



STANDING STRONGER TOGETHER

2020 PRE-HARVEST REPORT

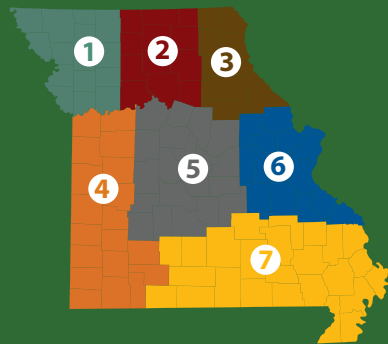
2019-2020

BOARD OF DIRECTORS

A 14-member board of grower-leaders, elected by their peers, directs both the Missouri Corn Growers Association and the Missouri Corn Merchandising Council.



3118 Emerald Lane • Jefferson City, MO 65109



**MCGA = MISSOURI CORN*

GROWERS ASSOCIATION

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 = MISSOURI CORN*

MERCHANDISING COUNCIL

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.

**NCGA = NATIONAL CORN GROWERS ASSOCIATION*

**USGC = U.S. GRAINS COUNCIL*

DISTRICT 1

Dylan Rosier • Mound City
USGC Middle East/Africa/South Asia



DISTRICT 1

Ryan Meyerkorth • Rock Port

DISTRICT 2

Gary Porter • Mercer
USGC Western Hemisphere
National Corn Board member



DISTRICT 2

Matt Lambert • Laclede
MCMC Secretary
NCGA Stewardship

DISTRICT 3

Jay Schutte • Benton City
MCMC Vice Chairman
NCGA Risk Management & Transportation
USGC Asia



DISTRICT 3

Brent Hoerr • Palmyra
MCMC Treasurer
USGC Innovation and Sustainability

DISTRICT 4

Kyle Kirby • Liberal



DISTRICT 4

Mike Moreland • Harrisonville
MCGA President
NCGA Market Development
NCGA Resolutions Committee

DISTRICT 5

Jay Fischer • Jefferson City
MCGA Vice President
USGC Ethanol



DISTRICT 5

Brian Lehman • Versailles
NCGA Member & Consumer
Engagement

DISTRICT 6

Mark Scott • Wentzville
USGC Value-Added



DISTRICT 6

Greg Schneider • Warrenton
MCMC Chairman

DISTRICT 7

Clint Stephens • Advance
MCGA Secretary/Treasurer
NCGA Production Technology Access



DISTRICT 7

Patrick Seyer • Oran

WE THOUGHT 2019 WAS TOUGH,

with extreme flooding across the state. Turns out no one had any idea what 2020 had in store. The COVID-19 pandemic changed the way Washington, D.C., and Jefferson City work. And it's changed the way your association and checkoff programs work.

Who would have thought we would have been working with health officials to promote hand sanitizer and disinfectant made from corn-based ethanol? And who would have thought there would be federal funding available for ethanol infrastructure, trade, and COVID relief to farmers?

Missouri Corn was one of the first groups to call for a relief payment because we understood the dramatic effects a global pandemic had on your market opportunities. Meat, milk, eggs, poultry, ethanol, and other value-added products were all impacted, which means corn consumption and corn prices took a big hit.

Perhaps the brightest opportunity for increased corn grind today lies in exports. Not only corn, but exports of corn-fed meat, poultry, dairy, and ethanol. We work closely with the U.S. Grains Council on corn and ethanol marketing and with the U.S. Meat Export Federation for beef and pork export opportunities. We see exports continuing to grow as new trade agreements like USMCA are finalized with

partners across the globe. This is why checkoff dollars are being invested in these value-added export opportunities.

Domestically, Missouri Corn matched federal and state dollars to install higher ethanol blend gas pumps across the state. We also believe the real future for corn-based ethanol is in high octane blends like E25 or E30. Expect to hear a lot more from us in the future as we work with government, automobile manufacturers, and our partners in the ethanol industry to help drive demand in Missouri.

It is also important to help build a better understanding of today's corn industry. Missouri Corn collaborates with over 45 different organizations through Missouri Farmers Care.



FROM THE CORNER OFFICE

That partnership has led to a longstanding educational campaign with the St. Louis Cardinals. We've also adjusted our youth education programs to focus on online learning, and continue to support 4-H and FFA to help establish future leaders.

This has been one crazy year, and we're not even to harvest. Our job is to work collectively to grow today's corn industry. Exports and ethanol continue to

provide the best opportunities to help decrease that corn pile and increase corn prices, but only if we stay engaged and involved at both the state and federal levels. That's the value of working together.

Thanks for your support,

A handwritten signature in black ink that reads "Gary D. Marshall".

Gary D. Marshall,
Missouri Corn CEO



POLICY

FIRST TO FIGHT FOR FUNDING

When COVID hit and prices plummeted, Missouri Corn jumped into action, strongly advocating for payments similar to the Market Facilitation Program (MFP). The Coronavirus Aid, Relief, and Economic Security Act (CARES), a \$2.2 trillion economic stimulus bill, was passed by the 116th U.S. Congress and signed into law by Pres. Donald Trump in March 2020.

In this historic legislation, Congress replenished the Commodity Credit Corporation (CCC) with \$6.5 billion (MFP's previous funding source), along with \$9.5 billion from the CARES Act, for a total of \$16 billion to compensate for market disruptions. Moving quickly, USDA opened the application process to distribute the allocated funding through the Coronavirus Food Assistance Program (CFAP) relief.

Commodities that suffered a 5 percent or greater price decline for the 2019 crop are eligible. Approved applications first received 80 percent of the total maximum payment, to ensure funds were available through Aug. 28. The remaining 20 percent is expected to be paid by the end of August. As of July 21, CFAP relief payments totaling \$6.2 billion have been made to crop, livestock, dairy, and specialty crop producers.

Farmers and ranchers have until Aug. 28 to apply for CFAP.

The CARES Act also contained a provision for the Small Business Administration, which launched the Paycheck Protection Program (PPP) and Economic Injury Disaster Loan (EIDL) to benefit small businesses, including farms and agribusinesses.

Given the current CFAP relief only reflects 2019 old crop impacts, MCGA is working closely with congressional offices and USDA officials to ensure 2020 crop year impacts are accounted for, and ethanol plants are included in any future relief packages. The pain of this pandemic will continue beyond summer, and we are working hard to do everything possible to provide relief.

CLEARING A PATH FOR HAND SANITIZER

Ethanol plants across the U.S. found new purpose as a key ingredient in hand sanitizer, helping people across the country stay safe. Like many others, Show Me Ethanol, in Carrollton, transitioned a portion of their operations to produce ethanol for hand sanitizer, forging new partnerships, and sustaining valuable jobs during an economic downturn.

Entering into a new market wasn't without its challenges. While legislators and governors applauded ethanol plants for stepping up to fill the need, the Food and Drug Administration

(FDA) wavered in their guidance. This uncertainty was extremely concerning to ethanol plants that invested significant resources retooling facilities to meet FDA's original specifications. Missouri Corn worked in conjunction with the Renewable Fuels Association to spur action on this red tape. U.S. Sens. Roy Blunt and Josh Hawley, along with Rep. Sam Graves participated in discussions to provide the needed clarity. Gov. Mike Parson also offered support, sending a letter directly to the FDA Commissioner. Currently, Show Me Ethanol, Golden Triangle Energy in Craig, and ICM Biofuels in St. Joseph continue to produce this valued product.

Show Me Ethanol in Carrollton, Mo., applied for an FDA waiver to produce industrial-grade alcohol when supply for hand sanitizers dropped. Brian Pasbrig, the plant's general manager, credits staff for quickly turning gears to properly produce, track, and document the modified business model.



MISSOURI GROWER RE-ELECTED TO NATIONAL CORN BOARD

Delegates attending the National Corn Growers Association's Corn Congress re-elected MCGA Past President Gary Porter of Mercer, Mo., to continue serving on the organization's Corn Board. The vote was held virtually July 15, with Porter slated to serve a second three-year term. Growers also discussed and voted on resolutions, in addition to meeting with congressional leaders via conference calls and video.



A LEGISLATIVE SESSION LIKE NO OTHER

Showing support for their industry, Missouri corn growers came to the State Capitol during the yearly MCGA Annual Meeting and Legislative Day to push for eminent domain and in-state renewable fuel markets. The Jan. 29 event took place ahead of the six-week COVID-19 induced hiatus that changed the face of 2020 and Missouri's budget on a monumental scale.

Two positive pieces of legislation did make it through the process before the session ended in May. The first is Senate Joint Resolution 38, dubbed "Cleaner Missouri." This constitutional amendment is in response to Amendment 1 "Clean Missouri" and is expected to go to a vote of the people in November. Cleaner Missouri changes the priority order of how districts are drawn, reverting the responsibility of drafting back to a bipartisan committee from an individual state demographer. It also eliminates all lobbyist gifts and reduces campaign contribution limits.

The second piece of favorable legislation to pass was House Bill 1768. Signed by Gov. Parson July 2, the bill better ensures federal grant dollars are used in-state to deploy broadband. In cases where the telecommunications carrier may not follow through with their commitment, an in-state carrier can apply for funding from the Office of Broadband. It also allows Neighborhood Improvement Districts and Community Improvement Districts to partner with broadband and telecom companies to construct and improve access to internet services.



Members of the 9th CornRoots Leadership Academy work on polishing leadership and communication skills. Participants include (L-R): Mitchell Rice, Shelby Davis, Jared Flinn, Matthew Schroer, Mallory Bell, and Glendon Griesbaum.

GROWING A NEW CLASS OF ADVOCATES

Looking to expand the corn industry's advocacy arsenal, the ninth class of the Missouri CornRoots Leadership Academy has been delving into the issues and learning to communicate effectively to consumers, media, and legislators. The second session of CornRoots was held in conjunction

with the MCGA annual meeting. The final session has been postponed to 2021, where these leaders will advocate for the state's corn and ethanol industries on Capitol Hill. CornRoots has been a successful program because of the committed farmers stepping up to the plate and making their voices heard in the policy process. Are you ready to join? Visit www.mocorn.org to learn more.

KEEPING FLOOD RECOVERY AT THE FOREFRONT

While the 2019 floods may seem like old news to some, they are not something those farming along the river bottoms will soon forget. With well over 100 breached levees and countless farm acres inundated, it is universally agreed flood years like last year are occurring far too often. Something needs to change.

Conversations are being held on several fronts to discuss what can be done. MCGA has been involved every step of the way—starting with Missouri Corn CEO Gary Marshall's appointment to the Governor's Flood Recovery Advisory Working Group last summer. This advisory team representing stakeholders was charged with compiling recommendations to improve the management of the rivers, and ultimately improve Missouri's flood resiliency.

Throughout the process, MCGA has worked hard to push recommendations that could spark positive change. One such proposal adopted by the group, calls on the Corps of

Engineers to take immediate action on fixing dike notches that cause blatant bank erosion on farmland. Some of these structures are washing away valuable acres of productive soil and need to be addressed.

Beyond the working group, MCGA is coordinating boat tours with farmers and the U.S. Army Corps of Engineers to see firsthand the damages from malfunctioning dike notches. By showing the Corps precisely what is happening and having conversations about how to fix the problems, MCGA's goal is to motivate improvements up and down the river systems.

MCGA has, and continues to, battle for better overall river management. Whether it's conversations with the Corps, our congressional delegation, state delegation, Missouri Department of Natural Resources (DNR), the USDA Risk Management Agency (RMA), the Natural Resources Conservation Service (NRCS), and many others, MCGA is fighting to ensure farmers can continue to work and live by the state's mighty rivers.



EXPORTS

E10 FLOWS INTO MEXICO

Railcars of U.S. gasoline pre-blended at an E10 rate arrived in Guadalajara in May 2020 – a direct success of a U.S. coalition led by the U.S. Grains Council (USGC). With support from Missouri Corn, other state corn organizations, and ethanol industry partners,

the Council worked with the Mexican Association of Service Station Providers (AMPES) to demonstrate the benefits of ethanol use, including savings at the pump, improved air quality and a long-term commitment to the environment.

As part of a strong education effort, a strategic partnership with AMPES was formed to

offer informational workshops. This series updated Mexican gasoline station owners on developments in fuel regulations, dispelled myths about ethanol use, and encouraged distribution companies to ask for quotes on ethanol and how to incorporate ethanol tanks in their facilities.

While only a small part of the overall ethanol sales to Mexico,

this success demonstrates the effectiveness of a unified approach to provide technical education and support within the Mexican fuel industry. Each is a step toward encouraging increased ethanol use through a mix of growing quantities of locally produced ethanol, with U.S. corn-based ethanol filling in the missing demand.

INDONESIA REMOVES ETHANOL BAN

U.S. ethanol can now enter the Indonesian market by way of pre-blended fuel, following the recent removal of a ban on pre-blended product entering the country. This change creates a potential market of more than 200 million gallons (71 million bushels in corn equivalent).

Already the fourth most-populous country in the world, Indonesia is expected to grow to the sixth largest global gasoline market within a decade. This increased fuel demand is driven by the country's rising middle-class dedicating part of their higher incomes to upgraded transportation options – especially from two-wheeled to four-wheeled vehicles.

TOP TRADE DEAL IN EFFECT

The United States - Mexico - Canada Agreement (USMCA) was officially enacted July 1, 2020. This marks the culmination of years of work to update and improve the North American Free Trade Agreement (NAFTA). By partnering with the U.S. Grains Council, MCGA was able to ensure farmers had a seat at the table every step of the way. Building upon NAFTA's successes, the newly

enacted trade agreement solidifies trade relationships between U.S. farmers and two key buyers. Mexico is the largest purchaser of U.S. corn, buying more than one billion bushels in the 2018-19 marketing year. Canada is also a major customer, importing more than 330 million gallons of U.S. corn ethanol. It was critical to continue to improve market access to these countries through fair trade.

CHINA MAKES RECORD CORN PURCHASE

China made market headlines in July, setting new records for the most significant corn purchases in U.S. history. Included in the three major purchases is the largest daily sale of U.S. corn to China ever. That occurred on July 30, at 76.26 million bushels. China currently ranks as the fifth-largest buyer thus far in the 2019/2020 marketing year.



EXPORTING MISSOURI CORN THROUGH U.S. BEEF AND PORK



In 2019, the market value of red meat exports to Missouri:

CORN
\$61 million
(corn consumed by meat exports
*annual avg corn price)

DDGS
(Dried Distillers Grains)
\$7 million
(DDGS consumed by meat exports)
*annual avg DDG price)



In 2019, red meat exports added
12% of bushel value

\$0.46 an average of
from red meat exports **\$3.75** per bushel

Without red meat exports,
Missouri farms would have lost

\$213 million in 2019
corn revenue in
(state corn production *\$0.46/bushel)

\$785 million
The projected market value of red meat exports to Missouri corn from
2020-2029

\$74 million
The projected market value of red meat exports to Missouri DDGS from
2020-2029



ETHANOL

PUTTING IN THE PUMPS TO BUILD DEMAND

The USDA began accepting applications in May for the Higher Blends Infrastructure Incentive Program (HBIIIP), which provides approximately \$86 million in federal dollars for ethanol infrastructure nationwide.

Next, the Missouri Agriculture and Small Business Development Authority (MASBDA) set aside \$2 million to further assist in-state retailers looking to expand their

infrastructure and increase sales of ethanol blends above 10 percent. Rounding out the trifecta, the Missouri Corn Merchandising Council (MCMC) stepped up to help build the infrastructure needed to grow ethanol demand.

To qualify for this funding, fuel retailers must first be approved for the federal program, followed by the state program's approval. This creates a three-step process

for fuel retailers to upgrade their pumps by first utilizing federal grant dollars through HBIIIP, then at the state level through MASBDA's program, and finally additional funding through MCMC. The final amount awarded by MCMC will be based on MASBDA's approved grants.

Currently, more than 20 Missouri fueling locations are slated to take advantage of these programs to expand sales

of higher ethanol blends. Increased ethanol sales mean more octane for drivers, along with more robust markets for Missouri's six ethanol plants and the state's corn farmers. It also helps lower carbon emissions and supports a cleaner environment for us all to enjoy. It's a win all the way around!

EPA MUST FOLLOW THE LAW ON ETHANOL WAIVERS

The saga among the Environmental Protection Agency (EPA), ethanol producers, and oil companies continues. The latest attempt to circumvent the federal Renewable Fuel Standard (RFS) is again drawing the ire of the ethanol and corn industries.

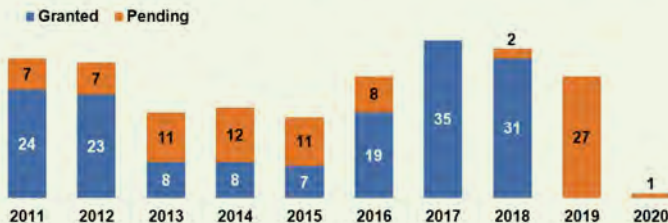
In January, the 10th U.S. Circuit Court of Appeals stated Small Refinery Exemptions (SREs) are not legally allowed for refineries who have not had continuous exemptions. Always looking for the loophole, oil interests are now pursuing retroactive exemptions. And the number of waiver requests continues to climb. As of July, the EPA has received requests for six more gap-year small refinery waivers,

one each for the compliance years 2011-2016, bringing the total to 58, in addition to another 28 received so far for 2019 and 2020.

Given this latest evasive tactic, MCGA asked congressional delegates to step in. Reps. Blaine Luetkemeyer, Sam Graves, Emanuel Cleaver, and Vicky Hartzler joined other members of the U.S. House of Representatives in a letter to Pres. Donald Trump, calling on his administration to deny the gap-year SRE petitions. Sens. Hawley and Blunt both signed onto a similar letter from a bipartisan group of senators.

MCGA is tracking this at every step to stop the latest blatant attempt to dodge the court's rightful decision.

SMALL REFINERY EXEMPTIONS 2011-2020



Source: EPA, as of 7/16/20



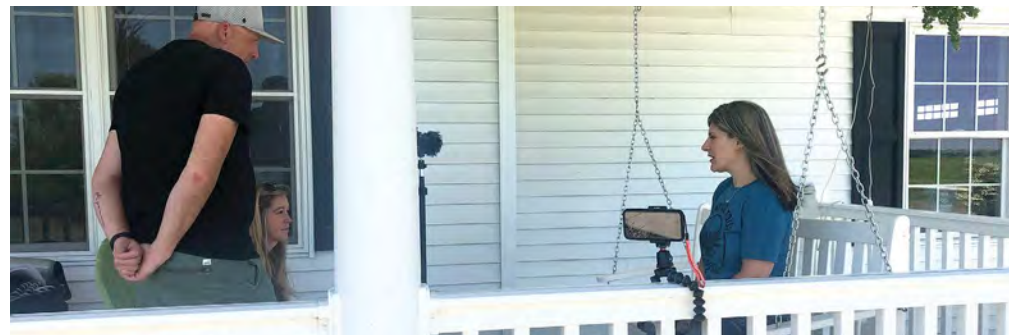


EDUCATION & OUTREACH

COMMONGROUND VOLUNTEER FEATURED IN NATIONAL VIDEO SERIES

Sharing farm experiences and connecting with other consumers to alleviate fear in food purchases is the goal of Missouri CommonGround. Initially formed by the National Corn Growers Association and the United Soybean Board, state affiliates like Missouri now help farm women engage with consumers through a wide

range of activities. Missouri volunteer Addie Yoder of Leonard recently participated in a video series to answer questions and provide “her”pective to help those not on the farm better understand the hard work and passion that goes into today’s food production. Be watching for the videos on the CommonGround Facebook page or find more information at www.findourcommonground.com.



Missouri CommonGround volunteer Addie Yoder of Leonard, Mo., shared her family’s experiences during a video shoot in June for a nationwide social media effort. The national CommonGround program is comprised of more than 200 women farmers across 21 states, sharing personal experiences, along with science and research, to help change the way consumers think about food and agriculture.

WORKING TOGETHER TO HELP FEED FAMILIES IN NEED

The pandemic has impacted every sector of agriculture. Many families across the state are suffering as well. Looking to help, Missouri Corn joined with the Missouri Pork Association and Missouri Farmers Care to provide high-quality protein to families struggling to put food on the table.

Working collectively with other industry counterparts, the partnership helps connect Missouri pig farmers facing tough decisions with local processors to donate pork to the state's food banks. Each hog processed into ground pork yields over 200 pounds of high-quality protein. This equates to more than 900 servings of food for hungry children and families across Missouri. To date, over 165,000 servings of pork have been distributed to food banks across the state through this program.

According to Feeding Missouri, 1.2 million Missourians faced food insecurity before the COVID-19 crisis, including 1 in 5 people in rural areas. The situation has only worsened. Individuals and companies can support the effort at MOFarmersCare.com/drive.



Photo Caption: Missouri Corn Merchandising Council Chairman Greg Schneider of Warrenton (center) joined Missouri Lieutenant Governor Mike Kehoe, Missouri Farmers Care, Missouri Pork Association, and other agriculture organizations at Central Missouri Meat and Sausage in Fulton, Mo., July 8 to continue providing high-quality protein to families in need. Other agricultural organizations and businesses helping support processing and transportation costs include Missouri Farm Bureau Federation, Missouri Farm Bureau Insurance, Missouri Soybean Merchandising Council, Missouri Soybean Association, FCS Financial, MFA Incorporated, Archer Daniels Midland (ADM), Forrest and Charlotte Lucas, founders of Protect the Harvest, Paseo Biofuels, LLC, and Biofuels, LLC.



POPULAR YOUTH ADVOCACY PROGRAM GOES VIRTUAL

In its sixth year, the Helping Youth Prepare for Excellence (HYPE) Academy continues to build advocacy skills in FFA members, despite the challenges of a global pandemic. Typically a 3-day conference, this year's academy was held virtually over a 10-week series of leadership, communication, and advocacy sessions.



Designed to give 30 of the top incoming senior FFA members the opportunity to grow as strong voices for the industry, the academy builds face-to-face, written, verbal, and social media skills. The series capstone will allow participants to present the pros and cons of issues impacting agriculture to actual Missouri legislators. Since its inception, Missouri Corn has served as the sole sponsor of this Missouri FFA Association event, proudly investing in our industry's future.



THE DESMOND FAMILY - PIG FARMERS

THE FISCHER FAMILY - CORN FARMERS

THE BRUEMMER FAMILY - DAIRY FARMERS

LET'S PLAY BALL

After one of the longest delays in baseball history, the St. Louis Cardinals season opener was July 24. This also means Missouri Corn and Missouri Farmers Care now have the opportunity to talk about the state's agriculture industry with millions of fans across Cardinals' nation. Since fans will not be allowed in the stadiums, the Farm Team mascots are sitting the bench

this season. Instead, All-Star farm families will take to the airwaves during scheduled games and will be featured in the *Cardinals Gameday* magazine. It's an exciting time to highlight Missouri agriculture to millions of fans who – just like us – are ready to cheer the Cardinals on to the World Series.



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Working together, the Missouri Corn Growers Association represents something more powerful than one person alone. We unite voices that need to be heard and amplified in Jefferson City and Washington, D.C. We work with other organizations to grow, strengthen, and defend our industry while promoting stewardship and conservation practices. And, we do it with a passion and a commitment to the next generation. Join MCGA or renew your membership by calling (800) 827-4181 or visiting www.mocorn.org.

