



Food Vs. Fuel

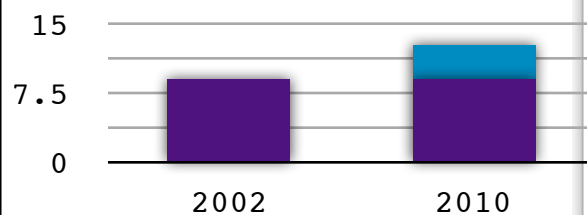
With the combination of escalating prices of both corn and oil, the “Food Vs. Fuel” debate has once more put ethanol production in the spotlight. However, Iowa Corn Growers Association, RFA, and Growth Energy have released important studies recently about just how exaggerated, or in some cases factually inaccurate, the role of ethanol production has been in this debate. Farmers and ethanol proponents are taking an aggressive approach to ensure that the public better understands the misinformation that has too long fueled this debate. Here are a couple of interesting facts that might help clarify some of this information.

Tom Vilsack, U.S. Secretary of Agriculture, sees it matter-of-factly. “I will tell you there is no debate here. Our yields are significant enough that we can meet our food needs, our feed needs, as well as, our fuel needs.” Not only is 99% of corn produced not used for the actual kernels that end up served as food, but since 2002, we’ve increased our corn yields by 3.7 billion bushels of corn—essentially the same amount used in the production of ethanol. People must also be reminded that much of the corn used in the creation of ethanol actually winds up in a valuable bi-product (DDGS). In other words, not only have yields continued to increase dramatically, but also much of the actual product used to manufacture ethanol is returned as feed. As ethanol plants remove the energy, they are still left with the food— or “feed” for livestock. With corn ethanol, the feed value itself is actually enhanced: the distillers’ dried grains by-product is more nutritious than the original unprocessed grain. Further, like many of the so called “facts” about ethanol, very few people take time to evaluate the very real, very significant motivation behind the original studies that created the perception that the ethanol industry is still working to dispel.

In essence, the GMA (Grocery Manufacturers Association of America) advocated a campaign wherein their overwhelming goal was to “**Obliterate whatever intellectual justification might still exist for corn based ethanol among policy elites.**” Although Senator Chuck Grassley was one of the first to uncover this agenda, the perception—because it was the loudest and the most widespread—has been a difficult one to overcome. Never mind that in a \$4.00 meal roughly 40 cents of that meal is the actual commodity. Never mind that two-thirds of the cost of food is freight. And never mind that foreign governments, cycles of dependence on subsidies, and fallow ground as a result of political gamesmanship are the actual culprits. (Sources: *Freedom*, Produced by Growth Energy, Iowa Corn Growers Asst. & National Corn Growers Association.)

The good news, however, is that with increased awareness through advocates like Growth Energy, Nascar, RFA, and Iowa Corn Growers Assn. the battle for truth may be gaining valuable ground.

In 2002 American farmers produced 9 billion bushels of corn. In 2010, we produced 12.7 billion bushels of corn. Each year American ethanol companies use roughly 3.7 billion bushels of corn. Not only have surplus yields met the demands of ethanol, but much of the corn used in the production of ethanol makes its way into a highly valuable bi-product feed (DDGS).



[4]

