



GLACIAL LAKES CORN PROCESSORS

301 20TH AVENUE SE • P.O. BOX 1323 • WATERTOWN, SD • 57201

PHONE: 605-882-8480 • FAX: 605-882-8982

December 09, 2014

Dear GLCP Member,

This letter is meant to give you information that you can use in discussions with your tax advisor for 2014 tax planning purposes.

When we issue Form 1099-PATRs for calendar year 2014, Box 1 will include each member's respective share of the patronage dividend of \$0.03 per share paid in January 2014 to shareholders of record as of August 31, 2013, and each member's respective share of the \$0.07 dividend paid in September 2014 to shareholders of record as of August 31, 2014.

In addition to the patronage dividends referenced above, we also paid/retired retainage of \$0.01 per share in January 2014 to shareholders of record as of August 31, 2013, and \$0.02 per share in September 2014 to shareholders of record as of August 31, 2014. The retainage relates to the \$0.05 per share retained earnings from fiscal year 2006. Since the tax obligation associated with the original retainage of \$0.05 per share was already incurred at the time of allocation (in respect of fiscal year 2006), the retainage amounts paid/retired in 2014 will not be reported on Form 1099-PATR.

Also, Glacial Lakes Corn Processors (GLCP) conducts business with Cenex Harvest States (CHS). CHS engages in "qualified production activities" which results in favorable tax treatment under Section 199 of the United States Internal Revenue Code. In the past, CHS has passed this deduction on to GLCP and we have in turn passed it on to our shareholders which was included in Box 6 of Form 1099-PATR. However, we have been informed that CHS will not be passing this deduction on to GLCP this year so we in turn will not be including an amount for this deduction in Box 6.

Please note that earlier this Fall we notified you that the GLCP Board of Directors had declared a second patronage dividend of \$0.18 per share in respect of our 2014 fiscal year performance, payable to shareholders of record as of August 31, 2014. This patronage dividend will be paid in January 2015. Because this second patronage dividend will not be paid (and received) until January 2015, the Form 1099-PATRs for calendar year 2014 will not include each member's share of this dividend. Instead, your share of the \$0.18 per share patronage dividend will be reported to you on next year's Form 1099-PATRs that you will receive for calendar 2015.

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And, as with the retainage paid this year, the final \$0.02 per share retainage that will be paid/retired in January 2015 will not be reported on Form 1099-PATR (for either 2014 or 2015), as the tax obligation associated with the original retainage was already incurred.

You will receive your 1099-PATR via US Mail mid to late January 2015.

You should retain this letter in your permanent records and we encourage you to provide your tax advisor with a copy.

This notification should not be construed as tax advice and we recommend that you consult with your personal tax advisor regarding the tax consequences of the amounts referenced above.

Sincerely,
GLACIAL LAKES CORN PROCESSORS



James A. Seurer
Chief Executive Officer