



informa economics
an AGRA informa company

Outlook for Barge Transportation

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The Fertilizer Institute
2005 Fertilizer Outlook Conference

October 26, 2004



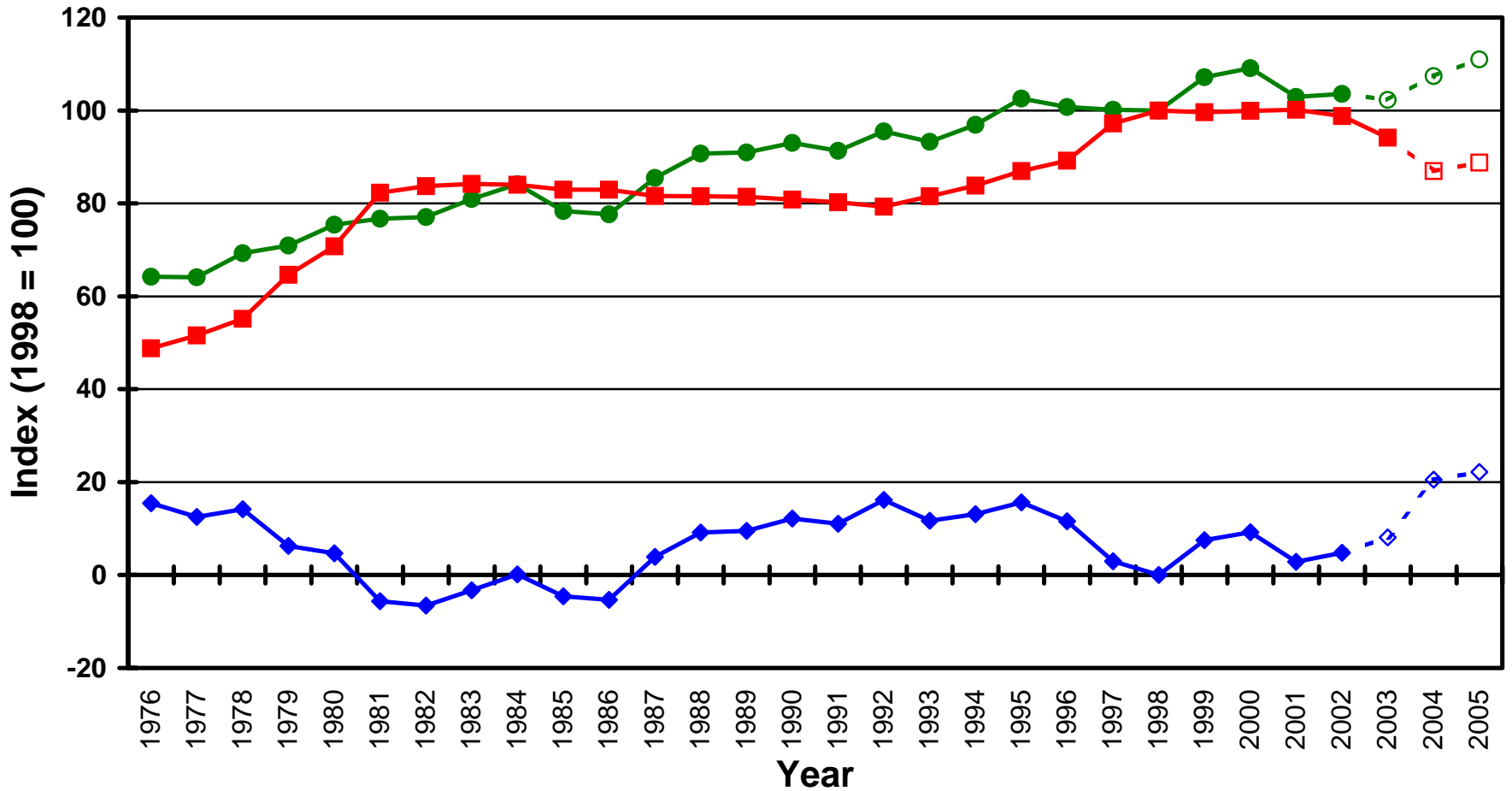
Charting the Course

- Informa Economics, Inc.
- Covered Barge Pressure Index
- Covered Barge Supply
- Covered Barge Demand
- Grain Barge Freight Rates
- Navigation and Infrastructure Issues

Covered Barge Utilization

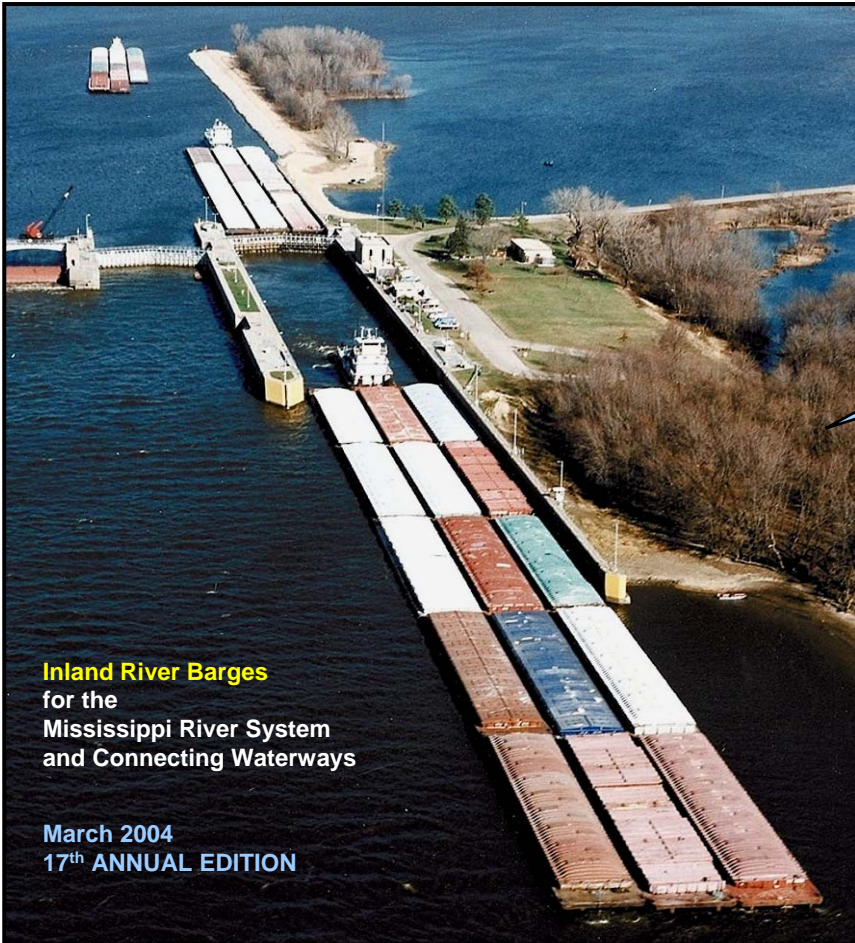
Life Cycle Barge Retirement and Moderating BPI

● Tonnage ■ Adjusted Covered Barge ◆ Informa's Adjusted Covered BPI



Covered Barge Supply

Barge Fleet Profile



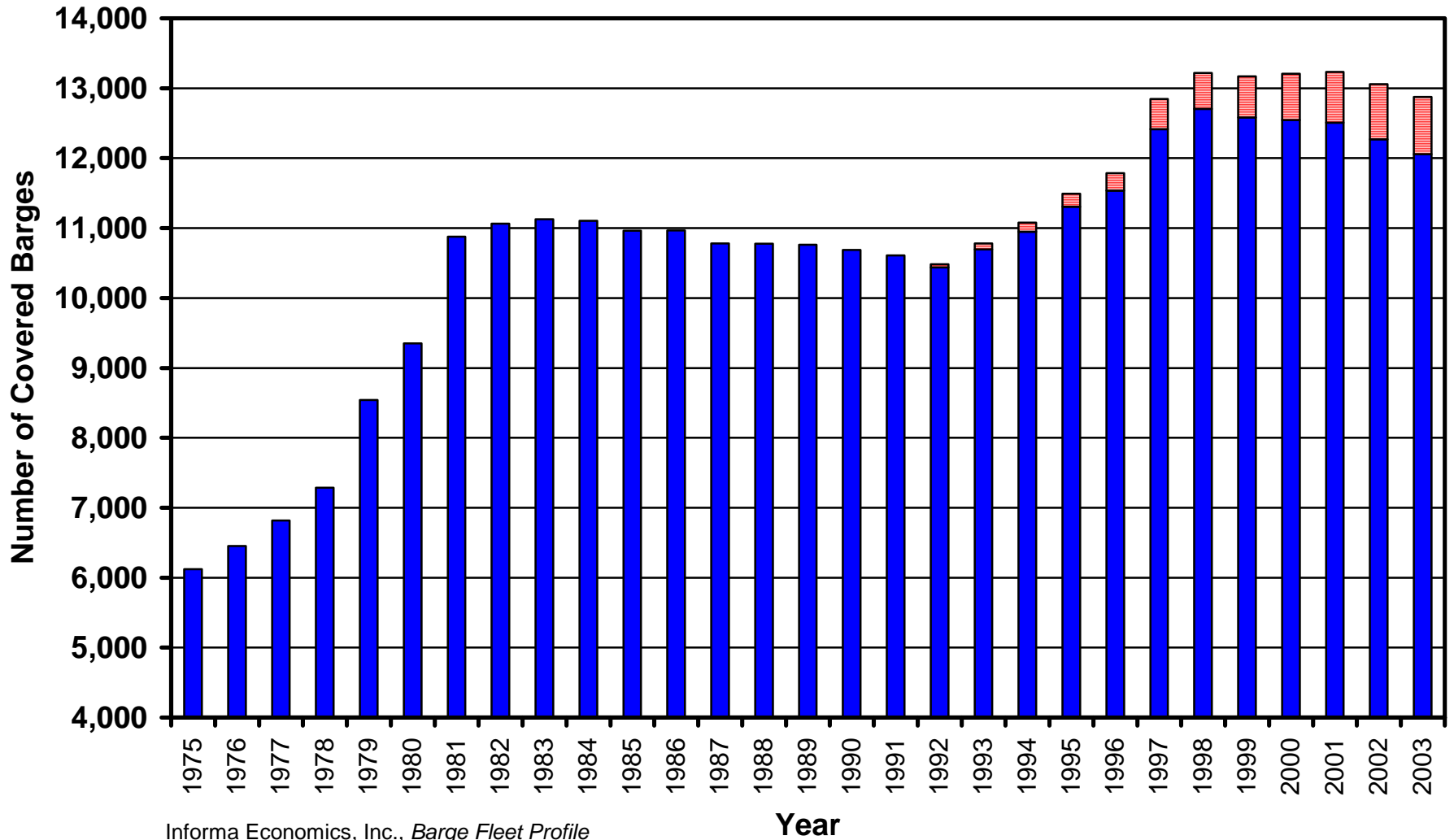
Inland River Barges
for the
Mississippi River System
and Connecting Waterways

March 2004
17th ANNUAL EDITION

**Barge Fleet Profile Available
On-line!**
www.bargefleet.com

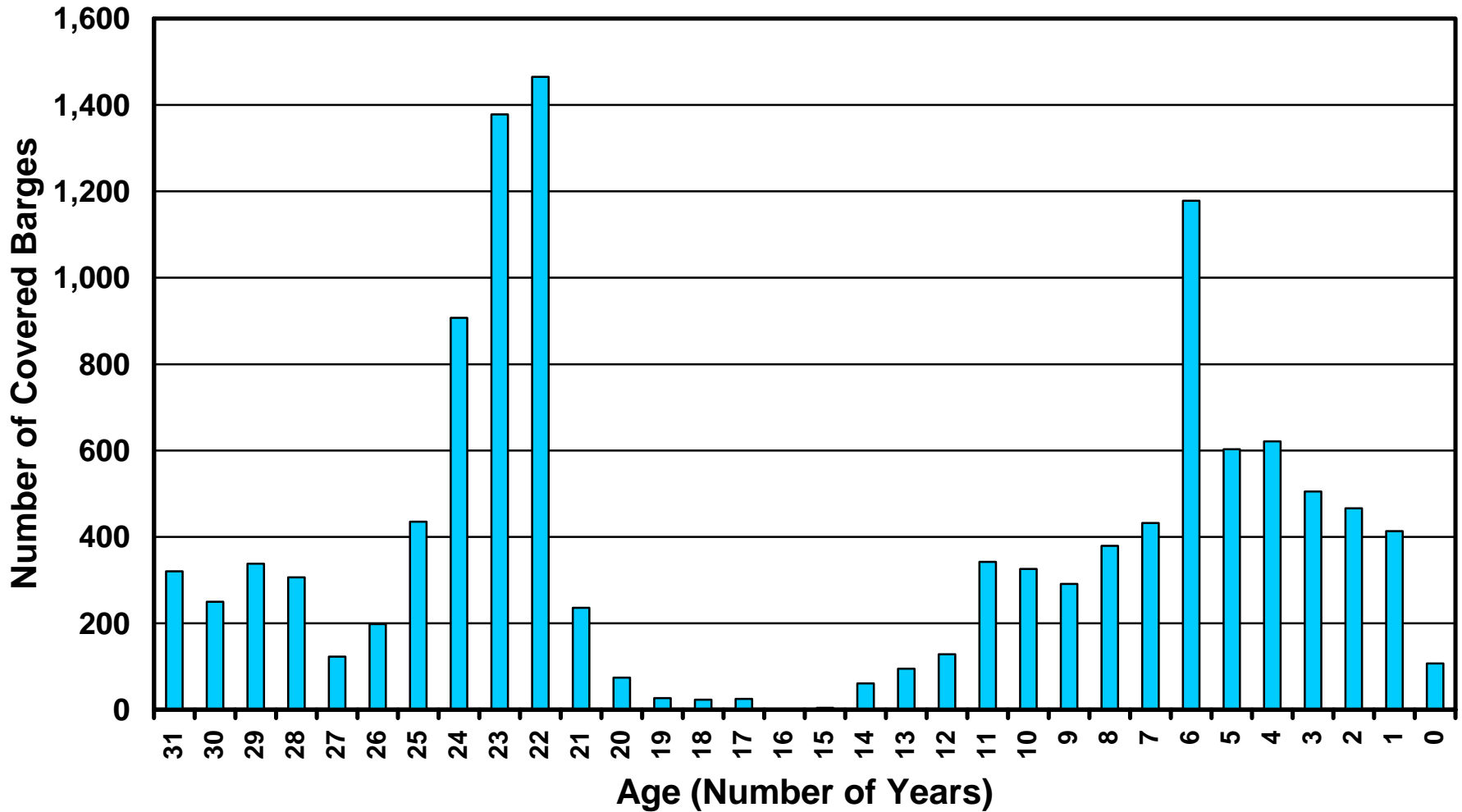
Size of Covered Barge Fleet

(including adjustment for deeper hulled barges)



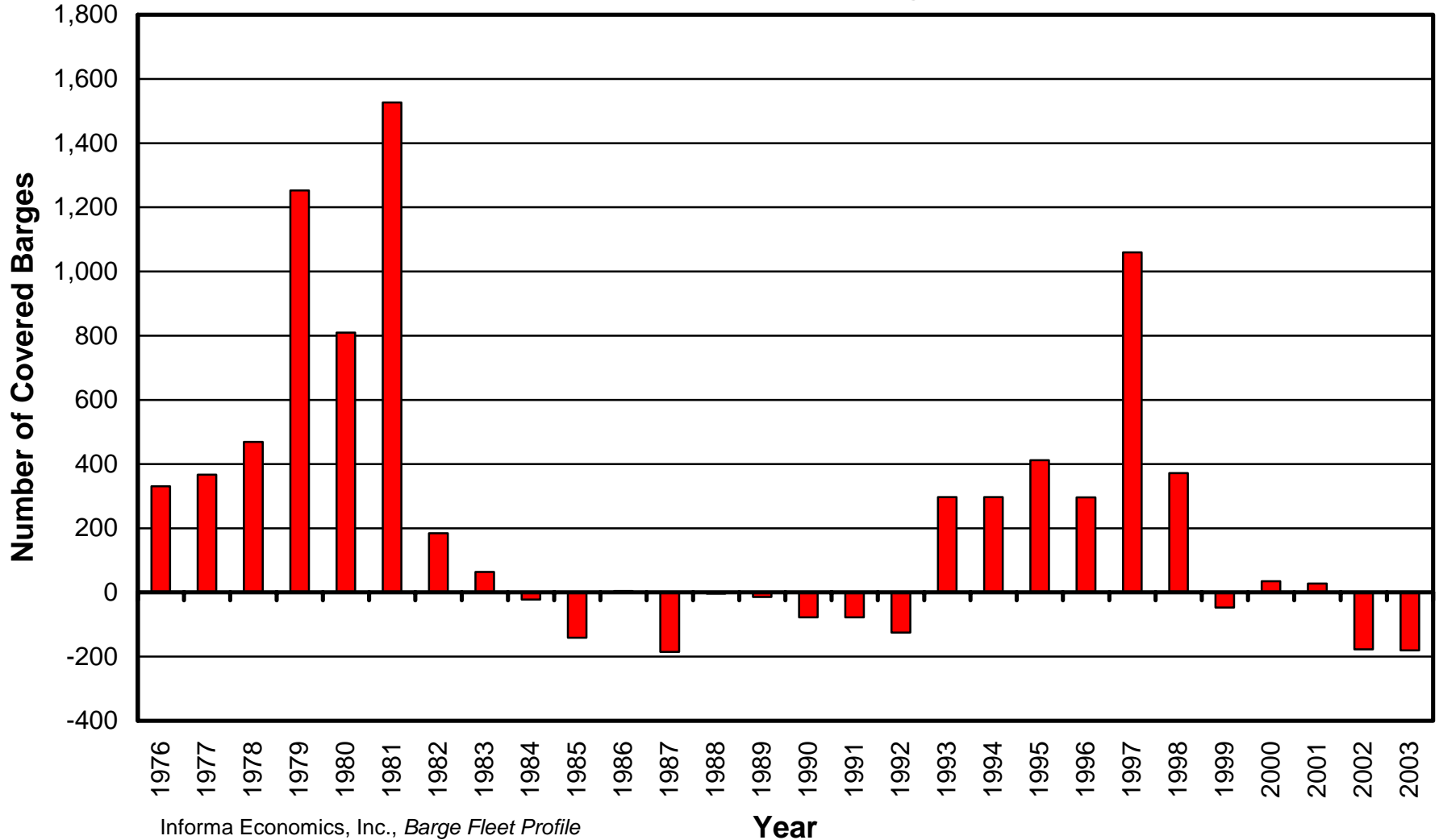
Informa Economics, Inc., *Barge Fleet Profile*

Covered Barge Fleet in 2003 by Age



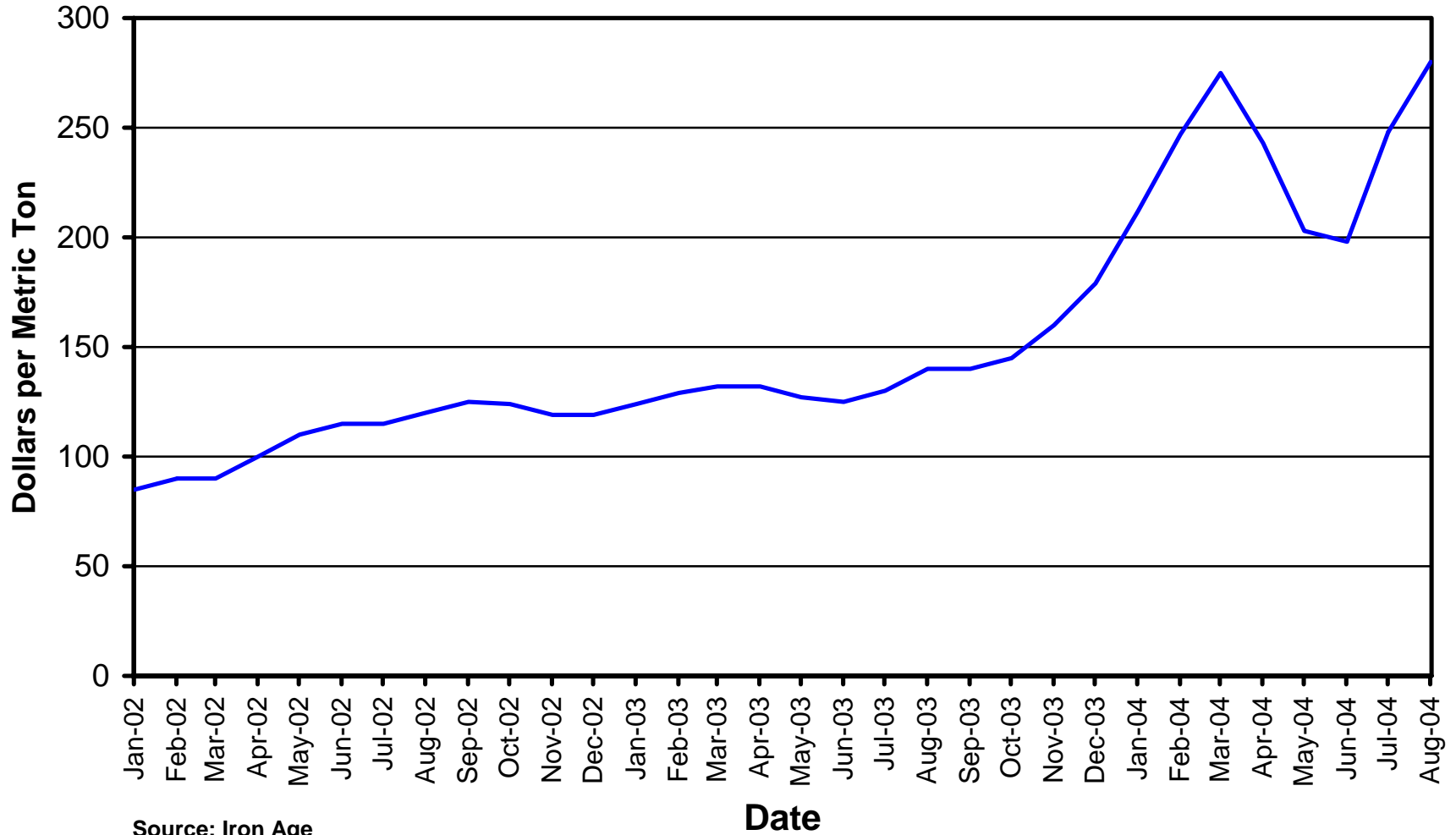
Informa Economics, Inc., *Barge Fleet Profile*

Annual Change in Covered Barge Fleet (Adjusted for Deeper Hull Barges)



Informa Economics, Inc., *Barge Fleet Profile*

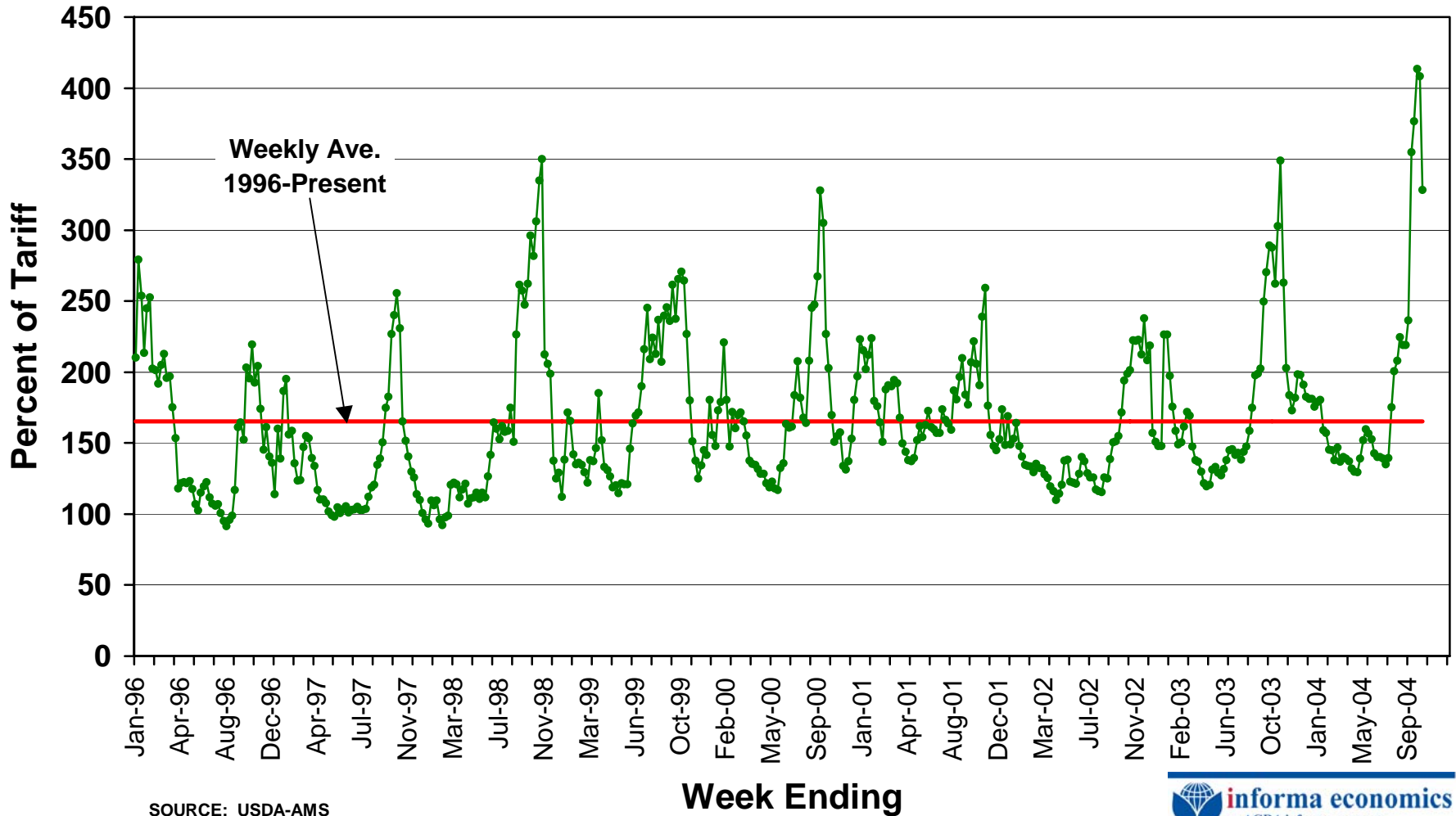
Monthly Chicago Steel Scrap Price



Source: Iron Age

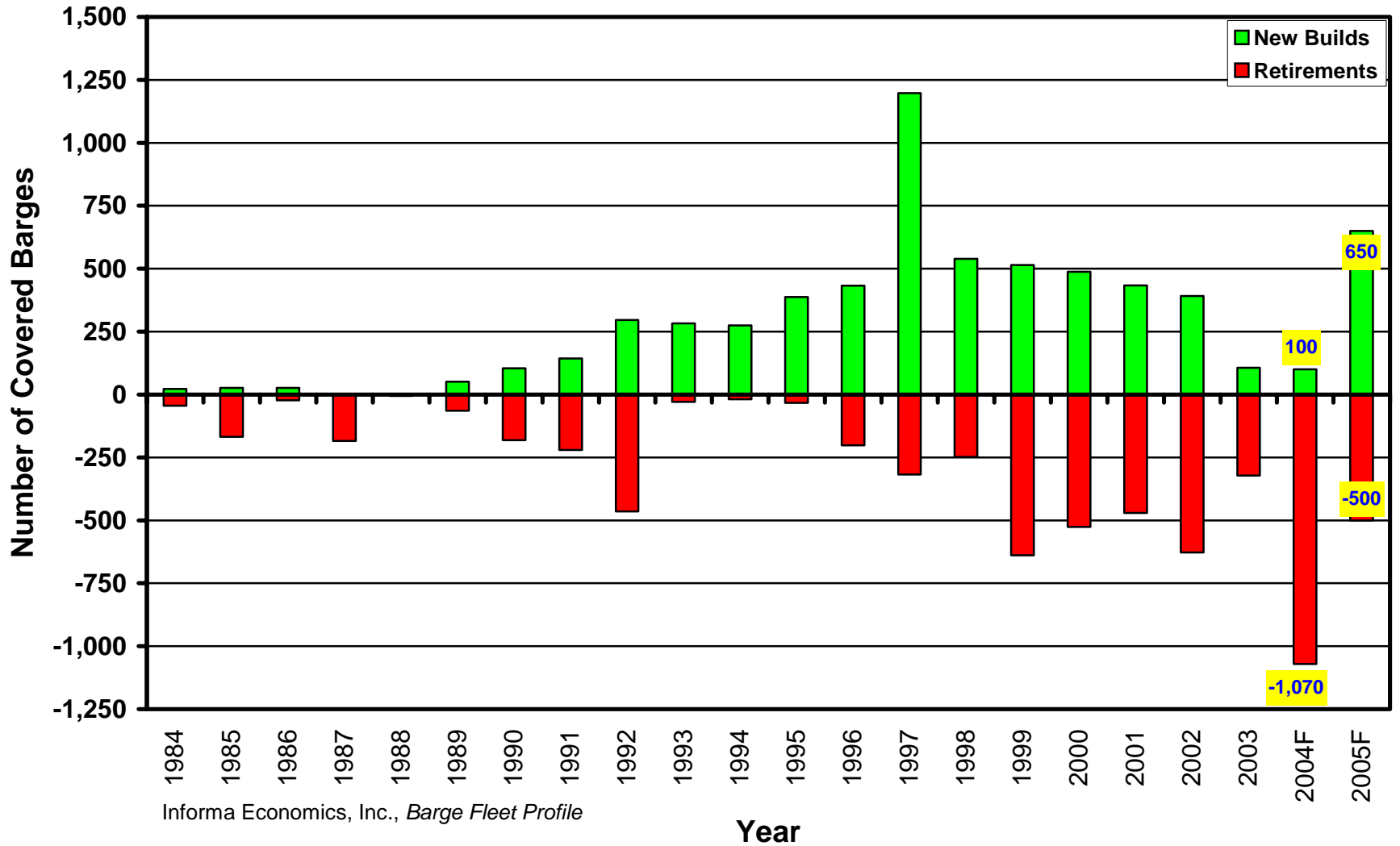
Weekly Spot Grain Barge Freight Rates

Average of Illinois River, Mid-Mississippi River, and St. Louis



SOURCE: USDA-AMS

Annual Covered Barge New Builds and Retirements



Informa Economics, Inc., *Barge Fleet Profile*

Covered Barge Demand



Domestic Barge Traffic: Internal (million tons) and Pressure Index, Life Cycle and Targeted Average Fleet Age

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Total 1/	568.7	578.8	571.3	574.7	577.7	575.5	569.6	563.4	574.2	582.4
Carried in Covered Barges	160.7	159.8	159.5	171.0	174.1	164.2	165.2	163.1	171.4	177.1
Farm Prod.	77.7	73.7	72.3	80.6	78.6	79.4	80.8	79.1	84.8	88.5
Flour, Animal Feed & Gr. Prod.	8.3	8.6	7.9	8.2	8.1	7.6	7.4	7.1	6.8	6.5
Metallic Ores	8.8	9.5	8.2	7.7	11.5	9.4	11.7	8.9	9.0	9.1
Primary Metal Prod.	12.5	13.9	16.4	15.9	18.3	12.6	13.2	12.5	14.8	15.7
Nonmetallic Minerals, Except Fuel	15.8	16.7	16.9	18.5	17.6	17.5	17.0	17.7	18.3	18.9
Lumber, Wood, Pulp & Allied Prod.	5.5	5.5	4.0	3.0	2.5	0.6	0.4	1.8	1.2	1.4
Chemicals & Allied Prod.	12.2	11.8	12.7	11.9	12.2	12.7	11.8	12.3	12.3	12.3
Petroleum & Coal Prod.	10.8	11.3	11.3	11.3	11.8	12.0	11.2	11.6	11.6	11.7
Stone, Clay, Glass & Concrete Prod.	8.9	8.6	9.6	13.8	13.3	12.3	11.5	11.9	12.3	12.7
Other & Misc.	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Non Covered Traffic	408.0	419.0	411.8	403.7	403.7	411.3	404.4	400.2	402.8	405.4
Covered Barge Count 2/	11,535	12,415	12,706	12,582	12,544	12,507	12,271	12,056	11,086	11,236
Change	231	880	291	-124	-38	-37	-236	-215	-970	150
Adjusted Barge Count 3/	11,786	12,846	13,218	13,171	13,206	13,234	13,057	12,445	11,490	11,738
Change	296	1,060	372	-47	35	28	-177	-612	-955	248
Index (1998 = 100)										
Tonnage	101	100	100	107	109	103	104	102	107	111
Covered Barge	91	98	100	99	99	98	97	95	87	88
Adjusted Covered Barge	89	97	100	100	100	100	99	94	87	89
Informa's Covered BPI	10	2	0	8	10	5	7	7	20	23
Informa's Adjusted Covered BPI	12	3	0	8	9	3	5	8	20	22

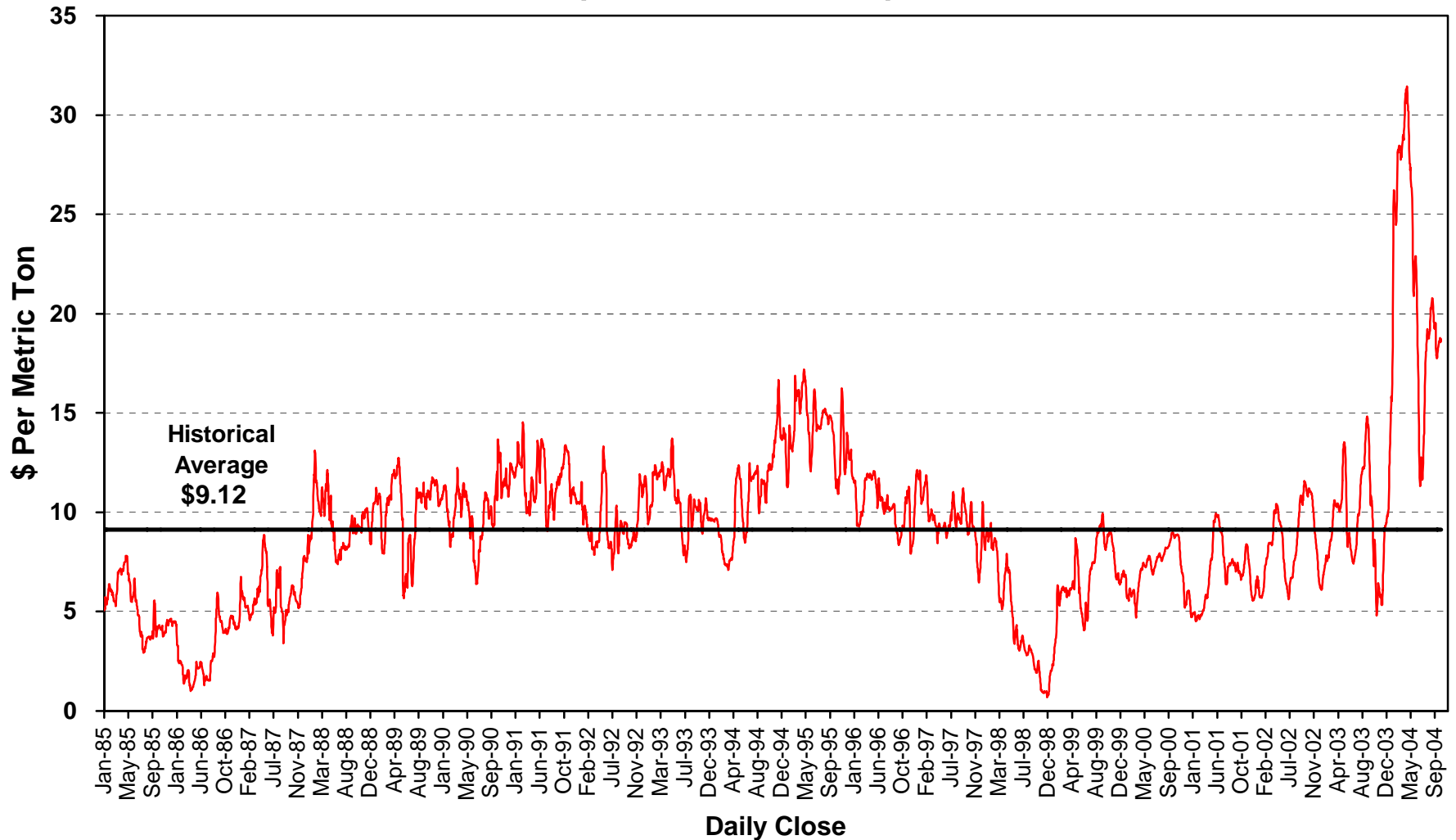
1/ US Army Corps of Engineers, *Waterborne Commerce of the United States*

2/ Informa Economics, Inc., *Barge Fleet Profile*

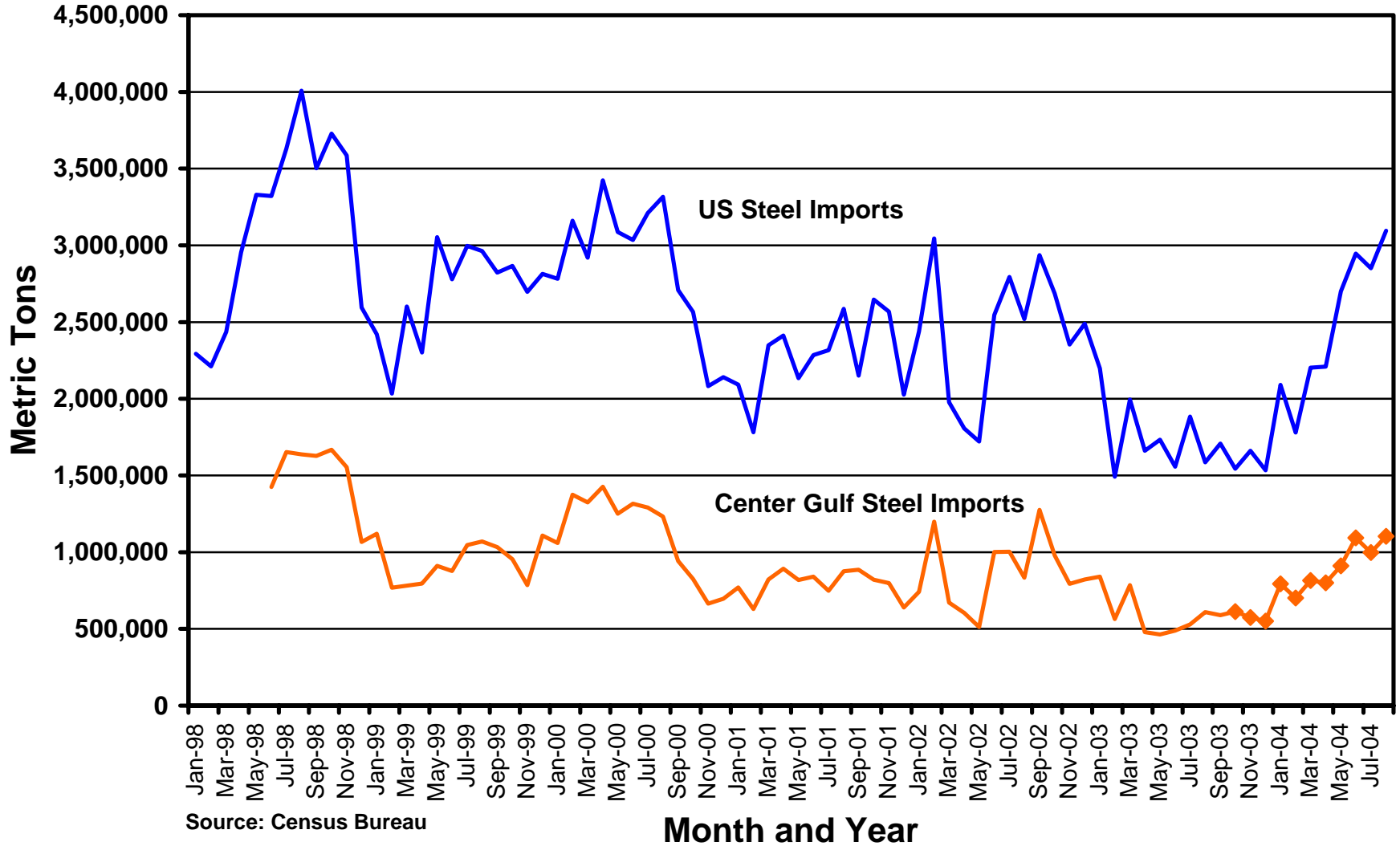
3/ Adjusted barge count incorporates larger capacity barges

Informa's projections in bold.

Daily Ocean Freight Rate Spread for Grain to Japan (Gulf less PNW)



Monthly Steel Imports



Source: Census Bureau

Grain Barge Freight Rates

Origination	04/05	Distance (miles)/1	Barge Size (tons)	Ton-miles/2	Percent of Tariff/3	Fixed Tariff (\$/ton)/4	Barge Rate (\$/ton)/5	Revenue per Barge/6	Revenue per Ton-mile/7	Corn Barge Rate (\$/bushel)	Soybean Barge Rate (\$/bushel)
Twin Cities	SON	1,722	1,500	2,583,000	290	\$6.19	\$17.92	\$26,884	\$0.01041	\$0.50	\$0.54
	DJF	1,722	1,500	2,583,000	NA	\$6.19	NA	NA	NA	NA	NA
	MAM	1,722	1,500	2,583,000	211	\$6.19	\$13.05	\$19,582	\$0.00758	\$0.37	\$0.39
	JJA	1,722	1,500	2,583,000	204	\$6.19	\$12.65	\$18,973	\$0.00735	\$0.35	\$0.38
	15-Oct-04	1,722	1,500	2,583,000	340	\$6.19	\$21.05	\$31,569	\$0.01222	\$0.59	\$0.63
St. Louis, MO	SON	1,049	1,500	1,573,500	267	\$3.99	\$10.65	\$15,981	\$0.01016	\$0.30	\$0.32
	DJF	1,049	1,500	1,573,500	185	\$3.99	\$7.38	\$11,073	\$0.00704	\$0.21	\$0.22
	MAM	1,049	1,500	1,573,500	147	\$3.99	\$5.88	\$8,819	\$0.00560	\$0.16	\$0.18
	JJA	1,049	1,500	1,573,500	136	\$3.99	\$5.44	\$8,162	\$0.00519	\$0.15	\$0.16
	15-Oct-04	1,049	1,500	1,573,500	318	\$3.99	\$12.67	\$19,002	\$0.01208	\$0.35	\$0.38
Peoria, IL	SON	1,249	1,500	1,873,500	283	\$4.81	\$13.61	\$20,422	\$0.01090	\$0.38	\$0.41
	DJF	1,249	1,500	1,873,500	221	\$4.81	\$10.63	\$15,952	\$0.00851	\$0.30	\$0.32
	MAM	1,249	1,500	1,873,500	176	\$4.81	\$8.46	\$12,691	\$0.00677	\$0.24	\$0.25
	JJA	1,249	1,500	1,873,500	166	\$4.81	\$8.00	\$12,006	\$0.00641	\$0.22	\$0.24
	15-Oct-04	1,249	1,500	1,873,500	345	\$4.81	\$16.59	\$24,892	\$0.01329	\$0.46	\$0.50

NOTES:

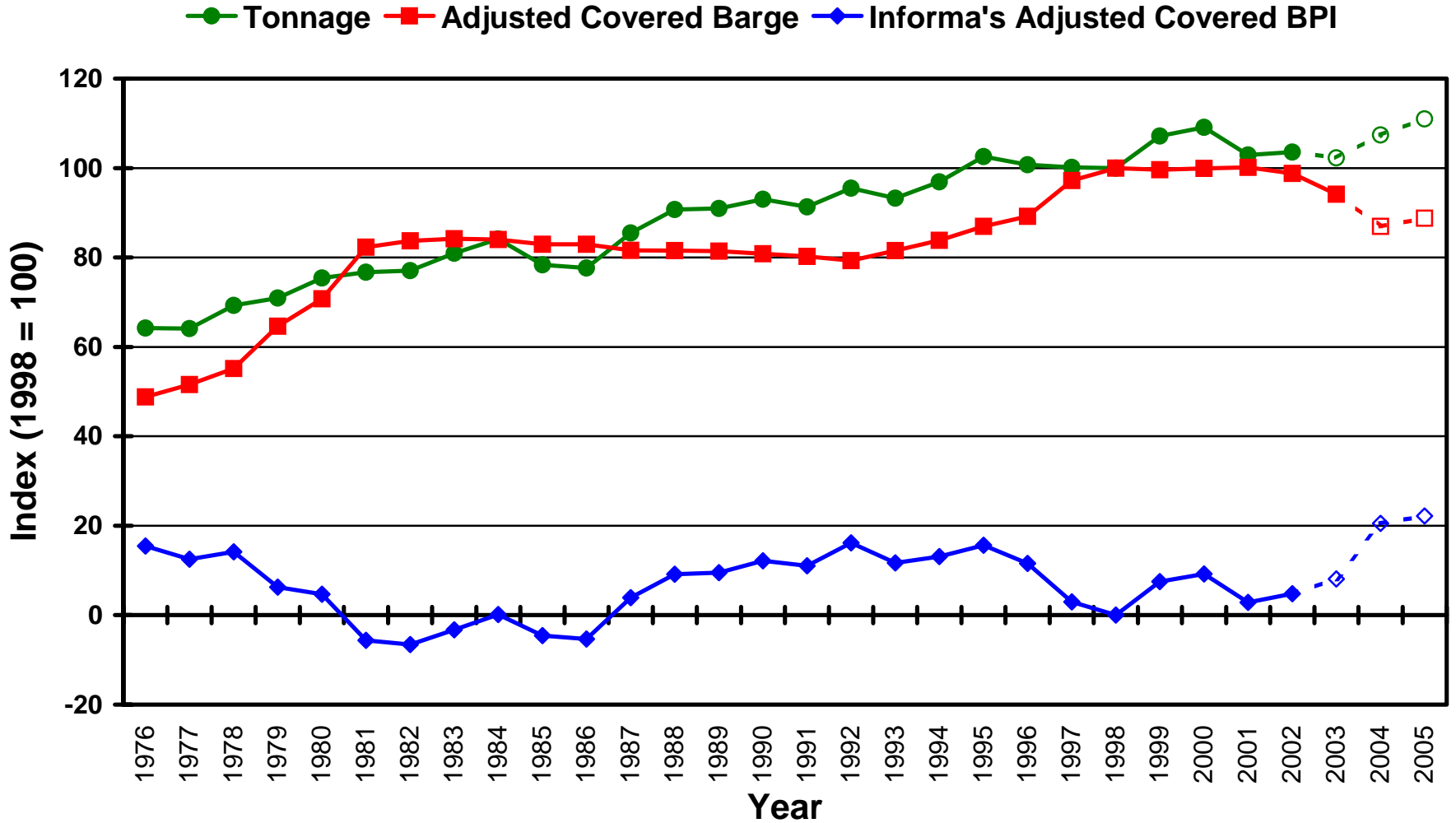
- 1 -- Army Corps of Engineers
- 2 -- Distance times Barge Size
- 3 -- St. Louis Merchants Exchange
- 4 -- 1977 Fixed Tariff
- 5 -- Percent of Tariff times Fixed Tariff
- 6 -- Barge Rate times Barge Size
- 7 -- Revenue per Barge divided by Ton-miles

Averages:

SON	\$14.06	\$21,096	\$0.01049	\$0.39	\$0.42
DJF	\$9.01	\$13,513	\$0.00778	\$0.25	\$0.27
MAM	\$9.13	\$13,697	\$0.00665	\$0.26	\$0.27
JJA	\$8.70	\$13,047	\$0.00631	\$0.24	\$0.26
15-Oct-04	\$16.77	\$25,154	\$0.01253	\$0.47	\$0.50

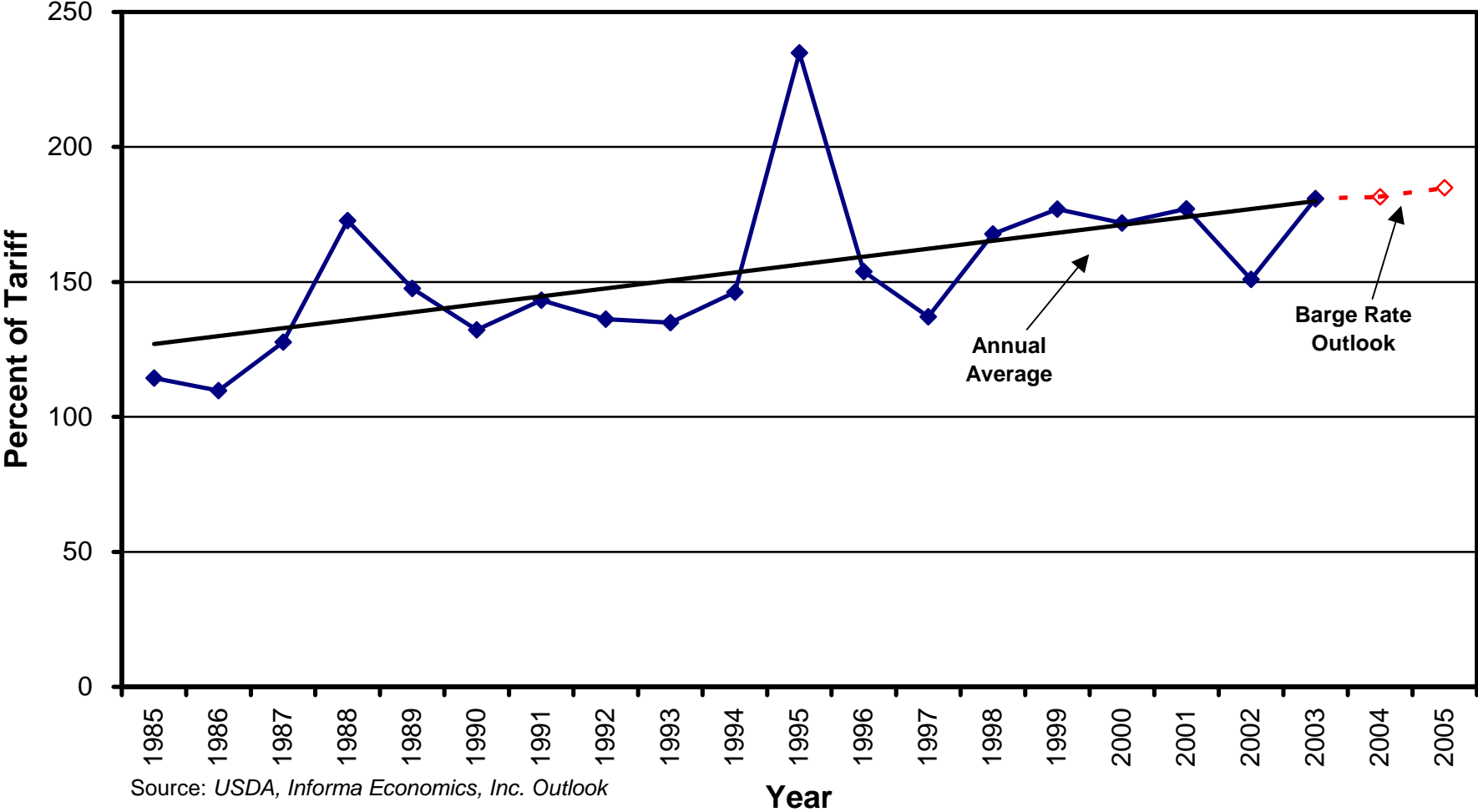
Covered Barge Utilization

Life Cycle Barge Retirement and Moderating BPI



Annual Barge Freight Rate Outlook for Life Cycle

(Illinois, Mid-Mississippi, and St. Louis)



Source: USDA, Informa Economics, Inc. Outlook

Navigation & Infrastructure Issues

- Aging Facilities – Emergency Closures
 - Greenup L&D (Ohio River), 2003
 - L&D 27 (Miss. River), Jul-Aug 2004
 - McAlpine L&D (Ohio River), Aug 2004
 - Lockport L&D (Ill. River), Aug 2004
 - Mel Price or L&D 26 (Miss. River), Oct 2004

Navigation & Infrastructure Issues (cont.)

- Missouri River
 - Water flows and levels
- Upper Mississippi River and Illinois Waterway
- Low Water and Icing Periods



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