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

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FORM 10-Q

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

For the Quarterly Period Ended September 30, 2016

Commission File Number 001-37469

GREEN PLAINS PARTNERS LP

(Exact name of registrant as specified in its charter)

Delaware	**47-3822258**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
450 Regency Parkway, Suite 400, Omaha, NE 68114	**(402) 884-8700**
(Address of principal executive offices, including zip code)	(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

☒ Yes ☐ No

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

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

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

☐ Yes ☒ No

The registrant had 15,910,658 common units and 15,889,642 subordinated units outstanding as of October 31, 2016.

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Commonly Used Defined Terms

The abbreviations, acronyms and industry terminology used in this quarterly report are defined as follows:

Green Plains Partners LP and Subsidiaries:

Birmingham BioEnergy	Birmingham BioEnergy Partners LLC, a subsidiary of BlendStar LLC
BlendStar	BlendStar LLC and its subsidiaries, the partnership's predecessor for accounting purposes
Green Plains Ethanol Storage	Green Plains Ethanol Storage LLC
Green Plains Operating Company	Green Plains Operating Company LLC
Green Plains Partners; the partnership	Green Plains Partners LP and its subsidiaries
Green Plains Trucking II	Green Plains Trucking II LLC
MLP predecessor	BlendStar LLC and its subsidiaries, and the assets, liabilities and results of operations of the ethanol storage and leased railcar assets contributed by Green Plains

Green Plains Inc. and Subsidiaries:

Green Plains; our parent or sponsor	Green Plains Inc. and its subsidiaries
Green Plains Holdings	Green Plains Holdings LLC; our general partner
Green Plains Obion	Green Plains Obion LLC
Green Plains Trade	Green Plains Trade Group LLC
Green Plains Trucking	Green Plains Trucking LLC

Other Defined Terms:

2015 annual report	The partnership's annual report on Form 10-K for the year ended December 31, 2015, filed February 18, 2016
ARO	Asset retirement obligation
ASC	Accounting Standards Codification
Bgy	Billion gallons per year
E15	Gasoline blended with up to 15% ethanol by volume
EBITDA	Earnings before interest, taxes, depreciation and amortization
EIA	U.S. Energy Information Administration
EPA	U.S. Environmental Protection Agency
Exchange Act	Securities Exchange Act of 1934, as amended
GAAP	U.S. Generally Accepted Accounting Principles
IPO	Initial public offering of Green Plains Partners LP
LIBOR	London Interbank Offered Rate
LTIP	Green Plains Partners LP 2015 Long-Term Incentive Plan
Mmg	Million gallons
Nasdaq	The Nasdaq Global Market
NMTC	New markets tax credits
Partnership agreement	First Amended and Restated Agreement of Limited Partnership of Green Plains Partners LP, dated as of July 1, 2015, between Green Plains Holdings LLC and Green Plains Inc.
PCAOB	Public Company Accounting Oversight Board
Recast Form 8-K	The partnership's Form 8-K filed May 12, 2016, which recast Items 1, 6, 7, and 15 of the 2015 annual report to give retroactive effect to the acquisition of the ethanol storage and leased railcar assets of the Hereford, Texas and Hopewell, Virginia production facilities in a transfer between entities under common control
RBOB	Reformulated blendstock for oxygenate blending
SEC	Securities and Exchange Commission
U.S.	United States
USDA	U.S. Department of Agriculture
WASDE	World Agricultural Supply and Demand Estimates

GREEN PLAINS PARTNERS LP

CONSOLIDATED BALANCE SHEETS

(in thousands, except unit amounts)

	September 30, 2016 (unaudited)	December 31, 2015*
ASSETS		
Current assets		
Cash and cash equivalents	$ 1,325	$ 16,385
Accounts receivable	517	566
Accounts receivable from affiliates	13,394	14,347
Amortizable lease costs	411	1,710
Prepaid expenses and other	640	911
Total current assets	16,287	33,919
Property and equipment, net of accumulated depreciation of $22,622 and $19,720, respectively	51,986	41,862
Goodwill	10,598	10,598
Note receivable	8,100	8,100
Other assets	1,964	1,298
Total assets	$ 88,935	$ 95,777
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities		
Accounts payable	$ 4,849	$ 4,590
Accounts payable to affiliates	1,086	1,538
Accrued and other liabilities	5,732	6,230
Asset retirement obligations	306	638
Unearned revenue	786	607
Total current liabilities	12,759	13,603
Long-term debt	139,915	7,879
Asset retirement obligations	2,438	1,808
Other liabilities	863	677
Total liabilities	155,975	23,967
Partners' capital		
Net investment - sponsor	-	6,299
Common unitholders - public (September 30, 2016 - 11,521,016 units issued and outstanding; December 31, 2015 - 11,510,089 units issued and outstanding)	114,079	161,079
Common unitholders - Green Plains (4,389,642 units issued and outstanding)	(39,034)	(21,088)
Subordinated unitholders - Green Plains (15,889,642 units issued and outstanding)	(141,290)	(76,334)
General partner interests	(795)	1,854
Total partners' capital	(67,040)	71,810
Total liabilities and partners' capital	$ 88,935	$ 95,777

*Recast to include the historical balances of assets acquired in a transfer between entities under common control. See Notes 1 and 3 to the consolidated financial statements.

See accompanying notes to the consolidated financial statements.

GREEN PLAINS PARTNERS LP

CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited and in thousands, except per unit amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	**2015**	**2016**	**2015**
Revenues				
Affiliate	$ 24,139	$ 19,247	$ 69,445	$ 21,895
Non-affiliate	2,066	2,163	6,042	6,356
Total revenues	26,205	21,410	75,487	28,251
Operating expenses				
Operations and maintenance	8,564	7,715	25,713	21,850
General and administrative	1,395	1,032	3,654	1,631
Depreciation and amortization	1,515	1,633	4,220	4,354
Total operating expenses	11,474	10,380	33,587	27,835
Operating income	14,731	11,030	41,900	416
Other income (expense)				
Interest income	21	22	62	63
Interest expense	(501)	(173)	(1,295)	(227)
Total other expense	(480)	(151)	(1,233)	(164)
Income before income taxes	14,251	10,879	40,667	252
Income tax expense (benefit)	52	-	304	(3,999)
Net income	14,199	10,879	40,363	4,251
Net loss attributable to MLP predecessor	-	-	-	(6,628)
Net income attributable to the partnership	$ 14,199	$ 10,879	$ 40,363	$ 10,879
Net income attributable to partners' ownership interests:				
General partner	$ 284	$ 218	$ 807	$ 218
Limited partners - common unitholders	6,962	5,332	19,786	5,332
Limited partners - subordinated unitholders	6,953	5,329	19,770	5,329
Earnings per limited partner unit (basic and diluted):				
Common units	$ 0.44	$ 0.34	$ 1.24	$ 0.34
Subordinated units	$ 0.44	$ 0.34	$ 1.24	$ 0.34
Weighted average limited partner units outstanding (basic and diluted):				
Common units	15,910	15,895	15,902	15,895
Subordinated units	15,890	15,890	15,890	15,890

See accompanying notes to the consolidated financial statements.

GREEN PLAINS PARTNERS LP

CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited and in thousands)

	Nine Months Ended September 30,	
	2016	2015
Cash flows from operating activities		
Net income	$ 40,363	$ 4,251
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	4,220	4,354
Accretion	183	155
Amortization of debt issuance costs	178	79
Increase in deferred lease liability	359	20
Deferred income taxes	(4)	(3,999)
Unit-based compensation	82	24
Changes in operating assets and liabilities:		
Accounts receivable	49	136
Accounts receivable from affiliates	953	(14,811)
Prepaid expenses and other assets	437	(101)
Accounts payable and accrued liabilities	(450)	9,831
Accounts payable to affiliates	(452)	4,489
Other	281	(34)
Net cash provided by operating activities	46,199	4,394
Cash flows from investing activities		
Purchases of property and equipment	(467)	(1,024)
Acquisition of assets from sponsor	(62,312)	-
Acquisition of assets	(90,000)	-
Proceeds on disposal of assets, net	-	19
Net cash used by investing activities	(152,779)	(1,005)
Cash flows from financing activities		
Proceeds from initial public offering, net	-	157,422
Distributions to partners	(39,496)	(155,300)
Proceeds from revolving credit facility	167,000	-
Payments on revolving credit facility	(35,000)	-
Payments of loan fees	(987)	(875)
Member contributions, net	-	7,893
Other	3	-
Net cash provided by financing activities	91,520	9,140
Net change in cash and cash equivalents	(15,060)	12,529
Cash and cash equivalents, beginning of period	16,385	5,705
Cash and cash equivalents, end of period	$ 1,325	$ 18,234
Supplemental disclosures of cash flow		
Cash paid for income taxes	$ 248	$ 1,006
Cash paid for interest	$ 1,052	$ 75

See accompanying notes to the consolidated financial statements.

GREEN PLAINS PARTNERS LP

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

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

References to the Partnership and MLP Predecessor

References to "the partnership" in the consolidated financial statements and notes to the consolidated financial statements refer to Green Plains Partners LP and its subsidiaries. References to the "MLP predecessor" refer to BlendStar LLC and its subsidiaries, the partnership's predecessor for accounting purposes, and the assets, liabilities and results of operations of certain ethanol storage and railcar assets contributed by Green Plains Inc. in connection with the IPO on July 1, 2015. References to "the sponsor" in transactions subsequent to the IPO refer to Green Plains.

On July 1, 2015, Green Plains Partners closed its IPO of common units representing limited partner interests of the partnership. Green Plains Holdings LLC, a wholly owned subsidiary of Green Plains Inc., serves as the general partner of the partnership. References to (i) "the general partner" and "Green Plains Holdings" refer to Green Plains Holdings LLC; (ii) "the parent," "the sponsor" and "Green Plains" refer to Green Plains Inc.; and (iii) "Green Plains Trade" refers to Green Plains Trade Group LLC, a wholly owned subsidiary of Green Plains.

Consolidated Financial Statements

The consolidated financial statements include the accounts of the partnership and its controlled subsidiaries. All significant intercompany balances and transactions are eliminated on a consolidated basis for reporting purposes. Results for the interim periods presented are not necessarily indicative of the expected results for the entire year.

The accompanying unaudited consolidated financial statements are prepared in accordance with GAAP for interim financial information and instructions to Form 10-Q and Article 10 of Regulation S-X. Because they do not include all of the information and footnotes required by GAAP, the consolidated financial statements should be read in conjunction with the partnership's annual report on Form 10-K for the year ended December 31, 2015, or the 2015 annual report, and the recast Form 8-K filed on May 12, 2016, which retroactively adjusted Items 1, 6, 7, and 15 of our 2015 annual report to give retroactive effect to the acquisition of the ethanol storage and leased railcar assets of the Hereford, Texas and Hopewell, Virginia production facilities.

In accordance with GAAP, when transferring assets between entities under common control, the entity receiving the net assets initially recognizes the carrying amounts of the assets and liabilities at the date of transfer and the prior period financial statements of the transferee are recast for all periods the transferred operations were part of the parent's consolidated financial statements. On July 1, 2015, in addition to the interests of BlendStar, the partnership received the ethanol storage and railcar assets in a transfer between entities under common control. The transferred assets and liabilities are recognized at our parent's historical cost and reflected retroactively in the consolidated financial statements presented in this report. Expenses related to the ethanol storage and railcar assets, such as depreciation, amortization and railcar lease expenses, are also reflected retroactively in the consolidated financial statements. There were no revenues related to the operation of the contributed ethanol storage and railcar assets for periods prior to July 1, 2015, when the related commercial agreements with Green Plains Trade became effective.

Effective January 1, 2016, the partnership acquired the ethanol storage and leased railcar assets of the Hereford, Texas and Hopewell, Virginia production facilities from its sponsor in a transfer between entities under common control. The assets were recognized at historical cost and reflected retroactively along with related expenses for periods prior to the effective date of the acquisition, subsequent to the initial dates the assets were acquired by the sponsor, or October 23, 2015, and November 12, 2015, for Hopewell and Hereford, respectively. There were no revenues related to these assets for periods before January 1, 2016, when amendments to the commercial agreements related to the dropdown became effective.

On September 23, 2016, Green Plains acquired three ethanol plants located in Madison, Illinois; Mount Vernon, Indiana and York, Nebraska from subsidiaries of Abengoa S.A. Concurrently with Green Plains' acquisition of the Abengoa ethanol plants, the partnership acquired the related storage assets for $90 million, accounted for as a transfer between entities under common control, and entered into amendments to the related commercial agreements with Green Plains Trade. Because the assets were acquired concurrently with Green Plains' acquisition of the three ethanol plants from a third party, the assets were recognized at the preliminary value recorded in Green Plains' purchase accounting and no retroactive adjustments were required. See *Note 3 – Acquisitions* to the consolidated financial statements for the impact to partners' capital.

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 normal and recurring in nature, unless otherwise noted.

Reclassifications

Certain prior year amounts were reclassified to conform to a revised current year presentation. These reclassifications did not affect total revenues, operating expenses, net income or partners' capital.

Use of Estimates in the Preparation of Consolidated Financial Statements

Preparation of the consolidated financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and revenues and expenses during the reporting period. The partnership bases its estimates on historical experience and assumptions it believes are proper and reasonable under the circumstances. The partnership regularly evaluates the appropriateness of these estimates and assumptions. Actual results could differ from those estimates. Key accounting policies, including, but not limited to, those related to depreciation of property and equipment, asset retirement obligations, and impairment of long-lived assets and goodwill are impacted significantly by judgments, assumptions and estimates used to prepare the consolidated financial statements.

Description of Business

The partnership provides fuel storage and transportation services by owning, operating, developing and acquiring ethanol and fuel storage tanks, terminals, transportation assets and other related assets and businesses. The partnership is its parent's primary downstream logistics provider, supporting its parent's approximately 1.5 bgy ethanol marketing and distribution business. The partnership's assets are the principal method of storing and delivering the ethanol the parent produces. The ethanol produced by the parent is fuel and industrial grade, made principally from starch extracted from corn, and is primarily used for blending with gasoline. Ethanol currently comprises approximately 10% of the U.S. gasoline market and is an economical source of octane and oxygenates for blending into the fuel supply. The partnership does not take ownership of, or receive any payments based on the value of the ethanol or other fuels it handles; as a result, the partnership does not have any direct exposure to fluctuations in commodity prices.

Revenue Recognition

The partnership recognizes revenues when all of the following criteria are satisfied: persuasive evidence an arrangement exists; services have been rendered; the price is fixed and determinable; and collectability is reasonably assured.

The partnership derives revenues when product is delivered to the customer from its ethanol storage tanks and fuel terminals, and transportation services are performed. The partnership generates a substantial portion of its revenues under fee-based commercial agreements with Green Plains Trade.

The partnership's storage and throughput agreement and certain terminal services agreements with Green Plains Trade are supported by minimum volume commitments. The partnership's rail transportation services agreement is supported by minimum take-or-pay capacity commitments. Green Plains Trade is required to pay the partnership fees for these minimum commitments regardless of the actual volume, throughput or capacity used for storage or transport. Payment related to volume that was not actually throughput by Green Plains Trade is applied as a credit toward volume in excess of the minimum volume commitment during any of the next four quarters, after which time unused credits expire. The partnership records a liability for deferred revenue in the amount of the credit that may be used in future periods and for charges to customers before the product is delivered. The partnership recognizes revenue and relieves the liability when credits are utilized or expire and when risk of loss is transferred with product delivery to the customer. As a result, a portion of the partnership's revenues may be associated with cash collected during an earlier period that did not generate cash during the current period.

Concentrations of Credit Risk

In the normal course of business, the partnership is exposed to credit risk resulting from the possibility a loss may occur due to failure of another party to perform according to the terms of their contract. The partnership provides fuel storage and transportation services for various parties with a significant portion of its revenues earned from Green Plains Trade. The partnership continually monitors its credit risk exposure and concentrations.

Segment Reporting

The partnership accounts for segment reporting in accordance with ASC 280, *Segment Reporting*, which establishes standards for entities reporting information about the operating segments and geographic areas in which they operate. Management evaluated how its chief operating decision maker has organized the partnership for purposes of making operating decisions and assessing performance, and concluded it has one reportable segment.

Asset Retirement Obligations

The partnership records an ARO for the fair value of the estimated costs to retire a tangible long-lived asset in the period it will be incurred if it can be reasonably estimated, which is subsequently adjusted for accretion expense. The corresponding asset retirement costs are capitalized as a long-lived asset and depreciated on a straight-line basis over the asset's remaining useful life. The expected present value technique used to calculate the fair value of the AROs includes assumptions about costs, settlement dates, interest, accretion and inflation. Changes in assumptions, including the amount or timing of estimated cash flows, could result in increases or decreases to the AROs. The partnership's AROs are based on legal obligations to perform remedial activity when certain machinery and equipment are disposed and operating leases expire.

Income Taxes

The partnership is a limited partnership, which is not subject to federal income taxes. The partnership owns a subsidiary, however, that is taxed as a corporation for federal and state income tax purposes. In addition, the partnership is subject to state income taxes in certain states. As a result, the financial statements reflect a provision or benefit for such income taxes. The general partner and the unitholders are responsible for paying federal and state income taxes on their share of the partnership's taxable income.

The partnership 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. Then, a subsequent measurement uses the maximum benefit and degree of likelihood to determine the amount of benefit recognized in the financial statements.

The MLP predecessor was a single member limited liability company, treated as a non-taxable disregarded entity in Green Plains' federal and state income tax returns. For periods prior to the IPO, the consolidated financial statements reflect income taxes as if the MLP predecessor had filed separate federal and state tax returns.

Recent Accounting Pronouncements

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

Effective January 1, 2016, the partnership adopted the amended guidance in ASC 260, *Effects on Historical Earnings per Unit of Master Limited Partnership Dropdown Transactions*, which specifies how to calculate historical earnings or losses per unit under the two-class method of a transferred business before the date of a dropdown transaction that should be allocated entirely to the sponsor.

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

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

2. INITIAL PUBLIC OFFERING

On June 26, 2015, the common units of the partnership began trading under the symbol "GPP" on Nasdaq. On July 1, 2015, the partnership closed the IPO of 11,500,000 common units to the public at a price of $15.00 per common unit.

In connection with the IPO, the partnership issued (i) 4,389,642 common units and 15,889,642 subordinated units to Green Plains and its affiliates, representing a 62.5% limited partner interest in the partnership; (ii) a 2.0% general partner interest in the partnership and all of its incentive distribution rights to the general partner; and (iii) 11,500,000 common units to the public, representing a 35.5% limited partner interest in the partnership. Green Plains contributed the interests of BlendStar, its ethanol storage facilities and transportation assets, including its leased railcar fleet, to the partnership, and, through its wholly owned subsidiary, controls all of the business and affairs of the partnership.

The partnership received net proceeds of $157.5 million from the sale of 11,500,000 common units, after deducting underwriting discounts of $10.3 million, structuring fees of $0.9 million and other IPO expenses of approximately $3.8 million. The partnership used the net proceeds to make a cash distribution of $155.3 million to Green Plains, in part, as reimbursement for capital expenditures incurred and to pay $0.9 million in origination fees under its new revolving credit facility. The remaining $1.3 million was retained for general partnership purposes.

The following descriptions relate to agreements entered into in connection with the IPO on July 1, 2015. For additional information and the agreements in their entirety, please refer to the 2015 annual report, and *Note 11 – Related Party Transactions* to the consolidated financial statements in this report.

Omnibus Agreement

In connection with the IPO, the partnership entered into an omnibus agreement with Green Plains and its affiliates which addresses:

- the partnership's obligation to reimburse Green Plains for direct or allocated costs and expenses incurred by Green Plains for general and administrative services (in addition to expenses incurred by the general partner and its affiliates that are reimbursed under the First Amended and Restated Agreement of Limited Partnership of Green Plains Partners LP, or the partnership agreement);
- the prohibition of Green Plains and its subsidiaries from owning, operating or investing in any business that owns or operates fuel terminals or fuel transportation assets in the United States, subject to exceptions;
- the partnership's right of first offer to acquire assets if Green Plains decides to sell them for up to five years from the consummation of the IPO;
- a nontransferable, nonexclusive, royalty-free license to use the Green Plains trademark and name;
- the allocation of taxes among the parent, partnership and its affiliates and the parent's preparation and filing of tax returns; and
- an indemnity by Green Plains for environmental and other liabilities, the partnership's obligation to indemnify Green Plains and its subsidiaries for events and conditions associated with the operation of partnership assets that occur after the closing of the IPO, and for environmental liabilities related to partnership assets to the extent Green Plains is not required to indemnify the partnership.

If Green Plains or its affiliates cease to control the general partner, then either Green Plains or the partnership may terminate the omnibus agreement, provided that (i) the indemnification obligations of the parties survive according to their respective terms; and (ii) Green Plains' obligation to reimburse the partnership for operational failures survives according to its terms.

Contribution, Conveyance and Assumption Agreement

On July 1, 2015, in connection with the IPO, the partnership entered into a contribution, conveyance and assumption agreement with its general partner, Green Plains, Green Plains Operating Company, Green Plains Obion and Green Plains Trucking, and the following transactions, among others, occurred concurrently with the closing of the IPO:

- Green Plains conveyed its 2.25% limited liability interest in Green Plains Operating Company to the general partner, which the general partner then conveyed to the partnership in exchange for the general partner interest and all of the limited partner interests in the partnership classified as incentive distribution rights under the partnership agreement;
- Green Plains conveyed its remaining 97.75% limited liability interest in Green Plains Operating Company to the partnership in exchange for 3,629,982 common units and 13,139,822 subordinated units;
- Green Plains Obion conveyed its 10.32% limited liability interest in Green Plains Ethanol Storage to the partnership in exchange for 649,705 common units and 2,351,806 subordinated units; and
- Green Plains Trucking conveyed its 100% interest in Green Plains Trucking II to the partnership in exchange for 109,955 common units and 398,014 subordinated units.

Subsequent to the IPO, Green Plains Trucking conveyed its interest in the partnership to Green Plains.

Operating Services and Secondment Agreement

In connection with the IPO, the general partner entered into an operational services and secondment agreement with Green Plains. Under the terms of the agreement, Green Plains seconds employees to the general partner to provide management, maintenance and operational functions for the partnership, including regulatory matters, health, environment, safety and security programs, operational services, emergency response, employees training, finance and administration, human resources, business operations and planning. The seconded personnel are under the direct management and supervision of the general partner.

The general partner reimburses the parent for the cost of the seconded employees, including wages and benefits. If a seconded employee does not devote 100% of his or her time providing services to the general partner, the general partner reimburses the parent for a prorated portion of the employee's overall wages and benefits based on the percentage of time the employee spent working for the general partner. The parent bills the general partner monthly in arrears for services provided during the prior month. Payment is due within 10 days of the general partner's receipt of the invoice.

Revolving Credit Facility

In connection with the IPO, Green Plains Operating Company, entered into an agreement for a five-year, $100.0 million revolving credit facility, as the borrower, with various lenders to fund working capital, acquisitions, distributions, capital expenditures and other general partnership purposes. The revolving credit facility contains customary representations and warranties, affirmative covenants, negative covenants and events of default. The negative covenants include restrictions on the partnership's ability to incur additional debt, acquire and sell assets, create liens, invest capital, pay distributions and materially amend the partnership's commercial agreements with Green Plains Trade. See *Note 4 – Debt* to the consolidated financial statements for further details regarding the revolving credit facility.

Commercial Agreements

In connection with the IPO, the partnership entered into various fee-based commercial agreements with Green Plains Trade, including:

- 10-year storage and throughput agreement;
- 6-year rail transportation services agreement; and
- 1-year trucking transportation agreement.

The partnership also assumed:

- 2.5-year terminal services agreement for the Birmingham, Alabama unit train terminal; and
- various other terminal services agreements for other fuel terminal facilities, each with Green Plains Trade.

The storage and throughput agreement and terminal services agreements are supported by minimum volume commitments. The rail transportation services agreement is supported by minimum take-or-pay capacity commitments. All of the commercial agreements with Green Plains Trade include provisions that permit Green Plains Trade to suspend, reduce or terminate its obligations under the applicable commercial agreement if certain events occur, including a material breach of the applicable commercial agreement by the partnership, force majeure events that prevent the partnership or Green Plains Trade from performing the respective obligations under the applicable commercial agreement, and not being available to Green Plains Trade for any reason other than action or inaction by Green Plains Trade. If Green Plains Trade reduces its minimum commitment under the commercial agreements, Green Plains Trade is required to pay fees on the revised minimum commitments only.

3. ACQUISITIONS

Abengoa Acquisition

Effective September 23, 2016, the partnership acquired the ethanol storage assets located in Madison, Illinois; Mount Vernon, Indiana, and York, Nebraska, for $90.0 million, which occurred concurrently with the acquisition of three ethanol plants by Green Plains from subsidiaries of Abengoa S.A. The partnership used its amended revolving credit facility to fund the purchase.

This transaction was accounted for as a transfer between entities under common control and approved by the conflicts committee; therefore, the net assets were transferred at the preliminary value recorded in Green Plains' purchase accounting of $12.5 million.

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

Purchase price, September 23, 2016	$	90,000
Identifiable assets acquired:		
Property and equipment, net		12,510
Partners' capital effect, September 23, 2016	$	77,490

In conjunction with the acquisition, the partnership and Green Plains amended the 1) omnibus agreement, 2) operational services agreement, and 3) ethanol storage and throughput agreement. Please refer to *Note 11 – Related Party Transactions* to the consolidated financial statements for additional information.

Hereford and Hopewell Acquisition

Effective January 1, 2016, the partnership acquired the ethanol storage and leased railcar assets located in Hereford, Texas and Hopewell, Virginia from Green Plains for $62.3 million. The transaction was financed through the use of the revolving credit facility and cash on hand.

This transaction was considered a transfer between entities under common control and approved by the conflicts committee; therefore, the net assets were transferred at their historical cost of $6.3 million as of the original date of acquisition by the sponsor in the fourth quarter of 2015. The consolidated financial statements have been recast to reflect the results of operations, financial position and cash flows of this transaction as if the net assets were owned by the partnership since the sponsor purchased the two ethanol production facilities in the fourth quarter of 2015.

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

Purchase price, January 1, 2016	$	62,312
Identifiable assets acquired and liabilities assumed:		
Property and equipment, net		6,447
Asset retirement obligations		(148)
Total identifiable net assets		6,299
Partners' capital effect, January 1, 2016	$	56,013

The following is a summary of the results of operations of the acquired assets for the period of common control, or since October 23, 2015, and November 12, 2015, for Hopewell and Hereford, respectively, during the year ended December 31, 2015 (in thousands):

	Year Ended December 31, 2015
Operations and maintenance	$ 232
Depreciation and amortization	41
Total operating expenses	273
Net loss attributable to sponsor	$ (273)

At the time of acquisition, the Hopewell facility was not operational; however, upon completion of certain maintenance and enhancement projects, operations began at the plant in early February 2016. In conjunction with the transfer of assets under common control, the partnership amended the 1) omnibus agreement, 2) operational services agreement, and 3) ethanol storage and throughput agreement; the rail transportation services agreement was also adjusted. Please refer to *Note 11 – Related Party Transactions* to the consolidated financial statements for additional information.

4. DEBT

Revolving Credit Facility

On July 1, 2015, Green Plains Operating Company entered into an agreement for a five-year, $100.0 million revolving credit facility, as the borrower, with various lenders to fund working capital, acquisitions, distributions, capital expenditures and other general partnership purposes. On September 16, 2016, Green Plains Operating Company entered into an amendment to the revolving credit facility agreement, which increased the available borrowings to $155.0 million. The revolving credit facility contains customary representations and warranties, affirmative covenants, negative covenants and events of default. The negative covenants include restrictions on the partnership's ability to incur additional debt, acquire and sell assets, create liens, invest capital, pay distributions and materially amend the partnership's commercial agreements with Green Plains Trade. The revolving credit facility, as amended, may be increased by up to an aggregate of $100.0 million without the consent of the lenders.

Loans under the revolving credit facility are subject to a floating interest rate based on the partnership's maximum consolidated net leverage ratio equal to (a) a base rate plus 1.25% to 2.00% per year or (b) a LIBOR rate plus 2.25% to 3.00%. The revolving credit facility requires the partnership to maintain a maximum consolidated net leverage ratio of no more than 3.50 to 1.00 and a minimum consolidated interest coverage ratio of no less than 2.75 to 1.00, each of which is calculated on a pro forma basis with respect to acquisitions and divestitures occurring during the applicable period. As of September 30, 2016, the revolving credit facility had an interest rate of 3.3%.

The partnership had $132.0 million of borrowings outstanding as of September 30, 2016, and no borrowings outstanding as of December 31, 2015, under the revolving credit facility.

Effective January 1, 2016, the partnership adopted ASC 835-30, *Interest - Imputation of Interest: Simplifying the Presentation of Debt Issuance Costs*, which resulted in the reclassification of approximately $221 thousand from other assets to long-term debt within the balance sheet as of December 31, 2015. As of September 30, 2016, there were $185 thousand of debt issuance costs recorded as a direct reduction of the carrying value of the partnership's long-term debt.

Scheduled long-term debt repayments as of September 30, 2016, are as follows (in thousands):

Year Ending December 31,	Amount
2016	$ -
2017	-
2018	-
2019	-
2020	132,665
Thereafter	7,435
Total	$ 140,100

Covenant Compliance

The partnership, including all of its subsidiaries, was in compliance with its debt covenants as of September 30, 2016.

Capitalized Interest

The partnership's policy is to capitalize interest costs incurred on debt during the construction of major projects. The partnership had no capitalized interest for the three and nine months ended September 30, 2016 and 2015.

5. UNIT-BASED COMPENSATION

The board of directors of the general partner adopted the LTIP upon completion of the IPO. The LTIP is intended to promote the interests of the partnership, its general partner and affiliates by providing unit-based incentive compensation awards to employees, consultants and directors to encourage superior performance. The LTIP reserves 2,500,000 common units for issuance in the form of options, restricted units, phantom units, distribution equivalent rights, substitute awards, unit appreciation rights, unit awards, profits interest units or other unit-based awards. The partnership measures unit-based compensation grants at fair value on the grant date and records noncash compensation expense related to the awards over the requisite service period.

The non-vested unit-based award activity for the nine months ended September 30, 2016, is as follows:

	Non-Vested Units	Weighted-Average Grant-Date Fair Value	Weighted-Average Remaining Vesting Term (in years)
Non-vested at December 31, 2015	10,089	$ 14.93	
Granted	16,260	15.82	
Forfeited	(5,333)	14.93	
Vested	(6,007)	14.69	
Non-vested at September 30, 2016	15,009	$ 15.99	0.8

Compensation costs related to the unit-based awards of approximately $60 thousand and $82 thousand were recognized during three and nine months ended September 30, 2016. A net benefit of $15 thousand was recognized due to a forfeiture during the three months ended March 31, 2016. Compensation costs of approximately $24 thousand were recognized during the three and nine months ended September 30, 2015. At September 30, 2016, there was approximately $180 thousand of unrecognized compensation costs from unit-based awards.

6. PARTNERS' CAPITAL

Components of partners' capital are as follows (in thousands):

		Partners' Capital				
		Limited Partners				
	Sponsor Equity in Contributed Assets	Common Units-Public	Common Units-Green Plains	Subordinated Units-Green Plains	General Partner	Total
Balance, December 31, 2015*	$ 6,299	$ 161,079	$ (21,088)	$ (76,334)	$ 1,854	$ 71,810
Quarterly cash distributions to unitholders	-	(14,016)	(5,344)	(19,346)	(790)	(39,496)
Acquisition of Hereford and Hopewell assets	(6,299)	(19,877)	(7,581)	(27,436)	(1,119)	(62,312)
Acquisition of Abengoa assets	-	(27,513)	(10,483)	(37,944)	(1,550)	(77,490)
Net income	-	14,324	5,462	19,770	807	40,363
Unit-based compensation, including general partner net contributions	-	82	-	-	3	85
Balance, September 30, 2016	$ -	$ 114,079	$ (39,034)	$ (141,290)	$ (795)	$ (67,040)

*Recast to include the historical balances of assets acquired in a transfer between entities under common control. See Notes 1 and 3 to the consolidated financial statements.

A rollforward of the number of common and subordinated limited partner units outstanding is as follows:

	Common Units-Public	Common Units-Green Plains	Subordinated Units-Green Plains	Total
Units, December 31, 2015	11,510,089	4,389,642	15,889,642	31,789,373
Units issued under the LTIP	16,260	-	-	16,260
Units forfeited under the LTIP	(5,333)	-	-	(5,333)
Units, September 30, 2016	11,521,016	4,389,642	15,889,642	31,800,300

The partnership's subordinated units are not entitled to distributions until the common units have received the minimum quarterly distribution for that quarter plus any arrearages of the minimum quarterly distribution from prior quarters. Subordinated units do not accrue arrearages.

The partnership agreement authorizes the partnership to issue unlimited additional partnership interests on the terms and conditions determined by the general partner without unitholder approval.

Quarterly distributions are made within 45 days after the end of each calendar quarter, assuming the partnership has sufficient available cash. Available cash generally means, all cash and cash equivalents on hand at the end of that quarter less cash reserves established by the general partner plus all or any portion of the cash on hand resulting from working capital borrowings made subsequent to the end of that quarter.

On February 12, 2016, the partnership distributed $13.1 million to unitholders of record as of February 5, 2016, related to the quarterly cash distribution of $0.4025 per unit that was declared on January 21, 2016, for the quarter ended December 31, 2015.

On May 13, 2016, the partnership distributed $13.1 million to unitholders of record as of May 6, 2016, related to the quarterly cash distribution of $0.4050 per unit that was declared on April 21, 2016, for the quarter ended March 31, 2016.

On August 12, 2016, the partnership distributed $13.3 million to unitholders of record as of August 5, 2016, related to the quarterly cash distribution of $0.41 per unit that was declared on July 20, 2016, for the quarter ended June 30, 2016.

On October 20, 2016, the board of directors of the general partner declared a quarterly cash distribution of $0.42 per unit, or approximately $13.6 million in total, for the quarter ended September 30, 2016. The distribution will be paid on November 14, 2016, to unitholders of record as of November 4, 2016.

The allocation of total cash distributions to the general and limited partners applicable to the period the distributions were earned for the three and nine months ended September 30, 2016, are as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
General partner distribution	$ 273	$ 259	$ 802	$ 259
Limited partners' distributions:				
Limited partner common units - public	4,839	4,604	14,222	4,604
Limited partner common units - Green Plains	1,843	1,756	5,421	1,756
Limited partner subordinated units - Green Plains	6,674	6,356	19,624	6,356
Total limited partners' distributions	13,356	12,716	39,267	12,716
Total cash distributions	$ 13,629	$ 12,975	$ 40,069	$ 12,975

7. EARNINGS PER UNIT

The partnership computes earnings per unit using the two-class method. Earnings per unit applicable to common and subordinated units is calculated by dividing the respective limited partners' interest in net income by the weighted average number of common and subordinated units outstanding during the period, adjusted for the dilutive effect of any outstanding dilutive securities. Diluted earnings per limited partner unit is the same as basic earnings per limited partner unit as there were no potentially dilutive common or subordinated units outstanding as of September 30, 2016. The following tables show the calculation of earnings per limited partner unit – basic and diluted (in thousands, except for per unit data):

	Three Months Ended September 30, 2016			
	Limited Partner Common Units	**Limited Partner Subordinated Units**	**General Partner**	**Total**
Net income:				
Distributions declared	$ 6,682	$ 6,674	$ 273	$ 13,629
Earnings in excess of distributions	280	279	11	570
Total net income	$ 6,962	$ 6,953	$ 284	$ 14,199
Weighted-average units outstanding - basic and diluted	15,910	15,890		
Earnings per limited partner unit - basic and diluted	$ 0.44	$ 0.44		

	Nine Months Ended September 30, 2016			
	Limited Partner Common Units	**Limited Partner Subordinated Units**	**General Partner**	**Total**
Net income				
Distributions declared	$ 19,643	$ 19,624	$ 802	$ 40,069
Earnings in excess of distributions	143	146	5	294
Total net income	$ 19,786	$ 19,770	$ 807	$ 40,363
Weighted-average units outstanding - basic and diluted	15,902	15,890		
Earnings per limited partner unit - basic and diluted	$ 1.24	$ 1.24		

	Three Months Ended September 30, 2015			
	Limited Partner Common Units	**Limited Partner Subordinated Units**	**General Partner**	**Total**
Net income:				
Distributions declared	$ 6,360	$ 6,356	$ 259	$ 12,975
Earnings less than distributions	(1,028)	(1,027)	(41)	(2,096)
Total net income	$ 5,332	$ 5,329	$ 218	$ 10,879
Weighted-average units outstanding - basic and diluted	15,895	15,890		
Earnings per limited partner unit - basic and diluted	$ 0.34	$ 0.34		

8. INCOME TAXES

The partnership is a limited partnership, which is not subject to federal income taxes. The partnership owns a subsidiary, however, that is taxed as a corporation for federal and state income tax purposes. In addition, the partnership is subject to state income taxes in certain states. As a result, the financial statements reflect a provision or benefit for such income taxes. The general partner and the unitholders are responsible for paying federal and state income taxes on their share of the partnership's taxable income.

The MLP predecessor was a single member limited liability company, treated as a non-taxable disregarded entity in Green Plains' federal and state income tax returns. For periods prior to the IPO, the consolidated financial statements reflect income taxes as if the MLP predecessor had filed separate federal and state tax returns. Under a tax sharing agreement between the MLP predecessor and Green Plains, the MLP predecessor periodically made payments to Green Plains for its share of Green Plains' tax liabilities. Differences between amounts due to Green Plains under the agreement and the total income tax expense of the MLP predecessor, which were determined as if the MLP predecessor filed separate tax returns, are reflected as member contributions in partners' capital. These amounts included net contributions of $11 thousand for the nine months ended September 30, 2015.

Income taxes for the MLP predecessor were accounted for under the asset and liability method. Deferred tax assets and liabilities were recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and for net operating loss and tax credit carry-forwards. Deferred tax assets and liabilities were measured using enacted tax rates expected to be applied to taxable income in the years those temporary differences were expected to be recovered or settled. The effect of a change in tax rates on deferred tax assets and liabilities was recognized in income in the period that includes the enactment date.

At the closing of the IPO, current and deferred income taxes were settled through equity contributions from Green Plains. At the same time, the MLP predecessor's participation in the tax sharing agreement was terminated.

9. COMMITMENTS AND CONTINGENCIES

Operating Leases

The partnership leases certain facilities, parcels of land and railcars under agreements that expire on various dates. For accounting purposes, rent expense is based on a straight-line amortization of the total payments required over the term of the lease, which resulted in a deferred lease liability of $708 thousand and $349 thousand as of September 30, 2016, and December 31, 2015, respectively. The partnership incurred lease expenses of $6.1 million and $18.7 million during the three and nine months ended September 30, 2016, respectively, and $5.4 million and $16.6 million during the three and nine months ended September 30, 2015, respectively. Aggregate minimum lease payments under these agreements for the remainder of 2016 and in future years are as follows (in thousands):

Year Ending December 31,		Amount
2016	$	5,945
2017		21,571
2018		15,247
2019		10,460
2020		8,403
Thereafter		4,481
Total	$	66,107

In connection with the IPO, the partnership and Green Plains Trade entered into a ten-year storage and throughput agreement, under which Green Plains Trade was obligated to throughput a minimum of 212.5 mmg of product per calendar quarter at the partnership's storage facilities and pay $0.05 per gallon on all volume it throughputs.

Effective January 1, 2016, and September 23, 2016, the storage and throughput agreement was amended in connection with the acquisition of additional ethanol storage and transportation assets. In accordance with the amended agreement, Green Plains Trade is now obligated to throughput a minimum of 296.6 mmg per calendar quarter. For accounting purposes, the partnership records revenues related to this agreement as operating lease revenues. Minimum revenues under this agreement for the remainder of 2016 and in future years are as follows (in thousands):

Year Ending December 31,		Amount
2016	$	14,830
2017		59,320
2018		59,320
2019		59,320
2020		59,320
Thereafter		266,940
Total	$	519,050

Service Agreements

The partnership entered into agreements for contracted services with certain vendors that require the partnership to pay minimum monthly amounts, which expire on various dates. The partnership exceeded all minimum commitments under these agreements during the three and nine months ended September 30, 2016 and 2015. Aggregate minimum payments under these agreements for the remainder of 2016 and in future years are as follows (in thousands):

Year Ending December 31,		Amount
2016	$	307
2017		747
2018		331
2019		-
2020		-
Thereafter		-
Total	$	1,385

Legal

Routinely, the partnership may be involved in litigation that arises during the ordinary course of business. The partnership is not currently party to any material litigation.

10. MAJOR CUSTOMERS

Revenues from two customers exceeding 10% of the partnership's total revenues are as follows (in thousands):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2016		2015		2016		2015	
Green Plains Trade	$	24,139	$	19,247	$	69,445	$	21,895
Customer A		n/a		n/a		n/a		2,847

11. RELATED PARTY TRANSACTIONS

In addition to the related party purchases disclosed in *Note 3 – Acquisitions* to the consolidated financial statements, the partnership engages in various related party transactions with Green Plains and subsidiaries of Green Plains.

Green Plains provides a variety of shared services to the partnership, including general management, accounting and finance, payroll and human resources, information technology, legal, communications and treasury activities. These costs are proportionally allocated by Green Plains to its subsidiaries based on common financial metrics management believes are reasonable. While these allocated costs are not necessarily representative of costs that may have been incurred if they were from a third party, the partnership believes these costs would not have been materially different had they been determined on a stand-alone basis. The partnership recorded expenses related to these shared services of approximately $0.9 million and $2.7 million for the three and nine months ended September 30, 2016, respectively, and $0.7 million and $0.9 million for three and nine months ended September 30, 2015, respectively. In addition, the partnership reimburses Green Plains for wages and benefits of employees directly performing services on its behalf. Green Plains may also pay certain direct costs on behalf of the partnership, which are reimbursed by the partnership. The partnership believes the consolidated financial statements reflect all material costs of doing business related to these operations, including expenses incurred by other entities on its behalf.

The partnership has various fee-based commercial agreements with Green Plains Trade. In connection with the IPO, the partnership entered into:

- 10-year storage and throughput agreement;
- 6-year rail transportation services agreement; and
- 1-year trucking transportation agreement.

The partnership also assumed:

- 2.5-year terminal services agreement for the Birmingham, Alabama unit train terminal; and
- various other terminal services agreements for other fuel terminal facilities, each with Green Plains Trade.

The storage and throughput agreement and terminal services agreements are supported by minimum volume commitments. The rail transportation services agreement is supported by minimum take-or-pay capacity commitments.

Under the storage and throughput agreement, Green Plains Trade was obligated to throughput a minimum of 212.5 mmg of product per calendar quarter at the partnership's storage facilities and pay $0.05 per gallon on all volume it throughputs. Effective January 1, 2016, and September 23, 2016, the storage and throughput agreement was amended in connection with the acquisition of certain ethanol storage and leased railcar assets. Under the amended agreement, Green Plains Trade is now obligated to a throughput of 296.6 mmg per calendar quarter. If Green Plains Trade fails to meet its minimum volume commitment during any quarter, Green Plains Trade will pay the partnership a deficiency payment equal to the deficient volume multiplied by the applicable fee. The deficiency payment may be applied as a credit toward volumes throughput by Green Plains Trade in excess of the minimum volume commitment during the next four quarters, after which time any unused credits will expire. Green Plains Trade has met its minimum volume commitments for each of the quarters since inception of the storage and throughput agreement.

Under the rail transportation services agreement, Green Plains Trade is obligated to use the partnership to transport ethanol and other fuels from receipt points identified by Green Plains Trade to nominated delivery points. During the three and nine months ended September 30, 2016, the average monthly fee was approximately $0.0328 and $0.0343 per gallon, respectively, for the railcar volumetric capacity provided by the partnership, which was 80.6 mmg as of September 30, 2016. The partnership's leased railcar fleet consisted of approximately 3,100 railcars as of September 30, 2016. During the three months ended September 30, 2015, the average monthly fee was approximately $0.0359 per gallon for the railcar volumetric capacity provided by the partnership, which was 66.3 mmg as of September 30, 2015. The partnership's leased railcar fleet consisted of approximately 2,200 railcars as of September 30, 2015.

Green Plains Trade is also obligated to use the partnership for logistical operations management and other services related to railcar volumetric capacity. Green Plains Trade is obligated to pay a monthly fee of approximately $0.0013 per gallon for these services. Green Plains Trade reimburses the partnership for costs related to: (1) railcar switching and unloading fees; (2) increased costs related to changes in law or governmental regulation related to the specification, operation or maintenance of railcars; (3) demurrage charges, except when the charges are due to the partnership's gross negligence or willful misconduct; and (4) fees related to rail transportation services under transportation contracts with third-party common carriers. Since the IPO, Green Plains Trade has entered into lease renewals in the normal course of business at comparable margins.

Under the trucking transportation agreement, Green Plains Trade pays the partnership to use its truck transportation services to transport ethanol and other fuels from receipt points identified by Green Plains Trade to nominated delivery points. Green Plains Trade is obligated to pay a monthly trucking transportation services fee equal to the aggregate volume transported in a calendar month by the partnership's trucks, multiplied by the applicable rate for each trucking lane. Green Plains Trade reimburses the partnership for costs related to: (1) truck switching and unloading fees; (2) increased costs related to changes in law or governmental regulation related to the specification, operation and maintenance of trucks; and (3) fees related to trucking transportation services under transportation contracts with third-party common carriers.

Under the Birmingham terminal services agreement, Green Plains Trade is obligated to pay $0.0355 per gallon on its throughput subject to a minimum volume commitment of approximately 2.8 mmg per month of ethanol and other fuels, as well as fees for ancillary services.

The partnership recorded revenues from Green Plains Trade under the storage and throughput agreement and rail transportation agreement of $22.5 million and $64.5 million for the three and nine months ended September 30, 2016, respectively, and $17.8 million for the three months ended September 30, 2015. The partnership recorded revenues from Green Plains Trade related to trucking and terminal services of $1.6 million and $4.9 million for the three and nine months ended September 30, 2016, respectively. The MLP predecessor and the partnership recorded revenues from Green Plains Trade related to trucking and terminal services of $1.5 million and $4.1 million for the three and nine months ended September 30, 2015, respectively.

In February 2015, a subsidiary of the MLP predecessor made an equity distribution to Green Plains in the amount of $3.3 million.

The partnership distributed $8.6 million and $25.5 million to Green Plains related to the quarterly cash distribution paid for the three and nine months ended September 30, 2016, respectively, and $8.4 million for the three and nine months ended September 30, 2015.

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

The following discussion and analysis provides information we believe is relevant to understand our consolidated financial condition and results of operations. This discussion should be read in conjunction with our unaudited consolidated financial statements and accompanying notes contained in this report together with our 2015 annual report and recast Form 8-K. The results of operations for the three and nine months ended September 30, 2016, are not necessarily indicative of the results we expect for the full year.

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 on management's reasonable estimates of future results or trends, and include statements preceded by, or followed by words such as "anticipates," "believes," "continues," "estimates," "expects," "intends," "outlook," "plans," "predicts," "may," "could," "should," "will," and similar words and phrases, and include, but are not limited to, statements regarding future operating or financial performance, business strategy, business environment, key trends and benefits of actual or planned acquisitions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The forward-looking statements are made in accordance with safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Although we believe our expectations regarding future events are based on reasonable assumptions, any or all forward-looking statements in this report may be based on inaccurate assumptions or not account for all known or unknown risks and uncertainties, and therefore, may be incorrect. Consequently, no forward-looking statement is guaranteed, and actual future results may vary materially from the results expressed or implied in our forward-looking statements. The cautionary statements in this report apply to 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 2015 annual report. Specifically, we may experience significant fluctuations in future operating results due to a number of economic conditions, such as changes in general economic, market or business conditions; foreign imports of ethanol; fluctuations in demand for ethanol and other fuels; risks of accidents or other unscheduled shutdowns affecting our assets, including mechanical breakdown of equipment or infrastructure; risks associated with changes to federal policy or regulation; ability to comply with changing government usage mandates and regulations affecting the ethanol industry; price availability and acceptance of alternative fuels and alternative fuel vehicles, and laws mandating such fuels or vehicles; changes in operational costs at our facilities and for our railcars; failure to realize the benefits projected for capital projects; competition; inability to successfully implement growth strategies; the supply of corn and other feedstocks; unusual or severe weather conditions and natural disasters; ability and willingness of parties with whom we have material relationships, including Green Plains Trade, to fulfill their obligations; labor and material shortages; changes in the availability of unsecured credit and changes affecting the credit markets in general; and other risk factors detailed in our reports filed with the SEC.

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 any forward-looking statements, which represent management's views 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 expressly disclaim any obligation, to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise.

Overview

Green Plains Partners provides fee-based fuel storage and transportation services by owning, operating, developing and acquiring ethanol and fuel storage tanks, terminals, transportation assets and other related assets and businesses. We were formed by Green Plains, a vertically integrated ethanol producer, to be its primary downstream logistics provider and completed our IPO on July 1, 2015, at which time our parent contributed its ethanol storage and leased railcar assets in a transfer between entities under common control. We generate a substantial portion of our revenues under fee-based commercial agreements with Green Plains Trade for receiving, storing, transferring and transporting ethanol and other fuels, which are supported by minimum volume or take-or-pay capacity commitments. We do not take ownership or receive any payments based on the value of the ethanol or other fuels we handle; therefore, we do not have any direct exposure to fluctuating commodity prices.

Results of Operations

Our parent operated its facilities at approximately 92.5% of capacity, resulting in record ethanol production of 292.2 million gallons for the third quarter of 2016, compared with 215.6 million gallons for the same quarter last year. The increase in production volumes and associated revenues were primarily attributable to production at the Hereford, Texas plant, which was acquired on November 12, 2015; the Hopewell, Virginia plant, which was acquired on October 23, 2015, and resumed ethanol production on February 8, 2016; and the Madison, Illinois; Mount Vernon, Indiana, and York, Nebraska plants, which were acquired on September 23, 2016.

Industry Trends and Factors Affecting our Results of Operations

According to the EIA, domestic ethanol production in the third quarter of 2016 averaged 1,005,000 barrels per day, compared with an average of 962,000 barrels per day during the third quarter of last year. The blend rate of ethanol into the U.S. gasoline supply remained at 9.9% during the third quarter of 2016. U.S. domestic ethanol ending stocks were 20.2 million barrels as of September 30, 2016, 6.4% lower than the inventory at the beginning of the quarter.

U.S. demand for gasoline was 2.6% higher in the third quarter of 2016, compared to the same period a year ago. Higher gasoline demand for the third quarter led to a similar increase in ethanol demand. In addition, the number of retail stations offering E15 has increased since the beginning of the year. As of September 30, 2016, 355 retail stations were selling E15, up from 182 stations at December 31, 2015.

On October 12, 2016, the USDA updated its corn production estimate for the 2016-17 marketing year to 15.057 billion bushels, an 11% increase in its production forecast over the 2015-16 marketing year. The projected range for the 2016-17 marketing year's average corn price is $2.95 to $3.55 per bushel, according to the October WASDE report. The average price of sugar increased to July 2012 levels, averaging 21 cents per pound during the third quarter due to concerns regarding the world's sugar supply. Brazil, the second-largest ethanol producing country, uses sugarcane to produce sugar and ethanol.

As of August 31, 2016, year-to-date domestic ethanol exports were 594.3 million gallons, up 5.3% from year-to-date August 2015 volumes. According to the EIA, net U.S. ethanol exports are forecasted to be approximately 900 million gallons for 2016, up from 730 million gallons for 2015. Canada, China, Brazil, India and the Philippines accounted for approximately 80% of August year-to-date U.S. ethanol export volumes.

Adjusted EBITDA and Distributable Cash Flow

Adjusted EBITDA is defined as earnings before interest expense, income tax expense, depreciation and amortization, plus adjustments for transaction costs related to acquisitions or financing transactions, minimum volume commitment deficiency payments, unit-based compensation expense and net gains or losses on asset sales.

Distributable cash flow is defined as adjusted EBITDA less interest paid or payable, income taxes paid or payable and maintenance capital expenditures, which are defined under our partnership agreement as cash expenditures (including expenditures for the construction or development of new capital assets or the replacement, improvement or expansion of existing capital assets) made to maintain our operating capacity or operating income.

We believe the presentation of adjusted EBITDA and distributable cash flow provides useful information to investors in assessing our financial condition and results of operations. Adjusted EBITDA and distributable cash flow are supplemental financial measures that we use to assess our financial performance; however, these presentations are not made in accordance with GAAP. The GAAP measure most directly comparable to adjusted EBITDA and distributable cash flow is net income. Since adjusted EBITDA and distributable cash flow may be defined differently by other companies in our industry, our definitions of adjusted EBITDA and distributable cash flow may not be comparable to similarly titled measures of other companies, diminishing its utility. Adjusted EBITDA and distributable cash flow should not be considered in isolation or as alternatives to net income or any other measure of financial performance presented in accordance with GAAP to analyze our results.

The following table presents a reconciliation of net income to adjusted EBITDA for each of the periods presented and a reconciliation of net income to distributable cash flow for the three and nine months ended September 30, 2016 (unaudited, dollars in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Net income	$ 14,199	$ 10,879	$ 40,363	$ 4,251
Interest expense	501	173	1,295	227
Income tax expense (benefit)	52	-	304	(3,999)
Depreciation and amortization	1,515	1,633	4,220	4,354
Transaction costs	490	400	486	400
Unit-based compensation expense	60	24	82	24
Adjusted EBITDA	16,817	13,109	46,750	$ 5,257
Less:				
Interest paid or payable	501	173	1,295	
Income taxes paid or payable	53	-	308	
Maintenance capital expenditures	77	108	252	
Distributable cash flow [1]	$ 16,186	$ 12,828	$ 44,895	
Distributions declared [2]	$ 13,629	$ 12,975	$ 40,069	
Coverage ratio	1.19x	0.99x	1.12x	

(1) Distributable cash flow computations for periods before the partnership's IPO are not considered meaningful.
(2) Includes distributions declared for the periods indicated; the distributions declared for each quarter are paid during the following quarter.

Recent Developments

Effective September 23, 2016, we acquired the ethanol storage assets of the Madison, Illinois; Mount Vernon, Indiana and York, Nebraska ethanol production facilities for $90 million, which occurred concurrently with the acquisition of three ethanol plants by Green Plains from subsidiaries of Abengoa S.A. The acquired assets include ethanol storage tanks that support the plants' combined annual production capacity of approximately 236 million gallons. We used our amended revolving credit facility to fund the purchase.

On August 25, 2016, the partnership filed a shelf registration statement on Form S-3 with the SEC, registering an indeterminate number of debt and equity securities with a total offering price not to exceed $500,000,250 that was declared effective September 2, 2016. The partnership also registered 13,513,500 common units, consisting of 4,389,642 common units and 9,123,858 common units that may be issued upon conversion of subordinated units, in each case, currently held by Green Plains.

On June 14, 2016, our parent and Jefferson Gulf Coast Energy Partners, a subsidiary of Fortress Transportation and Infrastructure Investors LLC, announced the formation of a 50/50 joint venture to construct and operate an intermodal export and import fuels terminal at Jefferson's existing Beaumont, Texas terminal. Green Plains will offer its interest in the joint venture to the partnership once commercial development is complete.

Comparability of our Financial Results

The financial results for the nine months ended September 30, 2016, reflect those of the partnership, which includes the results related to assets acquired subsequent to the IPO in transfers between entities under common control. The financial results for the nine months ended September 30, 2015, reflect the results of the MLP predecessor prior to the IPO and the results of the partnership for the period subsequent to the IPO through September 30, 2015. The financial results of the MLP predecessor include the results of BlendStar, our predecessor for accounting purposes, and the assets, liabilities and results of operations of certain ethanol storage and railcar assets contributed by Green Plains in a transfer between entities under common control in connection with the IPO.

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In accordance with GAAP, when transferring assets between entities under common control, the entity receiving the net assets initially recognizes the carrying amounts of the assets and liabilities at the date of transfer and the prior period financial statements of the transferee are recast for all periods the transferred operations were part of the parent's consolidated financial statements. On July 1, 2015, in addition to the interests of BlendStar, we received the ethanol storage and railcar assets in a transfer between entities under common control. The transferred assets and liabilities are recognized at our parent's historical cost and reflected retroactively in the consolidated financial statements presented in this report. Expenses related to the ethanol storage and railcar assets, such as depreciation, amortization and railcar lease expenses, are also reflected retroactively in the consolidated financial statements. There were no revenues related to the operation of the contributed ethanol storage and railcar assets for periods prior to July 1, 2015, when the related commercial agreements with Green Plains Trade became effective.

Selected Financial Information and Operating Data

The following table reflects selected financial information (unaudited, in thousands):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2016	**2015**	**% Var.**	**2016**	**2015**	**% Var.**[1]
Revenues						
Storage and throughput services	$ 14,633	$ 10,795	35.6 %	$ 40,954	$ 10,795	- %
Terminal services	3,048	2,997	1.7	8,893	9,141	-
Railcar capacity	7,888	6,987	12.9	23,562	6,987	-
Other	636	631	0.8	2,078	1,328	-
Total revenues	26,205	21,410	22.4	75,487	28,251	-
Operating expenses						
Operations and maintenance	8,564	7,715	11.0	25,713	21,850	-
General and administrative	1,395	1,032	35.2	3,654	1,631	-
Depreciation	1,515	1,633	(7.2)	4,220	4,354	-
Total operating expenses	11,474	10,380	10.5	33,587	27,835	-
Operating income	$ 14,731	$ 11,030	33.6 %	$ 41,900	$ 416	- %

(1) Percentage variance not considered meaningful.

The following table reflects selected operating data (unaudited):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2016	**2015**	**% Var.**	**2016**	**2015**	**% Var.**
Product volumes (mmg)						
Storage and throughput services[1][2]	292.2	215.6	35.5 %	813.5	215.6	- %
Terminal services:						
Affiliate	30.6	25.2	21.4	89.5	82.0	9.1
Non-affiliate	49.5	54.8	(9.7)	141.1	162.5	(13.2)
	80.1	80.0	0.1	230.6	244.5	(5.7)
Railcar capacity billed (daily avg.)[1][2]	79.2	64.3	23.2	76.4	64.3	-

(1) Nine months ended September 30, 2015, includes volumetric data since July 1, 2015, when related commercial agreements became effective.
(2) Percentage variance not considered meaningful for the nine-month period ended September 30, 2015.

Three Months Ended September 30, 2016, Compared with the Three Months Ended September 30, 2015

Consolidated revenues increased $4.8 million for the three months ended September 30, 2016, compared with the same period for 2015. Revenues generated from our storage and throughput agreement with Green Plains Trade increased $3.8 million due to higher throughput volumes as a result of the acquired ethanol storage assets and higher production capacity utilization by Green Plains. Revenues generated from our rail transportation services agreement with Green Plains Trade increased $0.9 million due to higher railcar volumetric capacity provided by the partnership as a result of additional railcar requirements to transport incremental production volume.

Operations and maintenance expenses increased $0.8 million for the three months ended September 30, 2016, compared with the same period for 2015 primarily due to higher railcar lease expense.

General and administrative expenses increased $0.4 million for the three months ended September 30, 2016, compared with the same period for 2015 due to transaction costs related to the acquisition of ethanol storage assets and administrative costs incurred as a publicly traded entity.

Distributable cash flow increased $3.4 million for the three months ended September 30, 2016, compared with the same period for 2015 primarily due to increased net income as a result of higher throughput volumes associated with acquired ethanol storage assets and higher production capacity utilization by Green Plains.

Nine Months Ended September 30, 2016, Compared with the Nine Months Ended September 30, 2015

Revenues generated from our storage and throughput agreement and rail transportation services agreement with Green Plains Trade, executed in connection with our IPO and effective beginning July 1, 2015, were $64.5 million for the nine months ended September 30, 2016, compared with $17.8 million for the same period for 2015.

Operations and maintenance expenses increased $3.9 million for the nine months ended September 30, 2016, compared with the same period for 2015 primarily due to higher railcar lease expense and wages.

General and administrative expenses increased $2.0 million for the nine months ended September 30, 2016, compared with the same period for 2015 primarily due to administrative costs incurred as a publicly traded entity.

Liquidity and Capital Resources

Our principal sources of liquidity include cash generated from operating activities and borrowings under our revolving credit facility. We consider opportunities to repay, redeem, repurchase or refinance our debt, depending on market conditions, as part of our normal course of doing business. Our ability to meet our debt service obligations and other capital requirements depends on our future operating performance, which is subject to general economic, financial, business, competitive, legislative, regulatory and other conditions, many of which are beyond our control. We plan to fund future expansion capital expenditures primarily from external sources, including borrowings under our revolving credit facility and issuances of debt and equity securities. We expect these sources will be adequate for both our short-term and long-term liquidity needs.

On January 1, 2016, we purchased the ethanol storage and leased railcar assets related to the Hereford and Hopewell production facilities from our sponsor by drawing $48.0 million on our revolving credit facility and using $14.3 million of cash on hand.

On August 25, 2016, the partnership filed a universal shelf registration statement with the SEC, registering an indeterminate number of equity and debt securities with a total offering price not to exceed $500,000,250 that was declared effective September 2, 2016. The partnership also registered 13,513,500 common units, consisting of 4,389,642 common units and 9,123,858 common units that may be issued upon conversion of subordinated units, in each case, currently held by Green Plains.

On September 16, 2016, Green Plains Operating Company increased its revolving credit facility agreement from $100.0 million to $155.0 million, which it used to fund the $90.0 million purchase of ethanol storage assets associated with the Madison, Illinois; Mount Vernon, Indiana and York, Nebraska production facilities on September 23, 2016.

At September 30, 2016, we had $1.3 million of cash and cash equivalents and $23.0 million available under our revolving credit facility.

Net cash provided by operating activities was $46.2 million for the nine months ended September 30, 2016, compared with net cash provided by operating activities of $4.4 million for the nine months ended September 30, 2015. Cash flows from operating activities were driven primarily by increased operating profits. Net cash used by investing activities was $152.8 million for the nine months ended September 30, 2016, primarily due to the acquisitions of ethanol storage and leased railcar assets on January 1, 2016, and September 23, 2016. Net cash provided by financing activities was $91.5 million for the nine months ended September 30, 2016, primarily due to net borrowings on the revolving credit facility related to the acquisitions of ethanol storage and leased railcar assets on January 1, 2016, and September 23, 2016, partially offset by quarterly cash distributions.

We also incurred capital expenditures of $0.5 million for the nine months ended September 30, 2016, $0.3 million of which related to maintenance capital expenditures.

Revolving Credit Facility

On July 1, 2015, Green Plains Operating Company entered into an agreement for a five-year, $100.0 million revolving credit facility with various lenders to fund working capital, acquisitions, distributions, capital expenditures and other general partnership purposes. On September 16, 2016, Green Plains Operating Company entered into an amendment to the revolving credit facility agreement, which increased the available borrowings to $155.0 million. Loans under the revolving credit facility are subject to an amended floating interest rate based on the partnership's maximum consolidated net leverage ratio equal to (a) a base rate plus 1.25% to 2.00% per year or (b) a LIBOR rate plus 2.25% to 3.00%. The revolving credit facility, as amended, may be increased by up to an aggregate of $100.0 million without the consent of the lenders. As of September 30, 2016, we had $132.0 million in borrowings outstanding under the revolving credit facility at an interest rate of 3.3%. We were in compliance with our debt covenants as of September 30, 2016, and expect to maintain compliance over the next twelve months. For more information related to our debt, see *Note 4 – Debt* to the consolidated financial statements included in this report and *Note 8 – Debt* to the consolidated financial statements included in our recast Form 8-K.

Distributions to Unitholders

The partnership agreement provides for a minimum quarterly distribution of $0.40 per unit, which equates to approximately $13.0 million per quarter, or $51.9 million per year, based on the 2% general partner interest and the number of common and subordinated units currently outstanding. For more information, see *Note 6 – Partners' Capital* to the consolidated financial statements included in this report.

On February 12, 2016, the partnership distributed $13.1 million to unitholders of record as of February 5, 2016, related to the quarterly cash distribution of $0.4025 per unit that was declared on January 21, 2016, for the quarter ended December 31, 2015.

On May 13, 2016, the partnership distributed $13.1 million to unitholders of record as of May 6, 2016, related to the quarterly cash distribution of $0.4050 per unit that was declared on April 21, 2016, for the quarter ended March 31, 2016.

On August 12, 2016, the partnership distributed $13.3 million to unitholders of record as of August 5, 2016, related to the quarterly cash distribution of $0.41 per unit that was declared on July 20, 2016, for the quarter ended June 30, 2016

On October 20, 2016, the board of directors of the general partner declared a quarterly cash distribution of $0.42 per unit, or approximately $13.6 million in total, for the quarter ended September 30, 2016. The distribution will be paid on November 14, 2016, to unitholders of record as of November 4, 2016.

Contractual Obligations

Our contractual obligations as of September 30, 2016, were as follows (in thousands):

	Payments Due By Period				
Contractual Obligations	**Total**	**Less Than 1 Year**	**1-3 Years**	**3-5 Years**	**More Than 5 Years**
Long-term debt obligations (1)	$ 140,100	$ -	$ -	$ 133,168	$ 6,932
Interest and fees on debt obligations (2)	17,199	4,439	8,879	3,443	438
Operating leases (3)	66,107	21,825	29,194	12,958	2,130
Service agreements (4)	1,385	889	496	-	-
Other (5)	4,177	722	926	1,129	1,400
Total contractual obligations	$ 228,968	$ 27,875	$ 39,495	$ 150,698	$ 10,900

(1) Excludes debt discounts and issuance costs.
(2) Interest amounts are calculated over the terms of the loans using current interest rates, assuming scheduled principal and interest amounts are paid pursuant to the debt agreements. Includes administrative and/or commitment fees on debt obligations.
(3) Operating lease costs are primarily for property and railcar leases.
(4) Service agreements are related to minimum commitments on unloading contracts.
(5) Includes asset retirement obligations to return property to its original condition at the termination of lease agreements.

Critical Accounting Policies and Estimates

Key accounting policies, including those relating to depreciation of property and equipment, asset retirement obligations, and impairment of long-lived assets and goodwill are impacted significantly by judgments, assumptions and estimates used to prepare our consolidated financial statements. Information about our critical accounting policies and estimates are included in our recast Form 8-K.

Off-Balance Sheet Arrangements

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

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Market risk is the risk of loss arising from adverse changes in market rates and prices. At this time, we conduct all of our business in U.S. dollars and are not exposed to foreign currency risk.

Interest Rate Risk

We are exposed to interest rate risk through our revolving credit facility, which bears interest at variable rates. At September 30, 2016, we had $132.0 million outstanding under our revolving credit facility. A 10% change in interest rates would affect our interest expense by approximately $434 thousand per year, assuming no changes in the amount outstanding or other variables under our revolving credit facility.

Other details about our outstanding debt are discussed in the notes to the consolidated financial statements included in this report and in our recast Form 8-K.

Commodity Price Risk

We do not have any direct exposure to risks associated with fluctuating commodity prices because we do not own the ethanol and other fuels that are stored at our facilities or transported by our railcars.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

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

Under the supervision and participation of our chief executive officer and chief financial officer, management carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of September 30, 2016, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act and concluded that our disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Emerging Growth Company Status

As an emerging growth company, we are not required to provide an auditor's attestation report on the effectiveness of our system of internal control over financial reporting, adopt new or revised financial accounting standards until they apply to private companies, comply with any new requirements adopted by the PCAOB to rotate audit firms or supplement the auditor's report with additional information about the audit and financial statements of the issuer, or disclose the same level of information about executive compensation required of larger public companies.

We have elected to take advantage of these provisions except for the exemption that allows us to extend the transition period for compliance with new or revised financial accounting standards. This election is irrevocable.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

We may be involved in litigation that arises during the ordinary course of business. We are not, however, involved in any material litigation at this time.

Item 1A. Risk Factors.

Investors should carefully consider the discussion of risks and the other information in our 2015 annual report and recast Form 8-K, and in this quarterly report on Form 10-Q, including the risk factors discussion in Part I, Item 1A, "Risk Factors" of the 2015 annual report and the discussion of risks and other information in this report, including "Cautionary Information Regarding Forward-Looking Statements," which is included in Part I, Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations." 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. We cannot predict such risks nor estimate the extent to which they may affect our financial performance. There have been no material changes to the risk factors disclosed in our 2015 annual report.

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

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

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Item 6. Exhibits.

Exhibit No.	Description of Exhibit
2.1	Asset Purchase Agreement, dated September 23, 2016, by and among Green Plains, Inc., Green Plains Madison LLC, Green Plains Mount Vernon LLC, Green Plains York LLC, Green Plains Holdings LLC, Green Plains Partners LP, Green Plains Operating Company LLC, Green Plains Ethanol Storage LLC and Green Plains Logistics LLC (incorporated by reference to Exhibit 2.1 of our Form 8-K filed with the SEC on September 26, 2016).
10.1	Second Amendment to the Omnibus Agreement, dated September 23, 2016, by and among Green Plains Inc., Green Plains Partners LP, Green Plains Holdings LLC and Green Plains Operating Company LLC (incorporated by reference to Exhibit 10.1 of our Form 8-K filed with the SEC on September 26, 2016).
10.2	Amendment No. 2 to Operational Services and Secondment Agreement, dated September 23, 2016, between Green Plains Inc. and Green Plains Holdings LLC (incorporated by reference to Exhibit 10.2 of our Form 8-K filed with the SEC on September 26, 2016).
10.3	Amendment No. 2 to Ethanol Storage and Throughput Agreement, dated September 23, 2016, by and between Green Plains Ethanol Storage LLC and Green Plains Trade Group LLC (incorporated by reference to Exhibit 10.3 of our Form 8-K filed with the SEC on September 26, 2016).
10.4	First Amendment to Credit Agreement, dated September 16, 2016, by and among Green Plains Operating Company LLC, as the Borrower, the subsidiaries of the Borrower identified therein, Bank of America, N.A. and the other lenders party thereto (incorporated by reference to Exhibit 10.1 of our Form 8-K filed with the SEC on September 16, 2016).
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 Partners LP Annual Report on Form 10-Q for the quarterly period ended September 30, 2016, formatted in Extensible Business Reporting Language (XBRL): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Income, (iv) Consolidated Statements of Cash Flows, and (v) the Notes to Consolidated Financial Statements

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, thereunto duly authorized.

GREEN PLAINS PARTNERS LP
(Registrant)

By: Green Plains Holdings LLC,
its general partner

Date: November 3, 2016

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

Date: November 3, 2016

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

Exhibit 31.1

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

I, Todd A. Becker, certify that:

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

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)) 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) 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

    c) 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: November 3, 2016

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

Exhibit 31.2

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

I, Jerry L. Peters, certify that:

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

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)) 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) 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

   c) 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: November 3, 2016

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

Exhibit 32.1

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

In connection with the Quarterly Report of Green Plains Partners LP, or “the partnership”, on Form 10-Q for the fiscal quarter ended September 30, 2016, as filed with the Securities and Exchange Commission on the date hereof, or “the report”, I, Todd A. Becker, President and Chief Executive Officer of the partnership, 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 partnership.

Date: November 3, 2016

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

Exhibit 32.2

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

In connection with the Quarterly Report of Green Plains LP, or “the partnership”, on Form 10-Q for the fiscal quarter ended September 30, 2016, as filed with the Securities and Exchange Commission on the date hereof, or “the report”, I, Jerry L. Peters, Chief Financial Officer of the partnership, 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 partnership.

Date: November 3, 2016

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