**U.S. CORN SITUATION**

<table>
<thead>
<tr>
<th>US Corn Supply &amp; Demand</th>
<th>12/13</th>
<th>13/14</th>
<th>14/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planted (mln acres)</td>
<td>97.3</td>
<td>95.4</td>
<td>90.6</td>
</tr>
<tr>
<td>Harvested (mln acres)</td>
<td>87.4</td>
<td>87.7</td>
<td>83.1</td>
</tr>
<tr>
<td>Yield (Bu/Acre)</td>
<td>123.1</td>
<td>158.1</td>
<td>171.0</td>
</tr>
<tr>
<td>Carry-In (mln Bu)</td>
<td>989</td>
<td>821</td>
<td>1232</td>
</tr>
<tr>
<td>Production</td>
<td>10755</td>
<td>13829</td>
<td>14216</td>
</tr>
<tr>
<td>Imports</td>
<td>160</td>
<td>36</td>
<td>25</td>
</tr>
<tr>
<td>Total Supply</td>
<td>11904</td>
<td>14686</td>
<td>15472</td>
</tr>
<tr>
<td>Food/Industrial</td>
<td>6038</td>
<td>6501</td>
<td>6645</td>
</tr>
<tr>
<td>Ethanol</td>
<td>4641</td>
<td>5134</td>
<td>5250</td>
</tr>
<tr>
<td>Feed / Residual</td>
<td>4315</td>
<td>5036</td>
<td>5250</td>
</tr>
<tr>
<td>Exports</td>
<td>730</td>
<td>1917</td>
<td>1750</td>
</tr>
<tr>
<td>Total Use</td>
<td>11083</td>
<td>13595</td>
<td>13645</td>
</tr>
</tbody>
</table>

Source: USDA February 2015
• Carryout stocks expected to grow to 1.8 Bln bushels
• Plenty of feed grains available in world to compete with US corn
• Planting intentions are looking like a slight decrease in corn acres
• Stocks rebounding thanks to record levels of production from healthy margins.
• Stocks grow as production stays at near record levels going into 2015.
• 21 Day Supply is typical for the Ethanol Industry
ETHANOL INVENTORIES ARE HIGH

- Inventories have built rapidly since December
- Due to high Production and lower Winter Demand
ETHANOL PRODUCTION AND MARGINS

US ETHANOL PRODUCTION vs. CORN DRY MILL MARGIN

- EIA Weekly Production
- STEO Monthly Prdn, Actual
- STEO Monthly Prdn, Forecast
- RFS2 Conventional Biofuel (PRX calc)
- JSA Dry Mill Margin Estimate

Mil Gal Annualized:
- 9/1/09 to 9/1/16
- Corn dry mill margin (vs. approx breakeven at $0.38/gal)
- Corn dry mill margin (vs. approx breakeven at $0.2/gal)

- VEETC expires
- Ethanol Production (Weekly & Monthly)
- Ethanol margins were down for the week, along with production

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Exports will play a bigger role given the record production and oversupply of domestic ethanol.

2015 is expected to be +7% increase export vs 2014.
WHERE THE EXPORTS GO

Top Markets for U.S. Ethanol Exports in 2014
Weighted Average Train Speed for Ethanol, MPH

Source: Houston Biofuels Consultants LLC
Total Loaded Ethanol Cars not Moved in Greater than 48 Hours

Source: Houston Biofuels Consultants LLC
• 2014 production was 1.7 Bln gallons. $1/gal blender credit was issued in December
• Similar production projected for this year
• EPA 2014-2016 volume obligations are expected by Spring, 2015
• No word yet on blender’s credit for 2015, If no credits then RIN’s will have to work
Ethanol

- Given the significant capital investments, transit times and service have improved overall
- Much better service than last year, but still more power & crew issues than in previous years
- Winter conditions in the East are challenging
- Chicago has improved but is still inconsistent
- Rate increases continue at unprecedented levels
- Concerns about Fuel Surcharge changes

Tank Cars

- Recent incidents at Dubuque, IA and Mount Carbon, WV have highlighted the differences between Ethanol and Crude Oil impacts
- Ethanol fleet retrofit Cost/Benefit is of great concern
- Concerns about Surcharges for DOT 111’s and Empty Shop Returns