

## Agribusiness In SL County

# Will Railroad Lower Rates For Feed Grain Rail-Water Transport?

**By Camille Howland**  
Farmers in Northern New York and New England states are asking, "Is this proposed rail-water shipment of feed grains finally going to become a reality? And, if so, will rates actually be lowered to benefit us?"

The Water Transport Association's proposal is not a new one. It was suggested many years ago that a route through the Great Lakes and then rail across the northern areas could be worked out more economically than present freight rates. The fly in the ointment has always been the railroad.

### Say Cost Would Be Half

The WTA, in a proposal heard by the Interstate Commerce Commission Sept. 16, claims feed grains could be shipped from the midwest to farmers in the northeast for about 50 per cent less, thus making the northeast agriculture competitive in its own home markets with the southeast. Freight rates are lower to the southeast from the same midwest origins.

However, there are those who are skeptical that the railroads will ever benefit this northeastern area, and few here see that the proposal would be of any great benefit to the dairy farmer.

For instance, in Canton, Tom Patterson of Wight and Patterson feed store, said "Unless it (feed grain) can be shipped to Canton from Ogdensburg for six to eight dollars less a ton than it can be shipped in car lots, I can see no advantage to it." He said if there were a major mixing plant in the area, it might be of some advantage.

But for the Ogdensburg Bridge and Port Authority, Executive Director James P. McGuinness sees advantages in the proposal.

### Would Benefit Port

"An equitable, non-discriminatory rate system should be encouraged to permit the development of Great Lakes ports such as the Port of Ogdensburg," McGuinness said in his report at the Sept. 16 hearing in Washington. "The Ogdensburg Port Authority has the basic land, railroad and marine facilities necessary to accommodate the proposed bulk grain transfer. Moreover, the economies of the system have generated substantial interest by agricultural interests in Northern New York which is primarily dairy country with increasing beef production. This local interest and the New England movement present an attractive opportunity for Port Authority and private investment."

"In conclusion, we offer the suggestion that the I. C. C. evaluate the policy aspects of this proposed movement and insure that rates and services developed can offer a competitive and efficient transportation system. The Port of Ogdensburg is ready and able to provide the necessary transfer facilities."

### Co-op Groups Represented

At the same hearing 29,000 dairy farmers who are members of 17 cooperatives comprising membership of the New York-New England Dairy Cooperative Coordinating Committee were represented by R. Fenton Murphy, president of Northeast Dairy Cooperative Federation, Syracuse and David Arms, economic consultant for the Cooperative Dairy Economics Service, Acton, Mass.

Murphy, in his statement, said, "the rates and services provided by the railroads in the Northeast do not match those in other regions of the U. S. and the resulting disparities work hardships on all milk producers in this region because they must rely heavily on grain shipments from the Midwest."

"The rate hikes recently granted by I. C. C. have served to widen these inter-regional rate differences and compound the problem for northeast agriculture."

Most grain shipments to the region now move by all-rail routes from grain terminals in Chicago, Duluth, Minn. or Toledo, Ohio.

In his testimony, Arms said the Northeast region produces about 20 percent of the nation's total milk supply. He said, "The WTA study, conducted by a private consulting firm, suggests that total freight costs on grain and grain products shipped into the region can be reduced to rates comparable to those existing in the southeast. This could reduce feed costs to New England dairymen by approximately \$6 a ton or 30 cents a hundredweight...this is equivalent to a feed cost reduction of 15 cents cwt. of milk produced, for a total savings by the average farmer of some \$1,800 a year."

### Poultry Industry Hard Hit

The New England poultry industry, some feel, would benefit most by a reduction in feed grain costs resulting from such rail-water shipment.

During the period 1959 and 1969, national broiler production increased 76 percent, while New England increased only eight per cent and, if Maine is excluded, dropped 68 per cent. Most of the poultry consumed in New England today has been raised in the south.

"The WTA study found that while New England and the Southeast are nearly equidistant from the midwest, freight rates on feed grains to the southeast are

considerably lower," report of the hearing stated. "It attributes the reduced rates and improved service to the competitive barge-truck service found in the southeast region. Economical rail-ship transport of feed grains to New England, it concluded, would allow the northern farmer to reduce his prices to a competitive level, if the railroads would agree to publish cooperative rail-ship rates at a reasonable cost."

President of the WTA John A. Creedy said that the Faith plan calls for an innovation in the form of an exploding unit train which might start out from

Buffalo to New England with 100 cars and split into three parts. Since the poultry industry is concentrated in the three areas of Augusta, Maine, Worcester, Mass. and Manchester, Conn., it could be expected that terminals able to accommodate up to 100 cars at a time could be developed in these areas.

Further "An allowance for shipper or water carrier ownership of the freight cars was put into the proposal in consideration of the shortage of freight cars of railroads in financial difficulty," Creedy said. "The study proposed a rate level well above the rates commonly available on unit trains for coal and

other commodities moving in large volume."

As for the railroad's reluctance to "short haul" themselves, Creedy said, "We do not concede that our proposal would be against the interests of the railroads. Far from it; improvement in efficiency of the service could well result in the reversal of the decline of New England agriculture and greatly expanded railroad business at more profitable levels than now exist."

Congressman Peter N. Kyros, D-Maine, wrote an expression of hope that a means might be found to make the poultry industry in Maine and throughout New England more competitive with the southern states.

Noting that Maine poultry and dairy industries last year consumed more than 800,000 tons of feed grain, Congressman Kyros said there is presently a disparity of more than \$7 a ton in the cost of feed grain shipments from the midwest to Maine as compared to similar shipments to Georgia.

"The adverse effect on Maine's consumers has been significant: we pay for broiler feed as much as \$6.58 per ton more than consumers in any of the other major broiler-producing areas in the southern United States," he said.

### Others Endorse Plan

Endorsement of the proposal for rail-water shipment was made by various dignitaries and organizations including Congressman Silvio Conte, R-Mass.; Senator Edward R. Brooke, R-Mass.; the New England Governors' Conference; Commissioner of the Vermont Department of Agriculture Edward R. Eurich; Joseph Coffee, research consultant for the Maine Department of Economic Development; the Massachusetts Farm Bureau Federation; Northeast Egg Marketing Association of Durham, N.H.; H.K. Webster Company Inc., Lawrence, Mass.; Chairman of the Northeast Transportation Committee and Commissioner of Agriculture for the State of New Hampshire Frank T. Buckley; Central Connecticut Co-operative Farmers Association.

Maine Commissioner of Agriculture Maynard C. Dolloff said that under the most recent increase in corn rates, the rail rate on corn from Toledo, Ohio to Maine rose to \$12.40 a ton, a 36.3 percent increase over the 1966 rate of \$9.10 a ton. During the same five-year period, however, the multi-car rail rate from St. Louis to Gainsville, Fla. increased only 23.3 percent from \$4.17 to a current \$5.14. The disparity between these rates to Maine and to Georgia is now \$7.26 a ton, he said.

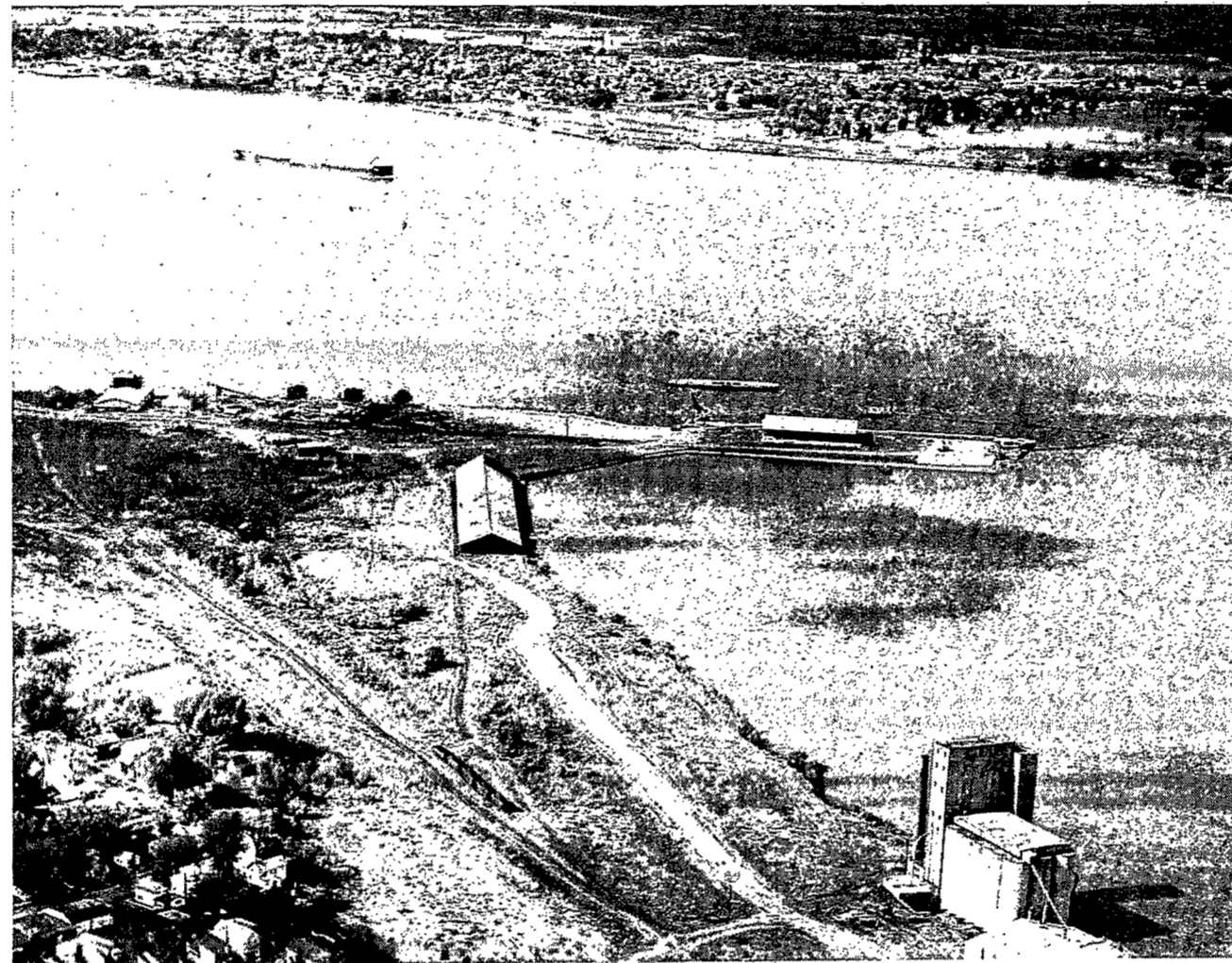
"In 1967, Maine's disadvantage relative to eight other broiler areas in the average cost of broiler feed (ingredient and delivery costs) was very significant," Dolloff reported. "Maine consumers paid from \$2.95 to \$6.58 a ton more than any of the other areas: Delmarva, Alabama, Arkansas, Georgia, Mississippi, North Carolina, Texas and Virginia."

Maine, despite having greater broiler-plant efficiency than all of these areas with the exception of Virginia, from 1961 to 1967, still had the second lowest rate of growth in broiler production during the 1960's and actually suffered a loss of relative share of the national broiler market in the same period.

### Railroads to Reply

Ian Cushman, president of the cargo handling and transportation division of the American Ship Building Company, told the conference that a rebirth in Great Lakes shipbuilding has come about through management skills, capital improvements, new techniques and cost reduction. He predicted the development of new ships that will be equivalent of two or three of the present vessels because of their greater size and speed. These larger, faster and more efficient vessels could utilize the economies of scale in carrying grain cargoes from the midwest to the port of Buffalo for transshipment to New England.

C.L. Smith, chairman of the Traffic Executives Association of the Eastern Railroads, agreed to submit to the ICC a response by his member railroads to the proposal within 60 days of the Sept. 16 hearing.



**OGDENSBURG PORT**—The new port terminal in Ogdensburg would be a possible site for installation of direct grain-to-rail car transfer of feed grains for on-carriage to New England markets in 50 and 100-car unit train lots. The area in the foreground would be used as mar-

shalling area for rail cars. The entire area immediately within the protective fencing encompasses about three acres, with a total terminal operating area of seven acres. The Ogdensburg Bridge and Port Authority waterfront lands total 70 acres.



Will the dairyman benefit?

## Editor To Speak At Lisbon Central School



Gordon Conklin

**LISBON**—To bring about better understanding between rural and urban peoples, the Kiwanis Club of Ogdensburg and the St. Lawrence County Pomona Grange will again co-sponsor a farm-city public dinner on Nov. 17, in the Lisbon Central School. The guest speaker for the fourth annual observance will be Gordon Conklin, editor of the American Agriculturist, Ithaca.

Farm-City Week is observed by service clubs and farm organizations throughout the United States to increase the knowledge and appreciation of farm and city people for the American way of life, and to recognize that Thanksgiving Day symbolizes America's awareness of, and gratefulness for the bounty of nature and the strength of her man-made institutions.

The speaker is one of the most respected farm editors in the Northeast. Born in Cuba, N. Y. on June 8, 1927, he grew up on a dairy farm in Cattaraugus

County. A graduate of the New York State College of Agriculture at Cornell University in 1949, he received his master's degree in farm management in 1950. He first served as a farm loan representative at Delaware National Bank at Delhi, N. Y. until he joined the U. S. Army in 1951, leaving the service in 1954 to become assistant county agricultural agent in Cayuga County until 1959.

Conklin entered the journalism field in 1959 as a member of the editorial department of the American Agriculturist, becoming editor in January, 1962. He was the first chairman of New York State Agricultural Resources Commission from March, 1969 to June, 1970.

Franklyn Sheldon, Lisbon, is general chairman of the dinner; and reservations may be made by calling him at 393-5419 or John Crasper 393-3060 or Clarence Poor 344-7798. Reservations will close on Nov. 12.

## Cooperative Extension Report

**By Susan A. Smith**  
**November Plentiful Foods**—It's time for feasts and a time to give thanks for the good things in life. Pork and Rice are featured in keeping with the seasonal food on the United States Department of Agriculture's Plentiful Foods List for November.

Pork is high in nutritive value. It is an especially good source of thiamine; a B vitamin, and protein. Rice offers a way to cut down on food bills while it also is a good source of the B vitamins and protein.

Potatoes are available with the locally produced crop, the least expensive. Look for specials on instant mashed potatoes and frozen French Fries at your supermarket.

Turkey, chicken and eggs are expected to be in plentiful supply. Plan to use them in your November menus frequently.

Fresh cranberries are in season and will be until December. Apples and processed apple products are abundant now.

Try a menu of roast pork, steamed buttered rice, broccoli or boiled cabbage, pear salad with cranberry sauce in the center and fresh apple pie for dessert.

**ENEP**—Did you know that Cooperative Extension has a program especially designed for the low income homemaker? The Expanded Nutrition Education Program is federally funded program. The program began in St. Lawrence County in September. The purpose of this program is to help the low income family to improve the nutritional quality of their diets. Cooperative Extension presently has seven Nutrition Aides working in twenty areas of St. Lawrence County. They are working with seventy families to date.

How many times a month do you stand in front of the egg counter in the supermarket and wonder which size egg is the better buy? Just remember the nutritional quality of their diets. If there is less than a seven-cent spread per dozen eggs between one size and the smaller of

the same grade, you will get more for your money by buying the larger size.

Do you use fabric softeners too often? Specialists say that fabric softeners should not be added to every wash. Constant weekly use results in a build-up on clothes. The first signs that appear are usually a sleek feeling and less absorbency. If use is continued, there may be a noticeable yellowing and in some cases there will be an allergic reaction. So don't waste money by using a softener every time you wash. It's effect will remain through three washings.

For further information on any topic mentioned write to: Cooperative Extension, Home Economics Division, Box 426, Canton, 13617.