



# Big River Resources

## *The Value Adder*

# Cooperative

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## Galva Open House

The long awaited moment finally arrived for the Big River Resources Galva, LLC ethanol facility. On May 19, the plant began its first official grind. Employees had trained

since March and were eager to get the grinders grinding, the steam rolling, the motors pumping, and the ethanol producing. It is always an anxious point in time to get the first drops of ethanol brewing for a new facility.

Now that the plant is grinding and the rush of work from an initial startup is evening out each day, it is time for you to see your new asset. An open house has been scheduled for September 15 from 9:30 am to 3:30 pm. A lunch will be provided by



the Henry and Knox County Pork Producers. Please join us and invite all your friends, we are excited to show off your investment.



## September 15, 2009

## Bulletin Board

As you know, the Cooperative instituted a bulletin board system in the Fall of 2007. The bulletin board allows Cooperative members to post their interest in buying or selling delivery stock of Big River Resources Cooperative. In order to keep the Cooperative's bulletin board more current and to allow more uniform procedures, the board has approved several revisions to the bulletin board procedures. Enclosed is the revised agreement for using the bulletin board and for making transfers.

Please note that there are a number of restrictions on the timing of any transfers. For example, a binding agreement for the sale of the delivery stock may not be made until the seller's units have been listed on the bulletin board for at least 15 days. Additionally, a seller's information may only be listed on the bulletin board for 120 days. After it is removed, the seller must wait 60 days before posting another interest on the bulletin board.

Please also remember that all transfers are subject first to the approval of the board. Even if you use the bulletin board, you must use the Stock Transfer Application provided by the Cooperative in order to request board approval of any transfer. If you have any questions, please feel free to call Carrie Blom at (319) 768-5892.



## Commodity Corner



**Market Grain in Dyersville Iowa; Big River United Energy, LLC**  
Commodity Merchandiser, Steve Timp; Cell Phone 563-590-2141

**Corn Sales:** *West Burlington:* Jim Hansen at (319) 768-5863 *Monmouth:* Kevin Lovdahl at (309) 734-8423  
*Galva:* Dennis Aupperle at (309) 932-9977 **Dry or Modified Distillers:** Ron Stover at (319) 768-5864



## Thank You

A Thank You is extended to Nancy Youngquist and Suellen Purlee. They offered decorating expertise to the Galva Administration building. It is tastefully decorated and looks very lovely. It was interesting to watch these ladies work together as a team. Their taste in decorations was almost identical. They could each go in to a paint store on separate days and come out of the store with the exact same color. Great minds think alike!

### Cooperative Board of Directors

Raymond E. Defenbaugh, President; Andy Brader, Vice President; Les Allen, Treasurer; Pat Edmonds, Secretary; Gene Youngquist; Terry Davis; Steve Giertz; Jim Gunter; Steve Mallams; Gary Sanberg; Kirk Siegle; Larry Unkrich; Max Totemeier



# Company Update

Big River Resources has had a strong first half of 2009. The Galva ethanol facility completed construction and began operations in May bringing our annual production capacity up to 200 million gallons. Your management and employee teams have been busy for the past 2 years working to bring this project to completion. We are very pleased with the facility and our new employee team members at Galva working with our customer's everyday to meet their needs. The employee team was hired in March to allow for 6 weeks of training in order to be prepared for the May 19<sup>th</sup> first grind. As with any new operation, there have been a few bumps in the road but operations have now smoothed out at a 110 million gallon annual production rate. Final finishing of the grounds is under way, between the excessive rains, with hopes to complete by mid October. Big River invites each of you to tour the new facility and celebrate with us at our grand opening on September 15, 2009.

Big River Resources West Burlington, LLC has operated very smoothly as the final grounds finishing from the expansion project were completed this summer. Production at this facility is now at a routine 105 million gallon annual rate. John Wolf and his team have begun an active program to identify and remove bottleneck areas in the plant with a goal to reach an annual 110 million gallon rate. West Burlington continues to produce Ethanol, DDGS and corn oil in an efficient and quality manner. The team's pride shows in the quality of products and maintenance of the facilities that have been the start of Big River Resources. Monmouth grain as part of the West Burlington Company has provided a solid contribution with over 4 million bushels of grain origination in the past year to complement our facilities grind needs. One of our improvements currently underway is construction of a new 575,000 bushel bin at the Gerlaw elevator facility to store corn direct from the field to reduce our trucking of grain, meet our customer harvest needs and provide a supply of corn to either the Galva or West Burlington ethanol facility.

Big River Resources is in the process of additional growth at Dyersville, Iowa. We were approached in May about an opportunity to participate in a Joint Venture to acquire the new 100 million gallon facility built by Fagen, Inc. for US Bio/Vera sun in Dyersville. In August, we committed to the investment as majority owner and negotiated terms to manage the new Joint Venture Company. Big River Resources, LLC; United Cooperative from Beaver Dam, Wisconsin; and Rumbold & Kuhn, Inc. of Wyoming, Illinois have joined to form the joint venture "Big River United Energy, LLC" in order to acquire and operate the Dyersville facility. We are currently completing the process of finalizing agreements, hiring employees and pulling all the equipment and systems together to close the acquisition and begin production in mid September. This investment is particularly attractive as the acquisition price of the facility will reduce our overall average cost of production capacity while spreading out administrative costs over the earnings of an additional facility. We are very excited about this opportunity and look forward to bringing the Dyersville employees and facility on board as part of the Big River team.

Big River has performed well allowing for continued growth at time when others have struggled to maintain their companies. Big River continues to maintain financial security by keeping a strong balance sheet, effectively managing market place risks and operating in a conservative manner. The ethanol industry continues to evolve as we move forward through these difficult times. A combination of the economic recession, reduced oil and energy prices and extreme commodity volatility tightened margins to stress new companies with excessively leveraged financial structures. Those that experienced difficulties managing commodity risk found difficulties making debt payments and in many cases had to bring additional capital into the company, merge or file for protection from creditors to continue operations while a solution is found. Margins have improved in the summer months as idle capacity, a lack of imports and improved energy prices have provided opportunity. We believe as the economy improves demand will grow with increased Renewable Fuel Standard requirements and expanded blend rates to continue to provide profitable margin structures within the industry to match growing production capacity. Currently sugar prices have escalated increasing the cost of Brazilian production and allowing US Ethanol to be price competitive to the European market. This should support our demand by further reducing imports and generating an export market for oxygenate. Current legislative issues continue, so we ask you to support ethanol by encouraging your congressional representatives to support the 15% expanded blend limit and correction of indirect land use requirements in the bio fuels greenhouse gas measurements.

Big River Resources management and board members thank you as members for supporting our efforts to improve our rural communities provide employment and develop a strong company to return to the local investor. We believe the current growth will provide the size and stability to meet each of those goals as the ethanol industry continues to mature in today's energy and agromonic market place.



# Big River United Energy, LLC

Ethanol Facility located at Dyersville, IA

Joint Venture: Big River Resources, LLC; United Cooperative; Rumbold & Kuhn, Inc.

Big River Resources, LLC, as majority owner, will be managing the facility

100 million gallon per year ethanol plant, 1 year young site

There will be 51 employees employed at the facility

For more information about the Joint Venture Companies, visit their websites...

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

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

