Bulk Cargo Feasibility

- Commodity Selection
- Demand of Commodity
- Longevity of Commodity
- Pricing Fluctuations
- Transportation Costs
- Profitability/Competition
Commodity Selection

- Does commodity fit into business plan of terminal
  - Operational Factors
    - Impacts to other commodities handled
  - Equipment
    - Specialized equipment needed
    - Cost and downtime of equipment
  - Wharf and Draft
    - Ships needed to handle commodity
Demand of Commodity

• Where is cargo sourced from?
  – Multiple countries/states

• Where is cargo going?
  – Multiple destinations - countries/states
  – What other ports can supply commodity

• What is competition of commodity?
  – Unique opportunities
Longevity of Commodity

• Will commodity offer long term contract?

• Commodity Availability
  – Historical data
  – World Supply

• Become environmentally friendly or unfriendly
  – What is political climate
Pricing Fluctuations

- Commodity price fluctuations
  - Historical pricing
- Event sensitive
- Supply sensitive
Transportation Costs

• Commodity transportation margin
  – Longevity of transportation
    • Supply of rail cars/trucks
  – Factors that raise transport costs
    • Strength of economy
    • Supply of carriage
  – Transportation partners
    • Reliability/dependability
Profitability/Competition

• Does it make sense to import/export commodity

• Factors
  – Approval process with port authority
  – Environmental factors CEQA EIR
  – Mix with other commodities
  – Vulnerability of commodity
Conclusions

• Questions?

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