

Agri-Boxing

Creating New Opportunities for
U.S. Agri-product via a 40' metal box—
An East Coast Perspective

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to the Authority
January 28, 2010

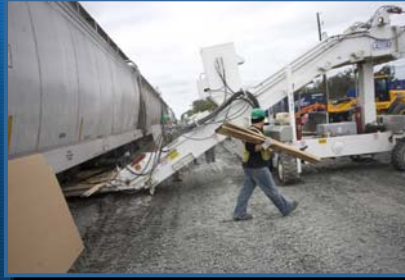
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Setting the Stage

Today's Presentation provides Snapshot Overviews of:

- ▲ Challenges facing U.S. ports
- ▲ Forces driving 'Agri-boxing'
- ▲ Garden City Terminal, Port of Savannah
- ▲ Colonel's Island Terminal, Port of Brunswick



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The 'Big Picture'... Issues & Developments Impacting U.S. ports

- ▲ Global Economy
- ▲ Declining Container Volume
- ▲ Increasing in 'Export' opportunities
- ▲ The Push to Go Green
 - Legislative pressure
 - Customer pressure
 - Public Sector pressure
 - Self-imposed pressure
- ▲ Bearing the Cost of Heightened Security
- ▲ TWIC's impact on Labor (Transportation Workers Identification Credential)
- ▲ Nationwide Trucker Shortage



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The 'Big Picture'... Issues & Developments Impacting U.S. ports

- ▲ Identifying funds/sources for Capital Project Improvements
- ▲ Terminal Capacity– Getting more out of what you have
- ▲ Last Mile Projects
- ▲ The impact of larger vessels on Port & Harbor Infrastructure
- ▲ Panama Canal Expansion– Larger ships in USEC future
- ▲ The impact of fluctuating fuel prices on steaming time and carrier service options
- ▲ Aging U.S. Road and Rail infrastructure
- ▲ Finding the 'Room to Build & Grow' inside & outside the gate



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Forces Driving 'Agri-Boxing' The Move to the Container

- ▲ Able to deliver product in manageable quantity to foreign buyers
- ▲ Containers are sealed and traceable
- ▲ More secure than other forms of transport
- ▲ Increasing pressure on ethanol producers to find markets for co-products
- ▲ Protection from the elements
- ▲ Greater 'identity preservation'
- ▲ Greater Service Reliability
- ▲ Greater Global Service Options
- ▲ Greater Market Opportunities
- ▲ 'Faster, Better, Cheaper'—
Taking advantage of Low Container Rates



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What's in it for the Ocean Carrier? Backhaul Opportunities

- ▲ New, high-volume 'backhaul' opportunities, such as grain, are commanding slightly better rates than traditional exports of raw materials out of the U.S. Southeast



What Plays to the Favor of the Agri-farmer? A Slightly Better Paying Cargo for the Backhaul

- ▲ A slightly better paying backhaul cargo, in many cases the Ocean Carrier will 'roll' lesser paying freight in favor of the agri-box

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Nothing is as easy as it sounds.

Matching the 'carrier's' wants with the 'shippers' needs can be frustrating at times, particularly with 'empties'

- ▲ With regard to their equipment, Ocean Carriers want quick turns
- ▲ U.S. demand for the import of consumable goods equals higher paying freight



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QUESTION:

What do Walmart, Target, Sears, The Home Depot, Hasbro, Heineken, Electrolux, and about 200-plus more Georgia 'Retailers' and 'Manufacturers' have to do with moving grain by container?



ANSWER:

Savannah-area import distribution centers generate an unprecedented supply of 'Empties' that remain in close proximity to the Port.

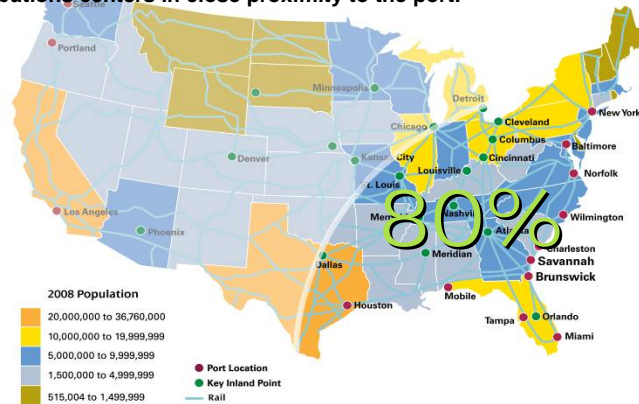
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PORT OF SAVANNAH: The Proven Gateway to the U.S. Southeast

Port-dependent Customers are 'within 1 to 5 days' of our terminal by rail.

- ▶ Attractive to shippers and carriers, Savannah's trade is consistently balanced.
- ▶ 80% of U.S. consumers live east of a line drawn from Chicago to Dallas.
- ▶ Of the 80%, Savannah is best positioned to serve 30% to 40% of these consumers via import distributions centers in close proximity to the port.



Source: U.S. Census Bureau

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TEGMA 2010

QUESTION:

How Do we get Savannah's empties to your stuffing operations at the source?

ANSWER:

That's the carrier's call.

REASON:

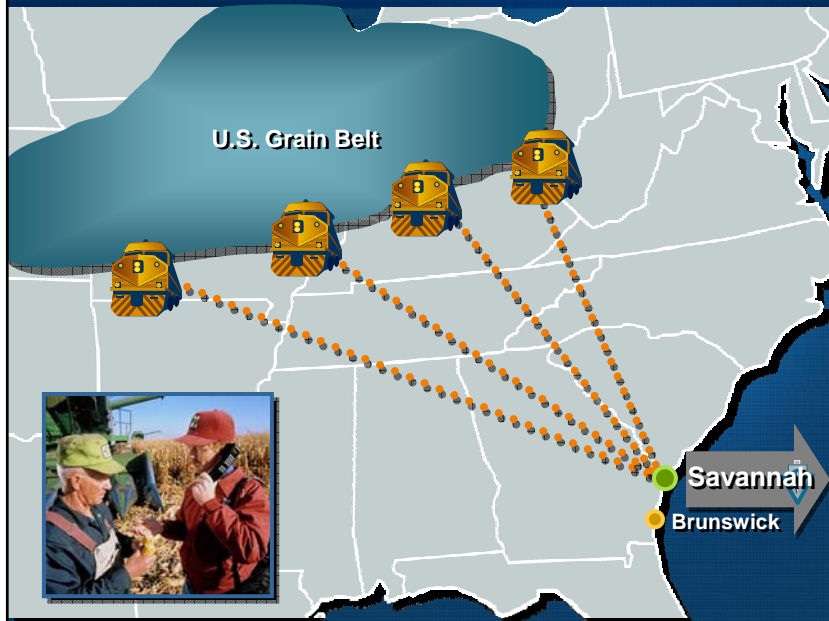
Carriers prefer to turn empty containers quickly for return to Asia and therefore seek to identify as many export opportunities as possible within easy reach of the port.



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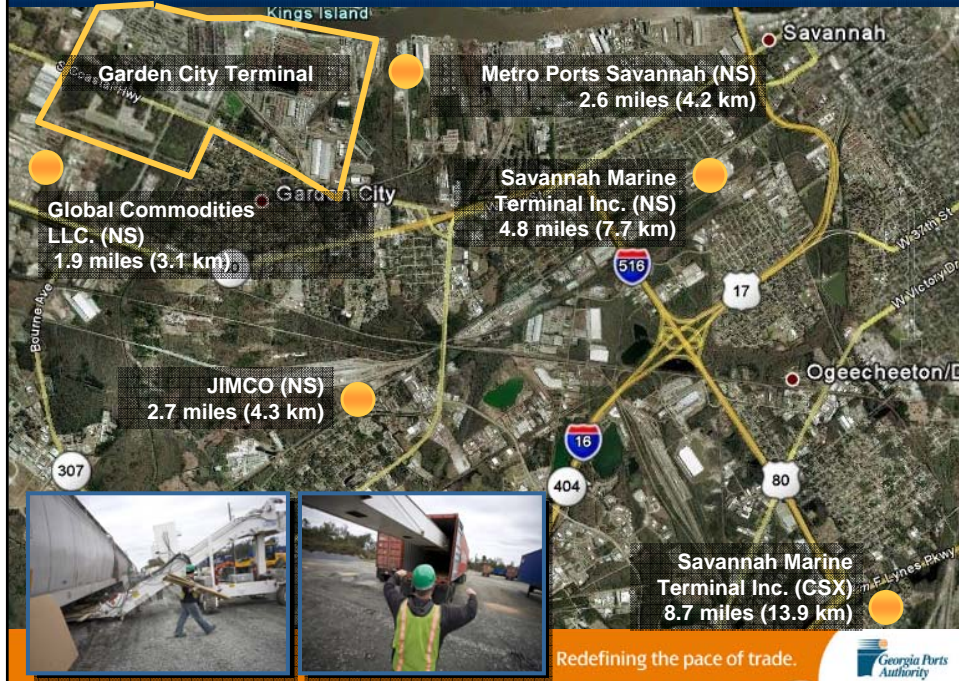
ANSWER: Bring the Product to the Source of the Empties... the Port



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PORT OF SAVANNAH: Agri-stuffing Operations are on the rise



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PORT OF SAVANNAH: Garden City Terminal

GPA, as 'owner & operator', provides flexibility & 24/7 cargo visibility.



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PORT OF BRUNSWICK: Colonel's Island Terminal / Agri-bulk Facility



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