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Scott Mundt
General Manager/CEO

Rob Buchholtz
Controller/CFO

Alan May
Membership Coordinator

"This newsletter contains forward-looking statements. We undertake no responsibility to update any forward-looking statement. When used, the words "believe," "expect," "will," "can," "estimate," "anticipate" and similar expressions are intended to identify forward-looking statements. Readers should not place undue reliance on any forward-looking statements and recognize that the statements are not predictions of actual future results, which could and likely will differ materially from those anticipated in the forward-looking statements due to risks and uncertainties, including those described in our SEC filings."

General Manager/CEO Plant Update

Board OKs distribution to members

The LACP Board approved a \$.10 per unit distribution during their November meeting to unit holders on record as of October 1, 2010.

We reached a milestone in the 3rd quarter of 2010 whereas the remaining balance of \$1.3 million was paid against the original long term note of \$26.6 million. The original note dates back to a construction loan in 2000 followed by a 10 year note after startup in September 2001. Our total remaining debt as of September 30, 2010 is \$3.3 million which includes \$1.4 million of debt from the private placement offering in 2009 which has a 2 year maturity and will be due in early 2011.

Ethanol and co-product revenue has continued to provide positive margins in the spot markets; volatility continues to be the norm in the commodity markets driven by strong demand and a weaker dollar.

Following is a summary of our financial results through September 30, 2010 (For a more detailed financial report please see our 10-Q report filed with the SEC).

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

Income Statement

	Nine Months Ended 9/30/2010	Nine Months Ended 9/30/2009
Revenues	\$67,587,399	\$64,167,144
Gross Profit	\$4,976,069	\$2,324,075
Net Income (loss)	\$4,722,640	(\$691,817)
Net Income (loss) per Unit	\$0.16	(\$0.02)
Average Units Outstanding	29,620,000	29,620,000

Balance Sheet

	9/30/2010	12/31/2009
Current Assets	\$17,254,169	\$13,340,500
Total Assets	\$60,856,447	\$58,625,220
Current Liabilities	\$10,880,828	\$10,967,717
Long Term Liabilities	\$1,519,071	\$3,923,596
Members Equity	\$48,456,548	\$43,733,907
Working Capital	\$6,373,341	\$2,372,783

Commodity Comments

USDA: Corn crop down from 2009 record

According to the Nov. 9 crop production report from the USDA, corn production is forecast at 12.5 billion bushels, down 1 percent from the October forecast and down 4 percent from last year's record production of 13.1 billion bushels. As of November 1, yields are expected to average 154.3 bushels per acre, down 1.5 bushels from the previous month and 10.4 bushels below last year's record of 164.7 bushels. Forecasted yields decreased from last month throughout much of the Corn Belt, with the biggest decline forecasted in Missouri, down 7 bushels per acre. The expected yield in South Dakota declined 5 bushels from last month while the Nebraska yield dropped 4 bushels per acre. Record high yields are forecast in California, Georgia, Michigan, Minnesota, New York, North Dakota, and Wisconsin.

Soybean production is forecast at a record high 3.38 billion bushels, down 1 percent from the October forecast but up slightly from last year. Based on November 1 conditions, yields are expected to average 43.9 bushels per acre, down 0.5 bushel from last month and down 0.1 bushel from last year's record high yield. Compared with last month,

yields are forecast lower or unchanged in all major-producing States except Delaware, Michigan, Mississippi, North Carolina, Texas, and Wisconsin. The largest decreases in yield from last month are expected in Kansas, Nebraska, New Jersey, and South Dakota, down 2 bushels each. If realized, the forecasted yields in Illinois, Louisiana, New York, and Wisconsin will be record highs and the forecasted yield in Michigan and North Dakota will tie the previous record high. Area for harvest in the United States is forecast at 76.8 million acres, unchanged from the previous forecast but up 1 percent from 2009.

Our immediate area again enjoyed a bountiful harvest and very good quality. A very dry October and continuing into November allowed the harvest to progress very nicely and as of this writing is nearly completed. The nice weather also allowed a lot of fall tillage to be completed. The forecast now is to turn colder and wetter...guess it's time the 15th of November.

— *Paul Geraets,*
Commodity Manager, Dakota Ethanol

Ethanol in the news

EPA gives partial nod to E15

The Environmental Protection Agency in October approved use of an increased ethanol blend (E15), but severely limited the vehicles for which the higher blend is approved. It limited use of E15 to vehicles made in model year 2007 or later, a limitation the ethanol industry worries will create confusion and reduce opportunities for ethanol to impact the country's use of oil.

“This decision continues to leave the market artificially constrained and further limits market opportunities for next generation biofuels very close to commercialization,” said Bob Dineen, president and CEO of the Renewable Fuels Association. “While we appreciate the work put into this waiver request, especially the two-plus years of testing by the Department of Energy, it is clear EPA is missing an opportunity to meaningfully increase America's use of renewable fuels and reduce our dependence on imported oil.”

Petroleum refiners and marketers have expressed

hesitancy in offering E15, as it would require them to also offer E10 to meet the needs of drivers of cars that are not covered under the waiver.

Subsidies for fossil fuels dwarf those provided for renewables

A report this summer from Bloomberg New Energy Finance showed that while the public may believe renewable energy receives a disproportionate share of government support, global subsidies to the fossil fuel industry are actually 12 times that provided to renewable fuels.

Governments last year gave \$43 billion to \$46 billion of support to renewable energy through tax credits, guaranteed electricity prices known as feed-in tariffs and alternative energy credits, the London-based research group said. That compares with the \$557 billion that the International Energy Agency reports was spent to subsidize fossil fuels in 2008.

The United States does lead the way in support of clean energy, however, with \$18.2 billion in subsidies in 2009, according to New Energy Finance.

Company News and Notes

Nominations for Board of Managers needed by April 1

The Nominating Committee of Lake Area Corn Processors, LLC will begin the nomination process to fill three [3] open seats on the Board of Managers (The "Board") for the three terms that expire the day of the 2011 annual meeting. Current Board of Managers members whose terms are expiring are Todd Brown, Dale Thompson and Brian Woldt.

If you have an interest in serving as a board member or on the nomination committee, or if you know someone who might be interested, please contact Alan May, Membership Coordinator, for details. The deadline for submitting potential nominations and returning the application information is April 1, 2011.

Temporary Addresses

For those members who seek better weather than South Dakota has to offer over the winter, please notify us of your temporary address if you wish to receive correspondence from Lake Area Corn Processors, LLC. A great way to keep in touch while away is via the internet. At www.dakotaethanol.com you can find daily markets and keep informed of LACP unit trading as well as current SEC filings. Have a great winter!

Holiday Greetings!

As Thanksgiving approaches, everyone at Dakota Ethanol/Lake Area Corn Processors is thankful for another successful year, and we wish all of our members a healthy and happy holiday season and New Year.

