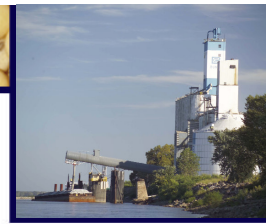


North Dakota Soybean Council Joins Soy Transportation Coalition



As the market for soybeans and other agricultural commodities has become increasingly competitive and global, North Dakota growers have enjoyed access to an enlarged customer base. Unfortunately, this increased competition has also diminished the agricultural sector's ability to absorb any increased costs or obstacles to satisfying customer needs. Customers have greater ability to buy from someone else. To remain viable and competitive, soybean farmers can no longer simply ask themselves, "Do I have a customer?" and, "Can I produce what the customer wants?" Increasingly, a farmer must also ask, "Can my soybeans actually get to the customer?"

Unfortunately, many North Dakota farmers, grain elevators, and processors are experiencing a transportation system that offers higher costs and less reliable service. For states like North Dakota that do not enjoy access to a robust interior waterway system, there is a greater reliance on the rail industry. "The



overwhelming majority of the soybean production and processing in the North Dakota occurs in areas captive to a single railroad company," explains North Dakota Soybean Council Vice Chairman Dennis Feiken of LaMoure. "The railroads capitalize on this opportunity by charging these shippers exorbitant rates." Concurrently, in addition to higher rates, railroads are shifting costs (e.g. - purchasing and maintaining rail cars) onto the shippers.

While rates and costs for soybean growers and processors continue to rise, reliability and access continues to decline.

Today, a growing percentage of rail transit occurs via large 100 plus car unit trains that do not stop between point of origin and point of destination. As a result, smaller producers located in North Dakota or other rural states often find it difficult to acquire rail service even if located a short distance from the rail line. "Goods are certainly being moved through North Dakota by rail," says North Dakota Soybean Council Board Member Scott Gauslow of Colfax, "but increasingly those goods have not been produced by North Dakota farmers."

Because of the importance of this issue to the soybean industry, the North Dakota Soybean Council has joined forces with other leading soybean producing states to launch the Soy Transportation Coalition. The goal of this new initiative is to position soybean industry stakeholders to benefit from a transportation system that delivers cost effective, reliable, and competitive service. Headquartered in the offices of the Iowa Soybean Association, the Soy Transportation Coalition will be led by a board of directors comprised of leaders from member states, including North Dakota.

The Soy Transportation Coalition will be a resource to farmers and processors in North Dakota and throughout the country and a respected contributor to national freight policy decisions. It will collaborate with other organizations - many of which are experiencing similar challenges - to provide information and analysis for all important deliberations on U.S. transportation policy.

Many producers do not have a full appreciation for how transportation, or the lack thereof, can affect their bottom line. "Historically, in the minds of many farmers, a transportation problem only occurs when their truck has a flat tire en route to the grain elevator," argues Gauslow. "Farmers think once they dump their truck, it's the elevators problem, but it's the farmers that pay for it." However, when transportation costs increase, those costs are transferred onto the processors or elevator, which, in turn, pass the costs onto farmers through higher basis prices. Feiken explains, "Farmers don't have the luxury of passing costs onto someone else. The buck - literally speaking - stops with us. The Soy Transportation Coalition is our way of educating and mobilizing our industry to ensure we have a transportation system that works with and for us, not against us."