

Ethanol's agricultural impact is mixed

October 19 2005

Purdue University economists say converting more corn into ethanol might profit many interests, but not all in the agriculture industry would benefit.

Agricultural economists Chris Hurt and Otto Doering say corn growers, beef producers and the dairy industry would gain from an ethanol boom. But hog and poultry producers, grain elevator operators and grain shippers might be negatively affected. Soybean and wheat growers could go either way, they said.

Hurt and Doering outlined possible impacts to agriculture from a new federal renewable fuel standard that calls for a near doubling of current annual production by 2012.

To meet that goal, ethanol plants would use 2.5 billion bushels of corn, an increase in current usage of 1 billion bushels, said Doering.

Even if the renewable fuel standard is met, ethanol and other biofuels won't replace fossil fuel in the near term, Hurt said.

"As a nation, our gasoline appetite is about 140 billion gallons a year," he said. "So if we reach 7.5 billion gallons of renewable fuel, we'll only be approaching 5 percent of total gasoline use.

"Ethanol cannot supply all of our liquid energy needs, but it can contribute to the solution."

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Citation: Ethanol's agricultural impact is mixed (2005, October 19) retrieved 24 April 2024 from <https://phys.org/news/2005-10-ethanol-agricultural-impact.html>

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