



CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE

Karen Ross, Secretary

April 21, 2022

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EP 770

The Honorable Martin Oberman
Chairman Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001

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RE: Rail Services Issues Affecting Agriculture

Dear Chairman Oberman:

On behalf of the California Department of Food and Agriculture, I appreciate the timeliness of the public hearings being held by the Surface Transportation Board on April 26 and 27 addressing recent rail service problems and recovery efforts involving several Class I carriers. The purpose of this letter is to share our urgent concerns regarding the drastically reduced deliveries of feed grain to California's livestock and poultry operations, and the potential threats this disrupted delivery service creates for animal health and welfare. I urge the Surface Transportation Board to help address the reduced frequency and regularity of rail service for critical poultry and livestock feed markets, and to investigate the increased costs to customers.

California's poultry, livestock, and feed industries have raised grave concerns to CDFA regarding rail delays over the past 45 days which are resulting in unprecedented rolling mill shutdowns throughout the state. These significant disruptions not only pose critical threats to the California agriculture economy and domestic meat, milk, and egg production supply, but more importantly pose real threats to animal health and welfare.

California's livestock and livestock products are a \$12.1 billion industry, with dairy and dairy products leading the nation in total milk production of 41.3 billion pounds. Poultry and other livestock operations are also top agriculture industries in the state, with 130 million various poultry species, 1.5 million dairy cows, and 650 thousand head of beef cattle. We are an eighty-five percent grain deficit state and heavily rely on the rail systems throughout North America to fulfill our feed supply needs. Current rail service disruptions into California have caused massive stress and costs to our agricultural industries, particularly the poultry and livestock industries. While cattle have some flexibility in their diet for feed grain alternatives, such as almond hulls or bakery byproducts, diet does impact milk production. Chickens are limited to a specific feed grain diet and are sensitive to any deviation from their feeding schedule, which may be triggered by delayed feed deliveries. It goes without saying that animal welfare is severely compromised when feed supplies are continuously interrupted.

CDFA Feed licensees have endured three-week delays in receiving unit trains – a stark contrast to the three-to-four-day delivery schedule they have long relied upon. The



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industry has experienced unloaded, empty unit trains clogging lines at licensed facilities for up to four days reportedly due to crew shortages but are charging significant demurrage fees to licensees. The California feed industry has paid tens of millions of dollars in fuel surcharges and demurrage fees in March alone and are anticipating these costs to continue to rise in the coming months. California feed manufacturers and customers are paying higher fees for rail services while services have diminished.

CDFA appreciates the Board's urgent attention to the concerns raised in this letter. During this critical time, prioritization must be given to supplying human food and animal feed to meet the population's nutritional needs.

Yours truly,

A handwritten signature in black ink that reads "Karen Ross". The signature is written in a cursive, flowing style.

Karen Ross
Secretary