

## MISSOURI NEWS SCENE

### AG TRANSPORTATION PART I



**DELIVERY DETOUR:** Better rural roads lead to more efficient and on-time grain delivery for cooperatives such as Premium Ag Products, Clarence.

# Caution: Work ahead

By JERILYN JOHNSON

**A**CROSS rural Missouri and this country, there are roads and bridges in disrepair, and railroad lines that have been abandoned. On the Mississippi River, a major artery to vital shipping ports, river locks and dams have antiquated infrastructure. Add to the challenge the economic recession, which has caused companies and farmers alike to cut transportation costs.

Mike Steenhoek is ready to meet these challenges head-on. The executive director of the new Soy Transportation Coalition, Steenhoek spoke up for ag producers at the 2009 National Grain and Feed Association Ag Transportation Symposium in Kansas City. His key message: We need a domestic transportation



**AG VIEW:** Mike Steenhoek, executive director, Soy Transportation Coalition, shared the ag producer perspective at the 2009 NGFA Ag Transportation Symposium. His key message: We need a domestic transportation system that can ensure cost-effective, reliable agricultural product delivery.

#### Key Points

- Ag transportation faces big challenges in the 21st century.
- The Soy Transportation Coalition was formed to work for solutions.
- STC analyzes rail-fuel surcharges, efficient container shipping.

system that can ensure cost-effective and reliable delivery of agricultural products. "There is a desperate need to build better rural roads, bridges, river locks and dams, and bring back our railroads," Steenhoek said. "Unfortunately, we did not hear much on rural infrastructure or better delivery systems for ag products during the stimulus bill debate. It may shock you to know that transportation is projected to be only 7% of the total U.S. stimulus bill. Transportation projects potentially benefiting agriculture are only 4% of the \$787 billion stimulus package.

Headquartered in Urbandale, Iowa, STC is a collective effort on behalf of the United Soybean Board, the American Soybean Association, and seven state soybean checkoff boards. The Missouri Soybean Association has not joined yet.

#### Taking action

STC's goal is to examine some of the major transportation issues affecting soybean farmers, and find ways for them to save on transportation costs. It is working with land-grant universities and local government to explore new solutions. Most of all, STC is working to make sure that farmers' interests and concerns are heard. "There are areas where we can shed some light and explore and promote solutions, whether they are for rail, road or river transportation issues," Steenhoek said. "We'll see improvements as a result."

The STC will help make gains in the

infrastructure challenges that face agriculture. Some major challenges include:

- overall rail rate levels and increases
- rail-fuel surcharges and other increases in associated costs
- short-line railroad bottlenecks and switching costs to other lines
- loss of rail service, or no competitive service at all
- costs of expanding facilities to handle larger units of trains

#### First priority

The short-term agenda for STC includes analyzing the impact of rail-fuel surcharges, exploring ways to improve the process of shipping U.S. soybeans in previously empty containers returning to their countries of origin, and examining new methods to load and unload soybean meal more efficiently from railcars.

"Railroad rates on soybeans and soy products have increased by 75% over a recent five-year period," Steenhoek said. "The average Class 1 rate per ton of soybeans increased from \$16.74 per ton in 2002, to \$29.52 per ton in 2007."

The STC acknowledges that moving bulk commodities by railroad or river barge is still the most fuel-efficient mode of transport (see Figure 1 on next page). However, fuel prices drive all transportation industries. With the downturn in the economy and export markets, the coalition will have to work extra hard to promote safe, efficient and economical use of railroads and river transportation.

"It starts with educating ourselves, consumers and lawmakers," Steenhoek said. "Farmers need to engage and work with their local governments."

Editor's note: *Part II of our Ag Transportation series will focus on ag transportation issues here in Missouri.*

## Study gets funds

**A** Missouri university is playing an important role in getting the U.S. transportation system back on track. Sen. Kit Bond announced July 9 that \$3.2 million in federal funds are earmarked for transportation research at Missouri University of Science and Technology in Rolla.

"A modern transportation system is critical to the future of Missouri's economy, which is why I fought to pass a highway bill that gave Missouri S&T a key role in solving our nation's transportation challenges," says Bond, chairman of the Senate Appropriations subcommittee, which funds the Department of Transportation.

"As one of only 10 National University Transportation Centers in the nation, we have, for more than a decade, addressed critical transportation infrastructure issues through this program, and we're thankful for the additional support to continue this work," says John Carney III, Missouri S&T chancellor.

"This funding will allow us to continue research and education efforts in areas critical to our nation's transportation network, such as advanced construction materials; and the non-destructive evaluation and monitoring of highways, bridges and other structures; and alternative fuels," says Dr. K. Krishnamurthy, vice provost for research at Missouri S&T.

DOT's Research and Innovative Technology Administration will send Missouri S&T \$3.2 million in federal funds for transportation research and technology innovation at the university's newly designated NUTC. More information about UTCs can be found online at [utc.dot.gov](http://utc.dot.gov).