

## Why CountryMark Opposes Cap and Trade Legislation

Cap and Trade legislation being debated by Congress is also referred to as Waxman-Markey, Boxer-Kerry, Climate Change legislation, ACES, or the Energy Bill. While there is confusion surrounding what to call this legislation, let there be no confusion as to what it will do to America.

The “Cap” section would establish limits for the amount of carbon dioxide allowed to be released by companies like CountryMark, which will limit energy usage and, in turn, economic growth. The “Trade” portion establishes a new financial market where carbon dioxide credits can be sold by those companies that release less than their allotted amount of carbon dioxide to those that release more than their allotted amount.

For the following reasons, CountryMark opposes Cap and Trade legislation.

- 1) **Cap and Trade legislation is the single biggest threat to CountryMark, our jobs, and the investment held by our farmer cooperative owners.** Based on proposed Cap and Trade bills, CountryMark estimates that our carbon tax burden will exceed \$100 million per year. This burden, compared to our average annual net income over the past five years of \$37 million per year, clearly indicates the legislation's impact on our economic sustainability.
- 2) **Gasoline and diesel prices will increase significantly.** Companies will have to pass on much of the cost of these carbon taxes to the consumer. Some estimates forecast an additional 77¢ per gallon in fuel costs and these calculations continue to increase. Higher fuel costs will hurt families, farmers, and cripple the American trucking industry.
- 3) **Indiana electric bills will DOUBLE.** Indiana relies heavily on coal-fired power plants. Electricity from coal is heavily penalized by Cap and Trade.
- 4) **Farming input costs will increase.** Increasing energy costs will result in higher farm input costs. One study shows that Cap and Trade will result in an additional \$80 per acre to grow corn and \$20 per acre to grow soybeans.
- 5) **Offset credits may not be as profitable as advertised.** Selling offset credits has been promoted as a way for farmers to recoup the higher farm input costs. However, the legislation requires that offsets be additional and quantifiable. Offsets may not be available for current practices like minimum or no-till farming. In addition, the system for validating these credits is not developed and is uncertain. Input costs may outweigh the potential income from offsets.
- 6) **Credit distribution creates winners and losers.** Some carbon credits will be distributed free of charge at the discretion of the government. Some companies will make windfall profits by selling these free credits. A new financial market will be created as a clearinghouse for these carbon credit transactions, resulting in winners on Wall Street and in Washington D.C. but creating losers on Main Street.



If Cap and Trade passes, fuel prices will increase 77 cents per gallon.

**Higher Energy Taxes Hurt American Families**

 CountryMark.

Ask Senators Lugar and Bayh to vote NO on Cap & Trade.  
Call (202) 224-3121 or go to [www.lostjobs.org](http://www.lostjobs.org).

- 7) **American businesses will be less competitive globally.** China and India have said they will not implement similar taxes on their economy. Therefore, their products will be less expensive to manufacture, creating a disadvantage for American-made products.
- 8) **Cap and Trade will eliminate two million American jobs.** It is estimated 60,000 jobs will be lost in Indiana alone if Congress passes Cap and Trade legislation. All this comes at a time when the American economy is struggling and there is soaring unemployment.

## Consider These Environmental Realities

- **Hurricane activity is not increasing.** Conventional wisdom was that Atlantic hurricane activity was increasing due to global warming. The logic was that global warming was creating more frequent and intense storms. Clearly hurricane activity did not increase. Now, future Atlantic hurricanes are predicted to be similar to those of the past.
- **Current legislation is based upon overstated carbon dioxide emissions.** The U.S. Department of Energy's revised projections of fossil fuels consumption without Cap and Trade reveal it will be at least 20 years before the United States returns to 2007 fossil fuel consumption levels. This is due to increased energy efficiency and updated projections of energy demand. As compared to previous estimates, new government projections of CO<sub>2</sub> emissions indicate a 20% reduction by 2025 and a 40% reduction by 2050 – a fact being ignored by policymakers and Cap and Trade advocates.
- **Cap and Trade will have minimal impact on the environment.** Scientists agree that Cap and Trade legislation will only decrease global temperatures by one half of one degree over the next 100 years.

**Given the cost to farmers and working families, and with no discernible impact on the environment, Cap and Trade is unacceptable.**

## Take Action Now

America needs to hear your voice. Speaking up as a private citizen can have a profound effect on the ultimate outcome of this key public policy decision. Let's make our voices heard on this critical issue. Ask your U.S. Senator to vote NO on Cap and Trade legislation. The costs are too great – the returns are too small!

U.S. Senator Richard Lugar, Indiana, (202) 224-4814  
U.S. Senator Evan Bayh, Indiana, (202) 224-5623  
U.S. Senator Richard Durbin, Illinois, (202) 224-2152  
U.S. Senator Roland Burris, Illinois, (202) 224-2854  
U.S. Senator Sherrod Brown, Ohio, (202) 224-2315  
U.S. Senator George Voinovich, Ohio, (202) 224-3353