

**TRANSPORTATION AND HANDLING COSTS  
FOR SELECTED NORTH DAKOTA  
AGRICULTURAL COMMODITIES  
FOR THE FAR EAST**

**by**

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COMMODITIES FOR THE FAR EAST**

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The following transportation and handling costs were developed for the Governor's Trade Mission to China at the request of Kent Jones, Commissioner of Agriculture. The transportation rates were obtained from several sources including the traffic department of the Public Service Commission, traffic managers of selected companies and the rate quotation desks of railroads. Handling charges were based on personal communications with people in the grain and fobbing trade at both the Gulf and Pacific Northwest. Ocean rates were obtained from Grain Transportation Situation, Office of Transportation, USDA, and from industry traffic managers.

It should be noted that these rates and handling costs are subject to change and in some cases are estimates. Hopefully they will provide members of the trade mission with a basic idea of the costs of handling and transporting unprocessed and processed agricultural commodities.

The price FOB vessel Gulf versus Pacific Northwest will not necessarily determine the routing of commodities since there are many other factors which affect the logistical choice such as backhaul opportunities, port congestion, TCK smut, and others.

Origins were selected on the basis of production and/or traditional movement patterns.

To convert hundredweight costs to metric ton costs multiple by a factor at 22.05.

**TABLE 1. SUMMARY OF TRANSPORTATION AND HANDLING COSTS FOR SELECTED NORTH DAKOTA AGRICULTURAL COMMODITIES DESTINED FOR THE FAR EAST**

COMMODITY/ORIGIN	POUNDS PER BUSHEL	PACIFIC NORTHWEST		GULF-MOBIL OR NEW ORLEANS	
		F. O. B. VESSEL	F. O. B. FAR EAST	F. O. B. VESSEL	F. O. B. FAR EAST
----- (¢/CWT.) -----					
<b>HARD RED SPRING AND DURUM</b>	60				
Williston		182	252	---	---
Devils Lake		198	268	219	365
Casselton		198	268	200	346
<b>BARLEY</b>	48				
Valley City		248	318	290	436
Minot		248	318	339	485
<b>SUNFLOWER</b>	28				
Casselton		331	401	404	550
<b>OATS</b>	32				
Jamestown		363	433	301	447
<b>FLAX</b>	60				
Devils Lake		714	784	342	488
<b>CORN</b>	56				
Wyndmere		152	222	196	342
<b>DRY EDIBLE BEANS</b>	60				
Grafton		311	381	288	434
<b>SUNFLOWER AND LINSEED OIL</b>	--				
Fargo		349	--	257	507

**TABLE 1. SUMMARY OF TRANSPORTATION AND HANDLING COSTS FOR SELECTED NORTH DAKOTA AGRICULTURAL COMMODITIES DESTINED FOR THE FAR EAST**

COMMODITY/ORIGIN	POUNDS PER BUSHEL	PACIFIC NORTHWEST		GULF-MOBIL OR NEW ORLEANS	
		F. O. B. VESSEL	F. O. B. FAR EAST	F. O. B. VESSEL	F. O. B. FAR EAST
		----- (¢/CWT.) -----			
Velva		349	--	359	609
<b>FLOUR AND SEMOLINA</b>	--				
Grand Forks		512	--	342	--
Cando		512	--	N.A.	--
<b>PASTA PRODUCTS</b>	--				
Cando		718	--	451	--

TABLE 2. TRANSPORTATION AND HANDLING COSTS FOR SELECTED NORTH DAKOTA COMMODITIES EXPORTED TO THE FAR EAST.										
COMMODITY/ORIGIN	PACIFIC NORTHWEST					GULF-MOBILE OR NEW ORLEANS				
	RAIL RATE	FOBBING CHARGE	TOTAL F.O.B. VESSEL	OCEAN RATE	TOTAL F.O.B. FAR EAST	RAIL RATE	FOBBING CHARGE	TOTAL F.O.B. VESSEL	OCEAN RATE	TOTAL F.O.B. FAR EAST
	(¢/CWT.)					(¢/CWT.)				
<b>HARD RED SPRING AND DURUM</b>										
Williston	169 <sup>a</sup>	13 <sup>b</sup>	182	70 <sup>c</sup>	252	--	--	--	--	--
Devils Lake	182 <sup>a</sup>	13 <sup>b</sup>	198	70 <sup>c</sup>	268	206 <sup>p</sup>	13 <sup>b</sup>	219	146 <sup>d</sup>	365
Casselton	182 <sup>a</sup>	13 <sup>b</sup>	198	70 <sup>c</sup>	268	187 <sup>e</sup>	13 <sup>b</sup>	200	146 <sup>d</sup>	346
<b>BARLEY</b>										
Valley City	235 <sup>f</sup>	13 <sup>b</sup>	248	70 <sup>c</sup>	318	277 <sup>g</sup>	13 <sup>b</sup>	290	146 <sup>d</sup>	435
Minot	235 <sup>f</sup>	13 <sup>b</sup>	248	70 <sup>c</sup>	318	326 <sup>g</sup>	13 <sup>b</sup>	339	146 <sup>d</sup>	485
<b>SUNFLOWER</b>										
Casselton	311 <sup>h</sup>	20	331	70 <sup>c</sup>	401	384 <sup>i</sup>	20	404	146 <sup>d</sup>	550
<b>OATS</b>										
Jamestown	350 <sup>j</sup>	13 <sup>b</sup>	363	70 <sup>c</sup>	433	288 <sup>k</sup>	13 <sup>b</sup>	301	146 <sup>d</sup>	447
<b>FLAX</b>										
Devils Lake	701 <sup>l</sup>	13 <sup>b</sup>	714	70 <sup>c</sup>	784	329 <sup>m</sup>	13 <sup>b</sup>	342	146 <sup>d</sup>	488
<b>CORN</b>										
Wyndmere	139 <sup>n</sup>	13 <sup>b</sup>	152	70 <sup>c</sup>	222	183 <sup>o</sup>	13 <sup>b</sup>	195	146 <sup>d</sup>	342
<b>DRY EDIBLE BEANS</b>										
Grafton	281 <sup>s</sup>	30 <sup>a</sup>	311	70 <sup>c</sup>	381	258 <sup>r</sup>	30 <sup>a</sup>	288	146 <sup>d</sup>	434

- <sup>a</sup> Fifty-two car single origin rate effective July 22, 1982, lowest possible rate.
- <sup>b</sup> Based on a throughput charge of 8 cents per bushel; although throughput costs are currently five cents, one can anticipate an increase when demand picks up.
- <sup>c</sup> Based on ocean freight of \$14.00/ton from the PNW to Japan, 28,000 ton vessel.
- <sup>d</sup> Based on a range of \$27.50-\$30.00/ton for 27,000 ton vessel to a 30,000 ton vessel respectively.
- <sup>e</sup> Fifty-two car, BN direct to Mobile.
- <sup>f</sup> Fifty-two car BN direct.
- <sup>g</sup> Single car, BN direct to Mobile.
- <sup>h</sup> Fifty-two car rate, BN direct.
- <sup>i</sup> Single car rate to Minneapolis and Soo Line volume export rate to New Orleans.
- <sup>j</sup> Single car rate BN direct.
- <sup>k</sup> Single car rate, BN direct to Mobile.
- <sup>l</sup> Single car rate, BN direct.
- <sup>m</sup> Single car rate, BN direct to Mobile.
- <sup>n</sup> Fifty-four car rate, BN direct.
- <sup>o</sup> Fifty-four car rate, BN direct to Mobile.
- <sup>p</sup> Fifty-two car rate, BN direct to Mobile.
- <sup>q</sup> Bulk single car rate to Mobile, BN direct, a rate of \$3.27/cwt. applies to beans bagged in box cars.
- <sup>r</sup> Temporary rate applies through August, BN direct to Mobile. A rate of \$4,455 per car applies on bagged material.
- <sup>s</sup> Fobbing costs for beans are a very rough estimate obtained by personal communication.

TABLE 3. TRANSPORTATION AND HANDLING COSTS FOR SELECTED NORTH DAKOTA PRODUCTS EXPORTED TO THE FAR EAST.										
PRODUCT/ORIGIN	PACIFIC NORTHWEST					NEW ORLEANS - GULF				
	RAIL RATE	FOBBING CHARGE	TOTAL F.O.B. VESSEL	OCEAN RATE	TOTAL F.O.B. FAR EAST	RAIL RATE	FOBBING CHARGE	TOTAL F.O.B. VESSEL	OCEAN RATE	TOTAL F.O.B. FAR EAST
	(¢/CWT.)					(¢/CWT.)				
<b>SUNFLOWER AND LINSEED OIL</b>										
Fargo	284 <sup>a</sup>	65	349	275 <sup>j</sup>	624	192 <sup>ab</sup>	65	257	250 <sup>e</sup>	507
Velva	284 <sup>a</sup>	65	349	275 <sup>j</sup>	624	294 <sup>a</sup>	65	359	250 <sup>e</sup>	609
<b>FLOUR AND SEMOLINA</b>	----- TRUCK RATE -----					----- TRUCK RATE -----				
Grand Forks	400 <sup>c</sup>	112 <sup>f</sup>	512	--	--	230 <sup>d</sup>	112 <sup>f</sup>	342	--	--
Cando	400 <sup>c</sup>	112 <sup>f</sup>	512	--	--	N.A. <sup>e</sup>	N.A.	N.A.	--	--
<b>PASTA PRODUCTS</b>										
Cando	606 <sup>h</sup>	112 <sup>f</sup>	718	--	--	339 <sup>i</sup>	112 <sup>f</sup>	451	--	--

<sup>a</sup> Rail rate applies to shipper owned or leased cars.

<sup>b</sup> Weighted average of rail-barge combination via Minneapolis eight months and via Memphis four months.

<sup>c</sup> Bagged or bulk, 40,000 lb. minimum; if a significant movement were possible, the existing rail rate of \$4.91/cwt. could be negotiated with the Burlington Northern to some reduced level.

<sup>d</sup> New Orleans, export, bagged in box cars.

<sup>e</sup> Cando does not have rail siding, thus they would have to truck to some railhead and transship by rail to remain competitive.

<sup>f</sup> Based on a receiving and stevedoring cost of \$25/long ton at New Orleans.

<sup>g</sup> Based on a rate of \$50/ton for a 5,000 ton parcel, to Hong Kong.

<sup>h</sup> Boxed foodstuffs in boxcars 52', 75,000 lb. minimum.

<sup>i</sup> Boxed foodstuffs in boxcars 52', 100,000 lb. minimum.

<sup>j</sup> Based on a rate of \$55/ton for a 5,000 ton lot.