

# Food vs. fuel discussion spans the globe

**W**E had traveled for some 18 hours when our plane landed just outside Stockholm. My two traveling companions and I boarded a train for City Centre, and from there piled our luggage in the back of a cab to our hotel.

The Turkish driver of our Swedish cab had spent several years in D.C. and spoke perfect English. It didn't take him long to strike up a conversation, once he learned we were in town with the International Federation of Agricultural Journalists.

"So you are having a drought there?" he asked.

I was surprised and impressed, still the naive American who didn't yet realize how much the rest of the world was following our shriveling Midwestern cornfields. Our cabbie continued, saying if the U.S. didn't waive the ethanol mandate, we would drive up corn prices and cause mass starvation for the rest of the world. "So you are choosing fuel over food," he concluded.

Wow. OK. Welcome to Sweden!

Admittedly, I was impressed with the detail of his knowledge. I was also a little dumbstruck, if for no better reason than because we had just landed in another country and our lives were, so to speak, in his cab-driving hands. So I didn't say what I really wanted to say, which was to mention this whole thing called dried distillers grains with solubles, or DDGS, and that it's not strictly a food-or-fuel argument.

As it turned out, the opportunity would arise again.

I was in Sweden to attend the aforementioned IFAJ Congress and to take part in a Young Leaders in Ag Journalism Boot Camp prior to the Congress, along with 10 other young ag journalists from around the world. The experience was breathtaking, eye-opening and exhilarating. Breathtaking in that the country is beautiful. Eye-opening in that I spent a week with people I'd never met, all of whom spoke some degree of English, and we all talked agriculture.



## My Generation

By HOLLY SPANGLER

Late one night, gathered around a few tables at a restaurant, my Austrian counterpart, Stefan, reiterated our cab driver's points. I countered, sharing with him about ethanol byproducts, and how DDGS are fed prolifically to U.S. livestock, and dried and exported around the world. I shared how 40% of the U.S. corn crop is used to produce ethanol, but a third of that comes back out as DDGS and is converted into meat animal protein. Stefan, you might say, lacked interest in my argument.

Others did not. Swedish ag journalists asked me about ethanol with an intensity that belied their level of concern. Indeed, the U.S. drought has renewed the decades-long battle over ethanol, as corn prices reach record highs. Here at home, meat industry and oil interests have aligned themselves against ethanol and the 13 billion gallons that are produced annually, while agricultural lobbies fight back. Much money has been waged in this fight, and

much is up for grabs. Abroad, even the United Nations has stepped into the fray, joining the call for a yearlong suspension of the ethanol requirement in the U.S.

The assumption, clearly, is that if we just stop pouring so much corn into ethanol, corn demand and prices will plummet. And along with it, worldwide food prices.

In the end, it's just not that simple. University of Illinois ag economists Scott Irwin and Darrell Good say suspending the ethanol mandate would have little to no impact on corn prices. Iowa State University agrees, pointing to a maximum potential drop of 28 cents in the corn market. Clearly, the mandate was significant in building the U.S. ethanol industry. But now that capacity and blending are already in place — and consumers are used to paying a little less for gas — waiving the mandate won't necessarily reduce ethanol use and blending. In other words, you can't turn back the clock.

Irwin and Good argue EPA can't, by stroke of a pen, magically reduce ethanol production. But what if they could? And what if they did? Logically, it would also reduce DDGS production. That's less feed in the system, and only a slight drop in corn prices. Ask your local feed co-op manager, is it worth it to save 20 cents a bushel on corn when it costs you \$20 more for DDGS?

From this Illinois farm, it sure doesn't look like it.



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