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FUELING THE FUTURE

May 2022 Newsletter

The Quarterly Update

We are halfway through fiscal year 2022, and it has been a busy year so far. We have experienced incredible margins early in the year, and we are seeing historic high grain prices this crop year. But before I get into the details, I wanted to share some sad news.



Ronald Lee Blaesi

May 28, 1949 – April 23, 2022

It is with great sadness that we share of the passing of Ron Blaesi, who has also served as a long-time board member for WPE. Ron was a quiet intellect, who had great passion and pride for Western Plains Energy. He had a great understanding of the agricultural industry and ethanol’s role, and he consistently and respectfully challenged others to make sure that WPE would always be a top performer. He previously served as a board member for Wallace County Farm Bureau, Kansas Corn Commission, and Kansas Wheat Commission. At the time of his death, he was also an active board member for the Fort Wallace Memorial Association and Western Plains Wind, LLC. We will miss Ron, and we greatly appreciate all his contributions. Rest in peace Ron!

I want to thank all of you for your engagement leading up to and during the special member meeting that was held on April 9. We heard many great questions and comments from you, and it was a pleasure to be able to interact with so many of you. The proposed transaction was not approved by members, and a letter was sent to all members sharing more specific details regarding the voting. In all, we received responses back representing ~75% of the eligible ballots, which is pretty incredible. Your commitment and passion towards WPE did not go unnoticed, and I want to say thank you again for engaging with us through the process.

As you know, our annual member meeting is typically held in March of each year; however, we delayed this year’s meeting until after the special meeting. As such, we are now working to get organized for the annual meeting, which is scheduled for Thursday, July 14 at 6:30pm at the Oakley Country Club. Additional information will be sent out within the next few weeks.

Financials for January and February were included in the March 11 letter accompanying the cash distribution. The unaudited financials for the full second quarter of FY2022 are included with this newsletter. In comparing the second fiscal quarter of this year with the same quarter

Board of Managers

- **Jeff Torluemke**
President
- **Ben Dickman**
Secretary
- **Brian Baalman**
Manager
- **Rick Billinger**
Manager
- **Scott Foote**
Manager
- **Dave Mann**
Manager
- **Steve Sershen**
Manager

Save the Date
WPE Annual Member of Members
 July 14, 2022 • 6:30pm • Oakley Country Club

from the previous fiscal year, ethanol production and grain grind were both up by 25%. Overall ethanol yield was up 0.5% from this quarter compared to the same quarter last fiscal year. Revenue from ethanol sales was up by 66% and ethanol unit values averaged \$0.54 per gallon higher. Revenue from distiller product sales were also higher. Grain expenses for the quarter were on average \$1.54 per bushel higher, while ingredient, energy and administrative expenses were also higher. Comprehensive net income was nearly double the net income for the same quarter last fiscal year.

Comparison of this fiscal year to the previous fiscal year, ethanol production and grain usage were both 7% higher. The ethanol yield was down slightly, coming in at 0.1% lower. Total revenue for the fiscal year is 79% higher, driven by higher ethanol values, higher wet distiller values, and higher distiller oil values. Grain costs are on average \$1.75 higher for this fiscal year, and total grain expenses were 40% higher. Comprehensive net income for the first two quarters of this fiscal year is substantially higher than the same period in the previous fiscal year.

While we are off to a great start to the fiscal year, there are still challenges that lay ahead. First, grain market prices are historically high, hovering around \$8 per bushel, and grain basis values also remain historically high. Ethanol prices were held down due to oversupply through the late winter months, but we are starting to see demand pick up coupled with reduced supply due to the spring maintenance outage season. With this, we are seeing ethanol values increase. Unfortunately, overall gas demand remains around 95% of pre-COVID normal. Lingering winter weather and high gas prices at the pump seems to have gas demand stifled somewhat. Rail logistics also continue to threaten the industry. Fortunately, our facility has not been affected; however, some ethanol plants have had to reduce production rates due to slow rail logistics. The rail issue seems to be predominantly driven by staffing issues, and I don't look to see any quick improvements. We are starting to see some much, much needed rain, and I am starting to feel better about planting conditions and better overall for the summer months.

I also wanted to take the opportunity to remind everyone about AgStockTrade.com. This is a public website that provides a matching service for our membership units. Members can go to the website and post an offer to sell their units, and members and non-members can place an offer to purchase units. When a sell offer and a buy offer are matched, then the exchange of units is completed. Since the special members meeting, we have seen an increase in posted bids, and I would encourage members to utilize the platform if you are interested in buying additional units or selling your units.

The screenshot shows the AgStockTrade.com website interface. At the top, there is a search bar for Username and Password, and a 'Log In' button. Below this is a navigation menu with links for Buy/Sell, Register, Companies, How We Work, FAQ, About Us, and Contact Us. The main content area is titled 'Western Plains Energy, LLC' and includes the following information:

- Trading Status: Active
- Web Site: www.wpelc.com
- SEC Filing(s): No
- View Operations Manual
- Current Postings for WPE LLC (Class A)
- Match History for WPE LLC (Class A)
- Current Postings for WPE LLC (Class B)
- Match History for WPE LLC (Class B)
- Current Postings for WPE LLC (Class C)
- Match History for WPE LLC (Class C)
- Current Postings for WPE LLC (Class E)
- Match History for WPE LLC (Class E)

On the right side, there is a 'Participating Companies' section listing various energy and processing companies, including:

- Al-Corn Clean Fuel
- East Kansas Agri-Energy, LLC
- Glacial Lakes Corn Processors
- Golden Grain Energy, LLC
- Iowa Renewable Energy
- Lake Area Corn Processors, LLC
- POET
- Redfield Energy, LLC
- Ringneck Energy, LLC
- South Dakota Soybean Processors, LLC
- U.S. Premium Beef, LLC
- Western Dubuque Biodiesel, LLC
- Western Plains Energy, LLC

At the bottom of the page, there is a brief history of Western Plains Energy, L.L.C. (WPE) and its production details.

To access, just visit <https://www.agstocktrade.com>. Then click on "Western Plains Energy, LLC" at the bottom of the list in the yellow box on the right side of the page. This brings you to the specific page regarding WPE, which is shown here. From there, you can search each unit class to see the current buy and sell offers, and you can also track the historical trades for each unit class. Please give us a call at 785.672.8810 if you have questions or need assistance accessing the website.

Employee Highlights

3RD QUARTER WORK ANNIVERSARIES:

Greg Doll (Commodity Manager)
4/25/2005 – Celebrating 17 years

Trent Meier (Materials Operator)
5/22/2006 – Celebrating 16 years

Adam Janousek (Shift Supervisor)
5/22/2006 – Celebrating 16 years

Giovani Caasi (Maintenance Tech 3)
5/30/2006 – Celebrating 16 years

Tyler Tholen (Shift Supervisor)
5/9/2012 – Celebrating 10 years

Jamie Speer (Materials Operator)
4/15/2019 – Celebrating 3 years

Charles Murphy – WPT Driver
5/5/2014 – Celebrating 8 years

P.D. Williams – WPT Driver
6/20/2019 – Celebrating 3 years

3RD QUARTER BIRTHDAYS:

Jonathan Corbett – April 3

Eric Robben – April 10

Michael Petersen – April 19

Paul Williams – April 21

Darin Honeyman – May 12

Rick Holaday – May 12

Barb Boldt – May 13

Shayne Cook – May 17

Megan Tuttle – May 27

Cody Holzmeister – June 10

Josh Brown – June 10

Tyler Tholen – June 12

Brandon Wilkinson – June 15

Kristin Brooks – June 19