

The Grain Store

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Farm Bill Offers Opportunities

..... Charles Schaefer,
MGPA President

When all the votes were counted and the veto overridden, the agricultural industry came out with positive measures in the 2008 Farm Bill.

Significant investment in biofuels research and marketing will support a growing need for domestic fuel production that will see us well into the next decade. While still in its relative infancy, no doubt we will see great strides in the coming years that will keep our grain prices strong supporting food, feed and fuel needs.

A sideline benefit was achieving a greater recognition of the importance of agriculture, as headlines not only discussed the pros and cons of the Farm Bill, but food shortages and energy needs. It was good to see provisions for supporting a new generation of farmers added this year.

Environmental issues were certainly a key element in discussions. For our region, funding has been made available for support to farmers for projects that address Chesapeake Bay issues.

MGPA fought hard throughout Farm Bill negotiations to ensure that the optional Average Crop Revenue Election (ACRE) program was included. It is the market-based state-level revenue program that provides producers an alternative safety net for more targeted protection against today's more volatile markets, rising input costs and weather related crop losses.

(continued page 3)

Osage Bio Energy to use Barley for Local Ethanol

MGPUB's groundwork on the use of barley as a feedstock for ethanol is likely to result in local production. Bill Scruggs, Director of Agribusiness Development for Osage Bio Energy, met with Bob Hutchison and Lynne Hoot recently to discuss their plans to build up to four barley-to-ethanol plants in the region.

Osage Bio Energy received \$300 million in funding from private equity firm First Reserve to build four ethanol and protein feed production facilities, primarily in the Southeast U.S. Osage Bio Energy plans to contract with growers for barley production, and distribute through its sister company, Osage, an independent distributor of ethanol in the Southeast, based in Roanoke, Virginia.

The first ethanol plant will be built in Hopewell, Virginia. Osage is actively looking for sites on the East Coast for the remaining three plants. The Hopewell plant will produce 55 million gallons of ethanol a year using technology from Ohio-based Katzen International.

Osage will be working with producers in the region to provide the 22 to 24 million bushels of barley needed for annual production. Osage will be using both

hulled and hullless barley, removing the hulls of the hulled barley and using them as an energy source for the plant. The company also plans to save energy by setting up locations where it can utilize excess steam from other nearby facilities.

The first plant should be producing ethanol by the spring of 2010, starting with barley from the 2009 crop. Osage will be able to receive Maryland barley by barge or truck.

Bob Hutchison said he was pleased that Osage will use barley. Chesapeake Ethanol, LLC's plans to build a 50 million gallon per year mixed grain ethanol plant in Baltimore was put on hold as concerns about the cost and availability of corn from the Midwest became apparent. The plan had been to use hullless barley for roughly four months of the year and corn for the remainder.

"Higher yielding Thoroughbred barley makes dehulling a viable option," said Hutchison, "I had one Thoroughbred field with both good test weight and a 150 bushel yield. Unfortunately," he added, "that wasn't my average yield, but I am still pleased with our barley crop."

July 24th Commodity Classic features Market to Market Host Mark Pearson

Farmer, small businessman, stockbroker and raconteur, long-time *Market to Market* host Mark Pearson has earned a national reputation as one of the funniest and most insightful energy and agriculture speakers in the media today. Mark will be featured as the keynote speaker at the Maryland Commodity Classic on Thursday, July 24, 2008, at Queen Anne's 4-H Park.

The Classic packs a powerful program highlighting issues effecting farmers with the passage of the Farm Bill, updates on Crop Insurance by Gene Gantz, USDA Risk Management Agency, and Soybean Marketing with Rick Stern, United Soybean Board. Commodity markets, awarding of scholarships, and grain trade fill out the agenda. See back page for event details.

You Can Make a Difference

Environmental impact, CAFO's, critical areas, volatile input supplies ... your grass roots grain organization is working for you to improve the profitability and viability of farming in Maryland. Help us make a difference in the formation of policies that affect your operation by joining your organization. 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.

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MGPA & MGPA Regional Members

(Regional members serve on both boards)

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 Maryland Grain Producers Utilization Board
 53 Slama Road
 Edgewater, MD 21037-1423

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 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

Farm Bill Offers Opportunities

(continued from page 1)

The ACRE program is an important element of reform that is not well understood. Previous subsidy programs have been criticized for distorting the market, being linked to politically set prices, paying out when farmers don't have losses, and receiving direct payments for doing nothing.

ACRE significantly reforms how U.S. commodity programs operate addressing each of these areas. It reduces market distortions and lowers loan deficiency payment rates, cuts direct payments and saves money.

ACRE is more market oriented and results in less distortion by using a revenue target that moves with the market rather than targets set by Congress. Farmers make production decisions based on actual forecasts rather than planting for the program.

ACRE pays farmers only when they face a real loss in revenue, so helps restore the underlying notion of what a safety net should be - to provide assistance only when producers are in need.

ACRE requires farmers to be responsible for the first portion of any revenue loss. As designed, the producer absorbs the first 10 percent of any loss.

ACRE cuts the Marketing Loan Program rates by 30 percent. This reduction begins to address one of our most troublesome international trade concerns, which has triggered WTO trade disputes.

ACRE cuts direct payments by 20 percent to pay for the new program and also generates savings used to help fund conservation, nutrition and other parts of the Farm Bill.

There is no question ACRE is moving U.S. farm policy in the right direction. It represents the future of U.S. commodity policy. With the new bill, we achieve all the improvements represented by ACRE, and all the gains in nutrition, conservation and renewable energy.

I hope you are able to take a break from the farm on July 24th and can join us at the Maryland Commodity Classic.

New Price Change Limits for Crop Insurance Products

The Maryland Grain Producers Association joined the Maryland Department of Agriculture and Maryland Farm Bureau in a request to the Risk Management Agency (RMA) to allow providers to offer Revenue Assurance to Maryland farmers. In response, RMA made changes to the Crop Revenue Coverage (CRC) program effective for the 2009 crop year that largely address the concerns brought forward.

For CRC and Group Risk Income Protection (GRIP), a Special Provisions of Insurance (SPOI) statement replaces the current dollar limitations on price movement with a 200 percent price change limit between the base or expected price, and the harvest price. There will no longer be any downward price limitations for either plan.

For Revenue Assurance, the SPOI statement sets a 200 percent price change limit between the projected harvest price and the fall harvest price, and there will be no downward price change limit.

The price change limits provide consistency across all three insurance plans, regardless of the level of commodity prices.

For CRC and GRIP, use of a percentage price change limit for upside price movement and elimination of the price change limit for downside price movement will allow prices to more accurately reflect the changing markets. For Revenue Assurance, establishing the price change limit for upside price movement will have negligible impact, as upside price movement has not exceeded 200 percent as of the 2007 crop year.

Farm Bill Highlights

>> The 2008 Farm Bill Commodity Program supports 25 different commodities, representing one-third of gross farm sales, yet accounts for only about 13% of the Farm Bill's budget

>> Farm Bill Credit Title increases the farm ownership loan limit and the operating loan limit to \$300,000; Establishes a loan guarantee program to help farmers carry out conservation programs; Prioritizes beginning and socially disadvantaged farmers when making or guaranteeing loans for soil and water conservation and protection

>> Creates the Energy Research Program to improve research on the production and sustainability of renewable fuels, feed stocks and energy efficiency; Streamlines agricultural research by establishing a National Institute of Food and Agriculture (NIFA) to reorganize the USDA offices in charge of fundamental and applied research, extension and education programs

>> In the Conservation title, owners are provided assistance to implement conservation initiatives and rebuild habitat

>> The Energy Title provides an overall \$1 billion to fund programs; Provides \$250 million in grants and loan guarantees for agricultural producers and rural small businesses to purchase renewable energy systems and make energy efficiency improvements; Funds the Bioenergy Program at \$300 million to expand production of advanced biofuels made from agricultural and forestry crops and associated waste materials, including animal manure and livestock/food processing waste; Encourages the production of feed stocks for cellulosic ethanol and other energy production, and provides for multi-year contracts for crop and forest producers to grow dedicated energy crops; Provides incentives for producers to harvest, store, and transport biomass to bioenergy facilities; Funds the Biodiesel Education Program with \$5 million to help educate government and private owners of vehicle fleets about the benefits and technical aspects of biodiesel

>> The 2008 Farm Bill is the first farm bill to include a title for fruit and vegetable production, which includes development grants, market promotion, pests & disease assistance

>> The 2008 Farm Bill includes a new livestock title that provides basic protections for producers in livestock and poultry markets

>> Provides funding for the Beginning Farmer and Rancher Development Program with \$75 million for fiscal years 2009-2012

Food and Fuel Media Campaign Strikes at Heart of America

A massive disinformation campaign against American agriculture cites corn ethanol as the cause for the significant increase in food prices. It ignores the many benefits of corn ethanol – as well as the real culprit in high food prices, astronomical energy costs.

The USDA economic analysis shows high energy prices, increasing global demand, drought and other factors - not biofuels - are the primary drivers of higher food costs. U.S. Agriculture Secretary Ed Schafer pointed to International Energy Agency data that show global biofuels production has cut consumption of crude oil by 1 million barrels a day, offering savings of \$120 million dollars a day.

Oil prices have driven up costs for farmers and food distributors. In the first four months of 2008 alone, fuel prices for U.S. farmers have gone up 43 percent, feed prices 23 percent, and fertilizer prices 67 percent, according to USDA data.

Only 19 percent of the cost of food for consumers comes from growing crops, USDA reports. Labor, packaging, and transportation, all significantly impacted by oil prices, account for the remaining 81 percent of food cost.

"We need to look long-term, because we've got a long-term problem," Secretary Schafer said. "Developing diversity in our portfolio of fuels is an even more urgent matter than it has been in the past. And it is one that remains central to our energy security and our national security. The policy choices we have made on biofuels will deliver long-term benefits."

According to data from the International Monetary Fund, average global food prices have jumped nearly 50 percent since the end of 2006. A large factor on the global front is growing economic prosperity around the globe, especially in Asia. The expanding economies of India, China, and other countries need ever-increasing amounts of fuel and raw materials, which has sent the prices of oil and other commodities skyrocketing. At the same time, millions there are entering the middle class and for the first time have the cash for resource-intensive "luxury" foods like meat and dairy.

Adding to the demands on supply are weather-related problems, as seen most recently in the floods of the midwest. In addition to Australia's high-profile

drought, unfavorable weather has hit India, and Eastern Europe during recent harvests, cutting into food availability.

These triggers have led to further actions that have made the problem grow. Markets have panicked, with countries rushing to make large purchases of grains and speculators buying up stock in anticipation of even more price increases. The whole process is feeding on itself.

Hundreds of millions of people are expected to enter the middle class in the next decades, further pressuring fuel and food supplies. Much of the available arable land in the world is already being used for crops. So the only answer, experts say, is to increase the amount of food grown on existing land, using new technology and more efficient methods.

"There are many factors that have contributed to increased food costs, but there is no single contributor to blame," says Buddy Hance, Deputy Secretary of the Maryland Department of Agriculture. "We are asking the media to research the issue before taking a position and not get caught up in the current wave. Agriculture cannot produce crops under an old price structure with today's fuel cost."

How is the Agricultural Community Responding?

From advertising campaigns to letter writing and phone calls, organizations and agribusinesses are creating opportunities to educate lawmakers, the public and the news media about the positive impact corn ethanol has on the nation's economy, on our national security by reducing dependence on foreign oil, and on our environment, by providing a clean, renewable fuel source for our vehicles.

The Maryland Grain Producers Association has co-authored letters to Governor O'Malley, congressional offices and legislators. Press releases and letters to the editor have been released. The www.marylandgrain.com website has a new food and fuel section. MGPA is coordinating efforts with state agencies and farm organizations, and is participating in a national coalition of agricultural communicators, to monitor statements in the press and aggressively promote our growers' ability to provide grain for food, feed and fuel.

The U.S. Biofuels industry is launching an "Energy Independence Campaign" to fuel transportation needs with U.S. domestic resources to July 4th next year. They calculate for 2009, domestic production of 383 million gallons of oil per day would fuel transportation for 128 days. Add U.S. ethanol projected production of 14 billion gallons of ethanol, and another 37 days of domestic transportation needs are fueled.

Conservation by motorists could cut fuel consumption by 4.5 percent through steps such as engine tune ups, installing new air and fuel filters, driving at slower speeds, carpooling, consolidating trips, using mass transportation, purchasing flex-fuel or hybrid automobiles and even walking or riding a bike. These savings would fuel our country for another 19 days. Add it all up, and our country could fuel itself from January 1, 2009, until July 4, 2009 – nearly one half year.

Talking Points

- American households are saving between \$100 and \$510 a year at the pump thanks to the growing use of ethanol. By comparison, biofuels are responsible for just \$15 of the year-over-year increase in food prices, based on government statistics.
- Corn production has increased more than five-fold between 1932 and 2007. The average yield, represented as bushels per acre, went from 26.5 in 1932 to 151 in 2007.
- For the U.S. consumer, food costs have risen but not as much as utilities, education, motor fuel, medical care, and home heating fuel which is up 50% compared to food at 4.5%. If it were not for increased biofuel production, consumers would be paying an additional 15-20% for fuel.
- From current data, the 4.5% increase in food prices is attributable to 0.2-0.3% ethanol from corn, 0.8-1.0% increased fuel cost, and 3.5-4.0% for other causes.
- The ratio of raw farm inputs has hardly changed. A loaf of bread which contained 3 cents worth of wheat a year ago has risen to 7 cents. A box of corn flakes contains 10 ozs. of corn, which even at \$8 a bushel is less than a dime per box. A can of soda has less than two cents of corn sweetener.
- Out of \$1.00 spent on a box of corn flakes, only 3 cents go to a corn farmer. Out of \$1.00 spent on gasoline, 70 cents go to crude oil producers.
- Food in the United States has become more affordable, as spending on food as a percentage of income has decreased. Americans spend just 10 percent of their disposable income on food expenses, the USDA reports, while households in countries like India often spend 50 percent of their budget on food. Even countries in Europe spend more than twice what U.S. consumers spend on food costs.
- Each bushel of corn produces 2.8 gallons of fuel ethanol. In dry milling, 17.5 pounds of distillers dried grains - a high-protein livestock feed - are also produced. In the wet milling process, from each bushel 13.5 pounds of gluten feed and 2.6 pounds of gluten meal are produced. This process also results in 1.5 pounds of corn oil from each bushel. The byproducts of ethanol production are widely used for dairy and beef cattle, poultry, swine and pets.
- The United States spends more than \$1 billion a day on imported foreign oil, which makes up 22 percent of the energy used in the United States.
- In 2007, Ethanol production displaced 200 million barrels of oil. Biodiesel production offset another 12 million barrels of oil.
- Only 30% of U.S. farmland is actually being farmed. 280 million acres, about a third of the 800 million acres of farmland, is under cultivation. 85 million of those acres are growing corn, and just a fifth of that land, about 17 million acres, is growing corn for ethanol.

What Can You Do?

Stay informed.

You may already read the morning paper and get the news on TV, the radio and the Internet. More often than not, these reports only give part of the story. The National Corn Growers Association has assembled on its website, www.ncga.com, a collection of one-page issue summaries, independently produced research reports, correspondence and testimony, and links to other websites that is monitored daily and updated frequently.

Spread the word.

Start with your circle of friends and family. Everyone is talking about national security and high prices for food and gasoline, providing the perfect opportunity to bring up the subject that not only is ethanol part of a diversified solution, but that farmers are now growing more corn on each acre so they can meet all needs – food, feed and fuel.

Get connected with local organizations.

Whether it is the Rotary, Chamber of Commerce, or the local Farm Bureau, attend meetings and let your voice be heard there. Ask if the MGPA Speakers Bureau can present a program. Stress the importance of supporting American agriculture and refuting the many myths about the U.S. farmer.

Talk to the news media.

As someone who lives in your community, your voice as a spokesperson is automatically important, sincere, respected and credible to your local media. Write letters to the editor or contact the MGPA office to add your name to our media list. Challenge the media with the best weapon available - the truth.

Contact government leaders.

At times, there will be a need for specific communications from growers to lawmakers. You can provide your e-mail address to the MGPA to be notified when these actions will be necessary.

\$25 Million Targeted for Nutrient and Sediment Pollution Reduction

The Chesapeake and Atlantic Coastal Bays 2010 Trust Fund will award \$25 million for fiscal year 2009 implementation. The Fund was created to support non-point source restoration projects that result in measurable water quality improvements within three years through nutrient and sediment pollution reduction. Projects expected to have the greatest nutrient reduction benefit within high priority watersheds that include local government and multiple organizations as partners will be given priority consideration for funding. The State will accept proposals through August 29, 2008, and final grants will be announced in October 2008. The process will repeat next year. For more information, including a map of identified priority watersheds, visit www.baystat.maryland.gov/trustfund.

National Sorghum Checkoff Effective July 1, 2008

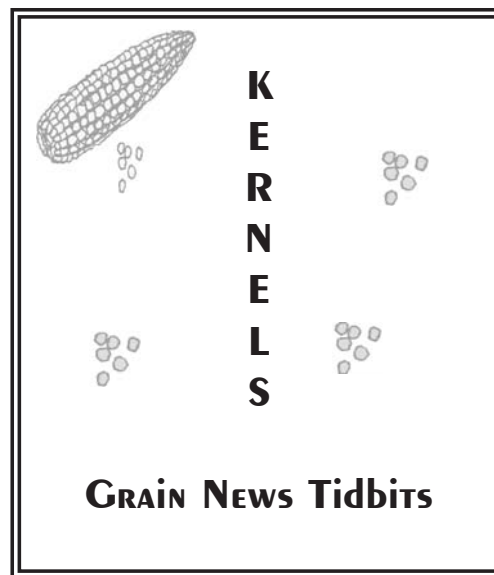
MGPUB is working with the USDA to make sure the approved National Sorghum Checkoff works as seamlessly as possible for Maryland sorghum growers and buyers. When the new checkoff fee of 0.6 percent of net market value for grain sorghum is collected after July 1, 2008, MGPUB will cease collection of their state 0.5 percent assessment. The national payment will be collected by MGPUB and forwarded to the national program. MGPUB will continue to serve as a voice for Maryland sorghum growers. The US Secretary of Agriculture will appoint directors to serve on the National Sorghum Checkoff Board, please contact MGPUB if you are interested in serving on this new national Board. Within three years, producers will have the opportunity to vote in a referendum, in the meantime refund requests will be collected, but only returned if the referendum fails. The Sorghum Promotion, Research and Information order will generate about \$12 million annually to benefit producers, marketers and processors. Funding will be directed to research to improve yield, advance technology use, enhance sorghum market development and promotion, and increase cellulosic ethanol research.

Eisenhower Fellowships 2009 USA Program Recruitment

In 2009, the Eisenhower Fellowships program will conduct *Fueling Growth*, which will offer a unique opportunity for emerging leaders to focus on energy, the environment, and economic growth. The program is looking for recruits who are aged 32-45, who possess advanced professional credentials, proven leadership capability, and the potential for broader impact in and beyond their professional fields. The Fellowship covers all international and domestic travel, lodging, and meals for Fellow and spouse. For more information and to download applications, visit: www.eisenhowerfellowships.org or contact Julia Ransom at 215-546-1738 or jransom@eisenhowerfellowships.org. The application deadline is August 15th.

Backyard Actions for a Cleaner Chesapeake Bay

Did you know that there are nearly one million acres of residential lawns statewide and that Americans use up to 10 times more pesticides on lawns than farmers use on crops? The Maryland Department of Agriculture and the Maryland Sea Grant, in cooperation with the University of Maryland Home and Garden Information Center, and a grant from the Rural Maryland Council, have developed the "Take it From Maryland Farmers: Backyard Actions for a Cleaner Chesapeake Bay" program to involve all Marylanders in the Bay restoration efforts. The program highlights various best management practices that farmers use to produce healthy crops and protect water quality in the Chesapeake Bay and its tributaries. Homeowners can apply these same conservation measures to home, lawn, and garden projects. Promotional materials feature a variety of easy, Bay-friendly suggestions for fertilizing lawns and gardens, spotting and correcting erosion problems, controlling weeds and insects with pesticide alternatives, and conserving water. For more information, visit www.iwantmarylandsbest.com



GRAIN NEWS Tidbits

NCGA Positions Open

The National Corn Growers Association is looking for applicants on NCGA Action Teams and Committees for FY 2009. Openings are available for Production & Stewardship Action Team, Research & Business Development Action Team, Public Policy Action Team, Grower Services Action Team, Biotechnology Working Group, Ethanol Committee, Joint Trade Policy A-Team, and Mycotoxin Committee. Please contact the MGPA office if you are interested in serving. All applications are due by August 29, 2008.

Sign Up Underway for Direct & Counter-Cyclical Payments

Producers can complete their 2008 Direct and Counter-Cyclical Payment (CCP) Program contract at any USDA Service Center office now through September 30. An online registration is also available where producers can choose payment options, assign crop shares, and sign and submit their contracts from any computer with Internet access. USDA computes DCP payments using base acres and payment yields established for each farm. Eligible producers receive direct payments at rates established by statute regardless of market prices. For more information go to the DCP website at www.fsa.usda.gov/FSA/webapp?area=home&subject=dccp&topic=landing.

Focus on Environmental Funding in 2008 General Assembly

✓ Chesapeake Bay 2010 Trust Fund

The Chesapeake Bay 2010 Trust Fund legislation was amended to address the concerns raised by MGPA. \$25m was allotted to the program for FY09, and the full \$50m is expected for FY10. The law allows for funds to be allocated for MACS and additional staffing for the districts, both as state employees working for MDA or through grants. The law states that agriculture is a priority, and multi-year contracts are encouraged. Funds cannot be used for someone who is out of compliance, but can be used by individuals who are regulated - such as those farmers who may become CAFO's or MAFO's to bring them into compliance. The Dean of the College of Agriculture and Natural Resources has been added to the BayStat subcommittee.

✓ Nutrient Management

A bill introduced to eliminate language in the Water Quality Improvement law that requires the annual summary report provided to MDA be kept confidential never passed out of the Rules Committee. Bills to deal with the spreading of sewage sludge in state parks all failed. Bills to address the phosphorus level of lawn fertilizer failed as did the bill to impose a 10% fee on commercial lawn care applications.

✓ Cost-Share Funding

The capital budget includes \$1.8 million for the MACS program, down from the \$3 million request. Despite the cut, MDA expects to be able to fund the MACS program with the available balances from prior years and anticipates additional funds from the Chesapeake Bay 2010 Trust Fund.

✓ MDA - Resource Conservation

The Office of Resource Conservation received no specific budget cuts during the legislative process, however agencies may take further cuts as the Governor must make up the projected budget shortfall.

✓ Bay Restoration Funds

For the second year, a bill to decrease the percentage of the septic fee that goes for cover crops, and increase the percentage to septic upgrades, did not pass. Efforts to allow Bay Restoration funds to be used to allow septic users in communities with failing systems to install group nitrogen removal systems did pass.

✓ Critical Area Law

Amendments to the Critical Area Law passed so that when land in resource conservation areas is subdivided in the future, a 200 feet buffer will be required. No changes were made to the requirements for agriculture in the critical area, however the agricultural community should monitor the development of the regulations.

✓ Transfer Tax

The agricultural land transfer tax has been increased with a 25% surcharge. The increase will fund the Next Generation Farmland Acquisition Program to help young farmers acquire their first farms, preserve additional acres of farmland, and allow MALPF the flexibility to make additional farmland protection easement purchases with installment purchase agreements.

✓ Ag Land Preservation

A young farmer representative was added to the Maryland Agricultural Land Preservation Foundation Board of Trustees. Garrett County's legislation to provide for agricultural districts for ag land preservation passed as well as Prince George's County's efforts to make changes to their ag land preservation program.

✓ Estate Taxes

Several bills were introduced that reduced or eliminated the state estate taxes on agricultural land, however none passed.

✓ Biofuels

The Biofuels Committee established last year recommended several changes to support biofuels production and use. Of the four bills, SB 565 providing an incentive to use B5 in home heating oil was the only bill that passed; it has a 3-year sunset.

✓ Dairy Industry

A bill to establish a Dairy Farmer Emergency Trust Fund passed but without the provision for a \$5m fund allocation. The Farmstead Cheese Production pilot program is expanded to up to five milk processor-farmstead cheese producer permits under the pilot program.

✓ Sunday Hunting

Bills to allow or extend Sunday hunting for Harford, Montgomery and Washington were all passed. The ban on children under 13 years of age hunting was withdrawn.

✓ Poultry Litter

Poultry litter is now classified as a Tier 1 product when it comes to "green energy" within certain parameters.

✓ Gypsy Moths

A Task Force was formed to study the statewide gypsy moth infestation and to make recommendations regarding the most effective practical, regulatory, and legislative means of combating the infestation.

✓ Farm-To-School Program

Legislation honoring Jane Lawton (a former Montgomery delegate who passed away suddenly at the end of 2007) establishing a "Farm-To-School Program" at the Department of Agriculture. The purpose of the program is to promote state agriculture and farm products to children, through school meal and classroom programs.

**Investing in Our Future . . . from Donald Maring,
MGPUB President**

Our Maryland Grain Checkoff program is all about farmers helping our own industry and those consumers that benefit from our products. Funding projects specifically targeted to our region's grain farmers means we get answers to address issues specific to Maryland, whether it be improving seed varieties for our soils or finding the best farm management systems to improve our environment. This year we looked for projects that address both those areas, as well as ways to better market our products and educate consumers about our products.

With the price of fertilizer increasing so dramatically, we felt a need to explore ways to make nutrient use more efficient. This will help both our bottom line and the environment. We selected several projects to address this issue, including evaluating Greenseeker equipment, products that stabilize nitrogen, whether or not certain hybrids are more nitrogen efficient, and effective ways to incorporate poultry litter to improve nutrient efficiency.

To continue progress on the energy front, funding was awarded to research and marketing efforts that advance biofuels. Renewable fuels are the future not only of our farmers, but for our nation.

I invite you to look through the 2008 funded project summaries on the following pages. Join us at the Commodity Classic on July 24th to learn about the progress of some of these multi-year projects, as well as the results of 2007 projects at the Wye Research Center and in our exhibit hall.

The Grain Checkoff Program is our investment in our future. It has provided the opportunity for us to make great strides in improving our viability and profitability as grain farmers in Maryland.

Utilization of Aerial Imagery, Yield Monitors, and Active Optical Sensors to Increase Nitrogen Use Efficiency in Corn

Environmental Science & Technology, University of Maryland, \$27,000

This project will evaluate variable rate nitrogen (N) fertilizer application in Maryland corn production. Current farmer practices will be compared to variable N prescriptions generated by active optical sensors, yield monitor data averaged over the previous 3-5 years, and aerial imagery collected during the growing season, just prior to spring side-dress N application. Effective guidance documents and an outreach program to increase utilization of variable rate nitrogen applications in the mid-Atlantic will be developed.

Nitrogen Stabilization

Plant Science & Landscape Architecture, University of Maryland, \$9,000

The use of nitrogen stabilization products (urease and nitrification inhibitors) when used with urea ammonium nitrate fertilizer (UAN) surface applied to corn will be evaluated to determine if they will allow reductions in corn side-dress N rate. This could reduce environmental impact, yet still maintain corn yield and profitability.

Effect of Nitrogen Rate on Corn Hybrid Performance

Plant Science & Landscape Architecture, University of Maryland, \$7,650

The objective of this project is to evaluate a number of currently available corn hybrids for their nitrogen use efficiency to provide farmers with optimum nitrogen rates for raising crops as environmentally friendly and economical as possible.

Alternative Cover Crops, Performance and Planting Techniques - Eastern

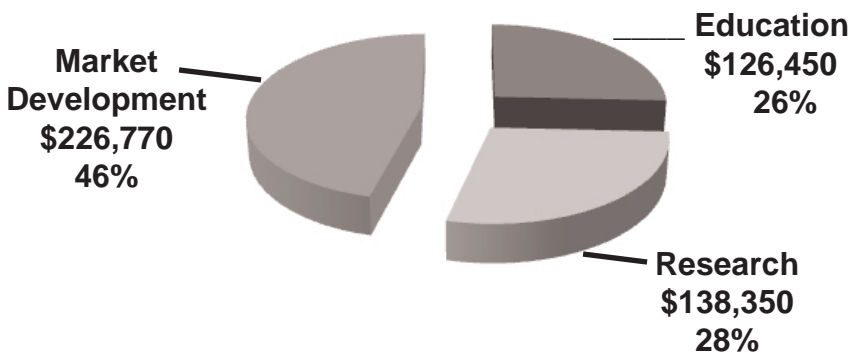
Shore Cooperative Extension, \$2,180

This research will explore alternative cover crops in the Delmarva region, evaluating establishment, stand, and biomass to assess viability as an alternative to traditional cover crops. Researchers will also investigate costs of alternative cover crops with the purpose of providing economical alternatives when the price of traditional cover crops makes planting uneconomical.

✓ YOUR CHECKOFF DOLLARS AT WORK

The Maryland Grain Producers Utilization Board (MGPUB) has awarded over \$490,000 in 2008 to organizations across the state to increase the profitability of Maryland grain production, expand the utilization of grain, and to improve public understanding of agriculture. Maryland's

Grain Checkoff Program has been in effect since 1991 and collects a half a percent of the net value of grain sold. The Checkoff Program is administered by the MGPUB Board of Directors (see page 2). Funds are spent in the same proportion on each crop as they are received.



Systems Approach to Evaluate Nitrogen Sources, Blends & Additives

Plant Science & Landscape Architecture, University of Maryland, \$5,000

As the cost of nitrogen, fuel and equipment for application increase, farmers are looking for ways to make nitrogen used in corn production more efficient. This project will evaluate the efficiency of Nitrogen sources, blends of Nitrogen sources, Nitrogen source timing, application methods and additives that are, or will be, marketed to farmers. Four tillage methods will be used in testing.

Utilizing Conservation Tillage to Minimize Nutrient Losses from Poultry Litter

Environmental Science & Technology, University of Maryland, \$25,000

Field studies will allow the assessment 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.

Planting Techniques for Small Grain Cover Crops

Plant Science & Landscape Architecture, University of Maryland, \$6,500

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.

Winter Canola Variety Trial - Plant

Science & Landscape Architecture, University of Maryland, \$3,600

Winter canola planted in the fall offers winter cover crop potential, as well as potential as a biodiesel feedstock, with estimates of double to triple the biofuels output attained with soybeans. This project will evaluate a number of winter canola varieties to determine the suitability to this region of the varieties, and develop the best management production practices (ie. planting dates, seeding rates, fertility management, and pest management) necessary for successful production of the crop.

Role of QoI Fungicides in Field Corn Production

Plant Science & Landscape Architecture, University of Maryland, \$8,750

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.

Evaluating Nitrogen Sources and Management Systems on Wheat Quality

Plant Science & Landscape Architecture, University of Maryland, \$4,000

Two detailed studies will be conducted for this research. First, an evaluation of several Nitrogen sources, Nitrogen source blends and Nitrogen additives in no-tillage, minimum tillage, and conventional moldboard plowing will be conducted. Second, management systems in no-till and minimum tillage wheat, planted after no-till corn and soybeans, for increasing yields while maintaining or improving wheat quality.

The Maryland Grain Producers Utilization Board provides funding for research that will directly address local growing conditions, economics, soils and climate.

Our goal is to increase farm productivity and profitability while reducing nutrient losses to the environment through the use of innovative technologies and advancements in genetics. 2008 funding was heavily invested into understanding nutrients and developing strategies for its optimal use.

WEED AND PEST CONTROL

Control of Perennial Weeds in Corn

Plant Science & Landscape Architecture, University of Maryland, \$5,660

This research couples pre-emergence and post-emergence products like 2, 4-D, Banvel, 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

Plant Science & Landscape Architecture, University of Maryland, \$5,660

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, bromegrass and bulbous oatgrass in small grains.

Wheat Variety Resistance to Spindle Streak Mosaic Virus

Plant Sciences & Landscape Architecture, University of Maryland, \$2,500

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.

✓ VARIETY TESTING

State Corn Hybrid Test: Inclusion of Benchmark Hybrids

Plant Science & Landscape Architecture, University of Maryland, \$2,850

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.

Genetic Improvement and Testing of Small Grains for Maryland

Plant Science & Landscape Architecture, University of Maryland, \$25,500

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.

Enhancing Maryland-Grown Wheat Consumption for Health Promotion and Disease Prevention

Nutrition & Food Science, University of Maryland, \$15,000

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.

Falling Number Research - \$3,500

Plant Sciences & Landscape Architecture, University of Maryland

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.

✓ EDUCATION

Focus on the Farm

Montgomery County Extension, \$2,500

This series of locally produced television programs is designed to emphasize the positive aspects of Montgomery County agricultural production. The ten, 30-minute shows are geared for non-farm audiences with topics of nutrient management, ethanol and what it means for the economy and environment, land use issues, biotechnology, and other timely agricultural issues.

Kids Growing with Grains and Close Encounters with Agriculture

County Extension Programs of Allegany, \$1,000, Frederick, \$3,000, Montgomery, \$2,500, Washington, \$1,800

Teachers, parents and 4th grade students learn about grain utilization in animal science, the importance of grain products for good nutrition, and grain production's connection to the environment through hands-on stations. Teaching packets with additional learning activities are provided. A separate portable program will be added to the Washington County program for schools who would like to participate but are unable due to field trip restrictions.

Mobile Lab / New School Grants

Maryland Agricultural Education Foundation, \$9,000

A new mobile agriculture science lab will be built for use at schools statewide. Funding for additional grants will be made available to schools that have not had a science lab visit their school before.

National Agriculture Day

Agriculture Council of America, \$500

Raising Americans' awareness of how food, fiber and fuel are produced is the purpose of National Ag Day each March 20th. Ag Day tools include a website, media and classroom resources, Ag Day Poster, Planning Guide and Fact Cards.

Grains That Feed Us

Washington County Farm Bureau Education Committee, \$350

An interactive display will be created to use in Washington County public exhibits including the Ag-Expo, Discovery Station, and Ag Days at the mall. The display will feature five grains with samples and information on each grain from planting to the food and byproducts that comes from the grain.

✓ ADVANCING ETHANOL

Policy and Promotion of E85

National Ethanol Vehicle Coalition, \$5,000

The National Ethanol Vehicle Coalition works at the national level to expand the use and infrastructure for E85 as an alternative fuel.

Development of Hulless Barley

Crop & Soil Environmental Science, Virginia Polytechnic Institute, \$6,000

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 for food, feed and fuel use.

Ethanol Performs

Bunny Burkett Racing Team, \$8,000

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

Clean Fuels Development Coalition, \$3,500

Educational Issue Briefs promote ethanol as an alternative fuel, economic booster, and environmentally-friendly product. The fifth in the series of Issue Briefs designed to deal with ethanol production and use will address the Environmental Impact of Ethanol Facilities. The project will be researched, printed and distributed.

E85 Marketing and Infrastructure Development

Sustainable Energy Strategies, \$24,225

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 an alternative transportation fuel.

✓ INVESTMENT IN LEADERSHIP

Maryland's Agricultural Leadership Development Program

LEAD Maryland, \$16,000

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

Maryland FFA Foundation, \$5,000

High school students in FFA programs will develop vital life-skills by participating in a leadership or career development event, or conducting an 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

Maryland Association of Soil Conservation Districts, \$5,800

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.

Maryland Grain Producers Association - \$75,000

The Maryland Grain Producers Association (MGPA) conducts activities that promote expanded utilization of grain and improved understanding of grain and the agricultural industry. Activities include conducting public relations campaigns, producing informational newsletters, running the marylandgrain.com website, coordinating a Speakers Bureau, hosting an annual meeting to promote MGPA functions, and managing a college scholarship program for students enrolled in agricultural programs.

**Call for Education,
Market Development
and Research Grant
Applications:**

**2008 MGPA GRANT
APPLICATIONS DUE
DECEMBER 1, 2008**

**Contact the MGPA
Office at 410-956-5771
or visit
marylandgrain.com
for grant application
and instructions**

✓ 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.

U.S. Grains Council - \$30,000

The U.S. Grains 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. Priorities for 2008 include distiller's grains, biotechnology education, and trade policy.

Misinformation about biotechnology and genetically modified crops has caused disruptions in trade to key export markets. Grant funding of \$5,000 is directly supporting the USGC's biotech programs to provide science-based information to educate and influence international policy makers, regulators, public leaders and media, facilitate resolution of trade or regulation issues, help selected countries develop science-based biotech regulations, and influence decisions at multilateral forms. This will result in a more favorable market environment for agricultural biotechnology.

National Corn Growers Association - \$125,000

Key issues for the National Corn Growers Association include work on diverse rural investment opportunities, new choices in biotechnology, a more efficient transportation system, better international market access, expanding markets, recommendations on the farm bill, increased ethanol demand, and implementing policy to enhance the corn industry.

National Association of Wheat Growers - \$6,000

As a grass-roots advocacy organization, the National Association of Wheat Growers is working on policy issues 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 - \$6,000

U.S. Wheat Associates is the industry's export market development organization, supplies training and information to customers on crop quality and the advantages of using U.S. wheat in over 100 countries on behalf of America's wheat producers to open new markets, and advocate for reasonable, scientific standards for agricultural biotechnology.

Wheat Foods Council - \$15,000

The Wheat Foods Council will bring a wheat field into New York City as an educational promotion in the fall of 2008. Displays and exhibits, classroom and media visits are planned.

National Barley Growers Association - \$1,545

The National Barley Growers Association set priorities of the Farm Bill, reforming crop insurance, harmonizing pesticide registrations, conservation funding for working lands, competitive transportation system, and monitoring international trade agreements.

The Maryland Grain Producers Association and
the Maryland Soybean Board invite you to the



10th Annual

Maryland COMMODITY Classic

JULY 24, 2008

**Queen Anne's
4-H Park**

*See the latest in checkoff research, education and marketing,
hear about current issues, and enjoy the company at the
famous crab feast and barbecue!*

TICKETS

\$10 prior to 2:30 pm

\$20 after 2:30 pm

(no entry after 3:30 pm)

*Complimentary tickets are
provided to members of the
Maryland Grain Producers Association.
See page 2 for membership
information and form.*

QUEEN ANNE'S 4-H PARK

The park is located off Route 18
between Queenstown & Centreville.

FOR MORE INFORMATION

Maryland Grain Producers Association
53 Slama Road, Edgewater, MD 21037
410-956-5771, Fax: 410-956-0161
Email: lynnehoot@aol.com

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

Commodity Programs, Soybean
Marketing, Crop Insurance and More

Keynote Speaker

Mark Pearson - Market to Market

4:00 - 5:30 p.m.

**Crab Feast and
Pork & Chicken BBQ**

Non-Profit Organization

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Inside this Issue

Farm Bill Offers Opportunities	1
Osage to Use Barley for Local Ethanol.	1
Commodity Classic features Pearson	1
You Can Make a Difference	2
Farm Bill Highlights	3
New Price Change Limits for Revenue Products.	3
Food and Fuel Media Campaign Strikes at Heart of America	4
KERNELS	6
2008 General Assembly	7
Investing in Your Future	8
Your Checkoff Dollars at Work	8-11

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