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PRESS RELEASE

Missouri Senate Approves 10 percent Ethanol Standard

Cauthorn Champions Missouri Renewable Fuels Legislation during Floor Debate

JEFFERSON CITY – Missouri motorists will soon use a cleaner burning, renewable fuel that lowers prices at the pump and supports Missouri’s farmers, Sen. John Cauthorn, R-Mexico, announced today. The Missouri Senate has approved House Bill 1270, which was handled by Cauthorn, requiring gasoline sold in Missouri to contain a 10 percent ethanol blend.

“Today we are 10 percent closer to relying on ourselves for our energy needs,” Cauthorn said. “With political instability in Nigeria and the Middle East, and skyrocketing petroleum prices, the oil market has proven to be unstable. Missouri’s corn growers are reliable and will deliver renewable fuels we can depend on year after year.”

HB 1207 requires all gasoline sold in Missouri to contain a 10 percent ethanol blend beginning Jan. 1, 2008. Previously, the language contained a Jan. 1, 2007, implementation date. Moving the date back provides adequate time for retailers to prepare, while ethanol production continues to increase. Consumers wanting to buy higher-octane gas may still do so.

Ethanol is a clean-burning, renewable product made from fermented agricultural products, such as corn. Ethanol contains oxygen, which provides a cleaner fuel that burns more efficiently. When used in vehicles, ethanol reduces carbon dioxide, a major contributor to global warming.

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All motor vehicles manufactured since the 1970s can run on a 10 percent ethanol blend. Engines do not need to be modified, and many local gas pumps already provide this blend. To ensure HB 1270 does not cost taxpayers more at the pump, any time the price of ethanol is higher than the cost of gasoline, the 10 percent ethanol standard will be suspended.

“Every time a tanker comes to the United States to drop off oil, it loads our dollars on board and goes back over seas,” Cauthorn said. “It’s time we keep our dollars here in the Midwest.”

Minnesota, Montana, Washington and Hawaii all have 10 percent requirements. Minnesota will soon enact a 20 percent requirement.

Missouri will need 315 million gallons of ethanol to meet the 10 percent requirement. Currently, Missouri’s three ethanol plants produce 115 million gallons annually. Two more plants are being constructed, including Missouri Ethanol, LLC, in Laddonia. By 2008, enough ethanol will be produced in the state to meet this need. Missouri, Illinois, Nebraska and Iowa currently produce a combined 2.5 billion gallons of ethanol.

Missouri ranks ninth in U.S. corn production, with approximately 315 million bushels produced annually. More than 1,500 Missouri farm families have invested cooperatively in the three established ethanol plants.

A recent economic analysis by the University of Missouri found the four ethanol plants in Missouri would maintain 2,784 jobs providing \$92 million in wages. These plants will provide \$178 million in value-added income to Missouri’s economy each year. Nearly \$400 million in economic activity will be generated in our state. Additionally, the four plants bring in \$31 million in tax revenues per year.

According to a United States General Accounting Office study, from 1968 to 2000 tax incentives to the oil industry outnumbered ethanol incentives nearly 13 to 1. While the oil industry received \$150 billion, ethanol producers received \$11.6 billion in incentives.

“Once again we are facing high gas prices, and the Missouri Renewable Fuels Standard is a big part of the solution,” Cauthorn said. “Meanwhile, it will provide new markets for farm families and clean up our environment. It is a win-win for the state of Missouri.”

Sen. Cauthorn represents Missouri’s 18th Senate District. He can be reached at his Capitol office at (573) 751-6858. You can also visit his web page by going to www.senate.mo.gov/cauthorn.