



Biofuels and Food

Rising food prices have been blamed on higher grain prices spurred, in part, by increased biofuel production.

Biofuel production impacts grain prices, but it has only a modest impact on food prices.

Recent estimates are that ethanol production increased corn prices by about 20 percent between 2007 and 2008.

Increased prices for all grains are due to global influences, including increased demand from a growing middle class and devastating weather events that have impacted production.

In the United States, higher grain prices account for an estimated 1.2 percent of food price increases.

Raw agricultural products account for 19.5 percent of the food dollar, while labor accounts for 38.5 percent.

Profits, packaging, transporting, marketing and other expenses account for the remaining 42 percent of the food dollar.

Increased fuel costs, like we are experiencing now, are affecting the price of all consumer goods, from cereal to shoes to cement.

According to the Federal Reserve, as energy prices increase by \$1, food prices increase by 50 cents.



KANSAS
DEPARTMENT OF
AGRICULTURE

www.ksda.gov

Biofuels and Water

Many “facts” currently circulating about water and biofuels are incorrect. Here are true statements:

Nationwide, nine out of 10 acres of corn are grown without irrigation.

In Kansas, a little less than half of our corn acres are irrigated.

Historically, about half of the ethanol produced in Kansas has come from sorghum, often a dryland crop.

Kansas law requires a permit to use water to irrigate a crop, for manufacturing and for a city to provide water to its residents.

Many areas of Kansas are closed to new water rights.

A new venture in a closed area must purchase existing water rights from others. If the new use will be different from the original use, the change must be approved by the chief engineer and the net impact to the water source must not increase.

It takes about three gallons of water to make one gallon of ethanol. Research is well under way to reduce that to less than two gallons.

It takes two and a half gallons of water to make one gallon of gasoline.

It takes one to two gallons of water to make one gallon of biodiesel.



KANSAS
DEPARTMENT OF
AGRICULTURE

www.ksda.gov