

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office

March 28, 2000

LB 1234

information is from the companies, Nebraska ethanol plants. Hastings, Chief Ethanol Fuels, 1986, owned by Chief Industries of Grand Island, 1,900 employees in the U.S., France and England, 38 million gallons of ethanol per year. Ag Processing incorporated in 1995, owned by AGP, Incorporated, headquartered in Omaha, founded in 1983, owned by 285 cooperatives in 16 states in the U.S. and others in Canada, only 31 of these in Nebraska, some of the 31 are only business sites, 36 million gallons of ethanol per year. Columbus, Minnesota Corn Processors, 1992, farm-owned cooperative, headquartered in Minnesota, with members in Minnesota, South Dakota, Iowa and Nebraska, founded in 1980, 85 million gallons of ethanol per year, second largest ethanol producer in Nebraska. York, High Plains Corporation, 1994, headquartered in Wichita, Kansas, York plant built in 1994, seventh largest ethanol producer in the U.S., 40 million gallons of ethanol per year. Blair, Cargill, Incorporated, 1995, headquartered in Minneapolis, Minnesota, 100 million gallons of ethanol per year, largest ethanol producer in Nebraska. Aurora, Nebraska Energy, a limited liability company, 1995, owned by 12 Nebraska cooperatives in partnership with Williams Energy Ventures, Incorporated, headquartered in Tulsa, Oklahoma, second largest ethanol producers in the U.S., 30 million gallons of ethanol per year. These are plants that are being operated in Nebraska, not necessarily owned in Nebraska, a lot of this is out of state, some of it is out of the country. Here's an interesting fact, comes from the Governor's Ethanol Coalition. Ethanol producers are finally seeing an increase in their profits due to the decrease in the cost of corn. A large corn harvest earlier this year tumbled the Chicago price of corn below \$3 per bushel, giving the ethanol industry a reason to feel optimistic. The reduction in corn prices should be enough to push ethanol plants back into the black. When cash corn prices reached almost \$5 per bushel, ethanol production dropped as low as 39,000 barrels per day. The actual ethanol fuel price did not see a similar drop due to the increase in demand of ethanol for the oxygen-generated fuel system...season, but models show that plant profits were still stymied due to the manufacturing, marketing and administrative expenses of plant operations. Profits are seen when feed stock costs are significantly lower than fixed costs. Co-products such as distilled grain, dried grains with soluble and corn gluten feed meal and oil did not