

Third Biotech Information Conference Presents Facts on Biotechnology

The use of biotechnology in crop production has gained rapid acceptance from U.S. farmers and consumers alike. In other parts of the world, however, resistance to biotechnology—and to U.S. ag products produced with biotechnology—still remains.

Helping to break down the biotechnology barriers through education and dialogue is the purpose of the International Biotechnology Information Conference, co-sponsored by the Nebraska Corn Board, the Iowa Corn Promotion Board, the U.S. Grains Council (USGC) and the National Corn Growers Association. The third annual IBIC conference took place in Nebraska and Iowa last fall, with over 90 participants from 30 countries.

“This conference brings together farmers, government officials and ag leaders from around the world for a first-hand look at how American farmers use biotechnology in their own operations—and how all of America benefits from the results,” said Don Hutchens, Executive Director of the Nebraska Corn Board.

“This group included foreign regulatory officials who make the rules about biotechnology in their individual countries and in the world,” Hutchens continued. “These are people who can have a direct effect on Nebraska corn producers’ ability to market their product globally.”

The conference followed a “rolling classroom” type of agenda. Through a series of field visits and seminars in Nebraska and Iowa, delegates acquired factual, science-based information on the uses and benefits of biotechnology, and experienced the realities of grain production and handling in the U.S.

In his presentation to the group, Hutchens pointed out that nearly 65% of the corn produced in Nebraska in 2004 utilized some form of biotechnology. That percentage is second only to South Dakota’s 80% figure, among major corn producing states.

“We explained the science and environmental benefits of biotechnology, and why U.S. corn producers use it,” said Hutchens. “They also had the opportunity to talk with actual corn growers right

in their corn fields—that’s where we really start to break down some of the myths that exist about biotechnology.”

Hutchens said another highlight of this year’s conference was an address by Dr. Norman Borlaug, Nobel Peace Prize laureate and World Food Prize founder. Borlaug told attendees that the world food supply will need to double over the next 30 years, and he called for an end to the debate over biotechnology, “He told us if biotechnology is going to help feed a world of 10 billion people in the 21st century, then we need to do a better job of explaining biotechnology’s benefits,” Hutchens said.

Participants touted the International Biotechnology Information Conference a success as they wrapped up the weeklong conference.

“You’ve given me a chance to know the farming system, the technology, and the people here as well,” said Jose Pomar, an agronomist engineer at University Politecnica de Madrid in Spain. “I think biotechnology is a good technology and I’m very interested in the development of biotechnology for farming. I think it’s very important to have communication efforts like this.”

Participants were doing their homework throughout the week as demonstrated by Ying Yeh, deputy director general for Taiwan’s Bureau of Animal and Plant Health Inspection and Quarantine of the Council of Agriculture. “The panel discussion about the U.S. regulatory system was very helpful to us,” said Yeh. “We’re trying to set up such a system and this gave us some very good ideas. I learned that the different agencies have different responsibilities and while there is some overlap, they all work together. Before I came here, I thought the organizations were independent of each other, but I’ve learned that with good communication, you can work together.”

Hutchens said events such as the International Biotechnology Information Conference are helping change misconceptions about biotechnology. “We know the science behind biotechnology is on solid ground,” said Hutchens. “We just don’t want the rest of the world to be misled by those who don’t always present all of the facts.”



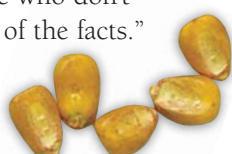
An impassioned Dr. Norman Borlaug, speaking at the International Biotechnology Information Conference, said his dream is that advances in biotechnology will someday feed the world.



Iowa farmer Vic Miller shows International Biotechnology Information Conference participants the difference between roots attacked by corn rootworm versus the roots of a genetically modified plant that resisted the insect.



One of the tour stops during the International Biotechnology Information Conference was the Greater Omaha Pack beef processing facility in Omaha. Plant official Angelio Feli (left) told the group he has no qualms about selling beef produced with biotech grain.





FIELDnotes

by Mark Jagels, Chairman

WOW! What an exciting time for Nebraska Agriculture and U.S. Agriculture! As I was thinking about comments I wanted to make in this column, Governor Mike Johanns was nominated as Secretary of Agriculture. What an opportunity and honor for the producers of Nebraska to be represented in Washington, D.C. The Governor's leadership in the livestock and grain industry, his strong support of ethanol and bio-fuel, his understanding of biotechnology, and his efforts to increase exports to foreign countries, will no doubt help us as Nebraska producers to continue to promote the agriculture industry.

As producers saw an increase in corn yields this past fall, the Nebraska Corn Board has also seen an increase in projected revenues. This gives producers of Nebraska and the Nebraska Corn Board an opportunity, and a responsibility, to invest these dollars wisely—to make sure that we are expanding existing markets, developing new uses, and rebuilding markets that have declined.

One of the opportunities that we continue to address is Nebraska's livestock industry. Livestock is the largest customer for Nebraska corn, and a healthy and thriving livestock industry is important to all of us. To assist with "rebuilding" the Asian beef market, the Nebraska Corn Board approved a special \$100,000 allocation to the U.S. Meat Export Federation. Working with the USMEF, we can assist in various ways to promote the high quality and safety of U.S. meat.

The Nebraska Corn Board is also stepping up its efforts to promote the importance of the livestock industry to Nebraska's economy. As part of the Nebraska Livestock "Shareholders" Initiative, we plan to be in contact with all of the county supervisors in the state over the next few months, to once again stress the importance of keeping livestock in Nebraska and utilizing the grain that we produce.

Another great area of opportunity is the ethanol industry. As corn production continues to increase in Nebraska, ethanol production (and its co-products) is a great fit. Currently, one of every five rows of corn in Nebraska is used for ethanol. Ethanol decreases our demand for foreign oil, and produces a renewable fuel here in Nebraska with the high quality corn we raise. This is a great economic benefit for all Nebraskans.

Nebraska Corn Sales to California Up Sharply in 2004



Sales of Nebraska corn into California grew significantly in 2004. The Nebraska Corn Board is working hard to keep that momentum going in 2005.

"Our market intelligence has shown us that the highest percentage of corn being shipped out of Nebraska goes to California," said Randy Klein, Director of Market Development for the Nebraska Corn Board. "Right now, it's the fastest growing out-of-state market for our product—and there are some very positive developments there that bode well for future growth."

California purchased some 150 million bushels of Nebraska corn last year. That's close to a 50 percent increase over the 107 million bushels they purchased in the previous year. Nebraska corn sales to California have increased steadily since 2001, when they totaled just over 83 million bushels.

"The 50 percent increase this past year is somewhat distorted due to our drought-reduced crops of the previous two years," said Klein. "The drought changed transportation and buying patterns in 2002 and 2003, and they had to go elsewhere for their grain. But it is good to see the California business came back so strong in 2004."

According to market intelligence gathered by the Nebraska Corn Board and ProExporter Network, the majority of Nebraska corn used outside the state is shipped to California for use in the dairy and poultry industries.

Klein, and Bob Dickey of Laurel, a farmer-director on the Nebraska Corn Board, traveled to California last year to meet California customers who buy their corn from Nebraska.

While on their mission, Dickey and Klein met with corn buyers for poultry, dairy and beef cattle feed mills, as well as food grade corn buyers, nutritionists and pet food manufacturers.

"The broad array of meetings gave us a good background on what is taking place in the Southern California market," said Dickey. "Our customers are pleased with Nebraska corn and hope to continue to purchase from Nebraska."

Klein made a return trip to California later in 2004 to attend the Biofuels Conference in Sacramento. He says there is growing demand for ethanol in California, which is also good news for Nebraska corn growers.

"California is already a tremendous market for ethanol, accounting for more than 25% of the total U.S. consumption," said Klein. "The majority of the ethanol is shipped

from the Midwest, including Nebraska, by rail."

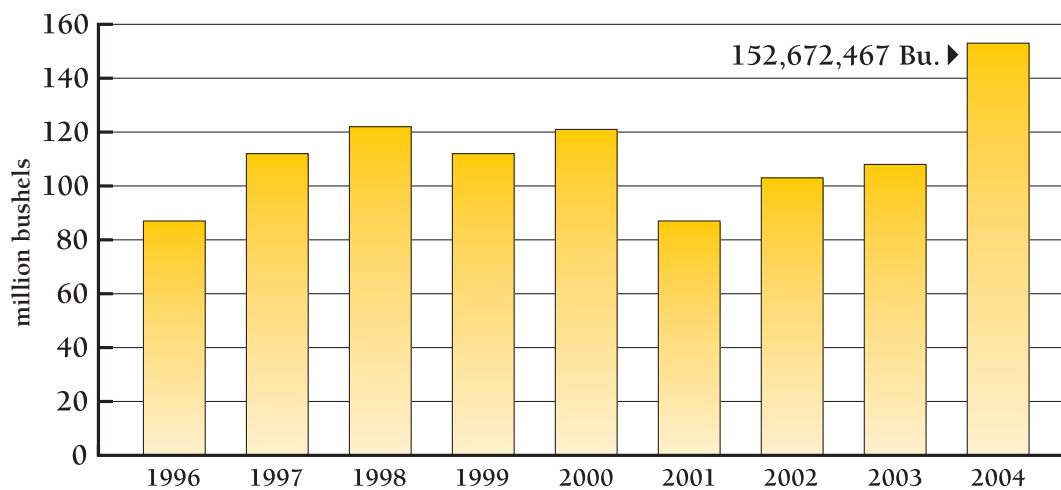
There are efforts to build some corn-to-ethanol plants in the San Joaquin Valley, where millions of dairy cattle can consume the wet distillers grains. The development of these plants will benefit Nebraska, Klein said, as they will purchase unit trains of corn from the Midwest.

"The establishment of corn-to-ethanol plants in California will broaden the environmental and political strength of the ethanol industry," said Klein. "There are also opportunities to grow the ethanol demand in California since the fuel is only a 5.8 percent blend instead of the traditional 10 percent."

Convincing the California Air Resources Board to accept 10 percent blends could add another 360 million gallons of ethanol demand.

Dickey said the Nebraska Corn Board would continue to make California a major focus of its market development efforts. "The mission of the Nebraska Corn Board is to develop new uses and expanded markets for the corn we grow," Dickey added. "It makes sense to continue to nurture the largest export market for Nebraska corn, especially since it is only 1,500 miles away, rather than on the other side of the world."

Nebraska Corn Sales to California



Sales of Nebraska corn to California rebounded in 2004. Reduced corn supplies, caused by drought conditions in Nebraska, affected transportation and buying patterns in 2002 and 2003.

A Sign of Things to Come...

Until now, the number of locations in Nebraska offering E85 fuel has been somewhat limited. That will change in the coming months as Bosselman's begins offering the fuel blend at several of their Pump and Pantry retail outlets in Nebraska and surrounding states.

Currently, E85 pumps are located in Grand Island, Omaha, Aurora, York and Hastings. The Nebraska Ethanol Board says the goal is to have 20 to 25 E85 stations in the state by the end of this year.

E85 is the term for motor fuel blends of 85 percent ethanol and just 15 percent ordinary unleaded gasoline. Motorists who own flexible fuel vehicles can utilize E85 fuel.



Nebraska Corn Board Assists Producers With Non-Starlink Settlement

The Nebraska Corn Board played a significant role in helping Nebraska corn producers receive their fair share of the non-Starlink settlement last fall. Approximately 8,000 Nebraska farmers received a total of \$10.7 million in the settlement—the final step in the non-Starlink litigation that began nearly three years ago.

“We did not want Nebraska producers to leave this money on the table, so we worked closely with the Attorney General’s office to research the legal aspects of this class action suit and get the word out to producers,” said Don Hutchens, Executive Director of the Nebraska Corn Board. “We personally helped hundreds of producers file their claims, and as a result, they were able to put a few extra dollars in their pockets.”

Hutchens said the Nebraska Corn Board used news releases to the media, its own website, and producer mailings to help encourage farmers to file their claims. The Nebraska Corn Board staff also assisted producers with their claim forms, answered questions, and stayed in constant contact with both the Nebraska Attorney General’s office and the group managing the settlement.

Attorney General Jon Bruning noted that the Nebraska Corn Board’s efforts were instrumental in the process of reaching a fair settlement for Nebraska farmers. “Their dedication helped ensure that Nebraska corn producers

had a seat at the table in the settlement negotiation,” Bruning added.

Several producers expressed their appreciation for the Nebraska Corn Board’s efforts. “I wouldn’t have known about it or even filed my claim had it not been for the Nebraska Corn Board,” said Lowell Hale of Meadow Grove. “This effort was above and beyond what check-off dollars normally do for us.”

Paul Gana of Martell expressed similar sentiments. “It was definitely worth my time. We can use the money to buy some additional tools for the farm,” Gana said. “I appreciated the Nebraska Corn Board’s help.”

**Del Harsh
Cambridge, NE**

Del Harsh of Cambridge was also appreciative. “It really made a difference to have the Nebraska Corn Board looking out for the corn producers’ interests in filing and receiving our fair share of the settlement.”

Hutchens noted that the time invested in assisting producers file their claims was time well spent. “Corn checkoff dollars normally are designed to build new markets and develop new uses for corn, but in this case they proved to provide healthy return on investment for those who filed their claims,” he said.



Kernels of Truth

Elevator Manager Appreciation Award. The Nebraska Corn Board presented its 2004 Elevator Manager Appreciation Award to Bob Kelly of Sidney, General Manager of Crossroads Cooperative Association. Bob was recognized for being a strong advocate of the corn checkoff program, especially in helping educate producers. Since 1997, the Nebraska Corn Board has annually recognized a manager and/or merchandiser who exemplifies positive character traits within Nebraska agriculture; is supportive of the mission of the Nebraska corn checkoff and the value of investments that are being made; and is willing to assist in producer education of such investments in the areas of market development, promotion, education and research.

Nebraska Corn Board Directors Receive Recognition. Mark Jagels of Davenport and Jon Holzfaster of Paxton were recently honored with Public Service to Agriculture Awards from the Nebraska Agribusiness Club. Mark is the District 2 Director and Chairman of the Nebraska Corn Board. Jon represents District 8 and is Secretary-Treasurer of the board.

New livestock video available. The latest piece of the “Nebraska Livestock: We’re All Shareholders” campaign is a 13-minute video featuring Congressman Tom Osborne and Nebraska agricultural leaders talking about the importance of livestock production to the state. The video is available on DVD or VHS. Individuals interested in seeing the video, and sharing it with others in their community, can request a copy by visiting www.NebraskaLivestock.org, or by calling 402-462-6226. The Nebraska Corn Board has provided financial support to the “Shareholders” project.

Nebraska Corn Board Allocates \$100,000 To Rebuild Asian Demand for U.S. Beef

To help accelerate efforts to rebuild U.S. beef exports to Asia, the Nebraska Corn Board has approved a special \$100,000 allocation to the U.S. Meat Export Federation (USMEF).

Beef exports suffered a severe blow in December 2003, after a single case of bovine spongiform encephalopathy (BSE) was reported in Washington State. Many international markets closed to U.S. beef, resulting in a 78 percent export volume loss to the beef industry. Market analysts estimate beef producers are losing more than \$150 on each head of cattle sold, due to the decline in exports.

Most markets in the Western Hemisphere, including Canada and Mexico, have resumed imports of U.S. beef. Although the Asian countries of Japan, South Korea and Taiwan have been slow to resume purchases, indications are they will reopen their markets to U.S. beef by early 2005.

Mark Jagels of Davenport, farmer-chairman of the Nebraska Corn Board and a member of the USMEF Executive Committee, said USMEF must take an aggressive approach to regaining lost market share in Asia.

“The loss of the Asian beef market has been especially tough for Nebraska beef producers,” Jagels said. “Japan is one of the largest export markets for Nebraska beef, so as soon as they start buying U.S. beef again, we have to be in a position to take back our fair share of the market.”

The executive director of USMEF, Phil Seng, says the dollars allocated by the Nebraska Corn Board will be used to “rebuild confidence in the quality and safety of U.S. beef” among Asian beef buyers and consumers.

“Consumer confidence in our product and in our delivery systems has plummeted,” said Seng. “There needs to be a lot of background work on our delivery systems, and the risk mitigation measures that have been enacted in the U.S., as far as BSE is concerned.”

Specifically, Seng said the money would help pay for advertising, seminars, brochures and other informational materials. “There’s going to be a concerted effort to address primarily the consumer, to redeem that confidence that is so valuable to us.”

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The CORNER Office

by Don Hutchens,
Executive Director

My late father, who started farming in the 1930s, would tell me stories about farming with a team of horses. He talked about them as if they were family—how they knew what to do by his quiet commands and the tug of the reins. He talked about how much they could accomplish when they worked together as a team.

This image of horses pulling together applies to our current situation in agriculture. It’s going to take that same type of team effort from farm organizations and commodity boards if we are going to continue to grow the demand for the ag products we produce. Specifically, I’m referring to challenges to our checkoff programs. The beef checkoff is waiting for the Supreme Court to rule on its constitutionality. That ruling may impact how some state checkoffs are structured. No matter which way it goes, it is imperative that producers not lose sight of their programs, and work together as a team to support or restructure their checkoffs, so they continue to do the work of growing the demand.

Nebraska’s checkoff programs have accomplished so much. The beef checkoff, for example, has made it possible for new product development and the promotion of beef exports around the world. It rescued the beef market after the BSE issue with strong domestic demand...and the list goes on. We can ill afford to discontinue this kind of effort if we want beef to remain the key to our economic industry in Nebraska.

The other checkoff programs also have great stories to tell. Wheat checkoff dollars have introduced white wheat and developed new markets in the world. The soybean checkoff has found hundreds of new industrial uses for your beans and has brought biodiesel to a new production level and acceptance. Of course, we are also proud of what our corn checkoff program has accomplished in helping build demand for Nebraska corn.

It’s time for all of us to become more vocal in support of what we do in agriculture. It is time for all of you who pay for the development of new products, new markets, research, and promotion to take credit for what has been done with your checkoff investment—and what is yet to be accomplished.

Individually we have accomplished much. Together we can do so much more.



New Board Member Profile
Bart Beattie, Sumner District 5

- Spent two years in sales with ADM Animal Health and Nutrition in Iowa
- Now part of two family farming corporations, F.L. Beattie, Inc. (corn and cattle) and Hamlot, Inc. (farrow-to-finish hog operation)
- Member, Dawson County Cattlemen and NE Cattlemen
- Member, Nebraska Pork Producers Association
- Board member, Dawson County Farm Bureau
- Serves on the Kearney Area Advisory Committee of Farm Credit Services of America
- Member, LEAD Alumni Association (LEAD XXII)
- Trustee, United Church of Sumner

Family

Wife Shana and two daughters—Mekenzie, 4, and Mattison, 1.

Education

B.S. in Agriculture from UN-L

On joining the Nebraska Corn Board:

“It’s been a goal of mine to be involved with a commodity board. We raise both corn and livestock, so I think it’s a good fit. We’ve always marketed our corn through livestock, and I’m continually looking for new and innovative ways to market our product. The growth in ethanol is exciting, but what’s next? We constantly need to be looking ahead for new market opportunities.”



Corn Harvest & Industry Tour Showcases Nebraska Corn Quality to Key Customers

Thirteen corn buyers from Mexico, California and Guatemala found themselves immersed in Nebraska’s corn industry last fall during the 9th annual Corn Harvest and Industry Tour, sponsored by the Nebraska Corn Board. The group rode in combines, toured feedlots, visited ethanol plants and, most importantly, visited dozens of Nebraska cornfields to see the quality of the state’s crop and meet the people who grow it.



Corn buyers from Mexico, California and Guatemala were among the participants in the 9th Annual Corn Harvest and Industry Tour, sponsored by the Nebraska Corn Board.

“The 2004 tour focused on showcasing the quality of Nebraska’s corn crop to our biggest out-of-state markets,” said Randy Klein, Director of Market Development for the Nebraska Corn Board. “We also wanted to illustrate the huge amount of economic activity that is generated by corn production in Nebraska.”

California purchased some 150 million bushels of Nebraska corn in 2004, primarily for use in poultry and dairy production. Mexico is the largest international customer for Nebraska corn, with purchases used for both food and feed.

During the tour, samples of Nebraska corn are obtained and tested right in

the field to demonstrate to the visitors the consistent quality of Nebraska’s crop. The tour covered 32 fields in 32 counties. Samples and quality testing showed the quality of this year’s Nebraska corn crop to be excellent once again—26 samples graded #1 and six samples graded #2.

More than 100 yield samples indicated an average yield of 165.9 bushels per acre, down slightly from last year. Average test weight was 57.4, up slightly from last year. All of the samples tested negative for aflatoxin.

The buyers were also impressed with the knowledge and hospitality of Nebraska’s corn producers—and the professionals involved in handling, processing and transporting corn. “I made a number of key contacts and gained insight that will help us grow our operations,” said Andrew Carlson, a California poultry producer and processor.

Stan Boehr of Henderson, a farmer-director of the Nebraska Corn Board, hosted one of the tour stops. He said that providing customers first-hand experience with Nebraska’s corn industry is a key strategy for building markets for the state’s corn producers—and a wise use of Nebraska’s corn checkoff investment.

“The Nebraska Corn Board invests a great deal of time and effort in telling the world about our abundant and reliable supply of high quality corn,” Boehr said. “But there is simply no substitute for bringing customers and decision-makers to our fields to talk directly with producers—and see for themselves just how we do what we do.”



Nebraska Corn Board Allocates \$100,000 To Rebuild Asian Demand for U.S. Beef

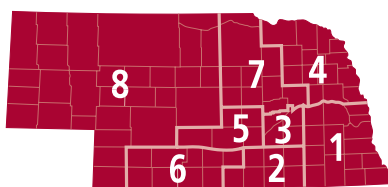
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“We appreciate the support from the Nebraska Corn Board and all the folks in the state of Nebraska,” said Seng. “I know how critical this is to Nebraska, and we are going to work as quickly as possible to resurrect and resume Nebraska’s exports.”

The executive director of the Nebraska Beef Council, Sallie Atkins, also expressed appreciation for the Nebraska Corn Board’s support of the beef industry. “The combination of Nebraska’s corn and beef industries is unsurpassed anywhere in the nation when you look at production and quality,” Atkins said. “It makes good sense that the commodities coordinate in their efforts to support international marketing programs.”

Jagels also stressed the need for Nebraska’s corn and beef industries to work together in building markets. “As corn growers, we realize how important our livestock industry is,” Jagels said. “It will take a continuing team effort from farm organizations and commodity boards to grow demand for what we produce.”

www.nebraskacorn.org



Nebraska Corn Board members represent the eight districts indicated on the map and are appointed by the Governor. One at-large member is elected by the other Board members.



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CORNSTALK

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