



SI<sup>U</sup>UXLAND  
ETHAN<sup>L</sup> LLC

Fall 2024



# O CANADA!

Siouxland Ethanol completed its 17th full year of operations by producing 100,309,913 gallons – a new company record. The 43 employees responsible for this achievement are determined to keep the trend in-tack so long as the industry can continue to build demand for ethanol. The 2024 calendar year will be referenced as the year ethanol exports were all the rage. Canada, the United Kingdom, and India are the top destinations purchasing U.S. ethanol and they are growing their economies by allowing more affordable ethanol to displace gasoline in their fuel supply.

The Company recently completed two new capital projects. The 2M gallon ethanol storage tank and two additional railcar loadout stations are now in-service. A novel way to extract more corn oil out of the distillers' syrup stream has also just been commissioned and the equipment is working as intended shifting pounds of our coproduct stream in the bucket worth \$0.45 per pound and removing them from the bucket worth \$0.08 per pound. The original cooling tower received a complete makeover, and plans are in place to remove and replace the existing truck scales in the spring of 2025.

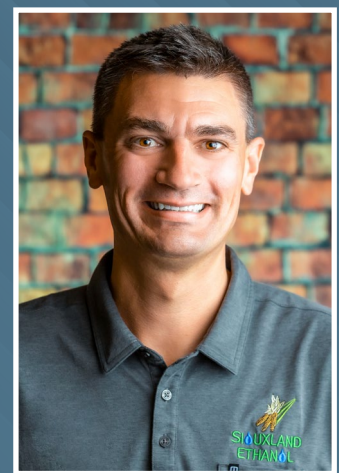
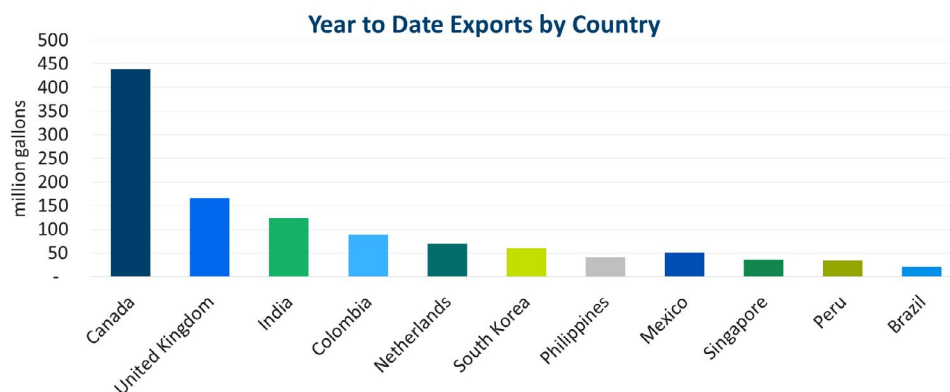
California is set to adopt a more stringent greenhouse gas reduction policy on November 8th in hopes of revitalizing credit prices and reinvigorating the move away from fossil fuel-based transportation. Siouxland Ethanol continues to ship nearly all the ethanol it produces to the Golden State and was closely monitoring recent legislation that would authorize the sale of E15. California is the only state remaining that does not allow E15 to be sold within its borders. While the legislation passed the House chamber unanimously as an effort to reduce gas prices for consumers, the California Senate elected to let it die. Common sense is just not that common.

There is a laundry list of start-up companies circling the ethanol industry promoting technologies that are not economically viable without policy subsidies but

become viable with the tax credit policy contained in the Inflation Reduction Act. There are numerous workshops, conferences, meetings, and roundtables filled with experts ready to promote their interpretation of how they think the regulations and opportunities will evolve and how their company can "help" you. In reality, the ethanol industry continues to wait for the Treasury Department to issue the guidance on the 45Z tax credit legislation and the policy incentives only last thru 2027 under current law. If the technology takes a couple years to construct, that doesn't leave very much time to take advantage of the credit. Siouxland Ethanol continues to demonstrate patience, continues to take meetings and learn about these new technologies, but remains reluctant to enter into any agreement that relies on a policy whose rules are not written or any agreement that lives longer than the tax policy itself.

The 2024 corn harvest is proving to be fast and furious as the corn quality is extremely dry and corn quantity is bountiful. This will be the first time since 2018 that supplies of corn in the United States have reached the 2B bushel burdensome level. If history is any indicator of the future, that typically means ethanol margins remain modest with little volatility or concern that the ethanol industry will be able to manufacture more supply than demand for our product.

Siouxland Ethanol is ready for the challenge and will continue to look for opportunities to set itself apart from the pack and make the most of any set of circumstances!



*Nick Bowdish*

**Nick Bowdish**  
President & CEO

# FINANCIAL HIGHLIGHTS

## Comparison Of Operations Three Months Ended:

The final quarter of fiscal year 2024 finished strong, although slightly less profitable than the last quarter of the previous fiscal year. Comparatively, total revenues were off approximately 24% with ethanol netbacks and co-product values down ranging from 25% to 32%.

Corn costs for the quarter ending 9/30/2024 were also down around 31% when compared to the same quarter of last fiscal year. However, this reduction in our largest production cost was not enough to offset the reduced revenues noted above, thus the nearly \$4MM decrease in gross profit quarter over quarter.

## Comparison Of Operations Fiscal Years Ended:

For the year over year comparison there was a sizeable decrease in overall revenues. Average ethanol values for the fiscal year were off 25% from the previous year. Co-product values were down around 30% year over year. But at the same time, when factoring in corn hedge movement, the net cost of corn was also down around 33%. Thus, our crush margins were relatively similar year over year resulting in only a modest 7% decrease in gross profits.

Siouxland Ethanol will finish the year with \$43.1MM in working capital. Basically, unchanged from the previous year end.

No units traded during the quarter ending September 30, 2024.

SUMMARY OF OPERATIONS	3 Months Ended 9/30/2024	3 Months Ended 9/30/2023	Year Ended 9/30/2024**	Year Ended 9/30/2023
Total Revenues	\$56,619,075	\$74,660,260	\$219,924,030	\$296,099,315
Gross Profit	\$9,439,891	\$13,368,646	\$31,412,516	\$33,773,198
Net Income	\$9,274,549	\$14,095,563	\$30,031,599	\$32,590,775
Net Income/Unit	\$2,708	\$3,991	\$8,690	\$9,227
Distribution/Unit	\$-	\$-	\$6,500	\$10,000

BALANCE SHEET	As Of 9/30/2024**	As of 9/30/2023	KEY METRICS	3 Months Ended 9/30/2024	3 Months Ended 9/30/2023
Current Assets	\$57,764,095	\$59,817,959	Ethanol Yield (Gal/bu)	2.99	3.03
Total Assets	\$129,092,484	\$128,427,307	Corn Oil (Lbs/bu)	1.08	1.08
Current Liabilities	\$14,657,739	\$16,596,861	Ethanol Production (Gal/day)	282,162	280,429
Long-Term Liabilities	\$1,734,822	\$2,045,246	Ethanol Production MGY	100	99
Members' Equity	\$112,699,923	\$109,785,200	Natural Gas (BTU/gal)	22,992	22,680
Book Value/Unit	\$32,905	\$31,083	Grid Electricity (KW/gal)	0.01	0.02

**\*\*-Unaudited**

Please be sure to keep Siouxland Ethanol updated on your contact information. This helps ensure you receive your distribution check, tax & other pertinent information timely. Thank you!

## SAVE THE DATE

# ANNUAL MEETING

## March 11, 2025



# A DIRECTOR'S PERSPECTIVE

## 1. The Presidential election is just days away. Compare or contrast what each Presidential candidate would mean for the ethanol industry over the next 4 years of their potential term.

- ▶ A wise man once told me. Don't worry about the things you can't control. I can't control the weather, the commodity prices, or the presidential election. The only thing we can do is learn to work around what we are given. I am confident that whoever the president may be in a few months, your ethanol plant will be quick to adapt policies that maximize the current political environment.
- ▶ The above disclaimer being said, I do concern myself with the amount of government spending and worry that we are down a path of recklessness. It's simply not sustainable. But to be fair to both candidates, can you imagine a world where the political candidate said what needed to be done, not what would get them elected? We can all dream can't we?

## 2. The Federal Reserve held interest rates near zero from 2020 thru March 2022, then took aggressive action to raise interest rates by 5 percentage points from March 2022 until July 2023. Rates have been held steady at 5% until they recently lowered their target interest rate in September 2024 for the first decrease in more than 4 years. How do you see interest rates trending in 2025 and what impact does that have on the economy, land values and Siouxland Ethanol?

- ▶ The fed is criticized often, but to be honest.. they didn't have an easy job. We printed piles of money during covid, laid people off, but paid them still, then we expected the economy to have a smooth transition back to normalcy. I believe we are in a period of higher interest rates and will stay there for quite some time. These longer-term higher interest rate environments are probably healthy for the consumer and saver.
- ▶ Volatility is a bigger deal than the underlying interest price. As Warren Buffet has said, you don't see who is swimming naked until the tide goes out. Higher interest rates shows us the banks that were lazy is their risk management and took a position that interest rates would never go up. This tide going out showed their complacency in regards to risk management and forced several banks to shore up cash or even close. If and when the interest rates decide to take a sharp move up or down, we will again discover who wasn't prudent in their risk management.
- ▶ The trend for the next 6 months is lower, and I expect interest rates to normalize in an environment of 5 to 7% for the next 3 to 5 years.

## 3. There has been a lot of talk about making jet fuel in the future from ethanol and headlines about the government supporting that initiative. How do you see that playing out over the next 3 years?



- ▶ From a taxpayer standpoint, I hope jet fuel from ethanol goes away. From an investor and board chairman standpoint, I hope it goes gangbuster!

- ▶ It's my belief that unless we see substantially higher base fuel prices, nothing will last on the backs of the federal subsidy. We need some semblance of real economics. Those economics may come, but we need to get better at the conversion process and make it much cheaper while taking crude oil to a price that is closer to \$100 per barrel rather than \$70.

#### **4. Corn harvest 2024 is underway in northeast Nebraska. What's your take on this year's crop and corn price?**

- ▶ We had a wet start, then ample rains for 45 days, and then it didn't rain for 60 days in late August and September. This will take the top end off the yield and leave us with a good, but not great crop. A shrinking crop and some weather problems in South America and Europe will keep the corn market more "interesting" going forward. Independently, corn should go back towards 5.00, but if beans trade as cheap as I think they are going to, I think corn may struggle to get to 4.50.

#### **5. Congratulations on the recent birth of your 5th child! What vehicle will he or she be driving in 16 years and what fuel blend will be in the tank?**

- ▶ This is a trick question for those who know that I owned a Tesla at one dark period in my life. I learned 2 things during my tesla ownership. #1. Never drive a Tesla to an ethanol plant. #2, electric aside, autonomous driving and safety features are something that will sell cars in the future. Gas or Electric, whoever can figure it out sooner will be the prevalent car maker. My 5th child will be sending an autonomous car to pick me up for a birthday party in the next 30 year. This car will be powered by e30, and have an electric battery that it first relies on.

- ▶ For the record, my Tesla is gone, and I have confessed my sins.

#### **6. In the past 12 months, name a destination that you visited for the first time and highly recommend our readers check out.**

- ▶ My wife tells me I am a soon to be father of 5, so family trips are the only trips! We took the kids on a cruise in the Bahamas in late February, and we all had a wonderful time. Under my watchful eye, we lost my boy for about an hour on the first full day at sea. My daughter sent him to get a drink, and he got turned around on the boat. We searched the boat top to bottom searching for him before turning to the staff to send out at APB looking for an 8 year old boy named Luke. They announced it, and he wandered back. Turns out, he decided that if he couldn't find us, he should go to the arcade and play skeet ball with a kid from Michigan. Mom, and his sisters cried, and I was relieved that I didn't lose a kid! Two hours later, we were watching the belly flop contest and forgot all about it(almost!).



**JOHN MEURET**  
Board Director



*the memories we've*

**MADE**



Our employees and their spouses enjoyed some pizza and drinks on SLE this summer at a favorite local restaurant, Buffalo Alice! It's always nice to step away from the office and catch up on everyone's summer plans.



Siouxland Ethanol's  
Annual Crop Tour!



Sunshine and too many FORES!  
down the fairway! Employees  
enjoyed an afternoon on the golf  
course. Hosted by Highland Oaks in  
Ponca, it was the perfect afternoon!





Our Commodity team hosted a customer appreciation dinner for our MWDGs customers earlier this summer, with Nebraska State Veterinarian Dr. Roger Dudley as the guest speaker.



Hartington Golf Club Ag Open!



Laurel Farmers Open!



SMASH burgers food truck was a HIT! In August we hosted a local food truck onsite and invited customers to join us for lunch. It was a beautiful day to say thank you to those who help make Siouxland Ethanol a success!



Northeast Nebraska Corn Growers hosted another great event this year at Hokamp Farms near Randolph, NE! Elizabeth spent the day talking to local 5th graders on Siouxland Ethanol's dry mill process and the job opportunities our industry has!





# SIUXLAND ETHANOL LLC

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## MISSION STATEMENT

To be an efficient producer of ethanol and its co-products with a low carbon footprint, and to promote the “clean octane” value of ethanol which will ensure long-term profitability for the industry and the investors in Siouxland Ethanol.

## RFN AT WORK FOR YOU

Renewable Fuels Nebraska, proudly representing all 24 of Nebraska's ethanol plants, works hard to nurture relationships and achieve the best possible outcomes for our members and their investors. This summer proved to be an interesting one as Governor Pillen called a special session of the Unicameral to address property tax burdens head on.



Thankfully, RFN board members have set clear and concise policy for the organization to stand on. Equally important is the open and honest relationships that have been built with the Governor, his staff, and many of the state senators. The ability to pick up the phone and visit about real impacts of potential legislation, as well as think through alternative avenues to get to the best outcome, is a testament to our board leadership and the respect RFN has earned.

Ultimately, the special session ended after weeks of difficult negotiations and achieved some tax relief via the passage of LB34 – Adopt the Property Tax Growth Limitation Act. Many rural residents had been taking the 1107 tax credit if they

were able, but more than half of urban residents had not. That tax credit will now be “front loaded” on local property tax statements rather than property owners having to apply for it as an income tax refund. Additionally, local tax asking is now limited. Per LB34, a city, county or village may increase its property tax request authority by the product of two factors:

- the prior year's amount of property taxes levied increased by a percentage that accounts for total property valuation growth due to new construction, improvements and certain other changes, minus any exceptions used; and
- the greater of zero or the annual percentage change in a price index that tracks state and local government expenses.

Among other exceptions to the limit, a political subdivision also may increase its property tax request authority by amounts needed for emergencies, budgeted for public safety services or approved by voters.

Our Unicameral has wonderful senators from across the state with the best interest of their constituents top of mind. We look forward to a regular session in 2025 to work alongside the Governor and our senators building on the good that has been achieved.

**Dawn Caldwell**  
Executive Director

