

Volume 22 • Number 3

August 2006

In a rare opportunity to travel by train in South Dakota, the South Dakota Corn Growers Association (SDCGA) and South Dakota Corn Utilization Council (SDCUC) board directors recently rode on a DM&E passenger train, touring tracts between Volga and Aurora, S.D., to learn more about DM&E's proposed expansion project.

In a land-locked state like South Dakota, transporting corn to major market destinations can be a costly conundrum, which puts South Dakota corn producers at a competitive disadvantage to other producer states. The solutions to this transportation toll are three fold:

- Find a more efficient way to get our corn to current markets;
- Find new markets;
- or Bring the market closer to South Dakota through value-added processing.

The Dakota, Minnesota and Eastern (DM&E) Railroad's proposed \$2.5 billion railroad project advances all these solutions for South Dakota corn and other agricultural products. The historic DM&E project would constitute the largest private investment in South Dakota's 117-year history, and the largest single railroad investment in the United States in more than a century. This extraordinary investment in the state's transportation infrastructure would help level the playing field for South Dakota corn in the very competitive international market.

The project would rebuild 600 miles of track through South Dakota and Minnesota; and 262 miles of new track would be built to the Wyoming Powder Basin coal field. A new railroad has not been built in the United States for more than 100 years.

The proposed DM&E project has been approved by federal regulatory agencies and has the support of 55 of the 56



Board directors for the SDCGA and SDCUC traveled on a DM&E passenger train to understand the opportunities a proposed rail expansion would bring.

cities on the rail line, South Dakota's governor, congressional delegation and nearly every agricultural group across South Dakota and Minnesota. Rochester, Minn., is the only city that has not worked out an agreement with the railroad. The DM&E has an offer to Rochester to negotiate openly toward a solution.

To address these concerns, the SDCGA, along with 90 other regional organizations, representing the interests of millions of people formed the Growth Opportunities Through Rail Access Coalition – GOTRAC. GOTRAC is comprised of a broad coalition of shippers, communities, economic development, agriculture, energy and other groups from across the region and country. GOTRAC was formed to demonstrate the breadth and depth of support for the DM&E project and to educate the public on its benefits, which include:

- Creation of thousands of high paying jobs
- Corn, wheat, bean and other grain price increases of up to 20 cents per bushel
- Reduction of consumer electricity bills
- Providing meaningful economic development opportunities for communities throughout DM&E's system
- Correcting critical capacity shortages in the national rail system
- Improved market access and competition for all customers

"It's important for energy," said South Dakota GOTRAC Chairman Reid Jensen, who is also president of the SDCGA. "We need the DM&E for ethanol, and utilities around the country have cited the lack of railroad competition and capacity as the single biggest reason for recent electric bill increases. This project will have a huge impact on both of those problems, and reduce our home electricity bills."

Riding on the passenger train allowed SDCGA and SDCUC directors to better understand the impact the rail expansion project would have on South Dakota corn producers.

"Developing a better transportation system will lead to the creation of regional demand for corn which would narrow our basis," said Bill Chase, treasurer of the SDCGA. "Increased demand would lead to increased prices for corn, which would lead to more acres put into corn production."

There is little doubt the DM&E rail expansion would open up borders and new markets for South Dakota producers. Most important, the DM&E project will attract even more value added processing because of these new efficiencies and marketing opportunities.



Photo courtesy of Tri-State Neighbor



PRESIDENT'S REPORT

Reid Jensen, SDCGA President



A GROWING INFLUENCE

BOARD OF DIRECTORS

PRESIDENT

Reid Jensen
Burbank-District 1

VICE PRESIDENT

Bill Chase
Wolsey-District 8

SECRETARY

Scott Sperry
Bath-District 13

TREASURER

Gary Duffy
Oldham-District 5

CHAIRMAN

David Gillen
White Lake-District 11

Mark Klumb
Mt. Vernon-Member at Large

Jim Thyen
Waverly-Member at Large

Darrin Ihnen
Hurley-District 2

Kurt Stiefvater
Salem-District 3

Jason Kontz
Brookings-District 4

David Leiseth
Hayti-District 6

Bill Whipple
Wilmot-District 7

Chad Blindauer
Mitchell-District 9

Chad Johnson
Platte-District 10

Marv Schumacher
Pierre-District 12

James Krier
Herrick-District 14

INDUSTRY REPRESENTATIVES:

Larry Wagner
Bjorn Nelson
Kent Mulder
Tom Branhan

OFFICE STAFF:

Lisa Richardson, *Executive Director*
Teddi Mueller, *Legislative & Industry Affairs Director*
Krystil Smit, *Communications Director*
Katrina Luke, *Office Manager*
Paul Skiles, *Market Development Director*

Greetings from Burbank! I'm writing this letter having just returned from Corn Congress in Washington, D.C. There has been very little rain in the state and for some of you conditions aren't good. We pray for the rains to come and for the Lord to see us through.

There are many issues the South Dakota Corn Growers Association (SDCGA) is involved with at the current time. The DM&E Railroad has been a focal point. The SDCGA has joined a coalition of organizations called GOTRAC (Growth Opportunities Through Rail Access Coalition). There are 76 organizations involved from Minnesota, South Dakota and Wyoming representing the interest of over 200,000 people. I'm chairman of the South Dakota organization. The DM&E expansion is \$2.5 billion project. It could impact grain prices up to 20 cents per bushel and create much needed competition in the transportation of grain, fertilizer, and coal in South Dakota.

Another issue on our agenda is the farm bill. The current farm bill is set to expire in 2007 and there are many things that will affect what a new farm bill will look like. This was some of the debate at Corn Congress in Washington, D.C. Most farmers like the current bill and one option is an extension of the current bill. Some problems with an extension are federal budget concerns and WTO negotiations. Another issue with the current bill is the LDP. You need bushels for the LDP to be effective and it doesn't provide an adequate safety net. Crop insurance has been working but there is criticism that it favors expansion of larger producers versus smaller producers in addition to fraud with the moving of bushels from one unit to another.

A new concept being looked at is a crop revenue program. Instead of looking at just bushels, net revenue per acre is the base. It combines crop insurance and the commodity title of the farm bill into one program. A resolution was passed at Corn Congress to focus on this concept in addition to looking at the current farm bill.

The ethanol industry continues to grow in South Dakota with the addition of two plants proposed for construction, one in the Aberdeen area and one in the Vermillion area. Renewable fuels are changing the face of agriculture, with South Dakota helping to lead the way. One of questions being raised is why ethanol is high priced and corn is still cheap. The answer to this question is both are separate commodities with their own supply and demand tables. Even with the great demand for corn for the production of ethanol, there is still a large carryover of bushels, although this is changing.

On the ethanol side, there has been a shortage of supply as ethanol is the replacement for MTBE; the additive may no longer be used as an oxygenate in gas. Ethanol also follows the oil market which has been rising due to increased global demand and Mid-East tension. Ethanol plants have not reaped all the benefits of high ethanol prices. Many plants contract ahead a large percentage instead of selling on the spot market which is much higher. Consider this, 85 percent of ethanol for the next 12 months was contracted in February 2006 at around \$2.05 a gallon.

I would like to thank all of you who participated in our golf tournament, the Corn Cob Open. It was held at Spring Creek Country Club in Harrisburg in June and we had 60 teams of four participating. I would also like to thank all of the sponsors. This is one of our main fund raising events of the year. A special thanks to Teddi and all the staff for their hard work, they do a great job!

As of July 1 the SD Corn office has moved. Lisa and the staff are excited about the move. Stop by and see them at 5109 S. Crossing Place, Ste. 1. It's located two blocks south of I-229 on Western Avenue.

The SDCGA will also be having a booth at Dakotafest in Mitchell. Stop by and see us!

South Dakota Growers Association Membership Application

PLEASE HELP US DOUBLE OUR LOBBYING POWER TODAY!

"The South Dakota Corn Growers Association has spent the past 20 years making a difference for the state's corn producers. That influence wouldn't be possible without a strong membership base. Join the SDCGA today and add your voice to this unstoppable organization. Let's work together for the next 20 years of achievements." – Reid Jensen, Burbank

- I've enclosed: \$500 (Lifetime membership) *includes choice of 5 Seed certificates and \$50 in Ethanol Certificates
 \$150 (3-year membership) *includes choice of 3 Seed certificates and \$15 in Ethanol Certificates
 \$75 (1-year)

Please fill in all fields.

First Name _____ Last Name _____

Title _____ Farm/Company Name _____

Membership is to be: (check one) Name Farm/Company Name

Address _____

City _____ State _____ Zip _____

County _____

Home Phone _____ Business Phone _____

I am a Farmer Yes No Total Farm Acres _____ Corn Acres _____

Spouse's Name _____ Email: _____

Recruiter Name _____ Phone: _____

Address _____

Mail Dues To: South Dakota Corn Growers Association
 5109 S. Crossing Place, Ste. 1, Sioux Falls, SD 57108
 605-334-0100 • www.sdcorn.org

SDCGA Seed Certificate Program

When you sign up to join the SDCGA for 3 years or a lifetime membership, you have the option to receive hybrid seed corn discounts from these supporting seed companies, each worth \$30 off a purchase of \$100 or more.

Your membership is important. Please take the time to join the SDCGA today. We're working hard to add value to the product you grow, and we need your support.

3 year Membership. Please select 3 seed certificates.

- | | | |
|--|---|--|
| <input type="checkbox"/> Black Diamond Seeds | <input type="checkbox"/> Kaltenberg Seeds | <input type="checkbox"/> Production Partners |
| <input type="checkbox"/> Crows | <input type="checkbox"/> Kaystar Hybrids | <input type="checkbox"/> Proseed |
| <input type="checkbox"/> Fontanelle Hybrids | <input type="checkbox"/> Legend Seeds | <input type="checkbox"/> REA hybrids |
| <input type="checkbox"/> Garst | <input type="checkbox"/> Mustang Seeds | <input type="checkbox"/> Renze Hybrids |
| <input type="checkbox"/> Great Lakes Hybrids | <input type="checkbox"/> Mycogen Seeds | <input type="checkbox"/> Seeds 2000 |
| <input type="checkbox"/> Hoegemeyer | <input type="checkbox"/> Nortec Seeds | <input type="checkbox"/> Stine Seed |
| <input type="checkbox"/> Integra Seed | <input type="checkbox"/> Pioneer Seeds | <input type="checkbox"/> Sucroscos Seeds |

PLUS! 3 year Receives \$15 in Ethanol Enriched Fuel.

—TEAR HERE—

This is your receipt for membership in the South Dakota Corn Growers Association. Contributions or gifts to the South Dakota Corn Growers Association are not deductible as charitable contributions for federal income tax purposes. However, dues payments are deductible by members as an ordinary and necessary business expense.



A GROWING INFLUENCE

South Dakota

Corn Growers Association

5109 S. Crossing Place, Ste. 1
 Sioux Falls, SD 57108
 605-334-0100

Received From:

 (Members Name)

Dues paid in the amount of \$ _____

Represented by: _____

Date _____



How many times do you think about your membership in the South Dakota Corn Growers Association? Once every year or three years when your membership is due? Maybe you think about your membership when you attend one of our several educational programs or events throughout the year. Or how about Annual Meeting time when you have the opportunity to access education and entertainment at a preferred rate because of your membership?

Here at the South Dakota Corn Growers Association, we think about your membership almost daily. Every action taken by our board of directors has the interests of our members in mind.

As we begin to shape the direction of the next farm bill, understanding the needs of our members is imperative and we welcome the input of our membership as we move forward. The SDCGA will be fighting for what is best for South Dakota farmers and we've already started the ball rolling in Washington to place the interests of South Dakota producers in the best position possible.

Another reason we think about your membership regularly is to seek out ways to add even more value to our members for supporting this organization. Whether it is direct invitations and reduced registration rates for special events and educational programs or first notification of value-added investment opportunities, we take care of our members first.

As a member of the SDCGA, you will receive the earliest direct notification when the next ethanol plant equity meetings are planned. Our members will be given high consideration for investment in the Aberdeen and Vermillion ethanol plant grouping. Watch your mailboxes in August for information about this opportunity. All investments contain risk and the SDCGA urges you to read the offering circular carefully before you invest. But again, as a member of the SDCGA, you will be among the first to know when these opportunities become available. Our members matter.

David Leiseth

David Leiseth, chairman
 SDCGA Membership Committee

DAKOTAFEST & SD CORN SAFARI

Sweet rides, sweet prizes and sweet corn will be on tap in the South Dakota Corn Growers Association tent, #118, at Dakotafest Aug. 15-17 in Mitchell.



Don't miss complimentary SWEET CORN on Aug. 17 from 2:30 p.m. to 4 p.m. at the SD Corn booth #118 at Dakotafest!!!

Dakotafest goers will get a glimpse of the SDCGA's planned "Beach Party" theme for their 2007 Annual Meeting on January 6, 2007 which will feature entertainment by the Surf City All Stars along with original Beach Boy David Marks.



Kicking off the fun at Dakotafest will be the SD Corn Safari promotion, a raffle that will culminate at the SDCGA Annual Meeting in a grand prize drawing for some lucky individual to drive home a Chevrolet Silverado 4x4 extended cab, sponsored by Chevrolet.

The truck giveaway is just the grand prize in a package lineup that also includes a trip to select cities in the United States or Mexico as the second prize, sponsored by All About Travel of Sioux Falls; and a third prize of \$1,200 in ethanol fuel from the South Dakota Corn Utilization Council. The SDCGA will be selling raffle tickets for the prizes at Dakotafest and leading up to the Annual Meeting on Jan. 6, 2007 in Sioux Falls.

While the three major prizes will be given away at the Annual Meeting, anyone who buys a raffle ticket at Dakotafest will also be entered into a daily drawing at Dakotafest for \$100 in ethanol each day.

Also featured at the SDCGA/SDCUC booth, the Governor's flex fuel Avalanche will be displayed on Tuesday; and South Dakota race car driver, Shaun Schnathorst of Huron, S.D. will display his ethanol-powered race car on Wednesday.

Then the SDCGA and SDCUC will sponsor a sweet corn feed on Thursday of Dakotafest from 2:30 p.m. to 4 p.m. Stop by the tent, #118 which is located at the corner of Main and First St., and enjoy sweet corn, compliments of SD Corn!



BROWN COUNTY FAIR

Join the SDCGA & SDCUC on Aug. 18, 2006 at the Brown County Fair in Aberdeen! Come to the tent across from the Bunny Barn for a "Walking Taco," from 10 a.m. to 2 p.m. compliments of SD Corn. Get registered to win FREE ETHANOL that day when you purchase raffle tickets in the SD Corn Safari promotion. See you there!



VALUE-ADDED DAY

The SDCGA and SDCUC will once again be present at the Value-Added tent at the South Dakota State Fair, on Aug. 31. Visit exhibitors from 9 a.m. to 5 p.m. at the Value-Added Ag Tent & Dakota Market Place building to discover more about South Dakota agriculture.

Schedule of Events

9:00 am	Value-Added Ag Exhibits Open
11:00 am	Vanguard Ethanol Fly-by, sponsored by SDCUC
2:30 pm	FREE Ice Cream
2:45 pm	Vanquard Ethanol Fly-by, sponsored by SDCUC
3:00 pm	Renewable Energy Freedom Stage Forum
5:00 pm	Value-Added Ag Exhibits Close

Calendar of Events

AUGUST 9, 2006

Ag Appreciation Day
at Sioux Empire Fair
Sioux Falls, SD

AUGUST 8-10, 2006

ACE Conference
Kansas City, MO

AUGUST 15-17, 2006

Dakotafest
Mitchell, S.D.

AUGUST 17, 2006

Sweet Corn Feed,
2:30 p.m.-4 p.m.
SD Corn booth at Dakotafest
Mitchell, SD

AUGUST 18, 2006

SD Corn Brown County
Fair Event
Aberdeen, SD

AUGUST 31, 2006

Value-Added Day
South Dakota State Fair
Huron, SD

SEPTEMBER 7, 2006

Aberdeen C-Express
Ethanol Promotion

SEPTEMBER 18, 2006

SD Corn Open House/Ribbon
Cutting
Sioux Falls, SD



2007 BEACH PARTY

Catch a Golden Wave

Get your flip-flops and Hawaiian shirts ready as the SDCGA presents its "2007 Beach Party" Annual Meeting slated for Jan. 6, 2007 at the Ramkota Inn and Convention Center in Sioux Falls.

The "Surf City AllStars" band, featuring original Beach Boys member David Marks, will headline the evening's events.

The evening will culminate with a raffle drawing for a winner of three major prizes in the SD Corn Safari raffle promotion, which include a 2-year lease on a 2007 Chevrolet Silverado 4x4, a trip for two to select cities in the United States or Mexico and \$1,200 in ethanol.

In addition to the headline entertainment by David Marks and the Surf City AllStars, the SDCGA Annual Meeting will include educational seminars throughout the day with nationally-recognized speakers. The seminar line-up is featured below.

SEMINARS:

Biotechnology Panel

Join us as industry leaders reveal what's coming down the pike in biotechnology opportunities. Panel representatives invited include Monsanto, Syngenta and Pioneer

Jolene Brown - "Top 10 Stupid Things Families Do..."

Coming from West Branch, Iowa this real "Farmer Brown" uniquely under-

stands the hearts, homes and the business of agriculture. Jolene Brown will have you laughing while you learn!

Ross Korves - ProExporter statistician

ProExporter generates the leading and most respected studies about the ethanol industry and are considered "in-the-know" about what's happening in the markets.



Original Beach Boy David Marks is touring together with the SURF CITY ALLSTARS to bring you the Greatest Hits of the Beach Boys in a new live show. David was present for the early rehearsals for the Beach Boys in 1961. When Brian Wilson decided not to tour with the band and stay home to write songs, David played second guitar.

The Surf City AllStars were formed in the early '80s with the band members who were touring with both the Beach Boys and Jan & Dean. The Surf City AllStars are the best surfin' beach party band around on a par with their friends, the Beach Boys.

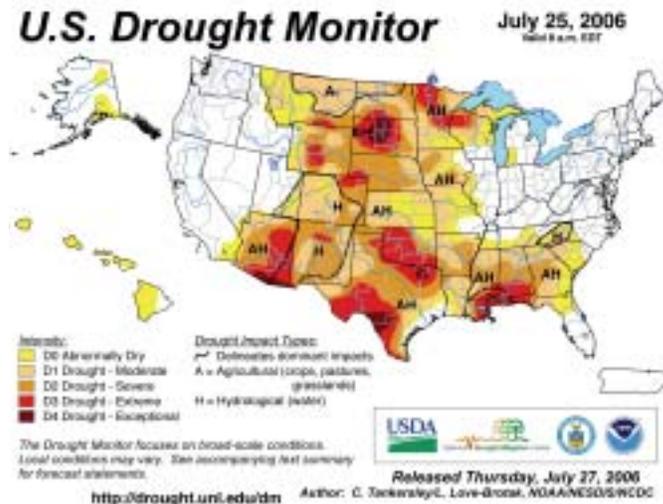
How will a hot dry summer affect your corn yield?

By Paul Skiles, SDCGA Market Development Director

The week ending July 30, 2006 64 percent of top soil and 56 percent of subsoil are considered very short of moisture. Most of the state is 200 – 400 growing degree-days above normal. The state is below normal moisture and warmer than normal. How will this affect your corn crop?

Research has found that corn wilting from moisture stress over a 4-day period can cause 10 percent yield reduction up until two weeks before tasseling. The period when weather stresses have their greatest effect on corn growth are associated with the length of the flowering period. Corn plants flower over a short period with pollen shed lasting 5 to 8 days. Weather stresses in corn cause the greatest yield reduction when the stress occurs the two-week period before and the two-week

period after pollination. During this period, it's critical that the silks on the ear emerge in time to catch the shedding pollen. Severe stress during pollination can cause yield reduction over 50 percent. Weather stress after pollination may also cause kernel abortion and reduce kernel size.



To check for successful fertilization, begin checking your fields a couple days after pollen shed or two weeks after pollination. Pull a developing ear from the plant. Carefully remove the husks from the ear make sure not to disturb the silks. After removing the husks, grasp the butt end of the ear and give it two or three shakes. Silks that are fertilized will break away at the kernel. If ears with only a few remaining silks attached have been pollinated, ears with numerous silks still attached are not properly pollinated. Try again in a couple of days.

Drought Outlook: Producer's strategy for fall



Early every area in South Dakota is experiencing some form of drought, according to Dennis Todey, South Dakota state climatologist, and drought conditions are expected to persist into the fall.

Hot, dry weather has caused row crop conditions to decline throughout the state. More than 89 percent of corn had tasseled by the end of July, while 66 percent had silked and 12 percent was at the dough stage. Compared to the five-year average at the same time, historically 80 percent had tasseled, 52 percent silking and 5 percent dough stage.

Precipitation shortfalls have taken its hardest toll on the north central South Dakota region, where they are over 8 inches short of moisture this season, said Todey. Rangeland is done and many producers are harvesting their corn for silage. But according to Todey, areas of the state that received ample rainfall last fall and this spring are still holding on and in many places a rainfall now could still help the crop.

Looking ahead, Todey says much of the long range predictions about the drought hinge on how much moisture is received this fall.

"Temperatures are going to continue to be above average, probably back up into the 90s, for the foreseeable future. Certainly we're going to persist into the fall," said Todey. "If we don't get near average rainfall this fall and put something back into the soil, drought conditions will continue into next year."

ECONOMIC IMPACT

Even though the crop is in poor condition in South Dakota, the greater Corn Belt is anticipating good to excellent crop yields.

According to Alan May, Extension grain marketing specialist at South Dakota State University, condition ratings for corn in the U.S. stood at 355 at the end of July. South Dakota's corn condition rating was declining at 291. A crop rating of 350 or higher would indicate a crop in good to very good condition. A score of 300 to 349 would indicate a crop in fair to good condition; any score under 300 would typically be a crop that is in varying degrees of poor to very poor condition.

"At this point in time, the corn market still seems to view the drought in the western corn belt as a non-issue, looking rather at the excellent condition of the corn crop in the major corn growing states of the central and eastern corn belt," stated May in his weekly Market Review. "Condition ratings in many of those states, particularly Illinois and Iowa are still very strong. The production that comes from states like South Dakota is of much less consequence to the overall size of the national corn crop. As a result, current price levels of the futures market do not reflect the conditions here and in other parts of the western corn belt."

May says perhaps the one positive impact of drought that might be in store for South Dakota corn producers may come in the form of a firmer basis as time goes along.

"While that is of less benefit in the bigger picture of lower yields, it is something to watch in the future as you make decisions for selling cash corn at harvest or for storing corn after harvest."

Matt Dierson, SDSU Extension economist says, the corn consumer is going to take a bite out of price rallies in South Dakota.

"Livestock will take the pressure off of prices," said Dierson. "What we're not seeing with the drought is a cash rally. So on the buying side, if in a situation of needing feed, producers should take advantage now of low price level and wide basis. For the sellers' strategy, this situation may be the incentive to store. These price levels will pay producers to store for quite a while."

DROUGHT ACTIONS

South Dakota's political leaders are working to deliver relief to producers legislatively.

South Dakota Governor Mike Rounds recently proposed a

drought aid solution to Congress called "Science-Based Drought Assistance." The plan focuses on the livestock industry and the serious impacts throughout all of South Dakota on water systems, crops and livestock from the extreme drought.

"The over-riding logic here is that moisture and production are directly related," said Gov. Rounds. "A percentage deviation from normal moisture available can be used to assess a percentage of lost productivity. Then, assistance can be based on that lost productivity."

Payments would be calculated based upon the deviation from normal moisture as it affects the productivity of the land. Compensation is tied directly to the crops or livestock forage that did not grow because of inadequate moisture.

Nationally, a \$3.9 billion ag disaster package in the Agriculture spending bill for 2007 passed the Senate Appropriations Committee in July. The bill included funding to aid farmers and ranchers.

A brief overview of South Dakota's drought situation



David Leiseth
Hayti, SD

On the 4th of July, David Leiseth says he had the best crop coming in his farming career but hot, windy and rainless conditions have lessened the potential. While the crops are not that far gone and wheat harvest is yielding well, without August rains Leiseth says he doesn't know how much longer the corn will hang on. Crops in areas of lighter soil are done but crops in good soil still look good. He estimates his area is nearly 6 inches below normal for moisture.

Southwestern Aurora County is an 18 inch average rainfall area. The last six years the average has been closer to 12 inches, according to David Gillen of his central South Dakota region. In 2006 to date, the area has received 4.8 inches of moisture.

"The dryer the area, the hotter the temps and the lower the humidity," said Gillen. "Most days in July, the high temperature was above 105 degrees and the afternoon humidity was below 20 percent.

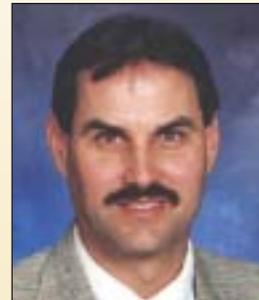
"No-till and crop insurance has cushioned the blow for many producers. The farmers that endured droughts of the '30s and the '80s didn't have the risk management tools we have today," said Gillen.

Looking on the bright side, Gillen makes these comments:

- Less nitrogen fertilizer will be needed next year because of the carryover in the soil.
- Higher grain prices this winter will give us better crop insurance coverage next year.
- It is hard to appreciate a good crop unless you have some bad ones.
- Drought tolerant crop technology for commercial use is about three to five years away. The corn and bean plants will increase water efficiency by 30 percent
- Area land rents should remain stable.



David Gillen
White Lake, SD



Scott Sperry
Bath, SD

"We're sitting pretty good," said Scott Sperry of his northeast South Dakota region near Bath. "We really need rain but crops look amazingly good considering."

West of Aberdeen though, he says conditions really drop off. While Sperry hasn't started small grain harvest yet, most everyone in the area has. Yields are ranging 40 to 60 bushel.

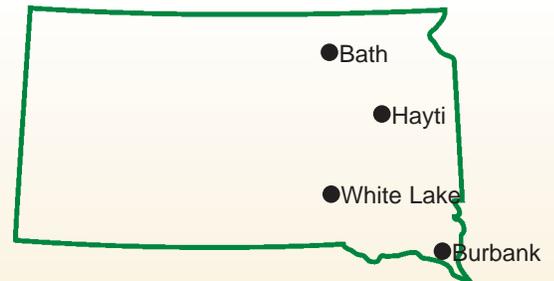
Light soil crops are showing the heat stress more than on better soils. Although the area is only about an inch behind normal moisture, Sperry says 25 percent of yield potential has been lost on even the good ground. Harvest will be early if the area goes much longer without rain.

Southeast South Dakota is showing the effects of the drought, according to Reid Jensen of Burbank, SD.

"Three weeks ago we had record yield potential but everyday without rain the crop deteriorates. The lighter soils have suffered the most and will be lost completely in the next few days," said Jensen.

He reports the heavier soils look good but will need rain soon. Management practices are becoming more noticeable: Starter fertilizers, deep root development, early planting and hybrid selection are now evident. Jensen said there is still hope for good soybean yields if the rains come.

"Although it is painful, adversity breeds success and makes us appreciate the good times that much more," said Jensen.



Reid Jensen
Burbank, SD

15th Annual Corn Cob Open held near Harrisburg

A perfect summer day greeted more than 200 golfers at the Spring Creek Country Club greens near Harrisburg, S.D., on June 19 when producer members, industry partners and supporters arrived to show their support for the South Dakota Corn Growers Association (SDCGA) and its annual Corn Cob Open tournament.

Two shot-gun starts kicked off the four-man best ball tournament with a morning and afternoon flight at 8 a.m. and 2 p.m. John Morrell sponsored a pork dinner following both flights as golfers retired to the club house to find out how they performed against other teams vying for the tremendous line-up of prizes which included DVD players, televisions, grills, patio fireplaces and more for top performers.

The hole-in-one prize up for grabs that day was a 2006 Chevrolet Silverado 4x4 extended cab, sponsored by Chevrolet, providing golfers the incentive to make their best attempt to sink a hole-in-one at hole 11. Although no one sunk a hole-in-one, prizes were awarded to the teams who

placed first, second and third. See the team winners on the following page. A special thanks goes to Chevrolet of Sioux Falls for displaying vehicles for the event.

Golfers were also given the chance to win in a raffle drawing throughout the day. Prizes given included a four-day/three-night round trip donated by All About Travel of Sioux Falls; a golf club donated by Mark Swenson with Dakota Radio Group (KGFX and KPLO); and ethanol certificates donated by South Dakota Corn Utilization Council. The proceeds from the raffle contest help support the SDCGA Corn Pac.

“The Corn Cob Open is a premier summer event for industry friends and members of the SDCGA,” said Reid Jensen, SDCGA president. “This event would not be possible without the tremendous support from our sponsors. The Corn Cob Open is a great opportunity for producers and friends of agriculture to socialize and support the organization.”

A BIG Thank You goes out to the following businesses that sponsored the 15th Annual Corn Cob Open

EVENT SPONSORS



DINNER SPONSORS

BEVERAGE CART SPONSOR

GOLF CART SPONSOR

HOLE-IN-ONE SPONSOR



HOLE SPONSORS

BASF
Citizens State Bank of Sinai
Cortrust Bank
Country Pride Cooperative
Croplan Genetics
Dow Agro-Sciences/Mycogen Seeds
Eastern Farmers Coop
Eide Bailly
First Dakota National Bank
Golden Harvest
Harms Oil
Home Federal
KWAT
Legend Seeds
Paulsen
Tri-State Neighbor
Valley Bank
WNAX

FLAG SPONSORS

ACE
Agrisolutions
Dacotah Bank
DM&E
Farm Credit Services of America
First National Bank of Brookings
F&M Ag Center
KOKK
KXRB
Madison Farmers Elevator
NC+
Nortec Seeds
Pheasant Country 103 & KSDN AM 930
SD Farm Bureau
SD Farmers Union & Insurance
SD Pork Producers Council
Steers for State
Stine Seeds

PIN PRIZE SPONSORS

Crows
Dakota Heritage Bank
Gold Country Seeds
KMIT
KSFY
SDSU
Val-Add Services
Woods, Fuller, Shultz & Smith P.C.

BEVERAGE PROVIDERS

Carlson Distributing of Sioux Falls
Coca-Cola

SCORE CARD SPONSORS

Bayer CropScience
Centrol Crop Consulting
Cofina Financial
Dakota Radio Group
Fagen
Monsanto
Touch Stone Cooperatives-
Sioux Valley Energy & Southeastern Electric



The SDCGA appreciates everyone who helped make this tournament a huge success!

The 15th Annual Corn Cob Open wouldn't have been a success without help from our generous sponsors. Thanks again for all your support! A special thanks also goes out to the producers and agri-businessmen who took time out of their busy day to come and show their support for the SDCGA! The money raised from this event will help sponsor legislative, educational, and promotional activities for the SDCGA.

15th Annual Corn Cob Open

TOURNEY WINNERS

MORNING FLIGHT



FIRST PLACE TEAM: Mycogen
Jim Fields, Steve Hyronmius, Jeff Fuls,
Dave Axelson



SECOND PLACE TEAM: Crows
Thad Meister, Reid Mayberry, Dooley
Shroyer, Ron Christensen



THIRD PLACE TEAM:
Joe Walter, Wyatt Walter, Jordon
Leighton, Alan Weise

AFTERNOON FLIGHT



FIRST PLACE TEAM:
Kevin Nelson, Chad Johnson, Corib
Nelson, Jason Nelson



SECOND PLACE TEAM: SD Pork
Producers Council
Steve Schmeichel, Dean Dreesen, Barry
Preheim, Dean Schrag



THIRD PLACE TEAM:
Don Miller, Todd Hanten, Larry
Goodroad, Jim Robbins

Judge rules for South Dakota Farm Families

On July 21, Circuit Court Judge Max Gors, ruled an initiative petition that sought to restrict livestock production in South Dakota will not be on the 2006 general election ballot in November.



Last summer, the Alliance for Our Future began circulating petitions to place an initiative on the November 2006 general ballot that would revise county zoning ordinances regarding conditional use permits, so that many farm families with livestock would likely face a county-wide vote in order to grow their business.

The Alliance submitted about 18,200 signatures to the Secretary of State's office in May, slightly over the 16,728 signatures needed. However, upon review, Secretary of State Chris Nelson invalidated over 2,000 signatures, and ruled the initiative would not be placed on the ballot.

The Alliance took the Secretary of State's office to circuit court, challenging the signatures Nelson's office had invalidated, saying most were thrown out due to technicalities. Upon the legal challenge, Nelson's office reviewed the signatures in depth, and

found additional invalid signatures.

Ag United for South Dakota also preformed a review of the petition signatures, checking for duplicate signatures and unregistered voters, items the Secretary of State's office does not check. After review, Ag United submitted questionable signatures to the Secretary of State's office for their review and inclusion in the proceedings.

Going into the circuit court hearing, the Secretary of State's office determined the Alliance for Our Future was 2,333 signatures short of the minimum requirement to have the initiative placed on the ballot, which included the invalid signatures found by Ag United.

During the hearing, Chris Nelson was called to the stand as individual signatures were reviewed. After 11 hours of reviewing signatures over two days, the Alliance challenged 1,862 signatures, still 471 signatures short of the minimum.

"This is a victory for all South Dakota farm families who follow the rules as the look to expand their family business," said Steve Dick, Ag United Executive Director.



A new market for South Dakota corn broke ground on June 23 when Millennium Ethanol made their plans official to build a 100 million gallon plant near Marion, S.D.

Hundreds were present at a ground breaking ceremony for the facility which will process more than 35 million bushels of corn in the production of ethanol - a new market for up to 7 percent of the state's corn crop - and 320,000 tons of dried distillers grains.



On hand at the event were South Dakota Senators Tim Johnson and John Thune, Representative Stephanie Herseth and Gov. Mike Rounds. Each addressed the crowd during the ceremony and spoke of the 7.5 billion gallon Renewable Fuels Standard which is being credited partially for fueling the demand for ethanol in the country.

More than 900 South Dakotans invested in Millennium Ethanol, including farmers, making it the largest farmer-owned plant in the state.

South Dakota currently ranks fourth in the country in ethanol production with 11 currently operating plants which produce over 400 million gallons of ethanol. By the time Millennium Ethanol is at full capacity in 2008, South Dakota will be producing over 1 billion gallons of ethanol per year.

Agri-Talk heats up Pierre ethanol promotion

A tremendous 4,075 gallons of ethanol were pumped at the Cowboy Country Store in Pierre, S.D., on July 28 when the nationally syndicated radio talk show, Agri-Talk, broadcasted live for a huge ethanol promotion sponsored by the South Dakota Corn Growers Association. Hundreds of motorists turned out in record heat exceeding 110 degrees that day to save 30 cents per gallon off of ethanol-blended fuel. More than 270 cars were fueled by volunteers in just two hours from 11 a.m. to 1 p.m.



South Dakota Governor Mike Rounds participated in the Agri-Talk ethanol promotion. Above he is interviewed by Agri-Talk's Mike Adams. Below Gov. Rounds is joined by SDCGA chairman David Gillen of White Lake, S.D. (left) and SDCUC board member Mark Garber of Pierre, S.D.



Farm Bill is front and center at 2006 Corn Congress

The 2007 farm bill was the focus as South Dakota Corn Growers Association directors converged on Washington, DC with their state association counterparts for the National Corn Growers Association (NCGA) Corn Congress 2006.



SD Corn board directors eat with Sen. Tim Johnson in the Senate Dining Room.

Held July 12-13, Corn Congress enabled producers from all over the United States an opportunity to strengthen footholds in Washington, D.C. and to communicate their state's priorities to their respective representatives. More than 125 NCGA delegates were there to take part in association business, set agendas for next year and meet with national decision-makers to discuss critical corn industry issues.

In addition to normal association business, South Dakota delegates visited personally with Sen. Tim Johnson, Sen. John Thune, and Rep. Stephanie Herseth while in Washington. One highlight of those visits was having lunch in the Senate Dining Room, made possible by Sen. Johnson's office. In meeting with each of the representatives, SDCGA directors spoke about South Dakota's priorities for the next farm bill and other important legislative issues.



Rep. Stephanie Herseth meets with SDCGA/SDCUC directors.

"Our association is well respected with our state's congressional delegation and this event gave us a chance to say 'thank you' to our representatives who have worked so hard on behalf of South Dakota corn growers," said Reid Jensen, president of the SDCGA.

In addition to Jensen, delegates to Corn Congress from South Dakota included SDCGA board members Bill Chase, David Gillen, Darrin Ihnen and Mark Klumb. Corn Utilization Council board members who attended included David Fremark, Ron Olson, Kirk Schaunaman, Craig Swanson, Clint Vanneman and Jake Volkers.

The corn-grower delegates from around the nation approved a policy recommendation directing NCGA to support the National Farm Security Act as a focus for the Commodity Title of the 2007 Farm Bill. This effort will advocate for an appropriate implementation transition period.

The action followed a review and debate on a proposed revenue-based farm safety net to protect producers against volatile commodity prices and substantial yield losses. Presented as the National Farm Security Act, the proposal was recommended by NCGA's Public Policy Action Team (PPAT) after months of evaluating studies and analysis of various farm support concepts.



Sen. John Thune takes time to talk with SDCGA/SDCUC delegates.

Also during Corn Congress the National Corn Growers Association (NCGA) elected four growers to the Corn Board. The group also ratified Minnesota grower Gerald Tumbleson as its incoming first vice president. Ron Litterer of Iowa as first vice president-elect and election of five members to the organization's Corn Board.

The NCGA Corn Board chose Litterer as first vice president at its June meeting in Minnesota. He will officially become first vice president on Oct. 1, 2006. The NCGA delegate body elected to the Corn Board Cal Dalton of Wisconsin, Guy Davenport of North Carolina, Bob Dickey of Nebraska and Mark Schwiebert of Ohio to three-year terms and Gene Sandager of Minnesota to a one-year term vacated by Litterer.



David Gillen of White Lake, SD, and Darrin Ihnen of Hurley, SD at Corn Congress meetings.

Also during Corn Congress, Richard Hess from Idaho National Laboratory presented "Feedstock Supply System for a Multiple Resource Biorefinery Industry," highlighting the future of the ethanol industry and corn farmers' roles.

NCGA delegates discussed the upcoming farm bill at the July Corn Congress in Washington, D.C., amending the NCGA Policy and Positions manual to indicate: "NCGA supports the National Farm Security Act as a focus for the Commodity Title of the 2007 Farm Bill. This effort will advocate for an appropriate implementation transition period." The Public Policy Action Team will be gathering for a special farm bill meeting in Des Moines, Iowa, in August to further develop the revenue-based safety net proposal and continuing working on assessing its impact on other major commodities.

South Dakota corn grower Ron Olson joined NCGA members Fred Yoder and Tim Kreyfus on a joint mission of NCGA and the American Seed Trade Association (ASTA), as the group toured France, Belgium and Germany to learn about trends in biotechnology acceptance in Europe. The group discussed coexistence and research with the French corn growers association, French and German politicians, researchers, seed companies and technology providers. Only one biotech trait, YieldGard Corn Borer, is approved for use in the EU. This year, Spanish growers have planted more than 148,000 biotech acres, which accounts for 0.2 percent of the corn acreage. French producers have planted around 14,000 biotech acres, and German farmers have planted less than 2,500 biotech acres. Although this product is legally produced these farmers continue to face coexistence and reporting requirements that hinder acreage expansion.

NCGA was influential in getting out word that lifting the U.S. tariff on imported ethanol would do little to ease supply concerns. In a letter to House and Senate leadership, NCGA, along with the RFA and the American Farm Bureau Federation, urged officials to oppose efforts to remove the import tariff, stating removal will neither boost ethanol supplies or lower gas prices. The secondary tariff is an offset to the tax incentive gasoline refiners receive for every gallon of ethanol they blend, regardless of the ethanol's origin. Removing the tariff would mean ethanol producers in Brazil, for instance, would have access to American taxpayer dollars.

THE Olinger REPORT

by Ron Olinger



SDCGA Lobbyist-Pierre

In November, South Dakota voters will decide whether to approve or reject Amendment E, an initiated measure to amend our constitution that would drastically change our judicial system. This amendment was attempted to be put on the ballot in California and they were not able to get the signatures. Ron Branson from California came to South Dakota to place this matter on our ballot because it is easier to initiate a Constitutional Amendment in South Dakota than in any other state.

This proposed Constitutional Amendment would take all certainty out of the law in that anyone who felt their rights were being abridged could take their case to a special grand jury made up of citizens. Judges could be sued based upon the concept that they have acted improperly and judicial immunity from suit for the judiciary would be destroyed.

Our judicial history is based on the concept that the Judges determine the law and the jury determines issues of fact. Law is based upon statutes and court cases that are precedents. This Constitutional Amendment would change the system so that the jury was empowered to decide questions of law for which they would have no legal training.

This would destroy any form of certainty in the law and from a farmer's standpoint, it would cause chaos in our everyday lives. Banks would be hesitant to loan money, or if they loaned money they would have to be under terms and conditions that would be adverse to farmers. I personally believe that Amendment E would destroy our whole system of finance whether it be operating loans or contract crop sales or machinery financing.

Unfortunately, these provisions would also discourage a citizen from serving on any school board or other citizen board because they could be held personally accountable for good faith judgments based upon the concept of being sued and the special grand jury doing whatever they thought was appropriate.

Whenever there is a dispute, our system of justice deals with it expeditiously in that our courts deliver decisions within a reasonable time and with only one court, that being the Supreme Court of South Dakota to appeal to, we have a system that is a mold to follow. We do not need the problems that California has. Our judges, school board members, citizen council members, county commissioners and other citizens serving on a board do the best job that they can and all in all, our system of government and our judiciary are a model to be followed, not a model to be changed.

What's Up



in the Industry

*News briefs compiled by
Red River Farm Network*

→ **WTO Talks Collapse**

The World Trade Organization's Doha Round has been suspended. WTO Director-General Pascal Lamy called trade ministers from the United States, European Union, Brazil, Japan, Australia and India to Geneva to try and find agreement. After 14 hours of negotiations Sunday, the trade talks have been suspended. The EU and India are blaming the United States for the breakdown. US Trade Representative Susan Schwab responded, saying "our trading partners were more interested in loopholes than they were in market access."

→ **WRDA Passes**

The Senate has passed the Water Resources Development Act. The \$11.7 billion bill authorizes restoration of wetlands and coastlines, and modernizes the lock and dam system on the Mississippi and Illinois Rivers. The bill now goes to a conference committee. Although the bill authorizes construction, it does not appropriate funds. The Corps of Engineers already has a backlog of some \$58 billion in authorized projects awaiting funding.

→ **New BSE Surveillance**

USDA is responding to the low prevalence of BSE in the United States by changing the surveillance program. The new program will sample approximately 40,000 animals each year. The new program exceeds the science-based guidelines established by the World Animal Health Organization. USDA has an obligation to provide 30 days notice of the change to contractors who are performing the sampling and testing. That means the earliest the new surveillance program would begin is late August.

→ **Bush Stumps for Trade Reform**

President George W. Bush is vowing to press ahead with trade reform negotiations. Bush says the United States will reduce farm subsidies, as long as greater market access is seen worldwide. "We want to be treated fairly; the American people and the American manufacturer and the American farmer can compete with anybody, anytime, anywhere, so long as the rules are fair."

→ **Mandelson Urges TPA Passage**

European Union Trade Commissioner Peter Mandelson thinks a deal may still be salvaged from the WTO talks if President Bush can convince Congress to renew his Trade Promotion Authority. Mandelson says a new global trade deal is unlikely for several years unless TPA is extended.

→ **Japan is Open for Business**

Japan has reopened its market to US beef. Trade was interrupted in January when bone-in veal was found in a Japanese shipment. Agriculture Secretary Mike Johanns said he is pleased with Japan's decision, but wants to see a more reasonable approach to trade in the future; one that doesn't disrupt an entire trade relationship.

→ **Harvard Risk Assessment**

The Harvard Center for Risk Analysis says the United States has virtually eliminated the threat of BSE to consumers. The removal of specified risk material, including brains and spinal cords, from older cattle almost completely eliminates human exposure to BSE. Consumer groups want more to be done, including the prohibition of risk material in cattle, as young as 12 months of age.

→ **FCIC Change**

USDA's Federal Crop Insurance Corporation has published for public comment a notice in the Federal Register of its proposal to amend the Common Crop Insurance Regulations. Basic Provisions, as well as provisions for small grains, cotton, coarse grains, malting barley, rice, canola, and rapeseed, may be changed. This newly developed Combination "Combo" Policy would provide both revenue and yield protection for those crops, and incorporate changes resulting from recommendations by an RMA prevented planting work group. The proposed rule is available for public comment until September 12, 2006.

→ **Exclusive RRFN Interview with WTO Leader**

In an interview with the Red River Farm Network, World Trade Organization Director-General Pascal Lamy said the positions of the major players in agriculture trade issues were not "narrowable." That led him to suspend the Doha Round of negotiations. "My judgment was, given where we were, it would be better to take time out, have a look at how things were going, have a refreshment and review positions," said Lamy, "Hopefully, when this has been done and everyone understands what we all stand to lose, if negotiations fail, we all come back for the pitch." Lamy is aware of the growing support for an extension of the US farm bill and says that would send the wrong signal.

→ **Jude Rules with Secretary of State**

A South Dakota judge has ruled in favor of the Secretary of State decision not to put a livestock zoning issue on the November ballot. Previously, the Secretary of State threw out numerous petitions for invalid signatures. The initiative would have made local issues, like livestock permitting, undergo a county-wide vote.

→ **Marketing Loan and LDP Changes**

USDA's Commodity Credit Corporation has announced changes to the marketing assistance loan and loan deficiency payment program. The change takes away beneficial interest when the commodity is delivered to a dairy, feedlot, ethanol plant, feed mill or other end-use facility. The CCC is also making changes in the way it handles lien searches and financial statements.

→ **Pilot State for E-85 Kits**

Right now, it is illegal to convert a gasoline-only vehicle to E-85. Minnesota Governor Tim Pawlenty wants to change that. Pawlenty is asking the Environmental Protection Agency to make Minnesota a test location for the use of E-85 conversion kits. A company that makes these conversion kits is seeking EPA certification. The kits have been used in over 50,000 cars and trucks in Brazil.

→ **Central Livestock on the Web**

Central Livestock Association has a new way to market livestock. They will sell cattle over the internet in an arrangement with TEAM, The Electronic Auction Market. CLA will also continue to market livestock at their locations in South St. Paul, Albany, Zumbrota, West Fargo and Sioux Falls.

We've Moved!

**The South Dakota Corn Growers Association
and South Dakota Corn Utilization Council office have moved to a new location in
Sioux Falls. The new address is 5109 S. Crossing Place, Sioux Falls, SD 57108.**

We're easy to find on Western Avenue by traveling south of I-229, continuing past 57th St.
and Western approximately 1/4 mile. Turn west on "Crossing Place" road and follow the street
around to the office complex. The SDCGA/SDCUC office is the farthest to the south.

Open House & Ribbon Cutting

*The SDCGA/SDCUC is excited to announce our upcoming Open House and
Ribbon Cutting to celebrate our new location. Join us on Sept. 18 from 1 p.m.
to 5:30 p.m. for an Open House and refreshments. At 4:30 p.m. the Sioux
Falls Area Chamber of Commerce will perform a Ribbon Cutting ceremony.
Watch for your personal invitation to the event in coming weeks!*

Non-Profit
Organization
U.S. Postage
PAID
Permit No. 1209
Sioux Falls, SD

**South Dakota
Corn Growers Association**
5109 S. Crossing Place, Ste. 1, Sioux Falls, SD 57108
605-334-0100 • Fax 605-334-0505

