



**UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL DEVELOPMENT**

Rm. 152 Federal Building 100 Centennial Mall North Lincoln, Neb. 68508  
(402) 437-5551 (Phone) (402) 437-5093 (TDY) (402) 437-5408 (Fax)

**Mary Gambill, Community Outreach Specialist, USDA Rural Development, Ainsworth, NE (402) 387-2242**  
**Jerome Fagerland, Chairperson, NEDAK, Atkinson, NE (402) 925-5200**  
**Laurie Hansen, Atkinson Economic Development Director, Atkinson, NE (402) 925-5313**

**ETHANOL PRODUCTION EXPLORED IN NORTH CENTRAL NEBRASKA**

Atkinson, Neb., January 5, 2004 -- North Central Nebraska corn growers may have an alternate use for their corn, to be available locally, if an ethanol plant proves feasible. Nedak Ethanol identified this value-added opportunity that will allow for additional jobs, better salaries, and a higher quality of life to area rural residents. At a symbolic funding check presentation today, USDA Rural Development showed its financial support for this value-added effort via a grant of \$38,500 provided to Nedak Ethanol for exploring the development of an ethanol plant in North Central Nebraska.

"Considering the corn and livestock production in North Central Nebraska and South Central South Dakota, the pursuit of an ethanol plant in this area makes good economic sense," stated Jerome Fagerland, chairperson to the Nedak Ethanol steering committee.

Nebraska ranked third in the nation for its ethanol production capacity of 370 million gallons in 2002. Approximately 135 million bushels of the state's corn went into ethanol production. Nebraska was third in cattle (January 1, 2003) and fourth in corn production (2002). Facts obtained from the April 2003 Nebraska Agriculture Rank and Agribusiness Facts published by the USDA Nebraska Agricultural Statistics Service at <http://www.nass.usda.gov/ne/special/rank2003.pdf>.

The Nedak Ethanol steering committee will utilize the USDA grant, matched by its own funds, to contract with Durante & Associates to conduct a two-phase feasibility study. Phase one consisting of a cost analysis, site-specific considerations and market and financing evaluations. Phase two will be the actual study of three candidate sites. The Nebraska Business Development Center and Rural Enterprise Assistance Project will be hired to develop the business operations and marketing plan and a timeline. The services of Janet Krotter-Chvala will be secured to assist with Articles of Incorporation, Bylaws, and with Nebraska Department of Banking and Finance and the Securities and Exchange Commission regulatory requirements. Technical assistance will be provided by the Nebraska Ethanol Board, Nebraska Department of Economic Development, and USDA Rural Development. Estimated completion of the ethanol plant study and associated tasks is targeted for September of 2004.

"Producers in this area would not have been able to obtain all the funds necessary to accomplish the steering committee's goals in a timely fashion, if at all, without the value-added grant from USDA Rural Development," stated Fagerland.

-more-



**UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL DEVELOPMENT**

Rm. 152 Federal Building 100 Centennial Mall North Lincoln, Neb. 68508  
(402) 437-5551 (Phone) (402) 437-5093 (TDY) (402) 437-5408 (Fax)

"It is important for rural producers to develop new uses for their products as it allows them to tap into new markets that help to create rural jobs, build the rural economy and to improve the quality of life for their communities. I applaud Nedak Ethanol for the pursuit of their value-added venture and congratulate them on their USDA grant award," stated Jim Barr, Nebraska state director for USDA Rural Development. The USDA grant was funded through the USDA Rural Development Value-Added Agricultural Product Market Development Grant program.

The Nedak Ethanol steering committee, comprised of seven local independent rural producers, understood the need to find alternative sources for their corn in order to receive a premium price for their product. Through the proposed ethanol plant, corn will be processed to create ethanol as its main product and distiller's grain and carbon dioxide as co-products. Distiller's grains serve as a source of feed and protein supplements for livestock.

"Ethanol offers farmers an opportunity to get a premium price for their corn. For example, if a plant were located in Holt County there would be an estimated 6-9 percent increase in the price of corn per bushel to producers within a 60 to 90 mile radius," stated Laurie Hansen, economic development director for the City of Atkinson.

Steering committee members are Tim Borer, Richard Bilstein, Clayton Goeke, Kirk Shane, Gerald Winings, Paul Corkle, and Ken Osborne all of the Atkinson area. Nedak Ethanol expects to be 100 percent owned and operated by independent agricultural producers with potential membership anticipated at up to 350 producers from North Central Nebraska.

Jerome Fagerland and Everett Vogel will serve as financial advisors and site selection advisors with technical assistance rendered by Atkinson Economic Development Board, USDA Rural Development, Central Nebraska Economic Development District, Nebraska Department of Economic Development, Nebraska Ethanol Board, Nebraska Public Power District, Nebraska Business Development Center, Rural Enterprise Assistance Project, University of Nebraska Lincoln and the Outback Regional Group.

For information on the Value-Added Agricultural Product Market Development Grant program, contact Mary Gambill at (402) 387-2242 or [mary.gambill@ne.usda.gov](mailto:mary.gambill@ne.usda.gov), 731 E. 4<sup>th</sup> Ainsworth, Nebraska 69210.

#

USDA Rural Development is an Equal Opportunity Lender, Provider and Employer. Complaints of discrimination should be sent to USDA, Director, OCR, Washington, D.C. 20250-9410.