

ETHANOL FACTS!

Rural Economic Benefits of Renewable Fuels

The original RFS passed in 2005 has been *successful beyond imagination*.

The Renewable Fuels Standard (RFS) included in the Senate-passed energy bill provides a gateway for expanded ethanol production, use and advancement of other technologies, such as cellulosic ethanol.

Annual local economic impact of a 40 million gallon per year ethanol plant:

- Economic base expansion = **\$110.2 million**
- Additional household income = **\$19.6 million**
- Jobs created = **694** permanent new jobs throughout the entire economy
- New tax revenues = **\$1.2 million**

FUEL FACT

The United States consumes roughly **140 billion gallons** of gasoline a year, *creating an opportunity* for 14 billion gallons of ethanol usage in conventional vehicles. Without an accelerated and expanded RFS to spur additional demand, ethanol facilities will produce enough ethanol within the next two years to saturate this market.

There are currently **73 new ethanol plants** under construction and 10 more are being expanded – new facilities will add more than **6 billion gallons** of ethanol production capacity.

In 1990 the U.S. only had a **900 million gallon** capacity for ethanol production. Now, there are **6.9 billion gallons at 131 facilities**.

Ethanol allows farmers to receive a fair price from the marketplace.

- Local price of corn increases by at least **\$0.05 – \$0.10** per bushel in the area around an ethanol plant.
- USDA estimates the RFS will generate an additional **\$2 – \$4 billion in net farm income by 2012**.

Ethanol allows a reduction of government payments.

- Increased ethanol production will save **\$5 billion** a year in farm bill commodity payments.
- USDA estimates that government payments, which averaged over **7%** of gross cash income for farmers in 2000 – 2005 will decrease to **4%** during most of the next decade.

ETHANOL QUOTE

“Expanded economic opportunities through the production of cost-effective, domestic renewable fuels to all regions of the nation – putting dollars to work in our communities rather than those of other nations delivers economic growth to main street,” Kansas Governor Kathleen Sebelius, testimony to the House Energy and Water Development Appropriations Subcommittee.

Current Renewable Fuel Schedule:

- 2007 = 4.7 billion gallons
 - 2008 = 5.4 billion gallons
- Current Ethanol Production:**
- 2006 = 4.9 billion gallons
 - 2007 = 6.9 billion gallons

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