
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE RESOLUTION

No. 337 Session of
2008

INTRODUCED BY WASHINGTON, WAUGH, BOSCOLA, MUSTO, FUMO, COSTA,
LOGAN, WOZNIAK, TARTAGLIONE AND A. WILLIAMS, MAY 30, 2008

REFERRED TO AGRICULTURE AND RURAL AFFAIRS, MAY 30, 2008

A RESOLUTION

1 Directing the Legislative Budget and Finance Committee to study
2 the relationship between increased food prices in this
3 Commonwealth and the growing use of corn to produce biofuels
4 and to report all findings to the General Assembly.

5 WHEREAS, A worldwide food versus fuel debate has begun
6 because of mounting concern that the biofuel industry's
7 burgeoning demand for food crops has created profound shifts in
8 world agricultural markets; and

9 WHEREAS, In the transportation sector, ethanol is the most
10 widely used liquid biofuel in the world; and

11 WHEREAS, Ethanol can be produced from any feedstock that
12 contains plentiful natural sugars or starches that can be
13 readily converted to sugar; and

14 WHEREAS, Popular feedstocks include sugar cane in Brazil,
15 sugar beets in Europe and corn in the United States; and

16 WHEREAS, In 2007, 25% of the United States corn crop was
17 diverted to produce ethanol, and the Department of Agriculture
18 projects that 30% to 35% will be diverted in 2008; and

1 WHEREAS, As food is increasingly being used to feed cars and
2 not people, food prices in the United States are rising at twice
3 the rate of inflation, negatively affecting the ability of
4 lower-income Americans and people living on fixed incomes to
5 purchase basic food staples, such as bread, milk and eggs; and

6 WHEREAS, Increased production of corn for ethanol has driven
7 up prices for corn, wheat and other grains, and as a result of
8 those increases, prices for bread, meat and dairy products have
9 risen; and

10 WHEREAS, Globally, corn prices rose 138% over the last three
11 years and food prices have increased 83% over the same time
12 period; and

13 WHEREAS, The United Nations and other relief organizations
14 are facing gaping shortfalls as the cost of food outpaces their
15 ability to provide aid for the 800 million people who lack food
16 security; and

17 WHEREAS, Deadly food riots have broken out in dozens of
18 nations in the past few months, most recently in Haiti,
19 Bangladesh and Egypt; and

20 WHEREAS, This year, tens of thousands of Mexican citizens
21 took to the streets to protest that the cost of tortillas, their
22 national staple, had doubled because local farmers were shipping
23 their corn to the United States to be made into ethanol; and

24 WHEREAS, In a recent report, the World Bank observed that
25 food production is failing to keep up with demand; and

26 WHEREAS, World Bank President Robert Zoellick warned of a
27 global food emergency and commented that, "While many are
28 worrying about filling their gas tanks, many others around the
29 world are struggling to fill their stomachs, and it is getting
30 more and more difficult every day"; and

1 WHEREAS, There is an ongoing competitive challenge for
2 sufficient land resources for large-scale expansion of the
3 cultivation of biofuel crops; and

4 WHEREAS, Planting of crops other than corn, such as soybeans,
5 has been reduced as farmers increase their corn production to
6 take advantage of ethanol subsidies; and

7 WHEREAS, There are other sources from which ethanol can be
8 made, including sugar cane, sugar beets, crop residue and wood
9 waste; and

10 WHEREAS, There is currently a tariff on imported ethanol that
11 discourages United States firms from buying Brazilian ethanol,
12 which is made from sugar cane and costs about a third as much to
13 produce as corn-based ethanol; and

14 WHEREAS, There are many examples of the Federal Government
15 and numerous state governments supporting the rapid growth of
16 the corn-based biofuel industry by providing subsidies; and

17 WHEREAS, There are six proposed corn-based ethanol production
18 facilities currently in various stages of development in this
19 Commonwealth; and

20 WHEREAS, Most, if not all of the facilities, are or will be
21 the beneficiary of State grants, loans and tax credits that are
22 instrumental to their success; and

23 WHEREAS, Many states have instituted Renewable Fuels Standard
24 (RFS)/Biofuels Mandates modeled after those in the Federal
25 energy bill of 1997; and

26 WHEREAS, Hawaii, Iowa, Louisiana, Minnesota, Missouri,
27 Montana and Washington have enacted standards specifying that
28 transportation fuels sold in these states contain a minimum
29 percentage of either ethanol or biodiesel, and similar
30 legislation has been proposed in California, Colorado, Idaho,

1 Illinois, Indiana, Kansas, New Mexico, Virginia, Wisconsin and
2 this Commonwealth; and

3 WHEREAS, Many of these states have also reduced fuel taxes
4 and provided grants and loans for biofuel distribution
5 infrastructure; therefore be it

6 RESOLVED, That the Senate direct the Legislative Budget and
7 Finance Committee to study the relationship between increased
8 food prices in this Commonwealth and the growing use of corn to
9 produce biofuels; and be it further

10 RESOLVED, That the Senate direct the Legislative Budget and
11 Finance Committee to include in its study a cost-benefit
12 analysis of the numerous alternative ways to produce ethanol and
13 an examination of the current mandates legislated by state
14 governments; and be it further

15 RESOLVED, That the Legislative Budget and Finance Committee
16 report all findings on this matter to the General Assembly no
17 later than three months after passage of this resolution.