

2023



Annual Report



Working for Corn Farmers



RAY ALLAN MACKEY
CHAIRMAN

Kentucky Corn Promotion Council

Keeping the right balance among programming and priorities is a challenge for any organization and Kentucky Corn Promotion Council is not exempt from this. Actually, I would suggest that we are presented with a bigger challenge in that arena than most, given our small (two-person) staff and Kentucky's broad diversity within our agriculture and grain industry. I believe we punch way above our weight class, but prioritizing programming is a complicated element of what we do that we always contend with given the size and scale of our organization.

Over the winter, we revised our strategic plan – Josh will discuss that effort in more depth in his column, but I will say the overall result was a confirmation among the farmers in the room to be sure the priority in programming remains corn demand: bolster markets and seek new uses. First and foremost, we exist to get rid of the pile of corn that farmers create each year. Under my watch, we will never lose sight of that. Ever.

After confirming corn demand as priority number one, we had a very robust discussion about the importance of consumer interaction through our communications programming. The farmer-led strategic planning team instructed staff to bolster communication efforts and the Council invested farmer checkoff funding to empower those goals. Last spring, we repurposed some consumer communication assets relating to mid-level ethanol blends for an information campaign throughout the KY Derby Festival. That investment culminated with an aggressive media buy on race weekend. You can read about that campaign on page 8.

Consumer awareness and acceptance are critical to a healthy corn demand portfolio and we attain that through interaction with them. Furthermore, grain farmers' perception and image to the public are very important to the success of many of our advocacy efforts. As urban consumers are distanced from their own experiences on the farm and in rural life, we risk a lost connection with our customers. In some cases, we need to restore trust and enhance our ability to remind everyone of our commitment to the many priorities that we share with consumers.

Recognizing that, we are building a project to celebrate farmers through the seasons of a farming year, starting with developing a media kit around the act, or ordeal, of harvest. "This is Harvest" has been filmed and is in production for release next fall. It encompasses the family aspect of harvest season farming roles. It will pull at the heartstrings and remind consumers that food comes from hardworking, dedicated families. We are also gearing up for a similar themed media kit that expresses the excitement and anticipation of planting a crop, we envision it to be entitled "Are You Planting Yet?" Over the next couple of years, we intend to place this material in front of urban consumers to reconnect them to their farming roots, that may be generations past, but we know is still there.



JOSH LANCASTER

PRESIDENT

Kentucky Corn Growers Association

Anyone who knows me knows that I am an intense planner and strategist. In my opinion, a sound plan is more than just the key to success – it is the only way to achieve true success because even if you don't fail from lack of a plan, you would have succeeded better with a plan.

My farming operations are meticulously planned, each enterprise has its own plan. It sometimes requires more work and willpower on the front end, but I think it is so important to take the emotion out of decision-making, and having a plan helps ensure that. Plans allow processes to continue in someone's absence. Plans keep the whole team focused and informed on how priorities have been set. When circumstances change, the plan and the backup plan are the first resources we go to to adjust course in response to the change that has been presented. Since our occupation is one of society's riskiest, I want to control what I can control and I must know my steps for reacting to factors that I cannot control.

I think this is a great philosophy for the industry and for the Kentucky Corn Growers Association to follow, as well. So, as the Association President I was pleased to have the opportunity to chair a group of fellow farmers on the Corn Board and Promotion Council in our effort to update our strategic plan. Our strategic plan is on a 5-year review cycle. In this review cycle, our plan evolved slightly. As we assessed our current environment we made some key observations.

Evolving risks and challenges will continue to confront Kentucky corn farmers – markets, weather, inputs, regulation, public attitudes/activists, sustainability, ethanol demand, farmer demographics, and needs of next-generation farmers.

KyCorn has up-side opportunities to leverage on behalf of farmers – the discovery of new uses/products, more global demand, higher blend biofuels, and technology.

Kentucky Corn Growers Association seeks to maximize those opportunities and prepare Kentucky's corn farmers to overcome those risks and challenges. You can reach out to us for a complete report of our effort to evaluate our industry's past, present, and future. But, here is a summary of the outcome of this exercise:

The Purpose of Kentucky Corn is to:

1. Protect and grow corn markets.
2. Shape a supportive business environment for KY corn farmers to help them succeed.

We set Four Strategic Objectives:

1. Support More Corn Demand

Actively collaborate with leaders of traditional corn markets to help protect those markets and leverage opportunities to grow more corn demand in these markets.

2. Discover New Markets/Uses

Work with partners to develop new domestic and global markets and collaborate with others to invest in the discovery of new uses and new products to help drive corn demand.

3. Help Farmers Navigate Change

Assist KY corn farmers in recognizing emerging public and political trends that can impact their farm operation and encourage the adoption of measures by farmers that help mitigate public concerns.

4. Implement Effective Advocacy

Elevate trust in KY corn farmers among policymakers, regulators, influencers, and the public to help support creating reasonable and workable policies and practices that impact the business of corn farming.

Trust me, I don't participate in the process of developing a plan just to let it sit on a shelf. Just as in the previous version of our strategic plan, every action we take and every investment we recommend to the Council will relate to the outline we have identified here.

You will see in the remainder of this report that we have followed our plan. We will continue to follow it because that ensures the highest likelihood of success for you and me. It is our responsibility to you when you entrust us with these advocacy leadership roles and to appoint the farmer leaders on the Promotion Council to be stewards of the resources you provide through the Kentucky Corn checkoff program.



Farm-Focused Information from University of Kentucky

Practical, unbiased decision-making is enabled by a strong land-grant research program. Kentucky Corn Promotion Council works closely with University of Kentucky researchers to identify topics that affect farm profitability and develop solutions to problems that Kentucky farmers encounter. Corn checkoff funding assists in the efforts of this world-class group of scientists that are assembled in Kentucky. A snapshot of some of the research projects supported this year can be reviewed on this page.

Optimizing Nitrogen Use

Continued research in corn following cover crops demonstrates tremendous value to the farmer in applying most of the fertilizer nitrogen at sidedress when corn is about V3 to V4. Rob Nalley working with Drs. Chad Lee and Hanna Poffenbarger learned that delaying most of the nitrogen to sidedress decreases the total amount of nitrogen needed and increases corn yields. Of the small grains used for cover crops, barley may be the best option since it prevents soil erosion but is not as competitive for nutrients as corn.

Kentucky Corn Promotion Council also provided resources for the investigations of:

- **Wheat and Barley as a Replacement for Rye Cover Crop**
Dr. Chad Lee
- **Ground-Truthing Drone Fungicide Efficacy**
Dr. Kiersten Wise
- **Cereal Rye Termination Before Corn**
Dr. Erin Haramoto
- **Soil Fertility**
Dr. Edwin Ritchey
- **Effects of Genetic Improvement and Increased Plant Populations on Corn Residue**
Travis Banet and Dr. Hanna Poffenbarger

Italian Ryegrass Control in Corn

Italian ryegrass (not to be confused with cereal rye) has escaped as forage cover crop contributing to a problematic and increasing issue in wheat. It is becoming an increasing problem in no-till corn and soybean fields as well. Dr. Travis Legleiter is studying management options to limit the spread and development of herbicide-resistant Italian ryegrass in no-till corn fields.

Late-Season Nitrogen

Dr. John Grove is studying whether corn benefits from fertilizer nitrogen applied to the VT/R1 growth stage of corn. Since corn takes up about 50 to 60% of the total nitrogen by VT/R1, the late-season application, in theory, could improve nitrogen uptake and use by the corn plants. So far, those studies suggest that a late-season nitrogen application is not necessary when adequate nitrogen was applied earlier.

Research

Kentucky Farmer Leaders Invest in Science to Level the Playing Field for Ethanol

As policies drive both domestic and global automotive priorities toward decarbonization, it becomes ever more important to ensure that the advancements in corn starch ethanol's carbon score are recognized. To find a level playing field, we must prove the dramatic environmental advancements and efficiencies that ethanol production and corn farming have accomplished over the decades. Outdated models that do not recognize how farmers and ethanol producers have improved efficiency stand in the way of ethanol's ability to be utilized in a new green economy. They simply must be updated, and the updates must be acknowledged by decision-makers.

An example is an outdated provision from the Renewable Fuels Standard (RFS) that prevents corn starch ethanol from being categorized as an advanced biofuel. There are several billion gallons in play on a single decision of whether EPA regulators will recognize updated predictors, like the GREET Model, that consider the progress made in cutting the carbon intensity of ethanol since the RFS was enacted.

It is up to us to ensure that this story is noticed, understood, and accepted by regulators, policymakers, and international customers who make decisions from these carbon intensity analyses. Ethanol opponents and competitors for these gallons do not want the world to know about the opportunities ethanol provides to decarbonize automotive fuel.

This year, the Kentucky Corn Promotion Council invested in strategies to ensure published analyses from resources like the Department of Energy's Argonne National Laboratory are noticed and accepted. That body

of modeling, once improvements in corn farming and ethanol production are inserted, concludes corn ethanol's carbon intensity decreased by 23 percent from 2005 to 2019 due to increased corn yield, reduced fertilizer intensity, and improved ethanol production efficiency, with corn ethanol now between 44 and 52 percent lower in carbon intensity than the gasoline it replaces.

KYCPC also invested in partners' efforts to point out Argonne's analysis is consistent with recent research from Environmental Health and Engineering, with contributors from Harvard and Tufts Universities, that corn ethanol today is 46 percent lower in carbon intensity than gasoline, with the potential for further reductions from additional corn feedstock and production process improvements.

This information is necessary for the next step in ethanol adoption and would not have otherwise been compiled if not for farmer-directed investments from corn associations and ethanol interests. You must shout it loud for the people in the back to hear – and that takes dollars.



Innovative New Uses

Låkril Technologies, LLC, a startup company based in the Chicagoland area successfully commercialized technology originally developed at the University of Minnesota at the Center for Sustainable Polymers. The technology, which utilizes catalysts instead of fermentation, converts lactic acid derived from corn into acrylic acid. The resulting plant-based acrylic acid from corn serves as a seamless replacement for acrylic acid traditionally produced from fossil fuels. This innovative solution has found applications in various industries such as paints, coatings, adhesives, and superabsorbents (diapers). This technology is opening the door for the use of corn in new applications and contributing to the expansion of corn grind.

Ethanol Fuel Cells

Another group of technologies involves using ethanol in unique ways. Startup company ClearFlame Engines, secured \$30 million in funding in early 2023 to continue the development of a compression ignition engine (diesel) that runs on denatured (98%) ethanol. Additionally, a consortium of 13 corn checkoffs, supported by state corn organizations and national corn, are funding Direct Ethanol Fuel Cell research at the University of Central Florida. This new technology, uses a fuel, such as ethanol or hydrogen, to power an electric generator or motor. Both of these technologies will expand the use of ethanol as a fuel outside of the traditional light-duty vehicle market.



Ethanol Market Development

Investing to Make Ethanol for Aviation a Reality

Over the past couple of decades, corn utilization from ethanol has grown at a staggering rate. In 2003, one billion bushels of corn demand came from ethanol to over 5.4 billion bushels forecast for 2023-2024. American corn farmers met the challenge of providing feedstock for new priorities for clean and green liquid fuel sources. Our nation's ethanol production capacity ramped up, from essentially non-existent to almost 200 plants able to produce over 17 billion gallons, over the same period.

But, liquid motor vehicle fuel demand, from both ethanol and petroleum, is flattening. Kentucky Corn recognizes the importance of ethanol to farm profitability and administers several programs, that you can read about in this report, focused on expanding future demand for cars. We also know it is imperative to think beyond cars for investment in other fuel technologies. Sustainable Aviation Fuel (SAF) is the opportunity that first comes to mind to take ethanol to the next level, into the skies. While several industries

are vying to de-carbonize aviation, we are working hard to earn that opportunity for corn ethanol.

To that end, our investments over 2023 have focused on technology development and information/awareness. We have commissioned studies to communicate corn's strengths and to understand our competitive disadvantages better so we can develop solutions. We can provide you with the findings from those efforts – just ask us. State corn associations, including Kentucky, have worked with NCGA to host leaders from stakeholder industries in informative and strategic SAF Summits, meetings, and panels regularly as well as on-farm tours to help aviation fuel supply chain professionals understand corn as a feedstock for SAF.

Kentucky Corn Growers Association director and farmer leader Brandon Hunt and staffer Adam Andrews visited with aviation giant Boeing in the spring to keynote corn

ethanol's opportunity for aviation. We also maintain the critical relationships with airline companies such as Southwest and United that we developed many years ago on this topic. For technology development, we have fostered relationships with companies like Gevo, Virent, and Vertimass. All of these efforts work towards a long-term strategy to place corn in the fuel tanks of airplanes. If fully realized, aviation has a demand opportunity that is nearly six-fold our current annualized US ethanol production.

In this operating year, we also hosted the airlines for a farm tour and candid discussion on corn grain as the feedstock. We've also hosted panels at ABLC 2022 in Washington D.C. and San Francisco that focused on using corn grain as a feedstock for SAF. Finally, we've worked with DOE as they pursue their SAF Grand Challenge and have successfully worked with them to prioritize using corn grain and the alcohol-to-jet pathway.

Enabling More E-15 Access at the Pump

Retail dispensing infrastructure is a major barrier to the wider adoption of mid-level ethanol blends. Unleaded 88 is the most common mid-level ethanol blend, and it is authorized for use in nearly 100 percent of America's cars on the road. Your checkoff resources are carefully invested to fill the infrastructure gap. Here are a few specific programs that come from funding through Kentucky's corn checkoff program.



FDI Prepares Gas Pumps for More Ethanol

Over the past three years, farmer-directed funds from the Kentucky Corn Promotion Council have been invested in a Fuel Dispenser Infrastructure (FDI) program to standardize gas pumps for certification of blends up to E-40. Underwriters Laboratory (UL) is the authority in this field, and FDI ensures UL certification of new pumps into the marketplace by enacting manufacturing contracts with three companies that comprise the near entirety of the fuel dispenser manufacturer industry (Bennett, Gilbarco, Wayne/Dover). FDI's objective is to achieve 100 percent saturation of gas pumps legally capable of dispensing more ethanol.

FDI has been nearly a decade-long priority, and we achieved signatures on the final contract in 2022. The results are indisputable – 82,000 dispensers were placed into service with UL E-25 or UL E-40 certification that otherwise would not have been. This takes the question out of the materials-compatibility issue for retailers to expand their fuel offerings. Another feature of this strategy is to satisfy materials-compatibility concerns for octane standard policy, such as the Next Generation Fuels Act. If such legislation is advanced, it would expand mainstream ethanol adoption beyond E-10, for all gallons, to E-15 or E-25. In such a scenario, the potential impact on ethanol demand ranges from 7 billion additional gallons to 20 billion additional gallons, or 2.5 to 8 billion more bushels of corn grind to ethanol.

Corn Checkoff Investment Eases the Transition to Unleaded88

Additionally, in 2023, USDA announced a third round of its "Higher Blends Infrastructure Incentive Program" (HBIIIP) of grants to assist retailers in purchasing and installing pumps to sell mid-level and high-level ethanol blends. The program seeks to mitigate retailers' up-front cost of adding more fueling options at their stores. The program works. Initial investment for the retailer is high, but the sales data is overwhelming for consumers choosing Unleaded 88 when it's an option at the pump. HBIIIP seeks to take the sting out of that up-front cost to allow the retailer to observe consumer behavior, which often leans heavily toward Unleaded 88.

USDA's HBIIIP grant system, combined with partial match funding from KYCPC, is responsible for about 80% of the Unleaded 88 dispensers in Kentucky, namely via Thorntons and Casey's convenience stores partnerships. A primary hurdle to that program's success, especially for mom-and-pop retailers, has been the complex grant writing and regulatory interpretation that comes with installing new pumps, tanks, and piping. We detected that some retailers needed help working through the minutia of a federal grant application and following through on their award stipulations. That legal advice isn't covered in the grant, so with state corn checkoff investments from Kentucky and others, NCGA has provided a pool of resources to assist retailers in hurdling those tasks. It keeps the retailers focused on their task at hand: providing customers with more fueling options, instead of hiring regulatory lawyers and fuel systems engineers.



Ethanol

CONTINUED

Supporting Ethanol Communications in Washington D.C.

Since August 2022, Kentucky Corn and other state associations have participated in shaping ethanol communications led by NCGA in Washington D.C. These efforts have focused on sharing the positive impacts of corn ethanol with policymakers, key government officials, energy influencers, and the media. Farmer-directed funding from state corn checkoff investments has enabled this very successful campaign.

The features of this campaign included raising awareness of the ways ethanol can support consumers, energy security, and the environment through a steady drumbeat of content across digital platforms, educating media, policy influencers, and industry stakeholders. This laid the groundwork for direct calls-to-action around legislation to expand ethanol access and expand future corn grind.



Unleaded 88 Spotlights During Derby Season

In Louisville's urban center, no annual event is watched more closely than the Kentucky Derby and the lead-up to Derby Day. In fact, the Louisville market gets higher viewership on Derby Day than on Super Bowl Sunday. The spectacle brings more travelers into Kentucky's city from the region than any other week of the year. For Derby 2023, we took advantage of these opportunities of so many eyes glued to televisions to talk up the benefits of Unleaded 88 in our "Dad-Approved" campaign. Kentucky Corn repurposed a television commercial developed by Illinois Corn for the Super Bowl, along with connected television assets and digital streaming spots for various platforms. Recognizing the importance of ethanol demand to farmers' bottom lines, the Kentucky Corn Promotion Council invested farmers' checkoff funding into airtime for an immersion during the Derby Festival. The project resulted in over 3 million impressions over two weeks. We monitored consumer actions, like clicks (in the thousands) and digital ad completion rates (nearly one million), so we know our message resonated. The messaging demonstrated the three main points that we try to brand with Unleaded 88: safe for your car, easier on your wallet, and better for the planet.

Ads Featuring Ethanol Benefits Shared 3 Million+ Times During Kentucky Derby.

Good for your wallet. Good for your car. Good for the planet.

These were the messages shared with consumers during the widely watched Kentucky Derby as part of Kentucky Corn's campaign highlighting the benefits of Unleaded 88/E15.

The Kentucky Derby broadcast and pre-event coverage was a prime opportunity to reach a captive consumer audience with the economic, environmental and engine safety messages related to fueling up with corn-based ethanol. The campaign also leveraged digital and streaming channels, ultimately driving more than three million impressions - with 74% from live television and 26% from digital content.

Multiple online media channels shared ethanol information with consumer audiences.

Nourishing Conversations at the State Fair

The Kentucky State Fair provides a stage for countless conversations with customers about family farms providing an abundant food supply, how corn plays a role in making most meals possible, the advantages of corn ethanol as a renewable fuel, and farmers' commitment to protecting the environment's natural resources.

Attendees of the 2023 Kentucky State Fair had many opportunities to learn about corn. Under the Great Kentucky Proud Cookout Tent in the midway, Kentucky Corn administered "The Corn Shack" booth, serving roasted sweet corn and beverages in cups that displayed a QR code driving customers to a consumer-focused webpage. The page explained the many uses of corn in everyday life and the impact of corn on Kentucky's economy. We estimate that the campaign drove 60% of customers to the webpage.

Kentucky Corn also highlighted the importance of family farms through its AgLand display, located in the South Wing. The exhibit showcased how agriculture is continuously working to provide nourishment to consumers in an environmentally sustainable way.



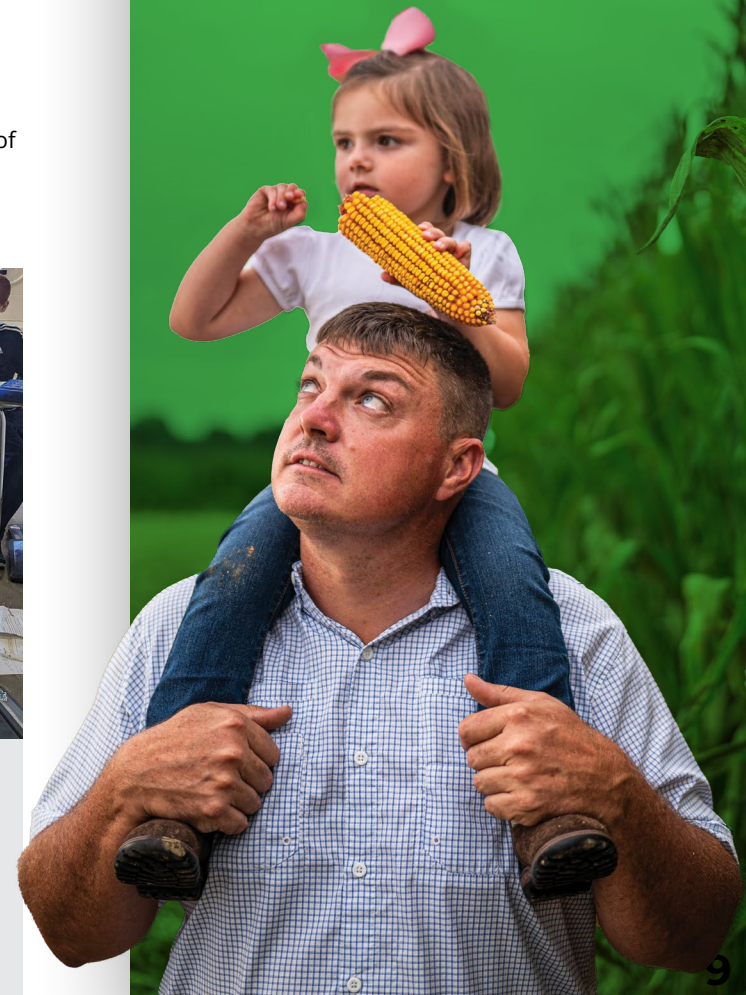
Bringing Agriculture to Kentucky Classrooms with Corn

The Kentucky Agriculture and Environment in the Classroom, with the support of the Kentucky Corn Growers and Kentucky's other farm organizations, continues to share lessons, resources, and programs with students and educators. Over the past year, there has been an amplified effort to showcase career opportunities in agriculture, and the Kentucky Farms Feed Me Virtual Field Trip Series, which Kentucky Corn initiated, continues to be the most widely used program in our commonwealth's schools. The field trip to a corn farm was the most-watched video in 2023, with 3,700 views. This year, Kentucky Corn will be part of an effort to educate Kentucky's top high school science teachers about food and energy production. To view the lineup of available agriculture education programs, visit www.teachkyag.org.



Students in Lawrenceburg played Bushels or Bust this fall to learn the challenges of growing a crop of corn. Anderson County Conservation District is just one of the hundreds of educator partners that utilize TeachKyAg's resources.

Public Outreach



Advocacy and Global Impact

Kentucky Farmer Brings the Farm to EPA

Kentucky corn growers took time away from their farms to testify before the Environmental Protection Agency Scientific Advisory Panel (SAP) about the importance of Atrazine. Throughout the three-day meeting, a group of farmers and farmer advocates provided independent scientific feedback on EPA's draft white paper, Examination of the Microcosm/Mesocosm Studies for Evaluating the Effects of Atrazine on Aquatic Plant Communities, submitted to the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) SAP for peer review.

Hopkinsville farmer Joseph Sisk shared his support by advocating for the continued use of Atrazine. In his testimony, he highlighted the positive contributions atrazine makes to soil health and sustainable farming, explaining how weed control is critical to a successful no-till program. EPA's hearing was virtual, so it gave Joseph the opportunity to be unique in his presentation.

He presented his testimony live from his cornfield! He showed members of the SAP exactly what tools they would be taking from farmers, and what environmental consequences would come from a poor decision on their part. During the hearing, he was joined by growers from other states and several other commodities, but suffice it to say, his message was the hardest to ignore.



Corn Vital to the Poultry Industry

Kentucky Corn works closely with the USA Poultry & Egg Export Council's Trade Policy Task Force to make export connections and create global market opportunities. The U.S. poultry and egg industry is one of the largest users of U.S. corn, accounting for 15.3 percent of all the corn produced in the U.S. In Kentucky, the poultry industry consumes 25-30% of the corn produced in the state, with one in every four rows of corn going to feed poultry. This mutually beneficial relationship between corn farmers and poultry producers is vital to creating demand and strong relationships with importers.

Kentucky Corn Takes Stand Against Mexico's Biotech Corn Ban

Kentucky Corn actively addressed Mexico's proposed ban on biotech corn imports. In collaboration with the National Corn Growers Association and other state associations, Kentucky Corn signed a letter urging President Biden to protect this crucial market for U.S. corn. The letter emphasized that the ban lacked scientific basis and highlighted the safety and benefits of biotech corn.

Additionally, Kentucky Corn supported NCGA in calling on the U.S. Trade Representative to initiate a formal consultation under the U.S. Mexico Canda Agreement, as the ban would disrupt planting decisions and impact the industry on both sides of the border. Kentucky Corn urged swift action to ensure a resolution and maintain stability in corn exports to Mexico.

Farm Bill

Kentucky Corn has worked to ensure the next farm bill addressed the priorities of corn growers, focusing on four main areas. First, there was a strong emphasis on safeguarding crop insurance, recognizing its pivotal role in providing market-oriented risk management tools for growers in the face of yield and revenue losses.

Another priority was the promotion of international market development for increased funding for both the Market Access Program (MAP) and the Foreign Market Development (FMD) program to bolster U.S. agricultural exports and facilitate the expansion of commercial markets for agricultural products. Support for voluntary conservation programs was also emphasized, aiming to utilize USDA initiatives to combat weed resistance, enhance farmer-led watershed projects, and expedite the adoption of innovative conservation practices.

Kentucky Corn also advocated for the need to strengthen the Producer Safety Net by updating the base acre and enhancing the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) commodity programs. This involved advocating for increased payment rates, coverage levels, and reference price escalators while opposing any reductions in payment and adjusted gross income limits.

Strengthening Global Grain Partnerships

Kentucky Corn Checkoff funds are strategically deployed to enhance global demand, emphasizing American grain farmers' advantages such as dependable maritime transportation and on-farm investments in storage and handling systems. While infrastructure showcases are crucial, the personal relationships forged between family farms and international buyers remain pivotal in the face-to-face nature of global grain trade.

During harvest season, Kentucky Corn utilized checkoff dollars to host two significant tours. The first welcomed Asian poultry feeders, guiding them through Kentucky's agricultural landscape and showcasing various aspects of grain production, from harvest operations to ethanol and DDGS production. The second tour hosted GRUMA, a Mexico-based company, and welcomed their executive-level procurement team, focusing on white corn producers and exploring river transportation capabilities.

These initiatives, orchestrated in collaboration with the U.S. Grains Council, Kentucky Farm Bureau, and Kentucky Distillers Association, highlight Kentucky's commitment to being a reliable provider of top-quality corn and derivatives on the global stage. The message is clear: united efforts within Kentucky's agricultural sector matter, reinforcing our state's position as a dependable source for global corn and corn products.



Impressive Returns to the U.S. Corn Industry

As a non-profit association, the U.S. Meat Export Federation (USMEF) works to create new markets and sustain the growth of existing ones for U.S. beef, pork, and lamb. Kentucky Corn leaders volunteered time and travel to demonstrate why corn-fed meat exported from the U.S. is superior to competitors from other countries. Kentucky Corn Promotion Council investments play an important role in enabling these international promotions; the relationships built on face-to-face interaction and handshakes with foreign meat retailers and chefs to incorporate our products are what really move the needle.

Kentucky saw a boost of \$52.12 million in pork and beef exports due to these efforts. As grain farmers work to maintain their margins and balance higher input costs, the additional revenue generated through exports creates a key marketing opportunity. The impact of pork and beef exports on the per-bushel value of U.S. corn and soybeans remains at its highest on record. USMEF is an avenue that not only opens doors for enhanced market access but also brings additional dollars back to the state and continues to pave the way for increased profitability among growers.

Advocacy

We've got
your seat.

NCGA Action Teams Make Impact on Farm Bill and Infrastructure Improvements

The National Corn Growers Association (NCGA) Action Teams, comprised of farmer leaders from across the country, help actively shape the future of our industry by guiding programs and carrying out the policies and priorities important to corn growers. This past fiscal year was a particularly critical time for the Risk Management & Transportation Action Team (RMTAT), with representation by Kentucky farmer, Richard Preston, who served as vice chair.

Researching topics most important to corn growers in the upcoming Farm Bill and presenting these views in Washington was a major focus of the team. Through their work, and drawing on the diverse needs of growers from different states, they determined the top considerations of NCGA membership, which largely involved a two-tier approach to the producer's safety net – a strong crop insurance program followed by an effective base reference price. For young Kentucky growers specifically, a mandatory base reallocation and fair safety net are critical. Outside of the Farm Bill, the team was also key in securing funding for improvements to locks and dams infrastructure, an important avenue for corn exports.



**Richard Preston,
Risk Management &
Transportation Action
Team Vice Chair**

July is for Corn Pollinating and Farmers Advocating

Members of Kentucky Corn's leadership and staff participated in the National Corn Growers Association's Corn Congress in Washington D.C. The week included Action Team Meetings focused on NCGA programs and priorities. During Hill visits, Kentucky Corn met with congressional delegation members to discuss key legislative priorities, emphasizing the passage of the Farm Bill with strong support for crop insurance, conservation, and export programs. Conversations also revolved around ethanol bills, including year-round E15 sales and the Next Generation Fuels Act, promoting higher ethanol blends.





Providing a Voice for Kentucky Farmers

The Kentucky Corn Growers Association continues to have strong and respected relationships with policymakers, regulators, and partner organizations. We mobilized our membership through calls to action on demand destruction via regulatory tactics.

Distorted CAFE Calculations

In response to the proposed rule by the U.S. Department of Energy on Petroleum-Equivalent Fuel Economy Calculations, our comments pushed back on the DOE's excessive crediting in Corporate Average Fuel Economy (CAFE) calculations, asserting that the DOE unfairly favored electric vehicles. The DOE added an arbitrary "alternative fuel factor" of 0.15 to the factual and science-based energy value calculations of liquid fuel versus electricity, resulting in a 6.67 times petroleum equivalency advantage for battery-electric vehicles. This manipulation, exemplified by the DOE's distorted CAFE score of 286.3 miles per gallon for a 2021 Chevrolet Bolt for instance, unjustly promoted the production of battery-electric vehicles.

GHG Emissions Standard for Heavy-Duty Vehicles

The proposed rule by the EPA on GHG Emissions Standards for Heavy-Duty Vehicles was a comprehensive initiative that primarily advocated for electrification as the sole compliance solution. Our extensive comments offered parallels between the EPA's authority in this proposal and the Clean Power Plan, referencing the latter's rejection by the U.S. Supreme Court in *West Virginia vs EPA*. Additionally, we highlighted concerns about the significant economic impact amounting to \$56 billion, the infeasibility of implementation, and the omission of clear obligations regarding considerations such as upstream emissions.

Clean Vehicle Tax Credit Integrity

Comments were also submitted in response to the Internal Revenue Service's proposed rule on Section 30D New Clean Vehicle Credit that addressed changes brought about by the Inflation Reduction Act. This Act modified the criteria for a tax credit, limiting it to electric vehicles with battery components or critical minerals that are not sourced from "foreign entities of concern". Despite the IRA instructing the IRS to release guidance by the end of 2022, the IRS missed the deadline and indicated in the rulemaking for Section 30D that they would address it in the future. Our comments objected to the IRS for disregarding Congress's directive to eliminate foreign entity influence from electric vehicle supply chains, citing three instances where specific instructions were skirted.

Grassroots Mobilization for Rational Electric Vehicle Policies

Another proposed rule by the EPA on GHG Multi-Pollutant Emissions Standards for Model Years 2027 and Later Light-Duty and Medium-Duty Vehicles served as the foundation for a grassroots action alert. We utilized their software for farmers' convenience and comment tracking to be sure we can prove our numbers in cases where farmers' comments are ignored in the final rule. EPA's projections of implementing a 67% shift to electric vehicles in the light-duty auto fleet by 2032, faced criticism for flawed assumptions and an overreach of authority. The rule aimed to elevate regulatory standards for a forced phase-out of internal combustion engines, regardless of EPA authority, consumer cost, or implementation feasibility, with an estimated impact of eliminating 1 billion bushels of corn demand.

Challenging Biased Regulations

A coalition of state corn groups including Kentucky Corn, Illinois Corn, Kansas Corn, and Missouri Corn, retained Boyden Gray and Associates (BGA) to oppose federal regulatory initiatives that favored certain technologies in transportation and energy, particularly related to the electrification of the U.S. auto fleet. In 2023, this coalition submitted comments on several regulatory issues, petitioned courts, and intervened in cases against unlawful efforts by both EPA and DOT, successfully objecting to biased federal agency appointments and highlighting instances of policy overreach. When advocacy and education fail, it is important to keep legal action as a possibility amid concerns about disregarded comments on flawed policies – Kentucky Corn has the resolve, and ability, to do this through collaborating with other state corn associations.

About

KENTUCKY CORN GROWERS ASSOCIATION is a dues-based, grassroots organization founded in 1982 to represent the interests of corn farmers. Its governance is from a Board of Directors made of six districts, with two elected directors from each district. Additionally, four regional corn growers' associations each send a representative. Three Directors are elected from agri-business entities. One representative from the UK cooperative extension is elected as well.

KENTUCKY CORN PROMOTION COUNCIL was established in 1994 by KRS 247.6027. The Council's governance is of four members appointed by the Kentucky Corn Growers Association, plus two members appointed by the Kentucky Farm Bureau and one member appointed by the Kentucky Commissioner of Agriculture. Its purpose is to direct funds collected through a state checkoff of one-quarter of one percent of the price of corn sold in Kentucky. The organization's goal is to create an economic environment to maximize on-farm profitability through market development, education, research, and promotion.



A Note from NCGA CEO Neil Caskey

The partnership between NCGA and Kentucky Corn is essential to the success of corn growers nationwide. It helps us focus on grinding more corn, increasing profitability and growing markets. We greatly value the investments made with NCGA and the leadership provided by Kentucky farmers. Below are just a few of NCGA's accomplishments this year. Thank you for your continued partnership, and I wish you a safe and successful 2024.

Ethanol Markets | Along with state and industry partners, we have installed more than 90,000 fuel dispensers equipped for up to E30 blends. And we were successful in getting the Next Generation Fuels Act reintroduced in Congress, which sets ethanol up for continued success.

Farm Bill Priorities | A comprehensive, bipartisan Farm Bill that supports and protects corn growers remains our focus as we look into next year. Grower advocacy is the backbone of our efforts – including nearly 8,000 messages to Capitol Hill and grower leaders who testified in front of the House and Senate Agriculture Committees.

Addressing Fertilizer Tariffs | Skyrocketing input costs were compounded in recent years by a nearly 20% tariff on imported phosphate. NCGA led the charge to communicate the economic impacts to farmers with federal agencies, the White House and Congress. This fall, a decision lowered duties retroactively to 2%. NCGA is focused on permanently reducing or eliminating duties.

Kentucky Corn Promotion Council

FINANCIAL REPORT

September 1, 2022 - August 31, 2023



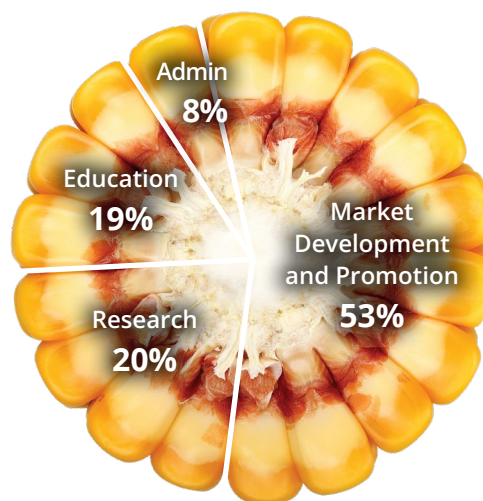
INCOME

Net Checkoff Income	\$3,110,509
Management Fees	\$30,000
Plot Combine Rent	\$25,000
Interest Income	\$154,962
TOTAL INCOME	\$3,320,471

EXPENSES

Operating Expenses	\$537,871
Project Expense	\$1,398,388
TOTAL EXPENSES	\$1,936,259
CARRYOVER	\$1,384,212

DISTRIBUTION OF EXPENDITURES



PROJECT EXPENDITURES

U.S. Grains Council	\$210,469
U.S. Meat Export Federation	\$100,000
USA Poultry & Egg Export Council	\$25,000
Kentucky Livestock Coalition	\$1,500
Promotion & Consumer Communications	\$36,146
National Corn Growers	
Base Funding	\$181,000
Ethanol Action Team	\$30,000
Market Development Action Team	\$30,000
Membership & Consumer Engagement	\$50,000
Production Technology Action Team	\$20,000
Sustainable Ag Research	\$20,000
Fuel Dispenser Infrastructure	\$47,000
Research Projects	\$214,241
Ethanol Programs	\$134,906
Education	\$94,185
Environmental Projects	\$31,981
Member & Media Communications	\$51,389
Local Corn Grower Activities	\$5,230
Annual Convention & Meetings	\$70,690
Trade Shows, Field Days & Displays	\$46,160

Staff



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Local Corn Grower Associations:

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Terry Wimp, Lincoln Trail
Tyson Sanderfur, Green River
Alan Hubble, Pulaski Co.

Industry:

Mike Chalfant, Bayer
Ronan Cummins, Agronomy One
John Danesi, Ky Expo Foundation

NCGA Team Members:

Richard Preston

- Risk Management & Transportation Action Team, Vice-Chairman
- Resolutions Committee
- Nominating Committee

Mark Roberts

- Production Technology Access Action Team

Josh Lancaster

- Ethanol Action Team

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