



Inflation and Agriculture: The Rising Cost of Food

House Majority Policy Committee

Daniel Good

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Chairman Causer, and members of the committee, it is my honor to be a part of the important discussion you are having about the effect of inflation on agriculture. My name is Daniel Good.

I am retired from and the former CEO of a family trucking business, Good Transport Services. Most of our business involves the delivery of feed and feed ingredients.

My testimony will focus on the following areas:

- 1) Fuel cost
- 2) The rising cost of new trucks and truck parts
- 3) Labor cost
- 4) Insurance
- 5) The effect of Pa state government regulations on our business



Fuel Cost

We use a fuel surcharge (FSC) with our customers, but it doesn't completely reimburse us for our fuel cost.

Most of our customers dictate the FSC to use. Their FSC is based on over the road (OTR) fuel mileage, while our deliveries take us on a mix of roads. From your own experience you know that urban and rural driving takes more gas or fuel than does open road driving. Also our trucks use the engine to unload the bulk feed cargo further lowering our miles per gallon.

Consequently, as the fuel price rises, the FSC reimbursement falls farther and farther behind our actual fuel cost.

Rising cost of Parts & Equipment

New truck pricing is up almost 16%

The cost of tires has risen 39%

The cost of brake drums has increased 25%

Oil & filters are up more than 10%

Labor cost

A table from the Bureau of Labor Statistics shows that for the year 2021, transportation and material moving labor costs have increased 4.8%.



To hire the level of skill required to make our deliveries, we must increase our wages much more than that.

Cost of Insurance

Cost of Insurance is up almost 20%.

The effect of Government Regulations on our business

A) By state law truck emissions regulations for trucks sold in PA are tied to the California regulations. These regulations are much stricter than the federal regulations.

The emissions regulations increase the cost of the engines and exhaust aftertreatments for new trucks we need to purchase.

The PA legislature needs to abandon the relationship to the California regulations and adopt the federal regulations.

B) PA registered trucks

PA registered trucks are required to have a PA State Inspection rather than a federal inspection, even though federal inspections are permitted for trailers.

Allowing PA registered trucks to have a federal, rather than a PA inspection would eliminate the need to return those trucks to PA simply to be inspected.



- C) Workforce - Reorient job training programs to the needs of trucking employees. Enhance training at technical schools and high schools to encourage CDL and Diesel Mechanics training.

- D) Energy production – Encourage the domestic supply of oil and refining capacity to ensure an adequate supply for trucking needs without relying on foreign imports.

The domestic refining capacity is dropping, rather than increasing, to keep pace with increasing demand.

Even if these increased costs can be passed on through rate increases, these negotiations take time. Consequently, we are constantly playing catch-up.

Thank you for the opportunity to present this information to you.