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Earnings Call

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Presentation

Operator

Good morning, and welcome to Green Plains Incorporated First Quarter 2024 Earnings Conference Call. Following the company's prepared remarks, instructions will be provided for Q&A. [Operator Instructions]

And I will now turn the call over to your host, Phil Boggs, Executive Vice President of Investor Relations. Mr. Boggs, please go ahead.

Phil Boggs
Executive Vice President of Investor Relations & Finance

Thank you, and good morning, everyone. Welcome to the Green Plains Inc. First Quarter 2024 Earnings Call. Participants on today's call are Todd Becker, President and Chief Executive Officer; Jim Stark, Chief Financial Officer; and several other members of Green Plains senior leadership team. There is a slide presentation available, and you can find it on the Investor page under the Events and Presentations link on our website.

During this call, we will be making forward-looking statements, which are predictions, projections or other statements about future events. These statements are based on current expectations and assumptions that are subject to risks and uncertainties. Actual results could materially differ because of factors discussed in today's press release and the comments made during this conference call and in the Risk Factors section of our Form 10-K, Form 10-Q and other reports and filings with the Securities and Exchange Commission. We do not undertake any duty to update any forward-looking statement.

Now I'd like to turn the call over to Todd Becker.

Todd A. Becker
President, CEO & Director

Thanks, Phil, and good morning, everyone, and thanks for joining our call today. We are not alone in managing through a challenging market during the first quarter, driven by industry oversupply from elevated production during a mild winter, leading to an increased stock position, combined with weaker vegetable oil markets and compressed protein markets as well, leading to a weak first quarter and negative EBITDA of $21.5 million, although an improvement from last year of about 22%.

The typical first quarter doldrums in the industry as well as a quick deep freeze that had an outsized impact on some of our plants. Since we saw the extended margin compression, we took the opportunity to launch 2 major refreshes in Mount Vernon and Obion. So we can run beyond historical norms at some of our best plants when completed, especially at Obion, which is one of our historically strongest margin plants that we've had for the last 15 to 17 years. As I said, both of these are happening at traditionally strong margin sites, so they're going to have an outsized effect in a low-margin environment.

Operationally, we performed well with utilization at about 92% and another strong quarter of protein production and in an improved margin environment, we can start to push towards high 90% run rate with all the refresh investments we have made and are making.

Speaking of margins, though, we have recovered a bit, but still a long way to go. Q2 margins now range from the mid-high single digits to the low teens across the rest of the quarter on average. For the rest of the year, every month has returned to a positive margin on the curve, which is unique for this industry at this time of year. This is at least a $0.25 a gallon improvement off the loads in some months. We'll talk fundamentals a little bit later on the fuel markets.

During the quarter, though, we continue to execute on our transformation strategy across the board, completing the acquisition of Green Plains Partners in early January, started commissioning of the SFCT demonstration facility with our partners at Shell in March, commissioning our CST project in Shenandoah

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as we speak as well as bringing our MSC protein joint venture at Tharaldson Ethanol in North Dakota online over the last couple of weeks in addition to launching our Sequence brand for our 60 Pro product.

We achieved these key milestones, and I will discuss more about these areas as we go through the call.

It may seem like this is all not happening during times of macro weakness, but I can assure you that it is and we have a lot of positive updates to share on sugar protein and carbon, which is part of the reason we see positive margins currently for the rest of 2024.

Of note, the recent GREET SAF modeling update demonstrates that if you can make low carbon fuels, you have an asset more valuable today than you did on Tuesday morning, I will show you that path as well.

We continue to anticipate that as spring maintenance and summer driving season progresses, we expect to see seasonal stock draws leading to strengthening base margins and lead us out of the winter doldrums that we have been stuck in for the last several months.

Corn planting will look to be off to an excellent start, which could lead to more favorable basis values as we move through the summer. We remain primarily open to the margin structure across all of our products.

One quick update on the strategic review. The board and the leadership team are fully engaged with evaluating our strategic options as we have disclosed last quarter, we continue to believe the value of our platform is not reflected in our stock price even more so after the GREET update that I mentioned.

Hopefully, you saw during the quarter, we announced our new specialty ingredient brand Sequence for our 60% protein product. We are really excited about this brand and what it represents for the high-value aquaculture feed and pet food markets we serve as well as our ability to begin to custom tailor nutritional solutions for our customers beyond just selling them protein, which is why we called it Sequence. Leslie and the innovation team have been working hard on a very specific tailored taste and texture solutions that can be combined with Sequence, another reason we are getting traction with our customers.

Our Sequence sales have been increasing as we approach the equivalent of one plant's production worth of recurring sales representing approximately 10% of our production capacity. Interest in this product has been strong, and we believe we are on track to exit the year at the 20% to 30% capacity being committed to repeat sales customers and anticipate expanding it from there with the goal of eventually moving to 100% of our production to Sequence. This product separates us from more commoditized 50 Pro market that has been under pressure from soybean meal to corn -- the spread between soybean meal and corn, which has been influenced by rapidly expanding soy crush capacity, although we have seen soy meal prices elevate quite nicely over the last several days.

Base margins for our 50 Pro were under pressure from both a tighter protein spreads as well as decline in vegetable oil pricing. But we have always said we justified the investment with 50% protein, but built them for 60%/Sequence or higher. Our Sequence protein becomes a differentiator in the long run. Let me tell you why we're getting traction. This is a novel 60% protein. It's the world's first plant-based 60% protein ingredient made from a combination of corn and yeast. It is fermented for intestinal health. Corn and yeast provided greater bioavailability and nutritional benefits for the customers we serve.

Lastly, on this topic, I'm very pleased to report that in a recent analysis titled Emerging Protein Rich Ingredients for Aquaculture, our protein ingredient received the highest accolades in a recent European report that continues to validate our view that our scalable and low-carbon intensity protein products are a much welcomed addition to the supply of quality ingredients for aquaculture, of which we are in trials in some of the highest values in the market value markets in the world today. With ethanol at a roughly $1 gallon discount to RBOB, it makes sense to max blend, and we are seeing strong exports so far this year -- record year for U.S. exports potentially even exceeding 2018, 1.7 billion gallons.

And now I'll hand the call over to Jim to provide an update on the overall financial results. I'll come back on the call to provide an updated strategic outlook and how carbon and sugar will play a larger role going forward.

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James E. Stark
Chief Financial Officer

Thanks, Todd, and good morning, everyone. Green Plains consolidated revenues for the first quarter were $597.2 million, which was $235.7 million or approximately 28% lower than the same period a year ago.

The lower revenue is attributable to lower prices for ethanol, dry distillers grains and corn oil in Q1 of '24 as compared to the same period a year ago.

On average, prices were down in the range of 25% to 30% year-over-year. While we also saw a drop in our commodity inputs with corn and natural gas down significantly year-over-year, and with ethanol trading at a significant discount to RBOB, margin opportunities were limited in the first quarter due to the ethanol industry oversupply Todd mentioned earlier.

Our plant utilization rate was 92% during the first quarter compared to 87.5% run rate reported in the same period last year and only slightly lower than the fourth quarter of 2023. We anticipate our plants to continue to perform in the mid-90% range of our stated capacity for 2024, barring any events outside of our control.

For the quarter, we reported net loss attributable to Green Plains of $51.4 million or $0.81 per diluted share compared to a loss of $70.3 million or $1.20 per diluted share for the same period in 2023. EBITDA for the quarter was a negative $21.5 million compared to negative $27.7 million in the prior year period.

Depreciation and amortization expense was lower by $3.9 million versus a year ago at $21.5 million. We anticipate that [D&A] will average approximately $22 million per quarter for 2024. We realized a loss of $9.3 million in consolidated crush in Q1 of '24. That compares to a loss of $12.5 million in the prior year. With the acquisition of the partnership completed in January, we have combined the Partnership segment and to ethanol production.

Since the partnership was primarily driven by ethanol related items, including the throughput fees and storage tanks associated with our ethanol plants. We have previously added much of that back to the consolidated crush, but there are some minor adjustments from combining the entire partnership, which are reflected in the 8-K filed this morning. Also, the operating and maintenance expense line was combined into the cost of goods sold.

For the first quarter, our SG&A expense for all segments was $31.8 million, which is in line with the prior year number. Interest expense was $7.8 million for the quarter, which includes the impact of debt amortization and capitalized interest and was $2 million favorable from the prior year's first quarter. The decrease was primarily due to lower debt balances, offset by slightly higher rates quarter-to-quarter.

Our income tax expense for the first quarter was $300,000 compared to a tax expense of $3.4 million for the same period in '23 -- at the end of the quarter, the net federal net loss carryforwards available to the company were $89.6 million, which may be carried forward indefinitely.

Our normalized tax rate for the quarter at Green Plains, excluding minority interest, is around 24%, and we anticipate that our tax rate for ['24 wells] also averaged at 24% rate. Our liquidity position at the end of the first quarter decreased from year-end due to cash used in the completion of the partnership acquisition, capital investments made during the quarter and the results from operations. However, I am certain we continue to be well positioned to achieve the next steps of our transformation plan.

Our liquidity included $277.4 million in cash, cash equivalents and restricted cash, along with approximately $230 million available under our working capital revolver. For the first quarter, we allocated $22 million of capital across the platform, including $13 million to our clean sugar initiative, about $4 million to other growth initiatives and approximately $5 million towards maintenance, safety and regulatory capital.

We anticipate CapEx for the year will now be in the range of $95 million to $115 million in '24. This range excludes the capture equipment needed for our Nebraska carbon capture initiatives. We do have financing lined up to cover those needs and the plan to discuss these items further in the near future as the project

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progresses. Our capital strategy continues to be to deploy capital into the highest and best returning projects.

Now I'd like to turn the call back over to Todd.

Todd A. Becker
President, CEO & Director

Thanks, Jim. So when we embarked on our journey several years ago, the IRA did not exist. So while our go-forward mix of opportunities may have changed, the forward outlook and aggregate remains the same for 2025. Because of the IRA and the 45Z Clean Fuel Production Credit and the opportunities these present to produce low carbon intensity fuels, it is driving a reprioritization of our overall capital allocation strategy because of the guaranteed returns backed by the full faith and credit of the U.S. government.

We remain confident that our Advantage Nebraska approach in carbon capture could begin to yield significant returns as early as next year. Our 3 Nebraska facilities, which represent 287 million gallons of capacity at present will be on a pipeline project that already has its trunk line in the ground as a converted natural gas pipeline. So building the laterals to our plants is relatively straightforward. Currently, our pipeline partners continue to make solid progress, and we are on track for starting up in the second half of 2025, and we plan to begin ordering capture equipment in the next several months and expect construction to start later this year. Given that we have first mover status, we are actively exploring redeploying capital to expand the production capacities for our Central City and Wood River, Nebraska facilities by 30 million to 40 million gallons each to take advantage of the early days of the 45Z Clean Fuel Production Credit and position ourselves as a preferred early feedstock supplier to alcohol-to-jet sustainable aviation fuel producers.

We have already seen interest in the supply from multiple different parties, especially with GREET SAF update announced. These are a couple of our premier facilities; already have MSC deployed and have abundant local corn supply. With York, we plan to decarbonize distillation with a small CapEx project to reduce energy usage, which reduces carbon intensity as today qualifies for 45Q, and we want to change that and opportunistically take advantage of early 45Z economics.

And it really doesn't stop in Nebraska. We have 4 other plants on the Summit Carbon pipeline, and they continue to make good progress as well on permitting in the states that we will operate in. With all of that said that current econs, once up and running, we expect Nebraska alone to contribute over $100 million per year in carbon EBITDA starting in the second half of 2025 with the current progress we have made, again, all backed by the 45Z tax credit.

Our MSC and protein since our Fairmont and Madison locations have faced permitting delays for the proposed MSC protein projects for some time now, and we literally received our Illinois permit yesterday. We previously made the decision because of the carbon economics to put the capital allocation for that on hold for the time being and only for the time being, while we turn our attention to our significant return profile of the Advantage Nebraska strategy along with potential clean sugar facility, which was 2x to 3x larger than what we have in Shenandoah, Iowa today.

The returns associated with both carbon capture and clean sugar are driving this and are significantly better than anything else we can do. We will continue to evaluate our overall asset mix, and we are focused on the future of decarbonization and clean sugar as our top 2 priorities after 60% protein or sequence going forward when we evaluate our portfolio.

Part of the permit in Illinois is also the ability to run the plant at an expanded rate to reduce OpEx per gallon and improve margins at that site as we always have had spare capacity, we could not run under the previous permit. We also have several projects to be able to capture carbon and Mount Vernon and Madison under review as well. Those will just be a little further out. While we have not issued a press release, I'm happy to update you on our CST project, clean sugar project in Shenandoah, it is now mechanically complete, and we have begun commissioning over the last month, and we expect to produce on-spec product in the next week or so.

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In addition, we are negotiating multiyear contracts for our low carbon-intensity dextrose corn syrups, and we are continuing with substantive late-stage discussions for all of our 2025 volumes to take all of our capacity. We expect to start to sign some agreements even in the next week or so. The clean sugar technology is a game changer of Green Plains and sets us apart as we actively explore plans for site #2.

Lastly, based on current markets and pricing, the uplift in converted margins have remained the same at a minimum of $0.60 a gallon uplift with some products and volumes significantly higher in the $0.80 per gallon or $0.90 per gallon range. This is another reason we want to allocate capital to this versus protein at this point, especially now that we have Shenandoah beginning to operate.

The SAF tax credit and updated GREET model from earlier this week sets the stage for an increased asset valuations for any plant that can decarbonize. The SAF guidance has given us a starting point for rulemaking for the all-important 45Z Clean Fuel Production Credit, which begins this coming January, just 8 months from now, and we remain optimistic this will carry through to that rule making.

A couple of takeaways here, and I think they're really important for everybody to understand. The guidance for SAF was in line with our expectations. And to their credit, they actually lowered some of the unreasonable land-use change penalties associated with corn as a feedstock for alcohol to jet.

Climate-Smart Ag practices are also allowed to count towards CI reduction in corn. It's important to remember that 40B for SAF is just a stepping stone to the 45Z Clean Fuel Production Credit. One really important and lastly, really important point, the common misconception this week on the recent SAF guidance is that low CI corn will be required to qualify, and this is just not the case with CCS or carbon capture, you can get your score low enough to qualify for SAF. And after that, the lower CI corn is just additive to those economics, and we have a significant program around that as well.

Bottom line, there is now a path for U.S. corn-based ethanol to qualify as a feedstock for producing alcohol-to-jet SAF. And the plants that can decarbonize are going to be at a distinct advantage, and this gives us an increased confidence in our Advantage Nebraska strategy and believe that ATJ, sustainable aviation fuel has the potential to fundamentally revalue our asset base or any other plant that's on a pipeline today.

By the way, we were just checking, but to build a new ethanol plant in the United States in our view, could be as high as $2.50 a gallon because we have priced them to see the econs related to when alcohol to jet becomes a reality, and that's a minimum price at this point.

We continue to see Chinese "UCO" weighing on the domestic veg oil prices, including our renewable corn oil, hopefully, new and expanded RD capacity coming online to help to rectify this and balance, and we remain bullish on the long-term value of our low carbon intensity corn oil. However, there is recent pricing pressure from our prior projections when we were using $0.70 a pound that is now currently in the high 30s to low 40s, resulting in EBITDA from our base corn oil uplift to the base ethanol margin of $80 million to $90 million for 2024.

Our MSC uplift has always included an uplift from corn oil yield increases as well, which is where some base pressure came from. Combined with the pricing pressure from lower soybean meal spreads during Q1, although starting to recover with a $40 ton rally from the lows, we are experiencing an MSC uplift of $0.07 to $0.12 a gallon. We believe Sequence margin will more than make up this difference and more which is why we are focused on customer conversions every day in every market around the world.

When we look forward ahead to the opportunity in front of us in 2025, if we assume some normalization, while our mix has changed, our guidance has not. We are still on track for a near $300 million EBITDA contribution from our protein corn oil, clean sugar and decarbonization pillars, excluding any contribution from base ethanol, corporate overhead or Ag and Energy segments, which by the way, has performed well last year and off to a good start this year. I tried every which way I can, but we keep coming up with this result, which is consistent with what we outlined at the beginning of our transformation in 2025.

In protein, our 640 million gallons of converted capacity, including half of our ownership in our joint venture, it could generate a baseload of $80 million to $120 million. As protein spreads widen back out,

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we will increase, and we will see an increase as we -- as 30% to 50% of our platform moves to Sequence that we believe in 2025.

We also look to add another 1 or 2 production facility in the future, as we mentioned earlier, but we want to make sure we allocate capital to the best projects today. Corn oil contributions on the base business are fully relying on prices, but 2025 should see some recovery as we are approaching the end of the biodiesel tax credit on December 31, and corn oil is an advantaged feedstock relative to those valuations.

The contribution should be a base of $100 million and grow from there. In sugar, our belief that Shenandoah will be fully lined out as we go through this year, and the facility could generate a baseload of $15 million to $25 million a year on a full year basis, depending on what the customer mix ends up.

Again, we have strong customer demand. And as mentioned, we expect food grade certification in around 90 days after we make the on-spec product, hopefully, in the next week or so.

Finally, in decarbonization and Nebraska-First strategy is on track. And based on the latest GREET model, could generate up to and possibly exceeding $110 million a year on an annualized basis from our Nebraska assets alone beginning in 2025 and then grow from there, if we are able to quickly expand those assets and additionally, when Summit Carbon pipeline comes online as well, we will also continually review our asset mix and where we have opportunities to monetize an asset, pay off debt and delever our balance sheet while focusing on our Nebraska first-mover advantage, where a combined expansion of 50 million to 70 million gallons could have an outsized return due to carbon capture, we will do that. Much of our asset base is unencumbered, and we have no near-term maturities and remain in a strong cash position. We are also focusing, though, on reducing our cost of debt as well as we've seen some opportunities to do that as well. So while you see that the mix has changed from where we originally laid out the transformation, our efforts to transform this earnings power have not wavered notwithstanding a weak Q1 we just reported. Thanks for joining our call today. We can now start the Q&A session.

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Question and Answer

Operator

[Operator Instructions] And your first question comes from Adam Samuelson with Goldman Sachs.

Adam Samuelson
Goldman Sachs Group, Inc., Research Division

So Todd, a lot of ground cover. Maybe I'd like to start on just the ethanol market outlook and kind of where we go from here to get things back in better balance. You talked about forward curves that are more favorable than the past, but you also talked about the business being open. Can you help us think about the demand side it seems sluggish. What you're seeing on exports that might be the critical swing on that demand balance and kind of where you're seeing spot margins today and certainly through the second quarter?

Todd A. Becker
President, CEO & Director

Yes. Spot margins today across our platform are kind of ranging on average between $0.08, $0.12 a gallon, somewhere in that range on May and June at this point. And post that, mid- to high single digits, really kind of across the platform, maybe some a little bit lower, a little bit higher in some places, all inclusive. And so that has come off significantly from the lows. I mean we saw mid-teens to -- and even in the negative 20s across the curve, and we've seen a significant rally on the back end of the curve as we -- typically, when we see those type of numbers, it's not going to -- it won't hold very long. So you have a carry in the corn market and we had a flat to inverted ethanol market, and that's kind of changed a little bit.

We have to see more contribution from the simple crush as we've seen less contribution going forward from things like corn oil and distillers and those type of things, although natural gas is now a significant tailwind price-wise. So generally speaking, from a demand perspective, we've seen some pretty good weeks on driving demand coming out of winter. We have also now, as we enter into more of a summer driving season, hopefully, get ourselves well positioned as an industry to take advantage of that. We remain well over $1 under -- while we remain $1 or so under RBOB and with the RIN values in the mid-50s or so at any given point, that's $1.50 blend credit. So we've seen blends as high as 10.5% here recently.

So generally speaking, the base business in the U.S. and gas demand hopefully recovers kind of post last week and the week before, as we get into driving season, especially with higher [indiscernible] rates and less capacity. And we're very optimistic that the summer will act as typically the same that it has. On top of that, we're so well priced in the world on ethanol today.

And I think more importantly, when you look at the last half of the year, we actually see Brazil as an opportunity to price into even with the tariffs that are in place as they do not have the excess ethanol capacity at this point to take care of all their back half demand. So when you kind of line it all up and you look at -- if we can just keep production steady as an industry and maintain some self-discipline I think where we can set ourselves up for a continuing draw as we kind of come through the end of this maintenance season. But generally speaking, margins are positive at this time of the year across the board fully. And we're optimistic that, that can continue to improve.

Jim, did you have something?

James E. Stark
Chief Financial Officer

Yes. Just from an export perspective, Adam, we're running about 25%, 26% ahead for the first quarter this year versus last year. So that's what gives us the optimism that this could be a record year for us from ethanol export standpoint.

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Adam Samuelson
Goldman Sachs Group, Inc., Research Division

Okay. That's very helpful. Now I want to just over to the -- some of the strategic initiatives. And maybe talking about the clean sugar piece and talk about being in kind of a phased negotiations with different offtakers. As you're seeing the Shenandoah plant commission as you're getting close to the end of some of those pricing negotiations. Can you talk about how you're envisioning kind of EBITDA uplift from that plant, both the second half of the year, but just the cadence and magnitude of EBITDA that we should start to -- maybe from there.

Todd A. Becker
President, CEO & Director

Yes, we said, relative to contribution. Yes, we said prior to these calls, contribution will ramp up during '24 because the plant -- we're going to take a slow burn start-up as we say, just to make sure every single thing we do is on track and on spec, and we really want to get the food grade certification over the next 90 days once we make our first product, we are in significant negotiations with counterparties from everywhere from beverage markets to ingredient -- food ingredient markets all the way into industrial markets.

We have enough demand to take all of our production for next year, which is 200 million to 250 million pounds of product and all of that at the previously discussed margins or better. So it's really up to us at this point to get the plant lined out up and running, get product on spec made, get it tested in all of these companies, the food companies, the industrials have pretty much ready to go, to get it fully tested and certified. And at that point, I don't think we'll have any shortage of demand for this. And even the next plant that we build. Margins are hanging or actually -- are inward of the range we talked about, which is kind of $0.65 to $0.90 a gallon uplift for those. Some things we have to take into consideration, obviously, is the impact of the Gen 1 plant a little bit. But generally speaking, we're very optimistic about that.

We believe we will have significant offtakes in place because we are negotiating them right now or as the lion's share of everything we produce out of this plant, both from industrial and food use, especially into some of the ingredient markets that happen in fermentation. So it's a long time coming. We're really excited about it. We are going to do a grand opening in May of the site as well. And I think it's a great kickoff. And our first sales should come as early as next week for this year, and we're excited about that as well. And you'll be the first to know I assure you as our shareholders and people that follow the company.

Operator

And we will take our next question from Kristen Owen with Oppenheimer.

Kristen Owen
Oppenheimer & Co. Inc., Research Division

A couple for me. Just one clarification, Obion and Mount Vernon, are the back on line?

Todd A. Becker
President, CEO & Director

The Obion is starting to ramp up a little bit. What we've done there, so everybody knows is we've done a major refresh on conveyors that were 17 years old. We are replacing literally every conveyor front to back, so the plants can run at higher capacities going forward. I mean I think it's just some major refreshes that just have to happen occasionally. In addition at Obion, we're adding a new RTO to allow us to run the Gen 1 plant harder and the Gen 2 plant for protein harder as well.

We are a little undersized there. And it is one of the, we think, premier plants in the United States, and it just hasn't run to where we wanted to because of the conveyor project as well as the RTO. So that should be completed middle of the year, but we're already seeing some of the results because some of those conveyors are completed as we speak. So generally speaking, it's not having as big of an impact in the second quarter as it had in the first quarter just because of where it was. But I think we will still see a

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little bit. But overall, the margins I gave you were the average across our total platform, including those at this point. So that's really what we're doing at those 2 plants.

James E. Stark
Chief Financial Officer

And Kristen, I would add, as we indicated, we still should be in that mid-90% utilization rate. So that would include those plants having to run -- getting running back to their normalized levels.

Todd A. Becker
President, CEO & Director

Yes. And lastly, when you look at the increased ability for Obion to run back at 120 million to 130 million gallons a year, Madison has been limited to under 100 million gallons a year because of permit that has now been unlocked as of yesterday to go to 130 million or 140 million potentially. We want to make sure that we do that responsibly based on the permit. But that's really just dried -- that's really the big program to drive our OpEx back down to where it should be per gallon.

Kristen Owen
Oppenheimer & Co. Inc., Research Division

Okay. One additional follow-up there and then I'll ask my second question at the same time, just so I'm not taking up too much time here. But the additional follow-up is [indiscernible] included in that mid-90s capacity utilization? And then sort of the bigger question here is really, given the improving curve, you've got the ramp of these other facilities, clean sugar commissioning. I mean I think the question that investors frequently asked is, are we at the point where we're now seeing the trough in Green Plains earnings potential and that we should see upside from here. Is this the low point? And how do we get comfortable with that?

Todd A. Becker
President, CEO & Director

Yes. [indiscernible] is never included in our numbers, but protein will give you the update on how that ran during the quarter, but it's an excellent plant, one of the best probably in the world today and one of the biggest in the world as well. So they do a great job of their amazing site, which is why we wanted to partner with them on our joint venture facility with the improving curve with everything coming back online with improved capacities, Q1 quarters are always an adventure. I think everybody knows that.

Some Q1s are better than others and some are worse than others.

Part of our -- in a negative margin environment, along with the fact that we actually allocate SG&A compared to maybe some others. It's just -- it's an outsized negative quarter typically. I think we have to take a more proactive approach when we do actually do see margins out forward and not get too worried about hedging off some higher margins in the first quarter when there are opportunities to do that. I think we went away from that a little bit. But generally speaking, on the rest of the curve, we remain open.

Look, CST is commissioning, protein is ramping, oil prices, hopefully, that's part of the trough too. You got to remember oil share for the soy guys is hitting multiyear lows at this point with oil in the low 40s. And now we're seeing protein prices rally again. We saw this a couple of years ago when protein really compressed the distillers grains. We've seen that as narrow here recently as $120 a ton, and now it's back out to $210 a ton in parts of the curve. That helps our margin structure overall, but we really need some recovery in veg oil prices as we see some major RD plants coming on middle of the year as well. And so some of these plants have 50,000 barrels a day of production needs for veg oils. And if you think about that, that's more than the whole U.S. ethanol industry makes that's coming online later this year. So I think we're troughing in a lot of different areas. And I think a lower corn price, lower corn basis and lower natural gas prices, when you add all those things up together, I think we're going to start coming out of this and start to deliver what we talked about over the last several years.

Operator

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And we will take our next question from Craig Irwin with ROTH MKM.

Craig Irwin
ROTH MKM Partners, LLC, Research Division

So Todd, the progress here with Carbon is exciting. And I guess we all look forward to the confirmation you've ordered the compression equipment given that the interconnects sound like they're relatively straightforward. So my question is, with carbon coming online, the implication is SAF actually gets a lot more exciting, a lot more real and the GREET numbers seem to line up for your Nebraska plants to be early suppliers in there. Can you maybe talk to us about whether or not you're having conversations about offtake for low carbon ethanol? Is there a specific interest out of the SAF complex -- people that are looking at building or already have capacity there. Can you help us frame out how long it will be before we see potential production with those gallons out of Nebraska into SAF?

Todd A. Becker
President, CEO & Director

Yes. We're right now sizing the needs at this point, expect what we've seen is a reduction of compression lead times from about 55 weeks to 40 weeks at this point. With our partner in Nebraska, we're getting ready to put our order in as we kind of finalize the scope that should happen in the next few months.

Construction on their project is starting a final construction on our project starting in the next few months as well, and we expect to start hopefully construction on our -- once we get the compression order, we'll start construction on our own interconnects at our plants as well as the building.

So we're very excited about it. Look, I think we're going to start everything last half of the year to be on last half of next year. If you would have asked me a few months ago with kind of what we were thinking about the SAF ATJ guidance that was going to come out, I would say it's a stretch that alcohol could potentially qualify and we weren't really sure. But we always have -- we always keep the faith. But generally speaking, what we saw come out gives us more confidence that our Nebraska early alcohol that qualifies to be put into SAF will be a very valuable product, and it will give people confidence to build these plants at this point. Because I think until these rules came out, you just didn't really know whether alcohol could qualify.

So when you go look at the guidance, if you have a lower CI plant like our Nebraska plants are the starting point, and you deduct the 30-plus points for carbon capture under the new guidance, you do qualify and then the low carbon smart-- the Carbon smart practices on the farm make it even more beneficial and more -- and it will give people courage to build alcohol to jet plants, I think, going forward. And even before that, we were engaged in multiple different discussions post the new guidance, what can we do to enter into agreements to have commit early gallons to somebody that wants to build an early ATJ plant, and there's a lot of that going on out there today.

So when you take a look at the value of an asset in the middle of Nebraska that's going to be on an early decarbonized situation because of the early potential of the pipeline that's already built in Nebraska, that's a very, very valuable option, which is why we have to look at Wood River and Central City today to say where can we debottleneck without a significant capital cost, 30 million to 40 million gallons per plant and take advantage of the early 45Z because we're going to be 2 years of 45Z with those plants. That is -- there's not a lot of other people in the world that have that position, especially outside of Nebraska.

So on top of that, then we have York, which we believe is -- honestly, it's one of the oldest plants in the country, and we're still going to put some money in there to get our carbon score down. We don't have to do a big capital investment just to take advantage of 45Z because it's so beneficial. But I have to tell you, we contemplated what is real -- what is a new cost build? What is the new cost to build?

And quite frankly, it's $2.50 a gallon all in. And so when you look at that relative to 45Z, it might work, but it's $2.50 a gallon all in, even if you have a great site. So that's -- I think the market is going to contemplate those types of things when you look at the insatiable alcohol to jet demand that could transpire.

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Craig Irwin
ROTH MKM Partners, LLC, Research Division

Excellent. So my next question is related to sort of ethanol and ethanol macro demand. So right, we're starting off this year quite a bit better than last year, even though the crush of negative $0.04 was not what anybody wanted. But this year, we've got exports and we've got some other nice tailwinds like, I guess, the issues in the airline industry with seat prices going up and then routes being canceled because of plane availability and some of the other complications out there. It looks like miles driven could be up nicely in summer too . Again, gasoline demand, bullish for ethanol -- can you maybe just help us frame that a little bit more precisely what you think on exports this year? I'm hearing that Brazil is going to have a smaller sugarcane crop. That means that it could actually be an importer rather than an exporter.

There's other benefits maybe from Mexico or Canada. Can you maybe help us understand the size of the gap and what you think the export contribution can bring? And I don't know if you want to comment on the airline and miles driven issue, but anything to help us understand how this supply/demand gap gets narrowed this summer?

Todd A. Becker
President, CEO & Director

Well, it's narrowing as we speak. I mean, we are starting to see some stock draws. We'd like to see production come down a little bit more, but generally speaking, we saw some stock draws over the last couple of weeks, not big enough, though. We have an outsized impact yet because we haven't really even -- haven't even hit summer driving season yet. So we're watching that closely.

You are correct. And we believe last half of the year, we could see Brazil reappear as a demand driver in addition to we continue to have strong demand out of places like Canada and other markets around the world, just because we just priced so well into some of those markets, and they still have low carbon needs as well. So generally speaking, as we look out forward, we expected some of the margin recovery that happened already. But if we can get a few things to break our way, we could see a significant increase. In the last half of last year, we generated about $100 million or so across the platform. We think we can -- the opportunity is to do better than that if we can get some things to break our way, especially with some of the ability to run our plants at more efficiently at better rates.

And so overall, the macros are starting to turn and look favorable, shown by certainly the recent uptick in the forward curve. One thing we'll have to watch is corn prices. We don't -- we've got to get the crop planted. We had great [plantings] last week at 25%. We'll wait to see what happens on Monday again. probably a little bit lower than we'll think just because of the rain this week, and we have a rainy season ahead of us. But generally speaking, anybody that buys corn because we're not going to get a crop plant that is a bit of a fool's game at this point. It's very early. Our view is the crop will get planted, the acres are go in the ground. And I think that will be very favorable to ethanol.

James E. Stark
Chief Financial Officer

I think, Craig, just to give a little more color on exports. We think we'll be somewhere between 1.7 billion and 1.8 billion exported. And that really didn't include anything from upside from Brazil. So when you look at kind of our leading export markets, it's Canada, United Kingdom, India, Netherlands, Colombia, South Korea, they're all -- it's very well spread across the universe . And if Brazil comes in, that could be helpful to even more stronger export demand for us.

Craig Irwin
ROTH MKM Partners, LLC, Research Division

Excellent. Congratulations on the progress with HiPro. I like the HiPro.

Operator

And we will take our next question from Andrew Strelzik with BMO Capital Markets.

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Andrew Strelzik
BMO Capital Markets Equity Research

I actually wanted to follow up on that last comment on HiPro, and it does sound like, to your comments, the volume is kind of tracking you reiterated the 20%, 30%. But I wanted to ask about the economics of that revenue stream, HiPro Sequence specifically. We've certainly seen the broader protein markets evolve in recent months, and we've heard some demand sensitivity around premium ingredients generally. So just curious what you're seeing and expecting in terms of protein economics versus kind of your initial expectations in those conversations?

Todd A. Becker
President, CEO & Director

Yes, you're right on all the protein economics. We've seen that definitely compress across anybody that makes any type of premium ingredient with the availability of some of these products that have come on to the market, which is why we want to have escape velocity from some of these lower proteins, and we're focused really on 60 Pro Sequence and above. What's unique about the 60 Pro Sequence is that it's a very different type of product that is made in a fermenter that has specific characteristics that taste and texture characteristics that our customers are looking for and as a designed product -- we have seen that corn gluten meal market compress as well. So we got to kind of watch that overall.

And generally speaking, we believe our product is a premium and minimum corn good meal, if not a significant premium to that depending on the use case in the world. So look, overall, these are just markets that have [indiscernible]. You've seen a significant recovery in the last couple of -- last week or so in protein markets. So they've been bid up. We'll see what Argentina does? I won't make some of the same comments on Argentina made in the past, but generally speaking, it's still a bit of a wild card. And I think it's proven itself on the last couple of weeks. But when we look at 60 Pro, it's just the first step. We have -- with some of our biggest customers, some of it's labeling. You can't -- this is a very different type of product.

And so with one of our potential big customers that we've been talking to for 3 years, they finally got labeling approved for this product after many, many tests, many, many use cases and how we're going to label the product. You have to remember, this is a combination of protein in the yeast. And within the yeast, we can Leslie and the team and we're working on new technologies to embed in that yeast that we work with our customers on. It's just a very different product. And I don't think you should count out even higher proteins from there. We've made significant breakthroughs on the bench and at lab scale on higher protein products. And I think that's our next step with this platform. Sequence is a platform. And while certainly the base protein markets, you've seen it, there's an avalanche coming of HiPro soybean meal. But generally speaking, the market seems to be taking it. It was never really a big concern of ours that the market wouldn't absorb, it might be chunky. But I think what tend to absorbs, we go back to potentially where we were in the past. It might take a few years though.

Andrew Strelzik
BMO Capital Markets Equity Research

Got it. Okay. That's helpful. And then my second question, in the prepared remarks, and particularly around CapEx, you made some comments around financing. I don't know if you can elaborate on that. And then just kind of relatively, more broadly, as you think about evolving the asset base towards some of the very exciting opportunities that you've talked about, whether that's expansion in Nebraska or more dexterous opportunities, how you think about the capacity to fund those currently or the plans behind those would be great?

Todd A. Becker
President, CEO & Director

Yes. I'll talk on the latter point. Jim, can talk a little bit about on kind of our financing strategies because I think we're in the middle of that trying to kind of change our debt around and reduce our debt cost. But generally speaking, that's what we have to do. We have to always look at and be quite frankly, realistic with ourselves or what we can do today and where we should allocate capital. When you look at the

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45Z opportunity with guaranteed credits that are going to be multiple years ahead of anybody else with Nebraska coming online. We have got to really be honest and take a look to say where should we allocate capital? Well, those are pretty good returns to expand -- do a little bit of an expansion there first because of the margin structure that's in place for the first 2 years of 45Z.

And because we have besides one other person in Nebraska, we have the most gallons in Nebraska today, we have got to take advantage of that position and for our shareholders and for our balance sheet because it's such a generation of high free cash flow returns relative to anything else we can do as quickly as that. On top of that, clean sugar, when we want to make sure we're #1, we're in site selection now. It's between 3 or 4 states, and there's been a bit of competition there. And then on top of that, when we do make site selection, we want to make sure that we do that with customers in mind and customers that want us to build it and not just put another dexterous facility on the market.

So we think builds will come -- we will build it alongside commitments from customers to take the product. And that's how exciting this is. So yes, we'll have to look at how we finance that next clean sugar facility. It's certainly not just cash off the balance sheet, but that's why we want a lot of unencumbered assets. We have plenty of spare capacity. I would say, first and foremost, we would look at putting some debt against some of those new builds, especially in sugar. I think we can do Nebraska off the balance sheet in terms of either financing it with unencumbered capacity and/or cash. And I think that will drive our returns then to give us free cash flows to do with the other things, again and come back to building that seventh MSC site once we kind of -- once the team really makes significant really more traction on 60% protein as well.

James E. Stark
Chief Financial Officer

And I would add, Andrew, that there's been no shortage of infrastructure partners who want to look into financing carbon capture equipment. We do have firm funding in place as we get closer to finalizing that and when we can come to you and say that we've made the commitment, we've gotten everything ready in the schedule for building, we'll provide more details. But as we said on the last call, we're probably somewhere around $100 million in capital for the 3 Nebraska plants today. And again, I think Todd reiterated earlier that, that's a 1-year payback based on the EBITDA or actually under that based on EBITDA it'll generate.

So from the standpoint of being able to find longer-term capital at good rates. It's not been any shortage of that for us. when we look to put dollars around the carbon capture equipment that we're going to deploy in Nebraska.

Todd A. Becker
President, CEO & Director

Andrew, one last thing. I'll just tell you this. There's also besides what Jim just said, there's no shortage of people that will monetize your forward cash flows as soon as you start sequestering carbon and you have 45Z backed credits, you can get very interesting advances on future cash flows at very interesting rates, at very interesting advance rates. So there's plenty of that that is starting to look at it. We've also seen, I think, more interestingly, demand for voluntary credits starting to rear its head here.

And it's not coming from, I would say, an airline or a transportation company, it's coming from technology, I mean it's coming from commitments that players have made to decarbonize because of the increased use of called data center emissions and electricity, those are -- there's significant demand showing up for high-quality carbon credits generated off of biogenic carbon, -- now where will it go? Don't know, but I don't think there should be any thought that our view is it's a starting point of $50 a ton, maybe a little bit lower to start. But generally speaking, there is a -- you could actually make a case for significantly higher biogenic carbon credit values even with the lower -- low-carbon fuel standard values in California.

Operator

And we will take our next question from Manav Gupta with UBS.

Manav Gupta

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UBS Investment Bank, Research Division

So my question relates more to what you think on the corn oil pricing side because, as you pointed out, I think Martinez is ramping from 22,000 barrels towards 50,000 barrels and then Rodeo is ramping from 28,000 towards 50 again. So big demand pull coming on that side. But as some of these operators are also saying is, look, we are starting with soybean oil, in some cases, refined soybean oil, because it's easier to process. But once we get along the learning curve, we will move over to a lower [CIP] stock.

So just trying to understand, obviously, as these new plants start up, the demand for vegetable oil will go up, but do you think there's a proportional significantly bigger increase because the carbon intensity of corn oil is so much lower than soybean oil that the actual demand pull on corn oil is even harder than soybean oil as these new plants start up.

Todd A. Becker
President, CEO & Director

Well, I mean a 50,000 barrel a day plant is more than the ethanol industry produces every day in corn oil. So we're very excited that, that plan -- those plants are going to ramp up later this year. And when you look at it, any way you shape it, maybe during this year, they can start up with soybean oil. But when you look at the economics next year and the going away of the biodiesel tax credit and the advantage that corn oil has in the 45Z and 40B, right, Devin and 40B economics, there's no going to be no shortage of corn oil needs next year.

And again, I think we're starting to see some pressure on imports of UCO, but we're putting more pressure on the U.S. government to say, what are we really importing? Somebody's got to figure out that, that's not all Chinese use cooking oil, otherwise known as what we would say palm oil. So we're going to put a lot of pressure on those sources as well. But -- but generally speaking, when all -- when there will be a moment in time when you have all of these big plants hitting, and they're going to need all of just about everything they can buy, especially in the low carbon oils. And even recently, we maintain our advantage. And Devin can talk a little bit about that base as the new guidance that just came out, we maintained our advantage on corn oil, correct, Devin?

Devin Mogler
Senior Vice President of Corporate & Investor Relations

That's correct. Yes. So the new modeling and we expect that to tie into 45Z, which the administration has told us they're going to start working on before the ink is even dry on 40B. But you've got your corn oil, which is at an advantage to soybean oil. And even with the climate-smart ag practices that they allow for soybeans, it only allows them to reduce their carbon intensity by about 5 points. So corn oil should still be at an advantage. Now we do expect them to expand all those climate smart ag practices across the board in 45Z, which could help soybean oil, but it will also help us on the corn side.

Operator

And we will take our next question from Laurence Alexander with Jefferies.

Chengxi Jiang
Jefferies LLC, Research Division

This is Carol Jiang on for Laurence Alexander. Just 2 follow-ups on the protein side. Firstly, the protein point -- from profit already at the EBITDA level or at the cash flow level? And if not, what level do you think to see to hit the cash flow breakeven? And I will ask all of them, like the second one is do large buyers get either a volume discount or less volatility in prices as incentive?

Todd A. Becker
President, CEO & Director

Yes, so when we initially built these assets, generally, we thought it would be more like a 2 -- 3- to 4-year return just on 50 Pro and more of a 2- to 3-year return on 60 Pro. I think we probably lost the turn,

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generally speaking, because of veg oils compression, at least to turn maybe max 1.5 turns on veg oil compression and also protein compression. Now we're starting to see that widen back out.

The big thing for us will be to go as fast as we can to sell as much as we can of our Sequence product, and we're starting to -- starting to see significant interest in that product, not just from the world but also from U.S. potential opportunities as well. It's a difficult product to make. It's not just they set it and forget it. So we have -- there are some capital associated with those projects as well. And then the biology is still something that we have exclusivity and some ownership in as well.

So generally speaking, we continue to work every day to also increase our availability of 60 Pro with less biology and -- but doing some other IP that we've discovered as well as, again, don't count out -- nobody should count on the fact that we believe we can make even higher protein at this point, and we're going to start to think about that in the future as well. On top of that, I would say, look, a large buyer, small buyer, we want to get the maximum price that we can. We have a lot -- several, if not lots of buyers around the world.

And generally speaking, I mean the market is the market on some of this stuff. We fit into the rationale at a certain volume. And those buyers will be limited by what they put into the ratio. So we need to have a wide variety of buyers. Our focus is on expanding our international buying base because they -- we think the margins are better to do that. But generally speaking, the market seems to be settling in at certain price levels, and we're just -- we'll be competitive to that. But overall, our focus fully is getting to a much higher ratio of 60 Pro to 50 Pro.

Operator

And we will take our next question from Jordan Levy with Truist Securities. [Operator Instructions] We will move on.

Our final question will come from Steve Byrne with Bank of America.

Stephen V. Byrne
BofA Securities, Research Division

Todd, I recently toured the LanzaJet alcohol, the jet plant down in Georgia, and they're bringing in the ethanol from Brazil. reportedly due to a lower carbon intensity. My question for you is, can you be competitive with that [Brazilian] sourced alcohol from carbon capture? Do you also need to pull these other levers like sourcing low-carbon corn, et cetera? And do the premium you get on that ethanol is it likely to offset those costs?

Todd A. Becker
President, CEO & Director

Yes. Look LanzaJet is while they're bringing an early alcohol in our view, I'm just letting and this is our view. We don't really know everything that they do. But that is because of the program that's in place today. With the announcement this week on the rules, one of the things that we've seen as an industry is that ourselves and everybody from airlines to energy companies to even LanzaJet that you're talking about are all pressing and in favor of some of the rules that came out this week. So it really was a matter of timing and the GREET program. Everybody is waiting for that modeling.

So generally speaking, yes, we're competitive. We just had to get to -- we have to -- you have to sequester carbon to make that first ability. And then when you do that, your carbon -- your alcohol will qualify for alcohol to jet. Climate-smart is just a kicker after that that even lowers your carbon score more. So when you take a look at the carbon score out of Brazil, which is probably in the 20 range or so, Devin, is that 20 to 30 range CI -- in that range. When you take a plant out of Nebraska, like at Central City that starts at 55 or so. And you take 30 off of it for -- minimum 30 of for carbon capture, you're down to 25. Take 10 more off for Climate Spark, you're down to 15. Take 5 more off for post-compression carbon, you're down to 10.

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We could easily, easily be lower than -- some sugarcane sources in Brazil and even potentially some corn sources as well. So that's the opportunity. And the rules are there. They are now make corn ethanol that sits on a carbon capture pipeline to start competitive and is a -- will be a plentiful feedstock for these technologies. And I would tell you, notwithstanding -- what -- I don't know much going on down there, except to say that Atlanta has been a huge supporter as well of corn, U.S. corn to jet and alcohol to jet as they see that as an absolute needed to get to any scale. Devin, did you have anything else?

Devin Mogler
Senior Vice President of Corporate & Investor Relations

I'll just add one clarifying point on that, Steve. The other reason that they're bringing in the Brazil sugarcane ethanol is that's the only RFS pathway that exists for alcohol to jet. So they want to be able to get the RIN to stack on top of the credit. So the industry is also working to make sure that we get corn ethanol pathways through the RFS in addition to the work on the 40B and the forthcoming 45Z credits. And I also just want to clarify for corn alcohol-to-jet, it's only U.S.-based corn that can qualify. Under the 40B guidance, there's no Brazil corn ethanol that can qualify.

Stephen V. Byrne
BofA Securities, Research Division

Okay. Very good. Just one follow-up on that. And again, it refers to Lanza . They have the biological process to convert CO2 into alcohol. Just wondering if as an alternative to building new capacity at the $2.50 a gallon CapEx, you mentioned, Todd -- have you considered that technology as an alternative to carbon capture and as an alternative to new capacity expansion?

Todd A. Becker
President, CEO & Director

Yes. We've seen CO2 to alcohol in multiple different paths over the last 10 years, starting with some Texas companies that had it as well. And so our view is in order to do it at scale in mass, you need industrial agricultural practices, more yields per acre, which is why, by the way, our indirect land use numbers got better. If you want real volume of alcohol. It's going to have to come from traditional ethanol pathways, especially when you can -- just volumetrically, you just not -- in our view, the best way to get to significant volumes of alcohol is going to be from the traditional sugarcane and/or corn in any real volumes. Those are all interesting technologies.

And look, I think everything is on the table today. But generally speaking, our view is that the single best way to get to significant volume increases needed for the ability to satisfy the alcohol to jet standards that -- and targets that are in place is going to have to come from the U.S. market.

Operator

We will take our final question from Jordan Levy with Truist Securities.

Henry Stephen Roberts
Truist Securities, Inc., Research Division

Sorry about that. It's Henry on for Jordan here. Just looking at the protein business and some of your commentary on this call. Just wondering if anything has changed significantly kind of in your long-term thesis for the broader 50 Pro and 60 Pro markets. Is the mantel looking as strong as expected, both this year and then kind of in out years?

Todd A. Becker
President, CEO & Director

I mean as we said, you have significant changes that happened in the U.S. soy crushing industry with significant capacity coming on this year and next year. Generally speaking, our long-term view is still the world will expand protein demand. Notwithstanding it could be chunky for a few years. But overall, as we accelerate away from 50 Pro into a much less supplied market of 60 Pro plus and Sequence and even

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higher protein concentrations from there -- that's just a different type of market that isn't necessarily oversupplied at this point but just needs to get acceptance into specific rations.

So generally speaking, we'll probably see over the next kind of 12 to 24 months continued compression in the 50 Pro or less markets just because of the amount of soy coming on. But right now, it looks better than it did as protein values are rallying because of the problems that are in rains , et cetera, in Brazil and Argentina.

Lastly, I can just say -- it's not just about protein. It's not just about oil. It's really about what we see demand for our products and sugar. It's because it's low carbon in the alcohol as well. And we are getting interest across the board on every one of our products because of the low carbon profile that we have.

And you can see that in our -- we just released our new sustainability report, take a look at it. It's something that we believe is very unique to Green Plains and what we can do across the board, especially in Nebraska next year as we begin to capture our carbon in 2025 and have an early mover advantage.

Low carbon ingredients while maybe not as overly-important to some companies because some of the blowback internally, part of the reason we are seeing demand for all of our products across the board is because we can produce low carbon ingredients, 30% to 40% lower carbon intensity in our sugar products, same for our protein products, lower carbon intensity in the alcohol next year and especially the advantage on lower carbon-intense oils.

So generally speaking, it's not just going to be all about whether there's enough demand or not demand, it's all going to be based on what we can produce in that area as well.

Henry Stephen Roberts
Truist Securities, Inc., Research Division

Great. Just a quick follow-up. Do you guys have any incremental updates on the progress for the Blue Blade ATJ plan? I know that's kind of a long way out, but just curious how that kind of plays in your longer-term strategy for SAF?

Todd A. Becker
President, CEO & Director

Yes. I mean, scaling a catalyst is always challenging, and that's proving out as well in that venture. But that's not the only that venture was set up for. We are definitely continuing to look at the catalyst that with PNNL that we've got control of, but also to look at the fact that, again, we're partnered with Tallgrass, United on that venture. You know that we're going to be on a Nebraska pipeline, and you can go Google who that's with? And then basically, you can see that, that partnership is strong. And generally speaking, we'll have some of the earliest low-carbon alcohol gallons that can go into jet fuel of anybody in the world in volume, in big volume. And I think that, that will be a good strong potential opportunity for all of our partners, and we'll see where it goes from there. But that is also not just a partnership that is focused on one single catalyst.

We're really technologically agnostic to say that it's a strong partnership between infrastructure, supply and demand and nothing else exists like that. So we're also going to look at other technologies as well.

Operator

And that concludes our question-and-answer session today. I will now turn the conference back over to Mr. Todd Becker for closing remarks.

Todd A. Becker
President, CEO & Director

Hey, everybody. Thanks for getting on the call today. You see a lot going on. We're making a lot of progress in all of our strategic areas. We continue to believe we have a very valuable asset base. We're looking at everything you can imagine from the mix of our assets, the size of our assets, what should be in, what should be out. We're looking at our balance sheet to say how do we continue to be in a

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very strong position from a cash and a debt perspective as we have significant assets that are still unencumbered, and we have no near-term maturities. I think when we look at the future of Green Plains, it's not just -- well, it might be evolving every which way we can. We believe still we're on target for some of the things that we laid out several years ago, notwithstanding a weak first quarter, and we're looking forward to the rest of the year and updating you in the next couple of quarters. So thanks, everybody on the call. Thanks for your continued support.

Operator
Ladies and gentlemen, this concludes today's call, and we thank you for your participation. You may now disconnect.

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