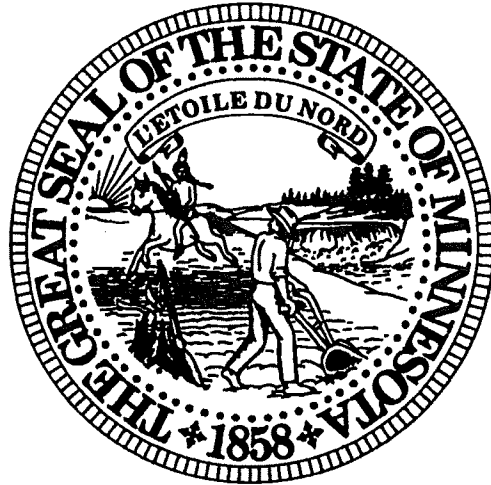


09 - 0391



Ethanol Plants Receiving Producer Payments From the State of Minnesota

2008 Report

February 15, 2008
(revised)

Minnesota Department of Agriculture

**Ethanol Plants Receiving
Producer Payments
From the State of Minnesota**

2008 Report

This report is submitted in fulfillment of the statutory requirement in section 41A.09, which states:

Not later than the 15th day of February in each year the commissioner shall deliver to the chairs of the standing committees of the senate and the house of representatives that deal with agricultural policy and agricultural finance issues an annual report summarizing aggregated data from plants receiving payments under this section during the preceding calendar year. Audited financial statements and notes and disclosure statements submitted to the commissioner are nonpublic data under section 13.02, subdivision 9. Notwithstanding the provisions of chapter 13 relating to nonpublic data, summaries of the submitted audited financial reports and notes and disclosure statements will be contained in the report to the committee chairs and will be public data.

Thirteen ethanol plants received producer payments and/or deficiency payments from the State of Minnesota in calendar year 2007. These plants are:

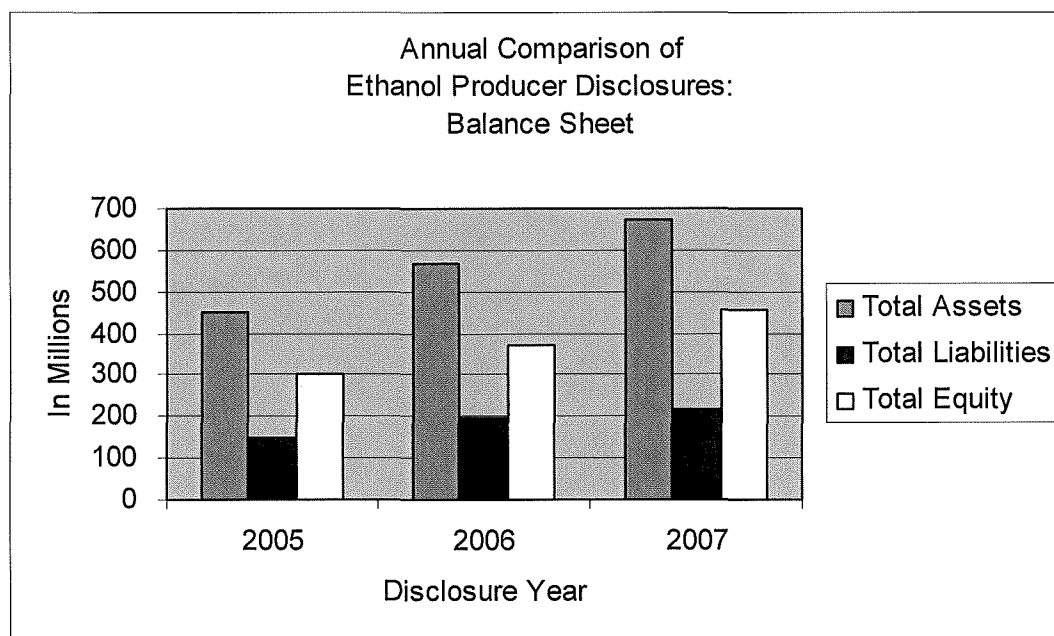
Agra-Resources Co-op; POET Glenville East (Albert Lea),
Agri-Energy, LLC (Luverne),
Al-Corn Clean Fuel Limited Partnership (Claremont),
Central Mn Ethanol Co-op (Little Falls),
Chippewa Valley Ethanol Company, LLLP (Benson),
CornPlus, LLLP (Winnebago),
Diversified Energy Co., LLC (Morris),
Ethanol 2000, LLP; POET Bingham Lake (Bingham Lake),
Gopher State Ethanol, LLC (St. Paul),
Heartland Corn Products (Winthrop),
Melrose Dairy Proteins, LLC (Melrose),
Minnesota Energy (Buffalo Lake) and
Pro-Corn, LLC; POET Preston (Preston).

This report aggregates data from twelve of the thirteen producer plants into a financial section, a statistical section and percentage of ownership section. Gopher State Ethanol, LLC (St. Paul) is not included in the aggregate data since it is no longer a producer.

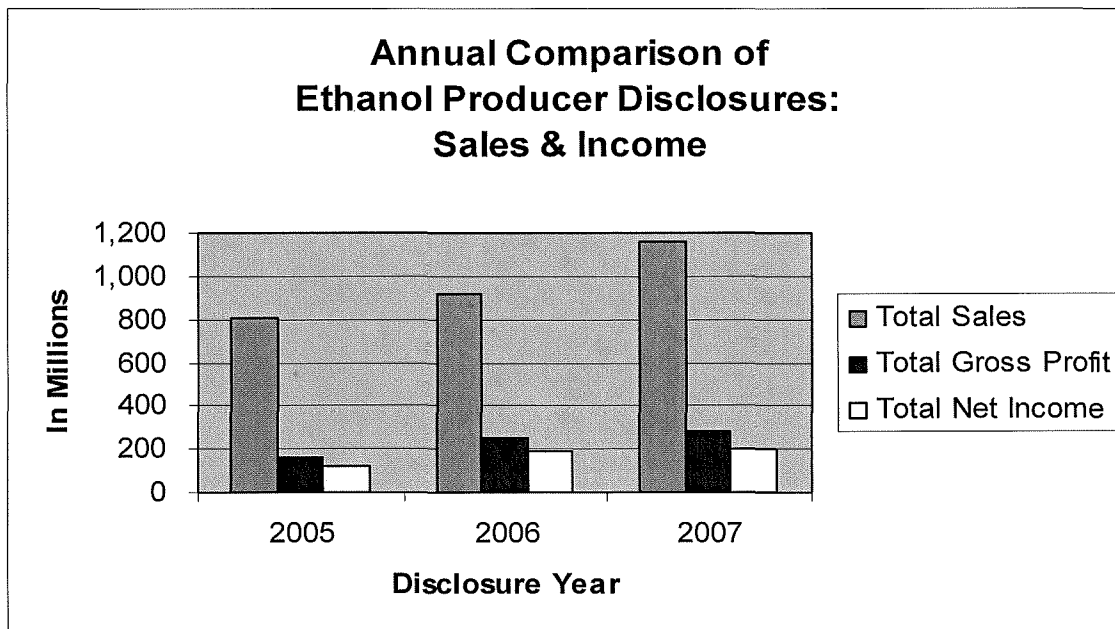
FINANCIAL SECTION:

The financial section presents the aggregate comparative Balance Sheet and Statement of Income for 2007 and 2006. This aggregate financial information is the total of all twelve entities presented for 2007 and 2006, the increase or decrease between these years, and the average of the twelve entities.

In summary, the Balance Sheet presents aggregate producer total assets for 2007 of \$673,236,075, an increase of \$107,616,403 from the 2006 aggregate total assets of \$565,619,672. The aggregate total liabilities for 2007 are \$216,246,898, an increase of \$20,729,900 from the 2006 aggregate total liabilities of \$195,516,998. The aggregate total equity for 2007 is \$456,989,177, an increase of \$86,886,503 from the 2006 aggregate total equity of \$370,102,674.



The Statement of Income shows aggregate total sales for 2007 of \$1,160,019,719, an increase of \$241,717,894 from the 2006 aggregate total sales of \$918,301,825. The aggregate total gross profit for 2007 is \$278,737,950, an increase of \$22,706,141 from the 2006 aggregate total gross profit of \$256,031,809. The aggregate total net income for 2007 is \$203,564,623, an increase of \$8,092,691 from the 2006 aggregate total net income of \$195,471,932.



STATISTICAL SECTION:

The statistical section presents current year and comparison summary information including: revenues, sales, profits, government incentives, patronage dividends, interest expense, etc. The resulting ratios include ratios of liquidity, leverage, activity and profitability. As with the financial data information, the presentation is the same with the aggregate total and the average of all twelve entities. Aggregate government incentives for 2007 total \$15,547,947 which is a decrease of \$3,160,712 from the 2006 incentives of \$18,708,659. The decrease was due to the State of

Minnesota reduction of \$2,490,451 and the Federal Bio-Program reduction of \$670,261. The 2007 aggregate government incentives provided by the State of Minnesota are \$15,445,300 and the CCC Bio-Energy program provided \$102,647.

OWNERSHIP SECTION:

The percentage of ownership section presents aggregate producer disclosure on ethanol producer plant entity ownership. This data is presented based on overall ownership type and M.S. 500.24 defined farmer ownership.

For 2007:

Overall ownership of the producer plants for 2007 was: 36% by individuals with less than 10% ownership, 49% by cooperatives, 4% by corporations and 11% by LLCs.

Ownership by farmers or other entities eligible to farm or own agricultural land in Minnesota as defined in M.S. 500.24 for 2007 totaled approximately 55%: approximately 25% by farmers with less than 10% direct ownership and approximately 30% by farmers through membership in cooperatives.

For 2006:

Overall ownership of the producer plants for 2006 was: 44% by individuals with less than 10% ownership, 49% by cooperatives, 4% by corporations and 2% by LLCs.

Ownership by farmers or other entities eligible to farm or own agricultural land in Minnesota as defined in M.S. 500.24 for 2006 totaled approximately 61%: approximately 30% by farmers with less than 10% direct ownership and approximately 31% by farmers through membership in cooperatives.

Financial Section

**Minnesota Department of Agriculture
Balance Sheet Summary Data
Comparison of 2007 & 2006 Ethanol Producer Disclosures
Ethanol Report: February 15, 2008**

	<u>2007</u>	<u>2006</u>	<u>Increase (Decrease)</u>	<u>Current Year Average Ethanol Producer</u>
Assets				
Current				
Cash.....	\$ 71,059,152	\$ 62,138,873	\$ 8,920,279	\$ 5,921,596
Accounts Receivable.....	65,177,447	70,197,743	(5,020,296)	5,431,454
Inventory.....	49,903,429	34,950,606	14,952,823	4,158,619
Other.....	31,939,042	24,140,129	7,798,913	2,661,587
<i>Total Current Assets</i>	<u>218,079,070</u>	<u>191,427,351</u>	<u>26,651,719</u>	<u>18,173,256</u>
Investments				
In Coops.....	5,193,639	4,739,757	453,882	432,803
Other.....	42,994,185	17,603,641	25,390,544	3,582,849
<i>Total Investments</i>	<u>48,187,824</u>	<u>22,343,398</u>	<u>25,844,426</u>	<u>4,015,652</u>
Fixed Assets				
Land.....	15,942,964	14,484,698	1,458,266	1,328,580
Plant & Equipment.....	596,695,824	527,006,620	69,689,204	49,724,652
Accumulated Depreciation.....	(235,263,716)	(193,473,909)	(41,789,807)	(19,605,310)
<i>Total Fixed Assets</i>	<u>377,375,072</u>	<u>348,017,409</u>	<u>29,357,663</u>	<u>31,447,923</u>
Other Assets				
Financing Costs.....	1,648,860	806,130	842,730	137,405
Other.....	27,945,249	3,025,384	24,919,865	2,328,771
<i>Total Other Assets</i>	<u>29,594,109</u>	<u>3,831,514</u>	<u>25,762,595</u>	<u>2,466,176</u>
Total Assets	<u>\$ 673,236,075</u>	<u>\$ 565,619,672</u>	<u>\$ 107,616,403</u>	<u>\$ 56,103,006</u>
Liabilities				
Current				
Accounts Payable.....	\$ 59,926,762	\$ 51,979,583	\$ 7,947,179	\$ 4,993,897
Current Portion Long-Term Debt.....	16,708,756	19,632,417	(2,923,661)	1,392,396
Earnings Distribution.....	27,787,906	26,652,722	1,135,184	2,315,659
Other.....	16,505,013	15,146,189	1,358,824	1,375,418
<i>Total Current Liabilities</i>	<u>120,928,437</u>	<u>113,410,911</u>	<u>7,517,526</u>	<u>10,077,370</u>
Long-Term				
Long-Term Debt.....	92,131,126	80,907,692	11,223,434	7,677,594
Other Long Term Liabilities.....	3,187,335	1,198,395	1,988,940	265,611
<i>Total Long Term Liabilities</i>	<u>95,318,461</u>	<u>82,106,087</u>	<u>13,212,374</u>	<u>7,943,205</u>
<i>Total Liabilities</i>	<u>216,246,898</u>	<u>195,516,998</u>	<u>20,729,900</u>	<u>18,020,575</u>
Equity				
Cooperative.....	134,836,676	105,884,873	28,951,803	11,236,390
Other.....	210,279,789	171,868,027	38,411,762	17,523,316
Undistributed.....	111,872,712	92,349,774	19,522,938	9,322,726
<i>Total Equity</i>	<u>456,989,177</u>	<u>370,102,674</u>	<u>86,886,503</u>	<u>38,082,431</u>
Total Liabilities & Equity	<u>\$ 673,236,075</u>	<u>\$ 565,619,672</u>	<u>\$ 107,616,403</u>	<u>\$ 56,103,006</u>

Minnesota Department of Agriculture
Statement of Income Summary Data
Comparison of 2007 & 2006 Ethanol Producer Disclosures
Ethanol Report: February 15, 2008

	<u>2007</u>	<u>2006</u>	<u>Increase (Decrease)</u>	<u>Current Year Average Ethanol Producer</u>
<u>Sales</u>				
Sales	\$ 1,160,019,719	\$ 918,301,825	\$ 241,717,894	\$ 96,668,310
Cost of Sales	<u>(881,281,769)</u>	<u>(662,270,016)</u>	<u>(219,011,753)</u>	<u>(73,440,147)</u>
<i>Gross Profit</i>	<u>278,737,950</u>	<u>256,031,809</u>	<u>22,706,141</u>	<u>23,228,163</u>
<u>Operating Expenses</u>				
Employee Costs	6,989,254	8,270,983	(1,281,729)	582,438
Supplies	2,050,924	1,896,723	154,201	170,910
Repairs and Maintenance	6,992,062	6,359,306	632,756	582,672
Other Operating Expenses	27,942,553	27,924,226	18,327	2,328,546
Depreciation and Amortization	<u>35,673,906</u>	<u>31,765,327</u>	<u>3,908,579</u>	<u>2,972,826</u>
<i>Operating Expenses</i>	<u>79,648,699</u>	<u>76,216,565</u>	<u>3,432,134</u>	<u>6,637,392</u>
<u>Income from Operations</u>	<u>199,089,251</u>	<u>179,815,244</u>	<u>19,274,007</u>	<u>16,590,771</u>
<u>Other Income (Expenses)</u>				
State Ethanol Producer Payments	15,445,300	17,935,751	(2,490,451)	1,287,108
CCC Bioenergy Program Payments	102,647	772,908	(670,261)	8,554
Investment Earnings	13,000,883	6,575,107	6,425,776	1,083,407
Interest Expense	(11,329,041)	(6,504,800)	(4,824,241)	(944,087)
Gain (Loss) on Assets	(1,214,376)	25,996	(1,240,372)	(101,198)
Other	<u>(5,618,511)</u>	<u>(359,910)</u>	<u>(5,258,601)</u>	<u>(468,209)</u>
<i>Other Income (Expenses)</i>	<u>10,386,902</u>	<u>18,445,052</u>	<u>(8,058,150)</u>	<u>865,575</u>
<u>Income before Income Taxes</u>	209,476,153	198,260,296	11,215,857	17,456,346
<u>Income Taxes</u>	5,911,530	2,788,364	3,123,166	492,628
<u>Net Income</u>	<u>\$ 203,564,623</u>	<u>\$ 195,471,932</u>	<u>\$ 8,092,691</u>	<u>\$ 16,963,719</u>

Statistical Section

Minnesota Department of Agriculture
Statistical Summary Data
Comparison of 2007 & 2006 Ethanol Producer Disclosures
Ethanol Report: February 15, 2008

	<u>2007</u>	<u>2006</u>	<u>Increase (Decrease)</u>	<u>Current Year Average Ethanol Producer</u>
Statistics				
Gross Revenues.....	\$ 1,181,735,662	\$ 943,251,677	\$ 238,483,985	\$ 98,477,972
Sales.....	1,160,019,719	918,301,825	241,717,894	96,668,310
Operating Income.....	199,089,251	179,815,244	19,274,007	16,590,771
Profit before taxes.....	209,476,153	198,260,296	11,215,857	17,456,346
Net Income.....	203,564,623	195,471,932	8,092,691	16,963,719
Government Incentives:				
<i>MN Producer Payment.....</i>	15,445,300	17,935,751	(2,490,451)	1,287,108
<i>CCC Bio-Energy Program.....</i>	102,647	772,908	(670,261)	8,554
Patronage Dividends Paid/Other Dist....	165,026,495	110,815,544	54,210,951	13,752,208
Interest Expense.....	11,329,041	6,504,800	4,824,241	944,087
Liquidity				
Current Ratio.....	1.80	1.69	0.11	1.80
Quick Ratio.....	1.39	1.38	0.01	1.39
Leverage				
Debt to total assets.....	14.00%	15.00%	-1.00%	14.00%
Debt to equity.....	47.00%	53.00%	-6.00%	47.00%
Liabilities to equity.....	21.00%	22.00%	-1.00%	21.00%
Times interest earned.....	19.49	31.48	-11.99	19.49
Activity				
Inventory turnover.....	23.25	26.27	-3.02	23.25
Fixed assets turnover.....	3.07	2.64	0.43	3.07
Total asset turnover.....	1.72	1.62	0.10	1.72
Profitability				
Profit margin on sales.....	18.00%	21.00%	-3.00%	18.00%
Return on total assets.....	30.00%	35.00%	-5.00%	30.00%
Return on total equity.....	45.00%	53.00%	-8.00%	45.00%

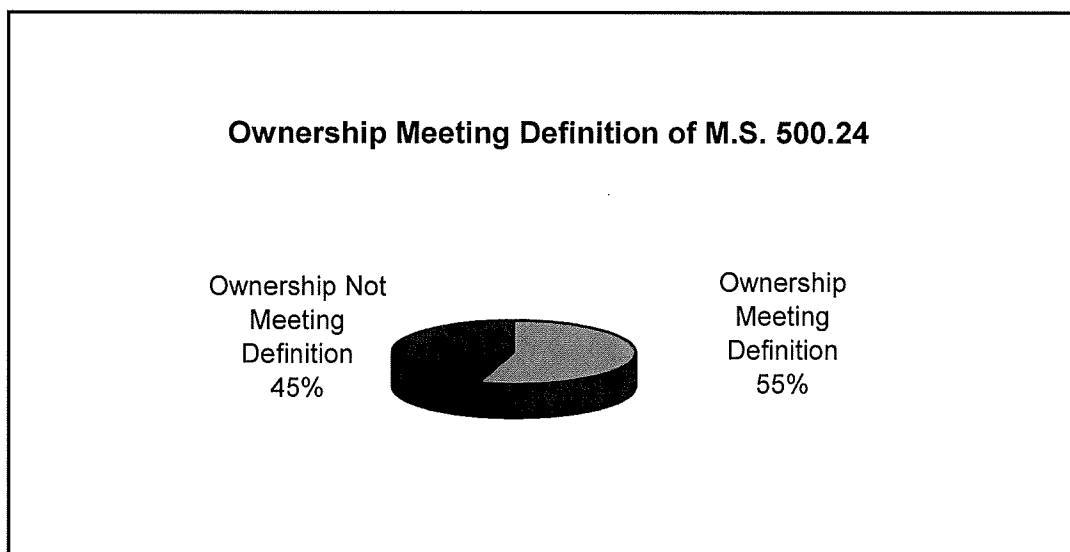
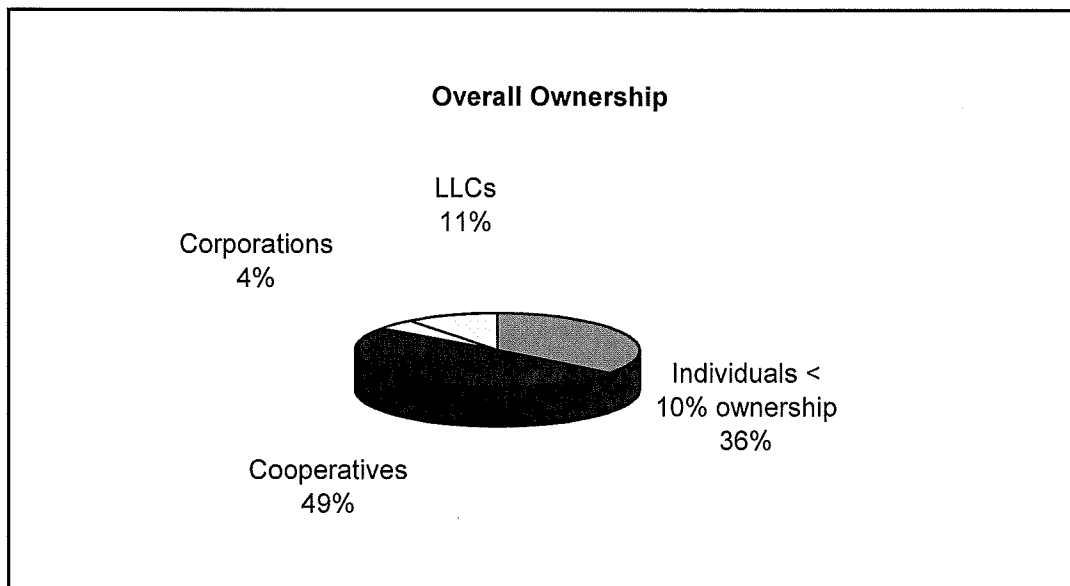
Ownership Section

**Minnesota Department of Agriculture
Ownership Summary Data from Ethanol Disclosures
Disclosures Reported in 2007
Ethanol Report: February 15, 2008
Revised Feb 2009**

Ownership category/name	Overall % of total	M.S. 500.24 % of total (1)
Individuals < 10% ownership	35.6%	24.6%
Cooperatives	49.4%	30.1%
Corporations	4.3%	0.0%
LLCs	10.7%	0.0%
	100.0%	54.7%

Note:

(1) does not include estates/trusts which may qualify under 500.24



Note to the Revised 2008 Report

In preparing the 2009 report, it was discovered that the ownership section in the 2008 report contained erroneous calculations.

This revised 2008 report contains corrected ownership numbers in the text on page 4 and in the table and first chart on page 11.