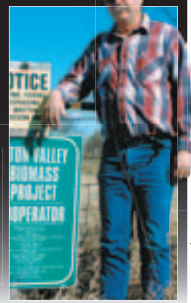


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Jeff Broin (left) and Vance Bauer

Independence Day

By **ROD SWOBODA**

IOWA'S rapidly expanding ethanol industry achieved a milestone the last week of May when three new ethanol plants started producing the corn-based fuel. Added to the roster are Lincolnway Energy at Nevada, Hawkeye Renewables at Fairbank and Frontier Ethanol at Gowrie.

With the addition of these plants, Iowa's ethanol production capacity now exceeds the amount of straight gasoline used in the state. That statistic is symbolic, of course, because Iowa still uses a lot of petroleum-based fuel. Yet more renewable fuel is being produced and used every day.

You could say Independence Day came early this year, in terms of energy independence.

"This has truly been a historic week for renewable fuels in this state," said Monte Shaw, executive director of the Iowa Renewable Fuels Association, as he addressed a large crowd at Frontier Ethanol's open house. The start-up of that plant means there are now 25

Key Points

- Iowa is the leading state in ethanol production.
- Several more ethanol plants are under construction.
- A plant can contribute millions of dollars to a local economy.

ethanol refineries operating in Iowa, putting the state's production capacity at over 1.5 billion gallons annually.

Four other ethanol plants are under construction in Iowa and several major expansions of existing plants are under way. During June, plans for still more plants were announced.

"Iowa is the leading state in ethanol production and continued growth in Iowa's ethanol industry will widen the margin," said Shaw.

Frontier is the 100th ethanol plant in the United States — another milestone. The facility will process 21 million bushels of corn into 60 million gallons of ethanol and 178,000 tons of distillers grain annually. It employs 40 people with an annual payroll of \$1.8 million.

The \$79 million plant is managed by Broin Cos., a Sioux Falls, S.D., firm that built it. It's owned by local Iowa investors, many of them farmers who bought shares in the plant. Broin has a majority stake. Frontier is the 23rd plant built by Broin in the United States.

"The Broin Cos. built one of the first successful farmer-owned ethanol plants in America on our farm in Minnesota in the early 1980s," CEO Jeff Broin told the crowd at Gowrie. "We are thrilled that Frontier Ethanol is our nation's 100th."

Farmers are investors

Frontier Ethanol, Hawkeye Renewables and Lincolnway Energy are steps forward for energy independence and economic growth in Iowa, said Shaw. "We applaud the farmer-owners and other private investors in all Iowa plants and look forward to their future plans for expanding the state's renewable-fuels industry."

The Frontier plant will fuel the regional economy, according to Vance Bauer, a Gowrie farmer. "Workers will benefit from

good-paying jobs. Local main streets benefit from millions of dollars the plant will spend. Farmers benefit from increased corn prices. Our nation benefits when we produce more of our energy at home."

Distillers grain produced by ethanol plants also adds value. "There aren't many cattle being fed here in Webster County anymore," said Bauer. "It would be great if we could bring cattle feeding back to Iowa, so we wouldn't have to ship distillers

grain so far to the feedlots. A lot is going out of state."

Building demand for DDGs is important because ethanol prices won't stay high forever. Ethanol will go up and down with petroleum.

"When the price of ethanol gets low, these plants will have to make money off of distillers grain," said Bauer. "DDGs are an important part of a plant's profit margin."

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Heyday for renewable fuels

THE growth and advancements being made by the ethanol industry takes your breath away. It's hard to keep up with the momentum and all that is going on," says Monte Shaw of the Iowa Renewable Fuels Association.

There are 101 plants producing ethanol in America today; each day, 40% of the gasoline used by Americans is mixed with ethanol. An additional 32 ethanol refineries are currently being built and six are expanding, which will add another 2 billion gallons of production capacity.

Last year, the U.S. ethanol industry produced more than 4.3 billion gallons of ethanol from 1.5 billion bushels of corn, representing over 14% of the nation's corn crop. This year may be the first in which more corn is converted into ethanol than is exported to other countries. The United States uses about 140 billion gallons of gasoline nationwide every year.

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