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Minnesota Soybean Processors

Dear Investor,

March 19, 2016

The board of directors recently voted to issue another class of preferred stock. The new classification is known as a C Share. The company bylaws provide for this in Section 2.1, 2.2 and 2.2d:

The board decision was based on three criteria which they believe will strengthen the overall value of MnSP.

1. Issuing C shares will provide for future company equity drives, without the requirement of current A Share patron member restrictions.
2. Allows for current employees to invest in the company. The Board feels that this opportunity, which is very favorable to our employees, will strengthen their commitment and loyalty to MnSP.
3. Eliminates the risk of compliance with SEC rules for investor class size (currently limited to 2000 investors in any single class, we have 2300+ members currently). If our exemption was ever revoked we would become a reporting company, this would cost MnSP approximately \$250,000 per year in additional accounting fees.

To facilitate the reduction of A share unit holders the BOD has asked if any current A holders will be willing to convert their current A shares to C shares. The effect of this conversion will not affect any member's current rights, obligations or status as an investor in MnSP and the transaction will be completed without cost to any investor.

C-Share investors will still have:

1. One member one vote for board elections and any other investor voting action (this is your Common Share).
2. The same distribution per share
3. Right to run for board seats and hold Board officer positions.
4. The same tax liability
5. Responsibility to respond to a capital call
6. Right to receive the investor premium on bushels delivered to the plant.
7. As a C share holder you will not have to sign a uniform marketing agreement. This can provide you flexibility as an investor if you no longer farm and for estate planning.

We would like to complete the conversions and be able to issue C Shares by September 1, 2016. More information and answers to any of your questions at the annual meeting on March 19, 2016 and by contacting Scott Austin or Rob Carstensen at 507-842-6677. Throughout this process we will conduct local meetings with unit holders; those meeting dates and times will be sent out in the next few weeks.

Sincerely,

Mike Zins
Board President