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ETHANOL GOOD FOR NEBRASKA

I am frequently asked if I think ethanol production is good for Nebraska. I think well managed ethanol production have been very good for the Nebraska economy. While the industry was supported with a strong infusion of public dollars, the value added use of corn and import of transportation fuel dollars into the state rather than export of all the dollars out of the state has changed our Nebraska economy.

On the local scene the market for corn has been favorably affected by ethanol. I am not talking about the difference from $4.00 corn to $7.00 corn. I am talking about a fifteen to twenty cent per bushel impact. We have also been blessed that the local plant has been well managed and has taken advantage of changes which have increased efficiency in the process. A significant factor in our local plant has been the amount of grain storage included in the facility and the recent addition of drying capacity. This is important because we are very much playing catch-up on storage capacity for the growing yields and added acres converted from CRP. Nebraska as a whole has benefitted from the distiller grains for cattle feeding operations which have expended in the state.

Many ethanol plants have added harvest of some corn oil before the distillers grains are partially of totally dried. This adds to the value and for the future of Beatrice will supply raw corn oil for the Biodiesel plant opening this summer.

What about the future? Syngenta just announced an agreement with Cellulosic Ethanol Technologies, LLC, to license its cellulosic technology, a new process for ethanol plants. This technology has been shown to significantly increase a plant's ethanol production while delivering other benefits such as increased corn oil production and higher protein content in dried distillers grains (DDGs).

The process converts corn kernel fiber into cellulosic ethanol in a bolt-on process, and is designed to increase a plant's ethanol production. Testing to date demonstrates the concept will run successfully at full commercial scale. The add-on will help create a higher protein feed, 2.5 times more corn oil and more ethanol out of the same kernel of corn. I have long thought that the biggest news in cellulosic ethanol production would come from the ability to generate more ethanol from the same bushel of corn.

Corn traits which increase the ethanol yields and reduce in plant costs are likely to play a role in future production also. This may be why companies like Syngenta are interested in these technology partnerships. Produce advanced and cellulosic ethanol while decreasing natural gas usage, increasing ethanol throughput and reducing an ethanol plant's carbon footprint are all advantages. The feed usage side is likely to have a bit of reduced value. I certainly think these kinds of improvements in ethanol production are more sustainable than baling stalks and reduce carbon levels in our soils which could reduce future yield potentials.

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