The Importance of Highways to U.S. Agriculture

Agricultural products are the single largest category of freight transported on U.S. highways by volume. The Volpe Center collaborated with the U.S. DOT Office of the Assistant Secretary for Policy and the USDA Agricultural Marketing Service to study the economic impacts of the agriculture industry and the associated costs from transportation.

The Volpe team’s research highlighted the following key findings:

- Most agricultural freight shipments begin or end with a truck trip.
- Transportation makes up 3 to 4 percent of the total cost of agricultural goods. This is significant because agriculture industry margins are very tight.
- Maintaining low transportation costs is critical for long-term competitiveness of the U.S. agriculture industry.
- Agricultural freight volumes are projected to increase faster than the rate of population growth.

**ESTIMATED IMPACT OF STATE FREIGHT PLAN PROJECTS (2016 – 2020)**

- **$17B** Funding programmed in State Freight Plan Projects from National Highway Freight Program
- **24%** Projects located on highways that are part of the High-Volume Domestic Agriculture Highways
- **$540M** Estimated annual truck operating cost savings

• Looking to the future, the Volpe team also analyzed planned freight-oriented highway investments. Projects in each of the 51 State Freight Plans, as of December 2019, were systematically catalogued and geocoded.

• These projects represent approximately $17 billion in investment from the National Highway Freight Program for fiscal years 2016 to 2020, plus additional projects funded from other sources.

• Roughly one-fourth (24 percent) of these projects are on the High-Volume Domestic Agriculture Highways. Using the Highway Economic Requirements System (HERS) model, the Volpe team estimated that this planned investment level would generate $540 million per year in truck operating cost savings.