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NEWS

FOR IMMEDIATE RELEASE

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Biodiesel Benefits Food Supply

JEFFERSON CITY, Mo.– As Kansas City hosts the International Food Aid Conference, biodiesel is a rising tide that offers promise to not only the U.S., but to developing countries for their food and fuel needs.

The growth of the biodiesel industry in the U.S. leads to higher production of lower cost food protein. Biodiesel has primarily been made from the byproduct oil of growing soybeans, with the remaining 80 percent of the bean being protein meal. Higher demand for the oil leads to lower cost protein meal, used to feed livestock, as well as for human consumption. According to the University of Missouri Food and Agricultural Policy Research Institute (FAPRI), rising use of soybean oil to produce biodiesel has strengthened soybean oil prices while weakening protein meal prices. The FAPRI baseline projects U.S. consumption of soybean meal and exports to increase, with the price of the meal dropping more than $80/ton. The U.S. continues to be the largest exporter of soybeans.

The global interest in biodiesel is shown by the fact that 43 countries were represented at the 2008 National Biodiesel Conference held February in Orlando. As high energy prices impact the U.S. economy, this occurs exponentially in developing nations. The United Nations Food and Agricultural Organization (FAO) has said that a growing biofuel market offers new opportunities for small farmers around the world. The FAO calls for a plan to develop bioenergy polices ensuring "that everybody benefits," and has recommended small-scale financing to help farmers in poor countries produce local biofuel.

The U.S. biodiesel industry is furthering feedstock development with non-edible sources, and by adding yield to existing oilseed crops as agriculture technology continues to develop as it has consistently. The industry is also researching ways to add more oil content in feedstocks like soybeans and more.

The National Biodiesel Board is available to comment on how biodiesel is a rising tide lifting ships, by adding emissions-reducing renewable fuel supply, and by increasing protein, while lowering its cost. A few other ways this is demonstrated:

- Recently, a Merrill Lynch commodity strategist, Francisco Blanch, said that oil and gasoline prices would be about 15 percent higher if biofuel producers were not increasing their output.

- A U.S. Department of Agriculture (USDA) and Department of Energy (DOE) study has already shown soy-based biodiesel has a 78 percent carbon dioxide reduction. This study takes into account everything from planting the soybeans to delivering biodiesel to the pump. A 2007 update to the study found that for every unit of fossil energy it takes to make biodiesel, 3.5 units of energy are gained.

Based in Jefferson City, the NBB is the national trade association of the biodiesel industry and is the coordinating body for biodiesel research and development in the U.S. Its membership is comprised of biodiesel producers, state, national, and international feedstock and feedstock processor organizations, fuel marketers and distributors, and technology providers.

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