



Press Release

For Immediate Release

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New Issue Brief Highlights Minimal Impact of Ethanol on Food Prices Energy Costs and Foreign Oil Has Significantly Greater Impact

Washington, D.C. July 31, 2008: The production of ethanol from corn has had minimal impact on consumer food prices while reducing fuel costs to consumers across the country, according to a new study released here today.

U.S. Senator E. Benjamin Nelson (D-NE), Chairman of the ***Ethanol Across America*** education campaign, hailed a new Issue Brief on *The Impact of Ethanol Production on Food, Feed, and Fuel* as a calm voice in a debate that has become confused due to misinformation.

"America's farmers are the most efficient and productive in the world," said Senator Nelson. "While there is new demand for corn and other agricultural products resulting from our effort to produce biofuels, we are seeing increased yields and a likely leveling of prices. We are also working hard to diversify our biofuel production by utilizing new feedstocks that range from specialty energy crops to waste materials."

The *Issue Brief*, which is a compilation of existing data and research, notes that while corn prices have indeed nearly doubled in the past year, according to the U.S. Commerce Department's Consumer Price Index (CPI), food costs have increased within their historical annual average of 2.9%. However, fuel prices have risen 82% since 2006 and according to the U.S. Department of Agriculture have had a much greater impact on food prices due to higher costs of bringing products to market and food processing

Douglas A. Durante, Director of the ***Ethanol Across America*** campaign, said "Ethanol demand has accounted for 20% of the increase in demand for grain, with considerably less when the distillers grains are returned to the feed supply. The other 80% is due to global demand from other countries that are increasing their quality of life and diet. More people wanting more meat and more dairy products will continue to drive the market much more than biofuels." As the brief documents, even with the new demand for ethanol, the U.S. is exporting more than at any time in its history while meeting all other feed and food needs.

The Issue Brief also makes the point that ethanol clearly is helping consumers at the gas pump. According to the Nebraska Ethanol Board, fuel prices in Nebraska are among the highest in the nation yet ethanol blends ranging from E-10 to E85 are significantly less expensive than gasoline. Recent studies by commodity analysts Merrill Lynch concluded that all gasoline prices across the country were 15 percent lower than they would be without ethanol's role of expanding supply.

"I think we are losing sight of the big picture and our pressing needs of producing our own energy, reducing greenhouse gases, creating jobs across the U.S., and revitalizing rural America," said Senator Nelson. "Through the ethanol program we are not only producing ethanol and animal protein from corn but the same process can provide food fit for human consumption as well. Corn ethanol is one step towards energy independence and it is a step that benefits all consumers. As we move towards a wider range of non petroleum feedstocks these benefits will be even greater."

For copies of *The Impact of Ethanol Production on Food, Feed, and Fuel*, please log on to www.EthanolAcrossAmerica.net.

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Ethanol Across America is a non-profit, non-partisan education campaign of the Clean Fuels Foundation and is sponsored by industry, government, and private interests. For more information, log on to www.ethanolcrossamerica.net

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