

U.S. Ethanol Production in Fewer Hands

What was once an industry characterized by farmer co-ops and locally owned refineries, the U.S. ethanol industry is rapidly becoming more corporate. *In the past two years, farmers' share of total ethanol production capacity has fallen from 34% to approximately 16%.* The top four ethanol producers in the country now own 32.7% of the nation's total production capacity. Out of 20 new plants planned or under construction, none are locally or farmer owned. The latest data on corporate concentration (from the Renewable Fuels Association, an ethanol industry group) is below:

Estimated CR4 Concentration Ratio U.S. Ethanol Production

Producer	Production Capacity (million gallons/yr)	Market Share – Production Capacity	Actual Production (million gallons/yr)	Market Share – Actual Production	Under Construction (million gallons/yr)	Market Share -Total Post-Construction Capacity
POET	1469	11.6%	1469	13.9%	70	10.7%
ADM	1070	8.5%	1070	10.7	550	11.3%
VeraSun*	915	7.3%	?	?	0	7.3%
Valero	670	5.3%	440	4.2%	0	5.3%
Total	4124	32.7%			620	34.6%
Locally Owned Refineries	2048.1	16.2%			0	14.2%

*Despite its place as the third largest producer of corn ethanol in the nation, VeraSun Corporation filed for bankruptcy last fall. The company's holdings were auctioned off in March as part of the bankruptcy proceedings. Number four producer Valero Corporation reportedly acquired two of VeraSun's refineries. The rest were sold to other bidders at auction. As those sales are finalized the concentration ratios will shift substantially.

Source: Renewable Fuels Association 2009. <http://www.ethanolrfa.org/industry/locations/> (accessed May 9, 2009)