

Growing Renewable Energy

*A Healthy Environment, Enhanced Profitability
and National Security from Farm Energy*

Harnessing the Benefits of Homegrown Energy

Renewable energy offers significant new market opportunities for farmers and ranchers across the country. Renewable energy also has the potential to improve America's energy security and trade balance while reducing the emission of greenhouse gases. American Farmland Trust proposes achieving these goals by:

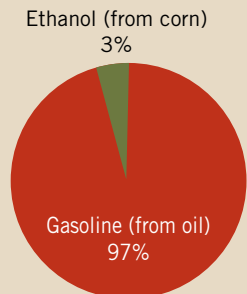
- Funding research into cellulosic feedstock production and harvesting;
- Providing assistance for the installation of energy production equipment and energy efficiency improvements on farms and ranches;
- Offering incentives for converting targeted rural industrial sites into advanced biofuels facilities; and
- Encouraging the production of sustainable energy crops through a green payments program.

Status Quo: Oil Imports, Dirty Power and Untapped Agricultural Resources

It is no secret that the U.S. faces an energy crisis of epic proportions. There are many detrimental effects from America's "addiction to oil," including the massive U.S. trade deficit in energy products and the health and climate effects of our heavy reliance on non-renewable fossil fuels. Meanwhile, many rural areas suffer from unemployment, low on- and off-farm incomes and out-migration. Initial steps have been taken by government and private enterprise to address these issues. The corn ethanol and biodiesel industries are pointing the way toward a different kind of energy future.

But ethanol (from corn) and biodiesel (from soybeans)—which together meet less than 4 percent of U.S. fuel needs—are unlikely to ultimately cover more than 10 percent of current or future demand for fuel. However, USDA estimates that biofuel derived from cellulose has the potential to supply about 20 percent of vehicle fuels and replace 30 percent of total U.S. petroleum consumption by 2030. Meanwhile, renewable electricity from wind, biomass, livestock waste and solar energy provides about 2 percent of current electricity needs but could grow exponentially with improved technology and policies.

Ethanol— a Fraction of Today's U.S. Motor Fuel



Source: Energy Information Administration, 2005.

A Better Future Through Energy from Agriculture

AFT's energy proposals focus on helping America's farmers and ranchers grow the advanced biofuels and clean energy that our nation needs while improving the profitability of agricultural operations. These policies have three primary benefits:

- **Reduced reliance...** on imported fossil fuels that endanger our national security, increase our trade deficit, pollute the air and contribute to climate change.
- **Enhanced profitability...** for farmers and ranchers through new markets for the goods and resources produced on their farms as well as lower energy costs through efficiency.
- **Reduced conflict...** between competing users of agricultural crops and between environmental and agricultural goals.

**"Cellulosic is the
release valve for a
tight corn market."**

**— USDA Chief
Economist
Keith Collins**

Growing Clean, Profitable Energy—How to Make It Work

- **Infuse the agricultural sector with significant funding for research, development and deployment of cellulosic biofuel technologies.** Provide millions of additional dollars toward "seed to still" research and toward commercial demonstration of cellulosic conversion technologies.
- **Encourage the conversion of abandoned or underutilized rural industrial sites into advanced biofuels facilities.** A grant and loan guarantee program targeted specifically to languishing or abandoned paper mills, distilleries, food processing facilities, and traditional grain and oilseed biofuel plants will make use of these brownfields to create the first generation of commercial cellulosic biofuel plants.
- **Support cellulosic feedstocks through green payments.** Since green payments reward producers for environmental benefits produced on farms and ranches, producers of cellulosic feedstocks—which require low chemical and water inputs, conserve the soil, sequester carbon and preserve wildlife habitat—would qualify for the highest level of payments under a green payments program.
- **Significantly increase funding for Section 9006 and encourage state rebate programs.** The popular 9006 program has been responsible for helping farmers and ranchers across the country add value to their operations by installing renewable energy and efficiency improvements on their farms. Multiplying funding 10-fold and providing block grants to states to run energy efficiency rebate programs will add to the gains already achieved.
- **Examine other possibilities.** The energy title of the Farm Bill is but one vehicle for increasing the supply of advanced biofuels and farm-produced renewable energy. Renewable fuel and electricity standards, carbon cap-and-trade schemes, taxes or tax breaks, and net metering regulations have an enormous effect on the profitability and supply of farm-produced energy.

For more information about this or any of the policies recommended in *Agenda 2007*, please visit AFT's Web site at www.farmland.org or send an email to info@farmland.org.

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