

For Immediate Release

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### FACT: Biofuels Moderate Prices at the Pump

**Ottawa, ON:** Oil prices hit an all-time high of \$129 per barrel today. Gasoline and diesel prices at the pump keep rising right across Canada, negatively affecting all drivers and consumers. This is because high fuel costs mean higher prices for absolutely everything Canadians purchase. Biofuels are here today, biofuels are the only viable alternative to oil in the transportation sector, and biofuels are helping to lower prices at the pump.

- 'Without biofuels, which can be refined to produce fuels much like the ones made from petroleum, oil prices would be even higher. Merrill Lynch commodity strategist Francisco Blanch says that oil and gasoline prices would be about 15% higher if biofuel producers weren't increasing their output.' – *Wall Street Journal, March 24<sup>th</sup>, 2008*
- 'To replace the global supply of ethanol and biodiesel-based biofuels added to the U.S. and European markets since 2005 would require an additional 1 million barrels of crude oil to be processed per day, the International Energy Agency said Tuesday..."It is sobering to realize the amount of oil that would be needed to replace them," said the IEA.' – *Dow Jones Newswires, May 13<sup>th</sup>, 2008*
- Iowa State University researchers recently studied the impact ethanol has on gasoline prices in the U.S., finding that by expanding the fuel supply, ethanol has lowered gas prices by between (depending on the region) 29 and 40 cents per gallon. – *Xiaodong Du and Dermot J. Hayes, 'The Impact of Ethanol Production on U.S. and Regional Gasoline Prices and on the Profitability of the U.S. Oil Refinery Industry', Iowa State University, Center for Agricultural and Rural Development, April 2008.*
- 'The 'explosive production [of ethanol] is stifling an established driver of oil markets -- U.S. gasoline demand -- and could lead to lower prices at the pump..."Ethanol blending could help ease U.S. refining bottlenecks and that could be ultimately reflected in lower prices at the pump," said Eric Wittenauer, an analyst at AG Edwards in St. Louis.' – *Reuters, February 14<sup>th</sup>, 2008*
- 'The International Energy Agency said that crop-based fuels were vital to meeting the world's current and future energy demand. Biofuels already make up about 50 per cent of the extra fuel coming to the market from sources from outside of the Opec oil cartel this year. This explains why fears of a retreat this week helped drive oil prices to record levels...William Ramsey, deputy executive director of the IEA, said: "If we didn't have those barrels, I am not sure where we would be getting those half a million barrels.'" – *Financial Times, April 26<sup>th</sup>, 2008*
- 'Truck drivers who bring food to the grocery store have taken a beating at the gas pump – even more than you have. The cost of diesel has jumped twice as much as regular unleaded gas. The national average for diesel is hovering above \$4 a gallon. How bad is it? Truck drivers are paying 164% more than they did 5 years ago. That means it cost them an additional \$756 to fuel up a typical tractor-trailer. You read right – \$756 more! To keep on truckin,' trucking companies need to pass some of that increase onto food companies, grocery stores, and the end consumer.' – *Illinois Farm Bureau, [www.farmingforyou.org](http://www.farmingforyou.org)*

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**For more information, please contact:  
Robin Speer, Vice President, Public Affairs, CRFA  
613-295-6485 or visit [www.greenfuels.org](http://www.greenfuels.org)**