

QUARTER 4

VOLUME 22

ISSUE 4

# Field Journal

The Official Publication of the Colorado Corn Administrative Committee

A man wearing a grey baseball cap, a blue and white plaid shirt, and blue jeans is walking away from the camera on a dirt path that winds through a cornfield. The corn plants are tall and green. The sky is filled with soft, orange and yellow light, suggesting a sunset or sunrise. The overall mood is peaceful and rural.

**CCAC NEWS  
CORN INDUSTRY NEWS  
EXPORT UPDATES**



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### ABOUT

Field Journal is the official publication of the Colorado Corn Administrative Committee (CCAC). The CCAC is funded by a penny per bushel assessment, and focuses on market development, research, regulatory affairs, providing outreach/education to consumers and elected officials, and promoting Colorado corn for the benefit of all corn producers in the state. ©2023

### MAGAZINE

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COVER  
The CCAC is moving forward with new purpose after the finalization of our strategic plan.

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# FROM THE EXECUTIVE DIRECTOR

NICHOLAS COLGLAZIER

*Cheers to 2023 and a new Strategic Plan!*

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As we move into 2023, it gives many of us a chance to have the normal hustle and bustle of our daily lives to slow just a bit and take a moment to reflect - on the year, events, our farms, communities, and most importantly, family.

In 2022, the global stage shook us all as we witnessed the Russian invasion of Ukraine. What was supposed to be a short conflict to seize Kyiv has been drawn out through the year with no end in sight. This war has disrupted global markets and trade and will have impact for years to come.

Our farmers have faced record high input prices for fertilizer, chemistry and fuel. They also dealt with supply chain snarls that wreaked havoc for farmers in Colorado and across the nation trying to get the parts, equipment and other inputs they need.

While there were tribulations, we had some positives as well. One such was related to the study on the supply and price of nitrogen, which the CCAC participated in with other corn state organizations. This study was instrumental to the ITC

(international trade commission) rejecting tariffs on nitrogen fertilizers, and while nitrogen prices were high, tariffs on the import of nitrogen products would have made a bad situation worse.

I am extremely excited about the work that the Colorado Corn Administrative Committee did this year. The first major accomplishment was the finalization of our new strategic plan. The board did a deep dive into where we were as an organization and industry, and after much discussion, finalized the strategic plan.

This finalized plan will guide the organization and help the board set priorities and goals that will move our organization and industry forward in the years to come. Read more about it starting on page 5.

Here are a few highlights of our new plan: First and foremost, it gave us a new mission: Building Trust. Enhancing Markets. Driving Sustainability.

It also gave us a new vision: “Manage dynamic demand building and research programs on behalf

of Colorado grain corn and a one-penny per bushel assessment.”

Lastly, we set our new core strategies and goals: 1) Cultivate Resilient Leaders, Culture, and Reputation; 2) Drive Sustainability; 3) Be a Trusted Supply Chain Partner; 4) Be a Trusted Market Development Partner.

This plan has already been instrumental in the work the board has done to update the Corn Marketing Order to right-size our board to seven directors hailing from three districts, and restructure the Action Teams to increase producer participation in our organization.

I am excited with the work that the Colorado Corn Administrative Committee has done this past year. And we aren’t stopping there.

There is still more to come in 2023 and our organization, board, and staff will never quit working to benefit our farmers, industry and the communities they are in. I hope you had a Merry Christmas, and may you and yours have a prosperous New Year!

# CCAC LEADERSHIP

## BOARD OF DIRECTORS



Rod Hahn - Yuma  
PRESIDENT - Dist 1



Josh Hasart - Burlington  
V.PRES/TREASURER - Dist 2



Matt Mulch - Burlington  
SECRETARY - Dist 2



Jessica Brophy - Yuma  
Dist 1



Wayne Brew, Delta  
Dist 3



Jeremy Fix - Wray  
At-Large



Alex Eckhart - La Salle  
At-Large

## ACTION TEAMS

### RESEARCH ACTION TEAM

Wayne Brew (Chair)

### MARKET DEVELOPMENT ACTION TEAM

Mike Lefever (Chair)

### ISSUES AND ENGAGEMENT ACTION TEAM

Dave Eckhardt (Chair)

### SUSTAINABILITY ACTION TEAM

Jeremy Fix (Chair)

## CCAC PARTNERS

AgTransportation Coalition  
Agricultural Relations Council  
Animal Agriculture Alliance  
Clean Cities Coalitions  
Colorado Ag Council  
Colorado Agricultural Leadership Program  
Colorado Department of Agriculture  
Colorado FFA Foundation  
Colorado Foundation for Agriculture  
Colorado Livestock Association  
CommonGround  
National Agri-Marketing Association  
National Association of Farm Broadcasters  
National Corn Growers Association  
U.S. Grains Council  
U.S. Meat Export Federation

## ABOUT CCAC

*The Colorado Corn Administrative Committee (CCAC) was established over thirty years ago to manage a one-penny-per-bushel assessment collected by first handlers of sales of corn in the state.*

*The CCAC continues to manage the investments of Colorado's corn check-off dollars. This allocation is allowed to be used specifically for research, market development, outreach and education on behalf of corn producers in the state.*

*The administrative committee board members are nominated by corn producers and appointed by the Colorado Commissioner of Agriculture.*



# MOVING FORWARD - CCAC UNVEILS NEW BOARD STRUCTURE, STRATEGIC PLAN

The Colorado Corn Administrative Committee Board of Directors has been hard at work over the past one and half years completing an in-depth strategic plan to set the direction of the CCAC. This ultimately led them to recommend changes to the market order to the Colorado Commissioner of Agriculture.

These changes stem from the first core strategy, which is to re-define the CCAC mission, brand, and structure, so we can be an innovative, effective and nimble corn checkoff organization.

To achieve these goals, the Board of Directors recommended these changes to the Market Order, which were approved by the Commissioner of Ag:

1. Reduced the number of districts from 7 districts to 3 districts
2. Reduced the current board from 10 directors and 10 alternates to 7 directors and zero (0) alternates

## NEW District Structure

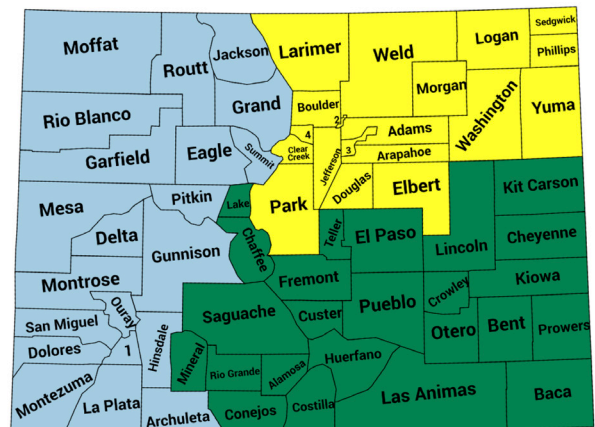
The map below shows what the changes to the districts look like. From the map you can see the three districts are geographically divided into:

Northeast District (District 1) - 2 representatives

Southeast District (District 2) - 2 representatives

Western District (District 3) - 1 representative

At Large - 2 representatives from any district



## COLORADO CORN ADMIN COMMITTEE BOARD RESTRUCTURE TIMELINE

A brief history of evolution





# STRATEGIC PLAN HIGHLIGHTS

## VISION

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MANAGE DYNAMIC BUILDING AND RESEARCH PROGRAMS ON BEHALF OF COLORADO GRAIN CORN AND A ONE-PENNY PER BUSHEL ASSESSMENT.

## MISSION

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BUILDING TRUST.  
ENHANCING MARKETS.  
DRIVING SUSTAINABILITY.

## OBJECTIVES

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- 1) GROW GLOBAL DEMAND FOR COLORADO CORN BY PROMOTING ITS DYNAMIC VALUE IN FOOD PRODUCTS, LIVESTOCK FEED, BIOFUELS, AND FIBERS.
- 2) INTENSIFY EFFORTS IN RESEARCHING, DRIVING AND COMMUNICATING U.S. CORN SUSTAINABILITY (ECONOMIC, SOCIAL, AND ENVIRONMENTAL).
- 3) PRIORITIZE MEANINGFUL COLLABORATIONS.

## ACTION TEAMS

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ISSUES & ENGAGEMENT  
MARKET DEVELOPMENT  
RESEARCH  
SUSTAINABILITY



# COLORADO CORN INDUSTRY

## Core Strategies & Goals

2021-2027



### Cultivate Resilient Leaders, Culture & Reputation

1A-Re-define **CCAC mission, brand, leadership structure** to be an innovative and nimble corn checkoff organization.

1B-Implement **recruitment, orientation, training** and **recognition standards** for volunteer producer-leaders to build competencies for leadership effectiveness and add significant value to volunteer, producer-leaders.

1C-Develop high-performing staff who drive continuous improvement.

1D-Grow organizational reputation & issues management strategy to fortify organizational trust, and strengthen organizational voice and impact.



### Drive Sustainability

2A-Define **sustainability** and invest in sustainability-focused **research** and projects related to corn products.

2B-Intensify efforts **communicating corn sustainability**.

2C-Increase **adoption of best management practices** that drive sustainability.



### Be Trusted Supply Chain Partner

3A-Create new energy and **increase engagement** between the Colorado corn checkoff and those who **buy, handle, process**, and enjoy benefits of Colorado grain corn and its bi-products, prioritizing 1st handlers and biofuel supply chain stakeholders.

3B-Reinforce trust and initiate high-impact **collaborations** with **livestock industry** partners.

3C-Build trusting relationships with supply chain partners who provide **inputs and ancillary benefits** including fertilizer, pesticides, seeds, and agronomic expertise to Colorado producers.



### Be Trusted Market Development Partner

4A-Spur development of **export markets** through **collaboration** with notable industry leaders in grains, biofuels, and animal agriculture.

4B-Grow innovative markets for **grains in all forms**, including **ethanol, DDGs and corn co-products**.

4C-Grow innovative markets for **new uses** of corn.

# CCAC ELECTS NEW LEADERSHIP

The Colorado Corn Administrative Committee is pleased to announce that three directors have been elected to serve in leadership positions including President, Vice President/Treasurer and Secretary.

The elected members are as follows:

*President: Rod Hahn, Yuma, CO*

*Vice President/Treasurer: Josh Hasart, Bethune, CO*

*Secretary: Matt Mulch, Burlington, CO*

This is Rod's first term as President, and he served as Vice President last year. He has also served as secretary. Josh has served as the secretary for the past two years, and Matt is new to the leadership team. All three have served on the CCAC Board of Directors before.

"I am thankful to have the opportunity to serve as President of the CCAC. I am excited with the new direction of the CCAC, and look forward to working with the other directors, the staff and our corn producers across the state for the betterment of the corn industry," said Rod Hahn, President for the CCAC.

He continued, "I am also excited about the changes to our Action Teams, as they will be the driving force behind what we are doing, and I encourage our producers to apply to be on these teams."

The Colorado Commissioner of Agriculture recently approved a market order change relating to the size of the CCAC Board of Directors, reducing the board from 20 to seven members. Those seven members include:

- Rod Hahn, Yuma, CO
- Josh Hasart, Bethune, CO
- Matt Mulch, Burlington, CO
- Alex Eckhardt, La Salle, CO
- Jeremy Fix, Wray, CO
- Jessica Brophy, Yuma, CO
- Wayne Brew, Delta, CO

The Colorado Corn Administrative Committee (CCAC) is a statewide board that consists of seven directors. Members of the CCAC are appointed by the State Commissioner of Agriculture from nominations submitted by corn producers.

For more information about the CCAC Board of Directors, please visit <https://coloradocorn.com/ccac/>

# CCAC ATTENDS USMEF CONFERENCE

On November 10-12, 2022, the United States Meat Export Federation held their Annual Strategic Planning Meeting in Oklahoma City, Oklahoma where members gathered to hear updates on the current trade programs and their impact on red meat exports. CCAC Executive Director Nicholas Colglazier and CCAC President Rod Hahn attended the meeting.

One highlight of the conference

was Randy Blach of Cattlefax. Blach spoke about the interdependence of cattle and corn. On corn, Blach spoke to his belief that corn prices would remain strong through 2023 for two reasons. The first reasons being the conflict in Europe and the second the drought affect on corn production. He forecasted that the grain basis will remain strong into the 2023 summer months.

Looking to the future in the cattle industry, he felt the fed cattle and beef supply will be significantly smaller from now until 2025 because of females raised to join in the cow/calf operations are not being retained because of the drought conditions in the high plains region. Demand for processed beef has been strong but that demand could weaken in the next few years.

→



# CCAC WELCOMES RAIL LEGISLATION

The Colorado Corn Administrative Committee applauds the legislation passed in the U.S. House and U.S. Senate that will keep the rail industry operating without the threat of a strike.

H.J.Res 100 is an emergency resolution to implement the Tentative Agreement as brokered by the Biden administration with the rail labor unions and the operators.

“The ability to ship corn and other agricultural products effectively and affordably is essential to the health of Colorado agriculture and rail service is a key component to that,” said Rod Hahn, President of the Colorado Corn Administrative Committee. “Ensuring continuing rail service is crucial and it is encouraging to see Congress

working together to ensure there are no disruptions.”

A strike or lockout combined with existing challenges in the rail system, at our ports, with trucking combined with record low water levels on the Mississippi River impacting numerous barge shipments would have had harmful consequences for the agricultural and broader U.S. economies.

“It’s gratifying to see the administration and private industry working together for public benefit,” said Hahn.

The National Corn Growers Association said the vote was a welcome development.

“Rail is crucially important to

America’s corn growers, who rely on it to ship grains and fertilizer,” said NCGA President Tom Haag. “We are pleased to see that Congress is taking the necessary action to ensure that rail service continues to operate.”

A deal to avert a strike appeared imminent in recent months, but a disagreement over paid sick days put the country back on the pathway to a strike, which could have begun as early as Dec. 9. Left with no other options, Pres. Biden urged Congress to act. Biden is expected to sign the bill.

The National Corn Growers Association will continue to work with legislators on this issue, and the CCAC is grateful for their work on legislative that supports corn producers.

For the Colorado corn producers, Mexico is a vitally important agriculture export partner as a large portion of our ag products end up there. Issues affecting these exports are the energy dispute, perishable 301 petition, and President Lopez Obrador’s biotech ban. Resolution of issues will affect future trade. Other trade problems discussed were the rail and shipping obstacles, supply chain issues getting some resolution, air freight trade, and labor hiring problems in all areas.

Overall, the atmosphere was a positive one. Despite some headwinds impacting beef

exports, annual records are still within reach and it was nice to see updates on the two USMEF beef programs in South Korea and Mexico which are funded in part by Colorado corn checkoff dollars. Meanwhile, pork exports are down slightly, mainly due to a steep decline in exports to China. However, there has been significant growth in the Dominican Republic, the Bahamas, Columbia and ASEAN regions, showing the strength in the diversity of the USMEF export programs. USMEF also spoke about the emerging markets in Africa and the incredible potential there.



Rod Hahn and  
Nicholas Colglazier

# PRODUCER SPOTLIGHT

## ROY PFALTZGRAFF JR.

Even when you do everything right, mother nature does not always cooperate and can destroy all of your hard work in less than a season. This can be disheartening, but it doesn't mean you should give up.

This is the message that Roy Pfaltzgraff, a dryland farmer just outside of Haxtun, Colo., had to share. "We've had a particularly rough year between all the different factors of the weather. In talking with some of the older folks who farmed during the depression, that is the only time that was reasonably close to what we have seen this year. It was one of the hottest years anyone can remember, with consecutive days over 105 degrees with 30+ mph winds. The 1/10 inch of rain that we may have received in a day was gone by 9am," he said.

One of the ways that Roy combats this is by focusing on soil health and crop diversity. He is currently a part of the Saving Tomorrow's Agricultural Resources (STAR) program. He raises corn, dry edible

beans, sunflowers, buckwheat, millet and others in any given year, depending on the conditions.

"We are adapting things on our farm to match our climate. A lot of the methods we use and take for granted came from back east, and don't work as well in our drought climate," he stated.

Roy explained that he has studied pan evaporation rate in his area, which is how much water would evaporate out of a pan over the course of a year, and where he is, that is 72 inches.

Where he farms, he only had about 5 inches of rain in a year, whereas normally he has close to 16.

"What I have found is, 7 inches of rainfall is about our limit to make some okay crops that are profitable. Anything over 7 inches is great. We are at the worst of the drought now, so I can't wait to see what things will do with average rainfall. We could have some phenomenal crops," Roy explained.

He has also moved to using cover crops that have a greater canopy, such as sunflowers, to protect the soil from evaporation. "We started drilling sunflowers 4 years ago. The time it takes

them to canopy is super-fast. Sunflowers will canopy 3 weeks faster than planted corn, and doesn't have to get as big," he said.

One other item they have shifted to is to move away from treated



*Treated Seed*



*Untreated Seed*

seed to using untreated seed. "This year, the root system on the untreated seed was much longer. The treated corn died a couple weeks earlier than the untreated corn. Back east, the ground is moist and cool when the seed is planted, which is why they need the treated seed. But why do we need that treatment when we are so dry?" Roy asked.

He is always up for trying new things to improve his soil and isn't afraid to challenge what is considered normal.

He said, "It's only a mistake if you repeat it. If you can learn from it, then it's a lesson. We are doing the best we can for our soils. If we see something we can do better, than we are going to be better."





# AG CO-OPERATORS CONFERENCE BRINGS IN NEARLY \$700 MILLION IN SALES

More than 1.3 million metric tons (80 million bushels of corn equivalent), equating to about \$700 million dollars, were recently transacted and negotiated at the 2022 Southeast Asia U.S. Agricultural Co-operators Conference in Bangkok, Thailand, in late September.

Jointly organized by the U.S. Grains Council (USGC) and U.S. Soybean Export Council (USSEC), the event welcomed its largest turnout since its inception in 2004. Having been limited to virtual events for over two years, industry representatives from across the region were excited to take part in the event, reconnecting and establishing relationships for U.S. agricultural products.

Of the commodities sold, 90,000 metric tons, or 4 million bushels, were U.S. corn and 207,000 metric tons (about 33 million bushels in corn equivalent) were U.S. distiller's dried grains with

solubles (DDGS). The remaining sales consisted of U.S. soybeans, soybean meal and wheat.

"The fact that the whole industry shows up to this event says a lot about the resiliency of our industry. When our growers, traders, and our end-users all come together, there's not a market headwind that we can't face and flourish," said Caleb Wurth, USGC regional director, Southeast Asia and Oceania.

CCAC producer and past board member Mike Lefever attended the conference. "I talked about the benefits of corn ethanol in American gasoline, and the beneficial DDGs (dried distillers grains) for the protein feed for livestock. Right now, they have B20 available in most of their fuel stations. That said, their ethanol comes from a woody plant known as Cavassa. They also use the by-product as a feed for their dairy cows. It's like a saw dust mixture. In

my opinion, their cows show the lack of protein that they could have with our DDGs."

He continued, "I think Asia needs our corn ethanol and DDGs. There is such a huge market waiting for us. Our Asia team is working diligently to develop and increase this market. I was impressed with all the contacts they have made. They have built trust and continue to network and build those relationships."

Mike believes that the U.S. Grains Council's work and attending these conferences is vital for the American farmer and for Colorado's corn farmers. "By developing these markets and relationships, we will continue to move and increase that movement of corn to more world markets. The American farmer will continue to see those results with decent prices at the elevator when they market their corn.



# STATE & NATIONAL INDUSTRY NEWS

## USGC 2022 CORN HARVEST QUALITY REPORT: HIGHER AVERAGE TEST WEIGHT, PROTEIN CONTENT IN THIS YEAR'S HARVEST

According to the U.S. Grains Council's (USGC's) 2022/2023 Corn Harvest Quality Report, the 12th annual corn quality survey published globally today, the 2022 U.S. corn crop entering the market channel has a higher average test weight, higher protein concentration and lower total damage relative to each quality factor's average of the previous five crops.

Cool temperatures early in the year caused delays in planting but May's warm weather allowed farmers to catch up and the crop has since matured at a near-average pace. Areas of the western Corn Belt continued to endure higher heat and lower than expected precipitation.

These factors contributed to reduced yields in this year's crop but accelerated maturation and the clear weather ensured a timely harvest, which has maintained crop quality.

The average aggregate quality of the representative samples tested was better than the grade factor requirements for U.S. No. 1 grade. The report also showed that 81.5 percent of the samples met the grade factor requirements for U.S. No. 1 grade and 95.3 percent met the grade factor requirements for U.S. No. 2.



"Through trade, the Council is committed to the furtherance of global food security and mutual economic benefit and offers this report to assist buyers in making well-informed decisions by providing reliable and timely information about the quality of the

current U.S. crop," said Kurt Shultz, USGC senior director of global strategies. "This year's supply allows the United States to remain the world's leading corn exporter and will account for an estimated 29.9 percent of global corn exports during the upcoming marketing year."

The report is based on 600 yellow corn samples taken from defined areas within 12 of the top corn-producing and exporting states. Inbound samples were collected from local grain elevators to measure and analyze quality at the point of origin and provide representative information about the variability of the quality characteristics across the diverse geographic regions.

The 2022 U.S. corn crop checks in at 353.84 million metric tons (13,930 million bushels) and the average yield is 10.81 metric tons/hectare (172.3 bushels per acre), according to the U.S. Department of Agriculture (USDA) World Agricultural Supply and Demand Estimate.

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## CALP CLASS 16 ANNOUNCED

The Colorado Agricultural Leadership Program (CALP) has selected their 16th Class of Fellows to begin Feb. 2023 and they come from all walks of life and areas of the state.

- Alyssa Green, Englewood
- Amy Hauver, Glenwood Springs
- Andrew Holsten, Sterling
- Brandi Goodman, Fort Morgan
- Brandon Schenk, Sterling
- Esteban Salazar, Manassa
- *Jessica Brophy, Eckley \*CCAC Board Member*
- Katie Russell, Cortez
- Marcus Catlin, Montrose
- Monica Bettencourt, Yuma
- Nichole Wernsman, Sterling
- Nicole Uthman, Fort Collins
- Rachel Seedorf, Sterling
- Sarah Ehrlich, Fort Collins
- Shelby Clark, Wray
- Tabor Kalcevic-Erker, Bennett
- Tawni Strachan, Elbert

Fellows will begin their training with team building, leadership style assessments and professional development courses. Additionally, they will shadow the previous class in producing the Colorado Agriculture Forum. They will travel to areas in the State, over the course of their two



years, including the Pueblo/ LaJunta area, Palisade/ Grand Junction, Fort Collins, Fort Morgan and Northeast Colo., the San Luis Valley and Cortez or the Four Corners area to get a statewide perspective on Colorado's agriculture. In 2023, they will make a trip to Washington D.C. to learn how to be better advocates for agriculture as well as another state. In 2024, they will travel Internationally to learn about agriculture on a global platform.

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## **NCGA ANNOUNCES 2023 ACTION TEAMS**

The National Corn Growers Association (NCGA) announced the slate of new and returning farmer leaders who will serve as members of its action teams and committees beginning on January 1, 2023. These volunteer farmers will actively shape the future of their industry by guiding programs and carrying out the policies and priorities that drive the association.

Current 2022 teams, committees and members will remain in place until the beginning of the new calendar year. Colorado producers include Market Development Action Team: Troy Schneider, chair; Risk Management and Transportation Action Team: Nicholas Colglazier; Nominating Committee: Matt Mulch.

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## **NCGA ACCEPTING SCHOLARSHIP APPLICATIONS, OFFERING OPPORTUNITY**

The National Corn Growers Association (NCGA) works every day to build a brighter future for farmers. To support the education of today's youth as they grow into the ag leaders of tomorrow, NCGA invites eligible students to apply for the 2023 Scholarship Programs. NCGA is proud to support three scholarship programs for three distinct audiences:

- Technical School/Community College Scholarship Program
- 5 - \$1,000 scholarships for students pursuing a degree at a technical school or community college
- NCGA William C. Berg Academic Excellence Scholarship Program
- NCGA and BASF Corporation will provide 5 - \$1,500 scholarships for undergraduate students pursuing degrees in any field.
- Graduate Student Scholarship Program
- 2 - \$2,500 scholarship for a graduate student whose area of study will benefit the corn sector.

"Scholarships provide an opportunity to help further innovative, bright young minds that will energize the agricultural industry well into the future," said

Membership and Consumer Engagement Action Team Chair Lowell Neitzel. "As a farmer, I see NCGA's investment in scholarships as truly an investment in the future for each and every one of our farm families."

To apply, students or a parent/guardian must be a member of the NCGA. Past scholarship winners and employees and the families of employees of any division of BASF or their subsidiaries or the NCGA are not eligible for the scholarship.

Applications are currently open, and the scholarship application deadline is Tuesday, January 31, 2023.

More detailed information about the 2023 Scholarship Programs can be found on [NCGA.com/scholarships](https://ncga.com/scholarships).

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## **EPA PROPOSES ANNUAL GROWTH IN RENEWABLE FUEL VOLUME REQUIREMENTS**

The U.S. Environmental Protection Agency today released proposed renewable fuel volume requirements under the Renewable Fuel Standard for 2023, 2024 and 2025, proposing annual growth in volumes. The RFS requires annual volumes of renewable fuels, such as ethanol, be used in the fuel supply to reduce emissions, expand and diversify the fuel supply, improve energy security and lower costs.

"We are pleased with EPA's forward-looking approach of annual increases in the proposal," said National Corn Growers Association President Tom Haag. "EPA clearly recognizes that renewable fuels like ethanol play a critical role in cutting greenhouse gas emissions, increasing U.S. energy independence and providing long-term relief to consumers at the pump. With continued pressure on energy security and costs and the need to accelerate carbon emission reductions, biofuels can contribute even more, and we will make that case to EPA for the final volumes."

For 2023, EPA's proposal includes an implied 15 billion gallons for conventional ethanol, which increases to 15.25 billion gallons for both 2024 and 2025. EPA also followed through on proposing to restore the remaining 250 million gallons from a prior court decision for 2023. EPA did not propose a specific update for lifecycle GHG assessments of biofuels but instead will take further comment and review options for a future update. Such an update is overdue and necessary to accurately reflect the shrinking carbon footprint of today's ethanol, and NCGA will continue urging EPA to adopt the Department of Energy's data-driven assessment.

# OCTOBER PORK EXPORTS LARGEST IN 16 MONTHS; BEEF EXPORTS ALREADY TOP \$10 BILLION

October exports of U.S. pork were the largest in more than a year and beef export volume also increased from a year ago, according to data released by USDA and compiled by the U.S. Meat Export Federation (USMEF).

Pork exports reached 238,198 metric tons (mt) in October, up 5% from a year ago and the largest since June 2021. Pork export value increased 13% to \$697.3 million, the highest since May 2021. For January through October, pork exports were 12% below last year at 2.18 million mt, valued at \$6.26 billion (down 8%).

USMEF President and CEO Dan Halstrom noted that the October pork results were bolstered by outstanding growth in variety meat exports, which set a new value record at \$126.2 million. Export volume was the second largest on record at more than 55,000 mt.

“The recent rebound in pork variety meat exports is tremendous news for the U.S. industry on a few different fronts,” Halstrom said. “While exports to China have regained momentum, our ongoing efforts to diversify destinations for pork variety meats are definitely paying dividends. Larger shipments also reflect an improved labor situation at the plant level, which has helped increase the capture rate for variety meat items.”

October beef exports totaled 125,466 mt, up 8% from a year ago. Export value was \$929.8 million, down 3% from the large total reported in October 2021. In the first 10 months of 2022, beef export value



increased 18% from last year's record pace to reach \$10.05 billion – topping \$10 billion in a single year for only the second time. January-October export volume was 1.25 million mt, up 4% from a year ago.

“The October results were remarkable considering the headwinds facing U.S. beef, especially in our large Asian markets,” Halstrom said. “Key currencies such as the Japanese yen and Korean won had sunk to their lowest levels in decades versus the U.S. dollar, which obviously affected importers’ buying power. COVID lockdowns in China were also a concerning factor, especially for buyers in the foodservice sector. But despite all that, U.S. beef still performed very well in Asia and achieved solid growth in North America and the Middle East. With some recent improvement in exchange rates, beef exports are well-positioned to surpass last year’s records.”

*“U.S. beef still performed very well in Asia and achieved solid growth in North America and the Middle East. With some recent improvement in exchange rates, beef exports are well-positioned to surpass last year’s records.”*

*-Dan Halstrom  
President, USMEF*



## Variety meat growth buoys October pork exports

Pork variety meat exports, which averaged nearly \$10 per head slaughtered in 2021, were particularly strong in October at 55,271 mt – up 33% from a year ago and the second largest volume on record. Export value was record high at \$126.2 million, up 29%. While growth was driven primarily by record exports to China/Hong Kong (37,499 mt, up 51% from a year ago), exports also increased significantly to Mexico (11,941 mt, the largest since early 2020) and Japan (1,225 mt, the largest since 2018). October exports also trended higher to Central America, the Caribbean and Colombia. For January through October, global exports of U.S. pork variety meat totaled 426,232 mt, down 5% from a year ago (when pork variety meat exports reached the third highest annual total on record), valued at \$1.03 billion (down 1% from last year's record pace).

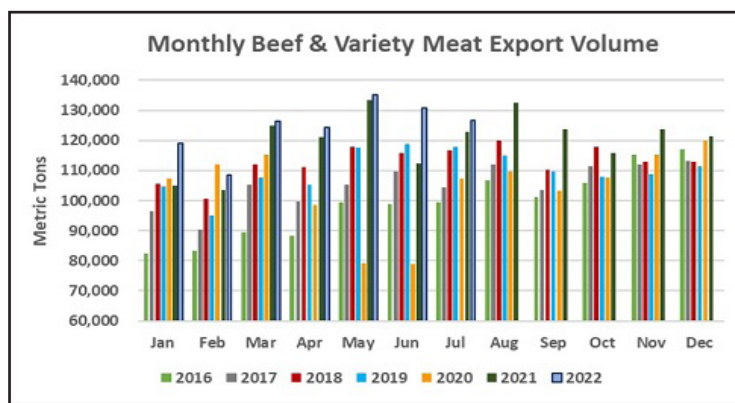
For pork and pork variety meat exports, October was another terrific month for leading market Mexico. While exports increased modestly in volume (84,915 mt, up 1% year-over-year), export value to Mexico reached a record \$203.1 million – up 41% from a year ago. For January-October, exports increased 11% from a year ago in volume (781,717 mt) and 17% in value (\$1.63 billion). Mexico's demand for U.S. pork has remained very strong amid efforts to attract additional suppliers to the market. In May, Mexico temporarily suspended import duties on pork, beef and chicken from all eligible suppliers, leading to an increased presence of European pork. In mid-November, Mexico opened to pork from approved plants in the Brazilian state of Santa Catarina, provided that it goes directly into further processing.

October pork exports to China/Hong Kong climbed 37% from a year ago to 57,345 mt, valued at \$141.3 million (up 39%). While driven in large part by strengthening demand for variety meat (see above), pork muscle cut exports to the region also increased 16% to 19,846 mt, valued at \$54.1 million (up 37%). Though coming too late

to impact October exports, China's easing of some COVID restrictions is expected to eventually provide a boost for consumer demand, especially in the country's beleaguered foodservice sector.

## Other January-October results for U.S. pork exports include:

- October exports to South Korea increased 25% year-over-year to 12,535 mt, while value climbed 26% to \$43.7 million. This pushed January-October totals to 145,506 mt, up 5% from a year ago, while value increased 13% to \$510.9 million. Earlier this year, Korea opened a 70,000 mt, duty-free quota for imported pork in an effort to ease consumer prices. But the impact on Korea's competitive landscape has been minimal because imports from the U.S., the European Union and Chile already enter at zero



duty. The move mainly benefited imports from Canada, Mexico and Brazil.

- October pork exports to the ASEAN region reached 4,700 mt, up 11% from a year ago, while value soared 47% to \$15.9 million. In the Philippines, which accounted for most of this growth, President Ferdinand Marcos Jr. is still weighing whether to extend the executive order that has reduced duties on imported cuts for the past 18 months. Without an extension, Philippine tariff rates will return to normal levels – among the highest in the world at 30% in-quota and 40% out-of-quota – at the beginning of 2023. Despite a recent uptick in demand from the ASEAN, January-October exports to the region were still 47% below last year at 44,512 mt, valued at \$131.1 million (down 41%).

- October exports to the Dominican Republic reached 7,218 mt, up 45% from a year ago, while export value increased 59% to \$21.8 million. January-October exports to the DR already set annual records, with volume totaling 65,856 mt, up 39% from a year ago, while value increased 42% to \$174.7 million. The DR temporarily suspended import duties on red meat and poultry in June, heightening competition in the pork market. But the decree suspending these import duties has expired, which means the U.S. is once again the only major pork supplier with duty-free access. Imports from other major suppliers are subject to the DR's most-favored-nation rate of 25%.

- Pork exports to Colombia are on a record pace in 2022 but have faced significant headwinds in the fourth quarter, including a slumping Colombian peso. Exports took a step back in October, with shipments declining 32% from last year's large totals in both volume (8,009 mt) and value (\$21.4 million). Through October, exports to Colombia remained 4% above last year at 86,136 mt, with value up 3% to \$207 million. It will be difficult, however, for shipments to match last year's large volumes in November and December.

- October pork export value equated to \$63.87 per head slaughtered, up 14% from a year ago. This pushed the January-October average to \$60.18 per head, down 5%. Exports accounted for 28.3% of total October pork production, up from 26.5% a year ago, while the ratio for muscle cuts increased slightly to 23.4%. The January-October ratios were 27.1% and 23.4%, down from 29.7% and 26.1%, respectively, in the first 10 months of 2021.

## Beef exports weather exchange rate storm to remain on record pace in 2022

Demand for U.S. beef in China/Hong Kong remained resilient in October, increasing significantly from a year ago despite China's COVID-related travel restrictions

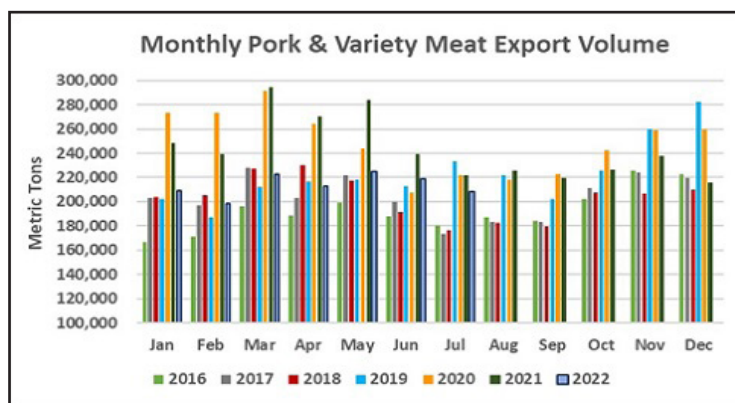
and periodic lockdowns in several major metropolitan areas. China/Hong Kong was the leading destination for U.S. beef in October at 26,170 mt, up 21% from a year ago, while value climbed 19% to \$240.8 million. January-October exports to the region increased 23% to 243,198 mt, while value was up 32% to \$2.23 billion. China/Hong Kong is now the second highest value destination for U.S. beef, trailing only South Korea. It is the third largest volume market behind Japan and Korea, but trails Korea by less than 1,000 mt.

Despite a very weak month for the Korean won, October beef export volume to Korea still increased 10% from a year ago to 24,183 mt. But export value definitely reflected the exchange rate pinch, declining 6% to \$199.4 million. Through October, exports to Korea were 4% above last year's record pace at 244,052 mt, while value was 20% higher at \$2.32 billion – just short of the full-year record (\$2.38 billion) reached in 2021. While the won has strengthened to some degree since October, the economic situation in Korea remains fragile. Over the past two weeks, Korean businesses have dealt with a nationwide trucker strike that has slowed cargo movement and created significant supply chain disruptions.

October beef exports followed a similar pattern in Japan, where the yen was also in a deep slump versus the U.S. dollar. Shipments to Japan totaled 23,600 mt, up slightly from a year ago, but export value sank 18% to \$163.4 million. Beef variety meat exports (mainly tongues and skirts), which had declined sharply in August and September, rebounded to 4,492 mt (up 12%) but remained lower than a year ago in value (\$40.9 million, down 12%). Despite a significant decline in 2022 export volume (46,141 mt through October, down 13%), Japan is still the leading value destination for U.S. beef variety meat exports at \$462 million – an increase of 19% over last year's record pace. Through October, beef and beef variety meat exports to Japan totaled 260,318 mt, down 4% from a year ago, while export value increased 5% to just over \$2 billion.

#### Other January-October results for U.S. beef exports include:

- October was another strong month for beef exports to the ASEAN, where shipments to the Philippines and Cambodia have already set annual records and exports to Singapore and Thailand are on a record pace. For January through October, exports to the region increased 18% from a year ago to 55,845 mt, while value soared 61% to \$400 million. October exports to the Philippines reached 3,251 mt, more than five times last year's low volume, while value quadrupled to \$20.2 million. For the first 10 months of the year, exports to the Philippines increased 79% to 21,879 mt, while value climbed 132% to \$147.3 million. U.S. beef faces significant tariff disadvantages in the region, making this growth even more impressive.



- Led by a rebound in Japan and growth in Mexico, Egypt, China, the ASEAN, Korea and Canada, October exports of beef variety meats totaled 25,118 mt, up 12% from a year ago, while export value increased 8% to \$105 million. Through October, variety meat exports were slightly above last year in volume (250,521 mt, up 1%) while soaring 22% in value to \$1.05 billion.
- Surging demand in the foodservice and hospitality sectors has driven beef exports higher to the Middle East, where January-October shipments reached 56,259 mt, up 10% from a year ago, while export value jumped 52% to \$256.7 million. In Egypt, the leading destination for U.S. beef livers, a strong October pushed January-October exports slightly above last year at 40,155 mt, while

value soared 38% to \$78.6 million. For beef muscle cuts, export growth was driven by sharply higher shipments to the United Arab Emirates, Kuwait, Qatar, Saudi Arabia and Egypt.

- Beef exports to Canada reached 9,332 mt in October, up 20% from a year ago, while export value increased 12% to \$67.4 million. Through October, exports to Canada were 3% above last year's pace at 87,501 mt, while value increased 14% to \$706.4 million.
- While beef exports to Taiwan remain on a record pace in 2022, October shipments declined year-over-year for the second consecutive month – falling 12% to 4,373 mt, while value was down 22% to \$46.1 million. But through the first 10 months of the year, exports to Taiwan were still up 8% to 56,152 mt, valued at \$651.6 million (up 22%).
- October beef export value equated to \$424.82 per head of fed slaughter, down 3% from a year ago, but the January-October average was still up 17% to \$459.50. Exports accounted for 15.3% of total October beef production and 13.1% for muscle cuts only, up from 14.3% and 12.4%, respectively, in October 2021. The January-October ratios were a record high at 15.4% and 13.2%. These were up from 15% and 12.8%, respectively, a year ago.
- October exports of lamb muscle cuts trend higher

Exports of U.S. lamb muscle cuts edged higher year-over-year in October at 202 mt, up 18%. Export value totaled \$1.26 million, also up 18%. Through October, lamb muscle cut exports increased 67% to 1,878 mt, valued at \$11.11 million (up 60%). This growth has been driven mainly by the Caribbean, led by the Netherlands Antilles, Dominican Republic and Bahamas. But in October, exports were bolstered by larger shipments to Canada and Taiwan.

Complete January-October export results for U.S. pork, beef and lamb are available from USMEF's statistics web page.

For questions, please contact Joe Schuele or call 303-547-0030.



# USDA LOWERS EXPECTED CORN EXPORTS AND RAISES ENDING STOCKS FOR 2022/23

*The following is a brief analysis by Krista Swanson, the lead economist for the National Corn Growers Association.*

The United States Department of Agriculture released the December World Agricultural Supply & Demand Estimates (WASDE) report on Friday. Most United States grain and oilseeds estimates were unchanged from last month. Citing slow sales and shipments through early December and competition from other exporters, the USDA lowered corn exports for the 2022/23 marketing year by 75 million bushels resulting in an equivalent increase in projected ending stocks with no other changes on the corn

balance sheet.

To dig into USDA's assessment of slow sales, here is a look at corn export sales so far this marketing year. With data through Week 14 of the marketing year, weekly exports for 2022/23 are represented by the solid blue line. Exports to date in this year are notably trailing last year and the five-year average pace represented by the blue dashed and dotted lines. The export projection of 54.6 MMT in the November WASDE was very close to the 5-year average of 54.8 MMT, providing a good illustration of a pace to hit the export target. The lower projection of 52.71 MMT in the December WASDE is still beyond current pace, but this early

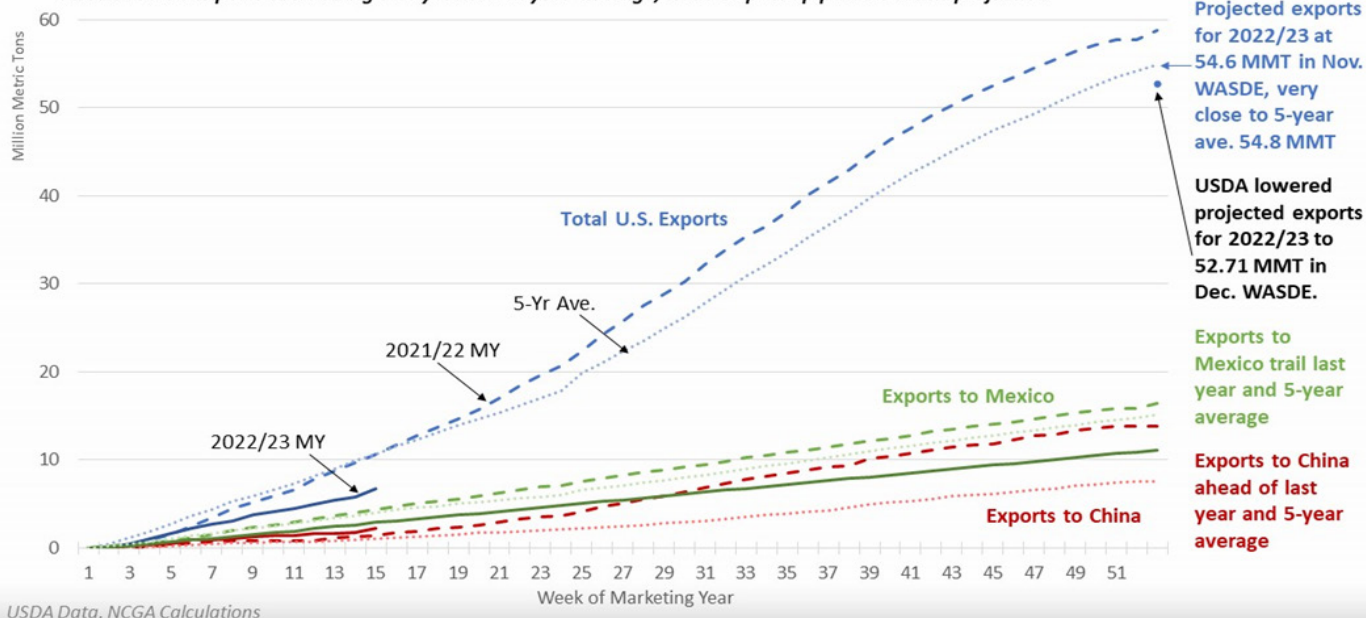
in the marketing year there is time for a rebound in corn exports. Exports to China in 2022/23, represented by the solid red line, are ahead of last year and the previous five-year average as shown by the dashed and dotted red lines. China's actions early in the week to lift COVID-19 restrictions may help bolster demand for corn and other commodities that use corn.

The marketing-year average farm price was also lowered by ten cents to \$6.70 per bushel, with no changes made to acreage or yield. Given the projected yield of 172.3 bushels per acres, the change translates to a \$17.23 per acre decline in expected revenue for farmers.

## Marketing Year Accumulated Corn Exports



Accumulated exports are trailing last year and 5-year average, need to pick up pace to reach projection



# MY 2021/22 EXPORTS HIT SECOND-HIGHEST YEAR ON RECORD

U.S. grains in all forms (GIAF) exports for marketing year (MY) 2021/2022 totaled more than 122 million metric tons (MMT), the second highest year on record following 129 MMT in MY 2020/2021, according to data from the U.S. Department of Agriculture (USDA) and analysis by the U.S. Grains Council (USGC).

Near-record exports of ethanol helped offset losses from corn and barley and barley products.

As the new 2022/23 marketing year takes off, the Council is continuing to work around the world to promote the quality, reliability and value of U.S. grain products and ethanol. To track GIAF exports, the Council reviews exports across 10 product sectors, including U.S. corn, barley and

sorghum and value-added products including ethanol, distiller's dried grains with solubles (DDGS) and other co-products, as well as the corn equivalent of exported meat products.

## Top Three GIAF Countries

Mexico – Record exports of ethanol, corn, DDGS and pork and pork products, combined with a reduction in GIAF from China, made Mexico the largest GIAF market in 2021/22. The country imported more than 27 MMT (equal to 1 billion bushels) worth \$11 billion, accounting for more than 22% of the total MY 2021/2022 export market. Mexico was the top market for U.S. corn, barley and barley products, coarse grain products, DDGS, pork and pork products, poultry and poultry products and

the second-largest market for U.S. sorghum. Exports of corn and DDGS to Mexico increased substantially, totaling nearly 17 MMT of corn and 2.3 MMT of DDGS in MY 2021/2022. U.S. sorghum exports to Mexico also more than quadrupled from last year, totaling 361,000 MT.

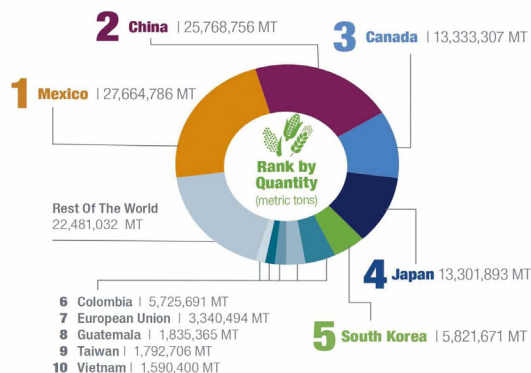
China – China was the second-largest market for U.S. GIAF in the 2021/2022 marketing year, with exports totaling 26 MMT worth over \$11 billion, accounting for 21% of the total MY 2021/2022 export market. China was the top market for U.S. sorghum, with exports totaling 6.45 MMT in MY 2021/22 (equal to 260 million bushels), worth over \$2 billion. China was also the second-largest market for U.S. corn, pork and pork products and poultry and poultry products. The decline in exports to China is

attributed to lower corn exports and decreased ethanol exports. MY 2021/2022 corn exports to China totaled nearly 15 million MT, down 7 MMT from the last marketing year and ethanol exports to China totaled less than 500,000 gallons, dropping it from the top 10 markets.

Canada – Canada was the third-largest U.S. GIAF market in the in

## WHERE ARE U.S. GRAINS IN ALL FORMS GOING?

TOP U.S. EXPORT CUSTOMERS IN MARKETING YEAR 2021/2022



Source: USDA Foreign Agricultural Service's Global Agriculture Trading System report for marketing year Sept. 1, 2021, to Aug. 31, 2022. \* U.S. grains in all forms are sold based on contract and at varying rates, therefore top rankings for tonnage do not align with rankings for value. For more information on the grains in all forms calculation, visit [www.grains.org](http://www.grains.org).



the 2021/22 marketing year, with exports totaling more than 13 MMT (equal to 252 million bushels) worth \$6 billion, accounting for 11% of the total MY 2021/2022 export market. Canada is a top five market for seven out of the 10 GIAF commodities including ethanol, barley and barley products and coarse grain products. Canada remains the top year-over-year market for U.S. ethanol in 2021/22, setting records both monthly and yearly, with exports totaling 466 Mgal (165 million bushels), worth \$1.4 billion, up over 30% from 2020/21. Due to a short wheat and barley crop in Western Canada, the country increased its imports of U.S. corn and DDGS in 2021/2022, and had strong ethanol import numbers.

### Top Three Commodities

Corn – U.S. corn exports totaled 63 million metric tons (2.5 billion bushels) in MY 2021/22 (worth \$19 billion), down 7 MMT, from MY 2020/21, making up for more than 5% of total MY 2021/2022 commodity exports. Nearly all top 10 countries remain unchanged from 2020/21, with movements in rank primarily due to Canada's record corn purchases. While exports to China decreased from more than 21 MMT in 2020/21 to 14.7 MMT in 2021/22, exports to Canada more than tripled, totaling a record 6 MMT (240 bushels), worth nearly \$2 billion, placing it as the fourth-largest market. More than 60 countries

purchased U.S. corn in MY 2021/22.

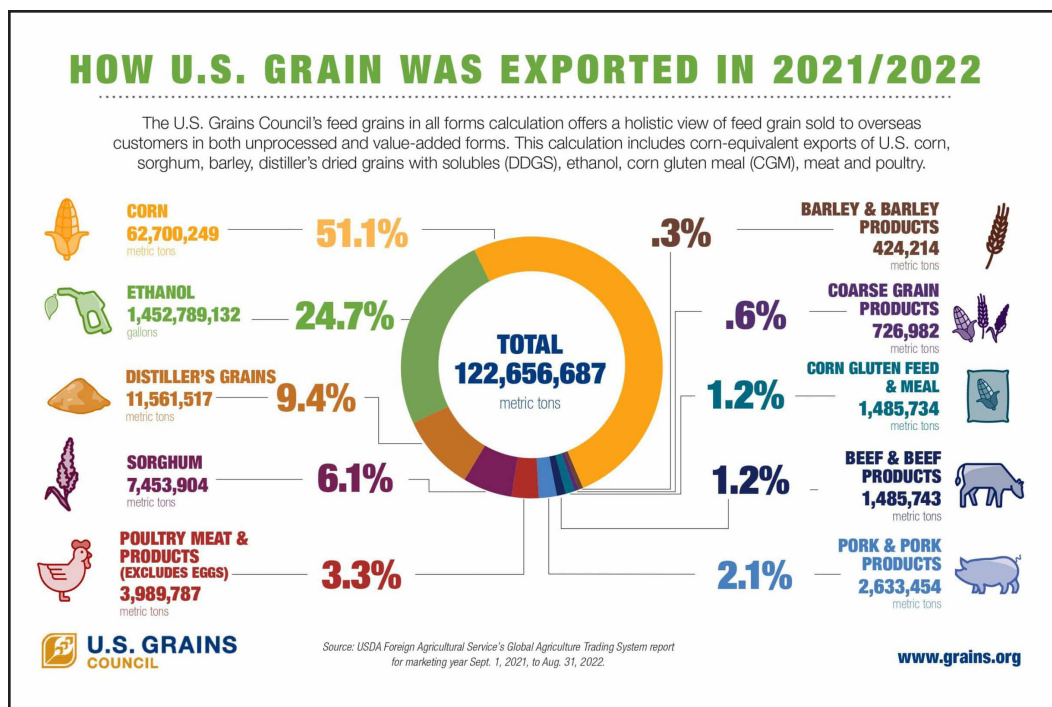
Ethanol – U.S. ethanol exports saw their third-largest marketing year on record, totaling 1.45 billion gallons (515 million bushels) in 2021/22, worth \$4 billion, up 230 million gallons from 2020/21, making up over 11% of total MY 2021/2022 commodity exports. Ethanol remained a robust and diversified market with 79 countries purchasing in 2021/22. Total marketing year exports were up in eight of the top 10 markets, with Canada, the EU, Nigeria, Singapore and the UK all hitting new records for ethanol exports.

“Building upon the momentum for MY2021/2022, we look next to assist countries in creating their own clean fuel standard or discretionary blend levels that would incentivize ethanol consumption, and we will continue to discuss how U.S. ethanol can easily be implemented within existing world infrastructure as a right here-right now solution to carbon mitigation strategies,” said

USGC Vice President Cary Sifferath.

DDGS – U.S. DDGS exports totaled 11.6 MMT (455 million bushels), worth \$3 billion in 2021/22, nearly equal to 2020/21. Mexico, Vietnam and South Korea remain the top three markets from last, making up for 9% of total MY 2021/2022 commodity exports. More than 50 countries purchased U.S. DDGS in 2021/22.

“As the world continues to recover from effects of the global pandemic, along with logistical issues and grain trade flow changes due to the conflict in the Black Sea region, it is very impressive to see our GIAF number for the 2021/2022 marketing year come in at over 122 MMT. While down a bit from last year's all time historical record high of 129 MMT, to see U.S. GIAF, especially our ethanol export numbers perform so well, is a great tribute to USGC's members and their dedication to the development of GIAF exports to all markets globally,” Sifferath said.



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