

SETTING THE RECORD STRAIGHT: FOOD VS. FUEL

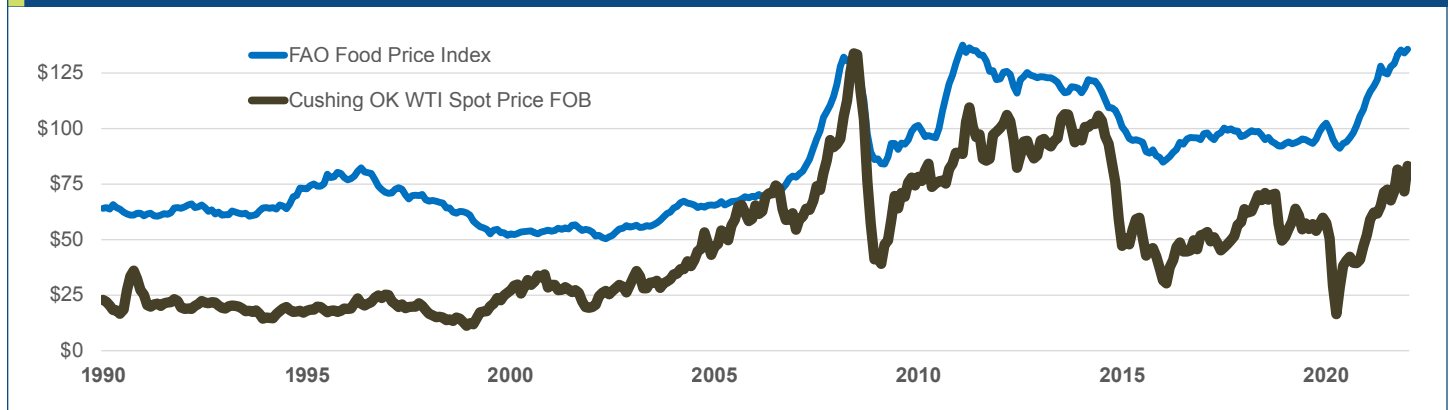
Misinformation continues to spread about ethanol's relationship to food prices. In an attempt to misdirect, anti-ethanol groups erroneously claim ethanol production exacerbates food prices, but nothing could be further from reality.

THE REAL CULPRIT OF HIGHER FOOD PRICES IS HIGHER CRUDE OIL PRICES & INFLATION

Crude oil prices are set on an international level and strongly impact the prices of other goods. The chart below demonstrates the strong correlation between the food price index and crude oil prices. As the price of oil rises or falls, the price of food follows closely.

Higher consumer prices and inflation are being driven by a post-COVID surge of demand for everything from [cars to housing](#), but economists agree that grocery prices are [driven by factors](#) like packaging and marketing – not the value of farm commodities.

FOOD INDEX VS CRUDE



SOURCE: FAO, EIA

EFFICIENCIES AND INNOVATION IN AGRICULTURE DELIVER MORE ETHANOL WITH LESS LAND AND FEWER RESOURCES

Compared to the 1930s, farmers today grow five times as much corn [using 20% less acreage](#). America's agriculture sector continues to improve farming methods to increase efficiencies and yield, lowering the amount of energy needed to produce a bushel of corn. [Corn acres have not grown since 2007](#), the first year the Renewable Fuel Standard was implemented, yet yields continue to increase.

USING CORN'S STARCH TO MAKE ETHANOL PRESERVES THE IMPORTANT NUTRIENTS FOR OTHER USES, LIKE ANIMAL FEEDS AND OILS

A corn kernel's starch is fermented to make ethanol and the kernel's valuable protein, minerals, vitamins, and fiber are all preserved in co-products such as animal feeds and oils. As a result, producing ethanol fuel from corn has no effect on the supply of food nutrients from corn.

Ethanol production uses animal feed corn – not sweet corn that people eat – as its feedstock. The equivalent of nearly 30 percent of the bushels going into ethanol production are returned to the market in the form of dried distillers grains (DDG) for animal feed. Notably, U.S. DDG production represents the fourth largest source of grain-based livestock feed in the world.

“For the next few decades, though, the trends point toward continuing [food] abundance. Farmers keep finding ways to grow more food on the same amount of land.”



Food Is Growing More Plentiful, So Why Do People Keep Warning of Shortages?
[August 4, 2020](#)