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COMPREHENSIVE U.S. ENERGY POLICY

Issue:

In the recent past, tight oil and natural gas supplies drove U.S. farm inputs and energy prices to all-time highs, substantially increasing farm production costs. In the near term, stopping exploration for and use of fossil fuels cannot be done without severely disrupting our economy and threatening Americans' standard of living.

Farm Bureau advocates policies that will create a diverse, domestic energy supply to fuel America's economic growth and prosperity while strengthening our energy security. Further development and use of renewable energy sources such as ethanol, biodiesel, biomass, solar and wind are critical to our nation's energy future and will help further strengthen the overall national security of the United States. Farm Bureau supports a comprehensive approach to fulfilling our energy needs of today and into the future.

Background:

Farm Bureau supports a comprehensive energy policy to help reduce the nation's dependence on foreign energy sources, to stimulate energy production within the agricultural sector and to assure that farmers and ranchers have access to affordable energy.

CONVENTIONAL ENERGY

Farm Bureau strongly supports the development of a national energy policy that provides for increased exploration and use of domestic energy resources. Farm Bureau supports additional access for exploration and production of oil and natural gas, including the use of hydraulic fracturing. Farm Bureau also supports the expanded use of coal in an environmentally sound manner.

RFS

Farm Bureau supports the production and use of agricultural-based fuel, including corn and cellulosic ethanol and biodiesel. Farm Bureau also supports the Renewable Fuel Standard 2 (RFS) as adopted in 2007.

RENEWABLE FUELS TAX INCENTIVES

Farm Bureau supports tax provisions that incentivize the production of biofuels. They are the Cellulosic Biofuel Producer Tax Credit set at \$1.01 per gallon for cellulosic biofuel along with the additional first-year 50 percent bonus depreciation for cellulosic biofuel production facilities; the 30 percent credit for installation costs of alternative fuel refueling property; and tax incentives for biodiesel and renewable diesel set at \$1.00 per gallon, the 10 cents per gallon small agri-biodiesel producer credit and the \$1.00 per gallon tax credit for diesel fuel created from biomass.

Legislative Status:

It is expected that there will be multiple attempts to change, weaken or dismantle the RFS in the 114th Congress. Farm Bureau opposes any attempts to weaken or change the RFS.

Regulatory Status:

On May 29, the U.S. Environmental Protection Agency's (EPA) proposed Renewable Fuel Standard (RFS) volumes for 2014 through 2016. EPA has proposed to require refiners to blend 14 billion gallons of corn ethanol for 2016, short of the 15 billion gallons called for under the RFS. EPA is also slashing the overall renewable fuel blending requirements under the RFS in their proposal below what Congress prescribed. EPA intends to finalize the rule by Nov. 30.

Nebraska Farm Bureau submitted comments expressing our opposition to this proposal by EPA.

AFBF Policy:

Farm Bureau supports efforts to revitalize our national energy policy to take maximum advantage of all available domestic resources to achieve energy independence and a stable energy market.

Farm Bureau supports a comprehensive energy policy to help alleviate the energy-related economic hardship being suffered by U.S. farmers and ranchers by creating a more diverse energy supply, including renewable energy sources such as ethanol, biodiesel, biomass and wind.

Farm Bureau supports a comprehensive energy plan that also will increase the exploration and production of oil and gas here at home and reduce U.S. dependence on foreign energy sources.

Farm Bureau supports the Renewable Fuels Standard 2 (RFS2) as passed in the Energy Independence and Security Act of 2007.

Farm Bureau supports tax provisions that incentivize the production of biofuels and renewable energy.