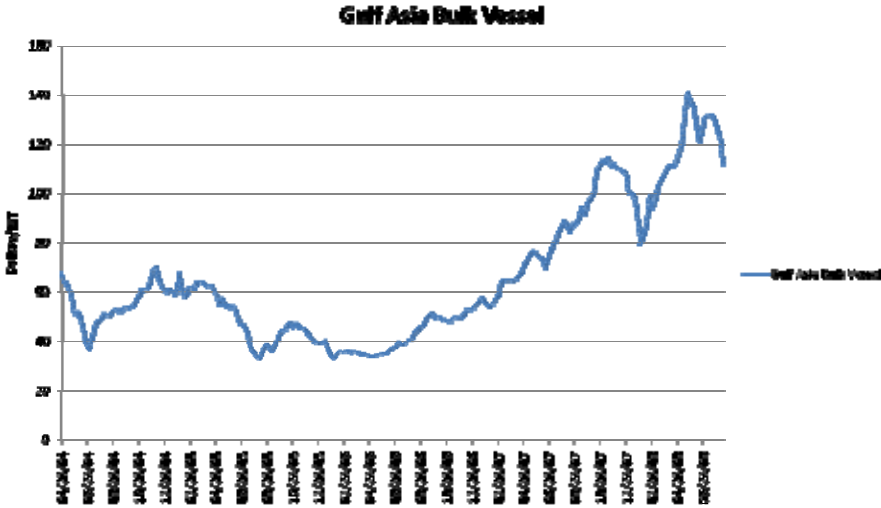


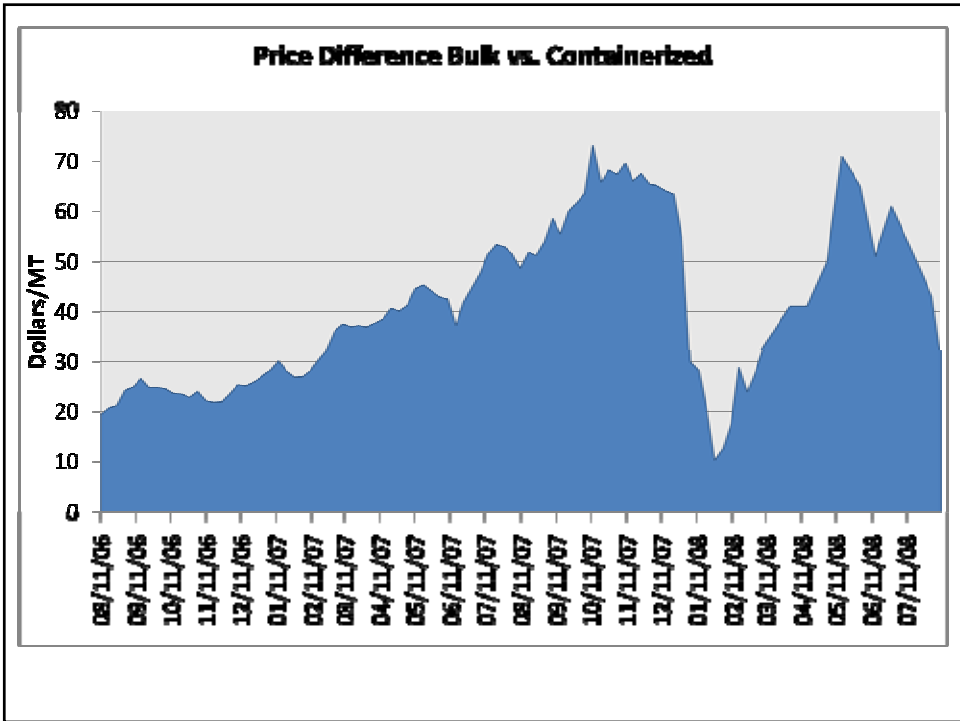
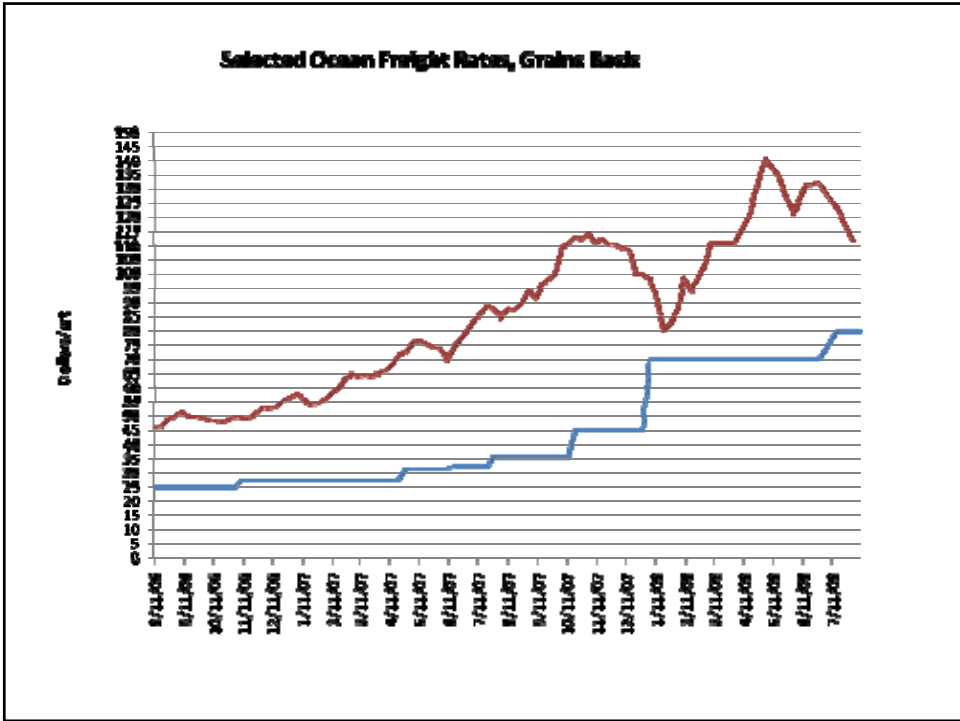
# Future Needs, Opportunities for the Intermodal Transportation System in the Midwest Region

Presented by  
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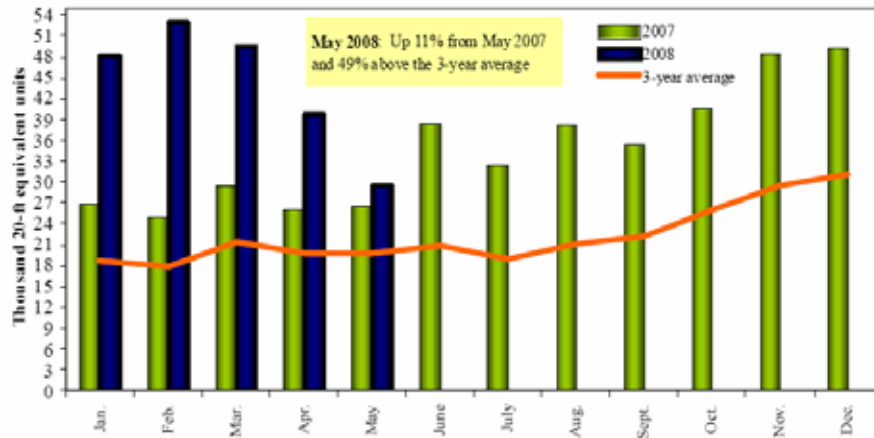
## Bulk Vessel Rates





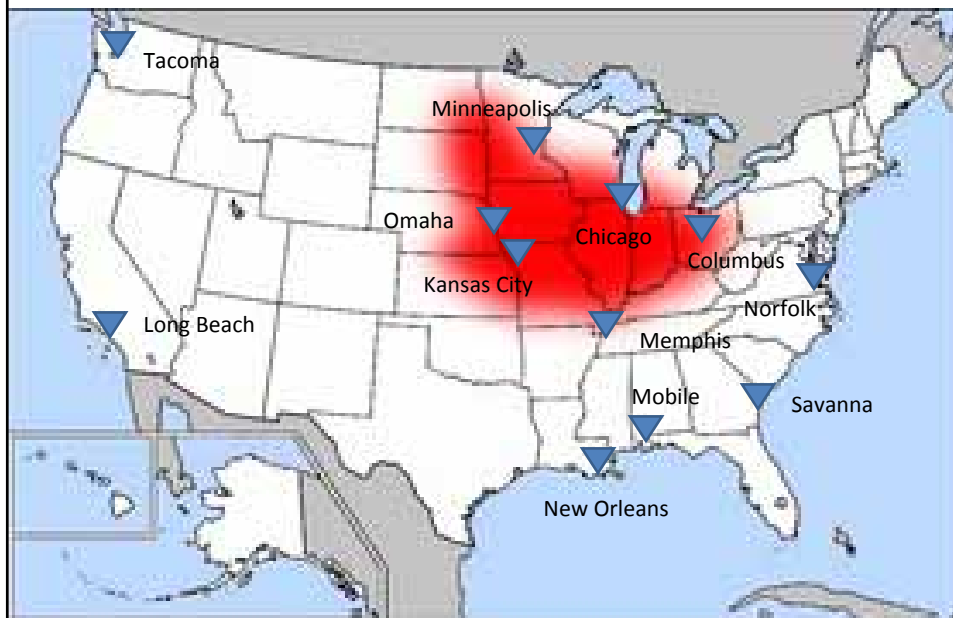
During 2007, containers were used to transport 5 percent of total U.S. waterborne grain exports, and 9 percent of U.S. grain exports to Asia.

Figure 19  
**Monthly Shipments of Containerized Grain to Asia**



Source: Port Import Export Reporting Service (PIERS), *Journal of Commerce*

## Main Container Yards



## Steamship Lines

-Where do vessels want to go?

- Top Markets
  - China
  - Taiwan
  - Korea
  - Indonesia
  - Vietnam
  - Balance

## Steamship Lines

Where are containers most available?

- Ports
- Chicago
- Minneapolis
- Memphis
- Kansas City
- Columbus

## Steamship Lines

### Rates

- Where the lines want to go
  - Trade Lanes
  - Vessel Strings
- Operational Costs
  - Rail Costs
  - Fuel Costs
- Equipment Availability
  - Vessel Space
  - Empties at various CY's

## Opportunities with Containers

### Small or Large Importer

- From 20 mt to 50,000 mt containers can fill your needs
- Total costs per mt are not much different whether you are importing 100 mt a month or 20,000mt

## Quality Competitiveness

### Sampling of 2779 Containers

- Corn
  - 89% of containers are U.S. #1
  - 11% of containers are U.S. #2
- AVG.

Moisture %	Damage %	F.M.%
13.9	1.2	1.4
- Contract U.S. #2

14.5	5.0	3.0
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## Quality Competitiveness

### Sampling of 2246 Containers

- Soybeans
  - 49% of containers are U.S. #1
  - 49% of containers are U.S. #2
  - 2 % of containers are U.S. #3
- AVG.

Moisture%	Damage%	FM%	Splits%
11.1	1.0	1.1	8.8
- Contract U.S. #2

14	3.0	2.0	20
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## Containers Provide Traceability

- Trans-load
- Elevator
- Farmer/ Producer

## Containers can Meet Specific Needs

- IP varieties or types of grain.
- Cleaned / Packaged
- Special Moisture needs
- Protein and oil
- Plant or Farm Specific

## Exporter / Supplier

- Can be large or small and still be competitive
- Services Provided
  - Origination
  - Trans-loading
  - Freight
  - Documentation

## Origination

- Supply volume and quality on a consistent basis
- Trans-loading
  - In midwest no longer limiting factor
  - If buyer arranges origination and freight work closely with trans-loading
- Freight
  - Sell or buyer can arrange
  - Allocations

## Challenges

- Increased Trade US to Europe
- Increased Trade from Asia to Europe
- Inter-Asia Trade
- Weak U.S. Dollar Grain Against Other Exports
- Competition from Waste Paper and Scrap Steel
- Documentation and Transaction Costs

## Challenges

- Low Utilization
  - Bulk vs. Container Values less than \$25/mt
  - More available containers
  - Easier to get bookings and vessel space to all destinations
  - On time shipments
  - Lower operation and transaction costs
  - Less price advantage vs. bulk but better service
  - Time to build long-term relationships

## Challenges

- High Utilization
  - Bulk vs. Container values are greater than \$25/mt
  - High demand on available containers
  - Fewer destinations served
  - Delayed shipments caused by container availability, cancelled bookings, and vessel space
  - Higher operational and transaction costs
  - Generally poorer service
  - Need for the long-term relationships

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