



August 2, 2007

OPPOSE Herseth Sandlin Amendment #81

Dear Representative:

The National Cattlemen's Beef Association (NCBA) urges you to OPPOSE Herseth Sandlin amendment #81 to H.R. 3221, the New Direction for Energy Independence, National Security, and Consumer Protection Act. This amendment could deal a serious blow to cattle producers if the United States experiences anything short of record U.S. corn production year after year.

Amendment #81 would expand the Renewable Fuels Standard (RFS) to require the production of 36 billion gallons of renewable fuel by 2022. The amendment stipulates that beyond 2012, a certain portion of the mandate must be met with "advanced biofuels"; nevertheless, **a mandate of 15 billion gallons for feed-grains based ethanol would still be established.** Nearly 5.5 billion bushels of corn would be needed to support this level of corn ethanol production.

Corn is the primary feed stock utilized by cattle feeders in the United States, accounting for approximately 85 of every 100 pounds of cattle feed in feedlots. Due to the incredible expansion that has recently taken place within the corn-based ethanol industry, ranchers and cattle feeders are expanding their use of alternative feedstuffs, and doing their best to respond to the rapidly changing marketplace. However, corn is and will remain an essential input for their business. **Mandating additional corn-ethanol production will only serve to exacerbate an already difficult situation for cattle producers across the country.**

Cattle producers recognize the important role of federal support in advancing renewable and alternative sources of energy, but they feel that this assistance should be focused on energy sources that are not yet commercially or economically viable. The corn ethanol industry is obviously no longer a "fledgling industry" in need of government support. For this reason, NCBA policy supports input segmentation of the RFS, and encourages an increase in the cellulosic portion of the requirement, while opposing any increase in the mandate for ethanol derived from feed grains.

It should be made clear that NCBA supports our nation's commitment to reducing dependence on foreign energy by developing forms of renewable energy such as ethanol. However, government intervention in the market can determine artificial winners and losers, and decrease overall efficiency. **NCBA feels that cattle producers should be allowed to compete on a level playing field with an ethanol facility for each bushel of corn,** yet this will not occur if the requirements for feedgrain based ethanol are increased as proposed by the Herseth Sandlin amendment.

NCBA asks that market forces be given the opportunity to function and **we urge you to OPPOSE Herseth Sandlin amendment #81.**

Sincerely,

A handwritten signature in black ink, appearing to read "Jay H. Truitt".

Jay H. Truitt
Vice President, Government Affairs