



MISSOURI SENATE

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PRESS RELEASE

Sen. Cauthorn, Missouri Corn Growers Testify for Missouri Renewable Fuel Standard

10% Ethanol Requirement Benefits Farmers, Consumers

JEFFERSON CITY, MO – Consumers can soon save money at the pump, use cleaner-burning fuel, and support local farmers with a 10 percent ethanol requirement in Missouri. Senator John Cauthorn, R-Mexico, testified today on behalf of his Missouri Renewable Fuels Standard (MORFS) at the Senate Agriculture Committee.

“For decades we have depended on oil from the Middle East for our energy needs,” said Cauthorn. “With an ethanol standard we can keep our dollars right here in the Midwest.”

Cauthorn’s Senate Bill 569 requires all gas sold in Missouri to contain 10 percent ethanol beginning January 1, 2007. Consumers wanting to buy higher-octane gas may still do so. Minnesota, Montana and Hawaii all have 10 percent requirements. Minnesota will enact a 20 percent requirement soon.

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

All motor vehicles manufactured since the 1970s can run on a 10 percent blend. Engines do not need to be modified. Many local gas pumps already provide this blend.

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

“The Missouri Renewable Fuels Standard is a requirement for cleaner air, affordable fuels, and increased energy for our state,” said Gary Marshall, Missouri Corn Growers CEO. “When our corn growers win at harvest, Missouri consumers win at the pump.”

An ethanol standard will also provide economic impact for Missouri. According to a study by Dr. Donald VanDyne, MU professor emeritus, the direct and indirect benefits of five ethanol plants in Missouri will mean 8,890 jobs, \$845 million in economic output, and \$87 million in tax revenues.

“Ethanol plants will not pack up and go to Mexico or overseas,” said Cauthorn. “Missouri farmers gain with value added to their product, and all of our pocketbooks benefit with lower gas prices – it’s a win-win.”

Missouri will need 315 million gallons of ethanol to meet this 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 2.5 billion gallons of ethanol.

“Big oil companies are consolidating and providing less opportunities for consumers,” said Cauthorn. “More ethanol plants, owned and operated by farmer cooperatives, are growing and expanding in our state and our country.”

According to a United State General Accounting Office study, from 1968 to 2000 tax incentives to the oil industry outnumbered ethanol incentives nearly 13 to 1. Ethanol’s incentives were \$11.6 billion, while during that time period the oil industry received \$150 billion.

Sen. Cauthorn represents Missouri’s 18th Senate District. He can be reached at his capitol office at (573) 751-6850. You can also visit his web page by going to www.senate.mo.gov/cauthorn.