



August 2022 Newsletter

The Quarterly Update

With the close of the third fiscal quarter, I am pleased to report that we have had a great nine months so far for this fiscal year. We had incredible margins early in the fiscal year, and we have continued to experience pretty good margins since that time. With that, I am happy to share that the Board of Managers have declared a \$200 per unit distribution for owners of record as of July 1, 2022. Please find your distribution check or direct deposit notice enclosed with this newsletter.

As many of you know, we have been experiencing unprecedented commodity prices. Grain market values and grain basis values have been very high this crop year. Corn CME values peaked at \$8.27 per bushel back in April, and we have seen basis values exceed \$1 per bushel. However, we have also seen record high gas prices at the pump, equating to strong ethanol values as well.

Unaudited financials for April, May and June are included. In comparing the third fiscal quarter of this year with the same quarter from the previous fiscal year, ethanol production was up 67% as we had slowed production rates most of last fiscal year. Grain grind was up 68%. Overall ethanol yield was down 0.017 gal/bu from the same quarter last fiscal year. With higher values across the energy and grain sectors and the reduced production rate last year, total revenue was up by nearly 90%. Ethanol sales alone were up \$16 million for the quarter, averaging nearly \$0.35 per gallon higher. Revenue from ethanol sales was up by 66% and ethanol unit values averaged \$0.54 per gallon higher. Revenue from distiller product sales were just over 90% higher, and grain expenses for the quarter were on average about \$2.00 per bushel higher. Ingredient, energy, and administrative expenses were collectively 52% higher. Comprehensive net income was 41% higher, compared to the same quarter last fiscal year.

Comparison of the first 9 months of this fiscal year to the first 9 months of the previous fiscal year, ethanol production and grain usage were slightly more than 20% higher. Total revenue was nearly \$60 million higher, and grain costs were just over \$2 per bushel higher.

Board of Managers

- **Jeff Torluemke**

President

- **Ben Dickman**

Secretary

- **Brian Baalman**

Manager

- **Rick Billinger**

Manager

- **Scott Foote**

Manager

- **Dave Mann**

Manager

- **Steve Sershen**

Manager

Comprehensive net income for the first three quarters of this fiscal year is more than 3 times compared to the same time frame last fiscal year.

As shown in the financials, we have had a great performance so far for the fiscal year. Unfortunately, the situation has quickly changed over the last 30-60 days. Energy sector values have come off their highs, including ethanol values. While grain values have also come off of their highs, I expect our crush margin to be significantly strained for July, August and September. Further, the new crop outlook is not good. No rain and the high heat through the summer has had a dramatic effect on crop conditions. Come harvest time, there will be a lot of end-users trying to capture a much smaller available pool of regional grain. We are working through different options and ideas regarding the issue, but I do expect grain procurement for this next fiscal year to be tough.

I want to thank everyone that was able to participate in the Annual Member Meeting that we held in mid-July. We had a good turnout, and we always appreciate the opportunity to share and interact with members.

AgStockTrade.com

Visit AgStockTrade.com to post bids to buy or sell membership units. A full history of matched trades is also available on the site.

The screenshot shows the AgStockTrade.com website interface. At the top, there is a navigation bar with the site name and a search bar. Below the navigation bar, there are several menu items: Buy / Sell, Register, Companies, How We Work, FAQ, About Us, and Contact Us. The main content area features a large image of an ethanol processing facility. To the right of the image is a list of participating companies, with Western Plains Energy, LLC circled in red. The list includes:

- Al-Corn Clean Fuel (Claremont, MN)
- East Kansas Agri-Energy, LLC (Garnett, KS)
- Glacial Lakes Corn Processors (Watertown, SD)
- Golden Grain Energy, LLC (Mason City, IA)
- Iowa Renewable Energy (Washington, IA)
- Lake Area Corn Processors, LLC (Wentworth, SD)
- POET (Sioux Falls, SD)
- Redfield Energy, LLC (Redfield, SD)
- Ringneck Energy, LLC (Onida, SD)
- South Dakota Soybean Processors, LLC (Volga, SD)
- U.S. Premium Beef, LLC (Kansas City, MO)
- Western Dubuque Biodiesel, LLC (Dubuque, IA)
- Western Plains Energy, LLC (Oakley, KS)**

Below the image, there is a "Welcome!" section with a brief introduction to the site and a "Self Directed IRAs" section.

Employee Highlights

EMPLOYEE WORK ANNIVERSARIES:

Josh Brown (Production Manager)
9/22/2008 – Celebrating 14 years

Cody Holzmeister (Materials Manager)
8/24/2010 – Celebrating 12 years

Jesus Campos (Front-End Operator)
9/5/2013 – Celebrating 9 years

Eric Robben (Maintenance Tech)
8/26/2013 – Celebrating 9 years

Stacy Smith (Quality Assurance Tech)
7/21/2014 – Celebrating 8 years

Maria Rubio (Janitor)
9/15/2016 – Celebrating 6 years

Troy Charles (Back-End Operator)
8/28/2020 – Celebrating 2 years

Nicholas Byerly (Back-End Operator)
9/15/2020 – Celebrating 2 years

Valdemar Rubio (Front-End Operator)
9/21/2020 – Celebrating 2 years

Angel Batchelor (Front-End Operator)
7/1/2021 – Celebrating 1 year

Colin Williams (EHS Specialist)
7/26/2021 – Celebrating 1 year

Brandon Wilkinson (WPT Driver)
9/15/2021 – Celebrating 1 year

EMPLOYEE BIRTHDAYS:

July Birthdays:

Greg Doll, Brian Wolf, Joni Wilson

August Birthdays:

Adam Janousek, Stacy Smith

September Birthdays:

Joe Renner, Dusty Zerr, Jamie Speer, Troy Charles, Nicholas Byerly