



JULIAN VAIL, LLC

NEWS & NOTES

MAY 9, 2008

COMMITTEE MEETING DATES

House

Tourism, Outdoor Recreation and Natural Resources

May 13, 2008

10:30 a.m.

521 House Office Building

Chair: Rep. Joel Sheltrown

**** Public Testimony on Access Restrictions in Pigeon River State Forest.*

To file a complaint against a security guard agency in the state of Michigan please mail it to:

Bureau of Commercial Services Enforcement Division

PO Box 30018

Lansing, MI 48909

or call (517) 241-9202

For more information on licensed security guard agencies visit www.michigan.gov/dleg.

STATE PARKS AND RECREATION AREAS OFFERING FREE CAMPER STORAGE TO SAVE ON FUEL

The Department of Natural Resources today announced a new program that will offer campers the opportunity to save on fuel costs by temporarily storing their camping trailer or recreational vehicle at specified state parks or recreation areas in between their camping stays. Storage of the camping units will be free, but is limited to 15 days at a time.

For more information about this opportunity and on state parks and recreation areas that are offering temporary storage this camping season, contact the Parks and Recreation Division office at 517-373-9900, or visit the web site www.michigan.gov/campstorage.

2008 MICHIGAN LEGISLATURE SCHEDULE

HOUSE OF REPRESENTATIVES

- May 13 1:30 p.m.
- May 14 1:30 p.m.
- May 15 12:00 p.m.

SENATE

- May 13 10:00 a.m.
- May 14 10:00 a.m.
- May 15 10:00 a.m.

BEING SMART IN GROWING BIOFUELS BY DON KOIVISTO, MDA DIRECTOR

As a leader in the development of renewable fuels, Michigan is dedicated to growing biofuels in a smart, calculated way. This is critical to helping biofuels live up to their reputation to expand the state's agri-business sector, break our reliance on foreign oil, and decrease greenhouse gas emissions to slow climate change while simultaneously strengthening the auto industry.

The food and agriculture industry is Michigan's second largest industry generating nearly \$64 billion for the economy each year. Our dynamic agri-business sector makes us a leader in the development of the next generation of renewable fuels.

Currently, Michigan has five corn-based ethanol plants, producing 267 million gallons of ethanol fuel. Motorists consume almost 5 billion gallons of gasoline in Michigan and over 95 percent of the crude is imported into Michigan, most of it coming from foreign countries. But, in order to make Michigan more energy self-sufficient, we must shift our focus to deriving ethanol and other sustainable biofuels from new feedstocks as well as increasing the productivity of our current agricultural feedstock base.

A pivotal element to Michigan's approach is to assess where we've been and where we are in terms of production and supply in order to better determine where we are going. By creating a baseline of supply and demand it will help us evaluate the long-term sustainability of present and post-corn ethanol while utilizing our vast natural resources to advance other biofuel technologies, continued research, developments, demonstration and production in our state.

Corn-based ethanol has provided a quantum leap forward in the biofuels boom and it's a young industry, but it wasn't meant to be the only game in town. Michigan has its eye on the future, which includes building upon our base by using other means of producing renewable fuels such as cellulosic ethanol and biodiesel made from switchgrass, trash, green algae or woody biomass, thus avoiding a conflict between food and fuel.

There are several elements contributing to increased food costs with ethanol production only having a marginal impact. These factors include, but aren't limited to, worldwide weather conditions, skyrocketing fuel costs, increased population, natural disasters (e.g. floods, exotic pests, droughts, frost/freeze, etc.) and increased labor costs from farm to fork.

Two key factors impacting food costs are the growing middle class in Asia and Latin America, who are purchasing more meat and milk driving up demand for feed; and the declining value of the U.S. dollar. The fluctuations in the value of the U.S. dollar create a two-fold issue: it creates a bigger worldwide demand for U.S. exports while simultaneously making food imports more expensive as approximately 30 percent of the U.S. fruits and vegetables are imported from foreign markets.

The average American farmer receives a small fraction of what you pay for food. According to the United States Department of Agriculture, this is how a dollar spent at the typical American grocery store breaks down;

- Labor cost (process/marketing) - 39 cents
- Farmer's share - 19 cents
- Business costs - 11 cents
- Fuel/transportation - 10 cents
- Packaging - 9 cents
- Taxes - 4 cents
- Advertising - 4 cents
- Corporate profit - 4 cents

Leveraging our regional feedstock strengths, productive forest resources, and industrial, agricultural, and residential waste affords Michigan a multi-prong approach to developing new product lines which reduce the environmental impact, lower greenhouse gases and maximize the biofuel benefits to consumers and businesses alike.

For more information on Michigan's roadmap to renewable fuels advancement, please visit the Renewable Fuels Commission Web site at www.michigan.gov/rfc. A copy of USDA's Report from the Economic Research Service regarding Global Agricultural Supply and Demand:

Factors Contributing to the Recent Increase in Food Commodity Prices is available online at www.ers.usda.gov/Publications/WRS0801/WRS0801.pdf.

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