

## RESPONSE TO VALLEY NEWS COMMENTS OF 8/18/2010

*According to New York State Farm Bureau Director Eric Behling, much more information is needed: "The Oswego County Farm Bureau has always been supportive of new farming enterprises and the potential for job creation and further economic development," he said. "The issues we have been having with Bion's patented process is we would like to see more study done in our particular area of New York given our close proximity to population given the massive size of this proposed project."*

With all due respects, the Kreider Farms project is located in proximity to the much greater population of southeastern Pennsylvania --from Harrisburg to Philadelphia-- than the project in Oswego County. As for the "massive size" of the project, in reality it is a series of 3,600 head barns, since the Bion waste treatment aspect of the project is redundant for each beef cattle barn. A dairy milking 1,200 cows handles approximately the same amount of waste as a 3,600 head beef cattle facility, so the Kreider Farms project at 1,200 cows gives Mr. Behling the demonstration project near a population center that he desires. In addition, this project will be reviewed by both the Pennsylvania Department of Environmental Protection and the U.S. EPA as to its nutrient reductions. In addition, Bion will form a stakeholders group of technically qualified individuals to ensure the integrity of the data forthcoming from the waste treatment process operating at the Kreider Dairy Farm. That system performance data can and should be used in the SEQR review to shape the requirements for ongoing monitoring and regulatory oversight with which the project will need to operate.

*Mr. Behling said the bureau wants to know the effects on the county, including tourism, area business, water and air quality, and other agriculture.*

As for tourism, the Fair Oaks Dairy Adventure sites on the internet provide an insight as to the impact of such a project on tourism. There are over 32,000 dairy cows (equivalent to over 80,000 beef cattle in waste load). Fair Oaks Dairy Adventure attracts in excess of 1.5 million visitors annually and is especially popular as a school outing destination.

As for regional business, the project would pump in excess of \$20 million in payroll into the community. As for air and water, this project will be subject to SEQR approval and be fully permitted, monitored and subject to regulatory oversight going forward similar to any other large scale industrial activity. Since the existing Farm Bureau member operations are NOT permitted under this process, we understand that they may not be familiar with the huge difference in regulatory requirements. But suffice to say SEQR is substantially more challenging than the existing agricultural environmental protocols. As to other agriculture, we do not know exactly what you are referring to but we would point out that our proposed project would be a large customer similar to the existing ethanol plant.

*"Farm Bureau cannot support up front without further study and examination given the potential issues at hand," he said.*

Farm Bureau in Oswego County has not been supportive since the very first introduction of the project to the community despite having provided answers to their concerns. On the other hand, based on the potential benefit to regional producers, we would expect that you would support this project as it will

significantly increase family farm income by providing a new large scale customer to a community. The ongoing status of excess production is evidenced by the sight of hay rotting in the fields due to a lack of markets or customers.

*Mr. Behling said the bureau would support a 5,000 head pilot project in the county.*

The Kredier Farms project accomplishes precisely the same purpose as the Farm Bureau's proposed pilot project referenced above. Remember that the waste load from the 1,200 dairy animals at Kreider is the equivalent to approximately 4,000 beef cattle. Are we really going to reject the potential for such widespread economic benefits because of a perceived difference in demonstrating the waste treatment system on the equivalent of 4,000 rather than on 5,000 beef cattle. Does this really make sense?

*"The results from that potential area pilot and results from Bion's Pennsylvania pilot project involving approximately 1,500 which has not yet been started, would help clarify many questions not only for Farm Bureau but for area residents," he said.*

Well, yes, we completely agree with Mr. Behling that the results from the Kreider Farm installation will help to address many of the questions raised by the Oswego community. That is why we have continually stated that the PA project provides the clarity needed and that any additional demonstration project would simply be redundant and therefore on the face of it, an attempt to delay a project that will have further demonstrated its environmental performance capabilities.

*Oswego County Legislature Chairman Barry Leemann said recently that the project is likely years away and that if it moves ahead, the number of cattle could be limited: "We may say they can only have 15,000 cows," he said.*

The project would not be economically feasible at 15,000 cows and therefore could not be located in Oswego County. To place such a limit on the project would effectively prevent the project from occurring.