



For Immediate Release

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Phibro Statement on the Role of Antibiotics in the Ethanol Industry

A recent report by the Institute for Agriculture and Trade Policy (IATP) calls for the ethanol industry to stop using necessary antibiotics in the production process, as part of the IATP's overall objective to fight the modernization of the agriculture and the livestock industry.

Antibiotics are a widely used and critical tool for infection management in renewable fuels production. Through the use of small amounts of antibiotics such as Phibro's Lactrol[®] antimicrobial, the United States renewable fuels industry eliminates the need to cultivate an additional 3.2 million acres to produce an extra 500 million bushels of corn.

IATP's position, that use of antibiotics in the production process results in residues in distillers' dried grains (DDG) in turn putting human health at risk is a stunningly broad conclusion not based upon fact or science. The IATP's broad policy statement fails to mention:

- The proper use of antibiotics is a safe practice in both renewable fuels and in animal husbandry that preserves our precious agricultural resources such as land and water.
- Since its introduction in 1993, Lactrol[®] has remained a safe product for use in renewable fuels production and distillers' grain production. It has been sold under an FDA letter of no objection in addition to the regulatory discretion of the FDA's Center for Veterinary Medicine (CVM).
- In the past 3 months Lactrol[®] alone has been sold to far greater than 55% of the current operating plants. The IATP falsely asserts that 45% of current producers are able to operate without antibiotics.

The group cites a 2008 FDA study that "found residues from four types of dried distillers' grains." As the FDA itself has acknowledged, the study cited used a methodology to detect residues that differs from the validated bioassay method that has been the exclusive detection method for virginiamycin for animal feed assays. The methodology employed by the FDA in the study cited could not, for example, show that the residues found had any bioactivity. As recently announced,

Phibro has completed a new study utilizing the historical bioassay method accepted by the FDA and found no detection of virginiamycin in any of the residues. These results were consistent with previous testing in 2005 and 2007, conducted by an outside laboratory and Phibro's own technical service lab in St. Paul, MN. Virginiamycin is the active ingredient in Lactrol[®], the market leading antimicrobial for renewable fuels production.

The IATP report is an attempt to manufacture controversy, and the notion that antibiotics in general and Lactrol[®] antimicrobial in particular have escaped regulatory oversight is simply false. Phibro continues working with the FDA in an effort to expand the regulatory approval of Lactrol[®] on the basis of new data relating to the safety and efficacy of the product for species such as laying hens and dairy cows. Phibro anticipates submitting its Food Additive Petition for Lactrol[®] in the Fall of 2009. Phibro also anticipates the completion in 2010 of a regulatory submission in Europe that will lead to the opening up of additional markets for Lactrol[®].

The IATP report urges the renewable fuels industry to avoid antibiotic use through "readily available alternatives." The alternative technologies cited have been available and known by the ethanol industry for many, many years. Thus, it is worth restating that Lactrol[®] itself was chosen and purchased by well over 55% of the industry's operating facilities within the last 3 months alone. The market is well aware of all of its technological options, including the real and perceived shortcomings associated with each, and Phibro trusts that a fully informed free market system has and will continue to determine the most effective and safe product.

While anti-renewable fuels sentiments are splashed across headlines in the papers, biofuels remain the only current viable fuel alternative. To secure a future of energy independence, we must create a more diversified energy portfolio, and renewable fuels are a part of that portfolio. Phibro is proud to be part of a movement that has resulted in economic growth, cleaner air, and a more secure energy future.

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