



Soybean growers call for Senate jobs bill to include biodiesel tax break

By Agri-Pulse Staff

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Washington, Feb. 17 – The American Soybean Association (ASA) is urging the Senate to reinsert a retroactive extension of the biodiesel tax incentive in the first jobs legislation it passes, in order to save the biodiesel industry’s 23,000 jobs.

The biodiesel tax incentive had been included in a version of the Senate jobs bill introduced last week by Sens. Max Baucus (D-MT) and Chuck Grassley (R-IA). Then Senate Majority Leader Harry Reid (D-NV) introduced his own less comprehensive jobs bill, without the biodiesel and other tax extensions that were included in the Baucus/Grassley bill. Reid has said his slimmed-down jobs bill would be only the first of a series of bills. But ASA warns that “The timing and outcome of future legislative vehicles is very uncertain.”

“There is a direct correlation between the biodiesel tax incentive and creating jobs,” said ASA First Vice President Alan Kemper, a soybean producer from Lafayette, IN “If Senators really want a bill to save jobs for American workers, they need to put a retroactive extension of the biodiesel tax incentive back in the first jobs bill they consider. Put simply, we don’t understand the logic used to strip the biodiesel provisions out of the bill. The biodiesel tax incentive provisions would save and create thousands of green jobs and help all Americans move away from their dependence on imported petroleum.”

Expiration of the biodiesel tax incentive last Dec. 31, 2009, virtually stopped production and use of biodiesel in the U.S. and put the 23,000 jobs currently supported by the domestic biodiesel industry at risk. Companies have already laid off workers and ASA expects this situation to worsen the longer the tax extension is delayed.

The one dollar per gallon biodiesel tax incentive is structured to make biodiesel price competitive with petroleum diesel fuel.

“Biodiesel has the best energy balance and the best greenhouse gas reduction of any fuel that is currently in the commercial marketplace, and biodiesel is the only advanced biofuel that has reached commercialization in the United States,” Kemper said.

“Biodiesel is an excellent way for America’s soybean growers to boost U.S. energy security, promote economic development and improve the environment.”

ASA also notes that a study last year showed that soy biodiesel production boosts soybean prices by over 25 cents per bushel. On a 3.3 billion bushel U.S. crop, that’s a potential loss of \$825 million in farm income.

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