ETHANOL PRODUCTION IN MICHIGAN

Ontario Agri-Food Technologies/ Soy 20/20 Joint Meeting September 21, 2007

James E. Byrum

OPERATING ETHANOL PRODUCTION

Michigan Ethanol Caro-40 MGPY

The Anderson's

Albion-50 MGPY

U.S. BioEnergy

Woodbury-50 MGPY

Global Ethanol Riga-

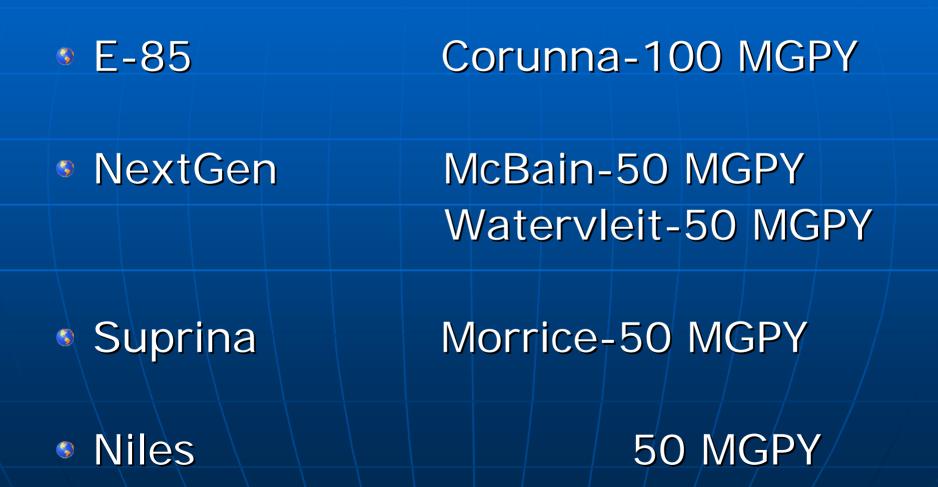
Riga-50 MGPY

Most Plants Running Above "Name-Plate" Capacity

ETHANOL PLANTS UNDER CONSTRUCTION

Marysville Ethanol-Marysville - 50 MGPY 3 > November 2007 Global Ethanol (Expansion) - 30-40 MGPY 3 Late Spring/Summer 2008 Marysville Ethanol-Marysville Expansion 50 MGPY Late 2008/Early 2009 Liberty Renewable Fuels-Ithaca - 100 MGPY 3 ▶ Late 2008

ETHANOL PLANT'S UNDER DEVELOPMENT'



ADDITIONAL ETHANOL DEVELOPMENT THAT COULD IMPACT MICHIGAN

Buckeye Biopower

Toledo-50 MGPY

Suncor

Sarnia-50 MGPY

 Commercial Ethanol Hensell-50 MGPY Port Colburn-50 MGPY Other New Ontario Production-200 MGPY

CORN DEMAND

- Feed-74 Million Bushels
- Operating Ethanol Production-78 Million Bushels
- Ethanol Plants Under Construction-96 Million Bushels
- Ethanol Plants Under Development-120 Million Bushels
- Additional Ethanol Development That Will Impact Michigan-180 Million Bushels +/-

POTENTIAL TOTAL CORN DEMAND-548 MILLION BUSHELS

MICHIGAN CORN PRODUCTION

2005-287 Million Bushels

2006-288 Million Bushels

2007-2,230,000 @111 Bushels per Acre
 247,530,000

CONUNDRUMS...

Farmers This Year Generally Were Not Able to Take Advantage of Great Commodity Prices

Contracted EarlierMissed the Market

While They Will Do Fine, Not As Well As We Would Like to Believe

WILL ALL THE PLANTS BE BUILT

- Next Gen ?? 100MGPY-80 Million Bushels
- Suprina ?? 50 MGPY-20 Million Bushels
- Niles ?? 50 MGPY-20 Million Bushels
- Toledo ?? 50 MGPY-20 Million Bushels

?? 250 MGPY – 140 Million Bushels

WILL CANADA USE/DEMAND MICHIGAN CORN?

What Happens in "Border" States?

 How Much Corn Will Move to Michigan from Indiana, Ohio, etc., Especially for Albion and Riga

ADDITIONAL ACRES FOR PRODUCTION

Conservation Reserve Land

Other Crops

New Land

OTHER CROPS

Farmers Like Wheat This Year
 Decent Yields
 Excellent Quality
 Easy Harvest
 Low Cost of Production
 Great Prices

OTHER CROPS

Dry Beans Are Not Out of Favor
 Good Prices
 Good Looking Crop
 Strong Demand
 Low Cost of Production

OTHER CROPS

Soybeans

 Great Prices
 Strong Demand
 Lower Cost of Production
 Easy to Grow
 Lower Harvest Volume (Bushels)

CONUNDRUMS...

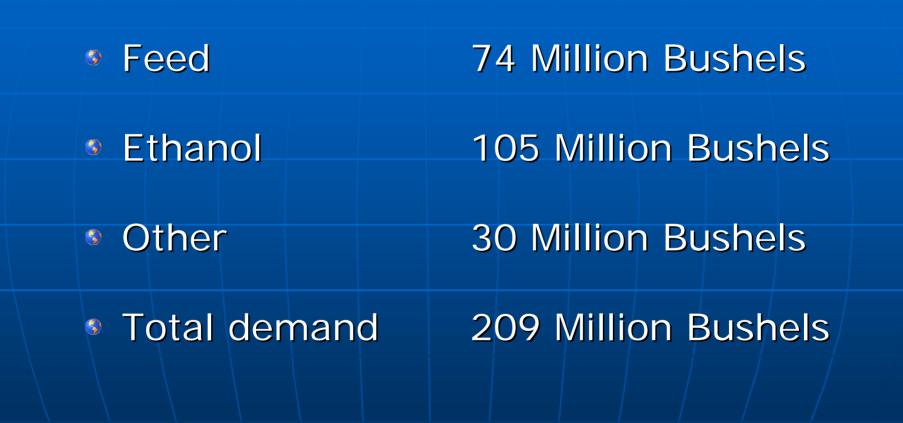
Fertilizer

 > High Fertilizer Prices Are Scaring Farmers (and the Trade)
 > Availability is an Issue, and Well Known

Other Markets Will Not Go Away!

- Wheat
- Dry Beans
- Soybeans

2007 CROP YEAR CORN DEMAND



2007 CROP YEAR CORN PRODUCTION - 248 MILLION BUSHELS

2008 CROP YEAR CORN DEMAND

74 Million Bushels Feed 155 Million Bushels* Sethanol **40 Million Bushels** Other Total demand 269 Million Bushels 2008 CROP YEAR CORN PRODUCTION -?? *Without Corunna or Watervleit Demand!

PROJECTIONS

- Corn Prices Have to Move Upward Before Spring
- High Fertilizer Prices Will Cause Farmers to Shy Away From Corn in 2008
- Wheat, Dry Beans and Soybean Acreage Will Stay Stable, and Possibly Increase

IN A NORMAL YEAR WE SHOULD BE O.K.

THIS YEAR ISN'T NORMAL