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Contact: Sherrie Rosenblatt
Vice President, Marketing and Communications
Phone: 202-898-0100 x227
E-mail: srosenblatt@turkeyfed.org

NTF Chairman Expresses Concerns About Renewable Fuels and Feed
*Ted Seger, president, Farbest Foods Inc. Testifies Before House Agriculture
Committee*

WASHINGTON, D.C. -- March 8, 2007 -- NTF Chairman Ted Seger warned the House Agriculture Committee today that the growing impact of the federal renewable fuels policy on the demand for corn and soybeans could significantly harm the turkey industry and raise food prices for consumers.

Corn and soybean meal account for nearly three-quarters of a turkey's daily feed rations. The price of corn has increased by more than \$2 per bushel in the last 12 months. Corn supplies are tightening, and most new corn acres are expected to come at the expense of existing soybean acres.

"More than one-third of the cost of a tom turkey is generated by corn and soybean meal alone," Seger said. "The increase in corn, soybean meal and other feed ingredient prices from just one year ago has raised the feed cost per tom turkey by about eight cents per pound, a 35 percent increase. That equals \$576 million more in feed costs on an annual basis to the industry."

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Seger is president of Farbest Foods Inc. in Huntingburg, Ind., an integrated turkey company involved in grain procurement, feed manufacturing, and growing, processing and marketing turkey meats around the world.

In speaking about the food prices, Seger said, “In the long run, this will mean higher food costs for consumers. Existing sales contract commitments have held prices down, shrinking turkey company profits to near zero, and it is likely the industry will absorb losses in the short run. Eventually, though, high feed prices will result in a decrease in poultry and meat production.”

Diversifying the feedstock used for alternative fuels can help, Seger said: “NTF supports the highest level of funding possible for all forms of cellulose-based research and full funding of already approved cellulose-based demonstration projects.”

Seger asked that the following recommendations be included in the Farm Bill and, when appropriate, a new Energy Bill:

- ❑ Provide maximum funding for research into ways corn yields can be increased.
- ❑ Allow farmers whose Conservation Resource Protection (CRP) contracts are close to expiring to opt out early with no penalty.
- ❑ Eliminate the 51-cent-per-gallon blenders credit for ethanol, or at least index it to the price of oil.
- ❑ Eliminate the 54-cent-per-gallon duty on ethanol imported from the Caribbean, Central America and South America.
- ❑ Promote the production of a more consistent, higher quality DDG by ethanol plants.

In conclusion, Seger said, “We believe these recommendations will help speed energy independence and minimize the impact of a renewable fuels policy on poultry and meat producers.”

The National Turkey Federation is the advocate for all segments of the \$8 billion U.S. turkey industry, providing services and conducting activities, which increase demand for its members’ products and protect and enhance the ability to effectively and profitably provide wholesome, quality, nutritious turkey products.

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