Biofuels and food insecurity:
U.S. ethanol policy fuels global hunger

U.S. biofuels policies are a leading cause of increased global food prices and market volatility. These market forces are threatening food security for communities both domestically and abroad; in the last few years, global food prices have reached record highs, driving hundreds of millions of people around the world into poverty and hunger. To decrease price pressure, we must remove bad policies such as the federal mandate for biofuel production (Renewable Fuel Standard) and the wasteful ethanol blender's tax credit (the Volumetric Ethanol Excise Tax Credit).

U.S. ethanol policy increases global food prices:

- Ethanol consumes 75 percent of federal spending on renewable fuel subsidies and benefits from a mandate and import tariff. These incentives produce a false market for ethanol, and inspire farmers to shift from planting other crops to growing corn for ethanol. Today the U.S. burns 40 percent of its corn for fuel. More corn goes to ethanol than to feed or food.[1]
- This mandated demand for biofuel crops places new pressures on agricultural markets, which increases food prices and lowers supply. This link will get stronger as the Renewable Fuel Standard mandates more biofuel production in the coming years.[2]
- The U.S. is responsible for 50 percent of total global corn exports, which ties U.S. corn prices to those around the world. When corn prices go up in the U.S., they rise exponentially around the globe. Likewise, when U.S. corn crops are diverted to ethanol, U.S. corn exports drop dramatically, increasing food insecurity in countries that depend on grain imports for food.[3]

Higher prices mean increased global hunger:

- Hunger riots erupted in 30 countries during the 2008 global food crisis when over 100 million people fell into extreme poverty. The World Bank and others estimate that biofuel policies accounted for 30 percent of the price spikes.[4]
- If all biofuel targets are met, experts estimate that global food prices could increase by 76 percent by 2020, exposing 600 million additional people to chronic hunger.[5]
- Volatile food prices affect poor people's nutrition by causing them to shift to cheaper, lower quality foods, increasing chronic malnutrition.[6]

Removing bad policies will decrease price pressure:

- Letting the wasteful ethanol blender's tax credit expire will save taxpayers more than $6 billion a year.
- Repealing the distortive, draconian federal ethanol production mandate (the Renewable Fuels Standard) will decrease diversion of food stocks to biofuel production and lessen global food price volatility.
- Ensuring that the percentage of biofuels in gas stays at 10 percent, rather than rising to 15 percent as is being considered by the EPA, will help limit biofuels demand.
- The U.S. needs to invest in truly sustainable energy and transportation alternatives that do not increase global hunger, harm communities or threaten the environment.

1 *Bryan Walsh. "Why Biofuels Help Push Up World Food Prices." Time Science.* http://www.time.com/time/health/article/0,8599,2048885,00.html *(14 February 2011).*
2 *For a visual of the Renewable Fuel Standard's quantity of biofuels mandated per year see:* http://www.foe.org/energy/Renewable-Fuel-Standard
3 http://www.epa.gov/oecaagct/ag101/cropmajor.html
4 *For a table listing out each of the studies in this period and their estimates see:* http://www.actionaid.org.uk/doc_lib/meals_per_gallon_final.pdf
5 http://www.actionaid.org.uk/doc_lib/meals_per_gallon_final.pdf
6 http://business-standard.com/india/news/biofuels-commodity-futures-mkt-threaten-global-food-security/148752/on

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