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# U.S. food cost up \$47 per person due to ethanol: study

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By Lisa Haarlander



CHICAGO (Reuters) - Booming ethanol production may help lessen U.S. dependence on foreign oil, but it has already increased the grocery bill for the average American by \$47 since July, according to a study from Iowa State University.

U.S. ethanol is made primarily from corn, which is a major source of feed for chickens, hogs and cattle. As a result prices for both meat and eggs will rise, according to the study from the Center for Agricultural and Rural Development, which was partly funded by the livestock industry and released May 11.

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"We are going to end up paying more for food domestically because we have an ethanol policy that is basically tying the price of corn and feed and the resulting food to the price of imported oil," said J. Patrick Boyle, chief executive of the American Meat Institute, one of the organizations which helped fund the study.

The livestock industry held conference call with reporters to draw attention to the impact ethanol is having on food.

"Energy security is an admirable goal but its benefits of ethanol must be weighed against its consequences," he added.

### FOOD VERSUS FUEL

The rise in ethanol production during the past year has already raised food prices by \$47 per person, or 1.3 percent of the cost of a basket of goods typically consumed annually, due to higher corn prices, the study

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In February this year, corn futures at the Chicago Board of Trade (0#C:: [Quote](#), [Profile](#), [Research](#) hit a 10-year high of \$4.37-1/4 a bushel, which prompted U.S. farmers to plant a record corn crop this spring, according to the U.S. Agriculture Department. With traders anticipating a large harvest this fall, corn prices have since fallen to \$3.73. [Continued...](#)

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