



## Rural Transportation Study Released

April 27, 2010

The U.S. Department of Agriculture (USDA) today released a Rural Transportation Study examining the availability, service and pricing for agricultural transportation.

The study was commissioned by Congress with passage of the Food, Conservation, and Energy Act of 2008, commonly known as the farm bill. The study was included in the farm bill at the urging of farm groups and other users of transportation, mainly focused on their dissatisfaction with rail service but was broadened to examine truck, barge, and ocean transportation as well.

This study was coordinated by staff of USDA's Transportation Services Division within the Agricultural Marketing Service (AMS) working with staff of USDOT. It provides the first holistic examination of agricultural transportation and highlights the essentiality of trucking to our modern agricultural production system. Due to a close working relationship with USDA staff, AFTC has monitored USDA's work as the study moved along to completion to ensure that it presented an accurate portrayal of the industry.

The report points out that, "Agriculture is the largest user of freight transportation in the United States, claiming 31 percent of all ton-miles transported in the United States in 2007." The study covers all of the major issues affecting the trucking industry from driver capacity, size and weight, safety regulations, highway funding and quotes American Trucking Associations statistics throughout the report.

In regard to the other modes, the report points out that:

*Ocean shipping and railroads are exempt from many antitrust rules. These exemptions have the potential to decrease competition, reduce service, and raise rates.*

And;

*The rapid consolidation of the railroad industry through mergers has resulted in a decrease in the unrestricted interchange of traffic, routing choices, and the level of competition among railroads. Shippers are concerned with . . . inconsistent service, high rates, excessive fuel surcharges . . .*

In regard to the trucking industry, on the other hand, the report points out that:

*More than 80 percent of cities and communities are served exclusively by trucks. The first and last movements in the supply chain from farm to grocery store are by truck. Agriculture's trucking needs are seasonal, requiring frequent trips during planting and harvest seasons. Many agricultural products are perishable and time sensitive, requiring the efficiency, special handling, or refrigerated services best provided by trucks.*

And;

*The trucking industry is highly competitive.*

*The lack of, decline of, or withdrawal of rail service, restrictions on access and routings to competing railroads, and rail rate increases, especially for grain and forest products, have increased dependence on trucking in rural areas.*

In regard to the importance of the agricultural exemption to hours of service for trucking, the report points out that:

*During the busy planting and harvest seasons, farmers and retail farm suppliers spend substantial on-duty time on activities other than driving, necessitating the agricultural hours of service exemption.*

*Requiring a farmer or supplier to go off duty would disrupt critical planting and harvest activities, especially for perishable crops subject to volatile weather and market conditions.*

The USDA press release follows with a link to the full report:

## **USDA RELEASES MAJOR REPORT ON AGRICULTURAL TRANSPORTATION**

WASHINGTON, April 27, 2010 -- The U.S. Department of Agriculture today released to Congress a comprehensive report on agricultural transportation in the United States, the first ever of this magnitude. The report, Study of Rural Transportation Issues, was mandated by the 2008 Farm Bill and covers the four major modes of transportation commonly used by agriculture in the United States-truck, rail, barge, and ocean vessel.

“Agriculture is the largest user of freight transportation in the United States, with 31 percent of all ton-miles recorded in 2007 being used in the movement of agricultural products,” said Agriculture Secretary Tom Vilsack. “This report provides policy makers the vital information needed to make strategic infrastructure and policy decisions to meet rural America's transportation needs, now and in the future.”

“We need a strong transportation infrastructure for our vast quantities of farm exports to be competitive in world markets,” said Transportation Secretary LaHood. “That is why we devoted more than half of the total funding of our TIGER program (Transportation

Investment Generating Economic Recovery) to improvements that benefit freight transportation, ports and rural communities. This report is timely, coming as we work to carry out President Obama's National Export Initiative of doubling of U.S. exports within five years.”

The report examines some of the major issues facing agricultural transportation, including: the dramatic effect of deregulation on the rail industry, a growing gap for funding the inland waterways and highway systems, availability of containers and ocean vessel capacity, and the infrastructure that may be needed to support a projected increase in biofuel transportation.

The report also discusses the current approach to transportation policy in the United States, in which each mode of transportation is often considered separately without an overarching view of the flow of freight through all the modes.

Study of Rural Transportation Issues may be found on the Agricultural Marketing Service website at [www.ams.usda.gov/RuralTransportationStudy](http://www.ams.usda.gov/RuralTransportationStudy).