



## GENERAL MANAGER'S MESSAGE, Chad Friese

Spring at CVEC means more than just sunshine, though it is always welcome. It's an important time for maintenance, refreshment, and forward-looking evaluation. As temperatures rise, it allows for

necessary equipment upgrades, cleanup, and planning. This Spring, the plant is running strong thanks to our skilled and dedicated team. Our first six months of the year show we're on solid footing—financially stable and operationally efficient. With strong yields in both ethanol and corn oil, and steady market demand, we're positioned well for the second half of the production year.

Over the next couple weeks, CVEC will be bringing on new corn oil extraction equipment that will continue to improve yield and capture additional revenue. Corn oil prices continue to be very strong. Shortly after that we will have our lime centrifuge online, simplifying our water treatment process while creating an added revenue, where a cost structure of ongoing maintenance and labor existed before. We're not stopping there. The CVEC Board and staff are actively exploring longer-term opportunities, especially those that modernize aging infrastructure and further reduce our carbon intensity. Meanwhile our investments in Guardian and Ringneck continue with similar focus and ongoing production growth.

The momentum for ethanol continues to build and we're seeing some strong support from policymakers:

- Year-Round E15 Approval in our region, and EPA waivers coming to allow additional time for legislative fix on E15, that continues to feel close.
- Growing consumer interest in E15, E30, and E85—record E85 consumption in California.
- Promising opportunities in Sustainable Aviation Fuel (SAF) markets
- Progress in GREET modeling that favors efficient, low-carbon ethanol production.

It's a good time to be in the ethanol industry. Challenges appear muted as electric vehicles, political shifts, and capital constraints continue to be pushed while possible hurdles appear to be self-healing.

Conversation around carbon intensity also appears muted, but let's not forget: the ethanol industry has been working to reduce energy, water, and emissions for decades mostly through efficiency. CVEC is tracking efforts in carbon markets and project evaluations. We ask producers to consider tracking practices that reduce carbon impact. Whether through precision ag, cover crops, or improved soil health, the carbon reductions you make today could have real value tomorrow. Our Regional Conservation Partnership Program (RCPP) in partnership with American Coalition for Ethanol (ACE) is not advancing as quickly as we thought with changes in political leadership, but we believe it is still a great learning opportunity and a step toward engaging policymakers in the programs that really work. Future growth in carbon reductions will rely on teamwork—between producers, processors, and policymakers. At CVEC we support a regenerative carbon model—where corn plants act like solar panels, turning sunlight and CO<sub>2</sub> into energy-rich fuel, and returning carbon to the soil to close the loop.

We may not always know exactly what the fuels of the future look like, but we do know ethanol will be a part of it. Cleaner. Cheaper. Greener. And still powered by the hardworking people in our communities.

Let's keep pushing forward—together. From all of us at CVEC, thank you for your support, your hard work, and your belief in a better tomorrow.

Have a safe and productive Spring!

### *What's Inside?*

- General Manager's Message
- Commodity Comments
- Shareholder News
- Chairman's Chat

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## COMMODITY COMMENTS, Brody Padgett

As I write this article, the Benson area is quickly closing in on completing another planting season. Unseasonably warm temperatures and dry

conditions allowed local planting progress to proceed with very little interruptions, resulting in one of the quickest starts to a corn crop in recent memory. Across the corn belt, the majority of states have also enjoyed an average to above average planting pace, and like us, will soon begin to look for rain.

By the time this newsletter reaches you, the USDA will have released the first official balance sheet for the coming new crops, with most expecting it to print 2 billion bushels or more of ending corn stocks next year. The expected increase in U.S. corn stocks for next year is largely due to an increase in acres as

farmers shift away from soybeans and towards corn. Market prices have been under pressure in anticipation of this coming increase in U.S. supply, but early season premiums still exist. South America is also quickly progressing through the harvest of another good crop, and will begin to compete with the U.S. for world exports in the coming months. Overall, it appears that prices will struggle to breakout to the upside without a U.S. production problem, which cannot be ruled out at this point. Many areas across the corn belt are unseasonably dry, with very little for subsoil moisture, so the market will very quickly begin to focus on the need for timely rains. We are also just over 100 days into President Trump's second term, and so far, there has been no shortage of uncertainty and market volatility related to trade policy. There is potential for upside in the corn market on weather scares or the announcement of trade agreements, but with over 95 million acres of corn planted and the production potential that comes with it, it will be important to take advantage of rallies and keep risk management in mind.

Please feel free to call with any questions specific to shareholder delivery, or to discuss the various contracting options available at CVEC. Also, please note that sign-up for the Flexible Pricing Option for shareholder delivery next year will begin in mid-July. Sign-up information will be mailed out with Benson Corn Pool enrollments and will be due by August 31st.



## Board of Directors

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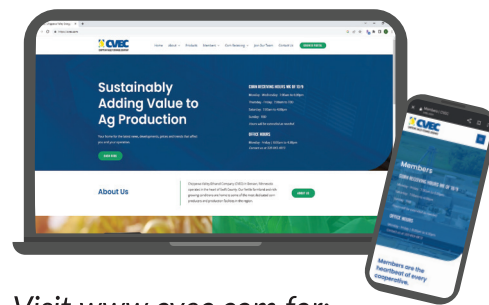
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Please remember that if you need to defer grain income, under Minnesota State Law a Deferred Payment Contract must be signed within 30 days of DELIVERY. Note that the 30 day deadline is based on the delivery date NOT the date that a contract is filled so please keep a close eye on this if you think you may be deferring income this year. If you are unsure of whether or not you will need to defer, please err on the side of caution and defer. We can always bring the income back if you need to, but once it's been more than 30 days since delivery we can no longer defer the payment.

# SHAREHOLDER NEWS

Locate shares for sale & historical share sales  
on [www.cvec.com](http://www.cvec.com) under the 'Members' tab

DELIVERY NOTICES START WITH THE LETTER "D" FOR 3RD TRIMESTER FY2025 beginning June 1, 2025. CVAC will be calling in 30% of total corn deliveries for 3rd trimester of 2025. Open delivery will continue and any shareholders who own 50,000 shares or more will have two weeks in which to deliver their corn.

The ENROLLMENT LETTER for Benson Corn Pool and the Flexible Pricing Program will be mailed to all members mid-July. This is the time to remove or enter any bushels into BCP and FPP for FY 2026. Changes are due by August 31.

DIRECT DEPOSIT is available for all corn deliveries and CVEC distributions. If you're interested in direct deposit, please call the CVEC office at 320-843-4813.

CVEC Financial Statements are located online at [www.cvec.com](http://www.cvec.com). Use Password: CVEC\$

The CVAC Board of Directors has determined that there will not be a May DISTRIBUTION. Margins and income have been stable, but the future outlook still holds much uncertainty. Likewise, our outside investments have shown good income, but are not making cash distributions as they focus on minimizing debt while pursuing future projects.

To all SHAREHOLDERS: We ask that you please take a minute to contact the CVEC office at 320-843-4813 to update your contact information.



REMINDER: INFORMATIONAL MEETING is scheduled for Thursday, September 4, 2025 at McKinneys on Southside, Benson, MN.

**New!**

You can now post public OFFERS TO BUY SHARES on our website under the 'Members' tab. Call our office for more information.



## CHAIRMAN'S CHAT, Harmon Wilts, CVAC Chairman

Big thank you to Roger Longhenry for his many years of service on our board. Roger was on the board from the beginning and was a very good steady hand helping guide the board over the years. Enjoy your retirement.

We have two new board members that are off to a great start. We welcome Brad Vold and John Luepke. Both are engaged and attended the American Coalition of Ethanol Fly-in in Washington DC in March.

As I write this letter the majority of the corn is planted. Hopefully we have good weather to provide good quality corn as it really helps the plant be more efficient and make better quality products.

The board has decided to not pay a spring distribution and rather focus our efforts on the fall distribution. Margins are a bit tighter this year and the board doesn't feel it is wise to borrow money to pay distributions. Because of our diversification we are still making money. Most of our Guardian distributions come in the late summer so the board decided to focus on the one distribution to you in December. Thanks for your patience.

It has been a little over a year since we purchased the KAPPA shares at Guardian Energy. There are now five plants that own the three Guardian Energy plants in Janesville, MN, Hankinson, ND and Lima, OH. The CEO's and Board Chairmans invested a day this past month focusing on Guardian. Our main focus was strategic planning for the future. Part of that was understanding where each plant is and where we would like to go. It was a great meeting working with our strategic partners. Guardian as a partnership will be looking for more investments over the next year or two in addition to the current facilities. Our goal is to grow gallons and be in the top 25% profit or better. Guardian investments have been very good for us and will continue to be.

*(Cont'd on the back)*



CHIPPEWA VALLEY ETHANOL COMPANY

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Our solar project is waiting on two main items. The first is for the county to finish the solar ordinance and second, our financing package. Solar is good for CVEC but is a long-term investment and long-term pay back compared to most projects we are used to. We will see if and how it all comes together.

Unleaded 88(E15) and exports have really helped the demand for ethanol in 2024 and so far in 2025. Unleaded 88 has a 15% blend of ethanol versus 10% blend in unleaded 87. By law, cars that are 2001 or newer can safely utilize the Unleaded 88 and save significant money at the gas pumps. As an export, several other countries have recognized ethanol as a way to improve their environment versus fossil fuels only and contributes as to why exports are up significantly.

There are several important topics that the Board, management and staff focus on such as running the plant more efficient, adding Solar to cut power cost, helping expand the plant, focusing on reducing our CI Score on all fronts- mostly at CVEC and at the farm level. We are investing time into looking how to grow the plant here at Benson which would do many valuable things for us. Some of those items are spreading cost over more gallons to reduce cost per gallon and make CVEC more profitable over time. This will help upgrade some of the old equipment that needs replacing over the next few years. One other advantage is CVEC would need to purchase more corn which in turn would increase the basis giving the farmer more per bushel. Additional profits would be better for you as shareholders, as well.

I also want to comment on the fact that we have a very good board that is focused on CVEC as well as the shareholders as we continue to move forward. We have one of the best management teams and staff in the industry.

We look forward to seeing everyone at the September informational meeting.