



Agribusiness Update

From the Agriculture Group of Kennedy and Coe, LLC

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Something will have gone out of us as a people if we ever let the remaining wilderness be destroyed; if we permit the last virgin forests to be turned into comic books and plastic cigarette cases; if we drive the few remaining members of the wild species into zoos or to extinction; if we pollute the last clean air and dirty the last clean streams and push our paved roads through the last of the silence, so that never again will Americans be free in their country from the noise, the exhausts, the stinks of human and automotive waste. And so that never again can we have the chance to see ourselves single, separate, vertical and individual in the world, part of the environment of trees and rocks and soil, brother to the animals, part of the natural world and competent to belong in it. Without any remaining wilderness we are committed wholly, without chance for even momentary reflection and rest, to a headlong drive into our technological termite-life, the Brave New World of a completely man-controlled environment. We need wilderness preserved--as much of it as is still left, and as many kinds--because it was the challenge against which our character as a people was formed. The reminder and the reassurance that it is still there is good for our spiritual health even if we never once in ten years set foot in it. It is good for us when we are young, because of the incomparable sanity it can bring briefly, as vacation and rest, into our insane lives. It is important to us when we are old simply because it is there--important, that is, simply as idea." - Wallace Stegner

Wallace Stegner was a writer rooted in the American West, and I thought of him and of what he wrote here about wilderness as my family and I drove recently to California for some family time and a church conference. Our trip is the reason for this newsletter not making it out at the first of the month as we usually attempt to do. I lived in California for four years after high school and have made the trip a number of times, but not for a decade or so and I was struck again by the vastness and grandeur of all that can be seen of mountain, rock, and desert between our home and the San Joaquin Valley of California. As we viewed the vast swaths of wide open spaces, I had to think about agriculture, how nonexistent it was through much of the West, and what water has been able to do to much of the desert. The central valley in California, after all, was once a desert too, but today is one of the richest agricultural regions in the world. At any rate, I did some digging when I got home because I was curious for some perspective regarding the land area of America, in light of all the land use challenges and competition among crops for acres. According to USDA:

The United States has a total land area of nearly 2.3 billion acres (2002)....

- forest-use land, 651 million acres (28.8 percent)*
- grassland pasture and range land, 587 million acres (25.9 percent)*
- cropland, 442 million acres (19.5 percent)*
- special uses (primarily parks and wildlife areas), 297 million acres (13.1 percent)*
- miscellaneous other uses, 288 million acres (10.1 percent)*
- and urban land, 60 million acres (2.6 percent).*

I conclude that within the forest and range categories there is a lot of land that does not appear "productive" out West, but rather a part of the wilderness that Stegner describes above, in addition to the park and wilderness areas designated as such. These numbers also help put the 2009 planted acres estimates by USDA in perspective; for example corn at around 85 million acres represents a bit less than 4% of the United States land area, and the wheat crop that is rapidly ripening in our area today is part of a crop covering a bit less than 3%. I would challenge one inference of Stegner's, however - that is, many of the virtues of "wilderness" that he describes are what we experience on our agricultural lands too.

After all the arid country we had seen driving to California, I also enjoyed talking to some friends when I got there about the water situation in that area, which was near Modesto. I got quite an overview of the history of irrigation water in the San Joaquin Valley. While a shortage of snowpack in the Sierras and increasing urban demands have been putting the squeeze on ag use water in the valley, our friends in the Modesto area have it relatively good, even though a cloud does hang over (no pun intended!) all ag producers in the valley. We did see some abandonment in the southern valley as we drove in, including some orchards that seemed to be in the prime of life and production. Yet on land adjoining the location for the church conference we attended near Modesto was field after field of rice, standing in six inches of water. The "equitable" distribution of water throughout California and all of America is an issue that will only get more prominent in

coming years! Modesto's relatively positive situation derives from some political influence that dates all the way back to the early development of irrigation in the valley:

The story of the Modesto Irrigation District begins with water...or rather the lack of it. It was that one issue that led to the creation of a California irrigation district law. A young Modesto attorney, C.C. Wright, ran for the state legislature in 1886 on one issue - if elected he would go to Sacramento and get irrigation law passed. He was elected and arrived in Sacramento in January 1887. The law passed and was signed by the governor on March 7 that year. Then it was up to the local voters to organize a district under the new law. On July 9, 1887, voters in the Modesto area approved the formation of California's second irrigation district...MID provides irrigation water to approximately 60,000 acres, typically between mid-March and late October each year. Modesto receives an average of 12.21" of rain per rainfall year (July 1-June 30).

There is another current issue in agriculture that relates closely to this whole picture of land use, although in this example it is more global in nature. That being, the interest and involvement of the EPA in climate-related legislation. This relates not just to pending climate change legislation, such as the Waxman-Markey bill, but the continued implementation of the 2007 energy law. The EPA has proposed rules for measuring various forms of energy according to their environmental impact. EPA suggests that ethanol, for example, requires an accounting not only for the actual carbon footprint of it's own growth and production process, but the indirect effect of modified land use in other parts of the world, as acres of ethanol feedstock in the United States increase. American farmers growing corn for the local ethanol plant, in other words, are contributing to the destruction of tropical rain forests due to indirect land use decisions, and the greenhouse gas emissions attributable to clearing those lands must be imputed to grain ethanol. Someone shared with me this week some reporting by Successful Farming that EPA has actually proposed rules that "farmers might have to deliver identity-preserved corn to an ethanol plant if the plant wants to remain eligible for ethanol mandates. The plant would have to be able to trace the corn in processes to existing farmland, not land that has recently been broken up for crops." Apparently the EPA has considered several ways to meet this requirement of the law, including a national baseline for corn acres, or possibly going all the way to a record-keeping system similar to that used with identity preserved grain systems. One interesting fact that SF reported is that the over the last three years, corn exports have increased as ethanol production has ramped up. That would seem to defy the notion that changing land use in the United States for ethanol has forced substantial land use changes in other areas of the world.

More specific to the Waxman-Markey legislation, Greg Vincent of Top Producer reported this week on an exclusive interview with Collin Peterson, Chairman of the House Ag Committee, in which he shares some strong feelings about the EPA staying out of energy and climate legislation as it relates to the impact on agriculture.

<http://www.agweb.com/TopProducer/Article.aspx?ID=15160>

Chris Clayton, DTN Ag Policy Editor, also has some good insights to share on the discussion of ag's role in this pending legislation.

<http://www.dtnprogressivefarmer.com/dtnag/common/link.do?symbolicName=/ag/blogs/template1&blogHandle=policy>

Written and edited by Greg Wolf, Agriculture Group, Kennedy and Coe, LLC

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Kennedy and Coe Agriculture Group
www.kcoe.com • 800-303-3241