

2019 USDA Outlook Forum

Greg Guthrie
DIRECTOR MARKETING

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Overview of U.S. Rail Traffic Grain Movement Challenges

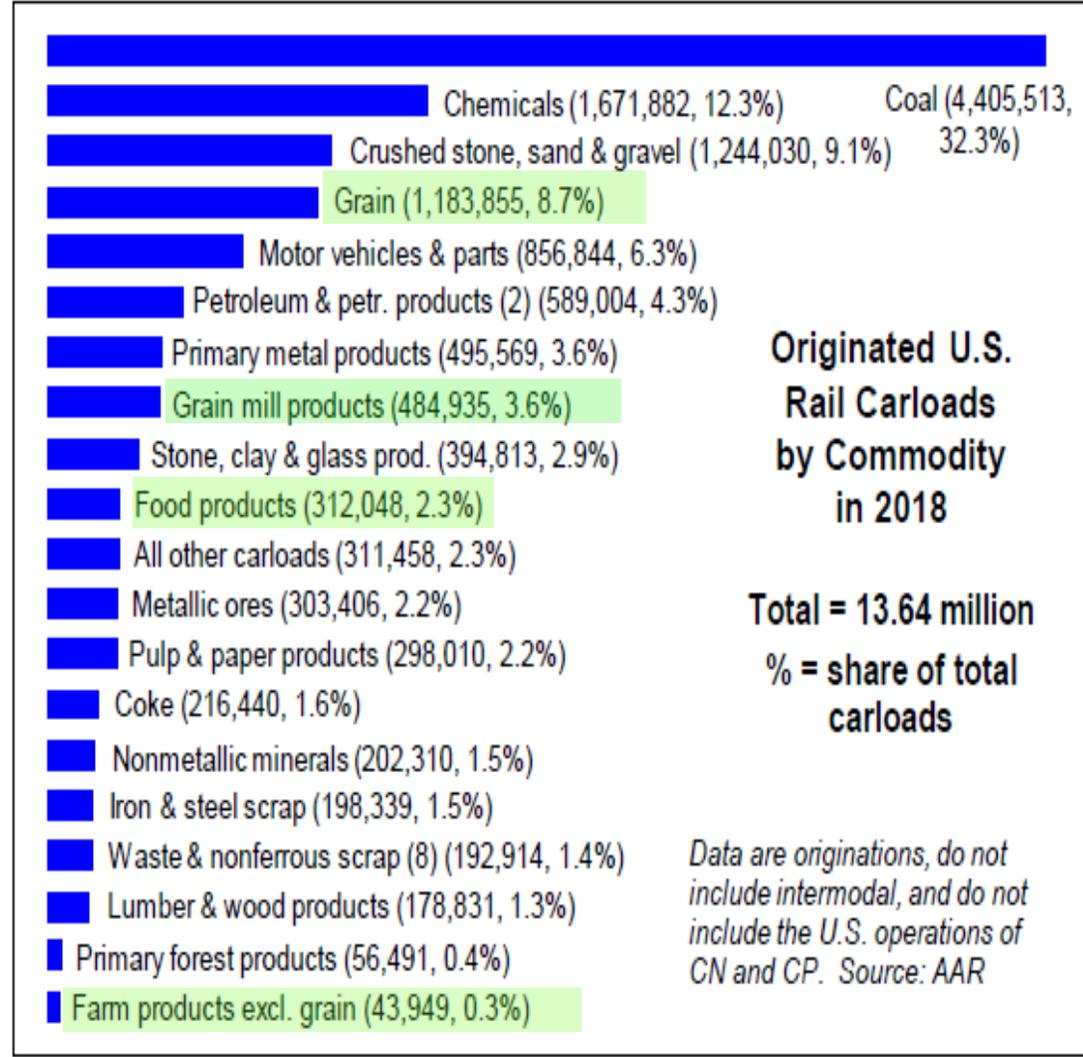
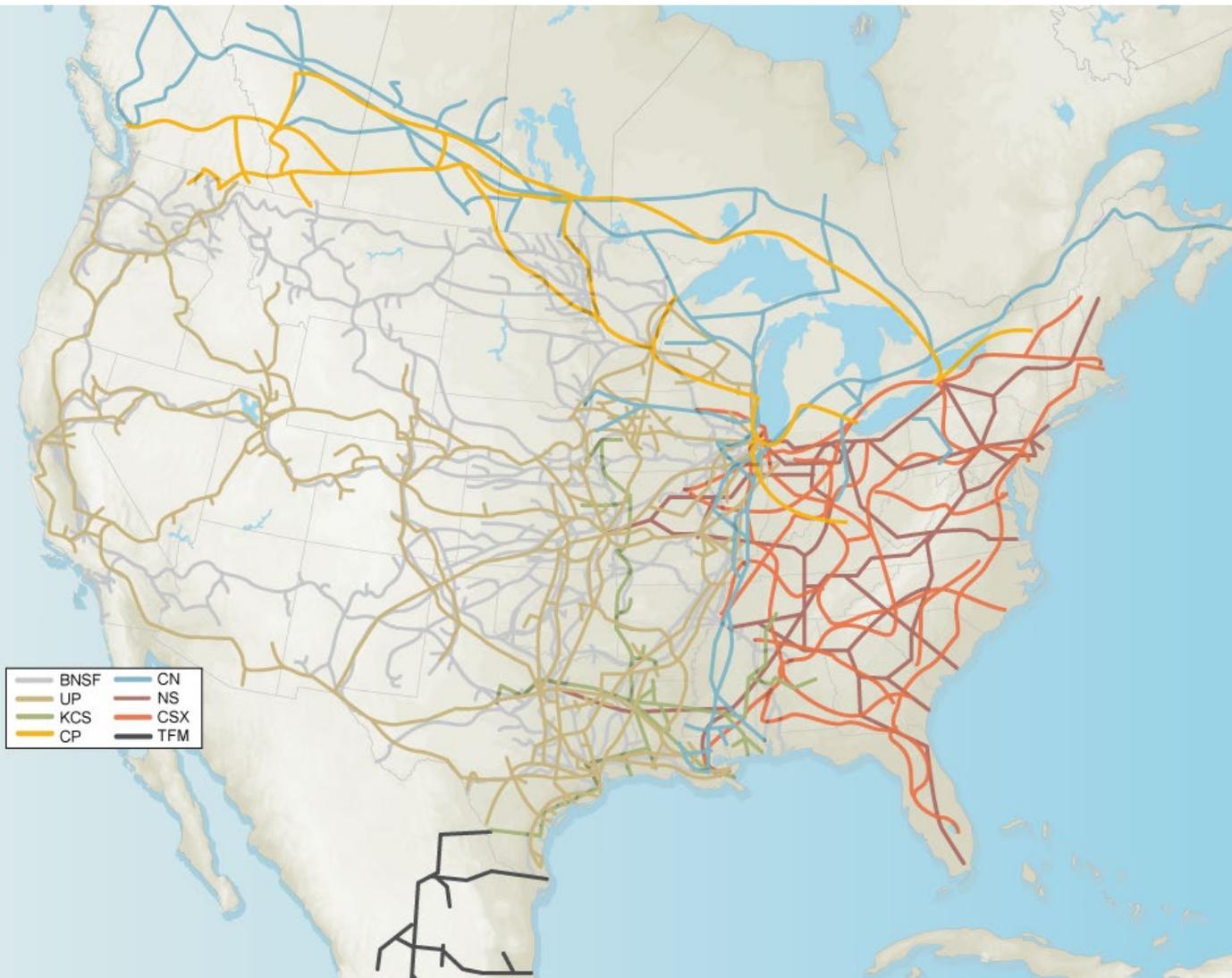


BNSF is a Leading Railroad

- A Berkshire Hathaway company
- **32,500 route miles** in 28 states and three Canadian provinces
- **41,000 employees**
- Approximately **8,000 locomotives**
- **13,000 bridges and 89 tunnels**
- Moves **one-fourth of the nation's rail freight**
- Operates an average of **1,400 freight trains** per day
- Serves **40 ports**
- Leads rail industry in **technological innovation**
- Unlike other forms of transportation, BNSF trains operate on an **infrastructure financed almost entirely by the railroad**

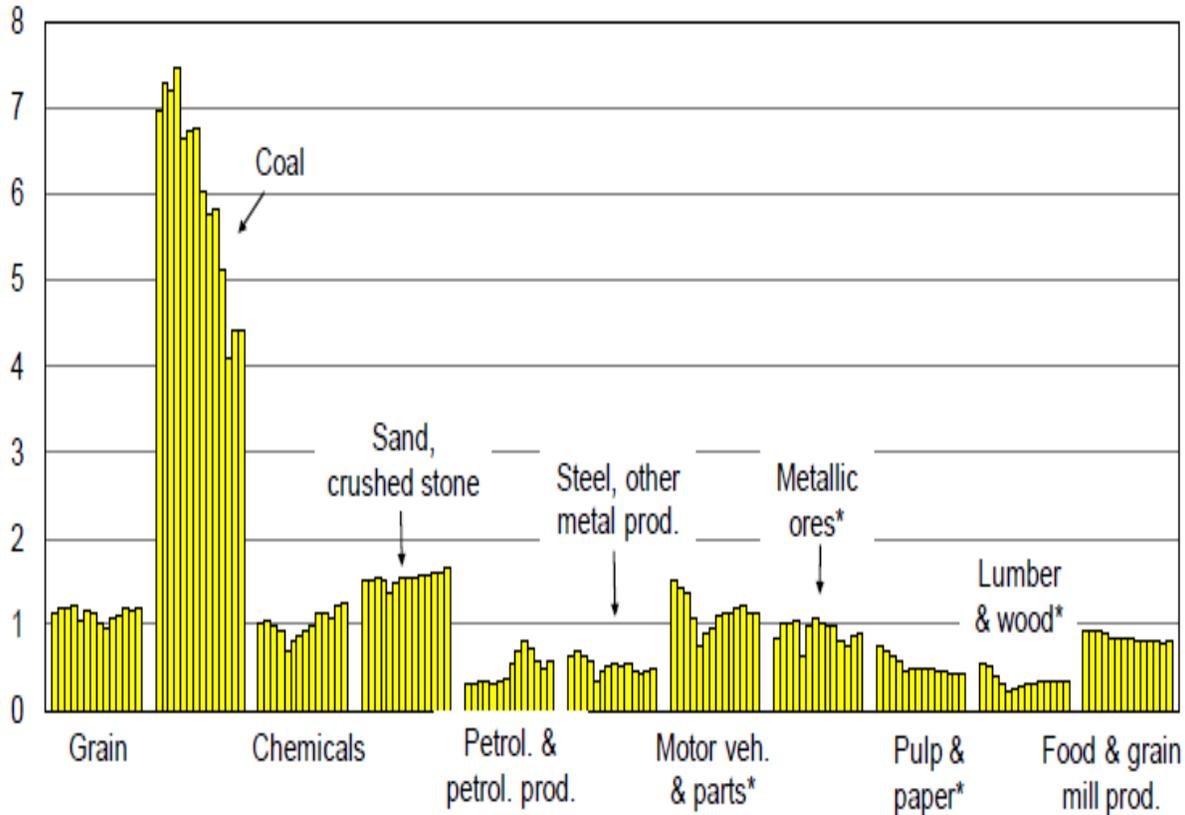


2018 U.S. Class I Railroad Volumes



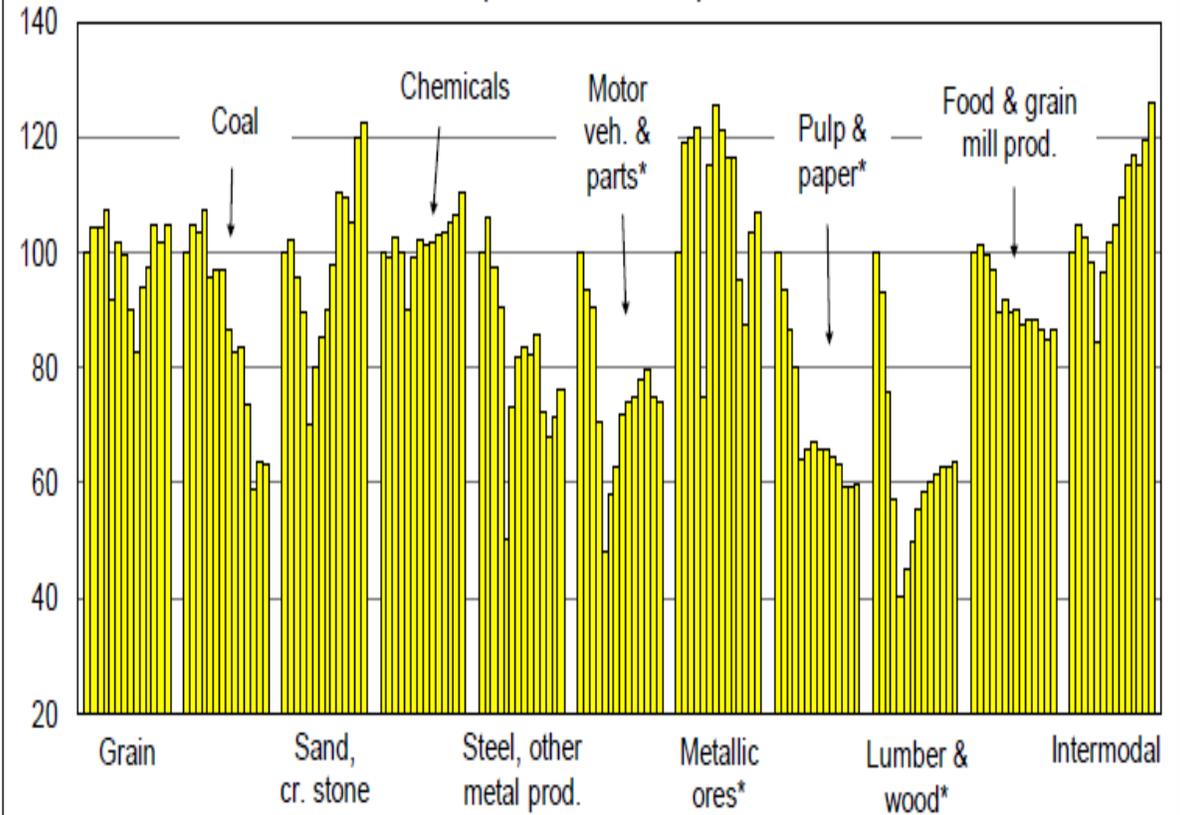
U.S. Railroad Carloads By Commodity

Annual Rail Carloads by Commodity: 2005-2018
(millions)



*Combined U.S. + Canadian carloads. If intermodal were shown on this chart, it would rise from 11.48 million units in 2005 to 14.47 million in 2018. Source: AAR Weekly Railroad Traffic

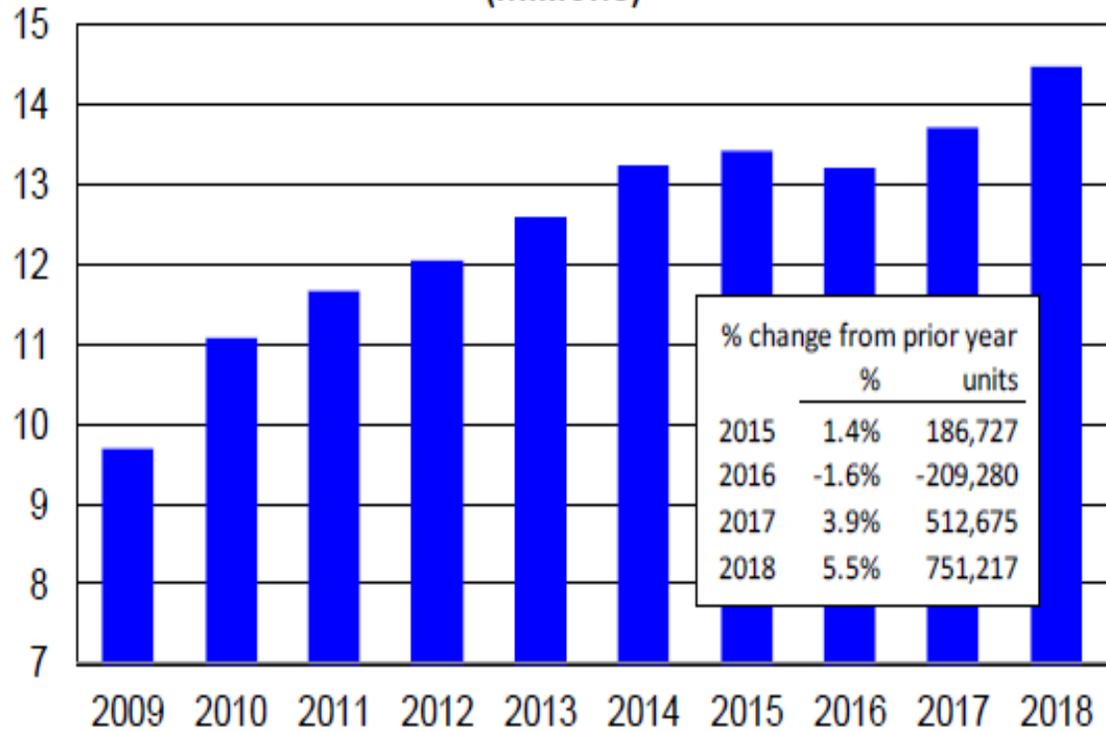
Annual Rail Carloads by Commodity: 2005-2018
(index 2005 = 100)



*Combined U.S. + Canadian carloads. If petroleum products were shown on this chart, its index would rise from 108.1 in 2010 to 259.4 in 2014 down to 161.9 in 2017 and up to 191.3 in 2018. Source: AAR Weekly Railroad Traffic

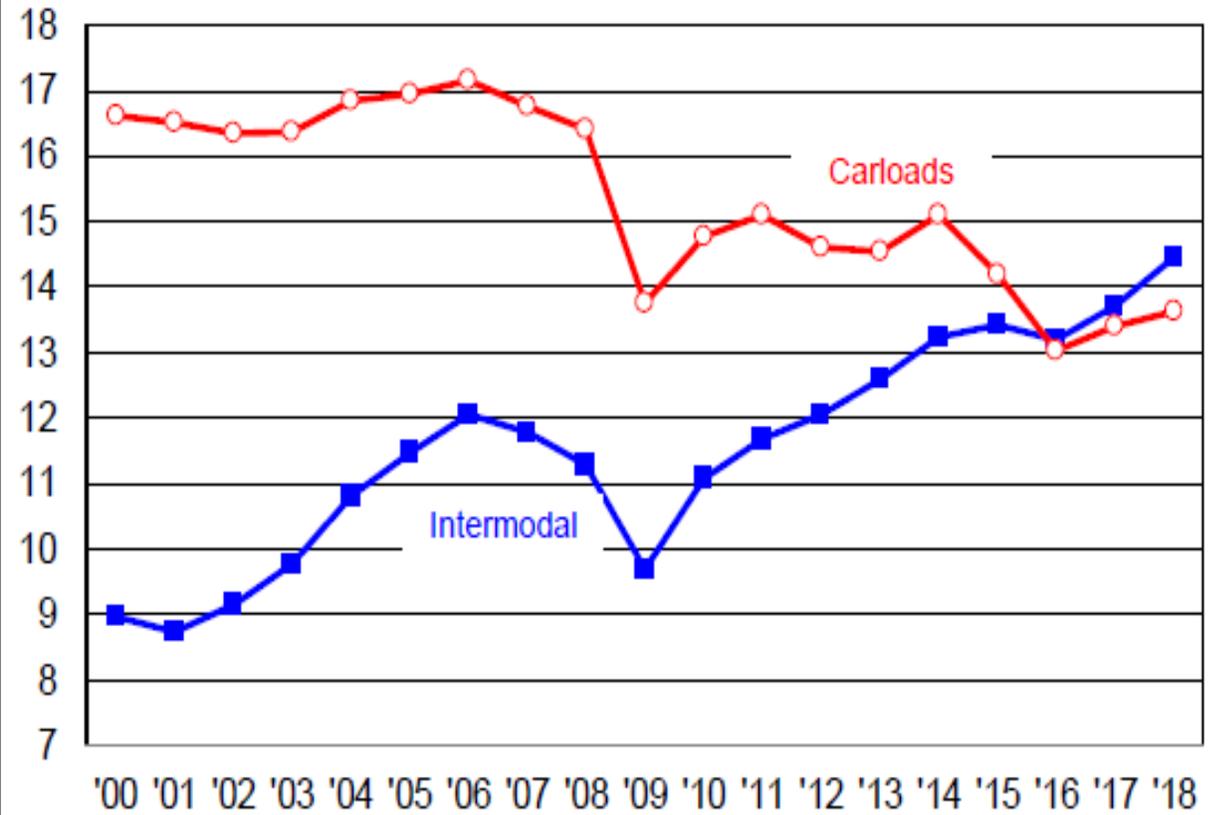
U.S. Intermodal Movements

**Total U.S. Rail Intermodal Units:
YTD Through December
(millions)**



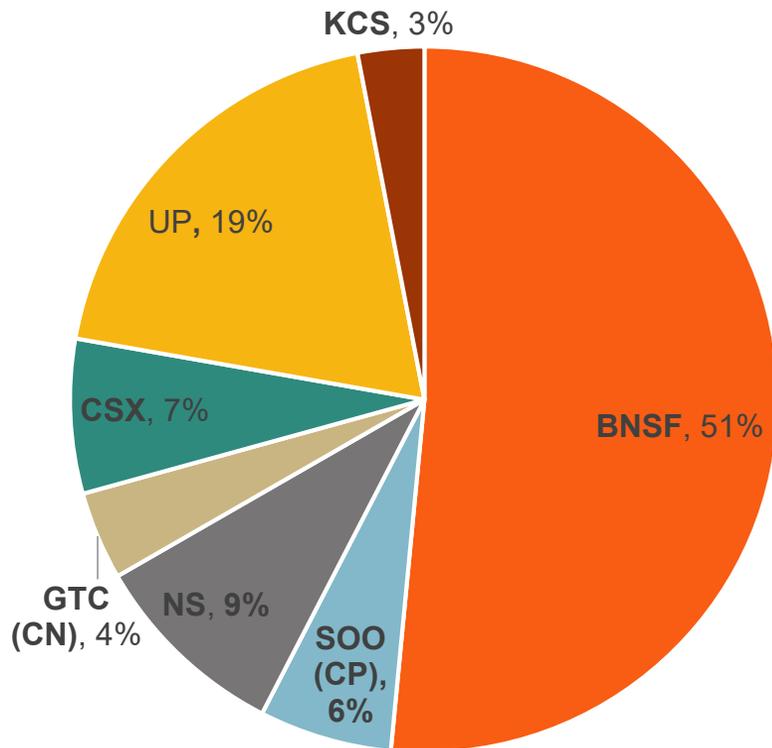
Data for all years are weeks 1-52. Data are originations and do not include the U.S. operations of CN and CP. Source: AAR

**U.S. Rail Carloads and Intermodal Units: 2000-2018
(millions)**



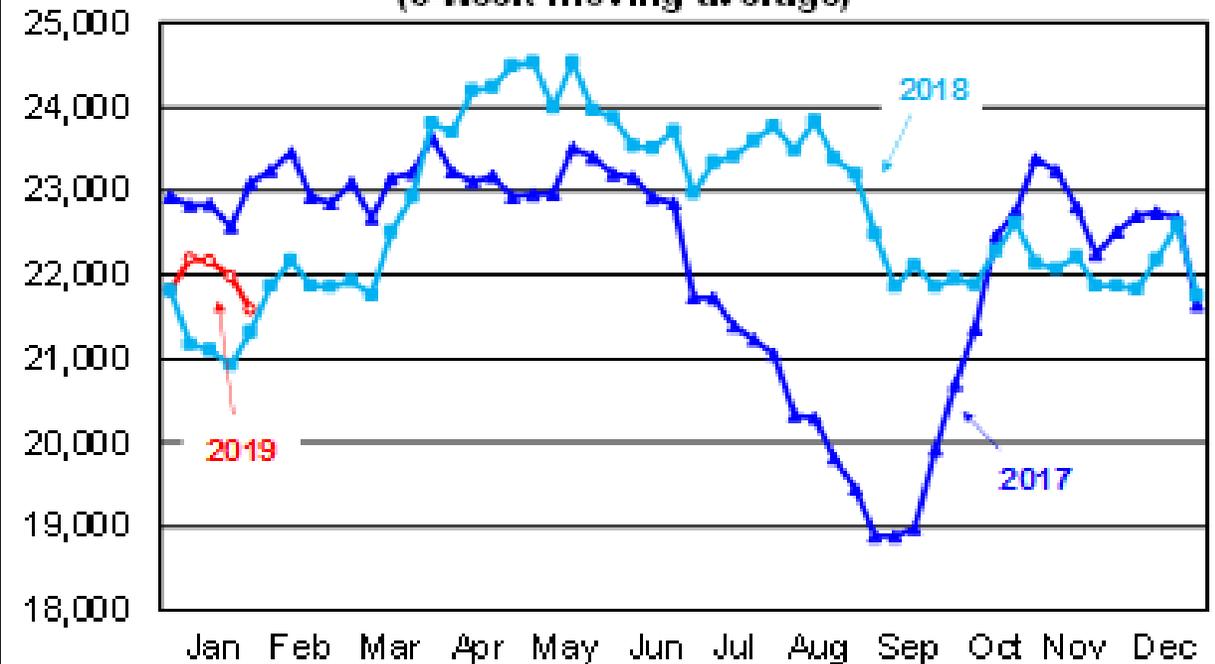
Data are originations and do not include the U.S. operations of CN and CP. Source: AAR

U.S. Railroad Grain Movements



Carloads are originations
Source: AAR Freight
Commodity Statistics

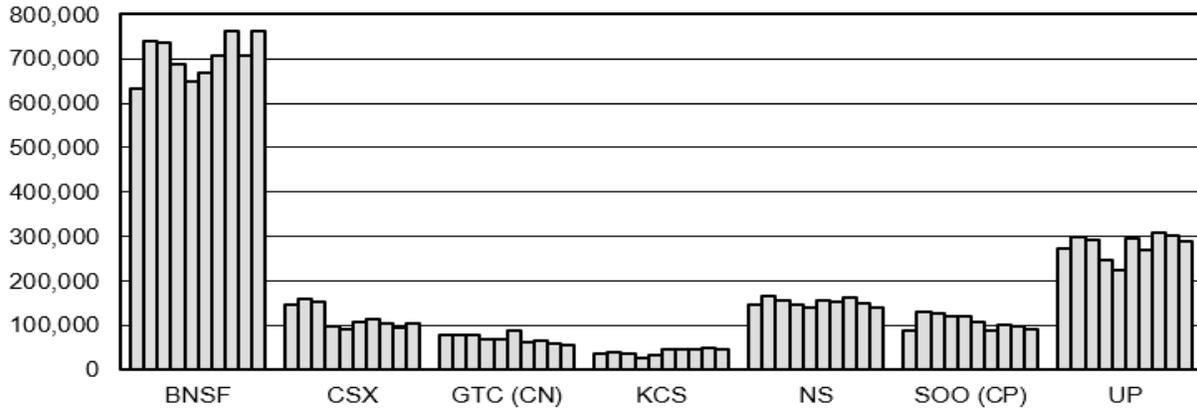
U.S. Rail Carloads of Grain (6-week moving average)



Data are 6-week moving average originations, are not seasonally adjusted, do not include intermodal, and do not include the U.S. operations of CN and CP. Source: AAR

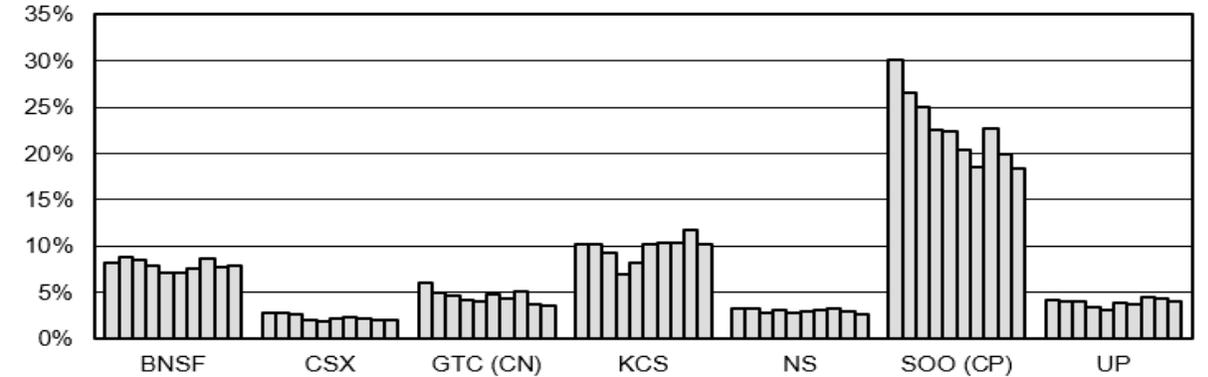
U.S. Rail Grain Movements 2009-2018

ORIGINATED CARLOADS OF GRAIN: 2009-2018



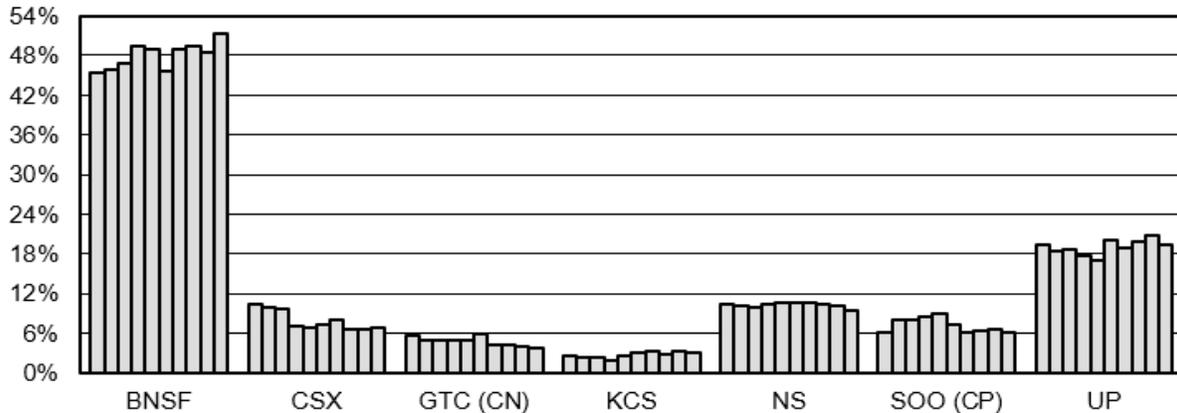
Source: AAR Freight Commodity Statistics

RAILROADS' ORIGINATED CARLOADS OF GRAIN AS A PERCENTAGE OF THEIR TOTAL ORIGINATED CARLOADS: 2009-2018



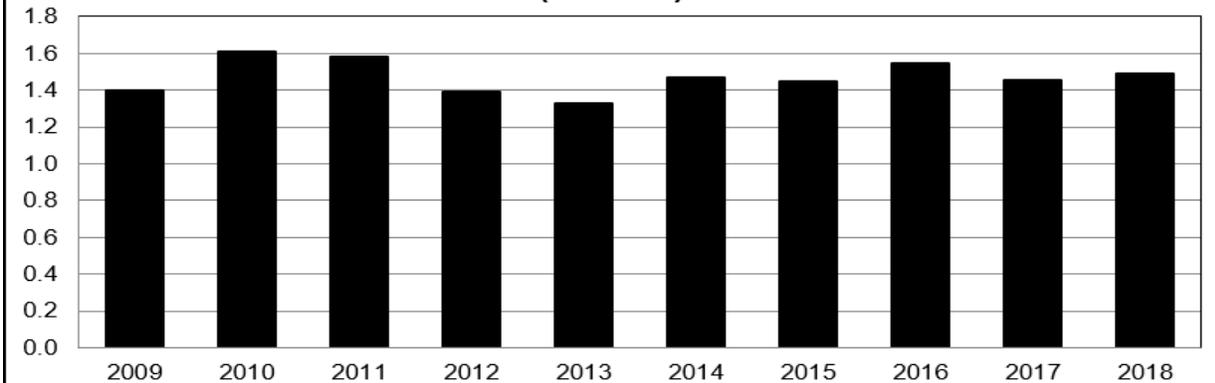
Source: AAR Freight Commodity Statistics

RAILROADS' SHARE OF TOTAL CLASS I ORIGINATED CARLOADS OF GRAIN: 2009-2018



Source: AAR Freight Commodity Statistics

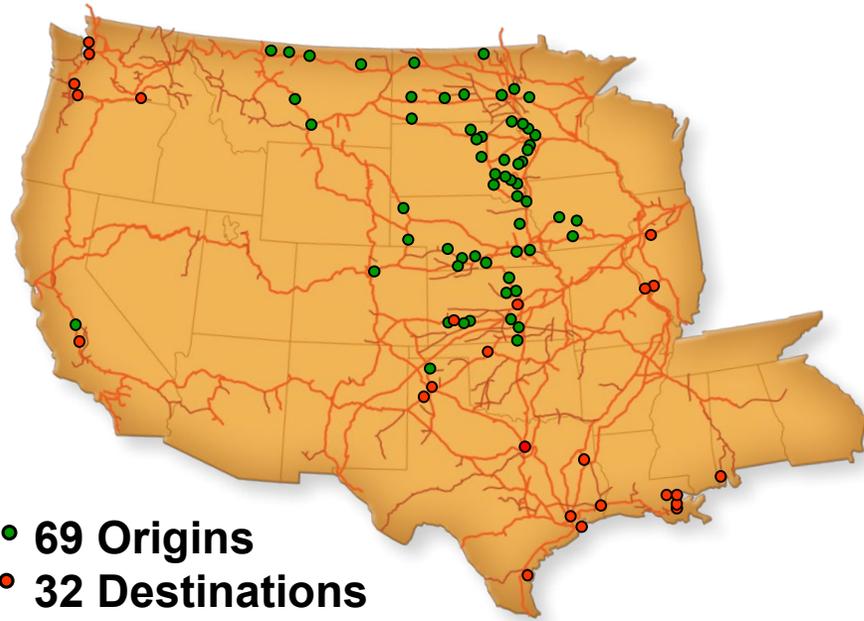
ORIGINATED CARLOADS OF GRAIN BY CLASS I RAILROADS: 2009-2018 (millions)



Source: AAR Freight Commodity Statistics

Growth of the BNSF Shuttle Network

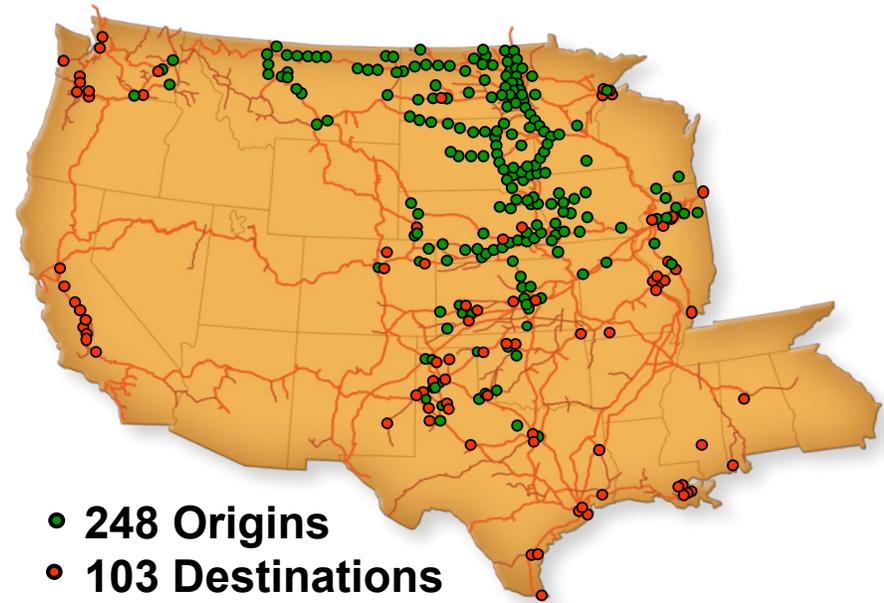
2000



- 69 Origins
- 32 Destinations

13 Mexico Shuttle Destinations

2018

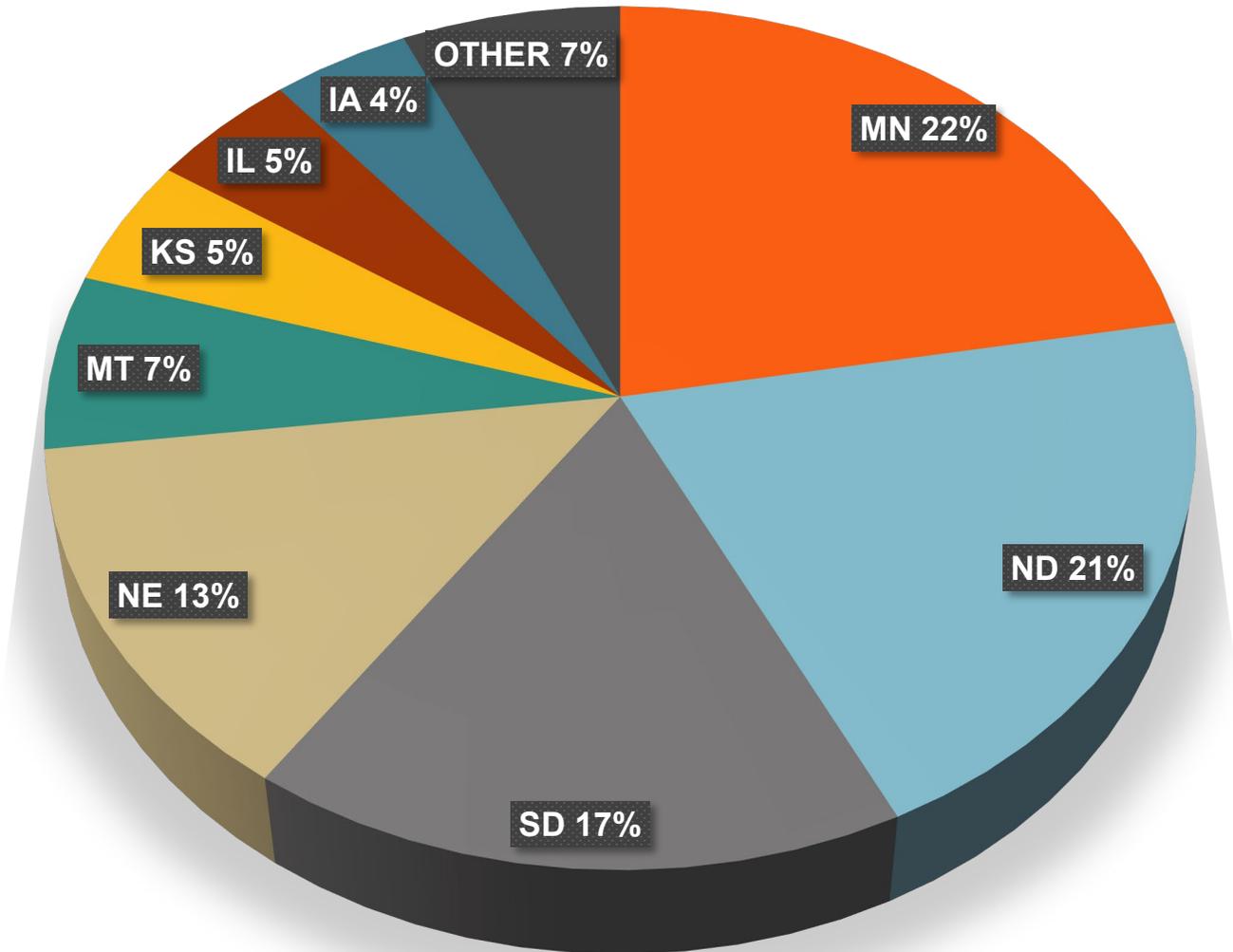


- 248 Origins
- 103 Destinations

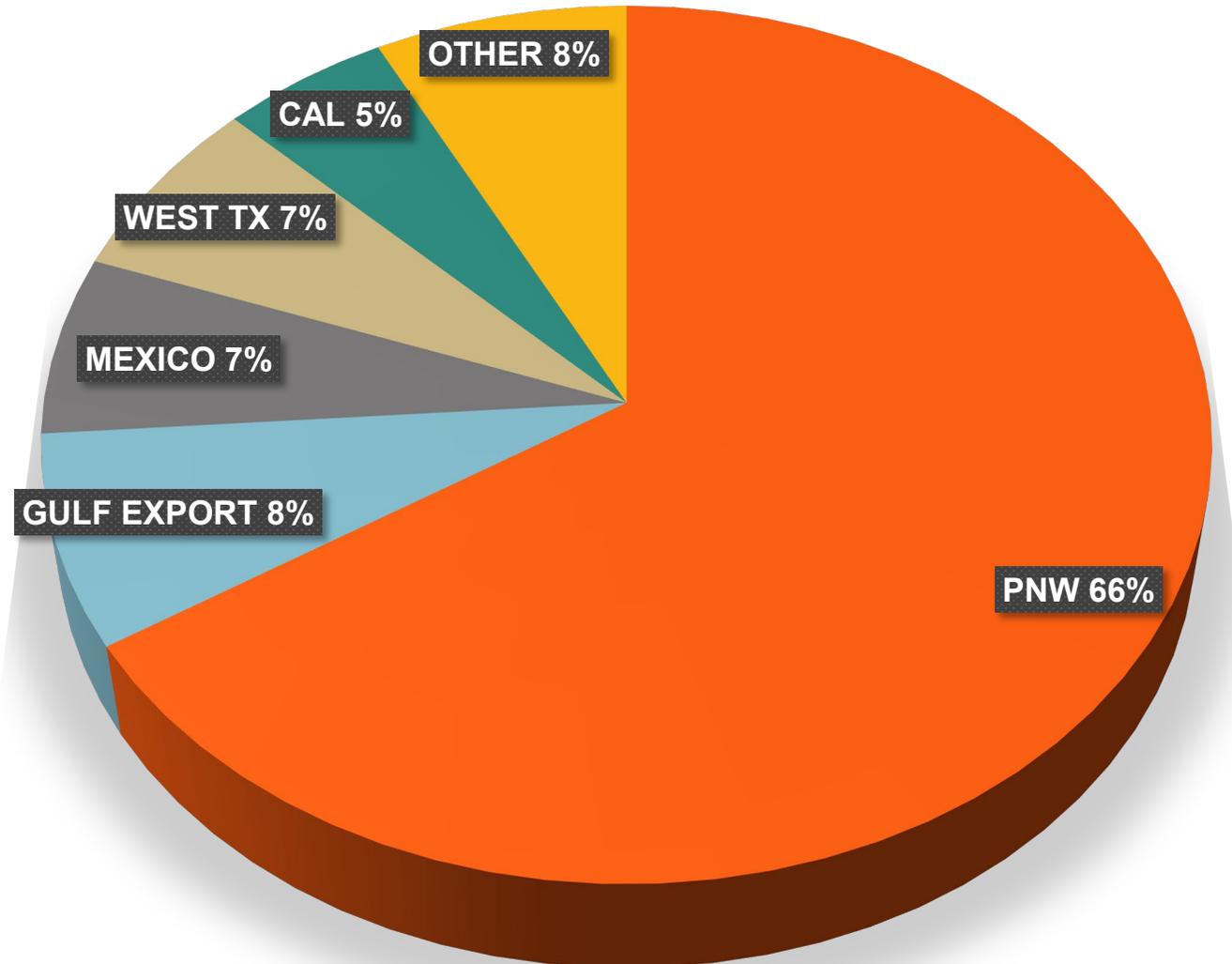
34 Mexico Shuttle Destinations

Origin Shuttles by State

About 65% of Grain shuttles originate from the upper plains states of North Dakota, South Dakota, Minnesota, and Montana



BNSF Shuttle Destinations

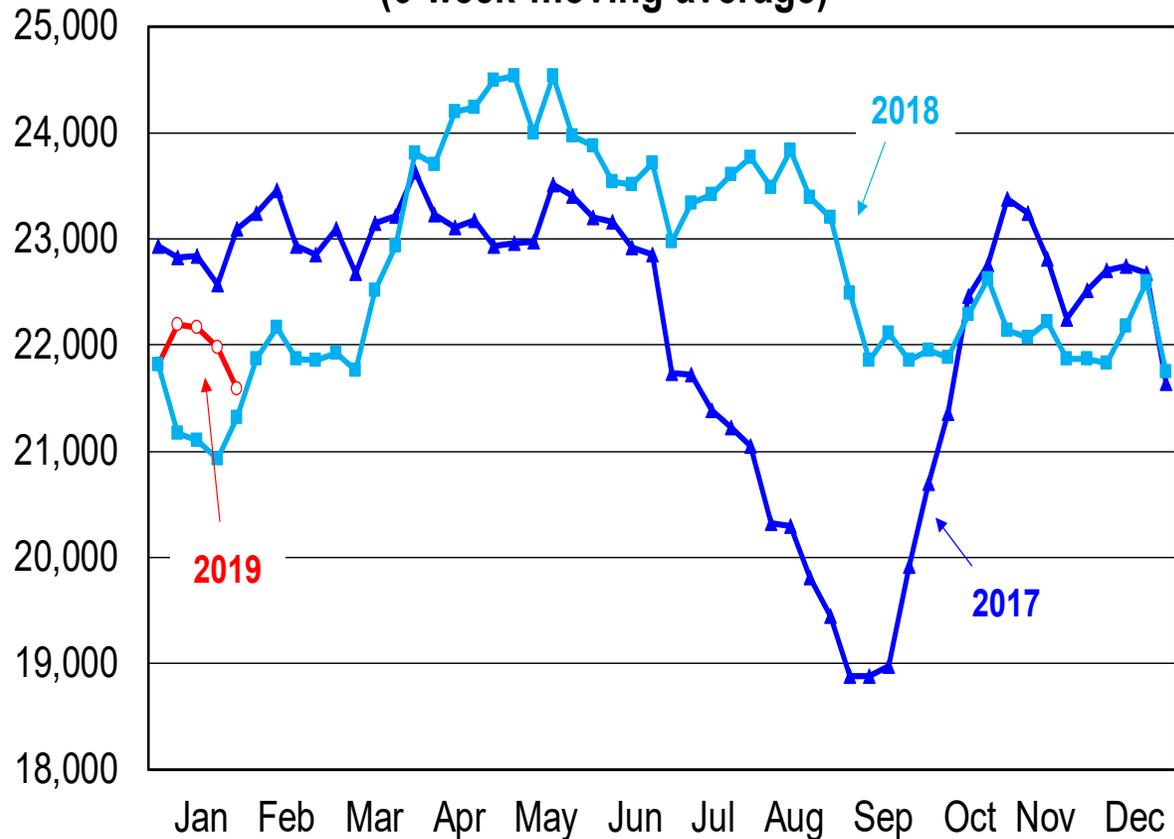


Challenges???



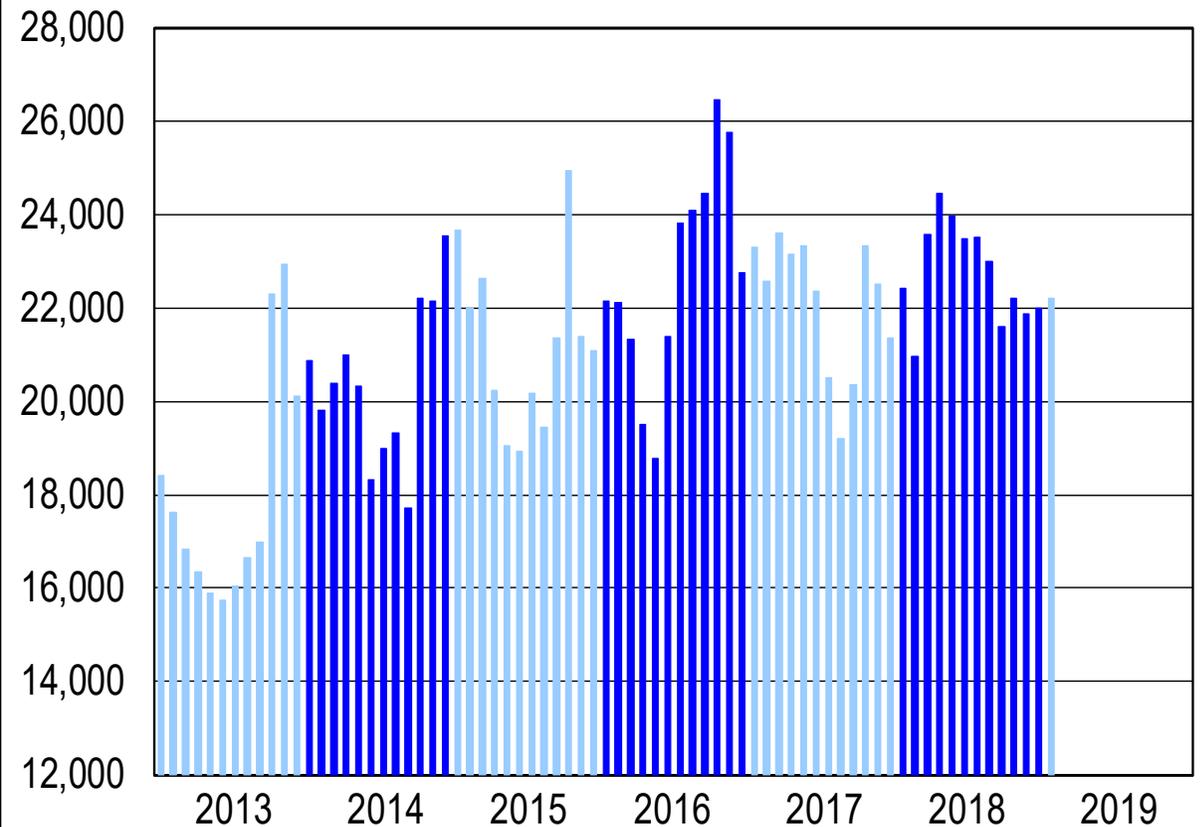
U.S. Rail Grain Movement Volatility

U.S. Rail Carloads of Grain (6-week moving average)



Data are 6-week moving average originations, are not seasonally adjusted, do not include intermodal, and do not include the U.S. operations of CN and CP. Source: AAR

Average Weekly U.S. Rail Carloads of Grain: Jan. 2013 - Jan. 2019

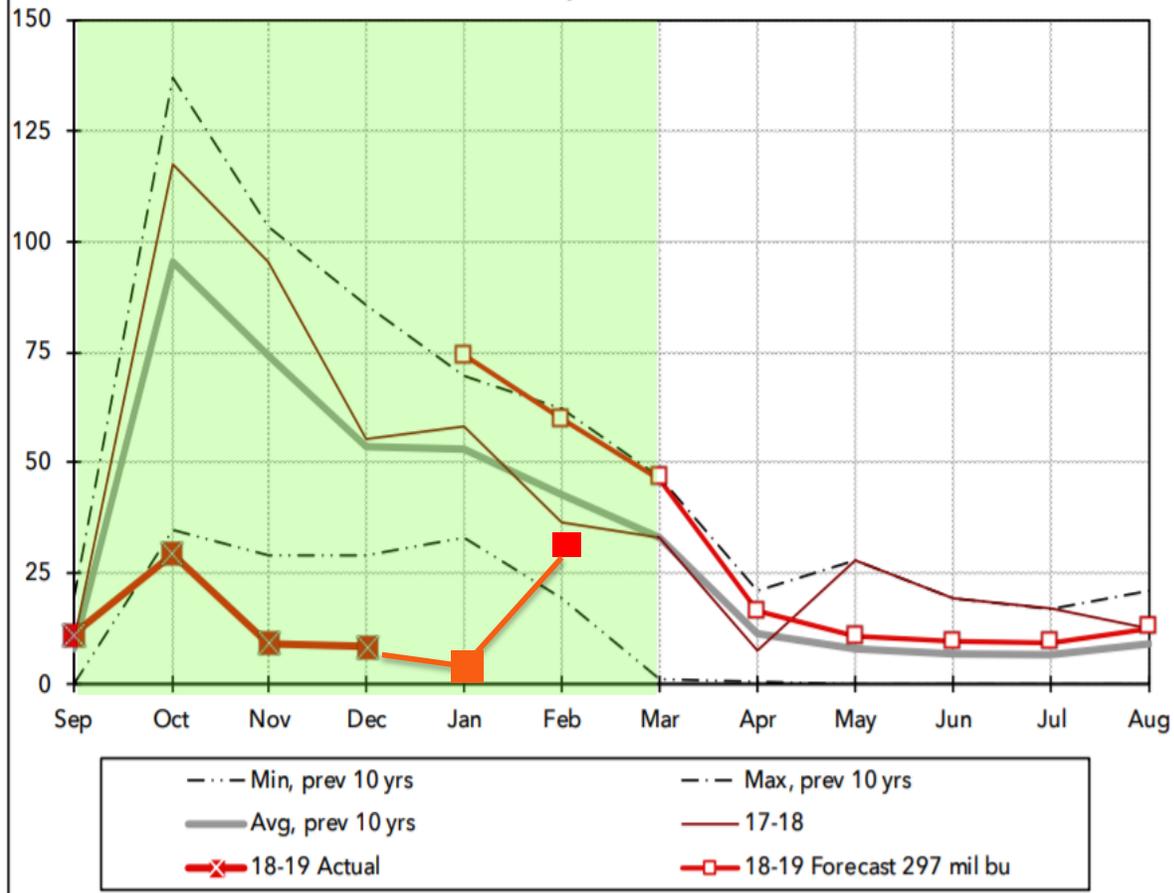


Data are average weekly originations for each month, are not seasonally adjusted, exclude intermodal, and exclude the U.S. operations of CN and CP. *from same month previous year. Source: AAR

PNW Expert Volatility

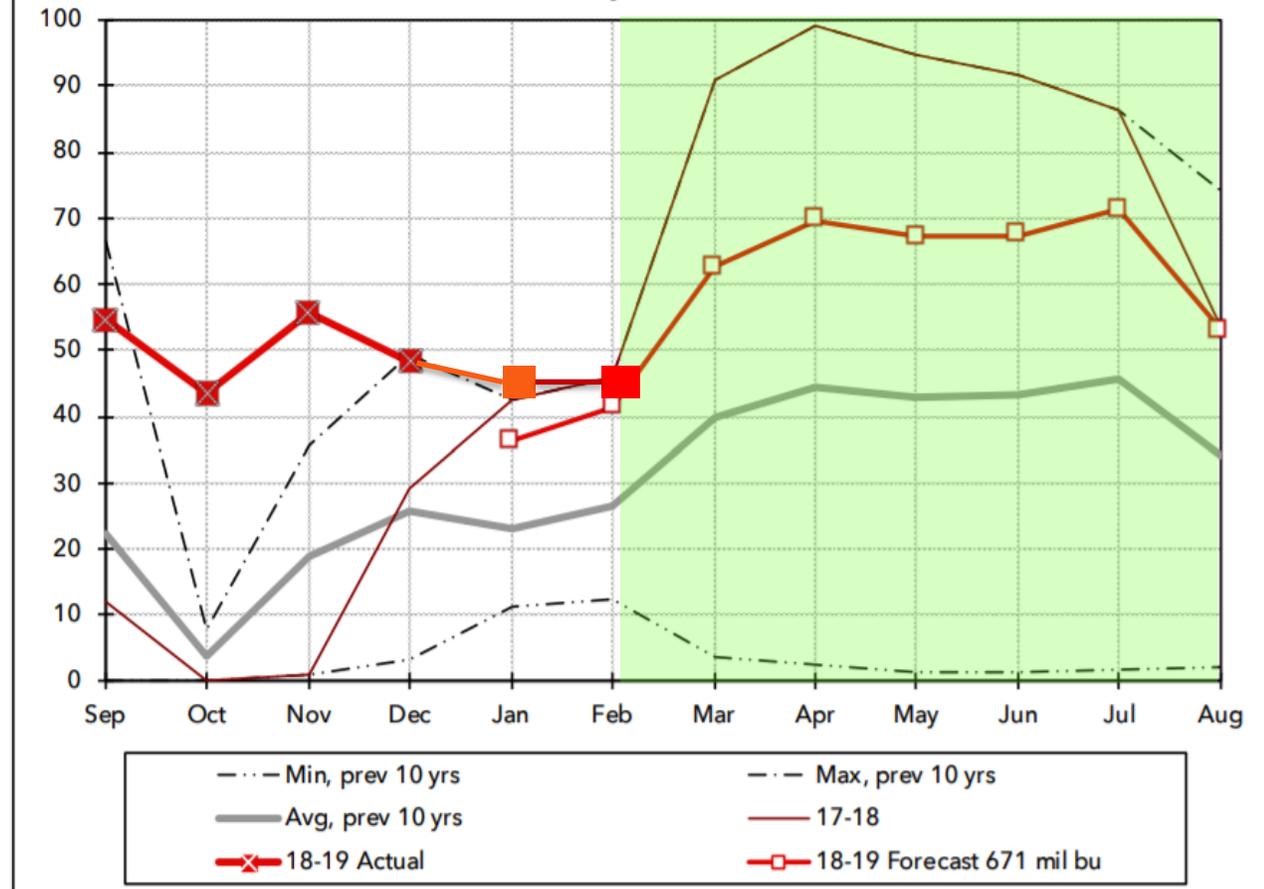
US Soybean Exports By Pacific Northwest (PNW),

PRX_RailBarge, SDU, Feb-08-19



US Corn Exports By Pacific Northwest (PNW),

PRX_RailBarge, SDU, Feb-08-19



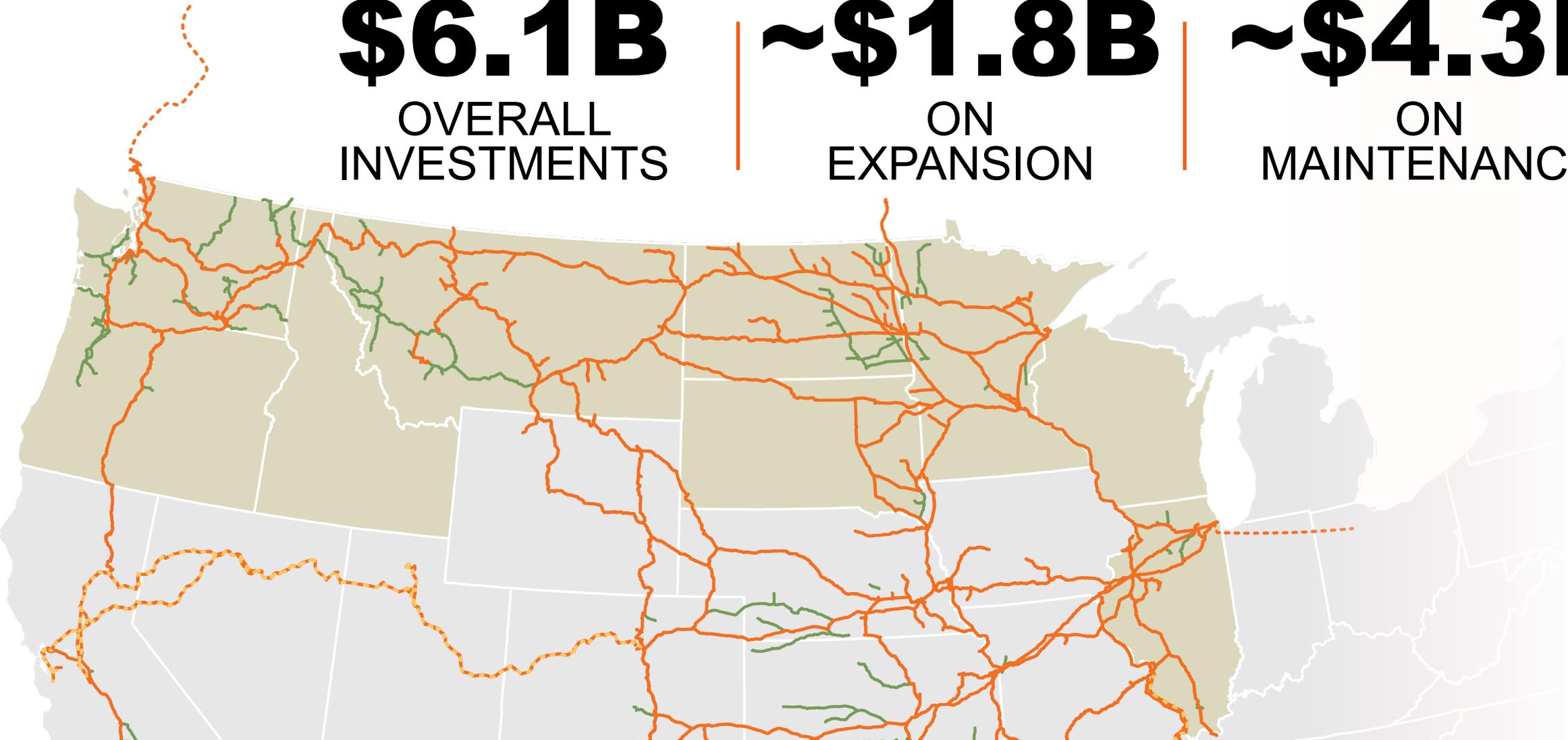
BNSF Investments in the Northern Corridor (2014-2018)



\$6.1B
OVERALL
INVESTMENTS

~\$1.8B
ON
EXPANSION

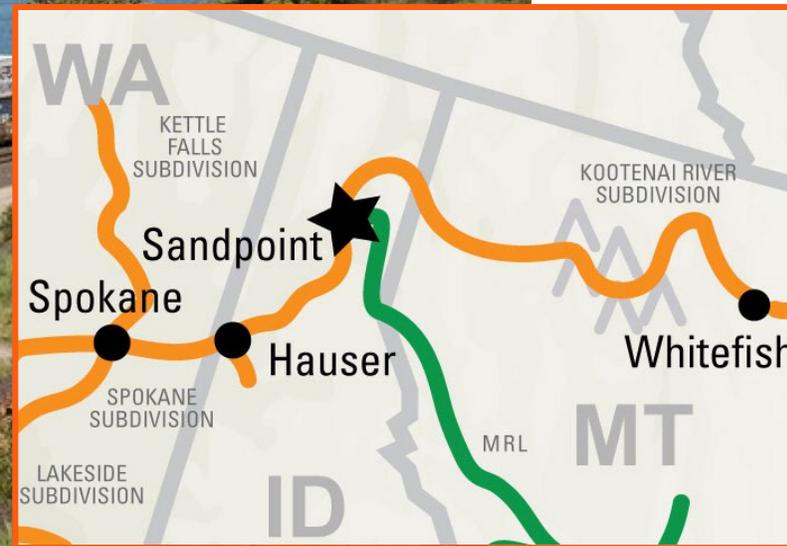
~\$4.3B
ON
MAINTENANCE



Proposed Bridge Expansion in Sandpoint, Idaho



- Second bridge span across Lake Pend Oreille
- Would improve traffic flow and provide greater capacity



Key location on our Northern Corridor for traffic moving to/from PNW

