

American Corn Growers Foundation

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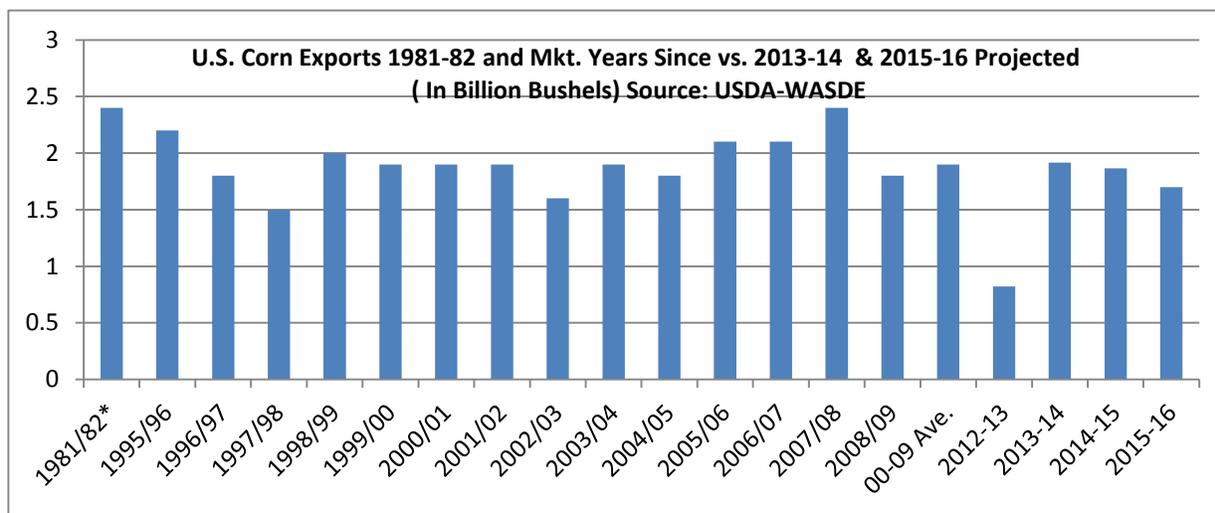
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30+ Years of Failed 'Free Trade' Export Promises Confirms Ethanol RFS Policy Must Stay Permanent

WILCOX, NE –February 4, 2016 – “Presidential candidates and their political handlers in both parties would be wise to learn from the thirty-plus year failed record of U.S. ‘free trade’ corn export promises before attacking the Renewable Fuel Standard (RFS), the most successful domestic rural economic development policy in modern history,” said Gale Lush, a farmer from Wilcox, NE and Chairman of the American Corn Growers Foundation (ACGF). “Had we relied on exports without the ethanol RFS for essential new corn demand market growth since 2005 the rural economy would have experienced a meltdown. So why would any presidential candidate want to dismantle such a successful, economic development infrastructure? The ethanol RFS and ethanol industry create hundreds of thousands of jobs and keep the price of gasoline at the pump as much as \$1 per gallon lower for consumers. RFS energy policy is ‘all American’ vs U.S. fossil fuel incentives that subsidize foreign oil interests. The ethanol RFS serves the economic security of America.”

Dan McGuire, ACGF Project Director and export policy analyst points out that U.S. corn exports will only hit 1.7 billion bushels in the 2015-2016 marketing year that ends on August 31, according to the January 12, 2016 U. S. Department of Agriculture WASDE report. “During the 1980’s-1990’s farm-trade policy ‘restructuring regime’ agribusiness economists and ‘trade experts’ projected U.S. corn exports would hit 2-3 billion bushels consistently by now. They missed that mark by a country mile,” said McGuire. “The low end of USDA’s projected 2015-16 average corn price is only \$3.30 per bushel. Some cash prices have dropped below \$3.00 in recent months in South Dakota. Rosy U.S. export forecasts didn’t just miss the mark on corn exports. They were even worse on wheat exports which will only hit 800 million bushels this year according to USDA. That’s only about 50% of what wheat exports were in the 1980s. Imagine what the cash corn (and wheat) price would be without 5.2 billion bushels of domestic corn demand from ethanol right here in our U. S. homegrown market. Without the ethanol RFS both corn and wheat would have seen many years of disastrous prices.”



“The 1980’s rosy U.S. ‘export-oriented’ farm policy has yet to deliver. Export levels forecast then are an aberration if they are reached at all. The ‘record’ agricultural exports we hear officials talk about are in \$ value terms, not export quantities. In any case strong corn export value resulted from stronger corn prices which were a direct result of domestic corn demand and strong corn utilization by ethanol plants. Americans cannot afford to allow the domestic U.S. corn demand and price infrastructure to be undermined. Furthermore, corn used for ethanol production does not compete with corn for human food as anti-renewable oil industry spin activists suggest. The feed components of that yellow field corn still go to livestock feed and U.S. motorists realize the major economic benefit of buying cheaper gas at the pump by as much as \$1.00 per gallon less than it would be without ethanol blended in”, said McGuire. “U.S. taxpayers have subsidized fossil fuels for about 100 years, including foreign oil exploration. The ethanol RFS supports American jobs when our country seriously needs them. Politicians that do not realize this are not paying attention. The RFS should stay permanent policy.”

