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NEWS

FOR IMMEDIATE RELEASE

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May 9, 2007

New Farm Bill Needs to Include Strong Biodiesel Policy *Biodiesel Producer Testifies before Senate Agriculture Committee*

WASHINGTON, D.C. – The National Biodiesel Board (NBB) called today for the new Farm Bill to contain specific pro-biodiesel provisions, including a Biodiesel Incentive Program and Biodiesel Fuel Education Program. The measures are needed for America to realize the many benefits of biodiesel through U.S. agriculture policy that also strengthens the nation's energy policy, according to Neil Rich, president and CEO of Riksch BioFuels of Crawfordsville, Iowa. Rich testified before the Senate Agriculture Committee with views supported by the American Soybean Association (ASA) as well as NBB.

“The construction of our biodiesel facility is the direct result of the successful programs from the 2002 Farm Bill,” said Rich of the plant that created 14 high-quality jobs in Southeastern, Iowa to allow it to produce 10 million gallons of cleaner burning biodiesel annually. “Biodiesel should be a significant part of the 2007 Farm Bill.”

“Through biodiesel, soybean growers can help fuel the nation,” said ASA First Vice President John Hoffman, a soybean grower from Waterloo, Iowa. “To do this, we need the 2007 Farm Bill to contain specific pro-biodiesel measures, including a Biodiesel Incentive Program.”

This program would operate similarly to the Commodity Credit Corporation (CCC) Bioenergy Program, which worked well in encouraging expanded biodiesel production in recent years. The U.S. Department of Agriculture (USDA) would use CCC commodities to reimburse U.S. biodiesel producers on all biodiesel production.

Every renewable fuel program worldwide is supported by government funding. Moreover, a number of countries subsidize biodiesel production or offer incentives to encourage biodiesel exports. In addition to competing with subsidized imports, the U.S. biodiesel industry is struggling to establish itself at a time of extremely volatile energy markets. “To encourage the continued development of domestically produced biodiesel, a safety net is needed to offset these uncertainties,” Rich said.

He also praised the value of the Biodiesel Fuel Education Program administered by the USDA that has achieved substantial results in important areas, such as fuel quality, acceptance of biodiesel by engine and equipment manufacturers, petroleum partners, users, and the general

public. The Energy Title of the 2002 Farm Bill established the program. It is necessary to continue funding USDA's Biodiesel Fuel Education Program at a level of \$2 million per year.

Biodiesel has created additional demand for soybean and vegetable oils, as well as other agricultural feedstocks. Analysis conducted by the USDA indicates that every 50 million gallons of biodiesel raises soybean prices one percent. Long-term forecasts expect biodiesel demand to increase average soybean prices nearly 10 percent by 2015. These benefits have helped raise average price received by soybean farmers from \$5.89 per bushel in 2005 to \$6.31 per bushel through the first six months of 2007. These increased prices not only raise farm revenues, they help minimize farm program payments and save taxpayer dollars.

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Additional information about biodiesel is available online at www.biodiesel.org.