

Ethanol *Is* Green

Ethanol Increase Has Reduced Fuel Costs By \$.40 Gallon

MIKE PLUMER



CARBONDALE, ILL.

A new study by the famous Argonne National Laboratory in Illinois proves that the ethanol industry is becoming more green and efficient. Over the past five years, while ethanol expansion has increased 276 percent, the total energy use has declined

by nearly 22 percent, and water consumption is down by more than 26 percent.

Here's another impact of increasing ethanol use: In 2007, the use of 6.5 billion gallons of ethanol in vehicles resulted in the reduction of greenhouse gases and carbon dioxide emissions by 10 million tons when compared to gasoline use. Think of it this way: The increased ethanol use last year would have been like removing 1.5 million cars from the roadway. That is significant.

What about the food controversy? A Farm Bu-

reau study showed food prices were up 8 percent so far this year. Is corn the culprit like the major media says? USDA economic research shows otherwise. For every 10 percent increase in corn price, the increase in retail food prices should be 1 percent. I don't think corn has gone up 80 percent in price since January, maybe 10 percent or so. Therefore, the big food price increase is due to other factors like increased transportation costs due to high fuel prices and possibly the devaluation of the U.S. dollar.

According to industry experts, the increase in ethanol fuel to nearly 8 billion gallons a year has impacted the fuel price by reducing it nearly 40 cents per gallon. By the end of 2008, the U.S. could be producing more than 13 billion gallons of ethanol. Hopefully, the additional supply will help hold down fuel prices, which appear to affect food prices. △

Mike Plumer is Extension Educator, Natural Resources Management with the University of Illinois at the Carbondale Extension Center.