



Big River *The Pipe Line* Resources

October 2008 The official Newsletter of Big River Resources, LLC Volume 2 Issue 4
Toll Free: 800-463-9850 - 15210 103 Street West Burlington, IA 52655- Fax: 319-753-1103

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~ ~ ~ ~ ~ HAPPY FALL ~ ~ ~ ~ ~

Fall has officially arrived. Beautiful color spectrums are being displayed throughout the tree lines. One can easily get distracted driving while taking in all the earth's natural beauty. The evenings are getting cooler and each night another house turns on the furnace. Oh how marvelous the mornings are waking to a brisk house and slipping on those comfortable winter woolies. Few may admit it, but a thought always rushes through your mind, if only these could be worn to work. The work day would be so comfortable and relaxing. However, if worn all day everyday, they would just not be appreciated as much in the evenings and mornings!

Here in the Midwest, combines are rumbling and days are lengthy as farmers are diligently working to get the crop harvested. It will not be long and the crop will be harvested, the land worked for the season, and winter will begin to settle.

BRR hopes you are able to nestle into your winter woolies and enjoy this newsletter.



Best wishes and
HAPPY FALL.



Company Overview

Big River Resources continued to move forward with successful operations and growth through the 3rd quarter of 2008. The ethanol industry has grown with new capacity coming on line at record pace. It is estimated that 1.2 billion gallons of new capacity will come into production in the final 4 months of 2008. This will bring the total annual industry production over the 10 billion gallon mark. This growth has been matched with increased demand as the favorable economics of ethanol blends and Renewable Fuel Standard have worked together to expand markets into the East, South East and South West parts of the United States. The ethanol industry continues to be an important part of the country's energy independence effort while providing favorable markets for agricultural products, valuable feed products, and economic stimulus within rural communities.

World economic turmoil and volatility continue to influence the marketplace with dramatic price and value changes. Most recently, the marketplace has discovered the price of corn and other commodities may have been influenced by other factors than fundamental supply and demand. In the course of this transition, the market presented a risk for commodity oriented business including the feed and ethanol industry. All commodity prices including corn, oil and ethanol have faced significant changes over the past few months. Big River Resources, LLC follows a conservative risk management policy and has actively managed risk through the normal course of business. 2008 will continue to provide a challenge as volatile economic factors impact all economic areas of the world. Be assured, we continue with a policy of retaining a solid balance sheet and continual review and management of marketplace risk to protect our member's equity investment.

Big River Resources locations have all provided positive contributions within the overall business strategy throughout this year. Current operational results at our locations include many hours of effort to meet

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BRR was proud to support the Grand Opening and ribbon cutting ceremony of Unity Biofuels facility in Mt. Pleasant, Saturday, Oct 11th.



Unity Biofuels has debuted a technology to permit blending of ethanol and gasoline in the pump versus blending at the terminal. At stake: under US law, the \$0.51 ethanol excise tax credit goes to the blender: typically a major oil company that is blending fuels. Using the Unity system, retailers can capture the blending credit and either retain or pass along in savings to their customers. With denatured ethanol quoted on the CBOT at \$2.35 and gasoline at \$2.89, the potential does not appear strong for passing along additional savings to customers, but a theoretical price spread could be created between E85 and gasoline (on a wholesale basis) of 32.1 percent, more than the fuel economy difference reported by AAA of 28 percent between E85 and gasoline, making E85 competitive with G100 gasoline and even more competitive with E10. Source: Biofuels Digest



FOOD & FUEL: DOMESTIC FACT SHEET

There has been a fervent public debate raging since late 2006 concerning the impact of ethanol on the food industry. Corn-based ethanol is often at the center of the debate and has been the target of several campaigns directly blaming higher food prices on the increased demand and production of the alternative fuel source. The facts: a recent study published by Texas A&M confirmed that rising food prices have very little to do with the price of corn and ethanol production.

Fact: Studies show that only 4 percent of the change in the Consumer Price Index (CPI) is directly related to corn prices. The balance of the cost of rising food prices is due to marketing, advertising and transportation.

Source: Consumer Federation of America (CFA)



DOMESTICK PRICE INCREASES

- Skyrocketing fuel costs are the biggest reason for food price increases, as the cost of transporting the food we eat across the country (approximately 1,500 miles from field to table) is passed on to the consumer. We see the effects at the grocery store and every time we buy gasoline. You can help reduce your grocery bills by buying local produce and thereby significantly lowering transportation costs. Source: Consumer Federation of America (CPA)
- On every acre a farmer plants, escalating oil prices are in turn increasing costs and lowering return on investment. The price of diesel fuel, for example, has increased by 35 to 40 percent over the last year, and this significantly affected crop input costs. Source: MN National Corn Growers Association (NCGA)
- According to a recent study by Texas A&M University, the true underlying culprit of changes in the agriculture industry, and the economy as a whole, is the sharp rise in the cost of energy. Oil prices of more than \$120 a barrel directly affect food prices. Consumers, however, can play a role in addressing this problem: To help reduce energy costs (both at home and in transportation) consider raising the temperature of your air conditioner by 3 degrees and using alternative fuels such as ethanol, which helps to extend our fuel supply. Source: "The Effects of Ethanol on Texas Food and Feed," Agricultural and Food Policy Center, Texas A&M University

FUEL PRICES WITHOUT ETHANOL

- Without an alternative fuel source such as ethanol, the price of gasoline would spike at least another 14.6 percent. As an example: If gasoline is \$4 a gallon at the pump with the current availability of ethanol, it would jump to \$4.58 a gallon without the use of ethanol as an alternative fuel. Source: Merrill Lynch
- The addition of ethanol to U.S. gasoline supplies helps keep gasoline prices down, and also helps keep the price of crude oil lower than it otherwise would be by reducing overall demand. This prevents the cost of food from increasing even more. Source: Renewable Fuels Association

ETHANOL EFFICIENCY IMPROVEMENTS

- Ethanol is made from field corn, which is not the same as sweet corn we find in our grocery aisle. Field corn is used in some food products but only makes up 5 to 8 percent of total corn usage, so it stands to reason that ethanol production weighs lightly in the spiking food prices being experienced. Source: National Corn Growers Association (NCGA)
- Ethanol production uses only the starch portion of the corn kernel. The remaining protein, fat, fiber and mineral are still used as high-value livestock feed (Dried Distiller's Grain). The U.S. corn surplus for 2007 was approximately 1.8 billion bushels, which was significantly higher than the average over the past 20 years. There is more than enough corn to meet all the various kinds of demand. Source: National Corn Growers Association
- Improved production practices along with new developments in biotechnology are driving the enhance efficiency of the individual corn plant. The result: A demonstrated trend of higher corn yields every year. Average yields per acres of corn are expected to hit an all-time high of 173 bushels per acres by 2015. This means that we don't have to make a choice between food and fuel- American farmers can grow enough to meet ALL our needs, as well as the needs for growing worldwide populations. Source: Farm Business Management—University of Illinois

Full Article Found on www.drivingethanol.org



Company Overview

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production and customer needs. The West Burlington Ethanol plant has operated at an average rate of 95 million gallons annual production for the first three quarters. Production through September includes 70.7 million gallons of fuel grade ethanol, 209,219 tons of high quality DDGS and 476,465 gallons of non-food grade corn oil. We have been very pleased with our corn oil extraction process as we currently produce 5 gallons per minute for a daily production of 7,000 gallons of corn oil marketed for Bio Diesel production. This is a revenue stream that provides additional economic efficiency for Big River Resources. Our grain facilities at Monmouth provided in excess of 2 million bushels over the course of the year for ethanol production at West Burlington. The Monmouth team have prepared the facilities for harvest and are currently working long hours receiving, drying and storing corn from this year's harvest to serve our customer and provide corn for ethanol production in 2009.

Big River Resources at Galva has stepped up the pace with a heavy unit train schedule through out the summer. The Galva grain team have received and loaded over 10 million bushels of corn into 24 Burlington Northern 110 car unit trains. This team is to be commended for working around construction and paving schedules to meet customer needs throughout the busy unit train season. Operation of this facility has been an added bonus by providing a market for our customer's corn and profitable results while the ethanol plant remains under construction. Construction remains at a hectic pace with Fagen and other contractors currently providing employment to over 200 construction workers to continue building our plant. Currently most of the tanks and fermenters have been constructed. Buildings and conveying equipment are being assembled with process piping, cooling towers and the water plant well under way. Our project site management have been busy working long hours to monitor construction and ensure details meet quality specifications. Please be sure to check our website for ongoing pictures of construction progress.

Big River Resources wishes to thank its members for their continued support as we grow your business to the next level. Please be sure to stop by and meet your staff and patronize our businesses during the busy fall season.

Big River Resources Galva Employment

Continue to watch the website for Galva employment opportunities. There is one Accountant I position currently posted. Additional postings will continue, the majority may be posted in the December time frame with interviews possibly beginning early 2009.

<http://www.bigriverresources.com/employment.php>

Galva Rail Team

Big River Resources is excited to introduce the team working at the rail facility at Big River Resources Galva, LLC. They became full time employees June 1, 2008 when Big River Resources Galva,



Dennis Aupperle, Beth Gibson,
Larry Goff, Sue Spiegel

LLC began operating the Lincoln Land Rail facility. We are excited to add them to the Company and further the growth at Big River Resources Galva, LLC.

Commodity Corner

Record Floods, Record Yields, Record Price Volatility

- What a year this is turning out to be. As harvest lethargically progresses, we continue to see varying situations in crop production being reported by producers and elevators; one location has ample space and corn too wet for harvest and the next location seeing good harvest activity. One thing is for sure, as the situations vary for each elevator, you can count on your Big River Resources Origination team busy at work trying to find creative ways for you to market your grain as profitably as possible.

West Burlington – Price Later, Deferred Payment, Basis, and Minimum Price contracts are just some of the tools available outside of normal flat price contracts that can give you pricing flexibility if you need to move your grain from farm to market.

Monmouth – All the warehouse services of a country elevator are at your disposal along with the same contracting options that are available at West Burlington.

Galva – The unit-train loading facility is a location that continues to offer rapid delivery and competitive bids for your grain. Looking ahead toward summer, we are anxiously awaiting the start-up of the ethanol plant to be able to offer even more options.

As the year progresses, and whatever your situation or challenge, Big River Resources is willing to help meet or exceed your grain marketing needs. One thing is for sure, change will occur. Your company's origination team is ready to help you tackle the change with flexible marketing tools. Thank you for the opportunity to serve your needs.

Big River Resources LLC
15210 103rd Street
West Burlington, IA 52655



Big River Resources Galva



Administration Building



Administration Building

Projected Galva Completion Date: May 2009



Fire Water Tank



Cooling Tower