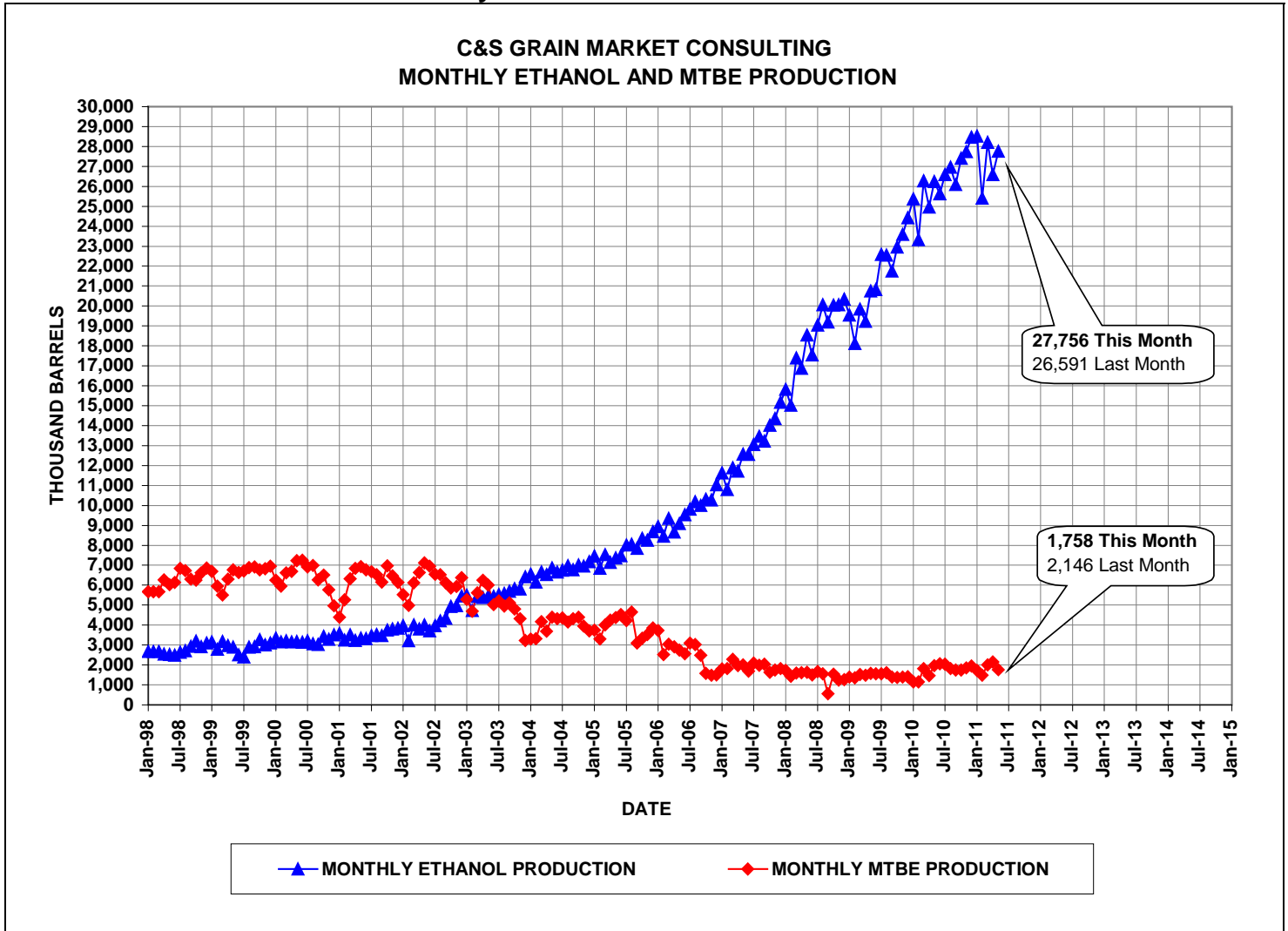


7/28/11
C&S Grain Market Consulting
Monthly Ethanol and MTBE Production



Comments:

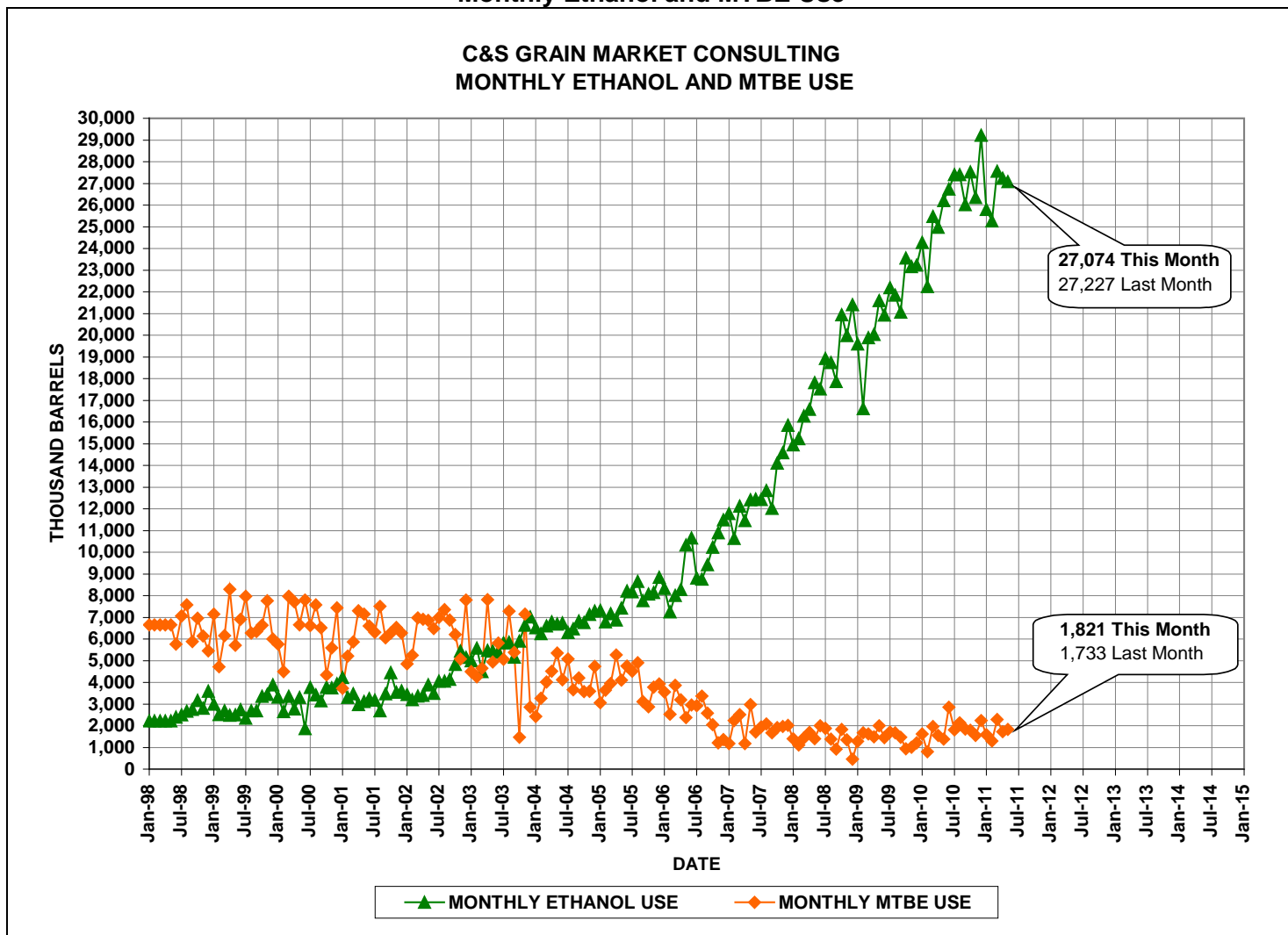
The Energy Information Administration's Monthly Petroleum Navigator Supply and Disposition Report is always 2 months behind. The latest information is for the month of **May 2011**. In that report, the monthly production of Ethanol **increased 1,165** thousand barrels from 26,591 thousand barrels last month to **27,756** thousand barrels this month. The current month's production is **up 5.8%** from 26,244 thousand barrels per month a year ago. The latest data available indicates an annual production rate of **13.735** billion gallons per year (BG/Y), which is about **9.85%** of the current annual use of gasoline in America.

The big oil companies are still producing MTBE. The latest monthly report indicates they produced **1,758** thousand barrels per month of MTBE, down from 2,146 thousand barrels last month, and **down 10.6%** from 1,966 thousand barrels per month a year ago. The latest data available indicates an annual production rate of **869.9** million gallons per year (MG/Y).

 The historical information herein provided is derived from public data sources and is believed to be accurate but cannot be guaranteed. Providing this information does not include an expressed or implied recommendation for making any trades or other financial decisions. There is risk of loss in trading futures. Any gain or loss resulting from the use of this information is entirely the responsibility of the user. Opinions expressed may change at any time.
C&S GRAIN MARKET CONSULTING William C. Fordham Promoting Stewardship in Marketing New Crop Corn and Soybeans Phone: 815-376-6101 24704 2200 E ST, Ohio, IL 61349 Web: <http://www.cs-grainmarketconsulting.com> e-mail: wilmar@theramp.net Fax: 815-376-2301
 "Stewardship in Marketing: Fighting Fear and Greed by using knowledge of the past, an awareness of the present, and planning for the future."

7/28/11

C&S Grain Market Consulting Monthly Ethanol and MTBE Use



Comments:

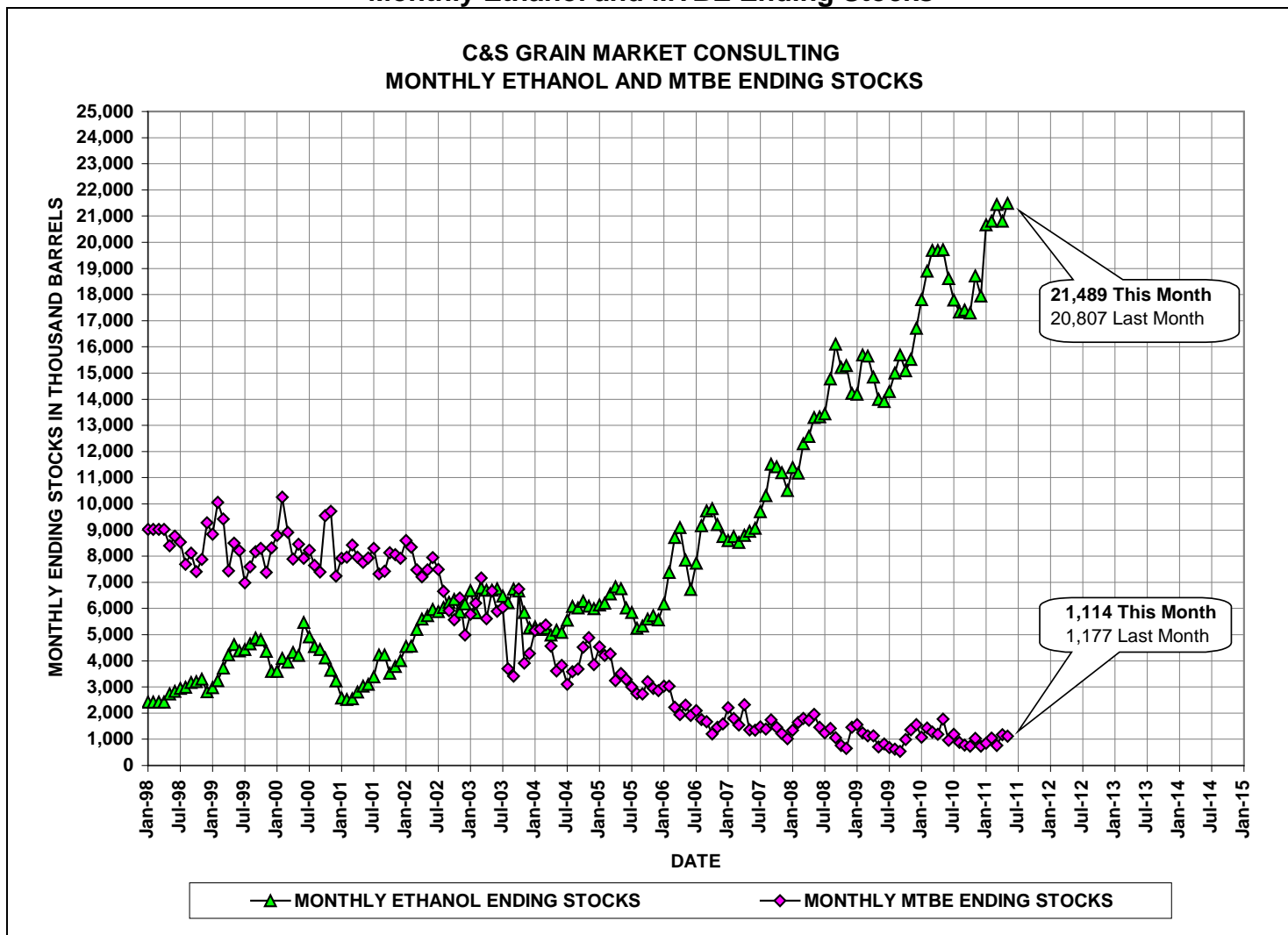
Based on the latest EIA Monthly Petroleum Navigator Supply and Disposition Report, the usage for Ethanol was **27,074** thousand barrels per month, which is **up 3.3%** from 26,205 thousand barrels per month a year ago, but down from 27,227 thousand barrels per month last month. **The Ethanol usage includes 1,743 thousand barrels that were exported, versus 2,865 thousand barrels exported last month.**

MTBE monthly usage was **1,821** thousand barrels, which was **up 31.2%** from 1,388 thousand barrels per month a year ago, and up from 1,733 thousand barrels per month last month. **The MTBE usage includes 1,382 thousand barrels that were exported, versus 1,780 thousand barrels exported last month.**

The usage number for both Ethanol and MTBE reflects Imports, Exports, Adjustments, Stock Changes, and Refinery & Blender Net Inputs.

The historical information herein provided is derived from public data sources and is believed to be accurate but cannot be guaranteed. Providing this information does not include an expressed or implied recommendation for making any trades or other financial decisions. There is risk of loss in trading futures. Any gain or loss resulting from the use of this information is entirely the responsibility of the user. Opinions expressed may change at any time.
C&S GRAIN MARKET CONSULTING William C. Fordham Promoting Stewardship in Marketing New Crop Corn and Soybeans Phone: 815-376-6101 24704 2200 E ST, Ohio, IL 61349 Web: <http://www.cs-grainmarketconsulting.com> e-mail: wilmar@theramp.net Fax: 815-376-2301
"Stewardship in Marketing: Fighting Fear and Greed by using knowledge of the past, an awareness of the present, and planning for the future."

7/28/11
C&S Grain Market Consulting
Monthly Ethanol and MTBE Ending Stocks



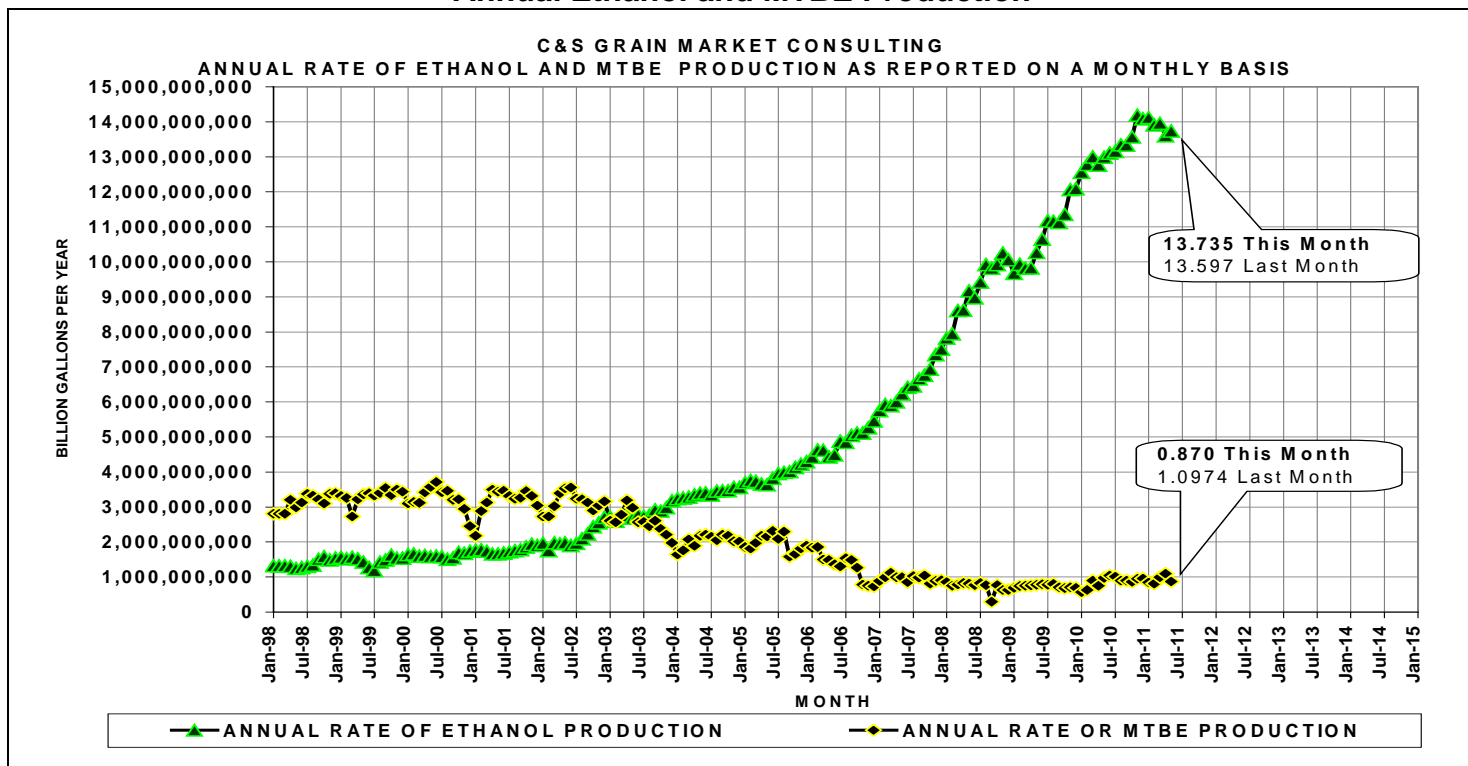
Comments:

In the latest EIA Monthly Petroleum Navigator Supply and Disposition Report, the monthly ending stocks for Ethanol were **21,489** thousand barrels, which is **up 8.9%** from 19,721 thousand barrels a year ago, and up from 20,807 thousand barrels last month.

MTBE ending stocks were **1,114** thousand barrels, which was **down 37.1%** from 1,772 thousand barrels a year ago, and down from 1,177 thousand barrels last month.

 The historical information herein provided is derived from public data sources and is believed to be accurate but cannot be guaranteed. Providing this information does not include an expressed or implied recommendation for making any trades or other financial decisions. There is risk of loss in trading futures. Any gain or loss resulting from the use of this information is entirely the responsibility of the user. Opinions expressed may change at any time.
C&S GRAIN MARKET CONSULTING William C. Fordham Promoting Stewardship in Marketing New Crop Corn and Soybeans Phone: 815-376-6101 24704 2200 E ST, Ohio, IL 61349 Web: <http://www.cs-grainmarketconsulting.com> e-mail: wilmar@theramp.net Fax: 815-376-2301
 "Stewardship in Marketing: Fighting Fear and Greed by using knowledge of the past, an awareness of the present, and planning for the future."

7/28/11
C&S Grain Market Consulting
Annual Ethanol and MTBE Production



Summary:

The Annual Rate of Ethanol production, based on a per day basis, is now **13.735** billion gallons per year (BG/Y), up 5.8% over a year ago. At the same time, use is **13.398** BG/Y, which is up 3.3% from a year ago. Monthly ending stocks are up 8.9% from a year ago. Based on the most recent month's data, the annual rate of Corn being used for Ethanol is about **4.905** billion bushels, if the production rate of Ethanol is 2.8 gallons per bushel.

The Annual Rate of MTBE production, based on a per day basis, is now **869.9** million gallons per year (MG/Y), down 10.6% from a year ago. At the same time, use is **901.1** MG/Y, up 31.2% and monthly ending stocks are down 37.1% from a year ago.

Based upon current markets with USDA Central Illinois Cash Corn at \$7.12, Ethanol Spot Prices in the Midwest about \$3.00, and Central Illinois DDGS around \$210 per ton, the profitability of Ethanol plants is about **+\$0.56 cents** per bushel of Corn, versus **+\$0.07 cents** last month. **This is based upon the assumption of the fixed costs at \$1.00 per bushel, the variable costs at \$1.50 per bushel, and the output at 2.8 gallons per bushel. Many plants, however, do not have that much fixed costs or overhead and are learning how to become very efficient, thereby creating good profits, even now under the present situation of higher Corn prices.**

NYMEX RBOB Gasoline Futures are currently at \$3.12 versus \$2.06 a year ago, up 51.4%, while CBOT Ethanol Futures are currently at \$3.00 versus \$1.64 a year ago, up 82.9%. The futures spreads between RBOB Gasoline and Ethanol Futures have gone from +118.65 cents to -81.50 cents during the past few years, and are currently at **+12.0 cents versus +27.0 last month.** A positive spread encourages the demand for Ethanol. **Today's local retail prices are \$3.90 for Unleaded, \$3.76 for E-10 and \$3.39 for E-85. Therefore, the E-85/Unleaded Gasoline relationship is negative for E-85 by about -6.0 cents per gallon right now (\$3.90 x .85% = \$3.32-\$3.39 = -\$0.07).** **This not positive towards encouraging the use of E-85 Ethanol fuel.** I drive a Flex-Fuel automobile and use E-85 all the time except when on the road traveling and am unable to find it. I then use unleaded and compare the mileage. From my experience, E-85 gets about 15% less mileage than when using straight unleaded gasoline.

 The historical information herein provided is derived from public data sources and is believed to be accurate but cannot be guaranteed. Providing this information does not include an expressed or implied recommendation for making any trades or other financial decisions. There is risk of loss in trading futures. Any gain or loss resulting from the use of this information is entirely the responsibility of the user. Opinions expressed may change at any time.
C&S GRAIN MARKET CONSULTING William C. Fordham Promoting Stewardship in Marketing New Crop Corn and Soybeans Phone: 815-376-6101 24704 2200 E ST, Ohio, IL 61349 Web: <http://www.cs-grainmarketconsulting.com> e-mail: wilmar@theramp.net Fax: 815-376-2301
 "Stewardship in Marketing: Fighting Fear and Greed by using knowledge of the past, an awareness of the present, and planning for the future."