

FUEL CHOICE FACTS



There currently seems to be a lot of confusion about biodiesel statistical data. Perhaps the issue is simply unbiased sourcing. While the pro-mandate Iowa Renewable Fuels Association “conducted its own analysis” and sourced findings from their national affiliate, Iowans for Consumer Fuel Choice uses documented figures from credible sources such as the Iowa Department of Revenue, the Minnesota Department of Revenue and the Oil Price Information Service (OPIS), a private company that Iowa State agencies such as the Iowa Department of Transportation rely on for purchasing data.

Minnesota’s Mandate and Declining Diesel Volume

Minnesota was the first state to issue a biodiesel mandate with a B2 requirement in 2005. To ensure that we have not “cherry picked” abnormal market conditions, we have analyzed annual diesel volumes for Iowa and Minnesota over the past seven years. The historical data clearly reveals a negative impact from the Minnesota mandate, with a decline of more than 15 million gallons. If Minnesota had experienced the same growth as Iowa at 17 percent, their seven-year total volume increase would have been more than 110 million gallons — or an opportunity cost of more than 126 million gallons.

Mandates and Prices

The Iowa Renewable Fuel Association also claims a biodiesel mandate will not increase fuel prices. The fact is that eliminating consumer choice and taking away supplier competition will produce but one logical outcome — it will raise the price Iowans pay at the pump.

In May of last year, Minnesota increased their biodiesel mandate requirement from B2 to B5. According to OPIS data, since enacting the B5 mandate the average cost of Minnesota diesel has increased by 7- to 9-cents per gallon above Iowa prices. We also should note the Minnesota mandate currently is suspended due to cold weather issues — a provision notably absent from Iowa’s proposed legislation.

Job Creation

Proponents tout economic impact and job creation as benefits of biofuel mandates. Yet consider this, Iowa’s entire biodiesel industry today employs fewer than 210 people — less than half the number of Iowans, 443, working for the Iowa 80 Truck Stop. A competitive price disadvantage of 9 cents per gallon, like in Minnesota, would conservatively cause the Iowa 80 Truck Stop to lose 30 percent of its diesel sales and result in a corresponding loss of 132 jobs. That’s just one retailer — multiply the losses by 50 other truck stops and you start to get a pretty good idea of the impact from this “jobs bill.”

ICFC’s Logical Position on Biodiesel Mandates

Our facts and figures are clear, and so is our position. With federal biofuel mandates already in place and the 2006 Iowa Renewable Fuels Standard supporting these requirements, there is absolutely no need for a biodiesel mandate in Iowa.

STATE DIESEL VOLUME COMPARISON

	IA Taxable Diesel	MN Taxable Diesel	MN Volume as a % of IA Volume
2002	566,013,983	652,429,791	115%
2003	569,542,150	642,405,645	113%
2004	603,250,245	667,953,201	111%
2005	648,349,990	666,748,942	103%
2006	668,312,143	654,673,842	98%
2007	682,328,314	646,362,394	95%
2008	660,014,041	637,071,410	97%

7-Year Growth; IA	94,000,058	(17%)
7-Year Growth; MN	-15,358,381	(-2%)

Sources: Iowa Department of Revenue and Minnesota Department of Revenue

Iowans for Consumer Fuel Choice serves as the voice of reason for responsible renewable fuel development in Iowa. Our perspective is clear ... biofuels are good for Iowa; mandates are bad for Iowans!



Join the voice of reason for responsible renewable fuel development. Get the facts at GiveMeFUELCHOICE.org