Integrated Beef & Energy Complex

The Dakota Value Capture Cooperative (DVCC) was founded to ensure that South Dakota farm and ranch families remain viable in production agriculture. DVCC is offering producers a pioneering roll in ownership of a unique value-added ag facility located in Sully County, South Dakota. The site consists of 310 acres surrounded by the 10,000 acres of irrigated crop land, 14 miles north of Pierre.

DVCC plans to own, construct, and operate an integrated (closed-loop) facility for the purpose of producing slaughter-weight beef cattle, fuel ethanol, wet distillers byproducts, methane, and other marketable value-added products.

The DVCC integrated beef and energy project will build a climate-controlled cattle feedlot, an ethanol production facility, and an anaerobic digestion complex all on the same plot of land. The ethanol will provide a new market for corn and milo and produce South Dakota's favorite renewable resource - ethanol.

The byproduct of the ethanol plant (wet distillers grain) will be fed to cattle in the integrated feedlot. The manure will automatically be moved to an anaerobic digestion treatment plant where the animal waste will be converted into fuels and fertilizers. The methane from the cattle will help fuel the ethanol plant, completing the closed-loop system.

This fully integrated DVCC project will make use of the byproducts both internally and in the market place to generate an exceptional return of investment. This integrated system achieves effectiveness that far exceeds those of any single component functioning in isolation. It's an approach without precedent - an approach fairly described as revolutionary.

"This project could be the prototype for ethanol energy cooperative for the entire country."

- Senator Tim Johnson

Note: Investors are limited to South Dakota residents who are agricultural producers. This material is neither an offer to sell nor a solicitation of an offer to buy stock in the Cooperative. Offering information can only be obtained from the published Offering Circular for Dakota Value Capture Cooperative dated October 17, 2001.
"These kinds of opportunities allow producers to add value to their raw commodities by reaching up the agricultural marketing chain and capturing the profits generated from processing their commodities."

- Congressman John Thune

The Company

Dakota Value Capture Cooperative was founded in July 2001. It represents the culmination of three years of effort to give agricultural producers the tools to allow them to substantially increase their profits through ownership and control of the lucrative processing phases of their industries. DVCC was founded by 16 South Dakota producers who serve as the Company's board of directors.

The DVCC closed-loop approach is not only unique but offers a level of risk that has been carefully evaluated and managed. It's individual components - ethanol unit, climate-controlled feedlot, and anaerobic digester - are fully proven and successfully operating technologies and fully integrated for the first time in the Sully County project. The DVCC closed-loop complex will be exceptionally friendly to the environment. All wastes and byproducts are used in the system and the complex will be environmentally safe and clean.

Cost of construction of the entire complex is estimated at $62 million, which will be met by a combination of equity investment, debt financing, and a potential direct Federal appropriation of $6 million.

Grain Payment & Cattle Financing

DVCC will be offering shares of non-voting common stock in the Cooperative to both farmers and ranchers. The minimum purchase will be 10,000 shares. Each shareholder will be required to sign an agreement to deliver approximately 0.50 bushels of grain for every share of non-voting stock owned. This equates to 5,000 bushels of grain on the purchase of 10,000 shares of non-voting common stock. The Cooperative will pay the shareholder 100 percent of the price of grain upon delivery.

The grain supplied from shareholders of DVCC can come either from their farms or can be purchased by shareholders and delivered to DVCC. In the event that shareholders cannot supply DVCC with grain from their own farm or cannot purchase from a third party, DVCC will operate a corn-purchase pool program. Under this program the shareholder will contract with an independent corn-purchasing agent to purchase grain on the shareholders behalf.

To encourage farmers and ranchers who are shareholders to supply cattle, DVCC has designed a special financing program to facilitate the transfer of cattle to the feedlot. DVCC will select a lender that can provide the shareholder with 100 percent financing to initial cattle value and ensuing inputs.
Management by PRIME Technologies

DVCC will own the entire closed-loop beef and energy complex and oversee its operation; however, the technical aspects of plant development, construction and ongoing operation will be conducted by PRIME Technologies - a consortium of individuals and industry companies. PRIME Technologies will operate and manage the integrated complex on behalf of DVCC. Because of a unique fee structure that guarantees the PRIME will profit only if investors profit first, the financial relationship offers a true win-win opportunity.

PRIME Technologies is comprised of experts in the fields of ethanol plant design and engineering, feedlot design and engineering, ruminant animal nutrition, climate-controlled cattle feeding, and anaerobic digestion. Together, these specialists have developed an approach to capturing profits for agricultural products that is unprecedented.

PRIME Technologies will operate and manage the integrated complex on behalf of DVCC. In return for its management fee, which is based on future net profits, PRIME will:

- Assist in the acquisition of financing for the project.
- Assist in the construction and day-to-day operation of the ethanol plant.
- Assist in the construction and day-to-day operation of the environmentally-controlled feedlot.
- Assist in the construction and day-to-day operation of the anaerobic digester.
- Market ethanol, cattle, unused WDB, liquid fertilizer and compost.
- Manage pertinent Federal and State policy and environmental issues.

### DVCC Product Summary by Component

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<thead>
<tr>
<th>System Component</th>
<th>Inputs</th>
<th>Products</th>
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<tbody>
<tr>
<td>DVCC Ethanol Plant</td>
<td>• 7.4 million bushels of grain annually</td>
<td>• 20 million gallons of ethanol annually</td>
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<td></td>
<td></td>
<td>• 50,000 tons of WDB or the nutritional equivalent of 2.4 million bushels of grain</td>
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<tr>
<td>DVCC Climate-Controlled Feedlot</td>
<td>• 2.6 million bushels of grain</td>
<td>• 65,000 head of custom finished cattle annually</td>
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<tr>
<td></td>
<td>• WDB-nutritional equivalent of 2.4 million bushels of grain</td>
<td>• Finishing data on each steer</td>
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<tr>
<td></td>
<td></td>
<td>• 1,000 tons of manure per day</td>
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<tr>
<td>DVCC Anaerobic Digester</td>
<td>• 1,000 tons of manure per day</td>
<td>• 1 million cu. ft. of bio-methane per day</td>
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<td></td>
<td></td>
<td>• 23,000 tons of fiber annually</td>
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<td>• 75 million gallons of liquid fertilizer annually</td>
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"The integrated complex is an extremely energy-efficient way to produce ethanol and feed cattle, while substantially reducing greenhouse gas emissions."

- Senator Tom Daschle
Hypothetical Materials Flow Diagram

GRAIN RECEIVING & PROCESSING → CATTLE FEED MILL → CLIMATE-CONTROLLED FEEDLOT → Cattle To Market

GRAIN RECEIVING & PROCESSING → ETHANOL PLANT (no wet stillage drying) → CATTLE FEED MILL → CLIMATE-CONTROLLED FEEDLOT

ETHANOL PLANT (no wet stillage drying) → Surplus WDB To Market → Material Outputs

WET DISTILLERS BYPRODUCTS (WDB) → BIOMETHANE → MANURE → ENERGY CENTER

ENERGY CENTER → BIOMETHANE

ENERGY CENTER → SUPPLEMENTAL NATURAL GAS, SUPPLEMENTAL ELECTRICITY

ENERGY CENTER → STEAM ELECTRICITY GAS & WATER

ENERGY CENTER → LIQUID/SOLIDS SEPARATION & DRYING → Liquid Fertilizer To Market

LIQUID/SOLIDS SEPARATION & DRYING → DIGESTATE → Compost To Market

DIGESTATE → MANURE

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