



Winter 2024

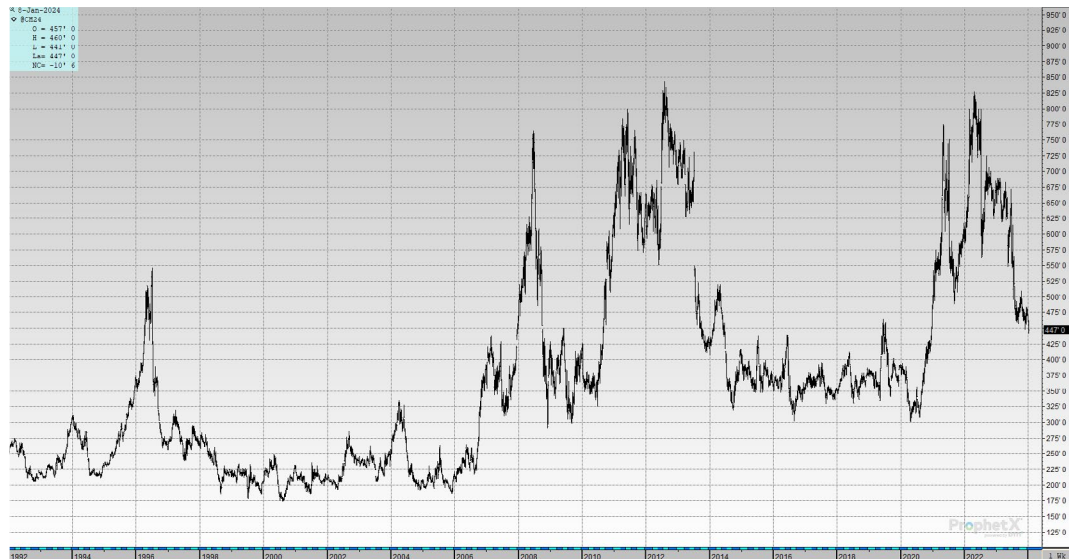
APPLY WHAT WE ALREADY KNOW

LSCP achieved \$9.9M in profit for the quarter that just ended. The industry enjoyed robust margins in October and November and while the weather remained mild in December, the margins in the business went cold. The industry matched its record production rates amidst seasonal declines in gasoline demand and stocks of ethanol built to more than adequate levels. Margins have since found a footing around breakeven levels.

January has lived up to my father's definition of winter as a child. The operations team battled through back-to-back blizzards that brought the rural roads system and business in general to a closed standstill. The business of LSCP carried on and the plant's needs were covered thanks to the stellar dedication of our outstanding employees. Fortunately, the natural gas market provided an opportunity to earn some trading revenue at the same time the logistics of serving a 24/7 operation came to an abrupt halt. The opportunity wasn't as dynamic as February 2021, but it did serve to more than cover the fixed costs for several days.

The Board of Directors and I would like to thank all of you for your support of the numerous PAC donations we received following the \$80 per unit distribution paid in December 2023. These dollars assist in educating policy leaders about issues that impact the ethanol industry and LSCP's future opportunities and threats.

Value-added agriculture is needed as much or more so today than when the company was formed in 2002. Take a look at the long-term chart of corn prices. The weather pattern in 2023 cast the Midwest region in drought yet corn production was strong and corn supplies are returning to burdensome levels. Brazil has taken first position from the United States as the largest supplier of corn to the world after knocking our country out of that spot in the soybean trade a number of years ago.



The cost to produce almost everything in the economy today is quite a bit higher than four years ago. Businesses with large working capital needs tend not to fare as well in higher interest rate environments and agriculture is a working capital intensive industry. The path to rising land values, strong rural communities, and a vibrant rural economy is through opening markets here at home for the products we produce, not getting rid of the commodities at the cheapest world clearing price.

With public support and regulatory clearances, a couple of these markets are producing jet fuel from corn and soybeans rather than crude oil and displacing more gasoline with ethanol in the internal combustion engine fuel tank. We don't need to invent something new – we simply need to apply more of what we already know.

TAKING COUNT....

In the Summary of Operations: The 3 months ended, Dec 2023 vs Dec 2022, revenues were down by 69¢ a gallon with the net back on ethanol being the primary cause, making up 82% of the decreased revenues. However, the COGS also decreased by 72¢ per gallon giving a boost to gross profit. The price paid for corn was the largest driver of the reduction in COGS amidst actually grinding more corn due to less down time surrounding our October maintenance shutdown.

On the Balance Sheet: We observe an increase in current assets and current liabilities, a product of producers electing to defer their corn checks until 2024. The decline in members equity is a result of the distribution of \$80/unit that was paid in December 2023.

Reflecting on the Key Metrics: We were running trials to achieve more throughput, which we accomplished by averaging approximately 462k gallons/day for the quarter, but ethanol yield dropped 4 hundredths. We brought online a 4th corn oil separator during the quarter which helped achieve a higher corn oil yield.

For the quarter-ended December 2023, we had 281 units trade at \$1,000/unit.

If you are interested in selling or buying units, please contact FNC Ag Stock LLC at 701-780-2828.

SUMMARY OF OPERATIONS	3 Months Ended 12/31/2023	3 Months Ended 12/31/2022
Total Revenues	\$100,335,809	\$116,630,795
Gross Profit (Loss)	\$10,135,081	\$8,159,110
Net Income (Loss)	\$9,906,335	\$8,121,765
Net Income(Loss)/Unit	\$37	\$30
Distribution/Unit	\$80	\$125

Please be sure to contact LSCP if you have updated contact information to help ensure you receive information in a timely manner.

BALANCE SHEET	As Of 12/31/2023	As of 9/30/2023	KEY METRICS	3 Months Ended 12/31/2023	3 Months Ended 12/31/2022
Current Assets	\$87,420,978	\$76,708,599	Ethanol Yield (Gal/bu)	2.93	2.97
Total Assets	\$218,480,699	\$211,743,326	Corn Oil (Lbs/bu)	1.242	1.168
Current Liabilities	\$41,484,600	\$22,961,964	Ethanol Production (Gal/day)	462,582	444,517
Long-Term Liabilities	\$1,991,872	\$1,991,872	Ethanol Production MGY	163.3	156.9
Members' Equity	\$175,004,227	\$186,789,491	Natural Gas (BTU/gal)	22,597	23,129
Book Value/Unit	\$646	\$689	Grid Electricity (KW/gal)	0.705	0.703



Nick Bowdish

Nick Bowdish
President & CEO

LITTLE SIOUX CORN PROCESSORS

ANNUAL MEETING

MARCH 21, 2024 | 10 A.M.

AUDITORIUM AT WESTERN IOWA TECH COMMUNITY COLLEGE

Cherokee Campus, 200 Victory Dr, Cherokee, IA 51012



20 YEAR FINANCIAL HISTORY

FISCAL YEARS (Ending September 30th)	2004	2005	2006	2007	2008	2009	2010	2011	2012
Gallons Sold	48,845,068	49,189,013	53,235,275	53,882,095	90,313,734	107,836,828	108,840,520	112,019,449	107,451,646
Bushels Used	17,178,007	17,639,915	19,090,486	19,429,338	32,749,157	38,634,012	38,807,542	39,983,990	39,542,378
Ethanol Yield (Gal/bu)	2.84	2.79	2.79	2.79	2.76	2.80	2.80	2.81	2.72
Revenues	\$85,540,934	\$95,881,420	\$113,785,666	\$132,832,570	\$227,922,942	\$200,118,150	\$204,556,371	\$329,582,693	\$328,285,267
Gross profit (Loss)	\$10,891,365	\$30,624,334	\$40,107,631	\$43,669,812	\$10,202,512	\$(10,481,401)	\$24,405,818	\$22,858,156	\$14,728,250
Net income (Loss)	\$13,711,935	\$23,645,446	\$37,082,533	\$39,441,307	\$(2,513,573)	\$(21,954,997)	\$15,049,320	\$16,518,868	\$7,423,23
Net income (Loss) per Gallon	\$0.28	\$0.48	\$0.70	\$0.73	\$(0.03)	\$(0.20)	\$0.14	\$0.15	\$0.07
Outstanding Units									
Net income (Loss) per Unit									
Cash Distribution Total	\$2,250,000	\$8,581,000	\$15,361,000	\$24,099,000	\$15,494,454	\$ –	\$ –	\$4,909,945	\$4,080,008
Allocated Tax Credits Total	\$2,402,309	\$5,213,639	\$2,402,309	\$2,541,739	\$ –	\$ –	\$ –	\$1,503,212	\$ –
%of Net Income Distributed in Cash & Tax Credits	33.9%	58.3%	47.9%	67.5%	–616.4%	0.0%	0.0%	38.8%	55%
Earnings before interest, taxes, depreciation and amortization (EBITDA):									
Depreciation	\$3,522,016	\$3,888,573	\$4,919,769	\$5,177,591	\$8,359,229	\$10,698,107	\$10,848,827	\$10,497,502	\$10,634,378
Interest	\$1,439,020	\$1,126,101	\$1,286,265	\$1,153,268	\$3,988,150	\$6,813,069	\$4,574,697	\$2,445,394	\$1,423,709
EBITDA	\$18,672,971	\$28,660,120	\$43,288,567	\$45,772,166	\$19,833,806	\$(4,443,822)	\$30,472,845	\$29,461,765	\$19,481,320
EBITDA/gallon	\$0.38	\$0.58	\$0.81	\$0.85	\$0.11	\$(0.04)	\$0.28	\$0.26	\$0.18
Balance Sheet Data - (Sep 30th):									
Current assets	\$11,807,374	\$26,189,436	\$31,509,119	\$17,393,080	\$45,382,830	\$16,552,934	\$28,602,888	\$35,980,695	\$4,327,922
Total assets	\$59,691,073	\$77,182,293	\$91,647,172	\$137,001,307	\$155,606,247	\$123,605,173	\$127,902,178	\$127,364,399	\$88,805,002
Current liabilities	\$1,675,192	\$6,638,602	\$2,554,953	\$10,383,600	\$8,261,713	\$4,405,516	\$4,571,348	\$6,754,889	\$11,595,832
Long-term liabilities	\$22,682,665	\$20,146,029	\$16,973,024	\$39,156,206	\$77,891,060	\$71,701,180	\$59,475,021	\$47,145,886	\$402,319
Members' equity	\$35,333,216	\$50,397,661	\$72,119,195	\$87,461,501	\$69,453,474	\$47,498,477	\$63,855,809	\$73,463,624	\$76,806,850

LITTLE SIOUX CORN PROCESSORS

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	20YR TOTAL
114,593,908	99,702,238	119,510,782	141,457,596	140,623,171	158,109,217	151,297,091	158,592,995	156,091,459	162,391,918	158,827,739	2,292,811,742
40,394,201	40,297,836	41,823,133	46,708,146	47,449,182	54,743,973	49,874,807	52,363,193	53,229,124	53,585,183	53,495,432	797,019,035
2.84	2.41	2.90	2.96	2.99	2.92	3.01	3.00	3.00	2.98	2.97	2.88
\$354,988,950	\$299,049,106	\$233,037,923	\$244,310,672	\$244,851,214	\$265,002,506	\$248,862,618	\$253,655,150	\$383,692,471	\$533,160,546	\$479,213,371	\$5,258,330,540
\$8,963,586	\$60,459,589	\$31,680,464	\$31,804,248	\$32,175,220	\$21,169,227	\$7,898,873	\$12,868,023	\$32,306,182	\$70,418,759	\$43,920,592	\$540,671,241
\$4,623,945	\$61,620,573	\$36,124,495	\$28,651,023	\$ 27,672,62	\$16,095,476	\$15,881,065	\$8,528,800	\$28,871,050	\$71,542,34	\$37,624,41	\$465,639,87
\$0.04	\$0.62	\$0.30	\$0.20	\$0.20	\$0.10	\$0.10	\$0.05	\$0.18	\$0.44	\$0.24	\$0.20
\$618,741	\$14,844,920	\$44,820,003	\$18,499,995	\$23,470,885	\$12,685,264	\$1,923,729	\$10,842,600	\$6,397,134	\$36,653,289	\$40,891,160	\$286,423,127
\$ –	\$39,499	\$5,129,654	\$3,682,889	\$4,401,818	\$2,638,160	\$3,864,447	\$5,933,860	\$15,659,399	\$10,236,017	\$6,108,442	\$71,757,393
13.4%	24.2%	138.3%	77.4%	100.7%	95.2%	36.4%	196.7%	76.4%	65.5%	124.9%	76.9%
\$9,650,720	\$8,616,986	\$9,029,437	\$9,664,918	\$1,208,307	\$11,114,313	\$11,188,501	\$11,585,192	\$13,140,343	\$16,963,213	\$15,891,519	\$196,599,442
\$498,803	\$37,145	\$ –	\$ –	\$ –	\$ –	\$ –	\$66,109	\$1,096,873	\$(47,543)	\$2,912	\$25,903,972
\$14,773,468	\$70,274,705	\$45,153,932	\$38,315,940	\$38,880,932	\$27,209,789	\$27,069,566	\$20,180,101	\$43,108,266	\$88,458,012	\$53,518,843	\$688,143,293
\$0.13	\$0.70	\$0.38	\$0.27	\$0.28	\$0.17	\$0.18	\$0.13	\$0.28	\$0.54	\$0.34	\$0.30
\$18,424,698	\$57,438,500	\$47,444,904	\$53,557,986	\$39,872,876	\$34,537,915	\$49,248,768	\$24,105,098	\$68,046,441	\$86,247,058	\$80,521,876	
\$91,869,290	\$140,580,878	\$131,393,980	\$144,093,268	\$134,281,965	\$136,505,271	\$158,666,416	\$148,996,100	\$206,563,600	\$225,433,843	\$218,975,889	
\$10,597,698	\$12,472,883	\$11,825,524	\$14,203,611	\$15,644,656	\$14,593,969	\$22,911,156	\$15,676,193	\$26,931,165	\$35,074,690	\$30,152,845	
\$459,539	\$520,290	\$676,258	\$846,432	\$894,664	\$758,445	\$645,067	\$523,513	\$24,362,124	\$199,790	\$2,033,553	
\$80,812,053	\$127,587,705	\$118,892,197	\$129,043,225	\$117,742,645	\$121,152,857	\$135,110,193	\$132,796,394	\$155,270,310	\$190,159,363	\$186,789,491	



A NEW YEAR,

A NEW MULTI-BILLION GALLON OPPORTUNITY

LSCP finished the 2023 calendar year with strong production. Much like the ethanol industry, the plant is reaching peak production levels thanks to the seasoned experience of the staff combined with debottlenecking and constantly improving plant equipment.

There was even bigger news this past month than our own plant's statistics, and it could deliver even greater opportunity for corn farmers to succeed in 2024 and beyond.

Just before Christmas, the U.S. Treasury Department announced that upcoming federal rules for Section 40B sustainable aviation fuel (SAF) tax credits will feature the Department of Energy's GREET model — a method of calculating emissions that has historically included feedstocks based on agricultural commodities.

Not only does this announcement send a strong signal from the Biden Administration that ethanol should be included as a source for SAF, but it opens the door for ethanol produced from corn to access the 40B tax credit.

Let's be clear: This could be an enormous opportunity. After all, it takes nearly 2 gallons of ethanol to produce one gallon of SAF, and studies project that demand for SAF will increase to more than 2 billion gallons as soon as 2030.

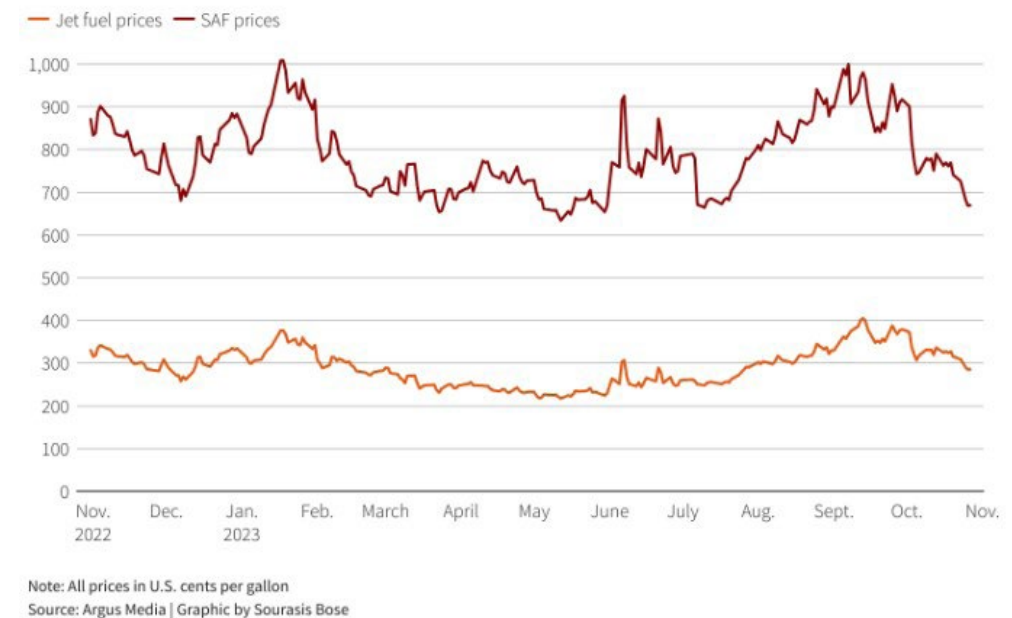
Access to the 40B credit would go a long way towards offsetting the increased cost of producing aviation fuel from renewable feedstocks rather than crude oil. Under current law, the tax credit starts at \$1.25 per gallon, but can be worth as much as \$1.75 per gallon depending on factors like carbon intensity and production processes.

While the December announcement tying 40B credits to the GREET model is a step in the right direction, a significant amount of uncertainty remains. The Biden Administration revealed their plans to make changes to the GREET model and announced those changes will be revealed by March 1, 2024.



President and CEO **Nick Bowdish** introduced Ambassador **Haley** at the Iowa Renewable Fuels Summit in Altoona and had the chance to visit briefly.

SAF trades at a premium compared to conventional jet fuel



Unfortunately, those changes could potentially limit whether corn ethanol-based aviation fuel can qualify as SAF by adding additional factors into its calculations for assessing carbon emissions.

Rest assured: LSCP is closely following the federal government's deliberations. We're working closely with industry partners and encouraging policymakers to ensure that corn ethanol producers have the certainty and fairness we need to compete in this exciting new marketplace.

This enormous opportunity is also a pointed reminder of the importance to future corn demand of carbon capture and sequestration (CCS). After all, any SAF can have no more than 50% of the emissions of petroleum-based jet fuel, and a crucial step towards meeting this standard is sequestering carbon dioxide the corn plant used to grow after it is released in the ethanol production process.

LSCP continues to engage in regionwide discussions about developing CCS infrastructure, including with lawmakers and leading industry groups in Iowa and our neighboring states to lower the barriers that stand in the way of private investment.

As we start a new year, we're cautiously optimistic about the potential for this new market to develop. We're committed to making the most of every opportunity that comes our way — whether it involves what happens in Washington, D.C., Des Moines, or right here in Marcus.



LITTLE SIOUX CORN PROCESSORS

4808 F Avenue, Marcus, IA 51035

(712) 376-2800 | littlesiouxcornprocessors.com

PRSRT STD
U.S. POSTAGE

PAID

LE MARS, IA
51031
PERMIT NO. 29

Call us daily for current corn bids. We have a large supply of distillers grains on hand at all times - Contact us for your distillers grains needs.

BOARD OF DIRECTORS

Steve Core, Chair • Frost, MN

Myron Pingel, Vice-Chair • Cherokee, IA

Tim Ohlson, Secretary • Meriden, IA

Dale Arends • Newell, IA

Vince Davis • Spirit Lake, IA

Darrell Downs • Marcus, IA

Daryl Haack • Primghar, IA

Adam Kuffel • Decatur, IL

Doug Lansink • Arthur, IA

Harold Post • Holstein, IA

Ron Wetherell • Cleghorn, IA



GOOD PEOPLE BECOME GREAT TEAMS