United States Senate

WASHINGTON, DC 20510

March 27, 2015

The Honorable Jerry Moran Chair Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies U.S. Senate Appropriations Committee Washington, DC 20510 The Honorable Jeff Merkley Ranking Member Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies U.S. Senate Appropriations Committee Washington, DC 20510

Dear Chairman Moran and Ranking Member Merkley:

The recently enacted Agricultural Act of 2014 (Farm Bill) reaffirms the importance of the energy programs within the United States Department of Agriculture (USDA). That legislation provides mandatory funding for renewable energy and energy efficiency programs, and it also authorizes discretionary appropriations for many of the programs. These programs contribute to the economic health and sustainability of rural America, and help to ensure our nation's energy security by increasing the production of home-grown advanced biofuels, bioproducts, and bioenergy. We therefore strongly recommend that you maintain all mandatory funding for USDA's energy programs, as authorized in the Farm Bill, and that you provide strong discretionary funding for these programs in Fiscal Year (FY) 2016.

Several of the USDA's energy programs play an especially critical role in improving energy systems in the agricultural sector, and in expanding rural America's energy and materials contributions to our national energy economy. For example, the Rural Energy for America Program (REAP) provides significant incentives for agricultural producers and rural small businesses to make energy efficiency improvements, and to purchase or install renewable energy systems. REAP also generates much-needed job and economic benefits in every state, serves all agricultural sectors, and leverages private investment at a rate of approximately three-to-one through cost-sharing.

The Biorefinery Assistance Program provides financial incentives for the development of commercial-scale advanced biorefineries, reducing investor risk for emerging technologies and supporting well-paying jobs in rural communities. By providing grants and loan guarantees to producers of advanced biofuels, bio-based products, and renewable chemicals, this program is critical to diversifying feedstocks and opening new markets for agricultural products. Another important program is the Biomass Crop Assistance Program (BCAP), which provides financial assistance to owners and operators of agricultural and private forest land who wish to establish and produce sustainable, non-food biomass feedstocks for delivery to advanced biorefineries.

These are only some of the important energy programs within the USDA. We believe funding for USDA's energy programs should receive priority consideration within a fiscally responsible appropriations bill. With strong national interest in agriculture-based clean energy solutions, we urge you to support these funding priorities in FY 2016.

Sincerely,

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