

December 7, 2011

Chairwoman Barbara Boxer and Ranking Member James Inhofe  
Committee on Environment and Public Works  
United States Senate  
Washington, D.C. 20515

Dear Chairwoman Boxer and Ranking Member Inhofe:

The undersigned livestock and poultry groups request that, in light of the ongoing pressures that the Renewable Fuel Standards (RFS) is placing on domestic feed grain supplies and markets as well as the recent discovery by EPA of nearly \$9 million worth of registered but fraudulent Renewable Identification Numbers (RINs), the Senate Environment and Public Works Committee consider a hearing to examine the continuing impacts the RFS mandate is having on feed supplies and the economy as a whole. The RIN system is only one of the potentially hundreds of areas that highlight the problems with the current rigid RFS compliance system.

As representatives of the livestock and poultry industry, we remain concerned over the continued pressure on grain supplies and the impact this is having on the bottom line and risk management strategies of livestock and poultry producers. The RFS, started in 2005 and expanded in 2007, mandates that ever increasing amounts of corn are processed into ethanol for use as motor vehicle fuel. In 2011, for the first time, ethanol manufacturing surpassed livestock and poultry feed as the nation's top user of grain.

As a result, the impact the RFS has had on grain markets is significant in the continued struggles of livestock and poultry producers. We are concerned with recent reports that indicate a growing interest in congressional efforts to revise the definition of advanced biofuels that would allow corn-based ethanol to qualify for the entire 36 billion gallon RFS and further stress an already tight corn supply.

A 2011 National Academy of Sciences (NAS) study has made clear that since 2007 diverting a portion of food crops, such as corn and soybean, to biofuel production was one of the many factors that contributed to the increasing strain on livestock and poultry feed and agricultural commodities. Other factors affecting food and feed prices include growing global population, crop failures in other countries, high oil prices, decline in the value of the U.S. dollar, and speculative activity in the marketplace. However, the RFS mandate is the sole area the U.S. government can control.

In light of our concerns and the many others highlighted by the media and other trade associations around the country, we think an Environment and Public Works Committee hearing to examine the continuing merits and impacts of this broad reaching policy would be timely and relevant.

Thank you for your immediate consideration.

American Meat Institute  
California Dairies, Inc  
Dairy Producers of New Mexico  
Dairy Producers of Utah  
Idaho Dairymen's Association  
Milk Producers Council  
National Cattlemen's Beef Association  
National Chicken Council  
National Meat Association  
National Pork Producers Council  
National Turkey Federation  
Nevada Dairy Commission  
Northwest Dairy Association  
Oregon Dairy Farmers Association  
Southeast Milk Inc.  
Washington State Dairy Federation