

## The Ethanol Dilemma

— by *Chris Perry, Oregon Rural Action Director*

That bowl of cornflakes on the breakfast table or the portion of pasta, corn tortillas, cheese or meat on the dinner table has dramatically risen in price as sure as the sun sets in the West. Welcome to the new global food-price shock, conveniently timed to accompany the current global oil-price shock.

It's ominously similar in many respects to the early 1970s when prices for oil and food both exploded by several hundred percent in a matter of months. That mid-1970s price explosion led then President Richard Nixon to ask his old pal Arthur Burns, then chairman of the Federal Reserve, to find a way to alter the Consumer Price Index (CPI) inflation data to take attention away from the rising prices. The result was the now-commonplace publication of the absurd "core inflation" CPI numbers – that do not account for the cost of oil and food.

The world is in the early months of the greatest sustained rise in prices for all major grains, including maize, wheat and rice that we have seen in three decades. Those three crops constitute almost 90% of all grains cultivated in the world. We need to ask ourselves what is driving this extraordinary change.

### Calendar

**Baker County Chapter** meets every 2nd Monday. Next meeting is October 8th at 7pm. Please call the ORA office for location.

The **Blue Mountain Chapter** is meeting at noon in the basement of Mamacitas restaurant the 1st Wednesday of each month. Call for issue team meeting schedules.

The **Snake River Chapter** meets every 3rd Thursday in Ontario. Next meeting is October 18th at noon. Lunch is provided.

**Envision Oregon** town meetings are being held this fall in Pendleton (Oct 23) and Baker City (Oct 25)

See our new calendar on the website—[www.oraction.org](http://www.oraction.org)

The center of the Bush Administration's energy program announced in the 2007 State of the Union address is called "20 in 10", cutting US gasoline use 20% by 2010. The official reason is to "reduce dependency on imported oil", as well as cutting unwanted "greenhouse gas" emissions. That isn't the case but it makes good PR. Repeat it often enough and maybe people won't realize their taxpayer subsidies to grow ethanol corn instead of feed corn are also driving the price of their daily bread through the roof.

The heart of the plan is a huge, taxpayer-subsidized expansion of the use of bio-ethanol for transportation fuel. To make certain it will happen, farmers and big agribusiness giants get generous taxpayer subsidies to grow corn for fuel instead of food. Currently ethanol producers get a subsidy of 51 cents per gallon of ethanol paid to the blender, usually an oil company that blends it with gasoline for sale. To date, the Bush Administration has already funneled over 250 billion dollars in taxpayer subsidies to the oil industry.

The US refinery industry is rapidly investing in building new special ethanol distilleries, similar to oil refineries except they produce ethanol fuel. The number currently under construction exceeds the total number of oil refineries built in the US over the past 25 years. When they are finished in the next one to two years, the demand for corn and other grain to make ethanol for fuel will triple from present levels.

Biofuel - gasoline or other fuel produced from refining food products - is being touted as a solution to global warming. However, the phony green arguments mask

the fact that ethanol biofuels offer no net positive benefits over oil even under the best conditions.

Ethanol advocates claim that present first-generation biofuels save up to 60% of the carbon emission of equivalent petroleum fuels; a claim that does not factor in the amount of carbon emissions that come from the manufacturing of the product. Also, amid rising oil prices at \$75 per barrel, governments such as Brazil are frantic to substitute home-grown biofuels for imported gasoline. Biofuel production has become one of Brazil's major export industries, resulting in massive deforestation and additional carbon releases taking place to clear forestlands to grow biofuels.

The green claims for biofuel as a friendly and better fuel than gasoline are at best dubious, if not outright fraudulent. De-

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pending on who runs the tests, ethanol has little if any effect on exhaust-pipe emissions in current car models. It has significant emission, however, of some toxins, including formaldehyde and acetaldehyde, a suspected neurotoxin that has been banned as carcinogenic in California.

Ethanol is not the benign substance as we are led to think from the industry propaganda. The killer about ethanol is that it holds at least 30% less energy per gallon than normal gasoline, translating into a loss in fuel economy of at least 25% over gasoline for an Ethanol E-85% blend.

No advocate of the ethanol boondoggle addresses the huge social cost that is beginning to hit the dining-room tables across the US, Europe and the rest of the world. Food prices are exploding as corn, soybeans and all cereal-grain prices are going through the roof because of the astronomical demand for corn to burn for biofuel.

This year the Massachusetts Institute of Technology (MIT) issued a report concluding that using corn-based ethanol instead of gasoline would have no impact on greenhouse-gas emissions and would even expand fossil-fuel use because of increased demand for fertilizer and irrigation to expand acreage of ethanol crops. According to MIT, "natural-gas consumption is 66% of total corn-ethanol production energy", meaning huge new strains on natural-gas supply, pushing prices of that product higher.

The idea that the world can "grow" out of oil dependency with biofuels is the PR hype being used to sell what is shaping up to be the most dangerous threat to the planet's food supply since the creation of patented genetically manipulated corn and other crops.

Since 2001, the amount of corn used to produce bio-ethanol in the US has risen 300%. In fact, in 2006 US corn crops for biofuel surpassed the tonnage of corn used for export. Farmers across the Midwest are abandoning traditional crop rotation to grow exclusively soybeans or corn, with dramatic added impact on soil erosion, significant aquifer depletion and needs for added petrol-chemical pesticides. Not only will we have mountain-top removal for coal in the Appalachians, but now we will also have aquifer removal of the biggest ground-water source in America, the Ogallala Aquifer, which lies underneath nine states. In the US some 41% of all herbicides used are already applied to corn. Monsanto and other makers of glyphosate herbicides such as Roundup are clearly smiling all the way to the bank.

Huge sugarcane, oil-palm and soy plantations for biofuel refining are taking over forests and grasslands in Brazil, Argentina, Colombia, Ecuador and Paraguay. Soy cultivation has already caused the deforestation of 32 million hectares in Brazil and 14 million hectares in Argentina, with no end in sight, as world grain prices continue to rise.

A result of the biofuel revolution in agriculture is that world carryover or reserve stocks of grains have been plunging for six of the past seven years. Carryover reserve stocks of all grains fell at the end of 2006 to 57 days of consumption, the lowest level since 1962. Little wonder that world grain prices rose 100% over the past 12 months.

Big Oil is also driving the biofuels bandwagon. Professor David Pimentel of Cornell University and other scientists claim that net energy output from bio-ethanol fuel is less than the fossil-fuel energy used to produce the ethanol. Measuring all energy inputs to produce ethanol, from production of nitrogen fertilizer to energy needed to clean the considerable waste from biofuel refineries, Pimentel's research showed a net energy loss of 22% for biofuel - they use more energy than they produce. That translates into little threat to oil demand and huge profits for clever oil giants that re-profile themselves as "green energy" producers.

So it's little wonder that ExxonMobil, Chevron and BP are all into biofuels and this all is a paradise for global agribusiness industrial companies. The bio-ethanol architects did their homework, we can be assured. It's increasingly clear that the same people who brought us oil-price inflation are now deliberately creating parallel food-price inflation. We have had a rise in average oil prices of some 300% since the end of 2000 when oil became the central preoccupation of US foreign policy.

Ethanol demand, fed by government subsidies, is literally linking food prices to oil prices. The scale of the subsidized biofuel consumption has exploded so dramatically since the beginning of 2006, when the US Energy Policy Act of 2005 first began to impact crop-planting decisions, that there is an emerging de facto competition between people and cars for the same grains. We are looking at competition in the global market between 800 million automobiles and the world's 2 billion poorest people for the same commodity, the same grains. We are now in a new economic era where oil and food are interchangeable commodities because we can convert grain, sugarcane, soybeans - anything - into fuel for cars. In effect, the price of oil is beginning to set the price of food.

## Oregon Rural Action

The Furrow is published four times each year by Oregon Rural Action. Oregon Rural Action supports and encourages community organizing around locally identified issues. Our members work together to promote healthy and sustainable rural communities and to ensure that all people have a voice in the decisions, policies, and systems that affect their lives.

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Contact us at 541-975-2411

# Corporate Watch



## Factory Farm Proliferation

Once upon a time, only a decade or so ago, it wasn't hard to know where factory hog farms were because they were nearly all in North Carolina and Arkansas. But since those days, the practice of crowding together huge concentrations of animals — hogs, poultry, dairy cows, beef cattle — in the interests of supposed efficiency has spread around the country.



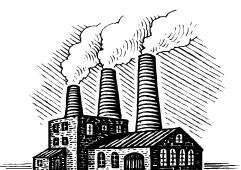
Wherever it appears, factory farming has two notable effects. It threatens the environment, because of huge concentrations of animal manure and lax regulation. And it threatens local political control. Residents who want a say over whether and where factory farms can be built, whose stench can be overwhelming, find their voices drowned out by the industry's cash and lobbying clout. None of us are immune to the impacts of these animal factories, no matter whether you live just downwind or are a consumer living thousands of miles away. The vast majority of meat consumed in this country is laced with antibiotics and artificial hormones, among other food safety problems; yet another reason to buy local and buy organic as there are several farms and ranches in our communities that offer high-quality and healthy alternatives to industrial agriculture. Visit [www.neofm.org](http://www.neofm.org) or pick up a copy of the Northeast Oregon Food and Farm Directory for a local grower or producer near you.



Animal factories are spreading so rapidly that it's been hard to get an accurate, up-to-date picture of where they all are. A research and advocacy group called Food and Water Watch has released an interactive map — [www.factoryfarmmap.org](http://www.factoryfarmmap.org) — that allows users to track the proliferation of factory farms by state and county, number of farms, type of operation and even number of animals. The only thing that would make this map more useful — and we hope it will be an ongoing project — is the ability to track changes over time, showing how rapid and pervasive the growth of factory farming has been. Due to numerous loop-holes in Oregon agricultural regulations, factory farms are becoming more and more prevalent in our region. In fact, the largest Confined Animal Feeding Operation (CAFO) in America is now located in Oregon—the **Three Mile Canyon Dairy** just outside of the town of Hermiston. Imprisoning over 60,000 cows (with a permit pending to allow for over 100,000 cows) has made this animal factory the largest source point of ammonia emissions in the entire United States of America among other environmental and public health concerns.



It's important to read this map not as a static record of farm sites or a mere inventory of animals. It is really a map of overwhelming change and conflict. It raises two of the fundamental questions facing American agriculture. Do we pursue the unsustainable logic of industrialism to its limits in a biological landscape? And how badly will doing so harm the landscape, the people who live in it and the democracy with which they govern themselves?



## Be part of the discussion! Envision Oregon comes to NE Oregon

Envision Oregon, a joint project of 1000 Friends of Oregon and the Oregon Bus Project, invites local residents to attend town hall meetings in Pendleton on Tuesday, October 23 and Baker City on Thursday, October 25.

Envision Oregon is an effort to engage Oregonians in a land use conversation about Oregon's future. Last year, we held a series of town halls in 6 cities and towns around the state to find out what Oregonians value about living here and their hopes for the future. This was done with the support of 50 statewide and local organizations who care deeply about Oregon. For more information about the project, visit [www.envisionoregon.org](http://www.envisionoregon.org).

This year's series focuses on the choices Oregonians must face in order to get the future that supports our shared values of livable communities, thriving family farms and forests, and protected natural areas.

### *Support Local Businesses!*

Where people, not corporations, make the decisions. We all have the power to make a difference. By supporting local businesses, you can triple the impact your dollar has on the local economy.

## A Fond Farewell...

### Julie Keniry

I do not recall who coined the old proverb that 'all good things must come to an end', but it applies to the fact that as of September 14, 2007, Julie Keniry has left the Oregon Rural Action staff to pursue other interests. Let me start by saying that Julie has been vital to the success of Oregon Rural Action since she came on board in 2004 to join our staff and since becoming an active member in 2002. Many of you know of the fantastic work she achieved in building the La Grande Farmers' Market into the dynamic market and enjoyable community event that it is today. She also developed the Northeast Oregon Food and Farm Directory in an effort to enhance our local food system and to assist in expanding the business of our local growers and producers. Most recently, Julie led the efforts to put together a Food Literacy educational program and curriculum that will be taught in the La Grande School District by parent volunteers to better educate our youth about local food systems and better nutrition. But beyond that, mostly behind the scenes and with little fanfare, Julie has performed a wide variety of tasks for the organization and went beyond the criteria set forth within her job description in helping keep the progressive voice of Oregon Rural Action alive within the communities of Eastern Oregon.

Whereas, in the interest of Oregon Rural Action, I am saddened that Julie is pursuing her next adventure in life, it is with unequivocal respect that I support her in whatever endeavors she may pursue.



*Working for Oregon Rural Action has been a wonderful opportunity for me to be involved in our community in a meaningful way.*

*Thanks to all of our members for your support of our efforts to build up our local food system. I look forward to shopping alongside all of you at the farmers' market!*

*Julie*

## Oregon Energy Use by Sector

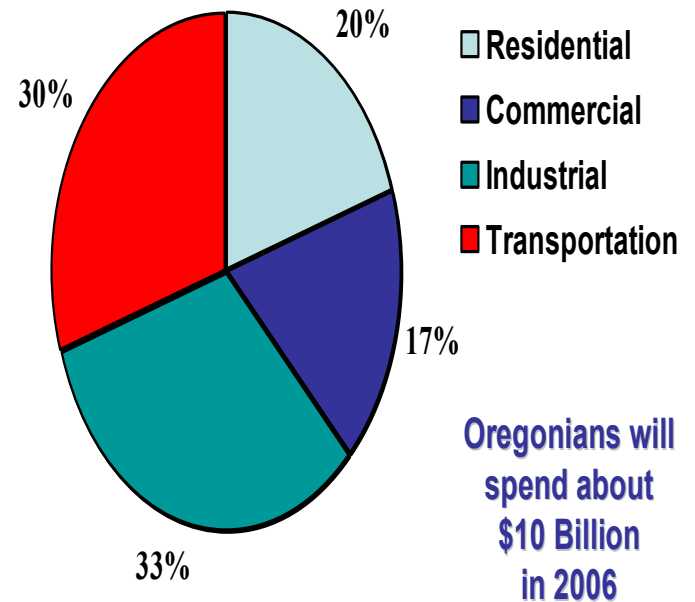


Figure 13 – Forms of Energy Consumed in Oregon, 2000. (Source: Oregon Department of Energy, Energy Plan 2005-2007, 2005 (January))

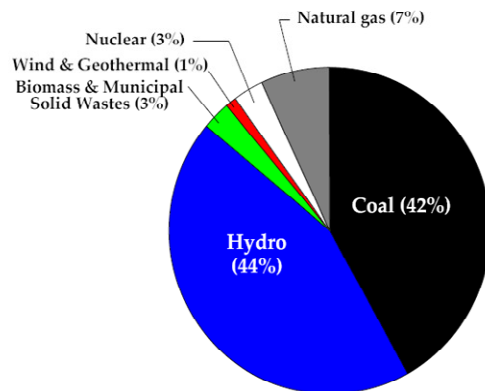


Figure 15 – Oregon's Sources of Electricity Generation, 2003. (Source: Oregon Department of Energy, Energy Plan 2005-2007, 2005 (January)).

**49% of Oregon's Electric Power Sources come From carbon-emitting fossil fuels.  
Thank you again for helping the State of Oregon Enact a Renewable Energy Standard!**

## Current Issues

### Snake River Chapter

Members and local leaders continue to monitor proposed changes taking place in the local food stamp office to make sure the food security needs of the community are being met.

Certain myths have been dispelled about who in our communities actually receive food stamp benefits. Some key figures regarding food stamp recipients are as follows:

- 30% working full-time
- 21% working part-time
- 25% disabled
- 16% retired/elderly (over 65 years old)

### Food Literacy

What began as an effort to get healthier food into the school lunch program in the La Grande School District has become an innovative nutrition education program for elementary students. A group of parents will be starting a pilot program in eight classes at Central Elementary school this month. The goal of this program is to teach children to recognize healthy foods and understand the importance of good nutrition for their bodies. Our intention is that the children will gain the skills and knowledge they need to make healthy food choices in their daily lives. The underlying theme is one of choosing whole foods first as this is the easiest way to identify healthy foods. The lessons will cover understanding the difference between whole and processed foods, local agriculture, basic nutrition, food labeling, gardening, and healthy snacks. We will focus on positive aspects that kids might have some control over, emphasizing how each healthy choice they make means a stronger, happier, healthier body.



### What is Food?

Sometimes even adults need a refresher on healthy eating. The information we hear often seems contradictory and misleading. Or, if you are like me, you forget the details that explain WHY you're making the right choice by eating whole foods. So here are some highlights:

What is food anyway? Food is the substance we eat or drink to nourish our bodies. It's hard to believe we even have to ask this question but in the food system we live with today, it's worth considering and even difficult to answer. There are so many "substances" we eat and drink that could hardly be called "nourishing". Americans eat a lot of processed food (food that has been changed from its whole, fresh state). There are some forms of food processing that make food come alive and actually enhance its nutritive value, such as fermentation, but most of the time processing only removes natural vitamins and fiber. In addition, processed foods often require additives such as salt, sugar, and processed fats in order to taste good or keep from spoiling.

If you are only going to remember one thing about eating a more healthy diet—remember to **EAT WHOLE FOODS**.

If you can remember two more things then look for these ingredients in your processed foods and **AVOID** them:

**High-fructose corn syrup**—Causes your liver to dump more fat into the bloodstream. Does not tell your brain to release those hormones that tell you that your full. You are taking in calories but your body is still hungry.

**Hydrogenated fats**—Partially or full hydrogenated oils of any kind are trans-fats, which have been proven to increase LDL cholesterol, atherosclerosis (hardening of the arteries) and coronary heart disease.



## Farmers' Market Schedules:

### Baker City (Saturdays)

Geiser-Pollman Park  
10am to noon (June-September)

### Enterprise (Thursdays)

In front of the Courthouse on Main Street  
4pm to 7pm (June-September)

### Halfway (Saturdays)

Downtown Halfway  
8am to 11am (June-September)

### Joseph (Saturdays)

In front of To Zion at Main and Joseph Street  
9am to 1pm (June-October)

### La Grande (Saturdays)

Max Square on corner of 4th and Adams  
9am to noon (May-October)

### La Grande (Tuesdays)

Max Square on corner of 4th and Adams  
4pm to 6pm (July and August)

## 2007 Northeast Oregon Food & Farm Directory

*Get your copy at the Oregon Rural Action office!*

**Your Voice is Needed—Participate in the Oregon Legislative Process!**

**With your help, we are making a difference in the work we do. We appreciate the many ways you support these important efforts!**

You may have received this newsletter even though your membership is recently lapsed. Please consider renewing at this time. Your continued support is important to our efforts. Send your membership dues to Oregon Rural Action today!

**Please make checks payable to Oregon Rural Action  
Send to: PO Box 1231  
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*General donations are tax-deductible to the extent allowed by US tax law*

**Or make your donation online!  
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[www.oraction.org](http://www.oraction.org)**

**Sustainer's Circle**

We now offer the opportunity to support Oregon Rural Action by an automatic monthly donation from your checking account. Join the Sustainer's Circle and become part of our backbone of support!

**Contact your Federal legislators** [www.senate.gov](http://www.senate.gov) & [www.house.gov](http://www.house.gov)

**2007 Farm Bill**

**Local food programs at risk in 2007 Farm Bill draft**

It is tempting to take for granted summer's bounty of fresh fruit and vegetables, but if you care about how that succulent tomato gets to your table, delving into the Farm Bill is a must. American agriculture policy has grown fat and lazy and the much-overlooked Farm Bill legislation authorized by Congress every five years sets the direction of the US food system.

The Farm Bill is really a Food Bill and encompasses a massive array of Federal programs. The 2007 version could be a food, health and environment bill, or it could continue on as it has since its inception in 1949 as a mechanism to dish out millions in subsidies each year to the growers of the five main commodity crops: corn, soybeans, wheat, rice and cotton. Congress will decide between local, organic apple pie or one filled with imitation fruit oozing with high-fructose corn syrup.


One vital program on the chopping block is the USDA's Community Food Projects Competitive Grant Program that Congress enacted in the 1996 Farm Bill. Since then, grants to nonprofit groups and local governments across the country have enabled citizens to develop solutions to food, nutrition and agriculture problems from the ground up. Even though this program accounted for less than 0.035% of the 2002 Farm Bill's total outlays, large agribusiness lobbyists are calling for its demise to funnel that money back into industrial farming subsidies.

The Community Food Projects Competitive Grant Program helped create a host of exciting initiatives seeking to build a more sustainable, secure and equitable food systems, initiatives that may go unfunded in the current draft of the 2007 Farm Bill. Please contact your federal elected officials and ask them to support and include The Community Food Projects Competitive Grant Program in this year's Farm Bill.


In addition, please ask your elected officials to support a proposal, one that requires no funding, that would permit institutions that buy food using public funds to favor local farmers. Allowing a geographic preference for food purchases would result in stronger farms and less farmland lost. In addition, the soaring obesity rate of US school children, spurred by lack of subsidies in support of whole foods and fresh produce, might begin to shrink with healthier local and regional alternatives.

Page 6

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