



# NEWS RELEASE

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## **Grain Shippers Rate Union Pacific Best Railroad amid Widespread Frustration**

Ankeny, Iowa – Union Pacific reclaimed its position as the top performing railroad in the fifth annual Soy Transportation Coalition (STC) Railroad Report Card. The top ranked railroad in 2011 and 2012, Union Pacific finished second to CSX in 2013. Norfolk Southern Railway climbed to second place from its third place ranking in 2013. Survey respondents ranked Canadian Pacific in last place for the fourth year in a row.

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 and October. 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. The 2014 survey had the largest number of participants in the history of the report card.

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

### **Soy Transportation Coalition Rail Customer Satisfaction Index – Overall Ratings:**

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

Overall, the survey revealed substantial frustration with the condition of rail service in 2014. On average, railroads received a 14 percent lower score than in 2013. Survey respondents in 2014 rated railroads 28 percent lower in their ability to provide on time service – the largest area of decline from the previous year. Moreover, average scores

for each of the eleven questions were lower than in 2013 – confirming the widespread conclusion among agricultural shippers that rail service has been inadequate.

“Rail service challenges have been a significant topic of discussion throughout this year,” said Pat Knouff, a soybean farmer from Minster, Ohio, and chairman of the Soy Transportation Coalition. “One of the primary reasons why U.S. agriculture historically has been so competitive is due to our more developed transportation system, which includes our freight rail network. The decline in rail service has understandably raised concern among agricultural shippers and farmers. Unfortunately, farmers are the ones who ultimately must absorb these additional costs. In a very tight margin industry, the decline in rail service can be the difference between farmers making a profit and suffering a loss.”

Throughout 2014, a number of factors contributed to the substantial decline in rail service, including severe winter weather, a significant 2013 harvest, and competition from crude oil and other commodities that rely on rail transportation. A sizable percentage of this growth in demand from crude oil and other industries has been concentrated in areas of the country served by BNSF and Canadian Pacific. Farmers and agricultural shippers are hopeful that the increased investment deployed by the rail industry will result in enhanced service for the historic 2014 harvest.

Class I railroads are the largest railroads in the country with an annual operating revenue exceeding \$433 million. Seven railroads are classified as Class Is: 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 Is 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](http://www.soytransportation.org).

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*Established in 2007, the Soy Transportation Coalition is comprised of twelve 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.*