Surface Transportation Board
Washington, D.C. 20423-0001

Minutes of the National Grain Car Council Meeting

Thursday, August 25, 2022
1:00 pm – 5:00 pm CDT

Attendance

Attendance sheets are appended to these minutes.

Approved substitutes for the meeting:

Katie Hadenfeldt	GATX Corporation
Tim Schitter	The Greenbrier Companies
Kathryn Gainey	Canadian National

AGENDA

1:00 pm 1) Welcome, Call to Order, and Introductions
- NGCC Chair Shane Berrett
- Safety Briefing – Ryan Raess, Union Pacific Railroad
- TEGMA Chairman Terry McDermott
- Introductions
  - STB Members
  - Approved Substitutes – Alan Cassiday
  - NGCC Member Self-introductions

2) Renewable Diesel and Its Impact on Rail Shipping
- Paul Nees, Vice President Global Supply & Trading, Chevron – Renewable Energy Group

3) Grains and Oilseeds Outlook
- Amanda Bittner, Lead Analyst for Global Corn and Director of US G & O Research, Louis Dreyfus Company

4) Grain Shipper Panel
Moderator: Greg Twist, AGP
- Tom Sexter, Louis Dreyfus Company
- Gary Cordier, Perdue
- Wyatt Brummer, Scoular

2:45-3:00 pm Break

5) Welcome Back
- NGCC Second Vice Chair Mark Huston

6) Rail Equipment Overview
- Katie Hadenfeldt, Sr. Regional Vice President of Sales, GATX

7) Railroad Reports
Moderator: NGCC Vice Chair Jon Harman
- Class I reports
- Class II/III reports

8) Closing Remarks
- Board Member Patrick Fuchs
- Board Member Robert Primus
- Board Member Karen Hedlund
- Board Vice Chairman and NGCC Co-Chair Michelle Schultz
- Board Chairman Martin Oberman

5:00 pm 9) Adjourn – Shane Berrett

Welcome and Call to Order

Shane Berrett opened the meeting and welcomed the attendees to the 2022 meeting.

Ryan Raess with Union Pacific Railroad gave the safety briefing.

Terry McDermott, Chair of TEGMA, welcomed the opportunity to collaborate with the NGCC for this year's meeting and appreciates the benefits and efficiencies of the two organizations meeting in conjunction. He also gave a current overview of TEGMA and looks forward to seeing everyone at the TEGMA gathering the next day.

Alan Cassiday introduced the approved alternates in attendance. He also mentioned that the current council officers have one year left in their terms. At that time Jon Harman will assume the office of council Chairman and an election will be held for Vice-Chairman. Per the Council's charter, nominations for Vice-Chairman must be a member from a non-carrier enterprise.

The Board members were introduced followed by the Council members self-introductions.

Jon Harmon, NGCC Vice Chair, introduced Paul Nees who spoke about the current work on renewable energy and its potential impact on rail transportation

Renewable Diesel and Its Impact on Rail Shipping
Paul Nees, Vice President Global Supply & Trading, Chevron – Renewable Energy Group

A summary of his presentation is:
+ Lower carbon fuels are needed now
+ Renewable diesel volumes are set to increase substantially over next 5 years
+ Renewable feedstock supply lanes will be impacted by RD production growth
+ Transportation of the feedstocks needed and finished fuel to end markets will require efficient supply chains

See presentation below.

Audience questions:

Q Why are the two resulting process products called Renewable Diesel and Biodiesel?

A Speaker does not know why these names were used to denote the two processes. The feed stock for both can be animal fat or vegetable oil. One results in a paraffinic fuel while the other results in an oxygenated fuel, each meeting a different diesel ASTM specification.

Q What are the power differences between the two products?
A Biodiesel has a higher horsepower, economically there is no difference.

Q What are the savings on locomotive carbon emissions?
A Depends on the feed stock used in producing the fuel. However, long life analysis generally indicates that emissions are 8% better than petrol fuel.

Q Diverting ethanol for fuel usage was criticized for causing a corn stock depletion and thereby reducing available agricultural products used in food production. Would this be similar concern for bio and renewable diesel production?
A No, feed stocks are byproducts and should not limit the stock used in food production. Additionally, increases in feed stock demand should raise prices leading to greater production.

Q With an increase in demand and export market effects, what is the perspective on required increases in rail network capacity?
A Unable to answer that question. Chevron/Renewable Energy Group is not a processor and does not know the processors plans.

Mark Huston, NGCC 2nd Vice Chair introduced Amanda Bitner who spoke on the outlook for corn and soybeans.

Grains and Oilseeds Outlook: Focus on Corn and Soybeans
Amanda Bittner, Lead Analyst for Global Corn and Director of US G & O Research, Louis Dreyfus Company

Key Points:

Final 2022 US Yields Still Carry Quite a Bit of Uncertainty – Pro Farmer showed some lower prints along with lingering question of how good was finishing weather

Ukraine Corridor – Does it stay open and how well does it run? What could this mean for US exports and global flows?

China Imports – How much growth will we see year-over-year?

US Balance Sheets – Corn and soybean carry outs flat to lower year-over-year with additional yield risk still ahead

See presentation below.

Audience questions:

Q Is Ukraine's capacity usable?
A It is usable and today Ukraine has decent capacity availability. The underlying question is does access to that capacity stay open.

Q What are anticipated impacts to production next year by prices going lower?
A Could see swings in production impacting the number of planted acres in 2023. Currency resources could make for a better production circumstance.

Jon Harman introduced Greg Twist who then introduced the panelists making up the Grain Shipper Panel.

Grain Shipper Panel
Moderator: Greg Twist, AGP
Tom Sexter, Louis Dreyfus Company
Gary Cordier, Perdue
Wyatt Brummer, Scoular

Q What has been the contacts to you from the carriers, what information was relayed, and what advice did you as a grain shipper give them?

A There were regular conversations and comparing of notes as to the quality of service. There were discussions about the new personnel carriers were hiring and their employment recovery processes. The carriers talked a lot about their hiring efforts and blamed the employee shortages for the service problems but that was their business decision. Those decisions did hurt the shippers who are paying a price for those decisions. While there was no attempt to avoid communications, the communications that occurred were not always the right communications.

Q What were communications regarding service level cuts due to the Covid pandemic?

A Shippers were not told that there was going to be a cut to service. Service cuts were said to be the result of transportation personnel shortages. As of April and May the carriers were saying they needed to find more people. The carriers were optimistic they could get out of the shortage trough, but it is taking longer than expected.

Q Were there any private car fleet issues?

A There were more restrictions on where private cars went, some leading to longer turnaround time. Markets in some cases placed restrictions on where cars went.

Q What is the current 90-day experience?

A It is taking time to get things better. There have been improvements in the east but it was thought that things would be in a better place sooner. Now is the time for good service.

Q What are your projections today concerning grain?

A There are questions about the future as noted in the Louis Dreyfus presentation. Export opportunities will exist but their window could be limited and dependent on the time of year. Confidence levels are not as high as the market would like them to be. Running at full capacity is best for shippers but the industry will run smaller programs due to risk and be more conservative in their approach. Farmers are affected by inefficiencies in the system which transfer risks to them.

Q How has past 12 months service changed your operations?

A Shippers will not approach this year's season like they did in past years. It is a work in progress with some holding capacity until market shows its intent. Everyone is challenged with hiring struggles. The previous experience has affected projections with respect to carriers/corridors difficulty. There is no confidence in usual corridors or grain from unnatural areas. Questions about how transportation works when shipping to other locations

Q Given how Wall Street rewards performance and results, what would you change in those determinations?

A Shippers cannot do bad without suffering. That may not be true for all involved shipping components.
Equity and fairness challenges exist.
There are no guarantees on velocity or turn time. So when buying a capacity for a set term you may not know how much you may be getting. The fair way is to say what is the minimum obligations for freight service.
Cost increases affect where you locate assets as facilities are tied to the railroads. But are there better places for access to system and thereby where do your capital expenditures?

Questions for the shipper panel from the floor:

Q Will there be a more or less need for private cars?
A Shippers plan on running the same size car fleets.

Q Were communications real and accurate?
A It has taken time to realize the actual situation. All have been humbled and things have gotten better.
The communication was occurring, and all believed the recall from furlough would work.
Challenges were the pandemic, subsidies, extended hiring, second chances, and background checks. Operation ratios took a toll. Covid hurt getting out of the labor shortage.
It was a complex problem that did not add up during the day to the result seen or presented.

Q What does the next 30 days look like vis-à-vis current situation and potential rail strike?
A A strike cannot happen. It is believed that Congress will not allow a strike to happen.
Now is not the time to supplant rail service.
If an interruption does occur it need to be short term. There is optimism but there is planning for failure to some extent.

See presentation below.

Mark Huston introduced Katie Hadenfeldt who spoke on the current railcar market and fleet

NORTH AMERICAN RAILCAR MARKET UPDATE

Katie Hadenfeldt, Sr. Regional Vice President of Sales, GATX

Key points:

2022 Forces tightening the railcar market affecting the railcar market in the short-term:

- Macroeconomic conditions
- Demand to move freight
- High fuel prices
- Labor shortages in trucking
- Railroad service issues
- High scrap steel prices accelerating retirements
- High steel, component, & labor prices leading to high new railcar prices

Approximately 1.63 million railcars –

- Shipper ownership share has declined slightly.
  - 19% in 2012 to 17% in 2022
- Alternative focus of capital on core business versus railcar investments.
- Railcar maintenance and management not a core competency.

Car owners can't solve rail service issues.

- Over-fleeting is costly & risky.
- But running too thin results in missed loads.
- The car let go may cost twice as much to get back.
- Over time, shippers will understand the new normal & fleets will adjust.

Q Is GATX concerned about lessees storing cars?
A GATX has no concern about storage as long they get paid.
Relatedly, GATX is being approached by new customers.

Railroad Reports

Moderator: NGCC Vice Chairman Jon Harman, Canadian Pacific

BNSF

Todd Glissman provided the report. Last year BNSF ramped up quickly. This year BNSF has 10 train sets under spout. They are not adding cars but have the same number of shuttles. They have more locomotives than needed. 70 units have been sent to the Twin Cities for the harvest ramp up. Cars are having their wheels serviced in 15 minutes versus sitting in bad order status for 30 days. This results in a big, clean, and safer car set.

There is good track capacity in wyes and relays and increased reliability with the installation of 31 heaters. There were no switch failures last year and slow orders are down.

Employment is at 1450 train and engine employees with a 1700 hiring goal. They continue to push to the end goal. They are keeping up with employee attrition and believe they have the right crew based on the forecasts.

Concerning communications, they believed that the information they gave was correct, but situations then changed. They know that they can always do better.

Overall, BNSF feels it is in a good position though there may be crew challenges.

Canadian National

David Przednowek and Kathryn Gainey provided CNs report. There has been a big change in north-south movements. Operations have increased from the time of the pandemic in full effect to now. CN is currently acquiring 57 additional locomotives to increase their fleet. 1500 hopper cars are dedicated to US grain service, most of them for manifest traffic.

CN’s T&E retention rate has been 94.2% for 2022, compared to 90.7% for 2021. T&E employment has increased from October of last year. There are currently approximately 200 active trainees. Students continue to enter the training program with those successfully completing the program returned to their home terminals for on-site training.

Unit train numbers will be dependent upon customer demand.

Regarding unconventional routes and planning, CN is confident in its ability to move assets where needed when needed.

Canadian Pacific

Kira Murphy provided the report. CP has increased its grain hauling efficiencies with 40% more grain per train load. Grain covered hoppers are used interchangeably within Canada and the U.S. More than a third of the fleet is projected to be used in the U.S. CP expects 70% of its hopper fleet to move in unit train service.

For the 2022-2023 harvest year, CP plans to have 4000 operations employees across their network. CP has hired over 1000 operations personnel to date this year. CP has hired 1088 conductors to date in 2022 with a retention rate of 77%. At any one time, there are 400 to 500 conductor candidates with conditional offers to join CP. There are no furloughs available for recall in the US.

Shuttle train numbers were down over the last year due to drought conditions in Western Canada and are currently lower due to low grain stocks. However, CP anticipates operating over 100 shuttles during this harvest peak.

CSX

Ted Johnson gave the report. CSX is cautiously optimistic. They are in a better position than last year but are not where they would like to be. Forecasts for the Southeastern US are 27% lower.

CSX has instituted changes in their bulk network group as opposed to looking at individual commodities separately. They feel that this results in better communications and service capabilities. CSX has the capability to transfer resources from other areas to address any grain issues that arise.

Since last year, CSX has hired more employees than have left the company. CSX is hiring at all locations to backfill shortages but also to get ahead of future growth and attrition. T&E attrition rate is 9%, but is much higher for employees with less than 1 year of service.

Kansas City Southern
Mike Bilovesky provided the report. KCS feels good going into the harvest. They have geared up to do better than 4th quarter last year. The questions are how you plan for the unknowns. Grain runs north-south on the KCS. Routes may differ historically due to drought traffic. KCS has no ability to runaround routes that may be over capacity or incapacitated.

KCS runs unit train but not necessarily dedicated trains. An empty train may be sent to another customer for loading based on location, elevator availability, or UP and BNSF availability on the north end of KCS.

Weather impacts velocity which in turn affects needed crews.

KCS anticipates a strong harvest and expects 26 to 30 additional trains this season.

Norfolk Southern
Ryan Leonard & Steve Ewers provided the report. NS believes its service levels are not meeting its expectations. But it believes the network has turned a corner and improving. NS believes its operating plan results in a better network evidenced by the improvements they are seeing and are encouraged improvements will continue.

NS is addressing areas where hiring is challenging, and attrition rates are high. It is using financial offerings and incentives to address the challenges. Performance is affected by the labor shortages as train velocity is directly related to crew availability and shortages. NS believes that there are potential ramifications of current contract negotiations. Specifically, the distribution of back pay and incentives to remain in service. These could affect crew availability.

Note: Other carriers voiced concerns that employees may be remaining in service in hopes of receiving back pay and upon receipt retire.

NS is not focused on one train type demands, i.e. coal vs grain. Both are addressed by staffing and crew training to alleviate any concerns in balancing the two traffic types.

Union Pacific
Jacob Thomas gave the report. UP has similar expectations as last year. UP does anticipate unconventional moves and encourages shippers to advise of those as soon as possible.

UP expects to have 83 shuttle sets during peak harvest.

UP has 1261 total T&E personnel. Currently 43 conductors in training with additional 40+ scheduled for November. UP plans to train 45 engineers from the conductor ranks starting in September. Crew availability last month was 89%. Crew personnel is up 300 year over year which is a 2% increase. Hirings are covering employee attrition.

Embargos are in effect on a shipper basis. Shippers/consignees not getting service. Cars then begin to back up in yards. At some point, embargo is placed on the shipper.

Genesee and Wyoming
Deb Alexander gave the report. G&W is prepared for the harvest. G&W operates some unit and shuttle trains provided by the Class 1s. There are no furloughed personnel available for recall, there are 17 employees in training, 16 hirings, and a nominal retention rate of trained and in service employees of 80%. G&W has received a 2023 RAISE Grant for its RCPE subsidiary which will improve track speeds for grain shippers and provide 286K lbs. load capabilities.

Iowa Northern Railway
Amy Homan provided the report. Iowa Northern is ready for harvest. All crews are available to support harvest demand surge. No employees are furloughed. 9 employees are in training with 27 active T&E

personnel. Continued hiring will depend on the Class 1 contract agreements which will affect Iowa's position in keeping their employees happy and at home, as well as the pool of future employees. Approximate capital expenditures for 2023 are $4M.

Iowa Interstate Railroad
Carrie Evans gave the report. IAIS expects to handle harvest volumes without difficulty. IAIS has 456 hoppers. All are active, though some travel offline. IAIS has 95 total employees and is able to assemble 80 crews to meet the harvest demand. No employees are furloughed, and it will be hiring 10 new employees. 2022 IAIS Capital plan includes installation of 26,000 ties, 3 bridge replacements and 3 new tracks in our Silvis, IL yard.

Montana Rail Link
Jim Lewis provided the report. MRL is in a good position relative to rail cars and crew availability. MRL transports BNSF unit trains across its network. MRL owns 106 grain cars and no unit trains. Employee count is 1,058 of which 487 are transportation employees. There are no furloughed employees and currently 3 classes of switchman hires consisting of 42 new employees.

Rio Grande Pacific/Nebraska Central Railroad
Michael Haeg gave the report. RGPC is ready for the 2023 harvest. RGPC expects to run 40-to-50-unit trains in October and November which is consistent with 2020 and 2021 volumes. There are currently 23 employees in train service. In rural America there have been issues with maintaining personnel. There have been no impacts due to changes by other carriers operating plans, etc.

Twin Cities & Western
Twin Cities is ready for the harvest surge. They also get other surges. T&E employee count is expected to meet customers' needs. They believe communication exchanges are key and that train performance is primarily dependent on loading and unloading time.   Capital expenditures are focused on maintaining track standards through maintenance and rail joint elimination. They believe their infrastructure is as good as it has been at any point in history.

Watco Companies
Jimmy Patterson provided the report. Watco has purchased 10 locomotives expected to rotate into service over the next 4-6 months. Watco has had challenges with labor retention in Wisconsin and Texas. The turnover rate was 37% thru July. Currently there are 826 T&E employees with 59 open positions and 61 in training. Watco has budgeted an additional $45m to do a complete upgrade of the South Kansas & Oklahoma Railroad to make it 286k compliant by Q3 of 2023 to support a new Soy Bean Crush Facility that is being constructed. This location has connectivity to the UP, BNSF and KCS.

Closing Remarks and Adjournment

Shane Barrett thanked all the railroads for their thorough reporting and thanked the speakers for their informative presentations and the STB members for their assistance.

Board Member Patrick Fuchs thanked all the attendees for their participation. He stated that he does have some concerns about service and believes there is a need to see improvements on the ground.

Board Member Robert Primus thanked everyone for their participation. He stated that continuing dialogue and conversations over service is important and will be watching to see how it goes, hoping for the best. He does appreciate carrier's and shipper's commitment to open and informative dialogue.

Board Member Karen Hedlund thanked all the attendees. She expressed a specific interest in the situation in Ukraine and its possible effects on the grain markets in the US. What could be the effects on grain transportation or in determining for what purpose or in what manner the grain would be consumed.

STB Vice Chairman Michelle Schultz thanked everyone who prepared for the meeting and everyone who presented. She noted that the Board does not regulate labor or issue rules related to labor-management relations. The Vice Chairman noted that the Board does keep abreast of labor issues in that those issues do drive the industry at this point in time.

STB Chairman Martin Oberman thanked everyone for their reports. He stated he was impressed that there were no issues on the short line carriers as opposed the larger carriers still working through some problems. He also stated that he is troubled by those who refer to the backpay issue now under discussion in labor negotiations as a windfall. He noted that it is payment for work during the years when there was no agreement in force and payments are simply the payment of the wage increases that would have occurred had an agreement been in place. The Chairman also is concerned about the expansion of embargos being implemented. He expressed concerns as to whether this is now a regular order of business, if they are a result of crew shortages, or carriers not having enough infrastructure, rolling stock, or supplies. He questions whether resource shortages justify embargos being put in place. He noted that shippers are not saying that their lot is improving though everyone says things are getting better. He would prefer to see results rather than data and the Board will be continuing its oversight of carrier performance. The Chairman stated that the Board wants the railroads to be a huge success, meaning more freight on the rails with shipper successes. He questions can the railroads be successful with the current state of labor issues. He is not optimistic the railroads will meet the goals they have set.

Shane Berrett Farmer adjourned the meeting at 6:42PM.

NATIONAL GRAIN CAR COUNCIL
2022 ANNUAL MEETING
STB ATTENDANCE LIST

Please Initial	Board members	Title
[illegible]	Martin J Oberman	Board Chairman
[illegible]	Michelle A. Schultz	Board Vice-Chairman
[illegible]	Patrick J. Fuchs	Board Member
KJH	Karen J. Hedlund	Board Member
[illegible]	Robert E. Primus	Board Member

	Board Staff	Board Office
LSN	Lisa Novins	Attorney Advisor
JCS	Jetta Sandin	Attorney Advisor
ALC	Alan Cassiday	DFO - NGCC

NATIONAL GRAIN CAR COUNCIL
2022 ANNUAL MEETING
MEMBER ATTENDANCE LIST

Please Initial	First	Last	Title	Company
	Deb	Alexander	National Accounts - Agriculture, Sales & Marketing Manager - KYLE	Genesee & Wyoming
	Keith	Andersen	Senior Vice President - Sales	Wells Fargo Rail
	Shane	Berrett	Director, Transportation and Logistics	Gavilon Global AG Holdings, LLC
	Mike	Bilovesky	VP Marketing and Sales, Ag & Minerals Business Unit	Kansas City Southern Railroad
	Matt	Branch	Director, Operations & Market Strategy	Chicago Freight Car Leasing Co.
	Wyatt	Brummer	VP Rail Feed Grains	Scoular
—	Dustin	Buntrock	Rail Transportation Manager	Agtegra Coop
	Justin	Cauley	Director of Transportation	CHS Inc.
	Mark	Chambers	Senior Director Rail Transportation	Perdue AgriBusiness
---	Brian J.	Comstock	EVP, Marketing and Sales	The Greenbrier Companies
	Daniel	Deboer	Senior Director of Coal and Bulk Operations	CSX
	Carrie	Evans	VP Sales & Marketing	Iowa Interstate Railroad
	Steve	Ewers	GVP - Customer Operations	Norfolk Southern
---	Lindsey	Fisher	Market Manager, U.S. Grain Sales & Marketing | Bulk	Canadian National
	Todd	Glissman	Director Bulk Operations - Agricultural Products	BNSF
	John	Glynn	Senior VP Leasing	CIT Rail
	Brian	Groskreutz	Transportation Coordinator/Grain Marketing	Farmers Cooperative
	Michael A.	Haeg	VP - Marketing	Rio Grande Pacific Corporation
	Dana	Hansen	Director Rates and Fleet Management	Archer Daniels Midland
	Jon	Harman	Managing Director - Marketing	Canadian Pacific
	Laura	Heisterkamp	AVP Bulk - Marketing & SalesAg & Fertilizers	Union Pacific
	Amy	Homan	Director of Marketing	Iowa Northern Railway
	Mark A.	Huston	Director North America Transportation, VP	Louis Dreyfus Company Rail Services LLC
	Ted	Johnson	Director of Agricultural Marketing	CSX
	Alan	Koenig	Chief Supply Chain Officer	Grain Craft
	Brock	Lautenschlager	North American Rail Leader	Cargill Inc.
	Ryan	Leonard	Director Marketing - Agriculture	Norfolk Southern
	Jim	Lewis	Chief Sales/Marketing & Information Officer	Montana Rail Link
	Dave	Long	VP Marketing	Twin Cities & Western Railroad
	Terry	McDermott	Director, Supply Chain - Rail	Bunge North America
	Charley	Moore	Senior Vice President Agriculture Sales	TrinityRail
	Kira	Murphy	Director of Grain	Canadian Pacific
	Jimmy	Patterson	SVP, Sales	Watco Companies
	David	Przednowek	Director, Sales and Marketing - Bulk	Canadian National
	Dean	Sawyer	Director - Sales	American Railcar Industries
	Dan	Schueth	Operational Planning Manager	Kansas City Southern Railroad
	Jacob	Thomas	Senior Director - Business Planning & Development	Union Pacific
	Jim	Titsworth	General Director Marketing	BNSF
	Ross	Trentadue	Manager Transportation/Merchandiser	Zen-Noh Grain Corp.
	Greg	Twist	Senior VP - Transportation	Ag Processing
	Tyler	Williams	Sr. Manager, Commodity Purchasing Group	Tyson Foods, Inc.
---	Rob	Zmudka	Senior Vice President and Chief Commercial Officer, Rail North America	GATX Corporation
	Katie	Hadenfeldt	alternate attendee	GATX Corporation
	Tim	Schitter	alternate attendee	The Greenbrier Companies
	Kathryn	Gainey	alternate attendee	Canadian National

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NATIONAL GRAIN CAR COUNCIL
2022 ANNUAL MEETING
PUBLIC ATTENDANCE LIST

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First	Last	Title	Company
Luke	Jones	CORP ACCT MGR	GATX
Jon	Harman	~~EP~~ Managing Director	CP
John	Hardy	~~EP~~ VP	CP
Paul	Nees	VP Supply + Trading	REG
Lynn	Krueger	Sr Manager	Ingredion
Hugh	[illegible]	D.R	INGREDION
Jeff	Mlinarcik	Regional Manager - Sales Midwest	National Steel Car
Gary	Kearby	VP Sales	Wells Fargo Rail
Matt	Frankel	VP GM	Wabtec
Jerry	Filan	VP	SMBC
John	Park	GM/VP	Equilar
Leonel	Gonzalez	Purchasing	Ragasa
JUAN	GARCIA	LOGISTIC MANAGER	RAGASA
Keith	Burgmeier	Reg VP Mktg + Sales	NSC
Katie	Hadenfeldt	SVP Sales	GATX
Andre	Erickson	GP Bulk Ag Mktg	BNSF
Mike	Vaupel	Commodity Mngr	ADM
Trent	Schaller	~~Bartlett~~ Grain VP	Bartlett Grain
ERIN	ALVES	NAT'L ACCOUNT MANAGER, EPPS	CANADIAN PACIFIC
Jayna	Bishop	National Acct Mgr	CP
Laura	Ward	VP Sales	Wells Fargo
Amanda	Bittner	Director of US G&O	LDC
GARY	CORDIER	SVP GRAIN + OILSEED	PERDUE
Henry	Aufdenkamp	CPE - Merchant	CPE
Gary	BRANDT	CPE - CEO	CPE
Lance	Adams	Merchandising Manager	Producer Ag
Tom	Sexton	~~[illegible]~~ Senior Merchant	LDC
Dustin	Weiner	GRAIN MERCH LEAD	LANDUS
Greg	Gooth	DIR OF SALES	Trinity
Leonel	Alcantar	RAGASA DIRECTOR	RAGASA
Mike	Stafford	National Accts	CN
Miguel	Davalos	Commercial Director	Attebury Grain
MIKE	BILOVESKY	VP MARKETING + SALES	KCS
Carrie	Williams	Merch Manager	Ag Mark
Doug	Weber	[illegible]	Ag Mark
		Merger Foundation	
RYAN	WARNER	[illegible]	CONSOLIDATED GRAIN + BARGE CO
Scott	Baker	Sales Director	Chicago Freight Car
Jeff	Bechard	SVP of Grain	CVA
Kelly	Dietz	Merchandiser	Agtex
Mike	Elwell	VP, Leasing	GT Rail
Shawn	Bloom	Merchandiser	ANDE
Matt	Branch	VP, Portfolio	Chicago Freight Car
Ryan	Ross	Gen Dir Grain	UP

NATIONAL GRAIN CAR COUNCIL
2022 ANNUAL MEETING
PUBLIC ATTENDANCE LIST

First	Last	Title	Company
Lucas	Goodelman	Market Manager	Canadian Pacific Railway
Garret	Paz	President CEO	Ceres / Midground
Phil	Spieckermann	VP Rail	Poet
Tim	Prince	Rail Merchant	Attebury grain
Vlad	Milesh	VP	ND Grain Inspection
Neal	Danner	Director of Sales	TrinityRail
Max	Fisher	Chief Economist	National Grain + Feed Assn
Dan	Suarez	Senior Merchandiser	The Scoular Company
Lisa	Hernandez	SC National Account Mgr	CN
Joan	Hardy	Vice President Sales & Marketing	Canadian Pacific
Micah	Powell	VP	Genesee and Wyoming
Tom	Schoenhard	~~[illegible]~~ Sales & Marketing	G&W
Al	Deasy	Director	CSX
Andre	Clements	Senior Merchant	Arizona Grain
Steve	Neally	SR Merchant	CHS
Kelly	Vandenberg	Merch Manager	CVA
Byron	Porter	CEO	Hum
Jason	Hess	VP Bulk	UP Railroad
MITCH	CARLSON	via e-mail	CARGILL
BRAD	ROOKER	per TEGMA	UNION PACIFIC

2019 Railroad Statistics

Class I Railroads

BNSF

Locomotives

Total locomotives are 5,475 with 5,275 in service that include 70 new leased units, and 200 units in storage.

Grain cars

Total grain cars are 32,000. Of those 29,932 are in active service and 2,068 are stored. For all cars, 22,779 are in unit service and 9,221 are in single car service.

Labor resources

Total TYE employees are 14,440. The 2022-year TYE hiring plan is for 1,776 additional employees. 2022 hired YTD is 758.

Train assemblies

Shuttles in service are 133. At peak harvest, it is planned to be 163.

Car and train velocity

Single car turns per month are 1.0. Shuttle turns per month are 2.5. PNW shuttle turns per month are 2.8.

Current PTC status – 100% complete.

Expected capital expenditures

For 2022 is $3.55 billion comprised of $2.71 billion for maintenance, $580 million for expansion and efficiency, and $259 million for equipment.

Total employee count is 35,429.

Employees added from October 2021 vs July 2022 is down 202.

Grain car past dues

Total 1,304. Days late 6.

Unit train dwell at origin YOY 2022 August vs 2021 August increased by 3 hours.

Canadian National

Equipment Resources:

CN had an inventory of approximately 1,925 high- and mid-horsepower locomotives as of mid-August 2022, compared to approximately 1,925 high- and mid-horsepower locomotives at the same time last year. The locomotive fleet will grow to approximately 1,950 high- and mid-horsepower locomotives once CN completes taking delivery of the 57 high-horsepower locomotives it acquired this year, of which 47 are expected to be operating on the CN network this fall and 10 are expected to be operating on the CN network in Q1 2023. As of mid-August 2022, CN had approximately 35 high- and mid-horsepower locomotives in storage compared to approximately 250 high- and mid-horsepower locomotives in storage at the same time last year.

As of mid-August 2022, the CN-owned and leased grain hopper car fleet stood at approximately 12,700 hopper cars, of which 1,500 hopper cars were dedicated primarily to US grain service. These cars are made available for manifest and unit train service. As of mid-August 2022, CN's active hopper car fleet focused on grain service in the US stood at approximately 1,200 cars and approximately 300 cars were in storage. Most of the active CN hopper car fleet focused primarily in US grain service fleet was dedicated to manifest traffic.

Labor Resources – Train and Engine Service:

As of mid-July 2022, total reported number of T&E employed by CN in the United States stood at approximately 2,450, of which approximately 2,230 were working in active service (as opposed to completing training courses). Of the total T&E employees, 789 were in the Central Division, 894 were in the Midwest Division, and 767 were in the Gulf Division.

As of mid-July 2022, total reported employees added was 160, and total employees furloughed and available for recall was 7.

As of mid-July 2022, CN's reported total employee count in the U.S. was 6,293 (with 2,450 T&E). In October 2021, the total employee count was 6,168 (with 2,257 T&E). In July 2021, that number was 6,266 (with 2,240 T&E). From October 2021 to July 2022, those numbers show a T&E increase of 193 employees.

CN's retention rate in 2022 for fully trained and in-service T&E employees in the U.S. has been approximately 94.2%, compared to a retention rate in 2021 for the same group of approximately 90.7%. These figures include resignations, terminations and retirements.

As far as new hire statistics, for the weeks of July 4-29, 2022, 28 students entered the Homewood, IL campus. During that same period 37 students successfully completed campus requirements and were released to their home terminal for continued on-site training. CN currently has approximately 200 active trainees.

Train Assemblies:

The number of CN-supplied unit trains expected to run this fall in grain service in the US will be dependent on customer demand. Customers can secure unit trains through CN's car auction, by placing general orders for CN-supplied equipment, or by utilizing customer-committed system sets.

Coming into the week of August 22, 2022, CN expected to have approximately 100 cars' worth of unfulfilled demand for CN-supplied hoppers from the previous week. For the week of August 29, 2022, CN anticipates having no unfulfilled demand for CN-supplied hoppers from the previous week.

Car and Train Velocity:

CN's system-average train speed (reported in the 724 metrics for the week ending August 12, 2022) was 23.7 miles per hour.

Car trip plan compliance:

CN's reported percentage of manifest cars placed within 24 hours of original arrival estimate (for the week ending August 12, 2022) was 83%. The percentage for intermodal was 100%. The percentage for grain unit trains was 95%.

Weekly average dwell at origin for grain unit train shipments (for the week ending August 12, 2022) was 7.6 hours. For the same time last year, it was 8.4 hours.

Current PTC status:

CN's PTC system is fully implemented, with the implementation completed by the deadline of December 31, 2020.

Expected Capital Expenditures:

In 2022, CN's capital investment plan is expected to represent approximately 17% of revenue. As is normally the case, a significant portion of CN's investments in 2022 will be dedicated to track maintenance to support safe and efficient operations, including the replacement of rail and ties, bridge improvements, as well as other general track maintenance. In 2022, CN is investing over USD$485M in its U.S. network, including the replacement of over 52 miles of rail, replacement of over 495,000 rail ties, and the rebuilding of over 180 road crossing surfaces, along with maintenance work on bridges, culverts, signal systems, and other track infrastructure. Over the past five years, CN's capital investment in the US has amounted to over US$3.3 billion.

CN plans to take delivery of another 500 high-capacity hopper cars during August 2022 – July 2023. That 500-car order is part of a larger, 3,500 car multi-year hopper car program, which will bring CN's owned high capacity, high efficiency hopper car fleet up to 6,000 cars.

Canadian Pacific

Equipment resources:

For the upcoming crop year, CP plans to make available approximately 1,100 locomotives.
Up to 15,500 grain hopper cars will be in service, subject to market demand, available for unit train and manifest movement. Our grain hopper cars are used interchangeably within Canada and the US. This flexibility allows CP to maximize empty spotting at all elevators across our system. A third of the fleet is projected to be utilized in the U.S.
We do not discretely assign carloads to unit train vs manifest service, however approximately 70% of our fleet is expected to move in unit train service.

Labor resources – Train and Engine Service:

We are hiring 2,500 employees across our network this year. Over 1,000 operations personnel have been hired year-to-date. For the 2022-23 crop year, CP is planning to have approximately 4,000 to 4,200 operations employees deployed across the network, subject to market demand. 1,000 of these employees will be in the U.S.

We have built a robust pipeline of conductor candidates and at any one time, we have 400 – 500 candidates with pre-employment check conditional offers to join CP (subject to successful pre-employment medical fitness assessment and background checks).

On a target of 1,615 conductor hiring for 2022, we have hired 1,088 year to date and retained 837, which is 77%

As of August 15th:

Canada total conductors hired:	805	Total Retained:	607	75%
US total conductors hired:	283	Total Retained:	230	81%
Total conductors hired:	1088	Total Retained:	837	77%

There are no furloughs available for recall in the US (and only 17 in Canada, some of whom are currently being recalled).

In terms of further identifying crews in grain regions, we have looked at key terminals in ND, SD, MN and IA as representative:

Terminal	Active T&E as of Aug 16th:
Minot	65
Enderlin	88
Glenwood	8
Thief River Falls	8
Noyes	32
St. Paul	181
Mason City	48
Marquette	44

Train assemblies:

During the 2021-22 crop year, CP had over 70 shuttle trains operating during harvest in Canada and the US. This was down significantly from the previous year's peak of 98 shuttles due to the severe drought conditions in Western Canada, and is much lower currently due to low grain stocks.

For new crop, we anticipate over 100 shuttles to operate during the harvest peak.

Car and train velocity:

Q2 2022 average train speed was 21.7 miles per hour, which is flat YoY (Q2 2021 was 21.8 miles per hour).
CP is averaging over 2 turns monthly per grain train:

https://prod.stb.gov/reports-data/rail-service-data/

Weekly average grain train speeds: https://www.stb.gov/reports-data/rail-service-data/#railroads-tab-content-1-3

For the week ending Aug 6th grain train speeds were 29.7 miles per hour.

Car trip plan compliance measure:

CP's grain trip plan compliance for the week ending August 6th was 2.2 average turns against a plan of 2.2 turns.

https://www.stb.gov/reports-data/rail-service-data/#railroads-tab-content-1-3

Current PTC status:

We have completed PTC installation per federal requirement.

Expected capital expenditures:

CP is maintaining strong levels of capital investment in 2022. We are planning to invest approximately $1.55 billion this year, similar to investments in the last four years. Our 2022 capital plan builds on the more than $14.3 billion of capital investment made by CP between 2012 and 2021.

CP's capital investment over the past decade is 52 percent higher, in 2021 dollars, than it was in the decade prior, before CP adopted the Precision Scheduled Railroading ("PSR") operating model in 2013. The discipline of PSR has allowed CP to invest to expand capacity, enhance resiliency, increase efficiency, and improve safety performance, all of which generates significant benefits for our customers.

Total Employee Count, including Train and Engine details and trends with YOY as a comparison:

CP had 12,711 employees at the end of Q2 2022, which is flat YoY (there were 12,709 employees at the end of Q2 2021).

Employees added October 2021 to present

Employees separated October 2021 to present

Attrition as of October 2021 in key U.S. grain terminals noted on page 3 is 46 T&E employees. Overall counts have increased from 466 T&E at these terminals in Oct 2021 to 474 today with projection of 494 by October 2022.

Grain car backlog, if any:

CP is current on its grain orders. For the week ending Aug 6th, 285 carloads were 1-10 days past due, with zero carloads at 11+ days.

Dwell at origin for grain compared to this time last year:

Q2 2022 average terminal dwell was 7.6 hours, up 0.8 hours YoY.

Weekly grain dwell figures can be found here: https://www.stb.gov/reports-data/rail-service-data/

Grain dwell for week of Aug 10th was 26.1 hours. Last year for the week ending Aug 7th origin grain dwell was 18.8 hours.

CSX

Equipment resources:

As of August 17, CSX has ~2,400 active locomotives, 400 locomotives stored in a ready- state for immediate service, and 700 locomotives in longer term storage.

We have over 3,000 covered hopper cars available for unit grain service and single car Merchandise Service. 2,250 of these cars are in unit train service, representing twenty- five C114

90-car sets. 500 C113 cars are active in single-car merchandise movements. There are 150 cars in storage that are readily available and 250 cars that are in deeper storage.

Labor resources – Train and Engine Service:
~6,800 active T&E employees with less than 20 still furloughed.
323 conductor trainees in on-the-job training and 182 conductor trainees in our Atlanta training center, and nearly 900 individuals in post-offer processing.
Overall T&E attrition rate 2022 YTD is 9%, but much higher in employees with less than 1 year of service.
Hiring is across all locations – to not just backfill where we have shortages now but to get ahead of future growth and attrition.

Car and train velocity
Grain train velocity month-to-date August 2022 is 19.7 mph, versus 20.7 mph in August of 2021

Car trip plan compliance measure:
Grain train on-time arrival within 24 hours month-to-date August 2022 sits at 85%, versus 91% in August of 2021.

Current PTC status – degree of required implementation completed:
CSX successfully completed PTC installation and activation across our network. In 2020, CSX achieved full interoperable operations with its tenant railroads in advance of the December 31, 2020 deadline. We now operate nearly 13,000 PTC-equipped track miles across our network.
CSX invested a total of $2.4B on PTC installation and implementation.
The company has equipped 1,800 locomotives with PTC, installed 423 new radio towers and over 4,400 track-side communication units.

Expected capital expenditures
In 2021, CSX invested $1.76B in capital expenditures, including capital investments in our core track network of $853M.
As guided externally, 2022 capital expenditures are expected to be ~$2B.
No capital programs are expected to impact grain operations during harvest.

Total Employee Count, including Train and Engine details and trends with YOY as a comparison:
Per CSX's July employment report to STB, the mid-month number of employees was 17,552, including 7,089 total train & engine employees. This T&E number is not the same as "active" numbers reported in previous section.
Total employees are up 2.9% versus July 2021, and T&E employees are up 6.8% versus July 2021.

Employees added October 2021 to present:
CSX has separated 2,049 employees since October 1, 2021. Of that total, 1,788 were in operations and 901 were conductors.

Grain car backlog, if any: n/a

Dwell at origin for grain compared to this time last year
Dwell time at origin for unit grain trains is 40.1 hours month-to-date August 2022, as compared to 12.9 hours in August 2021. Dwell time at origin has been trending downward for three straight months.

Kansas City Southern
Equipment resources:
1,006 total locomotives with 136 in storage (95 surge and 41 long term) These numbers represent a combined US/Mexico cross border locomotive fleet.
5,568 total cars – all active. Currently 3,200 in unit train service and 2,368 in non-unit service

Labor resources – Train and Engine Service:

1,261 total T&E personnel – (from July STB Form C) We have a new training class started with 43 conductor candidates currently. We have another class scheduled to start in November with 40+. Conductors will work territories between E St. Louis and Shreveport once they complete training. We plan to train +/- 45 engineers from the ranks of the conductors starting in September.

Crew availability was 89%+ last month.

Crews available in grain region(s) to support harvest demand surge. 844

Train assemblies:

Unit Grain Trains currently running. 32

Shuttle trains or UGT anticipated to operate during harvest peak. 43

While KCS does operate a unit train network we do not necessarily run dedicated shuttle trains. A train billed by one customer, when made empty could be sent to another customer to load based on locations, available elevators or UP and BNSF availability on the north end of our railroad. We distribute trains in what we feel will keep our network the most fluid and yet still cover customer demand.

Car and train velocity: 15.54 YTD

Car trip plan compliance measure YTD:

(7/31) we are performing at 90.9% for Grain unit trains. This measure is on-time plus 24 hours. For all KCS business we are at 86.34%. As a point of reference, grain unit trains have averaged 92% on-time plus 24 hours looking at the last 10 weeks. We are currently performing slightly better than our YTD average.

Current PTC status: completed 100%

Expected capital expenditures: All capital projects in 2022 are located on our primary grain route

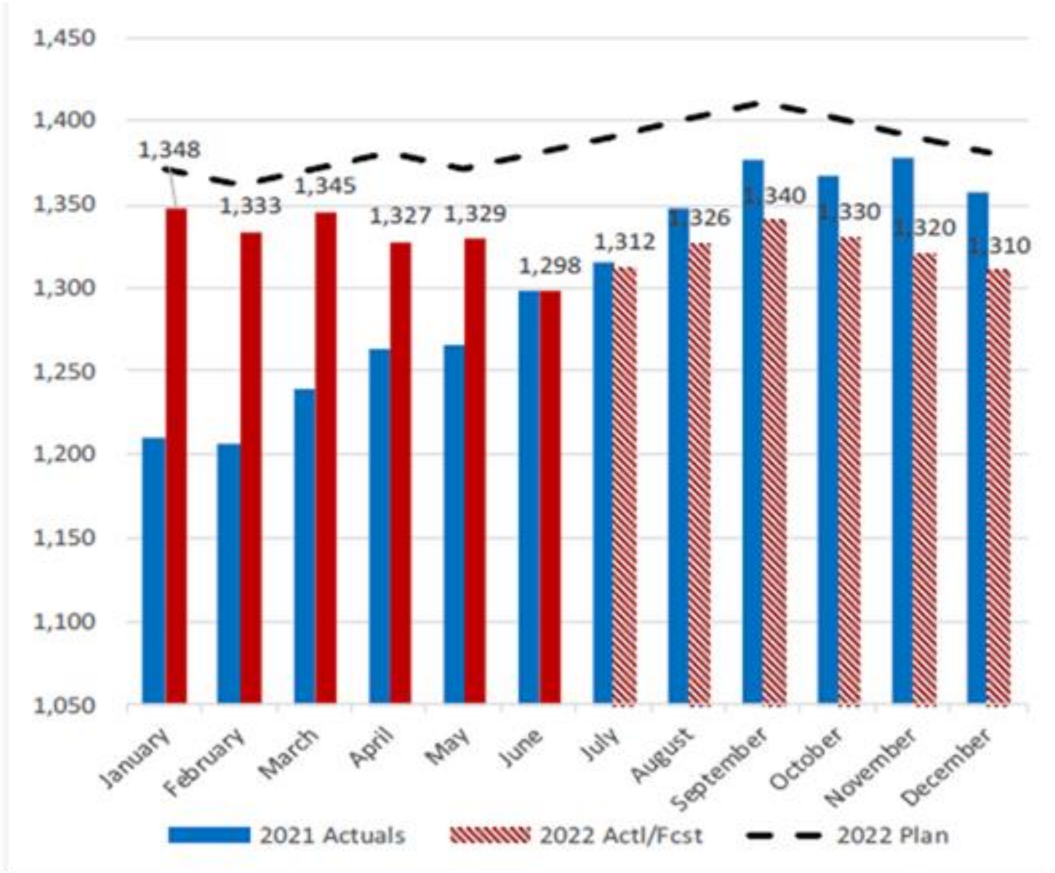
New Berry siding – Laredo sub

Hebronville siding extension

New Milagro siding

KN switching lead extension

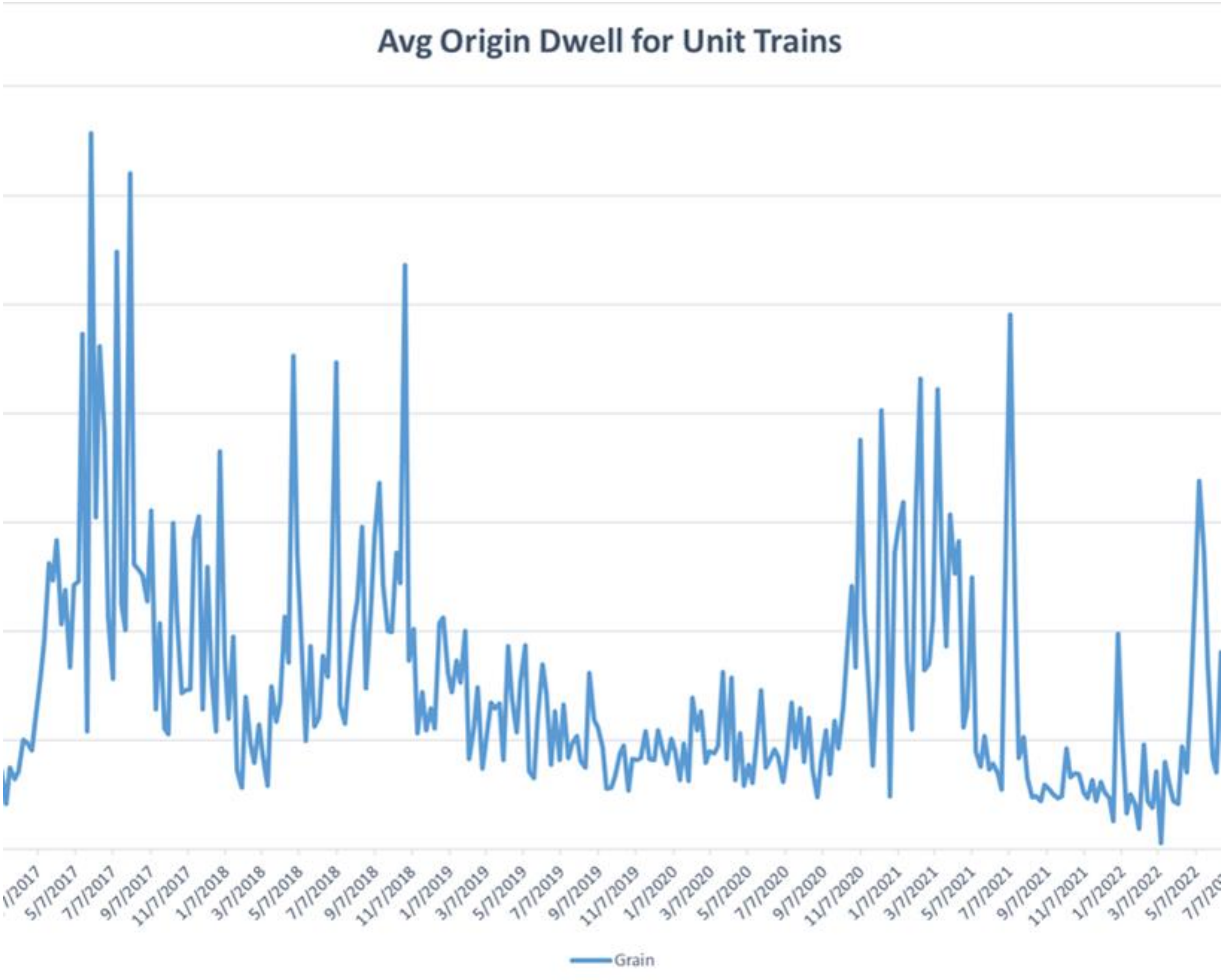
Total Employee Count, including Train and Engine details and trends with YOY as a comparison:



Employees added October 2021 to present 180
Employees separated October 2021 to present 211 (51 engineers)

Grain car backlog, if any 235 Cars

Dwell at origin for grain compared to this time last year:
Origin dwell - .86 days in 2021 and .77 days in 2022 YTD. The lines on the graph represent 20-hour intervals.



Norfolk-Southern

Equipment resources:

Locomotives: Total = 3,187   Available/in service = 2,585   In storage = 70 (stored ready)

Grain cars: Fleet total = 2,924   Active = 2,428   In storage = 496

Unit service = 2,691   Manifest service = 234

Labor resources – Train and Engine Service:

Total T&E service = 7,236

Hirings = 271 (month of July)

Furloughed and available for recall = 18

In training = 863

Retention rate of employees fully trained and placed in service = 92%

Crews available in grain region(s) to support harvest demand surge:

Chattanooga, Cincinnati, Frankfort, New Orleans and Decatur: appropriately staffed for near-term demand.

Muncie, Columbus and Fort Wayne: minimally staffed for near-term demand.

Peru, Roanoke, Altoona: not currently staffed appropriately.

Train assemblies:

Shuttle trains or Unit Grain Trains currently running = 87 loadings per month

Shuttle trains or UGT anticipated to operate during harvest peak = 100 loadings per month

Car and train velocity:

AAR Terminal Dwell = 26.2 hours (week ending August 12, 2022)

AAR Train Speed = 18.6 mph (week ending August 12, 2022)

Car trip plan compliance measure:

63.2% delivered within 24 hours of original ETA (week ending August 12, 2022)

Current PTC status: NS was fully interoperable by 12/31/2020 as required by statute.

Expected capital expenditures:

NS continues to invest in our network to drive Service, Productivity, and Growth. In 2022, NS expects Capital Expenditures of $1.8b-$1.9b

Total Employee Count, including Train and Engine details and trends with YOY as a comparison:

July 2021 = 7,588 T&E (including CTs)

July 2022 = 8,080 T&E (including CTs)

Employees added October 2021 to present: Added since October 2021 = 2,763

Employees separated October 2021 to present*:* Separations since October 2021 = 1,890

Grain car backlog, if any: None

Dwell at origin for grain compared to this time last year:

2022 = 46.5 hours (4 week average) vs 2021 = 34.3 hours (4 week average)

Union Pacific

Equipment resources:

UP has around 5,000 active locomotives, or about 70% of our fleet.

During Q4 UP will have a grain fleet size of over 16,000 covered hoppers which is an increase of 6% vs Q4 last year.

UP does not expect to have any grain covered hoppers in storage during harvest.

Around 60% of the fleet is in unit train service and 40% is in single car service.

Labor resources – Train and Engine Service:

As reported in UP's STB Monthly Report of Number of Employees for July, UP has 13,762 TE&Y employees.

As reported in UP's EP 770 Service Progress Report on August 12, 2022, year to date, Union Pacific has graduated 597 employees, including 374 since May 6, 2022. The train, engine, and yard ("TE&Y") training pipeline currently has 525 employees. Union Pacific is on track to meet its goal of hiring and training 1,400 TE&Y employees in 2022.

UP does not have any TE&Y employees furloughed at this time.

As reported in UP's 2021 Human Capital Report, UP had a 12% attrition rate for 2021. As Beth Whited mentioned in EP 770 Service Hearing on April 27, 2022, we expect attrition this year to be approximately 1,000.

UP is supplementing grain regions with borrow-out employees from other areas to support harvest surge. UP has over 200 borrow-outs across the network, many of which are in heavy grain corridors across our Northern Region.

Train assemblies:

UP currently has 80 shuttle sets in active service.

UP expects to have 83 active shuttle sets during harvest peak.

Car and train velocity:

As reported in UP's EP 770 Service Progress Report on August 12, 2022, UP's freight car velocity was 190 daily miles per car.

As reported on UP's published Weekly Key Performance Metrics for week ending August 12, 2022, train speed was 16.8 miles/hour.

Car trip plan compliance measure:

As reported in UP's EP 770 Service Progress Report on August 12, 2022, car trip plan compliance was 67% manifest/auto business.

Current PTC status:

PTC is currently installed and implemented on 100% of required rail lines. The technology being deployed as part of PTC should create a platform we can leverage to further improve efficiency in multiple areas. Examples include improved fuel efficiency and improved GPS technology, allowing us to run trains closer together, generating additional network capacity.

Expected capital expenditures:

Our 2022 cap ex will be approximately $3.3 billion. This includes $1.9 billion for infrastructure replacement, $600 million for capacity & commercial facilities, $500 million for equipment and $300 million for technology/other.

Total Employee Count, including Train and Engine details and trends with YOY as a comparison:

Per the STB Monthly Report of Number of Employees for July, UP had 32,538 total employees in July 2022 compared to 31,904 total employees in July 2021.
Per the STB Monthly Report of Number of Employees for July, UP had 13,762 TE&Y employees in July 2022 compared to 13,485 TE&Y employees in July 2021.

Employees added October 2021 to :

As reported in UP's EP 770 Service Progress Report on August 12, 2022, year to date, Union Pacific has graduated 597 employees, including 374 since May 6, 2022. The train, engine, and yard ("TE&Y") training pipeline currently has 525 employees. Union Pacific is on track to meet its goal of hiring and training 1,400 TE&Y employees in 2022.

Employees separated October 2021 to present:

As reported in UP's 2021 Human Capital Report, UP had a 12% attrition rate for 2021. As Beth Whited mentioned in EP 770 Service Hearing on April 27, 2022, we expect attrition this year to be approximately 1,000.

Grain car backlog, if any:

As of August 1, 2022, UP had a backlog of around 8,700 cars from committed equipment programs.

Dwell at origin for grain compared to this time last year

July 2022 release to depart time for loaded shuttles was 45.7 hours compared to 22.0 hours in July 2021.

Class II/III Railroads

GENESEE & WYOMING:

Reporting six (6) grain railroads: RCPE, KYLE, TPW, IORY, MNA & HESR
Equipment resources:

Locomotives - total, available/in service = 153, in storage = 0
Grain cars fleet - total= 4111, Active = 3,952, In storage =0, Unit service = 0, Manifest service = 3,952.

Labor resources – Train and Engine Service: Total T&E service= 269, Hirings = 16,
Furloughed and available for recall = 0, In training = 17

The retention rate of employees fully trained and placed in service- normal retention rates around 80%.
Crews available in grain region(s) to support harvest demand surge = 143

Train assemblies:

Shuttle trains or Unit Grain Trains currently running- supplied by Class I's.
Shuttle trains or UGT anticipated to operate during harvest peak. - supplied by Class I's.

Car and train velocity: 24-48 hours for shuttle trains
Car trip plan compliance measure: We work with our Class I partners to comply with unit train programs.

Current PTC status: Fully compliant where required.
Expected capital expenditures:
KYLE bridge work completed for 286 capabilities
2023 RAISE Grant RCPE will improve track speeds for grain shippers and 286 capabilities.

Iowa Interstate Railroad
Equipment resources:
Locomotives – 33 available/3 in storage
Grain cars - 456 IAIS/ATW hoppers, all active
Labor resources – Train and Engine Service:
95 total employees, hiring 10 in October, none furloughed
Crews available in grain region(s) to support harvest demand surge. 80
Train assemblies:
Shuttle trains or Unit Grain Trains currently running. N/A
Shuttle trains or UGT anticipated to operate during harvest peak. N/A
Car and train velocity: Dependent upon Shipper/Consignee loading/unloading time.
Typically 2 days transit from Council Bluffs, IA to Chicago or Peoria, IL
Car trip plan compliance measure: Dwell Reports
Current PTC:
Fully Operational as a tenant railroad when operating on Metra in Chicago.
Expected capital expenditures:
2022 IAIS Capital plan includes installation of 26,000 ties, 3 bridge replacements and 3 new tracks in our Silvis, IL yard.

Iowa Northern
Equipment resources:
IANR currently 27 locomotives in our fleet. Locomotive service is route in nature, with no extraneous conditions for bad order status.
380 active manifest grain cars. Pre-arranged unit train service is available.
Labor resources – Train and Engine Service:
27 active T&E, with 9 students in training now. Approx. 25% of active employees have 5+ years seniority. We have zero furloughed.
All crews support harvest demand surge.
Train assemblies:
Shuttle trains or Unit Grain Trains currently running. One
Shuttle trains or UGT anticipated to operate during harvest peak. None
Car and train velocity:
Velocity has remained consistent, flushing our system every 24-36 hours. Dwell has increased at interchange with all interchanges.
Car trip plan compliance measure: N/A
Current PTC status:
100% completed at approx. cost of $3M, with ongoing support expenses of nearly $700,000/annually.
Expected capital expenditures:
Approx. $4M in capex for 2023.

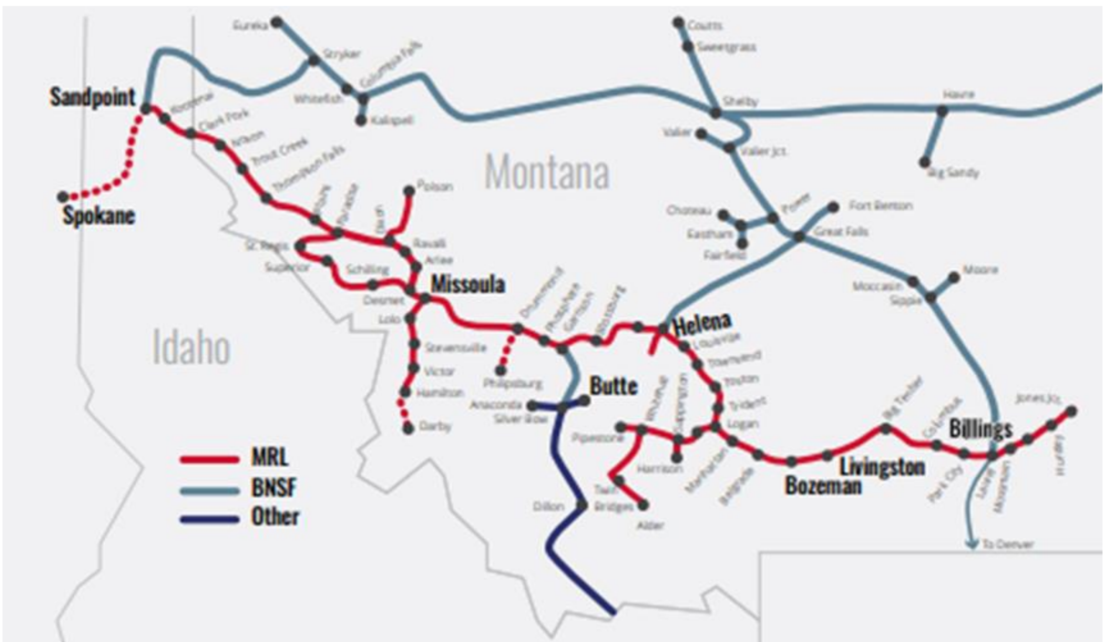
Montana Rail Link
MRL is a class II regional railroad that operates over 900 miles of track in Montana and Idaho, including 655 miles of mainline track from Jones Junction, MT to Sandpoint, ID. In 2021, MRL shipped 413,123 total carloads and averaged 18.4% trains-per-day. 85,416 carloads, or approximately 20.7%, of our total volume was grain, down from 111,066 carloads in 2020 and 23.7% volume. Of the 2021 total, 6,359 carloads were originating traffic from MRL based agricultural shippers. MRL services 21 local grain shippers located in Eastern and South-Central Montana. The majority of grain shipped across our line is

corn and soybeans that originate in the Midwest. Train velocity and terminal dwell have remained consistently below goal for the past three years. MRL has not implemented PSR.

MRL currently operates 71 locomotives. MRL owns 445 railcars, of which 106 are grain cars. MRL does not own any unit trains. We transport BNSF unit trains across our network. MRL employee count is currently 1,058, of this total, 487 are transportation employees. MRL currently does not have any transportation employees furloughed and has three classes of switchman hired consisting of 42 new employees.

MRL's 2022 maintenance capital plan totals $40.5 Million and includes the replacement of 121,639 ties, 9.7 miles of curve rail, 8.5 miles of tangent rail and 265 miles of ballast surfacing. MRL is also investing $64 Million to voluntarily install PTC.

MRL stands ready to provide safe and reliable service to our Montana and regional grain shippers during the 2022 harvest.



Nebraska Central Railroad – Rio Grande Pacific Corporation

Equipment resources:

Locomotives - 20 in service/7 in storage status. However, run through Class I power is used exclusively for shuttle and unit trains.

All grain cars are supplied by our Class I connection.

Labor resources – Train and Engine Service:

23 employees in active train service & available in grain region(s) to support harvest demand surge.

Train assemblies:

Per customer demand with no S/L limitation

Expect to run at least 40 - 50 shuttle/unit trains in the October – November time slot. This does not include ethanol unit trains or other manifest service. This is consistent with 2020 & 2021 volumes.

Car and train velocity:

In 2022 YTD short line performance:

Interchange to spot – range 3.76* hours to 9.4* hours

Customer time: Range 12.23 hours to 15.05 hours

Release to Interchange: Range 9.88* hours to 67.2 hours*
* Above heavily influenced by Class I run through locomotive issues and railcar issues, Class I crew availability or Class I corridor fluidity issues which may include destination customers trying to balance their own logistical flow.

Car trip plan compliance measure:
Our goal is to turn a shuttle train in 24 hours from received in interchange to delivery back to interchange which includes customer loading time.
Current PTC status: PTC implemented in 2019
Expected capital expenditures:
We are still actively discussing that issue in house so that particular number is a moving target. However, we will be maintaining FRA Class 2 conditions per previous years.

Twin Cities and Western Railroad Company
Equipment resources:
Locomotives: Same locomotive fleet size as in recent years, which is adequate to handle expected business levels.
Current active grain fleet is approximately 440 cars (similar to last year), all in non-unit train manifest service, plus 47 cars used only in local service. All unit trains handled (both cars and locomotives) are provided to us by our Class 1 partners.
Labor resources – Train and Engine Service:
Our T&E employee count is consistent with recent past years and expected to be adequate to meet our customers' needs during the upcoming harvest. No employees are furloughed.
Train assemblies:
Shuttle trains or Unit Grain Trains currently running. N/A
Shuttle trains or UGT anticipated to operate during harvest peak. N/A
Car and train velocity:
Primarily dependent on loading and unloading time at customers' facilities.
Car trip plan compliance measure:
Manifest shipments move in regularly scheduled service. We have a good track record of moving empty and loaded unit trains in a timely manner.
Current PTC status: 100% complete
Expected capital expenditures:
Our capital expenditures are focused on tie and ballast replacement, surfacing and rail joint elimination.

WATCO
Equipment resources:
Locomotives Total Locomotives in Fleet = 588
Total Available today = 528
Total in Storage = 46
Total in Surge Fleet = 14
Additional note – we have just completed the purchase of 10 more GP-59's that we expect to rotate into service over the next 4-6 mos.
Grain Cars Total Cars in Grain Fleet = 2,982
All in manifest and all active.
Utilizing Class 1 equipment for unit trains.
Zero in storage.
Labor resources – Train and Engine Service:
Total T&E in Service = 826 Total open T&E Positions = 59
Total T&E in Training = 61 T&E Turnover Rate = 37% thru July

Current Velocity (ALL ROADS):

1.87 days from inbound interchange to placement
2.27 days from customer release to interchange outbound

PTC: PTC Compliant at all required locations.

Capital:

YTD July Capital Spend = $22m
Expected to spend a total $50.7m by year's end
One other note – Watco has budgeted an additional $45m to do a complete upgrade of the South Kansas & Oklahoma Railroad to make it 286k compliant by Q3 of 2023 to support a new Soy Bean Crush Facility that is being constructed. This location has connectivity to the UP, BNSF and KCS.

Renewable Diesel and Its Impact on Rail Shipping

National Grain Car Council

Paul Nees

Vice President, Global Supply & Trading

Renewable Energy Group

OUR PEOPLE

Passionate experts making positive change

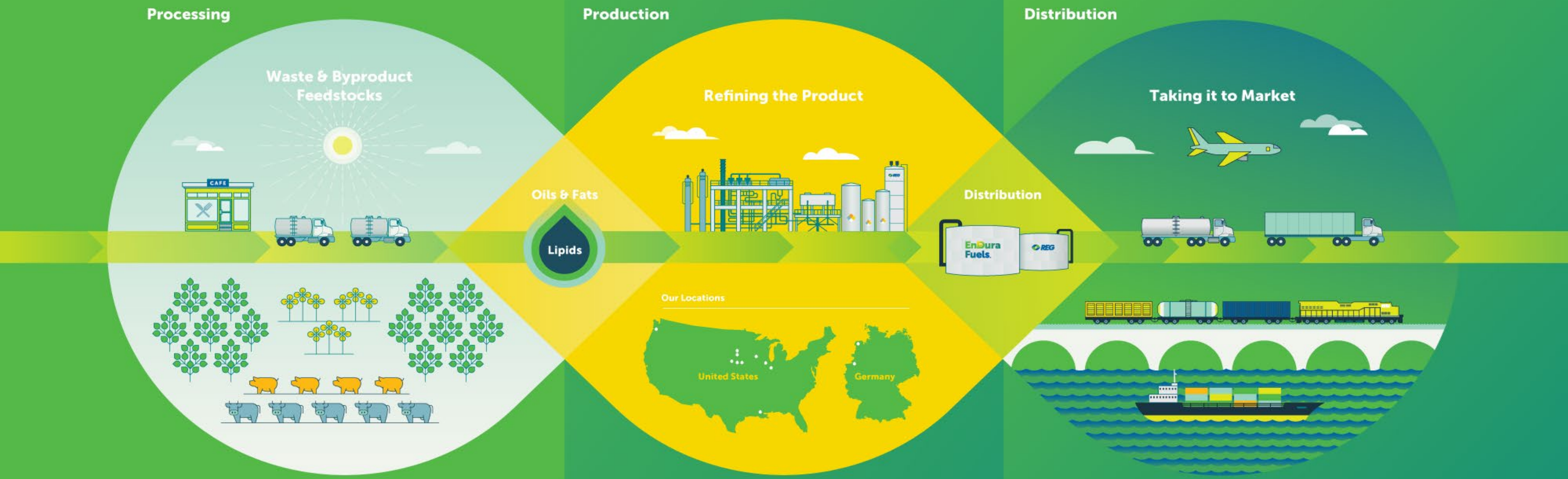
We produce lower carbon fuels that power our planet—now and in the future.

+ 1,300 global team members
+ Embracing diverse voices and ideas
+ Creating collaborative and innovative workplaces
+ Powering a cleaner world

WHAT WE DO

Transform renewable resources

Transform fats, greases, oils, etc. into cleaner burning biodiesel and renewable diesel to reduce carbon emissions



A winning combination

Higher returns	Lower carbon
	
Advantaged portfolio	First quartile upstream carbon intensity
Unmatched financial strength	Target harder-to-abate sectors
Capital and cost discipline	Build on capabilities, assets and customers
Superior distributions to shareholders	Expect high growth

See Appendix for reconciliation of non-GAAP measures and slide notes providing definitions, source information, calculations, and other information.

Chevron has a differentiated energy transition strategy to advance a lower carbon future by growing lower carbon businesses

Renewable fuels & products

Carbon capture, utilization & storage

Hydrogen*

Offsets & emerging lower carbon opportunities

Lower carbon intensity of our operations

Maintain
1st quartile performance in oil and gas GHG intensity

Focus
on methane, flaring and energy management

Aim
2050 net zero aspiration for upstream Scope 1 & 2 emissions

Chevron expects to triple our lower carbon capital versus prior guidance to over $10 billion between now and 2028: **$2B in carbon reduction projects** and **$8B in low carbon investments**

renewable fuels, H2 and CCUS targets

Renewable natural gas
10X growth by 2025
>40,000 MMBTU/D by 2030

Renewable fuels
3X growth by 2025
100,000 B/D by 2030

H2 + CCUS
150 KTPA (H2) by 2030
25 MMTPA by 2030

*Chevron's approach to hydrogen envisions the use of green, blue, and gray hydrogen. See Climate Change Resilience Report pg 51.to learn more.

INDUSTRIES WE SERVE

Our renewable fuel products and solutions serve a variety of industries who keep the world moving cleanly.

- Fleets: on-road (carriers, shippers, private fleets) and municipalities
- Mining
- Marine
- Rail
- Construction
- Heating Oil
- Retail
- Chemicals
- Power Generators
- Agriculture
- Emergency Services
- Institutional Bus
- Data Centers

Bio-based diesel can help railroad companies meet their climate commitments

Company	Science Based Target
UNION PACIFIC	26% by 2030
BNSF RAILWAY	30% by 2030
CN	43% by 2030
CP	38.3% by 2030
NS NORFOLK SOUTHERN	42% by 2034
CSX	37% by 2029
KANSAS CITY SOUTHERN Lines	42% by 2034

News Releases

Environment

Wabtec and Union Pacific Railroad Partner to Reduce Emissions with Higher Biodiesel Blends

OMAHA, NEB. AND PITTSBURGH, PA., MARCH 8, 2022

"Increasing the use of renewable diesels and biofuels currently represents the most promising avenue to help Union Pacific meets its environmental goals," said Beth Whited, **Union Pacific**'s Executive Vice President – Sustainability and Strategy. "We want to drive emissions down as quickly as possible, and we believe this new project with Wabtec will make a difference."

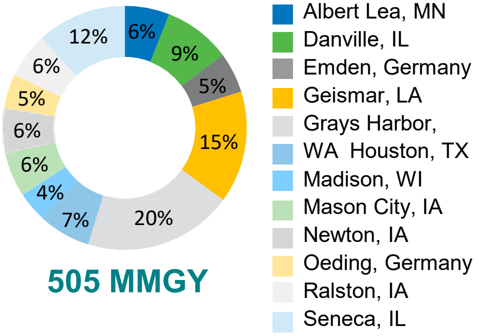
Biofuel pilot

+ Canadian National and Union Pacific both trialing 100% renewable fuel from REG in locomotives
+ Trials both started earlier this year
+ CN trial in Pennsylvania; UP trial in California
+ Other pilots with Class 1 railroads are in development

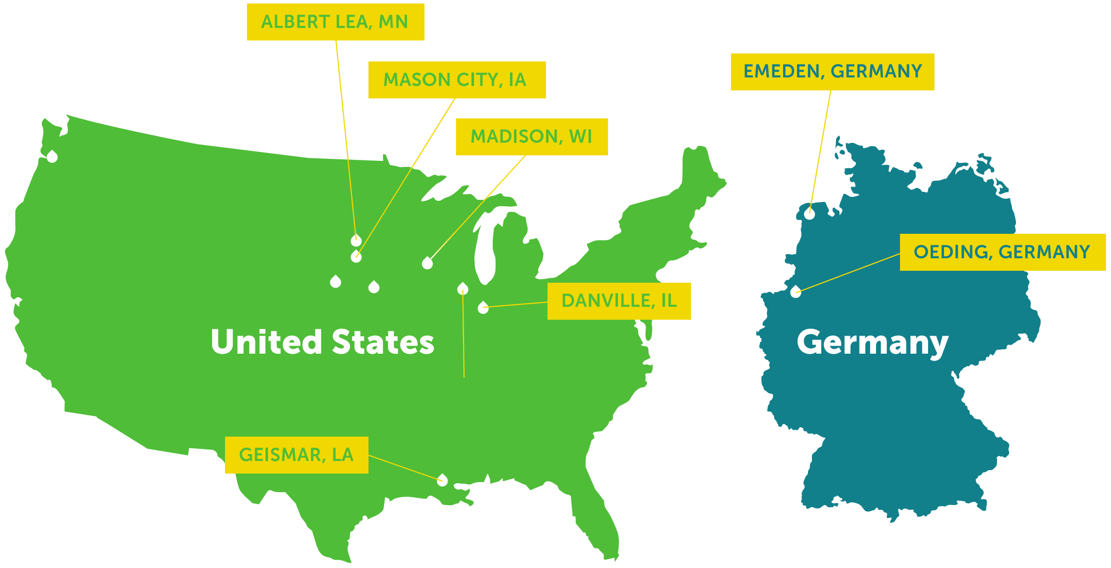
WHERE WE ARE

Produced in the Heartland.
Making positive change around the world.

2021 Capacity Contribution



505 MMGY



MILLIONS OF GALLONS SOLD IN 2021

621	=	411.5	+	131.6	+	78.2
TOTAL FUEL SOLD		**BIODIESEL**		**RENEWABLE DIESEL**		**PETROLEUM-BASED DIESEL** + additional co-product sales

Chevron Renewable Energy Group logistics

1,400+

Owned/leased tank cars in REG fleet

33,000+

Railcar shipments executed in 2021

18,000+

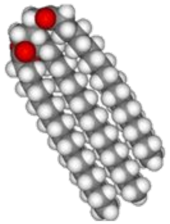
Executed on REG fleet equipment

Renewable diesel and biodiesel

FEEDSTOCK	PROCESS	PRODUCT	SPECIFICATION

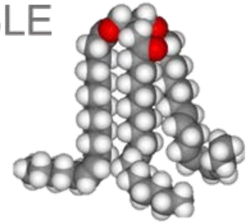
FEEDSTOCK

Both can use any fat or oil



ANIMAL FAT

VEGETABLE OIL

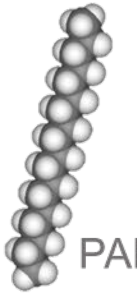


PROCESS

Renewable Diesel

- React with hydrogen (hydrotreat & isomerize)
- Convert 3-carbon backbone to renewable propane
- Convert oxygen to H_2O

PRODUCT



PARAFFIN

SPECIFICATION

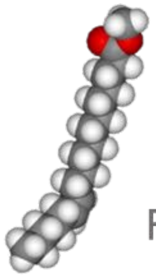
- **Meet the diesel spec, ASTM D975**
- Molecules are familiar constituents of ULSD (petroleum diesel)
- Paraffinic fuel

PROCESS

Biodiesel

- React with methanol (transesterification)
- Convert 3-carbon backbone to glycerol
- Oxygen remains in fuel molecule

PRODUCT



FAME

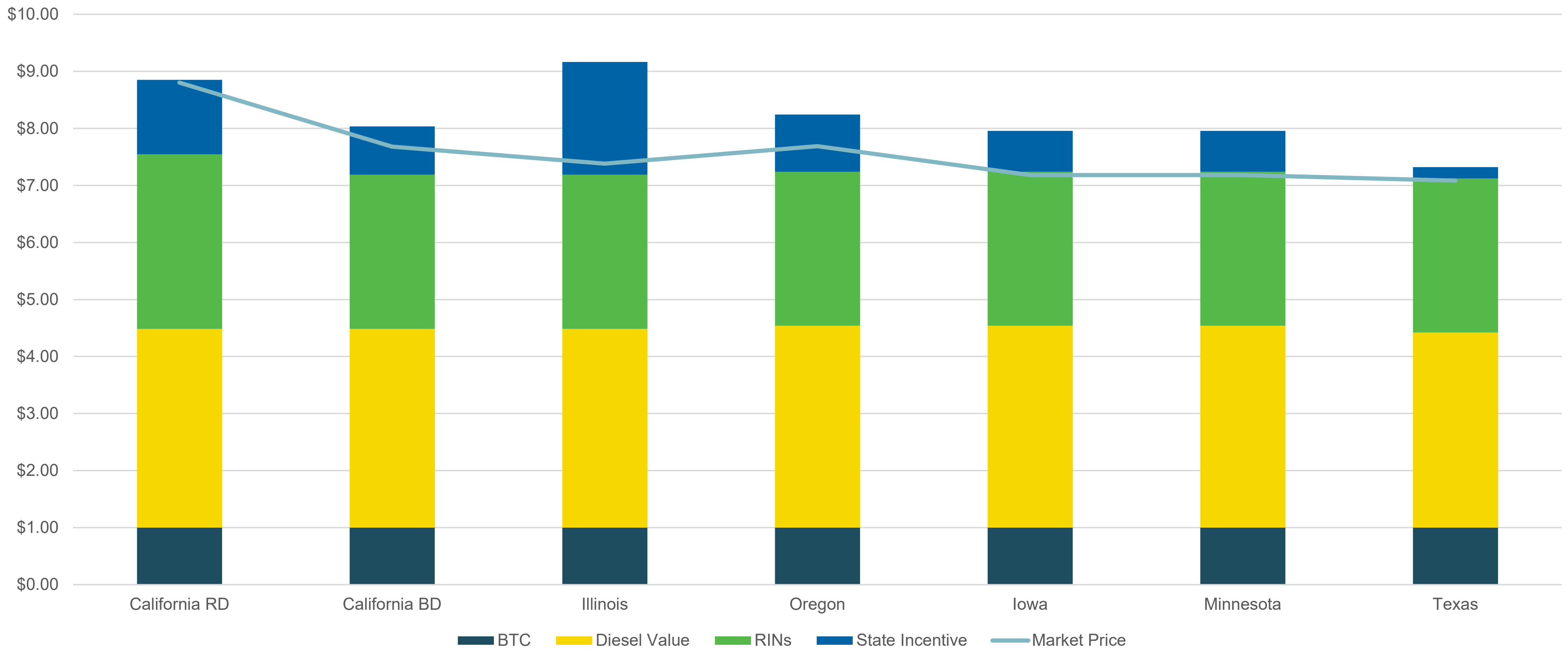
SPECIFICATION

- **Meet the diesel spec, ASTM D6751**
- Different molecules than petroleum diesel
- Oxygenated fuel

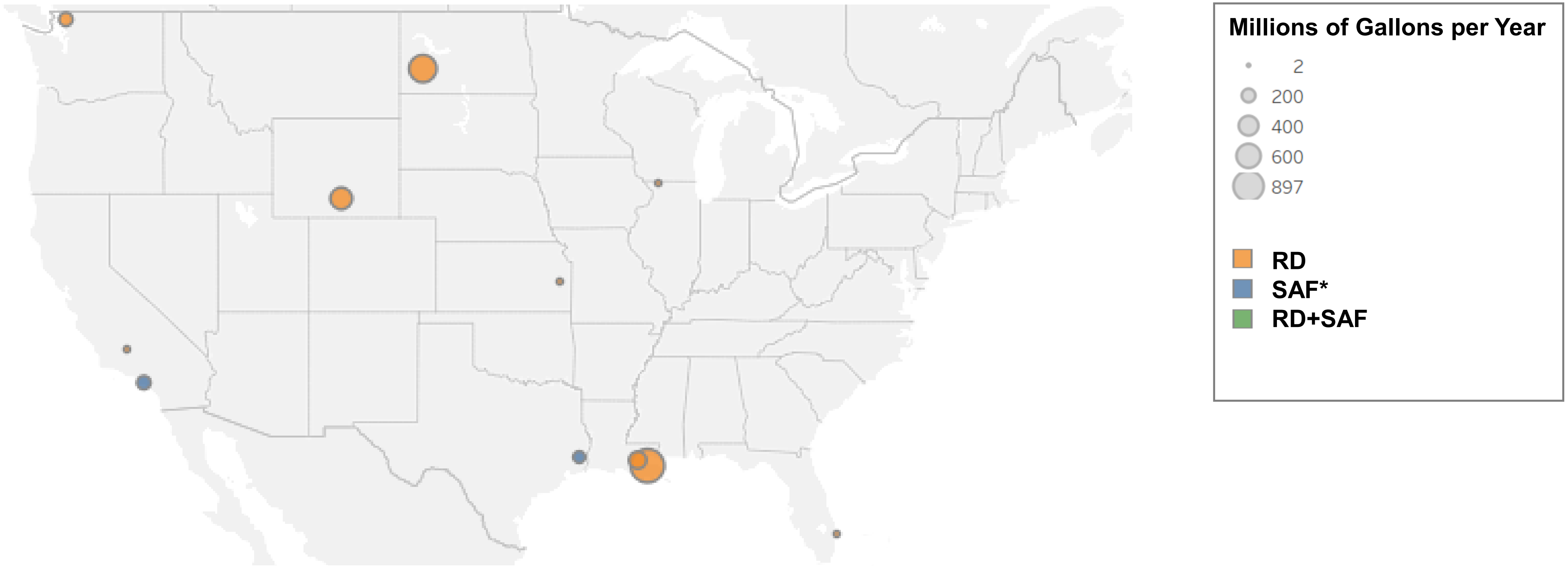
U.S. Senate Deal Would Extend Blenders Tax Credit And Adds Sustainable Aviation Fuel Incentive

- Inflation Reduction Act of 2022 would:
  - Extend Blender’s Tax Credit (BTC) at full $1/gallon through December 31, 2024
  - Introduce Sustainable Aviation Fuel (SAF) incentive for 2023-24 of $1.25-1.75/gallon based on GHG reductions
- Then in 2025, all renewable fuel credits would transition to ‘Clean Fuel Production Credit’
  - Single-credit model based on GHG reduction of fuel
  - DOMESTIC PRODUCTION credit, not a blenders incentive
  - SAF still provided additional incentive
  - Credits would end after December 31, 2027 unless extended by future Congress

Biodiesel and Renewable Diesel Value Drivers

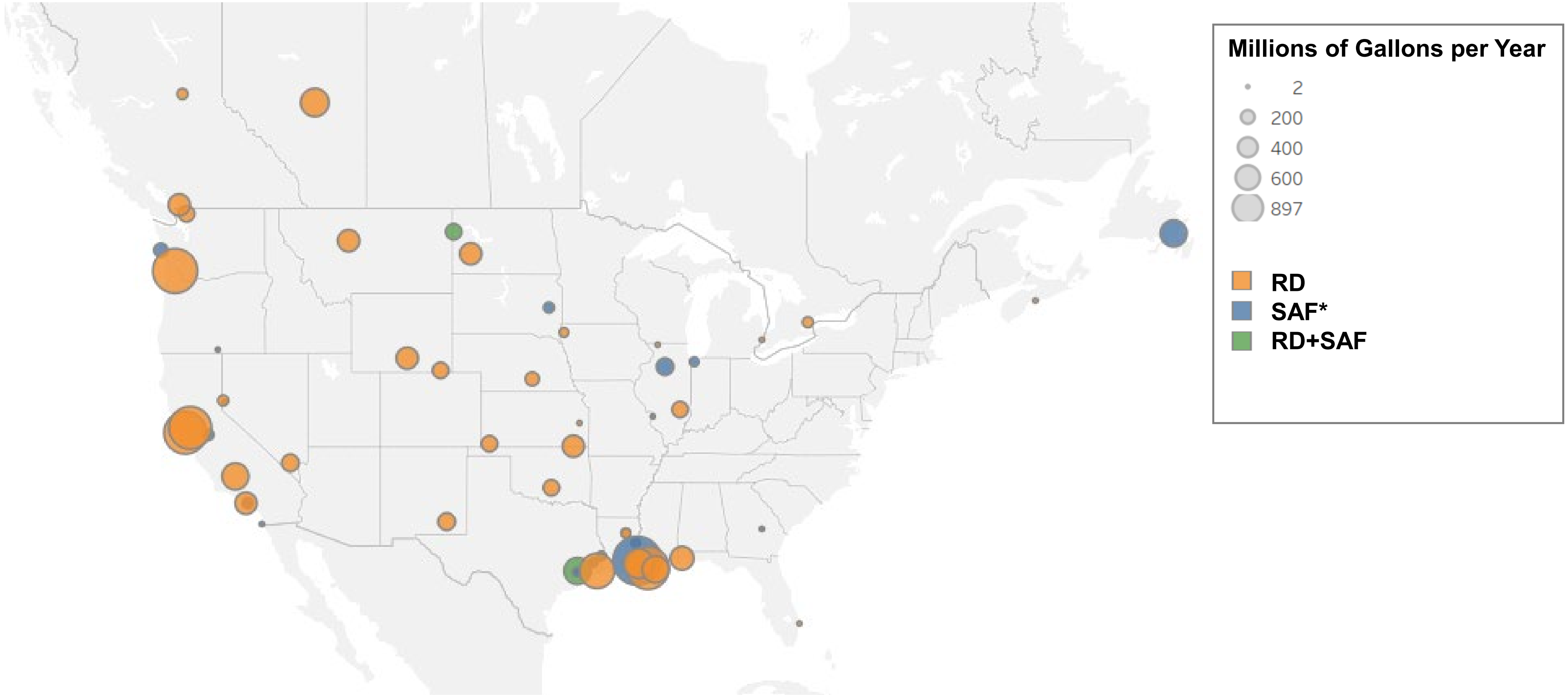


Current RD/SAF Production in North America as of 2021



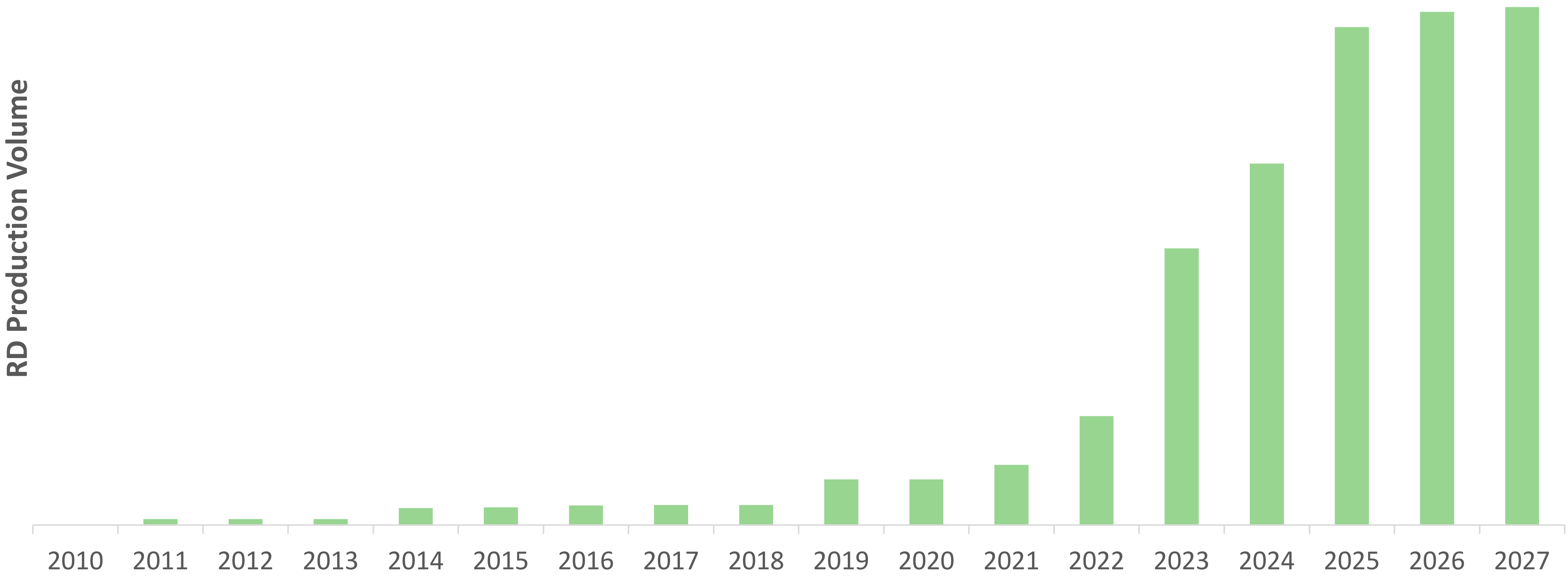
*Stand alone SAF plants may also produce RD

Announced New RD/SAF Production in North America by 2027



*Stand alone SAF plants may also produce RD

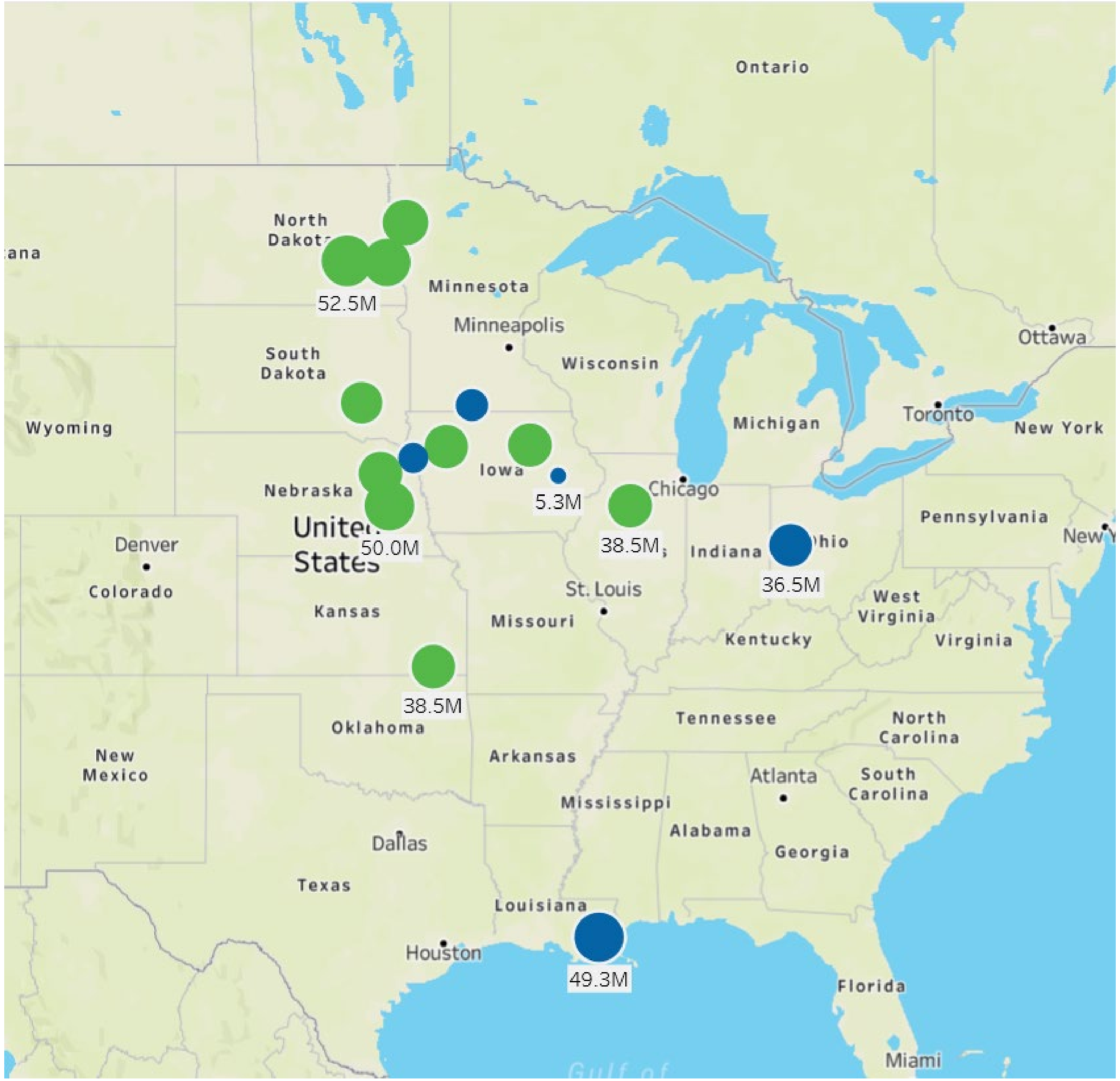
North America RD Capacity by Year



Note: Projected capacities in graph above include projects classified as 'operational' and 'announced', does not include 'speculative' or 'closed'

Soy Crush Capacity Expansion

+ Current U.S. soybean crush capacity is 2.25 bil bu/yr
+ Announcements on new projects and expansion projects total over 0.55 bil bu/yr
+ More planted acres of soybeans in western corn belt
+ Lowered soybean exports
+ Increased soymeal production for domestic and export channels
+ Increase in oilseed cover crop acres
+ Additional canola crush capacity expansion planned



Summary

+ Lower carbon fuels are needed now
+ Renewable diesel volumes are set to increase substantially over next 5 years
+ Renewable feedstock supply lanes will be impacted by RD production growth
+ Transportation of the feedstocks needed and finished fuel to end markets will require efficient supply chains

THANK YOU

Paul Nees, paul.nees@regi.com

Renewable Energy Group

LDC.
Louis Dreyfus Company

Grains and Oilseeds Outlook: Focus on Corn and Soybeans

Amanda Bittner, Director of US Grains and Oilseeds Research

August 2022

SINCE 1851

Key Topics

- **Final 2022 US Yields Still Carry Quite a Bit of Uncertainty –** Pro Farmer showed some lower prints along with lingering question of how good was finishing weather
- **Ukraine Corridor –** Does it stay open and how well does it run? What could this mean for US exports and global flows?
- **China Imports –** How much growth will we see year-over-year?
- **US Balance Sheets –** Corn and soybean carryouts flat to lower year-over-year with additional yield risk still ahead

Early Season: Planting Delays, Dry June & July Weather Realizing Closer to Normal Than Forecast

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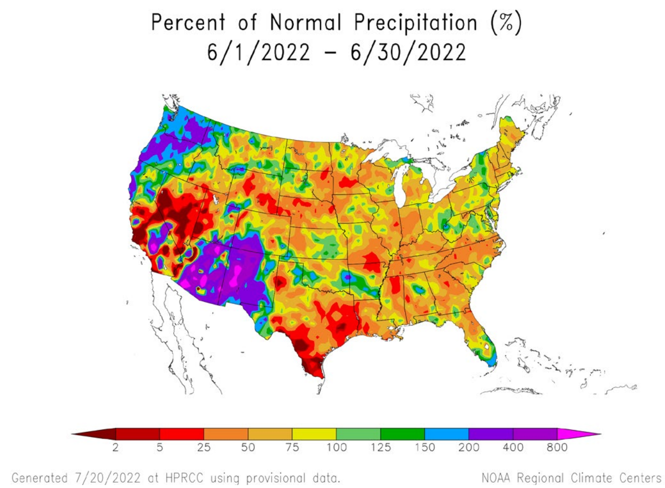
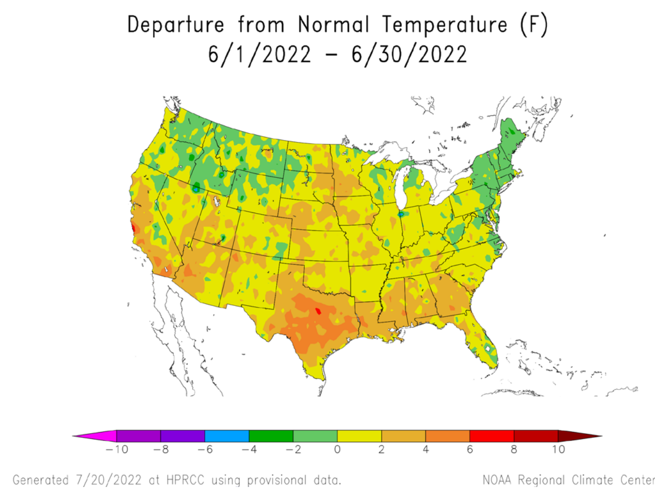
Delayed Planting

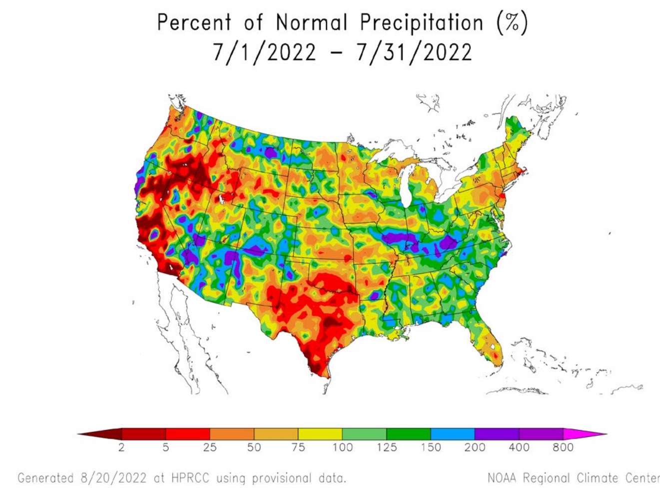
	2017	2018	2019	2020	2021	2022	5-Year Average	Difference
IL	77	92	17	79	84	55	70	(15)
IN	59	77	9	66	60	40	54	(14)
IA	86	71	57	95	93	57	80	(23)
KS	61	72	52	70	65	60	64	(4)
KY	70	68	62	71	77	65	70	(5)
MI	35	39	11	53	67	31	41	(10)
MN	85	51	36	93	94	35	72	(37)
MO	88	92	56	78	82	65	79	(14)
NE	79	77	56	88	84	62	77	(15)
ND	61	43	24	16	59	4	41	(37)
OH	52	60	6	50	37	31	41	(10)
SD	79	34	10	62	83	31	54	(23)
TN	90	88	82	76	84	84	84	0
WI	50	37	23	75	74	34	52	(18)
US Total	73	67	38	76	78	49	67	(18)

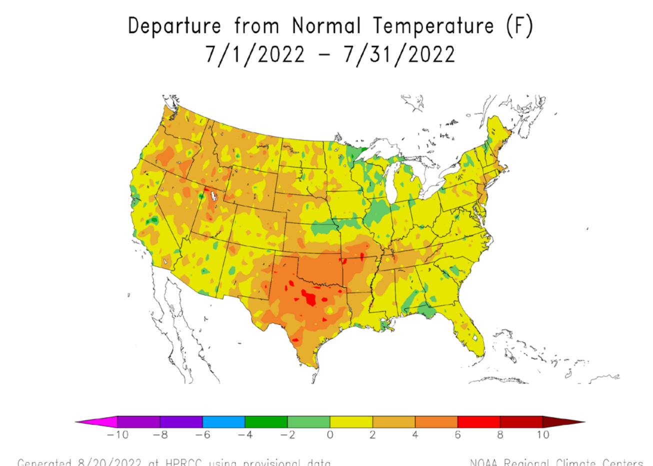
June





July





- Not at all what you would consider the perfect setup to hit trend yields with delayed planting in quite a few states and a drier June
- Surprise came in the way of July with better precipitation than expected and temperatures ending up not as hot as forecast

August Yield Estimates Realized Above Last Year's August, but do they stay that way for final?

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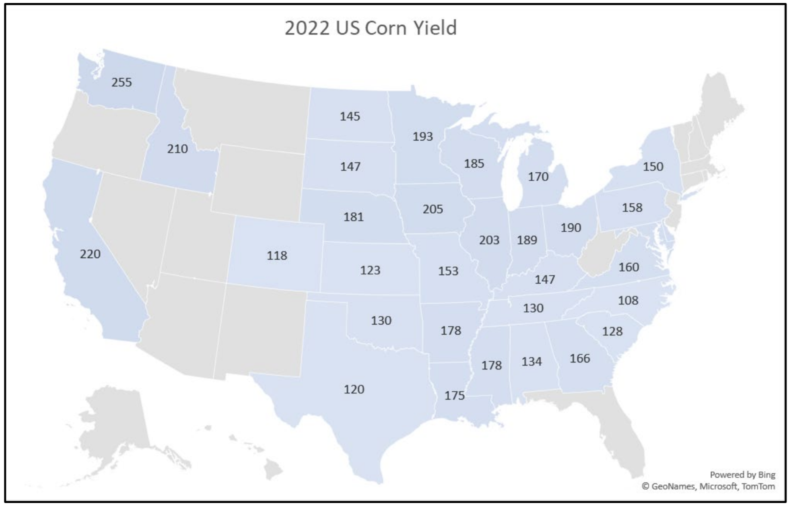
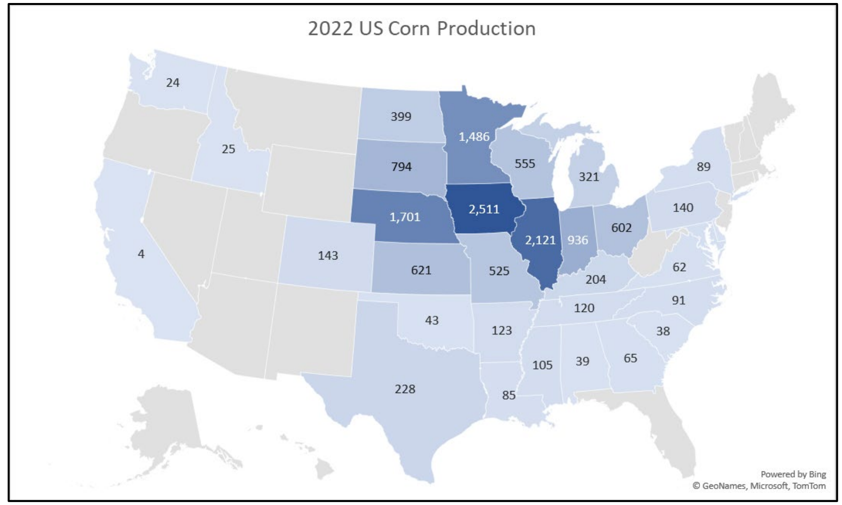
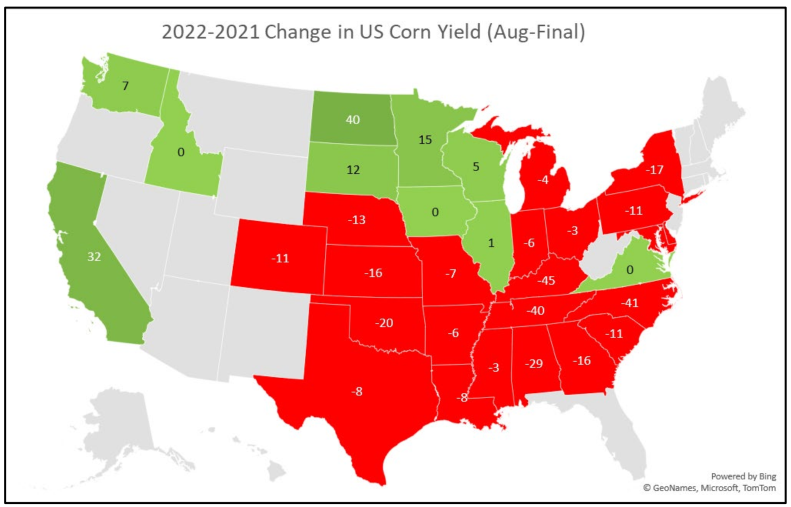
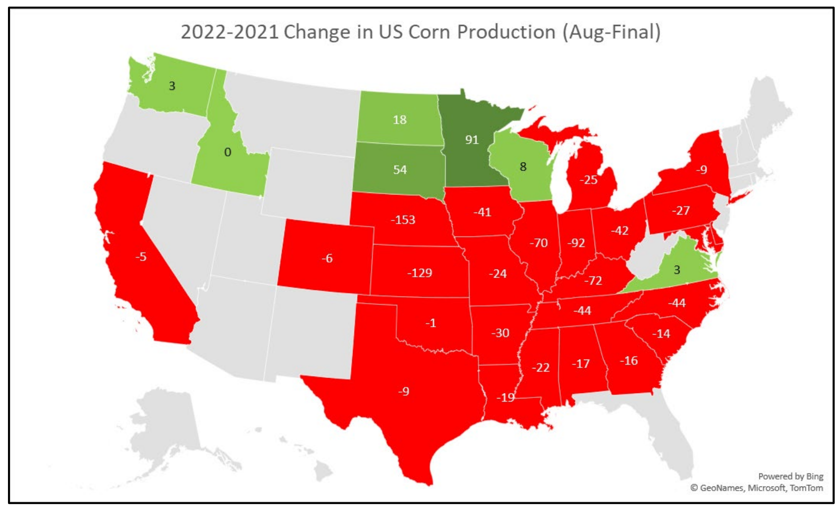
- US corn yield estimated at 175.4 bushels per acre, Aug 2021: 174.6, Final 2021: 177









Corn Production (Million Bushels)		
	2022	22 vs 21
AL	39	-17
AR	123	-30
CA	4	-5
CO	143	-6
DE	28	-4
GA	65	-16
ID	25	0
IL	2,121	-70
IN	936	-92
IA	2,511	-41
KS	621	-129
KY	204	-72
LA	85	-19
MD	71	-4
MI	321	-25
MN	1,486	91
MS	105	-22
MO	525	-24
NE	1,701	-153
NY	89	-9
NC	91	-44
ND	399	18
OH	602	-42
OK	43	-1
PA	140	-27
SC	38	-14
SD	794	54
TN	120	-44
TX	228	-9
VA	62	3
WA	24	3
WI	555	8
US	14,359	(756)

August Yield Estimates Realized Above Last Year's August, but do they stay that way for final?

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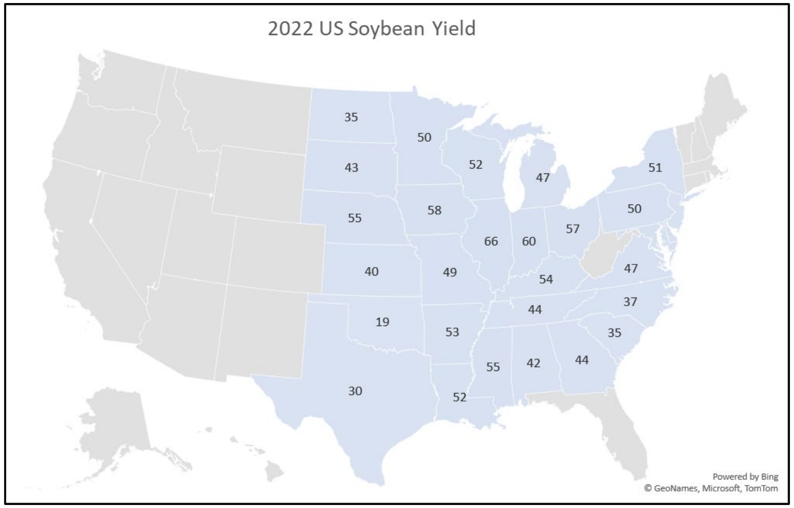
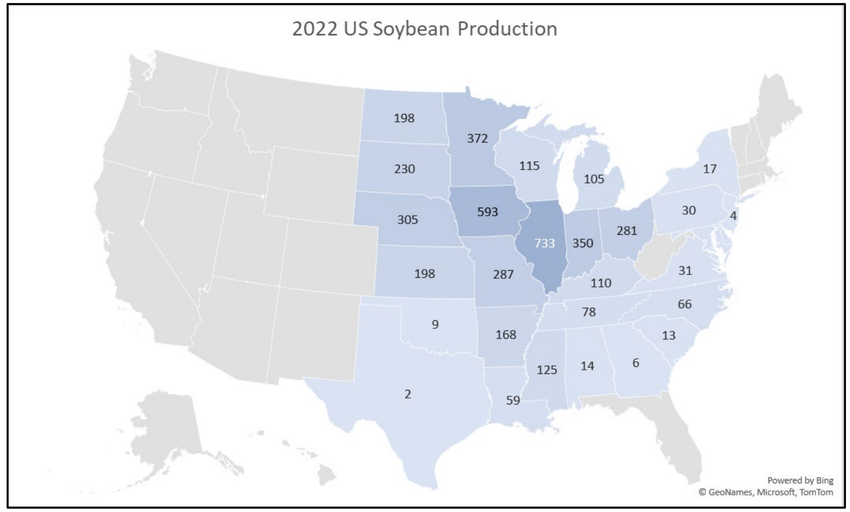
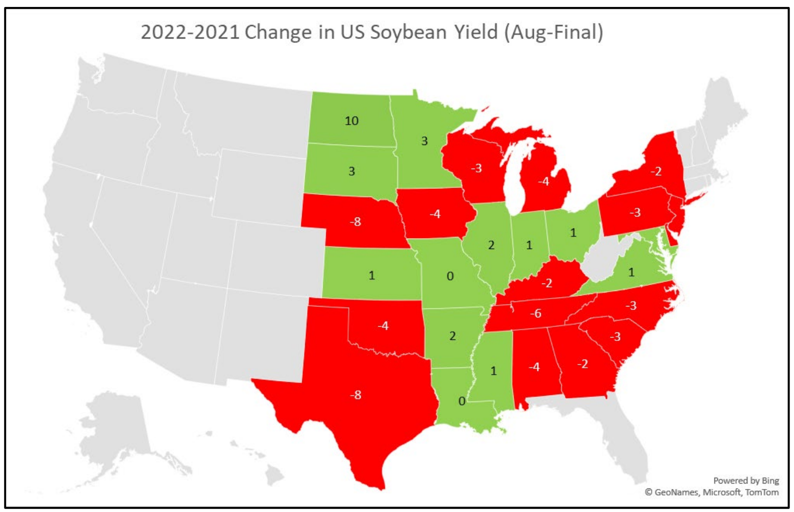
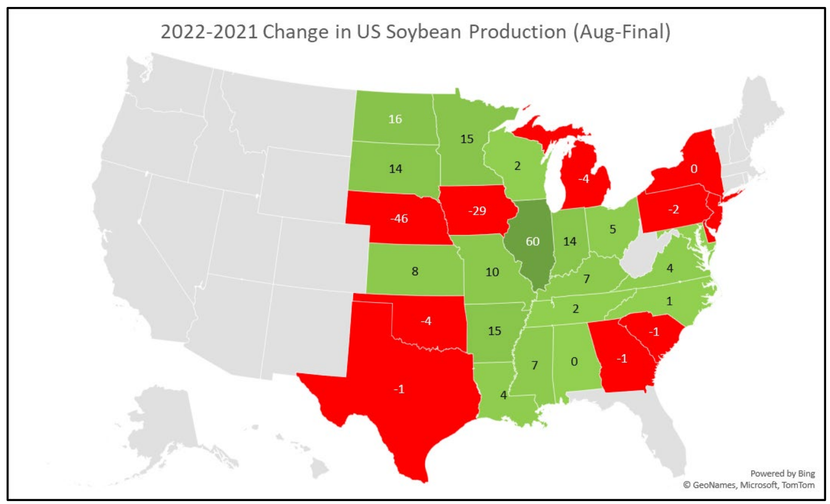
- US soybean yield estimated at 51.9 bushels per acre, Aug 2021: 50, Final 2021: 51.4









Soy Production (Million Bushels)		
	2022	22 vs 21
AL	14	0
AR	168	15
DE	7	-1
GA	6	-1
IL	733	60
IN	350	14
IA	593	-29
KS	198	8
KY	110	7
LA	59	4
MD	26	0
MI	105	-4
MN	372	15
MS	125	7
MO	287	10
NE	305	-46
NJ	4	-1
NY	17	0
NC	66	1
ND	198	16
OH	281	5
OK	9	-4
PA	30	-2
SC	13	-1
SD	230	14
TN	78	2
TX	2	-1
VA	31	4
WI	115	2
US	4,531	95

How is Finishing Weather Shaping Up?

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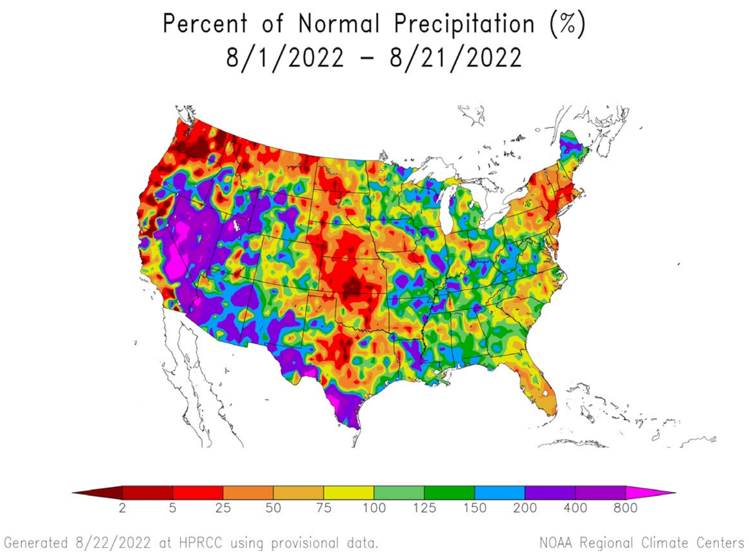
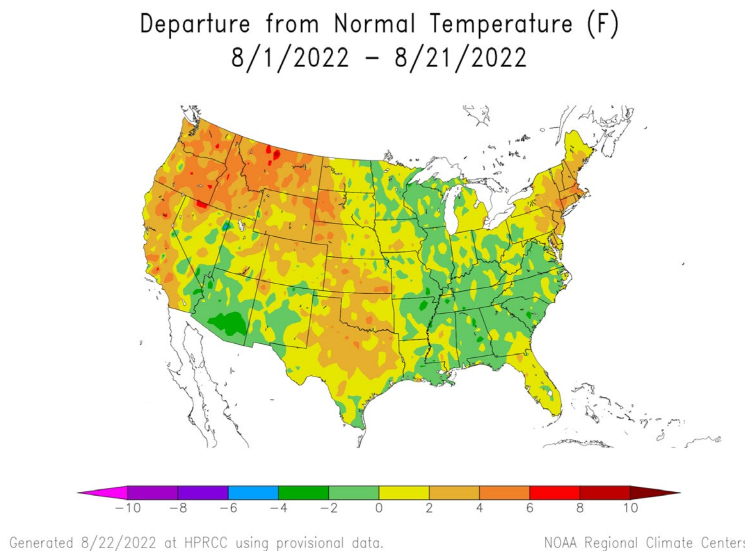
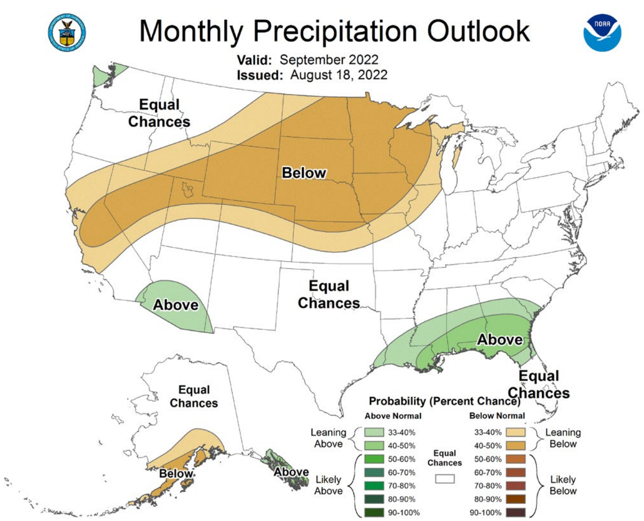
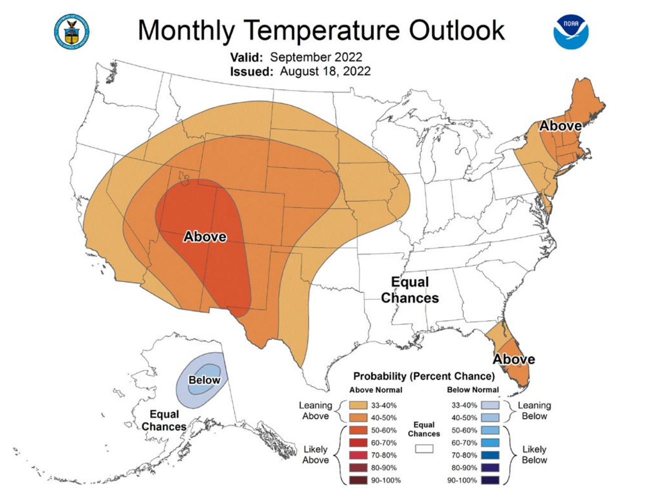




- Despite early expectations for warmer temperatures to continue into August, it has been relatively cooler especially east of the Mississippi…west has remained drier and closer to normal temperatures





Where Could Final Yield End Up?

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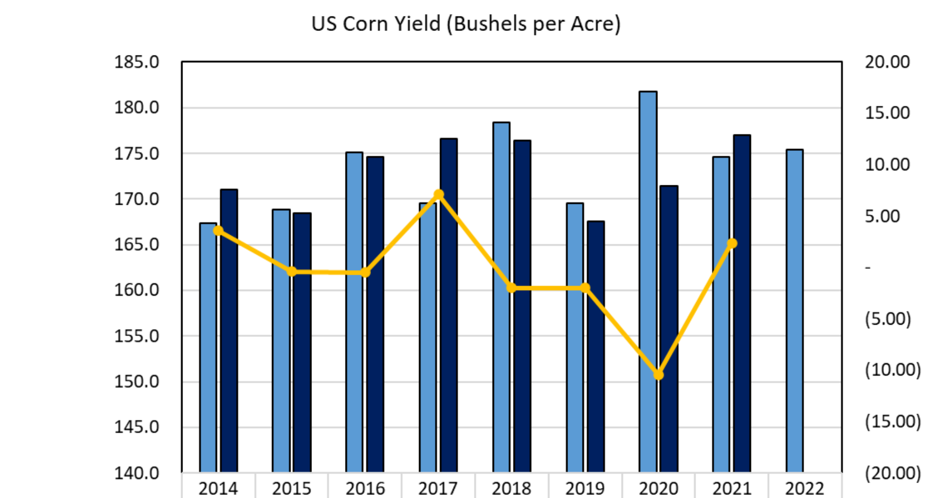
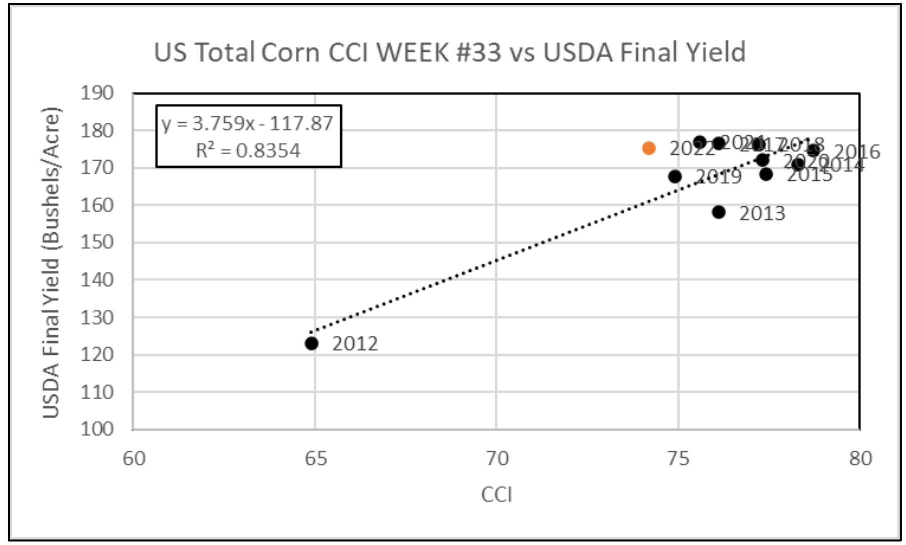
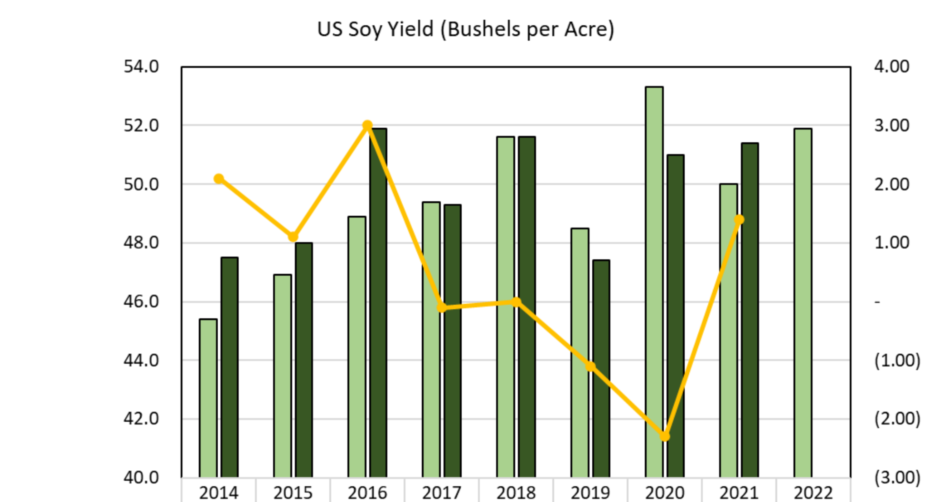
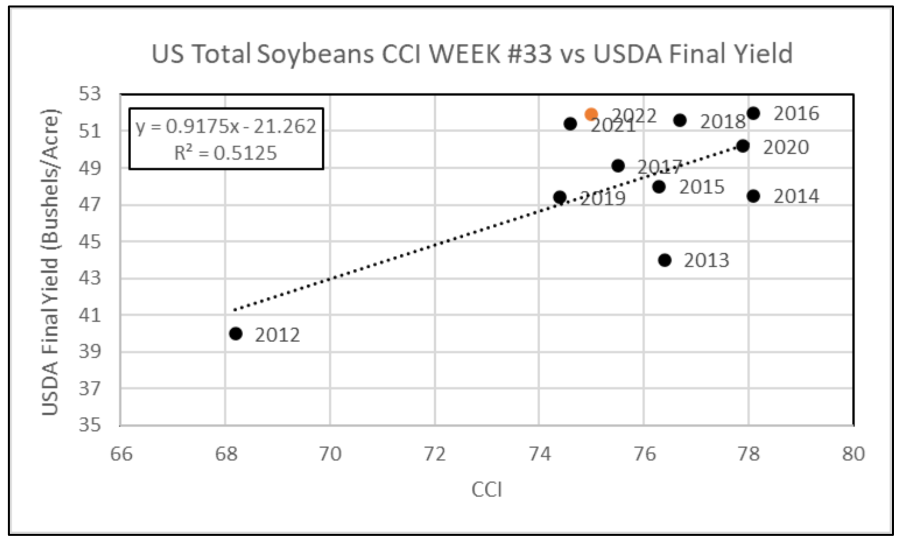


	2014	2015	2016	2017	2018	2019	2020	2021	2022
August	167.4	168.8	175.1	169.5	178.4	169.5	181.8	174.6	175.4
Final	171.0	168.4	174.6	176.6	176.4	167.5	171.4	177.0	
August-Final	3.60	(0.40)	(0.50)	7.10	(2.00)	(2.00)	(10.40)	2.40	

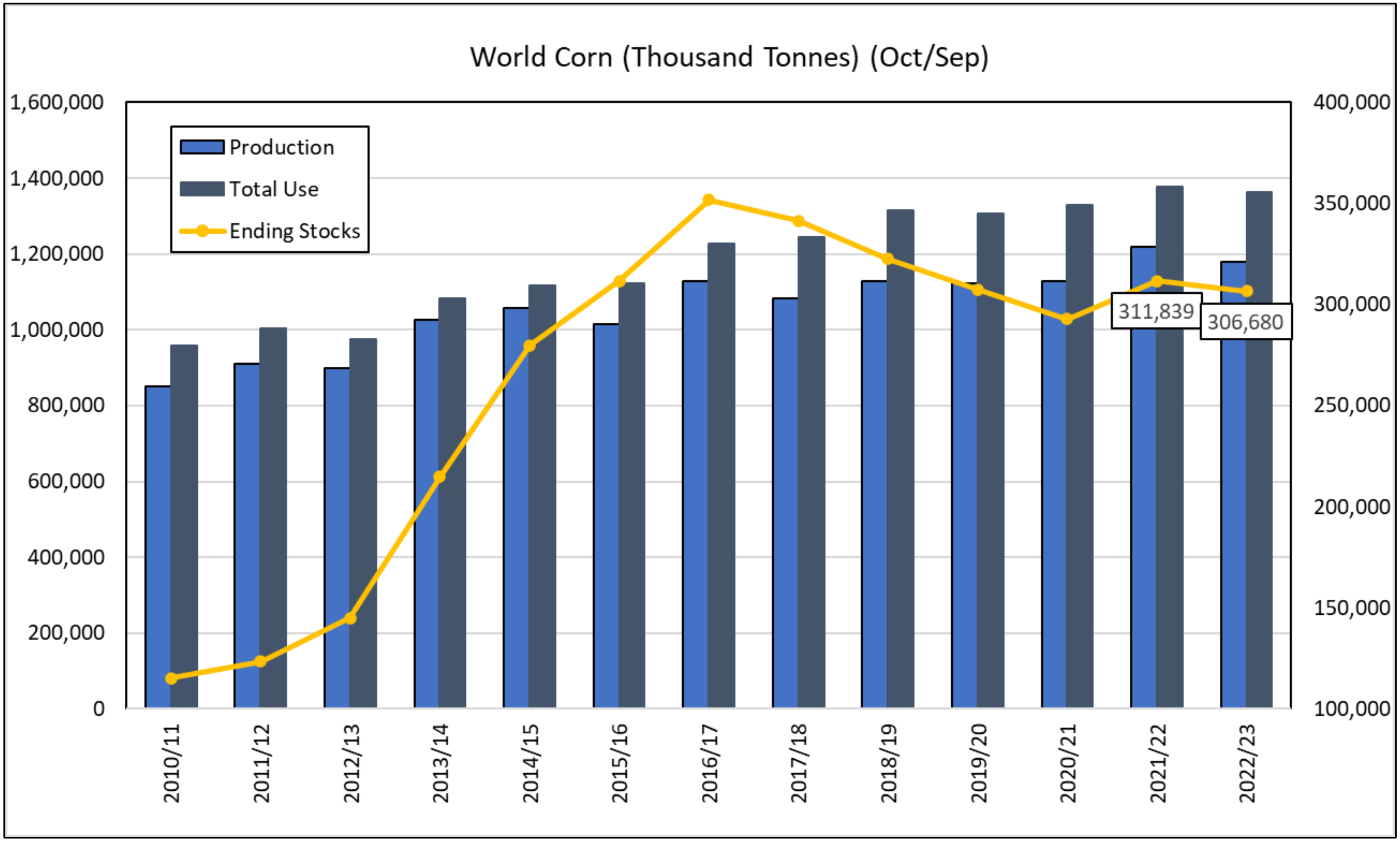




	2014	2015	2016	2017	2018	2019	2020	2021	2022
August	45.4	46.9	48.9	49.4	51.6	48.5	53.3	50.0	51.9
Final	47.5	48.0	51.9	49.3	51.6	47.4	51.0	51.4	
August-Final	2.10	1.10	3.00	(0.10)	-	(1.10)	(2.30)	1.40	



Corn: Global Production, Use & Ending Stocks Tightening, but Still in Line with Recent Years



Soybeans: Global Production, Use & Ending Stocks Loosening Driven by a Rebound in SAM Production

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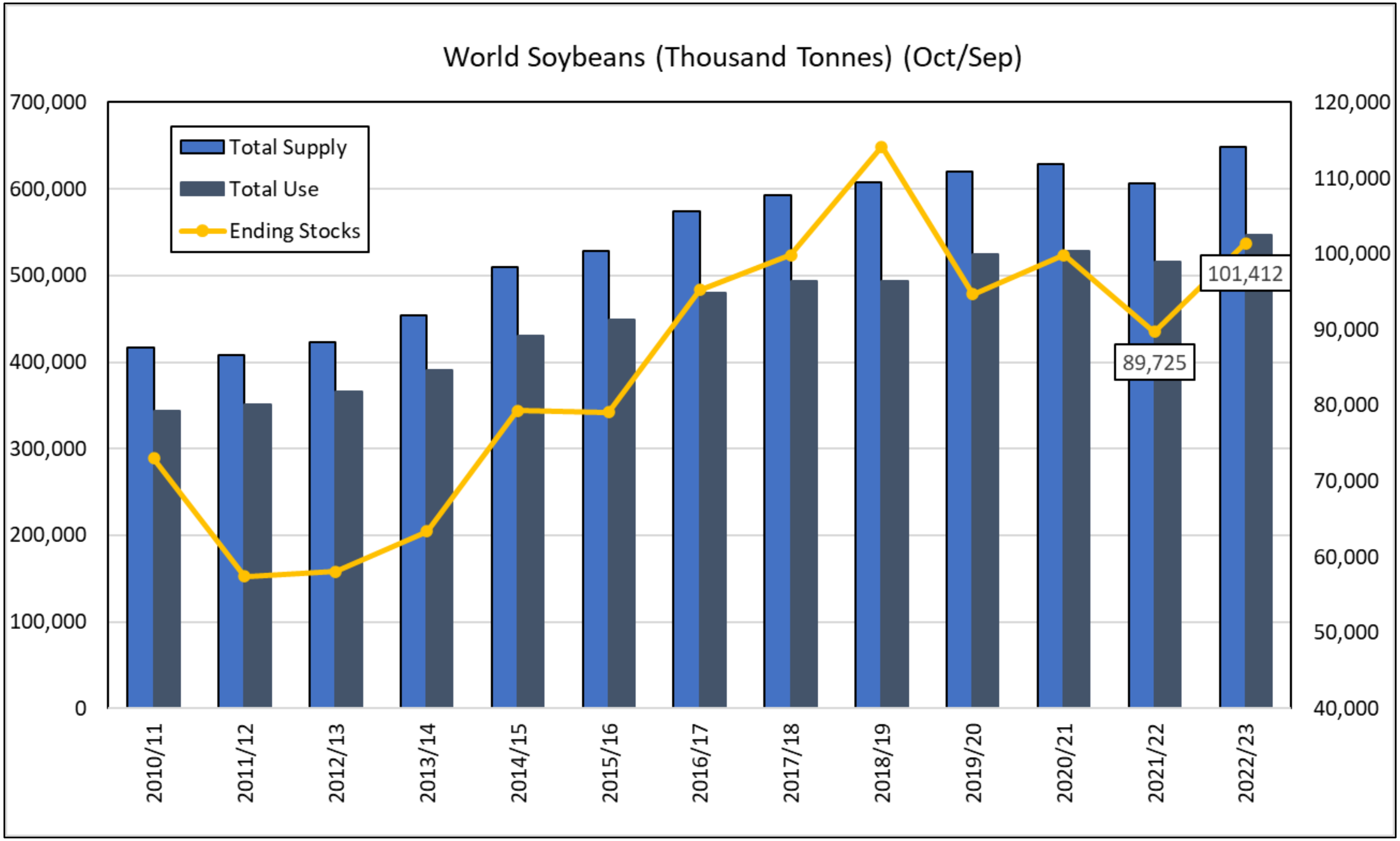
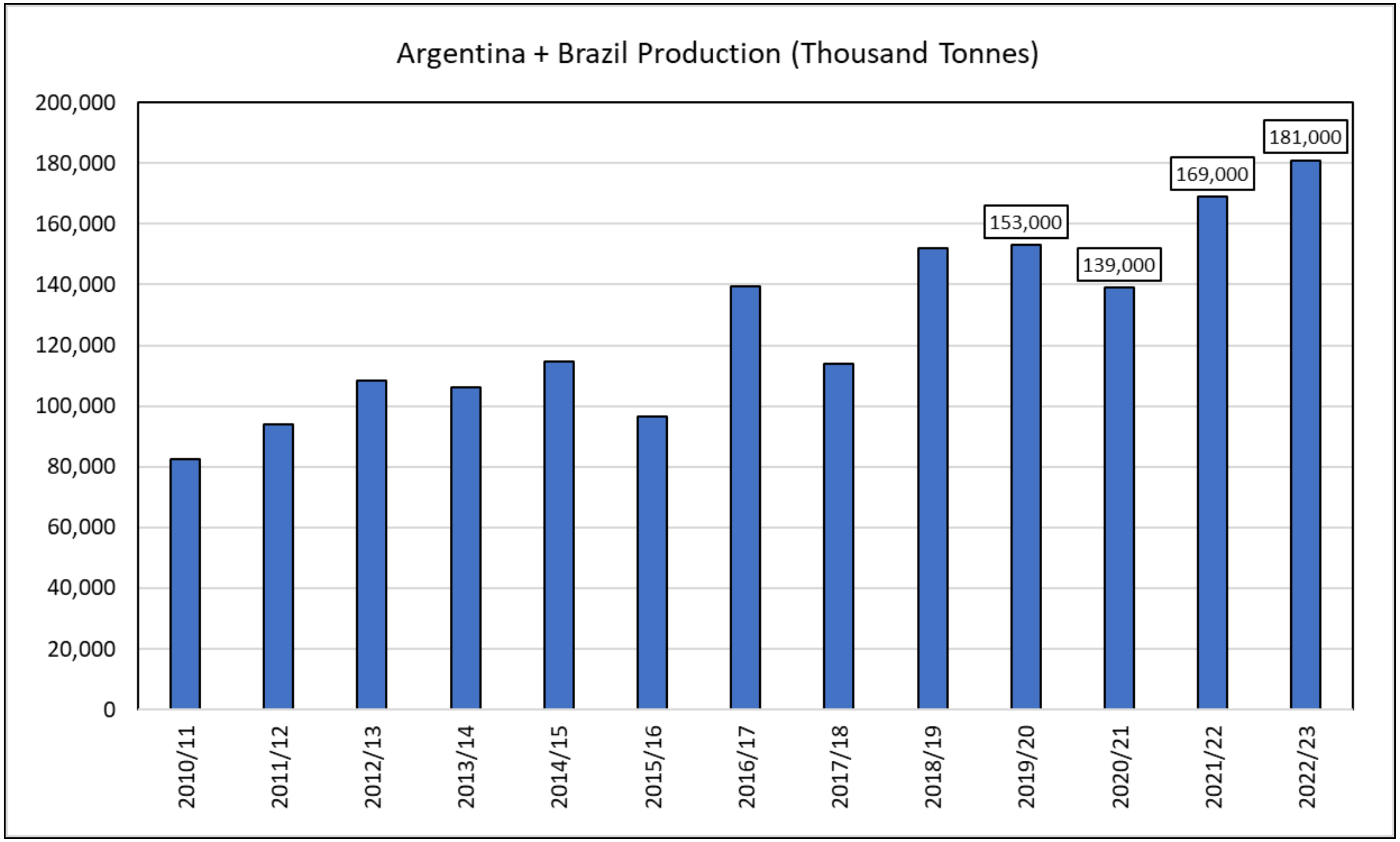


SAM Corn Production

- Record production forecast for 2022/23 at 181 MMT with the growth mainly driven by Brazil on the back of area…yields still carry quite a bit of uncertainty



Ukraine Corn Balance Sheet

LDC
Louis Dreyfus Company

- USDA raised its corn export forecast in the August *WASDE* – if corridor runs smoothly how much more could be added to Ukraine exports?

USDA Ukraine Corn Balance Sheet (Hectares/Thousand Tonnes)

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Area Harvested	2,648	3,544	4,370	4,825	4,625	4,085	4,239	4,433	4,567	4,991	5,395	5,486	4,500
Beginning Stocks	672	521	1,300	940	1,302	1,519	1,435	1,599	1,567	891	1,478	832	6,273
Production	11,919	22,838	20,922	30,900	28,450	23,333	27,969	24,115	35,805	35,887	30,297	42,126	30,000
Imports	38	49	44	66	28	28	29	39	40	29	21	15	0
Total Supply	12,629	23,408	22,266	31,906	29,780	24,880	29,433	25,753	37,412	36,807	31,796	42,973	36,273
Exports	5,008	15,208	12,726	20,004	19,661	16,595	21,334	18,036	30,321	28,929	23,864	24,500	12,500
Domestic Consumption	7,100	6,900	8,600	10,600	8,600	6,850	6,500	6,150	6,200	6,400	7,100	12,200	11,700
Ending Stocks	521	1,300	940	1,302	1,519	1,435	1,599	1,567	891	1,478	832	6,273	12,073
Stocks-to-Use	4.3%	5.9%	4.4%	4.3%	5.4%	6.1%	5.7%	6.5%	2.4%	4.2%	2.7%	17.1%	49.9%

Balance Sheet Overview: Non-US Corn

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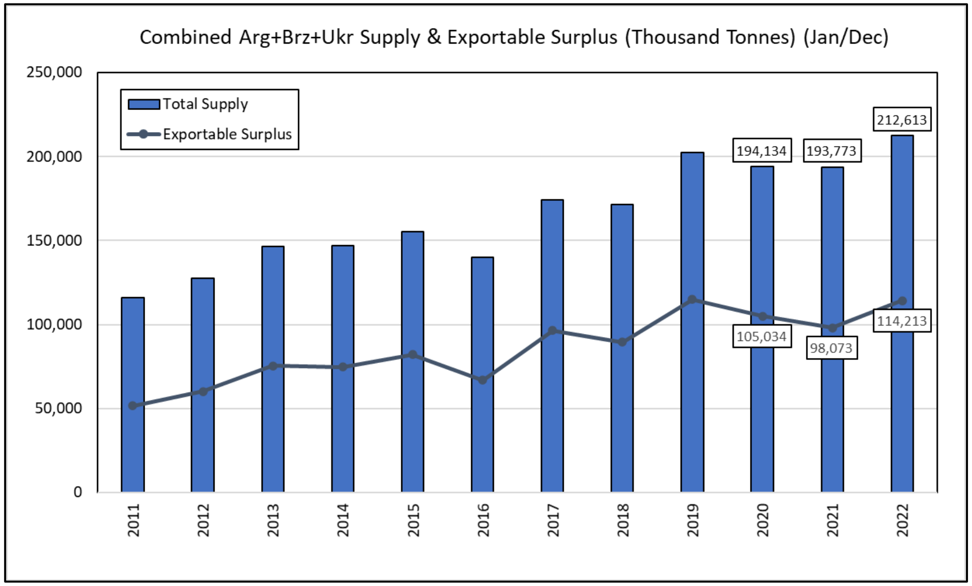
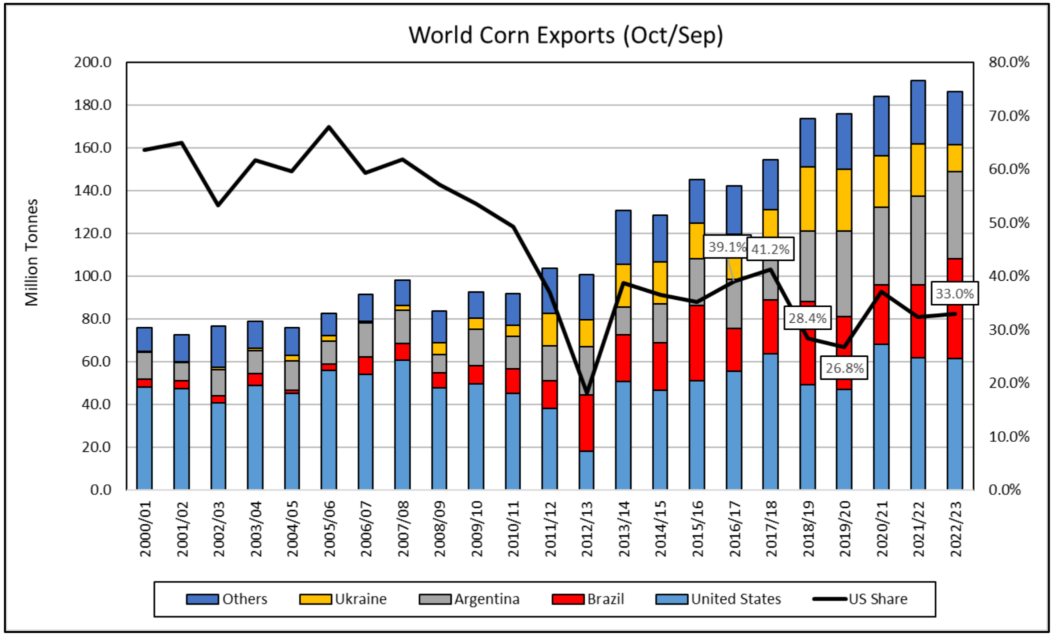
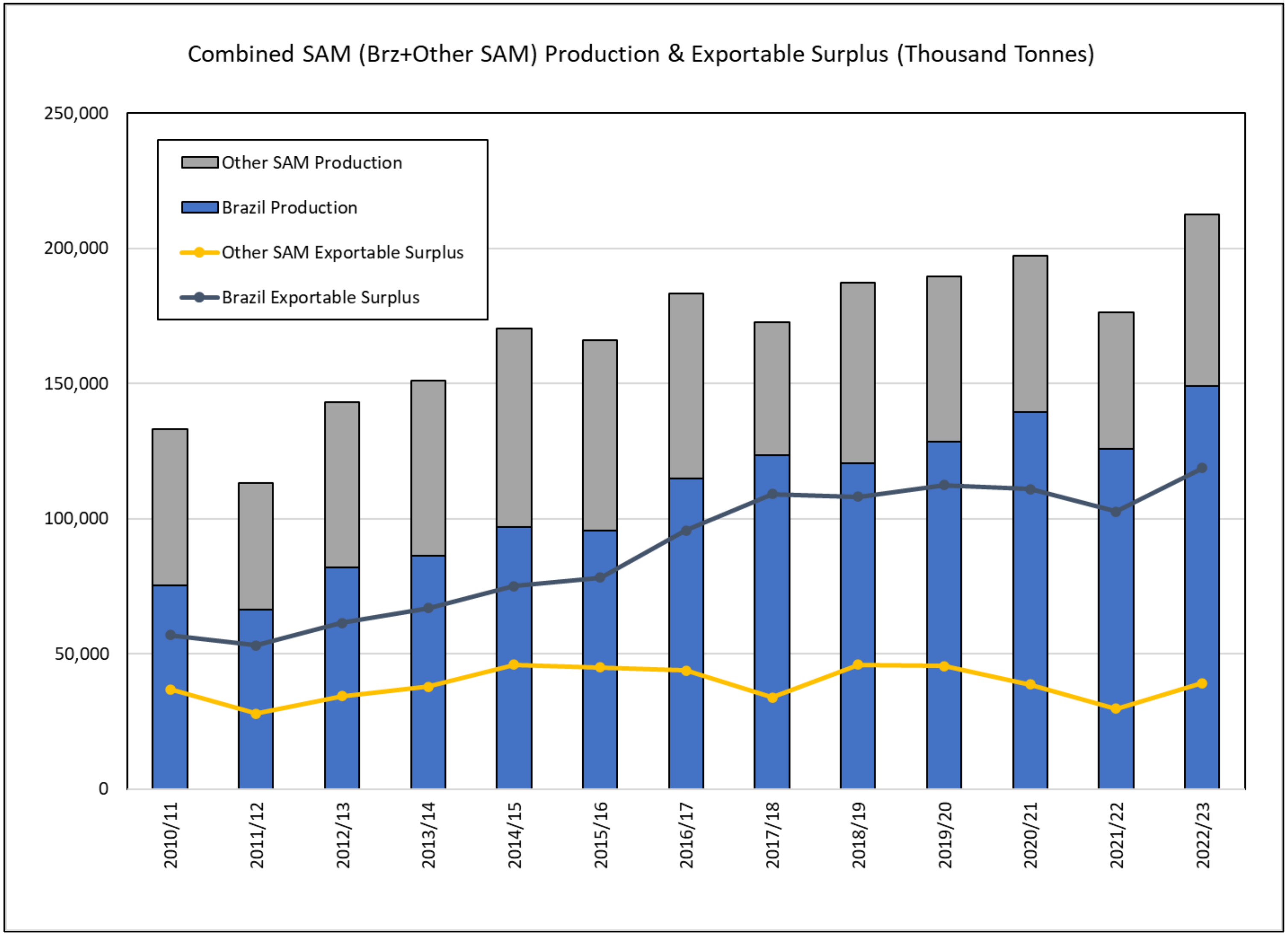
- Despite larger exportable surplus for Argentina, Brazil and Ukraine, US share of exports is projected to rebound in 2022/23 to 33% with Ukraine exports forecast at 12.5 MMT, 21/22: 24.5 MMT





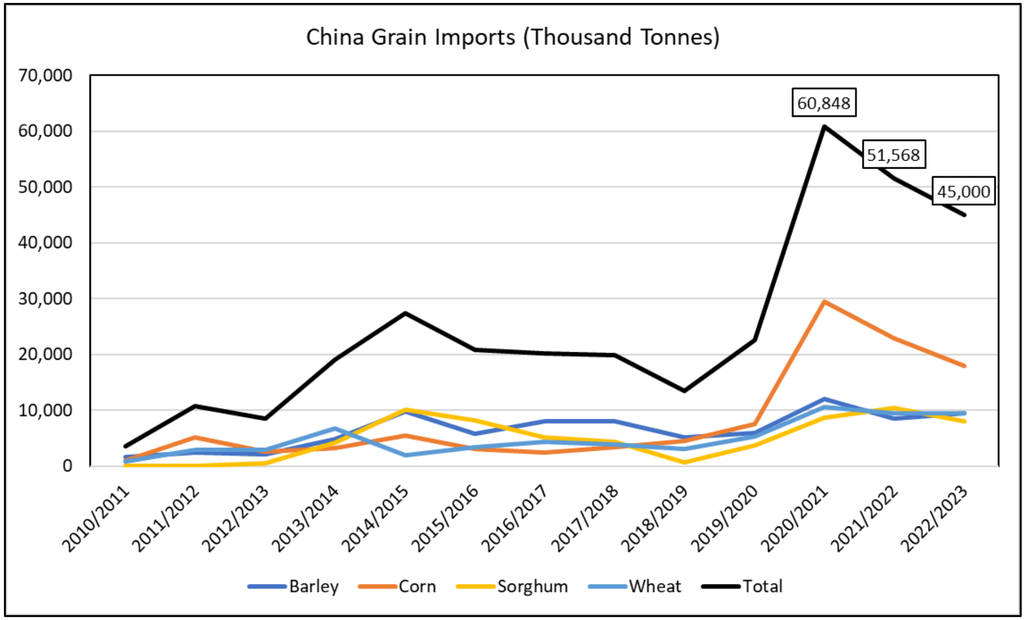
Balance Sheet Overview: Non-US Soybeans

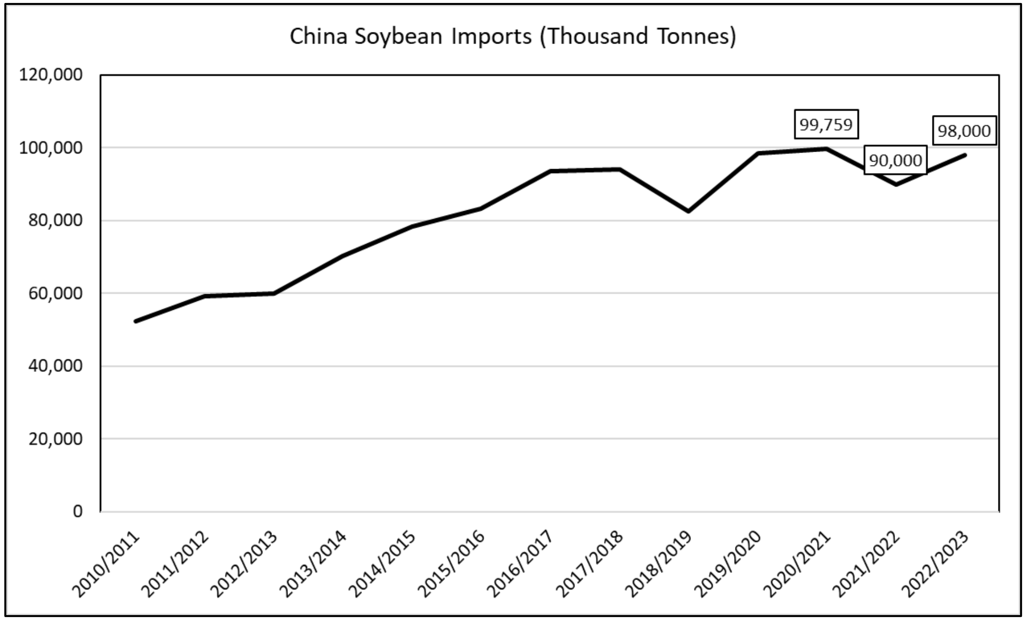
- SAM exportable surplus is expected to rebound on the back of larger production



China Imports

- Post record grains and oilseeds imports in 2020/21, total imports have fallen off driven by grains, primarily corn…could we see a rebound from USDA's forecast? What are China's needs?





Balance Sheet Overview: US Corn

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Louis Dreyfus Company

USDA US Corn Balance Sheet (Million Bushels/Million Acres)

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Aug WASDE 2021/22	Aug WASDE 2022/23
Planted Acres	91.9	97.3	95.4	90.6	88.0	94.0	90.2	88.9	89.7	90.7	93.4	89.8
Harvested Acres	83.9	87.4	87.5	83.1	80.8	86.7	82.7	81.3	81.3	82.3	85.4	81.8
Yield	146.8	123.1	158.1	171	168.4	174.6	176.6	176.4	167.5	171.4	177.0	175.4
Beginning Stocks	1,128	989	821	1,232	1,731	1,737	2,293	2,140	2,221	1,919	1,235	1,530
Production	12,314	10,755	13,831	14,217	13,602	15,148	14,609	14,340	13,620	14,111	15,115	14,359
Imports	29	160	36	32	68	57	36	28	42	24	25	25
Total Supply	13,471	11,904	14,688	15,481	15,401	16,942	16,939	16,509	15,883	16,055	16,375	15,913
Feed and Residual Use	4,512	4,309	5,004	5,287	5,118	5,468	5,304	5,427	5,900	5,597	5,600	5,325
Food, Seed & Industrial Use	6,431	6,044	6,531	6,595	6,647	6,885	7,057	6,793	6,286	6,471	6,795	6,825
Ethanol Corn Grind	5,000	4,641	5,124	5,200	5,224	5,432	5,605	5,378	4,857	5,033	5,350	5,375
Total Domestic Use	10,943	10,353	11,535	11,883	11,765	12,353	12,361	12,220	12,187	12,068	12,395	12,150
Exports	1,539	730	1,921	1,867	1,899	2,296	2,437	2,068	1,777	2,753	2,450	2,375
Total Use	12,482	11,083	13,456	13,750	13,664	14,649	14,798	14,288	13,964	14,821	14,845	14,525
Ending Stocks	989	821	1,232	1,731	1,737	2,293	2,140	2,221	1,919	1,235	1,530	1,388
Stocks-to-Use	7.9%	7.4%	9.2%	12.6%	12.7%	15.7%	14.5%	15.5%	13.7%	8.3%	10.3%	9.6%

- 2022/23 carryout forecast has grown tighter on the back of a smaller production forecast
- How much tighter could the carryout go? Could we see production losses be partially offset by lower exports?

Balance Sheet Overview: US Soybeans

LDC
Louis Dreyfus Company

USDA (WASDE) US Soybean Balance Sheet (Million Bushels/Million Acres)

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Aug WASDE 2021/22	Aug WASDE 2022/23
Planted Acres	75.0	77.2	76.8	83.3	82.7	83.5	90.2	89.2	76.1	83.4	87.2	88.0
Harvested Acres	73.8	76.1	76.2	82.6	81.7	82.7	89.5	87.6	74.9	82.6	86.3	87.2
Yield	41.9808	39.9512	44.0361	47.5	48.0387	51.949	49.3	50.6	47.4	51.0	51.4	51.9
Beginning Stocks	215	169	141	92	191	197	302	438	909	525	257	225
Production	3,097	3,042	3,357	3,928	3,927	4,296	4,412	4,428	3,552	4,216	4,435	4,531
Imports	16	41	72	33	24	22	22	14	15	20	15	15
Total Supply	3,328	3,252	3,569	4,053	4,141	4,515	4,735	4,880	4,476	4,761	4,707	4,771
Crush	1,703	1,689	1,734	1,873	1,886	1,901	2,055	2,092	2,165	2,141	2,205	2,245
Exports	1,365	1,328	1,639	1,842	1,943	2,167	2,134	1,748	1,682	2,266	2,160	2,155
Seed, Feed and Residual Use	91	95	105	147	115	146	108	132	104	97	117	126
Total Use	3,159	3,111	3,477	3,863	3,944	4,214	4,297	3,971	3,951	4,504	4,482	4,526
Ending Stocks	169	141	92	191	197	302	438	909	525	257	225	245
Stocks-to-Use	5.4%	4.5%	2.6%	4.9%	5.0%	7.2%	10.2%	22.9%	13.3%	5.7%	5.0%	5.4%

- 2022/23 carryout forecast at 245 million bushels, which is up slightly from 2021/22, but stocks-to-use holding on the tighter side
- Initial yield estimate from USDA NASS was well above what we saw last year, but August weather remaining dry in the west and seems forecast to stay into September
- Tendency is for USDA to reduce exports on the back of smaller production…lingering question as well of could Brazil production be even larger than 149 MMT?

Questions?

NORTH AMERICAN RAILCAR MARKET UPDATE

Agenda

01 About GATX

02 North American Railcar Market Overview

03 Forces in North American Railcar Supply & Demand

04 Covered Hopper Car Focus

Forward-Looking Statements

Statements in this presentation not based on historical facts are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and, accordingly, involve known and unknown risks and uncertainties that are difficult to predict and could cause our actual results, performance, or achievements to differ materially from those discussed. Forward-looking statements include statements as to our future expectations, beliefs, plans, strategies, objectives, events, conditions, financial performance, prospects, or future events. In some cases, forward-looking statements can be identified by the use of words such as "may," "could," "expect," "intend," "plan," "seek," "anticipate," "believe," "estimate," "predict," "potential," "outlook," "continue," "likely," "will," "would", and similar words and phrases. Forward-looking statements are necessarily based on estimates and assumptions that, while considered reasonable by us and our management, are inherently uncertain. Accordingly, you should not place undue reliance on forward-looking statements, which speak only as of the date they are made, and are not guarantees of future performance. We do not undertake any obligation to publicly update or revise these forward-looking statements.

The following factors, in addition to those discussed under "Risk Factors" and elsewhere in our other filings with the U.S. Securities and Exchange Commission ("SEC"), including our Form 10-K for the year ended December 31, 2021 and in any subsequent reports on Form 10-Q, could cause actual results to differ materially from our current expectations expressed in forward looking statements:

- the duration and effects of the global COVID-19 pandemic and any mandated pandemic mitigation requirements, including adverse impacts on our business, personnel, operations, commercial activity, supply chain, the demand for our transportation assets, the value of our assets, our liquidity, and macroeconomic conditions
- exposure to damages, fines, criminal and civil penalties, and reputational harm arising from a negative outcome in litigation, including claims arising from an accident involving transportation assets
- inability to maintain our transportation assets on lease at satisfactory rates due to oversupply of assets in the market or other changes in supply and demand
- a significant decline in customer demand for our transportation assets or services, including as a result of:
  - weak macroeconomic conditions
  - weak market conditions in our customers' businesses
  - adverse changes in the price of, or demand for, commodities
  - changes in railroad operations, efficiency, pricing and service offerings, including those related to "precision scheduled railroading"
  - changes in, or disruptions to, supply chains
  - availability of pipelines, trucks, and other alternative modes of transportation
  - changes in conditions affecting the aviation industry, including reduced demand for air travel, geographic exposure and customer concentrations
  - other operational or commercial needs or decisions of our customers
  - customers' desire to buy, rather than lease, our transportation assets
- higher costs associated with increased assignments of our transportation assets following non-renewal of leases, customer defaults, and compliance maintenance programs or other maintenance initiatives
- events having an adverse impact on assets, customers, or regions where we have a concentrated investment exposure
- financial and operational risks associated with long-term purchase commitments for transportation assets
- reduced opportunities to generate asset remarketing income
- inability to successfully consummate and manage ongoing acquisition and divestiture activities
- reliance on Rolls-Royce in connection with our aircraft spare engine leasing businesses, and the risks that certain factors that adversely affect Rolls-Royce could have an adverse effect on our businesses
- fluctuations in foreign exchange rates
- inflation or deflation
- failure to successfully negotiate collective bargaining agreements with the unions representing a substantial portion of our employees
- asset impairment charges we may be required to recognize
- deterioration of conditions in the capital markets, reductions in our credit ratings, or increases in our financing costs
- changes in banks' inter-lending rate reporting practices and the phasing out of LIBOR
- competitive factors in our primary markets, including competitors with significantly lower costs of capital
- risks related to our international operations and expansion into new geographic markets, including laws, regulations, tariffs, taxes, treaties or trade barriers affecting our activities in the countries where we do business
- changes in, or failure to comply with, laws, rules, and regulations
- U.S. and global political conditions, including the ongoing military action between Russia and Ukraine
- inability to obtain cost-effective insurance
- environmental liabilities and remediation costs
- potential obsolescence of our assets
- inadequate allowances to cover credit losses in our portfolio
- operational, functional and regulatory risks associated with severe weather events, climate change and natural disasters
- inability to maintain and secure our information technology infrastructure from cybersecurity threats and related disruption of our business
- changes in assumptions, increases in funding requirements or investment losses in our pension and post-retirement plans
- inability to maintain effective internal control over financial reporting and disclosure controls and procedures


GATX
GENERAL
AMERICAN
GATX 83600
CAPY 140000
LT. WT. 110800 SHN. 5.61
GENERAL AMERICAN
TRANSPORTATION CORPORATION
PHILLIPS
PETROLEUM
COMPANY

About GATX

GATX's 124-Year History

- **1898** – Established as railcar lessor with 28 railcars
- **1907** – Began manufacturing railcars
- **1919** – Initiated quarterly dividend
- **1920** – Began listing on the NYSE
- **1936** – Began rail investment in Canada
- **1984** – Exited railcar manufacturing
- **1994** – Began rail investment in Europe & Mexico
- **1998** – Formed Rolls-Royce & Partners Finance Affiliates (RRPF)
- **2003** – Acquired 100% ownership in European rail joint venture & formed GATX Rail Europe (GRE)
- **2012** – Began rail investments in India
- **2020** – Acquired Trifleet, one of the largest tank container lessors globally
- **2021** – $9.5B in assets & ~147K wholly owned railcars worldwide*; Announced CEO Transition Plan

*As of 12/31/2021

GATX Business Segments

Rail North America

- One of the largest railcar and locomotive lessors with a diversified fleet of 111,600 railcars and nearly 560 locomotives*
- The only diversified lessor with wholly-owned, full-scale, network-wide repair and maintenance capability for tank and freight cars
  - Extensive owned shop network with 11 facilities that shipped ~9.8K cars in 2021
- Strong customer credit quality, diversification in car types, commodities carried and contractual lease receipts (~$2.2B)

Rail International

- GATX Rail Europe (GRE) is a leading European tank car and freight car lessor with over 27,100 railcars
- Strong customer credit quality, diversification in car types, geography, and commodities carried
- GATX Rail India (GRI) is the largest private railcar lessor in India with over 4,800 railcars

Portfolio Management

- Largely composed of our 50% ownership of Rolls-Royce and Partners Finance Affiliates (RRPF), a leading worldwide lessor of aircraft spare engines
  - RRPF has 407 aircraft spare engines with $4.4 billion of net book value
- In 2021, GATX began investing directly in aircraft spare engines through its new entity, GATX Engine Leasing (GEL)

Trifleet

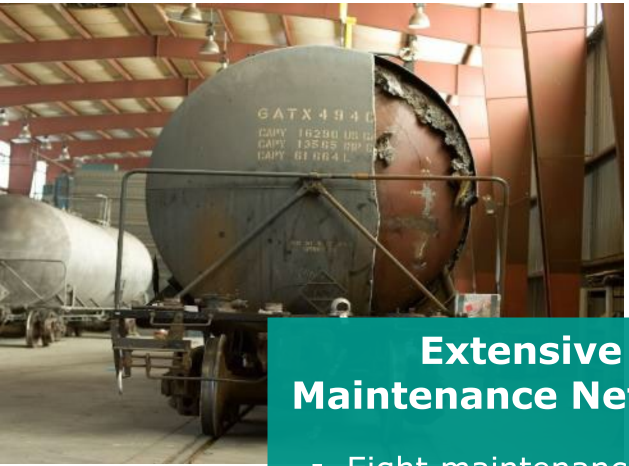
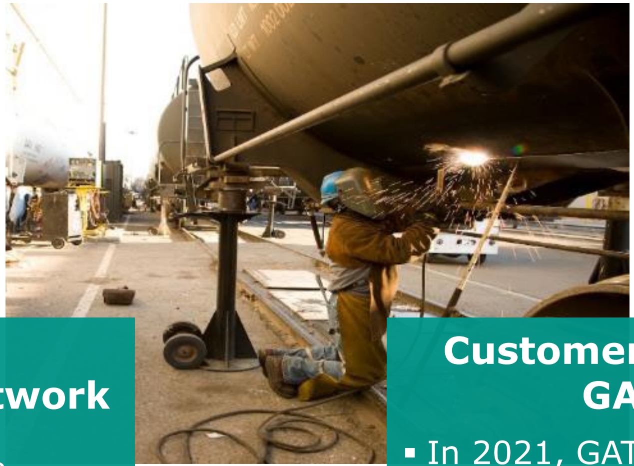
- One of the largest tank container lessors in the world with an owned and managed fleet of approximately 20,000 tank containers
  - Trifleet has a global network of offices and depots providing tank container leasing and services worldwide
- Trifleet's tank containers transport a variety of liquids and gases and are leased to a diverse base of customers in the chemical, industrial gas, energy, food grade, and pharmaceutical industries

~$9.5 Billion Net Book Value of Assets

Note: Rail North America fleet counts as of 6/30/2022; All other information as of 12/31/2021

GATX Rail North America:
Maintenance Network

GATX is known for integrity, safety, and quality of our operations and superior execution.

Extensive Maintenance Network

- Eight maintenance facilities
- Two standalone mobile repair units*
- One customer site location

Customers Rely on GATX

- In 2021, GATX performed ~42,700 maintenance events in its owned and third-party maintenance network
  - Directing an increased percentage of work to GATX-owned shops improves safety, quality, delivery, and cost metrics

Range of Services:

- Routine maintenance & regulatory programs
- Car modifications and rebuilds, including:
  - Mechanical repairs
  - Interior cleaning
  - Interior/exterior blasting
  - Interior/exterior coatings
  - Valve maintenance
  - Qualification & more

*Excludes mobile repair units onsite at a major maintenance facility or customer site location
As of 3/1/2022

North America Operations Network

Service Centers

Montreal, QC, Canada
Serving RR: CN

Moose Jaw, SK, Canada
Serving RR: CP

Red Deer, AB, Canada
Serving RR: CN

Colton, CA
Serving RR: UP

Hearne, TX
Serving RR: UP

Plantersville, TX
Serving RR: UP

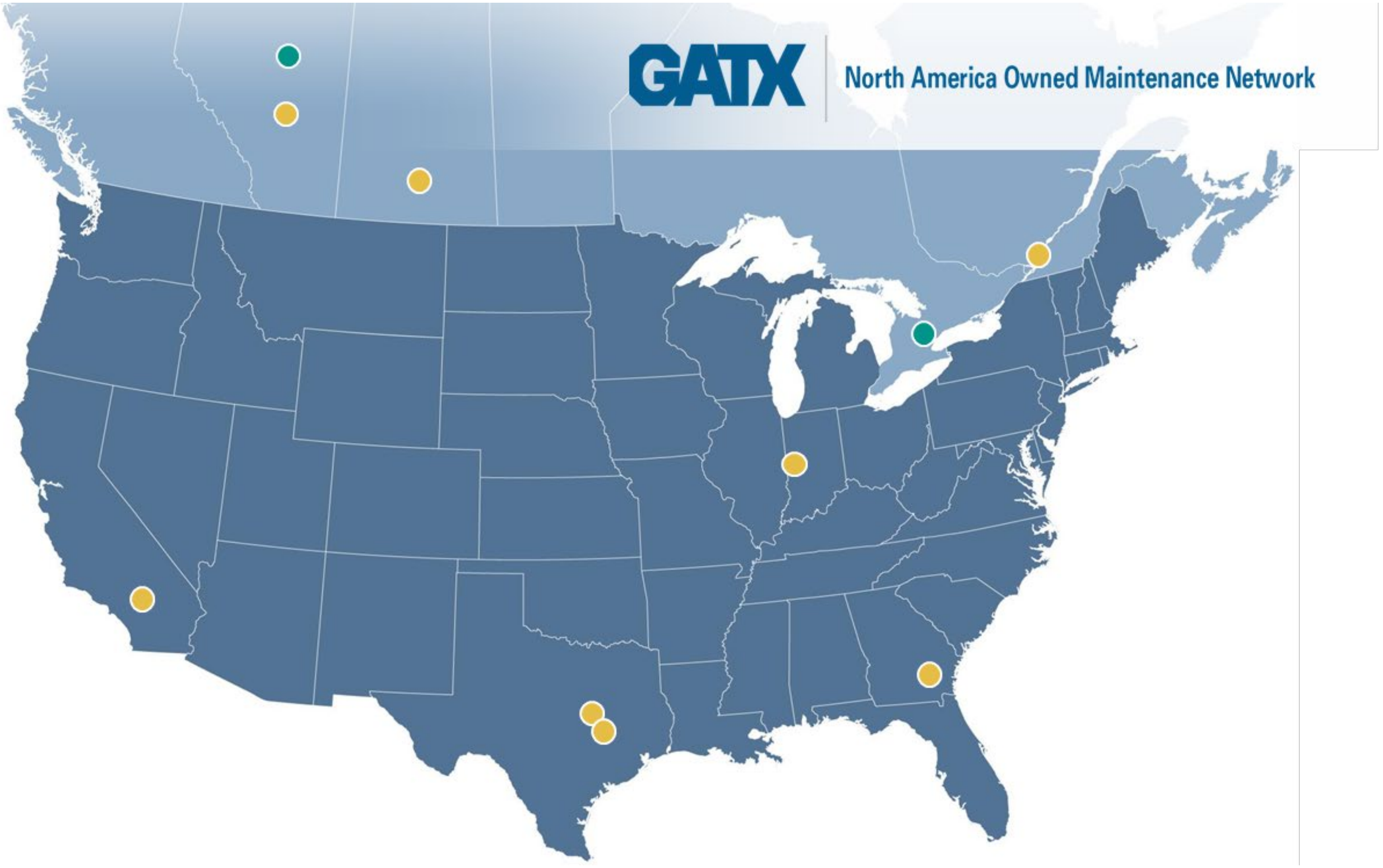
Waycross, GA
Serving RR: CSXT

Terre Haute, IN
Serving RR: INRD

Customer Sites/Field Services

Clarkson, ON

Edmonton, AB



As of 12/31/2021

Canadian Shop Network

GATX major repair facilities **provide a full range of services** that adhere to the highest standards of quality, performance, and efficiency

Major Canadian Repair Facilities:

- ★ Montreal, QC
- ★ Moose Jaw, SK
- ★ Red Deer, AB

Canadian Customer/Field Services Sites:

- ▲ Edmonton, AB
- ▲ Clarkson, ON

Customer Training: TankTrainer

North American Railcar Market Overview

Industry Ownership:
North America

Approximately 1.63 million railcars

RAILROADS

- Ownership of railcars continues to decline
- Virtually no tank car ownership due to complexities and regulations
- Focuses capital investment on infrastructure

25% (2012) → **16% (2022)**

LESSORS

- Shift from railroad- and shipper-owned railcars to lessors
- Lessors dominate the tank car segment due to complex services and compliance requirements

47% (2012) → **57% (2022)**

SHIPPERS

- Shipper ownership share has declined slightly
- Alternative focus of capital on core business versus railcar investments
- Railcar maintenance and management not a core competency

19% (2012) → **17% (2022)**

TTX

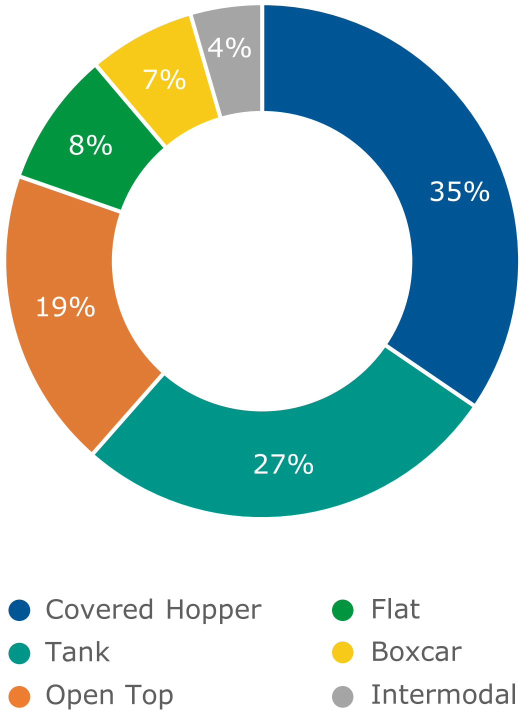
- Railroad-owned equipment pool focused on box, flat, intermodal, and gondola cars
- Overall market share has remained steady since 2008 at ~10% of the North American fleet

9% (2012) → **10% (2022)**

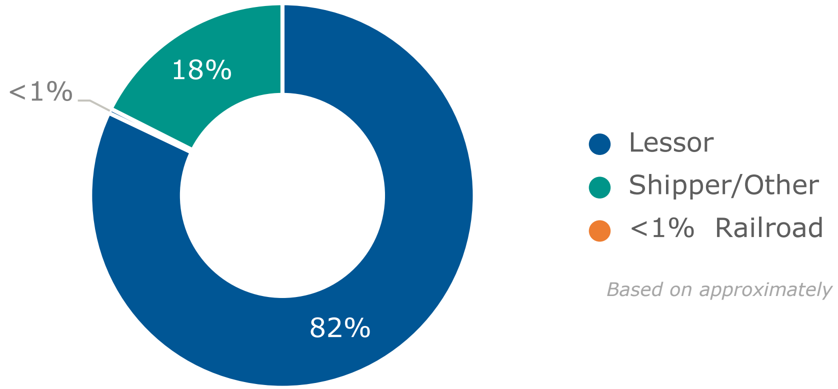
Source: UMLER as of July 2022

Industry Fleet & Ownership Mix:
North America

Railcars by Type
(Approximately 1.63M railcars)

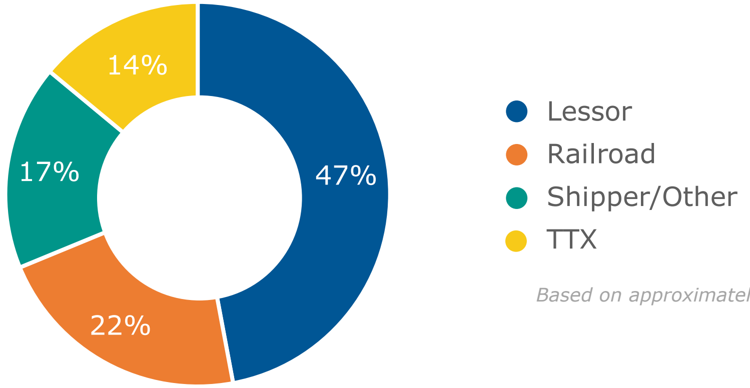


Tank Car Ownership Share



Based on approximately 438K tank cars

Freight Car Ownership Share

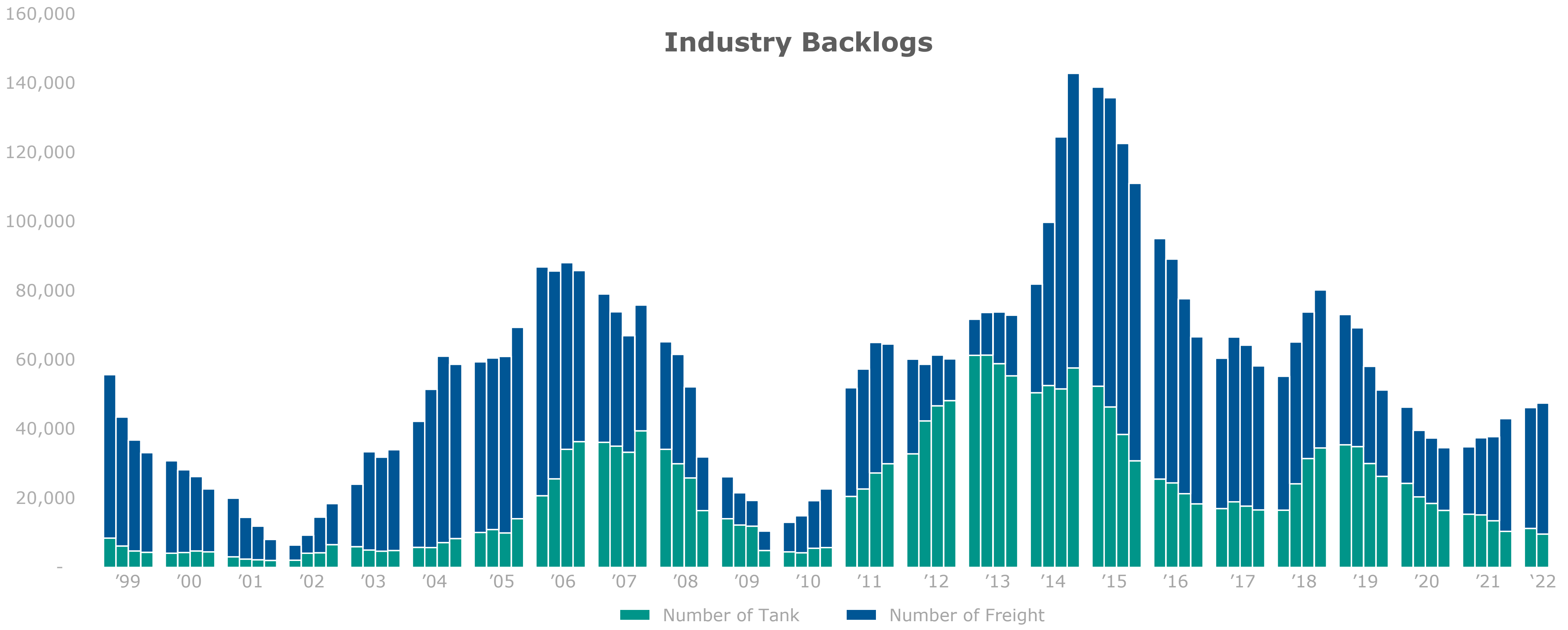


Based on approximately 1.2M freight cars

Source: UMLER as of July 2022

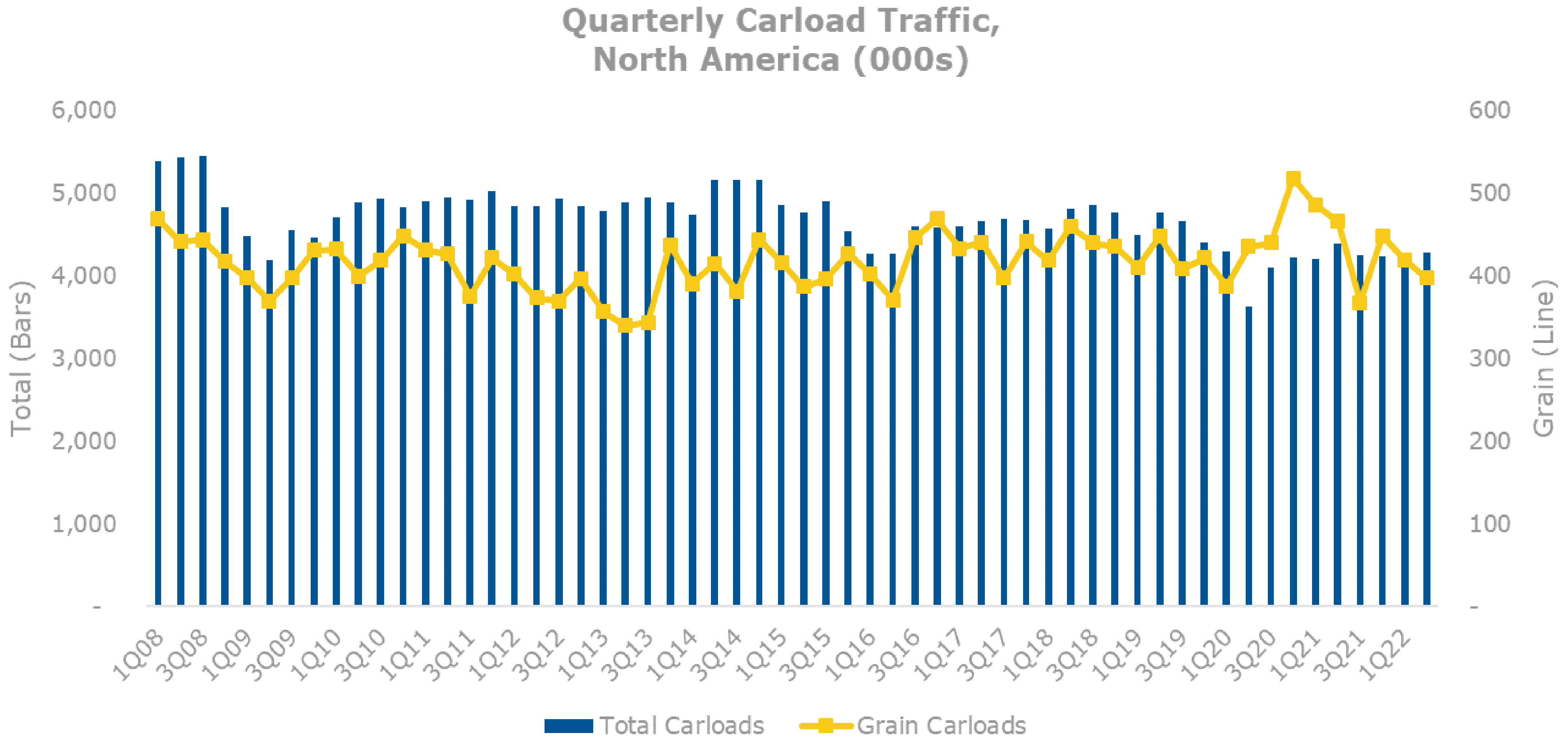
Industry Backlog:
North America

Cyclicality of the industry is illustrated by the backlog of orders at the railcar manufacturers.



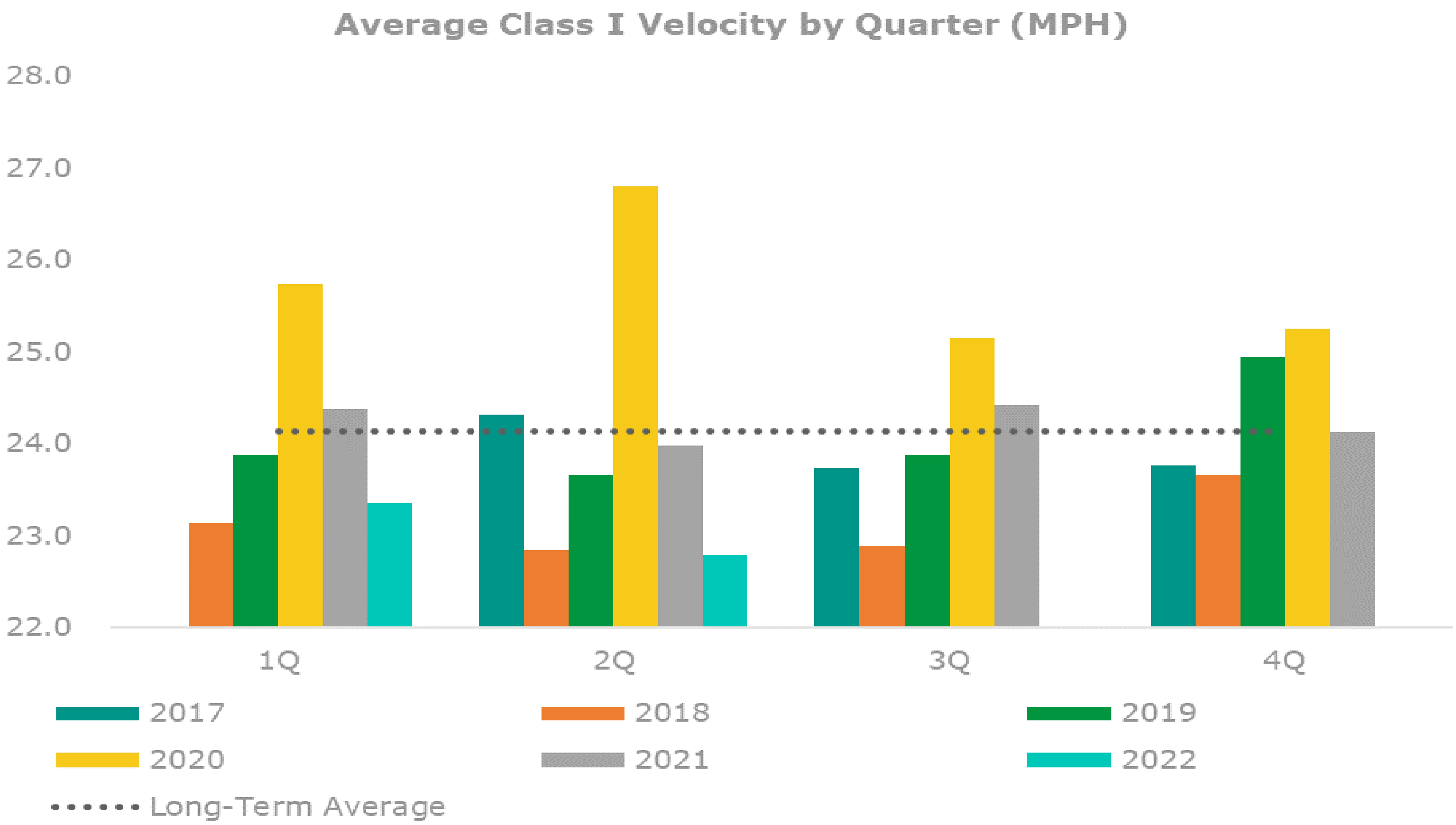
Source: Railway Supply Institute as of July 2022

North American Quarterly Carloads



Note: AAR began reporting on an additional Mexican railroad in 3Q17
Source: Association of American Railroads

Railroad Velocity Over Time



Source: STB; Note: STB data (under current methodology) only goes back to early 2017 (not including the entirety of 1Q17) and CN system data only covers US operations

Forces in North American Railcar Supply & Demand

Current Railcar Market Fundamentals

The most **supply-led** recovery in the post-deregulation era

- No specific demand catalyst
- New car backlogs at ~50% of nameplate capacity
  - Prior recoveries reached ~175%
- Scrapping, high new car prices, and railroad service are most important factors

2022 Forces Tightening the Railcar Market

Influences affecting the railcar market in the short-term

- Macroeconomic conditions
- Demand to move freight
- High fuel prices
- Labor shortages in trucking
- Railroad service issues
- High scrap steel prices accelerating retirements
- High steel, component, & labor prices leading to high new railcar prices

Long-Term Forces Supporting Railcar Demand

Push for **green transport**

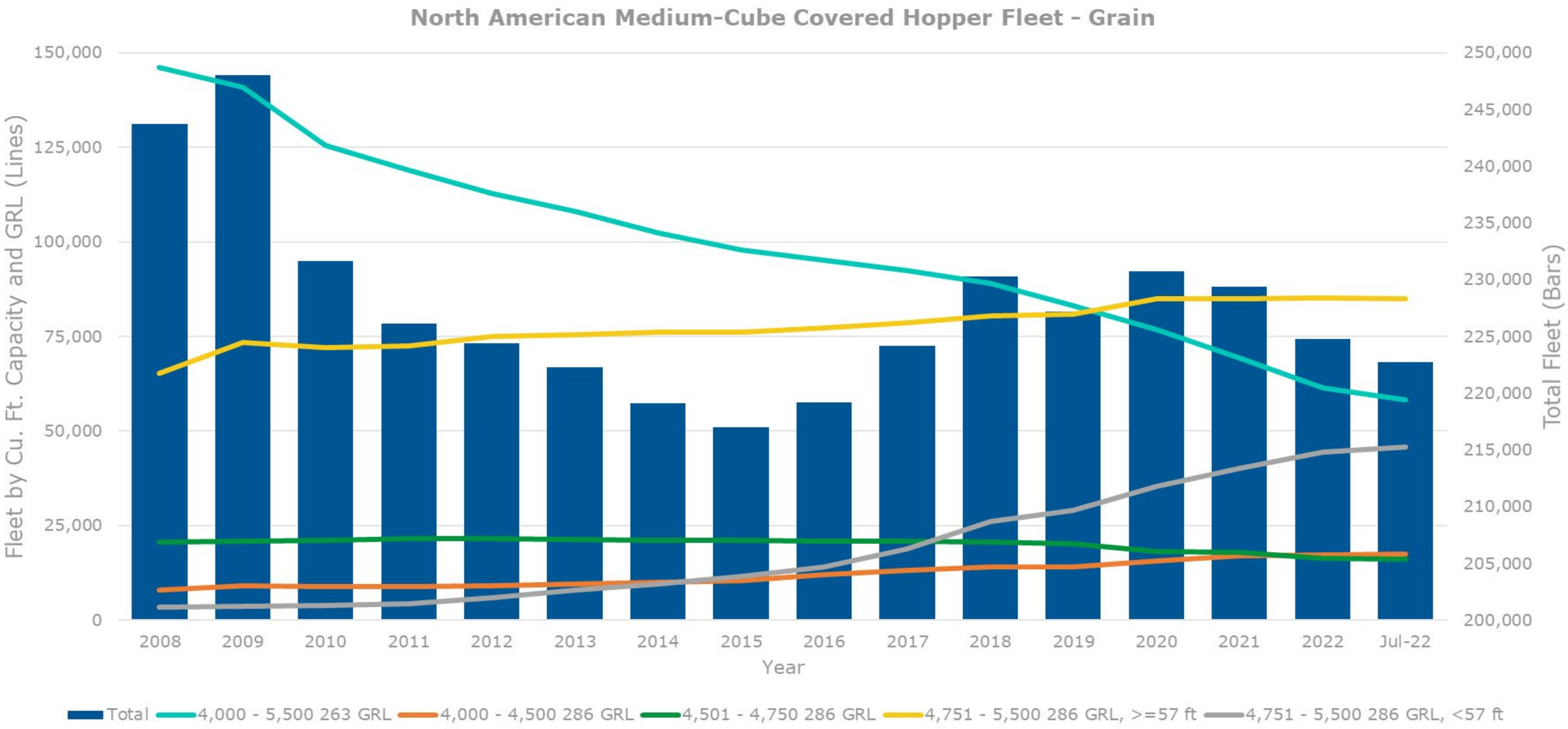
Telematics leading to **improved customer experience**

Fundamental **cost advantage** of rail (fuel, labor, etc.)

Limitations of **alternative modes** (physical & capital constraints of highway & water systems)

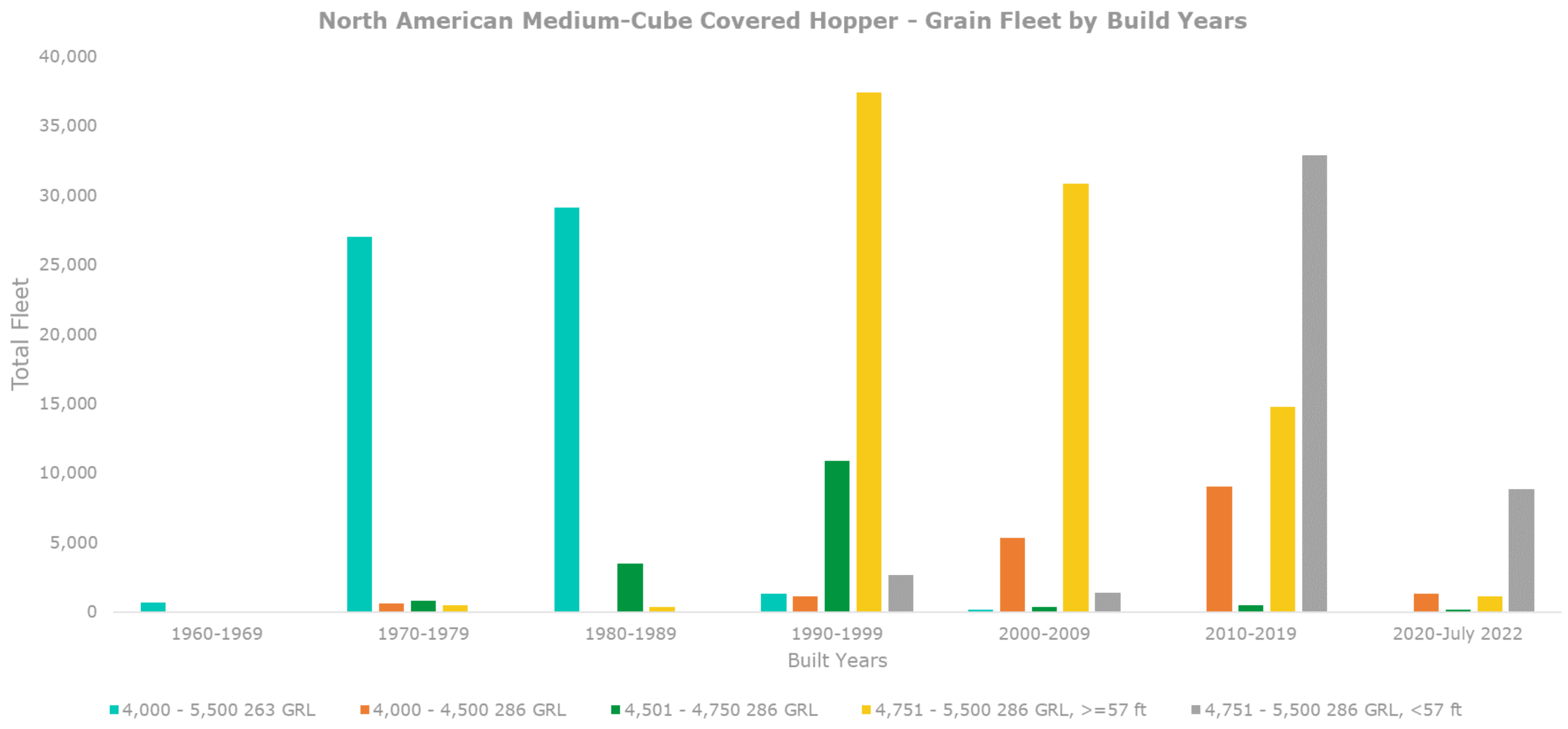
Covered Hopper Car Focus

Grain Covered Hopper Fleet Over Time



Source: UMLER as of January of respective years, except July 2022

Grain Covered Hopper Fleet By Decade



Source: UMLER as of July 2022

GATX

Covered Hopper Outlook

Covered Hoppers: strength, weakness & uncertainty

Medium-capacity gravity cars buoyed by strength in grain, fertilizer & minerals

- High scrap prices taking out 4750s
- The 5150 is the new 4750
- Likely to see continued fleet upgrades & expansions

Small-cubes remain oversupplied post-frac bust

- Some modest demand among cement bargain hunters

Plastics are a question mark

- New car orders never seem to end
- Many questions on plastics demand & on modal choice

GATX

What Should Rail Shippers Do?

1

Car owners can’t solve rail service issues, so we’re not going to try

2

In terms of railcar fleets, there is no magic bullet

- Over-fleeting is costly & risky
- But running too thin results in missed loads
- The car let go may cost twice as much to get back

3

Plan for tightness; don’t assume things will get better

- Over time, we’ll understand the new normal & fleets will adjust

Questions?