

Aging Transportation Infrastructure Weakening Illinois Soybean Industry

Transportation underpins every aspect of the Illinois soy industry from farms, grain elevators and soybean processors to livestock operations, food processors and export companies. As a major hub for river, railway and highway transport, Illinois offers its soybean farmers and their customers transportation advantages over other states. Unfortunately, an aging transportation infrastructure is eroding those advantages, causing travel restrictions and delays, and costing soybean producers money. Crumbling roads, railroads, waterways and underutilized intermodal containers make Illinois soybeans less competitive in domestic and international markets, damage efficiency and productivity, and foreshadow future cost increases for Illinois producers.

Roads & Bridges



- Many Illinois roads are rapidly reaching the end of their useful lives, requiring significant repairs or replacement.
- More than 15 percent of all Illinois bridges need repair.¹
- When roadway infrastructure problems hinder commodity movement, farmers may be forced to detour as many as 20 to 50 miles, costing farmers an additional 5 cents per bushel.²

Railroads

- Illinois railroads are deteriorating. Poorly maintained rail lines cannot handle heavy traffic, causing detours, delays and other inefficiencies that increase the cost per mile to haul freight.
- In-state processing facilities producing soybean oil, meal and other byproducts depend on rail to deliver the roughly one half of all Illinois soybeans they process each year.
- Soybean exporters rely heavily on rail to move the 54 percent of Illinois soybeans destined for foreign buyers from Illinois farms to key ports.



Waterways



- Our nation's existing lock and dam system has operated since the Great Depression without substantial improvements.
- Many lock chambers are too small to accommodate the average tow of 15 barges powered by a pushboat.
- Inadequate dredging along key parts of the Mississippi River navigation channels has increased transportation costs and delays because shippers must lighten their cargo loads to safely navigate the river.
- Without well-maintained waterways, an additional 58 million truck trips per year³ would congest road systems already heavily used by agriculture and other industries.

Containers & Intermodal Transport



- Packaged goods and raw materials imported from Asia are shipped to the U.S. in intermodal containers that can be moved by ship, train and truck. Thousands of these containers return empty to their ports of origin.
- New research shows the potential profitability and economic viability of shipping soybeans to Asian customers using these containers.
- Using existing containers to ship soybeans increases competition and helps lower freight rates.⁴

The current inadequacies of the Illinois transportation system are resulting in as much as \$1 to \$2 per bushel additional expense for soybean producers, depending on how far the soybeans are traveling, and in what form.⁵ At an average yield of 50 bushels per acre, Illinois producers can see as little as one additional penny per acre to as much as \$50 to \$100 per acre of extra transportation costs.

Only well-maintained roads, bridges, railways and waterways will continue to give Illinois a competitive edge over soybean growers in other areas of the U.S. and the world.

Funded in part by the Illinois Soybean Checkoff, the Illinois Soybean Association (ISA) is helping counteract the growing threats to efficient soybean transportation in Illinois and the rest of the U.S. To learn more visit www.ilsoy.org.

¹ Federal Highway Administration

² Page 75 of "Illinois Infrastructure Assessment and Economic Impact Relative to Grain Movements, Biofuels, Livestock and Further Food Processing." March 2011

³ Waterways Council, Inc.

⁴ Page 4 of "Capitalizing on Containers" report. Illinois Soybean Association, Illinois Department of Commerce and Economic Opportunity (DCEO) and the City of Rochelle. October 25, 2010

⁵ Page 42 of "Illinois Infrastructure Assessment and Economic Impact Relative to Grain Movements, Biofuels, Livestock and Further Food Processing." March 2011

Illinois Soybean Association

1605 Commerce Parkway, Bloomington, IL 61704
(309) 663-7692 phone • (309) 663-6981 fax
www.ilsoy.org



Funded by the **Illinois** soybean checkoff.