


**By Keith Shoemaker, Special to the Rocky**

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Despite letting go more than 200 turkey-processing employees in Longmont in August, I was pained to lay off 265 more at our Butterball plant because of the rising cost of feed. There is no upside to what our company and other meat and poultry producers are being forced to do as corn and feed prices skyrocket. These Coloradans are the human face of our country's failing agricultural and energy policies.

The Renewable Fuels Standard, a congressionally mandated push for corn-based ethanol, has siphoned off billions of bushels of our nation's corn crop from the food supply into the fuel supply. With even higher percentages of corn destined for ethanol production in the coming years, it begs the question: For how long will we sacrifice the health of one agricultural industry for the sake of another?

Since our animal feed is primarily based on corn, the cost of doing business grows increasingly prohibitive with each jump in corn prices.

But it is more than just this quota system that has caused a major change in how we bring turkeys to market. In addition to the RFS, Congress has placed a 54-cent tariff on every gallon of imported ethanol alongside a 51-cent subsidy to oil refiners for every gallon of ethanol they blend into the nation's gasoline supply.

The story doesn't end there. When farmers grow more corn to meet ethanol mandates, there's less room in the field for other crops like soybeans. That leads to price increases for other commodities, too. And it's not just the farmers who feel the pinch. Consumers are being hit just as hard at the supermarket. The price of staples like cooking oil, milk, eggs and bread have all jumped because of our nation's failing food-to-fuel policy.

Distressingly, food inflation is running at twice the rate of overall inflation. And with the ethanol mandate in place, we can expect prices to continue climbing. With the cost of feed stock rising 42 percent in the past year alone, the biggest increase since the 1970s, the losses for beef, pork and poultry producers will keep accumulating.

In fact, these industries are projected to lose \$8 billion this year alone.

We can't meet our budgets and business plans at these prices, and neither will average Americans when they see ever-higher prices in the grocery aisles. Unfortunately, these policies are increasing costs so dramatically that family farms are folding and companies our size are being forced to take the only action possible: cutting back production, which means cutting back jobs.

I will be the first to admit there is no easy way to solve America's energy problems; we must find new ways to meet increased demand across the globe. There is no doubt in my mind that Congress thought they had a winner on their hands when they created the ethanol mandate. But being a leader involves more than just bold policy actions. It takes guts to know when you're wrong.

I hope our leaders will think about the damage that can be caused when bad policies are left in place.

In just the past three months I have had to tell 490 hard-working Americans - those who take pride in their work, who vote, who care about this nation - that they don't have a job. Voters should know these jobs were lost because of laws that our elected officials have the power to change.

*Keith Shoemaker is CEO of Butterball LLC.*

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## Comments

October 27, 2008

9:58 a.m.

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Cwillyrun1 writes:

This writer makes an excellent point. Corn ethanol is flawed, from the use of it taking food supply and cheaper prices off the market, to corn being a thirsty plant and taking water out of the system for fuel, and to the refining process putting pollution in the atmosphere that makes up for it's low emissions to equalize it with fossil fuel emissions in the end. Why subsidies for corn ethanol when they're making good profits as it is? Why corn when there are other sources for ethanol? Brazilian grass is a sugar based ethanol, easy to grow and cheap. They pay 2.31 a gallon in Brazilian currency for unleaded fuel, but for the ethanol they pay .89 a gallon.

McCain has mentioned ending the subsidies for corn ethanol production, and looking into using Brazilian grass for an ethanol source (ending tariffs). His energy plans are smarter than Obama's. Obama doesn't really want to drill off-shore (while other

countries will take it), he doesn't want to use nuclear energy, and he hasn't mentioned anything about corn ethanol or ethanol in general. Obama's energy plans are weaker and will end up being more expensive to us consumers, in my opinion.

October 27, 2008

12:39 p.m.

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bxwatso writes:

Add to that the results of studies concluding that corn ethanol consumes more fossil fuel to produce than the fuel it generates as a finished product. Corn ethanol actually harms the environment and releases more CO2 into the air than simply burning pure gasoline.

Of course what corn ethanol and import tariffs do is buy votes for the farm state senators who bring home the pork.

October 27, 2008

2:56 p.m.

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roger44 writes:

From Day one this was a bad idea. They tried this stuff in the 20's, didn't work then, won't work now. We pay out of the paycheck, and then out of pocket at the pump. I won't burn it. Most vehicles have gaskets in the fuel system it corrodes, and you will end up paying for fixing that. Coal fired power plants pollute more than all vehicles. Go Nuke. We can thank the idiots that came up with this idea come Thanksgiving by paying more for the food we eat.

November 1, 2008

9:50 p.m.

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Castle writes:

Dose anyone else here see a problem with the government getting involved with the market system? Tariffs, regulation, and subsidies will eventually effect the consumers in a negative way, as we've seen happen.

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