



KANSAS COOPERATIVE COUNCIL (KCC)

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KANSAS GRAIN & FEED ASSOCIATION (KGFA)

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KANSAS AGRIBUSINESS RETAILERS ASSOCIATION (KARA)

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February 2, 2017

TO: House Committee on Transportation

FROM: Leslie Kaufman, President/CEO
Kansas Cooperative Council (KCC)

And on behalf of Randy Stookey, General Counsel
Kansas Grain and Feed Association (KGFA)
Kansas Agribusiness Retailers Association (KARA)

RE: Support for HB 2095 – Increasing truck weights on non-interstates with the addition of a sixth axle

Chairman Proehl and members so the House Committee on Transportation, thank you for the opportunity to appear today in support of HB 2095. I am Leslie Kaufman, President/CEO of the Kansas Cooperative Council (KCC). We submit these comments on behalf of our members and the members of the Kansas Grain and Feed Association (KGFA) and Kansas Agribusiness Retailers Association (KARA). This statement is also supplemental to the joint comments Randy Stookey, KGFA/KARA is presenting on behalf of our combined associations.

The KCC represents all types of cooperative businesses in Kansas members from various sectors including agriculture marketing and supply, utilities, financial and risk management co-ops. KGFA is a voluntary state association with a membership encompassing the entire spectrum of the grain receiving, storage, processing and shipping industry in Kansas. KGFA's membership includes over 950 Kansas business locations and represents 98% of the commercially licensed grain storage in the state. KARA is a voluntary trade association that appreciates membership of over 700 agribusiness firms that are that register for sale, supply or apply fertilizers, crop protection products, seed, and petroleum products; and, provide agronomic expertise, and agricultural services to Kansas farmers.

You will hear a variety of reasons from other proponents for supporting this measure, but my focus will be on access. For the vast majority of our co-op members, most of whom are also KGFA and/or KARA members, it is not a question of whether to ship by truck or by rail. They are not penciling out the costs of trucking vs. the cost of rail shipment. For most of our members that decision has already been made for them because a large percentage of the grain handling facilities in Kansas currently have no rail service. Thus, it isn't even an option to

go directly to the rail. But, what many will do is truck to a rail load out facility.

We have attached two maps to our testimony which illustrate this point. To the best of our knowledge, there are 529 upright grain storage facilities affiliated with cooperatives operating in Kansas and those are reflected in red dots on the first map. It's important to note that one co-op may have several facilities, sometimes referred to as branches or locations, under their operational umbrella. A vast majority of the local ag and farm supply co-ops noted on this map will be KCC and KGFA and/or KARA members. If you look at the second map, the one depicting only the upright storage locations where "active" rail service is currently utilized, you see far fewer dots on that map (151 facilities). For purposes of our mapping survey, we defined "active" rail service as a location where grain or product was shipped into or out of the facility in the last two years.

So, if your facility is not a dot on the second map, what do you do? You ship by truck. You may transport some to feed lots or some to ethanol plants, but most is trucked to a rail loadout facility. This may be one of your own stations, a unit train loader or a terminal. Thus, moving grain more efficiently by truck means the grain handling industry is moving grain more quickly and efficiently to rail. As evidence of this, one of our members has provided the following comment and allowed us to share it with you:

"We will ship to different points as determined by the current bid. We will ship directly into Wichita to the end user or to a feedlot or mill which are the end user. When not traveling over an interstate highway the additional weight would allow us to ship more grain more quickly. We will ship to a train loader and would ship faster with the increased weights." – Farmers Cooperative Elevator Co., Halstead, KS

The grain handling and rail shipping industries have changed over time. No longer do trains stop at each location. Together the industries have, in large part, moved to 100-plus car, high-speed, unit train loaders. And, to help our members get grain to the limited number of load out facilities, they need the reasonable increases contained in HB 2095.

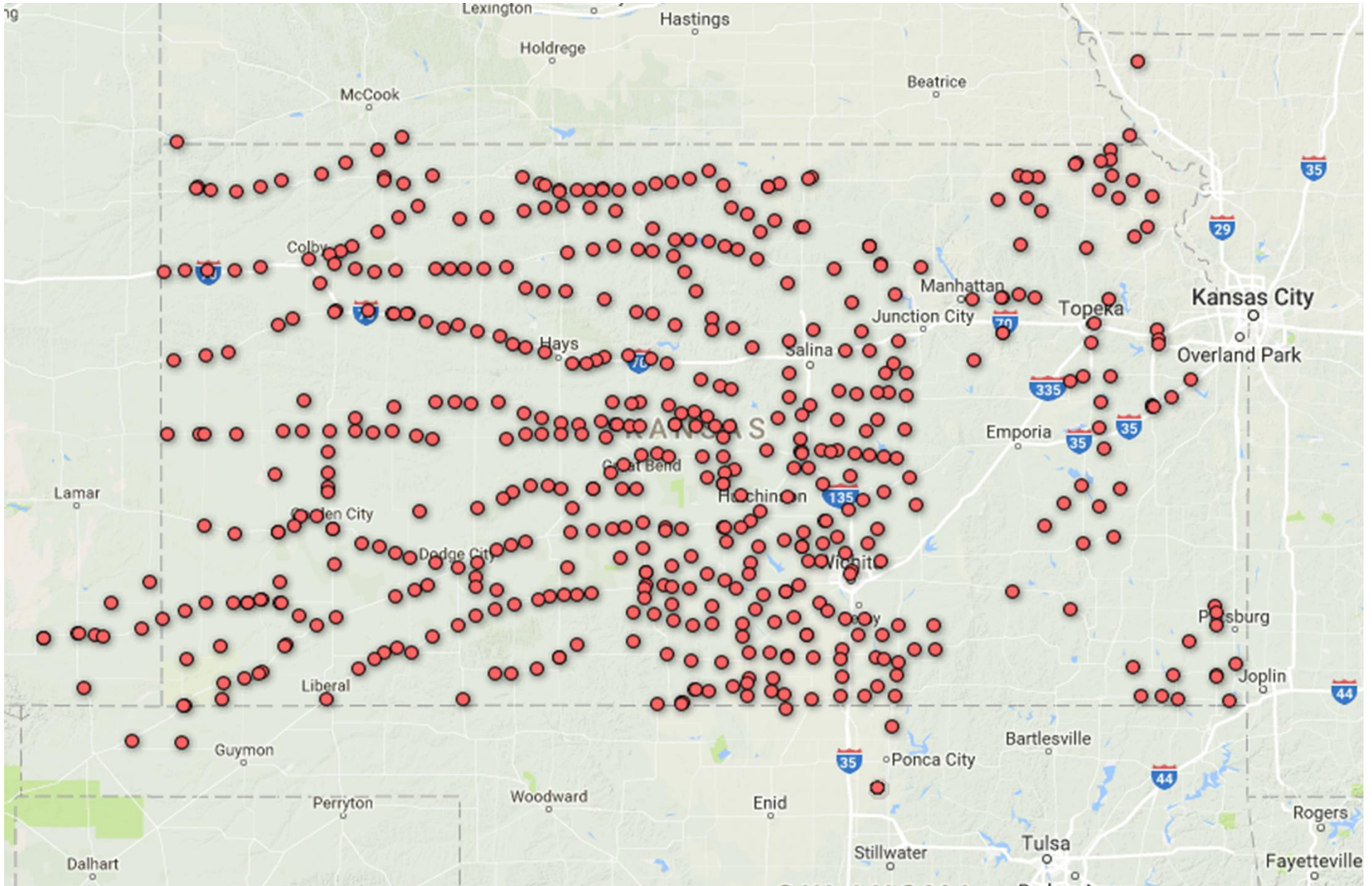
The many of our members truck to the rail now and will continue trucking to the rail if HB 2095 passes. The increased weight limit on the additional axle will just allow them to move more grain, more quickly and more efficiently. As such, we whole-heartedly support HB 2095 and ask your committee to advance it favorably for passage.

Thank you, again, for the opportunity to comment today. If you have questions for us, we will gladly stand them or you may contact at the numbers below.

Leslie Kaufman 785-220-4068

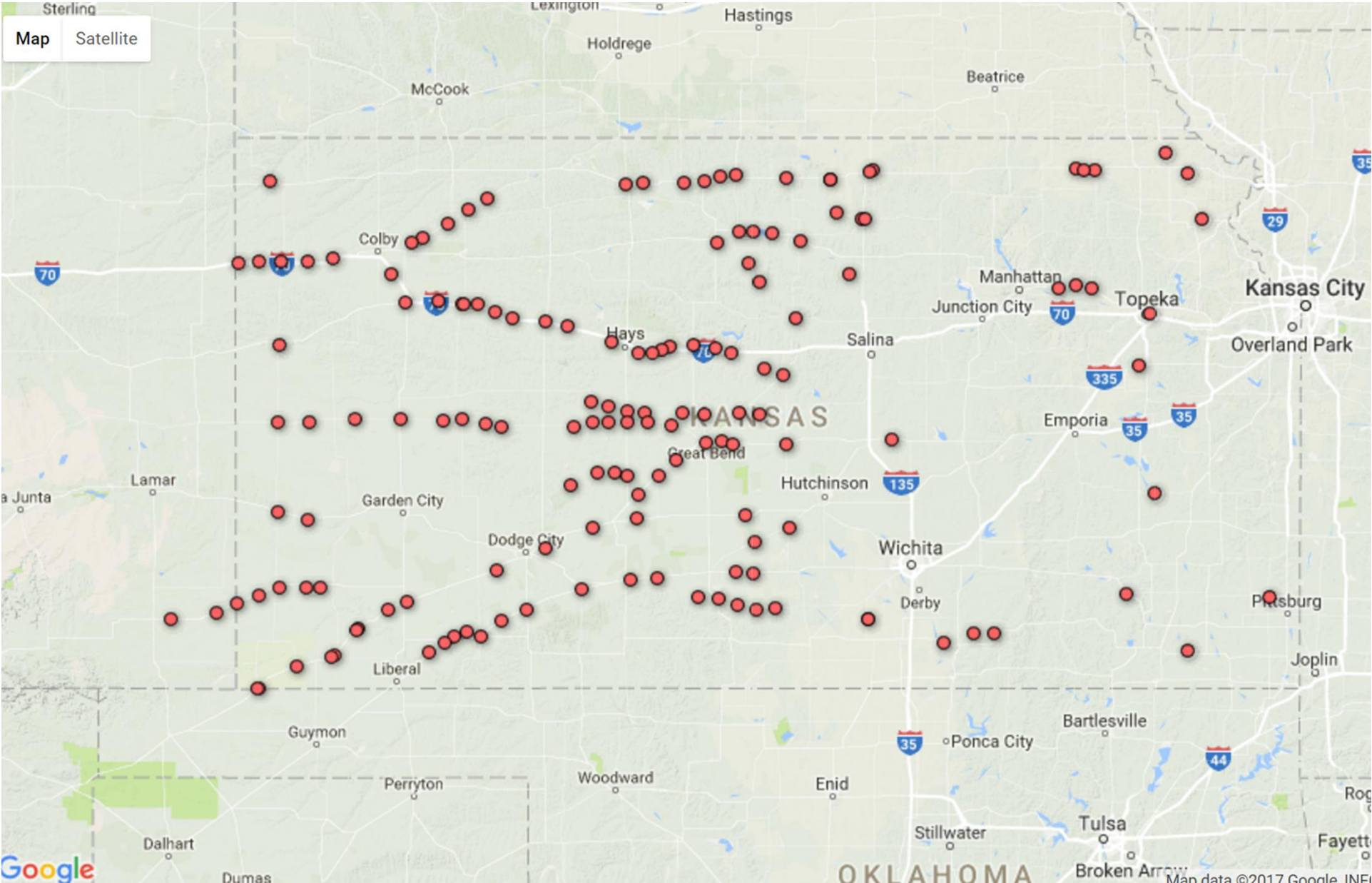
Randy Stookey 785-220-5211

GRAIN LOCATIONS TIED TO KANSAS CO-OPS



(529 LOCATIONS WITH 514,691,430 BUSHELS OF GRAIN STORAGE CAPACITY)

GRAIN LOCATIONS TIED TO KANSAS CO-OPS WITH ACTIVE RAIL SERVICE



(151 LOCATIONS WITH 205,451,803 BUSHELS OF GRAIN STORAGE CAPACITY)