

# **NASEO State and Territory Agriculture Task Force**

## **Sample Agriculture Organization Outreach Document**

**MEMO**

**TO:**

Agriculture Organizations

Vice Chancellor for Research, University of Nebraska

Nebraska Power Association

Nebraska Rural Electric Association

**FROM:**

Merlyn Carlson, Dept. Of Agriculture

Mike Linder, Dept. Of Environmental Quality

Larry Pearce, Nebraska Energy Office

**SUBJECT:**Energy, Agriculture and the 2002 Farm Bill

Recently, representatives of our respective offices, along with State Conservationist Steve Chick and Nebraska Rural Development Director Jim Barr, met to discuss potential energy-agriculture related projects, and develop a plan to assist interested Nebraskans in the utilization of the grant and loan programs created in the new Farm Bill. We feel planning needs to begin now in order to be positioned once program rules and regulations are announced.

The goals of this memo are to alert you to our efforts and ask you to consider whether your group may already have developed, or be interested in developing, possible projects that can fit under the Farm Bill programs.

There are several new loan/grant programs created under Title IX, the Energy Title, as well as possible options through the EQIP program found in the Conservation Title and various Rural Development programs. Summaries of these provisions are attached. Some of these programs have a better chance than others at actually being funded. Below we highlight a couple that we feel offer the best, most immediate opportunities: 1) Conservation Innovation Grants under the Environmental Quality Incentives Program. NRCS Nebraska is awaiting word on Congressional action regarding its 2002-03 budget. Nebraska may use 5 percent of its EQIP allocation for Conservation Innovation Grants, which are "competitive grant awards to stimulate innovation approaches to environmental enhancement and protection, in conjunction with agricultural production." Grants can go to governmental or nongovernmental organizations and individuals. Awards may not exceed 50 percent of the cost of the project. 2) Biomass Research and Development Initiative. Under Section 9008 of the Energy Title, this initiative was to receive \$5 million for FY02 and \$14 million for each fiscal year of the Farm Bill, as well as a possible additional \$49 million per year. The authorization is to be used to fund the Biomass Research and Development Act of 2000. This act established a Biomass Research and Development Board and a Biomass Research and Development Technical Advisory Committee and created a grant program. The grant program is open to nonprofit

organizations, private individuals, universities, national laboratories and federal and state research laboratories. You can learn more about this program at [www.bioproducts-bioenergy.gov](http://www.bioproducts-bioenergy.gov).

3) The Value-Added Grant Program under the Rural Development Title. As I am sure many of you are aware, the applications for FY02 money have already been closed. It's not known how soon applications for FY03 may be considered since Congress has not yet passed any budget bills; however, because this is not a new program, the application process may move quickly once funds are appropriated. Part of the reason we feel there may be opportunity for energy-agriculture projects under this program is because the bill specifically includes in the definition of value-added products "farm- or ranch-based renewable energy, including wind energy development. Congress also broadened the eligibility guidelines. Those that can apply include individual producers, agricultural producer groups, cooperatives, and majority-controlled producer-based businesses.

During our discussion last week, the group talked about three potential Nebraska issues and/or projects that we would like to see move forward through federal grant opportunities. 1) Methane. Coordinated by Nebraska Department of Environmental Quality, the Methane Working Group has been researching possible solutions to easing livestock-related methane problems by turning the gas into energy. 2) Carbon Sequestration. The Carbon Sequestration Task Force concluded its legislative charge early this year, but still continues to work on issues. Grant funds could be used to help achieve several of its recommendations for action, including expanding carbon sequestration research, creating a pilot project and taking a Nebraska greenhouse gas inventory. 3) An integrated cattle production/methane capture/ethanol plant operation. There has been a proposal for such a project to be hosted near Mead. It would be similar to the PRIME project being developed near Pierre, South Dakota. 4) Wind energy development generally. Up to \$115 million will be available for grants and loans to farmers and ranchers to finance renewable energy systems, such as wind turbines and solar devices and for energy efficiency improvements. 5) Energy audits and biorefineries. Grants for on-farm energy audits to reduce energy use or utilize renewable energy resources will be available. Grants for biorefineries to produce fuels and chemicals to replace petroleum-based products will also be available.

These are just a few general options for you to consider, but we want you to be thinking about projects you may be interested in. We plan to continue monitoring activities on this subject. Please share this memo with your membership, and urge them to begin identifying potential Nebraska projects.

If you are interested in being updated on ongoing activities or have questions, please respond to Bobbie Kriz-Wickham at the Department of Agriculture, (402) 471-2341, Larry Pearce at the Energy Office, (402) 471-3362, or Joe Francis at the Department of Environmental Quality, (402) 471-6974.

Thanks.

Attachments: Title IX