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Ethanol will save Americans more than \$1 billion this year

Sioux Falls, SD (October 13, 2008) – With the economy on shaky ground, there is some good news to report at the pump – ethanol will save Americans more than \$1 billion this year.

“With ethanol selling for a dollar less per gallon than gasoline, Americans will benefit from ethanol this year through savings of \$1 billion to \$1.25 billion,” said Ron Lamberty, Vice President / Market Development for the American Coalition for Ethanol (ACE), the nation’s largest ethanol advocacy association. “And this doesn’t begin to factor in the savings to consumers as ethanol has expanded our domestic fuel supply and has helped drive down gas prices.”

Gas prices have dropped more than a dollar from highs earlier this year. Current published rack prices show ethanol selling for about \$1 per gallon less than gasoline. Based on expected ethanol production of approximately 9.4 billion gallons this year, total national savings due to ethanol will be between \$1 billion and \$1.25 billion.

“Fuel consumption is down, and thanks to expanding ethanol production, refiners have a greater supply of inexpensive, high octane, and clean burning ethanol to blend in to their gasoline. Ultimately, that makes more fuel available and drives down the prices at the pump,” Lamberty said.

Because of ethanol’s blending economics, adding more ethanol to each gallon of gasoline would mean additional savings. At today’s volume and prices, Americans would save \$1.62 billion annually if every gallon of gas contained 10 percent ethanol. Moving to E15 would take the nation’s annual fuel savings \$2.23 billion.

“Ethanol is the most promising domestic supply of fuel this country has today. It doesn’t need to be drilled for or imported. It doesn’t require more years of laboratory study or significant changes to infrastructure. It is less expensive and a lot cleaner than gasoline, and it is here today. We need to be allowed to use more of it,” Lamberty added.

Retail gas prices have fallen as of late, and so have grain prices. Corn is now selling around the \$4 mark, fully half of its value this summer when speculative trading drove it as high as \$8 per bushel. Consumers should be reminded of the Grocery Manufacturers of America’s claims this year that higher corn prices were driving up their costs and requiring them to increase prices in the grocery aisle. But now that grain prices have dropped, have retail grocery prices followed?

“Big Grocery’s claims that ethanol and corn prices were to blame for their food price increases don’t add up. Now that commodity prices have fallen, consumers should ask where the savings are,” said Brian Jennings, Executive Vice President of ACE. “Ethanol was a convenient excuse for a multi-million-dollar PR campaign to justify price hikes on American consumers.”

For more information, visit www.ethanol.org.

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The American Coalition for Ethanol (ACE) is the grassroots voice of the U.S. ethanol industry, a national advocacy association for the ethanol industry with nearly 1,600 members nationwide, including farmers, ethanol producers, commodity organizations, businesses supplying goods and services to the ethanol industry, rural electric cooperatives, and individuals supportive of increased production and use of ethanol. For more information about ethanol or ACE, visit www.ethanol.org or call (605) 334-3381.