



## ISSUE PAPER: Renewable Fuels Policy

Source: National Turkey Federation (NTF)

When it comes to the Renewable Fuel Standard (RFS), Congress must remain vigilant about how Federal energy and agricultural policy play a key role in shaping supply and demand forces that influence food costs. We in the turkey industry are on the eventual losing end when our product prices go up because of higher costs, and thus consumers pay more and eventually buy less. We hope Congress will get back to work on the RFS, and find a solution that all can live with to this bitterly debated policy.

### Overall Impact on Turkey Industry:

- From 2006 to 2013, U.S. turkey producers watched their average feed costs increase from 22.7 cents to almost 51 cents per pound of turkey raised, a 125 percent increase. To compensate for the higher cost of feed, wholesale prices had to increase – and they did.
- While feed costs more than doubled, average turkey prices increased by only 26 cents per pound. The cost increases from feeding turkeys with rising costs of corn and soy meal increased the costs to consumers of \$1.3 billion dollars last year.
- A recent Congressional Budget Office (CBO) report anticipates that keeping the RFS as current the law states will result in increase food prices and ultimately hurt consumers, businesses and the economically disadvantaged.

### Request to Congress

- **Repeal the Corn Ethanol RFS:** Congress should revisit the RFS and adjust the federal mandate to reflect the fact the realities of a consistently tight corn supply. It is time to remove the 15-billion gallon mandate of ethanol that comes from corn. There are currently three bills in the House and Senate working to combat the RFS:
  - Co-Sponsor Renewable Fuel Standard Reform Act (H.R. 1462) – 77 co-sponsors
  - Co-Sponsor Renewable Fuel Standard Elimination Act (H.R. 1461) – 84 co-sponsors
  - Co-Sponsor Corn Ethanol Mandate Elimination Act (S. 1807) – 9 co-sponsors
- **Oppose infrastructure investment:** Congress should eliminate federal funding for certain ethanol-related infrastructure programs, including the construction of ethanol blender pumps and storage facilities. The 2014 Farm Bill includes language that prohibits USDA from using Renewable Energy for America Program (REAP) funds from paying for these types of projects, and we support it in the final bill. Current REAP funding does nothing to move toward advance biofuels.
- **Oppose increase of current blend levels:** It is time for Congress to take up legislation that prevents implementation of increasing the allowable ethanol content in gasoline to 15 percent (E15).

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