

ETHANOL: TWO IOWA VIEWS

Cheer, but also confront concerns

Discussions around Iowa reveal many are skeptical about the wisdom of the "all ethanol, all the time" approach we have adopted, but the concerns feel almost unfaithful.

I, too, feel internal conflict over ethanol. One fundamental point makes ethanol powerful and popular in farm (and political) circles — the undeniable economic benefits. Strong demand for corn, new markets and higher prices all contributed to record net farm income in 2007. This is good news



Neil
HAMILTON

not just for farmers but for all businesses (and governments) benefiting from the economic activity.

Increasing farm income is the fundamental goal of most agricultural policy — from new research to education. Helping farmers make more money is a key part of sustainable agriculture. Increasing profits, opening new markets and diversifying production are central goals in local food initiatives popular with alternative-agriculture supporters, myself included. The reality is that ethanol is achieving these goals and doing so more rapidly and with a broader effect. Getting higher prices for corn is more accessible (and acceptable) than raising meat goats or planting melons.

So if the economic benefits of ethanol are real, why the skepticism? Here the criticisms are many and diverse. One is increased soil erosion by planting fragile lands. Another is the rapid increase in water consumption. Some people worry the greenhouse-gas benefits are not real, and perennial arguments continue over ethanol's energy balance. Others claim ethanol exists only because it is propped up with lavish subsidies and mandates, and it drives up feed costs for livestock.

Learn more online

A series of Register special reports has examined ethanol's economics and potential, environmental concerns and global competition. At www.DesMoinesRegister.com/biofuels, also find a map and database of all biofuels plants in Iowa and links to other resources.

Still others claim we are starving the world's poor by converting food to fuel and driving up the cost of food aid and decreasing the amounts shipped. A final concern is that ethanol distorts agriculture by shifting demand for other crops and increasing land values — and rental rates.

Truthfully, all have validity, some more than others. But collectively the response from most in agriculture is: "So what? We're making good money." Even a more measured response doesn't go further than: "If true, it just requires closer attention to concerns."

Take soil conservation, for example. Yes, soil erosion is real. We now lose 20 pounds of soil for each gallon of ethanol produced. But this soil erosion is already happening with corn production, so is it fair to blame it only on ethanol? If we were serious about soil erosion, we would address it now, whether or not we use corn for ethanol.

A more legitimate concern may be about planting acres formerly set aside in the Conservation Reserve Program. But responses here are: This is how land markets work, and the CRP is not permanent. If erosion exceeds allowable limits, conservation compliance rules are available — if they're enforced.

Consider another criticism: A U.N. official stated that ethanol is a "crime

against humanity." This brought a chorus of equally shrill responses from ethanol's defenders: Growing food to convert to fuel does challenge society's values and the logic supporting such actions. It reveals the need for comprehensive energy policies focused on conservation and alternatives such as wind.

But ethanol can't be blamed for hunger. It has long existed, and, given our record addressing it, will continue into the future. Is it the responsibility of U.S. farmers to feed the world's poor, especially if their leaders won't? If high grain prices increase hunger, then how low do prices have to be for all to be fed? We could give away all we produce and still not have a sustainable solution to world hunger. Hunger is not solely a responsibility of farmers, and prices are only one factor.

So what does all this mean? For me, the question isn't whether ethanol is good or bad; it is what it is. For most people in agriculture, it is a very popular and for now valuable improvement in farm economics.

Can our policies be better? Yes. Can we overdo our promotion of ethanol? Certainly. Can its popularity blind us to the validity of criticisms? Most definitely, as is evident when anyone dares challenge the hegemonic role of ethanol in farm policy.

What we need is less cheerleading and more open-eyed willingness to consider where our current path is taking us. Our state and nation have hopped a fast-moving ethanol train still gathering speed. But this optimistic jump doesn't mean that spectators, including many Iowans, don't have legitimate concerns about what lies around the bend.

NEIL D. HAMILTON is a professor of law and director of the Agricultural Law Center at Drake University, Des Moines.