

House Bill Filed Against Biofuels

by Marcia Merry Baker

April 11—A bill to curb biofuels, because of their impact on the U.S. food and farm crisis, the false claims for bio-energy, and the intransigence of the Obama Administration, was filed this week in the House of Representatives by a bipartisan foursome of Jim Costa (D-Calif.), Peter Welch (D-Vt.), Bob Goodlatte (R-Va.), and Steve Womack (R-Ark.). They were joined by several other Members of Congress, at a press conference April 10 at the Capitol.

The new bill is called the RFS (Renewable Fuel Standard) Reform Act. The initiating co-sponsors released a statement yesterday, which is excerpted below. Goodlatte, a former House Agriculture Committee chairman (2003-07) and vice chairman (2011-12), also introduced the RFS Elimination Act, which, he said yesterday, is to “give relief to livestock and food producers as well as consumers” by restoring a “free market” instead of Federally backed biofuels.

Both measures will be referred to the House Energy and Commerce Committee, where a hearing is expected soon.

Costa said at the press conference, “The debate is over; the Renewable Fuel Standard as we know it is not sustainable. I have heard just this week from Foster Farms, poultry producers in my district [San Joaquin Valley], that their price of doing business has jumped by over \$250 million annually in the last five years because of skyrocketing corn prices. Putting food into our fuel tanks is hurting dairymen and women, livestock producers, consumers, and businesses across the nation. We can’t afford this. It’s time for real, wholesale change.”

The legislative initiative comes after the Obama Administration, for the last eight months, has snubbed appeals from nine state governors and dozens of farm and food associations, to lift the Federal corn-for-ethanol mandate. They have cited the drought, the severe shortage of corn and other livestock feed, and the pricing chaos, now ruining producers, and hitting consumers



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Rep. Bob Goodlatte (R-Va.) announces the Renewable Fuel Standard Reform Act, at a press conference at the Capitol April 10.

alike. The first appeal was on July 30, 2012 from dozens of organizations. Obama first ignored their petitions; then, after his re-election, rejected them officially through the Environmental Protection Agency (EPA).

What the Bill Says

The April 10 statement summarizes the policy changes the legislators intend to make with the new bill. Here are excerpts:

“The RFS Reform Act will eliminate corn-based ethanol requirements, cap the amount of ethanol that can be blended into conventional gasoline at 10 percent, and require the EPA to set cellulosic biofuels levels at production levels. [The Obama Administration is pushing wild schemes and mandates for “energy cane,” inedible oilseed bio-diesel, etc.—ed.] Renewable fuels play an important role in our energy policy but should compete fairly in the marketplace. This legislation will bring the fundamental reform this unworkable federal policy needs now.”

The statement also identifies key aspects of today’s crisis, which the biofuel policy is exacerbating:

“The Renewable Fuel Standard (RFS) mandates that 36 billion gallons of renewable fuels be part of our nation’s fuel supply by 2022. Almost all of this is currently being fulfilled by corn ethanol. In 2011, five billion bushels of the corn supply was used for ethanol—equal to nearly 40 percent of the U.S. corn crop. While the RFS is causing food prices to go up, the RFS has not

provided relief for consumers at the pump. In fact, citing the RFS, the EPA is setting the target for refiners to blend cellulosic biofuels into gasoline higher than the amount of cellulosic biofuels that exists.”

An Impassioned Plea

Among those who spoke at the press conference was Rep. David Valadao (R-Calif.), a dairyman and first term Congressman. Valadao stated: “Unnecessary government interference can have devastating consequences that hurt America’s farmers and families. As a dairyman from one of the largest agriculture districts in the United States, I have witnessed firsthand, the negative impact of Renewable Fuel Standard Mandates that are largely fulfilled by corn. These mandates increase feed costs for farmers, making it more expensive to raise livestock. These costs are then passed down to the consumer.

“Additionally, Renewable Fuel Standard Mandates ultimately divert precious arable land that once produced a variety of crops, to the sole production of corn for the production of ethanol. Reductions in available farm acreage also lead to increased costs at the grocery store for families in the Central Valley. The most recent U.S. Census reported a poverty rate of 14.4 percent in

California, the highest of any state in the country. Even more disturbingly, my district in the Central Valley suffers from a 21.9 percent poverty rate.

“By reforming ethanol subsidies and unnecessary bureaucratic influence, we can reduce food costs and ensure [that] Americans across the country have access to quality, affordable food.”

At one point, Valadao departed from his written text, to say that using food for fuel was “taking food out of the mouths” of those people who don’t have enough to eat. The world is watching us, he said. He might also have spoken about the destruction of food-producing capacity, as reflected in the fact that 103 of California’s 1,600 remaining dairy farms went bankrupt in 2012.

The 40 organizations backing the new bill included all the major farm commodity and food-processing associations, as well as many others. Among them are the Milk Producers Council, the National Cattlemen’s Beef Association, the National Chicken Council, the American Meat Institute, and the National Turkey Federation.

Unfortunately, many of the farmer organizations remain wedded to “biofuels” as a form of fool’s gold. A competent farm policy, based on parity pricing, would go a long way to solving that problem.

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—Lyndon LaRouche, Feb. 11, 2013



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