

**Testimony of Ryan W. Stroschein**  
**Co-Director of the Agriculture Energy Coalition**  
**House Agriculture Subcommittee on Conservation, Energy and Forestry**  
**“Formulation of the 2012 Farm Bill: Energy and Forestry Programs”**  
**May 18, 2012**

**Introduction and Background**

Good morning Chairman Thompson, Ranking Member Holden, and other members of the Subcommittee. Thank you very much for providing me the opportunity to testify here this morning. My name is Ryan Stroschein and I am co-director of the Agriculture Energy Coalition. The Coalition is a diverse and dynamic group of renewable energy, energy efficiency, agriculture, environmental and rural development organizations, and private companies that represent a very broad spectrum of renewable electricity, energy efficiency, advanced biofuel, biopower and bioproduct interests. This Coalition has come together, in part, to support the important energy programs contained in the Farm Bill, to urge continuation of meaningful funding for these programs, and to promote policy changes that will make them even more effective.

Renewing and funding these successful programs, which work in partnership with our nation’s farmers, ranchers, rural small businesses and innovative energy entrepreneurs, will continue to leverage hundreds of millions of additional dollars in private investment for these industries and is vital to the commercialization of renewable energy, energy efficiency and bio-based products.

Across the country, we’ve seen some early successes from these initiatives. First-of-their-kind biorefineries will soon start producing advanced biofuels in Florida and elsewhere; wind turbines are powering farms, ranches and rural businesses from Maine to California; solar systems are being used for various on-farm or business purposes, including to lower irrigation costs in dozens of states; and biobased products such as bioplastics and solvents are being produced in states like Michigan, Iowa and Ohio for industrial applications.

The Senate Agriculture Committee recently agreed that these are worthwhile investments to make. In April they adopted a bi-partisan farm bill that maintains modest and necessary mandatory funding and makes improvements to several core energy title programs. The Ag Energy Coalition supports these efforts and believes that the final Farm Bill should include these minimum investments to preserve and grow ag energy jobs across the U.S.

**A Track Record of Accomplishment for the Energy Title**

The 2002 and 2008 Farm Bills recognized the potential of Rural America to deliver clean, domestic, renewable energy, energy efficiency and bio-products, and provided significant resources for their development across a broad spectrum of technologies in all regions of the country. These foundational

policies have transformed the promise of an emerging clean, renewable, sustainable rural energy sector into a growing reality. A continued commitment to these goals will accelerate this momentum and is a vital component of the “all-of-the-above” national energy strategy that has broad bipartisan support in this Congress.

Conversely, without an ongoing commitment to these goals, our world leadership in energy innovation will be fleeting and the U.S. will lose ground to international competitors. Other countries are poised to catapult ahead of the U.S. in the global race to commercialize clean energy technology, and those jobs will go with them. This would undermine our economic, energy, environmental and national security and could put the U.S. in the position of purchasing and importing these technologies from foreign companies and nations in the years ahead.

The core energy title and risk management directives of the existing Farm Bill perform many functions vital to the continued and accelerated development of the emerging clean technology industry. They provide:

- Loan guarantees and grants to fund new biorefineries in every region of the country that utilize diverse local feedstocks, accelerate commercialization of innovative technologies and the development of new advanced biofuels, renewable chemicals, and bio-products;
- Labeling and incentives to speed the development of a U.S. renewable chemicals and bio-based products industry;
- Assistance in improving the energy efficiency of farms and rural businesses to cut input costs and boost producer margins;
- Incentives to install distributed renewable energy systems that benefit every agricultural sector, including wind, solar, geothermal and biogas;
- Support for developing perennial energy crops grown to benefit both agricultural producers and the environment;
- Research and development funding for biomass feedstocks and renewable chemical technologies;
- Funding to promote the installation of energy systems that use biomass for heat and power; and
- Crop insurance and risk management tools that agricultural producers can use to mitigate the risks of growing new energy crops.

### **Economic Impact: Jobs, Increased Rural Income, New Business Opportunities**

American agriculture is the key to the successful development and commercialization of clean, abundant, renewable, domestic energy and biobased products in this country, and the “core” Farm Bill energy programs provide American farmers, ranchers and entrepreneurs with the tools they need to make it happen. This can be a game-changer for rural economies across the country, with the potential to create hundreds of thousands of energy-jobs over the coming years.

Although relatively new, the Farm Bill energy programs already have had a tremendous positive impact on economic and job growth in rural America, and they can do so much more. USDA estimates that the BCAP and Biorefinery Assistance programs alone have the potential to create more than 700,000 new jobs as a result of increased cellulosic feedstock production and the construction and operation of new biorefineries. Furthermore, based on a survey of companies that could potentially qualify for the Biobased Markets Program, it is estimated that that program could create an additional 100,000 American jobs in the coming years.

Despite the fact that the 2008 Farm Bill allocated only 0.7 percent of its total funding for energy, these programs have been very successful. Many new feedstocks, processes, fuels and technologies are on the cusp of successful commercialization as a result. The impact of these investments is broad, with projects in all 50 states, and outsized relative to the total dollar amount allocated because the programs are targeted. Moreover, they leverage much more in state and private sector investments than would ever be possible without them.

These programs also will help us keep energy dollars here at home where they have a significant multiplier effect, both in terms of economic development and job creation. This is clearly a 'win-win' approach to meeting our nation's economic and energy security challenges.

If the Federal government retreats from its commitment to clean energy, in the Farm Bill and elsewhere, the U.S. will risk losing even more ground to China, Europe, India, Brazil, and other proactive nations, and the new manufacturing jobs, industries and revenue this sector is going to generate in the coming decades will migrate overseas. A clean energy future provides domestic economic growth and jobs and improves national security and environmental quality. Everyone stands to benefit if we maintain this commitment. The U.S. is a nation rich in renewable resources with core strengths in industrial biotechnology, agriculture and chemical manufacturing, among other competencies. For these reasons, it makes competitive and economic sense for the U.S. to make the investments necessary to keep it at the vanguard of global renewable energy, energy efficiency and bioproduct development.

### **Key Programs for Clean, Ag-based Energy Jobs**

The suite of programs contained in the energy title covers the entire renewable energy, energy efficiency and bioproducts landscape. Wind power works very well throughout the U.S. and especially in the Midwest, West, and offshore, solar works well across the country and in particular the South and West, biogas potential is huge in dairy, livestock and food processing states, bioproduct manufacturing will develop near industrial hubs and significant biomass exists almost everywhere. In other words, every State will benefit because these programs allow them to exploit their individual, inherent resource bases.

The Coalition believes that the following programs are the most important initiatives in the energy title of the Farm Bill and have focused on their reauthorization and funding:

### Rural Energy for America Program

The Rural Energy for America Program provides grants and loan guarantees for energy efficiency and renewable energy projects as well as support for feasibility studies and energy technical assistance. Of all the Farm Bill energy programs, REAP provides benefits to the broadest spectrum of energy technologies, including the installation of wind, solar and biogas energy systems, biofuels infrastructure and energy efficiency initiatives throughout rural America. These programs also promote distributed generation – clean, decentralized energy production that promotes energy security and relieves pressure on our national energy grid. Energy efficiency boosts producer margins by cutting input costs for the long term and creates jobs in rural America. USDA estimates that REAP saved or created 15,000 jobs between 2009 and 2011.

### Biomass Crop Assistance Program

The Biomass Crop Assistance Program (BCAP) is the only federal program that assists producers who seek to grow, harvest, store and deliver dedicated energy crops to eligible next-generation biorefineries and is the only program that assists in the collection, harvest, storage and delivery of the biomass to electric generating facilities. Without this program, the agricultural community is reluctant to embrace these crops and forest residues due to the risk involved. Farmers and others in rural areas are bullish on renewable energy development but energy crops are unfamiliar to producers, lenders and insurers of these crops, and they enjoy almost none of the safety net components afforded traditional “farm program” crops. These crops can also be grown to improve soil conservation and water quality practices. In addition BCAP’s promotion of utilizing woody biomass supports healthy forests and contributes to rural economies.

### Biorefinery Assistance Program

The Biorefinery Assistance Program promotes the construction of the new infrastructure needed to manufacture cutting-edge new biofuels. Only commercial-scale biorefineries that produce advanced biofuels and bioproducts derived from renewable biomass are eligible for the program. Given the challenges borrowers in all industries have faced in accessing credit markets in recent years, it is no surprise that developers of next-generation, first-of-their-kind biorefineries have faced difficulties in finding private credit to fund the construction of these new facilities. Government loan guarantees are extremely valuable in economic conditions such as these because they allow promising new technologies to advance while leveraging significant private lending and investment that would otherwise remain on the sidelines.

### Biobased Markets Program

The Biobased Markets Program enables qualifying bio-based products to receive a “bio-based” label, and uses federal purchasing power to build new markets. To date, USDA has designated a total of 77 categories and 10,000 products and it continues to expand that list.

On May 1 of this year, Agriculture Secretary Vilsack announced new, expanded proposed guidelines for the USDA program that would allow for the designation of intermediate ingredients such as fibers, resins, and chemicals so that the products made from them could more easily be designated for

preferred Federal procurement. This inexpensive program has served as a vital springboard for the emerging bio-based products industry and it will continue to drive innovation and expansion of the industry if it is reauthorized and funded.

## **Conclusion**

Rural America has been at the epicenter of our nation's burgeoning new renewable energy and bioproducts industries, and farmers, ranchers, rural small businesses and rural economies have already begun to realize the benefits. American agriculture, and the rural communities it supports, have demonstrated that they have the vision, entrepreneurialism, optimism, and tenacity to continue to develop these important and lucrative new industries if provided the tools to do so.

And the progress that has been made to date really is really just the tip of the iceberg. If we continue our national investments and policy commitments in these areas, the economic and job growth that will follow will exceed what we've already experienced. As we all hear from business over and over again, resource and policy certainty are critical for sustained growth and innovation.

Continuing these vital Farm Bill energy title programs will promote the protection and expansion of American ag energy jobs, drive innovation, develop cutting-edge technology we can export to the world, provide meaningful benefits to the environment, enhance national security, and ensure that we continue to lead the world in the development of these vital and lucrative new industries. For these reasons, we urge this panel, and this Congress, to reauthorize these vital energy programs and provide them with mandatory funding through the life of the next Farm Bill.

Thank you and I look forward to your questions.

Committee on Agriculture  
U.S. House of Representatives  
Information Required From Nongovernmental Witnesses

House rules require nongovernmental witnesses to provide their resume or biographical sketch prior to testifying. If you do not have a resume or biographical sketch available, please complete this form.

1. Name: *Ryan W. Stroschein*
2. Organization you represent: *Agriculture Energy Coalition*
3. Please list any occupational, employment, or work-related experience you have which add to your qualification to provide testimony before the Committee:

*I served as a congressional aide on Capitol Hill for seven years, serving as a legislative assistant, legislative director and legal counsel for two different Members, both of whom served on their respective Agriculture Committees. I also handled resources issue for a Member of the Natural Resources Committee and currently represent several renewable energy companies and trade associations here in Washington, DC.*

4. Please list any special training, education, or professional experience you have which add to your qualifications to provide testimony before the Committee:

*I have a juris doctorate degree from the University of Nebraska and am admitted to practice law in South Dakota and the District of Columbia. During my years on Capitol Hill, I handled agriculture, energy, environmental and transportation issues. I also handled energy and environmental policy matters for a major transportation trade association in Washington, DC, for three years.*

5. If you are appearing on behalf of an organization, please list the capacity in which you are representing that organization, including any offices or elected positions you hold:

*I am the co-founder and co-director of the Agriculture Energy Coalition, a group of renewable energy, energy efficiency, agriculture, environmental and rural development organizations, and private companies that supports the Farm Bill's energy programs, advocates continuation of meaningful funding for these programs, and promotes policy changes that will make them more effective.*