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Agriculture's Concerns With the American Clean Energy and Security Act of 2009 (H.R. 2454)



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and consumer of energy*
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Front cover "Harvest Moon" by Dustin Kelly from Sarah Shey's
Sky All Around (Trafford Publishing, 2005), a children's book set in rural Iowa.
To order book go to www.trafford.com

Agriculture's Concerns with Climate Change Legislation

We are the Agriculture Energy Alliance, a coalition of farm organizations and agri-businesses. Our business is to grow abundant food and fiber for America, and people around the world. The experts say that food production will need to double in the next 20 years to meet rising global demand. We want to be able to meet these expectations, but absent realistic climate change policies these expectations cannot be met.

The agricultural sector is highly energy intensive and relies on natural gas, refined petroleum products and other energy inputs for food processing, irrigation, crop drying, heating farm buildings and homes, crop protection chemicals, and nitrogen fertilizer production. Any climate change legislation must directly address increased input costs and the potential to force fertilizer production and petroleum refining overseas. Specifically, legislation should ensure that (1) fertilizer manufacturing is not adversely impacted from the projected increased costs of natural gas used as a feedstock, (2) energy intensive/trade-exposed industries are not subjected to additional production costs that competitors overseas are not required to pay, and (3) cooperative and other small petroleum refiners serving the needs of agriculture and rural America are not forced out of business by volatility in cap and trade auctions.

Legislation must not result in forcing production of key inputs such as fertilizer and petroleum products to countries that do not regulate carbon emissions. For example, the U.S. fertilizer industry competes in a global marketplace that includes many producers from countries with no carbon reduction policies, like Russian, Chinese and Middle Eastern producers. U.S. fertilizer production also competes with producers in the European Union and Australia whose governments have adopted or drafted policies that aim to fully protect their energy intensive/trade-exposed industries including fertilizer. U.S. farmers are already dependent on imports for about 55 percent of their nitrogen fertilizer needs, and 60 percent of the nation's crude oil is imported. If huge petroleum refineries being built overseas displace cooperative and small refiners, dependence on foreign crude oil will be replaced by agricultural dependence on foreign sources for fuel needs. Legislation that places U.S. fertilizer producers and rural refiners at a competitive disadvantage would force them to make a stark choice between losing market share to imports or moving production overseas.

Climate policy is not just about energy cost increases. It is about availability. To be viable climate change must not and cannot place the unbearable burden of increased prices for petroleum products, fertilizer,

Members of the Agriculture Energy Alliance

electricity and other agricultural inputs on the backs of American farmers. Particularly in this difficult economic period, we must ensure that our environmental goals are met in a way that does not endanger jobs, investment or food security provided by our agricultural sector.

Minnesota Crop Production Retailers	Agriculture Energy Association of Iowa
Minnesota Agri-Growth Council	Agricultural Retailers Association
Missouri Agricultural Business Association	Agrium Inc.
Montana Agricultural Business Association	American Agri-Women
National Grange	American Plant Food Corporation
Nebraska Agri-Business Association	Associated Industries of Florida
North Dakota Agricultural Association	Brandt Consolidated
Oklahoma Ag Retailers Association	CF Industries
Oklahoma Grain & Feed Association	CHS Inc.
Oregon Wheat Growers	D.B. Western, Inc.
Peace River Valley Citrus Growers Association (FL)	Far West Agribusiness Association
Polk County Farm Bureau (FL)	Florida Chamber of Commerce
PotashCorp	Florida Farm Bureau Federation
Rocky Mountain Agribusiness Association	Florida Fertilizer & Agrichemical Association
Sarasota County Farm Bureau (FL)	Florida Strawberry Growers Association
South Carolina Fertilizer & Agrichemicals Association	GROWMARK
South Dakota Agri-Business Association	Hardee County Farm Bureau (FL)
South Dakota Grain & Feed Association	Hillsborough County Farm Bureau (FL)
Southern Crop Production Association	Indiana Grain & Feed Association
Terra Industries Inc.	Illinois Fertilizer & Chemical Association
Texas Agricultural Cooperative Council	Indiana Plant Food & Ag Chemicals Association
Texas Grain & Feed Association	International Chemical Company
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The Fertilizer Institute	Iowa Institute for Cooperatives
The McGregor Company	J.R. Simplot Company
Western Plant Health Association (CA)	Jim Hicks & Company
	Kansas Agribusiness Retailers Association
	Kansas Grain and Feed Association
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