



MARCH 2018

[www.ringneckenergy.com](http://www.ringneckenergy.com)

[info@ringneckenergy.com](mailto:info@ringneckenergy.com)

605.258.2900 • Onida, SD

## Fagen components coming together

Though construction efforts took a couple week hit due to winter weather, progress is continuing on concrete work in the process area.

We are roughing in the plumbing in the control/lab room, and will be starting the distillation area in March. We have the piers poured and ready to set the dryers in the energy center sometime in March as well. One dryer has been on site and the other one was expected by March 21, with plans to set the dryers on piers March 23.

We are pouring foundations and walls in the energy center. Grains is also mov-

ing along. We are working on the receiving building, tunnel, and boot pit. The DDG building erection should be complete by the first week of April.

We have started receiving steel for the process building—steel erection will be starting soon. We will soon also be receiving the coolers/heat exchangers, pipe and electrical gear. Millwrights should be on site April 2 to start setting equipment in fermentation.

**—Rob Schladetzky,  
Project Manager, Fagen Inc.**

## Site work report

While Fagen Inc. is in charge of building the processing portion of the plant, Ringneck Energy's company management are coordinating or helping to facilitate several additional aspects of construction. Among the pieces falling into place from the owner's responsibility perspective are finalization of a TIF loan and two \$400,000 grants that makes a total of \$2.8 million available for construction of the road to the plant. Sully County expects to open bids for the road construction in early April.

*Continued on Page 3*



CEO Update:

# How we talk about ethanol matters

A presentation at the Iowa Renewable Fuels Association Summit earlier this year caught me off-guard and made me stop and think about the need to educate Americans about ethanol, and why it is good for the country, not just for ethanol producers and farmers.

In his talk, Dave DenHerder showed that of all energy sources in the US—from solar and wind to oil and hydrogen fuel cells—the one ranked “least favorable” in the minds of Americans was ethanol, with only 47 percent of people saying they have a favorable opinion of our product. That is something we need to address, and can’t ignore.

Among DenHerder’s suggestions for educating Americans about ethanol are these:

- Emphasize that ethanol IS a bio-fuel. (Biofuels had a 61% favorable impression.)
- Talk about environmental benefits such as cleaner air.
- Point out ethanol’s higher octane for lower cost.
- Don’t attack the oil industry or emphasize the farm economy benefits to non-farm audiences.

If the topic is the RFS, I believe you can easily say that everything they intended the RFS to do, it has done.

You can find DenHerder’s presentation slides here:

<https://iowarfa.org/wp-content/uploads/2018/01/DenHerder.pdf>.

## Choosing great partners

One of the key responsibilities of the Ringneck Energy board of directors in the last few months has been choosing some of the partners who will be essential to the company’s success.

Included in those partners are our electrical provider, Oahe REC, and companies chosen to conduct the marketing of our primary products.

### Wrap Up: Key Message Points

#### Ethanol is good for our environment

- ✓ Clean-burning
- ✓ Earth-friendly
- ✓ Helps us breathe easier

#### Ethanol is good for our engines

- ✓ High octane
- ✓ Works well in 21<sup>st</sup> century cars
- ✓ Improves performance

#### Ethanol is good for Americans

- ✓ Displaces cancer-causing chemicals & toxic alternatives
- ✓ Reduces dependence on oil
- ✓ Saves money

Ringneck’s board has chosen RPMG, Inc., of Shakopee, Minn., as the company’s ethanol marketer.

Renewable Products Marketing Group (RPMG), was formed 22 years ago when two Minnesota ethanol facilities decided that they could get more for their ethanol if they marketed their combined production. In April, when one of the two original plants (Al-Corn Clean Fuels) brings on its 70 million gallon expansion, RPMG will become the largest ethanol marketer in the country. “Our success is based on the same core principles we held two decades ago: use economies of scale to leverage better prices, lower marketing costs and lower the cost of transportation. What distinguishes us is our commitment to transparency within every facet of our business. Every cent of every gallon sold is sent directly to the plant,” says RPMG CEO Doug Punke.

“We know RPMG and Ringneck are a great fit. The investors of RPMG’s owners and marketing partners are farmers and/or agricultural-based businesses. They share a love for agriculture, but also a strong desire to create value for the crops they produce and/or handle through the supply chain,” Punke said. “RPMG focuses on bringing that value back to the

plant. Incorporating unit train loading capabilities and securing transportation agreements with the BN railroad puts Ringneck in a competitive position. RPMG is the largest shipper of ethanol on the BN line, thus we know the best markets for Ringneck’s gallons.”

Ringneck’s marketing agreement provides for a future ownership opportunity should both boards agree. This gives the Ringneck BOD and investors an opportunity to see RPMG’s service firsthand before making the decision to become an owner.

Marketing of both DDGs (dried distillers grains) and distillers corn oil will be handled by CHS. Both of these products, like ethanol, have national and international market potential.

The plant’s wet feed co-product will be marketed by internal staff to a regional market of livestock feeders due to its shorter shelf life and increased weight/transportation costs.

Our directors are doing a great job working through agreements and helping the company move forward. Everything is going as well as we had hoped and anticipated.

—Walt Wendland,  
President, CEO & Chairman



**Board of Directors:****President, CEO, & Chairman**

Walt Wendland

**Vice President**

Scott Mundt, Dakota Ethanol

**Secretary**

Kenton Johnson, Project Hawkeye

**Treasurer**

Ed Eller

**Directors**

Jeff Goebel

Pat Voorhees

Gary Wickersham

Steve Sukup, Sukup Manufacturing

Steve Christensen, Granite Falls Energy

Tim Luken, Oahe Grain Corp.

**Our Mission:**

To produce renewable energy that adds value to grain and livestock production, enhances the income of our investor partners, provides a safe and rewarding work environment that creates economic opportunities for the surrounding area.

**Goals for the Company:**

- Produce 80 million gallons per year of bio-fuel ethanol focusing on the local, regional and national markets by second quarter 2018.
- Produce a high-protein feed source for the local livestock.
- Return maximum profits to member investors.
- Add value to agriculture in the area.
- Meet the standard 20% reduction in greenhouse gas emissions.
- Improve efficiency with the latest technology.

**Address:**

PO Box 68  
215A South Main  
Onida, SD 57564  
605-258-2900

*Continued from Page 1:*

## Company-led site work going well

Crews are also working to complete site prep work and final grading, etc., in step with Fagen in areas such as the grain receiving and storage area and tank farm. Design has been finalized for the administration building, and construction of walls inside the shop has begun, said Ringneck CEO Walt Wendland. Work is also progressing on the water distribution and fire suppression systems on the site.

"I'm happy with the way we've fought through the winter to get as much cement in the ground as we have," Wendland said. "We will be glad when spring is here and we can reduce our winter costs for construction."

Wendland said that the number of workers on-site will be growing rapidly in coming weeks as crews come in to work on steel, piping and electrical systems.

## News around the industry

### Report: Ethanol, exports prop up corn demand

According to a March 8 article by DTN, the latest USDA World Agricultural Supply and Demand estimates point to ethanol and exports as factors increasing demand for the 2017-2018 corn crop, leading to reduced expected ending stocks in the report. Quarterly grain stocks and the prospective planting report are anticipated at the end of this month. (Full report at: <https://www.usda.gov/oce/commodity/wasde/>)

cap how much ethanol would be in the nation's fuel pool. They come on top of proposals from Sen. Ted Cruz (R-Texas) to cap RIN prices, potentially in exchange for a waiver to allow year-round sales of E-15 in markets where it is currently limited.

Industry officials, however, are lobbying President Donald Trump to stand by his stated support of ethanol, saying that the proposals would hurt not only ethanol and agriculture but American consumers as well.

(More information at: <https://www.dtnpf.com/agriculture/web/ag/news/business-inputs/article/2018/03/08/proposal-end-corn-ethanol-mandate> and <http://www.ethanolrfa.org/2018/03/new-study-rin-price-cap-e15-rvp-waiver-deal-cut-ethanol-consumption-trounce-corn-prices/>.)

### RFS, RINs in crosshairs of Congressional officials

Bills introduced this month by legislators from Texas and Illinois would phase out corn ethanol and

**DISCLAIMER**

This newsletter contains historical information, as well forward-looking statements about Ringneck Energy LLC and our future performance and prospects and expected future operations and actions. All statements that are not historical or current facts are forward-looking statements. In some cases you can identify forward-looking statements by words such as "believe", "hope", "expect", "anticipate" and similar expressions. We caution readers not to place any undue reliance on any forward-looking statements. Forward looking statements are only our predictions based on current information and involve numerous assumptions, risks and uncertainties including, without limitation, changes in the availability of credit, demand and supply of ethanol, corn production, plant operations and the actions of regulatory authorities. Our actual results or actions may differ materially from these forward-looking statements for many reasons, including risks associated with the ethanol industry generally, and the ability of the company to timely meet all requirements of financing and construction of the plant. We undertake no responsibility to update any forward-looking statement.

Additionally, certain information contained in this newsletter was obtained from own research and other sources believed to be credible and reliable. In particular, we have used information provided by trade organizations for the ethanol industry, which may present information in a manner that is more favorable to that industry than would be presented by an independent source. Although we believe our sources are reliable, we have not independently verified such information and make no guarantees as to its accuracy or completeness.