



# Fuel *For* THOUGHT

May 2003

P.O. Box 1323 • Watertown, SD 57201 • 605-886-8526

## The following shares are offered for sale to members:

Lot Number: 5-03-01	Number of Shares: 10,000
Lot Number: 5-03-02	Number of Shares: 10,000
Lot Number: 5-03-03	Number of Shares: 5,000
Lot Number: 5-03-04	Number of Shares: 5,000
Lot Number: 5-03-05	Number of Shares: 5,000

If you are interested in submitting a bid on these shares, please contact Hugh Bartels at Reliabank at 605-886-6000 before May 20, 2003.

## GLCP President

This is our first combined issue of the Glacial Lakes Energy, LLC and Glacial Lakes Corn Processors newsletter. We hope that you find the combination of the two to be more informational and cost-effective as well. The combined newsletter will be issued quarterly to coincide with the GLCP share sale procedure. We appreciate any feedback regarding the combination of the newsletter.



*Jon T. Anderson  
GLCP President*

GLCP's fiscal year is September 1 to August 31. With this fiscal year comes the member's commitment to deliver corn. Committed bushels are determined by the amount of shares you own (i.e.: 5,000 shares = 5,000 bushel commitment) and are required to be delivered or purchased from the pool system on an annual basis to coincide with our fiscal year. Members who deliver corn also receive a freight incentive on committed bushels as well as those who are commercial investors. If you do not have access to corn, you may have someone deliver corn on your behalf by a member or non-member or you may buy from the pool. The corn pool system allows members to pay a \$.04 per bushel fee to fill their commitment without having to deliver, however, the freight incentive is not available with this option. Those of you who choose to buy from the pool do not need to notify GLE. Instead, once GLE closes their fiscal year August 31, they will invoice you for your undelivered bushels. Just a reminder, that if you plan on delivering your corn commitment within this fiscal year, you need to contract it as soon as possible. Otherwise, you may be forced to buy from the pool.

I often receive the question regarding dividends as to when they will be paid. We must remember that our fiscal year ended August 31, 2002 which was during the construction phase. GLE did not begin selling product or receiving revenue until after September 1, 2002, therefore any production profits will be realized in the current fiscal year which ends August 31, 2003.

In closing, GLE continues to meet budget expectations and is qualified for the state incentive program as well as the CCC bioenergy program.

*Jon T. Anderson, GLCP President*

## Website Info

You will now be able to access the GLCP quarterly newsletters, stock trade information and more from the GLCP website by going to [www.glaciallakesenergy.com](http://www.glaciallakesenergy.com) and clicking on the Glacial Lakes Corn Processors tab on the left hand side of the page.



To access the **Members Only** section, use the following:  
Log In/User Name: GLE, Password: Fuel40

## Just a reminder . . .

**If you plan on delivering your committed bushels within this fiscal year, which ends August 31, 2003, you need to contract it as soon as possible. Otherwise, you may be forced to buy from the pool.**

## Small Ethanol Producer Tax Credit

The Senate Finance Committee has recently taken action on an item that is important to many ethanol plants in the United States – the Small Ethanol Producer Tax Credit. This credit, which was originally created in 1990, was meant to encourage the development of relatively small ethanol plants in rural areas. It allows ethanol plants that produce 30 million gallons or less to qualify for a \$1.5 million tax credit. As time went by a couple of flaws developed. One was that the IRS did not allow the tax credit to be passed through to the members of cooperatives, and since ethanol plant cooperatives generally pass all or most of their dividends on to their farmer members, the credit was essentially useless to them. The second major flaw was that the size of the ethanol industry has changed over the past decade. Ten years ago, a plant over 30 million gallons would have been considered large. Today, there are 100 million gallon ethanol plants in development, so we felt it was important to change the definition of what a small ethanol plant is to allow plants up to 60 million gallons to be able to qualify for those credits. The legislation, originally proposed by the American Coalition for Ethanol, recently passed by the Senate Finance Committee does both of those things. That tax legislation will most likely be rolled into the energy bill, and hopefully passed by Congress yet this spring. That would have a positive impact on Glacial Lakes Corn Processors and Glacial Lakes Energy.

*Trevor Guthmiller, American Coalition for Ethanol*

## Trade Pricing Information

The Glacial Lakes Corn Processors fourth trade was held February 2003.

AVERAGE PRICE as \$3.36 per share.

TRADE HIGH was \$3.51 per share.

Next quarter trade date: August 1, 2003

## Buying & Selling GLCP Stock

### 1. How do I locate a buyer/seller to buy/sell stock?

You are responsible for finding a buyer/seller. Contact the GLCP office at 605-886-8526 and let us know of your intentions. We in turn will send you a document to complete, giving us permission to publish your name as a seller/buyer. Once we receive the signed form, we will send you a list of potential buyers/sellers from which you may find a seller/buyer.

### 2. Who can purchase stock?

Anyone can purchase GLCP stock as long as they are a member. If they are not a current member, they will need to apply for a membership and pay the necessary fees at the time of the share sale/trade. Information on becoming a member can be obtained at the GLCP office.

### 3. What is the process for selling and/or buying stock?

The policy consists of two different methods of transferring stock. The first method is very simple and is used only to transfer stock to related parties. See the procedures listed below.

The second method is used for all other transfers. The seller finds a buyer and the two agree on a price per share and number of shares. The necessary documents and fees as listed below are submitted by the first of the trade month to Reliabank in Watertown. The membership of GLCP will then be allowed to bid on these shares before the sale is finalized. GLCP will sell/transfer shares four times per year: August, November, February and May.

Procedures:

*By the first of the quarterly month the BUYER must:*

1. Sign and submit "Offer to Purchase" form
2. Submit 10% down payment payable to "GLCP Stock Transfer Escrow Account"
3. Submit Subscription Agreement and Uniform Marketing and Delivery Agreement, if applicable.
4. Submit Membership Application form and fee, if applicable (#3 and #4 apply only if buyer is NOT a member of GLCP) (#2 applies only if the buyer is submitting a bid on shares – not applicable for related transfers)

*By the first of the quarterly month the SELLER must:*

1. Sign and submit "Offer to Sell" form
2. Sign and submit Stock certificates
3. Submit transfer fees made payable to GLCP

*If you have any questions or would like the necessary documents to buy/sell/transfer stock, please contact Marcy Kohl at the GLCP office at 605-886-8526.*

## GLCP 2003 Board of Directors

Jon T. Anderson, President  
Doyle Thompson, Vice President  
Leland Roe, Secretary  
Ron Thyen, Treasurer  
Roger Fritz  
Larry Kahnke  
Terry Little  
Terry Mudgett  
Steve Owen  
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**GLCP members can now ADVERTISE in the quarterly newsletters!**

***If you would like to advertise shares for sale, equipment for sale, buildings for sale, etc. contact Marcy Kohl at 886-8526 and ask for details on the new classified section.***