

Tadger Group News April, 2007

<http://www.tadgergroup.com>

If you have news, views, reviews, or simply want to say hi, please contact your agent or us: admin@tadgergroup.com

Recent Events

Feb. 12, 2007

Tadger Group made significant strides in its market penetration of Serbia. Company President, John Mogford, spent 4 days in Serbia to support the efforts of the Exclusive Distributorship Team. The trip consisted of meetings with local Mayors, presentations to government officials and business owners, flow meter demonstrations, numerous installations, live television broadcasts and even time for a traditional Serbian dinner. Many thanks to the tireless efforts of the local Team in Serbia, Rade and Milos as well as the homeland support from Bob, Randy and Troy. With a solid business plan for 2007 and the synergy created by the combined talent, Euro Tadger will definitely add value to customers across Serbia.

Mar. 14 - 16, 2007

Tadger Group International was invited by the Canadian Consulate to participate in an initial trade mission to Houston, Texas. The mission was created to support Canadian environmental product and service companies that are interested in expanding into the Houston market. The 3-day event consisted of dinner meetings, luncheon meetings, one-on-one business meetings and was capped off by a networking reception. Tadger Group made significant contacts with both potential customers and distributors. The City of Houston has the most pollution of all cities in the USA and Tadger is up to the challenge of providing an immediate solution.

Mar. 2007

The University of Buffalo finalized the technical report on the effects of the Tadger on fuel flow. Please visit the website section "Scientific Explanation" for the complete report. You can also see the video simulation of the "Tadger at work" on our homepage. This live video will allow you to see what really happens when fuels passes through the Tadger.

Latest Test Results

Our road trial program is still being utilized by a few customers however the verification method of choice is clearly the flow meter as it eliminates all of the variables that affect the road trial results. Like anything, flow meter testing is just a tool however it can help fleets see the Tadger effect in real-time without the interference of other variables such as loads, drivers, routes etc.

Here is a summary of the flow meter tests completed since our last Newsletter:

Company	Engine	Improvement	Condition
Lastra Transit	FAP	.008 l/min	High idle
Strawser Equipment	Cat C-15	.010 l/min	High idle
PVS Chemical	Cat C-15	.010 l/min	High Idle
Wedlich	Renault MIDR	.0023 l/min	High Idle
L.E. Walker	Detroit Series 60	.004 l/min	High Idle

Industry News

Ethanol Part 4: Unintended Consequences

Ethanol is the commonly used name for ethyl alcohol. It is made by distilling starch from vegetables, grains, and corn. When mixed with gasoline it supposedly reduces carbon monoxide emissions.

Now that USA and Canadian governments have put up taxpayer's money to promote ethanol, the first and possibly most serious of unintended consequences has emerged.

While the world improvers ignored market forces, issued their proclamations, and redistributed their subject's wealth to ethanol producers, the ignored market forces reared up and bit: as demand for corn increased, so did the price. The law of supply and demand cares for neither opinion nor intention.

Corn has traded from \$2.60 a bushel in September `06 to \$4.49 a bushel at the end of February `07. Some say that as more corn is used in ethanol as well as food, the increased demand will send the price much higher.

"If corn prices rose to the suggested price of \$8.00 a bushel that some say, it would devastate the livestock industry," said Murray Hodgins, a commodity broker with Union Securities Ltd.

"The food industry is feeling the pinch now at \$4.00 a bushel. For example, Coca cola is looking to make a switch from corn syrup to another sweetener when corn is \$4.00 a bushel, as corn prices are too high. And it goes against the G8 policy of cheap world food."

In Mexico, where corn is a dietary staple, the price increase forced president Calderon to renounce his free trade ideals and violate NAFTA by implementing a price freeze on corn.

Unsurprisingly, the National Corn Growers Association (NCGA) website claims, "There is no shortage of corn...there is still room to significantly grow the ethanol market without limiting the availability of corn. Steadily increasing average corn yields and the improved ability of other nations to grow corn also make it clear that ethanol production can continue to grow without affecting the food supply."

"I seem to be against the majority, as in my opinion is corn will not be above \$5.00 this summer," said Murray. "I think the corn market has seen its highs."

"The last Hightower Report has an interesting thought as to corn prices. They are bullish corn but can quickly turn very bearish if weather conditions are good in the last 3 weeks in April. The March 30th USDA planting intentions is an important number"

Grains must be planted, grown, harvested, and refined. If planting is delayed, so is harvesting. If weather is less than optimum or perhaps unsuitable for growing corn, harvest per acre will be lower than expected.

For example, if spring rains continue for weeks, the growing season will have been shortened. Farmers seeking to earn maximum yield from their land may choose to plant soybeans instead, even though soybeans aren't fetching the same high prices as corn.

Few outside the commodities industry pay attention to the USDA Prospective Plantings Report, which makes planting prognostications that farmers and grain traders use to estimate future prices. On March 30, 2007, it was released to the public after various men of the USDA gazed into their crystal balls and massaged data extrapolated from interviews with 86,000 farmers.

According to the report, this year producers intend to plant 90 million acres of corn, compared to the last year's 87 estimated and 78 million acres actually planted.

Plantings came in at 2.47 million acres above the average trade estimate and up to the highest level since 1944. Traders expect ethanol usage to jump to 3.2 billion bushels this season, up 1 billion bushels from last year.

What does this mean? Well, more corn will be planted this year than last. And when supply exceeds demand, prices fall. So...many of those who bought corn because they expected prices to rise, may be caught when the expected larger planting causes prices to fall.

"After the grain report Corn has traded down its daily limit in two days; 20 cents a day," Murray said. "It has dropped from \$3.94 1/2 a bushel to \$3.44 1/2 a bushel (three dollars and forty-four and one half cents)."

So it's possible there will be volatility in the grain markets this spring, due to other factors ignored by ethanol promoters. Indeed, one can preach economics, good intentions, and global climate change theory to the weather and to markets, but one cannot expect weather or markets to listen.

New customers

Clare Rose
HD Industrial
Cruickshank Construction
Strawser Equipment
PVS Transportation

New Dealers

National Fleet Services

Check out our web site for other Dealers and Agents:

<http://www.tadgergroup.com/international/international.php>

Company Profile

We want to feature **you** in this newsletter. Simply tell us about your company, and what you're experiencing with Tadger We'll take care of the writing.

To be featured in our monthly newsletter **please contact your agent or us directly:**
admin@tadgergroup.com

Future Events

Apr. 10 – 14, 2007

Tadger Group launches in Greece

Please see the June newsletter for a complete summary of events.

Apr. 12 – 14, 2007

ExpoCam 2007

Place Bonaventure, Montreal, Canada

<http://www.expo-cam.com/index.cfm>

June 8– 9, 2007

Atlantic Truck Show

Moncton Coliseum, Moncton, Canada

<http://www.masterpromotions.ca/atlantic-truck-show.asp>

June 7 – 9, 2007

The Truck Show Las Vegas

Las Vegas Convention Center, Las Vegas, Nevada

<http://truckshow.com>

Tadger Success Stories

Please go to <http://www.tadgergroup.com/testimonials/testimonials.php> to review our latest testimonial letters from our individual consumers.