



# Agriculture Energy Alliance

*Representing agriculture as a producer and consumer of energy*

## *Press Release*

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### **Agriculture Coalition Calls on Congress to Expand Natural Gas Supplies**

Washington, D.C., September 16, 2005 — As the Nation continues to assist those impacted by Hurricane Katrina and begins to look at the long-term consequences of the devastating storm, the Agriculture Energy Alliance today urges Congress to continue to implement policy changes needed to diversify both the types and geographic locations of the U.S. energy supplies.

The Agriculture Energy Alliance is a national coalition comprised of 72 farm groups and agribusinesses.

“The United States was operating on the edge with respect to the supply of oil and natural gas and is too dependent on energy infrastructure concentrated in a small geographic area. We also do not have the fuel diversity required to insure that industries have the energy needed to produce strategic products, including food,” said Bob Stallman, president of the American Farm Bureau Federation. “A single incident has led to major disruption of supply. As we assist displaced Americans and repair the Gulf Coast infrastructure, we need to understand the vulnerabilities that exist in our energy supply and make the necessary changes now to correct the situation.”

U.S. agriculture depends on natural gas for many very basic items in the food chain. Farmers and related agribusinesses use natural gas for irrigation, crop drying, food processing, crop protection and nitrogen fertilizer production. By far, the most intensive use of natural gas by the farm sector is in the production of nitrogen fertilizer, which is used on nearly every crop produced in this country.

“U.S. farmers provide a safe and abundant food supply for the entire world. Agriculture is the basis for the reliable food, fiber, feed and now energy for the United States and many others around the world. Like any other industry we need a reliable supply of inputs including fertilizer and fuel,” said Leon Corzine, NCGA president. “Farmers are being impacted now with the high prices of fertilizer, natural gas and diesel at a time when our energy needs are at their highest. As an energy dependent nation, it is more important than ever that we diversify our nation’s supplies of natural gas by using domestic resources and bringing stabilization to our supply“.

The Alliance members are urging Congress to reform public policies that create demand for certain energy resources, like natural gas, while restricting access to supply sources. According to the Minerals Management Service, there is an estimated 406 trillion cubic feet of natural gas in the Outer Continental Shelf. This potential supply is clearly needed, yet it is off limits due to federal policies that leave 85 percent of all federally controlled offshore areas subject to a federal moratoria on development. The moratoria that were put into effect 24 years ago must be reexamined to reflect the new reality of short supply and greater demand. Advanced drilling technologies have proven that these energy resources can be produced in an environmentally responsible manner.

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The agricultural community believes that it is strategically critical for Congress to remove these production barriers now to provide new sources of natural gas and oil supplies. A high priority should be placed on opening up to exploration Lease Area 181 in the Gulf of Mexico which is known to have an abundant supply of energy resources with access to existing pipeline infrastructure. This action would facilitate speedy delivery of much needed natural gas to the marketplace. This area alone could insure that agriculture has access to natural gas to continue manufacturing fertilizer, grow our crops and feed our citizens.

“Natural gas has been called the ‘forgotten fuel’ because so much attention is being placed on high gasoline prices,” said Jean-Mari Peltier, president of the National Council of Farmer Cooperatives. “While gasoline prices certainly hurt consumers, the high and volatile natural gas prices affect agriculture’s ability to produce an abundant food supply. This trend cannot continue. With Congressional leadership and action this trend can be reversed.”

The Agriculture Energy Alliance is urging Congress to focus immediately on the lessons learned from Hurricane Katrina and to re-examine moratoria limiting exploration and development of natural gas supplies along the Outer Continental Shelf.

**Agribusiness Association of Iowa**  
**Agribusiness Council of Indiana**  
**Agricultural Council of California**  
**Agricultural Retailers Assn.**  
**Agrium, Inc.**  
**Alabama Crop Management Assn.**  
**American Farm Bureau Federation**  
**American Soybean Assn.**  
**Arkansas Plant Food Assn.**  
**CF Industries**  
**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)**  
**Georgia Agribusiness Council, Inc.**  
**Georgia Feed & Grain Assn., Inc.**  
**GROWMARK, Inc.**  
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**Indiana Plant Food & Ag Chemicals Assn.**  
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**Kansas Grain and Feed Assn.**  
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**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.**  
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**National Turkey Federation**  
**Nebraska Agri-Business Assn.**  
**North Dakota Agricultural Assn.**  
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**Plant Food Association of North  
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**PotashCorp**  
**Rocky Mountain Agri-Business Assn.**  
**Society of American Florists**  
**South Carolina Fertilizer and  
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**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 Fertilizer Institute**  
**The Mosaic Company**  
**U.S. Canola Assn.**  
**USA Rice Federation**  
**Virginia Crop Production Assn.**  
**Virginia Poultry Federation, Inc.**  
**Western Peanut Growers Association (TX)**  
**Western Plant Health Association (CA)**  
**Wisconsin Fertilizer and Chemical Assn.**