



# Conestoga

• CONNECTION •

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## Exciting Joint Venture Benefits Conestoga Investors

On August 1, 2015, Conestoga Energy Partners LLC entered into a joint venture with White Energy, Inc. According to Tom Willis, chief executive officer at Conestoga, this alliance will bring good things to Conestoga investors.

“The main reason for the joint venture is to take advantage of the synergies of the two companies,” Tom said. “Instead of operating separately in a number of areas, our collaboration gives us increased flexibility and presence—it just makes sense.

“Our two companies have a lot of commonality. For instance:

- We’re in the same geographical area—the southern plains.
- We serve many of the same customers.
- We have similar customers for our co-products—dry distillers and wet distillers grains.
- We share common freight lanes and truck routes. In order to make money—or save money—on these routes, it’s best to pick up another load after delivering one.



**C&W Commodities, LLC represents the joint venture between Conestoga Energy Partners, LLC and White Energy, Inc.**

Our venture with White Energy increases our ability to do this more consistently,” Tom explained.

Don Gales is the chief executive officer of White Energy and a friend of Tom’s. Prior to the joint venture, White outsourced a number of their services to third parties. When Don became the new CEO of White, he faced hiring a whole new staff. That’s when talks began and a joint venture became a reality. “I want to make it very clear: this is not a merger,” said Tom. “No assets are being combined. We’re simply organizing our workforces to benefit from the synergistic and tactical advantages of working

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# Conestoga

energy partners, LLC



# Community Spotlight: Pheasant Heaven Charities, Inc.

## Conestoga Employees Give Back Through Community Involvement

Employee Spotlights in each issue of *Conestoga Connection* showcase a common theme: Our associates like to give back to the surrounding community. Case in point—Corey Spikes, Conestoga Agency Manager and board member of Pheasant Heaven Charities, Inc.

Pheasant Heaven Charities is a benevolent charity in Hugoton, KS, and Corey has served on the board since 2013. “It’s really amazing what we do,” he says. “We help raise money whenever it’s needed. These funds pay for travel costs for cancer

patients, operational needs for hospice in Garden City, 32 college and vocational school scholarships awarded every year, and more.”

The Charities’ 150 Partners each contribute \$1,000 to the organization. In addition, more than 200 volunteers annually assist with fundraisers, the most popular of which are tailgates at football games in surrounding communities. According to Corey, the most rewarding function of the Pheasant Heaven board is distributing all funds raised to worthy recipients by year’s end. 💧



Pheasant Heaven Charities provides dozens of scholarships every year to residents throughout Southwest Kansas and the Oklahoma Panhandle who are looking to further their education. Scholarships are awarded to both new and returning students who live within a 50-mile radius of Hugoton, KS. Pheasant Heaven also assists individuals with catastrophic medical needs and other organizations throughout the region. By the end of 2015, Pheasant Heaven Charities projects it will exceed \$2 million in raised funds thanks to continued support from the community and their Pheasant Heaven Partners. For more information and photos of donors having fun while giving, visit [www.PheasantHeavenCharities.com](http://www.PheasantHeavenCharities.com). 💧

## Exciting Joint Venture Benefits Conestoga Investors

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together, while still maintaining the autonomy of our own ownership.”

So what does this joint venture mean for Conestoga and its investors? “First of all, we’ll be able to off-load portions of our overhead, as White will pick up some of the cost. Second, in terms of grain and distillers movement, we’ll ship to the customer from the plant that makes the most sense, while working together to make sure trucks return with another load,” Tom explained.

“In addition to marketing distillers and running logistics together, we’ll also start—in the first quarter of 2016—to leverage our buying power and jointly purchase ingredients we

use to produce ethanol. With greater buying power, we’ll be able to get them cheaper—a win for our investors.

“Both Conestoga and White operate on a low carbon model,” says Tom. “Our ethanol is considered to be of lower carbon-intensity, according to new fuel standards developed by the California Air Resources Board. By marketing together, we can maximize their value.”

And finally, a word about management structure. The joint venture is structured as a Limited Liability Company (LLC),” says Tom. “As a service provider, it functions as a non-profit entity. The profits go back to the parent companies.

“We’re not in this to see how much

the LLC can make,” Tom explained. “We joined together to enhance the profit potential of the parent companies—Conestoga and White.”

The new LLC is co-managed by a board of directors—two directors from Conestoga and two from White. “While working for the LLC, employees will still be employed by their original parent company,” Tom said. “If they got a paycheck from Conestoga today, their next one will come from Conestoga, too.”

“We’re excited about this joint venture,” said Tom. “It adds value to both companies, and for our shareholders, it creates benefits that go right to our bottom line.” 💧

# New Crop Insurance Products Introduced by Conestoga

## MORE ABOUT COREY SPIKES AGENCY MANAGER

*Corey is a Hugoton, KS, native and has a solid family background in farming and ranching. A graduate of Texas Tech University in Lubbock, TX, he holds degrees in political science and business, as well as a master's degree in financial planning.*

*Before joining Conestoga in July 2015, Corey worked for five years at Farm Credit Bank.*

*"Conestoga is always involved in the community," Corey said. "I like that—along with the chance I have to get out, talk to people, and help them better their operations."*

Conestoga Energy Partners is a service-oriented organization. The needs of the farmers we serve are foremost. Recently, another need became apparent to Conestoga, resulting in a new product—crop insurance.

"We serve so many farmers by buying their grains," said Corey Spikes, Conestoga's Agency Manager, "that offering crop insurance seemed like a natural fit. After all, every grower needs it, and Conestoga is in a position to provide a great product.

"When considering multi-peril insurance," Corey continued, "keep in mind the Federal government sets the premium—everyone has the same product. Conestoga is unable to offer a better rate, because everyone has the same rate. Even though we cannot distinguish in terms of premium, we can offer positive difference through great customer service."

In addition to multi-peril insurance, Conestoga now offers crop hail insurance—a

private product. Due to your relationship with Conestoga Energy, ADM Crop Risk Services now offers a customer reduction in premium on crop hail products. Discounts are as follows:

- **10% reduction on Standard Crop Hail insurance and Value Per Acre (VPA) insurance policies.**
- **5% reduction on deductible hail insurance and VPA insurance policies.**

These discounts are applicable to 32 different crops. You need only share your customer number with your ADM Crop Risk Services agent to take advantage of these discounts.

To learn more details, features, and benefits of crop insurance through Conestoga Energy Partners, call Corey Spikes at 620-624-2901. 🌱



## Conestoga Classic Raises \$10,000 for Youthville

### Community Support Where It Really Counts

Sixty-two employees, vendors, and associates of Conestoga Energy participated in the 5th Annual Conestoga Classic for the benefit of Youthville on Friday, July 31, at Buffalo Dunes Golf Course in Garden City, KS.

"A very successful silent auction contributed to proceeds close to \$10,000 for Youthville," said Ryan Klaus, this year's event coordinator. The winning foursome of Greg Wells, Fred Miller, Kelly Rotolo, and Clark Foster went home with the 2015 trophy.

Youthville has one of the longest running foster care programs in Kansas. The organization provides support for foster families throughout the state. When children are unable to live with their own families, they need a safe home and loving

family to provide for them until their own family can be rebuilt. Youthville provides that resource—the loving hearts and homes to welcome Kansas' most vulnerable children.

"We're already working on next year's Conestoga Classic," said Ryan. "Our goals include having more than 70 golfers and a donation of \$12,000 to Youthville. It will take place, again, at the end of July. Thanks to all who participated this year—hope to see everyone there next year!" 🌱



## Employee Spotlight

The managers of Conestoga's three ethanol plants have a lot in common. They each have decades of experience and all have held various positions at numerous plants in several states. And they love the challenges of their jobs.

### Jeff Gilbert, Bonanza BioEnergy Plant Manager

Bonanza plant manager Jeff Gilbert was taking a few college courses and working in the hazardous waste business in rural Illinois when a job opened at a facility that made fuel as well as medical, industrial, and beverage alcohol. "I took advantage of the opportunity because working conditions were better. It turned out to be a great fit for me," he said.

After working at a few plants in Illinois, Jeff helped start plants in Colorado, Indiana, and Nebraska. After more than 20 years in many positions, including one as an environmental officer, he joined Conestoga Energy in 2010. "I used to unload Kansas wheat when I worked in Illinois," he said, "so I feel like I've come full circle." About two years ago, Jeff was chosen to lead the Garden City site, following three years as manager of Arkalon Ethanol.

Jeff enjoys golf and target shooting during his recreational time. He also has a large garden in Garden City. Married just over a year to Vengilene, he has a 22-year-old son who lives in Indiana.

Jeff nurtures his team and helps them reach their goals. "When you listen to your team and give them the tools they need to be successful, good things happen," he said. 💧



### Richard Hanson, Arkalon Ethanol Plant Manager

Arkalon plant manager Richard Hanson got his start in the early 1980s in Minnesota after taking a few agriculture college courses. "The corn processing plant I started at branched out into alcohol after its corn starch and corn syrup operation," Richard said. "It wasn't the high-fructose corn syrup, but other products used by the frozen food and canning industries."

Richard then worked at ethanol plants in North Carolina and in the Wichita, KS, area. He's been with Conestoga Energy about four years.

Richard and his wife of 35 years live in Liberal, KS, and enjoy collecting antique pottery. They have a son and grandson in Illinois, and a daughter and grandson in Wichita, with another grandchild due in December.

His favorite aspect of his job is that no two days are alike. "There's always something else going on. You're always learning new things or experiencing things you haven't seen in the past," Richard said. "Just staying one step ahead of everything keeps it interesting." 💧



### Chuck Fryar, Diamond Ethanol Plant Manager

Chuck Fryar was introduced to ethanol in the early 1980s. "I thought it was a good thing not to use imported oil," he said, "and felt this industry might offer a good career path for me." He started in the maintenance department at a plant in Arkansas. From there, he worked in operations, became a supervisor, then a manager. Next, he advanced his career at plants in New Mexico.

In September of 2012, Chuck joined the 40-million gallon Diamond plant in Levelland, TX, where he says every day brings a new learning experience. "It's an exciting challenge every day," he said. "We all do our best, learning new things and improving."

Chuck and his wife enjoy fishing at a few favorite spots in New Mexico. Otherwise, they're entertained at home in Levelland by their two Chihuahuas. 💧

