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HEADLINE: Farmers extol virtues of soybean-based fuel

BYLINE: By SARA SHIPLEY Of the Post-Dispatch

Midwestern farmers expect a new tax credit to boost production and availability of a diesel fuel made from soybeans.

Biodiesel is being touted as an environmentally friendly, homegrown alternative to foreign oil, but critics warn that the fuel is not a panacea. Representatives of the National **Biodiesel** Board said at a meeting in St. Louis Wednesday that demand for the fuel is expected to grow 400 percent in the next few years. Currently, only 300 retail filling stations nationwide carry the renewable fuel at the pump. About 500 major fleets use **biodiesel**, including the Missouri Department of Transportation and Lambert Field.

"We're clean-burning, we're renewable and we're made right here in the United States," said board chairman Bob Metz, a fifth-generation farmer from South Dakota.

A startup company run by a Maryland Heights farmer aims to open a new **biodiesel** production facility in mid-Missouri in the next year or two. Owner Walter Stemme said the 15 million-gallon facility may locate near Mexico, Mo.

The board also hopes that a new generation of cleaner-burning diesel passenger vehicles will spark interest in **biodiesel**. Less than 2 percent of passenger cars in the United States have diesel engines, compared to about half of cars in Europe.

If every diesel vehicle on the road used a 5 percent diesel blend, the United States would save the equivalent of 1.7 billion gallons of foreign oil, board officials said.

At the meeting, DaimlerChrysler offered test drives of the new Jeep Liberty Common Rail Diesel, the nation's first mid-sized diesel sport utility vehicle. The vehicles will roll out of the factory in Toledo, Ohio, this month filled with B5, a 5 percent **biodiesel** blend.

Like other diesel vehicles, the SUV can run on regular diesel or **biodiesel**.

DaimlerChrysler spokesman Max Gates acknowledged that customers might have a hard time finding **biodiesel** stations, but he said the vehicle was a step toward energy independence.

"We recognize we might not get the full benefit today, but we need to start. We need to promote the fuels," he said.

Biodiesel supporters celebrated a new tax credit, effective next year, that will reduce the cost of **biodiesel** to roughly the same price as regular diesel, currently about \$2.10 a gallon. The program will cost taxpayers an estimated \$114 million over three years.

The subsidy is "small potatoes" compared to the \$1 billion annual tax break for

ethanol, a corn-based gasoline fuel additive, said Keith Ashdown, an analyst with Taxpayers for Common Sense in Washington. The nonpartisan fiscal watchdog group doesn't support either program.

Steve Ellis, another analyst with the organization, said the renewable fuel credits "end up being another farm subsidy."

DaimlerChrysler officials said clean diesel engines get 30 percent better fuel economy and produce 20 percent less greenhouse gases than gasoline engines. The new diesel Jeep Liberty will get 27 miles to the gallon on the highway.

Biodiesel is much cleaner than regular diesel, producing 70 percent less carbon dioxide emissions and half the fine particle pollution of regular diesel fuel, said Don Anair, an engineer with the Union of Concerned Scientists, an environmental group.

However, diesel vehicles don't have to meet the same emission standards as gasoline vehicles, resulting in a dirtier diesel fleet. "With the current state of technology, if you replaced gasoline vehicles with diesel vehicles and used **biodiesel**, you'd most likely be getting a negative impact on emissions," Anair said.

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What is **biodiesel** fuel?

Biodiesel is a cleaner-burning petroleum alternative made from soybeans and other natural fats and oils. Cars that run on pure **biodiesel** emit a faint odor of french fries. Producers typically blend 5 to 20 percent **biodiesel** with regular diesel to make it cheaper and more fluid in cold weather.

GRAPHIC: photo

PHOTO BY ASSOCIATED PRESS (of woman holding a bottle of **biodiesel** fuel - no caption)