

Ag Transportation Summit

Rail Panel - Rail Shipper Perspective

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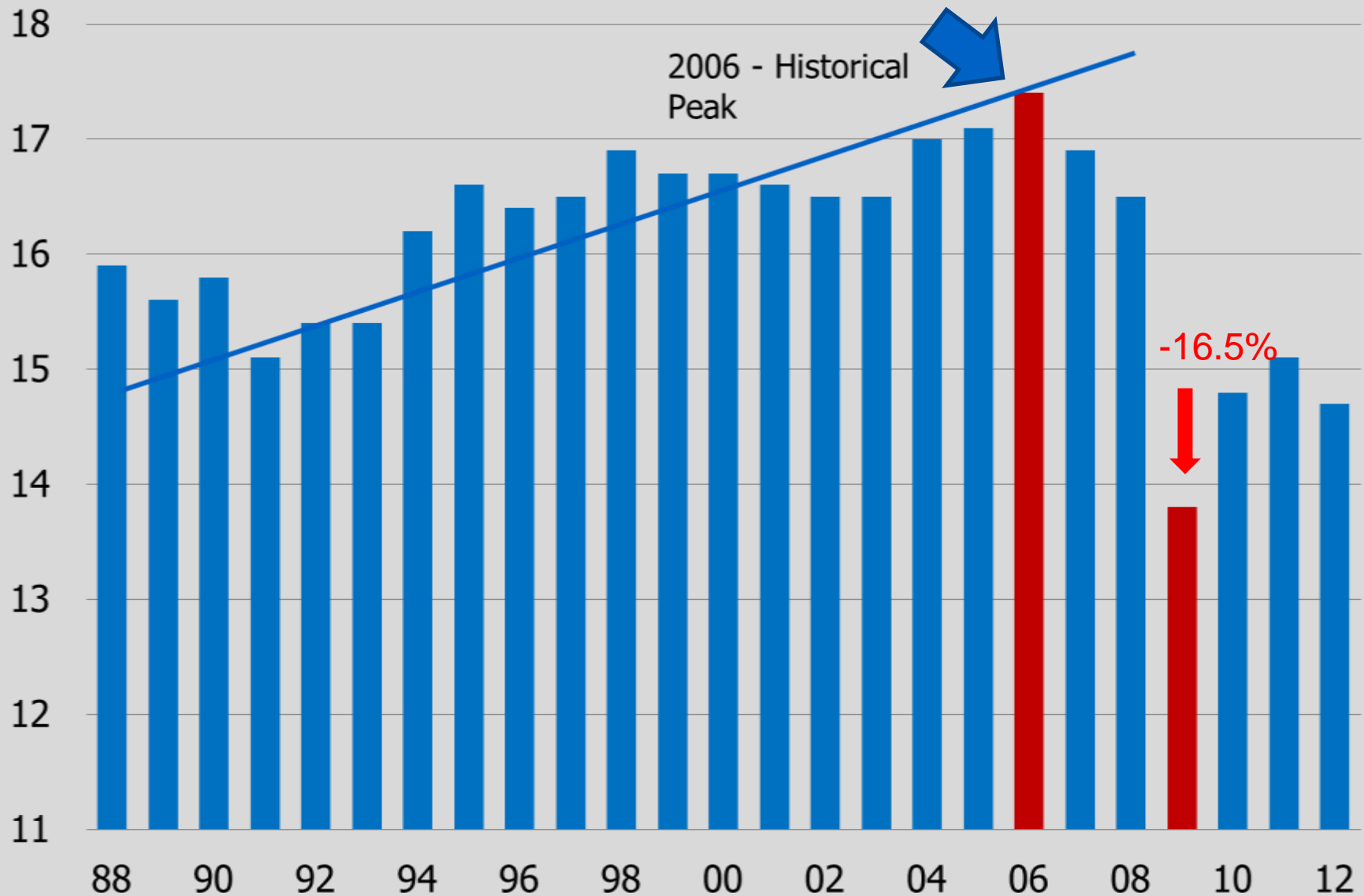
Macro Market Drivers for Agriculture

- Changing global supply and demand dynamics
- Biofuels: 35-40% of U.S. corn acreage now used for ethanol
- Market volatility: Changing risk profile
- China dominance in overall commodity demand
- Increased investment in agriculture, ag infrastructure
- Consolidation and/or new entrants on global basis
- Future fertilizer distribution
- Biotechnology & precision ag

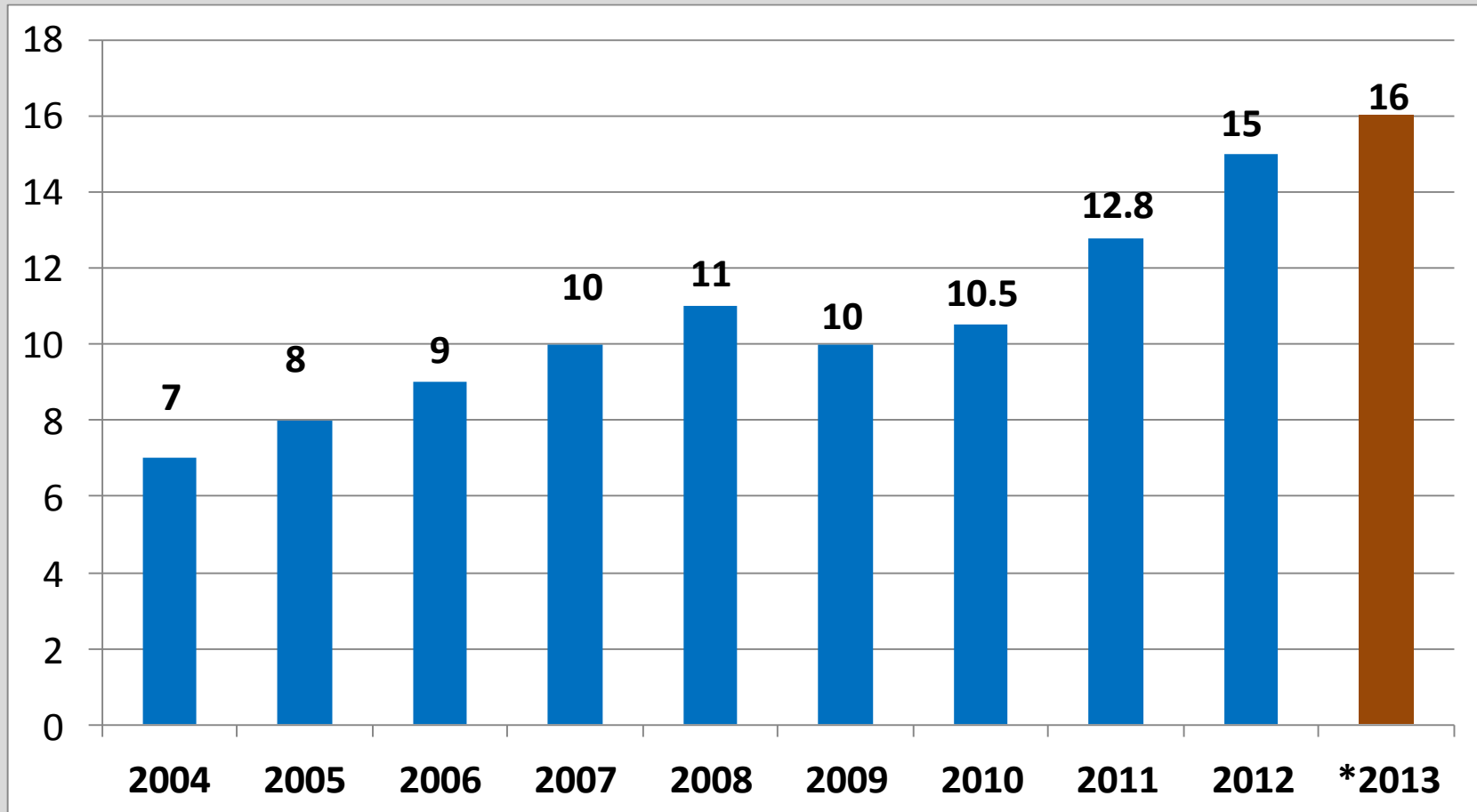
Key Needs for Agriculture related to Rail

- How does the rail industry currently match with these needs?
 - Competitiveness on a global basis
 - Overall rail capacity and impact of competing industries
 - Continued investment by railroads, shippers, & receivers
 - A rail system that continually strives for efficiency
 - Service balance between unit trains and single car
 - Ability to react to weather events
 - Ease of doing business
 - Availability and support of dispute resolution mechanisms
 - Ability to keep up with ag producers needs and speed
 - How do we prepare for a true North American grain market?

U.S. Carloads – All Commodities (Millions)

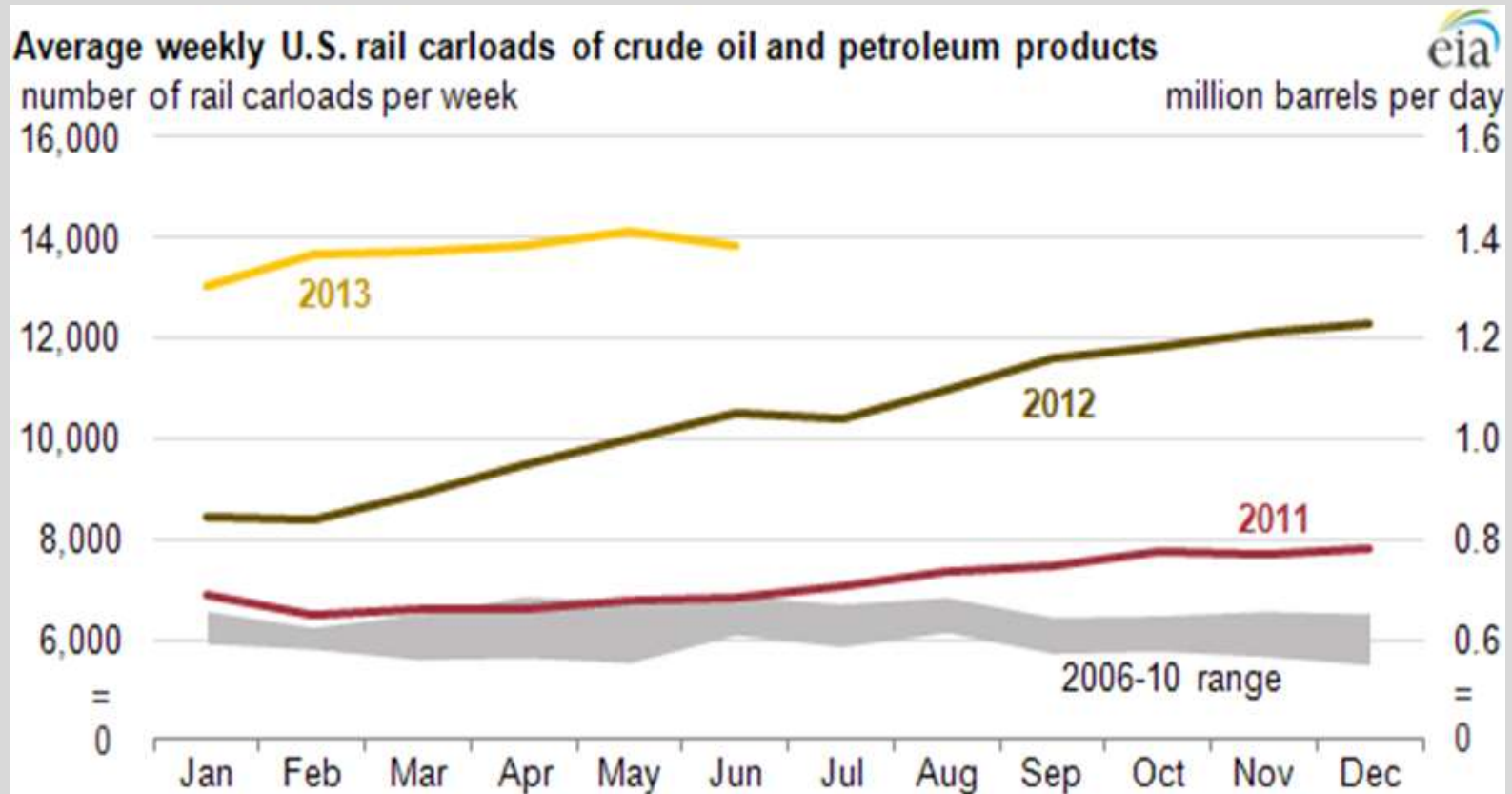


Class 1 Railroad Annual Capital Investment (\$ Billions)



*2013 is an estimate

Crude by Rail



2013 North American shipment volume (cars) through June 2013

Petroleum & products: 542,324

Grain: 695,194

Dispute Resolution

- Agriculture needs robust and effective dispute resolution processes.
 - Surface Transportation Board (STB) complaint process
 - STB arbitration
 - NGFA rail arbitration
 - Private or semi private alternative dispute process



Logistics – Expectations for 2013 - 2014

- Back to more typical shipment patterns
- Railroads should be well positioned with resources (line capacity, locomotives, & crews)
 - Maintenance of way hangover
 - Car supply; Ample covered hoppers, tank cars expected to remain tight
- Logistical challenge for shuttle start ups coming into fall harvest.
- Barge situation from last fall/winter has healed itself



Thank you!

Questions