



SOUTH DAKOTA CORN COUNCIL

# REVIEW

News from the South Dakota Corn Utilization Council

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cover photo by Greg Latza

# ETHANOL

## *South Dakota's New Gold Rush*

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# Weed Control

## Planning, Continued Monitoring Keys to Ultimate Success

**W**hen planning for weed control, it's important to monitor fields carefully and watch for shifts. Changes, or shifts, in weed problems occur quickly. It takes just two or three seasons for a different weed problem to take over if it goes undetected the first year. For example, waterhemp that produced 1,700,000 seeds or velvetleaf with 8,000 to 10,000 seeds per plant will quickly shift the problem. Robust foxtail with 2,700 seeds per head compared to more common green foxtail with 200 seeds per head represents a much different weed problem. Woolly cupgrass continues to add acres each year. Control is more difficult than for foxtail with some conventional herbicide programs.

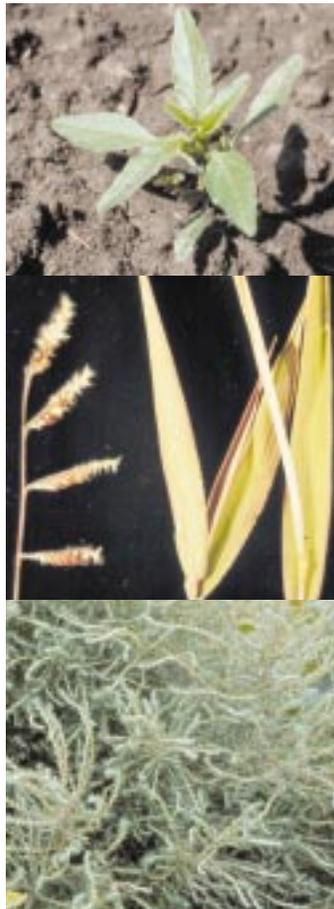
Fields should be checked closely as weeds begin emerging. Postemerge herbicides can be adjusted at that point. Late in the season, prior to harvest is another critical time. Weeds are easier to identify at that time. Observations made at this time provide the basis for next year's plan.

Plans should include management strategies to reduce the risk of developing problems with resistant weed biotypes. Rotating crops, using herbicides with multiple modes of action, using different herbicide programs and other sanitation are helpful. Kochia biotypes with ALS type resistance are widespread and require special herbicide planning.

**COMMON PROBLEM WEEDS:** (from top)  redroot pigweed, woolly cupgrass, kochia.

### Herbicide Planning Tips

- Select the herbicide program with a proven record on the expected weed problem.
- Use programs that have different timing across the acres.
- Use split application programs. They are consistent across varied conditions and spread the work load.
- Don't be late with postemerge herbicides. Foxtails should be removed at three weeks after emergence if they are heavy.
- Don't overlook hybrid performance; it can affect the bottom line more than the difference between good herbicide programs.
- Be prepared to adjust the program based on unanticipated weed changes.



## Calendar of Events

### JUNE 2003

- 11** Ethanol/Ag Night at the Canaries  
Sioux Falls
- 11** SDCGA Board Meeting  
Sioux Falls
- 12** SDCUC Board Meeting  
Sioux Falls
- 16** International Fuel Ethanol Workshop  
**- 19** Sioux Falls
- 23** SDCGA Corn Cob Open  
Madison

### JULY 2003

- 12** NCGA Action Team Meetings  
**- 13** Washington, DC
- 14** Corn Congress  
**- 15** Washington, DC
- 20** US Grains Council Conference  
**- 22** Minneapolis, MN
- 23** SDCGA & SDCUC Joint Board Meeting  
**- 25** Spearfish
- 28** South Dakota State Fair  
**- 2** Huron
- 30** ACE Annual Meeting  
**- 1** Sioux Falls

### AUGUST 2003

- 19** Dakotafest  
**- 21** Mitchell
- 26** SDCUC Board Meeting  
Sioux Falls

### NOVEMBER 2003

- 5** USMEF Conference  
**- 7** Tucson, AZ

# *Celebrating* ETHANOL



◀ The latest ethanol production facility to go on-line in South Dakota, Great Plains Ethanol in Chancellor held its grand opening celebration in March.

▶ A crowd turned out to celebrate the ribbon cutting festivities for Great Plains Ethanol in Chancellor. Shown from left to right are Congressman Bill Janklow, Lt. Governor Dennis Daugaard, Stephanie Devitt of Sen. Tom Daschle's office, Erik Nelson of Sen. Tim Johnson's office, Trevor Guthmiller, executive director, American Coalition for Ethanol, Bob Dinneen, CEO, Renewable Fuels Association and Jeff Broin, CEO, Broin Companies.



◀ Armed with scoop shovels, dignitaries including Sen. Tom Daschle (third from left) gathered in Brookings at the groundbreaking celebration for VeraSun Energy.

# GOLD RUSH

## With 9 Production Facilities and Counting South Dakota Producers Bank on Ethanol



**T**he Black Hills of western South Dakota experienced the state's first gold rush in the 1870s.

Today, with the rush to convert corn into ethanol, the new gold rush can be found in the corn fields of eastern South Dakota. Just this year, two more ethanol plants have begun production in South Dakota, Great Plains Ethanol in Chancellor and James Valley Ethanol in Groton, both of which are owned by farmers.

With the addition of these two new plants, South Dakota now has nine operating ethanol plants and two more are under construction. Existing ethanol plant capacity in the state is 255 million gallons. Along with the facilities in Chancellor and Groton, ethanol plants are also operating in Scotland, Aberdeen, Wentworth, Huron, Rosholt, Milbank and Watertown.

The ethanol industry will see continued growth as well. The VeraSun Energy ethanol plant in Aurora, just east of Brookings, began construction last winter. The VeraSun plant will turn about 40 million bushels of corn every year into a remarkable 100 million gallons of ethanol. As the largest greenfield drymill ethanol plant ever built in the United States, the VeraSun facility alone will use about 10 percent of corn grown in the entire state. VeraSun is a Brookings-based energy company that also has invested in the Glacial Lakes Energy ethanol plant in Watertown.

Another ethanol plant recently began construction near Hudson, South Dakota. Sioux River Ethanol has about 500 mostly farmer investors and is a pure South Dakota limited liability company. The amazing thing about this project was that it took the organizers just five days to raise over \$20 million from investors when it went public in March. The plant, organized by farmers, will be built and managed by South Dakota-based Broin and Associates. When Sioux River Ethanol comes on-line about a year from now it will add another 45 million gallons to South Dakota's ethanol industry, bringing the state's ethanol production capability to 400 million gallons.

Aside from these two projects, a couple of other groups currently are exploring ethanol plant projects in South Dakota. It's unsure at this time how those projects will progress, but one thing is undeniable: the state's ethanol industry has seen dramatic growth in the past few years.

More than 5,000 South Dakota farmers have invested in the ethanol industry in one way or another. Once the ethanol plants being constructed are operating, the ethanol industry in South Dakota will be using more than one-third of all the corn grown here. No other state will use more of its corn for ethanol production than South Dakota. The new demand for ethanol has already had an impact on corn prices, raising the basis throughout the state. This increase in corn prices has benefited not only those who have invested in ethanol plants, but everyone who raises corn in the state.

The credit for this growth goes in many directions, but most will agree that the path for the growth of the ethanol industry in South Dakota was laid by the South Dakota Corn Utilization Council (SDCUC) whose members decided that instead of simply funding efforts to export more corn, they should also work to build the ethanol industry in the state. The SDCUC has done this in a variety of ways, mostly by helping ethanol projects get off the ground financially. The investment of corn check-off funds contributed to building the ethanol industry in the state. By investing corn check-off dollars in the South Dakota ethanol industry, the SDCUC's leaders made a difference for corn farmers: higher corn prices and reduced transportation costs because of new, in-state markets for corn.

### Stay Informed With *Ethanol Today*

As the ethanol industry has grown in South Dakota, so has the need for accurate, up-to-date information about the industry. To help farmers and investors keep up with what is going on in the industry, the American Coalition for Ethanol, a South Dakota based non-profit organization, has started publishing *Ethanol Today* magazine. *Ethanol Today* is a general interest monthly periodical that includes news on ethanol plant projects, state legislative updates and interviews with people whose efforts affect the ethanol industry. *Ethanol Today* is available to farmers for a subscription price of \$50, a small price for someone who has thousands of dollars invested in the ethanol industry or in corn production. Anyone interested in subscribing to *Ethanol Today* can place their order by calling the American Coalition for Ethanol at 605-334-3381, or at the *Ethanol Today* website: [www.ethanoltoday.com](http://www.ethanoltoday.com).

While the future of the ethanol industry looks bright in South Dakota and throughout the nation, the industry will experience its ups and downs, and it will still take farmers working together to build a better future for everyone involved with agriculture. A decade ago the state's corn check-off decided to invest in the future by working to build an ethanol industry. Now that decision is paying off in the form of a growing ethanol industry. Of course, this doesn't mean the work is done, it just means that there are new challenges to face. Such challenges can also mean new opportunities.

The growing ethanol industry produces a large quantity of distiller's grain (DDG) in the state. The challenge of what to do with all this DDG presents an opportunity to build and strengthen the livestock industry. The SDCUC has begun an effort to promote the livestock industry in the state. If this attempt is only half as successful as the endeavor to build an ethanol industry, then we will all be hearing a lot more mooing and oinking in the years to come. The expanding ethanol industry is good news for our state's farmers and our state's economy in many ways, and with the opportunity to help the livestock industry in South Dakota, the gold rush could continue.

## *SDCUC & SDSU: Making a Difference Through Research*

# **Phosphorus Study Focuses on S.D. Agricultural Soils**

Livestock production is a major component of the economy in South Dakota. An increase in the numbers of large animal feeding operations has increased public awareness of water resource contamination and has prompted state and federal authorities to strengthen pollution control regulations.

Current South Dakota regulations base land applications of manure on nitrogen needs of the crop, with little consideration given to crop phosphorus requirements. This practice can result in phosphorus additions to soil well above what is required by the plant to achieve maximum dry matter yield. Animal producers who apply manure to soil as a nitrogen amendment or as a means of disposal subject sensitive watersheds to possible phosphorus runoff and lake eutrophication.

The result of overapplication of phosphorus is increased soil test phosphorus levels and research supports a direct correlation between soil test phosphorus and runoff phosphorus. Soil test phosphorus and runoff phosphorus correlations have not been evaluated for upper Midwestern soils receiving manure from the major livestock enterprises of

the region (i.e., beef, dairy and swine).

Realizing these issues, the South Dakota Corn Utilization Council is investing check-off dollars at South Dakota State University to study runoff phosphorus relationships in agricultural soils in South Dakota. The objectives of this phosphorus research are: 1) To establish laboratory and field correlations among soil test phosphorus, runoff phosphorus, and phosphorus saturation for select agricultural soils, and 2) To use the research results to educate area animal producers and extension educators on improved manure management.

Ten conventionally tilled cropland areas around Brookings were identified for the Vienna soil series. These sites had similar slope and topography and varied from low to very high agronomic soil test phosphorus.

The protocol for the national research project for simulated rainfall-surface runoff studies was used to develop soil test and runoff phosphorus relationships. A rainfall simulator constructed according to the national phosphorus research protocol by Joern Inc., Purdue University, has been purchased by the South Dakota State University

Agricultural Experiment Station and was used to conduct the research. Runoff generated from field sites was analyzed for total phosphorus (dissolved and sediment-bound phosphorus) and total dissolved phosphorus (organic and orthophosphate).

While soil test phosphorus is related to runoff phosphorus concentrations for the Vienna soil series, different phosphorus loading to water resources can result among soils possessing similar soil test phosphorus levels. Variability in runoff volume and erosion as a result of varying climatic and topographic factors, and/or agronomic practices will undoubtedly play a more significant role in determining phosphorus loss than soil test phosphorus alone. Therefore, additional research, both field and in-lab validation, is needed to evaluate if similar trends in soil test phosphorus and runoff phosphorus relationships are evident among the other agriculturally dominant soils in South Dakota. This information is the first step to developing more comprehensive phosphorus management plans for South Dakota that incorporate erosion and runoff potential.

## *Congratulations on a Job Well Done!*

*Bill Chase, representing the SDCUC, presents the South Dakota Corn Utilization Council Scholarship to Lucas Peters at the South Dakota State University College of Agriculture and Biological Sciences Scholarship Banquet in April. Peters is an agronomy major from Clark.*



*Winners in the Grain Production category, sponsored by the SDCUC at the State FFA convention were (left to right): Joel Zweep, Garretson, first place; Michael Gottlob, McCook Central, second place; and Jason Biel, Wilmot, third place. Presenting the awards is Walt Johnson, South Dakota FFA Foundation president.*



# PLA

**How Many Times**

**Has It Touched *Your* Life Today?**

**W**hen most people think of corn, they often focus on food items, such as tortilla chips, popcorn or livestock feed — but that’s beginning to change. The corn-derived fiber known as polylactic acid (PLA) is popping up all over lately since a PLA plant began production in Blair, Neb., this winter.

Corn farmers have invested grants and check-off funds from 20 grower states allowing NCGA to partner with Cargill Dow in researching PLA, which can be used for a number of non-traditional uses, such as fibers to make clothing and plastics. Corn-based products are renewable, environmentally friendly and energy efficient.

“PLA is one more example of how much potential we have to make corn-based industrial products,” said Mike Randall, SDCUC market development committee chairman. “I don’t think anyone dreamed 20, even 10 years ago, a product such as PLA would exist, much less be used in such diverse ways as plastics, clothing, bedding and carpeting. It’s an exciting time.”

Some of the new products made with PLA include:

- Sealy® NatureWorks™ pillows, mattress pads, comforters and other products filled with a revolutionary, all-natural, hypo-allergenic fiber. NatureWorks fiber offers the comfortable, lofty support of traditional polyfill, yet it’s completely natural, requires less energy to produce and is completely biodegradable.
- InterfaceFLOR, Inc. marks the first time a company has launched a residential floor covering made from the branded, proprietary fiber. When used in flooring applications, the fiber features the inherent advantages of stain resistance, UV resilience, soft feel, vibrant colors and lasting performance.
- Today many DVD players feature a front plastic component made from PLA. PLA is used for the front and back marker bases of the electric charger for the AIBO.

To browse a listing of more than 600 corn-derived products check out the Corn-Based Products Guide at [www.ncga.com](http://www.ncga.com).





# President's Report

Hello, my name is Ludwig Hohm. My friends call me Lud. I consider it an honor to serve as President of the South Dakota Corn Utilization Council. This article was written shortly after Easter, and we have received 2 inches of rain. I hope and pray that more rain will follow and I trust that you are also getting some much needed moisture.

I farm with my dad northeast of Huron near Yale. Our farming operations consist of corn, soybeans, alfalfa, sunflower, grass, and spring and winter wheat. We also have a cow-calf operation. I have been blessed with a wonderful family that includes my beautiful wife, Julie, and two children, Jesse and Susanna.

The SDCUC has been working diligently on developing markets for corn in South Dakota. Three years ago we hoped to process 20 million bushels of corn in South Dakota. We developed a long-term plan, and worked non-stop on implementing our plan. We were more successful than we could ever have imagined. In 2004, one of every three

rows of South Dakota corn will be used for ethanol development, equaling more than 100 million bushels.

The SDCUC will continue to fight for markets for our farmer owned ethanol industry. But we are also looking at the next step in moving up the profit chain. When corn is processed into ethanol the starch is removed. What remains is dried distiller's grain (DDG), a feed high in protein and fiber that works well for dairy and beef cattle.

South Dakota will have over 900 million tons of DDG on the market in 2004. This product costs about \$10 a ton to dry down (cost can vary, depending on natural gas price) and up to \$35 a ton to transport to major markets in the west. It also has 40 percent more feed value when it is fed wet. Therefore, South Dakota is one of the most economical places to feed dairy and beef cattle in the United States.

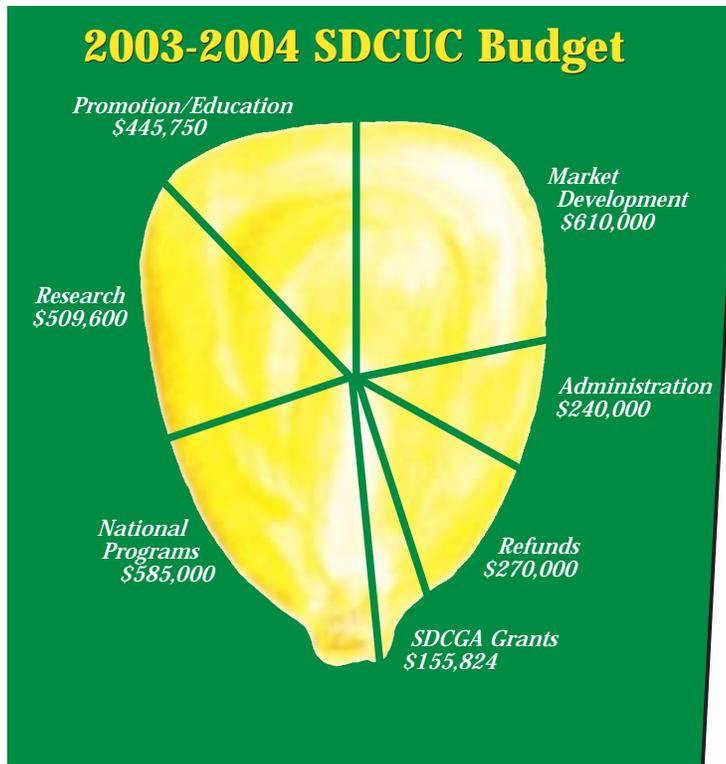
The SDCUC also continues to work closely with our Land Grant University. In 2003, the SDCUC committed \$234,600 to South Dakota State University. This

money will help to fund various agriculture-based projects including value added uses for corn, distiller's grain research, manure management and gasification technology.

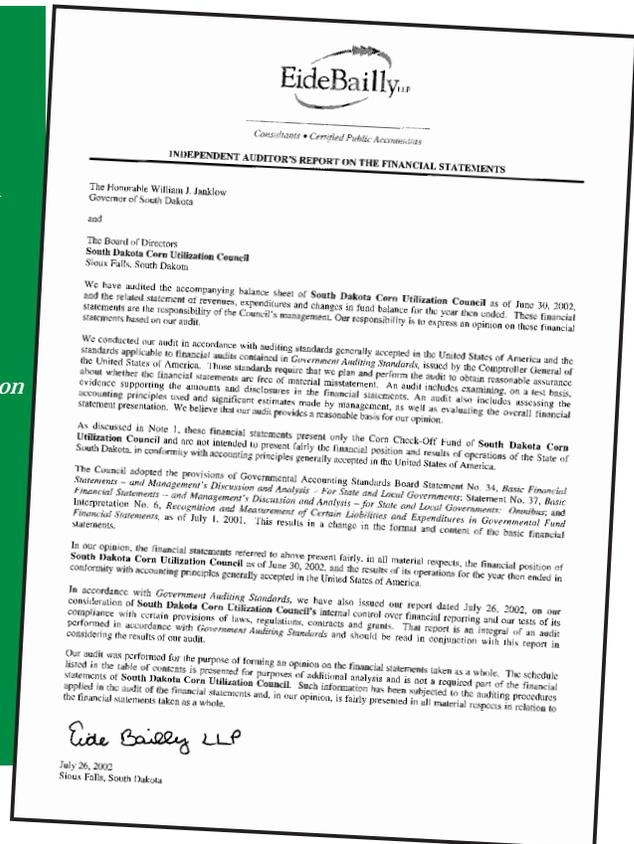
I look forward to the challenges facing all of us. Our prosperity hinges upon demand for our product. We must continue to create value-added opportunities in South Dakota. The SDCUC will strive to find new markets for our corn and our distiller's grain. Livestock consumes more than 75 percent of our products. It is imperative that corn producers have a viable livestock industry in South Dakota.

I appreciate the opportunity to share with you the vision the SDCUC has for developing markets in South Dakota. If you have any suggestions or questions, please contact me, or the SDCUC representative in your district. Have a great spring and summer, and "Hey, be careful out there!"

Sincerely,  
Lud Hohm  
President, SD Corn Utilization Council



The 2002 SDCUC audit report is in. According to Eide Bailly, LLP, Certified Public Accountants, all funds for the 2001-2002 fiscal year have been accounted for. ▶



# Trade with Mexico, Cuba Discussed at U.S. Grains Meeting

The high fructose corn syrup (HFCS) situation with Mexico and trade with Cuba were two of the top issues focused upon by the South Dakota Corn Utilization Council (SDCUC) at the U.S. Grains Council's (USGC) annual membership meeting held in Guadalajara, Mexico in February. The meeting also provided corn growers the opportunity to become more informed about trade issues.

"A number of high-level speakers attended from countries such as Mexico and Cuba who were able to give some in-depth information on those issues," said Jerry Rubendall, SDCUC board member. "Plus, some of the later sessions gave our growers the chance to hear from some of Grains Council's international staff on what has been going on in the markets all over the world. SDCUC board members were also given the opportunity to weigh in with their suggestions and what they would like to see on the trade front in the coming year."

Along with Rubendall, representing the SDCUC at the USGC annual meeting were Brian Woldt, Clint Vanneman and Reid Jensen.



*Gigantes Tepa's feed mill produces 20,000 metric tons monthly for consumption by its livestock operations.*

*Jerry Rubendall, SDCUC board member, visits with a representative of Mexico-based agriculture company Gigantes Tepa. An estimated 70 percent of grain for the company's poultry, dairy, swine and beef operations is imported.*



The HFCS situation between the United States and Mexico continues to garner attention and Rubendall said several speakers at the event acknowledged the issue during their presentations. "The sense at the meeting was we're at an impasse," he said. "Much of the agreement is done and many of the details are worked out, but there are certain provisions, such as the amount of sugar that Mexico wants to ship to the United States, that still fall to the Mexican government. The ball is in their court, but there wasn't a lot of optimism of any near-term solution."

The tax on HFCS, which in Mexico is largely made with U.S.-grown corn, was imposed Jan. 1, 2002, as an attempt to aid Mexico's debt-ridden sugar industry and increase the government's tax collection revenues.

On the Cuban trade front, the discussion was more positive. The members in attendance had a chance to hear from Pedro Alvarez Borrego, chairman of Empresa Cubana Importadora Alimentos, who explained he had \$1 billion per year to spend on imported food items and that number could increase if some of the embargo restrictions were lifted. The amount they import from the United States could rise to as high as 60 percent if the embargo were lifted. They have already imported about 200,000 metric tons of U.S. corn and that number could go up 300,000 to 400,000 if there were no restrictions.

"It's an interesting market," added Rubendall. "It's not a huge market, but it's one right next door to us and it ought to be our market. They want to buy from us and we want to sell to them. It's advantageous to us both."

## SDCUC Partners with 4-H Students to Support U.S. Troops

The South Dakota Corn Utilization Council was honored to take part in a special project launched with the 4-H Foundation to help support our military troops during the war with Iraq. To show their support, 4-H students from across South Dakota assembled "I Care Kits."

The kits consisted of Band-Aids, beef jerky, pencils, glad corn, notebooks, sunblock, sunflower seeds and most importantly a handwritten note from the

4-H students thanking our military for all they are doing for us. The 4-H students assembled more than 1500 "I Care Kits."

"This was a great project to be involved with," said Teddi Mueller, SDCUC communications director. "People across the state of South Dakota are concerned about friends and neighbors who have been deployed in the military and the 4-H students wanted to do something to show that they care."

Nancy Swanson, executive director of the South Dakota 4-H Foundation added, "The support from 4-H Foundation donors was wonderful and this project couldn't have been completed without the help of organizations like the South Dakota Corn Utilization Council. We very much appreciated the enthusiasm demonstrated by our 4-H members as they rallied to show support for our troops."