



Missouri*Corn*

2017

ANNUAL REPORT

2017-2018

BOARD OF DIRECTORS

DISTRICT 1



Morris Heitman • Mound City
 NCGA Freedom to Operate Action Team
 USGC Value-Added Advisory Team



Jason Hull
 Skidmore



Dylan Rosier
 Mound City

DISTRICT 3



Jay Schutte • Benton City
 MCMC Treasurer
 NCGA Ethanol Committee Chairman
 USGC Asia Advisory Team



Brent Hoerr • Palmyra
 NCGA Engaging Members Committee

DISTRICT 5



Jay Fischer • Jefferson City
 MCMC Secretary
 USGC Ethanol Advisory Team



Brian Lehman • Versailles
 NCGA Consumer Engagement Action Team
 NCGA Resolutions Committee

DISTRICT 7



Clint Stephens • Advance
 MCGA Secretary/Treasurer



Allen Rowland
 Dexter

A 15-member board of grower-leaders elected by their peers directs both the Missouri Corn Growers Association and the Missouri Corn Merchandising Council.

DISTRICT 2



Gary Porter • Mercer
 USGC Western Hemisphere Advisory Team
 National Corn Board member
 NCGA Finance Committee



Matt Lambert
 Laclede

DISTRICT 4



Kyle Kirby • Liberal
 MCGA President



Mike Moreland • Harrisonville
 MCGA Vice President
 NCGA Risk Management Action Team

DISTRICT 6



Greg Schneider • Warrenton
 MCMC Vice Chairman
 NCGA Corn Productivity & Quality Action Team

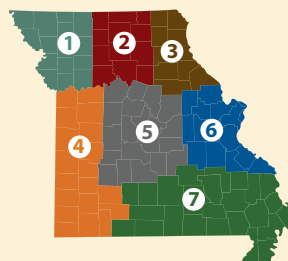


Mark Scott • Wentzville
 MCMC Chairman
 NCGA Resolutions Task Force
 USGC Middle East/Africa Advisory Team

EX - OFFICIO



Jim Stuever • Dexter
 Ex-Officio Member
 USGC Board of Directors



* NCGA = National Corn Growers Association
 * USGC = U.S. Grains Council

* MCGA = Missouri Corn Growers Association
 * MCMC = Missouri Corn Merchandising Council



Growers converge in Jefferson City to visit with legislators on important ag issues.



Missouri Corn hosts growers and industry partners at winter meetings across the state.

JANUARY

FEBRUARY

JULY

AUGUST

Growers visit Capitol Hill to discuss trade and ethanol issues impacting Missouri farmers.

MCGA President Gary Porter is elected to the National Corn Board.



Missouri volunteers participate in the national CommonGround conference, a program that connects farm women with consumers to discuss modern agriculture.

Summer golf and sporting clay events wrap up with goal of strengthening grassroots.



Missouri corn growers discuss the importance of trade at the Missouri State Fair.

MCGA board member Clint Stephens hosts shop talk with Congressman Jason Smith.

Board member Jay Schutte testifies in support of the RFS at EPA hearing in D.C.

Growers lobby on ethanol issues in Washington, D.C.

Gov. Greitens signs House Bill 662, increasing penalties for applying off-label herbicides.



Missouri growers help set national policy positions at Commodity Classic.



CommonGround volunteers answer dietitians' questions on modern food production.

MCGA board members meet USDA Sec. Sonny Perdue in Kansas City.

Seven college students majoring in agriculture are awarded Missouri Corn Scholarships.

MARCH

APRIL

SEPTEMBER

OCTOBER

Missouri Corn sponsors Mizzou football first downs and radio ads to educate fans.



Six Missouri farmers join the national Soil Health Partnership.

Trade groups from Vietnam and China visit to see U.S. corn production firsthand.

Taiwanese trade group visits central Missouri to reaffirm the trading partnership.

Japanese trade team visits to learn more about U.S. corn production.



The 2017 Crappie Masters Tournament Trail wraps with all winning anglers using E10.

Missouri Corn partners with corn mazes and teachers to help educate youth and consumers.

Representatives from six countries visit Missouri to learn about the ethanol industry.



New MCGA and MCMC leaders take the reins.

In partnership with Missouri Farmers Care and the St. Louis Cardinals, Missouri Corn's mascot Captain Cornelius helps raise awareness in Busch Stadium. Radio ads also help educate 3.5 million fans.



Wood Hat Spirits of New Florence given top corn whiskey honors in Chicago competition, sponsored in part by Missouri Corn.



Thirty FFA student leaders take part in the 3rd annual HYPE Academy, strengthening leadership and advocacy skills.

Bills clarifying the law allowing farmers to operate farm machinery on roadways at night with proper lighting are signed.

MAY

JUNE

NOVEMBER

DECEMBER

Board member Matt Lambert and Missouri CommonGround volunteer Kate Lambert are inaugural winners of the Missouri Leopold Conservation Award.



The 7th CornRoots class kicks off, building stronger leaders for the corn industry.





MARKET ACCESS

OUR MOST IMPORTANT CHALLENGE:

As we enter the new year, I don't need to tell you Missouri farmers are facing huge supplies of corn. You are also keenly aware that with large crops come lower prices. This will increase market opportunities if we have access to new demand. For this reason, a key issue facing corn growers in 2018 is fighting to maintain and expand global trade.

That's why the Missouri Corn Merchandising Council is doubling down on investments with our national export partners. Starting in 2014-15, Missouri Corn made a significant, long-term commitment to the U.S. Grains Council to maximize Mexico's potential as a grain customer. With funding and staff focused on growing and identifying opportunities, Mexico is now the top destination for corn, distillers grain, corn-fed pork and poultry and holds huge potential for ethanol exports.

So where is the next Mexico? South America, southeast Asia and the Middle East are growing rapidly, both in terms of population, and income used to buy more, and better, food. And, several countries that continue to depend on us for a reliable corn supply, like Japan and South Korea, are also looking at new ethanol policies.

All of these places can offer demand for our corn given the right trading relationships, the ability to fight back effectively when trade is blocked, and solid infrastructure to help get our products to our global customers. It doesn't happen overnight and it doesn't happen without significant support. We are working hard to make sure corn growers are not only maintaining but increasing corn, corn-fed meat and ethanol use across the globe.

Part of our responsibility in the new year is to ensure trade continues to work for corn growers in this economy. If we want our farms to be profitable, we can't remain silent when it comes to the issue of trade.

Thank You,

Mark Scott
Missouri Corn
Merchandising Council
Chairman



FIGHTING

FOR YOUR MARKETS

Corn producers continue to push yields higher. As the 2018 growing season approaches, many challenges need to be met to make sure our crop can be utilized. Solid trade deals, a new farm bill and strengthening infrastructure were top priorities as well in 2017 and remain key issues in the year ahead.

Free trade agreements are imperative in expanding corn and ethanol sales. The rest of the world is watching as the Trump administration engages in the renegotiation of the North American Free Trade Agreement (NAFTA). The impacts of withdrawal on the U.S. grain industry and farm economies would be immediate and devastating. MCGA continues to educate Missouri's congressional leaders on the importance of trade agreements and what they mean to your bottom line.

The Market Access Program and Foreign Market Development Program utilized by our national export partners helps build relationships and maintain U.S. market share in countries around the world. Recognizing the value, MCGA successfully advocated for full funding of the MAP and FMP programs in 2017. And we are pushing to significantly increase funding in the upcoming farm bill cycle – a big lift in the current political climate – but crucial to our long-term market stability and success.

Given that more than half of corn exports are transported via our nation's inland waterways, we must invest in this system. Last year, MCGA worked successfully to increase federal infrastructure investments. We're also working to ensure locks and dams are included in upcoming bills.

We have a powerful voice in the offices of our state and federal legislators, but only if we use it! If you are a member of the Missouri Corn Growers Association, we thank you. If not, we ask you to consider joining.

Sincerely,



Kyle Kirby
Missouri Corn Growers
Association President



INTERNATIONAL MARKETS

Building International Markets Starts Here

Last year, feed grains in all forms (bulk corn, ethanol, distillers grains and other co-products, corn-fed beef, pork and poultry) grew 12 percent. That equates to nearly 500 million bushels of new corn demand. And many of these successes started right here, on the ground, in Missouri.

Vital assets in expanding global trade are the partnerships between Missouri Corn and other organizations. The U.S. Grains Council puts boots on the ground in nearly 50 countries while providing knowledge, expertise and assistance in local markets. Other partners include the U.S. Department of Agriculture, Missouri Department of Agriculture and University of Missouri. Missouri Corn is committed to working closely with all partners to build markets for corn, distillers grains, ethanol and other value-added products globally.



Vietnamese trade group visits eastern Missouri to learn more about U.S. corn production quality and trading opportunities.

Ethanol Team Sees Production from Field to Export

Setting the stage for aggressive ethanol export efforts in 2017-18, Missouri Corn hosted a trade group from six Latin American countries. The goal of the visit was to showcase U.S. ethanol production, provide information on the economic and environmental benefits as well as address technical questions related to policy, infrastructure and usage. Combined, these countries imported over 500 million gallons of U.S. ethanol last year. As countries look to address air quality concerns, they are also exploring policies which would increase renewable fuel use. In Brazil's case, the ethanol industry, specifically sugarcane ethanol, has had strong support since the 1970s. Today, they boast a mandate of E27. Despite market access issues, Brazil remains a key near-term market for ethanol.





Representatives from six countries visit Missouri to learn about the ethanol industry.

Argentina has also implemented a strong biofuels policy. Using sugarcane and corn-based ethanol, Argentina has a 12 percent mandate and is looking to increase to 20 percent. Access to the Argentine market is strict due to tariffs and internal regulations, but the 12 percent mandate has not been met in recent years, presenting potential opportunities for U.S. ethanol. In addition, Colombia is working toward a 10 percent mandate. Countries like Bolivia and Chile do not have formal policy but see ethanol as an integral solution to reduce emissions.

Japanese See U.S. Corn Industry Firsthand

Japan slipped behind Mexico in 2016 for the top destination for U.S. corn exports. Fortunately, the market rebounded with a 30 percent increase in 2017. Working to build partnerships here in Missouri, a group of Japanese corn processors and feed millers traveled to the Show-Me State to see corn production, supply and quality through a series of visits with corn growers and end users. The team consisted of relatively new customers of U.S. corn. Reports back from Japan indicate increased confidence of the U.S. corn supply and quality among grain buyers.



Japanese trade team visits to learn more about U.S. corn production.





REGULATORY REWORK

Top policy leaders at both the federal and state levels are calling for significant strides in regulatory reform. What does this mean for Missouri corn growers?

Water Quality

MCGA continues to aggressively tackle one of the more challenging regulatory issues facing Missouri farmers: nutrient regulations. In December 2016, the Environmental Protection Agency settled a lawsuit with a Missouri-based environmental group over nutrient regulations. The settlement mandated the federal government to finalize federal nutrient water quality regulations for Missouri lakes by 2018.

The state estimated the proposed EPA nutrient rule would cost Missourians up to \$1.7 billion dollars in wastewater treatment plant upgrades alone. EPA's actions would also result in serious long-term ramifications to Missouri agriculture. MCGA's long held position has been that overly stringent nutrient regulations could evolve into burdensome requirements that would force farmers to adopt certain practices and threaten your freedom to operate.

MCGA went to work early in 2017 with newly appointed state agency officials to counter EPA's imminent action and a more practical and reasonable solution was put forth by the Missouri Department of Natural Resources. This state proposal addresses the core elements of the court order and EPA settlement. The question remains: Will EPA back off and defer to Missouri's approach or will it force onerous federal regulations on the backs of Missouri citizens?

Unlike EPA, DNR's plan is tailored to Missouri lakes, using in-state water quality data and methods and stakeholder input to ensure the state's unique man-made reservoirs are appropriately protected yet not overly burdensome. DNR's rule is estimated to cost \$83 million, a far cry from the massive \$1.7 billion EPA rule.

As we move into 2018, all eyes are on EPA as they make the crucial decision. Intense efforts are underway by MCGA and others to engage elected officials in Washington, D.C., to force EPA to support Missouri's approach. MCGA will continue to advocate for policies on nutrient management and water quality that allow for voluntary adoption of proven conservation practices.



Growers visit Capitol Hill to discuss issues impacting Missouri farmers.

ADVANCING ETHANOL

In this new political environment, the federal Renewable Fuel Standard (RFS) remains one of the most important economic drivers in rural America. Protecting the integrity of the RFS now and in the future is our number one goal. Untapped opportunities remain to expand access to higher ethanol blends.

In Missouri (like many other states) gasoline with a 15 percent ethanol blend (E15) can only be sold for nine months of the year. This is due to a 1990 regulation in which Congress limited the amount of evaporative emissions from vehicle fuel at 9 pounds per square inch (psi) Reid Vapor Pressure (RVP). Despite pure ethanol having a 3 psi RVP, when combined with gasoline at low levels, the RVP of the blended fuel can exceed 9 psi.

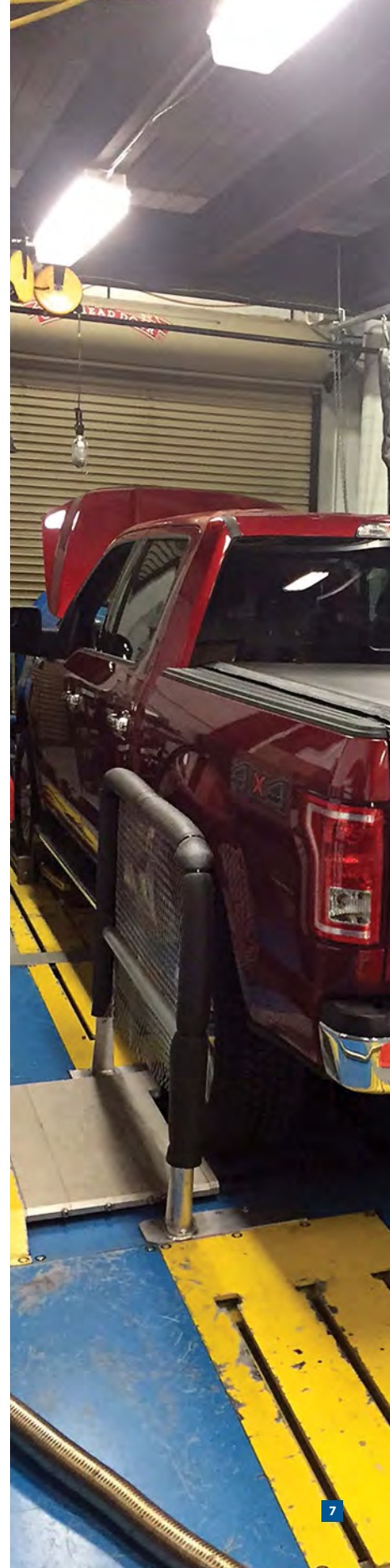


E25 high-octane fuel is being tested in MCMC's Ford F150 engine at Oak Ridge National Lab.

To encourage ethanol blends, Congress codified a rule written by EPA that specified fuel with 10 percent ethanol would receive a 1 psi RVP waiver. This waiver has not been extended to E15 or higher ethanol blends. This means that during the busy summer driving months (June 1 to September 15), fuel retailers cannot offer E15 in most areas. E15 sales plummet, and many retailers don't offer E15 simply to avoid the disruption. Our second priority on the ethanol front is asking EPA to fix this clearly outdated regulation and allow drivers access to additional savings year-round.



The 2017 Crappie Masters Tournament Trail wraps with all winning anglers using E10, showcasing the performance power of American ethanol.

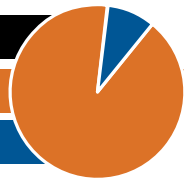


Overview

Beginning Balance	\$931,336
Total Income	\$903,065
Total Expenses	\$806,995
Ending Balance	\$1,027,406

Income

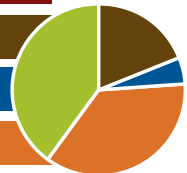
Dues & Contributions	\$816,965
Other	\$86,100



Sub-Total.....\$903,065

Expenses

General & Administrative	\$156,552
Communication & Grower Services.....	\$36,685
Legislative & Public Policy	\$293,052
Market Development	\$320,706



Sub-Total.....\$806,995

Established in 1978, the Missouri Corn Growers Association (MCGA) is a grassroots organization of farmer-members dedicated to protecting the rights of members, building new markets for corn and increasing opportunities for Missouri corn farmers through sound public policy.

MCMC

FINANCIAL SUMMARY



Overview

Beginning Balance	\$6,281,232
Total Income	\$5,489,506
Total Expenses	\$4,000,748
Ending Balance	\$7,769,990

Income

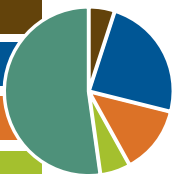
Checkoff Income	\$5,166,048
Other	\$238,644
Investments	\$84,814



Sub-Total.....\$5,489,506

Expenses

General & Administrative.....	\$182,082
Communication & Grower Services.....	\$949,316
Production Stewardship	\$531,415
Value Enhancement	\$241,395
Market Development	\$2,096,540



Sub-Total..... \$4,000,748



The Missouri Corn Merchandising Council (MCMC) was formed in 1984 after a referendum was passed to establish a one-half cent per bushel corn checkoff. Missouri growers voted in 2008 to increase the checkoff to one cent per bushel, strengthening investments in the development and expansion of corn markets, educating customers and exploring new research opportunities.

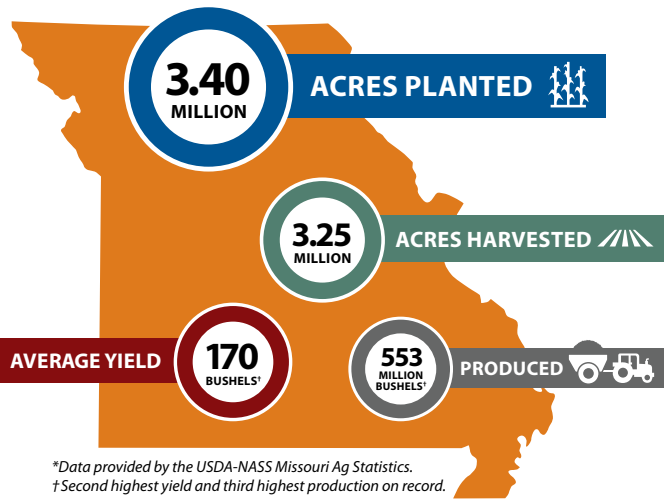


Missouri Corn Growers Association
 Missouri Corn Merchandising Council
 3118 Emerald Lane • Jefferson City, MO 65109

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2017 MISSOURI CORN CROP



*Data provided by the USDA-NASS Missouri Ag Statistics.
 †Second highest yield and third highest production on record.

CONTACT US



Missouri Corn Growers Association
Missouri Corn Merchandising Council

3118 Emerald Lane • Jefferson City, MO 65109
 (800) 827-4181 • mcga@mocorn.org • www.mocorn.org

