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TO ENVIRONMENTAL AND NATIONAL EDITORS:

Ethanol Deal Carries From Negotiating Table to Senate Floor

ST. LOUIS, March 5 /PRNewswire/ -- The National Corn Growers Association (NCGA) is cheering the inclusion of a renewable fuel standard (RFS) in the Senate energy bill. The RFS was introduced on the floor of the U.S. Senate today by Senate Majority Leader Tom Daschle and inserted into the Senate energy package in place of current language.

The breakthrough on the RFS came late last night as a result of several weeks of negotiations among Senate leaders headed by Daschle and a coalition of key ethanol industry, oil, and agricultural associations, including the NCGA, the renewable Fuels Association, and the oil industry represented by the American Petroleum Institute.

"This is an amazing development, but one that we have worked very hard to achieve. However, there is still much work to be done. While we have won a hard-fought victory with the inclusion of this RFS amendment in the Senate's energy legislation we need to pass an energy bill and move on to the Conference Committee," said NCGA President Tim Hume, a grower from Walsh, Colo. "We thank the Senate leaders for their insight into the overall benefits that a renewable fuels standard will provide."

Hume outlined some of the details of the agreement:

- A renewable fuel standard in which part of the United States' fuel supply, growing to 5 billion gallons by 2012, is provided by renewable, domestic fuels such as ethanol and **biodiesel** in exchange for eliminating the oxygen requirement in reformulated gasoline;
- Creating a flexible market-based program;
- Phasing down the use of MTBE in the U.S. gasoline market over four years;
- Protecting the air quality gains of the RFG program.

"These provisions will promote more U.S.-sourced energy, reduce oil imports, protect the environment and stimulate rural economic development through increased production and use of domestic, renewable Fuels," Hume said.

While Hume praised inclusion of the RFS amendment in the Senate's energy package, he said NCGA does have some concerns about the bill. "We do not think the ethanol demand is large enough in the short-run," he explained. "However, given the language we started with in the underlying bill, we believe this is a very good compromise that will greatly enhance the role of ethanol in the U.S. gasoline pool."

The NCGA has set a goal of tripling the use of corn in ethanol production within 10 years. "We worked along with the other members of the RFS coalition who have taken the lead as proponents of a renewable fuel standard in national energy legislation. I am proud of the leading role NCGA has taken and continues to take on the RFS in the Senate," Hume said. This could be the breakthrough we have been working for so many years."

The National Corn Growers Association mission is to create and increase opportunities for corn growers in a changing world and to enhance corn's profitability and usage. NCGA represents more than 32,000 members, 25 affiliated state corn grower organizations and hundreds of thousands of growers who contribute to state checkoff programs.