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For Immediate Release

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ACGF Chairman Says Petroleum Industry is Duplicitous by Misleading Congress and Consumers about RFS and Ethanol -Apparently Attempting to Seize Back Monopoly Market Power over the Consumer Gasoline Market

WILCOX, NEB –July 19, 2013 – “Recent attacks on the Renewable Fuel Standard (RFS) by the American Petroleum Institute (API) are misleading the United States Congress and American consumers,” said Gale Lush, Chairman of the American Corn Growers Foundation (ACGF), a corn, soybean and wheat farmer from Wilcox, Nebraska. “Considering that the fossil fuel industry has had one hundred years of various forms of government support and subsidies including tax credits through which they avoid paying federal taxes, it’s about the same as oil companies getting the equivalent of checks from the federal government and U.S. taxpayers, just in a little different form. Government support, combined with their dominance of motor fuels has amounted to a “mandate” and a captive market for their product, namely gasoline. The API’s call for the elimination of the RFS for ethanol is duplicitous at best and shows a selfish disregard for the best interests of the U.S. economy, U.S. consumers and U.S. energy security given that ethanol keeps gas prices \$1.09 per gallon less at the pump than those prices otherwise would be without ethanol in the gasoline pipeline, according to a recent study by Iowa State University. It appears the petroleum industry wants to seize back monopoly market power which could result in a 100 percent oil industry monopoly “mandate” in the U.S. gasoline market if they could replace clean burning, environmentally-friendly ethanol with strictly gasoline, including all its carcinogens such as benzene.”

Lush added that the July 2013 U.S. Department of Agriculture (USDA) supply and demand report shows a near record number of acres planted to corn and near record 2013 corn production projected at about 14 billion bushels, plenty of corn for feed and fuel. Average corn prices are projected to drop by about \$2.00 per bushel for the 2013/2014 marketing year.

“The API and big agribusiness livestock trade groups are trying to mislead the public and Congress with their spin that corn use for ethanol is a question of corn for fuel versus corn for food but that is disingenuous given the realities of the actual share of yellow field corn that traditionally goes to cereals and other products. According to USDA only 210 million bushels of corn is used in the category of ‘Cereals and other products’, 270 million bushels goes for ‘Glucose and dextrose’, 250 million bushels goes for ‘Starch’, and 505 million bushels goes for ‘High-fructose corn syrup (HFCS),” said Lush. “Furthermore, USDA projects that total U.S. red meat and poultry production in 2013 will be over 93 billion pounds with per capita U.S. consumption rising from 202.2 pounds in 2012 to 204.8 pounds in 2014. Obviously, there is no shortage of either corn or meat in the U.S. marketplace, so the API and those other anti-ethanol trade groups should knock off their misinformation campaign and back off their attempts at trying to get Congress to repeal the RFS.”

“Only the starch from the corn kernel goes toward producing ethanol,” said Lush. “The minerals, protein, oil, wet or dried distillers grain (DDGS) still goes right into the livestock feeding sector to produce meat for U.S. consumers while each bushel of corn simultaneously provides consumers nearly three gallons of ethanol that is blended with gasoline, keeping gasoline prices about \$1.09 per gallon less at the gas pump, a major economic benefit for U.S. consumers and motorists. It appears that the petroleum industry wants to dominate government policy to have monopoly power in the gasoline market, and history shows just how much they are able to gouge consumers without fuel supply competition from ethanol.”

“For many years, as a landowner and farmer I have cooperated with the fossil fuel industry, by allowing them to use my production platform (my farmland) for multiple pipelines, so oil and gas companies can deliver their products (petroleum and natural gas) to the market,” said Lush. “Why shouldn’t I expect the petroleum industry to extend me the same courtesy and cooperation by allowing my product (corn ethanol) to be delivered through their marketing platform (gasoline outlets and stations) to American motorists and consumers? Farmers and the ethanol industry are providing a valuable, high quality product to consumers while enhancing U.S. energy security. With ethanol plants widely dispersed across the U.S. Middle West foreign wars in the Middle East and elsewhere do not jeopardize that part of our domestic fuel supply. This is not about an either or situation of corn for food or for fuel because prior to ethanol use yellow field corn was primarily used for livestock feed, not human consumption. The valuable feed corn components still are going into the livestock feeding industry that provides an abundance of food to consumers in the U.S. and around the world. It’s high time for the petroleum industry to become our American ally and marketing partner instead of our opponent.”

Latest USDA-WASDE July, 2013 U.S. Feed Grain and Corn Supply/Demand Table and USDA *Feed Outlook*
Table 5-Corn: Food, seed, and industrial use (million bushels) June 13, 2013 both shown below.

July 2013

WASDE - 520 - 12

U.S. Feed Grain and Corn Supply and Use 1/

FEED GRAINS	2011/12	2012/13 Est.	2013/14 Proj. Jun	2013/14 Proj. Jul
		<i>Million Acres</i>		
Area Planted	102.5	109.8	111.4 *	111.1 *
Area Harvested	91.1	96.6	100.5 *	99.5 *
		<i>Metric Tons</i>		
Yield per Harvested Acre	3.55	2.96	3.71	3.72
		<i>Million Metric Tons</i>		
Beginning Stocks	32.3	27.8	22.2	21.2
Production	323.6	285.8	372.4	370.2
Imports	2.7	6.5	2.7	2.9
Supply, Total	358.5	320.1	397.3	394.4
Feed and Residual	119.5	118.3	138.2	136.7
Food Seed & Industrial	170.2	160.7	168.8	168.8
Domestic, Total	289.7	279.0	307.0	305.5
Exports	41.0	19.9	37.1	35.8
Use, Total	330.7	298.9	344.1	341.3
Ending Stocks	27.8	21.2	53.2	53.0
CCC Inventory	0.0	0.0		
Free Stocks	27.8	21.2		
Outstanding Loans	1.1	0.8		
CORN				
		<i>Million Acres</i>		
Area Planted	91.9	97.2	97.3 *	97.4 *
Area Harvested	84.0	87.4	89.5 *	89.1 *
		<i>Bushels</i>		
Yield per Harvested Acre	147.2	123.4	156.5 *	156.5 *
		<i>Million Bushels</i>		
Beginning Stocks	1,128	989	769	729
Production	12,360	10,780	14,005	13,950
Imports	29	160	25	30
Supply, Total	13,516	11,929	14,799	14,709
Feed and Residual	4,545	4,450	5,200	5,150
Food, Seed & Industrial 2/ Ethanol & by-products 3/ Domestic, Total	6,439 5,011 10,985	6,050 4,650 10,500	6,350 4,900 11,550	6,350 4,900 11,500
Exports	1,543	700	1,300	1,250
Use, Total	12,527	11,200	12,850	12,750
Ending Stocks	989	729	1,949	1,959
CCC Inventory	0	0		
Free Stocks	989	729		
Outstanding Loans	41	30		
Avg. Farm Price (\$/bu) 4/	6.22	6.75 - 7.15	4.40 - 5.20	4.40 - 5.20

Note: Totals may not add due to rounding. 1/ Marketing year beginning September 1 for corn and sorghum; June 1 for barley and oats. 2/ For a breakout of FSI corn uses, see Feed Outlook table 5 or access the data on the Web through the Feed Grains Database at www.ers.usda.gov/data-products/feed-grains-database.aspx. 3/ Corn processed in ethanol plants to produce ethanol and by-products including distillers' grains, corn gluten feed, corn gluten meal, and corn oil. 4/ Marketing-year weighted average price received by farmers. * For June, planted acres reported in the March 28, 2013, "Prospective Plantings." For corn, harvested acres projected based on historical abandonment and use for silage. For July, planted and harvested area as reported in the June 28, 2013, "Acreage." Projected corn yield based on a weather adjusted trend, lowered to reflect the asymmetric yield response to July precipitation and the slow pace of May planting.

Table 5--Corn: Food, seed, and industrial use (million bushels), 6/14/2013

Mkt year and qtr 1/	High-fructose corn syrup (HFCS)	Glucose and dextrose	Starch	Alcohol for fuel	Alcohol for beverages and manufacturing	Cereals and other products	Seed	Total food, seed, and industrial use
2011/12 Q1 Sep-Nov	119.64	77.97	64.65	1,266.69	33.30	50.73	0.00	1,612.98
Q2 Dec-Feb	115.00	73.34	62.03	1,304.81	34.93	50.73	0.00	1,640.83
Q3 Mar-May	136.83	72.98	62.14	1,247.78	36.59	50.53	23.57	1,630.40
Q4 Jun-Aug	141.89	72.33	65.15	1,191.75	31.68	51.23	0.96	1,555.01
MY Sep-Aug	513.36	296.61	253.97	5,011.03	136.50	203.23	24.53	6,439.22
2012/13 Q1 Sep-Nov	122.76	70.37	63.79	1,141.52	34.16	52.39	0.00	1,484.99
Q2 Dec-Feb	113.44	65.35	58.68	1,118.17	35.83	52.28	0.00	1,443.74
MY Sep-Aug	505.00	270.00	250.00	4,650.00	140.00	210.39	24.62	6,050.00
2013/14 MY Sep-Aug	510.00	290.00	280.00	4,900.00	140.00	206.00	24.00	6,350.00

1/ September-August. Latest data may be preliminary or projected.
Source: Calculated by USDA, Economic Research Service.

Date run: 6/13/2013