

ETHANOL HELPS LOWER FUEL PRICES



American Farm Bureau Federation, March 12, 2008

“Americans are feeling the pinch of high gasoline prices, but the fuel could cost as much as 5 cents to 10 cents more a gallon if it was not routinely blended with ethanol. Overall, U.S. consumers and taxpayers benefit from saving \$7 billion to \$14 billion in lower gasoline costs as a result of increased ethanol use.”

<http://www.fb.org/index.php?fuseaction=newsroom.newsfocus&year=2008&file=nr0312b.html>

Merrill Lynch, March 24, 2008

“Without biofuels, which can be refined to produce fuels much like the ones made from petroleum, oil prices would be even higher. Merrill Lynch commodity strategist Francisco Blanch says that oil and gasoline prices would be about 15% higher if biofuel producers weren’t increasing their output.”

“Biofuels are playing ‘a critical role’ in satisfying world demand, says Fatih Birol, chief economist of the Paris-based International Energy Agency. Without them, ‘it would be much more difficult to balance global oil markets’ he said.”

<http://online.wsj.com/article/SB120631198956758087.html>

John Urbanchuck, LECG

“The use of a 10 percent ethanol blend saved Missouri drivers 7.7 cents per gallon at the retail pump in 2007 for a total savings of \$158.2 million, or \$40 for each of Missouri’s 3.9 million licensed drivers. Reflecting current gasoline and ethanol price movements the savings are expected to average 9.8 cents per gallon or \$72.80 per driver this year as 10 percent ethanol used statewide in 2008.”

http://www.mocorn.org/news/2008/LECG_MO_E10_Analysis.pdf

Center for Agricultural and Rural Development, Iowa State University, April 24, 2008

“The growth in ethanol production has caused retail gasoline prices to be \$0.29 to \$0.40 per gallon lower than would otherwise have been the case. The analysis shows that the negative impact of ethanol on gasoline prices varies considerably across regions. The Midwest region has the biggest impact, at \$0.39/gallon, while the Rocky Mountain region had the smallest impact, at \$0.17/gallon.”

<http://www.card.iastate.edu/publications/DBS/PDFFiles/08wp467.pdf>