


TRADE MATTERS TO KANSAS CORN

Kansas Corn Trade Mission to Mexico, Our Top Export Customer, Shows Promise

Increasing concerns about trade relations with Mexico spurred Kansas Corn along with the Kansas Departments of Agriculture and Commerce to embark on a recent trade mission to Mexico to learn about their ag industry and build upon our trade relationships.

 **In the last two years, corn exports to Mexico grew by more than \$280 million, making it the top export market for US Corn**

 **Mexico purchased 523.6 million bushels of US Corn in the 2015/16 marketing year**

 **Mexico is the second largest customer for US DDGS with 2015/16 imports of 1.9 million metric tons of DDGS**

The trade mission focused on Mexican markets for corn, dried distillers' grains with solubles (DDGS) and ethanol, which is an emerging import market for the country. The trip was organized and hosted by the U.S. Grains Council, a leader in the development of new export markets for corn and corn products.

Kansas Corn Commissioner Terry Vinduska, Marion, says we must look at grain exports and new markets for ethanol key ways to increase demand for U.S. products. *"I see a lot of potential, both in corn and DDGS and hopefully we will see exports of ethanol from the U.S. soon," Vinduska said. "Trade matters to all of us, especially now because we are struggling with very low grain prices. Trade is really the only hope we have that I can see soon to increase those prices."*

Emerging Fuel Market for US Ethanol—In Monterrey, the group met with independent fuel retailers who are interested in a new opportunity to sell ethanol in the Mexican fuel markets. In 2016, Mexico shifted its fuel infrastructure from government ownership to private ownership. At this same time, an opportunity was created for ethanol to be added to the fuel supply as an octane enhancer replacing MTBE.

Mission Leads to Action—Following the mission, the Kansas Corn Commission voted to fund a US Grains Council project to evaluate the use of E10 fuels in Mexico, focusing on vehicle performance and emissions. E6 fuel is currently allowed in much of Mexico, but ethanol use is banned in the major cities of Monterrey, Guadalajara and Mexico City. Results from the US Grains Council study could help open the way for the use of E10 throughout Mexico. The E10 market in Mexico would represent 1.2 billion gallons of ethanol use.

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Lions and Tigers and Bears, OH MY!



Greg Krissek
Kansas Corn CEO

Kansas farmers must feel like they are skipping through the haunted forest in Oz these days. Kansas Corn and most of agriculture is dealing with plenty of concerns: low prices, challenges to trade, proposed cuts to important farm programs like crop insurance and more. But I believe there are also positive opportunities for U.S. and Kansas agriculture.

The renegotiation of NAFTA is concerning and Kansas Corn will work diligently to make sure we don't lose the key markets represented in this trade agreement. (Please read the article on this page). Mexico has risen to be the top export market for our U.S. corn. Great potential also exists for U.S. exports of ethanol to Mexico. Our farmers recognize the importance of trade and are becoming more vocal about keeping our markets open. National Corn Growers Association and other ag organizations are working together educate the administration and Congress about trade and what it means to the ag economy.

The president's proposed budget created a stir with its deep cuts in crop insurance and conservation programs, and its proposed elimination of key export market devel-

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Comments from Greg

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opment programs. As KCGA President Ken McCauley said, “It’s a direct hit on the ability of farmers to manage risk, develop markets and farm more sustainably. The proposed budget would be bad for business for rural America.” KCGA and NCGA are working to make sure our farm bill programs and our safety net remain strong as the budget moves through Congress.

Regulatory reform is a potential bright spot as Kansas Corn and other corn states submitted comments to the docket on regulatory reform pointing out problems in EPA’s management of the registration review process specifically for **atrazine**. The lengthy process which uses outdated and discredited research findings to reach predetermined activist driven conclusions, is a key example of the need for regulatory reform. NCGA also submitted comments asking for reform in other key areas like Waters of the U.S. (WOTUS)

Higher levels of ethanol in fuel, like E15, is another bright spot, as our efforts on the state and national levels are paying off with several fuel retailers in Kansas now offering higher ethanol blends, and big name retailers like Casey’s, Quick Trip and others adding the fuel as well.

KCGA will continue to work on the legislative and regulatory levels to protect markets for corn and programs that provide a needed safety net for our growers.

The Kansas Corn Commission continues its work to aggressively build export markets for corn and corn products like red meat, ethanol and DDGS, working with groups like the US Grains Council, US Meat Export Federation and K-State’s International Grains Program. And we are taking strong action to build domestic markets corn and its products, and building markets for ethanol fuels.

Kansas Corn Trade Mission to Mexico

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Livestock and Feed—The group visited Rancho Lucero, near Torreon. This diversified, family-owned operation has a dairy milking and processing plant and a feedlot as well as a vegetable farm. “*Rancho Lucero imports more than 30,000 tons of corn in one month,*” says Stacy Mayo, Kansas Corn director of industry relations. “*We talked about the importance of having a consistent supply of quality feed and why trade agreements are important to not disrupt their business flow as they look to grow and add more cattle to their business.*”



Kansas Corn Commissioner Pat Ross, Lawrence, (left) visits with staff at the Bartlett Grain Facility in Mexico.

Transportation Creates Advantage for U.S.—The group toured a Bartlett Grain Facility in Aguascalientes, which has access to both the FERROMEX and Kansas City Southern railways, allowing them to load and unload trains from many different origins. Some of their trains come from the Bartlett facility near Great Bend, and they receive white corn for tortilla manufacturing from the Bartlett facility in St. Joseph, Mo. “*It’s important for us to understand the transportation infrastructure in the countries we are working with to ensure the product can get to the end user,*” Mayo says. “*We also discussed the transportation advantage from the United States to many areas of Mexico compared to our competitive markets in South America.*”

While touring the LALA feed manufacturing plant in Torreon, the group learned many businesses import grain from the U.S. by rail because of the transportation advantage. LALA is Latin America’s largest dairy producer and supplier with more than 35 different consumer brands. The company can get 100 cars carrying grain in one shuttle from the United States. However, when buying from South America, the grain arrives by ship and then is railed across the country to get to the plant.

Flying home, the trade mission participants reflected on the trade mission, including Brad Rayl, who serves on the board of Kansas Ethanol LLC in Lyons. “*My overall impression of Mexico is different now,*” Rayl said. “*They are friendly, pro-American, business-minded and hard-working. America is lucky to have them as a business partner in agriculture and in trade.*”



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Farm Program Cuts in Budget Proposal “Bad for Business” for Rural America



Ken McCauley
KCGA President

Kansas Corn Growers Association President Ken McCauley, White Cloud, expressed dismay at the president's detailed proposed budget for Fiscal Year 2018.

“The proposed budget's impact on agriculture is comprehensive in the negative impact it would have on agriculture and rural economies. Basically, it's a direct hit on the ability of farmers to manage risk, develop markets and farm more sustainably. The proposed budget would be bad for business for rural America.”

The proposed budget would:

- Cut the federal crop insurance program by \$28.56 billion over the 2018-2027 period
- Eliminate funding for the Foreign Market Development (FMD) program and Market Access Program (MAP)
- Reduce conservation program funding by \$5.8 billion through 2027

KCGA and NCGA will work with Congress and the administration as the budget process continues.

70 Teachers Sign Up for Kansas Corn's Seed to STEM Workshops

The Kansas Corn Commission has 70 teachers signed up to attend its innovative workshops being held this summer in Lawrence and Maize. Not only will these teachers be trained to use Kansas Corn's STEM curriculum in their science classes, they will have the chance to meet industry leaders and will visit a farm and ethanol plant. They also receive lab materials to help them bring the lessons on biotechnology and ethanol to their classrooms.



Three New Kansas Casey's General Stores Add E15 and E85 Fuel

New Casey's General Stores in Topeka, Seneca and Smith Center are offering E15 and E85 ethanol fuels. They are among 17 Casey's stores in Kansas, Iowa and Illinois that are offering the higher ethanol blends. Corn checkoffs in those states, along with Growth Energy, are working with Casey's on this new program. Also, several fuel retailers are offering higher ethanol blends, through our Kansas Better Blends Initiative. For a list of Kansas stations with E15 and higher blends, visit kscorn.com/ethanol.

GET INVOLVED WITH KANSAS CORN

Young Growers—Apply for Class 2 of the Kansas Corn's innovative Corn Corps, a professional development and networking program for young corn farmers. The program is offered free to participants and applications for Class Two are due Sept. 15, 2017. Learn more about the program and what Class 1 participants are saying about Corn Corps at kscorn.com/corncorps



College Students—Kansas Corn has developed a comprehensive program for college students to learn about careers in corn and agriculture, a collegiate academy for students looking for additional career development, a scholarship program and a special student rate for KCGA membership. Visit kscorn.com/collegiate for more information.

KANSAS CORN ON CAMPUS

FFA Members and Chapters—Kansas Corn's “Here by the Corn” program offers a fun way for FFA members and chapters to interact with Kansas Corn through social media and other avenues.

All Corn Growers—Kansas Corn District Listening Tour

The Kansas Corn Team will be hitting the road again in August to visit the remaining six districts. The tour has already stopped in the East Central, North Central and Southwest districts. The goal of these tour stops is to provide updates on checkoff and association programs as well as gather input from farmers on issues they are concerned about. A meal is included and is free for farmers and industry members to attend thanks to the support of our sponsors, Western Plains Energy, Taylor Seed Farms and Syngenta.

Aug. 14.....7 a.m. Reno County, South Central District

Aug. 14.....6 p.m. Butler County, Southeast District

Aug. 15.....7 a.m. Atchison County, Northeast District

Aug. 21.....7 a.m. Rawlins County, Northwest District

Aug. 21.....6 p.m. Scott County, West Central District

Aug. 22.....7 a.m. Ellsworth County, Central District

Watch for more information this summer!

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KANSAS CORN KERNELS



KCGA Members Represent Kansas in upcoming NCGA DuPont New Leaders Program

Thanks to Lindsey & J.I. Hornung from Oketo in Marshall County, will represent Kansas Corn Growers Association in the next class of NCGA DuPont New Leaders Program. The Hornungs farm with their family and grow corn, soybeans, wheat, alfalfa and brome for hay. They also have a small cow-calf operation. Would you like to get more involved with Kansas Corn? Email us at corn@ksgrains.com, or call us at 785-448-6922.

Discussion of LEMA in Northern Kearny and Finney Counties Continues Kansas Corn staff members Dale Fjell and Kaitlin Donovan are following discussions of the Kearny Finney LEMA proposal. A group of farmers got together last winter to discuss a proposal to establish a Local Enhanced Management Area (LEMA) for the northern parts of Kearny and Finney counties. This steering committee held meetings in April and May to receive feedback on the proposal. A June 6 workshop was scheduled where local farmers can bring their water usage information and calculate allocations based on three proposed allocation equation options. A GMD3 meeting is scheduled for June 17. More information can be found at www.kfl2017.weebly.com

Governor Signs Truck Weight Bill—To Take Effect July 1

Recently, Governor Brownback signed HB 2095 into law, increasing the maximum gross weight for certain motor carriers. KCGA supported this bill. This new law will allow motor carriers of “agricultural products” to transport up to 90,000 lbs. on 6 axle truck configurations, under a special annual permit. As defined in the law “agricultural products” includes “agricultural inputs, farm supplies, biofuels, feed, raw or processed agricultural commodities, livestock, raw meat products, or farm products.” The bill specifically states that the language is to be construed liberally. The bill will go into effect July 1, 2017.

BiWeekly Email Newsletter Available for KCGA Members

If you're a KCGA member and you aren't getting our Kansas Corn Member Insider bi-weekly email, simply email your name and email address to corn@ksgrains.com. We'll add you to our list!