

5/8/2009

Mrs. Lisa Jackson
Administrator, U.S. Environmental Protection Agency
1200 Pennsylvania Ave, NW.
Washington, D.C. 20460

Dear Mrs. Jackson,

The undersigned organizations urge you to oppose efforts to increase the ethanol blend rate from 10% to 15% as proposed by Growth Energy and published in the Federal Register on April 21, 2009 [EPA-HQ-OAR-2009-0211; FRL-8894-5]. Together, we represent California livestock and feed producers who have experienced severe economic losses due to increased production mandates and subsidies for corn ethanol.

We urge you to oppose this measure because corn ethanol is not a sustainable renewable energy to replace fossil fuel use or decrease greenhouse gas emissions.

First, corn is a staple food crop, used to produce many of the nutritious food consumers eat and drink on a daily basis. Forcing the market to choose whether corn will be used as fuel or food because of already increasing mandates will have long lasting impacts on ensuring the U.S. remains the leader in producing safe and nutritious food for our nation's citizens, the poor and hungry people around the world.

Second, researchers, scientists and policy makers are questioning the environmental and climate change benefits corn ethanol provides as an alternative fuel. Researchers have been working diligently to determine the carbon footprint of U.S. corn ethanol production and while incorporating a secondary land use component into a working model is controversial and needs more evaluation, it is clear that the life cycle of corn ethanol varies little from the life cycle of petroleum production. What is additionally made clear is that the production of second generation and cellulosic fuels, including biodiesel, provide notable reductions in greenhouse gas emissions. Therefore, your opposition to this measure is necessary to move toward production of a more sustainable replacement for fossil fuels while also ensuring federal policy spurs the production of more sustainable fuels.

President Obama has made it clear that reducing greenhouse gas emissions from transportation fuels while providing sustainable renewable fuels to reduce our dependence on foreign oil is a significant priority for his Administration. Stated bluntly, corn ethanol will not help advance President Obama's agenda.

During the summer of 2008, corn prices rose to a record high of \$8.00 a bushel, a cost increase of roughly 250 percent. While the exponential increase cannot be entirely attributed to ethanol production, a large portion of this increase was caused as ethanol became a more attractive substitute to fuel blenders during times of record high oil prices as seen last year.

Regardless of claims by ethanol producers that increased production has had no impact on corn prices, the simple fact remains that over 25 percent of U.S. corn yield has now been diverted to ethanol rather than the traditional uses for feed and food. The recently released Congressional Budget Office Paper on *The Impact of Ethanol Use on Food Prices and Greenhouse-Gas Emissions* reports that ethanol producers used 1 billion more bushels of corn in 2008 than in 2007, a nearly 40 percent increase, and that overall ethanol production increased 42 percent from 2007.

Even though yield rates and planted acreage have slightly improved, the additional production provides minimal benefits to close the supply gap created by the diversion of 25 percent of the U.S. corn crop to fuel. In order to avoid increasing the strain on our food supply, government policy should promote the use of non-food and many times unusable items for biofuel inputs. Plant waste, manure, animal fat, wood scraps and other non-edible products have all been identified as likely inputs for biofuels.

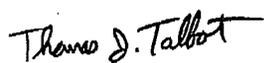
Current policy has discouraged the use of these items which might otherwise end up in landfills and favors the continued use of food crops as fuel. Corn ethanol is subsidized on various levels by the federal government which distorts the market and provides little incentive to transition to more efficient second generation biofuels. Ethanol brought into the country is currently taxed at 54 cents per gallon and fuel blenders receive a tax credit of 45 cents per gallon to blend corn ethanol, in addition to the fact that corn ethanol is mandated to comprise roughly 50 percent of the federal renewable fuel standard.

Conversely, livestock producers receive no government subsidies from the federal government and are left to compete with a subsidized ethanol industry for more expensive corn and higher inputs. It's also clear that without these subsidies, corn ethanol is not economically viable. The federal government should follow California's example in the recent adoption of the Low Carbon Fuel Standard to establish greenhouse gas reductions from transportation fuels, while allowing the market to determine which biofuels are both environmentally and economically sustainable.

Adopting this measure will only hinder Mr. Obama's goals to reduce greenhouse gas emissions in U.S. transportation fuels and perpetuate our dependence on foreign oil. For these reasons we urge you not to adopt the proposed measure. Keeping the allowable blend ratio to 10 percent will also send a clear message to biofuel producers and the market that alternative fuels should transition to sustainable second generation biofuels in order to promote industry growth, increase production capacity and provide a needed solution to our current food and fuel crisis.

Should you have any questions, don't hesitate to contact Justin Oldfield in the California Cattlemen's Association office at (916) 444-0845.

Sincerely,



Tom Talbot, DVM

California Cattlemen's Association

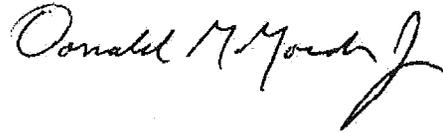


Michael Marsh

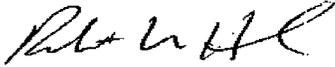
Western United Dairywomen



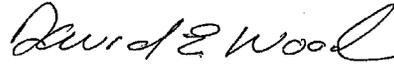
William Van Dam
Alliance of Western Milk Producers



Don Gordon
Agricultural Council of California



Robert Vandenheuvel
Milk Producers Counsel



David E. Wood
Harris Ranch Feeding Company



Kevin Abernathy
California Dairy Campaign



Paul Cameron
Mesquite Cattle Feeders



Debra Murdock
Pacific Egg and Poultry Federation



William Brandt
Brandt Cattle Company



Bill Matos
California Poultry Federation



Rick Wolery
El Toro Land & Cattle Inc.



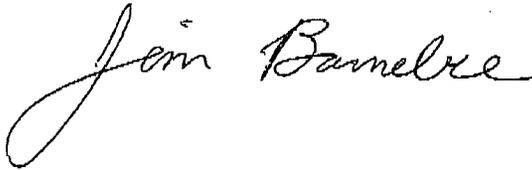
Chris Zanobini
California Grain and Feed Association



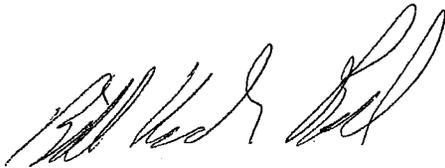
Robert Lofton
Superior Cattle Feeders, LLC



Ross Jenkins
Phillips Cattle Company



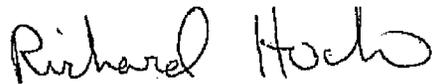
Jim Barnebee
Moiola Bros. Cattle Feeders



Bill Vander Poel
Tule River Ranch & Meritage Dairy



Richard Zacky
Zacky Farms, LLC & Integrated Grain and Milling



Rich Hoch
NuWest Milling, LLC