



October 19, 2002

**STATEMENT OF KEN CHAMBERS, CHIEF OPERATING OFFICER,  
COLORADO SWEET GOLD LLC,  
BEFORE NATIONAL ORGANIC STANDARDS BOARD, WASHINGTON, D.C.**

I would like to thank the members of the Board for this opportunity to talk about our company, Colorado Sweet Gold LLC, and the use of ion exchange to produce corn based sweeteners and syrups.

Colorado Sweet Gold, located in Johnstown, Colorado, is a unique corn wet milling and refinery operation. Historically it produced conventional corn starch, corn syrup and sweeteners. However, it was unable to compete due to its limited capacity.

The facility is the only operational, small-scale corn wet mill/refinery in the US which still lends itself to niche-market production. The intent of the management team is to strategically reposition and retrofit the facility to become the only Certified Organic corn wet milling/refinery in North America.

Colorado Sweet Gold will have the ability to produce strategic organic non-GM/GE sweeteners, syrups and starches under one operation. Initially the facility will require the production from about 10,000 acres of organic corn. As the mill reaches full capacity over the next few years, we will need up to 80,000 additional organic acres for corn production.

Colorado Sweet Gold will become one of the largest sources of contracts for domestic US organic farmers. The plant can process up to 30,000 bushels of corn daily or approximately 11 million bushels of corn annually. Assuming a production of 120 bushels of corn per acre, at a current farmgate price of \$3.70 per bushel, CSG could add close to \$40 million annually in receipts to the organic farm economy.

In addition to the domestic base corn acreage, CSG will be purchasing a significant amount of processing equipment and supplies to retool. The project will create new jobs and provide a significant stimulus to a regional economy that is quickly losing its agricultural base.

Colorado Sweet Gold currently employs a skeleton staff of 22 people to operate the facility as a feed-mill and distribution center. The plant will employ as many as 75 people after the processing plant is retrofitted. The retrofit phase could require 250 full and part time employees depending on time constraints.

This uncertainty has had a very negative effect on Colorado Sweet Gold's ability to pursue equity investor dollars. In addition, further delays will keep CSG from making contract commitments for 2003 corn production. We have to establish that we are going to be certified so that we can go out to the financial community and also plan to write forward contracts to purchase corn for next year.

Unless we get a positive resolution, we do not see how we can raise equity capital to continue this project. The future of Colorado Sweet Gold is literally hanging on the decisions made by NOSB and the NOP in the next few days.

I respectfully request the Board to recognize that ion exchange filtration should not be subject to the Board's review for the National List. If the Board can exempt the use of ion exchange filtration from its review process, this will allow Colorado Sweet Gold to become an active member of the US organic community.

Thank you for your time and consideration.