

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

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STB Docket No. EP 665 (Sub-No. 1)

RAIL TRANSPORTATION OF GRAIN, RATE REGULATION REVIEW

**JOINT REPLY COMMENTS
OF**

AGRIBUSINESS ASSOCIATION OF IOWA, AGRIBUSINESS COUNCIL OF INDIANA, AGRICULTURAL RETAILERS ASSOCIATION, AMERICAN BAKERS ASSOCIATION, AMERICAN FARM BUREAU FEDERATION, AMERICAN FEED INDUSTRY ASSOCIATION, AMERICAN SOYBEAN ASSOCIATION, CALIFORNIA GRAIN AND FEED ASSOCIATION, CORN REFINERS ASSOCIATION, INSTITUTE OF SHORTENING AND EDIBLE OILS, KANSAS COOPERATIVE COUNCIL, KANSAS GRAIN AND FEED ASSOCIATION, GRAIN AND FEED ASSOCIATION OF ILLINOIS, MICHIGAN AGRIBUSINESS ASSOCIATION, MICHIGAN BEAN SHIPPERS ASSOCIATION, MINNESOTA GRAIN AND FEED ASSOCIATION, MISSOURI AGRIBUSINESS ASSOCIATION, MONTANA GRAIN ELEVATORS ASSOCIATION, NATIONAL COUNCIL OF FARMER COOPERATIVES, NATIONAL FARMERS UNION, NATIONAL OILSEED PROCESSORS ASSOCIATION, NEBRASKA GRAIN AND FEED ASSOCIATION, NORTH AMERICAN MILLERS' ASSOCIATION, NORTH DAKOTA GRAIN DEALERS ASSOCIATION, NORTHEAST AGRIBUSINESS AND FEED ALLIANCE, OHIO AGRIBUSINESS ASSOCIATION, OKLAHOMA GRAIN AND FEED ASSOCIATION, PACIFIC NORTHWEST GRAIN AND FEED ASSOCIATION, PET FOOD INSTITUTE, SOUTH DAKOTA GRAIN AND FEED ASSOCIATION, TEXAS GRAIN AND FEED ASSOCIATION, USA RICE FEDERATION, and WISCONSIN AGRIBUSINESS ASSOCIATION

Come now, the undersigned agricultural parties, the identity and interests of each of which are summarized in Exhibit 1, and submit these Reply Comments in support of the proposal for new railroad rate reasonableness rules applicable to agricultural commodities submitted by the National Grain and Feed Association ("NGFA") in its Opening Comments and Evidence.

/s/ Richard Gupton
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Agricultural Retailers Association

/s/ Cory Martin
Director, Government Relations
American Bakers Association

/s/ Dale Moore
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American Farm Bureau Federation

/s/ Joel Newman
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American Feed Industry Association

/s/ Ray Gaesser
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American Soybean Association

/s/ Chris Zanobini
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California Grain and Feed Association

/s/ John W. Bode
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Corn Refiners Association

/s/ Jeff Adkisson
Executive Vice President
Grain and Feed Association of Illinois

/s/ Robert Collette
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/s/ Leslie J. Kaufman
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Kansas Grain and Feed Association

/s/ Jim Byrum
President and Secretary/Treasurer
Michigan Agribusiness Association

/s/ Jim Byrum
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Michigan Bean Shippers Association

/s/ Robert Zelenka
Executive Director
Minnesota Grain and Feed Association

/s/ Steve Taylor
Executive Director
Missouri Agribusiness Association

/s/ Krista Lee Evans
Executive Director
Montana Grain Elevators Association

/s/ Kevin Natz
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National Council of Farmer Cooperatives

/s/ Roger Johnson
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/s/ Thomas A. Hammer
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National Oilseed Processors Association

/s/ Richard Sanne
Executive Vice President
Nebraska Grain and Feed Association

/s/ Jim McCarthy
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North American Millers' Association

/s/ Stu Letcher
Executive Vice President
North Dakota Grain Dealers Association

/s/ Richard Zimmerman
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Northeast Agribusiness and Feed Alliance

/s/ Chris Henney
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/s/ Joe Neal Hampton
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/s/ Margerie Sedam
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Pacific Northwest Grain and Feed Assoc.

/s/ Duane Ekedahl
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South Dakota Grain and Feed Association

/s/ Ben Boerner
President
Texas Grain and Feed Association

/s/ Lauren E. Echols
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USA Rice Federation

/s/ Tom Bressner
Executive Director
Wisconsin Agribusiness Association

EXHIBIT 1

Agribusiness Association of Iowa (AAI) membership includes more than 1,100 business locations from across the state that supply feed, seed, crop protection products, grain, fertilizer, equipment and additional products and services that benefit agriculture. AAI members provide products and services to nearly every farmer in Iowa.

Agribusiness Council of Indiana (ACI) has deep roots in Indiana's agribusiness community. Formed in 2001, ACI brings together two longstanding agribusiness associations: the Indiana Grain and Feed Association (formed in 1902) and the Indiana Plant Food and Agricultural Chemicals Association (formed in 1966). ACI has approximately 450 member companies spanning the Midwestern grain, feed, fertilizer and ag chemical industries.

Agricultural Retailers Association is a national non-profit trade organization for agricultural retailers and distributors of agronomic crop inputs with members covering virtually all of the 50 states and representing over 70 percent of all crop input materials sold to America's farmers. These inputs are used to nourish and protect a wide variety of crops, from major row crop commodities to specialty crops. Members not only sell agronomic crop inputs but actually apply with their own equipment basic crop nutrients and crop protection products; over half of our members custom apply fertilizer for their customers on about 45% of their total acres served. ARA membership is diverse, from small family-run businesses of 10 employees to farmer cooperatives with one thousand or more employees and large corporations with thousands of employees and multiple branches. Suppliers of the products sold by retailers are also members of the association.

American Bakers Association (ABA), founded in 1897, is the Washington D.C.-based voice of the wholesale baking industry. ABA represents the interests of bakers before the U.S. Congress, federal agencies, and international regulatory authorities. ABA advocates on behalf of more than 700 baking facilities and baking company suppliers. ABA members produce bread, rolls, crackers, bagels, sweet goods, tortillas and many other wholesome, nutritious, baked products for America's families. The baking industry generates more than \$102 billion in economic activity annually and employs more than 706,000.

American Farm Bureau Federation is the nation's largest general farm organization, representing more than 6 million member families and growers of virtually every commodity.

American Feed Industry Association (AFIA) is the world's largest organization devoted exclusively to representing the business, legislative and regulatory interests of the U.S. animal feed industry and its suppliers. Founded in 1909 as the American Feed Manufacturers Association, the name changed to AFIA in 1985 to recognize the importance of all types of companies involved in the feed manufacturing industry – from ingredient suppliers, equipment manufacturers to commercial and integrated feed manufacturers. AFIA also is the recognized leader on international industry developments, and holds membership in the International Feed Industry Federation.

American Soybean Association represents all U.S. soybean farmers on domestic and international issues of importance to the soybean industry. ASA's advocacy efforts are made possible through voluntary farmer membership in 30 states where soybeans are grown.

California Grain and Feed Association is a state-wide trade association comprised of 300 members involved in some phase of the grain, feed and feeding industry. Member companies are engaged in grain processing and handling, feed and feed ingredient manufacturing, grain and feed merchandising, integrated poultry and livestock operations, transportation, mill equipment suppliers, warehousing and more. CGFA brings all segments of the grain and feed industry together as a strong, united voice for California.

The Corn Refiners Association (CRA) is the national trade association representing the corn refining industry of the United States. CRA and its predecessors have served this important segment of American agribusiness since 1913. Corn refiners manufacture sweeteners, ethanol, starch, bioproducts, corn oil and feed products from corn components such as starch, oil, protein and fiber.

Grain and Feed Association of Illinois (GFAI) is the statewide trade association for the grain and feed industry in Illinois. Tracing its roots to 1893, GFAI has approximately 195 member companies that comprise country and terminal grain elevators, grain brokers, feed dealers, feed manufacturers, truckers, ethanol plants, and both corn and soybean processors. The association represents an industry with more than \$12 billion in annual sales. More than 90 percent of commercial grain storage capacity in the state of Illinois is represented by GFAI members, which range in size from multinational organizations to small, single-facility operations.

Institute of Shortening and Edible Oils (ISEO) is the non-profit trade association representing the refiners of edible fats and oils in the United States. Our members supply the vast majority of the edible fats and oils produced domestically that are used in baking and frying fats (shortening), cooking and salad oils, margarines, spreads, confections and toppings, and ingredients in a wide variety of foods.

Kansas Cooperative Council (KCC), established in 1944, is a voluntary, statewide trade association representing all forms of cooperative businesses across the state - agricultural, utility, credit, financial, refining and consumer cooperatives. Its membership includes more than 80 farmer-owned/farmer-controlled agricultural cooperatives. These grain and farm supply businesses (many with multiple location sites) account for the vast majority all farmer co-ops in Kansas. Grain handling is an integral part of their daily operations and many rely heavily on rail service for shipping commodities from their facilities.

Kansas Grain and Feed Association is a 118-year-old trade association representing 98 percent of all commercially licensed grain storage capacity in Kansas. Its members own and operate nearly 1,000 grain storage and handling locations across the state.

Michigan Agri-Business Association (MABA), with roots dating to 1903, represents businesses that form the backbone of Michigan's agriculture sector – the second largest industry in Michigan, which employs more than 1 million people across the state and generates more than \$71 billion for its economy. MABA's diverse membership includes companies in the grain,

fertilizer, crop protection, feed, transportation, milling and dry bean sectors. MABA members also include companies that process and sell food and food products, supply goods and provide services to every corner of the agriculture industry.

Michigan Bean Shippers Association consists of approximately 100 member companies, which represent most of the U.S. and international canners and packagers of Michigan-grown beans. Allied interests and agribusiness suppliers in 24 states also are affiliated with MBSA.

Minnesota Grain and Feed Association, which consists of more than 250 competing cooperative and independent country grain elevators and feed mills operating in Minnesota, has been providing member and industry information, education and representation for more than 107 years.

Missouri Agribusiness Association, based in Jefferson City, Mo., is a trade association that has been the eyes, ears and voice of Missouri agribusiness since 1969. MO-AG supports the business of agriculture and represents a wide range of agribusiness interests.

Montana Grain Elevator Association consists of 125 member companies that represent roughly 75 percent of all the handlers of grains and pulses in the state. Its mission is to provide a forum for all facets of the Montana grain industry to discuss common issues and, when appropriate, take action. The Association also provides networking opportunities for professionals in the grain industry and serves as a resource for members and others about the grain industry.

National Council of Farmer Cooperatives, established in 1929, represents regional and national farmer cooperatives, which are in turn comprised of nearly 3,000 local farmer cooperatives across the country. The majority of America's 2 million farmers and ranchers belong to one or more farmer cooperatives. NCFC members also include 26 state and regional councils of cooperatives. Farmer cooperatives handle, process and market almost every type of agricultural commodity; furnish farm supplies; and provide credit and related financial services, including export financing. Earnings from these activities are returned to their farmer members on a patronage basis, helping improve their income from the marketplace. Farmer cooperatives also provide over 250,000 jobs, with a total payroll in excess of \$8 billion, and contribute significantly to the economic well-being of rural America.

National Farmers Union has been working since 1902 to protect and enhance the economic well-being and quality of life for family farmers, ranchers and rural communities through advocating grassroots-driven policy positions adopted by its membership.

National Oilseed Processors Association, established in 1929, assists the U.S. soybean, canola, flaxseed, sunflower seed and safflower seed processing industries to be the most competitive and efficient in the world by utilizing the combined expertise, knowledge and resources of its members to foster market- and science-based policies. NOPA represents 13 member companies who process over 1.6 billion bushels of oilseeds annually at 63 plants in 19 states.

Nebraska Grain and Feed Association, organized in 1896, was formed to promote the common business interests of the grain and feed industry; to seek and obtain improvement of business

conditions of the grain and feed trade; to acquire and disseminate information to facilitate the proper conduct of business in the grain and feed trade; and to promote the general welfare of the association and its members.

North American Millers' Association (NAMA) is the trade association of the wheat, corn, oat and rye milling industries. NAMA-member companies operate mills in 38 states and Canada, representing more than 90 percent of total industry production capacity.

North Dakota Grain Dealers Association (NDGDA) traces its history to 1911, and currently consists of 300 member companies that constitute approximately 90 percent of the grain elevator storage capacity in the state. NDGDA consists of both cooperative and privately owned companies that are engaged in the handling, processing and distribution of grain and other like commodities.

Northeast Agribusiness and Feed Alliance is a 275-member association representing feed manufacturers, dealers and other agribusinesses in New York and throughout New England.

Ohio AgriBusiness Association is a state trade association whose member companies and their employees are committed to supplying modern agriculture with the basic needs and essential support necessary to grow Ohio's number-one industry. Our membership includes businesses in manufacturing, wholesale and retail, which represent business sectors including agronomic inputs (seed, plant food, crop protection), livestock feed and nutrition, grain marketing and operations, insurance, equipment and financial services.

Oklahoma Grain and Feed Association is a voluntary trade organization organized in 1898 that represents the interests of the state's grain and feed industry. Its approximately 200 members represent over 90% of all facets of the industry from country elevator to large terminal operations.

Pacific Northwest Grain and Feed Association (PNWGFA) is a non-profit organization which serves to organize, promote and serve the mutual needs of firms involved in the processing, handling and merchandising of grain, feed, and other agricultural commodities within the States of Idaho, Montana, Oregon and Washington.

Pet Food Institute, established in 1958, is the voice of the U.S. pet food industry. PFI is the industry's representative before Congress and state legislatures, as well as state and federal agencies; public education and media relations resource; organizer of seminars and educational programs; and liaison with other organizations. PFI represents the companies that make 98 percent of the dog and cat food in the U.S. marketplace, an industry with \$20.5 billion in U.S. retail sales and \$1.5 billion in exports in 2013.

South Dakota Grain and Feed Association is a statewide, non-profit trade association composed of grain elevator firms and other agribusinesses involved in the grain, feed and farm supply business.

Texas Grain and Feed Association represents more than 400 member firms engaged in the warehousing, processing, marketing and transportation of grain, feed and flour products and

ingredients. From small family owned elevators to large out-of-state corporate firms, TGFA is the oldest and most diverse agribusiness trade association serving the agriculture industry of Texas.

USA Rice Federation is the global advocate for all segments of the U.S. rice industry with a mission to promote and protect the interests of producers, millers, merchants and allied businesses.

Wisconsin Agri-Business Association represents, and provides programs and services that advance, protect, and develop the common interests of the agricultural business industries of Wisconsin. It also brings all segments together as a strong, unified voice. With over 320 member companies that conduct approximately 85 percent of the grain, feed and agronomy business in the state, the Wisconsin Agri-Business Association is the voice for agri-business in the State of Wisconsin.