Green Plains Renewable Energy, Inc.
Form PRE 14A
March 14, 2011
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SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

x Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

¨ Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Under Rule 14a-12

GREEN PLAINS RENEWABLE ENERGY, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

1) Title of each class of securities to which the transaction applies:

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1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

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4) Date Filed:

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March 24, 2011

Dear Shareholder,

You are cordially invited to attend the 2011 Annual Meeting of Shareholders of Green Plains Renewable Energy, Inc. to be held at 10:00 a.m., Central Time, on Wednesday, May 4, 2011 at the Doubletree Hotel & Executive Meeting Center located at 1616 Dodge Street, Omaha, Nebraska.

A Notice of Annual Meeting of Shareholders, Proxy Statement containing information about matters to be acted upon, Proxy Card and 2010 Annual Report are enclosed.

Please use this opportunity to take part in the affairs of your company. Whether or not you plan to attend the Annual Meeting of Shareholders, please complete, date, sign and return the accompanying Proxy Card in the enclosed postage-paid envelope, or vote via the Internet or telephone. Please refer to the enclosed Proxy Card for instructions on voting via the Internet or telephone or, if your shares are registered in the name of a broker or bank, please refer to the information forwarded by the broker or bank to determine if Internet or telephone voting is available to you. If you attend the Annual Meeting of Shareholders, you may revoke the proxy and vote in person.

On behalf of the Board of Directors, we appreciate your continued interest in your company.

Sincerely,

Wayne B. Hoovestol

Chairman of the Board of Directors

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GREEN PLAINS RENEWABLE ENERGY, INC.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

to be held on May 4, 2011

The 2011 Annual Meeting of Shareholders (the Annual Meeting) of Green Plains Renewable Energy, Inc. (the Company) will be held at 10:00 a.m., Central Time, on Wednesday, May 4, 2011 at the Doubletree Hotel & Executive Meeting Center located at 1616 Dodge Street, Omaha, Nebraska, for the following purposes:

1. To elect three directors to serve three-year terms that expire at the 2014 annual meeting;

2. To approve an amendment to the Company s 2009 Equity Incentive Plan increasing the aggregate number of shares that may be issued as stock-based awards;

3. To approve an amendment to the Company s Articles of Incorporation increasing the number of shares authorized for issuance;

4. To cast an advisory vote on the Company s executive compensation;

5. To cast an advisory vote on the frequency of holding an advisory vote on executive compensation; and

6. To transact such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

The Board of Directors recommends a vote For all nominees in Proposal 1, and For Proposals 2, 3 and 4, and that you select three years on Proposal 5.

The foregoing items are more fully described in the accompanying Proxy Statement. The Company has fixed the close of business on March 15, 2011 as the record date for the determination of shareholders entitled to notice of and to vote at the Annual Meeting and any adjournment thereof. Each share of the Company s Common Stock is entitled to one vote on all matters presented at the Annual Meeting.

Important Notice Regarding the Availability of Proxy Materials for Shareholder Meeting to be held on May 4, 2011. Pursuant to rules promulgated by the Securities and Exchange Commission, we have elected to provide access to our proxy materials by notifying you of the availability of our proxy materials on the Internet. Instead of mailing paper copies of our proxy materials, we sent shareholders the Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be held on May 4, 2011 with instructions for accessing the proxy materials and voting via the Internet (the Notice). The Notice was mailed on or about March 24, 2011. The Notice also provides information on how shareholders may obtain paper copies of our proxy materials if they so choose. **This Notice and Proxy Statement and our 2010 Annual Report may be accessed at *www.edocumentview.com/GPRE.***

WHETHER OR NOT YOU EXPECT TO ATTEND THE ANNUAL MEETING, WE URGE YOU TO VOTE YOUR SHARES VIA THE TOLL-FREE TELEPHONE NUMBER OR OVER THE INTERNET, AS PROVIDED IN THE ENCLOSED MATERIALS. IF YOU REQUESTED A PROXY CARD BY MAIL, YOU MAY SIGN, DATE AND MAIL THE PROXY CARD IN THE ENVELOPE PROVIDED.

By Order of the Board of Directors,

Michelle S. Mapes

Corporate Secretary

Omaha, Nebraska

March 24, 2011

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GREEN PLAINS RENEWABLE ENERGY, INC.

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS

to be held on May 4, 2011

INFORMATION ABOUT THIS PROXY STATEMENT AND THE ANNUAL MEETING

Introduction

This Proxy Statement is being furnished to holders of Green Plains Renewable Energy, Inc. (the Company) common stock, $0.001 par value per share (the Common Stock), in connection with the solicitation by and on behalf of the Board of Directors (the Board) of the Company of proxies to be used at the 2011 Annual Meeting of Shareholders of the Company (the Annual Meeting) to be held at 10:00 a.m., Central Time, on Wednesday, May 4, 2011 at the Doubletree Hotel & Executive Meeting Center located at 1616 Dodge Street, Omaha, Nebraska, and any adjournment or postponement thereof. The purpose of the Annual Meeting is to elect three directors, ratify an amendment to the Company s 2009 Equity Incentive Plan increasing the number of shares authorized for issuance as stock-based awards, approve an amendment to the Articles of Incorporation increasing the number of authorized shares of the Company s Common Stock, to solicit advisory votes on the Company s executive compensation program and how frequently such votes should occur, and to transact such other business as may properly come before the meeting. This Proxy Statement, the Notice of Annual Meeting of Shareholders, the accompanying Proxy Card and our 2010 Annual Report are first being made available to shareholders entitled to vote at the Annual Meeting on or about March 24, 2011.

Notice Regarding Internet Availability of Proxy Materials

Pursuant to rules adopted by the Securities and Exchange Commission (SEC) in 2007, the Company is making this Proxy Statement and its 2010 Annual Report available to shareholders electronically via the Internet. On or before March 24, 2011, we mailed to our shareholders of record the Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be held on May 4, 2011 (the Notice). All shareholders will be able to access this Proxy Statement and our 2010 Annual Report on the website referred to in the Notice or request to receive printed copies of the proxy materials. Instructions on how to access the proxy materials on the Internet or to request a printed copy may be found in the Notice.

Electronic Access

The Notice will provide you with instructions on how to view our proxy materials for the Annual Meeting on the Internet. The website on which you will be able to view our proxy materials will also allow you to choose to receive future proxy materials electronically by email, which will save us the cost of printing and mailing documents to you. If you choose to receive future proxy statements by email, you will receive an email next year with instructions containing a link to the proxy voting site. Your election to receive proxy materials by email will remain in effect until you terminate it.

Record Date, Outstanding Shares and Quorum

The Company has fixed the close of business on March 15, 2011 as the record date for the determination of shareholders entitled to notice of and to vote at the Annual Meeting and any adjournment or postponement thereof (the Record Date). There were 36,417,647 shares of Common Stock issued and outstanding at the close

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of business on the Record Date. Holders of record of the Company s Common Stock on the Record Date are entitled to cast one vote per share, exercisable in person or by properly executed proxy, with respect to each matter to be considered by them at the Annual Meeting.

The presence, in person or by properly executed proxy, at the Annual Meeting of the holders of a majority of the issued and outstanding shares of Common Stock entitled to vote shall constitute a quorum. Proxies that are marked to withhold authority with respect to the election of directors and proxies for which no instructions are given will be counted for purposes of determining the presence of a quorum.

Proxy Voting and Revocability of Proxies

Common Stock, represented by the proxies received pursuant to this solicitation and not timely revoked, will be voted at the Annual Meeting in accordance with the instructions indicated in properly submitted proxies. If no instructions are indicated, such shares will be voted as recommended by the Board. If any other matters are properly presented to the Annual Meeting for action, the person(s) named in the enclosed form(s) of proxy and acting thereunder will have discretion to vote on such matters in accordance with their best judgment. Broker non-votes and abstentions are not treated as votes cast for purposes of any of the matters to be voted on at the meeting.

A holder of Common Stock who has given a proxy may revoke it prior to its exercise by providing written notice of revocation or a later-dated proxy to the Secretary of the Company at any time before the closing of the polls at the meeting, or by voting in person at the meeting. Any written notice revoking a proxy should be sent to: Green Plains Renewable Energy, Inc., Attention: Michelle S. Mapes, Corporate Secretary, 9420 Underwood Avenue, Suite 100, Omaha, Nebraska 68114. Attendance in person at the Annual Meeting does not itself revoke a proxy; however, any shareholder who attends the Annual Meeting may revoke a previously submitted proxy by voting in person.

Computershare Trust Company, N.A. is the transfer agent and registrar for our common stock. If your shares are registered directly in your name with the Company s transfer agent, with respect to those shares, you are considered the shareholder of record or a registered shareholder and these materials were sent to you directly by the Company. If you are a shareholder of record, you may vote in person at the Annual Meeting.

If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in street name, and that organization should have forwarded these materials to you. As the beneficial owner, you have the right to direct your broker, bank or nominee holding your shares how to vote and are also invited to attend the Annual Meeting. Please refer to the information forwarded by your broker or bank for instructions on how to direct their vote. However, since you are not a shareholder of record, you may not vote these shares in person at the Annual Meeting unless you bring with you a legal proxy from the shareholder of record.

If you are a registered shareholder, there are four ways to vote:

- By going to the Internet website indicated on your proxy card or voting instruction card and following the instructions provided (you will need the control number that is included in the Notice of Internet Availability of Proxy Materials);

- By calling the toll-free telephone number indicated on your proxy card or voting instruction card (you will need the control number that is included in the Notice of Internet Availability of Proxy Materials);

- By signing, dating and returning the Proxy Card if you request to receive your proxy materials by mail; or

- By written ballot in person at the Annual Meeting.

Your shares will be voted as you indicate. If you do not indicate your voting preferences, the appointed proxies will vote your shares For all nominees in Proposal 1, and For Proposals 2, 3 and 4, and will select three years on Proposal 5.

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Broker Non-Votes

Broker non-votes occur when nominees, such as brokers and banks holding shares on behalf of the beneficial owners, are prohibited from exercising discretionary voting authority for beneficial owners who have not provided voting instructions at least ten days before the Annual Meeting date. If no instructions are given within that time frame, the nominees may vote those shares on matters deemed routine by the New York Stock Exchange. On non-routine matters, nominees cannot vote without instructions from the beneficial owner, resulting in so-called broker non-votes. Broker non-votes are not counted for the purposes of determining the number of shares present in person or represented by proxy on any voting matter. All proposals are considered non-routine.

Expenses and Methods of Solicitation

The Company will bear the expense of soliciting proxies. In addition to the use of the mail and Internet, proxies may be solicited personally, or by telephone or other means of communications, by directors, officers and employees of the Company and its subsidiaries who will not receive additional compensation therefor. The Company will reimburse banks, brokerage firms and nominees for their reasonable expenses in forwarding proxy solicitation materials to beneficial owners of shares held of record by such banks, brokerage firms and nominees.

Vote Required

The affirmative vote of a plurality of the votes cast at the Annual Meeting by the holders of the Common Stock, assuming a quorum is present, is required to elect each director. The three persons receiving the greatest number of votes at the Annual Meeting shall be elected as directors. Since only affirmative votes count for this purpose, broker non-votes or votes withheld will not affect the outcome of the voting on Proposal 1. The affirmative vote of a majority of the votes cast at the annual meeting by the holders of the common stock, assuming a quorum is present is required to approve Proposals 2, 3 and 4. Since only votes cast count for this purpose, broker non-votes and abstentions will not affect the outcome of the voting on Proposals 2, 3 and 4. With respect to Proposal 5, the alternative receiving the greatest number of votes will be the frequency that shareholders approve.

INFORMATION ABOUT THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Board of Directors

Prior to and immediately following the October 15, 2008 merger with VBV LLC and its subsidiaries (the VBV merger transaction), the Company was governed by a nine-member Board of Directors. Pursuant to a shareholders agreement entered into in connection with the VBV merger transaction (the Shareholders Agreement), two wholly-owned subsidiaries of NTR plc had the right, as long as they collectively owned at least 33.5% of the Company s outstanding Common Stock, to designate four individuals (the NTR nominees) to be nominated for election as directors. The initial NTR nominees were Jim Anderson, Jim Barry, James Crowley and Michael Walsh. Similarly, as long as Wilon Holdings, S.A. (Wilon) owns at least 2.5% of the Company s outstanding Common Stock, it will have the right to designate one individual to be nominated for election as a director. Wilon s nominee was Alain Treuer. Directors Gordon Glade, Gary Parker, Brian Peterson and Wayne Hoovestol continued to serve on the Board after the merger. The Shareholders Agreement also provides that each committee of the Board shall, subject to applicable director independence rules, include at least two NTR nominees or one NTR nominee and one Wilon nominee. The NTR subsidiaries ownership recently has dropped below the level contractually required to designate four individuals to our Board and to the Board committees. However, NTR continues to hold a significant percentage of our stock and is the Company s largest shareholder. Except for the Wilon nominee, the directors will be nominated for election by the Board of Directors or the shareholders in accordance with the Company s bylaws and Nominating Committee procedures, as outlined below. The Company has agreed to cause the Wilon nominee to be nominated for election as a director of the Company and has agreed to solicit proxies for the election of such nominee and recommend that shareholders vote in favor of such nominee.

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The Board currently consists of ten members, divided into three groups. One group of directors is elected at each annual meeting of shareholders for a three-year term. Each year a different group of directors is elected on a rotating basis. Jim Anderson, Wayne Hoovestol and Michael Walsh are up for re-election at the 2011 Annual Meeting (to serve until the 2014 annual meeting or until their respective successors shall be elected and qualified). However, Michael Walsh has chosen not to stand for re-election to the Board due to a change in his role at NTR. The Nominating Committee recommended and the Board nominated for re-election Jim Anderson and Wayne Hoovestol along with new Board candidate Michael McNicholas, Deputy Chief Executive Officer of NTR, in place of the position currently held by Michael Walsh. The terms of Jim Barry, Todd Becker, Brian Peterson and Alain Treuer (the Wilon nominee) expire at the 2012 annual meeting. The terms of James Crowley, Gordon Glade and Gary Parker expire at the 2013 annual meeting.

Director Independence

A director is independent if, in the opinion of the Board, he or she has no relationship which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and otherwise satisfies the independence requirements of applicable Nasdaq Stock Market (NASDAQ) and Securities and Exchange Commission rules. The Board has reviewed the independence of its current directors and nominees and found that, except for Mr. Becker and Mr. Hoovestol due to their current or prior positions with the Company, each of them is independent.

Board Meetings, Directors Attendance and Shareholder Communications

The Board held eight meetings during 2010. Meetings were conducted via teleconference or in person. No incumbent director attended fewer than seventy-five percent (75%) of the aggregate of Board meetings and committee meetings held on which an incumbent director served during this period. The Company s policy is to encourage, but not require, Board members to attend annual shareholder meetings. All Board members, except Mr. Anderson, attended the 2010 annual meeting.

Shareholders who would like to send written communications to the Board may do so by submitting such communications to: Green Plains Renewable Energy, Inc., Attention: Michelle S. Mapes, Corporate Secretary, 9420 Underwood Avenue, Suite 100, Omaha, Nebraska 68114. The Board suggests, but does not require, that such submissions include the name and contact information of the shareholder making the submission and a description of the matter that is the subject of the communication. Ms. Mapes will then furnish such information to the Board or appropriate committee of the Board for review.

Board Committees

The Board has standing Audit, Compensation and Nominating Committees.

Audit Committee

The Company has a separately designated standing Audit Committee established in accordance with section 3(a)(58)(A) of the Securities Exchange Act of 1934 (the Exchange Act). The Audit Committee is comprised of four directors, all of whom meet the independence standards of NASDAQ and the SEC. Audit Committee members are Jim Anderson, James Crowley, Gordon Glade and Brian Peterson, with Mr. Crowley serving as Chairman. Mr. Crowley has been determined to be an audit committee financial expert as defined in Rule 407(d)(5) of Regulation S-K. During 2010, the Audit Committee held six meetings via teleconference or in person. The Audit Committee Charter, which is reviewed, revised and updated on an annual basis, is posted on the Company s website at *www.gpreinc.com*.

The function of the Audit Committee, as detailed in the Audit Committee Charter, is to provide assistance to the Board in fulfilling its responsibility to the shareholders, potential shareholders, and investment community

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relating to corporate accounting, reporting practices, and the quality and integrity of the financial reports of the Company. In so doing, it is the responsibility of the Audit Committee to maintain free and open means of communication between the directors, the independent auditors and Company management.

Compensation Committee

The Compensation Committee is comprised of four directors, all of whom meet the independence standards of NASDAQ and the SEC. Compensation Committee members are Jim Anderson, Gary Parker, Alain Treuer and Michael Walsh through August 2010, who was replaced by Jim Barry thereafter, with Mr. Treuer serving as Chairman. During 2010, the Compensation Committee met four times via teleconference or in person. The Compensation Committee Charter is posted on the Company s website at *www.gpreinc.com*.

The Compensation Committee establishes the Company s general compensation policy and, except as prohibited by law, may take any and all actions that the Board could take relating to compensation of directors, executive officers, employees and other parties. The Compensation Committee s role is to (i) evaluate the performance of the Company s executive officers, (ii) set compensation for directors and executive officers, (iii) make recommendations to the Board on adoption of compensation plans, and (iv) administer Company compensation plans. When evaluating potential compensation adjustments, the Compensation Committee solicits and considers input provided by the Chief Executive Officer relating to the individual performance and contribution to the Company s overall performance by executive officers and other key employees.

Pursuant to its charter, the Compensation Committee is empowered to hire outside advisors as it deems appropriate to assist it in the performance of its duties. The Compensation Committee has sole authority to retain or terminate any compensation consultants or advisors and to approve their fees. For additional information on the Compensation Committee s role, its use of outside advisors and their roles, as well as the Committee s processes and procedures for the consideration and determination of executive compensation, see Executive Compensation Compensation Discussion and Analysis.

Nominating Committee

The Nominating Committee is comprised of three directors, all of whom meet the independence standards of NASDAQ and the SEC. Nominating Committee members are Jim Barry, Gordon Glade and Gary Parker, with Mr. Barry serving as Chairman. During 2010, the Nominating Committee met two times. The Nominating Committee Charter is posted on the Company s website at *www.gpreinc.com*.

The function of the Nominating Committee, as detailed in the Nominating Committee Charter, is to recommend to the Board the slate of director nominees for election to the Board and to identify and recommend candidates to fill vacancies occurring between annual shareholder meetings. The Nominating Committee has established certain broad qualifications in order to consider a proposed candidate for election to the Board. The Nominating Committee has a strong preference for candidates with prior board experience with public companies. The Nominating Committee will also consider such other factors as it deems appropriate to assist in developing a board and committees that are diverse in nature and comprised of experienced and seasoned advisors. These factors include judgment, skill, diversity (including factors such as race, gender or experience), integrity, experience with businesses and other organizations of comparable size, the interplay of the candidate s experience with the experience of other Board members, and the extent to which the candidate would be a desirable addition to the Board and any committees of the Board.

Board Diversity

In considering whether to recommend any candidate for inclusion in the Board s slate of recommended director nominees, including candidates recommended by shareholders, the Nominating Committee considers criteria that include the candidate s integrity, business acumen, age, experience, commitment, diligence, conflicts of interest and ability to act in the interests of all shareholders. Moreover, the Nominating Committee considers

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the value of diversity of experience on the Board, taking into account the current Board membership, in the director identification and nomination process. The Nominating Committee seeks nominees with a broad diversity of experience, professions, skills, geographic representation and backgrounds. The Nominating Committee does not assign specific weights to particular criteria and no particular criterion is necessarily applicable to all prospective nominees. The Company believes that the backgrounds and qualifications of the directors, considered as a group, should provide a significant composite mix of experience, knowledge and abilities that will allow the Board to fulfill its responsibilities.

Director Qualifications

Presented below are biographies of each director nominee and continuing director containing information regarding the person s service as a director, business experience, director positions held currently or at any time during the last five years, information regarding involvement in certain legal or administrative proceedings, if applicable, and the experiences, qualifications, attributes or skills that caused the Nominating Committee and the Board to determine that the person should serve as a director for the Company.

It is the policy of the Nominating Committee to consider candidates recommended by security holders, directors, executive officers and other sources, including, but not limited to, third-party search firms. Security holders of the Company may submit recommendations for candidates for the Board. All recommendations shall be submitted in writing to: Green Plains Renewable Energy, Inc., Attention: Michelle S. Mapes, Corporate Secretary, 9420 Underwood Avenue, Suite 100, Omaha, Nebraska 68114. Such submissions should include the name, contact information, a brief description of the candidate s business experience and such other information as the person submitting the recommendation believes is relevant to the evaluation of the candidate. The Nominating Committee will review all such recommendations. For candidates to be considered for election at the next annual shareholder meeting, the recommendation must be made in accordance with the Company s bylaws.

The Nominating Committee will evaluate whether an incumbent director should be nominated for re-election to the Board or any committee of the Board upon expiration of such director s term using the same factors as described above for other Board candidates. The Nominating Committee will also take into account the incumbent director s performance as a Board member. Failure of any incumbent director to attend at least seventy-five percent (75%) of the Board meetings held in any year of service as a Board member will be viewed negatively by the Nominating Committee in evaluating the performance of such director. The Nominating Committee recommended that the two of the three incumbent directors whose terms of office expire at the 2011 Annual Meeting be included on the ballot for re-election as directors for a three-year term expiring at the 2014 annual meeting. This recommendation was based on a review and evaluation of meeting attendance, knowledge of the industries in which the Company operates and overall contributions to the Board. The third incumbent director whose term of office expires at the 2011 Annual Meeting, Michael Walsh, has chosen not to stand for re-election to the Board due to a change in his role at NTR. The Nominating Committee recommended and the Board nominated Michael McNicholas, Deputy Chief Executive Officer of NTR, in place of the position currently held by Michael Walsh. See the discussion above under Board of Directors regarding the designation of a nominee by Wilon.

Code of Ethics

The Board has adopted a Code of Ethics that applies to its Chief Executive Officer and all senior financial officers, including the Chief Financial Officer, principal accounting officer, other senior financial officers and persons performing similar functions. The full text of the Code of Ethics is published on the Company s website in the Investors Corporate Governance section. We intend to disclose future amendments to, or waivers from, certain provisions of the Code of Ethics on the Company s website within five business days following the adoption of such amendment or waiver.

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Role in Risk Oversight

The Board s role in the Company s risk oversight process includes receiving regular reports from members of senior management on areas of material risk to the Company, including operational, financial, legal and regulatory, and strategic and reputational risks. The full Board (or the appropriate committee in the case of risks that are under the purview of a particular committee) receives these reports from the appropriate risk owner within the organization to enable it to understand the Company s risk identification, risk management and risk mitigation strategies. Additionally, the Board has approved and periodically reviews the Company s risk management policy, which specifically sets parameters of risk with respect to commodity and hedging positions. When a committee receives a report, the Chairman of the relevant committee reports the discussion to the full Board during the committee reports portion of the next Board meeting. This enables the Board and its committees to coordinate the risk oversight role, particularly with respect to risk interrelationships. The risk oversight structure has no effect on the Board s leadership structure.

Board Leadership Structure

The Board does not have a policy on whether the same person should serve as both the chief executive officer and chairman of the board or, if the roles are separate, whether the chairman should be selected from the non-employee directors or should be an employee. The Board believes that it should have the flexibility to make these determinations at any given point in time in the way that it believes best provides appropriate leadership for the Company at that time. Over the last several years, the Company has had each of the following leadership structures, reflecting its circumstances at the time: separate non-employee Chairman and Chief Executive Officer (January 2009 to February 2009 and November 2009 to present); separate Chairman and Chief Executive Officer, with the Chairman being a member of the Company s management (March 2009 to November 2009); combined Chairman and Chief Executive Officer (October 2008 to December 2008); and separate non-employee Chairman and Chief Executive Officer (prior to October 2008). The Board believes that its current leadership structure, with Mr. Hoovestol, a non-employee serving as the Board Chairman, and Mr. Becker serving as the Chief Executive Officer, is appropriate given the experience of each individual. Both individuals are currently deemed not to be independent. The independent members of the Board meet regularly in executive session. The Board, with guidance from the Nominating Committee, will periodically continue to review its leadership structure.

PROPOSAL 1

ELECTION OF DIRECTORS

Election of Directors

The Board is divided into three classes, with the members of each class serving three-year terms of office. This results in one class standing for election at each annual meeting of shareholders. The Nominating Committee recommended and the Board nominated for re-election Jim Anderson and Wayne Hoovestol along with new Board candidate Michael McNicholas, each to serve a term that expires at the 2014 annual meeting. Michael Walsh has chosen not to stand for re-election to the Board. All of the nominees have consented to being named in this Proxy Statement and have agreed to serve if elected.

Your Proxy Card will be used to vote for the election of the nominees unless you withhold the authority to do so when you submit your proxy. If no instructions are given, your shares will be voted for the three nominees. As explained above, the Company s directors are elected by the affirmative vote of the plurality of the shares present and entitled to vote. The three persons receiving the greatest number of votes at the Annual Meeting shall be elected as directors.

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THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR ALL NOMINEES

NAMED AS PART OF PROPOSAL 1.

The following paragraphs set forth information about the nominees and the Company s continuing directors. All director biography information is as of March 24, 2011.

Nominees for Election at the 2011 Annual Meeting

JIM ANDERSON, 53, who has served as a director since October 2008, also serves on the Board s Audit and Compensation Committees. Mr. Anderson joined The Gavilon Group, LLC in March 2010 as Chief Operating Officer, Fertilizer. Prior to that, he served United Malt Holdings (UMH), a producer of malt for use in the brewing and distilling industries, as Chief Executive Officer and member of the board of directors from September 2006 to February 2010. Prior to that, beginning in April 2003, Mr. Anderson served as Chief Operating Officer / Executive Vice President of CT Malt, a joint venture between ConAgra Foods and Tiger Brands of South Africa. Mr. Anderson s experience in the agricultural processing and trading business includes serving as Senior Vice President and then President of ConAgra Grain Companies. His career also includes association with the firm Ferruzzi USA and as an Operations Manager for Pillsbury Company. Mr. Anderson has a Bachelor of Arts degree with a Finance emphasis from the University of Wisconsin - Platteville. The Board concluded that Mr. Anderson should serve as a director because of his commodity experience and agribusiness knowledge, which provides the Board with a relevant depth of understanding of the Company s operations.

WAYNE HOOVESTOL, 52, has served as a director since March 2006 and as Chairman of the Board since October 2008. Mr. Hoovestol served as the Company s Chief Operating Officer from January 2007 to February 2007, Chief Executive Officer from February 2007 to December 2008, and Chief Strategy Officer from March 2009 to November 2009. Mr. Hoovestol no longer is an employee of the Company. Mr. Hoovestol began operating Hoovestol Inc., a trucking company, in 1978. He is also President of Lone Mountain Truck Leasing, which he founded in 2005. Mr. Hoovestol became involved with the ethanol industry as an investor in 1995, and has served on the boards of two other ethanol companies. Mr. Hoovestol also served on the board of CapSource Financial, Inc., a truck trailer sales and leasing company, from May 2005 to March 2007. The Board concluded that Mr. Hoovestol should serve as a director because of his former leadership as chief executive officer, as well as the business perspective he brings to the Board through his ownership of other entities and investments in other ethanol companies.

MICHAEL McNICHOLAS, 50, was appointed as Deputy Chief Executive Officer of NTR plc, a leading international environmental and renewable energy company, in February 2011 after serving as NTR s Chief Operating Officer since April 2010. Prior to joining NTR, Mr. McNicholas was Executive Director of ESB Energy International, the international investment arm of the Irish energy company, where he served as an employee from August 1982 to March 2010. He has over 25 years of experience in the Irish and international energy industries where he has held senior positions with responsibility for general management, delivery of major capital projects, funding, international energy project investment, managing regulatory environments and competing in open energy markets. Mr. McNicholas serves as a director of NTR and a NTR subsidiary. Mr. McNicholas has a Degree in Engineering from University College Galway. The Board concluded that Mr. McNicholas should serve as a director because his diverse leadership experience in energy industries would be an asset to the Board.

Continuing Directors with Terms Expiring in 2012

JIM BARRY, 44, who has served as a director since October 2008, also serves as Chairman of the Board s Nominating Committee. Mr. Barry was named as Chief Investment Officer of the renewable power investment team within BlackRock, Inc. in February 2011. Prior to that, he served as Chief Executive Officer of NTR plc from June 2000 to February 2011 after serving as Assistant Chief Executive and General Manager, Development.

Prior to joining NTR, he worked with Bain and Company, a global consulting firm, and in the investment banking division of Morgan Stanley International. Mr. Barry is on the Council of Patrons of Special Olympics Ireland and is a board member of The Ireland Funds. He also sits on a number of Advisory Boards related to activities at Harvard Business School and University College Cork. Mr. Barry has a Masters degree in Business Administration from the Harvard Business School and a Bachelor of Commerce degree from University College Cork. The Board concluded that Mr. Barry should serve as a director because of the proven leadership skills, energy industry expertise and international experience that he brings to the Board.

TODD BECKER, 45, who has served as President and Chief Executive Officer of the Company since January 2009, was appointed as a director in March 2009. Mr. Becker served as the Company s President and Chief Operating Officer from October 2008 to December 2008. He served as Chief Executive Officer of VBV LLC from May 2007 to October 2008. Mr. Becker was Executive Vice President of Sales and Trading at Global Ethanol from May 2006 to May 2007. Prior to that, he worked for ten years with ConAgra Foods in various management positions including Vice President of International Marketing for ConAgra Trade Group and President of ConAgra Grain Canada. Mr. Becker has over 20 years of related experience in various commodity processing businesses, risk management and supply chain management, along with extensive international trading experience in agricultural markets. Mr. Becker has a Masters degree in Finance from the Kelley School of Business at Indiana University and a Bachelor of Science degree in Business Administration with a Finance emphasis from the University of Kansas. The Board concluded that Mr. Becker should serve as a director because he provides an insider s perspective about the business and the strategic direction of the Company to Board discussions. His extensive commodity experience and leadership traits make him an essential member of the Board.

BRIAN PETERSON, 47, who has served as a director since 2005, was named to the Board s Audit Committee in March 2009. Mr. Peterson also served as Executive Vice President in charge of site development from 2005 to October 2008. Mr. Peterson was the sole founder and owner of Superior Ethanol LLC, which was acquired by the Company in 2006. For the last twenty-three years, he has owned and operated grain farming entities which now include acreages in Iowa, Arkansas and South Dakota. Additionally, he built, owns and operates a beef feedlot in northwest Iowa. Mr. Peterson has a Bachelor of Science degree in Agricultural Business from Dordt College. The Board concluded that Mr. Peterson should serve as a director because of his ethanol and grain industry experience, which serves as an important resource to the Board.

ALAIN TREUER, 38, who has served as a director since October 2008, also serves as Chairman of the Board s Compensation Committee. Mr. Treuer is Chairman and Chief Executive Officer of Tellac Reuert Partners (TRP) SA, a global Investment and Financial Consulting firm. He was appointed Chief Executive in 2004 and became Chairman in 2005. Mr. Treuer has also controlled Wilon Holdings, S.A. since 2006. Prior to joining TRP SA, he was Chairman of TIGC, a global telecommunications company that he founded in 1992 and sold in 2001. Mr. Treuer has a Masters degree in Business Administration from the Graduate School of Business at Columbia University in New York and a Bachelor of Economics degree from the University of St. Gallen in Switzerland. The Board concluded that Mr. Treuer should serve as a director because his business experiences, combined with his education and global acumen, allow him to provide unique operational insights to the Board.

Continuing Directors with Terms Expiring in 2013

JAMES CROWLEY, 64, who has served as a director since October 2008, also serves as Chairman of the Board s Audit Committee. Mr. Crowley has been the Chairman and Managing Partner of Old Strategic, LLC since July 2006. His previous experience includes service as Chairman and Managing Partner of Strategic Research Institute, President of Global Investment and Merchant Banking at Prudential Securities, and investment banking at Smith Barney Harris Upham & Co. He currently serves on the board and is audit committee chair of Core Molding Technologies and has served on a number of educational and not-for-profit boards. Mr. Crowley has a Masters degree in Business Administration from the Wharton Graduate School of Business at the University of Pennsylvania and a Bachelor of Science degree in Business Administration from

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Villanova University. The Board concluded that Mr. Crowley should serve as a director because he qualifies as an audit committee financial expert, possessing the requisite education and business acumen, along with having served on other boards and as an audit committee chair of another company.

GORDON GLADE, 40, who has served as a director since December 2007, also serves on the Board s Audit and Nominating Committees. For more than the past five years, Mr. Glade has served as President and Chief Executive Officer of AXIS Capital, Inc., a commercial equipment leasing company. In addition, he is a current investor in several other ethanol companies. Mr. Glade also serves as Vice President and a director of the Edgar Reynolds Foundation and as a director of the Brunswick State Bank. Mr. Glade has a Bachelor of Science degree in both Accounting and Finance from Texas Christian University. The Board concluded that Mr. Glade should serve as a director because his business experience, including his experience as an investor in other ethanol companies, provides the Board with valuable perspective.

GARY PARKER, 61, who has served as a director since November 2007, also serves on the Board s Compensation and Nominating Committees. Mr. Parker is the President, Chief Executive Officer and owner of GP&W Inc., d/b/a Center Oil Company, of St. Louis, Missouri, which he founded in 1986 to market gasoline and other petroleum products. Mr. Parker is also the founder of Center Ethanol Company LLC, which owns a 54 million gallon ethanol plant with rail and barge access on the Mississippi River, located in Sauget, Illinois. He also serves on the board of Reliance Bancshares Inc., a publicly-traded bank holding company. Mr. Parker has a Bachelor of Science degree in Business Administration from Wichita State University. The Board concluded that Mr. Parker should serve as a director because his energy background, including that within the ethanol industry, along with other board experience, is beneficial to the Company.

DIRECTOR COMPENSATION

The Company, upon the recommendation of the Compensation Committee, compensates its directors through a retainer structure for preparation and attendance at Board meetings and committee meetings, and for serving as a committee chairman. During 2010, each non-employee director was paid $30,000 per year for serving on the Board, including serving on Board committees. In addition, the Audit Committee chairman received $15,000 annually, the Compensation Committee chairman received $7,500 annually and the Nominating Committee chairman received $1,250 annually. In addition, Board members are reimbursed for travel and other business-related expenses.

As an employee, Mr. Becker did not receive compensation as a director. See the Summary Compensation Table for information on his compensation. Mr. Hoovestol was an employee until November 2009 and did not receive 2009 director compensation prior to that date.

On May 26, 2010, the Company s non-employee directors, except Messrs. Barry and Walsh (who declined the grant), each received a grant of 4,374 deferred stock units (DSUs) pursuant to the 2009 Equity Incentive Plan. The award vests after one year. However, until shares are issued pursuant to the DSU agreement, which does not occur until the third anniversary of the grant date, the directors have no voting, dividend or other rights or privileges with respect to the shares. Annual individual DSU grants will be awarded equal to the lesser of $50,000 in value, as measured on the date of grant, or 10,000 DSUs.

The foregoing compensation program was approved in June 2009. The Compensation Committee retained the Hay Group as a consultant during 2010 to evaluate the Company s non-employee director compensation program and provide recommendations for changes to ensure the Company s program is market-competitive and consistent with recognized corporate governance best practices. Based on their recommendations, the following compensation structure for non-employee directors was adopted effective January 1, 2011. Each non-employee director is to be paid $65,000 per year for serving on the Board, including serving on Board committees. In addition, the Audit Committee chairman is to receive $20,000 annually, the Compensation

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Committee chairman is to receive $10,000 annually and the Nominating Committee chairman is to receive $2,000 annually. Additionally, annual individual DSU grants will be awarded equal to $65,000 in value, as measured on the date of grant. Board members are also reimbursed for travel and other business-related expenses.

The following table sets forth 2010 compensation for non-employee directors.

Name	Fees earned or paid in cash ($)	Stock awards ($) (1)	Option awards ($) (1)	All other comp. ($)	Total ($)
Wayne Hoovestol, Chairman	27,500	49,995	-	-	77,495
Jim Anderson	30,000	49,995	-	-	79,995
Jim Barry (2)	31,250	-	-	-	31,250
James Crowley	45,000	49,995	-	-	94,995
Gordon Glade	30,000	49,995	-	-	79,995
Gary Parker	30,000	49,995	-	-	79,995
Brian Peterson	30,000	49,995	-	-	79,995
Alain Treuer	37,500	49,995	-	-	87,495
Michael Walsh (2)	30,000	-	-	-	30,000

(1) Amounts for Stock awards consisting of annual DSU grants in 2010 reflect the aggregate grant date fair value of these awards computed in accordance with FASB ASC Topic 718.

(2) Director compensation for Messrs. Barry and Walsh is paid to Bioverda US Holdings LLC pursuant to a Director Service Agreement.

EXECUTIVE OFFICERS

The following table provides certain information regarding the Company s executive officers as of March 24, 2011.

Name	Age	Position
Todd A. Becker	45	President and Chief Executive Officer (and Director)
Jeffrey S. Briggs	46	Chief Operating Officer
Jerry L. Peters	53	Chief Financial Officer
Carl S. (Steve) Bleyl	51	Executive Vice President Ethanol Marketing
Ronald B. Gillis	61	Executive Vice President Finance and Treasurer
Michelle S. Mapes	44	Executive Vice President General Counsel and Corporate Secretary
Michael C. Orgas	52	Executive Vice President Commercial Operations
Thomas F. Pauldine	52	Executive Vice President Human Resources
Edgar E. Seward Jr.	43	Executive Vice President Plant Operations

Biographical information related to Todd Becker, who also serves as a director of the Company, is provided above in this Proxy Statement.

JEFF BRIGGS joined the Company as Chief Operating Officer in November 2009. Mr. Briggs served as a consultant to the Company from July 2009 to November 2009. Prior to his consulting role, he was Founder and General Partner of Frigate Capital, LLC, a private investment partnership investing in small and mid-sized companies, from January 2004 through January 2009. Prior to Frigate, Mr. Briggs spent nearly seven years at Valmont Industries, Inc. as President of the Coatings Division. Prior to Valmont, he acquired and managed an electronic manufacturing company; was Director of Mergers and Acquisitions for Peter Kiewit and Sons; worked

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for Goldman Sachs in their Equities Division; and served five years as an Officer in the U.S. Navy on a nuclear submarine. Mr. Briggs has a Masters degree in Business Administration from the Harvard Business School and a Bachelor of Science degree in Mechanical Engineering, Thermal and Power Systems from UCLA.

JERRY PETERS joined the Company as Chief Financial Officer in June 2007. Mr. Peters served as Senior Vice President Chief Accounting Officer for ONEOK Partners, L.P. from May 2006 to April 2007, as its Chief Financial Officer from July 1994 to May 2006, and in various senior management roles prior to that. ONEOK Partners is a publicly-traded partnership engaged in gathering, processing, storage, and transportation of natural gas and natural gas liquids. Prior to joining ONEOK Partners in 1985, he was employed by KPMG LLP as a certified public accountant. Mr. Peters has a Masters degree in Business Administration from Creighton University with a Finance emphasis and a Bachelor of Science degree in Business Administration from the University of Nebraska Lincoln.

STEVE BLEYL joined the Company as Executive Vice President Ethanol Marketing in October 2008. Mr. Bleyl served as Executive Vice President Ethanol Marketing for VBV LLC from October 2007 to October 2008. From June 2003 until September 2007, he served as Chief Executive Officer of Renewable Products Marketing Group LLC, an ethanol marketing company, building it from a cooperative marketing group of five ethanol plants in one state to seventeen production facilities in seven states. Prior to that, Mr. Bleyl worked for over 20 years in various senior management and executive positions in the fuel industry. Mr. Bleyl has a Masters degree in Business Administration from the University of Oklahoma and a Bachelor of Science degree in Aerospace Engineering from the United States Military Academy.

RON GILLIS joined the Company as Executive Vice President Finance and Treasurer in October 2008. Mr. Gillis served as Chief Financial Officer for VBV LLC from August 2007 to October 2008. From May 2005 until July 2007, he served as Chief Financial Officer of Renewable Products Marketing Group LLC, an ethanol marketing company. Prior to that, Mr. Gillis served for over 20 years in senior financial management, control and audit positions with ConAgra Foods Inc. in the commodity trading area, both domestic and international. Mr. Gillis is a certified management accountant and holds an Honors Commerce degree from the University of Manitoba.

MICHELLE MAPES was named Executive Vice President General Counsel and Corporate Secretary in November 2009 after joining the Company in September 2009 as its General Counsel. Prior to joining Green Plains, Ms. Mapes was a Partner at Husch Blackwell Sanders, LLP, where for three years she focused her legal practice nearly exclusively in renewable energy. Prior to that, she was Chief Administrative Officer and General Counsel for HDM Corporation. Ms. Mapes served as Senior Vice President Corporate Services and General Counsel to Farm Credit Services of America from April 2000 to June 2005. Ms. Mapes holds a Juris Doctorate, a Masters degree in Business Administration and a Bachelor of Science degree in Accounting and Finance, all from the University of Nebraska Lincoln.

MIKE ORGAS joined the Company as Executive Vice President Commercial Operations in November 2008. Mr. Orgas has extensive experience in supply chain management, logistics, risk management, and strategic planning. From May 2004 to October 2008, he served as the Director of Raw Materials Strategic Sourcing and Risk Management for the Malt-O-Meal Company. From February 2003 to December 2003, Mr. Orgas was a Partner in the Agribusiness/Food Practice of McCarthy & Company, an advisory services firm. Prior to that, he served in various management capacities at ConAgra Foods, Inc. and at General Mills. Mr. Orgas has a Masters degree in Business Management from the University of Montana and a Bachelor of Science degree in Business Administration from the University of Minnesota.

THOMAS PAULDINE was named Executive Vice President Human Resources in January 2011 after joining the Company in September 2008 as its Vice President Human Resources. From November 2007 to September 2008, Mr. Pauldine performed human resources consulting services for several domestic and international companies. From April 2003 to November 2007, he served as the Vice President of Human

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Resources for First Data Corporation. From August 2002 to April 2003, Mr. Pauldine served as a Senior Human Resources Consultant for Capital One. He served as Director of Global Compensation and Benefits for Starbucks Coffee Company from December 1999 to December 2001. Prior to that, Mr. Pauldine held several human resources and leadership roles, including 14 years with ConocoPhillips serving in multiple domestic and international positions. Mr. Pauldine holds a Bachelor of Science degree in Industrial and Labor Relations from Cornell University.

EDGAR SEWARD joined the Company as Executive Vice President Plant Operations in October 2008. From May 2006 until October 2008, Mr. Seward served as the General Manager for Indiana Bio-Energy, LLC, a subsidiary of VBV LLC, where he managed development of the Bluffton ethanol plant from its inception through construction, staffing and operations. From January 2004 to April 2006, he served as a General Manager for United Bio-Energy, LLC, where he managed development of and provided technical support for multiple dry mill ethanol facilities. From October 2002 to December 2003, Mr. Seward served as a project manager for ICM, Inc., where he was actively involved in the design and specifications for dry milling technologies and facilities. Prior to that, he served in operations for a bio-technology business in the United Kingdom and in operations management at Aventine Renewable Energy. Mr. Seward has a Masters degree in Business Administration from the University of Illinois and a Bachelor of Science degree in Biology from Culver-Stockton College.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Introduction

This Compensation Discussion and Analysis provides an overview of the Company s executive compensation program, including:

- the general compensation philosophy for executive compensation;
- the material elements of executive compensation and the process the Company follows for making executive compensation decisions; and
- information about 2010 compensation earned by the following executive officers (Named Executive Officers):
  - Todd A. Becker President and Chief Executive Officer
  - Jeffrey S. Briggs Chief Operating Officer
  - Michael C. Orgas Executive Vice President Commercial Operations
  - Steve Bleyl Executive Vice President Ethanol Marketing
  - Jerry L. Peters Chief Financial Officer

Executive Compensation Philosophy

The Compensation Committee has structured the Company s executive compensation policy based upon the following goals:

- To attract, motivate and retain talented executive officers and other key employees.
- To use incentive compensation to reinforce strategic performance objectives.

- To align the interests of executive officers and key employees with the interests of the Company s shareholders, such that risks and rewards of strategic decisions are shared.

As described below, compensation for executive officers consists of three components: base compensation, annual performance/bonus awards and long-term incentive compensation. Equity awards are made pursuant to the Company s 2009 Equity Incentive Plan, which was approved by the Company s shareholders in May 2009 (the 2009 Equity Incentive Plan).

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Compensation Committee Process and Compensation Consultant

The Compensation Committee is responsible for designing, reviewing and overseeing the administration of the Company s executive compensation program, and reviewing and approving annually all compensation decisions relating to the Company s executive officers, including the Named Executive Officers. Generally, all decisions with respect to determining the amount or form of compensation for the Company s executive officers are made by the Committee in accordance with the methodology described below.

When evaluating potential salary adjustments for executive officers, the Compensation Committee solicits and considers input provided by the Chief Executive Officer relating to the executive s performance and contribution to the Company s overall performance. The Chief Executive Officer plays no role in setting his own compensation.

The Compensation Committee has the sole authority from the Board for the appointment, compensation and oversight of the Company s outside compensation consultant. The Compensation Committee retained the Hay Group as a consultant during 2010 to assist with its responsibilities related to the Company s executive and Board compensation programs. Hay Group fees for executive compensation consulting to the Compensation Committee during 2010 were $34,305. The executive compensation services provided include assisting in defining the Company s executive compensation strategy, providing market benchmark information, supporting modifications of incentive compensation plans, advising on the competitiveness of Board compensation, and providing regulatory and governance guidance. During 2010, the Hay Group provided no other services to the Company.

Base Compensation

The Compensation Committee decides on the overall compensation package, of which the base salary is a significant component, for the Company s executive officers. Market compensation data described below guides the Compensation Committee in the determination of total pay, which includes base pay, bonuses, equity compensation and benefits. The Compensation Committee reviews both national and industry specific compensation data. Each executive is evaluated against the market pay data and adjustments are made based on individual factors such as experience level and job performance. The objective is to fashion a compensation package that will attract and retain talented employees. Individual salaries vary based upon the individual s level of responsibility, work experience, performance, impact on the business, tenure and potential for advancement within the Company. Individual salaries for newly-hired executive officers and other key employees are determined at the time of hire taking into account the above-factors, other than tenure. To attract quality talent with the expertise to perform required duties, base salaries are established to be consistent with salaries paid to personnel in similar positions in the market. These salaries may be adjusted to consider the overall compensation package, which may include bonuses, incentive pay and other forms of compensation, such as benefits. To retain quality talent, the Compensation Committee may recommend base salary adjustments that are commensurate with increasing job responsibilities and to reflect competitive market data for executive officers of industry-sector firms of similar size and performance. The Hay Group methodology evaluates positions and determines the number of points the position has and then compares such position to positions with similar points. Given the growth the Company has experienced, the Compensation Committee expects that it will continue to evaluate compensation data and methodologies for benchmarking from independent compensation consultants.

For 2010, the base salaries for the Company s Named Executive Officers were as follows: Todd Becker $450,000; Jeffrey Briggs $250,000; Michael Orgas $250,000; Steve Bleyl $250,000; and Jerry Peters $280,000. The Company adjusted base salaries for Todd Becker, Jeff Briggs and Jerry Peters in February 2011 based upon data from the Hay Group.

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Annual Performance/Bonus Awards

Annual bonuses are one form of incentive compensation used by the Company to reinforce performance-based objectives and retain key personnel. For 2010, the Compensation Committee established specific performance goals pursuant to the Company s Short-Term Incentive Plan, which was approved by the Board in January 2010, and set target levels of cash bonuses based on a percentage of base salary. The Short-Term Incentive Plan provides that certain specified employees of the Company may be awarded cash bonuses by the Compensation Committee upon meeting certain specified performance goals or other performance criteria as determined by the Compensation Committee. The performance goals are set from time-to-time by the Compensation Committee and may differ from employee to employee and from award to award. Each current employee who is an executive officer of the Company is a participant in the Short-Term Incentive Plan, as well as certain other officers of the Company.

In connection with the approval of the Short-Term Incentive Plan, the Compensation Committee also established the target cash bonus amounts for 2010 for each participating officer, which ranged from 50% to 80% of such officer s base salary, and the Company performance criteria evaluated in determining the actual cash bonus amount. Based on the Plan, participants were eligible for awards ranging from 0% to 250% of their target cash bonus amount depending on the level of achievement of the Company financial performance criteria. The Compensation Committee then evaluated individual performance criteria in relation to established goals for each executive officer, aligned with the business plan of the Company, and adjusted the award up or down in its discretion. The Committee may also adjust the award for external conditions beyond the control of the Company or the officer. The Company financial performance component is based on achieving stated goals for 2010 target earnings before interest, taxes, depreciation and amortization (EBITDA) of $110 million. Actual EBITDA for 2010 was approximately $129.6 million, which resulted in bonuses ranging from 94% to 189% of base salaries for our Named Executive Officers for 2010. For a reconciliation of EBITDA to Net Income, see Item 6. Selected Financial Information in our Annual Report on Form 10-K for the year ended December 31, 2010. The Compensation Committee did not use its discretion to determine these bonuses. The Company s Named Executive Officers were entitled to the following potential cash awards under the Plan for 2010:

Named Executive Officer & Title	**Target Cash Bonus as a Percent of Base Salary**	**Potential Award Range as a Percent of Target Cash Bonus**
Todd A. Becker, President & Chief Executive Officer	80%	0 - 250%
Jeffrey S. Briggs, Chief Operating Officer	50%	0 - 200%
Michael C. Orgas, EVP Commercial Operations	80%	0 - 188%
Steve Bleyl, EVP Ethanol Marketing	80%	0 - 188%
Jerry Peters, Chief Financial Officer	50%	0 - 200%

See the Summary Compensation Table below for the cash bonuses awarded for 2010. Additional information is also set forth in the Grants of Plan-Based Awards table. The Board approved modifications to the Short-Term Incentive Plan for 2011, and the Compensation Committee established specific performance goals and set target levels of cash bonuses based on a percentage of base salary.

Long-Term Incentive Compensation

Named Executive Officers are eligible to receive long-term equity-based incentive compensation awards under the Company s 2009 Equity Incentive Plan.

The Company s ability to operate its business and implement its strategies effectively depends, in part, on the efforts of its executive officers and other key personnel. The Company s executive officers have developed expertise in ethanol and related industries, and they have hired qualified managers and key personnel to operate

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the Company s plants, agribusiness operations, and marketing and distribution business. The grants of restricted stock, options or deferred stock units to executive officers encourage equity ownership and closely align management s interests with the interests of shareholders, such that risks and rewards of strategic decisions are shared. Additionally, because awards will be subject to forfeiture in certain cases if the employee leaves the Company, such awards are anticipated to provide a long-term incentive to remain with the Company.

Based on Compensation Committee assessments and recommendations, the Company s long-term compensation program includes the following components to assist in aligning management s interests with the interests of shareholders:

- Emphasizes at risk pay such as options and other long-term incentives.
- Emphasizes long-term compensation such as options and restricted stock.
- Rewards financial results and promotion of Company objectives as well as individual performance against individual objectives.

As part of its process, in an effort to align the interests of management and shareholders with the goal of sharing the risks and rewards of strategic decisions that are made, the Compensation Committee will review the advisability of granting shares or options to members of management. The aggregate number of shares or options granted to management will be based on the executive s position and the value of each individual s contributions to the Company, as well as competitive norms. During 2010, individuals contributions were assessed by the Compensation Committee on a subjective basis.

Based on the Company s 2010 financial performance and individual performance evaluations, restricted stock awards were issued in March 2011 for 2010 performance. Awards made in 2011 for 2010 performance to the Company s Named Executive Officers consisted of grants of 150,000 shares to Mr. Becker, 50,000 shares to Mr. Briggs, 15,000 shares to Mr. Orgas, 25,000 shares to Mr. Bleyl, and 25,000 shares to Mr. Peters. To align the interests of the executives with the interests of the Company s shareholders, such that risks and rewards of strategic decisions are shared, and to encourage retention of the Company s executive officers, the restricted stock awards vest 25% on the grant date and 25% each year for the next three years. Because they were granted in 2011, the stock awards for 2010 performance do not appear in the Summary Compensation Table for 2010.

The amounts shown in the Summary Compensation Table under 2010 stock awards were for grants made in 2010 for 2009 performance and amounts shown under 2009 stock awards were for grants made in 2009 for 2008 performance. Awards to the Company s Named Executive Officers in 2010 for 2009 performance consisted of grants of 62,500 shares to Mr. Becker, 25,000 shares to Mr. Briggs, 20,000 shares to Mr. Orgas, 20,000 shares to Mr. Bleyl, and 20,000 shares to Mr. Peters.

For 2011, the Compensation Committee has established that it desires to make awards that provide total compensation (subject to the attainment of specific performance goals) for the executive officers to achieve total compensation in a range of the 50^{th} to 75^{th} percentile of total compensation, as measured by the annual compensation study which is expected to be conducted by an independent compensation consultant and evaluated annually by the Compensation Committee. The study is expected to utilize the Hay points factor approach to job grading. To become eligible for an award:

- the executive officer is expected to have met his or her individual measurable performance objectives; and
- the Company is expected to have achieved for the year:
  - satisfactory progress toward its measurable multi-year strategic plan objectives;

- attainment of established banded EBITDA (defined as earnings before interest, income taxes, noncontrolling interests, depreciation and amortization) measurements that, for initial eligibility, result in positive profit before tax; and

- for target awards, attainment within the range of 85% to 110% of budgeted EBITDA.

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The Compensation Committee retains discretion to make exceptions to these parameters in the event of circumstances beyond the Company s control. Awards may be in a combination of options and restricted stock. Awards are expected to be awarded consistent with the target allocation based on achievement of performance goals. Awards will vest 25% upon grant, with the remaining vesting equally over the following 3 years.

Tax Deductibility of Compensation

Section 162(m) of the Internal Revenue Code (the Code) precludes a public corporation from taking a deduction for compensation in excess of $1,000,000 with respect to each of the Named Executive Officers unless certain specific performance criteria are satisfied. The 2009 Equity Incentive Plan was designed to help ensure that incentive compensation awarded thereunder is considered qualified performance-based compensation within the meaning of Section 162(m). While the Company s long-term executive compensation program seeks to maximize the tax deductibility of executive compensation, the Compensation Committee retains the flexibility to compensate executives in a manner intended to promote varying corporate goals, even if certain amounts may not be deductible under Section 162(m).

Employment and Severance Agreements

The Company has entered into employment agreements with each of the Named Executive Officers. These agreements are described below. The Compensation Committee may adjust base salary, bonus percentage or long-term incentives to levels that exceed the initial terms of the executive officers employment agreements based on its periodic review of compensation data.

Summary Compensation Table

The following table provides certain compensation information for the years ended December 31, 2010 and 2009, and for the 13-month period from December 1, 2007 to December 31, 2008, for the Company s Named Executive Officers.

Name and principal position	Year	Salary ($)	Bonus ($) (1)	Stock awards ($) (1) (2)	Option awards ($) (2)	Nonequity incentive plan comp. ($) (1)	All other comp. ($) (3)	Total ($)
Todd A. Becker (4)	2010	450,000	-	1,059,375	-	849,886	37,492	2,396,753
President and Chief Executive Officer	2009	408,333	720,000	306,500	770,000	-	13,266	2,218,099
	2008	84,872	400,000	124,151	394,000	-	605,688	1,608,711
Jeffrey S. Briggs (4)	2010	250,000	-	423,750	-	347,159	12,955	1,033,864
Chief Operating Officer	2009	26,602	125,000	-	180,000	-	-	331,602
	2008	-	-	-	-	-	-	-
Michael C. Orgas (4)	2010	250,000	-	339,000	-	347,159	10,242	946,401
Executive Vice President - Commercial	2009	218,333	250,000	37,500	-	-	215,583	721,416
Operations	2008	33,333	62,500	80,750	93,974	-	9,850	280,407
Steve Bleyl (4)	2010	250,000	-	339,000	-	347,159	10,242	946,401
Executive Vice President - Ethanol Marketing	2009	250,000	250,000	50,000	-	-	858	550,858
	2008	53,045	175,000	299,500	174,784	-	-	702,329
Jerry L. Peters	2010	280,000	-	339,000	-	264,409	10,242	893,651
Chief Financial Officer	2009	294,000	224,000	22,500	-	-	10,242	550,742
	2008	236,256	123,500	149,750	174,784	-	6,371	690,661

(1) Amounts in the Bonus column are discretionary cash bonuses for 2009 and 2008. Amounts for 2010 under Nonequity incentive plan compensation were paid pursuant to the Company s Short-Term Incentive Plan. Any 2010 long-term incentive compensation paid in restricted stock, but not granted until 2011, is not included in this table. The amount shown in the Stock awards column for 2010 includes awards made in 2010 for 2009 compensation. The amount shown in the Stock awards column for 2009 includes awards made in 2009 for 2008 compensation. All stock awards were 25% vested at time of grant, with remaining vesting to occur over a three-year period. See Compensation Discussion and Analysis for additional information.

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(2) Amounts for Stock awards and Option awards reflect the aggregate grant date fair value computed in accordance with FASB ASC Topic 718. Certain option award amounts for 2008 reflect the aggregate fair value computed on October 15, 2008, the date pre-merger options were revalued. Refer to footnote 12 to the Company s consolidated financial statements in the Company s Form 10-K for the year ended December 31, 2010 for more information regarding option assumptions and valuation.

(3) All other compensation generally consists of the Company match to the executive officer s 401(k) retirement plan, up to a maximum of $9,800 per employee, and imputed income on Company-paid life insurance. For Mr. Becker, the 2010 amount also includes insurance premiums paid by the Company and the Company gross-up to cover the taxes on this benefit which totaled $31,512. See Employment Arrangements below for further information on the employment agreement between Mr. Becker and the Company.

(4) Messrs. Becke