



Iowa Renewable Fuels Association

NEWS RELEASE

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Analysis shows average price of Minnesota's B5 has been lower than Iowa's diesel

JOHNSTON, IA – The Iowa Renewable Fuels Association (IRFA) today released a comparative analysis of Minnesota and Iowa retail diesel prices to dispel the myth that the proposed B5 Fuel Quality Standard in the Iowa Legislature will increase diesel prices in Iowa. The analysis found that from May to December of 2009, Minnesota's average B5 price was actually one-tenth of a cent less than Iowa's average diesel price. The analysis factored out differences in state tax rates.

“The reality is that a fair analysis of retail prices shows B5 in Minnesota has been slightly cheaper than Iowa's diesel,” stated IRFA Executive Director Monte Shaw. “Iowa needs to make a commitment to energy independence, green collar jobs and our ag sector. The proposed B5 fuel quality standard does just that. It is time for Iowans to have the opportunity to purchase B5 and to break the Big Oil monopoly on diesel sales in Iowa.”

The petroleum industry has claimed a B5 Fuel Quality Standard would raise diesel prices in Iowa by 7 to 9 cents per gallon. To evaluate this unsubstantiated assertion, IRFA used retail price data provided by the Oil Price Information Service (OPIS) to conduct its own analysis of retail diesel prices in Iowa and neighboring Minnesota, which ramped up its long-standing biodiesel fuel quality standard to B5 (5 percent biodiesel) on May 1, 2009.

IRFA shared its analysis with Iowa State University economics professor Bruce Babcock, director of ISU's Center for Agricultural and Rural Development (CARD). Babcock noted: “The OPIS data is the data that should be used to measure any price difference. And before making the price comparison it is important to subtract state taxes.”

2009 Average Retail Diesel Price (less state taxes)	May – Dec '09
Iowa	\$2.350
Minnesota	\$2.349
B5 Savings	\$0.001

Iowa is the leader in renewable fuels production. Iowa has 39 ethanol refineries capable of producing nearly 3.3 billion gallons annually. In addition, Iowa has 14 biodiesel facilities with the capacity to produce over 315 million gallons annually.

The Iowa Renewable Fuels Association was formed in 2002 to represent the state's liquid renewable fuels industry. The trade group fosters the development and growth of the renewable fuels industry in Iowa through education, promotion, legislation and infrastructure development.

For more information, visit the Iowa Renewable Fuels Association Web site at: www.IowaRFA.org