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May 1, 2013

The Honorable Ron Wyden 221 Dirksen Senate Office Building Washington, DC 20510 Sent via fax: 202-228-2717

Dear Senator Wyden,

The Oregon Cattlemen's Association writes to you today to voice our concern over the widespread diversion of our nation's corn crop for ethanol production. This is largely the result of the mandates of the Renewable Fuel Standard (RFS) a program that does not currently recognize newer technologies that produced ethanol from feedstocks like natural gas. Corn's RFS monopoly has serious implications for ranchers and other agricultural sectors. That is why we strongly support the expansion of the conventional biofuels portion of the RFS to allow a broader range of domestic fuel sources to be used to make ethanol.

There are 12,000 cattle operations in the state and every one of them has felt the burden of high feed prices. In 2012 over 40% of our nation's corn crop went towards ethanol as opposed to food or feed. The dependency on corn leaves both the fuel and food markets open to price shocks as was evident with last summer's record drought which had a devastating effect on corn crops. The drought of 2012 severely reduced the corn yield and sent corn prices to record highs. Everyone in the barnyard business saw feed supplies disappear and prices go through the roof. As a result, many farmers are liquidating cattle or selling their herds. A modified RFS that encourages the diversification of alternative fuel options will help bring immediate and long-term relief to this ongoing problem.

The agricultural sector is struggling. The administration and both chambers of Congress have called for an "all of the above" approach to energy policy in order to stimulate job growth and reduce our dependence on foreign oil and now is the time for action.

Please support all efforts to diversify the RFS so that pressure can be taken off corn and return feed prices and supplies can return back to beneficial levels.

unter W. Menter

Curtis Martin, President H - 541-898-2361 C - 541-962-9269 vprchnp@eoni.com

Mark Oldenkamp Valley Fresh Foods Inc. 8539 Crosby Road NE Woodburn, OR 97071

May 20, 2013

The Honorable Kurt Schrader 108 Cannon HOB Washington, D.C. 20515

Dear Congressman Schrader:

Thank you for sponsoring the *Domestic Alternative Fuels Act of 2013* (HR 1959). I just sent a note of encouragement to Senator Wyden asking for his support on this same issue.

The Renewable Fuel Standard's reliance on corn has put enormous pressure on corn supplies and prices, severely impacting the fuel, agriculture, livestock, transportation and food service industries and creating hardship for businesses and consumers who depend on affordable corn and fuel prices. As egg farmers, we use a lot of corn and 2013 has been very challenging so far with our highest feed prices ever.

Allowing the energy and fuel industries to use alternative feedstocks such as ethanol derived from natural gas to satisfy their obligations under the federal Renewable Fuels Standard is a smart step forward for our economic and our energy futures.

Please know that you have our full support as you work to pass HR 1959. Thank you again for the leadership you have displayed on this issue.

Sincerely,

Mark Oldenkamp VP NW Operations

PS: Thanks for your work on the egg bill also. The lobby against this is huge even though we all know it is rare for farmers to do what we are proactively proposing. Not sure what comes next, but I thank you for this effort.

March 14, 2013

The Honorable Ron Wyden 221 Dirksen Senate Office Building Washington, DC 20510

Congressman Wyden and Congressman Schrader:

RE: Renewable Fuel Standard (RFS)

Honorable Kurt Schrader 108 House Office Building Washington, DC 20515

10505 SW Barbur Boulevard Suite 101 Portland, OR 97219 503-780-9956 FAX 503-546-2502 www.odfa.org

As Congressmen, you have always taken a big picture, nonpartisan approach to issues. Oregon dairy farmers are being crushed financially by the unintended consequences created by making ethanol from corn. It is vital that the United States have a balanced, and sensible, domestic energy approach. I am asking if you would consider supporting the effort to modify the Renewable Fuel Standard (RFS) to allow a broader range of domestic fuel sources, such as natural gas, to be used to make ethanol.

Congress and the White House are asking for an "all of the above approach" to our energy policy, this would result in more jobs and reduce the country's dependence on foreign oil. Modifying the RFS, which currently leans very heavy on corn, would bring both immediate and long term relief to this crisis.

The Domestic Fuel Solutions Group is a coalition of groups that are fuel industry stockholders. This group is seeking a pragmatic, bipartisan legislative and regulatory solution to the limitations of the RFS. There are many benefits to expanding the conventional biofuels portion of RFS. It would create a new alternative fuel industry, resulting in jobs and a boost to the economy. This also has the potential of putting corn prices back to a number that is realistic for dairy farmers. It mitigates the harmful effects if corn ethanol production on the environment.

We urge you, and other members of Congress, to strongly consider a sensible reform to the RFS. Help our industry, and state, to benefit from an "all of the above approach" that will help create a balanced energy policy.

If you have any questions or would like to discuss this matter further, please do not hesitate to contact me.

Jim Krahn, Executive Director Oregon Dairy Farmers Association PH: 503.780.9956 jimk@odfa.org



May 20, 2013

The Honorable Kurt Schrader 108 Cannon HOB Washington, D.C. 20515

Dear Congressman Schrader:



10505 SW Barbur Boulevard Suite 101 Portland, OR 97219 503-780-9956 FAX 503-546-2502 www.odfa.org

As you know, the Oregon Dairy Farmers Association represents Oregon's 270 dairy farming families. And on behalf of our members, we would like to sincerely thank you for your support of the Domestic Alternative Fuels Act of 2013 (HR 1959).

For the last five years, our members have been dealing with elevated feed prices due to the Renewable Fuel standard's reliance on corn. Not only have dairy farmers been dealing with historically high prices of corn, the Renewable Fuel Standard contributed to the inflated costs of soybeans and alfalfa. The Renewable Fuel Standard has also created difficulties for our organic dairy farmers to source organic feedstocks. Organic crop producers have reverted to conventional crops as conventional production offered fewer limitations with comparable profit margins. And the argument that corn ethanol byproducts can be used as a substitute for corn is also a flawed statement as these byproducts do not offer the same nutritional profile a corn. With feed costs accounting for almost 65 percent of the total cost of production for an Oregon dairy farm, our members cannot longer afford these high feed prices and need change to the Renewable Fuel Standard in order to maintain viable businesses.

Allowing the energy and fuel industries to use alternative feedstocks such as ethanol derived from natural gas to satisfy their obligations under the federal Renewable Fuels Standard is a smart step forward for our economic and our energy futures.

Please know that you have our full support as you work to pass HR 1959. Thank you again for the leadership you have displayed on this issue.

If you have any questions, please feel free to contact me.

Jim Krahn, Executive Director Oregon Dairy Farmers Association PH: 503.780.9956 jimk@odfa.org



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OFS BOARD MEMBER EMERITUS

UREGONIANS FOR FOOD & DHELTER

1149 Court Street NE + Suite 110 + Salem, Oregon 97301-4030

A non-profit coalition to promote the efficient production of quality food and fiber while protecting human health, personal property and the environment, through the integrated, responsible use of pest management products, soil nutrients and biotechnology.

April 9, 2013

The Honorable Ron Wyden 221 Dirksen Senate Office Building Washington, DC 20510

Dear Senator Wyden:

Since 1980, Oregonians for Food and Shelter (OFS) has fought to protect the rights of Oregon's natural resource based business community. Many of our members are in agriculture and those members are suffering today under the high price of animal feed and other corn-based products. We are supportive of steps that would help stabilize and lower animal feed products for our members and one way to do that is to look at reforming the conventional biofuels portion of the Renewable Fuel Standard (RFS).

In 2012, over 40% of our nation's corn crop went toward ethanol production as opposed to food or feed. The dependence on corn leaves markets open to price shocks as was evident with last summer's record drought which had a devastating effect on corn crops. The drought of 2012 severely reduced the corn yield and sent corn prices to record highs and the agricultural community suffered greatly.

If the conventional biofuels portion of the RFS were revised to recognize ethanol sourced from other, non-corn feedstocks, this ongoing problem will be mitigated. Technological developments now allow ethanol production from hydrocarbons and other sources that carry greater environmental and economic impact than corn-based ethanol. We believe that a modified RFS that encourages the diversification of alternative fuel options will help bring immediate and long-term relief of ongoing problems caused by the diversion of our national corn crop for ethanol production.

The agricultural sector is struggling. The administration and both chambers of Congress have called for an "all of the above" approach to energy policy in order to stimulate job growth and reduce our dependence on foreign oil and now is the time for action.

Please support all efforts to diversify the RFS so that pressure can be taken off corn, and feed prices and supplies can return back to beneficial levels.

Sincerely,

Oregonians for Food and Shelter

Pavilette L. Pyle, Grass Roots



June 24, 2013

The Honorable Ron Wyden 221 Dirksen Senate Office Building Washington, DC 20510

Dear Senator Wyden,

The United States needs a balanced and sensible domestic energy policy. In this era of global instability and economic uncertainty, it is critical that we focus on building a broad and comprehensive energy policy that includes new technologies and harnesses our existing natural resources. That is why we are writing you today in support of the effort to reform our nation's Renewable Fuel Standard (RFS).

There are many reasons why the RFS as currently constructed is bad for our members and Oregon consumers, but we would like to particularly draw your attention to E15.

When the EPA decided on the mandate, gasoline volume was projected to be about 135 - 140 billion gallons. Due to the economy and CAFÉ standards, gasoline volume has decreased to 130 billion gallons. RINs can transfer the compliance around between refiners, but at the end of the day, the current mandated ethanol volume must be achieved or huge penalties will be incurred by refiners. The blend wall is expected to occur by the end of 2013 or early 2014.

Largely in response to the RFS mandate that 36 billion gallons of renewable fuel be blended into our transportation fuel by 2022, the ethanol industry is aggressively fighting for the wide scale distribution of a gasoline blend with 15% ethanol, E15.

Gasoline blended with 10% ethanol is standard at our gas stations, but the more caustic E15 threatens our member businesses and Oregon consumers.

The AAA has issued a warning about E15 saying that just 12 million of the more than 240 million cars, trucks and SUVs now in use in the US have manufacturers' approval for E15. Several leading car manufactures, citing potential corrosive damage to fuel lines, gaskets and other engine components, have stated that E15 use will void warranties. In short, this presents a huge liability issue for gas pumping businesses. That liability is compounded here in Oregon where our ban on self-service gas pumps puts the onus of any potential damage to customer cars on the employee pumping the gas and, ultimately, the employer. Mistaking 87 for 89 octane fuel will not destroy an engine but mistaking an E10 for an E15 fuel can. Our members are also concerned about the effect of E15 on station pumps and fuel lines.

The sale of E15 is not the answer to concerns that RFS mandates might go unmet. Modifications to the RFS that encourage the diversification of alternative fuel options seem to be the best way forward. The administration and both chambers of Congress have called for an "all of the above" approach to energy policy in order to stimulate job growth and reduce our dependence on foreign oil and now is the time for action.

Only with a true "all of the above" energy approach will we grow our fuel economy and gain greater energy independence. Our recommendation is to reduce the ethanol mandate from 13.8 billion to 10% of total gasoline consumption, less any credits for RINS and move away from considering E-15.

Please say no to E15 and please work to enact RFS reforms to help our country, state, community and local businesses benefit from a balanced energy policy.

Thank you,

Oregon Petroleum Association



10505 SW Barbur Blvd • Suite 101 • Portland, OR 97219 Fax: (503) 546-2502 • <u>www.odfa.org</u> Jim Krahn: (503) 780-9956 • <u>jimk@odfa.org</u> Kathryn Walker: (503) 367-4212 • <u>kathrynw@odfa.org</u>

SPRING 2013 NEWSLETTER

DAIRY DAY @ THE CAPITOL - APRIL 3rd

April 3rd is Oregon Dairy Day at the Capitol. We are calling all producers and industry supporters to come to the Capitol to support the Oregon dairy industry in Salem.

This is a great opportunity for you to visit with legislators and educate them on the Oregon dairy industry! There are no shortages of bills in Salem that will impact dairy farmers: taxes, fees, water quantity, and the list go on. We will provide you with information on these bills to assist you when you talk with legislators. We will also accompany you and support you on your visit to your legislator. Unfortunately, there are no legislators with a direct connection to the dairy industry and only a handful has a direct connection to agriculture. You are the experts in the industry and it is important for legislators to hear directly from those who will be impacted by the legislation.

To visit your legislator, it is best to make an appointment in advance. You can contact your state senator and representative directly (go to <u>www.leg.state.or.us</u> and click on 'Find Your Legislators' located on the right side of the website. This will lead you to your legislator's phone number and email address) or you can contact Kathryn at <u>kathrynw@odfa.org</u> or 503-367-4212 who can make an appointment for you.

We will also be serving delicious Oregon dairy products throughout the day so if you would like to help with this, please let Kathryn know. We will have a mid-morning milk break, grilled cheese sandwich lunch and ice cream social for all in the Capitol that day. We would like to thank Darigold/NDA, Farmers Cooperative Creamery, Lochmead Dairy, Tillamook County Creamery Association and Umpqua Dairy for their generous donation of dairy products for the event.

The event starts at 9:30 AM and concludes at 4:00 PM. Help is also needed for set-up which starts at 7:00 AM.

This day is vital in creating a positive atmosphere for the dairy industry in Salem for the remainder of the legislative session.

The State Capitol is located at 900 Court Street. The day's events will be located in the Galleria (located just behind the Information Desk on the main floor). There is metered parking surrounding the Capitol (\$1.50 per hour). There is also a pay parking lot (Yellow Lot) located a few blocks north of the Capitol. The Yellow Lot is a city block in size and is located between Center and Marion Streets (East and West) and Winter and Summer Streets (North and South).

If you have any questions, please do not hesitate to contact Kathryn Walker or Jim Krahn. See you there.

OREGON DAIRY FARMERS CONVENTION

Although convention has come and gone, it will not be forgotten. This year we had a record attendance for convention: 363 people! The Oregon Dairy Women also beat last year's record and raised almost \$38,000 at their scholarship auction. Thank you to all who attended and made the event a success.

We would also like to thank the sponsors and exhibitors who supported the event.

COMMUNITY AND DISTINGUISHED SERVICE AWARD RECIPIENTS

During the convention ODFA presents two awards: Community Service and Distinguished Service.

The Community Service Award is presented to a producer or family in recognition of their service to the community and/or state. This year's recipient was Richard Obrist.

Richard, his wife Pam and three grown sons, operate Fairview Acres Dairy in Tillamook. Some

farms throughout the United States and will jeopardize the ability of farmers to operate under established federal, state and local law. Congress clearly did not intend this result: RCRA excludes the regulation of manure as a hazardous waste, and the State of Washington specifically excludes the management of manure under its definition of a solid waste.

The effects of this litigation are not confined to the Yakima Valley. If the plaintiffs succeed in this litigation, all farming activities utilizing common manure management systems throughout the United States which are managed by their state agricultural departments and state environmental agencies will be subject to a new and sweeping federal regulation that will result in endless "citizen" suit litigation. This is a national issue brought by national environmental groups and will have an impact on every farm in the United States.

The following article was published in the March 2013 edition of "Milk Matters", the Washington State Dairy Federation dairy farmer newsletter.

RENEWABLE FUEL STANDARD – CALL TO ACTION

For years now, dairy farmers have been struggling with the rising prices of feedstocks and we know one of the major reasons why: corn based ethanol. Under the federal government's Renewable Fuel Standard (RFS), more and more corn is being dedicated to transportation fuel blends and diverted away from traditional uses like animal feed.

The federal government has mandated that 5.36 billion bushels of corn be used to make fuel regardless of drought conditions. In 2012, more than 40 percent of the corn crop was used to make ethanol. This past year we saw how dangerous this can be.

The drought of 2012 severely reduced the corn yield and sent corn prices to record highs. Everyone in the barnyard business saw feed supplies disappear and prices go through the roof. As a result many dairies have found themselves on the brink of liquidation or have already folded.

We can and must change the RFS. New technologies have been developed that can produce

ethanol from natural gas but these advances in technology cannot benefit farmers because the RFS only recognizes corn-based ethanol.

Our own Senator Wyden is the Chairman of a key committee that has the potential to open up the RFS to other sources of ethanol. Please write, call or email him today and let him know that Oregon's dairy farmers are struggling and that we must modify the RFS to include new domestic fuel solutions that will take the pressure off corn and return feed prices and supplies back to beneficial levels for farmers.

We have felt this burden of the RFS for years and now a solution has presented itself. Please make the voice of the dairy farmer heard and contact Senator Wyden today.

Senator V	Vyden's	Contact In	formation
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Call:	202-224-5244
Write:	The Honorable Ron Wyden
	221 Dirksen Senate Office Building
	Washington, DC 20510
Fax:	202-228-2717
Email:	http://www.wyden.senate.gov/contact/

OSU BEAVER CLASSIC

Earlier this month, the OSU Dairy Club students held the Beaver Classic, a dairy cattle consignment sale. The event was held in the new Oldfield Animal Science Teaching Facility.

Hundreds of dairy farmers and industry supporters from the West Coast attended the highly successful event. Proceeds from the sale are used to fund dairy club activities, however, a large portion of this year's sale proceeds will be used to fund the newly established "Dairy Advocacy Fund" – a fund dedicated to support dairy related activities including the dairy judging team, dairy challenge contest participation and membership in the American Dairy Science Association.

It was an exciting event. It is even more exciting to know that these students are the future of the dairy industry. And if the Beaver Classic is any indication, the future of the Oregon dairy industry is bright.

Thanks to all of those who supported the sale!

BRIAN CLEM STATE REPRESENTATIVE DISTRICT 21



HOUSE OF REPRESENTATIVES

Senator Ron Wyden 221 Dirksen Senate Office Building Washington, DC 20510

Dear Senator Wyden:

The United States needs a balanced and sensible domestic energy policy. In this era of global instability and economic uncertainty, I believe we need to focus on building a broad and comprehensive energy policy that includes new technologies and harnesses existing natural resources. That is why I'm writing you today, advocating updating the RFS (Renewable Fuel Standard) to allow a broader range of domestic fuel sources like natural gas to be used to make ethanol.

Expanding the conventional biofuels portion of the RFS is the answer.

It will lower the price of ethanol, which, in turn, could bring down the price of gasoline. It mitigates the harmful effects of corn ethanol production on the environment and reduces our reliance on foreign oil.

The same product can be made cheaper and domestically by using supplements other than corn, like our bounty of natural gas, to create the same environmentally-friendly fuel and generate potentially hundreds of thousands of high-paying sustainable domestic jobs.

The production portion of the agriculture industry is impacted by the current RFS definition, which currently limits qualified ethanol to a single raw material feedstock. And as a result, we see first hand higher fuel prices that translate into higher prices for food and transportation costs of delivering product. So again, please support updating the RFS (Renewable Fuel Standard) as it will help lead to a fair and competitive alternative fuels marketplace.

Sincerely,

nian

Rep. Brian Clem





May 17, 2013

The Honorable Ron Wyden United States Senate 221 Dirksen Senate Office Building Washington, DC 20510

Dear Senator Wyden,

I am writing you today on behalf of the members of the Oregon Restaurant & Lodging Association who are concerned with our nation's energy policies and who believe we must make a strong effort to reduce our dependence on foreign oil and stimulate the growth of the alternative energy economy. As part of the quest for a balanced and sensible domestic energy policy, we must continue to seek out new technologies and harness existing natural resources. I am also encouraging your support of the Domestic Fuel Solutions Group (DFSG). This group is advocating for updating the Renewable Fuel Standard (RFS) to allow a broader range of domestic fuel sources such as natural gas, which can be used to make ethanol.

In fact, expanding the conventional biofuels component of the RFS is the answer. This move will lower the price of ethanol by allowing a move away from corn ethanol production, which hopefully should reduce the escalation of corn prices and in turn the rising cost of beef and other food items. If biofuels can be produced at a lesser cost domestically by using supplements other than corn, with an outcome of the same environmentally-friendly fuel and a potential increase of thousands of sustainable jobs right here in our own nation, then ORLA strongly encourages your support and approval.

The members of the Oregon Restaurant & Lodging Association, as well as our entire industry nationwide, are impacted by the current Renewable Fuel Standard definition, which currently limits qualified ethanol to a single raw material feedstock. As a result, we see firsthand higher prices for food and increased costs for transportation of goods and services. Please support updating the RFS, as it will help lead to a fair and competitive alternative fuels marketplace.

Respectfully submitted,

SM

Vice President of Government Affairs Oregon Restaurant & Lodging Association

ARNIE ROBLAN STATE SENATOR DISTRICT 5



OREGON STATE SENATE 900 COURT ST. NE, S-417 SALEM, OR 97301

June 24, 2013

The Honorable Ron Wyden 221 Dirksen Senate Office Building Washington, DC 20510

Dear Senator Wyden,

As Chairman of the Energy and Natural Resources Committee, you are no doubt aware that the United States needs to advance a balance and sensible domestic energy policy. As an Oregonian, you are positioned to understand the unique challenges facing resource-dependent communities in both Oregon and other states. Your work towards long-term permanent solutions with your colleagues is critical to building a broad and comprehensive energy policy that includes new technologies that harnesses our existing natural resources.

On the behalf of the Domestic Fuel Solutions Group (DFSG), a coalition of fuel industry stakeholders, I write in support of their effort to reform our nation's alternative fuels policy – in particular, the need to update the Renewable Fuel Standard (RFS) to allow a broader range of domestic fuel sources, like natural gas, to be used to make ethanol.

The need for an open and robust alternative energy market has never been greater. The RFS' overreliance on corn as the primary feedstock for ethanol has driven up the price of fuel, food and animal feed and his limited innovation in the alternative fuel industry. The dependency on corn leaves both the fuel and food markets open to price shocks as was evident with this summer's record drought which had a devastating effect on corn crops.

A modified RFS that encourages the diversification of alternative fuel options will help bring immediate and long-term relief to this ongoing problem. The administration and both chambers of Congress have called for an "all of the above" approach to energy policy in order to stimulate job growth and reduce our dependence on foreign oil and now is the time for action.

New technologies have been developed since the RFS was enacted that allow ethanol to be produced from feedstocks like natural gas that are more cost effective. Expanding the conventional biofuels portion of the RFS to include natural gas and other hydrocarbon-based feedstocks imparts many benefits for Oregon and the country.

- It lowers the price of ethanol, which in turn, could bring down the price of gasoline helping consumers and businesses.
- It mitigates the harmful effects of corn ethanol production on the environment.
- It will slow the diversion of our national corn crop for ethanol that has had adverse effects on food and feed prices for families and farmers.
- It ramps up a new alternative fuel industry, creating thousands of jobs injecting billions of dollars into local economies. It opens more states to ethanol production and reduces the cost of transporting ethanol from corngrowing states.
- And it reduces our reliance on foreign oil.

Only with a true "all of the above" energy approach will we grow our fuel economy and gain greater energy independence. Please work to enact RFS reforms to help our country, state, community and local businesses benefit from a balanced energy policy.

Sincerely, MIL

Arnie Roblan State Senator District 5



April 29, 2013

The Honorable Ron Wyden U.S. Senate 221 Dirksen Senate Office Building Washington, DC 20510

Dear Senator Wyden,

On behalf of Oregon's struggling livestock industry, we ask for your help by updating the Renewable Fuel Standard. As originally written, the RFS is limiting the development of alternative fuels markets. Updating the RFS could directly benefit other Oregon agricultural industries, while at the same time developing alternative and potentially cheaper fuel sources.

Since the RFS was originally approved, billions of bushels of the national corn crop have been diverted away from use as animal feed and into the production of ethanol. The resulting increases in the cost of animal feed are creating a serious burden for ranchers and farmers. This situation was made worse in 2012 when severe drought in the Midwest devastated the corn crop and sent prices for corn and corn-based products like animal feed soaring to record highs.

It is time for the RFS to be modified to include ethanol made from other domestic fuel sources like natural gas. This will help take pressure off corn and will begin to return feed prices and supplies back to beneficial levels. Further, modifying the RFS and encouraging an open ethanol market will help stimulate innovation, foster competition and broaden access to affordable energy sources.

Oregon's sheep producers strongly urge you to assist Oregon and other states without a significant corn crop or ethanol production capability by reforming the Renewable Fuel Standard and recognizing other domestic fuel sources. Oregon agriculture and Oregon's economy as a whole will benefit from these changes.

John M fine

John M. Fine OSGA President