WELCOME FROM THE PRESIDENT

As President of the Corn Marketing Program of Michigan (CMPM), I am excited to report to you the achievements of the CMPM and Michigan’s corn industry over the past year. The 2011 growing season, although starting off quite wet, overall provided a great corn crop here in Michigan with more than enough corn to fill and exceed grain storage capacities. Our state continues to see high corn yields in conjunction with farmers planting more than two million acres to corn. As we look at increasing yields and steady acreage, we are always looking for the next largest crop, which we have grown consecutively the past four years.

Fueled by the need for markets to utilize the increasing corn crop, the CMPM has remained heavily engaged in research, market development, new use development and education. All of these focus areas help Michigan corn farmers be more efficient, productive, and always on the cutting edge of the latest technological and production advancements. It is extremely important as an organization to focus on traditional, current and future markets for corn, which is something we are continuing to do, just as we have in the past.

Over the past year, the CMPM spent a great deal of time focused on the development of the strategic plan. Compared with past strategic plans, the 2011 Strategic Plan focuses more on numbers, key production areas and market assumptions. The goal for the plan is to be a living document that can be adjusted to reflect changes in the marketplace as well as production trends.

One trend in the marketplace is consumers thinking more green, which opens up market opportunities for corn-based products. Corn-based products are just one of many new market opportunities the CMPM is looking at for the development of additional corn markets. The organization works with a diverse group of research partners to establish new uses and products, and create market opportunities within the industry. The board and staff understand the importance of generating new ideas to keep the industry fresh and prosperous, while also educating consumers about the many new opportunities for corn.

In addition to new uses and markets, we are focused on our traditional markets such as livestock and exports. Some of the research we are investing in examines better utilization of corn as well as increasing production, so there will be plenty of opportunities for corn.

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Finally, in an effort to conserve resources and better utilize our check-off dollars contributed by growers across the state, the CMPM board went paperless this year, distributing communications for board meetings via electronic devices only.

My fellow CMPM board of directors and I are proud of the organization’s accomplishments this past year. We look forward to another prosperous year in 2012. We hope you enjoy reading this annual report to learn more about CMPM’s programs and our positive contributions to Michigan’s corn growers. If you have any questions, suggestions or ideas for the CMPM, or would like us to provide an update at an upcoming meeting, contact us at 1-888-323-6601.

Sincerely,

Pat Feldpausch, CMPM President

ABOUT THE CMPM

Established under Public Act 232 of 1965 and voted in by the state’s corn farmers in 1992, the Corn Marketing Program of Michigan (CMPM) receives one penny per bushel for all field corn grown in Michigan and sold. The “check-off” funding is invested in education, market development, new uses and research to enhance the economic position of Michigan corn farmers. The continuation of the program is voted on by Michigan corn farmers every five years. For the program to continue, the referendum vote must be approved by a majority of voting farmers and corn production voted. The CMPM works cooperatively with the Michigan Corn Growers Association, a grassroots membership association representing the state’s corn farmers’ political interests.

The nine-member, corn-farmer CMPM board of directors, appointed by the Governor, sets the yearly direction of the program. Board terms are staggered, and each year three board positions are up for appointment. Michigan is divided into nine districts based on corn production, with each board member representing a district. Every year, the CMPM releases an annual report containing program highlights and research results from the past year. This annual report features the projects and events the CMPM has worked on and participated in during 2011 relating to the organization’s mission of keeping Michigan’s corn industry viable through the education of farmers, consumers and media; production and new use research; market development; and new use development. We are also publicizing a research report, that will provide you with detailed information regarding our vast research projects.

If you’re interested in more information, the CMPM staff and board members are available to attend or speak at meetings, plot tours and trade shows. If you are interested in having someone at your event, call the office at 1-888-323-6601.
EDUCATION

One of the key priorities of the CMPM is to increase the awareness of corn and corn-based products. The CMPM strives to inform not only corn growers, but also consumers about new products and uses for the crop in order to advance marketing strategies. The CMPM is committed to increasing consumer awareness in order to expand the markets for corn and improve the general image for the corn and ag industries. The last year has been filled with many ups and downs, media attacks and more direct outreach by the CMPM to counter all of the myths surrounding the corn and ethanol industries. The following areas highlight a few of the CMPM’s educational activities for the past year.

Media and Consumer Outreach

The CMPM continues to expand its outreach to media sources throughout Michigan to provide information about corn to both consumers and farmers. Every week, CMPM staff writes and distributes press releases to more than 230 media outlets across the state. Within the past year, the CMPM’s articles have appeared in community, city, state and out-of-state newspapers, as well as state and national websites and business and farm-related publications. The CMPM continues to educate consumers about the benefits of corn through news releases, radio and television interviews, media events, social media and the Michigan Corn website, www.micorn.org.

MSU / Corn Hear: The CMPM once again warmed the WJR broadcast tent at Michigan State University (MSU) with corn heat for the last four home MSU football games, the WJR broadcast tent was heated with America’s renewable resource, corn. During the pregame show, the hosts talked about corn heat and aired educational commercials about heating with corn and Michigan’s corn industry. The on-air broadcast during one game also featured an interview with CMPM executive director, Jody Pollak-Newsom. By providing this service to WJR, the CMPM can educate thousands of Spartan fans as they listen to the football games on the radio as well as direct communication with game attendees who pass by the WJR broadcast booth and hospitality tent. A new addition to this year’s CMPM outreach and education was providing corn-based products (cups, plates, etc.) for the catered buffet in the hospitality tent along with signage and educational handouts about corn heating and corn-based products.

Kernels of Truth: Besides regular-season coverage, CMPM reached a potential audience in the millions with its “Kernel of Truth” radio message during the Big Ten Championship Game between Michigan State and Wisconsin. Due to an audience in the millions with its “Kernel of Truth” message during the Big Ten Championship Game between Michigan State and Wisconsin. Due to an evening broadcast, WJR’s signal reached into many neighboring states, as well as the station’s online presence.

The CAR Show: Also continuing this year was the CMPM partnership with WJR to power The CAR Show with E85. During every Saturday morning broadcast, the hosts of The CAR Show provided information regarding corn and ethanol. During the show a caller driving a flex-fuel vehicle won a $25 E85 gift card. In addition to the on-air education, the office also provided additional information about corn and ethanol to the winners of the gift cards in a follow-up mailing.

Social Media: The CMPM, in conjunction with the Michigan Corn Growers Association, continues to have a strong social media presence with pages on Facebook, Twitter and YouTube. With continually updated pages providing short bits of information to spread the word about upcoming events, programs and industry information, these sites have proven to be a great, cost-effective outreach tool. The CMPM continues to utilize these sites to spread the positive message about corn farming to the younger generations who frequently visit these social media sites, as well as to keep in touch with some of our more tech-savvy growers. If you have not done so already, please be sure to “like” the ‘Michigan Corn’ page on Facebook, follow ‘MI Corn’ on Twitter and subscribe to the ‘MichiganCorn’ channel on YouTube.

Technology: CMPM continues to embrace technology with expanded use of our Quick Response (QR) Codes into marketing materials and newspaper columns. The QR Code is similar to a barcode, except it can store much more information, and is created with the purpose of directing consumers to a specific location. When CMPM’s QR Code is scanned by smart phones the user will go directly to the Michigan Corn website. The codes are becoming more popular and CMPM looks forward to adapting more of them into our communications as future technological advances are developed.

You should also be checking our future publications and messages as we will be rolling out a campaign to secure growers’ email addresses. We will only use your email for dissemination of our information, but in our calculations we can save funds by communicating electronically instead of through printed materials and publications. As part of this campaign, growers who find and identify our contest logo will be entered into a drawing for great prizes and giveaways. See below for more details and watch for more information.
Corn Farmers Coalition

For the third consecutive year, the CMPM again partnered with 14 other state corn organizations and the National Corn Growers Association to support the Corn Farmers Coalition (CFC). This campaign continues to bring messages to Capitol Hill and the Washington, D.C. area about U.S. family farmers who produce corn. This major educational program was aimed at policymakers and opinion leaders who affect the fate of America’s corn farmers. The advertising campaign placed a focus on family farmers telling their story and put prominent facts about family corn farmers in Capitol Hill publications, on radio and frequently visited web sites, as well as at Metro subway stations and the Reagan National Airport.

The campaign featured a foundation of facts that are essential to decision making, rather than directly influencing legislation and regulation. The positive fact-based messages are directed at legislators and staff, agency employees such as the Environmental Protection Agency and Department of Energy, think tanks and other non-governmental organizations who participate in the policy dialogue in Washington.

In September, the CFC re-launched its major advertising campaign with “station domination” at the Capitol South Metro Station, placing prominent messages in front of many legislative and regulatory staff that use the station in their daily commute. It is estimated that in the month of September alone, the campaign reached 800,000 people and, over the course of the year, received more than 40 million distinct impressions.

For more information or to view the CFC ads go to: www.cornfarmerscoalition.org

Trade Shows, Expos and Other Events

A primary focus of the CFC is to stay in close communication with the state’s corn growers. Throughout the year board members and staff participated in several plot tours and seed meetings to represent the corn industry. At these events, board members and staff talk to growers about new and expanding corn markets, agronomic research, industry happenings and CMPM-funded research projects. These events also give board members and staff a chance to discuss each grower’s thoughts and ideas about the organization and what they would like the CFC to focus on in the coming year.

Publications & DVDs

In addition to our educational efforts, the CMPM has created several topic-specific newsletters for distribution. In addition to our ethanol and corn heat newsletters, designed to share information about two up-and-coming industries, the CMPM also has two consumer publications -- Corn 101 and the Corn-Based Products Guide. These publications are two of our most requested pieces. Corn 101 covers the basics of the corn industry including the different types of corn; how corn is planted, grown and harvested; the equipment used within the industry; where Michigan’s corn goes; and the sustainability of the corn industry. The Corn-Based Products Guide explains how corn-based products are made, the variety of products that can be made from corn, and also where these corn-based products can be purchased. Due to ever-changing technologies and new products in the marketplace, both of these publications were updated in 2011. Copies of these publications and others are available on the Michigan Corn website at www.micorn.org or we can send you copies for meetings and other events.

An example of a Corn Farmers Coalition ad that ran in Washington, D.C.

A highlight for many visitors to CMPM’s display at Ag Expo was the American Ethanol NASCAR® show car.

CMPM BOARD OF DIRECTORS

Front row, left to right: Brian Kreps, Secretary; Pat Fedkapausch, President; Carl Barth, Treasurer; and Mark Kies, Vice President. Back row, left to right: Tom Durand; Jeff Sandborn, MCGA President; Richard Dobbin; Clark Gerstacker; Ed Breitmeyer; Gary Kaufman; and Randy Poll. Not pictured: Dr. Doug Butler.
**MARKET DEVELOPMENT**

Keeping up with current markets and finding new markets for corn are integral outcomes for the CMPM. As corn production continues to increase, so does the opportunity for new markets and additional uses. Corn is no longer looked at as just a valuable livestock feed, but is now used for fuel, heat, corn-based plastics and fibers. The CMPM board of directors and staff work to generate awareness of traditional markets, as well as new, innovative markets by sharing information with farmers, media and consumers.

**Ethanol**

The CMPM continues to educate consumers about ethanol as a fuel choice. Part of this outreach involves allocating funds to support a national educational campaign, Blend Your Own (BYO) Ethanol. This campaign, geared towards fuel retailers, provides the business case for offering mid- and high-level blends of ethanol through blender pumps. Nationally, the BYO campaign hopes to install 5,000 blender pumps, with the contributions of the CMPM helping to achieve this goal by supplying funds for advertisements, a trade show presence, website and magazine development and other educational tools.

The CMPM has also facilitated increased market demand for ethanol in Michigan through partnerships with organizations like the Clean Energy Coalition (CEC) in Ann Arbor. Part of the CEC’s mission is to advance the availability of ethanol-fueling infrastructure across the state by providing grants for installing E85 (85 percent ethanol/15 percent gasoline) pumps and blender pumps to give consumers options to decide the level of ethanol/15 percent gasoline they wish to use in their vehicles. As each blender pump opens, the CMPM works with the CEC to host grand-opening ceremonies at each station.

**Blender Pump Program**

The partnership has proven very successful as NASCARE and American Ethanol announced in September that the NASCARE Biotechs Program reached the one million mile mark in utilizing E15. The accomplishment has helped highlight the positive ethanol message and the groups’ commitment to a cleaner environment through the use of the renewable, low-carbon fuel. With more than 30 percent of the U.S. adult population tuning in to watch NASCAR, we know the partnership has offered corn a tremendous opportunity to tell the story of American Ethanol to hundreds of thousands of people all across the country. Ethanol is a great story to tell and it garners support when consumers know the ethanol story.

Led by Growth Energy, a national ethanol organization, nearly 100 different entities – from individual ethanol plants to corn organizations – rallied around NASCAR to communicate their ethanol message. As part of the multi-year agreement, American Ethanol has been highlighted on every vehicle running in a NASCAR race and is prominent on NASCAR’s Green Flag. In addition, American Ethanol sponsors a new award for every race, has featured on-site race day events and more. American Ethanol supports drivers, teams and tracks with marketing, promotional activities and advertising.

Through this partnership, the NASCAR American Ethanol initiative has illustrated the ability of American agriculture to feed and fuel the world while educating Americans about the value of corn ethanol for the nation’s economy and energy security.

**Exports**

**U.S. Grains Council (USGC) 2011 Corn Mission**: CMPM President Pat Feldpausch participated as one of only ten on a U.S. Grains Council Mission to Japan, China, Korea and Vietnam. Mission participants visited various facilities and ports to gain insight into the countries’ current practices and how they are preparing for a growth spurt by increasing their grain import capacity due to their ever-expanding populations and food needs. It was apparent that the demand for U.S. farm products will be strong as exports to those countries will continue to expand in the future.

**U.S. Meat Export Federation (USMEF)**: The future for the U.S. meat market also looks bright as beef and pork exports are on pace to set records in 2011, providing good news for corn farmers across the country. Last year, the U.S. exported more than $4 billion worth of beef products and nearly $4.8 billion worth of pork products. For corn producers the growth in those export markets means potential market opportunities for increased feed sales to livestock producers as we work to feed an expanding world population. The U.S. is on pace to break the $5 billion mark in exports for both beef and pork exports in 2011.

**USA Poultry and Egg Export Council (USAPEEC)**: CMPM Secretary Brian Kreps attended the USA Poultry and Egg Export Council annual winter meeting. Presentations by industry experts estimate that by 2025 the total global trade in poultry should reach 15 million metric tons and the per capita consumption of meat and poultry should reach 180 pounds. The annual amount of corn used by the U.S. poultry and egg industry is about 1.2 billion bushels and should only increase as the future of the poultry trade looks very promising.

**Livestock**

Corn farmers and livestock producers continued to have a mutually beneficial relationship in 2011. Michigan corn farmers provided more than 22 percent of their annual production to our friends in the livestock industry, which was more than 71 million bushels. Michigan corn farmers understand that providing a high-quality, safe and nutritional source of protein to the livestock industry is a vital component in this important relationship as we work together to feed the world.

The CMPM continues to explore and expand the use of dried distiller grains (DDGs), a valuable co-product of ethanol production and a perfect example of corn’s versatility. DDGs provide another protein source that is highly palatable and rich in other essential nutrients.

Michigan has a vigorous and diverse livestock industry that is highly involved with the crop sector. Growers have long understood the unique and strong relationship with our livestock industry friends, and they know that we continue to support them and their efforts. In an effort to advance and protect the interests of the livestock industry, the CMPM has invested more than $50,000 in funding for livestock-related research over the past six years.

In addition to funding livestock-friendly research, the CMPM also sponsors many livestock-related events and organizations. Sponsorships include funding of the USA Poultry and Egg Export Council, US Meat Export Federation, Great Lakes Regional Dairy Conference and the Michigan Beef Expo, to name a few.

**Michigan Corn Farmers Continue Strong Support of American Ethanol Partnership With NASCAR as E15 Use Reaches Millionth Mile**

Last year, the CMPM joined many other state corn organizations and the National Corn Growers Association (NCGA) to back a partnership between American Ethanol and America’s most popular sport – NASCAR. This partnership, announced by NASCAR in early December 2010 came after the racing organization said it would begin to fuel all races in 2011 with E15, a 15 percent corn ethanol blend.

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Research projects that are funded this year may be of use to growers and consumers next year or several years down the road, depending on the success of the research, acceptance by consumers and the difficulty of commercialization or implementation. The research phase of these projects is just the first step in improving corn production, increasing markets or developing new uses.

Research funding is distributed to universities, private organizations and other research programs for projects. Growers and the public are able to learn more about CMPM-funded research at the Corn and Soybean Winter Research Meetings held annually in January and February at locations throughout the state. Please see below for specific dates and locations. Research is also shared through press releases, radio interviews and the CMPM Annual Research Report.

Research Results to be Shared at Winter Meetings

Join the Corn Marketing Program of Michigan at the 2012 Corn and Soybean Winter Research Meetings to learn about our completed research projects from the past year. Corn-related topics include:

- Western Bean Cutworm in Michigan in 2011, Biomass Processing of Corn Residue, the Environmental Fate of Bt Proteins and Utilizing Cover Crops in a Strip Tillage System.
- Corn-based Plastics and Fibers

Corn Heat

Spreading the word about the benefits of corn heat as an economical and environmentally friendly, sustainable alternative to traditional heating methods continues to be part of CMPM’s educational outreach. Besides corn heat and Michigan Corn’s presence at Michigan State football games, the Heating with Corn website, www.micorn.org/heat, still remains the largest educational outlet for Michigan’s corn heat industry. The website provides all the information a consumer might look for when deciding whether to switch to corn heat, and the questions they should ask before purchasing a heating unit. Through various media outlets, including ag newspapers and the Michigan Farm Radio Network, the CMPM has provided educational materials, including news releases, advertisements, radio announcements, newsletters and advertorials, to increase consumer awareness.

RESEARCH

While growers strive for maximum yields and revenues from their crop, the CMPM board of directors strives to do the same by funding research that benefits Michigan’s corn growers. Through the work of the check-off, Michigan’s corn growers are able to join together to fund research projects to enhance the economic viability of corn production in Michigan. The CMPM looks for projects that can add value to Michigan corn through new markets and corn-based products or advancements in traditional markets, as well as new production techniques and practices that enhance productivity and conservation.

Research is an integral component to the check-off, comprising nearly one-third of the CMPM budget. Since its inception in 1992, the CMPM has funded more than 240 research projects. In 2011, the CMPM board invested in a large variety of research projects they anticipate will help improve Michigan’s corn industry. Projects funded in the past year include:

- Increasing Yields, Decreasing Water Consumption and Nitrogen Supplementation Through Symbiosis
- The Addition of Resin Capsule Technology to Corn Production Systems from an Agronomic, Economic and Environmental Viewpoint
- Educating the Public and Tomorrow’s Engineers Regarding the Benefits & Challenges of Using Ethanol-Blended Fuels
- Green Herbicide Manufactured from Corn and Other Crops with High Starch and Sugar Content
- Conversion of Propylene Glycol to Propylene Oxide
- Developing Farmer Friendly Tools for Predicting Soil Organic Matter in a Sustainable Corn-based Bioenergy Feedstock System
- Thumb Ag Research and Education (TARE) Project, 2011
- Western Bean Cutworm Biology and Life History Under Great Lakes Conditions
- Further Studies of Genetically Engineered Maize Lines with Down-Regulated Lignin
- Consolidated Bioprocessing: A New Use for Corn as a Whole-Plant Cellulosic Bioenergy Feedstock
- Validation of Corn Ecological Measures: Comparison Between GMO Varieties, Western Bean Cutworm Sprayed and Unplanted Headlands
- Fungicides and Insecticides in Corn
- Combining Strip Tillage and Dual Cover Crops to Increase Profitability
- MSU Corn Hybrid Testing Program
- Are Bt Cry Proteins in GM Corn Impacting Function Ecology in Corn Waterways? A Critical Experiment Designed to Measure the Actual Effects of Bt Corn Runoff

FINANCIALS

In September of each year, the nine-member Corn Marketing Program of Michigan board of directors sets the budget for the following fiscal year which begins on October 1. Programs and events are discussed and approved, as well as funding for next year’s projects. The CMPM board carefully reviews the organization’s direction and previous work to determine the best use of funding. The chart shows how the check-off funds were utilized in 2011.
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