

## **AGP Statement on the Agricultural Impacts of Climate Change Legislation**

***By John Campbell, Senior Vice President, Government Relations & Industrial Products***

December 3, 2009 is a date that should live in agricultural infamy. On this date the U.S. Department of Agriculture (USDA) admitted that their favored climate change legislation (HR 2454) would idle 60 million acres of crop and pasture land. This “food to trees” bombshell was delivered in hearings on the impacts of the “Waxman –Markey” climate change legislation already approved by the House of Representatives. USDA testified to a mostly empty room that corn production would be 22 percent lower and soybean production would be 29 percent lower than otherwise would be the case.

Someone once said that “History does not always repeat itself but it often rhymes.” The last time we tried to idle our way to prosperity was in the midst of the 1980’s farm crisis. The farm economy was losing sales due to the aftermath of the Carter grain embargo, a strong dollar, high interest rates and inflation-induced over-leverage. In a desperate attempt to “do something” about farm prices the Reagan Administration paid farmers to idle 79 million acres of farm land. The weather was poor that same summer of 1983 and the resulting short crop crippled the livestock and farm supply industries. Not only did the Reagan team try massive land idling; they raised loan rates and upped the grain reserves in a vain attempt to control the world market.

Predictably, farmers all over the world responded by planting more in order to capture markets abandoned by the United States.

During consideration of the 1985 Farm Bill, left-leaning farm groups and members of Congress that had a similar stance still argued that America should idle massive tracts of land in order to get farm prices up. Fortunately, that plan was rejected and America embarked on an aggressive program to become competitive on the world market. Twenty-five years of farm prosperity has followed.

Today, the notion that America can control world markets and idle our way to prosperity has reared its ugly head in the form of “green” payments. The idea is that energy users will pay farmers to plant trees on their ground in order to build carbon storage. This plan is known as “cap and trade”. USDA says that farmers will be better off because the price of the remaining crops will be higher and the “green” payments for not farming will be handsome.

It is one thing for radical environmentalists to advocate such an unprecedented and inhumane agenda but quite another for the U.S. Department of Agriculture to go along. Shocking, really.

In a strange way we actually owe House Speaker Nancy Pelosi and Ag Secretary Vilsack a big “thank you”. Without their actions to pass a climate change bill and tell us what they think it means we would have only vague promises of a better future and more green jobs. Now we know the rest of the story.

The ironies here are almost comical. The Administration and environmental groups disdain corn ethanol and soy biodiesel while professing their great support for “second generation” biofuels. They have cooked up a formula to kill off corn and soy biofuels by arguing that more first generation biofuels in America means less rainforest elsewhere in the world.

If their case against biofuels is true it must also be true that taking cropland out of food and feed production for carbon will mean less rainforests elsewhere. It will be interesting to see how they argue against using “food” land for fuel but favor using “food” land for trees. USDA admits that their whole “higher price” scenario depends on farmers elsewhere in the world not doing what they did the last time America stepped off the field.

The USDA analysis of HR 2454 actually shows that there would be ample supplies of corn and soybeans for fuel, feed, and food if they just left agriculture alone. Determined to snatch defeat from the jaws of victory - USDA is promoting a plan to destroy feedstock, not only for food and first generation fuel - but second generation cellulose fuel as well.

This Administration and this USDA are willing to sacrifice all their high- minded rhetoric about feeding the poor, solving world hunger and increasing renewable fuels on the altar of increasingly questioned “science” of man-made global warming.