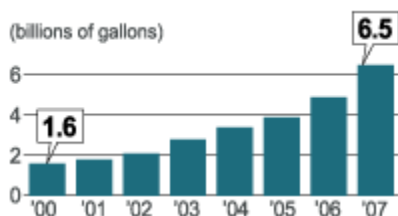


Our view on energy: Ethanol production soars, but its allure plummets

Diversion of corn crop to fuel raises food costs, stokes instability abroad.

For the past quarter-century, U.S. energy policy has been generally non-existent. To the extent there has been one, it has been to keep gasoline cheap. But one element stands out as a dramatic exception to this minimalist approach. Through a series of generous tax subsidies and production mandates, the use of [corn-based ethanol](#) has soared.



Corn in the car

Ethanol production has increased fourfold since the beginning of the decade.

Source: Renewable Fuels Association

By Adrienne Lewis, USA TODAY

Already, some [23% of the American corn crop](#) goes into ethanol. In acreage, that's equivalent to the combined farm land of Pennsylvania, New York, New Jersey, Maryland and Delaware. In 14 years, [under current federal mandates](#), about 40% of America's corn crop would be heading for its gas tanks.

The more and more ethanol that's produced, however, the less and less it looks like a solution.

Ethanol [hasn't prevented](#) gas prices from topping \$4 a gallon.

Instead, the diversion of so much corn into fuel has [contributed to rising prices](#) for everything from corn oil to beef. Overseas, higher food costs are increasing hunger and generating political instability.

Turning America's breadbasket into a fuel pump, it seems, is looking like [one of the dumbest ideas](#) of recent years.

It is time to acknowledge that the ethanol lobby, thanks largely to the political muscle of corn farmers and [Iowa's importance in the presidential nominating process](#), has hijacked U.S. energy policy, such as it is.

[Texas Gov. Rick Perry](#), who hails from a state full of cattlemen struggling with high feed prices, has recognized this and [called for cutting back the ethanol mandates by half](#). [Food Before Fuel](#) — a coalition of agricultural, environmental, retail, hunger-prevention and other groups — is urging Congress to revisit the issue. Others will no doubt follow as consumers begin to grasp the implications of what's in store.

A few numbers tell the story: U.S. taxpayers are [subsidizing ethanol](#) to the tune of 51 cents a gallon. This year, the government wants 9 billion gallons of ethanol and other plant-based fuels in people's gas tanks. By 2022, that number is to quadruple, to 36 billion gallons. Even that would replace only 15% of the nation's gasoline consumption.

Ethanol supporters say removing ethanol from the equation would cause gasoline prices to rise even more. Perhaps. But that merely argues for capping or gradually reducing the 9 billion gallons, rather than eliminating them overnight.

Ethanol supporters also argue that its effect on food prices is overstated. In fact, several factors, ranging from higher fuel and fertilizer prices, to the recent flooding along the Mississippi River, have played a role. How much each of these factors is to blame is a matter of debate. But common sense says the ethanol impact is significant.

While it's a laudable goal to reduce oil consumption, it is better accomplished through efficiency and development of alternatives to gas-powered engines. That's food for thought and, perhaps eventually, more food for the table.

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