

NATIONAL CORN GROWERS ASSOCIATION

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NCGA Disappointed Politics Trumped Policy on Ethanol Vote

WASHINGTON (June 16, 2011) -- The National Corn Growers Association expressed severe disappointment today that the Senate allowed petty politics to trump prudent policy in the fight for the future of the ethanol industry. The passage of Sen. Dianne Feinstein's amendment to immediately repeal the Volumetric Ethanol Excise Tax Credit represents a tax increase on fuel that will kill jobs in rural America and hit all consumers in the pocketbook, NCGA said.

"Today the Senate voted against rural America and domestic, renewable energy, and in favor of more foreign oil," NCGA President Bart Schott, a grower from Kulm, N.D., said. "Sen. Feinstein has unfairly hit at the heart of an important agricultural industry while remaining unified with subsidy-laden Big Oil."

Schott pointed out that one comprehensive report found that subsidies for the oil industry total up to \$280 billion annually, representing up to \$2 per gallon of gasoline. A recent legislative effort to eliminate \$2 billion of these oil subsidies went nowhere in Congress, he noted, after organizations like the National Taxpayers Union painted it as a tax increase.

The ethanol industry supports more than 400,000 U.S. jobs, contributing more than \$56 billion each year to the nation's economy and \$11 billion in federal, state and local tax revenue, Schott said.

"Last year, 81 senators voted to extend the blender's credit for one year to allow us to move forward with a proposal to reform these incentives," Schott said. "We have proposed such legislation and have shown a willingness to work with all parties on a solution, and we thank the senators who stood by their vote last year and stood by us in this week's effort."

Also Thursday, in a victory for corn growers and the ethanol industry, the Senate rejected a proposed amendment by Sen. John McCain that would have prevented the U.S. Department of Agriculture from providing grants for blender pumps.

"This is good news because we want to do all we can to encourage fuel choice," Schott said. "Blender pumps provide options for those with flex-fuel vehicles and can help the ethanol industry grow in the years to come."

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Founded in 1957, the National Corn Growers Association represents 35,000 dues-paying corn farmers nationwide and the interests of more than 300,000 growers who contribute through corn checkoff programs in their states. NCGA and its 48 affiliated state associations and checkoff organizations work together to create and increase opportunities for their members and their industry.