

NATIONAL SORGHUM PRODUCERS FARM BILL TESTIMONY

Presented to:

U.S. House of Representatives Committee on Agriculture Subcommittee on Commodity Exchanges, Energy, and Credit

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Introduction

On behalf of National Sorghum Producers, I would like to thank the House Committee on Agriculture for the opportunity to submit testimony on the next U.S. farm bill and implications for sorghum in renewable energy.

My name is John Duff. I serve as strategic business director for NSP, where I focus primarily on farm policy analysis and work with sorghum-based renewable energy producers on policy and regulatory issues. NSP represents U.S. sorghum farmers nationwide, and our mission is to increase their profitability by ensuring sound approaches to legislation and regulation. NSP greatly appreciates the work put forth by the Committee in preparation for the next farm bill and looks forward to working with its members to craft this vital farm policy. My testimony, in particular, will focus on implications for sorghum in renewable energy.

Industry Overview

The High Plains produces the largest volume of sorghum, but the crop is also grown from Georgia to California and south Texas to South Dakota. In 2016, 480 million bushels of sorghum were produced in the U.S., with Kansas and Texas contributing approximately 80 percent of this total. Sorghum uses one-third less water than corn and tolerates heat much better than comparable crops. These characteristics make it well-suited for the semi-arid High Plains, where groundwater declines threaten local economies often underpinned by renewable energy or ethanol producers. Ethanol producers typically consume about one-third of U.S. sorghum production and are on track to use 125 million bushels in 2017.

Expand Opportunities for Renewable Energy Producers Using Sorghum

Since the 2008 Farm Bill was enacted, the U.S. renewable energy industry has seen both incredible opportunities and tremendous challenges. As with any new industry many companies have experienced only limited success, and setbacks have sometimes seemed more common than growth. Through this decade of change, sorghum has proven to be a constant for first generation and next generation renewable energy producers. The advantages are clear: Sorghum is a source of starch, sugar and cellulose all in a single crop; its agronomic needs are well-known to U.S. farmers; and it is supported by a seed industry with roots in the 1950s upper Texas Panhandle, where 85 percent of the world's sorghum seed is still produced. Simply put, unlike other renewable energy feedstocks, sorghum was built to last and is here to stay.

The 2008 Farm Bill recognized this potential and set up a structure to reward ethanol producers for taking risks on feedstocks such as sorghum. NSP firmly believes the resulting incentives enabled ethanol producers to become the foundation of the domestic sorghum market with over \$60 million being used to bolster sorghum demand through the advanced biofuel payment program. NSP strongly urges the Committee to continue and strengthen the program through a more transparent payment calculation process and an addition of provisions that will incentivize new processes designed to increase overall energy production.



As technology has evolved so too have energy title needs. While many programs authorized by the 2002 and 2008 Farm Bills provided much needed support during a time when little was known about the commercial viability of many renewable energy technologies, today's environment is significantly different. Therefore, we strongly encourage the Committee to consider combining and updating programs to better suit the needs of the current renewable energy industry. In summary, the next energy title must focus more on incentivizing greater energy production by proven market participants than on de-risking unproven technology development.

NSP believes sorghum will be a key part of our continuing move toward greater energy independence. The Department of Energy agrees and has committed over \$70 million to sorghum research since 2015. The Department refers to sorghum as a model feedstock in large part because of the diverse nature of the crop: Sorghum is a starch, sugar and cellulose source all in a single crop, and growth in the area of renewable energy will benefit all U.S. sorghum farmers and ultimately all of American Agriculture.