

# Soy Transportation Coalition

## Railroad Movement of Soybeans and Soy Products



### Volume Moved by Railroads – Total U.S.

#### Soybeans

	<u>2006</u>	<u>2007</u>	<u>2008</u>
Short Tons Produced	95,647,410	80,313,510	88,775,220
Short Tons Originated by Class I Railroads	17,885,292	19,326,859	22,049,468
% Short Tons Originated by Class I Railroads	18.70%	24.06%	24.84%

#### Soybean Meal

Short Tons Produced	41,788,399	43,405,666	41,147,170
Short Tons Originated by Class I Railroads	18,755,151	19,375,845	18,549,097
% Short Tons Originated by Class I Railroads	44.88%	44.64%	45.08%

#### Soybean Oil

Short Tons Produced	10,205,127	10,358,508	9,975,704
Short Tons Originated by Class I Railroads	7,041,598	6,992,436	7,004,920
% Short Tons Originated by Class I Railroads	69.00%	67.50%	70.22%

#### Total Soybeans & Soy Products

Short Tons Produced	147,640,936	134,077,684	139,898,094
Short Tons Originated by Class I Railroads	43,682,041	45,695,140	47,603,485
% Short Tons Originated by Class I Railroads	29.59%	34.08%	34.03%

Class I Railroad – a railroad with an operating revenue exceeding \$346.8 million. Currently, seven railroads are considered as Class I: Burlington Northern Santa Fe, CSX Transportation, Kansas City Southern Railway, Norfolk Southern Railway, and Union Pacific Railroad. Canadian National Railway and Canadian Pacific Railway are also considered Class I due to their significant trackage lines in the United States.

# Soy Transportation Coalition

## Railroad Movement of Soybeans and Soy Products



### Volume Moved by Railroads – Top 5 States (2007)

#### Soybeans

<u>State</u>	<u>Short Tons</u>	<u>%</u>
1.) North Dakota	4,668,409	20.86%
2.) Minnesota	3,478,097	15.54%
3.) South Dakota	2,826,934	12.63%
4.) Ohio	2,162,927	9.66%
5.) Illinois	2,090,782	9.34%
TOTAL Originated by Railroads (50 States)	22,383,988	100.00%

#### Soybean Meal

<u>State</u>	<u>Short Tons</u>	<u>%</u>
1.) Iowa	5,602,106	26.49%
2.) Illinois	4,178,376	19.76%
3.) Indiana	2,472,184	11.69%
4.) Minnesota	2,357,552	11.15%
5.) Nebraska	1,857,265	8.78%
TOTAL Originated by Railroads (50 States)	21,149,223	100.00%

#### Soybean Oil

<u>State</u>	<u>Short Tons</u>	<u>%</u>
1.) Iowa	2,102,184	27.73%
2.) Nebraska	955,120	12.60%
3.) Illinois	945,484	12.47%
4.) Minnesota	678,300	8.95%
5.) Missouri	430,412	5.68%
TOTAL Originated by Railroads (50 States)	7,582,132	100.00%

# Soy Transportation Coalition

## Railroad Movement of Soybeans and Soy Products



### Leading Destinations After Loaded into a Rail Car, Where Does it Go?

#### Soybeans

<u>Destination (BEA*)- Top 5</u>	<u>Short Tons</u>	<u>%</u>
1.) Seattle-Tacoma-Bremerton, WA	6,391,762	28.56%
2.) Portland-Salem, OR-WA	4,285,417	19.15%
3.) New Orleans, LA-MS	1,799,187	8.04%
4.) Champaign-Urbana, IL	1,026,124	4.58%
5.) Huntsville, AL-TN	955,451	4.27%
TOTAL	22,383,988	100.00%

#### Soybean Meal

<u>Destination (BEA*) – Top 5</u>	<u>Short Tons</u>	<u>%</u>
1.) San Antonio, TX	1,216,641	5.75%
2.) Jackson, MS-AL-LA	1,139,180	5.39%
3.) Seattle-Tacoma-Bremerton, WA	1,094,503	5.18%
4.) Chicago-Gary-Kenosha, IL-IN-WI	1,056,448	5.00%
5.) Ontario	966,292	4.57%
TOTAL	21,149,223	100.00%

#### Soybean Oil

<u>Destination (BEA*) – Top 5</u>	<u>Short Tons</u>	<u>%</u>
1.) Chicago-Gary-Kenosha, IL-IN-WI	917,684	12.10%
2.) Kansas City, MO-KS	607,340	8.01%
3.) Los Angeles-Riverside-Orange County, CA-AZ	400,716	5.29%
4.) New Orleans, LA-MS	348,400	4.60%
5.) Grand Island, NE	276,728	3.65%
TOTAL	7,582,132	100.00%

\*The U.S. Bureau of Economic Analysis (BEA) divides the nation into BEA regions when analyzing and compiling economic data.

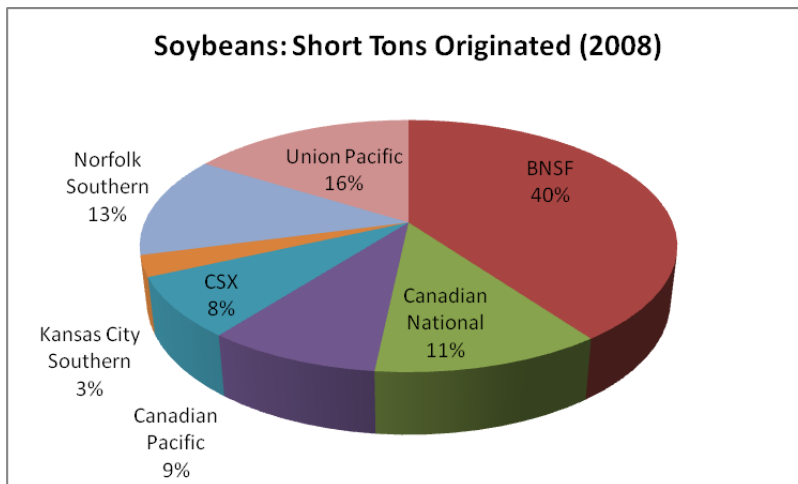
# Soy Transportation Coalition

## Railroad Movement of Soybeans and Soy Products



### Which Railroads Move the Most?

#### Soybeans (Short Tons Originated)

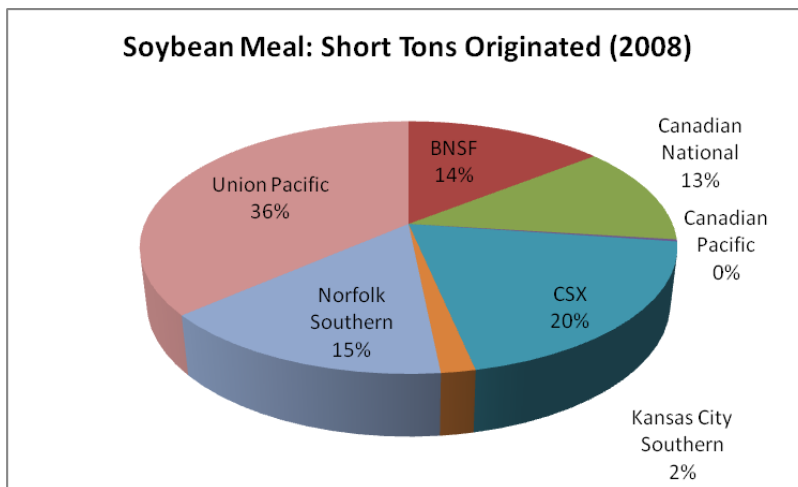


	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>BNSF Railway</b>			
Short Tons Originated	6,506,888	8,056,998	8,827,180
% Change Per Year	-----	23.82%	9.56%
% Total Class I Tons Originated	36.38%	41.69%	40.03%
<b>Canadian National Railway</b>			
Short Tons Originated	2,201,139	2,202,161	2,565,837
% Change Per Year	-----	0.05%	16.51%
% Total Class I Tons Originated	12.31%	11.39%	11.64%
<b>Canadian Pacific Railway</b>			
Short Tons Originated	1,777,880	2,003,651	1,942,477
% Change Per Year	-----	12.70%	-3.05%
% Total Class I Tons Originated	9.94%	10.37%	8.81%
<b>CSX Transportation</b>			
Short Tons Originated	1,961,515	1,704,479	1,699,889
% Change Per Year	-----	-13.10%	-0.27%
% Total Class I Tons Originated	10.97%	8.82%	7.71%

**Soybeans (Short Tons Originated) - continued**

	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>
<b>Kansas City Southern Railway</b>			
Short Tons Originated	501,809	646,843	594,389
% Change Per Year	-----	28.90%	-8.11%
% Total Class I Tons Originated	2.81%	3.35%	2.70%
<b>Norfolk Southern Railway</b>			
Short Tons Originated	2,559,515	2,652,283	2,868,698
% Change Per Year	-----	3.62%	8.16%
% Total Class I Tons Originated	14.31%	13.72%	13.01%
<b>Union Pacific Railroad</b>			
Short Tons Originated	2,376,546	2,060,444	3,550,998
% Change Per Year	-----	-13.30%	72.34%
% Total Class I Tons Originated	13.29%	10.66%	16.10%
<b>Total Class I Short Tons Originated</b>			
Short Tons Originated	17,885,292	19,326,859	22,049,468
% Change Per Year	-----	8.06%	14.09%
% Total Class I Tons Originated	100.00%	100.00%	100.00%

**Soybean Meal (Short Tons Originated)**

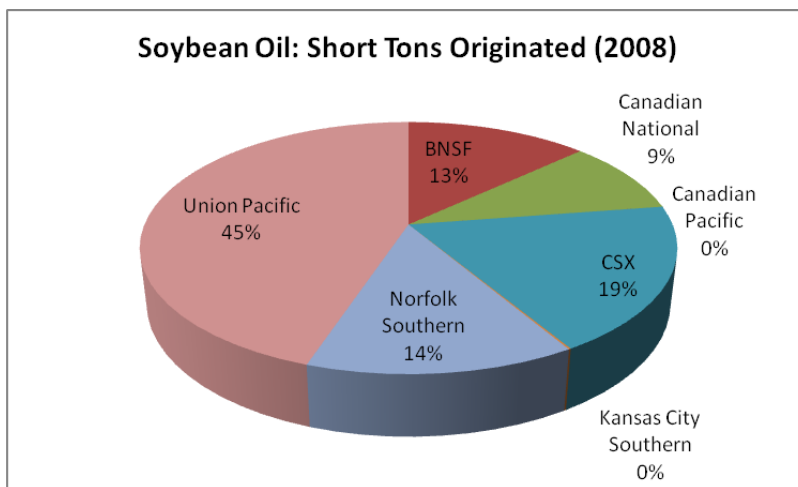


	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>
<b>BNSF Railway</b>			
Short Tons Originated	2,728,516	2,878,374	2,662,350
% Change Per Year	-----	5.49%	-7.51%
% Total Class I Tons Originated	14.55%	14.86%	14.35%
<b>Canadian National Railway</b>			
Short Tons Originated	2,444,478	2,623,971	2,342,411
% Change Per Year	-----	7.34%	-10.73%
% Total Class I Tons Originated	13.03%	13.54%	12.63%

**Soybean Meal (Short Tons Originated) - continued**

	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>
<b>Canadian Pacific Railway</b>			
Short Tons Originated	61,486	29,101	46,455
% Change Per Year	-----	-52.67%	59.63%
% Total Class I Tons Originated	0.33%	0.15%	0.25%
<b>CSX Transportation</b>			
Short Tons Originated	3,532,313	3,733,905	3,606,183
% Change Per Year	-----	5.71%	-3.42%
% Total Class I Tons Originated	18.83%	19.27%	19.44%
<b>Kansas City Southern Railway</b>			
Short Tons Originated	320,102	333,063	322,219
% Change Per Year	-----	4.05%	-3.26%
% Total Class I Tons Originated	1.71%	1.72%	1.74%
<b>Norfolk Southern Railway</b>			
Short Tons Originated	2,488,118	2,515,165	2,811,828
% Change Per Year	-----	1.09%	11.79%
% Total Class I Tons Originated	13.27%	12.98%	15.16%
<b>Union Pacific Railroad</b>			
Short Tons Originated	7,180,138	7,262,266	6,757,651
% Change Per Year	-----	1.14%	-6.95%
% Total Class I Tons Originated	38.28%	37.48%	36.43%
<b>Total Class I Short Tons Originated</b>			
Short Tons Originated	18,755,151	19,375,845	18,549,097
% Change Per Year	-----	3.31%	-4.27%
% Total Class I Tons Originated	100.00%	100.00%	100.00%

**Soybean Oil (Short Tons Originated)**



	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>BNSF Railway</b>			
Short Tons Originated	848,208	903,860	917,340
% Change Per Year	-----	6.56%	1.49%
% Total Class I Tons Originated	12.05%	12.93%	13.10%
<b>Canadian National Railway</b>			
Short Tons Originated	490,592	677,394	665,488
% Change Per Year	-----	38.08%	-1.76%
% Total Class I Tons Originated	6.97%	9.69%	9.50%
<b>Canadian Pacific Railway</b>			
Short Tons Originated	20,106	8,888	106
% Change Per Year	-----	-55.79%	-98.81%
% Total Class I Tons Originated	0.29%	0.13%	0.00%
<b>CSX Transportation</b>			
Short Tons Originated	1,332,815	1,366,754	1,315,598
% Change Per Year	-----	2.55%	-3.74%
% Total Class I Tons Originated	18.93%	19.55%	18.78%
<b>Kansas City Southern Railway</b>			
Short Tons Originated	6,515	6,956	8,020
% Change Per Year	-----	6.77%	15.30%
% Total Class I Tons Originated	0.09%	0.10%	0.11%
<b>Norfolk Southern Railway</b>			
Short Tons Originated	974,242	921,778	955,775
% Change Per Year	-----	-5.39%	3.69%
% Total Class I Tons Originated	13.84%	13.18%	13.64%
<b>Union Pacific Railroad</b>			
Short Tons Originated	3,369,120	3,106,806	3,142,593
% Change Per Year	-----	-7.79%	1.15%
% Total Class I Tons Originated	47.85%	44.43%	44.86%
<b>Total Class I Short Tons Originated</b>			
Short Tons Originated	7,041,598	6,992,436	7,004,920
% Change Per Year	-----	-0.70%	0.18%
% Total Class I Tons Originated	100.00%	100.00%	100.00%

Class I Railroad – a railroad with an operating revenue exceeding \$346.8 million. Currently, seven railroads are considered as Class I: Burlington Northern Santa Fe, CSX Transportation, Kansas City Southern Railway, Norfolk Southern Railway, and Union Pacific Railroad. Canadian National Railway and Canadian Pacific Railway are also considered Class I due to their significant trackage lines in the United States.

# Soy Transportation Coalition

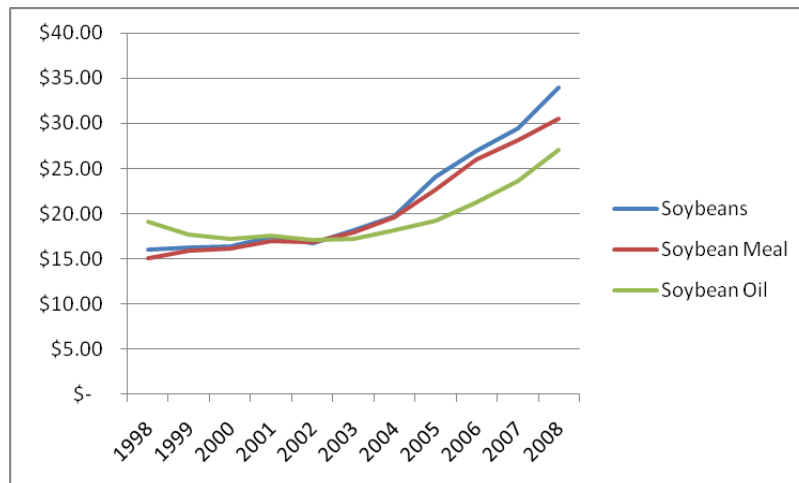
## Railroad Movement of Soybeans and Soy Products



### Railroad Revenue

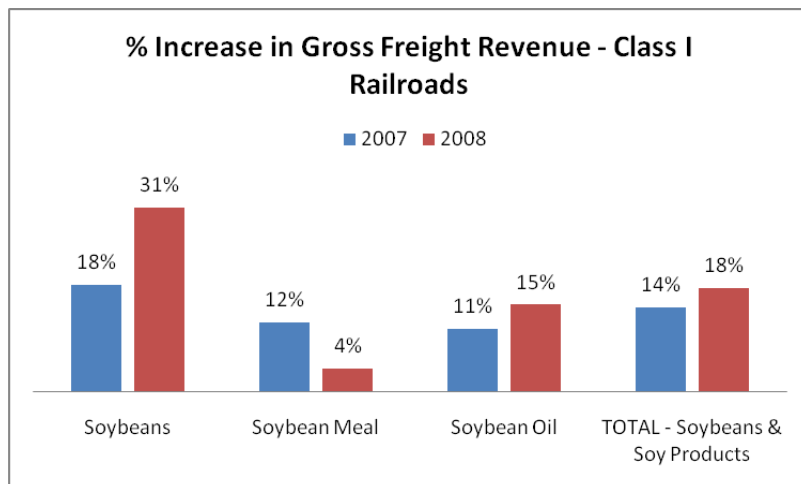
#### Class I Railroad Revenue (Per Short Ton)

<u>Year</u>	<u>Soybeans</u>	<u>Soybean Meal</u>	<u>Soybean Oil</u>
1998	\$16.03	\$15.04	\$19.14
1999	\$16.32	\$15.84	\$17.64
2000	\$16.36	\$16.09	\$17.16
2001	\$17.48	\$16.91	\$17.58
2002	\$16.74	\$16.84	\$17.08
2003	\$18.18	\$17.92	\$17.17
2004	\$19.73	\$19.60	\$18.15
2005	\$24.15	\$22.69	\$19.27
2006	\$27.01	\$25.99	\$21.23
2007	\$29.52	\$28.10	\$23.66
2008	\$34.00	\$30.51	\$27.09



## Total Gross Freight Revenue for Soybeans & Soy Products for Class I Railroads

	<u>2006</u>	<u>2007</u>	<u>2008</u>
Soybeans	\$483,027,779	\$570,535,145	\$749,762,239
Soybean Meal	\$487,500,392	\$544,387,232	\$565,868,411
Soybean Oil	\$149,517,610	\$165,411,233	\$189,761,557
TOTAL	\$1,120,045,781	\$1,280,333,610	\$1,505,392,207



Class I Railroad – a railroad with an operating revenue exceeding \$346.8 million. Currently, seven railroads are considered as Class I: Burlington Northern Santa Fe, CSX Transportation, Kansas City Southern Railway, Norfolk Southern Railway, and Union Pacific Railroad. Canadian National Railway and Canadian Pacific Railway are also considered Class I due to their significant trackage lines in the United States.

# Soy Transportation Coalition

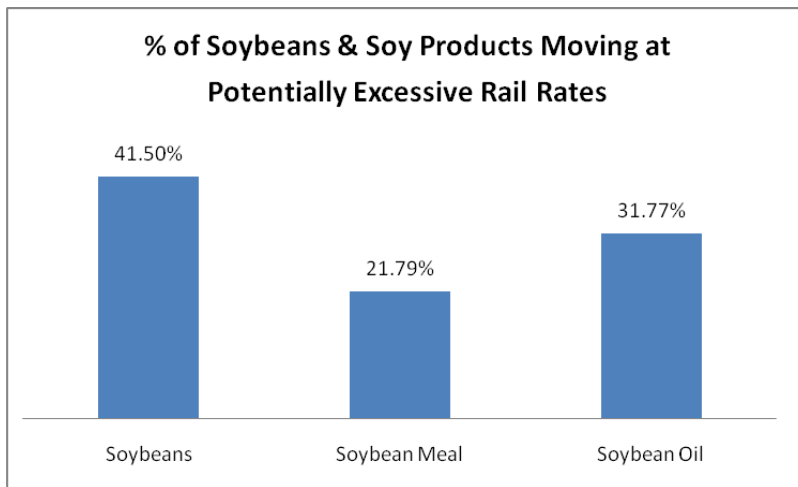
## Railroad Movement of Soybeans and Soy Products



### Railroad Rates

	<u>Soybeans</u>	<u>Soybean Meal</u>	<u>Soybean Oil</u>
Average Freight Charges Per Carload (2007)	\$3,047.09	\$2,590.43	\$2,457.65

### Excessive Rates?



### Non-STB Jurisdictional Traffic: Revenue to Variable Cost Ratio < 180% (2007)

	<u>Soybeans</u>	<u>Soybean Meal</u>	<u>Soybean Oil</u>
Short Tons Moving R/VC < 180%	13,094,980	16,541,574	5,173,236
% of Total Short Tons	58.50%	78.21%	68.23%
Revenue Moving R/VC < 180% (000)	\$352,754	\$463,099	\$134,757
% of Total Revenue	51.68%	73.87%	65.60%

### **Excessive Rates? – STB Jurisdictional Traffic: Revenue to Variable Cost Ratio ≥ 180%**

<b>Short Tons Moving R/VC ≥ 180%</b>	<b>9,289,008</b>	<b>4,607,649</b>	<b>2,408,896</b>
<b>% of Total Short Tons</b>	<b>41.50%</b>	<b>21.79%</b>	<b>31.77%</b>
<b>Revenue Moving R/VC ≥ 180% (000)</b>	<b>\$329,880</b>	<b>\$163,782</b>	<b>\$70,673</b>
<b>% of Total Revenue</b>	<b>48.32%</b>	<b>26.13%</b>	<b>34.40%</b>

\*Revenue to Variable Cost Ratios (R/VC) are used by the U.S. Surface Transportation Board (STB) to evaluate and measure the profitability and reasonableness associated with railroad freight charges. For example, if a railroad's freight charges are \$2,000 per carload and the variable costs for that movement are \$1,000 per carload, the R/VC would be 200%. In order for a rate to be regarded as potentially excessive, and subject to STB jurisdiction, the R/VC ratio must be equal to or greater than 180%.

# Soy Transportation Coalition

## Railroad Movement of Soybeans and Soy Products



### High Rail Rates – Top 5 States

#### Soybeans

<u>State</u>	<u>Short Tons Moving at R/VC &gt; 180% (Excessive Rates?)</u>
1.) North Dakota	2,922,144
2.) South Dakota	1,148,779
3.) Minnesota	1,035,261
4.) Indiana	796,507
5.) Ohio	790,672

#### Soybean Meal

<u>State</u>	<u>Short Tons Moving at R/VC &gt; 180% (Excessive Rates?)</u>
1.) Iowa	1,412,843
2.) Nebraska	791,797
3.) Illinois	638,100
4.) Indiana	603,849
5.) Minnesota	271,836

#### Soybean Oil

<u>State</u>	<u>Short Tons Moving at R/VC &gt; 180% (Excessive Rates?)</u>
1.) Iowa	728,340
2.) Illinois	307,408
3.) Ohio	199,912
4.) Minnesota	168,956
5.) Kansas	153,480

\*Revenue to Variable Cost Ratios (R/VC) are used by the U.S. Surface Transportation Board (STB) to evaluate and measure the profitability and reasonableness associated with railroad freight charges. For example, if a railroad's freight charges are \$2,000 per carload and the variable costs for that movement are \$1,000 per carload, the R/VC would be 200%. In order for a rate to be regarded as potentially excessive, and subject to STB jurisdiction, the R/VC ratio must be equal to or greater than 180%.

# Soy Transportation Coalition

## Railroad Movement of Soybeans and Soy Products



### Average Tons Per Carload & Average Railroad Mileage Haul

	<u>Soybeans</u>	<u>Soybean Meal</u>	<u>Soybean Oil</u>
Average Short Tons Per Carload	99.62*	87.39	90.71
Average Railroad Mileage Haul	1,189	964	698

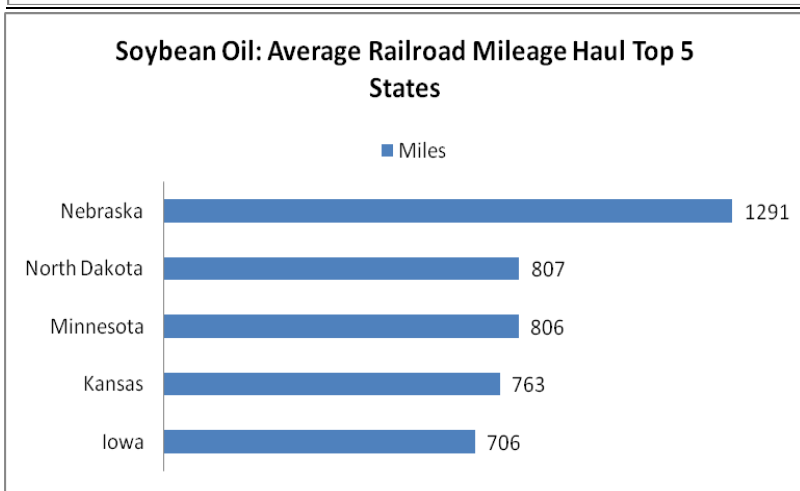
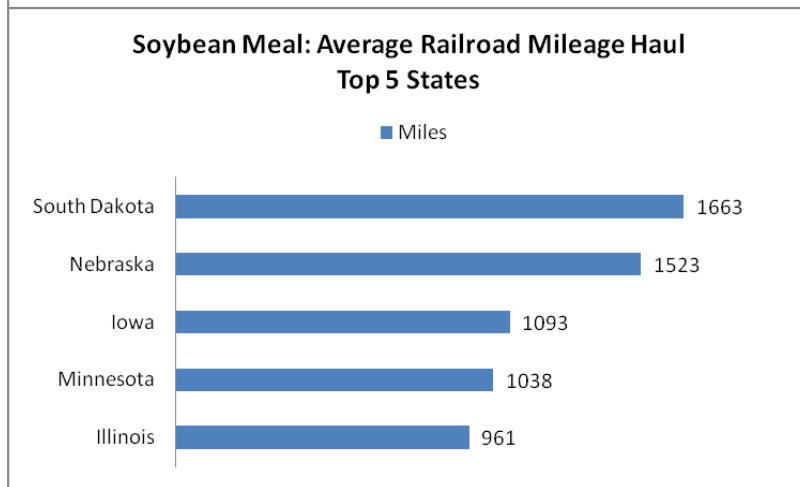
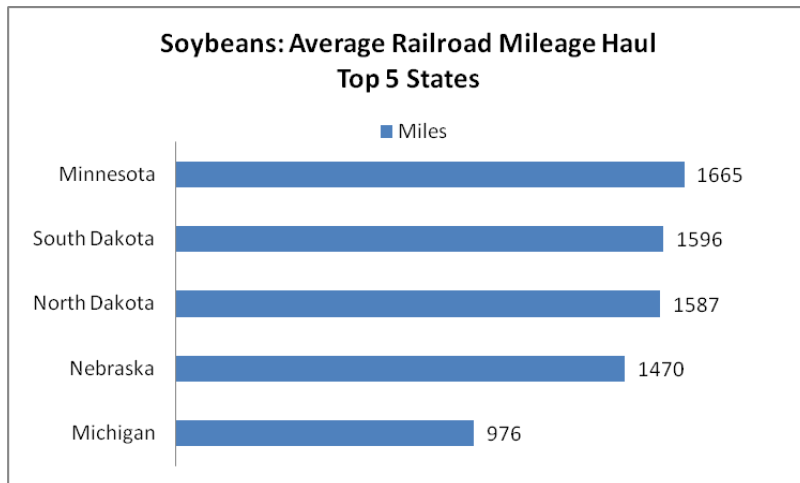
\*99.62 Short Tons = 3,321 bushels of soybeans

# Soy Transportation Coalition

## Railroad Movement of Soybeans and Soy Products



### Average Mileage Haul – Top 5 States

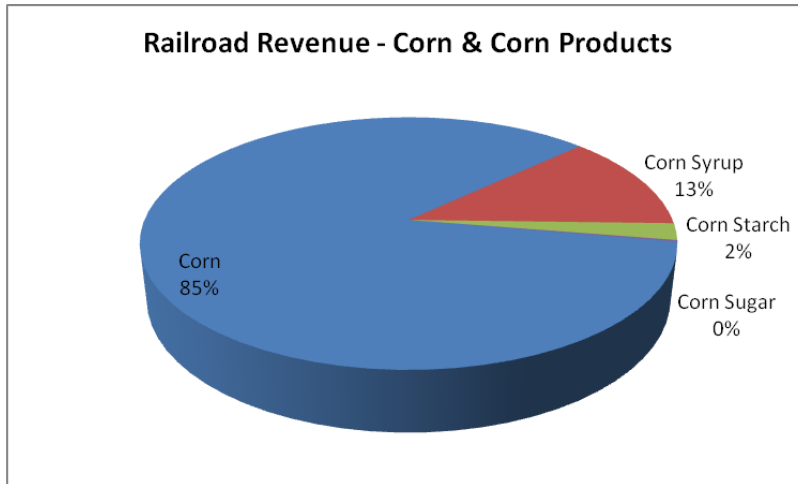


# Soy Transportation Coalition

## Railroad Movement of Soybeans and Soy Products



### Soybeans vs. Corn & Wheat – Class I Railroad Movements



#### Corn & Corn Products

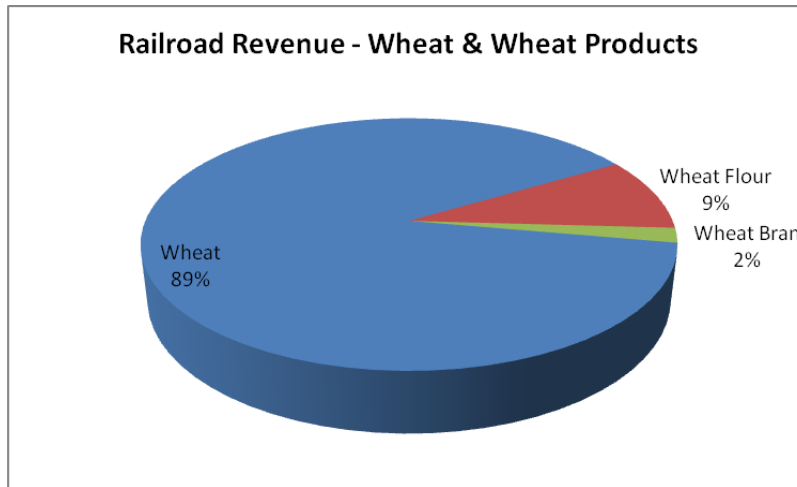
#### Gross Freight Revenue

#### %

Corn	\$2,431,985,251	85.27%
Corn Syrup	\$353,016,376	12.38%
Corn Starch	\$61,076,593	2.14%
Corn Sugar	\$6,126,520	0.15%
<b>TOTAL Corn &amp; Corn Products</b>	<b>\$2,852,204,740</b>	<b>100.00%</b>

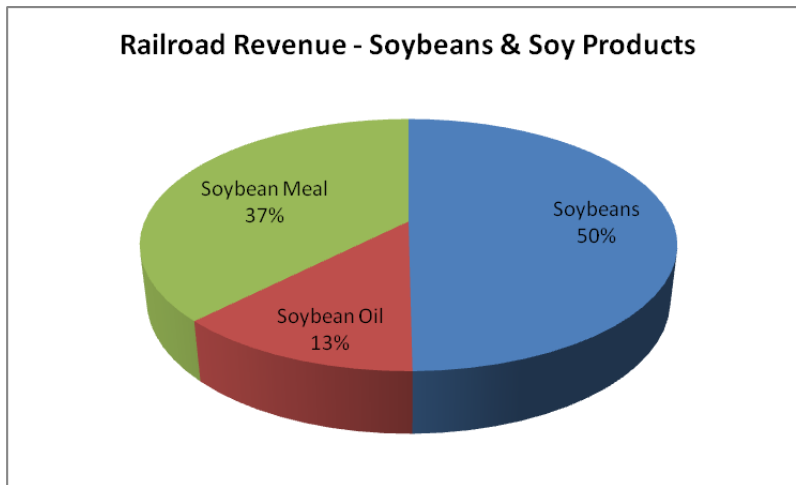
NOTE: Railroad data do not classify ethanol as a food or farm product. It is therefore not included under the corn or corn products category. In 2008, Class I railroads moved 25 million short tons of "Alcohols" – the majority of which was ethanol – and generated revenues of \$1.089 billion.

**Soybeans vs. Corn & Wheat – Class I Railroad Movements - continued**



**Wheat & Wheat Products**

	<b><u>Gross Freight Revenue</u></b>	<b><u>%</u></b>
Wheat	\$1,355,110,637	88.70%
Wheat Flour	\$143,706,021	9.41%
Wheat Bran	\$28,867,125	1.89%
<b>TOTAL Wheat &amp; Wheat Products</b>	<b>\$1,527,683,783</b>	<b>100.00%</b>



**Soybeans & Soy Products**

	<b><u>Gross Freight Revenue</u></b>	<b><u>%</u></b>
Soybeans	\$749,762,239	49.81%
Soybean Oil	\$189,761,557	12.61%
Soybean Meal	\$565,868,411	37.59%
<b>TOTAL Soybean &amp; Soy Products</b>	<b>\$1,505,392,207</b>	<b>100.00%</b>



## **Soy Transportation Coalition**

### **Railroad Movement of Soybeans and Soy Products**

#### **Analysis prepared and compiled by G.W. Fauth & Associates, Inc.**

G. W. Fauth & Associates, Inc. (GWF) has been engaged in the transportation consulting business for over 50 years. GWF has been involved in a wide variety of projects, litigations, arbitrations, regulatory proceedings, and legislative debates – primarily associated with or related to the U.S. freight railroad industry.

Gerald W. Fauth III, President of GWF, has over 30 years experience the private sector and in the federal government working on economic, regulatory, public policy and legislative issues impacting the transportation industry with a primary focus on the North American freight railroad industry.

As a consultant, he has assisted a wide variety of clients, including major corporations, trade associations, railroads, and other groups with: projects, litigations, negotiations, arbitrations, regulatory proceedings, and legislative debates involving all modes of transportation. He has submitted expert testimony in numerous proceedings before the STB, Interstate Commerce Commission (ICC), courts, state regulatory agencies, and arbitration panels, which has helped resolve complicated economic and regulatory issues and helped shape public policy and regulation.

One of Mr. Fauth's primary areas of expertise involves the economic evaluation of railroad freight rates and the determination of railroad rate reasonableness. For example, he recently submitted testimony for a large group of over 35 stakeholders in STB Ex Parte No. 646 (Sub-No. 1), Simplified Standards for Rail Rate Cases, which was a major regulatory proceeding before the STB involving new economic procedures and eligibility standards for the establishment of maximum reasonable railroad freight rates. He has extensive hands-on experience working with the STB's Waybill Sample and Uniform Railroad Costing System or URCS which are utilized in determining rate reasonableness. A complete listing of his testimony is available upon request.

Mr. Fauth spent 3½ years with the STB and was directly involved in several large proceedings and rulemakings which involved all matters of STB jurisdiction and had an impact on the railroad industry and the National economy. He served as Chief of Staff to one of the three politically appointed STB Board Members. He reviewed, analyzed and made recommendations on over 600 written formal decisions that were decided by the entire Board, such as Ex Parte No. 582 (Sub-No. 1), Major Rail Consolidation Procedures, which involved a major revision of the STB's railroad merger rules. A complete listing of these STB decisions is available upon request.

Mr. Fauth is extremely familiar with the long history associated with the existing federal laws, public policies and regulations impacting the transportation industry. His legislative experience includes work on major legislative efforts impacting the transportation industry, such as the Staggers Rail Act of 1980 and the ICC Termination Act of 1995. He was actively involved in monitoring, tracking and analyzing proposed legislation and regulation impacting the transportation industry. His experience includes working directly with Members of Congress, Congressional and Committee staff, Federal, State and Local government officials, and key stakeholders as a consultant and Federal Government official on appropriation, authorization, and legislative reform issues.

Mr. Fauth is a 1978 graduate of Hampden-Sydney College, Hampden-Sydney, Virginia. His major areas of study were history and government. His senior paper in college dealt with the History of Railroad Deregulation. His professional memberships include the Association for Transportation Law, Logistics and Policy and the Transportation Research Forum.

# 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.<sup>1</sup>

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

---

<sup>1</sup> 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.

