



NATIONAL
CORN GROWERS
ASSOCIATION

Corn Grower Update

A newsletter from the National Corn Growers Association
First Quarter 2011 • Volume X, Issue 1

Two Historic Partnerships Help Growers Collaborate to Move Forward

Two new partnerships that were formalized in late 2010 will help the National Corn Growers Association – and corn farmers in general – promote their work to key audiences while building unique relationships across agriculture and among American consumers.

First, in November, NCGA joined two dozen other national farmer- and rancher-led organizations to create the U.S. Farmers & Ranchers Alliance, a broad-based effort to enhance U.S. consumer trust in modern food production that ensures the abundance of affordable, safe food.

“This is a historic collaboration of farmers and ranchers around a common cause, promoting our work to a public that has grown more distant from the farm,” said NCGA President Bart Schott, a North Dakota corn farmer who serves as secretary of the USFRA executive committee. “We are proud to be involved in a leadership position in this effort and are looking forward to working with all interested parties who share our vision and values.”

USFRA believes the actions of groups opposing today’s agriculture have led a number of farm and ranch organizations to fund programs that bolster the image of agriculture and enhance public trust in our food supply. While these individual efforts have been helpful in answering some of the criticism, there is a growing need for all of agriculture to coordinate their messages and reach out even further to the consuming public through consumer influencers and thought leaders.

In addition to NCGA, these founding affiliates are the American Egg Board, the American Farm Bureau Federation, American National CattleWomen, American Sheep Industry, American Soybean Association, American Sugar Alliance, Beef Checkoff, Federation of State Beef Councils, National Association of Wheat Growers, National Cattlemen’s Beef Association, National Cotton Council, National Milk Producers Federation, National Pork Board, National Pork Producers Council, Southern Peanut Producers Federation, U.S. Poultry and Egg Association, U.S. Grains Council, United Egg Producers, United Fresh Produce Association, United Soybean Board, U.S. Soybean Federation and Western Growers.

Another historic partnership for corn growers – NCGA and its state affiliates are among the top sponsors backing American Ethanol, a significant multi-year investment with Growth Energy and NASCAR. This new initiative, announced comes after the



NCGA President Bart Schott talks about corn growers’ involvement as the NASCAR American Ethanol partnership is unveiled at the annual NASCAR awards banquet in Las Vegas in December.

popular racing organization said in October it would fuel all races with Sunoco Green E15, a 15 percent corn ethanol blend, starting with the 2011 season.announced by NASCAR in December, comes after the popular racing organization said in October it would fuel all races with Sunoco Green E15, a 15 percent corn ethanol blend, starting with the 2011 season.

“The productivity of America’s farmers is unrivaled in the world and our ability to supply corn for food, livestock feed and fuel should be a source of national pride. This exciting new association with the NASCAR Nation will help to build that awareness,” Schott said. “With precision farming, innovation, technology and hard work farmers can double our harvest in the years ahead. NASCAR is a high-profile way to showcase one great use for this abundance.”

NCGA’s involvement comes with the strong support of state corn checkoff investments.

As part of the multi-year agreement, American Ethanol will be highlighted near the fuel port on every vehicle running in a NASCAR race and be prominent on NASCAR’s Green Flag. In addition, American Ethanol will sponsor a new award for every race, be featured on-site race day events and more. American Ethanol will support drivers, teams and tracks with marketing, promotional activities and advertising.

“NASCAR and American Ethanol are ideal partners,” said NASCAR Chairman and CEO Brian France. “NASCAR is a great American sport in its third generation of family ownership, and ethanol is produced from the harvest of family-owned farms across our country’s heartland.”

Story continues on next page

Tax Success

NCGA Thanks Congress, President for Ethanol Tax Credit Extension, Estate Tax Exemption

The National Corn Growers Association thanked President Obama and members of Congress for their action on tax legislation that extends the Volumetric Ethanol Excise Tax Credit (VEETC) and provides an important estate tax exemption.

“We are very happy to see the one-year extension of the ethanol blender’s credit and a two year reformed estate tax move,” said NCGA President Bart Schott. “These extensions were among the highest priorities for our organization in 2010; failure to renew both would have done much to harm our nation’s rural economy and the future of America’s farms.”

In addition to providing and supporting 400,000 jobs here in the United States, ethanol is an important part of our nation’s energy mix because it reduces dependence on foreign oil and cuts greenhouse gas emissions, Schott added. The U.S. Environmental Protection Agency estimates that corn ethanol provides up to a 52 percent reduction in greenhouse gases compared to gasoline.

“We would like to thank Senators Charles Grassley and Kent Conrad for their important work on this issue. Senator Grassley in particular has worked for many years to maintain the VEETC at the current rate of 45 cents,” Schott said. “With VEETC extended for one year, we are also focused on other initiatives to help ethanol expand and compete. This includes expanding the availability of flex-fuel vehicles and blender pumps, as well as

working to suspend the so-called international indirect land use change penalties on corn ethanol!”

The legislation also provides an exemption and top rate for the estate tax, set to expire at the end of 2010, for two years. Instead of reverting to the \$1 million exemption and 55 percent top rate, the legislation provides for a \$5 million exemption and a top rate of 35 percent. If the estate tax had not been reformed, many of America’s farmers would have been forced to sell assets such as land, machinery and buildings to pay the inheritance tax.

“The estate tax reform will allow greater flexibility when planning for the future and farmers won’t have to worry about losing their land to pay an inheritance tax,” Schott said. “Farmers now have a better ability to pass their land onto the next generation and we can keep America’s farms in our families.”

Importantly, the bill also extends all existing individual income tax, capital gains, dividend tax rates for two years and extends dozens of short-term tax breaks including the deduction for state and local income taxes. The bill also features a provision to allow businesses to depreciate 100 percent of the cost of new capital investments made in 2011 and a cut in the Social Security payroll tax on the employee side from 6.2 percent of wages to 4.2 percent. ■

Growers Collaborate to Succeed

cover story continued

“American Ethanol’s new partnership with NASCAR is much larger and more ambitious than a typical sports sponsorship,” France added. “Here we have an entire industry looking to NASCAR to communicate its message that America is capable of producing its own renewable, greener fuel. The entire NASCAR industry will benefit from American Ethanol’s multi-faceted support of NASCAR, as well as from thousands of farmers and members of the ethanol supply chain now serving as new ambassadors for the sport.”

Led by Growth Energy and NCGA, nearly 100 different entities – from individual ethanol plants to biotech companies – are rallying around NASCAR to communicate their ethanol message.

“E15 is an enormous opportunity to reduce greenhouse gas emissions, create U.S. jobs, and strengthen national energy security by reducing our dependence on foreign oil,” said Tom Buis, CEO of Growth Energy. “There is nothing more American than NASCAR, and there is no fuel more American than ethanol. We are so proud that the bounty of American farming will be used in NASCAR racing.” ■

Yield Contest

Corn Growers Demonstrate Their Skills in Record-Breaking National Corn Yield Contest



Advanced production techniques, informed growing practices and improved seed varieties helped corn growers achieve high yields in the National Corn Growers Association 2010 National Corn Yield Contest. Despite the challenging weather conditions that plagued the Corn Belt throughout the year, entrants continued to far surpass the national average corn yield, even doubling it in some circumstances.

The National Corn Yield Contest is in its 46th year and remains NCGA's most popular program for members. With 7,119 entries, the 2010 NCGA National Corn Yield Contest set a new participation record again this year. This is a 2.3 percent increase over 2009 (6,960), a 5.8 percent increase over 2008 (6,727) and an incredible 44 percent increase over 2007 (4,932).

"While this contest provides growers a chance to participate in a good natured competition with their peers, it also advances farming techniques as a whole," said Steve Ebke, chair of NCGA's Production and Stewardship Action Team. "The very techniques and practices contest winners develop provide the basis for more widely used advances that benefit the industry. This contest highlights how innovation, both from growers and technology providers, allows us to meet the growing demand for food, feed, fuel and fiber in a sustainable manner."

The 24 winners in eight production categories had verified yields averaging more than 301.721 bushels per acre, compared to the projected national average of 154.3 bushels per acre in 2010. While there is no overall contest winner, yields from first, second and third place farmers overall production categories ranged from 263.6 to 368.444 bushels per acre.

"A large portion of our members first joined NCGA so that they could participate in the National Corn Yield Contest and test their skills as a grower," said Brandon Hunnicutt, chairman of NCGA's Grower Services Action Team. "While many join to gain entry, their view of the organization, and corresponding level of participation, evolves. Once a contest participant looks more closely at our activities and achievements on behalf of all American growers, they see the value in a grassroots approach that unites the voices of corn farmers across the country to affect change. Reluctant joiners turn into vital members, spokespeople for their industry and active advocates of NCGA membership."

The national and state contest winners will be honored at the 2011 Commodity Classic, March 3-5. Contest winners will also be featured in a special edition of Farm Journal magazine. ■

Ethanol in the News

Higher Blend of Ethanol Meets Tentative Approval

The National Corn Growers Association recognized the U.S. Environmental Protection Agency's decisions last year allowing higher blends of ethanol in vehicles from the 2001 model year and newer as a tentative first step that needed to be followed immediately with more action.

While the EPA allowed E15 for a broader range in January 2011, the first step last year "cast an unnecessary shadow on all ethanol blend levels," NCGA President Bart Schott said. Blends up to E15 and beyond have been tested and found suitable for a wide range of newer and older vehicles.

"We're disappointed in the very limited scope of this approval, but pleased the EPA has finally taken action to partially approve the waiver request to allow higher blends of ethanol in some motor vehicles," said NCGA President Bart Schott. "We believe this bifurcation of the approval process, and the labels that are expected to be placed on higher-blend fuel pumps, can lead to general consumer confusion and therefore act counter to the original intent."

"We strongly urge the EPA and the Department of Energy to expedite their remaining testing and cut through bureaucracy to quickly approve the E-15 blend for all vehicles," Schott said. "Consumers deserve clarity." ■

NCGA Symposium Focuses on Ag Energy

A growing body of research on issues like international indirect land use change and carbon neutrality points to an improving environmental footprint for agriculture and its role in producing food, feed and fuel. Taking a look at these issues and the emerging science was the purpose of the National Corn Growers Association's Ag Energy Symposium, held Nov. 4 in Washington.

"Farmers are producing a growing volume of energy for this country in the form of corn-based ethanol, so the future of biomass and producing it sustainably is a critical issue for agriculture," said Bart Schott, NCGA president. "Our role will continue to grow, which is why National Corn Growers Association feels it is important to facilitate the kind of dialogue taking place at this symposium."

More than 100 research and policy experts, news media and representatives from environmental groups attended the meeting to assess the state of the biomass energy industry today and get a sense for the promise of the future.



"I don't know a single farmer who doesn't want to grow crops better and more sustainably each year and we are making significant progress," said NCGA Past President Fred Yoder, of Ohio, who served on the first panel at the symposium. "It takes 37 percent less energy to produce a bushel of corn today. There's more corn on fewer acres, so it's not food 'versus' fuel today but food 'and' fuel."

The Symposium featured four panels:

- During the Carbon Neutrality panel, experts discussed the ways in which the U.S. corn crop, both grain and stover, absorbs and sequesters carbon. Corn growers play an important and positive role in helping reduce greenhouse gas emissions.
- The Biomass panel provided an in-depth look at how domestic renewable biomass from crop residues and forests provide numerous opportunities to supply American consumers with energy and fuel.
- Experts also provided a complete picture of the impact of fuels during the Life Cycle Analysis panel. Speakers looked at the numerous ways of calculating fuel impacts and the importance of conducting analysis that is consistent across all fuel types.
- And during the International Land Use Change panel, experts addressed the legislative and regulatory policies behind issue of land use change. With biomass production per unit of land continuing to increase and modeled impacts not coming to fruition, an agreed-upon approach has yet to be determined.

A short video about the Symposium can be found at NCGA's YouTube Channel, www.youtube.com/nationalcorngrowers. ■

Sustainability

New Report Finds EPA Nutrient Diet Calculation a Recipe for Disaster

A new report seriously questions the data used by the Environmental Protection Agency to set pollution limits for the Chesapeake Bay. Commissioned by a coalition of agricultural groups including NCGA, the report contrasts EPA's estimate of the Bay's "nutrient diet" with those of the U.S. Department of Agriculture. It asks EPA to not issue a rule setting the Bay's "pollution loads" until the inconsistencies can be reconciled.

"If USDA's numbers are correct, agriculture has already significantly surpassed EPA targets for reductions in sediment and phosphorus," said NCGA Director of Public Policy Rod Snyder. "It is crucial that farmers in the Bay watershed receive appropriate credit for their efforts to be good stewards of our land and water resources."

The report calls for a "timeout" on the Bay TMDL to make sure that EPA does not push the use of its pollutant estimation model beyond its original design.

USDA estimates that seven percent of cropped acres are under conventional tillage, five percent of cropped acres have a level of tillage between conservation tillage and conventional tillage, and 88 percent of cropped acres are under conservation tillage (mulch-till or no-till) practices. EPA estimates that 50 percent of cropped acres are under conventional tillage and 50 percent are under conservation practices. ■

Farm Groups Abandon Biased and Flawed Sustainability Initiative

Several agricultural representatives withdrew en masse in October from the Leonardo Academy's sustainable agriculture standard setting initiative, citing systemic limitations and chronic anti-agriculture biases inherent in the Writing Committee structure set up for this initiative. The resignation letter was signed by 10 national agricultural-organization voting members on the nearly 60-member committee, and their departure was endorsed by 46 other agricultural organizations nationwide.

"Our willingness to participate in this process was predicated on a desire to produce an 'on-farm' standard that would result in broad adoption," said Ken McCauley, a National Corn Growers Association past president. "However, from the actions of others on the Committee it is now clear that this cannot occur within the Leonardo Academy process. It has become clear that the Leonardo Academy process is structurally biased against a balanced and open analysis of sustainability and modern agriculture."

The Leonardo Academy and its principal financial sponsor, Scientific Certification Systems, had undertaken an effort in 2007 to develop a draft national standard for sustainable agriculture under a consensus-based process governed by the American National Standards Institute.

The withdrawal of modern agricultural representatives from the Leonardo Academy's sustainability initiative is an indication of their lack of confidence in its process, not a lack of commitment to agricultural sustainability. Over 900 million people worldwide suffer from malnutrition today, so having a global sustainable supply of food is of prime importance. U.S. agriculture is committed to the pursuit of a valid approach to sustainability, but in another venue. ■

Membership

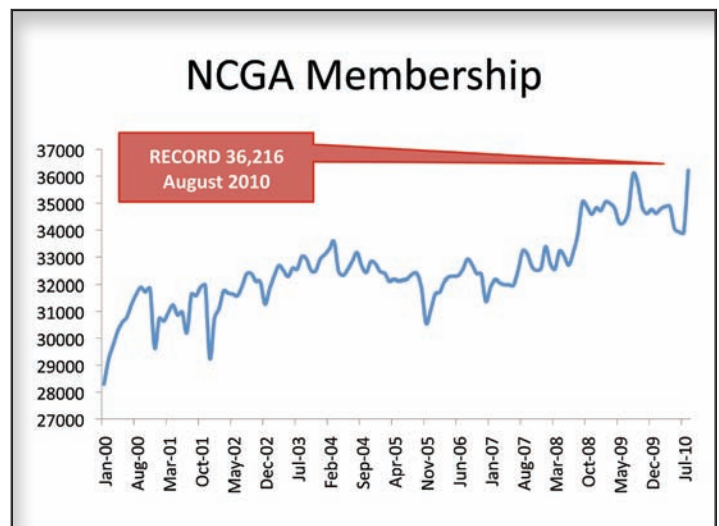
Membership Sets Records, Creates Change

The National Corn Growers Association reached a new membership record in 2010, with rolls listing 36,216 growers at the end of August. The previous record of 36,088 was set in August 2009.

"It is inspiring that so many growers want to personally support our programs and activities," said NCGA President Bart Schott. "Increased grower involvement demonstrates the value members believe NCGA staff and grower leaders provide our industry."

The NCGA membership program, sponsored by Syngenta, offers many benefits, including leadership opportunities. Members play an active role in organizational leadership by shaping the direction of activities and influencing public policy that affects all farmers.

Also this past year, a record number of growers entered the National Corn Yield Contest, which requires NCGA membership. An initial count indicates submission of approximately 7,119 entries, roughly 160 above last year's number.



In addition to representing individual members, NCGA works as a federation of the many state-level grower associations and checkoff boards. More than 300,000 growers contribute to state and national organizations through corn checkoff funds in their states. ■

Biotech Bulletin



NCGA and Industry Work Together on Bt Corn Refuge Implementation

To assist farmers in developing the right plan for refuge compliance, NCGA has joined forces with agribusiness to develop a next-generation Insect Resistance Management refuge calculator that is easy to use and represents the latest products available.

calculator. "Planting a proper refuge is critical to keeping Bt technology on the market. Growers must ensure they plant and manage a refuge for each Bt corn field they grow in accordance with EPA requirements. Growers who fail to plant a refuge risk being denied access to the technology," says Nick Storer, Chair of the ABSTC.

In recent years, the introduction of new refuge systems has given growers more options in setting up their refuge. NCGA's calculator was developed as a tool to clarify those options with growers and show them how to execute the requirements properly.

The benefits of this new tool include all commercial Bt products on the market and features a trait selection process that allows farmers to run several planting scenarios on a field-by-field basis. Its updated interface and clearer planting options makes refuge calculation simpler to do. To download the NCGA calculator, please visit www.irmcalculator.com.

Industry experts from the Agricultural Biotechnology Stewardship Technical Committee (ABSTC) which is made up of representatives from Dow AgroSciences LLC, Monsanto Company, Pioneer Hi-Bred International, Inc., and Syngenta Seeds Inc., were consulted in developing the new and improved

The refuge calculator is a tool that should be used in conjunction with the applicable seed manufacturer's Stewardship Guide which explains acceptable refuge configurations in more detail. For additional information on planting specific corn hybrids, please consult with the appropriate manufacturer's representative. ■

Kudos Corner

Corn Farmers Coalition Recognized for Excellence

A series of radio advertisements from the Corn Farmers Coalition, a project of the National Corn Growers Association and many of its state affiliates, was honored by the National Association of Farm Broadcasting with the prestigious Herb Plambeck Award for Creative Excellence.

"The Corn Farmers Coalition began as a project of several of our state organizations to educate Washington policymakers about the value of today's corn farmers," NCGA President Bart Schott said. He was on hand to pick up the honor at NAFB's annual awards banquet. "Our states worked very hard to develop and expand a well-conceived and powerful program in 2009 and 2010, and the coming year brings many more opportunities to make sure those who influence legislation and regulation are informed about what we do." ■



NATIONAL CORN GROWERS ASSOCIATION
FY 2011 APPROVED BUDGET

Revenues

Checkoff Revenue	12,088,778
Commodity Classic	400,000
Corn Yield Contest	998,500
Industry	925,000
Interest	20,000
Membership	775,000
Other	5,000

Total Revenues 15,212,278

Team Program Expenses

Biotech Working Group	193,929
Ethanol Committee	448,700
Grower Services Action Team	1,884,000
Production & Stewardship Action Team	743,800
Public Policy Action Team	295,500
Research & Business Dev Action Team	485,000
Joint Trade Team	62,570

Total Team Programs 4,113,499

Association Programs

Communications	574,400
Corn Board and Funding	3,752,923
Membership/Leadership	562,000
NCGA Commodity Classic/Awards Banquet	341,675
Resolutions/Policy/Corn Congress	254,145
State Relations/Meetings	66,895

Total Association Programs 5,552,046

Human Resources

Health Insurance	475,139
Payroll Taxes	236,819
Professional Development	25,000
Retirement	357,845
Salaries	3,579,971

Total Human Resources 4,674,774

Property and Equipment

Building Interest	50,000
Depreciation	81,723
Equipment Leases/Rental/Purchases	109,700
IT Expense	52,600
Maintenance	44,000
Property Taxes	35,000
Rent	195,400

Total Property and Equipment 568,423

Operating Expenses

Accounting/Legal/Professional Fees	81,700
Dues/Subscriptions	21,000
Electronic Communication	56,500
General Liability Insurance	62,400
Meetings	79,300
Office Expense	96,600
Travel	25,200
Utilities	73,450

Total Operating Expenses 496,150

Total Expenses 15,404,892

Net Revenues/(Expenses) (192,614)



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