



Fueling America...

...Energizing Livestock



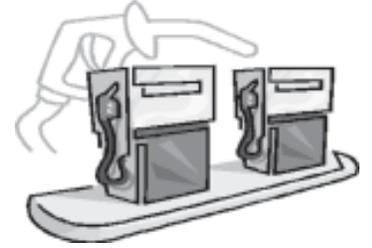
Quad County Corn Processors • Galva, Iowa • 712-282-4628



Ethanol Makes Sense

by Mike Jerke, General Manager

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The annual audit of Quad County Corn Processors has been completed. Net income for 2004 was \$7.22 million. Income was generated from sales of 25,739,000 gallons of denatured ethanol, 119,500 tons of Golden Bran® 32, 15,200 tons of Golden Bran® Dry, and 81,900 tons of Golden Bran® Liquid. I look forward to presenting a complete review of our financials and company outlook at the Annual Meeting on March 30, 2005 at 7:00 p.m. in the Galva-Holstein High School gymnasium in Holstein. Please make plans to attend.

In the most recent RFS the amount of annual renewable fuel consumption the petroleum industry is willing to support starts at 2 billion gallons in 2005 and increases to 5 billion gallons by 2012.

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A new legislative session has begun on the federal level as well as at the statehouse. Undoubtedly, energy policy will be an issue. For the last couple of years the Congress and Senate have debated an energy bill that would include a provision called a Renewable Fuel Standard (RFS). Essentially the RFS is legislation that requires that a certain amount of the fuel consumed in the United States be made from renewable sources. The RFS would actually replace the Clean Air Act that requires oxygenated fuels in areas of the country that are found to contain pollution levels above thresholds established by the Environmental Protection Agency.

The petroleum industry has not generally been a “fan” of ethanol but supports the RFS for two primary reasons.

1. The petroleum based competitor to ethanol, MTBE, has been found to be a carcinogen and has been banned in many states. Lawsuits are pending in multiple locations as many communities try to figure out how to clean up their MTBE polluted drinking water. The version of the RFS supported by the petroleum industry protects the MTBE manufacturers against product liability lawsuits.
2. By eliminating the Clean Air Act, the petroleum industry reduces the number of different fuel grades that have to be supplied to various regions of the country. With the RFS, “credits” can be traded from areas that have plentiful usage of renewable fuels to areas of the country that do not have as much renewable usage. Thus reducing the transportation and logistics involved in moving renewable fuels around the country.

NOTICE



Annual Meeting

**March 30, 2005 – 7:00 pm
Galva-Holstein High School
Gym – Holstein**

Agenda to include election of directors, financial report, and general manager’s report. This invitation serves as your official notice per the bylaws of Quad County Corn Processors - Mike Galvin Secretary.

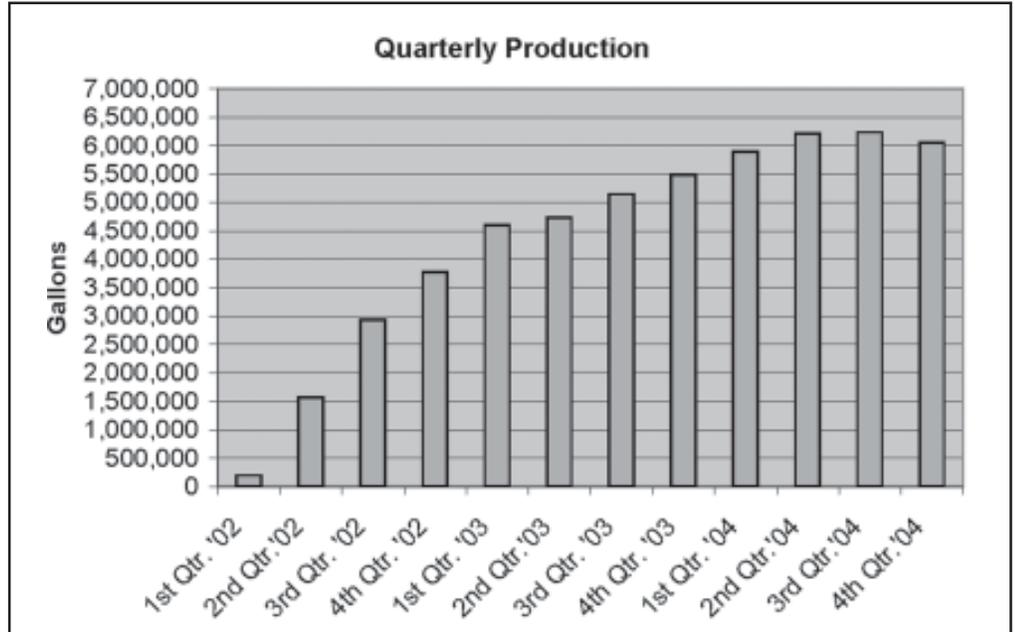
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The ethanol industry welcomes the support of petroleum and the language contained in the RFS. However, we need to critically review the RFS requirements before enthusiastically supporting passage in its existing form. If current demand and production are already approaching 4 billion gallons doesn't it make sense to plan for additional growth? Using domestically produced renewable energy is not just good for the environment, it is good for the country. The less we depend on foreign sources the better. What provisions should the RFS have to ensure our renewable energy is home grown versus imported from other nations? While it should be expected that companies will naturally do the right thing, specific language is needed to be sure the American people aren't taken advantage of.

You will be receiving a mailing from Quad County inviting you to participate in our legislative process by filling out and mailing in a card that will be used by the Iowa

Renewable Fuels Association to identify people who are willing to be part of a grassroots support group. I encourage you to join your fellow members and actively protect your investment in Quad County Corn Processors.

Ethanol produced by companies like Quad County Corn Processors is renewable, good for the environment, and helps to keep the homeland secure. Ethanol makes sense, period.



Other News

A Quad County Corn Processors Board of Directors/ Management retreat will take place in February. This event is an important element of the planning process for the business which looks at short- and long-term goals and issues.

Budgeting is one element of the planning process. A lot of work on Quad County's budget took place in advance of the retreat. This includes meetings with our bank and reports for the Board.

All of these processes take place as part of our visioning process. We are careful to balance our focus on day-to-day issues with long-term goals.

Make plans to attend the **Quad County Corn Processors annual meeting on March 30 at 7:00 pm at the Galva-Holstein High School in Holstein.** You will learn more about the planning process and what it means for this business.

Galva Holstein Fuel



As the price at the pump indicates, E85 costs significantly less per gallon than regular unleaded. In this case, E85 is 25¢ per gallon less. Fueling with E85 produced at Quad County Corn Processors makes "cents"!



Golden Bran® for the Cow/Calf Producer

By Rick Heaton, Galva Holstein Ag Beef Specialist Golden Bran® Co-Product Sales

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As I write this article, temperatures are brisk and snow covers the ground outside my window. However, spring is not far off and preparations are underway on many farms for calving in northwest Iowa.

It is never too late to incorporate Golden Bran® Liquid into your cow diets. By supplementing cornstalk bales and other low quality roughages with this high-protein feed, you can provide your cows with the energy they need at this critical stage of gestation so they will be in good condition to calve in March or April. Another way to use Golden Bran® Liquid is to place a lick tank in your pasture so that your cows and calves can access this high-quality supplement.

Obtaining Golden Bran® Liquid is easy and economical for large- and small-scale livestock operations. Quad County has cattle producers who pick up one ton a week and those who use 14 semi-loads a week. Our objective is to make

Golden Bran® co-products available to all local livestock producers regardless of the size of their operation.

By now, I am sure you have seen the “white totes” in the back of pick-up trucks or trailers. These 200 gallon delivery units have become very popular and are available from Quad County on a first come, first served basis for \$25. Feel free to contact us and we will let you know if totes are available. If you lack the manpower or equipment to pick up co-products, delivery is available via small delivery trucks and semis.

If you have any questions or would like to use Golden Bran® co-products, please give me a call at 712-368-4311 or on my cell phone at 712-299-1233. We welcome your comments regarding Golden Bran® co-product quality and are continually looking for new ways to use these premium co-products.

On behalf of Galva Holstein Ag and Quad County, we thank you for using Golden Bran® co-products and look forward to working with you this year!

Fuel Depot Is Open



You can now fuel with E85 at the Galva Holstein Ag Fuel 24 site across from Quad County Corn Processors who manufactures the ethanol being marketed here. Not sure if your vehicle can burn E85? Visit www.e85fuel.com and click on the “Flex Fuel Vehicles” link. Mike Jerke is shown fueling the Quad County pick-up with E85.

Important Tax Information

You should have recently received the 2004 Form K-1 with an attached Items Statement providing you with your specific partnership income tax information, including your Federal Taxable Income (Part III, Box #1), Federal Small Ethanol Producer Income Tax Credit (Part III, Box #15) and Iowa Taxable Income (Part III, Box #20).

As previously communicated to you, please be sure to deduct as an ordinary business expense on your 2004 income tax return your expenditure for the Corn Price Reduction that you paid to QCCP in the Spring of 2004.

PLEASE REFER TO YOUR TAX PREPARER FOR ANY QUESTIONS.

Annual Meeting Set

Quad County Corn Processors will hold its annual meeting on **Wednesday, March 30, beginning at 7:00 pm in the Galva-Holstein High School Gym in Holstein.** The agenda will include a review of the previous fiscal year as well as election of two directors to serve three-year terms.

Incumbent directors Brian Friedrichsen and Randy Hustedt are running for re-election. Others interested in running, or nominating another shareholder, can contact Mike Jerke at Quad County Corn Processors.

Present board members are:

Alan Bennett	Doug Clausen	Brian Friedrichsen
Mike Galvin	Randy Hustedt	Delayne Johnson
Harold Peyton		

Your participation in the annual meeting is critical to the success of Quad County Corn Processors. Our annual meeting is your opportunity for a detailed look at our business and giving feedback to the board and staff.

Members who attend will have an opportunity to win this print as a door prize.



Harvest Review

Abundant corn was harvested across the Quad County trade territory last fall. The bunker at the plant originally held 2.1 million bushels of corn and currently contains less than 700,000 bushels. And this corn continues to be used in production right now.

To get through the corn in the bunker in a timely fashion, restrictions on corn delivery for Quad County members are in place. This means we will only be able to accept corn until noon on days when deliveries are being accepted. As we continue to work through the corn stored at the plant, it is possible that restrictions on the quantity delivered may be implemented as well.

When you need to know about our delivery status, check the Quad County Corn Processors website at www.quad-county.com or call Larry Johnson at 712-282-4628.



Hay for Sale

Quad County Corn Processors offers good quality hay for sale. Contact Mike Jerke by calling 712-282-4628.



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