Representatives of Louisiana's ethanol industry Monday protested proposed state rules requiring in-depth financial disclosure of their business dealings to get a liberal state subsidy.

Spokesmen for Mississippi Alcohol Co., Agrifuels Refining Corp., and Shepherd Oil Co. were among those who said release of the information proposed would cause problems as ethanol-producing companies compete with one another in a limited market.

"The actual cost of doing business — other than the cost of raw materials, the sale of the product — should remain in the private sector," said James Gill, attorney for Agrifuels.

The objections came at a meeting of the Louisiana Agricultural Industry Board, the group created to ensure that the ethanol industry meets requirements established to get a substantial tax break. Those requirements include purchase of 100 percent Louisiana agricultural products.

Agriculture Commissioner Bob Odom, board chairman, warned ethanol producers that in order for them to be eligible for the subsidy, contracts "must be lucrative enough to the farmer to be accepted" by the board.

The board is expected to finalize the rules governing the program by Aug. 11.

The state budget has $80 million earmarked for the ethanol industry subsidy during the current fiscal year — an appropriation proponents say will help foster a new industry and help Louisiana farmers at the same time.

Ethanol, made from agricultural products, is mixed with gasoline to make gasohol.

However, opponents said the state should not be handing out such a lucrative subsidy to private industry at a time when state employees are being laid off and programs eliminated.

Under the proposed rules, the board would require all applicants for the subsidy to provide a complete financial statement, including a company's assets, profit and loss, retained earnings and changes in financial condition during the year.

The applicant would also have to provide contracts covering the purchase of all agricultural products.

"Though we want to see this board have every piece of financial information (needed) to protect the integrity of the state and the agriculture department and see that the farmers are receiving a fair price, we are in a highly competitive industry. We have serious reservations about the amount of financial information you are requiring," said Moon Landrieu of MISALCO.

Landrieu said the information could end up in the hands of those "meaning us ill will."

Landrieu and Gill said they did not object to supplying information to ensure the agricultural products are purchased from Louisiana farmers and that the ethanol is being used inside the state.