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Commissioner Lester Spell completed today with a 50-person delegation a successful tour of the Midwest with visits to a state-of-the-art biodiesel facility in Ralston, Iowa as well as the nation's newest ethanol facility in Coon Rapids. Both facilities are in their first year of operation.

The delegation included farmers from across the state, Agri-businesses, state legislators, representatives of Alcorn State University, Mississippi State University, Mississippi Development Authority, Mississippi Alternative Energy, two mayors, and staff of the Mississippi Department of Agriculture and Commerce. The group explored what technology works in different areas of agriculture and why, and how it could be beneficial for the Mississippi growers and producers. It is estimated that a fully operationally ethanol facility could consume nearly 15 million bushels of corn grown on 120,000 of farmland. This production would likely result from additional acreage of land coming on line.

The morning began with a visit to the biodiesel facility in Ralston, Iowa. Explanations were given as to how farmers formed and retained the majority of ownership in both of these facilities. Co-ops of these types are not as common in the South. The West Central Cooperative, \$40 million manufacturing complex, in Ralston includes about 3,500 farmers and extends over ten counties. The company markets over 50 million bushels of corn and soybeans annually. In the first six weeks, the company reported handling 28,000 bushels of corn, 5,600 bushels of oats and 180 tons of corn.

Later in the afternoon, the members visited an Ethanol Manufacturing facility in Coon Rapids, Iowa. Financing structure, risk management and cash flow were discussed by the president of the organization, as well as staff. Pointing out that the facility did not happen overnight, the presentation focused on how to avoid traditional pitfalls associated with "old-style" cooperatives. The leadership suggested that their newer model was in a better position to benefit from opportunities regarding the rapidly changing laws. The Tall Corn LLC 40 million gallon capacity facility draws its corn from an area with a 40-mile radius. Costing nearly \$56 million, the

operation is able to successfully market 100% of its production of ethanol and other co-products such as distillers' dried grain by its close working relationships with other distribution organizations throughout the Midwest.

Such cooperatives give farmers the advantage of stronger buying and selling power and also opportunities to add value to their crop. Commissioner Lester Spell stated, "By adding value to their products, farmers increase their share of marketing opportunities and move ahead from the "price taker" image of many of today's farmers to "price makers."

Some of the byproducts of ethanol and biodiesel production are used as livestock feeds. Considerable potential exists for use by catfish operations in Mississippi, and is presently being studied by Mississippi State Extension and the Thad Cochran Aquaculture Center in Stoneville. In addition, there are many other uses such as industrial lubricants, detergents, body lotions, and many other products with strong market potentials.

On Tuesday night, the John Deere Corporation hosted a reception for the delegation at its Moline, Illinois headquarters. The group learned about John Deere's extensive research in biodiesel applications and use of agricultural and construction equipment. Representatives of the Corporation pointed out that they saw their role to be that of assuring continually expanding marketing opportunities for American farmers.