



We Grow Corn!

2019 Review, 2020 Outlook

KANSAS
CORN

2019
ANNUAL REPORT

6:1

Corn farmers see a 6 to 1 return on every dollar they invest in international market development programs like U.S. Grains Council and U.S. Meat Export Federation.

1.62

U.S. ethanol exports surged 19% to a record 1.62 billion gallons this year.

15

We now have year-round E15 sales in most areas and continue work to add more E15 pumps and higher ethanol blends.

1

One cent per bushel is the amount of the Kansas Corn Checkoff. It's a small investment to support the future of Kansas corn.

From the Chairman

This year's annual report is patterned after our "We Grow Corn" education book that was published this summer. The book is a key addition to our Kansas Corn STEM education program, but our award-winning education program is just part of the story we want to share with you.

Yes, we grow corn, but how do we grow it and what do we do with it after we harvest it? That's what you'll see in this annual report where we share how we grow markets, innovation and the future of Kansas corn. I'd like to highlight a few numbers that are relevant to our efforts. I hope you'll take a look at the numbers scattered on this page, and the facts throughout the annual report that highlight the value of our Kansas corn checkoff efforts.



Dennis McNinch,
KCC Chairman

From the CEO

In 2019, Kansas farmers took everything Mother Nature could throw at them and still produced a record corn crop. Our commission, elected by farmers in each district, works to build the value of corn and increase its visibility and awareness in Kansas.

We're doing that on many levels. We have regional reps in western, central and eastern Kansas who stay in touch with growers, attend meetings in your area and keep an eye on issues affecting growers. We host a combination of district listening tour dinners, winter corn schools and other events in each of the nine crop reporting districts throughout the year. This gives us and our Kansas Corn leaders an opportunity to better understand your priorities.

Building domestic and export **markets** for our corn and corn products is a top priority through stronger ethanol, export and livestock markets.



Greg Krissek, CEO

That's why 59% percent of our budget goes to market development for corn, ethanol, DDGS and red meat.

We invest in your future with education and promotion programs. Our Kansas Corn STEM program supports science **education** in schools, opening eyes to the role science plays in agriculture. We also look to the future with our collegiate programs and Corn Corps young farmer program, while programs like CommonGround are building bridges with **consumers** to help them understand how we raise feed, food and fuel.

Soil and water – how we sustainably use and protect these resources without sacrificing profitability is important. We support Water Technology Farms, Kansas Soil Health Partnership and other K-State **research**, as well as innovative new use research at Kansas universities.

As you look through this report, I hope you'll reflect on our efforts and let us know if these align with your priorities as a corn farmer. And I encourage you to attend one of our meetings, corn schools or other events; ask questions, tell us what we're doing well and tell us what you'd like to see us do going forward.

51,000

The number of Kansas students Kansas Corn reached last school year with our Kansas Corn STEM K-12 science education program – up from 20,000 students the previous year.

Kansas Corn Commission FY20 FUNDED PROJECTS

The Kansas Corn Commission funds projects in the areas of Market Development, Education/Promotion and Research. The information below outlines funding for Fiscal Year 2020, beginning July 1, 2019 and ending June 30, 2020.

59%

The Commission invests in aggressive programs to build exports of corn in all forms including red meats, ethanol and DDGS, and building markets and infrastructure for higher blends of ethanol in Kansas and across the U.S.

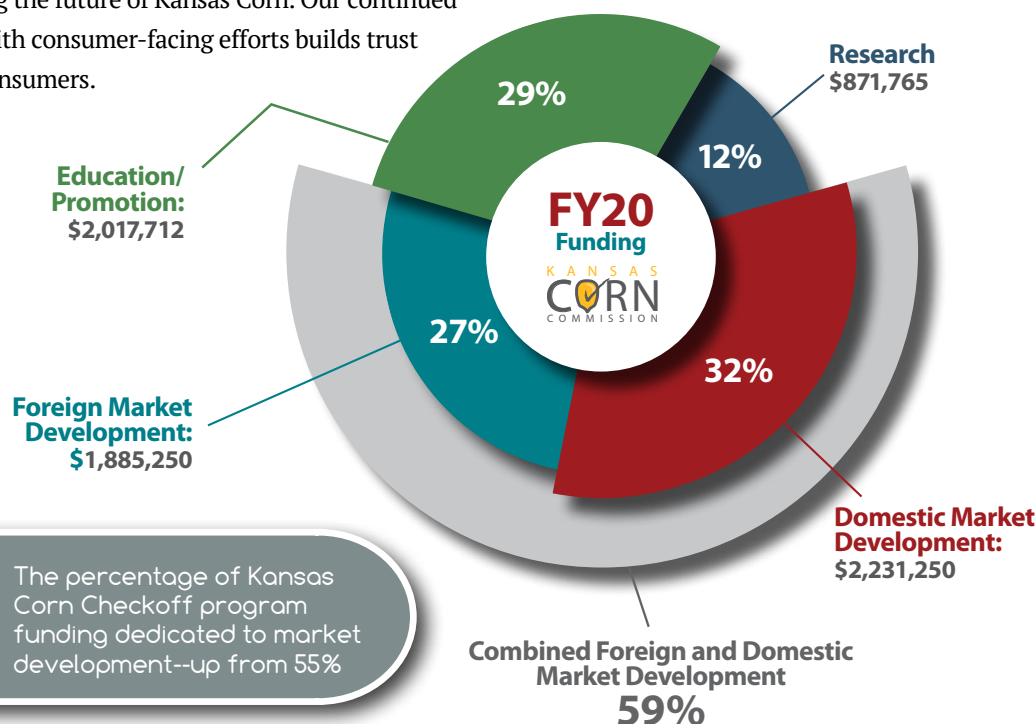
29%

Kansas Corn's award-winning STEM education programs are reaching K-12 teachers and students across the state. Our collegiate programs and Corn Corps young farmer programs are building the future of Kansas Corn. Our continued work with consumer-facing efforts builds trust with consumers.

12%

Our research efforts focus on new practices that build sustainability and profitability through projects like the Soil Health Partnership and the water technology farms. We are looking to the future with our support of innovative new uses research at universities across the state.

Partnerships with the Kansas and National Corn Growers Associations, U.S. Grains Council, U.S. Meat Export Federation, CommonGround, U.S. Farmers and Ranchers Alliance, Center for Food Integrity, the Kansas Farm Food Connection, Kansas universities and other organizations help us achieve our goals to build markets, build a better future with education and outreach and find better ways to grow, use and sell our products.



59

The percentage of Kansas Corn Checkoff program funding dedicated to market development--up from 55%

FACT:

KCC members are elected by growers in the nine crop reporting districts

Kansas Corn CHECKOFF

The Kansas Corn Commission, created by the Kansas Legislature in 1977, determines how the one-cent-per-bushel corn checkoff is invested to benefit corn producers. The Kansas Corn Checkoff is voluntary, and growers may request a refund from Kansas Corn Commission. The commission is made up of nine corn producers elected by growers to represent the nine crop reporting districts. The election for the three central districts is underway. Kansas Corn Commission meetings are open to the public.

Kansas Corn STAFF

Email: corn@ksgrains.com

Kansas Corn online: kscorn.com

Greg Krissek, CEO

Josh Roe, Vice-President, Market Development and Public Policy

Dale Fjell, Director of Research and Stewardship

Stacy Mayo-Martinez, Director of Industry Relations

Sue Schulte, Director of Communications

Sharon Thielen, Director of Education

Misty Palmer, Financial Manager

Erin Rios, Education Programs Manager

Kylie Lieber, Education Coordinator

Stacy Moorberg, Programs Coordinator

Kaitlin Donovan, Western Regional Rep./ Communications Coordinator

Emily Koop, Eastern Regional Rep./ Market Development Coordinator

Deb Ohlde, Central Kansas Regional Rep./ Grower Services Coordinator

Kansas Corn COMMISSIONERS

District 1 • Northwest

Brian Baalman, Menlo

District 2 • West Central

Dennis McNinch, Utica (Chairman)

District 3 • Southwest

Steve Rome, Hugoton (Secretary)

District 4 • North Central

Mike Brzon, Courtland

District 5 • Central

Terry Vinduska, Marion

District 6 • South Central

Kent Moore, Iuka

District 7 • Northeast

Ken McCauley, White Cloud

District 8 • East Central

Pat Ross, Lawrence (Treasurer)

District 9 • Southeast

Randy Small, Neodesha (Vice Chairman)



Through our Kansas Corn Stem education program that provides lessons, labs, classroom materials and workshops to Kansas teachers, Kansas Corn supported 1,300 educators who reached 51,000 students with corn-based science lessons in the 2018-19 school year. Kansas Corn STEM offers STEM lessons for K-12 use. The elementary lessons teach basic concepts like understanding what a plant needs to grow, and the high school labs teach advanced concepts like genetics and distilling ethanol fuel.

We Grow Corn Book



northeast Kansas corn farmers Brad and Danyelle McCauley and their four children to show students how corn is grown. Kansas teachers are now using Kansas Corn’s new educational book titled, “We Grow Corn—Raising corn on a Kansas family farm”. The book, with an accompanying video series, is an important component of the Kansas Corn STEM program. “We Grow Corn” follows the McCauley family farm through the year with photographs, information and fun facts.

Readers also learn about irrigated corn on pages featuring the Steve Rome family farm in southwest Kansas. Eight online videos featuring Brad McCauley and Steve Rome accompany the book to give students a deeper look into farming. Resources can be found at wegrowcorn.com.

McCauley said his family participated in the project to support STEM education in Kansas schools. “This project was important to our family because it supports education in our schools by showing how we grow corn on our family farm,” McCauley said. “Science and technology play a big role in growing corn and

other crops in Kansas. That’s why corn farmers support this effort to support STEM learning in our Kansas classrooms.”

Growing the Future with Collegiate and Young Farmer Programs
Kansas Corn’s collegiate program is nurturing college students with scholarships and the select Collegiate Academy. Collegiate Academy graduate Trent Frye, who is now an ag retailer in

Fun Fact:

Teachers can find 45 lessons and the “We Grow Corn” book at kansascornstem.com.

Abilene, said the Kansas Corn collegiate programs made a difference in his college years and his career.

“The importance of it more than anything is understanding why it’s a good investment. You’re investing in the future. Just something as simple as me getting involved and getting that scholarship helped lead me to my path where I am now. I wanted to give back to the industry that gave to me,” Frye said.

Through three classes, 32 young farmers have benefitted from the Kansas Corn Corps program. Eight farmers began Class 4 in December. Corn Corps Class 3 members Shawn and Kylee Geffert of Humboldt said the experience helped them get a grasp on how they can work together to make their farm better. “It’s helping us both understand a little bit more about the operation – making us stronger as a team,” Shawn said. Kylee added, “I like that everyone is starting to play more roles together on the farm. Today, we all need to help on the farm, so it’s all of us together now.”



Kansas Corn collaborated with



Kansas Corn Corps Class 3 participants



Fact:

U.S. ethanol exports grew 18 percent per year over the past five years.



Fun Fact:

Kansas Corn hosted trade teams from 14 countries in 2019.



Ethanol

Kansas Corn's ethanol expansion program is bringing E15 and higher ethanol blends to stations across

the state. E15 is now available at 45 locations with another 11 opening soon and that number is growing. By working with independent fuel retailers like the Jump Start stations in the Wichita area, as well as larger retailers like Casey's General Stores, we are building availability and sales of E15 and higher blends.

Ethanol Exports

Ethanol has been the fastest growing U.S. agricultural export over the past five year. Kansas Corn is a strong supporter of efforts by the U.S. Grains Council to build ethanol exports. In 2018, U.S. ethanol exports totaled more than 1.62 billion gallons (609 million bushels in corn equivalent), valued at \$2.7 billion.



What's next: HOLC

High Octane, Low Carbon fuel with 20 to 40 percent ethanol used in optimized engines would be the

lowest cost and most effective way to comply with fuel economy and greenhouse gas standards for 2021 and beyond. Consensus is building among the auto, oil, health and ethanol industries for High Octane Low Carbon fuels, meaning higher minimum octane levels and more demand for ethanol.

Exports: Targeting Southeast and South Asia

Southeast Asia: Overcoming challenges of storing corn in tropical environments can open doors to more corn exports in southeast Asia and other countries. Kansas Corn supported U.S. Grains Council (USGC) research conducted by Dr. Carlos Campabadal from K-State's International Grains Program to help build trade in a promising and rapidly growing market in Southeast Asia. Partnering with a Malaysian feed mill, the research provided real-world results which he presented at the S.E. Asia-U.S. Agricultural Cooperators Conference in Singapore.

India: Building exports of corn and corn products to the rapidly growing economy of India is a priority for Kansas Corn. We recently hosted an a USGC ethanol trade team from India, Bangladesh and Sri Lanka visiting a Kansas farm, ethanol plant and fuel retailer and meeting with ethanol companies.

Building Red Meat Exports

The Kansas Corn Commission continues to strongly support the U.S. Meat Export Federation to build markets for red meat around the world with specific initiatives in South Korea and in Mexico. In 2019, the value of red meat exports contributed an additional 39 cents per bushel of corn produced in Kansas, adding \$76 million to the value of Kansas corn.

In the past year, Kansas Corn hosted trade teams and delegations from 14 countries. These teams were interested in corn, ethanol and DDGS.

- | | |
|----------------------|-----------------|
| 1 India | 10 Philippines |
| 2 Sri Lanka | 11 Myanmar |
| 3 Bangladesh | 12 Saudi Arabia |
| 4 Chile | 13 Mexico |
| 5 Costa Rica | 14 Japan |
| 6 Dominican Republic | |
| 7 Ecuador | |
| 8 Peru | |
| 9 China | |



Fun Fact:

Ethanol is the fastest growing U.S. ag export over the past 10 years.

We Grow Innovation

The Kansas Corn Commission funds innovative research for profitability, sustainability and new uses for corn. We support agronomy research at Kansas State University including the Kansas Water Technology Farms as well as Kansas Soil Health Partnership research to find the best cover crop and no-till methods for soils and conditions in our state. Kansas Corn's new use projects at Pittsburg State University and the University of Kansas are finding innovative uses for corn including flame-retardant insulation, moisture-wicking clothing and value-added uses for chemical derivatives of ethanol production.