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Agri-Business Column <<

*BC By Ferdie J. Deering

It is technically possible to make alcohol from grain, blend it with gasoline and make a good fuel called "Gasohol". Why doesn't somebody do it?

The reason is simple. Nobody has been able to make it pay, although many have tried during the past 40 years.

The question keeps bobbing up. In testimony before a congressional committee a while back, Don Howe of Idaho, president of the National Association of Wheat Growers, plugged for blending grain or other plant ~~alch~~alcohol with gasoline to reduce the nation's reliance on imported petroleum.

But Howe didn't say how to make it pay out. ~~Rese~~ / Research / projects at major universities have not found the answers, either.

"Why can't the government launch a program to ~~mack~~make supplemental fuel out of some of the grain surplus, instead of just retiring a lot of acreage and, I suppose, plowing under the surplus wheat farmers?" writes one of our readers.

At the General Motors luncheon for Oklahoma City business men last Wednesday, GM executives were asked about gasohol.

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"Alcohol is a splendid fuel," responded Nils Muench, technical director of GM Research Laboratories, "but it ~~isn't~~ has half the energy content of gasoline, so it would be necessary to carry more of it. Another drawback is that alcohol-gasoline mixtures tend to accumulate moisture in fuel storage tanks. And it costs much more than gasoline."

Muench added that when those problems are solved, cars will be designed to run on either alcohol or ~~gasohol~~gasohol.

Farmland Industries, Inc., Kansas City, Kans., is owned by farmers and ~~operat~~operated in their behalf. Farmland has a deep interest in developing ~~new~~ new uses and new markets for what farmers grow.

Farmland also is a ~~pet~~ refiner of petroleum products but doesn't produce enough crude oil from its own wells to supply its refineries and farm customers.

It has a double-barreled ~~interes~~interest in gasohol and has been considering building a grain alcohol plant since the early 1940s, when the alcohol was needed as an ingredient for ~~making~~making synthetic rubber and also as a fuel.

"Such a process is technically feasible," said Farmland's directors in a policy statement a few ~~week~~weeks ago. "Making

alcohol and blending it with gasoline offers no insurmountable technical ~~hurd~~hurdles. But the blending has not proved economically viable." That means there's ~~one~~ no profit in it.

Recent surveys show that many Americans would con~~tinue~~tinue to drive their cars even if gasoline went to $2 per gallon. That might make gasohol competitive.

Trouble is, when gasoline goes to $2 a gallon, it would cost a lot more to grow grain and ~~product~~ production figures based on ~~pres~~ present ~~pric~~low grain prices would not apply.

The U.S. Department of Agriculture has compiled a mass of data on biomass ~~tec~~ technology to convert plant matter into a commercial fuel source. It offers cost figures for using corn and sugar cane but does not make a case for profits.

"With present biomass technology, an estimated 100 million acres of biomass feedstock would need to be cultivated to yield fuel for a tenth of the current U.S. energy needs," USDA says.

About 110 million acres of additional land are estimated to be convertible to agricultural uses by 1985. However, besides expanding needs for food ~~pro~~production, energy crops would have to compete with other land users.

Urban, transportation and industrial developments demand an additional 900,000 acres of rural land per year, and another 200,000 acres are taken for building reservoirs.

Somewhere time in our land of continually inflating prices there might be a break-even point when gasohol can compete with gasoline made from either domestic or imported petroleum. But it is obvious that we are not there yet.

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