



Spring 2024

EPA TESTED. D3 RE-APPROVED!

LSCP earned a \$330,000 profit in the quarter just ended and plant operations underwent a transition from operating the high protein extraction system to not. The team is re-baselining the plant to confirm various metrics such as ethanol yield, corn oil yield, electricity consumption, chemical costs per gallon and reliability all to prove to itself which scenario maximizes long term shareholder value.

The Company was successful in obtaining a re-registration approval from EPA this past quarter to generate cellulosic D3 RINs from the corn kernel fiber that is processed into ethanol. LSCP was able to operate in this space back in 2018 but the process for the entire industry was subsequently halted by EPA. The team has demonstrated persistence and we hope to be delivering additional shareholder value soon from this recent approval.

The ethanol industry is producing at a clip that is 2.8% higher in 2024 than where it was in 2023 while gasoline demand is 0.6% lower in 2024 as compared to 2023. The variance in opposite directions has caused the amount of ethanol on hand to be in surplus and industry margins are lower. Ethanol exports have been strong, but not strong enough to soak up the extra ethanol. Gasoline prices tend to get more political attention in election years as they are perceived by voters to signal

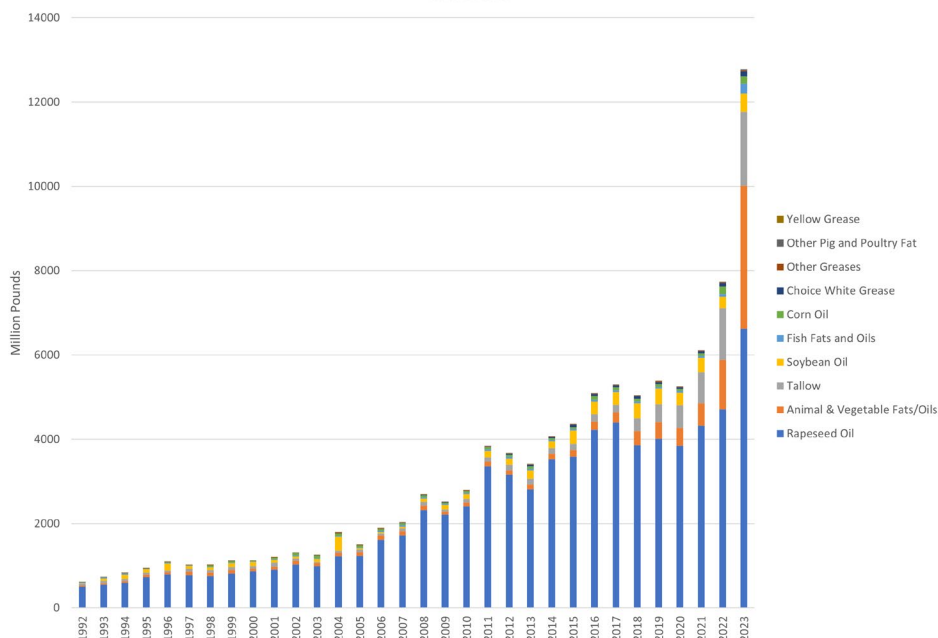
the policy impacts of the current administration. The Biden administration recently issued an emergency declaration that will keep E15 flowing this summer as it waived the gasoline volatility requirements to help lower gasoline prices.

My travels this winter to a couple commodity-centric meetings highlighted how corn oil prices are being suppressed by a surge in imported feedstocks for biodiesel and renewable diesel production. The global marketplace is responding to America's shift from petroleum-based diesel fuel to renewable diesel. More recently and alarmingly, it appears that virgin palm oil is illegally being imported into the United States as used cooking oil from China. For the integrity of all renewable fuels policy, this must be addressed with traceability and greater oversight by policymakers and regulators.

A key milestone for the industry's growth prospects occurred this past quarter when South Dakota passed legislation that provides a roadmap for a pipeline to get sited through the state. It is an example of industry and interested third parties working together to find a mutually agreeable path forward to sequester carbon dioxide from ethanol plants. The project stands to open up new markets for the corn farmer as a result of the reduced carbon intensity of the corn-derived products.

U.S. Feedstock Imports Explode due to Biofuel Demand

Source: US Census



Nick Bowdish

Nick Bowdish
President & CEO

FINANCIAL HIGHLIGHTS

Summary of Operations

In comparison to FY 2023, we continue to produce ethanol and co-products at comparable rates, yet we also continue to experience a decline in gross revenues along with a drop in COGS. Difficult to fathom that we'd see a 70¢ move on ethanol netback and over a \$2 swing on corn cost in the last 12-months and still have equivalent margins for the six-months ending.

Unit Trading

For the quarter-ended March 2024, we had 360 units trade for an average of \$982/unit.

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

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

SUMMARY OF OPERATIONS	3 Months Ended 3/31/2024	3 Months Ended 3/31/2023	6 Months Ended 3/31/2024	6 Months Ended 3/31/2023
Total Revenues	\$75,782,561	\$121,936,468	\$176,496,869	\$238,845,289
Gross Profit (Loss)	\$342,941	\$3,529,600	\$11,418,334	\$12,566,256
Net Income (Loss)	\$330,832	\$2,229,605	\$10,397,752	\$10,351,370
Net Income(Loss)/Unit	\$1	\$8	\$38	\$38
Distribution/Unit	\$-	\$-	\$80	\$125

BALANCE SHEET	As Of 3/31/2024	As of 9/30/2023	KEY METRICS	3 Months Ended 3/31/2024	3 Months Ended 3/31/2023
Current Assets	\$77,360,826	\$76,708,599	Ethanol Yield (Gal/bu)	2.96	2.99
Total Assets	\$206,057,892	\$211,743,326	Corn Oil (Lbs/bu)	1.065	1.119
Current Liabilities	\$28,632,157	\$22,961,964	Ethanol Production (Gal/day)	450,788	459,531
Long-Term Liabilities	\$1,930,090	\$1,991,872	Ethanol Production MGY	159.1	162.2
Members' Equity	\$175,495,645	\$186,789,491	Natural Gas (BTU/gal)	23,063	23,212
Book Value/Unit	\$648	\$689	Grid Electricity (KW/gal)	0.608	0.681

ANNUAL MEETING RESULTS

The annual meeting of the members was held on Thursday, March 21st. Doug Lansink and Vince Davis were reelected to serve a three year term ending in 2027. Following the official business, President and CEO Nick Bowdish provided the members in attendance with an update on the business.

Modest Electric Vehicle Adoption

Modest Electric Vehicle Adoption Table	2018	2019	2020	2021	2022	2023	2024
# EV's sold in U.S.	361,307	329,528	319,611	650,511	928,314	1,371,255	1,871,255
# Passenger Vehicles sold in U.S.	17,224,900	16,961,100	14,471,800	14,926,900	13,700,000	15,500,000	17,000,000
Total Supply of EV's in U.S.	1,044,769	1,374,297	1,693,908	2,344,419	3,272,733	4,643,988	6,515,243
Total Supply of Passenger Vehicles in U.S.	287,000,000	287,000,000	287,000,000	287,000,000	287,000,000	287,000,000	287,000,000
Total Gasoline Demand in U.S. (BGY)	144.85	142.71	123.6	135.21	135.1	137.1	136.2
% EV's in U.S.	0.36%	0.48%	0.59%	0.82%	1.14%	1.62%	2.27%
Ethanol Exports (BGY)	1.675	1.447	1.312	1.244	1.28	1.40	1.40
16 BGY if Ethanol Production Blend Rate	9.9%	10.2%	11.9%	10.9%	10.9%	10.6%	10.7%
Total Gasoline Demand in U.S. (BGY)	137.1						

EV Media Sentiment Evolution

"The great electric car race is just beginning"



2019

"2019 was the year electric cars grew up"

QUARTZ

San Francisco Chronicle

"How electric vehicles can help advance social justice"

2020

"Yes, Electric Cars Are Cleaner, Even When The Power Comes From Coal"

Forbes



"For jolts auto industry with \$11.4 billion investment in new electric vehicle, battery plants"

2021

"Are electric cars 'green'? The answer is yes, but it's complicated"



LITTLE SIOUX CORN PROCESSORS

2025	2026	2027	2028	2029	2030
2,371,255	2,871,255	3,371,255	3,871,255	4,371,255	4,871,255
17,000,000	17,000,000	17,000,000	17,000,000	17,000,000	17,000,000
8,886,498	11,757,753	15,129,008	19,000,263	23,371,518	28,242,733
287,000,000	287,000,000	287,000,000	287,000,000	287,000,000	287,000,000
135.1	133.7	132.1	130.2	128.2	125.8
3.10%	4.10%	5.27%	6.62%	8.14%	9.84%
1.40	1.40	1.40	1.40	1.40	1.40
10.8%	10.9%	11.1%	11.2%	11.4%	11.6%

This table shows some history and makes some assumptions about future sales of EVs in the United States. At the end of 2023, the total number of EVs on the road in the U.S. was 1.62% of the total passenger vehicles on the road.

If gasoline demand were to fall in the future in proportion to the percentage that EVs equate to in the total passenger vehicle fleet, did you know that the ethanol industry would be selling just as much ethanol in 2030 as it did last year if the nationwide inclusion rate in gasoline was 11.6% rather than 10.4%????

The forecast shown here assumes EV sales in the U.S. continue to grow and are 500,000 EVs higher each future year as compared to the prior year.

The forecast shown here assumes that auto dealerships return to selling about 17M vehicles in the U.S. each year like they did prior to the COVID-19 pandemic.

THE WALL STREET JOURNAL.

"Electric Vehicles Require Lots of Scarce Parts. Is the Supply Chain Up to It?"

2023

"Electric Vehicles Are the U.S. Auto Industry's Future—if Dealers Can Figure Out How to Sell Them"

AXIOS

OCBS NEWS

"Bad vibes are ripping through the electric car market"

CURBED

"An EV in Every Driveway is an Environment Disaster"

The New York Times

"Red Flags for Forced Labor Found in China's Car Battery Supply Chain"

2022

THE WALL STREET JOURNAL

"Electric vehicles have almost 80% more problems than gas-powered ones, Consumer Report says"

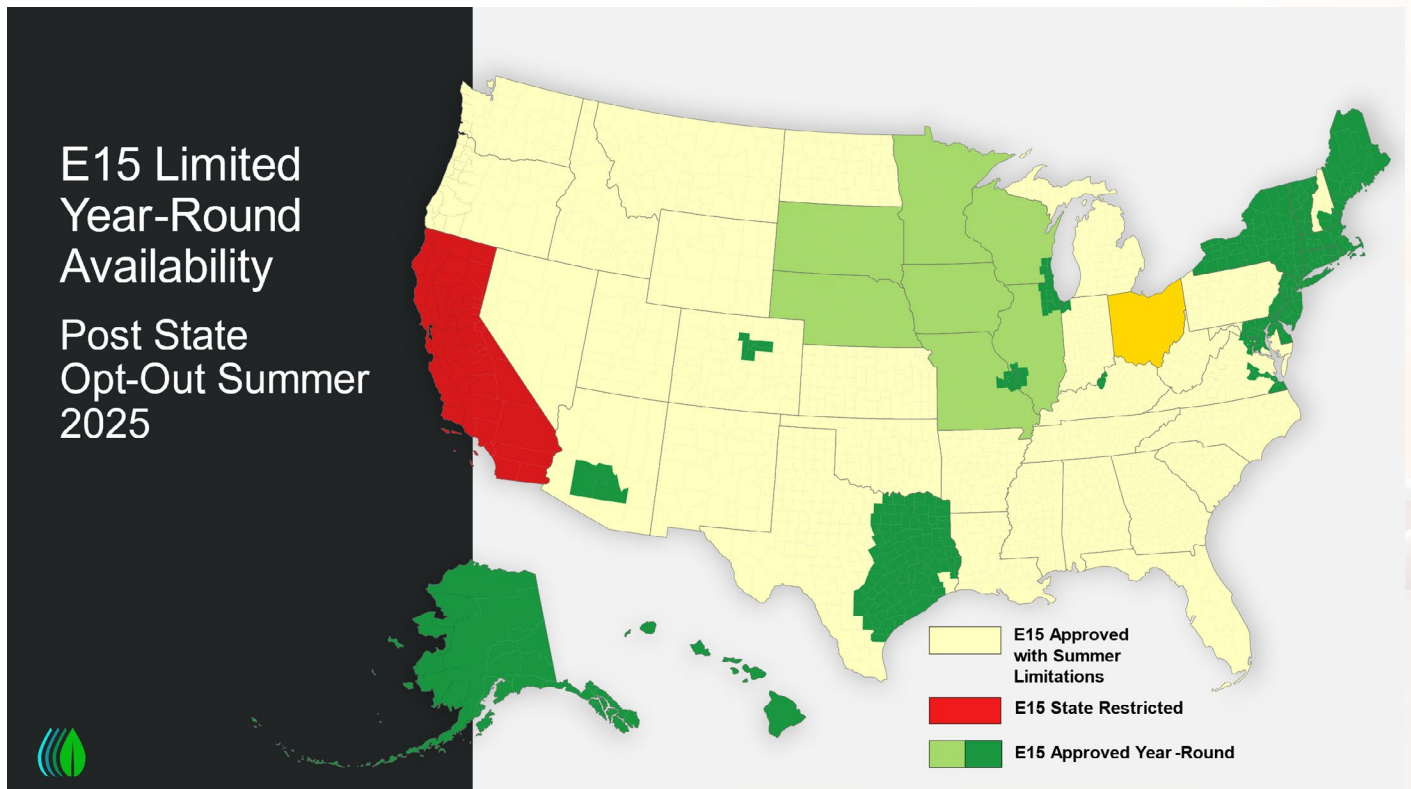
Policy on the Move...

FEBRUARY

On February 22, 2024, the EPA approved the Midwest Governor's request that will allow E15 sales starting in 2025 to be all year long. This important block of 8 states represents 19 billion gallons of gasoline demand and if all E10 were to become E15, it would add 950 million gallons of ethanol demand.

MARCH

On March 1, 2024, USDA Secretary Tom Vilsack announced that the 40B sustainable aviation fuel GREET model's release would be delayed "weeks, not months." As of this writing, it has still not been released leaving the industry with great uncertainty.



APRIL

On March 22, 2024, the EPA released its automotive tailpipe emissions ruling that is a de facto Electric Vehicle mandate. EPA's own estimates would suggest that 66% of all new vehicle sales in 2032 would need to be an electric vehicle to meet the standards.

On April 10, 2024, the California Air Resources Board held a workshop and suggested the GHG reductions that will be required in the transportation fuel market become more stringent which will have the effect of supporting more biofuel consumption and less petroleum consumption.





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2024 SPRING SHUTDOWN

Projects planned ~**225**

Contracted groups on site ~**25**

Lock out tag out permits ~**46**

Hot work permits ~**49**

Safety incidents = **0**

Total hours plant was down ~**106 hours**

Nearly **8 hours** after the boilers were warm, we started **producing 200 proof ethanol again!**