



# Ag Energy Alliance

*Representing agriculture as a producer and consumer of energy*

April 27, 2005

Honorable Gale Norton  
Secretary  
U.S. Department of the Interior  
1849 C Street, NW  
Washington, D.C. 20249

RE: OCS Five-Year Plan

Dear Secretary Norton:

The agricultural community's ability to be efficient and environmentally friendly faces a looming crisis because of public policies that create demand for certain energy resources, like natural gas, while restricting access to supply sources. The current natural gas crisis has two solutions – increase supply and reduce demand. The agricultural community can produce an abundant, affordable and healthy food supply, but we need Congress and the Administration to produce the kind of policies that enable us to utilize the resources needed to produce that supply.

The farm sector depends on significant use of natural gas for food processing, irrigation, crop drying, heating farm buildings and homes, 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 virtually every crop produced in this country. The food that we grow, consume and sell to the world depends on a ready supply of fertilizers like ammonia and urea, and diammonium phosphate. At the same time, the agricultural community has become much more efficient in its use of energy resources. Since 1980, U.S. farmers have increased nitrogen use efficiency by 35 percent while boosting corn yields by 40 percent.

It is our understanding that the Department of Interior will shortly issue a Request for Comments in connection with its development of a new 5-Year Outer Continental Shelf (OCS) Oil and Gas Leasing Program for 2007-2012 (including those areas not currently under moratoria but also not included in the 2002-07 Five Year Plan). The primary consequence of this 5-Year Program will determine the size, timing, and location of all oil and gas lease sales on the OCS for the years 2007-2012.

The Agriculture Energy Alliance requests that the Department solicit comments on whether it is possible to issue natural gas only leases in moratoria areas on the OCS during this five-year timeframe, and whether governors of coastal states should be authorized to petition the Department for (a) current estimates of natural gas inventories in any moratoria area adjacent to or lying seaward of their coastlines and (b) whether said inventories should be removed from any applicable moratoria. It is also particularly important that Lease Area 181 be included in the five-year plan as it is known to be an area rich in natural gas reserves. The Ag Energy Alliance stands ready to work with you on these extremely important policies that are critical to U.S. farmers, agribusiness and consumers.

Sincerely,

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

Agricultural Retailers Association  
American Farm Bureau Federation  
American Soybean Association

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CF Industries, Inc.	National Association of Wheat Growers
CHS Inc.	National Corn Growers Association
California League of Food Processors	National Grange
Far West Agribusiness Association	National Chicken Council
GROWMARK, Inc.	National Council of Farmer Cooperatives
Illinois Fertilizer & Chemical Association	Nebraska Agri-Business Association
Indiana Grain and Feed Association	North Dakota Agriculture Association
Indiana Plant Food & Ag Chemicals Association	Oklahoma Agribusiness Retailers Association
Intermountain Farmers Association	Oregon Wheat Growers League
Land O'Lakes, Inc.	South Dakota Agri-Business Association
Louisiana Ammonia Producers	Terra Industries, Inc.
MFA Incorporated	Texas Ag Industries Association
Minnesota Crop Production	Texas Agricultural Cooperative Council
Missouri Ag Industries Council, Inc.	The Fertilizer Institute

Cc: President George W. Bush  
The Honorable Sam Bodman  
The Honorable Mike Johanns  
The Honorable Carlos Gutierrez  
Members, Senate Energy & Natural Resources Committee  
Members, Senate Agriculture, Nutrition and Forestry Committee  
Members, House Energy and Commerce Committee  
Members, House Agriculture Committee  
Members, House Resources Committee