



Iowa Renewable Fuels Association

GREEN Team

Grassroots REnewable Energy Network

Newsletter for renewable fuels advocates

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August 1, 2011

Issue # 136

IRFA Urges Presidential Candidates to Oppose E15 Ban

Effort in Congress Would Subvert Free Market and Curtail Consumer Choice

The **Iowa Renewable Fuels Association (IRFA)** recently called upon the three members of the **House of Representatives** running for President to oppose Congressional efforts to ban E15 (15% ethanol, 85% gasoline) from competing in the fuels marketplace. In a letter to **Reps. Michele Bachmann, Thad McCotter, and Ron Paul**, the IRFA urged the candidates to defend consumer freedom.

"I am writing to ask for your help in defending consumer freedom and enhancing America's energy security," wrote **IRFA President Walt Wendland**. "Recently Members of Congress from Big Oil states have introduced amendments to the FY2012 Interior, Environment, and Related Agencies Appropriations Bill that would essentially ban a legal competitor to petroleum based gasoline. IRFA calls upon you to publicly oppose amendment #6 by **Rep. John Sullivan (R-OK)** and amendments #9 and #10 by **Rep. Michael Burgess (R-OK)**."

After the most extensive testing in the history of federal fuel approvals, the EPA approved the use of E15 for model year 2001 and newer passenger vehicles. The EPA is now in the process of finalizing regulations that will implement its E15 approval.

Wendland added: "The Sullivan and Burgess amendments are appropriations gimmicks designed to subvert the scientific and legal process that led to the approval of E15 as a consumer choice... For Congress to step in now to ban a legal fuel choice through an appropriations gimmick is a slap in the face to all those who value a free market... In short, we ask you to stand for consumer fuel choice and enhanced energy security for America by opposing these anti-free market amendments. We anxiously await your reply."

Biodiesel's Net Energy Balance Greater than 5 to 1, According to USDA

Newly published research from the **University of Idaho** and the **USDA** reports that the net energy balance of soybean-based biodiesel has improved nearly a full point since 2009. It is now at a 5.54-1 ratio according to the results of the study. The previously conducted research in 2009 which used 2002 data concluded the fuel had a 4.56-1 energy ratio.

"This study shows the clear trend that biodiesel production continues to improve when it comes to efficient use of resources," said **Don Scott, Director of Sustainability for the National Biodiesel Board (NBB)**. "No other fuel available in the U.S. comes close to such a high energy balance," he said.

The study noted that several items accounted for the increase in biodiesel's energy balance, including:

- More energy efficient soybean crushing and transesterification facilities
- Improved soybean yields
- Reduced overall energy usage on the farm

Specifically, in comparison to the 1990 data, the new research using 2006 data finds:

- The energy input in soybean agriculture was reduced by 52%
- The energy input in soybean processing was reduced by 58%
- The energy input in biodiesel production (transesterification) was reduced by 33%, per unit volume of biodiesel produced.

In addition, the agricultural sector and the biodiesel industry are likely to continue to make energy efficiency gains in order to lower production costs, eventually achieving an even higher fossil energy ratio, the study concluded. To view the study [click here](#).

Obama Appoints Former Gov. Culver to a Federal Board

President Barack Obama recently appointed former Iowa Governor **Chet Culver** to the board of directors of the **Federal Agricultural Mortgage Corporation**, known as **Farmer Mac**.

Farmer Mac, headquartered in Washington, D.C., helps provide credit to America's farmers, ranchers, and rural homeowners, businesses, and communities by financing agricultural loans.



Klobuchar Says Big Oil Needs to Give up Subsidies

Senator **Amy Klobuchar (D-MN)** recently urged oil companies to follow the lead of the ethanol industry and give up government subsidies to help defray the nation's deficit.

In the past decade, the five largest oil companies have netted close to \$1 trillion in profits, with the industry's profits up 30 percent in the first quarter of 2011 compared to the same quarter last year. Over the next decade, just the top 5 oil industry tax breaks will cost taxpayers \$50 billion, Klobuchar said.

"The oil companies no longer need those tax breaks, and we can't afford them when we look at the debt we're facing. The question isn't about whether the oil companies deserve the profits; it is a question about whether a hugely profitable industry should continue to enjoy lucrative tax advantages at a time when our nation can least afford it," she said.

"The ethanol industry came to the table and offered up over a billion dollars in savings to reduce the deficit and supported a compromise that is a model for reducing government subsidies going forward," Klobuchar said.

Stephen Comstock, tax policy director for the American Petroleum Institute, said the industry agrees it can do more to help address the nation's economic crisis, but doesn't think relinquishing tax breaks should be part of the equation. "We believe the solution to our jobs and deficit problems should not be punitive tax increases when our industry can contribute over the long term by letting us produce more of our own vast domestic resources here at home," Comstock said. "Let us create more American jobs, increase our energy security and actually send more revenues to federal, state and local governments."

Renewable Energy Group purchases assets of SoyMor Biodiesel

Renewable Energy Group (REG) recently announced the successful purchase of substantially all Albert Lea, Minnesota assets of **SoyMor Biodiesel, LLC**, including its biodiesel plant, and the soy lecithin facility assets of **SoyMor Cooperative** in exchange for common stock and the assumption of certain liabilities.

"Renewable Energy Group is proud to add this production-proven, strategically-located facility to our network of owned and operated biorefineries," stated **REG's CEO Jeff Stroburg** of the 30 million gallon per year (mmgy) facility which has been idle since 2008.

"With nationwide demand for biodiesel growing steadily through implementation of the **Renewable Fuels Standard (RFS2)**, we expect to quickly ramp up production at **REG Albert Lea, LLC**," said Stroburg.

REG is the largest biodiesel producer in the United States and the Albert Lea, LLC facility will bring the REG owned and operated capacity to more than 210 million gallons annually.

Christie Vilsack, Running for Congress

Democrat Christie Vilsack recently said she will challenge **U.S. Rep. Steve King** for his seat in Congress.

Vilsack, wife of **U.S. Secretary of Agriculture, Tom Vilsack**, highlighted renewable fuels in her announcement. "Nothing is more important than creating economic opportunity so our children can stay in Iowa and raise their own families. We've got a lot of work to do from supporting biofuels and wind power to bringing broadband Internet to our rural communities," she concluded.



REG Files for IPO

The largest biodiesel company in the U.S., **Renewable Energy Group**, has filed its registration statement for an initial public offering, as reported by *Domestic Fuels*. The number of shares to be offered and the price range for the offering have not yet been determined. **UBS Securities LLC** and **Piper Jaffray & Co.** will be acting as joint book-running managers for the IPO. In addition, **Stifel, Nicolaus & Company, Incorporated** and **Canaccord Genuity, Inc.** will be acting as co-managers.



New Study Finds No Evidence of Indirect Land Use Change Due to U.S. Ethanol Production

A new study recently released by the *Biomass and Bioenergy Journal* on indirect land use change (ILUC) due to biofuels production indicates that the real impact of U.S. biofuels production on ILUC domestically and internationally is nonexistent. The study, *Indirect land use change for biofuels: Testing predictions and improving analytical methodologies* was co-authored by **Dr. Seungdo Kim and Dr. Bruce E. Dale of Michigan State University.**

"It is the first evidence based evaluation of ILUC utilizing actual historic data, employing a 'bottom-up', data-driven, and statistical approach based on individual world regions, land use patterns, and commodity grain imports," stated **Dr. Roger Conway, senior partner at Rosslyn Advisors LLC and former director of the U.S. Department of Agriculture's Office of Energy Policy and New Uses.**

"Unlike most other ILUC work, this study relied on very few assumptions and did not attempt to quantify nor to predict ILUC effects. We searched for direct historical evidence for ILUC in relevant world areas rather than attempting to project or predict what course ILUC might take. Projecting forward can force scientists to make untestable assumptions," commented Bruce Dale, co-author of the study.

The new study used 1990 as its baseline year and then measured crop changes against that year, as U.S. ethanol production grew rapidly in subsequent years. In order to test the hypotheses that ILUC had occurred, the authors searched for actual land use change in 18 regions around the world where corn and/or soybeans are produced. Using historical data to investigate real ILUC effects, the study found no statistical evidence of the changes predicted by ILUC theory in any of the 18 world regions. For the full article, [click here.](#)

Special Offer Iowa Fuel Retailers

The Iowa Renewable Fuels Association is offering a reduced conference registration for the first 50 Iowa Petroleum Marketers to register for the ACE Conference.

24th Ethanol Conference

Hosted by the American Coalition for Ethanol

August 22 - 24, 2011

Downtown Marriott, Des Moines

Discounted Rate is \$79 for one day pass

For details and registration form, [click here](#)

NASCAR to Continue use of E15

NASCAR officials are going for a green initiative fueled by a shift from gasoline to ethanol. Most drivers agree that ethanol has had only a minimal effect on competition. There's been a slight increase of nearly eight horsepower. And the mileage differential is hardly noticeable.

"The biggest difference in fuel mileage has been the new gas can. It takes longer to get the gas in the car, so some people run out of gas. They have to give up a few seconds to make sure all the fuel is in the car," said driver **Clint Bowyer.**

While the ethanol debate lingers, with the recent tax incentive cuts, NASCAR officials aren't willing to compromise the green initiative. "The corn ethanol is here to stay," said **Mike Lynch, director of NASCAR's green innovation.** "We figured this would be a seamless transition for us, and that's how it's played out. Ethanol gives us infinite flexibility and it hasn't negatively affected the quality of racing. It's hard to determine the cause and effect, but we know the cars have more horsepower and there's only a marginal difference in mileage. We've had some drivers struggle with mileage at the end of races, but we have mileage races every year," Lynch said.

National Corn Growers Association President

Darrin Ihnen likes the partnership. "It's great for us as corn growers to be associated with NASCAR, which is really good about promoting all of their partners' products. They realized ethanol is renewable and it works for their cars. It's an opportunity for us to reach consumers outside the Corn Belt. We want to show our consumers that if it's good enough for NASCAR, then it's good enough to use in their own cars. Ethanol is definitely a benefit to the public because it's cheaper than gasoline. It also creates jobs in rural America and creates energy security," Ihnen stated.

Ethanol Workers Earn More than Other Industries

Growth in wages in the ethanol sector outpaced all industry wage growth in the past decade, increasing by more than 58%. According to the **Nebraska Department of Labor**, average pay in the ethanol sector has increased from \$35,479 in 2000 to \$56,158 in 2010. Meanwhile, the statewide average pay for all industries in Nebraska was \$37,319 in 2010. Similar results should be expected in Iowa as well as other states.

[Continued on Page 4]

Air Show Pilot Who Used Ethanol, Passes Away

Air show performer and pilot of an ethanol fueled plane, **Greg Poe**, recently passed away at 57 years old. Considered to be one of the best aerobatic performers in the world, Poe had racked up more than 10,000 flight hours throughout his 20-year career as an air show pilot and he had flown more than 100 types of aircrafts.

In 2006, **Fagen Inc.** became Poe's corporate sponsor and began supplying ethanol to fuel his specialized plane. His team gradually increased the ratio of ethanol used until they achieved superior results using between 85 and 95 percent ethanol. "Over the course of a couple of years, it went from being a function of sponsorship to a function of preference," said **Greg Gibson, media relations coordinator** for Poe.



Poe preferred to use ethanol. "It was really a dramatic difference in performance. The engine ran cooler, he got more horsepower. And it became very easy to discuss with people the benefits of how ethanol is a solution to our dependence on foreign oil," said Gibson

"These pilots are always trying to figure out how to tweak and twist the engine to get one more knot of speed or get a little faster turn rate. We found an 8 percent horsepower increase and that's the holy grail of an aerobatic pilot's goal. They're always trying to fly lighter, faster, and we do it with a simple fuel change. Poe was the envy of the group, for sure," Gibson commented.

Florida National Guard Producing Biodiesel

The **Florida National Guard** is minimizing waste and cutting costs by converting used vegetable oil into biodiesel that will power state maintenance vehicles at **Camp Blanding Joint Training Center**. The waste oil is collected from Camp Blanding's Consolidated Dining Facility before it is relocated to a maintenance facility and converted into biodiesel.

"This is the only installation in the nation that has implemented this process. Not only are we converting the cooking oil into something useable, but we're also hitting an alternative fuel goal as well," says **Jessika Blersch, Sustainability Coordinator** for the Florida National Guard's Camp Blanding Joint Training Center.

The biodiesel-making process, which lasts for around 48 hours, produces 100% biodiesel, which is then used to fuel vehicles that are fitted with biodiesel-compatible engines. Camp Blanding can manufacture between 50 and 100 gallons per week of biodiesel at around \$0.67 per gallon.

[Continued from Page 3]

While the recession of has caused stagnating pay or job reductions in some industries, the ethanol industry has helped keep the Midwest's economy robust, said **Nebraska Ethanol Board Administrator Todd Sneller**.

"Ethanol is vital to Nebraska's economy, and the ethanol industry has created thousands of jobs while saving drivers money and burning more cleanly than gasoline," said Sneller.

Catherine Lang, the Nebraska Commissioner of Labor, said the ethanol industry has been great for the state's economic development. "A vibrant rural economy is vital for the economic success of Nebraska. The ethanol industry provides high skill, high wage jobs for citizens across Nebraska.

Iowa Corn Launches Caucus Project

The **Iowa Corn Growers Association** and the **National Corn Growers Association**, in partnership with the **Illinois, Kentucky, Minnesota and Nebraska Corn Growers Associations** have launched the **Corn Caucus Project**.

The Corn Caucus Project's purpose is to keep corn growers informed and engaged in the 2012 presidential campaign. The primary goal of this program is to contact all campaigns to discuss corn (NCGA) policies and form a relationship with all campaigns, so that they consider and incorporate corn policy positions into their respective campaigns.

"We are excited to once again be participating in the Corn Caucus Project," said **Bruce Rohwer a farmer from Paullina and Iowa Corn's Political Action Committee Chair**. "This program helps all of agriculture have a voice in the policy making process by getting involved in campaigns while they are here in Iowa."

A secondary goal of the Corn Caucus Project is to evaluate candidate positions on corn policy issues, and publicize these positions to Iowa Corn and NCGA members, other agricultural groups, and the media prior to the Iowa Caucus in February 2012.

Activities include a policy survey for candidates, media tracking, and communication with campaigns on NCGA positions and priorities, and corn grower involvement in campaigns including volunteering and attending candidate events. The Corn Caucus Project does not provide an endorsement of any candidate.

For more information please visit www.iowacorn.org/corncaucusproject.