

Don't forget to save the date for the annual meeting

**WHERE: Show Me Ethanol**

**26530 Hwy 24 East**

**Carrollton, MO 64633**

**WHEN: Tuesday, March 20, 2018**

**TIME: 10:30AM**



*Missouri Owned*  *American Grown*

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Show Me Ethanol News

January 2018

### Note from Our General Manager:

We are already at the end of January 2018, so looking back to the final quarter of 2017 almost seems a distant memory. However, several things happened during the fourth quarter of the year that are noteworthy.

In November, EPA established the RVO (Renewable Volume Obligation) for 2018, and our industry was pleased with the outcome. Corn based ethanol blending volume was set at 15 billion gallons annually. "Maintaining the renewable fuel standard at current levels ensures stability in the marketplace and follows through with my commitment to meet the statutory deadlines and lead the Agency by upholding the rule of law," said EPA Administrator Scott Pruitt. In recent years, the annual volume hasn't been determined and set prior to the beginning of the year, so this is a strong step forward.

As domestic industry, we are currently producing at a level slightly exceeding 16 billion gallons annually. As a result of this record production, we must also depend on exports, which in 2017 were very strong. There is good evidence that exports will continue to grow.

We continue to push for higher blends of ethanol and felt 2017 would be the year for passage of the Reid Vapor Pressure waiver to allow e15 to be sold year-round, but that battle continues. Higher blends will continue to increase demand for our product. We also continue to battle misinformation and strive to educate those who are uninformed of the value of ethanol to agriculture, as well as the environment, at a lower cost to consumers.

2017 was another good year for Show Me Ethanol, LLC. We produced more ethanol than any year yet, generated a profit of \$8.7 million and returned \$15 million to our members. Even with the ongoing battles in Washington, we continue to succeed. Let's look forward to 2018 with a strong sense of accomplishment and optimism that we will have another successful year.



Rich Hanson

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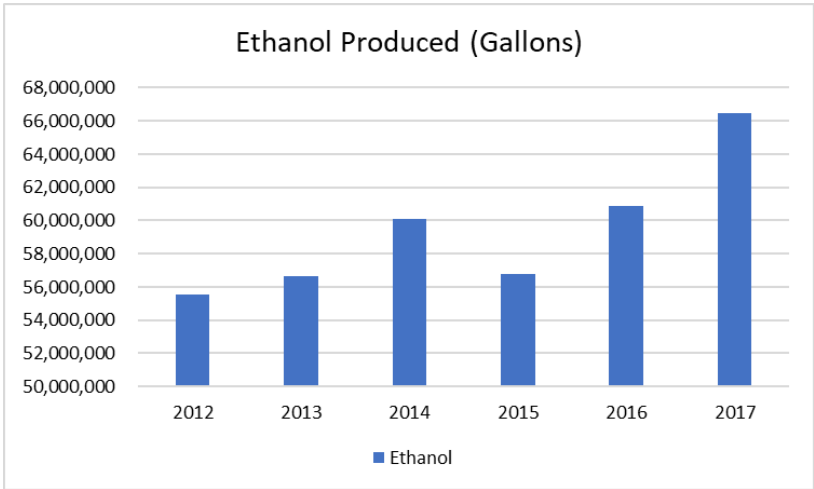
- Note from General Manager
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### Our Mission Statement

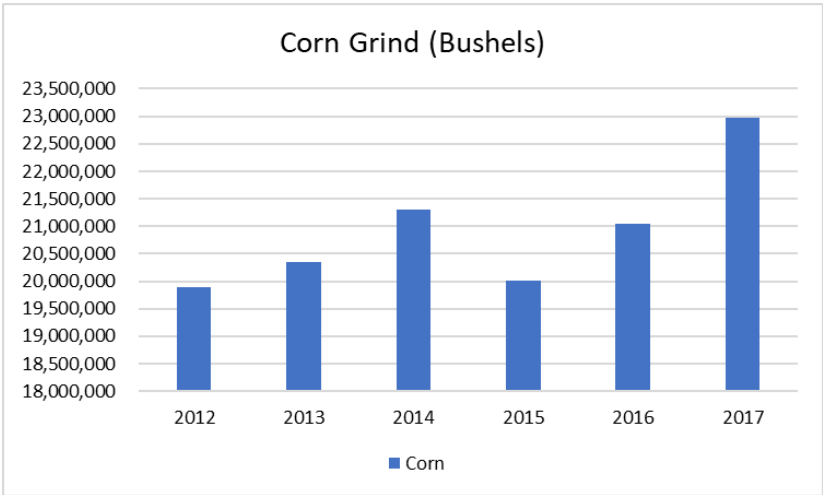
*To provide clean and renewable products to our customers, quality returns for our investors, while providing safe and ethical working conditions and benefits for our employees.*

Q4 2017 Plant Update

The plant set another record production month in December, with over 5.8 million gallons produced. We produced over 66 million gallons in 2017, by far the highest production in Show Me Ethanol's history.



As you might expect, our corn consumption is also higher than previous years. We are proud to process almost 23 million bushels of locally sourced grains!



We are planning for our Spring shutdown during the first week of March. We will focus on general maintenance and rebuilds, including rebuilding the ground corn transfer conveyors and many of the conveyance systems in the energy center. Regular cleaning, greasing, and rebuilds help us maintain these excellent production rates.

We look forward to meeting many of you at the annual meeting and 10-year anniversary celebration. We hope you can join us for plant tours after the meeting, so you can see how your plant has evolved since the beginning of production in 2009.

Brian Pasbrig  
Plant Manager

Financial Results for Fourth Quarter Ended December 31, 2017

Net sales were \$28.3 million for the fourth quarter of 2017, a decrease of 4.5% when compared to \$29.6 million for the fourth quarter of 2016. Gross profit was \$3.9 million for the fourth quarter of 2017, compared to \$6.6 million for the fourth quarter of 2016.

Net income for the fourth quarter of 2017 was \$1.9 million compared to \$4.4 million for the fourth quarter of 2016.

	4th Qtr 2017
Sales	\$ 28,292,832
Cost of Goods Sold	\$ 24,402,703
Gross Profit	\$ 3,890,129
Selling, General Administrative	\$ 713,606
Depreciation	\$ 1,288,857
Net Income	\$ 1,887,666

For the year 2017 net sales were \$118.3 million, an increase of 4% when compared to \$113.8 million in 2016. The gross profit for 2017 was \$17.4 million, compared to \$20.9 million for the year 2016.

The year 2017 net income was \$8.7 million, compared to \$12.4 million for the year 2016.

	Year - 2017
Sales	\$ 118,344,862
Cost of Goods Sold	\$ 100,931,039
Gross Profit	\$ 17,413,823
Selling, General Administrative	\$ 3,477,694
Depreciation	\$ 5,186,485
Net Income	\$ 8,749,644

Commodities

For 2017, all our products unit sales prices decreased while sales volumes increased

Corn cost per bushel declined, but due to higher production we consumed more bushels.

	Average Price/Cost	
	Year - 2017	Year - 2016
Ethanol	\$ 1.40 /gal	\$ 1.44 /gal
DDGS	\$ 115.63 /ton	\$ 134.75 /ton
MDGS	\$ 64.72 /ton	\$ 75.16 /ton
Corn	\$ 3.53 /bu	\$ 3.60 /bu

George Grimes  
Controller/Human Resource Director