

Kansas Ethanol Launches Rice County Plant

By Ben Marshall

The “E word” and all its trappings – 30-plus new jobs, a potential annual payroll of nearly \$1 million, anticipated new housing starts, a boost in retail activity with an increased demand for goods and services, substantial gains in tax revenues for county cities and school districts and much more – took center stage in Rice County last week. Ethanol officially arrived Friday with groundbreaking ceremonies for ICM’s new \$80 million, 55 million gallon-per-year production facility to be situated at the junction of Saxman Road and K-14/96.

The fete drew Kansas Lt. Gov. Mark Parkinson; former State Sen. Dave Kerr, who now serves as chairman of the board of Kansas Ethanol, LLC; State Rep. Bob Bethell; stockman Kenny Knight; County Commissioner Jack Bray; other dignitaries and investors and more than 100 Rice Countians to the Celebration Centre Arena in Lyons.

“In spite of the impact on foreign relations as ethanol helps us gain energy independence, this project is no accident; it’s a local story,” Parkinson told the throng. “It happened because of the people involved,” he said, citing efforts of Kerr, his former Senate colleague; Knight and the board members of Colwich-based ICM, which will build and manage the facility. ICM is also an investor in the project.

He and other speakers praised the work of Jill Nichols, Rice County’s economic development director, who coordinate the project and developed state and local resources that helped underwrite necessary infrastructure improvements and other facets of the project.

Bethell commented that the development was a direct result of the Kansas Economic Growth Act of 2004 that commits \$500 million in state funding to bioscience research and development.

“We are so excited to see this plant come to fruition,” he noted, “and proud to say it’s right here in Rice County.”

Knight cited several “factoids” while discussing grain supply, the region’s economy and area water resources.

Much of the corn and milo to be used in the manufacturing process will be purchased from producers in a 15-county radius of Rice County, he said. The plant, capable of producing 2.8 gallons of ethanol from a bushel of grain, would use approximately 25 percent of the corn and milo produced in this area.

He also spoke of secondary markets for distiller’s grain, the plant’s principal by-product, noting that more than 250,000 head of cattle are located within a 50-mile radius of the new plant. Their feeders are prime candidates to purchase the distilled grain as a feed supplement, Knight observed.

He also explained that the plant will actually use less water than the systems previously used on the property to irrigate corn. After the water rights were purchased from the state and converted from agricultural to industrial use, Kansas Ethanol’s appropriation

was reduced by 32 percent. "As a result, we'll be using less water than before," he told the gathering.

ICM Vice President-Operations Joe Scheer said his 12-year-old company has become one of the top two designers, builders and investors in ethanol plants in the country, growing from 10 employees to more than 500 during the company's brief history. By next year, employment will be approximately 700, he said.

Construction plans will include planting trees on the west side of the 80-acre site to shield the plant from K-14/96 highway traffic and landscaping the frontage on Saxman Road with trees, grass and a pond, Scheer said.