

# ***The Role of Agriculture in Our Energy Future***

**Presentation by**

**Roger Johnson**

**North Dakota Agriculture Commissioner**

**&**

**President-Elect, National Association of  
State Departments of Agriculture**

**National Summit on Agricultural & Food  
Truck Transport for the Future**



# Today's discussion

- Snapshot of North Dakota agriculture and energy
- National Association of State Departments of Agriculture (NASDA)
- NASDA farm bill recommendations
- Future opportunities for agriculture and energy



# North Dakota is an ag state...

- #1 industry
- More than \$4 billion in annual cash receipts
- 25% of state economic base
- Employs 1 in 4 North Dakotans
- Leads the nation in the production of 14 commodities



# North Dakota is an energy state...

- Ranks 6<sup>th</sup> in the nation in energy production per capita
  - Ranks 11<sup>th</sup> in the production of coal
  - Ranks 9<sup>th</sup> in the production of petroleum



Source: Energy Information Administration

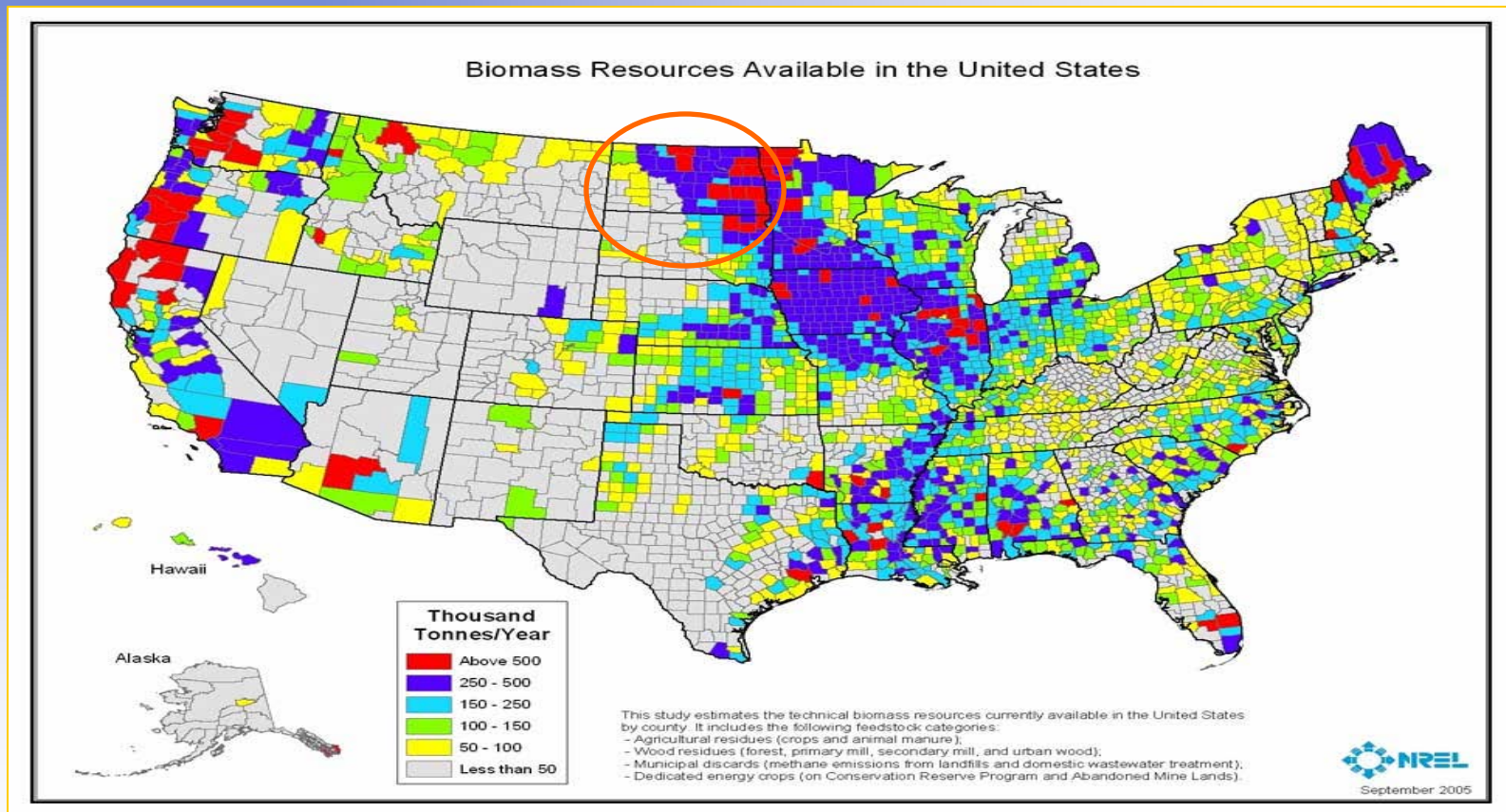


# North Dakota is an energy state...

- 4 ethanol plants in operation
  - 135.5 mmgy annual production capacity
  - additional capacity of 300+ mmgy announced or under construction
- 2 biodiesel plants under construction – 105 mmgy of planned capacity
  - canola feedstock



# North Dakota ranks 1st in the nation in potential to produce perennial energy crops...



# There is great potential to develop the biomass industry in North Dakota...

- Production of energy crops for delivery to an ethanol conversion facility or bio-products facility
- Utilization of crop aftermath to produce cellulosic “nanowhiskers”
- Utilization of wood waste or chips to feed boilers for energy production



# NASDA

- National Association of State Departments of Agriculture
- Commissioners, secretaries and directors of agriculture from 50 states and 4 territories (Puerto Rico, Guam, American Samoa and the Virgin Islands)
- Commissioner Johnson is President-Elect





# NASDA

- Nonprofit, nonpartisan association
- Mission is to support and promote the American agriculture industry, while protecting consumers and the environment, through the development, implementation, and communication of sound public policy and programs



# NASDA Farm Bill Recommendations

- NASDA's purpose is to contribute to a wide-ranging and constructive debate on agricultural policy and the next farm bill.
- 209 specific recommendations in nine general policy areas.



# NASDA Farm Bill Recommendations

- **Economic Safety Net for Producers**
- - Maintain marketing loans and counter-cyclical payments
- - Expand crop insurance options with an emphasis on whole farm revenue insurance
- - Enact a permanently authorized disaster assistance program
- - Payment limits must be clearly established and enforceable; the “three-entity rule” needs to be revised.
- - GAO needs to study and report on the impact of direct payments on land values to provide a baseline for future policy discussions.



# NASDA Farm Bill Recommendations

- **Support for Bio-industry Development with Emphasis on Energy Production**
- - Implement the 25x25 agriculture energy initiative with emphasis on the development of alternative fuels from agriculture commodities and other biomass
- - Make permanent the tax credits for ethanol and biodiesel
- - Establish on-farm incentives to produce and utilize solar, wind, and biobased energy, including allowing use of CRP land for production of energy and biobased crops with commensurate payment reductions
- - Develop a cellulosic/energy feedstock production base enrollment program using long term contracts



# NASDA Farm Bill Recommendations

- Other recommendation areas include:
  - Access to International Markets for U.S. Agricultural Products
  - Support for Specialty Crops
  - Enhancing Environmental Quality through Partnerships with States
  - Rural Development
  - Providing Safe, Healthy, and Nutritious Food
  - Identification and Removal of Invasive Species
  - All-Hazards Security Programs
  - Research and Information
  - Biotechnology
  - Other Critical Issues – Labor and Transportation
  - Role of States



# Future Opportunities for Agriculture and Energy...

- Demand for alternative energy sources will continue to increase
- Agriculture will play a vital role in our energy future
- Favorable political momentum
  - Increases to the RFS
  - Federal support for technological advances in biomass
  - Farm Bill is expected to have expanded energy title



# Future Opportunities for Agriculture and Energy...

- As agriculture changes, transportation demands will also shift:
  - Biofuel feedstock demand will shift certain commodities away from export markets and toward local processing
  - Biofuels cannot easily share pipeline infrastructure with traditional fuels
  - Biofuel production generates significant by-products that need to be transported to a variety of markets
  - New-generation biofuels will require harvest and delivery of very different materials in large quantities (i.e. crop aftermath, energy crops, etc...)



*These are exciting times for agriculture, energy and transportation. We need to be forward-thinking and creative in crafting public policy. And, we need to collaborate and work together to solve issues and create new opportunities for each of these sectors.*





# Thank You!

Roger Johnson  
Agriculture Commissioner  
600 E Blvd Ave  
Dept 602  
Bismarck, 58505  
(701) 328-4754  
1-800-242-7535

[ndda@nd.gov](mailto:ndda@nd.gov)

[www.agdepartment.com](http://www.agdepartment.com)

