

# **Tipping Points and Strategic Planning Applied to Ethanol and Distillers' Grain**

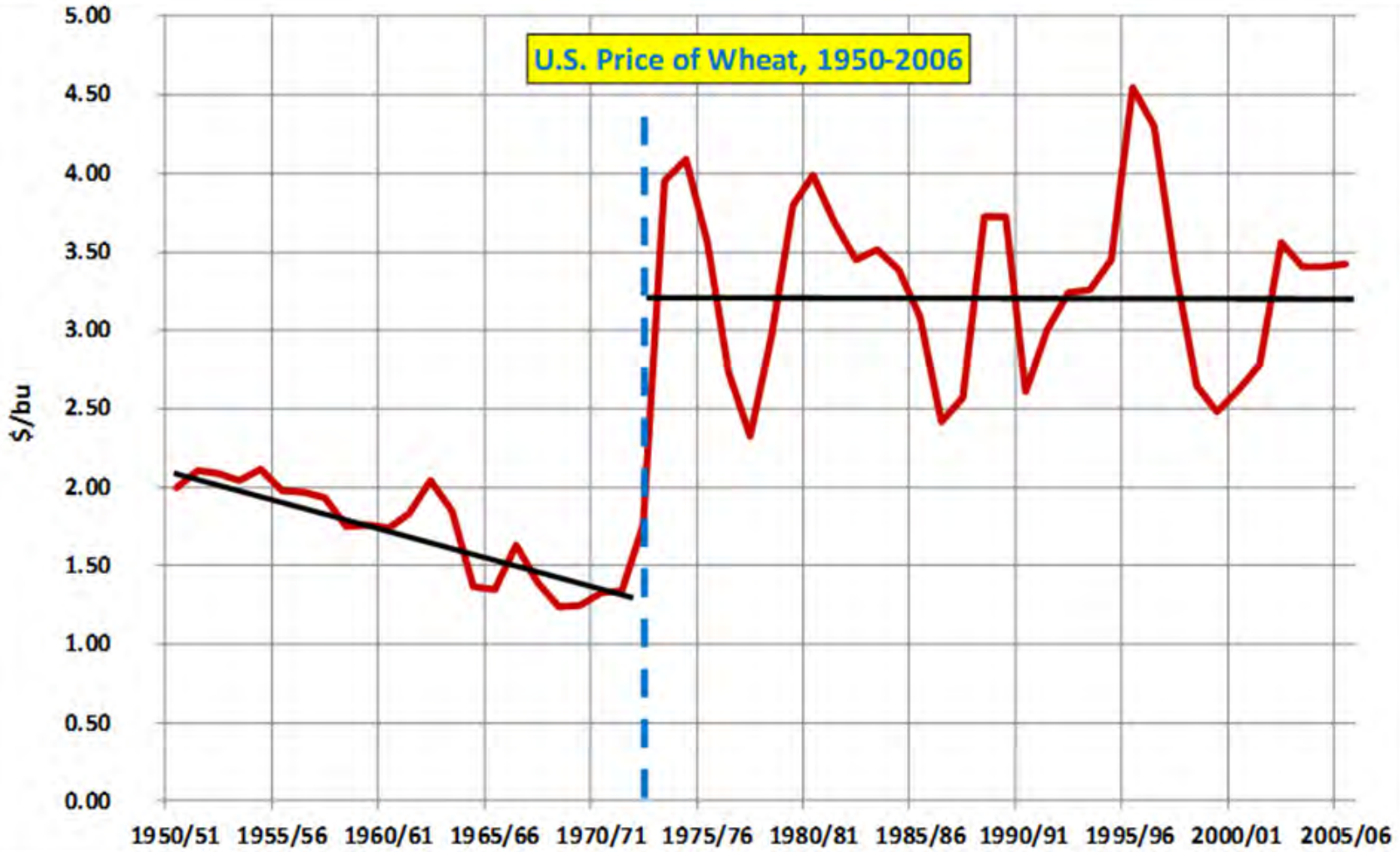
**Dennis M. Conley**

***International Food & Agribusiness Management Association, Annual  
Conference, Atlanta, Georgia, June 2013***

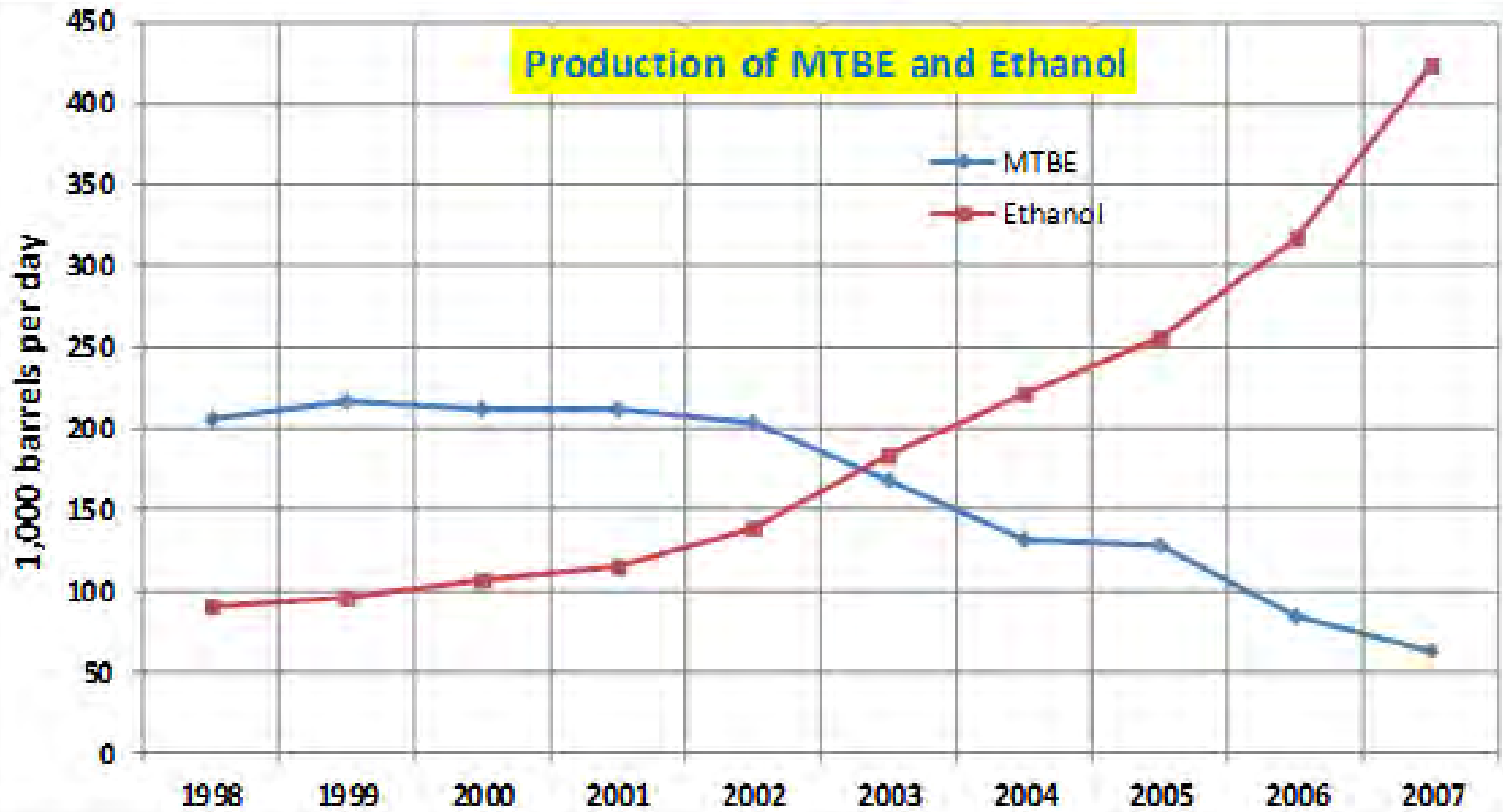
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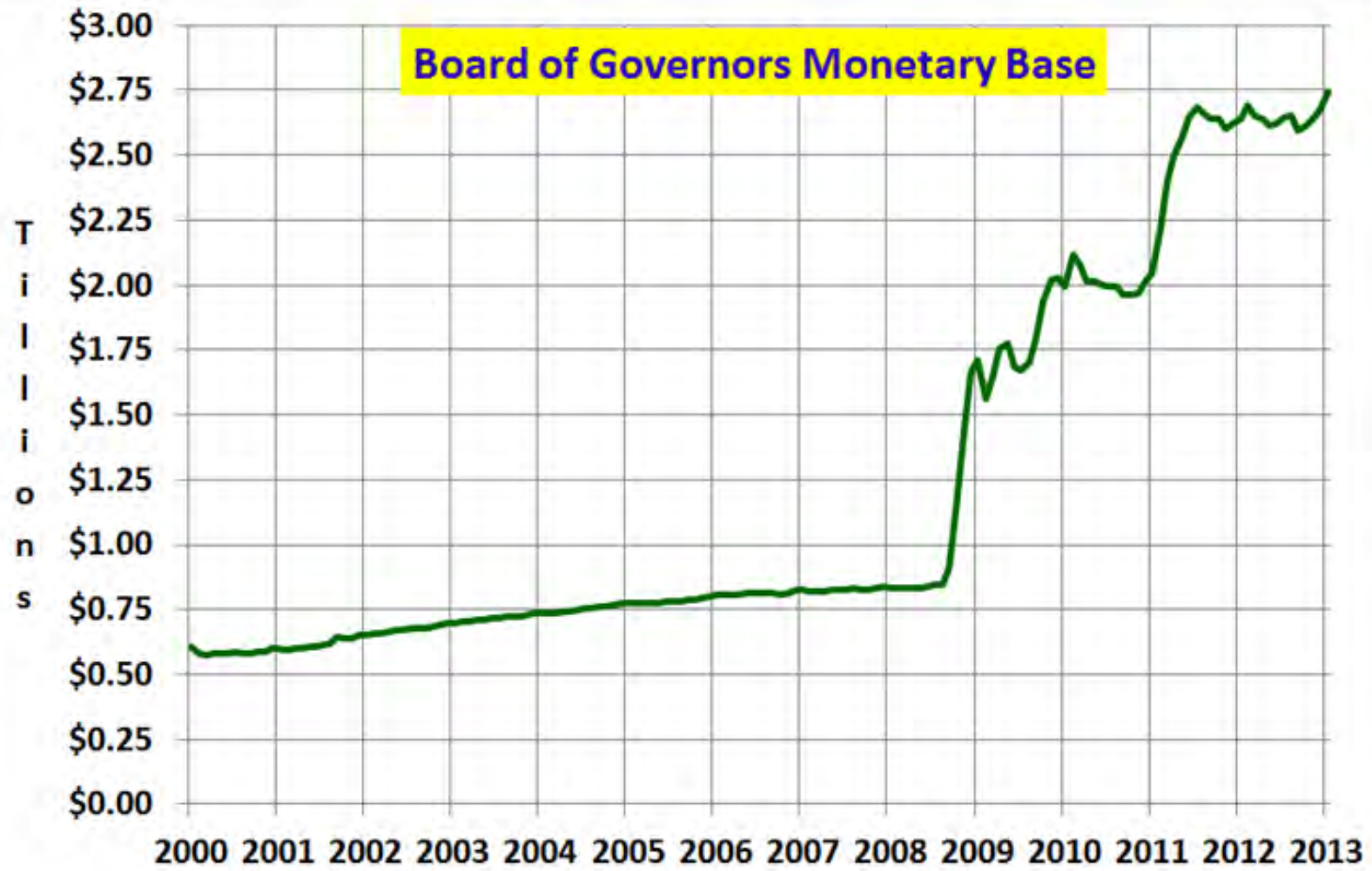
Professor and Director, Graduate Program in Agribusiness, University of  
Nebraska – Lincoln.

U.S. Price of Wheat, 1950-2006



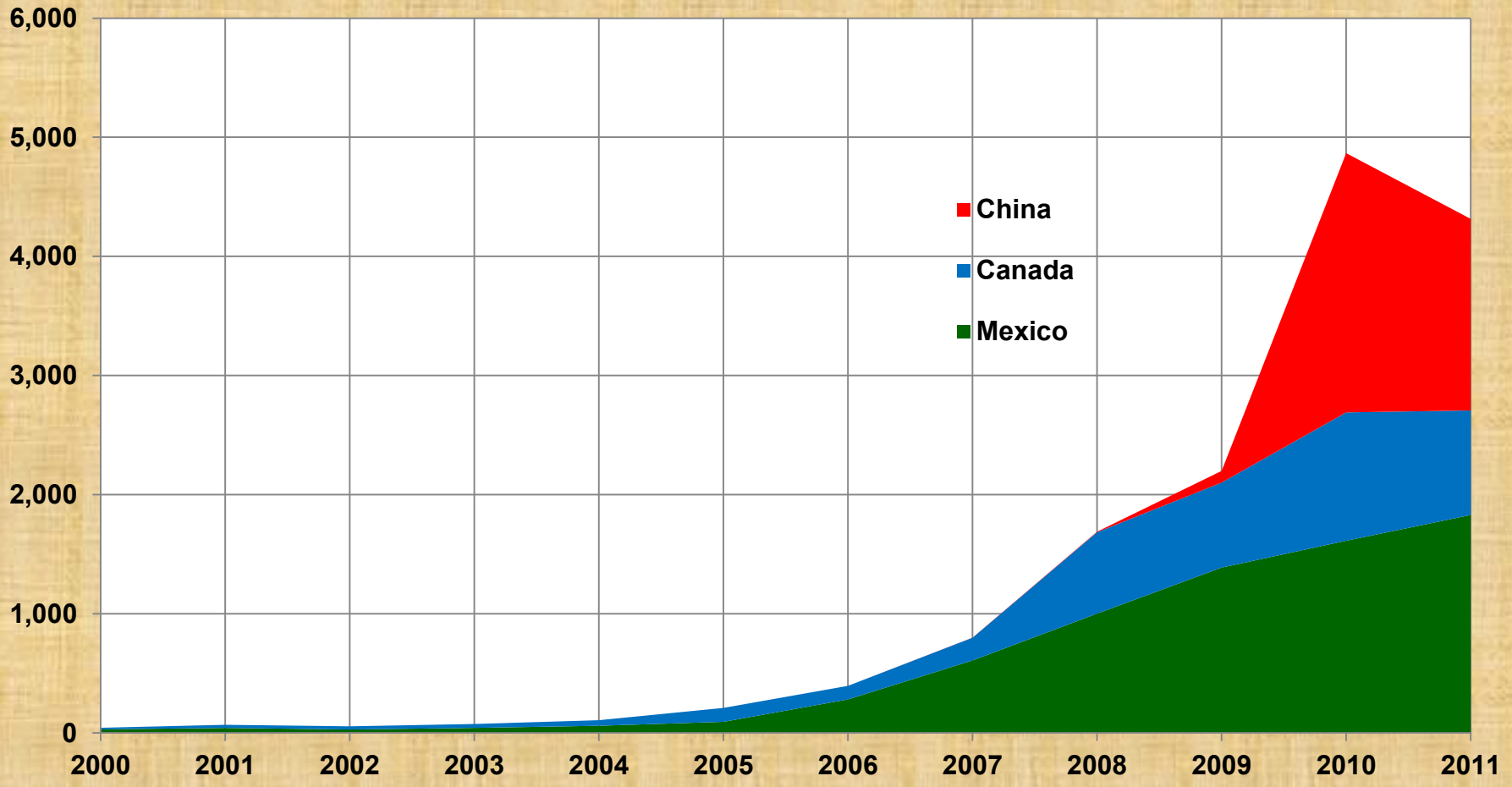
### Production of MTBE and Ethanol

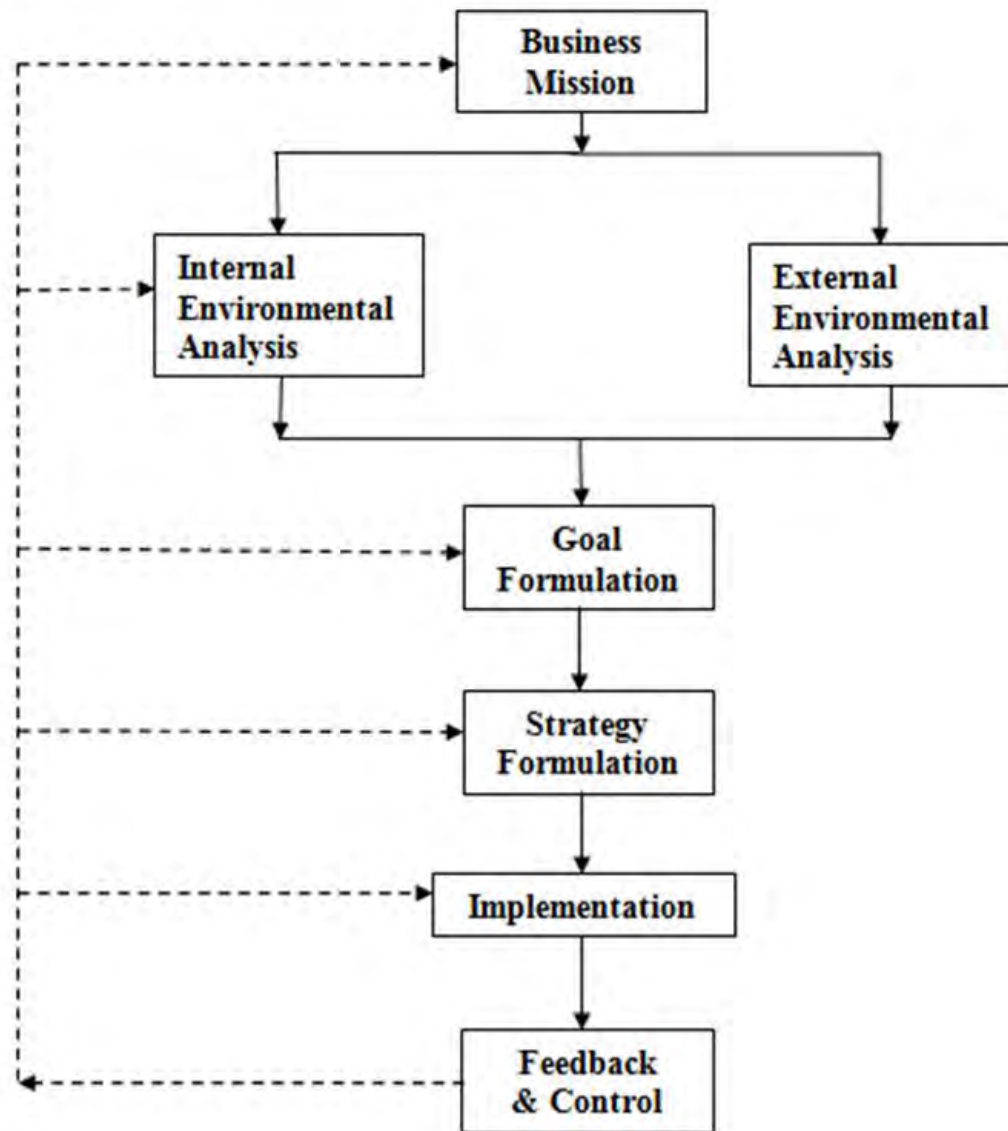




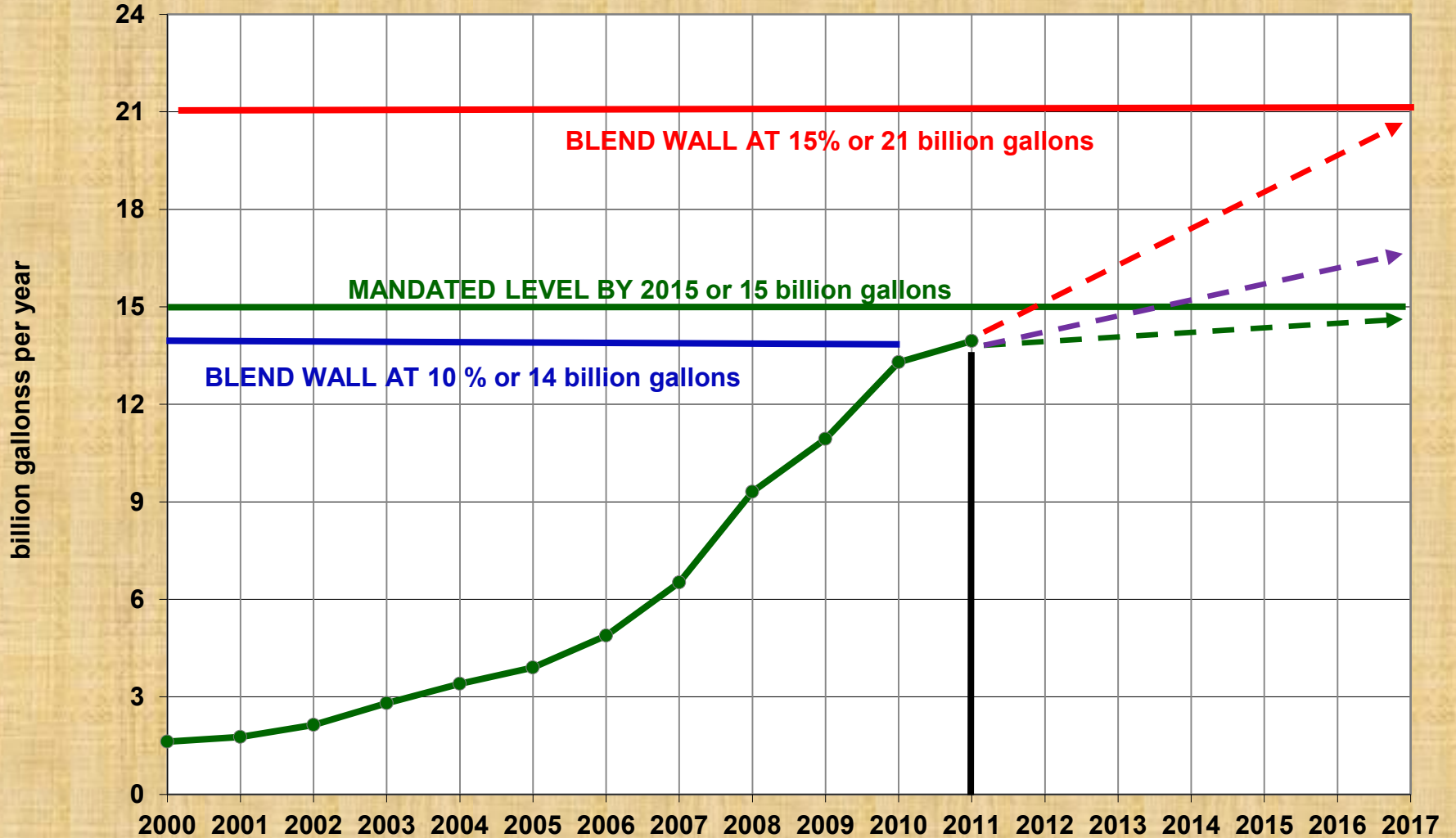


# U.S. Exports of DDGs to Selected Countries (1,000 MT)



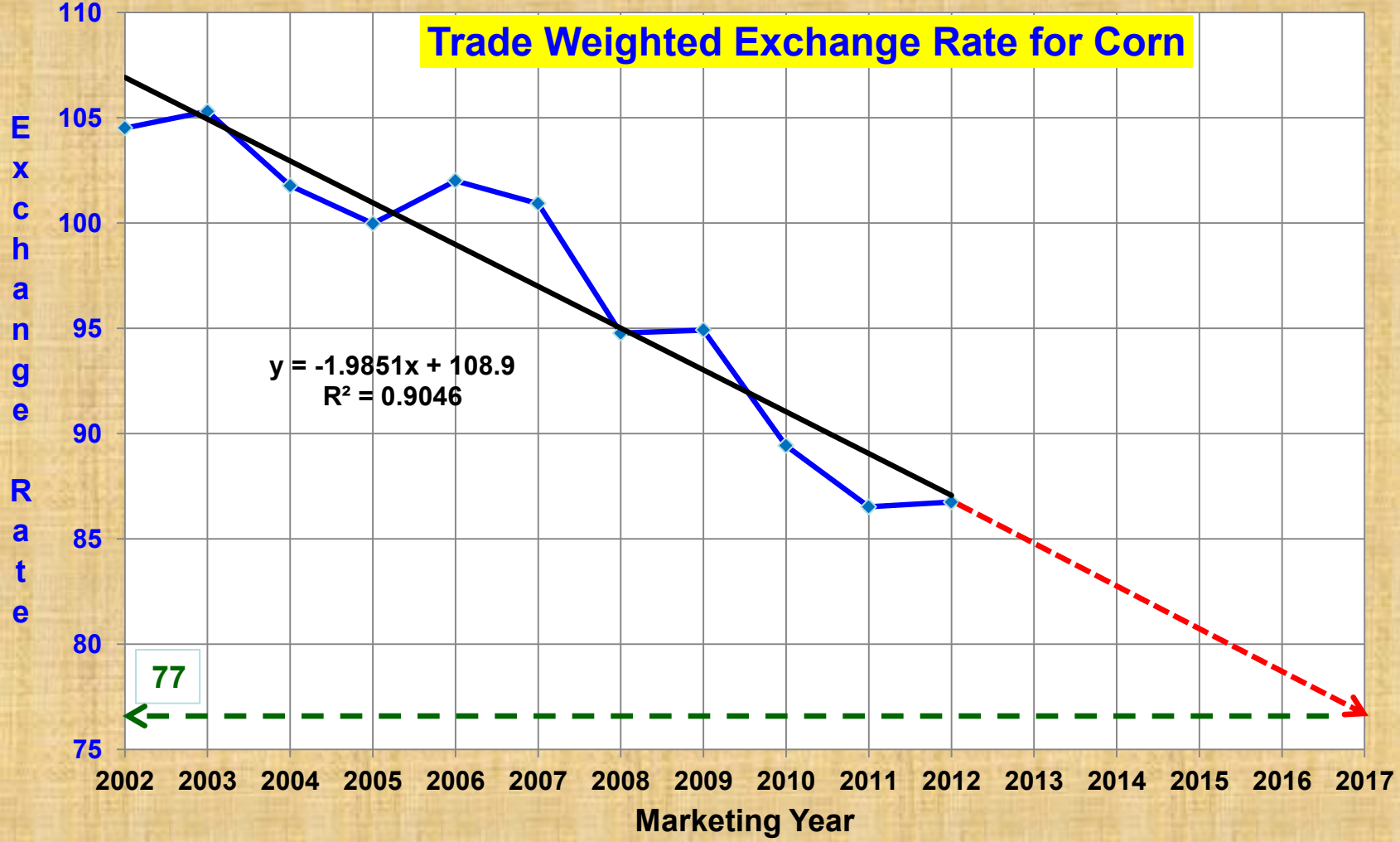


# Ethanol Production from Corn, 2000-11 & Projected





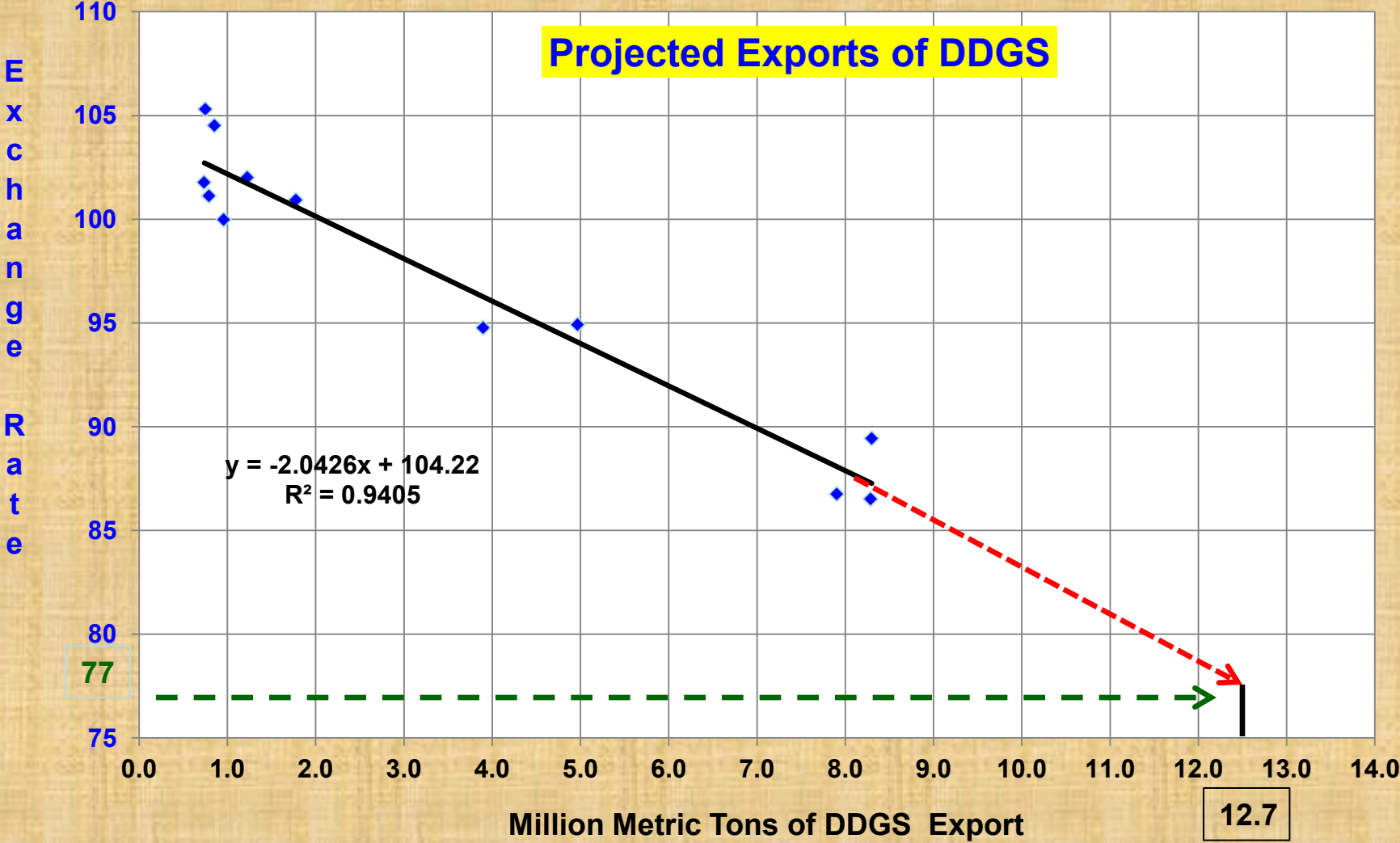
# Trade Weighted Exchange Rate for Corn



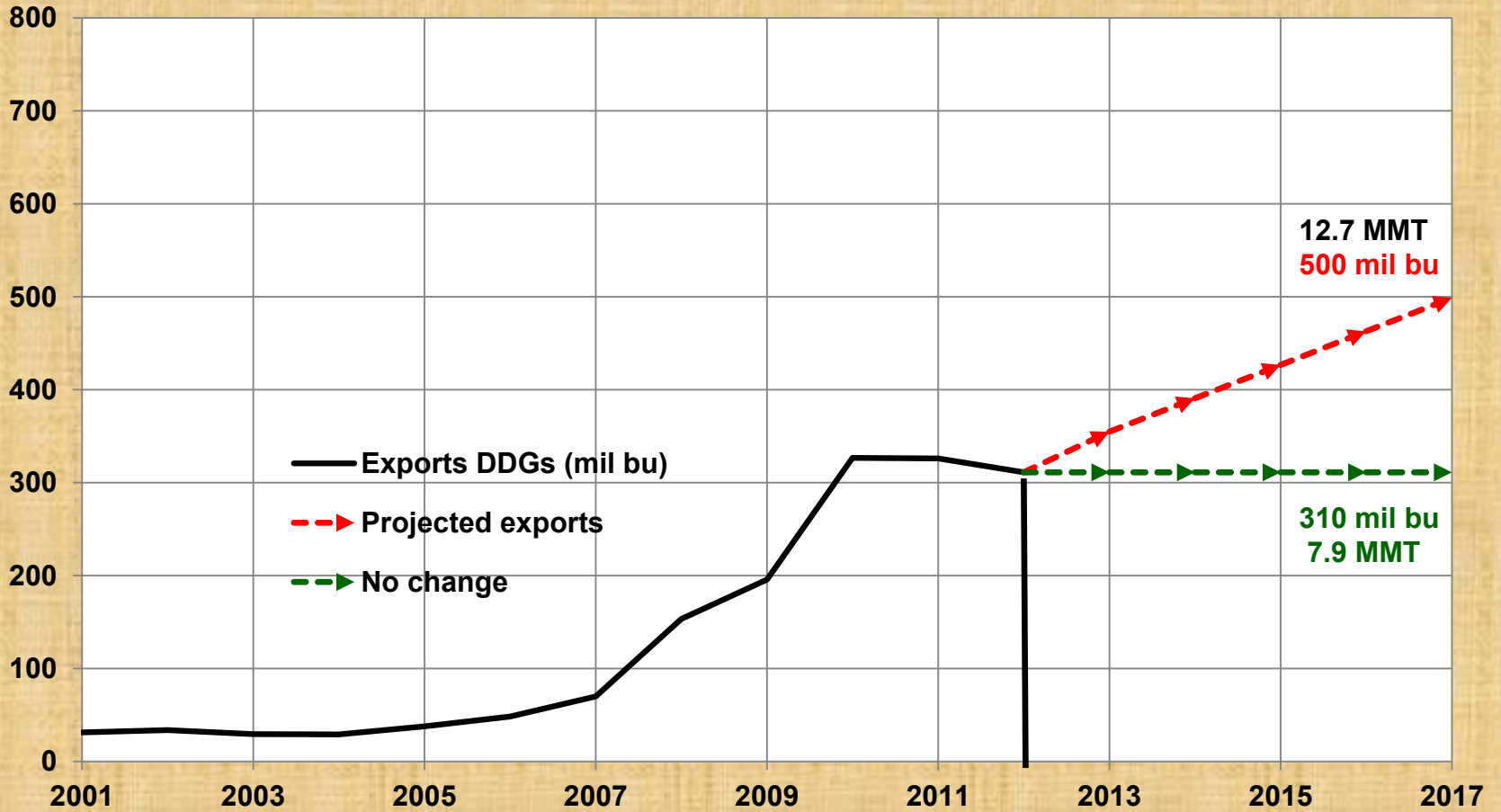
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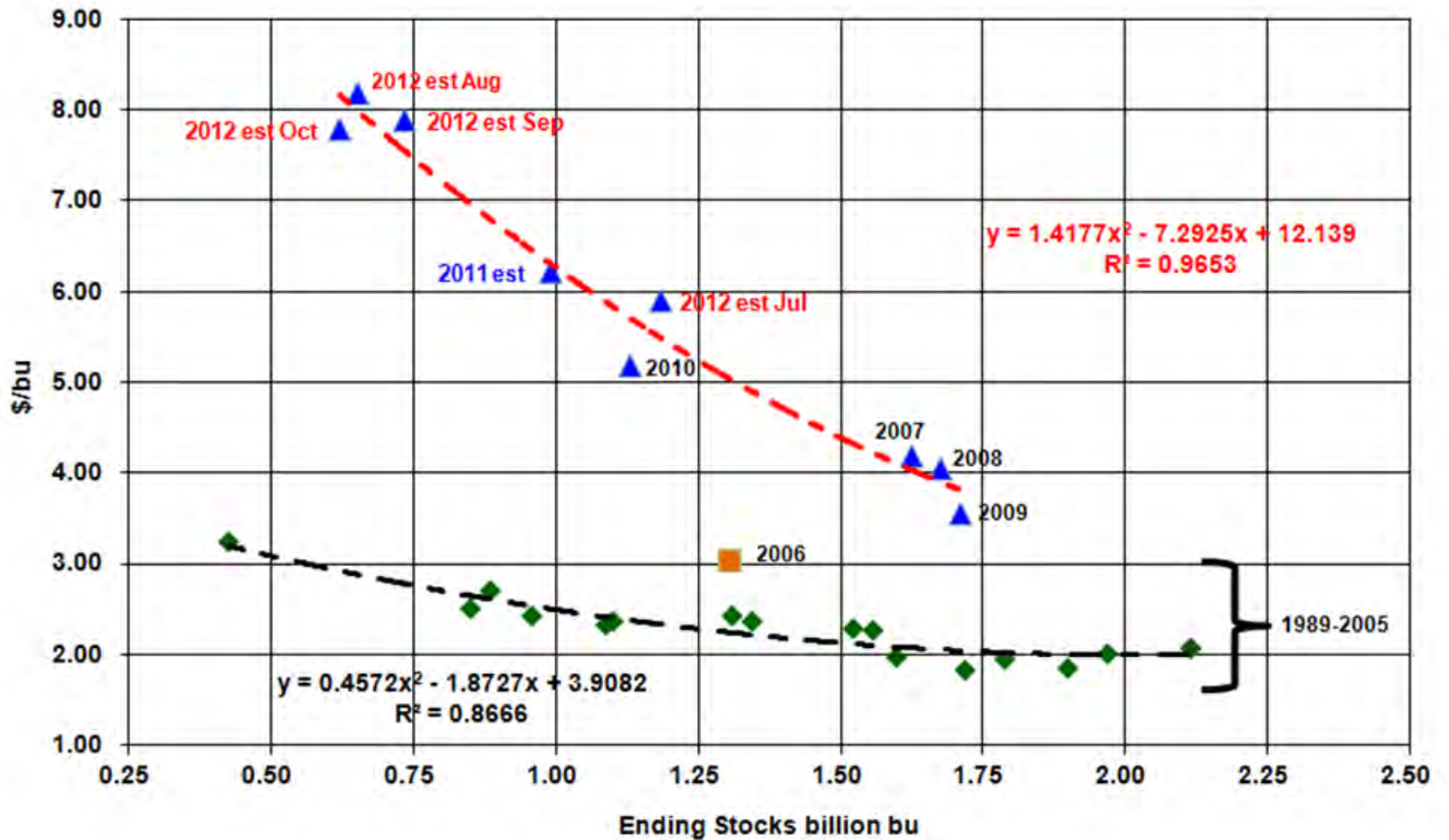
# Projected Exports of DDGS



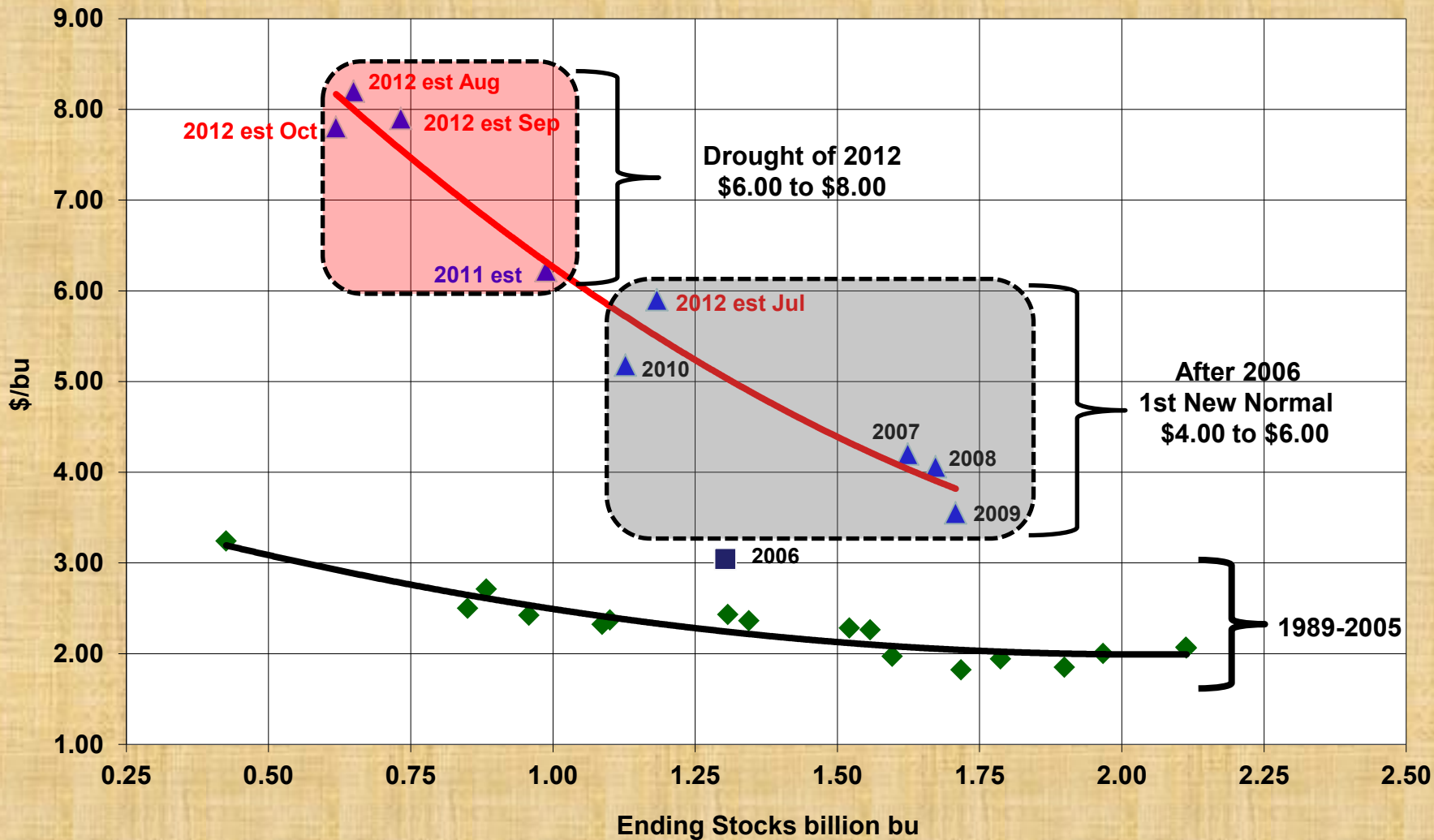
# Exports of DDGs & Projected



Farm Price Received vs Ending Stock, Corn 1989 -2005 & 2006 - 2012



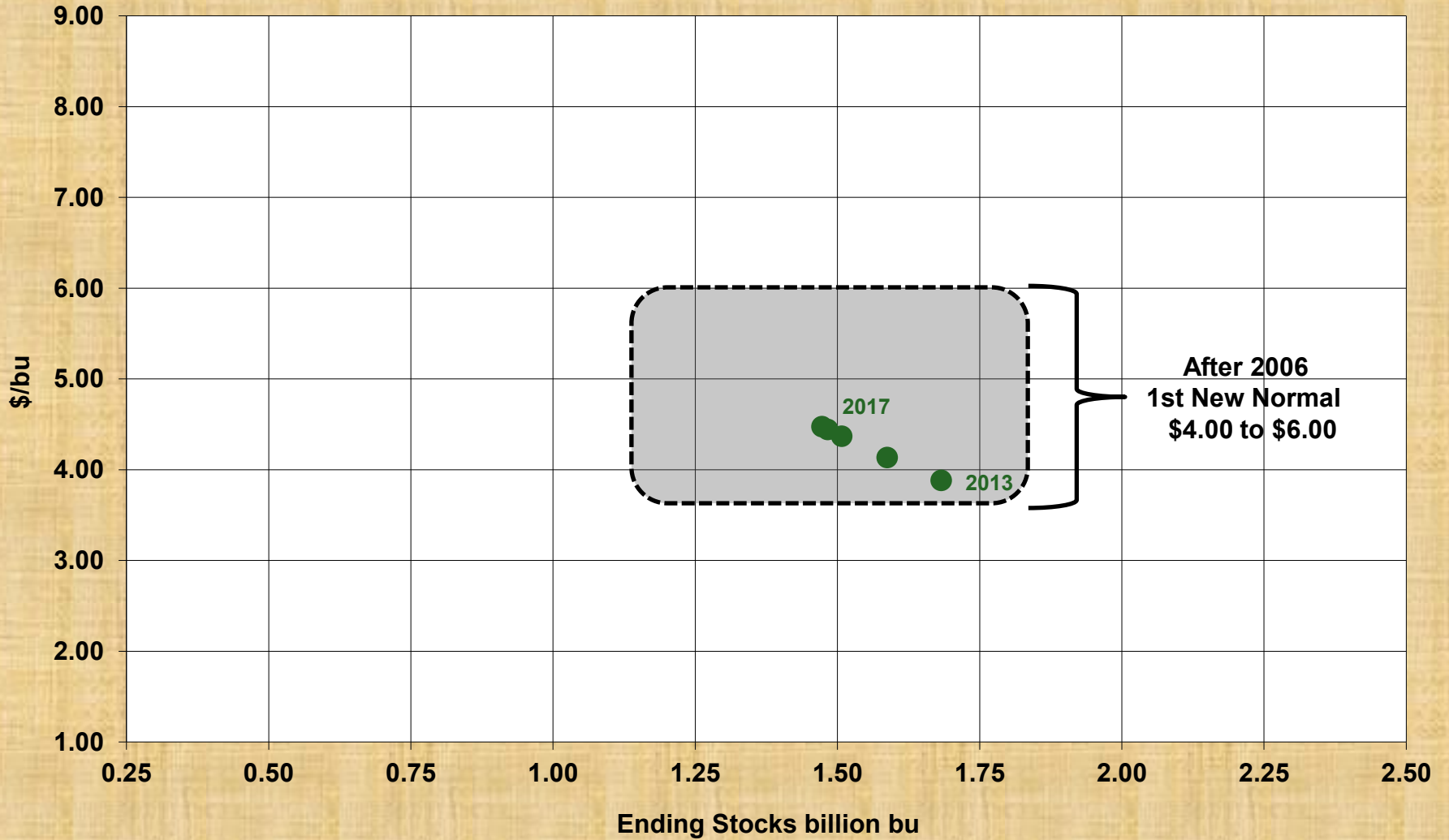
**Farm Price Received vs Ending Stock, Corn 1989 -2005 & 2006 - 2012**



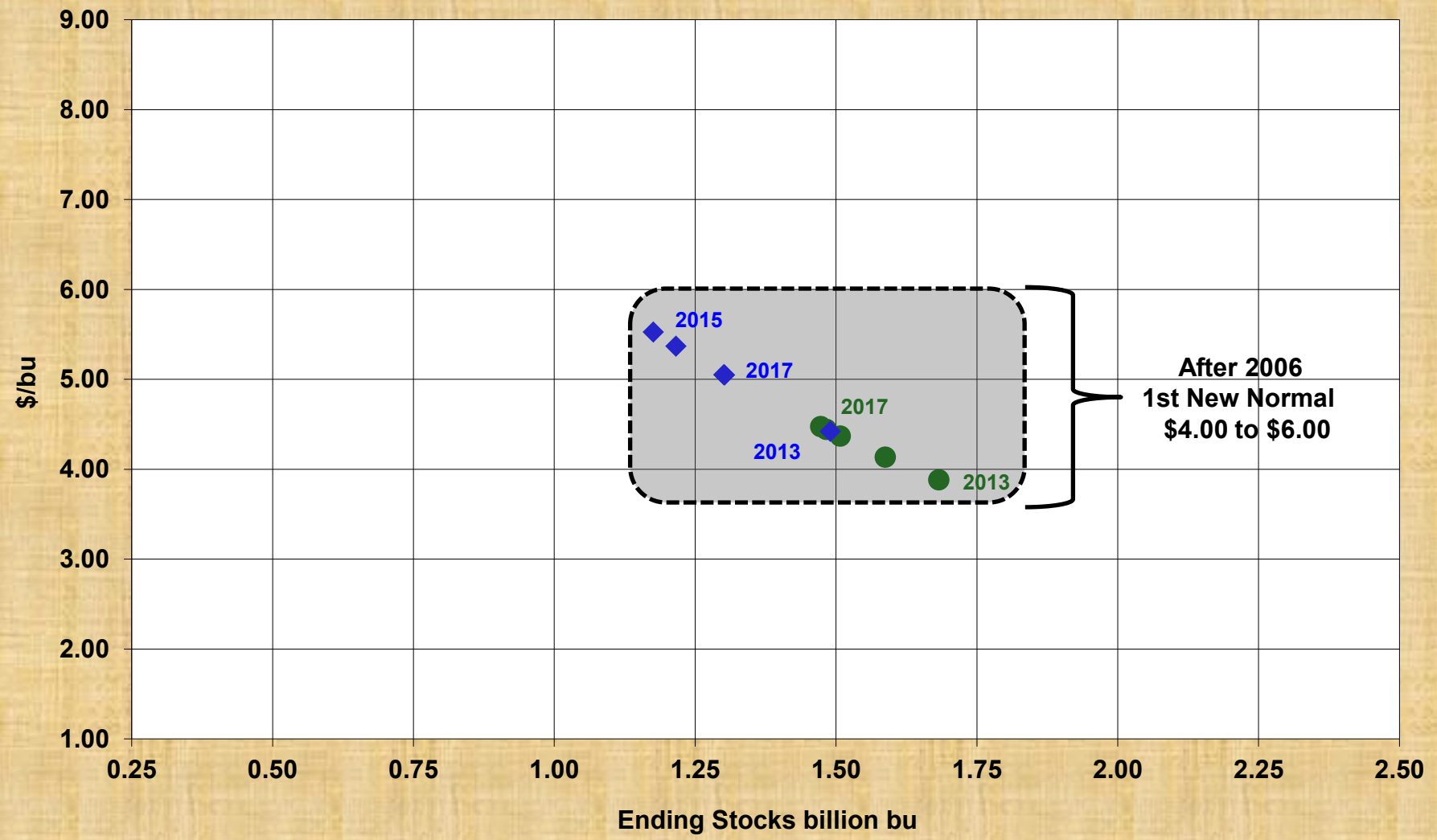
## **QUESTION for the future:**

- **Given the mandated level of ethanol production from corn of 15 billion gallons by 2015,**
- **and possible increases in DDG exports by 2017,**
- **what could be impact on the price of corn in the U.S.?**
- **THREE SCENARIOS:**

**SCENARIO I: Based on USDA's Long-Term Projections**  
**Projected Farm Price Received vs Ending Stock, Corn 2013 - 2017**



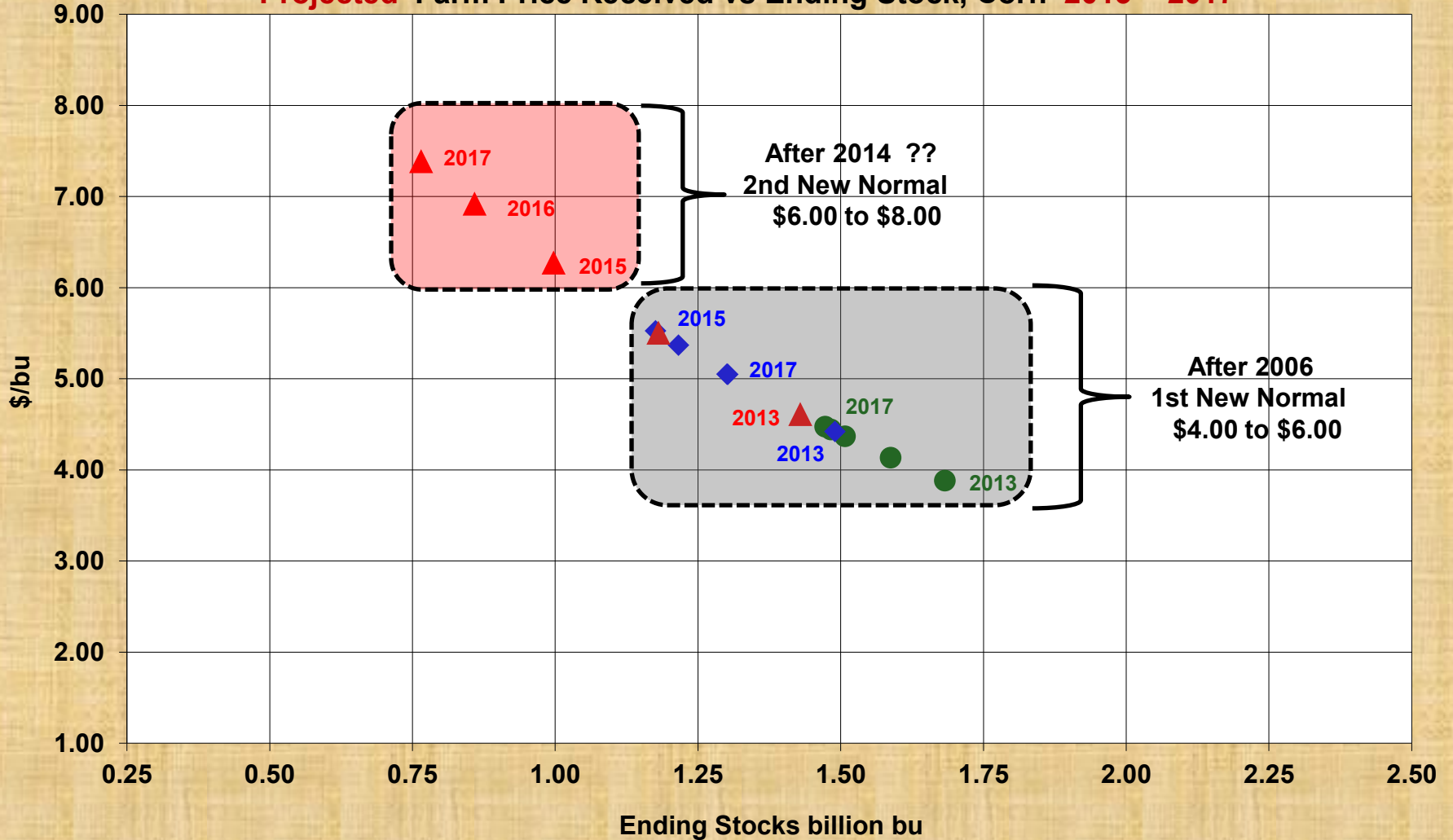
**SCENARIO II: Based on 15 billion gallons of ethanol by 2015**  
**Projected Farm Price Received vs Ending Stock, Corn 2013 - 2017**





**SCENARIO III: Based on 16.5 billion gallons of ethanol by 2017  
and 53% higher DDG exports**

**Projected Farm Price Received vs Ending Stock, Corn 2013 - 2017**



**QUESTIONS ?**