



CAYUGA

Quality Nutrition. Better Life.™

The Honorable Anthony R. Foxx, Secretary
U.S. Department of Transportation
1200 New Jersey Avenue SE
Washington, DC 20590

April 25, 2016

Dear Secretary Foxx:

I am writing this letter to endorse Port of Oswego Authority's application to the U.S. Department of Transportation's TIGER grant program for the inland port project. I consider the proposed inland port project to be transformational for our company and the wider region.

Located in rural Cayuga County, NY, Cayuga Milk Ingredients (CMI) is a farmer owned value added company that constructed a new facility and began commercial operations in 2014. In its short existence, CMI has gone from no sales to projected sales of \$150 million this year. CMI daily transforms 270,000 gallons of raw milk into high quality milk ingredients for the Global marketplace. CMI exports approximately 70% of the skim milk solids it processes.

To be able to provide the most value to our farmer owners, we always try to minimize our freight rates. Currently, CMI's shipping costs are not competitive with like manufacturers in other countries. We struggle with high inland freight costs to get our product to port, combined with weight restrictions on bridges. Due to this, our freight cost per pound is most often higher than our competitors.

Direct access to a centrally located, state of the art, inland port will better enable us to increase the amount of weight we can put into a shipping container and decrease our costs to get the container to port. This will have profound effect on our Global competitiveness. I am hopeful that this project is deemed worthy of investment. I believe it will have a profound positive effect on all of the businesses in this region.

If you have any questions or would like any additional information pertaining to CMI's portion of this project, please feel free to contact me at 315-612-3224. Thank you, in advance, for considering this transformative project for funding.

Best regards,



Kevin J. Ellis
Chief Executive Officer