



**Iowa Biodiesel Board Tells Ag
Committee:
"Seize chance to make state a
national hub"**

March 1, 2010

DES MOINES, Iowa – For every dollar that Iowans spend on diesel fuel, more than 70 cents leave the state. Meanwhile, about half of the state's biodiesel plants sit idle, with those still operating forced to lay off staff or cut pay.

"We spend \$48 million dollars a year on Persian Gulf oil, just to make diesel in the state of Iowa," said Randy Olson, executive director of the Iowa Biodiesel Board. "All the while, our state's own biodiesel industry, which can produce a homegrown diesel fuel substitute from local resources, is dying."

Olson testified before the House Agriculture Committee today in favor of the proposed Iowa Biodiesel Fuel Quality Standard measure. The measure, which passed the State Senate last year with bipartisan support and now awaits passage in the House, would ensure that petroleum companies blend at least 5 percent biodiesel (B5) into the state's diesel fuel.

"The B5 bill could save our state's green jobs, and make Iowa a national hub for meeting the one billion gallons of biodiesel demand created by federal legislation," Olson said. "But if our state is to reap the rewards, we need to seize the opportunity now to make this long-term investment in our state."

Olson pointed out that large petroleum companies have said that the states with biodiesel requirements are likely to be the states that get their business for meeting the federal requirements for "biomass based diesel." The Environmental Protection Agency released the new federal Renewable Fuels Standard rules in February.

"Other states are realizing that federal targets will be met where there are state requirements in place, and are introducing their own legislation," Olson said. "We need to make our move now if Iowa is to be a national leader in biodiesel production."

Olson said making Iowa a leader in production again isn't just good for biodiesel producers. The benefits will radiate throughout the entire economy.

A study of 2009 biodiesel production levels shows an increase in economic activity generated by biodiesel production supported the creation of more than 2,900 permanent jobs throughout the economy and added more than \$470 million dollars to Iowa's GDP annually. However, that had dropped by half, compared to 2008's rewards to the Iowa economy. The economic decline is sure to continue in 2010.

The IBB is one of several state organizations supporting the B5 bill. Others include Iowa Farm Bureau, the American Lung Association of Iowa, the Iowa Soybean Association and the Iowa Renewable Fuels Association.

Biodiesel is a renewable fuel made from agricultural co-products such as soybean oil. Biodiesel blends can be used in any diesel engine, and up to B5 is legally considered diesel fuel.

For more about the Iowa Biodiesel Board, visit www.iowabiodiesel.org.