



Golden Grain Energy Member Update

Golden Grain Energy · 1822 43rd St. SW · Mason City, IA 50401
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Page 4: New cooling tower in the works

OUR MISSION is to *“add value to the corn production of the area and enhance the incomes of our investor partners while providing economic growth to the area we serve.”*

Board directors nominations being accepted

The nominating committee is currently accepting nominations for directors to serve on the Golden Grain Energy board.

Nominations are due by Friday, Dec. 4, 2015, with the election to be held Feb. 8, 2016, at the annual membership meeting.

Directors whose seats are up for election next year include: Dave Sovereign (current board chairman), Stan Laures, and Roger Schaffer.

Nominations may be submitted to the Golden Grain Energy office or to nomination committee members:

- Jim Boeding
- Duane Lynch
- Ray Wiley

Directors are elected at-large and serve a three-year term.

Have a safe & successful harvest!



Golden Grain Energy’s Curt Strong, right, and Brooke Peters visit with attendees at a field day open house co-hosted with New Holland and Absolute Energy in August in Osage.

Field day shows ethanol’s importance

Approximately 300 farmers and other interested individuals attended a field day in August, cohosted by Golden Grain Energy, Absolute Energy and New Holland.

The event featured speakers David Kruse of the Comstock Report and Mike O’Brien of Growth Energy.

Kruse spoke about the impact ethanol has on the overall market for corn, noting that even an increase from 10 percent ethanol blended into the nation’s gasoline supply to 11 percent ethanol blends would create a need for 500 million more bushels of corn each year. He contends that increasing that percentage beyond the EPA’s current 10 percent blend wall could

potentially eliminate the need for the USDA’s current income support programs for farmers. However, the EPA’s renewable volume obligations (RVOs) set to be finalized later this fall remain pinned at the 10 percent level.

O’Brien shared the steps Growth Energy is taking to promote ethanol in urban markets and which companies are being targeted to try to bring blender pumps into those areas capable of delivering E15.

GGE representatives talked about the plant’s pricing programs and how to deliver to the plant.

New Holland also partners with
Continued on Page 4

2015 profitable with strong balance sheet

Golden Grain Energy reported net income of \$7.3 million or \$0.37 per unit for the third fiscal quarter of 2015, which ended on July 31, 2015.

The average ethanol price was down approximately 32 percent during 2015 as compared to 2014, driven by more supply of ethanol in the market as well as lower gasoline and corn prices. Our corn and natural gas costs during the third quarter of 2015 were 23 percent and 36 percent lower, respectively, as compared to the same quarter of 2014.

As we bring our fiscal year 2015 to a close in October we will be budgeting for 2016 in which smaller margins seem to be the trend. Although there are still four months left in this tax year, early estimates would indicate

2015 taxable income to be about a fourth of the 2014 taxable income. A more accurate estimate will be published in mid-December as we have in prior years.

The balance sheet continues to be very strong. We have spent a large portion of cash we had on hand at the beginning of the year on distributions and capital expenditures. Approximately \$61.6 million has been sent out to unit holders and

\$5.6 million has been used for plant upgrades. Book value per unit was approximately \$6.23 as of July 31, 2015. Although unit transfers are still scarce, they have traded at a range between \$5.98-\$6.50 per unit.

The complete 10-Q can be found on the SEC website or by following the investor link at www.ggecorn.com.

— *Christy Marchand, CFO*
Golden Grain Energy

BALANCE SHEET	July 31, 2015	Oct. 31, 2014
Current Assets	\$ 42,456,198	\$70,279,557
Total Assets	\$ 131,109,128	\$167,557,815
Current Liabilities	\$ 6,769,837	\$7,791,972
Long-term liabilities	\$ 495,561	\$542,282
Members Equity	\$ 123,843,730	\$159,223,561
Book Value per Unit	\$ 6.23	\$ 8.01

INCOME STATEMENT	Three Months Ended 7/31/15	Three Months Ended 7/31/14	Nine Months Ended 7/31/15	Nine Months Ended 7/31/14
Revenues	\$ 52,082,545	\$ 70,787,145	\$ 165,984,860	\$ 223,329,981
Gross Profit	\$ 6,054,597	\$ 18,992,791	\$ 22,235,252	\$ 51,975,373
Equity in Net Income from Investments	\$ 2,021,660	\$ 3,923,759	\$ 6,033,904	\$ 13,623,891
Net Income	\$ 7,356,150	\$ 21,925,756	\$ 26,226,469	\$ 63,178,498
Net Income per Unit	\$ 0.37	\$ 1.10	\$ 1.32	\$ 3.18
Distribution Paid	\$ 0.50	\$ --	\$ 3.10	\$ 0.90

Air permit discrepancies settled with IDNR

Golden Grain Energy has entered into an agreement with the Iowa Department of Natural Resources to address discrepancies in air quality emission limits that have developed over the last few years due to a combination of tightening regulations and plant growth.

When GGE began ethanol production 10 years ago, the original limits outlined in the air quality permits for the plant left ample room for compliance. In the years since, however, Golden Grain Energy has expanded its operations, as the DNR has also tightened concentration limits on emissions, making it difficult for the plant to meet the newly-established limits.

For approximately two years, Golden Grain has been in negotiations to address the discrepancies. In accordance with the recently-signed agreement and consent order, the company will install additional monitoring equipment and establish plans, including permit modifications, to comply with current governmental requirements. In addition, Golden Grain has agreed to pay a fine for the violations.

IDNR is issuing a revised permit for the plant.

Golden Grain Energy is committed to being an environmentally friendly community member and neighbor and is taking a proactive approach to maintain compliance.

Industry, USDA efforts boost flex fuel options

This summer, the American Coalition for Ethanol (ACE) launched a new website for gasoline and fuel marketers who have questions about higher ethanol blends. The new website, www.FlexFuelForward.com, provides additional fuel marketer-focused information for help with installing E15 and flexible fuel pumps.

Through the site, retailers will learn about offering ethanol blends from those already offering—and having success with—the products. The retailers featured in the video and promotional efforts with “Flex Fuel Forward” vary in location, background, ethanol sales history, and the equipment and services available at their stations. Yet, they have one important thing in common—they have great success offering consumer choice in the availability of ethanol blends.

Thanks to your membership support, ACE has secured the placement of strategic and economical advertising buys that will connect retailers with ethanol information from the “Flex Forward Campaign.” Further, state and regional outreach, as well as support of the USDA Biofuels Infrastructure Program will put these materials to great use reaching tomorrow’s ethanol retailers.

Grant program to support 5,000 new blender pumps

(From FarmFutures.com, 9/11/2015)

During a visit to Illinois earlier this month, USDA Secretary Tom Vilsack said nearly 5,000 blender pumps in 21 states will be added thanks to a previously announced USDA grant program.

The Biofuel Infrastructure Partnership, announced in May, supports adding infrastructure to fueling states that will allow consumers better access to renewable fuels.

USDA’s Farm Service Agency managed the BIP applications, which totaled more than \$130 million in requests, outpacing the \$100 million that is available.

“The quality and geographic diversity of the applications, backed by supportive state and private partners, demonstrate the strong demand across the country for cleaner, more affordable fuel,” said Secretary Vilsack.

Vilsack said BIP is one approach USDA is using to pursue investments in U.S. renewable energy to create new markets for U.S. farmers and ranchers, help consumers save money and limit dependence on foreign oil.

A typical gas pump delivers fuel with 10% ethanol, which limits the amount of renewable energy most consumers can purchase at the pump.

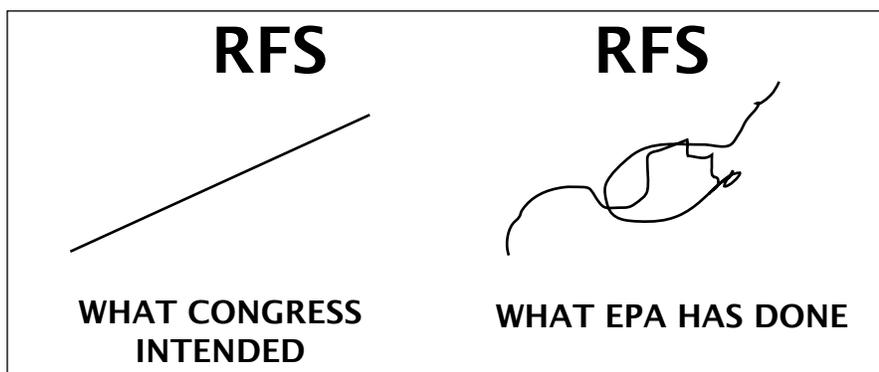
USDA estimates that this investment will more than double the number of stations that offer intermediate blends of ethanol, mainly E15 fuel levels, nationwide.

Through BIP, USDA will award competitive grants, matched by states, to expand the infrastructure for distribution of higher blends of ethanol.

Blender pump grants (preliminary):

Colorado, 28; Florida, 892; Illinois, 428; Indiana, 110; Iowa, 187; Kansas, 174; Louisiana, 110; Michigan, 89; Minnesota, 620; Missouri, 171; Nebraska, 80; North Carolina, 190; North Dakota, 90; Ohio, 148; Pennsylvania, 308; South Dakota, 74; Texas, 763; Virginia-Maryland, 191; West Virginia, 107; Wisconsin, 120

The Ethanol “Not-So-Funnies”



Dates to remember:

National Ethanol Conference in New Orleans, Feb 15-17, 2016
<http://nationalethanolconference.com/>

ACE Fly-in, April 13-14, 2016
<https://ethanol.org/events/fly-in>

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Golf outing raises nearly \$17k

Nearly 50 golfers and friends of ethanol teed off Aug. 17 at the 11th annual GGE PAC golf outing.

The golf outing and accompanying dinner and auction raised \$16,910 for the PAC, which is used to educate and support elected officials who back efforts to keep America's fuel supply home-grown, efficient and clean with the use of renewable fuels, including ethanol.

The PAC committee wants to thank everyone who made a donation at the auction and in our past distribution checkoffs. "Throughout the year we have received numerous thank you notes from the candidates that GGE PAC has supported," said chairman Jerry Calease.

"In reviewing last year's contributions, we have again been fortunate to receive financial support from our shareholders and 'Friends of Ethanol'."

Shut-down projects showing results; cooling tower changes started

Chief Operating Officer Chad Kuhlers says that many of the 138 projects tackled during the annual shut-down in June are already showing some results in terms of plant efficiency, reliability, or in simply optimizing operations.

One larger project, which has been started but will be a three-year effort, is the creation of a specific water treatment building for the plant and relocation of the north water cooling tower.

Relocation of the tower will address concerns caused by drifting of steam from the tower in the winter and the drifting of chaf from the plant's DDGs into the tower in the summer, causing biological growth inside the cooling tower. Work in 2015 will primarily involve laying the infrastructure for the new tower, which will be built in the next year.

The current cooling tower is also reaching the end of its expected 10-year life, with the new tower to be engineered to meet current and future needs.

The new water treatment plant and cooling tower, along with hooking the plant into the city sewer system, should reduce the need to use the plant's chiller in the summer, cutting power costs, and also reduce total water usage at the plant by up to 30 percent, one of Golden Grain Energy's efforts to continue to be environmentally-aware.

Other ongoing construction projects at the plant involve the Golden Renewables co-generation plant being built next door. "Our scope is to install and tie in equipment to use the steam generated by their facility as efficiently as possible," Kuhlers said.

New Holland field day, discount program

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ethanol plants to provide a discount of up to 38 percent off new equipment to farmers involved in the ethanol industry through investment, grain delivery or DDGs purchases.

For more information about eligibility for the New Holland discount program, contact either Brooke Peters or Curt Strong at GGE.