Ethanol Risk Management Training

The Situation

North Dakota corn-ethanol refineries are a key component of the state’s agricultural industry using more than 165 million bushels of corn each year to produce 475 million gallons of ethanol and nearly 1.5 million tons of distillers grains.

Corn-ethanol refiners are exposed to significant amounts of risk that, if not managed well, can jeopardize the ongoing viability of the plant.

This risk can be spread to the local community to farmers that supply corn and feeders that purchase distillers grains from the refinery.

Extension Response

NDSU Extension and the NDSU Department of Agribusiness and Applied Economics in partnership with the North Dakota Renewable Energy Program, an agency of the North Dakota Industrial Commission, ADM, and CHS has developed risk management training for merchants, managers, analysts, lenders and others involved in the corn-ethanol industry.

A two-day training was held in June 2016 in the Commodity Trading Room in Barry Hall at North Dakota State University. The training was delivered by David Ripplinger, Bioenergy/Bioproduct Economics Specialist with NDSU Extension, and Bill Wilson, University Distinguished Professor, NDSU Department of Agribusiness and Applied Economics. The training included lecture, discussion, case studies, and simulated trading.

Impacts

Participants were surveyed electronically after completion of the training. Respondents reported:

- The eventual value or benefit of the training 8.71 (scale from 1 to 10)
- The quality of the speakers and the content 8.57 (scale of 1 to 10)

Feedback

Participants stated:

“I think the course was very well organized. It covered everything from A to Z in a short 2 day period.”

“Wonderful class given from a big picture perspective with plenty of chances to ask questions.”

“It was fantastic! I want to come back again!”

“I learned a significant amount from the training. The information and discussion around my basic understanding of the topics was very helpful. Thanks.”

Public Value Statement

Improved risk management by North Dakota’s corn-ethanol refineries strengthens the sector’s supply chain benefitting farmers, processors, and communities.

Contact

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