

Question.—What is the breakdown of grain tonnages?

Answer.—

Wheat -----	437, 000
Corn -----	132, 000
Other grains-----	125, 000
Total -----	694, 000

Question.—Did the Corps of Engineers consider the markets for wheat, to the South on the Missouri River, is now very competitive?

Answer.—The Corps study did not find any significant transportation savings on local movement of grain destined to points on the Missouri River namely Omaha and Kansas City. All transportation savings are associated with movements of export grain and domestic grain movement to the southwest.

Question.—Is it not likely that export market will draw on Texas, Oklahoma and Nebraska wheat crops before South Dakota?

Answer.—South Dakota grain now competes in world markets with the southern produced grains with movements through west coast and Great Lakes ports. The Corps studies, confirmed by independent studies made by the Department of Agriculture, indicated that under competitive conditions grain movements from points of supply to points of demand would be such as to minimize total transportation charges. This would amount to a change in the flow of traffic from east-west to north-south movements.

Question.—Why would you presume that all available wheat tonnages would be shipped by barge South where there is a limited market and lots of competitive grain?

Answer.—The Corps study did not assume that all grain expected to be produced in the South Dakota tributary area in the future would be moved by barge. Our analysis indicate that a substantial portion of that grain now moving to upper Mississippi River ports for trans-shipment by barge for export to southern destinations could move via the Missouri River through Yankton at a substantial savings.

Question.—South Dakota is now a deficit feed grain area due to ever increasing feed stock industry is it not?

Answer.—Only 15 counties in the western part of the state out of the 41 county tributary area were identified as deficit feed grain producing areas.

Question.—Would an error of 30 percent in the estimate of 694,000 tons of grain in the base year destroy your justification, especially if approximately 200,000 tons of feed grain is produced and used in the area for feed stock?

Answer.—A reduction of this magnitude would have no substantial effect on the presently estimated benefit-cost ratio of 1.3 for the overall bank stabilization-navigation project. The incremental justification for the navigation purpose only would be reduced from 1.5 to about 1.2.

Question.—How many tons of grain were moved on the Missouri River in 1966, the base year of the report?

Answer.—Total grain traffic on the Missouri River in 1966 was 1,670,932 tons.

Question.—Do you propose then that the base year of operation of the Port of Yankton, if the project is approved, Yankton will ship 42% of the total grain moved on the Missouri River in competition with the established grain centers of Kansas City, Omaha, Sioux City?

Answer.—With completion of the 9-foot channel throughout the entire reach from Sioux City to the mouth, reduced rates from all ports are expected which would thus increase the total grain shipment on the Missouri River. The share moved through Yankton would be a smaller percentage of the future total grain movement on the Missouri River.

Question.—What average grain haul rate did you use from the tributary areas into Yankton?

Answer.—We did not use an average grain haul rate from the tributary area. Rates used in the Corps' analysis were applied from shipping points throughout the tributary area based on rate-mileage scales applicable to unregulated truck load movements of grain. The barge rate used in the analysis from Yankton to New Orleans was \$5.58 per ton. This was a constructed barge rate based on existing rates modified to reflect expected improvements in operating conditions with completion of authorized 9-foot channel project to Sioux City. As indicated in the report average savings per ton approximate \$0.43 or the equivalent