



Ethanol - The Alternative Solution

Homeland Energy Solutions · 2779 Highway 24 · Lawler, IA 52154
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Plant News & Ethanol Update

June 2011

Homeland welcomes new CFO David Finke

As of April 4, 2011, David A. Finke was appointed as Chief Financial Officer of Homeland Energy Solutions, LLC ("Homeland"). Finke, 36, previously served as the Plant Controller for Flint Hills Resources from September 2010 until joining Homeland. He was also the Plant Controller for Hawkeye Growth from October 2008 until September 2010.

From November 2007 until October 2008, Finke was Assistant Controller for Professional Insurance Planners and from May 2004 until November 2007, he was Controller for Fred Hoiberg's Clarion Auto Center.



David Finke

Homeland Energy Solutions hosts annual meeting in April

Homeland Energy's annual membership meeting was April 7, 2011, in Lawler, Iowa. Members present at the meeting represented 1,683 membership units, with another 69,757 units represented by proxy.

The primary order of business for the meeting was the election of directors from a slate of five nominees. Elected to 3-year terms were Mathew

Driscoll and Robert Sieracki.

Members present also heard reports from Walt Wendland, president and CEO; Kevin Howes, plant manager; Stan Wubbena, grain merchandiser; Doug Punke with RPMG; Steve Markham from CHS; Sue Kolling with Home Federal Saving Bank; and Grant Menke with the Iowa Renewable Fuels Association.

RPMG brings leverage, flexibility

I would like to report that the switchover to Renewable Products Marketing Group (RPMG) for the marketing of Homeland's ethanol is going quite well. RPMG has been marketing our ethanol since May 1.

The logistics of moving the ethanol to market has improved. In fact, in mid-March RPMG helped Homeland by setting an additional train of 80 empties to help us get through a very difficult stretch where we were full of ethanol and could not get any of our cars back soon enough. This saved us from either stopping production or selling truck gallons at very poor economics. This was very beneficial for Homeland, and we appreciate this act of good faith on RPMG's part as RPMG had no obligation in March to help Homeland at all. Their contract did not start until May 1.

As the railroad has a very difficult time moving single cars and small

groups of cars, RPMG has gone solely to loading unit trains (80 cars). The railroad seems to do a better job of moving these units in a timely fashion. RPMG markets for several ethanol plants on this rail line, and this affords them the advantage of switching destination of empty units to the plants that need them the most. Their size affords them leverage in negotiating and working their logistics with the railroad.

RPMG has also been flexible with the pricing of the trains. They are allowing us to sell partial trains at a time. This seems to be working fine so far also.

To answer the question "How's it going with the new ethanol marketer?", I would answer, "Just fine!"

— Stan Wubbena,
Grain Merchandiser
Homeland Energy Solutions

Homeland answers challenge of high corn prices with continued profitability

To say that Spring 2011 has been a busy time for Homeland Energy Solutions would be an understatement. In addition to the search for a new CFO, Homeland issued its first distribution to members, held the annual members meeting in Lawler, completed a successful spring maintenance shut down, and filed its 1st Quarter 10Q with the SEC in early May.

On May 1st, the Company entered into an agreement with Renewable Products Marketing Group (RPMG) to handle the marketing for all of the ethanol produced by Homeland. In addition to reduced marketing fees, we feel that this relationship will enable Homeland to benefit from the most competitive ethanol pricing that the industry has

to offer. As a part of this agreement, Homeland assumes a minority ownership position in RPMG and has a “seat at the table” when decisions are being made about the marketing, distribution, and sale of our product. We feel that these factors will help ensure that Homeland remains a leader in the ethanol industry for years to come.

The trend of increasing corn prices that started in late 2010 has spilled over into 2011, and the focus on getting the most ethanol out of every kernel of corn that comes into our facility is at an all time high. I’m proud to say that the Homeland production team has stepped up to

Continued on Page 4

BALANCE SHEET						
		03/31/11	12/31/10	9/30/10	6/30/10	3/31/10
Current Assets	\$	24,124,467	30,920,597	18,495,942	23,081,129	25,017,424
Property & Equipment		136,511,019	138,906,631	141,759,292	144,250,831	146,436,843
Other Assets		3,088,090	2,847,833	2,944,666	13,069,402	13,134,598
Total Assets		163,723,576	172,675,061	163,199,900	180,401,362	184,588,865
Current Liabilities	\$	19,964,090	27,089,841	14,441,159	11,093,397	15,498,682
Long-term Liabilities		27,998,160	33,101,406	31,704,602	53,557,751	55,410,855
Total Members' Equity		115,761,326	112,483,814	117,054,139	115,750,214	113,679,328
Total Liabilities & Equity		163,723,576	172,675,061	163,199,900	180,401,362	184,588,865
Book Value per membership unit		1,280	1,230	1,280	1,266	1,243

INCOME STATEMENT				
		Qtr Ended 03/31/11	Year Ended 2010	Year Ended 2009
Revenue	\$	94,498,066	254,480,111	161,855,910
Cost of Goods Sold		89,504,893	239,311,226	142,218,998
Operating Expenses		705,190	2,198,314	2,451,539
Operating Income (Loss)		4,287,983	12,970,571	17,185,373
Other Income (Expenses)		(10,471)	(1,939,762)	(1,544,998)
Net Income (Loss)		4,277,512	11,030,809	15,640,375
Net Income (Loss) Per Unit	\$	47.29	120.63	171.04

Homeland Energy Solutions

Board of Directors

Jim Boeding, Chairman
 Pat Boyle, Vice Chairman
 Christine Marchand, Secretary
 Jerry Calease
 Mathew Driscoll
 Ed Hatten
 Maurice Hyde
 Chad Kuhlert
 Ron Pumphrey
 Steve Retterath
 Robert Sieracki

Management Team

Walter Wendland,
 President & CEO
 David Finke,
 Chief Financial Officer
 Stan Wubbena, Grain
 Merchandiser
 Kevin Howes, Plant Manager

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This newsletter contains forward-looking statements. We undertake no responsibility to update any forward looking statement. When used, the words "believe", "hope", "expect", "anticipate" and similar expressions are intended to identify forward-looking statements. Readers should not place undue reliance on any forward-looking statements and recognize that the statements are not predictions of actual future results, which could and likely will differ materially from those anticipated in the forward-looking statements due to risks and uncertainties, including those described in our Securities and Exchange Commission filings, copies of which are available through our web site or upon request.

Iowa on cusp of E15 leadership

The Iowa Legislature recently passed comprehensive renewable fuels legislation that will boost E15 availability and sales and the Governor signed the bill on May 26th

Iowa now becomes the first state with a specific E15 incentive. The bill includes a new 3-cent per gallon retailer tax credit for each gallon of E15 sold. With final EPA approval of E15 expected later this summer, Iowa retailers will have an incentive to begin offering E15 on day one.

E15 will be an option for Iowa motorists only if Iowa retailers choose to offer the higher blend. The E15 tax credit is an important tool for retailers looking to add lower cost E15 to their product mix.

To help Iowa retailers say "yes" to customers' demand for E15, the bill also contained very broad misfueling liability protection for retailers. Finally, the bill directs \$3 million in annual funding for Iowa's Renewable Fuel Infrastructure Program, which provides grants for installation of E85 and blender pumps.

In addition to the E15 provisions, the bill has provisions boosting E85 and biodiesel production and use.

The bill also creates a short-term production incentive for Iowa biodiesel producers. As states surrounding Iowa have taken aggressive steps to protect their biodiesel producers, this new production incentive will help Iowa biodiesel producers compete, thereby creating thousands of direct and indirect jobs.

The bill also:

- Increases the E85 retailer tax credit from 10 to 16-cents per gallon.
- Extends the biodiesel retailer tax credit for blends of B5 and higher.
- Codifies the ASTM fuel specification for biodiesel blends between 6 and 20 percent.

Homeland Energy Solutions is a member of the Iowa Renewable Fuels Association. Homeland's Jerry Calease serves on the IRFA Board and helps set IRFA legislative priorities.

For more information, visit the Iowa Renewable Fuels Association website at: www.IowaRFA.org.

— **Monte Shaw, Executive Director
 Iowa Renewable Fuels Association**

Financial highlights ... continued from Page 2

the plate and met this challenge head on. Homeland's commitment to high conversion (yield), fermentation, and consistent production helped the Company achieve a 1st Quarter profit of nearly \$4.3 million or \$47.29 per membership unit.

Highlights of the financial results

are printed on Page 2. A more detailed version of the financial results is currently available on the HES or SEC website.

— **David Finke,
 Chief Financial Officer
 Homeland Energy Solutions**