



For Immediate Release

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The Truth About Ethanol Production and Food Costs in Canada

OTTAWA - Responding to false claims that ethanol production is causing higher food costs, the Canadian Renewable Fuels Association (CRFA) released the following statement:

As serious drought conditions continue in the United States and some parts of Canada, misinformation is being spread about ethanol production and food prices. Assumptions claiming that ethanol production leads to higher grocery bills are untrue and irresponsible – especially at a time when we should be supporting our farmers the most.

“It’s a shame that some critics are blaming ethanol for potential increases to food prices,” said CRFA President, W. Scott Thurlow. “Renewable fuels production in Canada positively contributes to job creation, economic activity and higher revenues for our farmers. Eliminating the market created by biofuels would be a setback for our agricultural industry and mean fewer opportunities and less income for our farmers. It will also mean higher gas prices for Canadians.”

There is wide speculation on food costs right now but Canadians need to remember that grocery costs are largely driven by energy costs and do not significantly increase with the price of corn. The actual cost of corn included in a box of cereal is less than 10 cents. As for feed costs, ethanol produced from corn only uses the starch from the grain, the remaining protein, fat and minerals are returned to the animal feed market in the form of distillers grains and helps make animal feed less expensive.

The extent of the damage to crops will not truly be known until the harvest. Likewise, it is yet to be seen how farmers in the rest of the world will respond to stronger markets for their crops. What is certain is that without the market demand created by the Biofuels industry, Canadian farmers would have fewer market options for their crops and need to export a significant portion of each year’s harvest in Canada.

CRFA members are working to make energy less expensive and more sustainable for all Canadians. While drought conditions have increased crop prices to record highs, Canadian ethanol plants are continuing to operate at capacity –creating important farm incomes for our agriculture industry.

Reducing ethanol production would not meaningfully lower corn prices or alleviate drought concerns. What it would do is take revenues and jobs away from rural Canada and the farmers that grow crops that protect our environment, supply our feedstock, and feed our families.

About the CRFA

Founded in 1984, the Canadian Renewable Fuels Association (CRFA) is a non-profit organization with a mission to promote the use of renewable fuels for transportation through consumer awareness and government liaison activities.

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For more information, please contact:

Andrea Kent, Director of Communications
Canadian Renewable Fuels Association
613-594-5528 ext 221
a.kent@greenfuels.org