

 **FARMERS *for* FREE TRADE**

June 10, 2021

The Honorable Nancy Pelosi  
Speaker  
United States House of Representatives  
Washington, DC 20515

The Honorable Charles Schumer  
Majority Leader  
United States Senate  
Washington, DC 20510

The Honorable Kevin McCarthy  
Minority Leader

The Honorable Mitch McConnell,  
Minority Leader

Dear Speaker Pelosi, Leader McCarthy, Leader Schumer, and Leader McConnell, G20 Bipartisan Working Group, House Problem Solvers Caucus:

We ask that you continue to work together to craft an infrastructure package to support American jobs and strengthen our economy and that this package specifically focus on the critical importance of infrastructure to U.S. agriculture and our ability to deliver products to market. It is essential that infrastructure legislation include much-needed investments in our dams, locks, inland waterways and ports as well as rural highways and roads, bridges, rail, and broadband infrastructure.

*Economic Importance of Agricultural Trade*

U.S. agriculture is the strongest and most productive in the world; getting products to domestic and international markets quickly and reliably is critical to our economy. Collectively, 20% of American farm revenue comes from exports; for decades, U.S. agriculture has consistently achieved annual trade surpluses. Farm product exports totaled \$136 billion in FY2020 and made up approximately 8% of total U.S. exports. Agricultural exports support jobs on farms, in food production, in transportation and manufacturing, and on Main Streets across America.

*Importance of Infrastructure for the Ag Supply Chain and Exports*

American agriculture depends on access to new foreign and domestic markets, and that access depends on reliable infrastructure in the middle of the country and along the coastlines. Agriculture has benefitted greatly from America's infrastructure system. Agricultural products are the single largest user of freight services in the U.S., making up 24% of freight services across all modes by tonnage with \$3.1 trillion worth of agricultural products moved across all transportation methods in 2018.

- Almost every agricultural freight trip incorporates at least one truck component in the trip from the farm to final destination.
- Our inland waterways carry large volumes of bulk commodities and farm inputs. In 2017, barges on our waterways carried 532.8 million tons of goods worth \$220 billion.
- The Mississippi River System is America's main inland waterways system moving 57% of U.S. corn exports and 59% of U.S. soybean exports in volume as well 72 percent of distiller's dried grains with solubles (DDGS) exports.
- An estimated 70% of U.S. agricultural exports and 60% of imports pass through U.S. seaports.

*Jobs*

Investing in American agriculture and infrastructure will protect and create jobs. In 2019, 22.2 million full and part-time jobs in America were dependent on the agricultural and food sectors. This equates to

10.9 percent of total U.S. employment. Restoring America's infrastructure system provides a unique opportunity to deliver transportation improvements that directly impact the bottom line for agricultural producers and food companies; while simultaneously providing jobs for Americans who have been harmed during recent economic downturns.

#### *Deficiencies in Current Infrastructure*

Once the best in the world, America's infrastructure is eroding and, with it, American agriculture is losing one of the key advantages we enjoy over other countries. The American Society of Civil Engineers (ASCE) 2021 report card gave America's infrastructure a grade of C-. Out of the 17 infrastructure categories ASCE assessed, 11 were in the D range. The report notes a substantial maintenance backlog across the system nationwide. In 2019, the U.S. ranked thirteenth in the world in a broad measure of infrastructure quality—down from fifth place in 2002.

- Most locks on the Upper Mississippi and Illinois River System have far exceeded their projected 50-year lifespan.
- Waterway delays cost over \$44 million per year and are increasing in frequency. These costs are ultimately borne by farmers.
- Modern farming equipment is larger and heavier, putting added strain on rural highways and bridges designed for smaller vehicles; and only 9% of the roadways that connect ports to other modes of transportation are in good or very good condition.
- In recent months, our ports have experienced significant surges and backups that have hampered the ability of American farmers to move products to overseas markets. Recent labor shortages in the trucking industry and shortages of pallets and foreign-owned containers promise to exacerbate these challenges.

While the American Jobs Plan proposes a \$17 billion investment in ports and inland waterways, we ask specifically that locks be modernized and that you work towards the \$42 billion need identified by ASCE by increasing existing port infrastructure grant programs, investing in new technology and electrification of key terminals, and increasing funding to complete, repair, and maintain Federal navigation channel improvement projects. We similarly ask that you ensure sufficient funding to repair our rural roads and bridges that are so critical to getting farm products to market.

#### *Rural Broadband*

Equally concerning is rural America's limited broadband connectivity and the challenges that presents to our farmers and communities. As with any business, food and agriculture producers need high-speed internet to compete in today's competitive environment. Reliable broadband enables agricultural producers and agricultural service providers to operate more efficiently, better communicate with customers and suppliers, and access new markets. The Biden Administration's proposed \$100 billion investment in expanded broadband will be a critical step toward meeting this 21<sup>st</sup>-century need.

#### *Foreign Competition*

The United States cannot afford to delay infrastructure improvements. Our competitors, including China and Brazil, are making significant investments in infrastructure to improve their competitive position. Since 2014, costs for major Brazilian ports have decreased and are approximately the same as costs in the U.S. Partially due to these infrastructure improvements, Brazil has eclipsed the United States as the world's largest producer and exporter of soybeans. Likewise, China realizes the strategic benefit of infrastructure. China's ambitious investment in infrastructure across the globe is unprecedented and is a way of increasing international political power while undermining U.S. influence.

We ask all members of the 117th Congress to recognize the importance of infrastructure to the health of the nation's food and agricultural economy and work together to support investments that will allow our workers to remain competitive in a global marketplace.

We appreciate your consideration of this critical matter.

Sincerely,

Agriculture Transportation Coalition  
American Association of Port Authorities  
American Feed Industry Association  
American Seed Trade Association  
American Soybean Association  
Association of Equipment Manufacturers  
CoBank  
Corn Refiners Association  
CropLife America  
Distilled Spirits Council  
Farm Credit Council  
Farmers for Free Trade  
Fresh Produce Association of the Americas  
Global Cold Chain Alliance  
Hardwood Federation  
KCoE Isom LLP  
National Association of State Departments of Agriculture  
National Association of Wheat Growers  
National Council of Farmer Cooperatives  
National Grain and Feed Association  
National Milk Producers Federation  
National Pork Producers Council  
National Potato Council  
North American Meat Institute  
North American Millers' Association  
Port of Virginia  
U.S. Apple Association  
U.S. Dairy Export Council  
U.S. Dry Bean Council  
U.S. Peanut Federation  
USA Rice  
Waterways Council, Inc.