

# ★merican agriculture News

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## USDA Wants Total Control of Farm Alcohol Production

Deputy Secretary Jim Williams of the Department of Agriculture told the Joint Economic Committee that the USDA wants total control of funding and use of ag products for alcohol. He said the USDA is still very hesitant about using grain and would like to promote use of waste wood products.

In Williams' printed speech, one of USDA's six point alcohol fuels effort is "Management of Domestic Commodity and Other Farm Programs to Include Alcohol Production."

USDA is also trying to get \$12.8 million of DOE's Biomass energy program money for the USDA to manage and operate, Williams revealed during the testimony.

Williams made strong statements, such as the DOE has not been in the lending business before, he has met with them for the last time, there is still an argument going on about small scale versus large scale plants, and he would prefer if DOE handle feasibility of plant design and USDA handle funding and control of use of agricultural products.

Williams also said the hangup in funding fuel alcohol plants has been that they are waiting for the windfall profits tax bill to pass and an enzyme to be developed to break down wood products.

Don Patterson, Virginia AAM, was reported to have done an excellent job of testifying and prodding Senator McGovern to ask the USDA for immediate action and a report to his committee.

Dr. Paul Middaugh also gave good testimony in favor of small farm plants.

Senator McGovern said "...To date, the Department of Agriculture has racked up the wholly unimpressive score of seven on-farm loans totaling \$1.3 million...While hundreds of loan requests continue to roll into the Department, USDA sits on \$100 million in loan guarantees and \$10 million in direct loans that are supposed to be available to launch renewable energy resource fuel production...In effect, farmers are being strangled in their attempts to effectively respond to the nation's energy crisis...What we're seeing is a Department of Energy devoted exclusively, or nearly so, to large scale alcohol and other renewable energy resource fuels production facilities. Many of these facilities will be operated by energy conglomerates which have no intention of allowing alcohol fuels to compete with the price of gasoline. Plants of this size require high quality rail service, large stores of water, and two to four years of construction time before coming on line."

McGovern continued "The USDA delivery system for financial, technical and management assistance is so inadequate as to constitute something less than tokenism...These circumstances demand immediate remedial action. The Departments of Energy and Agriculture must be made to commit themselves without reservation to small scale,

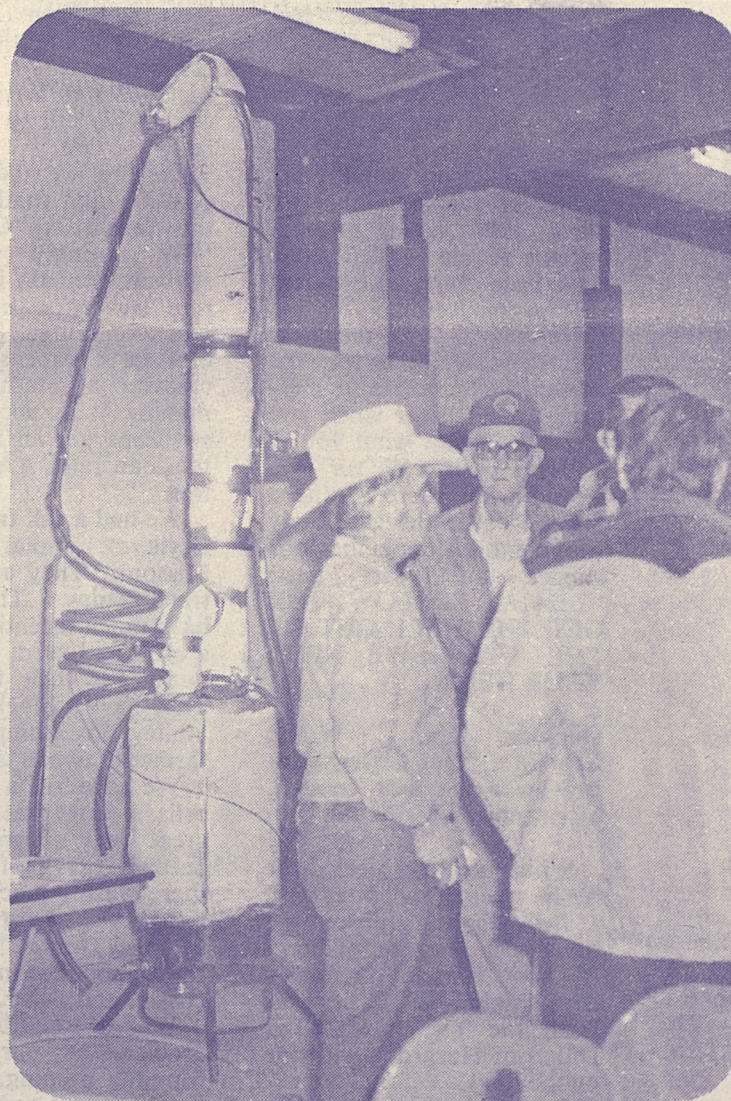
on-farm and rural community renewable fuels production."

Williams, in his prepared statement, said "Secretary Bergland is greatly concerned about the impacts of Federal programs on the structural changes occurring in agriculture and the particular effects on the viability of the family operated farm. Therefore, the ESCS is evaluating the economic impacts of different types and levels of biomass production on the structure of agriculture and the effect on rural areas of the US. The primary concern is to estimate the impacts of such a program on the land and water resources and estimate any potential changes in the structure of agriculture."

### Prosperous Farmers

In a letter designed to get businesses to advertise, *Farm Journal* says "Farmers have had three years of record farm income, and it looks like another's on the way! There are prosperous farmers all across the country, and *Farm Journal* reaches more of them than any other farm publication. Fifteen times a year, over 1,250,000 paid subscriptions go out to farmers, their wives and families across the US. Our estimated readership totals over 3,000,000!"

The letter continues "See for yourself why *Farm Journal* is the most respected farm magazine around, and how we can help you sell harder."



Farmers met to learn about alcohol at Boise City, Oklahoma March 22. This still is owned by Butch Heppard, Canyon, Texas.

### Wanted: One Farmer Who Has Received Federal Help to Build an Alcohol Plant

While much lip service is being given by various federal agencies about their commitment to on-farm alcohol production, this newspaper has yet to learn of

one bona fide farmer who has received a loan, grant, or other assistance to build an on-farm alcohol plant. If we are wrong, please let us know.



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## Washington Pulse

MARVIN SEZ...I feel you should be informed on the fact that I have been trying to evaluate the financial feasibility of delegate's meetings. In my evaluation I am confident that we need to maintain people up here until legislation is passed out of both sides of Congress and referred to conference committee. Anyone with time and money should be here working. However, I know for some states and some people that will have a hard time financially in coming to town, so, I have decided unless the Delegates feel there is a need for a delegate's meeting, we will wait and conserve our money until a need for a meeting arises. For the delegate's information, you should feel proud of the individual efforts that have brought several people to D.C., and have been doing an excellent job. In conclusion, I feel that there will be, in the near future, a NEED for the delegates to come and I expect you to come when you are called and I want you to know I will call on you ONLY when there is a need for the entire delegate body to assemble. Remember our slogans of years past: "LEAD, FOLLOW, OR GET THE HELL OUT OF THE WAY"...WE NEED YOUR HELP...

Quote from Walter Cronkite, "Our Government isn't working well enough, often enough."

What a busy week, the AAM tractor and float with a fuel alcohol still on the float will lead the Cherry Blossom Parade on Saturday, March 29. The star from the TV show, "The Dukes of Hazard", will ride on the float.

On Agriculture Day, March 20, a group of AAM farmers went to the front of the White House and handed out a news release. We all wore black arm bands and looked sad and somber.

We received a very nice letter from Evelyn MacWelch, VA. I feel it is worth putting in our letter: Dear Office Staff, While thinking about Agriculture Day some thoughts began coming to mind. They stuck with me so strongly I thought I'd write them down and pass them on to you. Perhaps they might help all of us on days when we feel particularly low.

Thanks for all you are doing. We love you all, sincerely. A FARMERS PRAYER...Lord, as we sow your seeds this Spring and lovingly tend Your earth, we pray that those we clothe and feed may someday know our worth. We pray that every ear will hear our warnings of alarm; warnings of starvation, with no farmers left to farm. Lord, You've inspired a chosen few and as You work through them we pray Your blessings on everyone who serves in AAM. Amen.

We have had many calls from soybean producers unhappy about the soybean lobbying McGovern to leave soybeans out of his bill to raise loan rates on soybeans. Therefore, we had to take a position and mailed this to the Senate Ag Committee. "We strongly urge that soybeans remain in the loan rate legislation now before your committee. Input costs and farm expenses are increasing at alarming rates, making it a necessity that soybeans get an increase in the loan rate. AAM Marvin Meek"

We had a call from Wayne Cryts, Poplar Bluff, Missouri. They are back to tractorcades. They don't have much incentive to plant a crop and seem to need an outlet for their frustration. They have a blockade of the Smiley Box Company and a farmer or two in jail.

We have had a number of calls stating that there is a great deal of grain rotting because of the feeling that there wasn't much incentive to check cheap corn. In Illinois, Tommy Kersey had some good meetings in Westchester and Terry.

We had a number of wheat growers at our reception Monday evening. When we got home we received a call from John Stulp who was in for the wheat growers convention. We felt so badly that he didn't know about our reception so he could attend. John chaired the first year of AAM delegate meetings and should really be applauded for his perseverance. The reception put on for the bankers and agribusinessmen was a huge success. We invited the entire Congress and Representatives of other farm groups. I'm sure we had over 400 attend and many stayed around and visited until after 10 PM.

On Monday afternoon, Howard Hjort left the Jefferson Auditorium meeting with us, to go and instruct the reconvened conferees on the Emergency Farm Credit Bill, to tell them that the Administration was threatening a veto of the bill if they left in the provision that sets an 8% interest rate ceiling for on-farm storage facilities. Senator Ed Zorinsky asked just who does make agriculture policy, You? Give me a list of names. Howard started his list by mentioning Stu Eisenstat at the White House and English really jumped up...said he had talked to Eisenstat before coming over to conference and had told him how necessary it was to get the \$2 billion in emergency loan funds out for the credit-pinch farmers. No mention was made of a veto or lobbying effort on the part of the Administration. The conferees did knuckle and are sending the Credit Bill to the floor Thursday as prescribed. Howard did get his ears pinned back and lost his cool several times.

Rumor around the hill last week was that Stu Eisenstat scolded Bob Bergland and Howard Hjort for not buying enough grain.

Don't want to build up any false hopes, but for the first time in history the full House Ag Committee passed out a bill for 65% of parity. First they passed out the English bill H.R. 6245 to establish certain loan levels whenever the export sales of certain commodities are suspended; this is for immediate relief. Rose's bill HR 6815 increasing loan rates for 1980-81 crops and providing for increased participation in the farmer held reserve program. Hance amended the bill requiring a raise in loan rates to 65% of Parity...19 for...3 against. Larry Meyer, Administration Lobbyist said it wouldn't go past the Rules Committee. I'm going to give him some mouth wash and tooth paste. Marvin always asks him how many times he has to brush his teeth and wash his mouth with mouthwash after his lobbying efforts, his job...

They also passed out two clean bills introduced by Mr. Rose. H.R. 6877, which embodies Sections 1 and 2 of H.R. 6815, and H.R. 6867, which embodies sections 3 and 4. These measures may be considered on the floor in lieu of H.R. 6815 if it should fail on the house floor.

We anticipate that the Senate Ag Committee will pass out similar legislation tomorrow morning.

We feel that this is a sad day and a happy day. Arnold Paulson of N.O.R.M. passed away today. He would love to have been here in D.C. today. He can rest assured that many people are carrying on his work, especially Ed Osburn and Vince Rossiter.

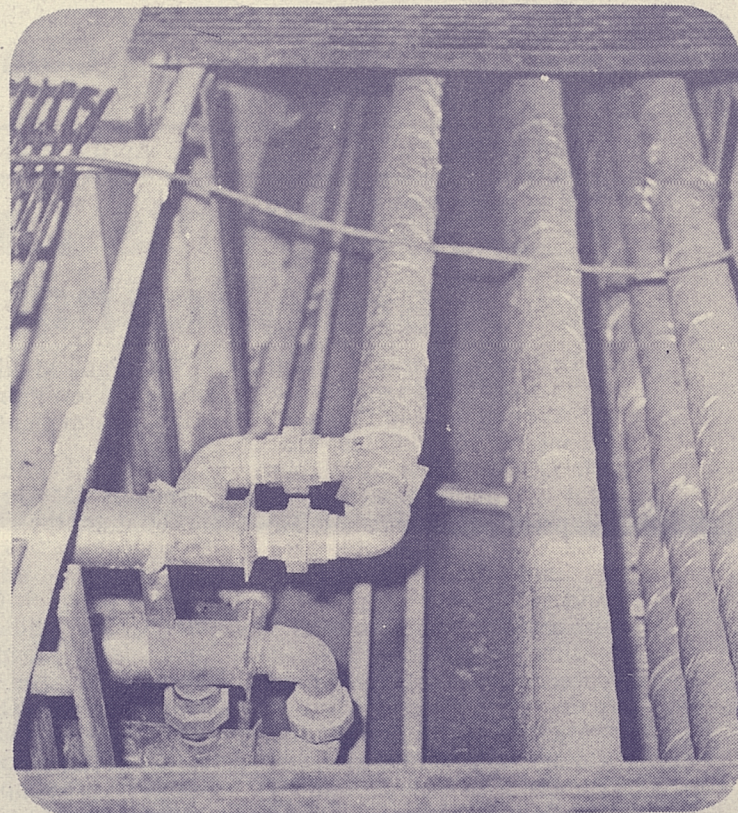
Our bankers and agribusinessmen have had a

very educational two days. Will try to write a brief summary after the Senate Ag hearing.

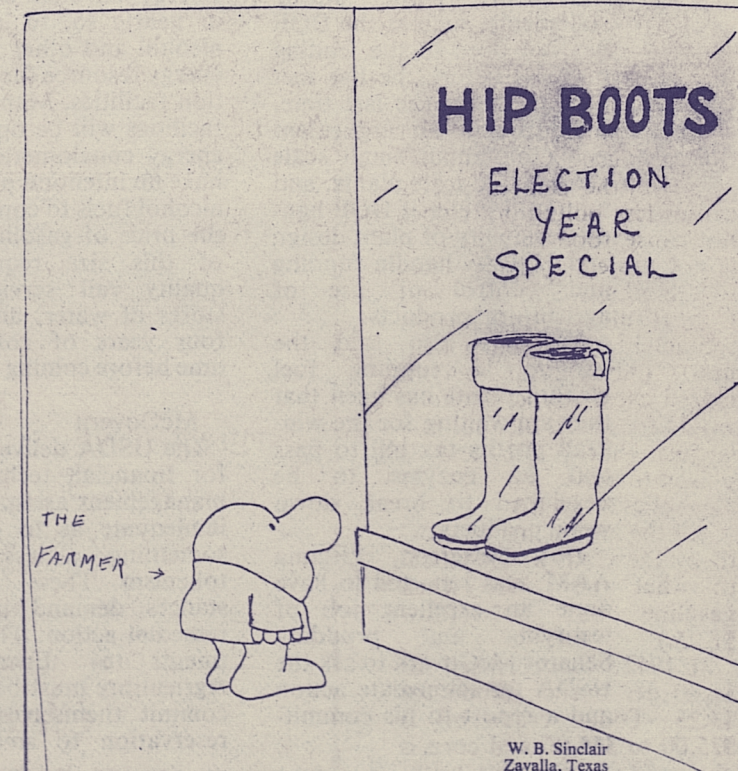
We have 19 states represented here this week--Iowa, Nebraska, Louisiana, Oregon, California, Kansas, Virginia, South Dakota, Minnesota, Texas, Michigan, Tennessee, Arkansas, Indiana, New Mexico, Missouri, Maryland, Kentucky and Wyoming. 65%--Wheat, \$4.13; corn, \$2.83; soybeans, \$7.22.

Potato Farmers in Maine have established blockades at 7 seaports and are dumping potatoes in protest of potato imports from Canada.

The Australian Embassy sent another letter to AAM supporting an increased loan rate to serve as a floor under world wheat prices. They reaffirmed their position that the US sets world wheat prices.



Conservation of heat is a crucial part of profitable alcohol manufacture. These heat exchangers are part of the now-famous Schroder Farms alcohol plant at Campo, Colorado. SERI is now doing official tests to rate BTU requirements per gallon of alcohol in this plant, which is one of the most efficient in the nation. Watch next week's paper for a complete report on the new Schroder Farms still.



## Short Snorts

*Nation's Business* says that if present trends continue, by the end of the decade US economy will be in fifth place because of loss of productivity.

*Nation's Business* also reports that each individual's share of the cost of running the federal government is \$7,559, and, for comparison, the average family in 1981 is expected to spend only \$4,338 on food, \$3,699 on housing, and \$1,376 on clothing!

Agencies with business regulatory responsibilities (28) are slated for a 12% boost in funds for fiscal 1981.

In a recent *Nation's Business* survey, the public voted two to one in favor of a federal subsidy for gasohol.

## Speak Out

### Thoughts on Census

In regard to the 1980 census, it has come to my attention that a blanket (covering everything) objection can possibly lead to harassment and/or a fine; however, if you object specifically to each question on the grounds of violation of your rights under the Constitution, these objections will stand up in a court of law. Read your Constitution and verify for yourself the following:

First Amendment--Freedom of Speech.

Fourth Amendment--Right to be secure in your home against unreasonable searches.

Fifth Amendment--Witness against yourself.

Tenth Amendment--Powers not delegated by the Constitution are reserved to the States or to the People.

Thirteenth Amendment--Involuntary servitude shall not exist within the U.S. You may find others equally important. You may also wish to re-read I Chronicles, Chapter 21 and II Samuels, Chapter 24 to recount David's numbering of Israel.

If, after studying these, you feel as I do, object SPECIFICALLY to each question you do not feel you should answer, then attach a separate sheet of paper to the booklet, simply stating your basis for objection. Do not lash out at the waste and extravagance of the Government. You may wish to state it as such: This sheet is to be considered a part of this booklet. Those questions marked "OBJECT" are so marked on the basis of the Constitution and, more especially, the first, fourth, fifth, tenth and thirteenth amendments thereof." Sign your name and be prepared to stand by these answers each time you are contacted. For Enumeration Without Privacy Violation,

Bill Holdren  
Cresbard, SD

### Alcohol Pro & Con

We have already heard some arguments about fuel alcohol, such as, Pro: We can produce it again and again in the same field; it causes less pollution; it does not cause food shortages; it is not subject to the politics of another country; and Con: It ruins motors; it costs too much; it causes drunkenness!! (About that, only a crazed extract-type alcoholic would try it, for alcohol fuel is just that--FUEL--and is poison to drink and even the alcoholics know it.)

All the arguments put forth by the Cons are identical to what they were when gasoline was 60¢ (now \$1.25.)

In 1942 I saw corn sell for \$1.60 per bushel, crude for \$3.25. Today crude oil is \$25.00 to \$35.00 and corn is about \$3.00. By that arith-

metic we should have been running on alcohol long ago.

Another thing, in case of a war situation, hard rationing is sure and certain!

Alcohol would seldom be hauled more than a few miles and I can't help wondering how much we are now paying for transportation on one gallon from Saudi Arabia to Omaha, Nebraska.

Bill Sinclair  
Zavalla, TX

P.S. If it costs too much everybody who tries it will go broke so the Cons should have no objections.

### So What Else Is New

The page one story of your March 18 paper and the page 5 story of FmHA loans to anyone but farmers are new, but old. Agrarian reform is pushed in other countries while government policy here has favored the corporation farm and helped consolidate land holdings in the hands of a few. Hypocritical, ain't it?

As to FmHA, it didn't take long after WW II to learn that the gratitude the government promised the Vet and particularly the disabled Vet was like, "If you have enough collateral and can guarantee you can make it, maybe, just maybe you can get a loan." The "help" you got was all the road blocks they could throw up. No matter that your government was shoveling out your money to enemies, potential enemies and other countries who just didn't give a damn, you had to be a no-risk loan based on pre-war prices and low land valuation.

They should set the loan record of the few who did get a loan alongside that of those foreign countries. Even with easier terms, the foreigners had to be given moratoriums and debt cancellations,

outright gifts, and more aid. What did American get in return? Spit in our eye, mostly.

The worst part of our government which is determined to rule or ruin a free people, is that we are not offered any real choices on 90% of election days. Still, the people play their game. Nixon worked for Rockefeller before he went in and Carter, the "outsider", was on the Trilateral Commission by David Rockefeller. If the country collapses, as is likely, if we then aren't looking down foreign gun barrels, the people will be killing farmers for a bit of food rather than the people who caused it. If you doubt it, then read the history of all the other places governments have ruined peoples. You will see the same "remedies" were offered.

M. B. Gilbert  
Carbon, TX

### Think Farm Alcohol

#### Dear Subscribers

Occasionally our addressing crew "goofs" and sends someone a renewal notice by mistake. And sometimes such a notice may cross in the mails with your renewal.

If you are getting your paper, don't panic. If you miss a paper, please let us know. If you get two papers two weeks in a row, let us know.

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American Ag News

## "Makin' It On The Farm - Alcohol Fuel is the Road to Independence"

Words by Micki Nellis. Photographs by Alden Nellis

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## BIOCON (U.S.) Inc.

offers

A total service to the gasohol producer

BIOCON (U.S.) Inc., based in Lexington, Kentucky, has been associated with the distilling industry worldwide for over a decade. During this time, our enzymes have been developed to cover almost all alcohol producing systems. To assist the gasohol producer, the enzymes are extremely easy to use as shown in our "4 Step" procedure.

- Step 1** Add water to cooker (20 gal./bushel)  
Add 5 bushels corn or other cereal ground as fine as possible.  
Add 2 oz. CANALPHA (white powder). Mix well.  
Heat to 200-212 F. with constant mixing.  
Hold for 15 minutes.
- Step 2** Cool mash to 150-170 F. by adding just sufficient water (5 gal./bu).  
Add 4 oz. CANALPHA (white powder). Mix well.  
Hold for 30 minutes with constant mixing.
- Step 3** Cool mash to 90 F. as fast as possible.  
Add 2 oz. GASOLASE (fine brown powder).  
Add 4 oz. BIOCON Special Distillers Yeast (granulated brown powder).  
Mix well.  
Ferment 2 - 3 days.
- Step 4** Mash now ready for distillation.

*It should be noted that the enzymes require no pH adjustments and that considerable economies can be made with experience.*

An introductory package for \$45 is available from BIOCON, which has sufficient enzymes and yeast to process 60-200 bushels of corn (170 - 600 gallons at 180 proof).

Next Alcohol Seminar April 28, 29, 30 in Lexington, KY

BIOCON (U.S.) Inc.  
261 Midland Avenue  
Lexington, Kentucky 40507  
Phone (606) 254-0517

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Type of Membership (Check One)

\_\_\_\_\_ Domestic Farm Producer - \$10  
(Voting Member)

\_\_\_\_\_ Associate Member - \$10

\_\_\_\_\_ Business/Corporation - \$100

\_\_\_\_\_ Student - \$10

\_\_\_\_\_ Public Agency - \$100

\_\_\_\_\_ Sustaining Lifetime Membership - \$5,000

Please Make Checks Payable to:  
**AMERICAN AGRICULTURE FOUNDATION**  
and mail to: Box 57, Springfield, CO 81073  
303-523-6223

*Clearing House for Farm Alcohol Information*



# National Gasohol Commission Meets

This report on the recent National Gasohol Commission Board Meeting was furnished by the Washington Gasohol Commission, Box 1476, Moses Lake, WA 98837.

Report from Washington, DC--National Gasohol Commission Board Meeting. Joan and Stan Schell arrived in Washington during a snowstorm. As miserable as it was, the prices were worse.

After registration and a reception, Sunday, March 4, the National Commission opened its meeting. Each state member representing its constituents. It was nice meeting former friends and exchanging information on current activities.

The meeting lasted three full days, which made it difficult to meet with Senators and Representatives. We did, however, see Representatives Mike McCormick and Tom Foley. They indicated that they would help in any way they could. Senator Magnusen supports our efforts 100%.

Senator Jackson, however, feels that bigger plants are more viable than smaller, on the farm facilities. Schell defended the on-farm option vociferously and persuaded Jackson to suspend judgment. Schell was also informed that Jackson's offices received reports that the Washington Commission was trying to block legislation in the state which would facilitate construction of plants. The Commission's dissatisfaction with results of Rocket research examination of the question of large vs. small plants was given as an example of this behavior. Washington Gasohol Commission has been instrumental, however, in affecting all legislation which restricts construction of any plant, regardless of size.

Schell introduced a resolution to the National Commission which requested that national support changes in the alcohol, tobacco and firearms regulations as follow:

1. The experimental license should be available indefinitely. It should be renewable every five years rather than the current two.
2. The 2,500 gallon maximum production on an experimental license be replaced by a 5 million gallon maximum. This is closer to figures proposed by the Carter Administration.
3. The restriction on 'Place of Use' for alcohol produced by an on-farm, experimental still be broadened to include the state of production rather than just the producer's property.
4. Eliminate current bonding requirements as unworkable.

5. Create, if regulation must occur, a new Power Fuels Department, and remove it from association with drinking alcohol regulation.
6. Simplify rules for acquisition of a commercial license.

Money behind windfall profit taxes will be minimal to non-existent for development for power fuels since most will be diverted to general revenue funds.

You may have heard about DOE money which is available for feasibility studies. Deadline for application of these funds is April 25, 1980. Our examination of the guidelines suggest that only companies which began working to meet them last Fall will be in the running. Since the bids for proposal were issued in February, there is a suggestion that competition for funds is oriented toward concerns which already have a firmly entrenched interest in energy production.

Statements by Birch Bayh, Berkeley Bedell, Charles Percy and others indicated that they are all dedicated to the idea of alcohol fuels. They are, however, concerned that major interests, like grain dealers or petroleum companies, will gain control of the power fuel industry. These men encouraged farmers to begin moving rapidly and immediately toward developing control over production of gasohol. As you might expect, the speakers attributed whatever subsidies now available to the work of the Ag Movement. A 40 cents/gallon subsidy on 190 proof alcohol has been extended until 1992. 30 cents/gallon on 150 proof. An investment credit of 10% has been voted in for energy-efficient equipment and will extend through 1992.

Let your Senators and Representatives know how you feel about these issues. They are listening.

Current efforts by the Carter Administration to reduce inflation by cutting its budget will affect the financing of alternative fuels. We will have to fund our efforts without federal assistance, by and large. This isn't necessarily bad, however, because federal dollars invariably come with strings and built-in inflation attached. Another factor, which isn't discouraging, is that most of the large industries involved in alternative fuel production have put lots of their eggs into the government basket. Their projects are so large and have potentially such negative impact upon the environment, that they must produce environmental impact statements and projections of damage to ecology. They

must create, additionally, projections of environmental guidelines that EPA and other agencies will apply later. This consumes enormous amounts of time and remarkable amounts of administrative talent. At 18% inflation, these companies will enter the market rather late in the game and with a product that may well be priced non-competitively. More pragmatic and appropriately sized producers have distinct advantages under these circumstances.

A recent report by Rocket research, funded by the Commerce Department and conducted in this state, refutes the idea that plants under 5 million gallons per year can be profitable. Examination of the research, however, indicates that many of the premises about levels of inflation, interest and transportation costs were inappropriate, if not incorrect. Again, the research failed to consider time constraints imposed by regulatory processes before construction and operations begin. This failure was compounded by the conclusion's failure to consider the impact of inflation on such delays.

The Washington Gasohol Commission opposes the results of this result on poor design grounds first. Secondly, and more importantly, however, we oppose the results of Rocket research because they refuse to acknowledge the competitive viability of small and mid-sized producers of power fuel. They refuse to acknowledge the reconsideration of notions that homogenous hugeness is automatically more cost effective. In current financial and technological markets, such error is dangerous.

We have just received a large shipment of 'fuel from the farm.' We are charging only the costs of postage, \$1.25.

Several plants are currently under construction. Curt Schell has been working with some of those operators and is available to work on designs and production questions. The commission charge for these services is \$100 per day, after the first day which is free. Curt can be reached in Ephrata.

Jim Franklin, Toppenish, has assumed the position of Marketing Director. He will represent the Commission to

commerce, industry, agricultural and consumer groups in order to identify the market forces for Washington-produced power fuel.

Louise Sah, Seattle, will handle financial matters for suppliers of fuel upon request. This includes acquiring funds, identifying tax issues and monitoring the national markets for legislative, finance and supply trends.



A person uses up about 36 calories an hour driving a car.

## New Tanks

Available thru Hico, Texas AAM



Capacity	Material	Price
500 gal	10 ga	\$425
1000 gal	10 ga	\$595
2000 gal	3/16 pl	\$1075
5875 gal	3/16 pl	\$2085
8800 gal	3/16 pl	\$2575
12,690 gal	3/16 pl	\$3675

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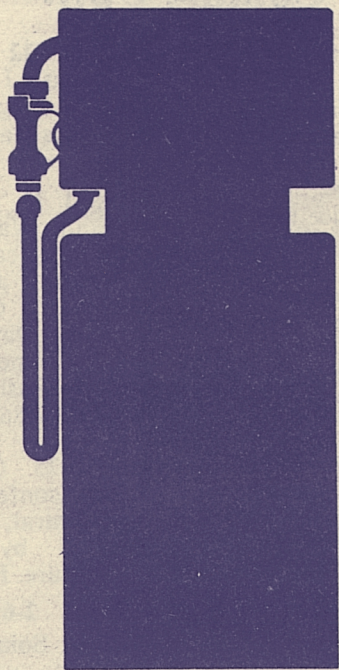
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# gasohol

## Cleaner More Efficient Fuel

## Stock Subscription Agreements Now Available for Shares of Preferred Stock in Gasohol Plant

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50% of Total Purchase; Payable November 15, 1980  
*If construction of plant is not started by December 31, 1980, Money will be returned to investors.*  
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### PROJECTED PRODUCTION AND INVESTMENT RETURN SCHEDULE FOR BACA FOOD AND FUEL CORPORATION

PROJECTED INVESTMENT	
Preferred Stock [1,000 at \$1,000]	\$1,000,000
Membership Stock [2,000 at \$250.00]	500,000
Total Investment	\$1,500,000

PROJECTED PRODUCTION	
Projected Gallons Sold	1,000,000
Projected Inventory Requirement	50,000
Total Production	1,050,000

PROJECTED REVENUE	
Alcohol [1,000,000 gal. x \$1.74]	\$1,740,000
Stillage	545,066
Total Revenue	\$2,285,066

PROJECTED PRODUCTION COSTS	
Labor	\$ 150,000
Grain	876,000
Electricity	8,000
Diesel	100,000
Miscellaneous [Marketing, Insurance, etc.]	50,000
Depreciation	65,000
Interest	72,000
Enzymes	60,000
Total Costs	\$1,381,000

PROJECTED COST OF GOODS SOLD	
Beginning Work in Process Inv.	\$ -0-
Costs of Goods Manufactured	1,381,000
Goods Available For Sale	1,381,000
Ending Work in Process Inv.	87,000
Total Cost of Goods Sold	\$1,294,000

NET PROFIT \$ 991,066

### PROJECTED RETURN ON INVESTMENT

Sales	X Profit	= Return On Investment
Investment	Sales	
\$2,285,066	X \$ 991,066	
\$1,500,000	\$2,285,066	= 1.52-times X 43% = 65%

## Baca Food and Fuel

PO Box 53  
Campo, Colorado 81029

(303) 787-2475

### NOTES FOR PROJECTED PRODUCTION STATEMENT

Based on a fiscal production year of 350 days and production of 3,000 gallons of alcohol per day, the total yearly production will be 1,050,000 gallons. Due to the distillation process approximately 50,000 gallons will be inventory at the close of any given year.

The projected revenue from marketed alcohol would be \$1,740,000.00 annually. Based on the projected price of \$1.74 per gallon. Also, as a result of the stillage process, a high protein by-product will remain after the alcohol is removed. Approximately one-third of the 365,000 bushels of grain processed will remain to be marketed at a price of \$.08 per pound (dry weight). This by-product, marketed as a cattle supplement, will generate \$545,066.00 of additional revenue.

Under projected production costs, labor is figured on the basis of seven to ten full time employees. The grain cost is figured on the basis of the current market price (2.40 times 365,000 bu. of milo). The remaining expenses are based on a study produced by the United States Department of Energy for alcohol production. The figures were adjusted according to size of production. These costs, however, are not fixed costs and variance may be expected.

The projected "cost of goods sold" statement shows no beginning inventory as no alcohol has previously been produced. The ending work in process inventory is based on the requirement at \$1.74 per gallon. As for taxes, the corporation will not be taxed as such, however, individual dividend receipts will be subject to taxation.

The return on investment is based on earnings as a per cent of sales times the inventory turnover.

Dividends will be distributed to preferred stockholders on the basis of 80% of net profits, after the deduction of working capital. The remaining 20% of net profits will be distributed to membership stockholders according to the percentage of grain sold to the corporation or to the percentage of alcohol purchased.

**Board of Directors Officers**  
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Vice-President: Alvin Jenkins  
Secy-Treas: Mike Stafford



## Around the Countryside Idaho

AAM of North Idaho met March 27 at the Latah County Fairgrounds at Moscow. Topics of discussion included the embargo, the election of a spokesman to represent Idaho on a panel of all farm organizations, and a meeting for Idaho Women for Agriculture.

## Louisiana

LOUISIANA A A M would like to thank the Texas group for adopting the Swamp Kitten and other cats that went on the Paritycade from Louisiana.

Thanks to Georgia for a fine barbeque and to the Florida group for the food donated to the Paritycade.

A Louisiana state meeting was held March 11 in Crowville at the Village Kitchen Cafe. Attendance was good and pledges supporting the National AAM office were made by some of the members. A meeting was held March 29 at the Rayville Civic Center. Tommy Kersey, along with Rex Green from the Louisiana Commissioner of Agriculture Office, were the featured speakers. A small still was on display.

The state office in Winnsboro is now closed. Business will temporarily be conducted from the residence of Ludis A. Burns, Route 1, Box 202, Delhi, LA 71232; Phone 318-878-2887.

Ludis A. Burns

## Kentucky

An alcohol hearing in Louisville, Kentucky drew 500 farmers, distillers, bankers and businessmen.

The hearing was conducted by Senator Walter Huddleston, and attended to DOE's Ted Tarr, director of financial incentives in the new Office of Alcohol Fuels.

US Senator Birch Bayh described himself as a "gasoholic."

Richard G. Kozlowski, EPA, said extensive use of gasohol might create new pollution problems.

Kentucky Agricultural Energy Corporation is planning a \$44 million alcohol plant in Simpson County. National Distillers might convert a Louisville distillery to alcohol production. Willett Distilling Company has announced plans to produce fuel alcohol in Bardstown.

National Gasohol Corporation plans to make fuel alcohol at an old Seagram's distillery near Cynthia.

Others considering alcohol plants in Kentucky are Paul A. Laine of Fulton; Al Van Schiak, Alcohol Energy Corporation, Madisonville;

## Open Letter To Bergland

by Donna McCue

Dear Mr. Secretary,

No, Secretary Bergland, there is nothing wrong with renting a working farm all one's life, except that such a practice gets a farmer nowhere! "The American Dream" of improving one's lot in life was one of the basic concepts upon which our great nation was founded. No matter how bad the times are or a thousand other things, a farmer has always wanted to own the land he tills. As well, Mr. Secretary, there is nothing wrong with trying to better one's self.

Tenant farming and sharecropping is a common practice but generally is done for these reasons: (1) the farmer does not have the necessary capital to purchase his own land, or (2) land is not available for purchase in the area where the farmer lives. It is also done as a means of increasing a farmer's acreage for the same two reasons.

If you truly believe 100% of parity prices in the marketplace for domestic agricultural products would "make the big farms super-rich and further drive out the small farms, then I highly recommend you enroll immediately in a refresher course in economics. When businesses operate above the cost of production, consolidation, restructuring and buy-outs do *not* occur. These patterns happen only because of financial difficulties brought on by adverse business climates (operating at a loss for a lengthy period of time). This is exactly the position of the American farmer today.

The prices farmers receive for most domestic grains are hovering between 54% and 59% of parity, according to the February, 1980, edition of the USDA Crop Reporting Board. Livestock prices received by farmers are somewhat better although still below the 100% of parity prices set by the same agency of your own department!

I have read that both your daughter and son-in-law work in town "because farming in their area is not a year-round occupation." I think, if they were to tell the truth, they are forced to have off-farm incomes in order to keep their heads above the inflation rate!

Your daughter and son-in-law would indeed "live in

Jim Wead of Wead & Associates Ltd, Lexington is studying a site in Lexington, and Alco Chemical plans a small operation in Carroll County.

poverty" if they were to purchase your land. Considering the high cost of land, equipment, fertilizer, seed, fuel and other essential production inputs today, the prices they would receive today for their crops would not be enough to return this investment to them, let alone be enough income that they would not have to work off the farm!

I wonder why you question that a farmer should pay for his farm in his lifetime. I know of no lending institution, private or government, that would even consider lending money on land if it couldn't be repaid in at least twenty to forty years! That is a fact which will not easily or readily change.

Frankly, I cannot comprehend the logic of not paying for my farm in my lifetime! Why should my children be forced to absorb my debtload in order to inherit our family farm (we own 1,840 irrigated acres)? Not only is there a lack of reasoning in this theory, but any banker would tell you it would be a most unsound business practice as he laughed you out of his office.

As a landowner, I wonder what the "certain advantages in owning land, particularly in tax laws" are that you spoke of February 21. Other than a larger deduction of interest, if the land is not paid for, my accountant assures me that a tenant farmer or sharecropper would have the same deductions as a landowner farmer.

Price supports have not accomplished any good for the farmer and most assuredly do not "help service the enormous mortgage debts farmers are incurring." Anytime the federal government gives money to anyone, whether a farmer or a welfare recipient, it is robbing that person of the opportunity and incentive to earn his own income and teaches that person to rely on handouts. As well, tax paying citizens are cheated by such policies because they must foot the bill for the total population of the nation, thereby increasing inflation!

I most heartily disagree with your statement "Before anything can happen, President Carter must be re-elected." In the preceding four years, President Carter has not done anything beneficial for farmers but he certainly has done much that has harmed their livelihood.

Since taking office, President Carter has refused to implement the 1977 Farm Bill as it was written. He successfully blocked the passage of the Emergency Farm Act

**April 5** - Great Bend, Kansas, Alcohol seminar. Remote Post Fuel Still actually distilling alcohol, plus one or two others and engines burning alcohol. Sponsored by Rice and Barton county AAMs. \$7.50 fee (\$2.50 students). 9-4:30 p.m. at Barton County Community College technical bldg, 2 mi north and 2 mi east of Great Bend. For more info, 316-793-8953.

**April 5** - Kansas Gasohol Commission meets at Barton County College, Great Bend, 2 p.m. Business meeting, 7 p.m. in Great Bend City Auditorium at 1214 Stone. Board of Directors to be elected, and establish direction for next year.

**April 11 - 12** - Alcohol program at Spokane Falls Community College, Washington state. For more info, Washington Gasohol Commission, Moses Lake.

**April 11** - McGehee, Arkansas, J.C. Lewis at 7 p.m. at the high school, speaking on the Trilateral Commission.

of 1978 in April, 1978. He promised as a candidate he would never embargo American grain shipments, but there is an embargo in effect today against the USSR. He tied alternate energy funds to the Windfall Profits Tax legislation so that Congress and not he would appear as the "bad boy" because loans for ethanol production and research are being delayed. Recently, he assured farmers their incomes would not be affected because of the Russian Embargo, yet grain and livestock markets have dropped drastically and continually since the announcement was made stopping grain sales. Now he says the newly created import fees placed on foreign oil will stop inflation, when it has already been announced that the fee will add ten cents per gallon on fuel prices at the pump!

During these same four years, inflation has risen from 5% to over 18% thus far into 1980. Interest rates at country banks have risen from 9% in 1976 to over 20% today. No business, regardless of size or kind, can operate under these conditions!

No only is agriculture in economic trouble, but so is the entire national economy. The American people cannot survive another four years with the same inept "leadership" of the past four years! The good you talked about will only begin when a *capable* president is elected on a 100% of parity in the marketplace platform!

Donna McCue for AAM Springfield, CO

## Coming Up...

**April 12** - Jonesboro, Arkansas, J.C. Lewis at 7 p.m. in Ring Auditorium of Arkansas State University.

**April 17** - Big Business Day in Washington D.C. (Kickoff in campaign to curb corporate abuse in the 1980's). Contact Big Business Day, Room 411, 1346 Connecticut Avenue NW, Washington D.C. 20036. 202-861-0456.

**April 25** - Oklahoma City, alcohol conference, Ramada Inn Central, 8 a.m. Sponsored by American Agriculture. Fee to be set.

**June 2-6** - Phoenix, Arizona Solar Jubilee. Fees vary. For more info, write ASEC, Toom 502, 1700 W. Washington, Phoenix, AZ 85007.

**Lamar Community College Workshops, in cooperation with Schroder Farms - Fee \$300. Call 303-336-2248.**

**March 26-28.**

**April 9-11.**

**April 23-25.**

**May 7-9.**

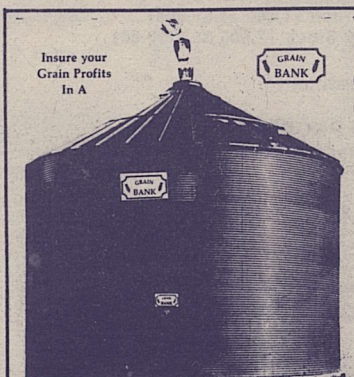
**Tentative Sept 3-5.**

**October 8-10.**

**November 5-7.**

**December 3-5.**

**Watch for your renewal notice. Don't let your subscription expire**



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Will the person who gave the 3 fellows from California a ride from Schroder's still back to motel, please call Bob Thompson collect at 213-595-6651 regarding coat.

**Wanted: Christians and/or Patriots**, especially veterans, who are unprepared for the coming economic, political, social, and military crises. Write: *Christian-Patriots Defense League or Citizens Emergency Defense System*, Box 565F, Flora, Illinois 62839 or call 618/665-3937 day or night.

### For Sale

**For Sale: OPEC Killer Alcohol Plant.** Regular price \$16,500. Sale price \$14,000. Includes \$1,000 worth of yeast, enzymes and testing equipment. Independent AgriFuels, Piggott, Arkansas 72454. Phone 501-598-3405.

**Alcohol Fuel Plants.** 40,000 to 40 million gallons per year capacity available. Plant tours to observe alcohol production in 40,000 gallon units by appointment. Orders now being accepted. For details or appointment call 303-893-8936. Easy Engineering, 3353 Larimer, Dept AAN, Denver, CO 80205.

**For Sale, 1969 Moline G1000** Vista tractor, butane, cab, new tires, motor, transmission. Differential overhaul, new hydraulic pump, would convert to alcohol. Harvey Roll, Box 310, Elkhart, Kansas 67950. Phone 316-697-4552. 4t

**BEHLEN BINS AND BUILDINGS, R&R Systems,** Alva, Oklahoma. 405-327-3786. 7tcMar4

Reg. Shorthorn bull: Coming 4 yr-old, son of The Great Hubs Impact Two. Green Ridge bred bull. Performance data available. Call 217-947-2757. Blue Chip Shorthorns, Tony Wieber, Elkhart, IL 62634. 2 tp

**Health and Survival Catalog,** Medicinal herb kit. \$2. Box 1193AA, Coeymans, NY 12045. 4tp

In an issue briefing paper dated March 17, the USDA says "Although world food production has increased, the gains in the developing countries have been largely used up by rapid population growth. Food production in many countries remains exceedingly vulnerable to weather, insects and disease. Distributing food to areas of greatest need within developing countries is the weakest link in the international food chain."

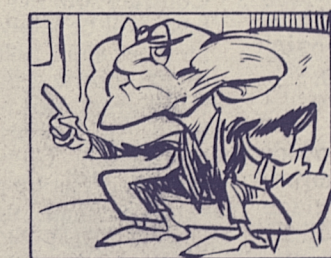
"Millions of people in the poorest countries, on the lowest rung of the economic ladder, can scarcely afford subsistence diets. Consequently, continued food aid to the developing countries is need to correct food imbalances and counteract the cyclical nature of world and local production."

"The developing world must increase food production, reduce population growth rates, distribute income more equitably and develop marketing systems to move food supplies to areas with severe food deficits."

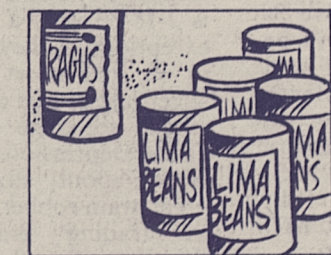
"The United States and other developed countries can help achieve these goals. The incentives are economic, political and humanitarian. The food security reserve is an important part of this effort."



In Italy, tomato seeds are pressed for an oil used in soap-making.



There's nothing sure except death and taxes — and increases in the cost of oil.



Americans are eating only half as much canned asparagus today as ten years ago but twice as many lima beans.

Originally, oatmeal was actually meal — coarsely ground grain — but now it usually consists of oats processed as flakes.

**Think  
Gasohol**



# federal register

by Carol Ebert, St. George, Kansas

FmHA extends from April 12, 1979 to October 12, 1980 the time limit for submitting claims under Section 502 for rural housing borrowers who received financial assistance between April 12, 1976 and October 12, 1977. Claims would be for construction defects. Effective 3-12-80.

USDA is requesting comments on policies whereby State examiners would replace Federal personnel expertise and responsibilities under the U.S. Warehouse Act and determine interest of states to enter model programs for such purposes, since the feasibility of sharing U.S. Warehouse Act examination functions with states is unknown. As of September 30, 1979, there were 243 cotton warehouses licensed with storage capacity of 10,349,000 bales and 1,796 grain warehouses with storage capacity of 2,947,709,000 bushels. Comment by May 12, 1980 to USDA, AMS, Warehouse Div. Chief, Washington, DC 20250.

U.S.I.T.C. is instituting 10 countervailing duty investigations to determine if industry in the U.S. is being materially retarded or injured by subsidized imports of certain non-quota cheese from European Community and Norway. Fr. Vol. 45, No. 50; 3-12-80.

FGIS publishes final rules to implement U.S. Grain Standards Act, as amended in 1976 and 1977. Copies will be given general distribution but extra copies will be issued by Issuance and Coordination Staff, FGIS, USDA, Rm. 1127, Auditors Bldg., 1400 Independence Ave. SW, Washington, DC 20250. Telephone 202-447-3910.

APHIS amends Gypsy Moth and Brownail Moth Quarantine rules to include Michigan, N. Carolina, Virginia, Wisconsin, Illinois, and Ohio, and to change certain high-risk and low-risk area emergency measures. These rules are effective 3-11-80 but comments will be accepted until 5-12-80 and public hearing will be March 25 in Ohio. Comment to U.V. Autry, Regulatory Support Staff, APHIS, USDA, 6506 Belcrest Rd., Room 633, Hyattsville, MD 20782.

National Program Acreage for 1979 Crop of upland cotton will be 13,475,912 instead of 10,634,181 as published December 22, 1978. This order was signed March 6, 1980 by Bob Bergland (just like him to talk about 1979 when 1980 is well underway.)

AMS proposed Hops quantity and allotment percentage to be 115% and 69,200,000 pounds. Market year to begin 8-1-80. Comment by 3-26-80 to Hearing Clerk, Rm. 1077 S. Bldg., USDA, Washington, DC 20250 in two copies. (Just backdate your letter!)

2,4,5-T and Silvel Registration Cancellations and Hearing was held March 14, in Washington, DC (just where they used it). Sure is nice to be forewarned of these things.

Ag Uses Exempt from Incremental Prices under the Natural Gas Policy Act of 1978 only if no economically practicable alternative fuel is available and exempt all ag uses of alternative fuel test until May 1, 1981. Comment by 4-4-80 to Office of Secretary, FERC, 825 N. Capitol St. NE, Washington, DC 20426. Fr. Vol. 45, No. 49; 3-11-80.

For Regulations for Federal Loan Guarantees for Alternative Fuel Demonstration Facilities such as coal, oil shale, biomass, and other domestic resources, contact Dept. of Energy, Allyn Hemenway, Rm. 3446, Federal Bldg., 12th and Pennsylvania Ave. NW, Washington, DC 20461. Fr. Vol. 45, No. 48; 3-10-80.

CFTC proposes to make member firms report customers with 100 silver contracts or more and positions shall be evaluated on net, not gross basis. No more than 2,000 Aggregate Contract on net nor gross basis will be allowed, and no member shall hold in excess of 500 contracts in each month on gross, not net basis. A bona fide short hedging transaction in which the short is offset by physical inventory shall not be included. (BUT NO LIMITS ARE PLACED ON SPECULATIVE SHORT-SELLING FARMER GRAIN) The date of this rule is 2-18-80 with a column of exceptions. (They're closing in on spec short selling on silver just as was done on the stock exchange after the Great Depression, but not a word about stopping the great grain robbery by means of trading grain which doesn't exist that nobody owns) Comment on above by 4-3-80 to Ms. Jane Stuckey, CFTC, 2033 K St. NW, Washington, DC 20581. Fr. Vol. 45, No. 46; 3-6-80.

**Think  
Farm Alcohol**

ASCS proposes rules to implement Floodplain Management and Protection of Wetlands. Details from Alan Durick, Director, Conservation and Environmental Protection Div., ASCS, USDA, Box 2415, Washington, DC 20013. Comment by May 13 to Weldon Denny, Deputy Administrator, State and County Operations, ASCS, USDA, Box 2415, Washington, DC 20013. Fr. Vol. 45, No. 52, Book 1 of 2; 3-14-80.

Carol Ebert

## The Chaplain's Corner

II Timothy, Chapter 3

But realize this, that in the last days difficult times will come.

2 For men will be lovers of self, lovers of money, boastful, arrogant, revilers, disobedient to parents, ungrateful, unholy,

3 unloving, irreconcilable, malicious gossips, without self-control, brutal haters of good,

4 treacherous, reckless, conceited, lovers of pleasure rather than lovers of God;

5 holding to a form of godliness, although they have denied its power; and avoid such men as these.

6 For among them are those who enter into households and captivate weak women weighed down with sins, led on by various impulses.

7 always learning and never able to come to the knowledge of the truth.

8 And just as Jannes and Jambres opposed Moses, so these men also oppose the truth, men of depraved mind, rejected as regards the faith.

9 But they will not make further progress; for their folly will be obvious to all, as also that of those two came to be.

10 But you followed by teaching, conduct, purpose, faith, patience, love, perseverance,

11 persecutions, sufferings, such as happened to me at Antioch, at Iconium and at Lystra; what persecutions I endured, and out of them all the Lord delivered me!

12 And indeed, all who desire to live godly in Christ Jesus will be persecuted.

13 But evil men and impostors will proceed from bad to worse, deceiving and being deceived.

14 You, however, continue in the things you have learned and become convinced of, knowing from whom you have learned them;

15 and that from childhood you have known the sacred writings which are able to give you the wisdom that leads to salvation through faith which is Christ Jesus.

16 All Scripture is inspired by God and profitable for teaching, for reproof, for correction, for training in righteousness;

17 that the man of God may be adequate, equipped for every good work.



Some oak trees are 1,000 years old!

## Hard To Find Items

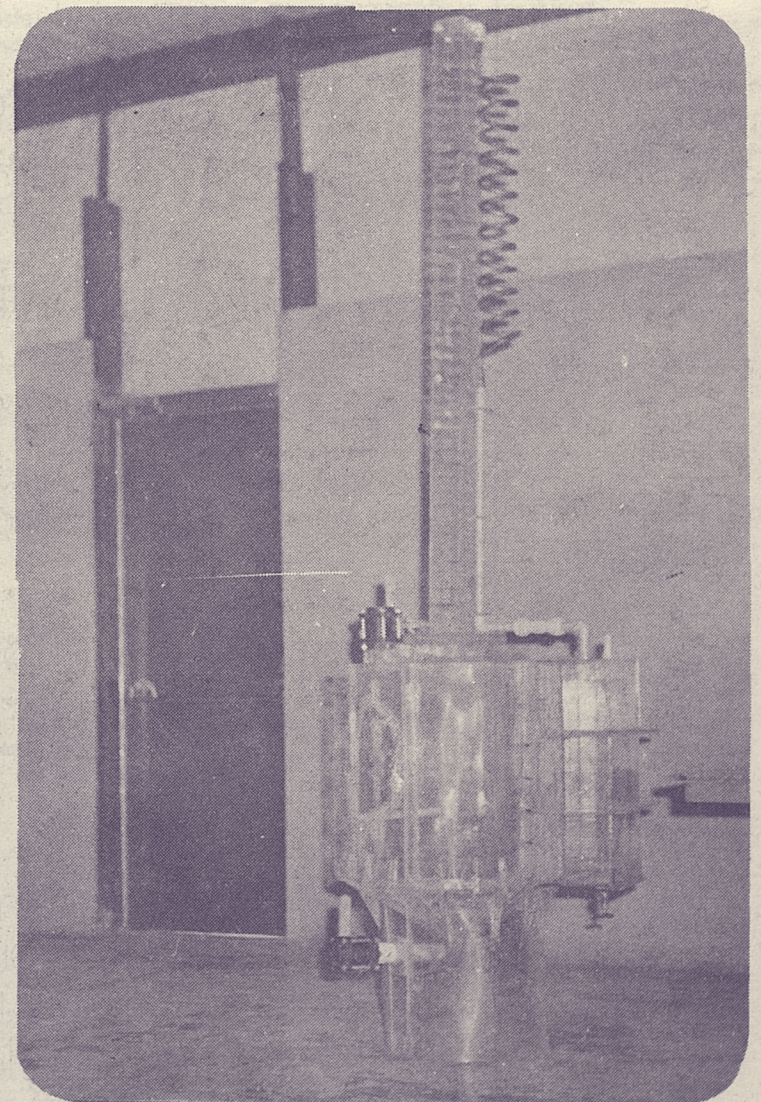
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Al Hacker's vacuum still attracted a lot of attention at the Boise City, Oklahoma alcohol seminar. Distilling under a vacuum means lower temperatures can be used.