WELCOME!

ENERGY AND AGRICULTURE

America First Energy Conference

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Mineral Owner & Organic Farmer
My Background

- **Vice President of Land for The Quiat Companies** with 38 years experience.

- **My passion** is bringing producers and mineral owners together for profitable results.

- **Working in the energy industry** has enabled us to keep our organic based farm even with the ups and downs of the economy.

- **Mineral income** has helped us expand our farm business and offset rising feed costs.

- **Provide high quality farm-to-table products** for other front range families.
A farm is a hunk of land on which if you get up early enough morning’s and work late enough nights you’ll make a fortune if you strike oil on it.
Does Cheap Energy Benefit Agriculture?

YES

• Lowers costs

• Provides additional income sources to offset crop price fluctuations and weather conditions
World population of 7+ billion and Counting

• The United Nations projects a 9+ billion world population by 2050.

• To keep up with population growth, the world’s farmers and ranchers must produce as much food in next 40 years (growing seasons) as has been produced in the past 4,000 years combined.
Agriculture On the National Level

• Agriculture employs more than 24 million American workers (17% of workforce)

• In 1930, 25% of the US population lived on farms. Today, it is less than 2%.

• In 1960, each farmer fed 25 people. Today, each US farmer feeds 165 people nationwide.

• 97-99% of US farms and ranches are family owned and are producing 86% of the nation’s food.

• Average size farm is 442 acres

• Americans still only spend about 10% on food
How Does Cheap Energy lower Ag costs?

• 2016 Total Fuel Expense: $11.3 Billion
  • Diesel -$7.4 billion, accounting for 65.5%. Diesel expenditures are down 7.5% from the previous year
  • Gasoline is $2.1 billion, down 8.7 percent
  • LP gas is $1.2 billion, down 14.1 percent
  • Other fuel is $640 million, down 1.5 percent

• Fertilizer Sales:

  2014: $28MM        2015: $25.5MM        2016: $23.5MM

Savings of over $4.5 Million!
The Hidden Gem - Mineral Ownership

- 8.5 – 12 million owners

- 70% private citizens, 30% federal, state, county and local governments

- Minerals represent a staggering $350 billion in value today!

- Estimated $50 trillion in untapped shale, oil, and natural gas reserves, especially those on federal lands that the American people own.

- Because of Federal minerals WE ARE ALL MINERAL OWNERS!
Why Are Private Property Rights So Important?

• They set us apart from other counties –
  • The United States is virtually the only country where private citizens enjoy the privilege of mineral ownership

• Most fundamental requirement of a capitalist economic system

• The shale revolution happened in America BECAUSE of Private Property Rights -77% Oil & 81% gas in 2012 was produced on private lands

• Strong private property rights protect individual liberty
Mineral Income Is Life Changing To Our Farmers and Ranchers

• 2012-35 percent of active farm and ranch land was in counties overlaying a shale play.

• 2012, the value of energy production was, on average, 16 times greater than the value of agriculture in energy-producing counties, up from 6 times in 2002 (USDA, National Agricultural Statistics Service (NASS), 2012; USDA, NASS, 2002; and USDA, ERS, 2014).

• 2014- about 6 percent of U.S. farm businesses averaged at least $56,000 in lease and royalty payments from energy production—that is life changing.

• Offsets fluctuating commodity prices and unpredictable weather.

• Farms in shale counties experienced a larger increase in the value of their land and buildings than those outside of shale plays.
Mineral Income Is Life Changing To Our Farmers and Ranchers

- Allows the family farm to stay in the family
  - Buy new equipment - Expand the farm - Pay off debt - Keep family close by having enough capital to hire their kids

- Utilizing their full property “rights”
  - Farm the surface and benefit financially from their underground asset
  - Most leases provide for free gas use from the wellhead for the farmer to run the farm on

- Grow more locally grown crops and organic sector
  - Supports the growing Farm To Table Movement and “Eat Local”

- Give back to the community

- Help their local economy thrive
Challenges

Ag and Energy sectors have a long history

• Rocky at times

• Whole estates vs. split estates can cause conflict and differing perspectives

• Growing governmental regulations
  • Local Control Movement- #1 issue is well-siting
  • Increased setbacks: increased intrusion and limitations of agricultural production

• Keep It In The Ground and the NIMBY Movement

• Must find ways for all interests to coexist
Conclusion

• Cheap, Affordable, Abundant Energy has a huge impact on Agriculture

• We change the hearts and minds of the general public one encounter at a time.

• Need to keep speaking the truth and stay engaged!

• Thank you!
Pure joy!
“Perhaps you and I have lived with this miracle too long to be properly appreciative. Freedom is a fragile thing and is never more than one generation away from extinction. It is not ours by inheritance; it must be fought for and defended constantly by each generation, for it comes only once to a people. Those who have known freedom and then lost it have never known it again.”
— Ronald Reagan
THANK YOU!

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