



Statement

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“Connecting Cows, Cooperatives, Capitol Hill, and Consumers”

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Foundation for the Future Only Answer to New Reality of Higher Feed Costs

ARLINGTON, VA – A few months ago, the U.S. Department of Agriculture (USDA) was projecting a record corn crop. However, last week USDA projected a national yield of 155.8 bushels per acre, well below last month's projection of 162.5 bushels and lower than an analysts' average forecast of 159.9 bushels per acre. The 2009 yield was a record 164.7 bushels per acre.

The USDA projected final corn output was at 12.664 billion bushels, down from its September estimate of 13.160 billion bushels and from the average analyst estimate of 12.950 billion bushels.

Today, the Environmental Protection Agency (EPA) partially granted Growth Energy's waiver request application submitted under section 211(f)(4) of the Clean Air Act. This partial waiver will allow fuel and fuel additive manufacturers to introduce into commerce gasoline that contains greater than 10 volume percent (vol%) ethanol and up to 15 vol% ethanol (E15) for use in certain motor vehicles once certain other conditions are fulfilled.

As a result of both of these announcements in the last week, corn, soybean, and soy meal prices have all rapidly increased. This is exactly why we need to pass [Foundation for the Future](#), including the Dairy Producers Margin Protection Program. Foundation for the Future margin protection was specifically designed to protect producers against unforeseen or excessive feed prices caused by government programs to incentivize renewable energy programs, increases in demand, and/or shortage in stocks or production yield, among other things.

Shocks to the corn market like we have experienced in the last week are devastating to animal agriculture producers' bottom line. The USDA report lowering corn production last week and the EPA announcement of E15 today solidify the need for Congress to seriously consider dairy policy reform as soon as next spring when the 112th Congress convenes.

The National Milk Producers Federation, based in Arlington, VA, develops and carries out policies that advance the well being of dairy producers and the cooperatives they own. The members of NMPF's 31 cooperatives produce the majority of the U.S. milk supply, making NMPF the voice of more than 40,000 dairy producers on Capitol Hill and with government agencies. Visit www.nmpf.org for more information.