

CVSA Members Decry Government's Mandate for 'Agrofuels' as Destroying Vital Food Supplies

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Several member organizations of Commission on Voluntary Service and Action (CVSA) and other non-government organizations dedicated to elimination of hunger and creation of sustainable food development have reported growing alarm concerning federal policies that convert viable long-term sources of foodstuffs, such as corn, into agrofuels for short-term mega-profits. They are calling for help to get the truth out by mobilizing communities on a grassroots level throughout the U.S.

UN 'Right to Food' Spokesperson Calls for Moratorium on Corn Ethanol Production

Food First/Institute for Food and Development Policy, and Rainforest Action Network (both listed in *INVEST YOURSELF*) are among those who have joined the United Nations Special Rapporteur on the Right to Food, Jean Ziegler, in calling for a global moratorium on current methods of industrial production of ethanol from corn and other food crops.

In his August 2007 report to the UN General Assembly Ziegler said, "The sudden, ill-conceived rush to convert food — such as maize, wheat, sugar and palm oil — into fuel is a recipe for disaster." He detailed the consequences and called for governments to implement at least a five-year moratorium in order to provide time to assess the impact on the right to food, as well as access to land and water and to halt the hunger already on the rise.

However, the U.S. Congress subsequently passed an "energy" bill in December 2007, which was inspired by President Bush and which he immediately signed into law, that mandates a five-fold increase in the amount of ethanol mixed into gasoline being sold in the U.S. by the year 2022. Titled the "Energy Independence and Security Act," this legislation continues huge federal subsidies and tax breaks to the major corporations driving this industry and mandates an increase in ethanol production from the current record 2.2 billion gallons produced in 2007 to a soaring 36 billion gallons annually. The only technology developed for such mass industrial production of ethanol in the U.S. is based on corn— a vital food crop in the U.S. and around the world.

Lester Brown of the Earth Policy Institute, in his briefing to the United States Senate in June 2006 on the ramifications of the growth of the ethanol from food crop industry, said, "The stage is now set for direct competition between the 800 million people who own automobiles in the world and the world's 2 billion poorest people."

U.S. policy makers, backed by the big grain, bio-tech, oil and auto industrial forces who lobbied for the bill, are promoting this ethanol industry as the so-called "green energy alternative." Alleging it to be a "milestone towards a renewable fuel" economy, they insist that agrofuels are vital to eliminating U.S. dependency on foreign oil. Yet all the data brought forward in scientific studies, reports from non-government food policy, anti-hunger and environmental organizations and

from sustainable economy experts, along with many leaders of nations in the developing global South, reveal the reality to be quite the opposite.

Food Prices and Hunger on the Rise

The quantity of corn required to meet the quota of ethanol production now mandated by law in the December 2007 energy bill not only exceeds the total amount of corn currently produced in the U.S., it would require converting 71% of all the farm acreage in the U.S. to corn production. Therefore, the legislation specifies that 15 billion gallons, or just less than half of the 36 billion gallons mandated, will come from U.S. corn-based ethanol production—the remainder would come from “advanced biofuels” produced and purchased from outside the U.S. “Advanced biofuels” in this case specifically means ethanol produced from food crops other than corn, including sugarcane, soybeans, palm oil and jatropha (a shrub that can be grown in arid land that produces large oil bearing seeds), which would be imported primarily from Latin America.

By 2008 more than half the US corn supply could be going to fuel, not food

For the 15 billion gallons to be produced domestically, at the current rate that U.S. corn acreage is being transferred to fuel stock production, it is expected that in 2008 over half the U.S. corn supply will be going to ethanol instead of to food.

The price of corn has a direct effect on the price of milk and meat (both of which use corn feed for the cattle) as well as many other foods. This has already caused food prices to rise significantly this year, hurting the already hard-hit poor and working poor the most. At the same time, supplies in food banks, soup kitchens and other anti-hunger food distribution programs across the country are shrinking due to higher food costs at a time when the need is growing due to increased unemployment.

On the global level the impact is devastating: since U.S. corn accounts for 40% of global corn production, supplying 70% of the world’s exports, and corn prices are tied to other grain prices, the rising price of corn causes other grain prices to follow suit. In 2006, U.S. corn prices increased by 60% and world corn prices by more than 50%; prices for wheat increased by 25% in the U.S. and by 21% on the world market, prices for soybeans rose by 8% in the U.S. and by 7% on the world market. In the early months of 2008, prices for wheat and soybeans on the Chicago Board of Trade have hit all time highs, double what they were a year ago.

It is well documented that hunger results not from scarcity of food in the world, but from poverty. According to the Food and Agricultural Organization (FAO), a UN agency, there is enough food in the world to supply everyone with a daily 3,500 calorie diet of fresh fruit, nuts, vegetables, dairy and meat. Nonetheless, because they are poor, 824 million people continue to go hungry. In 2000, world leaders promised, through the signing of the UN Millennium Development goals, to halve the proportion of hungry people living in extreme poverty by 2015. With the exception of China, Vietnam, Cuba and Venezuela, little progress has been made in the worldwide elimination of hunger and poverty.

The world’s poorest people already spend 50% to 80% of their household income on food. For every one percent rise in the cost of food, 16 million people are made hungry. This has serious implications for the 3 billion people in the world living on less than \$2 a day, and for the 36 million hungry people in the United States that the USDA identifies as being “food insecure.”

Food First explains in its March 2008 article, *When Renewable Isn’t Sustainable: Agrofuels and the Inconvenient Truths Behind the 2007 U.S. Energy Independence and Security Act*, “As

demand for corn in the U.S. increases, more is planted, pushing out other food grains such as wheat and soybeans. With less land available for cultivation, the price of these products goes up. Because corn and soy are main ingredients for processed food and livestock feed, the increase in corn prices dramatically increases food prices worldwide.”

In December 2007, The Economist reported that its food-price index was higher than at any time since it was created in 1845. Prices have jumped by 75% since 2005. By late 2007, the price of a loaf of whole wheat bread in the U.S. was 12% higher than one year earlier, milk was up 29% and eggs were up 36%. In Mexico, cornmeal prices increased 60%.

In Pakistan, flour prices have doubled. In January 2008, police in Indonesia were deployed to clear the streets of people rioting over the rising price of soybeans. In 2007 there were riots in Mexico City over the price of tortillas, and in Senegal there were rice riots. Conflicts over food price and scarcity are increasing.

The grain required to fill one 25-gallon SUV gas tank with ethanol could feed one person for a year. The world is now down to only 54 days worth of grain reserves—the lowest on record.

Food First further explains, “The agrofuels boom turns food crises into a doubly lucrative opportunity for grain merchants and grain processors. Because corporations like Archer Daniels Midland (ADM) and Cargill both buy and sell grain, they stand to gain from either low or high prices. When grain prices drop, they buy. Because of their market power they can withhold grain from the market—hoarding supplies until the price goes up again. When grain prices rise, they sell. This speculation was at the heart of the Mexican ‘Tortilla Crisis’ in 2007.”

U.S. Dependency on Foreign Resources for Oil-based Energy System Continues

The European Union (EU) has also set targets requiring that agrofuels provide up to 10% of their transport fuel by 2020. Neither Europe nor the U.S. can meet the objectives they have set through agricultural production in their own countries. Europe would have to devote 70% of its arable land to agrofuel production and the U.S. would have to convert its entire production of corn and soy to ethanol and bio-diesel. Therefore these industrialized countries are turning to the developing countries in the southern hemisphere to feed their petroleum-based energy system needs.

The U.S. is already partially dependent on Latin American ethanol made from soy, sugar cane and palm oil. The U.S. is also importing ethanol from some African countries such as Nigeria, Cameroon, Ivory Coast and Ghana. The European Union is dependent for their ethanol on the same four African countries as well as Asian countries including India, Indonesia and Malaysia, which are main palm oil producers. In 2006, 13.5% of the ethanol used in the U.S. was imported.

Rather than insuring energy independence, the new energy bill legislates U.S. dependency on imported agrofuels. Garten Rothkopf, author of a new report commissioned by the Inter-American Development Bank, has argued that, “Latin America will be the Persian Gulf of biofuels.”

In Brazil, where fuel crops already occupy an area the size of the Netherlands, Luxembourg and Great Britain combined, the government is planning a five-fold increase in sugar cane acreage with a goal of supplying enough ethanol to the world to replace 10% of the world’s gasoline by 2025. Indonesia and Malaysia are rapidly cutting down forests to expand palm oil plantations targeted to supplying up to 20% of the EU biodiesel market.

More Green House Gas Emissions, Not Less

Agrofuels are purported to be “green” because they release fewer green house gases (GHGs) from the tailpipe of the cars that use them and from the power station, but that characterization is misleading because it leaves out the facts of production and distribution. Because corn is such an energy intensive plant to grow, and the methods used to process corn into ethanol are also energy intensive, it takes 7 barrels of oil to produce 8 barrels of corn ethanol from field to processing plant, according to research by the traditionally right-leaning Cato Institute.

Industrial agrofuels require large applications of petroleum-based fertilizers, whose global use (now at 45 million tons a year) has more than doubled the biologically available nitrogen in the world, thus contributing heavily to the emission of nitrous oxide, a greenhouse gas 300 times more potent than CO₂. When nitrous oxide emissions from agricultural production are included in the analysis, agrofuel production exacerbates global warming rather than helping to prevent it.

Food First explains that, in the U.S., corn cultivation also involves intensive application of synthetic nitrogen fertilizer, which results in emissions of nitrous oxide. This synthetic nitrogen fertilizer also pollutes water sources. When it contributes to the midwestern agricultural runoff into the Mississippi River, it flows to the Gulf of Mexico, where each year it creates an oxygen-depleted “dead zone” the size of New Jersey that kills aquatic life and threatens water quality all along the coast. When U.S. corn acreage reached a record high last summer, so did the size of the dead zone. Intensive corn production is also a major cause of topsoil erosion.

In the case of palm oil, the cheapest and most popular source for agrofuel in Europe, for every ton that is produced, 33 tons of carbon dioxide emission are generated—ten times more than petroleum. Indonesia has now become the third largest CO₂ emitting country because of the slash and burn deforestation and drainage of peat swamps being carried out to make way for the palm oil plantations. Expansion of palm oil plantations into the forests in Indonesia results in fires that release over a billion tons of carbon per year. Nine to 10 million hectares of forest are acutely threatened by agrofuel development in West Papua alone.

Tropical forests cleared for sugar cane ethanol, such as in Brazil or Asia, emit 50 times more greenhouse gases than the production and use of the same amount of gasoline.

Overall, the chemically intensive cultivation, energy intensive refining and transcontinental shipping of the final product makes palm oil one of the most detrimental fuel sources to the environment, further accelerating global warming.

Governments in a growing number of Latin American countries such as Brazil, Colombia and Paraguay, and African countries such as Nigeria, Tanzania and Ethiopia, are implementing national strategies utilizing financial incentives and foreign investments in infrastructure development that will open up old growth forests and other natural ecosystems to destruction, thereby accelerating the displacement of local and indigenous communities by expanding corporate plantations.

The land use changes associated with large-scale agrofuels production, including deforestation and the burning of carbon-rich peat land, accelerate rather than mitigate global warming. The impact of this massive rapidly growing investment in agrofuel may well be irreversible and irreparable.

More Water Scarcity and Pollution

The extensive cultivation and processing of ethanol and other agrofuels will significantly deplete and pollute water resources in the U.S. and around the world.

According to Colorado State University and the United Nations Educational Scientific and Cultural Organization (UNESCO), it takes anywhere from 925 to 2,700 gallons of water to produce the corn for just one gallon of ethanol. Converting that corn into one gallon of ethanol takes three to six additional gallons of water, and can produce up to 13 gallons of waste water from the distilleries.

No Change in Oil-Dependency

While the production of these fuels puts massive amounts of carbon and nitrous oxide into the atmosphere, and creates soil erosion and over 2 billion tons of wastewater, in addition to a global food crises, these “alternative fuels” will barely offset the existing demand for oil. Rather, biofuels will serve only to perpetuate the oil-based energy economies of the industrial countries in the northern hemisphere.

Zeigler explains how this is the case in his report to the General Assembly: “Up to 10% of bio-ethanol can be mixed into normal petrol and can run in any car. Cars with specialized engines can also run on 100% bio-ethanol, although so far Brazil is the only country to have made substantive progress with these cars. Adding between 5% and 10% of biofuel to petrol simply replaces additives that oil companies normally add to improve combustion. Because most liquid biofuels will be consumed as blends with gasoline or petroleum diesel, biofuels will for some time to come be complements to petroleum-based transport fuels, not major competitors with them.”

Zeigler further explains in his report, “Oil companies are not threatened by the shift toward agrofuels. On the contrary, the global corporate monopolies of oil, grain, cars and biotechnology are rushing to consolidate partnerships: Archer Daniels Midland Company (ADM) with Monsanto; Chevron with Volkswagon; BP and DuPont with Toyota.”

Food First further explains in their Biofuels—Myths of the Agrofuels Transition, “The rapid capitalization and concentration of power within the agrofuels industry is breathtaking. From 2004 to 2007, venture capital investment in agrofuels increased 800%. Private investment is swamping public research institutions, as evidenced by BP’s recent award of a half billion dollars to the University of California. In open defiance of national anti-trust laws, giant oil, grain, auto and genetic engineering corporations are forming powerful partnerships. These corporations are consolidating research, production, processing and distribution chains of our food and fuel system under one colossal industrial roof.”

The international agro-corporation Monsanto already controls 20% of the world’s commercial seed market, 25% of the commercial market for soybean seeds, and 41% of the corn seed market. In Brazil, Monsanto controls 30% of the corn seed market and over 50% of the soybean seed market. The top three seed companies—Monsanto, DuPont and Syngenta—control 44% of the global commercial seed market.

False Promise for Future Switch to Non-Food Crops

While politicians and most mainstream media claim that the industry will soon switch away from food crops to using “cellulosic” ethanol made from native grasses and genetically engineered fast-growing trees, by all scientific accounts these fuels are at least 7 years and billions of dollars in research and infrastructure development away from becoming at all commercially viable. More importantly, when and if that switch could be made, the corporate takeovers of vast acreage to grow these “non-food” crops will then compete with acreage currently used for food crops and create even more deforestation.

In addition, Co-op America, a consumer advocacy organization, listed in INVEST YOURSELF, explained, “Even while people speak about the future of cellulosic ethanol, ADM and other corporations continue to move full steam ahead with corn ethanol infrastructure, supported by continued government corn and ethanol subsidies. The Energy Policy Act of 2005 and the Renewable Fuel Standards (RFS), which offer various incentives for ‘alternative’ fuels, promote corn ethanol above other fuels because more cars can already accept it and more distillery plants are already producing it. The methods used to make corn ethanol differ so widely from those for cellulosic ethanol, that the 86 new corn ethanol plants constructed in the last 2 years in the U.S. with billions of dollars invested will be useless in making cellulosic ethanol.”

“We are committing ourselves to decades of dependence on corn ethanol,” says Bill Freese, Science Policy Analyst at the Center for Food Safety. “Once you build that infrastructure, you pen yourself in.”

U.S. Tax Money Subsidizing this Billion \$ Industry

Food First explains in their March 2008 article, “In order to establish the international agrofuels market, these corporations require extensive governmental subsidies, tariffs and tax breaks. Corn and soybeans are the most subsidized crops in the U.S., receiving a total of \$51 billion in federal handouts between 1995 and 2005. Ethanol subsidies amount to as much as \$1.38 per gallon—about half of the wholesale market price. In 2006, the combined state and federal support for the U.S. ethanol industry was between \$5.1 and \$6.8 billion.” According to Don Briggs, President of the Louisiana Oil and Gas Association, “The 2007 energy bill is a giant ethanol subsidy.”

ADM, the largest multinational grain processor, now gets 25% of its operating profit from agrofuels, including both ethanol and biodiesel. In anticipation of passage of the December 2007 energy bill, ADM’s stock surged nearly 20% from August to mid-December 2007.

ADM has an historic and large presence in Washington, DC. In the 1970’s, as ADM began searching for ways to diversify their profits from corn, the corporation began producing ethanol. ADM established a relationship with Senator Bob Dole of Kansas, who became known as “Senator Ethanol.” During the 1992 election, ADM contributed \$1 million to Dole and the Republican Party (as well as \$455,000 to the Democrats, just in case they won). In return, Dole helped the company secure billions of dollars in subsidies and tax breaks. In 1995, the conservative Cato Institute, estimating that nearly half of ADM’s profits came from products either subsidized or protected by the federal government, called the company “the most prominent recipient of corporate welfare in recent U.S. history.” Since 2000, ADM has contributed \$3.7 million to state and federal politicians.

There are claims that corn ethanol will rejuvenate farm communities, but Food First points out that this is deceptive. From 2006 to 2007, the huge rise in price of corn, wheat and soy—all primary components of feed and processed food—hurt most small and family farms.

While some areas in the Midwest where the ethanol distilleries have been built are experiencing a small boom in desperately needed jobs, this will be short lived. Out of a total of 86 new ethanol plants constructed since 2007, 88% are owned by large corporations, not local farmers, and as the market consolidates, most of the family farms will be squeezed out.

Call for Action to Fight for Change in Policy

Co-op America and other non-government organizations reported that they did everything they could to lobby against the 2007 energy bill, but the big money from agribusiness, oil and auto companies won out. Co-op America has subsequently launched a campaign that calls on consumers

to bring the issue to their car dealers to enlist in a pressure campaign on the auto manufacturing companies to manufacture affordable hybrid and electric cars and move away from gas-guzzling engine cars altogether, which is entirely feasible technologically.

Eric Holt-Giménez, Executive Director of Food First, told CVSA, “If you take away the U.S. government’s 2005 RFS mandates and the 2007 Energy Bill mandate for 36 billion gallons, along with all the incentives and subsidies, this whole industry would collapse because the market has been artificially created for these corporations by these mechanisms.”

Food First is leading a growing consortium of non-government organizations that are now strategizing how to bring together grassroots groups of low-income working people, small farmers, anti-hunger organizations, environmental groups, as well as consumers and other concerned citizens to get them mobilizing their communities to action that can force the repeal of the 2007 law and the 2005 RFS targets, and at the same time serve as a forum to exchange experience and resources for building sustainable energy and food production alternatives and methods of organizing for real systemic change.

All of the representatives that CVSA spoke with at Co-op America, Rainforest Action Network and Food First said the challenge in creating an organized “political will” to stop the current government agrofuels policy starts with the fact that while the scheme is steamrolling ahead, creating disaster and devastation, most people in the U.S. know nothing of it. Simply making people aware doesn’t stop it either, however. More organizations that involve and give political voice to low-income and working people—those most affected by these policies—need to be brought together to organize effective action.

CVSA is calling on all member organizations and those listed in *INVEST YOURSELF*, particularly those volunteer organizations that address hunger and poverty and other needs of low-income people, to contact CVSA about how to get this information out to your community and constituency, and participate in the fight to gain control of the resources we need to turn this trend around.

Editor’s note: The primary sources of data presented in this article are:

- *Co-op America: “Corn Ethanol Isn’t The Answer” Summer 2007*
- *Food First Backgrounder: “Biofuels—Myths of the Agrofuels Transition,” by Eric Holt-Giménez, Ph.D., Executive Director, Food First Institute for Food and Development Policy*
- *Food First Policy Brief #13: Agrofuels: When Renewable Isn’t Sustainable: Agrofuels and the Inconvenient Truths Behind the 2007 U.S. Energy Independence Act, by Eric Holt-Giménez and Isabella Kenfield, March 2008*
- *National Geographic: “Growing Fuel—The Wrong Way, The Right Way,” October 2007*
- *Rain Forest Action Network: “Getting Real about Biofuels”*
- *UN General Assembly Document: Report of the Special Rapporteur on the Right To Food, 22 August 2007*