

# FACT SHEET: AEA RADIO AD

## “FARM BILL”

**AUDIO:** “Congress is at it again. This time with a so-called Farm Bill, which was *supposed* to support our local farmers and our nation’s agriculture industry.”

**FACT:** Only 11 percent of funding in the Senate farm bill (\$969 billion over 10 years) goes to farm policies ([http://www.washingtonpost.com/blogs/ezra-klein/post/the-senate-farm-bill-in-one-graph/2012/06/14/gJQAdAx4cV\\_blog.html](http://www.washingtonpost.com/blogs/ezra-klein/post/the-senate-farm-bill-in-one-graph/2012/06/14/gJQAdAx4cV_blog.html) and [http://www.agri-pulse.com/uploaded/CBO\\_Pub\\_S3240.pdf](http://www.agri-pulse.com/uploaded/CBO_Pub_S3240.pdf)). Food stamp benefits and the energy spending programs account for 79 percent of the overall spending (\$769 billion over 10 years) while commodity programs, crop insurance, conservation programs, trade assistance programs, and research and development programs make up 11 percent (\$204.9 billion over 10 years).

**FACT:** Only 22 percent of funding in the House farm bill goes to farm policies. The bill costs almost \$100 billion per year, with \$78.4 billion in spending per year for food stamp benefits and \$251 million per year for energy spending ([http://articles.chicagotribune.com/2012-07-23/news/ct-edit-food-stamps-20120723\\_1\\_farm-bill-modest-revenue-losses-farm-subsidies](http://articles.chicagotribune.com/2012-07-23/news/ct-edit-food-stamps-20120723_1_farm-bill-modest-revenue-losses-farm-subsidies) and <http://agriculture.house.gov/sites/republicans.agriculture.house.gov/files/documents/FARRMSectionbySection.pdf>).

**FACT:** The House and Senate Farm bill would fund several non-agriculture specific programs, including:

- The Biorefinery Assistance Program, which provides loan guarantees for the development, construction, and retrofitting of commercial-scale biorefineries ([http://www.rurdev.usda.gov/BCP\\_Biorefinery.html](http://www.rurdev.usda.gov/BCP_Biorefinery.html)). According to USASpending.gov, the top 5 recipients to date are Zechem Boardman Biorefinery, Coskata, Enerkem, Range Fuels, and Ineos New Planet Bioenergy—all of which are energy companies, not agriculture.
- The Bioenergy Program for Advanced Biofuels, which provides payments to producers to support and expand production of advanced biofuels refined from sources other than corn kernel starch ([http://www.rurdev.usda.gov/BCP\\_Biofuels.html](http://www.rurdev.usda.gov/BCP_Biofuels.html)). According to USASpending.gov, the top 5 recipients to date are Lake Erie Biofuels, Renewable Energy Group, White Energy, Louis Dreyfus Agricultural Industries, and Smarter Fuel—all of which are energy companies, not agriculture.

**AUDIO:** “What Washington politicians aren’t telling us is that their bill gives away millions in taxpayer money for wasteful energy subsidies.”

**FACT:** The House version of the Farm Bill provides \$1.25 billion over 5 years in discretionary funding for energy programs (<http://agriculture.house.gov/sites/republicans.agriculture.house.gov/files/documents/HR6083FARRM.pdf>).

Specific energy programs that are funded in the House bill:

Biorefinery Assistance Program--\$75 million authorized per year  
Biomass Crop Assistance Program--\$75 million authorized per year  
Bioenergy Program for Advanced Biofuels--\$50 million authorized per year  
Rural Energy for America Program--\$45 million authorized per year  
Biobased Markets Program-- \$2 million authorized per year  
Biodiesel Education Program--\$2 million authorized per year  
Community Wood Energy Program -- \$2 million authorized per year

**FACT:** The Senate Farm bill provides \$1.5 billion over 5 years for energy programs, \$816 million of which is mandatory and \$365 million of which is discretionary ([http://www.agri-pulse.com/uploaded/CBO\\_Pub\\_S3240.pdf](http://www.agri-pulse.com/uploaded/CBO_Pub_S3240.pdf)).

Specific energy programs that are funded in the Senate bill:

Biorefinery Assistance Program--\$100 million mandatory in 2013, \$58 million mandatory for 2014 and 2015

Biomass Crop Assistance Program--\$38.6 million mandatory per year

Bioenergy Program for Advanced Biofuels--\$20 million authorized per year

Rural Energy for America Program--\$20 million authorized per year, \$48.2 million mandatory per year

Biobased Markets Program--\$2 million authorized per year, \$3 million mandatory per year

Biodiesel Education Program--\$1 million authorized per year, \$1 million mandatory per year

Biomass Research and Development -- \$30 million authorized per year, \$26 million mandatory per year

Community Wood Energy Program --\$5 million mandatory

**AUDIO:** "Another payday for Congresses' corporate cronies."

**FACT:** USDA has committed \$170 million to the Navy's plan to have 50 percent of the Naval fleet operating on biofuels by 2020 (<http://www.biofuelsdigest.com/bdigest/2012/07/03/the-obama-plan-for-cost-competitive-military-biofuels-the-10-minute-guide/>). The Navy's "Green Fleet" plan has recently been criticized for contracting to purchase biofuels at \$26 per gallon from politically-connected firms—for example, the President and Co-founder of Solazyme, one of the contract awardees, serves on a federal biofuel advisory committee that assists government agencies in the development of biofuels programs.

According to Agriculture Secretary Tom Vilsack, USDA will support the Navy's biofuel program by "using Commodity Credit Corporation resources to ensure fuel purchased from the biorefineries will be cost-competitive. This will be done through existing USDA programs such as the Biomass Crop Assistance Program." Specifically, Vilsack says that CCC funds will be used to buy down the cost of feedstocks to biofuel producers.

(<http://www.biofuelsdigest.com/bdigest/2012/07/03/the-obama-plan-for-cost-competitive-military-biofuels-the-10-minute-guide/> and <http://biomassmagazine.com/articles/7824/usda-navy-doe-efforts-offer-over-130-million-for-biofuels/>)

**AUDIO:** "We already have a \$15 trillion dollar debt and if it passes, this Farm Bill will cost already overburdened taxpayers another \$1 trillion over the next ten years."

**FACT:** As of July 20, 2012, the U.S. Treasury reports that the outstanding U.S. national debt is \$15.87 trillion (<http://www.treasurydirect.gov/NP/BPDLogin?application=np>).

**FACT:** According to the Congressional Budget Office, the 10-year cost of the Agriculture Reform, Food and Jobs Act of 2012 will be about \$969 billion (<http://www.cbo.gov/sites/default/files/cbofiles/attachments/s3240Passed.pdf>).

**AUDIO:** "Washington's lobbyists won't fool us with their dirty tricks by calling it the *Farm Bill*. It actually means higher energy prices for families. And we can't afford another bill that will hand taxpayer money to fund senseless energy boondoggles."

**FACT:** The corn-based and cellulosic-based ethanol subsidized by the Farm Bill is more expensive than gasoline: consumers get less miles per gallon because ethanol is less efficient on a power output basis than regular gasoline. For this reason, the average national price of gasoline blends containing 15 percent ethanol is \$4.12 as of July 20, whereas

the price for regular gasoline is \$3.44

(<http://fuelgaugereport.aaa.com/?redirectto=http://fuelgaugereport.opisnet.com/index.asp>). This is a 19 percent difference.

**FACT:** Under the Energy Independence and Security Act of 2007, refiners are required to blend increasing amounts of subsidized biofuels into the U.S. fuel supply each year (<http://www.epa.gov/oms/fuels/renewablefuels/index.htm>). As such, taxpayers pay for the cost of the subsidy and receive less miles per gallon because ethanol fuel blends are less efficient. In the event that the mandated level of cellulosic biofuel is not blended into the supply in a given year—which has been the case every year since the mandate was created—U.S. refiners must pay a fine for non-compliance. The fees that refiners have had to pay for not blending non-existent ethanol are on a per gallon basis, \$1.58 in 2010, \$1.13 in 2011, and \$0.78 for 2012. For 2011, the total fee paid by refiners and blenders is estimated at \$6.8 million, and these costs will increase significantly if EPA raises the mandate without a corresponding increase in production of ethanol (<http://www.productsandpower.org/2012/07/09/607/>). These costs are passed on via higher gasoline costs.

**AUDIO:** Remind Congress that the Farm Bill should help farmers and consumers, not their corporate cronies.

Call Congressman (King/Lucas/Berg) at xxx-xxx-xxxx and tell him to oppose the *special interest* backed Farm Bill.”