

The Grassroots Voice

by Brian Jennings

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The rapid expansion in ethanol production has led some to question whether the U.S. corn supply can meet the demands of the growing biofuels industry. Other critics are recklessly trying to pit ethanol against hungry people in a struggle of "food versus fuel."

To be clear, there *are* limits on how much corn we can and should use for ethanol, but the market is better equipped to make that determination than groups with axes to grind against ethanol.

Legitimate concerns must be addressed to ensure the U.S. corn supply can meet the growing demands of its customers, but there are several reasons the "food versus fuel" argument is misleading.

First, the U.S. corn supply is not static. The most fundamental flaw of those suggesting a corn supply Armageddon is underestimating the unparalleled capabilities of U.S. farmers. In 1980, the national average corn yield was 90 bushels per acre. Today, the average corn yield tops 150 bushels per acre. More efficient fertilizer use, biotechnology, and improved tillage practices have contributed to increased yields, resulting in more corn production on the same land.

Moreover, farmers base planting decisions upon market signals. As the price of corn rises, farmers will devote more acres to corn, shifting away from other crops. This too will lead to additional supplies of corn for ethanol. For those who contend that the ethanol industry is somehow pricing other corn customers out of the market, it is instructive to note that the surest remedy to high prices is high prices. History indicates that corn, like other commodities, experiences price peaks and valleys based on supply and demand fundamentals.

Critics also routinely overstate how much corn is actually consumed as human food. Historically, corn's top customers are - in order - the livestock sector, exports, and processors (including ethanol),

leaving a small fraction of each year's crop for other uses, such as human food. As ethanol demands more corn, exports will decline, enabling supplies to reliably meet the needs of livestock and ethanol producers at home and preventing a disruption in the small percentage of corn needed for food.

The critical role of distillers grain is also often overlooked. In the process of distilling ethanol, about one-third of each corn kernel comprising fat, fiber, and proteins is left over and currently used to produce DDGs. As the production of ethanol increases, so does the supply of valuable DDGs for livestock, displacing the direct use of corn for feed and freeing up more corn for ethanol and other uses.

Additionally, technology innovations have enabled ethanol producers to squeeze more ethanol out of each bushel of corn. Ten years ago, a bushel of corn delivered two gallons of ethanol. Today, a bushel of corn yields nearly 3 gallons of ethanol. Ethanol producers will continue to make the technology breakthroughs that allow for more ethanol from each bushel, with or without additional corn supplies.

These facts make a compelling case; nevertheless, the ethanol industry recognizes that corn has multiple important uses and we must seek alternative feedstocks as we expand. That's why so many ACE members are developing the technology innovations that will someday lead to the successful commercialization of cellulosic ethanol, using feedstocks that do not "compete" with food crops.

Call me an optimist, but I am confident that before the marketplace limits the amount of corn available for ethanol production, we will launch a new platform for biofuels based on cellulosic feedstocks: corn stover, wheat straw, grasses, and waste products to name a few, a game-changing transformation that will make our nation more energy-secure and ensure harmony among corn's customers.



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Brian oversees the activities of the American Coalition for Ethanol, generating grassroots support for policies that advance ethanol and rural America. He has testified for legislation at the state level and drafted key agriculture and ethanol initiatives through his work for a U.S. Senator in Washington, DC.