



# Global Infrastructure Impacts at Home

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# Illinois Soybean Association (ISA)

## Vision

Enable Illinois soybean producers to be the most knowledgeable, sustainable and profitable in the global marketplace.

## Mission

Ensure Illinois soy is the highest quality, most dependable, sustainable and competitive in the global marketplace.



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# Top Soybean Producing State

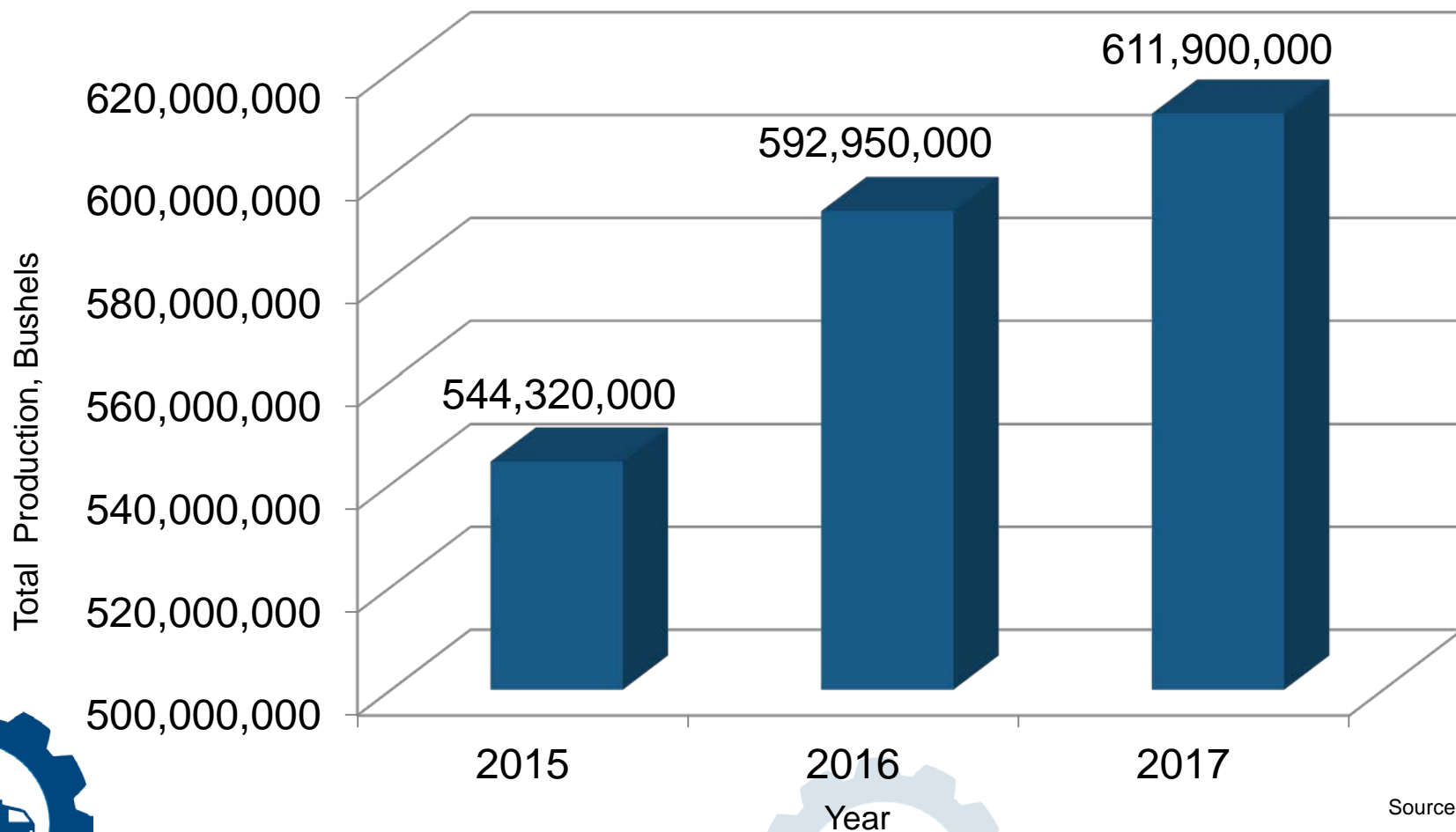


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# Illinois Soybean Production



Source: USDA NASS



# Transportation Goal

Ensure soybeans and soy products reach intended destinations efficiently.



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# Transportation Matters

Poor infrastructure negatively impacts Illinois soybean competitiveness in domestic and international markets.

- **Roads and bridges:** force farmers to take longer routes.
- **Railroads:** inefficiencies cause detours and delays.
- **Waterways:** deteriorating locks and dams and silt-filled waterways increase transportation costs.
- **Intermodal containers:** efficient use depends on interconnectivity of all transportation options.



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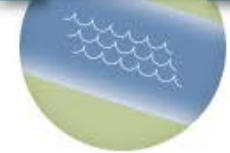




# WHERE THERE'S A WILL, THERE'S A ROAD, WATER OR RAILWAY.

Transportation powers Illinois commerce.

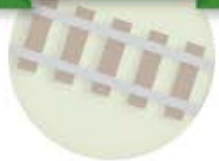
WATER



ROADS & BRIDGES



RAILWAY



**1,100 +**

miles of navigable waterways  
border or pass through Illinois;  
that's nearly half the length of  
the Mississippi River.



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# Importance on Exports

**60%**

- Amount of soybeans grown in Illinois that are marketed and sold through export channels annually.

**\$3  
billion**

- Estimated value of exported Illinois soybeans.

**\$17  
billion**

- Economic impact of exported Illinois soybeans.

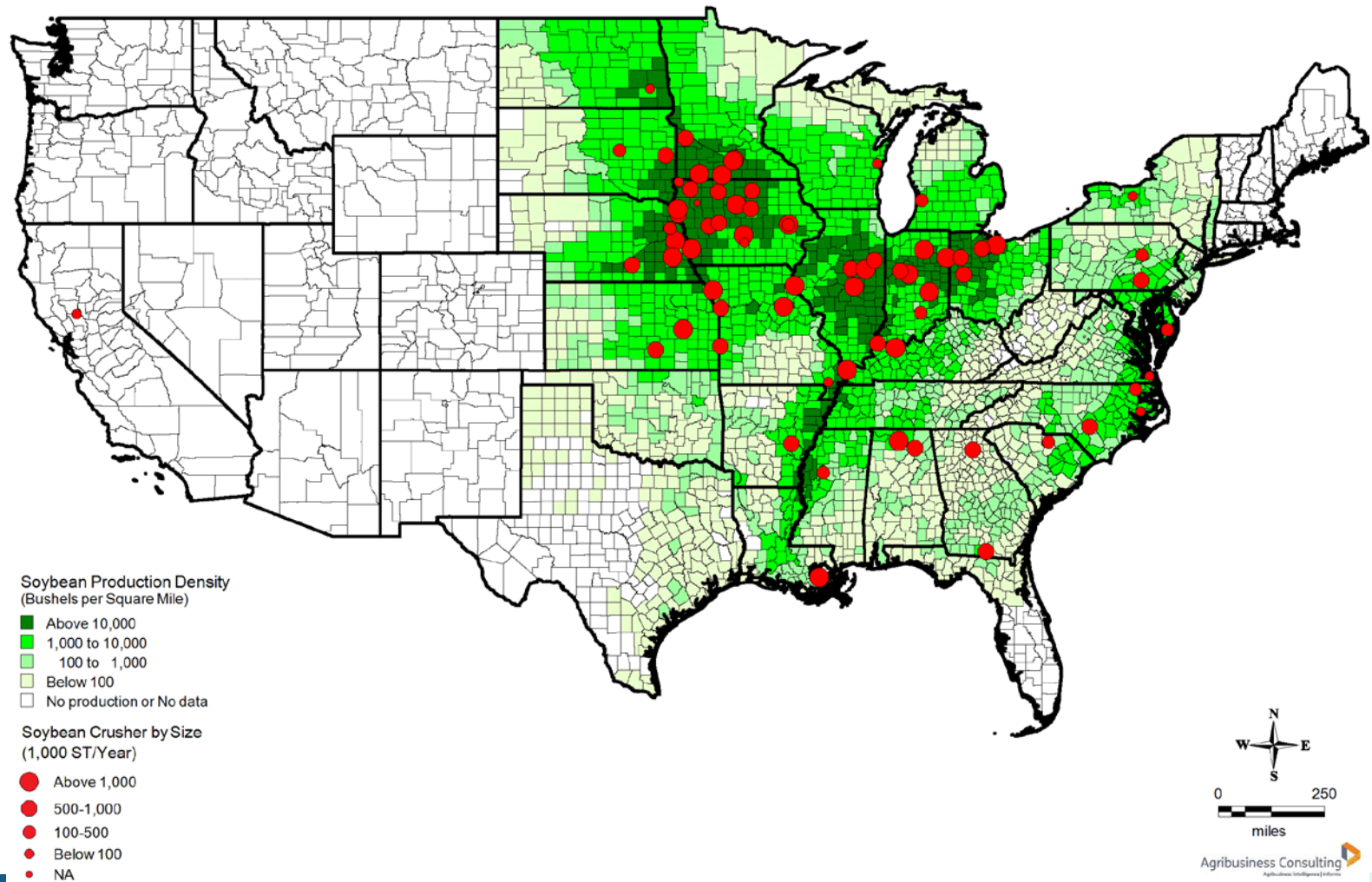


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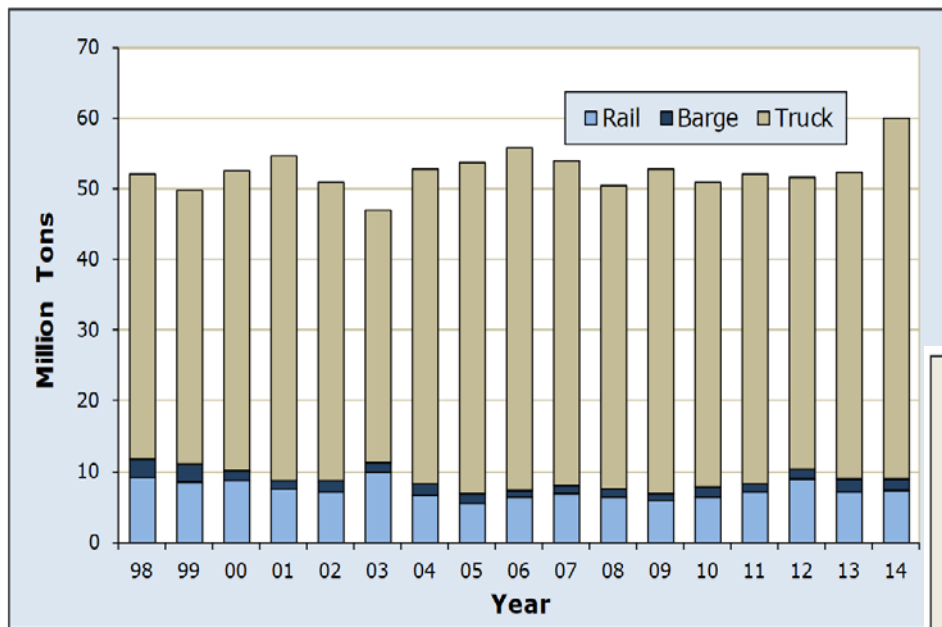


# US Soybean Production & Crush Plant Locations



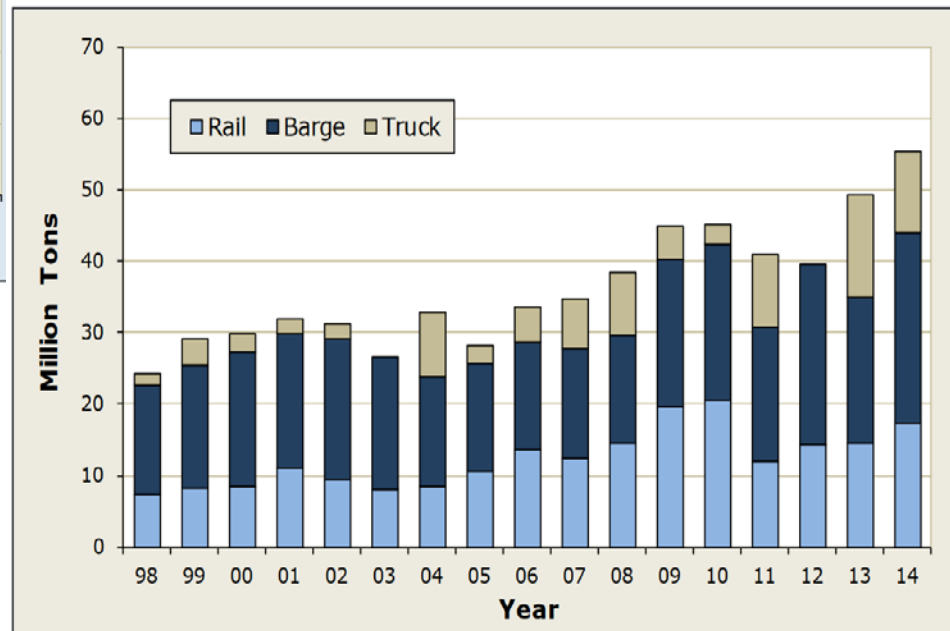


# US Soybean cargo, by mode, 1998-2014



**DOMESTIC**

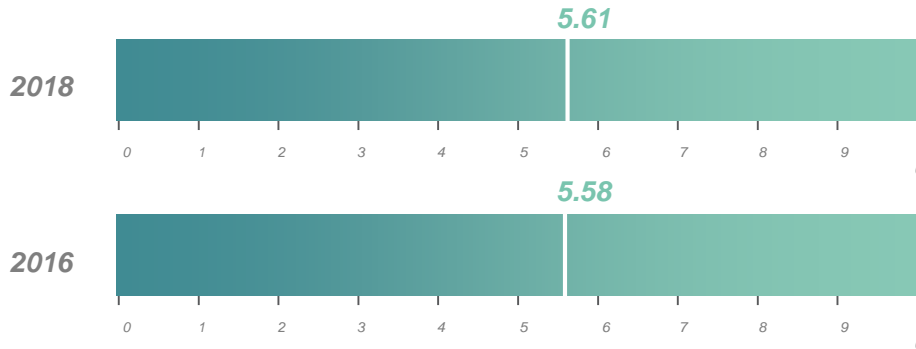
**EXPORT**



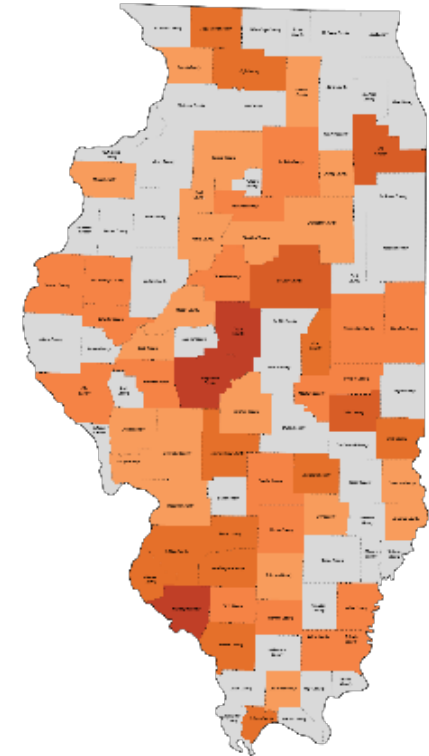


# Farmers' Perceptions of Highways

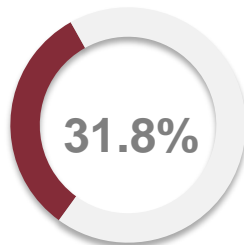
HIGHWAY QUALITY/SATISFACTION RANKING 0-10



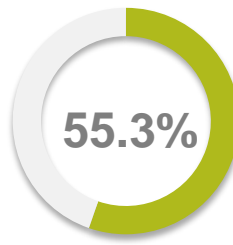
FREQUENCY OF RESPONDENTS WHO GAVE 4 OR BELOW



INFRASTRUCTURE CONDITIONS: HIGHWAYS



GAVE A SCORE OF 4 OR BELOW



GAVE A SCORE OF 6 OR ABOVE

27.5%

GAVE A SCORE OF 7  
MOST FREQUENT RESPONSE

Source: All Respondents.

On a scale of 0 to 10 where 0 is 'poor' and 10 is 'excellent,' how would you rate Illinois' infrastructure in terms of its: Highways (2016,2018)?

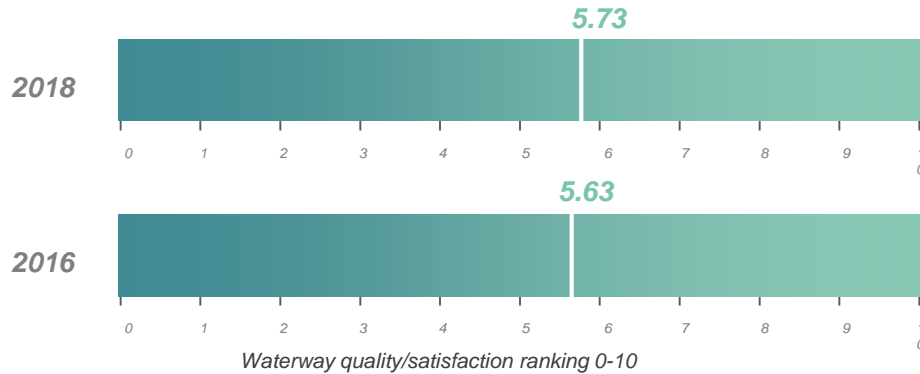
Source: Aimpoint Research



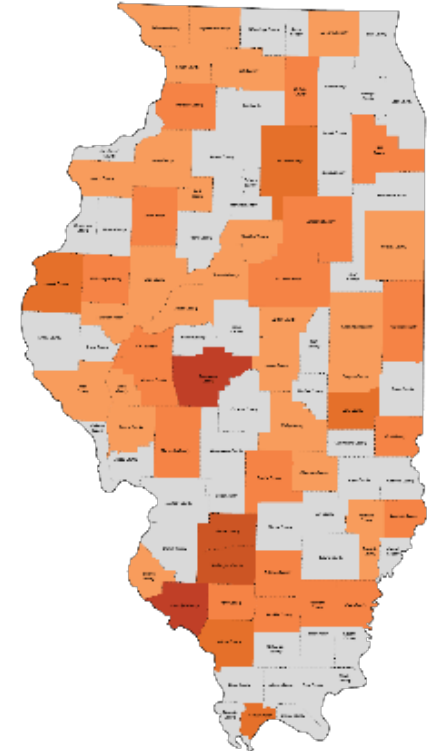


# Farmers' Perceptions of Waterways

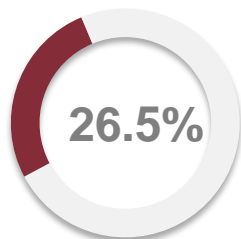
## WATERWAYS QUALITY/SATISFACTION RANKING 0-10



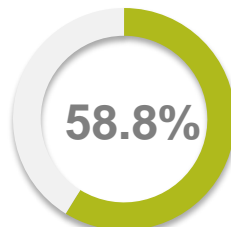
## FREQUENCY OF RESPONDENTS WHO GAVE 4 OR BELOW



## INFRASTRUCTURE CONDITIONS: WATERWAYS



GAVE A SCORE OF 4 OR BELOW



GAVE A SCORE OF 6 OR ABOVE

23.0%

GAVE A SCORE OF 6  
MOST FREQUENT RESPONSE

Source: All Respondents.

On a scale of 0 to 10 where 0 is 'poor' and 10 is 'excellent,' how would you rate Illinois' infrastructure in terms of its: Waterways (2016,2018)?

Source: Aimpoint Research



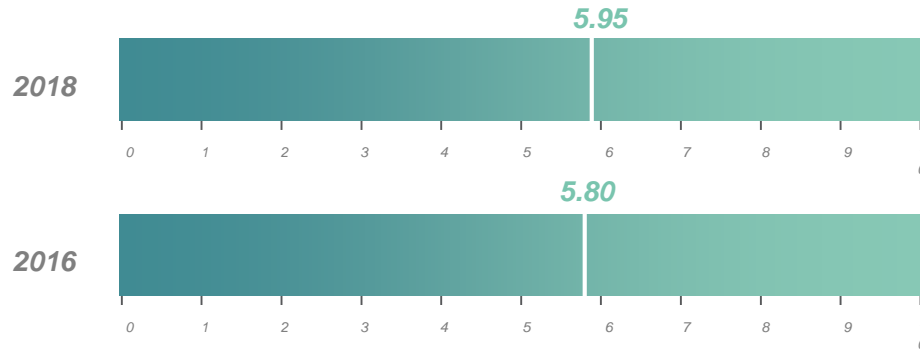
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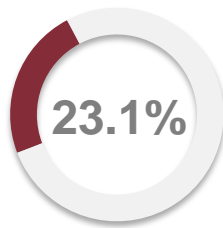


# Farmers' Perceptions of Railways

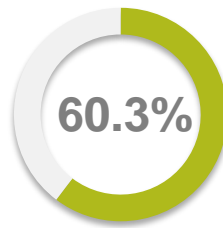
RAILWAYS QUALITY/SATISFACTION RANKING 0-10



INFRASTRUCTURE CONDITIONS: RAILWAYS



GAVE A SCORE OF 4 OR BELOW

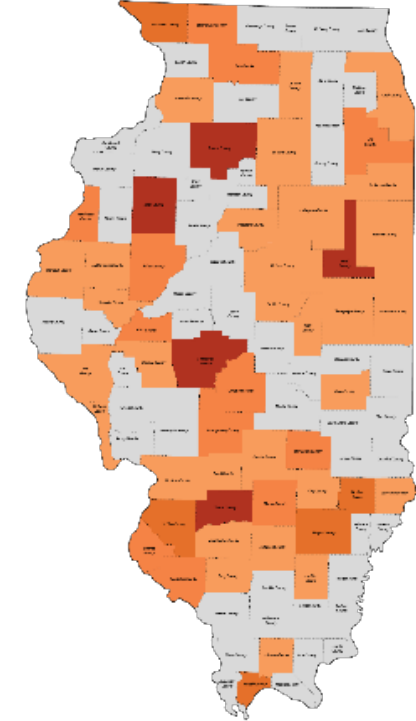


GAVE A SCORE OF 6 OR ABOVE

18.0%

GAVE A SCORE OF 6  
MOST FREQUENT RESPONSE

FREQUENCY OF RESPONDENTS WHO GAVE 4 OR BELOW



Less Frequent

More Frequent

Source: All Respondents.

On a scale of 0 to 10 where 0 is 'poor' and 10 is 'excellent,' how would you rate Illinois' infrastructure in terms of its: Railways (2016, 2018)?

Source: Aimpoint Research



# Summary – Highway, Waterway, Railway

- The southern less populated, generally less productive farm regions of the state have infrastructure regarded as less favorable by farmers
- Perception rating Overall has improved slightly, across all modes from 2016 to 2018

MODE	Percent @ 4 or Less	Percent @ 6 or More	Mode	Overall 2016	Overall 2018
Highway	31.8	55.3	7 @ 27.5%	5.58	5.61
Waterway	26.5	58.8	6 @ 23.0%	5.63	5.73
Railway	23.1	60.3	6 @ 18.0%	5.80	5.95

Source: Aimpoint Research



# IMPORT AND EXPORT MARKETS

- Over 80 percent of global production is from US, Brazil and Argentina
- Top Importers produce between 7 and 20%  
Top 4 Import Markets 2016-17 = 79.2%  
2017-18 = 77.8%  
2018-19 = 78.4%
- Import Markets Growth continues ~3-5%
- China is ~60-66% among Import markets



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# Top Soy IMPORT Markets (Metric Tons 000 and %)

2016/17	Production	% Global Production % Relative to Imports	% Δ vs. Prev. Yr	Imports	% Δ vs. Prev. Yr	Domestic Crush	% Δ vs. Prev. Yr
World <sup>2</sup>	350.34	4.59%		144.32		287.81	
China	12.9	13.80%		93.5		88	
EU	2.41	17.96%		13.42		14.4	
Japan	0.24	7.55%		3.18		2.39	
Mexico	0.52	12.59%		4.13		4.6	
World <sup>2</sup> 2017/18 Est.	336.7	5.21%		152.63	5.76%	299.39	
China	14.2	14.64%	10.08%	97	3.74%	95	7.95%
EU	2.67	18.94%	10.79%	14.1	5.07%	14.9	3.47%
Japan	0.25	7.69%	4.17%	3.25	2.20%	2.35	-1.67%
Mexico	0.43	9.77%	-17.31%	4.4	6.54%	4.87	5.87%
World <sup>2</sup> 2018/19 Proj.	354.54	4.96%		159.54	4.53%	313.34	
China	14.1	13.69%	-0.70%	103	6.19%	102	7.37%
EU	2.75	19.37%	3.00%	14.2	0.71%	14.9	0.00%
Japan	0.26	8.00%	4.00%	3.25	0.00%	2.3	-2.13%
Mexico	0.49	10.54%	13.95%	4.65	5.68%	5.05	3.70%

1/ Data based on local marketing years except Argentina and Brazil which are adjusted to an October-September year. 2/ World imports and exports may not balance due to differences in local marketing years and to time lags between reported exports and imports. Therefore, world supply may not equal world use. 3/ Argentina, Brazil, Paraguay, and Uruguay. 4/ China, European Union, Japan, Mexico, and Southeast Asia (includes Indonesia, Malaysia, Philippines, Vietnam, and Thailand).

Source: WASDE May 2018; ISA calculations



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# Top Soy EXPORT Markets (Metric Tons 000 and %)

2016/17	Production	% of Global Production		Imports	Domestic Crush	% of Natl Production	Exports	% of Natl Production	% Δ vs. Prev. Yr
World <sup>2</sup>	350.34			144.32	287.81		147.54	42.11%	
United States	116.92	33.37%		0.61	51.74	44.25%	59.16	50.60%	11.92%
Argentina	57.8	16.50%		1.67	43.3	74.91%	7.03	12.16%	
Brazil	114.1	32.57%		0.25	40.9	35.85%	63.14	55.34%	
SUB TOTAL		82.44%							
2017/18 Est.	Production	% of Global Production	% Δ vs. Prev. Yr	Imports	Domestic Crush	% of Natl Production	Exports	% of Natl Production	% Δ vs. Prev. Yr
World <sup>2</sup>	336.7		96.11%	152.63	299.39		151.26	44.92%	2.52%
United States	119.52	35.50%	102.22%	0.68	54.16	45.31%	56.2	47.02%	95.00%
Argentina	39	11.58%	67.47%	3.1	40.73	104.44%	4.2	10.77%	59.74%
Brazil	117	34.75%	102.54%	0.2	43	36.75%	73.3	62.65%	16.09%
SUB TOTAL		81.83%							
2018/19 Proj.	Production	% of Global Production	% Δ vs. Prev. Yr	Imports	Domestic Crush	% of Natl Production	Exports	% of Natl Production	% Δ vs. Prev. Yr
World <sup>2</sup>	354.54		105.30%	159.54	313.34		161.82		
United States	116.48	32.85%	97.46%	0.68	54.3	46.62%	62.32	53.50%	10.89%
Argentina	56	15.80%	143.59%	1.85	44	78.57%	8	14.29%	190.48%
Brazil	117	33.00%	100.00%	0.4	43.2	36.92%	72.3	61.79%	98.64%
SUB TOTAL		81.65%							

Source: WASDE May 2018; ISA calculations



# Addressing Transportation Issues

Near-term and long-term

- Focus on foreseeable needs
  - Rural needs
  - Seasonal needs
- Collaborate with other stakeholders
  - Develop unified voice
- Measure to manage (efficiency)
  - Share findings with influencers



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# ISA Implementing Solutions

- **Raising awareness** of reduced farmer profitability and local economic losses caused by deficient **global** infrastructure corridors, from origin to destination.
- **Exploring container uses** as a viable option for exporting soybeans to provide greater access to **global** markets.
- **Facilitating accelerated project delivery** supporting farmers and other stakeholders, fostering support for priorities such as major rural maintenance work through to **global** alternative financing through best-in-class transactions.
- **Leading collaborations** among industry, government, academia and transportation stakeholders, facilitating discussions in order to evaluate and develop innovative solutions to address infrastructure challenges, from rural to **global** paths and points.



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# *Thank You!*



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