

Summer 2024

9 MILLION BUSHELS AND 90,000 PER HOUR!

LSCP earned \$10.0M in the quarter just ended and is pleased to announce a major reinvestment into modernizing the corn receiving and storage capabilities of the facility has been approved by its Board of Directors, pending all regulatory approvals. This project will position the company to match the speed and scale demanded by farmers today and allow LSCP to grow with the surrounding agricultural community into the future. As the company accelerates into this growth phase, it does not plan to make any cash distributions at the midpoint of this year. The Board of Directors will revisit the topic again in approximately six months when the annual earnings are well defined. The Company maintains its intent to provide cash distributions to cover the corresponding income tax obligations derived from members owning its units.

The business this summer is unfolding along the lines of seasonal patterns in the ethanol industry, albeit at slightly higher supply levels. Gasoline demand, and therefore ethanol demand, is strong from Memorial Day to Labor Day and weak from Christmas to Easter. Ethanol production is strong year around but for a brief period in April and a brief period in September each year as plants halt operations to perform maintenance. Put it all together and margins are typically best this time of year when supplies of ethanol in the nation's fuel tank are low on the gauge. Gasoline demand is trailing year ago levels by 1.2% and is currently on pace to be 134.5 BGY this year. Ethanol exports have reached 817 million gallons thru the first five months of 2024 versus 593 million gallons the year prior which is picking-up the slack in domestic gasoline consumption. U.S. ethanol got cheap and global buyers took notice and action.

During the past quarter, a significant amount of work and internal audit has revealed the opportunity to elevate and automate safety in our plant assets by adding additional equipment, monitoring devices, and other add-on features. These items will also pave the path toward more favorable property insurance classifications and ratings. LSCP added the position of Safety Manager this quarter and is pleased to have Robert Sweeney join our team and fill the position. The focus of this position is to systematically implement a behavior-based safety culture that reinforces positive work behaviors while identifying and eliminating hazards and complacency.

Summit Carbon Solutions received their construction permit approval from the Iowa Utilities Board during the quarter which was great news. It is conditioned upon the project receiving construction approvals in both North Dakota and South Dakota. The law passed in South Dakota that removed the patchwork of local ordinances and setback regulations impacting CO2 pipelines is set to be a referendum item on the November ballot where South Dakota citizens will have the right to uphold it or abolish it. The State of South Dakota seems to be the long lead factor in the overall schedule of increasing corn demand.

Please be reminded that the Securities and Exchange Commission regulates how many members can exist in a company like LSCP, LLC and all members should review the memorandum found on page 4 as they think about estate planning and their long-term investment strategies and holdings.



Nick Bowdish
President & CEO

CORN RECEIVING AND STORAGE

PROJECT ANNOUNCEMENT

LSCP is pleased to announce that an expansion of our corn receiving, and storage capacity has been approved by the Board of Directors, pending all regulatory approvals. The Company intends to make a significant investment as it makes plans to be a preferred destination for northwest Iowa corn farmers for years to come.

The American farmer continues to raise the standard in production agriculture while preparing for the future. Much like the farmer, LSCP is committed to raising the standard of what should be expected for dumping speed and capacity.

We're here to grow with you.

- Storage Capacity going from 3M to 9M bushels.
- Receiving Capacity will be 90,000 bushels per hour.
- Three new inbound dumping lanes.
- Two truck probes with three probing lanes.
- Three new scales keeping traffic flows efficient.



MEMO LSCP UNIT TRANSFER RESTRICTIONS

Little Sioux Corn Processors, LLC (the “**Company**”) would like to remind its members (the “**Members**”) that any transfer of the Company’s Units is subject to transfer restrictions. This includes trades executed through FNC AgStock, private sales, gifts of units, transfer of units to family members due to death, and estate planning transfers. There are several transfer restrictions, as set forth below, required by the Company’s Fifth Amended and Restated Operating Agreement (the “**Operating Agreement**”), the Securities Exchange Commission (the “**SEC**”) and the Internal Revenue Service (the “**IRS**”).

IN GENERAL, MOST TRANSFERS WILL REQUIRE APPROVAL OF THE BOARD OF DIRECTORS OF THE COMPANY, WHICH APPROVAL IS AT THE SOLE DISCRETION OF THE BOARD.

Operating Agreement Restrictions.

Members cannot transfer Class A, Class B and Class C Units until:

- **the transfer is approved by the Board of Directors in their sole discretion;**
- **the transfer is for a minimum of 120 (one hundred and twenty) Units of a single class to a single transferee or, if less, all Units of a single class owned by the Member proposing to transfer such Units; and**
- **the transfer meets the other conditions of the Operating Agreement.**

Members cannot transfer Class D, Class E and Class F until:

- **they first offer them to the Company for purchase on the same terms and the potential purchaser would like to purchase them** (please see section 9.4 of the Operating Agreement which outlines this process); **and**
- **the transfer is approved by the Board of Directors.**

If the above requirements are not satisfied, the proposed transfer will not be permitted.

Transfers of units will also not be permitted if the transfer will result in the number of (i) Class A Unit Holders equaling 300 or more, or (ii) Class B, Class C, Class D, Class E or Class F Unit Holders equaling 500 or more. Staying under these thresholds maintains the termination of the Company’s reporting obligations to the SEC. Breaching these thresholds of Unit Holders would require the Company to re-register with the SEC and begin costly reporting obligations to the SEC.

There are several other reasons why the Board of Directors may block a transfer, including if the transfer would require the Company to be treated as a “publicly traded partnership” by the IRS, or the transfer would deem the Company to be treated as an “investment company” under the Investment Company Act of 1940.

It is important to read the Operating Agreement and to become familiar with the transfer restrictions stated there.

IN GENERAL, THE BOARD OF DIRECTORS LIKELY WILL NOT APPROVE TRANSFERS THAT INCREASE THE NUMBER OF UNIT HOLDES.

Please also note, if there is a transfer that the Board of Director approves, the Member transferring the Units and the transferee are still required to execute any documents the Company requires to transfer the units.

Estate Planning Options.

If you are considering a gift of Units or a transfer of Units to your family members upon death, please consult with your legal advisors on how a potential transfer can comply with the restrictions in the Operating Agreement so that the transfer may be approved by the Board of Directors.

Family LLCs / Family Trusts

Members that are a corporation, a limited liability company, a partnership, a trust or other organization count as one (1) holder. As a result, Members have created family LLCs and family trusts to hold Company Units to be counted as one Unit Holder, but ownership of the family LLC or family trust is owned by multiple family members.

Co-Owners

Spouses holding Units together count as one holder. If you wish to co-own your units with your spouse, this would not be prohibited.

Holders in a Voting Trust, Deposit Agreement or Similar Arrangement.

If units are held in a voting trust, a deposit agreement or a similar arrangement, each person who is a participant in such voting trust, deposit agreement or arrangement will be counted as a unit holder. The Board of Directors may block any transfers of units to a voting trust, a deposit agreement or similar arrangement.

Holders Holding Units with Institutional Custodians or Broker-Dealers.

If any Member holds units with an institutional Custodian, such as Cede & Co., the Custodian will not be a single Unit Holder. Each underlying beneficial owner of the account held by that Custodian will counts as a Unit Holder. The Board of Directors may block any transfers to new accounts with such institutional Custodians or other commercial depositories.

However, if the Units are held in street name by a broker-dealer, that broker-dealer will only be counted as one Unit Holder of record even though the broker-dealer may hold Units of multiple Unitholders.

Prohibited Transfers.

Any transfer of Units that has not met the conditions of the Operating Agreement and is not permitted by the Operating Agreement, the SEC Rules and the IRS rules will have no effect and be null and void. Parties engaging or attempting to engage in a transfer that is not permitted shall be liable to indemnify and hold harmless the Company and the other Members from all cost, liability, and damage that the Company or any of the other Members may incur because of such transfer or attempted transfer.

FINANCIAL HIGHLIGHTS

Summary of Operations

Over the last quarter, we were able to increase ethanol production to put us ahead of historical rates going into the final quarter of the fiscal year. While the increased production is great, the ethanol netback for the quarter was \$1.31 less than the same quarter last year, which is apparent when comparing total revenues to see a 36% decline year-over-year. On the other hand, we were able to decrease our corn cost by 43% and natural gas costs coming down helps as well. The fiscal year is shaping up nicely as ethanol prices are rebounding from the February low.

The company is wrapping-up its contractual commitment on enzymes from one supplier and will

soon be switching its needs to a different enzyme supplier with the goal of increasing its corn oil yield and ethanol yield which still lag best-in-class standards.

The decision to idle protein production has allowed the team to focus on operational consistency and overall reliability – two very important metrics to success.

Unit Trading

For the quarter-ended June 2024, we had 402 units trade for an average of \$1,045/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 6/30/2024	3 Months Ended 6/30/2023	9 Months Ended 6/30/2024	9 Months Ended 6/30/2023
Total Revenues	\$91,128,943	\$124,597,267	\$267,191,217	\$363,034,057
Gross Profit (Loss)	\$8,629,091	\$11,170,217	\$17,184,757	\$20,422,785
Net Income (Loss)	\$9,998,977	\$15,280,302	\$20,503,668	\$25,631,672
Net Income(Loss)/Unit	\$37	\$56	\$76	\$95
Distribution/Unit	\$-	\$25	\$80	\$150

BALANCE SHEET	As Of 6/30/2024	As of 9/30/2023	KEY METRICS	3 Months Ended 6/30/2024	3 Months Ended 6/30/2023
Current Assets	\$84,468,882	\$76,708,599	Ethanol Yield (Gal/bu)	2.94	2.97
Total Assets	\$210,524,363	\$211,743,326	Corn Oil (Lbs/bu)	1.034	1.147
Current Liabilities	\$22,662,701	\$22,961,964	Ethanol Production (Gal/day)	465,105	454,547
Long-Term Liabilities	\$2,384,082	\$1,991,872	Ethanol Production MGY	164.1	160.4
Members' Equity	\$185,477,580	\$186,789,491	Natural Gas (BTU/gal)	22,069	22,588
Book Value/Unit	\$685	\$689	Grid Electricity (KW/gal)	0.581	0.710

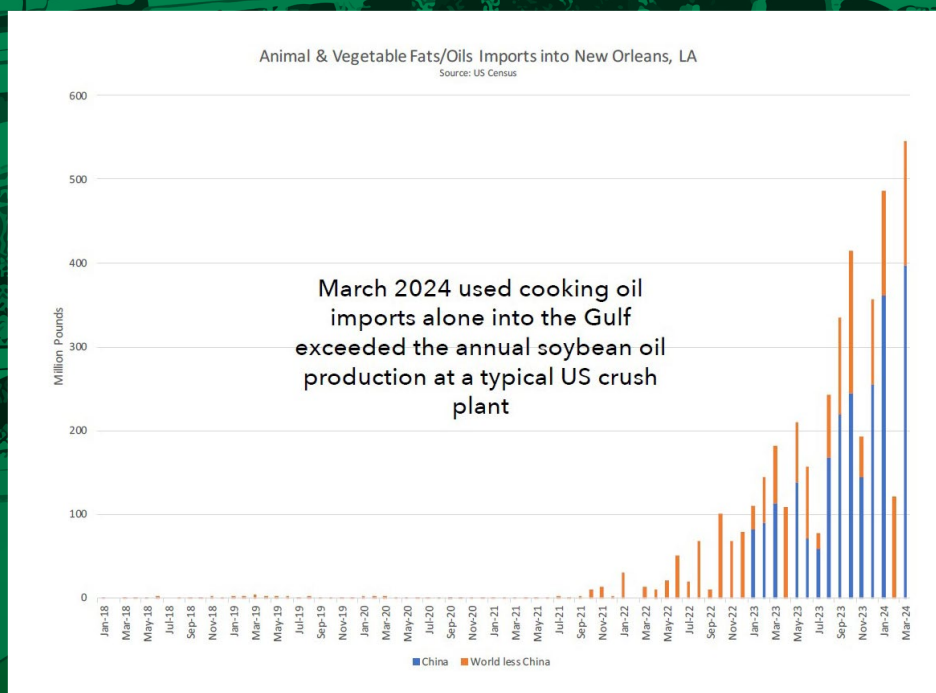
OFF TO THE HILL!

Nick spent a week in May in Washington D.C. speaking to federal officials on the importance of verifying the source of used cooking oil. The United States imports of used cooking oil from China have exponentially increased this past year to the point where the U.S. is importing more volume per month than what a standard sized U.S. soybean crush plant produces of vegetable oil in a year. The timing of these imports coincides with trade flows changing from Europe as the destination to the United States as a destination once the European Union investigators started probing in China whether the sources of this volume were legitimately used cooking oil. Suppliers had their registration certificates revoked by European investigators.

There has been tremendous economic incentive for anyone to cheat and take cheap global palm oil supplies and represent them as used cooking oil to the world. Palm oil is not allowed to participate in global biofuels policies because of its terrible carbon scoring from deforestation in Malaysia and Indonesia. Biofuels produced from palm oil have higher carbon intensity scores than petroleum-based fuels. All the signals point toward Chinese manipulation.

The import of foreign feedstocks at the current volumes have driven the price of corn oil and soybean oil significantly lower.

During his time in D.C., Nick had meetings set with the EPA, USDA, U.S. Representatives and Senators with a specific ask in mind, “the EPA immediately suspend all imported used cooking from being able to generate RINs under the RFS until such time as the EPA stands up additional traceability, verification, and investigative protocols to protect the integrity of the RFS.” The Representatives and Senators followed through and used their platform to bring awareness to the issue. Scan the QR code on PG7 to read the letter sent to the EPA signed by Iowa’s Senators Chuck Grassley and Joni Ernst.





Joni K. Ernst



Pete Ricketts



**SCAN TO VIEW
LETTER SENT TO EPA**



Deb Fischer



Chuck Grassley



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DARRELL DOWNS
23 YEARS
OF SERVICE

Thank you Darrell Downs, for your 23 years of service as Board of Director for Little Sioux Corn Processors! Your constant smile and consistent guidance in the boardroom have made this company the success it is today.