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Iowa State researcher rates climate bill positive for agriculture

By Agri-Pulse Staff

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With the U.S. Senate due to tackle contentious climate change legislation when it returns September 8th, an Iowa State University assessment concludes that while cap-and-trade legislation “introduces uncertainty,” failing to act now could lead to even more uncertainty, more downside risk and “a much greater technological challenge.”

In a September AgMRC *Renewable Energy Newsletter* article, AgMRC co-director Don Hofstrand adds up the potential negative impacts that the House-passed Clean Energy and Security Act could have on U.S. farmers and ranchers due to higher energy prices. He finds that “The overall impact on net farm income is expected to be relatively small . . . down about 1 percent in the next decade, decreasing by about 7 percent by mid-century.”

Hofstrand writes that even the 7 percent drop may be an overestimate since farmers have a long track record of improving productivity. He points out that thanks to “improved machinery and equipment, enhanced energy efficiency, changes in tillage practices, improvements in genetic ability of crops to utilize fertilizer, increased livestock feeding efficiency, and changes in the commodities produced,” since 1973 “farm output has grown by 63 percent while energy consumption has declined 26 percent.”

On the plus side, Hofstrand sees farmers and ranchers earning substantial income from selling carbon offsets. He says no-till farming already gives farmers a way to store large amounts of carbon in the soil. As new technologies are developed, he sees far greater income opportunities from increasing soil carbon sequestration with charcoal, capturing ethanol plant emissions, developing new feedstocks for nitrogen fertilizer, and transforming livestock manure emissions from a greenhouse gas problem to a major energy source.

Hofstrand concludes with a pay-me-now or pay-me-more-later warning: “climate change has the potential to significantly impact the world’s agricultural production capacity. Not developing greenhouse gas reduction technologies today will lead to the need for developing technologies to help us adapt to climate change in the future. This will be a much greater technological challenge.”

To read Don Hofstrand's "Impact of Cap and Trade Legislation on U.S. Agriculture" article, go to:

http://www.agmrc.org/renewable_energy/agmrc_renewable_energy_newsletter.cfm

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