

Agriculture Energy Alliance

Representing agriculture as a producer and consumer of energy

Press Release

Contacts:

American Farm Bureau Federation	202-406-3600
National Corn Growers Association	202-628-7001
National Council of Farmer Cooperatives	202-626-8700

Farmer Chairman of GROWMARK, Inc. Testifies on Energy Impacts

Washington, D.C., November 9, 2005 — Dan Kelley, chairman of the board and president of GROWMARK, Inc., a farmer-owned cooperative based in Bloomington, Ill., testified today in front of the Senate Agriculture Committee on as to the impact of high energy prices, especially high natural gas prices, on agricultural producers.

Kelley, a corn and soybean farmer from Normal, Ill., testified on behalf of the Agriculture Energy Alliance, a broad based coalition of 100 farm organizations and agribusinesses severely impacted by the high demand and constricted supply of natural gas.

“Since 1999, according to USDA, farmers’ fuel, oil and electricity expenditures have increased from \$8.6 billion to \$11.5 billion,” Kelley said. “These increases represent a \$4.5 billion decline in the U.S. farmers’ bottom line during that six year period.”

Especially hard hit, he emphasized, was the U.S. fertilizer industry which uses natural gas as a raw material to produce nitrogen fertilizer. Since 2002, 36 percent of the U.S. fertilizer industry has been shut down or mothballed.

Kelley continued, “To promote additional production of natural gas, Congress can adopt measures to ensure that federal lands and Outer Continental Shelf areas are open for leasing, that leases and permits are issued promptly, that appropriate tax and royalty policies are in place, and that the necessary pipeline structure is available to bring supplies to market.”

In particular, Kelley added, priority should be placed on opening up Lease Area 181 in the Gulf of Mexico, which is known to have an abundant supply of resources with access to existing pipelines.

**Agribusiness Association of Iowa
Agribusiness Council of Indiana
Agricultural Council of California
Agricultural Retailers Assn.
Agriliance, LLC
Agrium Inc.
Alabama Crop Management Assn.**

**American Farm Bureau Federation
American Plant Food Corporation
American Soybean Assn.
Arkansas Plant Food Assn.
Ben-Trei Ltd.
Brandt Consolidated**

more

CF Industries
CHS Inc.
California League of Food Processors
Chemical Industry Council of Illinois
CoBank (CO)
Colorado Grain & Feed Assn.
Crop Production Services
CropLife America
D.B. Western, Inc.—Texas
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.
Hartung Brothers, Inc.
Hawaiian Alliance for Responsible
Technology & Science
Helena Chemical Company
Illinois Fertilizer & Chemical Assn.
Indiana Grain & Feed Association
Indiana Plant Food & Ag
Chemicals Assn.
Intermountain Farmers Assn.
International Chemical Corporation
International Commodities Export Corp.
International Raw Materials Ltd.
Iowa Institute for Cooperatives
JR Simplot Company
Jim Hicks & Company
Johnston Seed Company
Kansas Agribusiness Retailers Assn.
Kansas Grain and Feed Assn.
Land O' Lakes, Inc.
Louisiana Ammonia Producers
MFA Incorporated
Mayo Fertilizer Inc.
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 Sorghum Producers

National Grange
National Renderers Association, Inc.
National Sunflower Assn.
National Turkey Federation
Nebraska Agri-Business Assn.
North Dakota Agricultural Assn.
Northern Ag Suppliers, Inc.
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)
Southern States Cooperative, Inc.
Tennessee Agricultural Production Assn.
Tennessee Farmers Cooperative
Terra Industries
Texas Ag Industries Assn.
Texas Agricultural Cooperative Council
The Andersons, Inc.
The Fertilizer Institute
The McGregor Company (WA)
The Mosaic Company
3-D Fertilizer
U.S. Canola Assn.
USA Rice Federation
United Suppliers, Inc.
Virginia Crop Production Assn.
Virginia Poultry Federation, Inc.
W.B. Johnston Grain Company
Washington State Council of Farmer
Cooperatives
West Central Inc.
Western Peanut Growers Assn. (TX)
Western Plant Health Assn. (CA)
Wheeler Bros. Grain and Fertilizer Co.
Willard Agri-Service of
Frederick, Inc. (MD)
Wisconsin Fertilizer and Chemical Assn.