

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

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Otter Tail Ag Enterprises, LLC

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): **January 26, 2009**

OTTER TAIL AG ENTERPRISES, LLC

(Exact Name of Registrant as Specified in Its Charter)

Minnesota

(State or Other Jurisdiction of
Incorporation)

000-53042

(Commission File Number)

41-2171784

(I.R.S. Employer Identification
Number)

24096 - 170th Avenue

Fergus Falls, MN 56537-7518

(Address of Principal Executive Offices)(Zip Code)

(218) 998-4301

(Registrant's Telephone Number, Including Area Code)

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 7.01 Regulation FD Disclosure

On January 26, 2009, Otter Tail Ag Enterprises, LLC (the “Company”) mailed a newsletter to members in conjunction with the Company’s definitive proxy statement. The newsletter is attached to this current report on Form 8-K as Exhibit 99.1.

This current report on Form 8-K is being furnished pursuant to Item 7.01 Regulation FD Disclosure. The information furnished is not deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, is not subject to the liabilities of that section and is not deemed incorporated by reference in any filing under the Securities Act of 1933, as amended.

Item 9.01 Financial Statements and Exhibits

- (a) None.
- (b) None.
- (c) None.
- (d)

<u>Exhibit No.</u>	<u>Description</u>
99.1	Newsletter to Members, Volume 12, Winter 2009.

Forward-Looking Statements:

This Form 8-K and the attached exhibit contains forward-looking statements that are subject to various assumptions, risks and uncertainties. It should be read in conjunction with the “Forward-Looking Statements” sections in the Company’s annual report on Form 10-K for the fiscal year ended September 30, 2008, as amended, and its quarterly reports on Form 10-Q, and in conjunction with other SEC reports filed by the Company that discuss important factors that could cause actual results to differ materially. The Company expressly disclaims any current intention to update any forward-looking statements contained in this report as a result of new information or future events or developments.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Otter Tail Ag Enterprises, LLC

Date: January 26, 2009

By /s/ Anthony Hicks

Name: Anthony Hicks

Title: Chief Executive Officer and Chief
Financial Officer



OTAE PROGRESS

OTAE is an Equal Opportunity Employer. The information in this newsletter is provided for informational purposes only. The OTAE Board of Directors is not responsible for any errors or omissions in this newsletter. The information contained in this newsletter is accurate as of the date of publication. However, should any change occur in the information contained in this newsletter, the information will be updated in a future issue. The OTAE Board of Directors, LLC is not liable in any way for any information contained in this newsletter.

A word from our CEO

As we close the year, I suspect that we will all remember 2008 for varied reasons. The last three months have been difficult times for all of us in business and personally seeing our investments and pension plans devastated. OTAE started the year with the excitement of getting closer to completion and start-up of the plant and closes the year making ethanol in extremely difficult times, since there has been a rollercoaster of events upsetting the market, some good and others not. The high point for the company was indeed the successful start-up of the plant and completion of the May performance test. We had strong support for the Grand Opening day for which we thank you, our members, for making it such a success. Then the financial markets went crazy and affected us all.

As we all are aware, commodity prices went on the rise with corn and ethanol reaching new highs. Who would ever imagine that from harvest '07 through June to harvest '08 corn would go from \$3.75 to \$7.25 back to \$4.00 then to fall even further to the low \$3.30's in December. Similarly, ethanol went from a high this summer of \$2.50 to lows of \$1.30. Like many in our industry, we have suffered from the commitment to commodity contracts that we are obliged to honor. This has led to the company reporting a loss for the year as we work through these contracts. The full details of the actual losses are reported in our 10k filing, which is accessible on the SEC website or go to www.ottertailethanol.com and follow the link. In today's market place, combined with the company's present financial position, it is very difficult to establish a totally risk-free program for the purchase and sale of commodities. However, we believe that a philosophy of basing our inputs and outputs on relative market time-periods to be the most prudent strategy today.

As we persevere through these challenging times, it is important that we focus on production quantity and efficiency, rest assured we are leaving no stone unturned as we pursue both greater output and reducing expenses. The plant has accomplished 36 days without a stoppage, its longest period of continuous operation since we commenced production with the shut down being for routine maintenance; this is very much down to the team members that every day strive to keep the plant running. As our first winter in production, we are suffering from some of the effects of the extreme cold, this has given us our fair share of issues to deal with.

The company continues to operate through these demanding times; however, the outlook for 2009 is unpredictable as we continue to trade in very erratic times. The objective for the New Year is to seek a means for securing our future with additional financial sources as well as alternate energy supplies.

In an effort to streamline our production efficiencies, we are changing our delivery/collection times to 7:30 am to 4:00 pm. Remember, all grain purchases go via CHS-French at 800-835-8104.

The first Annual General Meeting (AGM) is scheduled to take place at the Bigwood Event Center, February 12. We look forward to seeing you there and trust you have had a pleasant holiday period with your family and friends.

Anthony J. Hicks,
Chief Executive Officer

Chairman's Report

OTAE Board of Governors have been very busy since our last newsletter. In October, CEO Kelly Longtin and Plant Manager Gunner Greene, both resigned to pursue other career opportunities. CFO Anthony Hicks stepped in as interim CEO and was named CEO Nov 1. Keith Weitzel, who was Operations Manager, is now Production Manager. Congratulations to both! Kudos to Anthony and all the staff for stepping up and meeting the needs, including the cold weather challenges. The Audit Committee has been busy reviewing the Q4, 10K forms needed to comply with SEC rules. The Risk Management Committee meets twice a month monitoring commodity positions. The Technology Committee continues to search for low cost of production opportunities. On Dec. 18, OTAE hosted area legislators discussing issues for the upcoming legislative session.

We are looking forward to the first annual meeting, Feb. 12th, at the Bigwood Event Center in Fergus Falls. Registration will start at 12:30 pm, business meeting at 1:30 pm, followed by reports and discussion.

On the national scene, the RFS of 9 billion gallons for 2008 moves to 10.5 billion gallons for 2009. According to BBI, it is estimated that currently there are 1.5 B. gallons of idle ethanol production capacity. The RFS also mandates that beginning in 2009 biofuels must have GHG reduction of 20% for any new construction. The ethanol industry is anxiously awaiting the EPA's release of the RFS Tier II regulations. This will be followed by a comment period. There is much discussion/strategy for higher blends of ethanol. The goal could be accomplished through the regulatory process or the political process. When the time is right, we will have a call to action for grass roots support!

To counter some of our critics that ethanol uses 1/3 of the nation's corn, we need to remind them that the USDA estimates it is closer to 23% because 1/3 of corn processed re-enters the feed market as high protein DDGS feed, 300 million metric tons, according to the RFA.

Minnesota continues to lead in E-85 consumption with nearly 2 million gallons sold per month in 367 stations, according to the ALA. These sales have eliminated 79,000 tons of lifecycle CO2 emissions and other harmful pollutants.

Happy New Year!
Jerry Larson

