

# Railroads and Agriculture

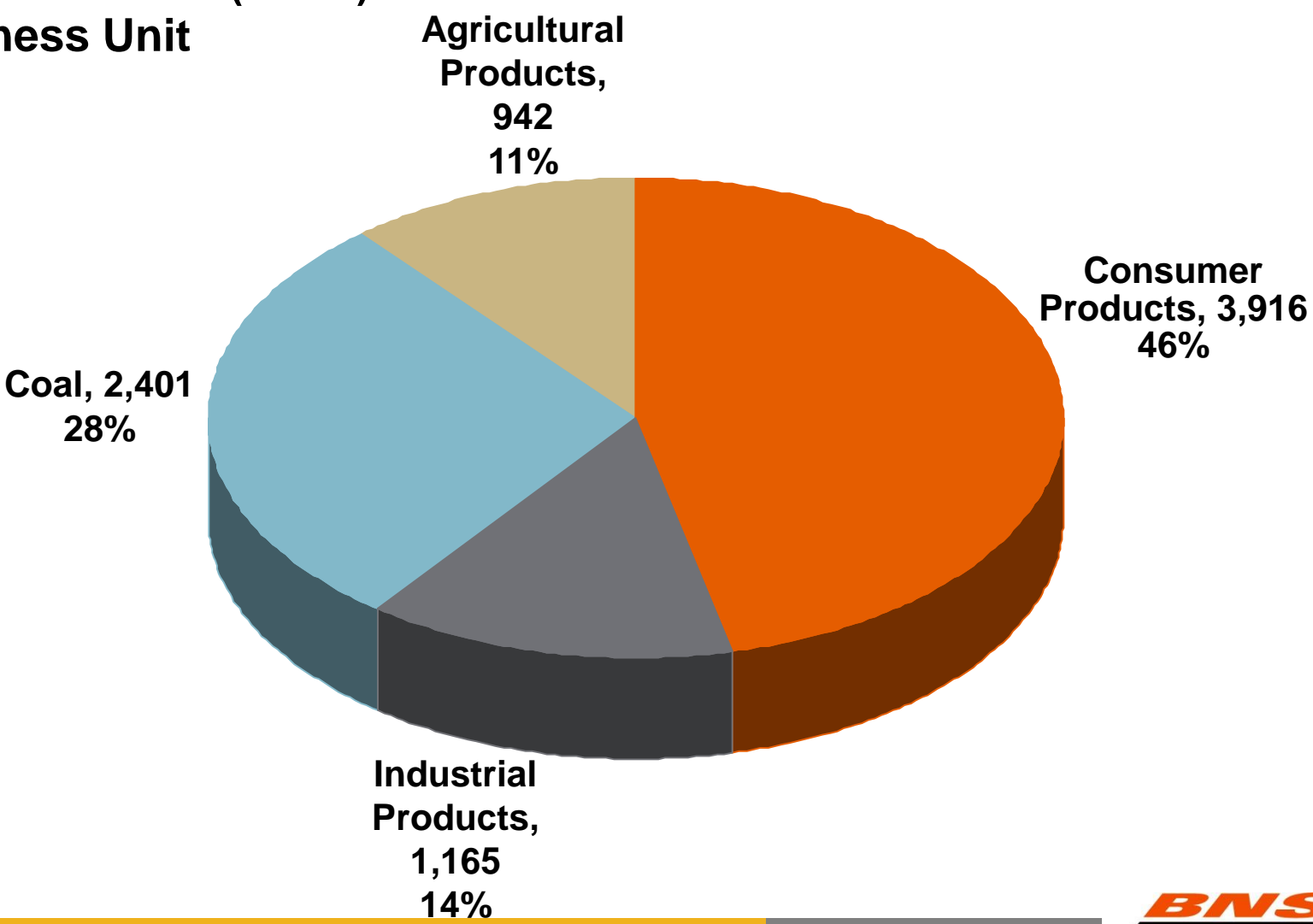
## Minnesota Grain and Feed Association

Matthew K. Rose  
Chairman, President and CEO



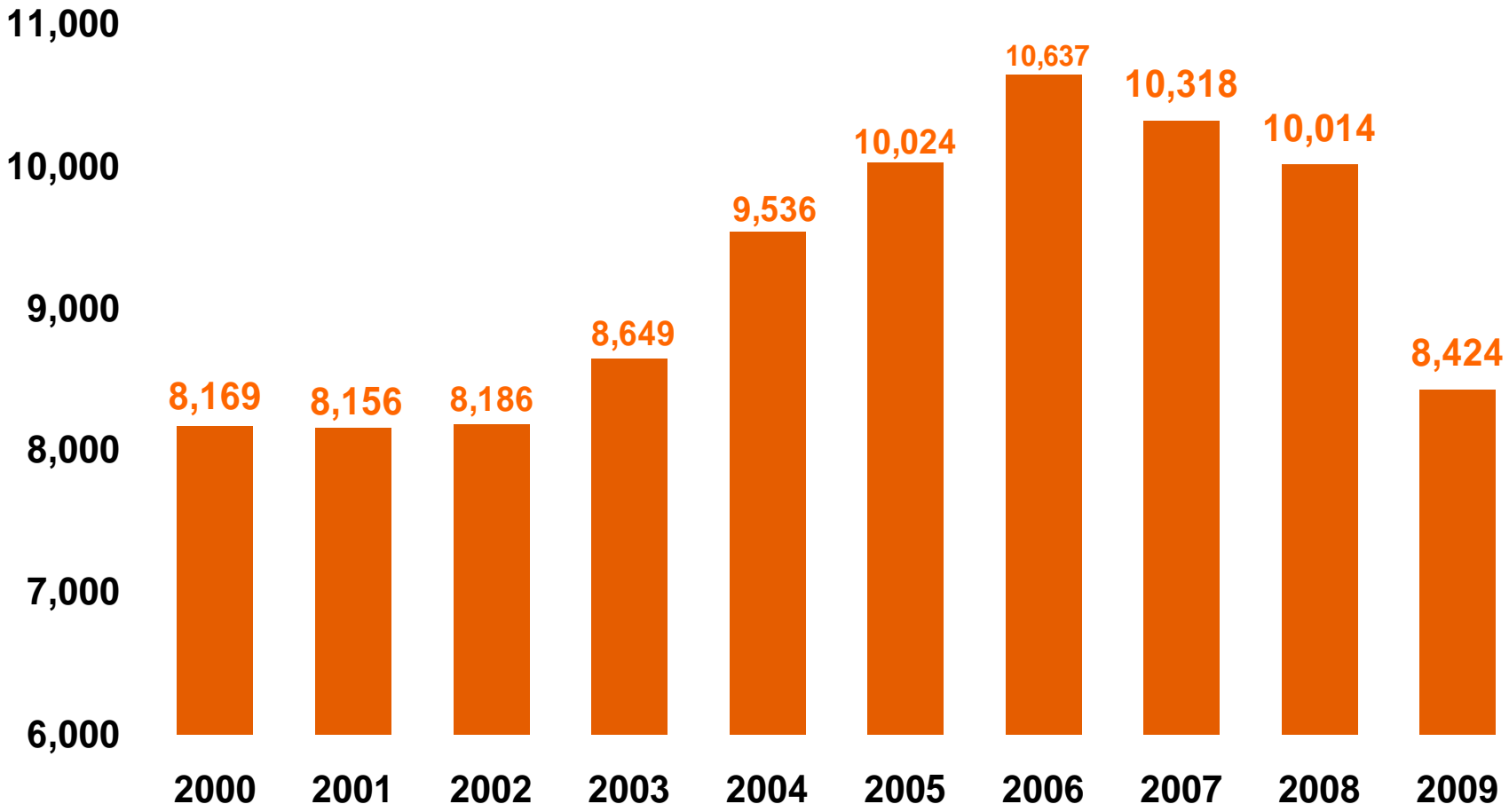
# BNSF Overview

2009 BNSF Volume (000's)  
per Business Unit



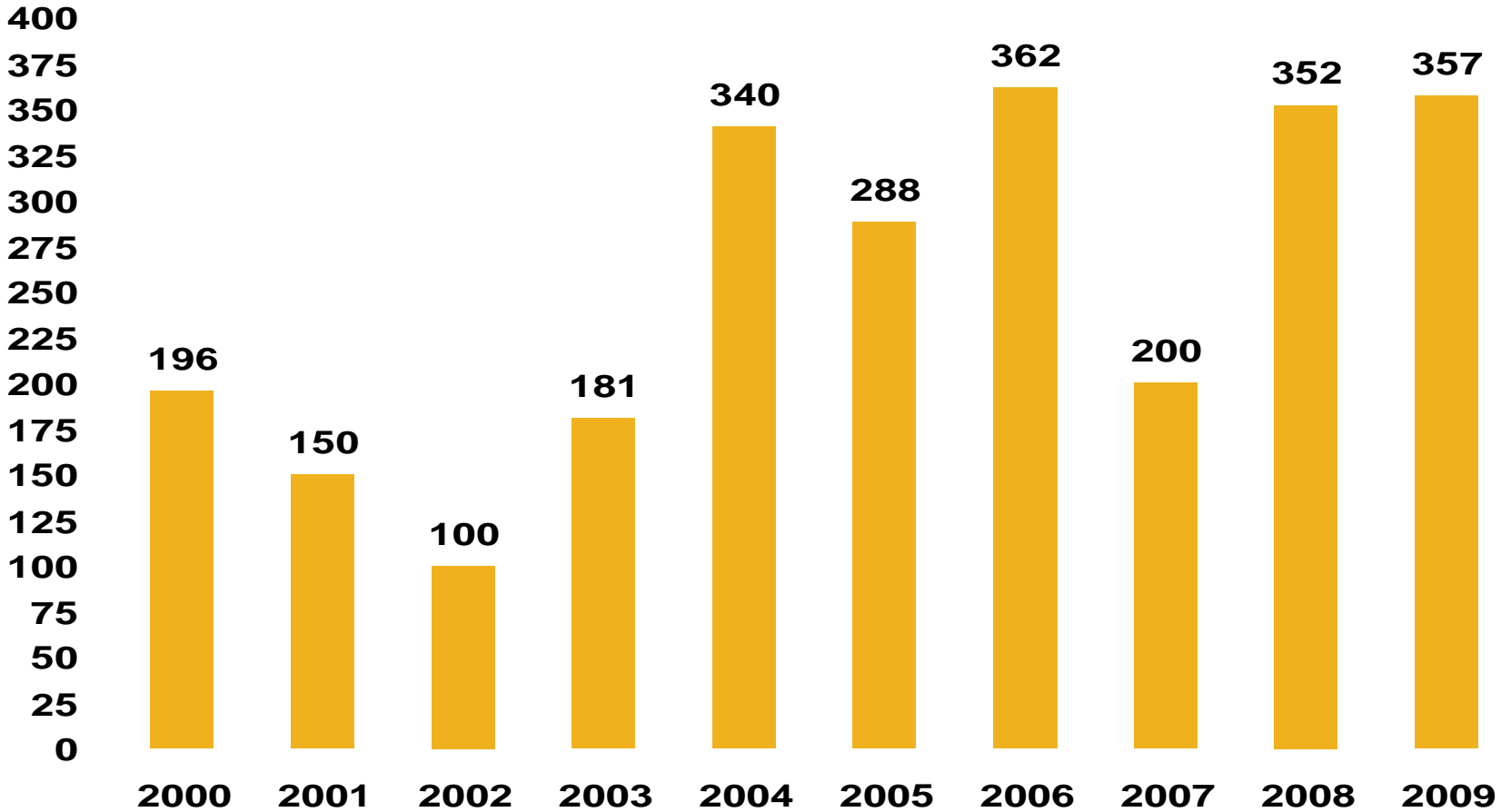
# BNSF Overview

## BNSF Volume (000s)



# BNSF Overview

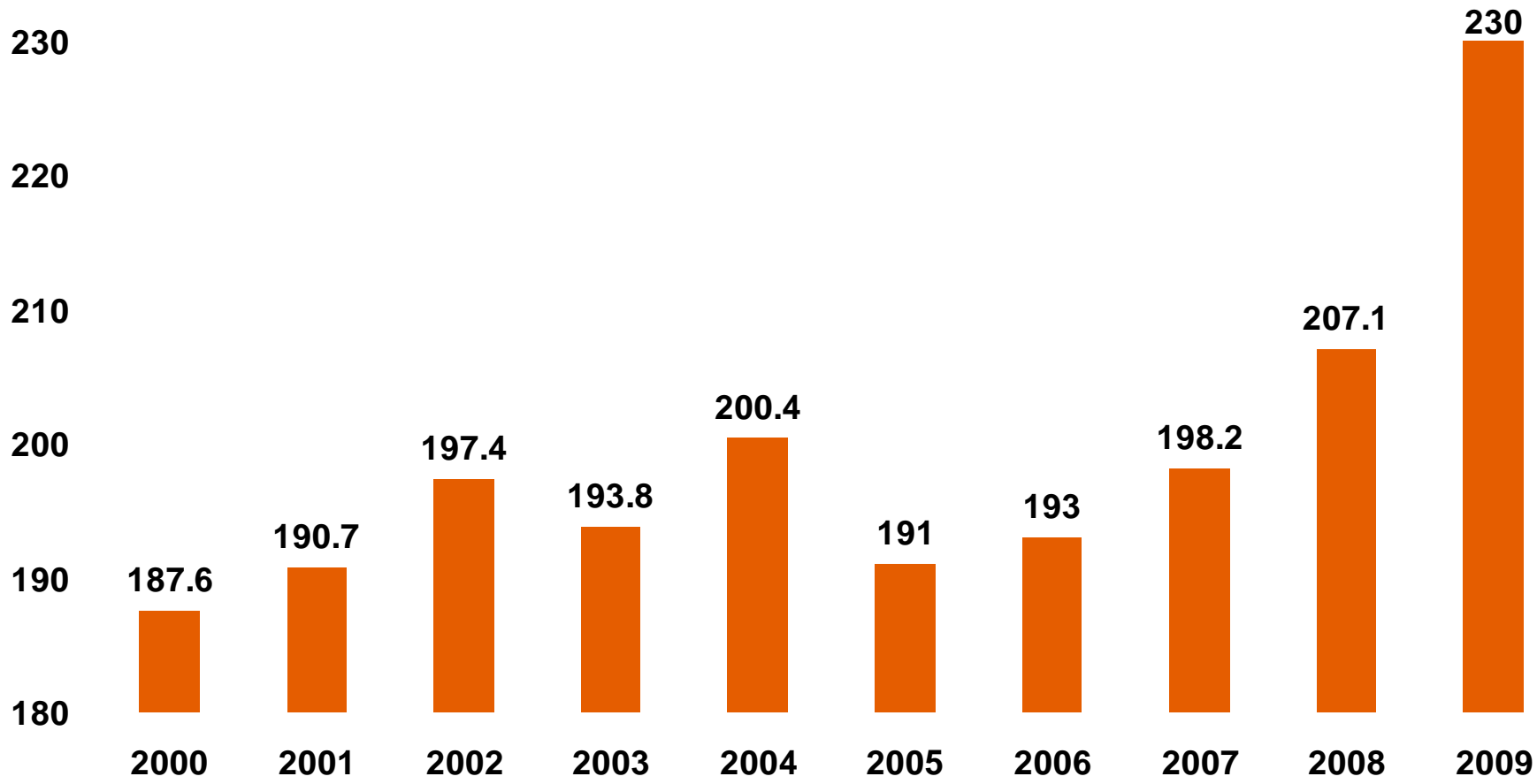
## Locomotive Acquisitions



# BNSF Overview

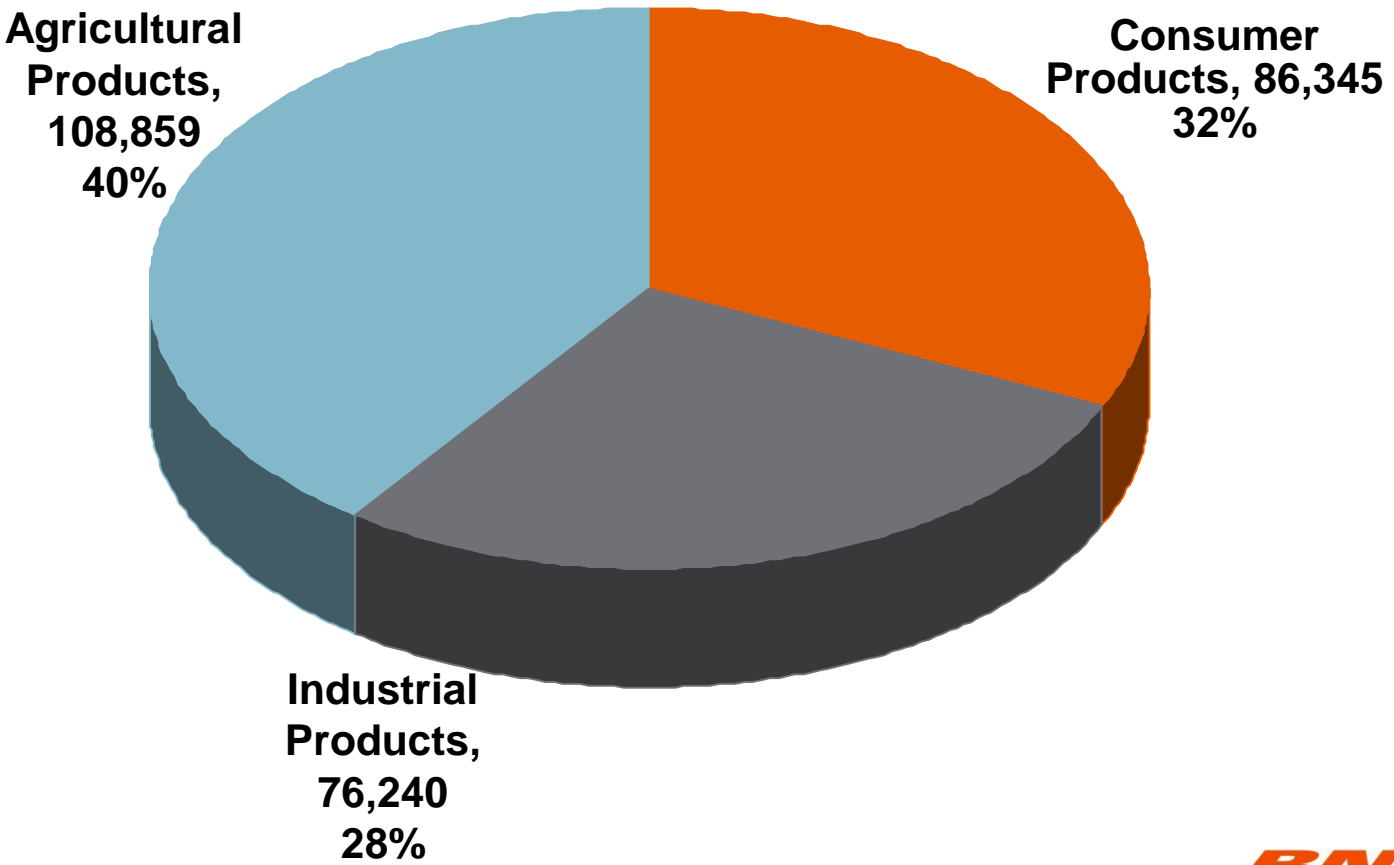
## Active Car Velocity: 2000-2009

Miles/Day



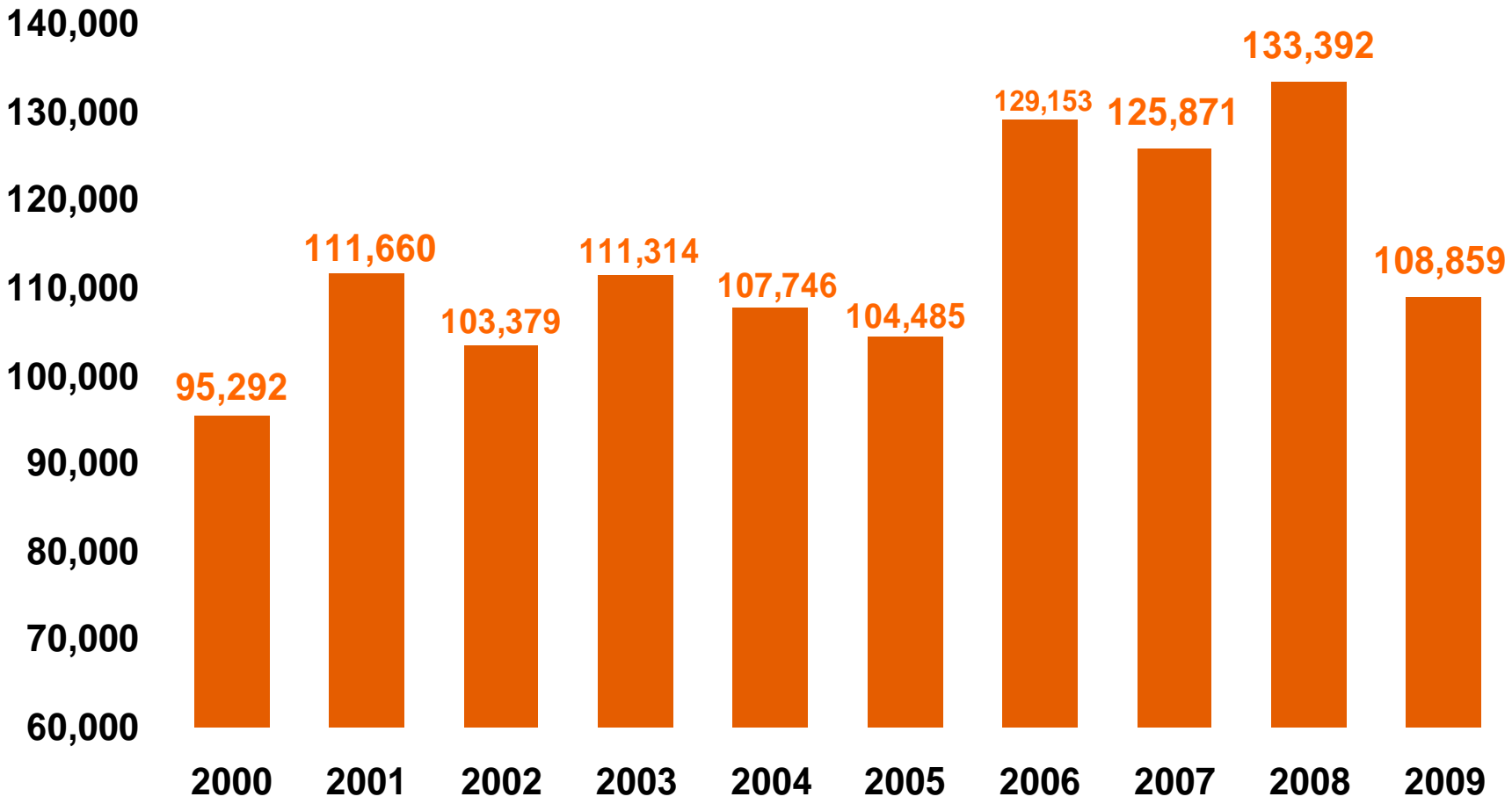
# BNSF and Minnesota

2009 BNSF Volume per Business Unit  
Products shipped from Minnesota  
Total: 271,556 Carloads



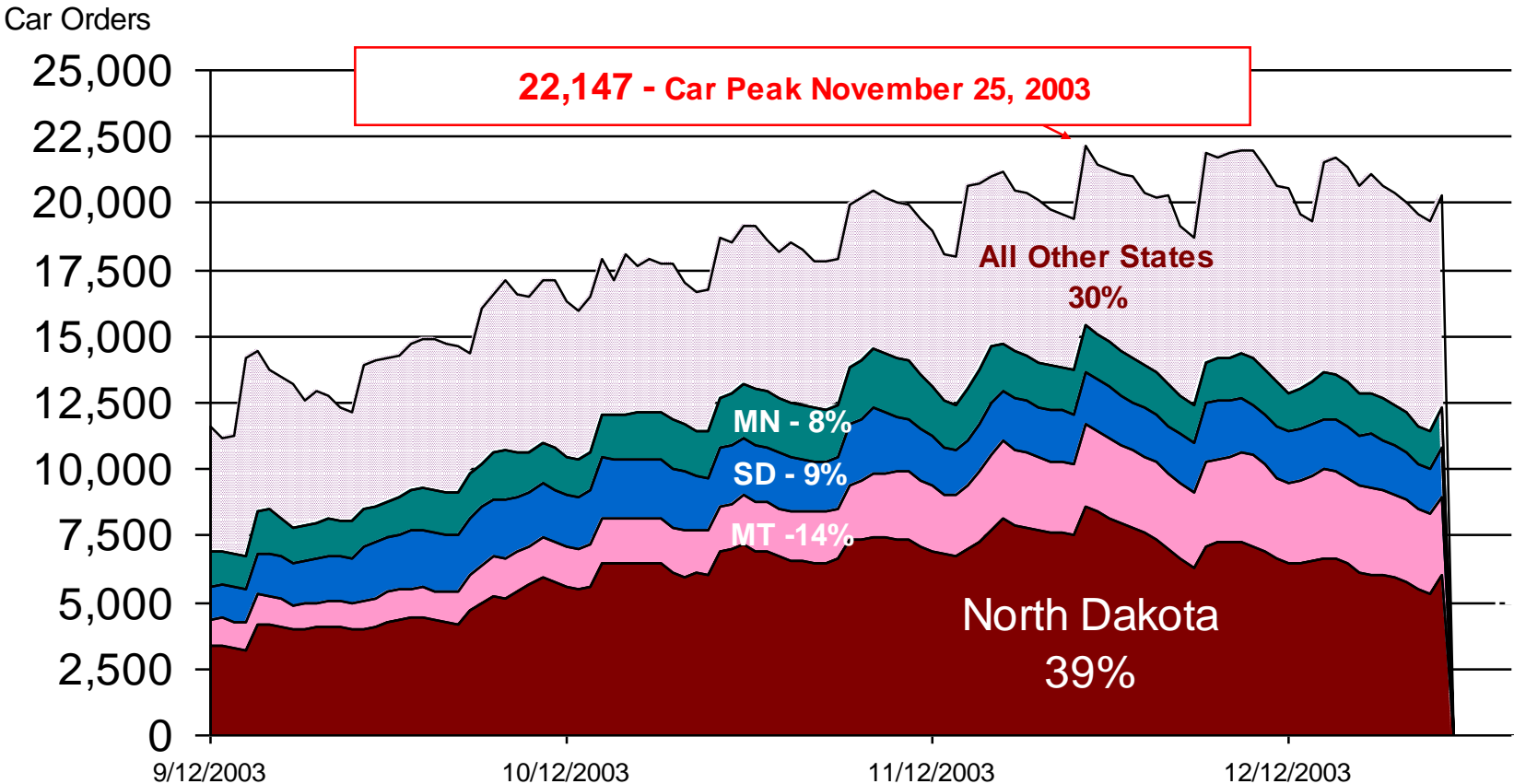
# BNSF and Minnesota

## Minnesota BNSF Agriculture Volume



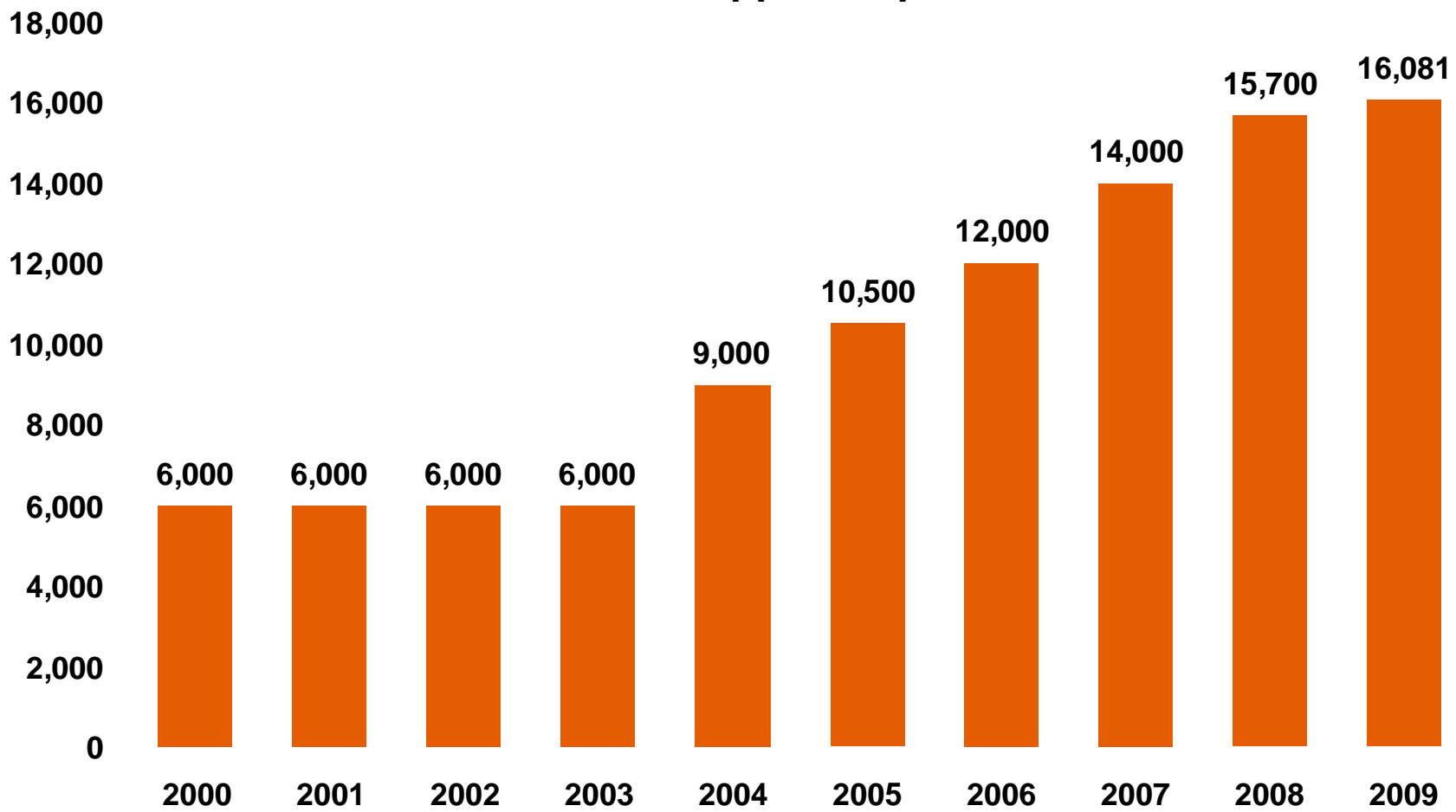
# Looking Back: BNSF and Agriculture

## BNSF System Past Due Grain Orders Non-Shuttle



# BNSF and Ag Relationship

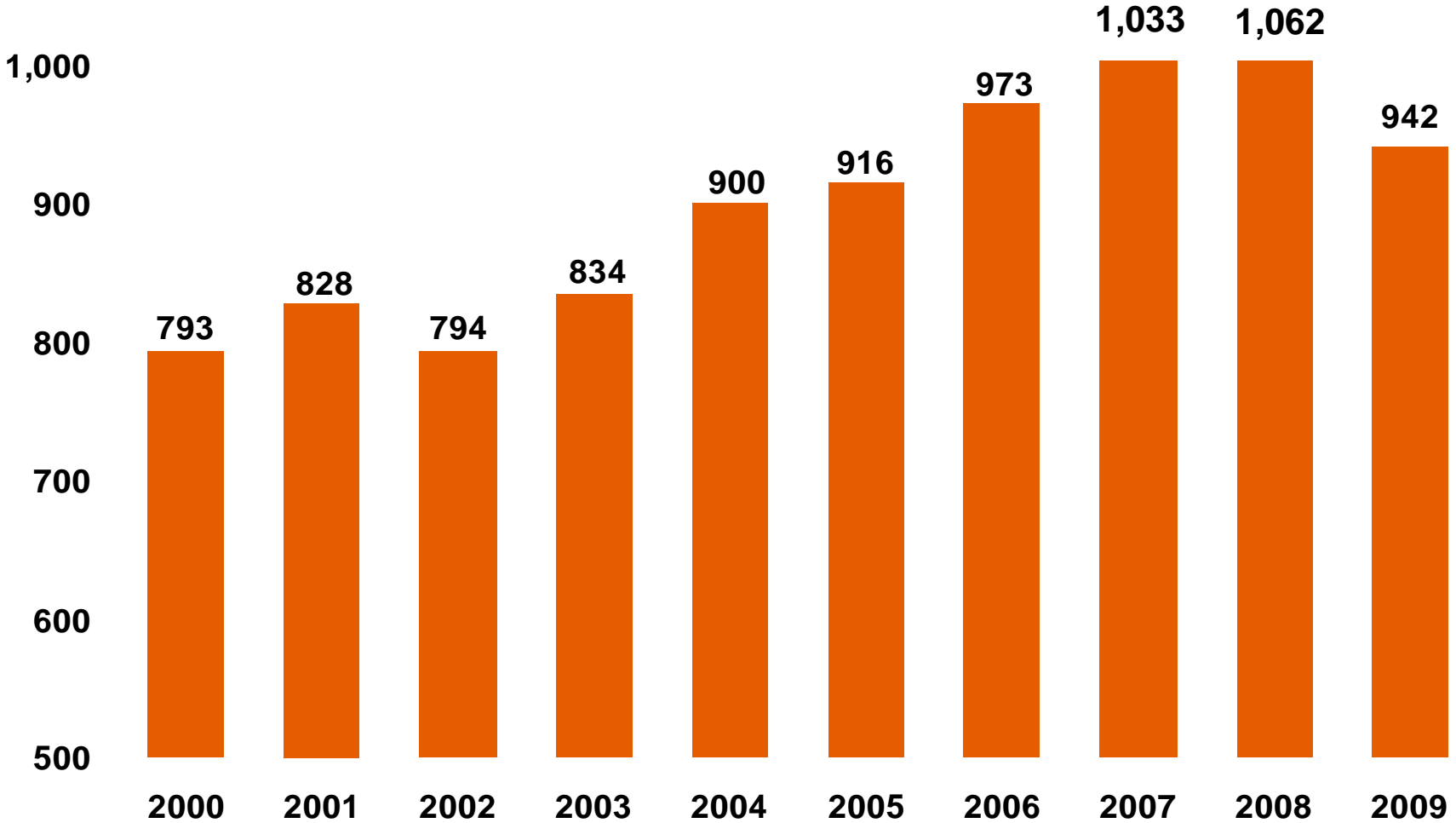
**Ag Investment:  
Grain Covered Hopper Acquisitions**



# BNSF and Ag Relationship

## BNSF Ag Volume 2000-2009

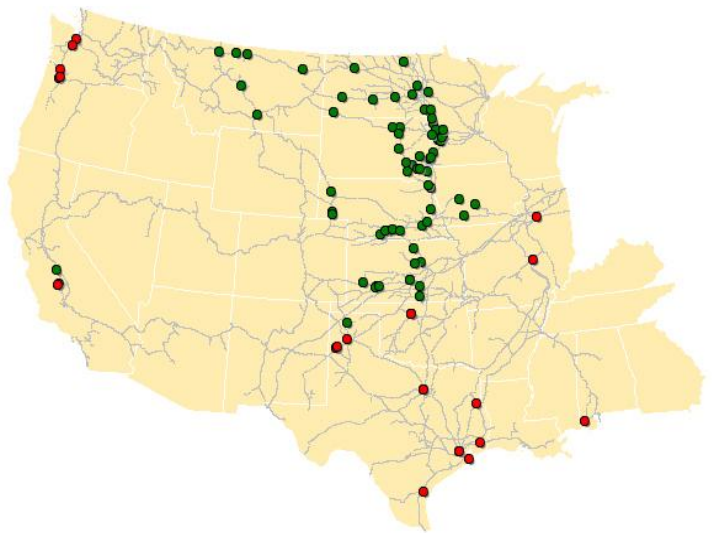
CAGR 1.93%



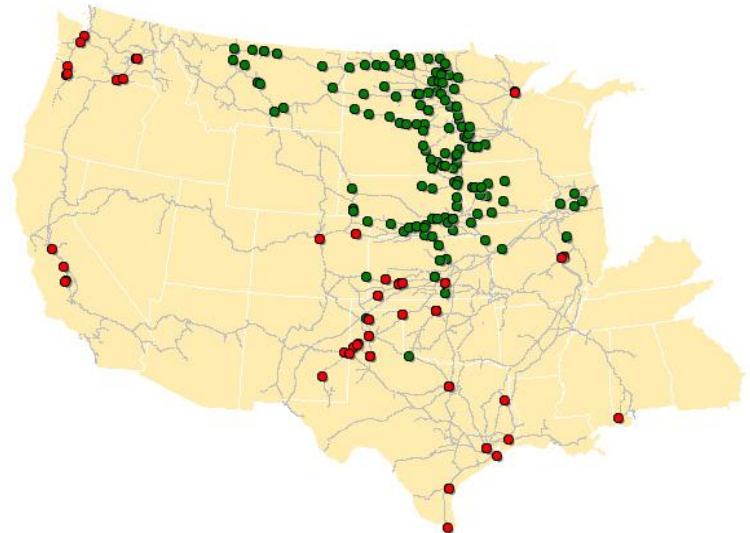
# BNSF and Ag Relationship

## BNSF Shuttle Franchise

2000



2009



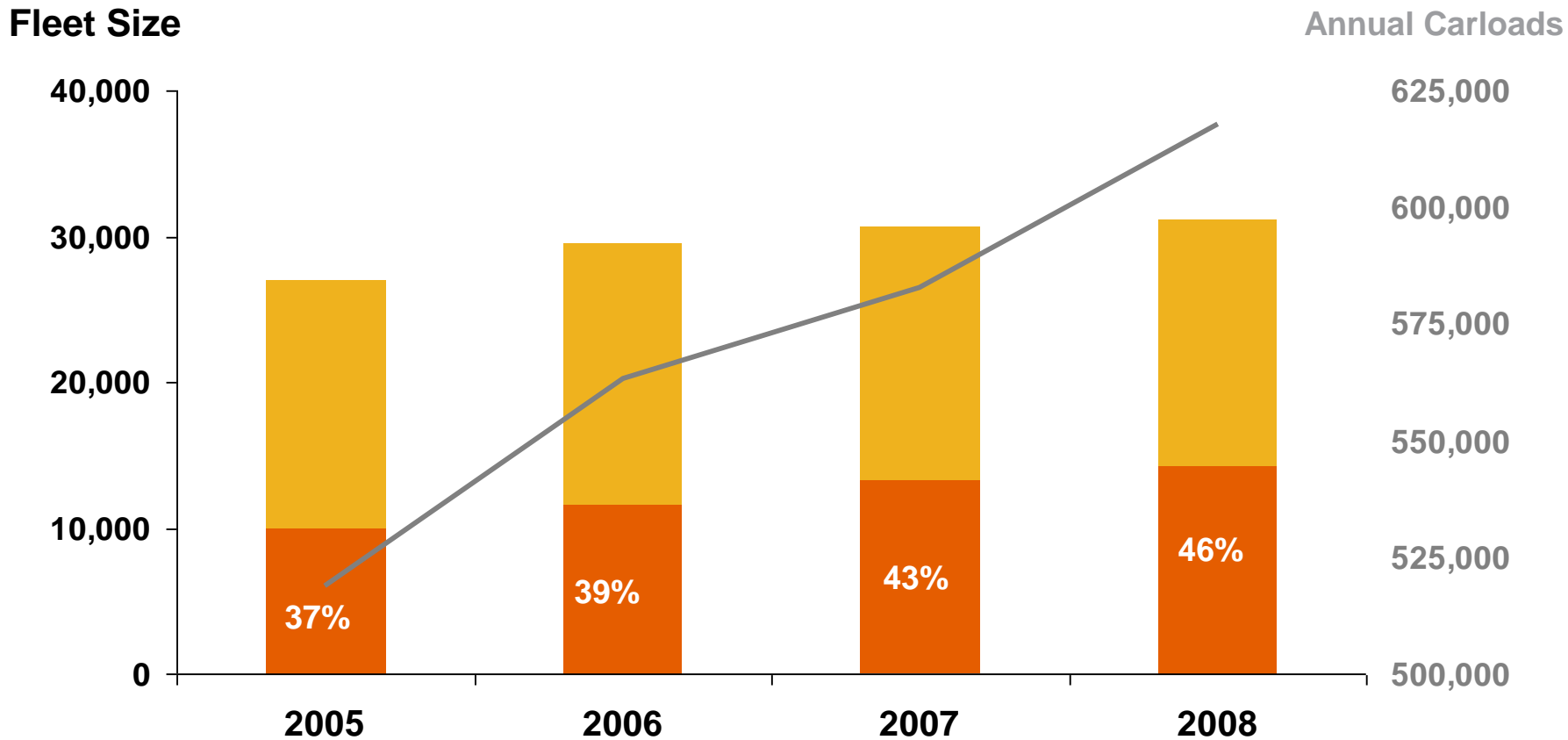
- Origins
- US Destinations
- Minnesota Origins
- Minnesota Destinations

	<u>2000</u>	<u>2009</u>	<u>Change</u>
Origins	77	163	+112%
US Destinations	33	71	+115%
Minnesota Origins	15	25	+ 67%
Minnesota Destinations	0	1	
Mexican Shuttle Destinations	8	29	+262%
<b>Total Shuttle Stations</b>	<b>118</b>	<b>263</b>	<b>+123%</b>

# BNSF and Ag Relationship

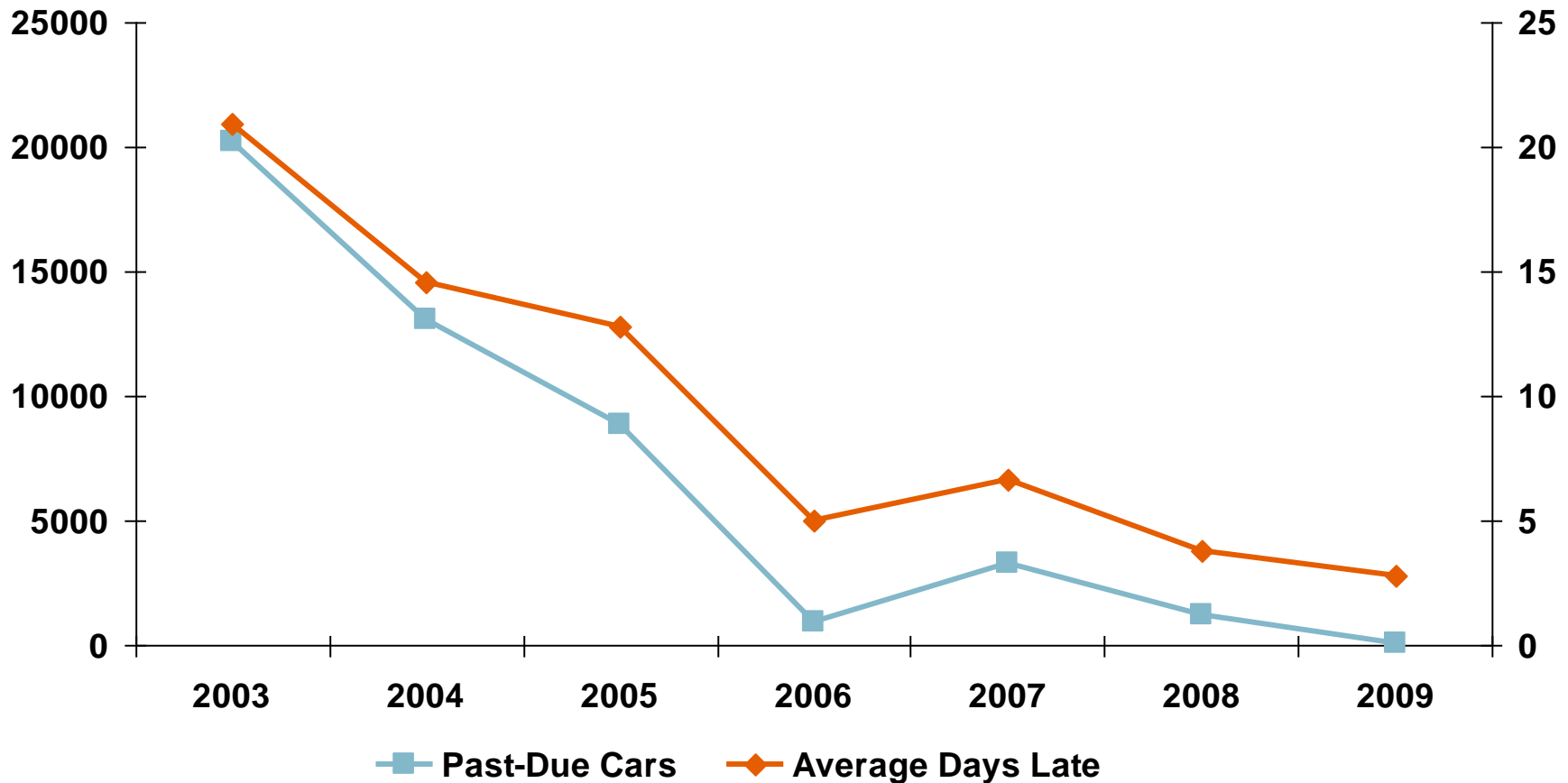
## BNSF Shuttle Program Continues To Increase Grain Car Capacity

Shuttle Fleet    General Fleet    Annual Carloads



# BNSF and Ag Relationship

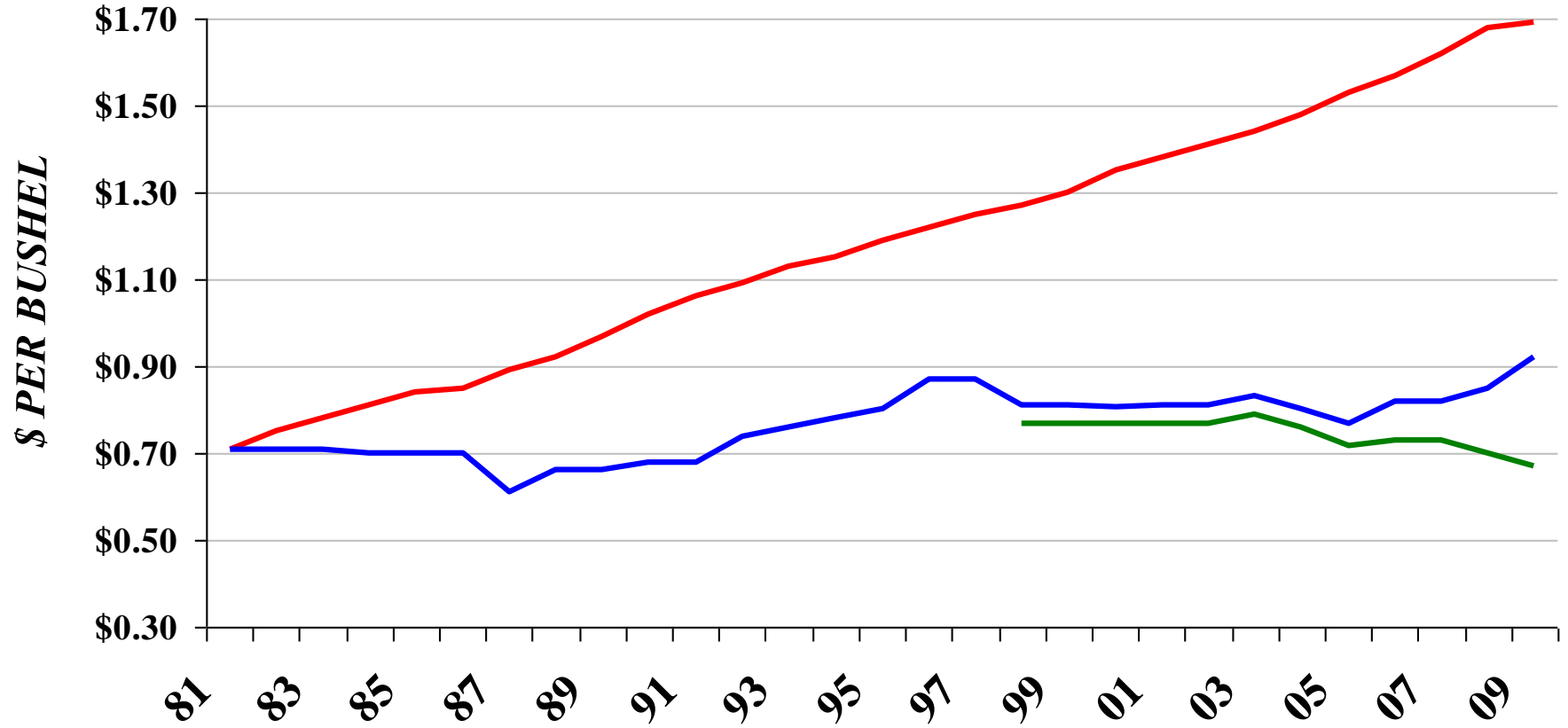
## Agricultural Products Velocity Improvements



# BNSF and Ag Relationship

## Wheat Rates

— 81 Rate Inflated @ CPI — Actual 52 car rate — Actual Shuttle rate



*Inflation-adjusted lowest non-shuttle rate calculated utilizing Consumer Price Index (CPI) factor multiplied by wheat rail rates from Great Falls MT with base year of 1981. Rates through December 2009.*

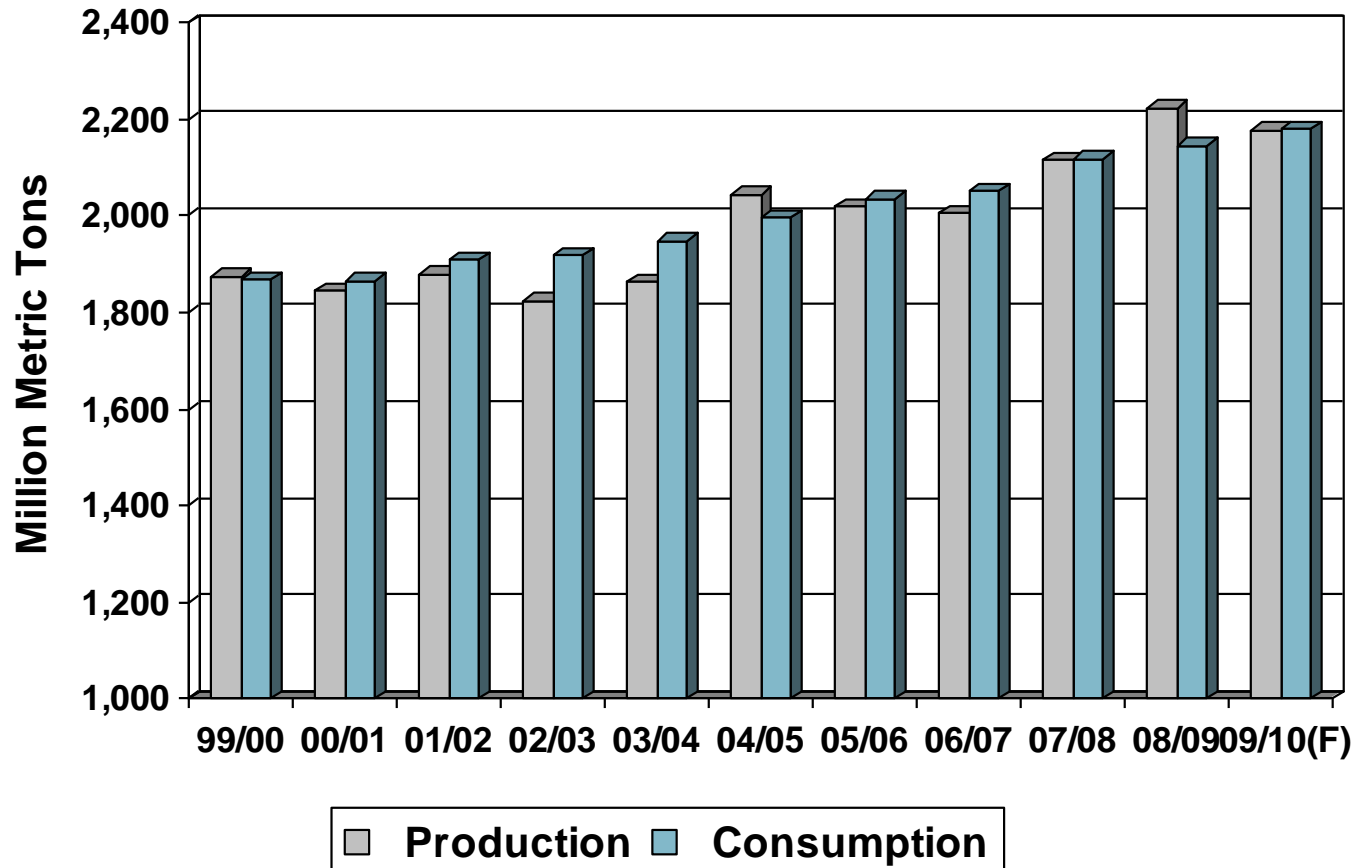


# Issues Impacting Agriculture

- **Asian economic growth and its resulting urbanization is materially increasing the global demand for processed foods**
- **The United States has an increasing share of the global food supply**
- **The United States leads in the application of biotechnology which is increasing sustainable yields**

# Issues Impacting Agriculture

7 of 10 yrs World Grain Consumption Exceeds Production

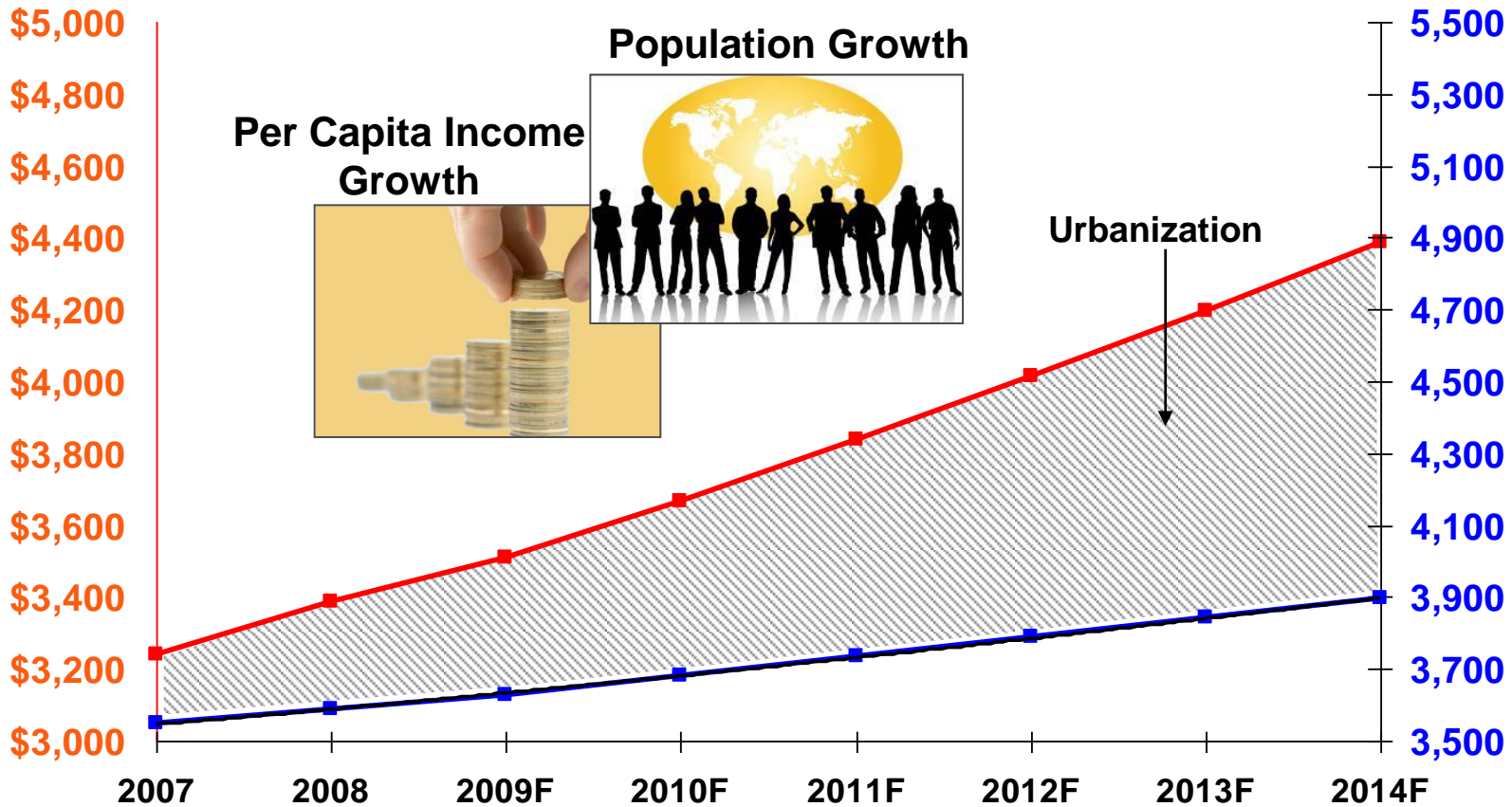


Source: USDA ERS June 2009

# Issues Impacting Agriculture

## Asian Growth Forecast

■ Per Capita Income     
 ■ Population(m)

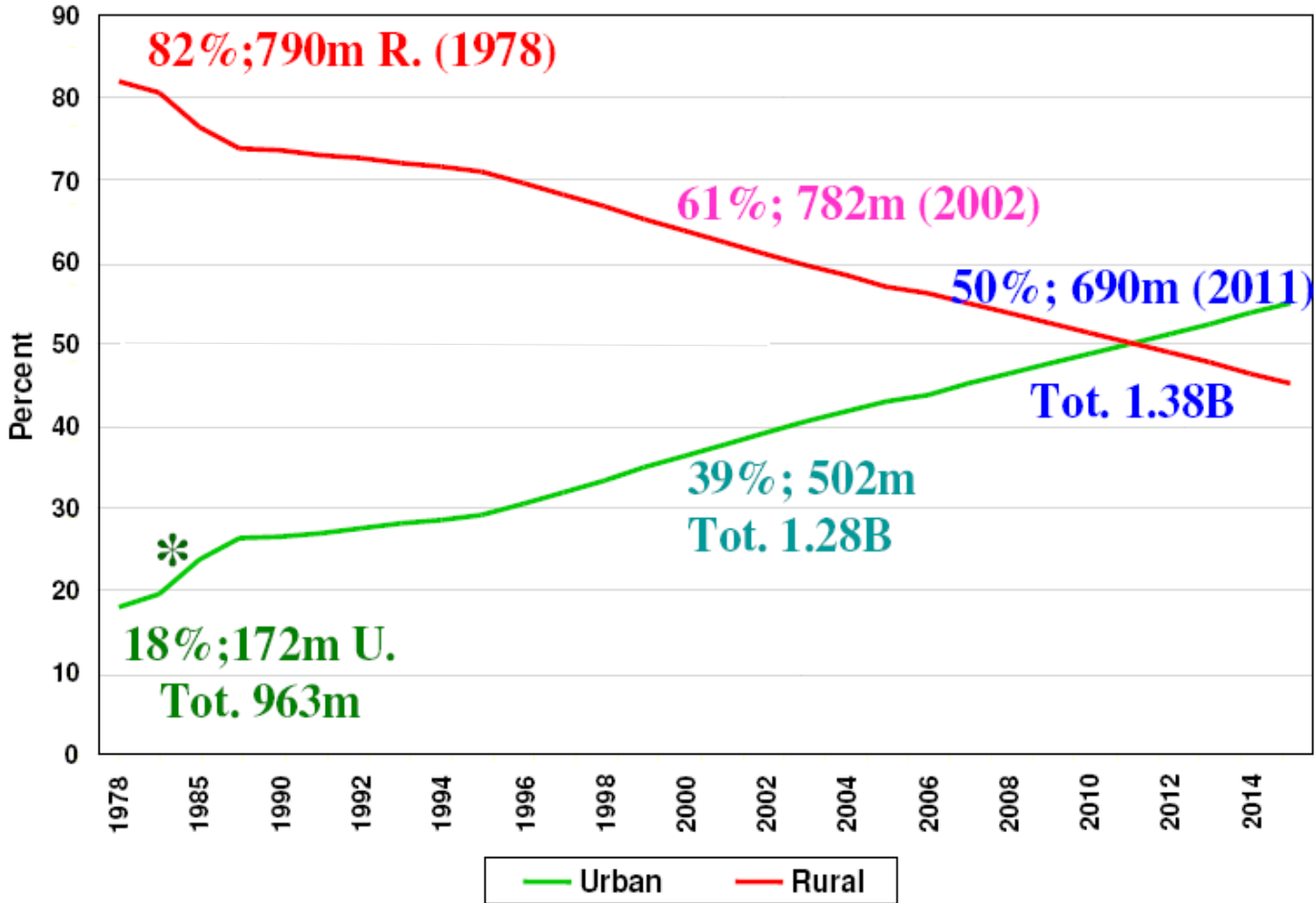


Source: USDA Foreign Agricultural Service



# Issues Impacting Agriculture

## China – Rural versus Urban Population



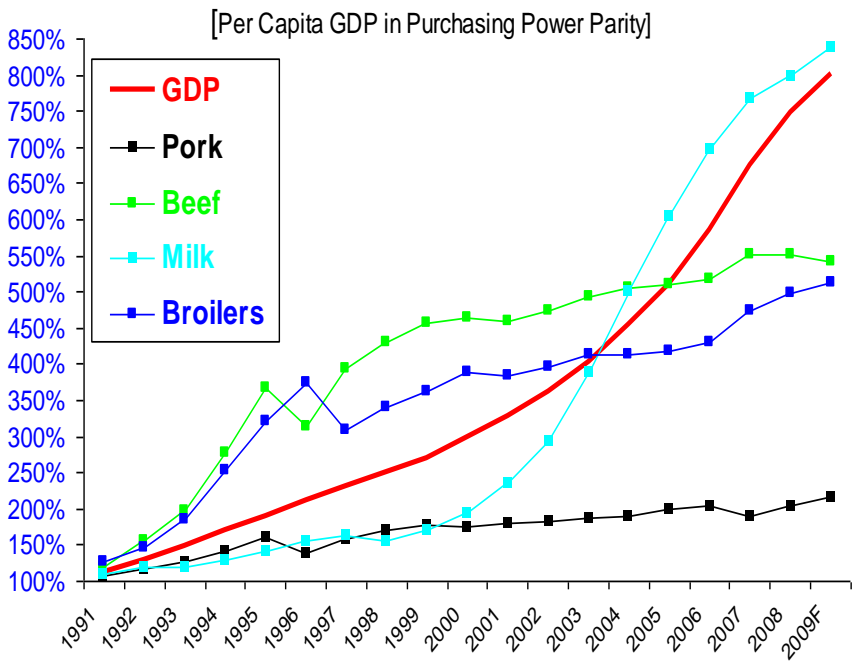
Source: USDA



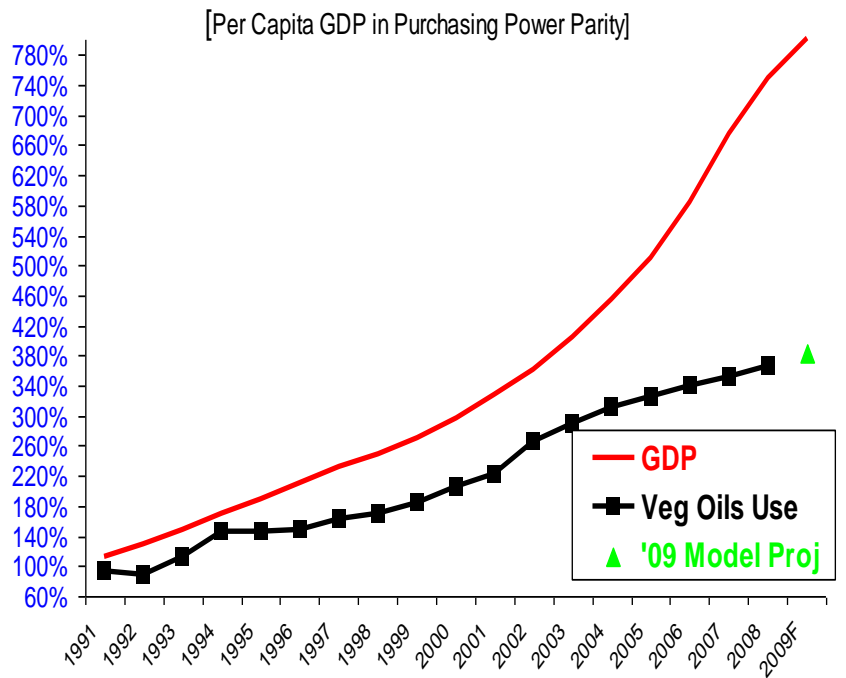
# Issues Impacting Agriculture

## Demand Elasticity Varies Dramatically by Commodity

### Growth in China's GDP and Animal Protein Consumption



### Growth in China's GDP and Veg Oil Food Use



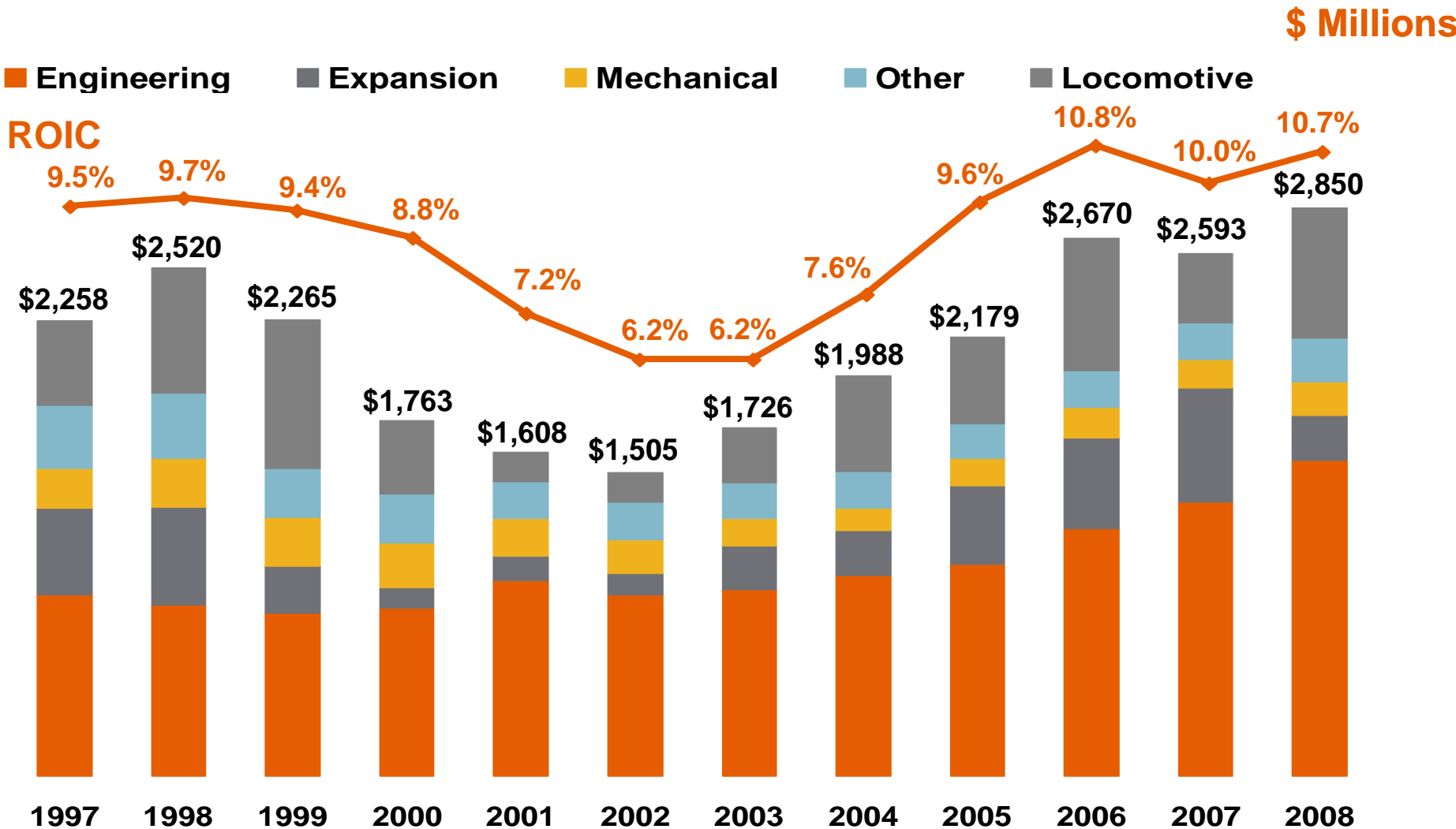
Source: USDA Foreign Agricultural Service



# Issues Impacting the Rail Industry

- **Climate change**
- **Energy costs**
- **Reset of consumer-driven economy**
- **Regulation**

# Capital Commitments with ROIC



•2002-2007: ROIC is restated to reflect the change in methodology for discounting operating leases.



# BNSF/Berkshire Hathaway Transaction

<u>Milestone</u>	<u>Date</u>
● Transaction Announcement	● November 3, 2009
● Definitive Proxy Filed	● December 23, 2009
● Shareholder Meeting and Proxy Vote	● February 11, 2010
● Closing	● Immediately Subsequent to Shareholder Vote

***BNSF***  
***RAILWAY***