



*The DeLong Co., Inc.*

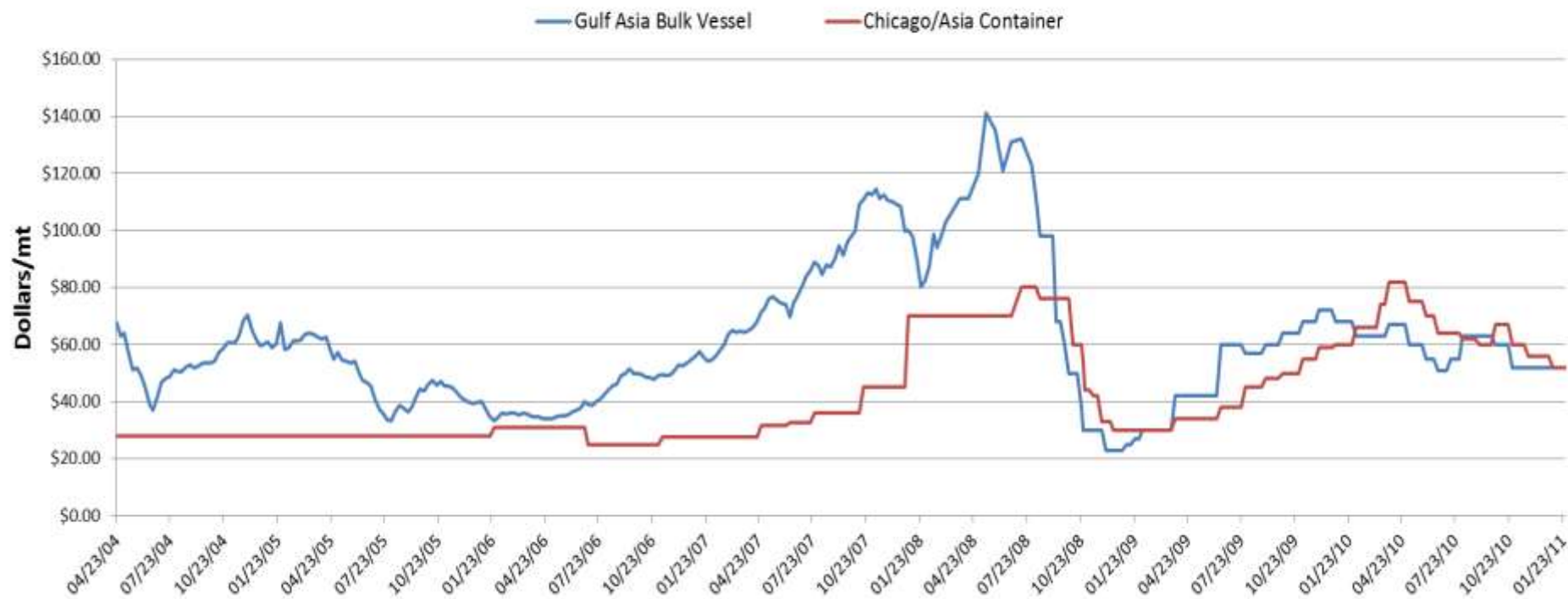
Containerized Shipping  
Challenges and Opportunities- A Grain and  
Feed Handlers Perspective



Bo DeLong  
Vice President of Grain

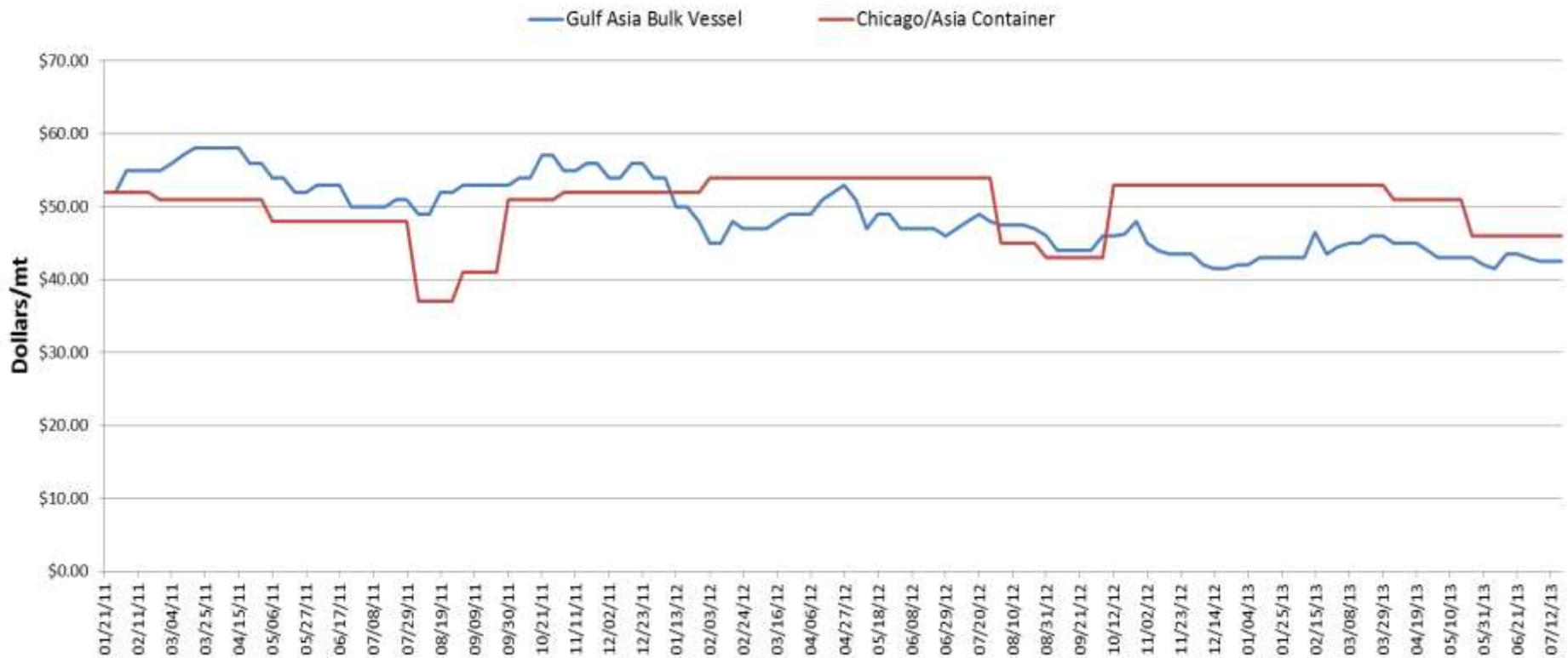


# Ocean Freight Rates 2004-2010

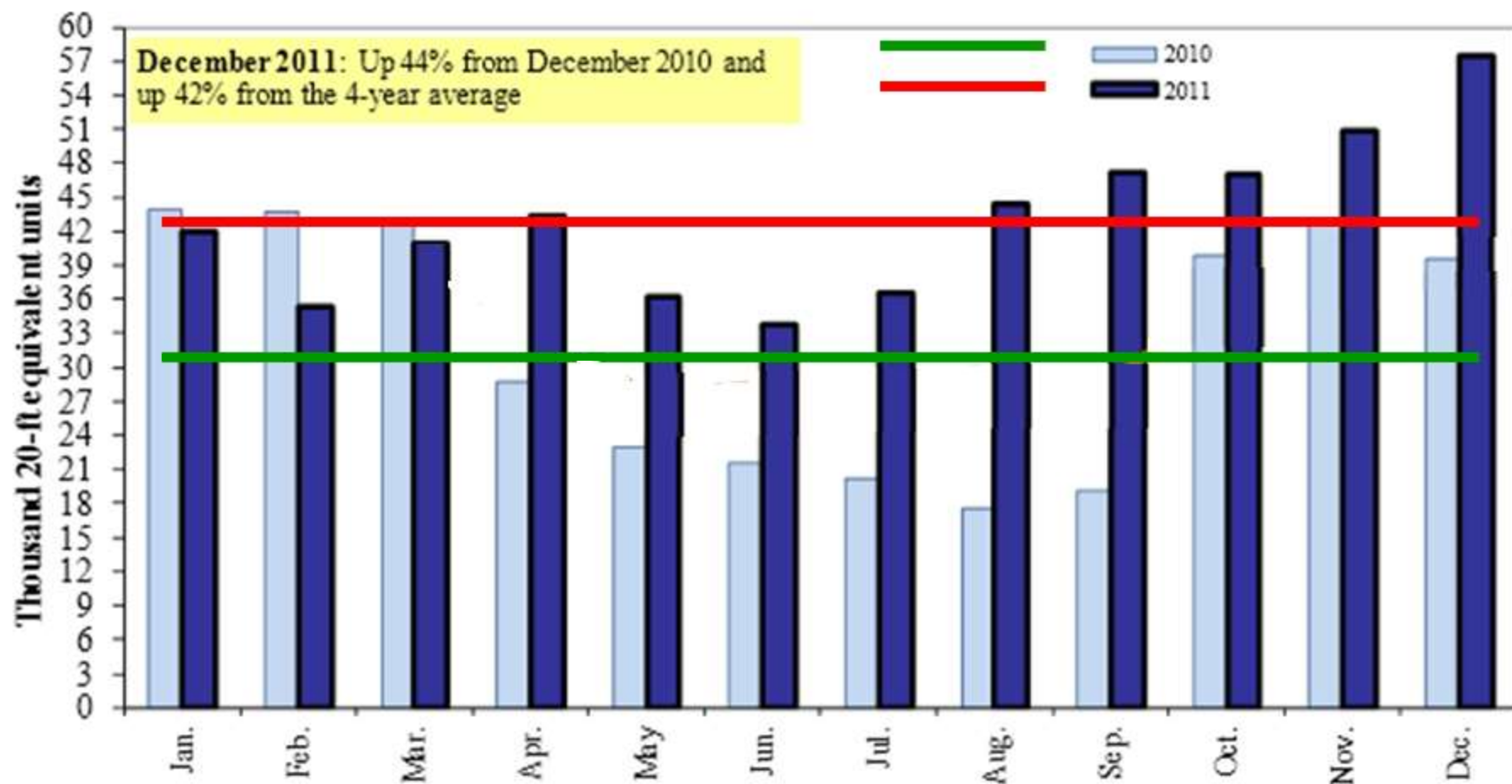




# Ocean Freight Rates 2010-Current



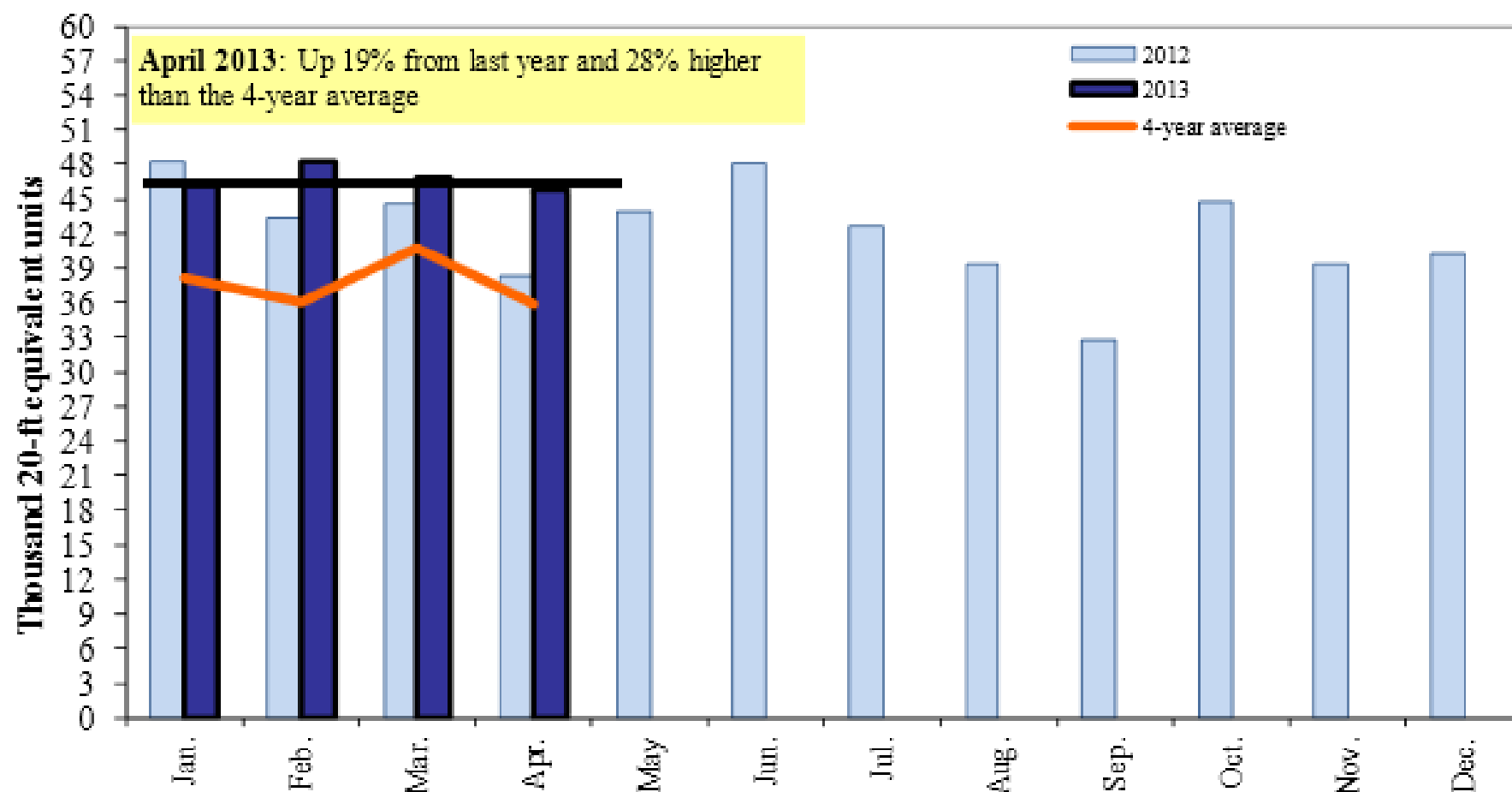
## Monthly Shipments of Containerized Grain to Asia



Source: USDA/Agricultural Marketing Service/Transportation Services Division analysis of Port Import Export Reporting Service (PIERS) data

Note: The following Harmonized Tariff Codes are used to calculate containerized grains movements: 100190, 100200, 100300, 100400, 100590, 100700, 110100, 230310, 110220, 110290, 120100, 230210, 230990, 230330, and 120810.

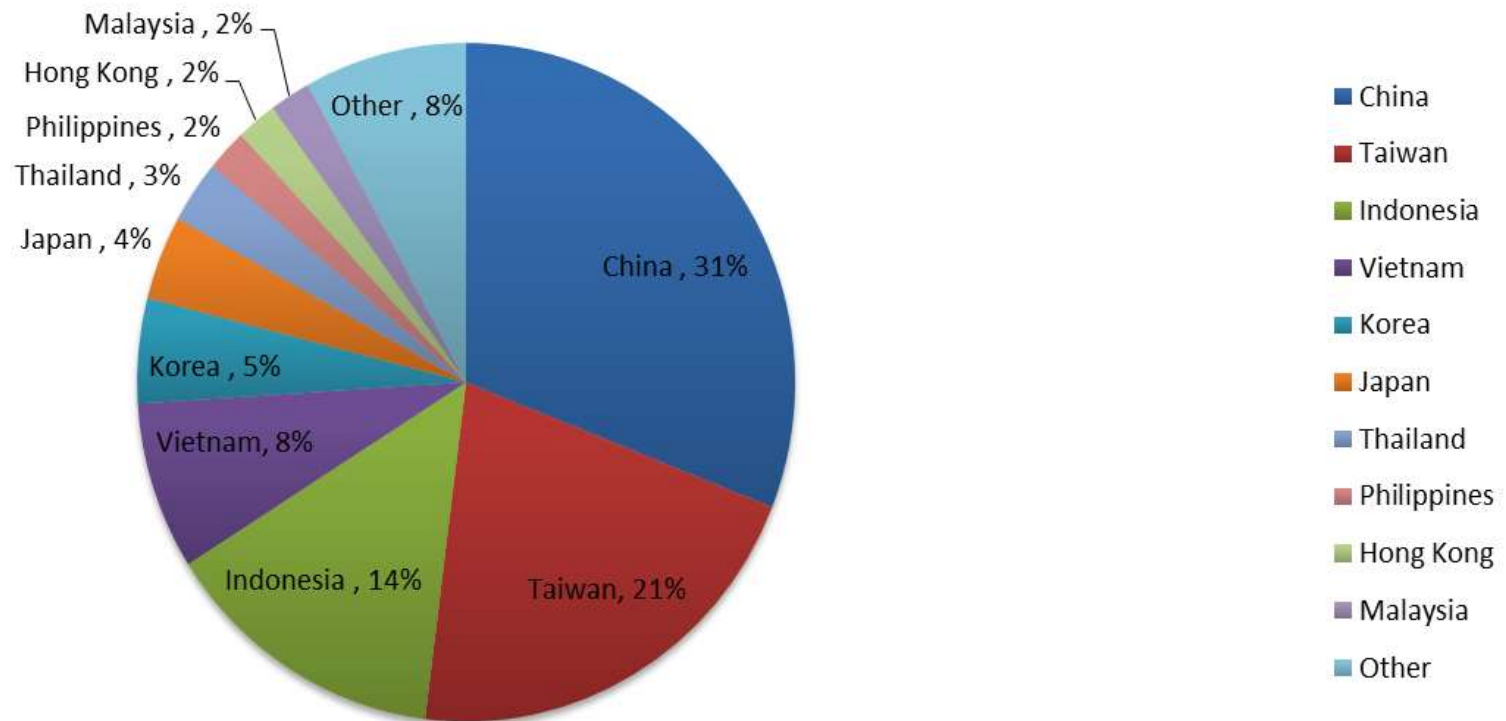
Figure 19  
Monthly Shipments of Containerized Grain to Asia



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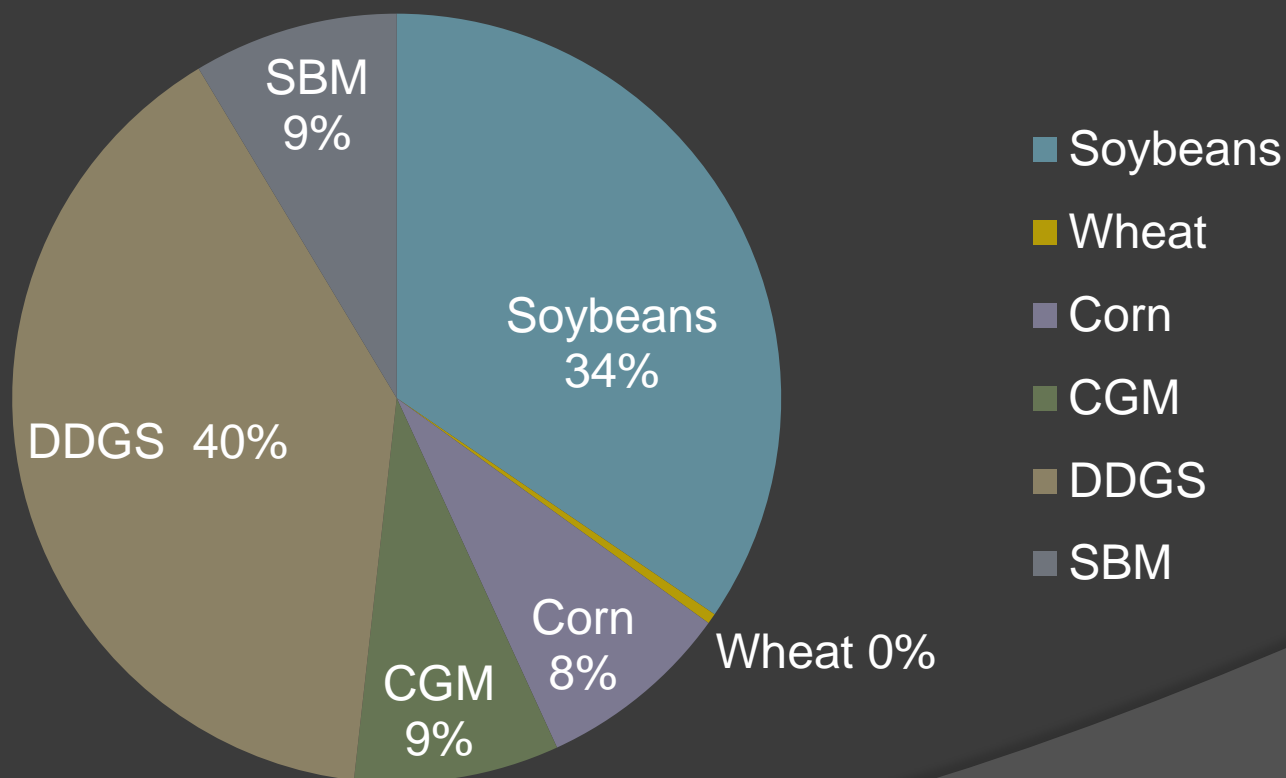
## Top 10 Destinations for U.S. Containerized Grain Exports, April 2013





# DeLong Product Mix Currently

## Containerized Exports 2012-Current





# Container volume still going higher, Why?

- Distiller Dried Grains with Solubles (DDGS)





- Barriers to entry are low for both the importer and exporter
- More direct chain from seller to end user





- Bulk vessel fill in business
- Government regulations





# Better Value

- ◎ Customers recognize value of container
  - Quality
  - Speed of shipment
  - Inventory/Financial costs





# Challenges

- Drayage
- Steamship Lines
- Container yard/  
Terminals

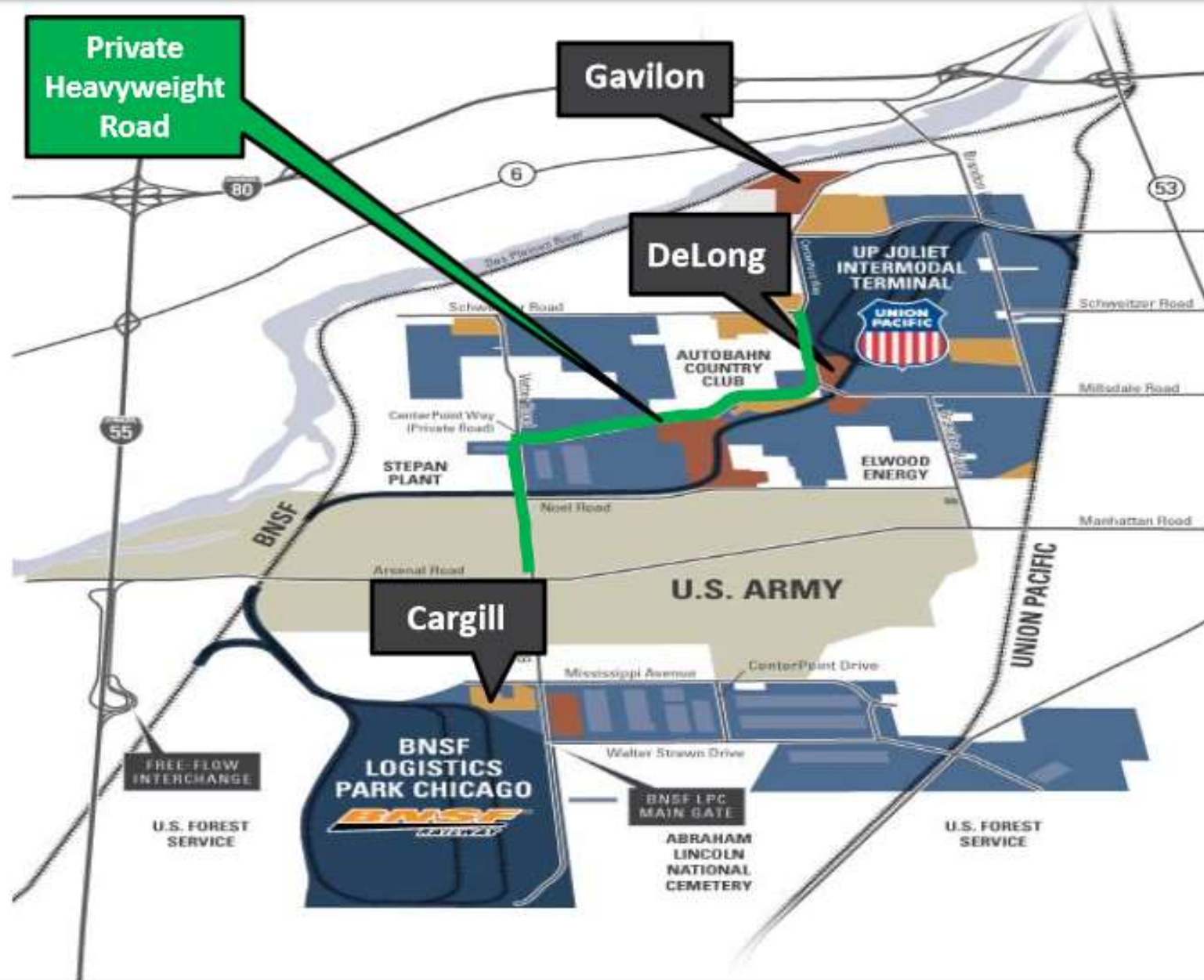




# Drayage

- Hours of service regulations
- Seasonality of agriculture business
- Chassis charges
- Overweight limits and permits







# Steamship Lines

- ◉ Defining pricing points
- ◉ Overbooking/ Equipment shortages
- ◉ Exporter “no show”
- ◉ Limited ability to hedge freight risk





# Container Yard/Terminal Challenges

- Container yard or port turnaround times





# Transportation by Container has become More Efficient in the Last 3-4 Years

- Better documentation
- Better loading facilities
- Better graphically placed facilities

**Ocean Bill of Lading**

Exporters (Name and address including ZIP code)		Destination/Location	Shipping/Location
Exporters Reference		Exporters Reference	
Commodity Name (Name and address)		Commodity Name (Name and address)	
Place (Point) of Origin or PTD Number		Place (Point) of Origin or PTD Number	
Commodity Description/Export Instructions		Commodity Description/Export Instructions	
Port of Origin	Place of Receipt by the Carrier	Place of Receipt by the Carrier	
Exporting Carrier	Port of Loading/Export	Port of Loading/Export	
Port of Discharge	Place of Delivery by the Carrier	Place of Delivery by the Carrier	
Number of Packages	Description of commodities in Schedule B (Use)	Net Weight (Gross)	Measurements
There are <input type="checkbox"/> packages, including attachments to this Ocean Bill of Lading			
FREIGHT DATES, CHARGES, WEIGHTS AND MEASUREMENTS			
DATE OF BILL OF LADING			
BY <input type="checkbox"/> Agent for the Carrier			
DATE			
TIME			
CERTIFY that the above information is true and correct to the best of my knowledge			



# Transloading





# Source Loading



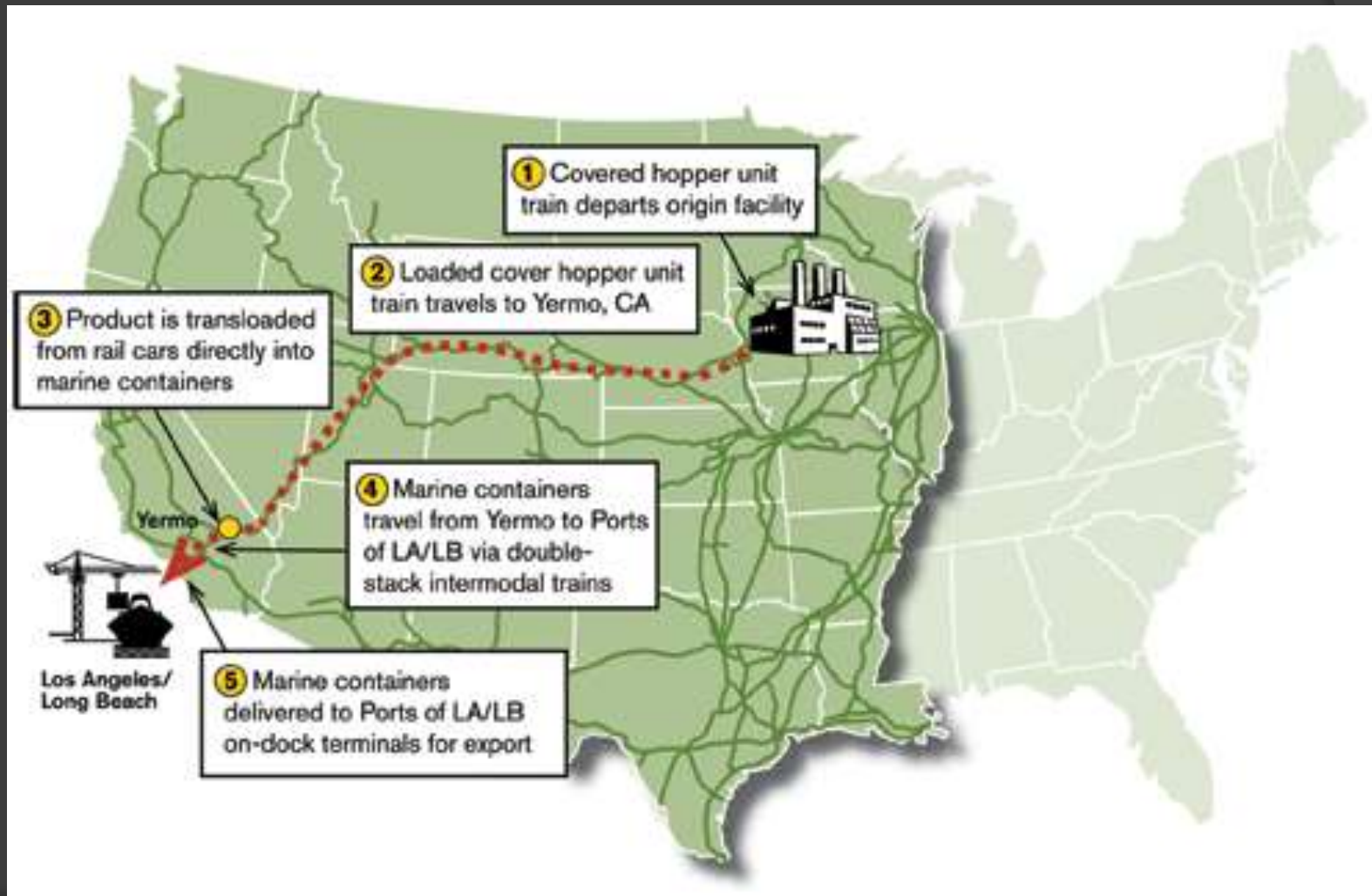


# Source Loading





# Unit Trains of Commodities to Port for Transloading





# “Match-Back”





# Containers on Barge





# Opportunities

- Developing models that improve efficiencies for all parties

