

Uncle Sam Down on the Farm

Equipment Incentives for Your Agriculture Customers



PERC Agriculture Programs



- Roughly 80 percent of farms use propane
- PERC invests 5 percent of assessments to benefit agriculture
- The agriculture programs are overseen by PERC's Agriculture Advisory Committee (AAC)

For more information visit www.agpropane.com

Areas of Focus

- Production (Crops/Livestock)
- Processing/Harvesting
- Power Applications
- Nutrient/Waste Management
- Infrastructure
- Education
- Safety
- Energy Efficiency

Propane Agriculture Roadmap Supplement Summary



PROPANE Agricultural Technologies

Almost 80 percent of farms in the U. S. use propane, largely due to its inherent environmental and economic benefits. The propane industry, through the Propane Education & Research Council (PERC), devotes at least five percent of its total budget toward programs and projects that benefit the U.S. agriculture industry.

The Agriculture Advisory Committee oversees PERC's efforts and actively seeks innovative solutions to help farmers increase productivity and decrease operating costs.

Published in 2002, the Propane Agriculture Roadmap outlined the propane industry's strategic approach for building long-term demand for propane in the agricultural sector. To that end, the industry has instituted agriculture programs to offer exceptional value and gain recognition from the agriculture industry as a preferred energy source.

To continue and enhance these efforts, PERC led the development of the 2006 Agriculture Roadmap Supplement. Based on lessons learned and prior accomplishments, the supplement serves as a resource for the propane industry as they strive to address agricultural challenges while growing the market for propane.

VISION OF PROPANE IN AGRICULTURE

By 2010, the agriculture industry will recognize propane as a preferred energy source offering exceptional value through product benefits such as cost-effectiveness, efficiency and productivity, reliability, portability, and environmental friendliness.

To achieve this vision, the propane industry has identified eight priority areas that, if pursued, could strengthen propane's position as the fuel of choice for farms. These priorities fall into the following two categories:

1. Application-Specific Activities develop technologies, equipment, and practices to meet particular farming needs through the use of propane.
2. Enabling Activities lay the ground work to encourage rapid progress in the adoption and development of new and existing propane-use applications.

ROADMAP SUPPLEMENT PRIORITY ACTIVITIES

Developed by a diverse group of propane and agricultural leaders, the activities with the brightest future for the agriculture industry are described briefly below.

Top Application-Specific Activities

- Thermal Agriculture: Develop soil sanitation technologies
- Crop/Food Conditioning: Develop structure fumigation technologies
- Power: Find partners for engine development and certification
- Nutrient Management: Develop incineration technologies; Convert agriculture waste to value-added products



Top Enabling Activities

- Technology R&D: Enhance propane refueling mechanisms
- Communications: Improve R&D communications with technology partnerships
- Data Collection and Benchmarking: Identify emissions credit trading mechanisms; Analyze research and communicate and archive results
- Strategic Partnerships: Encourage incentives for technology replacement

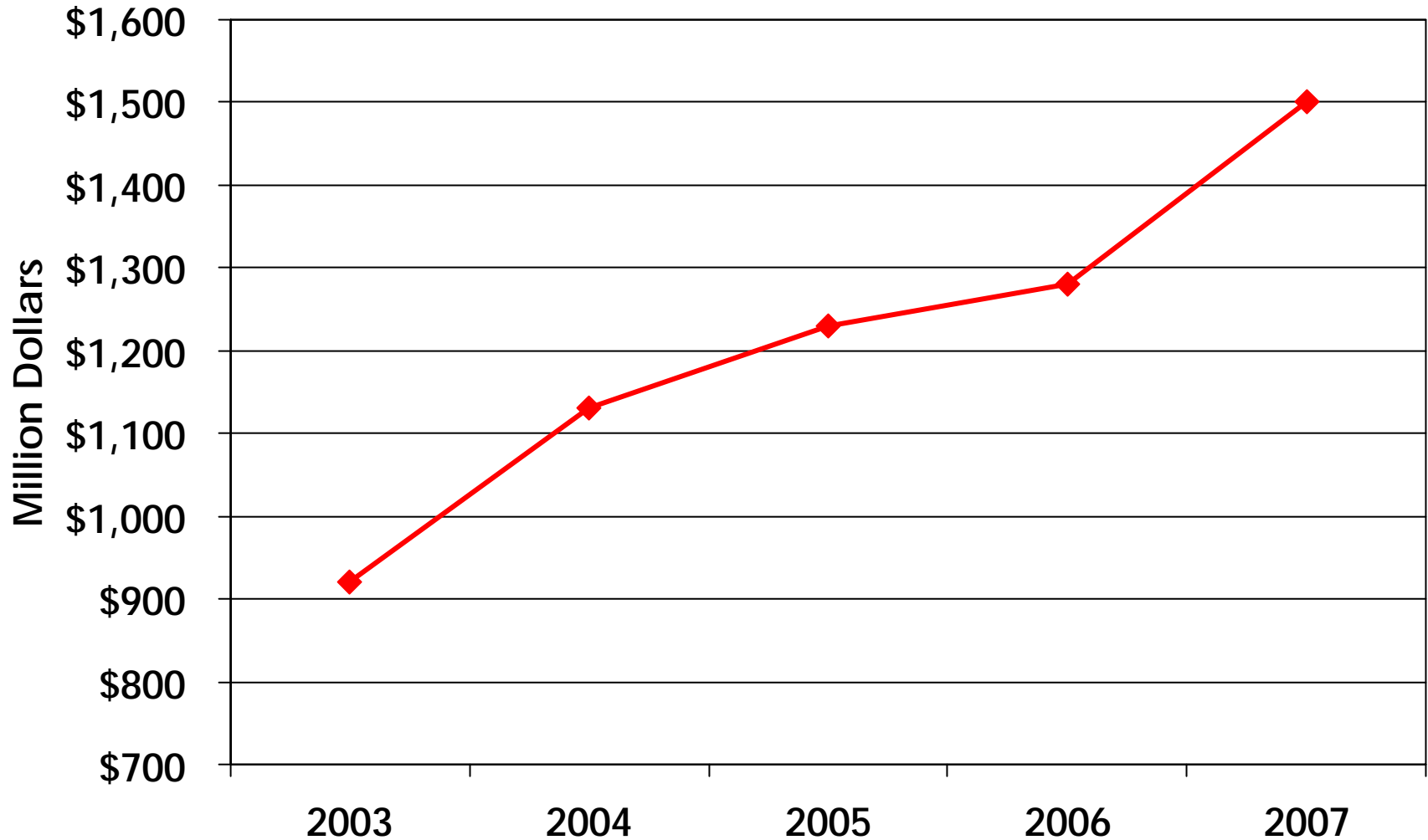


PROPANE EXCEPTIONAL ENERGY™ For more information visit: www.agpropane.com

November 2006

For more information visit www.agpropane.com

On-Farm Propane Expenditures



For more information visit www.agpropane.com

Source: USDA

Key Issues for 2009

Profitability Pressures

- Inputs
- Farmland value
- Energy
- Access to credit
- Off-farm income



For more information visit www.agpropane.com

How can you help?

By helping them realize the true value of propane on the farm

- Talk to your customers about energy conservation
- Promote energy efficient technologies
- See if they are interested in a government-financed upgrade



For more information visit www.agpropane.com

This Benefits Your Business

PROPANE
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- It locks in propane customers for years to come
- It adds value to your business
- It presents up-sell opportunities for additional technologies
- And your competition is already providing this service

The image shows a screenshot of a web form titled "IPL Farm Energy Audit Request". The form includes a checkbox for "No, please continue to schedule a farm energy audit from IPL." Below this are input fields for "Business/Company", "Address", "City/State", "Zip/Postal", "E-mail/Phone", and "Send me a call". There is a section for "Type of production on my farm" with checkboxes for "Dairy", "Poultry", "Swine", "Hog", "Other", and "None". A blue button at the bottom left says "Let us help you save money and money with a free Farm Energy Audit!". The right side of the form features a header "IPL Farm Energy Audit FOR IOWA AND MINNESOTA FARMERS" with images of a cow, a pig, and a chicken. Below this is the Alliant Energy logo and a detailed disclaimer about the program's scope and limitations. At the bottom right, there is a circular logo for "ALLIANT ENERGY PARTNER" and the Alliant Energy logo again.

Alliant Energy Farm Energy Conservation Program

For more information visit www.agpropane.com

Rural Energy for America Program

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- USDA program offering grants and loans to farmers and rural businesses to make energy efficiency improvements
- Administered by USDA Rural Development

For more information visit www.agpropane.com

Who is Eligible?

Agriculture Producers

- Directly engaged in production of ag products
- At least 50% of gross income must be from ag business



Rural Small Business

- SBA definition
- A private entity including a sole proprietorship, partnership, corporation, cooperative, & electric utility



For more information visit www.agpropane.com

Irrigation Engines

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For more information visit www.agpropane.com

Grain Dryers

PROPANE
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For more information visit www.agpropane.com

HVAC Systems



For more information visit www.agpropane.com

Dairy Operations

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For more information visit www.agpropane.com

Livestock & Poultry Heating

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Poultry houses were updated and new equipment was installed to improve the use of energy.



For more information visit www.agpropane.com



Committed to the future
of rural communities.

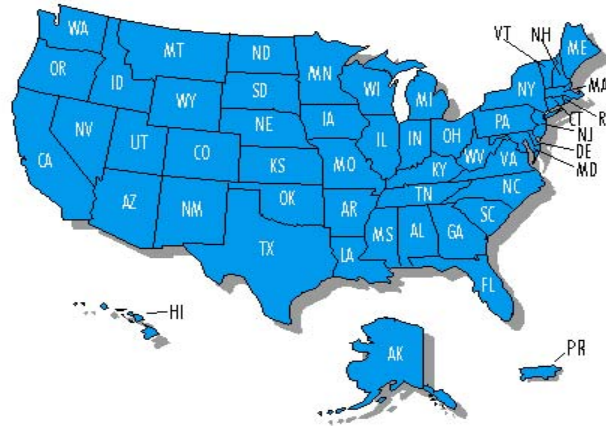
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State Offices

1-800-670-6553

Detailed information about Rural Development programs and applications for financial assistance are available through Rural Development State and Local Offices or USDA Service Centers. The map or [text links](#) below will help you find the nearest office.



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Rural Development is within the U.S. Department of Agriculture and administers rural business, cooperative, housing, utilities and community development programs.



So What's Next...

1. Introduce yourself to your local USDA Rural Development agent
2. Identify your customers with older equipment
3. Inform them about the REAP program
4. Encourage them to consider this opportunity
5. Remind them of the value of using an efficient fuel like propane

For more information visit www.agpropane.com



Propane Farm Equipment Efficiency Demonstration (FEED) Program



What is the propane FEED program?

PROPANE
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A demonstration program to encourage farmers to try new propane equipment



For more information visit www.agpropane.com

Benefits to propane marketers

- Expand market with additional pieces of equipment
- Secure new propane customers
- Ensure long-term propane customers
- Potential to increase gallon sales



For more information visit www.agpropane.com

Eligible Equipment

Equipment	Incentive Level	Demonstration Goals
Irrigation engine	\$1,500	25
Mower	\$1,500	15
Poultry house flame sanitizer	\$2,500	10
Tankless water heater	\$250 *	10

*At least two units must be installed. A maximum of \$500 will be granted per producer.

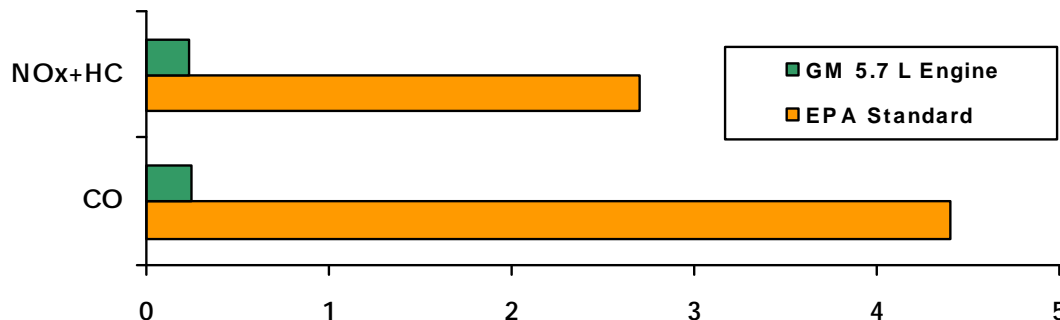
Only **NEW** Equipment is eligible.

For more information visit www.agpropane.com

Irrigation Engines

Propane engines

- New engines exceed EPA standards for NOx and CO
- 1.5 – 1.6 gallons of propane will replace 1 gallon of diesel



For more information visit www.agpropane.com

Irrigation Engines

Market Potential	
Gallons per hour	7
Hours of operation	800
Annual potential	5600

For more information visit www.agpropane.com

Irrigation Engines

Eligible propane engines

- GM 8.1 liter V-8
- Ford 6.8 liter V-10
- GM 5.7 liter V-8



For more information visit www.agpropane.com

Poultry House Flame Sanitizer

PROPANE
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Flame Engineering, Inc. - Red Dragon™ Poultry House Flame Sanitizer

- Uses 6 liquid propane torches to project 2,000°F flames
- Extreme heat burns off ammonia vapors
- Kills pathogens in litter including avian flu



For more information visit www.agpropane.com

Poultry House Flame Sanitizer

Market Potential	
Gallons per house	25
Houses per farm	6
Cleanings per year	6
Annual potential	900

For more information visit www.agpropane.com

Propane Tankless Water Heater

PROPANE
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Applications

- Dairy sanitation
- Other farm processing operations



For more information visit www.agpropane.com

Propane Tankless Water Heater



Market Potential	
Number of heaters	10
Gallons per month	400
Gallons per year	4800

For more information visit www.agpropane.com

Propane Tankless Water Heater

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Eligible Manufacturers

- A.O. Smith
- BBT North America
- Bradford White
- Noritz
- Paloma
- Rheem
- Rinnai
- Takagi



For more information visit www.agpropane.com

Propane-Fueled Lawn Mower

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Applications

- Horse farms
- Turf farms
- Vineyards



For more information visit www.agpropane.com

Propane-Fueled Lawn Mower

Market Potential	
Gallons per hour	1.5
Hours of operation (weekly)	25
Gallons consumed (weekly)	37.5
Annual potential (35 weeks annually)	1312.5

For more information visit www.agpropane.com

Propane-Fueled Lawn Mower

PROPANE
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Eligible Manufacturers

- Bad Boy Mowers
- Dixie Chopper
- EnviroGard®
- Ferris Industries
- Scag Power Equipment
- Zipper Mowers



For more information visit www.agpropane.com

Participants

Eligibility Requirements

- Participant must be a U.S. agriculture producer
- Equipment must be used on a U.S. farm
- Participant must be a propane customer in good standing with their fuel supplier

For more information visit www.agpropane.com

Participants

Applicant Requirements

- Proof of purchase
- Commitment to use equipment for at least one year
- Access to the farm for photography and/or videos
- Quarterly updates
- Performance data (fuel usage, run time, maintenance issues)

For more information visit www.agpropane.com

Participants

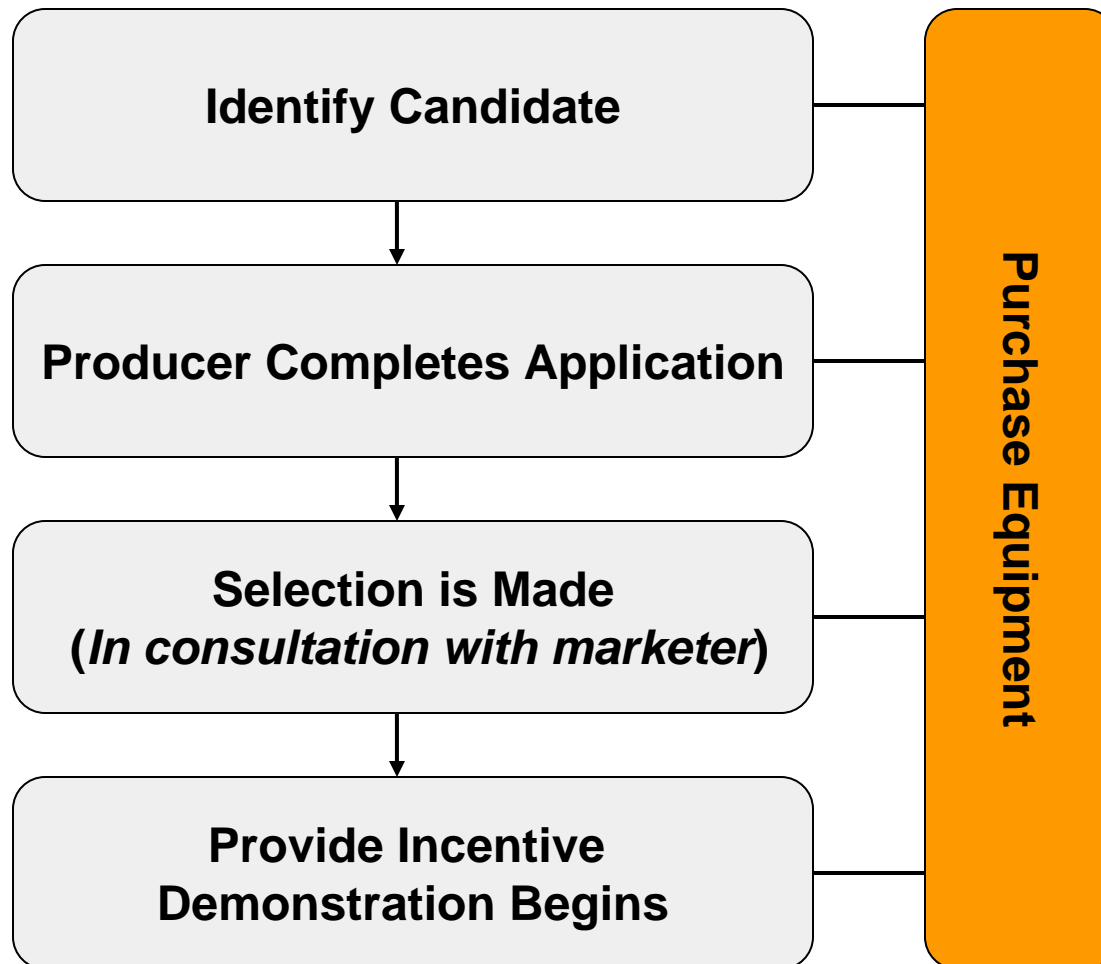


Ideal Candidate

- Large propane user
- Innovative operator
- Maintains a pristine operation
- Good spokesperson
- Relationship with marketer
- Diversity

For more information visit www.agpropane.com

Selection Process



For more information visit www.agpropane.com

Where do I apply?

FEED Applications . . .

- Can be accessed at www.agpropane.com
- Or contact Neil Caskey at (314) 726-5511

PROPANE EXCEPTIONAL ENERGY™		
Propane Farm Equipment Efficiency Demonstration (FEED) Program		
<small>The Propane Education & Research Council (PERC) is seeking a limited number of agriculture producers to help the propane industry demonstrate certain new propane equipment. The goal of the program is to place a variety of equipment on farms in geographically diverse regions of the country in order to generate success stories and collect valuable data to promote these products.</small>		
<small>Complete and return the below form to apply for this program:</small>		
Name: _____		
Address: _____		
City: _____	State: _____	Zip: _____
Home Phone: _____	Mobile Phone: _____	
E-mail Address: _____		
1. How do you currently use propane on your operation? building heating (<input type="checkbox"/>) crop cutting/tilling (<input type="checkbox"/>) stationary engines (<input type="checkbox"/>) hot water heating (<input type="checkbox"/>) tractors (<input type="checkbox"/>) truck (<input type="checkbox"/>) flame welding (<input type="checkbox"/>) standby generators (<input type="checkbox"/>)		
2. What are the 2 or 3 primary commodities produced on your farm? (indicate size)		
3. Which propane technology would you be interested in demonstrating?		
4. Why do you feel your farm would serve as an excellent demonstration site for this equipment?		
Please provide a contact person (name, phone number, and e-mail address) of the propane supplier and may we contact them? (Company name, address, phone number, e-mail address)		Initial reference that we may contact to learn more about the program (name, phone number, e-mail address, title, organization leaders)
Date		

For more information

For Efficient Living

An economical fuel for generators, lawn mowers and tankless water heaters, propane is ideal for rural living.

[Learn More >](#)



Agriculture

Nearly 80 percent of farms in the United States use propane, and with good reason: propane is a clean-burning, reliable, and efficient energy source that farmers can depend on.

The Propane Education & Research Council (PERC) is dedicated to educating the agriculture industry on the benefits of propane energy and to helping develop new propane technologies for the farm.

>Thermal Agriculture

Assists production in controlling weeds, insects, and microbes.

>Nutrient Management

Helps farmers properly manage farm waste materials.

>Crop/Food Conditioning

Protects commodities through harvest, storage, and processing.

>Power Generation

Provides power for equipment through engines, electrical generation, fuel cells, or micro-turbines.

Learn about the new propane FEED program

[▶ Click here](#)



Media Room

Access press releases, audio clips, video clips, and technology fact sheets.

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Propane Equipment Partners

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For more information

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Neil Caskey, Osborn & Barr

Email: caskeyn@osborn-barr.com

(314) 726-5511

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