

American Corn Growers Foundation

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For Immediate Release

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Attacks on Ethanol RFS by Corporate Livestock to Reduce Corn Demand Is A Bad Idea Only Corn Starch Goes to Ethanol. Protein, Minerals, Oils from Corn Kernel Are Still Used As Livestock Feed Soybean Embargoes by President Nixon in 1973 and President Ford in 1975 Taught U.S. Serious Lesson

WILCOX, Neb. – July 20, 2012 – “Two negative, corn and ethanol demand-restricting bills introduced by Representative Goodlatte of Virginia aimed at reducing or eliminating volumes of ethanol use connected with the Renewable Fuels Standard (RFS) are sadly reminiscent of bad demand/trade restrictive export policies used first by President Richard Nixon in 1973 to curb U.S. soybean exports to Japan and then again used by President Gerald Ford on September 9, 1975 when he suspended grain exports to the Soviet Union,” says Gale Lush, Chairman of the American Corn Growers Foundation (ACGF), Wilcox, Nebraska corn, soybean and wheat farmer. “America doesn’t need attacks on renewable fuels at the same time the U.S. House of Representatives dithers and fails to move a new farm bill during the most serious U.S. drought in the past fifty years. The House of Representatives is already trying to severely weaken the Senate version of the new farm bill. We don’t need members of Congress attacking our best domestic corn market, which is ethanol. Where are the farm state Congressional leaders of the U.S. House majority party when farmers need them? What’s holding up this key farm bill passage when rural state economies are in serious trouble and need fast, decisive action?”

“Even the ‘E’ word, which stands for export embargo, has popped up here and there in some news reports. American political leaders should have learned the devastating lesson from grain embargoes back in the 1970s when President Nixon embargoed soybean exports to Japan to supposedly protect consumers from higher food costs,” said Lush. “In response Japan made massive investments in Brazilian soybean production and created a permanent and major export competitor for U.S. farmers and American agriculture. We don’t need any of that knee-jerk nonsense as a response to a temporary drought situation. The U.S. corn farmer is still only getting 10 cents of the \$4.20 cost for a box of cereal at the grocery store and very little yellow field corn is used in cereal. The vast majority of U.S. yellow field corn production has always gone to livestock feed. It still does, after the ethanol is removed. Furthermore, an Iowa State University and University of Wisconsin study shows that U.S. consumers paid about \$1.09 per gallon less for gasoline because ethanol is in the U.S. fuel supply pipeline. That study shows that ethanol in the U.S. fuel mix resulted in each U.S. household saving about \$1,200 in 2011.”

Lush added, “Big corporate livestock interests from Texas and states like Virginia and the big corporate-agribusiness meat and poultry trade organizations that those corporate interests control are again pushing to weaken the ethanol-driven demand for corn. Livestock feeders still get the vast majority of the protein, minerals and oil feed value that was in the corn to begin with, from dried distiller’s grains (DDGS) and/or corn gluten feed and meal, because the ethanol plants only use the starch component of the corn kernel to produce ethanol.”

The photos pasted below depict the process/path corn takes with livestock still getting the feed and only corn starch going to ethanol.



L-R: Yellow field corn; DDG’s from ethanol plant; high protein gluten feed/meal from ethanol processing plant goes to cattle feed yard;only starch goes to ethanol.