



Agriculture Energy Alliance

Representing agriculture as a producer and consumer of energy

Press Release

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Agriculture Coalition Calls on Energy Conferees to Support Natural Gas Provisions

Washington, July 20, 2005— Noting the importance of including natural gas provisions in the comprehensive energy bill, the Agriculture Energy Alliance today called on House-Senate energy conferees to support provisions that will ease supply and demand restrictions, which have caused a huge run up in natural gas prices.

The Agriculture Energy Alliance is a national coalition of 70 farm groups and agribusinesses.

“We encourage the energy conferees to support liquefied natural gas, industrial gasification and offshore energy provisions that will lead to an increased supply of natural gas and a lower price for farmers and other U.S. producers,” said Bob Stallman, president of the American Farm Bureau Federation. “Now is our chance to diversify our fuel supply, streamline LNG siting and permitting and provide much-needed incentives for industrial gasification technologies. Our farm and fertilizer sectors will continue to erode without this much-needed relief.”

“Natural gas is a critical resource for agriculture,” said Leon Corzine, National Corn Growers Association president. “Natural gas is used in nitrogen fertilizer production as well as for irrigation and drying corn in the fall. We need policies to stabilize the supply and demand scenarios we have today. Natural gas, as well as other energy sources, is out of control and this energy bill will help lead to predictable energy prices.”

The natural gas provisions included in H.R. 6, the Energy Policy Act of 2005, are expected to be under consideration July 21 in the ongoing energy conference.

Senate and House provisions of importance to the Agriculture Energy Alliance include providing the Federal Energy Regulatory Commission with preemptive jurisdiction in siting new liquefied natural gas facilities, the Outer Continental Shelf provision and the industrial gasification loan guarantees and investment tax credit provisions.

“These hard-fought provisions, so important to agriculture, must remain in the conference report,” said Jean-Mari Peltier, president of the National Council of Farmer Cooperatives. “Once enacted these initiatives will provide relief to U.S. farmers suffering from high prices for their natural gas and fertilizer needs. We urge the conferees to deal with this situation now so that American agriculture can continue to competitively meet the food and fiber needs of U.S. citizens and our overseas customers.”

Since 1999, 16 ammonia fertilizer plants have closed permanently and an additional 5 plants are currently idle. As a result, U.S. ammonia production fell by over 6 million tons, or 34 percent, in only 5 years. Consequently, the U.S. fertilizer industry, which typically supplied 85 percent of its domestic needs from U.S. based production during the 1990s, now relies on imports for nearly 45 percent of its nitrogen fertilizer supply. The prices paid by farmers for the major fertilizer materials reached their highest level on record during the spring of 2005. Average U.S. nitrogen fertilizer prices in April 2005 were 75 percent higher than their 1990-92 level, according to USDA data.

**Agribusiness Association of Iowa
Agribusiness Council of Indiana
Agricultural Council of California
Agricultural Retailers Assn.
Alabama Crop Management Assn.
American Farm Bureau Federation
American Soybean Assn.
Arkansas Plant Food Assn.
CF Industries, Inc.
CHS Inc.
California League of Food Processors
CoBank (CO)
Colorado Grain & Feed Assn.
CropLife America
Delaware Maryland Agribusiness Assn.
Diamond of California
Far West Agribusiness Assn. (WA)
Florida Fertilizer & Agrichemical Assn.
Georgia Agribusiness Council, Inc.
Georgia Feed & Grain Assn., Inc.
GROWMARK, Inc.
Hawaiian Alliance for Responsible
Technology & Science
Illinois Fertilizer & Chemical Assn.
Indiana Grain & Feed Association
Indiana Plant Food & Ag Chemicals Assn.
Intermountain Farmers Assn.
Iowa Institute for Cooperatives
Kansas Agribusiness Retailers Assn.
Kansas Grain and Feed Assn.
Land O' Lakes, Inc.
Louisiana Ammonia Producers
MFA Incorporated
Michigan Agri-Business Assn.
Minnesota Agri-Growth Council
Minnesota Crop Production Retailers
Missouri Ag Industries Council, Inc.
Montana Agricultural Business Assn.**

**National Association of Wheat Growers
National Barley Growers Assn.
National Chicken Council
National Corn Growers Assn.
National Council of Farmer Cooperatives
National Grain Sorghum Producers Assn.
National Grange
National Renderers Association, Inc.
National Sunflower Assn.
National Turkey Federation
Nebraska Agri-Business Assn.
North Dakota Agricultural Assn.
Oklahoma Ag Retailers
Oregon Wheat Growers League
Plant Food Association of North
Carolina, Inc.
PotashCorp
Rocky Mountain Agri-Business Assn.
Society of American Florists
South Carolina Fertilizer and
Agrichemical Assn.
South Dakota Agri-Business Assn.
Southern Crop Production Assn. (GA)
Tennessee Agricultural Production Assn.
Terra Industries
Texas Ag Industries Assn.
Texas Agricultural Cooperative Council
The Mosaic Company
The Fertilizer Institute
U.S. Canola Assn.
USA Rice Federation
Virginia Crop Production Assn.
Virginia Poultry Federation, Inc.
Western Plant Health Association (CA)
Wisconsin Fertilizer and Chemical Assn.**