

ENERGY

The United States needs a comprehensive energy policy that includes encouraging a domestic energy source to help fill its ever-increasing energy needs. Relying on the "free market" and foreign control of our fuels has served us poorly over the last three decades. Renewable fuels, produced by this nation's farmers, are a vital component of a long-term, environmentally acceptable, economically viable, solution.

- VGPA supports all forms of renewable energy including cellulosic and grain-based ethanol.
- Supports additional research into cellulosic ethanol using corn Stover and straw products. Full-scale cellulosic ethanol is still 5-8 years away from efficient production. Grain-based ethanol technologies are available now.
- Virginia needs to support the expansion and availability of ethanol for consumers. E-85 (85% ethanol) is on average a full dollar cheaper than regular, blended gasoline.
- Availability of E-85 helps car manufacturers sell FFV (flex fuel vehicles), helps the railroad who transports ethanol, helps the terminals that process the ethanol and helps the consumers that pay less for gasoline blended with ethanol.

PRODUCTION

Virginia producers make many decisions before ever planting a crop. Issues such as input costs (seed, fuel, fertilizer, and equipment), labor availability, crop insurance, land and weather conditions and commodity price are all considered before the ground is planted.

Virginia's grain producers are getting hit hard with increased fuel costs as they also deal with adverse weather conditions and increased input costs.

Did you Know? In 2007, on average producers paid anywhere from \$800 - \$1400 per day in fuel costs alone. Input costs have increased anywhere from 25 percent to 200 percent. It is becoming more difficult for grain producers to operate. And the scope of rising food prices is a much larger issue than our country's commitment to alternative energy like ethanol.

Virginia is a grain-deficit state which means that no one market depends solely on Virginia grain. Yet, Virginia grain prices are determined globally. Virginia producers need higher grain prices to stay profitable and continue farming. Additional markets, like ethanol, for Virginia grain are a win-win for the consumer and the farmer.

FACT or FICTION

- Many ask how Virginia fuel production will affect other sectors like poultry. The fact is . . . Virginia's poultry industry uses less than 10% of Virginia grains. The majority of their feed comes in from other states and much from the Midwest.
- Corn prices are not driving up your food costs. The fact is . . . economists state that \$1 increase in gasoline will squeeze your food budget two to three times more than a \$1 increase in a bushel of corn.

Facts on Grain Ethanol

- One bushel of corn produces:
 - 2.9 gallons of ethanol
 - 13.5 lbs of gluten feed
 - 2.6 lbs of gluten meal
 - 1.5 lbs corn oil
 - 18 lbs of DDGS
- DDGS (dried distillers grain) is a co-product from grain ethanol and a high-protein feed source for animals.
- Ethanol is produced from field corn and other home-grown grains which is primarily fed to livestock and is not digestible by humans in its raw form.
- The US had 2.2 billion bushel surplus in 2007 after all needs for feed, food, fuel and export were met.
- The ethanol industry provides a vital value-added market for grain, an economic boost to the local economies and a better, cheaper fuel for Virginia's families.
- Research from Chesapeake Bay Commission reports that an additional 300,000 acres of corn grown in the mid-Atlantic with a winter cover crop can reduce Bay pollution by 17.1 million lbs.
- One bushel of grain weighs 56 lbs – about the size and weight of a large bag of dog food.
- One acre is roughly the size of a football field.

Production Facts

(Source: USDA, NASS)

Virginia Wheat	1957	2007
Acres Planted	267,000	230,000
Acres Harvested	249,000	205,000
Production	4,731,000	13,120,000
Yield	19 bu/a	64 bu/a
Price	\$1.98 per bu	\$5.45 per bu
Population	123 mil	300 mil

Virginia Corn	1957	2008
Acres Planted	772,000	470,000
Acres Harvested	628,000	340,000
Production	16,642	36,720
Yield	26.5 bu/a	108 bu/a
Price	\$1.41 per bu	\$4.05 per bu
Value Production	\$23,465	2008 Still Estimating \$139,421 (2007)

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