

Friday, September 03, 2010

Ethanol Plant margin worksheet:

Today's Nearby Futures Corn Price:	\$4.50
Average Basis:	(\$0.40)
Ethanol Plant Spot Corn Price:	\$4.10

DDG value	\$108
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Ethanol Nearby Futures Price:	1.977
Basis	0
Ethanol Sold per gallon:	\$1.98

Assumptions:	
Ethanol Blenders Credit	\$0.51
Gals of Ethanol / bu.of Corn	2.77
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:	\$5.48
Value of DDG:	\$0.89
Blenders credit:	-----

Ethanol Plant Gross Revenue:	\$6.37
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Variable Expense: (dollars per bushel of corn)	
Corn	\$4.10

Total:	\$4.10
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Fixed Expense: (dollars per bushel of corn)	
Fixed cost (finance plant P+I)	\$0.25
Variable Cost	\$1.28

	\$1.53

Net margin in corn bushels:	\$0.74
Net margin in ethanol gallons:	\$0.27
Return on Investment:	11.87%

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