FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **2021-08-13** | Period of Report: **2021-06-30**
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FILER

HOMELAND ENERGY SOLUTIONS LLC	Mailing Address	Business Address
CIK:**1366744**| IRS No.: **203919356** | Fiscal Year End: **1231**	*2779 HIGHWAY 24*	*2779 HIGHWAY 24*
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SIC: **2860** Industrial organic chemicals		*(563) 238-5555*

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.**

For the fiscal quarter ended June 30, 2021

☐ **Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.**

000-53202

(Entity File Number)

HOMELAND ENERGY SOLUTIONS, LLC
(Exact name of registrant as specified in its charter)

Iowa	**20-3919356**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

2779 Highway 24, Lawler, Iowa	**52154**	**United States of America**
(Address of principal executive offices)	(Zip Code)	(Country)

(563) 238-5555

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: **None**

Title of each class	Trading Symbol(s)	Name of each exchange on which registered

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller Reporting Company	☐
(Do not check if a smaller reporting company)		Emerging Growth Company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). ☐ Yes ☒ No

As of August 13, 2021, we had 64,560 membership units outstanding.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Homeland Energy Solutions, LLC

Balance Sheets

ASSETS	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
CURRENT ASSETS		
Cash and cash equivalents	$ 2,746,773	$ 5,072,227
Accounts receivable	8,797,164	4,121,778
Inventory	52,429,427	24,459,408
Prepaid and other	4,493,407	4,833,883
Derivative instruments	1,230,938	840,857
Total current assets	69,697,709	39,328,153
PROPERTY AND EQUIPMENT		
Land and improvements	23,260,902	23,260,902
Buildings	8,777,302	8,777,302
Equipment	241,628,905	240,429,826
Construction in progress	1,111,200	620,832
	274,778,309	273,088,862
Less accumulated depreciation	153,044,476	144,554,643
Total property and equipment	121,733,833	128,534,219
OTHER ASSETS		
Right of use asset operating leases, net	2,307,790	3,116,941
Utility rights, net of amortization of $1,932,965 and $1,864,769	375,064	443,260
Other assets	4,220,646	4,116,647
Total other assets	6,903,500	7,676,848
TOTAL ASSETS	$ 198,335,042	$ 175,539,220

See Notes to Unaudited Financial Statements.

Homeland Energy Solutions, LLC
Balance Sheets (continued)

LIABILITIES AND MEMBERS' EQUITY	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
CURRENT LIABILITIES		
Accounts payable	$ 10,287,050	$ 20,836,019
Accrued expenses	1,410,001	1,219,705
Current portion operating lease liability	1,489,257	1,637,878
Total current liabilities	13,186,308	23,693,602
COMMITMENTS AND CONTINGENCIES (Note 5)	—	—
LONG-TERM LIABILITIES		
Long term debt	15,189,000	—
Operating lease liability, less current portion	818,533	1,479,063
Total long-term liabilities	16,007,533	1,479,063
MEMBERS' EQUITY (64,560 units issued and outstanding)	169,141,201	150,366,555
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 198,335,042	$ 175,539,220

See Notes to Unaudited Financial Statements.

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Homeland Energy Solutions, LLC
Statements of Operations
(Unaudited)

	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Revenue	$ 130,691,378	$ 63,862,205	$ 227,068,328	$ 128,899,443
Costs of goods sold	116,577,854	59,284,228	205,798,353	128,249,051
Gross profit	14,113,524	4,577,977	21,269,975	650,392
Selling, general and administrative expenses	1,131,308	831,256	2,363,684	1,836,269
Operating income (loss)	12,982,216	3,746,721	18,906,291	(1,185,877)
Other income (expense)				
Interest (expense)	(132,863)	(219,068)	(233,599)	(444,124)
Interest income	10,787	14,470	12,759	43,014
Other income	49,211	419,699	89,195	300,244
Total other income (expense)	(72,865)	215,101	(131,645)	(100,866)
Net income (loss)	$ 12,909,351	$ 3,961,822	$ 18,774,646	$ (1,286,743)
Basic & diluted net income (loss) per capital unit	$ 199.96	$ 61.37	$ 290.81	$ (19.93)
Weighted average number of units outstanding for the calculation of basic & diluted net income (loss) per capital unit	64,560	64,560	64,560	64,560
Distribution per Unit	$ —	$ —	$ —	$ —

See Notes to Unaudited Financial Statements.

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Homeland Energy Solutions, LLC
Statements of Cash Flows

(Unaudited)

	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	$ 18,774,646	$ (1,286,743)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	8,558,030	8,043,348
Unrealized (gain) loss on risk management activities	(390,081)	567,094
Unrealized loss on trading securities activities	—	74,070
(Loss) on disposal of property and equipment	—	(3,254)
Change in working capital components:		
Accounts receivable	(4,675,386)	2,946,395
Inventory	(27,970,019)	449,077
Prepaid and other	340,476	334,987
Accounts payable and other accrued expenses	(9,717,307)	(4,248,264)
Net cash provided by (used in) operating activities	(15,079,641)	6,876,710
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales of trading securities	—	32,025,459
Payments for equipment and construction in progress	(2,330,814)	(2,542,303)
Proceeds from sale of equipment	—	32,000
(Increase) in other assets	(103,999)	(202,526)
Net cash provided by (used in) investing activities	(2,434,813)	29,312,630
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	—	907,675
Payments on long-term borrowings	—	(3,000,000)
Advances on term revolving loan	145,462,000	—
Payments on term revolving loan	(130,273,000)	—
Repurchase of membership units	—	(30,000,000)
Net cash provided by (used in) financing activities	15,189,000	(32,092,325)
Net increase (decrease) in cash and cash equivalents	(2,325,454)	4,097,015
Cash and Cash Equivalents - Beginning	5,072,227	17,274,703
Cash and Cash Equivalents - Ending	$ 2,746,773	$ 21,371,718
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid for interest	$ 193,441	$ 437,088
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Accounts payable issued for property and equipment additions	$ 402,332	$ 207,240

See Notes to Unaudited Financial Statements.

Homeland Energy Solutions, LLC
Statements of Changes in Members' Equity

		Members' Equity
Balance - December 31, 2019	$	153,975,555
Net loss for the three-month period ended March 31, 2020		(5,248,565)
Balance - March 31, 2020	$	148,726,990
Net income for three-month period ended June 30, 2020		3,961,822
Balance - June 30, 2020	$	152,688,812

		Members' Equity
Balance - December 31, 2020	$	150,366,555
Net income for the three-month period ended March 31, 2021		5,865,295
Balance - March 31, 2021	$	156,231,850
Net income for three-month period ended June 30, 2021		12,909,351
Balance - June 30, 2021	$	169,141,201

See Notes to Unaudited Financial Statements.

Homeland Energy Solutions, LLC
Notes to Unaudited Financial Statements

1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

The accompanying unaudited condensed financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted as permitted by such rules and regulations. These financial statements and related notes should be read in conjunction with the financial statements and notes thereto included in the Company's audited financial statements for the year ended December 31, 2020, contained in the Company's annual report on Form 10-K for 2020.

In the opinion of management, the interim condensed financial statements reflect all adjustments considered necessary for fair presentation. The adjustments made to these statements consist only of normal recurring adjustments.

Nature of Business
Homeland Energy Solutions, LLC (an Iowa Limited Liability Company) is located near Lawler, Iowa and was organized to pool investors for a 100 million gallon ethanol plant with distribution primarily throughout the United States. The Company has capacity to produce in excess of 190 million gallons annually and sells distillers dried grains and corn oil as byproducts of ethanol production.

Organization
Homeland Energy Solutions, LLC is organized as an Iowa limited liability company. The members' liability is limited as specified in Homeland Energy Solutions' operating agreement and pursuant to the Iowa Revised Uniform Limited Liability Company Act.

Significant Accounting Policies:

Accounting Estimates
Management uses estimates and assumptions in preparing these financial statements in accordance with United States Generally Accepted Accounting Principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Cash & Cash Equivalents
The Company maintains its accounts primarily at one financial institution. At various times, the Company's cash balances may exceed amounts insured by the Federal Deposit Insurance Corporation. The Company has not experienced losses in such accounts. Also included in cash and cash equivalents are highly liquid investments that are readily convertible into known amounts of cash, which are subject to an insignificant risk of change in value due to interest rate, quoted price or penalty on withdrawal and have an original maturity of three months or less.

Trading Securities
Investments bought and held principally for the purpose of selling them in the near term are classified as trading securities. Trading securities are measured at fair value using prices obtained from pricing services. Any interest, dividends, and unrealized or realized gains and losses on the trading securities are recorded as part of other income.

At June 30, 2021 and December 31, 2020, the Company held no trading securities. During the three and six months ended June 30, 2021, the Company had no interest, dividends and net unrealized gains from trading securities. During the three and six months ended

June 30, 2020, the Company recorded interest, dividends and net unrealized gains from trading securities of approximately $500,000 and $181,000, respectively.

The Board of Directors voted to set aside up to $30 million in trading securities to be used by the Company for the repurchase of 25,860 membership units per the terms of an agreement with Mr. Retterath entered into on June 13, 2013 with the Company. These trading securities were used in April 2020 to repurchase the 25,860 membership units from Mr. Retterath.

Homeland Energy Solutions, LLC
Notes to Unaudited Financial Statements

Receivables
Credit sales are made primarily to two customers and no collateral is required. The Company carries these accounts receivable at original invoice amount with no allowance for doubtful accounts due to the historical collection rates on these accounts.

Investments
The Company has a less than 20% investment interest in Renewable Products Marketing Group, LLC ("RPMG"). This investment is being accounted for under the equity method of accounting, as the Company has significant influence, under which the Company's share of net income is recognized as income in the Company's statement of operations and added to the investment account. The investment balance is included in other assets and the income recognized as other income. The investment is evaluated for indications of impairment on a regular basis. A loss would be recognized when the fair value is determined to be less than the carrying value.

Revenue and Cost Recognition
The Company recognizes Revenue from Contracts with Customers following Accounting Standards Update (ASU) 2014-09. Under the ASU, revenue is recognized when a customer obtains control of promised goods or services in an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. In addition, the standard requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Company generally has a single performance obligation in its arrangements with customers. The Company believes for its contracts with customers, control is transferred at a point in time, typically upon delivery to the customers. When the Company performs shipping and handling activities after the transfer of control to the customers (e.g., when control transfers prior to delivery), they are considered as fulfillment activities, and accordingly, the costs are accrued for when the related revenue is recognized. The Company generally expenses sales commissions when incurred because the amortization period would have been less than one year.

The following is a description of principal activities from which we generate revenue. Revenues from contracts with customers are recognized when control of the promised goods or services are transferred to our customers, in an amount that reflects the consideration that we expect to receive in exchange for those goods or services.

- sales of ethanol;
- sales of distiller grains; and
- sales of corn oil;

All revenue recognized in the statement of operations is considered to be revenue from contracts with customers. The disaggregation of revenue according to product line, along with accounts receivable from contracts with customers, is as disclosed in Note 5.

Shipping costs incurred by the Company in the sale of ethanol and distiller grains are not specifically identifiable and as a result, revenue from the sale of ethanol and distiller grains is recorded based on the net selling price reported to the Company from the marketer. Rail car lease costs incurred by the Company in the sale and shipment of distiller grain products are included in the cost of goods sold.

Inventories
Inventories are generally valued at the lower of cost (first-in, first-out) or net realizable value. In the valuation of inventories and purchase commitments, net realizable value is defined as estimated selling price in the ordinary course of business less reasonably predictable costs of completion, disposal, and transportation.

Property & Equipment

The Company reviews its property and equipment for impairment whenever events indicate that the carrying amount of the asset group may not be recoverable. If circumstances require an asset group be tested for possible impairment, the Company first compares undiscounted cash flows expected to be generated by the asset group to the carrying value of the asset group. If the carrying value of the asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values and third-party independent appraisals, as considered necessary.

Homeland Energy Solutions, LLC
Notes to Unaudited Financial Statements

Derivative Instruments
The Company evaluates its contracts to determine whether the contracts are derivative instruments. Certain contracts that literally meet the definition of a derivative may be exempted from derivative accounting as normal purchases or normal sales. Normal purchases and normal sales are contracts that provide for the purchase or sale of something other than a financial instrument or derivative instrument that will be delivered in quantities expected to be used or sold over a reasonable period in the normal course of business. Contracts that meet the requirements of normal purchases or sales are documented as normal and exempted from the accounting and reporting requirements of derivative accounting.

The Company enters into short-term cash, option and futures contracts as a means of securing purchases of corn, natural gas and sales of ethanol for the plant and managing exposure to changes in commodity and energy prices. All of the Company's derivatives are designated as non-hedge derivatives for accounting purposes, with changes in fair value recognized in net income (loss). Although the contracts are economic hedges of specified risks, they are not designated as and accounted for as hedging instruments.

As part of its trading activity, the Company uses futures and option contracts through regulated commodity exchanges to manage its risk related to pricing of inventories. To reduce that risk, the Company generally takes positions using cash and futures contracts and options.

Realized and unrealized gains and losses related to derivative contracts related to corn and natural gas are included as a component of cost of goods sold and derivative contracts related to ethanol are included as a component of revenue in the accompanying financial statements. The fair values of contracts entered through commodity exchanges are presented on the accompanying balance sheet as derivative instruments. All contracts with the same counter party are reported on a net basis.

Net Income (Loss) per Unit
Basic and diluted net income (loss) per unit is computed by dividing net income (loss) by the weighted average number of members' units and members' unit equivalents outstanding during the period. There were no member unit equivalents outstanding during the periods presented; accordingly, the Company's basic and diluted net income per unit are the same.

Risks and Uncertainties
The Company has certain risks and uncertainties that it will experience during volatile market conditions, which can have a severe impact on operations. The Company's revenues are derived from the sale and distribution of ethanol, distiller grains and corn oil to customers primarily located in the United States. Corn for the production process is supplied to the plant primarily from local agricultural producers and from purchases on the open market. For the six months ended June 30, 2021, ethanol sales averaged approximately 75% of total revenues, while approximately 19% of revenues were generated from the sale of distiller grains. Corn oil sales attributed approximately 6% of revenues during this time period. For the six months ended June 30, 2021, corn costs averaged approximately 78% of cost of goods sold.

The Company's operating and financial performance is largely driven by the prices at which ethanol is sold and the net expense of corn. The price of ethanol is influenced by factors such as supply and demand, weather, government policies and programs, and unleaded gasoline and the petroleum markets. Excess ethanol supply in the market, in particular, puts downward pressure on the price of ethanol. The Company's largest cost of production is corn. The cost of corn is generally impacted by factors such as supply and demand, weather, and government policies and programs. The Company's risk management program is used to protect against the price volatility of these commodities.

On January 30, 2020, the World Health Organization declared the coronavirus outbreak (COVID-19) a "Public Health Emergency of International Concern" and on March 11, 2020, declared COVID-19 a pandemic. The impact of COVID-19 has negatively impacted the

Company’s operations, suppliers or other vendors, and customer base. Any future quarantines, labor shortages or other disruptions to the Company's operations, or those of their customers, may adversely impact the Company's revenues, ability to provide its services and operating results. In addition, a significant outbreak of epidemic, pandemic or contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, including the geographical area in which the Company operates, resulting in an economic downturn that could affect demand for its goods and services. The extent to which the coronavirus continues to impact the Company's results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and actions taken to contain the coronavirus or its impact, among others.

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2. INVENTORY

Inventory consisted of the following as of June 30, 2021 and December 31, 2020:

	June 30, 2021	December 31, 2020
Raw Materials	$ 37,954,989	$ 15,909,576
Work in Process	4,434,341	2,923,041
Finished Goods	10,040,097	5,626,791
Totals	$ 52,429,427	$ 24,459,408

3. DEBT

Master Loan Agreement with Home Federal Savings Bank
On June 29, 2017, the Company amended and restated the Master Loan Agreement with Home Federal Savings Bank ("Home Federal"), amending the term revolving loan to provide funding to operate the plant and establishing a term loan to help fund the Company's $42 million expansion project. In return, the Company entered into agreements providing Home Federal a security interest in substantially all personal property located on Company property. The Company currently has one loan with Home Federal, a term revolving loan.

Term Revolving Loan
Under the terms of the Second Amended and Restated Second Supplement to the Master Loan Agreement, dated November 6, 2020, the Company has a $50 million term revolving loan which has a maturity date of November 6, 2025. Interest on the term revolving loan is due monthly and accrues at a rate equal to Prime Rate less 60 basis points, 2.65% on June 30, 2021. There was approximately $15.2 million outstanding on the term revolving loan and approximately $34.8 million available to be drawn as of June 30, 2021 and no balance outstanding and $50 million available as of December 31, 2020.

Covenants
During the term of the loans, the Company is subject to certain financial covenants at various times calculated monthly, quarterly or annually, including restriction of the payment of dividends and capital expenditures and maintenance of certain financial ratios including the minimum working capital and a fixed charge ratio as defined by the Master Loan Agreement. Failure to comply with the protective loan covenants or maintain the required financial ratios may cause acceleration of the outstanding principal balances on the loans and/or the imposition of fees, charges or penalties. The Company is in compliance with all financial covenants as of June 30, 2021.

4. RELATED PARTY TRANSACTIONS

The Company has purchased corn and materials from members of its Board of Directors who own or manage elevators or are local producers of corn. Purchases during the three and six months ended June 30, 2021 totaled approximately $434,000 and $2,470,000, respectively and during the three and six months ended June 30, 2020 totaled approximately $509,000 and $1,171,000, respectively. Amounts due to these members were none and approximately $28,000 at June 30, 2021 and December 31, 2020, respectively.

5. COMMITMENTS, CONTINGENCIES, AGREEMENTS

Ethanol, corn oil, and distiller grains marketing agreements and major customers

The Company has entered into a marketing agreement with RPMG to sell all denatured fuel ethanol produced at the plant at a mutually agreed on price, less commission and transportation charges. As of June 30, 2021, the Company had commitments to sell approximately 3 million gallons of ethanol at fixed prices and 45 million of its produced gallons of ethanol at basis price levels indexed against exchanges for delivery through September 30, 2021.

Homeland Energy Solutions, LLC
Notes to Unaudited Financial Statements

The Company has entered into a marketing agreement with RPMG to sell all industrial alcohol produced at the plant at a mutually agreed on price, less commission and transportation charges. As of June 30, 2021, the Company had no commitments to sell any gallons of industrial alcohol.

The Company has entered into a marketing agreement with RPMG to sell all corn oil produced at the plant at a mutually agreed on price, less marketing fees and transportation charges. As of June 30, 2021, the Company had commitments to sell approximately 5 million pounds of corn oil at various fixed and basis price levels indexed against exchanges for delivery through July 31, 2021.

The Company also has an investment in RPMG, included in other assets, totaling approximately $2,616,000 and $2,527,000 as of June 30, 2021 and December 31, 2020, respectively.

The Company has entered into a marketing agreement to sell all distiller grains produced at the plant to CHS, an unrelated party, at a mutually agreed on price, less commission and transportation charges. The agreement was renewed for another one year term on April 1, 2021. The agreement calls for automatic renewal for successive one-year terms unless 90-day prior written notice is given before the current term expires. As of June 30, 2021, the Company had approximately 67,000 tons of distiller grains sales commitments for delivery through November 2021 at various fixed prices.

Sales and marketing fees related to the agreements in place for the three and six months ended June 30, 2021 and 2020 were approximately as follows:

	Three Months Ended June 30, 2021	Six Months Ended June 30, 2021	Three Months Ended June 30, 2020	Six Months Ended June 30, 2020
Sales ethanol	$ 99,037,000	$ 170,768,000	$ 48,194,000	$ 96,147,000
Sales distiller grains	23,920,000	42,903,000	13,163,000	26,806,000
Sales corn oil	7,733,000	13,390,000	3,681,000	7,122,000
Marketing fees ethanol	$ 104,000	$ 258,000	$ 23,000	$ 83,000
Marketing fees distiller grains	218,000	414,000	191,000	396,000
Marketing fees corn oil	32,000	61,000	11,000	40,000

	As of June 30, 2021	As of December 31, 2020
Amount due from RPMG	$ 5,565,000	$ 1,451,000
Amount due from CHS	3,195,000	2,635,000

At June 30, 2021, the Company had approximately $56,086,000 in outstanding priced corn purchase commitments for bushels at various prices and approximately 2,507,000 bushels of basis contracts through December 2022 accounted for under the normal purchase exclusion.

The Company has commitments for minimum purchases of various utilities such as natural gas and electricity over the next 12 months totaling approximately $516,000 accounted for under the normal purchase exclusion.

As of June 30, 2021, the Company had no natural gas locked in at fixed prices. As of June 30, 2020, approximately 1,932,000 decatherms of natural gas was locked into place at fixed prices through December 31, 2020 accounted for under the normal purchase exclusion.

6. LEASE OBLIGATIONS

A lease exists when a contract conveys to a party the right to control the use of identified property, plant, or equipment for a period of time in exchange for consideration. The Company recognized a lease liability at the lease commencement date, as the present value of future lease payments, using an estimated rate of interest that the Company would pay to borrow equivalent funds on a collateralized basis. A lease asset is recognized based on the lease liability value and adjusted for any prepaid lease payments, initial direct costs, or lease incentive amounts. The lease term at the commencement date includes any renewal options or termination options when it is reasonably certain that the Company will exercise or not exercise those options, respectively.

The Company leases rail cars and rail moving equipment with original terms up to 7 years. The Company is obligated to pay costs of insurance, taxes, repairs and maintenance pursuant to the terms of the leases. These costs are in addition to regular lease payments and are not included in lease expense. Rent expense incurred for the operating leases during the three and six months ended June 30, 2021 was approximately $492,000 and $953,000, respectively and for the same periods in 2020 was approximately $444,000 and $888,000, respectively. The lease agreements have maturity dates ranging from March 2022 to October 2025. The weighted average remaining life of the lease term for these leases was 1.39 years as of June 30, 2021.

The discount rate used in determining the lease liability for each individual lease was the Company's estimated incremental borrowing rate of 4.79%. The right-of-use asset operating lease, included in other assets, and operating lease liability, included in current and long term liabilities was approximately $2,307,790 and $3,116,941 as of June 30, 2021 and December 31, 2020, respectively.

At June 30, 2021, the Company had the following approximate minimum rental commitments under non-cancelable operating leases for the twelve month period ended June 30:

2022	$	1,564,000
2023		557,000
2024		156,000
2025		109,000
Thereafter		36,000
Total lease commitments	$	2,422,000

A reconciliation of the undiscounted future payments in the schedule above and the lease liability recognized in the consolidated balance sheet as of June 30, 2021, is shown below.

Undiscounted future payments	$	2,422,000
Discount effect		(114,000)
	$	2,308,000

7. DERIVATIVE INSTRUMENTS

The Company's activities expose it to a variety of market risks, including the effects of changes in commodity prices. These financial exposures are monitored and managed by the Company as an integral part of its overall risk-management program. The Company's risk management program focuses on the unpredictability of financial and commodities markets and seeks to reduce the potentially adverse effects that the volatility of these markets may have on its operating results.

To reduce price risk caused by market fluctuations, the Company generally follows a policy of using exchange traded futures and options contracts to reduce its net position of merchandisable agricultural commodity inventories and forward cash purchase and sales contracts and uses exchange traded futures and options contracts to reduce price risk. Exchange-traded futures contracts are valued at market price.

Changes in market price of exchange traded futures and options contracts related to corn and natural gas are recorded in costs of goods sold and changes in market prices of contracts related to the sale of ethanol, if applicable, are recorded in revenues.

The Company uses futures or options contracts to fix the purchase price of anticipated volumes of corn to be purchased and processed in a future month. The Company's plant will grind approximately 65 million bushels of corn per year. Over the next twelve months, the Company has hedged and anticipates hedging between 5% and 28% of its anticipated annual grind. At June 30, 2021, the Company has hedged portions of its anticipated monthly purchases for corn averaging approximately 27% of its anticipated monthly grind over the next twelve months.

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The following table represents the approximate amount of realized/unrealized gains (losses) and changes in fair value recognized in earnings on commodity contracts for the three and six months ending June 30, 2021 and 2020 and the fair value of derivatives as of June 30, 2021 and December 31, 2020:

	Income Statement Classification	Realized Gain (Loss)	Change In Unrealized Gain (Loss)	Total Gain (Loss)
Derivatives not designated as hedging instruments:				
Commodity contracts for the				
three months ended June 30, 2021	Cost of Goods Sold	$ (13,143,000)	$ (1,700,000)	$ (14,843,000)
Commodity contracts for the				
three months ended June 30, 2020	Revenue	$ —	$ (1,176,000)	$ (1,176,000)
	Cost of Goods Sold	1,433,000	(1,083,000)	350,000
	Total	$ 1,433,000	$ (2,259,000)	$ (826,000)
Commodity contracts for the				
six months ended June 30, 2021	Cost of Goods Sold	$ (18,458,000)	$ 2,267,000	$ (16,191,000)
Commodity contracts for the				
six months ended June 30, 2020	Revenue	$ —	$ (1,176,000)	$ (1,176,000)
	Cost of Goods Sold	4,183,000	(1,236,000)	2,947,000
	Total	$ 4,183,000	$ (2,412,000)	$ 1,771,000

	Balance Sheet Classification	June 30, 2021	December 31, 2020
Futures contracts			
In gain position		$ 481,000	$ —
In loss position		(4,446,000)	(6,233,000)
Cash held by broker		5,196,000	7,074,000
	Current Asset	$ 1,231,000	$ 841,000

8. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Company uses various methods including market, income and cost approaches. Based on these approaches, the Company often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market-corroborated, or generally unobservable inputs. The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Company is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1: Valuations for assets and liabilities traded in active markets from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2: Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third-party pricing services for identical or similar assets or liabilities.

Level 3: Valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

A description of the valuation methodologies used for instruments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy, is set forth below:

Derivative financial instruments: Commodity futures and exchange-traded commodity options contracts are reported at fair value utilizing Level 1 inputs. For these contracts, the Company obtains fair value measurements from an independent pricing service. The fair value measurements consider observable data that may include dealer quotes and live trading levels from the CBOT and NYMEX markets.

The following table summarizes financial assets and financial liabilities measured at fair value on a recurring basis as of June 30, 2021 and December 31, 2020, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value:

	Total	Level 1	Level 2	Level 3
As of June 30, 2021				
Derivative financial instruments				
Assets	$ 481,000	$ 481,000	$ —	$ —
Liabilities	$ (4,446,000)	$ (4,446,000)	$ —	$ —
As of December 31, 2020				
Derivative financial instruments				
Liabilities	$ (6,233,000)	$ (6,233,000)	$ —	$ —

The Company's financial assets and liabilities not recorded at fair value, for which carrying value approximates fair value, consists of cash and cash equivalents, accounts receivable, accounts payable, accrued expenses, and term revolver debt.

9. LITIGATION MATTERS

Retterath

On August 1, 2013 Mr. Steve Retterath filed a lawsuit against the Company along with several directors, the Company's former CEO, former CFO, COO, a former director and the Company's outside legal counsel in Florida state court. In August 2016, this lawsuit was voluntarily dismissed without prejudice by the Retteraths. On August 14, 2013, the Company filed a lawsuit in Iowa state court to enforce the repurchase agreement the Company entered into with Mr. Retterath. No distributions have been paid to Mr. Retterath since the time of the original expected closing date of August 1, 2013. On June 15, 2017, the Iowa Court ruled in favor of Homeland that the repurchase agreement was valid and directed Mr. Retterath to perform his obligations under the repurchase agreement by August 1, 2017. Mr. Retterath subsequently filed various motions with the Iowa Court and was granted a stay regarding his obligation to perform the repurchase agreement while the court considered his post trial motions. On May 7, 2018, the Iowa Court denied Mr. Retterath's motions for a new trial and to reconsider the Iowa Court's prior ruling. In February 2020, the Iowa Supreme Court ruled in favor of the Company that the repurchase agreement was valid. In April 2020, the Company closed the repurchase of the membership units held by Mr. Retterath.

10. SUBSEQUENT EVENT

On July 22, 2021, the Company entered into an amendment to the revolving debt with Home Federal, creating a new $50 million revolving loan in addition to existing debt instruments. The agreements Homeland entered into with Home Federal were: (i) a Third Amendment to Amended and Restated Master Loan Agreement (the “Loan Amendment”); (ii) a Third Amended and Restated Second Supplement to Master Loan Agreement (the “Term Loan Amendment”); (iii) a Revolving Promissory Note (the “Promissory Note”); and (iv) a Fifth Amended and Restated Mortgage (the “Amended Mortgage”).

Pursuant to the Loan Amendment, the Company can borrow up to $50 million pursuant to the revolving loan. The amount available pursuant to the revolving loan decreases to $40 million on December 31, 2021 and decreases again to $30 million on May 31, 2022. Interest on the revolving loan accrues at a rate of 30 basis points less than the prime rate. There is a fee on the unused portion of the revolving loan equal to 0.30%. The maturity date of the revolving loan is November 6, 2025.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This report contains forward-looking statements that involve future events, our future performance and our expected future operations and actions. In some cases you can identify forward-looking statements by the use of words such as "may," "will," "should," "anticipate," "believe," "expect," "plan," "future," "intend," "could," "estimate," "predict," "hope," "potential," "continue," or the negative of these terms or other similar expressions. These forward-looking statements are only our predictions and involve numerous assumptions, risks and uncertainties. Our actual results or actions may differ materially from these forward-looking statements for many reasons, including the reasons described in this report or in our Annual Report on Form 10-K for the fiscal year ended December 31, 2020. We are not under any duty to update the forward-looking statements contained in this report. We cannot guarantee future results, levels of activity, performance or achievements. We caution you not to put undue reliance on any forward-looking statements, which speak only as of the date of this report. You should read this report and the documents that we reference in this report and have filed as exhibits, completely and with the understanding that our actual future results may be materially different from what we currently expect. We qualify all of our forward-looking statements by these cautionary statements.

Overview

Homeland Energy Solutions, LLC (referred to herein as "we," "us," the "Company," or "Homeland") is an Iowa limited liability company. Homeland was formed on December 7, 2005 for the purpose of pooling investors for the development, construction and operation of a 100 million gallon per year ethanol plant located near Lawler, Iowa. We began producing ethanol and distiller grains at the plant in April 2009. We completed installation of corn oil extraction equipment and commenced selling corn oil during our fourth quarter of 2011. During our fourth quarter of 2017, we completed a plant expansion project. The ethanol plant is now capable of operating at a rate in excess of 190 million gallons of ethanol per year.

On July 22, 2021, Homeland and Home Federal entered into an amendment to Homeland’s revolving loan with Home Federal creating a new $50 million revolving loan in addition to Homeland’s other current debt instruments. Pursuant to the loan amendment, we can borrow up to $50 million pursuant to the revolving loan. The amount available pursuant to the revolving loan decreases to $40 million on December 31, 2021 and decreases again to $30 million on May 31, 2022.

Results of Operations

Comparison of Fiscal Quarters Ended June 30, 2021 and 2020

The following table shows the results of our operations and the percentage of revenues, cost of goods sold, operating expenses and other items to total revenues in our statement of operations for the three months ended June 30, 2021 and 2020:

Income Statement Data	2021			2020		
	Amount		%	Amount		%
Revenue	$	130,691,378	100.0	$	63,862,205	100.0
Costs of goods sold		116,577,854	89.2		59,284,228	92.8
Gross profit		14,113,524	10.8		4,577,977	7.2
Selling, general and administrative expenses		1,131,308	0.9		831,256	1.3
Operating income		12,982,216	9.9		3,746,721	5.9
Other income (expense)		(72,865)	(0.1)		215,101	0.3
Net income	$	12,909,351	9.9	$	3,961,822	6.2

Revenue

Our total revenue for our second quarter of 2021 was approximately 105% more than our total revenue for our second quarter of 2020 due primarily to increased average prices for our products.

For our second quarter of 2021, our total ethanol revenue was approximately 111% more than our second quarter of 2020 due to lower average prices we received for our ethanol during the 2020 period, as well as slightly fewer gallons sold in 2020.

The average price per gallon we received for our ethanol during our second quarter of 2021 was approximately 96% more than the average price we received for our ethanol during our second quarter of 2020. Management attributes this increase in the average price we received for our ethanol with higher market gasoline prices, which impacts ethanol prices, during our second quarter of 2021 compared to the same period of 2020. Management believes that the COVID-19 pandemic impacted gasoline demand during the 2020 period. Management anticipates that the impact of the COVID-19 pandemic may continue for the rest of our 2021 fiscal year.

We sold approximately 7% more gallons of ethanol during our second quarter of 2021 compared to the same period of 2020. Management attributes this increase to increased travel as people begin to travel more as restrictions on travel due to the COVID-19 pandemic are relaxing.

Our total distiller grains revenue was approximately 82% more during our second quarter of 2021 compared to the same period of 2020, primarily due to an increased average price of distiller grains sold, as well as slightly more dried distiller grains sold. We sold approximately 11% more tons of distiller grains during our second quarter of 2021 compared to the same period of 2020 due to reduced production at the ethanol plant in 2020 during the COVID-19 pandemic. We primarily sell our distillers grains in the dried form. The average price we received for our dried distiller grains was approximately 64% higher during our second quarter of 2021 compared to the same period of 2020. Management anticipates that distiller grains prices will remain steady during the rest of our 2021 fiscal year due to anticipated stable distiller grains demand.

Our total corn oil revenue was approximately 110% higher for our second quarter of 2021 compared to the same period of 2020 due to an increased average selling price per pound of corn oil during the 2021 period. We sold approximately 13% more pounds of corn oil during our second quarter of 2021 compared to the same period of 2020 primarily because of increased corn oil extraction efficiency during the 2021 period. The average price we received for our corn oil was approximately 86% higher during our second quarter of 2021 compared to the same period of 2020 due to increased demand in the corn oil market. Management anticipates that corn oil prices will increase slightly for the rest of our 2021 fiscal year since biodiesel production is typically higher during the summer months and corn oil is frequently used as the feedstock to produce biodiesel.

During our second quarter of 2021, we experienced no realized or unrealized losses on ethanol derivatives. By comparison, during the same period of 2020, we experienced combined realized and unrealized losses on our ethanol derivatives of approximately $1,176,000, which decreased our revenue.

Cost of Goods Sold

Our total cost of goods sold was approximately 97% more for our second quarter of 2021 compared to the same period of 2020. Our cost of goods sold related to corn, without taking into account derivative instruments, was approximately 103% more during our second quarter of 2021 compared to our second quarter of 2020 due to higher average corn costs per bushel, along with slightly more bushels of corn ground. We used approximately 9% more bushels of corn during our second quarter of 2021 compared to the same period of 2020 due to increased overall production at the ethanol plant. Our average cost per bushel of corn was approximately 87% higher during our second quarter of 2021 compared to our second quarter of 2020 due primarily to increased corn demand. Management anticipates that corn costs will remain higher unless current market conditions change and corn demand is lower due to increased corn supply from new crop corn.

We experienced increased natural gas costs during our second quarter of 2021 compared to the same period of 2020 primarily due to slightly higher average costs per MMBtu of natural gas used, along with slightly increased usage during the 2021 period. During our second quarter of 2021, our average delivered cost per MMBtu of natural gas was approximately 13% higher compared to the same period of 2020. In addition, we used approximately 13% more MMBtu of natural gas during our second quarter of 2021 compared to our second quarter of 2020 due to increased production at the ethanol plant.

We engage in risk management activities that are intended to fix the purchase price of the corn and natural gas we require to produce ethanol, distiller grains and corn oil. During our second quarter of 2021, we experienced combined realized and unrealized losses of approximately $14.8 million related to our corn and natural gas derivative instruments which increased our cost of goods sold. During our second quarter of 2020, we had combined realized and unrealized gains of approximately $350 thousand which decreased our cost of goods sold related to our corn and natural gas derivative instruments. We recognize the gains or losses that result from changes in the value of our corn and natural gas derivative instruments in cost of goods sold as the changes occur.

Selling, General and Administrative Expenses

Our selling, general and administrative expenses were more during the second quarter of 2021 than during our second quarter of 2020, primarily due to increased administrative labor and consulting fees in the current quarter.

Other Income (Expense)

We had less interest expense during our second quarter of 2021 compared to the same period of 2020 due to having less outstanding debt. We had less other income during our second quarter of 2021 compared to the same period of 2020 due to less gains on our equity method investments in the 2021 period.

Comparison of Six Months Ended June 30, 2021 and 2020

The following table shows the results of our operations and the percentage of revenues, cost of goods sold, operating expenses and other items to total revenues in our statement of operations for the six months ended June 30, 2021 and 2020:

	2021		2020	
Income Statement Data	**Amount**	**%**	**Amount**	**%**
Revenue	$ 227,068,328	100.0	$ 128,899,443	100.0
Costs of goods sold	205,798,353	90.6	128,249,051	99.5
Gross profit	21,269,975	9.4	650,392	0.5
Selling, general and administrative expenses	2,363,684	1.0	1,836,269	1.4
Operating income (loss)	18,906,291	8.3	(1,185,877)	(0.9)
Other income (expense)	(131,645)	(0.1)	(100,866)	(0.1)
Net income (loss)	$ 18,774,646	8.3	$ (1,286,743)	(1.0)

Revenue

Our total revenue for our six months ended June 30, 2021 was approximately 76% more than our total revenue for our six months ended June 30, 2020 due primarily to increased average prices for our products.

For our six months ended June 30, 2021, our total ethanol revenue was approximately 80% more than our six months ended June 30, 2020 due to lower average prices we received for our ethanol during the 2020 period, as well as slightly fewer gallons sold in 2020.

The average price per gallon we received for our ethanol during our six months ended June 30, 2021 was approximately 70% more than the average price we received for our ethanol during our six months ended June 30, 2020. Management attributes this increase in the average price we received for our ethanol with higher market gasoline prices, which impacts ethanol prices, during our six months ended June 30, 2021 compared to the same period of 2020.

We sold approximately 5% more gallons of ethanol during our six months ended June 30, 2021 compared to the same period of 2020. Management attributes this increase to increased travel as people begin to travel more as restrictions on travel due to the COVID-19 pandemic are relaxing.

Our total distiller grains revenue was approximately 60% more during our six months ended June 30, 2021 compared to the same period of 2020, primarily due to an increased average price of distiller grains sold, as well as slightly more dried distiller grains sold. We sold approximately 4% more tons of distiller grains during our six months ended June 30, 2021 compared to the same period of 2020 due to reduced production at the ethanol plant in 2020 due to the COVID-19 pandemic.

We primarily sell our distillers grains in the dried form. The average price we received for our dried distiller grains was approximately 53% higher during our six months ended June 30, 2021 compared to the same period of 2020.

Our total corn oil revenue was approximately 88% higher for our six months ended June 30, 2021 compared to the same period of 2020 due to an increased average selling price per pound of corn oil during the 2021 period. We sold approximately 7% more pounds of corn oil during our six months ended June 30, 2021 compared to the same period of 2020 primarily because of increased corn oil extraction efficiency during the 2021 period. The average price we received for our corn oil was approximately 77% higher during our six months ended June 30, 2021 compared to the same period of 2020 due to increased demand in the corn oil market.

Cost of Goods Sold

Our total cost of goods sold was approximately 61% more for our six months ended June 30, 2021 compared to the same period of 2020. Our cost of goods sold related to corn, without taking into account derivative instruments, was approximately 58% more during our six months ended June 30, 2021 compared to our six months ended June 30, 2020 due to higher average corn costs per bushel, along with slightly more bushels of corn ground. We used approximately 2% more bushels of corn during our six months ended June 30, 2021 compared to the same period of 2020 due to increased overall production at the ethanol plant. Our average cost per bushel of corn was approximately 54% higher during our six months ended June 30, 2021 compared to our six months ended June 30, 2020 due primarily to increased corn demand.

We experienced increased natural gas costs during our six months ended June 30, 2021 compared to the same period of 2020 primarily due to slightly higher average costs per MMBtu of natural gas used, along with slightly increased usage during the 2021 period. During our six months ended June 30, 2021, our average delivered cost per MMBtu of natural gas was approximately 8% higher compared to the same period of 2020. In addition, we used approximately 4% more MMBtu of natural gas during our six months ended June 30, 2021 compared to our six months ended June 30, 2020 due to increased production at the ethanol plant.

We engage in risk management activities that are intended to fix the purchase price of the corn and natural gas we require to produce ethanol, distiller grains and corn oil. During our six months ended June 30, 2021, we experienced combined realized and unrealized losses of approximately $16.2 million related to our corn and natural gas derivative instruments which increased our cost of goods sold. During our six months ended June 30, 2020, we had combined realized and unrealized gains of approximately $2.9 million which decreased our cost of goods sold related to our corn and natural gas derivative instruments. We recognize the gains or losses that result from changes in the value of our corn and natural gas derivative instruments in cost of goods sold as the changes occur.

Selling, General and Administrative Expenses

Our selling, general and administrative expenses were more during the six months ended June 30, 2021 than during our six months ended June 30, 2020, primarily due to increased insurance expenses along with increased administrative labor and consulting fees in the current quarter.

Other Income (Expense)

We had less interest expense during our six months ended June 30, 2021 compared to the same period of 2020 due to having less outstanding debt. We had less other income during our six months ended June 30, 2021 compared to the same period of 2020 due to fewer gains on our equity method investments in the 2021 period primarily due to investments liquidated in 2020.

Changes in Financial Condition for the Six Months Ended June 30, 2021

Balance Sheet Data	June 30, 2021	December 31, 2020
Total current assets	$ 69,697,709	$ 39,328,153
Total property and equipment	121,733,833	128,534,219
Total other assets	6,903,500	7,676,848
Total Assets	$ 198,335,042	$ 175,539,220
Total current liabilities	$ 13,186,308	$ 23,693,602
Total long-term liabilities	16,007,533	1,479,063
Total members' equity	169,141,201	150,366,555
Total Liabilities and Members' Equity	$ 198,335,042	$ 175,539,220

We had less cash and cash equivalents at June 30, 2021 compared to December 31, 2020 due to payments for deferred corn and capital projects offset by increased net income during the 2021 period. We had more accounts receivable at June 30, 2021 compared to December 31, 2020 due to the timing of our quarter end compared to payments we received from our marketers. As of June 30, 2021 we had more inventory compared to December 31, 2020 due to more raw materials on hand on the last day of the month along with an increase in value. We had fewer prepaid assets at June 30, 2021 compared to December 31, 2020 due to less prepaid insurance at June 30, 2021. As of June 30, 2021, the value of our derivative instruments was higher compared to December 31, 2020 due to changes in the value of our derivative instruments.

Our net property and equipment was lower at June 30, 2021 compared to December 31, 2020 due to depreciation, partially offset by capital additions. The value of our other assets was higher at June 30, 2021 compared to December 31, 2020 due to increases from investments, partially offset by amortization of our right-of-use asset at June 30, 2021 compared to December 31, 2020.

Our accounts payable was less at June 30, 2021 compared to December 31, 2020 due primarily to having less deferred corn payments at June 30, 2021. Our accrued expenses were more at June 30, 2021 compared to December 31, 2020 due to lower payroll related liabilities at December 31, 2020.

Our long-term liabilities were more at June 30, 2021 compared to December 31, 2020 due to an increase in long term debt at June 30, 2021, partially offset by amortization of our operating lease liability.

Liquidity and Capital Resources

Our primary sources of liquidity as of June 30, 2021 were cash from our operations and our $50 million long-term revolving loan. Our credit facilities are described in greater detail below under "***Short-Term and Long-Term Debt Sources.***" As of June 30, 2021, we had approximately $34.8 million available pursuant to our revolving loan and approximately $2.75 million in cash and cash equivalents. Based on financial forecasts performed by our management, we anticipate that we will have sufficient cash from our revolving loan and cash from our operations to continue to operate the ethanol plant at capacity for the next 12 months and beyond. However, should we experience unfavorable operating conditions in the future, we may have to secure additional debt or equity financing for working capital or other purposes.

The following table shows cash flows for the six months ended June 30, 2021 and 2020:

	2021	2020
Net cash provided by (used in) operating activities	$ (15,079,641)	$ 6,876,710
Net cash provided by (used in) investing activities	(2,434,813)	29,312,630
Net cash provided by (used in) financing activities	15,189,000	(32,092,325)
Cash at beginning of period	5,072,227	17,274,703
Cash and cash equivalents at end of period	$ 2,746,773	$ 21,371,718

Cash Flow From Operations

Our operations used more cash during our first six months of 2021 compared to the same period of 2020 due primarily to decreased cash flow from changes in accounts receivable, inventory, and accounts payable during the 2021 period, partially offset by net income.

Cash Flow From Investing Activities

Our investing activities used more cash during the 2021 period because of the lack of sales of trading securities during the 2021 period compared to the 2020 period.

Cash Flow From Financing Activities

Our financing activities provided more cash during the 2021 period because of proceeds from long-term borrowings.

Short-Term and Long-Term Debt Sources

Master Loan Agreement with Home Federal Savings Bank

On June 29, 2017, we entered into a new $30 million term loan (the "Term Loan") and increased and extended our existing revolving loan (the "Revolving Loan") with Home Federal Savings Bank ("Home Federal"). The Revolving Loan is described below. On November 6, 2020, we entered into an amendment of our credit facilities. On July 22, 2021, we entered into an amendment to our Revolving Loan with Home Federal, creating a new $50 million revolving loan in addition to our other current debt instruments, (the “Loan Amendment”). The Loan Amendment is described below.

Revolving Loan

We have a $50 million term revolving loan which has a maturity date of November 6, 2025. Interest on the Revolving Loan accrues at Prime Rate less 60 basis points. We are required to make monthly payments of interest until the maturity date on November 6, 2025, on which date the unpaid principal balance of the Revolving Loan becomes due. We agreed to pay a fee of 30 basis points on a per annum basis on the unused portion of the Revolving Loan payable on a quarterly basis. As of June 30, 2021, we had approximately $15 million outstanding on the Revolving Loan and approximately $35 million available to be drawn. Interest accrued on the Revolving Loan as of June 30, 2021 at a rate of 2.65% per year.

Pursuant to the Loan Amendment in July, 2021, we can borrow up to an additional $50 million pursuant to the revolving loan. The amount available pursuant to the revolving loan decreases to $40 million on December 31, 2021 and decreases again to $30 million on May 31, 2022. Interest on the revolving loan accrues at a rate of 0.30% less than the prime rate. There is a fee on the unused portion of the revolving loan equal to 0.30%. The maturity date of this revolving loan is November 6, 2025.

Covenants

In connection with the Master Loan Agreement, we are required to comply with certain debt covenants and financial ratios. We agreed to a debt service coverage ratio of 1:15 to 1:00 and a minimum working capital covenant of $30 million. We are permitted to pay distributions to our members up to 100% of our net income for the year in which the distributions are paid provided that immediately prior to the distribution and after giving effect to the distribution, no default exists and we are in compliance with all of our loan covenants, including compliance with the financial covenants. The maximum capital expenditure covenant was increased to $17.5 million in 2020, unless working capital exceeds $40 million, then there is no limit on capital expenditure.

As of June 30, 2021, we were in compliance with all of our debt covenants and financial ratios. Management anticipates that we will be in compliance with all of our debt covenants and financial ratios for at least the next 12 months.

Failure to comply with the loan covenants or to maintain the required financial ratios may cause acceleration of any future outstanding principal balances on the loans and/or the imposition of fees, charges or penalties. Any acceleration of the debt financing or imposition of the fees, charges or penalties may restrict or limit our access to the capital resources necessary to continue plant operations.

Should we default on any of our obligations pursuant to the Home Federal loans, Home Federal may terminate its commitment to provide us funds and declare any future unpaid principal balance of the loans, plus accrued interest, immediately due and payable. Events of default include the failure to make payments when due, our insolvency, any material adverse change in our financial condition or the breach of any of the covenants, representations or warranties we have made in the loan agreements.

Application of Critical Accounting Estimates

Management uses estimates and assumptions in preparing our financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Of the significant accounting policies described in the notes to our financial statements, we believe that the following are the most critical:

Derivative Instruments

The Company evaluates its contracts to determine whether the contracts are derivative instruments. Certain contracts that literally meet the definition of a derivative may be exempted from derivative accounting as normal purchases or normal sales. Normal purchases and normal sales are contracts that provide for the purchase or sale of something other than a financial instrument or derivative instrument that will be delivered in quantities expected to be used or sold over a reasonable period in the normal course of business. Contracts that meet the requirements of normal purchases or sales are documented as normal and exempted from the accounting and reporting requirements of derivative accounting.

The Company enters into short-term cash, option and futures contracts as a means of securing purchases of corn, natural gas and sales of ethanol for the plant and managing exposure to changes in commodity and energy prices. All of the Company's derivatives are designated as non-hedge derivatives for accounting purposes, with changes in fair value recognized in net income. Although the contracts are economic hedges of specified risks, they are not designated as and accounted for as hedging instruments.

As part of its trading activity, the Company uses futures and option contracts through regulated commodity exchanges to manage its risk related to pricing of inventories. To reduce that risk, the Company generally takes positions using cash and futures contracts and options.

Realized and unrealized gains and losses related to derivative contracts related to corn and natural gas are included as a component of cost of goods sold and derivative contracts related to ethanol are included as a component of revenues in the accompanying financial statements. The fair values of all contracts with the same counter-party are presented net on the accompanying balance sheet as derivative instruments net of cash due from/to broker.

Revenue Recognition

Revenue from the sale of the Company's products is recognized at the time control transfer to the customers. This generally occurs upon shipment, loading of the goods or when the customer picks up the goods. Interest income is recognized as earned. Shipping costs incurred by the Company in the sale of ethanol and distiller grains are not specifically identifiable and as a result, revenue from the sale of ethanol and distiller grains is recorded based on the net selling price reported to the Company from the marketer.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to the impact of market fluctuations associated with commodity prices as discussed below. We have no exposure to foreign currency risk as all of our business is conducted in U.S. Dollars. We use derivative financial instruments as part of an overall strategy to manage market risk. We use cash, futures and option contracts to hedge changes to the commodity prices of corn, natural gas and ethanol. We do not enter into these derivative financial instruments for trading or speculative purposes, nor do we designate these contracts as hedges for accounting purposes.

Interest Rate Risk

We are exposed to market risk from changes in interest rates. Exposure to interest rate risk results primarily from holding loans which bear variable interest rates. As of June 30, 2021, we had $15 million outstanding on our variable interest rate loans with interest accruing at a rate of 2.65%. Our variable interest rates are calculated by subtracting a set basis to the prime rate. If we were to experience a 10% increase in the prime rate, the annual effect such change would have on our income statement, based on the amount we had outstanding on our variable interest rate loans as of June 30, 2021, would be approximately $1.5 million.

Commodity Price Risk

We seek to minimize the risks from fluctuations in the prices of raw material inputs, such as corn and natural gas, and finished products, such as ethanol and distiller grains, through the use of hedging instruments. In practice, as markets move, we actively manage our risk and adjust hedging strategies as appropriate. Although we believe our hedge positions accomplish an economic hedge against our future purchases and sales, management has chosen not to use hedge accounting, which would match the gain or loss on our hedge positions to the specific commodity purchase being hedged. We are using fair value accounting for our hedge positions, which means as the current market price of our hedge positions changes, the realized or unrealized gains and losses are immediately recognized in our cost of goods sold or as an offset to revenues. The immediate recognition of hedging gains and losses under fair value accounting can cause net income to be volatile from quarter to quarter due to the timing of the change in value of the derivative instruments relative to the cost and use of the commodity being hedged.

As of June 30, 2021, we had price protection in place for approximately 27% of our anticipated corn needs, none of our natural gas needs and 1% of our ethanol sales for the next 12 months. A sensitivity analysis has been prepared to estimate our exposure to ethanol, corn and natural gas price risk. Market risk related to these factors is estimated as the potential change in income resulting from a hypothetical 10% adverse change in the average cost of our corn and natural gas prices and average ethanol price as of June 30, 2021, net of the forward and future contracts used to hedge our market risk for corn and natural gas usage requirements. The volumes are based on our expected use and sale of these commodities for a one year period from June 30, 2021. The results of this analysis, which may differ from actual results, are as follows:

	Estimated Volume Requirements for the next 12 months (net of forward and futures contracts)	Unit of Measure	Hypothetical Adverse Change in Price		Approximate Adverse Change to income
Natural Gas	5,050,000	MMBTU	10%	$	(1,893,750)
Ethanol	192,235,200	Gallons	10%		(36,524,688)
Corn	55,184,896	Bushels	10%		(32,835,013)

For comparison purposes, our sensitivity analysis for our second quarter of 2020 is set forth below.

	Estimated Volume Requirements for the next 12 months (net of forward and futures contracts)	Unit of Measure	Hypothetical Adverse Change in Price		Approximate Adverse Change to income
Natural Gas	3,118,000	MMBTU	10%	$	(530,060)
Ethanol	186,000,000	Gallons	10%		(22,320,000)
Corn	61,313,000	Bushels	10%		(18,393,900)

ITEM 4. CONTROLS AND PROCEDURES.

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit pursuant to the Securities Exchange Act of 1934 (the "Exchange Act") is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosures.

Our management, including our Interim President and Chief Executive Officer (the principal executive officer) and Chief Financial Officer, (the principal financial officer), Beth Eiler, has reviewed and evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2021. Based on this review and evaluation, this officer believes that our disclosure controls and procedures are effective in ensuring that material information related to us is recorded, processed, summarized and reported within the time periods required by the forms and rules of the Securities and Exchange Commission.

For the fiscal quarter ended June 30, 2021, there has been no change in our internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II.

ITEM 1. LEGAL PROCEEDINGS.

Retterath Lawsuit

On August 14, 2013, the Company filed a lawsuit against Steve Retterath in the Iowa state court located in Polk County, Iowa. The purpose of the lawsuit was to enforce the terms of the repurchase agreement the Company executed with Mr. Retterath on June 13, 2013. The Company asked the Iowa state court to require Mr. Retterath to perform his obligations under the repurchase agreement pursuant to its terms. Mr. Retterath removed the case to federal court in the Federal District Court for the Southern District of Iowa in December 2013. The Company believed that this removal was improper and as a result the Company moved to remand the case back to the Iowa state court in Polk County which was granted. Mr. Retterath answered the lawsuit in August 2014, denying the validity of the repurchase agreement. In addition, the Iowa state court permitted Jason Retterath and Annie Retterath, the son and daughter-in-law of Steve Retterath, to be added as parties to the Iowa state lawsuit. In February 2015, the Company filed a motion for summary judgment asking the Iowa state court to enforce the repurchase agreement. The Retteraths also filed motions for summary judgment asking the Iowa state court to find the repurchase agreement invalid. On October 16, 2015, the Iowa state court entered a ruling granting Homeland's motion for summary judgment and determined no membership vote was required as Mr. Retterath has contended. The Iowa state court also denied the summary judgment motions filed by Mr. Retterath and his son and daughter-in-law.

Mr. Retterath and his son and daughter-in-law filed a motion to add a significant number of additional parties to the Iowa lawsuit along with additional claims against the Company. We filed a resistance to Mr. Retterath's attempts to expand the scope of the Iowa lawsuit. In November 2016, the Iowa Court ruled that our original claims against Mr. Retterath would proceed to trial in January 2017 as scheduled and that any other issues that remain following that trial would be litigated after a ruling is issued in the January 2017 trial. The trial was held in January 2017. On June 15, 2017, the Iowa Court ruled in favor of Homeland that the repurchase agreement was valid and directed Mr. Retterath to perform his obligations under the repurchase agreement by August 1, 2017. Mr. Retterath subsequently filed motions with the Iowa Court to reconsider its ruling or alternatively award Mr. Retterath a new trial. Mr. Retterath also asked the Iowa Court to stay his obligation to perform the repurchase agreement until these motion are ruled on by the Iowa Court. The Iowa Court granted Mr. Retterath's stay while the court considered his post-trial motions. On May 7, 2018, the Iowa Court denied Mr. Retterath's motions for a new trial and to reconsider the Iowa Court's prior ruling. Mr. Retterath filed an appeal of the Iowa Court's decision. In February 2020, the Iowa Supreme Court ruled that the repurchase agreement is valid and enforceable. In April 2020, we closed the repurchase transaction. Now that the first part of the case is resolved, the additional matters Mr. Retterath added to the case in 2016 will be resolved by the court.

ITEM 1A. RISK FACTORS.

There have been no material changes to the risk factors previously disclosed in our annual report on Form 10-K for the fiscal year ended December 31, 2020.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

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ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS, FINANCIAL STATEMENT SCHEDULES.

(a) The following exhibits are filed as part of this report.

Exhibit No.	Exhibit
10.1	Fifth Amended and Restated Mortgage dated July 22, 2021 between Homeland Energy and Home Federal Savings Bank
10.2	Third Amendment to Amended and Restated Master Loan Agreement between Homeland Energy and Home Federal Savings Bank dated July 22, 2021
10.3	Term Revolving Note dated July 22, 2021 between Homeland Energy and Home Federal Savings Bank
10.4	Third Amended and Restated, Second Supplement to Master Loan Agreement between Homeland Energy and Home Federal Savings Bank dated July 22, 2021
31.1	Certificate Pursuant to 17 CFR 240.13a-14(a)*
31.2	Certificate Pursuant to 17 CFR 240.13a-14(a)*
32.1	Certificate Pursuant to 18 U.S.C. Section 1350*
32.2	Certificate Pursuant to 18 U.S.C. Section 1350*
101	The following financial information from Homeland Energy Solutions, LLC's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021, formatted in XBRL (eXtensible Business Reporting Language): (i) Balance Sheets as of June 30, 2021 and December 31, 2020, (ii) Statements of Operations for the three and six months ended June 30, 2021 and 2020, (iii) Statements of Cash Flows for the three and six months ended June 30, 2021 and 2020, and (iv) the Notes to Unaudited Financial Statements.*

(*) Filed herewith.
(**) Furnished herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

HOMELAND ENERGY SOLUTIONS, LLC

Date:	August 13, 2021	/s/ Beth Eiler
		Beth Eiler
		Interim President and Chief Executive Officer (Principal Executive Officer)
Date:	August 13, 2021	/s/ Beth Eiler
		Beth Eiler
		Chief Financial Officer (Principal Financial Officer)

MORTGAGE
Recorder's Cover Sheet

Preparer Information:
Lathrop GPM LLP, c/o Scott Larison, 1010 West St. Germain Street, Suite 500, St. Cloud, MN 56301 (320) 252-4414

Taxpayer Information:
Homeland Energy Solutions, LLC, 2779 Highway 24, Lawler, Iowa 52154

Return Document To:
Compeer Financial
Aaron Knewtson
21088 Keswick Loop
Lakeville, MN 55044

Grantors:
HOMELAND ENERGY SOLUTIONS, LLC
Grantees:
HOME FEDERAL SAVINGS BANK

Legal Description: See Attached **Exhibit A**

Document or instrument number of previously recorded documents:
Mortgage dated November 30, 2007, which was recorded in the Office of the Chickasaw County Recorder on December 6, 2007, as **Fee Book 2007-2367**, and which was subsequently amended by that certain Amended and Restated Mortgage dated December 30, 2008, which amendment was recorded in the Office of the Chickasaw County Recorder on January 30, 2009, as **Fee Book 2009-0225**, further amended by that certain Second Amended and Restated Mortgage dated February 24, 2014, which was recorded in the Office of the Chickasaw County Recorder on March 3, 2014, as **Fee Book 2014-0276**, further amended by that certain Third Amended and Restated Mortgage dated June 28, 2017, which was recorded in the Office of the Chickasaw County Recorder on July 5, 2017, as **Fee Book 2017-1059**, and further amended by that certain Fourth Amended

and Restated Mortgage dated November 6, 2020, which was recorded in the Office of the Chickasaw County Recorder on November 30, 2020, as **Instrument No. 2020-2748**.

FIFTH AMENDED AND RESTATED
MORTGAGE
Open End

THIS FIFTH AMENDED AND RESTATED MORTGAGE encumbers real property, contains an after-acquired property clause and secures present and future loans and advances.

PARTIES to this Mortgage are:

Mortgagor: HOMELAND ENERGY SOLUTIONS, LLC
an Iowa Limited Liability Company
2779 Highway 24
Lawler, Iowa 52154
Mortgagee: HOME FEDERAL SAVINGS BANK
50 – 14TH AVENUE EAST, SUITE 100
SARTELL, MN 56377

NOTICE: This Mortgage secures credit in the amount up to One Hundred Million Dollars ($100,000,000.00) (the "**Secured Indebtedness**"). Loans and advances up to this amount, together with the interest rates as set forth in the promissory notes are senior to indebtedness to other creditors under subsequently recorded or filed mortgages and liens.

This Mortgage constitutes a construction mortgage and a purchase money mortgage as defined in the Iowa Code.

RECITALS

A. Mortgagor and Mortgagee are parties to an Amended and Restated Master Loan Agreement dated June 29, 2017, as modified by that certain First Amendment to Amended and Restated Master Loan Agreement dated October 19, 2018, by that certain Second Amendment to Amended and Restated Master Loan Agreement dated November 6, 2020, and by that certain Third Amendment to Amended and Restated Master Loan Agreement of even date herewith (collectively, with all supplements, modifications and other amendments thereto, the "**MLA**"), which amended and restated that certain Master Loan Agreement dated as of November 30, 2007, as the same had been modified from time to time thereafter (the "**Original MLA**"). Capitalized terms used and not otherwise defined in this Mortgage shall have the meanings attributed to such terms in the MLA.

B. Under the terms of the MLA and related Loan Documents, including without limitation certain Supplements and the Notes, Mortgagor has agreed to make certain Loans to Mortgagor in an aggregate amount at no time exceeding the amount of the Secured Indebtedness (the "**Loans**").

C. The Loans are evidenced by a Second Amended and Restated Term Revolving Note in the principal amount of $50,000,000.00 dated November 6, 2020, and a Revolving Note in the principal amount of $50,000,000.00 of even date herewith (each with all modifications and amendments thereto, collectively, the "**Notes**").

D. To secure payment and performance of Mortgagor's obligations to Mortgagee under the Original MLA, supplements, notes, and the other loan documents, the Mortgagor granted to Mortgagee that certain Mortgage dated November 30, 2007, which was recorded in the Office of the Chickasaw County Recorder on December 6, 2007, as Fee Book 2007-2367, and which was subsequently amended by that certain Amended and Restated Mortgage dated December 30, 2008, which amendment was recorded in the Office of the Chickasaw County Recorder on January 30, 2009, as Fee Book 2009-0225, further amended by that certain Second Amended and Restated Mortgage dated February 24, 2014, which was recorded in the Office of the Chickasaw County Recorder on March 3, 2014, as Fee Book 2014-0276, further amended by that certain Third Amended and Restated Mortgage dated June 28, 2017, which was recorded in the Office of the Chickasaw County Recorder on July 5, 2017, as Fee Book 2017-1059, and further amended by that certain Fourth Amended and Restated Mortgage dated November 6, 2020, which was recorded in the Office of the Chickasaw County Recorder on November 30_, 2020, as Instrument No. 2020-2748 (as amended, the "**Original Mortgage**").

E. Mortgagor has requested that Lender increase the aggregate principal sum of the Loans by extending to the Mortgagor a revolving loan evidenced by the Revolving Note in the principal amount of $50,000,000.00 of even date herewith; and in connection therewith, the parties hereto desire to amend and restated the Original Mortgage in accordance with this Fifth Amended and Restated Mortgage (hereinafter, the "**Mortgage**").

1. **Grant of Mortgage and Security Interest.** Mortgagor hereby grants, pledges, sells, conveys and mortgages unto Mortgagee a security interest to Mortgagee in the following described property:

a. **Land and Buildings.** All of Mortgagor's right, title and interest in and to the following described real estate situated in Chickasaw County, Iowa (the "**Land**").

See **Exhibit A**, which is incorporated herein by this reference, for legal description

and all buildings, structures and improvements now standing or at any time hereafter constructed or placed upon the Land (the "**Buildings**"), including all hereditaments, easements, appurtenances, riparian rights, mineral rights, water rights, rights in and to the lands lying in streets, alleys and roads adjoining the land, estates and other rights and interests now or hereafter belonging to or in any way pertaining to the Land.

b. **Personal Property.** All fixtures and other personal property integrally belonging to, or hereafter becoming an integral part of the Land or Buildings, whether attached or detached, including equipment and all proceeds, products, increase, issue, accessions, attachments, accessories, parts, additions, repairs, replacements and substitutes of, to, and for the foregoing (the "**Personal Property**").

c. **Revenues and Income.** All rents, issues, profits, leases, condemnation awards and insurance proceeds now or hereafter arising from the ownership, occupancy or use of the Land, Buildings and Personal Property, or any part thereof (the "Revenues and Income").

TO HAVE AND TO HOLD the Land, Buildings, Personal Property and Revenues and Income (collectively called the "**Mortgaged Property**"), together with all privileges, hereditaments thereunto now or hereafter belonging, or in any way appertaining and the products and proceeds thereof, unto Mortgagee, its successors and assigns.

2. **Obligations.** This Mortgage secures the following (hereinafter collectively referred to as the "Obligations"):

a. The payment of the Loans made by Mortgagee to Mortgagor evidenced by the MLA, the Supplements, the Notes, and the other Loan Documents (as defined in the MLA), any renewals, extensions, modifications or refinancing thereof and any additional supplements, notes or other documents issued thereunder or in substitution therefor; and

b. All other obligations of Mortgagor to Mortgagee, now existing or hereafter arising, whether direct or indirect, contingent or absolute and whether as maker or surety, including, but not limited to, future advances and amounts advanced and expenses incurred by Mortgagee pursuant to this Mortgage or arising under the MLA or any other Loan Document. **THIS PARAGRAPH SHALL NOT CONSTITUTE A COMMITMENT TO MAKE ADDITIONAL LOANS IN ANY AMOUNT EXCEPT AS OTHERWISE PROVIDED IN THE MLA.**

3. **Representations and Warranties of Mortgagor.** Mortgagor represents, warrants and covenants to Mortgagee that (i) Mortgagor holds good and marketable title to the Mortgaged Property and title in fee simple in the Land; (ii) Mortgagor has the right, power and authority to execute this Mortgage and to mortgage, and grant a security interest in the Mortgaged Property; (iii) the Mortgaged Property is free and clear of all liens and encumbrances, except for real estate taxes not yet delinquent, except for the Permitted Encumbrances set forth in the MLA and as set forth on **Exhibit B** attached hereto and except as otherwise expressly set forth herein; (iv) Mortgagor will warrant and defend title to the Mortgaged Property and the lien and priority of this Mortgage against all claims and demands of all persons, whether now existing or hereafter arising; (v) all Buildings are, or will be, located entirely within the boundaries of the Land; and (vi) Mortgagor is not acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by any Executive Order of the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person" or any other banned or blocked person, entity, nation or transaction pursuant to any law, order, rule or regulation that is enforced or administered by the Office of Foreign Assets Control; and are not engaged in this transaction, directly or indirectly on behalf of, or instigating or facilitating this transaction, directly or indirectly on behalf of, any such person, group, entity or nation. Mortgagor hereby agrees to defend, indemnify and hold harmless the Mortgagee from and against any and all claims, damages, losses, risks, liabilities and expenses (including attorney's fees and costs) arising from or related to any breach of the foregoing representations, warranties and covenants.

4. **Payment and Performance of the Obligations.** Mortgagor will pay all amounts payable under the Obligations in accordance with the terms of the Obligations when and as due and will timely perform all other obligations of Mortgagor under the Obligations. The provisions of the Obligations are hereby incorporated by reference into this Mortgage as if fully set forth herein.

5. **Taxes.** Mortgagor shall pay each installment of all taxes and special assessments of every kind, now or hereafter levied against the Mortgaged Property before the same become delinquent, without notice or demand, and shall upon request deliver to Mortgagee proof of such payment within fifteen (15) days after the date in which such tax or assessment becomes delinquent.

6. **Liens.** Except for the Permitted Encumbrances, Mortgagor shall not create, incur or suffer to exist any lien, encumbrance, security interest or charge on the Mortgaged Property or any part thereof which might or could be held to be equal or prior to the lien of this Mortgage, other than the lien of current real estate taxes and installments of special assessments with respect to which no penalty is yet payable. Mortgagor shall pay, when due, all lawful claims of persons supplying labor or materials to or in connection with the Mortgaged Property.

7. **Compliance with Laws.** Mortgagor shall comply with all present and future statutes, laws, rules, orders, regulations and ordinances affecting the Mortgaged Property, any part thereof or the use thereof.

8. **Permitted Contests.** Mortgagor shall not be required to (i) pay any tax, assessment or other charge referred to in paragraph 5 hereof, (ii) discharge or remove any lien, encumbrance or charge referred to in paragraph 6 hereof, or (iii) comply with any statute, law, rule, regulation or ordinance referred to in paragraph 7 hereof, so long as Mortgagor shall contest, in

good faith, the existence, amount or the validity thereof, the amount of damages caused thereby or the extent of Mortgagor's liability therefor, by appropriate proceedings which shall operate during the pendency thereof to prevent (A) the collection of, or other realization upon the tax, assessment, charge or lien, encumbrances or charge so contested, (B) the sale, forfeiture or loss of the Mortgaged Property or any part thereof, and (C) any interference with the use or occupancy of the Mortgaged Property or any part thereof. Mortgagor shall give prompt written notice to Mortgagee of the commencement of any contest referred to in this paragraph 8.

9. **Care of Property.** Mortgagor shall take good care of the Mortgaged Property; shall keep the Buildings and Personal Property now or later placed upon the Mortgaged Property in good and reasonable repair and shall not injure, destroy or remove either the Buildings or Personal Property during the term of this Mortgage except dispositions of (i) obsolete or worn out Personal Property, (ii) Personal Property or Real Property not necessary for the operation of the business, or (iii) Personal Property or Real Property which is replaced with property of equivalent or greater value as the property which is disposed.

10. **Insurance**. The Mortgagor shall obtain and keep in full force and effect during the term of this Mortgage at its sole cost and expense, the following policies of insurance:

a. Property insurance, in broad form covering causes of loss customarily covered in the industry of Mortgagor's business, including the cost of debris removal, together with a vandalism and malicious mischief endorsement, all in the amounts of not less than the full insurable value or full replacement cost, without deduction for depreciation, of the improvements on the Premises, whichever is greater, covering all buildings, structures, fixtures, personal property and other improvements now existing or hereafter erected or placed on the Premises, which insurance shall at all times be in an amount at least equal to the unpaid Secured Indebtedness at any given time.

b. If the Mortgaged Premises are now or hereafter located in a flood plain as defined by the Federal Insurance Administration, the Mortgagor shall obtain flood insurance in the maximum obtainable amount.

c. If steam boilers or similar equipment for the generation of steam are located in, on or about the Mortgaged Premises, the Mortgagor shall maintain insurance against loss or damage by explosion, rupture or bursting of such equipment and appurtenances thereto, without a coinsurance clause, in an amount satisfactory to the Mortgagee.

d. Comprehensive general public liability insurance covering the legal liability of the Mortgagor against claims for bodily injury, death or property damage occurring on, in or about the Mortgaged Premises in such amounts and with such limits as the Mortgagee may reasonably require.

e. Business interruption insurance in an amount at least equal to coverage over one year's debt service.

All such insurance shall be written on forms and with companies satisfactory to the Mortgagee, shall name as the insured parties the Mortgagor and the Mortgagee as their interests may appear, shall be in amounts sufficient to prevent the Mortgagor from becoming a coinsurer of any loss thereunder, shall name the Mortgagee as a loss payee, shall bear a satisfactory mortgagee clause in favor of the Mortgagee, and shall contain an agreement of the insurer that the coverage shall not be terminated or materially modified without providing to the Mortgagee thirty (30) days' prior written notice of such termination or modification. All required policies of insurance or acceptable certificates thereof, together with evidence of the payment of current premiums therefor shall be delivered to the Mortgagee. The Mortgagor shall, within thirty (30) days prior to the expiration of any such policy, deliver other original policies or certificates of the insurer evidencing the renewal of such insurance together with evidence of the payment of current premiums therefor. In the event of a foreclosure of this Mortgage or any acquisition of the

Mortgaged Premises by the Mortgagee, all such policies and any proceeds payable therefrom, whether payable before or after a foreclosure sale, or during the period of redemption, if any, shall become the absolute property of the Mortgagee to be utilized at its discretion. In the event of foreclosure or the failure to obtain and keep any required insurance, the Mortgagor empowers the Mortgagee to effect insurance upon the Mortgaged Premises at the Mortgagor's expense and for the benefit of the Mortgagee in the amounts and types aforesaid for a period of time covering the time of redemption from a foreclosure sale, and if necessary therefore, to cancel any or all existing insurance policies. The Mortgagor agrees to furnish the Mortgagee with copies of all inspection reports and insurance recommendations received by the Mortgagor from any insurer.

11. **Inspection.** Mortgagee, and its agents, shall have the right at all reasonable times to enter upon the Mortgaged Property for the purpose of inspecting the Mortgaged Property or any part thereof. Mortgagee shall, however, have no duty to make such inspection. Any inspection of the Mortgaged Property by Mortgagee shall be entirely for its benefit and Mortgagor shall in no way rely or claim reliance thereon.

12. **Protection of Mortgagee's Security.** Subject to the rights of Mortgagor under paragraph 8 hereof, if Mortgagor fails to perform any of the covenants and agreements contained in this Mortgage or if any action or proceeding is commenced which affects the Mortgaged Property or the interest of the Mortgagee therein, or the title thereto, then Mortgagee, at Mortgagee's option, may perform such covenants and agreements, defend against or investigate such action or proceeding, and take such other action as Mortgagee deems necessary to protect Mortgagee's interest. Any amounts or expenses disbursed or incurred by Mortgagee in good faith pursuant to this paragraph 12 with interest thereon at the highest rate specified in the MLA, shall become an Obligation of Mortgagor secured by this Mortgage. Such amounts advanced or disbursed by Mortgagee hereunder shall be immediately due and payable by Mortgagor unless Mortgagor and Mortgagee agree in writing to other terms of repayment. Mortgagee shall, at its option, be subrogated to the lien of any mortgage or other lien discharged in whole or in part by the Obligations or by Mortgagee under the provisions hereof, and any such subrogation rights shall be additional and cumulative security for this Mortgage. Nothing contained in this paragraph shall require Mortgagee to incur any expense or do any act hereunder, and Mortgagee shall not be liable to Mortgagor for any damage or claims arising out of action taken by Mortgagee pursuant to this paragraph.

13. **Condemnation.** Mortgagor shall give Mortgagee prompt notice of any action, actual or threatened, in condemnation or eminent domain and hereby assign, transfer and set over to Mortgagee the entire proceeds of any award or claim for damages for all or any part of the Mortgaged Property taken or damaged under the power of eminent domain or condemnation. Mortgagee is hereby authorized to intervene in any such action in the names of Mortgagor, to compromise and settle any such action or claim, and to collect and receive from the condemning authorities and give proper receipts and acquittances for such proceeds. Any expenses incurred by Mortgagee in intervening in such action or compromising and settling such action or claim, or collecting such proceeds shall be reimbursed to Mortgagee first out of the proceeds. The remaining proceeds or any part thereof shall be applied to reduction of that portion of the Obligations then most remotely to be paid, whether due or not, or to the restoration or repair of the Mortgaged Property, the choice of application to be solely at the discretion of Mortgagee.

14. **Fixture Filing.** This Mortgage shall constitute a security agreement as defined in the Uniform Commercial Code and SHALL BE EFFECTIVE AS A FINANCING STATEMENT FILED AS A FIXTURE FILING which is to be filed in the real estate records of the County where the Mortgaged Premises are situated. The name of the record owner of said real estate is the Mortgagor set forth on page one of this Mortgage. Information concerning the security interest created by this Mortgage may be obtained from the Mortgagee, as secured party, at its address as set forth on page one of this Mortgage. The name

and address of the Mortgagor, as debtor, and the name and address of the Mortgagee, as secured party, are as set forth on page one of this Mortgage. This Mortgage covers goods which are, or are to become, “fixtures” as defined in the Uniform Commercial Code. This Mortgage is sufficient as a financing statement, and as a financing statement it covers goods which are, or are to become, fixtures on the Land. In addition, the Mortgagor shall execute and deliver to the Mortgagee, upon the Mortgagee's request, any financing statements or amendments thereto or continuation statements thereto that the Mortgagee may require to perfect a security interest in said items or types of property. The Mortgagor shall pay all costs of filing such instruments. All references to the Uniform Commercial Code in this Mortgage shall mean the Uniform Commercial Code as in effect in the State of Iowa.

15. **Events of Default.** Each of the following occurrences shall constitute an event of default hereunder ("**Event of Default**"):

a. Mortgagor shall default in the due observance or performance of or breach its agreement contained in paragraph 4 hereof or shall default in the due observance or performance of or breach of any other covenant, condition or agreement on its part to be observed or performed pursuant to the terms of this Mortgage beyond any cure period, if any.

b. An Event of Default shall occur under the MLA, Supplements, Notes, or any other mortgage, assignment or other security document constituting a lien on the Mortgaged Property or any part thereof.

16. **Acceleration; Foreclosure, Receiver.** Upon the occurrence of any Event of Default and at any time thereafter while such Event of Default exists, Mortgagee may, at its option, after such notice as may be required by law, exercise one or more of the following rights and remedies (and any other rights and remedies available to it):

a. Mortgagee may declare immediately due and payable all Obligations secured by this Mortgage, and the same shall thereupon be immediately due and payable, without further notice or demand.

b. Mortgagee shall have and may exercise with respect to the Personal Property, all the rights and remedies accorded upon default to a secured party under the Iowa Uniform Commercial Code. If notice to Mortgagor of intended disposition of such property is required by law in a particular instance, such notice shall be deemed commercially reasonable if given to Mortgagor at least ten (10) days prior to the date of intended disposition.

c. Mortgagee may (and is hereby authorized and empowered to) foreclose this Mortgage in accordance with the law of the State of Iowa, and at any time after the commencement of an action in foreclosure, or during the period of redemption, the court having jurisdiction of the case shall at the request of Mortgagee appoint a receiver to take immediate possession of the Mortgaged Property and of the Revenues and Income accruing therefrom, and to rent or cultivate the same as he may deem best for the interest of all parties concerned, and such receiver shall be liable to account to Mortgagor only for the net profits, after application of rents, issues and profits upon the costs and expenses of the receivership and foreclosure and upon the Obligations.

d. Mortgagee may employ a receiver to deal with the aforesaid matter, such receiver's reasonable salary and remuneration for the account of the Mortgagor. Such receiver shall be regarded as the agent of the Mortgagor and the Mortgagor shall be wholly responsible for the acts and omissions of such receiver, provided that such receiver is reasonably qualified to perform its duties as receiver, and provided that Mortgagor shall not be liable for receiver's gross negligence or willful misconduct.

e. Subject to the provisions of the terms of the Obligations, the Mortgagee shall have the power to dispose of any Mortgaged Property or any part thereof in accordance with the law of the State of Iowa without the consent of the Mortgagor or other persons. The Mortgagee shall have the power to execute all documents relating to the sale and lease of the Mortgaged Property and any loss arising shall not be borne by the Mortgagee.

f. The Mortgagee can dispose of the Mortgaged Property or appoint a receiver to dispose of the Mortgaged Property in accordance with this Mortgage and, subject to the provisions of the Obligations can apply the monies received from the disposition of Mortgaged Property in the following order of priority:

(1) firstly, in payment of all reasonable costs in the disposition of the Mortgaged Property, including (but without limitation) the fees and remuneration of the receiver;

(2) secondly, in payment of all the custom duties and other taxes required by law in connection with the Mortgaged Property;

(3) thirdly, in payment of all necessary costs to maintain the property, including the cost of insurance and any other benefit to the property;

(4) fourthly, in payment of the balance of Mortgagor's obligations to Mortgagee as defined in the Obligations; and

(5) fifthly, in satisfaction of any other Secured Indebtedness; and the remaining balance, after the above deductions, shall be paid to the Mortgagor and other persons entitled to the above sum in full by the Mortgagee.

17. **Redemption.** It is agreed that if this Mortgage covers less than ten (10) acres of land, and in the event of the foreclosure of this Mortgage and sale of the property by sheriff's sale in such foreclosure proceedings, the time of one year for redemption from said sale provided by the statues of the State of Iowa shall be reduced to six (6) months provided the Mortgagee, in such action files an election to waive any deficiency judgment against Mortgagor which may arise out of the foreclosure proceedings; all to be consistent with the provisions of Chapter 628 of the Iowa Code. If the redemption period is so reduced, for the first three (3) months after sale such right of redemption shall be exclusive to the Mortgagor, and the time periods in Sections 628.5, 628.15 and 628.16 of the Iowa Code shall be reduced to four (4) months.

It is further agreed that the period of redemption after a foreclosure of this Mortgage shall be reduced to sixty (60) days if all of the three following contingencies develop: (1) The real estate is less than ten (10) acres in size; (2) the Court finds affirmatively that the said real estate has been abandoned by the owners and those persons personally liable under this Mortgage at the time of such foreclosure; and (3) Mortgagee in such action files an election to waive any deficiency judgment against Mortgagor or their successors in interest in such action. If the redemption period is so reduced, Mortgagor or their successors in interest or the owner shall have the exclusive right to redeem for the first thirty (30) days after such sale, and the time provided for redemption by creditors as provided in Sections 628.5, 628.15 and 628.16 of the Iowa Code shall be reduced to forty (40) days. Entry of appearance by pleading or docket entry by or on behalf of Mortgagor shall be a presumption that the property is not abandoned. Any such redemption period shall be consistent with all of the provisions of Chapter 628 of the Iowa Code. This paragraph shall not be construed to limit or otherwise affect any other redemption provisions contained in Chapter 628 of the Iowa Code.

18. **Attorneys' Fees.** Mortgagor shall pay on demand all costs and expenses incurred by Mortgagee in enforcing or protecting its rights and remedies hereunder, including, but not limited to, reasonable attorneys' fees and legal expenses.

19. **Forbearance not a Waiver, Rights and Remedies Cumulative.** No delay by Mortgagee in exercising any right or remedy provided herein or otherwise afforded by law or equity shall be deemed a waiver of or preclude the exercise of such right or remedy, and no waiver by Mortgagee of any particular provisions of this Mortgage shall be deemed effective unless in writing signed by Mortgagee, All such rights and remedies provided for herein or which Mortgagee or the holder of the Obligations may have otherwise, at law or in equity, shall be distinct, separate and cumulative and may be exercised concurrently, independently or successively in any order whatsoever, and as often as the occasion therefor arises.

20. **Notices.** All notices required to be given hereunder shall be in writing and deemed given when personally delivered or deposited in the United States mail, postage prepaid, sent certified or registered, addressed as follows:

a. If to Mortgagor, to: Homeland Energy Solutions, LLC
2779 Highway 24
Lawler, Iowa 52154
Telephone: (563) 238-5555
Fax: (563) 238-5557
Attention: President

With a copy to: Brown Winick, Attorneys at Law
666 Grand Avenue
Suite 200 Ruan Center
Des Moines, IA 50309
Telephone: (515) 242-2400
Fax: (515) 323-8514
Attn. Thomas D. Johnson

b. If to Mortgagee, to: Compeer Financial
21088 Keswick Loop
Lakeville, MN 55044
Telephone: (952) 997-4066
Attention: Aaron Knewtson

And

Home Federal Savings Bank
50 – 14th Avenue East, Suite 100
Sartell, MN 56377
Telephone: (320) 654-4021
Facsimile: (320) 252-6516
Attention: Eric Oftedahl

With copy to: Lathrop GPM LLP
1010 West St. Germain Street

Suite 500
St. Cloud, MN 56301
Telephone: (320) 252-4414
Facsimile: (320) 252-4482
Attention: Scott Larison

or to such other address or person as hereafter designated in writing by the applicable party in the manner provided in this paragraph for the giving of notices.

21. **Severability.** In the event any portion of this Mortgage shall, for any reason, be held to be invalid, illegal or unenforceable in whole or in part, the remaining provisions shall not be affected thereby and shall continue to be valid and enforceable and if, for any reason, a court finds that any provision of this Mortgage is invalid, illegal, or unenforceable as written, but that by limiting such provision it would become valid, legal and enforceable then such provision shall be deemed to be written, construed and enforced as so limited.

22. **Further Assurances.** At any time and from time to time until payment in full of the Obligations, Mortgagor will, at the request of Mortgagee, promptly execute and deliver to Mortgagee such additional instruments as may be reasonably required to further evidence the lien of this Mortgage and to further protect the security interest of Mortgagee with respect to the Mortgaged Property, including, but not limited to, additional security agreements, financing statements and continuation statements. Any expenses incurred by Mortgagee in connection with the recordation of any such instruments shall become additional Obligations of Mortgagor secured by this Mortgage. Such amounts shall be immediately due and payable by Mortgagor to Mortgagee.

23. **Successors and Assigns bound; Number; Gender; Agents; Captions.** The rights, covenants and agreements contained herein shall be binding upon and inure to the benefit of the respective legal representatives, successors and assigns of the parties. Words and phrases contained herein, including acknowledgment hereof, shall be construed as in the singular or plural number, and as masculine, feminine or neuter gender according to the contexts. The captions and headings of the paragraphs of this Mortgage are for convenience only and are not to be used to interpret or define the provisions hereof.

24. **Governing Law.** This Mortgage shall be governed by and construed in accordance with the laws of the State of Iowa.

25. **Waiver of any Exemption.** The undersigned hereby waives all rights of exemption as to any of the Mortgaged Property.

26. **Acknowledgment of Receipt of Copies of Debt Instrument.** Mortgagor hereby acknowledges the receipt of a copy of this Mortgage together with a copy of the MLA and all Supplements secured hereby.

27. **Mortgagor's Acknowledgment of Remedies**. SUBJECT TO THE TERMS OF THE MLA, UPON THE OCCURRENCE AND DURING THE CONTINUANCE OF AN EVENT OF DEFAULT, THE MORTGAGOR HEREBY CONSENTS AND AGREES TO THE FORECLOSURE AND SALE OF THE MORTGAGED PREMISES BY ACTION PURSUANT TO IOWA STATUTES CHAPTER 654 (OR PURSUANT TO ANY SIMILAR OR REPLACEMENT STATUTES HEREAFTER ENACTED). Notwithstanding the foregoing provision, the Mortgagor's foregoing acknowledgment does not constitute a waiver of the Mortgagor's defenses to the foreclosure. The Mortgagor further understands that upon the occurrence and during the continuance of an Event of Default, the Mortgagee may also elect its rights under the Uniform Commercial Code and take possession of the Personal Property (as defined in this Mortgage) and dispose of the same by sale or otherwise in one or more parcels provided that at least ten (10) days' prior notice of such disposition must be given, all as provided for by the Uniform Commercial Code, as hereafter amended or by any similar or replacement statute hereafter enacted. THE MORTGAGOR ACKNOWLEDGES THAT IT IS REPRESENTED BY LEGAL COUNSEL; THAT BEFORE SIGNING THIS DOCUMENT THIS PARAGRAPH AND THE MORTGAGORS RIGHTS WERE FULLY EXPLAINED BY SUCH COUNSEL AND THAT THE MORTGAGOR UNDERSTANDS THE NATURE AND EXTENT OF THE RIGHTS WAIVED HEREBY AND THE EFFECT OF SUCH WAIVER.

28. **Continued Priority**. Any agreement hereafter made by the Mortgagor and the Mortgagee pursuant to this Mortgage shall be superior to the rights of the holder of any intervening lien or encumbrance.

29. **Cumulative Rights**. Each right, power or remedy herein conferred upon the Mortgagee is cumulative and in addition to every other right, power or remedy, express or implied, now or hereafter arising, available to the Mortgagee, at law or in equity, or under the Uniform Commercial Code or other law, or under and other Loan Document, and each and every right, power and remedy herein set forth or otherwise so existing may be exercised from time to time as often and is such order as may be deemed expedient by the Mortgagee and shall not be a waiver of the right of, power or remedy arising hereunder or arising otherwise shall impair any such right, power or remedy or the right of the Mortgagee to resort thereto at a later date or be construed to be a waiver of any Event of Default under this Mortgage.

[Remainder of page intentionally blank. Signature page immediately follows.]

Dated effective the 22nd day of July, 2021.

HOMELAND ENERGY SOLUTIONS, LLC
an Iowa limited liability company

By /s/ Beth Eiler

Beth Eiler
Its CFO and Interim CEO

STATE OF IOWA, COUNTY OF CHICKASAW

This instrument was acknowledged before me on the 16th day of July, 2021, by Beth Eiler as CFO and Interim CEO of HOMELAND ENERGY SOLUTIONS, LLC.

/s/ Katy Kuehn
Notary Public

[**Signature page to Fifth Amended and Restated Mortgage**]

EXHIBIT A
Legal Description

Parcel 1:
Parcel A in the Southeast Quarter of Section 1 lying southeasterly of railroad in Township 95 North, Range 12 West of the 5th P.M., Chickasaw County, Iowa, as shown in Document No. 2007-0823, in the office of the Chickasaw County Recorder. LESS AND EXCEPT Parcel D in Parcel A of the survey of the Southeast Quarter of Section 1, Township 95 North, Range 12 West of the 5th P.M., Chickasaw County, Iowa, as shown in Document No. 2007-2395 in the office of the Chickasaw County Recorder.

AND

Parcel 2:
Parcel A in Section 1 lying northwesterly of railroad in Township 95 North, Range 12 West of the 5th P.M., Chickasaw County, Iowa, as shown in Document No. 2007-0823, in the office of the Chickasaw County Recorder.

AND

Parcel 3:
Parcel A in the Northwest Quarter of Section 12 lying northwesterly of railroad in Township 95 North, Range 12 West of the 5th P.M., Chickasaw County, Iowa, as shown in Document No. 2007-0823, in the office of the Chickasaw County Recorder.

AND

Parcel 4:
Parcel D in the Southwest Quarter of the Northwest Quarter and that part of the Northwest Quarter of the Southwest Quarter in Section 6 lying northwesterly of railroad in Township 95 North, Range 11 West of the 5th P.M., Chickasaw County, Iowa, as shown in Document No. 2007-0823, in the office of the Chickasaw County Recorder.

AND

Parcel 5:
Parcel E in the Southwest Quarter of Section 6, Township 95 North, Range 11 West of the 5th P.M., Chickasaw County, Iowa, as shown in Document No. 2007-1956, in the office of the Chickasaw County Recorder.

AND

Parcel 6:
Parcel B in the Fractional North 1/2 of the Fractional Northeast 1/4 of Section 1, Township 95 North, Range 12 West of the 5th Principal Meridian, Chickasaw County, Iowa, as shown in Document 2008-0781 and 2008-1845 in the office of the Chickasaw County Recorder.

EXHIBIT B
PERMITTED ENCUMBRANCES

Terms and conditions of Assessment of Damages, in which a right of way is given to Railroad, dated 12/01/1868, filed of record 01/06/1871, in Book O, Page 588, and dated 09/15/1868, filed of record 01/06/1871, in Book O, Page 501, and dated 09/15/1868, filed of record 01/06/1871, in Book O, Page 499.

Easement for snow fences, in favor of Chicago, Milwaukee and St. Paul Railroad Company, as set forth in Easement, dated 10/16/1888, filed of record 10/18/1888, in Book 32, Page 574, and dated 10/15/1888, filed or record 10/18/1888, in Book 32, Page 577, and dated 11/04/1893, filed of record 11/14/1893, in Book 38 of Deeds, Page 326.

Easement in favor of State of Iowa, as set forth in Easement, dated 03/04/1939, filed of record 04/01/1939, in Book 69, Page 503. (p.o E1/2 SE1/4 S of RR)

Terms and conditions of Quiet Title as to Railroad, filed of record 03/19/1941, in Quiet Title Case No. 9905.

Terms and conditions of Affidavit and Resolution, filed of record 07/01/1957, in Book G, Page 518.

Terms and Conditions of Notice of Agreement, filed of record 04/15/1981, in Book N Misc., Page 280.

Easement for utility, in favor of Hawkeye Tri-County Electric Co-op, as set forth in Easement, filed of record 08/10/1981, in Book 124, Page 385.

Terms and conditions of Fencing Agreement, dated 04/05/1982, filed of record 04/08/1982, in Book 1, Page 86.

Terms and conditions of Agreement and Easement, dated 03/15/2007, filed of record 03/23/2007, as Document No. 2007-0566. (S½ SW¼ , Section 1)

Easement for utility, in favor of Hawkeye Tri-County Electric Co-op, as set forth in Right of Way Easement, dated 07/26/2007, filed of record 09/06/2007, as Document No. 2007-1781. Amended by document dated 10/2/2008, filed 10/8/2008, as Document No. 2008-1960.

Subject to Roadways over the Westerly 33 feet of Parcel A and Iowa Highway No. 24 over the Southerly portion of Parcel A lying Southeasterly of the Railroad.

Subject to the rights of tenants, as tenants only, under unrecorded leases.

Terms and conditions of Survey by Daryl Eiffler, dated 02/12/2007, filed of record 02/14/2007, as Document No. 2007-0335.

Terms and conditions of Survey by Daryl Eiffler, dated 04/26/2007, filed of record 04/27/2007, as Document No. 2007-0823.

Terms and conditions of Survey by Lyle G. TeKippe, dated 02/26/1986, filed of record 02/26/1986, in Book 135, Page 407.

Terms and conditions of Survey by Paul R. Herold, dated 10/04/2007, filed of record 10/04/2007, as Document No. 2007-1956.

Terms and conditions of Survey by Paul R. Herold, dated 10/15/2007, filed of record 10/15/2007, as Document No. 2007-2012.

Terms and conditions of Affidavit and Resolution, filed of record 07/01/1957, in Book G, Page 518.

Easement in favor of State of Iowa, as set forth in document dated 01/14/1939, filed of record 01/27/1939, in Book 69, Page 449 and dated 01/14/1940, filed of record 01/27/1940 in Book 69, Page 451.

Terms and conditions of Condemnation Proceedings, dated 07/21/1943, filed in Book 72 of Deed, Page 209.

Option Agreement regarding the 2 acres immediately East and adjacent to Parcel D in Parcel A in the Southeast Quarter of Section 1, Township 95 North, Range 12 west of the 5th P.M. as set out in document dated 12/11/2007, filed 2/5/2008, as Document No. 2008-0203.

Document from Army Corps of Engineers dated 2/2/2009, filed 2/2/2009, as Document No. 2009--0243.

Terms and conditions of Memorandum of Option (to purchase) by and between Dale Kout, et al, and Homeland Energy Solutions, a Limited Liability Company of the State of Iowa, dated 5/18/2006, filed 7/26/2006, as Document No. 2006-1547.

Terms and conditions of Survey by Paul R. Herold, filed 4/24/2008, as Document No. 2008-0781.

Terms and conditions of Survey Affidavit by Paul R. Herold, filed 9/25/2008, as Document No. 2008-1845.

A mortgage to secure an original principal indebtedness of $100,000,000.00 and any other amounts or obligations secured thereby, recorded December 6, 2007 as Document No. 2007-2367 of Official Records, Dated: November 30, 2007, Mortgagor: Homeland Energy Solutions, LLC, an Iowa Limited Liability Company, Mortgagee: Home Federal Savings Bank. The mortgage has been amended and restated by document dated December 30, 2008, and recorded January 30, 2009, Document No. 2009-0225. The mortgage has been amended and restated by document dated February 24, 2014, and recorded March 3, 2014, Document No. 2014-0276. The mortgage has been amended and restated by document dated June 28, 2017, and recorded July 5, 2017, Document No. 2017-1059. The mortgage has been amended and restated by document dated November 6, 2020, and recorded November 30, 2020, Document No. 2020-2748.

Terms and conditions of Notice of Agreement by the Chickasaw Soil Conservation District filed 4/15/1981, in Book N, Page 280.

The terms and provisions contained in the document entitled "Memorandum of Understanding" recorded April 10, 2009 as Document No. 2009-0760 of Official Records.

The terms and provisions contained in the document entitled "Pipeline Easement by Owner" recorded August 24, 2009 as Document No. 2009-1674 of Official Records.

Mortgage

Homeland Energy Solutions, LLC – Home Federal Savings Bank

<u>THIRD AMENDMENT TO AMENDED AND RESTATED</u>
<u>MASTER LOAN AGREEMENT</u>

THIS **THIRD AMENDMENT TO AMENDED AND RESTATED MASTER LOAN AGREEMENT** (this "**Amendment**") is made to be effective as of July 22, 2021, by and between **HOMELAND ENERGY SOLUTIONS, LLC**, an Iowa limited liability company ("**Borrower**"), and **HOME FEDERAL SAVINGS BANK,** a federally chartered stock savings bank organized under the laws of the United States ("**Lender**").

RECITALS

A. Borrower and Lender are parties to that certain Amended and Restated Master Loan Agreement dated effective June 29, 2017, as thereafter modified by that certain First Amendment to Amended and Restated Master Loan Agreement dated October 19, 2018, and by that certain Second Amendment to Amended and Restated Master Loan Agreement dated November 6. 2020 (as the same may be amended, restated or otherwise modified from time to time, the "**MLA**") under which Lender agreed to extend certain financial accommodations to Borrower. Capitalized terms used and not otherwise defined in this Amendment shall have the meanings assigned to them in the MLA.

B. Borrower has requested that the Lender extend to the Borrower a revolving loan in the amount of up to $50,000,000.00, which the Lender is willing to do in accordance with the terms and conditions of this Amendment.

AMENDMENT

NOW THEREFORE, in consideration of the premises herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **<u>Amendment</u>.** The MLA is hereby amended as follows:

(a) <u>Defined Terms</u>. Section 1.01 of the MLA is hereby modified by removing and replacing the definitions currently set forth in the MLA for the following defined terms with the following definitions:

"<u>Maturity Date</u>" means November 6, 2025.

"<u>Mortgage</u>" means that certain Fifth Amended and Restated Mortgage dated on or about July 22, 2021, pursuant to which a mortgage interest shall be given by Borrower to Lender in the Real Property to secure payment to Lender of the Loan Obligations.

"<u>Note" or "Notes</u>" means and includes the Term Revolving Note, the Revolving Note, and all other promissory notes executed and delivered to Lender by Borrower pursuant to the terms of this Agreement and any Supplement as the same may be amended, restated or otherwise modified, supplemented, extended or restated from time to time.

"<u>Revolving Loan</u>" means that certain revolving Loan from Lender to Borrower in the original amount not to exceed $50,000,000.00 and thereafter decreasing to

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$30,000,000.00, pursuant to the terms and conditions provided for in this Agreement, the Revolving Note, and the Second Supplement.

"Revolving Note" means that certain Revolving Note in the original principal amount of $50,000,000.00, dated on or about July 22, 2021, evidencing the Revolving Loan, as the same may be amended, restated or otherwise modified, extended or replaced.

"Second Supplement" means that certain Third Amended and Restated Second Supplement to Master Loan Agreement (Term Revolving Loan) dated on or about July 22, 2021, as the same may be amended, restated or otherwise modified from time to time hereafter.

"Term Revolving Loan" means that certain revolving Loan from Lender to Borrower in the amount not to exceed $50,000,000.00, pursuant to the terms and conditions provided for in this Agreement, the Term Revolving Note, and the Second Supplement.

"Term Revolving Note" means that certain Second Amended and Restated Term Revolving Note in the original principal amount of $50,000,000.00, dated on or about November 6, 2020, evidencing the Term Revolving Loan, as the same may be amended, restated or otherwise modified, extended or replaced.

"Working Capital" means current assets of Borrower, as defined according to GAAP, plus the unused portion of the Term Revolving Loan Commitment (as defined in the Second Supplement), less current liabilities of Borrower, as defined according to GAAP. The unused portion amount of the Term Revolving Loan to be used in calculation of the working capital covenant shall not exceed $50,000,000.00.

(b) Revolving Loan. The provisions of Section 2.02 of the MLA are hereby amended and restated as follows:

Section 2.02. **Revolving Loan.** Subject to the terms and conditions of this Agreement, the Second Supplement, and the Revolving Note, and in reliance upon the representations and warranties set forth in this Agreement, Lender has agreed to lend to Borrower and Borrower has agreed to borrow from Lender, as of the Closing Date, and from time to time thereafter, on a revolving basis an amount not to exceed the initial sum of $50,000,000.00 thereafter reducing to $30,000,000.00, capital costs and cash and inventory management purposes. Such amount shall be loaned by Lender pursuant to the terms and conditions set forth in this Agreement and the Second Supplement.

Except as expressly modified in accordance with the preceding provisions of this Section 1, the MLA is not modified and all its terms and conditions shall remain in full force and effect. In no event shall this Amendment be deemed to hinder, compromise or lessen the enforceability of the MLA or any of the Loan Documents in any way.

2. **Conditions to Effectiveness of this Amendment**. This Amendment shall become effective as of the date of this Amendment first set forth above provided, and at such time, that the following agreements, documents and other items shall have been executed and delivered to the Lender by

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the party indicated, each of which agreements, documents and other items shall be in form and substance acceptable to the Lender:

(a) The Borrower shall have executed and delivered to the Lender this Amendment.

(b) The Borrower shall have executed and delivered to the Lender the Third Amended and Restated Second Supplement to Master Loan Agreement (Term Revolving Loan and Revolving Loan) of even date herewith.

(c) The Borrower shall have executed and delivered to the Lender the Revolving Note in the original principal amount of $50,000,000.00 of even date herewith.

(d) The Borrower shall have executed and delivered to the Lender the Fifth Amended and Restated Mortgage of even date herewith.

(e) The Borrower shall have paid to the Lender the following costs, fees and expenses: (i) loan commitment fee in the amount of $100,000.00; (ii) legal fees incurred by the Lender in connection with the negotiation, preparation, review and execution of this Amendment and all documents and agreements required or contemplated hereby; and (iii) fees incurred or to be incurred by the Lender in closing the transactions contemplated by this Amendment and recording and filing any related documents, including without limitation costs of appraisal and costs of title review and insurance.

(f) The Borrower shall have taken such actions and executed such documents and agreements as shall be reasonably requested by Lender to effect the terms and conditions of this Amendment.

3. **Representations and Warranties of Borrower.** Borrower hereby agrees with, reaffirms, restates, and acknowledges the following:

(a) the representations and warranties contained in the MLA, the Loan Documents and the Related Documents. Borrower further represents and warrants that the representations and warranties contained in the MLA, the Loan Documents and the Related Documents continue to be true and correct as of the date of this Amendment in all material respects except as otherwise disclosed in writing to Lender.

(b) that Borrower has the power and authority to execute, deliver, and perform this Amendment and any document required under this Amendment and that all documents contemplated herein when executed and delivered to Lender will constitute the valid, binding and legally enforceable obligations of Borrower in accordance with their respective terms and conditions, except as enforceability may be limited by any applicable bankruptcy or insolvency laws.

4. **Miscellaneous.**

(a) Effect; Ratification. The amendments set forth herein are effective solely for the purposes set forth herein and shall be limited precisely as written, and shall not be deemed to (i) be a consent to, or an acknowledgment of, any amendment, waiver or modification of any other term or condition of the MLA, or (ii) prejudice any right or remedy which Lender

may now have or may have in the future under or in connection with the MLA, as amended hereby, or any other instrument or agreement referred to therein. It is further understood and agreed by and between Borrower and Lender that all other terms and provisions of the MLA shall remain in full force and effect, enforceable by Lender against Borrower as fully as though no amendments had been made hereby, and this Amendment shall not be deemed to hinder, compromise or lessen the enforceability of the MLA, the Notes, or any mortgage, security interest, or guaranty securing repayment of the Loans, in any way. Each reference in the MLA and in any other Loan Document to the “MLA” shall mean the MLA, as amended hereby.

(b) Loan Documents. This Amendment is a Loan Document executed pursuant to the MLA and shall be construed, administered and applied in accordance with the terms and provisions thereof.

(c) Counterparts, Facsimile Signatures. This Amendment may be executed in several counterparts, each of which will be deemed an original and all of which will together constitute one and the same instrument. Delivery of facsimile, portable document format (.pdf), or other electronic copies of signature pages for this Amendment will be valid and treated for all purposes as delivery of the originals.

(d) Severability. Any provision contained in this Amendment which is held to be inoperative, unenforceable or invalid in any jurisdiction shall, as to that jurisdiction, be inoperative, unenforceable or invalid without affecting the remaining provisions of this Amendment in that jurisdiction or the operation, enforceability or validity of such provision in any other jurisdiction.

(e) GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF MINNESOTA.

(f) WAIVER OF JURY TRIAL. THE BORROWER AND THE LENDER HEREBY IRREVOCABLY WAIVE ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENT TO WHICH IT IS A PARTY OR ANY INSTRUMENT OR DOCUMENT DELIVERED THEREUNDER.

[Signature page follows]

SIGNATURE PAGE TO
THIRD AMENDMENT TO AMENDED AND RESTATED
MASTER LOAN AGREEMENT
BY AND BETWEEN
HOMELAND ENERGY SOLUTIONS, LLC
AND
HOME FEDERAL SAVINGS BANK
DATED: July 22, 2021

IN WITNESS WHEREOF, the parties hereto have caused this Third Amendment to Amended and Restated Master Loan Agreement to be executed by their respective officers and duly authorized, as of the date first above written.

BORROWER:

HOMELAND ENTERGY SOLUTIONS, LLC, an Iowa limited liability company

By /s/ Beth Eiler
Beth Eiler
Its CFO and Interim CEO

LENDER:

HOME FEDERAL SAVINGS BANK, a federally chartered stock savings bank organized under the laws of the United States

By /s/ Eric Oftedahl
Eric Oftedahl
Its Senior Vice President

STATE OF IOWA)
) ss.
COUNTY OF CHICKASAW)

On this 16th day of July, 2021, before me a Notary Public within and for said County, personally appeared Beth Eiler, to me known, who being by me duly sworn, did say that she is the CFO and Interim CEO of Homeland Energy Solutions, LLC, the limited liability company named in the foregoing instrument, and that said instrument was signed on behalf of said company by authority of its board and as the free act and deed of said company.

/s/ Katy Kuehn
Notary Public

<u>REVOLVING NOTE</u>

$50,000,000.00   July 22, 2021

1. FOR VALUE RECEIVED, **HOMELAND ENERGY SOLUTIONS, LLC**, an Iowa limited liability company ("**Borrower**"), hereby promises to pay to the order of **HOME FEDERAL SAVINGS BANK,** a federally chartered stock savings bank organized under the laws of the United States ("**Lender**"), the principal sum of Fifty Million and No/100ths ($50,000,000.00) Dollars, or so much thereof as may be advanced to, or for the benefit of, Borrower and be outstanding, with interest thereon at the rate set forth herein, and pursuant to that certain Amended and Restated Master Loan Agreement by and between Lender and Borrower dated June 29, 2017, as thereafter modified by that certain First Amendment to Amended and Restated Master Loan Agreement dated October 19, 2018, by that certain Second Amendment to Amended and Restated Master Loan Agreement dated November 6, 2020, and by that certain Third Amendment to Amended and Restated Master Loan Agreement of even date herewith (as the same may be amended, modified, supplemented, extended or restated from time to time, the **"MLA"**), and which remains unpaid, in lawful money of the United States and immediately available funds. This Revolving Note (this "**Note**") is issued pursuant to the terms and provisions of the MLA and the Second Supplement and is entitled to all of the benefits provided for in the MLA and the Second Supplement. All capitalized terms used and not defined herein shall have the meanings assigned to them in the MLA and the Second Supplement.

2. The outstanding principal balance of this Note shall bear interest at a variable rate equal at all times to the rate determined by Lender to be three-tenths (0.30%) percent per annum below the Prime Rate. In addition to the forgoing, the Borrower agrees to pay to the Lender an unused commitment fee on the average daily unused portion of Revolving Loan Commitment during the period from the date of this Note through December 31, 2021, during each calendar year thereafter through 2024, and during the period beginning January 1, 2025 through the Maturity Date, at the rate of thirty (30) basis points on a per annum basis, payable quarterly in arrears on each Quarterly Payment Date during the term of this Note and on the Maturity Date. For purposes of this Note, the unused portion of the Revolving Loan Commitment for any measurement period shall be the positive difference, if any, of (a) the average daily amount of the Revolving Loan Commitment, minus (b) the average daily Outstanding Credit under this Note. Notwithstanding the foregoing, the rate of interest under this Note may be adjusted by Lender pursuant to the provisions of the MLA, the Second Supplement and this Note.

3. "**Prime Rate**" means the prime rate of interest as published in the Wall Street Journal under money rates as the base rate on corporate loans posted by at least seventy (70%) percent of the nation's ten (10) largest banks, or if such reporting becomes unavailable, as published in an equivalent source or format.

4. The rate of interest due hereunder shall initially be determined as of the date of this Note and shall thereafter be adjusted, as and when, the Prime Rate changes. All such adjustments to the rate of interest shall be made and become effective as of the first day of the month following the date of any change in the Prime Rate and shall remain in effect until and including the day immediately preceding the next such adjustment (each such day hereinafter being referred to as an "**Adjustment Date**"). All such adjustments to said rate shall be made and become effective as of the Adjustment Date, and said rate as adjusted shall remain in effect until and including the day immediately preceding the next Adjustment Date.

Interest hereunder shall be computed on the basis of a year of three hundred sixty (360) days, but charged for the actual number of days during which principal is outstanding.

5. Notwithstanding any other provision of this Note, the outstanding principal balance of this Note shall at no time exceed the Revolving Loan Commitment as set forth and adjusted in accordance with the Second Supplement. No advance shall be made under this Note which would cause the outstanding principal balance of this Note to exceed the Revolving Loan Commitment, and in the event

that at any time the principal balance of this Note exceeds the Revolving Loan Commitment then in effect the Borrower shall immediately make payment to Lender in the sum necessary to reduce the principal balance to an amount not exceeding the Revolving Loan Commitment.

6. Beginning on the first (1st) day of the first calendar month following the month in which funds have been advanced to Borrower hereunder, and continuing on the first (1st) day of each succeeding month thereafter until the Maturity Date, Borrower shall make monthly payments of accrued interest. If any payment date is not a Business Day, then the payment then due shall be paid on the next Business Day and shall continue to accrue interest until paid.

7. The outstanding principal balance hereof, together with all accrued interest, if not paid sooner, shall be due and payable in full on November 6, 2025 (the "**Maturity Date**").

8. All payments and prepayments shall, at the option of Lender, be applied first to any costs of collection, second to any late charges, third to accrued interest and the remainder thereof to principal.

9. Borrower may, at any time and from time to time, prepay the outstanding principal amount of this Note in whole or in part with accrued interest to the date of such prepayment on the amount prepaid, without penalty or premium, except as, and to the extent, specifically provided in the MLA. This Note is subject to mandatory prepayment, at the option of Lender, as provided in the MLA following the occurrence of an Event of Default.

10. In addition to the rights and remedies set forth in the MLA and the Second Supplement: (i) if Borrower fails to make any payment to Lender when due under this Note, then at Lender's option in each instance, such obligation or payment shall bear interest from the date due to the date paid at 2% per annum in excess of the rate of interest that would otherwise be applicable to such obligation or payment under this Note; (ii) upon the occurrence and during the continuance of an Event of Default beyond any applicable cure period, if any, at Lender's option in each instance, the unpaid balances under this Note shall bear interest from the date of the Event of Default or such later date as Lender shall elect at 2% per annum in excess of the rate(s) of interest that would otherwise be in effect under the terms of this Note; (iii) after the Maturity Date, whether by reason of acceleration or otherwise, the unpaid principal balance of this Note (including without limitation, principal, interest, fees and expenses) shall automatically bear interest at 2% per annum in excess of the rate of interest that would otherwise be in effect under this Note. Interest payable at the Default Rate shall be payable from time to time on demand or, if not sooner demanded, on the last day of each calendar month.

11. If Borrower fails to make any payment to Lender within ten (10) days of the due date thereof, Borrower shall, in addition to such amount, pay a late charge equal to five percent (5%) of the amount of such payment.

12. This Note is secured by, among other instruments, a mortgage covering various parcels of real property, fixtures, and Personal Property located in Chickasaw County, Iowa (the "**Mortgage**"). In the event any such security is found to be invalid for whatever reason, such invalidity shall constitute an event of default hereunder. All of the agreements, conditions, covenants, provisions, and stipulations contained in the Mortgage, or any instrument securing this Note are hereby made a part of this Note to the same extent and with the same force and effect as if they were fully set forth herein. It is agreed that time is of the essence of this Note.

13. Upon the occurrence at any time of an Event of Default or at any time thereafter, the outstanding principal balance hereof plus accrued interest hereon plus all other amounts due hereunder shall, at the option of Lender, be immediately due and payable, without notice or demand and Lender shall be entitled to exercise all remedies provided in this Note, the MLA, the Second Supplement, or any of the Loan Documents.

14. Upon the occurrence at any time of an Event of Default or at any time thereafter, Lender shall have the right to set off any and all amounts due hereunder by Borrower to Lender against any indebtedness or obligation of Lender to Borrower.

15. Borrower promises to pay all reasonable costs of collection of this Note, including, but not limited to, reasonable attorneys' fees paid or incurred by Lender on account of such collection, whether or not suit is filed with respect thereto and whether or not such costs are paid or incurred, or to be paid or incurred, prior to or after the entry of judgment.

16. Demand, presentment, protest and notice of nonpayment and dishonor of this Note are hereby waived.

17. This Note shall be governed by and construed in accordance with the laws of the State of Minnesota.

18. Borrower hereby irrevocably submits to the jurisdiction of any Minnesota state court or federal court over any action or proceeding arising out of or relating to this Note, the MLA and any instrument, agreement or document related hereto or thereto, and Borrower hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in such Minnesota state or federal court. Borrower hereby irrevocably waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding. Nothing in this Note shall affect the right of Lender to bring any action or proceeding against Borrower or its property in the courts of any other jurisdiction to the extent permitted by law.

[Signature page immediately follows.]

BORROWER:

HOMELAND ENERGY SOLUTIONS, LLC, an Iowa limited liability company

By /s/ Beth Eiler
Beth Eiler
Its CFO and Interim CEO

STATE OF IOWA)
) ss.
COUNTY OF CHICKASAW)

On this 16th day of June, 2021, before me a Notary Public within and for said County, personally appeared Beth Eiler, to me known, who being by me duly sworn, did say that she is the CFO and Interim CEO of Homeland Energy Solutions, LLC, the limited liability company named in the foregoing instrument, and that said instrument was signed on behalf of said company by authority of its board and as the free act and deed of said company.

/s/ Kati Kuehn
Notary Public

[*Signature page to Revolving Note dated July 22, 2021*]

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THIRD AMENDED AND RESTATED
SECOND SUPPLEMENT
TO MASTER LOAN AGREEMENT
(TERM REVOLVING LOAN AND REVOLVING LOAN)

THIS **THIRD AMENDED AND RESTATED SECOND SUPPLEMENT TO MASTER LOAN AGREEMENT** (this "**Second Supplement**") is made and entered into as of July 22, 2021 (the "**Closing Date**"), by and between **HOME FEDERAL SAVINGS BANK** ("**Lender**") and **HOMELAND ENERGY SOLUTIONS, LLC,** an Iowa limited liability company ("**Borrower**"), and supplements and incorporates all of the provisions of that certain Amended and Restated Master Loan Agreement by and between Lender and Borrower dated effective June 29, 2017, as thereafter modified by that certain First Amendment to Amended and Restated Master Loan Agreement dated October 19, 2018, that certain Second Amendment to Amended and Restated Master Loan Agreement dated November 6, 2020, and that certain Third Amendment to Amended and Restated Master Loan Agreement of even date herewith (as the same may be amended, modified, supplemented, extended or restated from time to time, the "**MLA**"). This Second Supplement amends, restates and replaces, but is not a novation of that certain Second Amended and Restated Second Supplement to Master Loan Agreement dated November 6, 2020, which previously amended, restated and replaced that certain Amended and Restated Second Supplement to Master Loan Agreement dated June 29, 2017, which previously amended, restated and replaced that certain Second Supplement to Master Loan Agreement dated as of November 30, 2007, between Borrower and Lender.

1. **Definitions.** As used in this Second Supplement, the following terms shall have the following meanings. Capitalized terms used and not otherwise defined in this Second Supplement shall have the meanings attributed to such terms in the MLA. Terms not defined in either this Second Supplement or the MLA shall have the meanings attributed to such terms in the Uniform Commercial Code, as enacted in the State of Minnesota, as amended from time to time.

"Accordion Funds" shall mean the following applicable sum under the Revolving Loan Commitment: (i) during the period beginning on the Closing Date and ending December 31, 2021, the sum of up to $20,000,000.00; and (ii) during the period beginning on January 1, 2022, and ending May 31, 2022, the sum of up to $10,000,000.00.

"Accordion Prerequisites" shall mean and include the following conditions: (i) the Borrower shall have delivered to Lender a Request for Advance of Accordion Funds; (ii) together with such Request for Advance, and thereafter on or before the fifteenth (15th) day of each month during which any of the Accordion Funds remain outstanding, the Borrower shall have delivered to Lender a Monthly Borrowing Base Report in the form of Exhibit A hereto; and (iii) the excess borrowing base of the Borrower calculated in accordance with said Monthly Borrowing Base Report shall be at least $0.00.

"Available Borrowing Base" shall mean the positive sum, if any, by which the Borrower's borrowing base, calculated in accordance with the Monthly Borrowing Base Report in the form of Exhibit A hereto, exceeds the Outstanding Credit.

"Maturity Date" means the date November 6, 2025.

"Monthly Payment Date" means the first (1st) day of each calendar month.

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"Outstanding Credit" means, at any time of determination, the aggregate amount of Advances then outstanding.

"Outstanding Revolving Advance" means the total Outstanding Credit under this Second Supplement and the Revolving Note.

"Outstanding Revolving Term Advance" means the total Outstanding Credit under this Second Supplement and the Term Revolving Note.

"Quarterly Payment Date" means the last day of each March, June, September and December during the term of the MLA.

"Request for Advance" shall have the meaning specified in Section 7(a) of this Second Supplement.

"Revolving Advance" means an Advance under this Second Supplement and, as applicable, the Revolving Term Note or the Revolving Note.

"Revolving Loan Commitment" shall have the meaning specified in Section 2 of this Second Supplement.

"Revolving Loan Termination Date" shall have the meaning specified in Section 2 of this Second Supplement.

"Revolving Note" means that certain Revolving Note of even date herewith, evidencing the Revolving Loan, as the same may be amended, restated or otherwise modified, supplemented, extended or restated from time to time.

"Revolving Term Advance" means an Advance under this Second Supplement and the Term Revolving Note.

"Term Revolving Note" means that certain Second Amended and Restated Term Revolving Note dated November 6, 2020, evidencing the Term Revolving Loan, as the same may be amended, restated or otherwise modified, supplemented, extended or restated from time to time.

"Term Revolving Loan Commitment" shall have the meaning specified in Section 3 of this Second Supplement.

"Term Revolving Loan Termination Date" shall have the meaning specified in Section 3 of this Second Supplement.

2. **Revolving Loan Commitment**. Lender agrees, on the terms and conditions set forth in the MLA, the Revolving Note, and this Second Supplement to make one or more advances to Borrower, during the period beginning on the Closing Date and ending on the Business Day immediately preceding the Maturity Date (the "Revolving Loan Termination Date"), in an aggregate principal amount outstanding at any one time not to exceed the following, as applicable (the "Revolving Loan Commitment"):

(a) Period One. During the period beginning on the Closing Date and ending December 31, 2021, the sum equal to:

(1) $30,000,000.00; plus

(2) Provided the Borrower has satisfied the Accordion Prerequisites, the lesser of $20,000,000.00 or the then Available Borrowing Base.

(b) Period Two. During the period beginning on January 1, 2022, and ending May 31, 2022, the sum equal to:

(1) $30,000,000.00; plus

(2) Provided the Borrower has satisfied the Accordion Prerequisites, the lesser of $10,000,000.00 or the then Available Borrowing Base.

(c) Period Three. During the period beginning on June 1, 2022, and ending on the Maturity Date, the sum of $30,000,000.00.

Subject to earlier termination due to an Event of Default, the Revolving Loan Commitment shall expire at 12:00 noon Central time on the Maturity Date. Under the Revolving Loan Commitment, amounts borrowed and repaid or prepaid may be reborrowed at any time prior to and including the date which is the earlier of the occurrence of an Event of Default or the Revolving Loan Termination Date; provided, however, that at no time shall the sum of the Outstanding Revolving Advances exceed the then applicable Revolving Loan Commitment.

3. **Term Revolving Loan Commitment**. Lender agrees, on the terms and conditions set forth in the MLA, the Term Revolving Note, and this Second Supplement to make one or more advances to Borrower, during the period beginning on the Closing Date and ending on the Business Day immediately preceding the Maturity Date (the "Term Revolving Loan Termination Date"), in an aggregate principal amount outstanding at any one time not to exceed $50,000,000.00 (the "Term Revolving Loan Commitment"). Subject to earlier termination due to an Event of Default, the Term Revolving Loan Commitment shall expire at 12:00 noon Central time on the Maturity Date. Under the Term Revolving Loan Commitment, amounts borrowed and repaid or prepaid may be reborrowed at any time prior to and including the date which is the earlier of the occurrence of an Event of Default or the Term Revolving Loan Termination Date; provided, however, that at no time shall the sum of the Outstanding Revolving Term Advances exceed $50,000,000.00.

4. **Purpose.** Advances under the Term Revolving Loan and the Revolving Loan may be used for capital costs and for Borrower's cash and inventory management purposes, including closing costs and fees associated with the MLA. The Borrower agrees that the proceeds of the Term Revolving Loan and the Revolving Loan are to be used only for the purposes set forth in this Section 4.

5. **Repayment of the Loans.** The Borrower shall repay the Loans as follows:

(a) Revolving Term Loan. The Borrower will pay interest on the Term Revolving Loan on the first (1^{st}) day of each month, commencing on the first (1^{st}) Monthly Payment Date following the date on which the first Advance is made on the Term Revolving Loan, and continuing on each Monthly Payment Date thereafter until the Maturity Date. On the Maturity Date, the amount of the then unpaid principal balance of the Term Revolving Loan and all other amounts due and owing hereunder or under any other Loan Document relating to the

Term Revolving Loan shall be due and payable in full. If any payment date is not a Business Day, then the principal and interest installment then due shall be paid on the next Business Day and shall continue to accrue interest until paid.

(b) Revolving Loan. The Borrower will pay interest on the Revolving Loan on the first (1st) day of each month, commencing on the first (1st) Monthly Payment Date following the date on which the first Advance is made on the Revolving Loan, and continuing on each Monthly Payment Date thereafter until the Maturity Date. On the Maturity Date, the amount of the then unpaid principal balance of the Revolving Loan and all other amounts due and owing hereunder or under any other Loan Document relating to the Revolving Loan shall be due and payable in full. If any payment date is not a Business Day, then the principal and interest installment then due shall be paid on the next Business Day and shall continue to accrue interest until paid.

6. **Availability.** Subject to the further terms and conditions of the MLA and this Second Supplement, Advances under the Term Revolving Loan will be made until the Term Revolving Loan Termination Date and Advances under the Revolving Loan will be made until the Revolving Loan Termination Date.

7. **Making the Advances.**

(a) **Revolving Advances**. Each Revolving Advance shall be made following notice from Borrower (a "**Request for Advance**") to Lender delivered before 12:00 Noon (Minneapolis, Minnesota time) on a Business Day which is at least three (3) Business Days prior to the date of such Revolving Advance specifying the amount of such Revolving Advance, provided that no Revolving Advance shall be made while an Event of Default exists or if the interest rate for such loan would exceed the Maximum Rate. Any Request for Advance applicable to a Revolving Advance received after 12:00 Noon (Minneapolis, Minnesota time) shall be deemed to have been received and be effective on the next Business Day. The amount so requested from Lender shall, subject to the terms and conditions of this Second Supplement, be made available to Borrower by: (i) depositing the same, in same day funds, in an account of Borrower; or (ii) wire transferring such funds to a Person or Persons designated by Borrower in writing.

(b) **Requests for Advances Irrevocable**. Each Request for Advance shall be irrevocable and binding on Borrower and Borrower shall indemnify Lender against any loss or expense it may incur as a result of any failure to borrow any Advance after a Request for Advance (including any failure resulting from the failure to fulfill on or before the date specified for such Advance the applicable conditions set forth in this Section 7), including, without limitation, any loss (including loss of anticipated profits) or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by Lender to fund such Advance when such Advance, as a result of such failure, is not made on such date.

(c) **Minimum Amounts**. Each Revolving Advance shall be in a minimum amount equal to $50,000.00.

(d) **Conditions Precedent to All Advances**. Lender's obligation to make each Advance under the Term Revolving Note or the Revolving Note, as applicable, shall be subject to the terms, conditions and covenants set forth in the MLA and this Second Supplement, including, without limitation, the following further conditions precedent:

(i) Representations and Warranties. The representations and warranties set forth in the MLA and this Second Supplement are true and correct in all material respects as of the date of the request for any Advance, except as disclosed in writing to Lender, to the same extent and with the same effect as if made at and as of the date thereof except to the extent that they relate solely to an earlier date;

(ii) No Defaults. The Borrower is not in default under the terms of the MLA, this Second Supplement, the Related Documents or any other Material Contracts to which Borrower is a party and which relates to the construction of the Project or the operation of Borrower's business; and

(iii) Government Action. No license, permit, permission or authority necessary for the construction or operation of the Project has been revoked or challenged by or before any Governmental Authority.

(e) Unused Commitment Fee, Term Revolving Note. In addition to all other amounts payable to Lender under the MLA, this Second Supplement and the Term Revolving Note, the Borrower agrees to pay to the Lender an unused commitment fee on the average daily unused portion of the Term Revolving Loan Commitment from the Closing Date until the Maturity Date at the rate of thirty (30) basis points on a per annum basis, payable quarterly in arrears on each Quarterly Payment Date during the term of the Term Revolving Loan Commitment and on the Maturity Date. For purposes of this Agreement, the unused portion of the Term Revolving Loan Commitment for any measurement period shall be the positive difference, if any, of (a) the average daily amount of the Term Revolving Loan Commitment, minus (b) the average daily Outstanding Credit arising out of the Term Revolving Loan.

(f) Unused Commitment Fee, Revolving Note. In addition to all other amounts payable to Lender under the MLA, this Second Supplement and the Revolving Note, the Borrower agrees to pay to the Lender an unused commitment fee on the average daily unused portion of the Revolving Loan Commitment from the Closing Date until the Maturity Date at the rate of thirty (30) basis points on a per annum basis, payable quarterly in arrears on each Quarterly Payment Date during the term of the Revolving Loan Commitment and on the Maturity Date. For purposes of this Agreement, the unused portion of the Revolving Loan Commitment for any measurement period shall be the positive difference, if any, of (a) the average daily amount of the Revolving Loan Commitment, minus (b) the average daily Outstanding Credit arising out of the Revolving Loan.

8. **Interest Rate, Other Terms**. The principal amount of each Term Revolving Loan advanced to the Borrower shall bear interest at the rates of interest provided for in accordance with the Term Revolving Note, and the computation of interest, amortization, maturity and other terms and conditions of the Term Revolving Loan shall be as provided in the Term Revolving Note, provided, however, in no event shall the applicable rate of interest on any Term Revolving Loan exceed the Maximum Rate. The principal amount of each Revolving Loan advanced to the Borrower shall bear interest at the rates of interest provided for in accordance with the Revolving Note, and the computation of interest, amortization, maturity and other terms and conditions of the Revolving Loan shall be as provided in the Revolving Note, provided, however, in no event shall the applicable rate of interest on any Revolving Loan exceed the Maximum Rate.

9. **Loans Cross-Collateralized, Cross-Defaulting**. All Loans, including without limitation the Term Revolving Loan and the Revolving Loan, and all Outstanding Credit, including without limitation all Revolving Advances, shall be secured by all of the Collateral. Any default by Borrower under any of the Loans, including without limitation under the Term Revolving Loan or the Revolving Loan, shall constitute a default of all of the Loans, including without limitation the Term Revolving Loan and the Revolving Loan.

10. **Intentionally Omitted**.

11. **Intentionally Omitted**.

12. **Maximum Amount Limitation**. Anything in the MLA, this Second Supplement, or the other Loan Documents to the contrary notwithstanding, Borrower shall not be required to pay unearned interest on the Term Revolving Note, the Revolving Note, or any of the Loan Obligations, or ever be required to pay interest on the Term Revolving Note, the Revolving Note, or any of the Loan Obligations at a rate in excess of the Maximum Rate, if any. If the effective rate of interest which would otherwise be payable under the MLA, this Second Supplement, the Term Revolving Note, the Revolving Note,

or any of the other Loan Documents would exceed the Maximum Rate, if any, then the rate of interest which would otherwise be contracted for, charged, or received under the MLA, this Second Supplement, the Term Revolving Note, the Revolving Note, or any of the other Loan Documents shall be reduced to the Maximum Rate, if any. If any unearned interest or discount or property that is deemed to constitute interest (including, without limitation, to the extent that any of the fees payable by Borrower for the Loan Obligations to Lender under the MLA, this Second Supplement, the Term Revolving Note, the Revolving Note, or any of the other Loan Documents are deemed to constitute interest) is contracted for, charged, or received in excess of the Maximum Rate, if any, then such interest in excess of the Maximum Rate shall be deemed a mistake and canceled, shall not be collected or collectible, and if paid nonetheless, shall, at the option of the holder of the Term Revolving Note or the Revolving Note, as applicable, be either refunded to Borrower, or credited on the principal of the Term Revolving Note or the Revolving Note, as applicable. It is further agreed that, without limitation of the foregoing and to the extent permitted by applicable law, all calculations of the rate of interest or discount contracted for, charged or received by Lender under the Term Revolving Note, the Revolving Note, or under any of the Loan Documents, that are made for the purpose of determining whether such rate exceeds the Maximum Rate applicable to Lender, if any, shall be made, to the extent permitted by applicable laws (now or hereafter enacted), by amortizing, prorating and spreading during the period of the full terms of the Advances evidenced by the Term Revolving Note, the Revolving Note, and any renewals thereof all interest at any time contracted for, charged or received by Lender in connection therewith.

13. **Security.** The Borrower's obligations hereunder and, to the extent related thereto, the MLA, shall be secured as provided in the MLA and the other Loan Documents.

[Signature page follows]

SIGNATURE PAGE FOR
THIRD AMENDED AND RESTATED
SECOND SUPPLEMENT
TO MASTER LOAN AGREEMENT
(TERM REVOLVING LOAN AND REVOLVING LOAN)
BY AND BETWEEN
HOMELAND ENERGY SOLUTIONS, LLC
AND
HOME FEDERAL SAVINGS BANK
DATED: July 22, 2021

IN WITNESS WHEREOF, the parties have caused this Third Amended and Restated Second Supplement to be executed by their duly authorized officers as of the date shown above.

HOMELAND ENERGY SOLUTIONS, LLC, an Iowa limited liability company

By: /s/ Beth Eiler
Beth Eiler
Its CFO and Interim CEO

HOME FEDERAL SAVINGS BANK,
a federally chartered stock savings bank organized under the laws of the United States

By: /s/ Eric Oftedahl
Eric Oftedahl
Its Vice President

STATE OF IOWA)
) ss.
COUNTY OF CHICKASAW)

On this 16th day of June, 2021, before me a Notary Public within and for said County, personally appeared Beth Eiler, to me known, who being by me duly sworn, did say that she is the CFO and Interim CEO of Homeland Energy Solutions, LLC, the limited liability company named in the foregoing instrument, and that said instrument was signed on behalf of said company by authority of its board and as the free act and deed of said company.

/s/ Katy Kuehn
Notary Public

EXHIBIT A

Monthly Borrowing Base Report

Homeland Energy For Period Ending

Line	Type of Eligible Inventory	Amount/Price/Value	Advance Rate	Collateral Value
1	Corn Inventory (Bushels)	0		
2	Corn Price (lower of cost or market value - $/bu)	$0.00		
3	Corn Value (Line1 x Line 2)	$0.00	80%	$0
4	Less All Corn Payables (if applicable to Line 1)	$0.00	-100%	$0
5	DDGS Inventory (tons)	0		
6	DDGS Price (lower of cost or market - $/ton)	$0.00		
7	DDGS Value (Line 5 x Line 6)	$0.00	75%	$0
8	Corn Oil Inventory (pounds)	0		
9	Corn Oil Price (lower of cost or market - $/lb)	$0.0000		
10	Corn Oil Value (Line 8 x Line 9)	$0.00	75%	$0
11	Ethanol Inventory (gallons - All Ethanol and Denaturant)	0		
12	Ethanol Price (lower of cost or market - $/gallon)	$0.0000		
13	Ethanol Value (Line 11 x Line 12)	$0.00	75%	$0
14	Less All Denaturant Payables	$0.00	-100%	$0
15	WDGS Inventory (tons)	0		
16	WDGS Price (lower of cost or market - $/ton)	$0.00		
17	WDGS Value (Line 5 x Line 6)	$0.00	70%	$0
	Type of Eligible Receivables (See Receivables Report Tab)			
20	Ethanol Receivables less than 31 days Past Due	$0.00	75%	$0
21	DDGS & WDGS Receivables less than 31 days Past Due	$0.00	75%	$0
22	Corn Oil Receivables less than 31 days Past Due	$0.00	75%	$0
23	**Total Borrowing Base**			$0
24	Less: Book Overdrafts	$0.00	-100%	$0
25	Plus: Positive Hedging Account Balance	$0.00	90%	$0
26	Less: Negative Hedging Account Balance	$0.00	-100%	$0
27	Less: Outstanding Balance of Loan Facility	$0.00	-100%	$0
28	**Total Adjustments (Lines 25-28)**			$0
29	**Sub Total (Line 23 + Line 28)**			$0
30	**EXCESS OR DEFICIT BORROWING BASE** - IF LESS THAN $0, REMIT PAYMENT - NOT TO EXCEED MAXIMUM LOAN FACILITY			$0

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CERTIFICATIONS

I, Beth Eiler, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Homeland Energy Solutions, LLC;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 13, 2021	/s/ Beth Eiler
	Beth Eiler, Interim Chief Executive Officer

CERTIFICATIONS

I, Beth Eiler, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Homeland Energy Solutions, LLC;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date:	August 13, 2021	/s/ Beth Eiler
		Beth Eiler,
		Chief Financial Officer

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with this quarterly report on Form 10-Q of Homeland Energy Solutions, LLC (the "Company") for the fiscal quarter ended June 30, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Beth Eiler, Interim Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 13, 2021

/s/ Beth Eiler
Beth Eiler,
Interim Chief Executive Officer

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with this quarterly report on Form 10-Q of Homeland Energy Solutions, LLC (the “Company”) for the fiscal quarter ended June 30, 2021, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Beth Eiler, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 13, 2021

/s/ Beth Eiler
Beth Eiler,
Chief Financial Officer

Document - Cover - shares	6 Months Ended Jun. 30, 2021	Aug. 13, 2021
Document and Entity Information [Abstract]		
Document Type	10-Q	
Document Period End Date	Jun. 30, 2021	
Entity File Number	000-53202	
Entity Registrant Name	HOMELAND ENERGY SOLUTIONS, LLC	
Entity Incorporation, State or Country Code	IA	
Entity Tax Identification Number	20-3919356	
Entity Address, Address Description	2779 Highway 24,	
Entity Address, State or Province	IA	
Entity Address, City or Town	Lawler,	
Entity Address, Postal Zip Code	52154	
Entity Address, Country	US	
City Area Code	563	
Local Phone Number	238-5555	
Entity Current Reporting Status	Yes	
Entity Interactive Data Current	Yes	
Entity Filer Category	Non-accelerated Filer	
Entity Common Stock, Shares Outstanding		64,560
Entity Central Index Key	0001366744	
Current Fiscal Year End Date	--12-31	
Document Fiscal Year Focus	2021	
Document Fiscal Period Focus	Q2	
Amendment Flag	false	
Entity Emerging Growth Company	false	
Entity Small Business	false	
Document Quarterly Report	true	
Document Transition Report	false	
Entity Shell Company	false	

Balance Sheets - USD ($)	Jun. 30, 2021	Dec. 31, 2020
CURRENT ASSETS		
Cash and cash equivalents	$ 2,746,773	$ 5,072,227
Accounts receivable	8,797,164	4,121,778
Inventory	52,429,427	24,459,408
Prepaid and other	4,493,407	4,833,883
Derivative instruments	1,230,938	840,857
Total current assets	69,697,709	39,328,153
PROPERTY AND EQUIPMENT		
Land and improvements	23,260,902	23,260,902
Buildings	8,777,302	8,777,302
Equipment	241,628,905	240,429,826
Construction in progress	1,111,200	620,832
Gross property and equipment	274,778,309	273,088,862
Less accumulated depreciation	153,044,476	144,554,643
Total property and equipment	121,733,833	128,534,219
OTHER ASSETS		
Right of use asset operating leases, net	2,307,790	3,116,941
Utility rights, net of amortization of $1,660,190 and $1,591,994	375,064	443,260
Other assets	4,220,646	4,116,647
Total other assets	6,903,500	7,676,848
TOTAL ASSETS	198,335,042	175,539,220
CURRENT LIABILITIES		
Accounts payable	10,287,050	20,836,019
Accrued expenses	1,410,001	1,219,705
Current portion operating lease liability	1,489,257	1,637,878
Total current liabilities	13,186,308	23,693,602
COMMITMENTS AND CONTINGENCIES	0	0
LONG-TERM LIABILITIES		
Long-term Debt	15,189,000	0
Operating lease liability	818,533	1,479,063
Total long-term liabilities	16,007,533	1,479,063
MEMBERS' EQUITY (64,560 units issued and outstanding)	169,141,201	150,366,555
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 198,335,042	$ 175,539,220

Balance Sheets (Parenthetical) - USD ($)	Jun. 30, 2021	Dec. 31, 2020
OTHER ASSETS		
Utility rights, accumulated amortization	$ 1,932,965	$ 1,864,769
MEMBERS’ EQUITY		
Members Capital units issued (in shares)	64,560	64,560
Members Capital units outstanding (in shares)	64,560	64,560

Statements of Operations - USD ($)	3 Months Ended		6 Months Ended	
	Jun. 30, 2021	Jun. 30, 2020	Jun. 30, 2021	Jun. 30, 2020
Income Statement [Abstract]				
Revenue	$ 130,691,378	$ 63,862,205	$ 227,068,328	$ 128,899,443
Cost of goods sold	116,577,854	59,284,228	205,798,353	128,249,051
Gross profit	14,113,524	4,577,977	21,269,975	650,392
Selling, general and administrative expenses	1,131,308	831,256	2,363,684	1,836,269
Operating income	12,982,216	3,746,721	18,906,291	(1,185,877)
Other Income (expense)				
Interest (expense)	(132,863)	(219,068)	(233,599)	(444,124)
Interest income	10,787	14,470	12,759	43,014
Other Income	49,211	419,699	89,195	300,244
Total other income (expense)	(72,865)	215,101	(131,645)	(100,866)
Net income	$ 12,909,351	$ 3,961,822	$ 18,774,646	$ (1,286,743)
Basic & diluted net income per capital unit (in dollars per unit)	$ 199.96	$ 61.37	$ 290.81	$ (19.93)
Weighted average number of units outstanding for the calculation of basic & diluted net income per capital unit (units)	64,560	64,560	64,560	64,560
Distribution per Unit (in dollars per unit)	$ 0	$ 0	$ 0	$ 0

Statements of Cash Flows - USD ($)	6 Months Ended	
	Jun. 30, 2021	Jun. 30, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 18,774,646	$ (1,286,743)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	8,558,030	8,043,348
Unrealized (gain) loss on risk management activities	(390,081)	567,094
Unrealized loss on trading securities activities	0	74,070
(Loss) on disposal of property and equipment	0	(3,254)
Change in working capital components:		
Accounts receivable	(4,675,386)	2,946,395
Inventory	(27,970,019)	449,077
Prepaid and other	340,476	334,987
Accounts payable and other accrued expenses	(9,717,307)	(4,248,264)
Net cash provided by (used in) operating activities	(15,079,641)	6,876,710
Proceeds from Sale of Debt and Equity Securities, FV-NI, Held-for-investment	0	32,025,459
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for equipment and construction in progress	(2,330,814)	(2,542,303)
Proceeds from sale of equipment	0	32,000
(Increase) in other assets	(103,999)	(202,526)
Net cash provided by (used in) investing activities	(2,434,813)	29,312,630
Proceeds from Issuance of Long-term Debt	0	907,675
Payments on long-term borrowings	0	(3,000,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Lines of Credit	145,462,000	0
Repayments of Lines of Credit	(130,273,000)	0
Payments for Repurchase of Equity	0	(30,000,000)
Net Cash Provided by (Used in) Financing Activities	15,189,000	(32,092,325)
Net increase (decrease) in cash and cash equivalents	(2,325,454)	4,097,015
Cash and Cash Equivalents - Beginning	5,072,227	17,274,703
Cash and Cash Equivalents - Ending	2,746,773	21,371,718
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid for interest	193,441	437,088
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Accounts payable issued for property and equipment additions	$ 402,332	$ 207,240

Statements of Changes in Members' Equity	USD ($)
Members' Equity, Balance at Dec. 31, 2019	$ 153,975,555
Increase (Decrease) in Stockholders' Equity [Roll Forward]	
Net income	(5,248,565)
Members' Equity, Balance at Mar. 31, 2020	148,726,990
Members' Equity, Balance at Dec. 31, 2019	153,975,555
Increase (Decrease) in Stockholders' Equity [Roll Forward]	
Net income	(1,286,743)
Members' Equity, Balance at Jun. 30, 2020	152,688,812
Members' Equity, Balance at Mar. 31, 2020	148,726,990
Increase (Decrease) in Stockholders' Equity [Roll Forward]	
Net income	3,961,822
Members' Equity, Balance at Jun. 30, 2020	152,688,812
Members' Equity, Balance at Dec. 31, 2020	150,366,555
Increase (Decrease) in Stockholders' Equity [Roll Forward]	
Net income	5,865,295
Members' Equity, Balance at Mar. 31, 2021	156,231,850
Members' Equity, Balance at Dec. 31, 2020	150,366,555
Increase (Decrease) in Stockholders' Equity [Roll Forward]	
Net income	18,774,646
Members' Equity, Balance at Jun. 30, 2021	169,141,201
Members' Equity, Balance at Mar. 31, 2021	156,231,850
Increase (Decrease) in Stockholders' Equity [Roll Forward]	
Net income	12,909,351
Members' Equity, Balance at Jun. 30, 2021	$ 169,141,201

Organization, Consolidation and Presentation of Financial Statements	6 Months Ended Jun. 30, 2021
Organization, Consolidation and Presentation of Financial Statements [Abstract]	
Significant Accounting Policies	NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

The accompanying unaudited condensed financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted as permitted by such rules and regulations. These financial statements and related notes should be read in conjunction with the financial statements and notes thereto included in the Company's audited financial statements for the year ended December 31, 2020, contained in the Company's annual report on Form 10-K for 2020.

In the opinion of management, the interim condensed financial statements reflect all adjustments considered necessary for fair presentation. The adjustments made to these statements consist only of normal recurring adjustments.

Nature of Business

Homeland Energy Solutions, LLC (an Iowa Limited Liability Company) is located near Lawler, Iowa and was organized to pool investors for a 100 million gallon ethanol plant with distribution primarily throughout the United States. The Company has capacity to produce in excess of 190 million gallons annually and sells distillers dried grains and corn oil as byproducts of ethanol production.

Organization

Homeland Energy Solutions, LLC is organized as an Iowa limited liability company. The members' liability is limited as specified in Homeland Energy Solutions' operating agreement and pursuant to the Iowa Revised Uniform Limited Liability Company Act.

Significant Accounting Policies:

Accounting Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with United States Generally Accepted Accounting Principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Cash & Cash Equivalents

The Company maintains its accounts primarily at one financial institution. At various times, the Company's cash balances may exceed amounts insured by the Federal Deposit Insurance Corporation. The Company has not experienced losses in such accounts. Also included in cash and cash equivalents are highly liquid investments that are readily convertible into known amounts of cash, which are subject to an insignificant risk of change in value due to interest rate, quoted price or penalty on withdrawal and have an original maturity of three months or less.

Trading Securities

Investments bought and held principally for the purpose of selling them in the near term are classified as trading securities. Trading securities are measured at fair value using prices obtained from pricing services. Any interest, dividends, and unrealized or realized gains and losses on the trading securities are recorded as part of other income.

At June 30, 2021 and December 31, 2020, the Company held no trading securities. During the three and six months ended June 30, 2021, the Company had no interest, dividends and net unrealized gains from trading securities. During the three and six months ended June 30, 2020, the Company recorded interest, dividends and net unrealized gains from trading securities of approximately $500,000 and $181,000, respectively.

The Board of Directors voted to set aside up to $30 million in trading securities to be used by the Company for the repurchase of 25,860 membership units per the terms of an agreement with Mr. Retterath entered into on June 13, 2013 with the Company. These trading securities were used in April 2020 to repurchase the 25,860 membership units from Mr. Retterath.

Receivables

Credit sales are made primarily to two customers and no collateral is required. The Company carries these accounts receivable at original invoice amount with no allowance for doubtful accounts due to the historical collection rates on these accounts.

Investments

The Company has a less than 20% investment interest in Renewable Products Marketing Group, LLC ("RPMG"). This investment is being accounted for under the equity method of accounting, as the Company has significant influence, under which the Company's share of net income is recognized as income in the Company's statement of operations and added to the investment account. The investment balance is included in other assets and the income recognized as other income. The investment is evaluated for indications of impairment on a regular basis. A loss would be recognized when the fair value is determined to be less than the carrying value.

Revenue and Cost Recognition

The Company recognizes Revenue from Contracts with Customers following Accounting Standards Update (ASU) 2014-09. Under the ASU, revenue is recognized when a customer obtains control of promised goods or services in an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. In addition, the standard requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Company generally has a single performance obligation in its arrangements with customers. The Company believes for its contracts with customers, control is transferred at a point in time, typically upon delivery to the customers. When the Company performs shipping and handling activities after the transfer of control to the customers (e.g., when control transfers prior to delivery), they are considered as fulfillment activities, and accordingly, the costs are accrued for when the related revenue is recognized. The Company generally expenses sales commissions when incurred because the amortization period would have been less than one year.

The following is a description of principal activities from which we generate revenue. Revenues from contracts with customers are recognized when control of the promised goods or services are transferred to our customers, in an amount that reflects the consideration that we expect to receive in exchange for those goods or services.

- sales of ethanol;
- sales of distiller grains; and
- sales of corn oil;

All revenue recognized in the statement of operations is considered to be revenue from contracts with customers. The disaggregation of revenue according to product line, along with accounts receivable from contracts with customers, is as disclosed in Note 5.

Shipping costs incurred by the Company in the sale of ethanol and distiller grains are not specifically identifiable and as a result, revenue from the sale of ethanol and distiller grains is recorded based on the net selling price reported to the Company from the marketer. Rail car lease costs incurred by the Company in the sale and shipment of distiller grain products are included in the cost of goods sold.

Inventories
Inventories are generally valued at the lower of cost (first-in, first-out) or net realizable value. In the valuation of inventories and purchase commitments, net realizable value is defined as estimated selling price in the ordinary course of business less reasonably predictable costs of completion, disposal, and transportation.

Property & Equipment
The Company reviews its property and equipment for impairment whenever events indicate that the carrying amount of the asset group may not be recoverable. If circumstances require an asset group be tested for possible impairment, the Company first compares undiscounted cash flows expected to be generated by the asset group to the carrying value of the asset group. If the carrying value of the asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values and third-party independent appraisals, as considered necessary.
Derivative Instruments
The Company evaluates its contracts to determine whether the contracts are derivative instruments. Certain contracts that literally meet the definition of a derivative may be exempted from derivative accounting as normal purchases or normal sales. Normal purchases and normal sales are contracts that provide for the purchase or sale of something other than a financial instrument or derivative instrument that will be delivered in quantities expected to be used or sold over a reasonable period in the normal course of business. Contracts that meet the requirements of normal purchases or sales are documented as normal and exempted from the accounting and reporting requirements of derivative accounting.

The Company enters into short-term cash, option and futures contracts as a means of securing purchases of corn, natural gas and sales of ethanol for the plant and managing exposure to changes in commodity and energy prices. All of the Company's derivatives are designated as non-hedge derivatives for accounting purposes, with changes in fair value recognized in net income (loss). Although the contracts are economic hedges of specified risks, they are not designated as and accounted for as hedging instruments.

As part of its trading activity, the Company uses futures and option contracts through regulated commodity exchanges to manage its risk related to pricing of inventories. To reduce that risk, the Company generally takes positions using cash and futures contracts and options.

Realized and unrealized gains and losses related to derivative contracts related to corn and natural gas are included as a component of cost of goods sold and derivative contracts related to ethanol are included as a component of revenue in the accompanying financial statements. The fair values of contracts entered through commodity exchanges are presented on the accompanying balance sheet as derivative instruments. All contracts with the same counter party are reported on a net basis.

Net Income (Loss) per Unit
Basic and diluted net income (loss) per unit is computed by dividing net income (loss) by the weighted average number of members' units and members' unit equivalents outstanding during the period. There were no member unit equivalents outstanding during the periods presented; accordingly, the Company's basic and diluted net income per unit are the same.

Risks and Uncertainties
The Company has certain risks and uncertainties that it will experience during volatile market conditions, which can have a severe impact on operations. The Company's revenues are derived from the sale and distribution of ethanol, distiller grains and corn oil to customers primarily located in the United States. Corn for the production process is supplied to the plant primarily from local agricultural producers and from purchases on the open market. For the six months ended June 30, 2021, ethanol sales averaged approximately 75% of total revenues, while approximately 19% of revenues were generated from the sale of distiller grains. Corn oil sales attributed approximately 6% of revenues during this time period. For the six months ended June 30, 2021, corn costs averaged approximately 78% of cost of goods sold.

The Company's operating and financial performance is largely driven by the prices at which ethanol is sold and the net expense of corn. The price of ethanol is influenced by factors such as supply and demand, weather, government policies and programs, and unleaded gasoline and the petroleum markets. Excess ethanol supply in the market, in particular, puts downward pressure on the price of ethanol. The Company's largest cost of production is corn. The cost of corn is generally impacted by factors such as supply and demand, weather, and government policies and programs. The Company's risk management program is used to protect against the price volatility of these commodities.

On January 30, 2020, the World Health Organization declared the coronavirus outbreak (COVID-19) a "Public Health Emergency of International Concern" and on March 11, 2020, declared COVID-19 a pandemic. The impact of COVID-19 has negatively impacted the Company’s operations, suppliers or other vendors, and customer base. Any future quarantines, labor shortages or other disruptions to the Company's operations, or those of their customers, may adversely impact the Company's revenues, ability to provide its services and operating results. In addition, a significant outbreak of epidemic, pandemic or contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, including the geographical area in which the Company operates, resulting in an economic downturn that could affect demand for its goods and services. The extent to which the coronavirus continues to impact the Company's results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and actions taken to contain the coronavirus or its impact, among others.

Nature of Operations

Nature of Business

Homeland Energy Solutions, LLC (an Iowa Limited Liability Company) is located near Lawler, Iowa and was organized to pool investors for a 100 million gallon ethanol plant with distribution primarily throughout the United States. The Company has capacity to produce in excess of 190 million gallons annually and sells distillers dried grains and corn oil as byproducts of ethanol production.

Organization

Homeland Energy Solutions, LLC is organized as an Iowa limited liability company. The members' liability is limited as specified in Homeland Energy Solutions' operating agreement and pursuant to the Iowa Revised Uniform Limited Liability Company Act.

Inventory	6 Months Ended Jun. 30, 2021
Inventory Disclosure [Abstract]	
Inventory	INVENTORY Inventory consisted of the following as of June 30, 2021 and December 31, 2020:

	June 30, 2021	December 31, 2020
Raw Materials	$ 37,954,989	$ 15,909,576
Work in Process	4,434,341	2,923,041
Finished Goods	10,040,097	5,626,791
Totals	$ 52,429,427	$ 24,459,408

Debt	6 Months Ended Jun. 30, 2021
Debt Disclosure [Abstract]	
Debt	DEBT

DEBT

Master Loan Agreement with Home Federal Savings Bank

On June 29, 2017, the Company amended and restated the Master Loan Agreement with Home Federal Savings Bank ("Home Federal"), amending the term revolving loan to provide funding to operate the plant and establishing a term loan to help fund the Company's $42 million expansion project. In return, the Company entered into agreements providing Home Federal a security interest in substantially all personal property located on Company property. The Company currently has one loan with Home Federal, a term revolving loan.

Term Revolving Loan

Under the terms of the Second Amended and Restated Second Supplement to the Master Loan Agreement, dated November 6, 2020, the Company has a $50 million term revolving loan which has a maturity date of November 6, 2025. Interest on the term revolving loan is due monthly and accrues at a rate equal to Prime Rate less 60 basis points, 2.65% on June 30, 2021. There was approximately $15.2 million outstanding on the term revolving loan and approximately $34.8 million available to be drawn as of June 30, 2021 and no balance outstanding and $50 million available as of December 31, 2020.

Covenants

During the term of the loans, the Company is subject to certain financial covenants at various times calculated monthly, quarterly or annually, including restriction of the payment of dividends and capital expenditures and maintenance of certain financial ratios including the minimum working capital and a fixed charge ratio as defined by the Master Loan Agreement. Failure to comply with the protective loan covenants or maintain the required financial ratios may cause acceleration of the outstanding principal balances on the loans and/or the imposition of fees, charges or penalties. The Company is in compliance with all financial covenants as of June 30, 2021.

Related Party Transactions	6 Months Ended Jun. 30, 2021
Related Party Transactions [Abstract]	
Related Party Transactions	RELATED PARTY TRANSACTIONSThe Company has purchased corn and materials from members of its Board of Directors who own or manage elevators or are local producers of corn. Purchases during the three and six months ended June 30, 2021 totaled approximately $434,000 and $2,470,000, respectively and during the three and six months ended June 30, 2020 totaled approximately $509,000 and $1,171,000, respectively. Amounts due to these members were none and approximately $28,000 at June 30, 2021 and December 31, 2020, respectively.

Commitments, Contingencies, Agreements and Subsequent Events	6 Months Ended
	Jun. 30, 2021
Commitments, Contingencies and Agreements [Abstract]	
Commitments, Contingencies, Agreements and Subsequent Events	

COMMITMENTS, CONTINGENCIES, AGREEMENTS

Ethanol, corn oil, and distiller grains marketing agreements and major customers

The Company has entered into a marketing agreement with RPMG to sell all denatured fuel ethanol produced at the plant at a mutua price, less commission and transportation charges. As of June 30, 2021, the Company had commitments to sell approximately 3 m of ethanol at fixed prices and 45 million of its produced gallons of ethanol at basis price levels indexed against exchanges for deli September 30, 2021.

The Company has entered into a marketing agreement with RPMG to sell all industrial alcohol produced at the plant at a mutually ag less commission and transportation charges. As of June 30, 2021, the Company had no commitments to sell any gallons of industrial

The Company has entered into a marketing agreement with RPMG to sell all corn oil produced at the plant at a mutually agreed marketing fees and transportation charges. As of June 30, 2021, the Company had commitments to sell approximately 5 million po oil at various fixed and basis price levels indexed against exchanges for delivery through July 31, 2021.

The Company also has an investment in RPMG, included in other assets, totaling approximately $2,616,000 and $2,527,000 as of J and December 31, 2020, respectively.

The Company has entered into a marketing agreement to sell all distiller grains produced at the plant to CHS, an unrelated party, agreed on price, less commission and transportation charges. The agreement was renewed for another one year term on April agreement calls for automatic renewal for successive one-year terms unless 90-day prior written notice is given before the current As of June 30, 2021, the Company had approximately 67,000 tons of distiller grains sales commitments for delivery through Nove various fixed prices.

Sales and marketing fees related to the agreements in place for the three and six months ended June 30, 2021 and 2020 were appr follows:

	Three Months Ended June 30, 2021	Six Months Ended June 30, 2021	Three Months Ended June 30, 2020	Six Months En June 30, 20
Sales ethanol	$ 99,037,000	$ 170,768,000	$ 48,194,000	$ 96,14
Sales distiller grains	23,920,000	42,903,000	13,163,000	26,80
Sales corn oil	7,733,000	13,390,000	3,681,000	7,12
Marketing fees ethanol	$ 104,000	$ 258,000	$ 23,000	$ 8
Marketing fees distiller grains	218,000	414,000	191,000	39
Marketing fees corn oil	32,000	61,000	11,000	4

	As of June 30, 2021	As of December 31, 2020
Amount due from RPMG	$ 5,565,000	$ 1,451,000
Amount due from CHS	3,195,000	2,635,000

At June 30, 2021, the Company had approximately $56,086,000 in outstanding priced corn purchase commitments for bushels at v and approximately 2,507,000 bushels of basis contracts through December 2022 accounted for under the normal purchase exclusion

The Company has commitments for minimum purchases of various utilities such as natural gas and electricity over the next 12 mo approximately $516,000 accounted for under the normal purchase exclusion.

As of June 30, 2021, the Company had no natural gas locked in at fixed prices. As of June 30, 2020, approximately 1,932,000 d
natural gas was locked into place at fixed prices through December 31, 2020 accounted for under the normal purchase exclusion.

Lease Obligations	6 Months Ended Jun. 30, 2021
Leases [Abstract]	
Lease Obligations	LEASE OBLIGATIONS

LEASE OBLIGATIONSA lease exists when a contract conveys to a party the right to control the use of identified property, plant, or equipment for a period of time in exchange for consideration. The Company recognized a lease liability at the lease commencement date, as the present value of future lease payments, using an estimated rate of interest that the Company would pay to borrow equivalent funds on a collateralized basis. A lease asset is recognized based on the lease liability value and adjusted for any prepaid lease payments, initial direct costs, or lease incentive amounts. The lease term at the commencement date includes any renewal options or termination options when it is reasonably certain that the Company will exercise or not exercise those options, respectively.

The Company leases rail cars and rail moving equipment with original terms up to 7 years. The Company is obligated to pay costs of insurance, taxes, repairs and maintenance pursuant to the terms of the leases. These costs are in addition to regular lease payments and are not included in lease expense. Rent expense incurred for the operating leases during the three and six months ended June 30, 2021 was approximately $492,000 and $953,000, respectively and for the same periods in 2020 was approximately $444,000 and $888,000, respectively. The lease agreements have maturity dates ranging from March 2022 to October 2025. The weighted average remaining life of the lease term for these leases was 1.39 years as of June 30, 2021.

The discount rate used in determining the lease liability for each individual lease was the Company's estimated incremental borrowing rate of 4.79%. The right-of-use asset operating lease, included in other assets, and operating lease liability, included in current and long term liabilities was approximately $2,307,790 and $3,116,941 as of June 30, 2021 and December 31, 2020, respectively.

At June 30, 2021, the Company had the following approximate minimum rental commitments under non-cancelable operating leases for the twelve month period ended June 30:

2022	$	1,564,000
2023		557,000
2024		156,000
2025		109,000
Thereafter		36,000
Total lease commitments	$	2,422,000

A reconciliation of the undiscounted future payments in the schedule above and the lease liability recognized in the consolidated balance sheet as of June 30, 2021, is shown below.

Undiscounted future payments	$	2,422,000
Discount effect		(114,000)
	$	2,308,000

Derivative Instruments	6 Months Ended Jun. 30, 2021
Derivative Instruments and Hedging Activities Disclosure [Abstract]	
Derivative Instruments	

DERIVATIVE INSTRUMENTS

The Company's activities expose it to a variety of market risks, including the effects of changes in commodity prices. These financial exposures are monitored and managed by the Company as an integral part of its overall risk-management program. The Company's risk management program focuses on the unpredictability of financial and commodities markets and seeks to reduce the potentially adverse effects that the volatility of these markets may have on its operating results.

To reduce price risk caused by market fluctuations, the Company generally follows a policy of using exchange traded futures and options contracts to reduce its net position of merchandisable agricultural commodity inventories and forward cash purchase and sales contracts and uses exchange traded futures and options contracts to reduce price risk. Exchange-traded futures contracts are valued at market price. Changes in market price of exchange traded futures and options contracts related to corn and natural gas are recorded in costs of goods sold and changes in market prices of contracts related to the sale of ethanol, if applicable, are recorded in revenues.

The Company uses futures or options contracts to fix the purchase price of anticipated volumes of corn to be purchased and processed in a future month. The Company's plant will grind approximately 65 million bushels of corn per year. Over the next twelve months, the Company has hedged and anticipates hedging between 5% and 28% of its anticipated annual grind. At June 30, 2021, the Company has hedged portions of its anticipated monthly purchases for corn averaging approximately 27% of its anticipated monthly grind over the next twelve months.

The following table represents the approximate amount of realized/unrealized gains (losses) and changes in fair value recognized in earnings on commodity contracts for the three and six months ending June 30, 2021 and 2020 and the fair value of derivatives as of June 30, 2021 and December 31, 2020:

	Income Statement Classification	Realized Gain (Loss)	Change In Unrealized Gain (Loss)	Total Gain (Loss)
Derivatives not designated as hedging instruments:				
Commodity contracts for the three months ended June 30, 2021	Cost of Goods Sold	$ (13,143,000)	$ (1,700,000)	$ (14,843,000)
Commodity contracts for the three months ended June 30, 2020	Revenue	$ —	$ (1,176,000)	$ (1,176,000)
	Cost of Goods Sold	1,433,000	(1,083,000)	350,000
	Total	$ 1,433,000	$ (2,259,000)	$ (826,000)
Commodity contracts for the six months ended June 30, 2021	Cost of Goods Sold	$ (18,458,000)	$ 2,267,000	$ (16,191,000)
Commodity contracts for the six months ended June 30, 2020	Revenue	$ —	$ (1,176,000)	$ (1,176,000)
	Cost of Goods Sold	4,183,000	(1,236,000)	2,947,000
	Total	$ 4,183,000	$ (2,412,000)	$ 1,771,000

	Balance Sheet Classification	June 30, 2021	December 31, 2020
Futures contracts			
In gain position		$ 481,000	$ —
In loss position		(4,446,000)	(6,233,000)
Cash held by broker		5,196,000	7,074,000
	Current Asset	$ 1,231,000	$ 841,000

Fair Value Measurements

	6 Months Ended
	Jun. 30, 2021

Fair Value Disclosures [Abstract]

Fair Value Measurements

FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants a
determining fair value, the Company uses various methods including market, income and cost approaches. Based on these approaches, the Com
assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in t
technique. These inputs can be readily observable, market-corroborated, or generally unobservable inputs. The Company utilizes valuation tec
use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, t
provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the informa
values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1: Valuations for assets and liabilities traded in active markets from readily available pricing sources for market transactions involving ider

Level 2: Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third-party pricing servi
assets or liabilities.

Level 3: Valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

A description of the valuation methodologies used for instruments measured at fair value, including the general classification of such instrument
hierarchy, is set forth below:

Derivative financial instruments: Commodity futures and exchange-traded commodity options contracts are reported at fair value utilizing
contracts, the Company obtains fair value measurements from an independent pricing service. The fair value measurements consider observa
dealer quotes and live trading levels from the CBOT and NYMEX markets.

The following table summarizes financial assets and financial liabilities measured at fair value on a recurring basis as of June 30, 2021 and Dece
by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value:

	Total	Level 1	Level 2
As of June 30, 2021			
Derivative financial instruments			
Assets	$ 481,000	$ 481,000	$ —
Liabilities	$ (4,446,000)	$ (4,446,000)	$ —
As of December 31, 2020			
Derivative financial instruments			
Liabilities	$ (6,233,000)	$ (6,233,000)	$ —

The Company's financial assets and liabilities not recorded at fair value, for which carrying value approximates fair valu
cash equivalents, accounts receivable, accounts payable, accrued expenses, and term revolver debt.

Litigation Matters	6 Months Ended Jun. 30, 2021
Litigations Matters [Abstract]	
Litigation Matters	LITIGATION MATTERS *Retterath* On August 1, 2013 Mr. Steve Retterath filed a lawsuit against the Company along with several directors, the Company's former CEO, former CFO, COO, a former director and the Company's outside legal counsel in Florida state court. In August 2016, this lawsuit was voluntarily dismissed without prejudice by the Retteraths. On August 14, 2013, the Company filed a lawsuit in Iowa state court to enforce the repurchase agreement the Company entered into with Mr. Retterath. No distributions have been paid to Mr. Retterath since the time of the original expected closing date of August 1, 2013. On June 15, 2017, the Iowa Court ruled in favor of Homeland that the repurchase agreement was valid and directed Mr. Retterath to perform his obligations under the repurchase agreement by August 1, 2017. Mr. Retterath subsequently filed various motions with the Iowa Court and was granted a stay regarding his obligation to perform the repurchase agreement while the court considered his post trial motions. On May 7, 2018, the Iowa Court denied Mr. Retterath's motions for a new trial and to reconsider the Iowa Court's prior ruling. In February 2020, the Iowa Supreme Court ruled in favor of the Company that the repurchase agreement was valid. In April 2020, the Company closed the repurchase of the membership units held by Mr. Retterath.

Subsequent Events	6 Months Ended Jun. 30, 2021
Subsequent Events [Abstract]	
Subsequent Events	SUBSEQUENT EVENT On July 22, 2021, the Company entered into an amendment to the revolving debt with Home Federal, creating a new $50 million revolving loan in addition to existing debt instruments. The agreements Homeland entered into with Home Federal were: (i) a Third Amendment to Amended and Restated Master Loan Agreement (the “Loan Amendment”); (ii) a Third Amended and Restated Second Supplement to Master Loan Agreement (the “Term Loan Amendment”); (iii) a Revolving Promissory Note (the “Promissory Note”); and (iv) a Fifth Amended and Restated Mortgage (the “Amended Mortgage”). Pursuant to the Loan Amendment, the Company can borrow up to $50 million pursuant to the revolving loan. The amount available pursuant to the revolving loan decreases to $40 million on December 31, 2021 and decreases again to $30 million on May 31, 2022. Interest on the revolving loan accrues at a rate of 30 basis points less than the prime rate. There is a fee on the unused portion of the revolving loan equal to 0.30%. The maturity date of the revolving loan is November 6, 2025.

Nature of Business and Significant Accounting Policies (Policies)	6 Months Ended Jun. 30, 2021
Nature of Business and Significant Accounting Policies [Abstract]	
Accounting Estimates	*Accounting Estimates* Management uses estimates and assumptions in preparing these financial statements in accordance with United States Generally Accepted Accounting Principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.
Cash and Cash Equivalents	*Cash & Cash Equivalents* The Company maintains its accounts primarily at one financial institution. At various times, the Company's cash balances may exceed amounts insured by the Federal Deposit Insurance Corporation. The Company has not experienced losses in such accounts. Also included in cash and cash equivalents are highly liquid investments that are readily convertible into known amounts of cash, which are subject to an insignificant risk of change in value due to interest rate, quoted price or penalty on withdrawal and have an original maturity of three months or less.
Trading Securities	*Trading Securities* Investments bought and held principally for the purpose of selling them in the near term are classified as trading securities. Trading securities are measured at fair value using prices obtained from pricing services. Any interest, dividends, and unrealized or realized gains and losses on the trading securities are recorded as part of other income. At June 30, 2021 and December 31, 2020, the Company held no trading securities. During the three and six months ended June 30, 2021, the Company had no interest, dividends and net unrealized gains from trading securities. During the three and six months ended June 30, 2020, the Company recorded interest, dividends and net unrealized gains from trading securities of approximately $500,000 and $181,000, respectively. The Board of Directors voted to set aside up to $30 million in trading securities to be used by the Company for the repurchase of 25,860 membership units per the terms of an agreement with Mr. Retterath entered into on June 13, 2013 with the Company. These trading securities were used in April 2020 to repurchase the 25,860 membership units from Mr. Retterath.
Receivables	ReceivablesCredit sales are made primarily to two customers and no collateral is required. The Company carries these accounts receivable at original invoice amount with no allowance for doubtful accounts due to the historical collection rates on these accounts
Investments	*Investments* The Company has a less than 20% investment interest in Renewable Products Marketing Group, LLC ("RPMG"). This investment is being accounted for under the equity method of accounting, as the Company has significant influence, under which the Company's share of net income is recognized as income in the Company's statement of operations and added to the investment account. The investment balance is included in other assets and the income recognized as other income. The investment is evaluated for indications of impairment on a regular basis. A loss would be recognized when the fair value is determined to be less than the carrying value.

Revenue and Cost Recognition

Revenue and Cost Recognition

The Company recognizes Revenue from Contracts with Customers following Accounting Standards Update (ASU) 2014-09. Under the ASU, revenue is recognized when a customer obtains control of promised goods or services in an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. In addition, the standard requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Company generally has a single performance obligation in its arrangements with customers. The Company believes for its contracts with customers, control is transferred at a point in time, typically upon delivery to the customers. When the Company performs shipping and handling activities after the transfer of control to the customers (e.g., when control transfers prior to delivery), they are considered as fulfillment activities, and accordingly, the costs are accrued for when the related revenue is recognized. The Company generally expenses sales commissions when incurred because the amortization period would have been less than one year.

The following is a description of principal activities from which we generate revenue. Revenues from contracts with customers are recognized when control of the promised goods or services are transferred to our customers, in an amount that reflects the consideration that we expect to receive in exchange for those goods or services.

- sales of ethanol;
- sales of distiller grains; and
- sales of corn oil;

All revenue recognized in the statement of operations is considered to be revenue from contracts with customers. The disaggregation of revenue according to product line, along with accounts receivable from contracts with customers, is as disclosed in Note 5.

Shipping costs incurred by the Company in the sale of ethanol and distiller grains are not specifically identifiable and as a result, revenue from the sale of ethanol and distiller grains is recorded based on the net selling price reported to the Company from the marketer. Rail car lease costs incurred by the Company in the sale and shipment of distiller grain products are included in the cost of goods sold.

Inventories

Inventories

Inventories are generally valued at the lower of cost (first-in, first-out) or net realizable value. In the valuation of inventories and purchase commitments, net realizable value is defined as estimated selling price in the ordinary course of business less reasonably predictable costs of completion, disposal, and transportation.

Property & Equipment

Property & Equipment

The Company reviews its property and equipment for impairment whenever events indicate that the carrying amount of the asset group may not be recoverable. If circumstances require an asset group be tested for possible impairment, the Company first compares undiscounted cash flows expected to be generated by the asset group to the carrying value of the asset group. If the carrying value of the asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values and third-party independent appraisals, as considered necessary.

Derivative Instruments

Derivative Instruments

The Company evaluates its contracts to determine whether the contracts are derivative instruments. Certain contracts that literally meet the definition of a derivative may be exempted from derivative accounting as normal purchases or normal sales. Normal purchases and normal sales are contracts that provide for the purchase or sale of something other than a financial instrument or derivative instrument that will be delivered in quantities expected to be used or sold over a reasonable period in the normal course of business. Contracts that meet the requirements of normal purchases or sales are documented as normal and exempted from the accounting and reporting requirements of derivative accounting.

The Company enters into short-term cash, option and futures contracts as a means of securing purchases of corn, natural gas and sales of ethanol for the plant and managing exposure to changes in commodity and energy prices. All of the Company's derivatives are designated as non-hedge derivatives for accounting purposes, with changes in fair value recognized in net income (loss). Although the contracts are economic hedges of specified risks, they are not designated as and accounted for as hedging instruments.

As part of its trading activity, the Company uses futures and option contracts through regulated commodity exchanges to manage its risk related to pricing of inventories. To reduce that risk, the Company generally takes positions using cash and futures contracts and options.

Realized and unrealized gains and losses related to derivative contracts related to corn and natural gas are included as a component of cost of goods sold and derivative contracts related to ethanol are included as a component of revenue in the accompanying financial statements. The fair values of contracts entered through commodity exchanges are presented on the accompanying balance sheet as derivative instruments. All contracts with the same counter party are reported on a net basis.

Net Income per Unit

Net Income (Loss) per Unit

Basic and diluted net income (loss) per unit is computed by dividing net income (loss) by the weighted average number of members' units and members' unit equivalents outstanding during the period. There were no member unit equivalents outstanding during the periods presented; accordingly, the Company's basic and diluted net income per unit are the same.

Risks and Uncertainties

Risks and Uncertainties

The Company has certain risks and uncertainties that it will experience during volatile market conditions, which can have a severe impact on operations. The Company's revenues are derived from the sale and distribution of ethanol, distiller grains and corn oil to customers primarily located in the United States. Corn for the production process is supplied to the plant primarily from local agricultural producers and from purchases on the open market. For the six months ended June 30, 2021, ethanol sales averaged approximately 75% of total revenues, while approximately 19% of revenues were generated from the sale of distiller grains. Corn oil sales attributed approximately 6% of revenues during this time period. For the six months ended June 30, 2021, corn costs averaged approximately 78% of cost of goods sold.

The Company's operating and financial performance is largely driven by the prices at which ethanol is sold and the net expense of corn. The price of ethanol is influenced by factors such as supply and demand, weather, government policies and programs, and unleaded gasoline and the petroleum markets. Excess ethanol supply in the market, in particular, puts downward pressure on the price of ethanol. The Company's largest cost of production is corn. The cost of corn is generally impacted by factors such as supply and demand, weather, and government policies and programs. The Company's risk management program is used to protect against the price volatility of these commodities.

On January 30, 2020, the World Health Organization declared the coronavirus outbreak (COVID-19) a "Public Health Emergency of International Concern" and on March 11, 2020, declared COVID-19 a pandemic. The impact of COVID-19 has negatively impacted the Company’s operations, suppliers or other vendors, and customer base. Any future quarantines, labor shortages or other disruptions to the Company's operations, or those of their customers, may adversely impact the Company's revenues, ability to provide its services and operating results. In addition, a significant outbreak of epidemic, pandemic or contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, including the geographical area in which the Company operates, resulting in an economic downturn that could affect demand for its goods and services. The extent to which the coronavirus continues to impact the Company's results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and actions taken to contain the coronavirus or its impact, among others.

Inventory (Tables)	6 Months Ended Jun. 30, 2021
Inventory Disclosure [Abstract]	
Schedule of Inventory	INVENTORY Inventory consisted of the following as of June 30, 2021 and December 31, 2020:

	June 30, 2021	December 31, 2020
Raw Materials	$ 37,954,989	$ 15,909,576
Work in Process	4,434,341	2,923,041
Finished Goods	10,040,097	5,626,791
Totals	$ 52,429,427	$ 24,459,408

Commitments, Contingencies, Agreements and Subsequent Events (Tables)	6 Months Ended
	Jun. 30, 2021
Commitments, Contingencies and Agreements [Abstract]	
Revenue from External Customers by Products and Services	Sales and marketing fees related to the agreements in place for the three and six months ended June 30, 2021 and 2020 were appr follows:

	Three Months Ended June 30, 2021	Six Months Ended June 30, 2021	Three Months Ended June 30, 2020	Six Months En June 30, 202
Sales ethanol	$ 99,037,000	$ 170,768,000	$ 48,194,000	$ 96,14
Sales distiller grains	23,920,000	42,903,000	13,163,000	26,80
Sales corn oil	7,733,000	13,390,000	3,681,000	7,12
Marketing fees ethanol	$ 104,000	$ 258,000	$ 23,000	$ 8
Marketing fees distiller grains	218,000	414,000	191,000	39
Marketing fees corn oil	32,000	61,000	11,000	4

	As of June 30, 2021	As of December 31, 2020
Amount due from RPMG	$ 5,565,000	$ 1,451,000
Amount due from CHS	3,195,000	2,635,000

Lease Obligations (Tables)	6 Months Ended Jun. 30, 2021
Leases [Abstract]	
Schedule of Operating Leases Minimum Rental Commitments	At June 30, 2021, the Company had the following approximate minimum rental commitments under non-cancelable operating leases for the twelve month period ended June 30:

2022	$	1,564,000
2023		557,000
2024		156,000
2025		109,000
Thereafter		36,000
Total lease commitments	$	2,422,000

A reconciliation of the undiscounted future payments in the schedule above and the lease liability recognized in the consolidated balance sheet as of June 30, 2021, is shown below.

Undiscounted future payments	$	2,422,000
Discount effect		(114,000)
	$	2,308,000

Derivative Instruments (Tables)	6 Months Ended Jun. 30, 2021
Derivative Instruments and Hedging Activities Disclosure [Abstract]	
Schedule of Derivatives Realized and Unrealized Gains (Losses)	The following table represents the approximate amount of realized/unrealized gains (losses) and changes in fair value recognized in earnings on commodity contracts for the three and six months ending June 30, 2021 and 2020 and the fair value of derivatives as of June 30, 2021 and December 31, 2020:

	Income Statement Classification	Realized Gain (Loss)	Change In Unrealized Gain (Loss)	Total Gain (Loss)
Derivatives not designated as hedging instruments:				
Commodity contracts for the				
three months ended June 30, 2021	Cost of Goods Sold	$ (13,143,000)	$ (1,700,000)	$ (14,843,000)
Commodity contracts for the				
three months ended June 30, 2020	Revenue	$ —	$ (1,176,000)	$ (1,176,000)
	Cost of Goods Sold	1,433,000	(1,083,000)	350,000
	Total	$ 1,433,000	$ (2,259,000)	$ (826,000)
Commodity contracts for the				
six months ended June 30, 2021	Cost of Goods Sold	$ (18,458,000)	$ 2,267,000	$ (16,191,000)
Commodity contracts for the				
six months ended June 30, 2020	Revenue	$ —	$ (1,176,000)	$ (1,176,000)
	Cost of Goods Sold	4,183,000	(1,236,000)	2,947,000
	Total	$ 4,183,000	$ (2,412,000)	$ 1,771,000

Schedule of Derivatives Balance Sheet Classification

	Balance Sheet Classification	June 30, 2021	December 31, 2020
Futures contracts			
In gain position		$ 481,000	$ —
In loss position		(4,446,000)	(6,233,000)
Cash held by broker		5,196,000	7,074,000
	Current Asset	$ 1,231,000	$ 841,000

Fair Value Measurements (Tables)	6 Months Ended Jun. 30, 2021
Fair Value Disclosures [Abstract]	
Schedule of Financial Assets and Financial Liabilities Measured at Fair Value	The following table summarizes financial assets and financial liabilities measured at fair value on a recurring basis as of June 30, 2021 and Dece by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value:

	Total		Level 1		Level 2
As of June 30, 2021					
Derivative financial instruments					
Assets	$	481,000	$	481,000	$ —
Liabilities	$	(4,446,000)	$	(4,446,000)	$ —
As of December 31, 2020					
Derivative financial instruments					
Liabilities	$	(6,233,000)	$	(6,233,000)	$ —

Nature of Business and Significant Accounting Policies - Product (Details) - Ethanol [Member] gal in Millions	6 Months Ended Jun. 30, 2021 gal
Product Information [Line Items]	
Annual Production Capacity, Minimum	100
Annual Production Capacity, Current	190

Nature of Business and Significant Accounting Policies - Trading Securities (Details) - USD ($)	3 Months Ended		6 Months Ended		
	Jun. 30, 2021	Jun. 30, 2020	Jun. 30, 2021	Jun. 30, 2020	Mar. 31, 2021
Debt and Equity Securities, FV-NI [Line Items]					
Number of units redeemed	25,860				
Director [Member]					
Debt and Equity Securities, FV-NI [Line Items]					
Due to former member					$ 30,000,000
Number of units redeemed			25,860		
Other Nonoperating Income (Expense) [Member]					
Debt and Equity Securities, FV-NI [Line Items]					
Net realized and unrealized gains (losses)	$ 0	$ 500,000	$ 0	$ 181,000	

Nature of Business and Significant Accounting Policies - Committed Shares to be Redeemed and Net Income per Unit (Details) - USD ($) $ in Millions	3 Months Ended	6 Months Ended	
	Jun. 30, 2021	Jun. 30, 2021	Mar. 31, 2021
Related Party Transaction [Line Items]			
Number of units redeemed	25,860		
Director [Member]			
Related Party Transaction [Line Items]			
Number of units redeemed		25,860	
Payments to repurchase units			$ 30

Nature of Business and Significant Accounting Policies - Risks and Uncertainties (Details)	6 Months Ended Jun. 30, 2021
Revenue, Segment Benchmark [Member] | Product Concentration Risk | Ethanol [Member]	
Concentration Risk [Line Items]	
Concentration Risk, Percentage	75.00%
Revenue, Segment Benchmark [Member] | Product Concentration Risk | Distillers Grains [Member]	
Concentration Risk [Line Items]	
Concentration Risk, Percentage	19.00%
Revenue, Segment Benchmark [Member] | Product Concentration Risk | Corn Oil [Member]	
Concentration Risk [Line Items]	
Concentration Risk, Percentage	6.00%
Cost of Goods and Service Benchmark | Cost of Goods & Services | Corn [Member]	
Concentration Risk [Line Items]	
Concentration Risk, Percentage	78.00%

Nature of Business and Significant Accounting Policies - Investments (Details)	Jun. 30, 2021
Renewable Products Marketing Group, LLC [Member]	
Schedule of Equity Method Investments [Line Items]	
Ownership percentage	20.00%

Inventory (Details) - USD ($)	Jun. 30, 2021	Dec. 31, 2020
Inventory Disclosure [Abstract]		
Raw Materials	$ 37,954,989	$ 15,909,576
Work in Process	4,434,341	2,923,041
Finished Goods	10,040,097	5,626,791
Inventory	$ 52,429,427	$ 24,459,408

Debt (Details)	6 Months Ended Jun. 30, 2021 USD ($) loan_agreement	Dec. 31, 2020 USD ($)
Home Federal Savings Bank [Member]		
Debt Instrument [Line Items]		
Number of loan agreements | loan_agreement	1	
Line of Credit [Member] | Home Federal Savings Bank [Member] | Term Revolving Loan [Member]		
Debt Instrument [Line Items]		
Line of Credit Facility, Maximum Borrowing Capacity	$ 50,000,000	
Debt Instrument, Basis Spread on Variable Rate	0.60%	
Line of Credit Facility, Interest Rate at Period End	2.65%	
Line of Credit Facility, Fair Value of Amount Outstanding	$ 15,200,000	$ 0
Line of Credit Facility, Remaining Borrowing Capacity	34,800,000	$ 50
Total expansion project [Member]		
Debt Instrument [Line Items]		
Estimated expansion project costs	$ 42,000,000	

Related Party Transactions (Details) - USD ($)	3 Months Ended		6 Months Ended			
	Jun. 30, 2021	Jun. 30, 2020	Jun. 30, 2021	Jun. 30, 2020	Mar. 31, 2021	Dec. 31, 2020
Related Party Transaction [Line Items]						
Number of units redeemed	25,860					
Purchases from Related Party	$ 434,000	$ 509,000	$ 2,470,000	$ 1,171,000		
Due to Related Parties	$ 0		$ 0			$ 28,000
Director [Member]						
Related Party Transaction [Line Items]						
Number of units redeemed			25,860			
Due to former member					$ 30,000,000	

Commitments, Contingencies, Agreements and Subsequent Events - Supply Commitments (Details) lb in Millions	6 Months Ended Jun. 30, 2021 USD ($) gal lb tons	Dec. 31, 2020 USD ($)
Supply Commitment [Line Items]		
Automatic renewal period	1 year	
Period of written notice prior to current term expiration	90 days	
Ethanol [Member] | Supply Commitment [Member] | Fixed-price Contract		
Supply Commitment [Line Items]		
Supply Commitment, Minimum Amount at Fixed Price Levels, Gallons	3	
Ethanol [Member] | Supply Commitment [Member] | Basis Price Contract		
Supply Commitment [Line Items]		
Supply Commitment, Minimum Amount at Basis Price Levels, Mass	45,000,000	
Corn Oil [Member] | Supply Commitment [Member]		
Supply Commitment [Line Items]		
Supply Commitment, Remaining Minimum Amount Committed, Weight | lb	5	
Distillers Grains [Member] | Supply Commitment [Member]		
Supply Commitment [Line Items]		
Supply Commitment, Remaining Minimum Amount Committed, Weight | tons	67,000	
Industrial Ethanol | Supply Commitment [Member]		
Supply Commitment [Line Items]		
Supply Commitment, Minimum Amount at Fixed Price Levels, Gallons	0	
Investor [Member]		
Supply Commitment [Line Items]		
Equity Method Investments | $	$ 2,616,000	$ 2,527,000

Commitments, Contingencies, Agreements and Subsequent Events - Related Party (Details) - USD ($)	3 Months Ended		6 Months Ended		
	Jun. 30, 2021	Jun. 30, 2020	Jun. 30, 2021	Jun. 30, 2020	Dec. 31, 2020
Related Party Transaction [Line Items]					
Revenue	$ 130,691,378	$ 63,862,205	$ 227,068,328	$ 128,899,443	
RPMG [Member]					
Related Party Transaction [Line Items]					
Related Party Transaction, Due from (to) Related Party	5,565,000		5,565,000		$ 1,451,000
CHS [Member]					
Related Party Transaction [Line Items]					
Related Party Transaction, Due from (to) Related Party	3,195,000		3,195,000		$ 2,635,000
Ethanol [Member] | Investor [Member]					
Related Party Transaction [Line Items]					
Sales	99,037,000	48,194,000	170,768,000	96,147,000	
Marketing Fees	104,000	23,000	258,000	83,000	
Distillers Grains [Member]					
Related Party Transaction [Line Items]					
Sales Commissions and Fees	218,000	191,000	414,000	396,000	
Revenue	23,920,000	13,163,000	42,903,000	26,806,000	
Corn Oil [Member] | Investor [Member]					
Related Party Transaction [Line Items]					
Sales	7,733,000	3,681,000	13,390,000	7,122,000	
Marketing Fees	$ 32,000	$ 11,000	$ 61,000	$ 40,000	

Commitments, Contingencies, Agreements and Subsequent Events - Purchase Commitments (Details) gal in Millions	6 Months Ended Jun. 30, 2021 USD ($) MMBTU gal bu	Jun. 30, 2020 MMBTU
Industrial Ethanol | Supply Commitment [Member]		
Long-term Purchase Commitment [Line Items]		
Supply Commitment, Minimum Amount at Fixed Price Levels, Gallons | gal	0	
Corn [Member]		
Long-term Purchase Commitment [Line Items]		
Estimated expansion project costs	$ 56,086,000	
Long-term Purchase Commitment, Minimum Mass Required | bu	2,507,000	
Natural Gas [Member]		
Long-term Purchase Commitment [Line Items]		
Long-term Purchase Commitment, Minimum Energy Volume Required | MMBTU	0	1,932,000
Public Utilities		
Long-term Purchase Commitment [Line Items]		
Long-term Purchase Commitment, Period	12 months	
Purchase Commitment, Remaining Minimum Amount Committed	$ 516,000	

Commitments, Contingencies, Agreements and Subsequent Events - Construction Agreements (Details)	6 Months Ended Jun. 30, 2021 USD ($)
Corn [Member]	
Long-term Purchase Commitment [Line Items]	
Estimated expansion project costs	$ 56,086,000

Commitments, Contingencies, Agreements and Subsequent Events (Details) - Distillers Grains [Member]	3 Months Ended		6 Months Ended	
	Jun. 30, 2021 USD ($) tons	Jun. 30, 2020 USD ($)	Jun. 30, 2021 USD ($) tons	Jun. 30, 2020 USD ($)
Product Information [Line Items]				
Sales Commissions and Fees	$ 218,000	$ 191,000	$ 414,000	$ 396,000
Supply Commitment [Line Items]				
Sales Commissions and Fees	$ 218,000	$ 191,000	$ 414,000	$ 396,000
Supply Commitment [Member]				
Supply Commitment [Line Items]				
Supply Commitment, Remaining Minimum Amount Committed, Weight | tons	67,000		67,000	

Lease Obligations (Details) - USD ($)	3 Months Ended		6 Months Ended		
	Jun. 30, 2021	Jun. 30, 2020	Jun. 30, 2021	Jun. 30, 2020	Dec. 31, 2020
Operating Leased Assets [Line Items]					
Lease term (up to)	7 years		7 years		
Right-of-use asset operating lease	$ 2,307,790		$ 2,307,790		$ 3,116,941
Weighted average discount rate (percent)	4.79%		4.79%		
Approximate Minimum Rental Commitments					
Total undiscounted lease commitments	$ 2,422,000		$ 2,422,000		
Weighted average remaining lease term (years)	1 year 4 months 20 days		1 year 4 months 20 days		
Railroad Transportation Equipment [Member]					
Operating Leased Assets [Line Items]					
Rent expense	$ 492,000		$ 953,000		
Rent expense		$ 444,000		$ 888,000	
Approximate Minimum Rental Commitments					
2021	1,564,000		1,564,000		
2022	557,000		557,000		
2023	156,000		156,000		
2024	109,000		109,000		
Thereafter	36,000		36,000		
Total undiscounted lease commitments	$ 2,422,000		$ 2,422,000		

Lease Obligations - Reconciliation of Undiscounted Future Payments (Details)	Jun. 30, 2021 USD ($)
Reconciliation of Undiscounted Future Payments	
Total undiscounted lease commitments	$ 2,422,000
Discount effect	(114,000)
Operating lease liability	2,308,000
Railroad Transportation Equipment [Member]	
Reconciliation of Undiscounted Future Payments	
Total undiscounted lease commitments	2,422,000
Operating Leased Assets [Line Items]	
2022	$ 557,000

Derivative Instruments (Details) bu in Millions	6 Months Ended Jun. 30, 2021 bu
Corn [Member]	
Derivative [Line Items]	
Concentration Risk, Amount of Material	65
Designated as Hedging Instrument [Member] | Corn [Member]	
Derivative [Line Items]	
Derivative, Nonmonetary Notional Amount, Percent of Required Need, Coverage	27.00%
Designated as Hedging Instrument [Member] | Corn [Member] | Minimum [Member]	
Derivative [Line Items]	
Derivative, Nonmonetary Notional Amount, Percent of Required Need, Yearly Average	5.00%
Designated as Hedging Instrument [Member] | Corn [Member] | Maximum [Member]	
Derivative [Line Items]	
Derivative, Nonmonetary Notional Amount, Percent of Required Need, Yearly Average	28.00%

Derivative Instruments - Income Statement (Details) - Commodity Contract [Member] - Not Designated as Hedging Instrument [Member] - USD ($)	3 Months Ended		6 Months Ended	
	Jun. 30, 2021	Jun. 30, 2020	Jun. 30, 2021	Jun. 30, 2020
Derivative Instruments, Gain (Loss) [Line Items]				
Realized Gain (Loss)		$ 1,433,000		$ 4,183,000
Change In Unrealized Gain (Loss)		(2,259,000)		(2,412,000)
Total Gain (Loss)		(826,000)		1,771,000
Cost of Sales [Member]				
Derivative Instruments, Gain (Loss) [Line Items]				
Realized Gain (Loss)	$ (13,143,000)	1,433,000	$ (18,458,000)	4,183,000
Change In Unrealized Gain (Loss)	(1,700,000)	(1,083,000)	2,267,000	(1,236,000)
Total Gain (Loss)	$ (14,843,000)	350,000	$ (16,191,000)	2,947,000
Sales				
Derivative Instruments, Gain (Loss) [Line Items]				
Realized Gain (Loss)		0		0
Change In Unrealized Gain (Loss)		(1,176,000)		(1,176,000)
Total Gain (Loss)		$ (1,176,000)		$ (1,176,000)

Derivative Instruments - Balance Sheet (Details) - USD ($)	Jun. 30, 2021	Dec. 31, 2020
Other Current Assets [Member]		
Derivatives, Fair Value [Line Items]		
Other Receivables from Broker-Dealers and Clearing Organizations	$ 5,196,000	
Other Payables to Broker-Dealers and Clearing Organizations		$ 7,074,000
Derivative Instruments Not Designated as Hedging Instruments, Asset, at Fair Value	1,231,000	841,000
Commodity Contract [Member] | Other Current Assets [Member]		
Derivatives, Fair Value [Line Items]		
Derivative Liability, Fair Value, Gross Asset	481,000	0
Commodity Contract [Member] | Other Liabilities [Member]		
Derivatives, Fair Value [Line Items]		
Derivative Liability, Fair Value, Gross Liability	$ (4,446,000)	$ (6,233,000)

Fair Value Measurements (Details) - Fair Value, Recurring [Member] - Commodity Contract [Member] - USD ($)	Jun. 30, 2021	Dec. 31, 2020
Fair Value, Balance Sheet Grouping, Financial Statement Captions [Line Items]		
Derivative Liability	$ (4,446,000)	$ (6,233,000)
Assets	481,000	
Fair Value, Inputs, Level 1 [Member]		
Fair Value, Balance Sheet Grouping, Financial Statement Captions [Line Items]		
Derivative Liability	(4,446,000)	(6,233,000)
Assets	481,000	
Fair Value, Inputs, Level 2 [Member]		
Fair Value, Balance Sheet Grouping, Financial Statement Captions [Line Items]		
Derivative Liability	0	0
Assets	0	
Fair Value, Inputs, Level 3 [Member]		
Fair Value, Balance Sheet Grouping, Financial Statement Captions [Line Items]		
Derivative Liability	0	$ 0
Assets	$ 0	

Subsequent Events (Details) - Line of Credit [Member] - Term Revolving Loan [Member] - Home Federal Savings Bank [Member] - USD ($)	3 Months Ended	6 Months Ended	52 Months Ended			
	Sep. 30, 2021	Jun. 30, 2021	Nov. 25, 2025	May 31, 2022	Dec. 31, 2021	Jul. 21, 2021
Subsequent Event [Line Items]						
Line of Credit Facility, Maximum Borrowing Capacity		$ 50,000,000				
Debt Instrument, Basis Spread on Variable Rate		0.60%				
Subsequent Event [Member]						
Subsequent Event [Line Items]						
Line of Credit Facility, Maximum Borrowing Capacity				$ 30	$ 40	$ 50,000,000
Debt Instrument, Basis Spread on Variable Rate	0.30%					
Line of Credit Facility, Unused Capacity, Commitment Fee Percentage			0.30%			