

# Biofuels Outlook

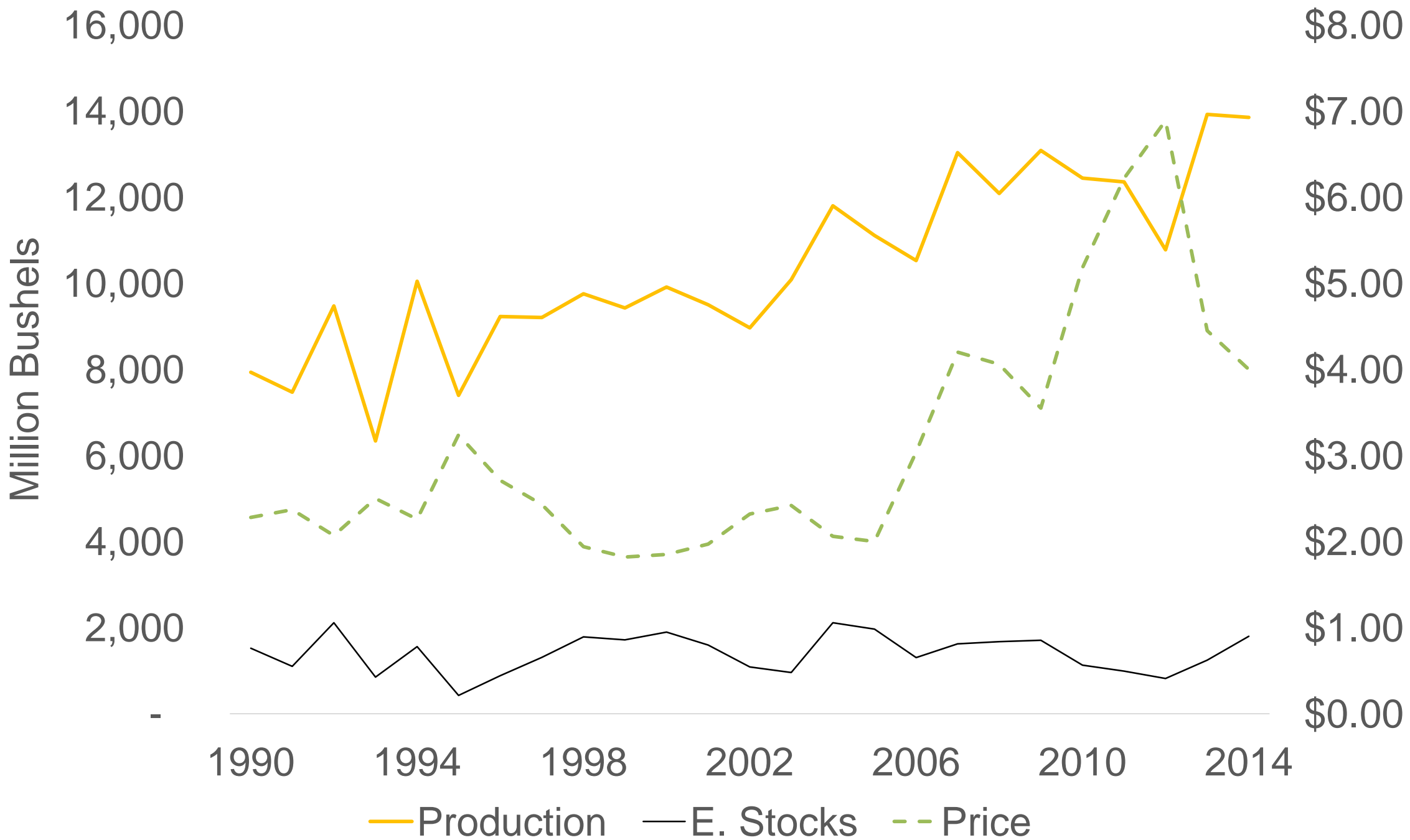
2014 Midwest Outlook Conference

David Ripplinger

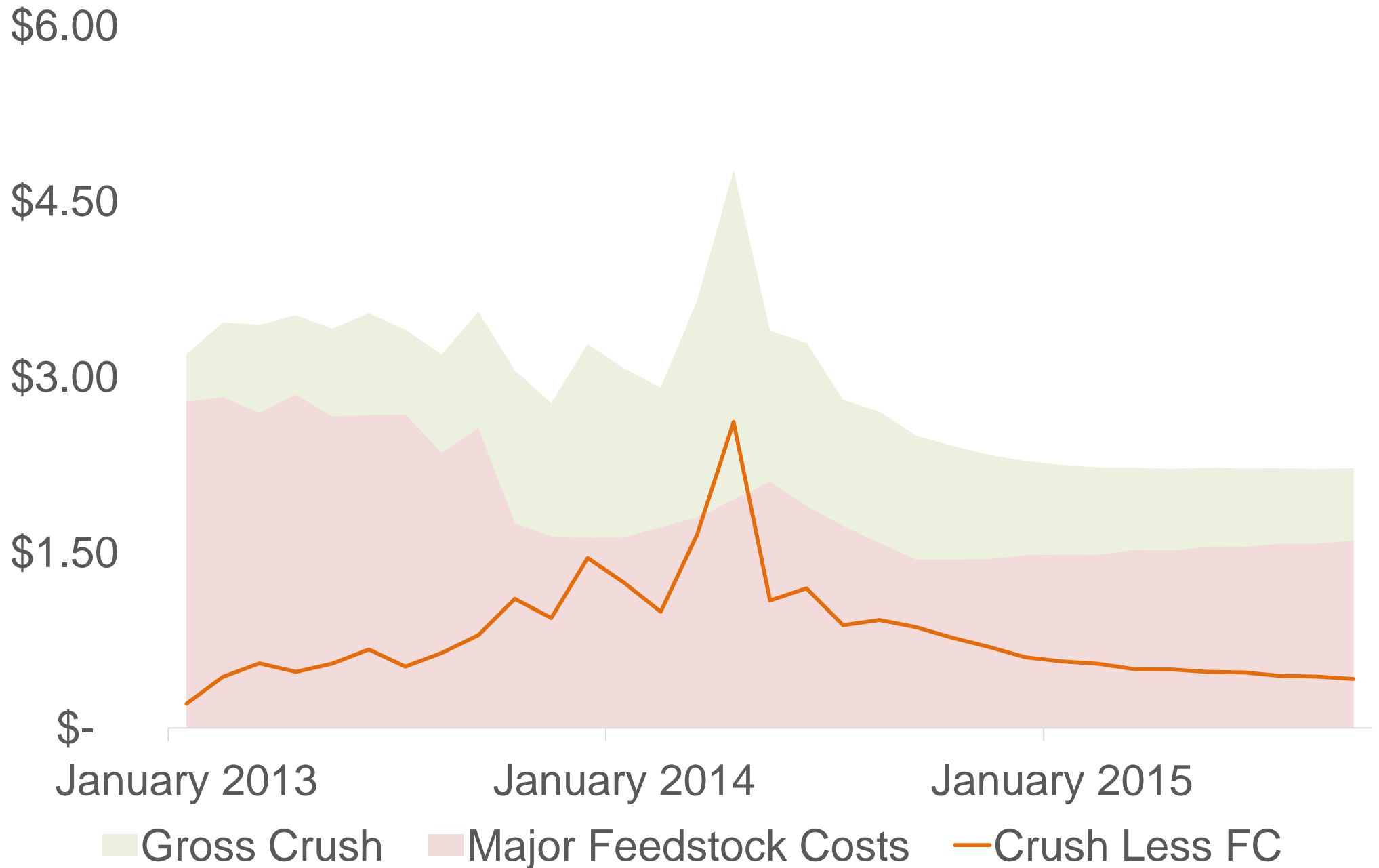
August 14, 2014

Saint Louis, Missouri

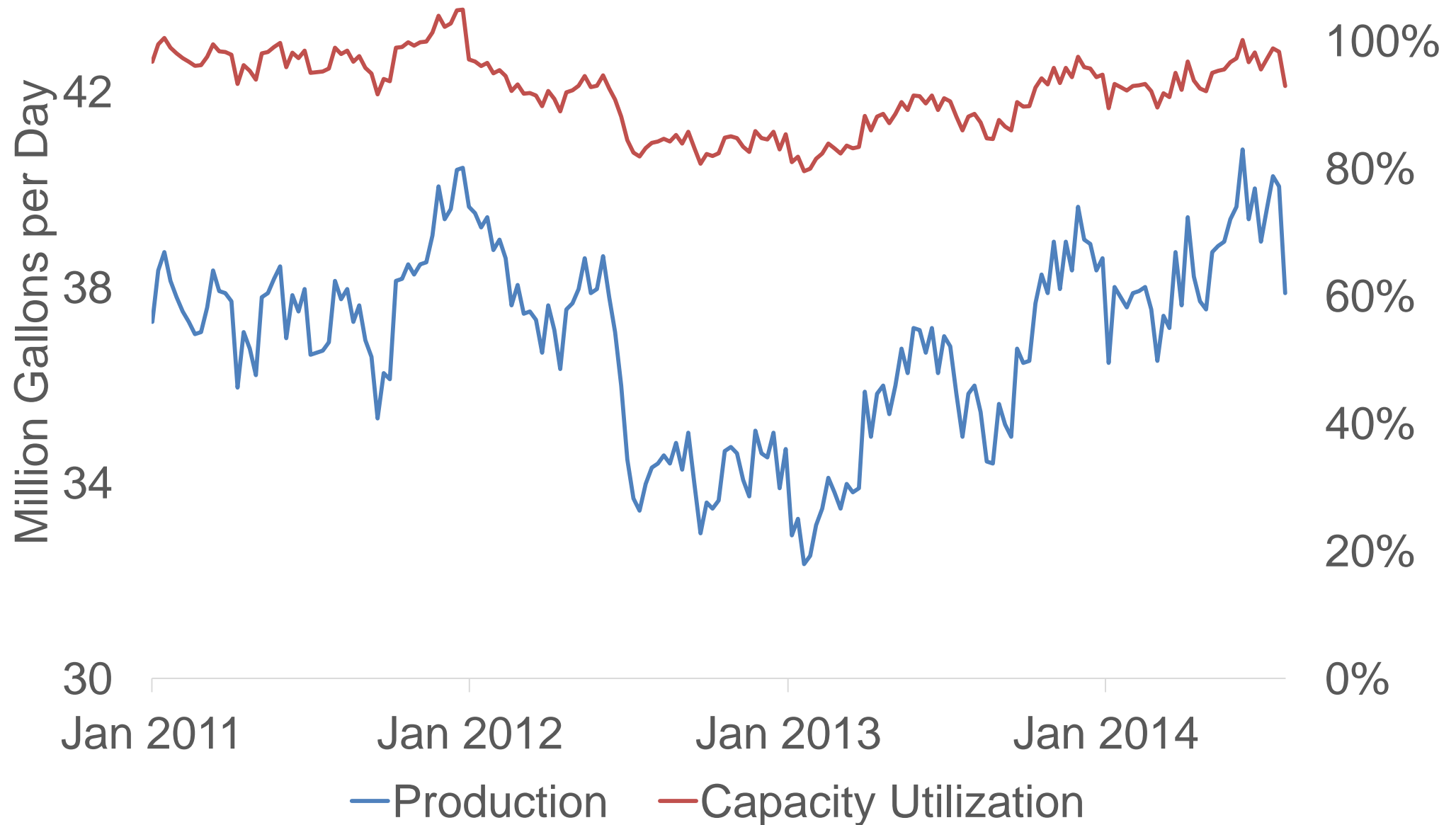
# U.S. Corn



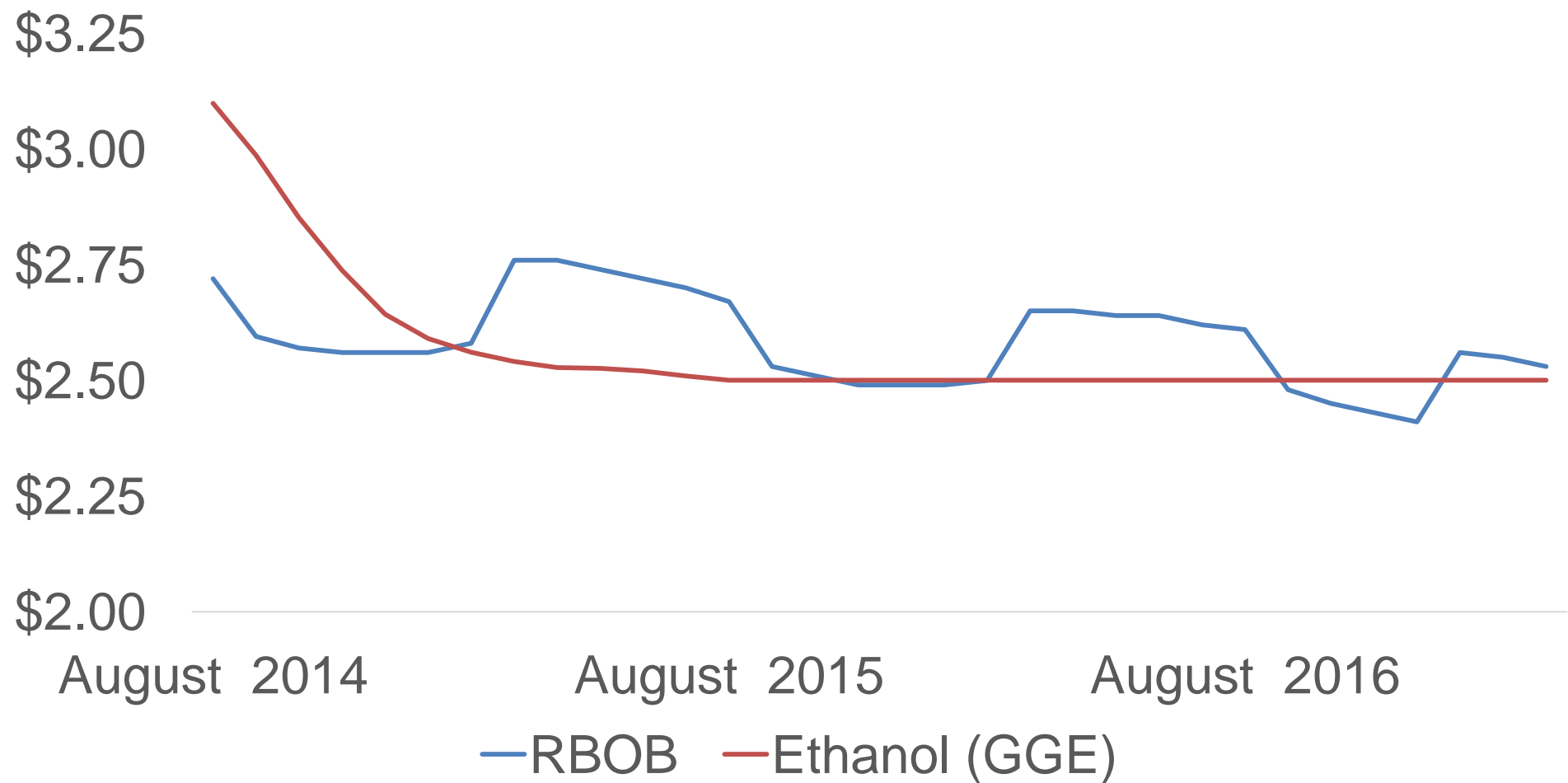
# Ethanol Crush Margin



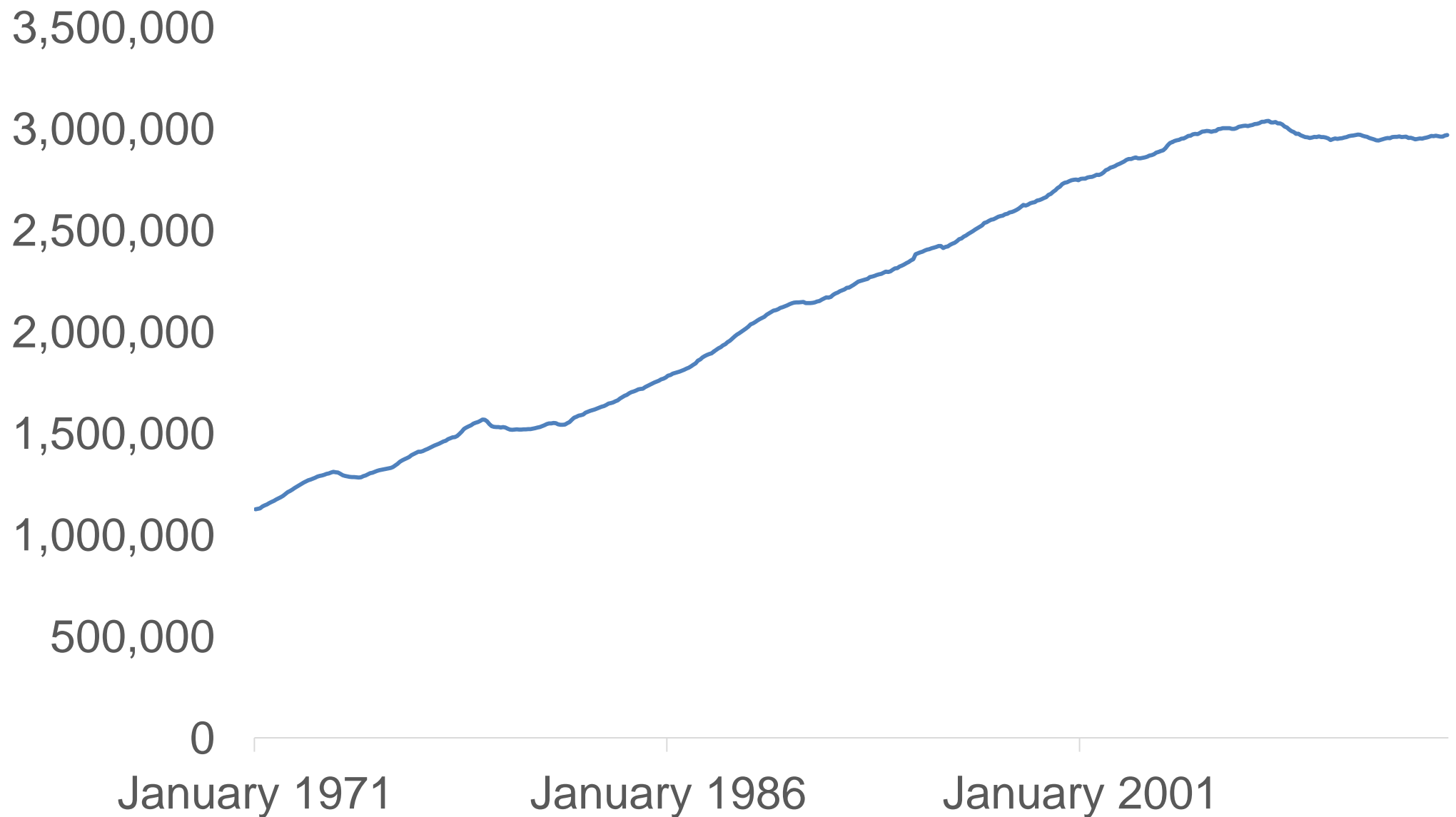
# Daily US Ethanol Production



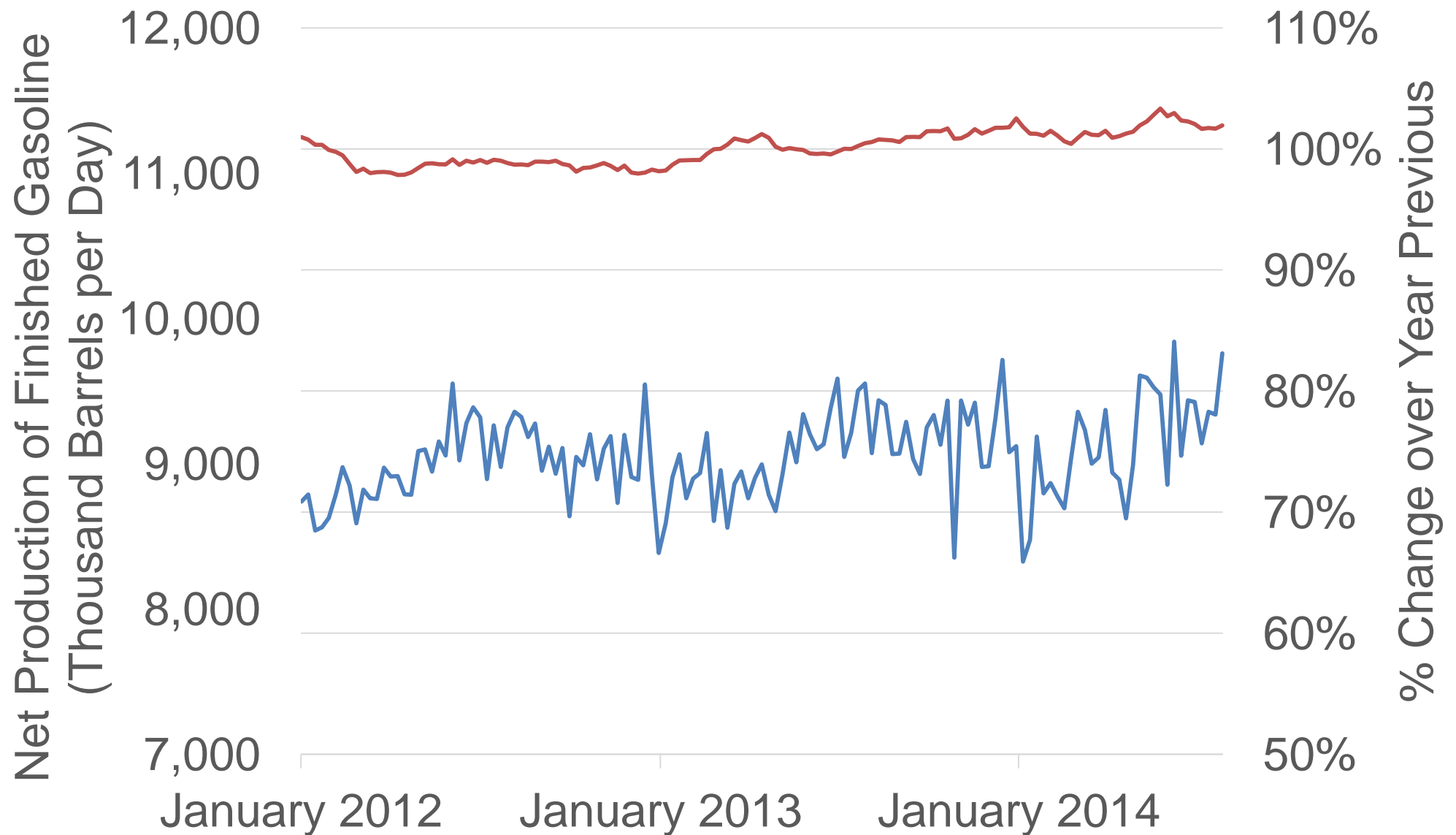
# Motor Fuel Forward Price Curves



# Vehicle Miles Traveled (Million)

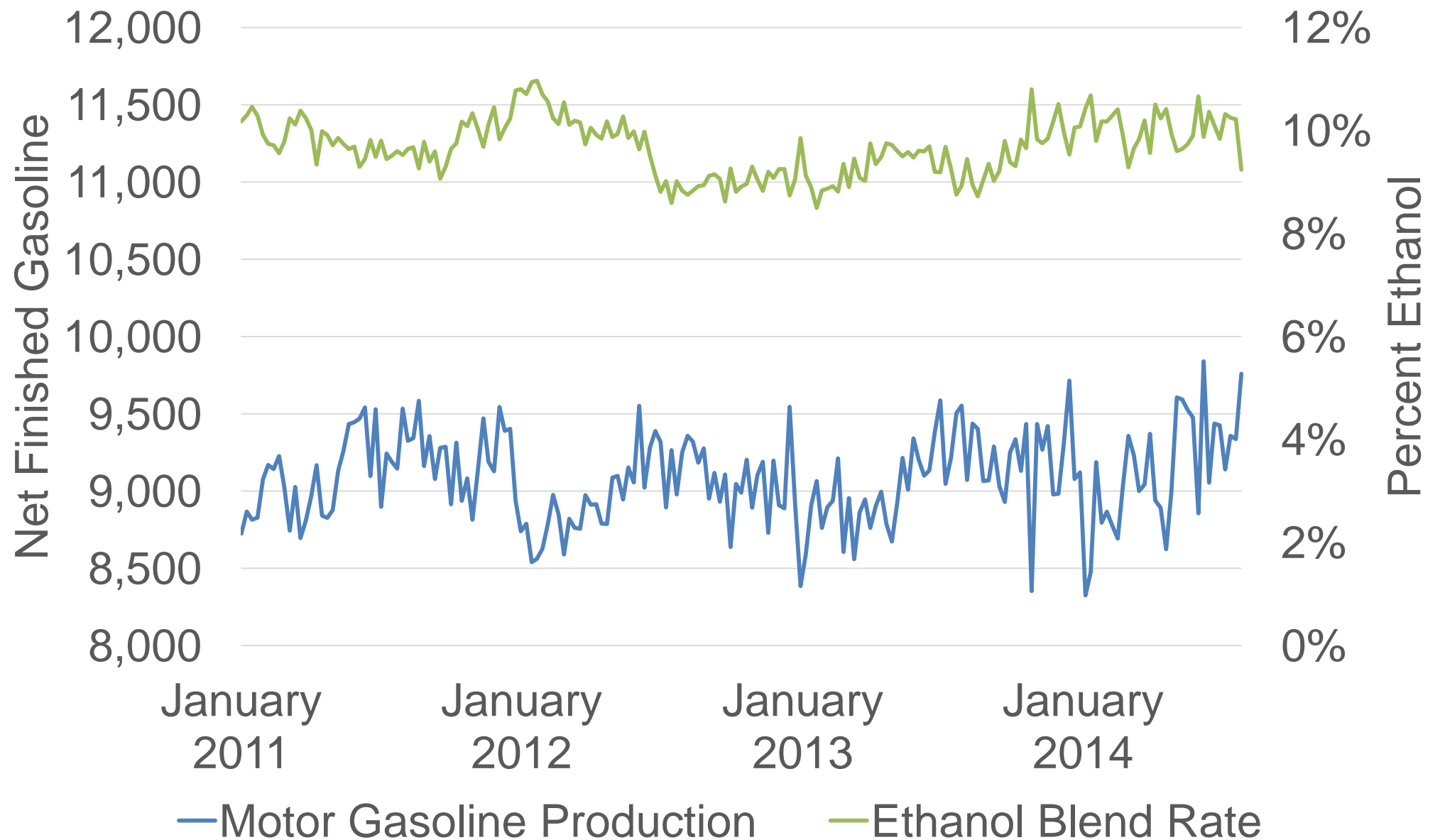


# Motor Gasoline Produced



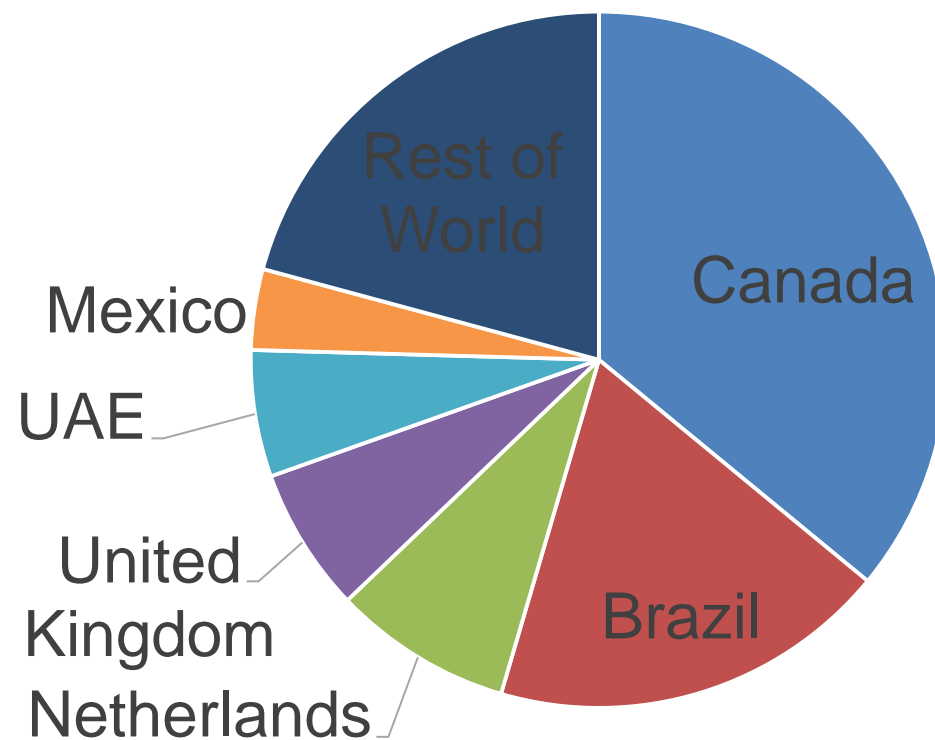
Source: Energy Information Administration

# Motor Gasoline Blending





# US Ethanol Export Markets 2010-2014 (3.3 billion gallons)



# Brazilian Sugar Ethanol

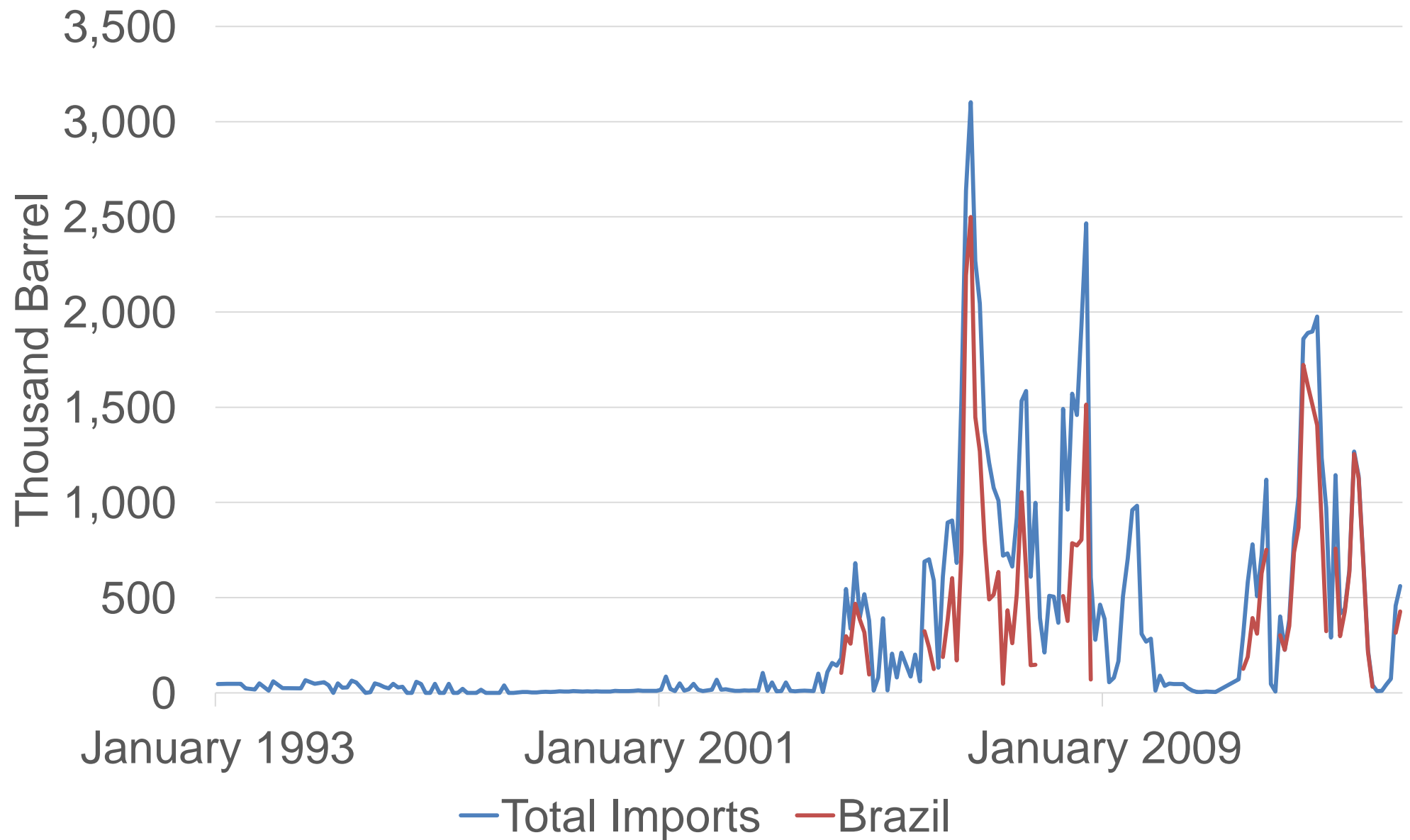
2015 production expected to be 7.1 billion gallons

Current government mandated blend is 25%

Process initiated to increase level to 27.5%, but that is expected to be unsuccessful

2014 exports (235 million gallons) are expected to be half of 2013 levels and increase in 2015 (265 million gallons)

# Monthly U.S. Ethanol Imports

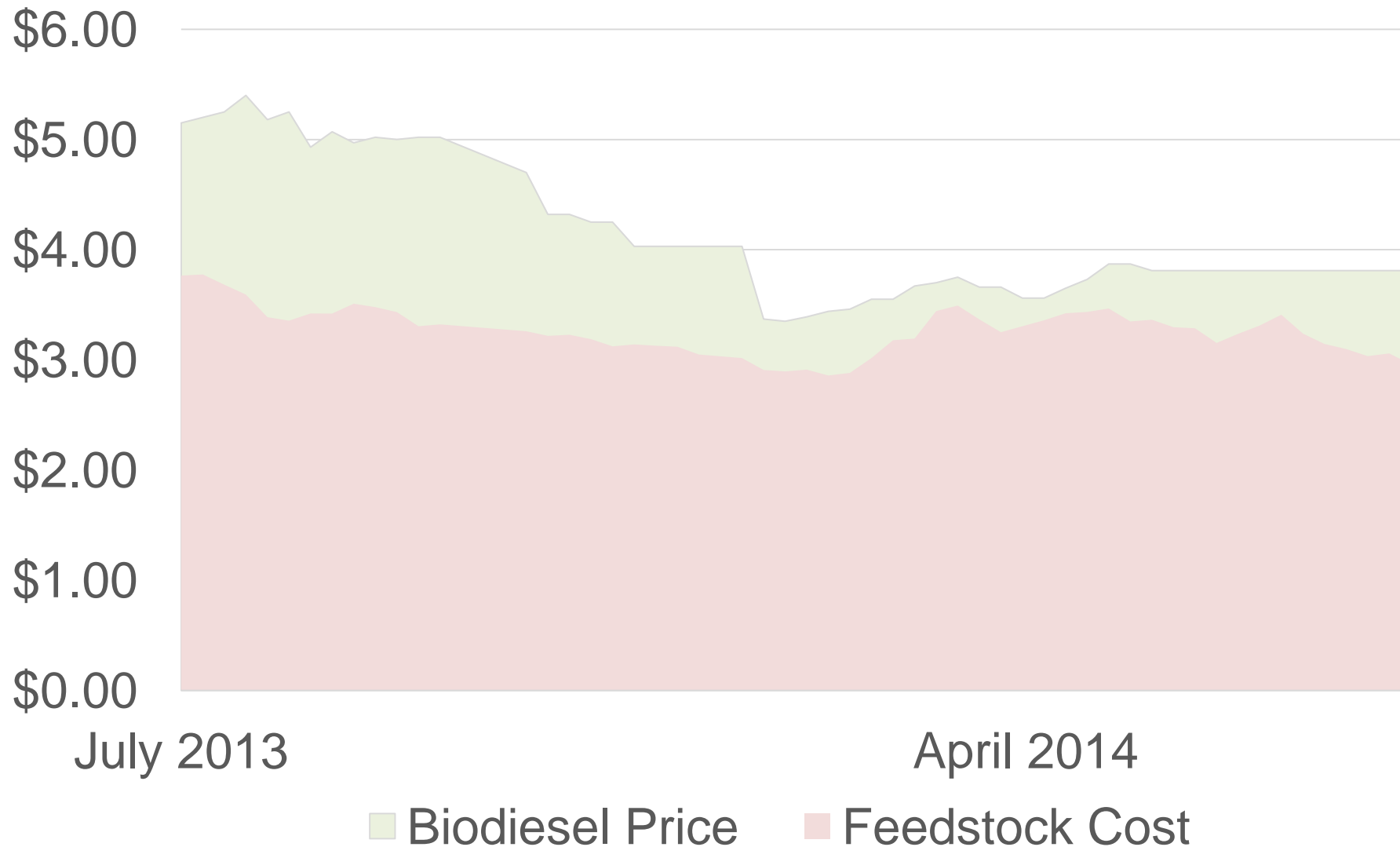


Source: Energy Information Administration

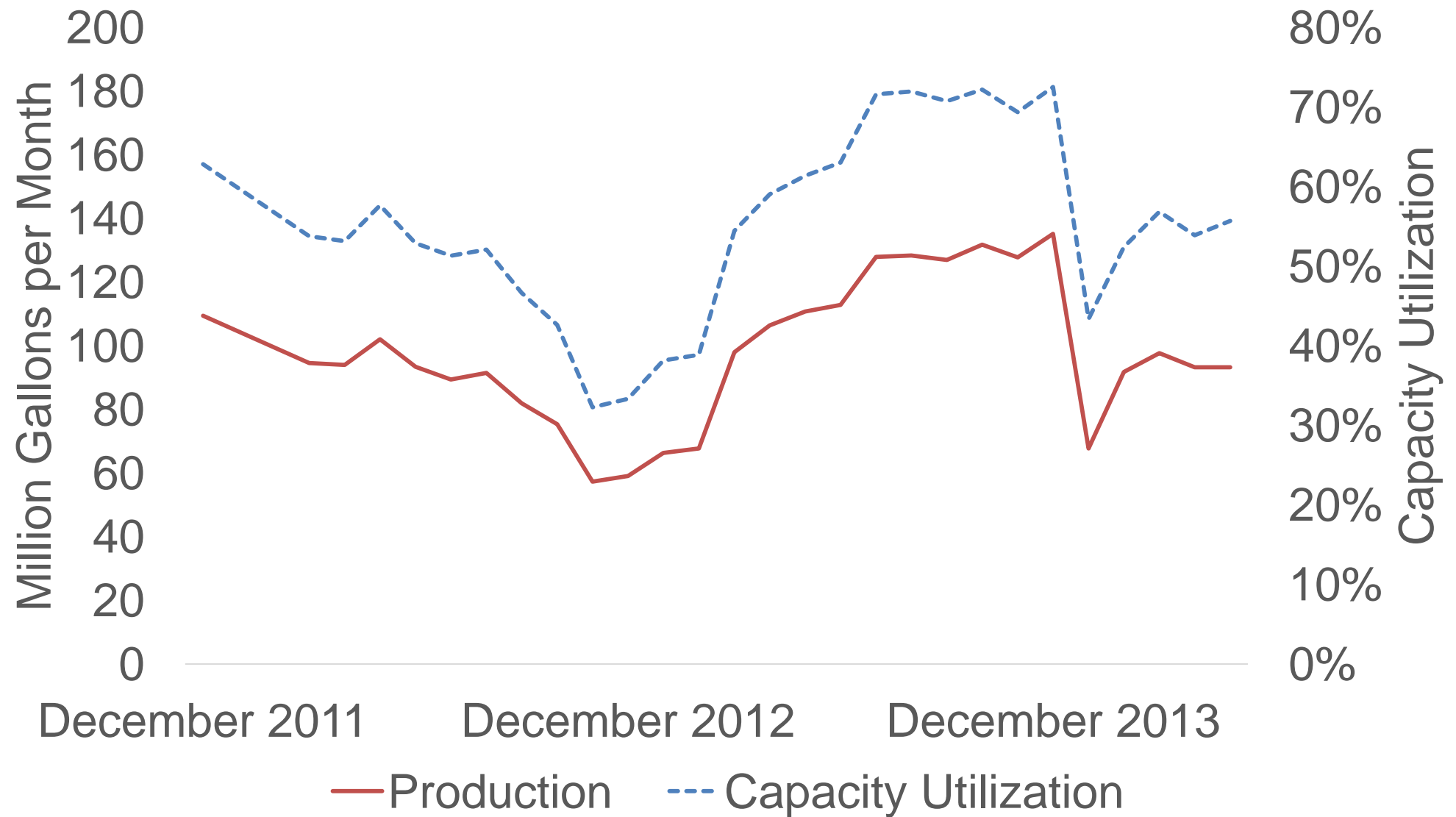
# Corn Ethanol Outlook CY 2015

Ethanol Production	14.125 billion gallons
% Capacity	95%
Corn Use	5050 bushels
DDGs	43 million tons
Consumption	13.375 billion gallons
Exports	750 million gallons

# SME Crush (per gallon)

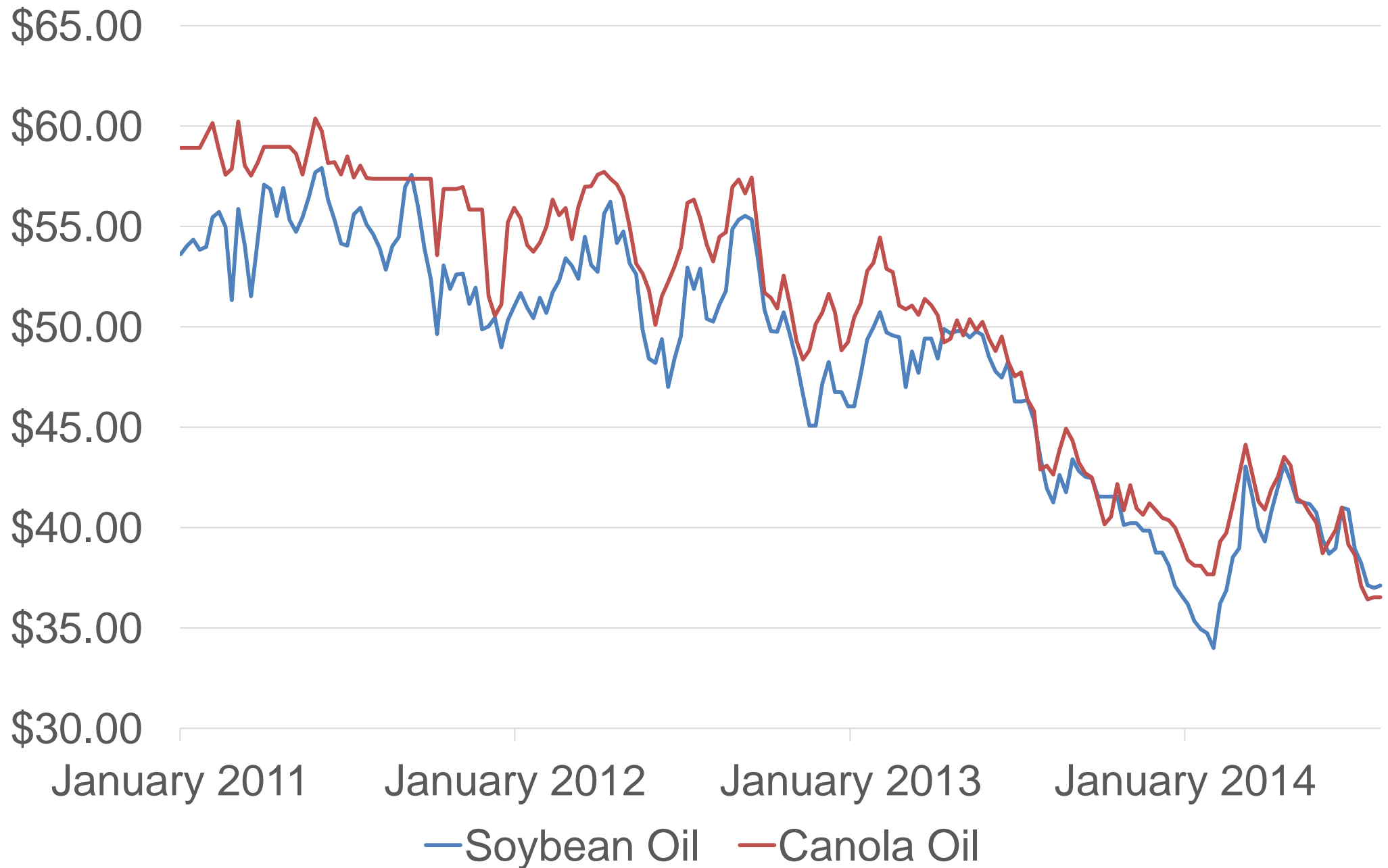


# Biodiesel Production

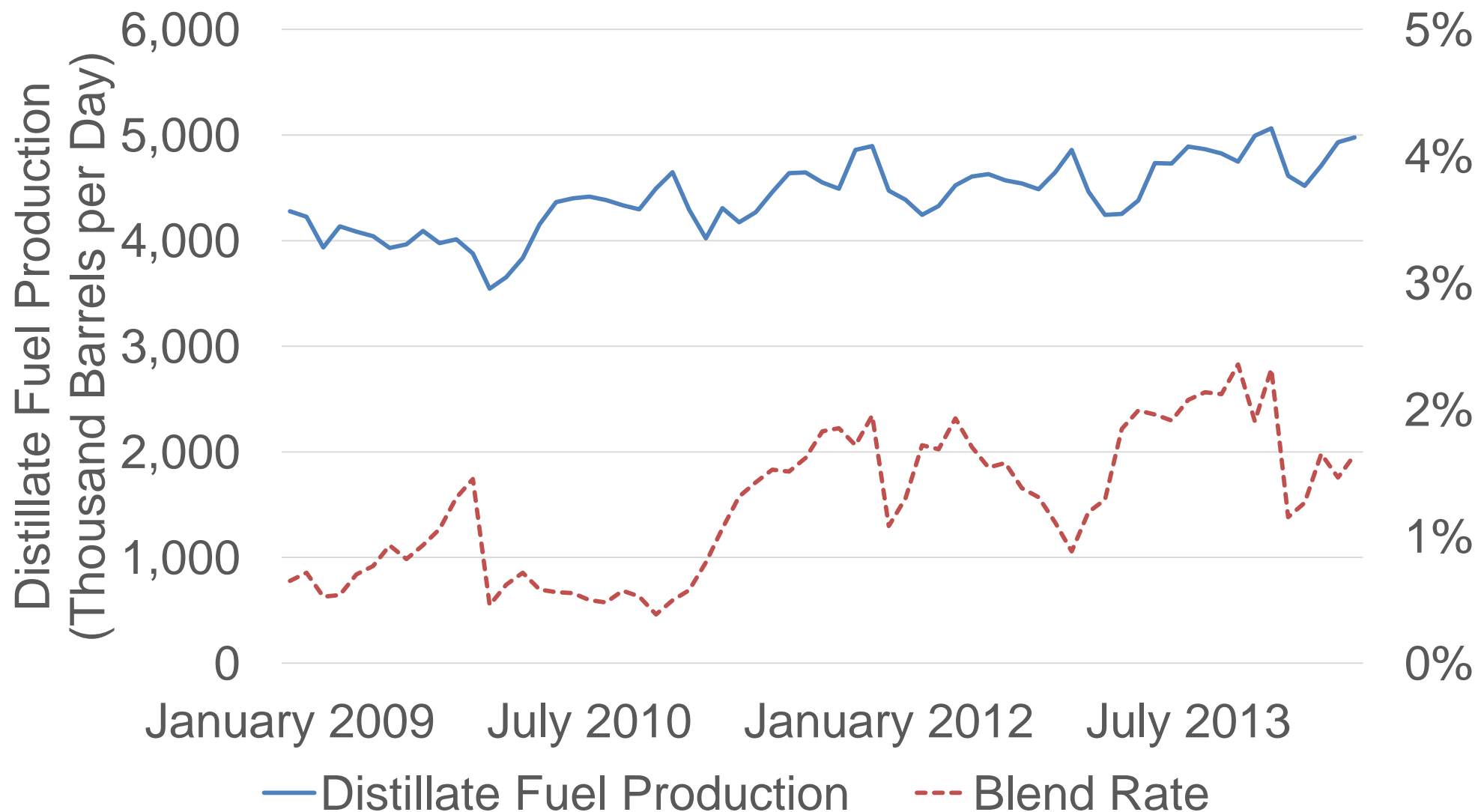


Source: Energy Information Administration

# Biodiesel Feedstock Prices



# Biodiesel Blending



Source: Energy Information Administration



# Biodiesel Outlook CY 2015

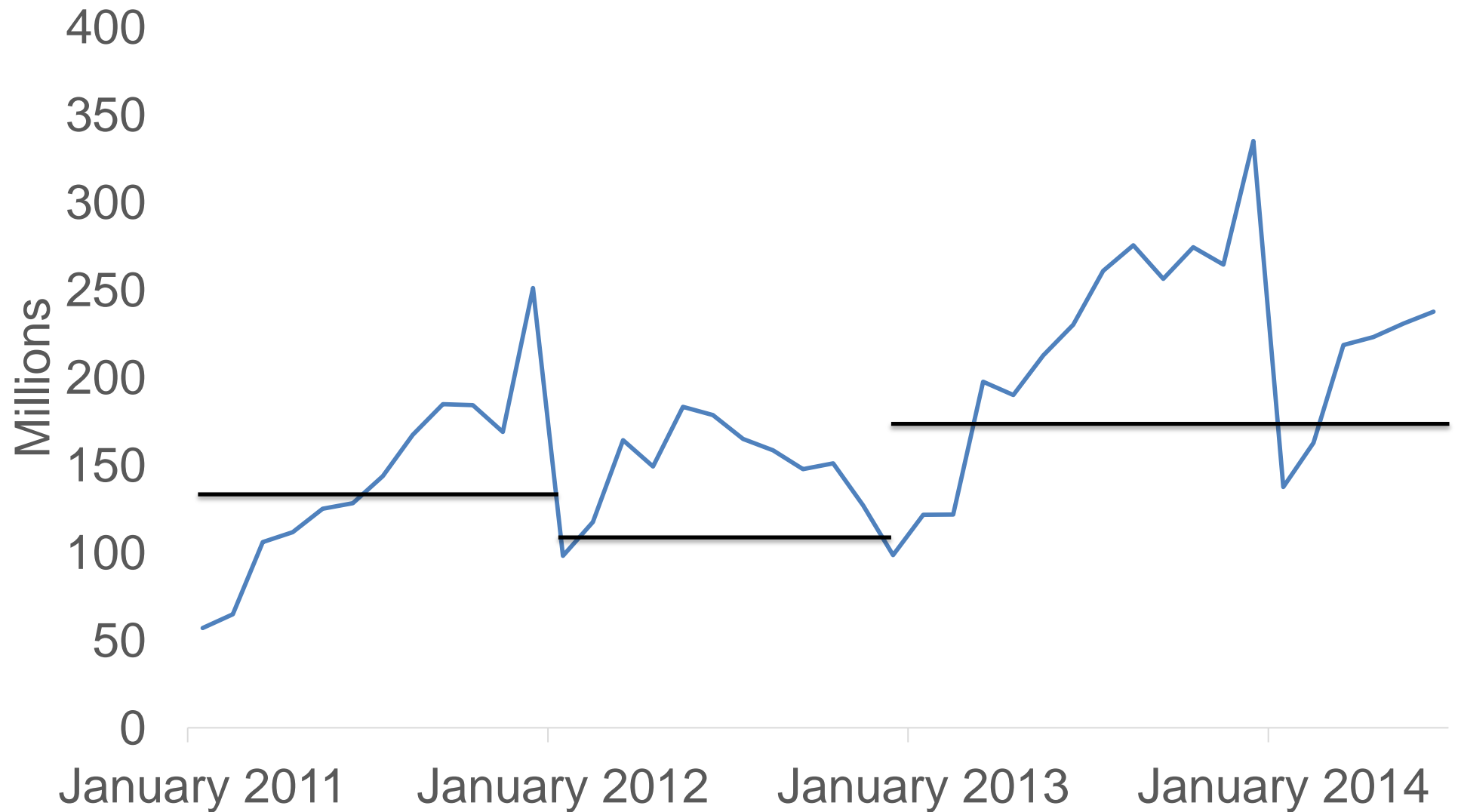
Biodiesel Production	1.28 billion gallons
% Capacity	60%
SME	650 million gallons (51%)
SO Use	4.96 billion pounds (24%)

Reinstatement of the Biodiesel Tax Credit???

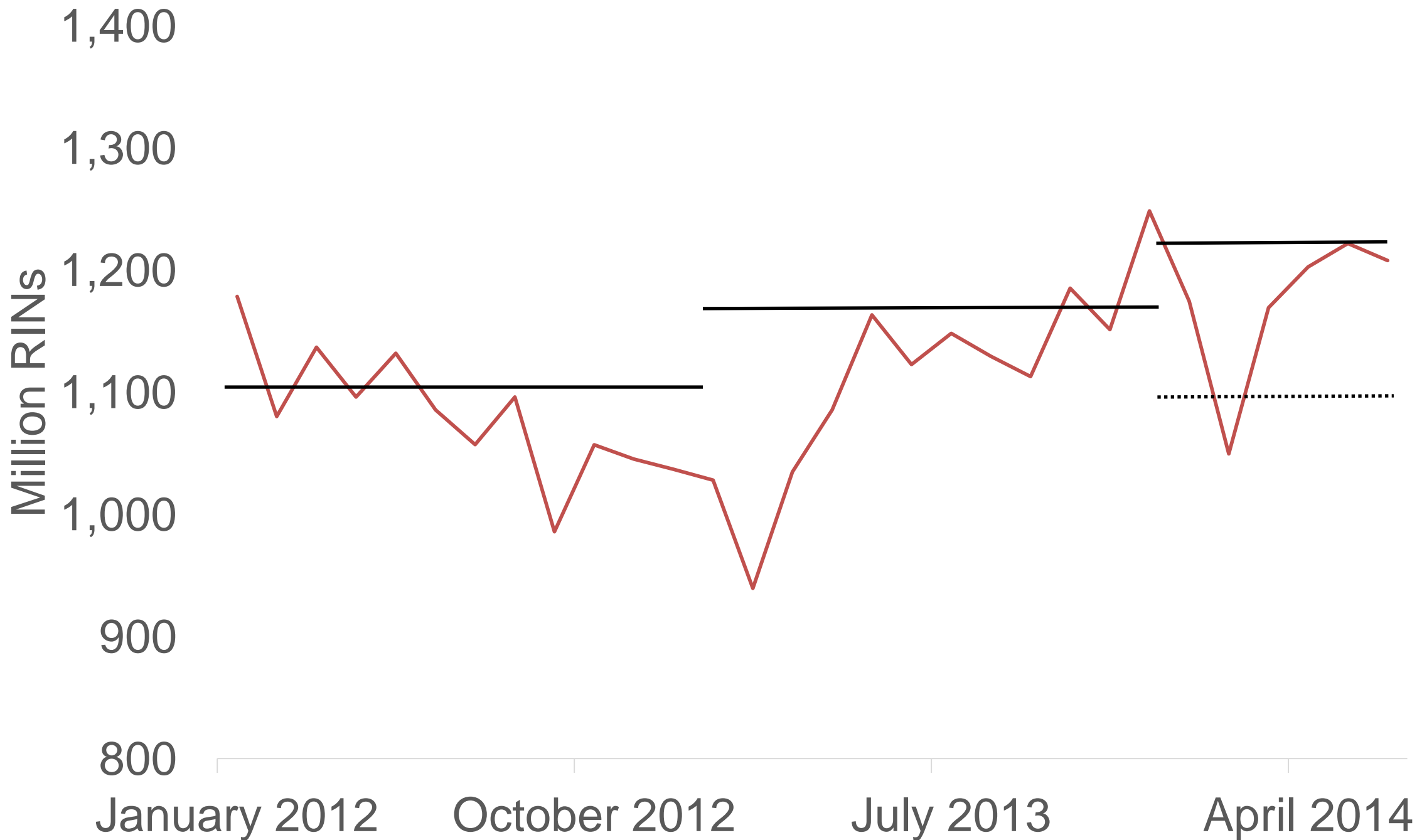
# RFS – Proposed Rule

Mandate	RFS Biofuel Mandate	2014 Proposed Rule
Cellulosic	1.75	.017
Biomass-based diesel	1/1.28	1.28
Other	1	.263
Total	3.75	2.2
Corn-starch Ethanol Cap	14.4	13.01
Total Renewable Fuels	18.15	15.21

# D4 RINS Generated by Month



# Monthly D6 RIN Generation



# RFS – Expected (billion gallons)

Mandate	RFS Biofuel Mandate	2014 Proposed Rule	Expected
Cellulosic	1.75	.017	.017
Biomass-based diesel	1/1.28	1.28	1.28
Other	1	.263	.263
Total	3.75	2.2	2.2
Corn-starch ethanol cap	14.4	13.01	13.8
Total Renewable Fuels	18.15	15.21	16

# RFS – 2015 (billion gallons)

Mandate	RFS Biofuel Mandate	2015 Proposed
Cellulosic	3	<=.025
Biomass-based diesel	1+	1.28
Other	1.5	.255
Total	5.5	2.2
Corn-starch ethanol cap	15	13.8
Total Renewable Fuels	20.5	16

# Summary

Corn ethanol is expected to operated at full capacity.

Expect the 2014 RFS revision for corn ethanol between 13.5 and 14 billion.

Focus on the justification, should provide guidance for 2015 revisions.