Green Plains Renewable Energy, Inc.
Form 10-K/A
November 13, 2013

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K/A

Amendment No. 1

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2012

or

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____ to _____

Commission file number 001-32924

Green Plains Renewable Energy, 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)

Securities registered pursuant to Section 12(b) of the Act: Common Stock, $.001 par value

Name of exchanges on which registered: NASDAQ Stock Market

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes o No x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes o No x

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 x 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 x No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o.

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 definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer o. Accelerated filer x. Non-accelerated filer o Smaller reporting company o

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

The aggregate market value of the Company's voting common stock held by non-affiliates of the registrant as of June 29, 2012 (the last business day of the second quarter), based on the last sale price of the common stock on that date of $6.24, was approximately $155.9 million. For purposes of this calculation, executive officers, directors and holders of 10% or more of the registrant's common stock are deemed to be affiliates of the registrant.

As of October 31, 2013, there were 30,477,300 shares of the registrant's common stock outstanding.

EXPLANATORY NOTE

This Amendment No. 1 on Form 10-K/A (the “Amendment”) amends the Form 10-K filed by the Company for the fiscal year ended December 31, 2012, which was originally filed on February 15, 2013 (the “Original 10-K”). The purpose of this Amendment is to file a revised report from our auditors to include the city and state in which their report was issued and revise Part IV, Item 15 accordingly. Exhibits that were filed with the Original 10-K (see Exhibit Index as part of Item 15) are incorporated by reference in this Amendment. We have also filed new, modified Exhibits 31.3, 31.4, 32.3 and 32.4, as required.

Except as set forth above, the Original 10-K is not amended, updated, or otherwise modified. This Amendment does not reflect events occurring after February 15, 2013, the date of the Original 10-K, or modify or update those disclosures that may have been affected by subsequent events.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

(1) Financial Statements. The following index lists consolidated financial statements and notes thereto filed as part of this annual report on Form 10-K.

(2) Financial Statement Schedules. The following condensed financial information and notes thereto are filed as part of this annual report on Form 10-K.

All other schedules have been omitted because they are not applicable or the required information is included in the consolidated financial statements or notes thereto.

(3) Exhibits. The following exhibit index lists exhibits incorporated herein by reference, filed as a part of this annual report on Form 10-K, or furnished as part of this annual report on Form 10-K.

Exhibit Index

Exhibit No.	Description of Exhibit

2.1	Agreement and Plan of Merger among the Company, GPMS, Inc., Global Ethanol, LLC and Global Ethanol, Inc. dated September 28, 2010 (Incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K, dated October 22, 2010)
2.2(a)	Asset Purchase Agreement among Green Plains Grain Company LLC, Green Plains Grain Company TN LLC, Green Plains Renewable Energy, Inc. and The Andersons, Inc. dated October 26, 2012 (Incorporated by reference to Exhibit 2.1 of the Company's Current Report on Form 8-K filed October 29, 2012)
2.2(b)	First Amendment to Asset Purchase Agreement among Green Plains Grain Company LLC, Green Plains Grain Company TN LLC, Green Plains Renewable Energy, Inc. and The Andersons, Inc. effective as of November 30, 2012 (Incorporate by reference to Exhibit 2.2 of the Company's Current Report on Form 8-K filed December 6, 2012)
3.1(a)	Second Amended and Restated Articles of Incorporation of the Company (Incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K filed October 15, 2008)
3.1(b)	Articles of Amendment to Second Amended and Restated Articles of Incorporation of Green Plains Renewable Energy, Inc. (Incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K, filed May 9, 2011)
3.2	Second Amended and Restated Bylaws of Green Plains Renewable Energy, Inc., dated August 14, 2012 (Incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K filed August 15, 2012)
4.1	Shareholders' Agreement by and among Green Plains Renewable Energy, Inc., each of the investors listed on Schedule A, and each of the existing shareholders and affiliates identified on Schedule B, dated May 7, 2008 (Incorporated by reference to Appendix F of the Company's Registration Statement on Form S-4/A filed September 4, 2008)

4.2	Form of Senior Indenture (Incorporated by reference to Exhibit 4.5 of the Company's Registration Statement on Form S-3/A filed December 30, 2009)
4.3	Form of Subordinated Indenture (Incorporated by reference to Exhibit 4.6 of the Company's Registration Statement on Form S-3/A filed December 30, 2009)
4.4	Indenture relating to the 5.75% Convertible Senior Notes due 2015, dated as of November 3, 2010, between the Company and Wilmington Trust FSB, including the form of Global Note attached as Exhibit A thereto (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed November 3, 2010)
4.5	Form of Warrant to Purchase Common Stock (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed October 22, 2010)
*10.1	Amended and Restated Employment Agreement dated October 24, 2008, by and between the Company and Jerry L. Peters (Incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K, dated October 28, 2008)
*10.2	2007 Equity Incentive Plan (Incorporated by reference to Appendix A of the Company's Definitive Proxy Statement filed March 27, 2007)
10.3	Form of Indemnification Agreement (Incorporated by reference to Exhibit 10.53 of the Company's Registration Statement on Form S-4/A filed August 1, 2008)
*10.4(a)	Employment Agreement with Todd Becker (Incorporated by reference to Exhibit 10.54 of the Company's Registration Statement on Form S-4/A filed August 1, 2008)
*10.4(b)	Amendment No. 1 to Employment Agreement with Todd Becker, dated December 18, 2009. (Incorporated by reference to Exhibit 10.7(b) of the Company's Annual Report on Form 10-K filed February 24, 2010)
10.5(a)	Construction/Permanent Mortgage Security Agreement, Assignment of Leases and Rents, Financing Statement and Fixture Filing dated as of February 27, 2007 by Green Plains Bluffton LLC (f/k/a Indiana Bio-Energy, LLC) in favor of AgStar Financial Services, PCA (Incorporated by reference to Exhibit 10.48 of the Company's Annual Report on Form 10-KT, dated March 31, 2009)
10.5(b)	Amended and Restated Master Loan Agreement, dated September 30, 2011, by and among Green Plains Bluffton LLC and AgStar Financial Services, PCA (Incorporated by reference to Exhibit 10.06 of the Company's Quarterly Report on Form 10-Q, filed November 1, 2011)
10.5(c)	First Amendment to Amended and Restated Master Loan Agreement, dated February 16, 2012, by and among Green Plains Bluffton LLC and AgStar Financial Services, PCA (Incorporated by reference to Exhibit 10.5(c) of the Company's Annual Report on Form 10-K, filed February 17, 2012)
10.5(d)	Second Amendment to Amended and Restated Master Loan Agreement, dated September 28, 2012, by and among Green Plains Bluffton LLC and AgStar Financial Services, PCA (Incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q, filed November 1, 2012)
10.6(a)	Loan Agreement between City of Bluffton, Indiana and Green Plains Bluffton LLC (f/k/a Indian Bio-Energy, LLC) dates as of March 1, 2007 (Incorporated by reference to Exhibit 10.46 of the Company's Annual Report on Form 10-KT, dated March 31, 2009)
10.6(b)	Indenture of Trust dated as of March 1, 2007 by and between the City of Bluffton, Indiana, Indiana Bio-Energy, LLC (n/k/a Green Plains Bluffton LLC) and U.S. Bank National Association (Incorporated by reference to Exhibit 10.47 of the Company's Annual Report on Form 10-KT, dated March 31, 2009)
10.6(c)	Subordinate Construction/Permanent Mortgage, Security Agreement, Assignment of Leases and Rents, Financing Statement and Fixture Filing dated as of March 1, 2007 between Green Plains Bluffton LLC (f/k/a Indiana Bio-Energy, LLC) and U.S. Bank National Association (Incorporated by reference to Exhibit 10.49 of the Company's Annual Report on Form 10-KT, dated March 31, 2009)
*10.7	Non-Statutory Stock Option Agreement between Steve Bleyl and Green Plains Renewable Energy, Inc. dated October 15, 2008 (Incorporated by reference to Exhibit 10.50 of the Company's Annual Report on Form 10-KT, dated March 31, 2009)

*10.8	Non-Statutory Stock Option Agreement between Michael Orgas and Green Plains Renewable Energy, Inc. dated November 1, 2008 (Incorporated by reference to Exhibit 10.52 of the Company's Annual Report on Form 10-KT, dated March 31, 2009)
*10.9	Employment Agreement by and between Green Plains Renewable Energy, Inc. and Michael C. Orgas dated November 1, 2008 (Incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q filed May 15, 2009)
*10.10(a)	2009 Equity Incentive Plan (Incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K dated May 11, 2009)
*10.10(b)	Form of Stock Option Award Agreement for 2009 Equity Incentive Plan (Incorporated by reference to Exhibit 10.19(b) of the Company's Annual Report on Form 10-K filed February 24, 2010)
*10.10(c)	Form of Restricted Stock Award Agreement for 2009 Equity Incentive Plan (Incorporated by reference to Exhibit 10.19(c) of the Company's Annual Report on Form 10-K/A (Amendment No. 1) filed February 25, 2010)
*10.10(d)	Form of Deferred Stock Unit Award Agreement for 2009 Equity Incentive Plan (Incorporated by reference to Exhibit 10.19(d) of the Company's Annual Report on Form 10-K filed February 24, 2010)
10.11(a)	Credit Agreement by and among Green Plains Ord LLC, Green Plains Holdings LLC, AgStar Financial Services, PCA as Administrative Agent and the Banks named therein, dated July 2, 2009 (Incorporated by reference to Exhibit 10.5 of the Company's Quarterly Report on Form 10-Q filed August 10, 2009)
10.11(b)	Deed of Trust, Security Agreement, Assignment of Rents and Leases and Fixture Filing by and among Green Plains Ord LLC, Ticor Title Insurance Company and AgStar Financial Services, PCA, dated July 2, 2009 (Incorporated by reference to Exhibit 10.22(b) of the Company's Annual Report on Form 10-K filed February 24, 2010)
10.11(c)	Security Agreement by and among Green Plains Ord LLC, Green Plains Holdings LLC and AgStar Financial Services, PCA, dated July 2, 2009 (Incorporated by reference to Exhibit 10.22(c) of the Company's Annual Report on Form 10-K filed February 24, 2010)
10.11(d)	Affiliate Security Agreement between Green Plains Central City LLC and AgStar Financial Services, PCA, dated July 2, 2009 (Incorporated by reference to Exhibit 10.22(d) of the Company's Annual Report on Form 10-K filed February 24, 2010)
10.11(e)	Affiliate Deed of Trust, Security Agreement, Assignment of Rents and Leases and Fixture Filing between Green Plains Central City LLC, Ticor Title Insurance Company, and AgStar Financial Services, PCA, dated July 2, 2009 (Incorporated by reference to Exhibit 10.22(e) of the Company's Annual Report on Form 10-K filed February 24, 2010)
10.12(a)	Credit Agreement by and among Green Plains Central City LLC, Green Plains Holdings LLC, AgStar Financial Services, PCA as Administrative Agent, and the Banks named therein, dated July 2, 2009 (Incorporated by reference to Exhibit 10.6 of the Company's Quarterly Report on Form 10-Q filed August 10, 2009)
10.12(b)	Deed of Trust, Security Agreement, Assignment of Rents and Leases and Fixture Filing by and among Green Plains Central City LLC, Ticor Title Insurance Company, and AgStar Financial Services, PCA, dated July 2, 2009 (Incorporated by reference to Exhibit 10.23(b) of the Company's Annual Report on Form 10-K filed February 24, 2010)
10.12(c)	Security Agreement by and among Green Plains Central City LLC, Green Plains Holdings LLC and AgStar Financial Services, PCA, dated July 2, 2009 (Incorporated by reference to Exhibit 10.23(c) of the Company's Annual Report on Form 10-K filed February 24, 2010)
10.12(d)	Affiliate Security Agreement between Green Plains Ord LLC and AgStar Financial Services, PCA, dated July 2, 2009 (Incorporated by reference to Exhibit 10.23(d) of the Company's Annual Report on Form 10-K filed February 24, 2010)

4

10.12(e)	Affiliate Deed of Trust, Security Agreement, Assignment of Rents and Leases and Fixture Filing between Green Plains Ord LLC, Ticor Title Insurance Company, and AgStar Financial Services, PCA, dated July 2, 2009 (Incorporated by reference to Exhibit 10.23(e) of the Company's Annual Report on Form 10-K filed February 24, 2010)
10.12(f)	First Amendment to Credit Agreement by and among Green Plains Central City LLC, Green Plains Holdings LLC, AgStar Financial Services, PCA as Administrative Agent, and the Banks named therein, dated December 31, 2010 (Incorporated by reference to Exhibit 10.23(f) of the Company's Annual Report on Form 10-K filed March 4, 2011)
10.12(g)	Second Amendment dated June 30, 2011 to the Credit Agreement dated July 2, 2009 by and among Green Plains Central City LLC, Green Plains Holdings LLC, AgStar Financial Services, PCA as Administrative Agent and the Banks named therein (Incorporated by reference to Exhibit 10.5 of the Company's Quarterly Report on Form 10-Q filed August 3, 2011)
10.12(h)	Third Amendment dated June 30, 2011 to the Credit Agreement dated July 2, 2009 by and among Green Plains Central City LLC, Green Plains Holdings LLC, AgStar Financial Services, PCA as Administrative Agent and the Banks named therein (Incorporated by reference to Exhibit 10.6 of the Company's Quarterly Report on Form 10-Q filed August 3, 2011)
10.12(i)	Fourth Amendment dated June 28, 2012 to the Credit Agreement, as amended, dated June 2, 2009 by and among Green Plains Central City LLC, Green Plains Holdings LLC, AgStar Financial Services, PCA as Administrative Agent and the Banks named therein (Incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q filed July 31, 2012)
10.12(j)	Fifth Amendment dated September 28, 2012 to the Credit Agreement, as amended, dated June 2, 2009 by and among Green Plains Central City LLC, Green Plains Holdings LLC, AgStar Financial Services, PCA as Administrative Agent and the Banks named therein (Incorporated by reference to Exhibit 10.3 of the Company's Quarterly Report on Form 10-Q filed November 1, 2012)
10.12(k)	First Amendment dated June 30, 2011 to Credit Agreement dated July 2, 2009 by and among Green Plains Ord LLC, Green Plains Holdings LLC, AgStar Financial Services, PCA as Administrative Agent and the Banks named therein (Incorporated by reference to Exhibit 10.7 of the Company's Quarterly Report on Form 10-Q filed August 3, 2011)
10.12(l)	Second Amendment dated June 30, 2011 to Credit Agreement dated July 2, 2009 by and among Green Plains Ord LLC, Green Plains Holdings LLC, AgStar Financial Services, PCA as Administrative Agent and the Banks named therein (Incorporated by reference to Exhibit 10.8 of the Company's Quarterly Report on Form 10-Q filed August 3, 2011)
10.12(m)	Third Amendment dated June 28, 2012 to the Credit Agreement, as amended, dated June 2, 2009 by and among Green Plains Ord LLC, Green Plains Holdings LLC, AgStar Financial Services, PCA as Administrative Agent and the Banks named therein (Incorporated by reference to Exhibit 10.2 of the Company's Quarterly Report on Form 10-Q filed July 31, 2012)
10.12(n)	Fourth Amendment dated September 28, 2012 to the Credit Agreement, as amended, dated June 2, 2009 by and among Green Plains Ord LLC, Green Plains Holdings LLC, AgStar Financial Services, PCA as Administrative Agent and the Banks named therein (Incorporated by reference to Exhibit 10.2 of the Company's Quarterly Report on Form 10-Q filed November 1, 2012)
10.13(a)	Amended and Restated Revolving Credit and Security Agreement dated January 21, 2011 by and between PNC Bank, National Association (as Lender and Agent) and Green Plains Trade Group LLC (Incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed January 27, 2011)
10.13(b)	Amended and Restated Revolving Credit Note dated January 21, 2011 by and among Green Plains Trade Group LLC, the Lenders and PNC Bank, National Association (as Lender and Agent) (Incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed January 27, 2011)
10.13(c)	Revolving Credit Note dated January 21, 2011 by and among Green Plains Trade Group LLC, the Lenders and PNC Bank, National Association (as Lender and Agent) (Incorporated by reference to Exhibit 10.3 of

the Company’s Current Report on Form 8-K filed January 27, 2011)

5

10.13(d)	Revolving Credit Note dated January 21, 2011 by and among Green Plains Trade Group LLC, the Lenders and PNC Bank, National Association (as Lender and Agent) (Incorporated by reference to Exhibit 10.4 of the Company's Current Report on Form 8-K filed January 27, 2011)
*10.14	Short-Term Incentive Plan (Incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed January 27, 2010)
*10.15	Director Compensation effective January 1, 2009 (Incorporated by reference to Exhibit 10.26 of the Company's Annual Report on Form 10-K filed February 24, 2010)
*10.16	Employment Agreement dated March 4, 2011 by and between the Company and Jeffrey S. Briggs (Incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K, filed March 8, 2011)
*10.17	Employment Agreement dated March 4, 2011 by and between the Company and Carl S. (Steve) Bleyl (Incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K, filed March 8, 2011)
10.18(a)	Master Loan Agreement dated June 13, 2011 by and among Green Plains Obion LLC and Farm Credit Services of Mid-America, FLCA (Incorporated by reference to Exhibit 10.12 of the Company's Quarterly Report on Form 10-Q, filed August 3, 2011)
10.18(b)	Amendment to the Master Loan Agreement, dated October 24, 2012, by and among Green Plains Obion LLC, Farm Credit Services of Mid-America, FLCA and Farm Credit Services of Mid-America, PCA (Incorporated by reference to Exhibit 10.6 of the Company's Quarterly Report on Form 10-Q, filed November 1, 2012)
10.18(c)	Real Estate Deed of Trust dated January 18, 2007 by and among Ethanol Grain Processors, LLC (n/k/a Green Plains Obion LLC) , Farm Credit Services of Mid-America, FLCA and Farm Credit Services of Mid-America, PCA (Incorporated by reference to Exhibit 10.18(c) of the Company's Annual Report on Form 10-K filed February 15, 2013)
10.19(a)	Master Loan Agreement dated June 20, 2011 by and among Green Plains Superior LLC and Farm Credit Services of America, FLCA (Incorporated by reference to Exhibit 10.9 of the Company's Quarterly Report on Form 10-Q, filed August 3, 2011)
10.19(b)	Amendment dated December 21, 2012 to the Master Loan Agreement dated June 20, 2011 by and among Green Plains Superior LLC and Farm Credit Services of America, FLCA (Incorporated by reference to Exhibit 10.19(b) of the Company's Annual Report on Form 10-K filed February 15, 2013)
10.19(c)	Term Loan Supplement dated June 20, 2011 by and among Green Plains Superior LLC and Farm Credit Services of America, FLCA (Incorporated by reference to Exhibit 10.10 of the Company's Quarterly Report on Form 10-Q, filed August 3, 2011)
10.19(d)	Revolving Term Loan Supplement dated June 20, 2011 by and among Green Plains Superior LLC and Farm Credit Services of America, FLCA (Incorporated by reference to Exhibit 10.11 of the Company's Quarterly Report on Form 10-Q, filed August 3, 2011)
10.20	Stock Repurchase Agreement between Greenstar North America Holdings Inc. and Green Plains Renewable Energy. Inc. (Incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K, filed September 14, 2011)
10.21(a)	Master Loan Agreement, dated September 28, 2011, by and among Green Plains Shenandoah LLC and Farm Credit Services of America, FLCA (Incorporated by reference to Exhibit 10.3 of the Company's Quarterly Report on Form 10-Q, filed November 1, 2011)
10.21(b)	Amendment to the Master Loan Agreement, dated February 5, 2013, between Green Plains Shenandoah LLC and Farm Credit Services of America, FLCA (Incorporated by reference to Exhibit 10.21(b) of the Company's Annual Report on Form 10-K filed February 15, 2013)
10.21(c)	

	Revolving Term Loan Supplement, dated February 5, 2013, by and among Green Plains Shenandoah LLC and Farm Credit Services of America, FLCA (Incorporated by reference to Exhibit 10.21(c) of the Company's Annual Report on Form 10-K filed February 15, 2013)
10.21(d)	Multiple Advance Term Loan Supplement, dated September 28, 2011, by and among Green Plains Shenandoah LLC and Farm Credit Services of America, FLCA (Incorporated by reference to Exhibit 10.5 of the Company's Quarterly Report on Form 10-Q, filed November 1, 2011)

(Incorporated by reference to Exhibit 32.2 of the Company's Annual Report on Form 10-K filed February 15, 2013)

10.22(a)	Credit Agreement dated October 28, 2011 by and among Green Plains Grain Company LLC, Green Plains Grain Company TN LLC, Green Plains Essex Inc., BNP Paribas Securities Corp. as Lead Arranger, Rabo Agrifinance, Inc. as Syndication Agent, ABN AMRO Capital USA LLC as Documentation Agent and BNP Paribas as Administrative Agent (Incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K, filed November 3, 2011)
10.22(b)	Security Agreement dated October 28, 2011 by and among Green Plains Grain Company LLC, Green Plains Grain Company TN LLC, Green Plains Essex Inc. and BNP Paribas (Incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K, filed November 3, 2011)
10.22(c)	Promissory Note dated October 28, 2011 by and among Green Plains Grain Company LLC, Green Plains Grain Company TN LLC, Green Plains Essex Inc. and Bank of Oklahoma (Incorporated by reference to Exhibit 10.3 of the Company's Current Report on Form 8-K, filed November 3, 2011)
10.22(d)	Promissory Note dated October 28, 2011 by and among Green Plains Grain Company LLC, Green Plains Grain Company TN LLC, Green Plains Essex Inc. and U.S. Bank National Association(Incorporated by reference to Exhibit 10.4 of the Company's Current Report on Form 8-K, filed November 3, 2011)
10.22(e)	Promissory Note dated October 28, 2011 by and among Green Plains Grain Company LLC, Green Plains Grain Company TN LLC, Green Plains Essex Inc. and Farm Credit Bank of Texas(Incorporated by reference to Exhibit 10.5 of the Company's Current Report on Form 8-K, filed November 3, 2011)
10.22(f)	First Amendment to Credit Agreement dated January 6, 2012 by and among Green Plains Grain Company LLC, Green Plains Grain Company TN LLC, Green Plains Essex Inc., BNP Paribas and the Required Lenders (Incorporated by reference to Exhibit 10.26(k) of the Company's Annual Report on Form 10-K, filed February 17, 2012)
10.22(g)	Second Amendment to Credit Agreement, dated October 26, 2012, by and among Green Plains Grain Company LLC, Green Plains Grain Company TN LLC, Green Plains Essex, Inc., BNP Paribas, as the administrative agent under the Credit Agreement, and the lenders party to the Credit Agreement (Incorporated by reference to Exhibit 10.5 of the Company's Quarterly Report on Form 10-Q filed November 1, 2012)
10.23(a)	Amended and Restated Credit Agreement, dated February 9, 2012 by and among Green Plains Holdings II, various lenders and CoBank, ACB (as Administrative Agent, Syndication Agent and Lead Arranger) (Incorporated by reference to Exhibit 10.27(a) of the Company's Annual Report on Form 10-K, filed February 17, 2012)
10.23(b)	First Amendment to Amended and Restated Credit Agreement, dated October 16, 2012, by and between Green Plains Holdings II LLC and CoBank, ACB (Incorporated by reference to Exhibit 10.4 of the Company's Quarterly Report on Form 10-Q filed November 1, 2012)
10.23(c)	Amended and Restated Support and Subordination Agreement, dated February 9, 2012 by and among Green Plains Holdings II, as Borrower, Green Plains Renewable Energy, Inc., as Parent, and CoBank, ACB, as Administrative Agent (Incorporated by reference to Exhibit 10.27(b) of the Company's Annual Report on Form 10-K, filed February 17, 2012)

10.23(d)	Security Agreement, dated February 9, 2012 by and among Green Plains Holdings II (the Grantor) and CoBank, ACB (the Secured Party) (Incorporated by reference to Exhibit 10.27(c) of the Company's Annual Report on Form 10-K, filed February 17, 2012)
10.23(e)	Second Amendment to Mortgage, dated February 9, 2012 by and among, Green Plains Holdings II and CoBank ACB (Incorporated by reference to Exhibit 10.27(d) of the Company's Annual Report on Form 10-K, filed February 17, 2012)
10.23(f)	Second Amendment to Amended and Restated Real Estate Mortgage, dated February 9, 2012 by and among Green Plains Holdings II and CoBank, ACB (Incorporated by reference to Exhibit 10.27(e) of the Company's Annual Report on Form 10-K, filed February 17, 2012)
10.24	Stock Repurchase Agreement dated February 28, 2012 between Greenstar Investments LLC, Greenstar North America Holdings, Inc. and Green Plains Renewable Energy, Inc. (Incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed March 2, 2012)
21.1	Schedule of Subsidiaries (Incorporated by reference to Exhibit 21.1 of the Company's Annual Report on Form 10-K filed February 15, 2013)

23.1	Consent of KPMG LLP (Incorporated by reference to Exhibit 23.1 of the Company's Annual Report on Form 10-K filed February 15, 2013)
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and Section 302 of the Sarbanes-Oxley Act of 2002 (Incorporated by reference to Exhibit 31.1 of the Company's Annual Report on Form 10-K filed February 15, 2013)
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and Section 302 of the Sarbanes-Oxley Act of 2002 (Incorporated by reference to Exhibit 31.2 of the Company's Annual Report on Form 10-K filed February 15, 2013)
31.3	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and Section 302 of the Sarbanes-Oxley Act of 2002
31.4	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 (Incorporated by reference to Exhibit 32.1 of the Company's Annual Report on Form 10-K filed February 15, 2013)
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 (Incorporated by reference to Exhibit 32.2 of the Company's Annual Report on Form 10-K filed February 15, 2013)
32.3	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
32.4	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 Renewable Energy, Inc.'s Annual Report on Form 10-K for the annual period ended December 31, 2012, formatted in Extensible Business Reporting Language (XBRL): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Operations, (iii) the Consolidated Statements of Comprehensive Income (iv) the Consolidated Statements of Stockholders' Equity (v) the Consolidated Statements of Cash Flows and (vi) the Notes to Consolidated Financial Statements and Financial Statement Schedule. (Incorporated by reference to Exhibit 101 of the Company's Annual Report on Form 10-K filed February 15, 2013)

* Represents management compensatory contracts

7

8

SIGNATURES

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

GREEN PLAINS RENEWABLE ENERGY, INC.

(Registrant)

Date: November 13, 2013

By: /s/ Todd A. Becker

Todd A. Becker

President and Chief Executive Officer

(Principal Executive Officer)

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders

Green Plains Renewable Energy, Inc.:

We have audited the accompanying consolidated balance sheets of Green Plains Renewable Energy, Inc. and subsidiaries (the Company) as of December 31, 2012 and 2011, and the related consolidated statements of operations, comprehensive income, stockholders' equity and cash flows for each of the years in the three-year period ended December 31, 2012. In connection with our audits of the consolidated financial statements, we also have audited the financial statement schedule listed in the Index in Item 15. These consolidated financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and related financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2012 and 2011, and the results of its operations and its cash flows for each of the years in the three year period ended December 31, 2012 in conformity with U.S. generally accepted accounting principles. Also in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2012, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated February 15, 2013, expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ KPMG LLP

Omaha, Nebraska

February 15, 2013

GREEN PLAINS RENEWABLE ENERGY, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(in thousands, except share amounts)

	December 31, 2012	2011
ASSETS		
Current assets		
Cash and cash equivalents	$ 254,289	$ 174,988
Restricted cash	25,815	19,619
Accounts receivable, net of allowances of $219 and $263, respectively	80,537	106,198
Inventories	172,009	229,070
Prepaid expenses and other	12,314	14,289
Deferred income taxes	2,133	14,828
Derivative financial instruments	20,938	17,428
Total current assets	568,035	576,420
Property and equipment, net	708,110	776,789
Goodwill	40,877	40,877
Other assets	32,712	26,742
Total assets	$ 1,349,734	$ 1,420,828
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 95,564	$ 172,328
Accrued and other liabilities	32,475	29,825
Unearned revenue	3,617	15,453
Short-term notes payable and other borrowings	171,302	69,599
Current maturities of long-term debt	129,426	73,760
Total current liabilities	432,384	360,965
Long-term debt	362,549	493,407
Deferred income taxes	60,082	55,970
Other liabilities	4,217	5,129
Total liabilities	859,232	915,471
Stockholders' equity		
Common stock, $0.001 par value; 75,000,000 shares authorized; 36,903,777 and 36,413,611 shares issued, and 29,703,777 and 32,913,611 shares outstanding, respectively	37	36

Additional paid-in capital	445,198	440,469
Retained earnings	107,540	95,761
Accumulated other comprehensive income (loss)	3,535	(2,953)
Treasury stock, 7,200,000 and 3,500,000 shares, respectively	(65,808)	(28,201)
Total Green Plains stockholders' equity	490,502	505,112
Noncontrolling interests	-	245
Total stockholders' equity	490,502	505,357
Total liabilities and stockholders' equity	$ 1,349,734	$ 1,420,828

See accompanying notes to the consolidated financial statements.

GREEN PLAINS RENEWABLE ENERGY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share amounts)

	Year Ended December 31,		
	2012	2011	2010
Revenues	$ 3,476,870	$ 3,553,712	$ 2,133,922
Cost of goods sold	3,380,099	3,381,480	1,981,396
Gross profit	96,771	172,232	152,526
Selling, general and administrative expenses	(79,019)	(73,219)	(60,475)
Gain on disposal of assets	47,133	-	-
Operating income	64,885	99,013	92,051
Other income (expense)			
Interest income	191	310	313
Interest expense	(37,521)	(36,645)	(26,144)
Other, net	(2,399)	(779)	(169)
Total other income (expense)	(39,729)	(37,114)	(26,000)
Income before income taxes	25,156	61,899	66,051
Income tax expense	13,393	23,686	17,889
Net income	11,763	38,213	48,162
Net (income) loss attributable to noncontrolling interests	16	205	(150)
Net income attributable to Green Plains	$ 11,779	$ 38,418	$ 48,012
Earnings per share:			
Income attributable to Green Plains stockholders - basic	$ 0.39	$ 1.09	$ 1.55
Income attributable to Green Plains stockholders - diluted	$ 0.39	$ 1.01	$ 1.51
Weighted average shares outstanding:			
Basic	30,296	35,276	31,032
Diluted	30,463	41,808	32,347

See accompanying notes to the consolidated financial statements.

F-3

GREEN PLAINS RENEWABLE ENERGY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in thousands)

	Year Ended December 31,		
	2012	2011	2010
Net income	$ 11,763	$ 38,213	$ 48,162
Other comprehensive income:			
Unrealized gains (losses) on derivatives arising during period	49,999	(55,356)	(6,803)
Reclassification of realized (gains) losses on derivatives	(39,530)	51,123	6,506
Income tax (expense) benefit related to other comprehensive income	(3,981)	1,700	-
Other comprehensive income (loss)	6,488	(2,533)	(297)
Comprehensive income	18,251	35,680	47,865
Comprehensive (income) loss attributable to noncontrolling interests	16	205	(150)
Comprehensive income attributable to Green Plains	$ 18,267	$ 35,885	$ 47,715

See accompanying notes to the consolidated financial statements.

GREEN PLAINS RENEWABLE ENERGY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(in thousands)

	Common Stock Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accum. Other Comp Income (Loss)	Treasury Stock Shares	Treasury Stock Amount	Total Green Plains Stockholders' Equity	Non-Controlling Interests	Total Stockholders' Equity
Balance, December 31, 2009	24,957	$ 25	$ 292,231	$ 9,331	$ (123)	-	$ -	$ 301,464	$ 9,244	$ 310,708
Net income	-	-	-	48,012	-	-	-	48,012	150	48,162
Other comprehensive loss, net of tax	-	-	-	-	(297)	-	-	(297)	-	(297)
Stock-based compensation	102	-	2,124	-	-	-	-	2,124	-	2,124
Stock options exercised	23	-	200	-	-	-	-	200	-	200
Share issuance	6,325	6	79,726	-	-	-	-	79,732	-	79,732
Acquisition related issuance	4,386	5	56,964	-	-	-	-	56,969	-	56,969
Other	-	-	44	-	-	-	-	44	-	44
Balance, December 31, 2010	35,793	36	431,289	57,343	(420)	-	-	488,248	9,394	497,642
Net income	-	-	-	38,418	-	-	-	38,418	(205)	38,213
Other comprehensive loss, net of tax	-	-	-	-	(2,533)	-	-	(2,533)	-	(2,533)
Repurchase of common stock	-	-	-	-	-	3,500	(28,201)	(28,201)	-	(28,201)
Purchase of noncontrolling interest in BlendStar, net	-	-	5,572	-	-	-	-	5,572	(8,944)	(3,372)
	593	-	3,429	-	-	-	-	3,429	-	3,429

Stock-based compensation										
Stock options exercised	28	-	179	-	-	-	-	179	-	179
Balance, December 31, 2011	36,414	36	440,469	95,761	(2,953)	3,500	(28,201)	505,112	245	505,357
Net income	-	-	-	11,779	-	-	-	11,779	(16)	11,763
Other comprehensive income, net of tax	-	-	-	-	6,488	-	-	6,488	-	6,488
Repurchase of common stock	-	-	-	-	-	3,700	(37,607)	(37,607)	-	(37,607)
Stock-based compensation	421	1	4,290	-	-	-	-	4,291	-	4,291
Stock options exercised	69	-	452	-	-	-	-	452	-	452
Other	-	-	(13)	-	-	-	-	(13)	(229)	(242)
Balance, December 31, 2012	36,904	$ 37	$ 445,198	$ 107,540	$ 3,535	7,200	$ (65,808)	$ 490,502	$ -	$ 490,502

See accompanying notes to the consolidated financial statements.

GREEN PLAINS RENEWABLE ENERGY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

	Year Ended December 31,		
	2012	2011	2010
Cash flows from operating activities:			
Net income	$ 11,763	$ 38,213	$ 48,162
Adjustments to reconcile net income to net cash provided (used) by operating activities:			
Depreciation and amortization	52,828	50,076	37,355
Amortization of debt issuance costs	3,069	2,449	1,476
Gain on disposal of assets	(47,133)	-	-
Deferred income taxes	10,704	24,298	16,520
Stock-based compensation expense	4,291	3,429	2,124
Undistributed equity in loss of affiliates	2,398	779	169
Allowance for doubtful accounts	-	142	79
Other	2,309	-	-
Changes in operating assets and liabilities before effects of business combinations and dispositions:			
Accounts receivable	7,538	(17,059)	(30,023)
Inventories	(63,739)	(38,837)	(83,497)
Derivative financial instruments	2,594	24,841	(46,424)
Prepaid expenses and other assets	(671)	4,058	2,933
Accounts payable and accrued liabilities	15,045	23,408	74,642
Unearned revenues	(10,295)	(7,128)	13,046
Other	(1,352)	220	(1,746)
Net cash provided (used) by operating activities	(10,651)	108,889	34,816
Cash flows from investing activities:			
Purchases of property and equipment	(26,776)	(42,483)	(20,030)
Acquisition of businesses, net of cash acquired	(1,490)	(8,115)	(41,871)
Proceeds on disposal of assets, net	117,711	-	-
Other	(7,998)	(3,923)	(665)
Net cash provided (used) by investing activities	81,447	(54,521)	(62,566)

Cash flows from financing activities:			
Proceeds from the issuance of long-term debt	73,100	138,088	128,982
Payments of principal on long-term debt	(120,153)	(206,866)	(75,058)
Proceeds from short-term borrowings	3,324,523	3,525,923	2,133,335
Payments on short-term borrowings	(3,252,444)	(3,543,798)	(2,076,537)
Proceeds from issuance of common stock	-	-	79,732
Payments for repurchase of common stock	(10,445)	(28,201)	-
Change in restricted cash	(6,196)	8,164	(15,229)
Payments of loan fees	(332)	(3,648)	(4,249)
Other	452	(2,247)	200
Net cash provided (used) by financing activities	8,505	(112,585)	171,176
Net change in cash and cash equivalents	79,301	(58,217)	143,426
Cash and cash equivalents, beginning of period	174,988	233,205	89,779
Cash and cash equivalents, end of period	$ 254,289	$ 174,988	$ 233,205

Continued on the following page

GREEN PLAINS RENEWABLE ENERGY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

Continued from the previous page

	Year Ended December 31,		
	2012	2011	2010
Supplemental disclosures of cash flow:			
Cash paid for income taxes	$ 737	$ 971	$ 9
Cash paid for interest	$ 33,276	$ 35,217	$ 25,828
Supplemental noncash investing and financing activities:			
Common stock issued for merger and acquisition activities	$ -	$ -	$ 56,969
Assets acquired in acquisitions and mergers	$ 1,590	$ 62,686	$ 214,299
Less: liabilities assumed	(100)	(54,571)	(115,459)
Net assets acquired	$ 1,490	$ 8,115	$ 98,840
Assets disposed of in sale	$ 191,167	$ -	$ -
Less: liabilities disposed	(120,589)	-	-
Net assets disposed	$ 70,578	$ -	$ -
Short-term note payable issued to repurchase common stock	$ 27,162	$ -	$ -

See accompanying notes to the consolidated financial statements.

GREEN PLAINS RENEWABLE ENERGY, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION and DESCRIPTION OF BUSINESS

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 Renewable Energy, Inc., an Iowa corporation, and its subsidiaries.

Consolidated Financial Statements

The consolidated financial statements include the accounts of the Company, its wholly-owned subsidiaries, and entities which it controls. 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.

Use of Estimates in the Preparation of Consolidated Financial Statements

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles, or 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

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, collectively referred to as agribusiness, and (4) marketing and distribution of Company-produced and third-party ethanol, distillers grains, corn oil and other commodities, collectively referred to as marketing and distribution. Additionally, the Company is a partner in a joint venture that was formed to commercialize advanced photo-bioreactor technologies for the growing and harvesting of algal biomass.

Ethanol Production Segment

Green Plains is North America's fourth largest ethanol producer. The Company operates its nine ethanol plants, which have the capacity to produce approximately 740 million gallons per year, or mmgy, of ethanol, through separate wholly-owned operating subsidiaries. The Company's ethanol plants also produce co-products such as wet, modified wet or dried distillers grains, as well as corn oil which is reported in a separate segment. The Company's plants use a dry mill process to produce ethanol and co-products. At capacity, the Company's plants consume approximately 265 million bushels of corn and produce approximately 2.1 million tons of distillers grains annually.

Corn Oil Production Segment

The Company produces corn oil at all nine of its ethanol plants within the corn oil production segment, which have the capacity to produce approximately 155 million pounds annually. The Company operates its corn oil extraction systems through its wholly-owned subsidiary, Green Plains Commodities LLC. The corn oil systems are designed to extract non-edible corn oil from the whole stillage process immediately prior to production of distillers grains. Industrial uses for corn oil include feedstock for biodiesel, livestock feed additives, rubber substitutes, rust preventatives, inks, textiles, soaps and insecticides.

Agribusiness Segment

The Company owns and operates grain handling and storage assets through its agribusiness segment, primarily through its wholly-owned subsidiary, Green Plains Grain Company LLC. Green Plains Grain, after selling a substantial portion of its assets in late 2012, has three grain elevators with approximately 5.8 million bushels of total storage capacity, which supplies a portion of the feedstock for the Company's ethanol plants. The Company's ethanol production segment has approximately 11.0 million bushels of storage capacity at its ethanol plants.

Marketing and Distribution Segment

The Company has an in-house marketing business, Green Plains Trade Group LLC, that is responsible for the sales, marketing and distribution of all ethanol, distillers grains and corn oil produced at the Company's nine ethanol plants. This marketing business provides logistical services for ethanol and other commodities for third party producers. Additionally, through its wholly-owned subsidiary, BlendStar LLC, the Company operates nine blending or terminaling facilities with approximately 846 mmgy of total throughput capacity in seven south central U.S. states.

2. SUMMARY OF SIGNIFICANT accounting POLICIES

Cash and Cash Equivalents and Restricted Cash

The Company considers short-term highly liquid investments with original maturities of three months or less to be cash equivalents. Cash and cash equivalents include bank deposits. The Company also has restricted cash which is comprised of cash restricted as to use for payment towards a revenue bond and cash restricted as to use for payment towards a revolving credit agreement.

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 as these services are rendered.

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 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 inventories and forward purchase and sales contracts.

Exchange-traded futures and options contracts are valued at quoted market prices. Grain inventories, 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, 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. 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 sales contracts.

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 purchases or normal sales 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 sales 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 within the ethanol production segment 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.

Concentrations of Credit Risk

In the normal course of business, the Company is exposed to credit risk resulting from the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. The Company transacts sales of ethanol and distillers grains and is marketing products for third parties, which may result in concentrations of credit risk from a variety of customers, including major integrated oil companies, large independent refiners, petroleum wholesalers, other marketers and jobbers. The Company is also exposed to credit risk resulting from sales of grain to large commercial buyers, including other ethanol plants, which it continually monitors. Although payments are typically received within fifteen days of sale for ethanol and distillers grains, the Company continually monitors this credit risk exposure. In addition, the Company may prepay for or make deposits on undelivered inventories. Concentrations of credit risk with respect to inventory advances are primarily with a few major suppliers of petroleum products and agricultural inputs.

Inventories

Corn to be used in ethanol production, ethanol and distillers grains inventories are stated at the lower of average cost or market.

Other grain inventories include readily-marketable physical quantities of grain, forward contracts to buy and sell grain, and exchange traded futures and option contracts (all stated at market value). The futures and options contracts, which are used to hedge the value of both owned grain and forward contracts, are considered derivatives. All agribusiness segment grain inventories are marked to the market price with changes reflected in cost of goods sold. The forward contracts require performance in future periods. Contracts to purchase grain from producers generally relate to the current or future crop years for delivery periods quoted by regulated commodity exchanges. Contracts for the sale of grain to processors or other consumers generally do not extend beyond one year. The terms of contracts for the purchase and sale of grain are consistent with industry standards.

Finished goods inventory consists of denatured ethanol and its related co-products and is valued at the lower of cost (first-in, first-out) or market.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation of these assets is generally computed using the straight-line method over the following estimated useful lives of the assets:

	Years
Plant, buildings and improvements	10 - 40
Ethanol production equipment	15 - 40
Other machinery and equipment	5 - 7
Land improvements	20
Railroad track and equipment	20
Computer and software	3 - 5
Office furniture and equipment	5 - 7

Property and equipment is capitalized at cost. Land improvements are capitalized and depreciated. Expenditures for property betterments and renewals are capitalized. Costs of repairs and maintenance are charged to expense as incurred.

The Company periodically evaluates whether events and circumstances have occurred that may warrant revision of the estimated useful life of its fixed assets.

Impairment of Long-Lived Assets

The Company reviews its long-lived assets, currently consisting of property and equipment, for impairment whenever events or changes in circumstances indicate that the carrying amount of a long-lived asset may not be recoverable. Recoverability of assets to be held and used is measured by comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset. Significant management judgment is required in determining the fair value of long-lived assets to measure impairment, including projections of future discounted cash flows. No impairment charges were recorded for the periods reported.

Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. The Company has recorded goodwill for business combinations to the extent the purchase price exceeded the fair value of the net identifiable tangible and intangible assets of each acquired company. The Company's goodwill currently is comprised of amounts relating to its acquisitions of Green Plains Ord, Green Plains Central City, Green Plains Holdings II, Green Plains Otter Tail and BlendStar.

Goodwill is reviewed for impairment at least annually. The qualitative factors of goodwill are assessed to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment test. Under the first step, the fair value of the reporting unit is compared with its carrying value (including goodwill). If the fair value of the reporting unit is less than its carrying value, an indication of goodwill impairment exists for the reporting unit and the entity must perform step two of the impairment test. Under the second step, an impairment loss is recognized for any excess of the carrying amount of the reporting unit's goodwill over the implied fair value of that goodwill. The implied fair value of goodwill is determined by allocating the fair value of the reporting unit in a manner similar to a purchase price allocation and the residual fair value after this allocation is the implied fair value of the reporting unit goodwill. Fair value of the reporting unit is determined using a discounted cash flow analysis. If the fair value of the reporting unit exceeds its carrying value, no further analysis is necessary.

The Company performs its annual impairment review of goodwill at October 1, and when a triggering event occurs between annual impairment tests. No impairment losses were recorded for the periods reported.

Financing Costs

Fees and costs related to securing debt financing are recorded as financing costs. Debt issuance costs are stated at cost and are amortized utilizing the effective interest method for term loans and on a straight-line basis for revolving credit arrangements over the life of the agreements. However, during periods of construction, amortization of such costs is capitalized in construction-in-progress.

Noncontrolling Interests

Noncontrolling interests in all periods presented include the minority partners' shares of the equity and income of a majority-owned and consolidated subsidiary of Green Plains Grain and in periods prior to 2012 also included the minority partners' share of the equity and income of BlendStar. In conjunction with the sale of twelve grain elevators in December 2012, the Company divested its interest in the majority-owned subsidiary of Green Plains Grain. The Company also acquired all remaining noncontrolling interests in BlendStar in July 2011. Noncontrolling interests are classified on the consolidated statements of operations as a part of net income and the accumulated amount of noncontrolling interests are classified on the consolidated balance sheets as a part of stockholders' equity.

Selling, General and Administrative Expenses

Selling, general and administrative expenses are primarily general and administrative expenses for employee salaries, incentives and benefits; office expenses; director compensation; and professional fees for accounting, legal, consulting, and investor relations activities; as well as non-plant depreciation and amortization costs.

Environmental Expenditures

Environmental expenditures that pertain to current operations and relate to future revenue are expensed or capitalized consistent with its capitalization policy. Probable liabilities incurred that are reasonably estimable are also expensed or capitalized according to this policy and if material, would be disclosed in the Company's quarterly and annual filings. Expenditures that result from the remediation of an existing condition caused by past operations and that do not contribute to future revenue are expensed as incurred.

Stock-Based Compensation

The Company recognizes compensation cost using a fair value based method whereby compensation cost is measured at the grant date based on the value of the award and is recognized over the service period, which is usually the vesting period. The Company uses the Black-Scholes pricing model to calculate the fair value of options and warrants issued to both employees and non-employees. Stock issued for compensation is valued using the market price of the stock on the date of the related agreement.

Income Taxes

The provision for income taxes is computed using the asset and liability method, under which deferred tax assets and liabilities are recognized for the expected future tax consequences attributable to temporary differences between the financial reporting carrying amount of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in operating results in the period of enactment. Deferred tax assets are reduced by a valuation allowance when it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The Company recognizes uncertainties in income taxes within the financial statements under a process by which the likelihood of a tax position is gauged based upon the technical merits of the position, and then a subsequent measurement relates the maximum benefit and the degree of likelihood to determine the amount of benefit recognized in the financial statements. The Company excludes interest and penalties on tax uncertainties from the computation of income tax expense. These costs are treated as pre-tax expenses.

Recent Accounting Pronouncements

Effective January 1, 2012, the Company adopted the third phase of amended guidance in ASC Topic 820, Fair Value Measurements and Disclosures. The amended guidance clarifies the application of existing fair value measurement requirements and requires additional disclosure for Level 3 measurements regarding the sensitivity of fair value to changes in unobservable inputs and any interrelationships between those inputs. The Company currently is not impacted by the additional disclosure requirements as it does not have any recurring Level 3 measurements.

Effective January 1, 2012, the Company adopted the amended guidance in ASC Topic 220, Comprehensive Income. This accounting standards update is aimed at increasing the prominence of other comprehensive income in the financial statements by eliminating the option to present other comprehensive income in the statement of stockholders' equity. The Company has elected to present net income and other comprehensive income in two separate but consecutive statements. The updated presentation, which has been implemented retroactively for all comparable periods presented, did not impact the Company's financial position or results of operations.

Effective January 1, 2012, the Company adopted the amended guidance in ASC Topic 350, Intangibles – Goodwill and Other. The amended guidance permits an entity to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment test. The amended guidance did not impact the Company's financial position or results of operations.

Effective January 1, 2013, the Company will adopt the amended guidance in ASC Topic 210, Balance Sheet. The amended guidance addresses disclosure of offsetting financial assets and liabilities. It requires entities to add disclosures showing both gross and net information about instruments and transactions eligible for offset in the balance sheet and instruments and transactions subject to an agreement similar to a master netting arrangement. The updated disclosures will be implemented retrospectively and will not impact the Company's financial position or results of operations.

3. ACQUISITIONS AND DISPOSITIONS

Sale of Grain Assets

In December 2012, the Company sold twelve grain elevators located in northwestern Iowa and western Tennessee. The transaction involved approximately 32.6 million bushels, or 83%, of the Company's reported agribusiness grain storage capacity and all of its agronomy and retail petroleum operations. The divested assets were reported within the Company's agribusiness segment. The gross proceeds from the sale, including assumption of debt, current liabilities and fees, were $241.0 million. Cash proceeds from the sale totaled $117.7 million and a pre-tax gain from the sale of $47.1 million was included in operating income in the consolidated statement of operations for the year ended December 31, 2012. The following is a summary of divested assets and liabilities (in thousands):

Amounts of Disposed Assets and Liabilities	
Current assets	$ 146,527
Property and equipment, net	44,640
Current liabilities	92,386
Long-term debt, net	27,974

Acquisition of Otter Tail

In March 2011, the Company acquired an ethanol plant with an expected annual production capacity of 60 mmgy and certain other assets near Fergus Falls, Minnesota for $59.7 million. Consideration included $19.2 million of indebtedness, valued at $18.8 million, and $35.0 million in financing from a group of nine lenders with the remaining $5.9 million paid in cash. The following is a summary of assets acquired and liabilities assumed (in thousands):

	Amounts of identifiable assets acquired and liabilities assumed
Inventory	$ 4,986
Other current assets	738
Property and equipment, net	51,925
Current liabilities	(409)
Other	(138)
Total identifiable net assets	57,102
Goodwill	2,600
Purchase price	$ 59,702

Acquisition of Tennessee Grain Elevators

In April 2010, the Company acquired agribusiness operations in western Tennessee which included five grain elevators with federally licensed grain storage capacity of 11.7 million bushels. All of the grain elevators acquired are located within 50 miles of the Company's Obion, Tennessee ethanol plant. Also acquired were grain and fertilizer inventories and other agribusiness assets. The agribusiness assets were acquired for consideration totaling approximately $25.7 million, consisting of cash and $3.3 million in notes to the sellers. The five grain elevators and other assets acquired were owned by Green Plains Grain Company TN LLC, a wholly-owned subsidiary of the Company, and were included in the Company's agribusiness segment until sold in December 2012. The following is a summary of assets acquired and liabilities assumed (in thousands):

	Amounts of identifiable assets acquired and liabilities assumed
Inventory	$ 6,545
	1,679

Other current assets		
Property and equipment, net		19,968
Other noncurrent assets		21
Current liabilities		(2,537)
Total identifiable net assets		25,676
Purchase price	$	25,676

Acquisition of Global Ethanol, LLC

In October 2010, the Company acquired Global Ethanol, LLC. Global owned two operating ethanol plants which have an estimated combined annual production capacity of approximately 160 million gallons. The Company valued the transaction at approximately $174.2 million, including approximately $147.6 million for the ethanol production facilities and the balance in working capital. The value of the transaction includes the assumption of outstanding debt, which totaled approximately $97.7 million at that time. Upon closing, Global was renamed Green Plains Holdings II LLC, or Holdings II. At closing of the transaction, all outstanding units of Global were exchanged for aggregate consideration consisting of 4,386,027 shares of restricted Company common stock valued at $53.9 million, warrants to purchase 700,000 shares of restricted Company common stock, valued at $3.1 million and $19.5 million in cash. The warrants, recorded as a component of additional paid-in capital, are not transferable, except in certain limited circumstances, and are exercisable for a period of three years from the