafing shed 2 12x40 silos
w/roofs chicken house Metal grain storage and corn cribs
Ideal for grain farming dairy farming and hunting A fine farm with
future potential

TERMS 10% deposit settlement within 60 days possession by
Jan 1, 1975 Sale subject to confirmation by Heirs
information and plot plan available from
HARRY RUDNICK & SONS, INC. Auctioneers
Galena, Md. Phone 301/648 5100