

Iowa ethanol producer Hawkeye Energy Holdings announced this morning the formation of a transportation partnership with two other local companies that it hopes will ease distribution logistics for the fuel.

Hawkeye, Manly Terminal LLC and the Iowa Northern Railway are part of the newly announced partnership, although terms of the relationship, including financial commitments, weren't released.

According to the joint press release, "Hawkeye Energy Holdings will use Manly Terminal to store ethanol and provide additional transportation options from Hawkeye production plants at Iowa Falls and Fairbank [both in Iowa] and [the plants] under construction at Menlo and Shell Rock [also in Iowa]." The proposed ethanol plants, both with a 100-million gal/yr nameplate capacity, are expected to begin production in the second half of 2008. That would bring the company's total ethanol capacity to 450 million gal/yr.

"Hawkeye is excited about its partnership with Iowa Northern Railway and Manly Terminal," said Hawkeye Energy Holdings Director of Transportation and Logistics Byron Stewart. "Manly Terminal is an outstanding, state of the art facility, perfectly located to add flexibility and value to our overall customer service dependability," he adds.

"We're very happy to begin this relationship with Hawkeye Energy Holdings and see that together we can make ethanol distribution and transportation so much easier and cost effective," said Manly Terminal President Lee Kiewiet. However, specific details on the partnership, including how much ethanol Hawkeye plans to store at the terminal, weren't included in the press release and attempts to reach Hawkeye weren't returned by presstime.

Later this month, Manly Terminal is set to open its ethanol trading and distribution center in Manly, Iowa. The terminal will offer more than 5 million gallons of liquid storage capacity on a 100-acre truck-to-rail storage reload facility. Ethanol will be trucked and railed to the terminal "for consolidation into more efficient unit trains for distribution throughout North America. With dedicated, scheduled unit trains consolidated at Manly Terminal, producers will realize more profitability and greater use of rail car assets," the company said.

Manly Terminal has contracted with Iowa Northern Railway, a 165-mile short line railroad which has multiple connection rail interchanges with Union Pacific, Canadian National, Iowa Interstate Railroads and the Dakota, Minnesota & Eastern Railroad.