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Dr. William Brennan,
Director, Office of Economics
Surface Transportation Board
395 E Street, SW
Washington, DC 20423

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Cc: Mr. Pedro Ramirez

Dr. Brennan,

The North Carolina Soybean Producers Association is a checkoff funded trade organization representing roughly 8,000 growers in the state. I am writing to you to request confidential Waybill Sample data, and outline our motivation for this request and our data needs below.

North Carolina is not a low-cost producer of grain. Traditionally, though the sector has been able to thrive due to the presence of vibrant demand from competing livestock producers and oilseed crushers. Over time, however, consolidation among grain buyers has reduced grower's bargaining position with grain basis falling as a result. Infrastructure investments, some of which have been made with government support, have facilitated increased shipments of grain into the state both from overseas and from the Eastern Corn Belt. Despite these investments, we believe that locally produced soybeans continue to represent that most cost-efficient option for local buyers. But, without reliable transportation cost information, we are unable to answer this question definitively.

The USDA's Agricultural Marketing Service (AMS) Grain Transportation Report, Table 7 – *Tariff Rail Rates for Unit and Shuttle Train Shipments*, provides published rail rates for soybeans from Ohio and Indiana origins, terminating at Raleigh. While the route itself is adequate for our purposes, we believe that published rail rates are becoming increasingly unrepresentative of actual prices paid – fallout from grain buyer consolidation and the fact that more of their rail rates are being negotiated contractually. Without a more realistic indicator of rail costs, North Carolina farmers will continue to find themselves on the wrong side of information asymmetries.

To accurately determine what grain basis in the state should look like we are seeking unmasked waybills with Standard Transportation Commodity Codes beginning with 011 and 209. We are seeking this data from 1990 to present for all trips terminating in Virginia, North Carolina and South Carolina.

A similar dynamic is facing the North Carolina sector through ocean-borne freight but sufficient data sources exist in order to accurately estimate shipping costs on that front. In the case of rail traffic, with the decreasing utility of the USDA AMS data, no alternative data sources exist.

Thank you and best regards,

Owen Wagner
CEO
North Carolina Soybean Producers Assoc.

