

JEFF BROIN - Opening Remarks

2010 Growth Energy Executive Leadership Conference

Good morning!

It is my pleasure to welcome you to the first annual Growth Energy Executive Leadership Conference!

Wow! It's hard to believe that it's only been a little over a year since Growth Energy was started. And I truly am amazed at all the things this organization has accomplished in such a very short time.

As this video so effectively communicated, Growth Energy has changed the face of the ethanol industry.

Growth Energy has taken on Big Food through an aggressive advertising and public relations strategy. It was important to let them know that the ethanol industry is no longer going to sit back while the GMA perpetuates the lie that ethanol production leads to higher food prices; while at the same time Big Food was enjoying record breaking profits.

While the industry was struggling with the challenge of the ethanol blend wall, it was Growth Energy that submitted the Green Jobs waiver to increase the allowable blend to 15%. During the review process, we were successful in generating over 21,000 pro E15 comments to the EPA.

While many, even some in our own industry, told us we wouldn't succeed, we have received very strong signals from the EPA that this waiver will be granted during the summer of 2010.

Without this waiver, our industry will really have nowhere to go because there's very little room in the market under the E10 blend wall.

To keep Big Oil on the defense and promote our position as a homegrown fuel, we launched a Country of Origin Labeling campaign asking the simple question: if American consumers can know where our t-shirt or our steak comes from, shouldn't the American motorist be able to know where his fuel originates as well?

And, when the California Air Resources Board came out with their Low Carbon Fuel Standard that unfairly and unconstitutionally discriminates against US produced ethanol, Growth Energy took the lead in pursuing a legal strategy in both Federal and State court.

If we don't fight this aggressively, not only will grain-based ethanol eventually not be allowed in California, but several other states will most likely follow California's model. So we must stay committed to this effort.

As you have probably seen, the theme for this, our inaugural conference is NO LIMITS.

We felt this was a fitting theme for many reasons.

First, the entire Growth Energy team has the attitude that there are "no limits" to how hard we'll work and how far we'll go to advance the cause of America's ethanol industry. To demonstrate this, let's look at the makeup of our team.

For example, General Wesley Clark, Co-Chairman of Growth Energy. General Clark is an American hero. His record in the military is truly remarkable. Yet, he believes his service to this great country isn't done, and he understands better than anyone how important energy security is to our national security.

General Clark has been an inspiration to me because of the way he has dove into our industry to understand even the most intricate of details and has been such an effective communicator and strategist for Growth Energy.

Thank you General for all that you have done and will continue to do.

Next, our CEO, Tom Buis. Tom has been a long-time proponent of agriculture and ethanol and is a natural fit to lead this organization.

Since Tom has joined us about a year ago, he has been building an incredible team that all share his passion and dedication. I can tell you that Tom knows Washington, DC inside and out, and I have not known a more tireless advocate for our issues.

Tom, we're so glad to have you as our CEO.

How about former Congressman and former Director of the Office of Management and Budget, Jim Nussle? Congressman Nussle has been such a tremendous asset as a member of Growth Energy's board because he understands and believes in our issues while he also knows how things get done in DC.

Thank you Jim for all your work for ethanol as a Congressman and Director and we are so happy to have you on the Growth Energy team.

And we've also been fortunate to have several other well-known and effective people serve the efforts of Growth Energy. Former Speaker Newt Gingrich has been a very trusted advisor.

As has Karen Hughes from the Bush Administration and Josh Gottheimer from the Clinton Administration. They have been tremendously valuable contributors to Growth Energy.

I'd like to also recognize Dave Vander Griend of ICM who serves as Vice Chairman. Dave has been a friend of mine for many, many years. Dave has been an industry leader and I thank him for all he's done.

I'd also like to express my appreciation to the other producer board members of Growth Energy:

- Bruce Rastetter of Hawkeye Energy.
- Wayne Hoovestol of Green Plains Renewable Energy.
- Steve McNinch of Western Plains Energy.
- And Bernie Punt of Siouxland Ethanol and Livestock Exchange.

When the whole idea of Growth Energy was conceived, it took a leap of faith for a lot of us. I'm grateful for all the companies that shared this leap together. These are all industry visionaries who aren't happy with the status quo and share a "no limits" attitude.

Second, we liked the theme of "no limits" because it accurately describes the passion and dedication of you, our members. Most of you aren't in this industry just for a paycheck.

I think we all believe that ethanol is a good thing for our country, our environment and our world. We have seen first-hand the power this industry has in revitalizing rural America, cleaning our air, and making our nation less energy dependent.

As you all know, ethanol is here and it's now. It's not some hope strategy. This industry has been around for over 100 years. After all, Henry Ford designed the Model T to run on either gasoline or ethanol.

During the last 20 years in particular, we have dramatically improved technology, invested in infrastructure and made a noticeable impact on our fuel supply.

Today, the US ethanol industry has over 13 billion gallons of capacity, which is almost 10% of our entire country's gasoline usage.

This is more than the equivalent of gasoline BTUs that we import from Saudi Arabia, Iran, Venezuela, or any country other than Canada.

This is fuel made right here in the United States by American workers and family farmers and it is reducing our need to import foreign oil while reducing emissions.

Also, ethanol works in today's automobiles. Over 80% of the gasoline sold in the U.S. is blended with at least some ethanol. At a very small cost, all automobiles could be made to run on any blend of ethanol.

And there's new engine technology.

One example is the EBDI engine developed by the international engineering firm Ricardo, that optimizes ethanol's high octane; improving mileage, power and emissions over today's standard gasoline and diesel engines.

Growth Energy is proud to be a partner of Ricardo on this project. I'd like to introduce Rod Beazley of Ricardo, who has joined us this week. I hope each of you gets a chance to speak with Rod and learn more about the EBDI engine.

The American ethanol industry is also responsible for the creation of nearly 500,000 US jobs. It has helped the American family farmer by creating a new market for his product, reducing government farm subsidies by over 8 billion dollars while spurring incredible investment in farming technology to increase yields and reduce costs.

Finally, I believe there are "no limits" to the impact that ethanol can have not only on America; but the entire world. This is what really gets me excited.

As agriculture yields increase and cellulosic ethanol is commercialized, ethanol could realistically replace the use of gasoline in this country. Yes. Let me repeat that.

As yields increase and cellulosic ethanol is commercialized, ethanol could realistically replace gasoline in this country. Unfortunately, our policy makers don't quite understand this.

One of the things we're really good at in the US is growing things. Over the years we've outsourced much of our manufacturing and now even our service industries. And certainly, we have become reliant on foreign countries for our energy.

If the world's map would be based on oil reserves, it would look something like this. Pretty scary. The U.S. is very small and places like Saudi Arabia, Kuwait and Venezuela dominate.

But, if the world's map would reflect agricultural production, it would look like this. Our country is becoming more urban all the time, but one of our greatest strengths is agriculture.

We continue to lead the world in this area and contrary to the beliefs of some, farming still is the backbone of this great nation.

And what's interesting is that agriculture production is still growing in the U.S. Grain yields have improved dramatically in the US over the last 120 years. And there is really no end in sight. As a matter of fact, yields are improving at a faster rate now than ever before.

One hundred years ago, the average yield for corn per acre was 28 bushel. Fifty years ago it was 54. In 2000 it was 137.

And this past year, American farmers produced an all-time record corn crop with an average yield of over 165 bushels per acre.

This record crop of over 13 billion bushels was produced on 7 million less acres of land than the previous record crop.

And the major seed companies expect this trend to continue, possibly bringing yields up to 300 bushel per acre by 2030.

If we don't use this excess grain for things such as ethanol, we'll be back to the days of paying farmers not to produce, which in turn will burden the U.S. taxpayer; reduce investment and innovation in farming, and not allow us to fully utilize this tremendous resource to become more energy independent.

In addition to grain ethanol production, the ethanol industry is on the cusp of commercializing cellulosic ethanol. There are several pilot scale cellulosic plants in operation today. Technology is advancing rapidly and costs are decreasing, which will make cellulosic ethanol a reality.

And do you know how much biomass we have in the United States? In the forms of grasses, wood waste, and agricultural waste, there is over one billion tons available for conversion to ethanol.

Combining the tremendous potentials of both grain and cellulosic ethanol, the feedstock is there and the technology is there to produce as much as 140 billion gallons of ethanol, or roughly the equivalent of the amount of gasoline our country uses today.

Not only can this be done, but it will be done in a very sustainable way; using only waste materials and excess grain. Not using any more land – while increasing our food supply, achieving energy independence, and reducing emissions by over 75%.

The ethanol industry as you and I know it today is just the foundation for what it can and should become in the future.

And there are no limits to how ethanol can transform agriculture on a worldwide basis. What we have seen this industry do in the United States can be the blueprint for bringing many parts of the world out of poverty, while solving major hunger and energy problems.

There is between 1 and 1.2 billion acres of land in the world that at one time was used for farming, but is now out of production.

To put this in perspective, this is three times the amount of land that is currently farmed in the United States today.

Or put another way, if you took the land mass of the ten largest US states – Alaska, Texas, California, Montana, New Mexico, Arizona, Nevada, Colorado, Oregon and Wyoming – and added them all together, you'd have about 1.2 billion acres. This is an incredible opportunity.

And this is land that has already been tilled and farmed, but it is sitting idle today. We're not talking about rainforests here. And if this land were once again brought into production, ethanol has the potential to replace gasoline throughout the world and feed every starving person over 5 pounds of protein a day.

Now, that's a "no limits" vision.

And that's why what Growth Energy is doing is so important. Growth Energy was not founded to be just another trade association, but rather an organization with a moral purpose – an organization that will do what is right and fight for what is good – because there are "no limits" to what we can achieve.

Thank you.

Now, I'd like to introduce the CEO of Growth Energy, Tom Buis.