

From: opisethanol@opisnet.com [<mailto:opisethanol@opisnet.com>]

Sent: Thursday, July 14, 2011 10:08 AM

To: OPIS Ethanol Updates

Subject: BIOFUELS UPDATE: ***LIVESTOCK GROUPS LAUNCH WEBSITE TO MOVE BEYOND CORN-BASED ETHANOL

2011-07-14 12:07:11 EDT

***LIVESTOCK GROUPS LAUNCH WEBSITE TO MOVE BEYOND CORN-BASED ETHANOL

Four livestock groups have teamed up to launch a new website that explains corn-based ethanol's connection to rising food prices and urges consumers to support legislation that moves beyond corn-based ethanol.

The new website, www.cornforfoodnotfuel.com, was launched by the American Meat Institute (AMI), the National Chicken Council, the National Meat Association (NMA) and the National Turkey Federation.

"When consumers see the 'Contains Ethanol' sticker at the gas pump, many don't realize the connection between the sticker and their grocery bills," said AMI President and CEO J. Patrick Boyle. "This new website aims to provide the facts and allow consumers to raise objections to this policy in an online petition. It also offers tips on stretching your meat and poultry dollar," he added.

"The facts on this site show that food prices are in an escalating competition with ethanol due to its tariffs and subsidies," said NMA CEO Barry Carpenter. "These short-sighted policies have done too little to reduce our dependence on foreign oil and too much to pull feed ingredients off the market, which is radically increasing food costs without benefit," he said.

As the livestock groups explained, meat and poultry prices are up 8.5% from a year ago. "About 40% of the U.S. corn crop is now devoted to ethanol production, because nearly all ethanol produced in this country is derived from corn. This increase in corn demand drives its cost higher, putting tremendous pressure on the livestock and poultry industries that traditionally have been major users of corn as feed," the groups explained.

"While many factors that contribute to rising food prices are mostly out of our control, like the weather, there is one underlying domestic factor that we can control: burning our food and animal feed in our gas tanks," the website noted.

The website also asks consumers to sign a petition that states: "Federal energy policies need to move beyond corn-based ethanol and look for the next generation of alternative fuels that don't pit food, feed and fuel needs against each other."

The ethanol industry quickly hit back against the website. "Growth Energy and the domestic ethanol industry could weigh in and dismiss AMI's lies, but we don't have to because researchers at institutions including the World Bank, Argonne National Laboratory and the nation's top research universities have all found that ethanol's impact on grocery prices is minimal," said spokesman Chris Thorne. "One doesn't have to look far to find the independently-produced, peer-reviewed research that pokes holes in their argument," he said.

"All of the money of the nation's largest meat processors cannot hide the fact that the relationship between ethanol, corn prices and food pricing is marginal at best," said Renewable Fuels Association spokesman Matt Hartwig. "This is just a continuation of the same, tired scare tactics that this lobby has used to hide the facts from the American public and scapegoat ethanol while they increase prices. ... I might also add, that when it comes to these claims, these lobbyists are all hat and no cattle -- or turkey or chicken, as the case may be," he added.

--Rachel Gantz, rgantz@opisnet.com