



Agriculture Energy Alliance

Representing agriculture as a producer and consumer of energy

November 7, 2005

The Honorable J. Dennis Hastert
Speaker
The Honorable Nancy Pelosi
Minority Leader
United States House of Representatives
Washington, DC 20515

RE: Budget Reconciliation – Offshore Drilling for Oil and Natural Gas

Dear Speaker Hastert and Minority Leader Pelosi:

As a member of the Agriculture Energy Alliance – a coalition of 100 farm organizations and agribusinesses- I am writing to urge you to include in the Budget Reconciliation bill legislation that increases supply and decreases demand for natural gas.

The Offshore State Options Act (OSOA) recently passed the House Resources Committee as part of its Budget Reconciliation package. OSOA gives states unprecedented control over their portion of the Outer Continental Shelf (OCS) and allows states to develop natural gas reserves along their shores. The legislation also provides a plan to protect Florida's coastline which was negotiated by Governor Bush and Resources Committee Chairman Pombo.

I ask that you continue to support inclusion of OSOA in the Budget Reconciliation bill that will be voted on in the House of Representatives on November 10th. This bill is important to our farmers and agribusinesses that rely on a stable and secure source of natural gas. The farm sector depends on significant use of natural gas for food processing, irrigation, crop drying, heating farm buildings and homes, crop protection chemicals and nitrogen fertilizer production. The most intensive use of natural gas by the farm sector is in the use of natural gas as a feedstock for nitrogen fertilizers, which are used on virtually every crop produced in this country.

While demand reduction strategies such as energy conservation and incentives for fuel-switching are clearly important, increasing supply is critically important to the farm sector.

Passage of the OSOA would send an immediate signal to natural gas futures markets that supplies will increase over the long term. It is estimated that there are about 300 trillion cubic feet (Tcf) of natural gas in the OCS that can be recovered using today's technology but which have yet to be discovered. To put this in perspective, this is enough natural gas to heat 74 million homes for 60 years, or to supply current industrial and commercial needs for 29 years.

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Please support the farm sector and the agribusiness industry by supporting inclusion of the Offshore State Options Act in the Budget Reconciliation bill which will come before the House of Representatives on Thursday, November 10. This bill provides a step in the right direction to provide our country with adequate domestic supplies of natural gas.

Respectfully,

**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
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.**

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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 Association
(TX)**
Western Plant Health Association (CA)
Wheeler Bros. Grain and Fertilizer Co.
**Willard Agri-Service of Frederick, Inc.
(MD)**
Wisconsin Fertilizer and Chemical Assn.