



KANE
COUNTY

CULTIVATOR



Promoting sound Public Policy for the future of agriculture in Kane County.

VOLUME 3, ISSUE 2

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The Fence Post

Since we reorganize the Board of Directors, officers, our volunteer committees and budget plans each September, another year has come and gone on the Kane County Farm Bureau calendar. All things considered, I think it was a very successful one.

Your association is growing...by any measure. In members, services, revenues, volunteers, influence, & programs. I'd like you to be a more active part of this growth trend. For a whole host of ways to get involved, see page 4.

Steve Arnold, Editor

OUR MISSION:

ENHANCE
THE QUALITY OF
LIFE FOR MEMBER
FAMILIES,

PROMOTE
ALL ASPECTS OF
AGRICULTURE AND

ADVOCATE
GOOD STEWARDSHIP
OF OUR LAND AND
RESOURCES.



Calling all Public Officials...

KCFB's 3rd annual Harvest Leadership Picnic for Kane County public officials will be held Wednesday, September 12 at the Elgin farm of Farm Bureau President Bob Gehrke (pictured above). The picnic is open to all federal, state, and local (county, township and municipal) elected and appointed officials and department heads.

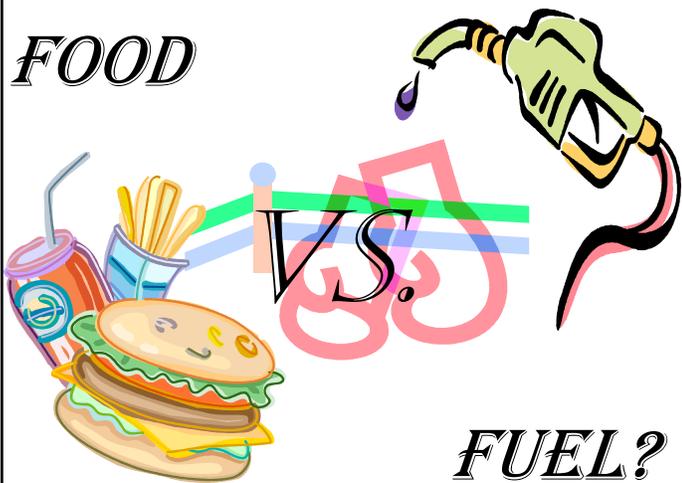
The picnic provides a venue for local Farm Bureau leaders and public officials to discuss issues of mutual concern in a relaxing, informal atmosphere and provides Farm Bureau the opportunity to say thanks to local officials who help keep Kane County a great place to farm. It will include a wine and cheese reception featuring local products, a barbecue, optional hay rack rides and a preview of a locally produced documentary about farming on the urban edge.

Reservations are requested. Public officials are asked to contact the Farm Bureau at 630 584-8660 or reply to info@kanecfb.com to reserve a place at the picnic. We look forward to seeing you there!



This wooden windmill on the Gehrke Farm, 3.5 miles west of Randall Rd. on Route 20, marks the location for the Farm Bureau's 3rd annual Harvest Picnic for Local Officials

FOOD



The soaring demand for corn to produce ethanol has been widely documented and is indeed good news for most mid-western farmers, including those right here in Kane County. But for some, with every silver lining comes a cloud.

A favorite recently of editorial page writers, pundits and talking heads has been the Food versus Fuel debate. This issue of the *Cultivator* will attempt to separate myth from reality. Page 2.

FOOD

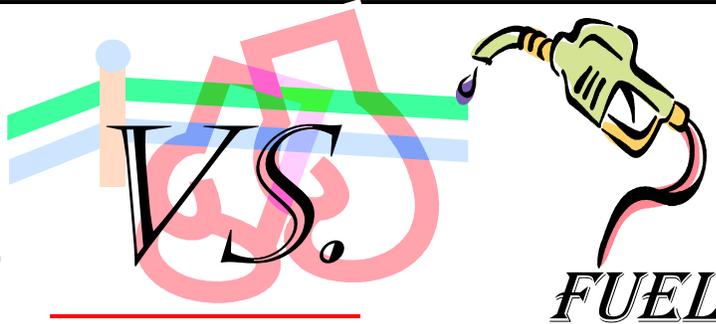


High demand for corn to make ethanol is being blamed for driving up the cost of a smorgasbord of foods, from milk to bacon to breakfast cereal. But the American Farm Bureau Federation says that weather and high energy costs are more to blame, and the “food versus fuel” issue is one of rhetoric, not reality.

Based on a realization of how many foods either contain corn or come from animals that are fed corn, dozens of news stories have focused on a perceived ethanol-food price reduction. Whether the root of such reports is a lack of understanding of agricultural economics, opposition to government incentives for ethanol production or food companies’ hype to justify their price increases, the claim that ethanol demand so far has increased Americans’ food bills is off the mark, according to AFBF senior economist Terry Francl.

Nearly all the evidence points to factors other than ethanol demand, including an early freeze that zapped fruits and vegetables, low world supplies of wheat, milk producers’ cutting back on production in response to last year’s low prices and the rising cost of energy, said Francl.

Food and beverage prices rose about 4 percent in May 2007 compared to a year ago, according to the Labor Department’s latest Consumer Price Index (CPI). The AFBF “marketbasket” survey for the



FUEL

first quarter of 2007 also shows the total cost of 16 basic grocery items is up about 4 percent or \$1.65 from the last quarter of 2006.

Meanwhile, production of ethanol, mostly from corn, has more than doubled since 2002. Tax incentives and a government mandate that increasing amounts of the nation’s fuel supply must come from renew-

“A sudden rise in the price of corn, driven by demand for corn-based ethanol fuel, has had a downstream effect on costs of animal feed, beef, poultry, milk, cheese, eggs and the high-fructose corn syrup used as a sweetener in many products.”

The Washington Post

able fuels are driving production even higher. As a result, the price of a bushel of corn has nearly doubled in the past year, at times flirting with \$4 per bushel.

“Articles and reports are generally vague about the specific connection between ethanol demand and food prices,” Francl said. “In fact, there is little if any evidence that higher corn prices have influenced consumer food prices.”

The National Corn Growers Association (NCGA) also disputes the claims that ethanol demand is making food more expensive. “There is no conflict between food and fuel – we can produce both,” said Ken McCauley, NCGA president. The group cites an analysis of food, energy and corn prices

done by LEGC, a consulting and economic analysis firm, showing that rising energy costs have had twice the impact of corn prices on the CPI for food.

“Energy costs have a much greater impact on consumer food costs as they impact every single food product on the shelf,” said the report’s author, John Urbanchuk. “Energy is required to produce, process, package and ship each food item. Conversely, corn prices impact just a small segment of the food market as not all products rely on corn for production.”

Francl said the value of corn usually is just a tiny fraction of a product’s price. For example, the value of corn in a box of corn flakes has been estimated to be 2.2 cents. “Even if the cost of the corn doubled, it is hard to understand how this relates to an increase of 10 to 20 times that much in the price of a box of cereal,” he said.

“Ethanol is unfairly getting a bad rap,” Francl said, “because people aren’t looking at all the other factors that are involved in food prices. It could dilute support for a renewable fuel that diversifies our energy supply and provides economic and environmental benefits.”

Francl would not rule out the possibility that corn prices could have a greater impact on grocery bills in the future. However, he said the increases are likely to be moderate and extended over several years. USDA’s Economic Research

ETHANOL Quick Facts

- One acre of corn can produce enough ethanol to run a car for some 72,000 miles on E-10 Unleaded.
- For every barrel of ethanol produced, 1.2 barrels of petroleum are displaced.
- By 2010, U.S. ethanol production could displace the equivalent of 311,000 barrels of imported crude oil per day—more than one large oil tanker per week.
- The use of E-10 Unleaded (10 percent ethanol/90 percent ordinary unleaded gasoline) is approved for use by every major automaker in the world.
- One bushel of corn yields about 2.8 gallons of ethanol.
- A typical 40 million gallon ethanol plant creates 32 full-time jobs and generates an additional \$1.2 million in tax revenue for a community.
- Ethanol production results in a net energy gain—producing 67 percent more energy than it takes to grow and process the corn into ethanol.
- Ethanol production consumed about 18 percent of the nation’s third largest corn harvest in 2006—some 2.15 billion bushels.
- Ethanol production in the U.S. hit a record 4.86 billion gallons in 2006—nearly double the amount produced in 2000.
- There are some 6 million “flexible fuel” vehicles on America’s highways that can run on up to 85 percent ethanol (E85).

Service forecasts the CPI for food will increase 3 to 4 percent this year as retailers pass on their rising input and energy costs to consumers.

Ethanol's Fascinating History

Adapted from AFBF's "Focus on Agriculture" Series, by Stewart Truelsen

In 1933, the American Farm Bureau Federation and its Illinois affiliate, the Illinois Agricultural Association, now Illinois Farm Bureau, touted the benefits of Hi-Ball Gasoline, a 90-percent gasoline, 10-percent grain alcohol fuel.

The Illinois Farm Supply Company distributed the new fuel and the results were impressive. After 54,000 gallons had been sold in Illinois for use in autos, tractors, trucks

and buses, the conclusion was that "alcohol from motor fuel is not only practicable in actual use, but it is superior to motor fuel now available."

Experiments were going on in other states too, and similar blends of alcohol and gasoline were sold under a variety of names.

In the same year, 1933, the Agriculture Department made what may have been its first official endorsement of

what would become ethanol. In response to a request by Congress, the department said the manufacture of alcohol from farm products would aid in taking care of farm surpluses and stabilizing markets.

At the time, corn was selling for 50 cents a bushel, and gasoline was 13 cents

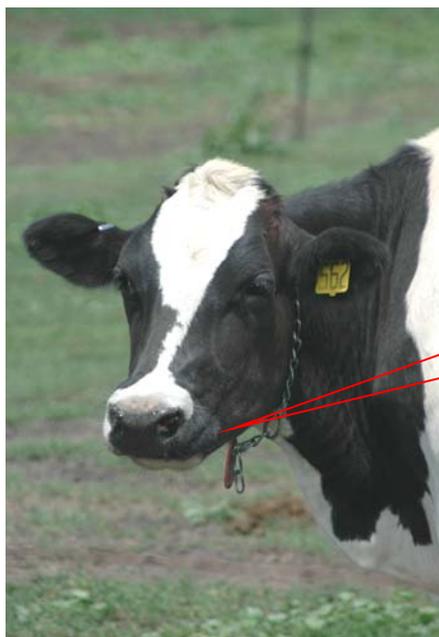
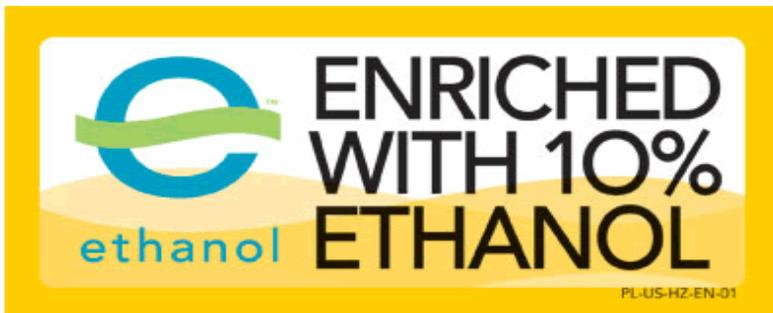
a gallon. The price of corn is about seven times greater today, and gasoline is 25 times more expensive at the pump.

Farm Bureau wholeheartedly endorsed the use of farm commodities and agricultural wastes in making alcohol and other industrial products. The interest had nothing to do with imported oil, high gasoline prices, air pollution or the fact that we might someday run out of oil and need a renewable fuel. It was strictly another

market for farmers and a little better engine performance for consumers.

During World War II, the Allied forces were cut off from most of the world's natural rubber supply. Synthetic rubber required butadiene, a chemical base, which could be made from either alcohol or petroleum. Alcohol was the choice, but after the war the government decided to shut down its alcohol plants. AFBF President Ed O'Neal protested the decision to the Office of War Mobilization and Reconversion and said farmers would need the alcohol plants if grain surpluses built up. But the cards were stacked against him. Petroleum interests stepped in, and the excuse was made that grain could be better used for livestock feed for which a temporary shortage existed.

Had the U.S. government backed farm-based alcohol as an alternative energy source in 1945, it might have changed world history, and grain surpluses might never have become a problem. In reality it just wasn't ethanol's time.



"Public investment in renewable fuels production should remain a national priority because economic benefits go well beyond the prices farmers receive. Investment and job creation in rural America will always pay greater dividends than continued purchases from economies of the world's most unfriendly and unstable oil regimes. But, you already knew that!"



Combine Rides

As they have for the past two years, a select group of Kane County farmers are offering legislators and local public officials the opportunity to get a farmer's eye view of harvest.

Local public officials who would like to learn more about farm life or just want to experience harvest on the farm, can contact the Kane County Farm Bureau at (630) 584-8660. We'll be happy to make arrangements for you to visit a farm in your area, sit in the buddy seat, and who knows, maybe drive the combine.



Opportunities for Members/Volunteers - 2008 Committees & Program Areas

Ag Literacy *Works with teachers and classrooms to promote agricultural awareness*

- Contact me about opportunities on the Advisory committee
- Send me info about IFB's Adopt a (Chicago) Classroom program
- Add my name to the contact list for 2008 AgDays Volunteers (March 18-20)
- Inform me of opportunities to host agricultural tours
- Send me info on becoming an Ag in the Classroom presenter in local schools

Government Affairs & Public Policy *Influences public policy beneficial to farms, rural communities & agriculture. Works with local government to protect farmer interests and improve quality of life in Kane County. Develops member opinion surveys on local, state and national issues.*

- Contact me about opportunities on the planning committee
- Send me an app for upcoming Leaders to Washington programs
- Invite me to Legislative Roundtables, receptions and candidate forums
- Contact me to write to elected officials regarding important legislative issues
- Send me info for the 2008 Governmental Affairs Leadership Conference
- Send me info on Farm Bureau's "ACTIVATOR" Political Action Committee
- Consider me for any future "task forces" on local issues (check interest below)
- ag drainage noxious weeds land use other _____
- Add my name to volunteer list for stewardship activities (check below)
- used oil collections used tire collections other _____
- Send me policy development background info on agricultural issues
- Send me a copy of Illinois Farm Bureau 2008 Policy Resolutions when approved



Marketing/Direct Marketers *Develops programs and activities to improve members return on commodities, and to serve nursery & greenhouse, specialty crop, direct market, equine & non-traditional farms.*

- Contact me about opportunities on the commodities planning committee
- Invite me to the monthly "Marketing Club" meetings
- Send me a "Bounty of Kane" directory of farm markets/roadside stands
- Invite me to Market Outlooks and other market education programs
- Send me an app for the 2008 Market Study Tour
- Send me an app for the 2008 August "Marketers to Washington" program
- Contact me about opportunities on the Direct Marketers planning committee
- Add my name to be included in the next "Bounty of Kane"
- Add my name to be included in a County equine service directory
- Invite me to local Specialty Crop workshops and education programs

Public Relations/Membership *Develops programs to raise ag awareness and promote a positive image. Develops membership benefits program and volunteer recruitment incentives.*

- Contact me about opportunities on the planning committee
- Invite me to media training sessions hosted by Farm Bureau
- Add my name to Kane County Farm Bureau list of "farm tour" sites
- Contact me to speak to media about weather and crops
- Contact me to speak to groups about agricultural topics
- Contact me with information on Touch-a-Tractor
- Invite me to the Food Check-Out Day Shopping Spree
- Send me information on the 2008 Volunteer Membership Drive
- Consider me for short-term volunteer assistance in the Farm Bureau office
- Add me to the list of "greeters" at Farm Bureau Open Houses and picnics

Women's Committee *To improve the effectiveness of Farm Bureau in a wide variety of program areas, emphasizing health, safety, market promotion and agricultural literacy*

- Contact me about opportunities on the planning committee

Young Farmers Committee *A full complement of social, community service & leadership development opportunities for members involved in the agriculture industry. (35 & under)*

- Contact me about opportunities on the planning committee
- Send me info on the 2008 Agricultural Leaders of Tomorrow program
- Include my name on the mailing list for Young Farmer programs

The best way to contact me is by . . . letter phone fax e-mail

Name: _____ Membership #: _____

Address: _____

City: _____ State _____ Zip _____

Phone: _____

Fax: _____

E-mail: _____

**Volunteer!
Detach &
return to:**

Our Readers Responded

In the last issue of the *Cultivator*, a call was put out seeking a farm to host our 3rd annual Harvest Picnic. Five members generously responded, offering to let public officials get a closer look at agriculture by hosting this event.

In the end, our Government Affairs Committee chose the Elgin farmstead of Farm Bureau President Bob Gehrke, in an effort to keep the picnic on a North-South rotation. (The '05 picnic was held near Burlington and the '06 near Kaneville). The committee also chose to invite those members who offered their farms for this year's picnic to let them see what's in store in future years as we select new farm sites.

There are other ways for members to obtain an invite to this event, short of opening up your farm to scores of people, and the best is by volunteering. The leaders who set the policy direction of this organization and the volunteers who plan and carry out the public policy programs receive invites to the Harvest Picnic and get the chance to interact with local public officials. Becoming one of those volunteers is as simple as filling out the form on this page and returning it to the Farm Bureau.

My experience as a volunteer and leader with this organization has been a rewarding one. I think yours will too!

*Steve Pitzstick, Chairman
Govt. Affairs/Public Policy*

Direct questions, comments about the *Cultivator* to Kane County Farm Bureau at (630) 584-8660 or info@kanecfb.com

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