

Soy Transportation Coalition

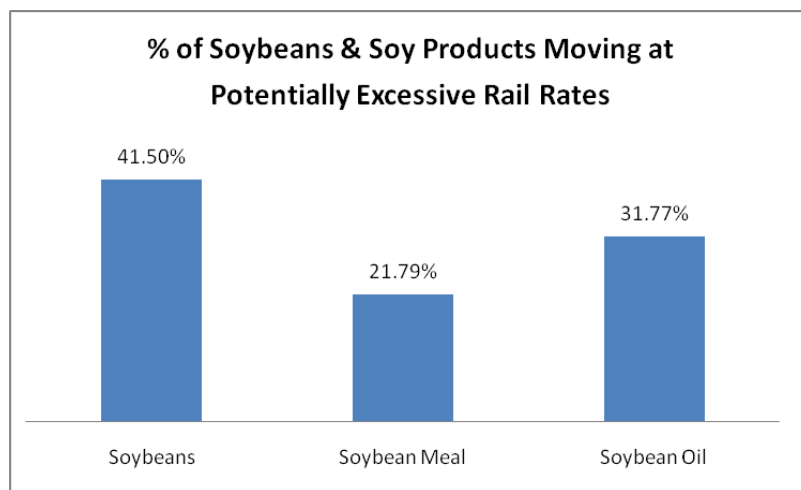
Railroad Movement of Soybeans and Soy Products



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%

Short Tons Moving at R/VC ≥ 180%	9,289,008	4,607,649	2,408,896
% of Total Short Tons	41.50%	21.79%	31.77%
Total Revenue Moving at R/VC ≥ 180% (000)	\$329,880	\$163,782	\$70,673
% of Total Revenue	48.32%	26.13%	34.40%
Revenue in Excess of R/VC ≥ 180% (000)	\$74,050	\$28,679	\$16,775

*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%.