

Soy Transportation Coalition

Railroad Movement of Soybeans and Soy Products



DATA SOURCES

Several different publicly available data sources were used in the development of the analyses included in this report and in the evaluation of U.S. railroad movements of soybeans and soy products, including:

- ◆ U.S. Department of Agriculture (USDA) Annual Crop Reports;
- ◆ U.S. Census Bureau Report titled *Fats and Oils: Oilseed Crushings – Summary 2007 and 2006*, issued June 2008;
- ◆ *The Rail Transportation of Grain*, Volume 5, published by the Association of American Railroads (AAR), Policy and Economics Department, July 2008;
- ◆ 2006, 2007 and 2008 Annual Reports of Freight Commodity Statistics (FCS), submitted by U.S. Class I railroads to the STB;
- ◆ The 2006 and 2007 Public Waybill Sample (PWS) developed by the STB, which are data bases including over 600,000 records of U.S. railroad movements (the 2008 PWS is not available);
- ◆ 2006 and 2007 Uniform Railroad Costing System (URCS) data for individual Class I railroads developed by the STB (2008 URCS data is not available); and,
- ◆ Other publicly available data and internal sources.

The AAR's annual grain report (*The Rail Transportation of Grain*) is a good source for information concerning the production and railroad transportation of soybeans and soy products. It is available for purchase online from the AAR. The tables included herein were independently developed by GWF, but many include information which is also included in tables in AAR's grain report.

To date, the most current data available for use in evaluating individual railroad movements is the STB's 2007 PWS data and many of the tables herein are based on this database. The STB's 2007 PWS includes 1,558 records of movements of soybeans, 4,789 records of soybean meal movements and 1,839 records of soybean oil movements.¹

In addition to being two years old, there are several other inherent problems with the STB's PWS data which make it difficult to accurately analyze railroad movements. For example, for confidentiality reasons, the STB's PWS identifies the Bureau of Economic Analysis (BEA) origin and destination regions for each record, but does not identify the specific

¹ An individual railroad movement (i.e., the movement of a specific commodity moving over the same railroad route and involving the same origin and destination pair) may involve a single PWS record or multiple records.

locations, such as the Standard Point Location Code (SPLC). However, the identification of specific locations was not required for this report.

The STB's PWS also does not identify the railroads involved in the individual movements. For this report, we have attempted to identify the railroads involved in each on the identified records based on our knowledge of PWS and internal records concerning the railroads which serve the individual BEA areas. In most cases, this is a relatively simple process, but some judgments were required where more than one railroad serves a specific BEA.

The STB's PWS contains revenue information for each record, but does not include the cost information necessary to develop the R/VC for the movement. Therefore, for each of the identified records, we have developed the variable cost based on the STB's 2006 and 2007 URCS data for the railroads involved in each movement. Regional URCS data was used for movements involving non-Class I railroads. The developed R/VC ratios are based on the 2006 and 2007 revenue (rates plus fuel surcharges) and the 2006 and 2007 URCS data. The 2006 and 2007 rates and cost have not been indexed to a current level. Since freight charges on soybeans and soy products have increased since 2007, it is likely that the R/VC ratios have increased as well.

Despite the problems associated with the STB's PWS, we believe that the analyses and summaries that we have developed and presented herein provide a fairly accurate picture of U.S. railroad movements of soybeans and soy products.

