

FOR IMMEDIATE RELEASE

Contacts: Jenna Higgins/National Biodiesel Board
NBB 800-841-5849

Aug. 30, 2001

Diesel distributors sell soybean-based fuel direct to farmers *Trend spreads throughout Midwest as biodiesel demand increases*

JEFFERSON CITY, Mo. – An increasing number of Midwestern diesel fuel distributors with a broad farmer customer base now give their customers the option of running their diesel tractors and equipment on a fuel made from the very crop many of them grow — soybeans. The trend is significant because although biodiesel is available nationwide, it is mostly used by centrally fueled fleets, leaving geographically dispersed farmers less chance of getting blends of two percent or higher without their distributors taking the lead.

Houseman Oil, a petroleum fuel distributor based in Estherville, Iowa, is selling B2, a blend of two percent biodiesel and 98 percent diesel, direct to farmers in the northwestern part of the state who ask for it. He sells the B2 for a few cents more per gallon than No. 2 diesel.

"I know there's going to be a lot of demand for it because there's a lot more support for renewable fuels now," said Rick Houseman, owner of the company. "Farmers want to use the products they produce. A lot of farmers are more aware of biodiesel now than they were a few years ago."

Biodiesel can be used in any diesel engine, usually with no modifications to the engine necessary. It performs comparably to diesel, with similar cetane and BTU content. It is the safest of all fuels to use, handle and store. More than 100 major fleets use biodiesel, and the fuel has been proven successful in more than 40 million road miles and countless off-road and marine applications.

Houseman is just one of several distributors actively selling blends of two percent or higher to farmer customers. Ed Logan of Logan Agri-Service, Inc., now sells B10 to his customers in west central Illinois for 5 cents more per gallon than diesel, and in Columbus, Nebraska, Country Energy LLC is planning on offering B2, B5, B20 and B100 in conjunction with the Husker Cooperative.

"Maybe in a year or two, biodiesel will be available at every station that sells diesel in Nebraska," said Nebraska Soybean Board Chairman Norm Husa. "The potential for soy biodiesel is tremendous. If every diesel engine in the U.S. would burn a one percent blend of soy biodiesel, we would use up over 400 million bushels of soybeans each year."

Blends of B2 and higher have been shown to be highly effective in improving lubricity, the characteristic in diesel fuel necessary to keep diesel fuel injection systems properly lubricated. According to Stanadyne Automotive Corp, the largest fuel injection equipment manufacturer in the United States, B2 is a superior solution to today's poor lubricity fuel, and will become

increasingly important as ultra-low sulfur diesel regulations are implemented.

Moreover, biodiesel has been commercially proven as a lubricity enhancer in multifunctional additive packages currently being marketed as premium diesel fuels. These fuels typically contain less than one half of one percent biodiesel.

Biodiesel is registered with the Environmental Protection Agency (EPA) as a fuel and fuel additive. It is the only alternative fuel to have passed the rigorous Health Effects testing requirements of the Clean Air Act. Results show biodiesel reduces carcinogenic air toxics by 75-90% compared to diesel. The results, submitted to the EPA in 2000, also show biodiesel is non-toxic, biodegradable and free of sulfur.

"I encourage all farmers throughout the country to contact their fuel distributors and ask for biodiesel in at least a two percent blend," said Jack Hartman, president of the National Biodiesel Board and an Iowa soybean farmer.

#