2018 Annual Report

Developing and enhancing a sustainable environment for Kentucky Corn Growers
# Promotion Council Report

**September 1, 2017 – August 31, 2018**

<table>
<thead>
<tr>
<th>Income</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Checkoff Income</td>
<td>$1,693,210</td>
</tr>
<tr>
<td>Management Fees</td>
<td>$80,000</td>
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<tr>
<td>Interest Income</td>
<td>$24,107</td>
</tr>
<tr>
<td>Plot Combine Rental</td>
<td>$25,000</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td><strong>$1,822,317</strong></td>
</tr>
</tbody>
</table>
## Promotion Council Report

September 1, 2017 – August 31, 2018

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Expenses</td>
<td>$125,351</td>
</tr>
<tr>
<td>Project Expenses</td>
<td>$1,505,668</td>
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<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$1,631,019</strong></td>
</tr>
<tr>
<td><strong>Carryover</strong></td>
<td><strong>$191,298</strong></td>
</tr>
</tbody>
</table>
Distribution of Expenses

- Promotion: 22%
- Market Development: 20%
- Research: 29%
- Education: 20%
- Admin: 10%
Record-Breaking Average Yield

179 Bu/A

2018 brought the highest average yield on record.
Average Ky Corn Yield
Last 150 Years

Bushels/Acre
Greenwell Acres, from Union Co., achieved a yield of 319.68 Bu/A. It has been several years since Kentucky has had a top spot nationally.

See all our Kentucky Yield Contest Winners.
Strategic Planning Session

KyCorn leaders participated in a strategic planning session to direct organization efforts for the next few years. Many thanks to Dr. Steve Isaacs, UK Agriculture Economics, for leading this session.

Vision:
Sustainably feed and fuel a growing world

Mission:
Develop and enhance a sustainable environment for Kentucky Corn Growers

Strategic Objectives:
- Improve markets and demand
- Strengthen consumer trust for products and practices
- Invest in research for economically and environmentally sustainable production
- Advance leadership and membership to provide a voice for Kentucky Corn Growers
Growers and staff work to shape policy
KyCorn leadership took several issues to Capital Hill:

- Farm Bill
- Ethanol
- WOTUS
- Trade
- GMO Labeling
Our farmers do an excellent job of communicating with government officials. Here, Joseph Sisk talks with USDA Undersecretary of Farm Production and Conservation Bill Northey and US Congressman James Comer about practices on his farm.
In December, the EPA and Department of the Army proposed a clear, understandable, and implementable definition of "waters of the United States" that clarifies federal authority under the Clean Water Act.

The agencies’ proposal is the second step in a two-step process to review and revise the definition of “waters of the United States” consistent with the February 2017 Presidential Executive Order entitled “Restoring the Rule of Law, Federalism, and Economic Growth by Reviewing the ‘Waters of the United States’ Rule.”

KyCorn is in support of the new rule. Learn more
The certainty of a new farm bill was welcome news for farmers as they begin to look toward the new year.

Corn Growers were pleased to see a return to the bipartisanship that has been a hallmark of past farm.

“To put it bluntly, the farm economy stinks. Between depressed commodity prices, record low farm incomes and tariffs and trade uncertainty, farmers are facing difficult decisions,” said NCGA President Lynn Chrisp. “Getting the farm bill passed, and signed into law, is one less thing they need to worry about.

“NCGA is most pleased to see the bill maintains support for a robust crop insurance program, our organization’s top priority, and strengthens the ARC-CO program through administrative improvements including a one-time program change option, an increase to the plug yield for disaster years, the use of a trend-adjusted yield factor, and a market adjustment provision for the floor price. The bill also provides increased funding for trade promotion programs that are especially important to agriculture at this time.”
Standard Label Rule

Designed to inform consumers about the presence of bioengineered genetic material in their food for marketing purposes, USDA’s disclosure standard, released in December 2018, stands firmly with science in that it validates the fact that there is no health, safety or nutritional difference between bioengineered crops and comparable conventional or organic crops. This is a position held by nearly every major national and international scientific and health organization, including the American Medical Association, the National Academy of Sciences and the World Health Organization.

Corn Growers came together with stakeholders from across the value chain to support enactment of the Bioengineered Food Disclosure Act, because it prevented a state-by-state patchwork of labeling laws, that would have cost U.S. consumers, farmers and manufacturers billions of dollars.
After over 30 years of planning and construction, one of the most important segments of the U.S. inland waterway system—Olmsted Locks and Dam (L&D)—has been completed.

The U.S. Army Corps of Engineers (Corps) held a ribbon-cutting ceremony for this milestone on August 30, in Olmsted, IL.

Olmsted L&D is located on a strategic reach of the Ohio River that provides a connection between the Mississippi, Tennessee, and Cumberland rivers. According to the Corps, more tonnage passes this point than any other place in America’s inland navigation system.

The project, officially called the Locks and Dams 52 and 53 Replacement Project, consists of two 110-foot wide by 1,200-feet long locks adjacent to the Illinois side of the river, and a dam that spans the river and connects with Kentucky.

KyCorn celebrated the ribbon cutting with Senator McConnell and Congressman Comer.
June 6, 2018 - Many thanks to Commissioner Ryan Quarles for bringing USDA Trade Undersecretary Ted McKinney to Kentucky today to discuss policy and opportunities for our Corn Growers!
China Tariffs and Trade Aid

The Trump Administration's announcement in March of $60 billion in new tariffs against Chinese imports into the United States prompted a response from China, where they placed import duties on US pork and ethanol, two significant corn markets.

In response, the USDA initiated Market Facilitation Program payments to ease the burden placed on farmers, but Corn Growers were unhappy with the approach because MFP was too narrow of an approach and did not capture the real-time impacts of trade disruptions on corn markets.

NCGA asked the USDA to make changes in the program, and the US Grains Council worked to improve the China relationship, which proved fruitful earlier this year, when China purchased 300,000 MT of corn.

• Mackey featured in local paper discussing how the tariffs and trade aid affect his operation.
Grain and Grain Product Exports Continue to Grow

Marketing Year Total

Learn more
Mexican Corn Buyers Visit Kentucky

White corn buyers from GRUMA-Mission Foods visited Kentucky in October to see U.S. grain production and infrastructure to better understand quality standards for U.S. white corn exports and make connections to facilitate future sales.

The team toured several central Kentucky farms, local distilleries, and Consolidated Grain and Barge while they are in the Bluegrass State.

Learn more

U.S. GRAINS COUNCIL
The U.S. Grains Council is committed to helping ensure global customers have accurate, consistent and comparable information about U.S. grain quality. Improved information will facilitate increased trade – and when trade works, the world wins.

In this effort, the U.S. Grains Council issues the Corn Harvest Quality Report annually to help international buyers of U.S. corn understand the initial quality of U.S. yellow commodity corn as it enters the merchandising channel and as it is assembled for export.
Value of U.S. Corn Exported Through Poultry & Eggs in 2017

293 million bushels worth $4.5 billion

Investing in poultry and meat export programs, grows demand for U.S. corn.
Value of U.S. Corn Exported Through Beef and Pork

- 14.9 million tons corn and DDGS fed in 2018 vs. 11.7 million tons fed in 2015
- Learn more
To grow the local corn-fed beef market, KyCorn invested in a certificate of deposit last year that Beef Solutions, LLC used as loan collateral for startup.

"KyCorn is proud to see this project up and running," said Laura Knoth, KyCorn executive director. "Now consumers can enjoy an excellent ground beef product that was raised and processed here in Kentucky."

The product hit select Kroger store shelves on March 14, and marketing events have been held at several Kentucky Kroger locations. For more information, visit www.kentuckycattlemensbeef.com/.

**Impact:**
- 66 Kentucky farms
- 654 cows
- 295,995 pounds of meat packaged
- $1.2 million in sales.
Bourbon is a unique corn market in Kentucky, and KyCorn continues to work with our distillers and the Kentucky Department of Agriculture to grow local corn use for this signature corn industry. The infographics to the right and the next page are from the latest Kentucky Distiller’s Association Economic Impact Study. Learn more
PRODUCING 95 PERCENT OF THE WORLD'S SUPPLY

KENTUCKY IS THE BIRTHPLACE OF BOURBON
AMERICA'S ONLY NATIVE SPIRIT, AS DECLARED BY CONGRESS IN 1964

KENTUCKY'S SIGNATURE DISTILLING INDUSTRY:
GENERATES 20,100 JOBS, $1 BILLION IN PAYROLL, $235 MILLION IN LOCAL & STATE TAX REVENUE

68 DISTILLERIES AS OF 2018 – UP 250% IN LAST DECADE
MORE THAN A THIRD OF ALL DISTILLING JOBS IN THE U.S.
AVERAGE SALARY OF $55,000 – UP 23% SINCE 2009
32 COUNTIES WITH AT LEAST ONE DISTILLERY (ONLY 6 IN 2009)

ONLY ONE KENTUCKY INDUSTRY HAS BOTH MORE JOBS AND HIGHER SPIN-OFF FOR EVERY DISTILLING JOB, THREE MORE ARE CREATED DOWN THE LINE

ONLY LIGHT TRUCKS/UTILITY VEHICLES HAVE MORE JOBS & HIGHER MULTIPLIER
DISTILLING BANKS HIGHER THAN ALL BUT ONE OF 532 KENTUCKY INDUSTRIES IN STATE'S SHARE OF NATIONAL EMPLOYMENT AND MANUFACTURING OUTPUT

POURS $8.6 BILLION INTO KENTUCKY'S ECONOMY EVERY YEAR

BOURBON PRODUCTION HAS INCREASED 115 PERCENT IN LAST 10 YEARS
MORE THAN 8.1 MILLION BARRELS OF BOURBON AND OTHER SPIRITS NOW GENTLY AGING IN KENTUCKY

$2.3 BILLION IN CAPITAL PROJECTS COMPLETED OR PLANNED BY 2022

KENTUCKY HAS MORE BOURBON THAN PEOPLE
MORE THAN 2.5 MILLION BARRELS OF BOURBON AGING
4.3 MILLION PEOPLE HIGHEST INVENTORY IN MORE THAN 40 YEARS

BUILDING BOOM INCLUDES NEW DISTILLERIES, WAREHOUSES, TOURISM CENTERS
NEXT AMBER WAVE OF INVESTMENTS WILL CREATE 1,800 NEW JOBS, $70 MILLION IN PAYROLL, $8.4 MILLION IN TAX REVENUE

KENTUCKY TAXES SPIRITS PRODUCTION HIGHER THAN ALL OTHER INDUSTRIES
HIGHEST AMONG ALL 532 INDUSTRIES IN KENTUCKY
26 PERCENT OF EVERY DOLLAR GOES TO TAXES
BEER PAYS 13 PERCENT – WINE TAXED AT 3 PERCENT
KENTUCKY SPIRITS’ EXCISE & WHOLESALE TAX RATE IS FIFTH HIGHEST IN THE COUNTRY

WE CAN'T EVEN BEAT TENNESSEE...

TENNESSEE – SECOND TO KENTUCKY IN WHISKEY PRODUCTION NATIONALLY – TAXES SPIRITS AT HALF THE RATE AS KENTUCKY
Protecting the RFS & Securing Markets for E15

These were the primary issues for ethanol policy for KyCorn and other Corn Growers across the country. President Trump and USDA Secretary Sonny Perdue publicly voiced their support of the ethanol industry. To the right, Sec. Perdue talks with NCGA president Kevin Skunes at the Farm Progress Show.
KyCorn developed an informational report over the summer to explain how important ethanol markets are to Kentucky corn growers, as well as how the organization is working to build those markets.

Read the report
KyCorn continues to target anglers who fuel up their marine engines through the annual Crappie Masters Kentucky/Tennessee State Championship.
The Renewable Fuels Association sponsored the design of an ethanol-powered chopper, which was featured on the television show “American Chopper.”
The E85 Cobra, built by the Owensboro Community and Technical College Automotive Program students, continues to be an excellent marketing tool for ethanol and the OCTC Alternative Fuels Training Program.
Two OCTC automotive technology students received scholarships on behalf of KyCorn.
College Scholarships

- Two $1,000 scholarships for High School Seniors
- Two $2,000 scholarship for a current College/Trade School student
- Next application deadline is March 8, 2019
- Application and rules available at www.kycorn.org

Leah Collins
Murray State

Kathryn Reding
UK

Abbey Dickerson
UK

Mary Hinton
Western
KyCorn concluded Class IV of their CORE Farmer Program with an alumni seminar planned for February 2019 in Argentina.
RESEARCH
Fragipan Remediation

• KyCorn has invested in this research conducted by Dr. Lloyd Murdock for several years.
• Results, shared in the fall of 2018, showed profitability could increase by $500 million over 10 years by utilizing annual rye grass as a cover crop.
• Learn more
Other Research

- Irrigation
- Cover Crops
- Poultry Litter Economics
- Fungicide Efficacy on Southern Rust
- New Planter and Plot Combine for UK Corn Variety Trials
- Learn More
RESEARCH

At the Corn, Soybean and Tobacco Field Day, KyCorn presented Dean Nancy Cox with a check for $64,000 for the Grain and Forage Center of Excellence. Funds were raised through the KyCorn UK Benefactor Lifetime Membership Program.

KyCorn supports the many research and education efforts at the University of Kentucky. Learn more
Members of the Kentucky Corn Growers Association developed a new membership program that allows farmers to directly participate in the development of the UK Grain and Forage Center of Excellence. The new membership option was named the UKAg Benefactor Lifetime Membership. Purchase price is $1,000.

Its purchase includes a lifetime KyCorn and NCGA membership, plus it directs $1,500 in the name of the purchaser as a donation to the Center. The funds raised from this program also can be credited to UK's requirement of matching a $15 million grant from the Kentucky Agricultural Development Fund to make the Center a reality. It is an ideal mechanism to put grassroots support of farmers for the land-grant endeavors on full display.
Kentucky State Fair

As part of the educational display at the AgLand at the Kentucky State Fair, KyCorn purchased 1,400 cans of corn that were later donated to the AMEN House in Georgetown.

The State Fair is an excellent way to connect with the public, as they are further removed from the farm.
State Fair visitors also connect with our farmers by eating the popular, butter-dipped sweet corn provided by Gallrein Farms of Shelbyville. The corn can be found in the Great Kentucky Cookout Tent.
Devine’s Corn Maze and Christian Way Farms are just two of several corn literacy partners.

KyCorn provides resources to several agritourism spots across the Bluegrass to share the good news about corn.
KyCorn partners with the Kentucky Agriculture and Environment in the Classroom to distribute corn-based resources to teachers and students. These programs reach about 150,000 students annually.
2018 Officer Team

Mark Roberts
President

Richard Preston
Vice President

Joseph Sisk
Secretary

Dustin White
Treasurer
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**District 1**
- Stephen Kelley, Bardwell
- Megan Bell, Mayfield

**District 2**
- Micah Lester, Gracey
- Joseph Sisk, Hopkinsville

**District 3**
- Josh Lancaster, Slaughters
- Dustin White, Sturgis

**District 4**
- Richard Preston, Glendale
- Joel Armistead, Adairville

**District 5**
- Mark Roberts, Pleasureville
- James Tucker, Shelbyville

**District 6**
- Dale Appelman, Augusta
- Chris Pierce, Science Hill
2018 Board of Directors

**Extension**
- Curt Judy, Todd Co.

**Industry**
- Jeff Rice, Rice Agri-Marketing
- John Danesi, Whayne Supply
- Ronan Cummins, Agronomy One

**Local Corn Grower Associations**
- Shelby Emmick, Green River
- Travis Hancock, Union
- Bob Wade, Lincoln Trail
- Alan Hubble, Southeast KY
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Ray Allan Mackey
Hardin Co.

Vice-Chairman
Russel Schwenke
Boone Co.

Financial Agent
Joseph Sisk
Christian Co.

Grower Appointed
Philip McCoun
Shelby Co.

KDA Appointed
Richard Strode
Daviess Co.

KFB Appointed
Sharon Furches
Calloway Co.

KFB Appointed
Victor Rexroat
Russell Co.
Thank You for Your Support!

Your comments or questions are welcome:
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www.kycorn.org