



# Fueling America...

## ...Energizing Livestock



Quad County Corn Processors • Galva, Iowa • 712-282-4628



## Opportunity

By Mike Jerke  
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Quad County has a vendor who is fond of the saying, "Life, it's all about choices." How true. Have you ever noticed how kids, or daily events for that matter, can live up or down to our expectations? Do we choose to view life as full of opportunity or challenges?

The choice made by ethanol investors is to be part of the solution. Does the United States have an addiction to oil? Clearly. The addiction is evident by our reliance. We use 150 billion gallons of liquid fuel every year (and that number is increasing). And 65 percent of the oil we use is imported (that number is also increasing).

Those simple facts are quickly forgotten by those who insist on bashing our business. Yes, ethanol production uses water, but less than half the water it takes to produce a gallon of gasoline. Yes, the government supports the use of ethanol, but the dollars spent pale in comparison to the expense of assuring and safeguarding the delivery of foreign oil. (*See more facts on p. 2*) A little Iowa common sense can go a long way. Unfortunately, there are even some Iowa media outlets that find it hard to see the big picture.

2007 is unfolding much the way we discussed at the annual meeting. While it is not as profitable as 2006 (nor was expected to be), it is quite respectable. We purchased a large amount of corn early in the year and are able to draw on those supplies during the summer without needing to chase the market for bushels. Our capital improvement plan is underway.

The plant turnaround we had in May was very successful. Our efficiencies in both energy use and conversion have improved. We are looking forward to the centrifuge replacement in September and the completion of the Pavilion Technology software implementation in December for the remaining efficiency and production improvements.



Buying corn for inventory and capital improvements all require significant amounts of cash. Cash that otherwise might be available for distribution back to the members. We are constantly evaluating our ability to send out a distribution and want to make sure it is done in a prudent manner.

As more ethanol plants are built, corn prices become more volatile, and energy prices fluctuate, it becomes more important to have a solid risk management program. We are fortunate to have a significant amount of storage capacity for corn and will be reviewing our corn policies before harvest to make sure we are able to maximize that competitive advantage. Our relationship with our customers is vitally important to our ability to

originate corn. We have two programs under development to enhance that relationship. Details about both programs will be distributed in the coming days.

## The Facts

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### Air Emissions

**Fact:** Replacing gasoline and gasoline components with ethanol reduces greenhouse gas (GHG) emissions by up to 20 percent. This includes a full life-cycle analysis – from growing the corn to processing it into ethanol to transporting it to market.

The Pew Center on Global Climate Change has stated the best option for reducing GHG emissions from the transportation sector in the short term (10 to 15 years) is to increase the use of low carbon, renewable fuels like ethanol and biodiesel.

The production and use of 4.9 billion gallons of ethanol in 2006 reduced CO<sub>2</sub>-equivalent GHG emissions by about 8 million tons, according to the Argonne National Laboratory. Almost 31 percent of U.S. ethanol was produced in Iowa.

Biodiesel reduces exhaust emissions of carbon monoxide by 48 percent and hydrocarbons by 67 percent.

Ethanol and biodiesel plants must adhere to strict air emissions standards set by the federal Clean Air Act.

### Water Quality

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**Fact:** Because of the tight limits, the water leaving a biofuels facility is actually cleaner than any aquifer, stream or lake in Iowa. In some cases the water discharge actually meets the federal standards for drinking water.

### Water Use

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**Fact:** According to ConocoPhillips, it can take eight gallons of water to produce a gallon of gasoline. On the other hand, it takes roughly three gallons of water to produce a gallon of ethanol and one to two gallons to produce a gallon of biodiesel.

For more information, check out these web sites:

[www.iowarfa.org](http://www.iowarfa.org)  
[www.ethanolrfa.org](http://www.ethanolrfa.org)  
[www.ethanol.org](http://www.ethanol.org)



## Truck Loads of Opportunity

**By Rick Heaton**  
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The increase in ethanol production in northwest Iowa has led to a dramatic rise in the widespread availability of co-products. Did you know that every bushel of corn used in the ethanol manufacturing process produces almost 18 pounds of distiller's grains? Distiller's grains provide the livestock industry with feedstuffs proven to lower the overall cost of grains in many operations.

The last nine months have proven to be challenging for the livestock industry. However, producers in the Midwest who live near ethanol plants and incorporate ethanol co-products into rations have been very successful in reducing the long-term impact of high grain prices. With elevated corn prices, there has never been a better time to consider using the Golden Bran® co-products manufactured at Quad County Corn Processors.

In 2006, Quad County produced over 286,000 tons of co-products that were sold to area livestock producers. Customers who contracted Golden Bran® co-products last September have saved more than \$4 million to date by feeding co-products versus corn.

Golden Bran® co-products have many positive effects on feedlot diets, too. Here are just a few of the Golden Bran® advantages:

- Higher levels of protein because no syrup is added back
- Lower levels of fat, phosphorous, and sulfur
- An easy way to add non-starch digestible energy to diets
- Consistent quality, texture, and color
- Adds palatability to rations to improve intake efficiencies

All of these benefits contribute to healthier animals and

quicker weight gains, improving profitability levels.

Quad County continues to upgrade equipment and constantly strives to develop long-term relationships with customers. By devoting capital to new equipment and increased manpower, Golden Bran® customers are assured of getting the highest quality co-products when they need them – rain or shine.

Since the May shutdown, ethanol production levels at Quad County have averaged more than 80,000 gallons per day. Consequently, we anticipate that Golden Bran® tonnages will be higher in 2008 to meet the growing needs of our customers.

The marketplace for co-products keeps expanding, and Galva Holstein Ag is proud to be the marketing arm for all three Golden Bran® co-products. Everyone associated with Golden Bran® is customer focused, service driven and appreciative of the opportunity to be your co-product provider 365 days a year.

If you or someone you know would like to use Golden Bran® co-products next year, please give me a call at 800-548-5336 or 712-368-4352 (ext. 230) so we can add you to our mailing list. Contracting information will be mailed out by the end of August.

## Sulfur in Ethanol Co-Products

**By Rick Heaton**  
***rheaton@GalvaHolsteinAg.com***

I often speak with livestock producers about the availability and usage of Golden Bran® co-products produced at Quad County. I am usually asked, “How much distiller’s grain can I feed?” It depends on several factors: specific feeds the individual producer has, the type of animals being fed, and the limitations of the different co-products.

One limitation common to all ethanol co-products is sulfur content. Typically, sulfur content in co-products is not a serious concern when formulating diets for poultry, hogs, beef cows, or calves that will be back grounded, so I’ll focus on beef feedlot diets.

When determining the maximum inclusion rate of co-products in beef finishing diets, sulfur is likely to be

the first limiting factor. Excess sulfur from feedstuffs in combination with sulfates from water supplies can reduce feed intakes and, in extreme cases, produce excess hydrogen sulfide gas in the rumen, contributing to nervous system disorders such as Polio. Sulfur levels in most mash co-products (dry distillers, wet or modified distillers, and wet gluten) normally range from .4 to .9 percent on a dry matter basis. However, some liquids in the industry have been tested as high as 1.5 percent to 2.0 percent. Liquid co-products (condensed corn distiller’s solubles, syrup, steep liquor) inherently contain higher sulfur contents; therefore, limitations on the inclusion rate of liquids are more significant. Sulfur compounds are also added during the corn milling process, so the co-products contain higher levels than that originally found in the corn.

Regardless of what co-product or combination of co-products you are using, remember that diets should be formulated to contain a maximum of .4 percent sulfur on a dry matter basis. Also, water needs to be tested periodically to determine sulfate levels, especially during summer months when water intake is higher.



At Quad County, our Golden Bran® co-products are frequently analyzed for all major nutrients including sulfur, and the results are posted each month on both web sites: [www.quad-county.com](http://www.quad-county.com) and [www.galvaholsteinag.com](http://www.galvaholsteinag.com).

Another important point is that Golden Bran® 32 and Golden Bran® Dry co-products do NOT contain any added syrup, so our sulfur levels are some of the lowest in the industry. Keep in mind that it is imperative your rations are formulated properly so you can feel confident you are providing your animals with a safe, well-balanced diet and still benefit from the economic advantages of using Golden Bran® co-products. If you have questions, consult your nutritionist or feel free to contact me at 712-368-4352 (ext. 230) to discuss your particular situation.

# Congratulations Maple River Energy, LLC

Quad County Corn Processors is pleased to welcome Maple River Energy as our neighbor and fellow producer of home grown biofuels. A ground breaking ceremony was held at Maple River Energy's site, just to the east of our facility, on July 18.

*Welcome to our Avenue of Energy!*



Maple River Energy board: LaDon Johnson, Darold Lindstrom, Mike Galvin, Doug Clausen, Jerry Ruser, Jim Woods, Craig Beyer, and Delayne Johnson.

## At Your Service

Here's who to contact at Quad County!

### **Business and membership:**

Kristi Brotherson

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### **Co-products and corn:**

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### **Invoicing:**

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Online: [www.quad-county.com](http://www.quad-county.com)



## Changes at [www.quad-county.com](http://www.quad-county.com)

The Quad County web site recently changed due to a change in ownership of our service provider. We want this to be a positive experience and would greatly appreciate feedback about what you like or do not like. We understand the importance of our online presence and want to make it work for everyone!

# PowerPlant<sup>20</sup>

Watch for more  
information soon!



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