

July 31, 2024

The Honorable Robert Primus  
Chairman  
Surface Transportation Board  
395 E Street S.W.  
Washington, DC 20423

The Honorable Tom Vilsack  
Secretary of Agriculture  
U.S. Department of Agriculture  
1400 Jefferson Drive, S.W.  
Washington, DC 20250

The Honorable Katherine Tai  
U.S. Trade Representative  
Executive Office of the President  
600 17th St., N.W.  
Washington, DC 20508

Dear Mr. Chairman, Mr. Secretary and Madam Ambassador:

On behalf of the agricultural supply chain, we wish to call attention to rail service capacity issues in Mexico that are hindering U.S. agricultural trade with this critical partner. Partly due to the success of the United States-Mexico-Canada Agreement (USMCA), trade between the United States and Mexico is increasing faster than rail capacity in Mexico. The increased demand for rail service coupled with insufficient investment in rail infrastructure has led to embargoes, congestion, and slowed servicing of U.S. agricultural products by Ferromex, a main rail carrier in Mexico. The situation has been periodically exacerbated by migrants stopping trains, but the insufficient rail capacity to meet demand has been a persistent issue since late 2023 and seems to be the bigger issue impacting rail service for U.S. agricultural goods in Mexico.

Mexico is the largest export market for U.S. agricultural products. Over \$30 billion in U.S. agricultural products have been exported to Mexico in the past year. For grain, roughly two-thirds of U.S. exports to Mexico move by rail. As our most natural trading partner, Mexico is a critical stakeholder for the U.S. agricultural supply chain. However, the United States' proximity advantage over agricultural competitors like Brazil and Russia is reduced by the rail capacity problem, leading to higher exports into Mexico from these competitors.

USMCA passed Congress on an understanding that U.S. goods would be sold to Mexico and vice versa based on market forces. The rail capacity constraint is challenging trade and placing Ferromex in a position of having to choose products to ration rail service, resulting in U.S. agricultural products bearing the brunt of the rationing.

We urge you to speak with your colleagues in Mexico to encourage increased investment in the country's rail network and to ensure U.S. agricultural products do not disproportionately bear the burden of rail service constraints.

Sincerely,

**Associations**

Amcot  
American Feed Industry Association  
AmericanHort  
American Malting Barley Association  
Corn Refiners Association  
Forest Resources Association  
Fresh Produce Association of the Americas  
Growth Energy  
Midwest Dry Bean Coalition  
National Aquaculture Association  
National Association of State Departments of Agriculture

National Association of Wheat Growers  
National Barley Growers Association  
National Cotton Council  
National Council of Farmers Cooperatives  
National Grain and Feed Association  
National Oilseed Processors Association  
North American Export Grain Association  
North American Millers' Association  
North American Renderers Association  
Pet Food Institute  
The Fertilizer Institute  
USA Rice  
US Dry Bean Council  
US Rice Producers Association  
US Wheat Associates

CC:

U.S. Senate Committee on Agriculture, Nutrition and Forestry  
U.S. House Committee on Agriculture  
U.S. Senate Committee on Commerce, Science and Transportation  
U.S. House Committee on Transportation and Infrastructure  
U.S. Senate Committee on Finance  
U.S. House Committee on Ways and Means