



## HIGH PLAINS PROCESSING, LLC



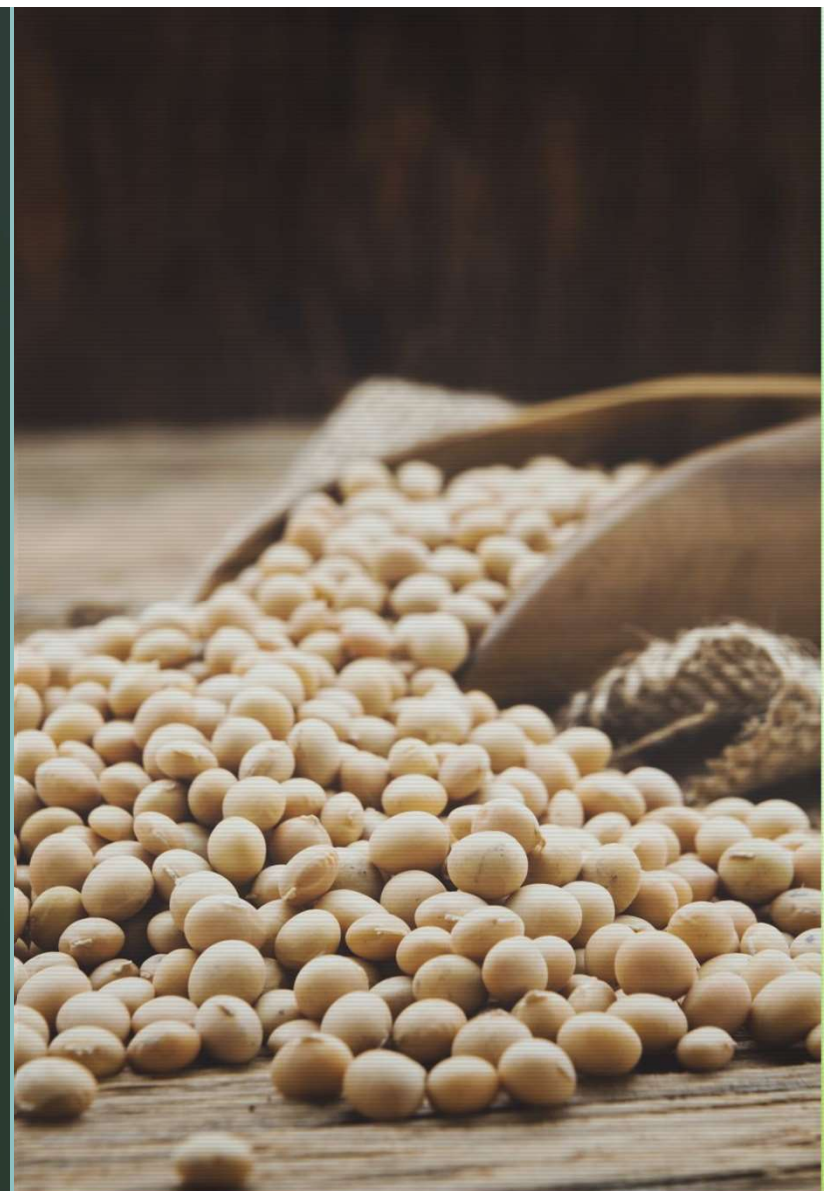
## Mission Statement/Leadership

- SDSP is a value-added LLC of agricultural producers with emphasis on adding value to soybeans. Our goal is to be financially strong and make maximum value-added payments to our partners, while maintaining growth and stock values. SDSP will maintain a competitive position in the marketplace by providing safe quality products to our customers with highly efficient and cost-effective processes.
- SDSP will ensure success through teams of dedicated and competent managers and associates. We will seek to meet the needs of our partners in a friendly and professional manner, and to listen to suggestions from partners, associates, and customers.



THOMAS KERSTING – CEO

Tom has served as the chief executive officer since March 28, 2011. Prior to serving as the chief executive officer, he served as commercial manager for SDSP from 1998 to 2011 and as procurement manager from 1996 to 1998. He is a licensed commodity broker and a former director of the National Oilseed Processors Association. He graduated from the University of Minnesota's College of Agriculture with a B.S. in Agricultural Business Administration with an emphasis in operations management.



## Volga & St. Lawrence Locations



Volga, SD



St. Lawrence/Miller, SD

# SDSP Overview

- With two existing soy crush facilities located in South Dakota & over 25 years of operating experience, SDSP is a respected leader in the oilseed processing sector with oil & meal customers throughout the region.

## Volga Plant History

SDSP began processing soybeans into soybean meal, crude soybean oil, & soybean hulls in 1996. Since then, SDSP has made significant capital improvements and expanded the business to include development of vertically integrated product lines & services.

In 2002, SDSP Completed the construction of a refining facility and began refining crude soybean oil. In May of 2011, they completed the construction of a start-up deodorizer, which allows the company to deodorize refined soybean oil & sell the oil directly to customers in the food industry.

## St. Lawrence Plant History

In December 2014, SDSP purchased an oilseed processing plant located near Miller & St. Lawrence, SD – approximately 100 miles west of the main facility in Volga.

The St. Lawrence/Miller plant has allowed SDSP to expand into new markets by processing identity-preserved soybeans, including non-GMO and organic soybeans.

## SDSP Overview

### 2017-21 Avg Production Stats

- Bushels Processed:
  - Volga – 29.7M
  - St. Lawrence – 3.7M

### Rail Infrastructure

- Volga – 106 cars & 21 cars outbound pick-up track
- St. Lawrence – 30 cars
- 100 car floating lease with RCP&E

### 2021 Meal Stats

- Local – 48%
- Other US States – 24%
- Exports – 28%

### 2021 Refined Oil Sales

- Local – 27%
- Other US States – 63%
- Exports – 10%

- >50% of products are shipped by rail, via the Rapid City, Pierre & Eastern (RCP&E) rail line, with connections to the BNSF, CP, & UP rail lines.



## Market Opportunities



Rapid expansion in renewable energy/fuel leading to increased feedstock demand and an oil-driven market



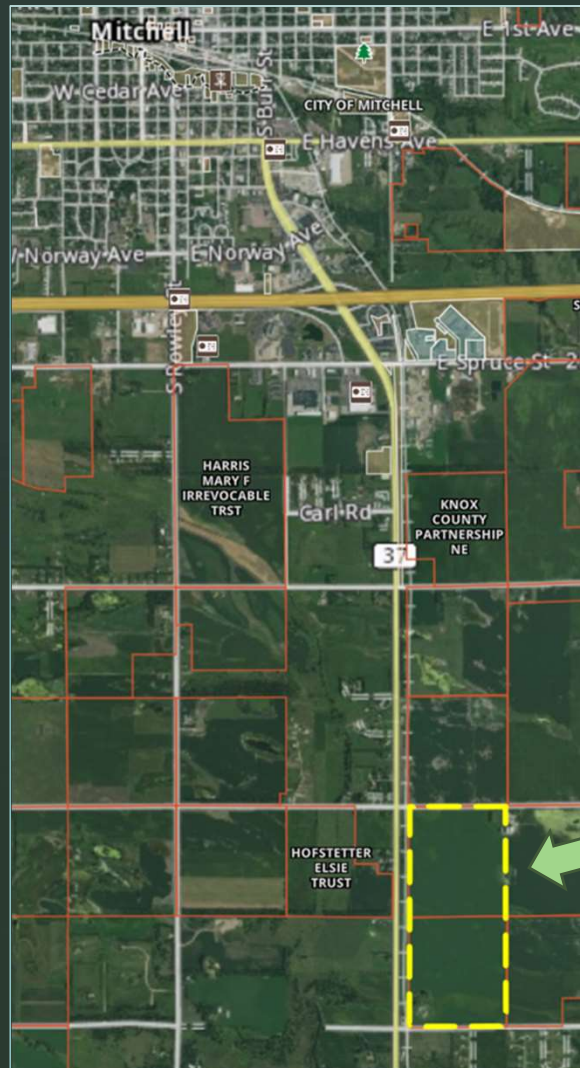
Low CI feedstocks largely utilized, offering only incremental growth - vegetable oil reliance to fill the gap



Renewable diesel demand creates an overall vegetable oil deficit – sunflower is in an exceptional response position, with nearly 40% oil content & oil price premiums



SDSP – existing & experienced operators with 25+ years of experience in both conventional & non-GMO oilseed processing, are well positioned to address the market need



## Proposed Site

- Current option on 296 +/- acres south of Mitchell, Davison County, SD
- Ideally located – just off Hwy 37
  - 2 miles south of I-90
  - Adjacent to BNSF Railway Mainline
  - Close proximity to power, natural gas, & water (rural/ground) access.

## Why Mitchell?

- **Business Friendly Climate**— South Dakota's low taxes are attractive to new and expanding businesses
- **Highly skilled workforce** – Mitchell is home to MTI & DWU providing local workforce talent
- **Like-minded business community** –Mitchell's diverse economy supports both local and global companies
- **Ease to market** – Access to well established infrastructure (railroad, interstate 90, state highways, etc.)
- **Quality of Life**– Mitchell provides its community with a small town feel while having access to large city amenities



## Why this Site?

- Available Land/Willing Seller
- Railroad opportunities through the BNSF on an existing line
- Proximity to utilities
  - Electricity
  - Water
  - Wastewater
  - Natural Gas
- Well maintained State Highway for site access
- Competitive Advantage
  - Proximity to other processing plants



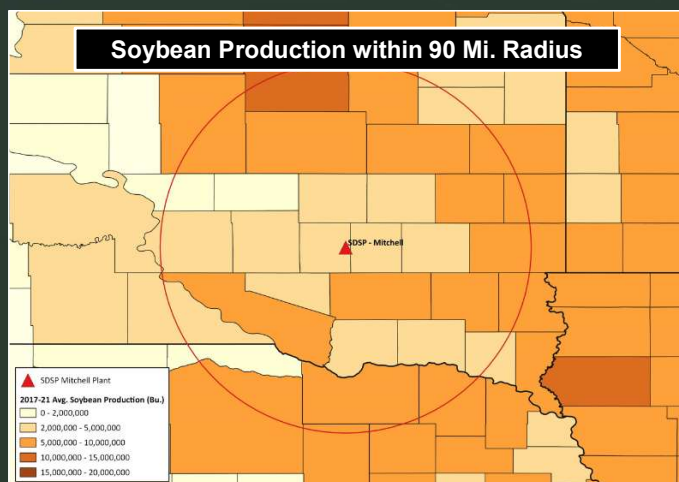
# Origination Strategy

As an existing, grower-centric soybean processor with operations since 1996 and currently handling over 34MM bushels annually, SDSP is well-positioned to originate soybeans and sunflowers for the proposed Mitchell plant.

- Mitchell is ideally located in a strong area of the state for both sunflower and soybean production, as well as other high oilseeds.

## Soybean Origination

SDSP will focus on a 90-mile radius around the plant with limited local competition and average annual production of 120MM bushels of beans.



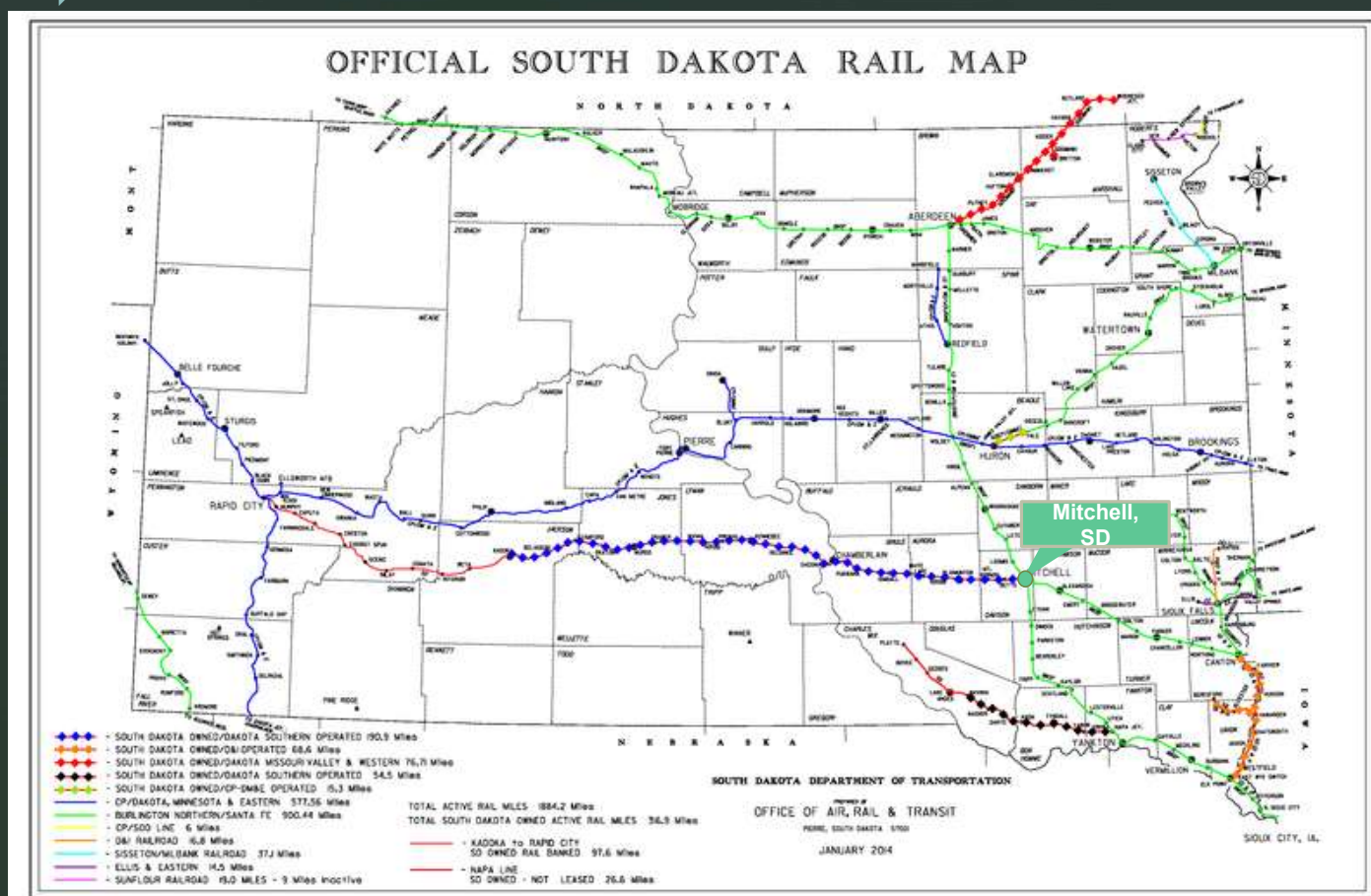
## Sunflower Origination

SDSP's focus area for sunflowers will be West and North of Mitchell with drier, suitable ground. SDSP has experience working with producers to get non-traditional crops planted in SD and will utilize those successful strategies.





# South Dakota Rail Access



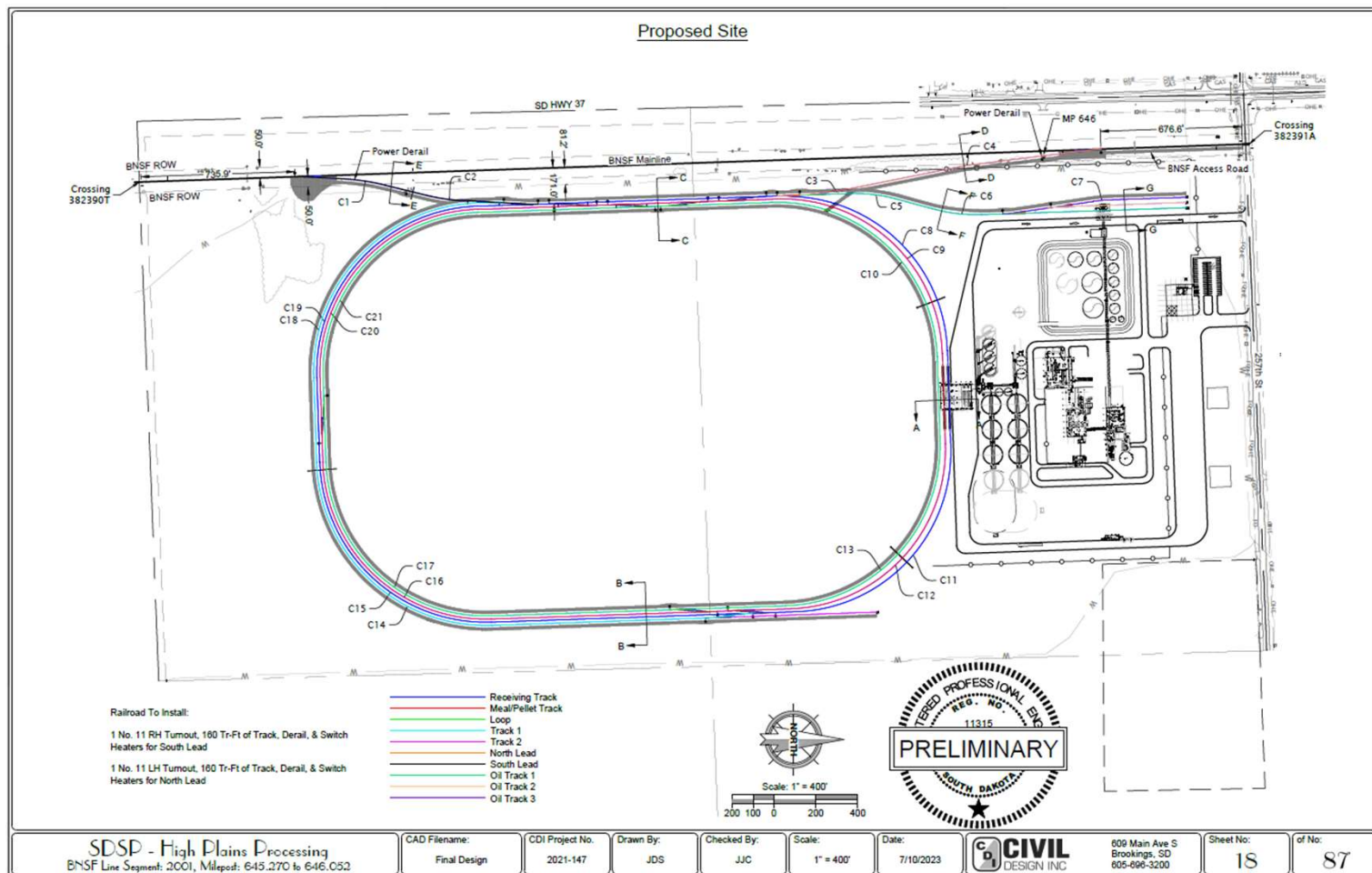
## Estimated Rail Traffic

Estimated Rail Numbers	Per Week
Rail Cars	147
Weekly Switches	3-5

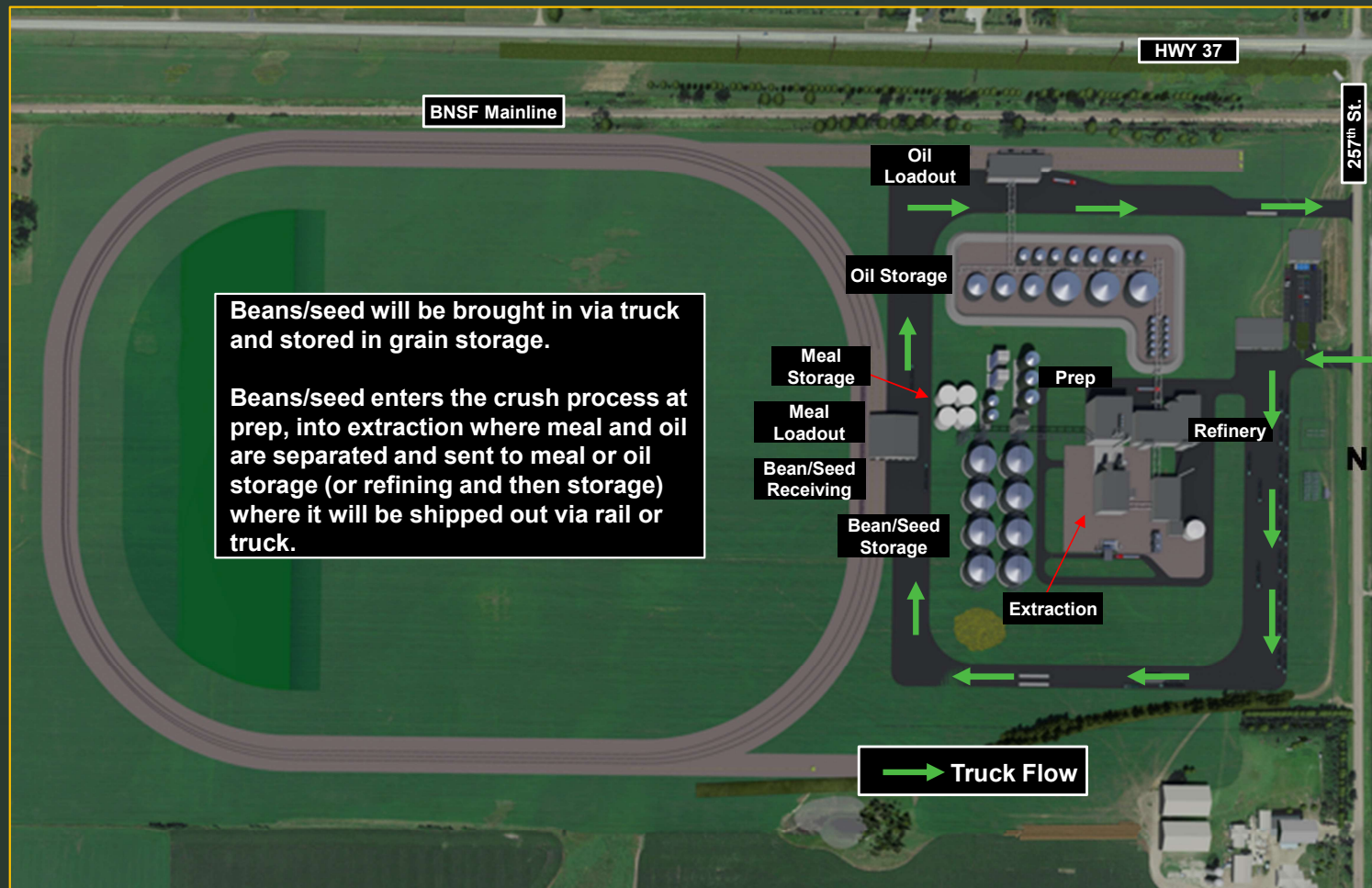
- Manifest trains will range from 30-60 cars
- Unit trains of 100 cars will ship 1-2 times per month
- Fleet Size – 450 hoppers, 265 tanks
- Civil Design Inc. (CDI) in Brookings, SD has been engaged by SDSP to assist with the rail development efforts.
  - CDI is an experienced engineering firm having worked on several rail layouts and designs for other clients across the Midwest.



# Rail Layout



# Proposed Layout





## 3D Plant Site Renderings (Northeast View)



## 3D Plant Site Renderings (East View)



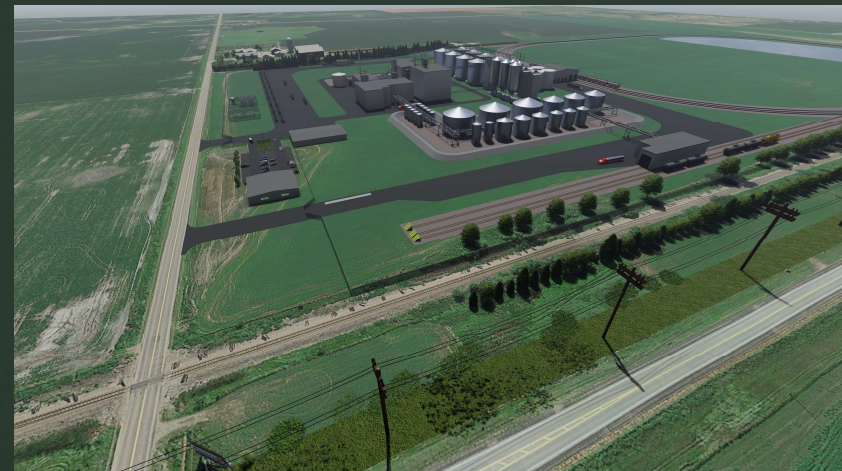
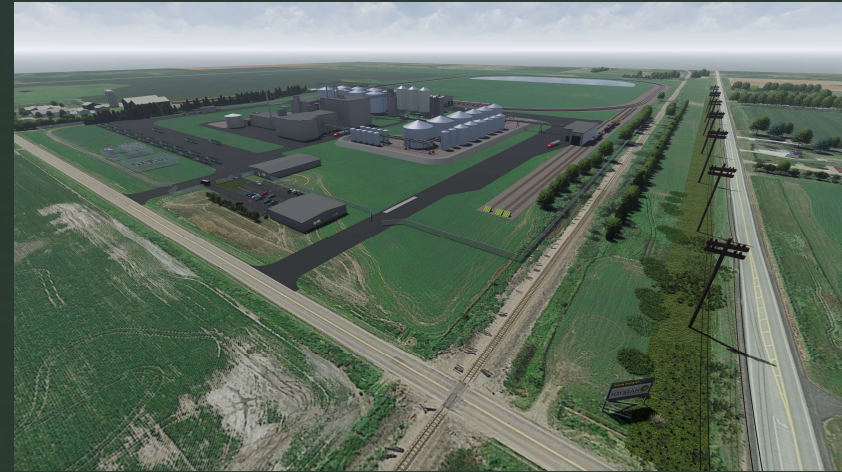


## 3D Plant Site Renderings (Aerial View)



## Proposed SDSP Plant – Mitchell, SD

Project Specifications	
Water	460,000-530,000 GPD
Wastewater	85-90 GPM est.
Power	<ul style="list-style-type: none"> <li>6.0 – 6.5 MW</li> <li>5,000 – 6,700 kW total demand</li> </ul>
Natural Gas	3,000 MMBtu/day
Bu. Commodities/Year	<ul style="list-style-type: none"> <li>35,000,000 bu. at 100% soy crush</li> <li>850,000 tons – high oilseed crops at 100% crush</li> </ul>
CapEx Numbers	\$500,000,000
Employees	<ul style="list-style-type: none"> <li>85 FTEs</li> <li>Competitive Wages</li> <li>Full Benefit Packages</li> </ul>





## Proposed SDSP Plant – Mitchell, SD

- 85 Full-Time Employees
  - Estimated \$4.25+ Million in Annual Salaries
  - Indirect benefits, including but not limited to grocery purchases, restaurant services, housing, utilities, health care, increased tax revenue, etc.
- Utilization of Local Providers across the board
- State Sales Tax, City Sales Tax & Contractors Excise Tax Revenue
- High demand for locally produced grains
  - Positively impacting basis for farmers



### Site & Switch Facility Profile

Location	Mitchell, SD
Site Acreage	296+/- (under option)
Logistics Infrastructure	Adjacent to BNSF Railway Mainline
Estimated Labor	85 Full-Time Employees

### Project Highlights

Plant Start Date	Fall 2025
Crush Capacity (TPD)	Soybean – 3,000 Sunflower – 2,400
Estimated Annual Volumes (Tons)	Meal – 569,625 Oil – 298,725
Storage Volumes	Beans/Seed – 4M bu. Meal/Hulls – 8,000 MT Crude Oil – 12.3M Gal. Refined Oil – 3.52M Gal.



## Project Timeline

### Site Development/Utility Due Diligence/County Permitting

✓ Today-July 2022

### Engineering/Project Development

✓ Today-Summer 2023

### Equipment Procurement

✓ Fall 2022-Summer 2024

### Construction/Build Out

✓ Fall 2023-Summer 2025

### Plant Commissioning

✓ Summer/Fall 2025

# Summary



PROVEN  
LEADERSHIP  
TEAM WITH  
SIGNIFICANT  
OILSEED  
PROCESSING  
EXPERIENCE



INCREASING  
PRODUCERS'  
COMPETITIVENESS  
IN TODAY'S  
GLOBAL MARKET  
- IMPROVING  
LOCAL GRAIN  
BASIS



PRODUCING  
BYPRODUCT  
FEED OPTIONS  
FOR LOCAL  
LIVESTOCK  
PRODUCERS



OFFERING NEW  
JOB  
OPPORTUNITIES



INCREASING  
LOCAL & STATE  
TAX REVENUES



UTILIZING  
IMMEDIATE OIL  
SUPPLY  
OPPORTUNITIES  
THROUGH  
EXISTING  
OPERATIONS

SOUTH DAKOTA  
**SOYBEAN**  
PROCESSORS

