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DISTILLERS GRAINS TECHNOLOGY COUNCIL

March 24, 2011

Comments on NASS "Distillers By-Products Survey" per Federal Register docket number 0535-0247.

Distillers Grains Technology Council (DGTC) is a 65 year old nonprofit association whose membership is those Companies supporting the production and utilization of distillers grains from fuel and beverage distillers. DGTC is the only nonprofit industry trade association that has a totally focused mission statement and activities in support of the production, promotion and distribution of distillers grains products. We are very involved and always concerned that distillers grains has adequate reliable information that is being conveyed to animal feeders and any others seeking this information. Every year we have sponsored a Distillers Grains Symposium, this year again we will have 14 invited speakers all presentations related to distillers grains that will be held in Kansas City Missouri, May 11-12, 2011.

Distillers grains, a coproduct from the utilization of grain in the production of ethanol, has become a very valuable, highly nutritious major feed ingredient, readily accepted by animal feeders replacing a significant amount, in some cases altogether, corn and/or soybean meal in complete rations. At approximately 35, 000,000 tons annually it's the second largest processed feed ingredient, second only to soybean meal at approximately 40, 000,000 tons annually. This recent rapid growth in production and utilization by farmers has lead to a lack of reliable information as to amount of different products being produced, who is purchasing these products, methods of transportation, how they are being used and any problems being encountered.

The original 2007 NASS study and report "Ethanol Co-Products Used For Livestock Feed" provided very valuable information and data for many different investigators, planners and marketers of distillers grains. This initial survey of the industry was useful, though limited in scope and coverage of the distillers grains industry, provided additional information on the products and how they were being fed to animals.

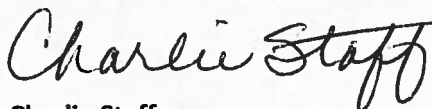
NASS/USDA proposed survey (Federal Register January 27, 2011) requested comments on this proposal for a new larger expanded survey covering feeders of beef(cow/calf and feedlot), dairy, swine and poultry which is estimated to include approximately 70, 000 operations.

DGTC Comments:

1. We fully concur and support NASS's interest and proposed plans to initiate further planning and afterwards undertaking a much wider and in-depth survey that includes both distillers grains production and utilization by animal feeders. This industry has greatly expanded since the 2007 study, with significant new producers of distillers grains, increase in product variations, higher feed inclusion levels and larger geographic locations. All this must be taken in consideration during the planning prior to initiation of the study. We strongly recommend that NASS establish a knowledgeable study planning group that includes industry members to insure recent industry production and animal feeder developments are included so the results are current and relevant. An example is that a significant number of the distilleries are removing some of the corn oil as a co-product from the distillers grains prior to it being sold as feed.
2. DGTC highly recommends that NASS limit this survey to the distillers grains industry. This now is a very large industry with production in nearly 200 plants producing several different products, transported by many methods, using different unloading and handling methods, inclusion methods (now increased pelletizing) and amounts varying all with varying degrees of success by producers and animal feeders. To accomplish this as indicated in the proposal in 48 states with approximately 70,000 operations will be an achievement in itself just for distillers grains.
3. We strongly object to the NASS proposal including and referring to distillers grains as a "by-product" in the title and throughout the proposal. The earlier 2007 survey correctly used "co-product" when referring to distillers grains because it is a co-product in the production of ethanol and distillers grain from grain. This terminology has been used for many years in publications and by industry members. Its highly nutritious value does not deserve it to be equated to other processed feed ingredients of much lower nutrition and quality.

DGTC appreciates your efforts in developing this survey proposal and allowing us to provide our thoughts and comments.

Best Regards,

A handwritten signature in cursive script that reads "Charlie Staff".

Charlie Staff
Director