The Future of Iowa Ethanol Production Depends on Carbon Capture

Growing up in the small town of Shenandoah, I came of age during the Farm Crisis of the 1980s. Simply put, it was not a fun time to be a farm kid.

The single biggest force making things better for ag over the last 40 years was the explosive growth of the renewable fuels industry during the first decade of this century. In high school, I remember getting 30 cents under the Chicago price for corn at the local elevator. Today, our local ethanol plant routinely offers 30 to 40 cents over Chicago. That change in farm income did not happen by accident, and we should not assume it won't go away if ethanol production does.

After a 30-year hiatus, my family recently started farming our own land again. To be fair, my brother and dad do most of the work. Basically, they let me drive the grain cart. It was great to get my son back home last fall to "help" as three generations brought in the harvest. Isn't that why we are here? To utilize the ground the good Lord provided; to do so in a sustainable and profitable way, and to try to leave the place a little better than we found it for the next generation.

I understand the deep connection farmers feel for their land. I share it, and I appreciate the emotions that arise when the topic of carbon capture and sequestration (CCS) comes up. The farm I grew up on now has a pipeline running under it and a runway going over it. Believe me, I understand eminent domain.

I also know that agriculture has always been successful by staying aligned with its customers' needs. Today's ethanol plants are no different. The largest domestic and export markets are demanding low carbon ethanol.

Last year's passage of federal clean fuel tax credits were also an absolute game changer, equating to up to sixty cents per gallon of ethanol with CCS. That equates to $60 million a year to a 100-million-gallon ethanol plant. Ethanol production will migrate to plants that can access these incentives. I don't think its hyperbole to say that capturing and sequestering carbon will be life or death for most ethanol plants over the next five years.

IRFA is not asking you to support carbon policies or clean fuel tax credits. We are asking you to honestly consider the real-world impact they have on Iowa's ethanol plants. If we want to maintain or grow Iowa ethanol production, it will require CCS.

If Iowa enacts laws that make CCS a practical impossibility for its ethanol plants, it will be a massive blow to our farm economy and the entire Iowa economy.

Renewable fuels production pulled Iowa out of the Farm Crisis of the 1980s and the stagnation of the 1990s. I do not want my son, and his generation of farm kids, to come of age during an Iowa farm crisis of the 2020s. Not only would it be a bad time to be a farm kid, but this time it would be self-inflicted.

IRFA members urge all Iowans to pull together and to find a fair and equitable path forward for CCS. The future of Iowa ag depends on it.

Monte Shaw
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