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

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FORM 10-Q

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

For the Quarterly Period Ended June 30, 2016

Commission File Number 001-32924

GREEN PLAINS INC.

(Exact name of registrant as specified in its charter)

Iowa	**84-1652107**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
450 Regency Parkway, Suite 400, Omaha, NE 68114	**(402) 884-8700**
(Address of principal executive offices, including zip code)	(Registrant's telephone number, including area code)

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files).

☒ Yes ☐ No

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

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

☐ Yes ☒ No

The number of shares of common stock, par value $0.001 per share, outstanding as of August 2, 2016, was 38,244,535 shares.

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Commonly Used Defined Terms

Green Plains Inc. and Subsidiaries:

Green Plains; the company	Green Plains Inc. and its subsidiaries
Green Plains Cattle	Green Plains Cattle Company LLC
Green Plains Grain	Green Plains Grain Company LLC
Green Plains Fairmont	Green Plains Fairmont LLC
Green Plains Hereford	Green Plains Hereford LLC
Green Plains Holdings II	Green Plains Holdings II LLC
Green Plains Hopewell	Green Plains Hopewell LLC
Green Plains Obion	Green Plains Obion LLC
Green Plains Otter Tail	Green Plains Otter Tail LLC
Green Plains Partners; the partnership	Green Plains Partners LP
Green Plains Processing	Green Plains Processing LLC and its subsidiaries
Green Plains Superior	Green Plains Superior LLC
Green Plains Trade	Green Plains Trade Group LLC
Green Plains Wood River	Green Plains Wood River LLC

Accounting Defined Terms:

ASC	Accounting Standards Codification
EBITDA	Earnings before interest, income taxes, depreciation and amortization
EPS	Earnings per share
Exchange Act	Securities Exchange Act of 1934, as amended
GAAP	U.S. Generally Accepted Accounting Principles
IPO	Initial public offering of Green Plains Partners LP
LIBOR	London Interbank Offered Rate
LTIP	Green Plains Partners LP 2015 Long-Term Incentive Plan
Nasdaq	The Nasdaq Global Market
SEC	Securities and Exchange Commission

Industry Defined Terms:

BTU	British Thermal Units
E15	Gasoline blended with up to 15% ethanol by volume
EIA	U.S. Energy Information Administration
EPA	U.S. Environmental Protection Agency
Mmg	Million gallons
Mmgy	Million gallons per year
RBOB	Reformulated gasoline blendstock for oxygen blending
RIN	Renewable identification number
U.S.	United States
USDA	U.S. Department of Agriculture
WASDE	World Agriculture Supply and Demand Estimates

GREEN PLAINS INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(in thousands, except share amounts)

	June 30, 2016	December 31, 2015
	(unaudited)	
ASSETS		
Current assets		
Cash and cash equivalents	$ 386,920	$ 384,867
Restricted cash	18,785	27,018
Accounts receivable, net of allowances of $342 and $285, respectively	140,597	96,150
Income taxes receivable	5,143	9,104
Inventories	280,700	353,957
Prepaid expenses and other	29,482	10,941
Derivative financial instruments	38,972	30,540
Total current assets	900,599	912,577
Property and equipment, net of accumulated depreciation of $378,883 and $338,558, respectively	915,726	922,070
Goodwill	40,877	40,877
Other assets	41,703	42,396
Total assets	$ 1,898,905	$ 1,917,920
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 111,465	$ 166,963
Accrued and other liabilities	35,644	32,026
Derivative financial instruments	21,179	8,245
Income taxes payable	1,465	-
Short-term notes payable and other borrowings	245,637	226,928
Current maturities of long-term debt	6,603	4,507
Total current liabilities	421,993	438,669
Long-term debt	478,489	432,139
Deferred income taxes	61,992	81,797
Other liabilities	6,511	6,406
Total liabilities	968,985	959,011
Stockholders' equity		
Common stock, $0.001 par value; 75,000,000 shares authorized; 45,969,732 and 45,281,571 shares issued, and 38,254,742 and 37,889,871 shares outstanding, respectively	46	45
Additional paid-in capital	601,087	577,787
Retained earnings	265,800	290,974
Accumulated other comprehensive loss	(4,123)	(1,165)
Treasury stock, 7,714,990 and 7,391,700 shares, respectively	(75,816)	(69,811)
Total Green Plains stockholders' equity	786,994	797,830
Noncontrolling interests	142,926	161,079
Total stockholders' equity	929,920	958,909
Total liabilities and stockholders' equity	$ 1,898,905	$ 1,917,920

See accompanying notes to the consolidated financial statements.

GREEN PLAINS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited and in thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	**2015**	**2016**	**2015**
Revenues				
Product revenues	$ 885,772	$ 742,383	$ 1,632,956	$ 1,478,686
Service revenues	1,955	2,107	3,975	4,192
Total revenues	887,727	744,490	1,636,931	1,482,878
Costs and expenses				
Cost of goods sold	809,524	676,595	1,534,212	1,369,024
Operations and maintenance expenses	8,504	7,102	17,149	14,135
Selling, general and administrative expenses	23,589	20,226	43,961	39,201
Depreciation and amortization expenses	18,701	16,165	36,846	32,012
Total costs and expenses	860,318	720,088	1,632,168	1,454,372
Operating income	27,409	24,402	4,763	28,506
Other income (expense)				
Interest income	368	210	778	430
Interest expense	(10,499)	(10,564)	(21,297)	(19,722)
Other, net	1,178	(1,034)	(497)	(1,965)
Total other expense	(8,953)	(11,388)	(21,016)	(21,257)
Income (loss) before income taxes	18,456	13,014	(16,253)	7,249
Income tax expense (benefit)	5,471	5,222	(9,422)	2,775
Net income (loss)	12,985	7,792	(6,831)	4,474
Net income attributable to noncontrolling interests	4,794	-	9,116	-
Net income (loss) attributable to Green Plains	$ 8,191	$ 7,792	$ (15,947)	$ 4,474
Earnings per share:				
Net income (loss) attributable to Green Plains - basic	$ 0.21	$ 0.20	$ (0.42)	$ 0.12
Net income (loss) attributable to Green Plains - diluted	$ 0.21	$ 0.19	$ (0.42)	$ 0.11
Weighted average shares outstanding:				
Basic	38,425	38,027	38,311	37,916
Diluted	38,536	40,075	38,311	39,565
Cash dividend declared per share	$ 0.12	$ 0.08	$ 0.24	$ 0.16

See accompanying notes to the consolidated financial statements.

GREEN PLAINS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(unaudited and in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	**2015**	**2016**	**2015**
Net income (loss)	$ 12,985	$ 7,792	$ (6,831)	$ 4,474
Other comprehensive income (loss), net of tax				
Unrealized gains (losses) on derivatives arising during period, net of tax (expense) benefit of $2,849, $2,470, $2,093 and $(3,327), respectively	(4,840)	(4,108)	(3,314)	5,558
Reclassification of realized losses on derivatives, net of tax benefit of $932, $6,031, $225 and $962, respectively	1,783	10,030	356	1,608
Total other comprehensive income (loss), net of tax	(3,057)	5,922	(2,958)	7,166
Comprehensive income (loss)	9,928	13,714	(9,789)	11,640
Comprehensive income attributable to noncontrolling interests	4,794	-	9,116	-
Comprehensive income (loss) attributable to Green Plains	$ 5,134	$ 13,714	$ (18,905)	$ 11,640

See accompanying notes to the consolidated financial statements.

GREEN PLAINS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited and in thousands)

	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Cash flows from operating activities:		
Net income (loss)	$ (6,831)	$ 4,474
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization	36,846	32,012
Amortization of debt issuance costs and debt discount	4,587	3,668
Deferred income taxes	(17,936)	11,323
Stock-based compensation	2,480	1,054
Undistributed equity in loss of affiliates	508	2,159
Other	58	104
Changes in operating assets and liabilities before effects of business combinations:		
Accounts receivable	(45,364)	21,918
Inventories	73,257	39,120
Derivative financial instruments	(160)	10,033
Prepaid expenses and other assets	668	5,220
Accounts payable and accrued liabilities	(50,981)	(95,600)
Current income taxes	5,067	(13,021)
Other	567	740
Net cash provided by operating activities	2,766	23,204
Cash flows from investing activities:		
Purchases of property and equipment	(29,084)	(28,690)
Acquisition of businesses, net of cash acquired	(19,935)	-
Distributions from (investments in) unconsolidated subsidiaries	994	(3,309)
Net cash used by investing activities	(48,025)	(31,999)
Cash flows from financing activities:		
Proceeds from the issuance of long-term debt	66,000	178,400
Payments of principal on long-term debt	(21,223)	(188,744)
Proceeds from short-term borrowings	1,970,026	1,568,129
Payments on short-term borrowings	(1,951,610)	(1,577,555)
Payments for repurchase of common stock	(6,005)	-
Payments of cash dividends and distributions	(18,520)	(6,077)
Change in restricted cash	8,234	12,275
Payments of loan fees	-	(4,289)
Proceeds from exercises of stock options	410	634
Net cash provided (used) by financing activities	47,312	(17,227)
Net change in cash and cash equivalents	2,053	(26,022)
Cash and cash equivalents, beginning of period	384,867	425,510
Cash and cash equivalents, end of period	$ 386,920	$ 399,488

Continued on the following page

GREEN PLAINS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited and in thousands)

Continued from the previous page

	Six Months Ended June 30,	
	2016	**2015**
Supplemental disclosures of cash flow		
Cash paid for income taxes	$ 3,304	$ 4,552
Cash paid for interest	$ 20,564	$ 19,114

See accompanying notes to the consolidated financial statements.

1. BASIS OF PRESENTATION, DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

References to the Company

References to "Green Plains" or the "company" in the consolidated financial statements and in these notes to the consolidated financial statements refer to Green Plains Inc., an Iowa corporation, and its subsidiaries.

Consolidated Financial Statements

The consolidated financial statements include the company's accounts and all significant intercompany balances and transactions are eliminated. Unconsolidated entities are included in the financial statements on an equity basis. Interim period results are not necessarily indicative of the results to be expected for the entire year. Effective April 1, 2016, the company increased its ownership of BioProcess Algae, a joint venture formed in 2008, to 82.8% and consolidated BioProcess Algae in its consolidated financial statements beginning on that date.

The accompanying unaudited consolidated financial statements are prepared in accordance with GAAP for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X. Because they do not include all of the information and footnotes required by GAAP, the consolidated financial statements should be read in conjunction with the company's annual report on Form 10-K for the year ended December 31, 2015.

The unaudited financial information reflects adjustments which are, in the opinion of management, necessary for a fair presentation of results of operations, financial position and cash flows for the periods presented. The adjustments are normal and recurring in nature, unless otherwise noted.

Reclassifications

Certain prior year amounts were reclassified to conform to the current year presentation. These reclassifications did not affect total revenues, costs and expenses, net income or stockholders' equity.

Use of Estimates in the Preparation of Consolidated Financial Statements

The preparation of the consolidated financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The company bases its estimates on historical experience and assumptions it believes are proper and reasonable under the circumstances and regularly evaluates the appropriateness of its estimates and assumptions. Actual results could differ from those estimates. Key accounting policies, including but not limited to those relating to revenue recognition, depreciation of property and equipment, impairment of long-lived assets and goodwill, derivative financial instruments, and accounting for income taxes, are impacted significantly by judgments, assumptions and estimates used in the preparation of the consolidated financial statements.

Description of Business

Green Plains is the fourth largest ethanol producer in North America. The company operates within four business segments: (1) ethanol production, which includes the production of ethanol, distillers grains and corn oil, (2) agribusiness, which includes grain handling and storage and cattle feedlot operations, (3) marketing and distribution, which includes marketing and merchant trading for company-produced and third-party ethanol, distillers grains, corn oil, natural gas and other commodities, and (4) partnership, which includes fuel storage and transportation services. The company is also a partner in a joint venture focused on developing technology to grow and harvest algae in commercially viable quantities.

Revenue Recognition

The company recognizes revenue when the following criteria are satisfied: persuasive evidence that an arrangement exists, title of product and risk of loss are transferred to the customer, price is fixed and determinable and collectability is reasonably assured.

Sales of ethanol, distillers grains, corn oil, natural gas and other commodities by the company's marketing business are recognized when title of product and risk of loss are transferred to an external customer. Revenues related to marketing for third parties are presented on a gross basis when the company takes title of the product and assumes risk of loss. Unearned revenue is recorded for goods in transit when the company has received payment but the title has not yet been transferred to the customer. Revenues for receiving, storing, transferring and transporting ethanol and other fuels are recognized when the product is delivered to the customer.

The company routinely enters into fixed-price, physical-delivery energy commodity purchase and sale agreements. At times, the company settles these transactions by transferring its obligations to other counterparties rather than delivering the physical commodity. These transactions are reported net as a component of revenues. Revenues also include realized gains and losses on related derivative financial instruments, ineffectiveness on cash flow hedges and reclassifications of realized gains and losses on effective cash flow hedges from accumulated other comprehensive income or loss.

Sales of agricultural commodities, including cattle, are recognized when title of product and risk of loss are transferred to the customer, which depends on the agreed upon terms. The sales terms provide passage of title when shipment is made or the commodity is delivered. Revenues related to grain merchandising are presented gross and include shipping and handling, which is also a component of cost of goods sold. Revenues from grain storage are recognized when services are rendered.

A substantial portion of the partnership revenues are derived from fixed-fee commercial agreements for storage, terminal or transportation services. The partnership recognizes revenue when there is evidence an arrangement exists; risk of loss and title transfer to the customer; the price is fixed or determinable; and collectability is reasonably assured. Revenues from base storage, terminal or transportation services are recognized once these services are performed, which occurs when the product is delivered to the customer.

Cost of Goods Sold

Cost of goods sold includes direct labor, materials and plant overhead costs. Direct labor includes all compensation and related benefits of non-management personnel involved in ethanol plant and cattle feedlot operations. Grain purchasing and receiving costs, excluding labor costs for grain buyers and scale operators, are also included in cost of goods sold. Materials include the cost of corn feedstock, denaturant, process chemicals, cattle and veterinary supplies. Corn feedstock costs include unrealized gains and losses on related derivative financial instruments not designated as cash flow hedges, inbound freight charges, inspection costs and transfer costs as well as realized gains and losses on related derivative financial instruments, ineffectiveness on cash flow hedges and reclassifications of realized gains and losses on effective cash flow hedges from accumulated other comprehensive income or loss. Plant overhead consists primarily of plant and feedlot utilities, repairs and maintenance, yard expenses and outbound freight charges. Shipping costs incurred by the company, including railcar costs, are also reflected in cost of goods sold.

The company uses exchange-traded futures and options contracts to minimize the effect of price changes on the agribusiness segment's grain and cattle inventories and forward purchase and sales contracts. Exchange-traded futures and options contracts are valued at quoted market prices and settled predominantly in cash. The company is exposed to loss when counterparties default on forward purchase and sale contracts. Grain inventories held for sale and forward purchase and sale contracts are valued at market prices when available or other market quotes adjusted for differences, primarily in transportation, between the exchange-traded market and local market where the terms of the contract is based. Changes in the fair value of grain inventories held for sale, forward purchase and sale contracts, and exchange-traded futures and options contracts are recognized as a component of cost of goods sold.

Operations and Maintenance Expenses

In the partnership segment, transportation expenses represent the primary component of operations and maintenance expenses. Transportation expenses includes rail car leases, freight and shipping of the company's ethanol and co-products, as well as costs incurred storing ethanol at destination terminals.

Derivative Financial Instruments

The company uses various derivative financial instruments, including exchange-traded futures and exchange-traded and over-the-counter options contracts, to minimize risk and the effect of price changes related to corn, ethanol, cattle and natural gas. The company monitors and manages this exposure as part of its overall risk management policy to reduce the adverse effect market volatility may have on its operating results. The company may hedge these commodities as one way to mitigate risk, however, there may be situations when the hedging activities themselves result in losses.

By using derivatives to hedge exposures to changes in commodity prices, the company is exposed to credit and market risk. The company's exposure to credit risk includes the counterparty's failure to fulfill its performance obligations under the terms of the derivative contract. The company minimizes credit risk by entering into transactions with high quality counterparties, limiting the amount of financial exposure it has with each counterparty and monitoring their financial condition. Market risk is the risk that the value of the financial instrument might be adversely affected by a change in commodity prices or interest rates. The company manages market risk by incorporating parameters to monitor exposure within its risk management strategy which limits the types of derivative instruments and strategies the company can use and the degree of market risk it can take using derivative instruments.

The company evaluates its physical delivery contracts to determine if they qualify for normal purchase or sale exemptions which are expected to be used or sold over a reasonable period in the normal course of business. Contracts that do not meet the normal purchase or sale criteria are recorded at fair value. Changes in fair value are recorded in operating income unless the contracts qualify for, and the company elects to use, hedge accounting treatment.

Certain qualifying derivatives related to the ethanol production and agribusiness segments are designated as cash flow hedges. The company evaluates the derivative instrument to ascertain its effectiveness prior to entering into cash flow hedges. Ineffectiveness is recognized in current period results, while other unrealized gains and losses are reflected in accumulated other comprehensive income until the gain or loss from the underlying hedged transaction is realized. When it becomes probable a forecasted transaction will not occur, the cash flow hedge treatment is discontinued, which affects earnings. These derivative financial instruments are recognized in current assets or other current liabilities at fair value.

At times, the company hedges its exposure to changes in the value of inventories and designates qualifying derivatives as fair value hedges. The carrying amount of the hedged inventory is adjusted in current period results for changes in fair value. Ineffectiveness is recognized in current period results to the extent the change in fair value of the inventory is not offset by the change in fair value of the derivative.

Recent Accounting Pronouncements

Effective January 1, 2016, the company adopted the amended guidance in ASC Topic 835-30, *Interest - Imputation of Interest: Simplifying the Presentation of Debt Issuance Costs*, which requires debt issuance costs related to a recognized debt liability to be presented in the balance sheet as a deduction from the carrying amount of the debt, consistent with debt discounts. The amended guidance has been applied on a retrospective basis, and the balance sheet of each individual period presented has been adjusted to reflect the period-specific effects of the new guidance.

Effective January 1, 2017, the company will adopt the amended guidance in ASC 718, *Compensation – Stock Compensation*, which requires all income tax effects of awards to be recognized in the income statement when the awards vest or settle. The amended guidance also will allow an employer to repurchase more of an employee's shares than it can currently for tax withholding purposes without triggering liability accounting and make a policy election to account for forfeitures as they occur. Early application is permitted. The company is currently evaluating the impact the adoption of the amended guidance will have on the consolidated financial statements and related disclosures.

Effective January 1, 2017, the company will adopt the amended guidance in ASC 330, *Inventory: Simplifying the Measurement of Inventory*, which requires inventory to be measured at lower of cost or net realizable value. Net realizable value is the estimated selling prices during the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. The amended guidance will be applied prospectively.

Effective January 1, 2018, the company will adopt the amended guidance in ASC 606, *Revenue from Contracts with Customers*, which requires revenue recognition to reflect the transfer of promised goods or services to customers. The updated standard permits either the retrospective or cumulative effect transition method. Early application beginning January 1, 2017, is permitted. The company does not expect the adoption of this guidance to have a material impact on its consolidated financial statements and related disclosures.

Effective January 1, 2019, the company will adopt the amended guidance in ASC 842, *Leases*, which aims to make leasing activities more transparent and comparable and requires substantially all leases to be recognized by lessees on their balance sheet as a right-of-use asset and corresponding lease liability, including leases currently accounted for as operating leases. Early application is permitted. The company is currently evaluating the impact the adoption of the amended guidance will have on the consolidated financial statements and related disclosures.

2. GREEN PLAINS PARTNERS LP

Initial Public Offering of Subsidiary

On July 1, 2015, Green Plains Partners LP, or the partnership, a newly formed subsidiary of the company, closed its initial public offering, or the IPO. In conjunction with the IPO, the company contributed its downstream ethanol transportation and storage assets to the partnership. A total of 11,500,000 common units, representing limited partner interests, including 1,500,000 common units pursuant to the underwriters' overallotment option, were sold to the public for $15.00 per common unit. The partnership received net proceeds of approximately $157.5 million, after deducting underwriting discounts, structuring fees and offering expenses. The partnership used the proceeds to make a distribution to the company of $155.3 million and to pay approximately $0.9 million in origination fees under its new $100.0 million revolving credit facility. The remaining $1.3 million was retained for general partnership purposes. The company now owns a 62.5% limited partner interest, consisting of 4,389,642 common units and 15,889,642 subordinated units, and a 2.0% general partner interest in the partnership. The public owns the remaining 35.5% limited partner interest in the partnership. As such, the partnership is consolidated in the company's financial statements.

The partnership is a fee-based master limited partnership formed by Green Plains to provide fuel storage and transportation services by owning, operating, developing and acquiring ethanol and fuel storage tanks, terminals, transportation assets and other related assets and businesses. The partnership's assets include (i) 30 ethanol storage facilities, located at or near the company's 14 ethanol production plants, which have the ability to efficiently and effectively store and load railcars and tanker trucks with all of the ethanol produced at the company's ethanol production plants, (ii) eight fuel terminal facilities, located near major rail lines, which enable the partnership to receive, store and deliver fuels from and to markets that seek access to renewable fuels, and (iii) transportation assets, including a leased railcar fleet of approximately 2,700 railcars, which is contracted to transport ethanol from the company's ethanol production plants to refineries throughout the United States and international export terminals. The partnership expects to be the company's primary downstream logistics provider to support its over one billion gallons per year ethanol marketing and distribution business since the partnership's assets are the principal method of storing and delivering the ethanol the company produces.

A substantial portion of the partnership's revenues are derived from long-term, fee-based commercial agreements with Green Plains Trade, a subsidiary of the company. In connection with the IPO, the partnership (1) entered into (i) a ten-year fee-based storage and throughput agreement; (ii) a six-year fee-based rail transportation services agreement; and (iii) a one-year fee-based trucking transportation agreement, and (2) assumed (i) an approximately 2.5-year terminal services agreement for the partnership's Birmingham, Alabama-unit train terminal; and (ii) various other terminal services agreements for its other fuel terminal facilities, each with Green Plains Trade. The partnership's storage and throughput agreement, and certain terminal services agreements, including the terminal services agreement for the Birmingham facility, are supported by minimum volume commitments. The partnership's rail transportation services agreement is supported by minimum take-or-pay capacity commitments. The company also has agreements which establish fees for general and administrative, and operational and maintenance services it provides. These transactions are eliminated in the presentation of consolidated financial results.

3. ACQUISITION

Acquisition of Hereford Ethanol Plant

On November 12, 2015, the company acquired an ethanol production facility in Hereford, Texas, with an annual production capacity of approximately 100 mmgy for approximately $78.8 million for the ethanol plant assets, as well as working capital acquired or assumed of approximately $19.4 million.

The following is a summary of the final purchase price of assets acquired and liabilities assumed (in thousands):

Amounts of Identifiable Assets Acquired and Liabilities Assumed		
Inventory	$	20,487
Derivative financial instruments		2,625
Property and equipment, net		78,786
Current liabilities		(2,542)
Other liabilities		(1,128)
Total identifiable net assets	$	98,228

4. FAIR VALUE DISCLOSURES

The following methods, assumptions and valuation techniques were used to estimate the fair value of the company's financial instruments:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities the company can access at the measurement date. Level 1 unrealized gains and losses on commodity derivatives relate to exchange-traded open trade equity and option values in the company's brokerage accounts.

Level 2 – directly or indirectly observable inputs such as quoted prices for similar assets or liabilities in active markets other than quoted prices included within Level 1, quoted prices for identical or similar assets in markets that are not active, and other inputs that are observable or can be substantially corroborated by observable market data through correlation or other means. Grain inventories held for sale in the agribusiness segment are valued at nearby futures values, plus or minus nearby basis.

Level 3 – unobservable inputs that are supported by little or no market activity and comprise a significant component of the fair value of the assets or liabilities. The company currently does not have any recurring Level 3 financial instruments.

There have been no changes in valuation techniques and inputs used in measuring fair value. The company's assets and liabilities by level are as follows (in thousands):

	Fair Value Measurements at June 30, 2016			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Reclassification for Balance Sheet Presentation	Total
Assets:				
Cash and cash equivalents	$ 386,920	$ -	$ -	$ 386,920
Restricted cash	18,785	-	-	18,785
Margin deposits	24,740	-	(24,740)	-
Inventories carried at market	-	51,559	-	51,559
Unrealized gains on derivatives	10,616	24,529	3,827	38,972
Other assets	116	-	-	116
Total assets measured at fair value	$ 441,177	$ 76,088	$ (20,913)	$ 496,352
Liabilities:				
Unrealized losses on derivatives	$ 15,074	$ 27,018	$ (20,913)	$ 21,179
Other	-	165	-	165
Total liabilities measured at fair value	$ 15,074	$ 27,183	$ (20,913)	$ 21,344

	Fair Value Measurements at December 31, 2015			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Reclassification for Balance Sheet Presentation	Total
Assets:				
Cash and cash equivalents	$ 384,867	$ -	$ -	$ 384,867
Restricted cash	27,018	-	-	27,018
Margin deposits	7,658	-	(7,658)	-
Inventories carried at market	-	43,936	-	43,936
Unrealized gains on derivatives	19,756	7,145	3,639	30,540
Other assets	117	-	-	117
Total assets measured at fair value	$ 439,416	$ 51,081	$ (4,019)	$ 486,478
Liabilities:				
Unrealized losses on derivatives	$ 4,492	$ 7,772	$ (4,019)	$ 8,245
Total liabilities measured at fair value	$ 4,492	$ 7,772	$ (4,019)	$ 8,245

The company believes the fair value of its debt was approximately $708.9 million compared with a book value of $730.7 million at June 30, 2016, and the fair value of its debt was approximately $661.8 million compared with a book value of $663.6 million at December 31, 2015. The company estimated the fair value of its outstanding debt using Level 2 inputs. The company believes the fair values of its accounts receivable and accounts payable approximated book value, which were $140.6 million and $111.5 million, respectively, at June 30, 2016, and $96.2 million and $167.0 million, respectively, at December 31, 2015.

Although the company currently does not have any recurring Level 3 financial measurements, the fair values of tangible assets and goodwill acquired and equity component of convertible debt represent Level 3 measurements which were derived using a combination of the income approach, market approach and cost approach for the specific assets or liabilities being valued.

5. SEGMENT INFORMATION

Company management reports the financial and operating performance in the following four operating segments: (1) ethanol production, which includes the production of ethanol, distillers grains and corn oil, (2) agribusiness, which includes grain handling and storage and cattle feedlot operations, (3) marketing and distribution, which includes marketing and merchant trading for company-produced and third-party ethanol, distillers grains, corn oil, natural gas and other commodities, and (4) partnership, which includes fuel storage and transportation services.

Under GAAP, when transferring assets between entities under common control, the entity receiving the net assets initially recognizes the carrying amounts of the assets and liabilities at the date of transfer. The transferee's prior period financial statements are restated for all periods its operations were part of the parent's consolidated financial statements. On July 1, 2015, Green Plains Partners received ethanol storage and railcar assets and liabilities in a transfer between entities under common control. Effective January 1, 2016, the partnership acquired the storage and transportation assets of the Hereford and Hopewell production facilities in a transfer between entities under common control for approximately $62.3 million and entered into amendments to the related commercial agreements with Green Plains Trade. The transferred assets and liabilities are recognized at our historical cost and reflected retroactively in the segment information of the consolidated financial statements presented in this Form 10-Q. The assets of Green Plains Partners were previously included in the ethanol production and marketing and distribution segments. Expenses related to the ethanol storage and railcar assets, such as depreciation, amortization and railcar lease expenses, are also reflected retroactively in the following segment information. There are no revenues related to the operation of the ethanol storage and railcar assets in the partnership segment prior to their respective transfers to the partnership, when the related commercial agreements with Green Plains Trade became effective.

Corporate activities include selling, general and administrative expenses, consisting primarily of compensation, professional fees and overhead costs not directly related to a specific operating segment.

During the normal course of business, the operating segments do business with each other. For example, the ethanol production segment sells ethanol to the marketing and distribution segment, the agribusiness segment sells grain to the ethanol production segment and the partnership segment provides fuel storage and transportation services for the marketing and distribution segment. These intersegment activities are treated like third-party transactions and recorded at market values. Consequently, these transactions affect segment performance; however, they do not impact the company's consolidated results since the revenues and corresponding costs are eliminated in consolidation.

The following tables set forth certain financial data for the company's operating segments (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	**2015**	**2016**	**2015**
Revenues (1):				
Ethanol production:				
Revenues from external customers	$ 65,049	$ 38,856	$ 147,532	$ 102,938
Intersegment revenues	450,677	426,023	791,784	793,663
Total segment revenues	515,726	464,879	939,316	896,601
Agribusiness:				
Revenues from external customers	93,383	78,642	158,434	136,976
Intersegment revenues	378,757	264,934	699,098	527,718
Total segment revenues	472,140	343,576	857,532	664,694
Marketing and distribution:				
Revenues from external customers	727,340	624,885	1,326,990	1,238,772
Intersegment revenues	44,313	31,883	110,854	71,258
Total segment revenues	771,653	656,768	1,437,844	1,310,030
Partnership:				
Revenues from external customers	1,955	2,107	3,975	4,192
Intersegment revenues	23,538	1,338	45,306	2,649
Total segment revenues	25,493	3,445	49,281	6,841
Revenues including intersegment activity	1,785,012	1,468,668	3,283,973	2,878,166
Intersegment eliminations	(897,285)	(724,178)	(1,647,042)	(1,395,288)
Revenues as reported	$ 887,727	$ 744,490	$ 1,636,931	$ 1,482,878

(1) Revenues from external customers include realized gains and losses from derivative financial instruments.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	**2015**	**2016**	**2015**
Cost of goods sold:				
Ethanol production	$ 483,031	$ 410,897	$ 916,495	$ 819,230
Agribusiness	463,748	339,320	843,629	654,985
Marketing and distribution	756,276	649,253	1,421,480	1,293,478
Intersegment eliminations	(893,531)	(722,875)	(1,647,392)	(1,398,669)
	$ 809,524	$ 676,595	$ 1,534,212	$ 1,369,024

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Operating income (loss):				
Ethanol production	$ 10,555	$ 34,192	$ (22,696)	$ 37,612
Agribusiness	5,560	2,258	8,788	5,468
Marketing and distribution	10,626	3,453	8,656	7,858
Partnership	14,803	(5,284)	27,874	(10,432)
Intersegment eliminations	(3,754)	(1,303)	350	3,381
Corporate activities	(10,381)	(8,914)	(18,209)	(15,381)
	$ 27,409	$ 24,402	$ 4,763	$ 28,506

The following table sets forth third-party revenues by product line (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Revenues:				
Ethanol	$ 572,394	$ 469,017	$ 1,071,445	$ 913,223
Distillers grains	115,507	130,334	227,724	241,166
Corn oil	41,009	19,617	61,883	38,698
Grain	64,742	53,716	115,797	152,638
Cattle	75,178	66,293	131,411	111,544
Service revenues	1,955	2,107	3,975	4,192
Other	16,942	3,406	24,696	21,417
	$ 887,727	$ 744,490	$ 1,636,931	$ 1,482,878

The following table sets forth total assets by operating segment (in thousands):

	June 30, 2016	December 31, 2015
Total assets (1):		
Ethanol production	$ 967,894	$ 1,002,270
Agribusiness	282,539	300,364
Marketing and distribution	267,025	230,651
Partnership	65,842	81,430
Corporate assets	324,548	314,068
Intersegment eliminations	(8,943)	(10,863)
	$ 1,898,905	$ 1,917,920

(1) Asset balances by segment exclude intercompany payable and receivable balances.

6. INVENTORIES

Inventories are carried at lower of cost or market, except for commodities held for sale and fair-value hedged inventories, which are reported at market value.

The components of inventories are as follows (in thousands):

	June 30, 2016	December 31, 2015
Finished goods	$ 59,278	$ 71,595
Commodities held for sale	40,092	43,936
Raw materials	54,094	116,673
Work-in-process	100,047	96,950
Supplies and parts	27,189	24,803
	$ 280,700	$ 353,957

7. GOODWILL

The company did not have any changes in the carrying amount of goodwill, which was $40.9 million at June 30, 2016, and December 31, 2015. Goodwill of $30.3 million is attributable to the ethanol production segment and $10.6 million is attributable to the partnership segment.

8. DERIVATIVE FINANCIAL INSTRUMENTS

At June 30, 2016, the company's consolidated balance sheet reflected unrealized losses of $4.1 million, net of tax, in accumulated other comprehensive income (loss). The company expects these losses will be reclassified in operating income over the next 12 months as a result of hedged transactions that are forecasted to occur. The amount realized in operating income, will differ as commodity prices change.

Fair Values of Derivative Instruments

The fair values of the company's derivative financial instruments and the line items on the consolidated balance sheets where they are reported are as follows (in thousands):

	Asset Derivatives' Fair Value		Liability Derivatives' Fair Value	
	June 30, 2016	December 31, 2015	June 30, 2016	December 31, 2015
Derivative financial instruments (1)	$ 14,232 (2)	$ 22,882 (3)	$ -	$ -
Accrued and other liabilities	-	-	21,179	8,245
Other liabilities	-	-	165	-
Total	$ 14,232	$ 22,882	$ 21,344	$ 8,245

(1) Derivative financial instruments as reflected on the consolidated balance sheets are net of related margin deposit assets of $24.7 million and $7.7 million at June 30, 2016 and December 31, 2015, respectively.
(2) Balance at June 30, 2016 includes $18.1 million of net unrealized losses on derivative financial instruments designated as cash flow hedging instruments.
(3) Balance at December 31, 2015 includes $2.3 million of net unrealized losses on derivative financial instruments designated as cash flow hedging instruments.

Refer to *Note 4 - Fair Value Disclosures*, which contains fair value information related to derivative financial instruments.

Effect of Derivative Instruments on Consolidated Statements of Operations and Consolidated Statements of Stockholders' Equity and Comprehensive Income

The gains or losses recognized in income and other comprehensive income related to the company's derivative financial instruments and the line items on the consolidated financial statements where they are reported are as follows (in thousands):

Gains (Losses) on Derivative Instruments Not Designated in a Hedging Relationship	Three Months Ended June 30, 2016	Three Months Ended June 30, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Revenues	$ 10,065	$ 3,617	$ 7,271	$ (166)
Cost of goods sold	(2,856)	(11,233)	(8,703)	(18,209)
Net increase (decrease) recognized in earnings before tax	$ 7,209	$ (7,616)	$ (1,432)	$ (18,375)

Gains (Losses) Due to Ineffectiveness of Cash Flow Hedges	Three Months Ended June 30, 2016	Three Months Ended June 30, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Revenues	$ (38)	$ (28)	$ (38)	$ (59)
Cost of goods sold	(160)	494	(160)	23
Net increase (decrease) recognized in earnings before tax	$ (198)	$ 466	$ (198)	$ (36)

Gains (Losses) Reclassified from Accumulated Other Comprehensive Income (Loss) into Net Income	Three Months Ended June 30, 2016	Three Months Ended June 30, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Revenues	$ (13,470)	$ (8,141)	$ (13,225)	$ 3,708
Cost of goods sold	10,755	(7,920)	12,644	(6,278)
Net decrease recognized in earnings before tax	$ (2,715)	$ (16,061)	$ (581)	$ (2,570)

Effective Portion of Cash Flow Hedges Recognized in Other Comprehensive Income (Loss)	Three Months Ended June 30, 2016	Three Months Ended June 30, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Commodity Contracts	$ (7,689)	$ (6,578)	$ (5,407)	$ 8,885

Gains (Losses) from Fair Value Hedges of Inventory	Three Months Ended June 30, 2016	Three Months Ended June 30, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Revenues (effect of change in inventory value)	$ (341)	$ -	$ 1,419	$ -
Cost of goods sold (effect of change in inventory value)	13,080	(1,002)	8,182	(2,370)
Revenues (effect of fair value hedge)	341	-	(1,419)	-
Cost of goods sold (effect of fair value hedge)	(14,373)	817	(8,564)	3,900
Ineffectiveness recognized in earnings before tax	$ (1,293)	$ (185)	$ (382)	$ 1,530

There were no gains or losses from discontinuing cash flow or fair value hedge treatment during the three and six months ended June 30, 2016 and 2015.

The open commodity derivative positions as of June 30, 2016, are as follows (in thousands):

	June 30, 2016				
	Exchange Traded	Non-Exchange Traded			
Derivative Instruments	Net Long & (Short) (1)	Long (2)	(Short) (2)	Unit of Measure	Commodity
Futures	(22,400)			Bushels	Corn, Soybeans and Wheat
Futures	37,105 (3)			Bushels	Corn
Futures	(2,970)(4)			Bushels	Corn
Futures	61,236			Gallons	Ethanol
Futures	(199,710)(3)			Gallons	Ethanol
Futures	(88,270)(3)			Pounds	Livestock
Futures	(7,273)			mmBTU	Natural Gas
Futures	(8,830)(4)			mmBTU	Natural Gas
Futures	(144)			Barrels	Crude Oil
Futures	4,410			Gallons	Denaturant
Options	105			Bushels	Corn, Soybeans and Wheat
Options	(6,436)			Gallons	Ethanol
Options	1,446			Pounds	Livestock
Options	95			mmBTU	Natural Gas
Forwards		39,415	(4,969)	Bushels	Corn and Soybeans
Forwards		10,777	(148,298)	Gallons	Ethanol
Forwards		250	(418)	Tons	Distillers Grains
Forwards		44,425	(105,391)	Pounds	Corn Oil
Forwards (4)		-	(35,055)	Pounds	Corn Oil
Forwards		11,048	(647)	mmBTU	Natural Gas
Forwards		517	(295)	Barrels	Crude Oil

(1) Exchange traded futures and options are presented on a net long and (short) position basis. Options are presented on a delta-adjusted basis.
(2) Non-exchange traded forwards are presented on a gross long and (short) position basis including both fixed-price and basis contracts.
(3) Futures used for cash flow hedges.
(4) Futures or non-exchange traded forwards used for fair value hedges.

Energy trading contracts that do not involve physical delivery are presented net in revenues on the consolidated statements of operations. Included in revenues are net losses on energy trading contracts of $0.3 million and net gains of $3.0 million for the three and six months ended June 30, 2016, respectively, and net gains of $2.4 million and $7.7 million for the three and six months ended June 30, 2015, respectively.

9. DEBT

The components of long-term debt are as follows (in thousands):

	June 30, 2016		December 31, 2015	
Green Plains Partners:				
$100.0 million revolving credit facility	$	47,000	$	-
Green Plains Processing:				
$345.0 million term loan		305,587		306,439
Corporate:				
$120.0 million convertible notes		105,889		103,072
Other		26,616		27,135
Total long-term debt		485,092		436,646
Less: current portion of long-term debt		(6,603)		(4,507)
Long-term debt	$	478,489	$	432,139

Short-term notes payable and other borrowings at June 30, 2016, include working capital revolvers at Green Plains Cattle, Green Plains Grain and Green Plains Trade with outstanding balances of $65.9 million, $84.5 million and $95.2 million, respectively. Short-term notes payable and other borrowings at December 31, 2015, include working capital revolvers at Green Plains Cattle, Green Plains Grain and Green Plains Trade with outstanding balances of $69.7 million, $77.0 million and $80.2 million, respectively.

Effective January 1, 2016, the company adopted ASC 835-30, *Interest - Imputation of Interest: Simplifying the Presentation of Debt Issuance Costs*, which resulted in the reclassification of approximately $11.4 million from other assets to long-term debt within the balance sheet as of December 31, 2015. As of June 30, 2016, there was $10.1 million of debt issuance costs recorded as a reduction of the carrying value of the company's long-term debt.

Ethanol Production Segment

Green Plains Processing has a $345.0 million senior secured credit facility, which is guaranteed by the company and subsidiaries of Green Plains Processing and secured by the stock and substantially all of the assets of Green Plains Processing. The interest rate is 5.50% plus LIBOR, subject to a 1.00% floor. The terms of the credit facility require the borrower to maintain a maximum total leverage ratio of 4.00 to 1.00 at the end of each quarter, decreasing to 3.25 to 1.00 over the life of the credit facility and a minimum fixed charge coverage ratio of 1.25 to 1.00. The credit facility also has a provision requiring the company to make special quarterly payments of 50% to 75% of its available free cash flow, subject to certain limitations.

At June 30, 2016, the interest rate on this term debt was 6.50%. Scheduled principal payments are $0.9 million each quarter.

Agribusiness Segment

Green Plains Grain has a $125.0 million senior secured asset-based revolving credit facility, which was set to mature on August 26, 2016, to finance working capital up to the maximum commitment based on eligible collateral equal to the sum of percentages of eligible cash, receivables and inventories, less miscellaneous adjustments. Advances were subject to an interest rate equal to LIBOR plus 3.25% or the base rate plus 2.25%. The credit facility also includes an accordion feature that enables the facility to be increased by up to $75.0 million with agent approval. The credit facility can also be increased by up to $50.0 million for seasonal borrowings. Total commitments outstanding cannot exceed $250.0 million. On July 27, 2016, Green Plains Grain amended its existing $125.0 million senior secured asset-based revolving credit facility. The terms of the amended credit facility included extending the maturity date to July 26, 2019 and advances are now subject to an interest rate equal to LIBOR plus 3.00% or the base rate plus 2.00%.

Lenders receive a first priority lien on certain cash, inventory, accounts receivable and other assets owned by subsidiaries in the agribusiness segment as security on the credit facility. The terms impose affirmative and negative covenants, including maintaining working capital of $20.3 million and tangible net worth of $26.3 million for 2016. Capital expenditures are limited to $8.0 million per year under the credit facility, plus equity contributions from the company and unused amounts from the previous year. In addition, the credit facility requires the company to maintain a fixed charge coverage ratio of 1.25 to 1.00 and an annual leverage ratio of 6.00 to 1.00 at the end of each quarter. The credit facility also contains restrictions on distributions related to capital stock, with exceptions for distributions up to 50% of net profit before tax, subject to certain conditions.

Green Plains Cattle has a $100.0 million senior secured asset-based revolving credit facility, which matures on October 31, 2017, to finance working capital for the cattle feedlot operations up to the maximum commitment based on eligible collateral equal to the sum of percentages of eligible receivables, inventories and other current assets, less miscellaneous adjustments. Advances are subject to variable interest rates equal to LIBOR plus 2.00% to 3.00%, or the base rate plus 0.00% to 0.25%, depending upon availability. The credit facility also includes an accordion feature that enables the credit facility to be increased by up to $50.0 million with agent approval.

Lenders receive a first priority lien on certain cash, inventory, accounts receivable, property and equipment and other assets owned by Green Plains Cattle as security on the credit facility. The terms impose affirmative and negative covenants, including maintaining working capital of $15.0 million and tangible net worth of $20.3 million for 2016 and maintain a total debt to tangible net worth ratio of 3.50 to 1.00. Capital expenditures are limited to $3.0 million per year under the credit facility, plus unused amounts from the previous year.

Marketing and Distribution Segment

Green Plains Trade has a $150.0 million senior secured asset-based revolving credit facility, which matures on November 26, 2019, to finance working capital for marketing and distribution activities based on eligible collateral equal to the sum of percentages of eligible receivables and inventories, less miscellaneous adjustments. The outstanding balance is subject to the lender’s floating base rate plus the applicable margin or LIBOR plus the applicable margin.

The terms impose affirmative and negative covenants, including maintaining a fixed charge coverage ratio of 1.15 to 1.00. Capital expenditures are limited to $1.5 million per year under the credit facility. The credit facility also contains restrictions on distributions related to capital stock, with exceptions for distributions up to 50% of net income if on a pro forma basis, (a) availability has been greater than $10.0 million for the last 30 days and (b) the borrower would be in compliance with the fixed charge coverage ratio on the distribution date.

At June 30, 2016, Green Plains Trade had $10.8 million presented as restricted cash on the consolidated balance sheet, the use of which was restricted for repayment towards the outstanding loan balance.

Partnership Segment

Green Plains Partners, through a wholly owned subsidiary, has a $100.0 million revolving credit facility, which matures in July 2020, to fund working capital, acquisitions, distributions, capital expenditures and other general partnership purposes. Advances under this credit facility are subject to a floating interest rate based on the partnership’s maximum consolidated net leverage ratio equal to (a) a base rate plus 0.75% to 1.75% or (b) a LIBOR rate plus 1.75% to 2.75%. The credit facility may be increased up to $50.0 million without the consent of the lenders.

The partnership’s obligations under the credit facility are secured by a first priority lien on (i) the capital stock of the partnership’s present and future subsidiaries, (ii) all of the partnership’s present and future personal property, such as investment property, general intangibles and contract rights, including rights under agreements with Green Plains Trade, and (iii) all proceeds and products of the equity interests of the partnership’s present and future subsidiaries and its personal property. The terms impose affirmative and negative covenants including restricting the partnership’s ability to incur additional debt, acquire and sell assets, create liens, invest capital, pay distributions and materially amend the partnership’s commercial agreements with Green Plains Trade. The credit facility also requires the partnership to maintain a maximum consolidated net leverage ratio of no more than 3.50 to 1.00, and a minimum consolidated interest coverage ratio of no less than 2.75 to 1.00.

Corporate Activities

In September 2013, the company issued $120.0 million of 3.25% convertible senior notes due 2018, or the 3.25% notes. The 3.25% notes are senior, unsecured obligations of the company, with interest payable on April 1 and October 1 of each year. The company may settle the 3.25% notes in cash, common stock or a combination of cash and common stock. The company intends to repay the 3.25% notes with cash for the principal and cash or common stock for the conversion premium.

Prior to April 1, 2018, the 3.25% notes are not convertible unless certain conditions are satisfied. The conversion rate is subject to adjustment when the quarterly cash dividend exceeds $0.04 per share. The conversion rate was recently adjusted to 49.0976 shares of common stock per $1,000 of principal which is equal to a conversion price of approximately $20.37 per share. The company may be obligated to increase the conversion rate in certain events, including redemption of the 3.25% notes.

The company may redeem all of the 3.25% notes at any time on or after October 1, 2016 if the company's common stock equals or exceeds 140% of the applicable conversion price for a specified time period ending on the trading day immediately prior to the date the company delivers notice of the redemption. The redemption price will equal 100% of the principal plus any accrued and unpaid interest. Holders of the 3.25% notes have the option to require the company to repurchase the 3.25% notes in cash at a price equal to 100% of the principal plus accrued and unpaid interest when there is a fundamental change, such as change in control. Default on any loan in excess of $10.0 million constitutes an event of default, which could result in the 3.25% notes being declared due and payable.

Covenant Compliance

The company was in compliance with its debt covenants as of June 30, 2016.

Capitalized Interest

The company had $559 thousand and $917 thousand of capitalized interest during the three and six months ended June 30, 2016, respectively, and $218 thousand and $393 thousand during the three and six months ended June 30, 2015, respectively.

Restricted Net Assets

At June 30, 2016, there were approximately $692.9 million of net assets at the company's subsidiaries that could not be transferred to the parent company in the form of dividends, loans or advances due to restrictions contained in the credit facilities of these subsidiaries.

10. STOCK-BASED COMPENSATION

The company has an equity incentive plan that reserves 3,500,000 shares of common stock for issuance to its directors and employees. The plan provides for shares, including options to purchase shares of common stock, stock appreciation rights tied to the value of common stock, restricted stock, and restricted and deferred stock unit awards, to be granted to eligible employees, non-employee directors and consultants. The company measures stock-based compensation at fair value on the grant date, adjusted for estimated forfeitures. The company records noncash compensation expense related to equity awards in its consolidated financial statements over the requisite period on a straight-line basis. Substantially all of the existing stock-based compensation has been equity awards.

The activity related to the exercisable stock options for the six months ended June 30, 2016, is as follows:

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding at December 31, 2015	298,750	$ 9.81	2.4	$ 3,866
Granted	-	-	-	-
Exercised	(45,000)	5.99	-	525
Forfeited	-	-	-	-
Expired	-	-	-	-
Outstanding at June 30, 2016	253,750	$ 10.48	2.2	$ 2,236
Exercisable at June 30, 2016 (1)	253,750	$ 10.48	2.2	$ 2,236

(1) Includes in-the-money options totaling 253,750 shares at a weighted-average exercise price of $10.48.

Option awards allow employees to exercise options through cash payment for the shares of common stock or simultaneous broker-assisted transactions in which the employee authorizes the exercise and immediate sale of the option in the open market. The company uses newly issued shares of common stock to satisfy its stock-based payment obligations.

The non-vested stock award and deferred stock unit activity for the six months ended June 30, 2016, is as follows:

	Non-Vested Shares and Deferred Stock Units	Weighted-Average Grant-Date Fair Value	Weighted-Average Remaining Vesting Term (in years)
Non-Vested at December 31, 2015	736,728	$ 22.96	
Granted	783,972	13.59	
Forfeited	(13,853)	21.59	
Vested	(368,296)	20.30	
Non-Vested at June 30, 2016	1,138,551	$ 17.39	2.0

Green Plains Partners

Green Plains Partners has adopted the LTIP, an incentive plan intended to promote the interests of the partnership, its general partner and affiliates by providing incentive compensation based on units to employees, consultants and directors to encourage superior performance. The incentive plan reserves 2,500,000 common units for issuance in the form of options, restricted units, phantom units, distributable equivalent rights, substitute awards, unit appreciation rights, unit awards, profits interest units or other unit-based awards. The partnership measures unit-based compensation related to equity awards in its consolidated financial statements over the requisite service period on a straight-line basis.

The non-vested unit-based awards activity for the six months ended June 30, 2016, is as follows:

	Non-Vested Shares and Deferred Stock Units	Weighted-Average Grant-Date Fair Value	Weighted-Average Remaining Vesting Term (in years)
Non-Vested at December 31, 2015	10,089	$ 14.93	
Granted	1,251	13.80	
Forfeited	(5,333)	14.93	
Vested	-	-	
Non-Vested at June 30, 2016 (1)	6,007	$ 14.69	0.0

(1) Non-vested awards at June 30, 2016 vested on July 1, 2016.

Compensation costs for stock-based and unit-based payment plans during the three and six months ended June 30, 2016, were approximately $2.4 million and $4.6 million, respectively, and $2.6 million and $4.3 million during the three and six months ended June 30, 2015. At June 30, 2016, there were $15.3 million of unrecognized compensation costs from stock-based and unit-based compensation related to non-vested awards. This compensation is expected to be recognized over a weighted-average period of approximately 2.0 years. The potential tax benefit related to stock-based payment is approximately 38.0% of these expenses.

11. EARNINGS PER SHARE

Basic earnings per share, or EPS, is calculated by dividing net income available to common stockholders by the weighted average number of common shares outstanding during the period. Diluted EPS is computed using the treasury stock method by dividing net income by the weighted average number of common shares outstanding during the period, adjusted for the dilutive effect of any outstanding dilutive securities.

The basic and diluted EPS are calculated as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Basic EPS:				
Net income (loss) attributable to Green Plains	$ 8,191	$ 7,792	$ (15,947)	$ 4,474
Weighted average shares outstanding - basic	38,425	38,027	38,311	37,916
EPS - basic	$ 0.21	$ 0.20	$ (0.42)	$ 0.12
Diluted EPS:				
Net income (loss) attributable to Green Plains - diluted	$ 8,191	$ 7,792	$ (15,947)	$ 4,474
Weighted average shares outstanding - basic	38,425	38,027	38,311	37,916
Effect of dilutive convertible debt	-	1,881	-	1,480
Effect of dilutive stock-based compensation awards	111	167	-	169
Weighted average shares outstanding - diluted	38,536	40,075	38,311	39,565
EPS - diluted	$ 0.21	$ 0.19	(0.42)	0.11

For the six months ended June 30, 2016, 109 thousand shares related to stock-based compensation awards and convertible debt were excluded from the computation of diluted EPS as the inclusion of these shares would have been antidilutive. Also excluded from the computations of diluted EPS for the three and six months ended June 30, 2016, were stock-based compensation awards totaling 265 thousand and 302 thousand shares, respectively, and 6 thousand shares for the six months ended June 30, 2015, because the exercise prices or the grant-date fair value, as applicable, of the corresponding awards were greater than the average market price of the company’s common stock during the respective periods.

12. STOCKHOLDERS' EQUITY

Components of stockholders' equity are as follows (in thousands):

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Retained Earnings	Accum. Other Comp. Income (Loss)	Treasury Stock Shares	Treasury Stock Amount	Total Green Plains Stockholders' Equity	Non-Controlling Interests	Total Stockholders' Equity
Balance, December 31, 2015	45,282	$ 45	$ 577,787	$ 290,974	$ (1,165)	7,392	$ (69,811)	$ 797,830	$ 161,079	$ 958,909
Net income (loss)	-	-	-	(15,947)	-	-	-	(15,947)	9,116	(6,831)
Cash dividends and distributions declared	-	-	-	(9,227)	-	-	-	(9,227)	(9,293)	(18,520)
Other comprehensive loss, before reclassification	-	-	-	-	(3,314)	-	-	(3,314)	-	(3,314)
Amounts reclassified from accum. other comprehensive income	-	-	-	-	356	-	-	356	-	356
Other comprehensive loss, net of tax	-	-	-	-	(2,958)	-	-	(2,958)	-	(2,958)
Transfer of assets to Green Plains Partners LP	-	-	19,877	-	-	-	-	19,877	(19,877)	-
Consolidation of BioProcess Algae	-	-	-	-	-	-	-	-	2,807	2,807
Investment in BioProcess Algae	-	-	928	-	-	-	-	928	(928)	-
Repurchase of common stock	-	-	-	-	-	323	(6,005)	(6,005)	-	(6,005)
Stock-based compensation	643	1	2,085	-	-	-	-	2,086	22	2,108
Stock options exercised	45	-	410	-	-	-	-	410	-	410
Balance, June 30, 2016	45,970	$ 46	$ 601,087	$ 265,800	$ (4,123)	7,715	$ (75,816)	$ 786,994	$ 142,926	$ 929,920

Amounts reclassified from accumulated other comprehensive income are as follows (in thousands):

	Three Months Ended June 30, 2016	Three Months Ended June 30, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015	Statements of Operations Classification
Gains (losses) on cash flow hedges:					
Ethanol commodity derivatives	$ (13,470)	$ (8,141)	$ (13,225)	$ 3,708	Revenues
Corn commodity derivatives	10,755	(7,920)	12,644	(6,278)	Cost of goods sold
Total	(2,715)	(16,061)	(581)	(2,570)	Loss before income taxes
Income tax benefit	(932)	(6,031)	(225)	(962)	Income tax benefit
Amounts reclassified from accumulated other comprehensive income (loss)	$ (1,783)	$ (10,030)	$ (356)	$ (1,608)	

13. INCOME TAXES

Beginning in 2016, the company records actual income tax expense or benefit during interim periods rather than on an annual effective tax rate method. Certain items are given discrete period treatment and the tax effect of those items are reported in full in the relevant interim period. Green Plains Partners is a limited partnership, which is treated as a flow-through entity for federal income tax purposes and is not subject to federal income taxes. The partnership is subject to state income taxes in certain states. As a result, the company's consolidated financial statements reflect a benefit or provision for income taxes on pre-tax income or loss attributable to the noncontrolling interest in the partnership.

Income tax expense was $5.5 million and income tax benefit was $9.4 million for the three and six months ended June 30, 2016, respectively, compared with income tax expense of $5.2 million and $2.8 million for three and six months ended June 30, 2015, respectively. The effective tax rate, calculated as the ratio of income tax expense to income before income taxes, was approximately 29.6% and 58.0% for the three and six months ended June 30, 2016, respectively, and 40.1% and 38.3% for the three and six months ended June 30, 2015, respectively.

The amount of unrecognized tax benefits for uncertain tax positions was $0.2 million as of June 30, 2016, and December 31, 2015. Recognition of these benefits would have a favorable impact on the company's effective tax rate.

The 2016 effective tax rate can be affected by variances among the estimates and amounts of taxable income among the various states, entities and activity types, realization of tax credits, adjustments from resolution of tax matters under review, valuation allowances and the company's assessment of its liability for uncertain tax positions.

14. COMMITMENTS AND CONTINGENCIES

Operating Leases

The company leases certain facilities, equipment and parcels of land under agreements that expire at various dates. For accounting purposes, rent expense is based on a straight-line amortization of the total payments required over the lease. The company incurred lease expenses of $8.7 million and $18.1 million during the three and six months ended June 30, 2016, respectively and $8.6 million and $16.9 million during the three and six months ended June 30, 2015, respectively.

Aggregate minimum lease payments under these agreements for the remainder of 2016 and in future years are as follows (in thousands):

Year Ending December 31,		Amount
2016	$	15,380
2017		24,822
2018		19,235
2019		13,376
2020		10,842
Thereafter		17,881
Total	$	101,536

Commodities

As of June 30, 2016, the company had contracted future purchases of grain, corn oil, natural gas, crude oil, ethanol, distillers grains and cattle, valued at approximately $445.0 million.

Legal

In November 2013, the company acquired ethanol plants located in Fairmont, Minnesota and Wood River, Nebraska. There is ongoing litigation related to the consideration for this acquisition. If the litigation is resolved favorably, the company will recognize a gain in a future period. In the event of a negative outcome, there will be no impact to the company.

In addition to the above-described proceeding, the company is currently involved in litigation that has arisen in the ordinary course of business, but does not believe any pending litigation will have a material adverse effect on its financial position, results of operations or cash flows.

15. RELATED PARTY TRANSACTIONS

Commercial Contracts

Three subsidiaries of the company have executed separate financing agreements for equipment with Axis Capital Inc. Gordon Glade, Vice Chairman/Founder of Axis Capital, is a member of the company's board of directors. In March 2014, a subsidiary of the company entered into $1.4 million of new equipment financing agreements with Axis Capital with monthly payments beginning in April 2014. Balances of approximately $0.9 million and $1.0 million related to these financing arrangements were included in debt at June 30, 2016, and December 31, 2015, respectively. Payments, including principal and interest, totaled $69 thousand and $138 thousand during the three and six months ended June 30, 2016, respectively, and

$69 thousand and $138 thousand during the three and six months ended June 30, 2015, respectively. The weighted average interest rate for the financing agreements with Axis Capital was 6.8%.

Aircraft Leases

Effective January 1, 2015, the company entered into two agreements with an entity controlled by Wayne Hoovestol for the lease of two aircrafts. Mr. Hoovestol is chairman of the company's board of directors. The company agreed to pay $9,766 per month for the combined use of up to 125 hours per year of the aircrafts. Flight time in excess of 125 hours per year will incur additional hourly charges. Payments related to these leases totaled $40 thousand and $88 thousand during the three and six months ended June 30, 2016, respectively, and $47 thousand and $104 thousand during the three and six months ended June 30, 2015, respectively. The company had no outstanding payables related to these agreements at June 30, 2016 or December 31, 2015.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

General

The following discussion and analysis provides information we believe is relevant to understand our consolidated financial condition and results of operations. This discussion should be read in conjunction with the consolidated financial statements and notes to the consolidated financial statements contained in this report together with our annual report on Form 10-K for the year ended December 31, 2015.

Cautionary Information Regarding Forward-Looking Statements

This report contains forward-looking statements based on current expectations that involve a number of risks and uncertainties. Forward-looking statements generally do not relate strictly to historical or current facts, but rather plans and objectives for future operations based on management's reasonable estimates of future results or trends, and include statements preceded by, followed by, or that include words such as "anticipates," "believes," "continue," "estimates," "expects," "intends," "outlook," "plans," "predicts," "may," "could," "should," "will," and similar words and phrases, and include, but are not limited to, statements regarding future operating or financial performance, business strategy, business environment, key trends, and benefits of actual or planned acquisitions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The forward-looking statements are made in accordance with safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Although we believe our expectations regarding future events are based on reasonable assumptions, any or all forward-looking statements in this report may be based on inaccurate assumptions or not account for known or unknown risks and uncertainties, and therefore, be incorrect. Consequently, no forward-looking statement is guaranteed, and actual future results may vary materially from the results expressed or implied in our forward-looking statements. The cautionary statements in this report expressly qualify all of our forward-looking statements. In addition, we are not obligated, and do not intend, to update any of our forward-looking statements at any time unless an update is required by applicable securities laws.

Factors that could cause actual results to differ from those expressed or implied in the forward-looking statements include, but are not limited to, those discussed in Part I, Item 1A – Risk Factors of our annual report on Form 10-K for the year ended December 31, 2015. Specifically, we may experience significant fluctuations in future operating results due to a number of economic conditions, including, but not limited to, competition in the ethanol and other industries in which we operate, commodity market risks including those that may result from current weather conditions, financial market risks, counterparty risks, risks associated with changes to federal policy or regulation, risks related to closing and achieving anticipated results from acquisitions, risks associated with merchant trading, risks associated with the operations of a cattle-feeding business, risks associated with the joint venture to commercialize algae production and growth potential of the algal biomass industry, and other risk factors detailed in our reports filed with the SEC. Also in relation to Green Plains Partners LP, or the partnership, additional risks include, but are not limited to, compliance with commercial contractual obligations, potential tax consequences related to our investment in the partnership and risks disclosed in the partnership's SEC filings and associated with the operation of the partnership as a separate, publicly traded entity.

In light of these assumptions, risks and uncertainties, the results and events discussed in the forward-looking statements contained in this report or any document incorporated by reference might not occur. We caution investors not to place undue reliance on the forward-looking statements, which represent management's views only as of the date of this report or document incorporated by reference. We are not under any obligation, and we expressly disclaim any obligation, to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise.

Overview

Green Plains is a vertically integrated ethanol producer, marketer and distributor focused on generating stable operating margins through our diversified business segments and risk management strategy. We have operations throughout the ethanol value chain, beginning upstream with our grain handling and storage operations, continuing through our ethanol, distillers grains and corn oil production operations, and ending downstream with our marketing, terminal and transportation services. We believe owning and operating assets throughout the ethanol value chain enables us to mitigate changes in commodity prices, differentiating us from companies focused only on ethanol production. We formed Green Plains Partners LP, a master limited partnership, to be our primary downstream logistics provider since its assets are the principal method of storing and delivering the ethanol we produce. The partnership completed its IPO on July 1, 2015. We own a 62.5% limited partner interest, a 2.0% general partner interest and all of the partnership's incentive distribution rights. The public owns the remaining 35.5% limited partner interest. The partnership is consolidated in our financial statements.

Recent Developments

On June 12, 2016, we entered into an asset purchase agreement with Abengoa Bioenergy of Illinois, LLC and Abengoa Bioenergy of Indiana, LLC, to acquire two ethanol plants located in Madison, Illinois and Mount Vernon, Indiana for total consideration of approximately $200 million in cash, plus certain inventory adjustments, and the assumption of certain liabilities. The plants have a combined annual production capacity of approximately 180 million gallons of ethanol. The sellers and other affiliates have pending cases under Chapter 11 of the U.S. Bankruptcy Code, and the asset purchase agreement constitutes a stalking horse bid subject to proposed bidding procedures and receipt of higher or otherwise better bids at the proposed auction for the plants, and final approval of the U.S. Bankruptcy Court. If we are not the successful bidder at the auction, the sellers must pay a break-up fee to us equal to $2.5 million per plant plus reimbursement of expenses up to $500,000. Should we submit the winning bid in the auction, the transactions contemplated under the agreement are expected to close in the third quarter of 2016, and we will offer the plants' transportation and storage assets to the partnership.

On June 14, 2016, we announced that we formed a 50/50 joint venture with Jefferson Gulf Coast Energy Partners, a subsidiary of Fortress Transportation and Infrastructure Investors LLC, to construct and operate an intermodal export and import fuels terminal at Jefferson's existing Beaumont, Texas terminal. The joint venture is expected to invest approximately $55 million in its Phase I development, which will initially focus on storage and throughput capabilities for multiple grades of ethanol. The joint venture's terminal will have direct access to multiple transportation options, including Aframax vessels, inland and coastwise barges, trucks, and unit trains with direct mainline service from the Union Pacific, BNSF and Kansas City Southern railroads. Construction of Phase I is expected to be completed in the second quarter of 2017. We will offer our interest in the joint venture to the partnership once commercial development is completed.

Results of Operations

Industry Trends and Factors Affecting our Results of Operations

In May of 2016, the EPA released its 2017 renewable fuel standard proposal, outlining the volume requirements for biofuels under the Clean Air Act. The proposal modestly increases the minimum volume requirements of ethanol to 14.8 billion gallons for the coming year. This proposal is expected to be finalized by November of 2016.

Gasoline demand increased during the second quarter as a result of lower gasoline prices and normal seasonality. Ethanol demand followed gasoline demand and also increased. According to the EIA, during the second quarter of 2016, domestic ethanol demand averaged 918,000 barrels per day and estimated net exports averaged 51,000 barrels per day, while domestic ethanol production averaged 962,000 barrels per day. Compared with EIA-reported first quarter production of 983,000 barrels per day, domestic demand of 861,000 barrels per day and net exports of 102,000 barrels per day, which caused ethanol inventories to build, second quarter fundamentals reduced ethanol inventories. As of July 1, 2016, domestic ethanol ending stocks were 21.6 million barrels according to the EIA, 3.0% lower than April 1, 2016, and 8.6% higher than one year ago. Summer driving season, particularly in an environment of relatively inexpensive gasoline prices, is expected to increase domestic ethanol consumption over the next quarter. The number of retail stations offering E15 continued to grow during the first half of the year, reaching 275 stations as of June 30, 2016.

During the second quarter, we operated our facilities at approximately 89.8% of capacity, resulting in record ethanol production of 274.3 million gallons for the quarter, compared with 238.7 million gallons for the quarter ended June 30, 2015. The increase in production volumes and associated revenues were attributable to production at our Hereford, Texas plant, which we acquired on November 12, 2015, and our Hopewell, Virginia plant, which we acquired on October 23, 2015 and resumed ethanol production on February 8, 2016.

U.S. ethanol produced from corn continues to be the most economical source of octane and oxygenates for the world fuel supply. Ethanol futures have generally traded at a premium to RBOB since September of 2015. During the second quarter of 2016, ethanol traded at a premium to RBOB by 4 cents per gallon on average driven by its global demand. The market price of RINs associated with ethanol also increased during the quarter, providing non-obligated parties incentive to continue blending with ethanol. Corn prices fell with the USDA's news of increased acres of corn of 94.1 million in its June 30, 2016, acreage report. The equivalent value of sugar produced from corn starch is approximately 7.3 cents per pound based on current U.S. corn costs of approximately $3.50 per bushel. Brazil, the second largest ethanol-producing country, uses sugarcane to produce ethanol. The average market price of sugar during the second quarter was 17.1 cents per pound, peaking at 21.0 cents. Global sugar prices have surged since February 2016 on forecasts of supply shortages. Given these production economics, we expect the United States will continue to be the leading supplier of ethanol in the world.

According to data from the U.S. Department of Commerce and U.S. Census Bureau Foreign Trade Statistics, year-to-date U.S. ethanol exports through May 31, 2016, was 400.7 million gallons, compared to 377.1 million gallons for the same period in 2015. The top five countries to receive U.S. exports were China, Canada, Brazil, India and South Korea, which accounted for 80% of total U.S. exports.

On July 8, 2016, China's Ministry of Commerce issued an official notice concerning the hearing in the anti-dumping and countervailing investigations against distillers grains originating in the United States. The hearing is scheduled for August 2, 2016, in Beijing.

Comparability of our Financial Results

Under GAAP, when transferring assets between entities under common control, the entity receiving the net assets initially recognizes the carrying amounts of the assets and liabilities at the date of transfer. The transferee's prior period financial statements are restated for all periods its operations were part of the parent's consolidated financial statements. On July 1, 2015, Green Plains Partners received ethanol storage and railcar assets and liabilities in a transfer between entities under common control. Effective January 1, 2016, the partnership acquired the storage and transportation assets of the Hereford and Hopewell production facilities in a transfer between entities under common control. The transferred assets and liabilities are recognized at our historical cost and reflected retroactively in the segment information of the consolidated financial statements presented in this Form 10-Q. The assets of Green Plains Partners were previously included in the ethanol production and marketing and distribution segments. Expenses related to the ethanol storage and railcar assets, such as depreciation, amortization and railcar lease expenses, are also reflected retroactively in the following segment information. There are no revenues related to the operation of these ethanol storage and railcar assets in the partnership segment prior July 1, 2015, the date the related commercial agreements with Green Plains Trade became effective.

We report the financial and operating performance in the following four operating segments: (1) ethanol production, which includes the production of ethanol, distillers grains and corn oil, (2) agribusiness, which includes grain handling and storage and cattle feedlot operations, (3) marketing and distribution, which includes marketing and merchant trading for company-produced and third-party ethanol, distillers grains, corn oil, natural gas and other commodities and (4) partnership, which includes fuel storage and transportation services.

On October 23, 2015, we acquired an ethanol production facility located in Hopewell, Virginia. The dry mill ethanol plant's production capacity is approximately 60 mmgy. We resumed ethanol production at the plant in February of 2016, and corn oil processing began operating in July of 2016.

On November 12, 2015, we acquired an ethanol production facility in Hereford, Texas. The purchase includes an ethanol plant with production capacity of approximately 100 mmgy, a corn oil extraction system, working capital and other related assets.

Corporate activities include selling, general and administrative expenses, consisting primarily of compensation, professional fees and overhead costs not directly related to a specific operating segment.

During the normal course of business, the operating segments do business with each other. For example, the ethanol production segment sells ethanol to the marketing and distribution segment, the agribusiness segment sells grain to the ethanol production segment and the partnership segment provides fuel storage and transportation services for the marketing and distribution segment. These intersegment activities are treated like third-party transactions and recorded at market values. Consequently, these transactions affect segment performance; however, they do not impact the company's consolidated results since the revenues and corresponding costs are eliminated in consolidation.

We, together with our subsidiaries, own a 62.5% limited partner interest and a 2.0% general partner interest in the partnership and own all of the partnership's incentive distribution rights, with the remaining 35.5% limited partner interest owned by public common unitholders for the three months ended June 30, 2016. We consolidate the financial results of the partnership, and record a noncontrolling interest for the economic interest in the partnership held by the public common unitholders.

Effective April 1, 2016, we increased our ownership of BioProcess Algae, a joint venture formed in 2008, to 82.8% and currently own approximately 90.0%. We consolidate the financial results of BioProcess Algae, and record a noncontrolling interest for the economic interest in the joint venture held by others.

Segment Results

The selected operating segment financial information are as follows (in thousands):

	Three Months Ended June 30, 2016	Three Months Ended June 30, 2015	% Variance	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015	% Variance
Revenues (1):						
Ethanol production:						
Revenues from external customers	$ 65,049	$ 38,856	67.4%	$ 147,532	$ 102,938	43.3%
Intersegment revenues	450,677	426,023	5.8	791,784	793,663	(0.2)
Total segment revenues	515,726	464,879	10.9	939,316	896,601	4.8
Agribusiness:						
Revenues from external customers	93,383	78,642	18.7	158,434	136,976	15.7
Intersegment revenues	378,757	264,934	43.0	699,098	527,718	32.5
Total segment revenues	472,140	343,576	37.4	857,532	664,694	29.0
Marketing and distribution:						
Revenues from external customers	727,340	624,885	16.4	1,326,990	1,238,772	7.1
Intersegment revenues	44,313	31,883	39.0	110,854	71,258	55.6
Total segment revenues	771,653	656,768	17.5	1,437,844	1,310,030	9.8
Partnership:						
Revenues from external customers	1,955	2,107	(7.2)	3,975	4,192	(5.2)
Intersegment revenues	23,538	1,338	*	45,306	2,649	*
Total segment revenues	25,493	3,445	*	49,281	6,841	*
Revenues including intersegment activity	1,785,012	1,468,668	21.5	3,283,973	2,878,166	14.1
Intersegment eliminations	(897,285)	(724,178)	23.9	(1,647,042)	(1,395,288)	18.0
Revenues as reported	$ 887,727	$ 744,490	19.2	$ 1,636,931	$ 1,482,878	10.4

(1) Revenues from external customers include realized gains and losses from derivative financial instruments.

	Three Months Ended June 30, 2016	Three Months Ended June 30, 2015	% Variance	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015	% Variance
Cost of goods sold:						
Ethanol production	$ 483,031	$ 410,897	17.6%	$ 916,495	$ 819,230	11.9%
Agribusiness	463,748	339,320	36.7	843,629	654,985	28.8
Marketing and distribution	756,276	649,253	16.5	1,421,480	1,293,478	9.9
Intersegment eliminations	(893,531)	(722,875)	23.6	(1,647,392)	(1,398,669)	17.8
	$ 809,524	$ 676,595	19.6	$ 1,534,212	$ 1,369,024	12.1

	Three Months Ended June 30,			%	Six Months Ended June 30,			%
	2016		2015	Variance	2016		2015	Variance
Operating income (loss):								
Ethanol production	$ 10,555	$	34,192	(69.1%)	$ (22,696)	$	37,612	(160.3%)
Agribusiness	5,560		2,258	146.2	8,788		5,468	60.7
Marketing and distribution	10,626		3,453	207.7	8,656		7,858	10.2
Partnership	14,803		(5,284)	*	27,874		(10,432)	*
Intersegment eliminations	(3,754)		(1,303)	188.1	350		3,381	(89.6)
Corporate activities	(10,381)		(8,914)	16.5	(18,209)		(15,381)	18.4
	$ 27,409	$	24,402	12.3	$ 4,763	$	28,506	(83.3)

* Percentage variance not considered meaningful.

Three Months Ended June 30, 2016, compared with the Three Months Ended June 30, 2015

Consolidated Results

Consolidated revenues increased $143.2 million for the three months ended June 30, 2016, compared with the same period in 2015. Revenues from ethanol, corn oil and grain sales increased $103.4 million, $21.4 million and $11.0 million, respectively. Ethanol revenues were affected by increased volumes sold, partially offset by lower average realized prices. Corn oil and grain revenues were impacted by an increase in volumes sold.

Operating income increased $3.0 million for the three months ended June 30, 2016, compared with the same period last year primarily due to increased margins on merchant trading activity and cattle. Interest expense remained flat for the three months ended June 30, 2016, compared with the same period in 2015. Income tax expense was $5.5 million for the three months ended June 30, 2016, compared with $5.2 million for the same period in 2015.

The following discussion provides greater detail about our second quarter segment performance.

Ethanol Production Segment

Key operating data for our ethanol production segment is as follows:

	Three Months Ended June 30,		
	2016	2015	% Variance
Ethanol sold (thousands of gallons)	274,271	238,737	14.9%
Distillers grains sold (thousands of equivalent dried tons)	734	631	16.3
Corn oil sold (thousands of pounds)	64,514	62,355	3.5
Corn consumed (thousands of bushels)	95,638	84,162	13.6

Revenues in our ethanol production segment increased $50.8 million for the three months ended June 30, 2016, compared with the same period in 2015 primarily due to higher volumes produced and sold, partially offset by lower average ethanol and distillers grains prices realized. The increased volumes produced was due to the acquisition of the Hereford and Hopewell ethanol plants, which produced approximately 31.9 mmg during the three months ended June 30, 2016. Corn oil sold increased modestly for the second quarter of 2016 compared with the same period last year due to higher production levels. The average price realized for corn oil was approximately 3% lower for the second quarter of 2016, compared with the same period in 2015.

Cost of goods sold for our ethanol production segment increased $72.1 million for the three months ended June 30, 2016, compared with the same period last year due to higher production volumes and a 10% increase in average cost per bushel of corn during the three months ended June 30, 2016. As a result of the factors identified above, operating income decreased

$23.6 million for the three months ended June 30, 2016, compared with the same period in 2015. Depreciation and amortization expense for the segment was $15.2 million for the three months ended June 30, 2016, compared with $13.8 million for the same period last year.

Agribusiness Segment

Revenues in our agribusiness segment increased $128.6 million while operating income increased by $3.3 million for the three months ended June 30, 2016, compared with the same period in 2015. Grain revenues were impacted by increased volumes sold and increased average realized prices. We sold 99.0 million bushels of grain, including 95.5 million bushels to our ethanol production segment during the second quarter of 2016 compared with sales of 73.0 million bushels of grain, including 70.5 million bushels to our ethanol production segment during the same period last year. Cattle feedlot revenues increased due to a 47% increase in volumes sold during the second quarter of 2016 compared with the same quarter last year, partially offset by decreased average realized prices.

Marketing and Distribution Segment

Revenues in our marketing and distribution segment increased $114.9 million for the three months ended June 30, 2016, compared with the same period in 2015 due to increased ethanol and corn oil revenues of $110.2 million and $20.3 million, respectively, as a result of higher volumes sold, partially offset by decreased distillers grains revenues of $22.1 million as a result of decreased average realized prices. The marketing and distribution segment sold 355.7 mmg and 299.7 mmg of ethanol for the three months ended June 30, 2016 and 2015, respectively.

Operating income increased $7.2 million for the three months ended June 30, 2016, compared with the same period in 2015 primarily due to increased margins on merchant trading activity.

Partnership Segment

As a result of the IPO, the partnership segment received downstream ethanol transportation and storage assets. Expenses related to these contributed assets, such as depreciation, amortization and railcar lease expenses, are reflected retroactively in the partnership segment. No revenues related to the operation of the contributed ethanol storage and railcar assets are reflected in this segment for periods prior to its initial public offering on July 1, 2015, when the storage and transportation agreements became effective.

Revenues generated by our partnership segment from the new ethanol storage and railcar commercial agreements were approximately $21.8 million for the three months ended June 30, 2016. Operating income increased $20.1 million for the three months ended June 30, 2016, compared with the same period in 2015 due to revenues related to these commercial agreements, partially offset by increased operations and maintenance expenses of $1.4 million for the three months ended June 30, 2016. Operations and maintenance expenses increased primarily due to increased railcar lease and wages expenses, partially offset by lower terminal throughput unloading fees.

Intersegment Eliminations

Intersegment eliminations of revenues increased by $173.1 million for the three months ended June 30, 2016, compared with the same period in 2015 due to the following factors: increased ethanol sales from the ethanol production segment to the marketing and distribution segment of $44.3 million, increased corn sales from the agribusiness segment to the ethanol production segment of $112.8 million, increased corn sales from the marketing and distribution segment to the agribusiness segment of $12.5 million and increased transportation and storage fees from the partnership segment to the marketing and distribution segment of $21.8 million, partially offset by decreased distillers grains sales from the ethanol production segment to the marketing and distribution segment of $20.0 million.

Intersegment eliminations of operating income increased by $2.5 million for the three months ended June 30, 2016, compared with the same period in 2015 due primarily to a greater increase in average margins in the second quarter 2016 when compared to the same period in 2015. Ethanol is sold from the ethanol production segment to the marketing and distribution segment as it is produced and transferred into storage tanks located at each respective plant. The finished product is then sold by the marketing and distribution segment to external customers. Profit is recognized by the ethanol production segment upon sale to the marketing and distribution segment, but is eliminated from consolidated results until title to the product has been transferred to a third party.

Corporate Activities

Operating income was impacted by an increase in operating expenses for corporate activities of $1.5 million for the three months ended June 30, 2016, compared with the same period in 2015 primarily due to an increase in personnel costs and the consolidation of BioProcess Algae in the corporate activities segment.

Income Taxes

We recorded income tax expense of $5.5 million for the three months ended June 30, 2016, compared with $5.2 million for the same period in 2015. The effective tax rate (calculated as the ratio of income tax expense to income before income taxes) was approximately 29.6% for the three months ended June 30, 2016, compared with 40.1% for the same period in 2015. The decrease in the effective tax rate was due primarily to the impact of the noncontrolling interest in the partnership on the consolidated financial results.

Six Months Ended June 30, 2016, compared with the Six Months Ended June 30, 2015

Consolidated Results

Consolidated revenues increased $154.1 million for the six months ended June 30, 2016, compared with the same period in 2015. Revenues from ethanol, corn oil and cattle sales increased $158.2 million, $23.2 million and $19.9 million, respectively, while revenues from grain sales decreased $36.8 million. Ethanol revenues were affected by increased volumes sold, partially offset by lower average realized prices. Corn oil revenues were impacted by an increase in third-party volumes sold. Cattle revenues were impacted by higher volumes sold, partially offset by decreased average realized prices. Grain revenues were impacted by lower volumes sold.

Operating income decreased $23.7 million for the six months ended June 30, 2016, compared with the same period last year primarily due to decreased ethanol production margins. Interest expense increased $1.6 million for the six months ended June 30, 2016, compared with the same period in 2015 due to higher average debt balances outstanding, partially offset by lower borrowing costs. Income tax benefit was $9.4 million for the six months ended June 30, 2016, compared with income tax expense of $2.8 million for the same period in 2015.

The following discussion provides greater detail about our segment performance for the first six months of 2016.

Ethanol Production Segment

Key operating data for our ethanol production segment is as follows:

	Six Months Ended June 30,		
	2016	**2015**	**% Variance**
Ethanol sold (thousands of gallons)	521,226	471,230	10.6%
Distillers grains sold (thousands of equivalent dried tons)	1,381	1,260	9.6
Corn oil sold (thousands of pounds)	124,354	120,057	3.6
Corn consumed (thousands of bushels)	182,169	166,209	9.6

Revenues in our ethanol production segment increased $42.7 million for the six months ended June 30, 2016, compared with the same period in 2015 primarily due to higher volumes produced and sold, partially offset by lower average ethanol and distillers grains prices realized. The increased volumes produced was due to the acquisition of the Hereford and Hopewell ethanol plants, which produced approximately 56.3 mmg during the six months ended June 30, 2016. Corn oil sold increased modestly for the six months ended June 30, 2016, compared with the same period last year due to higher production levels. The average price realized for corn oil was approximately 12% lower for the six months ended June 30, 2016, compared with the same period in 2015.

Cost of goods sold for our ethanol production segment increased $97.3 million for the six months ended June 30, 2016, compared with the same period last year due to higher production volumes and a 6% increase in average cost per bushel of corn during the six months ended June 30, 2016. As a result of the factors identified above, operating income decreased $60.3 million for the six months ended June 30, 2016, compared with the same period in 2015. Depreciation and amortization expense for the segment was $30.9 million for the six months ended June 30, 2016, compared with $27.5 million for the same period last year.

Agribusiness Segment

Revenues in our agribusiness segment increased $192.8 million while operating income increased by $3.3 million for the six months ended June 30, 2016, compared with the same period in 2015. Grain revenues were impacted by increased volumes sold and increased average realized prices. We sold 186.9 million bushels of grain, including 182.0 million bushels to our ethanol production segment during the six months ended June 30, 2016, compared with sales of 143.4 million bushels of grain, including 139.0 million bushels to our ethanol production segment during the same period last year. Cattle feedlot revenues increased due to a 47% increase in volumes sold during the six months ended June 30, 2016, compared with the same period last year, partially offset by decreased average realized prices.

Marketing and Distribution Segment

Revenues in our marketing and distribution segment increased $127.8 million for the six months ended June 30, 2016, compared with the same period in 2015 due to increased ethanol and corn oil revenues of $173.4 million and $20.9 million, respectively, as a result of higher volumes sold, partially offset by decreased grain and distillers grains revenues of $30.8 million and $26.2 million, respectively. Grain revenues were impacted by lower volumes sold. Distillers grains revenues were impacted by lower average realized prices. The marketing and distribution segment sold 681.8 mmg and 575.6 mmg of ethanol for the six months ended June 30, 2016 and 2015, respectively.

Operating income increased $0.8 million for the six months ended June 30, 2016, compared with the same period in 2015 primarily due to increased margins on merchant trading activity.

Partnership Segment

As a result of the IPO, the partnership segment received downstream ethanol transportation and storage assets. Expenses related to these contributed assets, such as depreciation, amortization and railcar lease expenses, are reflected retroactively in the partnership segment. No revenues related to the operation of the contributed ethanol storage and railcar assets are reflected in this segment for periods prior to its initial public offering on July 1, 2015, when the storage and transportation agreements became effective.

Revenues generated by our partnership segment from the new ethanol storage and railcar commercial agreements were approximately $42.0 million for the six months ended June 30, 2016. Operating income increased $38.3 million for the six months ended June 30, 2016, compared with the same period in 2015 due to revenues related to these commercial agreements, partially offset by increased operations and maintenance expenses of $3.0 million for the six months ended June 30, 2016. Operations and maintenance expenses increased primarily due to increased railcar lease and wages expenses, partially offset by lower terminal throughput unloading fees.

Intersegment Eliminations

Intersegment eliminations of revenues increased by $251.8 million for the six months ended June 30, 2016, compared with the same period in 2015 due to the following factors: increased ethanol sales from the ethanol production segment to the marketing and distribution segment of $32.2 million, increased corn sales from the agribusiness segment to the ethanol production segment of $167.7 million, increased corn sales from the marketing and distribution segment to the agribusiness segment of $49.9 million and increased transportation and storage fees from the partnership segment to the marketing and distribution segment of $42.0 million, partially offset by decreased distillers grains sales from the ethanol production segment to the marketing and distribution segment of $31.6 million.

Intersegment eliminations of operating income increased by $3.0 million for the six months ended June 30, 2016, compared with the same period in 2015 due primarily to an increase in inventories during the first two quarters of 2016, compared with 2015. Ethanol is sold from the ethanol production segment to the marketing and distribution segment as it is produced and transferred into storage tanks located at each respective plant. The finished product is then sold by the marketing and distribution segment to external customers. Profit is recognized by the ethanol production segment upon sale to the marketing and distribution segment, but is eliminated from consolidated results until title to the product has been transferred to a third party.

Corporate Activities

Operating income was impacted by an increase in operating expenses for corporate activities of $2.8 million for the six months ended June 30, 2016, compared with the same period in 2015 primarily due to an increase in personnel costs and the consolidation of BioProcess Algae in the corporate activities segment.

Income Taxes

We recorded income tax benefit of $9.4 million for the six months ended June 30, 2016, compared with income tax expense of $2.8 million for the same period in 2015. The effective tax rate (calculated as the ratio of income tax expense to income before income taxes) was approximately 58.0% for the six months ended June 30, 2016, compared with 38.3% for the same period in 2015. The increase in the effective tax rate was due primarily to the impact of the noncontrolling interest in the partnership on the consolidated financial results.

EBITDA

We use EBITDA to compare the financial performance of our business segments and manage those segments. We believe EBITDA allows investors to compare our results with our peers and other companies. EBITDA should not be considered an alternative to, or more meaningful than, net income, which is prepared in accordance with GAAP. Since EBITDA calculations may vary from company to company, our computation of EBITDA may not be comparable with a similarly titled measure.

The reconciliation of net income to EBITDA is as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Net income (loss)	$ 12,985	$ 7,792	$ (6,831)	$ 4,474
Interest expense	10,499	10,564	21,297	19,722
Income tax expense (benefit)	5,471	5,222	(9,422)	2,775
Depreciation and amortization	18,701	16,165	36,846	32,012
EBITDA	$ 47,656	$ 39,743	$ 41,890	$ 58,983

Liquidity and Capital Resources

Our principal sources of liquidity include cash generated from operating activities and bank credit facilities. We fund our operating expenses and service debt primarily with operating cash flows. Capital resources for maintenance and growth expenditures are funded by a variety of sources, including cash generated from operating activities, borrowings under bank credit facilities, or issuance of senior notes or equity. Our ability to access capital markets for debt under reasonable terms depends on our financial condition, credit ratings and market conditions. We believe that our ability to obtain financing at reasonable rates and history of consistent cash flow from operating activities provide a solid foundation to meet our future liquidity and capital resource requirements.

On June 30, 2016, we had $386.9 million in cash and equivalents, excluding restricted cash, consisting of $265.0 million held at our parent company and the remainder held at our subsidiaries. We also had $182.4 million available under our revolving credit agreements, some of which were subject to restrictions or other lending conditions. Funds held by our subsidiaries are generally required for their ongoing operational needs and restricted from distribution. At June 30, 2016, our subsidiaries had approximately $692.9 million of net assets that were not available to us in the form of dividends, loans or advances due to restrictions contained in their credit facilities.

Net cash provided by operating activities was $2.8 million for the six months ended June 30, 2016, compared with $23.2 million for the same period in 2015. Operating activities were affected by decreased operating profits, a decrease in deferred income taxes and an increase in working capital for the six months ended June 30, 2016, primarily consisting of an increase in accounts receivable and a decrease in accounts payable, partially offset by a decrease in inventories. Net cash used by investing activities was $48.0 million for the six months ended June 30, 2016, due primarily to capital expenditures at our ethanol plants and a $20.0 million deposit related to the asset purchase agreement with Abengoa Bioenergy of Illinois, LLC and Abengoa Bioenergy of Indiana, LLC to acquire two ethanol plants. The deposit is fully refundable if we are not the successful bidder at the auction. Net cash provided by financing activities was $47.3 million for the six months ended June 30, 2016. Effective January 1, 2016, the partnership acquired the storage and transportation assets of the Hereford and Hopewell ethanol plants and borrowed $48.0 million on its revolving credit facility and used cash on hand to fund the purchase of the assets. Additionally, Green Plains Trade, Green Plains Cattle and Green Plains Grain use revolving credit facilities to finance working capital requirements. We frequently draw from and repay these facilities which results in significant cash movements reflected on a gross basis within financing activities as proceeds from and payments on short-term borrowings.

We incurred capital expenditures of $26.5 million in the first six months of 2016 for various maintenance and expansion projects. Capital spending for the remainder of 2016 is expected to be approximately $25.5 million for various projects, and is expected to be financed with available borrowings under our credit facilities and cash provided by operating activities.

We have paid a quarterly cash dividend since August 2013 and anticipate declaring a cash dividend in future quarters on a regular basis. Future declarations of dividends, however, are subject to board approval and may be adjusted as our cash position, business needs or market conditions change. On May 11, 2016, our board of directors declared a quarterly cash dividend of $0.12 per share. The dividend was paid on June 17, 2016, to shareholders of record at the close of business on May 27, 2016.

For each calendar quarter commencing with the quarter ended September 30, 2015, the partnership agreement requires us to distribute all available cash, as defined, to our partners within 45 days after the end of each calendar quarter. Available cash generally means all cash and cash equivalents on hand at the end of that quarter less cash reserves established by our general partner plus all or any portion of the cash on hand resulting from working capital borrowings made subsequent to the end of that quarter. On July 20, 2016, the board of directors of the general partner of the partnership declared a cash distribution of $0.41 per unit on outstanding common and subordinated units. The distribution is payable on August 12, 2016, to unitholders of record at the close of business on August 5, 2016.

In August 2014, we announced a share repurchase program of up to $100 million of our common stock. Under the program, we may repurchase shares in open market transactions, privately negotiated transactions, accelerated share buyback programs, tender offers or by other means. The timing and amount of repurchase transactions are determined by our management based on market conditions, share price, legal requirements and other factors. The program may be suspended, modified or discontinued at any time without prior notice. We repurchased 323,290 shares of common stock for approximately $6.0 million under the program during the second quarter of 2016. To date, we have repurchased 514,990 shares of common stock for approximately $10.0 million under the program.

We believe we have sufficient working capital for our existing operations. A sustained period of unprofitable operations, however, may strain our liquidity making it difficult to maintain compliance with our financing arrangements. We may sell additional equity or borrow capital to improve or preserve our liquidity, expand our business or build additional or acquire existing businesses. We cannot provide assurance that we will be able to secure funding necessary for additional working capital or these projects at reasonable terms, if at all.

Debt

For additional information related to our debt, see *Note 9 – Debt* included as part of the notes to consolidated financial statements and *Note 11 – Debt* included as part of the notes to consolidated financial statements included in our annual report on Form 10-K for the year ended December 31, 2015.

We were in compliance with our debt covenants at June 30, 2016. Based on our forecasts and the current margin environment, we believe we will maintain compliance at each of our subsidiaries for the next twelve months or have sufficient liquidity available on a consolidated basis to resolve noncompliance. We cannot provide assurance that actual results will approximate our forecasts or that we will inject the necessary capital into a subsidiary to maintain compliance with its respective covenants. In the event a subsidiary is unable to comply with its debt covenants, the subsidiary's lenders may determine that an event of default has occurred, and following notice, the lenders may terminate the commitment and declare the unpaid balance due and payable.

Effective January 1, 2016, we adopted ASC 835-30, *Interest - Imputation of Interest: Simplifying the Presentation of Debt Issuance Costs*, which resulted in the reclassification of approximately $11.4 million from other assets to long-term debt within the balance sheet as of December 31, 2015. As of June 30, 2016, there was $10.1 million of debt issuance costs recorded as a direct reduction of the carrying value of our long-term debt.

Ethanol Production Segment

Green Plains Processing has a $345.0 million senior secured credit facility which matures in June of 2020. At June 30, 2016, the outstanding principal balance was $313.6 million and our interest rate was 6.5%.

We also have small equipment financing loans, capital leases on equipment or facilities, and other forms of debt financing.

Agribusiness Segment

Green Plains Grain has a $125.0 million senior secured asset-based revolving credit facility to finance working capital up to the maximum commitment based on eligible collateral. This facility can be increased by up to $75.0 million with agent approval and up to $50.0 million for seasonal borrowings. Total commitments outstanding under the facility cannot exceed $250.0 million. At June 30, 2016, the outstanding principal balance was $84.5 million on the facility and our interest rate was 5.1%. On July 27, 2016, Green Plains Grain amended its existing $125.0 million senior secured asset-based revolving credit facility. The amended facility matures on July 26, 2019.

Green Plains Cattle has a $100.0 million senior secured asset-based revolving credit facility to finance working capital up to the maximum commitment based on eligible collateral. The facility matures in October of 2017. At June 30, 2016, the outstanding principal balance was $65.9 million on the facility and our interest rate was 2.8%.

Marketing and Distribution Segment

Green Plains Trade has a $150.0 million senior secured asset-based revolving credit facility to finance working capital up to the maximum commitment based on eligible collateral. The facility matures in November of 2019. At June 30, 2016, the outstanding principal balance was $95.2 million on the facility and our interest rate was 3.1%.

Partnership Segment

Green Plains Partners, through a wholly owned subsidiary, has a $100.0 million secured revolving credit facility to fund working capital, acquisitions, distributions, capital expenditures and other general partnership purposes. This facility can be increased by up to $50.0 million without the consent of the lenders. The facility matures in July of 2020. At June 30, 2016, the outstanding principal balance was $47.0 million on the facility and our interest rate was 2.5%.

Corporate Activities

In September 2013, we issued $120.0 million of 3.25% convertible senior notes due in 2018, which are senior, unsecured obligations with interest payable on April 1 and October 1 of each year. Prior to April 1, 2018, the notes are not convertible unless certain conditions are satisfied. The conversion rate is subject to adjustment when the quarterly cash dividend exceeds $0.04 per share. The conversion rate was recently adjusted as of June 30, 2016 to 49.0976 shares of common stock per $1,000 of principal, which is equal to a conversion price of approximately $20.37 per share. We intend to repay the notes with cash for the principal, and cash or common stock for the conversion premium.

Contractual Obligations

Contractual obligations as of June 30, 2016, were as follows (in thousands):

	Payments Due By Period				
Contractual Obligations	**Total**	**Less Than 1 Year**	**1-3 Years**	**3-5 Years**	**More Than 5 Years**
Long-term and short-term debt obligations (1)	$ 753,030	$ 250,170	$ 129,311	$ 351,908	$ 21,641
Interest and fees on debt obligations (2)	117,870	36,029	48,270	22,688	10,883
Operating lease obligations (3)	101,536	28,925	38,593	18,281	15,737
Other	7,198	1,773	1,165	2,765	1,495
Purchase obligations:					
Forward grain purchase contracts (4)	309,115	298,481	6,050	2,167	2,417
Other commodity purchase contracts (5)	135,920	135,920	-	-	-
Other	121	49	70	2	-
Total contractual obligations	$ 1,424,790	$ 751,347	$ 223,459	$ 397,811	$ 52,173

(1) Includes the current portion of long-term debt and excludes the effect of any debt discounts and issuance costs.

(2) Interest amounts are calculated over the terms of the loans using current interest rates, assuming scheduled principal and interest amounts are paid pursuant to the debt agreements. Includes administrative and/or commitment fees on debt obligations.

(3) Operating lease costs are primarily for railcars and office space.

(4) Purchase contracts represent index-priced and fixed-price contracts. Index purchase contracts are valued at current quarter-end prices.

(5) Includes fixed-price ethanol, dried distillers grains and natural gas purchase contracts.

Critical Accounting Policies and Estimates

Key accounting policies, including those relating to revenue recognition, depreciation of property and equipment, asset retirement obligations, impairment of long-lived assets and goodwill, derivative financial instruments, and accounting for income taxes, are impacted significantly by judgments, assumptions and estimates used in the preparation of the consolidated financial statements. Information about our critical accounting policies and estimates are included in our annual report on Form 10-K for the year ended December 31, 2015.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements other than the operating leases, which are entered into during the ordinary course of business and disclosed in the *Contractual Obligations* section above.

Item 3. Qualitative and Quantitative Disclosures About Market Risk.

We use various financial instruments to manage and reduce our exposure to various market risks, including changes in commodity prices and interest rates. We conduct all of our business in U.S. dollars and are not currently exposed to foreign currency risk.

Interest Rate Risk

We are exposed to interest rate risk through our loans which bear interest at variable rates. Interest rates on our variable-rate debt are based on the market rate for the lender’s prime rate or LIBOR. A 10% increase in interest rates would affect our interest cost by approximately $3.1 million per year. At June 30, 2016, we had $730.7 million in debt, $598.2 million of which had variable interest rates.

See *Note 9 – Debt* included as part of the notes to consolidated financial statements for more information about our debt.

Commodity Price Risk

Our business is highly sensitive to commodity price risk, particularly for ethanol, distillers grains, corn oil, corn and natural gas. Corn prices are affected by weather conditions, yield, changes in domestic and global supply and demand, and government programs and policies. Natural gas prices are influenced by severe weather in the summer and winter and hurricanes in the spring, summer and fall. Other factors include North American exploration and production, and the amount of natural gas in underground storage during injection and withdrawal seasons. Ethanol prices are sensitive to world crude oil supply and demand, the price of crude oil, gasoline and corn, the price of substitute fuels, refining capacity and utilization, government regulation and consumer demand for alternative fuels. Distillers grains prices are impacted by livestock numbers on feed, prices for feed alternatives and supply, which is associated with ethanol plant production.

To reduce the risk associated with fluctuations in the price of corn, natural gas, ethanol, distillers grains and corn oil, at times we use forward fixed-price physical contracts and derivative financial instruments, such as futures and options executed on the Chicago Board of Trade and the New York Mercantile Exchange. We focus on locking in favorable operating margins, when available, using a model that continually monitors market prices for corn, natural gas and other inputs relative to the price for ethanol and distillers grains at each of our production facilities. We create offsetting positions using a combination of forward fixed-price purchases, sales contracts and derivative financial instruments. As a result, we frequently have gains on derivative financial instruments that are offset by losses on forward fixed-price physical contracts or inventories and vice versa.

Ethanol Production Segment

In the ethanol production segment, net gains and losses from settled derivative instruments are offset by physical commodity purchases or sales to achieve the intended operating margins. Our results are impacted when there is a mismatch of gains or losses associated with the derivative instrument during a reporting period when the physical commodity purchases or sale has not yet occurred. During the three and six months ended June 30, 2016, revenues included net losses of $3.1 million and $7.4 million, respectively, and cost of goods sold included net losses of $6.6 million and $4.8 million, respectively, associated with derivative financial instruments.

Our exposure to market risk, which includes the impact of our risk management activities resulting from our fixed-price purchase and sale contracts and derivatives, is based on the estimated net income effect resulting from a hypothetical 10% change in price for the next 12 months starting on June 30, 2016, are as follows (in thousands):

Commodity	Estimated Total Volume Requirements for the Next 12 Months (1)	Unit of Measure	Net Income Effect of Approximate 10% Change in Price
Ethanol	1,215,000	Gallons	$ 100,673
Corn	430,000	Bushels	$ 86,796
Distillers grains	3,400	Tons (2)	$ 25,569
Corn Oil	278,000	Pounds	$ 4,159
Natural gas	33,300	mmBTU (3)	$ 4,794

(1) Estimated volumes reflect anticipated expansion of production capacity at our ethanol plants and assumes production at full capacity.
(2) Distillers grains quantities are stated on an equivalent dried ton basis.
(3) Millions of BTU's.

Agribusiness Segment

In the agribusiness segment, our inventories, physical purchase and sale contracts and derivatives are marked to market. To reduce commodity price risk caused by market fluctuations for purchase and sale commitments of grain and cattle, and grain held in inventory, we enter into exchange-traded futures and options contracts that serve as economic hedges.

The market value of exchange-traded futures and options used for hedging are highly correlated with the underlying market value of grain inventories and related purchase and sale contracts for grain and cattle. The less correlated portion of inventory and purchase and sale contract market values, known as basis, is much less volatile than the overall market value of exchange-traded futures and tends to follow historical patterns. We manage this less volatile risk by constantly monitoring our position relative to the price changes in the market. Inventory values are affected by the month-to-month spread in the futures markets. These spreads are also less volatile than overall market value of our inventory and tend to follow historical patterns, but cannot be mitigated directly. Our accounting policy for futures and options, as well as the underlying inventory held for sale and purchase and sale contracts, is to reflect their current market values and include gains and losses in the consolidated statement of operations.

Our daily net commodity position consists of inventories related to purchase and sale contracts and exchange-traded contracts. The fair value of our position was approximately $1.8 million for grain and $15.1 million for cattle at June 30, 2016. Our market risk at that date, based on the estimated net income effect resulting from a hypothetical 10% change in price, was approximately $0.1 million for grain and $0.9 million for cattle.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures designed to ensure information that must be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, as appropriate, to allow timely decisions regarding required financial disclosure.

Under the supervision of and participation of our chief executive officer and chief financial officer, management carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2015, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act and concluded that our disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

Management is responsible for establishing and maintaining effective internal control over financial reporting to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of our consolidated financial statements for external purposes in accordance with U.S. generally accepted accounting principles. There were no material changes in our internal control over financial reporting that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

We are currently involved in litigation that has arisen during the ordinary course of business. We do not believe this litigation will have a material adverse effect on our financial position, results of operations or cash flows.

Item 1A. Risk Factors.

Investors should carefully consider the discussion of risks and the other information in our annual report on Form 10-K for the year ended December 31, 2015, including the risk factors discussion in Part I, Item 1A, "Risk Factors," and the discussion of risks and other information in this report, including "Cautionary Information Regarding Forward-Looking Statements," which is included in Part I, Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations." Investors should also carefully consider the discussion of risks with the partnership under the heading "Risk Factors" and other information in their annual report on Form 10-K for the year ended December 31, 2015. Although we have attempted to discuss key factors, our investors need to be aware that other risks may prove to be important in the future. New risks may emerge at any time and we cannot predict such risks or estimate the extent to which they may affect our financial performance.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Employees surrender shares when restricted stock grants are vested to satisfy statutory minimum required payroll tax withholding obligations.

The following table lists the shares that were surrendered during the second quarter of 2016:

Period	Total Number of Shares Withheld for Employee Awards	Average Price Paid per Share
April 1 - April 30	-	$ -
May 1 - May 31	3,282	15.83
June 1 - June 30	-	-
Total	3,282	$ 15.83

In August 2014, we announced a share repurchase program of up to $100 million of our common stock. Under this program, we may repurchase shares in open market transactions, privately negotiated transactions, accelerated buyback programs, tender offers or by other means. The timing and amount of the transactions are determined by management based on its evaluation of market conditions, share price, legal requirements and other factors. The program may be suspended, modified or discontinued at any time, without prior notice.

The following table lists the shares repurchased under the share repurchase program during the second quarter of 2016.

Period	Number of Shares Repurchased	Average Price Paid per Share	Total Number of Shares Repurchased as Part of Repurchase Program	Approximate Dollar Value of Shares that may yet be Repurchased under the Program (in thousands)
April 1 - April 30	-	$ -	191,700	$ 95,997
May 1 - May 31	166,343	18.09	358,043	92,983
June 1 - June 30	156,947	19.04	514,990	89,993
Total	323,290	$ 18.55	514,990	$ 89,993

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit Index

Exhibit No.	Description of Exhibit
2.1	Asset Purchase Agreement, dated June 12, 2016, by and among Green Plains Inc. and Abengoa Bioenergy of Illinois, LLC and Abengoa Bioenergy of Indiana, LLC (incorporated by reference to Exhibit 2.1 to the company's Current Report on Form 8-K dated June 13, 2016)
10.1	Amendment No. 1 to Rail Transportation Services Agreement, dated September 1, 2015, by and between Green Plains Logistics LLC and Green Plains Trade Group LLC
10.2	Clarifying Amendment to Ethanol Storage and Throughput Agreement, dated January 4, 2016, by and between Green Plains Ethanol Storage LLC and Green Plains Trade Group LLC
10.3	Correction to Rail Transportation Services Agreement, dated May 12, 2016, by and between Green Plains Logistics LLC and Green Plains Trade Group LLC
*10.4	Director Compensation Program effective May 11, 2016
10.5	Fifth Amendment to Credit Agreement, dated June 1, 2015, by and among Green Plains Grain Company LLC (including in its capacity as successor by merger to Green Plains Essex Inc.), Green Plains Grain Company TN LLC, BNP Paribas, as the administrative agent under the Credit Agreement, and the lenders party to the Credit Agreement
10.6	Sixth Amendment to Credit Agreement, dated January 5, 2016, by and among Green Plains Grain Company LLC (including in its capacity as successor by merger to Green Plains Essex Inc.), Green Plains Grain Company TN LLC, BNP Paribas, as the administrative agent under the Credit Agreement, and the lenders party to the Credit Agreement
10.7	Seventh Amendment to Credit Agreement, dated July 27, 2016, by and among Green Plains Grain Company LLC (including in its capacity as successor by merger to Green Plains Essex Inc.), Green Plains Grain Company TN LLC, BNP Paribas, as the administrative agent under the Credit Agreement, and the lenders party to the Credit Agreement
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101	The following information from Green Plains Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2016, formatted in Extensible Business Reporting Language (XBRL): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Income, (iv) Consolidated Statements of Cash Flows, and (v) the Notes to Consolidated Financial Statements

* Represents management compensatory contracts

SIGNATURES

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

GREEN PLAINS INC.
(Registrant)

Date: August 3, 2016	By: */s/ Todd A. Becker* _ Todd A. Becker President and Chief Executive Officer (Principal Executive Officer)
Date: August 3, 2016	By: */s/ Jerry L. Peters* _ Jerry L. Peters Chief Financial Officer (Principal Financial Officer)

Exhibit 10.1

AMENDMENT NO. 1 TO RAIL TRANSPORTATION SERVICES AGREEMENT

THIS AMENDMENT NO. 1 TO RAIL TRANSPORTATION SERVICES AGREEMENT (this "Agreement"), is entered into and effective as of the 1st day of September, 2015 (the "Effective Date"), by and between Green Plains Logistics LLC (the "Operator") and Green Plains Trade Group LLC (the "Customer"). Customer and Operator are sometimes referred to in this Agreement as the "Parties" and individually as a "Party."

WHEREAS, Operator wishes to amend the Rail Transportation Services Agreement effective July 1, 2015 between the Parties (the "Agreement") on the terms and conditions set forth herein, and may further amend the Agreement and desires to do so each time with the addition of an additional Exhibit D. Terms used herein not defined herein shall have the meaning set forth in the Agreement.

NOW, THEREFORE, in consideration of the mutual premises of the parties and covenants and conditions hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. Section 1.e. of the Agreement is hereby replaced in its entirety with the following:

e. Minimum Capacity Commitment: During each month of the Term, Operator will provide to Customer the minimum railcar volumetric capacity for such month, measured in gallons, described in each Exhibit D (each, the "Minimum Capacity Commitment"). Customer shall have the right to deliver the applicable Minimum Capacity Commitment at Loading Points each calendar day during the Term subject to all other terms and conditions in this Agreement. In the event Customer has additional Customer Product available to ship during a month, Customer will notify Operator of the availability of such Customer Product. Operator will use its best efforts to accommodate such additional Customer Product over and above the applicable Minimum Capacity Commitment, and Customer and Operator will negotiate in good faith the terms of providing Rail Services with respect to such additional Customer Product.

2. Section 1.f. of the Agreement is hereby replaced in its entirety with the following:

f. Reports: Within 10 days after the end of each month, during the Term, Operator shall notify Customer of any decreases in the railcar volumetric capacity that Operator can make available to Customer as a result of the expiration of existing Railcar leases. Upon delivery of such notice, the applicable Minimum Capacity Commitment per Exhibit shall be reduced as reflected on each Exhibit D (with respect to each Exhibit, the "Adjusted Minimum Capacity Commitment").

3. Section 3.a.i. of the Agreement is hereby replaced in its entirety with the following:

a. Rail Transportation Services:

i. Each month, Customer shall pay to Operator a fee for Rail Services with respect to railcar volumetric capacity provided by Operator in an amount equal to: (i) the Adjusted Minimum Capacity Commitment per Exhibit D, stated in gallons, multiplied by (ii) the amount set forth in each Exhibit D, divided by (iii) 365, multiplied by (iv) the number of days in the month (collectively the "Rail Transportation Services Fee").

4. Section 16 of the Agreement is hereby replaced in its entirety with the following:

16. Amendment and Waiver. Except as otherwise provided herein, no modification, amendment or waiver of any provision of this Agreement shall be effective against either party unless such modification, amendment or waiver is approved in writing and countersigned by each party hereto. The failure of any party to enforce any of the provisions of this Agreement shall in no way be construed as a waiver of such provisions and shall not affect the right of such party thereafter to enforce each and every provision of this Agreement in accordance with its terms. The addition of any person as a party to this Agreement shall not constitute a modification or amendment to any provision of this Agreement. The parties may amend the Agreement with just the addition of an additional Exhibit D, signed by the Parties, when Operator has added cars that Customer has agreed to utilize pursuant to the terms hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first above written.

OPERATOR: GREEN PLAINS LOGISTICS LLC

Signature: /s/ Michelle Mapes
Print Name: Michelle Mapes
Title: Executive Vice President – General Counsel & Corporate Secretary

CUSTOMER: GREEN PLAINS TRADE GROUP LLC

Signature: /s/ Michelle Mapes
Print Name: Michelle Mapes
Title: Executive Vice President – General Counsel & Corporate Secretary

EXHIBIT D

Effective July 1, 2015
MINIMUM CAPACITY COMMITMENT

Period	Minimum Capacity Commitment (millions of gallons)
July 2015	66.30
August 2015	66.30
September 2015	63.99
October 2015	63.99
November 2015	63.99
December 2015	63.99
January 2016	63.24
February 2016	63.24
March 2016	63.24
April 2016	63.24
May 2016	62.97
June 2016	61.20
July 2016	61.20
August 2016	61.20
September 2016	58.20
October 2016	57.09
November 2016	36.78
December 2016	36.48
January 2017	36.48
February 2017	36.48
March 2017	35.43
April 2017	35.43
May 2017	35.43
June 2017	35.43
July 2017	35.43
August 2017	35.43
September 2017	33.12
October 2017	33.12
November 2017	33.12
December 2017	33.12
January 2018	33.12
February 2018	33.12
March 2018	28.62
April 2018	28.05
May 2018	26.25
June 2018	26.25
July 2018	26.25
August 2018	26.25
September 2018	26.25
October 2018	26.25
November 2018	26.25
December 2018	26.25
January 2019	26.25
February 2019	26.25

March 2019	24.75
April 2019	24.75
May 2019	24.75
June 2019	22.35
July 2019	16.65
August 2019	16.65
September 2019	16.65
October 2019	16.65
November 2019	16.65
December 2019	16.65
January 2020	16.65
February 2020	16.65
March 2020	16.65
April 2020	16.65
May 2020	16.65
June 2020	16.65
July 2020	16.65
August 2020	16.65
September 2020	16.65
October 2020	16.65
November 2020	15.66
December 2020	8.16
January 2021	5.22
February 2021	5.22
March 2021	5.22
April 2021	5.22
May 2021	5.22
June 2021	0.72
July 2021	0.72
August 2021	0.72
September 2021	0.72
October 2021	0.72
November 2021	0.72
December 2021	0.72
January 2022	0.72
February 2022	0.72
March 2022	0.72
April 2022	0.72
May 2022	0.72
June 2022	0.72
July 2022	0.72
August 2022	0.72
September 2022	0.72
October 2022	0.72
November 2022	0.72
December 2022	0.72
January 2023	0.72
February 2023	0.72
March 2023	0.72
April 2023	0.72
May 2023	0.72
June 2023	0.72
July 2023	0.72

August 2023	0.72
September 2023	0.72
October 2023	0.72
November 2023	0.72
December 2023	0.72
January 2024	0.72
February 2024	0.72
March 2024	0.72
April 2024	0.72
May 2024	0.72
June 2024	0.72
July 2024	0.72
August 2024	0.72
September 2024	0.72
October 2024	0.72
November 2024	0.72
December 2024	0.72
January 2025	0.72
February 2025	0.72
March 2025	0.72
April 2025	-

Rail Transportation Services Fee Rate: $0.432658

EXHIBIT D

Effective September 1, 2015
MINIMUM CAPACITY COMMITMENT

Period	Minimum Capacity Commitment (millions of gallons)
September 2015	2.31
October 2015	2.31
November 2015	2.31
December 2015	2.31
January 2016	2.31
February 2016	2.31
March 2016	2.31
April 2016	2.31
May 2016	2.31
June 2016	2.31
July 2016	2.31
August 2016	2.31
September 2016	0

Rail Transportation Services Fee Rate: $0.33839

Agreed to by:

OPERATOR: GREEN PLAINS LOGISTICS LLC

Signature: /s/ Michelle Mapes
Print Name: Michelle Mapes
Title: Executive Vice President – General Counsel & Corporate Secretary

CUSTOMER: GREEN PLAINS TRADE GROUP LLC

Signature: /s/ Michelle Mapes
Print Name: Michelle Mapes
Title: Executive Vice President – General Counsel & Corporate Secretary

Exhibit 10.2

CLARIFYING AMENDMENT TO ETHANOL STORAGE AND THROUGHPUT AGREEMENT

THIS CLARIFYING AMENDMENT to the ETHANOL STORAGE AND THROUGHPUT AGREEMENT (this "Agreement"), is entered into this 4th day of January, 2016 and effective as of the 1st day of July, 2015 (the "Effective Date"), by and between Green Plains Ethanol Storage LLC (the "Operator") and Green Plains Trade Group LLC (the "Customer"). Customer and Operator are sometimes referred to in this Agreement as the "Parties" and individually as a "Party."

WHEREAS, Operator and Customer intended that the Product definition not differentiate between fuel or industrial grade, and denatured or un-denatured product. Terms used herein not defined herein shall have the meaning set forth in the Agreement;

NOW, THEREFORE, in consideration of the mutual premises of the parties and covenants and conditions hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. The second "WHEREAS" clause shall be modified so that "Product" shall mean Customer's fuel or industrial grade ethanol, whether denatured or un-denatured.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first above written.

OPERATOR: GREEN PLAINS ETHANOL STORAGE LLC

Signature: /s/ Jerry Peters
Print Name: Jerry Peters
Title: Chief Financial Officer

CUSTOMER: GREEN PLAINS TRADE GROUP LLC

Signature: /s/ Jerry Peters
Print Name: Jerry Peters
Title: Chief Financial Officer

EXHIBIT G
TERMINAL DESCRIPTION

Location/Terminals	Minimum Throughput (mmg per calendar quarter)	Ethanol Storage Capacity (mmg)	Tank Bottoms (in gallons)
Atkinson, Nebraska	9.38	2.074	363,000
Bluffton, Indiana	27.90	3.000	277,170
Central City, Nebraska	22.75	2.250	300,000
Fairmont, Minnesota	21.56	3.124	275,000
Hereford, Texas	21.25	4.406	642,600
Hopewell, Virginia	12.75	.761	166,600
Lakota, Iowa	18.75	2.500	300,000
Obion, Tennessee	27.96	3.000	250,000
Ord, Nebraska	11.00	1.550	150,000
Otter Tail, Minnesota	9.75	2.000	250,000
Riga, Michigan	13.95	1.239	190,000
Shenandoah, Iowa	15.11	1.524	150,000
Superior, Iowa	11.10	1.238	228,000
Wood River, Nebraska	23.29	3.124	280,000

EXHIBIT H

ETHANOL PRODUCTION FACILITIES

Ethanol Production Plant Location
Atkinson, Nebraska
Bluffton, Indiana
Central City, Nebraska
Fairmont, Minnesota
Hereford, Texas
Hopewell, Virginia
Lakota, Iowa
Obion, Tennessee
Ord, Nebraska
Otter Trail, Minnesota
Riga, Michigan
Shenandoah, Iowa
Superior, Iowa
Wood River, Nebraska

CORRECTION TO RAIL TRANSPORTATION SERVICES AGREEMENT

THIS CORRECTION to the RAIL TRANSPORTATION SERVICES AGREEMENT (this "Agreement"), is entered into this 12th day of May, 2016 and is effective as of the 1st day of July, 2015 (the "Effective Date"), by and between Green Plains Logistics LLC (the "Operator") and Green Plains Trade Group LLC (the "Customer"). Customer and Operator are sometimes referred to in this Agreement as the "Parties" and individually as a "Party."

WHEREAS, the parties recognize a scrivener's error in the Agreement and desire to correct such error to reflect the intent of the parties. Terms used herein not defined herein shall have the meaning set forth in the Agreement.

NOW, THEREFORE, in consideration of the mutual premises of the parties and covenants and conditions hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. Section 3.c.i. of the Agreement is hereby modified as follows: The word "OR" shall be inserted after "regulations" and before "related" in Section 3.c.i.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first above written.

OPERATOR: GREEN PLAINS LOGISTICS LLC

Signature: /s/ Jerry Peters
Print Name: Jerry Peters
Title: Chief Financial Officer

CUSTOMER: GREEN PLAINS TRADE GROUP LLC

Signature: /s/ Jerry Peters
Print Name: Jerry Peters
Title: Chief Financial Officer

Exhibit 10.4

DIRECTOR COMPENSATION PROGRAM

Approved June 1, 2009; Effective January 1, 2009;

REVISED March 1, 2011, Effective January 1, 2011

REVISED Feb 5, 2014; Effective April 1, 2014 (for amounts payable on or after date)

REVISED May 11, 2016, for amounts payable on or after such date

ANNUAL CASH RETAINER: $75,000

Director may elect to take all or part of the retainer in shares of Company Stock. Directors will be responsible for taxes on all such amounts. If shares are elected for the cash portion of the retainer, they will be fully vested upon issuance.

SHARE AWARDS:

- Annual grant of $125,000 of restricted stock (RSAs) under 2009 Equity Incentive Plan
- RSA will vest one year from grant
- Awards will be made on the later of two business days following the annual meeting or the first quarter earnings release
- Awards in May 2015 shall be issued for directors (other than Edwards) so that awards are issued at the beginning of each term rather than at the end. In 2015, this will result in effectively a "double" issuance for such directors.

ADDITIONAL RETAINERS:

- Board Chair $20,000
- Audit Committee Chair $20,000
- Compensation Committee Chair $10,000
- Nominating Committee Chair $4,000

ELIMINATING:

- Per diems
- Committee secretary retainers
- All other retainers

OUT OF POCKET EXPENSES: Reimbursement of actual expenses for meetings and attendance at other board service events

EXECUTIVES: serving as directors will receive no director compensation or awards

STOCK OWNERSHIP GUIDELINES: Four times the annual share award retainer ($400,000)

Exhibit 10.5

FIFTH AMENDMENT TO
CREDIT AGREEMENT

This **FIFTH AMENDMENT TO CREDIT AGREEMENT** (this "Fifth Amendment") dated as of June 1, 2015 is among GREEN PLAINS GRAIN COMPANY LLC, a Delaware limited liability company (including in its capacity as successor by merger to Green Plains Essex Inc., an Iowa corporation) ("GPG") and GREEN PLAINS GRAIN COMPANY TN LLC, a Delaware limited liability company ("TN" and together with GPG, the "Borrower"), the Lenders party thereto and BNP PARIBAS, as Administrative Agent. Capitalized terms used herein and not otherwise defined herein shall have the meanings given to them in the Credit Agreement (as defined below).

W I T N E S S E T H:

WHEREAS, the Borrower, the Lenders, Sole Bookrunner, the Syndication Agent, the Administrative Agent, the Collateral Agent, the Swing Line Lender and the Issuing Lender are parties to a Credit Agreement dated as of October 28, 2011 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"); and

WHEREAS, the Borrower has requested certain amendments to the Credit Agreement, and the parties hereto have agreed to amend the Credit Agreement on the terms and conditions set forth herein.

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

SECTION 1. Amendments.

Upon the occurrence of the Effective Date (as defined in Section 2 below), the Credit Agreement is hereby amended as follows:

(a) The definition of "GPP Plant Entity Guarantee" in Section 1.1 of the Credit Agreement is amended and restated as follows:

""GPP Plant Entity Guarantee": each guaranty by a GPP Plant Entity of the Indebtedness of Green Plains Processing LLC ("GPP") under a Term Loan Agreement dated as of June 10, 2014 (as amended, supplemented or otherwise modified from time to time), among GPP, the lenders party thereto, Bank of Montreal and BNP Paribas Securities Corp. as joint lead arrangers and joint bookrunners and BNP Paribas as administrative agent and collateral agent."

(b) The definition of "LIBO Rate" is amended by inserting the following text at the end thereof: "Notwithstanding the foregoing, the LIBO Rate shall not at any time be less than zero percent (0.00%)."

(c) Section 7.1(a) is amended and restated in its entirety as follows:

"(a) as soon as available, but in any event not later than thirty (30) days after the end of each fiscal month of the Borrower (but in respect of the 3rd, 6th, 9th and 12th fiscal months of each year of the Borrower, not later than forty-five (45) days after the end of such month), a copy of the unaudited balance sheets of the Borrower on a combined and combining basis as of the end of such fiscal month and the related unaudited statements of income and retained earnings for such fiscal month and the portion of the Fiscal Year through the end of such fiscal month, setting forth in each case in comparative form the figures for the previous Fiscal Year, certified by a Responsible Officer as fairly presenting the Borrower's financial condition, results of operations and cash flows in accordance with GAAP (subject to normal year-end audit adjustments and absence of footnotes), along with a detailed written calculation of Working Capital of the Borrower as at the end of such fiscal month (in form and substance satisfactory to the Administrative Agent);"

SECTION 2. Effectiveness of Amendment.

This Fifth Amendment shall become effective on the date (the "Effective Date") on which each of the Borrower, the Administrative Agent, the Swing Line Lender, the Issuing Lender and the Required Lenders shall have duly executed this Fifth Amendment.

SECTION 3. Effect of Amendment; Ratification; Representations; etc.

(a) On and after the Effective Date, this Fifth Amendment shall be a part of the Credit Agreement, all references to the Credit Agreement in the Credit Agreement and the other Loan Documents shall be deemed to refer to the Credit Agreement as amended by this Fifth Amendment, and the term "this Agreement", and the words "hereof", "herein", "hereunder" and words of similar import, as used in the Credit Agreement, shall mean the Credit Agreement as amended hereby.

(b) Except as expressly set forth herein, this Fifth Amendment shall not constitute an amendment, waiver or consent with respect to any provision of the Credit Agreement and the Credit Agreement is hereby ratified, approved and confirmed in all respects.

(c) In order to induce the Administrative Agent and the Lenders to enter into this Fifth Amendment, each Borrower represents and warrants to the Administrative Agent and the Lenders that before and after giving effect to the execution and delivery of this Fifth Amendment:

(i) the representations and warranties of such Borrower set forth in the Credit Agreement and in the other Loan Documents are true and correct in all material respects as if made on and as of the date hereof, except for those representations and warranties that by their terms were made as of a specified date which were true and correct on and as of such date; and

(ii) no Default or Event of Default has occurred and is continuing.

(d) Notwithstanding anything to the contrary contained in the Credit Agreement or in any other Loan Document, any Collateral or Loan Document which is or may be released (or terminated) upon termination of all Commitments (among other things) shall not be released until the Seasonal Line Commitments are also terminated and all Seasonal Line Loans shall have been repaid in full.

SECTION 4. <u>Counterparts</u>.

This Fifth Amendment may be executed by one or more of the parties to this Fifth Amendment on any number of separate counterparts (including by facsimile or email transmission of signature pages hereto), and all of said counterparts taken together shall be deemed to constitute one and the same agreement. A set of the copies of this Fifth Amendment signed by all the parties shall be lodged with the Borrower and the Administrative Agent.

SECTION 5. <u>Severability</u>.

Any provision of this Fifth Amendment which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 6. <u>GOVERNING LAW</u>.

THIS FIFTH AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 7. <u>WAIVERS OF JURY TRIAL</u>.

EACH OF THE BORROWER, THE ADMINISTRATIVE AGENT AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS FIFTH AMENDMENT AND FOR ANY COUNTERCLAIM THEREIN.

[*Remainder of Page Intentionally Left Blank; Signature Pages Follow*]

IN WITNESS WHEREOF, the parties hereto have caused this Fifth Amendment to be duly executed as of the day and year first above written.

GREEN PLAINS GRAIN COMPANY LLC, as a Borrower

By: **Green Plains Inc., its sole member**

By: /s/ Jerry L. Peters
Name: Jerry Peters
Title: Chief Financial Officer

GREEN PLAINS GRAIN COMPANY TN LLC, as a Borrower

By: **Green Plains Grain Company LLC, its sole member**

By: /s/ Jerry L. Peters
Name: Jerry Peters
Title: Chief Financial Officer

BNP PARIBAS, as Administrative Agent, Swing Line Lender, Issuing Lender and a Lender

By: /s/ Karlien Zumpolle
Name: Karlien Zumpolle
Title: Director

By: /s/ Bradley Dingwall
Name: Bradley Dingwall
Title: Director

BANK OF THE WEST, as a Lender

By: /s/ Charles Greenway
Name: Charles Greenway
Title: Vice President

RABO AGRIFINANCE, INC., as a Lender

By: /s/ Judy Cochran
Name: Judy Cochran
Title: Assistant Vice President

FARM CREDIT BANK OF TEXAS, **as a Lender**

By: /s/ Alan Robinson
Name: Alan Robinson
Title: Vice President

MACQUARIE BANK LIMITED, **as a Lender**

By: /s/ Robert Trevena
Name: Robert Trevena
Title: Division Director

By: /s/ Nathan Booker
Name: Nathan Booker
Title: Division Director

(Macquarie POA Ref: #938 dated 22 November 2012, signed in Sydney)

ING CAPITAL LLC, as a Lender

By: /s/ Bill Redmond
Name: Bill Redmond
Title: Managing Director

By: /s/ Bennett C. Whitehurst
Name: Bennett C. Whitehurst
Title: Vice President

Exhibit 10.6

SIXTH AMENDMENT TO CREDIT AGREEMENT

This **SIXTH AMENDMENT TO CREDIT AGREEMENT** (this "Sixth Amendment") dated as of January 5, 2016 is among GREEN PLAINS GRAIN COMPANY LLC, a Delaware limited liability company (including in its capacity as successor by merger to Green Plains Essex Inc., an Iowa corporation) ("GPG") and GREEN PLAINS GRAIN COMPANY TN LLC, a Delaware limited liability company ("TN" and together with GPG, the "Borrower"), the Lenders party thereto and BNP PARIBAS, as Administrative Agent. Capitalized terms used herein and not otherwise defined herein shall have the meanings given to them in the Credit Agreement (as defined below).

W I T N E S S E T H:

WHEREAS, the Borrower, the Lenders, Sole Bookrunner, the Syndication Agent, the Administrative Agent, the Collateral Agent, the Swing Line Lender and the Issuing Lender are parties to a Credit Agreement dated as of October 28, 2011 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"); and

WHEREAS, the Borrower has requested certain amendments to the Credit Agreement, and the parties hereto have agreed to amend the Credit Agreement on the terms and conditions set forth herein.

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

SECTION 1. Amendments.

Upon the occurrence of the Effective Date (as defined in Section 2 below), the Credit Agreement is hereby amended as follows:

(a) The definition of "Macquarie Physical Repurchase Intercreditor Agreement" is inserted into Section 1.1 of the Credit Agreement in its appropriate alphabetical place as follows:

""Macquarie Physical Repurchase Intercreditor Agreement": means that certain letter agreement dated as of December __, 2015 by and among the Collateral Agent, Macquarie Physical Commodities, LLC and the Borrower, on terms and conditions acceptable to the Administrative Agent and the Required Lenders in their sole discretion, as may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof."

(b) The definition of "Repurchase Intercreditor Agreement" is amended and restated in its entirety as follows:

""Repurchase Intercreditor Agreement": means (a) the Macquarie Repurchase Intercreditor Agreement, (b) the Macquarie Physical Repurchase Intercreditor Agreement and (c) any intercreditor agreement entered into with an Approved Repurchase Contract Counterparty pursuant to Section 8.1(f), in each case, on terms and conditions acceptable to the Administrative Agent and the Required Lenders in their sole discretion, as may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof."

(c) Section 8.2(l) is amended and restated in its entirety as follows:

"(l) Liens securing Indebtedness permitted under Section 8.1(f) only on (i) the Inventory subject to such commodity repurchase agreements or (ii) in the case of the Macquarie Repurchase Intercreditor Agreement or the Macquarie Physical Repurchase Intercreditor Agreement, the "Collateral" as defined therein, provided, that the holder of any such Lien shall have entered into a Repurchase Intercreditor Agreement."

(d) Schedule 1.0F is amended and restated in its entirety as set forth on Annex A hereto.

SECTION 2. Effectiveness of Amendment.

This Sixth Amendment shall become effective on the date (the "Effective Date") on which:

(a) each of the Borrower, the Administrative Agent, the Swing Line Lender, the Issuing Lender and the Required Lenders shall have duly executed this Sixth Amendment;

(b) each of the Borrower, the Collateral Agent and Macquarie Physical Commodities, LLC shall have duly executed and delivered the Macquarie Physical Repurchase Intercreditor Agreement, on terms and conditions satisfactory to the Administrative Agent and the Required Lenders in their sole discretion; and

(c) the Borrower shall have delivered to the Administrative Agent such opinions of counsel and authorization and organizational documents, in each case as the Administrative Agent or the Lenders shall request.

SECTION 3. Effect of Amendment; Ratification; Representations; etc.

(a) On and after the Effective Date, this Sixth Amendment shall be a part of the Credit Agreement, all references to the Credit Agreement in the Credit Agreement and the other Loan Documents shall be deemed to refer to the Credit Agreement as amended by this Sixth Amendment, and the term "this Agreement", and the words "hereof", "herein", "hereunder" and words of similar import, as used in the Credit Agreement, shall mean the Credit Agreement as amended hereby.

(b) Except as expressly set forth herein, this Sixth Amendment shall not constitute an amendment, waiver or consent with respect to any provision of the Credit Agreement and the Credit Agreement is hereby ratified, approved and confirmed in all respects.

(c) In order to induce the Administrative Agent and the Lenders to enter into this Sixth Amendment, each Borrower represents and warrants to the Administrative Agent and the Lenders that before and after giving effect to the execution and delivery of this Sixth Amendment:

(i) the representations and warranties of such Borrower set forth in the Credit Agreement and in the other Loan Documents are true and correct in all material respects as if made on and as of the date hereof, except for those representations and warranties that by their terms were made as of a specified date which were true and correct on and as of such date; and

(ii) no Default or Event of Default has occurred and is continuing.

(d) Notwithstanding anything to the contrary contained in the Credit Agreement or in any other Loan Document, any Collateral or Loan Document which is or may be released (or terminated) upon termination of all Commitments (among other things) shall not be released until the Seasonal Line Commitments are also terminated and all Seasonal Line Loans shall have been repaid in full.

SECTION 4. Miscellaneous.

Notwithstanding anything to the contrary contained in Section 8.21 of the Credit Agreement, in connection with the effectiveness of this Sixth Amendment, the Borrower shall not be required to deliver a fully completed Borrowing Base Report as of the effective date of the commodity repurchase agreement entered into between Macquarie Physical Commodities, LLC and the Borrower.

SECTION 5. Counterparts.

This Sixth Amendment may be executed by one or more of the parties to this Sixth Amendment on any number of separate counterparts (including by facsimile or email transmission of signature pages hereto), and all of said counterparts taken together shall be deemed to constitute one and the same agreement. A set of the copies of this Sixth Amendment signed by all the parties shall be lodged with the Borrower and the Administrative Agent.

SECTION 6. Severability.

Any provision of this Sixth Amendment which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 7. GOVERNING LAW.

THIS SIXTH AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 8. WAIVERS OF JURY TRIAL.

EACH OF THE BORROWER, THE ADMINISTRATIVE AGENT AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS SIXTH AMENDMENT AND FOR ANY COUNTERCLAIM THEREIN.

[*Remainder of Page Intentionally Left Blank; Signature Pages Follow*]

IN WITNESS WHEREOF, the parties hereto have caused this Sixth Amendment to be duly executed as of the day and year first above written.

GREEN PLAINS GRAIN COMPANY LLC, as a Borrower

By: **Green Plains, Inc., its sole member**

By: /s/ Phil Boggs
Name: Phil Boggs
Title: VP, Finance & Treasurer

GREEN PLAINS GRAIN COMPANY TN LLC, as a Borrower

By: **Green Plains Grain Company LLC, its sole member**

By: /s/ Phil Boggs
Name: Phil Boggs
Title: VP, Finance & Treasurer

BNP PARIBAS, as Administrative Agent, Swing Line Lender, Issuing Lender and a Lender

By: /s/ Bradley Dingwall
Name: Bradley Dingwall
Title: Director

By: /s/ Deborah P. Whittle
Name: Deborah P. Whittle
Title: Director

BANK OF THE WEST, as a Lender

By: /s/ Charles Greenway
Name: Charles Greenway
Title: Vice President

RABO AGRIFINANCE, INC., as a Lender

By: /s/ Gretchen Eberly-White
Name: Gretchen Eberly-White
Title: Regional Vice President

FARM CREDIT BANK OF TEXAS, as a Lender

By: /s/ Alan Robinson
Name: Alan Robinson
Title: Vice President

MACQUARIE BANK LIMITED, as a Lender

By: /s/ Patrick Murphy
Name: Patrick Murphy
Title: Division Director

By: /s/ Kristen Adler
Name: Kristen Adler
Title: Associate Director

(Macquarie POA Ref: #938 dated 22 November 2012, signed in Sydney)

ING CAPITAL LLC, as a Lender

By: /s/ Daniel W. Lamprecht
Name: Daniel W. Lamprecht
Title: Managing Director

By: /s/ Bennett Whitehurst
Name: Bennett Whitehurst
Title: Vice President

ANNEX A TO SIXTH AMENDMENT

SCHEDULE 1.0F

Approved Repurchase Contract Counterparties

(a) PNC†

(b) Wells Fargo†

(c) Macquarie Commodities (USA) Inc.†

(d) BNP Paribas Securities Corp.†

(e) KOCH†

(f) Macquarie Physical Commodities, LLC and certain other Affiliates of Macquarie Physical Commodities, LLC, so long as the requirements of Section 8.21 of the Credit Agreement have been satisfied with respect to each such Affiliate.†

(g) Any other Approved Repurchase Contract Counterparties pre-approved by Agent and Required Lenders.

Exhibit 10.7

SEVENTH AMENDMENT TO CREDIT AGREEMENT AND RELEASE

This **SEVENTH AMENDMENT TO CREDIT AGREEMENT AND RELEASE** (this "Seventh Amendment") dated as of July 27, 2016 is among GREEN PLAINS GRAIN COMPANY LLC, a Delaware limited liability company (including in its capacity as successor by merger to Green Plains Essex Inc., an Iowa corporation, the "Borrower"), the Lenders party to the Credit Agreement (as defined below) and BNP PARIBAS, as Administrative Agent and acknowledged by Green Plains Grain Company TN LLC, a Delaware limited liability company ("TN"). Capitalized terms used herein and not otherwise defined herein shall have the meanings given to them in the Credit Agreement.

W I T N E S S E T H:

WHEREAS, the Borrower, TN, the Lenders (before giving effect to this Seventh Amendment), Sole Bookrunner, the Syndication Agent, the Administrative Agent, the Collateral Agent, the Swing Line Lender and the Issuing Lender are parties to a Credit Agreement dated as of October 28, 2011 (as amended, supplemented or otherwise modified from time to time prior to the Effective Date (as defined in Section 3 below), the "Existing Credit Agreement" and, as amended by this Seventh Amendment and as further amended, supplemented or otherwise modified from time to time, the "Credit Agreement");

WHEREAS, the New Lenders (as defined in Section 2 below) desire to become Lenders and to be bound by, and entitled to the benefits of, the provisions applicable to Lenders in the Credit Agreement and the other Loan Documents;

WHEREAS, the Increasing Lenders (as defined in Section 2 below) desire to increase their Commitments as set forth herein; and

WHEREAS, the Borrower has requested certain amendments to the Existing Credit Agreement, and the parties hereto have agreed to amend the Existing Credit Agreement on the terms and conditions set forth herein.

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

SECTION 1. Amendments.

Upon the occurrence of the Effective Date (as defined in Section 3 below), the Existing Credit Agreement is hereby amended as follows:

(a) Notwithstanding anything to the contrary contained in the Credit Agreement, from and after the Effective Date (as defined in Section 3 below), all references to the “Borrower” or the “Borrowers” set forth in the Credit Agreement shall be deemed to mean and refer only to Green Plains Grain Company LLC, a Delaware limited liability company.

(b) Section 1.1 is amended by inserting the following definitions in their proper alphabetical places:

“Aggregate Net Unrealized Forward Loss”: as of any date, assuming that each of the Forward Contracts was terminated or liquidated on that date, to the extent it results in a positive amount, the difference of (a) the absolute value of the aggregate Marked-to-Market Value of all Forward Contracts of the Borrower with a negative value, net of margin for those Forward Contracts consisting of cash and Cash Equivalents posted by the Borrower with any Forward Contract counterparties thereof and less any amounts available to be drawn by such counterparty under any Letter of Credit minus (b) the aggregate Marked-to-Market Value of all Forward Contracts of the Borrower with a positive value, net of (i) margin consisting of cash and Cash Equivalents held by the Borrower from any Forward Contract counterparties thereof and (ii) any claim of offset or other counterclaim known to the Borrower to exist or have been asserted in respect of those Forward Contracts by any Forward Contract counterparties of such Forward Contracts.

“Aggregate Plant Entity Cap”: $62,000,000.

“AML Laws”: means all laws, rules, and regulations of any jurisdiction applicable to any Agent, any Lender, the Borrower or the Borrower’s Subsidiaries from time to time concerning or relating to anti-money laundering.

“Anti-Corruption Laws”: means all laws, rules, and regulations of any jurisdiction applicable to the Borrower or the Borrower’s Subsidiaries from time to time concerning or relating to bribery or corruption.

“Bail-In Action”: the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

“Bail-In Legislation”: with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

“EEA Financial Institution”: means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent;

“EEA Member Country”: any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority": any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"EU Bail-In Legislation Schedule": the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

"Sanctions" means economic or financial sanctions or trade embargoes or restrictive measures enacted, imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, or the U.S. Department of Commerce, (b) the United Nations Security Council, (c) the European Union or any of its member states, (d) Her Majesty's Treasury, (e) Switzerland, or (f) any other relevant authority.

"Sanctioned Country" means, at any time, a country or territory which is, or whose government is, the subject or target of any Sanctions broadly restricting or prohibiting dealings with such country, territory or government (currently, Cuba, Iran, Burma, North Korea, Sudan and Syria).

"Sanctioned Person" means, at any time, any Person with whom dealings are restricted or prohibited under Sanctions, including (a) any Person listed in any Sanctions-related list of designated Persons maintained by the United States (including by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, or the U.S. Department of Commerce), the United Nations Security Council, the European Union or any of its member states, Her Majesty's Treasury, Switzerland or any other relevant authority, (b) any Person located, organized or resident in, or any Governmental Authority or governmental instrumentality of, a Sanctioned Country or (c) any Person 25% or more directly or indirectly owned by, controlled by, or acting for the benefit or on behalf of, any Person described in clauses (a) or (b) above.

"Utilization" means, at any time, the percentage determined by dividing the aggregate principal amount of Extensions of Credit then outstanding by the Total Commitment.

"Write-Down and Conversion Powers": with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

(c) Section 1.1 is further amended as follows:

(i) The definition of "Agent Fee Letter" is amended and restated as follows:

""Agent Fee Letter": the fee letter dated June 30, 2016 (as amended, supplemented or otherwise modified from time to time) among the Administrative Agent, the Lead Arranger, and the Borrower."

(ii) The definition of "Applicable Commitment Fee Rate" is amended and restated in its entirety as follows:

"“Applicable Commitment Fee Rate” : at all times when Utilization is (a) less than or equal to 60%, a rate equal to 0.50% per annum and (b) greater than 60%, a rate equal to 0.375% per annum (calculated daily).”

(iii) The definition of “Applicable Margin” is amended and restated in its entirety as follows:

"“Applicable Margin”: on any date with respect to each Type of Loan, the applicable rate per annum set forth below:

Type	Revolving/Seasonal Line Loan Margin
Base Rate Loans	2.00%
LIBO Rate Loans	3.00%.”

(iv) The definition of “Approved Repurchase Contract Counterparty” is amended and restated in its entirety as follows:

"“Approved Repurchase Contract Counterparty”: any Lender or any Affiliate of a Lender or any counterparty set forth on Schedule 1.0F that is party to a Commodity Contract for the repurchase of Grain Inventory and with respect to such Commodity Contracts.”

(v) The definition of “Borrowing Base” is amended and restated in its entirety as follows:

"“Borrowing Base”: at any time, the sum of:

(i) 100% of Eligible Cash Collateral, less unpaid checks, overdrafts, or other unpaid amounts related thereto for which any Person has a prior unpaid claim; plus

(ii) 100% of Eligible Net Liquidation Value in Lender Brokerage Accounts; plus

(iii) 90% of Eligible Net Liquidation Value in Third Party Brokerage Accounts; plus

(iv) 85% of Eligible Accounts Receivable; plus

(v) 90% Eligible Accounts Receivable that are backed by a letter of credit in a form and from an issuing bank, in each case, as approved by the Administrative Agent in its Permitted Discretion; plus

(vi) 90% of Eligible Grain Inventory evidenced by warehouse receipts in form and substance acceptable to the Administrative Agent, in its sole discretion; plus

(vii) 85% of Eligible Grain Inventory not evidenced by warehouse receipts; plus

(viii) 75% of Eligible Non-Grain Inventory, subject to permitted product approval by the Administrative Agent; plus

(ix) 85% of Eligible Affiliate Accounts Receivable; plus

(x) 85% of Eligible Grain Inventory In Transit; plus

(xi) 75% of Eligible Net Unrealized Gain on Forward Contracts; minus

(xii) 100% of the amount of all Indebtedness secured by Permitted Liens to the extent encumbering assets otherwise included in the Borrowing Base; minus

(xiii) 100% of all prepayments from Borrower's customers; minus

(xiv) 100% of the amount of any Obligations owed to a Swap Party under a Swap Contract with a Borrower which Obligations are secured pursuant to the Security Agreement; minus

(xv) 100% of Aggregate Net Unrealized Forward Loss.

The value of the Borrowing Base at any time shall be the value of such Borrowing Base as of the date of the most recently delivered Borrowing Base Report, provided, that for purposes of Section 6.2(e), the value as of the date of the requested Extension of Credit shall be used. In no event shall (a) any amounts described in categories (i) through (xi) above which may fall into more than one of such categories be counted more than once when making the calculation under this definition, (b) any Commodity Contracts be included in any category in the Borrowing Base other than Eligible Net Unrealized Gain on Forward Contracts, (c) the aggregate amount of Eligible Net Unrealized Gain on Forward Contracts, after giving effect to the applicable advance rate, exceed an amount equal to twenty-five percent (25%) of the Borrowing Base at such time, (d) the aggregate amount of Eligible Grain Inventory In Transit, after giving effect to the applicable advance rate, exceed an amount equal to ten percent (10%) of the Borrowing Base at such time, (e) the aggregate amount of Eligible Affiliate Accounts Receivable and Eligible Net Unrealized Gain on Forward Contracts in categories (ix) and (xi), after giving effect to the applicable advance rate, exceed $62,000,000 for all Affiliate counterparty exposure, and (f) the aggregate amount with respect to any counterparty included in categories (iv), (v), (ix) and (xi) exceed the applicable Counterparty Limit (such Counterparty Limits to be location specific in respect of clause (ix), in accordance with clause (i) of the proviso in the definition of Eligible Affiliate Account Receivable).

Without duplication of any adjustment already made in calculating the Borrowing Base:

(A) any category of the Borrowing Base shall be calculated taking into account any elimination and reduction related to any potential offset to such asset category;

(B) without duplication, the calculation of the value of the assets that are attributable to a single counterparty shall be netted against any contra, offset, counterclaim or obligations of the Borrower with such counterparty including, without limitation, amounts payable and unrealized marked-to-market forward loss owing by the

Borrower to such counterparty (for purposes of this clause (B), any reference to a counterparty shall include all Subsidiaries and Affiliates of such counterparty to the extent that such Subsidiaries and Affiliates are party to a Netting Agreement with the Borrower); and

(C) if any of the information specified in the definition of "Borrowing Base Report" in this Section 1.1 is not delivered to the Administrative Agent when due in accordance with the terms hereof and such failure shall remain unremedied for a period of five (5) Business Days, the property of the Borrower related to such undelivered information shall be excluded from the calculation of the Borrowing Base until the date on which the Administrative Agent has received a Borrowing Base Report containing the undelivered information, but the provisions of this clause (C) shall not constitute a waiver of any Default of Event of Default hereunder.

Notwithstanding anything contained in the Credit Agreement to the contrary, at any time during the period between required deliveries of Borrowing Base Reports, Borrower may deliver an Interim Borrowing Base Report to Administrative Agent, and, subject to Administrative Agent's sole discretion, the Borrowing Base as calculated therein shall for all purposes be the Borrowing Base, and the Interim Borrowing Base Report shall for all purposes constitute the then applicable Borrowing Base Report until the next scheduled Borrowing Base Report or Interim Borrowing Base Report shall be delivered, provided, that an Interim Borrowing Base Report shall be delivered no later than noon (NYC time) at least two Business Days prior to the date on which the Borrower delivers a Notice of Borrowing, Credit Request for Issuance of Credit, Credit Request for Amendment of Credit or any other request for an Extension of Credit, as applicable, in respect of which the new Borrowing Base is necessary to support such requested Extension of Credit."

(vi) Clause (c) of the definition of "Borrowing Base Report" is amended and restated in its entirety as follows:

"(c) for Eligible Grain Inventory and Eligible Non-Grain Inventory, a schedule of (A) warehouse receipts, (B) Inventory locations, (C) market value and Inventory quantities by location and type of product, and (D) Inventory in transit;"

(vii) The definition of "Defaulting Lender" is hereby amended by adding the following clause (iii) immediately following clause (e)(ii) thereof and immediately before the word "provided":

"or (iii) become the subject of a Bail-In Action;"

(viii) Clause (e) of the definition of "Eligible Account Receivable" is amended and restated in its entirety as follows:

"(e) such Account Receivable shall have excluded (i) any excise, sales or similar taxes payable in connection therewith by the Borrower, and (ii) any portion thereof that is the subject of any dispute, offset, counterclaim, reduction, discount, allowance, rebate, credit, adjustment or other claim or defense on the part of the Account Debtor or to any claim on the part of the Account Debtor denying payment liability under such Account Receivable (including, without limitation, offsets relating to the amount of all liabilities and obligations of the Borrower to the Account Debtor), provided that, for the avoidance of doubt, any unrealized marked-to-market forward loss owing by the Borrower to such Account Debtor shall not be excluded pursuant to this paragraph (e);"

(ix) The definition of "Federal Funds Effective Rate" is amended and restated in its entirety as follows:

""Federal Funds Effective Rate": for any day, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rates are not so published for any day which is a Business Day, the average of the quotations for the day of such transactions received by the Administrative Agent from three federal funds brokers of recognized standing selected by it."

(x) The definition of "Guaranty Limit" is amended and restated in its entirety as follows:

""Guaranty Limit": with respect to each Plant Entity, $10,000,000."

(xi) The definition of "Plant Entities" is amended and restated in its entirety as follows:

""Plant Entities": each of the entities set forth below the caption "Plant Entities" on Schedule 1.0H hereto and as added from time to time by the Administrative Agent in accordance with Section 11.1(c)."

(xii) The definition of "Termination Date" is amended and restated in its entirety as follows:

""Termination Date": July 27, 2019 or, if such date shall not be a Business Day, the immediately preceding Business Day."

(d) New Section 5.26 is inserted after Section 5.25 as follows:

"5.26 AML Laws; Anti-Corruption Laws and Sanctions.

The Borrower has implemented and maintains in effect policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws, applicable AML Laws and applicable Sanctions. None of (a) the Borrower, any Subsidiary or any of their respective owners, members, partners, directors or officers, or, to the knowledge of the Borrower, any of its employees or Affiliates, or (b) to the knowledge of the Borrower, any agent of the Borrower or any Subsidiary or other Affiliate that will act in any capacity in connection with or benefit from the credit facility established hereby, (i) is a Sanctioned Person, or (ii) is in violation of AML Laws, Anti-Corruption Laws, or Sanctions. No Loan or Credit, use of proceeds or other transaction contemplated by this Agreement will cause a violation of AML Laws, Anti-

Corruption Laws or applicable Sanctions by any person participating in the transactions contemplated by this Agreement, whether as lender, borrower, guarantor, agent, or otherwise. The Borrower represents that neither it nor any of its Subsidiaries, nor its parent company or, to the knowledge of the Borrower, any other Affiliate has engaged in or intends to engage in any dealings or transactions with, or for the benefit of, any Sanctioned Person or with or in any Sanctioned Country."

(e) Section 7.5 is amended by inserting before "Preserve", the following: "(a)", and inserting the following new clause (b) at the end thereof:

" (b) The Borrower shall maintain in effect and enforce policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws, applicable AML Laws and applicable Sanctions."

(f) Section 7 is further amended by adding new Section 7.18 at the end thereof as follows:

"7.18 <u>Maximum Green Plains Grain Company TN LLC Asset Value</u>.

Cause Green Plains Grain Company TN LLC, a Delaware limited liability company, at all times, to maintain assets with an aggregate value (as reasonably determined by the Administrative Agent) of less than $1,000,000."

(g) Section 8.1(d) is amended and restated in its entirety as follows:

"(d) Subordinated Debt owing to the Parent in an aggregate principal amount outstanding at any time not to exceed $25,000,000;"

(h) Section 8.5(c) is amended and restated in its entirety as follows:

"(c) the Conveyance of any property, business or assets not described in <u>Section 8.5(a)</u> or <u>Section 8.5(b)</u> to any Person, other than Green Plains Grain Company TN LLC, a Delaware limited liability company; <u>provided</u>, that the aggregate book value of all such property, business or assets so Conveyed in any Fiscal Year shall not exceed $5,000,000; <u>provided</u>, <u>further</u>, that any such Conveyance shall not be permitted if a Default or Event of Default shall have occurred and be continuing or would exist after giving effect to such Conveyance;"

(i) Section 8.7(d) is amended and restated in its entirety as follows:

"(d) Investments by any of the Borrower's Subsidiaries in the Borrower or any Subsidiary, other than Green Plains Grain Company TN LLC, a Delaware limited liability company;"

(j) Section 8.17 is amended and restated in its entirety as follows:

"8.17 <u>Financial Covenants</u>.

(a) Minimum Tangible Net Worth. Permit the sum of (i) the combined Tangible Net Worth of the Borrower plus (ii) Long-Term Indebtedness consisting of Subordinated Debt owing to the Parent, calculated as of the last day of any fiscal quarter of the Borrower to be less than 21% of the sum of the then current Total Commitment plus the aggregate Seasonal Line Commitments;

(b) Leverage Ratio. Permit the Leverage Ratio to be greater than 6.0 to 1.0 as of the last day of any fiscal quarter of the Borrower;

(c) Working Capital. Permit the Working Capital of the Borrower calculated as of the last day of any fiscal quarter of the Borrower to be less than the sum of $18,000,000 plus to the extent positive, 50% of the Net Income for the most recently ended Fiscal Year;

(d) Consolidated Net Position. Permit the Consolidated Net Position, at any time, for (i) any type of Grain Inventory (other than corn and milo) individually to exceed at any time 100,000 bushels, (ii) Grain Inventory consisting of corn and milo (combined) to exceed at any time 200,000 bushels or (iii) all Grain Inventory in the aggregate to exceed at any time 300,000 bushels;

(e) Fixed Charge Coverage Ratio. Permit the Fixed Charge Coverage Ratio for any consecutive four (4) fiscal quarter period to be less than 1.25 to 1.0 as of the last day of any fiscal quarter of the Borrower, provided that the Fixed Charge Coverage Ratio shall only be tested when the difference of Long-Term Indebtedness minus Subordinated Debt owing to the Parent is greater than $10,000,000, calculated based upon the most recent financial statements of the Borrower required to be delivered under Section 7.1(a); and

(f) Maximum Long Term Capitalization. Permit, as at the last day of any fiscal quarter of the Borrower, the ratio of Long-Term Indebtedness (excluding Indebtedness under this Agreement) to Long-Term Indebtedness plus Tangible Net Worth to be greater than 0.40 to 1.0, provided that Maximum Long Term Capitalization shall only be tested when the difference of Long-Term Indebtedness minus Subordinated Debt owing to the Parent is greater than $10,000,000, calculated based upon the most recent financial statements of the Borrower required to be delivered under Section 7.1(a)."

(k) Section 8.19 is amended and restated in its entirety as follows:

"8.19 Maximum Capital Expenditures.

Make, incur or commit to make (by way of the acquisition of securities of a Person or otherwise) any Capital Expenditures in excess of $8,000,000 in the aggregate during any Fiscal Year, plus, for each such Fiscal Year, the amount of cash equity Investments made by Parent in Borrower during such Fiscal Year (which cash equity Investments shall be designated for use by the Borrower only for Capital Expenditures); provided that the Capital Expenditure availability under this Section 8.19 for any Fiscal Year (excluding any "carry forward" availability from the prior Fiscal Year) that is not used by the Borrower or its Subsidiaries in such Fiscal Year may be "carried forward" to the next Fiscal Year, such "carry forward" availability to be used prior to utilization of the base Capital Expenditure availability in such next Fiscal Year, provided that the aggregate amount of all “carried forward” availability shall not be greater than $8,000,000 at any time.”

(l) New Section 8.22 is inserted after Section 8.21 as follows:

“8.22 AML Laws.

Request any Loan or Credit, and not use, and not permit any of its Subsidiaries and its or their respective directors, officers, employees, Affiliates and agents to use, directly or indirectly, the proceeds of any Loan or Credit, or lend, contribute or otherwise make available such proceeds to any Subsidiary, other Affiliate, joint venture partner or other Person, (A) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws or AML Laws, (B) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, or involving any goods originating in or with a Sanctioned Person or Sanctioned Country, or (C) in any manner that would result in the violation of any Sanctions by any Person (including any Person participating in the transactions contemplated hereunder, whether as underwriter, advisor lender, investor or otherwise).”

(m) Section 11.1(c)(ii) is amended and restated in its entirety as follows:

“(ii) Schedule 1.0D, Schedule l.0F, Schedule 1.0G and Schedule 1.0H may be amended or modified with the written consent of the Administrative Agent, the Required Lenders, and the Borrower, provided, that Schedule 1.0H may be amended or modified with the written consent of the Administrative Agent and the Borrower (A) with respect to Plant Entities, (1) to add new Plant Entities (and corresponding information across from each new Plant Entity’s name on the table set forth on Schedule 1.0H), so long as each new Plant Entity’s Counterparty Limit is not greater than 20% of the Aggregate Plant Entity Cap and (2) to reduce the Counterparty Limit of any Plant Entity, and (B) with respect to non-Plant Entities, so long as no such amendment or modification pertains to a Counterparty Limit, or an Approved Commodity Contract Counterparty with a Counterparty Limit, in each case greater than $7,000,000,”

(n) The third parenthetical in Section 11.6(c)(y) is amended and restated in its entirety as follows:

“(and, in the case of an assignment to a Person that is not already a Lender or an Affiliate of a Lender, so long as no Default or Event of Default has occurred and is continuing, the Borrower)”

(o) Section 11.15 is amended and restated in its entirety as follows:

“11.15 Patriot Act.

Each of the Agents and the Lenders hereby notifies the Borrower that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow the Lender to identify the Borrower in accordance with the terms of the Patriot Act.”

(p) Section 11 is further amended by adding new Section 11.18 at the end thereof as follows:

"11.18 Acknowledgement and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any of the parties thereto, each of the Borrower and the Secured Parties acknowledges that any liability of any EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of any EEA Resolution Authority."

(q) Exhibits A and A-1 are amended and restated in their entirety as set forth on Annexes A and B hereto, respectively.

(r) Exhibit B is amended and restated in its entirety as set forth on Annex C hereto.

(s) Schedule 1.0B is amended and restated in its entirety as set forth on Annex D hereto.

(t) Schedule 1.0H is amended and restated in its entirety as set forth on Annex E hereto.

SECTION 2. Departing, Increasing and New Lender Provisions.

(a) (i) On the Effective Date (immediately prior to giving effect to this Seventh Amendment (and for the avoidance of doubt, each of the parties hereto acknowledges that the Departing Lender (as defined below) shall not be deemed to have consented to any of the amendments to the Existing Credit Agreement set forth in Section 1 hereof and none of such amendments shall be effective until the requirements of this Section 2(a) have been satisfied)), the Borrower shall repay in full all outstanding Loans and other Obligations (including, without limitation, any amounts payable under Section 4.15 of the Credit Agreement in connection with such repayment) owing to Farm Credit Bank of Texas (the "Departing Lender") and upon such repayment, the Departing Lender shall cease to be a Lender, the Departing Lender's Commitment shall terminate and the Departing Lender's rights and obligations under the Loan Documents (and the rights under any Repurchase Intercreditor Agreement and any Swap Intercreditor Agreement) shall terminate except for any such rights under Sections 4.13, 4.14 and 11.5 of the Credit Agreement and any other rights that expressly survive such termination.

(ii) All payments made under clause (i) above shall be retained solely by the Departing Lender and shall not be subject to the pro rata sharing provisions set forth in the Loan Documents.

(b) The undersigned Lenders parties to the Existing Credit Agreement whose Commitments are increased under this Seventh Amendment (the "Increasing Lenders") and the undersigned Persons which are not parties to the Existing Credit Agreement (the "New Lenders"), have agreed to increase their (or make their) Commitments (as applicable) as governed by the Credit Agreement on the terms and subject to the conditions set forth therein and in this Seventh Amendment. Effective upon the Effective Date (as defined in Section 3 below), the Commitments for each Increasing Lender, each Non Increasing Lender (as defined below) and each New Lender shall be as set forth in Schedule 1.0B to the Credit Agreement. Each of the Increasing Lenders, New Lenders and Non Increasing Lenders hereby agrees as follows:

(i) Each Increasing Lender shall pay to the Administrative Agent on the Effective Date, in immediately available funds, an amount equal to the amount, if any, by which such Increasing Lender's Commitment Percentage (determined after giving effect to the adjustment of the Commitments pursuant to this Seventh Amendment, including the increase of such Increasing Lender's Commitment and the termination of the Departing Lender's Commitments) of the aggregate principal amount of the Revolving Loans and funded participation interests in Reimbursement Obligations and Swing Line Loans to be outstanding immediately upon the Effective Date exceeds the aggregate principal amount of Revolving Loans and funded participation interests in Reimbursement Obligations and Swing Line Loans owing to such Increasing Lender immediately prior to the Effective Date. Such amount paid by any such Increasing Lender shall be deemed the purchase price for the acquisition by such Increasing Lender of such additional amount of Revolving Loans and funded participation interests in Reimbursement Obligations and Swing Line Loans from Lenders (other than the Departing Lender) whose Commitments are not increased under this Seventh Amendment ("Non Increasing Lenders") and, if applicable, other Lenders (other than the Departing Lender). The Administrative Agent shall distribute such amounts as received from the Increasing Lenders as may be necessary so that the Revolving Loans and funded participation interests in Reimbursement Obligations and Swing Line Loans are held by the Increasing Lenders, New Lenders and Non Increasing Lenders in accordance with their respective Commitment Percentages (determined after giving effect to the adjustment of Commitment Percentages pursuant to this Seventh Amendment).

(ii) Each New Lender shall pay to the Administrative Agent on the Effective Date, in immediately available funds, an amount equal to the amount of such New

Lender's Commitment Percentage (determined after giving effect to the adjustment of the Commitments pursuant to this Seventh Amendment including the termination of the Departing Lender's Commitments) of the aggregate principal amount of the Revolving Loans and funded participation interests in Reimbursement Obligations and Swing Line Loans to be outstanding immediately upon the Effective Date. Such amount paid by any such New Lender shall be deemed the purchase price for the acquisition by such New Lender of such amount of Revolving Loans and funded participation interests in Reimbursement Obligations and Swing Line Loans from Non Increasing Lenders and, if applicable, other Lenders (other than the Departing Lender) upon the effectiveness of this Seventh Amendment. The Administrative Agent shall distribute such amounts as received from the New Lenders as may be necessary so that the Revolving Loans and funded participation interests in Reimbursement Obligations and Swing Line Loans are held by the Increasing Lenders, New Lenders and Non Increasing Lenders in accordance with their respective Commitment Percentages (determined after giving effect to the adjustment of Commitment Percentages pursuant to this Seventh Amendment).

(iii) Each Increasing Lender and Non Increasing Lender which receives a payment in connection with clause (i) or (ii) above (each, a "Selling Lender") shall be deemed to have sold and assigned, without recourse to such Selling Lender, to the applicable Increasing Lenders and/or New Lenders (each, a "Purchasing Lender"), and such Purchasing Lenders shall be deemed to have purchased and assumed without recourse to the Selling Lenders, Revolving Loans and funded participation interests in Reimbursement Obligations and Swing Line Loans in amounts such that after giving effect thereto each Lender (other than the Departing Lender) shall hold Revolving Loans and funded participation interests in Reimbursement Obligations and Swing Line Loans in accordance with their respective Commitment Percentages (determined after giving effect to the adjustment of Commitment Percentages pursuant to this Seventh Amendment).

(c) (i) Each New Lender hereby agrees to make Revolving Loans to the Borrower and participate in Credits and Swing Line Loans for the account of, the Borrower, from time to time until the Termination Date in an aggregate principal amount at any one time outstanding not to exceed its Commitment (as set forth on Schedule 1.0B to the Credit Agreement). From and after the Effective Date, each New Lender shall be a party to the Credit Agreement and, to the extent provided in this Agreement, have the rights and obligations of a Lender under the Credit Agreement and under the other Loan Documents and shall be bound by the provisions thereof.

(ii) Each New Lender shall hold an undivided interest in and to (A) all the rights and obligations of a Lender under the Credit Agreement in connection with its new Commitment in the principal amount set forth on Schedule 1.0B to the Credit Agreement and (B) all rights and obligations of a Lender in connection therewith under the other Loan Documents.

(d) (i) Each New Lender acknowledges and agrees that no Lender party to the Existing Credit Agreement (A) has made any representation or warranty or shall have any responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement, any other Loan Documents or any other instrument or document furnished pursuant thereto or in connection therewith or (B) has made any representation or warranty or has any responsibility with respect to the financial condition of the Borrower or any other obligor or the performance or observance by the Borrower or any obligor of any of their respective obligations under the Credit Agreement or any other Loan Documents or any other instrument or document furnished pursuant hereto or thereto.

(ii) Each New Lender (A) represents and warrants that it is legally authorized to enter into this Seventh Amendment, (B) confirms that it has received a copy of the Existing Credit Agreement, together with copies of the financial statements delivered pursuant to Section 7.1 thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Seventh Amendment, (C) agrees that it will, independently and without reliance upon the other Lenders or the Administrative Agent and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement, the other Loan Documents or any other instrument or document furnished pursuant hereto or thereto or in connection herewith or therewith, (D) appoints and authorizes the Administrative Agent and Collateral Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement, the other Loan Documents or any other instrument or document furnished pursuant hereto or thereto as are delegated to the Administrative Agent and Collateral Agent by the terms thereof, together with such powers as are incidental thereto, (E) agrees that it will be bound by the provisions of the Credit Agreement and will perform in accordance with its terms all the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender including, if it is organized under the laws of a jurisdiction outside the United States, its obligation pursuant to subsection 4.14(f) of the Credit Agreement and (F) agrees that it will be bound by the provisions of each Repurchase Intercreditor Agreement, each Swap Intercreditor Agreement and, if the Intercreditor Agreement required pursuant to Section 8.2(j) of the Credit Agreement has been executed and delivered by the holder of Indebtedness permitted under Section 8.1(g) of the Credit Agreement to the Collateral Agent, such Intercreditor Agreement.

SECTION 3. Effectiveness of Amendment.

This Seventh Amendment shall become effective on the date (the "Effective Date") on which:

(a) each of the Borrower, the Administrative Agent, the Swing Line Lender, the Issuing Lender and the Lenders (including, without limitation, the New Lenders and the Departing Lender) shall have duly executed this Seventh Amendment;

(b) the Administrative Agent shall have received, for the account of each Lender requesting the same, a Note conforming to the requirements of the Credit Agreement and executed by a duly authorized officer of the Borrower;

(c) the Borrower shall have paid to the Administrative Agent for the account of each Lender (other than the Departing Lender, but including the New Lenders) a fully earned, non-refundable upfront fee in immediately available funds, in an amount for each Lender equal to such Lender's Commitment (after giving effect to this Seventh Amendment) multiplied by (i) 0.65% if such Commitment is equal to or greater than $30,000,000 and (ii) 0.40% if such Commitment is less than $30,000,000;

(d) the Borrower shall have paid all breakfunding costs (in accordance with Section 4.15 of the Credit Agreement) incurred by each Lender in connection with the operation of Section 2 above;

(e) the Borrower shall have paid all of the Lead Arranger's, the Administrative Agent's and the Lenders' fees and the Lead Arranger's and the Administrative Agent's legal fees invoiced in reasonable detail and all reasonable out-of-pocket costs incurred in connection with this Seventh Amendment and all due diligence in respect hereof; and

(f) the Borrower shall have delivered to the Administrative Agent such opinions of counsel, authorization and organizational documents, certificates of good standing, and all other documents, reports and information, in each case as the Administrative Agent or the Lenders shall request.

SECTION 4. Release.

Upon the occurrence of the Effective Date (as defined in Section 3 above), the Administrative Agent and each Lender hereby unconditionally and irrevocably releases TN from all of its obligations under the Existing Credit Agreement and the other Loan Documents, except to the extent of any rights and obligations specifically designated in the Existing Credit Agreement or any other Loan Documents as surviving such release and termination of obligations. The foregoing does not release Green Plains Grain Company LLC, a Delaware limited liability company (as the Borrower or in any other capacity), or any other Loan Party with respect to its obligations under the Credit Agreement or any of the other Loan Documents. The Collateral Agent is hereby authorized to release any and all Liens granted by TN and to file any necessary UCC termination statements naming TN as the Debtor.

SECTION 5. Effect of Amendment; Ratification; Representations; etc.

(a) On and after the Effective Date, this Seventh Amendment shall be a part of the Credit Agreement, all references to the Credit Agreement in the Credit Agreement and the other Loan Documents shall be deemed to refer to the Existing Credit Agreement as amended by this Seventh Amendment, and the term "this Agreement", and the words "hereof", "herein", "hereunder" and words of similar import, as used in the Existing Credit Agreement, shall mean the Credit Agreement as amended hereby. This Seventh Amendment shall constitute a Loan Document.

(b) Except as expressly set forth herein, this Seventh Amendment shall not constitute an amendment, waiver or consent with respect to any provision of the Credit Agreement and the Credit Agreement and each of the other Loan Documents is hereby ratified, reaffirmed, approved and confirmed in all respects.

(c) In order to induce the Administrative Agent and the Lenders to enter into this Seventh Amendment, each Borrower represents and warrants to the Administrative Agent and the Lenders that before and after giving effect to the execution and delivery of this Seventh Amendment:

(i) the representations and warranties of such Borrower set forth in the Credit Agreement and in the other Loan Documents are true and correct in all material respects as if made on and as of the date hereof, except for those representations and warranties that by their terms were made as of a specified date which were true and correct on and as of such date; and

(ii) no Default or Event of Default has occurred and is continuing.

(d) Notwithstanding anything to the contrary contained in the Credit Agreement or in any other Loan Document, any Collateral or Loan Document which is or may be released (or terminated) upon termination of all Commitments (among other things) shall not be released until the Seasonal Line Commitments are also terminated and all Seasonal Line Loans shall have been repaid in full.

SECTION 6. Counterparts.

This Seventh Amendment may be executed by one or more of the parties to this Seventh Amendment on any number of separate counterparts (including by facsimile or email transmission of signature pages hereto), and all of said counterparts taken together shall be deemed to constitute one and the same agreement. A set of the copies of this Seventh Amendment signed by all the parties shall be lodged with the Borrower and the Administrative Agent.

SECTION 7. Severability.

Any provision of this Seventh Amendment which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 8. GOVERNING LAW.

THIS SEVENTH AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 9. WAIVERS OF JURY TRIAL.

EACH OF THE BORROWER, THE ADMINISTRATIVE AGENT AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS SEVENTH AMENDMENT AND FOR ANY COUNTERCLAIM THEREIN.

[*Remainder of Page Intentionally Left Blank; Signature Pages Follow*]

IN WITNESS WHEREOF, the parties hereto have caused this Seventh Amendment to be duly executed as of the day and year first above written.

GREEN PLAINS GRAIN COMPANY LLC, as the Borrower

By: **Green Plains Inc., its sole member**

By: /s/ Phil Boggs
Name: Phil Boggs
Title: VP, Finance & Treasurer

ACKNOWLEDGED AND AGREED:

GREEN PLAINS GRAIN COMPANY TN LLC

By: **Green Plains Grain Company LLC, its sole member**

By: /s/ Phil Boggs
Name: Phil Boggs
Title: VP, Finance & Treasurer

BNP PARIBAS, as Administrative Agent, Swing Line Lender, Issuing Lender and a Lender

By: /s/ Deborah P. Whittle
Name: Deborah P. Whittle
Title: Director

By: /s/ Jordan Nenoff
Name: Jordan Nenoff
Title: Director

BANK OF THE WEST, as a Lender

By: /s/ Charles Greenway
Name: Charles Greenway
Title: Vice President

RABO AGRIFINANCE, INC., as a Lender

By: /s/ Melissa Batteiger
Name: Melissa Batteiger
Title: Assistant Vice President

MACQUARIE BANK LIMITED, **as a Lender**

By: /s/ Robert Trevena
Name: Robert Trevena
Title: Division Director

By: /s/ Fiona Smith
Name: Fiona Smith
Title: Division Director

(Macquarie POA Ref: #938 dated 22 November 2012, signed in Sydney)

ING CAPITAL LLC, as a Lender

By: /s/ Bennett Whitehurst
Name: Bennett Whitehurst
Title: Vice President

By: /s/ V. Evelin Herrera
Name: V. Evelin Herrera
Title: Vice President

INTRUST BANK, N.A., as a New Lender

By: /s/ Shawn Eidson
Name: Shawn Eidson
Title: Senior Relationship Manager

FARM CREDIT BANK OF TEXAS, **as the Departing Lender**

By: /s/ Alan Robinson
Name: Alan Robinson
Title: Director – Capital Markets

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a) AND SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Todd A. Becker, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Green Plains Inc.;

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 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 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 3, 2016

/s/ Todd A. Becker
Todd A. Becker
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) AND SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jerry L. Peters, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Green Plains Inc.;

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 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 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 3, 2016

/s/ Jerry L. Peters
Jerry L. Peters
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

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

In connection with the Quarterly Report of Green Plains Inc. (the "company") on Form 10-Q for the fiscal quarter ended June 30, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Todd A. Becker, President and 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 to my knowledge:

1) The Report fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

Date: August 3, 2016

/s/ Todd A. Becker
Todd A. Becker
President and Chief Executive Officer

Exhibit 32.2

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

In connection with the Quarterly Report of Green Plains Inc. (the "company") on Form 10-Q for the fiscal quarter ended June 30, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jerry L. Peters, 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 to my knowledge:

1) The Report fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

Date: August 3, 2016

/s/ Jerry L. Peters
Jerry L. Peters
Chief Financial Officer