



Biodiesel Set to Increase Economic and Environmental Benefits in 2011 and Beyond



Soybean checkoff representatives visit Metro Energy, a New York fuel supplier, to discuss biodiesel in diesel and home heating fuel applications. Photo courtesy of the National Biodiesel Board

In recent years, the U.S. biodiesel industry supported the U.S. economy by creating 20,000 jobs and generating more than \$800 million in tax revenue, all from 475 million gallons of biodiesel production. Those numbers could be even greater in 2011 as industry changes are implemented.

The Environmental Protection Agency's (EPA) Renewable Fuel Standard-2 (RFS-2) requires the use of 800 million gallons of biomass-based diesel fuel in 2011 and more than 1 billion gallons in

2012 and beyond, which creates an opportunity for biodiesel. In addition, the EPA certified biodiesel as an advanced biofuel, meaning it reduced greenhouse gas emissions by at least 50 percent compared with petrochemical diesel. With these changes, biodiesel will continue its positive impacts on the U.S. economy, as well as the environment.

Biodiesel's renewable feed sources, like soybean oil, helped it become the first advanced biofuel commercially available in the United States. Diesel users can purchase biodiesel in every state.

From a technical standpoint, biodiesel improves fuel lubricity by 66 percent compared with petrochemical diesel and performs similarly in terms of torque, horsepower, haulage rates and fuel mileage. Biodiesel can reduce greenhouse gas emissions by as much as 75 percent, which can help fight climate change.

Many municipalities around the country already embrace biodiesel by using it in park districts and city buses. New York City, the U.S.'s largest municipal biodiesel user, fuels its 4,000 sanitation trucks with B20 biodiesel blends (20 percent biodiesel and 80 percent diesel) and uses B50 in parks department vehicles in Central Park, Yankee Stadium and Coney Island.

New York City's biodiesel use doesn't stop with just fuel for vehicles. The city plans to implement a B2 requirement on home heating fuel in 2012, replacing 20 million gallons of petrochemical diesel annually with biodiesel. The combined heating oil product is marketed by the name Bioheat® and is available in the Northeast and Mid-Atlantic regions.

Biodiesel's impact doesn't revolve solely around tax revenues and jobs - it also creates benefits for the poultry and livestock industries. According to a recent study funded by the U.S. Department of Agriculture (USDA), when demand for soybean oil increases, the price of the other soybean component, soybean meal, decreases. As biodiesel raises demand for soybean oil, a decreased price in soybean meal lowers the input costs for poultry and livestock producers. The food industry uses more than 70 percent of the U.S. supply of soybean oil. Oil makes up just 18 percent of a soybean, while the remainder consists of protein-rich meal, which goes to feed humans and animals across the globe. A USB study found that industrial demand for soybean oil for such things as biodiesel and soy-based products increases the supply of soybean meal, which can be used to produce more food.

With demand expected to grow, biodiesel is positioned to impact the economy in 2011 and beyond. For more on biodiesel and to find biodiesel suppliers in your area, visit www.biodiesel.org. To learn more about other soy-based products, visit www.soynewuses.org.

USB is made up of 69 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.