



TRANSPORTATION: OPPORTUNITIES AND CHALLENGES FOR SOYBEAN PRODUCERS



The Ohio Soybean Council (OSC) and the soybean checkoff is working to identify opportunities and overcome challenges that impact producers' profitability. Where soybeans go and how they get there is becoming more and more important to producers' bottom lines.

Ohio's Opportunities

- Rail infrastructure enhancements create an opportunity for Ohio agricultural shippers to gain a competitive advantage.
- Increasing the use of shipping containers creates an opportunity for Ohio soybean producers.
- Ohio is an established distribution hub with an extensive logistics network already in place.
- Ohio's water transportation system is strong with access to the Ohio River and the Great Lakes.
- The Ohio Jobs Plan, passed by the Ohio General Assembly, contains \$100 million for logistics infrastructure upgrades.
- OSC is participating in the Ohio Department of Transportation's "Ohio's 21st Century Transportation Priorities Task Force," a statewide effort to develop a vision for an effective freight and passenger transportation and logistics system in Ohio.
- OSC will collaborate with partners from the private and public sectors to capitalize on Ohio's transportation advantages.
- OSC will work with the Soy Transportation Coalition to identify national level opportunities and address challenges related to transportation and logistics and to make sure the future of the U.S. transportation system is effective and reliable for soybean farmers.

Major Challenges

- Rail fuel surcharges and other increases in transportation costs
- Short-line railroad bottlenecks and costs for switching to other lines

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- Loss of rail service or no competitive service
- Costs of expanding facilities to handle larger trains

Why Focus on Transportation

- U.S. Department of Agriculture (USDA) figures show a \$1 to \$2 per bushel transportation impact on soybean prices, reducing U.S. soybean farmers' revenue and harming the competitiveness of U.S. soybeans in domestic and international markets.
- USDA reports show that in recent years rail rates for shipping soybeans have risen faster than that for corn or wheat.
- The U.S. Government Accountability Office found that shipping rates for some goods such as coal have decreased 35 percent since the mid-1980s, yet increased for grain and oilseeds.
- Transportation problems have grown due to increased competition from non-agricultural goods, natural disasters and the need for improvements to locks and dams on major rivers.

Statistics provided by the United Soybean Board.