UNITED WISCONSIN GRAIN PRODUCERS, LLC

Friesland, Wisconsin

Financial Statements and Supplementary Information

December 31, 2011 and 2010

UNITED WISCONSIN GRAIN PRODUCERS, LLC

C O N T E N T S

Boulay, Heutmaker, Zibell & Co. P.L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Members
of United Wisconsin Grain Producers, LLC

We have audited the accompanying balance sheets of United Wisconsin Grain Producers, LLC (the "Company") as of December 31, 2011 and 2010 and the related statements of operations, changes in members' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Wisconsin Grain Producers, LLC as of December 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Boulay, Heutmaker, Zibell & Co. P.L.L.P.

Certified Public Accountants

Minneapolis, Minnesota
March 9, 2012

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UNITED WISCONSIN GRAIN PRODUCERS, LLC

Balance Sheets

ASSETS		December 31, 2011		December 31, 2010
Current Assets				
Cash	$	30,057,234	$	5,769,196
Restricted cash - commodity margin account		199,086		8,078,952
Commodity derivative instruments		904,438		-
Accounts receivable, net of allowance for doubtful accounts of $20,000 and $53,000, respectively		5,712,792		3,947,061
Prepaid expenses and other current assets		302,408		272,716
Inventory		5,987,930		4,567,285
Total current assets		43,163,888		22,635,210
Property, Plant, and Equipment, net		37,509,383		44,247,822
Total Assets	$	80,673,271	$	66,883,032
LIABILITIES AND MEMBERS' EQUITY				
Current Liabilities				
Current maturities of long-term debt	$	-	$	837,825
Commodity derivative instruments		143,025		5,456,654
Accounts payable		3,239,785		2,764,280
Accrued liabilities		973,003		330,303
Total current liabilities		4,355,813		9,389,062
Long-Term Debt, less current maturities		-		1,107,862
Members’ Equity, 28,346 multiple class units authorized, issued, and outstanding		76,317,458		56,386,108
Total Liabilities and Members’ Equity	$	80,673,271	$	66,883,032

Notes to the Financial Statements are an integral part of this Statement.

UNITED WISCONSIN GRAIN PRODUCERS, LLC

Statements of Operations

	Year Ended December 31, 2011	Year Ended December 31, 2010
Revenues	$ 176,692,481	$ 119,113,281
Cost of Goods Sold	147,926,533	115,522,610
Gross Margin	28,765,948	3,590,671
Operating Expenses	3,346,518	2,883,668
Operating Income	25,419,430	707,003
Other Income (Expense)		
Interest income	44,676	31,887
Interest expense	(88,024)	(195,018)
Miscellaneous income	224,468	244,510
Total other income, net	181,120	81,379
Net Income	$ 25,600,550	$ 788,382
Weighted Average Units Outstanding - Basic and Diluted (Class A, B, C)	28,346	28,451
Net Income Per Unit - Basic and Diluted (Class A, B, C)	$ 903.15	$ 27.71
Distributions Per Unit (Class A, B, C)	$ 200.00	$ 200.00

Notes to the Financial Statements are an integral part of this Statement.

UNITED WISCONSIN GRAIN PRODUCERS, LLC

Statement of Changes in Members' Equity

Balance - January 1, 2010	$ 61,510,976
Net income for the year ended December 31, 2010	788,382
Repurchase of 129 membership units for an average price of $1,692, September 2010 to December 2010	(218,250)
Member distributions	(5,695,000)
Balance - December 31, 2010	56,386,108
Net income for the year ended December 31, 2011	25,600,550
Member distributions	(5,669,200)
Balance - December 31, 2011	$ 76,317,458

Notes to Financial Statements are an integral part of this Statement.

UNITED WISCONSIN GRAIN PRODUCERS, LLC

Statements of Cash Flows

	Year Ended December 31, 2011	Year Ended December 31, 2010
Cash Flows from Operating Activities		
Net income	$ 25,600,550	$ 788,382
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	7,151,300	7,134,136
Provision for losses on accounts receivable	(32,869)	
Change in fair value of commodity derivative instruments	7,020,311	11,401,447
Changes in operating assets and liabilities:		
Restricted cash - commodity margin account	7,879,866	323,272
Commodity derivative instruments	(13,238,378)	(11,358,228)
Accounts receivable	(1,732,862)	(810,881)
Inventory	(1,420,645)	(74,161)
Prepaid expenses and other current assets	(29,692)	20,672
Accounts payable	475,505	(273,663)
Accrued liabilities	642,700	(143,189)
Net cash provided by operating activities	32,315,786	7,007,787
Cash Flows from Investing Activities		
Capital expenditures	(301,762)	(117,878)
Payments for construction in process	(111,099)	(85,000)
Repurchase of membership units		(218,250)
Net cash used in investing activities	(412,861)	(421,128)
Cash Flows from Financing Activities		
Payments on long term debt	(1,945,687)	(785,266)
Payment of member distribution	(5,669,200)	(5,695,000)
Net cash used in financing activities	(7,614,887)	(6,480,266)
Net Increase in Cash	24,288,038	106,393
Cash – Beginning of Period	5,769,196	5,662,803
Cash – End of Period	$ 30,057,234	$ 5,769,196
Supplemental Cash Flow Information		
Cash paid for:		
Interest	$ 98,496	$ 199,245

Notes to the Financial Statements are an integral part of this Statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business
United Wisconsin Grain Producers, LLC, (the "Company") is a Wisconsin limited liability company currently operating a 60 million gallon per year ethanol plant located near the town of Friesland in the township of Randolph, Wisconsin. The Company is currently producing fuel-grade ethanol, distillers grains, and corn oil and sells these products both domestically and internationally.

Accounting Estimates
Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. The Company uses estimates and assumptions in accounting for the following significant matters, among others: allowances for doubtful accounts, useful lives of property, plant, and equipment, the assumptions used in the impairment analysis of long-lived assets, the valuation of commodity derivatives, inventory costing, the valuation of inventory purchase commitments, and legal contingencies. Actual results may differ from previously estimated amounts, and such differences may be material to the financial statements. The Company periodically reviews estimates and assumptions, and the effects of revisions are reflected in the period in which the revision is made.

Revenue Recognition
Revenues from the production of ethanol and the related products are recorded when the customer has taken title and has assumed the risks and rewards of ownership, prices are fixed or determinable and collectability is reasonably assured. Title is generally assumed by the buyer at the end of the Company's shipping point. Shipping costs incurred by the Company in the sale of ethanol and ethanol related products (distillers grains and corn oil) are included in cost of goods sold. The Company believes there are no ethanol sales, during any given month, which should be considered contingent and recorded as deferred revenue. Interest income is recognized as earned.

Cash
The Company maintains its accounts primarily at one financial institution. At times throughout the year, the Company's cash balances may exceed amounts insured by the Federal Deposit Insurance Corporation. The Company does not believe it is exposed to any significant credit risk on its cash balances.

Restricted Cash
The Company has restricted cash balances relating to margin requirements with the Company's commodity derivative broker based on open commodity contracts (discussed in Note 6).

Accounts Receivable
Accounts receivable are recorded at their estimated net realizable value, net of an allowance for doubtful accounts. The allowance for doubtful accounts is established through provisions charged against income and is maintained at a level believed adequate by management to absorb estimated bad debts based on historical experience and current economic conditions. The Company extends credit to customers for sales of ethanol, distillers grains, and corn oil in the normal course of business. Credit is extended based on an on-going evaluation of a customer's financial conditions and generally no collateral is required. Accounts receivable are ordinarily due in 10 business days. If payment is not received on a timely basis in accordance with the Company's credit terms it is considered past due. Invoices that remain unpaid after 30 days may bear interest at 18% and are considered delinquent if past due over 120 days. Delinquent receivables are written off based on credit evaluation and specific circumstances of the customer. At December 31, 2011 and 2010, the Company established an allowance for doubtful accounts of approximately $20,000 and $53,000, respectively.

Inventory
Inventory is stated at the lower of cost or market on a weighted cost basis. Market is based on current replacement values except that it does not exceed net realizable values and it is not less than net realizable values reduced by allowances from normal profit margin. Inventory consists of raw materials, work in process, finished goods, and spare parts. Corn is the primary raw material. Finished goods consist of ethanol, distillers grains, and corn oil.

Property, Plant, and Equipment
Property, plant, and equipment are stated at cost. Depreciation is computed over estimated useful lives by use of the straight-line method.

Asset Description	Years
Land improvements	5-20 years
Buildings	10-30 years
Plant and process equipment	5-15 years
Office equipment	5-10 years

Maintenance and repairs are expensed as incurred; major improvements and betterments are capitalized. Construction in progress expenditures will be depreciated using the straight-line method over their estimated useful lives once the assets are placed into service.

Long-Lived Assets
Long-lived assets, such as property, plant, and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset to be tested for possible impairment, the Company first compares undiscounted cash flows expected to be generated by an asset to the carrying value of the asset. If the carrying value of the long-lived asset is not recoverable on an undiscounted cash flow basis, impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques that may include, but not limited to, discounted cash flow models, quoted market values and third-party independent appraisals, as considered necessary.

Derivative Instruments
From time to time the Company enters into derivative transactions to hedge its exposures to commodity price fluctuations. The Company is required to record these derivatives in the balance sheet at fair value.

In order for a derivative to qualify as a hedge, specific criteria must be met and appropriate documentation maintained. Gains and losses from derivatives that do not qualify as hedges, or are undesignated, must be recognized immediately in earnings. If the derivative does qualify as a hedge, depending on the nature of the hedge, changes in the fair value of the derivative will be either offset against the change in fair value of the hedged assets, liabilities, or firm commitments through earnings or recognized in other comprehensive income until the hedged item is recognized in earnings. Changes in the fair value of undesignated derivatives are recorded in revenue or cost of goods sold based on the commodity being hedged.

Additionally, the Company is required to evaluate its contracts to determine whether the contracts are derivatives. Certain contracts that literally meet the definition of a derivative may be exempted as “normal purchases or normal sales.” Normal purchases and normal sales are contracts that provide for the purchase or sale of something other than a financial instrument or derivative instrument that will be delivered in quantities expected to be used or sold over a reasonable period in the normal course of business. Certain corn, ethanol, and distillers grains contracts that meet the requirements of normal purchases or normal sales are documented as normal and exempted from the accounting and reporting requirements and therefore, are not marked to market in the financial statements.

Fair Value of Financial Instruments
The Company's accounting for fair value measurements of assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring or nonrecurring basis adhere to the Financial Accounting Standards Board (FASB) fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The Company has adopted guidance for fair value measurement related to nonfinancial items that are recognized and disclosed at fair value in the financial statements on a nonrecurring basis. The guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The carrying value of cash, restricted cash, accounts receivable, accounts payable and accrued liabilities approximates fair value due to the short maturity of these instruments. The Company obtains fair value measurements from an independent pricing service for corn and ethanol contracts. The fair value measurements consider observable data that may include dealer quotes and live trading levels from the Chicago Board of Trade and New York Mercantile Exchange markets.

Except for those assets and liabilities which are required by authoritative accounting guidance to be recorded at fair value on our balance sheets, the Company has elected not to record any other assets or liabilities at fair value. No events occurred during the fiscal years ended December 31, 2011 or 2010 that required adjustment to the recognized balances of assets or liabilities, which are recorded at fair value on a nonrecurring basis.

Income Taxes
The Company is treated as a partnership for federal and state income tax purposes, and generally does not incur income taxes. Instead its earnings and losses are included in the income tax returns of its members. Therefore, no provision or liability for federal or state income taxes has been included in these financial statements. The Company had no uncertain tax positions as of December 31, 2011 or 2010. For years before fiscal 2009, the Company is no longer subject to U.S. Federal or state income tax examinations.

Environmental Liabilities
The Company’s operations are subject to environmental laws and regulations adopted by various governmental authorities in the jurisdiction in which it operates. These laws require the Company to investigate and remediate the effects of the release or disposal of materials at its locations. Accordingly, the Company has adopted policies, practices and procedures in the areas of pollution control, occupational health and the production, handling, storage and use of hazardous materials to prevent material environmental or other damage, and to limit the financial liability which could result from such events. Environmental liabilities are recorded when the Company’s liability is probable and the costs can be reasonably estimated. No expense has been recorded for the years ended December 31, 2011 or 2010.

Net Income per Unit
Basic net income per unit is computed by dividing net income by the weighted average number of members’ units outstanding during the period. Diluted net income per unit is computed by dividing net income by the weighted average number of members’ units and members’ unit equivalents outstanding during the period. There were no member unit equivalents outstanding during the periods presented; accordingly, for all periods presented, the Company’s basic and diluted net income per unit are the same.

Subsequent Events
The Company has evaluated subsequent events through March 9, 2012, the date the financial statements were available to be issued.

2. RISKS AND UNCERTAINTIES

The Company has certain risks and uncertainties that it experiences during volatile market conditions. These volatilities can have a severe impact on operations. The Company's revenues are derived from the sale and distribution of ethanol and distillers grains to customers located in the United States and internationally. Corn for the production process is supplied to the plant primarily from local agricultural producers and from purchases on the open market. Ethanol sales average approximately 85% of total revenues and corn costs average approximately 80% of cost of goods sold.

The Company's operating and financial performance is largely driven by the prices at which it sells ethanol and the net expense of corn. The price of ethanol is influenced by factors such as supply and demand, the weather, government policies and programs, and unleaded gasoline prices and the petroleum markets as a whole. Excess ethanol supply in the market, in particular, puts downward pressure on the price of ethanol. The cost of corn is generally impacted by factors such as supply and demand, the weather, government policies and programs, and the Company's risk management program used to protect against the price volatility of these commodities.

3. CONCENTRATIONS

The Company has identified certain concentrations that are present in their business operations. The Company had ethanol sales to the same three customers during both 2011 and 2010, which accounted for 60% and 75% of total revenues (net of derivative activity), respectively. Accordingly, 47% and 56% of the Company's receivables are due from those same three customers at December 31, 2011 and 2010, respectively.

4. INVENTORY

Inventory consists of the following at:

	December 31, 2011	**December 31, 2010**
Raw materials	$ 3,109,848	$ 2,375,695
Spare parts	730,702	646,753
Work in process	708,139	522,719
Finished goods	1,439,241	1,022,118
Total	$ 5,987,930	$ 4,567,285

The Company performs a lower of cost or market analysis on inventory to determine if the market values of certain inventories are less than their carrying value, which is attributable primarily to decreases in market prices of corn and ethanol. Based on the lower of cost or market analysis, the Company did not record a lower of cost or market charge on inventories for the years ended December 31, 2011 and 2010.

5. PROPERTY, PLANT AND EQUIPMENT

Property, plant, and equipment consists of the following at:

	December 31, 2011	December 31, 2010
Land and land improvements	$ 6,207,410	$ 6,207,410
Office equipment	650,483	650,483
Buildings	2,690,178	2,690,178
Plant and process equipment	66,200,933	65,841,171
Construction in process	1,025,240	972,141
Total property, plant and equipment	76,774,244	76,361,383
Less: accumulated depreciation	39,264,861	32,113,561
Net property, plant and equipment	$ 37,509,383	$ 44,247,822

6. DERIVATIVE INSTRUMENTS

The Company from time-to-time enters into ethanol and corn derivative instruments, which are required to be recorded as either assets or liabilities at fair value in the balance sheet. Derivatives qualify for treatment as hedges when there is a high correlation between the change in fair value of the derivative instrument and the related change in value of the underlying hedged item and when the Company formally documents, designates, and assesses the effectiveness of transactions that receive hedge accounting initially and on an on-going basis. The Company must designate the hedging instruments based upon the exposure being hedged as a fair value hedge or a cash flow hedge. While the Company does not typically designate the derivative instruments that it enters into as hedging instruments because of the administrative costs associated with the related accounting, the Company believes that the derivative instruments represent an economic hedge. The Company does not enter into financial instruments for trading or speculative purposes.

In order to reduce the risk caused by market fluctuations, the Company occasionally hedges its anticipated corn purchases and ethanol sales by entering into options and futures contracts. These contracts are used with the intention to fix the purchase price of anticipated requirements of corn in the Company's ethanol production activities and the related sales price of ethanol. The fair value of these contracts is based on quoted prices in active exchange-traded or over-the-counter markets. Although the Company believes its commodity derivative positions are economic hedges, none have been formally designated as a hedge for accounting purposes and derivative positions are recorded on the balance sheet at their fair market value, with changes in fair value recognized in current period earnings or losses. Gains and losses from ethanol related derivative instruments, including unrealized changes in the fair value of these positions, are included in the results of operations and are classified as a component of revenue. Gains and losses from corn derivative instruments, including unrealized changes in the fair value of these positions, are included in the results of operations and are classified as a component of costs of goods sold. The Company records withdrawals and payments against the trade equity of derivative instruments as a reduction or increase in the value of the derivative instruments.

As of December 31, 2011, the total notional amount of the Company's outstanding ethanol derivative instruments was approximately 4.5 million gallons that were entered into to hedge forecasted ethanol sales through June 2012. As of December 31, 2011, the total notional amount of the Company's outstanding corn derivative instruments was approximately 760,000 bushels that were entered into to hedge forecasted corn purchases through December 2012. As of December 31, 2010, the total notional amount of the Company's outstanding ethanol derivative instruments was approximately 19.6 million gallons that were entered into to hedge forecasted ethanol sales through December 2011. There were no outstanding corn derivative instruments outstanding as of December 31, 2010. There may be offsetting positions that are not shown on a net basis that could lower the notional amount of positions outstanding as disclosed above.

The following tables provide details regarding the Company's commodity derivative instruments at December 31, 2011, none of which are designated as hedging instruments:

	Balance Sheet Location	Assets	Liabilities
Ethanol Contracts	Commodity Derivative Instruments	$ 904,438	$ -
Corn Contracts	Commodity Derivative Instruments	-	(143,025)
Totals		$ 904,438	$ (143,025)

The following tables provide details regarding the Company's commodity derivative instruments at December 31, 2010, none of which are designated as hedging instruments:

	Balance Sheet Location	Assets	Liabilities
Ethanol Contracts	Commodity Derivative Instruments	$ -	$ (5,456,654)
Totals		$ -	$ (5,456,654)

The following table provides details regarding the gains and (losses) from Company's commodity derivative instruments in statements of operations, none of which are designated as hedging instruments:

	Statement of Operations Location	Year Ended December 31, 2011	Year Ended December 31, 2010
Ethanol Contracts	Revenue	$ (6,812,648)	$ (5,500,984)
Corn Contracts	Cost of goods sold	(207,663)	(5,900,463)
Total loss		$ (7,020,311)	$ (11,401,447)

7. FAIR VALUE MEASUREMENTS

The Company obtains fair value measurements from an independent pricing service for ethanol and corn contracts. The fair value measurements consider observable data that may include dealer quotes and live trading levels from the Chicago Board of Trade ("CBOT") and New York Mercantile Exchange markets.

The following table provides information on those derivative liabilities measured at fair value on a recurring basis at December 31, 2011:

	Carrying Amount in Balance Sheet December 31, 2011	Fair Value December 31, 2011	Fair Value Measurement Using		
			Level 1	Level 2	Level 3
Financial Assets: Commodity Derivative Instruments - Ethanol	$ 904,438	$ 904,438	$ 904,438	-	-
Financial Liabilities: Commodity Derivative Instruments - Corn	$ (143,025)	$ (143,025)	$ (143,025)	-	-

The following table provides information on those commodity derivative liabilities measured at fair value on a recurring basis at December 31, 2010:

	Carrying Amount in Balance Sheet December 31, 2010	Fair Value December 31, 2010	Fair Value Measurement Using		
			Level 1	Level 2	Level 3
Financial Liabilities: Commodity Derivative Instruments - Ethanol	$ (5,456,654)	$ (5,456,654)	$ (5,456,654)	-	-

8. BANK FINANCING

Revolving Line of Credit

The Company has a Revolving and Term Credit Agreement with a bank for a revolving line of credit with a maximum availability of $10,000,000. The interest rate on amounts the Company borrows under the line of credit is a variable rate equal to 2% over the highest US Prime Rate as published in the Wall Street Journal "Money Table" which was 5.25% at both December 31, 2011 and 2010. The interest rate adjusts as and when the index rate changes. Interest is due monthly on this revolving credit facility. No prepayment fees exist on the revolving credit facility; however, the Company is required to pay a commitment fee equal to .50% per year of the average daily unused portion of the line of credit. This commitment fee is included within interest expense for the years ended December 31, 2011 and 2010. The maturity date of the line of credit is April 1, 2012. At December 31, 2011 and December 31, 2010, the Company had no borrowings on the revolving line of credit.

Borrowing under the revolving line of credit is secured by substantially all of the assets of the Company. The revolving credit facility is subject to restrictive covenants including, but not limited to, requiring minimum financial ratios and limitations on capital expenditures, investments and distributions. As of the years ended December 31, 2011 and December 31, 2010, the Company was in compliance with these covenants.

Revolving and Term Credit Agreement

The Company had a Revolving and Term Credit Agreement with a bank for a $4,000,000 term loan at a fixed interest rate of 6.25%. On March 1, 2011, the interest rate was reduced from a fixed rate of 6.25% to a fixed rate of 5.25%. Although the term loan was in the amount of $4,000,000 they were only advanced $2,857,000 of this amount. The term loan required the Company to pay monthly payments of accrued interest until November 1, 2009. Starting on that date, they were required to make equal monthly payments of principal and interest in the amount of $77,975, followed by one final payment of the unpaid principal and all accrued interest remaining on October 1, 2014. With the interest rate change on March 1, 2011 the monthly payments were reduced from $77,975 to $76,656. On May 16, 2011, the Company paid the balance outstanding on the term loan of $1,606,503.

9. OPERATING LEASE OBLIGATIONS

The Company signed a ten-year lease agreement in August 2004 with a leasing company for eighty-five covered hopper rail cars at $460 per month per rail car. The Company entered into two, five-year rental agreements in June 2010 for two wheel loaders at approximately $2,276 per month per wheel loader. Lease expense for operating leases for the years ending December 31, 2011 and 2010 was $523,832 and $529,410, respectively.

At December 31, 2011 the Company had the following minimum commitments for payment of operating leases:

2012	$ 523,832
2013	523,832
2014	523,832
2015	452,864
Total	$2,024,360

10. MEMBERS' EQUITY

Membership Units

The Company currently has three classes of membership units. There are 17,126 Class A units issued and outstanding, 7,068 Class B units issued and outstanding, and 4,152 Class C units issued and outstanding. The voting rights of Class A units do not have any voting restrictions. The voting rights of Class B units are restricted to the election of directors and dissolution of the Company. The voting rights of Class C members are restricted to voting only on dissolution. Income, losses and distributions are allocated to all members based upon their respective percentage units held regardless of the unit classification. The total units issued and outstanding were 28,346 at both December 30, 2011 and 2010. The Company is authorized to issue an aggregate of 28,346 units subject to certain transfer restrictions as specified in the operating agreement and pursuant to applicable tax and securities laws.

Membership Unit Redemptions

On June 18, 2010, the board approved up to $1 million over the next 18 months to pursue the option of redeeming membership units (Class A, B, or C) offered for sale at the market price. The board approved membership unit redemptions of 129 units (53 Class B units and 76 Class C units) totaling $218,250 effective on various dates from September 1, 2010 to December 1, 2010. This effort expired on December 31, 2011.

Membership Distributions

In January 2010, the Board of Directors declared a cash distribution of $200.00 per membership unit for all classes for a total distribution of $5,695,000 to its unit holders of record on January 12, 2010. The distribution was paid in February 2010.

In January 2011, the Board of Directors declared a cash distribution of $100.00 per membership unit for all classes for a total distribution of $2,834,600 to its unit holders of record on January 12, 2011. The distribution was paid in February 2011.

In August 2011, the Board of Directors declared a cash distribution of $100.00 per membership for all classes unit for a total distribution of $2,834,600 to its unit holders of record on August 12, 2011. The distribution was paid in August 2011.

In January 2012, the Board of Directors declared a cash distribution of $614.00 per membership for all classes unit for a total distribution of $17,404,444 to its unit holders of record on January 12, 2011. The distribution is expected to be paid in March 2012.

11. RELATED PARTY TRANSACTIONS

The Company incurred approximately $67,000 and $71,000 in director fees and related expenses for the years ended December 31, 2011 and 2010, respectively.

In 2011, the Company purchased approximately $5,593,000 of corn from directors and employees of the Company of which approximately $219,000 is included in accounts payable at December 31, 2011. In 2010, the Company purchased approximately $3,227,000 of corn from directors and employees of the Company of which approximately $239,000 is included in accounts payable at December 31, 2010. Related-party corn purchases were consummated on terms equivalent to those that prevail in arm's length transactions.

The Company had accounts receivable from members that totaled approximately $363,000 and $259,000 at December 31, 2011 and 2010, respectively.

12. EMPLOYEE BENEFIT PLANS

The Company has adopted a 401(k) plan which provides retirement savings options for all eligible employees. Employees meeting certain eligibility requirements can participate in the plan. The Company makes a matching contribution based on the participants' eligible wages. The Company made matching contributions of approximately $78,000 and $75,000 during the years ended December 31, 2011 and 2010, respectively. The employer matching portion has a vesting schedule provision.

The Company has a profit sharing employee benefit plan for all eligible employees. The plan allows for a percentage of the Company's earnings in excess of a pre-determined amount to be divided between eligible employees and payment to be made six months after it is earned to eligible employees still employed with the Company at the time of payment. The Company recorded an expense related to this plan of approximately $692,000 and $86,000 in the years ended December 31, 2011 and 2010, respectively. Approximately $336,000 and $0 is included in accrued liabilities as of December 31, 2011 and 2010, respectively.

13. COMMITMENTS AND CONTINGENCIES

Ethanol Contracts

At December 31, 2011, the Company had forward futures contracts (swaps) to sell approximately 4.5 million gallons of ethanol for various delivery periods from January 2012 to June 2012. The prices on these contracts range from $2.20 to $2.705 per gallon.

At December 31, 2011, the Company had forward ethanol sales contracts totaling approximately 17.3 million gallons for various delivery periods from January 2012 to June 2012. The prices on these contracts have a basis level established by the Oil Price Information Service ("OPIS") Chicago ethanol market between -$0.01 and -$0.06.

Distillers Grains Contracts

At December 31, 2011, the Company had forward dry distillers grains sales contracts totaling approximately 20,600 ton for various delivery periods from January 2012 to December 2012 with an average price of $190 per ton. At December 31, 2011 the Company had forward modified wet distillers grains sales contracts totaling 7,220 ton for various delivery periods from January 2012 to June 2012 with an average price of $87 per ton.

Corn, Natural Gas, and Denaturant Contracts

At December 31, 2011, the Company had forward corn purchase contracts with grain producers and dealers totaling 8.7 million bushels for various delivery periods from January 2012 to March 2013. The prices on these contracts range from $3.85 to $7.50 per bushel or have a basis level established by the CBOT futures between $-0.06 and $-0.40.

At December 31, 2011, the Company had forward contracts to purchase approximately 300,000 British thermal units (MMBTU) of natural gas during the months of January 2012 through April 2012 at an average price of approximately $3.81 per MMBTU.

At December 31, 2011, the Company had forward contracts to purchase approximately 200,000 gallons of denaturant during the months of January 2012 through March 2012 at an average price of approximately $2.35 per gallon.

Plant Expansion

On June 18, 2010, the Company approved $20.4 million for a feed refining project contingent on financing 80% of the project. As of December 31, 2011, the Company had incurred $29,000 in engineering expense on this project.

As of December 31, 2011, the Company incurred approximately $890,000 on the engineering, design, and support piping of a distillation and evaporation system to increase the capacity of this portion of the plant to 90 million gallons per year, which has been included in property, plant and equipment in the balance sheets. This project is expected to cost $18 million in total but has been placed on hold indefinitely. As of December 31, 2011, management has evaluated the amount capitalized and determined that it is not impaired based on its expected use upon reinstatement of the project.

14. LEGAL PROCEEDINGS

From time to time in the ordinary course of business, the Company may be named as a defendant in legal proceedings related to various issues, including without limitation, workers' compensation claims, tort claims, or contractual disputes.

Patent Infringement

A Complaint for Patent Infringement was filed against the Company and certain other parties on May 3, 2010 by GS CleanTech Corporation. The suit will be heard at Federal Court in Indianapolis, Indiana. The complaint seeks an award of damages representing a portion of the revenue the Company generated while allegedly infringing on its patent related to a method of corn oil production. The Company has acquired opinions from its legal counsel attesting to their beliefs that none of the claims of the patent are valid. The Company has continued to produce corn oil at the plant and management expects that the matter will be resolved prior to the end of the 2012 calendar year. The Company is unable to determine at this time if the suit will have a material adverse effect on the Company.

Anti-dumping Investigation

In December 2010, the Ministry of Commerce of the People's Republic of China (MOFCOM) initiated an anti-dumping investigation on imported distiller's dried grains with or without solubles (DDG's) originating in the United States. In February 2011, MOFCOM informed the Company that it was one of three DDG exporters selected as part the fact-finding process in order to determine whether the Company's DDG's export price of the product imported to China was less than its normal value in the ordinary course of trade. The Company has responded to the MOFCOM's request for information and is currently waiting for a response based on their investigation. Based on the results of the investigation, additional duties may be imposed on all DDG imports into China from the United States which could have an adverse affect on the selling price of DDG's in the future. The Company is unable to determine at this time if the investigation will have a material adverse effect on the Company.

Boulay, Heutmaker, Zibell & Co. P.L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT ON
SUPPLEMENTARY INFORMATION

Board of Directors
United Wisconsin Grain Producers, LLC
Friesland, Wisconsin

We have audited the financial statements of United Wisconsin Grain Producers, LLC as of and for the year ended December 31, 2011 and 2010, and our report thereon dated March 9, 2012, which expressed an unqualified opinion on those financial statements, appears on page 1. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

We certify that the information noted in this supplementary information is consistent with the information derived from the audited financial statements of United Wisconsin Grain Producers and contains all information required under Wisconsin State Statute 126.13 for the year ended December 31, 2011.

Boulay, Heutmaker, Zibell & Co. P.L.L.P.

Certified Public Accountants

Minneapolis, Minnesota
March 9, 2012

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UNITED WISCONSIN GRAIN PRODUCERS, LLC

Supplementary Information

December 31, 2011

Current Ratio

Current assets, net of excluded assets of $362,583	$ 42,801,305
Current liabilities	$ 4,355,813
Current Ratio	**9.83**

Debt to Equity Ratio

Total liabilities	$ 4,355,813
Total equity	$ 76,317,458
Debt to Equity Ratio	**0.06**

Note: The Company has excluded assets (as defined in Chapter 126.13(7) of the Wisconsin Statutes) totaling $362,583, which consists of accounts receivables from members, on its balance sheet at December 31, 2011.

Accounts receivable:	
Less than one month	$ 5,584,297
One month to six months	135,120
Six months to one year	13,658
One year and greater	-
Total accounts receivable, gross	5,733,075
Less: Allowance for doubtful accounts	(20,283)
Total accounts receivable, net	$ 5,712,792

Notes receivable:

None

The Company had unpaid obligations to grain producers and producers agents of $2,058,841 as of December 31, 2011.

See Independent Auditor's Report on Supplementary Information.

UNITED WISCONSIN GRAIN PRODUCERS, LLC

Supplementary Information

December 31, 2011

Dollar Amount Paid for (and Bushels of) Producer Grain
Procured in Wisconsin and Deferred Payment
during the
FISCAL YEAR ENDED December 31, 2011

GRAIN DEALER: United Wisconsin Grain Producers, LLC

		Total Amount Paid	Deferred Payment	Total Bushels Paid For	
January	2011	$3,803,969.40	$1,256,248.44	921,963.05	bus.
February	2011	$3,430,054.15	$15,460.00	774,579.26	bus.
March	2011	$3,280,357.37	$-	762,342.84	bus.
April	2011	$3,466,102.62	$-	774,926.37	bus.
May	2011	$1,202,634.47	$-	266,778.27	bus.
June	2011	$3,256,429.03	$-	651,126.62	bus.
July	2011	$3,618,528.00	$-	732,617.56	bus.
August	2011	$2,916,375.86	$56,287.44	454,108.95	bus.
September	2011	$1,938,519.18	$25,297.17	324,840.37	bus.
October	2011	$4,555,218.67	$-	899,125.62	bus.
November	2011	$4,131,258.50	$2,521.12	758,924.42	bus.
December	2011	$3,537,471.67	$-	651,493.54	bus.
Totals for	**Fiscal Year:**	$39,136,918.92	$1,355,814.17	7,972,826.87	bus.

We certify that the information noted in this attachment is consistent with the information derived from the audited financial statements of United Wisconsin Grain Producers and contains all information required under Wisconsin State Statute 126.13 for the year ended December 31, 2011.

See Independent Auditor's Report on Supplementary Information.