Beth Reiley 503.986.1755

From: Jim Karlock [mailto:jkarlock@gmail.com] Sent: Sunday, February 01, 2015 7:26 PM To: Reiley Beth Subject: my committee testimony

Please do not harm us with a low carbon fuel standard. That type of legislation has already killed people throughout the world by raising food and fuel prices.

If you care about low income people, you will reject making food and fuel more expensive and NOT extend the low carbon standard.

Here are a number of credible articles on the harm:

Washington Post:

How biofuels contribute to the food crisis

Demand for biofuels is almost doubling the challenge of producing more food. Since 2004, for every additional ton of grain needed to feed a growing world population, rising government requirements for ethanol from grain have demanded a matching ton. http://www.washingtonpost.com/wp-dyn/content/article/2011/02/10/AR2011021006323.html

Oregon State:

CORVALLIS, Ore. – A new study by economists at Oregon State University <u>questions the cost-</u> <u>effectiveness of biofuels</u> and says they would barely reduce fossil fuel use and would likely increase greenhouse gas emissions.

http://oregonstate.edu/ua/ncs/archives/2011/nov/osu-study-questions-cost-effectivenessbiofuels-and-their-ability-cut-fossil-fuel -

Huffington Post:

Many experts also point out that <u>U.S. demand for corn to manufacture ethanol is a large factor</u> in the price hikes, especially in neighboring countries. Significant amounts of Mexican corn are now being diverted northward to take advantage of the high prices.

http://www.huffingtonpost.com/2008/06/05/biofuel-backlash-mexicos_n_105415.html http://news.nationalgeographic.com/news/2008/06/080604-mexico-food.html

New York Times:

Fuel Choices, Food Crises and Finger-Pointing

The idea of turning farms into fuel plants seemed, for a time, like one of the answers to high global oil prices and supply worries. That strategy seemed to reach a high point last year when Congress mandated a fivefold increase in the use of biofuels.

But now a reaction is building against policies in the United States and Europe to promote ethanol and similar fuels, with political leaders from poor countries contending that these fuels are driving up food prices and starving poor people. Biofuels are fast becoming a new flash point in global diplomacy, putting pressure on Western politicians to reconsider their policies, even as they argue that biofuels are only one factor in the seemingly inexorable rise in food prices.

In some countries, the higher prices are leading to riots, political instability and growing worries about feeding the poorest people. Food riots contributed to the dismissal of <u>Haiti</u>'s prime minister last week, and leaders in some other countries are nervously trying to calm anxious consumers.

New York Times, April 15, 2008 http://www.nytimes.com/2008/04/15/business/worldbusiness/15food.html?ref=world&_r=0

The Guardian:

The forces pushing up food prices

1 Rising consumption: The appetite of fast-growing nations, such as China, is rising as economic booms cause a surge in demand for meat and dairy products2 Competition from biofuels: The cars of the rich are now rivalling the bellies of the poor for corn, cane and edible oils

http://www.theguardian.com/world/2007/dec/04/china.business

Food & Agriculture Organization of the United Nations:

In less than one decade, world biofuel production has increased five times, from less than 20 billion litres/year in 2001 to over 100 billion litres/year in 2011. The steepest rise in biofuel production occurred in 2007/2008, concomitantly with a sharp rise in food commodity prices (HLPE, 2011a), quickly accompanied by food riots in the cities of many developing countries. In comparison with average food prices between 2002 and 2004, globally traded prices of cereals, oils and fats have been on average from 2 to 2.5 times higher in 2008 and 201112, and sugar prices have had annual averages of from 80 percent to 340 percent above their 2000-04 prices. These price increases were accompanied by price volatility and price spikes to an extent unprecedented since the 1970s.

http://www.fao.org/fileadmin/user_upload/hlpe/hlpe_documents/HLPE_Reports/HLPE-Report-5_Biofuels_and_food_security.pdf

Recent <u>dramatic increases in food prices are having severe consequences for poor countries and</u> <u>poor people</u>. The Food and Agriculture Organization of the United Nations (FAO) reports that food prices rose by nearly 40 percent in 2007 and made further large jumps in early 2008. Nearly all agricultural commodities including rice, maize, wheat, meat, dairy products, soybeans, palm oil, and cassavaare affected. In response to the price hikes, food riots have occurred in many developing countries, including Burkina Faso, Cameroon, Côte d'Ivoire, Egypt, Haiti, Indonesia, Senegal, and Somalia. According to the FAO, 37 countries are now facing food crises.

Triggers and Underlying Factors

High food-price triggers have included biofuel policies, which have led to large volumes of food crops being shifted into bioethanol and biodiesel production; www.grid.unep.ch/FP2011/step1/pdf/004_Rosegrant_2008.pdf

Social Science Research Network:

(Author is with the World Bank - Development Economics Group (DEC))

Abstract:

The rapid rise in food prices has been a burden on the poor in developing countries, who spend roughly half of their household incomes on food. This paper examines the factors behind the rapid increase in internationally traded food prices since 2002 and estimates the contribution of various factors such as the increased production of biofuels from food grains and oilseeds, the weak dollar, and the increase in food production costs due to higher energy prices. It concludes that the most important factor was the large increase in biofuels production in the U.S. and the EU. Without these increases, global wheat and maize stocks would not have declined appreciably, oilseed prices would not have tripled, and price increases due to other factors, such as droughts, would have been more moderate. Recent export bans and speculative activities would probably not have occurred because they were largely responses to rising prices. While it is difficult to compare the results of this study with those of other studies due to differences in methodologies, time periods and prices considered, many other studies have also recognized biofuels production as a major driver of food prices. The contribution of biofuels to the rise in food prices raises an important policy issue, since much of the increase was due to EU and U.S. government policies that provided incentives to biofuels production, and biofuels policies which subsidize production need to be reconsidered in light of their impact on food prices. <u>http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1233058</u>

The New England Complex Systems Institute has become the latest organization to charge that by turning almost 50 percent of our corn crop into auto fuel, America is causing food shortages in the poorer nations of the world. The UN Food and Agriculture Association has been saying the same thing for ten years, calling biofuels "a crime against humanity." But this time the authors are not simply making the accusation. They are providing correlations to back it up. http://www.realclearenergy.org/charticles/2013/03/18/is_ethanol_causing_food_riots_106927.html