

# Transportation Go! Recap

*March 13-14, 2024*

*Toledo, Ohio*





# Transportation Go! reconvenes for ag transportation discussions



Transportation Go! returned to the Great Lakes region March 13-14 in Toledo, Ohio, for two days of solution-seeking discussions among those involved in agricultural transportation. Hosted by the Specialty Soya and Grains Alliance (SSGA), the event brought together about 120 growers, port authorities, shippers, suppliers and others involved in transporting agricultural products.

A panel of representatives of Great Lakes St. Lawrence Seaway ports talked about opportunities, infrastructure updates and ways they work together to ensure cargo travels efficiently along the St. Lawrence Seaway enroute to its destination.

In the 1970s, the seaway moved 80 million tons of cargo per year, but only handled 36 million tons in 2023.

"There are all kinds of opportunities for moving cargo on the system," said David Gutheil, chief commercial officer for the Port of Cleveland. "Let's stop getting excited when we handle 40 million; that should not happen. Let's handle more."

The panel sees a feeder service as the next opportunity for Great Lakes shipping and aspires to develop markets in Asia.

Other modes of transportation were also discussed at the conference, including speakers covering trucking, rail and ocean shipping topics.

Michelle Schultz of the Surface Transportation Board (STB), an independent federal agency

responsible for regulating various modes of surface transportation, primarily freight rail, answered questions along with Max Vekich of the Federal Maritime Commission, an independent federal agency that regulates U.S. international ocean transportation.

"Transportation Go! is one of the most important conferences my business attends each year," said Bob Sinner of SB&B Foods. "To have the opportunity to network with federal leaders and major ocean shippers in an intimate setting is invaluable."

Hardy Pearson from Hapag-Lloyd and Jaeson Dandalides of CMA CGM presented about ocean carrier opportunities, including their companies' plans for equipment updates and sustainability. Pearson also addressed Hapag-Lloyd's stance to not travel through the Suez Canal after several vessels have been attacked by the Houthi group from Yemen.

For the second year, Transportation Go! attendees included the next generation of the logistics and transportation industry. Students and their advisers from the University of Toledo studying in the Department of Information Systems and Supply Chain Management were special guests at the conference. A presentation from Mark Stewart of Agriculture Future of America (AFA) gave attendees ideas on how to turn Gen Z into Gen T [Transportation].

Stewart talked about characteristics and trends among Gen Zers (those born roughly between 1997-2012), which account for about 27% of the U.S. population this year. He suggested making logistics and transportation stand out to attract this generation to pursue jobs in the industry.

"Gen Z wants to find solutions and do work that has purpose," Stewart said. "And when they have a great experience, they will share that with others."

The event ended with tours of the Port of Toledo and Port of Monroe. The event will return March 12-13, 2025, in Minneapolis.

# Session Takeaways

## "Navigating ag trade business in international markets"

**Bahar Gokce, Olympia International**

Logistics is a crucial element of managing an ag business. Drought, lock closures, freezing of waterways, old infrastructure, port congestions, demurrage costs, rising freight rates are challenges and risks in ag logistics in the U.S. and around the world.

In recent years, main challenge in managing an ag business is uncertainties in global markets due to ongoing wars and geopolitical risks. Red Sea Crisis and Panama Canal Crisis have been important concerns impacting both freight costs and voyage times.

Financial challenges and concerns are high level of trade finance costs, reduced bank trade finance capacity, counterpart performance risks, inflationary environment increasing input and freight costs and increasing currency exchange rates for importing countries.



## "Pass or fail 2024: Where should agribusiness lead transportation and logistics?"

**Mike Hogan, Consolidated Grain and Barge Co.**

The market structure (carry or inverse market) strongly affects the movement of grain and the need for transportation.

Historic droughts along the Mississippi, Amazon and Panama Canal have affected trade from the U.S. Gulf to Asia and other international locations. End users have looked to source commodities from other locations to bypass these transportation issues.

There is going to be an economic slowdown, not a recession, but eventually the rate will fall.



## "The crystal ball: Trade in 2034"

**Gary Williams, Specialty Soya and Grains Alliance**

This decade will be a highly reactive environment. Geopolitical risk is at its highest point since World War II. Strategic and tactical planning, in addition to execution, will need to be adaptable, flexible, and contain optionality.

Ag logistics are mission-driven and involve solving complex problems and feeding humans. If you can't market talent out of that, get a new marketing agency.


We must face the issues growing in truck transportation. The consolidation and reduction of commodity hauling owners and drivers, continuing higher costs to operate trucks and restrictive regulations are significant considerations for the livelihood of our industry.





# Session Takeaways

## “Panel: Move it or lose it! Drayage and trucking” Kranti Mulik, USDA Agricultural Marketing Service



Operational costs, fuel price volatility, driver retention, infrastructure and regulations are key issues in the trucking industry.

U.S. trucking Infrastructure, including bridges and roadways, need repair, with \$120 billion needed for system expansions and \$105 billion needed for enhancement.

The USDA AMS Highways report identifies High-Volume Domestic Agriculture Highways, projects infrastructure conditions and performance, identifies efforts to improve ag freight movement and summarizes the economic significance of highway infrastructure to agriculture.

## Scott Grenerth, Truck Specialized Information Services




It's important to make the people in your trucks YOUR people.

Treating truckers like humans and providing them with basic amenities like a trucker lounge and ample parking can help with driver retention.

Delaying drivers that are paid by the mile and regulated by the hour wastes their time and makes them push and causes problems, such as accidents.

## Tyler Coventry, Kenan Advantage Group, Inc.




Staff in trucking is hard to find – over the road drivers are retiring and there is high turn-over with technicians.

U.S. infrastructure improvements needs to be addressed.

Other trucking opportunities include alternative fuels, self-driving trucks and electric vehicles, but EVs have a long way to go before they're widely accepted.

# Session Takeaways

## “Disruption of routes and directions: Changing corridors in global trade” Scott Sigman, Equinanimous Advisory Service




Risks in the main global supply chain routes, through the Panama Canal, the Suez Canal / Red Sea and South China Sea are fraught with understandable challenges.

Planning ahead, anticipating longer transits and using alternative routes can improve resilience for supply chains.

Pursuing sustainable supply chains now enables thriving connectivity for the future.

## “New ocean carrier opportunities” Hardy Pearson, Hapag-Lloyd




Sustainability is a key part of Hapag-Lloyd's strategy and they are already offering a biofuel option that customers can take advantage of today with Ship Green.

In February of 2025 Hapag-Lloyd will move from their current Alliance (THEA) to a new operational agreement called Gemini Cooperation with a strong focus on operational quality.

Hapag-Lloyd continues to push to support U.S. exports, including promoting the movement of cargo from interior locations.

## “Turning Gen Z into Gen T [Transportation]” Mark Stewart, Agriculture Future of America



Don't try to 'fix' Gen Z. When we embrace their talents and knowledge, we get fresh ideas and innovation that enhances our organizations.

We all need to check our unconscious bias to beware of making generational stereotypes that could negatively impact employee attraction, retention or workplace culture. Giving younger people a seat at the table can help raise awareness of their different needs and experiences, while providing them with the perspective of elder generations.

Purpose drives work for this generation. Help the young people in your organization see the value and good their employer does in the world either directly through services offered or the social causes your organization supports.



# Session Takeaways

## “Finding solutions from rail to sea”

**Michelle Schultz, Surface Transportation Board and Max Vekich, Federal Maritime Commission**



New partnerships and mergers among rail companies and new intermodal services are reasons for optimism.

In the post-Covid era, the shipping industry and stakeholders saw less disruptions in the past year.

The FMC recently changed detention and demurrage rules to make things clearer and more transparent, tending to remove third-party liability for these charges.

## “Insights from AgTC”

**Peter Friedmann, Ag Transportation Coalition**



If we can't deliver agriculture products to the world, they will be sourced elsewhere.

Communication among shippers needs to get better; electronic bill of lading are necessary and Departments of Agriculture must accept them.

## “Update from the St. Lawrence Seaway”

**Anthony Fisher, Great Lakes St. Lawrence Seaway Development**



The GLS Development Corporation operates and maintains the 2 U.S. seaway locks and waterway, maintain joint ownership of the Seaway Internal Bridge and promote trade and economic development through the Great Lakes, in partnership with Canadian counterparts.

Great Lakes Seaway vessels move the equivalent of 3 million railcars or 7.1 million trucks.

Since 2006, ballast water management requirements in the Great Lakes and Seaway system have been the most stringent in the world. The Seaway regulations have dramatically decreased the risk of aquatic invasive species introductions by vessels transiting the Seaway.

# Session Takeaways

## “Panel: Great Lakes St. Lawrence Seaway ports”

**Joe Cappel, Port of Toledo; Kate Ferguson, Port of Duluth-Superior; Dave Gutheil, Port of Cleveland; Ian Hirt, Ports of Indiana; and Sam Hankinson, Port of Monroe**



All Great Lakes ports have been making infrastructure investments, which will help grow exports on both the U.S. and Canadian sides. Electric locomotive at the Port of Toledo is innovative and one of the first U.S. ports to retrofit all electric locomotives.

Africa and the Middle East are emerging markets for the Seaway. Europe holds potential to become a more important trade partner with the U.S. again. Europe is becoming much more stringent in carbon emissions and sustainability.

Many U.S. ports are focusing on multi-modal to provide the highest flexibility in type and quantity of cargo imported and exported on the Lakes. The ports and the Seaway see themselves as naturally equipped to be one of the best transportation providers for goods moving out and into the country.

## “WGOW Shipping: Nature and conflict's impact on transportation”

**Salvatore Mercogliano, Campbell University**



There are several chokepoints within ag shipping, including the South China Sea, Indian Ocean connecting Asia to Europe, Turkish Straits Panama Canal and Mississippi River.

These conflicts create primary chokepoints and secondary chokepoints across the world, while also driving up costs across the supply chain.

## “A moment for MarAd”

**Mike Sullivan, U.S. DOT Maritime Administration**



MarAd Gateway Directors can serve as a resource for maritime transportation system stakeholders by offering support in navigating regulatory frameworks, accessing funding opportunities, fostering collaboration and addressing challenges to enhance the efficiency, safety and sustainability of maritime operations within their respective regions.

While there are updated requirements for states to consider in their long-range transportation plans, involvement in regional and state long-range transportation processes by maritime transportation system stakeholders ensures the inclusion of projects for improving, modernizing, and maintaining the Nation's ports and waterways.

The bipartisan Infrastructure Law and Inflation Reduction Act allocates significant funding opportunities specifically designated for ports and waterways infrastructure improvements, aiming to enhance the efficiency, safety and resilience of freight.



# Session Takeaways

## “Ocean carrier opportunities”

Jaeson Dandalides, CMA CGM

Shippers can help themselves greatly by communicating shipment expectations well in advance. Understanding Origin/Destination pairs and a volume projection for specified periods of time can help the carrier anticipate where they can match import volumes to export equipment needs. Through communication, shippers can increase their opportunity for equipment needs to be better met.

CMA CGM is consistently looking at developing underserved export markets with specialty repositioning programs. Source loading seems to bring value both to ag shipper and the ocean carrier.

Empty import terminations directly into export transloading facility helps lean out the supply chain costs. They are always looking at new opportunities.



## Event materials



Scan the QR code to view presentation slides and event materials. Please plan to join us in Minneapolis March 12-13, 2025!  
[www.transportationgo.com](http://www.transportationgo.com).

## Top Takeaways

Shippers, BCOs and farmers need to get steamship lines more involved and force a meeting between the liners, railroads and farmers/shippers. Each side is indicating that they are waiting on another party to make the next move – sort of like a chicken and egg situation.

There may be a great opportunity for groups like SSGA or AgTC to act as the mediator and host of the meeting. If that sort of meeting is to be conducted, the transportation providers will want to have a few locations to move freight from. In other words, they won't be able to service moving containers from rural America but getting them to commit to serving more areas with containers is the key.

Many of the Great Lakes St. Lawrence Seaway ports are competing for the same volume of freight and shippers, which will force pricing pressure even lower. Ports need to determine which market serves their abilities the best to start with.

There may be an opportunity for a port to act as a “transload” facility (for lack of a better term), where farmers can unload their cargo in bulk form to be loaded in containers. The port acts as a consolidation point to help farmers bring cargo to a nearby area (albeit may be farther away than they currently drive) and for the railroads to provide more reliable and consistent container service from a handful or more of regionalized locations/ports, rather than from all over.

Railroads may need to learn to build trains that are mixed loads; i.e., coal, lumber, containers, and aggregate rather than always trying to build trains based strictly by commodity classification.



# Companies in Attendance

- |   |   |
|---|---|
| Ag Management Solutions                                   | Ohio Ag Net and Ohio's Country Journal                |
| Agriculture Future of America                             | Ohio Department of Transportation                     |
| American Farmland Trust                                   | Ohio Soybean Council                                  |
| Baltic America Express Line, LLC                          | Ohio-Kentucky-Indiana Regional Council of Governments |
| Benchmark River and Rail Terminals, LLC                   | Olympia International LLC                             |
| Bridge Import Group                                       | Pence Business Group, Inc.                            |
| Calhoun Truck Lines                                       | Port Milwaukee  |
| Ceres Certifications, International                       | Port of Cleveland                                     |
| CGB Enterprises   | Port of Los Angeles                                   |
| Clarkson Grain Company, Inc                               | Port of Monroe  |
| CMA CGM   | Ports of Indiana                                      |
| Corn Belt Ports   | Puris   |
| Double River Forwarding, LLC                              | Quality Roasting                                      |
| Duluth Seaway Port Authority                              | Richland IFC  |
| Federal Highway Administration                            | SB&B FOODS, LLC                                       |
| Friederichs Seed Inc                                      | Schrader Grain Partnership                            |
| Great Lakes St. Lawrence Seaway Development Corp.         | South Dakota Soybean Checkoff                         |
| HC International, Inc.                                    | Specialty Soya and Grains Alliance                    |
| Illinois Soybean Association                              | Splice  |
| Indiana Crop Improvement Association                      | St Lawrence Seaway Management Corp.                   |
| Insta-Pro International                                   | Surface Transportation Board                          |
| International Association of Maritime and Port Executives | Toledo Metropolitan Area Council of Governments       |
| International Collaborative Consulting                    | Toledo-Lucas County Port Authority                    |
| KAG Food Products   | Truck Specialized Information Services                |
| KG Agri Products Inc.                                     | U.S. Soybean Export Council                           |
| Knewtson Soy Products                                     | United Grain Corporation                              |
| Los Angeles Harbor Grain Terminal                         | University of Tennessee - Knoxville                   |
| Michigan Agricultural Commodities (MAC)                   | University of Toledo                                  |
| Michigan Soybean Committee                                | Upper Mississippi Waterways Association               |
| Midwest Terminals   | US Nisshin Shokai Inc                                 |
| Minnesota Department of Agriculture                       | U.S. Department of Agriculture                        |
| Missouri Soybeans   | USDOT - Maritime Administration                       |
| Minnesota Soybean Research & Promotion Council            | WeFARM Organics                                       |
| Nexyst  | Windmill Consulting                                   |
| Norseman Protective Solutions                             | Wisconsin Soybean Marketing Board                     |
| Northwest Grains International                            | Zeeland Farm Services, Inc.                           |

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