



# AGRICULTURAL PROSPERITY

— Mitt Romney's Vision —  
For A Vibrant Rural America

October 9, 2012

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## Mitt Romney's Vision For A Vibrant Rural America

### **FOREWORD by Senator Mike Johanns & Commissioner Adam Putnam**

Both of us grew up on family farms and have talked and worked with countless farmers and ranchers during our time in public service. Through all of these experiences, one thing has become increasingly clear: supporting our rural communities requires much more than just a good farm bill. It also involves a fair tax code, a rational regulatory environment, access to markets around the world, and an embrace of our domestic energy resources. These are the main pillars of Mitt Romney's agricultural policy. In stark contrast, President Obama has demonstrated time and again that he is out of touch with farmers, ranchers, and other rural Americans. Here are just a few examples of what's at stake in this election:

**Taxes.** Like all Americans, farmers and ranchers need fundamental tax reform that lowers tax rates and makes our tax code simpler and fairer. Unfortunately, President Obama has led a constant drumbeat in the other direction, advocating higher taxes on American farm families. For example, the President has endorsed legislation that would reduce the estate tax exemption to only \$1 million and increase the tax rate to 55 percent. Considering current cropland values, an Iowa farm with as few as 150 acres could expect to pay the estate tax, yet the average farm is almost three times that size. Mitt supports permanent elimination of the estate tax, opposes tax increases, and will put in place fundamental tax reform that lowers rates and supports growth.

**Trade.** Instead of pushing forward with new opportunities to increase U.S. agricultural exports around the globe, President Obama dragged his feet for three years before allowing Congress to even vote on the long-overdue Free Trade Agreements with Colombia, Panama, and Korea — all three of which were negotiated and signed during the previous Administration. The President has stalled ongoing negotiations, initiated no new ones, and failed to even seek Trade Promotion Authority so fresh efforts can get off the ground. Mitt Romney will give agricultural trade the focus it deserves. He will actively seek Trade Promotion Authority and aggressively pursue new agreements that open access for American goods to markets abroad.

**Regulation.** There is little doubt that President Obama has put the federal regulatory train into overdrive, and unfortunately agriculture has all-too-often been the target. His onslaught of duplicative and unnecessary regulations, unworkable proposals, and threatened actions demonstrates little understanding of or appreciation for the nature of American agriculture and its challenges. As president, Mitt Romney will restore common sense and sound cost-benefit analysis to the regulatory process, something that has been sadly lacking over the last few years. He will establish firm limits on the costs of federal regulations and act swiftly to cut through the onerous regulatory burden that the Obama Administration has imposed on every sector of our economy, including agriculture.

**Energy.** High energy prices dramatically affect the bottom line of our nation's agricultural sector by driving up the cost of crucial inputs such as fuel, fertilizer, natural gas, and electricity. Unfortunately, President Obama's energy and regulatory policies have kept American energy prices high, fulfilling his campaign promise to make them "skyrocket." He has pursued cap-and-trade, attempted to bankrupt the coal industry, restricted access to oil and natural gas, and blocked the Keystone XL pipeline that could bring an affordable and reliable supply of oil from Canada. His plan for the next four years? Double down on this failed approach, driving energy prices higher while spending more taxpayer dollars on failing companies like Solyndra. Mitt Romney will replace these failed policies with an approach that embraces our nation's resources and achieves energy independence on this continent by 2020.

The following pages present Mitt Romney's vision for a vibrant rural America. They make a compelling case for why rural Americans should trade in the failed policies and broken promises of the last four years, and trade up to someone who will be a true advocate for American agriculture — Mitt Romney. Please join us between now and November 6<sup>th</sup> to make this vision a reality.

Sincerely,



Mike Johanns  
U.S. Senator  
Former U.S. Secretary of Agriculture



Adam Putnam  
Florida Commissioner of Agriculture  
Former U.S. Congressman

# Executive Summary

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A prosperous agriculture sector is incredibly important for a vibrant rural America, and for the health of the entire American economy. The heartland of this country holds the best of what has made our country great and the dreams of what America can grow to be in the future. But it is not only our core values that thrive in our small towns and family farms; our economy does as well, when hardworking men and women are supported by sound policies that promote growth while minimizing unnecessary interference from Washington bureaucrats.

Mitt Romney understands this truth well, which is why his Plan for a Stronger Middle Class includes policies designed to strengthen our nation's rural communities. He will embrace the immense opportunity of American agriculture, selling goods around the world and helping to achieve energy independence here at home. He will pursue fundamental tax reform that cuts tax rates for all Americans and eliminates the estate tax that unfairly penalizes family farms. And he will respect the legitimate needs and concerns of farmers and ranchers, by ensuring that a strong farm bill is passed in timely fashion and by pursuing rational regulation that protects health, safety, and the environment without imposing unnecessary burdens.

Romney will reverse President Obama's out-of-touch and counterproductive approach to rural America and instead champion the efforts of those who guarantee the safety and security of America's food supply, produce economic prosperity, and help to feed the world.

## **THE ROMNEY AGENDA:**

- Implement effective tax policies to support family farms and strong agribusiness;
- Pursue trade policies that expand upon the success of the agriculture sector, not limit it;
- Create a regulatory environment that is commonsense and cost-effective; and
- Achieve energy independence on this continent by 2020.

*"We already ask our farmers and ranchers to cope with natural disasters. They should not also have to battle a man-made disaster of taxes and regulations from Washington. Our economic recovery must also be a rural recovery, and my plan for a stronger middle class will ensure that our agricultural sector grows and thrives."*

***-Mitt Romney***

# An Opportunity To Grow: The Economic Importance Of Agriculture

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Agriculture is a bright spot in America's bleak economic landscape. President Obama's policies have prevented a recovery from the financial crisis of 2008, but agribusinesses — from small farms and ranches to multinational companies — have found ways to continue growing while adapting to ever-changing conditions. Indeed, this ability to weather uncertainty and make the best of hard times has been a hallmark of their success and sustainability since the founding of our nation.

Credit ultimately lies with America's farmers and ranchers, its millions of farms, and the 51 million Americans living in rural areas and working hard to preserve their way of life. These Americans are vital to the nation's success. While their towns and businesses might not be in the news very often, they are supporting the economy in a way that must not be underestimated. Consider for a moment that 23 million Americans are struggling to find work across the country; at the same time, the agricultural industry helps to support 23 million jobs on its own — on farms and ranches as well as in food processing, and transportation, and even supermarkets.

The agriculture industry not only creates jobs across America, but also provides one of the safest and most reliable food supplies in the world. And while the impact of a safe, abundant food supply is felt and appreciated at home, it also resonates globally. The average American farmer feeds 155 people around the world, a true testament to the productivity and ingenuity of the agriculture sector and proof that there are few limits to what it can achieve at home and abroad. To fully realize this potential, the federal government must know where it can be helpful and where it needs to get out of the way.

The farm bill is an important case in point. This legislation provides important peace of mind for farmers and ranchers through programs that help manage market volatility and respond to natural disasters. Unfortunately, that peace of mind has been wiped away by a Congress stuck in gridlock and a President unwilling to show leadership on the issue. Mitt Romney understands that leadership is not an option for a president; the job demands it, and the American people deserve it. As president, Romney will ensure that a strong farm bill is passed in a timely manner to give farmers and ranchers the certainty they need for their operations and their livelihoods.

Romney will be an advocate for America's farmers and ranchers and will support agribusiness. After 25 years in the private sector, he knows that the greatest success stories are not always the biggest companies in the largest cities. Instead, they often begin with hardworking Americans who have handed down family farms through multiple generations, started small agribusinesses with only a good idea and a community bank loan, and proved that the American Dream still lives on.

### **Did You Know?**

**51 Million Americans Live In Rural Areas.** ("State Fact Sheets: United States," [USDA](#), 9/13/12)

**There Are Over 2.1 Million Farms In America.** ("State Fact Sheets: United States," [USDA](#), 9/13/12)

- **"Agricultural Production Is A Major Use Of Land, Accounting For Around 51 Percent Of The U.S. Land Base."** ("Land Use, Land Value & Tenure: Overview," [USDA](#), 8/2/12)

**"More Than 23 Million Jobs -- 17 Percent Of The Civilian Workforce -- Are Involved In Some Facet Of American Agriculture, Making It The Nation's Largest Employer."** ("Job Opportunities," [USDA](#), 8/28/12)

- **The U.S. Agribusiness Industry Employs 6.3 Million Americans In Over 2 Million American Businesses.** ("Agribusiness In The US: Market Research Report." [IBIS World](#), July 2012)
- **[T]he Farm Sector...Has A Strong Impact On The Well-Being Of Many Rural Areas, And A Ripple Effect For Suppliers And Other Related Industries.** "Other economic measures were also promising for the farm sector, which accounts for a small fraction of the overall economy but has a strong impact on the well-being of many rural areas, and a ripple effect for suppliers and other related industries." (William Neuman, "Strong Exports Lift U.S. Agricultural Sector," [The New York Times](#), 8/31/10)

**"The Food Supply In The United States Is Among The Safest In The World."** ("Safe Food Handling: What You Need To Know," [FDA](#), 9/10/12)

- **"The Average American Farmer Feeds About 155 People Worldwide."** ("Ag Facts," [Iowa Farm Bureau](#), Accessed 10/7/12)

**The U.S. Is The Largest Exporter Of Agricultural Products In The World.** "The United States is now the world's largest agricultural exporter." ("Frequently Asked Questions About Agricultural Trade," [USDA](#), Accessed, 10/8/12)

- **U.S. Agriculture Trade With Foreign Countries Creates American Jobs.** "Every \$1 billion of U.S. agricultural exports in 2010 required 7,800 American jobs throughout the economy." ("Effects Of Trade On The U.S. Economy," [USDA](#), 7/5/12)
- **"In FY 2011, Agricultural Exports Supported More Than 1.15 Million American Jobs."** ("Strengthening Rural Communities: Lessons From A Growing Farm Economy," [The White House](#), June 2012)

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## **President Barack Obama On Rural America:**

*“You go into these small towns in Pennsylvania and, like a lot of small towns in the Midwest, the jobs have been gone now for 25 years and nothing's replaced them. And they fell through the Clinton administration, and the Bush administration, and each successive administration has said that somehow these communities are gonna regenerate and they have not. And it's not surprising then they get bitter, they cling to guns or religion or antipathy toward people who aren't like them or anti-immigrant sentiment or anti-trade sentiment as a way to explain their frustrations.”* [[4/06/08](#)]

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## **Governor Mitt Romney On Rural America:**

*“[Farmers and Ranchers] are the backbone of America and play a critical role in ensuring Americans across the country have access to safe and affordable food. The fruit of their labor nourishes the world, and I admire their hard work in harvesting our country's bountiful resources. Our farmers and ranchers also have a critical role in the health of our economy, employing millions of Americans. I'm grateful to have their support in my efforts to turn around the economy and strengthen the middle class.”* [[8/15/12](#)]

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# The Romney Agenda: Reasonable Taxation

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## ENCOURAGE GROWTH AND KEEP FAMILY FARMS INTACT.

- Permanently eliminate the estate tax, which imposes enormous burdens on families as they attempt to pass their farms from one generation to the next;
  - Maintain low capital gains rates and implement a Middle Class Savings Plan that eliminates all taxes on savings for middle class families so that they can prepare for their children's education and their own retirement; and
  - Prevent the President's proposed tax increases on small businesses, instead cutting income tax rates by 20 percent across the board to promote growth.
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Taxes influence the economic incentives driving the everyday decisions of families and businesses across America. The agricultural community is not immune to these effects. Far from it: because most farm income is taxed under the individual income tax system, and because inheritance plays such an important role in the preservation of family farms, tax policy can make an enormous difference in the prosperity or struggles of rural America. Unfortunately, President Obama has committed to raising these taxes. He will raise the marginal tax rates that many farms pay, raise the estate tax, and raise the capital gains tax. The result would be fewer jobs and great hardship for farmers, ranchers, and their communities.

As president, Mitt Romney will pursue fundamental tax reform that lowers marginal rates, broadens the tax base, and maintains the progressivity of the current code to preserve tax fairness. This pro-growth approach will encourage small businesses to reinvest their profits, grow their businesses, and keep good jobs in America. Romney will also permanently eliminate the estate tax so that families passing farms from generation to generation will not have to worry about liquidating their assets. And, he will eliminate all taxes on savings for families earning less than \$200,000, helping middle-class families to save and invest tax-free. These savings and investments can help families plan for long-term costs like college and retirement, and also serve as an important source of seed money for budding small businesses.

### **Did You Know?**

**98% Of All Farms Are Family-Owned And -Operated.** ("Farm Household Well-Being: Glossary," [USDA](#), 8/28/12)



**Family Farms Account For 82 Percent Of Farm Production.** “Ninety-eight percent of farms are family farms, and they account for 82 percent of farm production.” (“America’s Diverse Family Farms,” [USDA](#), July 2010)

**Estate Taxes Have A Huge Impact On Family Farms.** “While Federal estate and gift taxes only account for about 2-3 percent of the Federal tax burden, their potential effect on the ability to transfer the farm business to the next generation has been an important concern for both farmers and policymakers.” (“Federal Tax Policy Issues,” [USDA](#), 6/19/12)

- **Land Accounts For Approximately 85 Percent Of Total Farm Assets.** “Worth \$1.85 trillion, farm real estate (land and structures) accounted for 85 percent of the total value of U.S. farm assets in 2010.” (“Land Use, Land Value & Tenure: Overview,” [USDA](#), 8/2/12)

**President Obama Wants To Increase The Death Tax To 55 Percent.** “Under the 2010 Act, after December 31, 2012 the Federal estate tax will revert to the pre-2001 law. As a result, the exempt amount would return to \$1 million and the top tax rate would revert to 55 percent.” (“Federal Tax Issues: Federal Estate Taxes,” [USDA](#), 7/24/12)

- **This Poses A Significant Threat To Family Farmers.** “In a letter to Thune and other sponsors, AFBF President Bob Stallman stated that estate taxes continue to be a problem for the nation’s farmers and ranchers. Individuals, family partnerships and family corporations own 98 percent of the nation’s 2 million agricultural operations. When estate taxes on an agricultural business exceed cash and other liquid assets, the tax can cripple a family-owned farm or ranch and hurt the rural communities and businesses that agriculture supports, according to AFBF.” (“AFBF Backs Senate And House Bills Reforming Estate Tax,” [American Farm Bureau Federation](#), 3/30/12)
- **“It’s Hard Enough To Cope With The Personal Loss Of A Loved One; We Shouldn’t Have To Also Worry About Losing What Our Family Has Worked For.”** (Jim Spinetta, “Estate Tax Burden Includes Planning Costs Atop Taxes Owed,” [FB News](#), Vol. 91 No. 6, 4/2/12)

**President Obama’s Plan To Raise Taxes On High Income Earners Is A Tax Hike On Family Farms.** Most small-business and farm income is taxed at the individual, rather than the corporate rate. Therefore, President Obama’s plan to raise taxes on “millionaires and billionaires” will hurt small businesses and family farms.

- **“Most Farm Income Is Taxed As Individual Income.”** “Most farm income is taxed as individual income rather than as corporate income.” (“Farm And Rural Tax Policy,” [USDA](#), Accessed 10/8/12)
- **Nearly One Million Small Businesses, Including Farms, Pay Taxes At The Rates That President Obama Will Increase.** “The staff of the Joint Committee on Taxation estimates that in 2013 approximately 940,000 taxpayers with net positive income (3.5 percent of all taxpayers with net positive business income) will have marginal rates of 36 or 39.6 percent under the Presidents’ proposals, and that 53 percent of the approximately \$1.3 trillion of aggregate net positive business income will be reported on returns that have a marginal rate of 36 or 39.6 percent.” (“Memo On The Impact Of Tax Hikes On Flow-Through Businesses,” [JCT](#), 6/18/12)
- **“The Proposed \$250,000 Income Means Test For Lower Capital Gains Tax Rates Will Hurt Farm Families.”** “Farm families are also affected by capital gains taxes because of the types of assets owned and length of time the assets are held. Land accounts for 79 percent of assets owned by farmers, and it may increase in value five or six times, if not more, in a 30 year period (average ownership time). The proposed \$250,000 income means test for lower capital gains tax rates will hurt farm families since the sale of agricultural assets tends to produce a one-time income surge likely to push a farmer or rancher over that threshold.” (“Letter To Senator Blunt,” [Missouri Farm Bureau Federation](#), 7/24/12)

# The Romney Agenda: New Markets

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## **EXPAND ACCESS TO INTERNATIONAL MARKETS FOR AMERICAN GOODS.**

- Aggressively enforce existing agreements, ensuring that U.S. farmers and ranchers have the access to foreign markets on a level playing field;
  - Conclude the Trans-Pacific Partnership negotiations and restore Trade Promotion Authority to pursue new agreements with partners around the world; and
  - Create a Reagan Economic Zone in which countries committed to the principles of free enterprise and open markets join together to expand access to each other's markets while leaving behind nations that refuse to play by the rules.
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Free trade is integral to the prosperity of America's farmers and ranchers, who have proven repeatedly that they create good jobs at home by competing and winning internationally. In his 2010 State of the Union address, President Obama warned the nation: "If America sits on the sidelines while other nations sign trade deals, we will lose the chance to create jobs on our shores." Unfortunately, he did exactly that. The President inherited completed trade agreements with Colombia, Korea, and Panama, yet stalled for three years before moving to implement them. He also inherited ongoing negotiations for the Trans-Pacific Partnership, and immediately stalled them as well. Four years later, an agreement is still not done. Meanwhile, he has completed no agreements of his own and started no negotiations of his own. As a result, American agriculture is now at a disadvantage in markets around the world.

As president, Mitt Romney will make trade a top priority. He will complete the Trans-Pacific Partnership and pursue new agreements, focusing particularly on promising markets in Latin America. He will also form what he calls the Reagan Economic Zone, a broader coalition of nations impatient with the lack of progress at the World Trade Organization (WTO) and committed to moving ahead with free trade on their own. By working from both within and outside the WTO, Romney will bring the greatest possible pressure to bear on countries around the world to open their markets for America's exports. At the same time, Romney will confront nations like China that have failed to abide by trade agreements and used unfair practices like currency manipulation to put American exporters at a disadvantage.

## Did You Know?

**"In FY 2011, Agricultural Exports Supported More Than 1.15 Million American Jobs."** ("Strengthening Rural Communities: Lessons From A Growing Farm Economy," [The White House](#), June 2012)

- **The U.S. Exported \$138 Billion Worth Of Agricultural Products In FY 2011 And Ran A Trade Surplus.** "FY2011 U.S. farm exports are forecast by the U.S. Department of Agriculture to reach \$137 billion, while agricultural imports are expected to reach \$93 billion." (Charles Hanrahan, "U.S. Agricultural Trade: Trends, Composition, Direction, and Policy," [CRS](#), 7/29/11)
- **1 Out Of 3 Farm Acres Are Planted For Export.** "The value of agricultural exports equals nearly one-fourth of farm cash receipts, about twice the level of the overall U.S. economy, and 1 out of 3 acres are planted for export." ("Frequently Asked Questions About Agricultural Trade," [USDA](#), Accessed, 10/8/12)
- **Agricultural Trade Has Been A Bright Spot In An Otherwise Dim Economy Since 2008.** "Even as the broader economy falters amid signs of a weakening recovery, the nation's agriculture sector is going strong, bolstered in part by a surge in exports, according to federal estimates of farm trade and income released on Tuesday." (William Neuman, "Strong Exports Lift U.S. Agricultural Sector," [The New York Times](#), 8/31/10)
- **"[E]ach Dollar Of Agricultural Exports Stimulate[s] Another \$1.34 In Business Activity" Elsewhere In The Economy.** "U.S. agricultural exports generated employment, income, and purchasing power in both the farm and nonfarm sectors. ERS estimates that each dollar of agricultural exports stimulated another \$1.34 in business activity in 2010." ("Effects Of Trade On The U.S. Economy," [USDA](#), 7/5/12)

**For Three Years, President Obama Delayed Sending Three Signed Free Trade Agreements To Congress.** "President Obama on Monday finally sent Congress long-delayed free-trade agreements with Panama, South Korea and Colombia, breaking a deadlock that extends back to the George W. Bush administration and setting up a showdown on Capitol Hill." (Stephen Dinan, "Obama Ends Long Delay On Free-Trade Agreements," [The Washington Times](#), 10/3/11)

- **This Delay Hurt U.S. Agricultural Exports.** "The delay in congressional consideration of the agreements has significantly hurt wheat exports, especially to Colombia. As recently as 2007/2008, 70 percent of Colombia's total annual wheat imports came from U.S. farmers. U.S. sales have fallen since then to a low of 46 percent of total imports. At the same time, Canada negotiated and ratified an FTA with Colombia that entered into force in August, allowing Canadian wheat to enter Colombia duty free. Since June, Canadian wheat exports to Colombia have doubled versus last year while U.S. wheat exports have fallen 20 percent." ("Free Trade Delays Have Hurt U.S. Wheat Exports," [Western Farm Press](#), 10/26/11)

**President Obama Has Failed To Conclude A Single New Free Trade Agreement Or Even Start Negotiations With A Single New Country.** ("Free Trade Agreements," [USTR](#), Accessed 10/8/12)

- **Meanwhile, Since President Bush Signed The Last U.S. Free Trade Agreement With Korea in 2007, Chinese And EU Leaders Have Negotiated Or Signed Agreements With 48 Countries.** ("Free Trade Agreements," [China FTA Network](#), Accessed 10/8/12); ("Overview of FTA and Other Trade Negotiations: FTA Negotiations," [EU Trade European Commission](#), 9/13/12)

**China's Currency Manipulation Hurts U.S. Agricultural Exports.** "U.S. exports of soybeans and cotton to China have boomed in recent years, but the undervalued exchange rate for the Chinese yuan keeps prices of most other U.S. food and agricultural products more expensive than Chinese products. On average, Chinese retail food prices are about a fourth of U.S. prices... Appreciation of the Chinese currency would increase the purchasing power of Chinese consumers on world markets and increase China's demand for imported commodities." (Fred Gale and Francis Tuan, "China Currency Appreciation Could Boost U.S. Agricultural Exports," [USDA](#), August 2007)

- **President Obama Has Failed To Crack Down On China's Currency Manipulation.** "The Treasury Department on Friday once again declined to name China a currency manipulator despite bipartisan calls for action from Congress." (Julian Pecquet, "Treasury: China Not Manipulating Currency," [The Hill](#), 5/5/12)

# The Romney Agenda: Rational Regulation

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## **STOP WASHINGTON BUREAUCRATS FROM OVERBURDENING AGRICULTURE.**

- Freeze and review new, pending, and proposed agriculture regulations, and eliminate those that are duplicative, ineffective, or not economically justifiable;
  - Reform environmental laws to strengthen protection of the air and water while preventing senseless regulations and bureaucratic interference whose costs exceeds their benefits;
  - Require Congress to approve all new major regulations proposed by federal agencies, returning responsibility for important decisions to our elected representatives; and
  - Impose a regulatory cap that forces agencies to spend as much time repealing and streamlining old regulations as they spend advancing new ones.
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Most sectors of the economy have felt the burden of President Obama's overregulation, but few Americans have better cause for complaint than farmers and ranchers. The President and his Administration have pursued a series of regulations and related actions that have no rational explanation besides a complete disregard for the effects of their policies. From overzealous efforts to extend the Clean Water Act to rainwater in ditches, to duplicative rules for pesticides, to an insistence on the authority to regulate dust, to a proposal that would bar teenagers from working on their family farms, it has become impossible to believe that Washington understands or cares about the interests and concerns of rural America. The President's cap-and-trade proposal would also significantly harm agriculture. And unannounced EPA monitoring from airplanes has added an absurd insult to these very real injuries.

Mitt Romney spent 25 years in the private sector. He understands well the challenge of coping with costly and duplicative regulations, the frustration of trying to manage a business in the face of ever-changing rules, and the ways that uncertainty prevents growth and job creation. As president, he will reverse the damage done by President Obama. And he will take steps to fundamentally reform the way Washington regulates, so that future regulators do not repeat the mistakes of today. In a Romney Administration, agencies will be required to focus their attention on reducing regulatory cost instead of increasing it and their proposals for major new regulations will not go into effect until Congress approves them.

## Did You Know?

**The Obama Administration Has Issued Regulations At An Unprecedented Rate And Cost.** “During the first three years of the Obama Administration, 106 new major federal regulations added more than \$46 billion per year in new costs for Americans. This is almost four times the number—and more than five times the cost—of the major regulations issued by George W. Bush during his first three years.” (James L. Gattuso And Diane Katz, “Red Tape Rising: Obama-Era Regulation At The Three-Year Mark,” [The Heritage Foundation](#), 3/13/12)

**Over The Past 30 Years, The Department Of Agriculture Has Issued More New Regulations Than Any Other Federal Agency.** “Using this reduced dataset, Figure 14 below describes the agencies that issued the highest number of regulations over time. The Department of Agriculture tops the list with 3,457 regulations followed by the Department of Health and Human Services and the EPA.” (Paul Bernstein, et. al, “Macroeconomic Impacts Of Federal Regulation Of The Manufacturing Sector,” [NERA Economic Consulting](#), 8/21/12)

**Obama’s EPA Is Moving Ahead With Plans To Regulate Streams And Water Ditches On Private Farms.** “Routine maintenance work like shoveling dirt into a water-filled ditch that flows into a stream could soon become a costly violation without a acquiring a federal permit. If proposed change to the Clean Water Act is approved, the Environmental Protection Agency would have the authority to protect from pollution almost any wet area on private land. The controversial change, which has been lambasted by government leaders and farm groups, would allow the federal agency to regulate all ‘waters of the U.S’ by removing the phrase ‘navigable waters’ from the law.” (Ted Booker, “EPA’s Plan To Expand Clean Water Act Lambasted By Farm Bureau, Local Governments,” [Daily Courier-Observer](#), 9/9/12)

**The Administration Proposed Restricting The Chores Young People Perform On Family Farms.** “Some farmers are opposing new rules proposed by the federal government that would restrict the chores children can be hired to perform in the nation’s fields, including driving tractors and rounding up cattle in corrals on horseback. The U.S. Department of Labor says its proposal aims to look after children’s safety in a dangerous industry. The rules would bar most farm hands younger than 16 years old from jobs such as operating power equipment, branding and breeding farm animals, and working atop ladders at heights over six feet.” (Anna Campoy, “Farmers Contest Child-Labor Rules,” [The Wall Street Journal](#), 12/5/11)

**Obama’s EPA Thinks It Would Be “Justified” Regulating Dust.** “The agency’s scientific panel has said that while the science of measuring ‘coarse particulate material’ (i.e., dust) remains uncertain, the EPA would be justified in either retaining current regulatory standard or tightening them by half. Significant quantities of dust, the EPA argues, can pose a significant health risk. ‘Small particulates less than 10 micrometers in diameter pose the greatest problems because they can get deep into your lungs and some may even get into your bloodstream,’ the EPA writes on its website. ‘Exposure to such particles can affect both your lungs and your heart.’” (Andrew Stiles, “Obama’s Anti-Farm EPA,” [The National Review](#), 8/19/11)

**Obama’s EPA Has Begun Unexplained And Unannounced Flyovers Of Private Farms.** “The Environmental Protection Agency flies over power plants and other facilities nationwide to identify potential air, water and land pollution. It began using aerial surveillance in the Midwest in 2010 to check farms for violations of federal clean water regulations. Ranchers who object to the program said they’re not trying to hide anything. It’s the quiet approach the EPA took with the program designed to spot illegal disposal of animal waste that they find upsetting. Most were not even aware of the flyovers until regional EPA officials mentioned it at a meeting three months ago.” (David Pitt, “Midwest Ranchers, Lawmakers Protest EPA Flyovers,” [The Huffington Post](#), 7/2/12)

**The Administration’s Regulatory Onslaught Has Left Many Feeling That Obama Is “Out Of Touch With Rural America.”** “In response to Obama’s recent comments, Steve Foglesong, former president of the National Cattlemen’s Beef Association, said that the president ‘is out of touch with rural America’ and that he either ‘has no clue what regulations his bureaucratic agencies are proposing or he simply doesn’t care.’” (Andrew Stiles, “Obama’s Anti-Farm EPA,” [The National Review](#), 8/19/11)

- **“The Government Just Feels Like It’s Getting More And More Intrusive.”** “For me, it just creeps into the ‘Big Brother is watching you’ area, to where the government just feels like it’s getting more and more intrusive,” said Buck Wehrbein, who manages a cattle feeding operation in Mead, Neb., about 30 miles west of Omaha.” (David Pitt, “Midwest Ranchers, Lawmakers Protest EPA Flyovers,” [The Huffington Post](#), 7/2/12)



- **“Please Don’t Challenge Us With More Rules And Regulations From Washington, D.C.”** “Please don’t challenge us with more rules and regulations from Washington, D.C.,” implored a man on Wednesday, describing himself as a corn and soybean farmer in Atkinson. ‘We would prefer to start our day in a tractor cab or combine cab rather than filling out forms and permits to do what we’d like to do.’” (Andrew Stiles, “Obama’s Anti-Farm EPA,” [The National Review](#), 8/19/11)

**Despite This Onslaught Of Regulations, “The Obama Administration Has Been Quietly Postponing Several Multibillion-Dollar Regulations Until After The November Election.”** “After three years of bureaucratic excess, the Obama administration has been quietly postponing several multibillion-dollar regulations until after the November election. Those delayed rules, together with more than 130 unfinished mandates under the 2010 Dodd-Frank financial law, could significantly increase the regulatory drag on our economy in 2013.” (Senator Rob Portman, “The Regulatory Cliff Is Nearly As Steep As The Fiscal One,” [The Wall Street Journal](#), 8/16/12)

- **“[T]he Administration Has Failed To Publish Its Spring 2012 Regulatory Agenda As Required By Law.”** “Here it is almost September, and the administration has failed to publish its spring 2012 Regulatory Agenda as required by law. The compendium of planned regulatory actions is required each spring and fall under the Regulatory Flexibility Act as well as Executive Order 12,866, which originated with President Clinton and was reaffirmed by President Obama last year.” (Diane Katz, “Obama’s Regulatory Agenda Goes Undercover,” The Foundry, [The Heritage Foundation](#), 8/31/12)

**President Obama Has Stated That Climate Change Will Be The Most Important Issue In His Second Term.** “The President has said that the most important policy he could address in his second term is climate change, one of the few issues that he thinks could fundamentally improve the world decades from now.” (Ryan Lizza, “The Second Term; What Would Obama Do If Reelected,” [The New Yorker](#), 6/18/12)

- **President Obama: “Under My Plan Of Cap-And-Trade System, Electricity Rates Would Necessarily Skyrocket ... Coal Power Plants, Natural Gas, You Name It.”** (Sen. Barack Obama, “Interview With The San Francisco Chronicle’s Editorial Board,” [San Francisco Chronicle](#), 1/17/08)
- **Obama’s Proposed Cap And Trade System Would Decimate Farm Incomes.** “Farm income (or the amount left over after paying all expenses) is expected to drop \$8 billion in 2012, \$25 billion in 2024, and over \$50 billion in 2035. These are decreases of 28%, 60% and 94%, respectively. The average net income lost over the 2010-2035 timeline is \$23 billion – a 57% decrease from the baseline.” (Nicolas Loris, “For Farmers, Cap And Trade Is A Permanent Drought Season,” The Foundry, [The Heritage Foundation](#), 6/9/09)
- **And Wipe Out 8% Of Farmland.** “The largest U.S. farm group called on Congress on Tuesday to prevent the government from regulating greenhouse gases if lawmakers kill climate change legislation. The 6-million-member American Farm Bureau Federation (AFBF) also underlined its firm opposition to legislation to reduce emissions of carbon dioxide and other gases blamed for boosting global temperatures [...] An Agriculture Department study says up to 8 percent of crop and pasture land, or 59 million acres, would be converted to woodlands by 2050 because carbon-capturing trees would be more profitable than crops.” (Charles Abbott, “U.S. Farm Group: Stop EPA On Greenhouse Gases,” [Reuters](#), 1/12/10)

# The Romney Agenda: Energy Independence

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## **ACHIEVE NORTH AMERICAN ENERGY INDEPENDENCE BY 2020.**

- Accelerate the development of America's abundant energy resources, while pursuing a North American Energy Partnership that ensures America can also share in the substantial energy resources of Canada and Mexico;
  - Restore transparency and fairness to permitting and regulation so that government plays a supporting role in energy production, rather than become its chief impediment;
  - Maintain the Renewable Fuel Standard, fulfilling the federal government's commitment to biofuels growers and refiners and providing them the certainty they need to follow through on their investments in promising technologies; and
  - Facilitate private-sector-led development of new technologies by focusing government investment on research across the full spectrum of energy-related technologies, and not on picking winners and losers.
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Fertilizer and fuel can amount to more than 20 percent of the operating costs for some farms. Unfortunately, President Obama's plan for energy is to make it more expensive. He has sought to restrict the production of oil, significantly increase federal regulation of natural gas, and bankrupt coal power plants, all while relentlessly promoting his favored alternatives. And yet despite his efforts, technological breakthroughs far from Washington have made America's energy future brighter than ever, and aggressive efforts to take full advantage of the nation's abundant natural resources holds the potential of guaranteeing an affordable and reliable supply of energy for the foreseeable future.

Mitt Romney will pursue policies that take full advantage of these resources, putting America on the path to achieve energy independence on this continent by 2020 and guaranteeing a long-term competitive advantage for key sectors of the economy, including manufacturing and agriculture. He will not only accelerate the development of conventional energy sources, but also advance new technologies by funding early-stage research and ensuring that breakthroughs are able to reach the market and compete on a level playing field. Romney recognizes that biofuels are crucial to America's energy future and to achieving his goal of energy independence, and he supports maintaining the Renewable Fuel Standard to guarantee producers the market access they have been promised as they continue to move forward.

## Did You Know?

**Energy Costs Are A Huge Burden On Farms.** “Higher energy-related production costs would generally lower agricultural output, raise prices of agricultural products, and reduce farm income, regardless of the reason for the energy price increase.” (Ron Sands, et. al, “Impacts Of Higher Energy Prices On Agriculture And Rural Economies,” [USDA](#), August 2011)

- **Fuel And Fertilizer Account For More Than 20 Percent Of Total Costs In Some Instances.** “For corn, soybean, wheat, and cotton farms, however, fertilizer and fuel costs averaged more than 20 percent of total expenses. Consequently, steep increases in energy-related costs have had a greater impact on farms producing these four crops.” (Faqr Bagi and Christopher McGrath, “Farmers Develop Strategies To Reduce Energy Input Costs,” [USDA](#), March 2011)

**Higher Gas Prices Hit Farms Especially Hard.** “But the pain is not being felt uniformly. Across broad swaths of the South, Southwest and the upper Great Plains, the combination of low incomes, high gas prices and heavy dependence on pickup trucks and vans is putting an even tighter squeeze on family budgets. Here in the Mississippi Delta, some farm workers are borrowing money from their bosses so they can fill their tanks and get to work.” (Clifford Krauss, “Rural U.S. Takes Worst Hit As Gas Tops \$4 Average,” [The New York Times](#), 6/9/08)

- **“[F]armers Have No Choice But To Absorb The Costs; Consequently, Profits And Investments Shrink, And The Economy Suffers.”** “Moreover, many small businesses, family-owned farms for example, are price takers. Because the price is set by the market, these farmers have no choice but to absorb the costs; consequently, profits and investments shrink, and the economy suffers.” (Nicolas Loris, “Psst! Washington! Gas Prices Are Still High,” The Foundry, [The Heritage Foundation](#), 5/24/12)
- **Dr. Stephen Chu, Secretary Of Energy: “Somehow We Have To Figure Out How To Boost The Price Of Gasoline To The Levels In Europe.”** (Neil King Jr. And Stephen Power, “Times Tough For Energy Overhaul,” [The Wall Street Journal](#), 12/12/08)

**Energy Prices Also Decrease Demand For Agricultural Products.** “Energy prices influence U.S. economic growth, driving domestic demand for food and fiber. U.S. economic growth, while only half as dependent on energy as in the 1970s, is still constrained by restrictions on available energy. There is widespread agreement that low energy prices contributed to the strong growth and low inflation experienced in the 1990s.” (“Macroeconomics & Agriculture: Questions & Answers,” [USDA](#), 5/30/12)

- **Both Domestically And Internationally.** “Energy prices affect the growth of non-oil producing countries, particularly developing economies, which are increasingly important customers of U.S. food exports. Developing countries, which tend to focus on manufacturing, are far more dependent on oil for growth than are developed countries, which rely relatively more on services.” (“Macroeconomics & Agriculture: Questions & Answers,” [USDA](#), 5/30/12)

**The Production Of Ethanol Has Created Economic Prosperity For U.S. Farmers.** “Farm bankers point to statistics on U.S. wealth and economic health that corn-based ethanol has driven - record-high farmland prices; a rise of some \$500 billion in farm assets in the last five years; steady pay-downs of farm debt; a rise in farm assets in 2012 to an estimated \$2.5 trillion dollars, based on real land not ‘paper,’ and what those assets mean for U.S. money supply and economic demand.” (Christine Stebbins, “Analysis: U.S. Bankers Say, Love It Or Hate It, Ethanol Here To Stay,” [Reuters](#), 9/6/12)

- **“Ethanol Has Become And Continues To Be An Important Presence In Rural Iowa.”** “Ethanol plants statewide produced a record amount of fuel last year pumping up Iowa's economy, according to a report released earlier this week. Iowa's 41 ethanol refineries distilled 3.7 billion gallons, up 200,000 from 2010 [...] ‘Ethanol has become and continues to be an important presence in rural Iowa,’ he [Dave Swenson, an ISU associate scientist] continued.” (Mathew Wilde, “Grain And Gas: Record Production Of Ethanol Boosts Iowa's Economy, Experts Say,” [Cedar Valley Business Monthly](#), 1/9/12)

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