Conducting business effectively across cultures requires MASTERING THE ABILITY TO COMMUNICATE WITH PEOPLE FROM CULTURES OTHER THAN OUR OWN. With the continuing trend toward globalization, every member of an organization must acquire some degree of cross-cultural competence. Whether traveling to other countries to meet with clients, vendors or people in our own organizations, working in multicultural project teams or arranging meetings for others at home or abroad, our effectiveness in our many-faceted roles as business people will inevitably hinge on the willingness and ability to learn about business practices, norms and expectations in other places. It is important also to understand how cultures and customs also apply when communicating by telephone or e-mail.

The information included in this Newsletter contains the four essential components to acquiring cross-cultural competence. The first is the conscious decision to keep an open mind. Only when we maintain an openness to difference in others can we secure the ability to learn continuously, extend respect and understanding, value diversity and difference as opportunities for mutual growth, and improve ourselves both personally and professionally.

Next, we must learn about ourselves and the culturally determined behaviors we engage in. This allows us to understand both that our business practices are ingrained expectations of others and that these expectations may not be met in our cross-cultural business interactions. Simultaneously, we must strive to acquire knowledge about other cultures in as many ways as possible. This is achieved by, among other things, talking to people from all walks of life, observing quietly without judging, and consulting as many sources as possible on the country's background as well as on current political, economic, social and cultural trends. Lastly, we must adapt our personal and professional skills continuously in order to meet the challenges before us. Information shared is taken from the Fifth Edition of Doing Business Internationally: The Resource for Business and Social Etiquette. (1999 Training Management Corporation)

For the next year the Kaskaskia College International Trade Center Newsletter will be highlighting countries and regions of the world.

**THE UNITED KINGDOM**
Languages: English, Welsh, Scottish form of Gaelic
Currency: British Pound

Business Practices/Hours of Business: Most businesses are open from 9:00 a.m. to 5:00 p.m., Monday to Friday. An increasing number of businesses, however, are offering longer hours or are staying open on weekends. Most business people take a coffee break about 10:30 a.m. and a tea break at about 3:00 p.m.

Dress: Businessmen should wear dark suits and ties. Business women should wear formal dress suits.
Introductions: When two people are introduced in the United Kingdom, it is customary for both parties to say “How do you do?” (This is a rhetorical question, however, and an answer is not expected.) It is also considered polite to add “Pleased to meet you.”

Always address a person as “Mr.,” “Mrs.,” “Miss,” or “Ms.” until invited to use a first name. First names may be used after a short acquaintance, although you should take your cue from your English counterpart. Professional titles, such as “Doctor” or “Professor” may also be used, but a surgeon should be addressed as “Mister” rather than “Doctor.” Knights and baronets are called “Sir” along with their first names (for example, Sir Francis Chichester becomes “Sir Francis”).

Men shake hands. A man should wait for a woman to extend her hand first. Handshakes should be firm but not aggressive. After people have already been introduced, verbal greetings without a handshake are appropriate upon subsequent meetings. Among friends, both men and women kiss each other lightly on both cheeks. It is advisable to have someone introduce you to the U.K. firm, but once negotiations have begun do not continue to use this person as your contact with the firm.

Meetings: Punctuality is highly respected throughout the U.K. It is therefore important to arrive at appointments on time. Meetings may be scheduled just a few days in advance and confirmed upon arrival in the United Kingdom. It is suggested that letters be addressed formally, beginning with “Dear Sir” or “Dear Madam” and ending with “Yours faithfully.”

Negotiating: The managing director is the head of a British company followed by the deputy, the division officers, then the deputy directors and finally the managers. This is the executive hierarchy of a British firm. In Britain, the firm’s secretary will usually introduce foreign business people to the British executives.

Business communication is conducted in an impersonal and detailed manner. Formal presentations should be understated, thorough and matter-of-fact. It is wise to have a less aggressive business style with the British than one might have when dealing with U.S. firms. Emphasize short-term gains. Avoid proposing drastic changes. Allow your British counterparts time to think things over and ample opportunity to speak. British business people prefer to take their time making decisions. In order to help the process along, leave detailed data of your company and a summary of the meeting just conducted with the British executives of your partner firm.

Older executives are more respected than younger ones. Younger executives will usually defer to the older members of the British team to make decisions and to begin and conclude meetings. During a business meeting, you are likely to be offered coffee or tea. Keep in mind that refreshments are not always served to visitors, but it is not considered impolite to decline them when they are offered.

Entertaining: Throughout the U.K., visitors are entertained both in private homes and in restaurants. If spouses are not present, it is customary practice to discuss business during the meal. The British enjoy socializing during teatime at about 4:00 p.m. This is a snack of tea, buns (cupcakes) or biscuits (cookies). If a main meat dish is added, the meal then becomes high tea, which is considered a substitute for dinner. In general, it is best to be conservative in both gift-giving and entertainment to avoid any suggestion that what is given is intended as a bribe. Appropriate gifts include chocolates, flowers or wine. When invited to someone’s home where you will be the only guest, a small gift (flowers or chocolates) is appropriate. It is also proper to send your host a thank-you note the next day.

At a restaurant, a waiter/waitress is summoned by raising the hand. At the end of a meal, the bill is brought on a plate, on which a gratuity of ten to fifteen percent should be left. Certain practices pertain to cutlery. Eating utensils are laid out in the order in which they will be used, starting from the outside in. Hold a fork in the left hand. Soft foods, including omelets, casseroles and potatoes, are not cut with a knife. Instead, use a fork to separate portions. Refrain from smoking until the end of the meal. It is also appropriate to ask permission from your host before
smoking. If you smoke, you should offer a cigarette to everyone in your group before lighting up. For a dinner at a restaurant or at someone’s home, men should wear a jacket and tie, and women should wear a dress or a blouse and skirt. If an invitation indicates that the event is formal, this term could mean a variety of things. It is suggested that you take the invitation to a formal-wear shop where they will be able to tell you what attire would be appropriate.

A dinner party usually begins at about 7:00 or 8:00 p.m. The meal starts with cocktails (gin and tonic, sherry or whiskey) and small appetizers. The first course is often a soup or a prawn cocktail. Meat or fish with potatoes and vegetables are then served, accompanied by a salad. Dinner ends with cheese and crackers, dessert, coffee and liqueurs (port, cognac or Grand Marnier). Plan on leaving a dinner party between 11:30 p.m. and midnight.

Traditional English dishes include crumpets, Cornish pastries (turnovers filled with meat and potatoes), bangers-and-mash (sausage and mashed potatoes), cock-a-leekie soup (chicken and leek soup) toad-in-the-hole (sausages baked in pastry), roast beef, Yorkshire pudding (a baked batter usually served in a muffin form), steak or kidney pie and trifle (sponge cake soaked in sherry, topped with custard, fruit and cream). A traditional cooked breakfast may include grilled or fried tomatoes, fried mushrooms or bread. When you have finished your meal, place your knife and fork on your plate vertically side by side.

**SOCIAL VALUES, CUSTOMS AND TIPS**

When beginning a conversation with someone whom you have just met, it is suggested that you start with the weather as a safe topic, even if you complain about the British climate. Other good conversation topics include British history, architecture, and gardening, the city you are visiting and positive aspects of the British role in world affairs (past and present). The British are somewhat sensitive about national politics so it is best to avoid a discussion on this topic. Also avoid making negative remarks or jokes about the royal family, the British affection for their dogs, the British work ethic, money and prices, religion, Northern Ireland and England’s decline as a world power.

The British are very reserved and respectful of privacy. It is wise to avoid loud or demonstrative behavior as well as personal questions. Personal space is highly respected. If someone stands too close, an English person will interpret this as being intrusive and pushy. Touching is also avoided. Conversations are conducted in a reserved and somewhat indirect manner. Project your voice to reach only your conversation partner. Gestures are used moderately. When engaged in an argument, the British become cooler and cooler rather than openly angry. Be aware that British humor tends to be satirical and sarcastic. Keep in mind that the British tend to end sentences that are really statements with a question. An answer to the question is not expected. For example, a British person may say “The sun rises in the morning, doesn’t it?” or “It’s a beautiful day, isn’t it.”

The British, especially members of the older generation, consider manners to be very important. Visitors are expected to display good manners and courteous behavior. Be aware that the Scots, Welsh and Irish each have their own cultural identity. They should not be referred to as “English.” People in the U.K. tend to be polite and relatively nonaggressive. At a bus stop, ticket office or shop counter, take your place in line. Refrain from pushing and shoving. Older people should be treated with respect. Usually men hold doors open for women and stand when a woman enters a room. Staring at people, shouting or displaying affection in public is inappropriate. If you see someone in the street whom you know and eye contact has been established, it is appropriate to say “Hello,” “Good Morning,” “Good Afternoon,” or “Good Evening.”

“God Save the Queen” is sometimes played at the end of movies or plays. It is recommended that you stand along with the rest of the audience when it is played.
**CANADA**
Languages: English (official) and French (official)
Currency: Canadian dollar

**BUSINESS PRACTICES**

**Hours of Business:** Business hours are usually 10:00 a.m. to 6:00 p.m. Monday through Friday. Shops are open from 10:00 a.m. to 6:00 p.m. Monday through Saturday. Some shops remain open until 9:00 p.m. and some provinces have laws regarding Sunday stores.

**Dress:** Canadians usually dress formally for social occasions. If attending dinner at a restaurant or a colleague’s home, men should wear suits or jackets and ties, and women should wear dresses; on less formal occasions, Canadians dress casually.

**Introductions:** Throughout Canada, people usually shake hands when meeting and when departing. A nod of the head may take the place of a handshake in an informal situation. Men should shake hands with women if they offer their hand. Introductions vary from region to region, depending upon the person’s cultural background.

In Quebec and other French-speaking areas, the traditional French greeting *Bonjour* (Good day) and a firm handshake are the usual introductions. Use the polite *vous* (you) pronoun rather than *tu*, which is generally reserved for family and very close friends. Among close friends, both men and women greet each other by exchanging kisses on both cheeks, although close women friends may also embrace. When first introduced to Canadians, it is proper to use surnames. First names should only be used after being invited to do so. Titles are used with new acquaintances and on formal occasions.

**Meetings:** Morning appointments are generally preferred. Because of strong cultural ties to Europe (particularly France), and by law, all writing on packaging must be printed in both French and English. It is also best to prepare advertising and promotional materials in both languages. Refreshments are generally offered during business meetings, but it is not considered impolite to refuse them.

**Negotiating:** Business is conducted in a direct, forthright and concise manner. The Canadian business community values clarity and thoroughness in the exchange of information. Business communications tend to be more formal in Ontario and Atlantic Canada than in Quebec and the West. Never exaggerate the qualities of your product. The Canadian business pace may be a little slower than in the U.S.

**Entertaining:** Business entertaining is usually conducted in restaurants and clubs. The dinner hour varies. Dinner may be served as early as 5:00 p.m. or as late as 7:00 p.m., and it usually lasts from two to three hours. Continental dining style is used in Canada, with the fork held in the left hand and the knife in the right. Some people, however, use the style common in the U.S. where the fork is transferred back and forth between the two hands. Traditionally, the host will indicate where dinner guests should sit. At a formal meal, it is considered impolite to reach across the table. Instead, ask that items be passed to you.

In French-speaking areas, one should keep both hands above the table during a meal. Women rest their wrists on the table, men their forearms. Elbows can be placed on the table after the meal is finished. Proper etiquette is to wipe the mouth before drinking. At the end of the meal, guests should place utensils on their place. Because of Canada’s varied multi-ethnic make-up, there is a wide variety of foods and eating habits in the country, especially in the largest cities. Seafood and fish are most popular on the coasts. Food in Quebec reflects a definite French influence.
To beckon a waiter, raise your hand at or above head level. In Quebec, beckon a waiter by nodding the head backward slightly or raising your hand discreetly. To signal that you would like the check, make a motion with your hands as if you were signing a piece of paper. A holiday unique to Quebec is the two-week Carnaval de Quebec, usually held in February. If you are entertained in a private home, it is courteous and recommended to bring or send flowers to your host/hostess and follow up with a thank-you note. Avoid sending white lilies since they are associated with funerals. An alternative to flowers is candy or wine. In general, dress habits are similar to those in the U.S., but a bit more conservative and formal.

SOCIAL VALUES, CUSTOMS AND TIPS

Canada has a strong identity, which is quite different from that of the United States, although many people in the U.S. tend to emphasize the similarities between the two countries and overlook the differences. Canadians resent these exaggerated comparisons. Or they have their own heritage and culture and are not “U.S.-type” people who happen to live in Canada. Canadians value the preservation of their culture, especially against undue influence from the U.S.

Canadians take great pride in their country as a whole as well as in the individual provinces. They welcome favorable comments about their country and people. The majority of Canadians have a British, French or other European heritage, but there are many other ethnic groups as well. The population of Vancouver, for example, is 15 percent Chinese, most of who have emigrated from Hong Kong. Native Intuit groups live mainly in the more northern areas of the country.

English and French are both official languages in Canada. While most government employees are bilingual, only about 15% of the population actually speaks both languages well. French is the official language in the province of Quebec, where many people are not fluent in English. If you are traveling to Quebec, a working knowledge of French is essential. In the province of New Brunswick, about a third of the population speaks French as their first language. Canadian differs somewhat from the U.S. English. British spellings such as “theatre” instead of “theater,” are used. Three facts about Canada should be kept in mind. It is the second-largest country in the world by land mass; it is the largest trading partner of the United States. More than 75% of Canadians live within 100 miles of the U.S. border.

Sports are a good topic for conversation. Ice hockey is very popular all over Canada, as are many other winter sports. Boating, fishing, swimming, soccer, baseball, rugby, tennis golf and lacrosse are also popular. The topic of partition (separation into French-speaking and English-speaking states) should be treated delicately. Avoid taking sides on this issue. Two important forms of communication, eye contact and smiles are always welcome. In social situations, men will usually rise when a woman enters a room. The U.S. sign of “thumbs down” (meaning no) is an offensive gesture in Quebec and should be avoided. It is also considered offensive to belch in public, even if one excuses oneself. English-speaking Canadians from Ontario tend to be more reserved that both French Canadians and English-speaking Canadians from the western provinces. They do not welcome body contact or gestures in greeting or in conversation. Generally, people with a French heritage are often more outgoing and open than those of British descent.

Etiquette and politeness are valued by both French- and English-speaking Canadians. It is accepted practice for a man to open a door and give up his seat for a woman. In Quebec, it is improper to eat on the streets unless you are sitting at an outdoor café or standing outside of a food stand.

IRELAND

Languages: Irish (Gaelic), English
Currency: Irish pound, euro

Hours of Business: Business hours are usually 9:00 a.m. to 5:00 p.m. Monday through Friday, with an hour break for lunch in all but the major cities. You should avoid making business trips to Ireland during the first week in May (when
most people are busy with trade fairs), in July and August and during the Christmas and New Year periods when people are on vacation.

**Dress:** Business attire is very conservative in Ireland. Men should wear suits and ties or as tweed sports jackets. Women usually wear suits or wool blazers and wool skirts. Both men and women wear subdued colors for business.

**Introductions:** The Irish are somewhat reserved when greeting people, although they are generally very friendly. A firm handshake is appropriate for both men and women. You should wait for a woman to extend her hand first. The traditional Irish greeting Cead mile failte (which means “One thousand welcomes”) is used to greet visitors. Otherwise, usual English greetings, such as “hello” or “How are you?” are used. Last names are used, following the title “Mr.,” “Mrs.” Or “Miss,” as an appropriate form of address. The only occupational titles commonly used are “Doctor” and “Professor” for both men and women.

First names should only be used if you are invited to do so or if your colleague begins using your first name. Although it is common to use first names after even a short acquaintance, use last names whenever your Irish colleagues address you using your last name. At a large party, you should introduce yourself. Allow your host to introduce you at small parties.

**Meetings:** Business appointments should be made by letter or by phone. You should be punctual for business appointments even though the Irish may not be punctual. This may require some patience. Someone who offers to meet you in five minutes is more likely to appear in a half an hour. English is always used in business transactions. There is no need to make arrangements for an interpreter to translate discussions into Gaelic. Business cards are not as commonly used in Ireland as in other countries, but it is a good idea to bring some with you so that you can leave a card with a secretary if the person you want to see is unavailable.

**Negotiating:** Avoid being demonstrative when you are making presentations. While the Irish have a reputation for being friendly and hearty, they are not very demonstrative and are not comfortable with people who are overly vehement.

Negotiations are conducted as serious and challenging bargaining sessions in which all parties are called upon to use their persuasive tactics to the best of their ability. Irish businesspeople are generally very persuasive negotiators. Irish businesspeople are highly educated and will expect an education thorough and well-prepared presentation.

The Irish are perceptive in business negotiations. Any attempts at deception will be recognized and pointed out. Do not treat your Irish colleagues as less than equals. If you offend them in this regard expect a candid statement to that effect. Although drinking is common and accepted among business negotiators, getting inebriated at a social function is not considered businesslike.

**Entertaining:** The Irish are a warm and hospitable people. It is not common, however, to invite foreigners to one’s home for dinner. Gift-giving is not common when conducting business in Ireland. If you are invited to a dinner, however, a gift of flowers, chocolates, wine or cheese is usually appreciated. There are no set rules about including spouses in dinner invitations. If you intend to include the spouse of an Irish colleague in an invitation to a dinner party, you should be specific. Similarly if you are invited to a dinner, you should take note as to whether spouses are included in the invitation, or you may ask the host specifically. Irish people like to have conversations in “pubs” (public houses). Some say that conversation is the national pastime. Many pubs feature folk music as entertainment. Pubs usually have two sections, the bar and the lounge. Women usually frequent the lounge.

You should be aware that refusing a drink is a serious insult in Ireland. If you really do not care to drink, explain that you do not drink for health reasons. If you accept a drink, you should raise the glass and say “Cheers” before you take
a sip. Drinks are not served with ice, but it is perfectly acceptable to request ice. There are customs associated with the size of the drink you order. Women are expected to order half-pints (ten ounces) of beer or stout. In fact, some pubs will not even serve full pints to women. On the other hand, if a man orders a half-pint comments or jokes about his virility may be heard.

If you are with a group, men are each expected to buy a round of drinks. Women are generally not permitted to buy a round. In restaurants, a service charge is usually included in the check. You may want to leave some extra change for exemplary service. If a service charge is not included, you should leave a ten to 15 percent tip on the table. Traditional Irish dishes are hearty and simple. Fresh dairy products, breads, seafood and vegetables are widely available since Ireland is an agricultural country. Potatoes are a staple. Smoked salmon is considered an Irish specialty. The main meats eaten at dinner include chicken, pork, beef and mutton. Tea is the most popular drink. Breakfasts are usually large, often including bacon and eggs. Lunch, served between 1:00 and 2:00 p.m. usually consists of hot dishes such as steak and kidney pie or boiled bacon and cabbage. Dinner is usually eaten between 5:00 and 8:00 p.m. A light dinner, sometimes called “tea” may consist of cold cuts and salads or a “fry-up”, (eggs, grilled sausage, bacon, tomatoes and black pudding cut up and grilled). A more formal meal is usually served later in the evening and consists of several course preceded by drinks.

Dining etiquette is neither formal nor strictly adhered to in Ireland. The Irish eat in the continental style, with the fork in the left hand and the knife remaining in the right. When you eat at someone’s home, it is common for your plate to be brought to you with food already on it. You should try to eat everything on your plate. If there is a small plate next to your dinner plate, be aware that it is not for bread, but for peelings which should be removed from boiled potatoes (you should not eat them). Bread is usually not served with dinner.

SOCIAL VALUES, CUSTOMS AND TIPS

The Irish can be quite reserved; personal space is valued. Hands are not used often during conversation. Although Irish (called Gaelic) is the first officially recognized language, it is only spoken in small areas of the western seaboard. English, recognized as Ireland's second language, is spoken and used everywhere (with accents varying as you move through the country). The Irish are easygoing, lighthearted, good-humored and cheerful. They are also quick-witted, appreciate a sense of humor and enjoy lively conversation. They particularly enjoy telling British jokes (just as the British enjoy telling Irish jokes). The catholic faith has a strong influence on the values of the Irish people. Traditions are important and material goods do not have the same priority as they do in other countries.

Both the Republic of Ireland and Northern Ireland have similar cultural roots and similar customs and values. The main differences are religious and political. The majority in the Republic of Ireland are Catholic and very nationalistic. The majority in Northern Ireland are Anglican and consider themselves to be part of Great Britain, not Ireland.

Good topics of conversation include the beauty of the country, Gaelic culture, Irish handicrafts and the weather. You should avoid discussing the division of the country, Ireland’s relationship to the U.K., religion, politics and feminism. Avoid making pro-British comments or being unkind, which will offend the Irish. Another good topic of conversation is sports, as the Irish are very sports oriented. Gaelic football (a cross between soccer and basketball) and hurling (played on a soccer-type field with wooden sticks and a small leather ball) are two national pastimes. Soccer, rugby, fishing, sailing and horse racing are also favorite activities.

General courtesy and politeness are valued. The Irish are very easygoing and informal, however, and it is difficult to offend anyone by using the wrong fork or shaking hands at the wrong time. Long lines are common and expected. Pushing and shoving when waiting in line for buses, in theaters and in shops or barging into line is unacceptable and considered extremely rude.
Although most gestures used in Ireland are the same as those used in the United States, gestures that specifically use the fingers (e.g. pointing or summoning with the index finger, etc.) are not as common and should be avoided. You should be aware that the reverse “V for victory” sign is especially offensive.

**CONTAINERIZED EXPORTING CREATES NEW TRADE OPPORTUNITIES**

www.agrinews-pubs.com by Tom C. Doran

*This is an article that may be of interest to you. If it is not applicable to your business, please feel free to share it with your friends and associates.*

A pilot project aimed at creating more trade opportunities between Midwest farmers and other nations is slated to begin next year. A study funded by the Illinois soybean check off determined that the River Container-On-Barge Shuttle program would be feasible and could open up opportunities for expanding global demand. It is hoped that the new initiative will begin next year in conjunction with the completion of upgrades on the Panama Canal.

The upgrades will enable the Panama Canal to handle 10,000 Twenty-foot Equivalent Unit vessels. The larger barge capacity makes the Gulf Coast route far more attractive for containers that would be transported down the Illinois and Mississippi river system for COB. COB programs currently are operating successfully in France, as well as in the Pacific Northwest along the Columbia River. “Containerized exporting is a growing opportunity for Midwestern farmers,” Illinois Soybean Association District 1 Paul Rasmussen of Genoa said at a media event hosted by ISA. “The study by ISA identified that in addition to moving containers via rail and truck from Chicagoland, it is also opportunity to move them via barge to the Gulf of Mexico. The research showed that the rates and travel time would be competitive with containers railed to the west coast.” The Gulf COP Program also would benefit non-time-sensitive bulk commodity backhauls such as dry fertilizer or road salt.

“ISA is now identifying organizations interested in and capable of commercially developing an Illinois contain-on-barge service,” Rasmussen said. We are also determining the cost and how the service would work. It is our hope to have the pilot project done and on the water next year.” The goal of the program is to create a commercially competitive and sustainable circuit between Illinois and the Gulf of Mexico. The research showed that the rates and travel time would be competitive with containers railed to the west coast.”

“Container-on-barge has worked in some limited capacities and some limited instances in some market niches before,” said Scott Sigman, ISA transportation lead. “We think that soy and ag products can be priming the pump to encourage a sustainable commercial container-on-barge service, so we’re talking to commercial interests about the potential to do that. But that takes a public-private partnership. The ports are generally public entities and to be able to get them to work with the private industry that’s ultimately going to provide the service is a part of ultimately serving our market, whether that’s internal in Illinois within the Midwest region or our customers overseas.” The study had a number of objectives including:

- To determine whether it is feasible to use river equipment – tow-boats and barge – to move empty containers from the Joliet area hub to Illinois River ports within the state’s prime soybean growing areas and move loaded containers back again; and
- To use river equipment to move loaded containers from the prime soybean growing areas adjacent to the Illinois River to Gulf Coast container ports for direct loading on ocean container vessels.

The study reached several conclusions and recommendations. For example, currently, significant volumes of grain are trucked to the Joliet area to be loaded onto containers that are sent by rail to the east and west coasts. Essentially, the grain is moving to the containers. Meanwhile, during 2011, only about 100 containers were transported by river from the length of the Illinois River and the Upper Mississippi River above St. Louis. A COB program would change all that.
The study suggests that a COB shuttle program can be feasibly operated between the Joliet area and Central Illinois River ports using dedicated towboats and barges.

The minimum scale begins at 200 TEUs per week, and Sigman notes that this could be doubled without a corresponding increase in capital equipment and is scalable to almost any maximum volume. Other findings from the study included:

- A COB shuttle program operating from Peoria to and from New Orleans or Houston using dedicated towboats and standard jumbo covered-hopper barges can be feasible with a minimum volume of just more than 350 TEU per month at rates that are less than either shuttle rail or bulk plus container loading at Gulf of Mexico locations – and competitive with container rail to the west coast.
- The feasibility of a Gulf COB program such as this one also benefits from non-time-sensitive bulk commodity back-hauls such as dry fertilizer or road salt; and
- Finally, an organization structure is needed to operate either – or both – of these COB programs. The study suggests developing a shippers association similar to the Midwest Shippers Association, but extending to actually operating the COB venture.

Obviously, a COB shuttle program would be irrelevant without the demand, so ISA representatives participated in a trade transportation mission to Asia this past February. Three ISA directors and two staff members visited Seoul, Korea, and Tokyo to meet with prospective customers. The goal of this mission and other past and future ISA efforts that focus on transportation is to bring farmers together with agribusiness and transportation professionals in repairing the core infrastructure and taking advantage of opportunities. The visit to Asia focused on collaboration.

“We visited with all these different shipping lines in both Korea and Japan to find out what their issues were and they could find out about us and where we were,” Rasmussen said. “A lot of them thought that being in the heartland of the United States isn’t very close to any of our three coasts. “Many of them don’t like to travel beyond California, and they want to basically get a feel for us and how we were presenting ourselves and the idea that if we loaded a unit train it could basically be to the west coast within five days.”

“So, we were presenting ideas to them that they really hadn’t thought about – the soybeans and the accessibility to have our soybeans coming from the Midwest. I think we opened eyes on that trip. We had good discussion; we learned about them and they learned about us. “They expressed to us the need to have containers back quickly, and some of them said they really didn’t care if they came back empty or not. But we showed them that in relatively short turn-around times we could get soybeans in those containers and get them shipped out, and there are other agricultural products here in the Midwest that we also ship out.”

COLD FREIGHT SYSTEM UPGRADES NEEDED IN ILLINOIS

By Tom C. Doran, AgriNews Publications, Bloomington IL

Illinois ranks fourth in the nation in pork production, but expansion opportunities exist via supply chain improvements. Hogs are the primary demand source for the state’s soybean meal, and the Illinois Soybean Association authorized a check-off-funded study to explore ways to increase demand. A study conducted by Informa Economics found the state has a slight competitive disadvantage in terms of the cold chain freight costs compared to other production areas. The importance of hog production to soybean farmers is in the numbers. Meat and animal production in Illinois – exports, out-shipments and Illinois domestic use – totaled $2.5 billion in 2007. The value of Illinois meat exports using refrigerated containers the past three years average $616 million – 82 percent of the meat exports are pork products. Meat exports by container originated from the Illinois pork sector support 115,430 tons of soybean meal, equivalent to 4.9 million bushels of soybeans or, at 42 bushels per acre, 117,450 acres.
Opportunities exist to expand the state’s containerized cold chain supply system once certain hurdles are overcome. “The reason for going by truck across country is you can keep a truck driving team together, and they can keep it running nonstop to the coast,” said Ken Eriksen, Informa Economics senior vice president. “If there’s a breakdown in equipment, especially if you have a highly valued chilled product, you can get some quick maintenance on that refrigerated equipment. Whereas if it’s put on a train, the perception is that train is not stopping for a container. “So if you start thinking about those dynamics here, what are the assurances that you can have an efficient and reliable system?”

Eriksen presented the key findings of the study at an ISA-hosted media event that focused on a wide range of transportation topics and research. “We have a pretty good supply of dry containers. The difficulty is getting an adequate supply of refrigerated containers back here in the Midwest,” he said. “There is a much higher cost per unit for those assets and to have them in the middle of the country is a bit difficult. It’s about developing those headhaul-backhaul opportunities. “That requires increased investment with in-state livestock production and seeing more livestock that’s available to be sent out as a finished good.” The study also found there would be a cost savings if there was an increased access to refrigerated containers. Illinois and its neighbors are refrigerated-container deficit. Enhancing export facility capabilities could offset this disadvantage because Chicago is an intermodal hub. This means that production in nearby states would flow through Illinois to reach the market. “The investment in blast freezer capacity is also necessary if the industry is to grow. It’s not chilled meat, but sub-zero meat when it goes into the container,” Eriksen said.

Another opportunity to strengthen the cold chain supply system is refrigerated unit trains dedicated to long haul moves from Illinois to the west coast ports. “These trains would allow for low-cost movements of Illinois cold chain products and reduce the risk associated with limited shelf life for chilled meat products,” Eriksen said. “There have been a number of examples certainly in the fruit and vegetable side of things, moving trains with refrigerated boxcars across country. There are even some efforts of using boxcar unit trains with meat products from the livestock growing areas back into the populated areas. “If livestock is No. 1 in Illinois and transportation is No. 2, opportunities do exist. “But there are some challenges that require a bit more in-depth analysis and understanding of what are some of the reliability factors that take place in that regard.

**Obtain Local Advisement and Consultation by Contacting the Following:**

<table>
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