



Agriculture Energy Alliance

Representing agriculture as a producer and consumer of energy

The Honorable Charles E. Grassley
The Honorable Max Baucus
United States Senate
Senate Finance Committee
Dirksen Senate Office Building
Washington, D.C. 20515

June 16, 2005

RE: Industrial Gasification Tax Incentives

Dear Senators Grassley and Baucus:

The 67 members of the Agricultural Energy Alliance support provisions in the Senate Finance Committee mark that provide tax incentives for industrial gasification. Our group recently sent a letter to Senator Salazar commending him for introducing his bill relating to a national gasification strategy. That letter is attached for your information.

Our Alliance represents a broad-based coalition of growers and agribusinesses that faces a looming crisis because of public policies that create demand for natural gas while restricting access to supply sources. 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 Agriculture Energy Alliance appreciates your efforts to advance federal policies to facilitate the efficient development and use of all our critical domestic supply resources. Provisions for establishing a national coal gasification strategy and for creating tax incentives for expanded cogeneration projects should help reduce demand for natural gas.

We are encouraging the full Senate to pass comprehensive energy legislation that includes provisions to increase supply and decrease demand for natural gas and, specifically, policies that facilitate development of clean coal technologies. A critical component is wider government participation in developing innovative technologies that allows manufacturers to produce gas from coal, petroleum coke, biomass, and other abundant domestic energy sources.

The Agriculture Energy Alliance is very pleased that the Senate Finance Committee has worked to provide industrial gasification tax incentives that will be of specific help to the nitrogen fertilizer industry. We stand ready to work with you on this extremely important policy that is critical to U.S. farmers, agribusiness and consumers.

Sincerely,

**Agribusiness Association of Iowa
Agribusiness Council of Indiana
Agricultural Council of California**

**National Corn Growers Assn.
National Council of Farmer Cooperatives
National Grain Sorghum Producers Assn.**

1401 Eye Street, NW, #340, Washington, D.C. 20005

**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.
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 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 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.
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.
Wisconsin Fertilizer and Chemical Assn.**

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