Study Shows New-Vehicle Shoppers Link Biofuel Demand With Increased Food Prices

Nearly 60 Percent Do Not Think Government Should Subsidize Farmers for Crops Aiding in E-85 Production

According to the latest kbb.com Marketing Research study (http://www.kbb.com/), 61 percent of new-vehicle shoppers believe that increased biofuel demand has tightened supplies of farmland and water worldwide, thereby pushing food prices up. In addition, the May 2008 study results reveal that 58 percent of new-car shoppers do not think that national and state governments should subsidize farmers who produce crops aiding in the production of biofuel, such as the production of corn for ethanol-based E-85.

Forty-six percent of shoppers believe that biofuel production should be reduced to ease high prices of crops that have diminished due to the government subsidizing of corn for ethanol production, such as flour, wheat and grains. Furthermore, only eight percent of shoppers say that biofuel will most likely become a mainstream fuel source.

"Biofuels and the government policies surrounding them have become a source of considerable controversy with detractors claiming they increase the price of food while doing little to stem our reliance on foreign sources of oil," said Jack R. Nerad, executive editorial director and executive market analyst for Kelley Blue Book and kbb.com. "Despite the fact that there are many more biofuel-capable cars on the road than there are hybrids, Americans seem skeptical that biofuel technologies will become mainstream."

Exactly half (50 percent) of new-vehicle shoppers say that biofuels will make the United States less dependant on foreign oil, and 48 percent agree that biofuels are better for the environment because they reduce emissions and are a biodegradable, renewable resource. Forty-five percent of shoppers believe that biofuels are better for our health, as they reduce air toxins and cancer-causing emissions, resulting in cleaner air.

The latest kbb.com Marketing Research study was conducted on Kelley Blue Book's kbb.com among 1,068 in-market new-vehicle shoppers during May 2008.

About Kelley Blue Book (http://www.kbb.com/sitemap)

Since 1926, Kelley Blue Book, The Trusted Resource®, has provided vehicle buyers and sellers with the new and used vehicle information they need to accomplish their goals with confidence. The company's top-rated Web site, kbb.com, provides the most up-to-date pricing and values, including the New Car Blue Book® Value, which reveals what people actually are paying for new cars. The company also reports vehicle pricing and values via products and services, including software products and the famous Blue Book® Official Guide. Kbb.com is rated the No. 1 automotive information site by Nielsen//NetRatings and the most visited auto site by J.D. Power and Associates nine years in a row. No other medium reaches more in-market vehicle shoppers than kbb.com; nearly one in every three American car buyers performs their research on kbb.com.

First Call Analyst:
FCMN Contact:

SOURCE: Kelley Blue Book

CONTACT: Robyn Eckard, +1-949-268-3049, reckard@kbb.com, or Joanna McNally, +1-949-268-3079, jmcnally@kbb.com, or Brenna Robinson, +1-949-267-4781, berobinson@kbb.com, all of Kelley Blue Book

Web site: http://www.kbb.com/

---

https://mediaroom.kbb.com/press-releases?item=105738