

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

FORM 10-Q

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

For the Quarterly Period Ended September 30, 2014

Commission File Number 001-32924

GREEN PLAINS INC.

(Exact name of registrant as specified in its charter)

Iowa (State or other jurisdiction of incorporation or organization) **84-1652107** (I.R.S. Employer Identification No.)
450 Regency Parkway, Suite 400, Omaha, NE 68114 (Address of principal executive offices, including zip code) **(402) 884-8700** (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 October 28, 2014 was 37,611,004 shares.

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GREEN PLAINS INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except share amounts)

	September 30, 2014	December 31, 2013
	(unaudited)	
ASSETS		
Current assets		
Cash and cash equivalents	\$ 401,113	\$ 272,027
Restricted cash	13,162	26,994
Accounts receivable, net of allowances of \$1,355 and \$308, respectively	108,761	106,808
Inventories	188,416	158,328
Prepaid expenses and other	8,208	12,893
Deferred income taxes	199	7,619
Derivative financial instruments	62,971	48,636
Total current assets	782,830	633,305
Property and equipment, net of accumulated depreciation of \$258,934 and \$215,519, respectively	827,292	806,046
Goodwill	40,877	40,877
Other assets	52,581	51,817
Total assets	<u>\$ 1,703,580</u>	<u>\$ 1,532,045</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 132,750	\$ 112,001
Accrued and other liabilities	51,494	37,949
Income taxes payable	11,587	696
Unearned revenue	7,484	4,118
Short-term notes payable and other borrowings	120,443	171,500
Current maturities of long-term debt	41,501	82,933
Current deferred income taxes	4,531	-
Total current liabilities	369,790	409,197
Long-term debt	453,632	480,746
Deferred income taxes	101,831	91,294
Other liabilities	4,982	5,450
Total liabilities	930,235	986,687
Stockholders' equity		
Common stock, \$0.001 par value; 75,000,000 shares authorized; 44,810,004 and 37,703,946 shares issued, and 37,610,004 and 30,503,946 shares outstanding, respectively	45	38
Additional paid-in capital	568,192	468,962
Retained earnings	259,872	148,505
Accumulated other comprehensive income (loss)	11,044	(6,339)
Treasury stock, 7,200,000 shares	(65,808)	(65,808)
Total stockholders' equity	773,345	545,358
Total liabilities and stockholders' equity	<u>\$ 1,703,580</u>	<u>\$ 1,532,045</u>

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		Nine Months Ended	
	September 30,		September 30,	
	2014	2013	2014	2013
Revenues	\$ 833,925	\$ 757,971	\$ 2,405,672	\$ 2,328,142
Cost of goods sold	735,842	716,947	2,128,524	2,227,294
Gross profit	98,083	41,024	277,148	100,848
Selling, general and administrative expenses	23,028	15,490	64,803	44,048
Operating income	75,055	25,534	212,345	56,800
Other income (expense)				
Interest income	164	64	420	166
Interest expense	(10,288)	(7,608)	(29,751)	(23,440)
Other, net	1,068	(947)	2,802	(2,077)
Total other expense	(9,056)	(8,491)	(26,529)	(25,351)
Income before income taxes	65,999	17,043	185,816	31,449
Income tax expense	24,250	7,633	68,550	13,519
Net income	\$ 41,749	\$ 9,410	\$ 117,266	\$ 17,930
Earnings per share:				
Basic	\$ 1.11	\$ 0.31	\$ 3.25	\$ 0.60
Diluted	\$ 1.03	\$ 0.28	\$ 2.90	\$ 0.56
Weighted average shares outstanding:				
Basic	37,588	30,204	36,101	30,100
Diluted	40,542	37,483	41,130	36,818
Cash dividend declared per share	\$ 0.08	\$ 0.04	\$ 0.16	\$ 0.04

See accompanying notes to the consolidated financial statements.

GREEN PLAINS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(unaudited and in thousands)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2014	2013	2014	2013
Net income	\$ 41,749	\$ 9,410	\$ 117,266	\$ 17,930
Other comprehensive income (loss), net of tax:				
Unrealized losses on derivatives arising during period, net of tax benefit of \$15,668, \$6,307, \$90,605 and \$24,746, respectively	(24,836)	(9,092)	(141,166)	(37,683)
Reclassification of realized losses on derivatives, net of tax benefit of \$31,428, \$6,797, \$101,762 and \$22,906, respectively	49,819	9,903	158,549	34,881
Total other comprehensive income (loss), net of tax	24,983	811	17,383	(2,802)
Comprehensive income	<u>\$ 66,732</u>	<u>\$ 10,221</u>	<u>\$ 134,649</u>	<u>\$ 15,128</u>

See accompanying notes to the consolidated financial statements.

GREEN PLAINS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited and in thousands)

	Nine Months Ended September 30,	
	2014	2013
Cash flows from operating activities:		
Net income	\$ 117,266	\$ 17,930
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Depreciation and amortization	44,467	37,807
Amortization of debt issuance costs and debt discount	6,905	2,697
Deferred income taxes	11,655	12,897
Stock-based compensation	4,396	2,863
Undistributed equity in loss of affiliates	2,511	2,078
Other	1,047	33
Changes in operating assets and liabilities before effects of business combinations:		
Accounts receivable	4,938	3,522
Inventories	(24,359)	56,309
Derivative financial instruments	14,212	(10,121)
Prepaid expenses and other assets	5,116	2,239
Accounts payable and accrued liabilities	25,186	(12,614)
Income taxes payable	10,891	(2,729)
Unearned revenues	3,102	7,282
Other	(1,766)	903
Net cash provided by operating activities	<u>225,567</u>	<u>121,096</u>
Cash flows from investing activities:		
Purchases of property and equipment	(44,242)	(12,593)
Acquisition of businesses, net of cash acquired	(23,900)	(15,305)
Investments in unconsolidated subsidiaries	(3,460)	(3,147)
Net cash used by investing activities	<u>(71,602)</u>	<u>(31,045)</u>
Cash flows from financing activities:		
Proceeds from the issuance of long-term debt	493,892	185,600
Payments of principal on long-term debt	(475,866)	(110,476)
Proceeds from short-term borrowings	2,716,499	2,489,569
Payments on short-term borrowings	(2,767,575)	(2,564,337)
Payments of cash dividends	(5,899)	(1,207)
Change in restricted cash	16,033	(1,811)
Payments of loan fees	(6,387)	(7,766)
Proceeds from exercises of stock options	4,424	597
Net cash used by financing activities	<u>(24,879)</u>	<u>(9,831)</u>
Net change in cash and cash equivalents	129,086	80,220
Cash and cash equivalents, beginning of period	272,027	254,289
Cash and cash equivalents, end of period	<u>\$ 401,113</u>	<u>\$ 334,509</u>

Continued on the following page

GREEN PLAINS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited and in thousands)

Continued from the previous page

	Nine Months Ended September 30,	
	2014	2013
Supplemental disclosures of cash flow:		
Cash paid for income taxes	\$ 42,503	\$ 2,069
Cash paid for interest	\$ 26,134	\$ 22,209
Supplemental investing and financing activities:		
Assets acquired in acquisitions and mergers	\$ 25,611	\$ 15,870
Less: liabilities assumed	(1,711)	(565)
Net assets acquired	\$ 23,900	\$ 15,305
Common stock issued for conversion of 5.75% Notes	\$ 89,950	\$ -

See accompanying notes to the consolidated financial statements.

GREEN PLAINS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

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 accounts of the Company and its controlled subsidiaries. All significant intercompany balances and transactions have been eliminated on a consolidated basis for reporting purposes. Unconsolidated entities are included in the financial statements on an equity basis. Results for the interim periods presented are not necessarily indicative of results to be expected for the entire year.

The accompanying unaudited consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles, or GAAP, for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. 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, 2013.

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

Use of Estimates in the Preparation of Consolidated Financial Statements

The preparation of 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. Actual results could differ from those estimates.

Description of Business

Green Plains is North America’s fourth largest ethanol producer. The Company operates its business within four segments: (1) production of ethanol and distillers grains, collectively referred to as ethanol production, (2) corn oil production, (3) grain handling and storage and cattle feedlot operations, collectively referred to as agribusiness, and (4) marketing, merchant trading and logistics services for Company-produced and third-party ethanol, distillers grains, corn oil and other commodities, and the operation of blending and terminaling facilities, collectively referred to as marketing and distribution. The Company also is a partner in a joint venture to commercialize advanced technologies for growing and harvesting of algal biomass.

Revenue Recognition

The Company recognizes revenue when all of the following criteria are satisfied: persuasive evidence of an arrangement exists; risk of loss and title transfer to the customer; the price is fixed and determinable; and collectability is reasonably assured.

For sales of ethanol, distillers grains and other commodities by the Company’s marketing business, revenue is recognized when title to the product and risk of loss transfer to an external customer. Revenues related to marketing operations for third parties are recorded on a gross basis as the Company takes title to the product and assumes risk of loss. Unearned revenue is reflected on the consolidated balance sheets for goods in transit for which the Company has received payment and title has not been transferred to the customer. Revenues from the Company’s biofuel terminal operations, which include ethanol transload and splash blending services, are recognized when these services are completed.

The Company routinely enters into fixed-price, physical-delivery ethanol sales agreements. In certain instances, the Company intends to settle the transaction by open market purchases of ethanol rather than by delivery from its own production. 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 (loss).

Sales of agricultural commodities, including cattle, are recognized when title to the product and risk of loss transfer to the customer, which is dependent on the agreed upon sales terms with the customer. These sales terms provide for passage of title either at the time shipment is made or at the time the commodity has been delivered to its destination and final weights, grades and settlement prices have been agreed upon with the customer. Revenues related to grain merchandising are presented gross in the statements of operations with amounts billed for shipping and handling included in revenues and also as a component of cost of goods sold. Revenues from grain storage are recognized as services are rendered.

Cost of Goods Sold

Cost of goods sold includes costs for direct labor, materials and certain plant overhead costs. Direct labor includes all compensation and related benefits of non-management personnel involved in the operation of the Company's ethanol plants. Grain purchasing and receiving costs, other than labor costs for grain buyers and scale operators, are also included in cost of goods sold. Direct materials consist of the costs of corn feedstock, denaturant, and process chemicals. 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. Corn feedstock costs 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 (loss). Plant overhead costs primarily consist of plant utilities, plant depreciation and outbound freight charges. Shipping costs incurred directly by the Company, including railcar lease costs, are also reflected in cost of goods sold.

The Company uses exchange-traded futures and options contracts to minimize the effects of changes in the prices of agricultural commodities on its agribusiness segment's grain and cattle inventories and forward purchase and sale contracts. Exchange-traded futures and options contracts are valued at quoted market prices. These contracts are predominantly settled in cash. The Company is exposed to loss in the event of non-performance by the counter-party to forward purchase and forward sale contracts. Grain inventories held for sale, forward purchase contracts and forward sale contracts in the agribusiness segment are valued at market prices, where available, or other market quotes adjusted for differences, primarily transportation, between the exchange-traded market and the local markets on which the terms of the contracts are based. Changes in the fair value of grain inventories held for sale, forward purchase and sale contracts, and exchange-traded futures and options contracts in the agribusiness segment are recognized in earnings as a component of cost of goods sold.

Derivative Financial Instruments

To minimize the risk and the effects of the volatility of commodity price changes primarily related to corn, ethanol and natural gas, the Company uses various derivative financial instruments, including exchange-traded futures, and exchange-traded and over-the-counter options contracts. The Company monitors and manages this exposure as part of its overall risk management policy. As such, the Company seeks to reduce the potentially adverse effects that the volatility of these markets may have on its operating results. The Company may take hedging positions in these commodities as one way to mitigate risk. While the Company attempts to link its hedging activities to purchase and sales activities, there are situations in which these hedging activities can themselves result in losses.

By using derivatives to hedge exposures to changes in commodity prices, the Company has exposures on these derivatives to credit and market risk. The Company is exposed to credit risk that the counterparty might fail to fulfill its performance obligations under the terms of the derivative contract. The Company minimizes its credit risk by entering into transactions with high quality counterparties, limiting the amount of financial exposure it has with each counterparty and monitoring the financial condition of its counterparties. 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 monitoring parameters within its risk management strategy that limit the types of derivative instruments and derivative strategies the Company uses, and the degree of market risk that may be undertaken by the use of derivative instruments.

The Company evaluates its contracts that involve physical delivery to determine whether they may qualify for the normal purchase or normal sale exemption and are expected to be used or sold over a reasonable period in the normal course of business. Any contracts that do not meet the normal purchase or sale criteria are recorded at fair value with the change in fair value recorded in operating income unless the contracts qualify for, and the Company elects, hedge accounting treatment.

Certain qualifying derivatives related to the ethanol production and agribusiness segments are designated as cash flow hedges. Prior to entering into cash flow hedges, the Company evaluates the derivative instrument to ascertain its effectiveness. For cash flow hedges, any ineffectiveness is recognized in current period results, while other unrealized gains and losses are reflected in accumulated other comprehensive income until gains and losses from the underlying hedged transaction are realized. In the event that it becomes probable that a forecasted transaction will not occur, the Company would discontinue cash flow hedge treatment, which would affect earnings. These derivative financial instruments are recognized in current assets or other current liabilities at fair value.

At times, the Company hedges its exposures to changes in the value of inventories and designates certain qualifying derivatives as fair value hedges. The carrying amount of the hedged inventory is adjusted through current period results for changes in the fair value arising from changes in underlying prices. Any ineffectiveness is recognized in current period results to the extent that the change in the fair value of the inventory is not offset by the change in the fair value of the derivative.

Recent Accounting Pronouncements

Effective January 1, 2017, the Company will adopt the amended guidance in ASC Topic 606, *Revenue from Contracts with Customers*. The amended guidance requires revenue recognition to reflect the transfer of promised goods or services to customers and replaces existing revenue recognition guidance. The updated standard permits the use of either the retrospective or cumulative effect transition method. The Company has not yet selected a transition method nor has it determined the effect of the updated standard on its consolidated financial statements and related disclosures.

2. ACQUISITION

Acquisition of Fairmont and Wood River Ethanol Plants

In November 2013, the Company acquired two ethanol plants, located in Fairmont, Minnesota and Wood River, Nebraska, with a combined annual production capacity of 230 million gallons, from Ethanol Holding Company, LLC, an entity composed of the predecessor owners' lender group. Total consideration was \$114.3 million and acquisition-related costs of \$0.8 million were recorded in selling, general and administrative expenses. The Company issued approximately \$77.0 million of short-term notes payable and term debt shortly after the acquisition, with the acquired assets serving as collateral for these loans, and entered into capital leases totaling \$10.0 million for grain facilities that were previously leased by the predecessor owners of the acquired assets. At the time of acquisition, the ethanol plant in Fairmont, Minnesota was not operational; however, upon completion of certain maintenance and enhancement projects, the Company began operations at the plant in early January 2014. The following is a summary of assets acquired and liabilities assumed (in thousands):

Amounts of Identifiable Assets Acquired and Liabilities Assumed	
Accounts receivable	\$ 119
Inventory	8,680
Prepaid expenses and other	2,696
Property and equipment, net	112,274
Other assets	4,193
Current liabilities	(4,260)
Long-term portion of capital leases and tax increment financing bond	(7,895)
Other liabilities	(1,489)
Total identifiable net assets	<u>\$ 114,318</u>

The amounts above reflect the final purchase price allocation, which did not change materially from the initial allocation. There is ongoing litigation related to this acquisition. To the extent that this litigation is resolved favorably for the Company, it will result in a gain in a future period with no impact in the event of a negative outcome.

3. FAIR VALUE DISCLOSURES

The following methods, assumptions and valuation techniques were used in estimating the fair value of the Company's financial instruments:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to 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 by correlation or other means. Grain inventories held for sale in the agribusiness segment are valued at nearby futures values, plus or minus nearby basis levels.

Level 3 – unobservable inputs that are supported by little or no market activity and that are 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 following tables set forth the Company's assets and liabilities by level for the dates indicated (in thousands):

Fair Value Measurements at September 30, 2014				
	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	\$ 401,113	\$ -	\$ -	\$ 401,113
Restricted cash	13,162	-	-	13,162
Margin deposits	11,829	-	(11,829)	-
Inventories carried at market	-	18,642	-	18,642
Unrealized gains on derivatives	11,779	53,422	(2,230)	62,971
Other assets	118	-	-	118
Total assets measured at fair value	<u>\$ 438,001</u>	<u>\$ 72,064</u>	<u>\$ (14,059)</u>	<u>\$ 496,006</u>
Liabilities:				
Unrealized losses on derivatives	\$ 12,458	\$ 14,762	\$ (14,059)	\$ 13,161
Total liabilities measured at fair value	<u>\$ 12,458</u>	<u>\$ 14,762</u>	<u>\$ (14,059)</u>	<u>\$ 13,161</u>

Fair Value Measurements at December 31, 2013

	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	\$ 272,027	\$ -	\$ -	\$ 272,027
Restricted cash	26,994	-	-	26,994
Margin deposits	77,102	-	(77,102)	-
Inventories carried at market	-	23,782	-	23,782
Unrealized gains on derivatives	3,629	18,712	26,295	48,636
Other assets (1)	2,200	-	-	2,200
Total assets measured at fair value	\$ 381,952	\$ 42,494	\$ (50,807)	\$ 373,639
Liabilities:				
Unrealized losses on derivatives	\$ 50,807	\$ 4,612	\$ (50,807)	\$ 4,612
Other	9	-	-	9
Total liabilities measured at fair value	\$ 50,816	\$ 4,612	\$ (50,807)	\$ 4,621

(1) Represents long-term restricted cash related to the \$22.0 million revenue bond of Green Plains Bluffton.

The Company believes the fair value of its debt approximated \$619.8 million compared to a book value of \$615.6 million at September 30, 2014 and the fair value of its debt approximated \$775.7 million compared to a book value of \$735.2 million at December 31, 2013. The Company estimates 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 \$108.8 million and \$132.8 million, respectively, at September 30, 2014 and \$106.8 million and \$112.0 million, respectively, at December 31, 2013.

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

4. SEGMENT INFORMATION

Company management reviews financial and operating performance in the following four separate operating segments: (1) production of ethanol and distillers grains, collectively referred to as ethanol production, (2) corn oil production, (3) grain handling and storage and cattle feedlot operations, collectively referred to as agribusiness, and (4) marketing, merchant trading and logistics services for Company-produced and third-party ethanol, distillers grains, corn oil and other commodities, and the operation of blending and terminaling facilities, collectively referred to as marketing and distribution. Selling, general and administrative expenses, primarily consisting of compensation of corporate employees, professional fees and overhead costs not directly related to a specific operating segment, are reflected in the table below as corporate activities.

During the normal course of business, the Company enters into transactions between segments. Examples of these intersegment transactions include, but are not limited to, the ethanol production segment selling ethanol to the marketing and distribution segment and the agribusiness segment selling grain to the ethanol production segment. These intersegment activities are recorded by each segment at prices approximating market and treated as if they are third-party transactions. Consequently, these transactions impact segment performance. However, revenues and corresponding costs are eliminated in consolidation and do not impact the Company's consolidated results.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Revenues:				
Ethanol production:				
Revenues from external customers (1)	\$ 34,593	\$ 39,766	\$ (63,893)	\$ 118,511
Intersegment revenues	550,102	477,103	1,719,434	1,437,821
Total segment revenues	584,695	516,869	1,655,541	1,556,332
Com oil production:				
Revenues from external customers (1)	-	-	-	-
Intersegment revenues	21,922	17,290	58,687	49,304
Total segment revenues	21,922	17,290	58,687	49,304
Agribusiness:				
Revenues from external customers (1)	23,747	5,055	75,476	43,178
Intersegment revenues	290,543	274,100	941,897	498,189
Total segment revenues	314,290	279,155	1,017,373	541,367
Marketing and distribution:				
Revenues from external customers (1)	775,585	713,150	2,394,089	2,166,453
Intersegment revenues	40,616	9,629	108,676	13,042
Total segment revenues	816,201	722,779	2,502,765	2,179,495
Revenues including intersegment activity	1,737,108	1,536,093	5,234,366	4,326,498
Intersegment eliminations	(903,183)	(778,122)	(2,828,694)	(1,998,356)
Revenues as reported	<u>\$ 833,925</u>	<u>\$ 757,971</u>	<u>\$ 2,405,672</u>	<u>\$ 2,328,142</u>

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Gross profit:				
Ethanol production	\$ 59,869	\$ 22,269	\$ 166,728	\$ 34,228
Com oil production	11,770	9,649	30,517	25,431
Agribusiness	2,432	815	7,907	2,986
Marketing and distribution	17,171	8,615	67,786	39,074
Intersegment eliminations	6,841	(324)	4,210	(871)
	<u>\$ 98,083</u>	<u>\$ 41,024</u>	<u>\$ 277,148</u>	<u>\$ 100,848</u>
Operating income:				
Ethanol production	\$ 54,858	\$ 17,851	\$ 151,195	\$ 22,508
Com oil production	11,715	9,596	30,297	25,226
Agribusiness	1,136	163	3,341	781
Marketing and distribution	9,373	4,456	46,258	26,654
Intersegment eliminations	6,842	(324)	4,271	(826)
Corporate activities	(8,869)	(6,208)	(23,017)	(17,543)
	<u>\$ 75,055</u>	<u>\$ 25,534</u>	<u>\$ 212,345</u>	<u>\$ 56,800</u>

The following table sets forth revenues by product line for the periods indicated (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Revenues:				
Ethanol	\$ 617,153	\$ 595,152	\$ 1,765,576	\$ 1,798,297
Distillers grains	132,233	110,426	412,920	364,866
Corn oil	24,865	19,375	64,193	53,749
Grain	42,061	23,081	115,433	78,703
Other	17,613	9,937	47,550	32,527
	<u>\$ 833,925</u>	<u>\$ 757,971</u>	<u>\$ 2,405,672</u>	<u>\$ 2,328,142</u>

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

	September 30, 2014	December 31, 2013
Total assets:		
Ethanol production	\$ 957,875	\$ 911,315
Corn oil production	32,941	28,569
Agribusiness	144,014	165,570
Marketing and distribution	297,401	258,361
Corporate assets	275,128	175,210
Intersegment eliminations	(3,779)	(6,980)
	<u>\$ 1,703,580</u>	<u>\$ 1,532,045</u>

5. INVENTORIES

Inventories are carried at the lower of cost or market, except grain held for sale and fair value hedged inventories, which are valued at market value. The components of inventories are as follows (in thousands):

	September 30, 2014	December 31, 2013
Finished goods	\$ 66,863	\$ 56,664
Grain held for sale	957	23,782
Raw materials	55,128	51,726
Work-in-process	47,115	11,506
Supplies and parts	18,353	14,650
	<u>\$ 188,416</u>	<u>\$ 158,328</u>

6. GOODWILL

The Company did not have any changes in the total carrying amount of goodwill, which was \$40.9 million during the nine months ended September 30, 2014. Goodwill of \$30.3 million is attributable to the ethanol production segment and \$10.6 million is attributable to the marketing and distribution segment.

7. DERIVATIVE FINANCIAL INSTRUMENTS

At September 30, 2014, the Company's consolidated balance sheet reflects unrealized gains, net of tax, of \$11.0 million in accumulated other comprehensive income. The Company expects that all of the unrealized gains at September 30, 2014 will be reclassified into operating income over the next 12 months as a result of hedged transactions that are forecasted to occur. The amount ultimately realized in operating income, however, will differ as commodity prices change.

Fair Values of Derivative Instruments

The following table provides information about the fair values of the Company's derivative financial instruments and the line items on the consolidated balance sheets in which the fair values are reflected (in thousands):

	Asset Derivatives'		Liability Derivatives'	
	Fair Value		Fair Value	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
Derivative financial instruments (1)	\$ 51,142 ⁽²⁾	\$ (28,466) ⁽³⁾	\$ -	\$ -
Accrued and other liabilities	-	-	13,154	4,612
Other liabilities	-	-	7	-
Total	\$ 51,142	\$ (28,466)	\$ 13,161	\$ 4,612

(1) Derivative financial instruments as reflected on the consolidated balance sheets are net of related margin deposit assets of \$11.8 million and \$77.1 million at September 30, 2014 and December 31, 2013, respectively.

(2) Balance at September 30, 2014 includes \$12.3 million of net unrealized gains on derivative financial instruments designated as cash flow hedging instruments.

(3) Balance at December 31, 2013 includes \$47.1 million of net unrealized losses on derivative financial instruments designated as cash flow hedging instruments.

Refer to *Note 3 - Fair Value Disclosures*, which also 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 following tables provide information about gains or losses recognized in income and other comprehensive income on the Company's derivative financial instruments and the line items in the consolidated financial statements in which such gains and losses are reflected (in thousands):

Gains (Losses) on Derivative Instruments Not Designated in a Hedging Relationship	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
	Revenues	\$ 11,627	\$ (2,241)	\$ 24,992
Cost of goods sold	419	2,982	2,817	14,189
Net increase (decrease) recognized in earnings before tax	\$ 12,046	\$ 741	\$ 27,809	\$ (2,535)

Gains (Losses) Due to Ineffectiveness of Cash Flow Hedges	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
	Revenues	\$ (196)	\$ 53	\$ (278)
Cost of goods sold	1,095	(410)	345	(434)
Net increase (decrease) recognized in earnings before tax	\$ 899	\$ (357)	\$ 67	\$ (408)

Gains (Losses) Reclassified from Accumulated Other Comprehensive Income (Loss) into Net Income	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
	Revenues	\$ (15,484)	\$ (11,642)	\$ (228,806)
Cost of goods sold	(65,763)	(5,058)	(31,505)	(11,925)
Net decrease recognized in earnings before tax	\$ (81,247)	\$ (16,700)	\$ (260,311)	\$ (57,787)

Effective Portion of Cash Flow Hedges Recognized in Other Comprehensive Income (Loss)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
	Commodity Contracts	\$ (40,504)	\$ (15,399)	\$ (231,771)

Gains (Losses) from Fair Value Hedges of Inventory	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
	Cost of goods sold (effect of change in inventory value)	\$ (611)	\$ -	\$ 1,842
Cost of goods sold (effect of fair value hedge)	715	-	(1,257)	-
Ineffectiveness recognized in earnings before tax	\$ 104	\$ -	\$ 585	\$ -

There were no gains or losses due to the discontinuance of cash flow hedge or fair value hedge treatment during the three and nine months ended September 30, 2014 and 2013.

The following table summarizes volumes of open commodity derivative positions as of September 30, 2014 (in thousands):

September 30, 2014					
Derivative Instruments	Exchange Traded	Non-Exchange Traded		Unit of Measure	Commodity
	Net Long & (Short) (1)	Long (2)	(Short) (2)		
Futures	2,161			Bushels	Com, Soybeans and Wheat
Futures	22,545 ⁽³⁾			Bushels	Corn
Futures	(1,710) ⁽⁴⁾			Bushels	Corn
Futures	41,286			Gallons	Ethanol
Futures	(136,584) ⁽³⁾			Gallons	Ethanol
Futures	(2,980)			mmBTU	Natural Gas
Futures	(4,103) ⁽⁴⁾			mmBTU	Natural Gas
Futures	4,920			Pounds	Cattle
Futures	(11,680) ⁽³⁾			Pounds	Cattle
Futures	27,000			Pounds	Soybean Oil
Options	(3,131)			Bushels	Com, Soybeans and Wheat
Options	(10,627)			Gallons	Ethanol
Forwards		17,355	(10,288)	Bushels	Corn and Soybeans
Forwards		10,063	(180,425)	Gallons	Ethanol
Forwards		124	(480)	Tons	Distillers Grains
Forwards		14,971	(113,860)	Pounds	Corn Oil
Forwards		9,015	(797)	mmBTU	Natural Gas

- (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 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 of \$0.3 million and net gains of \$7.1 million for the three and nine months ended September 30, 2014, respectively, and net losses of \$0.1 million and net gains of \$0.1 million for the three and nine months ended September 30, 2013, respectively, on energy trading contracts.

8. DEBT

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

	September 30, 2014	December 31, 2013
Green Plains Bluffton:		
\$70.0 million term loan	\$ -	\$ 26,621
\$20.0 million revolving term loan	-	15,000
\$22.0 million revenue bond	-	15,780
Green Plains Central City:		
\$55.0 million term loan	-	33,100
\$30.5 million revolving term loan	-	17,739
Equipment financing loan	-	36
Green Plains Fairmont and Green Plains Wood River:		
\$62.5 million term loan	55,000	50,000
\$27.0 million term loan	-	26,756
Tax increment financing bond	3,589	3,626
Capital leases on grain facilities	9,994	9,994
Capital leases on equipment and other	4,359	5,489
Green Plains Holdings II:		
\$46.8 million term loans	31,260	15,914
\$20.0 million revolving term loan	6,000	31,960
Green Plains Obion:		
\$60.0 million term loan	-	3,879
\$37.4 million revolving term loan	32,425	28,400
Equipment financing loan	-	126
Economic development grant	1,178	1,245
Green Plains Ord:		
\$25.0 million term loan	-	15,143
\$13.0 million revolving term loan	-	2,151
Green Plains Otter Tail:		
\$30.3 million term loan	-	17,960
\$19.2 million note payable	-	19,151
Equipment financing loan	12	-
Green Plains Processing:		
\$225.0 million term loan	224,438	-
Green Plains Shenandoah:		
\$17.0 million revolving term loan	-	9,000
Green Plains Superior:		
\$40.0 million term loan	-	9,750
\$15.6 million revolving term loan	15,625	8,000
Equipment financing loan	-	18
Corporate:		
\$90.0 million convertible notes	-	90,000
\$120.0 million convertible notes	99,765	96,653
Capital lease	19	188
Other	11,469	10,000
Total long-term debt	495,133	563,679
Less: current portion of long-term debt	(41,501)	(82,933)
Long-term debt	\$ 453,632	\$ 480,746

Short-term notes payable and other borrowings at September 30, 2014 included working capital revolvers at Green Plains Cattle, Green Plains Grain and Green Plains Trade with outstanding balances of \$14.8 million, \$31.5 million and \$74.2 million, respectively. Short-term notes payable and other borrowings at December 31, 2013 included working capital revolvers at Green Plains Grain and Green Plains Trade with outstanding balances of \$95.0 million and \$76.5 million, respectively.

Ethanol Production Segment

Term Loans

Scheduled principal payments are as follows:

• Green Plains Fairmont and Green Plains Wood River	\$2.5 million per quarter, decreasing to \$1.3 million per quarter in 2015
• Green Plains Holdings II	\$1.8 million per quarter
• Green Plains Processing	\$0.6 million per quarter

Final maturity dates (at the latest) are as follows:

• Green Plains Fairmont and Green Plains Wood River	November 27, 2015
• Green Plains Holdings II	July 1, 2019
• Green Plains Processing	June 30, 2020

Revolving Term Loans – The revolving term loans are generally available for advances throughout the life of the commitment. Allowable advances under the Green Plains Superior loan agreement are reduced by \$0.6 million each quarter commencing on October 20, 2014. Allowable advances under the Green Plains Obion loan agreement are reduced by \$0.8 million each quarter commencing on August 20, 2014. Interest-only payments are due each month on all revolving term loans until their final respective maturity dates.

Final maturity dates (at the latest) are as follows:

• Green Plains Holdings II	July 1, 2019
• Green Plains Obion	May 20, 2020
• Green Plains Superior	October 20, 2019

During the second quarter of 2014, Green Plains Processing LLC, a wholly-owned subsidiary of Green Plains Inc., issued term debt under a \$225 million Term Loan B facility, which was used to repay all term loans and revolving term loans at Green Plains Bluffton, Green Plains Central City, Green Plains Ord, Green Plains Otter Tail and Green Plains Shenandoah, including the Green Plains Bluffton Revenue Bonds. The new facility is secured by the Atkinson, Bluffton, Central City, Ord, Otter Tail and Shenandoah ethanol plants, including their corn oil production assets, and bears interest at a rate equal to 5.5% plus LIBOR, subject to a 1.0% floor. At September 30, 2014, the interest rate on this term debt was 6.5%. The facility matures on June 30, 2020.

In 2007, Green Plains Bluffton issued \$22.0 million of Subordinate Solid Waste Disposal Facility Revenue Bonds bearing interest at 7.50% per annum with the City of Bluffton, Indiana. The revenue bonds required: (1) semi-annual principal and interest payments of approximately \$1.5 million through March 1, 2019 and (2) a final principal and interest payment of \$3.7 million on September 1, 2019. On July 16, 2014, the revenue bonds were paid in full in accordance with the terms of the \$225 million Term Loan B facility.

In July 2014, the Green Plains Fairmont and Green Plains Wood River \$62.5 million term loan was amended to increase the outstanding amount from \$50.0 million to \$62.5 million. In August 2014, the Green Plains Superior revolving term loan was amended to increase the commitment amount from \$10.0 million to \$15.6 million, as well as extend the maturity date, and the Green Plains Superior term loan was extinguished. The descriptions above have been updated to reflect the amendments.

Allowable dividends and other non-overhead distributions from each respective subsidiary are subject to certain additional restrictions including compliance with all loan covenants, terms and conditions, as follows:

<ul style="list-style-type: none"> Green Plains Fairmont and Green Plains Wood River 	Up to amounts equal to permitted tax distributions, as defined in the loan agreement
<ul style="list-style-type: none"> Green Plains Holdings II 	Up to 40% of net profit before tax, and unlimited if working capital is greater than or equal to \$20.0 million
<ul style="list-style-type: none"> Green Plains Obion 	Up to 40% of net profit before tax, and unlimited if working capital is greater than or equal to \$15.0 million
<ul style="list-style-type: none"> Green Plains Processing 	Amounts may be distributed after quarterly free cash flow payment is made, subject to certain limitations, as defined in the loan agreement
<ul style="list-style-type: none"> Green Plains Superior 	Up to 40% of net profit before tax, and unlimited after free cash flow payment is made

Agribusiness Segment

Green Plains Grain has a \$125.0 million senior secured asset-based revolving credit facility with various lenders to provide for working capital financing. The lenders will make loans up to the maximum commitment based on eligible collateral. The amount of eligible collateral is determined by a calculated borrowing base value equal to the sum of percentages of eligible cash, eligible receivables and eligible inventories, less certain miscellaneous adjustments. Advances are subject to interest charges at a rate per annum equal to the LIBOR rate for the outstanding period plus the applicable margin or the base rate plus the applicable margin. The revolving credit facility matures on August 26, 2016. The revolving credit facility includes total revolving credit commitments of \$125.0 million and an accordion feature whereby amounts available under the facility may be increased by up to \$75.0 million of new lender commitments upon agent approval. The facility also allows for additional seasonal borrowings up to \$50.0 million. The total commitments outstanding under the facility cannot exceed \$250.0 million. As security for the revolving credit facility, the lender received a first priority lien on certain cash, inventory, accounts receivable and other assets owned by subsidiaries of the agribusiness segment. In addition to other customary covenants, this revolving credit facility contains restrictions on distributions with respect to capital stock, with exceptions for distributions of up to 40% of net profit before tax, subject to certain conditions.

Green Plains Cattle has a \$15.0 million senior secured asset-based revolving credit facility to provide for working capital financing. The lender will make loans up to \$15.0 million based on eligible collateral. The amount of eligible collateral is determined by a calculated borrowing base value equal to the sum of percentages of eligible cash, eligible receivables and eligible inventories, less certain miscellaneous adjustments. Advances are subject to interest charges at a rate per annum equal to the LIBOR rate for the outstanding period plus 3.00%. The revolving credit facility matures on December 1, 2014.

Marketing and Distribution Segment

Green Plains Trade has a \$130.0 million senior secured asset-based revolving credit facility with various lenders to provide for working capital financing. The lenders will make loans up to \$130.0 million based on eligible collateral. The amount of eligible collateral is determined by a calculated borrowing base value equal to the sum of percentages of eligible receivables and eligible inventories, less certain miscellaneous adjustments. The outstanding balance, if any, is subject to interest charges at the lender's floating base rate plus the applicable margin or LIBOR plus the applicable margin. The revolving credit facility matures on April 26, 2016. In addition to other customary covenants, this revolving credit facility contains restrictions on distributions on capital stock, with exceptions for distributions with respect to tax obligations, subject to certain conditions. At September 30, 2014, Green Plains Trade had \$6.4 million presented as restricted cash on the consolidated balance sheets, the use of which was restricted for repayment towards the outstanding loan balance.

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 represent senior, unsecured obligations of the Company, with interest payable on April 1 and October 1 of each year. At the time the Company issued the 3.25% Notes, it was only permitted to settle conversions with shares of its common stock. The Company received shareholder approval at its 2014 annual meeting, held in the second quarter, to allow for flexible settlement which gives it the option to settle conversions in cash, shares of common stock, or any combination thereof. The Company intends to satisfy conversion of the 3.25% Notes with cash for the principal amount of the debt and cash or shares of common stock for any related conversion premium. The 3.25% Notes contain liability and

equity components which were bifurcated and accounted for separately. The liability component of the 3.25% Notes, as of the issuance date, was calculated by estimating the fair value of a similar liability issued at an 8.21% effective interest rate, which was determined by considering the rate of return investors would require for comparable debt of the Company without conversion rights. The amount of the equity component was calculated by deducting the fair value of the liability component from the principal amount of the 3.25% Notes, resulting in the initial recognition of \$24.5 million as debt discount costs recorded in additional paid-in capital. The carrying amount of the 3.25% Notes will be accreted to the principal amount over the remaining term to maturity and the Company will record a corresponding amount of noncash interest expense. Additionally, the Company incurred debt issuance costs of \$5.1 million related to the 3.25% Notes and allocated \$4.0 million of debt issuance costs to the liability component of the 3.25% Notes. These costs will be amortized to noncash interest expense over the five-year term of the 3.25% Notes. Prior to April 1, 2018, the 3.25% Notes will not be convertible unless certain conditions are satisfied. The conversion rate is subject to adjustment upon the occurrence of certain events, including the payment of a quarterly cash dividend that exceeds \$0.04 per share. As a result, the conversion rate was recently adjusted to 48.0057 shares of common stock per \$1,000 principal amount of 3.25% Notes, which is equal to a current conversion price of approximately \$20.83 per share. In addition, the Company may be obligated to increase the conversion rate for any conversion that occurs in connection with certain corporate events, including the Company calling the 3.25% Notes for redemption.

The Company may redeem for cash all, but not less than all, of the 3.25% Notes at any time on or after October 1, 2016 if the sale price of 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 amount of the 3.25% Notes, plus any accrued and unpaid interest. In addition, upon the occurrence of a fundamental change, such as a change in control, holders of the 3.25% Notes will have the right, at their option, to require the Company to repurchase their 3.25% Notes in cash at a price equal to 100% of the principal amount of the 3.25% Notes to be repurchased, plus accrued and unpaid interest. Default with respect to any loan in excess of \$10.0 million constitutes an event of default under the 3.25% Notes, which could result in the 3.25% Notes being declared due and payable.

On February 14, 2014, the Company gave notice of its intention to redeem all of its previously-issued and outstanding \$90.0 million of 5.75% Convertible Senior Notes due 2015, or the 5.75% Notes, pursuant to the optional redemption right in the indenture governing the 5.75% Notes. The 5.75% Notes were convertible into shares of the Company's common stock at the conversion rate of 72.5846 shares of common stock for each \$1,000 principal amount of 5.75% Notes from February 14, 2014 through February 28, 2014. From March 1, 2014 through March 19, 2014, the conversion rate was adjusted to 72.6961 shares of common stock for each \$1,000 principal amount as a result of the quarterly cash dividend. Approximately \$89.95 million of the 5.75% Notes were submitted for conversion into 6,532,713 shares of common stock through March 19, 2014. On March 20, 2014, the Company redeemed the remaining 5.75% Notes at par value plus accrued and unpaid interest through March 19, 2014. All \$90.0 million of the 5.75% Notes were retired effective March 20, 2014.

Covenant Compliance

The Company, including all of its subsidiaries, was in compliance with its debt covenants as of September 30, 2014.

Capitalized Interest

The Company had \$10 thousand and \$99 thousand in capitalized interest during the three and nine months ended September 30, 2014.

Restricted Net Assets

At September 30, 2014, there were approximately \$679.2 million of net assets at the Company's subsidiaries that were not available to 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.

9. STOCK-BASED COMPENSATION

The Company has an equity incentive plan which reserves a total of 3.5 million shares of common stock for issuance pursuant to its terms. The plan provides for the granting of shares of stock, 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 eligible employees, non-employee directors and consultants. The Company measures share-based compensation grants 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 service period on a straight-line basis. Substantially all of the Company's existing share-based compensation awards have been determined to be equity awards.

The following table summarizes stock option activity for the nine months ended September 30, 2014:

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding at December 31, 2013	610,250	\$ 10.71	3.4	\$ 5,310
Granted	-	-	-	-
Exercised	(269,500)	10.54	-	5,257
Forfeited	-	-	-	-
Expired	-	-	-	-
Outstanding at September 30, 2014	340,750	\$ 10.84	3.3	\$ 9,163
Exercisable at September 30, 2014 (1)	340,750	\$ 10.84	3.3	\$ 9,163

(1) Includes in-the-money options totaling 340,750 shares at a weighted-average exercise price of \$10.84.

The Company's option awards allow employees to exercise options through cash payment to the Company for the shares of common stock or through a simultaneous broker-assisted cashless exercise of a share option through which the employee authorizes the exercise of an option and the immediate sale of the option shares in the open market. The Company uses newly-issued shares of common stock to satisfy its share-based payment obligations.

The following table summarizes non-vested stock award and deferred stock unit activity for the nine months ended September 30, 2014:

	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, 2013	738,950	\$ 10.39	
Granted	407,393	23.56	
Forfeited	(5,516)	10.88	
Vested	(456,073)	13.47	
Non-Vested at September 30, 2014	684,754	\$ 16.17	1.9

Compensation costs expensed for share-based payment plans described above during the three and nine months ended September 30, 2014 were approximately \$1.3 million and \$5.8 million, respectively, and during the three and nine months ended September 30, 2013 were approximately \$1.0 million and \$4.4 million, respectively. At September 30, 2014, there were \$8.0 million of unrecognized compensation costs from share-based compensation arrangements, which are related to non-vested awards. This compensation is expected to be recognized over a weighted-average period of approximately 1.9 years. The potential tax benefit realizable for the anticipated tax deductions of the exercise of share-based payment arrangements generally would approximate 38.5% of these expense amounts.

10. 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 by dividing net income on an if-converted basis for 2013 and the first quarter of 2014, with respect to the 3.25% Notes and the 5.75% Notes, by the weighted average number of common shares outstanding during the period, adjusted for the dilutive effect of any outstanding dilutive securities. All of the 5.75% Notes were retired during the first quarter of 2014. During the second quarter of 2014, the Company received shareholder approval to allow for flexible settlement in cash, shares of common stock, or a combination of

cash and shares of common stock for the conversion of the 3.25% Notes. The Company intends to settle conversions in cash for the principal amount and cash or shares of the Company's common stock for any related conversion premium. Accordingly, beginning in the second quarter of 2014, 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 calculations of basic and diluted EPS are as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Basic EPS:				
Net income	\$ 41,749	\$ 9,410	\$ 117,266	\$ 17,930
Weighted average shares outstanding - basic	37,588	30,204	36,101	30,100
EPS - basic	\$ 1.11	\$ 0.31	\$ 3.25	\$ 0.60
Diluted EPS:				
Net income	\$ 41,749	\$ 9,410	\$ 117,266	\$ 17,930
Interest and amortization on convertible debt, net of tax effect:				
5.75% Notes	-	883	576	2,643
3.25% Notes	-	79	1,379	79
Net income - diluted	\$ 41,749	\$ 10,372	\$ 119,221	\$ 20,652
Weighted average shares outstanding - basic	37,588	30,204	36,101	30,100
Effect of dilutive convertible debt:				
5.75% Notes	-	6,284	1,345	6,281
3.25% Notes	2,752	688	3,452	232
Effect of dilutive warrants	-	93	-	-
Effect of dilutive stock-based compensation awards	202	214	232	205
Weighted average shares outstanding - diluted	40,542	37,483	41,130	36,818
EPS - diluted	\$ 1.03	\$ 0.28	\$ 2.90	\$ 0.56

Excluded from the computations of diluted EPS for both the three and nine months ended September 30, 2013 were stock-based compensation awards totaling 0.2 million shares, 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. Also, as consideration for the acquisition of the Lakota and Riga ethanol plants in October 2010, the Company issued warrants for 700,000 shares of its common stock at a price of \$14.00 per share exercisable until October 22, 2013. The warrants are excluded from the computations of diluted EPS for the nine months ended September 30, 2013 as the exercise price was greater than the average market price of the Company's common stock for those periods.

11. STOCKHOLDERS' EQUITY

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

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock		Total Stockholders' Equity
	Shares	Amount				Shares	Amount	
Balance, December 31, 2013	37,704	\$ 38	\$ 468,962	\$ 148,505	\$ (6,339)	7,200	\$ (65,808)	\$ 545,358
Net income	-	-	-	117,266	-	-	-	117,266
Cash dividends declared	-	-	-	(5,899)	-	-	-	(5,899)
Other comprehensive loss before reclassification	-	-	-	-	(141,166)	-	-	(141,166)
Amounts reclassified from accum.								
other comprehensive loss	-	-	-	-	158,549	-	-	158,549
Other comprehensive income, net of tax	-	-	-	-	17,383	-	-	17,383
Stock-based compensation	304	-	4,470	-	-	-	-	4,470
Stock options exercised	269	-	4,424	-	-	-	-	4,424
Conversion of 5.75 % Notes	6,533	7	90,336	-	-	-	-	90,343
Balance, September 30, 2014	44,810	\$ 45	\$ 568,192	\$ 259,872	\$ 11,044	7,200	\$ (65,808)	\$ 773,345

Amounts reclassified from accumulated other comprehensive income for the periods indicated are as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,		Statements of Operations Classification
	2014	2013	2014	2013	
Gains (losses) on cash flow hedges:					
Ethanol commodity derivatives	\$ (15,484)	\$ (11,642)	\$ (228,806)	\$ (45,862)	Revenues
Commodity derivatives	(65,763)	(5,058)	(31,505)	(11,925)	Cost of goods sold
Total	(81,247)	(16,700)	(260,311)	(57,787)	Loss before income taxes
Income tax benefit	(31,428)	(6,797)	(101,762)	(22,906)	Income tax benefit
Amounts reclassified from accumulated other comprehensive loss	\$ (49,819)	\$ (9,903)	\$ (158,549)	\$ (34,881)	

12. INCOME TAXES

The Company records income tax expense or benefit during interim periods based on its best estimate of the annual effective tax rate. Certain items are given discrete period treatment and, as a result, the tax effects of such items are reported in full in the relevant interim period.

Income tax expense for the three and nine months ended September 30, 2014 was \$24.3 million and \$68.6 million, respectively, compared to an income tax expense of \$7.6 million and \$13.5 million, respectively, for the same periods in 2013. The effective tax rate (calculated as the ratio of income tax expense to income before income taxes) was approximately 36.7% and 36.9% for the three and nine months ended September 30, 2014, respectively, and 44.8% and 43.0% for the three and nine months ended September 30, 2013, respectively. The effective tax rate for the three and nine months ended September 30, 2014 reflects the release of a valuation allowance for state tax credits, as well as state tax credits generated, that the Company expects to utilize in the future, and an income tax deduction for qualified production activities. This was partially offset by a change in estimate related to the Company's filing position in various jurisdictions.

The amount of unrecognized tax benefits for uncertain tax positions was \$0.3 million as of September 30, 2014 and \$0.2 million as of December 31, 2013. Recognition of these benefits would have a favorable impact on the Company's effective

tax rate. The increase during the nine months ended September 30, 2014 is due to a change in estimate related to the Company's filings in certain jurisdictions.

The 2014 annual effective tax rate can be affected as a result of variances among the estimates and amounts of full-year sources of taxable income (both among the various states and activity types), the realization of tax credits, adjustments that may arise from the resolution of tax matters under review, variances in the release of valuation allowances and the Company's assessment of its liability for uncertain tax positions.

13. COMMITMENTS AND CONTINGENCIES

Operating Leases

The Company leases certain facilities 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 term. The Company incurred lease expenses of \$8.3 million and \$23.5 million during the three and nine months ended September 30, 2014, respectively, and \$4.7 million and \$14.6 million during the three and nine months ended September 30, 2013, respectively. Aggregate minimum lease payments under these agreements for the remainder of 2014 and in future fiscal years are as follows (in thousands):

Year Ending December 31,	Amount	
2014	\$	6,166
2015		23,205
2016		20,904
2017		15,945
2018		13,535
Thereafter		18,939
Total	\$	98,694

Commodities

As of September 30, 2014 the Company had contracted for future purchases of grain, corn oil, natural gas, ethanol, distillers grains and cattle valued at approximately \$392.7 million.

Legal

The Company is currently involved in litigation that has arisen in the ordinary course of business, but it does not believe that any pending litigation will have a material adverse effect on its financial position, results of operations or cash flows.

Insurance Recoveries

In March 2014, the Green Plains Otter Tail ethanol plant was damaged by a fire, which caused substantial property damage and business interruption costs. The Company has property damage and business interruption insurance coverages and, as a result, the fire has not had a material adverse impact on the Company's financial results.

As of September 30, 2014, the Company's insurance carrier had approved \$6.9 million for the property damage portion of the claim, representing a partial reimbursement, net of deductible, for the replacement value of the damaged property and equipment. This recovery is in excess of the book value of the damaged assets, resulting in a gain of \$3.3 million, which was recorded in other income during the nine months ended September 30, 2014. The Company expects to receive additional insurance proceeds in the fourth quarter of 2014 totaling approximately \$2.3 million related to the property damage claim, which will increase the amount of the gain accordingly.

The Company had also received insurance proceeds of \$8.5 million as of September 30, 2014 related to the business interruption portion of the claim, reimbursing a substantial majority of lost profits, net of deductible, during the repair of this equipment. These proceeds are recorded as a reduction of cost of goods sold. The Company expects to receive additional insurance proceeds in the fourth quarter of 2014 upon final determination of amounts due related to the business interruptions portion of the claim.

14. RELATED PARTY TRANSACTIONS

Commercial Contracts

Three subsidiaries of the Company have executed separate financing agreements for equipment with AXIS Capital Inc. Gordon F. Glade, President and Chief Executive Officer 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. Totals of \$1.3 million and \$0.1 million were included in debt at September 30, 2014 and December 31, 2013, respectively, under these financing arrangements. Payments, including principal and interest, totaled \$69 thousand and \$194 thousand during the three and nine months ended September 30, 2014, respectively, and \$37 thousand and \$111 thousand during the three and nine months ended September 30, 2013, respectively. The weighted average interest rate for all financing agreements with AXIS Capital was 6.8%.

Aircraft Lease

Effective April 1, 2014, the Company entered into two agreements with entities controlled by Wayne B. Hoovestol for the lease of two aircrafts. Mr. Hoovestol is Chairman of the Company's Board of Directors. In total, the Company agreed to pay \$15,834 per month for combined use of up to 125 hours per year of the aircrafts. Any flight time in excess of 125 hours per year will incur additional hourly-based charges. These agreements replaced a prior agreement with an entity controlled by Mr. Hoovestol for the lease of an aircraft for \$6,667 per month for use of up to 100 hours per year, with any flight time in excess of 100 hours resulting in additional hourly-based charges. During the three and nine months ended September 30, 2014, payments related to these leases totaled \$68 thousand and \$166 thousand, respectively, and during the three and nine months ended September 30, 2013, payments related to the aircraft lease totaled \$30 thousand and \$104 thousand, respectively. The Company had approximately \$6 thousand in outstanding payables related to this agreement at September 30, 2014 and did not have any such outstanding payables at December 31, 2013.

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

General

The following discussion and analysis provides information which management believes is relevant to an assessment and understanding of our consolidated financial condition and results of operations. This discussion should be read in conjunction with the consolidated financial statements included herewith and notes to the consolidated financial statements thereto and our annual report on Form 10-K for the year ended December 31, 2013 including the consolidated financial statements, accompanying notes and the risk factors contained therein.

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 to plans and objectives for future operations based upon 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 words and phrases of similar impact, 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 pursuant to safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Although we believe that our expectations regarding future events are based on reasonable assumptions, any or all forward-looking statements in this report may turn out to be incorrect. They may be based on inaccurate assumptions or may not account for known or unknown risks and uncertainties. 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, 2013 and in Item 1A of Part II of this quarterly report on Form 10-Q for the quarter ended September 30, 2014. 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, counter-party 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 the growth potential of the algal biomass industry, and other risk factors detailed in our reports filed with the SEC. Actual results may differ from projected results due, but not limited to, unforeseen developments.

In light of these assumptions, risks and uncertainties, the results and events discussed in the forward-looking statements contained in this report or in any document incorporated by reference might not occur. Investors are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this report or the date of the document incorporated by reference in this report. 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

We are a leading, vertically-integrated producer, marketer and distributor of ethanol. We focus on generating stable operating margins through our diversified business segments and our risk management strategy. We believe that owning and operating strategically-located assets throughout the ethanol value chain enables us to mitigate changes in commodity prices and differentiates us from companies focused only on ethanol production. Today, 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 ethanol marketing, distribution and blending facilities.

We review our operations within the following four separate operating segments:

- *Ethanol Production.* We are North America's fourth largest ethanol producer. We operate twelve ethanol plants in Indiana, Iowa, Michigan, Minnesota, Nebraska and Tennessee. We have the capacity to consume approximately 360

million bushels of corn per year and produce over one billion gallons of ethanol and approximately 2.9 million tons of distillers grains annually.

- *Corn Oil Production.* We operate corn oil extraction systems at our ethanol plants, with the capacity to produce approximately 250 million pounds annually. The corn oil systems are designed to extract non-edible corn oil, a value-added product, from the whole stillage immediately prior to production of distillers grains.
- *Agribusiness.* Within our bulk grain business, we have four grain elevators with approximately 8.2 million bushels of total storage capacity, approximately 22.6 million bushels of storage capacity at our ethanol plants, and approximately 3.8 million bushels of storage capacity at our cattle-feeding operation. We believe our agribusiness operations provide synergies with our ethanol production segment as it supplies a portion of the feedstock and utilizes a portion of the distillers grains output of our ethanol plants.
- *Marketing and Distribution.* Our in-house marketing business is responsible for the sale, marketing and distribution of all ethanol, distillers grains and corn oil produced at our ethanol plants. We also market and provide logistical services for ethanol and other commodities for a third-party producer. We purchase and sell ethanol, distillers grains, corn oil, grain, natural gas and other commodities and participate in other merchant trading activities in various markets. Additionally, our wholly-owned subsidiary, BlendStar LLC, operates eight blending or terminaling facilities with approximately 822 million gallons per year, or mmgy, of total throughput capacity in seven south central U.S. states. To optimize the value of our assets, we utilize a portion of our railcar fleet to transport crude oil for third parties.

In June 2014, we acquired the assets of a cattle-feeding business, which includes a feedlot and grain storage facility, near Kismet, Kansas. The operation consists of approximately 2,600 acres of land, which has the capacity to support 70,000 head of cattle. Its current corn storage capacity is approximately 3.8 million bushels. The cattle-feeding business is included as part of our Agribusiness segment.

We intend to continue to take a disciplined approach in evaluating new opportunities related to potential acquisition of additional ethanol plants by considering whether the plants meet our design, engineering, valuation and geographic criteria. In our marketing and distribution segment, our strategy is to expand our marketing efforts by entering into new or renewal contracts with other ethanol producers and realize additional profit margins by optimizing our commodity logistics. In 2013, we began to implement a plan to realign our agribusiness operations by adding grain storage capacity located at or near our ethanol plants to take advantage of our current infrastructure and enhance our corn origination and trading capabilities. We also intend to pursue opportunities to develop or acquire additional grain elevators, specifically those located near our ethanol plants. We intend to continue to add grain storage capacity with the goal of owning approximately 50 million bushels of total storage capacity by the end of 2015. We believe that owning additional grain handling and storage operations in close proximity to our ethanol plants enables us to strengthen relationships with local corn producers, allowing us to source corn more effectively and at a lower average cost. We also own approximately 63% of BioProcess Algae LLC, which was formed to commercialize advanced photo-bioreactor technologies for growing and harvesting algal biomass.

In 2013, we began operation of Green Plains Asset Management LLC, or GPAM, a registered commodity trading advisor and wholly-owned subsidiary that uses discretionary trading strategies driven by fundamental research and technical analysis to trade primarily in agricultural and energy commodity markets. GPAM uses the market knowledge derived from our ethanol production, grain merchandising, grain warehousing, cattle feeding and fuel terminal businesses under strict risk management limits. GPAM has a team of experienced professionals with years of commodity trading experience and expertise in asset and fund management. GPAM is included in our Marketing and Distribution segment.

Industry Factors Affecting our Results of Operations

Variability of Commodity Prices. Our operations and our industry are highly dependent on commodity prices, especially prices for corn, ethanol, distillers grains and natural gas. Because the market prices of these commodities are not always correlated, at times ethanol production may be unprofitable. As commodity price volatility poses a significant threat to our margin structure, we have developed a risk management strategy focused on locking in favorable operating margins when available. We continually monitor market prices of corn, natural gas and other input costs relative to the prices for ethanol and distillers grains at each of our production facilities. We create offsetting positions by using derivative instruments, fixed-price purchases and sales contracts, or a combination of strategies within strict limits. Our primary focus is not to manage general price movements of individual commodities, for example to minimize the cost of corn consumed, but rather to lock in favorable profit margins whenever possible. By using a variety of risk management tools and hedging strategies, including our internally-developed real-time margin management system, we believe we are able to maintain a disciplined approach to

price risks.

In 2013, U.S. ethanol production was 13.3 billion gallons compared with production of 13.2 billion gallons in 2012 and 13.8 billion gallons mandated by the current Renewable Fuel Standard, or RFS II, for 2013. As a result of the U.S. ethanol industry rationalizing production, inventory stocks reached a low of 628 million gallons at the end of October 2013, the lowest level since October 2010. Domestic inventory stocks were 791 million gallons at September 30, 2014. Lower production, stocks and corn prices had a positive effect on ethanol margins in 2013, especially in the fourth quarter, continuing in the first nine months of 2014. Drought conditions in the Midwestern region of the United States during 2012 caused corn to trade at unusually high prices through the third quarter of 2013. Also, during 2012, sugarcane ethanol imported from Brazil, which totaled approximately 530 million gallons, was one of the most economical means for certain parties to comply with an RFS II requirement to blend, in the aggregate, 2.0 billion gallons of advanced biofuels in 2012. Effective May 1, 2013, the Brazilian government increased the required percentage of ethanol in vehicle fuel sold in Brazil to 25 percent (from 20 percent) which, along with more competitively priced ethanol produced from corn, has reduced U.S. ethanol imports from Brazil. In 2013, U.S. ethanol imports were 400 million gallons and exports were 600 million gallons. According to the U.S. Department of Commerce, in the first eight months of 2014, the U.S. had ethanol exports, net of imports, of approximately 473 million gallons. As of October 11, 2014, the USDA has projected the U.S. corn crop harvest to be a record 14.5 billion bushels with a projected yield per acre of 174.2 bushels on 83.1 million acres harvested. This corn production is anticipated to result in corn ending stocks of 2.1 billion bushels at August 31, 2015. We believe that U.S. ethanol production levels will continue to adjust to supply and demand factors for ethanol and corn.

There may be periods of time that, due to the variability of commodity prices and compressed margins, we reduce or cease ethanol production operations at certain of our ethanol plants. The reduced production rates will increase ethanol yields and optimize cash flow in lower margin environments. In 2013 we produced ethanol at approximately 94.0% of our total daily average capacity. During the nine months ended September 30, 2014, we produced ethanol at approximately 95.5% of our total daily average capacity due to the improvement in the ethanol margin environment.

Legislation. Federal and state governments have enacted numerous policies and incentives to encourage the usage of domestically-produced alternative fuels. RFS II has been, and we expect will continue to be, a factor in the growth of ethanol usage. Due to drought conditions in 2012 and claims that blending of ethanol into the motor fuel supply will be constrained by unwillingness of the market to accept greater than ten percent ethanol blends, or the blend wall, legislation aimed at reducing or eliminating the renewable fuel use required by RFS II has been introduced into Congress.

To further drive the increased adoption of ethanol, Growth Energy, an ethanol industry trade association, and a number of ethanol producers requested a waiver from the EPA to increase the allowable amount of ethanol blended into gasoline from the current ten percent level, or E10, to a 15% level, or E15. Through a series of decisions beginning in October 2010, the EPA has granted a waiver for the use of E15 in model year 2001 and newer passenger vehicles, including cars, sport utility vehicles, and light pickup trucks. In June 2012, the EPA gave final approval for the sale and use of E15 ethanol blends. On June 24, 2013 the U.S. Supreme Court declined to hear an appeal from the American Petroleum Institute and other organizations challenging the EPA's decision to permit the sale of E15. According to the EPA, as of October 1, 2014, 82 fuel manufacturers were registered to sell E15. In January 2014, a major fuel retailer announced that it will begin offering E15 to customers with the objective to have 100 of its U.S. stores offering E15 in 2014. As of October 22, 2014, there were 92 gas stations in 14 states offering E15 to consumers.

The Domestic Alternative Fuels Act of 2012 was introduced on January 18, 2012 in the U.S. House of Representatives and was re-introduced on March 15, 2013 as H.R. 1214 to provide liability protection for claims based on the sale or use of certain fuels and fuel additives. Passage of this bill would provide liability protection to consumers in the event they unintentionally put any transportation fuel into their motor vehicle for which such fuel has not been approved. The American Fuel Protection Act of 2013 was introduced on June 5, 2013 in the U.S. House of Representatives to make the United States exclusively liable for certain claims of liability for damages resulting from, or aggravated by, the inclusion of ethanol in transportation fuel.

The Master Limited Partnership Parity Act was introduced on April 24, 2013 in the U.S. House of Representatives as H.R. 1696 to extend the publicly traded partnership ownership structure to renewable energy projects. The legislation would provide a more level financing system and tax burden for renewable energy and fossil energy projects.

Industry Fundamentals. The ethanol industry is supported by a number of market fundamentals that drive its long-term outlook and extend beyond the short-term margin environment. Following the EPA's approval, the industry is working to broadly introduce E15 into the retail fuel market. The RFS II mandate increased to 14.4 billion gallons of corn-derived renewable fuel for 2014, 600 million gallons over the mandated volume in 2013, and continues to increase through 2015. On

November 15, 2013, the EPA released its Notice of Proposed Rulemaking for the 2014 Renewable Fuel Standard. The proposal discusses a variety of approaches for setting the 2014 standards, and includes a number of production and consumption ranges for key categories of biofuel covered by the RFS program. The proposal seeks comment on a range of total renewable fuel volumes for 2014 and proposes a level within that range of 15.2 billion gallons, including 13.0 billion gallons of corn-derived renewable fuel. The proposal addresses two constraints of RFS II: (1) limitations in the volume of ethanol that can be consumed in gasoline given practical constraints on the supply of higher ethanol blends to the vehicles that can use them and (2) limitations in the ability of the industry to produce sufficient volumes of qualifying renewable fuel.

The domestic gasoline market continues to evolve as refiners are producing more CBOB, a sub-grade (84 octane) gasoline, which requires ethanol or other octane sources to meet the minimum octane rating requirements for the U.S. gasoline market. The demand for ethanol is also affected by the overall demand for transportation fuel. Currently, according to the EIA, total gasoline demand in the U.S. is approximately 135 billion gallons annually. The ethanol blend rate in 2014 is projected to be approximately 10% of total gasoline demand, or 13.5 billion gallons annually. Demand for transportation fuel is affected by the number of miles traveled by businesses and consumers and the fuel economy of vehicles. Consumer acceptance of E15 and E85 (85% ethanol blended) fuels and flex-fuel vehicles is needed before ethanol can achieve any significant growth in market share. In addition, ethanol export markets, although affected by competition from other ethanol exporters, mainly from Brazil, are expected to remain active in 2014. Overall, the U.S. ethanol industry is producing at levels to meet current domestic and export demand and ethanol prices have remained at a discount to gasoline, providing blenders and refiners with an economic incentive to blend.

BioProcess Algae Joint Venture

Our BioProcess Algae joint venture is focused on developing technology to grow and harvest algae, which consume carbon dioxide, in commercially viable quantities. Through multiple stages of expansion, BioProcess Algae has constructed a five-acre algae farm next to our Shenandoah, Iowa ethanol plant and has been operating its Grower Harvesters™ bioreactors since January 2011. The joint venture is currently focused on verification of growth rates, energy balances, capital requirements and operating expenses of the technology which are considered to be some of the key steps to commercialization.

BioProcess Algae announced in April 2013 that it had been selected to receive a grant of up to \$6.4 million from the U.S. Department of Energy as part of a pilot-scale biorefinery project related to production of hydrocarbon fuels meeting military specification. The project uses renewable carbon dioxide, lignocellulosic sugars and waste heat through BioProcess Algae's Grower Harvester™ technology platform. The objective of the project is to demonstrate technologies to cost-effectively convert biomass into advanced drop-in biofuels. BioProcess Algae is required to contribute a minimum of 50% matching funds for the project.

BioProcess Algae intends to expand the algae farm with the construction of additional Grower Harvester™ bioreactors and a new processing facility, pending coordination with the U.S. Department of Energy. When construction is completed, annual capacity is expected to be 350 to 400 tons of dry wholesale algae. We increased our ownership of BioProcess Algae to approximately 63% during the second quarter of 2014. However, we still do not possess the requisite control of this investment to consolidate it.

If we and the other BioProcess Algae members determine that the joint venture can achieve the desired economic performance, a larger build-out will be considered, possibly as large as 200 to 400 acres of Grower Harvester™ reactors at the Shenandoah site. Such a build-out may be completed in stages and could take up to two years to complete. Funding for such a project would come from a variety of sources including current partners, new equity investors, debt financing or a combination thereof.

Critical Accounting Policies and Estimates

This disclosure is based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires that we make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. We base our estimates on historical experience and other assumptions that we believe are proper and reasonable under the circumstances. We continually evaluate the appropriateness of estimates and assumptions used in the preparation of our consolidated financial statements. Actual results could differ materially 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. See further discussion of our critical accounting policies and estimates, as well as significant accounting policies, in our annual report on Form 10-K for the year ended December 31, 2013.

Recent Accounting Pronouncements

Effective January 1, 2017, we will adopt the amended guidance in ASC Topic 606, *Revenue from Contracts with Customers*. The amended guidance requires revenue recognition to reflect the transfer of promised goods or services to customers and replaces existing revenue recognition guidance. The updated standard permits the use of either the retrospective or cumulative effect transition method. We have not yet selected a transition method nor have we determined the effect of the updated standard on our consolidated financial statements and related disclosures.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on our consolidated financial condition, results of operations or liquidity.

Components of Revenues and Expenses

Revenues. In our ethanol production segment, our revenues are derived primarily from the sale of ethanol and distillers grains, which is a co-product of the ethanol production process. In our corn oil production segment, our revenues are derived from the sale of corn oil, which is extracted from the whole stillage process immediately prior to the production of distillers grains. In our agribusiness segment, the sale of grain is our primary source of revenue. In our marketing and distribution segment, the sale of ethanol, distillers grains and corn oil that we market for our ethanol plants, the sale of ethanol we market for a third-party ethanol plant and the sale of other commodities purchased in the open market represent our primary sources of revenue. Revenues also include net gains or losses from derivatives.

Cost of Goods Sold. Cost of goods sold in our ethanol production and corn oil production segments includes costs for direct labor, materials and certain plant overhead costs. Direct labor includes all compensation and related benefits of non-management personnel involved in the operation of our ethanol plants. Plant overhead costs primarily consist of plant utilities, plant depreciation and outbound freight charges. Our cost of goods sold in these segments is mainly affected by the cost of corn, natural gas, purchased distillers grains and transportation. Within our corn oil segment, we compensate the ethanol plants for the value of distillers grains displaced during the production process. In the ethanol production segment, corn is our most significant raw material cost. We purchase natural gas to power steam generation in our ethanol production process and to dry our distillers grains. Natural gas represents our second largest cost in this business segment. Cost of goods sold also includes net gains or losses from derivatives related to commodities purchased.

Grain acquisition costs represent the primary components of cost of goods sold in our agribusiness segment. Grain inventories held for sale, forward purchase contracts and forward sale contracts are valued at market prices, where available, or other market quotes adjusted for differences, primarily transportation, between the exchange-traded market and the local markets on which the terms of the contracts are based. Changes in the market value of grain inventories, forward purchase and sale contracts, and exchange-traded futures and options contracts are recognized in earnings as a component of cost of goods sold. Feed costs in the cattle-feeding operation are also included as a component of cost of goods sold in the agribusiness segment, as well as direct labor and feedlot overhead costs. Direct labor includes all compensation and related benefits of non-management personnel involved in the operation of our feedlot. Feedlot overhead costs primarily consist of feedlot utilities, depreciation, repairs and maintenance, and yard expenses.

In our marketing and distribution segment, purchases of ethanol, distillers grains and corn oil represent the largest components of cost of goods sold. Transportation expense represents an additional major component of our cost of goods sold in this segment. Transportation expense includes rail car leases, freight and shipping of our ethanol and co-products, as well as costs incurred in storing ethanol at destination terminals.

Selling, General and Administrative Expenses. Selling, general and administrative expenses are recognized at the operating segment level, as well as at the corporate level. These expenses consist of employee salaries, incentives and benefits; office expenses; director fees; and professional fees for accounting, legal, consulting, and investor relations activities. Personnel costs, which include employee salaries, incentives and benefits, are the largest single category of expenditures in selling, general and administrative expenses. We refer to selling, general and administrative expenses that are not allocable to a segment as corporate activities.

Other Income (Expense). Other income (expense) includes interest earned, interest expense, equity earnings in nonconsolidated subsidiaries and other non-operating items.

Results of Operations

Segment Results

Our operations fall within the following four segments: (1) production of ethanol and related distillers grains, collectively referred to as ethanol production, (2) corn oil production, (3) grain handling and storage and cattle feedlot operations, collectively referred to as agribusiness, and (4) marketing, merchant trading and logistics services for Company-produced and third-party ethanol, distillers grains, corn oil and other commodities, and the operation of blending and terminaling facilities, collectively referred to as marketing and distribution. Selling, general and administrative expenses, primarily consisting of compensation of corporate employees, professional fees and overhead costs not directly related to a specific operating segment, are reflected in the table below as corporate activities. When the Company's management evaluates segment performance, they review the information provided below, as well as segment earnings before interest, income taxes, noncontrolling interest, depreciation and amortization.

During the normal course of business, our operating segments enter into transactions with one another. For example, our ethanol production and corn oil production segments sell ethanol, distillers grains and corn oil to our marketing and distribution segment and our agribusiness segment sells grain to our ethanol production segment. These intersegment activities are recorded by each segment at prices approximating market and treated as if they are third-party transactions. Consequently, these transactions impact segment performance. However, intersegment revenues and corresponding costs are eliminated in consolidation, and do not impact our consolidated results.

In June 2013, we acquired an ethanol plant located in Atkinson, Nebraska with the capacity to produce approximately 50 mmgy. The plant began ethanol production on July 25, 2013. In June 2013, we also acquired a grain elevator in Archer, Nebraska. In November 2013, we acquired two ethanol plants located in Fairmont, Minnesota and Wood River, Nebraska with combined capacity to produce approximately 230 mmgy. The Wood River plant was operating at the time of acquisition and the Fairmont plant began ethanol production on January 2, 2014. In June 2014, we acquired the assets of a cattle-feeding business consisting of approximately 2,600 acres of land, with capacity to support 70,000 head of cattle and 3.8 million bushels of grain storage capacity. The tables below reflect selected operating segment financial information for the periods indicated (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Revenues:				
Ethanol production:				
Revenues from external customers (1)	\$ 34,593	\$ 39,766	\$ (63,893)	\$ 118,511
Intersegment revenues	550,102	477,103	1,719,434	1,437,821
Total segment revenues	584,695	516,869	1,655,541	1,556,332
Corn oil production:				
Revenues from external customers (1)	-	-	-	-
Intersegment revenues	21,922	17,290	58,687	49,304
Total segment revenues	21,922	17,290	58,687	49,304
Agribusiness:				
Revenues from external customers (1)	23,747	5,055	75,476	43,178
Intersegment revenues	290,543	274,100	941,897	498,189
Total segment revenues	314,290	279,155	1,017,373	541,367
Marketing and distribution:				
Revenues from external customers (1)	775,585	713,150	2,394,089	2,166,453
Intersegment revenues	40,616	9,629	108,676	13,042
Total segment revenues	816,201	722,779	2,502,765	2,179,495
Revenues including intersegment activity	1,737,108	1,536,093	5,234,366	4,326,498
Intersegment eliminations	(903,183)	(778,122)	(2,828,694)	(1,998,356)
Revenues as reported	\$ 833,925	\$ 757,971	\$ 2,405,672	\$ 2,328,142

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Gross profit:				
Ethanol production	\$ 59,869	\$ 22,269	\$ 166,728	\$ 34,228
Corn oil production	11,770	9,649	30,517	25,431
Agribusiness	2,432	815	7,907	2,986
Marketing and distribution	17,171	8,615	67,786	39,074
Intersegment eliminations	6,841	(324)	4,210	(871)
	<u>\$ 98,083</u>	<u>\$ 41,024</u>	<u>\$ 277,148</u>	<u>\$ 100,848</u>
Operating income:				
Ethanol production	\$ 54,858	\$ 17,851	\$ 151,195	\$ 22,508
Corn oil production	11,715	9,596	30,297	25,226
Agribusiness	1,136	163	3,341	781
Marketing and distribution	9,373	4,456	46,258	26,654
Intersegment eliminations	6,842	(324)	4,271	(826)
Corporate activities	(8,869)	(6,208)	(23,017)	(17,543)
	<u>\$ 75,055</u>	<u>\$ 25,534</u>	<u>\$ 212,345</u>	<u>\$ 56,800</u>

Three Months Ended September 30, 2014 Compared to the Three Months Ended September 30, 2013

Consolidated Results

Consolidated revenues increased by \$76.0 million for the three months ended September 30, 2014 compared to the same period in 2013. Revenues from sales of ethanol, distillers grains and other grains increased by \$22.0 million, \$21.8 million and \$19.0 million, respectively. Ethanol and distillers grains revenues were affected by an increase in volumes produced and merchant trading activities, offset partially by a decrease in average realized prices. Grain revenues were impacted by an increase in merchant trading activity. Gross profit increased by \$57.1 million for the three months ended September 30, 2014 compared to the same period in 2013 primarily as a result of increased volumes and improved margins for ethanol production, as well as increased merchant trading activity, partially offset by reduced income from crude oil transportation. Operating income increased by \$49.5 million for the three months ended September 30, 2014 compared to the same period in 2013 as a result of the factors discussed above partially offset by a \$7.5 million increase in selling, general and administrative expenses. Selling, general and administrative expenses were higher for the three months ended September 30, 2014 compared to the same period in 2013 due primarily to an increase in personnel costs and the expanded scope of operations following the acquisitions of the Fairmont and Wood River ethanol plants in the fourth quarter of 2013. Interest expense increased by \$2.7 million for the three months ended September 30, 2014 compared to the same period in 2013 due to higher average debt balances outstanding, as well as higher average borrowing costs during the current quarter. Income tax expense was \$24.3 million for the three months ended September 30, 2014 compared to \$7.6 million for the same period in 2013.

The following discussion of segment results provides greater detail on period-to-period results.

Ethanol Production Segment

The table below presents key operating data within our ethanol production segment for the periods indicated:

	Three Months Ended September 30,	
	2014	2013
Ethanol sold		
(thousands of gallons)	246,939	177,799
Distillers grains sold		
(thousands of equivalent dried tons)	682	491
Corn consumed		
(thousands of bushels)	87,732	62,435

Revenues in the ethanol production segment increased by \$67.8 million for the three months ended September 30, 2014 compared to the same period in 2013 primarily due to higher volumes produced and sold, partially offset by lower average ethanol and distillers grains prices. Revenues for the three months ended September 30, 2014 included production from our Fairmont and Wood River plants, which were acquired in 2013 and contributed an additional combined 52.6 million gallons of ethanol production and \$104.8 million in revenue. The ethanol production segment produced 246.9 million gallons of ethanol, which represents approximately 96.0% of daily average production capacity, during the three months ended September 30, 2014.

Cost of goods sold in the ethanol production segment increased by \$30.2 million for the three months ended September 30, 2014 compared to the same period in 2013. Corn consumption increased by 25.3 million bushels, partially offset by the average cost per bushel decreasing by 40% during the three months ended September 30, 2014 compared to the same period in 2013. As a result of the factors identified above, gross profit and operating income for the ethanol production segment increased by \$37.6 million and \$37.0 million, respectively, for the three months ended September 30, 2014 compared to the same period in 2013. Depreciation and amortization expense for the ethanol production segment was \$13.0 million for the three months ended September 30, 2014 compared to \$11.4 million during the same period in 2013 due to the increased expenses from our Fairmont and Wood River plants.

Corn Oil Production Segment

Revenues in the corn oil production segment increased by \$4.6 million for the three months ended September 30, 2014 compared to the same period in 2013. During the three months ended September 30, 2014, we sold 63.0 million pounds of corn oil compared to 42.0 million pounds in the same period of 2013. Production in the third quarter of 2014 included 13.8 million pounds from our Fairmont and Wood River plants acquired in 2013. The average price realized for corn oil was approximately 14% lower for the third quarter of 2014 compared to the same period in 2013.

Gross profit and operating income in the corn oil production segment increased by \$2.1 million for the three months ended September 30, 2014 compared to the same period in 2013. The increase in revenues was partially offset by \$2.5 million of additional cost of goods sold related to increased volumes produced, partially offset by lower input costs during the three months ended September 30, 2014 compared to the same period in 2013.

Agribusiness Segment

Revenues in the agribusiness segment increased by \$35.1 million, and gross profit and operating income increased by \$1.6 million and \$1.0 million, respectively, for the three months ended September 30, 2014 compared to the same period in 2013. We sold 77.0 million bushels of grain, including 74.1 million bushels to our ethanol production segment during the three months ended September 30, 2014 compared to sales of 44.0 million bushels of grain, including 43.5 million bushels to our ethanol production segment during the same period in 2013. The increase in grain sold during the three months ended September 30, 2014 compared to the same period in 2013 is due to an increase in the number of ethanol plants in our ethanol production segment to which the agribusiness segment supplied corn, including our ethanol plants in Fairmont and Wood River, which were acquired in 2013. Additionally, \$12.8 million of the increase in revenues is due to the cattle-feeding operation that was acquired during the second quarter of 2014.

Marketing and Distribution Segment

Revenues in our marketing and distribution segment increased by \$93.4 million for the three months ended September 30, 2014 compared to the same period in 2013. The increase in revenues was primarily due to a \$61.6 million increase in ethanol, distillers grain, and other grain revenues due to additional volumes produced by our recently-acquired ethanol plants and an increase in merchant trading of distillers grains and other grains. In addition, revenues from the sale of natural gas to our ethanol production segment increased by \$29.3 million. Effective in the fourth quarter of 2013, the marketing and distribution segment provides natural gas procurement for our ethanol plants. The marketing and distribution segment sold 291.3 million and 240.2 million gallons of ethanol during the three months ended September 30, 2014 and 2013, respectively.

Gross profit and operating income for the marketing and distribution segment increased by \$8.6 million and \$4.9 million, respectively, for the three months ended September 30, 2014 compared to the same period in 2013, primarily due to the increase in merchant trading activity for ethanol, distillers grain, and other grains, partially offset by reduced crude oil transportation activities.

Intersegment Eliminations

Intersegment eliminations of revenues increased by \$125.1 million for the three months ended September 30, 2014 compared to the same period in 2013 due to the following factors: increased corn sales from the agribusiness segment to the ethanol production segment of \$14.0 million, increased natural gas sales from the marketing and distribution segment to the ethanol production segment of \$29.3 million, and increased sales of ethanol from the ethanol production segment to the marketing and distribution segment of \$73.3 million, which is primarily due to the ethanol plants acquired in the fourth quarter of 2013.

Intersegment eliminations of gross profit and operating income decreased by \$7.2 million for the three months ended September 30, 2014 compared to the same period in 2013 due primarily to a change in the title transfer point for ethanol between segments beginning in the fourth quarter of 2013 and decreased average margins eliminated. As of October 1, 2013, 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. Although ethanol quantities held as inventory by the marketing and distribution segment remained constant during the third quarter, the average margin per gallon realized by the ethanol production segment decreased, resulting in a reduction in deferred intersegment profits during the third quarter. This was partially offset by increased intersegment profits eliminated for corn oil and distillers grains in transit to customers at the end of the third quarter of 2014 which will be recognized in future periods.

Corporate Activities

Operating income was impacted by an increase in operating expenses for corporate activities of \$2.7 million for the three months ended September 30, 2014 compared to the same period in 2013, primarily due to an increase in personnel costs.

Income Taxes

We recorded income tax expense of \$24.3 million for the three months ended September 30, 2014 compared to \$7.6 million for the same period in 2013. The effective tax rate (calculated as the ratio of income tax expense to income before income taxes) was approximately 36.7% for the three months ended September 30, 2014 compared to 44.8% for the same period in 2013. The annual effective tax rate was favorably impacted by an income tax deduction for qualified production activities during the three months ended September 30, 2014. The annual effective tax rate for the three months ended September 30, 2013 reflects a change in estimate related to nondeductible compensation expense and an increase in the accrual for uncertain tax positions partially offset by an increase in tax benefits.

Nine Months Ended September 30, 2014 Compared to the Nine Months Ended September 30, 2013

Consolidated Results

Consolidated revenues increased by \$77.5 million for the nine months ended September 30, 2014 compared to the same period in 2013. Revenues from sales of distillers grain and other grains increased by \$48.1 million and \$36.7 million, respectively, offset by a decrease in ethanol revenues due to a decrease in revenue per gallon. Distillers grains revenues were affected by an increase in volumes produced and merchant trading activities, offset partially by a decrease in average realized prices. Grain revenues were impacted by an increase in merchant trading activities. Gross profit increased by \$176.3 million for the nine months ended September 30, 2014 compared to the same period in 2013 primarily as a result of increased volumes of ethanol and corn oil production as well as improved margins for ethanol production. Operating income increased by \$155.5 million for the nine months ended September 30, 2014 compared to the same period in 2013 as a result of the factors discussed above, partially offset by an increase in selling, general and administrative expenses of \$20.8 million. Selling, general and administrative expenses were higher for the nine months ended September 30, 2014 compared to the same period in 2013 due most significantly to an increase in personnel costs and the expanded scope of operations following the acquisitions of the Atkinson, Fairmont and Wood River ethanol plants in the second and fourth quarters of 2013. Interest expense increased by \$6.3 million for the nine months ended September 30, 2014 compared to the same period in 2013 due to higher average debt balances outstanding, as well as higher average borrowing costs. Income tax expense was \$68.6 million for the nine months ended September 30, 2014 compared to \$13.5 million for the same period in 2013.

The following discussion of segment results provides greater detail on period-to-period results.

Ethanol Production Segment

The table below presents key operating data within our ethanol production segment for the periods indicated:

	Nine Months Ended September 30,	
	2014	2013
Ethanol sold		
(thousands of gallons)	719,582	521,169
Distillers grains sold		
(thousands of equivalent dried tons)	1,972	1,456
Corn consumed		
(thousands of bushels)	255,930	183,149

Revenues in the ethanol production segment increased by \$99.2 million for the nine months ended September 30, 2014 compared to the same period in 2013 primarily due to higher volumes produced and sold, partially offset by lower average ethanol and distillers grains prices. Revenues in the first nine months of 2014 included production from our Atkinson, Fairmont and Wood River plants, which were acquired in 2013 and contributed an additional combined 172.1 million gallons of ethanol production and \$372.6 million in revenue. The ethanol production segment produced 719.6 million gallons of ethanol, which represents approximately 95.5% of daily average production capacity, during the first nine months of 2014.

Cost of goods sold in the ethanol production segment decreased by \$33.3 million for the nine months ended September 30, 2014 compared to the same period in 2013. Corn consumption increased by 72.8 million bushels, offset by the average cost per bushel decreasing by 37% during the nine months ended September 30, 2014 compared to the same period in 2013. As a result of the factors identified above, gross profit and operating income for the ethanol production segment increased by \$132.5 million and \$128.7 million, respectively, for the nine months ended September 30, 2014 compared to the same period in 2013.

Corn Oil Production Segment

Revenues in the corn oil production segment increased by \$9.4 million for the nine months ended September 30, 2014 compared to the same period in 2013. During the nine months ended September 30, 2014, we sold 171.5 million pounds of corn oil compared to 119.5 million pounds in the same period of 2013. The average price realized for corn oil was approximately 16% lower for the nine months ended September 30, 2014 compared to the same period in 2013.

Gross profit and operating income in the corn oil production segment increased by \$5.1 million for the nine months ended September 30, 2014 compared to the same period in 2013. The increases in revenues were offset by \$4.3 million of additional cost of goods sold related to increased volumes produced, partially offset by lower input costs during the nine months ended September 30, 2014 compared to the same period in 2013.

Agribusiness Segment

Revenues in the agribusiness segment increased by \$476.0 million and gross profit and operating income increased by \$4.9 million and \$2.6 million, respectively, for the nine months ended September 30, 2014 compared to the same period in 2013. We sold 230.3 million bushels of grain, including 219.5 million to our ethanol production segment, during the nine months ended September 30, 2014 compared to sales of 82.2 million bushels of grain, including 77.7 million bushels to our ethanol production segment, during the same period in 2013. The increase in grain sold during the nine months ended September 30, 2014 compared to the nine months ended September 30, 2013 is due to an increase in the number of ethanol plants in our ethanol production segment to which the agribusiness segment supplied corn, including our ethanol plants in Atkinson, Fairmont and Wood River, which were acquired in 2013. Additionally, \$16.2 million of the increase in revenues is due to the cattle-feeding operation that was acquired during the second quarter of 2014.

Marketing and Distribution Segment

Revenues in our marketing and distribution segment increased by \$323.3 million for the nine months ended September 30, 2014 compared to the same period in 2013. The increase in revenues was primarily due to a \$231.4 million increase in ethanol, distillers grain and other grain revenues due to additional volumes produced by our recently-acquired ethanol plants and an increase in merchant trading of distillers grains and other grains. In addition, revenues from the sale of natural gas to

our ethanol production segment increased by \$75.8 million. The marketing and distribution segment sold 854.0 million and 719.5 million gallons of ethanol during the nine months ended September 30, 2014 and 2013, respectively.

Gross profit and operating income for the marketing and distribution segment increased by \$28.7 million and \$19.6 million, respectively, for the nine months ended September 30, 2014 compared to the same period in 2013, primarily due to increased merchant trading activities for ethanol, distillers grain and other grains, partially offset by reduced crude oil transportation activities.

Intersegment Eliminations

Intersegment eliminations of revenues increased by \$830.3 million for the nine months ended September 30, 2014 compared to the same period in 2013 due to the following factors: increased corn sales from the agribusiness segment to the ethanol production segment of \$449.8 million, increased natural gas sales from the marketing and distribution segment to the ethanol production segment of \$75.8 million, and increased sales of ethanol from the ethanol production segment to the marketing and distribution segment of \$294.4 million, which is primarily due to the ethanol plants acquired in the fourth quarter of 2013.

Intersegment eliminations of gross profit and operating income decreased by \$5.1 million for the nine months ended September 30, 2014 compared to the same period in 2013 due primarily to a change in the title transfer point for ethanol between segments beginning in the fourth quarter of 2013 and decreased average margins eliminated. As of October 1, 2013, 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. Ethanol quantities held as inventory by the marketing distribution segment declined during the first nine months of 2014 and the average margin per gallon realized by the ethanol production segment decreased, resulting in a reduction in deferred intersegment profits during the first three quarters of 2014. This was partially offset by increased intersegment profits eliminated for corn oil and distillers grains in transit to customers at the end of the third quarter of 2014 which will be recognized in future periods.

Corporate Activities

Operating income was impacted by an increase in operating expenses for corporate activities of \$5.5 million for the nine months ended September 30, 2014 compared to the same period in 2013, primarily due to an increase in personnel costs.

Income Taxes

We recorded income tax expense of \$68.6 million for the nine months ended September 30, 2014 compared to \$13.5 million for the same period in 2013. The effective tax rate (calculated as the ratio of income tax expense to income before income taxes) was approximately 36.9% for the nine months ended September 30, 2014 compared to 43.0% for the nine months ended September 30, 2013. The annual effective tax rate was favorably impacted by an income tax deduction for qualified production activities and an increase in expected credit utilization, which was offset by a change in estimate related to our filing positions in various jurisdictions during the nine months ended September 30, 2014. The annual effective tax rate for the nine months ended September 30, 2013 reflects a change in estimate related to nondeductible compensation expense and an increase in the accrual for uncertain tax positions partially offset by an increase in tax benefits.

EBITDA

Management uses earnings before interest, income taxes, depreciation and amortization, or EBITDA, to measure our financial performance and to internally manage our businesses. Management believes that EBITDA provides useful information to investors as a measure of comparison with peer and other companies. EBITDA should not be considered an alternative to, or more meaningful than, net income or cash flow as determined in accordance with generally accepted accounting principles. EBITDA calculations may vary from company to company. Accordingly, our computation of EBITDA may not be comparable with a similarly-titled measure of another company. The following sets forth the reconciliation of net income to EBITDA for the periods indicated (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Net income	\$ 41,749	\$ 9,410	\$ 117,266	\$ 17,930
Interest expense	10,288	7,608	29,751	23,440
Income tax expense	24,250	7,633	68,550	13,519
Depreciation and amortization	15,105	12,763	44,467	37,807
EBITDA	\$ 91,392	\$ 37,414	\$ 260,034	\$ 92,696

Liquidity and Capital Resources

On September 30, 2014, we had \$401.1 million in cash and equivalents, excluding restricted cash, comprised of \$243.9 million held at our parent company and the remainder at our subsidiaries. We also had up to an additional \$167.7 million available under revolving credit agreements at our subsidiaries, some of which was subject to borrowing base restrictions or other specified lending conditions at September 30, 2014. Funds held at our subsidiaries are generally required for their ongoing operational needs and distributions from our subsidiaries are restricted pursuant to their credit agreements. At September 30, 2014, there were approximately \$679.2 million of net assets at our subsidiaries that were not available to 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.

We incurred capital expenditures of \$44.2 million in the first nine months of 2014 for various projects, mainly installation of fine grind technology at several of our ethanol plants and process improvements at our recently-acquired ethanol plants. Capital spending for the remainder of 2014 is expected to be approximately \$20.3 million. The remainder of our capital spending is expected to be financed with available borrowings under our credit facilities and cash provided by operating activities.

Net cash provided by operating activities was \$225.6 million for the nine months ended September 30, 2014 compared to \$121.1 million for the same period in 2013. Operating activities were affected by increased operating profits and a decrease in working capital for the nine months ended September 30, 2014, primarily consisting of a decrease in finished goods inventory and an increase in accrued and other liabilities. On September 30, 2014, we had \$11.8 million in margin deposits for broker margin requirements. Cash provided by operating activities for the nine months ended September 30, 2013 reflected cash outflows related to payments for deferred grain contract payables, accrued liabilities and derivative financial instruments. Net cash used by investing activities was \$71.6 million for the nine months ended September 30, 2014, due primarily to capital expenditures at our ethanol plants, as well as the acquisition of the cattle-feeding business. Net cash used by financing activities was \$24.9 million for the nine months ended September 30, 2014. Green Plains Trade and Green Plains Grain utilize revolving credit facilities to finance working capital requirements. These facilities are frequently drawn upon and repaid, resulting in significant cash movements that are reflected on a gross basis within financing activities as proceeds from and payments on short-term borrowings.

Our business is highly impacted by commodity prices, including prices for corn, ethanol, distillers grains and natural gas. We attempt to reduce the market risk associated with fluctuations in commodity prices through the use of derivative financial instruments. Sudden changes in commodity prices may require cash deposits with brokers or margin calls. Depending on our open derivative positions, we may require significant liquidity with little advanced notice to meet margin calls. We continuously monitor our exposure to margin calls and believe that we will continue to maintain adequate liquidity to cover such margin calls from operating results and borrowings. Increases in grain prices and hedging activity have led to more frequent and larger margin calls.

We were in compliance with our debt covenants at September 30, 2014. Based upon our forecasts and the current margin environment, we believe we will maintain compliance at each of our subsidiaries for the upcoming twelve months, or if necessary have sufficient liquidity available on a consolidated basis to resolve a subsidiary's noncompliance. No assurance can be provided that actual operating 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 actual results differ significantly from our forecasts and a subsidiary is unable to comply with its respective debt covenants, the subsidiary's lenders may determine that an event of default has occurred. Upon the occurrence of an event of default, and following notice, the lenders may terminate any commitment and declare the entire unpaid balance due and payable.

In August 2013, our Board of Directors approved the initiation of a quarterly cash dividend. We have paid a quarterly cash dividend since this initial authorization and anticipate declaring a cash dividend in future quarters on a regular basis; however, future declarations of dividends are subject to Board approval and may be adjusted as our cash position, business needs or market conditions change.

We believe that we have sufficient working capital for our existing operations. However, a sustained period of unprofitable operations may strain our liquidity and make it difficult to maintain compliance with our financing arrangements. While we may seek additional sources of working capital in response, we can provide no assurance that we will be able to secure this funding if necessary. We may sell additional equity or borrow additional amounts to improve or preserve our liquidity, expand our existing businesses, or build additional or acquire existing businesses. We can provide no assurance that we will be able to secure the funding necessary for these additional projects or for additional working capital needs at reasonable terms, if at all.

Debt

For additional information related to our debt, see *Note 8 – Debt* included herein as part of the Notes to Consolidated Financial Statements and *Note 10 – 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, 2013.

Ethanol Production Segment

Our ethanol production segment has credit facilities with various lender groups that provide for term and revolving term loans to finance construction and operation of the production facilities.

During the second quarter of 2014, Green Plains Processing LLC, a wholly-owned subsidiary of Green Plains Inc., issued term debt under a \$225 million Term Loan B facility, which was used to repay all term loans and revolving term loans at Green Plains Bluffton, Green Plains Central City, Green Plains Ord, Green Plains Otter Tail and Green Plains Shenandoah, including the Green Plains Bluffton Revenue Bonds. At September 30, 2014, \$224.4 million was outstanding on the facility. The facility is secured by the Atkinson, Bluffton, Central City, Ord, Otter Tail and Shenandoah ethanol plants, including their corn oil production assets, and requires quarterly principal payments of \$0.6 million and interest payments through maturity. The facility bears interest at a rate equal to 5.5% plus LIBOR, subject to a 1.0% floor. At September 30, 2014, the interest rate on this term debt was 6.5%. The facility matures on June 30, 2020.

Green Plains Fairmont and Green Plains Wood River combined debt includes a \$62.5 million term loan that matures on November 27, 2015. At September 30, 2014, \$55.0 million was outstanding on the term loan. The term loan requires quarterly principal payments of \$2.5 million in 2014 and \$1.3 million in 2015.

Green Plains Holdings II debt includes three individual amortizing term loans totaling \$46.8 million and a \$20.0 million revolving term loan. At September 30, 2014, \$31.3 million was outstanding on the term loans and \$6.0 million was outstanding on the revolving term loan. The amortizing term loans require total quarterly payments of \$1.8 million. The final maturity date of the amortizing term loans is July 1, 2019 and the maturity date of the revolving term loan is July 1, 2019.

Green Plains Obion debt includes a revolving term loan of \$37.4 million. At September 30, 2014, \$32.4 million on the revolving term loan was outstanding. The revolving term loan matures on May 20, 2020.

Green Plains Superior debt consists of a \$15.6 million revolving term loan. At September 30, 2014, \$15.6 million was outstanding on the revolving term loan. The revolving term loan matures on October 20, 2019.

Each term loan, except for the Green Plains Fairmont and Green Plains Wood River combined loan and the Green Plains Holdings II loans, has a provision that requires us to make quarterly or annual special payments ranging from 50% to 75% of the available free cash flow from the related entity's operations (as defined in the respective loan agreements), subject to certain limitations.

The term loans and revolving term loans bear interest at various rates, with the majority of all such loans having interest rates between LIBOR plus 3.50% to 5.50% or lender-established prime rates. Some have established a floor on the underlying LIBOR index. In some cases, the lender may allow us to elect to pay interest at a fixed interest rate to be determined. As security for the loans, the lenders received a first-priority lien on all personal property and real estate owned by the respective borrower, including an assignment of all contracts and rights pertinent to the on-going operations of the

plant. Each respective borrower is required to maintain certain financial and non-financial covenants during the term of the loans.

Green Plains Bluffton issued a \$22.0 million Subordinate Solid Waste Disposal Facility Revenue Bond with the city of Bluffton, Indiana, which was scheduled to mature on September 1, 2019. On July 16, 2014, all outstanding principal was repaid using proceeds from the Green Plains Processing term loan discussed above.

Additionally, certain subsidiaries have small equipment financing loans, capital leases on equipment or facilities, or other forms of debt financing.

Agribusiness Segment

Green Plains Grain has a \$125.0 million senior secured revolving credit facility to provide the agribusiness segment with working capital funding subject to a borrowing base as defined in the facility. The revolving credit facility matures on August 26, 2016. The revolving credit facility includes total revolving credit commitments of \$125.0 million and an accordion feature whereby amounts available under the facility may be increased by up to \$75.0 million of new lender commitments upon agent approval. The facility also allows for additional seasonal borrowings up to \$50.0 million. The total commitments outstanding under the facility cannot exceed \$250.0 million. As security for the revolving credit facility, the lender received a first priority lien on certain cash, inventory, accounts receivable and other assets owned by subsidiaries of the agribusiness segment. Advances on the revolving credit facility are subject to interest charges at a rate per annum equal to the LIBOR rate for the outstanding period, or the base rate, plus the respective applicable margin. At September 30, 2014, \$31.5 million on the revolving credit facility was outstanding.

Green Plains Cattle has a \$15.0 million senior secured asset-based revolving credit facility to provide for working capital financing. The lender will make loans up to \$15.0 million based on eligible collateral. The amount of eligible collateral is determined by a calculated borrowing base value equal to the sum of percentages of eligible cash, eligible receivables and eligible inventories, less certain miscellaneous adjustments. Advances are subject to interest charges at a rate per annum equal to the LIBOR rate for the outstanding period plus 3.00%. The revolving credit facility matures on December 1, 2014. At September 30, 2014, \$14.8 million on the revolving credit facility was outstanding. As security for the revolving credit facility, the lender received a first priority lien on certain cash, inventory, accounts receivable and other assets owned by subsidiaries of the agribusiness segment.

Marketing and Distribution Segment

Green Plains Trade has a senior secured asset-based revolving credit facility of up to \$130.0 million, subject to a borrowing base value equal to the sum of percentages of eligible receivables and eligible inventories, less certain miscellaneous adjustments. At September 30, 2014, \$74.2 million was outstanding on the revolving credit facility. The revolving credit facility expires on April 26, 2016 and bears interest at the lender's commercial floating rate plus the applicable margin or LIBOR plus the applicable margin. As security for the loan, the lender received a first-position lien on substantially all of the assets of Green Plains Trade, including accounts receivable, inventory and other property and collateral owned by Green Plains Trade.

Corporate Activities

In September 2013, we issued \$120.0 million of 3.25% Convertible Senior Notes due 2018, or the 3.25% Notes. The 3.25% Notes represent senior, unsecured obligations, with interest payable on April 1 and October 1 of each year. At the time we issued the 3.25% Notes, we were only permitted to settle conversions with shares of our common stock. We received shareholder approval at our 2014 annual meeting to allow for flexible settlement which gives us the option to settle conversions in cash, shares of common stock, or any combination thereof. We intend to satisfy conversion of the 3.25% Notes with cash for the principal amount of the debt and cash or shares of common stock for any related conversion premium. The 3.25% Notes contain liability and equity components which were bifurcated and accounted for separately. The liability component of the 3.25% Notes, as of the issuance date, was calculated by estimating the fair value of a similar liability issued at an 8.21% effective interest rate, which was determined by considering the rate of return investors would require for comparable debt without conversion rights. The amount of the equity component was calculated by deducting the fair value of the liability component from the principal amount of the 3.25% Notes, resulting in the initial recognition of \$24.5 million as debt discount costs recorded in additional paid-in capital. The carrying amount of the 3.25% Notes will be accreted to the principal amount over the remaining term to maturity, and we will record a corresponding amount of noncash interest expense. Additionally, we incurred debt issuance costs of \$5.1 million related to the 3.25% Notes and allocated \$4.0

million of debt issuance costs to the liability component of the 3.25% Notes. These costs will be amortized to noncash interest expense over the five-year term of the 3.25% Notes. Prior to April 1, 2018, the 3.25% Notes will not be convertible unless certain conditions are satisfied. The conversion rate is subject to adjustment upon the occurrence of certain events, including the payment of a quarterly cash dividend that exceeds \$0.04 per share. As a result, the conversion rate was recently adjusted to 48.0057 shares of common stock per \$1,000 principal amount of 3.25% Notes, which is equal to a current conversion price of approximately \$20.83 per share. In addition, we may be obligated to increase the conversion rate for any conversion that occurs in connection with certain corporate events, including calling the 3.25% Notes for redemption.

We may redeem for cash all, but not less than all, of the 3.25% Notes at any time on or after October 1, 2016 if the sale price of our 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 we deliver notice of the redemption. The redemption price will equal 100% of the principal amount of the 3.25% Notes, plus any accrued and unpaid interest. In addition, upon the occurrence of a fundamental change, such as a change in control, holders of the 3.25% Notes will have the right, at their option, to require us to repurchase their 3.25% Notes in cash at a price equal to 100% of the principal amount of the 3.25% Notes to be repurchased, plus accrued and unpaid interest. Default with respect to any loan in excess of \$10.0 million constitutes an event of default under the 3.25% Notes, which could result in the 3.25% Notes being declared due and payable.

On February 14, 2014, we gave notice of our intention to redeem all of our previously-issued and outstanding \$90.0 million of 5.75% Convertible Senior Notes due 2015, or the 5.75% Notes, pursuant to the optional redemption right in the indenture governing the 5.75% Notes. The 5.75% Notes were convertible into shares of the Company's common stock at the conversion rate of 72.5846 shares of common stock for each \$1,000 principal amount of 5.75% Notes from February 14, 2014 through February 28, 2014. From March 1, 2014 to March 19, 2014, the conversion rate was adjusted to 72.6961 shares of common stock for each \$1,000 principal amount as a result of the quarterly cash dividend. Approximately \$89.95 million of the 5.75% Notes were submitted for conversion into 6,532,713 shares of common stock through March 19, 2014. On March 20, 2014, the Company redeemed the remaining 5.75% Notes at par value plus accrued and unpaid interest through March 19, 2014. All \$90.0 million of the 5.75% Notes were retired effective March 20, 2014.

Contractual Obligations

Our contractual obligations as of September 30, 2014 were as follows (in thousands):

Contractual Obligations	Payments Due By Period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-term and short-term debt obligations (1)	\$ 635,811	\$ 161,944	\$ 65,144	\$ 146,855	\$ 261,868
Interest and fees on debt obligations (2)	142,792	32,910	47,602	39,648	22,632
Operating lease obligations (3)	98,694	23,298	38,757	25,614	11,025
Purchase obligations					
Forward grain purchase contracts (4)	305,905	292,261	5,589	3,915	4,140
Other commodity purchase contracts (5)	86,840	86,840	-	-	-
Other	193	26	115	52	-
Total contractual obligations	\$ 1,270,235	\$ 597,279	\$ 157,207	\$ 216,084	\$ 299,665

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

(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.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to various market risks, including changes in commodity prices and interest rates. Market risk is the potential loss arising from adverse changes in market rates and prices. In the ordinary course of business, we enter into various types of transactions involving financial instruments to manage and reduce the impact of changes in commodity prices and interest rates. At this time, we do not expect to have exposure to foreign currency risk as we expect to conduct all of our business in U.S. dollars.

Interest Rate Risk

We are exposed to market risk from changes in interest rates. Exposure to interest rate risk results primarily from holding term and revolving loans that bear variable interest rates. Specifically, we had \$615.6 million outstanding in debt as of September 30, 2014, \$479.3 million of which is variable-rate in nature. Interest rates on our variable-rate debt are determined based upon the market interest rate of either the lender's prime rate or LIBOR, as applicable. A 10% change in interest rates would affect our interest cost on such debt by approximately \$2.7 million per year in the aggregate. Other details of our outstanding debt are discussed in the notes to the consolidated financial statements included as a part of this report.

Commodity Price Risk

We produce ethanol, distillers grains and corn oil from corn and our business is sensitive to changes in the prices of each of these commodities. The price of corn is subject to fluctuations due to unpredictable factors such as weather; corn planted and harvested acreage; changes in national and global supply and demand; and government programs and policies. We use natural gas in the ethanol production process and, as a result, our business is also sensitive to changes in the price of natural gas. The price of natural gas is influenced by such weather factors as extreme heat or cold in the summer and winter, or other natural events like hurricanes in the spring, summer and fall. Other natural gas price factors include North American exploration and production, and the amount of natural gas in underground storage during both the injection and withdrawal seasons. Ethanol prices are sensitive to world crude-oil supply and demand; crude-oil refining capacity and utilization; government regulation; and consumer demand for alternative fuels. Distillers grains prices are sensitive to various demand factors such as numbers of livestock on feed, prices for feed alternatives, and supply factors, primarily production by ethanol plants and other sources.

We attempt to reduce the market risk associated with fluctuations in the price of corn, natural gas, ethanol, distillers grains and corn oil by employing a variety of risk management and economic hedging strategies. Strategies include the use of 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 operating margins based on a model that continually monitors market prices of corn, natural gas and other input costs against prices for ethanol and distillers grains at each of our production facilities. We create offsetting positions by using a combination of forward fixed-price physical purchases and sales contracts and derivative financial instruments. As a result of this approach, we frequently have gains on derivative financial instruments that are conversely offset by losses on forward fixed-price physical contracts or inventories and vice versa. In our ethanol production segment, gains and losses on derivative financial instruments are recognized each period in operating results while corresponding gains and losses on physical contracts are generally designated as normal purchase or normal sale contracts and are not recognized until quantities are delivered or utilized in production. For cash flow hedges, any ineffectiveness is recognized in current period results, while other unrealized gains and losses are deferred in accumulated other comprehensive income until gains and losses from the underlying hedged transaction are realized. In the event that it becomes probable that a forecasted transaction will not occur, we would discontinue cash flow hedge treatment, which would affect earnings. During the three and nine months ended September 30, 2014, revenues included net losses of \$4.1 million and \$204.1 million, respectively, and cost of goods sold included net losses of \$64.1 million and \$27.8 million, respectively, from derivative financial instruments. To the extent net gains or losses from settled derivative instruments are related to hedging current period production, they are generally offset by physical commodity purchases or sales resulting in the realization of the intended operating margins. However, our results of operations are impacted when there is a mismatch of gains or losses associated with the change in fair value of derivative instruments at the reporting period when the physical commodity purchase or sales has not yet occurred since they are designated as a normal purchase or normal sale.

In our agribusiness segment, inventory positions, physical purchase and sale contracts, and financial derivatives are marked to market with gains and losses included in results of operations. The market value of derivative financial instruments such as exchange-traded futures and options has a high, but not perfect, correlation to the underlying market value of grain inventories and related purchase and sale contracts.

Ethanol Production Segment

A sensitivity analysis has been prepared to estimate our ethanol production segment exposure to ethanol, corn, distillers grains and natural gas price risk. Market risk related to these factors is estimated as the potential change in net income resulting from hypothetical 10% changes in prices of our expected corn and natural gas requirements, and ethanol and distillers grains output for a one-year period from September 30, 2014. This analysis includes the impact of risk management

activities that result from our use of fixed-price purchase and sale contracts and derivatives. The results of this analysis, which may differ from actual results, are as follows (in thousands):

Commodity	Estimated Total Volume	Unit of Measure	Net Income Effect of
	Requirements for the Next 12		Approximate 10% Change in
	Months (1)		Price
Ethanol	1,020,000	Gallons	\$ 89,523
Corn	360,000	Bushels	\$ 69,354
Distillers grains	2,900	Tons (2)	\$ 13,768
Natural gas	28,900	MMBTU (3)	\$ 5,081

(1) Assumes production at full capacity.

(2) Distillers grains quantities are stated on an equivalent dried ton basis.

(3) Millions of British Thermal Units.

Corn Oil Production Segment

A sensitivity analysis has been prepared to estimate our corn oil production segment exposure to corn oil price risk. Market risk related to these factors is estimated as the potential change in net income resulting from hypothetical 10% changes in prices of our expected corn oil output for a one-year period from September 30, 2014. This analysis includes the impact of risk management activities that result from our use of fixed-price sale contracts. Market risk at September 30, 2014, based on the estimated net income effect resulting from a hypothetical 10% change in such prices, was approximately \$3.0 million.

Agribusiness Segment

The availability and price of agricultural commodities are subject to wide fluctuations due to unpredictable factors such as weather, plantings, foreign and domestic government farm programs and policies, changes in global demand created by population changes and changes in standards of living, and global production of similar and competitive crops. To reduce price risk caused by market fluctuations in purchase and sale commitments for grain and cattle, as well as grain held in inventory, we enter into exchange-traded futures and options contracts that function as economic hedges. The market value of exchange-traded futures and options used for hedging has a high, but not perfect correlation, to 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 value, 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. In addition, inventory values are affected by the month-to-month spread relationships in the regulated futures markets, as we carry inventories over time. These spread relationships are also less volatile than the overall market value and tend to follow historical patterns, but also represent a risk that cannot be directly mitigated. Our accounting policy for our futures and options, as well as the underlying inventory held for sale and purchase and sale contracts, is to mark them to the market and include gains and losses in the consolidated statement of operations.

A sensitivity analysis has been prepared to estimate agribusiness segment exposure to market risk of our commodity position (exclusive of basis risk). Our daily net commodity position consists of inventories related to purchase and sale contracts and exchange-traded contracts. The fair value of our position, which is a summation of the fair values calculated for each commodity by valuing each net position at quoted futures market prices, is approximately \$6.4 million at September 30, 2014. Market risk at that date, based on the estimated net income effect resulting from a hypothetical 10% change in such prices, was approximately \$0.4 million.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934, or 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 our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required financial disclosure.

As of the end of the period covered by this report, our management carried out an evaluation, under the supervision of and with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Our disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms. These disclosure controls and procedures are designed to ensure that information required to be disclosed by us in the reports that it files or submits under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required financial disclosure. Based upon that evaluation, our management, including our Chief Executive Officer and the Chief Financial Officer, concluded that our disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

Our 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 quarterly 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 in the ordinary course of business; however, we do not believe that any of 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 included in our annual report on Form 10-K for the year ended December 31, 2013 and in this quarterly report on Form 10-Q, including Cautionary Information Regarding Forward-Looking Information, which is included in Part I, Item 2, “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” 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. The following risk factors should be considered in conjunction with the other information included in, or incorporated by reference in, this quarterly report on Form 10-Q.

Tank cars used to transport crude oil and ethanol may need to be retrofitted or replaced to meet proposed new rail safety regulations.

The U.S. ethanol industry has long relied on railroads to deliver its product to market. Tank cars are in high demand amid strong domestic crude and ethanol production. We have approximately 2,200 leased tank cars. These leased tank cars may need to be retrofitted or replaced if new regulations proposed by the U.S. Department of Transportation to address concerns related to safety are adopted, which could in turn cause a shortage of compliant tank cars. The proposed regulations call for a phase out within four years of the use of legacy DOT-111 tank cars for transporting highly-flammable liquids, including ethanol. According to the proposed rule, the U.S. Department of Transportation expects about 66,000 tank cars to be retrofitted and about 23,000 cars to be shifted to transporting other liquids. The Canadian government has also proposed that its nation’s rail shippers use sturdier tank cars for transportation of crude oil and ethanol. Adoption of the proposed regulations, which could result in upgrades or replacements of our tank cars, would likely have an adverse effect on our operations as lease costs for tank cars would likely increase. Additionally, existing tank cars could be out of service for a period of time while such upgrades are made, tightening supply in an industry that is highly dependent on such railcars to transport its product.

Our access to capital may be negatively impacted if disruptions in credit markets occur or if credit rating downgrades occur.

Events may occur which could cause us to seek additional capital. If rating agencies downgrade our credit rating or disruptions in credit markets were to occur, the cost of debt under our existing financing arrangements, as well as future financing arrangements and borrowings, could increase. Access to capital markets could become unavailable or may only be available under less favorable terms. A downgrade of our credit ratings may also affect our ability to trade with various

commercial counterparties or cause our counterparties to require other forms of credit support.

Owning and operating a cattle-feeding business is affected by many external factors that could negatively impact our business, results of operations and financial condition.

Cattle-feeding operations involve numerous risks, including:

- the cost and supply of livestock and feed ingredients and the selling price of our cattle, which are determined by constantly changing and potentially volatile market forces of supply and demand as well as other factors over which we have little or no control;
- any outbreak of disease in our feedlot or elsewhere in the U.S. or even in other countries, or the perception by the public that an outbreak has occurred, could reduce consumer confidence in the safety and quality of beef products, generate adverse publicity, lead to inadequate supply, result in cancellation of orders by customers or result in the imposition of import or export restrictions;
- any contamination, or allegations of contamination, of our products or those of our competitors that may subject us to product liability claims or product recalls;
- potential for liability in excess of insurance policy limits, or related to uninsurable risks, if outbreaks of disease or other conditions result in significant losses;
- an inability to attract sufficient custom-feeding customers to maximize operational efficiencies;
- the loss of one or more significant customers, a significant decline in the volume of orders from customers or a significant decrease in beef product prices for a sustained period of time;
- defaults by customers on financing of cattle or feed and other inputs;
- diminished access to international markets, including the closing of borders by foreign countries to product imports due to disease or other perceived health or food safety issues, changes in political or economic conditions, or general trade restrictions;
- potential reductions in consumption of red meat (whether due to dietary changes or other issues) leading to depressed cattle prices;
- water use restrictions, including those related to diminishing water table levels, that increase costs;
- operational restrictions resulting from government regulations; and
- risks relating to environmental hazards.

These items may lead to increased costs or decreased demand or prices for beef products, any of which could have an adverse effect on our business, results of operations and financial condition.

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

Employees surrender shares upon the vesting of restricted stock grants to satisfy statutory minimum required payroll tax withholding obligations. The following table sets forth the shares that were surrendered by month during the third quarter of 2014.

Month	Total Number of Shares Withheld	Average Price Paid per Share
July	53	\$ 37.68
August	-	-
September	477	44.45
Total	530	\$ 43.77

In August 2014, we announced a share repurchase program of up to \$100 million of our common stock. Under the share repurchase program, we may repurchase shares from time to time in open market transactions, privately negotiated transactions, accelerated share buyback programs, tender offers or by other means. The timing and amount of repurchase transactions will be determined by our 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. No shares have been repurchased pursuant to this repurchase program.

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
10.1	Amendment dated August 18, 2014 to the Master Loan Agreement, as amended, dated June 20, 2011 by and among Green Plains Superior LLC and Farm Credit Services of America, FLCA
10.2	Revolving Term Loan Supplement dated August 18, 2014 to the Master Loan Agreement, as amended, dated June 20, 2011 by and among Green Plains Superior LLC and Farm Credit Services of America, FLCA
10.3	Fourth Amendment to Credit Agreement, dated August 8, 2014, 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 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 September 30, 2014, 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

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: October 30, 2014

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

Date: October 30, 2014

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

**AMENDMENT
TO THE
MASTER LOAN AGREEMENT**

THIS AMENDMENT is entered into as of August 18, 2014, between **FARM CREDIT SERVICES OF AMERICA, FLCA** (“Lead Lender”) and **GREEN PLAINS SUPERIOR LLC, Omaha, Nebraska** (the “Company”).

BACKGROUND

Lead Lender and the Company are parties to a Master Loan Agreement dated June 20, 2011 (such agreement, as previously amended, is hereinafter referred to as the “MLA”). Lead Lender and the Company now desire to amend the MLA. For that reason, and for valuable consideration (the receipt and sufficiency of which are hereby acknowledged), Lead Lender and the Company agree as follows:

1. Section 10(H) of the MLA is hereby amended and restated to read as follows:

SECTION 10. Negative Covenants. Unless otherwise agreed to in writing by Agent, while this agreement is in effect the Company will not:

(H) Dividends, Etc. Declare or pay any dividends, or make any distribution of assets to the member/owners, or purchase, redeem, retire or otherwise acquire for value any of its equity, or allocate or otherwise set apart any sum for any of the foregoing, except that a distribution may be accrued to the Company's member/owners of up to 40% of the year-to-date net profit before taxes (according to GAAP) and payment of this accrued amount may be made after the end of each fiscal quarter, provided that the Company has been and will remain in compliance with all loan covenants, terms, and conditions. Furthermore, the Company may pay out equity with no limitation, provided working capital as calculated per Section 11 (A) of the MLA is equal to or greater than \$10,000,000.00 after the distribution, provided that the Company has been and will remain in compliance with all loan covenants, terms, and conditions.

2. Section 10(I) of the MLA shall be deleted in its entirety.

3. Section 11 of the MLA is hereby amended and restated to read as follows:

SECTION 11. Financial Covenants. Unless otherwise agreed to in writing, while this agreement is in effect:

(A) Working Capital. The Company will have at the end of each period for which financial statements are required to be furnished pursuant to Section 9(H) hereof an excess of current assets over current liabilities (both as determined in accordance with GAAP consistently applied) of not less than \$3,000,000.00, except that in determining current assets, any amount available under the Revolving Term Loan Supplement (less the amount that would be considered a current liability under GAAP if fully advanced) hereto may be included.

(B) Net Worth. The Company will have at the end of each period for which financial statements are required to be furnished pursuant to Section 9(H) hereof an excess of total assets over total

liabilities (both as determined in accordance with GAAP consistently applied) of not less than \$33,000,000.00.

(C) Debt Service Coverage Ratio. The Company will have at the end of each fiscal year of the Company a “Debt Service Coverage Ratio” (as defined below) for such year of not less than 1.00 to 1.00. For purposes hereof, the term “Debt Service Coverage Ratio” shall mean the following (all as calculated for the most current year end in accordance with GAAP consistently applied): (1) net income (before taxes), plus depreciation and amortization, plus new equity injections; divided by (2) \$2,400,000.00.

4. Except as set forth in this amendment, the MLA, including all amendments thereto, shall continue in full force and effect as written.

IN WITNESS WHEREOF, the parties have caused this amendment to be executed by their duly authorized officers as of the date shown above.

**FARM CREDIT SERVICES OF AMERICA,
FLCA**

GREEN PLAINS SUPERIOR LLC

By: /s/ Kathryn J. Frahm

By: /s/ Patrich Simpkins

Title: VP Commercial Lender

Title: EVP, Finance & Treasurer

REVOLVING TERM LOAN SUPPLEMENT

THIS SUPPLEMENT to the Master Loan Agreement dated June 20, 2011 (the “MLA”), is entered into as of August 18, 2014 between **FARM CREDIT SERVICES OF AMERICA, FLCA** (“Lead Lender”) and **GREEN PLAINS SUPERIOR LLC, Omaha, Nebraska** (the “Company”), and amends and restates the Supplement dated June 20, 2011 and numbered RI0470T02D.

SECTION 1. The Revolving Term Loan Commitment. On the terms and conditions set forth in the MLA and this Supplement, Lead Lender agrees to make loans to the Company from the date hereof, up to and including October 20, 2019, in an aggregate principal amount not to exceed, at any one time outstanding, \$15,625,000.00 less the amounts scheduled to be repaid during the period set forth below in Section 5 (the “Commitment”). Within the limits of the Commitment, the Company may borrow, repay, and reborrow.

SECTION 2. Purpose and Transfer. The purpose of the Commitment is to provide working capital to the Company. In addition, the purpose of the Commitment is to consolidate under this Supplement the Company’s existing indebtedness to Lead Lender under the Term Loan Supplement dated June 20, 2011 and numbered RI0470T01D (the “Existing Agreement”). The Company agrees that on the date when all conditions precedent to Lead Lender’s obligation to extend credit hereunder have been satisfied: (A) the principal balance outstanding under the Existing Agreement shall be transferred to and charged against the Commitment; (B) all accrued obligations of the Company under the Existing Agreement for the payment of interest or other charges shall be billed out after principal transfer; and (C) the Existing Agreement and the promissory note set forth in or executed in connection therewith shall be deemed replaced and superseded, but the indebtedness evidenced by such note shall not be deemed to have been paid off, by this Supplement and the MLA. In addition, in the event any balances bearing interest at a fixed rate are outstanding on the date such loans are being transferred hereto, then such balances shall continue to be subject to such rates for the remaining agreed upon fixed rate periods but shall otherwise be subject to the terms hereof.

SECTION 3. Term. Intentionally Omitted.

SECTION 4. Interest. The Company agrees to pay interest on the unpaid balance of the loan(s) in accordance with one or more of the following interest rate options, as selected by the Company:

(A) One-Month LIBOR Index Rate. At a rate (rounded upward to the nearest 1/100th and adjusted for reserves required on “Eurocurrency Liabilities” [as hereinafter defined] for banks subject to “FRB Regulation D” [as hereinafter defined] or required by any other federal law or regulation) per annum equal at all times to 4.35% above the rate reported at 11:00 a.m. London time for the offering of one (1) month U.S. dollars deposits, by Bloomberg Information Services (or any successor or substitute service providing rate quotations comparable to those currently provided by such service, as determined by Agent (as that term is defined in the MLA) from time to time, for the purpose of providing quotations of interest rates applicable to dollar deposits in the London interbank market) on the first “U.S. Banking Day” (as hereinafter defined) in each week, with such rate to change weekly on such day. The rate shall be reset automatically, without the necessity of notice being provided to the Company or any other party, on the first “U.S. Banking Day” of each succeeding week, and each change in the rate shall be applicable to all balances subject to this option. Information about the then-current rate shall be made available upon telephonic request. For purposes hereof: (1) “U.S. Banking Day” shall mean a day on which Agent is open for business and banks are open for business in New York, New York; (2) “Eurocurrency

Liabilities” shall have the meaning as set forth in “FRB Regulation D”; and (3) “FRB Regulation D” shall mean Regulation D as promulgated by the Board of Governors of the Federal Reserve System, 12 CFR Part 204, as amended.

(B) Quoted Rate. At a fixed rate per annum to be quoted by Agent in its sole discretion in each instance. Under this option, rates may be fixed on such balances and for such periods, as may be agreeable to Agent in its sole discretion in each instance, provided that: (1) the minimum fixed period shall be 30 days; (2) amounts may be fixed in increments of \$100,000.00 or multiples thereof; and (3) the maximum number of fixes in place at any one time shall be five.

The Company shall select the applicable rate option at the time it requests a loan hereunder and may, subject to the limitations set forth above, elect to convert balances bearing interest at the variable rate option to one of the fixed rate options. Upon the expiration of any fixed rate period, interest shall automatically accrue at the variable rate option unless the amount fixed is repaid or fixed for an additional period in accordance with the terms hereof. Notwithstanding the foregoing, rates may not be fixed for periods expiring after the maturity date of the loans and rates may not be fixed in such a manner as to cause the Company to have to break any fixed rate balance in order to pay any installment of principal. All elections provided for herein shall be made telephonically or in writing and must be received by 12:00 Noon Company's local time. Interest shall be calculated on the actual number of days each loan is outstanding on the basis of a year consisting of 360 days and shall be payable monthly in arrears by the 20th day of the following month or on such other day in such month as Agent shall require in a written notice to the Company.

SECTION 5. Promissory Note. The Company promises to repay on the date of each reduction in the Commitment, the outstanding principal, if any, that is in excess of the available balance. The available balance shall be decreased by \$600,000.00 on the 20th day of each quarter beginning October 20, 2014, and continuing through and including July 20, 2019, followed by a final reduction at the expiration of the Commitment on October 20, 2019, at which time any outstanding balance shall be due and payable in full. If any installment due date is not a day on which Agent is open for business, then such payment shall be made on the next day on which Agent is open for business. In addition to the above, the Company promises to pay interest on the unpaid principal balance hereof at the times and in accordance with the provisions set forth in Section 4 hereof. This note replaces and supersedes, but does not constitute payment of the indebtedness evidenced by, the promissory note set forth in the Supplement being amended and restated hereby.

SECTION 6. Letters of Credit. In addition to loans, the Company may utilize, if agreeable to Agent in its sole discretion in each instance, the Commitment to open irrevocable letters of credit for its account. Each letter of credit will be issued within a reasonable period of time after Agent's receipt of a duly completed and executed copy of Agent's then current form of Application and Reimbursement Agreement, or, if applicable, in accordance with the terms of any CoTrade Agreement between the parties, and shall reduce the amount available under the Commitment by the maximum amount capable of being drawn thereunder. Any draw under any letter of credit issued hereunder shall be deemed a loan under the Commitment and shall be repaid in accordance with this Supplement. Each letter of credit must be in form and content acceptable to Agent and must expire no later than the maturity date of the Commitment.

SECTION 7. Security. The Company's obligations hereunder and, to the extent related hereto, under the MLA, including without limitation any future advances under any existing mortgage or deed of trust, shall be secured as provided in the Security Section of the MLA.

[EXECUTION COPY]

**FOURTH AMENDMENT TO
CREDIT AGREEMENT**

This **FOURTH AMENDMENT TO CREDIT AGREEMENT** (this "Fourth Amendment") dated as of August 8, 2014 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).

WITNESSETH:

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) Section 1.1 is amended as follows:

(i) The definition of "Account Control Agreement" is amended and restated in its entirety as follows:

“Account Control Agreement”: each agreement among the Collateral Agent, the Borrower, and a securities intermediary, commodity intermediary or bank, as applicable, required pursuant to the Security Agreement.”

(ii) The definition of "Approved Commodity Contract Counterparty" is amended and restated in its entirety as follows:

““Approved Commodity Contract Counterparty”: any counterparty set forth on Schedule 1.0H with a Counterparty Limit greater than \$1,000,000, that is party to a Commodity Contract.”

(iii) The definition of “Approved Storage Location” is amended and restated in its entirety as follows:

““Approved Storage Location”: means:

(i) any third party owned or operated warehouse, storage facility, or loading facility (other than any such facility leased by and under the control of the Borrower) in which the Borrower stores its Grain Inventory and Non-Grain Inventory, provided, that (x) such warehouse, storage facility, or loading facility has been approved by the Administrative Agent, (y) the Borrower’s inventory located at such location shall be subject to a Perfected Lien and (z) such warehouse, storage facility or loading facility shall have entered into a storage control agreement with the Collateral Agent in form and substance acceptable to the Administrative Agent;

(ii) any warehouse, storage facility, or loading facility owned by the Borrower (other than under clause (iii) below) in which the Borrower stores its Grain Inventory and Non-Grain Inventory, acceptable to the Administrative Agent, provided, that (x) the Borrower’s inventory located at such location shall be subject to a Perfected Lien and (y) the Administrative Agent shall, upon its request or the request of the Required Lenders, have obtained a mortgagee waiver agreement (in form and substance acceptable to the Administrative Agent) duly executed by the applicable mortgagee; and

(iii) any warehouse, storage facility, or loading facility (a) leased by and under the control of the Borrower or (b) owned by the Borrower but located on premises leased by the Borrower, in each case (under subclauses (a) and (b) above) in which the Borrower stores its Grain Inventory and Non-Grain Inventory, acceptable to the Administrative Agent, provided, that (x) the Borrower’s inventory located at such location shall be subject to a Perfected Lien, (y) the Administrative Agent shall have obtained a landlord waiver agreement (in form and substance acceptable to the Administrative Agent) duly executed by the applicable landlord and (z) the Administrative Agent shall, upon its request or the request of the Required Lenders, have obtained a mortgagee waiver agreement (in form and substance acceptable to the Administrative Agent) duly executed by the applicable mortgagee.

As of August 8, 2014, the Approved Storage Locations are those set forth on Schedule 1.0C.”

(iv) The definition of “Approved Suppliers” is deleted.

(v) The definition of “Bank Blocked Accounts” is amended and restated in its entirety as follows:

““Bank Blocked Accounts”: means the deposit accounts listed on Schedule 1.0A and other deposit accounts of the Borrower which are (a) maintained with

(i) the Administrative Agent or (ii) any other bank or financial institution acceptable to the Administrative Agent, in its sole discretion, in each case subject (in the case of this clause (ii)), to an Account Control Agreement and (b) at all times subject to Perfected Lien.”

(vi) The definition of “Borrowing Base” is amended by (A) amending and restating clause (xii) as follows:

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

(B) deleting in clause (e) of the proviso in the paragraph immediately following clause (xiv) thereof, “\$50,000,000” and replacing it with “\$62,000,000”; and

(C) inserting the following at the end of such definition:

“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 as defined in the Credit Agreement, 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.”

(vii) The definition of “Counterparty Limits” is amended and restated in its entirety as follows:

““Counterparty Limits: means the credit limit applicable to each Commodity Contract counterparty set forth on Schedule 1.0H.”

(viii) The definition of “Eligible Account Receivable” is amended by deleting clause (g)(vi) therein and replacing it with the following:

“(vi) shall not, when taken together with all other Accounts Receivable owing by the applicable Account Debtor, exceed the applicable Counterparty Limit;”.

(ix) The definition of “Eligible Affiliate Account Receivable” is amended by (A) deleting “, is owing from a Plant Entity and was generated at a plant location set forth in Section IV of Schedule 1.0H hereof” and replacing it with “and is owing from a Plant Entity” and (B) amending and restating clauses (v) and (vi) of the proviso therein as follows:

“(v) if any Plant Entity guarantees or otherwise provides credit support for Indebtedness (or other liabilities) of the Parent and/or any Affiliate of the Parent or such Plant Entity (excluding the GPP Plant Entity Guarantees), in an aggregate principal amount (in respect of such Indebtedness or liabilities so guaranteed or otherwise credit supported) in excess of such Plant Entity’s Guaranty Limit, all Accounts Receivable owing by such Plant Entity to the Borrower shall not be Eligible Affiliate Accounts Receivable and (vi) if any one or a combination of Plant Entities guarantee or otherwise provide credit support for Indebtedness (or other liabilities) of the Parent and/or any Affiliate of the Parent or such Plant Entity (excluding the GPP Plant Entity Guarantees), in an aggregate principal amount (in respect of such Indebtedness or liabilities so guaranteed or otherwise credit supported) in excess of \$62,000,000, all Accounts Receivable owing to the Borrower by each such Plant Entity that has provided such guarantees or other credit support shall not be Eligible Affiliate Accounts Receivable.”

(x) The definition of “Eligible Grain Inventory” is amended by (A) deleting clause (i) thereof and replacing it with the following:

“(i) it is located at an Approved Storage Location in the United States;” and

(B) deleting “and” at the end of clause (j); (C) deleting “.” at the end of clause (k) and replacing it with “;” and (D) inserting the following new clauses (l) and (m) after clause (k):

“(l) the Borrower has performed appropriate searches in the required filing offices to confirm the absence of any Lien; and

(m) the Borrower has taken all commercially reasonable and appropriate measures to assure that such Grain Inventory is free and clear of any Liens or claims of the supplier or any secured creditor with respect to such supplier.”

(xi) The definition of “Eligible Grain Inventory in Transit” is amended by (A) deleting clause (j) thereof and replacing it with the following:

“(j) it is in transit under the control and ownership of the Borrower in the United States (i) to an Approved Storage Location in the United States or (ii) on a water borne vessel chartered, rented, owned or leased by the Borrower and is traveling on navigable waterways within the United States, with the original bills of lading (and, if issued in more than one original, the full set as indicated on such bills of lading) issued or endorsed to the order of the Collateral Agent or issued to the order of the Borrower to be held by the Borrower in the United States for the benefit of the Collateral Agent;” and

(B) deleting “and” at the end of clause (k); (C) deleting “.” at the end of clause (l) and replacing it with “;” and (D) inserting the following new clauses (m) and (n) after clause (l):

“(m) the Borrower has performed appropriate searches in the required filing offices to confirm the absence of any Lien; and

(n) the Borrower has taken all commercially reasonable and appropriate measures to assure that such Grain Inventory is free and clear of any Liens or claims of the supplier or any secured creditor with respect to such supplier.”

(xii) The definition of “Eligible Net Unrealized Gain on Forward Contracts” is amended by (a) deleting in clause (x) of the proviso therein, “(other than Plant Entities)” and (b) deleting in clause (y) of the proviso therein, “or Plant Entity”.

(xii) The definition of “Eligible Non-Grain Inventory” is amended by (A) deleting clause (i) thereof and replacing it with the following:

“(i) it is located at an Approved Storage Location in the United States;” and

(B) deleting “and” at the end of clause (j); (C) deleting “.” at the end of clause (k) and replacing it with “;” and (D) inserting the following new clauses (l) and (m) after clause (k):

“(l) the Borrower has performed appropriate searches in the required filing offices to confirm the absence of any Lien; and

(m) the Borrower has taken all commercially reasonable and appropriate measures to assure that such Non-Grain Inventory is free and clear of any Liens or claims of the supplier or any secured creditor with respect to such supplier.”

(xiv) The new definition of “GPP Plant Entity” is inserted in its appropriate alphabetical place as follows:

““GPP Plant Entity”: each Plant Entity designated as a GPP Plant Entity on Schedule 1.0H hereto.”

(xv) The new definition of “GPP Plant Entity Guarantee” is inserted in its appropriate alphabetical place as follows:

““GPP Plant Entity Guarantee”: each guaranty by a GPP Plant Entity of the Indebtedness of Green Plains Processing LLC (“GPP”) in an aggregate principal amount not to exceed \$225,000,000, 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.”

(xvi) The definition of "Guaranty Limit" is amended by adding the following two rows of information at the bottom of the chart therein:

Green Plains Fairmont LLC	\$9,500,000
Green Plains Wood River LLC	\$9,500,000

(xvii) The definition of "Plant Entities" is amended and restated as follows:

“Plant Entities”: each of the entities set forth below the caption “Plant Entities” on Schedule 1.0H hereto.”

(b) Section 5.25(b) is amended and restated in its entirety as follows:

“(b) (i) No Plant Entity has guaranteed or otherwise provided credit support for Indebtedness (or other liabilities) of the Parent and/or any Affiliate of the Parent or such Plant Entity (excluding the GPP Plant Entity Guarantees) in an aggregate principal amount (in respect of such Indebtedness or liabilities so guaranteed or otherwise credit supported) greater than its Guaranty Limit and (ii) no Plant Entity or combination of Plant Entities have guaranteed or otherwise provided credit support for Indebtedness (or other liabilities) of the Parent and/or any Affiliate of the Parent or such Plant Entity (excluding the GPP Plant Entity Guarantees) in an aggregate principal amount (in respect of such Indebtedness or liabilities so guaranteed or otherwise credit supported) greater than \$62,000,000.”

(c) Section 7.16 is amended and restated in its entirety as follows:

“7.16 Agricultural Products.

(a) The Borrower shall take all actions as may be commercially reasonably required, if any, to ensure that any Inventory (in whatever form) purchased by the Borrower are purchased free and clear of any Lien or other claims in favor of any seller or any secured party with respect to the assets of any seller.

(b) The Borrower will, upon the Administrative Agent’s request, at any time and from time to time, furnish the Administrative Agent with (x) a true, correct and complete list of Persons from whom the Borrower purchases any Inventory and the outstanding amounts owed by the Borrower to such Person and (y) copies of any written notice of Liens encumbering any Inventory (or amendments thereto), in each case delivered to the Borrower.

(c) In the event the Borrower receives any written notice of Liens encumbering any of its Inventory, the Borrower shall pay the related invoice within the payment terms specified therein and take any other action necessary to release any Lien on the Grain Inventory or Non-Grain Inventory covered thereby; provided, however, that such invoice may remain unpaid if, and only so long as (i) appropriate legal or administrative action has been commenced in good faith and is being diligently pursued or defended by the Borrower, (ii) adequate reserves with respect to such contest are maintained on the books

of the Borrower, in accordance with GAAP, (iii) the Borrower shall promptly pay such contested invoice and all additional charges, interest, penalties and expenses, if any, and shall deliver to Administrative Agent evidence reasonably acceptable to Administrative Agent of such payment, if such contest is terminated or discontinued adversely to the Borrower or the conditions set forth in this Section 7.16 are no longer satisfied, and (iv) such Grain Inventory or Non-Grain Inventory, as applicable, shall be excluded from the Borrowing Base.”

(d) Section 8.6 is amended by inserting in clause (b)(II)(i) of the proviso therein immediately after “such Fiscal Year”, the following: “(other than Restricted Payments under clauses (a) and (b)(I) above)”.

(e) Section 8.18 is amended by (i) deleting “(ii)” and replacing it with “(c)” and (ii) inserting at the end thereof (before the “.”) the following: “and, in respect of such accounts not maintained with the Administrative Agent, an Account Control Agreement”.

(f) Section 11.1(a) is amended as follows:

(i) Clause (viii) is amended by deleting “.” At the end thereof and replacing it with “; or”; and

(ii) The text which appears after clause (viii) as follows: “Any such waiver and any such amendment, supplement or modification shall apply equally to each of the Lenders and shall be binding upon the Borrower, the Lenders, the Agents, and all future holders of the Loans and other Obligations. In the case of any waiver, to the extent provided in such waiver, the Borrower, the Lenders and the Agents shall be restored to their former positions and rights hereunder and under the other Loan Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon; or” is (x) deleted and re-inserted after clause (ix) and (y) amended by (I) deleting “; or” at the end thereof and (II) replacing it with “.”

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

“(c) Notwithstanding the foregoing provision of this Section 11.1, (i) the Fee Letters may be amended, modified or waived in a writing executed by only the parties thereto, (ii) Schedule 1.0D, Schedule 1.0F, 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 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, (iii) Schedule 1.0A, Schedule 1.0C and Schedule 8.18 may be amended or modified with the written consent of the Administrative Agent and the Borrower and (iv) each Account Control Agreement and each other tripartite agreement under which the Collateral Agent (or Administrative Agent) has obtained (or has intended to obtain) control over deposit, securities, investment, commodities or futures accounts of the Borrower (including, without limitation, the Commodity Account Control Agreement

dated as of October 28, 2013 (as amended, supplemented or otherwise modified from time to time) among Borrower, R.J. O'Brien & Associates, LLC and the Administrative Agent), may be amended to add additional accounts to be controlled by the Collateral Agent (or Administrative Agent), with the written consent of the Administrative Agent and the Borrower. The following procedure may be used, in the sole discretion of the Administrative Agent, in connection with any and all amendments or modifications requested by the Borrower to Schedule 1.0D, Schedule 1.0E, Schedule 1.0G or Schedule 1.0H (except, in the case of Schedule 1.0H, for those amendments or modifications permitted above with the consent of the Administrative Agent and the Borrower): (x) the Borrower shall deliver a written request to the Administrative Agent, which request shall be provided by the Administrative Agent to the Lenders through posting on Debtdomain or other web site in use to distribute information to the Lenders, or by other electronic mail, or other notice procedure permitted under Section 11.2; and (y) the Required Lenders shall inform the Administrative Agent of such approval in writing (by electronic communication, telecopy or facsimile) within five (5) Business Days after receipt of notice from the Administrative Agent; provided, that failure of a Lender to respond to any request for approval within the time period provided for hereby shall be deemed to be approval of such requested amendment or modification by such Lender.”

(h) Section 11.1(d) is amended and restated in its entirety as follows:

“(d) Intentionally omitted.”

(i) Section 2.2 of the First Amendment dated as of January 6, 2012 is hereby deleted. For the avoidance of doubt, such provision has been replaced as set forth in Section (a) (v)(B) of this Fourth Amendment.

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

(k) Schedule 1.0C is amended and restated in its entirety as set forth on Annex C.

(l) Schedules 1.0E and 1.0G are deleted.

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

(n) Schedule 1.0F is amended by deleting in the footnote “Agent” and replacing it with “the Required Lenders”.

SECTION 2. Effectiveness of Amendment.

This Fourth 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 shall have duly executed this Fourth Amendment;

(b) the Borrower shall have paid to the Administrative Agent for the account of each Lender, a fully earned, non-refundable amendment fee in immediately available funds, in an amount equal to \$3,000 (per Lender);

(c) the Borrower shall have paid to the Administrative Agent for its own account in immediately available funds, the fees set forth in the fee letter dated the date hereof between the Administrative Agent and the Borrower; and

(d) 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 Fourth 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 Fourth 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 Fourth 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 Fourth 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 Fourth 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. Counterparts.

This Fourth Amendment may be executed by one or more of the parties to this Fourth 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 Fourth Amendment signed by all the parties shall be lodged with the Borrower and the Administrative Agent.

SECTION 5. Severability.

Any provision of this Fourth 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. GOVERNING LAW.

THIS FOURTH 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. 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 FOURTH AMENDMENT AND FOR ANY COUNTERCLAIM THEREIN.

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

IN WITNESS WHEREOF, the parties hereto have caused this Fourth 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 Renewable Energy, Inc.,
its sole member**

By: /s/ Patrich Simpkins
Name: G. Patrich Simpkins
Title: EVP, Finance & Treasurer

**GREEN PLAINS GRAIN COMPANY
TN LLC, as a Borrower**

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

By: /s/ Patrich Simpkins
Name: G. Patrich Simpkins
Title: EVP, Finance & Treasurer

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

By: /s/ Karlien Zumpolle
Name: Karlien Zumpolle
Title: Vice President

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

BANK OF THE WEST, as a Lender

By: /s/ Stephen J. Hatz

Name: Stephen J. Hatz

Title: Senior Vice President

**RABO AGRIFINANCE, INC., as a
Lender**

By: /s/ Judy A. Cockran
Name: Judy A. Cockran
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/ Andrew McGrath
Name: Andrew McGrath
Title: Executive 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/ Daniel W. Lamprecht

Name: Daniel W. Lamprecht

Title: Managing Director

By: /s/ Bennett C. Whitehurst

Name: Bennett C. Whitehurst

Title: Vice President

ANNEX A TO FOURTH AMENDMENT

**EXHIBIT A
FORM OF BORROWING BASE REPORT**

Date: [____], 20[]

BNP Paribas, as Administrative Agent
787 Seventh Avenue
New York, New York 10019
Attention: Ms. Karlien Zumpolle

For: Borrowing Base dated as of _____, 201_ under Credit Agreement, dated as of
October 28, 2011

Ladies and Gentlemen:

This certificate is delivered pursuant to Section 6.1(d) and/or 7.2(c) of the Credit Agreement, as applicable, dated as of October 28, 2011 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among Green Plains Grain Company LLC (including in its capacity as successor by merger to Green Plains Essex Inc.) and Green Plains Grain Company TN LLC (together, jointly and severally, the "Borrower"), the Lenders from time to time parties thereto, BNP Paribas, as Administrative Agent and Collateral Agent (in such capacity, together with its successors and assigns, the "Agent"). Capitalized terms used herein and not otherwise defined herein shall have the meanings given to them in the Credit Agreement.

The undersigned Responsible Officer hereby certifies to the Agent and the Lenders that:

- (a) such Responsible Officer is qualified and acting in the office of the Borrower indicated below such Responsible Officer's name below;
- (b) the information reflected on the reports and schedules attached hereto are true and correct in all material respects as of the date hereof;
- (c) the amounts indicated on Annex I attached hereto were, to the best of my knowledge, true and accurate as of the date of preparation;
- (d) the Borrower has not exceeded the maximum allowed Consolidated Net Position for any type of Grain Inventory individually or all Grain Inventory in the aggregate;
- (e) no Accounts Receivable owing by Plant Entities which are included in the Borrowing Base have been outstanding for more than seven (7) days from the original invoice date;

Fourth Amendment

(f) with respect to each Plant Entity, (i) such Plant Entity is in compliance with all of its material agreements and obligations, (ii) such Plant Entity has not guaranteed or otherwise provided credit support for Indebtedness (or other liabilities) of the Parent and/or any Affiliate of the Parent or such Plant Entity (excluding the GPP Plant Entity Guarantees) in an aggregate principal amount (in respect of such Indebtedness or liabilities so guaranteed or otherwise credit supported) greater than its Guaranty Limit, (iii) no Plant Entity or combination of Plant Entities have guaranteed or otherwise provided credit support for Indebtedness (or other liabilities) of the Parent and/or any Affiliate of the Parent or such Plant Entity (excluding the GPP Plant Entity Guarantees) in an aggregate principal amount (in respect of such Indebtedness or liabilities so guaranteed or otherwise credit supported) greater than \$62,000,000, (iv) no breach or other default has occurred and is continuing under any of such Plant Entity's financing agreements or other material agreements, and (v) there has been no development or event which has had or could reasonably be expected to have a material adverse effect on the business, assets, income, property, liabilities (actual or contingent), operations or condition (financial or otherwise), or prospects of such Plant Entity, such that, such Plant Entity would be required to provide notice of such development or event under any of such Plant Entity's financing agreements or other material agreements;

(g) no Default or Event of Default has occurred and is continuing;

(h) no event or development which has had or could reasonably be expected to have a Material Adverse Effect has occurred; [**;** **and**]

[(i) the amounts indicated on the Position Report attached hereto as Annexes III and IV, to the best of my knowledge, true and accurate as of the date of preparation.]¹

[Remainder of page intentionally blank; signature page follows.]

¹ Pursuant to Section 7.2(d) of the Credit Agreement, Borrower must provide a Position Report with the month-end Borrowing Base Report furnished to the Administrative Agent pursuant to Section 7.2(c) of the Credit Agreement.

The foregoing certifications together with the supporting information and reports with respect to which this Borrowing Base Report is delivered, are made and delivered as of the date first written above.

**GREEN PLAINS GRAIN COMPANY LLC, as a
Borrower**

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

By: _____

Name:

Title:

**GREEN PLAINS GRAIN COMPANY TN LLC,
as a Borrower**

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

By: _____

Name:

Title:

c/o Green Plains Grain Company LLC
450 Regency Parkway, Suite 400
Omaha, Nebraska 68114
Attention: Mr. Jerry Peters
Fax: (402) 884-8776
Phone: (402) 315-1603
Email: jerry.peters@gpreinc.com

Fourth Amendment

ANNEX I
TO
BORROWING BASE REPORT
Borrowing Base
As of [____], 20[__]

I. Collateral Type¹

	Gross Value	Advance Rate	Borrowing Base Value
1. Eligible Cash Collateral, less unpaid checks, overdrafts, or other unpaid amounts related thereto for which any Person has a prior unpaid claim, <u>plus</u>	\$[____]	100%	\$[____]
2. Eligible Net Liquidation Value in Brokerage Accounts, <u>plus</u>	\$[____]	100%	\$[____]
3. Eligible Net Liquidation Value in Third Party Brokerage Accounts, <u>plus</u>	\$[____]	90%	\$[____]
4. Eligible Accounts Receivable, <u>plus</u>	\$[____]	85%	\$[____]
5. 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, <u>plus</u>	\$[____]	90%	\$[____]
6. Eligible Grain Inventory evidenced by warehouse receipts (see detail below), <u>plus</u>	\$[____]	90%	\$[____]
i. Grain Inventory evidenced by warehouse receipts, less	\$ _____		
ii. Grain Inventory evidenced by warehouse receipts subject to statutory Liens, less	\$ _____		
iii. Other ineligible Grain Inventory evidenced by warehouse receipts	\$ _____		
7. Eligible Grain Inventory not evidenced by warehouse receipts (see detail below), <u>plus</u>	\$[____]	85%	\$[____]
i. Grain Inventory not evidenced by warehouse receipts, less	\$ _____		
ii. Grain Inventory not evidenced by warehouse receipts subject to statutory Liens, less	\$ _____		
iii. Other ineligible Grain Inventory not evidenced by warehouse receipts	\$ _____		

¹ In no event shall any amounts described in categories I.1 through I.11 above which may fall into more than one of such categories be counted more than once when making the calculation of Borrowing Base.

8.	Eligible Non-Grain Inventory, subject to permitted product approval by the Administrative Agent, <u>plus</u>	\$[_____]	75%	\$[_____]
9.	Eligible Affiliate Accounts Receivable, <u>plus</u>	\$[_____]	85%	\$[_____]
10.	Eligible Grain Inventory In Transit (lesser of 10(a) or 10(b)) (see detail below), <u>plus</u>			\$[_____] ²
	i. Grain Inventory in transit, less	\$_____		
	ii. Grain Inventory in transit subject to statutory Liens, less	\$_____		
	iii. Other ineligible Grain Inventory in transit	\$_____		
	(a) Unadjusted Eligible Grain Inventory In Transit	\$[_____]	85%	\$[_____]
	(b) 10% of Borrowing Base	\$[_____]		
11.	Eligible Net Unrealized Gain on Forward Contracts ³ (lesser of 11(a) or 11(b))			\$[_____] ⁴
	(a) Unadjusted Eligible Net Unrealized Gain on Forward Contracts	\$[_____]	75%	\$[_____]
	(b) 30% of Borrowing Base	\$[_____]		
12.	<u>Less</u> , all Indebtedness secured by Permitted Liens to the extent encumbering assets otherwise included in the Borrowing Base	\$[_____]	100%	\$[_____]
13.	<u>Less</u> , all prepayments from Borrower's customers	\$[_____]	100%	\$[_____]
14.	<u>Less</u> , the amount of any Obligations owed to a Swap Party under a Swap Contract with Borrower which Obligations are secured pursuant to the Security Agreement	\$[_____]	100%	\$[_____]
15.	<u>Less</u> , the amount of any excess Eligible Accounts Receivable of Affiliates and Eligible Net Unrealized Gain on Forward Contracts of Affiliates over the applicable cap (15(d) <u>minus</u> 15(e), to the extent the difference is a positive number)		100%	\$[_____]
	(a) Eligible Affiliate Accounts Receivable	\$[_____]	85%	\$[_____]
	(b) Intentionally omitted			

2 In no event shall 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.

3 In no event shall any Commodity Contracts be included in any category in the Borrowing Base other than Eligible Net Unrealized Gain on Forward Contracts.

4 In no event shall the aggregate amount of Eligible Net Unrealized Gain on Forward Contracts, after giving effect to the applicable advance rate, exceed an amount equal to thirty percent (30%) of the Borrowing Base.

(c) Eligible Net Unrealized Gain on Forward Contracts of Affiliates	\$[_____]	75%	\$[_____]
(d) Aggregate total of Eligible Accounts Receivable and Eligible Net Unrealized Gain on Forward Contracts of Affiliates (Sum of 15(a) plus 15(c))			\$[_____]
(e) Applicable cap			\$62,000,000
16. Total Collateral (Sum of I.1 through I.11, <u>minus</u> I.12 through I.15)			\$[_____]

II. Extensions of Credit

1. Letters of Credit			\$[_____]
2. Revolving Loans			\$[_____]
3. Swing Line Loans			\$[_____]
4. Seasonal Line Loans			\$[_____]
5. Subtotal (II.1 + II.2 + II.3 + II.4)			\$[_____]

ANNEX II
TO
BORROWING BASE REPORT

Enclosed with this Borrowing Base Report are all necessary schedules, supporting information, and reports with details for the above, pursuant to the requirements under Section 1.1 of the Credit Agreement.

ANNEX II - 1

ANNEX III
TO
BORROWING BASE REPORT

Position Report⁶

A. Consolidated Net position for all Grain Inventory in the aggregate	_____ bushels*
B. Net Position for each type of Grain Inventory individually	
Corn	_____ bushels*
Aggregate Long Position for Corn and Milo	_____ bushels
Aggregate Short Position for Corn and Milo	_____ bushels
Soybeans	_____ bushels*
Aggregate Long Position for Soybeans	_____ bushels
Aggregate Short Position for Soybeans	_____ bushels
Wheat	_____ bushels*
Aggregate Long Position for Wheat	_____ bushels
Aggregate Short Position for Wheat	_____ bushels

[Each other type of Grain Inventory that Borrower and/or any Subsidiary has contracted to sell (whether by sale of a contract on a commodities exchange or otherwise) or which the Borrower and/or any Subsidiary will deliver in an exchange or under a Swap Contact] _____ bushels*

 [Aggregate Long Position for each other type of Grain Inventory individually] _____ bushels

 [Aggregate Short Position for each other type of Grain Inventory individually] _____ bushels

* If the Consolidated Net Position is an amount less than zero, it shall be expressed in each case as a positive number.

⁶ To be included with each month-end Borrowing Base Report furnished by Borrower to the Administrative Agent pursuant to Section 7.2(c) of the Credit Agreement.

ANNEX IV
TO
BORROWING BASE REPORT

Summary of Commodity Repurchase Agreements

- Type of Grain Inventory:**⁷ [_____]
1. Aggregate number of bushels of [*insert type of Grain Inventory listed above*] subject to the commodity repurchase agreements. _____ bushels
 2. Initial selling price of [*insert type of Grain Inventory listed above*] subject to the commodity repurchase agreements. \$[_____]
 3. Locations of [*insert type of Grain Inventory listed above*] subject to the commodity repurchase agreements.
 - (a) [*insert name of Location 1*]
 - [(b) *insert name of Location 2, if necessary*]

⁷ To be provided for each type of Grain Inventory subject to a commodity repurchase agreements individually.

EXHIBIT A - 1
FORM OF INTERIM BORROWING BASE REPORT

Date: [____], 20[]

BNP Paribas, as Administrative Agent
787 Seventh Avenue
New York, New York 10019
Attention: Ms. Karlien Zumpolle

For: Borrowing Base dated as of _____, 201_ under Credit Agreement, dated as of
October 28, 2011

Ladies and Gentlemen:

This certificate is delivered pursuant to the Credit Agreement, dated as of October 28, 2011 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among Green Plains Grain Company LLC (including in its capacity as successor by merger to Green Plains Essex Inc.) and Green Plains Grain Company TN LLC (together, jointly and severally, the "Borrower"), the Lenders from time to time parties thereto, BNP Paribas, as Administrative Agent and Collateral Agent (in such capacity, together with its successors and assigns, the "Administrative Agent"). Capitalized terms used herein and not otherwise defined herein shall have the meanings given to them in the Credit Agreement.

The undersigned Responsible Officer hereby certifies to the Administrative Agent and the Lenders that:

(a) such Responsible Officer is qualified and acting in the office of the Borrower indicated below such Responsible Officer's name below;

(b) the information reflected on the reports and schedules attached hereto are true and correct in all material respects as of the date hereof (except as noted below);

(c) the amounts indicated on Annex I attached hereto were, to the best of my knowledge, true and accurate as of the date of preparation (except as noted below);

(d) the Borrower has not exceeded the maximum allowed Consolidated Net Position for any type of Grain Inventory individually or all Grain Inventory in the aggregate;

(e) no Accounts Receivable owing by Plant Entities which are included in the Borrowing Base have been outstanding for more than seven (7) days from the original invoice date;

(f) with respect to each Plant Entity, (i) such Plant Entity is in compliance with all of its material agreements and obligations, (ii) such Plant Entity has not guaranteed or otherwise

provided credit support for Indebtedness (or other liabilities) of the Parent and/or any Affiliate of the Parent or such Plant Entity (excluding the GPP Plant Entity Guarantees) in an aggregate principal amount (in respect of such Indebtedness or liabilities so guaranteed or otherwise credit supported) greater than its Guaranty Limit, (iii) no Plant Entity or combination of Plant Entities have guaranteed or otherwise provided credit support for Indebtedness (or other liabilities) of the Parent and/or any Affiliate of the Parent or such Plant Entity (excluding the GPP Plant Entity Guarantees) in an aggregate principal amount (in respect of such Indebtedness or liabilities so guaranteed or otherwise credit supported) greater than \$62,000,000, (iv) no breach or other default has occurred and is continuing under any of such Plant Entity's financing agreements or other material agreements, and (v) there has been no development or event which has had or could reasonably be expected to have a material adverse effect on the business, assets, income, property, liabilities (actual or contingent), operations or condition (financial or otherwise), or prospects of such Plant Entity, such that, such Plant Entity would be required to provide notice of such development or event under any of such Plant Entity's financing agreements or other material agreements;

(g) no Default or Event of Default has occurred and is continuing; and

(h) no event or development which has had or could reasonably be expected to have a Material Adverse Effect has occurred.

[Remainder of page intentionally blank; signature page follows.]

The foregoing certifications together with the supporting information and reports with respect to which this Borrowing Base Report is delivered, are made and delivered as of the date first written above.

GREEN PLAINS GRAIN COMPANY LLC, as a Borrower

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

By: _____
Name:
Title:

GREEN PLAINS GRAIN COMPANY TN LLC, as a Borrower

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

By: _____
Name:
Title:

c/o Green Plains Grain Company LLC
450 Regency Parkway, Suite 400
Omaha, Nebraska 68114
Attention: Mr. Jerry Peters
Fax: (402) 884-8776
Phone: (402) 315-1603
Email: jerry.peters@gpreinc.com

ANNEX I
TO
INTERIM BORROWING BASE REPORT
Borrowing Base
As of [____], 20[__]

I. Collateral Type¹

	Gross Value	Advance Rate	Borrowing Base Value
1. Eligible Cash Collateral (after giving effect to the proposed Extensions of Credit related to this Interim Borrowing Base Report), less unpaid checks, overdrafts, or other unpaid amounts related thereto for which any Person has a prior unpaid claim, <u>plus</u>	\$[_____]	100%	\$[_____]
2. Eligible Net Liquidation Value in Brokerage Accounts, <u>plus</u>	\$[_____]	100%	\$[_____]
3. Eligible Net Liquidation Value in Third Party Brokerage Accounts, <u>plus</u>	\$[_____]	90%	\$[_____]
4. Eligible Accounts Receivable, <u>plus</u>	\$[_____]	85%	\$[_____]
5. 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, <u>plus</u>	\$[_____]	90%	\$[_____]
6. Eligible Grain Inventory evidenced by warehouse receipts (see detail below), <u>plus</u>	\$[_____]	90%	\$[_____]
i. Grain Inventory evidenced by warehouse receipts, less	\$ _____		
ii. Grain Inventory evidenced by warehouse receipts subject to statutory Liens, less	\$ _____		
iii. Other ineligible Grain Inventory evidenced by warehouse receipts	\$ _____		
7. Eligible Grain Inventory not evidenced by warehouse receipts (see detail below), <u>plus</u>	\$[_____]	85%	\$[_____]
i. Grain Inventory not evidenced by warehouse receipts, less	\$ _____		
ii. Grain Inventory not evidenced by warehouse receipts subject to statutory Liens, less	\$ _____		
iii. Other ineligible Grain Inventory not evidenced by warehouse receipts	\$ _____		

¹ In no event shall any amounts described in categories I.1 through I.11 above which may fall into more than one of such categories be counted more than once when making the calculation of Borrowing Base.

8. Eligible Non-Grain Inventory, subject to permitted product approval by the Administrative Agent, <u>plus</u>	\$[_____]	75%	\$[_____]
9. Eligible Affiliate Accounts Receivable, <u>plus</u>	\$[_____]	85%	\$[_____]
10. Eligible Grain Inventory In Transit (lesser of 10(a) or 10(b)) (see detail below), <u>plus</u>			\$[_____] ²
i. Grain Inventory in transit, less	\$ _____		
ii. Grain Inventory in transit subject to statutory Liens, less	\$ _____		
iii. Other ineligible Grain Inventory in transit	\$ _____		
(a) Unadjusted Eligible Grain Inventory In Transit	\$[_____]	85%	\$[_____]
(b) 10% of Borrowing Base	\$[_____]		
11. Eligible Net Unrealized Gain on Forward Contracts ³ (lesser of 11(a) or 11(b))			\$[_____] ⁴
(a) Unadjusted Eligible Net Unrealized Gain on Forward Contracts	\$[_____]	75%	\$[_____]
(b) 30% of Borrowing Base	\$[_____]		
12. <u>Less</u> , all Indebtedness secured by Permitted Liens to the extent encumbering assets otherwise included in the Borrowing Base	\$[_____]	100%	\$[_____]
13. <u>Less</u> , all prepayments from Borrower's customers	\$[_____]	100%	\$[_____]
14. <u>Less</u> , the amount of any Obligations owed to a Swap Party under a Swap Contract with Borrower which Obligations are secured pursuant to the Security Agreement	\$[_____]	100%	\$[_____]
15. <u>Less</u> , the amount of any excess Eligible Accounts Receivable of Affiliates and Eligible Net Unrealized Gain on Forward Contracts of Affiliates over the applicable cap		100%	\$[_____]
(15(d) <u>minus</u> 15(e), to the extent the difference is a positive number)			
(a) Eligible Affiliate Accounts Receivable	\$[_____]	85%	\$[_____]
(b) Intentionally omitted			
(c) Eligible Net Unrealized Gain on Forward Contracts of Affiliates	\$[_____]	75%	\$[_____]

2 In no event shall 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.

3 In no event shall any Commodity Contracts be included in any category in the Borrowing Base other than Eligible Net Unrealized Gain on Forward Contracts.

4 In no event shall the aggregate amount of Eligible Net Unrealized Gain on Forward Contracts, after giving effect to the applicable advance rate, exceed an amount equal to thirty percent (30%) of the Borrowing Base.

(d) Aggregate total of Eligible Accounts Receivable and Eligible Net Unrealized Gain on Forward Contracts of Affiliates (Sum of 15(a) plus 15(c))	\$[_____]
(e) Applicable cap	\$62,000,000
16. Total Collateral (Sum of I.1 through I.11, <u>minus</u> I.12 through I.15)	\$[_____]
II. Extensions of Credit (after giving effect to the proposed Extensions of Credit related to this Interim Borrowing Base Report)	
1. Letters of Credit	\$[_____]
2. Revolving Loans	\$[_____]
3. Swing Line Loans	\$[_____]
4. Seasonal Line Loans	\$[_____]
5. Subtotal (II.1 + II.2 + II.3 + II.4)	\$[_____]

ANNEX II
TO
INTERIM BORROWING BASE REPORT

Enclosed with this Borrowing Base Report are all necessary schedules, supporting information, and reports with details for the above, pursuant to the requirements under Section 1.1 of the Credit Agreement.

Approved Storage Locations**I. Owned Storage Locations**

Facility Name	Address	City	State	Zip
GPG - Archer	2132 Archer Grain	Archer	NE	68816
GPG - Essex	411 North Street	Essex	IA	51638
GPG - Hopkins	P.O. Box 165, 200 North Railroad Street	Hopkins	MO	64461
GPG - St. Edward	400 Railroad Avenue	St. Edward	NE	68660
GPG - Bluffton	1441 S. Adams Street P.O. Box 297	Bluffton	IN	46714
GPG - Lakota	1660 428th Street	Lakota	IA	50451
GPG - Ord	48267 Val-E Road	Ord	NE	68862
GPG - Otter Tail	24096 170th Avenue	Fergus Falls	MN	56537
GPG - Riga	7025 Silberhorn	Blissfield	MI	49228
GPG - Superior	1495 320th Ave.	Superior	IA	51363

II. Leased Storage Locations (with an executed Landlord Waiver and Consent Agreement)

Lessor Name	Address	City	State	Zip
Green Plains Atkinson LLC	87590 Hillcrest Road	Atkinson	NE	68713
Green Plains Bluffton LLC	1441 S. Adams Street	Bluffton	IN	46714
Green Plains Central City LLC	P.O. Box 297 214 20th Street	Central City	NE	68826
Green Plains Fairmont LLC	1125 Bixby Rd	Fairmont	MN	56031
Green Plains Obion LLC	2098 McDonald Road	Rives	TN	38253
Green Plains Holdings II	1660 428 th Street	Lakota	IA	50451
Green Plains Holdings II	7025 Silberhorn	Blissfield	MI	49228
Green Plains Ord LLC	48267 Val-E Road	Ord	NE	68862
Green Plains Otter Tail LLC	24096 170th Avenue	Fergus Falls	MN	56537
Green Plains Shenandoah LLC	4214 Airport Road	Shenandoah	IA	51601
Green Plains Superior LLC	1495 320th Ave.	Superior	IA	51363
Green Plains Wood River LLC	7874 South 104th Rd	Wood River	NE	68883

III. Third Party Locations (other than leased locations)

None.

ANNEX D TO FOURTH AMENDMENT

SCHEDULE 1.0H (1/2)Counterparty Limits

Name – non-Plant Entities	Counterparty Limit
CHS/CHS Oilseed Processing	\$15,000,000
Tyson Foods Inc.	\$15,000,000
ADM	\$15,000,000
Lansing Grain	\$15,000,000
Cargill	\$15,000,000
Valero	\$15,000,000
Bunge Corporation	\$15,000,000
AGP	\$15,000,000
Rembrandt Enterprises (Grain)	\$7,000,000
Lathrop Feed & Grain	\$7,000,000
Penn Pak Inc.	\$7,000,000
Bartlett Grain Co. LP	\$7,000,000
Cottonwood Trading	\$7,000,000
ADM Growmark	\$7,000,000
Central State Enterprises	\$7,000,000
Lifeline Foods Inc.	\$7,000,000
Marshall Durbin Company	\$7,000,000
Pilgrim's Pride Corporation	\$7,000,000
FC Feed Everly, Farnhamville	\$7,000,000
Interstate Commodities Inc.	\$7,000,000
Each other counterparty to a Commodity Contract (other than Plant Entities)	\$1,000,000

Plant Entities (below)

	Plant Location	GPP Plant Entity	Ethanol Production Capacity (mmgy)	Counterparty Limit
Green Plains Bluffton LLC	Bluffton, Indiana	Yes	120	\$10,000,000
Green Plains Central City LLC	Central City, Nebraska	Yes	100	\$9,000,000
Green Plains Holdings II LLC	Lakota, Iowa	No	100	\$9,000,000
Green Plains Obion LLC	Rives, Tennessee	No	120	\$10,000,000
Green Plains Ord LLC	Ord, Nebraska	Yes	55	\$5,000,000
Green Plains Otter Tail LLC	Fergus Falls, Minnesota	Yes	60	\$5,000,000
Green Plains Holdings II LLC	Blissfield, Michigan	No	60	\$5,000,000
Green Plains Shenandoah LLC	Shenandoah, Iowa	Yes	65	\$6,000,000
Green Plains Superior LLC	Superior, Iowa	No	60	\$5,000,000
Green Plains Atkinson LLC	Atkinson, Nebraska	Yes	50	\$5,000,000
Green Plains Fairmont LLC	Fairmont, MN	No	110	\$9,500,000
Green Plains Wood River LLC	Wood River, NE	No	110	\$9,500,000
Total			1010	\$88,000,000
		Subject to Entity Cap:	Aggregate Plant	\$62,000,000

**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: October 30, 2014

/s/ Todd A. Becker

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

**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: October 30, 2014

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

**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 September 30, 2014 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: October 30, 2014

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