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Name
Address
City, State, Zip

Dear Corn Producer,

We want to inform you of an important new opportunity that could create additional value for your corn through emerging low-carbon fuel markets.

As part of new federal policy, including the Section 45Z Clean Fuel Production Credit, ethanol plants like ours are increasingly rewarded for producing fuels with lower carbon intensity (CI) score.

Reducing CI scores begins at the farm level. Production practices place average US corn CI scores at 29, comprising more than 50% of the average US ethanol CI score, meaning your production practices can directly impact the value of the ethanol we produce and the corn that you deliver.

What does this mean to you?

By certifying, or adopting, use of certain climate-smart agriculture (CSA) practices, you may be able to:

- Lower the carbon intensity score of your corn.
- Generate tax credit value under 45Z.
 - However, to generate tax credit value, the CI average of corn processed by Dakota Ethanol (DE) must be reduced by a minimum of 5 CI points. **This means a substantial number of corn producers need to participate.**

Examples of qualifying practices and their CI reductions:

- Reduced till (-2), or no-till/strip-till (-9)
- Planting cover crops (-8)
- Spring only nitrogen application (-1.5)
- Split in-season applied nitrogen (-3)
- Use of Nitrification Inhibitors with Nitrogen Fertilizer (-2)
- CSA practices can be combined/stacked.
 - Examples:
 - Reduced till + spring applied nitrogen + nitrification inhibitors = -5.4 CI points
 - No-till/Strip till + cover crops+ nitrification inhibitors = -19 CI points

We know many of you already use some or all of these CSA practices, and we hope to help you benefit from this tax credit program!

These practices are recognized for reducing greenhouse gas emissions and improving soil health, while also positioning your operation to participate in emerging low-carbon market

How it works

The U.S. Department of Agriculture has established a framework to calculate the carbon intensity of crops using a standardized model. This system:

- Uses farm-level practice data to determine CI scores.
 - [USDA Feedstock Carbon Intensity Calculator](#).
- Tracks grain through the supply chain to ensure integrity.
- Requires documentation and verification of practices.

As an ethanol producer, we are preparing to participate in these programs and will be working to connect with growers who are interested in capturing this added value.

What we are doing

Our plant is actively developing a program to:

- Help producers understand eligibility and requirements.
- Provide guidance on data collection and reporting.
- Establish a system to track and reward low-CI corn.
- Work with third-party verifiers to onboard farmers and provide them and DE with a CI score.
- Share financial benefits of low CI corn associated with 45Z credits – **If, and only if, enough producers participate, and we are able to achieve a 5-point CI reduction. The financial benefit to Dakota Ethanol and to the participating farmer is yet to be determined as all the rules are still being finalized and not published yet...but we intend to develop a larger incentive for those with lower CI score so keep checking our [Dakotaethanol.com](#) website for updated information and links to more in-depth information that is too technical to include in this general mailing.**

Next steps

If you are interested in learning more or participating, we encourage you to:

- Reach out to us directly.
- Begin reviewing your current practices and records, including smart phone photos with time stamp and geotags of before and after passes across each field showing crop residue including cover crops if applicable.
- Familiarize yourself with the [USDA Feedstock Carbon Intensity Calculator](#) linked above.
- Consider which CSA practices may fit your operation.

We believe this represents a meaningful opportunity to add value to your crop while contributing to the long-term sustainability of our corn ethanol industry.

We will be sharing more details soon as program specifics are finalized. In the meantime, please don't hesitate to contact us with questions or to express interest. Thank you for your continued partnership and commitment to Dakota Ethanol.

Sincerely,
Paul Geraets, Commodities Manager