



# Agriculture Energy Alliance

*Representing agriculture as a producer and consumer of energy*

June 13, 2005

The Honorable Ken Salazar  
United States Senate  
702 Hart Senate Office Building  
Washington, D.C. 20510

## **Re: S. 1091 National Gasification Strategy Act of 2005**

Dear Senator Salazar:

As the Senate continues to finalize comprehensive energy legislation, the Agriculture Energy Alliance commends you for introducing S. 1091, the National Gasification Strategy Act of 2005.

The Agriculture Energy 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 encourage 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 innovative technology that allows manufacturers to produce gas from coal, petroleum coke, biomass, and other abundant domestic energy sources.

The Agriculture Energy Alliance urges the Senate to pass an energy bill that includes loan guarantees and grants—particularly helpful incentives for nitrogen fertilizer producers—to implement capital-intensive industrial gasification projects. For example, S 1091 authorizes \$3 billion for federal loans, loan guarantees, and grants as part of a National Gasification Strategy to commercially deploy advanced gasification technology to manufacture clean gas from domestic coal and biomass resources. Coal gasification is an environmentally sound way to convert coal into clean burning natural gas that eliminates typical pulverized coal emissions, such as sulfur dioxide, nitrogen oxide, and mercury.

The agricultural community has become much more efficient in its use of energy resources.

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Since 1980, U.S. farmers have increased nitrogen use efficiency by 35 percent while boosting corn yields by 40 percent. We can produce an abundant, affordable, and healthy food supply, but we need Congress to produce the kind of policies that enable us to utilize the resources needed to produce that supply.

The Agriculture Energy Alliance urges Congress to act expeditiously to promote the development of domestic energy resources so important to a competitive agricultural sector. We urge the Senate to pass a comprehensive energy bill that provides an enhanced role for development of all energy resources for a more diverse portfolio and adequate domestic supplies of natural gas. We stand ready to work with you on these extremely important policies that are critical to U.S. farmers, agribusiness and consumers.

Respectfully,

**Agribusiness Association of Iowa  
Agribusiness Council of Indiana  
Agricultural Council of California  
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 Assn.  
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 Corn Growers Assn.  
National Council of Farmer  
Cooperatives  
National Grain Sorghum Producers Assn.  
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.**

CC: Senate  
White House Domestic Policy Staff