



**OFFICE OF THE GOVERNOR
RICK PERRY**

For Immediate Distribution

Aug. 24, 2012
Press Release

Governor's Press Office: 512-463-1826

Catherine Frazier: catherine.frazier@gov.texas.gov

Lucy Nashed: lucy.nashed@gov.texas.gov

Josh Havens: josh.havens@gov.texas.gov

Gov. Perry Asks Obama Administration to Waive Renewable Fuel Standard

AUSTIN – Gov. Rick Perry today asked the Obama Administration to waive the mandated Renewable Fuel Standard (RFS) for 2012 and 2013. In a letter to U.S. EPA Administrator Lisa Jackson, the governor added Texas to the list of states and leaders supporting the national “Petition for Waiver or Partial Waiver of Applicable Volume of Renewable Fuel” because of the mandate’s adverse impact on Texas.

“The RFS may have been a well-intentioned effort to move our country toward energy independence, but it has, predictably, done more harm than good. Not only is it driving up grocery prices for all families, it is also putting increasing strain on business,” Gov. Perry said. “Good intentions and laudable goals are small compensation to the families, farmers and ranchers who are being hurt by the federal government’s efforts to trade food for fuel. Any government mandate that benefits one industry to the detriment of millions of consumers is bad policy.”

Due to a severe and ongoing drought across the nation, domestic corn production is predicted to be substantially less this year, while requirements for ethanol derived from corn are now 60 percent greater than they were in 2008. According to the U. S. Department of Agriculture, approximately 40 percent of the U.S. corn crop is currently being diverted to produce ethanol, up from 25 percent in 2007. This directly threatens the sustainability of livestock producers, who rely heavily on corn-based products for feed, and drives up costs for consumers.

In 2008, Gov. Perry requested a partial waiver of the RFS based on the adverse economic impact it was having on the state, including skyrocketing food prices for millions of Texas families and economic harm to our livestock industry. Texas plays a significant role in feeding and fueling America as a leading producer of our nation’s domestic fuel supply and the nation’s number one beef producer, with more than 6 million head of cattle fed and marketed in Texas each year. Texas is also one of the top poultry/egg and dairy producers.

Texas supports an all-of-the-above approach to energy, including the use of non-food bioproducts that are promising alternatives and have no impact on food production and little impact on the environment.

To view the governor’s letter to Administrator Jackson, please visit <http://gov.texas.gov/files/press-office/O-JacksonLisa201208240000.pdf>

What Others Are Saying

Texas Cattle Feeders Association

“I’m not sure how anyone could still believe that the RFS isn’t a market distorting government policy that props up the ethanol industry at the expense of livestock producers and consumers,” said TCFA Chairman Jim Peters. “Congress granted EPA the authority to waive the RFS because of severe economic or environmental harm, and it’s clear that the RFS, exacerbated by the ongoing drought, is causing the type of economic harm that justifies issuance of a waiver.”

“TCFA appreciates Governor Perry’s steadfast support and leadership on this issue, and I’m pleased that a growing number of bipartisan Governors and Members of Congress from around the country agree with him and are requesting a common sense waiver that will provide livestock producers and consumers with some relief from this ill-conceived, economically harmful federal policy,” Peters said.

Texas and Southwestern Cattle Raisers Association

“It has been clear from the beginning that putting our food and fuel in competition with one another is bad for the cattle industry and ultimately bad for consumers,” said Joe Parker Jr., rancher and president of the Texas and Southwestern Cattle Raisers Association. “This problem is magnified during times of extreme drought like the one we are in now. The government shouldn’t be subsidizing or mandating ethanol production, especially when there’s not enough corn to go around.”

Texas Association of Dairymen

“The Texas Association of Dairymen appreciates Gov. Rick Perry for once again standing up for Texas livestock producers and asking the federal government to grant a waiver of the Renewable Fuel Standards program,” said Darren Turley, executive director of the Texas Association of Dairymen. “Gov. Perry recognizes that dairymen and other livestock producers in our state need some relief from high corn and other animal feed costs, made worse by the ongoing drought. About 10 percent of Texas dairies have gone out of business so far in 2012, and our dairy producers need all the economic relief they can get in order to keep feeding not only Texans but also global consumers.”

Texas Poultry Federation

“On behalf of Texas poultry farmers and processors, we once again stand firmly in support of Governor Perry’s petition to assist Texas’ poultry and livestock producers so that we are in a better position to survive economically in the year ahead,” said James C. Grimm, executive director of the Texas Poultry Federation. “Governor Perry in 2008 was one of the first to recognize the unintended effects and severe economic harm caused by burning food and feed for fuel. Our industry once again is on the losing end of the high, volatile corn prices caused by federal ethanol mandates. Due to the impact the Renewable Fuels Standard has on the availability of corn in this drought situation, I am joining Governor Perry and 22 members of the Texas congressional delegation in urging EPA to issue a waiver.”

###

Connect with us: Follow us on Twitter at @TexGov • Find us on Facebook at TexasGovernor