

How and Why Ethanol Co-ops are being created in Illinois

- I. **Co-op development can be compared to a football game**
 1. From Russia, with Love
 2. Remember your purpose
- II. **Important to establish goals**
 1. Keep youth in Community
 - a. Providing income opportunities
 - b. Continuous farming since, 1710-breaking traditions-11 successive continuous generations
 - c. Walking vs driving profits
 2. Preserving your community and its character
 - a. If it has value you will sacrifice to preserve
 3. Adding value to investment
 - a. Existing investment in Agriculture
 - b. New investment in Co-op
 - c. Capturing more of your products existing value
- III. **Important principals in Co-op development**
 1. Be not the First for which the new is tried nor the last to cast the old Aside
 - a. First settlers often received an arrow
 - b. Later settlers received land
 2. Be a Dream Keeper, not a Dream Breaker
 - a. Failure is not an alternative
 - b. Realize time requirements
 - c. Committ to sacrifice
 - d. One-half effort will not provide satisfactory result
 3. Hardship is not always bad. It can provide opportunity
 - a. Bank to Bank-going downstream versus upstream
 - b. Depression-varied affects of the 30's
 - c. Learning skill sets and abilities as a result
 - d. Farm accidents
 4. Recognizing the enemy
 - a. The enemy is not another Value added project, farmer, etc.
 - b. Cancer treatment can be compared
 - c. What and who is the enemy?
 - a. Inadequate income flows, poor or low prices
 - d. Can chase a lie around the world twice before close to catching the truth
 - e. Don't curse the darkness-light a candle
 - f. Secret-6 ft. hole-buried-whisper-160 acres-beat back to town
 5. Always have a alternatives (options)
 - a. Much like a football game
 6. Capital is the Life Blood of your organization
 - a. Life Jacket-Ocean Liner

- b. Gasoline to Kansas City
- c. Capital does not necessarily always flow to good projects
- d. Be innovative-think outside the box
 - 1. What works in my area or community may not be right for your situation
- 7. Seek cooperation in Every Area conceivable
 - a. Between Local, State, and Federal entities, etc.
 - b. On all Transportation
 - c. Research all opportunities for Grants, etc.
 - d. Actively seek counsel

IV. History of Big River Resources

- 1. First started investigating Ethanol in Peoria Rally, 1992
 - a. "Give em an Earful"
- 2. Always conduct do diligence
 - a. Membership interest
 - b. Feasibility study
 - c. Financials
 - d. Legals
- 3. Co-op and utilizing joint venture
- 4. Multi State; Multi County, Multi individual (12% non-producer-15% maximum)
- 5. Minimum investment vs maximum effort
- 6. 54% capitalized
- 7. 40 mmg/yr Ethanol
- 8. Innovative ways to raise capital

V. Future

- 1. Double Size
- 2. Turbine-Coal
 - a. Savings \$4-5 million
- 3. DDG
 - a. Korea
 - b. Corn cob
- 4. Bio-Fuels
- 5. Helping others and remembering our goals