

## Golden Grain plans to double ethanol production

By JOHN SKIPPER, *Of The Globe Gazette*

MASONCITY — Golden Grain Energy LLC plans to expand its Mason City ethanol production plant to twice its current capacity, company officials said Monday.

The expansion is subject to approval of the LLC membership and approval of various local and state incentive programs.

Walter Wendland, president and chief executive officer, said the company has worked closely with Dan Culhane of the Mason City Economic Development Corp. in identifying possible sources for grants. Fagen Inc., based in Granite Falls, Minn., has been selected as the design-builder for the expansion. Fagen was responsible for construction of the current plant, which has a nameplate capacity of 40 million gallons of ethanol per year but is operating well above that level, company officials said.

Members of Golden Grain Energy LLC are expected to vote on the expansion this fall, and with their approval and that of various incentive programs, construction could begin in spring 2006 and be completed in late spring 2007.

“With the excellent personnel and infrastructure we have in place and the recent passage of the energy bill, the board recognizes the opportunity to assume an industry leadership role in efficiency and productivity,” said David Sovereign, chairman of the board of Golden Grain Energy LLC.

With the expansion, Golden Grain will likely add six to eight employees to the current staff of 31 and will double its usage of North Iowa corn from 18.5 million bushels to 37 million bushels annually, according to Wendland.

Golden Grain Energy began ethanol production in December 2004 at its plant on a 70-acre site just south of Mason City.

The company is owned by more than 750 members, two-thirds of whom are farmers, said Wendland. About 75 percent of the members live in northeastern Iowa. In addition to producing about 50 million gallons of ethanol annually, Golden Grain also produces both modified wet and dried distillers grains. More information about Golden Grain Energy LLC is available online at [www.goldengrainenergy.com](http://www.goldengrainenergy.com). Reach John Skipper at 421-0537 or [john.skipper@globegazette.com](mailto:john.skipper@globegazette.com).

Golden Grain facts in brief (existing plant)

\* Production started Dec. 13, 2004.

\* 70-acre plant at 14542 240th St., south of Mason City.

\* More than \$27 million in equity raised from more than 740 private investors.

\* Employs 31 people with an annual payroll, including benefits, of more than \$1.7 million.

\* Plant will process 15 million bushels of corn annually, with 90 percent produced within a 25- to 30-mile radius.

\* More than 40 million gallons of denatured ethanol produced annually.

\* Corn usage expected to add at least 5 cents per bushel to area corn market, which could add as much as \$6.5 million in additional corn revenue for producers annually, according to statistics from U.S.

Department of Agriculture.

— Source: Golden Grain Energy