

September 20, 2005

The Honorable George W. Bush
President of the United States
The White House
1600 Pennsylvania Ave., NW
Washington, D.C. 20500

Dear Mr. President:

The undersigned agricultural associations respectfully request your support to grant a temporary waiver of the “Jones Act” as applied to section 27 of the Merchant Marine Act of 1920 for agricultural shipments due to the catastrophic affects of Hurricane Katrina.

We appreciate the administration’s leadership in saving lives and beginning the process of recovery in the New Orleans region, which represents a vitally important port for U.S. agricultural exports. The people employed in the grain terminals and export elevators in that region, as well as those who provide support services, are a critical component of the U.S. agricultural industry. We are encouraged that significant efforts, both public and private, are being made to restore the lives and livelihoods of all those who have been so tragically disrupted.

Hurricane Katrina has highlighted the incredible importance of the Mississippi River and the New Orleans export region for U.S. agriculture, which accounts for 60 to 70 percent of U.S. grain and oilseed exports. Agricultural facilities in the affected region are working around the clock to locate, house and sustain their employees, and restore grain loading and unloading operations. But the process to restore the infrastructure to support this vital artery in the nation’s grain exports will take time. In addition, overall truck and rail transportation capacity is stretched, and neither mode has the “surge” capacity to accommodate increased volumes of additional traffic to accommodate movements disrupted by Hurricane Katrina. The rail industry already was experiencing difficulties in providing service to meet harvest transportation demands, and the aftereffects of Katrina will only exacerbate these preexisting constraints. The scope of this looming transportation demand was quantified by the U.S. Department of Agriculture’s September 12, 2005 Crop Production Report, which pegged the corn crop at 10.6 billion bushels and the soybean crop at 2.86 billion bushels – the second largest on record. This year’s harvest will come on-line just as the export capacity hurt by Hurricane Katrina is beginning to recover.

Thus, U.S. agriculture needs additional transportation capacity to move U.S. grains and oilseeds to regions, such as the Southeastern U.S., traditionally served by domestic transportation modes that have been stretched beyond capacity. To help address this acute situation, the undersigned organizations urge that a temporary waiver be granted for agricultural products for the remainder of calendar year 2005 from the Jones Act, which requires goods being transported entirely or partly by water between

U.S. points to travel in U.S.-flagged, U.S.-built, U.S.-crewed and U.S.-owned vessels. A temporary waiver of the “Jones Act” – as was done for the petroleum and gas industry – would ease some of the burden on an already taxed transportation system and assist in limiting the negative impacts of an extensive port and waterway recovery effort on U.S. agricultural producers. Without such action, we are concerned that traditional U.S. grain and oilseed buyers in some regions will look to overseas suppliers – rather than U.S. farmers – to meet their demand needs because of constraints on U.S. domestic transportation movements.

Thank you for your consideration of our request to grant a temporary waiver of the “Jones Act” for agricultural products. Doing so will assist in the post-Katrina recovery effort and is an important aspect of limiting further damage to the U.S. agricultural industry as a result of this terrible natural disaster.

Sincerely,

Agricultural Retailers Association
American Farm Bureau Federation
American Feed Industry Association
American Soybean Association
CF Industries
John Deere
Louis Dreyfus Corporation
National Association of Wheat Growers
National Barley Growers Association
National Chicken Council
National Corn Growers Association
National Grange
National Grain and Feed Association
National Sorghum Producers
National Turkey Federation
North American Export Grain Association
U.S. Apple Association
United Egg Producers
United States Dry Bean Council
USA Rice Federation
Western Peanut Growers Association