

# Economic Sustainability

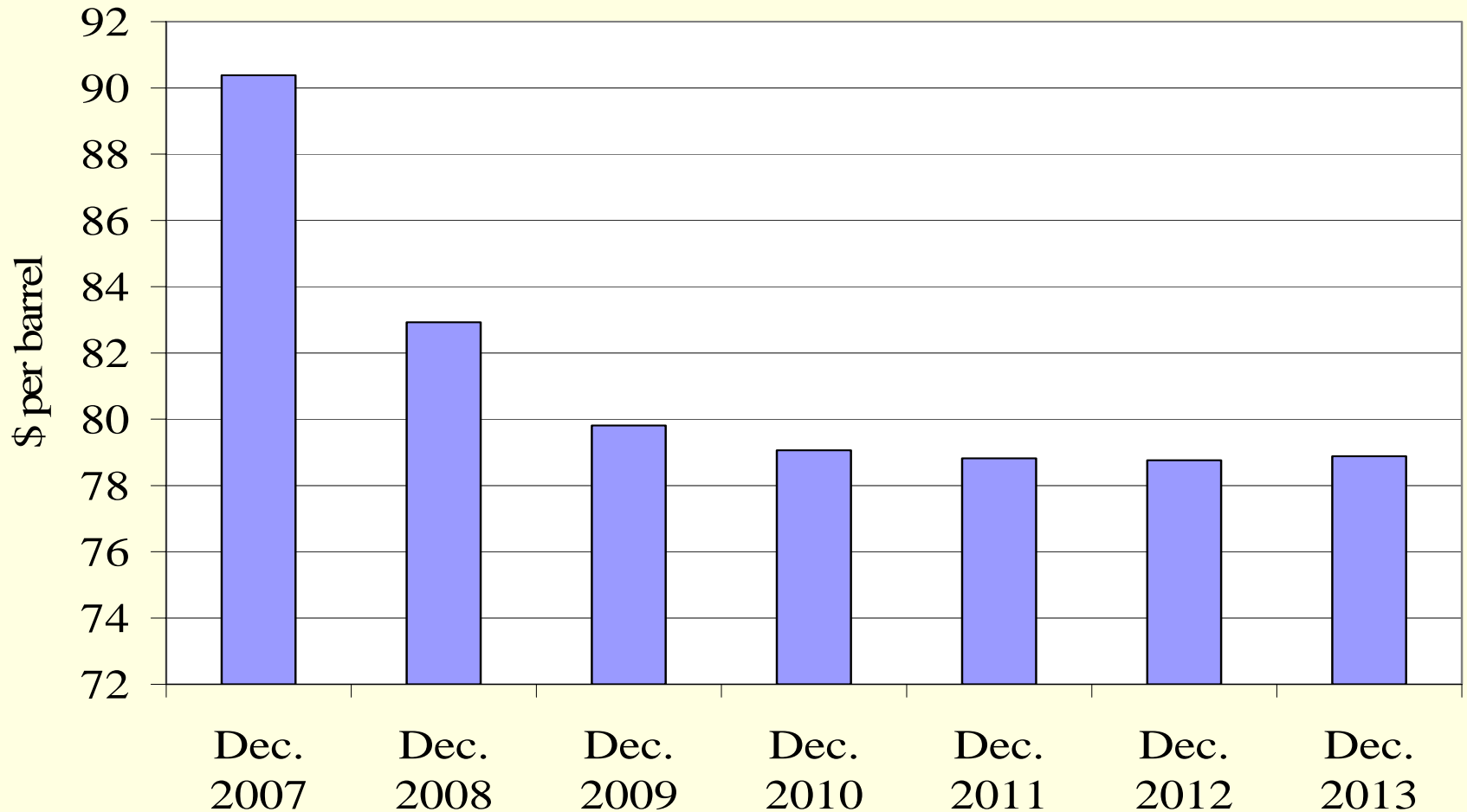


Chad Hart

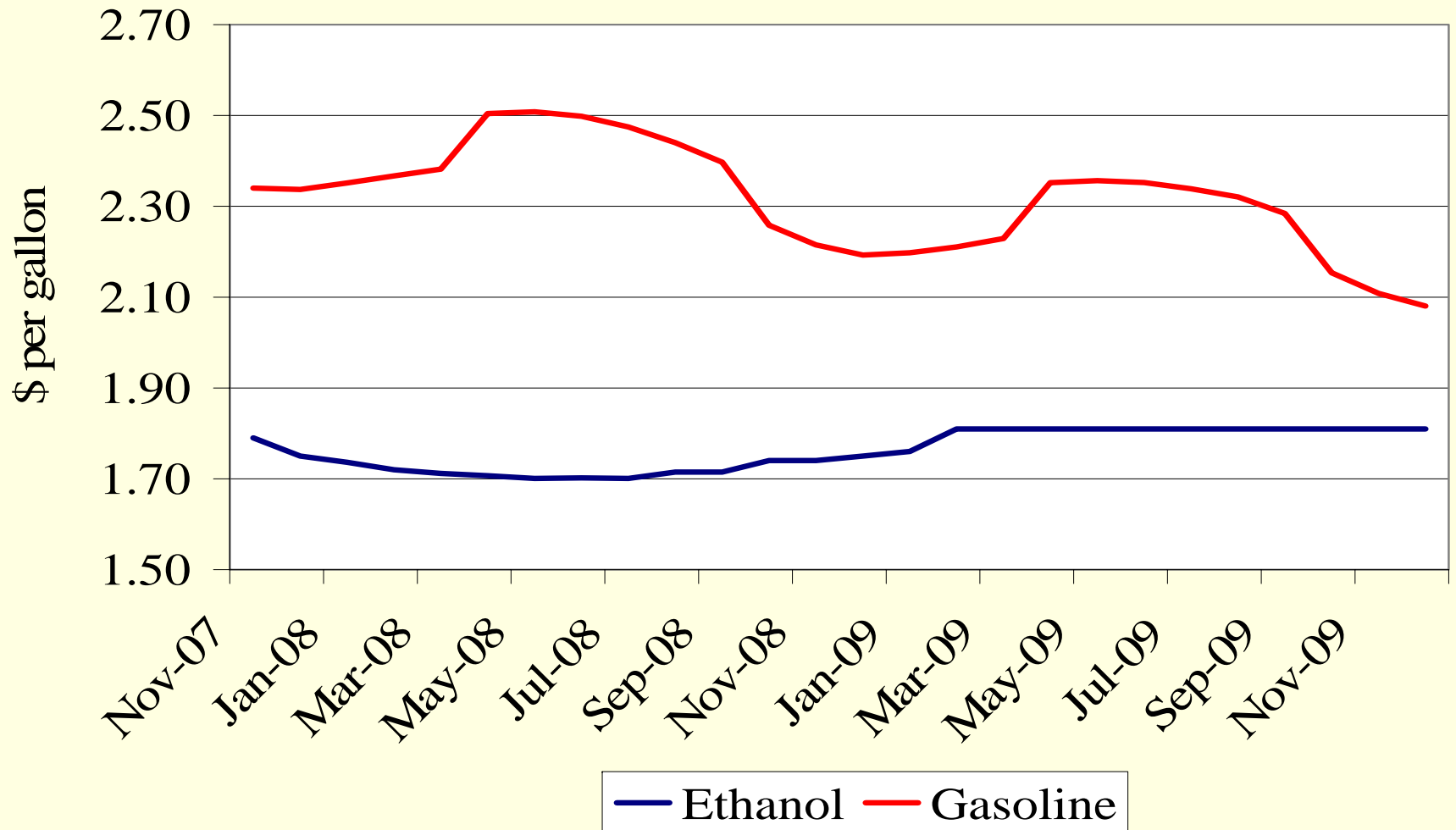
Center for Agricultural and Rural Development  
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2007 Biobased Industry Outlook Conference  
Ames, Iowa  
November 6, 2007

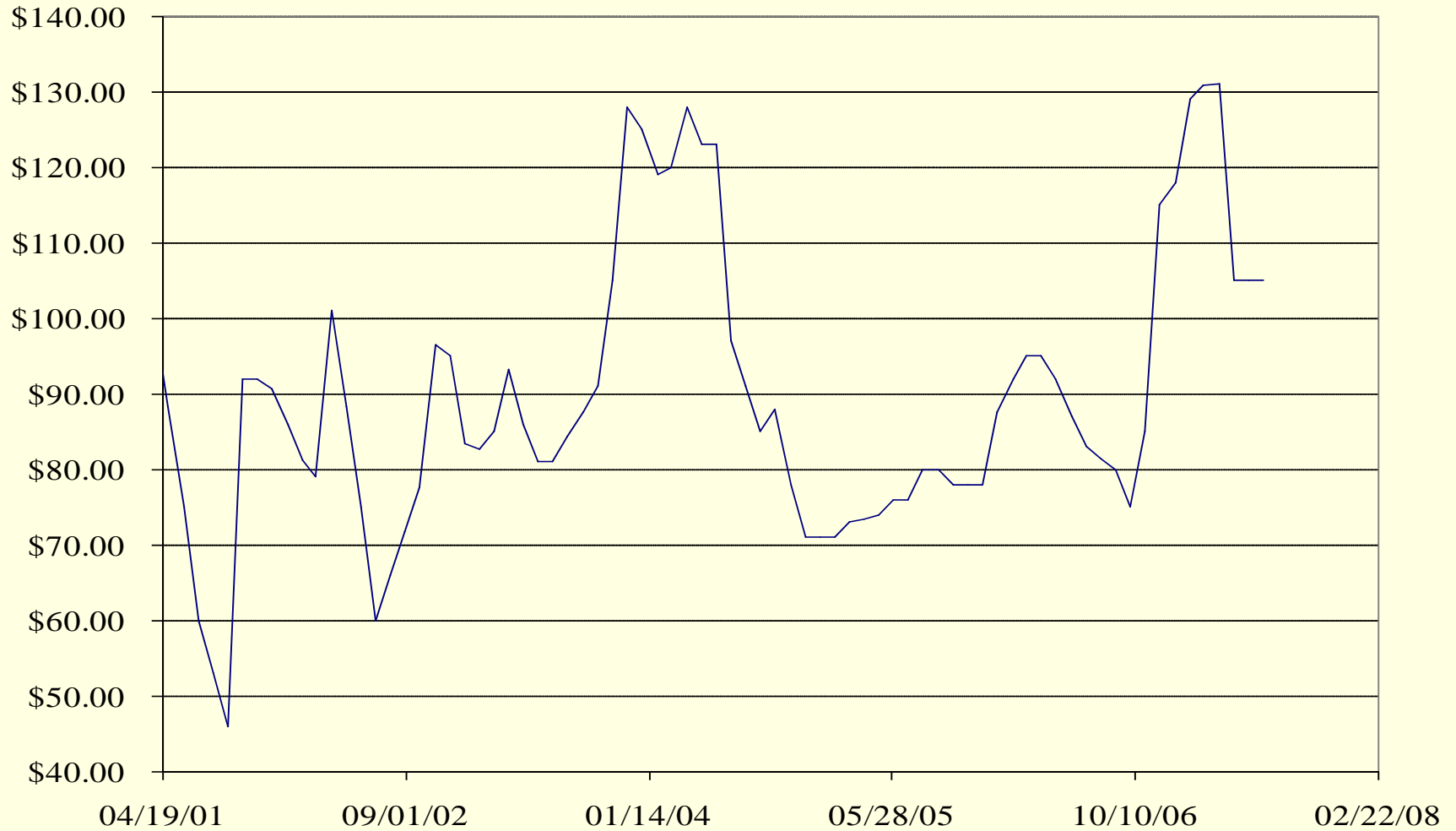
# Oil Futures as of 10/31/2007



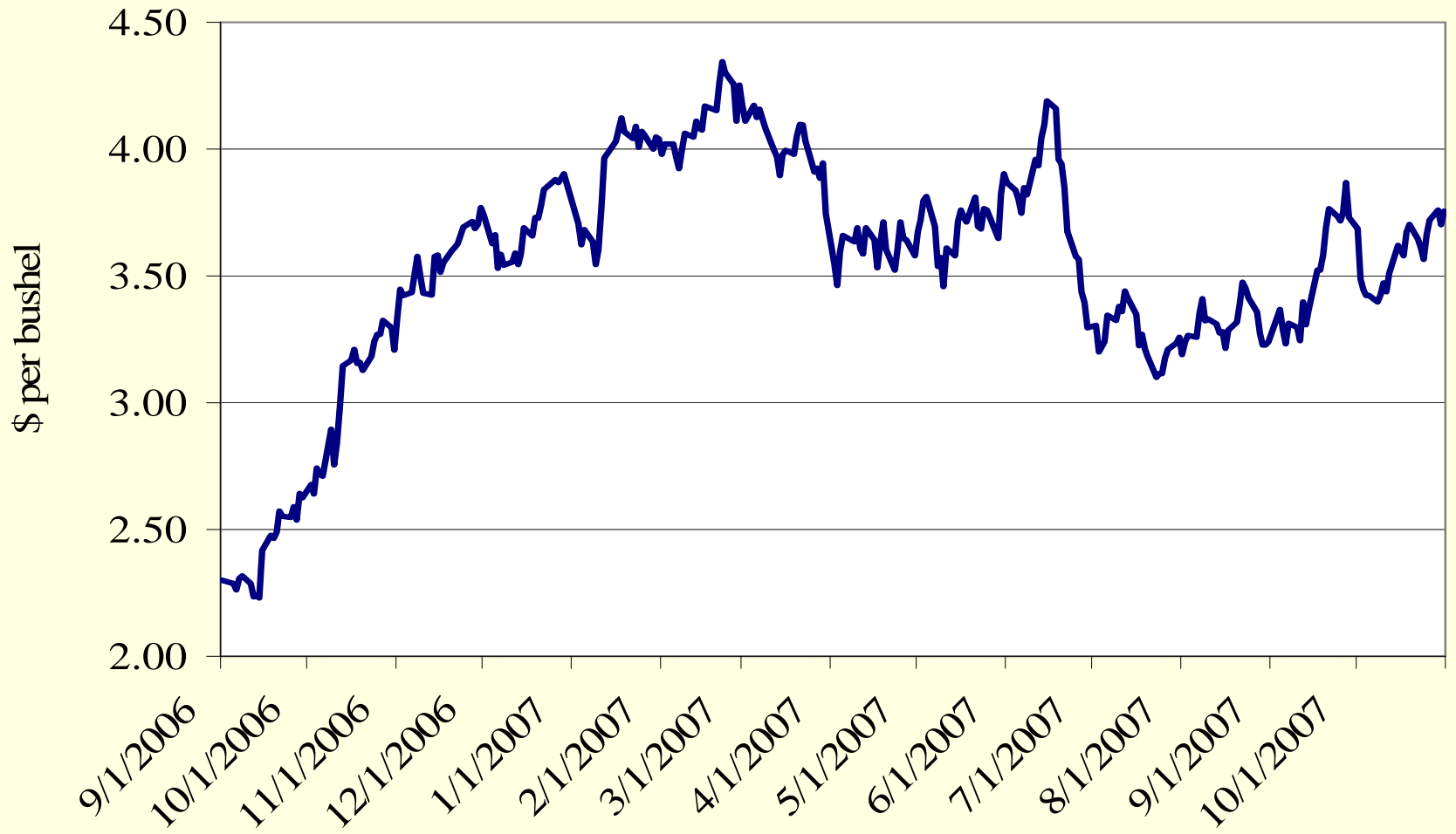
# Ethanol and Gasoline Futures



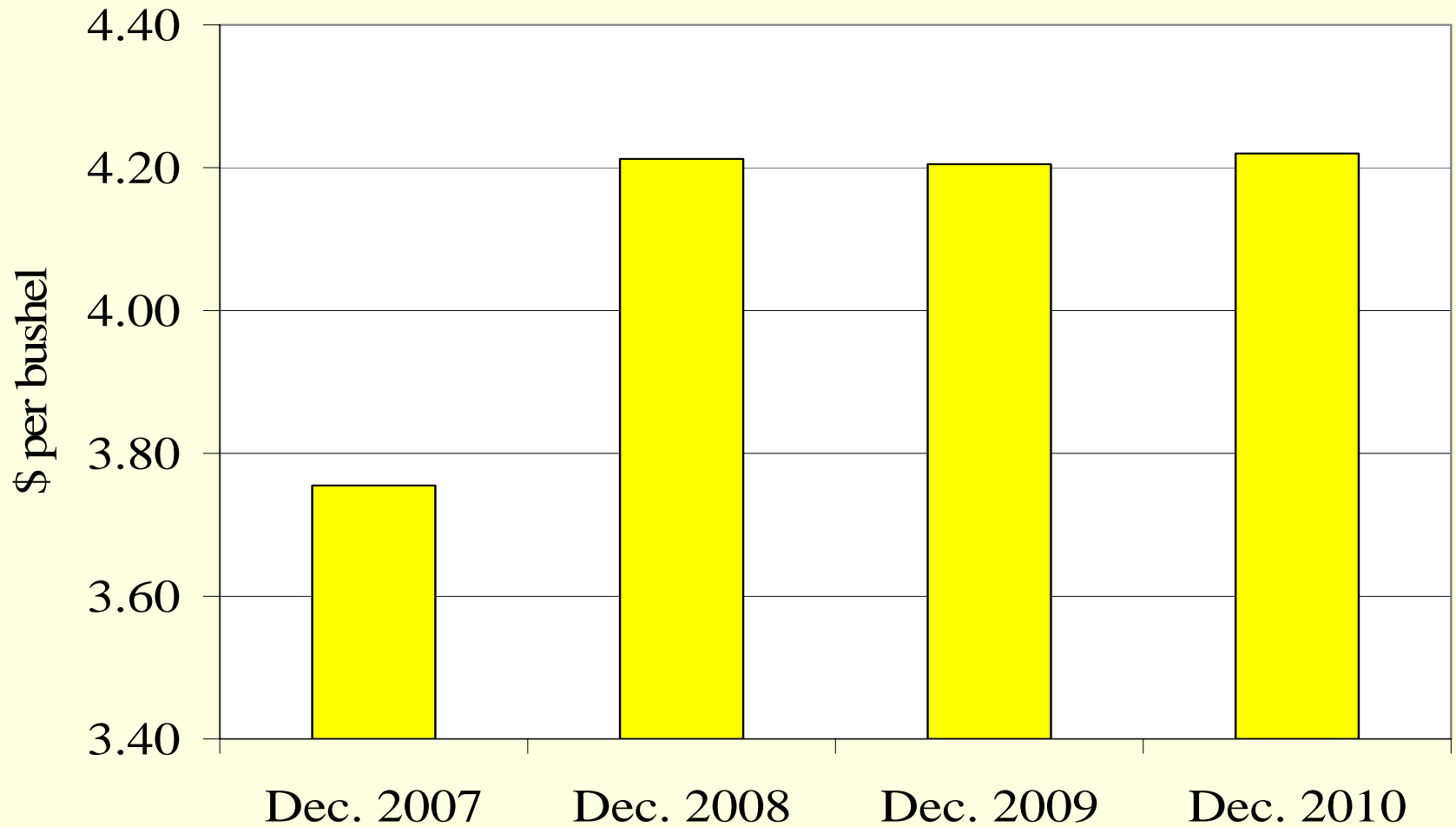
# Historical Distillers Grains Prices



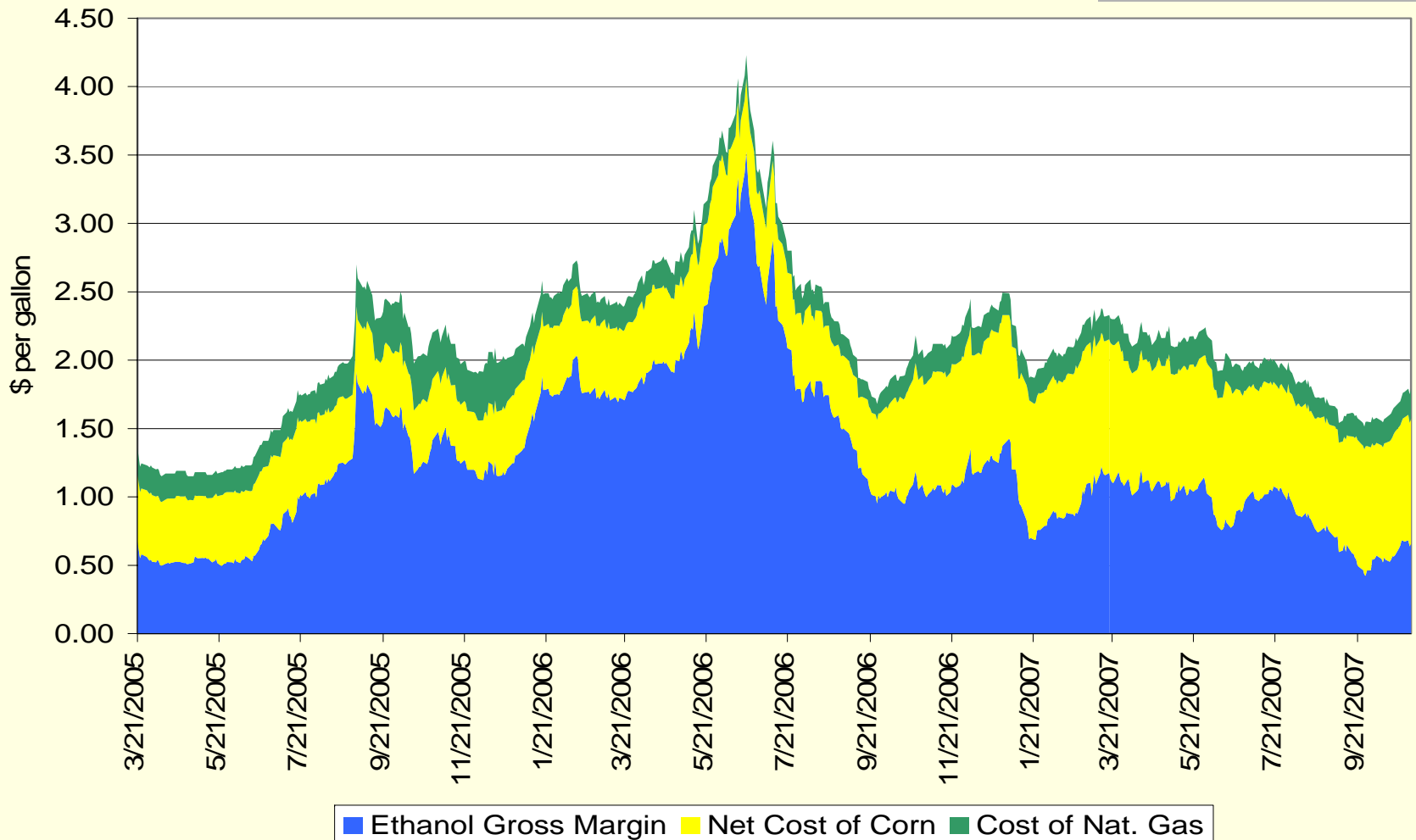
# Nearby Corn Futures Prices



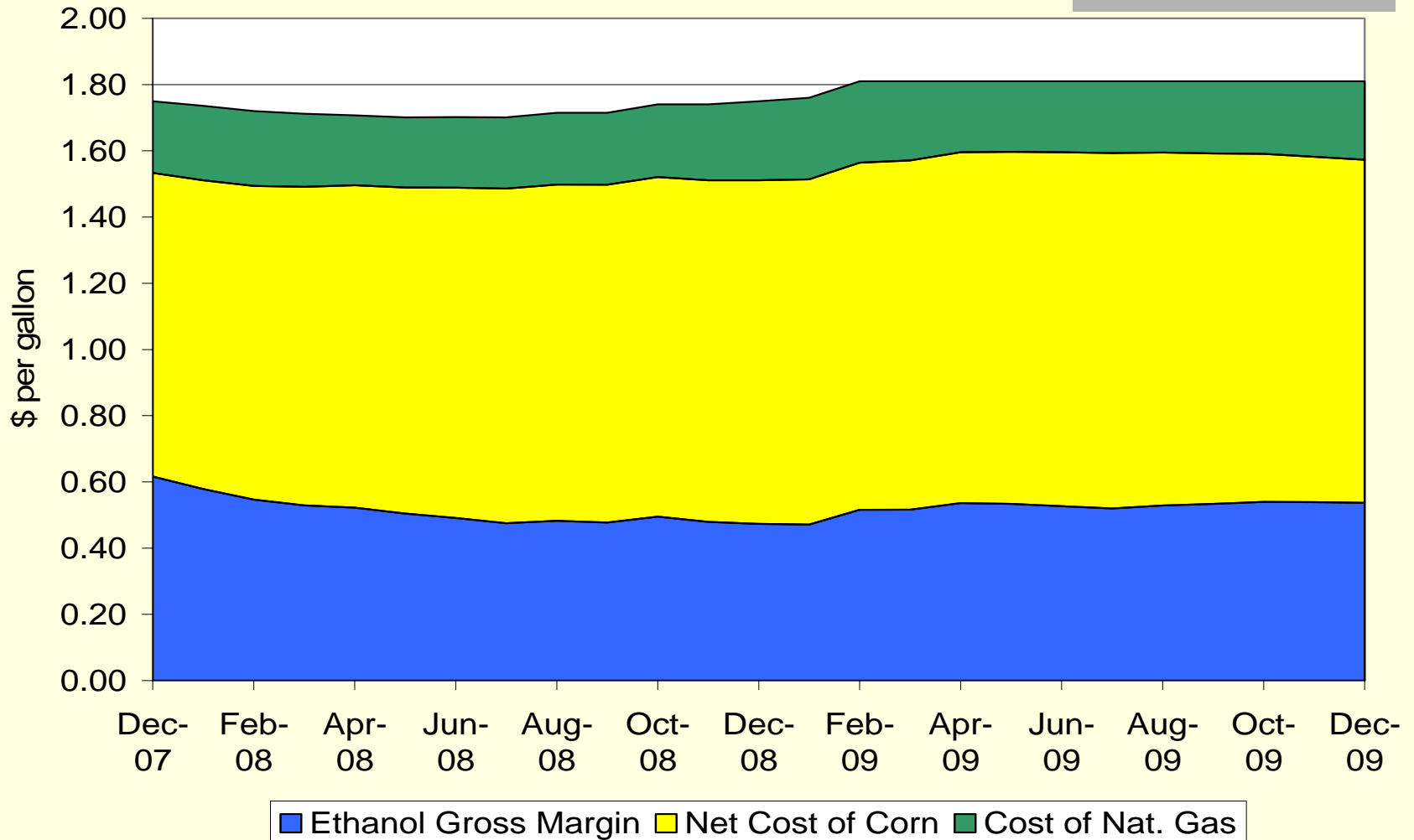
# Corn Futures as of 10/31/2007



# Historical Ethanol Gross Margins

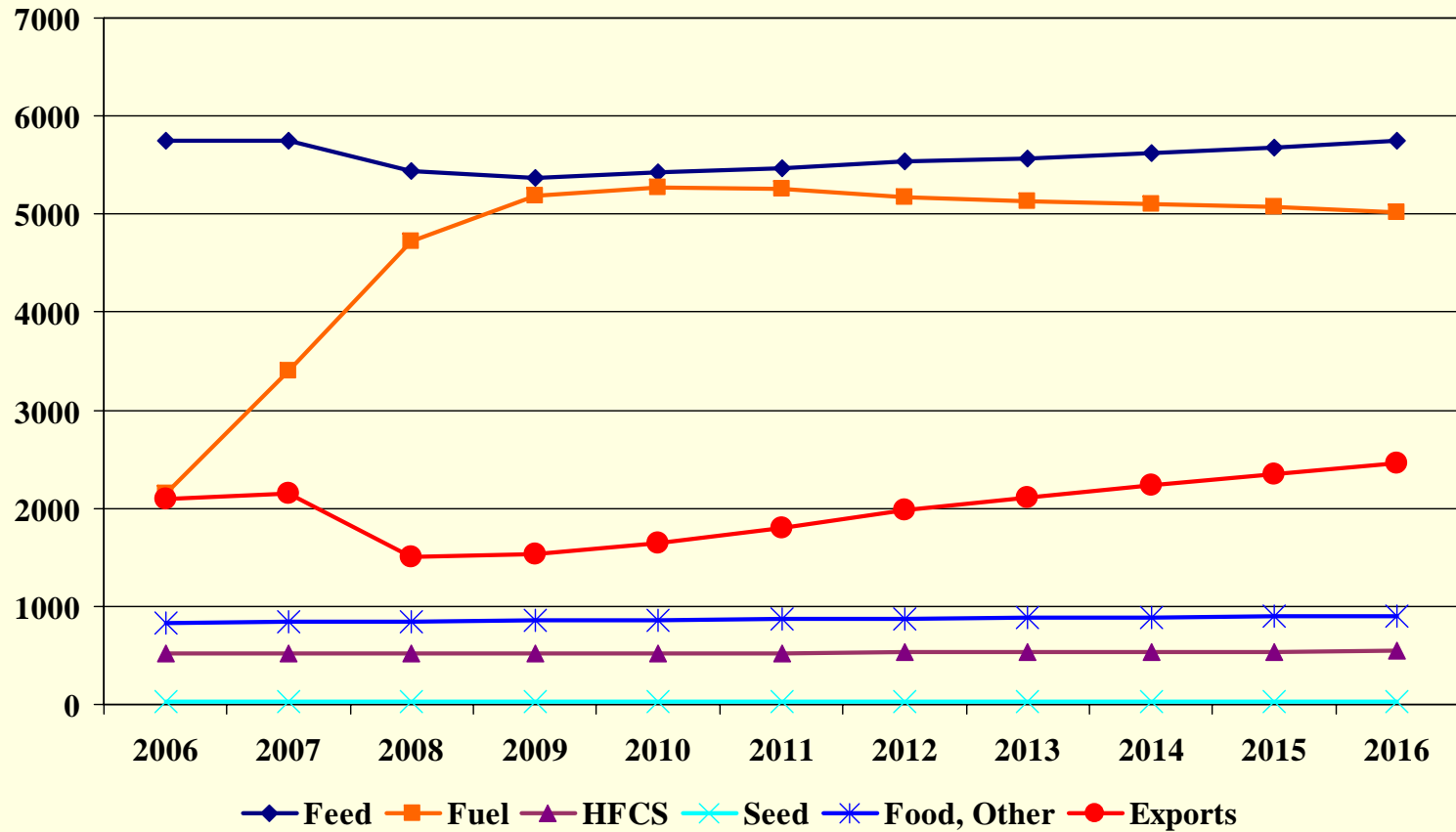


# Projected Ethanol Gross Margins



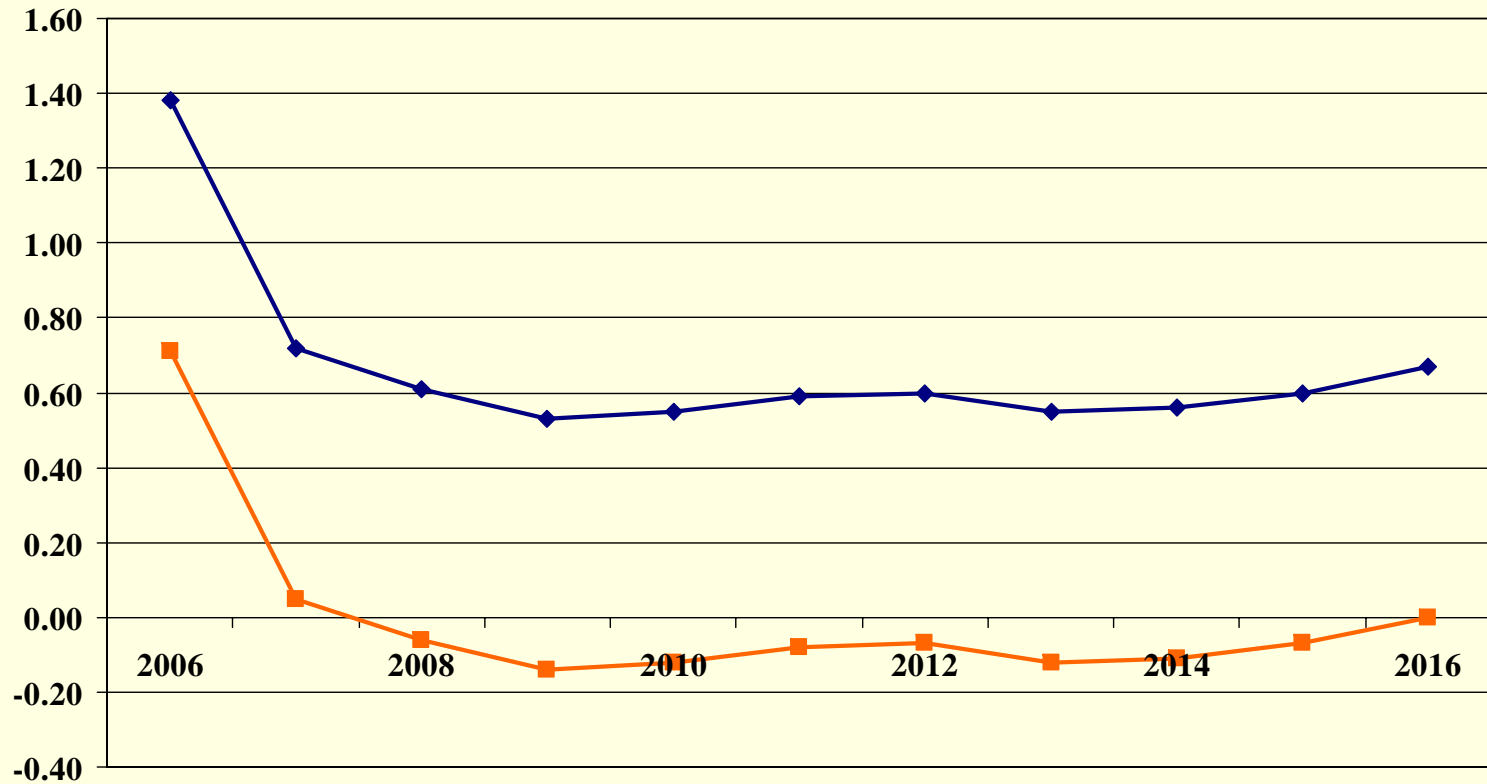
# Projected Utilization of U.S. Corn

million bushels



# Projected U.S. Dry Mill Margins

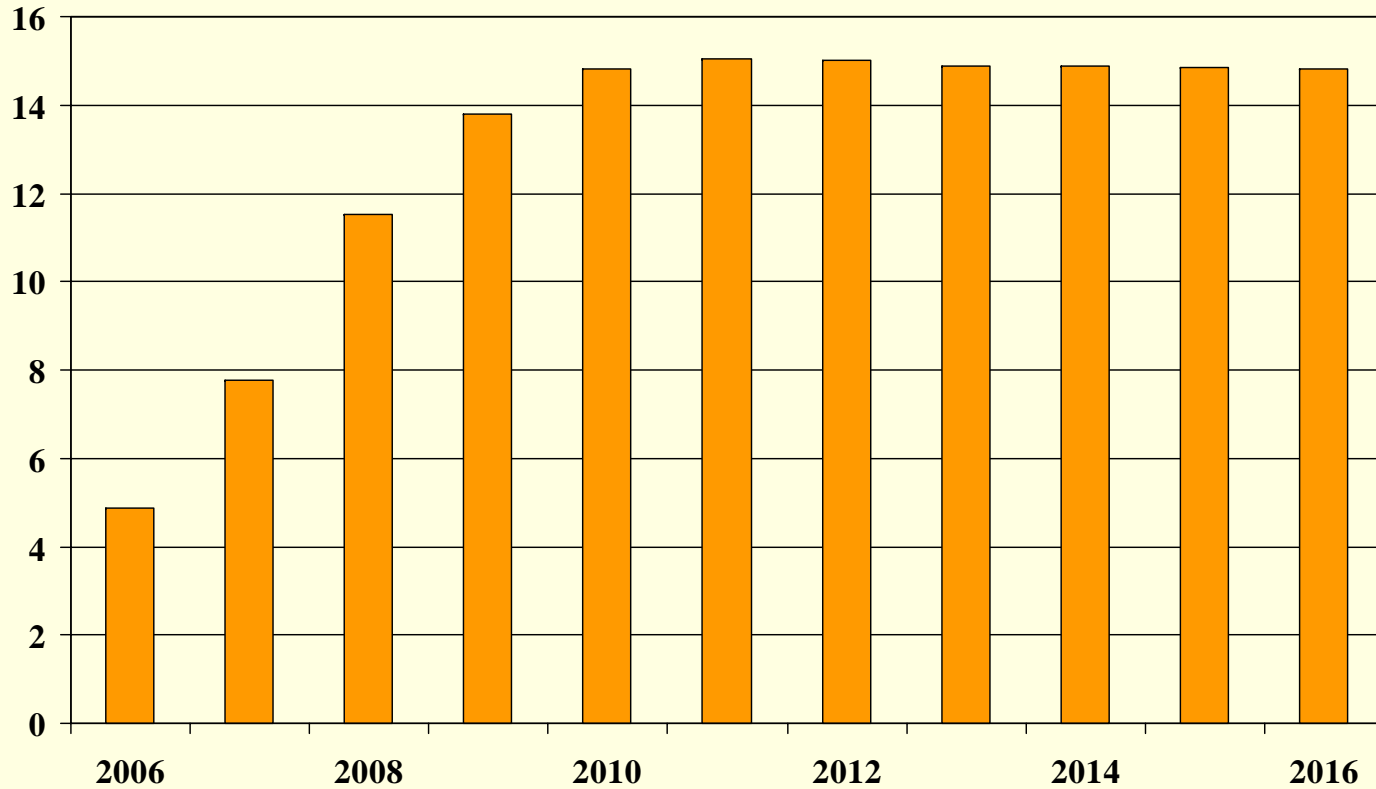
US\$/bushel



◆ Margin Over Operating Costs ■ Margin Over Total Cost

# Projected U.S. Ethanol Production

billions gallons



# Comparing This Year to Last

		<b>Jan. – Sept. 2006</b>	<b>Jan. – Sept. 2007</b>
Ethanol Yield	(gallons/bushel)	2.61	2.69
Ethanol Revenue	(\$/gallon)	2.20	2.13
Corn Cost	(\$/gallon)	0.85	1.41
Co-product Revenue	(\$/gallon)	0.41	0.48
Commodity Spread	(\$/gallon)	1.76	1.20
Conversion Cost	(\$/gallon)	0.67	0.60
Distribution Cost	(\$/gallon)	0.15	0.17
Net Return	(\$/gallon)	0.94	0.43

Source: Aventine Renewable Energy Holdings, Inc. 3<sup>rd</sup> Quarter Report, 2007

# Outlook Factors

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- National, state, and local energy policies
- Changes in general economic conditions
- Overcapacity within ethanol, biodiesel, and petroleum refining industries
- Availability and costs of products and raw materials
- Energy prices
- Value of co-products
- Availability of transportation resources (rail, barge, etc.)

Source: Aventine Renewable Energy Holdings, Inc. 3<sup>rd</sup> Quarter Report, 2007



Thank You