



PRESS RELEASE

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CAMPAIGN HIGHLIGHTS CONSEQUENCES OF FEDERAL FOOD-TO-FUEL POLICIES

BOSTON – A new coalition of local retail, hunger, food industry and business groups launched an effort on Wednesday to highlight the negative effects Congressional food-to-fuel mandates have had on the growing global food crisis, and to call for remedial action.

Joined by Congressman James McGovern, Co-Chair of the House Hunger Caucus and a leading voice in anti-hunger efforts, the new Food Before Fuel Campaign said that although rising food costs can be tied to a number of causes, the Congressional mandate to dedicate nearly one-third of all US corn to ethanol is one contributor the government can, and should, control.

“Federal policies promoting and mandating ethanol production aren’t the only reason for the unprecedented increase in food prices, but we have a responsibility to make a difference when we can,” said McGovern. “We can’t control the weather, and we can’t control the economy in Asia. But we can begin shifting our resources toward the development of next-generation biofuels and away from policies that divert our food supply to our fuel supply.”

The Energy Independence and Security Act of 2007 was intended to reduce the nation’s dependence on foreign oil by offering subsidies and tariffs to promote the diversion of food to fuel, and annual requirements for the conversion of corn to ethanol.

According to a study published last month by Keith Collins, former chief economist of the US Department of Agriculture, entitled “The Role of Biofuels and Other Factors in Increasing Farm and Food Prices,” the effect of this policy has been to raise food prices significantly. Collins argues that the increase in retail food prices due to biofuels since 2005 is estimated to be 23-35 percent higher than price increases over a normal 2-3 year period.

“Diversion of corn from food to ethanol is clearly impacting corn prices and contributing to higher food prices,” said Jim Lyons, vice president for policy and communications with Oxfam America. “The energy crisis, the food crisis, and global security are all interconnected, and it is in our own best interest to lead efforts to address the food crisis,

by reducing the conflicts between food and fuel production and by accelerating the transition to second generation biofuels.”

The effect of federal food-to-fuel policies have also raised environmental concerns, and are causing retail and restaurant groups to suffer a loss in revenue or pass on the increased costs to consumers.

“We need to find relief for the rising fuel prices, but passing additional costs on to the consumer through food products is not a solution,” said Chris Flynn, president of the Massachusetts Food Association. “Congress needs to revisit these flawed policies so working families do not have to make difficult decisions to put food on the table.”

Organizations that fight hunger have also felt the effects of higher food prices, which have limited their ability to help those in need.

“Hundreds of thousands of families in the Boston area alone rely on support from the Greater Boston Food Bank, but our reach suffers when food prices spike this drastically,” said Catherine D’Amato, president and CEO of the Greater Boston Food Bank. “We should not act to benefit one sector of our economy while another suffers, and right now food price inflation is causing financial harm to millions of American families at a time of great economic uncertainty.”

The Food Before Fuel Campaign is working to urge our policymakers to stop food inflation and other unintended consequences by revising food-to-fuel mandates and ending food-to-fuel subsidies.

Coalition Members Include:

- Greater Boston Food Bank
- Massachusetts Food Association
- Massachusetts Restaurant Association
- New England Small Farm Institute
- Retailers Association of Massachusetts
- United Food and Commercial Workers, Local 791
- NAACP – Brockton Branch
- Eastern Sales and Marketing
- Gold Medal Bakery
- Acosta Sales and Marketing
- McKinnon’s Markets & Super Butcher Shops
- New England Licensed Beverage Association
- Grocery Manufacturers Association

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