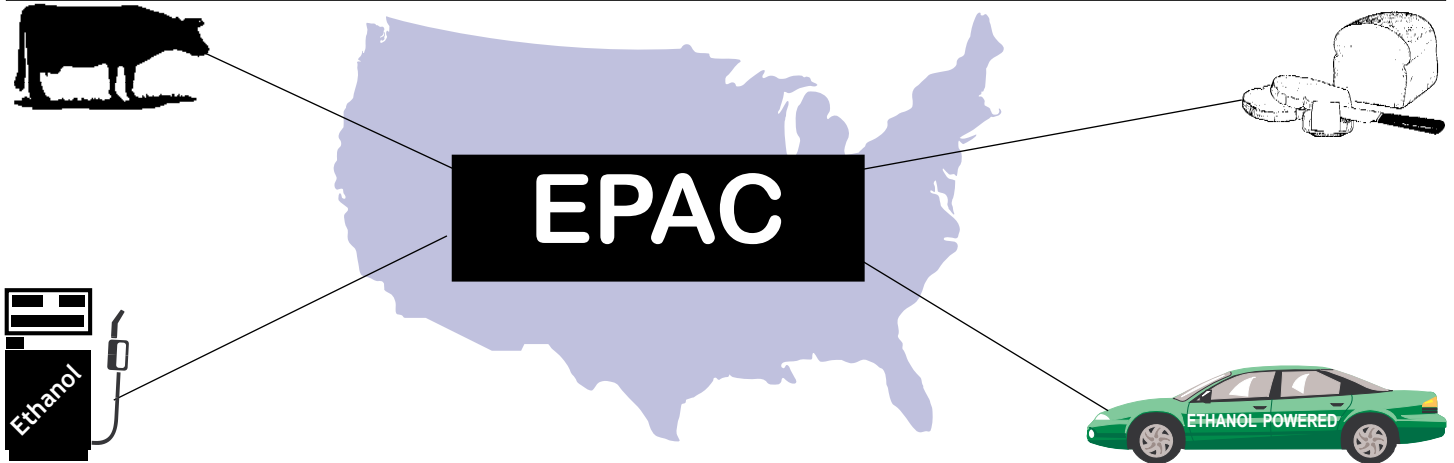


Ethanol Producers And Consumers



This newsletter is sent to members, contributors and sponsors of EPAC.

Ethanol Producers And Consumers (EPAC) is a non profit organization with members throughout the nation who support the production and use of Ethanol as a clean, renewable energy resource. **Volume 17, Number 6: EPAC May/June 2008**
Phone: 406-785-3722 • Fax: 406-785-2252 • E-mail: epac@ethanolmt.org • Web Site: www.ethanolmt.org

**SEE INSIDE FOR:
EPAC CONFERENCE
REGISTRATION, AGENDA, AND
OTHER DETAILS
SEE YOU THERE!**

BIODIESEL WORKSHOP IN HAVRE, MONTANA

EPAC, with cooperating partners, Montana Department of Agriculture and MSU-Northern will conduct a workshop "BIODIESEL in Montana, "Learn the Answers", Tuesday, June 10th at the new MSU-Northern Applied Technology Center, Biodiesel Certification lab. Topics will include: Use of biofuels for the consumer, Use of biofuels on the farm, Use of biofuels in business, Availability of biofuels, Auto & implement warranties, Renewable Fuel Standards, Environmental Impact of biofuels and a tour of Biodiesel Certification Lab. Speakers will include Earl Fisher Biofuels, Brian Spangler, Department of Environmental Quality, a panel of auto and implement business owners/companies who will address warranty issues, usability and more. Registration is \$10 and includes morning refreshments, lunch and materials. Call EPAC at 406-785-3722 or e-mail epac@ethanolmt.org for more information and to register. This workshop is made possible by funds provided by a USDOL WIRED grant from the Montana Department of Commerce in conjunction with Montana Department of Labor.

Montana State University-Northern has become a leader in the biodiesel industry with the grand opening of the Biodiesel Certification Lab at the Applied Technology Center in Havre. More than 100 people attended the Open

... continued on page 3

EPAC FIGHTS THE MYTH OF FOOD VS. FUEL

by: Pam Dzick of EPAC

News media from across the nation have called to interview Shirley Ball, Executive Director of EPAC (Ethanol Producers And Consumers) about the daily debate that bio-fuels are responsible for rising food prices and contribute to the world food crisis. Calls to Ms. Ball in the past couple of days were from CNN News, Oilfield Weekly Magazine, Calgary, Alberta and the Northern Broadcasting Systems Ag Network. EPAC is a non-profit educational organization that was formed over 18 years ago to support and promote Ethanol as a clean and renewable alternative energy. The surge of negative publicity that Ethanol and Biofuels have received with the rising cost of gasoline and food prices has prompted national organizations like EPAC to work together to fight the "myths" of unsupported allegations. EPAC is working with other national ethanol advocate organizations to challenge, with facts, the negative and incorrect statements that are being made. Ms. Ball said today, "Ethanol and biofuels are being singled out for blame for the increased prices at the grocery stores and in the case of ethanol produced from corn, taking food off the table and out of the mouths of hungry people. When considering rising gas prices and therefore rising food prices, one must remember that the cost of oil is the basis for the costs of all products. Filling your gas tank with ethanol is actually keeping fuel prices lower than they might be, by \$0.29 to \$0.40; so Ethanol is actually helping to keep food prices from being even higher. One bushel of corn produces over 2.7 gallons of Ethanol using only the starch from the kernel. All of the valuable nutrients, including, vitamins, protein and fiber remain in the distillers grain (DG)

... continued on page 2

REBUTTAL TO ATTACK ON ETHANOL IN TIME MAGAZINE

by: Shirley Ball

I am sure that most of you have read or heard about the very negative article in a recent Times magazine titled "The Clean Energy Myth". This article contained many misstatements, misinformation, and incorrect conclusions regarding ethanol. A rebuttal to that article by Ethanol Capital Management LLC was sent to the EPAC office. According to their web site, ECM is an SEC Registered Investment Advisor that was formed in 2003 to manage investments in the ethanol industry. Scott Brittenham, CEO and President of ECM stated the article written by his firm is supported by independent and objective facts and research. He also stated that "Ethanol has many great benefits both for the United States and the world that were not addressed in this article." I found the rebuttal of value in pointing out misstatements in the Time magazine. Because it was about 11 pages, we do not have room to reprint, so I urge you to go on the EPAC web site www.ethanolmt.org, and read it. Let me know your thoughts?

Food vs. Fuel... continued from page 1

co-product. The distillers grains can be used to feed livestock, adding value to both the grain and the livestock producers bottom line. Research is being done to perfect the process so the distillers grains can be used in human food as well. When the price of a bushel of corn was \$2.30 and a bushel of wheat was \$3.40 there were still starving people and food shortages in the world. Farmers are finally seeing a decent price for their commodities while ethanol is responsible for more rural jobs, cleaner air and less dependence on foreign oil. Again it is the price of gas and oil, not Ethanol, that is contributing to the world food crisis." She urged all interested consumers to go to the EPAC website, www.ethanolmt.org for additional and updated information about these and other relevant issues of Ethanol and Biofuels. "EPAC is a member, grant driven non-profit organization that depends on it's constituency to help further the educational efforts that are now so desperately needed" said Ball.



EPAC would like to thank Jim Glancey for all the work and support he has given to Ethanol education and promotion. Pictured here with Jim on the right, is Dan Schwartzkopf and Shirley Ball.

GLANCEY RETIRES

Renova Energy Inc., the parent company of Wyoming Ethanol, today announces the planned retirement of Jim Glancey as Head of Marketing and President of Wyoming Ethanol. Jim will be retiring effective May 31, 2008 but will continue to work with the group in an advisory capacity.

Jim founded an ethanol marketing and distribution business in Idaho in 1982 which evolved into Wyoming Ethanol with the construction of the Torrington plant in 1993 and later into Renova Energy.

His contributions to the industry are widely recognized. Since the very early days, long before ethanol became popular, Jim has been active in promoting the development of the industry. He played a major role in fostering political support and helped to establish some of the key industry organizations including the CFDC, ACE and EPAC.

Jim has also advanced the adoption of splash blending to overcome logistic hurdles in achieving widespread usage of ethanol fuel across the Rocky Mountain region.

Terry Oldfield, Vice President, recruited to succeed Jim will assume the role of Head of Marketing on June, 1 2008. Terry joined Renova from Kroger in 2006, where he had accumulated considerable experience in managing and developing gas stations and convenience stores.

Commenting on this, Chris Thomas, President of Renova Energy Inc, said: "Jim is one of the pioneers of the U.S. Ethanol industry of today and, on behalf of everyone at Renova Energy, I would like to thank him for his great contribution to the Company. While Jim will be continuing to work with us in an advisory capacity, we also wish him all the best in his retirement."

Shirley Ball, Executive Director for EPAC said "Jim has been a wonderful leader in getting the Ethanol industry off the ground EPAC has relied on his expertise many times." Jim served on the EPAC Board of Directors and continues as a member. Ball stated that "All of EPAC sends best wishes to Jim on this occasion."

KATZEN

INTERNATIONAL, INC.

Designing the Future of
Ethanol For 50 Years

Cincinnati, Ohio
513-351-7500
www.katzen.com
Eickelberger@katzen.com

With clients in over 40 countries
KATZEN is the world leader in
ethanol process design
and technology.

Biodiesel Workshop. . . continued from page 1

House for the new facility on March 27th. Pam Dzick, EPAC Administrative Assistant brought the EPAC display and the flex-fuel vehicle (FFV) to the celebration. Other displays were provided by the Department of Environmental Quality, Peaks And Prairies, Earl Fisher Biofuels and MSU-Northern.

The new ASTM (American Society for Testing and Materials) Certification Lab tests organic fuel and lubricants and certifies that they meet the standards set by ASTM. A 16-step process tests the quality of the fuels and lubricants. The new MSU Northern lab has the only four-year diesel program in the nation with an extensive diesel engine testing site capable of monitoring performance changes in real time. People and companies send samples to Northern to have them tested and the results are available almost instantly on a website the university is developing. Greg Kegel, Dean of the College of Technical Sciences says the lab offers state-of-the-art technical assistance to developers and producers of alternative energy and transportation technologies.

Speakers and dignitaries at the ceremony included Governor Brian Schweitzer, Tony Preite, Director, Department of Commerce; Tom Livers, Deputy Director, Department of Environmental Quality; Peggy Beltrone, Cascade County Commissioner and 25x25 Committee and Lyle Nich-

ols, Equipment Operations Training & Career Development Manager, Kiewit Construction Company. Governor Brian Schweitzer, said the opening of the fuel testing and certification laboratory at Montana State University-Northern shows Montana's and north-central Montana's position on renewable energy. "It sends a signal. It sends a signal to the rest of the state; it sends a signal to the rest of the country and the rest of the world. We will grow, produce and consume our own fuel domestically."



EPAC's Flexible Fueled Vehicle on display in front of the Biodiesel Lab

EPAC CONFERENCE INFORMATION

Bios for some of the experts who will speak at the EPAC Conference are listed in this newsletter. Others will be featured in the next issue of the newsletter.



Phil Madson, President of KATZEN International

KATZEN International is a consulting engineering firm organized to provide efficient economical and technical engineering services for the chemical and biochemical industry. Technology developed exclusively by KATZEN has enabled companies to apply highly efficient, low-energy, low pollution techniques to a broad range of projects in over 25 countries and are re-

nowned for the efficiency of their ethanol separation and distillation technology. Madson's focus throughout his tenure as President has been the research and development, design and execution of advanced technology for the ethanol and related industries world-wide. Madson has a B.S. and M.S. degree in Chemical Engineering from Iowa State University and is a registered Professional Engineer. Madson, who is a Board member of EPAC will speak on "Beyond the 'Square Box' in the Cornfield"

Joe Jobe, Chief Executive Officer for National Biodiesel Board

The NBB is the national trade association representing the biodiesel industry as the coordinating body for biodiesel research and development in the U.S. Its members include feedstock producers and processors, soybean commodity boards, biodiesel suppliers, and fuel marketers and distributors. Joe has been with the NBB since 1997, and has served as CEO since January 1999. Joe's duties included serving as the principle investigator for the biodiesel health effects testing program. Joe became interested in agricultural, environmental, and energy issues growing up on a farm in central Missouri. Prior to working for the NBB, Joe was a fraud investigator for the Missouri Attorney General's Office and also worked as a certified public accountant.



. . . Bios continued on page 5

18th ANNUAL EPAC CONFERENCE
"ETHANOL: FUEL AND FOOD"
JULY 20-22, 2008
KALISPELL, MONTANA
HILTON GARDEN INN

JULY 20, 2008

8:00 – 8:00	Vendor Trade Show booth setup – Glacier Ballroom
8:30 – 10:30	EPAC Board and Membership meeting, Annual Report and Election of Board
10:30 – 12:00 4:30 – 7:30	Registration, Foyer
11:00 – 5:00	Bus to Glacier National Park to Board Jammer Bus and travel the Going to the Sun Highway.
6:30 – 7:30	Opening Reception – Glacier IV Room

MONDAY, JULY 21, 2008

7:15	Registration continues – Foyer
7:30 – 8:15	Breakfast – Glacier IV Room
8:15	Conference Opens – Jefferson Room "Welcome to EPAC Conference" – <i>Shirley Ball</i> , Executive Director, EPAC "Welcome to Montana" <i>Tony Priete</i> , Director, MT Dept. of Commerce
	"Continuing to Grow the Industry" <i>Dave VanderGriend</i> , President, ICM
	DDG – More than Feed for Livestock Food AND Fuel, Proving the Point, 1978 - 2008 <i>Shirley Ball</i> "DDGS - More Than Meets the Eye" Wheat Distillers Grains in the human diet <i>Alphonsus Utioh</i> , Manager, Product & Process Development, Food development Center (invited) Portage la Prairie, MB Canada
	Break – Trade Show Area - Silent Auction table
	Corn DDG in the human diet <i>Kurt Rosentrater</i> , Lead scientist, Agricultural and Bioprocess Engineer, Ag Research Service, Brookings, SD
	Beyond Grain – Cellulose Conversion <i>Herson Santos-Leon</i> , Abengoa invited Export markets for DDG, <i>Steve Markham</i> , CHSINC – (invited)
	Lunch – "Spirit of Ethanol" Award – Glacier IV Room, <i>Julie Ward</i> , <i>RJ O'Brien</i>
	Ethanol Advances in Canada <i>Gordon Quaiattini</i> , President, Canadian Renewable Fuels Association <i>Jessica Saunders</i> , Graduate Student Department of Biosystem Engineering at U of Manitoba
	"Cardio Protective Effects of Distillers Grain" "Role of DDG in the Prevention, Management and Treatment of Cardiovascular Disease" <i>Rajat Sethi</i> , Texas A&M Health Science Center
	Regulatory Issues <i>Kelly Davis</i> , Director of Customer and Technical Services, Hawkeye Gold, Ames, Iowa+ <i>Matt Jones</i> , Staff to Senator <i>Max Baucus</i> on the Renewable Fuel Standard
	BREAK in Trade show area
	"Flexible Fuel Vehicles and the California Fuel Standard" <i>Al Weverstad</i> , Executive Director/ Environment and Energy, General Motors Policy Center
	"Ethanol Marketing and Consumer polls" <i>Robert White</i> , Director of Operations, EPIC
	Where is the Impact for pricing? <i>John Urbanchuk</i> , Director, LECG, LLC Inside the Beltway, responding to the Critics. <i>Matt Hartwig</i> , Communications Director, Renewable Fuels Association
	Recap and Recess

EPAC Conference Agenda is subject to change

18th ANNUAL EPAC CONFERENCE
"ETHANOL: FUEL AND FOOD"
JULY 20-22, 2008
KALISPELL, MONTANA
HILTON GARDEN INN

5:30	Optional: Lonesome Dove, Barbecue and Entertainment – Tickets Required –
------	---

TUESDAY, JULY 22, 2008	
7:15 – 8:15	Breakfast – Glacier IV Room Last chance to bid on Silent Auction items in Trade Show area
8:15	Conference resumes "Biodiesel Panel" Moderator – <i>Howard Haines</i> , Bioenergy Program Manager, MT Dept. of Environmental Quality Biodiesel in the Nation <i>Joe Jobe</i> , Director, National Biodiesel Board Biodiesel Testing Facility <i>Gregory D. Kegel</i> , Dean, College of Technical Sciences, MSU – Northern Making it Happen in Montana <i>Earl Fisher Biofuels, Chester, Montana</i>
	"Beyond the "Square Box" in the Cornfield" <i>Phil Madson, KATZEN International</i>
	Break and Announce Silent Auction items – Trade Show Area to pay for and pick up items.
	"Getting a Project Financed: Challenges & Opportunities" <i>Here, ask Perlman</i>
	"Getting the Products to Market and Other Transportation Issues" <i>Ross Edwards</i> , Assistant manager, Feed Grains, Burlington Northern Santa Fe Rail Road (invited) New Technologies <i>Chris Edwards</i> – Ethanol Technology (invited)
12:30	Wrap-up and final comments

Bios... continued from page 3

2008 KEYNOTE SPEAKER



Dave Vander Griend, ICM President and Chief Executive Officer

With a staff of more than 500 employees, ICM designs, builds, and supports ethanol plants, as well as serves as a leading ethanol industry advocate. With a strong design and fabrication background, he began working in the ethanol industry when it was just getting started in the early 1970s. Dave's made it his mission to help sustain agriculture by finding innovative ways to turn grain into renewable energy, such as ethanol. Dave and his brother, Dennis Vander Griend,

built a distillation column that was granted license #00001 by the U.S. Bureau of Alcohol, Tobacco, and Firearms.

Before founding ICM, Dave was Vice President of Operations for High Plains Corporation (now Abengoa Bioenergy), an ethanol production company. Dave left High Plains in early 1995 to start ICM in Colwich, KS, where it's grown from 20 employees to more than 500, offering everything from research and development to plant support.

Dave and the ICM team are driven to increase value for their customers by finding new, creative ways to make ethanol production more efficient. In recognition of his contributions, Dave received the "Distinguished Service Award" at the 2003 BBI International Fuel Ethanol Workshop (FEW) for helping the ethanol industry increase efficiencies and refine methods of practical applications during the past 20 years.

Dave and the people of ICM continue to make contributions to the industry by improving process design, making operational and maintenance improvements, and increasing energy efficiency. Dave will address the EPAC conference with the keynote speech on Monday, July 21.

... Bios continued on page 7

**ETHANOL PRODUCERS AND CONSUMERS (EPAC)
18TH ANNUAL CONFERENCE REGISTRATION
JULY 20-22, 2008 ♦ HILTON GARDEN INN ♦ KALISPELL, MONTANA**

The conference begins on Sunday evening, July 20th, with the Opening Reception. There will be speaker sessions all day Monday and Tuesday morning. Conference registration includes entrance to all speaker sessions, Trade Show, Opening Reception, breakfast on Monday and Tuesday, lunch on Monday, three breaks, and the Hospitality Room.

REGISTRATION INFORMATION

Name _____
 Company _____
 Address _____
 City _____ State _____ Zip _____
 Phone _____ Fax _____
 Email _____
 Web Address _____
 Additional Registrant's Names _____

REGISTRATION FEES

	Early Bird <i>Through 5/09/08</i>	Regular <i>5/10/08 – 6/30/08</i>	Late <i>After 7/01 & on-site</i>	QUANTITY	TOTAL
EPAC Member Registration	<input type="checkbox"/> \$170	<input type="checkbox"/> \$190	<input type="checkbox"/> \$230	x _____ =	\$ _____
Non-Member Registration	<input type="checkbox"/> \$220	<input type="checkbox"/> \$240	<input type="checkbox"/> \$280	x _____ =	\$ _____
Opening Reception Guest Tickets	<input type="checkbox"/> \$45	<input type="checkbox"/> \$45	<input type="checkbox"/> \$55	x _____ =	\$ _____
Trade Show Vendor	<input type="checkbox"/> \$325	Includes a Conference Registration			\$ _____

OPTIONAL EVENTS

Going to the Sun Park Tour Sunday 11:00 – 5:00 (Includes riding the Jammer bus with narrator through Glacier National Park. Includes transportation to and from Park, Park Entrance Fee and refreshments. Space is Limited.)	<input type="checkbox"/> \$78	<input type="checkbox"/> \$84	<input type="checkbox"/> \$90	x _____ =	\$ _____
Lonesome Dove Guest Ranch Monday evening (Includes transportation to Lonesome Dove Guest Ranch, BBQ, beverages and entertainment. Last day to register for this is July 7.)	<input type="checkbox"/> \$55	<input type="checkbox"/> \$65	<input type="checkbox"/> \$75	x _____ =	\$ _____
TOTAL AMOUNT DUE:					\$ _____

PAYMENT INFORMATION

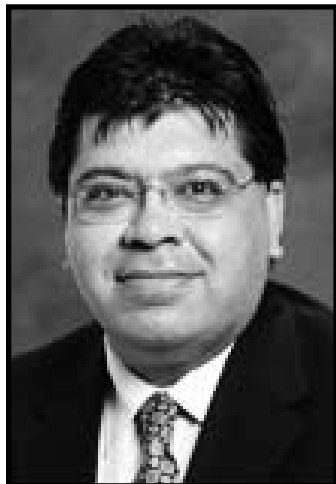
Visa MasterCard Card # _____ Exp. Date _____
 Name on card _____ Signature _____
 Check enclosed, *U.S. \$ only* (Make payable to EPAC)

MAIL THIS FORM WITH PAYMENT TO: EPAC, 172 BALL ROAD, NASHUA, MT 59248

HOTEL ACCOMMODATIONS: Contact Hilton Garden Inn at 877-782-9444 or direct at 406-956-4500 for room reservations. Rooms start at \$139. Overflow Hotel is Outlaw Inn at \$109.99, call direct 406-756-8160.

Cancellations made prior to June 2, 2008 will receive a full refund. A cancellation fee of \$25 will be applied to cancellations made between June 3, 2008 and July 7, 2008. No refunds will be made after July 8, 2008.

EPAC • 406-785-3722 (phone) • 406-785-2252 (fax) • epac@ethanolmt.org • www.ethanolmt.org



Rajat Sethi, Pharmaceuticals

The effort to find a suitable replacement to methyl tertiary-butyl ether (MTBE) in gasoline blends and gain energy independence from providers of imported petroleum has created a new demand for cereal grains, in which starch from cereal grains is fermented into ethanol. Distillers grains with soluble (DDG) are co-products from the ethanol production process. As cereal grains are

increasingly being used for energy production, interest in the unsaturated fatty acid content of DDG is increasing, and it is very likely that DDG will be used in human food production. Unfortunately, currently there is limited information on the ramifications of DDG consumption on human health. Our studies using the 4 week rat heart failure model of coronary artery ligation has demonstrated improved hemodynamic parameters and decreased infarct size in rats fed a 30 percent DDG enriched diet compared to rats on a normal feed. In addition, increased oxidative stress as well as increased myocardial membrane bound protein expression of TNF α and decreased membrane bound protein expression of IL-10 was seen in hearts from DDG fed rats compared to hearts from rats on normal chow. These studies thus suggest that the cardio-protective effects of DDG could be related to its antioxidant and anti-inflammatory properties. Based on our preliminary findings, we believe research is needed to clarify the role of specific foods such as DDG in the development and progression of heart failure, and to further identify the active constituent showing the effect and the plausible biological mechanisms eliciting the response. Therefore this research is significant in that it will identify potential health uses for DDG, thereby increasing the value for a waste product of ethanol fermentation.

Dr. Kurt Rosentrater, Bioprocess Engineer

A Lead Scientist with the United States Department of Agriculture, Agriculture Research Service, at the North Central Agricultural Research Laboratory in Brookings, SD, where he is spearheading an initiative to develop value-added uses for co-product and residue streams resulting from biofuel manufacturing operations. His expertise is in Value-Added



Product Development, Alternative Recycling and Reprocessing Strategies for Food and Organic Waste Streams, Modeling and Simulation of Food and Organic Processing Systems, Economic Modeling, Physical and Chemical Characterization Methods, and Plant Layout, Material Handling, Unit Operations, and Process Design. Through his research, he has investigated physical, nutritional, and chemical properties of corn masa processing byproduct streams and swine slaughterhouse blood and blood components, and has developed value-added livestock feed applications for these waste streams by utilizing laboratory and pilot-scale extrusion processing techniques. Additionally, he has developed advanced computer models to simulate process and economic factors to aid the food industry in pursuing value-added recycling/reprocessing alternatives. He is formerly an assistant professor at Northern Illinois University, DeKalb, IL, in the Department of Engineering and Industrial Technology, where he taught in the areas of research methods, manufacturing systems, engineering mechanics, and design. While in industry, he was responsible for process and equipment design as well as plant and site layout for large-scale agri-industrial facilities, including grain, feed, flour, petfood, and biodiesel manufacturing plants. Kurt's presentation at the EPAC conference will focus on DDGS in human foods.



Gordon Quaiattini, President Canadian RFA

A veteran political insider and government relations specialist, Gordon played a lead role to biofuels clients for a number of years as a Partner with The Wellington Strategy Group, a boutique Ottawa government relations firm. Mr. Quaiattini also previously worked in federal and provincial politics as well as Agriculture and Agri-Food Canada. He holds a Bachelor of Arts (Honours) Degree in Political Science from Laurentian University and a Masters Degree in Public Administration from Carlton University. As President, Mr. Quaiattini is the principal advocate for the renewable fuels industry in Ottawa and the provinces, as well as the main national media industry spokesperson. EPAC welcomes Gordon to the conference to provide an update on ethanol activities in the Canadian Provinces.

JOIN EPAC TODAY!

INCREASING FOOD PRICES IT'S ALL ABOUT OIL, SPECULATION & WORLDWIDE DEMAND

from: Cattlenet

At a press conference in Washington, D.C. leaders from farm and ethanol groups pointed to skyrocketing oil prices, hedge fund commodity speculators, growing worldwide demand for grain and severe droughts as the major factors underlying rising food prices. They also pointed to the expansion of biofuels as preventing even higher oil prices. The groups cited Merrill Lynch analyst Francisco Blanch's estimate that oil and gasoline prices would be about 15 percent higher, or \$4.14 a gallon at today's prices, if biofuel producers weren't increasing their output.

"A complex set of factors are at work helping to drive food prices higher around the world," said former Secretary of Agriculture John Block. "Singling out biofuels like ethanol for all or even the majority of the blame misses the boat. Ethanol production and use is helping to keep oil and gasoline prices lower than they might otherwise be and preventing the situation from getting worse. We must maintain the focus needed to address our reliance of foreign oil and not fall victim to the blame game. Biofuel production not only makes our nation more energy secure, but helps provide the market incentives necessary to drive innovation in agriculture around the world."

The primary factors contributing to rising food prices include skyrocketing oil prices, surging global demand for grain and meat from nations like China and India, hedge fund speculation on commodity markets, droughts in Australia and elsewhere, a weak dollar encouraging exports, and agricultural policies around the world that have limited the productivity of farmers from Europe to Asia.

"Making corn ethanol the scapegoat for the high price of food is unwarranted," said National Corn Growers Association CEO Rick Tolman. "Efforts should be made to look into the \$128 billion profits of the oil industry. To put things into perspective, in 1999 a barrel of oil cost \$10, compared to \$120 today. Consumers lose when the oil industry plays a cat and mouse game with the American people. Truth be told, Americans are actually saving \$69 billion each year at the pump thanks to biofuels."

"I find it ironic that efforts to reduce our dependence on oil are being blamed for increased food costs when, in fact, record high oil prices are playing a far

greater role in increasing grocery prices than ethanol production. America's farmers and ranchers have been feeding the world for more than 200 years and will continue to provide safe, high quality products while, at the same time, playing a significant part in reducing our addiction to oil," said National Farmers Union President Tom Buis.

According to the Federal Reserve Bank of Kansas City, "...a 10 percent gain in energy prices could contribute 5.2 percent to retail food prices. Since January, the price of oil is up approximately 30 percent.

Likewise, a recent study from Texas A&M University requested by Texas Governor Rick Perry concluded, "The underlying force driving changes in the agricultural industry, along with the economy as a whole, is overall higher energy costs, evidenced by \$100 per barrel oil."

Similarly, an analysis conducted last June before the recent escalation in oil prices, notes, "Increases in energy prices for example exert a greater impact on food prices than does the price of corn. A 33 percent increase in crude oil prices – which translates into a \$1.00 per gallon increase in the price of conventional regular gasoline – results in a 0.6 percent to 0.9 percent increase in the CPI for food while an equivalent increase in corn prices (\$1.00 per bushel) would cause the CPI for food to increase only 0.3 percent."

"Without question, the common denominator underlying all of the crises affecting the globe today is the skyrocketing price of oil," said Renewable Fuels Association President Bob Dinneen. "With OPEC projections for oil soon reaching \$200 per barrel, attempts to jettison the still-growing biofuels industry because of misplaced blame would relegate America and the world to more of the same. The fact is ethanol is helping reduce prices at the pump and keeping oil and gasoline prices lower than they might otherwise be. Considering the integral role oil plays in every part of the food production chain, forsaking ethanol would send both food and fuel prices still higher."

The Center for Agriculture and Rural Development at Iowa State University estimates that the growth in ethanol production and use has caused gasoline prices to be \$0.29 to \$0.40 lower than they might otherwise have been.

E85 FOR \$0.85 DISCOUNT IN COSMOS, MINNESOTA

On a beautiful spring day, flex fuel vehicle (FFV) drivers arrived in Cosmos, Minnesota to fill up on E85 for \$1.70 per gallon. More than 500 gallons of E85 were sold at Gary's Repair from 1:00 pm to 4:00 pm on Thursday, April 3rd.

On the same day people in Meeker County were taking action: Oil traded at about \$105 per barrel on the New York Mercantile Exchange – Representing a 10-fold price increase since 1998.

Nationally, on that same day, motorists paid an average \$3.33/gal for gasoline – In Minnesota, a state with no oil resources, E10 use helped keep prices below that national average.

On that same day, some questioned the sustainability and greenhouse gas emissions of biofuels, but Gary's customers prevented more than two tons of lifecycle carbon dioxide emissions by purchasing E85 instead of gasoline. This is based on estimates prepared by the University of North Dakota Energy & Environmental Research Center (ALAMN 2004) and derived from Argonne National Laboratory's GREET model.

Congratulations to Gary's Repair and thanks to Kelly Marczak, director of Clean Fuel and Vehicle Technologies with the American Lung Association in Saint Paul, Minnesota for sending this report. Kelly added that customers were happy to share their overwhelmingly positive experiences with previous fillups with E85 fuel.



FFVs waited in line to fill up with E85 for \$1.70 per gallon, \$1.40 less than regular unleaded fuel.

RESEARCH SHOWS DISTILLERS GRAINS, SOY HULLS COST-EFFECTIVE FOR SHEEP

"Soy hulls and dried distillers grain can be part of a cost-effective ration for sheep," a South Dakota State University specialist said. SDSU Extension Sheep Specialist Jeff Held said that SDSU research in past years has compared soy hulls and dried distillers grain against a ration of corn and dried distillers grain.

"We fed lambs for 60 days and finished those lambs post-weaning to a weight of approximately 130 pounds," Held said. "The soy hulls and dried distillers grain, which was in a mix by form, brought together a ration that supported growth at eight-tenths of a pound a day, which is very much target for what we expected for the genotype. It was similar growth performance to what we found with cracked corn and dried distiller grain in a mixed format as well."

Held noted that dried distillers grain and soy hulls both are high-fiber feedstuffs that are very low in starch. That means there is less potential for acidosis, which can be a problem for sheep under some conditions. There's clearly less waste with the soy hull/distillers grains diet.

"With the soy hulls-based ration, we noticed that there was considerable less residual or waste that we needed to remove from the self-feeding delivery that we had on these finishing lambs. In fact, compared to the cracked corn-based ration, there was 40 percent less waste."

It's also evident that sheep like the feed. "The intake of the soy hull-based ration was about a percent of body weight higher. That would be comparable to what is noticed in other feeding trials with lambs as well as cattle. It's certainly an indication of high palatability," Held said.

The SDSU experiment used soybean hulls and dried distillers grains as the sole energy, protein, and fiber sources. "We look forward to the time when we can take soy hulls and dried distillers grain and bring those together in a complete pellet, a complete feedstuff. We think that the combination of soy hulls and dried distillers grains offers us a very nice package of nutrients."

For more details on sheep diet information, consult SDSU Extension Extra 2052, "Feeding Soy Hulls and Dried Distillers Grain with Solubles to Sheep." It's available online at this link: <http://agbiopubs.sdstate.edu/articles/ExEx2052.pdf>. Or refer to SDSU Extension Extra 2053, "Using DDGS in Mixed Lamb Diets." You can find it online, located on the Web at <http://agbiopubs.sdstate.edu/articles/ExEx2053.pdf>.

SEE YOU AT THE EPAC CONFERENCE