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## White House hopefuls love Iowa ethanol

By Amy Lorentzen

Associated Press Writer DES MOINES, Iowa --Don't expect to hear much talk about farming from the presidential candidates who regularly tour Iowa, one of the nation's premier agriculture states.

Instead, prepare for three words: I love ethanol.

At a time when demand for the corn-based fuel is soaring, support for ethanol among candidates is nearly unanimous and has largely crowded out talk of other agriculture-related issues.

"They pay lip service (to agriculture), and then they're pro-ethanol, and I think that's enough," said Bruce Babcock, director of the Center for Agricultural and Rural Development at Iowa State University. He adds that a pro-ethanol stance translates to farm support "because pro-ethanol means high prices for corn and soybeans here."

Iowa has 28 ethanol refineries and 19 under construction or expanding. There also are a dozen plants that refine soybean-based biodiesel and three under construction, according to the Iowa Renewable Fuels Association.

Because of the demand for ethanol and a resulting rise in corn prices, farmers have planted the largest corn crop in U.S. history. And the decision by so many farmers to grow corn has led to a drop in soybean planting and a resulting rise in that commodity's prices.

In Iowa, it means that agriculture is all about ethanol.

And to a great extent, it's the only agricultural topic that candidates address, often during stops at one of the state's ethanol plants.

"It's sort of an obligatory stop to say, 'Hey, I get it. I know the farm economy is important and ethanol is potentially an important part of that economy," said David Redlawsk, a University of Iowa political science professor.

Candidates who have toured ethanol plants include Mitt Romney, Rudy Giuliani, Hillary Rodham Clinton and Barack Obama. Even John McCain, who in the past was skeptical about the use of ethanol, now jokes during his Iowa visits that he enjoys a drink of ethanol every morning.

The widespread support for ethanol comes despite serious questions about the fuel.

Critics contend that it takes more energy to grow the corn and process it into ethanol than the fuel produces, although advocates argue that thanks to advancements in farming and production, this is no longer true.

Others note that it's unclear how much environmental benefit the fuel offers. Pesticides and fertilizers are used in growing corn, and vast amounts of water are required to produce ethanol.

Although the increase in corn prices is good news for farmers, it's worrisome for food manufacturers and livestock producers who rely on the commodity. Thanks to huge corn harvests, farmers so far have managed to meet the demand with only minor increases in prices passed along to U.S. consumers.

In Mexico, however, a decision by many farmers to grow corn for ethanol use rather than tortilla production has caused prices of the food staple to soar.

Despite disagreements over ethanol's value, there's little argument over the importance of the fuel, and other agricultural issues, when it comes time for Iowa's precinct caucuses.

The caucuses jump-start the presidential nominating process, and estimates show as many as 40 percent of Iowa caucus-goers come from small towns and rural areas, "where farm issues are an everyday matter," Redlawsk said. He added that about a quarter of Iowa's population is involved somehow with the state's farm economy, and that means hundreds of thousands of Iowans have a stake in keeping corn prices high.

"In the end, the caucuses are about motivating a pretty small number of folks to get out on a cold winter night, so any key issue group - like those concerned about ag - can make a difference," he said.

Because of the Iowa's leadoff status, some believe presidential candidates are more inclined to support pro-ethanol and other Corn Belt policies.

"I've long said that the Iowa caucuses are the gift to Midwestern agriculture," said Jon Doggett, vice president of public policy for the National Corn Growers Association.

Many in Iowa are pushing Congress to raise the amount of renewable fuel that must be used in the nation's fuel supply. And there's interest in what presidential candidates would do in 2010, when a 51-cent-per-gallon of ethanol tax break is up for review.

"Energy policy is arguably more important to Iowa farmers than commodity policy," Babcock said.

Candidates acknowledge their support of ethanol, but say it is for environmental, economic and national security reasons rather than political expediency.

Romney has emphasized the benefit of ethanol for reducing dependence on foreign oil, and a Clinton spokeswoman cited the need to reverse course on global warming. Giuliani has said he supports continuation of the ethanol tax break, and Obama has noted that his home state of Illinois is second only to Iowa in corn and ethanol production.

Matt Hartwig, a spokesman for the Washington-based Renewable Fuels Association, said it's ethanol's value as a fuel that has drawn such widespread support.

"It's not because they have got to come and kiss the ethanol ring in Iowa," he said.

Regardless, some argue that candidates learned a lesson from McCain's experience in his 2000 presidential bid. McCain wound up passing up the state's caucuses after he said ethanol wasn't a worthy endeavor and that subsidies on the grain-based fuel should end.

"I think candidates look at experiences like that and say, 'Whoa, I can't afford to do that,'" Redlawsk said.

- <u>Iowa State University</u>
- National Corn Growers Association
- University of Iowa