

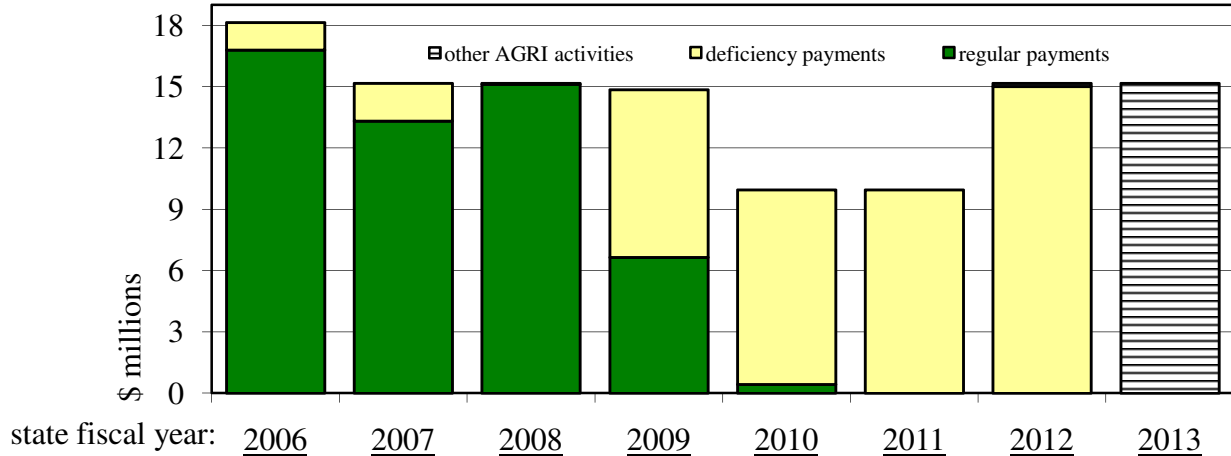
## ETHANOL PRODUCER PAYMENT PROGRAM

August 2010

Minnesota Statutes, Section 41A.09, authorizes payments to eligible ethanol plants based on the amount of ethanol produced by June 30, 2010. The following table summarizes recent activity.

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
appropriation <sup>1</sup>	18.145	15.168	15.168	14.858	9.948	9.948	15.168	15.168
regular payments <sup>2</sup>	16.788	13.318	15.123	6.647	0.421	0	0	0
deficiency payments <sup>3</sup>	1.357	1.850	0.045	8.211	9.527	9.948	15.014	0
other AGRI activities <sup>4</sup>	0	0	0	0	0	0	0.154	15.168

dollars, in millions



<sup>1</sup> Laws of 2009 and 2010 reduced the 2010 and 2011 appropriations by \$5.22 million each year on a one-time basis. Appropriations for fiscal years 2012 and 2013 show "base" level funding, which must be passed by the Legislature and enacted by the Governor.

<sup>2</sup> M.S. 41A.09 sets ethanol producer payments at a rate of 20 cents per gallon for production made through June 30, 2010. Separate laws passed in 2003 and 2005 temporarily set payments for fiscal years 2004 through 2007 at a rate of 13 cents per gallon but required the remaining 7 cents per gallon to be tracked as deficiencies. Payments for 2008 through 2010 were made at 20 cents per gallon.

<sup>3</sup> M.S. 41A.09 requires the commissioner to reimburse ethanol producers for payment deficiencies "until the deficiencies for each producer are paid in full, except the commissioner shall not make a deficiency payment to an entity that no longer produces ethanol on a commercial scale at the location for which the entity qualified for producer payments, or to an assignee of the entity."

<sup>4</sup> In fiscal year 2012, it is estimated that \$15.014 million of the base appropriation amount (\$15.168 million) will be used to make the program's final deficiency payments. In fiscal year 2013, the whole appropriation will be available for other activities per Minnesota Statutes, Sections 41A.09 and 41A.12.

**FOR MORE INFORMATION:**

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