Promoting Supply Chain Diversity: Partnership Announced for Increased Great Lakes-St. Lawrence Seaway Ag Exports

Ankeny, Iowa – One of the widely-acknowledged cardinal rules of supply chain management is to avoid putting too many eggs in one basket. When a shipper can access a variety of transportation modes and providers, the more competitive that shipper will often be in serving its domestic or international customers.

In the effort to continue promoting a more dynamic and diverse supply chain for U.S. soybean farmers, the Soy Transportation Coalition (STC) recently signed an agreement with The St. Lawrence Seaway Management Corporation (SLSMC) to encourage the greater utilization of the Great Lakes-St. Lawrence Seaway (Seaway) in accessing international markets. The agreement extends the SLSMC’s “Gateway Incentive Program” – a 50% reduction on shipping tolls – for new shipments of soybeans and agricultural freight via the Seaway. The incentive will be available during the 2021 shipping season.

“Soybean farmers are very pleased with the current strength of our export program,” says Jonathan Miller, a soybean farmer from Island, Kentucky, and chairman of the Soy Transportation Coalition. “Customers throughout the world are increasingly demanding the quality and sustainably-produced soybeans U.S. farmers grow. In order to successfully meet this demand, the soybean industry needs to explore opportunities to expand and diversify our supply chain. We are very pleased to partner with The St. Lawrence Seaway Management Corporation in promoting a transportation option – the Great Lakes-St. Lawrence Seaway – that can play a more significant role in accessing our international markets.”

The Great Lakes-St. Lawrence Seaway is a deep draft waterway extending 2,340 miles from the Atlantic Ocean to the head of the Great Lakes at Duluth, Minnesota. The Seaway includes 15 locks – 13 in Canada and two in the U.S. While less than 2% of U.S. soybean exports currently utilize the Seaway, any opportunity to increase supply chain diversity and resiliency will benefit soybean farmers.

“Agriculture and the Seaway have a long and mutually-beneficial relationship,” says Bruce Hodgson, Director, Market Development at The St. Lawrence Seaway Management Corporation. “By signing an agreement with the Soy Transportation Coalition for our Gateway Incentive Program, we hope to build on this relationship by demonstrating the numerous benefits and advantages the Seaway can provide to U.S. farmers.”
Under the agreement with the Soy Transportation Coalition, multiple U.S. soybean and agricultural exporters can avail themselves of the toll reduction. To be eligible for the toll reduction, cargoes must currently be moving between a specific origin and destination via another supply chain route. An application must be submitted by the shipper prior to the proposed movement to confirm eligibility. U.S. based soybean and agricultural shippers interested in exploring the program further can contact Mike Steenhoek, executive director of the Soy Transportation Coalition at 515-727-0665 or msteenhoek@soytransportation.org.

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Established in 2007, the Soy Transportation Coalition is comprised of thirteen state soybean boards, the American Soybean Association, and the United Soybean Board. The goal of the organization is to position the soybean industry to benefit from a transportation system that delivers cost effective, reliable, and competitive service. Further information can be accessed at www.soytransportation.org.

The St. Lawrence Seaway Management Corporation is a not-for-profit corporation responsible for the safe and efficient movement of marine traffic through the Canadian Seaway facilities, which consists of 13 of the 15 locks between Montreal and Lake Erie. The Corporation plays a pivotal role in ensuring that the waterway remains a safe and well-managed system, which it shares with its American counterpart, the Saint Lawrence Seaway Development Corporation. The Corporation’s mandate promotes efficiency and responsiveness to the needs of shipping interests, ports, marine agencies, and provincial and state jurisdictions. Further information can be accessed at: https://greatlakes-seaway.com/en/.