



Judiciary and Legislation Committee
Milwaukee Common Council
July 21, 2008

Written testimony in support of LRB 080077 (Re: Federal Ethanol Mandates)

The Wisconsin Restaurant Association represents hundreds of restaurants in the City of Milwaukee that are currently struggling with skyrocketing food costs. The cost of flour has doubled in the last year. The cost of eggs has doubled in the last year. The cost of dairy products is up more than 25 percent. The cost of fry oils, beef and chicken are up sharply too.

One thing that all of these food inputs have in common is that they require farm land to produce. More specifically, they either require corn for their production or they compete directly with corn for the land needed for their production.

Out West, wheat production is down and corn production is up because the strong demand for ethanol has driven up the price of corn high enough that farmers would be crazy not to switch over some of their acreage to corn production. Beef, chicken, eggs and dairy products all require corn and other competing crops for their production. Soybeans are used to make the trans-fat free fry oils that restaurants need to meet consumer demands, but soybean acreage is giving way to corn acreage as well.

WRA members are very concerned with the increasing use of food crops to produce biofuels such as ethanol. The federal mandate to increase ethanol production in coming years promises to drive food prices even higher, forcing prices and restaurants and grocery stores higher as well.

We would like to commend Alderman Bohl for introducing Resolution LRB 080077, asking the U.S. Congress to move to eliminate the ethanol mandates that promise to drive prices even higher. On behalf of our members in Milwaukee, we ask you to support Alderman Bohl's resolution.

Sincerely,

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