



The Fertilizer Institute

Nourish, Replenish, Grow

MEMORANDUM

TO: TFI Farm Bill Task Force Member

FROM: Everett Zillinger, Director of Government Relations

SUBJECT: U.S. Senate Agriculture Committee Passes Its Version of 2007 Farm Bill

DATE: October 25, 2007

Spending caps, payment limits and the continued promotion of biofuels were the overriding themes of the U.S. Senate Agriculture Committee's 2007 Farm Bill markup this week. The markup ended this afternoon with the bill containing numerous issue of potential interest to the North American fertilizer industry. Two issues in the Senate Agriculture Committee's farm bill markup that drew attention from The Fertilizer Institute (TFI) follow:

Sec. 7102—Changing Reduction to Improved Efficiencies for Fertilizer

This section focuses on High-Priority Research and Extension Initiatives that would work to create incentive payments for practices on optimal crop rotations including “reductions in pesticide, fertilizer, and energy use.” TFI has secured an agreement with the staff of the committee's ranking member Sen. Saxby Chambliss (R-Ga.) to work to revise this language to “improved efficiencies in pesticide, fertilizer and energy use” when the farm bill is considered on the Senate floor.

Sec. 9018—Fertilizer Study

This section authorizes a rural nitrogen fertilizer study and directs the U.S. Department of Agriculture to assess the feasibility of producing nitrogen fertilizer from renewable energy. This provision directs the Secretary that within 270 days to submit a report to Congress identifying the critical needs to commercializing the rural production of nitrogen fertilizer from renewable energy. The study is to identify efficiency improvements for renewables-to-nitrogen in order to produce cost-competitive nitrogen fertilizer and identify the most promising technologies. The study is to evaluate cost competition from nitrogen fertilizer produced using natural gas and coal, modifications to current anhydrous ammonia pipeline and storage systems, transportation and storage infrastructure, safety regulations and greenhouse gas reduction benefits of producing nitrogen fertilizer from renewable energy. In the study, the Secretary is to provide recommendations for legislation and establish a research, development and demonstration program to support the commercialization of rural nitrogen production using renewables. The study is authorized for \$1 million for FY 2008.

Sec. 11062—Methamphetamine Grants

This section authorizes grants to reduce production of methamphetamines from anhydrous ammonia produced from a nurse tank. A person who sells an agricultural product of chemical is eligible for a grant. The grant can be used for a physical lock or a chemical substance.

These issues and others are highlighted in a summary of the committee passed bill, which is attached. If you have any questions regarding the Senate Agriculture Committee's farm bill, please contact me anytime at (202) 515-2705 or at ezillinger@tfi.org.