



USDA Agricultural Outlook Forum

Transportation From a Shippers Perspective

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DISCUSSION TOPICS

Current Transportation situation

Ag trends driving transportation demand

What does ag need from the North American rail industry

What shippers need to keep their eye on in 2015



CURRENT TRANSPORTATION SITUATION

- Demand growth
- Infrastructure deficiencies
- Resource challenges
- Supply chain shifts
- Recovery in process



AG TRENDS DRIVING TRANSPORTATION DEMAND

- **Production growth/mix**
- **Expanding grain infrastructure investment**
- **Rapidly expanding grain producer capability and timing**
- **Increased global competition – Export supply chain**
- **Stable - growing domestic demand**
- **Ag – energy correlation**
- **Multi modal demand growth**
- **Agronomy evolution (nitrogen and fertilizer)**

AG SHIPPERS TRANSPORTATION NEEDS

- **Robust and consistent capacity**
- **Infrastructure investment**
- **Timely logistical information**
- **Freight liquidity/flexibility**
- **Competitive pricing that reflects market conditions**



AG SHIPPERS TRANSPORTATION NEEDS

- **Transportation programs that align with the grain markets**
- **Service consistency**
- **Ability to manage peak demand periods**
- **Accessibility and responsiveness of transportation provider and a culture of continual improvement**



WHAT RAIL SHIPPERS NEED TO KEEP THEIR EYE ON IN 2015

- **Service volatility**
- **Rail economics**
 - Rates , Capacity valuation, Accessorial charges
- **Chicago gateway**
- **Rail infrastructure expansion continues into 2015.....**
- **Rail recovery metrics**
- **Geographic demand growth trends**
- **Shipper/receiver facility development costs**
- **Canadian rail situation**
- **Truck and rail regulatory environment**



**Farmer-owned with
global connections**