

Grocery Manufacturers Association Request for Proposal

March 4, 2007

Background

Food prices are rising twice as fast as inflation. Although there are several factors, a mandate in the 2007 Energy Bill requiring gasoline refiners to blend 15 billion gallons of corn ethanol in the nation's gasoline supply by 2015 is the primary reason. The bill also includes a 1 billion gallon bio-diesel mandate and includes a 21 billion gallon mandate for "advanced" bio-fuels, such as ethanol made from crop wastes, wood wastes, and grasses.

The Grocery Manufacturers Association (GMA) represents more than 300 food, beverage and consumer household goods companies. The Association promotes sound public policies that increase productivity and growth and helps to protect the safety and security of the food supply through scientific excellence.

GMA has concluded that rising food prices, global shortages of basic commodities, and new studies on the environmental impacts of corn ethanol create a window to change perceptions about the benefits of bio-fuels and the mandate and, ultimately, to build a groundswell in support of freezing or reversing some provisions of the 2007 Energy Bill and for the elimination/reform of ethanol subsidies and import restrictions. We would not propose to freeze or rollback mandates related to the production of fuels from crop and wood wastes.

Key developments include:

- Food prices are rising twice as fast as inflation. While the CPI is rising by 2.5 percent annually, food prices are rising by 5 percent annually. When the new mandate goes into effect, food prices will rise by 7 to 8 percent a year – the highest rate of food inflation since the 1970s.
- The cost of basic staples is rising even faster. The cost of basic staples like milk meat and eggs is rising even faster. The price of eggs, for example, has risen by more than 30 percent.
- Global stocks of basic commodities are very low. Global stocks of wheat and other basic commodities have reached a 60-year as more and more land is diverted to produce feed stocks for bio-fuels. A significant drought could significantly increase global hunger, increasing global instability.

- Bio-Fuels Increase Greenhouse Gas Emissions – The conversion of land to produce feed stocks for bio-fuels increase greenhouse gas emissions in two ways: by releasing carbon into the atmosphere that is stored in the soil; and by eliminating forests and grasslands that serve as “sinks” for carbon. The production of feed stocks for bio-fuels also creates new air and water quality problems and consumes enormous amount of freshwater.

This campaign will serve three important goals: one, to freeze or rollback the current corn ethanol mandate; two, to stop ongoing efforts to increase the current corn ethanol mandates from 15 to 20 or 22 billion gallons; and, three to stymie state efforts to mandate that all gasoline include 10 percent or more ethanol. Ethanol advocates are already engaged in federal and state efforts to increase the 2007 mandate.

To succeed, we believe must cultivate progressive Democrats, pro-business Democrats and Republicans and Democrats from non-farm states. In particular, we must develop federal and states leaders who are as dedicated to efforts to freeze rollback bio-fuels mandates as ethanol advocates are dedicated to expanding these mandates. This will be no easy task, but rising concerns about food, hunger and environmental costs create the first opportunity to cultivate champions in several years.

To this end, GMA has developed a four-part campaign:

- Build a Broad-Based Coalition – Develop a global center-left coalition of environmental, hunger, food aid, poverty, development, senior, children, business, nutrition, farm, consumer and labor groups.
- Earned and Paid Media – Amplify the extraordinary earned media opportunities created by rising food prices. In particular, amplify the links between mandates and food prices,
- Grasstops/Grassroots Advocacy – Work with our coalition partners to mobilize local food banks, environmental leaders, businesses, and other local opinion leaders in key state and districts.
- Research – Work with our coalition partners to engage trusted third-party experts to document the impacts of fuel mandates on hunger and environmental costs, transportation safety challenges, global hunger and poverty, job losses in the livestock sector and the food industry, inflation, and state and federal budgets.

Building a groundswell of opposition to the current (or expanded) fuel mandates will set the stage for the Administration to use its power to freeze or postpone the mandate, will help us cultivate legislative champions in support of rolling back the mandate and other reforms (such as the elimination of the ethanol tariff and tax credits)

Request for Proposal

Given heightened media, policymaker and consumer interest in the issue of bio-fuels mandates, GMA seeks to retain outside public relations counsel to assist the Association and its member companies and our coalition partners achieve the following objectives:

1. Deliver industry messages on bio-fuels impacts, including food and environmental costs, to the media.
2. Develop a climate that assists the Association in achieving its legislative and regulatory goals, as well as stake out a leadership position on bio-fuels.

Tactics

GMA is interested in working with a public relations firm to develop and execute an aggressive public relations plan that includes tactics that help the Association achieve the objectives outlined above, including but not limited to:

- Research and message development
- Development of collateral materials to support traditional and/or grassroots/tops advocacy initiatives
- Media monitoring and rapid response
- Third party development and coordination of related rapid response activities
- News and editorial board pitching
- Op-ed placement
- Letter-to-the editor placement
- Press conference management (when applicable)
- Creation and placement of paid advertising
- Web development

Term

The term of the proposal should cover the timeframe from March 15 to September 15, 2007.

Due Date

Written proposals are due by close of business March 5, 2007 to:

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