



# Big River *The Value Adder* Resources

December 2005

The official Newsletter of Big River Resources

Volume 4, Issue 5



This Holiday Season we gratefully thank you  
who have made our progress possible.

\* \* AND \* \*

We wish you and your family a very  
Merry Holiday Season.

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### Board of Directors

Name	Affiliation
<b><i>LLC Executive Committee</i></b>	
Raymond E. Defenbaugh, -President, CEO, Chairman	LLC, Co-op
Andy Brader, V. President	LLC, Co-op
Les Allen, Treasurer	LLC, Co-op
Gene Youngquist, LLC Secretary	LLC, Co-op
<b><i>Managers / Directors</i></b>	
Tom Campone	LLC
Steve Core	LLC
Terry Davis	Co-op
Dr. John Dooley	LLC
Pat Edmonds (Coop Secretary)	LLC, Co-op
Steve Giertz	LLC, Co-op
Jim Gunter	LLC, Co-op
Johnny Johnson	LLC
Larry Lagowski	LLC
Steve Mallams	*LLC, Co-op
Brian Thome	LLC
Jerry Jones	LLC
Gary Sanberg	Co-op
Chris Schwarck	LLC
Kirk Siegle	LLC, Co-op
Rich Siegle	Co-op
Larry Unkrich	LLC, Co-op

\*Alternate

## Upgrade Update

The ongoing upgrade of the plant from a nameplate 40mg to a nameplate 52mg is taking shape as more equipment and personnel arrive on site. The geo-piers have been put in place and major concrete work is to begin shortly. This upgrade should be completed in the late spring or early summer, at which time plant output should increase significantly. As mentioned previously, the upgrade will include an additional fermenter and increased capacities in grinding, air handling, and centrifuges.

Additionally, bids are being taken on adding grain storage. The plan is to add two commercial grade metal bins with a total capacity of 8 hundred thousand bushels. This additional capacity will aid in the fall when growers are anxious to find a home for excess bushels, as well as giving some increased flexibility to the overall grain purchasing that takes place throughout the year.

Looking forward a bit farther, this grain storage addition will fit in well with the plans to double BRR's capacity to 100mg. The precise start date and the method of financing are very important issues still under discussion by the BRR, LLC board. The industry is growing at a very rapid pace and build dates are not as easy to identify as they once were! Initially it was thought that nothing could happen until some time in 2007; however, it is now possible to think of terms starting in late 2006. As to financing, the board is looking at several different options, some of which could alter our current structure. These options are very tentative and members will be kept up to date as we move forward. The goal as we proceed is to continue a dividend stream and grow the business, while protecting every member's investment. The rapid expansion of the ethanol business is introducing changes to which one must adapt, especially if the desire is to remain competitive and be positioned to take advantage of opportunities as they become available! Larry Unkrich, Board Manager/Director

## Plot Site—Monmouth

Anyone interested in bidding on the plot site at Monmouth Grain & Dryer should contact Jim Lovdahl (309-734-8423) and leave a bid with him. This will be farmed on a custom or share crop basis. The bids are due by March 1, 2006. The bidding is open to everyone, not just BRR members. The Executive Committee will open bids after the due date and notify the successful bidder.

## Dividend Tax Reminder

Two dividends were paid out in 2005. Remember, you will need to report these distributions on your 2005 tax return. Big River Resources Cooperative will be sending out a 1099 PATR form. Uncle Sam also receives this information, thus it is important for your return to acknowledge receipt of the dividends!

## Hwy 34 Open

By now, many of you have realized that the road on the north side of the plant is open. The plant really does dominate the landscape, especially approaching from the west. It is a very impressive site at night since there are so many lights and the vapor from the Thermal Oxidizer and cooling towers show up so distinctly. However, two other things come to mind! First, we need to be more tidy on "our back side", since that is the side that everyone now observes as they travel the new four-lane. This will be addressed as the weather warms in the spring. Second, we have a tremendous opportunity to advertise both BRR, LLC and the ethanol industry in general, since we are so close to a heavily traveled road. We will do our best to take advantage of this and welcome any suggestions you might have.

## Share Trading Website

The Share Trading portion of the Cooperative Website is officially operational. View Cooperative Shares for sale at [www.bigriverresources.com](http://www.bigriverresources.com), Cooperative, Share Trading. Currently, there are 4 shares for sale. If your accountants ask the value of your cooperative shares, at this time, all we can tell you is they last traded for \$10,000 per share and the original value was \$5,000 in the first offering and \$5,500 in the second. View the most recent traded price on line at [www.bigriverresources.com/sharetrading.php](http://www.bigriverresources.com/sharetrading.php).

The following is a current listing of shares for sale.

<u>Name</u>	<u>Shares</u>	<u>Asking Price</u>
Steve Core 507-261-2946	2	\$15,000/ Share
Monmouth Grain & Dryer Co. c/o Jim Lovdahl 309-734-8423	2	?

BRR is a transfer agent only. BRR does not establish a share price. If you are interested in the shares, do no delay and let them get away, call today!

### Big River Resources

15210 103rd Street  
West Burlington, IA 52655  
319-753-1100 Office  
319-753-1103 Fax  
800-463-9850 #1 Grain Bids  
800-463-9850 #4 DDG Merchandiser

### Annual Meeting

February 4, 2006 1:30 pm  
Special Speaker:  
Ethanol Race Car Driver  
Justin Allgaier  
Details Mailed Later

## 2005-2006 First Quarter Ethanol Harvest, Success!

November completed a successful 2005-2006 first quarter for Big River Resources, LLC. Your company continues to excel in today's energy environment adding value to agricultural production, local employment and solid financial returns to local community investment. The West Burlington ethanol plant produced 12,451,477 gallons of fuel grade ethanol in the first fiscal quarter by operating significantly above nameplate capacity. Local members continue to capture the reward of adding value to commodity prices while earning a handsome value on investment in a high priced energy environment. Financial returns have been effectively used to provide distributions to members, reduce debt, support community services and improve the facilities. Congratulations to everyone involved in helping the Big River Resources vision become reality.

The fall of 2005 will long be remembered for the destruction caused by Hurricane Katrina. The tragic loss of life, homes and employment will never be forgotten. We have supported those in need through contributions and hope to see their lives return to normal as quickly as possible. Industries that also felt tremendous impact included the oil, natural gas and grain industry. The resulting effects have reverberated throughout industry and the country. Big River Resources impact included record natural gas and ethanol prices. Corn basis and prices locally were more significantly depressed through the harvest season due to high barge freight. River elevators found places to pile and store corn rather than load high priced or non existent barges. These markets remain higher than historical prices but have begun to stabilize. We anticipate this will continue as we move forward into winter and spring seasons.

Higher ethanol prices are a result of both refinery disruption and the July energy bill calling for increased production and encouraging greater utilization of ethanol. Eastern and South Eastern ethanol demand is expected to explode as fuel blenders and suppliers move away from MTBE blends in favor of ethanol. These prices, along with the energy bill, call for growth to 7.5 billion gallons production of renewable fuels is creating a rapid increase in ethanol plant expansions and construction. The growth will be good for agriculture and the ethanol industry as ethanol becomes a larger part of the United States fuel base stabilizing demand. Big River Resources board of managers and employee's are working to ensure we will be positioned to participate in meeting the demand and industry growth through greater production and improved efficiency of our facilities.

In closing, I wish the best of the Holiday Season to our members and customers. This is the time of year for family and friends. A time to reflect on how fortunate we are and what is really important in life. May you each have a blessed Christmas and Happy New Year.

Jim Leiting  
General Manager

*Big River Resources, LLC  
15210 103rd Street  
West Burlington, IA 52655*

## Grain Merchandiser Update

We want to remind investors that they need to send in their committed bushel letters telling us if they are going to deliver or pool their bushels. If we do not receive your letter back, you are automatically pooled. We use this to make sure we do not over buy bushels of corn for each delivery period. You are to deliver your bushels in your delivery period or it is not counted as committed bushels. You can sell corn for any delivery Period; however, bushels do not count toward committed bushels unless delivered in the correct period.

We do accept offers on corn. They can be day offers or open offers. Sometimes your offer will get filled when you have not seen the market get that high.

You should be watching new crop prices. They are higher than current prices. We also do hedge to arrive contracts.

Aflatoxin is not going to disappear in someone's corn if it is already present. Once the corn warms back up, you can see the aflatoxin start growing again. We have rejected less than 3% of the loads received since fall harvest. We have seen it show up in very good corn. This is not usual. Aflatoxin does not disappear.

We do not accept corn over 17% moisture or over 10% damage.

Feel Free to call with any questions.

Jim Hansen      319-768-5863      Lanette Byerly      319-768-5866

