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NEWS

FOR IMMEDIATE RELEASE

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Missouri and Iowa Biodiesel Plants Join Growing Number of Production Facilities

Mid-America Biofuels and Western Iowa Energy to Increase Availability Across Nation

JEFFERSON CITY, Mo. – Western Iowa Energy today held a groundbreaking ceremony for a large new biodiesel production facility in Wall Lake, Iowa. Earlier this week, Mid-America Biofuels, LLC, announced plans to build Missouri's first large-scale biodiesel production plant in Mexico, Mo. Both plants signify a growing industry getting into position to meet greater demand for biodiesel, which has been stimulated by the passage of a federal tax incentive.

Mid-America Biofuels, LLC is a joint venture of Biofuels, LLC, a farmer-owned biodiesel business based in Jefferson City, Mo; Ray-Carroll County Grain Growers, Richmond, Mo; and MFA Oil Company, Columbia, Mo. Archer Daniels Midland Company (ADM) of Decatur, Ill., also entered into a letter of intent to purchase an interest in Mid-America Biofuels and provide key products and services to this joint venture. The facility will have a nameplate capacity of 30 million gallons of biodiesel production per year and will produce biodiesel made from soybean oil.

“Biodiesel demand is growing rapidly, and we believe Missouri is the right place to produce biodiesel and fill that demand,” said Warren Stemme, St. Louis-county farmer, president of Mid-America Biofuels and member of the National Biodiesel Board (NBB). “Additionally, I believe we have put together an unbeatable team, with each member providing resources and experience that will make Mid-America Biofuels a success.”

Dignitaries on hand at the Missouri announcement included U.S. Senator Christopher (Kit) Bond (R-Mo.) and U.S. Representative Kenny Hulshof (R-Mo.).

“The biodiesel development effort that has culminated into the national movement we see today, started in Missouri in the early 1990s,” said Joe Jobe, NBB CEO. “Missouri soybean farmers were the first to begin investing their checkoff dollars into research on biodiesel, and were even leaders in the formation of the NBB in 1992. Likewise, Iowa is the leading state in biodiesel production and Iowa soybean farmers have done much to help lead the effort to expand biodiesel development nationwide.”

(more)

The Western Iowa Energy facility will produce 30 million gallons of biodiesel per year. Iowa is a leading soybean producing state, and has three already operating biodiesel manufacturing plants.

“It’s nice to see that enthusiasm for the use of biodiesel,” said Ed Ulch, Iowa soybean farmer and member of the Iowa Soybean Board and the NBB. “And of course, the momentum going right now with the tax incentive is positive, and the pricing balance between soy biodiesel and No. 2 diesel has become more competitive.”

Other states also have added to the nation’s biodiesel pool. New plants that have started production in approximately the last six months are Bio Energy of Colorado, Denver; Biodiesel of Mississippi, Inc., Nettleton; City of Denton, Texas; Earth Biofuels, Meridian, Miss.; Environmental Alternatives, Brooklyn, N.Y.; FUMPA Biofuels, Redwood Falls, Minn; Johann Haltermann, LTD, Houston, Tex.; Missouri Better Bean, Bunceton; Peach State Labs, Rome, Ga.; Seattle Biodiesel, LLC, Wash. and South Texas Blending, Laredo. Some plants have expanded their operations.

There are currently 32 biodiesel production plants throughout the country. Biodiesel production and sales on average have doubled every year. 2004 sales were estimated at 30 million gallons.

“The biodiesel tax incentive, which took effect January 1, 2005, has had a dramatic and positive effect on demand,” Jobe said. “Also, state initiatives in Minnesota and Illinois have spurred demand regionally.”

By the end of 2005, there is expected to be at least 100 million gallons of additional biodiesel capacity. In addition to the Wall Lake, Iowa, plant, this growth will include:

- SoyMor Plant, Glenville, Minn. (30 million gallons per year)
- AEP Plant Expansion, Sergeant Bluff, Iowa (additional 12 million gallons per year)
- Minn. Soybean Processors, Brewster, Minn. (30 million gallons per year).

Go to www.biodiesel.org/buyingbiodiesel/producers_marketers/ProducersMap-existingandpotential.pdf for a map of current and proposed biodiesel plants.

Biodiesel, produced from renewable fats and oils such as soybean oil, works in any diesel engine with few or no modifications. It offers enhanced lubricity and cetane, plus similar horsepower and torque when compared to petroleum diesel. In both Missouri and Iowa, approximately 50 percent of soybean farmers use biodiesel in their operations. Over 500 major fleets use biodiesel nationwide, such as the National Park Service, state departments of transportation and the military. Nationally, more than 400 retail filling stations make various biodiesel blends available to the public, and more than 1,400 petroleum distributors carry biodiesel and biodiesel blends. The use of biodiesel yields significant environmental benefits, such as a reduction in emissions of particulate matter, unburned hydrocarbons and carbon monoxide compared to petroleum diesel, and it significantly reduces emissions of lifecycle CO₂.

Readers can learn more about biodiesel and the NBB by visiting www.biodiesel.org. This material sponsored by the USDA Biodiesel Education Program.

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