VOLUME 24 ISSUE 1

FIELD JOURNAL

THE OFFICIAL PUBLICATION OF THE COLORADO CORN PROMOTION COUNCIL

CCPC NEWS • CORN INDUSTRY NEWS • TRADE & EXPORTS

CONTENTS

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ABOUT

Field Journal is the official publication of the Colorado Corn Promotion Council (CCPC). The CCPC is funded by a penny per bushel assessment, and focuses on market development, research, sustainability, issues and engagement, providing outreach/education to consumers and elected officials, and promoting Colorado corn for the benefit of all corn producers in the state. ©2024

MAGAZINE

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COVER
Corn harvest wrapped up for most of Colorado's producers by the end of November.
Credit: Robyn Carlson

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FROM THE EXECUTIVE DIRECTOR

NICHOLAS COLGLAZIER

Let's Go Exploring

I am thrilled to reflect on the remarkable achievements and milestones that the Colorado Corn Promotion Council accomplished in the past year. In 2023, we witnessed significant strides in furthering our mission to promote and enhance the value of Colorado's corn industry.

Among our major accomplishments:

1. Rebranding: We have a new name and logo! We are now the Colorado Corn Promotion Council. After completing a strategic plan, the board started a rebranding campaign as they saw a need for the name to reflect more accurately what we do and modernize the logo.

2. Market Development Initiatives: Through work with our strategic partners, we successfully enhanced our market reach, fostering new partnerships and increasing demand for Colorado corn products like beef, pork, and ethanol both domestically and internationally.

3. Research and Innovation: Our commitment to innovation and research remained steadfast, enabling us to continue sponsoring research that explores cutting-edge technologies, sustainable practices and research that can be a benefit to your operations and the industry, ensuring the long-term viability of our industry in Colorado.

4. Promotion and Outreach: We continued to tirelessly promote on behalf of our producers, engaging with strategic partners, stakeholders, and the public to amplify the importance of the corn industry and its contributions to Colorado's economy and agriculture.

Looking ahead to 2024, we are poised to continue furthering our mission for the industry's success. Our priorities this year are on:

1. Market Development: Enhancing our current markets by helping our partners in the animal ag and ethanol space promote their product and tell their sustainability story while exposing new opportunities in areas like Sustainable Aviation Fuel and corn to plastics.

2. Sustainability and Soil Health: Embracing sustainable agricultural practices that embrace economic viability along with environmental conservation and resource efficiency while ensuring a thriving future for generations to come.

3. Promotion and Awareness: Strengthening our outreach and educational initiatives to foster greater awareness of issues impacting the corn industry like water and the importance of risk management tools and understanding of the vital role that corn plays in our state's economy and food and energy production.

4. Collaborative Partnerships: Nurturing collaborative partnerships across sectors to drive innovation, explore new opportunities, and further elevate the Colorado corn industry on a national and global scale.

None of these accomplishments would have been possible without the unwavering commitment and dedication of directors, stakeholders, industry partners and your Colorado Corn Council staff. Your continued support and collaboration are invaluable as we navigate the opportunities and challenges that lie ahead.

As we embark on a new year, one of my favorite comics always comes to mind. It is the last published Calvin and Hobbes comic by Bill Waterson. In it the duo, a young boy and his stuffed tiger, come out to see fresh snow covering the world, making it look brand new. It was a clean slate, full of possibilities. Waterson body of work was aptly summed up with Calvin's final words, "Let's go exploring."

As we move through 2024, I look forward to the new year, a fresh start, the possibilities ahead, and exploring the many opportunities to improve our industry. Let's make it a great year!

CCPC LEADERSHIP

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Colorado FFA Foundation
Colorado Foundation for Agriculture
Colorado Livestock Association
CommonGround
National Agri-Marketing Association
National Corn Growers Association
U.S. Grains Council
U.S. Meat Export Federation

ABOUT CCPC

The Colorado Corn Promotion Council (CCPC) 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 CCPC 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 CCPC board members are nominated by corn producers and appointed by the Colorado Commissioner of Agriculture.

YOU ARE INVITED

TRADE POLICY ACADEMY

MARCH 14, 2024

8:30AM - 4:00 PM

NJC - STERLING, COLORADO

RECEPTION TO BE HELD MARCH 13

FOR MORE INFO AND TO REGISTER:
HTTPS://BIT.LY/CCPCTRADESCHOOL24

FOR QUESTIONS PLEASE CONTACT:
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COLORADO CORN PROMOTION COUNCIL,
NATIONAL CORN GROWERS ASSOCIATION
AND THE U.S GRAINS COUNCIL

CCPC News Spotlight

ETHANOL TRADE DELEGATION FROM MEXICO VISITS COLORADO

The U.S. Grains Council, in partnership with the Colorado Corn Promotion Council, hosted a delegation from Mexico on a post-Global Ethanol Summit visit to Colorado in November. With the goal to learn about the ethanol industry in the state, the delegation visited many ethanol-related stops including Gevo, the National Renewable Energy Laboratories, the CSU Spur Campus and Powerhouse Lab, Front Range Energy, and the Limited Irrigation Research Farm.

While visiting Gevo, they learned about how ethanol can be turned into sustainable aviation fuel to help meet climate goals in the transportation sector and how Gevo is working to reduce the carbon score of ethanol in jets to zero.

The group also visited Front Range Energy, an ethanol plant in Windsor, CO that produces over 40 million gallons of ethanol annually. Here they toured the plant, seeing the process of turning corn into ethanol, learning how they will capture and store carbon to improve their ethanol's sustainability, and how the co-products like DDGS go to feed Colorado's livestock industry.

The next stop was at the Limited Irrigation Research Farm, where they saw the research being conducted on corn to ensure farmers are utilizing this precious resource as best as possible. They also discussed corn production in Colorado with a local farmer.

Lastly, a quick stop at a local Kum & Go fueling location allowed them to see how ethanol-blended fuel is distributed across the area, and how consumers have a choice at the pump, where they can save money while also benefiting the environment.

Overall, the delegation from Mexico gained an appreciation for how corn is grown, how ethanol is made, and the many opportunities there are to utilize ethanol to reduce carbon emissions and air pollution. The hope is they are able to take what they learned back to their country, to encourage additional use of ethanol to meet their climate and sustainability goals.

The CCPC is a proud supporter of the U.S Grains Council as part of its mission to be a trusted market development partner in developing new markets for corn, ethanol, and ethanol coproducts.

America's largest farmer-led, farmer-focused agricultural & educational experience

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CCPC & CORN INDUSTRY NEWS

NCGA PLEASED TO SEE TREASURY EMBRACE GREET MODEL

The U.S. Department of Treasury announced on December 15 that it will use a modified version of the GREET model as a measurement for determining reductions in greenhouse gas emissions as the agency allocates tax credits for sustainable aviation fuels under the recently passed Inflation Reduction Act.

The National Corn Growers Association (NCGA) said it is pleased that Treasury is embracing the model.

"Given that GREET was created by the U.S. government and is widely respected for its ability to measure reductions in greenhouse gas emissions from the farm to the plane, we are encouraged that Treasury will adopt some version of this model," said Minnesota farmer and NCGA President Harold Wolle. "At the end of the day, we are eager to help the aviation sector lower its carbon footprint, and we look forward to working with the involved agencies over the coming months to ensure the final model helps us achieve that goal."

The decision by Treasury Secretary Janet Yellen has been eagerly anticipated since the Inflation Reduction Act was passed in 2022. The law allocates tax credits for biofuels that can demonstrate that they cut greenhouse gas emissions by 50% or more.

GREET, which stands for the Greenhouse Gases, Regulated Emissions, and Energy Use in Transportation, was developed by the U.S. Department of Energy to measure greenhouse emissions from the field to the car or plane.

NCGA EXPRESSES RELIEF OVER RAIL CROSSING RE-OPENING, EMPHASIZES NEED TO AVOID SIMILAR SITUATIONS

The U.S. Customs and Border Protection announced on December 22 that it will reopen the Eagle Pass and El Paso rail crossings into Mexico. The announcement pleased leaders at the National Corn Growers Association (NCGA), who cautioned the agency against making similar decisions in the future.

"This is certainly a welcome relief," said NCGA President Harold Wolle. "We are very appreciative that CBP was responsive to our calls to have the border crossings re-opened, but we hope this experience serves as a cautionary tale moving forward. Rail is a key mode of transportation for our exports into Mexico, so closing rail crossings can have devastating ramifications for farmers and the economy."

The two rail crossings along the Texas border towns were closed on December 18 by the U.S. Customs and Border Protection as part of an effort to prevent migrants from entering the country illegally. Twenty-five percent of U.S. corn exports into Mexico go through El Paso and Eagle Pass.

On December 21, the National Corn Growers Association joined other national ag groups in sending a letter to Homeland Security Secretary Alejandro Mayorkas calling for him to quickly reopen the rail crossings.

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On Dec. 20, NCGA joined other national ag groups in sending a letter to Homeland Security Secretary Alejandro Mayorkas calling for him to quickly reopen the rail crossings.

"Each day the crossings are closed we estimate almost 1 million bushels of grain exports are potentially lost along with export potential for many other agricultural products," the letter noted.

Mexico was the U.S.'s second-largest trading partner in 2022. Mexico relies heavily on America's grains to feed livestock.

NATIONAL CORN YIELD CONTEST 2023 WINNERS ANNOUNCED

The National Corn Growers Association (NCGA) is excited to announce the winners of the 2023 National Corn Yield Contest. This group of farmers put up some impressive yields and proved, once again, the ingenuity and resiliency of the U.S. farmer.

In its 59th year, the National Corn Yield Contest saw nearly 7,000 entries from farmers in 46 states. Entrants across the 10 production categories, including the pilot category for nitrogen management, Class J, had verified yields averaging 269 bushels per acre, compared to the projected national average of 173 bushels per acre. This includes a new national record yield of 623.8439 bushels per acre from David Hula in Charles City, VA, besting the previous record of 616.1953 bushels per acre.

CSU CORN TRIAL RESULTS AVAILABLE

The CCPC is working with the CSU crops testing program to give producers an unbiased look at new varieties and traits for corn grown in various locations around eastern Colorado. The link to the CSU crops testing page and the results for 2023 hybrid performance can be found at *https://csucrops.com/corn/*

CCPC AT THE COLORADO FARM SHOW

Thank you to everyone who stopped by our booth at the Colorado Farm Show! It was wonderful to have the opportunity to speak with our producers and consumers.

NCGA EXPRESSES DISAPPOINTMENT WITH ITC DECISION ON FERTILIZER TARIFFS

The National Corn Growers Association (NCGA) said on January 18, 2024 that it is deeply disappointed in a decision released by the International Trade Commission, which upholds an earlier opinion that found material injury to U.S. fertilizer companies during a time of rising on-farm fertilizer prices that went on to reach record highs.

The decision comes after the U.S. Court of International Trade asked the U.S. Department of Commerce and ITC to reconsider earlier decisions they issued on the matter.

“The idea that major fertilizer conglomerates were materially injured even as they were posting substantially higher profits during the time in question sounds dubious to me,” said Minnesota farmer and NCGA President Harold Wolle. “ITC’s decision flies in the face of the U.S. Court of International Trade’s request to seriously reconsider this issue and ignores the negative impact these tariffs continue to have on America’s farmers who are facing higher prices for fertilizers that are critical to the success of their crops. We will continue to make a vigorous case for eliminating or lowering these tariffs.”

The ITC opinion upholds an earlier decision by the agency that the trade practices of a Moroccan-based company caused harm to U.S. fertilizer companies. The decision comes almost a week after the U.S. Department of Commerce announced it was lowering duties on these products from 19.97% to 7.41%, and introduces uncertainty on the fate of tariffs as it could be used as an argument to keep tariffs on phosphate fertilizers high.

The U.S. Court of International Trade will now review the remand decisions and issue a final ruling. The Department of Commerce is also set to make another decision regarding its administrative review later this year.

Commerce and the ITC originally acted on a petition by The Mosaic Company, a U.S.-based fertilizer producer, which had requested the tariffs over what it called unfair trading practices. Over the past three years, NCGA has advocated for growers who were facing record-high phosphate prices by filing an amicus brief in the case, sending letters to the White House and federal agencies, and informing Members of Congress about the impact of the high prices on corn farmers.

NCGA

DROUGHT & RIVER TRANSPORT IMPACT ON CORN COMPETITIVENESS

By Krista Swanson, NCGA Lead Economist

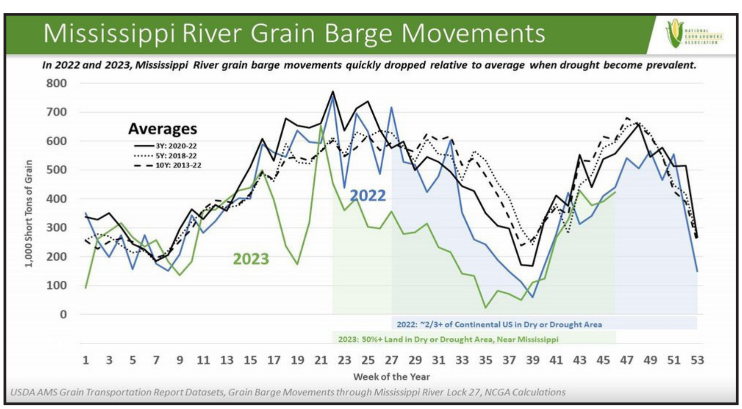
For the second year in a row, drought conditions are impacting transportation on the Mississippi River at the peak shipment point of the year. Shallower river levels mean barge weight restrictions, slower barge traffic, and higher costs to ship commodities on the river. Ultimately, this translates to a relatively lower price at the farmgate and a higher cost for the world buyer.

Drought Slows Grain Barge Traffic in 2022 and 2023

The Mississippi River is an important channel for commodity transportation. The USDA reports the final mode of transport was barge for 13% of U.S. grains in 2020, and 46% of exported U.S. grains[i]. There are normally two peaks in grain barge movements, one in late summer leading up to the end of the marketing year for corn and soybeans, and the other emerging in the fall harvest season and into the post-harvest months. The impact of low water levels on grain barge movements was notable in 2023, marking the second consecutive year of drought impacting Mississippi River transportation.

By July 2022 over two-thirds of the continental U.S. was in abnormally dry or drought conditions, expanding to over 80% in October and November. Barge grain movements quickly dropped off in July and mostly stayed well below the average weekly pace through the year-end as noted by the blue shaded area in the figure above relative to the black average lines.

In 2023, drought conditions were less expansive across the entire U.S. covering about 50% to 60% of land area from June through the present time, but drought was more concentrated in the Mississippi River watershed area. Although largely a drought year, flooding from systems of heavy rains in late April slowed river traffic for a few weeks. Aside from that blip, weekly grain barge movements followed an average pace from the beginning of the year through May and then as drought area around the Mississippi River intensified, grain barge movements dropped as noted by the green shaded area in the figure above relative to the black average lines.



Corn Grain Transport Rates & Costs

As with movement of all grain, corn shipments trailed the 3-year average[ii] level for most of the past year based on movement through Lock 27 on the Mississippi River, and not by a small amount. Corn barge movements were less than half the 3-year average movement in 27 of the past 53 weeks, as illustrated by the green portion of the bar relative to the green 3-year average line in the figure below. Weekly movements of all grains with breakouts for soybeans and wheat can also be viewed relative to the total 3-year average black line.

Not only do shallower river levels mean barge weight restrictions and slower barge traffic, but also a higher cost to ship commodities due to lower capacity on the river. That cost is a factor in the price of the commodity at port, elevating price for prospective foreign buyers.

Southbound barge spot rates vary depending on where the barge begins the southbound journey, with rates typically higher at locations closer to the river source. USDA provides spot rates based on seven benchmark groups based on location. Spot rates generally peak in late October or early November of each year.

The fall 2020 and 2021 spot rates are representative of the average fall levels of the prior decade. The fall 2022 peak was extreme, exceeding double the peak spot rates of fall 2020 for every benchmark. Although spot rates were higher than what would be considered normal in fall 2023, rates didn't rise to the extreme levels of last year. But barge spot prices were still elevated compared to the norm, especially in locations closer to the mouth of the river. For example, the peak rate for the Cairo-Memphis benchmark was $53.03 in fall 2023, 69% higher than the $31.40 peak in fall 2021 and 148% above the $21.35 peak in fall 2020.

Impact on Competitiveness of U.S. Corn

The situation impacts the competitiveness of U.S. corn in the world market and reduces initial demand at the farm level.

As barge weight capacity is reduced and barge tariff slows, basis offerings are impacted translating to a lower price at the farm level that varies by location. Lower farm prices reduce incentive for farmers to make sales. Various estimates indicate farmers have sold less corn this year than the average pace.

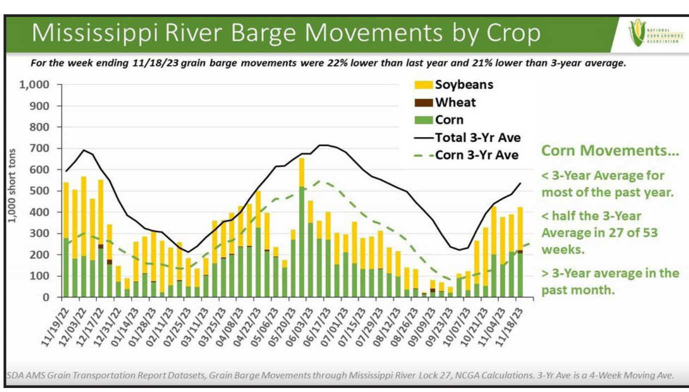
Total transportation costs are a component of corn price at port. When river transport costs are elevated it puts upward pressure on the price of U.S. corn in the world market, especially when paired with a strong dollar value.

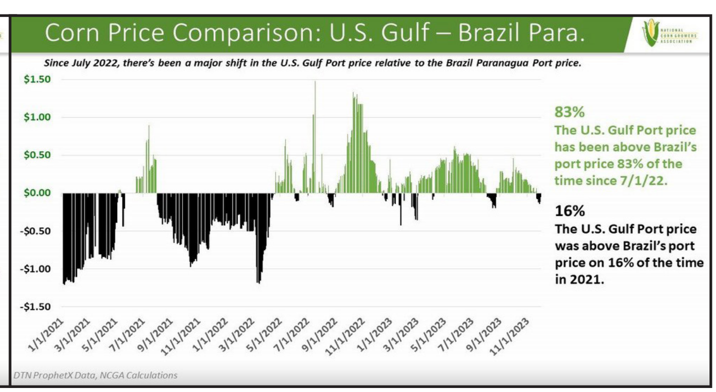
The U.S. Gulf Port price for corn was higher than the Brazil port price 16% of the time in 2021. In the time since drought impacts on grain barge movements began in July 2022, the US Gulf price has been higher than the Brazil port price 83% of the time. In this time the dollar value has also been strong and there are other contributing factors, including a drought-reduced 2022/23 U.S. corn crop while Brazil had record production.

Throughout November the margin between the two prices narrowed. Currently, the prices are nearly equal. In that time, grain barge movements have more closely aligned with the average pace, and barge spot rates have retreated to normal range for the time of year. Also contributing is the weaker dollar value and the U.S. flush with corn supply while Brazil is between harvest seasons.

Although the U.S. faced Mississippi River issues the past two years, transport reductions and cost impacts in other major grain transit waterways such as the Panama Canal and Amazon River have emerged in recent months and will be important to monitor along with the Mississippi River.

For now, the shift to the current equitable port price relative to Brazil removes the price barrier for export demand that has existed for most of the past 1.5 years, a positive point in the demand outlook for U.S. corn farmers.





U.S. Meat Export Federation

ANOTHER RECORD MONTH FOR PORK EXPORTS TO MEXICO; BEEF EXPORTS SHOW MODEST REBOUND

U.S. pork exports posted another strong performance in October, led by record-large shipments to Mexico and broad-based growth elsewhere, according to data released by USDA and compiled by the U.S. Meat Export Federation (USMEF). October beef exports remained well below last year's large totals but improved from September, led by stronger demand in Mexico and Taiwan.

October pork exports totaled 245,345 metric tons (mt), up 3% year-over-year and the largest since June, valued at $688.2 million – down 2% from a year ago. For the first 10 months of 2023, pork exports increased 9% from a year ago to 2.38 million mt, with value up 6% to $6.66 billion.

"At a time when the U.S. pork industry needs to maximize revenue, I run out of superlatives when talking about the remarkable demand we are seeing in Mexico," said USMEF President and CEO Dan Halstrom. "Pork exports are also achieving excellent growth across the Western Hemisphere and retaking market share in the Asia-Pacific."

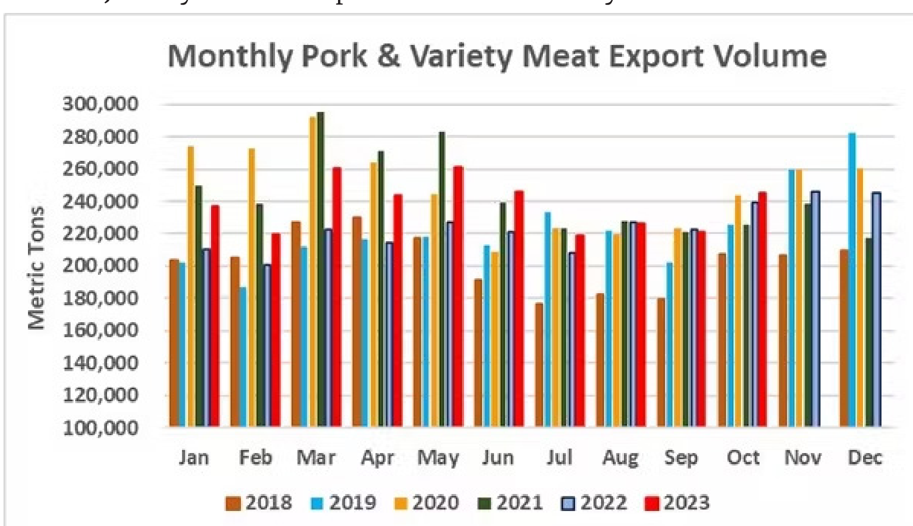
Beef exports totaled 104,446 mt in October, down 17% from a year ago but 6% above the low volume posted in September. Export value was $836 million, down 11% year-over-year but 5% higher than September. January-October exports of U.S. beef reached 1.08 million mt, down 13% from the record pace of 2022, while value fell 17% to $8.32 billion.

"On the beef side, economic headwinds in our largest Asian markets continue to weigh on demand, as consumers trade down to lower-priced proteins," Halstrom said. "The recovery in Asia's foodservice sector has been limited, but we remain hopeful that it will accelerate in 2024. Recent efforts to jump-start economic activity in these countries and address weakened currencies could also improve the business climate."

Monster year continues for pork to Mexico; strong October rebound in Colombia

Pork exports to leading market Mexico reached a record 100,867 mt, soaring 19% from a year ago, while value climbed 9% to a record $221.1 million. January-October shipments to Mexico increased 13% over last year's record pace to 895,221 mt, with value up 16% to $1.9 billion. Pork muscle-cut exports to Mexico were record-large in October at nearly 87,000 mt, which equated to 10.7% of U.S. production. Through October, pork muscle cut exports were up 11% from last year's record pace at 763,159 mt. Variety meat exports accelerated at an even faster pace – climbing 29% to 132,062 mt, valued at $248.6 million (up 38%), led by larger shipments of chilled variety meats and frozen stomachs.

October pork exports to Colombia totaled 10,856 mt, up 35% from a year ago and the largest since June 2022. Export value climbed 42% to $30.4 million, the highest since November 2021 and third highest on record. While January-October exports to Colombia remained 11% below last year



at 76,402 mt, export value edged 1% higher to $207.9 million.

Led by record shipments to Guatemala and robust growth in Honduras, Costa Rica and El Salvador, pork exports to Central America continued to gain momentum in October, soaring 35% from a year ago in volume (13,722 mt) and 37% in value ($42.2 million). January-October exports to the region were 12% higher at 102,783 mt, while value increased 18% to $301 million.

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

- October exports to South Korea totaled 13,427 mt, up 6% from a year ago and the largest since June, while value was up 5% to $46.8 million. Through the first 10 months of the year, exports to Korea increased 3% to 149,943 mt, though value fell 4% to $493.7 million. U.S. pork has recently faced increased competition from Canadian, Mexican and Brazilian pork entering Korea under zero-duty tariff rate quotas (U.S. pork is duty-free under the Korea-U.S. Free Trade Agreement), but the U.S. industry continues to capitalize on growth opportunities in the home meal replacement and restaurant meal replacement sectors.

- Pork exports to the Dominican Republic are on a record pace in 2023, climbing 23% through October to 81,050 mt, with value up 27% to $223.2 million. October shipments to the Dominican Republic totaled 8,532 mt, the highest since April. Brazil recently gained access to the market and reported exports totaled 325 mt in October and 1,841 mt in November. With exports also rebounding strongly to Trinidad and Tobago and increasing to the Netherlands Antilles and Leeward-Windward Islands, shipments to the Caribbean region jumped 22% to 98,264 mt, valued at $283.3 million (up 25%).

- With pork shipments increasing sharply to Australia and more than doubling to New Zealand, January-October exports to Oceania increased 82% to 63,607 mt, valued at $224.5 million (up 66%). While most exports to this region are raw material used for further processing, valued-added processed products from the U.S. are also popular in the retail and foodservice sectors.

- Pork exports to Japan are trending lower in 2023, including a 15% decline in October to 24,080 mt. For January through October, exports to Japan fell 6% from a year ago to 288,447 mt, valued at $1.17 billion (down 7%).

- While pork muscle cut exports to China/Hong Kong are also trending lower (down 9% through October to 149,144 mt), pork variety meat exports to the region remain 4% above last year's record pace at 280,682 mt, valued at $720.4 million (up 6%).

- In addition to the above-mentioned growth in Mexico and China/Hong Kong, pork variety meat exports have also accelerated to the Philippines, Vietnam, Chile, Peru, the Caribbean and Taiwan. Global exports of U.S. pork variety meat are on a record pace through October, increasing 12% year-over-year to 487,171 mt, valued at $1.15 billion (up 10%).

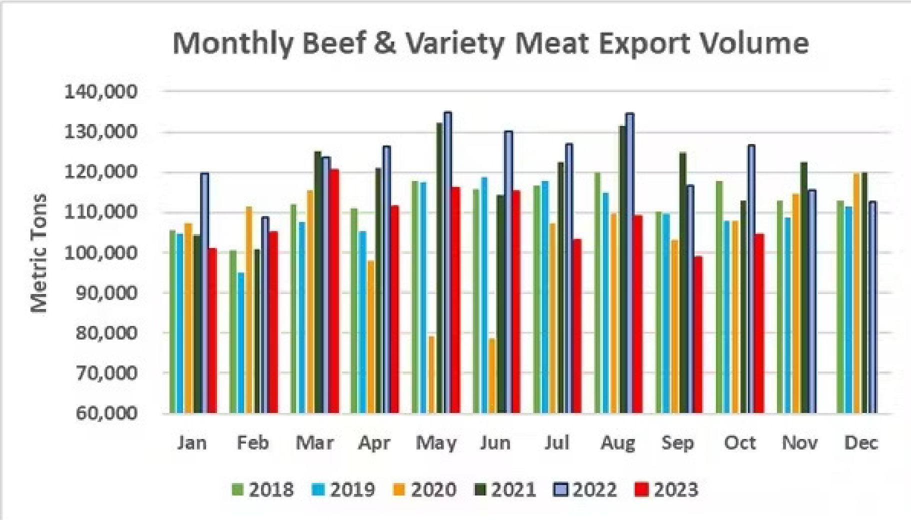
- Pork export value equated to $60.21 per head slaughtered in October, down 6% from a year ago, but the January-October average was 4% higher at $62.79. Exports accounted for 28.2% of total October pork production – down slightly from a year ago – and 24.3% for muscle cuts only, up about one percentage point. The January-October ratios were 29.3% of total production and 25.1% for muscle cuts, up from 27.2% and 23.5%, respectively, a year ago.

Bright spots for October beef exports include Mexico, Taiwan, Central America

A vibrant food service sector and a strong peso have combined to provide excellent momentum for U.S. beef exports to Mexico. While Mexico remains a preferred destination for underutilized cuts from the round, cuts from the chuck and rib complex are also achieving heightened demand in Mexico, where October exports increased 13% from a year ago to 18,456 mt, while value climbed 27% to $108.4 million. January-October exports to Mexico increased 15% to 171,399 mt, valued at $975.8 million – up an impressive 25%.

After a slow start to the year, Taiwan's demand for U.S. beef fared better in the second and third quarters, and October exports totaled 4,923 mt, up 10% from a year ago, while value increased 17% to $54.6 million. This performance pushed January-October volume to Taiwan to 53,004 mt, down 6% from last year's record pace, while value was down 17% to $539.5 million. The United States continues to be the dominant supplier of chilled beef to Taiwan, capturing 76% of the chilled import market.

Led by record shipments to Costa Rica and growth in Honduras, Panama, El Salvador and Nicaragua, October beef exports to Central America climbed 23% from a year ago to 2,047 mt, while value soared 42% to $14.9 million – the highest in nearly two years. January-October shipments to the region moved 1% ahead of last year's pace at 17,087 mt, with value increasing 3% to $120.4 million. Although October exports to leading market Guatemala were below last year, January-October shipments still increased 8% from last



year's record pace to 7,634 mt, valued at $59.4 million.

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

- October beef export volume to the Caribbean was down slightly year-over-year at 2,094 mt, but export value still increased 16% to $18.9 million. January-October exports to the region dipped 6% to 22,303 mt, while value increased 5% to $207.3 million, with exports trending higher in both volume and value to the Dominican Republic, the Bahamas and the Netherlands Antilles.

- Beef exports to Africa, which are almost entirely variety meat, nearly doubled year-over-year in October, increasing 93% to 1,165 mt, while value jumped 69% to $2 million. Led by growth throughout the year in South Africa and Cote D'Ivoire and an October bump from Gabon, January-October shipments to Africa increased 58% to 18,143 mt, valued at $22.5 million (up 28%).

- Europe's demand for U.S. beef gained momentum in October, with combined export volume to the European Union and United Kingdom up 15% from a year ago to 1,653 mt, while value jumped 67% to $26.7 million. January-October shipments to the region increased 7% to 17,923 mt, while value was 15% higher at $247.4 million.

- With Hong Kong's tourism and business travel sectors recovering to some degree, beef exports have trended higher in 2023. Through October, shipments to Hong Kong increased 14% from a year ago to 32,991 mt, valued at $343.9 million (up 4%).

- While the positive results detailed above have offset some of the decline following the 2021-22 surge in U.S. beef's largest Asian destinations – South Korea, Japan and China – the slowdown in demand in these markets continued in October. Through the first 10 months of the year, exports to Japan fell 22% to 205,381 mt, valued at $1.52 billion (down 25%). Exports to Korea were down 16% to 207,344 mt, valued at $1.75 billion (down 25%), while exports to China fell 25% in volume (160,773 mt) and 28% in value ($13.6 billion).

- Beef export value equated to $389.90 per head of fed slaughter in October, down 9% from a year ago. The January-October average was $395.40, down 14%. Exports accounted for 13% of total October beef production and 10.7% for muscle cuts only, each down about 2.5 percentage points from a year ago. The January-October ratios were 14.1% of total production and 11.8% for muscle cuts, down from 15.4% and 13.2%, respectively, in the first 10 months of 2022.

Lamb exports trend lower in October
While achieving growth in Central America, October exports of U.S. lamb trended lower overall, falling 47% from a year ago in volume (182 mt) and 28% in value ($1.13 million). Through the first 10 months of the year, lamb exports fell 11% to 2,054 mt, while value declined 12% to $10.7 million. Exports increased to Central America (driven by growth in Costa Rica and Guatemala), Japan and the Middle East, but these results were offset by lower shipments to the Caribbean, Mexico and Canada.

Complete January-October export results for U.S. pork, beef and lamb are available from USMEF's statistics web page *https://www.usmef.org/export-data/export-statistics/month-to-month.*

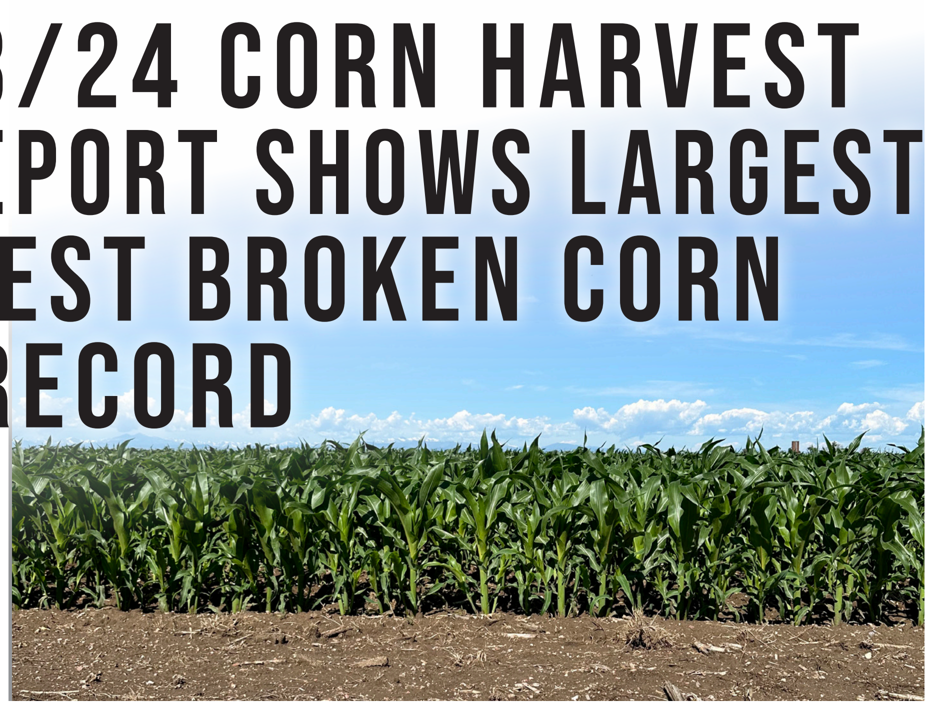
For questions, please contact Joe Schuele or call 303-547-0030.

NOTES:
Export statistics refer to both muscle cuts and variety meat, unless otherwise noted.

One metric ton (mt) = 2,204.622 pounds.

U.S. pork and beef currently face retaliatory duties in China. In February 2020, China announced a duty exclusion process that allows importers to apply for relief from duties imposed in response to U.S. Section 301 duties. When an application is successful, the rate for U.S. beef can decline to the MFN rate of 12% and the rate for U.S. pork can decline to 37% (the MFN rate plus the 25% Section 232 retaliatory duty, which remains in place).

USGC 2023/24 CORN HARVEST QUALITY REPORT SHOWS LARGEST CROP, LOWEST BROKEN CORN RATIO ON RECORD



According to the U.S. Grains Council's (USGC's) 2023/2024 Corn Harvest Quality Report, the 13th such annual survey published globally today, the 2023 U.S. corn crop is the largest on record with the lowest percentage of broken corn and foreign material (BCFM) to date.

Warm and dry weather conditions in April and May allowed producers to plant ahead of schedule, and despite concerns about continued dryness in June, healthy rainfall returned later in the summer. This allowed the crop to properly mature and resulted in the timely harvest of 386.97 million metric tons (15,234 million bushels) of corn.

The average aggregate quality of the representative corn samples tested was better than the grade factor requirements for U.S. No. 1 grade. The report also showed that 88.0 percent of the samples met the grade factor requirements for U.S. No. 1 grade and 96.7 percent met the grade factor requirements for U.S. No. 2.

"The Council is proud to produce this annual report that proves the quality and abundance of U.S. corn year over year. The transparency it provides to buyers helps them make informed decisions and takes another step toward developing markets, enabling trade and improving lives," said Brent Boydston, USGC Chairman. "This crop's incredible volume allows the United States to remain the world's leading corn exporter, accounting for an estimated 26.4 percent of global corn exports."

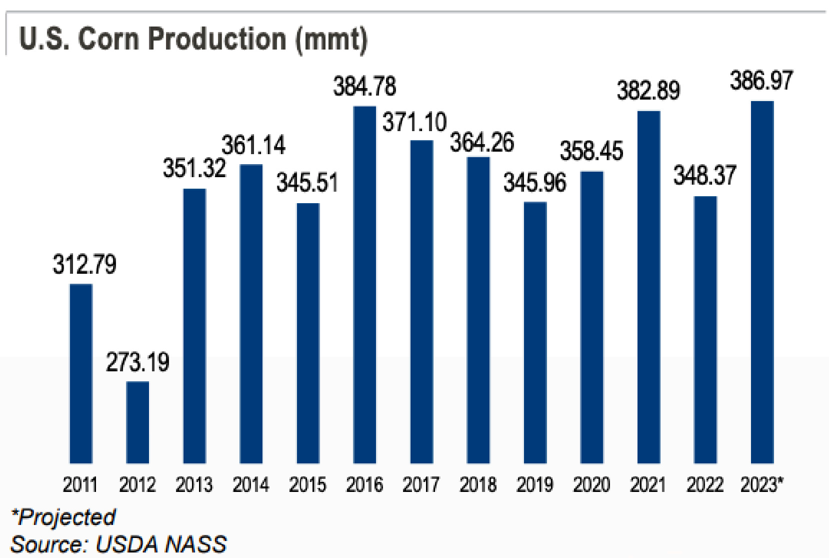
The report is based on 611 yellow corn samples taken from defined areas within 12 of the top corn-producing and exporting states. Inbound samples were collected from local grain elevators to measure and analyze quality at the point of origin and provide representative information about the variability of the quality characteristics across the diverse geographic regions.

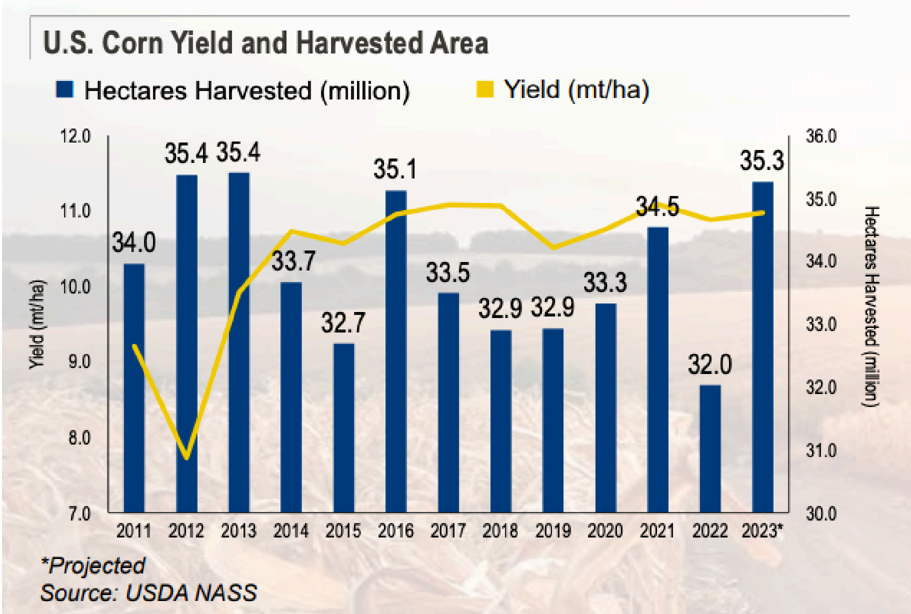
This year's corn protein concentration registered at 8.8 percent, an improvement on the five-year average of 8.5 percent. The crop also showed lower average total damage and average moisture content when compared to the five-year average.

The chemical composition of the crop remained in a healthy range, as 99.5 percent of the samples tested below the U.S. Food and Drug Administration (FDA) action level for aflatoxins and 100 percent of the samples tested below the 5.0 parts per million FDA advisory level for deoxynivalenol. Additionally, 98.3 percent tested below the FDA's strictest guidance level of 5.0 parts per million for fumonisin.

The Council will present its findings to buyers around the world in a series of roll-out events, beginning in China on Dec. 12. Presentations will continue in India, Korea, Panama and Taiwan through the first quarter of 2024 and aim to offer participants clear expectations regarding the quality of corn for this marketing year. During these events, crop quality information is accompanied by updates on U.S. corn grading and handling, that provides importers and end-users with a better understanding of how U.S. corn is moved and controlled through export channels.

Read the full 2023/2024 USGC Corn Harvest Quality Report at *https://grains.org/corn_report/corn-harvest-quality-report-2023-2024/* and stay up to date on its associated rollout events on the Council's website.





A second Council-produced study, the 2023/2024 Corn Export Cargo Quality Report, will measure corn quality at export terminals at the point of loading and will be available in early 2024.

The Council also recognizes the remarkable efforts made by U.S. farmers to make their operations more sustainable, producing higher yields while using fewer resources.

Highlights from the Report

U.S. Average Production and Yields

According to the November 2023 USDA World Agricultural Supply and Demand Estimates (WASDE) report, U.S. corn production in 2023 is projected to be 386.97 million metric tons (15,234 million bushels). If realized, this amount would surpass the size of the 2016/2017 crop (384.78 million metric tons or 15,148 million bushels) as the largest U.S. corn crop on record. This higher projected production in 2023 is the result of the high harvested area and yield expected. A total of 35.26 million hectares (87.10 million acres) are projected to be harvested in 2023 compared to the 5YA of 33.44 million hectares (82.6 million acres). Average yield is also estimated to be higher than the 5YA. Average yield is projected to be 10.97 metric tons per hectare (174.9 bushels per acre) compared to an average of 10.86 metric tons per hectare (173.1 bushels per acre) from the previous five crops.

U.S. Outlook

The 2023 U.S. corn crop is projected to be the largest crop on record and 38.60 million metric tons (1,519 million bushels) higher than the 2022 crop (11.1% increase). Given the record crop, higher levels of consumption and exports are anticipated in marketing year 23/24.

Marketing year 23/24 corn use for ethanol is projected to return to a level near that of 21/22, which is a 2.9% increase relative to 22/23.

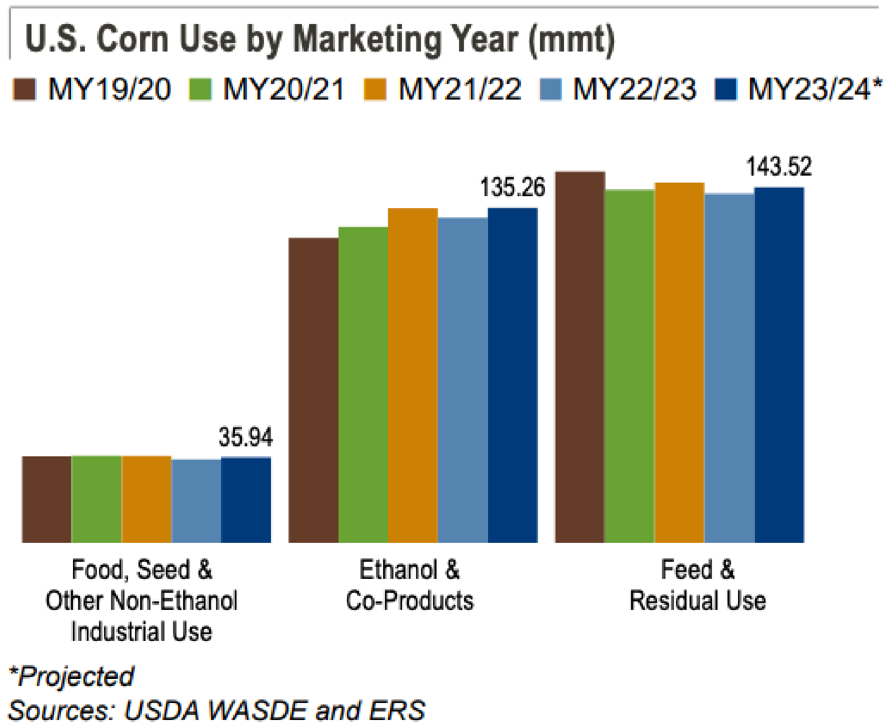
Domestic corn use for feed and residual use in marketing year 23/24 is expected to be 143.52 million metric tons. This estimate is 2.58 million metric tons higher (1.8% increase) than in marketing year 22/23 but still 1.94 million metric tons lower (1.3% decrease) than 21/22 (145.46 million metric tons).

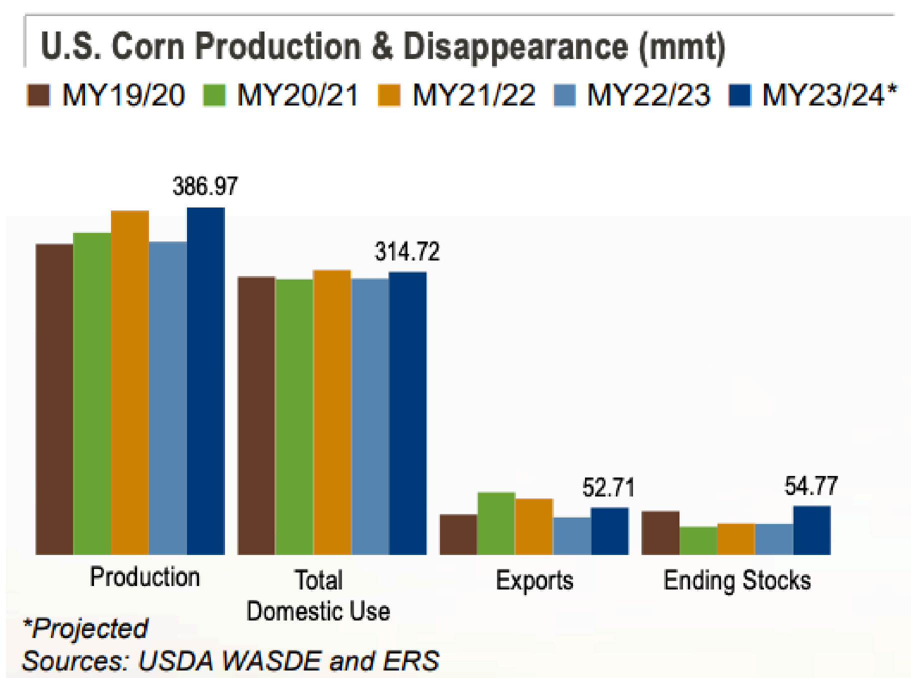
Corn use for food, seed and nonethanol industrial purposes is expected to be 35.94 million metric tons, returning to a level near the 5YA (36.08 million metric tons).

Higher U.S. corn exports are projected for marketing year 23/24 due to the record corn crop anticipated. U.S. corn exports are projected to be 52.71 million metric tons in marketing year 23/24, which is an increase of 10.51 million metric tons (24.9% increase) from marketing year 22/23 but still 1.79 million metric tons lower (3.3% lower) than the 5YA.

U.S. ending stocks are projected to be 54.77 million metric tons in marketing year 23/24, a year-over-year increase of 20.19 million metric tons (58.4% increase). If realized, this would be the highest U.S. ending stocks since marketing year 18/19, which had ending stocks of 56.41 million metric tons.

In terms of the stocks-to-use ratio, marketing year 23/24 is projected to be 14.9%, the highest value since marketing year 18/19 (15.5%).





NCGA

THE INS AND OUTS OF WASHINGTON FOR 2023

By Brooke Appleton, NCGA VP of Public Policy

The 2023 year has flown by. But a lot has happened over the year, and it's important to take time to reflect on the changes we've seen in the nation's capital city during that time.

And that leads us to our annual Ins & Outs list, our fun but also serious end-of-the-year list of what is en vogue and what's passé.

With no further ado, here is the list…

<u>INs</u>

The House of Thin Margins – As I write this column, the House has 221 Republicans and 213 Democrats. One vacancy was recently created when former Rep. George Santos (R-NY) was ousted after an ignominious and short tenure in the lower chamber. The small margins have pitted the agendas of more moderate Republicans against those of members of the conservative Freedom Caucus. The intensity of the fractured House reached a fever pitch in October when then-Speaker Kevin McCarthy (R-Calif.) was ousted, leading to the speakership of Rep. Mike Johnson (R-La.). (The former speaker has since announced that he will retire from Congress in January.) While Speaker Johnson is enjoying somewhat of a grace period, Speaker Johnson is certain to face the same challenges and threats as his predecessor as he navigates a divided caucus with little room for error.

The Laddered Approach to Government Funding (AKA the Step-Stool Approach) – Congress has long struggled to pass the 12 bills that fund the federal government by the October 1 deadline. Lately, Congress has been wrapping these bills into one omnibus package that is typically passed by Christmas time. But a new speaker brings a new approach. This year, Speaker Johnson successfully convinced Congress to punt the vote on budget funding to the new year under a bifurcated process in which some funding bills will expire in January and others in February. Whether or not this is a sensible approach is still up for discussion, but at least it keeps the government open and federal employees can make travel plans for the holidays.

Farm Bill Extension – NCGA supported Congress' decision to extend the reauthorization of the farm bill for one year, but we are nonetheless urging the legislation's quick passage. While we're putting this in the "in" column, it hasn't exactly been "out." 2002 was the last time a farm bill was enacted before its end-of-the-fiscal-year deadline. In the meantime, NCGA is taking advantage of the extra time to ensure the priorities of corn growers are included in the legislation.

<u>OUTs</u>

Precedented Times – We keep thinking we've seen it all, but this year brought new twists and turns to Capitol Hill as the House of Representatives went without a speaker for 21 days, a stressful time for our democracy. Mere weeks later, the House of Representatives expelled one of its own members for only the sixth time in history, and only the third since the Civil War. The 2024 presidential election is sure to bring some fascinating dynamics, but for now, we're calling it: precedented times are behind us.

Timelines – Passing legislation on time appears to now be a relic of the past. We are already months behind in fiscal year 2024 government funding, the national defense authorization bill is behind schedule, and the farm bill reauthorization could be delayed by up to a year. Yet, NCGA continues to work to turn lemons into lemonade by using the extended time wisely and by working to advance some of our key priorities. The good news is that agricultural issues and corn grower-related priorities still tend to bring the two parties together and remain an area of focus among Republicans and Democrats from the Midwest and other areas. We will continue to leverage this goodwill to get things done for growers.

The Old Guard – The fall of Rep. McCarthy's speakership marks the end of the so-called Young-Guns era, a trifecta of young Republicans who showed great promise during the years former Speaker John Boehner (R-Ohio) ruled the House. This distinguished group included former Speaker Paul Ryan (R-Wis.) and former Rep. Eric Cantor (R-Va.) along with McCarthy. On the Democratic side, Speaker Emeritus Nancy Pelosi's departure from leadership along with Steny Hoyer (D-Md.) has hastened a new era of Democratic leadership. This all comes as the country experiences deep political, demographic, and cultural shifts and as the mores of Congress continue to change. The long-term outcome is anyone's guess. Stay tuned knowing that we work in a bipartisan way to advance your interests.

It has certainly been an interesting year that promises many twists and turns over the months and years ahead. We look forward to remaining the constant presence advocating for corn growers.

Appleton is the vice president of public policy for the National Corn Growers Association.

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