

Ferguson: Energy Matters

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The Price of Tortillas

Making motor fuel out of food bothers me. I know my attitude is old-fashioned, perhaps a holdover from my childhood - when wasting food was wrong while kids were starving in China and Africa.

Turning corn into ethanol to run our cars is wrong, too.

The world burns through more than 80 million barrels of oil every day. Each barrel of oil supplies us with about 1.5 million calories of energy. If you do the math, energy from daily global oil consumption is about 10 times the energy consumed as food by all the people on earth.

In other words, even if we turned all the food on earth - not just the corn - into gasoline, it would hardly make a dent in our need for oil.

A growing fraction of the U.S. corn crop is being fermented into ethanol and blended with petroleum to make gasoline. The corn growers in Iowa are delighted. ADM is making money hand over harvester. Governor Schwarzenegger is just the latest to join the bandwagon. Alternative fuels have some promise for California and the world, but the corn-based ethanol myth is too good to be true.

As the demand for corn to make ethanol increases, so do corn prices. That's the way markets work. But alas, there are poor people who still need corn to eat. Tortillas made from corn are a staple. Reportedly, the cost of tortillas in Mexico is rising because of increasing corn prices pumped up by the ethanol craze.

Perhaps it's not quite true that SUV drivers in the U.S. are taking tortillas from the mouths of Mexican babies, but it's close.

The North American Free Trade Agreement, a.k.a. NAFTA, makes this all possible. The "free" market ensures that corn will be sold to the highest bidder in North America, even if that's ADM making ethanol. Never mind the fact that the U.S. distorts this market by subsidizing every gallon of ethanol sold as fuel. If I were the Mexicans, I'd file a protest with the fair-trade cops to have the U.S. ethanol subsidy prohibited.

The whole affair is foolish. It takes as much oil to make ethanol from corn as the gasoline ethanol replaces, more or less, depending on which expert you listen too. The global warming impact of burning corn ethanol in your car is just as big as if you used pure petroleum. We're just as dependent on the oiligarchs [sic] in the Middle East. The final insult to our intelligence is that those subsidies given to ADM and the corn farmers are paid for by our tax dollars.

As global food experts have noted, the ethanol-as-fuel fantasy could easily eat up large amounts of the global corn supply without making a dent in our oil dependence. We are driving up the price of tortillas for nothing.

Ethanol is for drinking, not driving.

—Dr. Rich Ferguson, Research Director, CEERT, rich@ceert.org.