

LOCAL ETHANOL PLANT UNDER CONSTRUCTION

Mark Drake is General Manager of the Southwest Iowa Renewable Energy (SIRE) ethanol plant being constructed south of the MidAmerica power plant near Council Bluffs. Drake addressed club members about the unique features of the SIRE plant that is expected to begin production of ethanol in September this year. Drake explained this plant uses the dry milling process to extract the starch from corn grain. While this is not as efficient as the wet milling process, dry milling is a lower cost milling process. According to Drake, the SIRE plant location has the multiple advantages of locally grown corn, plenty of water from the Missouri river valley, excess steam from the MidAmerican plant, rail and interstate transportation access, nearby petroleum tank farm, community backing through tax abatement, local majority investors, and land to expand production. The plant is designed to annually produce 110 million gal. of ethanol from 39 million bu. of corn (Pott. County produces about 35 million bu.). Drake stated that the value of ethanol is currently determined by the price of gasoline, not the cost of production. While 65% of the production cost stems from the corn grain cost, Drake explained the efficiencies of the plant design and low input energy costs will allow it to be profitable above \$4/bu corn. The SIRE plant will require about 50 employees when in production, Drake noted. There are six employees at present and Drake is looking for an experienced plant manager.