

American Corn Growers Foundation

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For Immediate Release

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Fossil Fuel Industry Attempting to Redefine Gasoline as “Green” Renewable Energy is like Farmers claiming they are “No-Till” Plowing. That Dog Will Not Hunt says ACGF Chairman.

Ethanol in the fuel supply results in each U. S. household saving an estimated \$1,200 in lower fuel costs.

WILCOX, NEB –September 14, 2012 – “If farm implement dealers tried to sell modern farmers something called a “no-till plow” they might be laughed off the farm, but oil and coal companies are trying to get U.S. government regulatory officials and American consumers to believe that they can create “green/renewable gasoline” or “clean coal” which are both an oxymoron,” said Gale Lush, Chairman of the American Corn Growers Foundation (ACGF), a corn, soybean and wheat farmer from Wilcox, Nebraska. “If a farmer plows, that’s tillage...opposite of no-till. It causes moisture to escape and the soil to dry out as deep as he plowed. It does not fit the definition of ‘no-till’ farming. When oil companies try to say they are creating ‘green gasoline’ from oil or are using some kind of catalytically modified petroleum waste material to create so-called ‘renewable’ gasoline, it’s simply an attempt to redefine renewable fuels and that dog won’t hunt.”

“Some sources of fuel are clearly renewable and some are not. Ethanol from corn and other grains, chopped sorghum, sugarcane, and cellulosic sources such as switch grass, wood chips and similar waste products are certainly correctly defined as renewable energy,” said Lush. “But gasoline produced from petroleum waste oil and petroleum sludge certainly are not renewable energy and we don’t have to be scientists to know that. The U.S. government and U.S. consumers should not allow oil companies to get renewable energy redefined to include such processes and products.”

“It’s no surprise that the oil industry is attempting these redefinition maneuvers given that the American Petroleum Institute (API) initiated a lawsuit against the Environmental Protection Agency (EPA) challenging the 2012 cellulosic and advanced biofuel requirements under the Renewable Fuels Standard (RFS),” added Lush. “Given recent and ongoing attempts by the petroleum industry and other groups that are pushing both the EPA and the U.S. Congress for a waiver of the current corn-ethanol mandate in the RFS it’s no surprise that those same oil industry actors are attempting to redefine what qualifies as, or is defined as, renewable energy in an attempt to take that domestic market away from true renewable energy sources for themselves and their foreign oil company members and allies. What they are attempting does not make the U.S. more energy independent, but would take the country back to more dependency on foreign oil suppliers, energy sources that certainly are not interested in America’s future energy security.”

“Speaking of mandates, consumers, Congress and federal officials must remember that domestic biofuels, including ethanol are the only price, supply and energy security hedge against the Oil Cartel’s taxpayer-subsidized gasoline mandate,” said Lush. “A study by Iowa State University and the University of Wisconsin says that ethanol in the U.S. motor fuel supply is saving American motorists about \$1.09 per gallon at the gas pump, or about \$1,200 per American household in 2011 alone. With the U.S. using about 122 billion gallons of gasoline, \$1.09 per gallon savings equates to about \$133 billion in total gas cost savings to U.S. consumers annually. USDA reports that the farmer’s share of the food dollar is only 14% and consumers spend only 9.5% of their income on food. Really, farmers get only 1.33% (14% x 9.5% = 1.33%) of consumer income, or only \$665 of the medium income of about \$50,000. Consumers spend 9.5% of their income on food meaning each consumer spends about \$4,750 each year. The latest USDA Food Price Outlook for 2012-13 projects an average food price increase of 3 percent. That means each U.S. consumer will spend \$142.50 more for food in 2013. With the average household size of 2.5 people and thanks to the \$1,200 cost savings per household from corn-ethanol in the U.S. fuel supply, each U. S. household realizes net savings of about \$844, because of corn-ethanol.”

Lush concluded, “With the serious 2012 drought it’s important to note a September 10, 2012 DTN news article that reports on a study done by the University of Nebraska (UNL) confirming that one workable alternative for beef producers that find themselves short on pasture and grass is to mix wet distillers grains with solubles (WDGS, from ethanol plants) with low quality forage. The research showed that WDGS-forage mixtures had greater average daily gains than the control group. Researchers found that wet distillers grains with solubles mixed with either straw hay or corn residue can replace a portion of the grass needed for grazing for beef cows without affecting performance. UNL Professor of Ruminant Nutrition Terry Klopfenstein told DTN there are two primary advantages to this type of feeding: it allows producers to keep cattle on pasture and it allows them to expand their herds without having to acquire more grassland.”