

The Nebraska Corn Checkoff:

How Nebraska corn farmers invest in their future



McDaniel Family
Roca, Nebraska



The Nebraska Legislature established the Nebraska corn checkoff in 1978. Nebraska corn farmers led the initiative to create this farmer-driven investment to improve the future of the corn industry in the state. The impetus for the checkoff was to develop a self-help program to build demand and new markets for Nebraska's corn farmers.

That vision remains relevant and even more vital today as global competition in corn production heats up—and as Nebraska corn farmers produce more corn than ever before.

The nine-member Nebraska Corn Board oversees the management and investment of corn checkoff funds. The mission of the Nebraska Corn Board is to develop, carry out and participate in programs of research, education, market development and promotion to enhance profitability (viability) and expand the demand and value of Nebraska corn and value-added corn products.

The checkoff is paid when corn farmers sell their corn the first time—to a grain elevator, an ethanol plant, a food processor or a livestock operation. These corn buyers, called “first purchasers”, play a critical role in collecting the checkoff and remitting it to the Nebraska Corn Board.

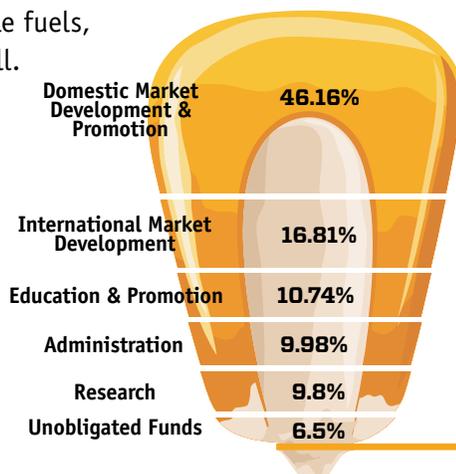
Nebraska checkoff dollars CAN be invested in promoting the general interests of Nebraska corn farmers when it comes to federal policy in areas such as renewable fuels, regulatory issues, exports and the farm bill.

The Nebraska Corn Board also helps with grassroots efforts when it is important for Nebraska corn farmers to share their opinions on federal policy and regulations that have an effect on their profitability and their freedom to farm.

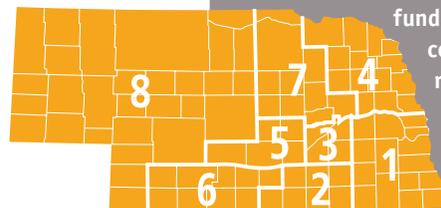
Nebraska corn checkoff funds CANNOT be used to:

- 1 Influence policy on the state level
- 2 Support or oppose a political candidate
- 3 Promote membership in any specific association.

HOW THE CHECKOFF IS COLLECTED



The Nebraska Corn Board is comprised of nine corn farmers, who manage and invest checkoff funds on behalf of Nebraska's 23,000 corn farmers. Eight district representatives are appointed by the Governor. A ninth at-large member is elected by the eight appointed board members.



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|--|--|--|--|
| <p>District 1
David Bruntz
Friend, NE</p> | | <p>District 5
Tim Scheer
St. Paul, NE
<i>Chair, Nebraska Corn Board</i></p> | |
| <p>District 2
John Greer
Edgar, NE</p> | | <p>District 6
Dennis Gengenbach
Smithfield, NE
<i>Secretary-Treasurer, Nebraska Corn Board</i></p> | |
| <p>District 3
Brandon Hunnicutt
Giltner, NE</p> | | <p>District 7
David Merrell
St. Edward, NE
<i>Vice Chair, Nebraska Corn Board</i></p> | |
| <p>District 4
Debbie Borg
Allen, NE</p> | | <p>District 8
Jon Holzfaster
Paxton, NE
<i>Board of Directors, National Corn Growers Association</i></p> | |
| | | <p>At-large
Alan Tiemann
Seward, NE
<i>Vice Chair, U.S. Grains Council; Past Chair, Nebraska Corn Board</i></p> | |

2014 Estimated Budget: \$7.7 Million

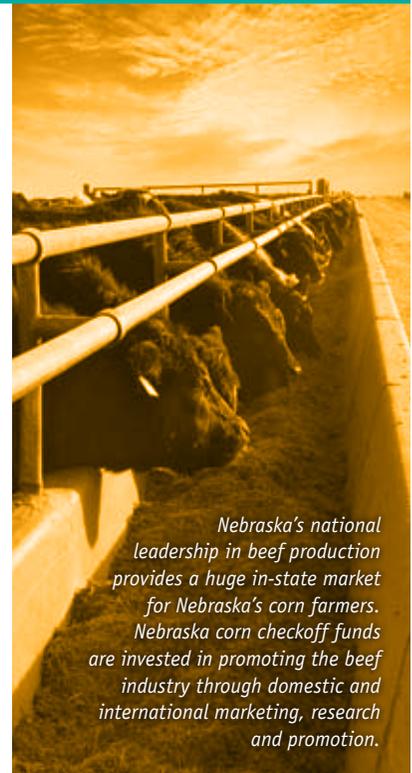
The Nebraska Corn Board budget is based on estimated corn harvest and corn sales, as well as the availability of funds carried over from the previous fiscal year.

BUILDING DEMAND BY BUILDING OUR LIVESTOCK SECTOR

Livestock is the largest customer for Nebraska corn. They consume our corn as well as distillers grains produced from our corn at ethanol plants. Bottom line: A robust livestock sector is critical to the profitability of Nebraska corn farmers.

The Nebraska Corn Board supports Nebraska's livestock industry in a number of ways including:

- A founding and sustaining supporter of **A-FAN, the Alliance for the Future of Agriculture in Nebraska**. A-FAN works with producers and county officials to promote the expansion of responsible livestock production in the state.
- Funding research on the use of **distillers grains** in livestock rations, including its use in cow-calf operations, feedlots and dairies.
- Collaborations and partnerships with **livestock organizations** to promote beef, pork, dairy and poultry, provide consumer information, and advocate on behalf of livestock producers.
- Support for the **U.S. Meat Export Federation**, which builds markets for U.S. beef, pork, and lamb around the world.



Nebraska's national leadership in beef production provides a huge in-state market for Nebraska's corn farmers. Nebraska corn checkoff funds are invested in promoting the beef industry through domestic and international marketing, research and promotion.

"Agriculture is Nebraska's largest industry and livestock production is the largest industry within Nebraska agriculture," said David Bruntz, a farmer from Friend and a director on the Nebraska Corn Board. "Adding value to our corn through livestock production is critical to our profitability, so checkoff dollars are invested in helping our livestock customers succeed and in expanding the livestock sector in the state."



Nebraska's Golden Triangle

CATTLE ▲ CORN ▲ ETHANOL

NEBRASKA has a powerful combination of livestock, biofuels production and feed grains. No other state in the nation has this unique combination—and this "Golden Triangle" of agricultural prowess offers significant potential for economic vitality and job growth across the entire state.

In partnership with the Nebraska Soybean Board, the Nebraska Corn Board funded a comprehensive study of the economic impacts of expanding beef, pork, dairy and poultry production in Nebraska. Nicknamed "**The Golden Triangle Study**," the report clearly outlines the value of expanding responsible livestock production in the state as a means to create jobs, tax revenue and increased farm and ranch income. The study will become a strategic component in working with livestock producers, county officials and economic development professionals in building a more robust livestock sector across Nebraska.



Incorporating distillers grains into swine diets offers great promise for both corn producers and pork producers.



A huge supply of distillers grains across the state is one reason that Nebraska recently overtook Texas as the nation's top cattle-on-feed state.

ETHANOL

THE FUEL THAT FUELS THE CORN INDUSTRY

Nebraska corn checkoff funds have helped build and sustain the ethanol industry for nearly four decades. The ethanol industry has become a huge consumer of corn, helping create another market for corn, stabilize corn prices and add value in the form of fuel, feed, and food products.

Ethanol production has transformed rural communities all across Nebraska by creating good-paying jobs, tax revenue and economic vitality all across the state. Ethanol continually faces challenges from the oil industry, policy makers and others. Checkoff funds are used to help push back those challenges and help create a positive policy environment for biofuels.

In 2014, the Nebraska Corn Board rallied Nebraska farmers to submit comment on the Environmental Protection Agency's (EPA) proposed reduction in the amount of ethanol required in the nation's fuel supply—telling EPA **"Don't Mess with the RFS."** More than 6,000 comments were received by EPA from Nebraska alone. EPA has since reconsidered its proposal and has delayed action until later in 2015.

Checkoff funds have been used to create a **grant fund**, to which fuel retailers can apply to upgrade their pumps to flex fuel capability. The board also helps increase awareness of the benefits of flex fuel vehicles, conducts at-the-pump promotions and participates in a variety of racing sponsorships and consumer events.

"We're doing everything in our power to sustain and build the ethanol industry," said Dennis Gengenbach, a farmer from Smithfield and director on the Nebraska Corn Board. "But every farmer can help the industry by choosing ethanol blended fuels at the pump. **If farmers don't fill up with ethanol blends, how can we expect other consumers to use it?"**

New Messaging on Healthier Air Ethanol dramatically reduces toxic particulates in exhaust, which are caused by toxic compounds added to gasoline by oil companies to increase octane. These particulates enter our lungs and bloodstreams, carrying these cancer-causing compounds throughout our bodies and threatening children and adults who suffer from respiratory and heart problems. The Nebraska Corn Board is working in partnership with a number of ethanol advocacy groups, human health organizations and municipal agencies to promote the "healthier air" benefits of higher ethanol blends.



NASCAR Partnership Builds Fan Base: Nebraska corn checkoff dollars help support the American Ethanol partnership with NASCAR. Several corn states—along with Growth Energy, an ethanol advocacy group—jointly fund this effort. NASCAR uses E15 (15% ethanol) exclusively in all race cars, proving to one of the nation's largest sports fan bases that ethanol is a reliable, high performance fuel.



RU Cool 2 Flex Fuel?: About one in seven Nebraskans (including many farmers) is driving a flex fuel vehicle (FFV). The Nebraska Corn Board helps consumers understand how to identify if their vehicle is an FFV—and the wide range of fuel choices that FFV owners enjoy.



Pumping Up Flex Fuels: The Nebraska Corn Board partners with fuel retailers to conduct at-the-pump promotions to raise awareness of flex fuels with ethanol and the advantages of driving a flex fuel vehicle.

EXPORTS MEAT, CORN & MUCH MORE.



More than 95% of the world's population lives outside the United States
In other words, there is huge market potential for Nebraska corn, beef, pork, distillers grains, ethanol, and other value-added products around the globe.

The Nebraska Corn Board provides significant funding for the **U.S. Meat Export Federation**, with offices in key markets around the world. USMEF promotes U.S. beef, pork and lamb to retailers, restaurants, and consumers—assisting with marketing and education campaigns, chef training, and trade issues.

“Beef and pork exports add significant value to each animal,” said John Greer, a farmer from Edgar and director on the Nebraska Corn Board. “USMEF works hard to increase our market share for red meat around the world—and has the people in place to recognize opportunity and identify challenges.”



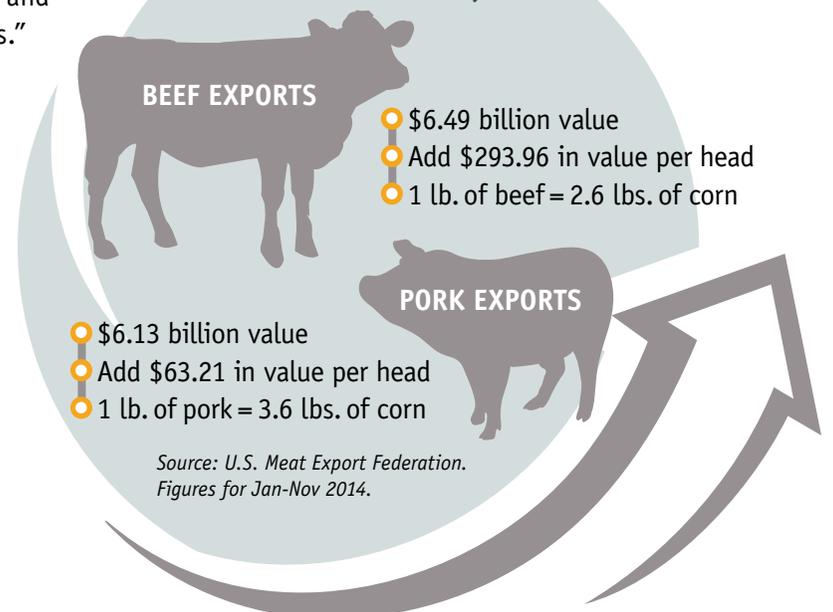
U.S. GRAINS COUNCIL

The Nebraska Corn Board also supports the efforts of the **U.S. Grains Council**, which has a presence in more than 50 countries. The Council promotes U.S. corn, sorghum, barley, ethanol and distillers grains to importers, livestock producers and food processors on five continents.

“It’s true that most corn grown in Nebraska is used right here in the state for livestock and ethanol—or shipped to dairies in California or feedlots in Texas,” said Alan Tiemann, a farmer from Seward, a director on the Nebraska Corn Board, and vice chair of the U.S. Grains Council. “But exports of corn, ethanol and distillers grains help use up corn and create demand that affects our corn prices here at home.”

Export Markets for Ethanol: Identifying export markets for U.S. ethanol is a new initiative of the U.S. Grains Council. As the number of vehicles grows worldwide, international markets for ethanol are growing dramatically. Exports will play a key role in the expansion of the U.S. ethanol industry and its growing demand for corn.

EXPORTS ADD VALUE TO BEEF, PORK & CORN



12% OF U.S. CORN IS EXPORTED

Reacquiring the Taste for Corn-Fed Beef: Nebraska corn checkoff dollars help support the U.S. Meat Export Federation, which promotes the exports of U.S. beef, pork and lamb. This tasting experience for meat buyers in Japan helped reintroduce U.S. beef to the Japanese marketplace after a decade-long absence following the discovery of BSE in the U.S.



MAIZALL™

Partnering with Brazil and Argentina: The U.S. Grains Council has helped lead the creation of MAIZALL, a partnership of the national corn producer organizations of Argentina, Brazil and the United States. MAIZALL is an alliance of the world's top three corn exporting countries, working together to advocate the elimination of trade barriers, acceptance of modern agricultural technology and enhancement of food security through trade.



Exports Aren't Just Outside the U.S.: Most corn exported from Nebraska doesn't go overseas. It goes to livestock operations in the southwest and west coast in the form of whole corn or distillers grains. Still, international exports of corn help support corn prices for Nebraska farmers by building global demand.

DISCOVERING WHAT'S NEXT FOR CORN



Ethanol. Bioplastics. Acceptance of distillers grains in the livestock industry.

All of these markets for corn—and more—began with research. Each year, the Nebraska Corn Board solicits new research proposals from the University of Nebraska–Lincoln focused on the checkoff's mission of creating new markets and building demand for corn.

"Tighter budgets within the university system make checkoff support increasingly vital and important," said Debbie Borg, a farmer from Allen and director on the Nebraska Corn Board. "With checkoff support, we can collaborate with UNL to fund research that has a direct impact on Nebraska's corn and livestock industries."



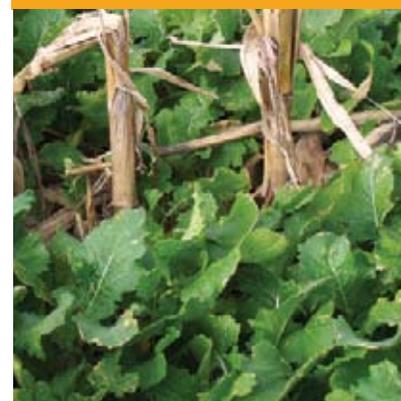
Applied research is targeted to the here and now—information that producers can put to use in their fields immediately to improve production and profitability. Checkoff dollars are currently funding the following:

- Projects focused on **increased input efficiency** from water to nitrogen to micronutrients.
- The use of **cover crops** as a means to improve soil health, conserve moisture and reduce input costs.
- The efficient use of distillers grains in the beef industry, particularly when used to **supplement pasture or cornstalks**.
- Management strategies for **cattle producers** in response to drought.

Basic research is focused on the "what if" exploration of long-term possibilities. Checkoff funds are invested in this area in a number of ways:

- The Nebraska Corn Board has endowed a **Presidential Chair** at the Institute of Agriculture and Natural Resources (IANR) at the University of Nebraska–Lincoln. This faculty member will be dedicated solely to corn research, with an emphasis on exploring what's next in terms of added value, improved production and new demands for corn.
- Other basic research projects with UNL include the development of **biofibers**, the study of the nutritional value of **cornstarch in human diets**, and additional research focused on matching nutrition to the **unique bacterial environment** that exists in each individual's digestive system.

In the Lab and in the Field:
Research funded by the Nebraska Corn Board covers the gamut. Basic research explores possibilities and potential for new uses for corn. Applied research, such as that focused on cover crops, puts research findings directly in the hands of corn farmers to improve profitability, production and stewardship.



Partnerships for Water Management: Corn checkoff funds have helped support UNL research on irrigation management, including the Nebraska On-Farm Research Network which brings farmers from across the state together to apply new management practices and share the results.



TRADE MISSIONS BUILD MARKETS AND RELATIONSHIPS

Members of the Nebraska Corn Board and other Nebraska ag group representatives periodically take part in international missions, many of which are sponsored in part by the cooperating organizations the board funds.



Recent missions have involved:

- Working with Japanese retailers and restaurants as U.S. beef re-entered that market after a decade of BSE-related concerns.
- Assessing the capabilities of key competitors in Brazil, Argentina, Ukraine and other emerging grain producing nations.
- Gaining a greater understanding of the grain importation, handling and distribution systems of international customers.
- Meeting with officials in the European Union to discuss key issues such as biotechnology, biofuels and trade issues.
- Discussions with Brazilian ethanol leaders to explore potential partnerships in promoting biofuels around the world.
- Monitoring the in-country activities and investments of major cooperators such as the U.S. Meat Export Federation and U.S. Grains Council.

It all matters in terms of helping board members make informed, intelligent investments with Nebraska corn checkoff funds. Having Nebraska farmers and ranchers on these missions also puts a face on Nebraska corn, beef and pork—and that has a powerful impact in the international marketplace.

“Business in many foreign nations is about establishing trust—and that only happens face-to-face,” said Tim Scheer, a farmer from St. Paul and chairman of the Nebraska Corn Board. “We operate on a global scale—and we need to understand the challenges and opportunities that exist for us and for our international customers.”

TELLING THE STORY OF AGRICULTURE

It’s no longer enough for farmers to simply grow food. In today’s world, consumers and media are asking questions about how their food is grown, the impact on the environment, and how farmers are treating the land, the water and the animals they raise. GMOs, animal welfare, sustainability and food safety are questions on the minds of consumers—and farmers and ranchers need to provide answers.

“If we don’t tell our side of the story—based on science and fact—then all consumers are going to hear are the misinformed opinions and myths of those who are anti-agriculture,” said David Merrell, a farmer from St. Edward and a director on the Nebraska Corn Board. “Farmers need to engage with the public to earn their confidence, trust and understanding.”

The Nebraska Corn Board is ensuring that Nebraska farmers are telling their story consistently and effectively to the general public, policy makers and opinion leaders. At the same time, a number of checkoff-funded initiatives are focused on creating one-on-one conversations and experiences that allow consumers, students and influencers to gather balanced information that can lead to better-informed decisions.

Participating in the National Conversation about Food:
Through its support of the National Corn Growers Association, the Nebraska Corn Board provides funds to the U.S. Farmers and Ranchers Alliance (USFRA), a coalition of several dozen commodity groups from row crops to livestock to vegetables. USFRA sponsors a series of Food Dialogues in major cities, which bring together experts representing a wide range of perspectives and opinions to discuss important issues in agriculture, food production and food choices.



Farm Women Talking with Urban Moms:
CommonGround® is a national program that prepares volunteer farm women to communicate one-on-one with their urban counterparts about food production, farming, and other topics of concern to consumers. Many of these conversations take place in grocery stores. In this photo, Lana Hoffschneider, a farmer from Waco, talks with grocery shoppers.



Support for Raising Nebraska:
The Nebraska Corn Board was the first major funder of Raising Nebraska, the award-winning interactive ag experience in the new Nebraska Building on the Nebraska State Fairgrounds. This exhibit, staffed by a full-time Nebraska Extension educator, is available year-round for school groups, consumers and others to learn more about their food and the people who grow it.



COLLABORATIONS FOR EVEN GREATER IMPACT

Collaboration is a cornerstone of the Nebraska Corn Board. The fact is that addressing challenges and capitalizing on opportunities requires significant resources and strategic partnerships with other like-minded agriculture advocates.

Through its support for the **National Corn Growers Association (NCGA)**, Nebraska checkoff dollars are leveraged with those of other corn-producing states to create programs and initiatives that are national in scope and impact. From “Know Before You Grow” biotech stewardship education to high profile consumer and influencer outreach programs; from the American Ethanol NASCAR sponsorship to white papers on critical issues such as transportation and biofuels, NCGA provides the leadership and partner-building influence to make a difference on a national scale.



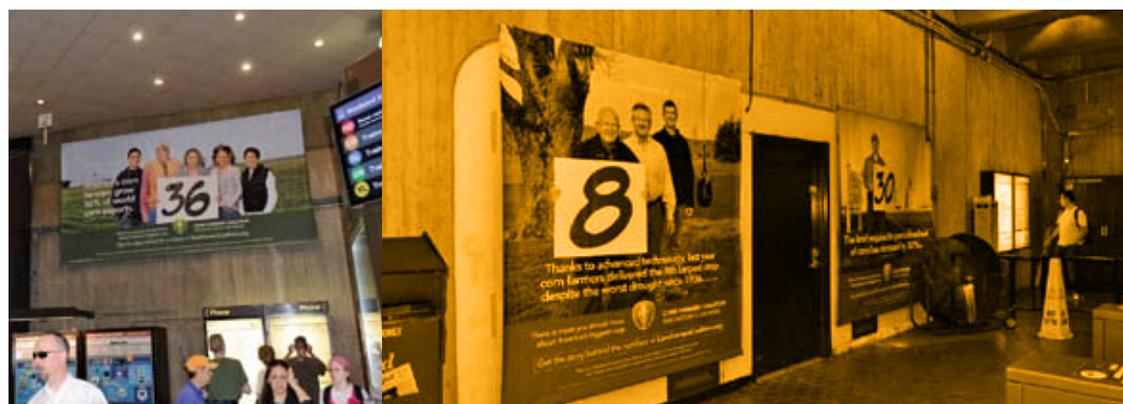
“There is great power in our ability to leverage Nebraska checkoff dollars with those of other corn states,” said Jon Holzfaster, a farmer from Paxton, director of the Nebraska Corn Board and member of the NCGA board of directors. “The synergy created by this partnership has led to some significant achievements in terms of market development, education and federal policy.”

Within Nebraska, the Nebraska Corn Board works closely with the **Nebraska Corn Growers Association (NeCGA)** to conduct promotions, grower education programs, communications, and outreach with its current membership.

The Nebraska Corn Board continually seeks opportunities to achieve its objectives and stretch its budget by partnering with a wide range of organizations—from livestock groups to college campuses, from media outlets to other state agencies.

“We work very hard to avoid duplication and focus instead on amplification,” said Brandon Hunnicutt, a farmer from Giltner and director on the Nebraska Corn Board. “If we can share in the cost and make a project even bigger and better, we really don’t care who gets credit. This is about making the most of checkoff dollars to get the biggest return on investment.”

Corn Inside the Beltway: Nebraska checkoff dollars help place pro-corn messaging inside the metro transit system in Washington, DC to inform policymakers and staffers about innovation and stewardship in corn production. This project is implemented by the **Corn Farmers’ Coalition (CFC)**, which is co-funded by a number of corn states and NCGA.



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The difference between the Nebraska Corn Board and the Nebraska Corn Growers Association.

There are two major entities in Nebraska that represent corn farmers. While they work together in many ways, their structure and mission are very different:



- Supported by all 23,000 Nebraska corn farmers through their checkoff
- Represented by a nine-member appointed board
- Charged with investing funds for research, promotion, education and market development
- Prohibited from influencing policy on the state level
- Limited policy influence on the federal level



- Comprised of dues-paying members who choose to join the association
- Led by a 21-member board of directors elected by the membership
- Engages with state and federal policy makers to lobby on behalf of corn farmers
- Participates in grassroots policy development through the National Corn Growers Association

DEVELOPING AGRICULTURE ADVOCATES



The Nebraska Corn Board invests in a number of initiatives that focus on youth development and provide leadership training and opportunities, including:

- Partnering with the Nebraska Soybean Board to fund the **Nebraska Corn/Soy Mentor program**, providing college students with the experiences and information they need to become strong advocates for agriculture.
- Supporting the programs of the Nebraska Farm Bureau Foundation, particularly its **Ag in the Classroom** initiative which connects elementary students across Nebraska with food production, agriculture and farmers and ranchers.
- Providing **internships for college students** within the Nebraska Corn Board office as well as with major cooperators such as the National Corn Growers Association (both St. Louis and Washington, DC office), U.S. Meat Export Federation (Denver), and U.S. Grains Council (Washington, DC and international locations).
- Support for **Nebraska LEAD**, a young leader development program that has had a dramatic impact over the past 30-plus years. Many Nebraska ag leaders, including members of the Nebraska Corn Board, are LEAD graduates.
- Support of the **Nebraska Food Project** in partnership with the Nebraska Department of Education. The project provides Family & Consumer Science teachers from across Nebraska hands-on agricultural experiences including tours of livestock production (beef, pork and dairy) as well as corn and soybean field tours.
- Sponsorship of the **FFA Ag Issues Academy**, which engages high school students through discussions of key issues facing agriculture.
- Support for the **DC Leadership Visits** which provide college students and young farmers the opportunity to attend NCGA Corn Congress and make Hill visits to policy makers.



The Nebraska Corn Board provides a flex fuel van for the state FFA officers as they travel across the state.



Connecting the Campuses: The Nebraska Corn Board supports **Husker Food Connection**, an annual event at UNL that brings students from the College of Agricultural Sciences and Natural Resources (CASNR) to the UNL City Campus for a meal and conversations about where food comes from and how it is produced.

NEBRASKA CORN BOARD STAFF

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Corn checkoff funds helped support the development of the Commodity Trading Room at the Agriculture Economics department at UNL.