

Wagner Native Ethanol, LLC

Ethanol will save Americans more than \$1 billion this year

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Sioux Falls, SD (October 13, 2008) – With the economy on shaky ground, there is some good news to report at the pump – ethanol will save Americans more than \$1 billion this year.

“With ethanol selling for a dollar less per gallon than gasoline, Americans will benefit from ethanol this year through savings of \$1 billion to \$1.25 billion,” said Ron Lamberty, Vice President / Market Development for the American

Coalition for Ethanol (ACE), the nation’s largest ethanol advocacy association. “And this doesn’t begin to factor in the savings to consumers as ethanol has expanded our domestic fuel supply and has helped drive down gas prices.”

Gas prices have dropped more than a dollar from highs earlier this year. Current published rack prices show ethanol selling for about \$1 per gallon less than gasoline. Based on expected ethanol production of approximately 9.4 billion gallons this year, total national savings due to ethanol will be between \$1 billion and \$1.25 billion.

“Fuel consumption is down, and thanks to expanding ethanol production, refiners have a greater supply of inexpensive, high octane, and clean burning ethanol to blend in to their gasoline. Ultimately, that makes more fuel available and drives down the prices at the pump,” Lamberty said.

Because of ethanol’s blending economics, adding more ethanol to each gallon of gasoline would mean addi-

tional savings. At today’s volume and prices, Americans would save \$1.62 billion annually if every gallon of gas contained 10 percent ethanol. Moving to E15 would take the nation’s annual fuel savings \$2.23 billion.

“Ethanol is the most promising domestic supply of fuel this country has today. It doesn’t need to be drilled for or imported. It doesn’t require more years of laboratory study or significant changes to infrastructure. It is less expensive and a lot cleaner than gasoline, and it is here today. We need to be allowed to use more of it,” Lamberty added.

Retail gas prices have fallen as of late, and so have grain prices. Corn is now selling around the \$4 mark, fully half of its value this summer when speculative trading drove it as high as \$8 per bushel. Consumers should be reminded of the Grocery Manufacturers of America’s claims this year that higher corn prices were driving up their costs and requiring them to increase prices in the grocery aisle. But now that grain prices have dropped, have retail grocery prices followed?

“Big Grocery’s claims that ethanol and corn prices were to blame for their food price increases don’t add up. Now that commodity prices have fallen, consumers should ask where the savings are,” said Brian Jennings, Executive Vice President of ACE. “Ethanol was a convenient excuse for a multi-million-dollar PR campaign to justify price hikes on American consumers.”

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Release by the NEVC: E85 Stations Exceed 1,800

“It’s exciting to see E85 stations grow so rapidly within the past year,”

Jefferson City, MO—The National Ethanol Vehicle Coalition (NEVC), the nation’s primary advocate of the use of E85 and high level blends of ethanol in flexible fuel vehicles, is pleased to announce that the number of E85 stations has now exceeded 1,800. There are currently 1,802 private and public refueling stations across the U.S. The numbers of facilities have grown 28% since October 2007. “It’s exciting to see E85 stations grow so rapidly within the past year,” noted Executive Director of the National Ethanol Vehicle Coalition, Phil Lampert. “From providing technical support on-site, through our internet materials, or over the phone, the NEVC has in one way or another been involved with the establishment of every one of these facilities! From the humble total of 50 E85 stations in 2001, we believe that E85 represents the ‘only’ significant growth opportunity in the field of liquid fuels.” Currently, the states with the highest number of E85 sites are: Minnesota with 357, Illinois with 188 and Missouri with 112. Unfortunately, seven states do not offer E85 including: Maine, New Hampshire, Vermont,

Rhode Island, New Jersey, Alaska and Hawaii. Lampert added, “Fuel retailers have many incentives to add this clean, renewable product to their facilities. The spike in E85 fueling facilities is a direct reflection of the Federal income tax credit that the NEVC and our partners worked hard to implement in 2005. Additionally, the provisions of the Energy Independence and Security Act (EISA) of 2007 that allowed franchise operators to install E85 fueling sites are two of the most significant Federal actions that have been implemented to address the growth of E85 fueling nationally. We are hopeful that future federal actions will appropriate at least a part of the \$200 million that was authorized in EISA to assist with continuing to expand the E85 fueling infrastructure.” The public can fuel at 1,693 of the 1,802 stations nationwide. The nation’s most comprehensive and complete listing of E85 sites can be found at [www.e85.com](#). A growth chart of E85 refueling locations from 2001 to the present can be found at the site.



Editors Note—

“Currently ACE reports there are **71 E85 Stations in South Dakota**”

Crush Spread Reference Chart: South Dakota Dry Mill Ethanol Plant

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2.84 gallons/bu												
Natural Gas Cost per gallon----> \$0.220												
Other Operating Costs/Gal----> \$0.450												
DDGs \$ per ton* \$142.000 @ 6.5 lbs. per gallon, Less Costs----> \$0.462												
South Dakota Corn Basis												
Basis Cash Value												
October -\$0.48 \$3.365												
November -\$0.45 \$3.395												
December -\$0.46 \$3.385												
Ethanol-->	\$1.500	\$1.600	\$1.700	\$1.800	\$1.900	\$2.000	\$2.100	\$2.200	\$2.300	\$2.400	\$2.500	\$2.600
Corn												
\$2.900	\$0.270	\$0.370	\$0.470	\$0.570	\$0.670	\$0.770	\$0.870	\$0.970	\$1.070	\$1.170	\$1.270	\$1.370
\$3.000	\$0.235	\$0.335	\$0.435	\$0.535	\$0.635	\$0.735	\$0.835	\$0.935	\$1.035	\$1.135	\$1.235	\$1.335
\$3.100	\$0.200	\$0.300	\$0.400	\$0.500	\$0.600	\$0.700	\$0.800	\$0.900	\$1.000	\$1.100	\$1.200	\$1.300
\$3.200	\$0.165	\$0.265	\$0.365	\$0.465	\$0.565	\$0.665	\$0.765	\$0.865	\$0.965	\$1.065	\$1.165	\$1.265
\$3.300	\$0.130	\$0.230	\$0.330	\$0.430	\$0.530	\$0.630	\$0.730	\$0.830	\$0.930	\$1.030	\$1.130	\$1.230
\$3.400	\$0.094	\$0.194	\$0.294	\$0.394	\$0.494	\$0.594	\$0.694	\$0.794	\$0.894	\$0.994	\$1.094	\$1.194
\$3.500	\$0.059	\$0.159	\$0.259	\$0.359	\$0.459	\$0.559	\$0.659	\$0.759	\$0.859	\$0.959	\$1.059	\$1.159
\$3.600	\$0.024	\$0.124	\$0.224	\$0.324	\$0.424	\$0.524	\$0.624	\$0.724	\$0.824	\$0.924	\$1.024	\$1.124
\$3.700	-\$0.011	\$0.089	\$0.189	\$0.289	\$0.389	\$0.489	\$0.589	\$0.689	\$0.789	\$0.889	\$0.989	\$1.089
\$3.800	-\$0.047	\$0.053	\$0.153	\$0.253	\$0.353	\$0.453	\$0.553	\$0.653	\$0.753	\$0.853	\$0.953	\$1.053
\$3.900	-\$0.082	\$0.018	\$0.118	\$0.218	\$0.318	\$0.418	\$0.518	\$0.618	\$0.718	\$0.818	\$0.918	\$1.018
\$4.000	-\$0.117	\$0.017	\$0.083	\$0.183	\$0.283	\$0.383	\$0.483	\$0.583	\$0.683	\$0.783	\$0.883	\$0.983
\$4.100	-\$0.152	\$0.052	\$0.048	\$0.148	\$0.248	\$0.348	\$0.448	\$0.548	\$0.648	\$0.748	\$0.848	\$0.948
\$4.200	-\$0.187	\$0.087	\$0.013	\$0.113	\$0.213	\$0.313	\$0.413	\$0.513	\$0.613	\$0.713	\$0.813	\$0.913
\$4.300	-\$0.223	\$0.123	-\$0.023	\$0.077	\$0.177	\$0.277	\$0.377	\$0.477	\$0.577	\$0.677	\$0.777	\$0.877
\$4.500	-\$0.293	-\$0.193	-\$0.093	\$0.007	\$0.107	\$0.207	\$0.307	\$0.407	\$0.507	\$0.607	\$0.707	\$0.807
\$4.600	-\$0.328	-\$0.228	-\$0.128	-\$0.028	\$0.072	\$0.172	\$0.272	\$0.372	\$0.472	\$0.572	\$0.672	\$0.772
\$4.700	-\$0.363	-\$0.263	-\$0.163	-\$0.063	\$0.037	\$0.137	\$0.237	\$0.337	\$0.437	\$0.537	\$0.637	\$0.737
\$4.800	-\$0.399	-\$0.299	-\$0.199	-\$0.099	\$0.001	\$0.101	\$0.201	\$0.301	\$0.401	\$0.501	\$0.601	\$0.701
\$4.900	-\$0.434	-\$0.334	-\$0.234	-\$0.134	-\$0.034	\$0.066	\$0.166	\$0.266	\$0.366	\$0.466	\$0.566	\$0.666
\$5.000	-\$0.469	-\$0.369	-\$0.269	-\$0.169	-\$0.069	\$0.031	\$0.131	\$0.231	\$0.331	\$0.431	\$0.531	\$0.631

Today's Market Wagner, SD

Corn \$3.04

Ethanol Net Back \$1.80

Project Manager Adds -

Our plant will add \$5-6 million of potential additional profit for energy savings, \$1.5 million for Potash fertilizer from the corn stover ash, and additional profit of \$8-15 million from our dry fractionation from MOR Technology.



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THE FACTS ABOUT WATER USE

To Produce 1 gallon of ethanol, it takes 3 gallons of water.

To Produce 1 gallon of gasoline, it takes 41.5 gallons of water.

To Produce 1 tire, it takes 518 gallons of water.

To Produce 1 pound of paper, it takes 100 gallons of water.

To Produce 1 Sunday paper, it takes 280 gallons of water.

To Produce 1 pound of plastic, it takes 24 gallons of water.

To Produce 1 pound of hamburger, it takes 4 gallons of water.

To Process 1 chicken, it takes 11.6 gallons of water.

To Process 1 can of fruit or vegetables, it takes 9.3 gallons of water.

To produce 1 barrel of beer, it takes 1,500 gallons of water.