

American Corn Growers Foundation

1730 M Street, NW, Suite 911, Washington, DC 20036, (202) 835-0023, E-Mail: www.acgf.org

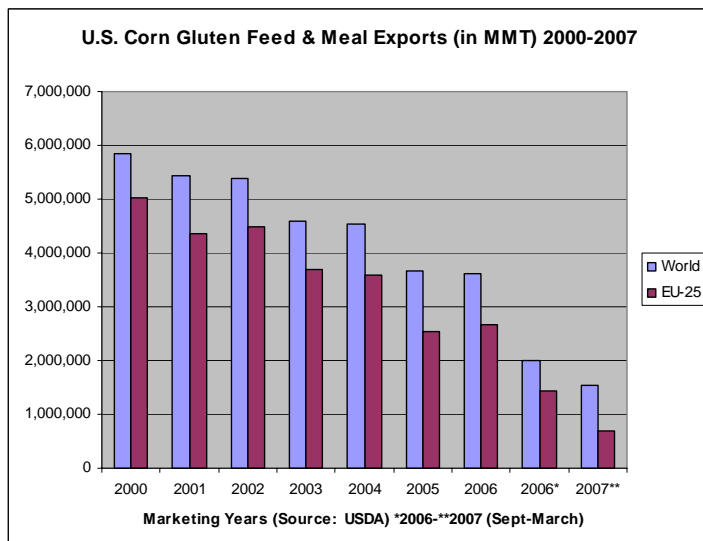
For Immediate Release

Contact: Dan McGuire (402) 489-1346
Larry Mitchell (202) 835-0330

Severe Decline in Corn Gluten Exports Weakens US Ethanol Industry's Future

New ACGF Survey Shows Only 26% of Elevators Segregate GMO from Non-GMO

WASHINGTON, May 18, 2007—The American Corn Growers Foundation (ACGF) surveyed 1,057 grain elevators during April 2007 in the eighteen (18) states that produce the majority of U. S. grain. “Only 26% of the elevators surveyed report that they require the segregation of GMO (genetically modified) varieties from Non-GMO varieties. This finding raises concerns about the ability of the U.S. to hold on to the critical corn gluten export market that is so important to the future health of our ethanol sector,” reports Dan McGuire, Director of the ACGF *Farmer Choice-Customer First* program. “Both the ACGF and the American Corn Growers Association (ACGA) are again warning U.S. corn farmers and the critically-important U.S. ethanol industry that key U.S. corn gluten export markets are being lost due to unapproved biotech varieties, specifically an unapproved Bt corn variety was detected in U.S. cargoes of corn gluten feed and pellets in April 2007 at the Port of Rotterdam and shipped from New Orleans.”



“According to USDA data for the current corn marketing year which began on September 1, 2006, U.S. corn gluten exports are 38.1% below the year earlier to the European Union-27 for the September to March period and the EU has been by far the most important export market for U.S. corn gluten feed and meal,” said McGuire. “Foreign demand for U.S. corn gluten is extremely important for the economic future of corn processing ethanol plants. As recently as the 1999-00 marketing year the EU imported 5 million of the 5.8 million metric tons (MMT) of total U.S. corn gluten exports. By marketing year 2005-2006 U.S. corn gluten exports had dropped to only 3.6 MMT with the EU-27 importing only 2.655 MMT. It’s time to

re-learn the marketing reality that ‘the customer is always right’ in deciding what they choose to buy.”

“Farmers are realizing relatively strong corn prices as a welcome change due to growth in the domestic ethanol industry, which needs the export market for corn gluten as well as distillers dried grains (DDG),” said Larry Mitchell, ACGA Chief Executive. “Biotech companies have preached that the U.S. should be able to grow the grain varieties it wants, but given the failure and arrogance of U.S. ‘export-oriented’ farm policy over the past ten years of telling the world what they will buy, taken together with the grain export sector’s ill-conceived attempts to ‘privatize’ export grain inspection at our ports, importers are losing confidence in the U.S. system. It’s time for both the biotech and export sectors to reconsider their arrogant policies.”