



UWGP Board

(L-R) back row: Cal Dalton, Berwyn Westra, Kevin Roche, Bill Herrmann, Bob Miller

(L-R) front row: Tom Hanley, Larry Rather, Carl Benck, Jerry Franz

Board Update/Carl Benck - Board President

the rest of the year look bright. The only word of caution I would add is that just like \$7.00 corn encouraged over production and lower prices, so too will large margins in ethanol, but for now we will enjoy the ride.

The larger margins allowed us to send out a mid-year distribution of \$250 per share in July bringing our total distribution to date of \$3650 per share, \$104 million distributed to date. The board strives to

“...a mid-year distribution of \$250 per share in July bringing our total distribution to date of \$3650 per share.....”

return the maximum earnings to our investors while retaining sufficient funds to maintain and improve the efficiency of the plant. The fact that our plant runs 24 hours a day 7 days a week means that we wear things out. Because of this we have developed a list

of larger projects that will be completed over the next few years so that we maintain our plant at the highest level.

Over the next few months the board will be looking at a feed refining project that will allow us to bring a high protein feed product to the market. The process and product have been in the market for a number of years but was not widely implemented because of cost and low margins in the industry. We feel it will allow us to add a third co-product and revenue stream to the plant and give us a competitive advantage moving forward.

In conclusion, UWGP is fortunate to have employees that take pride in their work and the plant. Without them, these updates would be much harder to write about, so we say thank you to them and also to you, our investors, who put your trust in us to watch over and manage your investment.

Dan Wegner - Commodities Manager

“Lower Corn Prices for Now”

Mother Nature has been kind to the majority of the corn producing regions, not only here in the United States, but many other places around the world. Granted, some areas had excess rain which either caused ponding or delays in planting; however, the moisture appears to have helped more acres than it hurt. Cool weather has also been helping crops during the critical pollination phase in many parts of the country. Overseas, China, South America and Europe are all

looking like they will be blessed with good crops, coupled with growing world grain stocks are helping drive the prices

“It’s funny how often time’s people automatically associate low corn prices with high profit margins here at the plant.”

of corn, soybeans and wheat lower. It’s funny how often time’s people automatically associate low corn prices with high

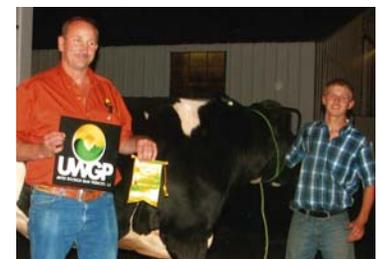
profit margins here at the plant. This does not necessarily always correlate. Remember, we are a processing plant and our economics depend on the relationship of our input costs to the price received for our finished goods. When corn was \$7-\$8.00, we were fortunate that our DDGS, corn oil and ethanol products all were worth more money and afforded us good returns. The high corn and protein market prices reduced the supply side of etha-

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UWGP Supports Our Local Youth



Barb Bontrager - CFO/General Manager

Wow! It has been an amazing ride so far this year and we are cautiously optimistic about the balance of the year. This is the first time I can recall since the early days when we have experienced crush margins stabilize at this level for this long. From time to time we have had record months, even quarters delivering large margins, at times larger than we are experiencing today, but for shorter periods of time. Although we, as an industry, are producing about 15 billion gallons per year in the US, exports have kept the supplies from building accordingly. Also blending economics continue to encourage our customers to use renewable fuel in their fuel blends to the fullest extent possible. Thereby, demand for ethanol supports the price while mother nature deals us all the right cards for a bumper corn crop putting downward pressure on corn prices ... thus increasing our margin. Not without a challenge though ...the recent announcement from China to reject anything without a MIR162 free certification, which is virtually impossible, has basically put a halt on nearly half of the distillers grain market, thus creating our latest challenge. Our commodities team is very happy for the forward sales placed on the books several months ago (which they have questioned at various times since their creation) and energetically looking for alternative markets.

Below is a snapshot of our financial results for the first half of 2014 compared to 2013. The complete financial statements and footnotes are available from our website. Our five year average annual net income is about \$15 million and we have recorded nearly \$13 million for the first six months of this year.

	Six Months Ended 6/30/14	Six Months Ended 6/30/13	Variance	% Variance
Gallons of Ethanol Produced	28,018,828	27,152,073	866,755	3.2%
Bushel of Corn Ground	9,676,748	9,349,202	327,546	3.5%
Yield - Gallons denatured ethanol/bu of corn processed	2.895	2.904	(0.009)	-0.3%
Average Ethanol Price per gallon (net back to plant)	\$2.28	\$2.44	(\$0.16)	-6.6%
Average Corn Price per bushel	\$4.67	\$7.00	(\$2.33)	-33.3%
Total Revenues with realized hedging activities	\$ 70,126,781	\$ 84,263,764	\$ (14,136,983)	-16.8%
Gross Margin before unrealized hedging activities	\$ 12,914,634	\$ 5,386,205	\$ 7,528,429	
Net Income before unrealized hedging activities	\$ 11,484,757	\$ 4,068,813	\$ 7,415,944	
Net Income before unrealized hedging per gallon ethanol	\$ 0.41	\$ 0.15	\$ 0.26	173.5%
Unrealized gain (loss) from hedging activities	\$ 1,474,733	\$ 23,832	\$ 1,450,901	
Net gain after all hedging activities	\$ 12,959,490	\$ 4,092,645	\$ 8,866,845	
	as of 6/30/2014	as of 6/30/2013		
Working Capital	\$ 40,046,661	\$ 32,505,630		
Total Assets	\$ 66,187,762	\$ 61,875,249		
Member Equity	\$ 64,203,988	\$ 60,210,141		

Dan Wegner - Commodities Manager (continued)

nol and co-products at a time of adequate demand which meant higher product sales revenue. On the other hand, when corn is plentiful and cheap like our current \$3.50/bushel more, ethanol producers are afforded the opportunity to operate their plants and we tend to see idled capacity come back into production. This increases the supply of ethanol and co-products; which can negatively affect profitabil-

ity. As of right now, the demand for ethanol both here in the US and abroad is healthy enough to handle the high production rates we are currently seeing in the ethanol industry. We expect that profit margins will be decent as we move forward through the next 6-12 months. Gasoline prices have begun to decline slightly, which should help demand for gasoline and ethanol. Ethanol continues to trade at

big discounts to gasoline and remains the cheapest liquid fuel molecule in the world. Demand for ethanol worldwide appears to be increasing, as people in other countries begin to recognize the octane value ethanol brings to the motor fuel arena. We have high hopes that as we move forward we will continue to see increasing world demand for ethanol which will benefit the American ethanol producers.



2014 Scholarship Recipients

L-R: Ali McNamara Oetzman, Kyle Jahnke, Radley J. Ripp, Jessica Corning, William H. Bull V, Jessie Thompson, Kyle Becker, John Link
Missing: Jason Braunschweig and Kaytlynn Riel

Scholarships

UWGP awarded ten scholarships of \$1,000 each to local students at the Annual Investors meeting held on April 10, 2014. UWGP issues these scholarships in harmony with our continuing objective to contribute to our local community. UWGP investors and their children along with customers/

producers of UWGP are considered as well as students from the area high schools in Randolph, Cambria-Friesland, Fall River, Columbus, Poynette, Pardeeville, Portage, Beaver Dam, Waupun, Horicon, Juneau/Dodgeland, Montello, Green Lake, Princeton, Rio and Markesan.



L-R: Ryan Kuntz, Eric Kuntz at the American Ethanol 200 NASCAR truck and the Iowa Corn Indy 300 races in Newton, IA

Eric Kuntz - Production Manager "Off to the Races!"

ethanol-fueled vehicles first hand, and to be around so many ethanol supporters in the heart of corn country. I even got a couple compliments on the pro-ethanol

shirt I was wearing. NASCAR just recently completed 6 million miles of competition while using E15 in their top 3 series and the Indy Racing League has been using E100 since switching from methanol in

"...I pointed out that across town, E85 was selling for \$1.00 under gas....fuel made right here."

2007. But even given these successes, many people still aren't on board using ethanol. A while back I struck up a conversation with a guy that was driving a van like one we were considering getting - a flex fuel van. He was talking up how good the performance and gas mileage was, and then commented "but I never put in that ethanol". I asked why. "It will hurt my gas mileage" was the reply. So I

pointed out that across town, E85 was selling for \$1.00 under gas. I explained that he could lose 25% on his gas mileage (which he likely wouldn't) and still break even while using fuel made right here. More likely, he'd come out ahead. As we parted ways I challenged him to give it a try, but didn't get the feeling he would. But *maybe* he did. Like these races, trying to convince people to use ethanol sometimes feels like you're just going around in circles. But it's worth the effort.

I got to spend a weekend camping recently with my son, Ryan. As part of our weekend, we attended the American Ethanol 200 NASCAR truck and the Iowa Corn Indy 300 races in Newton, IA. It was awesome to experience the power and speed of these



Morgan Pribbenow—Market Hog Purchase/Lodi Ag Fair

Terry Olson - Grain Procurement & Feed Sales "It's Fair Time!"

It's Fair Time! Once again we are at that time of the year where we recognize the accomplishments of our future agricultural

leaders by celebrating their achievements through the county fairs. It is a pleasure for me to attend the livestock sales and see the work put in and the

enthusiasm from our young people. I wish to give thanks to all of the people who work hard to make the fairs a reality and offer congratulations to the youth who participate in these events.

UWGP has a tradition and a desire to support our youth at the county fairs. We enjoy the time we spend at the auctions and appreciate the thanks that we receive by participating. This year we are providing t-shirts to the youth in addition to signs to hang by their animal. This should give us more exposure and the t-shirts are fun-

ny and should generate some buzz at the fairs. We are committed to supporting our youth in their achievements.

If you are at the fair during the livestock sale stop by and talk with us. We enjoy talking with our customers and shareholders. The coming year will bring a new set of challenges that we will meet. I hope everyone will have a great summer and a safe harvest season this fall. If there is anything we can do for you please do not hesitate to call.



Seventeen-year old Michael Raskovic of New Glarus pilots the new Wisconsin Corn Growers Powered #14 Super Truck at Madison International Speedway and other tracks in the Midwest this summer. The truck runs on E98, or 98 percent ethanol fuel.

For more information visit:
<http://www.madisoninternationalspeedway.com/midwest-trucks/>



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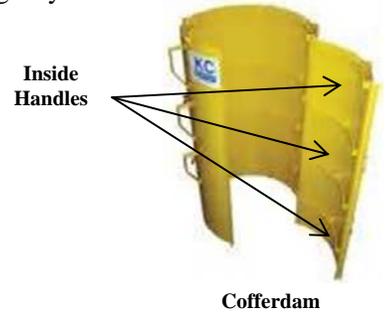
Cofferdam and small auger being used by employees

In the last couple of years there have been numerous grain bin entrapment incidents in the country. OSHA now requires every grain handling facility to have grain rescue equipment at each site. Statistically there are 12 deaths a year caused by grain entrapment. Once a person goes under the grain, it only takes 5 minutes for asphyxiation to occur. This gives a very small window to perform a res-

Marc Berger - Safety/Health Manager "Grain Rescue Equipment/Training"

cue before it becomes a recovery mission. If you can remember, United Ethanol had an entrapment death not quit a year ago in October of last year. In July, there was the unfortunate death of the 9 year old boy at a Lancaster, Wisconsin farm. UWGP has purchased a cofferdam and power auger for our grain rescue equipment. As you can see in the pictures, the cofferdam is a tubular metal device that is placed around the victim to alleviate the grain pressure from suffocating them. Once the coffer dam is in place, the power auger is used to remove the grain from around the victim. Once enough grain has been removed, the victim will be able to stand up and get out on their own if they are capable. If you look inside the coffer dam, you

will see handles going up the inside, which also help the victim pull themselves free. UWGP will be training its employees and local rescue services so they can use the equipment to protect the surrounding community in an emergency.



Inside Handles

Cofferdam

Safety Recognition Achievement "Safety is No Accident"

UWGP employees held a celebration on May 16th to recognize 2000 days without a lost time accident.

L-R: Barb Bontrager, Marc Berger



The 2015 Annual Investors Meeting will be held on Thursday, April 9, 2015 from 5:00 p.m. until 9:00 p.m. This will be a special meeting celebrating UWGP's ten years of production. A meal will be provided before the start of the meeting from 5:00 until 6:30 p.m. More details to follow.