Agriculture’s Concerns With the American Clean Energy and Security Act of 2009 (H.R. 2454)
We are the Agriculture Energy Alliance, a coalition of farm organizations and agri-businesses. Our business is to grow abundant food and fiber for America, and people around the world. The experts say that food production will need to double in the next 20 years to meet rising global demand. We want to be able to meet these expectations, but absent realistic climate change policies these expectations cannot be met. The agricultural sector is highly energy intensive and relies on natural gas, refined petroleum products and other energy inputs for food processing, irrigation, crop drying, heating farm buildings and homes, crop protection chemicals, and nitrogen fertilizer production. Any climate change legislation must directly address increased input costs and the potential to force fertilizer production and petroleum refining overseas.

Specifically, legislation should ensure that (1) fertilizer manufacturing is not adversely impacted from the projected increased costs of natural gas used as a feedstock, (2) energy intensive/trade-exposed industries are not subjected to additional production costs that competitors overseas are not required to pay, and (3) cooperative and other small petroleum refiners serving the needs of agriculture and rural America are not forced out of business by volatility in cap and trade auctions.

Legislation must not result in forcing production of key inputs such as fertilizer and petroleum products to countries that do not regulate carbon emissions. For example, the U.S. fertilizer industry competes in a global marketplace that includes many producers from countries with no carbon reduction policies, like Russian, Chinese and Middle Eastern producers. U.S. fertilizer production also competes with producers in the European Union and Australia whose governments have adopted or drafted policies that aim to fully protect their energy intensive/trade-exposed industries.

U.S. farmers are already dependent on imports for nitrogen fertilizer needs, and 60 percent of the nation's crude oil is imported. If huge petroleum refineries being built overseas displace cooperative and small refiners, dependence on foreign crude oil will be replaced by agricultural dependence on foreign sources for fuel needs. Legislation that places U.S. fertilizer producers and rural refineries at a competitive disadvantage would force them to make a stark choice between losing market share to imports or moving production overseas.

Climate policy is not just about energy cost increases. It is about availability. To be viable climate change must not and cannot place the unbearable burden of increased prices for petroleum products, fertilizer, electricity and other agricultural inputs on the backs of American farmers. Particularly in this difficult economic period, we must ensure that our environmental goals are met in a way that does not endanger jobs, investment or food security provided by our agricultural sector.

Members of the Agriculture Energy Alliance

- Agriculture's Concerns with Climate Change Legislation
  - Agribusiness Association of Iowa
  - Agricultural Retailers Association
  - Agrium Inc.
  - American Agri-Women
  - American Plant Food Corporation
  - Associated Industries of Florida
  - Brandt Consolidated
  - CF Industries
  - CHS Inc.
  - D.B. Western, Inc.
  - Far West Agribusiness Association
  - Florida Chamber of Commerce
  - Florida Farm Bureau Federation
  - Florida Fertilizer & Agrichemical Association
  - Florida Strawberry Growers Association
  - GROWMARK
  - Hardee County Farm Bureau (FL)
  - Hillsborough County Farm Bureau (FL)
  - Indiana Grain & Feed Association
  - Illinois Fertilizer & Chemical Association
  - Indiana Farm Bureau (FL)
  - Iowa Institute for Cooperatives
  - W.B. Johnston Grain Co.
  - J.R. Simplot Company
  - Jim Hicks & Company
  - Kansas Agribusiness Retailers Association
  - Kansas Grain and Feed Association
  - Kansas Fertilizer & Chemical Association
  - Kansas County Farm Bureau (FL)
  - Minnesota Crop Production Retailers Association
  - Minnesota Agri-Growth Council
  - Missouri Agribusiness Association
  - Montana Agricultural Business Association
  - NCRA
  - National Grange
  - Nebraska Agri-Business Association
  - North Dakota Agricultural Association
  - Oklahoma Ag Retailers Association
  - Oklahoma Grain & Feed Association
  - Oregon Wheat Growers
  - Peace River Valley Growers
  - Peace River Valley Citrus Growers
  - Peace River Valley Sugar Cane
  - PotashCorp
  - Rocky Mountain Agribusiness Association
  - Sarasota County Farm Bureau (FL)
  - South Carolina Fertilizer & Agrichemicals Association
  - South Dakota Agri-Business Association
  - South Dakota Grain & Feed Association
  - South Dakota Fertilizer & Chemical Association
  - South Dakota County Farm Bureau (FL)
  - Tennessee County Farm Bureau (FL)
  - Texas Agribusiness Cooperative Council
  - Texas Fertilizer & Chemical Company
  - Texas AgriLife Cooperative Council
  - Utah Agri-Business Association
  - Utah Fertilizer & Chemical Association
  - Utah County Farm Bureau (FL)
  - Western Plant Health Association
  - Wyoming County Farm Bureau (WY)
  - Wyoming Fertilizer Association
  - Wyoming County Farm Bureau (WY)
  - Wyoming County Farm Bureau (WY)
  - Wyoming County Farm Bureau (WY)
  - Wyoming County Farm Bureau (WY)
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