

Clinton: Ethanol Fuel Could Lead To Food Riots Worldwide

Mary Clare Jalonick, Associated Press

WASHINGTON (AP) — With global food prices rising and more corn being diverted to the production of ethanol fuel, Bill Clinton is warning of food riots in poor nations.

The former president told farmers and Agriculture Department employees on Thursday that while producing biofuels is important for reducing America's dependence on foreign oil, farmers should also look beyond domestic production and consider the needs of developing countries.

"I think the best thing to say is we have to become energy independent, but we don't want to do it at the cost of food riots," Clinton said.

Clinton's foundation has worked to develop agribusiness in African countries such as Malawi and Rwanda. He said the United States needs to look at the long term, global effects of its farm policy.

"We know that the way we produce and consume energy has to change, yet for farmers there are no simple answers," he said. "There is a way for us to do this and to do it right."

At the department's annual Agricultural Outlook Forum, chief economist Joseph Glauber said food prices are expected to rise this year and corn use for ethanol will continue to grow. He said 37 percent of all U.S. corn production could be used for ethanol by 2012.

The ethanol industry long has said that its production does not significantly drive up food prices and that the price of corn contributes to a tiny percentage of every food dollar.

"The driver behind rising food prices has been and remains oil," said Matt Hartwig of the ethanol industry group Renewable Fuels Association. "Rising oil prices, even before the unrest in the Middle East and Northern Africa, have made everything we buy from food to clothes to oil more expensive."

Other industries have contended that ethanol contributes to food price spikes, affecting their bottom lines and consumers, too.

After years of subsidizing ethanol production, Congress has taken an increasingly skeptical look at the fuel as food prices have fluctuated and cutting spending has become a legislative priority.

More than \$5 billion in ethanol tax credits were extended at the end of last year as

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a part of an end-of-session tax deal. But the new Republican House passed two amendments to a spending bill last weekend that would attempt to slow ethanol use.

Even longtime supporters of ethanol in Congress have acknowledged that the country's mood may mean less support for the ethanol industry.

Glauber said that corn-based ethanol production is currently running at more than 13 billion gallons a year. Congress has required refiners to blend 36 billion gallons of biofuels, much of it ethanol, into auto fuel by 2022.

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