

# The Soyatech Biofuels Index

Driven by geopolitical developments, volatile petroleum prices and concerns about global climate change, recent growth in renewable fuels production in the U.S. has been dramatic, more than doubling over the last five years – from less than 2 billion gallons total production in 2001 to more than 5 billion in 2006. The tremendous wave of investment funding this growth has had a profound impact on the renewable fuels industry and related areas such as construction, equipment manufacturing, transportation and shipping and food processing.

Crop prices have also been affected as increased demand for feedstocks used to produce biofuels has put price pressure on these commodities, directly impacting the profitability of making biofuels. As the rich margins enjoyed by early entrants compress with increasing competition, access to feedstocks will become a chief determinant of success for biofuels producers – those forced to pay a premium basis or high spot market prices will be at a disadvantage.

The Soyatech Biofuels Index monitors development of biofuels production capacity as projects on paper become plants under-construction and plants under-construction come on line, providing users a tool to gauge current and future demand for biofuels-related commodities regionally and nationally.

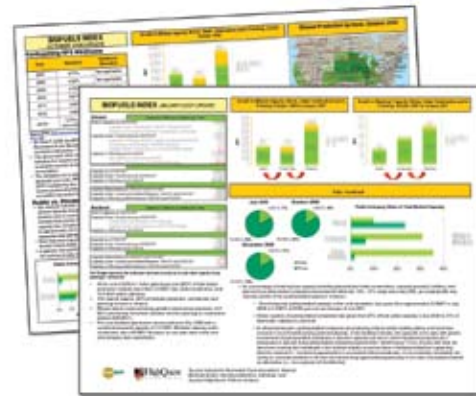
## CHALLENGES

Excitement surrounding the development of a domestic, agricultural-based renewable energy supply has in some ways clouded the challenges facing the biofuels industry:

- Feedstock sourcing (price and availability),
- Logistics constraints (overland transportation systems are already strained, while the petroleum and natural gas industries employ more than 200,000 miles of pipeline in the U.S. to transport crude oil and products),
- Environmental impact of biofuels production, and
- Industry dependency on government subsidies for economic viability.

## THE SOYATECH BIOFUELS INDEX WILL BENEFIT:

- Petroleum-based energy companies interested in the renewable energy sector,
- Renewable energy companies interested in determining availability of feedstocks by region,
- Grain and oilseed processors and merchandisers,
- Commodity traders,
- Commercial seed companies,
- Agricultural input suppliers (crop chemicals and fertilizers),
- Commercial lenders financing new renewable energy facilities,
- Private equity and hedge funds investing in the renewable sector and/or commodity futures markets,
- Food processors which purchase grains, oilseeds or functional ingredients derived from commodity crops,
- Transportation and logistics companies, and
- Engineering contractors.



## BENEFITS OF THE INDEX

The quarterly Soyatech Biofuels Index provides an objective tool to assess the unfolding investment boom and capacity build-out in the biofuels industry – to monitor how and whether planned projects are developing into actual ground-breaking construction projects and then into fuel-producing (ethanol and biodiesel) plants. It offers the means to anticipate feedstock demand within regions. It differentiates between existing producers and those with plants under-construction from planned projects that remain on drawing boards.

## THE SOYATECH BIOFUELS INDEX INCLUDES:

- Current online production capacity, capacity under construction and planned capacity for ethanol and biodiesel, with ongoing tracking of all three categories against previous estimates and projections,
- Searchable, sortable plant-level lists of ethanol and biodiesel production facilities, including capacity and location, when possible feedstocks used, expected groundbreaking or operational start-up date and permitting status,
- Analysis of financing sponsors for plants and projects—publicly-traded companies vs. private groups, and
- Trendlines and geographic concentrations (capacities and feedstock consumption).

## ABOUT SOYATECH

Soyatech is a publishing, market research, and consulting firm founded in 1985, specialized in delivering value-added information to the soybean, food, and feed industries. The company publishes the annual *Soya and Oilseed Bluebook*, the industry's leading source of information on companies and products, an electronically distributed daily newsletter covering the soyfoods, agribusiness and industrial biotech and biofuels areas, and SOYATECH.COM, the award winning business-to-business Internet site for the industry.

Company President Peter Golbitz is a world-renowned expert on the soybean and oilseed industry and has published numerous articles, books and studies on the industry and market. After several collaborative projects, Soyatech was acquired in 2006 by HighQuest Partners, a Boston-based strategic advisory firm.



The Soyatech  
**Biofuels Index**

**PRICES & OPTIONS**

The Soyatech Biofuels Index (four quarterly reports) ..... \$5,250

TOTAL FOR ORDER: \$

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# The Soyatech Biofuels Index

## EXAMPLES

### The Impact of Biofuels Production on Grain Sourcing

Applications of Soyatech's Biofuels Index  
April 17, 2007



### Broad View

The BFI enables subscribers to divide and analyze information on the complex biofuels industry in layers.

The chart below, generated by the BFI, shows the most general and aggressive view of biofuel production capacity – the sum of currently producing plants, plants in construction and plants in planning.

Even at a broad level, some differences in ethanol and biodiesel build-out are apparent. Total ethanol production capacity is more than 5X that of biodiesel, and far more geographically concentrated. The level of geographic concentration of production facilities reflects the diversity of feedstocks used. Ethanol plants are clustered in and around the corn belt (98% of ethanol plants use corn as their primary feedstock), while biodiesel plants are dispersed across the country (43% of biodiesel plants use soybean oil, 40% use multiple feedstocks, 5% use other virgin vegetable oils and 7% use animal fats).

### Ethanol Production: Existing & Planned



### Biodiesel Production: Existing & Planned



Sum of Nameplate (MGY) - Q1 07			
State	Biodiesel	Ethanol	Grand Total
NE	65.3	4,864.0	4,929.3
IA	667.3	4,185.5	4,852.8
IL	250.0	4,489.5	4,739.5
IN	365.5	1,643.0	1,828.5
KS	30.0	1,300.5	1,330.5
MN	66.2	1,129.5	1,195.7
TX	463.4	665.0	1,128.4
SD	7.0	945.0	952.0
WI	123.2	532.0	655.2
OH	82.0	488.0	570.0
<b>Grand Total</b>	<b>4,530.8</b>	<b>24,733.6</b>	<b>29,264.4</b>



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### Application – Identify Geographic Trends

The BFI can be integrated with crop production data to analyze alternative scenarios. In the example below, data from the Soyatech BFI were combined with current and projected corn crop data. Plant locations were mapped and color coded according to their current status and the estimated feedstock usage was summarized by county and subtracted from the projected production of corn per county. Scenarios could also incorporate variations in yields, acreage planted, percent of planned ethanol projects to come online and rates of corn to ethanol conversion.

### Corn Production net Ethanol Feedstocks (bushels) by County

Corn production in Nebraska will increase by 250 million bushels over the period. Corn used in ethanol production is expected to increase by 550 million bushels during the period due to significant building out of ethanol capacity in the southern part of the state. The result is that due to the ethanol build-out, Nebraska will become a net importer of corn by 2010.

