



# NEBRASKA ETHANOL BOARD

STATE OF NEBRASKA

DAVE HEINEMAN  
GOVERNOR

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## PRESS RELEASE

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### Gas prices spark consumer inflation

The high price of oil and gas is driving up the cost of nearly all consumer products, but the ethanol industry helps keep the Nebraska economy strong amidst nationwide inflation.

A recent study by Creighton University economist Ernie Goss found that the ethanol industry and higher ag commodity prices have boosted the Midwest economy while much of the country faces an impending recession.

The production and use of ethanol strengthens Nebraska's economy while lowering fuel costs. Ethanol blended fuels saved Nebraska consumers more than \$70 million during 2007. Francisco Blanch, a commodities expert for Merrill Lynch, said that biofuels like ethanol lower gas prices by at least 15% on a nationwide basis. "Those energy savings are retained in the domestic economy," noted Jim Jenkins, Nebraska Ethanol Board chairman.

In 2007, the top five oil companies alone raked in over \$123 billion in pure profits. But oil companies are still fighting to keep over \$18 billion in tax breaks and subsidies from the federal government. Much of the profit earned on imported oil and gasoline is enhanced by subsidies.

"Oil companies make more in 13 seconds than the average American makes in one year. As an alternative to giving subsidies for imported fossil fuels, perhaps oil subsidies should be directed to cleaner, domestic alternatives," said Todd Sneller of the Nebraska Ethanol Board.

Dr. Richard Perrin of the University of Nebraska-Lincoln will speak about the impact of higher energy costs on food prices and other consumer products Friday morning at a meeting of the Nebraska Ethanol Board. Perrin is a Jim Roberts professor of Agricultural Economics at UN-L and studies agricultural production economics and agricultural productivity.

In a February report Perrin wrote that crop prices are determined by the supply and demand of the world market, and that the cost of corn used to produce food is only about 3 percent of the retail price of food. Perrin will also discuss the impact lower ethanol prices have on the economy.

Perrin will deliver his presentation at a meeting of the Nebraska Ethanol Board April 4 at 9:30 a.m. The meeting will be held at the Holiday Inn, 141 N. 9<sup>th</sup> St., Lincoln.

Established in 1971, the Ethanol Board assists ethanol producers with programs and strategies for marketing ethanol and related co-products. The Board supports organizations and policies that advocate the increased use of ethanol fuels – and administers public information, education and ethanol research projects. The Board also assists companies and organizations in the development of ethanol production facilities in Nebraska. For more information, please visit [www.ne-ethanol.org](http://www.ne-ethanol.org).