

Impact of Global Infrastructure on Illinois Farmers

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Overview

- Importance of infrastructure
- 2000-2018 market study tours
- What farmers seeing globally
 - Take-aways from tours
 - Informing and advocating
- Conclusions

Importance of Infrastructure

- Significant impact on farm income and competitiveness
- Physical infrastructure provided long-held competitive advantage
- Growing importance of soft infrastructure

Worth the hassle

I've farmed in Randolph County, near the Mississippi River, most of my life. And, many of those years, I've had to farm around the water the river inevitably brings.

For us, it's just part of everyday life. Much of the ground my son and I farm is in the river bottoms and water comes with the territory.

So much water, in fact, that I serve as a member of my local levee commission. I spend a lot of time dealing with water and river issues, like maintaining the levee to the Army Corps of Engineers specifications, or even sandbagging during heavy rain and high river levels.

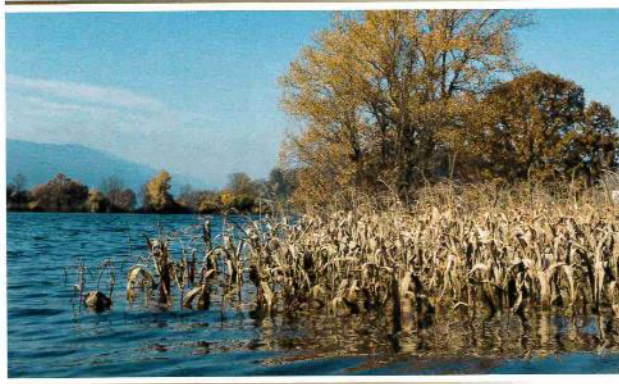
While the extra water creates a headache in the form of stalled tillage, planting, harvest, or even closed roads, I wouldn't trade it or the river for the easier route.

That's because Illinois' river system – and waterways across the country – give American farmers a distinct advantage in the global market.

Personally, farming close to the Mississippi River gives us a bit of leg up. During the 2012 drought we still had fields that yielded corn at 200 bushels per acre. But, in general, Illinois rivers are vital to all Illinois farmers because of their ability to move goods within the country, and even to our foreign markets.

Farmers, equipment manufacturers and more are reliant on trade, and trade here in Illinois is reliant on the river system. Watching the barges loaded with heavy equipment, sand, grain and more being shipped on the river is proof of that.

Without our river system, our access to the world market would be much more complicated. From shipping our grain and food abroad to receiving inputs like fuel and fertilizer, it would be more expensive without the river traffic I see daily.



But the river system on which we rely so heavily is crumbling and has been for decades. Locks and dams across the country are in such a state of disrepair it will take many years and millions of dollars to bring them up to date.

Across the country, more than half of the locks and dams operated by the Army Corps of Engineers are more than 60 years old. Here in Illinois, 90 percent of the locks and dams are operating past their maximum suggested lifespan.

These locks and dams handle 565 million tons of freight – freight that not only affects farmers, but manufacturers and businesses across the country. Because they are in a state of disrepair, river traffic backs up, causing twice as many hours of delay than in 2000.

To complicate matters, we never seem to have the funding to fix any of the structural problems. At the present funding levels, projects currently planned would take 77 years to complete.

That's a statistic that's difficult for me to wrap my mind around because for every dollar that is invested in inland waterways, \$10

goes back to the national economy.

In Illinois alone, the total revenue impact of waterways is \$6.4 billion a year. To top it off, Illinois waterways and ports support 48,195 Illinois jobs. Those are not insignificant numbers.

With so much money wrapped up and reliant on our outdated river infrastructure, it seems careless not to work on, let alone accomplish, the necessary updates.

Especially when you consider that without the much-needed upgrades and upkeep on locks and dams across the country, our ability to export and import will be greatly diminished, business sales will drop, and jobs will be lost.

With so much at stake, it's time to take the plunge and give our locks and dams the attention and funding they deserve. After all, they're worth the hassle. ♡



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Rebuilding our rural infrastructure

Some people remember when many rural households didn't have electricity or running water. Although those days are long gone for most, there's still lots of room for improvement in the American infrastructure that used to be the envy of the world.

President Donald Trump has made it a priority to rebuild America's infrastructure. He proposes to devote \$50 billion, which is 25 percent of new federal money, to improve infrastructure in rural America. This



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unprecedented commitment will stimulate at least \$1.5 trillion in infrastructure investments during the next decade.

As Congress takes up the president's infrastructure proposal, I have good news right now. Included in the FY 2018 budget bill that Congress just passed, and President Trump signed in March, is a robust investment of \$600 million in rural broadband.

USDA will use these new rural broadband funds to administer a new program that will begin to meet the administration's goals of bringing reliable and affordable broadband e-connectivity to America's rural towns, cities and tribal areas.

Today, 80 percent of the 24 million American households that do not have high-speed internet are in rural areas. That is unacceptable. America can do better for our rural citizens and for rural production sites that need e-connectivity to continue to supply the nation and the world with food, fiber, minerals and manufactured products.

USDA will work diligently to ensure broadband e-connectivity projects provide the most "bang for the buck" and improve access

for as many rural American homes, businesses, farms, schools and health care centers as possible.

USDA continues to make a tremendous difference by investing in rural infrastructure. In Illinois during FY 2017, USDA Rural Development invested \$16.8 million in telecommunication infrastructure loans through its Rural Utilities Service (RUS) telecommunication programs, working with Shawnee Communications, the parent company of Moultrie Independent Telephone Co., Wabash Telephone Cooperative and Viola Home Telephone. These investments, leveraged with capital investments from each provider, helped provide residents and businesses within the respective service areas new access to fiber optic services.

The successful expansion of broadband infrastructure is the result of strong partnerships formed over the years between USDA and local business and civic leaders, and encourages new partnerships and connections contributing to and removing obstacles from achieving rural prosperity.

As the opioid crisis threatens rural prosperity, it is important to note advanced technologies supported through USDA's RUS Distance Learning & Telemedicine (DLT) Grant program give rural communities all the modern tools possible for prevention, treatment and recovery to fight the opioid epidemic.

A few examples include:

- Making sure doctors' offices and pharmacies are connected to real-time controlled substances, such as opioid patient registries;
 - Training health care providers on how to identify and treat addiction; and
 - Providing remote access for addiction treatment counseling.
- Also critical to rural prosperity

is the expanded educational opportunity that comes with having the right broadband infrastructure in place. Through the previously mentioned DLT Grant program, students in multiple locations can connect with and learn from a teacher in another location, making a reality of virtual classrooms, distance learning, one-on-one mentoring and greater access to STEM (science, technology, engineering and mathematics) education in our rural communities.

In addition to providing infrastructure financing, USDA is addressing statutory changes, regulatory relief and cultural shifts to help improve the way the federal government serves its citizens. This approach is consistent with Secretary Perdue's priorities of infrastructure, partnerships and innovation. All three are needed to rebuild this great nation.

Throughout my term, I will be meeting with business owners, developers, elected officials and rural residents to learn about your infrastructure needs and concerns. I want to hear from you about what's working — and what USDA Rural Development can do better.

Please contact me or our team of specialists in the USDA Rural Development Illinois State Office in Champaign to let us know of your community's infrastructure needs. You can call us at 217-403-6202 or email IllinoisRDinfo@rd.usda.gov.

Together, we can ensure USDA investments in rural infrastructure will create jobs, expand economic opportunities and help ensure rural communities continue to be great places to live, work, start a business and raise a family.

Douglas Wilson serves as Illinois state director for USDA Rural Development.

2000-2018 Market Study Tours

- **Goal:** create cadre of leaders who
 - understand importance of exports
 - are informed on export markets/marketing issues
 - can assess factors affecting competitiveness
 - will advocate for industry positions
- **Infrastructure examined**
 - China (2001 and 2009)
 - EU (2003 and 2013)
 - Brazil (2002 and 2018)
 - Panama (2011)
 - U.S. Infrastructure Tour (2014)



What Farmers Seeing Globally

- China - Three Gorges Dam, Hong Kong
- EU - Rotterdam, Hamburg, London
- Brazil - BR-163, river terminals, Amazon ports, Port of Paranagua
- Panama - Panama Canal
- U.S. - Houston, Galveston, New Orleans, Savannah, Virginia

China 2001



China 2012



Photo: Reuters

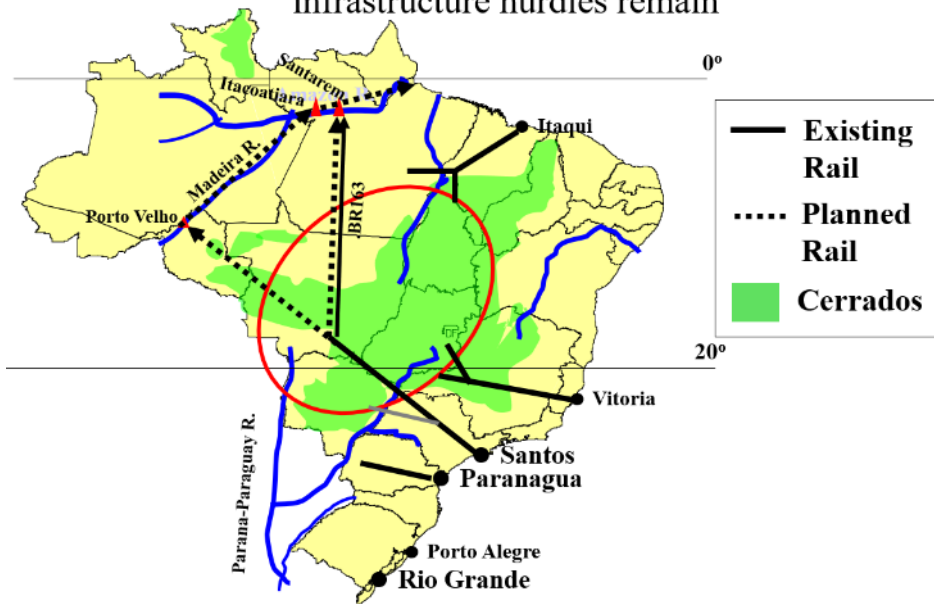
China 2009

Hong Kong



Brazil 2002

Brazil offers great potential for expansion, but infrastructure hurdles remain



Brazil 2018



Panama



Photos: Illinois Corn Growers Association



U.S. Infrastructure Trip



Conclusions

- Global infrastructure improvements are happening and impact U.S. agriculture and other industries
- Illinois/American farmers are poised to lose their competitive edge
- Making infrastructure a priority under the current administration is imperative
- 21st century ideas, administration and funding methods are needed to succeed



Questions

Thank you!

