



Agriculture Implications for Transportation & Highways

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Overview

- Trucking Critical
  - Ag Exports / Imports
  - Domestic Shipments (commodities & products)
  - Biofuels, Feedstocks, Forestry, Inputs
- Well Maintained Highways & Intermodal Connections Key to:
  - National Economy
  - Agriculture
  - Trucking
- Changes in Agricultural Production & Trade Can Impact Transportation System

U.S. Ag. Production to 2017*

(in Billion Pounds)

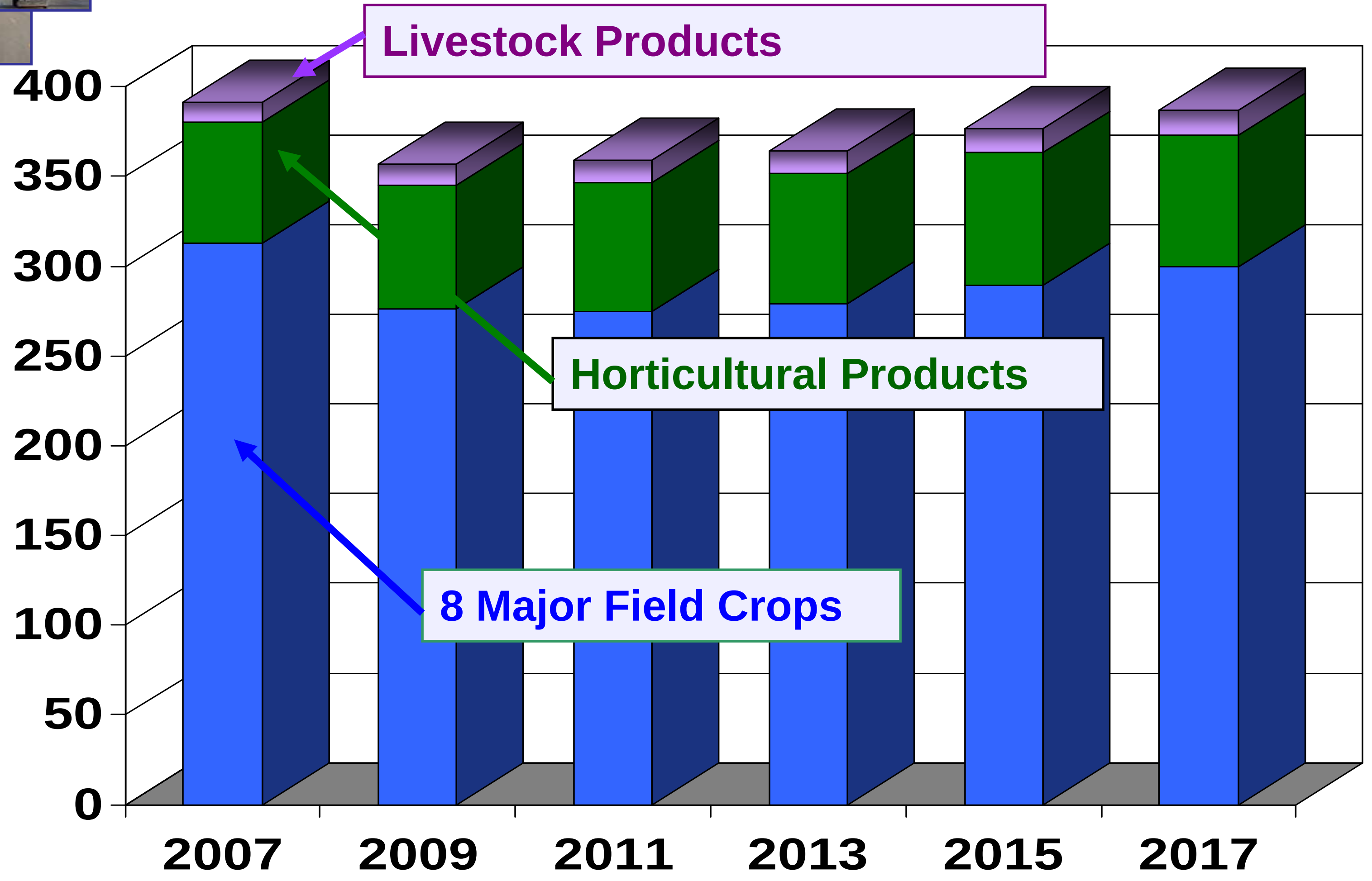
Commodities	2007/08	2009/10	2011/12	2013/14	2015/16	2017/18
8 Major Field Crops	1,195	1,219	1,247	1,264	1,295	1,327
Livestock Products	287	295	299	305	311	318
Horticultural Crops	204	210	214	219	224	229
Sugarcane and Sugar Beets	124	120	113	113	115	116
Subtotal	**1,809**	**1,844**	**1,873**	**1,901**	**1,944**	**1,990**

Source: USDA Agricultural Projections to 2017, OCE-2008-1, February 2008

* Does not include forestry and fishery products

Projected Ag. Exports 2007-17

(in Billion Pounds)



Source: USDA Agricultural Projections to 2017, OCE-2008-1, February 2008

Outlook for U.S. Ag. Trade in FY 2009*

Overall Ag. Exports ► $113 billion
Overall Ag. Imports ► $83 billion

Grain, Feeds, Oilseeds & Products

- Exports - $55.2 billion
- Imports - $15.3 billion

Horticultural Products

- Exports - $22.7 billion
- Imports - $36.3 billion

Livestock, Poultry & Dairy Products

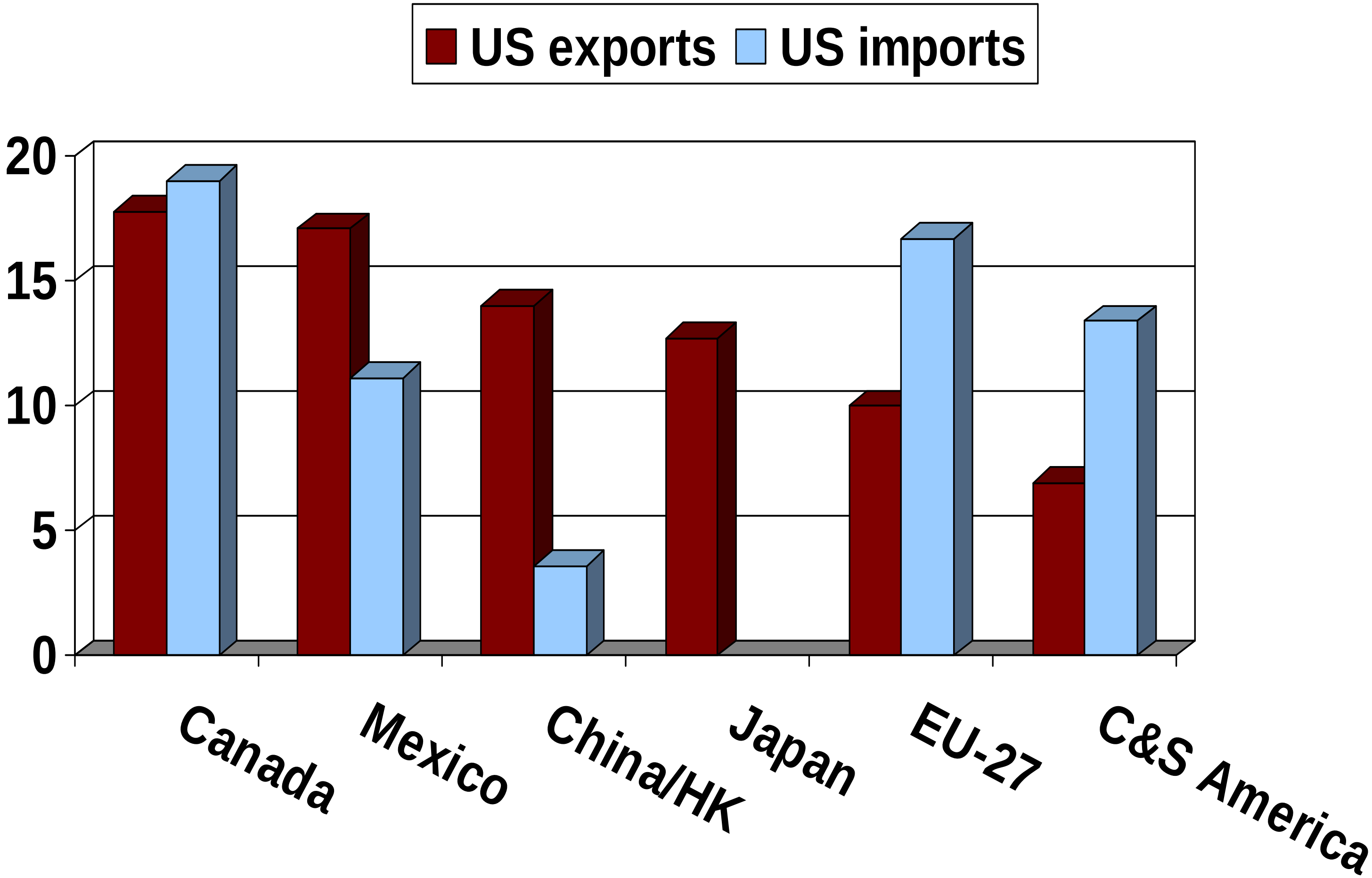
- Exports - $22.4 billion
- Imports - $12.4 billion

Source: Outlook for U.S. Agricultural Trade, AES-59, Aug. 28, 2008

* Does not include forestry and fishery products

Top U.S. Trading Partners – FY 2009

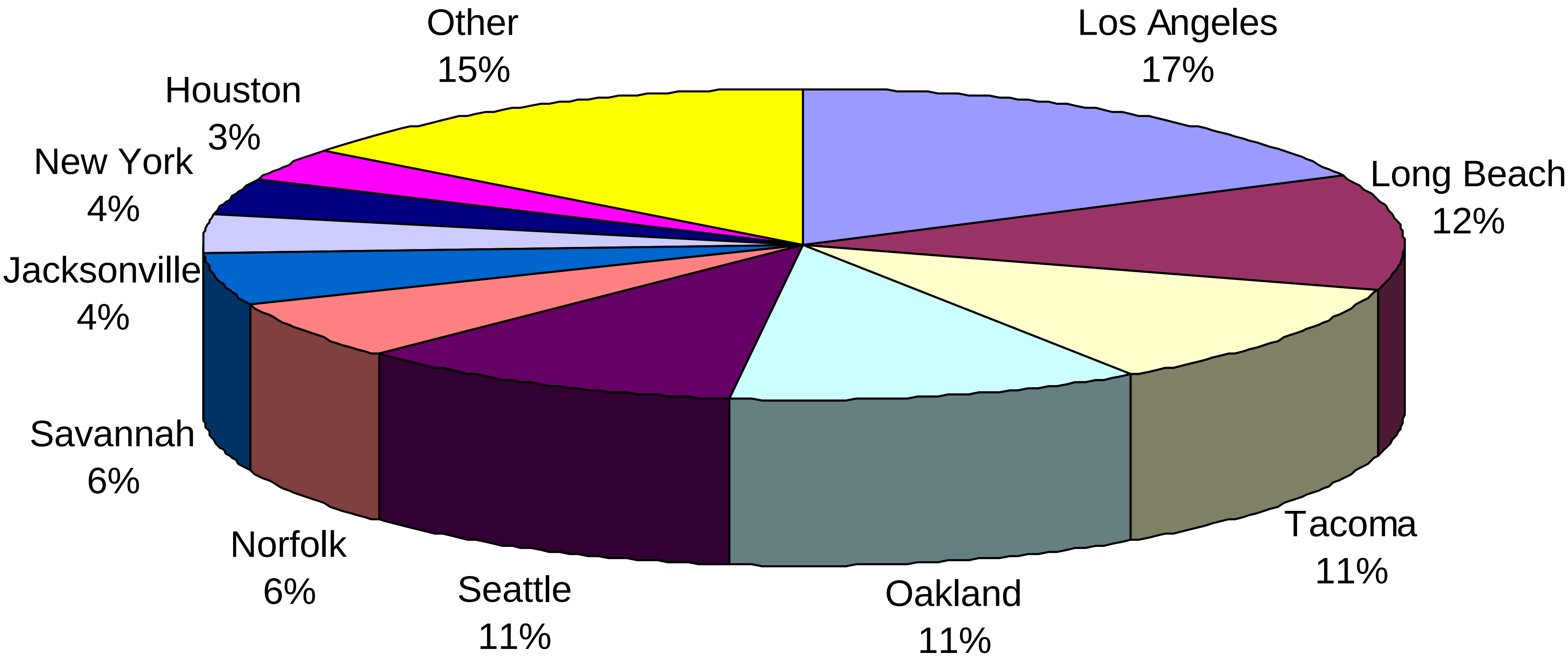
(in Billion Dollars)



Source: Outlook for U.S. Agricultural Trade, AES-59, Aug. 28, 2008

Top 10 Ports

Serving Containerized Ag. Exports - 2007



Source: Port Import Export Reporting Service

Modal Share

Preliminary 2006 Grain Modal Share Data*

	Rail	Barge	Truck
Total	36%	13%	51%
Export	51%	44%	5%
Domestic	30%	1%	69%

* USDA/AMS/TSD preliminary update of Transportation of U.S. Grains, 1978-2006

- Due to incomplete data, can’t calculate modal share for most agricultural products
- BTS ► 88% U.S. merchandise trade (by value) w/ Canada & Mexico moves by land ≈ 65% of this land transport is by truck

Source: BTS North American Transborder Freight Data

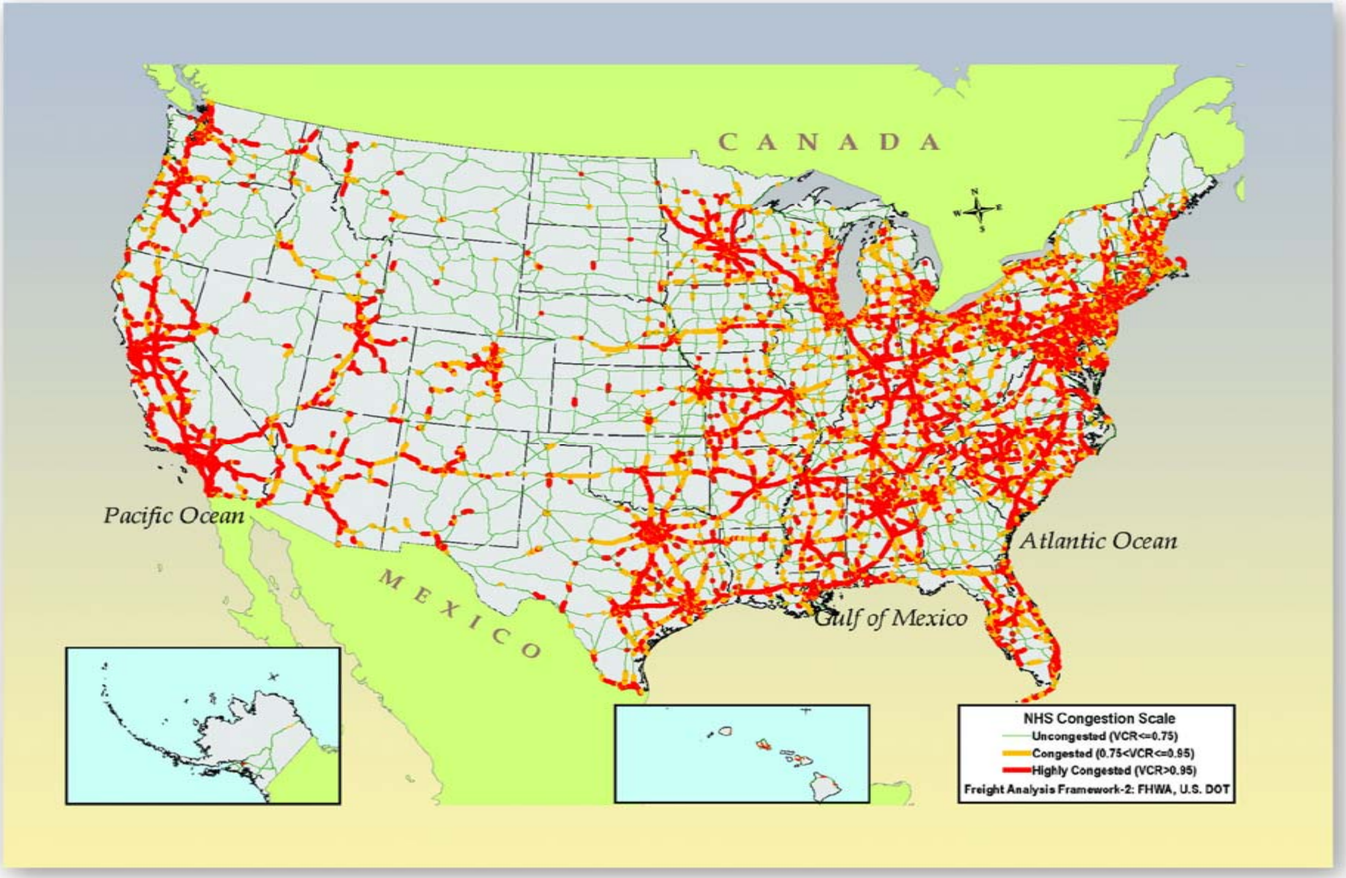
Freight Projections

- Truck Freight ►Forecast by DOT to Almost Double from 2002 to 2020
  - Calculated Before:
    - Ethanol Production Expansion
    - Current Economic Turmoil
- While Driver Shortages ► Projected to Reach 111,000 by 2014
- If Forecasts/Projections Close » Big Issues/Problems Loom for Food & Other Transporters

Freight Forecast Source: U.S. DOT – Freight Analysis Framework, 2002

Driver Shortage Source: Global Insight, Inc., May 2005

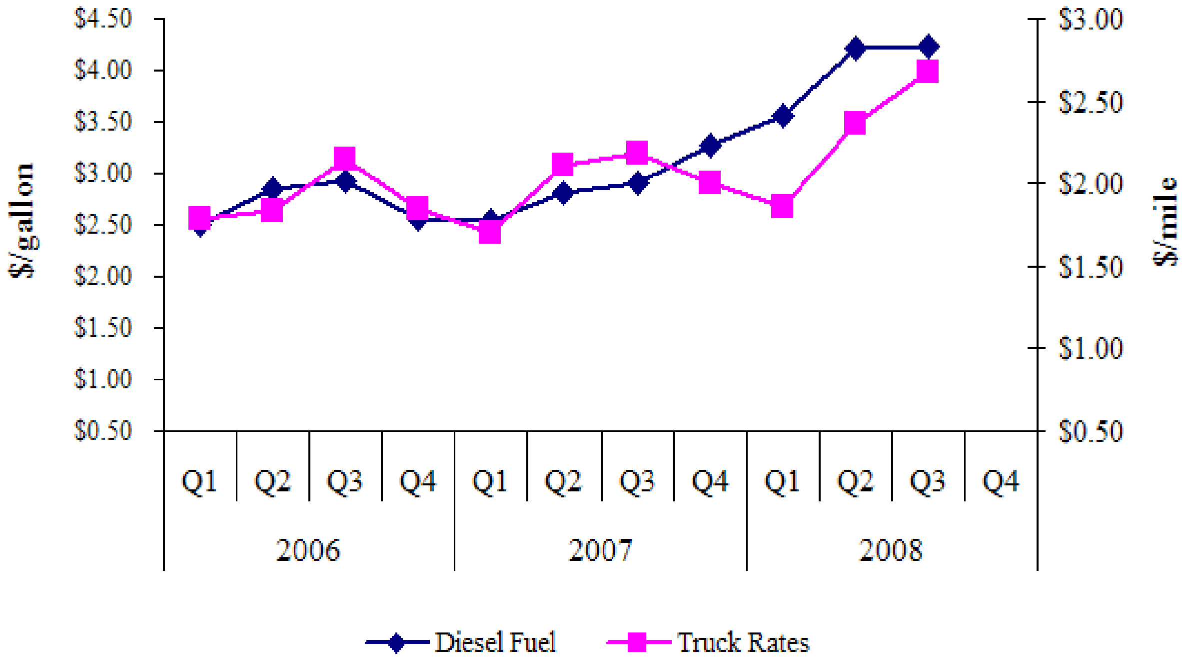
Projected Peak-Period Congestion on the National Highway System in 2035



Source: U.S. Department of Transportation, Federal Highway Administration, Office of Freight Management and Operations, Freight Analysis Framework, Version 2.2, 2007

Fuel Costs & Rates

Figure 3: U.S. Average On-Highway Diesel Fuel Prices and Truck Rates



Sources

Diesel Fuel: Energy Information Administration/U.S. Department of Energy

Truck Rate: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch

Strong Correlation between Fuel Costs & Rates

Truck Availability

AMS Fruit and Vegetable Truck Rate Report (weekly) ►lists recurring shortages & surpluses of trucks for a variety of commodities & regions

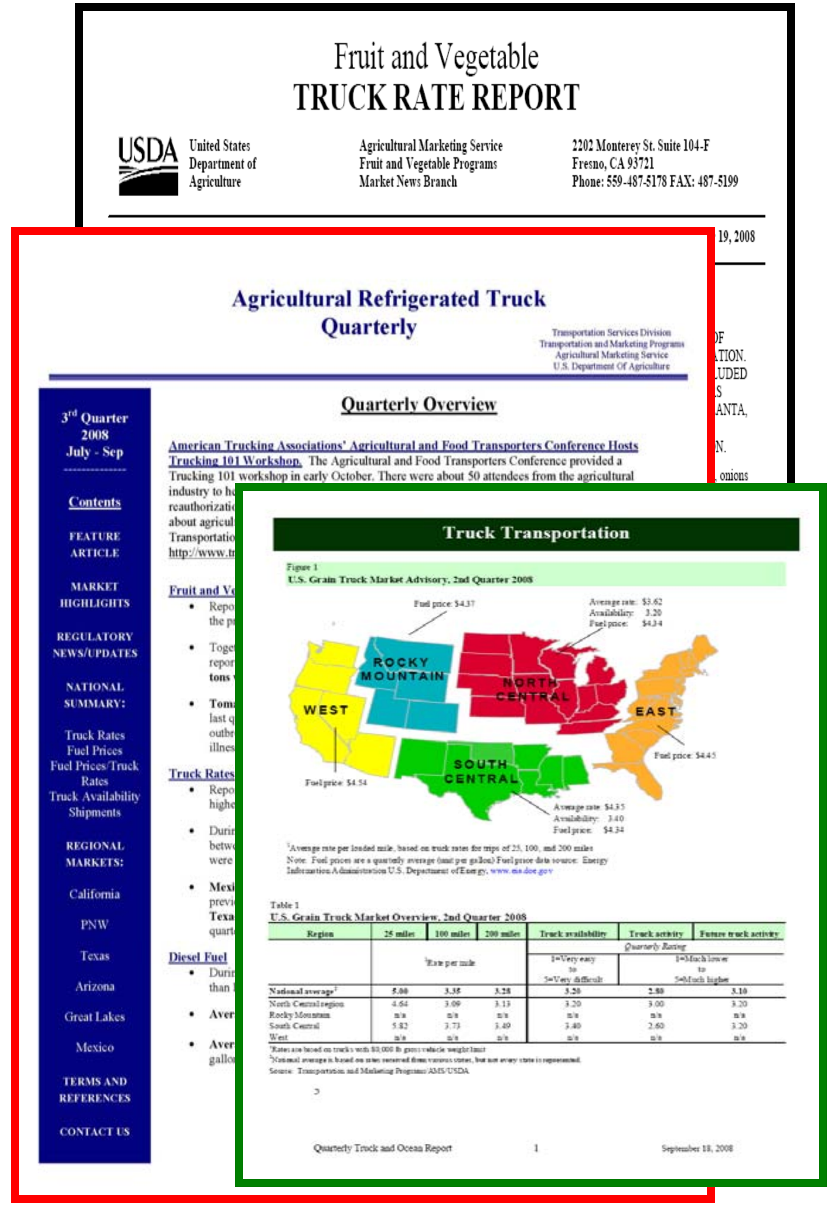
www.ams.usda.gov/mnreports/fvwtrk.pdf

Agricultural Refrigerated Truck Quarterly ► tracks volumes & rates for major U.S. fruits & vegetables

www.ams.usda.gov/AgTransportation

U.S. Grain Truck Market Advisory ► Quarterly reports on fuel prices, truck availability and activity for several regions

www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELPRDC5072408



Mega Transportation Issues

- Closing of Intermodal Ramps / Shortage of Containers in Rural Areas
  - Ocean & Rail Carrier Consolidation
  - Focus on Higher Value Imports
  - Shippers Pay More for Containers (delivered by truck over longer distances)

- When Economy Improves – Will Truck & Container Capacity Tighten?

- Fuel Costs & Surcharges ► Challenge for Everyone
  - Growers, Shippers, Carriers, Independent Drivers, Receivers

- Many Difficult Issues Facing Trucking Industry – e.g. Hours of Service, Driver Shortages, Congestion, Environmental Issues

Conclusions

- Agricultural Production, Exports and Imports are Projected to Increase Steadily into 2017
- All Modes are Close to Capacity
- Without Changes, Congestion is Expected to Worsen
- National & Global Economic Trends/Policy Issues (broader than agriculture) Will Influence Infrastructure Decisions
- There is no Shortage of Issues Facing Trucks
- Increasing Challenges Requires Greater Communication & Better Collaboration

Thank You!

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