



AMERICAN AGRI-WOMEN 2022

TRADE & SUPPLY CHAIN

ISSUE:

U.S. farmers are experiencing unprecedented cost increases in nearly every aspect of their operations. Over the past two years, farm expenses have increased nearly 20 percent. Fertilizer prices have doubled. Gas prices are now the highest in U.S. history. Trucking costs have increased 25 percent nationally. For farmers that export, U.S. ports – particularly those on the West Coast – have presented additional problems in the form of excessive congestion, high freight rates, and unpredictability, all of which are undercutting markets and the reputation of U.S. farm products overseas.

To date, the losses have been nearly incalculable. California alone lost an estimated \$2.1 billion over a five-month period last year due to the port crisis. Unfortunately, these tough farming conditions are not expected to alleviate any time soon. Food and farming supply chains may not return to ‘normal’ until late 2023, and ‘normal’ may be redefined entirely.

AMERICAN AGRI-WOMEN REQUEST:

- **AAW supports the Congressional passage and enactment of the Ocean Shipping Reform Act (S. 3580).** OSRA will provide much-needed improvements to the maritime shipping environment, which has increasingly become too unpredictable and costly for our exporters to remain competitive.
- **AAW urges the Administration to waive or eliminate the import duties of crucial fertilizers and machinery.**
- AAW supports private sector relationships to reconcile differences, however, in the case of an oligopoly such as the rail business, **we ask Congress to request the Surface Transportation Board to develop guidance on common carrier obligation and to provide enforcement procedures that allow private firms to recoup losses** through demurrage or a ‘claims court’ process or to develop other means of enforcement of reliability by railroads measured by timely arrival of railcars at grain elevators and livestock origin locations upon reasonable request. We also request the Surface Transportation Board to **require railroads to submit their improvement plans and progress on implementing the plans** as part of data collected by the agency.



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BACKGROUND:

The causes of the agricultural supply chain breakdowns are numerous, complex, and intertwined. The COVID-19 pandemic led to unprecedented economic slowdowns and subsequent ramp ups, which has thrown the global movement of goods into disarray. Agriculture and food supply chains in particular were not designed, nor prepared, for the ensuing fits and starts in consumer demand and logistics. Moreover, historic levels of government spending and emergency policies – intended to support the nation through the pandemic and stimulate the economy – has contributed to the current inflation ramp up. The conflict between Russia and Ukraine has only injected further upheaval into global supply chains, prices, and economic outlook.