



A Northeast Farm Bill Agenda

Background: The Northeast has an unprecedented opportunity to shape the 2007 Farm Bill to be more responsive to our region. Groups from across the Northeast have been working together to agree on and advance ten “must have” policy priorities. This is part 4 of a 10-part series in which we look at each priority in more detail. The full Agenda is available at www.northeastagworks.org.

Priority 4: Provide incentives for regionally appropriate farm energy production and efficiency

Why is energy covered under the Farm Bill?

Agriculture is both a heavy user of energy and, increasingly, a producer. It has been estimated that the food system accounts for nearly 20% of the total energy supply in the US. After the energy crisis of the 1970s, numerous studies investigated energy use and efficiency in agriculture. However, it wasn't until the 2002 Farm Bill that policy makers began to look seriously at the agriculture sector as a potential source of renewable energy. Growing instability in world energy markets is leading to a new push for bio-based fuels in the 2007 Farm Bill.

What is meant by “regionally appropriate” energy production and efficiency?

Each agricultural region of the U.S. is unique and each has a role to play in the generation and conservation of farm energy. Energy policies that play to America's corn belt by boosting production of corn-based biofuels—ethanol and biodiesel—are important, but not as appropriate for the diversified farms of the Northeast. We need to generate energy from *regionally sourced* crops and materials. Federal incentives to spur energy production and conservation also need to be regionally equitable. One federal program known as Section 9006 targets on-farm production of renewable energy. It funded six renewable energy projects in the Northeast out of 150 projects nationwide, while three fifths of the program funding went to three Midwest states.

What energy incentives are most needed by the Northeast's farm sector?

While parts of the Northeast will benefit from biofuels produced from the traditional feedstocks of corn and soybeans, our region as a whole will make its energy contribution with other products and technologies. We need public policies that encourage targeted research and development that play to our region's strengths and capacities. For example, a breakthrough in the production of cellulosic ethanol (a new fuel that can be made from plentiful biomass materials such as wood, paper pulp, and agricultural waste products) could alter these dynamics significantly, raising the prospect of far higher regional levels of biofuel production than would be possible through corn and oil seed-based processing.

Specific proposals that could benefit the Northeast include: expanding annual funding for renewable energy grants and biomass research; promoting local and farmer ownership and investment opportunities in farm-based renewable energy production; and creating a grant program for development of business plans and construction of facilities to use specialty crop waste and residues as raw material to produce energy.

See the full Agenda for other proposed policy reforms and innovations. Visit www.northeastagworks.org.

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