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Our soybean checkoff. Effective. Efficient. Farmer-Driven. July 2010 Volume 12, Issue 5

Innovative New Uses for Soy

Demand for Bioheat Warms Up



More states look to enact laws requiring heating oil to be blended with cleaner burning, sustainable biodiesel. Massachusetts is the first state to require that heating oil and diesel fuel be mixed with a 5 percent biodiesel blend by 2013, and although the state is making 2010 a voluntary year for biodiesel blending while complete regulations are developed, the state has set the pace for other states to move ahead with

biofuels. Connecticut has also gone on record as supporting Bioheat®, and the industry expects it to implement its new laws in order to improve air quality.

Bioheat represents a renewable and domestically produced heating oil made by blending pure biodiesel with generic heating oil, and offers homeowners the same environmental and performance benefits that biodiesel offers diesel vehicle owners. Biodiesel represents a clean burning fuel that reduces dependence on imported oil.

Soybean oil remains the dominant feedstock used to manufacture biodiesel, including the biodiesel used in Bioheat blends. The United Soybean Board (USB) and the soybean checkoff fund a large portion of the research and development of this beneficial biofuel through the National Biodiesel Board (NBB).

Heating oil sales account for nearly 8 billion gallons per year, depending on the severity of the winter, according to the National Oilheat Research Alliance, a "checkoff" or research and promotion organization for the U.S. heating oil industry. Blending biodiesel with that supply at a rate of 5 percent could increase demand for biodiesel by 450 million gallons annually.

About 40 percent of the homes in the mid-Atlantic and Northeast sections of the country use heating oil. Consumers remain willing to pay 4 to 4.5 cents per gallon more for heating oil with biodiesel, in order to reap the benefits of cleaner burning oil, says Paul Nazzaro, president of Advance Fuel Solutions and petroleum industry liaison for NBB.

"The heating oil industry, including the leadership of the National Oilheat Research Alliance, would like to offer customers a cleaner-burning, renewable fuel by blending our fuel with biodiesel and ultra low sulfur diesel, and this is an important and much-needed shift for the industry,"says Michael Ferrante, president of the Massachusetts Oilheat Council. "I look forward to the partnership and working with state officials, NBB and the soybean checkoff."

To learn more about the benefits of Bioheat visit <u>www.bioheatonline.com</u> or <u>www.biodiesel.org</u>. To learn more about new uses for soy, visit <u>www.soynewuses.org</u>.

USB is made up of 68 farmer-directors who oversee the investments of the soybean checkoff on behalf of all U.S. soybean farmers. Checkoff funds are invested in the areas of animal utilization, human utilization, industrial utilization, industry relations, market access and supply. As stipulated in the Soybean Promotion, Research and Consumer Information Act, USDA's Agricultural Marketing Service has oversight responsibilities for USB and the soybean checkoff.

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