Guest opinion: Corn growers are tired of cheap shots

Written by

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When you talk about ethanol today, there is a growing misunderstanding about government support.

When you stack up corn ethanol and oil, you find that ethanol made from corn is taking cheap shots, and corn growers are fed up with it.

Americans spend $730 million a day on imported petroleum, and corn ethanol is the only renewable fuel substantially working to reduce U.S. dependence on foreign oil. That is the plain and simple truth. Corn ethanol produced in our backyard is displacing oil from unfriendly places like Saudi Arabia, Venezuela and Nigeria. As we fill up our cars and suck down foreign oil, we don't think twice about the billions of dollars trickling out on imported petroleum to prop up unfriendly governments and dictators. An average of $84 billion alone is spent each year by the U.S. military to protect oil transit routes.

Looking at state and federal tax and other incentives available exclusively to the oil industry, an in-depth analysis from DTN/Progressive Farmer shows the tally at $17.9 billion annually. The comparable figure exclusively for ethanol is $7.1 billion. This does not include tax credits and other incentives that both industries share, such as the blenders' credit (Volumetric Ethanol Excise Tax, or VEETC). But oil also benefits from a variety of indirect taxpayer supports, including U.S. military spending to protect the Persian Gulf.

Mark Delucchi, a research scientist from the Institute of Transportation Studies at the University of California Davis, said in a study that oil's share of that protection ranges between $6.9 billion and $28.8 billion. Using a generous definition of public financial support, including tax breaks on equipment depreciation and foreign investments, oil's total benefit from the public treasury can be as much as 10 times that of ethanol.

The math (as reported by DTN/Progressive Farmer; the complete report - available online at dtnprogressivefarmer.com/dtnag):

Oil industry federal subsidy totals - $133.2 billion to $280.8 billion annually, or 96 cents to $2.01 per gallon for the 139.5 billion gallons produced in the United States.

Ethanol industry federal subsidy totals - $16.1 billion, or $1.24 per gallon for the 12.95 billion gallons produced.

Plus, the production and use of 10.6 billion gallons of ethanol in 2009 displaced the need for 364 million barrels of oil, at a savings of $21.3 billion. This is the equivalent of eliminating oil imports from Venezuela for 10 months. Or, looked at another way, it would mean that the United States would not have to import any oil for 33 days. And, as the United States is predicted to import 70 percent of its petroleum by 2030, according to the Energy Information Administration, that's not small change.

Now is not the time for cheap shots in energy security. It is time for reasonable communication about corn ethanol and our fuel future.

Zoom

mary chind/register file photoThe Lincolnway Energy ethanol plant in Nevada.