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## Verasun Files for Bankruptcy Protection

By TOM ZELLER JR.

### VeraSun Share Price

The [VeraSun Energy Corporation](#), which accounts for roughly 7 percent of ethanol production capacity in the United States, announced that it had filed for Chapter 11 bankruptcy protection late Friday.

Shares in VeraSun were trading for pennies in anticipation of the move, which, the company said in a statement, was “precipitated by a series of events that led to a contraction in VeraSun’s liquidity, impairing its ability to operate its business and invest in production facilities.”

Among those events were the global credit crunch and bad bets on corn prices.

The company, based in Sioux Falls, S.D., [revealed](#) in a Securities and Exchange Commission filing in September that it had entered into procurement contracts to buy corn at prices near the commodity’s apex of roughly \$8 a bushel in mid-summer. Since then, the price has tumbled to roughly half that.

The company’s stock price had been falling throughout the year, and then dropped precipitously on Friday, on rumors that the filing was imminent. Shares in VeraSun closed at 48 cents on Friday, down from their 52-week high of \$17.75 and historic highs of more than \$25 a share.

The company said it plans to resume “normal operations” during the Chapter 11 proceedings.

“Today’s filing allows VeraSun to address its short-term liquidity constraints as we navigate historically challenging market conditions while we focus on restructuring to address the company’s long-term future,” said Don Endres, VeraSun’s chairman and chief executive. “We appreciate the loyalty of our employees, customers and suppliers during this challenging time.”