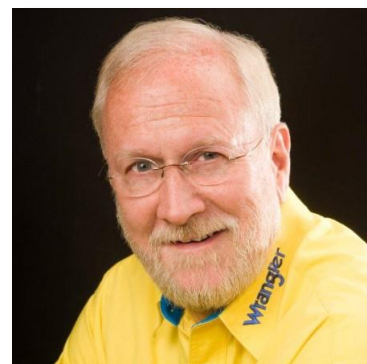


# TRANSPORTATION REPORT

From: Terry Whiteside

Date: Friday, April 25, 2014



## THE RAILROAD METRICS SEEM TO NOT BE GETTING BETTER

From a Burlington Northern Santa Fe Railway weekly report on late cars released March 28

- John Miller, BNSF vice president for agriculture, says the group continues to see “gradual improvement across the system with grain loadings increasing week-over-week for the past two weeks.”
- BNSF thinks the flow to the PNW is getting stronger due to ‘continued locomotive availability’ and no adverse weather influences
- Elevators reporting to W&A in Eastern Montana are showing little or no improvement in service levels
- Rail projects between Forsyth and Billings – hampering recovery
- Concern about the winter wheat harvest in Texas starting in the next three weeks and then continuing north will further hamper movements of grain in the northern tier states
- Look, due to continuing service problems on grain in the northern plains, for service issues to develop during the harvesting areas as the winter wheat harvest starts moving north
- Carryover of 2013 wheat stocks are becoming a more prominent concern for northern plains
- 2013 Grain is on the ground in a number of great plains states
- Oil movements continue to rise during this period, while the rail system metrics do not appear to getting much better
- BNSF normally prepositions grain car sets to areas near the areas being harvested – not happening this year as much as normal because of the service meltdown in the northern plains states
- Let’s look at the numbers from March 31<sup>st</sup> report:

- Shuttle shipments, which are 110- or 120-cars for grain, only improved to the Gulf of Mexico, rising to 2.8 turns per month, which is getting closer to the goal of three turns per month
- Turns to the Pacific Northwest declined to 1.9 per month, down from two the previous three weeks, and the overall turns remained at 2.1. BNSF likes to average about 2.5 turns per month
- Non-Shuttle stats:
  - ND: 7,541 cars late (46%) up from 2,000 cars (37%) from podcast of 2/27 (reason given in Feb was extremely cold weather) – average 22.8 days late up 1.4 days previous week and 4.2 days longer than month previous
  - SD: 1,372 cars late up 168 cars from a month ago (14% rise); 31.1 days late up 5.2 days from previous week and 12.5 days or 67% longer month over month
  - MT: 3,468 cars late or about 21% of all BNSF late cars, up 146 cars from the previous week and up 1,034 cars month over month a 42% increase
  - MN: 1,599 cars late or about 9 percent of all BNSF late cars, up 136 cars a week earlier and 250 cars or 19% from a month earlier
- Major concern: much of the 2013 crop is still in the bin or on the ground of many states, hurting basis and prices being received by the farm producers – what is the plan to make sure this crop is sold, elevated and moved by the time the 2014 crop must be placed in the system?

# BNSF Systemwide Average Train Speed - Grain

