

PO Box 100
Wentworth, SD 57075

605-483-2679
605-483-2676 (corn)
888-539-2676 (corn)

www.dakotaethanol.com

Office hours:
8:00 a.m. to 5:00 p.m. (M-F)

Receiving/shipping hours:
7:30 a.m. to 4:30 p.m. (M-F)

Alan May
Membership Coordinator
amay@dakotaethanol.com

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Board declares distribution

Please find enclosed a cash distribution as declared by the Lake Area Corn Processors, LLC Board of Managers at the Nov. 8, 2011 meeting. This distribution is \$0.10 per capital unit and is paid to members of record as of October 1, 2011. This distribution brings the total cash distributed to members in 2011 to \$8,886,000. With year to date comparisons in the SEC filing, hopefully you can form an opinion for estimated allocated earnings for 2011 tax planning. As usual, the 2011 tax statements should be sent in mid-February 2012. Thank you for your continued support and patronage.

General Manager/CEO Update

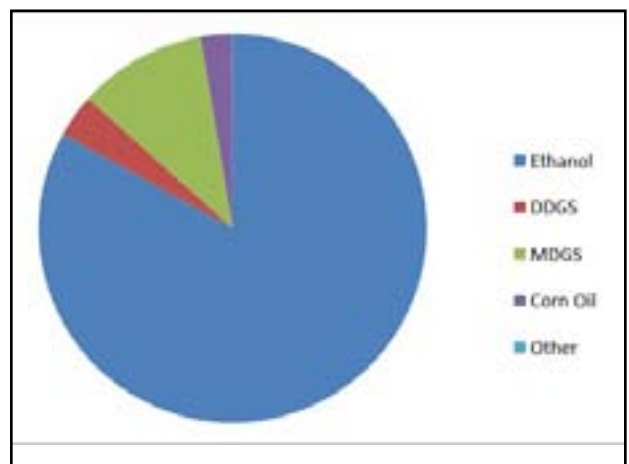
Strong commodity prices, plus low debt, yield positive year

The recent distribution is evidence of a great year for Dakota Ethanol, LLC. Ethanol margins have been strong. While corn prices are at historic levels, the other commodities are also at high levels following corn; and to a lesser degree, crude oil prices. Total revenues through the first nine months total \$109,462,932. The graph below depicts the makeup of our revenue. Ethanol is the largest revenue source with 83% of the total followed by co-products combining for the other 17%.

Natural gas is a major input cost for Dakota Ethanol, LLC, and remains very affordable due to ample supply. For the first nine months in 2011, the average corn cost has been approximately \$6.50 per bushel and the average ethanol price approximately \$2.50 per gallon. Another major contributor to the success in 2011 is the low debt liability for Dakota Ethanol, LLC. All in all, 2011 will be a very successful year for Dakota Ethanol, LLC.

If you desire more detailed information on financials for 2011, please take a look at www.sec.gov for the filing of the 10-Q financials for Lake Area Corn Processors, LLC. The recent 10-Q filing is for the first nine months of 2011.

— *Scott Mundt,*
General Manager &
CEO, Dakota Ethanol



Commodity Update

Prices, demand up across the board for DE corn, grain

What a pleasant harvest — fast and furious. This new crop corn is heavier test weight and is obviously drier than normal. I suspect that means we have more bushels in the same amount of bin space. The most recent USDA report says South Dakota had the same yield of 135 bpa but claims the state has 580,000 more harvested acres than last year for a projected corn production increase of 78 million bushel versus last year.

Anybody who has traveled around probably noticed that there don't seem to be as many corn piles on the ground. As a result of the fast harvest, and the perception of tighter stocks with a 3-year seasonal uptrend, farmers are reluctant to sell. This all leads to an unusually tight or narrow basis for this time of the year. With the welcomed dryness, many producers are gearing up to plant more acres, and there seems to be price incentive to produce more given the demand. Global financial worries continue, and the increase of acres throughout the world going into production remains a serious threat to today's prices.

In regard to feed prices and demand, we've seen really strong prices due to a number of demand factors. Dryness throughout the cattle produc-

ing plains states has increased demand on all feedstuffs with calves coming off grass sooner. Higher than normal corn prices have increased distillers grain prices. Higher inclusion rates in all species' diets in recent years has led to more incremental feeding of distillers. High fertilizer prices with urea mainly competing for protein in diets has increased demand. Foreign demand for distillers remains decent.

Seasonally, winter brings higher demand for all feedstuffs. The types of feedstuffs being fed in the colder months, especially corn stalks, rough hay or CRP grass, tend to complement distillers usage. With all this being the case, modified distillers grain is still currently cheaper than corn on a dry matter cost/ton basis.

We've been experiencing high demand for our distillers products, so please call well in advance of needing your loads to be placed on the schedule. Thank you for your business; we look forward to serving you. If you ever have suggestions on how to improve your experience with Dakota Ethanol, please let us know.

— *Paul Geraets,*
Commodity Manager,
Dakota Ethanol



Seasonal notes

With Thanksgiving approaching we want to say thanks and best wishes for the holiday season. We certainly all have a lot to be thankful for.

Winter away?

If you are going to be temporarily away this winter, please notify us of your address if you wish to receive cor-

respondence. A great way to keep in touch is also via the internet at www.dakotaethanol.com.



Lake Area Corn Processors, LLC unit trades reported

For 2011 there were approximately 1.35% of the outstanding units traded. The average cost per capital unit for 2011 was approximately \$1.02. With distributions totaling \$0.30 in 2011, you can form your opinion about return on investment. Lake Area Corn Processors, LLC units are

traded by Variable Investment Advisors, Inc. You may access trading at www.agstocktrade.com. You will see offers to buy and sell, as well as trading history to form an opinion on estimated current value of your investment. You may also contact VIA at 1-800-859-3018.

Ethanol in the news across the nation

RFA applauds Big 3's commitment to FFVs, releases comprehensive list

(October 25, 2011) Washington – The Renewable Fuels Association (RFA) today commended General Motors, Ford Motor Company, and Chrysler for meeting their pledge to produce 50 percent of their new vehicles as flexible fuel vehicles (FFVs) by 2012. Flexible fuel vehicles are cars, pickups, or SUVs capable of using any blend of ethanol up to 85 percent of the gallon, or E85.

“Ethanol-ready vehicles are essential if Americans are to increase our use of domestically-produced ethanol and reduce our reliance on imported oil,” said RFA President and CEO Bob Dinneen. “In order to see this industry continue to grow and evolve, including the commercialization of new ethanol technologies, we must continue to invest in FFVs, blender pumps, and other infrastructure to maximize the benefits of using a homegrown renewable fuel. The RFA commends the Big Three for living up to their commitment and challenges other automakers to follow their lead.”

According to data compiled by the RFA from expected

FFV model production and conversations with General Motors and Ford Motor Co., America's “Big 3” are on pace to produce half of all new vehicles as FFVs in 2012. Currently, there are approximately 9 million FFVs in use. The RFA has compiled a list of FFVs available by make, model and model year.

“Vehicles are just one part of the plan needed to open America's fuel market to higher level ethanol blends and other alternative fuels,” said Dinneen. “Investments in blender pumps that can dispense a wide range of ethanol blends and the passage of legislation like the Open Fuel Standard are needed to end oil's monopoly on how Americans get to work or go on vacation. With changing federal regulations and fuel quality needs in the years to come, ethanol producers and automakers have an opportunity to work constructively together to help America achieve its environmental and energy security goals, all while creating jobs and economic opportunity here at home.”

The RFA is joining with national security experts and alternative fuel industries to push for enactment of an Open Fuel Standard (OFS) that would help level the playing field for new fuel technologies.

National 2012 ethanol production on track to exceed 13.6 B gallons

Monthly data from the Energy Information Administration is available and shows that through July, the U.S. ethanol industry had produced 8.028 billion gallons. Based on these numbers, the industry is on pace to supply more than 13.8 billion gallons for calendar year 2011. However, it is important to note that ethanol production in August and September has shown a slight downward trend as noted by the weekly ethanol production data. As the Renewable Fuels Association noted last week, the current 4-week average for ethanol production would yield 13.5 billion gallons of ethanol over a full 52-week year. The RFA is predicting 2011 ethanol production to be approximately 13.7 billion gallons.

