

San Juan Biodiesel

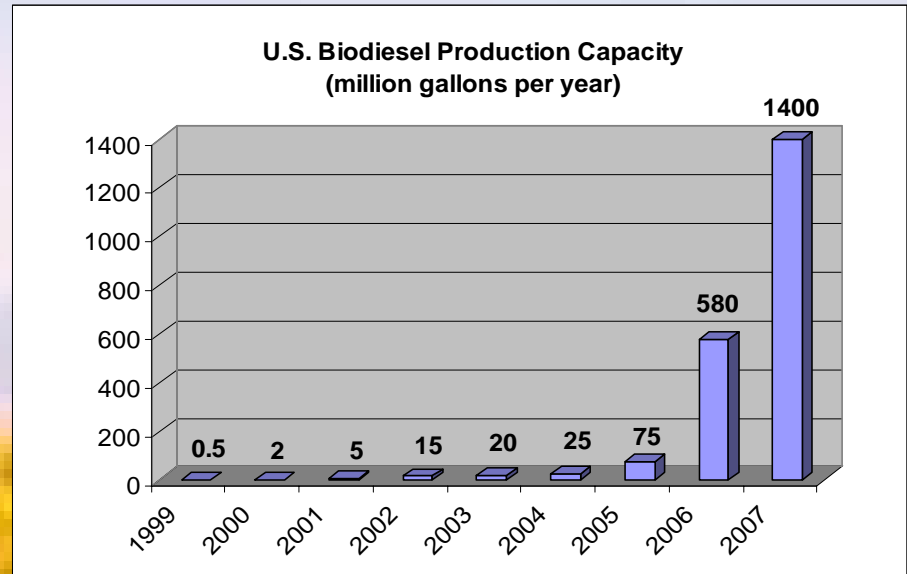
Through construction of a biodiesel production facility in the Four Corners area of Colorado, San Juan Biodiesel seeks to promote a strong agricultural sector, improved national security, air quality benefits, and continued access to renewable fuels for a sustainable economy.



San Juan Biodiesel... a cooperative approach.

Biodiesel – A Win/Win Opportunity

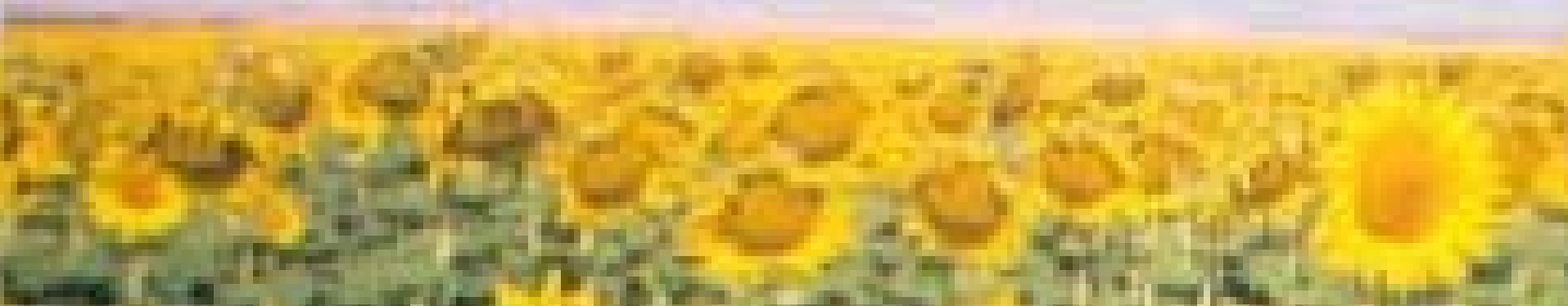
- Local economic development
- Support for agriculture through crop diversification
- Offset fossil fuel imports to improve national security
- Improved air quality through reduced emissions
- Better lubricity lowers vehicle maintenance costs
- Byproducts create side market opportunities
- Good energy balance



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San Juan Biodiesel Business Plan

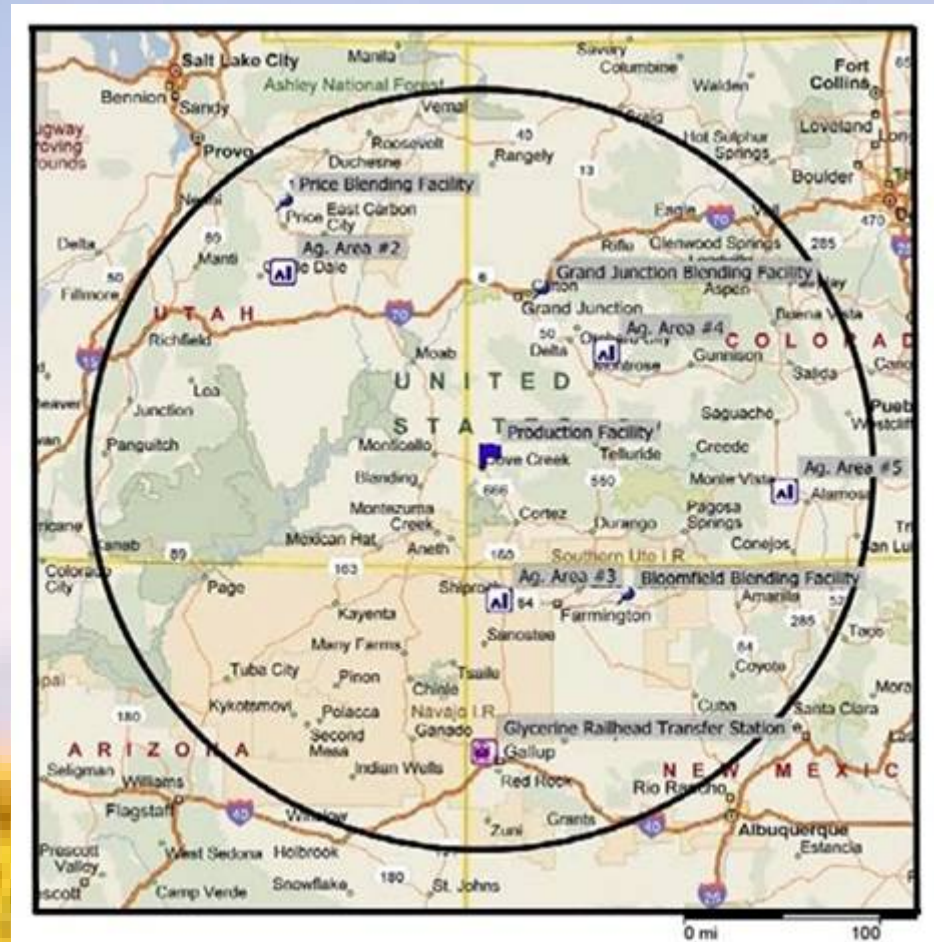
- **5.0 million gallon per year facility in Dove Creek, initiating operations at half capacity**
- **At nominal yields, ~60k dryland and 25k irrigated acres required**
- **84 acres of sunflower test crops in 2005**
- **23 farmers contracted for 3,300 acres of dryland and 50 acres of irrigated sunflower crops for 2006**
- **Additional test crops in New Mexico, Uncompahgre Valley, and Carbon/Emery Counties of Utah**



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Marketing / Crop Contracting Region

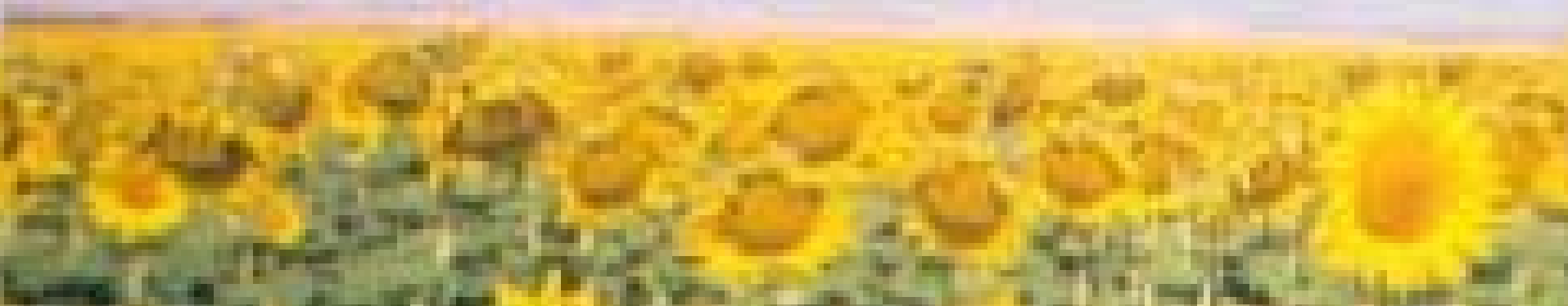
- Production facility in Dove Creek
- Crop contracting / biodiesel sales within 200 mile radius, inc. San Luis Valley
- Sunflower strong crop on highly alkaline soils, low water demands



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2006 Crop Results

- **3,300 acres contracted at 11.5 ¢/lb. w/ storage premium of 20 ¢/bu (~2.0 ¢/lb.)**
- **Yield: Average of 735 lbs/acre dryland, ranging from 200 to 1,445 lbs/acre**
- **Nominal yields: 1,000 lbs/acre dryland – 2006 was an extremely weak precipitation year**
- **Irrigated yields: range from 2k to 3k lbs/acre, over-watering can harm yields**
- **Oil content: Average of 40.3%, ranging from 34% to 50%**



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Nominal Crop Comparisons

Crop	Yield	Basis	Price	Gross (\$/acre)	Net* (\$/acre)
Sunflower – Partial Irrigation	2,500 lbs/acre	Projection	12.0 ¢/lb.	\$300.00	\$112.00
Feed Barley – Limited water	76 cwt/acre	50% of acreage	\$4.40 / cwt	\$167.20	\$20.95

* Net incorporates 50% factor for most variable costs, including irrigated energy requirements

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Contracting & Coordination

- Offer price @ 40% oil, 10% moisture basis, w/ premium for 2008 delivery
- Premiums for high oil content, discounts for low oil and dockage
- SJB assistance in coordination of equipment, storage, and logistics of delivery
- Production assistance also available from the CSU Extension office



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Questions?

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