

FINANCIALS

213 Members \$ 106,500.00
Expenses for Printing
Consulting, Bookkeeping,
Ethanol memberships,
Office supplies, and
Legal fees (\$ 28,886.07)

Balance-7/31/02 \$ 77,613.93

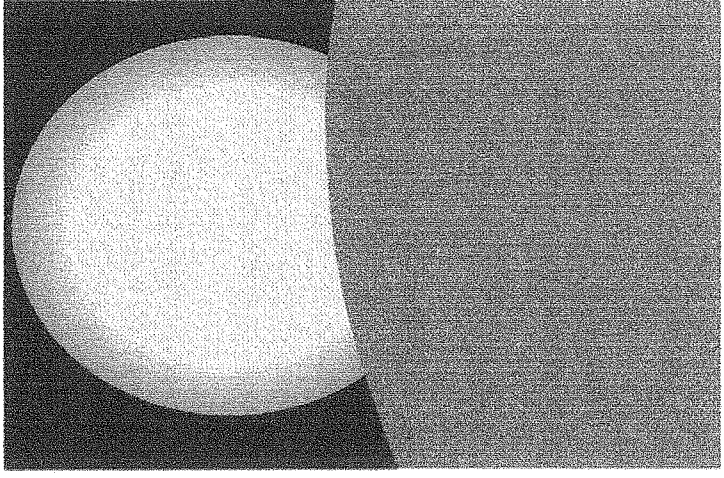
DIRECTORS

Bryan Andrews-Dunn 556-2204
Dick Bauer-Pepin 672-5776
Andy Bensed-Barron 837-1409
Steve Bensed- Pierce 792-2669
Lee Carlson-Polk 248-3273
Ray Dreger-Chippewa 962-3587
Luther Grohn-Dunn 874-6558
Paul Harrison-Dunn 235-6113

Interim Project Coor-Jim Faust, AG
Agent-Dunn 232-1636
Laverne Ausman -Executive Director
879-5598

Grain Power

Approximately 40% of the cars in Brazil operate on 100% ethanol. The remaining cars run on a blend of 22% ethanol, 78% gasoline. The U.S. uses ethanol in 12% of its fuel, mostly at a blend of 10% ethanol, 90% gasoline.



Upcoming Meeting

The National Corn Growers Association along with the Wisconsin and Minnesota Corn Growers is sponsoring a Distillers Grains conference Aug. 21-23, 2002, in Prior Lake, Minnesota. Nutritionist and feed consultants will have an opportunity to discuss consistency and quality of DDGS, as well as question those who have experience with using ethanol co-products. The group registration rate is \$145 per person, the individual rate is \$200. We can make your registration and get the group rate. You should share this with any feed consultants and we can accommodate them too. This is an opportunity to update your information base on an expanding feed source.

Contact us at 715-962-3587 for more information and registration.

Stock Offering

Questions have come up as to how the sale of stock will take place. The policy established by the Board of Directors is as follows:

- 12 million shares will be offered
- Price will be \$2.00 per share
- Minimum number of shares is 2500 per member
- Additional shares in increments of 2500 shares
- 10% down payment required at time of commitment
- Down payment will be held in escrow with escrow agent-without interest
- When 6 million shares have been sold, 50% of the down payment can be used toward start up expenses.
- When stock offering is completed, final payment will be required after due notice.

Feasibility Study Highlight

The study reviewed the supply of corn and marketing opportunities for ethanol and by-products. It also evaluated possible sites for an ethanol plant.

Six sites were evaluated. The west side of Colfax's industrial park ranked highest. A site halfway between Wheeler and Boyceville on the north side of State Highway 170 was next. Both are in the excellent range according to BBI. The study took into consideration all known sources of competition for corn in west central Wisconsin. This included livestock, poultry and ethanol production. In 2001, there were over 67 million bushels of corn produced within 50 miles of these sites. They found there is an ample corn supply for this proposed plant.

The consumer demand for ethanol is growing at a rapid rate. It is expected to double in size in the next few years. They project local, regional and national marketing opportunities for a plant at this location.

The large number of cattle in the area provide a local market for Distillers Dried Grain with Solubles(DDGS). The importance of that market can be enhanced if a market for wet distillers grain can be developed.

The financial forecast used a delivered grain price of \$2.24 per bushel for corn and a net ethanol price of \$1.18 per gallon. This reflects the last ten year history. The resulting projected Return on Investment (ROI) is 24% for a 30 million gallon per year (MMGP) and 30.5% for a 40 MMGP plant. Any new business venture carries some risk but the financials are very positive and encouraging.

The bottom line is that an ethanol plant in this area will provide a local market for corn, serve an expanding market and can be a profitable venture for the member owners, of which the majority will be local farm producers.

BOARD MEMBER PROFILE

Ray Drager is the Secretary/Treasurer of the WWREC. Ray and his wife Petra operate a 420 acre crop farm and a seed and farm supply business, "Seeds & Stuff Farm Market, Inc.". Ray is a graduate of UW River Falls and has a Masters Degree from the University of Minnesota in agronomy and plant genetics. He is a certified Professional Agronomist and Certified Crop Advisor.

Ray also takes a very active role in the community. Currently serving on the Board of Directors of Dunn Energy and Dairyland Power Cooperative. He is Co-chair of food committee for the 2004 Farm Technology Days and is a member of the Menomonie Area Chamber of Commerce Agri-Business council.

Ray has followed the development of the ethanol market for some time. He is enthusiastic about the opportunity it provides for farmers.

Ethanol is:

- Good for the Community
- Good for Producers
- Good for the Environment