



FOR IMMEDIATE RELEASE

Contact: Kristin Brekke
kbrekke@ethanol.org / (605) 334-3381

**Grocery manufacturers' claims against ethanol are deceiving,
Proposed remedy would drive up fuel prices**

Sioux Falls, SD (May 22, 2008) – As the Grocery Manufacturers Association and other anti-ethanol groups launch a multi-million-dollar PR campaign against ethanol today, the American Coalition for Ethanol (ACE) reminds the public of two key facts: ethanol is keeping oil and gas prices from going even higher and ethanol is not the culprit behind increases in the food prices.

“As oil prices soar to new record highs nearing \$135 per barrel, a who’s who of groups with various political axes to grind against ethanol are announcing a dishonest PR attack campaign designed to demonize ethanol,” said Brian Jennings, executive vice president of ACE. “Their claims that ethanol is the primary cause of rising food prices are disingenuous and their so-called remedies would lead to even higher food and fuel prices for Americans.”

On a conference call today with the media, grocery manufacturers and other anti-ethanol interests again tried to point the blame at ethanol for the increase in food prices.

“Despite what these ethanol opponents want everyone to believe, economic experts agree that the facts don’t support the sensational claims of ethanol being the primary culprit in increasing food prices,” Jennings added. “We welcome a fact-based discussion on the topic of food prices, which should include the truth about how high oil prices weather-related crop shortages, surging demand, and speculative investments contribute more to food prices than corn-based ethanol does.”

Ethanol is not responsible for driving up food prices. Economic experts – including the heads of the National Economic Council, the White House Council of Economic Advisors, and the USDA – note that corn-based ethanol is responsible for only 2-3% of the increase in food prices.

Without ethanol, oil and gas prices would be even higher. Merrill Lynch analysts say that if ethanol producers weren’t expanding their output, oil and gas prices would be 15% higher – meaning oil at more than \$150 a barrel and gas at more than \$4.35 a gallon. Iowa State University research shows that the availability of ethanol has caused gas prices to be 29-40 cents per gallon lower than they would otherwise have been.

“New data from the Department of Energy shows that oil imports have dropped for the first time since 1977, and that foreign oil dependency is expected to fall in the next seven years as ethanol production ramps up. Despite this new attack campaign against ethanol, the facts clearly indicate that ethanol is part of the solution to U.S. energy security, economic, and climate change concerns,” Jennings said.

Download a fact sheet on ethanol and food prices: http://www.ethanol.org/pdf/contentmgmt/FOOD_PRICE_BACKGROUND.pdf

###

The American Coalition for Ethanol (ACE) is the grassroots voice of the U.S. ethanol industry, a national trade 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.