

Converting food into fuel is pure folly

"Bravo!" to Gov. Rick Perry and Sen. Kay Bailey Hutchison for recognizing the damage caused to consumers and businesses by the mandatory federal renewable fuel standard for grain-based ethanol.

A mountain of evidence reveals the economic and environmental folly of federal ethanol policy. Gov. Perry's requested 50 percent waiver and Sen. Hutchison's proposed freeze on the renewable fuel standard would alleviate the pressure on corn for fuel.

Texas is beginning to see the rising food prices that federal ethanol policy could generate. Last year's 4 percent rise in food prices stems from the 2005 Energy Policy Act. The new energy law enacted in 2007 significantly enlarged the renewable fuel standard. Food prices may increase as much as 8 percent this year. And consider where the largest price increases occurred.

The retail price of eggs increased 29 percent last year; cereal products, 6.5 percent; sweetened beverages, 4.5 percent; beef, 4.4 percent. All depend on corn-based ingredients or corn feed grains. One-fourth of the 2007 U.S. corn crop was converted to ethanol; the U.S. Department of Agriculture projects that 30-35 percent of this year's crop will become ethanol.

New energy law will force more corn to become fuel. Meeting the 36-billion-gallon renewable fuel standard mandate in 2022 will require 115 percent of last year's U.S. corn crop.

Texas is right to call for a change in federal ethanol mandates. The indirect costs of ethanol hurt Texans in the grocery store as well as key agricultural sectors of the state economy. All animal agriculture uses corn-based feed grains.

Four years ago, corn cost \$2 per bushel; last year, it was \$4. As Gov. Perry's letter to the U.S. Environment Protection Agency highlights, these higher corn prices cost the Texas economy at least \$1.17 billion.

A hefty 51-cent-per-gallon tax credit and a 54-cent-per-gallon import tariff also artificially drive the ethanol boom. The tax credit cost the U.S. Treasury \$5 billion in 2006; that will rise to \$10 billion in 2012.

Can't run on ethanol

The U.S. fuel supply may not be able to absorb the mandated volumes of ethanol. Most of the 240 million U.S. vehicles cannot use gasoline with more than a 10 percent ethanol blend. Perhaps only 6 million vehicles are capable of using 85 percent ethanol. Only around 1,000 of the 172,000 U.S. gas stations -- mostly in the Midwest -- can dispense 85 percent ethanol. The Big Three automakers pledged that half of their 2012 vehicles will be flexible-fuel. Yet this amounts to only 2 percent of total vehicles on the road. It takes decades for a complete fleet turn-over.

Ethanol is an ineffective means of reducing reliance on imported oil. While domestic production of ethanol doubled between 2003 and 2007, imports of oil and refined gasoline increased. A deficit in refining capacity and an approaching surfeit of ethanol production capacity will not increase the security of our gasoline supply or stability of gasoline prices. But what happens to a grain-based fuel supply during the next major drought?

Ethanol has two-thirds the energy value of petroleum-based fuels. A vehicle requires three gallons of ethanol for the mileage of two gallons of gasoline. Producing one gallon of ethanol may well take more energy than the end product contains. With fertilizer, water, an energy-intense fermentation process, and transportation necessarily by rail or truck instead of existing pipeline, ethanol production utilizes much more energy than crude oil to reach the pump.

While combustion of ethanol involves less CO2 and particulate emissions than petroleum-based fuels, ethanol causes more NOx emissions -- the main ingredient in ozone formation. And ethanol may increase net CO2 emissions. A February 2008 article in Science concludes that the CO2 released from converting forest and grasslands to corn crops could amount to a doubling of CO2 emissions from these lands. Millions of acres long enrolled in the USDA Conservation Reserve Program have now been tilled for corn. Intensive fertilization and irrigation impact water quality and supply.

Perry and Hutchison deserve praise for recommending solutions to the folly of our current federal policy to transform a major foodstuff into a fuel.

Kathleen Hartnett White is director of the Center for Natural Resources at the Texas Public Policy Foundation, a non-profit research institute based in Austin.



© 2008 Scripps Texas Newspapers, L.P. A Scripps Howard newspaper. All Rights Reserved. Site users are subject to our [User Agreement](#). Read our [privacy policy](#). [Questions?](#) [Comments?](#) [Contact us](#).