

Feed Values of Corn Still Captured With the Production of Ethanol

HOUSTON--March 28, 2002--*The following is an advisory by Industrialinfo.com (Industrial Information Resources, Incorporated; Houston, Texas).*

Dried Distillers Grain Solubles (DDGS) a by-product produced during the grinding of corn for ethanol production creates a value added product for ethanol makers. For every bushel of corn processed at an ethanol plant, about 18 pounds of dried distillers grain are produced. This by-product of ethanol production is key to the success of an ethanol plant.

“Wet” (undried) corn kernels are about 61% starch, leaving 39% protein, fiber, corn oil, and water. This leaves proteins, fat, minerals, and vitamins that can become such by-products as Dried Distillers Grain (DDG), Distillers Dried Grain Solubles (DDGS), and Condensed Distillers Solubles (CDG). Ethanol producers utilize drum dryers to process DDGS into saleable products. Some ethanol producers choose not to install drum dryers at ethanol plants due to the high cost associated with utilities; however, most ethanol producers dry the grain on-site and create a viable option to ethanol.

Currently, about 3 million tons of distiller’s grains are produced domestically. If the ethanol industry continues on its course to double production to 2.7 million gallons per year by 2003, that market will grow to over 6 million tons annually.

Jay Brunson, Synthetic Fuels Manager for Industrial Information Resources, said, “Currently, spot prices for DDGS are running at an average of \$75 per ton. The great thing about corn-to-ethanol plants is that you don’t lose the feed values of corn when producing ethanol.” A 15 million gallon per year ethanol plant has the ability to produce 135,000 tons of DDG annually. If you factor in an average price for fuel grade ethanol at \$1.05 per gallon, a single facility could generate \$26.5 million in sales annually. This makes building an ethanol plant very attractive.

Established in 1983, Industrial Information Resources Incorporated (IIR) is a leading information source for market intelligence covering the industrial process, manufacturing and energy markets. IIR has developed an exclusive dynamic database for the synthetic fuels industry.

IIR's [Ethanol Production Database](#) provides a comprehensive outline of all current development activities in the emerging synthetic fuels market. This database covers 60 ethanol plants currently in operation and 70 plants under development. It also covers 9 biodiesel plants and 7 plants underdevelopment. For more information on the Synthetic Fuels industry as well as other industrial sectors send inquiries to synfuelsgroup@industrialinfo.com or visit us at www.industrialinfo.com or www.iirenergy.com.