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FARM TECHNOLOGY HARVESTS TRENDY SUBSIDIES

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It's rare when a factory and a mega-farm can help reduce pollution. But a project planned in the Midwest promises just that. The project would produce a fuel additive that is thought to reduce air pollution, provide a market for farm goods, create scores of jobs - all while not harming the environment. The Ohio project is getting millions of dollars of help from the state and federal governments. But some people doubt the project will accomplish all it promises. Tamara Keith reports:

The project is called Harrison Ethanol. It will include an ethanol factory, using millions of bushels of corn to produce the gasoline additive. At the same location, thousands of dairy and beef cattle will live in fully enclosed barns. And then there's the small power plant, which will be fueled by manure produced by the cattle. Wendel Dreve is the project's director.

"I think the nicest way of describing our project is it's a vertically-integrated, agriculturally-based industrial development."

Dreve began working on the project nearly 4 years ago. He's retired from the oil and gas industry and built a home in eastern Ohio farm country. His neighbors approached him about starting up a corn-powered ethanol factory - something that has not existed in Ohio in a decade.

"I told them that I didn't think we could build a ethanol plant in Ohio because there are no state subsidies, so we had to figure out a way to raise the revenue streams internally and the only way we could figure out to do that was to employ animals."

The 12-thousand cattle housed on site, will eat the main byproduct of ethanol production, a corn mush called distillers grains. The cattle will generate money too, from sales of milk and meat. But the cattle will create manure... lots of manure... about 50 million gallons of it a year. Dreve has a solution for that, too: a power-generating anaerobic digester.

"It eliminates nearly all of the odor, it processes all of the wastes from the entire facility. So it's like an industrial waste treatment plant on site."

60 times a day, manure will be flushed out of the animal barns and into the digester. A large, cement structure, where the manure is broken down by microbes.

"And at the other end, you get water and methane and carbon dioxide and some solids."

The methane will run power generators, creating "green energy," which can be sold at a premium.

The carbon dioxide from the manure will be sold to make carbonated sodas. This would be the first anaerobic digester powered by cattle manure in Ohio, and one of only a handful nationwide. Dreve says his digester will be much better for the environment than open-air manure lagoons, the cheaper method most commonly used by farmers.

But not everyone agrees. Bill Weida is an economist and director of the Grace Factory Farm Project which opposes large concentrated animal farms. Weida says most anaerobic digesters are paid for with some kind of government assistance. Harrison Ethanol is no exception. The project received a 500-thousand-dollar grant from the U.S. Department of Agriculture to help pay for the digester.

"No one in their right mind who is looking for an economic investment would build a digester. The only reason you'd build one is if you had some sort of a government subsidy that would help pay for it."

Harrison Ethanol also is receiving seventy-million dollars in financing assistance from the state of Ohio. In fact, the company indicates it got some very good legal and accounting help, to find the perfect location for the project to take advantage of state and federal tax credits. Add to that federal ethanol subsidies and federal subsidies for corn production, and Harrison Ethanol is getting plenty of help from taxpayers.

Ken Cook is executive director of the Environmental Working Group. He says ethanol might reduce air pollution and reliance on foreign oil, but it is not economically viable without those huge taxpayer subsidies.

"The worry is that what we're really doing is bailing out failed agriculture policy with heavily subsidized energy policy. We're going into the corn industry with another set of subsidies to basically turn corn, that would have been exported at a loss, into corn that is used to make fuel at a loss to taxpayers."

That's not how state officials see it. Bill Teets is a spokesman for the Department of Development which has been working to bring several ethanol plants to Ohio.

"We think that this is a great project because you help farmers, you create manufacturing, you have something that helps benefit the environment and it seems to be a good type of project that we can really benefit from."

And if everything goes as planned, Wendel Dreve will build 2 more ethanol and cattle operations in Ohio. He's already secured tax dollars from state and federal sources for those plants.

For the Great Lakes Radio Consortium, I'm Tamara Keith.

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