



# News & Views

*A Monthly Publication Dedicated to the Feed, Seed, Grain and Farm Supply Industries of Wisconsin*

## **WASA Board Ballots**

Three seats on the WASA Board of Directors will be up for election this year. The seats are the Seed Industry representative and two At-Large representatives. The candidates for the Board are as follows:

### **At Large Representative:**

**Kim Lamp**      **Agro Distribution, Johnson Creek**  
**Craig Myhre**      **Northside Elevator, Loyal**

### **At Large Representative:**

**Brad Mathson**  
**Whitehall Agricultural Service, Inc., Whitehall**  
**Tim Lange**      **The DeLong Co., Clinton**

### **Seed Industry Representative:**

**Steve Strachota**  
**Dairyland Seed Co., Inc., West Bend**

Ballots will be mailed immediately after the first of January along with a WASA-addressed envelope. Be sure and return your ballot in the ballot envelope as faxed ballots cannot be counted. At the Convention, the Board of Directors will tabulate election results on January 25 and the results will be announced the following afternoon during the annual meeting.

## **Eldon Roesler Scholarships**

WASA has annually provided four \$1,000 scholarships to Wisconsin students. The scholarships have been entirely supported in the past by the proceeds of the annual "Golf Fore Scholarships" outings. This year, additional support is being provided by the American Seed Trade Association state scholarship program. We are very appreciative and grateful for this additional sponsorship of a very worthwhile program.

The criteria for consideration for the scholarships will remain the same and are as follows:

- be a Wisconsin resident,
- have completed one year of study at a Wisconsin university, college or vocational/technical college in an agricultural discipline or in another discipline with the stated intent of pursuing a career in an agriculture-related field,
- have a minimum of a 2.75 cumulative grade point average on a scale of 4.0, and
- can demonstrate in written form qualities of leadership, academic ability and financial need.

In addition to the criteria listed above, as a final determining factor, employees or their dependents of WASA members will be given preference if all other selection factors are equal among finalists. The basis of this criterion is the fact that the Scholarship was paid for by WASA members and preference should be given to qualified applicants who are employees of or children of employees of a WASA member firm.

What do you need to do? Just copy both sides of the enclosed form and leave it on your counter and/or mention it to any employees or customers who may have an eligible child. If an applicant is awarded a scholarship that received their application from you, the resulting good will and potential positive publicity can't do you any harm. And all you have to do is have the applications on your counter or mention it to your employees. Not a bad deal.

## **Upcoming Convention**

Last year's convention was a great success. It was the first year of our concurrent event with the Corn/Soy Expo and the Wisconsin Pork Association's annual convention. From all the comments, you enjoyed it. The question we heard most often asked, "How were we going to top it?"

We have a solid program that will be of interest to

you. Your registration allows you to attend any of the group's events, so it's like getting admission to three shows for the price of one. In addition, we'll have over a hundred exhibitors and, yes, the not-to-be missed Pork Association's *Taste of Elegance* is back.

Look at the enclosed preliminary schedule and we believe you'll agree, it's a great line up. We don't have the breakout speakers listed there, but we can let you know what we have lined up as the WASA breakouts. We have:

**Steve Freed**, ADM Investor Services, Inc., speaking on the market outlook for grains, oilseeds and livestock/poultry and the potential for fund generated volatility,

**Duane Kriener**, Land O' Lakes/Purina Feeds LLC, speaking on quality factors in utilizing distillers grains in feed, and

**Randy Gordon**, National Grain & Feed Association, will discuss the federal agroterrorism initiatives, especially the recordkeeping requirements, and how they will affect all feed and grain dealers.

And we have confirmed, **William Henderson**, Packer running back, as our closing speaker. You'll also find your registration form enclosed, so get your registration in now for the most informative and best show of the year.

## Ethanol Everywhere, Part 2

In last month's edition of *News & Views*, we discussed the general level of development regarding ethanol in Wisconsin and the accompanying supply/demand calculations. The story generated quite a few phone calls with follow-up comments and questions. We'll answer the most common question in a moment, but first some updates since last month.

First, a clarification regarding Jefferson Grain Processors located at the former Ladish Malt plant in Jefferson. The former malting ponds will not be used as the proposed tilapia fish farm. Instead, large

specially constructed, indoor tanks will be used for that purpose.

Secondly, details of the proposed Belmont project have been made public. (This was referenced in last month's newsletter as the "Rockville project." The developers have been considering both sites.) Belmont Bio-Ag, to be located in Belmont (65 southwest of Madison), will consist of a 50 million gallon ethanol plant, a 20,000 head cattle finishing lot, manure digesters, electricity generation and 10 acres of greenhouses. They are planning on being in operation by the end of 2007.

That leads us to the main follow-up question that we have received. To recap; it is expected by the end of 2007, 158 million bushels (mb) of corn will be used to feed the Wisconsin ethanol industry. (This number has been revised up from last month's figure to include the Belmont project.) The 158 mb grind represents 43% of the total average state corn harvest. What callers wanted to know was how that 43% figure compared to our neighboring states. We did a little calling around and here are the results.

	5 YR average corn production (2001 – 2005)	Projected corn for ethanol usage (2007)	Projected corn for Ethanol use/ 5 YR avg. production
Iowa	1,977 mb	555 mb	28%
Illinois	1750 mb	302 mb	17 %
Minnesota	1,021 mb	200 mb	19%
Wisconsin	360 mb	158 mb	43%

As you can see, even though Wisconsin is at the low end of ethanol production, the state is at the high end of percentage of production used for ethanol.

We will repeat and expand on the comments that were made in last month's newsletter. Forty-three percent of Wisconsin's corn crop will be going to a new demand source that didn't exist three years ago. Like it or not, change is coming to our state. Pull out your five-year plan for your facility or operation and

take a new look at it. How will you compete, do you need to form an alliance with an ethanol plant, or what infrastructure changes should you or will you need to make in the coming months to remain competitive? These are just a few of the questions that every manager, owner and/or board should be asking *right now*.

In a somewhat related story, at DeForest earlier this month, groundbreaking occurred for a new, 20-million gallon biodiesel production facility by Anamax Energy Services. The new facility will be located adjacent to an operation run by an affiliated company, Anamax Grease Services. In addition to biodiesel, which is used as an interchangeable replacement for diesel fuel in vehicles, the new plant will also produce glycerin as a by-product.

A couple quick comments on biodiesel. Biodiesel is a clean burning alternative fuel that is produced from domestic renewable resources such as vegetable oil or animal fat. (Soydiesel is a fuel made from exclusively soy oil as its feedstock.) Production in the United States during 2004 was 30 million gallons with a dedicated production capacity that is estimated between 100 and 150 million gallons/year. With a current conversion ratio of 1.5 gallons of soydiesel per bushel of beans, or one gallon of soydiesel from seven and half pounds of soy oil, current production is utilizing soy oil from more than 15 million bushels of soybeans.

Although the industry is currently producing under its capacity, growth trends indicate that this could change quickly. In the five years between 1999 and 2004, demand climbed from .5 million to 30 million gallons annually and will likely exceed 100 million gallons in the next couple years. Market studies predict that if a 2 percent blend of soy-biodiesel was used in "all" of the U.S. over-the-road diesel fuel, it would consume the oil from approximately 300 million bushels of soybeans and displace 750 million gallons of petroleum based diesel fuel.

## **Corn Stoves and You**

**C**orn stoves are red hot and that's not a pun. According to some corn stove manufacturers, demand for the stoves is up 500% and they are

backordered until next summer. For those of you who don't know what we're talking about; corn stoves are a type of home heating that uses corn kernels as its heating fuel. An auger feeds the corn into a small burn chamber, a kernel at a time, and a blower fan adds air for combustion. Another fan distributes the heat through the room. For exhaust, a corn stove requires only a clothes dryer-style vent. An average size home will burn about four tons of corn over a winter.

How does this affect you? At the WASA office, we get several calls a week from folks wanting to know where they can buy shell corn for use in their stoves. It's pretty amazing that the callers have bought the stove and yet have no idea where to get the corn for it. To that end, we are putting a list together of WASA members willing to sell shell corn in either 50 lb. bags or plastic five-gallon buckets.

We have been in contact with several stove dealers around the state to ask if such a list would be of any interest to them. The answer has been a resounding "Yes!" **So, if you are able and willing to sell bagged or bucketed shell corn, let us know ASAP as getting the list out to the stove dealers is a timely matter before winter ends.**

On another matter, we have received calls from members asking the question of whether sales tax is charged on corn sold for these stoves. The sales tax exemption form lists about every use for corn as qualifying for sales tax exemption, *except fuel*. So, technically the answer is: *sales tax is charged on corn sold as fuel*. We are working with the Wisconsin Corn Growers Association to get this minor change fixed in the upcoming legislative session.

## **Looking Down The Road** ■

Jan. 25      WASA Safety Day  
                 Kalahari Resort, Wisconsin Dells

Jan 26 & 27      WASA Convention & Trade Show  
                 in conjunction with Corn/Soy Expo  
                 and the Pork *Taste of Elegance*  
                 Kalahari Resort, Wisconsin Dells