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A year after ethanol: It's a boon for investors

It's been a year since Columbia County became a player in ethanol production in the state, and in the near future it could take on a larger role in renewable fuels.

The United Wisconsin Grain Producers ground its first bushels of corn for producing ethanol one year ago today and is now installing an E-85 blending system that will allow the company to sell the fuel to distributors, according to Jeff Robertson, CEO of UWGP.

"We are about a month away from being able to blend E-85 on the property," he said, adding that UWGP will not have a pump on the property for consumers.

Robertson said there has been an interest from service stations installing E-85 pumps in the county, and he believes it will happen before the end of the summer.

The facility also might expand in the near future. Robertson said the plant near Friesland is running at capacity — about 50 million gallons of ethanol a year — and a fourth fermenter would need to be added to increase the fuel capacity by 15 million gallons.

"The likelihood of expanding in the next three years" is high, he said.

With the nation seeing record prices for oil, the facility and its 840 initial investors are experiencing

good times.

"The price of crude oil has driven up demand for our product," Robertson said.

State Rep. Eugene Hahn, R-Cambria, said the value of investments in UWGP also has increased, according to a newsletter he received, and a \$1,000 initial investment is worth around \$1,700 today.

"They are enjoying a great prosperous moment in history," said Hahn, who has been the main supporter of ethanol in Wisconsin since he won the 47th Assembly District seat in 1990.

With high fuel prices, Robertson said there is a misconception floating around that ethanol is helping drive up the price of gasoline. He said there is no shortage of ethanol, and if ethanol were driving up the price of gas then diesel fuel would not be as high as it is.

"We're price takers, and we're enjoying a very good demand," he said.

UWGP had been trying to find a site for an ethanol plant in Columbia County for some time when in 2002 it picked Arlington as its proposed location. But Concerned Citizens of Arlington collected 180 signatures opposing the plant, and UWGP soon found itself searching for a new location. In 2003 it started construction on the \$60 million facility in Friesland. While UWGP was moving its location, just down the road Didion Milling was finding opposition to an ethanol plant proposal in Cambria, where it divided the community, with farmers on one side and village residents on the other. Cambria residents were concerned about the smell, noise and truck traffic an ethanol plant brings with it. Also, there was concern

over its proposed location near a school and the amount of water a plant uses (the Friesland plant uses 442,080 gallons per day).

The proposal was rejected.

Gary Nehring, village board president in Cambria, said there are still a lot of concerns residents may have about a plant ever coming to the village, but perhaps some of those concerns are now quelled by the Friesland facility.

"It's too bad that plant wasn't up and running before to see for themselves," he said.

Dale Drachenberg, vice president of operations at Didion Milling, said he does not know of another effort by Didion to build an ethanol plant in Cambria.

Norman Werner, who was part of a group that fought against ethanol plants in Cambria and Friesland, said he still has concerns about being neighbors to one.

"The biggest thing is the noise. It sounds like a turbine engine," he said, adding that he is still skeptical about his well going dry someday because of the amount of water the plant pumps out of the ground.

"It's there, and there's nothing (residents) can do about it," he said.

Robertson said that over the past two and a half years he's worked on the plant project in Friesland, that most people are satisfied that UWGP has been a good neighbor.

Village Board President Carl M. VanderGalien echoed Robertson's statement, saying they have been good to Friesland and UWGP even donated more than \$10,000 of equipment to the fire department, and the village's taxes were down about 17 percent this

year because of the tax base the plant provides.

"You do have a few people, with wind blowing out of the south, southwest, who can smell (the plant), but there's virtually no increase in truck traffic," he said of concerns.

Hahn said there are four ethanol plants in Wisconsin and another on the way.

A bill that would have required 10 percent ethanol in all gas in Wisconsin was defeated in March, but that may not be the last of it.

"There is a little gossip it will be resurrected in the next two weeks," Hahn said.

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