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## **U.S. Biofuels and Global Hunger: Is there a Connection?**

### **New Report Cites Need for Sustainable Production and Fair Trading Systems**

MINNEAPOLIS — While U.S. ethanol production will likely not cause people to go hungry in other countries, structural changes in global agriculture and trade systems are badly needed, according to a new paper by the Institute for Agriculture and Trade Policy (IATP). “Food versus Fuel in the United States: Can Both Win in the Era of Ethanol,” by IATP’s Mark Muller, Tammy Yelden and Heather Schoonover, can be read at: [www.iatp.org](http://www.iatp.org).

The report found that only a small amount of U.S. corn, the primary feedstock for U.S. ethanol production, is exported to undernourished countries. And while a global rise in the price of corn and other farm commodities related to biofuel production may affect food prices, it also provides a better chance for subsistence farmers around the world who have been devastated by depressed global commodity prices to make a living.

“Historically, the U.S. has dumped under-priced corn and other commodities into the international market and done enormous damage to the viability of farmers in countries like Mexico,” said Muller, director of IATP’s Environment and Agriculture program. “Biofuels have driven a major shift in the U.S. agriculture economy toward domestic use, and the result has been an overall grain demand that better matches supply, and a return to fair prices for farmers in the U.S. and around the world.”

The paper concludes, however, that to ensure the U.S.-based biofuel sector does not aggravate hunger in the future, several steps need to be taken, including the following: 1) the U.S. must shift production away from an almost exclusively corn-based ethanol system, toward more sustainable, perennial energy crops that enhance the health of soil and water resources for future agricultural production; 2) the emerging global trading system for biofuels must support local economies and local food sovereignty – the ability of countries to feed themselves.

While the paper concludes that a well-managed U.S. biofuels system could potentially improve international food security, the same conclusion cannot be extrapolated to biofuels production in other parts of the world. There are serious global concerns about the impact of biofuels production in countries facing high levels of food insecurity, and demand for biofuels from wealthy countries could further impair food production in those countries.

“If we are serious about addressing hunger and poverty, we must address the larger, structural issues that underlie our food and farm systems,” said Muller. These larger structural issues include policies that encourage agricultural export dumping and low prices for farmers, industrial farm practices that deplete soil and water resources, and an emphasis on cheap, unhealthy food. The report found that with appropriate policies, renewable fuels could play a role in addressing these structural issues.

*The Institute for Agriculture and Trade Policy works globally to promote resilient family farms, healthy communities and ecosystems through research and education, science and technology, and advocacy. <http://www.iatp.org>.*