



Biofuels, Agriculture, and the Environment

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Environmental Working Group
International Sweetener Colloquium

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What we are up against:

Move away from fossil fuels, double food production, all in the face of a more unfriendly climate.



What we need: “Right-sized” biofuels

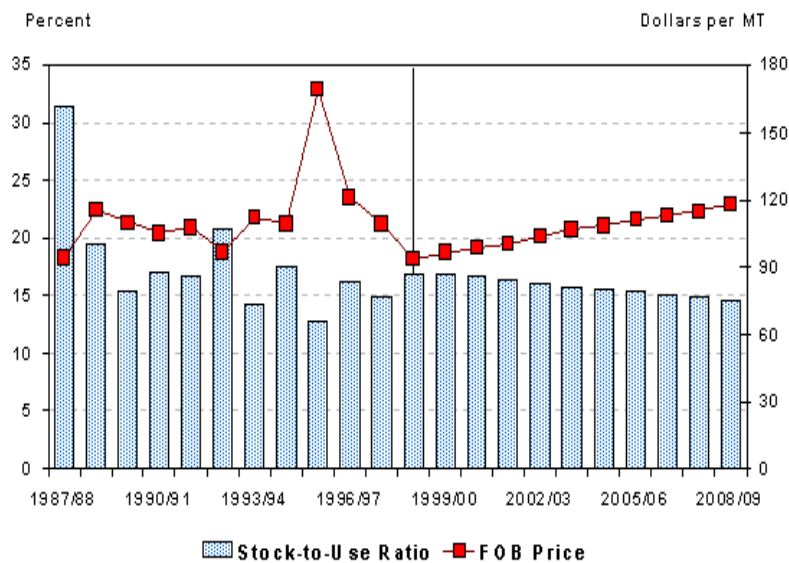
- **Subsidies, mandates, or other policy interventions tied to how well a biofuel...**
 - Reduces the use of fossil fuel in transportation.
 - Doesn't compete with food production and alleviation of hunger and poverty.
 - Slows global warming through emission reductions.
 - Conserves soil, water, watersheds, and wildlife.
- **Fuel and technology neutral--may the best fuel win.**

What we've got...

- **Federal and state policy driving a costly expansion of corn-ethanol while we wait for the next generation of biofuels that seems to always be “just around the corner.”**
 - 45 cent tax credit for each gallon of *ethanol* blended.
 - 15 billion gallon *corn-ethanol* mandate by 2015.
 - 54 cent per gallon ethanol tariff barrier.
- **At a cost of \$23 billion 2005-2010; \$53 billion 2005-2015 if VEETC extended.**

Corn ethanol contribution inherently limited...

World Corn Stock-to-Use Ratio vs. Price

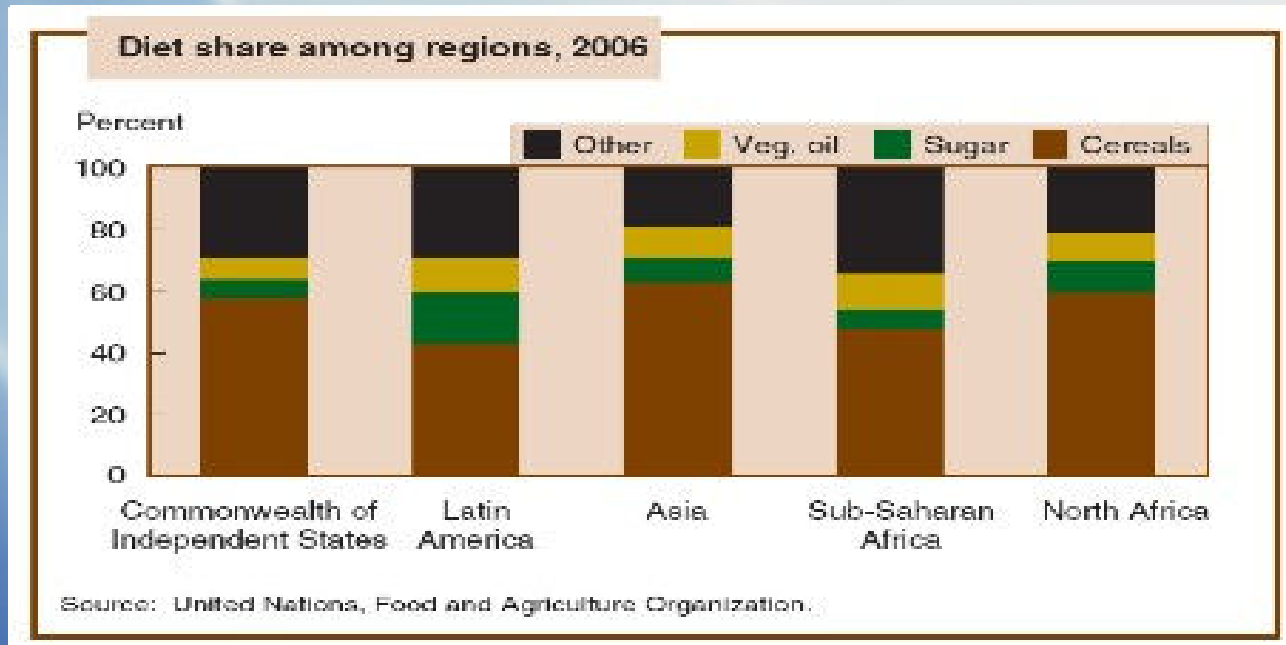


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- How much corn to ethanol before corn prices-world markets push back?
- Entire 2009 corn crop to ethanol = 19% of 2009 gasoline consumption.
- 1.1 mpg increase reduces gasoline used as much as 2009 ethanol.
- 1.6 mpg gets as much reduction as 15 billion ethanol gallons.

Whose food versus whose fuel...



- “Price increases for grains and oil seeds are of particular concern to low-income countries as these commodities constitute a large share of their citizen’s diets.” *USDA-ERS 2008.*

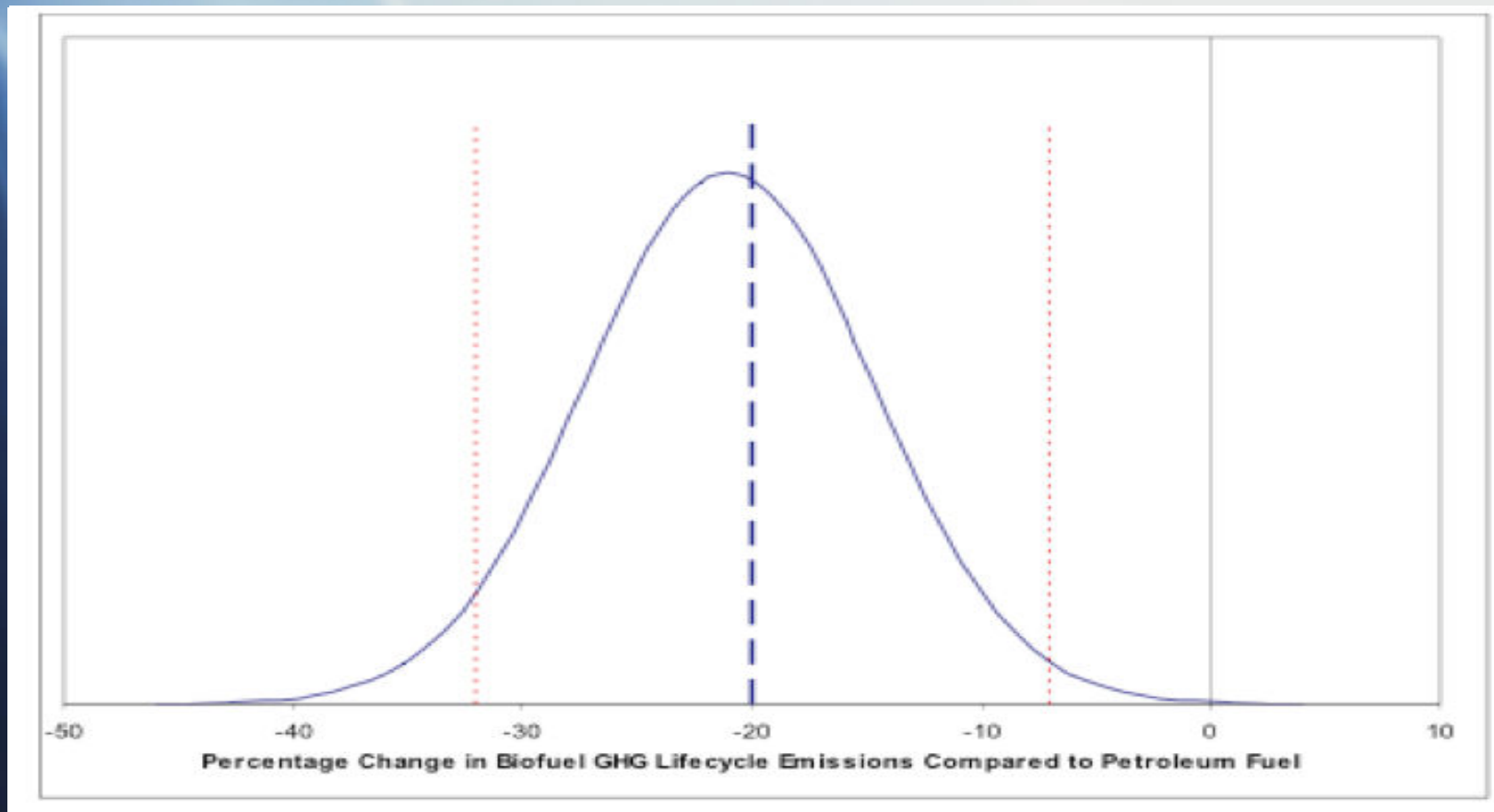
Slow global warming?

EPA GHG reduction for 2022 new, efficient corn-ethanol

Makes the grade



Fails the grade



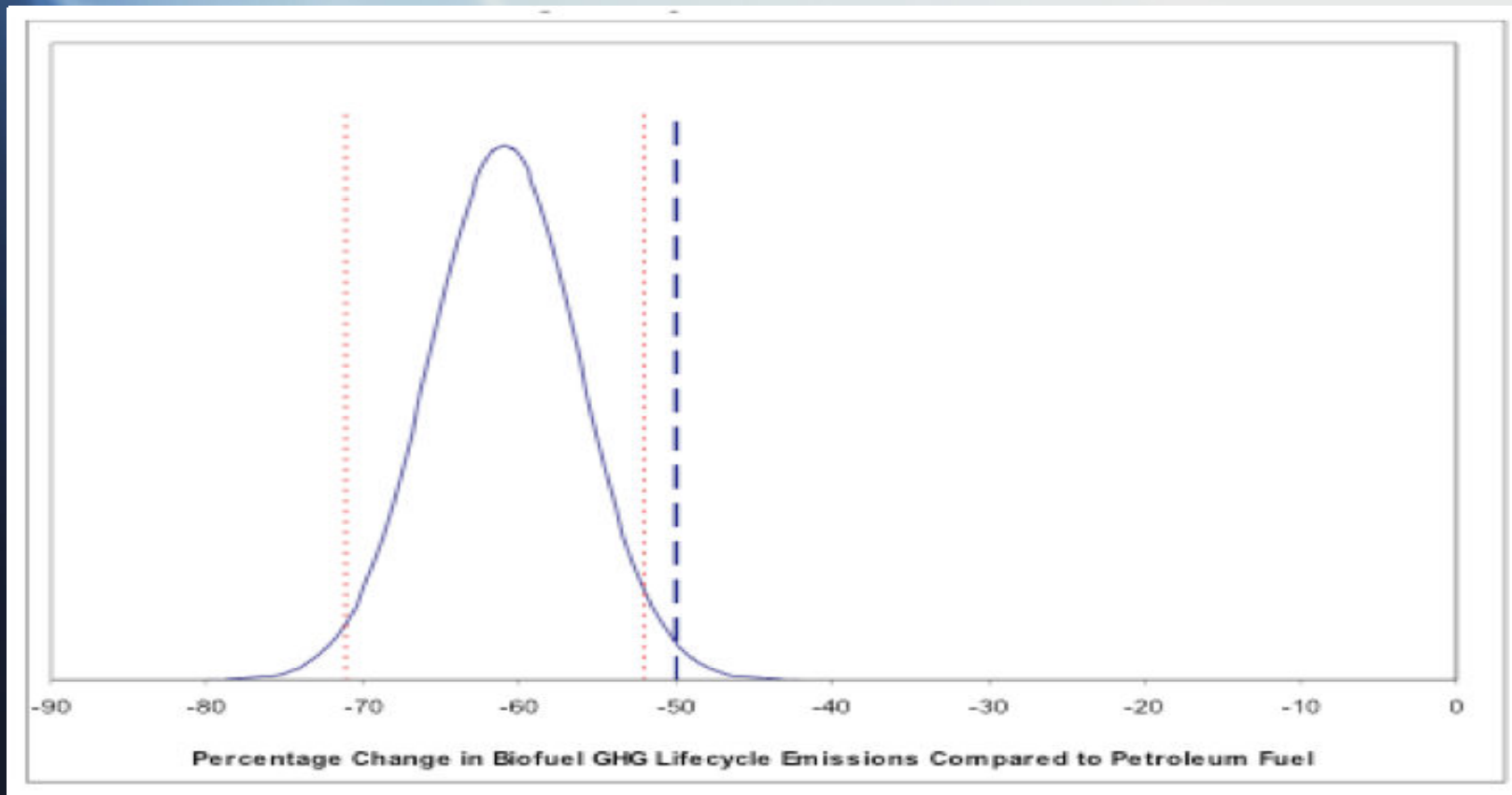
For context...

EPA GHG reduction for existing sugarcane-ethanol

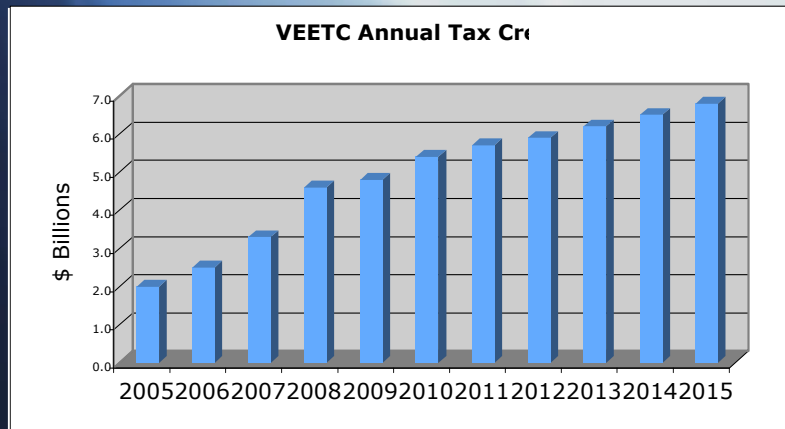
Makes the grade



Fails the grade



Building a bridge?



- To where?
“Expansion of the biofuels industry should focus on advanced biofuels and direct substitute fuels that can leverage the existing multi-trillion-dollar liquid fuels infrastructure.” *President’s Interagency Biofuels Task Force, 2010.*
- To the federal treasury?

Where to from here...

- Pause, change direction, and proceed with caution.
- Pause:
 - Freeze RFS mandate for conventional biofuels (corn-ethanol).
 - Phase-out VEETC.
 - Green rather than expand corn-ethanol.

Where to from here...

- Change direction...
 - “...additional strong focus on accelerating third generation (drop-in) biofuels development...”
President’s Interagency Biofuels Task Force 2010.
- Proceed with caution...
 - “Comprehensive analysis that addresses up-front the elements of feasibility and sustainability for all existing and new technologies...” *President’s Interagency Biofuels Task Force 2010.*



Thank You

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