

# The Grain Store

Summer 2007 Volume 14

A Joint Publication of the Maryland Grain Producers Association and the Maryland Grain Producers Utilization Board

## Grain Prices Rise Thanks to Ethanol

*Lynne Hoot, Executive Director*

When MGPUB started promoting ethanol use and production in the early 1990's, it wasn't to save the world, to improve air quality or to reduce our dependence on foreign oil. We did it to find a new market for corn to reduce our dependence on farm programs, and as a value-added investment opportunity for farmers. Today, ethanol is a great success story.

There is no need to apologize for the current price of corn, wheat or soybeans. Grain farmers have grown cheap grain for too long and have had to rely on federal subsidies to pay their bills. Today the price of corn is much closer to reality and provides grain farmers with a reasonable profit, which sadly will undoubtedly decline due to increased input costs. The livestock industry has benefited from low priced corn over the past decade. The biggest beneficiary, however, has been the general public who has gained from the safest and cheapest food supply in the developed world.

Food prices may increase. According to a study completed by Advanced Economic Solutions (AES) for the NCGA, if these higher grain prices are sustained, consumers can expect to see a small increase in food costs, the biggest portion from increased meat cost. However, this valuable protein source relates to only 10% of the average food bill, so the overall increase in food cost is expected to be no more than 3-5% above the price of inflation. Can this country survive this increase? We weathered an increase in oil cost from \$20 a barrel to \$60 a barrel without too much hardship, and the long term benefits of an increased ethanol market will offset some of this higher energy cost.

**The increase in energy cost today is having a much greater impact on the price of food than the price of corn.** It is also important to put any increase in the cost of food due to higher corn prices in perspective.

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## Can We Support Farm Bill Reform?

*Charles Schaefer, MGPA President*

Actions taking place in Washington, DC in both the 2007 Farm Bill and the Renewable Energy Bill will have a major impact on Maryland farmers. Jon Doggett, Vice-President for Public Policy with the National Corn Growers Association, will update everyone on these issues at the Maryland Commodity Classic. Changes are occurring every day and NCGA is in the trenches looking out for our interests.

In February 2006, I attended a meeting in Kentucky organized by the American Farmland Trust (AFT). I found the discussion very interesting and gained a new respect for the organization. AFT expressed a genuine interest in wanting to keep farmers farming. They brought farmers from across the country together to seek input on a 2007 Farm Bill proposal they had developed to address the needs of the farmer while still being acceptable to WTO. One item is a change from a safety net that, instead of paying a farmer based on yield, pays a farmer based on income. This type of program eliminates the need for disaster payments, something that has always been a controversial issue in Washington.

NCGA has a similar proposal to reform Title I (Commodity Title). It provides a safety net that is a county-based revenue counter cyclical program, integrated with federal crop insurance for corn and potentially other commodities. NCGA's proposal is designed to target farm support so that payments arrive when farmers most need assistance and to increase the market orientation of the Commodity Title.

*(continued page 3)*

## Phipps Headlines Commodity Classic

Known for his wit and humor in looking at today's agricultural issues, John Phipps will convey his beliefs about farmers shaping their own future at the Maryland Commodity Classic on Thursday, July 26, 2007, at Queen Anne's 4-H Park.

Featured regularly in *Farm Journal* and *Top Producer* magazines, Phipps also hosts America's longest-running farm TV show, *U.S. Farm Report*.

Phipps was born and raised on a 600 acre, five-generation farm in Illinois. He and his wife Jan now operate the family farm, which has grown to 1800 acres. This provides him the day-to-day knowledge of farming that he brings to his writings and presentations.



*John Phipps will speak at the Commodity Classic on July 26 in Queenstown. See back page for agenda and event details.*

## Strength in Numbers

Maryland farmers continue to be affronted with new regulations, legislation, zoning and more that affect your ability to farm. Make your voice heard with the rest of Maryland's farmers to make a difference in the formation of policy. Membership is the strength of the Maryland Grain Producers Association, and with member organizations, numbers count!

Joining MGPA is easy - just fill out the form below and mail or fax to the MGPA office. Your membership fee can be transferred from your checkoff assessment. Turn it in before the Maryland Commodity Classic and receive a free ticket for the program and crab feast!

### MEMBERSHIP FEE TRANSFER FOR MGPA

Under the guidelines established under the Maryland Grain Checkoff program, a grain producer may request to have \$125 of the assessment that the producer has paid into the checkoff program used to pay for a 3-year membership to the Maryland Grain Producers Association, or \$50 for a 1-year membership, for both new or renewal membership. MGPA will then provide the producer with information and educational materials from the state checkoff board (MGPA) and national associations such as the National Corn Growers Association, National Association of Wheat Growers, and the National Barley Growers Association. To initiate this transfer of funds, a producer must complete the form below and return it to MGPA. If a producer has requested a refund during the last year, the request must include a grain sales receipt for at least \$125 (\$50 for one year) on which a refund has not been requested. Non-producers who fail to meet the above criteria, can complete the application and enclose a check for \$125 (3 years) or \$50 (1 year). If you have any questions please contact Lynne Hoot at 410-956-5771 or email lynnehoot@aol.com.

### MARYLAND GRAIN PRODUCERS UTILIZATION BOARD

To use grain checkoff funds to become a member of the Maryland Grain Producers Association (MGPA), complete the following. Please print or type.

Member's Name \_\_\_\_\_ Membership in (check one) Name \_\_\_\_\_  
 \_\_\_\_\_ Company \_\_\_\_\_

Farm/Co. Name \_\_\_\_\_ Farmer (Check if yes) \_\_\_\_\_

Spouse's Name \_\_\_\_\_

Home Phone (\_\_\_\_\_) \_\_\_\_\_ Business Phone (\_\_\_\_\_) \_\_\_\_\_

Address \_\_\_\_\_

City/State/Zip \_\_\_\_\_

Total Farm Acres \_\_\_\_\_ In Corn \_\_\_\_\_ Wheat \_\_\_\_\_ Barley \_\_\_\_\_ Oats \_\_\_\_\_ Milo \_\_\_\_\_ Canola \_\_\_\_\_

County \_\_\_\_\_

Do you wish to receive information from: National Corn Growers Association? Yes \_\_\_\_\_ No \_\_\_\_\_  
 National Association of Wheat Growers? Yes \_\_\_\_\_ No \_\_\_\_\_

Email address \_\_\_\_\_

Referred by MGPA Member \_\_\_\_\_ (optional)

This is a partial refund form for grain checkoff to pay MGPA membership dues only.  
 3 years \_\_\_\_\_ 1 year \_\_\_\_\_ New \_\_\_\_\_ Renewal \_\_\_\_\_ Member Record No. \_\_\_\_\_

I hereby certify that I am a bona fide grain producer and that I contribute a minimum of \$125.000 to the checkoff program in a 3-year period (a minimum of \$50 for a 1-year membership).

Signature \_\_\_\_\_ Date \_\_\_\_\_

Please return the completed form to: MGPA, 53 Slama Road, Edgewater, MD 21037-1423  
 Forms without checks can be faxed to 410-956-0161

### MGPA & MGPA BOARD

#### MGPA & MGPA Regional Members

(Regional members serve on both boards)

Kevin Anderson (Region 1)	410-651-0022
Vacant (1)	
Jason Scott (2)	443-521-0080
Lewis Smith (2)	410-822-6983
Jim Boyle (3)	410-758-1454
Bruce Burgess (3)	410-556-6201
Ricky Bauer (4)	410-531-6261
Charles Schaefer, II (4)	410-848-6392
Bubby Norris (5)	301-769-3870
Chip Bowling (5)	301-259-4397
Donald Maring (6)	410-795-2970
Walter Gordon (6)	301-371-7605

#### MGPA Officers

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Breck Debnam - Ag Commission  
 Charles Morris - Industry (Perdue)  
 Bob Kratochvil - University of Maryland  
 Mark Powell - Maryland Dept. of Agriculture

#### MGPA Voting

Jamie Jamison - NCGA Director  
 Edward Stanfield - USGC Director  
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#### MGPA Officers

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#### MGPA Advisory

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 Ronald Mulford - UMD

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 Maryland Grain Producers Utilization Board  
 53 Slama Road  
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## Can We Support Farm Bill Reform?

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Although projections of higher commodity prices alone present a strong case for a revenue based farm program, it is producers' experience with drought and other adverse weather conditions that have drawn attention to what economists have referred to as a hole in the current safety net. Under these circumstances, farmers do not fully benefit from higher market prices, and the combined support of loan deficiency payments and counter cyclical payments have provided insufficient income protection. This has led to the recurring need for disaster assistance. A well designed, revenue based program can deliver more than adequate protection against low prices or low yields.

To provide a better farm safety net, NCGA proposes a program that would offer more comprehensive and cost effective risk management tools. Direct payments would continue to provide a foundation of support. Rather than target low prices, the new Revenue Counter Cyclical Program (RCCP) would compensate growers for the difference when the actual county per-acre crop revenue falls below the per-acre trigger revenue.

Unlike today's price triggered program, a farm's total payment would equal the per-acre payment multiplied by planted acres, rather than base acres. Similar to Group Risk Income Protection (GRIP), a product offered through the federal crop insurance program, the proposed RCCP trigger revenue for a county would equal the product of RCCP coverage level, the expected county yield, and the projected price level. The harvest price and a crop's actual county yield reported by NASS (National Agricultural Statistics Service) would determine the actual county revenue. RCCP, however, would not include a Harvest Revenue Option.

In most years, RCCP payments would be triggered by the same events that lead to the majority of crop insurance indemnity payments: droughts, excessive or inadequate heat, excessive rain, or widespread disease-related losses. Localized hail, wind damage or flooding may also cause losses at the farm level, but not enough toward county losses to trigger RCCP payments. Recognizing the potential for overlapping coverage for market related losses with RCCP and federal crop insurance,

NCGA proposes RCCP payments be integrated with the crop insurance program.

NCGA's proposal includes changing the nonrecourse loan program to a recourse loan program, a reform that would significantly increase the market orientation of U.S. farm policy. A recourse loan would continue to give producers harvest time liquidity which increases their ability to market their crop at a more profitable time. The farmer's last resort option to sell a crop to USDA would not be available, but the recourse loan program would create incentives for producers to actively market their crop into the private sector.

A few weeks ago, I would have suggested that there was little Congressional interest in major Farm Bill reform, but there is a lot of discussion that the 2007 Farm Bill will be rewritten during floor debate. The sentiment is strong among non-farm state members that the 2002 Farm needs to be amended. With this in mind, the NCGA proposal is getting new interest. As some of our farmers are seeing drought conditions emerge, it may be time for us to put full support behind this reform.

## Biofuels, Biotechnology and Farming: Setting the Story Straight

"Audiences have been amazed at what today's agriculture is all about," stated Ned Sayre, member of the Maryland Grain Producers Speakers Bureau from Churchville. "I've enjoyed speaking to several groups in my area. The presentations change their opinions about agriculture."

The Maryland Grain Producers Association (MGPA) established the Speakers Bureau in 2000 to help people understand how agriculture impacts everyone's life every day. This program is sponsored through grain checkoff funds and are offered at no cost to the organization. Speakers come from all walks of agriculture - production, sales, research, services - and all corners of the state. Presentations have been made to dozens of Rotary, Kiwanis, Lions, Jaycees, and Chambers of Commerce statewide.

Presentations focus on current topics that people are interested in, so a great opportunity exists to educate people about the facts of today's issues. A new program on Biofuels has just been completed to address this relatively unknown resource. Two updated presentations, *Biotechnology* and the original *Food for Thought* program introduced in 2000, are available.

"With so much focus in the press on renewable fuels, consumers are often confused as to what to believe," says Laurie Adelhardt, MGPA Public Relations Coordinator. "We are hopeful to correct some of the misconceptions people have about agriculture with these programs."

If you know of an organization that would be interested in a program, please contact Laurie Adelhardt at 410-208-9701.

## WANTED

**People want to know  
what you do - help us  
set them straight!**

*If you are involved in any  
aspect of agriculture,  
volunteer to inform our non-  
farm neighbors. Speakers are  
needed across the state!*

- Script/visual materials provided
- Speakers receive \$75 per presentation and mileage
- Speak as your schedule permits

Contact Laurie today  
at 410-208-9701 or email  
PR@marylandgrain.com

## Grain Prices Rise Thanks to Ethanol

(continued from page 1)

A 16-ounce box of cornflakes contains 7¢ of corn. At \$4/bushel, this is only an increase of 3½¢ from last year! Only 4% of the cost of cereal and baked goods represents the grain component, whereas meats vary from 30-50%.

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*It is sincerely the hope of grain farmers that meat prices increase to allow livestock producers to make the same profit levels they have in the past and not suffer now that grain farmers are seeing reasonable profit margins at last. It is not healthy to have one segment of agriculture profit at the expense of another.*

*MGPUB continues to support the Delmarva poultry industry; they are our number one customer. Our main concern is not that the poultry industry has to pay more for their corn, but we want the price to be competitive with other poultry growing areas and an adequate grain supply is maintained to support the poultry industry on the Eastern Shore.*

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According to the American Farm Bureau, each farmer feeds 144 people and while it may take an extra day to pay their food bill next year, food for this year was paid for by February 6th, while freedom from tax day (the length of time the average person has to work to pay their taxes) was April 11th. Which is the better deal?

Corn production has increased from 6.2 billion bushels of corn just 20 years ago to 10.5 billion bushels last year. Increased conservation practices, the development and growth of biotechnology and nutrient management have enabled producers to increase productivity with no net increase in overall inputs.

The companies that blend the ethanol into gasoline may receive an incentive of 51¢/gallon of ethanol blended or 5.1¢ on the typical 10% ethanol blend (E10) now used almost entirely throughout

Maryland. This \$2.5 billion is more than offset, however, by \$2.7 billion back to the federal government in the form of tax revenue, a reduction in farm program payments estimated at \$6 billion, and an estimated \$2.3 billion in state and local tax revenues providing new revenues and budget savings greatly exceed \$10 billion.

The Annual Fuel Ethanol Workshop was held in St. Louis during the last week of June, with 5400 people in attendance and 700 exhibitors. Just 23 years earlier, the first 38 ethanol enthusiasts met for the first workshop. Many improvements have been made in the growing of corn and the making of ethanol in these last 23 years. More improvements are in sight. One of the current objections to ethanol production is its water use, although down from 6 to 3 gallons per gallon of ethanol produced, new technology already installed in a plant will be bringing this down to 1.5 gallons.

"Greening" the footprint of ethanol was the emphasis of the meeting and several new developments in ethanol processing technologies were highlighted at the event. The U.S. Department of Energy moderated an update on the projects that were awarded cellulosic ethanol biorefinery commercial demonstration grants, and several sessions focused on new feedstocks such as hulless barley, fractionation of corn into separate marketable components, and technologies to improve processing efficiency. In keeping with the environmental theme, technical sessions focused on carbon credit trading, emissions and environmental controls, combined heat and power technologies, and using biomass as the energy source.

On June 21st, the US Senate passed the Energy Bill which will increase the current 7.5 billion gallon Renewable Fuel Standard (RFS) to 36 billion gallons of renewable fuels by 2022; 15 billion gallons from corn-based ethanol and the

remaining fuel from cellulosic sources (advanced biofuels), which are expected to come in line within in the next five to seven years. The bill included studies on the feasibility of ethanol pipelines, higher blend levels, and the optimization of flexible fuel vehicles (FFVs). Expansion of FFV's that can use blends of up to 85% ethanol will become increasingly more important as the "blend wall" is reached at 15 billion gallons per year (bgy) of production when the nation's 150 bgy gasoline market reaches the 10% blend approved by all gasoline vehicle manufacturers. The bill calls for a 20% Greenhouse Gas (GHG) reduction standard for "conventional" biofuels was put in to place, which allowed existing plants to be grandfathered into this law. Also, a 50% GHG reduction standard was established for advanced Biofuels. As a conservation measure, the bill includes an increase to the Corporate Average Fuel Economy (CAFÉ) for automobiles to 35 miles per gallon by 2020 as well as requiring 50% of the nations fleet to be flexible fuel vehicles by 2015. The bill has yet to pass the House and when it does, it will inevitably result in a conference committee to address the differences.

Today 121 ethanol plants produce 6.3 billion gallons of ethanol a year and 75 new or expanded plants are under construction and will come on line with an additional 6.2 billion gallons within 18 months. This 12.5 bgy corn to ethanol market may have limited room to grow in the near term so builders and investors will need to be sure that their new construction and feedstock costs can be offset by new technology advantages.

While Maryland is still not producing a single gallon of ethanol, 95% of our vehicles are using 10% blends with supply arriving into Baltimore via rail or barge. Our ongoing support for ethanol since the 1990's is truly paying off with prices that reflect the growing demand for grain.

## Chesapeake Ethanol

Robert Hutchison, President of Chesapeake Ethanol LLC, notes that while some of the goals of his organization have been met by increasing the price of both corn and barley, the group is still investigating the option of building a 50 million gallon per year plant in Baltimore. He says that one of the concerns is feedstock supply.

Traditionally Maryland has imported corn from Ohio, Indiana and Michigan, but if you look at the plans of producers in these three states, their goal is to use their corn for ethanol production. As a result, Chesapeake is evaluating the possibility of expanding the use of locally produced hullless barley beyond the originally planned three months. While making this assessment the group is evaluating options to provide Maryland farmers with an opportunity to invest in a local production facility.

Three other ethanol plant facilities are working to build in Maryland. At this time, all plan to use corn. Two in the Baltimore Harbor area have received air quality permits from the Maryland Department of the Environment.

## Edible Films from Biofuel Byproducts

A method developed by Agricultural Research Service (ARS) scientists uses byproducts from biofuel production and dairy processing to create biodegradable protective films. Pennsylvania researchers found that combining the milk protein casein with water and glycerol, a byproduct of biofuel production, produces a water-resistant film that can be used as an edible coating for food products. The scientists used carbon dioxide as an environmentally friendly solvent to isolate dairy proteins from milk, instead of harsh chemicals or acids. Carbon dioxide (CO<sub>2</sub>) is another byproduct of the glucose fermentation used to make ethanol. Using CO<sub>2</sub> makes the edible film more water-resistant and biodegradable.

The resulting food coatings are glossy, transparent and completely edible. Like conventional food packaging, edible films can extend the shelf life of many foods, protect products from damage, prevent exposure to moisture and oxygen, and improve appearance. By using renewable resources instead of petrochemicals, the scientists can create more biodegradable products and reduce waste.

## Alternative Fuel Cars Sales Surpass Goals

Of the 10.5 million alternative fuel autos on the nation's roads today, 5 million are flexible fuel vehicles (FFV), according to 2006 sales data from R.L. Polk and Co. Polk data also revealed that an unprecedented 1.5 million alternative fuel autos were sold in 2006, surpassing automakers' sales expectations by 50 percent. Currently manufacturers are offering 60 models of alternative fuel automobiles for sale, including 33 FFV models.

## Indy Racers Proponents of Ethanol

For the first time, the Indianapolis 500 featured cars running entirely on ethanol (event held May 31). For race officials, the adoption of ethanol marks a move to be more environmentally responsible. The league introduced a 10% ethanol blend last year, but moved to pure ethanol this year. The switch required a move from a 3-liter to 3.5 liter engine. Gas tanks were reduced from 30 gallon tanks to 22 because ethanol gets better fuel mileage than methanol. Drivers report cars run just as smoothly as the methanol used in the past.

## E85 Featured in New Disney Exhibit

General Motors launched a timely exhibit this spring at Disney World's Epcot theme park in Florida. GM is going green with "Fuel for Thought" an interactive display of fuel cell technology, hybrid vehicles and ethanol-powered cars and trucks.

The walk-through exhibit begins down a "Live Green Go Yellow" pathway featuring a plasma wall picturing a cornfield. Cornstalks appear to part for visitors who pass by. The exhibit includes a trivia game about hybrid technology, a "Stalk Car" racing game, and a memory game to match photos from a fuel-cell marathon. There's even a larger-than-life popcorn machine to convey a message about the benefits of E85. Corn kernels appear on the main exhibit space floor, and when someone walks across them, the kernels pop into popcorn while E85 messages cross the area.

Epcot has been at the forefront of bringing new innovations and advanced technology to the public. The impact of this educational and entertaining exhibit is tremendous. Over ten million guests of all ages visit Epcot annually.



*The futuristic looking AUTOnomy, GM's dream machine designed around a fuel cell propulsion system, is on display with a 2007 Flex Fuel E85 vehicle that visitors can climb into.*

### New Export Market for Maryland Barley

A group of farmers from MGPA and Virginia Small Grains Association met with John Ade and Charlie Stubbs from Perdue Farms in April to discuss the market opportunities for small grains.

The best news from the meeting is that Perdue has now exported barley from its Chesapeake export facility for the past two years and they have recently shipped a load from the 2007 crop. The key to this new market opportunity has been the expansion of Thoroughbred, Price and other new varieties that are constantly producing high test weight barley above the accepted 48 lb test weight and well above the 44 lb test weight of the more traditional high yielding varieties.

The take home message from the meeting is for Maryland and Virginia farmers to stop growing low test weight varieties like Nomini and invest in the newer owned varieties developed by Virginia Tech such as Thoroughbred and Price. These varieties have shown better weather resistance and will provide another small grains option in the future.

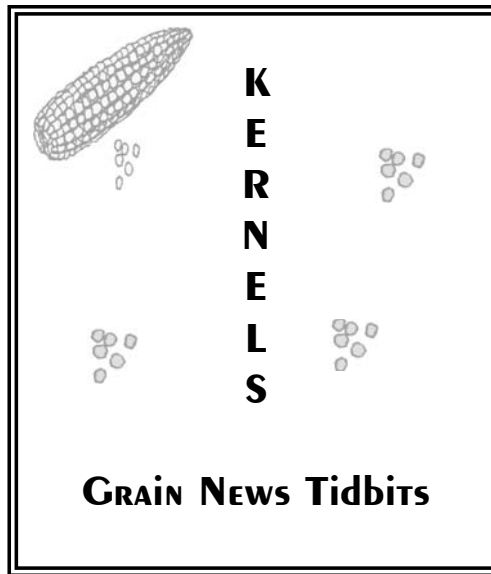
### Targeted Agricultural Education Program

Several state corn grower associations, in coordination with the National Corn Growers Association, are working to align grassroots leaders with 2008 presidential candidates to provide education and advocacy for positions favorable to corn producers. Together, we are developing the Targeted Agricultural Education Program (TAEP).

The TAEP program is focusing on educating 2008 presidential candidates, campaign staff members and media on issues important to corn growers, capitalizing on agriculture's strategic advantage in the early battleground states, where support for corn farmers, the agricultural industry and other rural voters will be critical to candidates seeking and gaining front-runner status.

### Corn Sales for Corn Stoves

The MGPA office receives occasional requests for information on farmers who have corn for sale for use in corn stoves. If you would like your contact information made available through the office and on the website with an email link, please call the MGPA office at 410-841-5771.



### Maryland Farmers Plant 10% More Corn

The June 29, 2007 acreage report from the USDA National Agricultural Statistics Service shows that Maryland farmers have planted 10% more corn than last year for all uses. Corn planted for harvest is up from 425,000 acres to 470,000 acres (a 10.5% increase). This increase will provide more corn for the poultry industry and support the growing ethanol demand for corn. It also demonstrates that Maryland farmers weigh several issues when making planting decisions. High corn prices will be offset by increase input costs, such as nitrogen fertilizer, and reflects the understanding of Maryland farmers that maintaining crop rotations provide long-term benefits.

Nationally the increase in corn planting was 19%, the highest increase on record since 1944. Wheat was up 6% while soybean planting was down 15%. The cotton acreage was down 28%, the lowest acreage since 1989.

### Gallery of Corn Photo Contest

The National Corn Growers Association invites families to send in that farm photo which captures American agriculture at its best. Entries for their annual "Gallery of Corn" photo contest are due in November.

Entrants may submit one photo for each of the following categories:

- Historic Farm Life
- Production Livestock
- Families on the Farm
- Harvesting
- Planting
- Scenic
- Growing

### Farmer to Farmer Website Counters Biotechnology Claims

Farmers planted more than 60% of U.S. corn acres with biotech corn in 2006 to increase yields, decrease pesticide and herbicide usage, and reduce tillage. Despite the advantages for corn growers, there is serious opposition to the technology. That's why the NCGA developed *Farmer to Farmer*, an online resource offering information regarding safety, economics, coexistence, environment, sustainability, and links to many relevant resources. From samples and guidelines for writing letters to legislators to grower testimonials about coexistence, *Farmer to Farmer* is an excellent source of information for growers and consumers. Visit the website at [www.ncga.com/farmertofarmer/index.asp](http://www.ncga.com/farmertofarmer/index.asp).

### America's Heartland

For the second year, NCGA is an advisory partner for the television show *America's Heartland*, broadcast on PBS stations and RFD-TV. *America's Heartland* takes a celebratory look at agriculture. The program is about farming to a non-farming audience and is being told to a unique, urban, opinion leader audience. It is not an issues program, although the partners discuss ways in which the program can engage in some of the issues so important to constituents. Conservative estimates show more than 33 million viewers watched *America's Heartland* during season I, an average of more than one million viewers per episode.

## A Good Year for Agriculture at the 2007 General Assembly

- ✓ Maryland's crop insurance premium program was amended by HB 1389 to allow the state to pay up to 8% of the premium cost. The current law allows for up to \$2 per acre, although no funding has been provided for the program since 2003. Delaware and Pennsylvania have each provided crop insurance coverage to their farmers and as a result have received significantly more federal support dollars through both premium support and insurance payouts than Maryland. The new language in Delegate Norman Conway's HB 1389 amends the original law so that the funds can be allocated to incentivize a farmer to improve his or her coverage level to a higher level (70% or above), which will significantly improve the farmer's insurance payments when a crop or income loss is experienced. MDA has made great strides in recent years working with USDA's Risk Management Agency, to ensure that crop insurance programs are designed to benefit Maryland farmers.
- ✓ Biofuels and energy bills were in plentiful supply this year. Legislation passed requiring the state to use B5 (diesel with 5% biodiesel added) for 50% of their heavy equipment and heating use. A similar bill passed last year for regular diesel vehicle use. Legislation was amended from a biodiesel use mandate (B2) to become a task force staffed by MDA to evaluate options for the state to increase the use of biodiesel and other renewable fuels, review their impact on agriculture, and examine Maryland energy policy. Task Force membership includes Maryland Farm Bureau, most relevant state agencies and representatives from gasoline supply and distribution organizations. HB 1045 increased the state incentive for ethanol and biodiesel, but was given an unfavorable report in the Senate. The potential fiscal note on the bill was \$2 million per year, although to date no biofuels facility has applied for the incentive. To be eligible a company must provide farmers with the opportunity to be investors in the project. The bill will be reintroduced in 2008.
- ✓ Thanks to HB 588, as of October 1, it will no longer be unethical for farmers to work for the Maryland Department of Agriculture (MDA). Several farmers who currently work for MDA were grandfathered in after the State Ethics Commission ruled in the early 2000's, that being a farmer caused a conflict of interest. For Maryland's soil conservation districts, passage of HB 558 sponsored by Delegate Paul Stull and cosponsored by 32 other delegates, means that local farmers can be hired to field positions where their expertise and understanding of cropping patterns, farming issues and financial limitations will well serve their fellow farmers.
- ✓ All farmers can be proud that their state legislature chose not to micromanage animal husbandry practices but instead be guided by scientific research. There was strong opposition from the agricultural community to legislation that would have banned the use of gestation crates, as this could have been the first of many bills that would try to restrict a farmer's ability to determine the best scientifically researched system for the farm. The American Veterinary Medical Association June 2005 Report showed that traditional gestation stalls are no better or worse than group housing and that both systems have advantages and disadvantages. The hog industry has no objection to Smithfield's decision to phase out gestation crates or Burger King's decision not to purchase meat from cage reared animals. These are market-based decisions that a farmer can consider as he determines whether or not to use gestation stalls.
- ✓ Soil scientists were hoping to add Sassafras Sandy Loam to the list of the Maryland's symbols as the state soil in time for a 2008 display on the importance of soil at the Smithsonian Institute. To date, 22 other states have officially designated a state soil, however Maryland legislation did not move out of committee.
- ✓ The Green Fund, which would have provided significant financial resources to support agricultural best management practices, did not make it through the Senate. Originally touted as "teeth for smart growth" this bill will be revised and submitted next year with other fund raising and spending programs. *It is important that agriculture plays a significant role in this process.*
- ✓ A bill to change the way the septic system funds from the Bay Restoration fee (flush tax) are used from 40% for cover crops to 60% was also defeated. This would have provided more than \$2 million additional funds for the cover crop program.
- ✓ The dairy industry can now haul milk in trucks up to 87,000 lbs on state roads in 10 counties (but not on Interstate roads). There is a pilot study to produce cheese from raw milk but the general public will still need to travel out of state if it wishes to purchase raw milk.
- ✓ Somerset, St. Mary's, Wicomico and Worcester now join most other counties for the one-day hunting on Sunday but Harford County's effort to be included was not supported in the Senate.
- ✓ The termination provision on the Young Farmers Advisory Board was lifted and the Board now becomes a permanent fixture.
- ✓ The Ag Commission now has a biofuels member added to the list of commodity and industry representatives.
- ✓ There were some changes made to the Maryland Agricultural Land Preservation program including eliminating districts and the need for a landowner to be signed up in a district before being eligible to sell an easement. The program will also be allowed to pay counties grants to cover the cost of installment payments.

**2007 Funding Strong for Checkoff Grants . . .** *Greetings from Donald Maring  
MGPUB President*

When you get right down to it, the work of the Maryland Grain Producers Utilization Board (MGPUB) isn't just about issuing grants, but about strengthening our farm economy and raising the bar across the nonprofit sector to improve the climate for our state's agricultural industry.

At our funding meeting in January, we reviewed proposals in marketing, research and education. Thanks to the successful growing season, sufficient funds were available to continue the multi-year research projects that bring information specific to our growing conditions.

We supported national organizations at a greater level for two reasons. First, with debate on a new Farm Bill, significant work by agriculture organizations needs to occur to be a strong and vocal presence in these discussions. Second, new markets are opening in China, Africa and all around the world where we need to take the

lead in building markets for our superior products.

We have invested the greatest amount of funding in market development. This covers new uses of existing crops, improving access to markets for Maryland crops, and a variety of educational efforts to improve the understanding of agriculture and promote its products. The production and marketing of ethanol and its co- and by-products continues to garner support. As noted in the cover article, these efforts have resulted in higher and sustained corn prices.

In response to concerns expressed by producers, the MGPUB requested research be done on falling numbers. With our dry spring, falling numbers have not been a problem this year, but there is a need to better understand how a farmer can control this market barrier. As we learn more about falling numbers it appears that increased computer-based manufacturing of food

makes this a more significant problem, and one likely to increase. These new grants will help identify the factors leading to falling numbers so that we can better manage our crops to meet the needs of the buyer.

The Maryland Checkoff Program is about farmers helping themselves. The MGPUB's priority is to fund projects that will specifically help Maryland farmers improve their bottom line with better techniques, promotion, and products. If you have ideas for areas of improvement, let us know. We welcome your input in this process. Grant applications are due December 1, 2007 for the 2008 funding year.

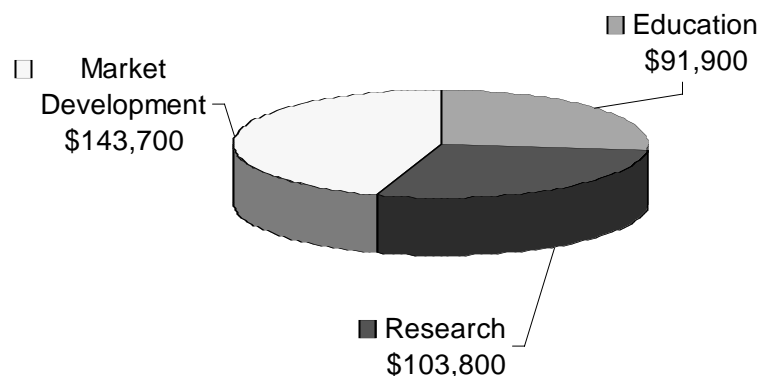
I am thankful for the continued strong encouragement and financial support through the Maryland Grain Checkoff Program we have received from our growers. It is through this support that we are able to accomplish much in the advancement of Maryland's grain industry.

✓ **YOUR CHECKOFF DOLLARS AT WORK**

The Maryland Grain Producers Utilization Board (MGPUB) awarded over \$382,000 from the successful 2006 harvest year. Focusing on the specific needs and growing conditions for Maryland grain farmers, projects were funded in the areas of Education, Research, and Market Development. The Checkoff Program is administered by the MGPUB board, consisting of regional

grain farmer representatives and advisory members from the Maryland Department of Agriculture, University of Maryland, and agribusinesses in the state.

2007 projects are listed on pages 9-11. Learn about previously funded projects on July 26, 2007, on the Wye Tours and Exhibits at the Commodity Classic.



**Call for Applications:  
2008 MGPUB Grant  
Applications due  
December 1, 2007**

Contact Lynne Hoot  
410-956-5771

or visit

[www.marylandgrain.com](http://www.marylandgrain.com)  
for grant application  
and submission details

## ✓ INVESTMENT IN LEADERSHIP

### **Young Farmers Annual Meeting - \$1,000** *Maryland Farm Bureau Young Farmers* NEW!

This program provides leadership development and fellowship opportunities for Farm Bureau members between 18 and 35 years old. County and state committees promote and produce an annual discussion meet and achievement awards program which offers winners the opportunity to advance to national competition.

### **Maryland's Agricultural Leadership Development Program - \$16,000**

*LEAD Maryland*

LEAD Maryland's two-year program is designed to prepare emerging leaders to make a difference in areas of education, research, marketing and promotion, and improving the image and effectiveness of agriculture. Outcomes will be everything from having legislative representatives be more responsible to the needs of Maryland farmers, to having stronger leadership serving our current agricultural and community organizations.

### **Enhancing the Education and Development of Maryland Youth - \$5,000** *Maryland FFA Foundation*

High school students in FFA programs will develop vital life-skills by participating in a leadership or career development event, or conducting a supervised agricultural experience project. This grant will support career development and sponsor speakers and workshop leaders at activities such as state convention, officer training, and student leadership workshops.

### **Maryland Envirothon - \$4,000**

*Maryland Association of Soil Conservation Districts*

This natural resource education program trains high school students in forestry, soils, aquatics, wildlife and a current agriculture issue throughout the year to prepare for a final competition. Students train with professionals in the topic areas, introducing them to the many career opportunities in agriculture.

## ✓ YOUTH EDUCATION

### **All About Grains - \$850** *Caroline County Cooperative Extension*

Over 300 youth will participate in the 4-H Progressive Ag Safety Day program to teach safety in areas of ATV safety, electrical, fire, lawn equipment, tractor and other topics, including grains and their purpose.

### **Close Encounters with Agriculture - \$3,000** *Montgomery County Cooperative Extension Office*

Students in 4th grade are offered hands-on learning in areas of environment, nutrition and production agriculture. Teaching packets with additional learning activities are provided.

### **Kids Growing with Grains**

Children, teachers, and parents of western Maryland 4th graders learn about grain utilization in animal science, the importance of grain products for good nutrition, and grain production through hands-on stations.

*Allegany County Extension Advisory Council - \$1,000*

*Frederick County Extension Advisory Council - \$3,000*

*Washington County Extension Advisory Council - \$1,800*

A separate portable program will be added this year to the Washington County program for schools who would like to participate but are unable due to field trip restrictions.

## ✓ EDUCATION FOR ALL AGES

### **Silo Fires and Farm Accident Rescue Training Program - \$4,500** *Hereford Volunteer Fire Co.* NEW!

Much of the training and response practices used in conventional rescues and firefighting cannot be applied to emergency incidents on farms. Utilizing the FARMEDIC Farm Rescue and Fire Training Program from Cornell University, the department will train approximately 200 fire and rescue personnel in the proper handling of farming operation emergencies.

### **Grains - from Field to Consumer - \$1,000** *Carroll County Extension Advisory Council* NEW!

Adult volunteers and youth participants will increase their knowledge about the fields of grain growing in Maryland and the way grains are used in their everyday lives. Hands-on sessions will teach participants about grain and product identification, nutrition information, and the process of agricultural products from grain producer to the consumer market.

### **Fiber Sweep / Ag on the Move - \$6,000** *Maryland Agricultural Education Foundation*

New education lessons will be developed to integrate fiber nutrition topics into existing school curriculum. State-specific resources to educate citizens about Maryland agriculture are supported in the Ag on the Move program.

### **National Agriculture Day - \$500**

*Agriculture Council of America*

National Agriculture Day raises Americans' awareness of how food, fiber and fuel are produced and celebrates the essential contribution agriculture makes to our daily lives. At the national level, organizers reach out to leaders, key influences, and the media. Ag Day materials and tools include a website, media and classroom resources, Ag Day Poster, Planning Guide and Fact Cards.

### **Nutrition White Papers - \$5,500**

*Wheat Foods Council*

Two issues emerging in the anti-carb craze are the benefit of folic acid fortification and the appropriate use of the glycemic index. White papers will be created and disseminated to address these fairly technical issues and translate them into language that is easily understood.

### **Statewide Grain Marketing Educational Program - \$4,000**

*University of Maryland, Cooperative Extension*

Building on the grain marketing workshops funded last year, educational efforts will be continued with a series of eight planned pre-harvest and post-harvest programs, as well as regional or county level marketing programs and potentially a marathon training which covers all programs in one day.

## ✓ VARIETY TESTING

### **Genetic Improvement and Testing of Small Grains for Maryland -**

\$20,000 *Plant Science and Landscape Architecture, University of Maryland*

Ongoing local testing of small grain varieties through state trials provides performance information to help develop new varieties of winter wheat and winter barley with increased disease resistance, high yield, and high quality for Maryland growing conditions. Additionally, testing of all commercial and experimental varieties will provide unbiased state trials.

### **Evaluation of Wheat Variety Resistance to Wheat Spindle**

**Streak Mosaic Virus - \$2,500**

*Natural Resource Sciences, University of Maryland*

An ongoing project, this research aims to find varieties of wheat that are resistant to the Spindle Streak Mosaic Virus. Using a field site infested with the vector and pathogen to screen varieties for resistance to the virus, a reliable, controlled resistance screening procedure for the virus will be developed.

### **Enhancing Maryland-Grown Wheat Consumption for Health Promotion and Disease Prevention - \$9,000**

*Nutrition and Food Science, UMCP*

This research will identify soft wheat varieties rich in cholesterol-lowering components for preparing value-added foods for health promotion and value-adding factors in low-value commercial milling products of soft wheat. This will promote the production and consumption of Maryland grains with demonstrated potential to prevent disease(s) and promote health.

## ✓ WEED AND PEST CONTROL

### **Efficacy of Avitec Seed Treatment to Repel Blackbirds and Crows from Feeding on Corn - \$4500**

*Entomology, University of Maryland*  
NEW!

Foraging by blackbirds and crows on corn seed and seedlings after planting can cause considerable stand reduction. Currently no effective bird-repellent chemical is available in Maryland as a seed dressing. Avitec, a seed treatment available in the Midwest used for sandhill cranes, will be assessed for its effectiveness on blackbirds and crows under Maryland growing conditions.

### **Control of Perennial Weeds in Corn - \$5,660**

*Plant Science and Landscape Architecture, UMCP*

A number of new preemergence and post-emergence products are coming on the market. This research is to couple products like 2, 4-D, Banwel or Roundup with conventional and genetically engineered corn hybrids to provide a cost-effective and useful weed management program for the farmers with perennial broadleaf weeds.

### **Control of Weedy Grasses in Small Grains - \$5,660**

*Plant Science and Landscape Architecture, UMCP*  
On-farm and experiment station field trials will be conducted to screen new herbicide candidates and examine new technologies to develop cost-effective and sound weed management programs for the control of Italian ryegrass, annual bluegrass, rough-stalk bluegrass, brome grass and bulbous oatgrass in small grains.

## ✓ FIELD MANAGEMENT

### **Planting Techniques for Small Grain Cover Crops - \$6,500**

*Plant Science and Landscape Architecture, UMCP* NEW!  
Research will be conducted to evaluate the agronomic characteristics and economic aspects, such as stand establishment, biomass production, nutrient uptake, and economic cost, for different planting techniques to establish cover crops. The information will assist grain producers in selecting a planting technique for their operation.

### **Role of QoI Fungicides in Field Corn Production - \$8750**

*UMCP* NEW!  
To provide independent testing results, QoI fungicide will be evaluated in field corn to determine if applications will reduce stalk rotting only if significant levels of a leaf disease are reduced or in high population corn regardless of leaf disease level, and if it will improve standability so that harvest can be delayed until grain moisture drops to 15% or less.

### **Application Timing of Herbicide - \$4,000**

*University of Maryland Lower Eastern Shore Research & Education Center*  
In its final year, this three-year study is evaluating application timing of Harmony Extra herbicide with fluid fertilizers on barley and wheat fields to control many winter annual weeds, including Canada Thistle and Vetch, for maximum efficiency and yield in no-till and minimum tillage wheat, following no-till corn and single crop no-till soybeans.

### **Utilizing Conservation Tillage to Minimize Nutrient Losses from Poultry Litter - \$25,000**

*Environmental Science and Technology, UMCP*  
The project goal is to demonstrate that commercially available conservation tillage technology can be successfully used to partially incorporate poultry litter in reduced tillage grain production systems, preserving surface residue and soil conservation conditions, while reducing nitrogen and phosphorus losses in surface runoff and atmospheric ammonia emissions compared to no-till production systems.

## ✓ FALLING NUMBERS

### **Falling Number Research - \$3,000**

*Natural Resource Sciences & Landscape Architecture, UMCP* NEW!  
The objective of this research is to screen currently grown soft red winter wheat cultivars for susceptibility to pre-harvest sprouting using the *Falling Number* test.

### **Environmental and Morphological Effects on Pre-harvest Sprouting of Wheat - \$8,600**

*Crop & Soil Env. Sciences, Virginia Polytech* NEW!  
This study is designed to identify environmental conditions and spike morphological characteristics that indicate sprouting susceptibility, leading to an increase of wheat quality via avoidance of pre-harvest sprouting, adding value for producers and providing higher quality products for milling operations.

## FIELD MANAGEMENT (cont.)

**State Corn Hybrid Test: Inclusion of Benchmark Hybrids** - \$1,500

*Plant Science and Landscape Architecture, UMCP*

The annual State Corn Hybrid Variety Test will include up to six popularly grown corn hybrids not otherwise entered so farmers will be provided with unbiased information to make meaningful comparisons among hybrids before purchasing seed.

**Improving the Efficiency of Surface Applied Poultry Manure in Notill Corn Production** - \$5,000

*University of Maryland Lower Eastern Shore Research & Education Center*

In the third and final year of this study, investigators are seeking a tillage method with minimum soil and residue disturbance to improve nitrogen efficiency of surface applied poultry manure in notill corn production. Research is based on utilizing a poultry manure rate of two tons per acre that could be applied each year without raising soil phosphorous levels into the excessive range.

**Management and Selection of Hulless Barley** - \$5,000 *Plant Science and Landscape Architecture, UMCP*

This research focuses on screening hulless barley varieties for application in ethanol production, determining nitrogen rates and timing of nitrogen applications that have agronomic feasibility, are considered environmentally acceptable, and are economical for farmers, and to determine optimum seeding rates and depth to establish best management recommendations for hulless barley production.

**E85 Marketing and Infrastructure Development** - \$21,000 *Sustainable Energy Strategies, Inc.*

SESI works directly with the alternative fuels industry on ethanol, biodiesel and propane issues to promote the use of ethanol in high level blends of alcohol, such as the use of E85 in flexible fuel vehicles. SESI works on E85 infrastructure development, focusing on increasing stations and E85 fuel usage in Maryland, Northern Virginia and Washington DC to advance the use of E85 as a form of alternative transportation fuel.

**Ethanol Performs** - \$8,000 *Bunny Burkett Racing Team*

The Racing Team conducts promotions at County and State Fairs, other agricultural functions and actually competes on the racing circuit garnering significant publicizing due to the fact that very few women compete in motor sports on a National level.

**Ethanol Issue Briefs** - \$3,500 *Clean Fuels Development Coalition*

Educational Issue Briefs promote ethanol as an alternative fuel, economic booster, and environmentally-friendly product. The fourth in a series of Issue Briefs designed to deal with ethanol production and use will be researched, printed and distributed.

**Development of Hulless Barley as a Value-added Crop** - \$5,000 *Crop & Soil Environmental Science, Virginia Polytechnic Institute*

This ongoing research is designed to improve the end use value of barley by developing hulless varieties having lower concentrations of fiber and phytic acid, and higher metabolizable energy.

## ✓ NATIONAL CONNECTIONS

*Cooperation with other states through a national organization allows Maryland grain producers to combine resources and provide a strong voice nationally for issues of importance to the grain industry. National membership allows local growers access to group programs and activities, and the latest news and market information to enhance growers' abilities to market their crops.*

**National Corn Growers Association** - \$84,000

Current items of focus include work on NCGA's farm bill recommendations, increased ethanol demand, diverse rural investment opportunities, new choices in biotechnology, a more efficient transportation system, better international market access, expanding markets, and implementing policy to enhance the corn industry.

**U.S. Grains Council** - \$20,000

The Council's focus is on creating demand for U.S. feed grains by encouraging development in emerging markets and identifying new opportunities in mature ones. State checkoff funds are used to leverage federal market development and industry funds to expand overseas markets. 2007 priorities include distiller's grains, biotechnology education, and trade policy.

**National Barley Growers Association** - \$3,000

NBGA represents barley growers across the nation. Priorities include preparation for the 2007 Farm Bill, reforming crop insurance, harmonizing pesticide registrations, conservation funding for working lands, competitive transportation system, and monitoring international trade agreements.

**National Association of Wheat Growers** - \$5,500

As a grass-roots advocacy organization, NAWG is working on policy issues with Congress and the Administration, including federal farm policy, tax provisions, trade, environmental regulations, conservation, disaster assistance, competitiveness issues in transportation and input prices, crop insurance enhancements, federal research investments, conservation program implementation, and biotechnology acceptance.

**U.S. Wheat Associates** - \$5,500

As the export market development organization funded by America's wheat growers, U.S. Wheat Associates is responsible for influencing trade policy at the federal Administrative level to remove trade barriers, open new wheat markets, and advocate for reasonable, scientific standards for agricultural biotechnology. Crop quality and the advantages of using soft red winter wheat will be promoted to their network of wheat buyers in over 100 countries.

**Find out more about these projects!**  
Visit the  
Checkoff link at  
[www.marylandgrain.com](http://www.marylandgrain.com)



*The Maryland Grain Producers Association and the Maryland Soybean Board invite you to see the latest in checkoff research, education and marketing, hear about current issues, and enjoy the company at the famous crab feast and barbecue!*

## AGENDA

9:00 -10:45 a.m.

### Wagon Tours

Wye Research & Education Center  
See Research funded by Maryland Soybean Board and Maryland Grain Checkoff Programs

11:00 a.m.

### Registration Opens

Queen Anne's 4-H Park  
Visit Commercial Exhibits, Checkoff Exhibits & Agency Exhibits

Noon

**Lunch Available**, 4-H Club

1:00 p.m.

### Business Meeting & Program

John Phipps, Keynote  
Jon Doggett, VP for Public Policy at NCGA, National Update  
Perdue, Vistive Soybeans

4:00 - 5:30 p.m.

**Crab Feast and Pork & Chicken BBQ**

# Thursday, July 26, 2007

## Queen Anne's 4-H Park

**Route 18 between  
Queenstown & Centreville**

**TICKETS:** \$10 prior to 2:30 p.m.; \$20 after 2:30 p.m. (no entry after 3:30 p.m.)

*Complimentary tickets are provided to members of the Maryland Grain Producers Association - see page 11 for membership information.*

### FOR MORE INFORMATION:

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