

Farm Bill

Biodiesel Issues



Farm Bill Energy Title

We are seeking a Bioenergy Program that pays biodiesel producers a mandatory per gallon payment on all production to offset subsidies on foreign imports and increasing feedstock costs.



House Bill

- ❑ **The House passed Farm Bill includes a CCC Bioenergy Program:**
- ❑ **Funded at \$1.4 billion.**
- ❑ **Biodiesel, cellulosic and other renewable energy sources would be eligible. Corn starch ethanol is excluded.**
- ❑ **The House language maintains focus on increased production, rather than all gallons.**



Senate Bill

The Senate Farm Bill includes a CCC Bioenergy Program:

- Funded at \$245 million.**
- Advanced Biofuels are eligible; corn starch ethanol is excluded.**
- Maintains focus on increased production.**
- Requires producers to choose between the Small Producer Tax Credit (SPTC) and the Bioenergy Program.**



Senate Farm Bill Tax Title

- **The Senate Farm Bill includes a tax package that extends the Biodiesel tax incentive through 2010.**
- **The tax provisions make biodiesel a taxable fuel and change the point of taxation.**
- **The tax credit would remain available to exports under the Senate Farm Bill tax title.**



Farm Bill Energy Title:

Conference Priorities

- Secure sufficient funding for the Bioenergy Program.**
- Ensure that the program focuses on all gallons, rather than increased production.**
- Remove the SPTC provision.**
- Extend the Biodiesel Tax Incentive through 2010 and maintain access to the credit for exports.**



Farm Bill Outlook

- ❑ **Conference negotiations between the House, Senate, and USDA are underway.**
- ❑ **The Administration veto threat over tax provisions, among other things.**
- ❑ **The stand-off over Farm Bill funding is central to the Energy Title and Bioenergy Program.**
- ❑ **Veto is likely; Post veto approach?**