



BULLETIN

AUGUST 2019

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COMPANY UPDATE

At the annual meeting last February it was announced that the plant improvements were up and operating as expected. A few months later, it can be verified that operations are exceeding expectations. The turbine and new heat recovery boiler are providing efficient power and heat for the higher production rates of close to 85MGY. There are a few smaller debottleneck projects that continue, otherwise any large improvements are on hold until profitability improves.

In conjunction with new plant performance have come changes in personnel which will take Bushmills to a higher level of efficiency. Exciting times are ahead.

INDUSTRY CONDITIONS

The ethanol and distillers grains markets are weak providing little to no margin opportunities at the present time. Overall, ethanol is in an oversupply condition due in part to the tariff program and especially because of actions of the EPA. Small refiners have received a hardship exemption from using ethanol outlined in the Renewable Fuel Standard. The effect is 1 billion gallons of demand destruction.

The fast and continued growth of the ethanol industry presented no chance for meaningful discipline, until now. Bushmills profitability is running in the 83rd percentile after 6 months of operation in the industry benchmark providing a deep cushion from the bottom quartile who will be the real losers in this industry correction. If there is no demand increase for ethanol and DDGS then there needs to be a supply curtailment from the bottom quartile of the industry.

UNITS SOLD

See Bushmills website at **bushmillsethanol.com** and go under the unit trading tab at the top of the site.

REMINDERS

REQUEST FOR POTENTIAL DIRECTOR NOMINEES

Please notify Erik or Donovan at the office (320-974-8050) if you or someone you know is interested in running for a board seat. The deadline for nominee submittals will be December 1st, 2019. Please forward a brief introduction informing who you are and why you are interested in representing the owners of Bushmills.

BUSHMILLS WEBSITE UPDATE REMINDER

Bushmills website address is **bushmillsethanol.com**

UNIT TRADING TAB - Please visit the website to read the unit trading agreement and the bulletin board rules.

MEMBERS TAB – A members tab has been added to the website. All members will need to visit the members tab on the website and register as a member. In the members tab you will be able to see company financials, bulletins, Bushmills Ethanol Amended and Restated Bylaws adopted October 28, 2004 and update your user profile. Beginning January 1st, 2018 financials and bulletins will no longer be mailed out you must visit the website to see this information.

Please visit the website first and if you then have questions please call or e-mail.