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)

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

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


* Does not include forestry and fishery products
Top U.S. Trading Partners – FY 2009
(in Billion Dollars)

Top 10 Ports Serving Containerized Ag. Exports - 2007

- **Los Angeles**: 17%
- **Long Beach**: 12%
- **Tacoma**: 11%
- **Oakland**: 11%
- **Seattle**: 11%
- **Norfolk**: 6%
- **Savannah**: 6%
- **New York**: 4%
- **Jacksonville**: 4%
- **Houston**: 3%
- **Other**: 15%

Source: Port Import Export Reporting Service
## Modal Share

### Preliminary 2006 Grain Modal Share Data*

<table>
<thead>
<tr>
<th></th>
<th>Rail</th>
<th>Barge</th>
<th>Truck</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>36%</td>
<td>13%</td>
<td>51%</td>
</tr>
<tr>
<td>Export</td>
<td>51%</td>
<td>44%</td>
<td>5%</td>
</tr>
<tr>
<td>Domestic</td>
<td>30%</td>
<td>1%</td>
<td>69%</td>
</tr>
</tbody>
</table>


- 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

Driver Shortage Source: Global Insight, Inc., May 2005
Projected Peak-Period Congestion on the National Highway System in 2035

Fuel Costs & Rates

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

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

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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