

Business

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Ethanol euphoria: Cadiz, Coshocton projects making progress

By **LEE MORRISON, T-R Business Editor**

Strong interest nationally in corn-produced ethanol is taking root in the Tuscarawas Valley region.

Ethanol production facilities are being built near Coshocton in Coshocton County and Cadiz in Harrison County.

Chris Zoller, Tuscarawas County Extension agent for agriculture at New Philadelphia, said county farmers harvested about 18,200 acres of corn in 2005 and 16,100 acres in 2004, the most recent statistics available. He expects a similar amount this year.

He's heard more talk about ethanol because of the proposed facilities, but he doesn't expect area farmers to change their corn crop cultivation to cater to the green-fuel business – at least until an ethanol facility is in operation.

Increased demand for corn for ethanol, partly due to speculation by investors, is driving feed costs higher. That will ultimately cost consumers more for meat, dairy and food products that involve corn for feed or ingredients, national experts say.

Despite increased fuel and fertilizer costs, Zoller said he hasn't heard county farmers talking about any major changes in how much crops they'll plant.

"I don't see many changes ahead," he said. "We're seeing prices for a bushel of corn over \$4 because of demand. The futures market prices we see today – those are prices farmers have not seen for many years."

The yield per acre of corn harvested for grain in Tuscarawas County has hovered near 131 bushels since 2003. "I see a lot of positives coming from the two ethanol facilities," Zoller said. "They're going to help show the importance of agriculture in Tuscarawas, Coshocton and Harrison counties. It's certainly going to provide jobs for the area and some alternative feed sources. Whether or not we'll see much of an increase in prices for, say, a bushel of corn remains to be seen. Overall, it's a positive for agriculture. I don't see it driving anybody out of business as far as higher costs for feeding their animals. I haven't even heard any talk like that. The Cadiz location is going to involve a dairy operation and a beef feed lot. That should be a positive for farmers who could supply animals for that."

Gary Weber, chief operating officer of Harrison Ethanol LLC at Cadiz, said there's been a lot of interest from farmers. "And, there has been a lot of concern that we might not be buying feed or cattle locally because of the rail service to the site," he said. "We are going to rely heavily on local farmers and cattle producers for supplies. It's very important to have a good association with the agriculture sector in Harrison, Carroll, Tuscarawas, Guernsey and Jefferson counties".

Harrison Ethanol represents a \$73 million investment in Harrison County. When completed, the facility will employ 107 people on site. The operation will use nine million bushels of corn annually to produce 20 million gallons of ethanol. The facility will house 10,000 beef cattle and 2,000 dairy cattle.

The facility also will use trucks for hauling animals and materials, Weber said in response to those concerned that all activity might be by rail. Estimates are 60 truck driving jobs will be created.

Weber said he believes that all over the United States farmers are increasing their number of acres of corn, as well as using more fertilizer to boost yield.

“There’s a lot of incentive for people to take a careful look and increase their yields,” Weber said.

He expects the increased output to push the price back to the \$3-range and stay there, “but that still will be very profitable.”

Weber also dismissed concerns that the two facilities might use all of the area supply, making corn unavailable for farmers who need it for feed.

“I think there will be more than enough,” he said.

Snow and a stretch of extremely cold weather stalled the work that progressed during the earlier mild winter.

“Once the weather improves, we’ll complete the grading and site work,” he said. “Then, we’re ready to begin heavy construction of the ethanol plant and the new railroad yard for bringing corn in and taking ethanol out. Next, we’ll start on the dairy and cattle feed lot on the east side of the lake there. There’s dairy, beef, ethanol and the anaerobic digester – those are big parts of the uniqueness of that operation. We should produce 2.5 megawatts of electricity from the anaerobic digesters using animal waste. The other neat thing from producing electricity is that the waste heat that comes off the system will be captured for steam to use in ethanol. It’s a very energy-conserving system.”

Plans call for the complex be fully operational by June 2008, Weber said. The dairy should be in operation by late this fall or early winter.

Coshocton Ethanol LLC is a \$110 million project by Altra Biofuels, headquartered at Omaha, Neb. The facility will be only for ethanol production, expecting to generate 55 to 60 million gallons annually, according to T.J. Justice, executive director of the Coshocton Port Authority.

The facility off Coshocton County Rd. 271, about two miles west of Coshocton, “is well along under construction and projected to being in production by this fall,” Justice said. The company has been meeting weekly with city officials and design engineers about providing water and sewer needs for the plant.

General contractor for the project is TIC of Michigan. At its peak this summer, the facility should employ 250 to 300 construction workers, Justice said, with 42 full-time employees involved in operating the plant.

“Generally, facilities like this draw from a 30- to 40-mile radius,” he said.