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**Texas Governor Perry, Food Industry Leaders
Urge EPA To Suspend Ethanol Mandate**
*Food Producers, Environmentalists and Consumer Advocates
Echo Perry's call to Revisit U.S. Biofuel Mandates*

WASHINGTON, DC – June 24, 2008 -- Today, leaders from several food industry associations shared a stage with Governor Rick Perry (R-TX) to call on the Environmental Protection Agency to approve his Renewable Fuels Standard (RFS) waiver request. Governor Perry addressed an audience of food producers, environmentalists and consumer advocates at the National Press Club who joined together to express their support for revisions to current policies that promote the conversion of food into fuel.

Gov. Perry used the occasion to reiterate his appeal to the EPA to reduce this year's RFS in light of skyrocketing corn prices which have proved damaging to Texas's enormous livestock and poultry industry.

Bill Roenigk, senior vice president and chief economist of the National Chicken Council, which represents chicken production and processing companies, participated in the governor's press conference.

"The Renewable Fuel Standard has distorted the market and has imposed severe economic harm on companies in our industry through dramatically higher input costs and is imposing harm on the general public in the form of higher prices for food products," said Roenigk. "We urge the EPA to grant the waiver requested by Governor Perry."

"Cattlemen are now confronting \$7 and even \$8 corn, and that may just be the beginning," said Gregg Doud, chief economist for the National Cattlemen's Beef Association (NCBA) who also shared the stage with Gov. Perry. "Even before the wet spring pushed into June, we were already seeing a lot of acres migrating away from corn this year. By the time conditions improve in many of these fields, planting corn will no longer be an option."

With corn prices skyrocketing to their highest levels yet, recently hitting \$8 per bushel, the increase in livestock and poultry feed is putting an immense amount of financial pressure on both producers and consumers.

"The prices for beef, pork and dairy products have risen dramatically over the past few months and this upward trend will continue, as the food used to feed these animals is washed away by flood waters and the projected size of the corn harvest shrinks," said J. Patrick Boyle, president and CEO of the American Meat Institute, emphasizing the urgent nature of the waiver request given the recent flooding in the Midwest.

"Mother Nature is refusing to adhere to Congressional mandates for corn production," Boyle added, "Governor Perry should be applauded for seeking immediate relief from EPA, thereby providing Congress the opportunity to revisit these food-to-fuel mandates."

Governor Perry submitted a request to the EPA to reduce the RFS mandate by half – from 9 billion to 4.5 billion gallons blended into the national fuel supply – on April 25th. The EPA opened the waiver request for a public comment period, which ended on Monday. Now the EPA has until July 24th to issue a decision.

Ranchers, poultry growers, restaurateurs and bakers are among those in the food industry who have spoken out strongly in support of the waiver.

“The turkey industry is committed to providing wholesome, high quality and nutritious turkey products at an affordable price to the consuming public,” added Joel Brandenberger, president of the National Turkey Federation. “However, with the current ethanol mandate diverting one-third of U.S. corn to gas tanks, feed prices have shot higher and higher, making it difficult for the industry to keep high-quality foods reasonably priced.”

“The National Turkey Federation appreciates Texas Governor Perry's leadership on this issue and urges the EPA to approve his petition and waive the mandate. With recent flooding in the Midwest, we need to do whatever we can to bring down feed and food prices that are within our control,” said Brandenberger.

Studies released Monday by economists Keith Collins and Dr. Thomas Elam have shown that biofuel policy plays a significant role in driving the price of corn, which in turn impacts the cost of other commodities such as soy and wheat.

“The American Bakers Association remains extremely concerned about the nation’s current wheat supply and commodity prices,” said Robb MacKie, president and CEO of the American Bakers Association, which represents 85 percent of the nation’s wholesale baking industry. “The corn-based ethanol program is one of many factors impacting the current situation. The recent flooding in the Midwest only further exacerbates this situation for all grains. We urge the Environmental Protection Agency (EPA) to grant Governor Rick Perry’s waiver request to reduce this year’s Renewable Fuel Standard (RFS) mandate by half.”

Several organizations stated that although they support the development of renewable fuels, they believe strongly that such advancements must take place with an eye toward sustainability and must not rely solely on subsidized, food-crop feedstock.

“The National Restaurant Association urges EPA to waive a portion of the Renewable Fuel Standard as requested by the State of Texas because of the impact this mandate is having on the nation’s economy,” said John Gay, senior vice president of government affairs and public policy for the National Restaurant Association. “There are certainly many factors contributing to the sharp increase in wholesale food prices – the largest in 27 years – and very few within our control. However, we can revisit the government policies put in place, and we must ensure that we are not forcing our needs on food and fuel to compete against each other.”

Gay added, “The restaurant industry supports the development of efficient renewable fuels - including the promotion of the use of recyclable restaurant oil - while safeguarding against price distortions in the food supply. These price distortions have harmed our customers and businesses.”

“Although there are many factors contributing to runaway food inflation, there is only one factor the Administration can change – Federal food-to-fuel mandates,” concluded Grocery Manufacturers Association President and CEO Cal Dooley. “At a time when tens of thousands of Americans are turning to food banks to feed their children, no Administration could reasonably conclude that ethanol refiners should be given priority over working families, food companies, and livestock farmers.”