January 12, 2009

The Honorable Nancy Pelosi                        The Honorable Harry Reid  
Speaker                                             Majority Leader 
U.S. House of Representatives                       U.S. Senate 
Washington, D.C. 20515                               Washington, D.C. 20510

Dear Speaker Pelosi and Leader Reid:

Our organizations strongly support the development of second generation biofuels and urge the Congress to support policies in economic stimulus legislation that will help commercialize cellulosic and other advanced biofuels and that will reduce our reliance on food and feed to produce fuel.

In particular, we urge you to:

- Increase investments in second generation biofuels. Congress should increase funding in economic stimulus legislation for grants, loan guarantees, and other tools that will help advance second generation biofuels that do not displace food, feed grain or forage production for the commercial market.

- Restructure biofuel subsidies to accelerate development of second generation biofuels. To help finance new investments in second generation fuels, Congress should redirect a $5 billion-a-year tax subsidy for gasoline refiners who blend corn ethanol to a production tax credit for the producers of cellulosic and advanced biofuels.

As you know, a five-fold increase in the production of conventional biofuels since 2000 - in combination with other factors, such as rising energy prices, poor weather, and global demand - has contributed to volatile commodity prices and a sustained period of commodity and food inflation. Investing in second generation biofuels is one way Congress can help ensure that we are not pitting our energy policies against the need for affordable food.

Sincerely,

American Bakers Association                        National Chicken Council
American Beverage Association                      National Council of Chain Restaurants
American Frozen Food Institute                      National Pork Producers Council
American Meat Institute                            National Turkey Federation
Grocery Manufacturers Association                   National Restaurant Association
International Dairy Foods Association               Snack Food Association