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### **FARM BUREAU URGES USE OF ETHANOL AS GASOLINE OXYGENATE IN NEW JERSEY**

**Trenton, NJ (March 30, 2005)** -- New Jersey is one of few remaining states with mandates for oxygenated gasoline being fulfilled by use of MBTE. Yet evidence continues to mount that this petroleum-based product can leak into drinking water wells and seep into aquifers and ground water, remaining there for many years. Nineteen states have banned it, including New York and Connecticut, both of which in 2004 seamlessly switched over to ethanol as oxygenate, with no consequent increase in gasoline prices.

Ethanol is the immediate and logical gasoline oxygenate replacement, and it is firmly backed by the New Jersey Farm Bureau as a new use for corn grown in this and neighboring states. Both the Farm Bureau and the New Jersey Department of Agriculture have passed 2005 policy resolutions to promote its use. One million dollars of federal funding has been appropriated to the Department of Agriculture for use in permitting, administrative and legal costs as plans move forward for what may be the east coast's first ethanol plant, in Gloucester County. Costs of developing, building and operating the plant will come from private investment.

"Ethanol's time has come for the East Coast," says Richard Nieuwenhuis, president of the New Jersey Farm Bureau, the independent grass-roots organization. "The process for producing it has been improving for 25 years and now, according to our research, that of the Renewable Fuels Association and Argonne National Laboratory, ethanol production is virtually odor- and particle-free, and it produces more energy than it takes to make it. The industry projects that by 2012, blending ethanol with gasoline could reduce imports of crude oil by 1.6 billion barrels a year."

"Wouldn't it be a good thing to not only reduce our dependence on foreign oil and its offshoot, MTBE, but also be able to produce energy that is renewable within our own state, while benefiting our farmers and the public at large in the process?" asks Nieuwenhuis. "Research presented by the New Jersey Department of Agriculture shows that the planned ethanol plant is projected to use 14.5 million bushels of corn per year to generate 40 million gallons of ethanol, and the distilling process would also produce 121,000 tons of distilled grains for use as livestock feed; the CO-2 can be captured and used for beverage carbonation and dry freeze products (dry ice, for example)."

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According to the Renewable Fuels Association (RFA), during 2004, an estimated 3.41 billion gallons of ethanol were produced nationwide from 1.26 billion bushels of corn. In contrast to mistaken notions about energy inefficiency, ethanol produced 167% of the fossil energy used to grow, harvest, transport and process the grain that went into it.

Additional ethanol statistics cited by the association include:

- >Reduction in gasoline prices by nearly 30-cents per gallon.
- >Reduction of more than 7-million tons of CO-2 equivalent greenhouse gas emissions.
- >13.2 Btus of ethanol produced from every one Btu of petroleum fuel used to make it.
- >Ethanol additives reduced CO2-equivalent greenhouse gas emissions by approximately 5.7 million tons -- equal to removing annual emissions of 1.04-million cars.

RFA also reports that 81 existing ethanol plants currently can produce more than 3.6 billion gallons annually and, with 16 additional plants under construction, annual production capacity will expand to 4.4 billion gallons. Nineteen states currently use it exclusively to oxygenate automotive fuel, including New York and Connecticut, both of which switched over seamlessly from MTBE in 2004.

The American Lung Association credits ethanol-blended gasoline with reducing smog emissions 25% since 1990. If the ethanol additive is increased to 85% and 95%, ozone-forming emissions can be reduced by 30% to 50%, according to the U.S. Department of Agriculture. Vehicles require modification to use that blend, but there are currently four million of these "flexible fuel" vehicles on the road, capable of burning "E-85" (an 85% ethanol to gasoline blend) -- General Motors is the largest manufacturer of them. The Chicago Board of Trade is about to launch a futures contract in ethanol. Even the Indy Racing League will be running its race cars on ethanol in 2006. The league's cars have long been testing ground for the auto industry's experimental equipment.

Gasoline blended with up to 10% ethanol can be used in all motor vehicles without modification. Milwaukee-area motorists have been using this 10% blend since 1995. Closer to home, Getty stations in the northeast have been offering ethanol-blended gasoline for 12 years.

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"The perception that the energy used in producing ethanol is greater than the energy produced, which in turn increases gasoline prices, is based on 25-year-old technology," says Nieuwenhuis. "A study by the U.S. Department of Agriculture found that using the best farming and production methods, the amount of energy contained in a gallon of ethanol is more than one-and-half times the energy used to grow the corn and convert it. And advances are continuing. The next generation of ethanol probably will be produced from corn stalks and other vegetable waste material. This is a very exciting time for home-grown energy.

"New Jersey is the most densely populated, most traffic-jammed state in the country and its inhabitants increasingly suffer with breathing disorders from gasoline emissions. Ethanol can reduce those emissions, won't leak into water supplies and will contribute to both the personal and economic health of New Jersey. There is no downside," Nieuwenhuis concludes.

The New Jersey Farm Bureau is a member organization of more than 19,000 farmers and farm-related entities within the Garden State. It is the only organization solely dedicated to representing the grass-roots interests and directives of its members to educate all levels of government and the public on the farm community's policies and positions. The Farm Bureau also takes a lead in seeking out initiatives, activities and ventures to enhance the profitability of producer members and ensure the viability of agriculture in New Jersey -- *the Garden State for Good Reason -- our farms.*

For further information, contact the New Jersey Farm Bureau, at The Farmhouse, 168 West State Street, Trenton, NJ 08608. Phone 609-393-7163; fax 609-393-7072; email [mail@njfb.org](mailto:mail@njfb.org); website [www.njfb.org](http://www.njfb.org)

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Attachment to NJ Farm Bureau Ethanol release:

**From: US Department of Energy, Argonne Laboratory, Transportation Technology R&D Center**

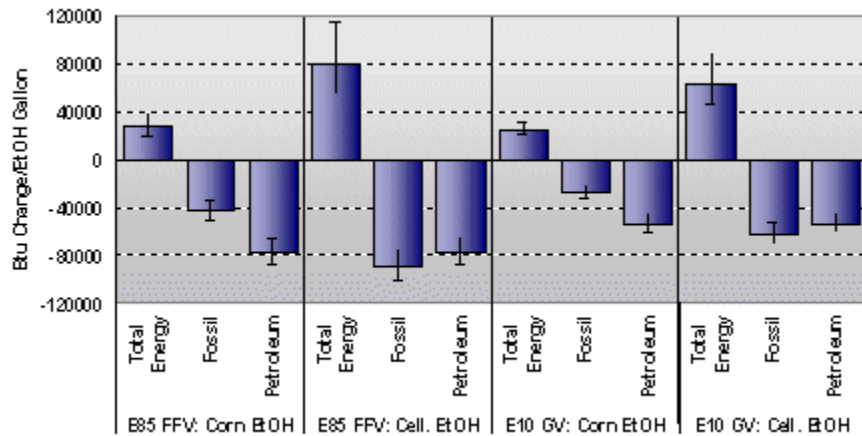
## **Energy and Emission Benefits of Fuel Ethanol**

The United States now uses about 3 billion gallons of fuel ethanol a year, second after Brazil in fuel ethanol use. Most of this fuel ethanol is blended with gasoline. Congress is currently considering legislation that could increase fuel ethanol use to 5 billion gallons a year. At present, most of the U.S. fuel ethanol is produced from corn.

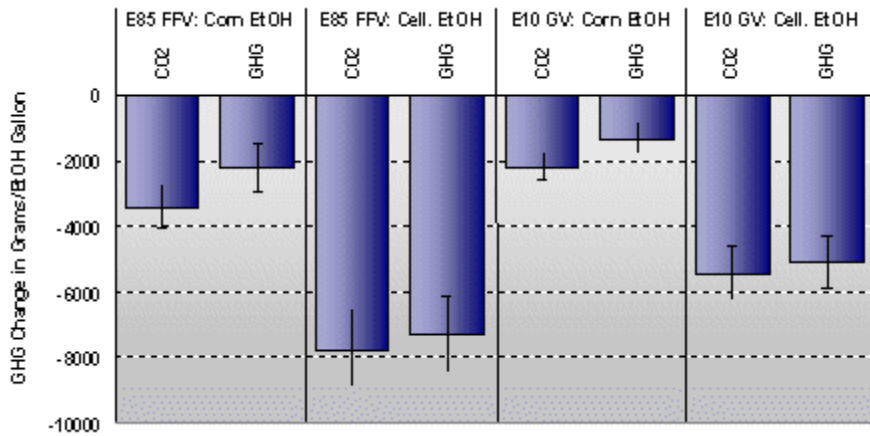
Since fuel ethanol was first used in the United States in the early 1980s, there have been debates about whether corn-based ethanol provides energy and emission benefits. Some critics of corn ethanol argue that it has a negative energy balance (the energy in ethanol itself minus fossil energy used for corn farming and ethanol production). Beginning in 1996, Argonne began to address the energy and emission effects of ethanol produced from corn and from cellulosic biomass. In 1997, Argonne completed a study for the State of Illinois evaluating the fuel-cycle energy and greenhouse gas effects of corn ethanol. The study concluded that corn ethanol did indeed reduce fossil energy use, petroleum use, and greenhouse gas emissions. The reason? Simple, really — in the last 30 years, corn yield per unit of chemical inputs has gone up significantly. At the same time, energy use by ethanol production plants has gone down significantly.

## **Energy Balance of Corn Ethanol from Various Studies**

Since that study was completed, Argonne has continued to address the energy and emission effects of corn ethanol and cellulosic ethanol as part of the analytical team for the U.S. Department of Energy (DOE) Biomass Program. Argonne has also collaborated with the U.S. Department of Agriculture and U.S. Environmental Protection Agency to analyze energy and emission effects of fuel ethanol. Argonne's analysis showed that while corn ethanol achieved moderate reductions in fossil energy use and greenhouse gas emissions, cellulosic ethanol with biomass feedstocks from fast-growing trees and switchgrass can have huge energy and greenhouse gas emission reduction benefits. The charts below show those energy and greenhouse gas emission benefits.



Change in Energy Use by Fuel Ethanol Relative to Petroleum Gasoline (Btu per Gallon of Ethanol Used)



Reductions in Greenhouse Gas Emissions by Fuel Ethanol (Grams per Gallon of Ethanol Used)

**Legend**  
 Cell. = Cellulosic  
 E10 = Fuel blended with 10% ethanol  
 E85 = Fuel blended with 85% ethanol  
 EtOH = Ethanol  
 FFV = Flexible-fuel vehicle  
 GHG = Greenhouse gas  
 GV = Gasoline vehicle

Argonne continues to address energy and emission effects of fuel ethanol with DOE support. At present, Argonne participates in DOE's effort to analyze energy and environmental benefits of biorefineries. Argonne is also participating in a project to analyze technology and resource potentials of biofuels called, "The Role of Biomass in America's Energy Future."

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