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GrowthEnergy.org

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Big Food's Smear Campaign Exposed by New Group of Ethanol Producers

Growth Energy formed to promote clean, green, high-tech, homegrown biofuels

Washington, D.C. — A group of ethanol producers announced the launch of their new organization, Growth Energy, with the release of a policy brief (go to GrowthEnergy.org) and an ad campaign to set the record straight on food prices. The campaign comes at a time when corn prices have decreased by more than fifty percent and oil prices have been tumbling, while food prices continue to soar.

“Big Food and their Washington lobbyists have been trying to blame the rising cost of food on American ethanol producers and the cost of corn. Well, now that the price of corn has dropped more than fifty percent since the summer, we ask the Big Food industry to explain to the American people why food prices are still so high,” said Jeff Broin, CEO of POET. “The lies the Big Food lobby has been spreading about clean, green biofuels have finally been exposed as an intellectually dishonest smear campaign. It’s wrong and we’re coming together to ask Big Food to give struggling Americans a break.”

The cost of food has increased at the brisk clip of 7.6 percent in the past year, the worst rate in nearly twenty years, and has continued to increase while the cost of corn and other commodities have fallen in the past four months. The Bureau of Labor Statistics reports that the price of basic foods in the United States is currently rising at twice the rate of inflation and is expected to continue to rise in the future. Milk prices increased by 13.3 percent; cheese by 12.5 percent; eggs by 29.9 percent; and bread by 14.7 percent from March 2007 through March 2008. Big Food is sowing profit growth from these higher prices. Kraft’s revenues increased nearly 20 percent from the year-earlier period and saw net income shoot up in the third quarter to \$1.4 billion. Sales at Kellogg’s climbed 9.5 percent and third-quarter net income increased to \$342 million, up from \$305 million the year earlier.

Noting the rising food prices this past spring, the Grocery Manufacturers Association (GMA) planned an attack in a leaked PR memo (go to GrowthEnergy.org) to distract Americans from the rising cost of food by mounting a campaign against American ethanol producers. Their argument centered on the premise that biofuels production increased the demand and cost of corn which forced food producers to raise food prices for consumers.

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“The assertion by critics that ethanol production is the root cause of high food prices has been proven false,” said Dave Vander Griend, CEO of ICM. “Corn and commodities prices are significantly lower now so according to GMA’s argument, if biofuels were forcing food prices up previously, the lower cost of corn should have already brought food prices back down. All indicators show that the cost of food will remain high in the months to come, proving Big Food’s argument is fundamentally flawed. Our current low-priced corn, high-priced food economic situation shows that the experts were right — biofuels production does not lead to increased food costs.”

“We believe ethanol is America’s best renewable fuel, reliable and affordable right now,” said Wayne Hoovestol, CEO of Green Plains Renewable Energy, Inc. (GPRE). “American ethanol is high-tech, homegrown and on the verge of innovative breakthroughs that will make it even cleaner and greener for the long-term.”

“Ethanol helps us solve some of our greatest challenges today. It is vital to achieving greater American energy independence, greening our environment and growing our domestic economy,” added Bruce Rastetter, CEO of Hawkeye. “The U.S. Department of Energy estimates that for every one billion gallons of ethanol produced, 10,000 to 20,000 jobs will be added. In 2007, the ethanol industry contributed \$47.6 billion to the nation’s GDP, created more than 200,000 jobs and generated an estimated \$4.6 billion in revenues for the federal government. Ethanol is good for America and good for our economy.”

Growth Energy is a group committed to the promise of agriculture and growing America’s economy through cleaner, greener energy. Growth Energy members recognize America needs a new ethanol approach. Through smart policy reform and a proactive grassroots campaign, Growth Energy promotes reducing greenhouse gas emissions, expanding the use of ethanol in gasoline, decreasing our dependence on foreign oil, and creating American jobs at home. More information can be found at GrowthEnergy.org.

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