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Agricultural Outlook Forum
U.S. Department of Agriculture

Presented: March 1-2, 2007

MID-MISSOURI ENERGY

Ryan Utlaut
President, Mid-Missouri Energy

Mid-Missouri Energy



100 %
Farmer Owned Ethanol Plant

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Our Mission

- Add Value to our members production and improve the economic future of our communities

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MME – 100% Farmer Owned Cooperative

- One hour East of Kansas City
- Nameplate – 40 Million Gal
- Operating at 52 – 53 Million Gal
- Selling 95% of Distillers - dried

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State of Ethanol Industry

- Four Years Ago - Before rapid expansion of Ethanol Industry
 - Crude Oil - \$40
 - Corn -- \$1.80
 - Ethanol \$1.25
- Challenge
 - Find enough investors to build a \$60 million Fagen-ICM Plant
 - Raise \$24 in equity
 - Borrow \$36 million

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Early Decisions

- Minimum Investment
- Must purchase at least two shares
 - \$10,000 per share
- Require Corn Commitment
 - Pay 80% upon delivery
 - True-up to average three times a year
- Invite Bankers and Ag Lenders to pre-kickoff meetings
 - Show them proposed Business Plan

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The Challenge

- Secure funds to conduct a 100+ meeting equity drive
- Area banks provide up to \$500 K line of credit if needed
- \$189,000 grant from MSBDA
- 15 Board Members guarantee \$150 K of the \$500 K
- Donations – \$30 K
- Catholic Charities – \$25 K
- Membership to join MME - \$500

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Strategic Alliance

- Grain Merchants: Support MME
 - MME buys grain only from shareholders and grain merchants
- Bankers and Ag Lenders
 - Loan 90% of Investment
 - Low Interest – Pay only interest until plant is in Production
- President of Wood and Huston Bank
 - “Best economic opportunity for our area in a long time.”

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Photo courtesy of Missouri Corn Grow

USDA



Rural
Development

Committed to the future of rural communities.

June 30, 2004

PAY TO THE ORDER OF

Mid-Missouri Energy, Inc.

\$ 500,000.00

Five Hundred Thousand and 00/100

DOLLARS

George W. Bush

United States President

Gregory C. Branum

Missouri State Director

“Old Fashioned Barn Raising”

■ Community Responds

- Newspapers
- Radio
- Radio Call in Shows
- Service Clubs
- Farm Equipment Dealers

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“Let’s Make This Happen”

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“A Cooperative”

- First Round of Meetings - \$16 Million
- 60 Day Extension - \$20 Million
- 60 Day Extension – \$24 Million
- Ag Star, a Cooperative, commits to \$36 Million Loan
- Marketing Ethanol through a Cooperative -- Renewable Products Marketing Group

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“Growing”

- MME plans to double capacity by using Retained Earnings and new borrowing to fund expansion

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Sell, Merge, or Status Quo

- Sell at 10 times the investment
 - No follow through
- *New York Times* Article
 - Farmers resist offers to sell
- Allegiance to members – not individual preferences
- Members feel “ownership of cooperative”

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Greatness is not standing above our fellows and ordering them around—it is standing with them and helping them to be all they can be.

**G. Arthur Keogh (1909 –1989)
Educator**

