

## Biodiesel Adds 30-Cents per Bushel of Soybeans

In 1998, biodiesel production in the United States was at a mere 200,000 gallons. In less than 10 years, production has skyrocketed to about 300 million gallons. The government's biodiesel tax incentive is the main reason for this success, and the reason the biodiesel tax incentive even exists is because of the work of the American Soybean Association (ASA). Now farmers are receiving about 30-cents more per bushel of soybeans.

ASA, a farmer member organization, led the initiative for the first biodiesel tax incentive, enacted in 2004 and extended in 2005. ASA is the policy advocate and voice for U.S. soybean growers in Washington, D.C.

Analysis published by the U.S. Department of Agriculture (USDA) indicates that every 50 million gallons of biodiesel raises soybean prices 1 percent. At the current level of 300 million gallons, biodiesel demand is already adding about 30 cents per bushel.

During the past 10 years, ASA has helped the biodiesel industry grow through its work to get biodiesel included in the Energy Policy Act, as of 1998, and establishment of the Bioenergy Program in 2001. ASA achieved major success with the biodiesel tax incentive in 2004, and just a year later got the incentive extended through 2008.

ASA will continue to champion support of biodiesel with the Administration and Congress for extension of the biodiesel tax incentive beyond 2008, as well as an expanded role for biodiesel in the Renewable Fuels

Standard. ASA was pleased when President George W. Bush recognized biodiesel in his State of the Union address in January.

"For too long our nation has been dependent on foreign oil," said President Bush. "It is in our vital interest to diversify America's energy supply – and the way forward is through technology." The President specifically called to "...expand the use of clean diesel vehicles and biodiesel fuel."

President Bush called for a larger Renewable Fuels Standard for the nation of 35 billion gallons by 2017.

"Through American-made biodiesel, U.S. soybean growers can play a vital role in meeting this new goal that will strengthen America's economy, national security and environment," said ASA Chairman Bob Metz, a soybean grower from West Browns Valley, S.D.

It is important for soybean farmers to understand that, by law, NO checkoff dollars can be used for policy work like the biodiesel tax incentive. Only ASA, a voluntary membership organization, is driving biodiesel growth and farmer profitability through legislative and policy initiatives. ASA needs more soybean growers as members to strengthen the impact and collective voice of U.S. soybean farmers in Washington, D.C. If you are not already a member, please join ASA and your state soybean association today. Join online at [www.soygrowers.com](http://www.soygrowers.com) or call 800/688-7692.

