• Corn stocks are extremely tight in the upper Midwest
• Some early Southern corn has moved into the Midwest
• Harvest is expected to be very large, but late
- Dry mill margins have been slightly above breakeven
- Production rates increased over the summer, but have fallen with short corn supply
- Many Plants are down for scheduled fall maintenance
Ethanol stocks are extremely low
26 plants are estimated shut down, 10 have restarted
Many are awaiting harvest to restart
Imports and Exports are down from last year
Ethanol Blending as % of Mogas Consumption

- Ethanol blending is now about 9.9% of the gasoline pool
- E-85 volumes are increasing in the Midwest
- E-15 is starting to show up at some Midwest gas stations
- Waiting to see if EPA will change the 2014 Volume Obligations
• A dramatic move in RINs since the beginning of the year
• Some obligated parties (Refiners & Importers) are short
• Extreme price volatility over the summer

Source: Bloomberg Finance L.P.
• EPA is targeting 1.28 B gallons of biodiesel for 2013
• Industry is producing at a rate of 1.3 B gallons today
• Blenders are pressing hard to generate D-4 RINS
Biofuels Rail Transportation

• Rail service continues to be very good in the East
• Maintenance projects have caused delays in the West
• Some severe service issues on Western Carriers
• Some Iowa Plants have had problems with MT returns
• Railroad velocity continues to be good in general
• Tank car availability has loosened up a little bit, but still tight and expensive
• Increased Unit Train destinations have improved tank car turn times and efficiency
• Rail rates continue to increase and pressure margins