

Letter from the BCP General Manager – Patty Grube

September 30, 2020 marked the end of our fiscal year and the auditors are completing their work. BCP began the year with an enrollment of 11,620,059 bushels. At the end of the first and second trimesters, some BCP members took advantage of the opportunity to remove their bushels from BCP and delivered those bushels on their own. As a result 90,000 bushels left the pool during the year, ending the year with BCP delivering 11,530,059 bushels to CVAC. BCP buys its bushels from CVEC through the corn procurement agreement which is in place between the companies. During FY2020, CVEC charged BCP a \$.13 per bushel handling fee for that service, which is included in our corn cost. In FY2020, BCP paid an average of \$2.89 per bushel (which includes the \$.13), while our sale of corn to CVAC averaged \$2.77/bushel. This resulted in a \$.12 loss before board, interest, tax, and administrative costs, bringing the total loss to \$.135/bushel. The year-end income statement and balance sheet are included for your review. As shown, BCP has a loss of

\$1,415,686 for the year. As communicated with the annual enrollment mailing in August 2020, the BCP Board of Directors previously approved increasing the enrollment fee from \$0.14 to \$0.15 per bushel for FY2021. This \$.01/bushel increase will be requested at the same time as the funding loss. The BCP board will meet on November 13, 2020 to review and accept the audit. At that time, the BCP Board of Directors will determine and vote on the per bushel funding loss margin call from the members. A letter will be mailed in late November 2020 to each BCP member stating the total amount owed, with payment to due by December 28, 2020.

Looking ahead to FY2021, the Board of Directors has renewed the contract with CVEC to provide grain purchasing services on behalf of BCP members, keeping the fee at \$.13/bushel. This should result in a similar loss for FY2021 of \$.14 per bushel, plus or minus corn price variability.

The BCP Board of Directors has 2 board seats up for re-election this year, Doug Schliep and Roger Longhenry. If you are interested in serving on the BCP board, please see the nomination procedures included in this newsletter or contact the office with any questions. Also, plans are underway for BCP's annual meeting, which has been set for Thursday, January 21, 2021. Due to COVID-19, the exact format is unclear, but we will continue to monitor the situation and follow crowd gathering guidelines. As such, we anticipate that the annual meeting may need to be virtual and voting for candidates may be done via mail-in ballot only. Those decisions have not been made yet, but are certainly being considered. You can expect to receive the annual meeting packet in early January 2021, which will have the final details.

INCOME STATEMENT

BUSHEL	11,503,059
REVENUE	
Corn Sales	\$31,960,825
Misc Income	\$10,410
Total Income	\$31,971,235
COST OF GOODS SOLD	
Corn Purchases	\$33,254,791
Total Cost of Goods Sold	\$33,254,791
EXPENSES	
Board Expenses	\$28,947
Interest Expense	\$44,135
Administrative Expenses	\$40,284
Total Expenses	\$113,366
Net Income (Loss)	\$(1,415,686)

BALANCE SHEET

ASSETS	
Cash	\$17,917
Accounts Receivable	\$1,304,301
Prepaid Expenses	\$5,832
Total Assets	\$1,328,050
LIABILITIES	
Accounts Payable	\$69,839
Accrued Expenses	\$7,536
Marketing Fee Payable	\$1,655,440
Note Payable	\$1,160,000
Total Liabilities	\$2,892,815
EQUITY	
Member Equity	\$(149,079)
Current Year Income (Loss)	\$(1,415,686)
Total Equity	\$(1,564,765)
Total Liabilities & Equity	\$1,328,050

Commodity Update

Brody Padgett

Locally we had another good harvest season here at CVEC. Overall yields were very good, but maybe not quite the records that we may have hoped for. What the crop may have lacked in yield I think it more than made up for in quality however. We saw several days this fall where producers were able to haul dry corn directly out of the field to the plant, and we even set an all-time single-day unload record for CVEC. The naturally matured and dried down crop typically makes it easier for more efficient processing yields, and should be much nicer to store and handle than last year's corn. 2020 proved that we never know where the next challenge may come from, but we are fortunate to be heading into 2021 with as nice of corn as we could ask for when it comes to processing.

A reminder that bushels may now leave the BCP at the end of any trimester throughout the year and be placed in the delivery position. Please feel free to contact me if you would like to walk through what this may look like given your specific situation (320-843-1231). Enjoy the holiday season, however different it may be this year, and hopefully see everyone in good health next year!

Letter from the Chairman – Roger Longhenry

Hello Corn Pool Members,

Well about the time you think you have things figured out; it changes. What a year this has been!

It started out very well for your plant, then COVID hit. Sending everyone and everything, including the ethanol industry into a tail spin. Billions of products were either shut down or slowed down, in which your plant was one of them. Because of that, the Corn Pool only delivered one half of its' obligations for the third trimester of FY2020. This did save the Corn Pool some money but only on a small portion of its' bushels because of the timing of the slow down. Along with the amount of money we lost, the Board voted to increase your equity position in the pool by \$.01/bushel, bringing it to \$0.15 as described in the annual enrollment letter.

We have the audit work completed, but the board has not seen the numbers yet to see how it has turned out. Early indications look to be around \$0.15 again this year. We will know more when we go through the audit.

Remember we have elections coming up in January so if there is anyone out there interested in running for the board get your name into the office so it can be put on the ballot.

I want to wish everyone a Happy Thanksgiving. Do everything you can to enjoy the holidays and life in these trying times. Stay Safe, stay healthy.

Roger Longhenry, Chairman

DIRECTOR NOMINATION PROCEDURES FOR FY21

ALL NOMINATIONS OF PERSONS TO STAND FOR ELECTION AS DIRECTORS WHICH ARE MADE BY MEMBERS OF Benson Corn Pool, Inc., MUST COMPLY WITH THE BELOW REQUIREMENTS.

IMPORTANT DEADLINE: NOMINATIONS NOTICES MUST BE RECEIVED BY CVEC NO LATER THAN 4:30PM ON DECEMBER 4, 2020

One or more nominees for director positions up for election may be named by a nominating committee established by the directors. Additionally, nominations for people to stand for election as a director may also be made by any member (each a "Member") of Benson Corn Pool, Inc., who is entitled to vote generally in the election of directors.

Any member who is entitled to vote in the election of directors may nominate one or more persons for election as directors only if written notice of nomination or nominations (a "nomination notice") has been given, either by personal delivery (following posted Covid-19 guidelines), email or by U. S. Mail, postage prepaid, to the CVEC office no later than, the time set forth by the nominating committee. A nominee shall only be duly and validly nominated if such nominee qualifies for election to the seat to which such nominee is nominated, were such persons elected.

Please inform the CVEC office on or before the end of the day 4:30pm on December 4, 2020 of any nomination notice by phone, email or mail.

CVEC Main Office
c/o Nomination Coordinator
270 20th St NW
Benson, MN 56215
cgoff@cvec.com 320-843-4813

If you would like to nominate someone to stand for election as a director for the upcoming year 2021, please comply with the above requirements. The nominating committee of BCP will review all nominations to assure compliance with BCP bylaws. The nominating committee reserves the right to modify the rules and procedures at its discretion.

Two seats are up for re-election with the incumbents (listed below) running for the 2021 BCP Board of Directors seats.

Roger Longhenry
Doug Schliep

270 20TH ST NW | BENSON, MN 56215

