

## **NCGA's VeraSun Fact Sheet**

*This fact sheet provides a quick view of the VeraSun bankruptcy issue and what the National Corn Growers Association is doing to address it.*

**Q: What is happening with VeraSun Energy Corporation?**

A: VeraSun has filed for bankruptcy and some of its plants have stopped or stalled production of ethanol.

**Q: Why is it important to corn growers?**

A: VeraSun's bankruptcy will affect potentially thousands of corn growers who have contracts pending with VeraSun. NCGA is aware that growers in at least seven states have outstanding contracts with VeraSun.

**Q: How will VeraSun's bankruptcy filing affect those growers?**

A: They may not get paid contract price for corn they deliver or they may not be allowed to deliver their corn to VeraSun at all.

**Q: What is NCGA doing to help advocate for corn growers' needs?**

A: Among the many steps taken, NCGA has

- taken legal action to assist corn growers in this effort
- coordinated and collaborated with member states and legal counsel, and
- communicated efforts on the issue to the media, state executives and communicators, NCGA members, and other constituents.

**Q: What are some specific steps NCGA has accomplished on corn growers' behalf with regard to VeraSun bankruptcy?**

A: First, NCGA's Corn Board Chairman Ron Litterer and others filed a formal objection with the U.S. Bankruptcy Court in Delaware regarding provisions of the proposed settlement. and served notice of the intent of NCGA to serve as the "voice" of corn growers in the case.

Second, NCGA, along with state affiliated organizations and others, formed an ad hoc advisory committee to make certain that the views, expertise, and interests of corn growers in the VeraSun case were effectively represented before the U.S. Bankruptcy Court in Delaware. NCGA Chairman Ron Litterer is a member of the committee.

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Third, legal counsel for the advisory committee participated in a court hearing on December 2 to assure the court listened to corn growers' views.

Fourth, NCGA and others from the states have initiated conversations with other groups who have interests in the outcome of the VeraSun bankruptcy rulings that are similar to corn growers' interests.

Additionally, NCGA will continue to monitor these situations and play a helpful role, whenever possible, to serve the needs of corn growers.

**Q: What were the accomplishments at the hearing?**

A: NCGA and the committee accomplished several important things, including:

- opening the lines of communication between corn growers and the court and corn growers and VeraSun;
- showing the court that a committee is organized to represent all corn growers to assure their voices are heard by the court and VeraSun;
- making sure the court understands the impact of VeraSun's bankruptcy on corn growers;
- getting the judge to tell VeraSun's lawyers to make sure they answer corn growers' (and legal counsel's) calls and address our concerns, resulting in VeraSun assigning a lawyer to corn grower issues;
- facilitating an agreement with the court and VeraSun that our ad hoc advisory committee be consulted on assumption and rejection issues throughout the case, giving corn growers potentially more options than others who might choose to require a specific date for VeraSun to assume or reject grain contracts.

**Q: What can corn growers expect from NCGA to do going forward with regard to VeraSun's bankruptcy?**

A: You can expect NCGA to continue to play an active role in this case to benefit corn growers by making the best out of a bad situation.