

Letter from the BCP General Manager - Patty Grube

September 30, 2021 marked the end of our fiscal year and the auditors are completing their work. BCP began the year with an enrollment of 11,724,236 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 14,121 bushels left the pool during the year, ending the year with BCP enrollment of 11,710,115 bushels. During the year, BCP renewed its agreement to purchase corn from CVEC through the corn procurement agreement, extending it through September 30, 2023. As part of this agreement, CVEC charges BCP a \$0.13 per bushel handling fee for the procurement and delivery of corn, which is included in our corn cost.

In FY2021, BCP paid an average of \$5.37 per bushel (which

includes the \$0.13), while our sale of corn to CVAC averaged \$5.28/bushel. This resulted in a \$.09 loss before board, interest, tax, and administrative costs, bringing the preliminary loss to \$.10/bushel. It should be noted that BCP's intention is to operate as close to break-even as possible, while staying out of the red. Currently the company has negative equity and the calling of an additional \$0.005 per bushel would bring us into the black. This would result in a potential funding loss margin call of \$.105 per bushel. However, that decision will be made at the board meeting to be held on Friday, November 12 when the audit is presented and reviewed. The year-end income statement and balance sheet are included for your review. As shown, BCP currently has a loss of (\$1,151,784) before a funding loss margin call is determined and recorded on the books. A letter will be mailed in the last half of November 2021 to each BCP member stating the total amount that is due, with payment to be sent by December 27, 2021.

Looking ahead to FY2022, the Board of Directors has renewed the contract with CVEC to provide grain purchasing services on behalf of BCP members, keeping the fee at \$0.13/bushel through FY2023. This should result in an approximate loss for FY2022 of \$.14 per bushel, plus or minus corn price variability.

BCP's annual meeting has been set for Tuesday, January 25, 2022 at McKinney's in Benson, MN, subject to COVID-19 regulations. It will follow the CVAC meeting, which begins at 1 pm. BCP has 1 board seat up for re-election this year, David Strand. 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. You can expect to receive the annual meeting packet in early January 2022 and I look forward to seeing you at the annual meeting.

Commodity Update

Brody Padgett

This year's growing season was certainly not ideal, but fortunately for CVEC I think area yields have outpaced expectations and corn quality looks to be excellent. This year's crop coming in better than expectations does not mean it was better than average however. Several producers in our draw suffered the impacts of the hot and dry summer, missing timely rains. The below average local supply and above average export demand will mean higher corn costs for the plant, but certainly not as bad as it could have been. We will see strong competition for corn from area elevators as export markets to the West Coast and Canada move corn out by rail. Fortunately for CVEC, tightness in U.S. ethanol stocks and competitive export economics have created an environment for positive ethanol margins in the near term that will offset the higher costs.

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 myself or Sara if you would like to walk through what this may look like given your specific situation (320-843-1231).

INCOME STATEMENT

BUSHEL	11,715,055
REVENUE	
Corn Sales	\$61,928,930
Misc Income	\$2,854
Total Income	\$61,931,784
COST OF GOODS SOLD	
Corn Purchases	\$62,936,344
Total Cost of Goods Sold	\$62,936,344
EXPENSES	
Board Expenses	\$28,761
Interest Expense	\$43,655
Taxes & Insurance	\$47,602
Administrative Expenses	\$27,206
Total Expenses	\$147,224
Net Income (Loss)	\$(1,151,784)

BALANCE SHEET

ASSETS	
Cash	\$3,598
Accounts Receivable	\$1,740,930
Prepaid Expenses	\$5,759
Total Assets	\$1,750,287
LIABILITIES	
Accounts Payable	\$122,011
Accrued Expenses	\$27,721
Marketing Fee Payable	\$1,795,456
Note Payable	\$965,000
Total Liabilities	\$2,910,188
EQUITY	
Member Equity	\$(8,117)
Current Year Income (Loss)	\$(1,151,784)
Total Equity	\$(1,159,901)
Total Liabilities & Equity	\$1,750,287

Letter from the Chairman - Roger Longhenry

Hello Corn Pool Members,

There have been some big changes again this year, last year we ran the plant at ½ rate for part of the year producing a lot of industrial grade and very little ethanol. This year we ran at full rate producing mostly ethanol. Brody did a great job buying corn and keeping the bins full. This lowered the corn pools price that we paid for our corn. We have our audit complete but the board has not looked at the numbers yet, it does appear we could be between 10 - 11 cents. The board will be meeting on November 12th.

The Annual Meeting will be held in January. If anyone is interested in running for the board, please contact the CVAC office. They will get your name placed on the ballot.

Wishing you all a very Happy and Thankful Holiday Season!
Stay healthy, stay safe.

DIRECTOR NOMINATION PROCEDURES FOR FY22

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 3, 2021

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 3, 2021 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 2022, 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.

One seat is up for re-election with the incumbent (listed below) running for the 2022 BCP Board of Directors seats.

David Strand

