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FOR IMMEDIATE RELEASE

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“Cap and Trade” Threatens U.S. Agriculture

Say AGP Officials

Omaha, NE (December 10, 2009) - Ag Processing Inc (AGP) recently stated its opposition to HR 2454, the “Waxman-Markey” climate change legislation which has been approved by the House of Representatives. At issue is USDA testimony during hearings earlier this month regarding the legislation. USDA testified that HR 2454 would idle 60 million acres of U.S. crop and pasture land as energy users pay farmers to plant trees on their farm ground in order to build carbon storage and receive “green” payments. This plan is known as “cap and trade”. USDA stated that U.S. corn production would be 22 percent lower and soybean production decreased by 29 percent than otherwise would be the case. The agriculture agency also stated that farmers would be better off putting their land into trees because crop prices from the remaining acres would be higher.

AGP, a leading soybean processing cooperative, manufacturer of refined vegetable oil, and renewable fuel producer, is urging producers, consumers, and political leaders to become educated on the proposed “cap and trade” plan and understand the consequences of this legislation:

- Less food output and higher costs to consumers.
- Lower livestock production.
- Reduced income for rural cooperatives as grain volume decreases and sale of crop inputs decline.
- Feedstocks for renewable fuels would be virtually eliminated.

“These are just some of the negative implications of this legislation,” said Mike Maranell, Senior Vice President, Corporate and Member Relations. “The entire agricultural industry needs to understand the consequences of taking even more food and fuel land out of production. We already idle 31 million acres of farmland in the Conservation Reserve Program (CRP).”

Marty Reagan, CEO of AGP, explained that the cost to AGP from this legislation in terms of higher energy prices and the carbon tax would be devastating. “Our calculations show that this cost starts out at around \$10 million in the first year and rises to over \$70 million per year by 2050,” said Reagan. “Most, if not all, of our profits would be taken by the carbon tax and higher energy prices. Now we learn that USDA thinks soybean production would be one-third lower than it is today. How are we going to meet the United Nation’s goal of doubling food production for a growing population when we cut food production for an untested method to affect climate change?”

Brad Davis, Board Chairman of AGP and General Manager of Gold-Eagle Cooperative, Goldfield, Iowa, said the impact of the cap and trade plan would also be devastating to local farm cooperatives. “Rural cooperatives are many times the major employer in the county,” said Davis. “We provide seed, nutrients, crop protection and professional services to farmers and livestock operations. If we are really concerned about jobs we need to keep the ones we have.”

John Campbell, AGP’s Senior Vice President of Government Relations and Industrial Products, said it succinctly: “This would be the final nail in the coffin for renewable fuels. No feedstocks - no fuel.”

AGP’s leadership urged the public to become better informed on the climate change topic and to become more involved with their Congressional leaders as the issue is considered in the Senate.

AGP is the largest farmer-owned soybean processor in the world, owned by local and regional cooperatives representing over 250,000 farmers from 15 states throughout the U.S. More information about AGP can be found on the Company’s website at www.agp.com. Interested parties can read more about AGP’s stance regarding climate change legislation on the website as well.

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