Freedom for the Future

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In the early 1930s, a young girl named Mary Cameron and her parents immigrated to this country from Holland and started a dairy in Hanford, California. After college, Mary followed in their footsteps and decided to make a name for herself in this male-dominated industry. After nearly six decades, this 83-year-old can still drive a tractor, yet over the past few years her success was threatened by low milk prices and exorbitant feed costs (Wozniacka, 2012). Along with dairy, livestock industries across the U.S. faced similar challenges, and the effects are hurting consumer wallets (McGrath, 2013). The closing of lifelong agribusinesses, the slaughter of herds, and rising food prices all share one common link—the dramatic rise and subsequent fluctuation of feed costs due to corn prices.

While there are many contributing factors for the rise in feed prices, the predominant factor came in the form of the Renewable Fuel Standards, or RFS, passed in 2007. RFS mandates that 15 billion gallons of corn ethanol must be produced every year after 2015. To fulfill this, quotas are slightly increased each year until the production goal is met (Schnepf, 2013). Since ethanol emits less carbon emissions than petroleum, many states across the U.S. started requiring an E10 blend at gas stations (Galbraith, 2012). For once the dream of becoming more environmentally friendly as a nation, while benefiting American industry, seemed within reach.

Although a brighter environmental future seemed in store with RFS, the future for those in the livestock industry was by no means shining. In the 2005-2006 commodity and market year, the average price of corn was two dollars a bushel. Since the RFS timetable for ethanol production was adopted in 2007, the price of corn steadily increased. In the 2012- 2013 year, the price of corn varied between six and seven dollars. Now, corn prices have drastically declined since 2013, but bureaucratic regulations combined with unpredictable weather patterns are to blame for the lack of stability consumers and livestock producers experience and this instability is compounded by the continual demand increase from non-food sources for corn (Average, 2013).

Because corn is the staple ingredient for livestock feed, from the introduction of the RFS in 2007 to the drought of 2012 the cattle feeding sector of the beef industry lost a record $4 billion in equity due to steep feed costs (Alexander, 2012). Mary Cameron was one of those producers feeling the pain of a continual increase in the price of corn-based feed because due to California milk regulations, dairy farmers cannot determine the price of milk and are therefore left at the mercy of feed prices. Heavily in debt and on the verge of bankruptcy, Cameron could no longer afford to feed her 900 milking cows and 1000 heifers. In March of last year, she sold her dairy and ducked out of the business. Her story is not unique. Since 2008, California has lost 400 dairies and last year Wisconsin lost 500 alone (Wozniacka, 2012). Today, livestock industries are recovering from the drastic rise in feed prices, and still suffer under the grip ethanol has on corn production.

Because of the 2012 drought, it's estimated that 45% of the United States corn crop went to ethanol production that year. And although over 200 members of Congress requested that the Environmental Protection Agency waive the RFS requirements for one year, the EPA denied these urgent requests stating, "The agency's extensive analysis makes clear that (...) waiving the RFS would have little, if any impact on the ethanol demand" (EPA). This decision sent shock waves through the livestock industry (Renewable Fuel Standard, 2013).

J.D. Alexander, a cattle feeder and former President of the National Cattlemen's Beef Association, said in reaction to the EPA's decision, "The refusal to grant this waiver is a blatant example of flawed policy. RFS is only making the situation worse for cattlemen and women by driving up feed costs" (Alexander, 2012). Indeed the refusal to waive the RFS was impactful. The N.C.B.A. estimated that during 2012 alone, 500,000 beef cows and 50,000 dairy cows were liquidated in the United States. Even though Alexander's statements seem not to apply now that corn prices have declined, his words still ring true "Cattlemen and women are only asking for a level playing field" (Alexander, 2012).

The question remains, how do we create a level playing field, and more importantly unite all agriculture industries? The percentage of U.S. corn blended into ethanol is massive and with federal agencies refusing to compromise—the effects of a volatile market with dramatic price fluctuations will continue to be felt (McGrath, 2012). Indeed, the free market supply and demand system was undermined by the federal government's mandate of growth and survival for corn ethanol. With national businesses and organizations directly assaulting agriculture, corn and livestock sectors should unite, not divide, on the common principles American Agriculture holds true. Instead of imposing strict production regulations on corn ethanol why not create a solution that is truly fair for all?

This is the goal of the Corn Ethanol Mandate Elimination Act of 2013, introduced by Senator Dianne Feinstein of California last December. The act would eliminate federally mandated corn ethanol production as prescribed in the 2007 Energy Independence and Security Act, leaving the market to determine the demand and price for corn and ethanol. In addition, the Administrator of the EPA would have the power to enforce this piece of legislation focus on the massive potential that truly environmentally friendly cellulosic ethanol holds for the future (Feinstein, 2013).

No one can deny the division between those producers in the the corn and ethanol industry and those in the livestock industry. But instead of continuing with a command economy that undermines livestock industries, consumer wallets, and farmers' livelihoods, we must create a solution that's fair. More importantly, we in the United States, especially those in the agricultural sector, must realize that food should be our first priority, and unite in our purpose of feeding the nation and the world. The introduction and adoption of the Corn Ethanol Mandate Elimination Act of 2013 is a simple solution that would create desperately needed relief and clarity in our industry. If we can agree on this issue, farmers and producers, like Mary Cameron, will have a fair chance in succeeding in the future. Rather than giving corn ethanol a priority, let us agree that as agriculturists, we are interdependent. And our nations' policies must play square with all American farmers.

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