

Interest in biofuels has exploded in this country with good reason. Last week, oil futures prices reached nearly \$75 per barrel on the New York Mercantile Exchange. Asian economies continue to boom, creating soaring demand. Several of the countries we import from, such as Nigeria, are experiencing political and social unrest. Venezuela is planning to nationalize oil production. And we have continued uncertainty in the Middle East - in Iraq as democracy struggles to grow and in Iran as its regime preaches hatred and world-domination.

Even with all of this uncertainty and the regrettable impact on our wallets, the United States can meet these challenges and in the future succeed in making this country energy independent. I believe we have a bright future and have already taken the right steps to get us there.

Last year, Congress passed the comprehensive 2005 Energy Policy Act to lessen our dependence on foreign sources of oil and to ensure a healthy and prosperous future for all Americans. The energy bill balanced energy production at home with new conservation and efficiency efforts and increased investment in research and development.

Two of the most notable provisions of the energy bill, as they relate to our topic today, are the creation of a national Renewable Fuels Standard (RFS) and the extension of the biodiesel tax credit.

Already, we are seeing the results of the 2005 Energy Policy Act. The RFS will require the production of 7.5 billion gallons of ethanol by 2012. The industry is well on its way to exceeding that requirement. Biodiesel production in this country is growing at a fantastic rate. In 2004, the industry produced just 25 million gallons. In 2006, it is expected to produce a minimum of 150 million gallons.

This year, Congress will work to ensure the law is implemented and progress is made toward the goals it established. Congress also will conduct vigorous oversight to ensure everyone plays by the rules, especially as it relates to gasoline pricing.

This hearing is the first in a series the Committee will hold to examine the various components of agriculture in America as we prepare for the next farm bill. Producers have had years of experience with biofuels, and they are uniquely situated to capture the benefits of future investment in them.

I'm pleased to report to my colleagues there are several opportunities in Georgia, which traditionally has not been a large producer of biofuels. For instance, there are two biodiesel plants using a variety of feedstocks currently operating in northwest Georgia. In southwest Georgia, the part of the state I call home, there are plans to build a 100 million gallon corn ethanol plant. It will be uniquely situated to tap into southeastern fuel markets and will bring significant economic development to the area.

This hearing is not specifically on the farm bill, but I expect that this Committee will expand the energy title in the farm bill that we expect to write next year. I am excited about the opportunities in the biofuels industry for producers and look forward to today's testimony to

learn from the industry's experience and hear its expectations for the future.