



MISSOURI SENATE

JEFFERSON CITY

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PRESS RELEASE

Senate Agriculture Committee Endorses Cauthorn's 10% Ethanol Standard

Missouri Renewable Fuel Standard Moves Forward

JEFFERSON CITY, MO – Senate Agriculture Committee members unanimously voted for Senator John Cauthorn's Missouri Renewable Fuels Standard (MORFS) today, sending the legislation to the full Senate. Cauthorn's SB 569 requires 10 percent of gasoline sold in Missouri to contain ethanol.

"Today's committee vote displays the strong support by lawmakers for a renewable fuels standard," said Cauthorn. "I believe in free enterprise, but when big oil companies build a barrier to enter the market, which hurts consumers, we need to knock that barrier down."

Cauthorn's legislation requires all gas sold in Missouri to contain 10 percent ethanol beginning January 1, 2008. Previously the language contained a January 1, 2007 implementation date. Moving the date back provides adequate time for retailers while ethanol production continues to increase. 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.

"Missouri's agriculture community can provide the energy source to power our vehicles," said Cauthorn. "During the Super Bowl, I was excited to see GM's ad campaign calling for folks to "go yellow" – to use energy from corn grown right here in America."

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

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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.

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.

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 annually create \$178 million in value added income to Missouri's economy. 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.

"We know what has happened with escalating gas prices, and we have seen the economic studies, so it's easy to conclude that ethanol makes sense," said Cauthorn. "Ethanol is good for our cars, for our environment, for our farmers, and for our pocketbooks."

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. 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) 751-6858. You can also visit his web page by going to www.senate.mo.gov/cauthorn.