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## Annual meeting vote results

The 2023 annual meeting was held April 18. The weather was cooperative, and we had a nice crowd present for the meeting. Thanks to those who mailed and emailed their ballots. Your vote is important to us. Three votes were held as part of the meeting.

Proposal one: Wayne Backus, Todd Brown

and Marty Thompson were reelected to the board of managers for three-year terms.

Proposal two: The advisory vote for executive compensation was approved by members.

Proposal three: The advisory vote on executive compensation will be held every three years.

## First quarter outperforms 2022

The first quarter of 2023 provided strong financial and operational performance for Dakota Ethanol and the equity investees. Although profits were lower than the previous quarter, performance was still stronger than the first quarter of 2022.

Ethanol and corn oil values were weaker due to seasonally lower demand and increasing inventories. Distillers grains values were higher due to strong demand in our area. Corn expense increased as harvest subsided. Natural gas expense was higher on seasonal demand and global influences.

Dakota Ethanol had increased production during the quarter following the 2022 capital projects and is currently operating at a 100 million gallon annual production rate. Dakota Ethanol

also has investments in Ringneck Energy, which produces at 80 million gallons annually, and in Hankinson Renewable Energy, which produces at 150 million gallons annually.

The first quarter provided positive financial performance for all the plants.

—Rob Buchholtz, CFO

Balance Sheet Data	3/31/23	12/31/22
Current Assets	\$32,688,072	\$59,455,069
Total Assets	132,325,933	156,406,527
Current Liabilities	18,088,170	45,460,292
Long-Term Liabilities	2,998,667	2,998,229
Member's Equity	111,239,096	107,948,006
Book Value Per Capital Unit	3.76	3.64

Statement of Operations	Three Months Ended 3/31/2023	Three Months Ended 3/31/2022
Revenues	\$77,841,106	\$64,450,894
Gross Profit	3,898,593	2,692,799
Net Income	\$3,417,060	\$1,665,199
Capital Units Outstanding	29,620,000	29,620,000
Net Income Per Capital Unit	\$0.12	\$0.06
Distributions Per Capital Unit	\$-	\$0.51

## Board OKs \$2.962m distribution

The Board of Managers has declared a distribution of \$2,962,000 or \$0.10 per unit to members of record as of April 1, 2023.

This is the first distribution of 2023 and will be paid in May.

# Capital investments pay off in winter 2023

Dakota Ethanol's newest physical assets played a huge role in the company's success through the past winter and into spring planting season, providing much needed capacity and flexibility in multiple areas.

The new ethanol tank gave us the capacity to continue operating the plant at near normal rates despite several interruptions in railroad service that delayed shipments out from the plant.

The new grain bin provided the ability to continue operating the plant normally with enough corn on hand to maintain grind capacity as deliveries slowed during planting season this spring.

## Spring & summer on the farm

Planting season went well in our area, and with the recent beneficial rains, we're seeing corn and beans emerge quickly with great stands. This will hopefully set us up for above average yields this fall.

We recommend that cattle producers consider stockpiling distillers grains during the summer months. Lower demand during the summer months offers opportunities for purchasing during seasonal lower prices and taking delivery in June, July, August or September. Choose whichever works best for your operation.

Our team is glad to review proven ways of keeping the product, including wet distillers, under a tarp for access to feed in the winter or whenever needed to complete your feeding needs.

Jennie DeVaney has left the position of Commodity Merchandiser. We are actively recruiting to fill the position. In the meantime, contact Ashley, Shelby or Paul for your distillers grains needs.

— Paul Geraets, *Commodities Manager*

## Unit sales prices trend higher in early 2023 trading

Prices for membership units in Lake Area Corn Processors/Dakota Ethanol that have traded in 2023 have trended higher than the prices for trades late in 2022, with first quarter prices topping out at \$4.47 per unit and second quarter 2023 at \$4.26 per unit, compared to top prices of less than \$4 in 2022. A total of 42,000 units have been traded in 2023 so far. In the last 12 months, there have been 97,000 units traded, representing 0.33% of the total outstanding units.

Quarter	Low Price	High Price	Average	Units Traded
Third Quarter 2022	3.61	3.90	3.67	25,000
Fourth Quarter 2022	3.90	3.95	3.92	30,000
First Quarter 2023	4.25	4.47	4.38	12,000
Second Quarter 2023	4.24	4.26	4.25	30,000

For more details on Lake Area Corn Processors, LLC trading please contact Variable Investment Advisors at 1-800-859-3018, visit their website at [www.agstocktrade.com](http://www.agstocktrade.com) or contact our office.

## News Around the Ethanol Industry: Focus on E15

### RFA: E15=Savings at the Pump

A new analysis by the Renewable Fuels Association indicates that since the beginning of 2022 American drivers saved an average of more than 25 cents per gallon when using the E15 fuel blend, which contains 15 percent low-carbon ethanol, compared to regular E10 unleaded.

RFA analyzed more than 3,000 actual pump prices for E15 and E10 submitted by drivers to E15prices.com from more than 550 retail gas stations in 30 states between January 2022 and early April 2023. The average of the 1,520 prices reported for E10 was \$3.686 per gallon, while the average of the 1,520 corresponding prices for E15 was \$3.413 per gallon. Thus, the average discount for E15 was \$0.27 per gallon, or 7.4 percent.

"This review of actual pump prices submitted by drivers shows that lower-carbon E15 is providing real savings for American families," said RFA President and CEO Geoff Cooper. "In nearly half of the price submissions, E15's discount to E10 was between 15 and 50 cents per gallon. And in some special cases, E15 prices were \$1 or more per

gallon below the price of E10. At a time when U.S. drivers were facing record-high gas prices, this report confirms that E15 delivered relief at the pump. We urge the Biden administration to carefully review this data as it considers options for allowing the continued sale of E15 this summer."

### SD Corn Growers praise EPA action

South Dakota Corn Growers Association Executive Director DaNita Murray is pleased with Friday's EPA announcement, approving an emergency waiver for E15 summer driving. "This is the right decision for American pocketbooks and it is the right decision for a lot of reasons for the industry as a whole."

Murray says the EPA waiver underscores the ethanol industry's environmental story. "With this waiver, EPA had to again make the determination that emissions weren't going to be affected this summer by E15 and air quality would be the same," said Murray. "We're always glad to see these environmental truths highlighted."