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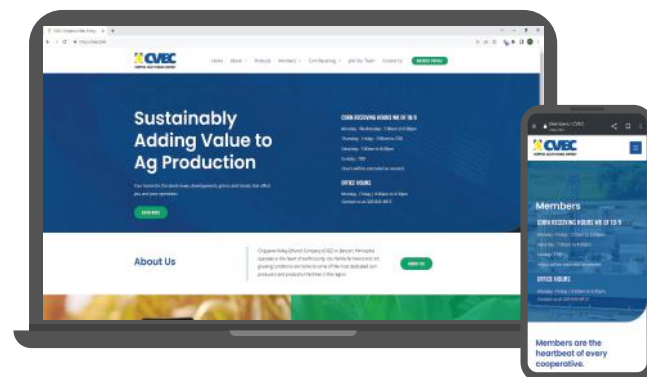
many visionary and dedicated board members. I have witnessed the accomplishments and results of our very talented and dedicated team of employees. It has been my good fortune to serve with three exceptional General Managers. Bill Lee, Mike Jerke and Chad Friese have led our CVAC team to achieve exceptional results. Finally, hats off to our shareholders who had the wisdom and courage to invest in CVAC and have been very supportive of the decisions the board has made over the years.

There is informational elsewhere in the newsletter for the director nomination and election process. This is an opportunity for someone new to step up and be a part of the leadership team for a truly great organization. I look forward to seeing you at our annual meeting January 23.

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Chad Friese,
GENERAL
MANAGER

GENERAL MANAGER'S MESSAGE

Chippewa Valley Ethanol Company has completed a very successful 2023, a fourth best in the history of the company. Wait, didn't we just have one of those 4th best years? The reality is that we did and 2023 will replace our previous 4th best year of 2021! This means that 2023, 2022 and 2021 will

all be top 5 years in company history. Thank you staff and Board of Directors! I always want to be super positive and think it will happen again next year and it can, but every year is different with different challenges. I have stated in the last couple newsletters that things feel pretty positive for the industry. Support from EPA and governmental policies that focus on carbon and renewables continue to feel supportive of the ethanol industry. But markets are in a constant evolution and those supportive signals will drive production higher. Growth

and expansion of markets can also create supply and demand shifts. With good markets the increased production and investment could create supply that can't be supported with demand. Demand growth needs to happen on pace with the supportive policies. That means flex fuel and flex hybrid vehicles, as well as national blends higher than E10 are needed. CVEC has a focus on growth, and for 2023 that growth came in the form of an opportunity to purchase a greater share of assets that we are already very comfortable with and has shown a great history of performance. Chairman Thompson discusses that more in his article. The management team here at CVEC has spent a lot of

time, thought and discussion on positioning CVEC to continue to grow and compete in a future market focused on carbon measures and efficiency. In 2023 a couple of those items were growth and efficiency in corn oil extraction with the addition of a second centrifuge in March of 2023. Another major contributor to this goal in 2023 was the filing and acceptance of a cellulosic conversion of some of the corn fiber in fermentation into ethanol. This cellulosic conversion provides CVEC with additional low carbon ethanol that can meet the carbon requirements to be sold into premium low carbon fuel markets on the west coast. Several other energy focused projects were also completed as we want to continue to lower energy usage per gallon of ethanol produced. There are a lot of technologies that can be invested in to accomplish even lower carbon ethanol. Several potential markets that appear to have a desire for a low carbon ethanol include Ethanol to Jet Fuel- Sustainable Aviation Fuel- as a main example. The decisions we eventually make will hopefully position the future of our production facility to continue to make fourth-best-year type incomes for many more years.

I would like to close with a huge thank you to Chairman Dave Thompson. His leadership and knowledge will be missed on the CVAC Board. It has truly been a pleasure to work with him over the years. His thoughtfulness, attention to detail and inclusive approach in the board room has been a great asset to the company. Thank You.



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270 20th St NW
Benson, MN 56215



SHAREHOLDER INFO...

1st TRIMESTER PRICE ANNOUNCED.
The price for 1st trimester of FY 2024 will be \$3.85 /bushel plus freight and equalization.

DELIVERY NOTICES START WITH THE LETTER "L" FOR 1st TRIMESTER.
CVAC will be calling in 35% of corn deliveries for 1st trimester of 2024. Open delivery will continue in place and any shareholders who own 50,000 shares or more will continue to have two weeks in which to deliver your corn.

Reminder of the ALTERNATE DELIVERY AGREEMENT opportunity for corn deliveries at CVEC. Please call the CVEC office to discuss details.

Please remember to sign and return DEFERRED SETTLEMENT CONTRACTS within 30 days of delivery.

The TAX PLANNING LETTER will be sent out to shareholders beginning of December.

The BENSON CORN POOL is showing a loss of \$0.14- \$0.15 per bushel based on unaudited financial statements. The funding decision of this loss will be determined at the BCP November board meeting.

FINANCIAL STATEMENTS are found on our website using password CVEC\$

Remember!
CVAC ANNUAL MEETING
Tuesday, January 23, 2024
McKinneys on Southside, Benson



Brody Padgett,
**COMMODITIES
MANAGER**

COMMODITY COMMENTS

Harvest 2023 is quickly coming to an end as I type this article. Overall, harvest yield reports are generally better than most producers' expectations, but given another challenging growing season I'm not sure how high expectations were to begin with. While temperatures were hot this summer and rains generally underdelivered, it appears once again that today's hybrids can produce very impressive crops so long as you catch the right rains. Our eastern draw was fortunate to get these rains, while west of Benson wasn't as fortunate. All in all though, I think we have a nice corn crop in our area to work with and early indications are that this year's crop quality is everything we could ask for when it comes to ethanol and co-product production.

As the marketing year rolls into winter, it feels like the producer will be a tight holder of corn as cash prices are currently well below \$5.00 per bushel. This will likely help support the local basis at above average levels as processors try to incent corn movement this winter. On the futures side, the USDA is currently projecting an end of year carryout of more than 2.1 billion bushels, which is more than comfortable. U.S. exports have been slow given South America's competitiveness on the heels of a large corn crop, and will likely remain slow until U.S. prices move low enough to entice business or South America's next crop faces a weather threat. The better than expected crop in the U.S. also means the producer is now undersold vs. projections and with large stockpiles of corn in elevators on delayed pricing, any market rallies will likely be met by the headwinds of producer selling, limiting upside. In markets like this, it's usually best to have a series of realistic pricing objectives and be ready to pull the trigger if the market provides opportunity. Also begin to look ahead to 2024's crop year as December 2024 corn futures are currently trading above \$5.10/bu. Another year of back-to-back good South American and U.S. corn crops will send prices on another leg lower.

As always, please feel free to reach out to Sara or myself with any contracting questions, or to get set up with the CVEC customer online portal or mobile app. Please take care to finish the harvest season safely and enjoy the upcoming holiday season!



CHIPPEWA VALLEY AGRAFUELS COOPERATIVE

Director Nomination Procedures

Fiscal Year 2024

ALL NOMINATIONS OF PERSONS TO STAND FOR ELECTION AS DIRECTORS WHICH ARE MADE BY MEMBERS OF Chippewa Valley Agrafuels Cooperative MUST COMPLY WITH THE BELOW REQUIREMENTS

NOMINATION NOTICES MUST BE RECEIVED BY CVEC NO LATER THAN 4:30PM ON DECEMBER 1, 2023

One or more nominees for director positions up for election may be named by a nominating committee established by the directors. Additionally, 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, email or by United States mail, postage prepaid, to the CVEC office no later than the time set forth by 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 person elected.

Please inform the CVEC office on or before 4:30pm on December 1, 2023 of any nomination notice. You may do so by phone, email or U.S. mail.

CVEC MAIN OFFICE
270 20th St NW
Benson, MN 56215
Email: cgoff@cvec.com
P: 320-843-4813

If you would like to nominate someone to stand for election as a director for the upcoming fiscal year 2024, please comply with the above requirements. The nominating committee of CVAC will review all nominations to assure compliance with CVAC bylaws. The nominating committee reserves the right to modify the rules and procedures at its discretion.

OPEN SEATS ACCORDING TO DISTRICT

District 1: 1 open seat (3 year term) - Open Seat
District 2: 1 open seat (3 year term) - Tom O'Leary, incumbent
District 3: 1 open seat (3 year term) - Chuck DeGrote, incumbent



David Thompson,
CVAC
CHAIRMAN

CHAIRMAN'S CHAT

2023 will be counted as another great year for CVAC. We expect to end the year with net income in the range of 25 million dollars subject to the final audit numbers. This should make 2023 the 4th best year ever for CVAC. The results are a combination of a great year at our Benson plant and another exceptional year from our outside investments, particularly the Guardian plants.

Our big news of the year is our purchase of additional gallons in the three Guardian plants: Janesville, MN; Hankinson, ND; and Lima, OH. In late September you received a letter about our purchase of approximately 26,000,000 additional gallons of annual production capacity in the three Guardian plants. In the past when we have looked at additional outside investments we have

compared them against the Guardian plants which we consider the "gold standard" in outside investments. We have had numerous discussions over the years wishing we would have purchased a larger ownership percentage of the Guardian plants when the initial purchases were made. We were quite excited to get a second chance when KAAPA decided to liquidate their Guardian ownership to focus on their Nebraska operations.

Prior to the additional purchase, your CVAC shares had the earning power from approximately 102,000,000 gallons of annual production. With the additional Guardian ownership, your CVAC shares now have the earning power of about 128,000,000 gallons annually. The Guardian structure has a strong history of collaborative management with each of the owner entities bringing their expertise and experience to the table. This is a model that is very unique in the industry and we are very excited about the future potential.

This will be my last newsletter column. I announced at the September shareholder meeting that I will be retiring from the board when my current term is up in January after serving 22 years on the CVAC board and the last 10 as the board Chairman. It has been a privilege to be part of an amazing organization for 22 years. During that time I have served with

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FISCAL YEAR 2024 (10/1/23 - 9/30/24)

1st Trimester	L
2nd Trimester	C
3rd Trimester	T

FISCAL YEAR 2025 (10/1/24 - 9/30/25)

1st Trimester	U
2nd Trimester	M
3rd Trimester	D