



American Corn Growers Association

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**Policy Recommendations to the Obama-Biden Presidential Transition Team
On behalf of the
American Corn Growers Association
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Establish a Strategic Ethanol/Bio-fuels Reserve

Establish an ethanol/biofuels reserve to supplement or replace a portion of the US Strategic Petroleum Reserve. Such a domestically produced reserve would have many strategic benefits such as:

- Allowing for the stable production of renewable energy through government purchases of renewable fuel in times of low bio-fuels values.
- Allow for the stable use and growth of feedstocks such as corn and other renewable sources, particularly during times of burdensome stocks of such feedstocks due to weather, financial turmoil, etc.
- Working in conjunction with the US Farm Program to keep farmer production of feedstocks in a steady growth mode. Short-term oversupplies of feedstocks that will periodically and unavoidably occur in grains or other feedstocks will cause sharp price drops and long-term disincentives to farmers to invest in production. By keeping bio-fuels plants at steady and full production utilizing the bio-fuels reserve, these periodic market disruptions could be greatly mitigated or avoided.
- Working to keep the plants running at full capacity longer, thereby demand will stay up for crops longer as well, without the perceived burdensome commodity stocks in storage.

Of course we need to ensure an adequate supply of corn to keep these plants running and we therefore recommend that the Strategic Biofuels Reserve work in concert with a Strategic Grain Reserve (see separate ACGA recommendation)