



Green Plains

Ethanol 2014: Emerging Issues Forum

April 10th, 2014

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NASDAQ: GPRE

in Station W. S. 4.
from Franklin Roosevelt
August 1932





- Koch Industries was the only major producer in the ethanol industry to argue for the demise of the ethanol tax credit in 2011. That government handout (which cost taxpayers billions) needlessly drove up food and fuel prices as well as other costs for consumers—many of whom were poor or otherwise disadvantaged. Now the mandate needs to go, so that consumers and the marketplace are the ones who decide the future of ethanol.

Charles Koch

WSJ (4-2-14)

<http://online.wsj.com/news/articles/SB10001424052702303978304579475860515021286>

- “But the biggest myth is that we want to do away with ethanol,” Greco said.
API Bob Greco

Omaha.com (4-10-14)

WAKE UP TOUR!

- History
- Confront the myths
- Forward economics
 - Managing ethanol as a fuel
- The Horizon
 - Exports
 - Higher Blends

Take a walk down memory lane.....!

- VEETC
- Ethanol tariff
- CBI imports tariff free
- MTBE
- 6 month contract periods
- No swap market for ethanol
- No futures market for ethanol
- VeraSun

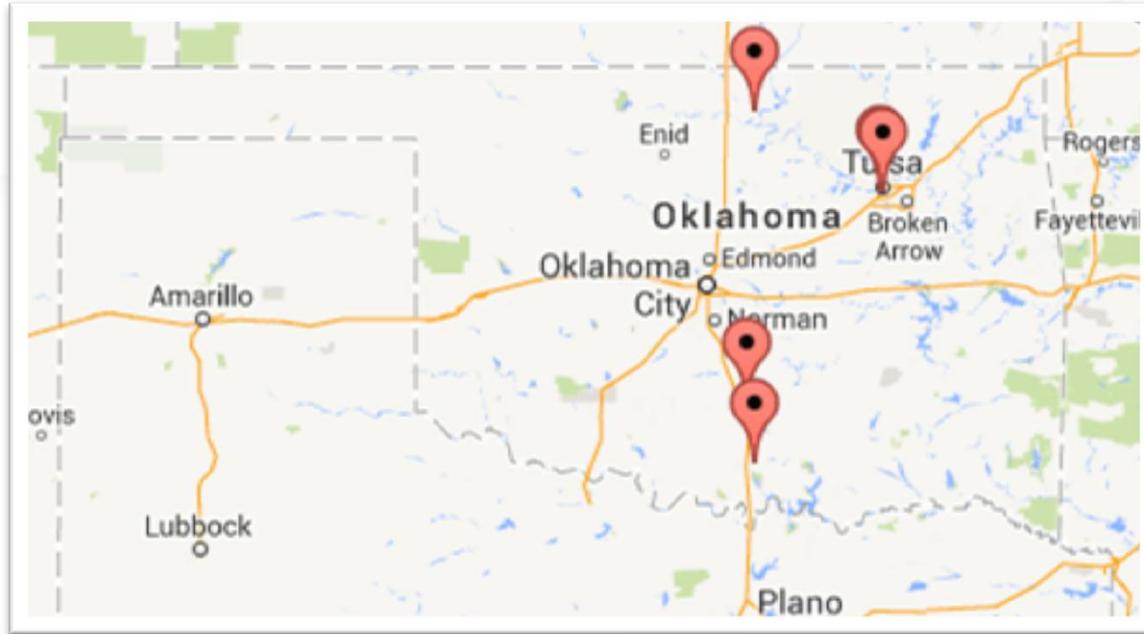
THE 3 GREATEST LIES

- Ethanol (specifically the RFS) raises food prices and starves people
- Ethanol destroys engines
- Ethanol is bad for the environment

- Energy imbalance
- Subsidized
- ANYTHING the API says!

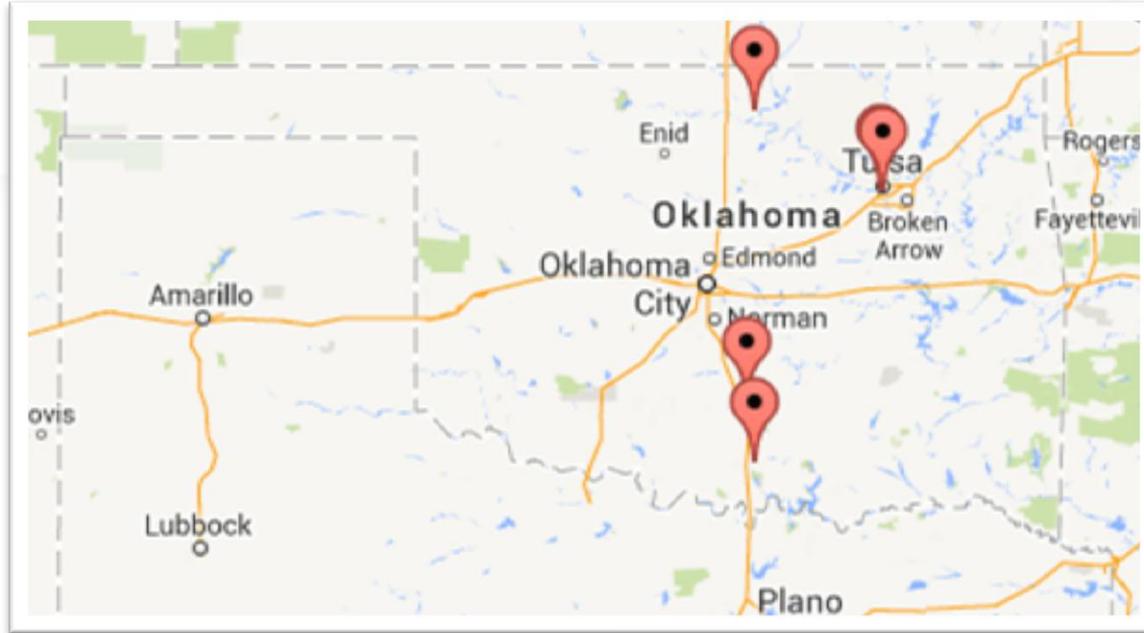
Why do we have this perception?

- Why are we the great evil ethanol?
- Why are farmers discredited along with ethanol?
- Why do farm centered states not do all they can do to support ethanol? THE OIL STATES SURE DO!

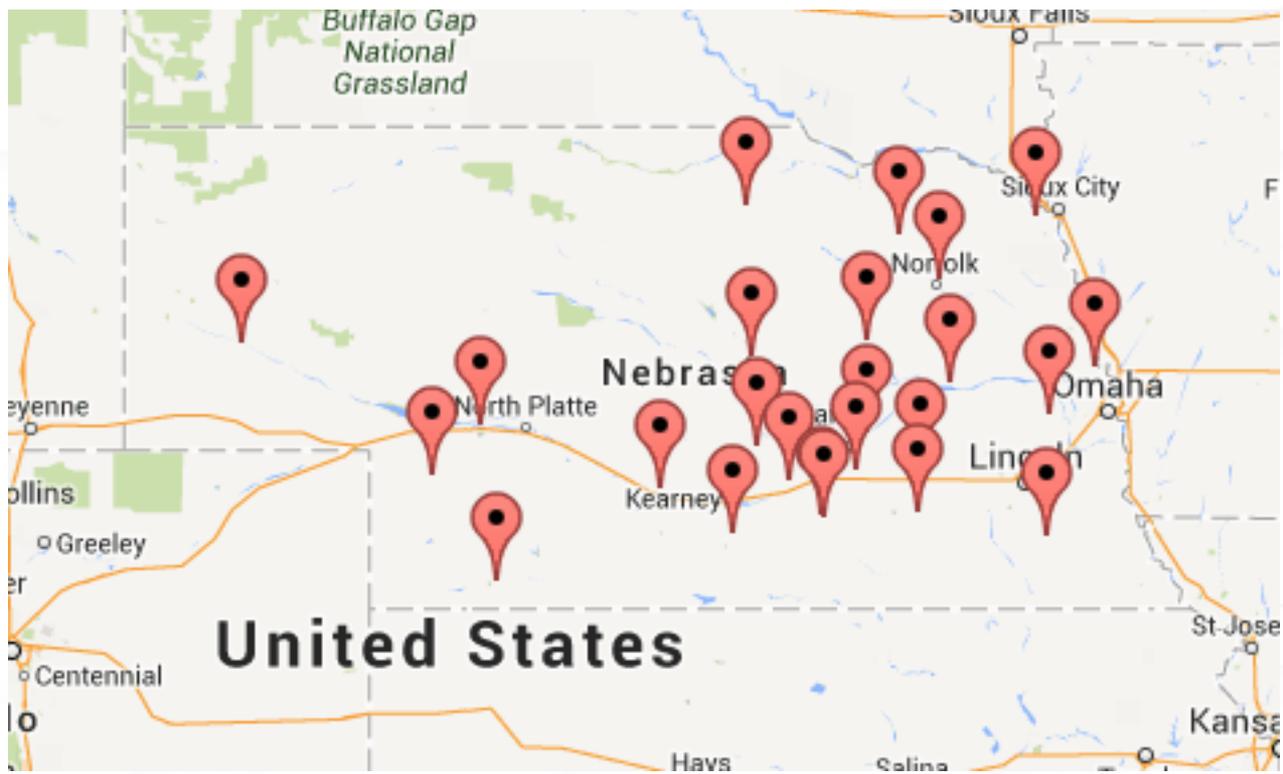


ConocoPhillips – Ponca City, OK
Holly Corp Refining – Tulsa, OK
Sinclair Tulsa Refining – Tulsa, OK
Valero – Ardmore, OK
Wynnewood Refining – Wynnewood, OK

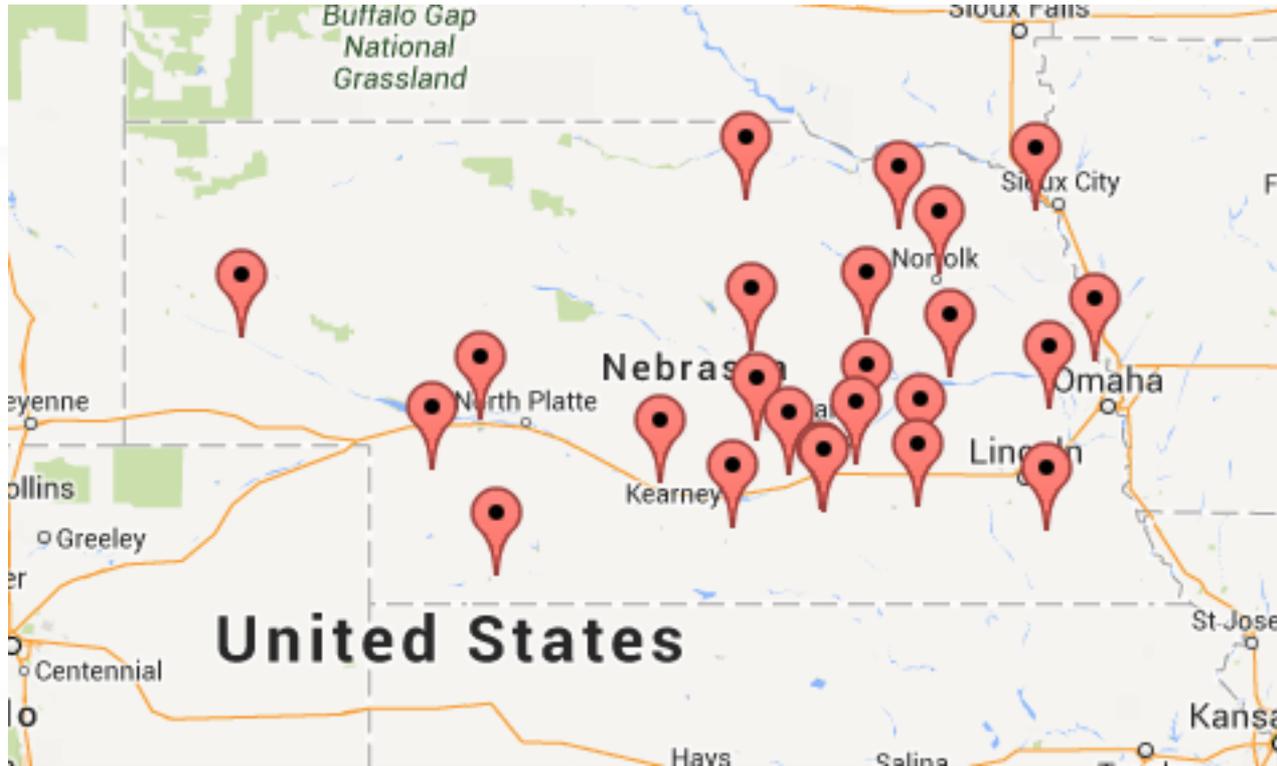
Oklahoma PETROLEUM Refineries



- ConocoPhillips – Ponca City, OK
- Holly Corp Refining – Tulsa, OK
- Sinclair Tulsa Refining – Tulsa, OK
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Nebraska CORN Refineries



Blending in Nebraska 2013

Month	%Blend
January	7.1%
February	7.2%
March	7.2%
April	6.9%
May	7.4%
June	6.9%
July	7.0%
August	6.9%
September	7.5%
October	8.7%

Where do we stack up?

Pennsylvania – 8.1%

Utah – 7.9%

Idaho – 7.6%

New Mexico – 7.6%

Colorado – 7.4%

Wyoming – 7.4%

Nebraska – 7.3%

Alabama – 7.2%

Missouri – 7.1%

Iowa - 6.3%

Horizon

- 2013 we were told....RFS is getting cut!
 - 13.1 to 14.4?
- We became the lowest cost sugar converter in the world
- People knocked on our door for exports
- The US still needed octane and it was cheaper

2014	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
RBOB	2.6558	2.6882	2.8668	2.864	2.8413	2.8094	2.7697	2.7234	2.5771	2.5415	2.5208	2.5133
Ethanol	2.1058	1.773	1.733	1.7531	1.7325	1.7119	1.6913	1.6694	1.6463	1.6219	1.6044	1.5912
RB/Eth dif	(0.550)	(0.915)	(1.134)	(1.111)	(1.109)	(1.098)	(1.078)	(1.054)	(0.931)	(0.920)	(0.916)	(0.922)
Average spread 2014:	(0.978)											

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
RBOB				2.9815	2.9791	2.9429	2.9033	2.859	2.699	2.6558	2.6263	2.6108
Ethanol				2.6238	2.1738	2.0912	2.0512	2.0119	1.9725	1.935	1.9019	1.8731
RB/Eth diff.				(0.358)	(0.805)	(0.852)	(0.852)	(0.847)	(0.727)	(0.721)	(0.724)	(0.738)

Horizon

- 85MM gallons in Jan.
- Feb....same??? Slightly higher is my guess!
- Annually???? 100MM
- Winter is coming....no wait...that's GAME OF THRONES
- Fuel jobbers need to actively manage their ethanol like they do their fuel
- E15 is coming! (and the RFS has been known for 7 years....it didn't sneak up on anyone)
 - 100 stores for an obligated party
 - Delek is an obligated party...and wants to blend higher!
 - Murphy doing 7 to 9
 - Other state equipment programs to enable adoption

What can Nebraska do....

- Request higher blends of ethanol
- Buy Flex Fuel Cars
- Write to your retailer you buy from
- Believe in the fuels
- Buy the fuels
- Support those that support our views

Thank You!