

Ethanol helps, not hurts, consumers

Written by Elizabeth Barrett
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McPheeters: Oil prices, speculators driving up food costs.

Farmers are using surplus corn from increased efficiency in production to make ethanol, according to Scott McPheeters.

McPheeters, who's a board member of KAAPA Ethanol, a farmer-owned ethanol-producing plant by Minden, returned last week from a Renewable Fuels Association national convention in Phoenix, AZ.

However some critics, like former President Bill Clinton, claim that corn-based ethanol could lead to higher food prices and riots in poorer countries.

Many people don't realize that only 3% of grain grown throughout the world on a net basis is used to manufacture ethanol, McPheeters pointed out.

Low supplies, high prices



Yet, with low corn stockpiles in the United States and throughout the world, food and grain prices are rising.

Critics blame some of the shortage on corn used to make ethanol but McPheeters said it's not that simple.

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“High food prices are linked to high petroleum prices and speculators driving up ag commodities beyond reason who think the sky is falling,” he said.

For McPheeters, ethanol is vital to wean the country from dependence on foreign oil, especially with recent cost spikes of the product due to political turmoil in Libya and other Arab nations.

The military presence in the Middle East, which Americans pay for to protect oil supplies, is a huge cost to consumers, he said.

KAPPA Ethanol chief-executive-officer Chuck Woodside, who is also Renewable Fuels Association chairman, said many Americans don’t think about that presence in terms of monetary price.

“And you can’t measure the cost of human life,” Woodside said.

Oil industry shifts blame

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