

MAFC Air Cargo



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The Essentials

- USA: 0.07% total tons, 6.47% total value
- Weight v. Value distinction
- Importance of local context
 - Not an industry to be generalized
- Volatility ... valid projections?

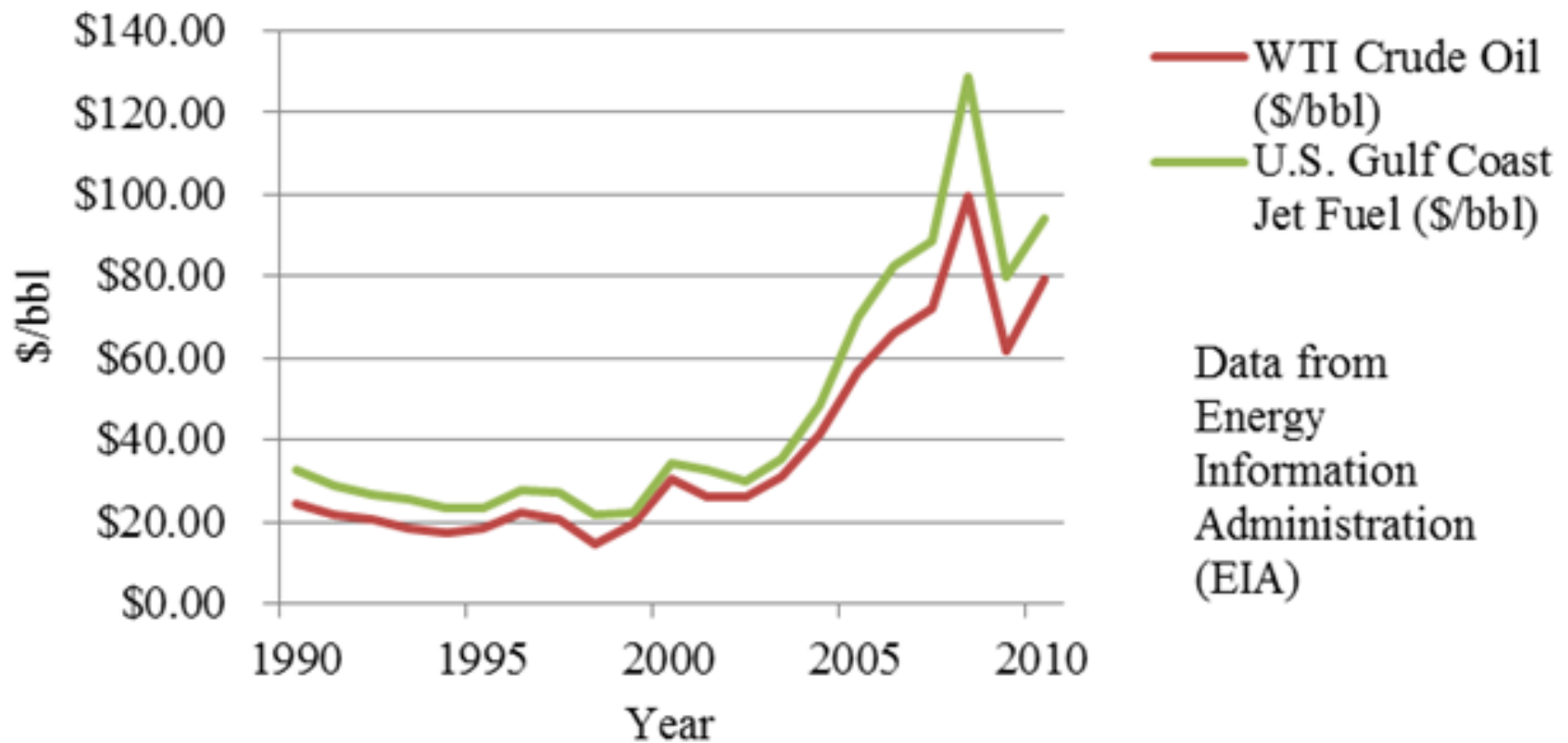
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MID-AMERICA



FREIGHT COALITION

Historical Crude Oil, Jet Fuel Prices Per Barrel, 1990-2010



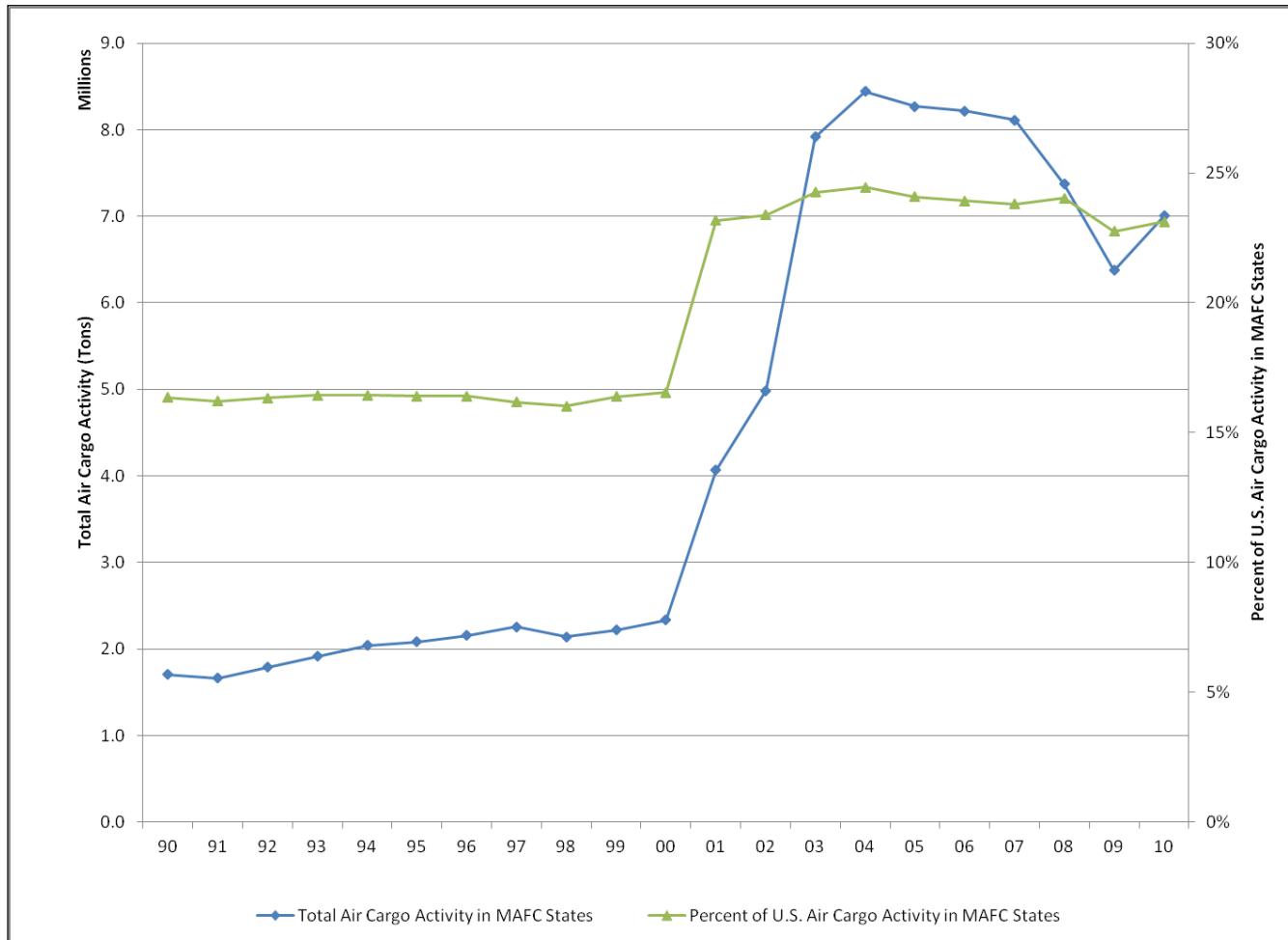
Industry Trends

- Concentration
- End of new hub operations
- Maximizing existing infrastructure
- Transporting “The New Economy”
- Lure of air cargo will never go away

MAFC Air Cargo Data Analysis

- Total Air Cargo in MAFC Region, 2010:
 - 7,002,396 tons of freight and mail handled
 - 23.1 percent of all U.S. air cargo activity
 - ~50/50 split of enplaned/landed
 - ~ 3 percent classified as mail
- Air Cargo Data Sources
 - Bureau of Transportation Statistics T-100 Data
 - Freight Analysis Framework (FAF 3.1) Data

Air Cargo Growth 1990-2010



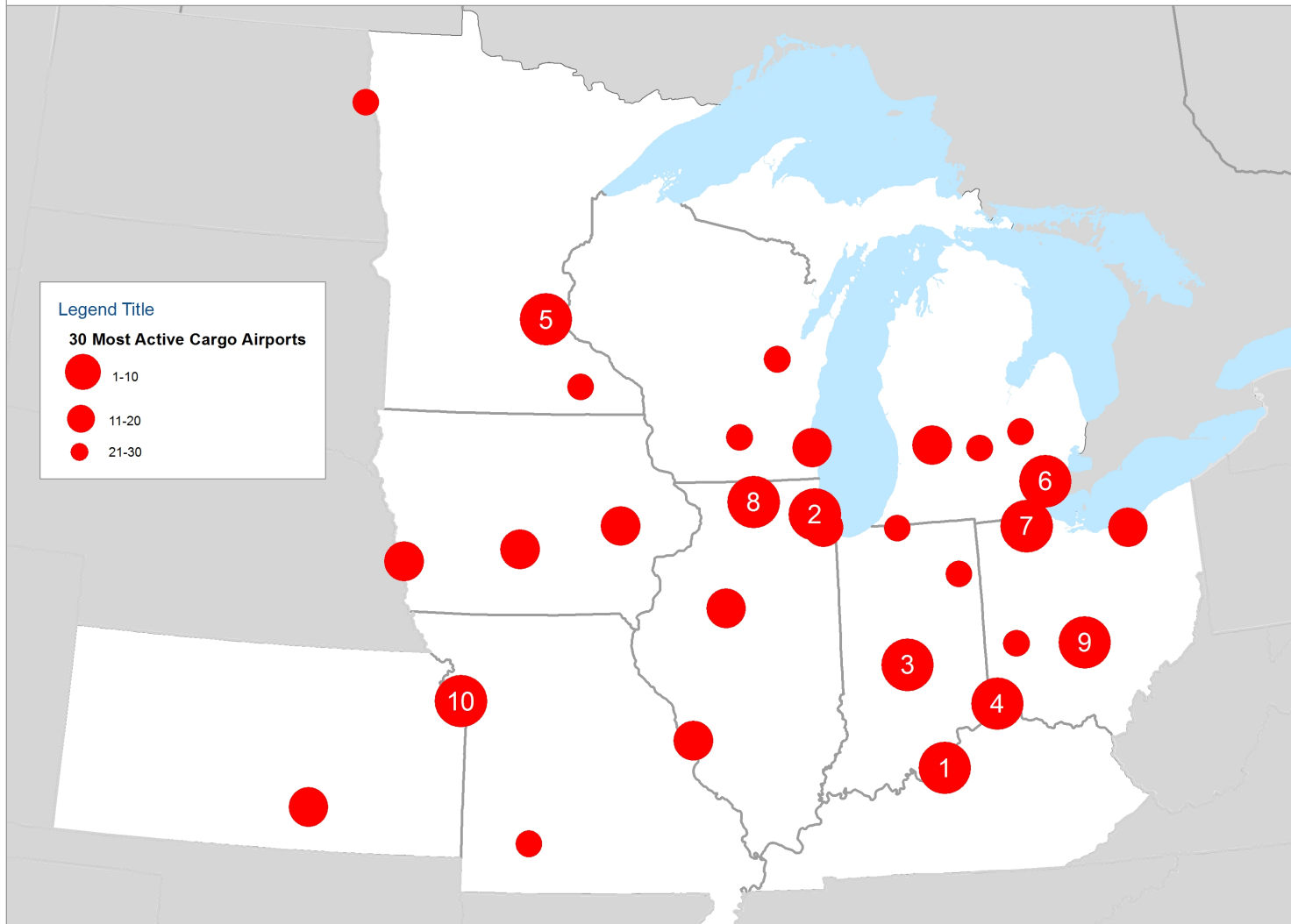
Activity by State – 2010

State	Total Activity (Tons)	% Share (2010)	Annual Growth (1990-2010)
Kentucky	2,803,112	40.0%	151.6%
Illinois	1,749,541	25.0%	5.0%
Indiana	1,056,153	15.1%	145.0%
Ohio	394,470	5.6%	9.3%
Michigan	284,950	4.1%	4.3%
Minnesota	256,111	3.7%	2.8%
Missouri	202,473	2.9%	0.5%
Wisconsin	115,834	1.7%	11.6%
Iowa	110,742	1.6%	21.4%
Kansas	29,011	0.4%	9.3%
Total 10 MAFC States	7,002,396		15.5%
Total 50 U.S. States	30,276,367		9.5%

Activity by Airport Type – 2010

Airport Type	Sub-Type	Count	Total Activity (Tons)	% Share
Commercial	Large Hub	4	1,987,408	28.4%
Commercial	Medium Hub	7	1,788,466	25.5%
Commercial	Small Hub	14	2,637,947	37.7%
Commercial	Non-Hub	37	451,333	6.4%
Commercial	Non-Primary	13	107,258	1.5%
Non-Commercial	Reliever	16	5,080	0.1%
Non-Commercial	General Aviation	30	316	<0.1%
All Others	Unclassified	9	24,588	0.3%

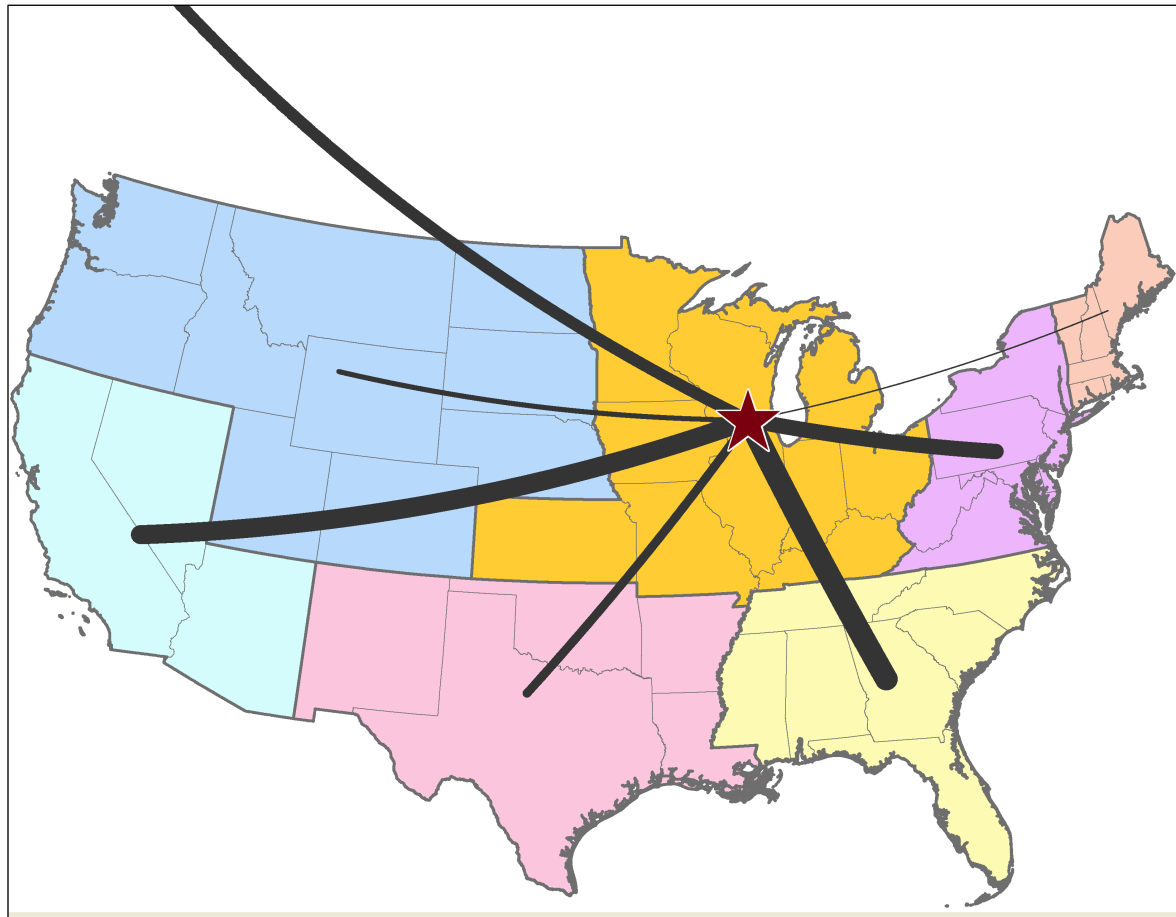
Mid-America Freight Coalition | 30 Most Active Cargo Airports



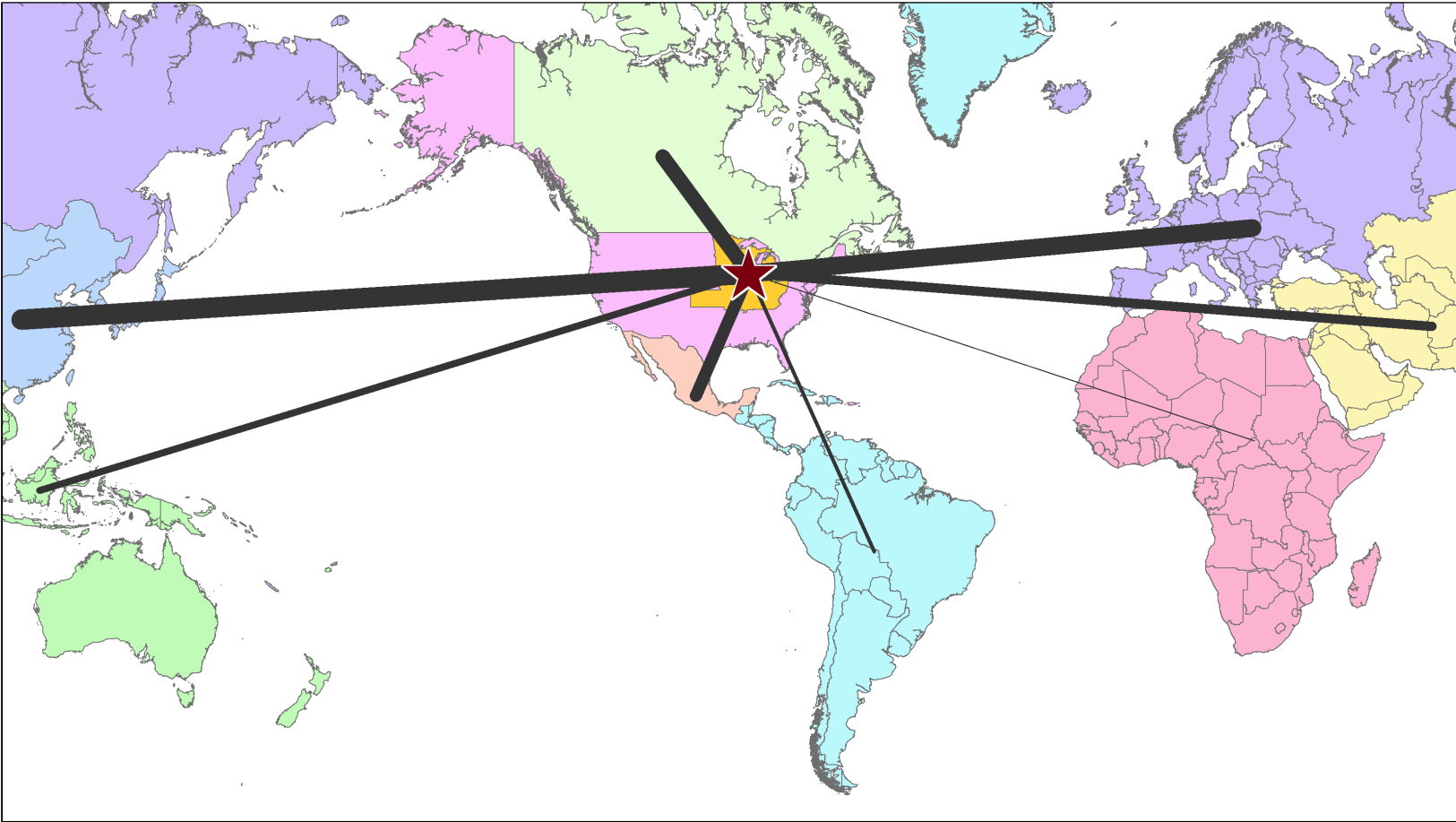
Highest Volume Airports – 2010

Rank	Airport Name	Total Activity (Tons)	% Share (2010)
1	Louisville	2,391,434	34.2%
2	Chicago O'Hare	1,510,121	21.6%
3	Indianapolis	1,019,760	14.6%
4	Cincinnati/Northern Kentucky	410,485	5.9%
5	Minneapolis-St. Paul/Wold-Chamberlain	246,297	3.5%
6	Detroit Metro Wayne County	204,820	2.9%
7	Toledo Express	190,042	2.7%
8	Chicago/Rockford	158,378	2.3%
9	Columbus/Rickenbacker	106,211	1.5%
10	Kansas City	95,429	1.4%
All Others	Remaining 120 Airports	669,421	9.6%

Domestic Volume – 2010



International Volume – 2010



Activity by Commodity Group

Commodity Group		Total Value (\$ Million)	% Share (2007)
1	Agriculture products and fish	1,121	0.6%
2	Grains, alcohol, and tobacco products	273	0.2%
3	Stones, non-metallic minerals, and metallic ores	16	0.0%
4	Coal and petroleum products	8	0.0%
5	Pharmaceutical and chemical products	27,138	14.9%
6	Logs, wood products, and textile and leather	4,612	2.5%
7	Base metal and machinery	42,383	23.3%
8	Electronic, motorized vehicles, and precision instruments	96,148	52.8%
9	Furniture and miscellaneous manufactured products	10,280	5.6%
Total All Commodity Groups		181,978	100.0%

Top 5 Commodities by Value

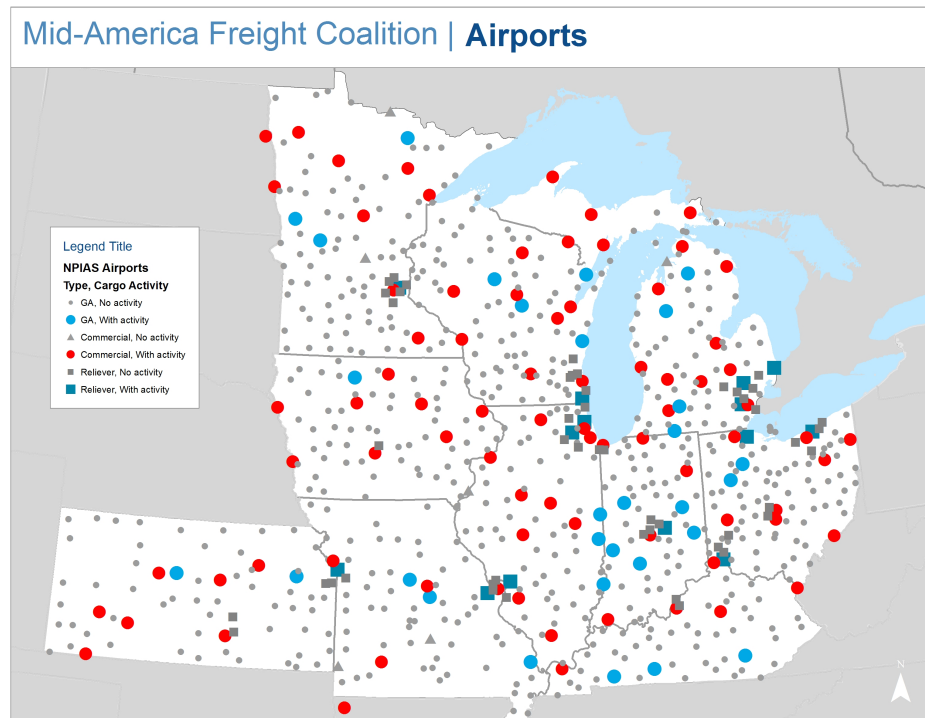
Commodity		Value (\$ Million)	% Share (2007)
35	Electronics	51,052	28.1%
34	Machinery	37,710	20.7%
38	Precision instruments	24,495	13.5%
37	Transport equip.	15,853	8.7%
21	Pharmaceuticals	15,845	8.7%
Top 5 Combined		79.7%	

Forecasted Commodity Activity

Commodity Group		Value, 2007 (\$ Million)	Value, 2040 (\$ Million)	Annual % Change
1	Agriculture products and fish	1,121	2,190	2.8%
2	Grains, alcohol, and tobacco products	273	698	4.6%
3	Stones, non-metallic minerals, and metallic ores	16	46	5.7%
4	Coal and petroleum products	8	13	2.1%
5	Pharmaceutical and chemical products	27,138	137,667	12.0%
6	Logs, wood products, and textile and leather	4,612	10,769	3.9%
7	Base metal and machinery	42,383	125,466	5.8%
8	Electronic, motorized vehicles, and precision instruments	96,148	384,304	8.8%
9	Furniture and miscellaneous manufactured products	10,280	25,890	4.5%

Common Conclusions

- “The air cargo market is ...”
 - Mature
 - Regionally consolidated
 - A duopoly
 - Volatile
 - Let’s get involved!



Creating Opportunities

- Cargo security
- Manufacturing operations
- Smart incentives

Cargo Security

- 100% screening of cargo on passenger planes ... eventually 100% screening on cargo planes?
- Significant industry for airport communities

Manufacturing

- High value commodities
- Create market for air cargo goods
- LAF, Indianapolis area
- What can GA airports do?

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Smart Incentives

- Lure of air cargo will never go away
- Risk dispersion
- Movement toward better incentives
 - Failed Midwest China Hub Commission @ STL
 - Build into master plans

Conclusion

- Dynamic industry
- Through data, MAFC central to well-being
- Accumulation of anecdotes
- How can communities participate within this greater story?