

Outlook for Barge Supply, Grain Demand, and Inland Waterway Issues

**95th Annual Agricultural Outlook
Forum**

Linking Producers to Consumers

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Charting the Course

- **Grain Flow Update and Outlook**
- **Inland Barge Supply and Demand Outlook**
- **Inland Waterway Issues**

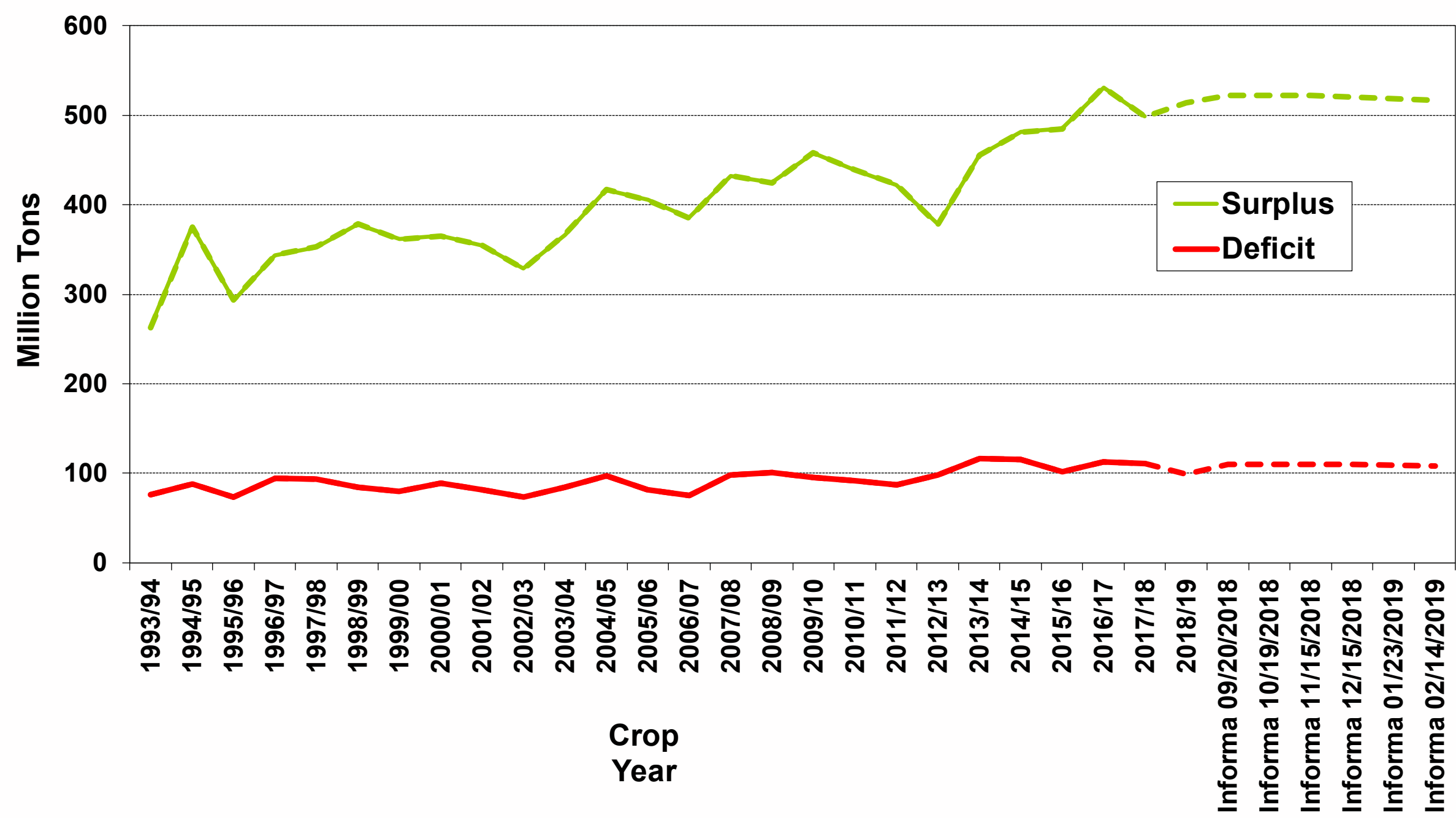


Grain Flow Update



Crop Production Finished Strong in 2018, and Potential Steady to Higher Production for 2019

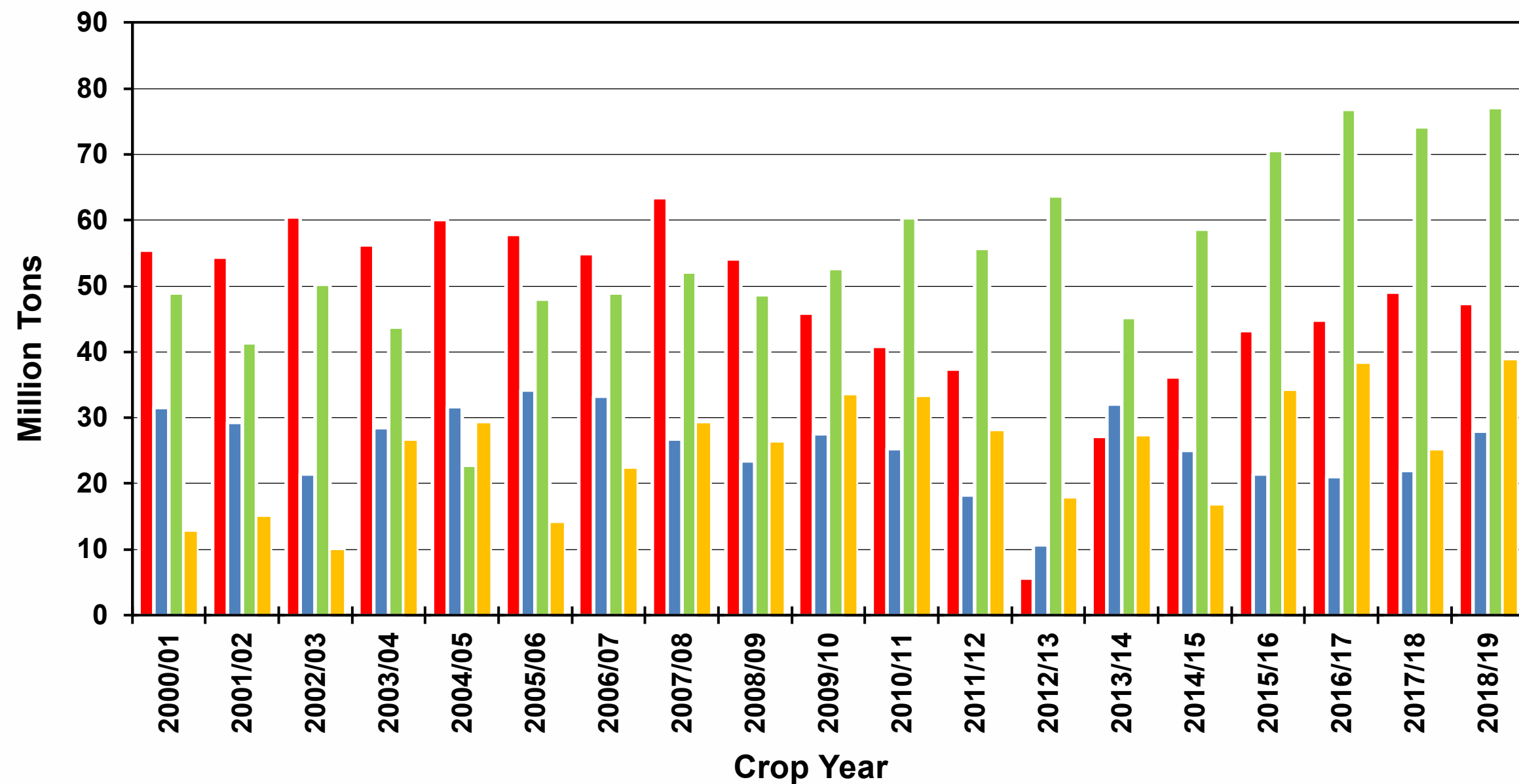
Crop Production by Surplus and Deficit Regions



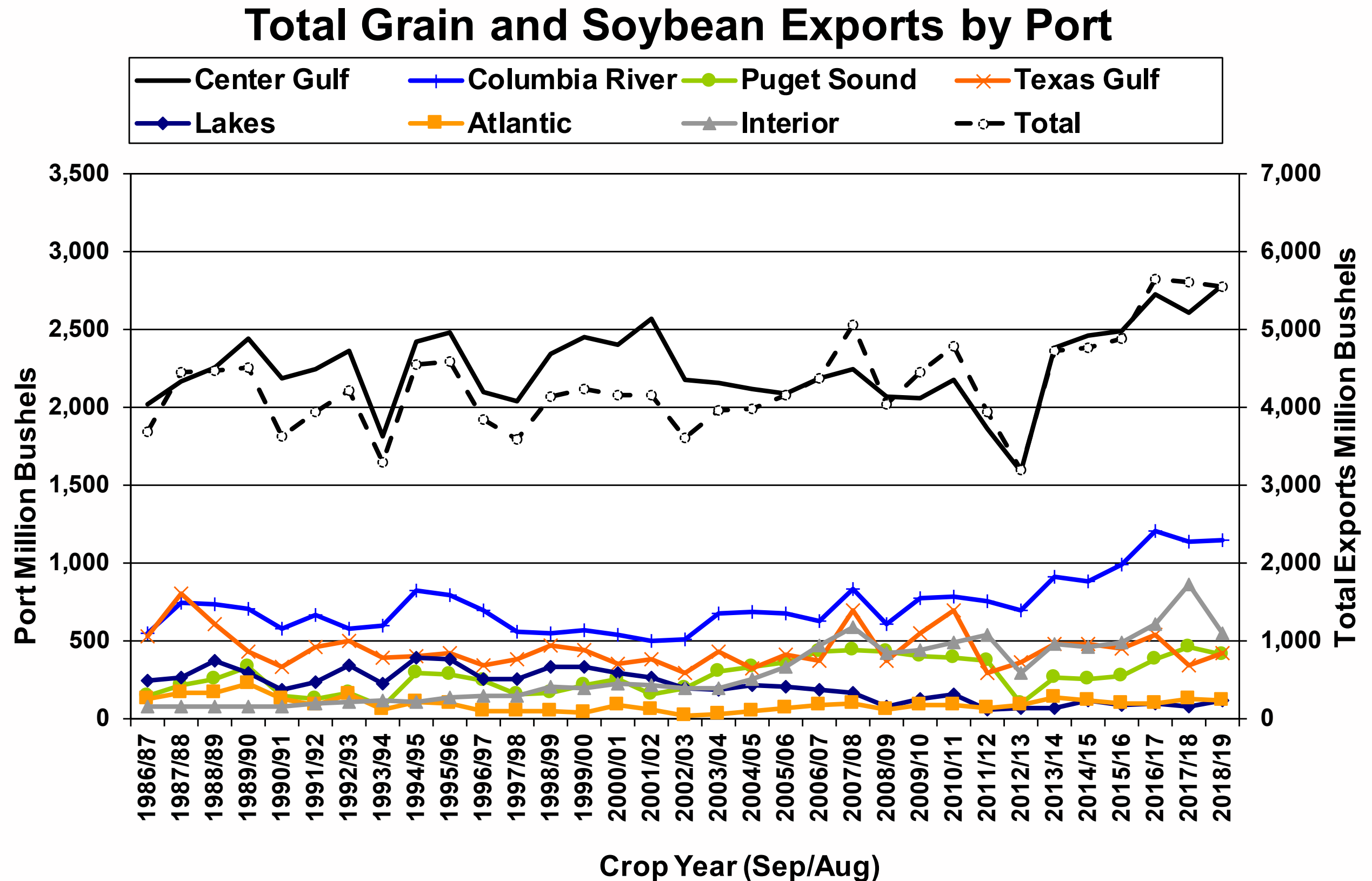
Surplus Regions becoming more Surplus giving the System something to Move

Grain and Soybean Net Shipment Position by Transport Region (million tons)

■ Upper Mississippi ■ Ohio, Indiana, Michigan, Kentucky ■ Northern Plains ■ Central Plains



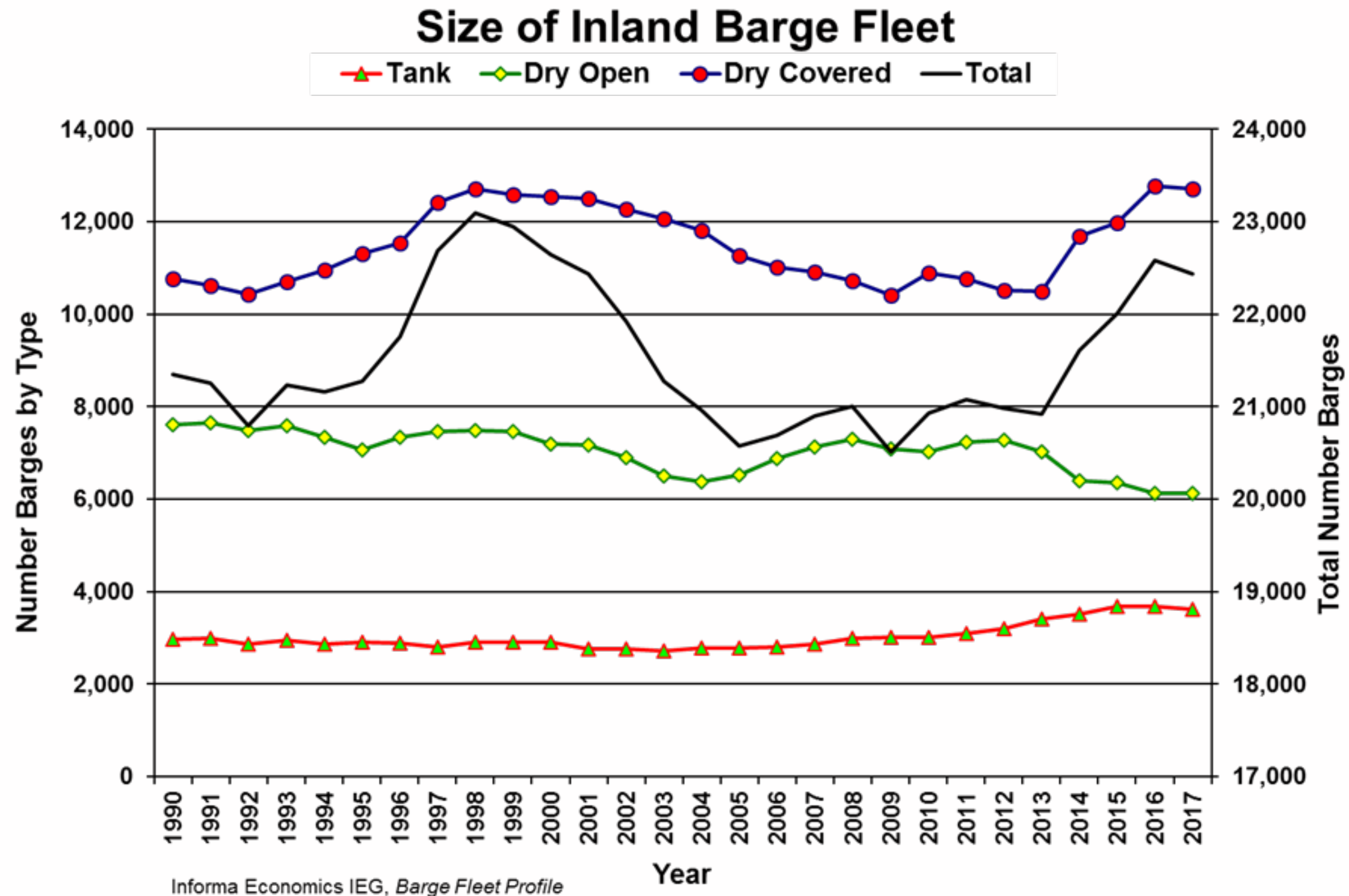
Total Crop Exports Achieving Sustained Levels Center Gulf Gains Market Share, Columbia River Holds



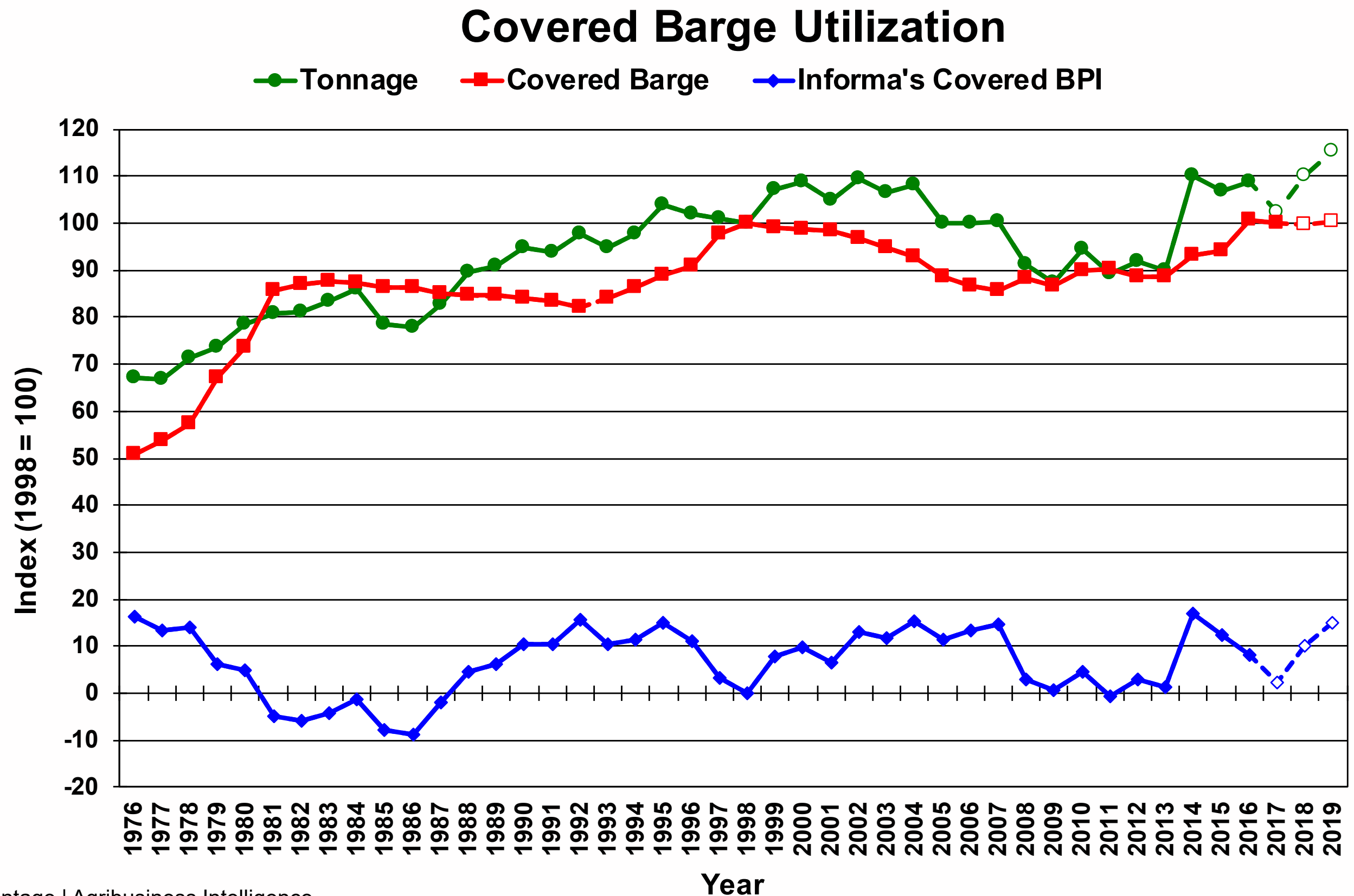
Barge Supply and Demand Outlook



Barge Fleet Size Paused in 2017 for Smaller Covered and Tank Fleets

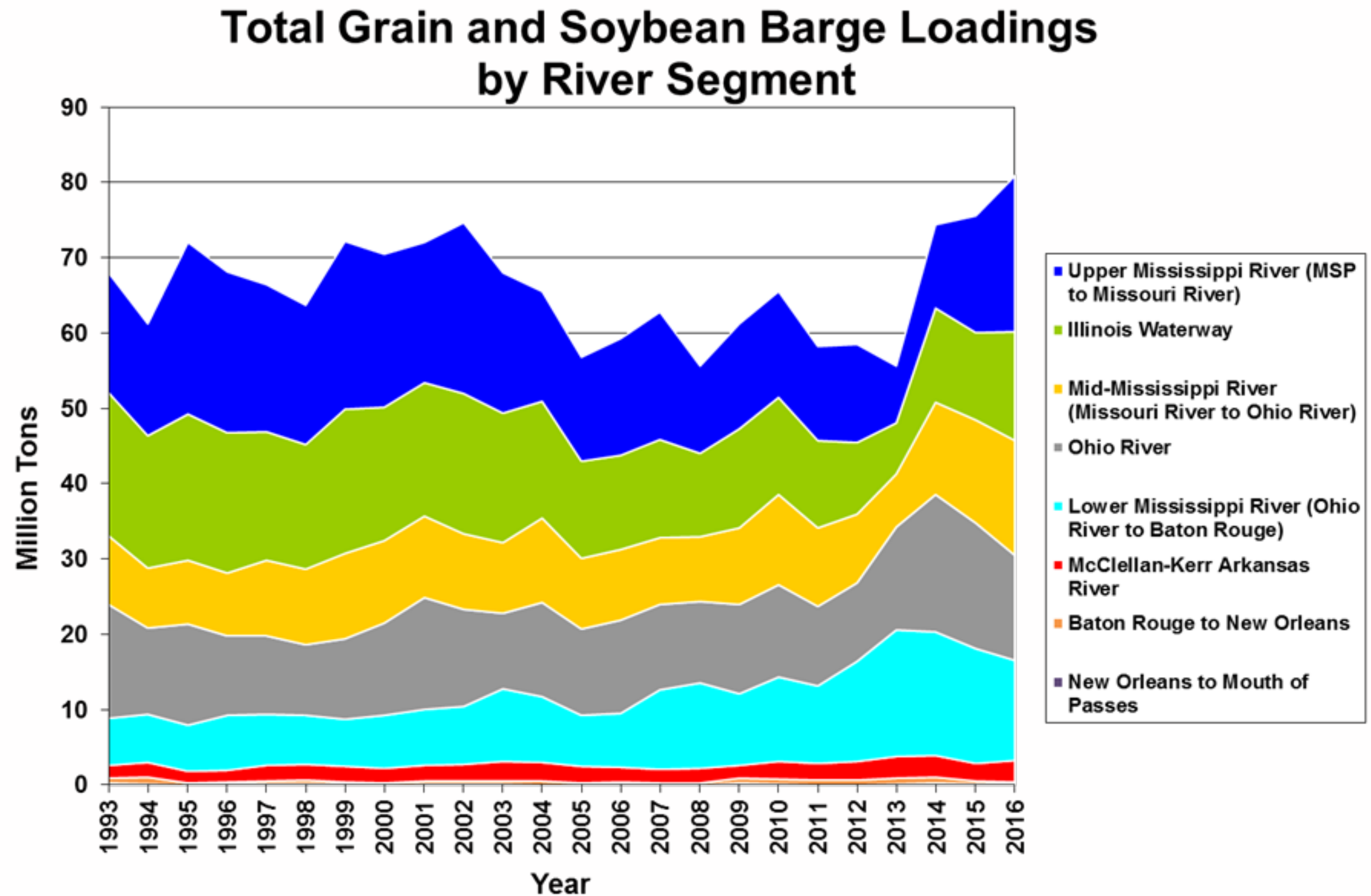


Covered Barge Fleet Pressure Firming



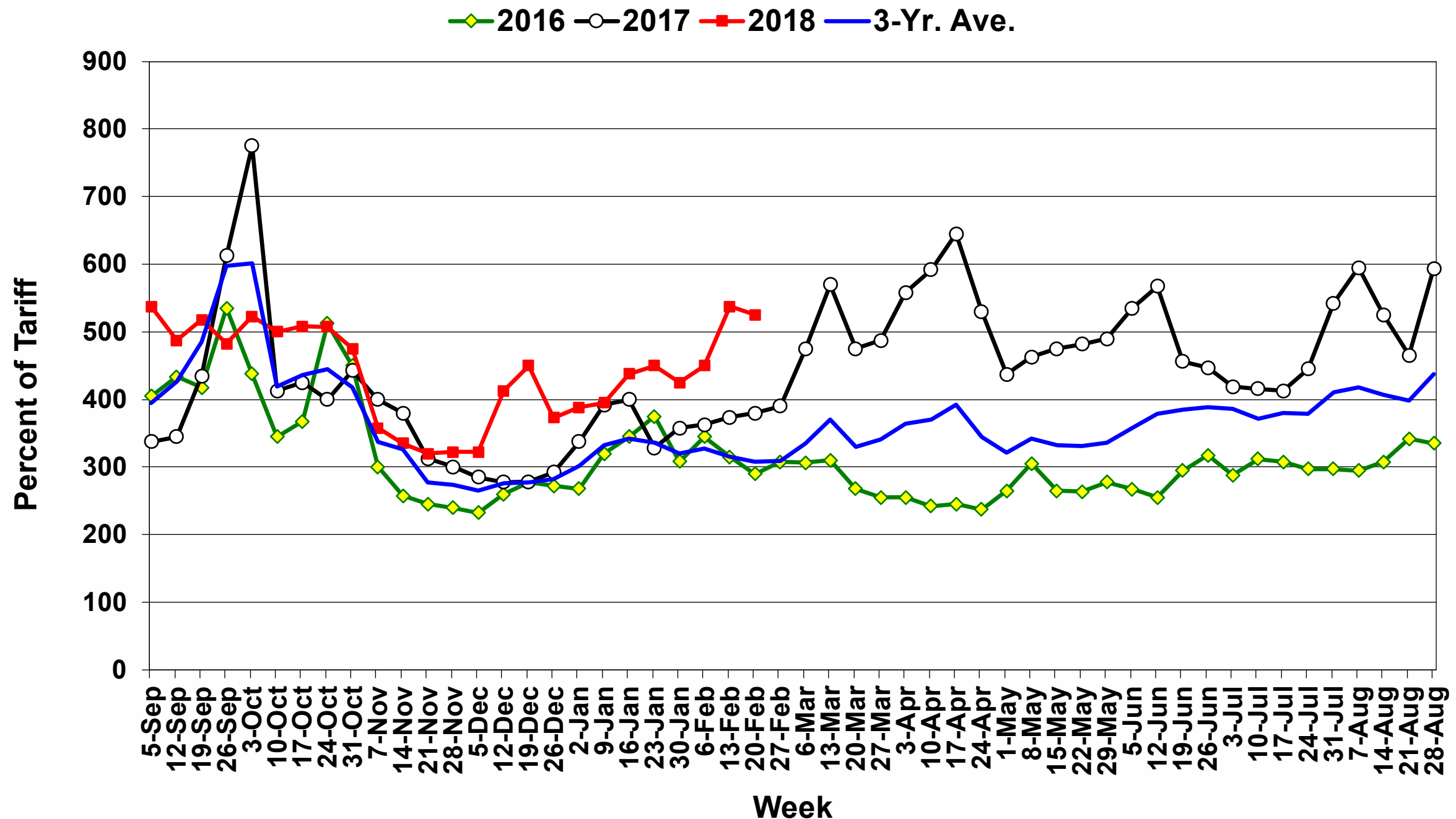
Grain and Soybean Barge Loadings Surged in 2014 into 2016;

Non-locking Rivers Prevailed, but Locking Rivers Regain Ground



Barge Freight Rates Running Strong on Adverse Navigation Conditions and a Dispersed Fleet

Illinois River Barge Freight Rate (percent of tariff)
by Crop Year (Sep/Aug)



Inland Waterway Issues



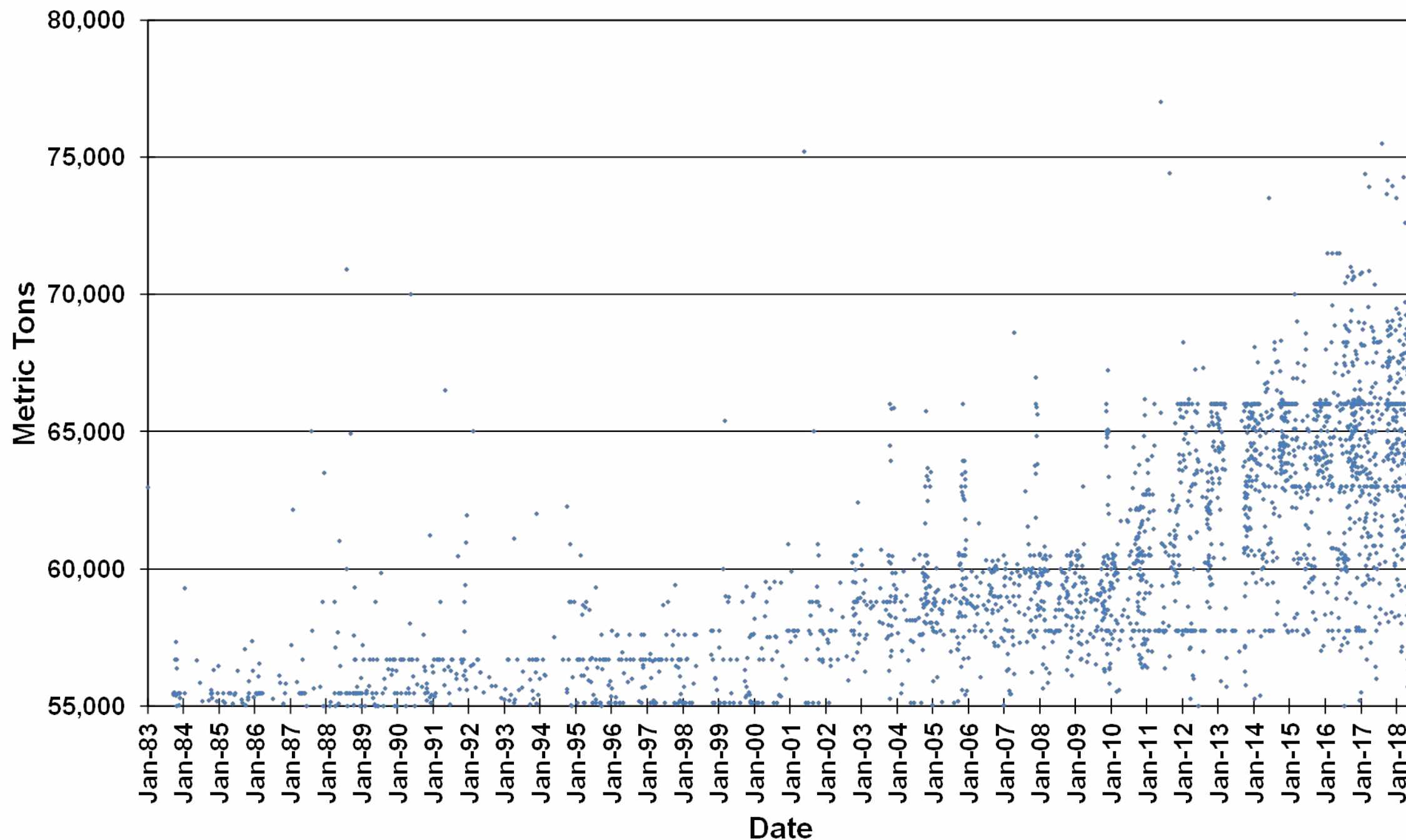
Olmsted Locks and Dam

- Key locks and dam project on the lower Ohio River, replacing Locks 52 and 53 between Paducah, KY and Cairo IL.
- Lock 52 issues last fall led to navigation interruptions and higher operating costs.
- First authorized in 1986; first appropriated in 1988; initial cost estimate: \$750 million, now exceeding \$3.1 billion.
- Section of Ohio River handles about 81 million tons annually.
- Locks and dam structured such that four to six months out of the year tows will be required to use the locks, otherwise tows navigate over wickets



Infrastructure Investment Leads to Opportunity: Columbia River

Loadings of Greater than 55,000 Metric Tons of Grain and Soybean Export Inspections through Columbia River Elevators





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