

## General Manager Update

Happy summer! We hope your long summer days are filled with lots of sun, fun, and cool drinks to manage the heat. We've had great crop conditions so far, and pray for continued successful growing conditions for the remainder of the year!

Show Me Ethanol wrapped up a successful financial quarter, continuing our run of profitable quarters. The Board of Managers declared a distribution of \$5,000,000 during the June meeting, if you haven't received your distribution check, please contact Cheri Roberts in our office. We are excited that we are able to send cash distributions in hopes that it helps offset the current inflationary environment.

During the quarter, Show Me Ethanol received slightly more than \$3 million from the USDA under the COVID relief program approved by Congress in December 2020. This is reflected in our net income report on the following pages. We are not sure if this payment will be considered income for tax purposes at the time of this newsletter.

We continue to make significant progress in the GNS business. In Q2, 2022 we shipped over 2.5 million gallons of GNS at a significant premium to fuel ethanol. Looking ahead, we are completely sold out for the remainder of 2022 at significant premiums to fuel ethanol.

The fuel ethanol market continues to perform well in the face of extremely volatile markets and historically high fuel prices. Corn prices have remained at historically high levels, natural gas prices are at levels not seen since 2012. Ethanol pricing has hung tough in the face of rising input costs, leading to a profitable crush margin. Chemical inputs have also increased while lead times for parts and materials have extended. Our Purchasing Manager Janet Jacobs has done an excellent job managing these supply chain issues and minimizing the impact on the company. Our longest-serving employee, Janet's experience and efforts have had a positive impact for quite some time, we are grateful for her long-time service to Show Me Ethanol!

Our outlook for Q3, 2022 is a bit cloudy, as the extremely high corn basis and relatively low price for Distillers Grains weighs on our profitability. We expect this to affect the market as a whole, slowing production rates nationwide, which would support margins in the face of this adversity.

The SME team continues to work tirelessly to provide a positive return on your investment. We appreciate your support!



## Employee Wellness

Recently, SME has been trying to focus on employee wellness. Some of our wellness initiatives relate to physical and mental health, financial health, as well as social events and employee outings. One of our wellness activities this year is our first employee garden. Employees were given the opportunity to participate in a community garden. We currently have nine employees that maintain the garden on a rotating weekly schedule. So far, the garden looks great and has started producing. We are growing zucchini, yellow squash, broccoli, Brussel sprouts, peppers, cucumbers, tomatoes, and okra. We hope to be able to donate some of our excess to the local food pantry or senior center.

Another wellness activity we recently had was to bring out the Hannah Banana's ice cream and coffee truck. This was a celebration for shipping over 1 million gallons of GNS in the month of May.

We have also sponsored a couple of golf outings to help in our community and some employees were able to play a little golf.



### HIGHLIGHT

**Celebrating over 1 million  
gallons of GNS in the  
month of May!**



## Estate Planning Reminder

The past few newsletters, we have asked that you consider your Show Me Ethanol shares in your estate planning, and your response has been outstanding. Thank you!

In 2015, the Board of Managers established a policy regarding ownership of Show Me Ethanol, LLC in an effort to protect the membership interests of the Company from undesirable transfers and from running into any potential SEC registration requirements.

Please be aware that the policy does not allow for individual membership interest to fall below .07924% economic ownership. This is equivalent to the initial investment of 2 units (\$30,000).

A Member may not assign interests (economic or otherwise), and the Board will not consent to any proposed transfer, to a person if the proposed recipient would hold (after the transfer) ownership interest in the Company of less than 0.07924%.

For example, if a Member originally purchased 4 units (.15849% economic ownership) and wishes to transfer the ownership, it can be split in two equal parts of .07924% each, but not any further. The minimum ownership must be maintained.

Please feel free to contact us with any questions or concerns about this matter.



**660-542-6493**



## Financial Results

Total Sales were \$59.0 million. Ethanol was 60%, GNS 13%, and co-products 26% of total sales.

Total expenses were \$52.1 million. Corn costs were 77% at \$45.3 million.

Net income for the 2nd quarter of 2022 was \$6.9 million.

Summary of Operations (\$000)				
	Apr – Jun 2022	Apr – Jun 2021	Jan – Jun 2022	Jan – Jun 2021
Total Revenues	58,991	47,244	109,547	78,592
Net Income (Loss)	6,850	3,546	10,587	3,487

Balance Sheet (\$000)	As of 6/30/2022	As of 12/31/2021
Total Assets	68,652	71,407
Total Liabilities	13,289	14,632
Total Members' Equity	55,363	56,776
Current Value of Min Investment (\$30,000)	43,872	44,991

## Employee Highlight

### Josh Kofford

Please help us welcome Josh Kofford. Josh started in April as SME's Laboratory Manager. Josh is from a small farming town in eastern South Dakota, where he was raised with one sister. He attended SDSU where he received his degree in chemistry with a focus on synthetic organic, organometallic chemistry, and computational chemistry while caring for his two sons.

His background in organic and analytical chemistry helped him to successfully run a pesticide residue analysis lab, and environmental lab. Working with HPLC's, LC/MS, LC/MS/MS, GC/MS, and a wide range of other instrumentation, allowed him to become familiar with many aspects of instrument maintenance and method development. He spent several years managing a high purity gas analysis laboratory in New Mexico. Josh and his wife Jia had a daughter while living in New Mexico. Josh wanted to move closer to his family in South Dakota when we found him and snatched him up fast. Josh is off to a great start at SME and is fitting in well.