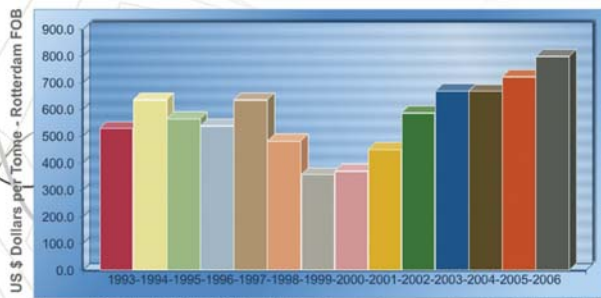


The rising cost of feedstocks worldwide in the last year has prompted increasing concerns for ethanol and biodiesel producers, government planners, environmentalists, policy analysts, academia, agribusiness, and commodity analysts. In the case of biofuels producers, the rising costs of corn, wheat, sugar beets, soybeans, canola oil and palm oil could have a significant impact on the continued rate of investment in biofuels production facilities. Presently, rising feedstock costs and higher oil prices prompted greater biofuels investment and production

Biofuel feedstock price trends

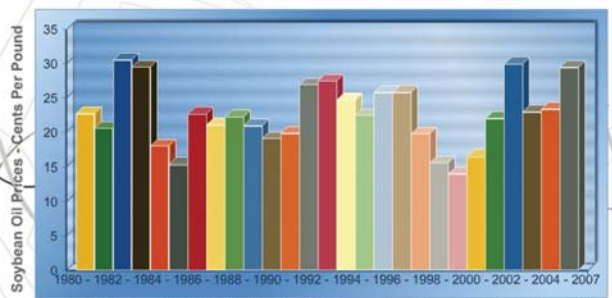
Europe biodiesel feedstock prices
Feedstock (rapeseed oil) prices 1993 to 2006



Source: Biodiesel 2020: A Global Market Survey, Emerging Markets Online, FAS

For 12+ years, rapeseed oil prices FOB in Rotterdam averaged \$615/t. Before 2000, the average price was \$575/t. Peak prices were \$669.00 in 2004, \$723 in 2005 and \$800 in 2006. The 1999-2006 trend demonstrates long term sustained price increases.

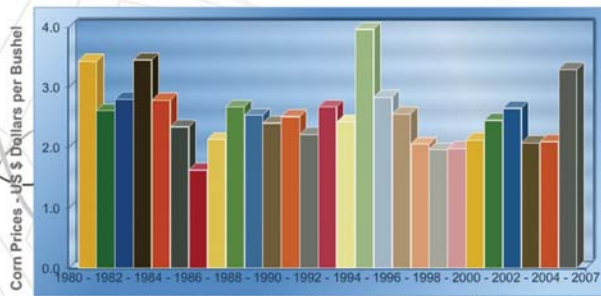
US biodiesel feedstock prices
Feedstock (soybean oil) prices 1980 to 2007



Source: Biodiesel 2020: A Global Market Survey, Emerging Markets Online, USDA

The graph illustrates 27 years of U.S. soybean oil prices as feedstock for biodiesel. Notably, the price has fluctuated year to year ranging from an annual change of 5% to over 40%. The trend from 2000-2007 illustrates the increasing cost of soybean oil as a feedstock.

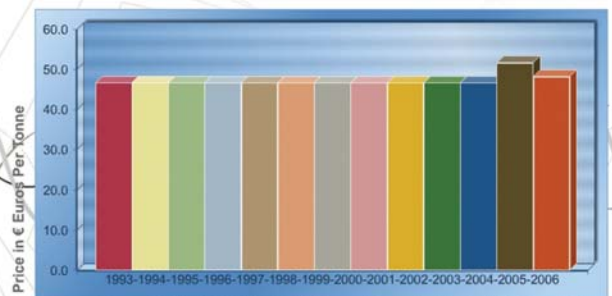
US ethanol feedstock prices
Feedstock (corn) prices 1980 to 2007



Source: Ethanol 2020: A Global Market Survey, Emerging Markets Online, USDA

The graph illustrates 27 years of corn prices in US \$ per bushel. For 25 years, prices have varied, with the average annual price of \$2.60 per bushel. Peak prices were \$4 in 1996 and \$4 again in the first quarter of 2007. The 2004-2007 trend demonstrates price increases.

Europe ethanol feedstock prices
Feedstock (sugar beet) prices 1993 to 2006 (quotas*)



Source: Ethanol 2020: A Global Market Survey, Emerging Markets Online, FAS

* Sugar beets represent over 50% of feedstock used in EU bioethanol production. Sugar beet prices are regulated by the EU under quota at a minimum buy price. Sugar beet prices are unchanged since the 1993/94 marketing year, and remained in force until 2005/2006