



March 14, 2017

Cargill, Inc.  
Testimony in Support of House Bill 2095  
Senate Transportation Committee

Chairman Petersen and Members of the Committee:

My name is Vincent Hofer and I am a commodity merchant for Cargill.

Cargill provides food, agriculture, financial and industrial products and services to the world. Our purpose is to nourish the world in a safe, responsible and sustainable way. Cargill has a diverse footprint in Kansas with 20 facilities employing more than 4,000 Kansans, including the Cargill Protein Group headquarters in Wichita; a beef processing facility in Dodge City; salt operations in Hutchinson; and grain handling facilities throughout the state. Cargill appreciates the positive business environment created by the state's elected officials.

Agriculture is the largest user of freight transportation in the United States, claiming 31% of all ton-miles according to the USDA. Because commodity prices are based on world market prices, American competitiveness requires efficient, working infrastructure. In our world of thin margins, we must maximize the transportation system to find the greatest efficiencies. At Cargill, we support investments in multiple modes of transportation. In Kansas, we utilize both truck and rail to move goods that may ultimately end up bound for export markets through a West Coast port or a barge on the Mississippi River. What is most important to us is making sure our customers prosper by getting their goods from point A to point B in an efficient and sustainable manner; and we support an increase in truck weights on non-interstate roads.

Cargill **supports** HB 2095 that allows six-axle trucks (semi with a triple-axle trailer) to carry up to 90,000 lbs. on non-interstate roads; an increase from the current maximum gross vehicle weight of 85,500 lbs. This is a modest, reasonable, necessary, and safe increase that harmonizes Kansas weight standards with surrounding states and benefits the agriculture industry in Kansas.

Cargill grain facilities, including nine elevators, two soybean crush facilities and two Ardent Mills flour mills, receive approximately 150,000 truckloads of grain annually. These facilities load-out 30,000 to 40,000 truckloads of grain, meal, soy hulls, and wheat midds. In essence, Cargill grain businesses are moving almost 200,000 truckloads per year that would be applicable for a six-axle trailer. Mr. Chairman, in Salina, Cargill unloaded approximately 14,000 trucks in 2016. Increased weight limits represent a 7.4% increase in efficiency, saving a truckload every 14th trip. The increased weight limits on non-interstate roads has the potential to take 14,300 grain trucks delivering to Cargill off the road and eliminate up to 930 grain trucks coming into our facility in Salina. The fewer trucks on the road relieve congestion and reduce emissions and fuel use.

Our protein businesses tell a similar story – over the last three years, an average of 37,500 truckloads of cattle are delivered to Cargill's facility in Dodge City annually. Assuming haulers could add two additional head per load, the increased weight limits could result in 1,800 fewer truckloads delivered to Dodge City. These increased efficiencies have the potential to save the beef industry time and money as well as reduce emissions, wear and tear on roads, and fuel use. Additionally, Dodge City draws live cattle from neighboring states with higher weight limits creating transportation inefficiencies and putting Kansas at a competitive disadvantage.

While this bill would only increase the weight limit on non-interstate roads, the beef industry is well positioned to fully utilize the new standard. Nearly all trucks delivering to Cargill's facility in Dodge City are coming from feedlots or locations not on interstate roadways. Increased weight limits presents a tremendous opportunity to gain efficiencies and increase our global competitiveness.

Mr. Chairman and members of the committee, we appreciate your attention to this important issue. We urge the committee to pass HB 2095 as it was amended by the House of Representatives.