

July 2, 2008

The Honorable George W. Bush
President of the United States of America
The White House
1600 Pennsylvania Ave., Northwest
Washington, D.C. 20500

Dear Mr. President:

As a result of unforeseen and severe feedgrains inflation, its potential to harm America's economy and the U.S. Government mandated requirement to utilize specific volumes of ethanol, we urge you to exercise your authority to suspend the duties and quotas on imported ethanol used as a motor fuel additive under the authorities provided by the Constitution, the National Emergencies Act, Tariff Act of 1930, Trade Expansion Act of 1962, and the International Emergency Economic Powers Act.

The suspension of the 54-cent per gallon duty on ethanol will benefit Americans by introducing market competition for a product that is mandated and by fostering downward pressure for ethanol and its feedstock. Domestic dairy, livestock and poultry farmers, food and beverage manufacturers, employees in these industries and American food consumers will benefit from this action. The introduction of market competition will alleviate a portion of the unnecessary feed and food price inflationary pressures that are adversely affecting our economic well-being and American consumers. This action will also benefit Americans by removing a tariff that many consumers are paying at the fuel pump for gasoline blended with ethanol.

The U.S. Department of Agriculture's recent crop report and preliminary flood damage assessments are confirming one highly discernable development – feed prices and supply are pressing dairy, livestock, and poultry producers to endure one of the greatest adverse economic situations in decades which is ultimately adding unnecessary economic pressure to all Americans. In fact, the U.S. Department of Agriculture projects corn inventories relative to utilization will be at their lowest level since the 1930s.

The U.S. Constitution and statutes cited above confer authority on the Executive to exercise controls over international economic matters and established procedures governing the use of this power, including close consultation with Congress. Under these legal authorities, the Administration can immediately take this action to favorably influence the price of feedgrains, energy costs, food infrastructure, as well as assist the relief effort in the Midwest and ensure America's food security.

The dynamics of flooding, drought and the precariously sharp increase in the ethanol mandate have added an acute amount of demand for feedgrains. This national exigency is severe, unforeseen, and deepening for dairy, livestock and poultry producers and for Americans that are coping with the effects of food inflation. This spring, Federal Reserve Chairman Ben Bernanke told Congress it should eliminate the tariff on ethanol to ease food inflation. This type of action could also benefit the more than 15 million people employed in animal agriculture, food and beverage manufacturing, and food service segments of the U.S. economy.

Therefore, we urge you to suspend the ethanol tariff and quota until such time that Congress has an opportunity to allow it to expire, discontinue its collection or at minimum until crop conditions significantly improve. Thank you for your attention to this request.

Sincerely,

American Bakers Association
American Beverage Association
American Meat Institute
Butterball, LLC
Cal-Maine Foods, Inc.
Capitol Land & Livestock
Citizens Against Government Waste
The Coca-Cola Company
Darden Restaurants, Inc.
Dean Foods Company
Foster Farms, Inc.
Georgia Poultry Federation
Grocery Manufacturers Association
Indiana State Poultry Association
International Food Distributors Association
Iowa Turkey Federation
Minnesota Turkey Growers Association
Mountaire Corporation
National Chicken Council
National Council of Chain Restaurants
National Milk Producers Federation
National Pork Producers Council
National Restaurant Association
National Tax Payers Union
National Turkey Federation
North Carolina Poultry Federation
PepsiCo, Inc.
Pilgrims Pride, Inc.
Smithfield Foods, Inc.
The Snack Food Association
Taxpayers for Common Sense
Tyson Foods, Inc.
United Egg Producers
United Egg Association
Virginia Poultry Federation