

Thursday, February 02, 2012

## Ethanol Plant margin worksheet:

Today's Nearby Futures Corn Price: \$6.42  
Average Basis: (\$0.35)

Ethanol Plant Spot Corn Price: **\$6.07**

DDG value **\$185**

Ethanol Nearby Futures Price: \$2.17  
Basis: (\$0.20)

Ethanol Sold per gallon: **\$1.97**

Assumptions:  
Ethanol Blenders Credit \$0.45  
Gals of Ethanol / bu. of Corn 2.7  
Lbs of DDGs / bu. of Corn 16.5

225 myln dollar plant.

100 myln gall capacity

Ethanol Plant Gross Revenue:  
(dollars per bushel of corn)  
Value of Ethanol: \$5.32  
Value of DDG: \$1.53

Blenders credit: -----  
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Ethanol Plant Gross Revenue: **\$6.84**

Variable Expense:  
(dollars per bushel of corn)  
Corn \$6.07

Total: -----  
**\$6.07**

Fixed Expense:  
(dollars per bushel of corn)  
Fixed cost (finance plant P+I) \$0.25  
Variable Cost \$1.28

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**\$1.53**

**Net margin in corn bushels: (\$0.76)**

**Net margin in ethanol gallons: (\$0.28)**

**Return on Investment: -12.47%**

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