

ETHANOL PRODUCTION IN MICHIGAN

Ontario Agri-Food Technologies/ Soy 20/20
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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-50 MGPY

Most Plants Running Above "Name-Plate" Capacity

ETHANOL PLANTS UNDER CONSTRUCTION

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

ETHANOL PLANTS UNDER DEVELOPMENT

- E-85 Corunna-100 MGPY
- NextGen McBain-50 MGPY
Watervleit-50 MGPY
- Suprina Morrice-50 MGPY
- Niles 50 MGPY

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 BUSHEL

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 Earlier
 - Missed 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

• Feed	74 Million Bushels
• Ethanol	105 Million Bushels
• Other	30 Million Bushels
• Total demand	209 Million Bushels

2007 CROP YEAR CORN PRODUCTION - 248 MILLION BUSHELS

2008 CROP YEAR CORN DEMAND

- Feed 74 Million Bushels
- Ethanol 155 Million Bushels*
- Other 40 Million Bushels
- 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