Staying the course.

2012 ANNUAL REPORT

NATIONAL CORN GROWERS ASSOCIATION
FOCUSED ON OUR GOALS.
Charting a Course

Tremendous effort goes into setting the agenda the National Corn Growers Association follows each year. It begins with individual states and percolates up to the national level at Corn Congress. Every member can have a say along the way and help drive our leadership and set the agenda. It’s grassroots at its best and is an exciting process to witness and participate in.

Yet just one word, in this case “drought,” can throw a wrench into the most well thought-through plans. The drought of 2012 did exactly that and had an effect on nearly every item on our agenda. However, we remained focused on our goals, staying the course even as the path evolved.

Behind these efforts were action teams and committees filled with farmer-members, who themselves are skilled at adapting to changing conditions, just as every farmer must. They helped guide your organization, and I want to thank everyone who stepped up to provide input throughout the year.

Certainly one of the greatest NCGA activities is providing members an opportunity to lead in these ways. NCGA empowers members to be the best they can be. For those considering taking a more active role, please do. It’s a great experience and the entire organization will benefit, as will you personally.

While facing the worst drought in five decades, corn farmers stayed strong and sensible. Droughts happen, but overreaction will do more harm than good. This is why the farm bill was important, as it would provide long-term stability for farmers and rural communities. We can be proud to have been leaders throughout the process even if political pressures were too great in Washington.

We were the first national organization to acknowledge the federal budget challenge and, as driven by members, to offer farm bill program alternatives that would save funding while providing better risk management tools. We were leaders in bringing together more than 90 different commodity groups for a rally to push for a farm bill now. These are important accomplishments. They continued our tradition of being a thought-leader and coalition-builder in Washington and nationally.

We can also be proud of our continued support of the Renewable Fuel Standard, which survived a waiver request in 2012. However, we must be prepared for challenges to come. The RFS is simply too important to our nation and rural communities to take for granted.

Despite the drought, the United States produced the eighth-largest corn crop in history in 2012. We are confident that in 2013 the weather will cooperate and our technology and know-how will shine, allowing a bumper crop to come in from the fields. Yet if not, I’m confident NCGA’s grassroots, its farmer-members, will rise to the occasion and lead us forward, charting a sound course to the future.

Thank you for allowing me the privilege to serve.
A Leading Voice

America’s farmers know success is a journey. Some years the rains come when needed and temperatures are just right at pollination time, and some years growers must nurture a crop through drought and heat.

Some years policy matters shepherded by farmers drop into place, and some years growers must keep their eye on the horizon, knowing there are opportunities ahead.

A tremendous year can be followed by one filled with challenges. Yet through it all, America’s corn farmers, our grassroots members, remain committed and focused.

The drought of 2012 highlighted the importance of risk management and crop insurance, key tools included in farm bill legislation. Your efforts in years past ensured their widespread availability and adoption for years just like this. Without these previous farm bill changes, a drought of this magnitude would have caused more significant damage in farm country and had a greater impact on the Federal Treasury.

Instead, the drought highlighted the success of this change in policy and strongly made our point for continued movement in the direction of sound risk management tools in the new farm bill.

Our position on the bill has been straightforward and, in recognition of the budget strain in Washington, included alternatives that would also reduce funding. NCGA’s members made that decision during a vote at Corn Congress. We were the first commodity organization to lead and make such a move.

Throughout 2012, NCGA organized several opportunities for members to let their voices be heard on the bill. The Senate responded and passed a reform-minded farm bill.

When it became clear legislation might not move in the House, NCGA worked with more than 90 organizations to form the Farm Bill Now coalition. This broad-based organization drew significant attention to the farm bill and rightly let people know the bill is about a lot more than just farms. It’s a food, research, conservation, trade and energy bill that affects every American. The coalition held a rally on Capitol Hill, which drew positive press coverage from CNN to the New York Times, sharing our positive messages with a bigger audience.
NCGA continues efforts to defend growers against unnecessary and burdensome regulations. In fact, NCGA joined other organizations in a lawsuit challenging EPA’s total maximum daily load rules in the Chesapeake Bay, believing they are beyond the scope of the Clean Water Act and that the science behind them is flawed. We also are interveners in a lawsuit involving pesticide registration and endangered species and another lawsuit involving TMDLs in the Mississippi River Basin.”

– Dean Taylor

Production and Stewardship Action Team Highlights

Despite the worst drought in five decades, entries to the Corn Yield Contest reached 8,262 in 2012, just 169 fewer than the record set in 2011, yet still 16 percent more than 2010. About 40 percent of the entries were entered electronically, and improvements to the online entry process continue to make it as simple and streamlined as possible.

By working with the Water Environment Research Foundation, NCGA is developing a website to host best management practices for agriculture water. The goal is to have peer-reviewed research online that helps growers understand what is feasible when it comes to maintaining water quality and water use for irrigation. Phase one, which involved article research, is complete, and the goal is to have the WERF site up by the end of 2013.

The Aflatoxin Mitigation Center of Excellence coordinated funding for seven research projects at universities involved with the Center. Research proposals generally include participants from multiple universities and in 2012 focused on different ways of controlling or eliminating aflatoxin, including via biologicals and best management practices in the field. Additional work looked at ways to control the aflatoxin in storage and transportation.
“Discussions following last year’s Agricultural Trade and Biotechnology Forum, held in partnership with the American Soybean Association, led to a memorandum of understanding this year that was signed by participants all along the value chain, from seed suppliers to exporters. The goal is to maintain open communication regarding biotech products, the introduction of these products and how it all comes together in domestic and international markets.” – Chad Blindauer

The Trans Pacific Partnership continues to move forward. NCGA supports this important trade initiative and encourages the U.S. Trade Representative to remain committed to the negotiations and recognize the tremendous potential of increased trade in the Asia Pacific region. TPP is a new model for modern trade agreements that provides an alternative route outside of the World Trade Organization. Canada and Mexico joined the negotiations this year, an important move ensuring all NAFTA partners have a seat at the negotiating table.

Insect resistance management (IRM) remains an important focus, as the commitment to proper stewardship will help maintain this technology well into the future. In support of this, the IRM calculator, at IRMCalculator.com, continues to be updated. When used in conjunction with seed manufacturers’ stewardship guides, the calculator is a great way to help keep Bt products viable while meeting EPA requirements.
Collaboration in Communication

While the Farm Bill Now coalition was new in 2012, other key NCGA coalitions continued their efforts to shape the discussion and share the story of corn farmers, renewable fuels and all of agriculture.

Pulling together foodies, farmers, scientists and media in places like New York and Los Angeles was unthinkable a few years ago. Yet we knew our messages on sustainability, farming practices and the families who live in rural America needed to be shared in new ways in urban areas. This is the genius of the U.S. Farmers and Ranchers Alliance, which is comprised of more than 75 producer-funded organizations.

USFRA discusses agriculture and food production openly, both online at FoodDialogues.com and Facebook, and through a series of live “Food Dialogues,” Internet-broadcast panel sessions that include a variety of opinions and thought leaders.

In 2012, USFRA initiatives included a partnership with the Discovery Networks, which aired several farmer- and food-focused videos. More than 2,000 farmers and ranchers also joined the Farmer and Rancher Mobilization Team, an initiative to get farmers and ranchers involved in the conversation that is taking place about food production.

In June, we headed to Los Angeles for USFRA’s Food Dialogues event, which brought together entertainment movers and shakers, chefs, academics, journalists, farmers and ranchers for an in-depth conversation about food.

Farmers have been changing and adapting for generations, reducing their environmental impact and every year striving to do better. Such messages were front and center as part of the Corn Farmers Coalition initiative, a program involving NCGA and member states that returned to Washington for the fourth year in 2012. CFC is an outstanding way to promote family farmers and their ability to sustainably grow corn while making important contributions to our economy and balance of trade.

CFC advertisements featuring family farmers dominated Union Station, while also making appearances in Capitol Hill publications, websites and other Metro locations. Surveys show the millions of impressions helped move the dial and also helped policymakers and regulators better understand and respect the work of corn farmers.

Real American farmers, in this case a group of volunteer farm women, continued to create their own conversations around farming and food through CommonGround, a partnership between NCGA, the United Soybean Board and its state affiliates. CommonGround is a way to help moms who are looking for information on some of the most common questions about food.

These women gather the facts and sort through myths, while sharing their own perspective and understanding with other women across the country. Through blogs, videos and in-person promotions, they tackle subjects ranging from food prices to biotechnology to food safety. The program has more than tripled in size since 2011 and now includes women from 15 states who are dedicated to building trust through honest, thoughtful conversations.

All of these outreach programs made exciting strides in 2012, and we must also give these initiatives credit for pulling together more sectors of agriculture. Certainly a drought like that seen in 2012 could lead to stress and finger-pointing. While there may have been some of that, it was minimized simply because the leaders of all the organizations involved in everything from USFRA to CommonGround know each other on a first-name basis thanks to our close work together. Relationships matter, and certainly our relationships during this challenging production year paid dividends.
Leveraging Partnerships

In our second year as an Official Partner of NASCAR®, we were able to further leverage our involvement in American Ethanol to demonstrate the great qualities of renewable ethanol, particularly E15, to NASCAR fans.

As in 2011, every NASCAR national series racecar and truck sported the green American Ethanol circle around its fuel port, and the popular American Ethanol green flag was waved during every race. NASCAR Green™, the racing organization’s environmental initiative, also produced commercials and advertisements featuring green initiatives and partners including American Ethanol, further supporting our efforts with more than 800 airings on television, 2,000 airings on radio and exposure on NASCAR.com. This year’s program is conservatively estimated to have provided more than $30 million in positive exposure for American Ethanol.

American Ethanol continued its partnership with Richard Childress Racing and RAB Racing in 2012, with NASCAR rookie Austin Dillon and veteran Kenny Wallace sharing the positive messages of ethanol and Sunoco Green E15. In fact, Dillon drove the iconic No. 3 car with an American Ethanol paint scheme six times in the NASCAR Nationwide Series™ and once in the NASCAR Sprint Cup Series™. He was even named Rookie of the Year. Wallace also drove an American Ethanol car, including during his exciting run at making the Daytona 500.

NASCAR included questions about ethanol as part of its extensive fan-focused research. The results showed that NASCAR’s tens of millions of fans are six times more likely than the general public to view ethanol favorably and 50 percent more likely to use ethanol, a figure that grows to 70 percent within NASCAR’s “avid” fan base. In addition, three quarters of avid fans support the use of ethanol to increase energy independence, and media coverage in the context of NASCAR is almost universally positive.

In response to and in preparation for continued misguided attacks aimed at the Renewable Fuel Standard in 2012, NCGA organized a large coalition of renewable fuels, agriculture and national security stakeholders to launch Fuels America.

Fuels America’s sole purpose is to defend the RFS and promote the fact that renewable fuels benefit our nation’s economy, rural communities, the environment, domestic energy supplies and national security. The launch came as NCGA filed comments encouraging the Environmental Protection Agency to deny RFS waiver requests filed during the year.

The waiver request was denied by the EPA, allowing some certainty to remain in place for our domestic renewable fuels industry.

We are aware, however, that when it comes to the RFS, battles will continue. Fuels America is a national effort and will help us reach our goal, but a strong grassroots effort on our part will help keep our country’s biofuels policy on course.
“The Renewable Fuels Standard (RFS) is a tremendous success story. It’s helped expand job opportunities and grow rural economies while diversifying our fuel supply and reducing our dependence on foreign oil. While we appreciate that the waiver request filed in 2012 was denied, we must remain diligent in our defense of the RFS. It is too important for the future of rural America and the country as a whole.” – Chad Willis

**Ethanol Committee Highlights**

NCGA applauded the introduction of E15 in several states. E15, a 15 percent renewable ethanol blend, is approved for use in cars and light trucks model year 2001 and newer. We look forward to the growing adoption and use of this new fuel in the years ahead. As such, we continue to support the Blend Your Own program with the Renewable Fuels Association to help fuel retailers better understand the future of renewable fuels.

An Ethanol Summit hosted by NCGA included members, staff and leadership from multiple states. This was a great opportunity to have in-depth discussions on all things ethanol, from the blend wall to the RFS to mid-level blends. Priorities identified through the summit helped chart the course for the year and set the stage for ongoing initiatives.

Our support of the Urban Air Initiative is helping gather data to show the cleaner burning effects of ethanol compared to toxics used in gasoline, most notably benzene, toluene and xylenes.

The “Ethanol Rocks!” video competition targeted at high school and college-aged students resulted in several great videos that help share the positive messages of ethanol.

NCGA continues to support initiatives that help better define and understand the lifecycle analysis of the corn-to-ethanol process. A review article helped understand key ranges and identify areas where additional research may be warranted, including nitrous oxide emissions from fertilizer used in corn production. Research into that area, including what controls such emissions, is already under way.
Research and Business Development Action Team Highlights

NCGA and the Los Alamos National Laboratory completed the incorporation of the National Agricultural Genotyping Center, which is structured as a nonprofit initiative for the purpose of agricultural development. The Center will leverage the benefits of high-throughput genotyping and is actively seeking funding from additional partners. Access to technology available at the Center will help drive scientific discoveries that can be translated into solutions for production agriculture, food safety, functional foods, bioenergy and national security. The Center also has a new website, www.genotypingcenter.com.

In addition to the National Agricultural Genotyping Center, NCGA supports a genomics database curator that oversees developments in the corn genome map. NCGA is also beginning efforts to pull together information on phenotyping, which helps understand how a plant reacts in the field under different circumstances. This is a third and critical research component because, when combined with genomics, researchers can begin to understand genetic controls within the plant.

With some 200 research abstracts entered, NCGA launched a research portal that can be found within the NCGA Insider. The portal allows member states to input additional abstracts of the research they’ve supported to help other states find the results and better target future research plans.

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Chair of the Research and Business Development Action Team (2012)
Back to the Grind

The biennial Corn Utilization and Technology Conference featured many cutting-edge technologies and a multitude of research and new potential uses of corn. This conference is an important networking event and a great way to bring people together with a common goal of creating new uses that enhance the marketplace for corn and its related components.

It featured sessions on wet and dry milling processes, biocatalysts, gene transformation technology, health and nutrition, specialty corn and new products and revenue streams. For the first time, the schedule included opportunities for participants to hear the latest mycotoxin research. This complemented the work of the NCGA-supported Aflatoxin Mitigation Center of Excellence.

Student research poster entries, which increased 30 percent over the 2010 conference, helped encourage a new crop of experts to pursue their passion in agriculture and explore a future that includes dozens of new products made from corn.

Public Policy Action Team Highlights

Following guidance developed through our strong grassroots process, NCGA took a progressive stance on the farm bill and advanced an improved market-oriented, revenue-based risk management program in the Senate. NCGA was the first commodity organization to publicly acknowledge a willingness to offer farm bill program alternatives that would save funding and responsibly help manage the federal budget, as members have long supported effective and efficient farm programs that help farmers manage risk while reducing costs.

In support of the farm bill, NCGA joined more than 90 agricultural organizations to form the Farm Bill Now coalition. This group organized a rally on Capitol Hill and other events to draw attention to the bill and help explain that the bill is about a lot more than just farms. The efforts resulted in multiple, positive reports in the local and national media.
While there were many successes and highlights in 2012, there is one area where, as an organization, we can be especially proud: Our growing membership.

The value of NCGA membership is clear to those who join us in our efforts. They understand the importance of adding to our grassroots voice while appreciating the tools, benefits and information that come with membership.

In the end, membership is the lifeblood of NCGA and its state associations. It is what gives us strength. At the same time, insight and understanding from such a wide array of farmers provides perspective and ensures our long-term success.

Many NCGA members talk positively about NCGA and recruit neighbors to join our efforts. Some are so enthusiastic they continuously recruit and roll up impressive numbers. Concerns over the crop in 2012 didn’t slow anyone’s efforts and our membership trend line continued its upward journey. At the end of August, we set a new record with 38,623 members.

Membership recruiters who displayed particular savvy in growing our ranks in 2011 were recognized at the 2012 Commodity Classic. They included Billy Thiel, Marshall, Mo.; Kevin Deiter, Faulkton, S.D.; and Connie Mulder, Renville, Minn. One member, Billy Thiel, also received the distinct honor of being inducted into the Recruiter Hall of Fame, a select group that now includes just 18 individuals.

Hall of Fame recruiters recognized for their efforts included Leslie Roach, Wheatland, N.D.; Douglas Toreen, Bird Island, Minn.; and Roger Bonham, Washington Court House, Ohio.

In addition, the Missouri Corn Growers Association swept the state association awards, with the highest annual numeric growth at 479 new members, and the highest annual percentage growth, at nearly 29 percent.

Thank you to everyone who recruited a new member this year.

Adding to this are NCGA programs that help nurture and grow new leaders. The focal point of these efforts is the Leadership at Its Best Program, which is co-sponsored by Syngenta. For 27 years this program has helped hundreds of members develop their leadership skills, which benefits their farm operation, their state association and NCGA. All are encouraged to apply.

Leadership development goes even further with the NCGA Advanced Leadership Academy, also co-sponsored by Syngenta. In its third year, this program’s goal is to develop empowered leaders who share their skill set with the industry as a whole and their community.

These leaders and all our grassroots members ensure that while our journey may be challenging at times, through steady persistence, American corn farmers will stay the course.
Grower Services Action Team Highlights

A Membership Symposium allowed corn grower association staff members and membership recruiters to come together and learn from experts and share best practices. The symposium, co-sponsored by Syngenta, included presentations on connecting multiple generations of members and how to retain members over time.

A new membership benefit came online in 2012. The Office Depot program can benefit individual members, state organizations and NCGA. The program is the result of our partnership with NASCAR, as NASCAR provides connections to its other corporate partners, some of which are looking to do business with farmers across the country.

NCGA reached a membership record of 38,623 at the end of August 2012 – the third month in a row of record membership during the year. This is an incredible testament to the value of NCGA’s work and national influence, in conjunction with a growing slate of membership benefits and leadership opportunities for grower members.

“From the primaries to general election, NCGA partnered with Iowa Corn on the Corn Caucus Project. The project helps involve members in the political process by providing access to candidates and their organizations, and helps the candidates themselves understand what’s important to corn growers and their communities. In the end, the project allows grower-members to make informed decisions on issues that matter to them.”

— Brandon Hunnicutt

Revenues

- Checkoff Revenue: $12,550,146.61
- Industry: 957,400.00
- Corn Yield Contest: 1,140,910.00
- Membership: 709,605.00
- Commodity Classic: 557,296.94
- CUtC: 217,921.00
- Interest: 8,066.18
- Other: 42,278.31
- Government Grants: 33,965.97

Total Revenues: 16,217,530.01

Team Program Expenses

- Trade Policy & Biotechnology Action Team: 203,312.01
- Ethanol Committee: 433,541.86
- Grower Services Action Team: 1,670,879.96
- Production & Stewardship Action Team: 1,081,172.80
- Public Policy Action Team: 366,577.06
- Research & Business Development Action Team: 394,890.89
- NASCAR: 3,000,182.84

Total Team Programs: 7,150,557.42

Association Program Expenses

- Communications: 518,108.83
- Corn Board and Funding: 636,130.69
- Corn Utilization Tech Conference (CUtC): 207,741.69
- Membership/Leadership: 542,034.92
- NCGA Commodity Classic/Awards Banquet: 328,646.90
- Resolutions/Policy/Corn Congress: 252,180.55
- State Relations/Meetings: 52,630.14

Total Association Programs: 2,537,473.72

Human Resources Expenses

- Health Insurance: 498,184.40
- Payroll Taxes: 241,359.65
- Professional Development: 3,331.83
- Retirement: 288,035.43
- Salaries: 3,566,939.43

Total Human Resources: 4,597,850.74

Property and Equipment Expenses

- Building Interest: 3,761.14
- Depreciation: 103,034.94
- Equipment Leases/Rentals/Purchases: 91,109.52
- IT Expense: 44,820.01
- Maintenance: 29,144.20
- Property Taxes: 32,974.17
- Rent: 50,660.26

Total Property and Equipment: 355,504.24

Operating Expenses

- Accounting/Legal/Professional Fees: 137,902.31
- A/R Write-off: 0.00
- Dues/Subscriptions: 30,042.12
- Electronic Communications: 64,701.87
- General Liability Insurance: 57,975.76
- Meetings: 84,363.86
- Office Expense: 79,773.10
- Travel: 18,911.06
- Utilities: 84,621.00

Total Operating Expenses: 362,391.08

TOTAL EXPENSES: 15,203,777.20

NET REVENUES/(EXPENSES): 1,013,752.81

These are unaudited figures. Audited numbers will be available later in 2013.
Just a few years ago it would have been impossible to produce the eighth-largest corn crop in history in the face of the worst drought in five decades. Yet that’s exactly what corn farmers across this great country did in 2012. Much is possible thanks to the skilled efforts of America’s farmers, modern agronomic practices, superior germplasm and technology.

We’ll look back a decade from now and remember the sting of a challenging production year, but we’ll also remember how farm organizations came together to stay the course for the betterment of agriculture. From outstanding efforts on the farm bill to sharing the story of agriculture, food and fuel production through our many coalitions, we advanced the cause of corn farmers.

These and other highlights in this annual report demonstrate the success of NCGA’s farmer-leaders and the grassroots members they represent. By working together over the years, they have built a strong organization with a solid reputation.

It is a humbling experience to witness such a vibrant organization in action. Our goals and successes, and the journey we make to achieve them, are part of our great story. Your guidance and commitment as a member make it possible, and when combined with checkoff and industry investments, NCGA is well positioned for the opportunities to come.

COMING TOGETHER TO STAY THE COURSE.
The National Corn Growers Association represents the interests of more than 38,000 dues-paying members from 48 states. NCGA also works on behalf of 25 state grower associations and more than 300,000 farmers who contribute to corn checkoff programs in 23 states.
The National Corn Growers Association, founded in 1957, is the largest and oldest national nonprofit organization representing the interests of U.S. corn farmers. Checkoff investments made by corn growers nationwide and the commitment and dedication of farmer leaders give NCGA the opportunity to redefine the role of corn in the world’s future through research, market development, public policy, production and education.

You can join more than 38,000 corn growers in 48 states involved in NCGA by connecting with one of our affiliated state corn organizations or by contacting NCGA. With your help, we will continue building collaborations across the country and sharing the extraordinary achievements of America’s corn farmers.

Visit NCGA.com for more details and updates on the corn industry.

Some photos in this report are provided courtesy of the University of Nebraska–Lincoln and the Nebraska Corn Board.