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IMPACTS OF TRANSPORTATION CHANGES ON RURAL COMMUNITIES

There are many changes taking place in the transportation industry, but we see very little about it in our newspapers except for perennial box car shortages. Many of the really significant changes take place with little fanfare. These changes can have tremendous effects on our South Dakota economy, however.

The discontinuance of passenger-train services and branch-line abandonments has led many to believe that the railroads are dying. This is far from the truth. Railroads continue to carry a large portion of the goods that are shipped from one point to another, but they are changing in size of cars and manner of pricing. They are growing increasingly competitive in rates as well as in services performed. Other carriers are also changing. Sometimes the changes involve cooperation among the carriers as well as competitiveness, such as the "piggy-back" rail cars that carry loaded truck vans across the country.

The changes that are taking place in the transportation industry have an effect on the competitiveness of other types of business and even of farmers. They may affect towns and the competitive position of the whole state or region. As with the changes on farms, many of the changes tend to favor the larger firms.

Oftentimes changes lead to unanticipated results. For example, a reduction in freight rates on South Dakota-grown feed grains might seem to be highly desirable. A large enough reduction, however, might result in nearly all of our feed grains being shipped to some other part of the United States with the net result that the livestock feeding industry in South Dakota might be severely injured. Recent high levels of exports to other countries have been a boon to cash grain farmers but have

helped raise feed prices so high that livestock growers are caught in a cost-price bind.

If these low rates were applied only to the massive new railroad cars and unit trains, some of the smaller elevators might find that they could not compete effectively with those large enough to have the volume and the special loading equipment some of these cars require.

Again, the comparative costs of shipping live animals rather than processed meat can mean the difference between whether processing takes place within our state or in some other state or area. Large new "pig palaces" and high-speed trains can deliver animals across the country in a matter of hours. A shipper, rancher or otherwise, who can provide a train load of animals can by-pass traditional concentration centers at a saving.

Processing nearer the point of production, however, is favored by the new double and triple-capacity refrigerated rail cars that can carry carcass meat efficiently, if large enough volumes can be generated by the shipper.

The larger cattle feeders buy most or all of the grain they feed. If they locate close to a railroad they can get the advantage of reduced rates on full carloads, and much better rates on the jumbo cars. Within the near future they may be offered still lower rates on super-jumbo cars of some 250 tons capacity. The effect on the size of cattle-

feeding lots can be anticipated.

The location of those lots - in South Dakota, other states of the mid-west, California, or perhaps in the Southeastern part of the United States - depends on a number of things, including relative rates on raw or finished products, and the differences in those rates between states and regions. It is also influenced by the costs of producing and processing, as prices of finished products must be competitive in the consuming centers.

There are also savings to be made on the trucking lines - if the shipper is large enough to ship by truckloads or can afford some of the special packaging and handling equipment that is being used. Trucks are becoming more competitive on the longer hauls which were once primarily the province of the railroads. The "energy crisis" has put some limitations on this for the present, at least, however.

Inland water transportation has helped to change the pattern of rates as well as the direction that various commodities move. Bulk shipments of processed and partly-processed goods move in new special containers on trains, barges and ocean vessels, often from one to the other.

Present-day trucks of farmers and local for-hire truckers have enabled the farmer to seek out alternative outlets for his produce. This often results in by-passing his local community for the larger marketing firms that can pay more, partly because of the advantage they get in lower freight rates. New regional subterminals are influencing costs and modes of shipping grain. Storage facilities often hamper local elevators.

To be certain of moving products to market, some large firms and farmer organizations are beginning to own or lease rail cars.

Changes, and adjustments to those changes, are constantly taking place about us. Most of us are aware of the changing size and numbers of farms, and changes in the local communities. Sometimes the reasons for these changes are not readily apparent nor easily understood. Sometimes the reasons are hard to find.

A lot of these changes, however, have been related to transportation. New developments in the transportation industry will undoubtedly have further effects on our economy. Those businesses and those regions that adapt to the new transportation methods stand to prosper the most.

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