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Grain Shippers Commend and Criticize 2015 Rail Service

Ankeny, Iowa – Agricultural shippers provided mixed reviews of the nation’s largest railroads in the sixth annual Soy Transportation Coalition (STC) Railroad Report Card. For the fourth time, Union Pacific was regarded as the top performing railroad, while BNSF Railway was rated as most improved – increasing its’ overall score by 26 percent from the previous year. Survey respondents ranked Canadian Pacific in last place for the fifth year in a row. Three of the seven evaluated railroads – Union Pacific, BNSF, and Canadian Pacific – were provided higher overall scores from 2014. Four of the seven – CSX, Norfolk Southern, Canadian National, and Kansas City Southern – were given lower overall scores.

The survey was completed anonymously by agricultural shippers of various sizes and scale of operations and has been comprised of the same eleven questions since the report card’s inception. Surveys were completed and submitted during September through November. The questions are categorized under: 1.) On Time Performance; 2.) Customer Service; and 3.) Costs. For most questions, participants were asked to rate each of the seven Class I railroads on a scale from 1-10 with ten being the highest and one being the lowest.

After combining the results from the eleven survey questions, Union Pacific received the highest overall rating. The company ranked first in eight out of the eleven questions. Canadian Pacific, rated as the lowest performing railroad, received a last place ranking in nine of the eleven questions.

Soy Transportation Coalition Rail Customer Satisfaction Index – Overall Ratings:

- 1.) Union Pacific Railroad
- 2.) BNSF Railway
- 3.) CSX Transportation
- 4.) Norfolk Southern Railway
- 5.) Canadian National Railway

- 6.) Kansas City Southern Railway
- 7.) Canadian Pacific Railway

“Railroads are essential to the profitability of the U.S. agriculture,” said Scott Gauslow, a soybean farmer from Colfax, North Dakota, and chairman of the Soy Transportation Coalition. “Even though farmers in many states, like North Dakota, may be far removed from our coasts and our nation’s inland waterway system, our freight railroads allow our production to be exported throughout the world. We congratulate those railroads – particularly Union Pacific and BNSF – for providing quality service over the past year to their agricultural customers.”

The overall results across the seven railroads in 2015 was one percent lower than in 2014. The increased ratings provided to certain railroads was balanced by lower ratings for others. Survey respondents in 2015 rated railroads 17 percent higher in their ability to provide on time service and five percent higher in customer service. In contrast, agricultural shippers rated railroads six percent lower in providing transparency in their pricing mechanism and six percent lower in providing adequate notification when price increases occur.

In addition to Union Pacific’s continued top ranking, BNSF received a dramatically higher score in 2015 from the previous year.

“In 2014, BNSF did not provide the type of service agricultural customers expect and BNSF demands from itself,” said Mike Steenhoek, executive director of the Soy Transportation Coalition. “A particularly severe winter, competition from crude oil, and other contributing factors resulted in many agricultural shippers throughout the country experiencing a significant downturn in rail service. Fortunately, BNSF responded by not only investing in new capacity but also aggressively communicating with their agricultural customers. Rail service will never be perfect, but the picture has significantly improved from 2014. The survey responses clearly reflect that.”

Class I railroads are the largest railroads in the country with an annual operating revenue exceeding \$475 million. Seven railroads are classified as Class I: BNSF Railway, CSX Transportation, Kansas City Southern Railway, Norfolk Southern Railway, and Union Pacific Railroad. Canadian National Railway and Canadian Pacific Railway are also considered Class I due to their significant trackage lines in the United States.

The full results of the survey, including a copy of the questionnaire, can be accessed at www.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.