

Farmers and agribusinesses need efficient transportation systems to move their crops and products. Efficient transportation systems also ensure farmers get a fair price for their crops and keep U.S. exports competitive. The United States exports 20 percent of its corn crop, 50 percent of its wheat crop and 60 percent of its soybean crop every year. Most of this - more than one billion bushels -- move down the Mississippi River each year.

The American farmer's competitiveness has always hinged on the ability to move crops to market. However, we have let the inland navigation system crumble. Many locks on the Upper Mississippi River System are 70 years old. They cannot accommodate modern barging practices, and barges are forced to use the time-consuming and costly double-locking system. This inefficiency raises the cost of transportation.

Hurricane Katrina was initially devastating to the agriculture transportation system, which is critical to agricultural exports. The hurricane caused extended closures of the Ports of New Orleans and South Louisiana and all ten grain export facilities. Yet, Katrina was not the only problem. Prior to the hurricane, low water levels and strong demand for barges were already contributing to limited barge availability and increasing freight rates.

Energy, whatever its form, is key to agricultural production and processing. Across all farms, energy accounts for about 13 percent of expenses. In Georgia and elsewhere in the Southeast, Hurricane Katrina caused short-term supply disruptions and temporary fuel shortages. While fuel prices have moderated, farmers are still facing never-before-seen prices for fertilizer. Unfortunately, we know prices are not likely to dramatically decrease in the short-term. Farmers, consumers, businesses and families - all of us -- are feeling the impact of higher energy costs.

We have transportation and energy infrastructure problems in this country. Hurricane Katrina brought them clearly into focus and accentuated the underlying problems in our infrastructure policy. Rising fuel and transportation costs have resulted in an extremely difficult situation for all of agriculture.

But Hurricane Katrina also showed our resilience and determination to get back on track. As the hurricane approached, 16 refineries in the Gulf Coast shut down. Today, recovery is underway. There were approximately 500 loaded grain barges stranded after Katrina struck the Gulf Coast. Together, the private sector and USDA worked together to move the damaged grain and increase barge availability.

I would like this committee to use this hearing today to understand the current and potential impact to farms, families and industry of our transportation and energy problems. But let's not solely focus on the problems.

I want to hear from our witnesses on what we can do to make our transportation and energy sectors more efficient. What do we need to do to increase our capacity? What more can we do to promote and encourage the development of renewable fuels? What steps does Congress need to take to build an affordable, reliable and environmentally friendly infrastructure system in this country? I look forward to a good discussion today.

