



May 4, 2007

Dear Member:

We are writing to provide you with important information regarding your capital stock in Minnesota Soybean Processors and the transfer policies we have adopted regarding the transfer of the capital stock. Thank you for your patience. Please retain this correspondence for your records.

We now have the following documents relating to stock transfers available on our MnSP Bulletin Board, which can be accessed by visiting our website at www.mnsoy.com.

1. A Stock Transfer Agreement and Application Form.
2. A Nondisclosure Agreement (for persons interested in purchasing stock who are not members and who wish to request certain financial information regarding the company that has been provided members).
3. A Membership Application (for buyers of stock who are not members).
4. A Uniform Marketing and Delivery Agreement (for buyers of stock who are not members).
5. Copies of our Articles, Bylaws, and the Certificate of Designations for our Series 2004 Class B preferred stock.

If you do not have a buyer or seller of stock, you may post your interest in buying or selling capital stock on the MnSP Bulletin Board. You are not obligated to use the Bulletin Board to buy or sell capital stock. You may agree to buy or sell capital stock without using the Bulletin Board in private transfers or for family transfers.

Please note however that all transfers of MnSP stock require the seller/transferor and the buyer/transferee to complete and sign the Stock Transfer Agreement and Application Form.

The information posted on the Bulletin Board will help you identify persons who have an interest in selling capital stock of MnSP that you may want to buy, or in buying capital stock you may be willing to sell.

There are a number of rules governing the use of the Bulletin Board. There are important disclaimers and limitations on the use of the Bulletin Board. Please visit the Bulletin Board on our website to review these rules and limitations.

As we did previously, transfers will be considered by the MnSP Board of Directors on a monthly basis. In order for a transfer to be considered at a monthly board meeting, all documents and completed forms must be submitted and received by MnSP by the 1st day of the month. All transfer requests received after the 1st day of the month and any incomplete transfer requests will NOT be considered at that month's board meeting. All approved transfers will be effective on the last day of the month in which the transfer is approved and completed.

As before, no MnSP stock may be transferred or sold without the approval of the MnSP Board of Directors. In addition, no MnSP stock may be transferred or sold unless the conditions and restrictions set forth in Section 11.04 and 11.05 of our Bylaws are satisfied. All transferees and buyers must be eligible to hold the stock under the membership criteria or other eligibility criteria established in or pursuant to the MnSP Articles and Bylaws.

Please keep in mind that no stock may be transferred unless any and all indebtedness owed to MnSP by the transferring stockholder is first paid.

Also, we wanted to remind you that selling or buying MnSP stock is your responsibility, and not the company's or the Board of Directors'. Because our capital stock is not listed on a national stock exchange, it is INCUMBENT upon you to determine their fair market value of the stock before you agree to buy or sell. We cannot advise you on the fairness of any particular price per share. We cannot advise you on whether you should buy or sell or at what price. That is your responsibility.

We urge each member who is considering buying or selling capital stock to seek financial, tax and other professional advice to assist you in determining the value of the capital stock you own. **Your capital stock in MnSP represents the equity of MnSP.**

We intend to report actual transactions on a monthly basis on our website. We intend to report actual transactions in our newsletter on an as published basis. We will fax or mail a copy of the reported transactions to our members upon request.

We will not report the name of any of the parties to transfers of capital stock or transfers made without consideration.

Overview of the Transfer Of Capital Stock

1. All members wishing to transfer capital stock must complete a Stock Transfer Agreement and Application Form (the "TAA Form"). You should obtain and review carefully a copy of the TAA Form from our website. Both seller and buyer must sign the TAA Form. In gifting or other transfers without consideration, both transferor and transferee must sign the TAA Form. For estates, executors with appropriate court authorization and/or approvals will be required to sign the TAA Form, along with the distributees or heirs receiving the capital stock. For surviving joint tenants, certified death certificate will allow us to remove the name of the deceased joint tenant from the certificate.
2. The TAA Form contains important agreements and representations and warranties of both buyer and seller. It has important legal consequences. You should read and review this form carefully. We urge you to consult with an attorney before you sign the TAA Form.
3. If an interested buyer is not a current member, the Bulletin Board on our website has links to important information and documents that the interested buyer can access. These documents and agreements must accompany the TAA Form for transactions involving buyers who are not currently members.
4. The TAA Form and all required documents and agreements must be properly and fully completed and received at our office by the 1st day of the month, in order to be considered by the Board at its monthly board meeting for that month. Any transfer requests received following the 1st day of the month or incomplete transfer requests will not be considered at that month's board meeting.
5. A \$100 application fee must accompany the TAA. If the TAA and all required documents are properly completed and the transfer is not approved, the application fee will be returned to the seller.
6. The Board or a duly authorized committee will consider the approval of properly completed TAAs before the end of the month.
7. Parties to the transfer will be notified of the approval decision. Approved transfers will be effective at the end of that month.
8. As stated in the TAA, seller and buyer will agree on the payment and closing procedures on the sale and purchase transaction. Once seller and buyer close on the transaction, you must notify MnSP in writing. We will promptly send out new stock certificates to the appropriate parties.

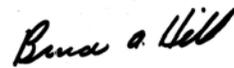
9. The soybean delivery obligation on capital stock that is transferred follows the capital stock, determined as of the effective date of the transfer. This means that deliveries made on transferred stock prior to the date of transfer will satisfy the delivery obligations associated with the transferred stock. If no deliveries have been made on the transferred stock prior to the effective date of the transfer, then the delivery obligation on the shares for that fiscal year must be satisfied. Buyers and Sellers should determine between each other who will deliver any remaining bushel commitment on the transferred shares for that year. The TAA provides for Seller to provide this information to the Buyer.
10. As a reminder, the Board announced at our annual meeting that, effective immediately, MnSP would no longer charge a pool fee to members who do not actually deliver their soybean commitment to the cooperative, but instead rely upon the cooperative to procure their committed bushels on their behalf. Also, effective September 1, 2007, MnSP will pay a \$0.02 per bushel premium on all committed bushels actually delivered by or on behalf of members.
11. You should review Part D of the TAA Form that is available on our website for important information regarding the terms and conditions of sales and transfers. In particular, paragraph 5 and 6 of Section D provides important information on who must report income tax associated with the transferred shares for the fiscal year of sale under the MnSP Bylaws, as well as who will receive patronage dividends associated with the transferred shares.
 - i. EXAMPLE 1. If the transfer is effective November 30, Seller will receive all taxable income associated with the transferred capital stock for the preceding fiscal year and will also receive the cash portion of any patronage dividend paid on the preceding fiscal year on or before the following May 15th. Buyer will receive 100% of the taxable income and patronage dividends paid on the stock for the current fiscal year (income and dividends are NOT prorated for the year of sale).
 - ii. EXAMPLE 2. If the transfer is effective June 30, Buyer will receive all of the income (and any future dividends paid) for the current fiscal year. If the transfer is effective August 31, Buyer will receive all of the income (and any future dividends paid) for that current fiscal year that ends on that day (even though the transfer is effective on the last day of the fiscal year; whoever owns the stock on the last day of the fiscal year will receive the income on the stock for that fiscal year and any future dividends paid on the stock).

12. As stated in paragraph 6 of Part D of the TAA Form, we wish to point out that the \$0.30 per Class A share unit retain that is currently outstanding will follow the shares under the bundling provisions of MnSP's Bylaws (Section 11.06(a). **This means that a buyer of Class A shares will receive the \$0.30 per share unit retain on shares that are purchased/sold prior to the unit retain being redeemed by MnSP.** Sellers of Class A shares should keep this in mind when pricing their shares.

13. Executing the TAA Form is the same as executing a purchase agreement. The parties agree on the sale and the purchase price, the seller warrants title, etc. Both Seller and Buyer must sign the form and submit the form and the other required paperwork to the company. MnSP will be acting as transfer agent and can be contacted at:

Minnesota Soybean Processors
121 Zeh Avenue
P.O. Box 100
Brewster, MN 56119-0100
(507) 842-6677

Thank you again for your patience while we prepared this information and transfer policies and related documents. We look forward to continuing to serve you.



Bruce A. Hill
President of Board of Directors
Minnesota Soybean Processors