Digital Barge Documents

NGFA PROJECT NEARS ROLLOUT SET FOR THIRD QUARTER 2020

ar and away, a barge is the least expensive way to transport grain on a per-bushel basis. But the system of handling the necessary paper documents for transporting that grain often has been more unwieldy and sometimes even more chaotic than it needs to be.

Starting in January 2018, the National Grain and Feed Association (NGFA) and a consortium of member companies have been trying to address that problem by digitizing those paper documents as part of its National Grain and Feed Digital Solutions (NGFDS), an NGFA subsidiary that will govern the system. The system is ready for a rollout sometime in the



National Grain and Feed Digital Solutions



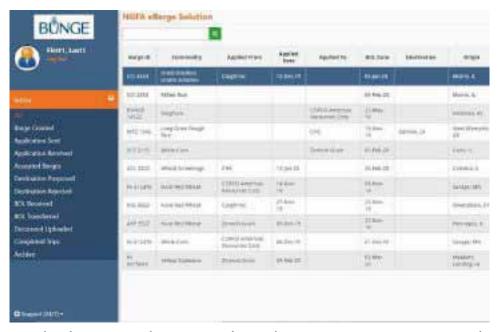
Brittany Schaefer

third quarter of 2020, in time for corn and soybean harvest.

"Initially, these bills of lading will be available only for southbound traffic on the Illinois/Mississippi River system," said Brittany Schaefer, who chairs a steering committee for the NGFA's Barge Digital Transformation Project, which has spearheaded the development of electronic bills of lading. "Later, we'll make them available for northbound traffic, then to other regions of the country, such as the Columbia and Snake Rivers in the Pacific Northwest."

Schaefer spoke March 9 during a Transportation and Technology Open Forum held as part of the NGFA 2020 convention in Austin, TX. She is logistics manager for Bunge North America in Destrehan, LA and has been active





Sample inbox screen as shown to attendees at the NGFA 2020 convention in March.

in the barge trade for 10 years.

The Problem With Paper

For decades, she said during her presentation, the barge transportation system has relied on paper bills of lading, generally sent by the shipper to the counterparty by an overnight service such as FedEx.

Where the system trips up is in the time it takes to receive the bill of lading to invoice for the advance 95% of payment. This is not paid until the bill of lading is in hand. "You have people

who may have left the office early, missed phone calls, tied up in a meeting, or email is down," Schaefer said.

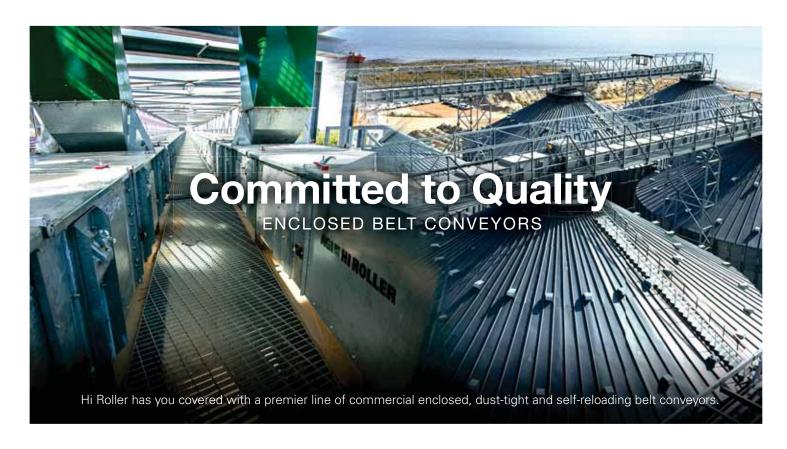
Advance payment of up to 95% may have been wired upon receipt of the bill of lading, and this receipt needs to be acknowledged as well. The entire process can end up taking days to complete. "Sometimes the barge reaches its destination first," she said.

Going Electronic

Early in 2018, in a widely attended industry workshop, members of the task force that became the steering committee for the Barge Digital Transportation Project met for the first time in New Orleans, LA. They agreed that digitization of documents in the barge trade would benefit everyone involved in it.

A steering committee was formed in October 2018 to develop a prototype digital system, including an electronic bill of lading. Members included:

• American Commercial Barge Line.



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- Archer Daniels Midland Co.
- Bunge North America, Inc.
- Cargill, Inc.
- CGB Enterprises, Inc.
- CHS Inc.
- The Gavilon Group.
- Ingram Marine Group.
- Louis Dreyfus Co.
- Zen-Noh Grain Corp.

In October 2018, work began on a prototype digital system including an electronic bill of lading. The tech provider on the project – essDOCS - was chosen in the fall of 2019 for a number of reasons, including the company's reputation, its experience with the industry, and an outstanding proposal that remained cost-effective.

Schaefer said testing on the most recent version of the prototype is expected to begin in June with the goal of an industry rollout by August.

She said the prototype was developed with a number of principles in mind:

- Market integrity, which means no changes to market dynamics, and no one player will be granted advantage over another.
- Security from potential cyberthreats.
 - The system must be easy to use.
- Data must be accurate. Everyone is responsible for the accuracy of the data they enter.
- The system must be cost-effective. If it costs more than the current paper bills of lading, no one will use it.
- No one will have access to the entire dataset, just their own. No one will be able to hold the industry hostage with licensing fees or devel-

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opment costs.

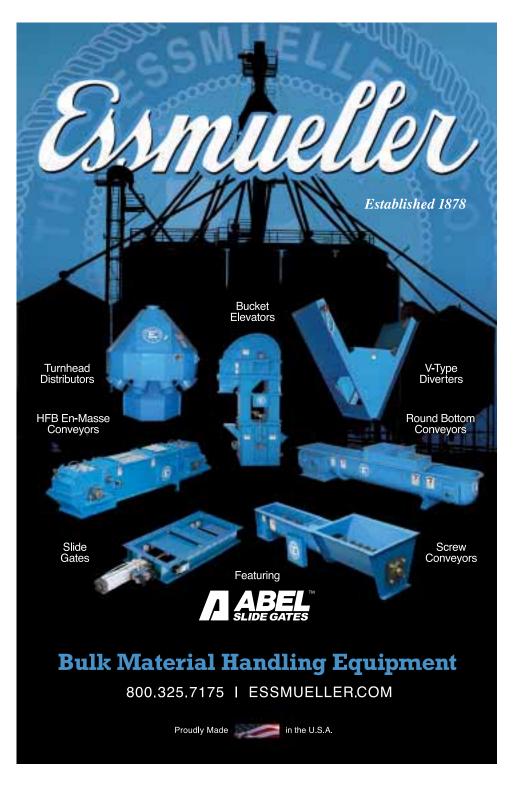
• The system will follow all best industry practices to ensure reliability.

At the end of her presentation, Schaefer was able to run a demonstration of the prototype using sample screens such as those users will see when the product rolls out.

"When we actually go live, you'll have a log-in screen, but you will only be able to access your own company's information. You won't be able to see other companies' information.

"You will be able to see all of your active shipments, including barge ID, commodity being shipped, quantity, origins, and destinations."

The demonstration also included how to use the software to create a bill of lading and select a counterparty or counterparties. The NGFA estimates that its member-companies currently generate 70,000 to 100,000 bills of lading annually.



Ed Zdrojewski, editor