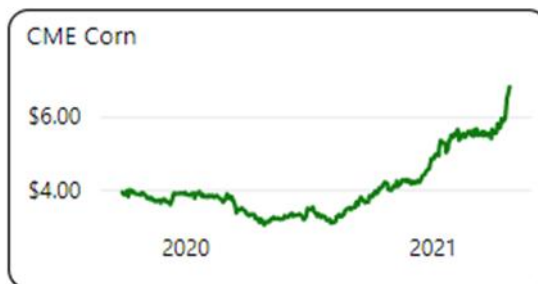
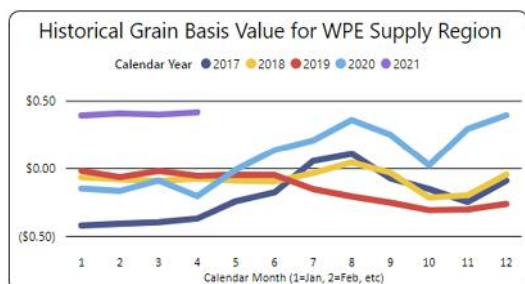




April 2021 Newsletter

The Quarterly Update

The second quarter of our fiscal year is behind us, and things are looking better than they did just a couple of months ago. Our margins remain strained due to the historically high grain basis values in our region. The regional corn basis continues to hold at historically high values (see chart below), and the corn market has steadily moved higher since last August. The market opened at \$3.07 on August 10, 2020, and has pushed higher ever since, blasting past \$7.00 in recent days.



We did slow our production rate for the second fiscal quarter (i.e. Jan, Feb, Mar). Coming into the first part of 2021, forward margins did not look good, and we opted to be more conservative and to stretch out the grain volume that we had already purchased. This methodology worked well for us. We had the vast majority of our grain needs for the quarter already priced prior to the first of the year, and as corn prices continued to rise throughout the quarter ethanol values also pushed higher. Thus, crush margins expanded as we progressed through the quarter providing positive net income for quarter. We also took the opportunity to layer in some additional grain throughout the quarter to carry us through a good portion of the remaining six months of the fiscal year.

On the demand side, we are seeing gasoline demand pick back up. For the last several months, we had been hovering around 90% of pre-COVID demand levels, and we have recently seen demand improve to around 96% of pre-COVID levels. As a result, we have seen ethanol inventory levels trend downward for several weeks, and they are currently significantly lower than pre-COVID levels for the month of April.

The quarterly unaudited financials are included with the newsletter. In comparing the second fiscal quarter of this year with the same quarter from the previous fiscal year, ethanol production and grain grind were both down 21%. Comparing the two quarters, we did have a small increase of 0.64% in conversion yield (gallons of ethanol per bushel of grain). Revenue from ethanol sales were down by 21%; however, ethanol unit values were 33% higher. Revenue from distiller product sales overall were down by 7%, although wet distiller values averaged \$10.50 per ton higher, distiller oil values averaged \$0.21 per pound higher, and revenue from

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distiller oil sales were almost double that from the same quarter in the last fiscal year. Grain expenses for the quarter were on average \$1.19 per bushel higher, while ingredient expenses were 35% lower, energy costs were 9% higher, and administrative expenses were 1.5% higher.

Looking ahead, things continue to look like tough road until we get to new crop harvest. Grain prices continue to push higher, and the increase in corn values currently seems to be outpacing any increase in ethanol values. We expect to continue to run at reduced rates for the remainder of the fiscal year. Profit margins are negative buying grain at current prices and selling ethanol at current prices. As we did in this last quarter, we will maintain a reduced production rate, minimizing the need to purchase high priced grain.

Most of us experienced the cold weather snap for those few days in February. Temperatures here were well below normal, and probably the coldest days that this plant has ever experienced. As I am sure you have heard, there have been numerous stories around the ethanol industry and across all sectors of the country of extremely high natural gas and electrical billings because of the cold weather. We were very fortunate during this time, as we only experienced a few small weather-related issues and avoided the extremely high costs of natural gas and electricity. We had already purchased and priced our natural gas prior to the cold-snap, and Midwest Energy seems to have done a great job in managing electrical rates during that time.

Thank you to those that were able to attend the 2021 Annual Meeting of the Members on March 11. The meeting was held virtually, and we had pretty good overall attendance. Also, thank you to everyone who returned your proxy vote for the meeting. Ronald Blaesi was elected to serve as a Class A Manager, Scott Foote was elected to serve as a Class B Manager, and Gary Johnson was elected to serve as a Class E Manager.

As I have previously shared, WPE has a strong focus on decarbonizing our production process, meaning we are working to lower the greenhouse gas (GHG) emissions. There is a growing societal demand to increase sustainability efforts and to lower our carbon footprint through our entire economy. The Low Carbon Fuel Standard (LCFS) program in California was established in 2010, and it was the first program in the United States to provide an incentive to fuel producers to supply low carbon fuel into the California liquid fuel market. Based on the current incentives provided by California's LCFS program, WPE is currently working on a number of projects to decarbonize our process.

During the last quarter, we had a strong focus on initiating a program to gather data and calculate the GHG emissions associated with grain production. We have partnered with a technology company called Gradable to work with the producers that supply us grain and determine the true GHG profile from farming activities in our regions. We believe that agricultural activities in our region are already better than the "plugged" numbers in the models. However, we need to gather sufficient data to prove that fact so that we can petition California to amend their program with real-world metrics instead of US-based average numbers. Our overall intent is then to reward producers for their stewardship activities by sharing a portion of the low carbon grain related value captured through ethanol sales into California with the producers supplying the grain. We had a number of our producers partner with us in this process, and Gradable is busy rounding up the last bits of data from them so that they can then get the data converted into a carbon score. We want to share a big thank you to all the producers that agreed to work with us on this important project.

Finally, we have also been busy developing a wind turbine project that will lower the amount of grid-based electricity that WPE uses. The project has been developed thus far by WPE under the name of Western Plains Wind, LLC, and I am happy to share that we are finally ready to transition Western Plains Wind (WPW) to a

separate entity that is not a wholly owned subsidiary of WPE. To fund the project, we have decided to provide current WPE shareholders the first opportunity to invest in WPW. WPE will remain a minority shareholder in WPW, but the intent is to have WPW be a stand-alone entity, owned and managed by it's own shareholders. A one-page flyer is included with this newsletter that shares some of the details of the projects and provides the meeting dates and times for the WPW investor meeting opportunities. We hope that you will join us at one of the meetings to hear more about the project and how you can invest.

Employee Highlights

2ND QUARTER WORK ANNIVERSARIES:

Jamie Speer (Shipping & Receiving Operator)

4/15/2019 – Celebrating 2 years

Greg Doll (Commodities Manager)

4/25/2005 – Celebrating 16 years

Tom Heier (Groundskeeper)

4/30/2012 – Celebrating 9 years

Charlie Murphy (WPT Driver)

5/5/2014 – Celebrating 7 years

Tyler Tholen (Shift Supervisor)

5/9/2012 – Celebrating 9 years

Trent Meier (Shipping & Receiving Operator)

5/22/2006 – Celebrating 15 years

Adam Janousek (Shift Supervisor)

5/22/2006 – Celebrating 15 years

Giovani Caasi (Maintenance Tech)

5/30/2006 – Celebrating 15 years

2ND QUARTER BIRTHDAYS:

Eric Robben – April 10th

P.D. Williams – April 21st

Matthew Folmar – April 21st

Rick Holaday – May 12th

Darin Honeyman – May 12th

Megan Tuttle – May 27th

Josh Brown – June 10th

Cody Holzmeister – June 10th

Tyler Tholen – June 12th

Kristin Brooks – June 19th