



The CORN Connection

Central Iowa Renewable Energy's Mission Statement

To successfully add value to locally grown grains which will profit our investor owners and area grain and livestock producers while benefitting our local communities through economic growth.

The Corn Connection Is
Published Quarterly By
CORN, LP
To Provide Information For
Our Owners And Investors

For Timely News & Updates
Check Our Web Site
www.comlp.com

Volume 1 -- Issue 9
August, 2007

Inside CORNland

By
Brad Davis
CORN, LP
General Manager



I'll admit right out of the starting gate in this month's article that this is definitely going to be a much easier and far more enjoyable discussion with you than the previous *Inside CORNland* article, in which I addressed the first quarter's struggles.

As I reviewed my comments in the first quarter's *Corn Connection*, they in many ways reminded me of the typical news broadcasts we see on the television each evening, our faces strained and filled with angst reporting incident after incident of negative events.

It was, I can assure you, one of the toughest articles I have ever put together, and it was made even tougher to detail all the frustrations we were encountering with delays, interruptions and extended periods of downtime at the **CORN, LP** plant (27 days worth, if you'll recall), while at the same time virtually all of our counterparts in ethanol production were reporting positive news, and positive bottom lines.

Thus I am sure you can both understand and appreciate the feelings of relief and joy that accompany this article as I am able to leave those frustrations behind us and instead report to you that throughout the course of this second quarter the **CORN, LP** plant has been running absolutely flawlessly, smoothly and efficiently and, as revealed in the *Financial Highlights* which **CORN, LP** Controller **Jim Glawe** has shared with you in his *CORN's Checkbook* article, in a *Most Positive* manner in terms of the all-important bottom line.

I won't even attempt to list all of the numerous production records that have not only been broken, but in many cases shattered by a wide margin, by this outstanding second quarter run of consistency and quality at the **CORN, LP** plant.

All that needs to be mentioned in terms of records is that those involving corn grind have been eclipsed, while at the same time new daily, weekly and monthly production records have been set, broken, and re-set once again even higher, and you can pretty much project how those accomplishments have impacted records in all the other categories, including many of the financials.

The sharp contrast between the way things went for us during the first three months of this year and the way they have progressed over this most recent last three months of operations brought back memories of my experiences playing on the High School Football team in the small Iowa town where I grew up.

Those of you who also were raised in "*Rural Iowa*" and who attended the local High School prior to the consolidations will recall that if you played on the football team, you definitely got the opportunity to play and experience football to its fullest measure, since in most cases you played your position on the offensive side when your team was trying to score, then assumed your position on defense when the other team had the ball.

Things normally moved along fairly crisply on both sides of the ball during the early stages of the game, while you were still

Inside CORNland -- Continued On Page 4



Members of The **CORN, LP** Staff & Employee Team spent a day walking Buttermilk Creek north of Goldfield on a daily Clean-Up Project to remove trash and debris that has been discarded into the environment.



CORN's Checkbook

By
Jim Glawe
CORN, LP Controller



As reported to you by **CORN, LP General Manager Brad Davis** in his **Inside CORNland** article this month, and as the figures at the bottom of this page testify, the second quarter of operations for **CORN, LP** proved to be highly productive, profitable and successful for the period ending June 30, 2007.

Sales for the three-month period of April 1st through June 30th were in excess of \$30 million, obviously a new quarterly record for this total sales category, and responsible for pushing our year-to-date sales total to beyond the \$48.5 million level.

This reflects experiencing just a single day of downtime in the plant, as compared to the 27 days of shutdown that we experienced during the first quarter, all of which took their heavy toll on both productivity and profitability.

Those additional 26 days of operating the **CORN, LP** plant at the capacities and capabilities it was designed to operate at, and in some cases beyond, further translated into corresponding increases in all categories of production, volumes and revenues.

Profitability for the second quarter, for example, was nearly \$5.4 million, and yet I feel it is noteworthy to mention that all of the sizeable increases that were recorded in sales, earnings and volumes were achieved with basically the same level of other operating expense (those not associated with the cost of goods sold) as was required for other operating expenses in the first quarter.

As a result of the highly efficient, effective and productive operations **CORN, LP** turned in for the second quarter, we were able to show a very significant turn around from the loss that was recorded for the first quarter to a positive year-to-date local income level of over \$3.77 million.

When this is added to the just over \$100,000 in other income received from interest during the second quarter, it brings our year-to-date net income through the first six months of 2007 to nearly \$4 million.

Finally, as you can also see in the figures below, the fine second quarter of sales and productivity at **CORN, LP** has brought us back to providing a return on your investment that is again in the double digit category.

In my closing remarks in the **CORN's Checkbook** article wrapping up the first quarter's disappointing results to you, I suggested there were many positive developments underway at the **CORN, LP** plant as I listed the first quarter's figures for your review, and that at the time I was indeed looking forward to being able to offer you much brighter, more promising and positive results when I reviewed the second quarter's highlights with you.

Clearly, I have shared the positive feelings of excitement and accomplishment that the entire **CORN, LP Team** has experienced as this quarter of outstanding production and efficient operations has been unfolding, and I hope that our positive feelings come through to all of you in the articles included in this report, and in the figures that appear elsewhere on this page.

We are, as always, looking forward with great excitement and anticipation at what lies ahead as we move through this third quarter of operations at **CORN, LP**, and I am again confident that as I sit down to write the review of that third quarter and share its highlights with you sometime in October after the results have been tallied and finalized in September, I will have equally good news to bring to you.

In conclusion, and as I have customarily done in previous articles, I want to report on some of the quarter sales volume highlights which reveal the strong and steady level of productivity which has been turned in at **CORN, LP** for over the previous three months.

14,260,307 Gallons Of Ethanol
37,961 Tons Of DDGs
1,788 Tons Of Wet Cake
4,950,771 Bushels Of Corn Ground

By way of review, that is an increase of some 4.5 million gallons of ethanol production compared to the first quarter; an increase on approximately 15,000 tons of DDGs; and an increase of over 1.6 million bushels of corn ground when comparing second and first quarter results.

Truly, a very productive and in many cases record-setting three months which we are sincerely pleased to report to you.

CORN, LP Operational Highlights (Unaudited) For The Period January 1, Through June 30, 2007



Sales	\$48,560,406
Cost Of Goods Sold	41,892,904
Gross Profit	6,667,502
Other Operating Expenses	2,893,968
Income From Operations	3,773,534
Other Income	194,511
Net Income (Loss)	3,968,045
Net Income (Loss) Per Unit	127
Return On Investment	12.67%



**PRAIRIE
CREEK
ETHANOL, LLC**

Organized to Construct
and Operate
a 100-Million Gallon
Fuel-grade Ethanol Plant,
near Wesley, Iowa

Membership units will be offered by the Directors
And Officers of Prairie Creek Ethanol, LLC
Price of Membership Units: \$5,000 per unit
(Minimum purchase of two (2) units)

To obtain a prospectus, contact one of the
following individuals by phone, mail or e-mail,
or visit our web site:

www.prairiecreekethanol.com

Brad Davis (bdavis@prairiecreekethanol.com)

John Stelzer (jstelzer@prairiecreekethanol.com)

Duane Madoerin (dmadoerin@prairiecreekethanol.com)

Viv Kitley (vkitley@prairiecreekethanol.com)

Gold Eagle Cooperative

415 North Locust Street P.O. Box 280

Goldfield, Iowa 50542

Phone 1-515-8253161

A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION BUT HAS NOT YET BECOME EFFECTIVE. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE.

Meeting Schedule on Reverse Side

Information Meeting Schedule

Date	Time	City	Location	Address
Mon., Aug. 13	7:00 PM	Wesley	Community Center	205 Main Street
Thu., Aug. 16	7:00 PM	Eagle Grove	Middle School	1015 NW 2nd Street
Fri., Aug. 17	1:00 PM	Kanawha	West Hancock School	423 East 5th Street
Tue., Aug. 21	7:00 PM	Clarion	Heartland Museum	Hwy 3 and 9th Street SW
Wed., Aug. 22	1:00 PM	Britt	City Hall Meeting Room	170 Main Avenue S
Wed., Aug. 22	7:00 PM	Fort Dodge	Starlite Village	Jct Hwys 169 & 7
Thu., Aug. 23	7:00 PM	Sheldon	Community Services Bldg.	416 9th Street
Thu., Aug. 23	7:00 PM	Des Moines	Sheraton Inn	1800 50th Street & University
Fri., Aug. 24	1:00 PM	Albert City	City Hall Meeting Room	119 Main Street
Sat., Aug. 25	10:00 AM	Des Moines	Sheraton Inn	1800 50th Street & University
Mon., Aug. 27	7:00 PM	Pella	Site To Be Announced	
Mon., Aug. 27	7:00 PM	Webster City	Americinn	411 Closz Drive
Mon., Aug. 27	7:00 PM	Mason City	Country Inn	4082 4th Street SW
Tue., Aug. 28	1:00 PM	West Union	Site To Be Announced	
Tue., Aug. 28	7:00 PM	Decorah	Site To Be Announced	
Tue., Aug. 28	7:00 PM	Ames	Gateway Hotel & Conf. Ctr.	2100 Green Hills Drive
Wed., Aug. 29	1:00 PM	Oelwein	Oelwein Community Plaza	25 West Charles Street
Wed., Aug. 29	7:00 PM	Williamsburg	Amana Colonies Holiday Inn	1-80 Exit 225
Wed., Aug. 29	7:00 PM	Clear Lake	Best Western Holiday Lodge	I-35 & Hwy 18
Wed., Aug. 29	7:00 PM	Dakota City	Vinnie's BBQ	507 Main Street
Thu., Aug. 30	7:00 PM	Ankeny	Country Inn & Suites	2510 SE Tones Drive
Thu., Aug. 30	7:00 PM	Panora	Lake Panorama Natl. Resort	5071 Clover Ridge Road
Thu., Aug. 30	7:00 PM	Garner	Garner Education Center	325 West 8th Street
Fri., Aug. 31	1:00 PM	West Bend	Parkview Inn Conference Ctr.	13 4th Street NE
Tue., Sept. 4	1:00 PM	Dyersville	Comfort Inn	Jct Hwys 20 & 136
Tue., Sept. 4	7:00 PM	Dubuque	Americinn	100 Peosta Street
Tue., Sept. 4	7:00 PM	Charles City	NIACC Center - Room 110	200 Harwood Drive
Tue., Sept. 4	7:00 PM	Boone	Site To Be Announced	
Wed., Sept. 5	1:00 PM	Manchester	Cedar Lodge	205 S 12th Street
Wed., Sept. 5	7:00 PM	Cedar Rapids	Marriott	1200 Collins Road NE
Wed., Sept. 5	7:00 PM	Iowa Falls	Americinn	810 S Oak Street (Hwy 65)
Wed., Sept. 5	7:00 PM	Story City	Oakland Corp. Mtg. Room	414 Broad Street
Thu., Sept. 6	1:00 PM	Ida Grove	Ida Grove Comm. Rec. Center	311 Barnes Street
Thu., Sept. 6	1:00 PM	Marshalltown	Americinn	115 Iowa Ave. West
Thu., Sept. 6	1:00 PM	Emmetsburg	Wild Rose Casino	777 Main Street
Thu., Sept. 6	7:00 PM	Carroll	Carrollton Inn	Hwy 71
Thu., Sept. 6	7:00 PM	Cedar Falls	Holiday Inn	5826 University Ave.
Thu., Sept. 6	7:00 PM	Spencer	South Park Mall	901 11th Street SW

**Our Meeting Schedule Is Incomplete At This Time
Please Check Our Web Site For Updates**

www.prairiecreekethanol.com



Coach's CORNER

By
Andy Miller
CORN, LP Plant Manager

This has been, as I am sure you can tell if you have read the other articles in this quarterly report and/or viewed the Financial Highlights that have been shared with you on the previous page, a truly fantastic period of operations for the **CORN, LP** plant, and I want to quickly recognize a totally remarkable **Total Team Effort** turned in by the staff and employees of **CORN, LP** for making this all happen.

There were, as I am sure you can well imagine when reviewing the sales and volume totals elsewhere, numerous new production records set during this past three months of virtually uninterrupted operations.

Many of the records for volumes of products produced and/or utilized in production that were set for daily, weekly and even monthly levels of performance could be viewed with pride in their achievement for only a brief period of time, and then it was necessary to observe them in the rear view mirror as they have been surpassed, and this happened not once, not just a few times, but frequently over the course of the second quarter.

I am also very pleased to report to you that the yield and quality of the ethanol produced has been exceptionally high, and that the DDG quality has been fantastic as well.

This is reflected in the ease of the DDG load out process, where it is typical during the summer months to encounter significant challenges in handling/loading out DDGs due to the high oil content and high temperature level of the product, which caused it to become very stubborn.

Thanks to the remarkably high quality of the DDGs that were being produced during this second quarter of operations, however, flowability issues were not a problem for us, and loading out the DDGs continued to be a smoothly efficient phase of operations.

It was, as I am sure you can appreciate from all the things you have been reading in this issue of **The CORN Connection**, a quarter during which we have thoroughly enjoyed witnessing the level of performance, productivity and efficiencies at which this remarkable plant is capable of operating.

The entire staff and all employees are thoroughly committed to the high standards and goals which we have established for **CORN, LP's** operations, production and performance, and just as we all feel frustration and disappointment when we experience obstacles that cause the plant's productivity to fall short of them, so too are we excited and enthusiastic when they are reached, and surpassed.

Measured against the backdrop of time, the ethanol production industry here in this country is an industry still in the relatively early stages of infancy, and so much like we see in all realms of our society and business, there are periods of dramatic, remarkable and amazing growth and change that take place as new and innovative ideas and procedures are brought into our systems and processes as we learn and add to our experi-

ences.

This past quarter several members of **The CORN, LP Team** including myself, attended the **Fuel Ethanol Workshop** that was held in St. Louis.

This is an ethanol industry trade exposition at which all of the very latest equipment, technologies, ideas, services and systems are being displayed and where there is a vast amount of information from which to gain useful and valuable ideas that we might be able to incorporate into our own operations.

We saw a lot, we talked to a lot of individuals and highly knowledgeable, skilled and experienced people in the industry, and we learned a lot of things.

However, perhaps the most valuable thing that we discovered there, and certainly the thing that we knew we were definitely going to adopt here at **CORN, LP** just as soon as we possibly could do so, came from an encounter we had with an individual within 15 minutes of walking into the exhibit hall.

At that time we got into a discussion with a gentleman who works in the water treatment services phase of the industry. We had met him on a previous occasion, however that was only a brief introductory encounter. This time we were able to spend additional time, and **It Was Definitely Worth It!**

In the course of our conversation, he provided us with the necessary information to fine tune equipment in the combustor system that would enable us to significantly reduce ammonia usage and thus provide substantial improvement in operational efficiencies at **CORN, LP.**

Upon returning home, this fine-tuning procedure was implemented, and just in time for our annual yearly emissions test conducted by the Iowa Department of Natural Resources, and we feel it proved to be highly successful.

The detailed results for the entire IDNR testing procedure should be back to us within a couple of weeks, and we will then see the full impact implementing this change provided, as well as how we are doing on particulate emissions.



This is just one of the 3 pickup loads of trash and debris the CORN, LP staff amassed in the Clean Up Buttermilk Creek Project that took place on June 8th.

According to Plant Manager Andy Miller: "You would be both shocked and surprised to see the kind of stuff that some people have discarded, without any regard for the beauty, cleanliness or safety of the environment we all share."



Inside CORNland – Continued From Page 1

fresh and filled with the energy and enthusiasm that accompanies youth, and while both your offensive and defensive talents were at their peak.

But as the game moved on, one team or the other would typically begin to overwhelm the other. Sometimes it was because they had more highly skilled players, though that was never a point one would admit.

More often, they simply had more of them, and thus had the luxury of resting different players on opposite sides of the ball.

Whatever the reason, whenever your team was being vastly over-matched late in the game and the other team was running and passing all over the place, pressing you on defense from all angles, you simply expended all of your energy just trying to keep from giving up even more touchdowns, and thus you and your teammates had few resources remaining when you turned around to play offense.

The looks I saw in the huddle as my teammates and I gasped to catch our breath from yet another unsuccessful defensive struggle were indeed very similar to those I was seeing on many of the faces of the **CORN, LP Staff & Employees** as they struggled against the first quarter frustrations of shutdowns and breakdowns, design flaws and numerous other challenges.

So engulfed were they by being put constantly on the defensive by dealing with these first quarter challenges and struggles, our **CORN, LP Team** could find very little time to focus on any of the positives of offense, and were prevented from trying anything new or innovative to turn the tide.

Thus having at last overcome those challenges to begin this second quarter fresh, the **CORN, LP Team** has been able to try new and innovative ideas to pull more production, more efficiency and more success out of the plant's operations over the past 90 days, and again, as you review the **Financial Highlights** elsewhere, you will clearly see that the results they have attained from their outstanding efforts, dedication and commitment speak for themselves quite clearly.

As I am sure all of you can well imagine, this remarkable turn around has re-charged and re-energized the spirits and enthusiasm of the entire **CORN, LP Team**

There is tremendous excitement and anticipation, you can see and feel the positive outlook and momentum that has

CORN, LP Board Of Directors

Dr. John Gazaway, President	CORN, LLC
Max Nedved, Vice-President	CORN, LLC
Clayton Hansen, Secretary	CORN, LLC
Mark Wigans, Treasurer	CORN, LLC
Joseph Horan, Director	CORN, LLC
Paul Rasmussen, Director	CORN, LLC
Dean Reichter, Director	CORN, LLC
Mervin Krauss, Director	Gold-Eagle
Duane Vorrie, Director	Gold-Eagle
Dave Reinhart, Director	Fagen, Inc.
Ken Ulrich, Director	ICM, Inc.

gripped each person, the smiles and exuberance have returned so that now, not only is the moral excellent, so too are the results these people are pulling from the plant by continuing to enhance efficiencies and production capacities through their efforts.

Thus as we have concluded this highly successful second quarter and report its results to you, we embark upon the third quarter excited and in anticipation of sustaining the outstanding positive momentum that's been created.

In looking ahead, there will be sometime in the future, perhaps in October, perhaps in November, during which we will be taking the plant down for a period of 3, 4 and maybe as much as 5 days during which we intend to do some major "tweaking" of systems and equipment.

Such fine-tuning is an on-going process, even when the plant is up and running strong, however to conduct anything more than minor adjustments and modifications for these purposes it is necessary to suspend production temporarily, and indeed our operational plans include these periodic shutdowns from time to time over the course of the year, and they are thus accounted and budgeted for.

In fact, we had originally budgeted for as many as nine days of shutdown in the plant for the April 1 through December 31 period, and at this point have used only one of those days, so there is some room to spare as we move forward, even with this late fall planned event.

And with that I will bring this second quarter report to a conclusion, doing so in much higher spirits and hoping that my feelings of optimism and my joy at sharing the results of this second quarter's success story with you have come through the ink and paper of this edition of **The CORN Connection**.



CORN, LP

515 North Locust Street
P.O. Box 280
Goldfield, Iowa 50542

First Class Mail
U.S. POSTAGE
PAID
Des Moines, IA
Permit No. 2929

RETURN SERVICE REQUESTED