



2225 Dakota Ave. S. • Huron, SD 57350

October 17th, 2023

Attn: Brent Cossette
U.S. Army Corps of Engineers
CENWO-ODT-N
1616 Capitol Avenue
Omaha, NE 68102

Re: Dakota Access Pipeline

The South Dakota Farm Bureau Federation is South Dakota's largest general farm organization representing 12,000 family farmers and ranchers. The objectives of the South Dakota Farm Bureau Federation are to promote agriculture, preserve the environment, and to promote the economic, social, and educational interests of its membership. Our goal is to build a sustainable future that has safe and abundant food, fiber, and renewable fuel for our nation and the world. To accomplish these goals and objectives, our membership depends upon safe, reliable, and resilient transportation infrastructure.

South Dakota Farm Bureau has serious concerns surrounding the potential closure of the Dakota Access Pipeline (DAPL). Farmers and ranchers rely upon the Midwest rail system for the transportation of commodities to markets. To alleviate congestion, DAPL has been transporting approximately 750,000 barrels of oil per day from the Bakken oil fields in North Dakota to a terminal in Illinois. If a closure of the pipeline were to occur, the result would be detrimental to South Dakota's farmers and ranchers. The agriculture industry is dependent on rail systems. By limiting pipeline access for crude oil, a shift in the transportation of oil from pipeline to rail would occur. This shift would result in a severe bottleneck in the rail system and place an economic hardship on South Dakota's leading economic driver: Agriculture.

Agriculture is the predominant economic force in the region. In South Dakota, agriculture is the number one industry by contributing over \$30 billion to the state's economy. Agriculture also produces a strong effect on the local and state economies of South Dakota by providing one out of every five jobs.¹ Furthermore, as members of the agriculture sector, farmers and ranchers could experience more potential damage to their livelihood than any other sector of the economy. Unlike other sectors, farmers and ranchers are not able to pass along the higher costs associated with the closure of DAPL. Consequently, if DAPL were to close, a shift in product from pipeline to rail could create results worse than seen in 2013-2014. According to some economists, it is estimated that total losses to South Dakota's agriculture sector would amount to almost \$300 million.² Additionally, if a closure occurs, there is no way for farmers and ranchers to recover the value of their economic losses created by shift to rail systems and congestion that they did not "cause."

¹2021. South Dakota Department of Agriculture and Natural Resources. 2021 Economic Contribution Study of South Dakota Agriculture, Ethanol and Forestry. Retrieved from: [Office of the Secretary 2021 Economic Contributions Study](#)

²2023. Elaine Kub, CFA. Rail Traffic Congestion: Economic losses to agricultural sectors if oil transported by the Dakota Access Pipeline shifts to rail. Retrieved from: [Freight Congestion - Elaine Kub](#)

America's economy is driven, in large part, on its rail system. Farmers not only rely on trains to transport food and feed, but they also rely on rails to bring important supplies like fertilizer to the farm. In addition to bringing agricultural inputs into the farm, trains haul value-added agricultural products out of the region. For example, products such as ethanol provide a valuable market to South Dakota's corn farmers. South Dakota is the fourth leading state in the United States for ethanol production. There are currently sixteen ethanol plants in the state, with the capacity to produce 1.4 billion gallons of ethanol per year.³ As a result of South Dakota's ethanol production, annual rail carloads of ethanol have increased by 40% since 2014 levels.⁴ A shutdown or slowdown of the rail system would have devastating consequences to these products and threaten our national and global security.

South Dakota Farm Bureau is committed to supporting a project that provides necessary transportation infrastructure to the region. As stated previously, removal of this infrastructure would result in catastrophic losses to an industry that provides safe, affordable, and abundant food and fiber to the United States and to the globe.

Thank you for your careful consideration of these comments.

Sincerely,

A handwritten signature in black ink that reads "Scott VanderWal". The signature is written in a cursive style with a horizontal line underneath.

Scott VanderWal, SDFB President

A handwritten signature in blue ink that reads "Krystil Smit". The signature is written in a cursive style with a horizontal line underneath.

Krystil Smit, SDFB Executive Director

³2023. South Dakota Ethanol. Study: Carbon Pipelines Would Boost Corn Demand, Add Nearly \$6 Billion To South Dakota Economy. Retrieved from: [South Dakota Ethanol](#)

⁴2023. Elaine Kub, CFA. Rail Traffic Congestion: Economic losses to agricultural sectors if oil transported by the Dakota Access Pipeline shifts to rail. Retrieved from: [Freight Congestion - Elaine Kub](#)