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### **Ethanol Saves Consumers Money!**

DEWITT, MICH. – Gasoline prices continue to rise, but not to the heights they would without ethanol, a homegrown, renewable biofuel made from corn. United States’ ethanol producers are continuing to meet the demand for ethanol to help reduce the cost consumers are paying for fuel at the pump. Consumers are not the only ones benefiting from ethanol’s extension of the U.S. fuel supply, virtually every sector of the American economy is positively impacted.

“Many consumers are frustrated over the high price of gasoline, but the cost of filling up their tanks would be even higher if gas was not being blended with ethanol,” said Jody Pollok-Newsom, Corn Marketing Program of Michigan (CMPM) executive director.

In fact, Merrill Lynch head of commodities research Francisco Blanch told the *Wall Street Journal*, that because of biofuels, a gallon of gasoline costs 15 percent less. That means consumers are saving up to 30 cents per gallon of gasoline, assuming gas is \$2.25 a gallon. The Department of Energy estimated Americans used 390 million gallons a day, or 142 billion gallons of gasoline a year, in 2008. With the cost benefit from biofuels, Americans are saving \$47 billion each year at the gas pump!

Ethanol saves consumers money because it is blended with gasoline and extends our fuel supply. The most common consumer use of ethanol is E10, a blend of 10 percent ethanol and 90 percent gasoline. Many companies choose to blend ethanol because it provides consumers with a cleaner-burning, high-octane fuel. Currently, all automobile manufacturers warrantee the use of E10 in their vehicles. It is not required to label a pump enriched with ethanol in Michigan, so if you would like to know if the gasoline you are purchasing is blended with ethanol, simply ask the gasoline retailer. According to the Renewable Fuels Association, more than 50 percent of the gasoline in the United States is blended with ethanol.

Another ethanol blend of fuel available to consumers is E85, a blend of 85 percent ethanol and 15 percent gasoline. E85 can be used in flexible fuel vehicles (FFVs). FFVs have modified engines with the capability to run on varying octane levels, from gasoline at 87 octane up to E85 at 105 octane. A current list of FFVs and E85 pump locations can be found at [www.e85fuel.com](http://www.e85fuel.com).

“While consumers are feeling the pinch of prices at the pump and growing food costs, oil companies are enjoying soaring profits. The higher cost of oil is being passed on to customers in their gas tanks and also in their grocery carts, yet oil companies continue to enjoy increasing profits,” said Pollok-Newsom.

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Helping to keep fuel prices down also saves consumers money in the grocery store. One of the main factors that is spurring higher food prices is increased transportation costs. According to an analysis of food, energy and corn prices conducted by John Urbanchuk of LECG, LLC, “rising energy prices had a more significant impact on food prices than did corn.” In fact, rising energy prices have twice the impact on the Consumer Price Index for food than does the price of corn, according to the report.

“Ethanol is made from field corn, not sweet corn that you would buy at the store. There is a relatively small amount of field corn in many of our favorite corn products. For example, if you were to purchase a box of corn flakes, less than 10 cents of that is corn value,” said Clark Gerstacker, CMPM president and a corn grower from Midland. “A lot of the other cost is in transportation. Biofuels are not only helping consumers save money at the pump, but are also helping to decrease transportation costs, so consumers are saving money at the grocery store.”

Headquartered in DeWitt, the CMPM is a legislatively-established statewide program that utilizes one-cent per bushel of Michigan corn sold. Investments are made in the areas of research, education, market development, and new uses in an effort to enhance the economic position of Michigan corn producers. CMPM works cooperatively with the Michigan Corn Growers Association (MCGA), a grassroots-membership association representing the state’s corn producer’s political interests. For more information on the CMPM and the MCGA, visit the web site at [www.micorn.org](http://www.micorn.org).

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