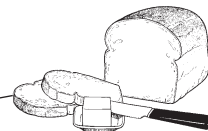


Ethanol Producers And Consumers



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 18, Number 2: EPAC September/October 2008**
Phone: 406-785-3722 • Fax: 406-785-2252 • E-mail: epac@ethanolmt.org • Web Site: www.ethanolmt.org

“ALL THINGS CONSIDERED: PROS AND CONS OF BIOFUELS”

Workshops will be presented in two locations by Ethanol Producers And Consumers (EPAC) to explore the pros and cons of biofuels and the co-products. Partnering with EPAC for the October workshops will be the Miles Community College in Miles City and the Great Northern Development Corporation in Wolf Point.

All Montana citizens who are interested in ethanol and biodiesel, for consumers or business, biofuel degrees and opportunities in Montana are invited to “All Things Considered – the Pros and Cons of Biofuels”. This is an opportunity to learn about the availability and use of biofuels and its co-products

Topics that will be covered include Food VS Fuel; Crop Diversification – can it be done, Environmental Impact of Biofuels; Use and availability of biofuels; Biofuel education and degrees in Montana and Renewable Fuel Standards 2008 and beyond. There will be a legislative forum at each location from 2:30 to 4 p.m. Candidates and current legislators have been invited to participate in an open forum and address their views on renewable fuels.

Speakers for the workshops include: Dave Hallberg, PRIME Biosolutions, inventor of the closed loop process with over 30 years of ethanol and biofuel industry experience; Jim Sargeant, Montana Farmer’s Union; Brian Spangler and Howard Haines, Montana Department of Environmental Quality; speakers from the Great Northern Development Corporation; Miles Community College and Fort Peck Community College; regional candidates and representatives for Congressman Rehberg, Senator Tester and Senator Baucus.

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“AWARD PRESENTED DURING 18TH ANNUAL CONFERENCE”

EPAC (Ethanol Producers And Consumers) hosted their 18th annual conference in Kalispell, Montana and awarded the Spirit of Ethanol Award to a Montana high school student. The Spirit of Ethanol award is presented annually at the EPAC conference to a student who has accomplished a project on biofuels. Winner of the coveted award for 2008 was Ethan Schaff, a student at Sidney High School. Ethan has been involved in various projects dealing with biodiesel sciences. One project dealt with research on types of safflower seeds for bio-lubricant use. He also competed in FFA public speaking on the topic of potential biofuels solutions in the oil found in algae plants. Ethan submitted an essay on algae for the EPAC competition. Ethan was awarded a plaque and a \$100 bill by Julie Ward of R.J. O’Brien, an independent futures commission company

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Pros & Cons of Biofuels . . . continued from page 1

Workshops will be held on the campus of Miles Community College, Tuesday, October 7th and the Elks Club in Wolf Point Thursday, October 9th. Workshops will run from 9 a.m. to 4 p.m. at both locations. On-site registration will begin at 8:00 a.m. The cost per participant for the workshop is \$5 for materials. Workshop attendees will receive a packet of resource and educational materials to take home from the event. Lunch will be provided courtesy of EPAC.

Pre-registration is encouraged to help with planning. The deadline to pre-register is Friday October 3rd. Registration forms are available on-line at www.ethanolmt.org or contact EPAC at 406-785-3722 or pamd@ethanolmt.org.

Funding for the workshop is provided by a USDOL WIRED grant from the Montana Department of Commerce in conjunction with Montana Department of Labor.

INTEGRATED CELLULOSIC ETHANOL PLANT OPENS IN MONTANA

AE Biofuels, www.aebiofuels.com, a California-based company, has opened an integrated cellulosic ethanol demonstration plant in Butte, Montana. The plant is one of the first of its type in the US and is the only one to use both cellulose- and starch-based feedstocks.

The plant uses novel Ambient Temperature Enzymes developed by the company's subsidiary, Energy Enzymes, to convert cellulose and starch to fermentable sugars without an initial cooking and cooling process usually employed in starch-based ethanol production. This significantly reduces the amount of energy and water required to produce ethanol, the company claims.

The Montana plant is able to use non-food feedstocks, including switch grass, grass seed straw, sugarcane bagasse and corn stalks, either alone or in combination with traditional starch and sugar sources such as corn, wheat, barley and sugar cane.



Two Flexible fueled vehicles were on display at the ribbon cutting ceremony at the AE Biofuel plant in Butte including EPAC's Impala and the Montana state van.

Speaking at the opening of the plant, Paul Dickerson, COO of Department of Energy's Office of Energy Efficiency and Renewable Energy says, "The Department of Energy is committed to developing clean, renewable, and sustainable biofuels that reduce greenhouse gas emissions and increase America's energy security. We must have a broad range of technologies including cellulosic biofuels that use non-food based feedstocks to address our energy challenges."

For further information: www.aebiofuels.com/butte



All three of Montana's congressional delegation were present for the ribbon cutting at the grand opening of the biofuel plant in Butte. Senator Max Baucus is at left, Senator Jon Tester at right, and in the center of the group is Representative Denny Rehberg.

Award Presented during 18th Annual Conference

. . . continued from page 1

based in Iowa. R.J. O'Brien has been the sponsor of the Spirit award for a number of years.

The conference titled Ethanol: Fuel AND Food had participants from across the United States, Canada and Japan. Speakers, including Kurt Rosentrater of the Ag Research Service in South Dakota, Alphonsus Utioh of the Food Development Center in Manitoba, Canada, Rajat Sethi of Texas A&M Health Center, and Shirley Ball, EPAC's Executive Director all gave presentations on DDG (distiller's dried grain), a co-product in the ethanol process, and explained the possibilities of using the DDG as a high protein, healthy dietary supplement for humans. Steve Markham, CHS spoke on the growing export market for DDG.

Dave Vander Griend, president and CEO of ICM, Inc. was the opening keynote speaker and he explained research that his company is doing in regards to the food and fuel issue. Only starch in grain is processed to fuel, and with fractionation, important nutrients might be extracted to benefit human diets. Phil Madson, president of KATZEN International spoke on the use of small grains instead of corn for Ethanol production.

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Al Weverstad of General Motors Policy Center spoke on environmental standards in California which have caused GM to withdraw two of its E85 Flexible Fueled Vehicles (FFV) from the California market. While FFVs are generally cleaner than gasoline powered vehicles, ethanol can not pass the “cold-start” evaporative emissions tests in that state. Since other state’s regulations are often modeled after California, this standard could affect sales of FFV’s in other locations.

Joe Jobe, CEO of the National Biodiesel Board was the keynote speaker for the second day. He proudly explained the growth of biodiesel in the US since 1999, citing an increase from 500,000 gallons to 5 million gallons. Jobe outlined biodiesel’s benefits: National energy security; Climate change; and Enhanced engine performance. The biodiesel industry is pleased by the new ASTM (American Society for Testing and Materials) standards defining B5 (5% biodiesel) as an additional type of diesel fuel. Other speakers for the biodiesel panel were Gregory Kegal, Dean of MSU Northern who spoke on the certification laboratory and Howard Haines of the MT DEQ who told of Montana production and use of biodiesel.



Networking while enjoying a meal at the EPAC conference.

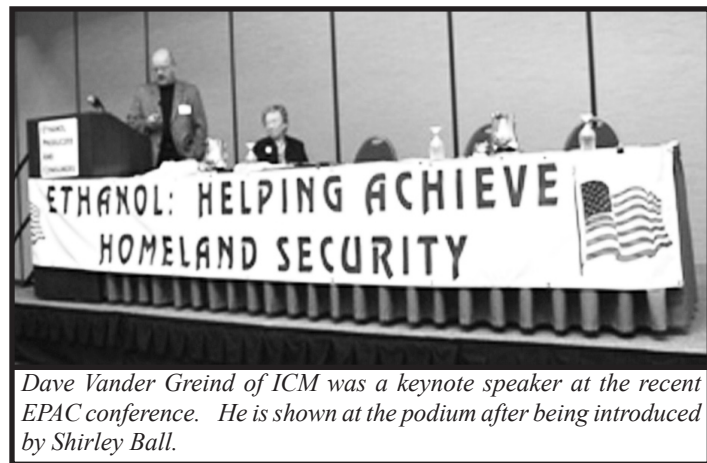
Thanks to Howard Haines for taking pictures and for assisting with the A / V Equipment at the 18th annual EPAC conference.

Additional speakers from Canada included Judie Dyck, President of the Saskatchewan Biofuels Development Council, and Jessica Saunders from University of Manitoba who updated the audience on advancements made in Canada to increase production and use of biofuels.

A number of speakers, including John Urbanchuk, LECG, and David Perlman, Fieldstone Capitol, Robert White of EPIC spoke on the economics surrounding various aspects of ethanol production and marketing. Matt Hartwig, RFA, gave pointers on how to respond to the critics when they make false charges against biofuels. Celulosic Ethanol was the subject for Gerson Santos-Leon of Abengoa. Kelly Davis, with Hawkeye Gold spoke on fuel quality issues. Matt Jones, from Senator Baucus’ office spoke on the Renewable Fuels Standard. Presentations are available by contacting EPAC at 406-785-3722 or email pamd@ethanolmt.org

Sponsors for the event included Abengoa Bioenergy, Canadian Consulate, CHS, EPIC, Fagen, Inc., General Motors, KATZEN International, LECG, MT DEQ, MT Wheat and Barley Committee, National Biodiesel Board, Northern Broadcasting System, Renewable Fuels Association, R.J. O’Brien and Associates, and the USDA Office of Energy Policy and New Uses.

EPAC is a non profit educational organization with international membership and has a long history of supporting increased production and use of biofuels. The 19th annual EPAC conference will be June 29 & 30, 2009 in Bozeman, Montana.



Dave Vander Greind of ICM was a keynote speaker at the recent EPAC conference. He is shown at the podium after being introduced by Shirley Ball.

EPA DENIES RFS WAIVER REQUEST

U.S. EPA Administrator Stephen Johnson announced Aug. 7 the denial of the renewable fuels standard (RFS) waiver request submitted by Texas Gov. Rick Perry. As a result, Johnson said the required total volume of renewable fuels to be blended into the nation’s fuel will remain 9 billion gallons for 2008 and 11.1 billion gallons in 2009. “The renewable fuels standard is not causing severe economic harm,” he said, adding that the agency determined there is “no compelling evidence” that the RFS has been a factor in the impact that high commodity prices have had on the economy.

Johnson said the RFS will remain an important tool in America’s effort to reduce its greenhouse gas emissions and lessen its dependence on foreign oil. The EPA has published a detailed rationale that will serve as the framework for future waiver considerations. The EPA’s decision can be viewed at www.epa.gov/otaq/renewablefuels.

Perry submitted his request to the EPA in late April, asking for a 50 percent reduction in the 2008 renewable fuel requirement that calls for 9 billion gallons of consumption nationwide. Perry requested that the number be reduced to 4.5 billion gallons.

U.S. ETHANOL PRODUCTION THIRD LARGEST CONTRIBUTOR TO NATION'S GASOLINE SUPPLY

Washington D.C. August 8, 2008 -- The Ethanol Across America education campaign released part of an internal study today that places the U.S. fuel ethanol industry as the third largest contributor to the U.S. gasoline supply – surpassing Iraq and several other OPEC countries. Today, the U.S. produces over 600,000 barrels per day of ethanol. Ethanol is a finished high octane blending component that goes directly into the gasoline to extend the nation's transportation fuel supplies.

In addition, ethanol is also used by refiners to meet the national renewable fuel standard (RFS). The Energy Policy Act of 2005 established the national RFS program. The RFS was increased and expanded in the Energy Independence and Security Act, which was signed into law in December 2007. Last week the U.S. Environmental Protection Agency (EPA) upheld the nation's renewable fuel standard by denying a request by Texas Governor Rick Perry to have his state be granted a waiver from the requirement.

What is gasoline equivalent? According to the U.S. Energy Information Administration (EIA), the average gasoline yield from crude oil is about 47%, or 19.6 gallons of gasoline are produced from a 42 gallon barrel of [imported] oil. Industry analysts agree that ethanol is at least a 1 to 1 displacement for gasoline, as ethanol is already a refined high octane, and low sulfur gasoline blending component. With that in mind and to simplify, the report estimates a 50% yield of gasoline from a barrel of imported crude oil with the slight difference going to offset the lower BTU content of ethanol.

The report illustrates how U.S. ethanol production has reached “a point of real significance” in directly contributing to the nation's economic, environmental, and energy security. Using data from EIA on the top imported crude oil suppliers, the report illustrates how the production from the national ethanol program (9 billion gallons per year) ranks third, behind only Canada and Saudi Arabia, on a gasoline equivalent basis. Among other crude oil suppliers, it is noteworthy that U.S. ethanol production is approximately double that the U.S. receives from Iraq or Venezuela.

Ethanol is reducing crude oil imports by 600,000 barrels per day, reducing thousands of tons of greenhouse gas and air toxic emissions, and most importantly, ethanol will save U.S. consumers \$75 billion dollars on their gasoline bill this year. The two top issues facing consumers is the cost of energy and its impact on the economy. America finally got a shot of morphine for its oil addiction," said Durante.

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The report highlights the fact that a barrel of crude oil (42 gallons to a barrel) yields less than 50% gasoline during the refining process. Therefore, additional ethanol supplies to the gasoline pool have the effect of making up that supply loss and significantly reducing gasoline prices. The report notes that ethanol provides much needed relief to a constrained market with limited suppliers. “The U.S. ethanol industry is like a substantial Strategic Petroleum Reserve that keeps giving every day,” said Durante. “The good news is that it is not only here, but it is growing, and creating quality jobs and expanding our economy in the process.”

“The U.S. government provides a tax incentive for renewable transportation fuels of about 50 cents per gallon. Industry responded and produced 9 billion gallons of ethanol. Now the public saves 50 cents per gallon on all of the 150 billion gallons of gasoline they buy. That return on investment for the taxpayer exceeds 1,000%.” said Todd Sneller, Administrator of the Nebraska Ethanol Board and Chairman of the Clean Fuels Development Coalition. The report concludes that as long as the EPA and policymakers resist attempts by special interests to dismantle the RFS, ethanol's gasoline supply extension contributions will exceed that of Saudi Arabia by the end of next year or early 2010. As a result of EPA's recent decision to uphold the RFS, the total volume of renewable fuels, such as ethanol and biodiesel, required by law to be blended into the fuel supply will remain at 9 billion gallons for 2008 and increase to 11.1 billion gallons in 2009.



Governors' Ethanol Coalition

The Governors Ethanol Coalition (GEC) will meet in Billings, MT on Sept. 29 - 30. The GEC was organized in 1991, as a non profit group devoted to the promotion and increased use of ethanol. Membership stands at 36 state representatives plus some international representatives. The GEC is a well recognized and credible organization that is effective at education, policy and promotion. The GEC has also been a leader in forwarding the use of E85 fuel in Flexible Fueled Vehicles.

The GEC is bipartisan and the leadership alternates between political parties. Currently, the Chair is Gov. Rod Blagojevich of Illinois and vice chair is Gov. John Hoeven of North Dakota. This is a voluntary organization, with no dues or fees to the member states. GEC meetings are held two to three times per year. Montana has been a member of the GEC since the beginning. Governor Schweitzer appointed Shirley Ball as his representative at GEC meetings and the Montana Department of Environmental Quality as the state's representative agency.

This will be the first time the GEC has met in Montana.

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The meeting is scheduled to begin at 1:00 pm in Monday, September 29, and close at noon on Tuesday, September 30, at the Crowne Plaza Hotel. Please call the DEQ at

406-841-5250 to RSVP if you wish to attend the meeting. You can call the Crowne Plaza at 406-252-7400 or the toll free line at 1-800-588-7666 for lodging.

Governors' Ethanol Coalition Agenda
Crowne Plaza Hotel
27 North 27th Street
Billings, Montana
September 29-30, 2008

Monday, September 29
1:00 -5:30 Ballroom C

- 1:00 **Introductions**
- *Jon Feipel, Chairman's Representative; Lance Gaebe, Vice Chairman's Representative; and Shirley Ball, Governor Schweitzer's Representative*
- 1:10 **Welcome**
- *Richard Opper, Montana Department of Environmental Quality*
- 1:20 **Overview of Proposed Coalition Recommendations and Input from the Roundtable and Follow Up Meetings**
- *Larry Pearce, Governors' Ethanol Coalition*
 - *David Terry, Governors' Ethanol Coalition*
- 1:45 **Biofuels and Policy Initiatives**
- *Brent Erickson, Biotechnology Industries Organization*
 - *Tara Billingsley, Energy and Natural Resources Committee, U.S. Senate (invited)*
- 2:30 **Overview of Biodiesel**
- *Joe Jobe, National Biodiesel Board*
- 3:00 **Advanced Biofuels in the West – Cellulosic Demonstrations and Partnerships**
- o **Private Sector Investment**
 - Integrated Cellulose and Starch Ethanol
 - *Cliff Bradley, AE Biofuels*
 - *Phil Madson, Beyond the Corn Field,*
 - o **Feedstock Assessments and Development**
 - *David Sjoding, Center for Bioproducts and Bioenergy, Washington State University*
 - o **Woody Biomass**
 - *Chris Risbrudt, USDA Forest Service Forest Products Laboratory*
- 4:00 **Biofuels Infrastructure – Ethanol Blends and Market Development**
- o **City-to-Region Concentrated Market Development Approach**
 - *Mary Beth Stanek, General Motors*
 - o **Higher Ethanol Blends**
 - *(representative), U.S. Environmental Protection Agency*
 - *(representative), U.S. Department of*

- Energy
- *Ron Lamberty, American Coalition for Ethanol*

- 4:30 **The Dry Fractionation Process for Corn Ethanol Plants**
- *Greg Krissek, ICM*

5:30 – 7:00 **Reception**

Tuesday, September 30
7:45 – 12:00 Ballroom C

- 7:30 *Continental Breakfast*
- 8:00 **Update on Ethanol from Biomass Project and Other Initiatives**
- *Jon Feipel, David Terry, Larry Pearce*
- 9:00 **The Future of Biofuels and the Coalition's Expanded Scope**
- *The Honorable Brian Schweitzer, Governor of Montana*
- 9:30 **Coalition Business Meeting**
- *Roll Call and Approval of Minutes — Chicago, Illinois*
 - *Organizational Changes and Support Services— Jon Feipel, Lance Gaebe, Larry Pearce*
 - o *Mike Pallesen, Cline Williams*
 - *Resolution*
 - *The Biofuels Debate and Communications Plans Update*
 - *Committee Reports*
 - *New Sources – Nebraska & Illinois*
 - *Environment – Illinois*
 - *Policy – Minnesota*
 - *Research – North Dakota*
 - *Ethanol Vehicle – Colorado*
 - *Marketing and Education Committee – Kansas*
 - *International Committee – Minnesota*
 - *Financial update — Larry Pearce*

Next Meeting — *Jon Feipel, Governor Blagojevich's Representative*

12:00 **Adjourn**

HAVE YOUR FUEL AND EAT IT TOO: ETHANOL GRAIN MAKES BREAD

By Larry Kusch

-- WINNIPEG FREE PRESS -- RESEARCHERS in Manitoba are trying to turn the food versus fuel debate on its ear by developing foods using a by-product of the ethanol industry.

The Food Development Centre in Portage la Prairie has made dark rye bread, cereal bars, molasses ginger cookies, vegetable crackers and chocolate confection products using the high-fibre, high-protein leftover grain from the ethanol manufacturing process.

“We’re looking at entering the (fuel/food) debate and demonstrating that, yes, you can do both,” said product development manager Alphonsus Utioh.

The ethanol industry, and its insatiable appetite for corn and wheat, has been blamed by many for rising food prices and increased global hunger.

But Utioh and other researchers say there is great potential for a win-win solution to the divisive debate.

“Right now, the world, without letting scientists enter the fray, (is) saying you cannot feed the human tank and the gas tank off the same acre. You’re going to starve to death. And I say “Whoa,” said Curtis Rempel, research development manager at Winnipeg’s Richardson Centre for Functional Foods and Nutraceuticals. “What’s going through the ethanol plant into your gas tank you don’t want in your body.”

The ethanol industry uses the starch from the corn or wheat kernel, producing a high-fibre, high-protein byproduct known as Distillers’ Dried Grain and Solubles (DDGS).

Right now, the main market for DDGS is the livestock feed market, but both the Richardson Centre and the Food Development Centre, a special operating agency of the provincial agriculture department, are convinced that there are potentially important food uses as well.

For example, the Food Development Centre has used distillers’ dried grain obtained from Husky Energy’s ethanol plant in Minnedosa to boost the fibre content of dark rye bread.

Utioh said the product could qualify for a ‘high-in-fibre’ claim under Canadian food labeling rules.

But Utioh said that for distillers’ grain to be considered acceptable by health authorities for food use, processors would have to adjust their manufacturing processes as there are different standards for food and livestock feed. “I think that industry has to take the lead,” he said.

So far, there’s been little research done on possible food uses for distillers’ dried grain, and the Manitoba efforts are believed to be on the cutting edge in Canada.

(editors note, Alphonsus made a presentation on the food and fuel project at the EPAC conference. It is available at www.ethanolmt.org.)

HOUSEHOLD SPENDING STATISTICS REVEALS THE COST OF HIGH GAS PRICES

by Kristin Brekke

According to data from the U.S. Bureau of Labor Statistics, the average American household is spending \$83 per week on gasoline – 335 percent more than in 2002.

“I think we’ve all become numb to constant gas price increases, but a look at the numbers should make people take notice. An average household pays \$4300 a year now for gasoline instead of the \$1200 they paid just five years ago,” noted Ron Lamberty, Vice President / Market Development for the American Coalition for Ethanol.

While much recent media attention has focused on increased food prices, a look at the Consumer Price Index shows that the skyrocketing price of gas is by far the heavier burden for American households. In January 2002, an average household paid \$102 a week for food (groceries and eating out) and \$25 a week for gasoline. By June 1 of this year, a household paid \$124 a week for food and \$83 a week for gasoline. If gasoline had increased at the same rate as food prices during this time period, we’d be paying \$1.39 per gallon at the pump. Between January 2002 and May 2008, Americans’ food prices have risen 23.1 percent but their gasoline prices have risen 335.8 percent.

Ethanol is part of the solution, acting to keep gas prices from going even higher. Here’s what the experts are saying: The U.S. Departments of Agriculture and Energy note that gas prices would likely be 20 to 35 cents higher per gallon if ethanol was not available. Merrill Lynch analysts believe oil and gas prices would be 15% higher if ethanol producers weren’t expanding their output, which would mean approximately \$21 per barrel more for oil and 61 cents more per gallon for gas. Iowa State University found that between 1995 and 2007, Americans in all regions of the country spent less on gas – between 29 and 40 cents a gallon – than they would have if ethanol had not been available.

Using the low and high estimates of ethanol’s savings – 20 cents to 61 cents per gallon – ethanol is saving American households between \$210 and \$642 per year.

INVESTORS TOUR OTTER TAIL AG ETHANOL PLANT

Hundreds of investors and farmers, along with their families, attended the grand opening and ribbon-cutting ceremony for Otter Tail Ag Enterprises LLC, a 55 MMgy ethanol plant near Fergus Falls, Minn., on July 25. After 17 months of construction, in March the plant began production. Planning for the facility began in January 2005. The plant employs 33 people.

According to Kelly Longtin, chief executive officer and general manager for the plant, the project was completed on time and on-budget. The facility is producing 157,000 gallons or more of ethanol daily and as of July 25 the plant had produced 16.1 million gallons of ethanol. The plant has also produced 60,000 tons of distillers grains, he said.

“One thing we are really proud of is that our distillers grains sales continue to be good, especially in our wet cake area,” Longtin said. “We expected about five percent to 10 percent sales and they are averaging 20 percent to 25 percent sales and so we are really proud of that. The farmers are real happy with that.”

During the grand opening event, investors were invited to tour the plant and ask questions. “It’s pretty impressive,” said Scott Biss, a farmer from Elbow Lake, Minn., who has money invested in the plant. “We have increased our acreage of corn a little bit. Recently things have kind of pointed toward more corn production to increase our bottom line.”

Dan Beske, a farmer from Fergus Falls, Minn., hauled corn to the plant about a month ago and now he wanted to see the inside of the plant. “I’ve never been in an ethanol plant and so I wanted to see what the process was like,” he said. “I’ve driven by here ever since they started building it and so it was fun to see the finished product and to see it all in motion and all of the workers that are here. It was interesting.” Beske said he has increased his corn acreage by 50 acres because of the proximity of the plant. “It’s only two miles from my yard to here, so I save some fuel hauling,” he said.

“Our vision was to create economic value for our region,” said Jerry Larson, president of Otter Tail Ag. “Without the investor we wouldn’t be here. It’s been said many times that there are only two things important for renewable energy projects and that is equity and permits.” Larson is a corn and soybean farmer from Elbow Lake, Minn., and is a founding board member of Chippewa Valley Ethanol Co. in Benson, Minn., and DENCO LLC in Morris,

Minn., according to the company’s Web site. He is vice chairman of Minnesota Corn Research and Promotion Council. He has also served as a board member of the Renewable Fuels Association, and is past president of the Minnesota Coalition for Ethanol.

“I was just in [Washington, D.C.] last week and there is little enthusiasm to change [the renewable fuels standard] or revise it and so we have strong support in Washington,” Larson told his investors. He addressed recent concern about ethanol production and its affect on corn prices and overall food costs in the United States. “Just a little bit about the grocery manufacturer’s babble about giving ethanol the blame for food prices,” he said. “Six percent of the food cost comes from corn. The major cost comes from fuel. The average grocery cart travels 1,500 miles and so fuel cost is a key component.”

Larson added, that there is one thing to watch for - “I don’t think it will happen: the corn price has dropped 25 percent since its high. Just see if food prices come down. I doubt it.”

Larson told the farmers and investors attending the Otter Tail Ag grand opening that the one thing they could do to help is be an advocate. “Be informed. And when you hear misinformation, speak up, because collectively we need to counter all of the myths and all of the misinformation that’s out there and so be an advocate. I think this is the most important selling point of all: every time you buy ethanol, that dollar stays in the U.S. Every time you buy petroleum, that dollar goes to countries that aren’t necessarily all our friends. By buying ethanol, we’re keeping our dollars here without any military expense and so be a supporter, not only verbally, but in consumption, as well.”



Senator Amy Klobuchar of Minnesota was a special guest at a reception hosted by the National Ethanol Vehicle Coalition at their annual meeting in Washington D.C. in July. The reception was held in the National Capitol Building where Senator Klobuchar posed for a picture with Shirley Ball, who is on the Board of the NEVC.

SOUTH DAKOTA DELEGATION CALLS FOR MORE CONSUMER FUEL CHOICE

At a June 30 press conference of the American Coalition for Ethanol headquarters, U.S. Senators Tim Johnson (D-SD) and John Thune (R-SD) along with Congresswoman Stephanie Herseth Sandlin (D-SD), called for increasing the use of mid-range ethanol blends.

Citing the nearly \$2 billion that the U.S. currently pays each day for imported oil, the legislators say that providing more fuel options to the nation's drivers is part of the solution.

"We believe drivers deserve more choices, such as E20, E30 and E85. Not only are they better for energy security and the environment, but these fuels don't take such a bite out of their wallets as well," said Brian Jennings, Executive Vice President of ACE.

Jennings noted ACE's long-standing efforts to promote ethanol blender pumps, which increase the use of ethanol and the availability of mid-range blends.

Representative Herseth Sandlin says that the country as a whole needs to accelerate the timetable on biofuels. She recommends that automobile manufacturers should increase the number of flex-fuel vehicles being produced, noting that it only costs \$100-\$150 extra to make a vehicle with flex-fuel capability. "This will do more to enhance consumer choice, and it doesn't add a substantive cost," she said.

The delegation discussed the fact that most of their colleagues in Washington are concerned about the issue of renewable fuels, but there is still some disagreement about how best to address the issue.

"We need to begin giving consumers a choice on blended fuel if we are going to decrease dependence on other countries."

"We need to look at everything that is available to us. We will find a consensus, because everyone is concerned," Herseth Sandlin said.

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