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Garnett ethanol plant to make use of corn, sorghum

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Justin Baldwin

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Frigid temperatures kept attendance light to the East Kansas Agri-Energy introduction meeting the night of Feb. 25. East Kansas Agri-Energy, LLC, is planning on building a twenty million gallon a year ethanol plant in Garnett, Kan., about 60 miles from Nevada. This plant will use corn and seed sorghum to produce two products — denatured 200-proof alcohol and Dried Distillers Grains with Solubles, or DDGS. The ethanol produced by the Garnett plant will be mixed with gasoline to produce a more environmentally efficient fuel. East Kansas Agri-Energy representatives say that the Bush administration has been very interested in the expansion of ethanol as a fuel source and many state have passed legislation against MTBE, or methyl tertiary butyl ether, which is an alternative to ethanol as a fuel additive, MTBE, or methyl tertiary butyl ether. The other product, DDGS, is primarily used as high powered cattle feed, but it can also be fed to poultry. This feed is 27 percent protein, 11 percent fat and 9 percent fiber. The plant will produce 64,000 tons of DDGS a year that can be marketed to the 427,400 cattle in the 11 county area near Garnett or the 490,000 cattle in Missouri Agriculture District 10. East-Kansas Agri-Energy is trying to introduce a market in this area that is, more or less, an institution farther to the north. Glenn Caldwell, member of the East Kansas Agri-Energy board of directors, said, "This is the only thing in agriculture, or related to agriculture, where the supply is outpaced by the demand, and it looks like it's going to stay that way." In a fifty mile radius around Garnett, KS there is an estimated 38,073,000 combined bushels of corn and seed sorghum. The Garnett plant will require around 7.5 million bushels of corn or sorghum to meet its production level. This can be an advantage for local producers because they will have an opportunity to sell their product at slightly higher than the market price because the transportation cost to the plant will be less for them than it will be for a producer in Iowa. The true purpose of Tuesday's meeting was to allow East Kansas Agri-Energy a chance to entice producers into buying stock in this company. The Missouri Secretary of State and the Kansas Securities and Exchange Commission both approved the prospectus handed out at the meeting. This packet contains not only the benefits of being a shareholder and having the plant move into the area but also a very detailed list of all the risks involved in this investment. Shares are $1,000 each with a 10-share minimum and since this is not a co-op share owners are not obligated to deliver grain.