

Review

SOUTH DAKOTA
CORN COUNCIL



A GROWING INVESTMENT

NEWS FROM THE SOUTH DAKOTA CORN UTILIZATION COUNCIL

April 2011

Elevator Fever Co-ops plan expansion

'We can't keep up'
Drain tile demand high

Dust in the wind
EPA reviews standards

Bio isobutanol
Another use for corn



President's REPORT



David Fremark
President

Hey folks, I want to let you know this will be my last article as SDCUC president. It's a job I really enjoyed and I thank my fellow board members for supporting me these past two years. I have one year left on the board but have been termed out as president. The board elected Chad Blindauer of Mitchell as my replacement. Chad is a great guy with a lot of passion for the industry. He'll make a great president.

Here on the council, we always look at issues or opportunities and then apply our mission statement to the situation. This is the guideline for our response. We are always on the lookout for new opportunities for corn. Ethanol was the last "big thing" to give the corn market a boost, and we seem to be defending it from every which way these days. The very people who should welcome it seem bent on destroying it. Seems strange.

Nobody seems to care that one-third of the corn comes back from the ethanol plant and replaces corn in a beef ration at 1.25 to 1. What happens to corn prices if crude oil goes back below \$60 a barrel (where it was in February 2009)? We know that increased amounts of investor money have lifted the value of commodities. We know that demand for protein in the form of DDG has increased in parts of the world (very densely populated parts) that can now afford to improve their diet. Another thing is certain. Just like the weather in South Dakota, things can change in a hurry.

With all that in mind, we at SDCUC are on the lookout for new corn markets. We can't help it; we are the "Corn Utilization Council." I think we may have found it. Recently, a new company named Gevo has come to the market with a new enzyme/yeast/bug which, when used in the process of fermenting corn, creates a product called isobutanol, rather than ethanol. The company's research shows isobutanol production of 2.1 gallons per bushel of corn compared with 2.8 gallons of ethanol. However, the isobutanol is worth quite a bit more than ethanol. Isobutanol can be used as a high-octane fuel, but more importantly it can be used in the petro-chemical world. Anything that uses petroleum in its manufacturing process can use this renewable "green" product rather than crude oil – plastic, rubber, carpet, vinyl, you name it.

The first question this cattle feeder asked was, "What about the distillers grain?" The answer is it is unaffected. It's no different than ethanol production. Only the starch in the corn is converted to sugar and fermented into the end product, isobutanol. Just like ethanol, the fat and the protein are left as co-products in the DDGs. Last winter, Gevo had a very successful initial public offering and will be converting a Midwest ethanol plant to produce isobutanol very soon. That's exciting stuff. This could open a whole new market for our product, a market where end-users would love to have an alternative to crude-oil products, especially from a renewable green source. You can read more about Gevo on page 3.

Then again, guess who won't like it: big oil; misguided indirect land-use change proponents; people who think all corn is irrigated and fertilizer is tossed about as if it were free; the folks who don't know that a box of cornflakes has only a nickel's worth of corn in it; etc. – all the same folks we are already doing battle with. Oh well, I'm glad the SDCUC is on my side because I would really hate to take on them!

Thanks for listening.

David Fremark, SDCUC President



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Corn and Fuel:

IS ISOBUTANOL THE NEXT BIG THING?

The latest buzz in the energy industry is isobutanol. The name doesn't exactly roll off the tongue, but the clear, colorless alcohol is generating discussion over its merits as a corn byproduct that can be used in motor fuel, solvents, plastics and synthetic rubber.

A privately held company, Gevo, has sparked attention in South Dakota with its plans to retrofit an ethanol plant at Luverne, Minn. so it can produce biobased isobutanol from corn starch. The company expects to begin production in 2012 and make 18 million gallons a year.

"We're at the stage of just commercializing this," said Patrick Gruber, CEO of Gevo, which is headquartered in Denver.

Gruber discussed the company's plans and potential markets recently with the South Dakota Corn Utilization Council (SDCUC) board of directors. He said isobutanol represents a possible next phase for the ethanol industry's development. The product, which has four

carbons compared with two in ethanol, has broader market opportunities in chemical applications and as an advanced biofuel.

The company will be able to produce 2.1 gallons of isobutanol per bushel of corn, Gruber said. Although that's less than the 2.8 gallons of ethanol that can be produced, a gallon of isobutanol will sell for a considerably higher price than a gallon of ethanol and be a higher quality fuel, resulting in higher mileage, he said. The process produces the same amount of distillers grains as the ethanol process does.

Gevo, which bought the Luverne plant last year, raised \$130 million in an initial public offering and plans to use the money to buy more ethanol plants. A second plant would be operating by the end of 2012 and two more plants in 2013. By 2015, Gevo plans to be producing and selling more than 350 million gallons of isobutanol per year.

"We want to make sure that demand far outstrips production," Gruber said.

Other companies are producing isobutanol from petroleum, but Gruber said his company can make it cheaper and renewable. He said the refining world loves his company because it can make money from it.

Gruber said Gevo has no plans to buy the corn it uses. Instead, the company's customers will buy corn and transport it to a Gevo plant where it will be processed into isobutanol.

Gevo can retrofit any ethanol plant so it can produce isobutanol, Gruber said. Gevo will pay for the retrofit of a plant in exchange for a share of the profits. An ethanol plant has the potential to double its profit margin by producing isobutanol, he said.

"We bring in the technology, handle the retrofit, and make

sure it works," he said. "We both make more money. There's extreme interest in our product.

The Environmental Protection Agency has approved Gevo's isobutanol as a gasoline blendstock. While ethanol's one main use is as a vehicle fuel, isobutanol can serve various markets and can be sold directly for use as a specialty chemical or as a value-added gasoline blend stock. As a fuel, it works well in small engines, he said.

"Marine people love us; small-engine people love us," he said. "We're compatible with their engines."

Gevo has signed non-binding agreements with several companies. Total Co. would use isobutanol for a second-generation biofuel, Lanxess would use it to produce butyl rubber, Toray would use it in production of plastics, and Sasol would sell it to its global customer base. Gevo also has a signed, nonbinding letter of intent to supply United Airlines with

isobutanol for jet fuel.

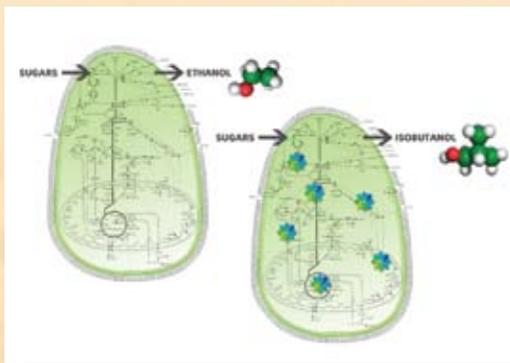
A plant can always switch back to ethanol production, he said.

SDCUC board member Darrin Ihnen said isobutanol holds promise as a good alternative use for corn.

"If we don't get E15, we want corn being ground for something," he said.

Board member Bill Chase said if an ethanol plant is retrofitted to produce isobutanol, there's a chance that a chemical company might want to build nearby.

Lisa Richardson, executive director of the South Dakota Corn Growers Association and Corn Utilization Council, said the corn industry needs to stay on top of potential uses for its commodity, particularly with expectations that the average bushel-per-acre yield will reach 200 in the near future.



SD Corn Utilization Council

ELECTION OF NEW OFFICERS ANNOUNCED

The South Dakota Corn Utilization Council (SDCUC) has elected Chad Blindauer of Mitchell as president.

During its meeting held March 25 in Sioux Falls, the board of directors also elected Brian Smith of Montrose as vice president and Frank Kralicek of Yankton as secretary/treasurer.

Blindauer, who was SDCUC vice president, previously served on the South Dakota Corn Growers Association board. He has served five years on the Biotechnology Action Team for the National Corn Growers Association and currently serves as chairman. He raises corn, soybeans, wheat and cattle on the family farm.

Smith has been on the SDCUC board of directors since 2008. He served as secretary/treasurer and as a member of the research committee and market development committee. He also serves on the Humboldt Farmers Elevator board of directors and is a member of the National Dairy Calf and Heifer Association.

Kralicek joined the SDCUC board in 2009 and serves on the promotion and education committee. He's also a delegate to the U.S. Grains Council. He's a member of the National Bison Association and Dakota Territory Buffalo Association.



Chad Blindauer



Brian Smith



Frank Kralicek

33-YEAR-OLD IPSWICH FARMER JOINS SDCUC BOARD



Justin Davis

Justin Davis is the newest member of the South Dakota Corn Utilization Council Board of Directors. He will represent District 6, which includes Edmunds, Faulk, Potter and Spink counties.

Davis, 33, farms 2,100 acres near Ipswich, raising corn, soybeans and wheat. He also farms with his father and brother. He graduated from South Dakota State University in 2001 with a bachelor's degree in ag-business, and then went to work for a local fertilizer company, where he worked in sales and as a crop consultant for five years before returning to the farm.

"Having grown up on the farm, I grew to enjoy the planting and harvesting seasons," he said about his decision to farm.

Davis served in the South Dakota House of Representatives for six years, representing District 23. As a legislator, he served two years as vice chairman of the House Agriculture and Natural Resources committee and two years on the House Appropriations committee. Currently, he serves as a member of the Ipswich School Board.

Davis said the most important issue facing today's corn farmers is increasing yields to meet demand.

"With the increasing world demand for corn, both for food and fuel, producers will need to meet that demand by being able to increase yields," he said. "Producers will need every tool possible to increase those yields - everything from seed, fertility, to any other practice that may be out there. Research and education will be important parts to help producers meet those demands."

In his spare time, Davis is involved in traveling, hunting, carpentry, photography and spending time with his family. He and his wife, Courtney, have 3-year-old twins, Ava and Brody.

Corn campaigns win agri-marketing awards

'TRUE ENVIRONMENTALISTS' CHOSEN BEST OF SHOW

A "True Environmentalists" multimedia campaign launched by the South Dakota Corn Utilization Council and South Dakota Corn Growers Association won Best of Show in a National Agri-Marketing Association regional competition.

The campaign was produced by South Dakota Corn staff and Paulsen Marketing of Sioux Falls. In addition, entries involving the corn organizations won two first-place recognitions and three merit awards, which are the equivalent of second place.

The first places were Best Advertising Directed to Consumers for the "True Environmentalists" campaign and Best Public Relations Campaign to Consumers for an "Acre of Corn" campaign, which aired on KELO TV. Merit awards were Best Advertising Directed to Consumers for a "Thank a Farmer" campaign, Best Billboards for "True Environmentalists," and Best Internet Web Site for www.sdcorn.org.

David Fremark, president of the South Dakota Corn Utilization Council (SDCUC), said the awards are a testament that South Dakota corn farmers and Paulsen Marketing are leaders in successfully spreading agriculture's story.

"The Paulsen staff has innovative ideas and they've done an outstanding job of helping us spread farmers' positive stories in an effective way," Fremark said. "The 'True Environmentalists' campaign is just one of many promotions our council has undertaken, but it's one of the most significant and most successful. As farmers, we realize how important it is to take care of our soil, water, air and wildlife every day in addition to our commitment to feed and fuel the world."

Greg Guse, Paulsen Marketing's president, said his company and the corn organizations have a good cooperative relationship that contributes to successful marketing and advertising campaigns.

"We certainly believe in their missions and that makes it easy to work with them," Guse said. "It becomes a real partnership thing."

Guse said awards are a proud moment of accomplishment, but the top priority is to successfully achieve marketing objectives. He and his staff were "very, very pleased with the outcomes."

He said one major intention of multi-media campaigns is to raise awareness. He believes the South Dakota Corn campaigns have all done that successfully.

Teddi Mueller, legislative and industry

affairs director for the SDCUC, said Paulsen Marketing does exceptionally well at setting objectives, planning, and producing campaigns that stand out and get noticed.

Guse said Region 3, which encompasses South Dakota, North Dakota, Iowa and Minnesota, traditionally has some of the toughest NAMA competition. The award winners in the regions will be judged in April's National Best of NAMA Competition.



"WILDLIFE THRIVES ON HEALTHY, PRODUCTIVE LAND."

Stephanie & Brian Smith
Montrose, South Dakota

South Dakota farmers are long-time conservationists with a deep sense of responsibility for stewardship of the land. From planting food plots and shelterbelts to working with the federal Conservation Reserve Program (CRP) and other researchers to help protect habitat — we work hard to keep the land, and everything on it, as healthy as possible.



The China Challenge

TRIP IS STEP TOWARD PROMOTING TRADE, BUILDING

Nearly one-fifth of all people on earth live in China. With a population of 1.3 billion and a growing middle class, that nation is seen as a potential hotbed for American agricultural commodities. The USDA forecasts that China will be the top market for U.S. agricultural exports in FY 2011 at \$20 billion, surpassing Canada at \$18.5 billion.

Four South Dakota Corn representatives got an inside look at China as part of a U.S. contingent that spent a week there early this year promoting U.S. beef and corn, building relationships, and learning about the country's culture and needs.

Executive Director Lisa Richardson, Legislative/ Industry Affairs Director Teddi Mueller, SDCGA President Gary Duffy and David Fremark, SDCUC president, visited Beijing, Macau and Hong Kong. The trade mission was hosted by the U.S. Meat Export Federation (USMEF).

Richardson said China is a promising market for U.S. grain and meat, at least in the short term. On a long-term basis, the potential is good, but the outlook is difficult to predict.

She said the question is, "Will they be a long-term customer or figure it out on their own?"

China's middle class is growing steadily and is becoming a huge consumer of goods. The nation imports a great deal of soybeans, but not large amounts of corn. However, analysts predict China will need to increase its corn imports because of dwindling supplies and weather problems that reduced production.

The country has increased its corn production more than

Facts about China:

- Was the largest importer of U.S. agricultural products in 2010
- Imported 1.5 million tons of corn last year, primarily from the U.S.
- Consumes 6.38 billion bushels of corn annually, ranking No. 2 in world
- Imports one-fourth of all soybeans grown in the U.S.

30 percent over the past decade but also increased its consumption by nearly the same percentage.

The U.S. Grains Council projects that China could import 15 million metric

tons of corn over the next five years and at least that much dried distillers grains. However, the future of the DDGS export market there hinges on the outcome of an anti-dumping investigation China is undertaking, and what kind of tariffs it may institute as a result. The investigation is expected to be done by the end of this year, but could be extended six months.

China currently imposes a 5 percent tariff on DDGS imports from the United States. Rebecca Bratter, director of trade development for the U.S. Grains Council, said DDGS trade could come to a standstill if China approves a huge tariff.

China's colossal population and burgeoning middle class make it a tasty target for U.S. beef exports. However, U.S. beef is currently banned on the mainland. In Macau and Hong Kong, which are special administrative regions of China, U.S. beef is allowed and is growing in popularity.

The U.S. Meat Export Federation is working hard to put U.S. beef on tables in China. In the meantime, Duffy said



Teddi Mueller, Gary Duffy, Lisa Richardson, David Fremark and chef Wong Chi Wai at a U.S. Corn-fed Beef & Pork Seminar in Macau, China.

RELATIONSHIPS

an increase in corn exports is a welcomed step.

“If we sell meat there, we’re using the corn here and essentially walking it over,” Duffy said. “If they’re using our corn to feed their animals, that works too.”

The USMEF receives funding from various check-off programs, including the Corn Checkoff. Fremark came away convinced that the USMEF staff has built good working relationships with the Chinese.

Likewise, the South Dakota contingent did its part in promoting American commodities, establishing relationships with Chinese representatives, and putting a face on U.S. agriculture. The group toured a dairy near Beijing and visited a tourism school at Macau, where student chefs are taught how to properly handle and prepare U.S. beef.

Duffy said it’s important to get to know Chinese trade partners because the Asian culture is based on relationships. Asian people like to meet the people who are raising the products they’re using.



The U.S. contingency visited a Chinese dairy.

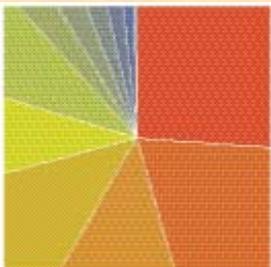
Fremark said the U.S. is in good position to sell more corn to China, but shouldn’t get too pushy. Rather, the U.S. should use a sales approach that we’re producing some of the largest corn crops ever and it is high quality.

“We have a good product and we have plenty to sell if you want to buy,” Fremark said.

Globally, the USDA says agricultural exports are forecast to reach a record \$135.5 billion in fiscal year 2011, \$20.6 billion above the record set in 2008. Sharply higher unit values for grains, soybeans, and cotton account for most of the forecast increase.

The USDA’s chief economist, Joseph Glauber, said agricultural commodities prices will remain high in 2011, which is bad news for China. That nation accounts for almost 60 percent of world soybean imports, 40 percent of cotton imports and about 20 percent of total soybean oil imports.

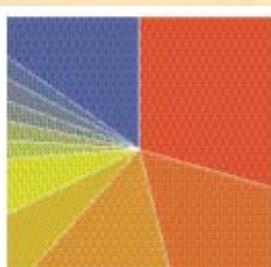
The USDA’s 10-year agricultural projections suggest China’s role as a major importer of soybeans and cotton will expand and that increased industrialization of its livestock, dairy and poultry sectors will increase demand for feed.



Top U.S. Distiller's Grains Customers

China	2,173,607	26.2%
Mexico	1,607,288	19.4%
Canada	1,061,696	12.8%
SEA	1,029,621	12.4%
Other ASIA	736,300	8.9%
Middle East	710,564	8.6%
EU	265,115	3.2%
Central America	230,485	2.8%
North Africa	176,080	2.1%
South America	159,492	1.9%
Caribbean	117,626	1.4%
S. Asia	7,183	0.1%
Other	8,102	0.1%
TOTAL	8,283,159	MT

Marketing Year Ending August 31, 2010
Data Source: Department of Commerce
U.S. Census Bureau, Foreign Trade Statistics



Top U.S. Corn Customers

Japan	14,343.1	29.6%
Mexico	7,998.6	16.5%
Korea	7,561.6	15.6%
Taiwan	2,949.0	6.1%
Egypt	2,935.3	6.1%
China	1,157.5	2.4%
Canada	1,100.6	2.3%
Venezuela	1,076.8	2.2%
Colombia	999.9	2.1%
Dominican Republic	890.6	1.8%
Other	7,392.1	15.3%
TOTAL	48,405.1	TMT

Marketing Year Ending August 31, 2010
Source: USDA, FAS Export Sales
Marketing Year Final Report

Blowing in the Wind

EPA COLLECTS INPUT ON AIR QUALITY STANDARD

Agricultural representatives from a six-state region that includes South Dakota told Environmental Protection Agency officials during a March 10 meeting that they oppose any tightening of air quality standards that could handcuff farmers.

The South Dakota Corn Growers Association (SDCGA) and several other ag organizations in the state participated by telephone in the Denver meeting. A number of the representatives went on record in support of the EPA's current particulate matter standard and opposed to any standard that would be more stringent.

EPA representatives included Jim Martin, Region 8 administrator, and Bill Harnett, director of the Air Quality Policy Division. The agency is required to review its national Ambient Air Quality Standard every five years, and has held meetings in each region to collect opinions. South Dakota, North Dakota, Montana, Wyoming, Colorado and Utah compose Region 8. The collected input will be presented to the EPA's administrator, Lisa Jackson.

The review focuses on the possible revision of standards that set the amount of 10-micrometer pollutant particles (PM10) that are allowed in outdoor air. Ten micrometers is smaller than the width of a human hair. Particles smaller than that can get into lungs and potentially cause health problems.

A common stance among ag representatives, in person and by phone, was that the EPA should maintain its current PM10



The EPA has a dozen air monitors in South Dakota. Studies show relative toxicity is a bigger concern in suburban or urban areas than in rural areas.

standard that was established in 1987 and sets the 24-hour limit at 150 micrograms per cubic meter. There has been discussion about lowering the microgram limit to between 65 and 85. The EPA expects to make a ruling late this year and finalize the standard next year.

"This is the start, not the end of dialog," Martin said.

The SDCGA submitted a letter to the EPA encouraging the agency to keep its current standard. The EPA has a dozen air monitors in South Dakota, mostly in cities like Sioux Falls, Brookings, Watertown, Aberdeen and Rapid City. Several others are in the very southeast tip of the state.

The standards themselves don't establish emission control requirements for any particular industry, including agriculture, and EPA hasn't required emission controls on farmland. Each state determines how to reduce a nonattainment area's pollution to meet the standards in a way that makes the most sense.

Studies show relative toxicity is a bigger concern in suburban or urban areas than in rural areas. The vast majority of

states have focused efforts to reduce PM10 on sources such as industrial processes and construction, and haven't required the agriculture industry to take any actions that require PM10 emission reductions. California and Arizona are addressing PM10 from agriculture by incorporating USDA-approved conservation measures into implementation plans for some nonattainment areas.

Similarly, PM10 monitoring requirements don't target rural areas. EPA requires PM10 monitoring in areas with populations of 100,000 or more, with more monitors required in areas of higher population and with higher PM10 levels. States have the discretion to install additional monitors to meet their own clean air objectives.

During the Region 8 meeting, a North Dakota Grain Growers Association official expressed concern about revising the standards and said the ramifications of implementing more stringent rules far exceed any health benefits.

A Nebraska Wheat Growers Association said farmers can't harvest quality crops without creating dust so controls must not get too stringent. A trend toward no-till farmers has reduced dust, but the EPA shouldn't tie producers' arms, he said.

A Montana Farmers Union representative said the only time he can recall an excessive amount of particulates in the air was after Mt. St. Helen's volcano erupted.

Asked by an ag group representative if there are studies showing that high levels of particulate matter are tied to an increase in emergency room visits and health problems, EPA representatives said yes.



Clint Weiss

SCHOLARSHIP WINNER

Clint Weiss of Faith, a student at Mitchell Technical Institute, is winner of a South Dakota Corn Utilization Council scholarship.

He will graduate in May with an associate of applied science degree in agricultural technology.

The SDCUC awards scholarships to MTI, South Dakota State University and Lake Area Technical Institute sophomores, juniors or seniors on course to graduate with agriculture majors.

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| Hoegemeyer Hybrids | Proseed |
| Legend Seeds | Renze Hybrids |
| Mustang Seeds | Seeds 2000 |
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South Dakota Corn Growers Association
 5109 S. Crossing Place, Suite 1, Sioux Falls, SD 57108
 or call 605-334-0100

Membership dues paid to the South Dakota Corn Growers Association are not tax deductible as charitable contributions for income tax purposes. The non-deductible portion of your SDCGA membership dues, allocable to lobbying, is 100 percent.

Corn Market Outlook:

WE MAY BE LOOKING AT A MULTI-YEAR BULL MARKET



by Sue Martin
President & owner
Ag & Investment Services Inc.

Since I spoke on behalf of the South Dakota Corn Growers in January, fundamentals have had few changes on the outlook for corn, but volatility has really changed.

The latest estimate for Argentine corn production is 18.5 million metric tons (MMT) vs. the USDA at 22 MMT. Argentine soybean production is pegged at 48.8 MMT vs. the latest USDA estimate of 49.5 MMT. About 25 percent of the Argentine crop area is quite dry and farmers there have sold only 30 percent of their crop.

While U.S. corn futures have had a correction off of new contract highs of \$1.37 basis, the July contract basis levels at the Gulf have held quite well and prices in China continue to escalate, marking new highs nearly every day.

The USDA Ag Attache' has indicated that the Chinese crop last year was nearly 12 MMT less than what the USDA has keyed in and usage increased another 2 MMT, so that's a net loss of 14 MMT. Still, the USDA struggles to change its numbers and quite honestly, WASDE and the USDA have tended to not pay attention to the Ag Attache' in times past. China has said it has plenty of corn, but its actions dictate otherwise.

The quarterly stocks report of March 31 had traders nervous in advance as rumors circulated about the USDA increasing the corn carryout because better quality corn allowed for less corn to be fed to livestock to garner weight gains, and in corn yielding better results in processing at ethanol plants. A planted acreage of 92.3 million acres has been priced into the market.

The world is hungry and economies are growing. It may be that we are looking at a multi-year bull market for corn.

Japan's nuclear disaster added velocity to a sell-off already in motion for corn futures. The U.S. accounts for 95 percent of Japan's corn imports. Japan is our largest beef customer. In addition to the nuclear problems, salt deposited by the tsunami on productive ground will have lasting effects.

Japan hasn't canceled any sales, and given a month or so, will need a host of commodities. Food is first. That would mean wheat and rice become important needs, but they will also need meat, such as pork and poultry. This too is supportive and may be very supportive to the new crop corn prices. March declines in bull years are not out of the

ordinary. However, I have some reservations now with the old crop corn.

While the past is no guarantee (I can't emphasize that enough), it does give clues of potential market behavior in the future. In the past 42 years, there have been nine other years when July corn made new contract yearly highs in February. In seven out of the nine years, July corn futures made new contract highs again after February.

Most often, the ultimate high for July corn was made in late June or July. However, there was a catch. First, there were two years out of nine that failed to make a higher high after February: 2007 and 1974. After the contract high was put in during February, the market fell through the February low and the market got weaker into a May low and then rallied into June, but put in a high of less degree. However, there were also two of the seven years that did make a higher high after February and then proceeded to take out the February low. Those years, 1992 and 2004, July futures never looked back and expired weak. December corn turned

negative and fell into fall.

Now, the other five of seven years that saw new contract highs for July after February didn't take out the February low. Those all went on to be strong into late June to July. The key here is that it appears from history that when the February low is exceeded, the markets' ability to strike out for new contract highs is voided. The high on July corn for this year is \$7.45. The all time high for any contract in July is \$7.65. Futures got within 20 cents.

I think the market has priced in all the demand and now the smart money is going to wait for a weather market. More than likely that will be focused on the December contract and I suspect it doesn't before the July expiration. Therefore, on rallies, I would become more aggressive in making old crop cash corn sales.

July futures expire July 14. So, there is the time window and the price level that should not be exceeded if history repeats itself. In the two years that July corn failed to go on and see new contract highs and then exceeded the February lows, December corn saw new contract highs later.

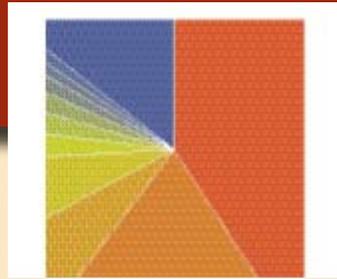
In 2007, December corn saw a new high in June and fell hard to an early harvest low on July 23, and then rallied back to the high in December. Interestingly, 2007 was the year we had 93.3 million acres in June's final planting report. That was a demand year being led by China into 2008.

In 1974, December corn made lows in May and new highs again in October. That was a fall with an early freeze. However, in the two years that went on to make higher highs after February and then fell under the February lows, the

While the past is no guarantee, it does give clues of potential market behavior in the future.

December contract was unable to make higher highs and actually was negative into fall.

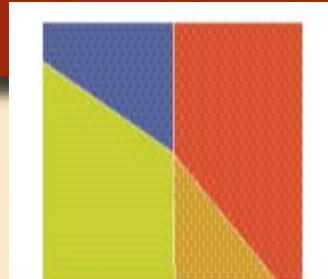
What would catch everyone off-guard this year? Everyone is bulled up fundamentally. Will the market reward them? I guess when it comes to new crop sales, I would be looking to make them as well on lifts and then protect back with call spreads if I felt the need for more. If the market goes up, cash sales are protected to reward more. If market goes down, producers who sold will be happy.



World Corn Production

US	333,011	41.0%
China	158,000	19.4%
EU-27	57,147	7.0%
Brazil	56,100	6.9%
Argentina	22,500	2.8%
Mexico	20,374	2.5%
India	16,680	2.0%
South Africa	13,420	1.7%
Ukraine	10,500	1.3%
Canada	9,561	1.2%
Others	115,110	14.2%
WORLD TOTAL	812,403	TMT

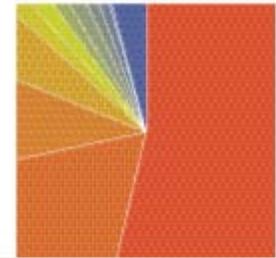
Local Marketing Years
Source: USDA, Grains: World Markets and Trade, November 2010



U.S. Corn Utilization

Feed & Residual	131,045.5	39.4%
Food, Seed & Industrial (excluding ethanol)	34,799.8	10.5%
Food, Seed & Industrial: Ethanol	116,033.4	34.9%
Exports	50,472.5	15.2%
TOTAL	332,351.1	TMT

Marketing Year Ending August 31, 2010
Source: USDA, WASDE, November 2010



World Corn Exports

US	49,887	53.8%
Argentina	16,771	18.1%
Brazil	8,623	9.3%
Ukraine	5,072	5.5%
South Africa	1,586	1.7%
EU-27	1,500	1.6%
India	1,500	1.6%
Paraguay	1,388	1.5%
Serbia	1,343	1.4%
Thailand	1,000	1.1%
Canada	184	0.2%
Others	3,843	4.1%
WORLD	92,697	TMT

Year Ending September 30, 2010
Source: USDA, Grains: World Markets and Trade, November 2010

South Dakota Corn – Social Media Snapshot

U.S. ENERGY SECURITY

President Obama recently announced his administration's energy security blueprint, which includes expanding domestic biofuel use and infrastructure as a way to continue reducing our dependence on foreign oil. "Corn ethanol is already making a significant contribution to reducing our oil dependence, but increasing market share will require overcoming infrastructure challenges and commercializing promising cellulosic and advanced biofuels technologies."

FINDING OUR COMMON GROUND

With a greater disconnect growing between consumers and the origin of their food, a movement has been established to help reconnect and educate consumers about where their food comes from and the production practices used to make it. Common Ground, a new partnership between the corn and soybean check-off groups will focus on educating female consumers through conversations about farming and food. With so many misconceptions in today's media about agriculture and its commodities, Common Ground's goal is to provide simple answers to the tough questions being raised. For more information, check out www.findourcommonground.com

ETHANOL NUMBERS GAME: FOOD, FEED AND CLEAN FUEL

- The United States ethanol industry uses only **3% of the world's grain supply**, which eliminated the need for **445 million** barrels of foreign oil in 2010.
- **1 bushel of corn** used for ethanol production makes **2.8 gallons of fuel** and **18 pounds of distillers grains**.
- Distillers grains displaced the need for **1 million bushels** of corn for feed in the U.S. during 2010.
- Ethanol emissions release **52% fewer harmful greenhouse gases** than emissions of conventional gasoline.
- The world's ethanol production will reduce global greenhouse gas emissions by **105 million tons** in 2011 according to 2 Consultants Inc.
- Ethanol production requires **28% less energy** and **32% less water** than it did 10 years ago.
- Each gallon of ethanol delivers as much as **260% more energy** than it took to produce.
- According to the University of Nebraska-Lincoln, **13 gallons of ethanol** are produced for each gallon of petroleum-based fuel used in the entire corn-to-ethanol life cycle.

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from South Dakota Corn events, go to www.flickr.com/sdcorn.

South Dakota
Corn

For an in-depth look at specific issues affecting corn farmers, visit our blog at SDcornblog.org.

Rising grain production creates needs

ELEVATOR COMPANIES RESPOND BY ADDING STORAGE,

If you drive around eastern South Dakota much this spring and summer, there's a good chance you'll see a grain elevator project in the works.

Record yields are generating a growing need for more facilities to store and transport corn and soybeans that are being produced by South Dakota farmers. From Onida to Andover to Lyons, grain companies, cooperatives and farmer investors are taking a progressive approach by building elevators and installing state-of-the-art loading facilities.

"There's good growth in the industry," said Kathy Zander, executive director of the South Dakota Grain & Feed Association.

SDWG INVESTS \$100 MILLION

The South Dakota Wheat Growers (SDWG), a grain and agronomy cooperative in the heart of the James River Valley, recently invested nearly \$100 million on new facilities and upgrades. The project includes new shuttle loaders at Andover and Roscoe, both of which are served by Burlington Northern Santa Fe Railway. Both sites began accepting grain late last year and will be fully operational in mid-June.



Steve Briggs

SDWG also increased dumping capacity and added bigger dryers at nine other locations. Steve Briggs, vice president of sales and marketing, said the upgrades will allow farmers to get in and out of the facilities faster during this year's harvest.

The farmer-owned cooperative will continue to look at potential locations for new facilities or upgrades, but only along railroad lines.

Burlington Northern Santa Fe Railway serves a number of SDWG locations, including Andover and Roscoe. Canadian Pacific Railway serves the cooperative's southern area, and some of the rail lines tie in with Union Pacific.

"Those three railroads will really dictate where our next shuttle loaders will be," Briggs said.

The bulk of the corn delivered to SDWG facilities goes to ethanol plants. Some corn and soybeans stays for feed, but most of the rest goes to the Pacific Northwest to be exported.

With a growing need for food globally, particularly in Asia, Briggs said the Dakotas will be a key location as farmers produce more during the next 20 years than they did during the history of mankind.

"This is a new frontier for row-crop production. We're now able to grow certain varieties and hybrids in South Dakota that in the past weren't sustainable," Briggs said. "Corn is growing where we didn't see it growing 15 years ago in the north and west. Instead of 160 bushels, we'll be producing 200 bushels. If we're growing more corn and more beans, it has to go somewhere. It's going in rail cars heading west. Railroads are all about speed. If you aren't loading shuttle cars, they won't give you the time of day. You have to be ready and able to load very quickly."

ONIDA UPGRADE IS IN THE WORKS

The Oahe Grain Corp. is expanding its facilities at Onida to handle 120-car trains, from its current maximum of 75 cars.

The elevator is adding two 750,000-bushel bins, a 10,000-bushel-per-hour dryer and a 365,000-bushel wet tank with a double pit. A 40,000-bushel conveyor will feed grain to the pits. Rail work should be completed by the end of June.

The operation should be fully online by Oct. 1 and will have storage capacity of 5.7 million bushels. The upgrades will allow the facility to dry corn in one location and sunflowers in another.

General Manager Tim Luken said the facility is getting set to run corn shuttles if it can get things worked out with railroads. Currently, all of the corn is going to ethanol plants. He hopes the expansions will open opportunities to send grain to the Pacific Northwest so it can be exported. That would add value for producers.

"In time, I think the railroads will see what they'll be able to ship out of here. With the corn acres we're producing here, we need different markets," Luken said.

The Onida elevator handled three million bushels of corn last year, up from 2.5 million and 2 million the previous two years. The county produces 11-12 million bushels of corn annually, he said.

ADM IS BUILDING AT TULARE

ADM-Benson Quinn is constructing a grain elevator with a storage capacity of more than 2 million bushels at Tulare. The contractor started dirt work in October and finished installing pilings. In April, construction of the elevator will begin. The facility



The South Dakota Wheat Growers cooperative

IMPROVING TRAIN-LOADING CAPACITY

is expected to be in operation by February 2012.

Scott Nagel, president of ADM-Benson Quinn, said ADM chose Tulare because crop rotations have changed and production has increased in that area.

"Farmers have increased crop yields significantly in recent years," Nagel said. "ADM is responding by providing growers in the Tulare area with convenient, local storage and marketing opportunities for their crops. We are pleased to invest in a community that understands the value of agriculture."



Scott Nagel

In addition to increasing load capacity and marketing opportunities for producers, the facility should result in shorter lines, Nagel said.

The concrete-and-steel elevator, which will be used to store corn, soybeans and wheat from local growers, will be located at U.S. Highway 281 and state Route 28. The facility will include a 10,000-bushel-per-hour dryer and efficient truck unloading and railcar loading capabilities. It will employ eight to 10 people.

ADM-Benson Quinn is a division of Archer Daniels Midland Company (ADM).

The elevator is being constructed along a Burlington Northern Santa Fe Railway line. Nagel said most of the grain will be transported to the Pacific Northwest to feed Asian markets. A smaller percentage will go to Texas to be exported from the Gulf of Mexico.



added a shuttle loader at its Roscoe facility.

BROTHERS ORGANIZE MILLER PROPOSAL

Brothers Lynn and Harry Harrell are leading a proposed grain elevator project in the Miller area. Lynn ran elevators for nearly 10 years and Harry was a commodity broker for the same amount of time. Now they farm.

The venture would be half owned by farmers and half owned by a strategic partner. That partner hasn't been picked yet, but there are three or four interested parties, Lynn Harrell said. The only thing that's holding up the project is a railroad agreement, he said.

"Once that's finalized, we could be breaking ground," Harrell said.

The facility, which could come on line as early as spring of 2012, would include a circle track and a shuttle loader with 110-railcar capability. There would be two 25,000-bushel-per-hour pits, a 70,000-bushel-per-hour loader for train cars and a 10,000-bushel-per-hour dryer. The elevator would have 2.5 million bushels of storage capacity in either concrete or steel bins, and there could be 1 million bushel emergency pile.

A facility at Miller would result in 15 to 20 cents per bushel in freight savings, Harrell said.

The elevator would boost the local tax base and five to eight employees to start out, he said. An offshoot of having a circle track is that it also could be used for delivery of other types of items, such as wind turbines or pipe for oil fields. Support from local farmers and the Miller community has been tremendous, he said.

Harrell said having a strategic partner with capital, knowledge and expertise is a must. The project will require a line of credit and could tie up \$30 million in inventory.

"We're looking to bring competition to our market place," he said. "Having a choice creates better market discovery."

Harrell and his brother have targeted generational farmers for the investment. When the Harrells retire from farming, they plan to pass their shares on to their children, and they hope other investors will do the same.

"By doing that, the facility has guaranteed acreage behind it," Lynn Harrell said. "This is long-term. Some would build it, try to make a buck off it and sell it in five or 10 years. We don't want to do that."

OTHER PLANS IN THE WORKS

There may be other projects underway by other cooperatives, and there are more in planning stages.

Fremar LLC plans to build a grain terminal and railroad loading track at Lyons at a cost of \$20-\$25 million. The Minnehaha County Planning Commission unanimously approved a conditional-use permit for the project and the County Commission gave its support in a 3-1 vote on March 22.

Steve Domm, general manager at Fremar and CEO of Central Farmers Co-op in Marion, said he's waiting to discuss details until the project clears final hurdles. The facility would process 16 million bushels of grain annually and employ seven to 10 full-time workers.

The Border States Cooperative elevator in Wilmot is considering the addition of another steel bin, but that's likely to be a 2012 project, said Kevin Saxton, manager of the grain department.



A backlog of drain-tiling requests in South Dakota has led to a call for help.

Natural Resources Conservation Service (NRCS) offices in the state have asked national headquarters for additional staff to deal with more than 3,400 outstanding requests.

Kevin Luebke, an NRCS state biologist, met on March 25 with the South Dakota Corn Utilization Council board of directors and said the proposal asks for six new technicians for a three-year period. The U.S. office would provide three and the state office would match that. A decision is pending.

“That would reduce the backlog by 80 percent,” Luebke said of the proposed staff increase.

The state has 3,430 outstanding requests; 2,520 of those are for new drainage. Of all outstanding requests, 2,897 are for the Brookings office’s service area. Of those, 372 are new requests for 2011.

“We can’t keep up,” Luebke said.

The goal in the Brookings service area is to finish requests for 2007, 2008 and 2009. In some counties, 2010 and 2011 requests could be processed.

Luebke said Minnesota and Iowa aren’t backed up as badly but don’t have enough personnel that they can send some to South Dakota to help. The hiring of private contractors isn’t a solution to the backlog either because federal law says only NRCS staff can sign wetlands determinations.

Taking steps to speed the process, the NRCS has created a one-location resource site online, developed standard letters for land owners, put a U.S. Fish & Wildlife Service policy in place to deal with easements, and developed a tool to streamline map production.

Rather than tag tile setbacks, the NRCS now sends the information to a landowner’s contractor, a step that Luebke said should save time.

SDCUC President Chad Blindauer asked, “So, going forward, it should be a little easier?”

“Right,” Luebke said.

Tips from the NRCS

- Prioritize the tracts you would like to have certified.
- Don’t bring in all of your land for requests for certified wetland determinations (CWDs) at one time and expect to get the requests serviced that same season.
- CWDs completed after July 3, 1996 were performed on-site and are valid for Swampbuster. Re-do’s will remain on the bottom of the list until there are no new determinations to complete elsewhere in the county.
- Information you have received from private entities may be misleading and ill-advised. Talk directly to the NRCS for the correct information.
- When developing drainage plans, the slope/topography, outlet, soils and other designs should be considered to determine feasibility before requesting a CWD.

In addition to CWD, the Natural Resources Conservation Service delivers other conservation programs, and its funding doesn’t come from technical assistance alone.

Elevator Manager of the Year Award:

SAXTON LEADS WILMOT'S ELEVATOR ON 30-YEAR GROWTH SPURT

When Kevin Saxton took over as manager of the Equity Co-op Association elevator in Wilmot 29 years ago, it was a small operation that handled about 350,000 bushels of grain.

Today, the facility is the Border States Cooperative elevator and it handles 2 million bushels a year. Saxton is the department manager of grain.

The South Dakota Corn Utilization Council (SDCUC) has recognized the accomplishments by selecting Saxton as Elevator Manager of the Year, an honor that reflects his leadership and dedication.

Bill Whipple of Wilmot, a member of the South Dakota Corn Utilization Council (SDCUC) board of directors, said Saxton's leadership and Border States' commitment to the Wilmot facility have been vital to the region.

"Kevin has been a great asset for the elevator, the community and for area farmers. When he took over, he established forward contracting of grain and competitive pricing. That was a significant step," said Whipple, who presented the award Jan. 19 during the South Dakota Grain and Feed Association's annual convention held in Sioux Falls. "And when the ethanol plant was being built at Big Stone, rather than view it as competition, he figured out a way to make it a marketing tool for the elevator."

Saxton, a native of Beardsley, Minn. worked at his hometown elevator from 1976 until 1982 when he accepted the management job at the Wilmot elevator.

The Wilmot operation had about \$300,000 of working capital, but Saxton could see lots of potential for growth. Under his leadership and common-sense approach, the amount of working capital doubled over the next seven years.

As business grew, the cooperative built new bins in 1985 and more in 1987. A new elevator was constructed in 1989 - one of the last cribbed wooden elevators to be built. A new 1,000-ton fertilizer plant was added in 1992. Over the next five years, the cooperative put up 90,000-bushel and 150,000-bushel bins.

Equity Co-op and the Farmers Union Co-op in town merged in 1999 and operated through 2003 as Farmers Co-op Association. At that time, the co-op formed a regionalization with CHS Inc. and the

elevator became Border States Co-op.

Three years ago, Border States added a 270,000-bushel steel bin, bringing current capacity to 867,000 bushels. And the cooperative is looking into adding another steel bin. Much of the success can be attributed to Saxton's commitment.

At one time, the elevator's grain was nearly equal parts corn, soybeans and wheat. Now, it's close to 1 million bushels of corn, 700,000 bushels of soybeans and 300,000 bushels of wheat. The wheat is transported primarily to mills in Winona, Minn. and other cities. Most of the beans are exported. About 80 percent of the corn is used to make ethanol.

The nearest ethanol plant is a Poet facility at Big Stone City, 20 miles away. There are two other plants within 55 miles of Wilmot: Glacial Lakes Energy at Watertown and Hankinson Renewable Energy at Hankinson, N.D.

Border States utilizes a Sisseton-Milbank Railroad short rail line that runs between Sisseton and Milbank. From Milbank, grain can be transported on either a Twin Cities Western or Burlington Northern line.

Saxton has three full-time employees and one part-timer. He and his wife, Dawn, have three adult children: Erika and her husband Travis; Ryan and his wife Whitney; and Jason and his wife Chelsea. They also have six grandchildren.



SDCUC board of director Bill Whipple of Wilmot presents Kevin Saxton (right) with the Elevator Manager of the Year award.

Know before you Grow:

APPROVED STATUS AS OF APRIL 1, 2011

Below is a list of biotech seed products available for the 2011 planting season. All of the hybrids listed below have full food and feed approval in the United States This list is representative of available products but may not include all corn biotechnology hybrids currently available.

PRODUCT REGISTRANT TRADE NAME	CHARACTERISTIC	EVENT	JAPAN APPROVED	EU FOOD APPROVAL	EU PROCESSED FEED APPROVAL
Syngenta Agrisure™ CB/LL	Cry1Ab, Corn Borer. Glufosinate herbicide Tolerance	Bt11	Yes	Yes	Yes
Agrisure Viptera™ 3110	Vip3A, Cry1Ab, European and Southwestern Corn Borers, Southern Cornstalk Borer, Fall and Beet Armyworm, Black and Western Bean Cutworm, Sugarcane Borer, Common Stalk borer and Dingy Cutworm protection. Glyphosate tolerance. Glufosinate tolerance	MIR162+Bt11 +GA21	Yes	No	No
Agrisure Viptera™ 3111	Vip3A, Cry1Ab, European and Southwestern Corn Borers, Southern cornstalk borer, Fall and Beet armyworm, Black and Western Bean Cutworm, Sugarcane borer, Western, Northern and Mexican corn rootworm, Common stalk borer and Dingy cutworm protection. Glyphosate tolerance. Glufosinate tolerance.	MIR162+Bt11+ GA21+MIR604	Yes	No	No
DowAgrosciences Pioneer Hi- Bred Herculex® I	Cry1F, Western Bean Cutworm, Corn Borer, Black Cutworm and Fall Armyworm resistance Glufosinate herbicide tolerance.	TC1507	Yes	Yes	Yes
Monsanto YieldGard® Corn Borer	Cry1Ab, European and Southwestern Corn Borers, Sugarcane Borer and Southern Cornstalk Borer protection.	Mon810	Yes	Yes	Yes
Monsanto YieldGard® Corn Borer with Roundup Ready® Corn 2	Cry1Ab, European and Southwestern Southwestern Corn Borers, Sugarcane Borer and Southern Cornstalk Borer protection. Glyphosate herbicide tolerance.	Mon810+NK603	Yes	Yes	Yes

PRODUCT REGISTRANT TRADE NAME	CHARACTERISTIC	EVENT	JAPAN APPROVED	EU FOOD APPROVAL	EU PROCESSED FEED APPROVAL
Monsanto YieldGard® Rootworm with Roundup Ready® Corn 2	Cry3Bb1, Western, Northern and Mexican Corn Rootworm Protection. Glyphosate herbicide tolerance.	Mon863+NK603	Yes	Yes	Yes
Monsanto YieldGard® Rootworm	Cry3Bb1, Western, Northern and Mexican, Corn Rootworm protection. Glyphosate herbicide tolerance.	Mon863	Yes	Yes	Yes
Monsanto Roundup Ready® Corn 2	Glyphosate herbicide tolerance.	NK603	Yes	Yes	Yes
Bayer CropScience LibertyLink®	Glufosinate herbicide tolerance.	T25	Yes	Yes	Yes
Monsanto YieldGard® Plus	Cry1Ab, Cry3Bb1, European and Southwestern, Corn Borers, Sugarcane Borer, Southern Cornstalk Borer, , and Western, Northern and Mexican Corn Rootworm protection.	Mon810 +Mon863	Yes	Yes	Yes
Monsanto YieldGard® Plus with Roundup Ready® Corn 2	Cry1Ab, Cry3Bb1, European and Southwestern Corn Borers, Sugarcane Borer, Southern Cornstalk Borer, and Western, Northern and Mexican Corn Rootworm protection. Glyphosate herbicide tolerance.	Mon810 +Mon863 +NK603	Yes	Yes	Yes
DowAgrosciences Pioneer Hi-Bred Herculex® I Monsanto Roundup Ready® Corn 2	Cry1F, Western Bean Cutworm, Corn Borer, Black Cutworm and Fall Armyworm resistance. Glyphosate herbicide tolerance Glufosinate herbicide tolerance.	TC1507+NK603	Yes	Yes	Yes
Syngenta Agrisure® GT	Glyphosate herbicide tolerance.	SYTGA21	Yes	Yes	Yes
Syngenta Agrisure® GT/CB/LL	Cry1AB, European and Southwestern Corn borer protection Glyphosate herbicide tolerance Glufosinate herbicide tolerance.	Bt11+GA21	Yes	Yes	Yes
Dow AgroSciences Pioneer Hi- Bred Herculex® RW	Cry34/35Ab1, Western Corn Rootworm, Northern Corn Rootworm protection. Glufosinate herbicide tolerance.	DAS59122-7	Yes	Yes	Yes

PRODUCT REGISTRANT TRADE NAME	CHARACTERISTIC	EVENT	JAPAN APPROVED	EU FOOD APPROVAL	EU PROCESSED FEED APPROVAL
Dow AgroSciences Pioneer Hi-Bred Herculex® Xtra	Cry1F, Western Bean Cutworm, Corn Borer, Black Cutworm and Fall Armyworm resistance Northern Corn Rootworm. Western Corn Rootworm protection. Glufosinate herbicide tolerance.	TC1507 +DAS59122-7	Yes	Yes	Yes
Dow AgroSciences Pioneer Hi-Bred Herculex® RW Monsanto Roundup Ready® Corn 2	Cry34/35Ab1, Western Corn Rootworm, Northern Corn Rootworm protection. Glufosinate herbicide tolerance. Glyphosate herbicide tolerance.	DAS59122-7+NK603	Yes	Yes	Yes
Dow AgroSciences Pioneer Hi-Bred Herculex® Xtra Monsanto Roundup® Corn 2	Cry1F, Western Bean Cutworm, Corn Borer, Black Cutworm and Fall Armyworm resistance. Glufosinate herbicide tolerance. Cry34/35Ab1, Western Corn Rootworm Northern Corn Rootworm Protection. Glyphosate herbicide tolerance.	TC1507 +DAS59122-7 +NK603	Yes	Yes	Yes
Monsanto YieldGard VT™ Rootworm/RR2®	Cry3Bb1, Western, Northern, and Mexican Corn Rootworm protection. Glyphosate Herbicide Tolerance.	Mon88017	Yes	Yes	Yes
Monsanto YieldGard VT™ Triple	Cry1Ab, Cry3Bb1, European and Southwestern Corn Borer, Sugarcane Borer and Southern Cornstalk Borer and Western, Northern, and Mexican Corn Rootworm protection. Glyphosate herbicide tolerance.	Mon810 +Mon88017	Yes	Yes	Yes
Syngenta Agrisure® RW	Modified Cry3A, Protection of Western, Northern and Mexican Corn Rootworm.	MIR604	Yes	Yes	Yes
Syngenta® GT/RW	Modified Cry3A, Protection of Western, Northern and Mexican Corn Rootworm Glyphosate herbicide tolerance	MIR604 +SYTGA21	Yes	No	No

PRODUCT REGISTRANT TRADE NAME	CHARACTERISTIC	EVENT	JAPAN APPROVED	EU FOOD APPROVAL	EU PROCESSED FEED APPROVAL
Syngenta Agrisure® CB/LL/RW	Cry1Ab, Corn Borer protection. Modified Cry3A, Protection of Western, Northern and Mexican Corn Rootworm. Glufosinate herbicide tolerance.	Bt11+MIR604	Yes	No	No
Syngenta Agrisure® 3000GT	Cry1Ab, Corn Borer protection. Modified Cry3A, Protection of Western, Northern and Mexican Corn Rootworm. Glufosinate herbicide tolerance. Glyphosate tolerance.	SYTGA21 +Bt11+MIR604	Yes	No	No
Monsanto Genuity™ VT Double PRO™	Cry1A.105, Cry2Ab2, European and Southwestern Corn Borers, Sugarcane Borer, Southern Cornstalk Borer, Corn Earworm, and Fall Armyworm protection. Glyphosate herbicide tolerance.	Mon89034 +NK603	Yes	Yes	Yes
Monsanto Genuity™ VT Triple PRO™	Cry1A.105, Cry2Ab2, Cry3Bb1, European and Southwestern Corn Borers, Sugarcane Borer, Southern Cornstalk Borer, Corn Earworm, Fall Armyworm, Western Corn Rootworm, Northern Corn Rootworm, and Mexican Corn Rootworm protection. Glyphosate herbicide tolerance.	Mon88017 +Mon89034	Yes	No	No
Monsanto Genuity™SmartStax™ DowAgrosciences SmartStax™	Cry1A.105, Cry2Ab2, Cry1F, Cry3Bb1, Cry34/35Ab1 Western, Northern, and Mexican Corn Rootworms, European and Southwestern Corn Borers, Sugarcane Borer, Southern Cornstalk Borer, Western Bean and Black Cutworms, Corn Earworm, Fall Armyworm protection. Glyphosate herbicide tolerance. Glufosinate herbicide tolerance.	Mon88017+Mon 89034+TC1507+ DAS59122-7	Yes	No	No

A Taste of Agriculture

THOUSANDS PARTICIPATE IN NATIONAL AG WEEK



Frozen custard is tasty to the tongue of Drew Gohl, 5.

South Dakota's farmers and agricultural organizations shared their stories in various ways with thousands of people while commemorating National Ag Week, March 13-19.

Early in the week, people got a sweet taste of agriculture through a frozen custard giveaway at Culver's restaurants on National Ag Day, March 15. The week's festivities culminated with four hours of activities and booths March 19 at the Washington Pavilion in Sioux Falls.

The events combined education and fun while showing appreciation for farmers. The South Dakota Corn Utilization Council (SDCU) joined many other ag groups in promoting the industry.

Teddi Mueller, the SDCUC's legislative and industry affairs director, said she was pleased with the large number of nonfarm families who attended the Pavilion events and was impressed by their excitement. The Pavilion's event provided a good opportunity to give the public a glimpse into agriculture.

"There's a huge curiosity out there that needs to be fed about the ag sector," Mueller said.



Several children string beads and kernels of corn at the South Dakota Corn booth in the Pavilion.

The Pavilion's free event included 40 exhibitors, three floors of hands-on activities and lunch. Approximately 1,500 children and adults participated, a turnout that pleased Kaia Mogen, the Pavilion's special project coordinator.

"The kids were the most fun to watch. They'll try anything. They don't mind getting their hands dirty," Mogen said. "It was a fun, educational event."

Children who visited the South Dakota Corn exhibit made bookmarks and zipper pulls by stringing beads and pre-drilled kernels of corn

Four days earlier, Culver's restaurants in seven cities partnered with six agricultural organizations, including the SDCUC, to serve nearly 7,000 dishes of free, fresh, frozen custard.

Chad Pearson, operations manager and part owner of Culver's restaurants in Sioux Falls, said the event exceeded expectations.

"I thought it ran awesome," Pearson said. "We saw a lot of the community come out and support agriculture. And not just because of free custard, although that was a big draw. Many also realized it was an opportunity to show their support for farmers. We got a lot of good feedback."

Four Culver's restaurants in Sioux Falls served more than 3,800 dishes of custard as part of the promotion, up from 2,400 at last year's event. The SDCUC staff operated a promotional table at one of those restaurants during the custard giveaway. Restaurants in Brookings, Watertown, Aberdeen, Rapid City and Spearfish also participated in the promotion this year.

Mueller said billboards, radio spots, fliers and tray liners helped distribute information about the industry, as well as a well-deserved thank you to farmers.

"They have a huge responsibility on their shoulders," Mueller said. "We should thank them more than once a year."



Jesse Johnson of South Dakota Corn quizzes kids at the Pavilion.

Record crowd convenes at Commodity Classic

The 2011 Commodity Classic set an attendance record, including about a dozen representatives of the South Dakota Corn Growers Association and Corn Utilization Council who ventured to Tampa, Fla. There, they discussed issues, set policies and learned about the latest products, services and trends.

The Classic surpassed previous turnout records with 4,826 attendees. Farm families represented more than half of the participants, and first-time attendees saw an 80 percent increase over the previous year.

"I was excited to see that the numbers increased," Bill Chase of Wolsey said. "There were 650 new participants."



Bill Chase of Wolsey

David Fremark of St. Lawrence said vendors told him there wasn't as much traffic at the trade show as there had been some years, but the number of good contacts they made has never been higher.

Commodity Classic is the premier convention and trade show of the National Corn Growers Association, the American Soybean Association, the National Association of Wheat Growers and the National Sorghum Producers. Those associations went on record in support of reducing the federal deficit while ensuring a successful agricultural economy.

Two of the country's top agricultural policy leaders – Secretary of Agriculture Tom Vilsack and House Agriculture Committee Chairman Frank Lucas – spoke at the general session. Those in attendance heard Lucas frankly discuss the prospects of the 2012 Farm Bill and proclaim that "the EPA assault on production agriculture must stop."

Secretary Vilsack acknowledged the incredible advancements made in American agriculture, the importance of biofuels to national security and the contribution of agricultural exports to the health of the economy.

Other events included education sessions, legislative updates and numerous networking opportunities. Commodity Classic 2012 will be March 1-3 in Nashville, Tenn.



Keith Alverson of Chester

In addition to the SDCUC, sponsors of the Culver's giveaway were the Soybean Research & Promotion Council, the South Dakota Wheat Commission, South Dakota Beef Industry Council, Midwest Dairy Association, and the Pork Producers Council. Culver's placed facts about the state's ag industries on food trays and in to-go bags throughout the week.

In other activities throughout the week, farmers visited elementary classrooms to talk about agriculture and their operations. Ag United, one of the organizations that sponsored the classroom events, threw a pizza party for students.

The week's activities generated publicity from radio stations, newspapers and TV stations. At Culver's in Sioux Falls, WNAX did on-site interviews and Mix 97.3 did a live remote. In Watertown, KWAT radio did its Ag Hour from Culver's.



Kelly Dunkelberger of South Dakota Corn offers free gifts to Culver's customers.

News Briefs

A LOOK AT THE LATEST HAPPENINGS

NCGA pleased with full deregulation of corn amylase

The U.S. Department of Agriculture's decision in February to fully deregulate corn amylase was welcomed by the National Corn Growers Association.

"All output traits will be valued-added crops that have the potential to allow growers to raise a product that could be beneficial to their farms in ways that are not possible right now," said Chad Blindauer of Mitchell, who is chairman of NCGA's Trade Policy and Biotechnology Action Team and new president of the South Dakota Corn Utilization Council. "We are pleased the U.S. regulatory system continues to provide growers with planting choices for their operations."

The USDA's Animal and Plant Health Inspection Service decided to regulate corn amylase for all markets. It found no plant pest risk associated with this event and reported a positive environmental assessment.

The enzyme breaks down starch into sugar, thereby facilitating a vital step in ethanol production. "Corn amylase is the first processing output trait to be scrutinized by our regulatory system," said NCGA President Bart Schott, a farmer from Kulm, N.D. "The potential importance of output traits to growers and industry will only increase as other output traits are developed."

Corn amylase is approved in Japan, Canada, Mexico, New Zealand, Australia, Taiwan, and the Philippines. Amylase was found to be safe for food and feed by the Food and Drug Administration in 2007.

Passing the buck: E85 is \$1 less than E10 at one station

The days of E85 selling for a buck less than E10 are back - well, at least at one service station.

Midway Service and Vollan Oil, which is along Minnehaha County Road 115 about midway between Sioux Falls and Dell Rapids, recently has been selling E85 for \$2.65 per gallon, a dollar less than E10.

"It's been a really long time since that happened," employee Travis Schreurs said. "It makes it worth using."

New wind farm is generating electricity

A new seven-turbine wind farm near White Lake has been in full operation for more than a month.

The 1.5-megawatt turbines went online Feb. 28, said Brian Minish, vice president of South Dakota Wind Partners LLC.

"Everything has gone exceptionally well," he said. "We're ahead of schedule."

The South Dakota Corn Utilization Council, East River Rural Electric Cooperative, South Dakota Farmers Union and South Dakota Farm Bureau helped develop SDWP to provide an opportunity for South Dakotans to invest as owners and provide debt financing for the enterprise. Production numbers for the first month of operation weren't yet available. The seven turbines are adjacent to Prairie Winds, a 101-turbine wind farm. Prairie Winds is a wholly owned subsidiary of Basin Electric Power Cooperative and purchases all electricity generated by the seven turbines.

Minish said lifts still need to be installed inside the towers and landscaping will be done this spring, but the turbines are fully functional.

A wind farm dedication is planned June 23, with details to be announced later.

COMPACT JOHN DEERE WON IN RAFFLE

Bill and Kim Wenzel of Tabor won this John Deere 2320 compact utility tractor in a raffle at the South Dakota Corn Growers Association annual meeting. The Green With Envy Raffle was tied in with the True Environmentalists campaign and was sponsored by Pedersen Machine Inc., Fred Haar Co., the SDCGA and the SDCUC.



Retiring Directors honored

Past and present SDCGA and SDCUC board members paid tribute to retiring directors at a reception on March 24 in Sioux Falls.

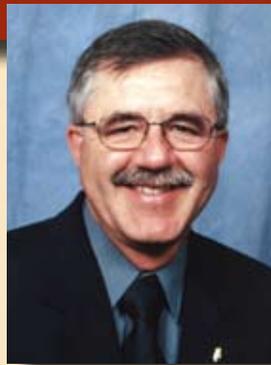
Retiring SDCUC directors were Mark Lounsbury of Reville and Mark Garber of Pierre. Retiring SDCGA directors were Walt Bones of Chancellor, David Leiseth of Haiti, Marv Schumacher of Pierre and Jim Thyen of Waverly. David Fremark was termed out as president, but remains on the board.

Bones, who stepped down as director after Gov. Dennis Daugaard selected him as ag secretary, generated laughs from the group when he quipped, "They kicked me off the board after two years of a three-year term."

We thank all of the retiring directors for their many years of dedicated service.



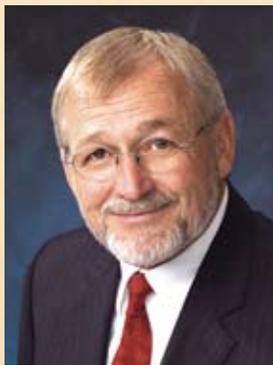
Walt Bones



Mark Garber



David Leiseth



Mark Lounsbury



Marv Schumacher



Jim Thyen

Calendar of Events

May 25-27, 2011

USMEF Conference
Washington D.C.

June 15-17, 2011

SDCUC and SDCGA Board
Retreat
Yankton S.D.

June 23, 2011

SDCGA Corn Cob Open
Spring Creek Golf Course
Harrisburg, SD

July 11-12, 2011

NCGA Action Team Meetings
Washington, DC

July 13-14, 2011

NCGA Corn Congress
Washington D.C.

July 22, 2011

Ag Rules Night at the
Sioux Falls Pheasants
Sioux Falls, SD

July 24-28, 2011

USGC Conference
San Francisco, CA

August 10, 2011

Ag Appreciation Day
Sioux Empire Fair
Sioux Falls, SD

August 16-18, 2011

Dakotafest
Mitchell, SD

September 1-5, 2011

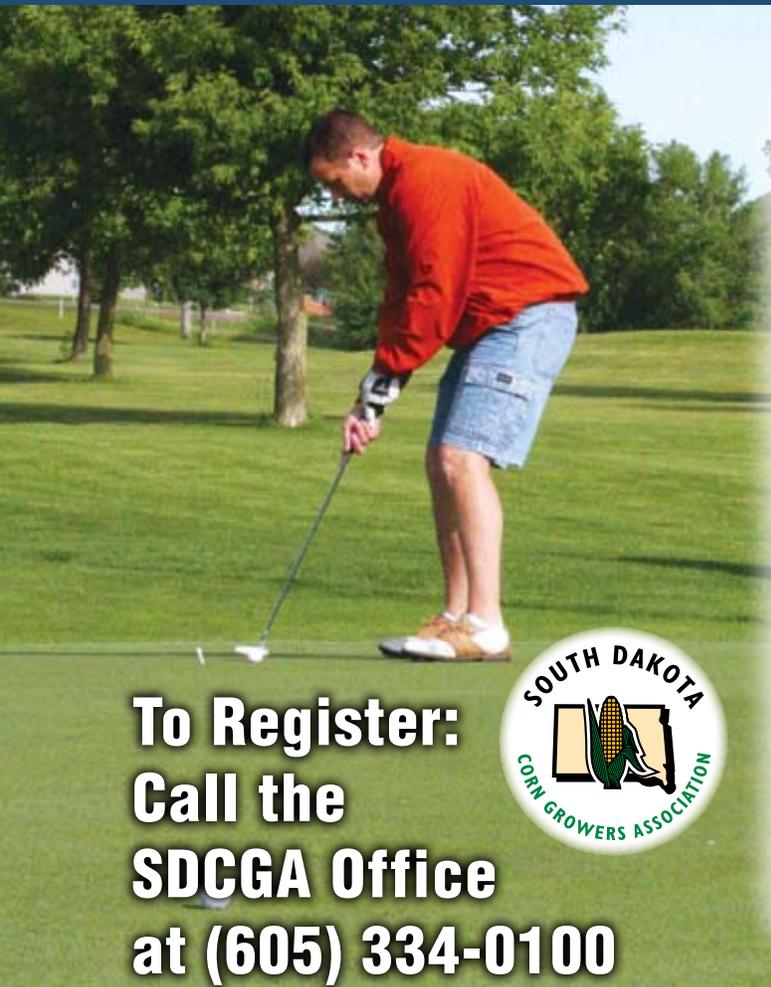
South Dakota State Fair
Huron, SD



SD Corn Utilization Council
5109 S. Crossing Place
Suite 1
Sioux Falls, SD 57108

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20th Annual CORN COB OPEN: Thursday, June 23, 2011



**To Register:
Call the
SDCGA Office
at (605) 334-0100**



JOIN US FOR THE 20TH ANNUAL **CORN COB OPEN**

at Spring Creek Country Club
27122 480th Ave., Harrisburg, SD 57032

Thursday, June 23, 2011

Shotgun Start at 8:00 AM and 2:00 PM

Dinner and Awards
following each tournament.

Cost: \$50 for SDCGA Members
\$100 for Non-members

You Must Pre-register!
Space is Limited!!