



April 21, 2022

Hon. Martin Oberman
Chairman
Surface Transportation Board
395 E St., SW
Washington DC 20423-0001

Hon. Patrick Fuchs
Member
Surface Transportation Board

Hon. Karen Hedlund
Member
Surface Transportation Board

Hon. Robert Primus
Vice Chairman
Surface Transportation Board

Hon. Michelle Schultz
Member
Surface Transportation Board

RE: Urgent Issues in Freight Rail Service (Docket EP_770)

Dear Chairman Oberman and members of the Surface Transportation Board;

On behalf of the South Dakota Association of Cooperatives and the South Dakota Agribusiness Association, we want to thank the Surface Transportation Board for its review of rail service issues facing agriculture.

Members SDAC and SDABA represent the majority grain-related companies and include grain elevators; feed and feed ingredient manufacturers; fertilizer suppliers; and businesses that provide goods and services to South Dakota producers.

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Our members continue to express concern about current rail service disruptions. The railroads in South Dakota are having issues that are causing significant delays in their performance resulting in additional costs. Our member will eventually see these increased transportation costs in the basis, resulting in lower commodity prices.

South Dakota elevators may struggle to purchase grain from farmers because they have reached their storage capacity and are waiting for a train to be moved out by the railroad. Additionally, our members may not be able to meet their delivery obligations to feedmills and processors. The inability to manufacture and deliver feed will leave producers with few options to source feed for their livestock.

The cost of secondary freight in the past month is a financial burden reaching hundreds of thousands of dollars. This is additional freight they should not have to purchase. Delays of 7-14 days are occurring causing elevators to reduce or delay their services.

History has demonstrated the strong service that these railroads can provide. We are aware that there are a variety of circumstances contributing to the current rail service disruptions. However, we are truly concerned that their impact will be much more drastic and prolonged. The ability to recover normal rail operations that are stressed is decreased and the use of precision scheduled railroading and reduced crews will continue to have an impact. Current rail service indicates rail customers are not being adequately served.

While some of these circumstances are out of everyone's control, we hope that as a result of this hearing, the STB, railroads and customers find solutions that restore the rail service that is essential for our agriculture industry and producers.

Sincerely,

Brenda R Forman

Brenda Forman
Executive Director
SD Association of Cooperatives (SDAC)
116 N Euclid
Pierre SD 57501
605.945.2548

Kathy Zander

Kathy Zander
Executive Director
SD Agri-Business Association (SDABA)
320 East Capitol Avenue
Pierre SD 57501
605.224.2445