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NATIONAL SORGHUM PRODUCERS

SORGHUM *Grower*

WINTER 2019

**MAIN STREET
MEETS
WALL STREET**
IN LATEST ROUND OF MERGERS & ACQUISITIONS

SILICON VALLEY
↑

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ON THE COVER: Recent mergers and acquisitions in agriculture are taking the main streets of America's heartland to Wall Street, and these changes could have lasting impacts on the farm. Learn about the latest in sorghum as we dive into changes that are here now and on the horizon.

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Editor's Desk

*Embracing
Change*



As Bob Dylan said in his 1963 ballad, the times they are a-changin. It is happening all around us, and with the connectivity of our modern world, the impact spares almost no one. You've probably heard us refer to 2018 as a "roller coaster" more than once in the last year, and, with all honesty, I don't think I have ever been more ready to put a year behind me and welcome the next. It was challenging—2018—but certainly a year of growth not only for me but for my fellow staff members and our outstanding farmer leaders, as well. Winston Churchill said to never waste a good crisis, and the events that unfolded for sorghum in 2018 certainly elevated awareness of our crop worldwide. National Sorghum Producers was able to create change for sorghum farmers through this by capitalizing on trade assistance, ethanol regulations and farm policy that, hopefully, help you continue to operate in 2019.

In this issue of *Sorghum Grower* we also explore a few of the changes happening in agriculture, focusing on mergers and acquisitions that impact sorghum farmers (Page 10). We also dive into fundamental changes happening on the farm and how the future might look. There are some new kids on the block—backed by venture capitalists and considered disruptors in the agriculture industry. Not everyone is welcoming them with open arms, and certainly there is weight to both sides of the argument. But as we explore change happening in agriculture, this shift toward approaching farm purchases like a consumer seems almost revolutionary, making the concept worth exploring.

There is another form of change I want our readers to consider, and that is the way you consume information. This year our quarterly magazine will reach 50 issues. Research tells us it has become the No. 1 information source for sorghum farmers, and trade publications are still important despite the growing presence of digital communications. Our communications portfolio continues to grow and diversify. In fact, we started the podcast "Sorghum Smart Talk" this fall to continue to meet the information needs of our growers in new ways. Our goal remains to be the premier source of information for U.S. sorghum farmers, and as change is happening in the ways we communicate, it is important we continue to grow and adapt. So, let us know how we're doing with *Sorghum Grower*! I would love to hear from you—just shoot an email to jennifer@sorghumgrowers.com.

NSP values our readership, and we sincerely hope you have a prosperous and blessed 2019.

Jennifer Blackburn

Jennifer Blackburn
External Affairs Director

INFORMATION IS POWER: THE FUTURE OF AG RETAIL

By Matthew Winterholler

We've all been there—we are shopping for a product at a store and we pull out our phones to compare prices at other retailers. Some big retailers like Walmart, and the big one—Amazon, even offer price matching, making it exponentially easier to know we are getting the best price possible.

Those practices are beginning to hit agriculture in a big way with the rise of online agricultural retailers like Farm Trade, CommodityAg, AgVend and Farmers Business Network—companies largely thought to be disruptors in the business because of their impact on change within agricultural retail.

Rick Tolman is a past National Corn Growers Association CEO of 14 years. After retiring in 2014, Tolman took on a new career—consulting for Farmers Business Network.

Tolman sees many advantages of moving toward online retail within agriculture, both with Farmers Business Network and other online agricultural retailers.

“The advantage is that you're getting more efficiency and more effectiveness, and once you get used to it, you can save money,” Tolman said. “In some ways, it's refreshing because you don't have to wonder if you get the biggest discount or if you are paying the same as your neighbor. You just know.”

Tracy Zink is a sorghum producer from Indiana, Nebraska, who has been a Farmers Business Network member for four years. She agrees with Tolman and said it is not easy to put a price on the benefit of the services FBN offers.

“The positive of online is you have more access,” Zink said.

While Zink is an advocate for FBN, she still utilizes those traditional ag retailers and said FBN is not always cheaper than those companies for her inputs.

In a way, FBN's model, by giving farmers buying power, reminds Tolman of the co-ops seen in the late 70s and 80s, but rather than receiving a dividend at the end of the year, FBN puts those discounts up front.

The way business is done is changing across the world, and agriculture is following along, Tolman said. The new model within agricultural retail, however, is a turn from the traditional way of buying inputs.

“Traditionally we thought ag retail had to be a handshake, be there to make sure you can back up the product and make sure it worked,” Tolman said. “It was a person-to-person kind of business, so it's a big mindset change to think about doing it online.”

That change comes with hurdles. Many worry about the impact online agricultural retail could have on brick-and-mortar agricultural businesses, and FBN itself echoes that concern.

“I think that's something FBN and others are concerned about, too,” Tolman said. “Everybody realizes the importance of supporting their local community. At what level that can be sustained is going to be the interesting question.”

Zink, who utilizes many of FBN's benefits, including online retail for inputs, also worries about what online retail within agriculture will do to her surrounding rural community.

“I think with any online retailer you run the risk of losing the rural environment,” Zink said, “and small towns are dying. It's those businesses that supported the farming industry and our families for so long. You can't put a real price on that.”

Though it is a concern, both Tolman and Zink believe an equilibrium will eventually be seen.

“What FBN is doing will force or encourage some of the more traditional retailers to take a look at what they're doing and change the way they're

doing business now,” Tolman said. “In the long run, that will be for the benefit of farmers.”

To help save some of those rural jobs—the heart of the farmers they serve—FBN has started building warehouses and employing regional representatives. Not only does this help give back to the communities, but it also helps FBN logistically, allowing product to get to the customers quicker, Tolman said.

“It's exciting to have them getting young people and keeping them in ag,” Zink said. “My FBN rep has four or five just little precious kids, and getting to see them be part of the agriculture lifestyle is fantastic.”

While producers have many concerns—sometimes rightfully so—about online agricultural retail, outside of the product they sell, FBN can help farmers cut their costs other ways through the data they gather on seed prices, yields and much more, Tolman said, which is how FBN originally started in Silicon Valley.

“In a commodity business, any little edge you can get to make yourself more efficient is to your advantage,” Tolman said. “If you find you can buy seed that's the same seed but under a different label, through these analytics, you figure out you can save \$10 a bag or \$20 a bag.”

In a way, FBN's analytical services can be compared to Consumer Reports, Tolman said, allowing producers to see what results other producers have had on seed and chemical and how that could potentially fit into their operation.

Those Consumer Reports, as Tolman puts it, helped Zink increase her efficiency and risk management.

“Once they released that seed relabeling report, I realized I had not been spreading my risk across different varieties and trait packages because I was planting essentially the exact same seed from different companies,” Zink said.

Though other online agricultural retailers do not offer the same analytical services as FBN, they could very well be the future of agriculture.

FBN—since their start in 2014—has experienced quick expansion, both in their analytical services and their launch of online retail. Their growth has many wondering if the company is poised to become the Amazon of agriculture, and Tolman has some of the same thoughts.

“In a way, that's what they aspire to be,” Tolman said. “I don't think

they see themselves as becoming a big online retailer in that sense, but I think as a subset of that within agriculture.”

Next time you are shopping for a product and pull out your phone to compare prices,

it may soon be to check out FBN, CommodityAg, AgVend, Farm Trade or another start-up platform to find the best price for your seed or chemical.

The positive and negative may still need to be weighed, but if one thing is clear, the future of agriculture—because of those disruptors—is being shaped as you read this article.

“Everything grows and everything changes,” Zink said. “As producers, we've got to be ready to change with it.”

“Everything grows and everything changes. As producers, we've got to be ready to change with it.”

St. Nick Edges out Scrooge in Christmas Farm Bill

By Jeff Harrison

The House broke its farm bill margin of victory record set in 1985 by passing H.R. 2, the Agriculture Improvement Act, on a vote of 369-47, while the Senate racked up its highest margin of victory since 1965, clearing the farm bill on a 87-13 vote.

The measure, slated to govern U.S. farm policy over the next 5 years, is not a panacea for all that ails American agriculture today, but it does provide certainty and a modicum of a safety net with some improvements over the 2014 farm bill.

Farmers will be allowed new flexibility to choose between PLC and ARC for 2019 and 2020 and again in each of the 2021 through 2023 crop years with the elections continuing to be made on a commodity-by-commodity and farm-by-farm basis.

Reference prices for PLC and ARC are allowed to float upward to as high as 115 percent of current levels to keep apace of any increase in prices.

Farmers may update their payment yields. Loan rates are increased for nearly all

commodities and changes are made to ARC, including primary use of RMA yield data and inclusion of an 80 percent yield plug and use of trend adjusted yields similar to those used in crop insurance.

For sorghum farmers who opted against a yield update the last go around due to drought, the new opportunity is a welcome one. While a loan rate of \$2.20 per bushel is not optimal, it is certainly an improvement over \$1.95.

The success House negotiators had in beating back harmful changes to actively engaged rules and adjusted

gross income means testing was important, but so, too, were the improvements in this area. The definition of family was logically extended to include nephews and nieces and first cousins. Marketing loan benefits were excluded from the pay limit. The sequester is required to be applied prior to application of the pay limit, and the AGI means test may be waived by the Secretary where he believes environmentally sensitive land of significance would benefit under such a waiver.

Rewarding the use of resource conserving crop rotation is replete in the conservation title, a top sorghum priority, while EQIP funding is increased. The Conservation Stewardship Program is improved, and the Conservation Reserve Program is better targeted to marginal lands.

Funding for the Market Access Program and the Foreign Market Development program is fully restored with a budget baseline firmly established going forward. In-kind U.S. food aid was safeguarded from those who sought to replace

this highly successful humanitarian relief with cash-aid, although a small cash aid pilot advocated by the Senate was agreed to.

Individual FSA operating and ownership loan limits got their first increase in 16 years. Agriculture research funding was increased in order to catch up with Chinese investment, and broadband was finally injected with the kind of quality control requirements and competition to ensure farms, ranches and rural communities get the access they need to do business.

New investment was made in the energy title with changes to ensure sorghum has a bite at the apple under Section 9005, while crop insurance research and development is required to get to the bottom of why sorghum premiums are disproportionately high compared to actual risks, especially when compared to other commodities in the same areas.

Successful House insistence on full funding of animal disease preparedness and response, including a fully funded vaccine bank, is also a vitally important win not only to the livestock sector but to all in production agriculture.

Beyond what was done is what was not done, including the parade of horrors long-time farm bill and crop insurance opponents had in mind, including the first ever imposition of an AGI means test and pay limits on crop insurance, repeal of the Harvest Price Option, fatal cuts to private sector delivery, and authorization for snoop groups to obtain farmer insurance information so it could be disseminated on the web.

Thanks to champions and friends on Capitol Hill, particularly leaders from sorghum country like House Agriculture Committee Chairman Mike Conaway and Senate Agriculture Committee Chairman Pat Roberts, worries of impending doom from an impenitent Scrooge have given way to imminent improvements—and a Merry Christmas.

God bless us, everyone! 🙏

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MERGERS & ACQUISITIONS IMPACTING SORGHUM

By Justin Weinheimer

In the past 30 years, the businesses involved in providing seed and crop protection products to American farmers have undergone significant structural changes. Many of these changes were driven by the traditional economic factors in business whereby companies consolidate, merge, acquire and out-compete each other for market share and technology.

The boom in farm input bundling, traited seeds and broad spectrum pesticides have brought us into modern agriculture where change is happening in a constant state of chaos. For sorghum and sorghum-related inputs, these changes have been front and center.

While U.S. seed and crop protection products were historically dominated by the Big 6, which, depending on who you talk to, is now approximately the Big 3.7125, Sorghum seed and seed production have always had a mix of players ranging from multinational conglomerates to smaller traditional companies.

DuPont's flagship brand of sorghum seed, Pioneer, now under Dow-DuPont's Corteva, has in recent years been a globally recognized brand in sorghum seed. When Dow Chemical and DuPont merged in 2017, what really changed was that sorghum seed was now under not one but two companies that have always had a major role in crop protection, providing many pesticide products used in sorghum and row crop agriculture. Now with Dow and DuPont together, there should be a greater focus on developing advanced sorghum seed simultaneously with new and existing crop protection products.

It makes sense to bring seed and chemicals to the market simultaneously. While a very challenging concept, it will be something new for sorghum, and hopefully farmers will see the benefits in the field.

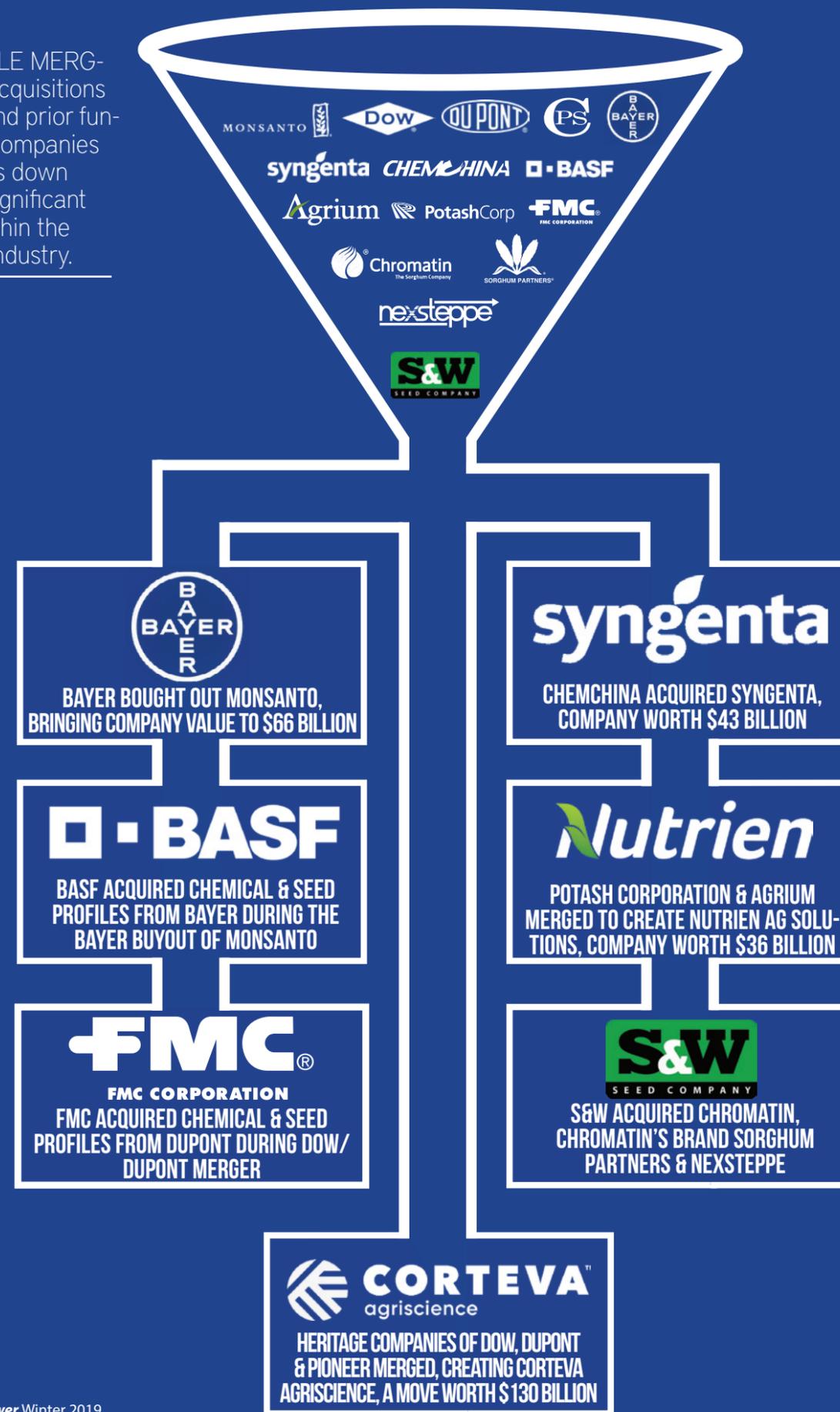
One of the ripple effects of the Dow DuPont merger was a divesting of some assets to FMC, a player in the crop protection space for sorghum.

When Bayer acquired Monsanto in 2018, another flagship sorghum seed brand, Dekalb, was shuffled amongst global giants. However, prior to this acquisition, the sorghum seed division of Monsanto was sold to Remington Seeds in a joint venture named Innovative Seed Solutions. Innovative Seed Solutions continues to develop sorghum germplasm sold under the Dekalb brand along with a host of other labels. As a result of the joint venture, Bayer should have some influence on sorghum seed development. Considering Bayer's existing technology platforms combined with their purchase of new and existing offerings from Monsanto, the merger should bode well for sorghum seed advances.

Syngenta was sold to ChemChina in 2016. From a sorghum seed standpoint, the sale changed very little as the company did not have large market sorghum germplasm assets. However, Syngenta has typically been a major player in the crop protection space, with products used in sorghum.

BASF, the world's largest chemical company, has also undergone changes. With the steady flow of mergers and acquisitions, BASF purchased some seed assets

► MULTIPLE MERGERS and acquisitions in 2018 and prior funneled 15 companies and brands down to seven significant players within the sorghum industry.



We're Growing!



from Bayer. While these assets were not directly related to sorghum, they did turn BASF into a seed company—not just a chemical company.

As previously mentioned, sorghum seed has always had additional players in the sorghum genetics market. At one point, these mom and pop seed companies held significant domestic and global market share in the sorghum seed business. Decades ago, companies such as Crosbyton Seed, Garrison/Townsend, NC+, Production Plus and others were ground-up seed companies that have since been rolled into one of the remaining seed market players. Garrison and Crosbyton were acquired by Advanta, which is owned by UPL, and this acquisition laid the foundation for Advanta to enter the market under their flagship brand, Alta Seeds.

S&W Seed is the newest player in the sorghum seed market. During the past two years, they acquired sorghum seed businesses from two venture capital-backed sorghum companies—Chromatin and their flagship brand Sorghum Partners. S&W also purchased NexSteppe's germplasm. NexSteppe was dedicated to developing seed for biomass and sweet sorghum production. Chromatin and NexSteppe were unique examples of seed technology providers in sorghum in that they were either completely or mostly focused on sorghum—a rarity in the modern seed industry.

Richardson Seeds stands as one of the longest family-run sorghum seed companies in the U.S. NuSeed, a division of NuFarm, acquired Richardson Seeds and their aligned company, MMR, in 2011; however, the company still operates in both domestic and global markets as it has for many years.

Finally, there is a long list of other seed companies and providers that play a key role in branded and private label markets. Examples include Warner Seed, Scott Seed, AgReliant Genetics, Coffey Seed, Land O'Lakes and Nutrien (formerly branded as CPS). While these companies are also subject to mergers, their impacts may not be as obvious across the sorghum seed market or the sorghum crop protection space.

Many of these smaller companies provide valuable assets to farmers large multinational companies cannot, namely developing products that target small, regional or specialty areas for sorghum production.

What does all of this recent and past change mean? The short answer is we are not sure. Despite ongoing business deals, the brands of sorghum seed being sold in the U.S. are still provided by one of a handful of private sector breeding programs dominated by one or two of the major global brands such as Pioneer and Dekalb along with their in-house counterparts. S&W Seed's recent acquisitions position them well for new technology releases with the rest of the market comprised of the remaining players and any companies that are licensing partial or full genetics.

With the decade-long lags in the development of new modes of action on the chemical front and many off-patent products available combined with sorghum's small global acreage footprint, sorghum still only has a few chemical options for most pest control scenarios. This situation is not new, but the consolidations have raised concerns about future product offerings.

The National Sorghum Producers has also felt the physical and financial effects of these consolidations over the past few years. As companies and brands have been absorbed by this latest round of agriculture integration, NSP is now faced with fewer partners with which to collaborate with on important regulatory and legislative issues for sorghum.

An additional result of the various consolidations—and likely equally as challenging—is the constant turnover in company staff who oversee sorghum products. While this ping-pong effect of personnel will likely settle out in the coming years, it makes NSP and the Sorghum Checkoff's job of educating farmers on the latest private sector advancements unorganized at best.

With sorghum seed and chemical assets on the move, maybe Albert Einstein was right saying, "Nothing happens unless something is moved."



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PUTTING THE U.S. TRADE PUZZLE TOGETHER

By Delanie Crist

Buying, selling and exchanging commodities is a complex puzzle. All of the pieces must align, and there are multiple internal and external forces holding the larger trade picture together. For any commodity, the task becomes how to put these pieces together well and how to react when pieces are moved.

One of the biggest pieces of the puzzle is demand, the quantity of a commodity other countries are willing and able to purchase. Looking back at the trade picture in 2018, demand remained steady for U.S. grain exports, but U.S. producers' ability to move commodities was partly stilled.

Despite challenges, U.S. grain exporters reported sales in the marketing year totalling approximately 3.87 billion bushels of grain of all types.

China Halts U.S. Sorghum Trade

By January 2018, U.S. sorghum producers had exported 1 billion bushels to China since the country became a piece of the sorghum trade puzzle in 2013.

Unfortunately, when China launched their investigations into U.S. sorghum earlier in February, the home for up to 90 percent of the U.S. sorghum crop ceased to exist, and National Sorghum Producers was forced to reeval-

ate what the big picture would look like. Other U.S. grain commodities were quick to follow suit when China levied 25 percent tariffs.

MFP Payments Authorized

While U.S. commodities were coping with the loss of a primary world market, the Trump Administration followed through with its promise to stand by U.S. farmers. Through authorization of the Market Facilitation Program administered by the United States Department of Agriculture, trade support helped fill a piece of the puzzle left missing by China's absence.

The MFP payments authorized \$12 billion to assist eligible producers of sorghum, soybeans, corn, wheat, cotton, dairy, hogs, shelled almonds and fresh sweet cherries affected by trade damages from unjustified retaliations. NSP worked closely with USDA and other Administration officials to assess the financial losses incurred by sorghum producers. Through the short-term relief strategy, sorghum farmers are receiving \$0.86 per bushel on 2018 production.

Past NSP Chairman Don Bloss said at the time of the announcement the payments send a strong message to the international trade community and will hopefully

TRADE WINS

1

ENDING THE CHINA CASE

Ending the China investigations into U.S. sorghum and the initial tariff mitigated **\$523,000,000** in tariffs in 2018.

2

MFP PAYMENTS

Sorghum producers will receive \$0.86 per bushel in the trade payments totaling roughly **\$313,000,000**.

facilitate a speedy resolution to current trade disputes. Bloss also expressed hope it would build toward more lasting solutions. The second round of those payments was announced in December, bringing the total estimated MFP payments to U.S. sorghum producers to roughly \$313 million.

As trade negotiations with China evolve, NSP, alongside industry alliances and U.S. officials, continues to create new opportunities for sorghum through export promotion. The sorghum industry is working with existing markets and creating new trade relationships with Spain, Columbia, Peru, the Phillipines, Thailand, Vietnam, Pakistan and others.

USMCA on the Horizon

The new trilateral agreement signed in September by the United States, Mexico and Canada also brings new opportunity for U.S. grain trade. The USMCA agreement will be finalized once the trade partner agreement procedures are complete, which includes a congressional vote on the new bill. The new agreement will further level the playing field while protecting U.S. market access.

Availability, quality and price make U.S. sorghum a convenient option for our southern neighbors. Sorghum's ease of storage and close proximity also provide inherent advantages that will help expand market opportunities in Mexico.

Other Trade Agreements

New trade negotiations with Japan and the European Union are also underway. Strengthening our position with the two countries is important, and U.S. trade officials are meeting to address regulatory and technical barriers. Japan is the second largest importer of U.S. sorghum, and reaching an agreement would eliminate preferential treatments formerly conducted through bilateral and regional accords with other countries. Similar negotiations are underway with the European Union who is the fourth largest buyer of both U.S. sorghum and U.S. ethanol, as well as the seventh largest market for U.S. products overall.

In December, President Trump and Chinese President Xi Jinping agreed to freeze tariffs at the current level for 90 days. China has also agreed to purchase some U.S. commodities during this truce. NSP was encouraged by the purchases of U.S. soybeans and remains active in the negotiations as discussions continue. U.S. sorghum is a great candidate for sales to China, and NSP will continue to advocate for opportunities for sorghum producers to once again serve our Chinese customers.

Just like a puzzle, it will take time for all the trade pieces to come together. NSP remains eager and attentive to the trade picture for sorghum, and our hope is all agriculture commodities will see the pieces fall into place in 2019.✌

WILL FARMS FOLLOW MERGER & ACQUISITION MODEL?

By John Duff

The pace of mergers and acquisitions (M&A) in the agricultural retail space since the U.S. farm economy started its current nosedive has been staggering. From DuPont and Dow to Bayer and Monsanto, already gigantic companies have found it difficult to operate at their historical size—or have seen opportunity for even better profit margins in light of opponents' stress. With financial stress on the farm even higher in many cases, will farmers be next?

Farmer M&A is a difficult subject since a necessary component of the discussion deals with farm businesses—often family farm businesses—being restructured or even dissolved. However, there are legitimate gains to be made from some amount of consolidation, and complete loss of control over an enterprise is not always a foregone conclusion in these situations. In fact, farmers should look at strategic partnership as an opportunity to increase viability instead of seeing it as a move only forced by a lender or made as a last-ditch effort to stave off financial ruin. Following are the top five considerations behind farmer M&A or other strategic partnerships.

#1: More Favorable Access to Capital

Most farmers partner to lower costs or add value. However, many farm balance sheets could gain considerable strength with the right merger activity. Consider

the example balance sheet of Looking-to-Merge Farms in Figure 1. With a moderately strong balance sheet, annual revenues of \$332,500 from 87,500 bushels of sorghum and \$272,598 in total costs, this operation has an equity-to-asset ratio of 71 percent (indicating stable to strong solvency), a current ratio of 0.50 (indicating very weak liquidity) and a long-term debt coverage ratio of 135 percent (indicating stable to strong ability to repay debt). However, at just 700 acres, Looking-to-Merge Farms will soon be too small for its area. In addition to excess labor capacity, the farm's accounts payable includes a payment of \$25,000 for a combine sitting idle for all but a couple weeks out of each year.

Fortunately for Looking-to-Merge Farms, the neighboring farm (already a partner in a side cattle enterprise) is a near-mirror image in size and financial position, so the two decide to join forces. They sell all but one set of equipment—generating \$485,000 in cash and eliminating the \$25,000 combine payment—and use \$100,000 to lower the combined entity's total land debt as well as restructure the note. Ignoring taxes and transaction costs, the new entity, Strong Farms, has \$1.87 million in assets, \$300,000 in land debt, a 76 percent equity-to-asset ratio (indicating strong solvency), a current ratio of 2.77 (indicating extremely strong liquidity) and a long-term debt coverage ratio of 1,337 percent (indicating extremely

strong ability to repay debt). Lenders now compete to finance Strong Farms.

#2: Reduced Labor Cost

Conventional wisdom in the general labor force holds farm jobs pay poorly, but most farmers disagree. Although hourly wages may not be competitive, when other paid expenses are quantified, farm workers are often compensated well. For example, many farmers pay for a side of beef (worth approximately \$1,500), rent (worth approximately \$750 per month), utilities (worth approximately \$200 per month), insurance (worth approximately \$1,800 per year), a vehicle (worth approximately \$6,000 per year) and a gas allowance (worth approximately \$100 per month). All told, this is \$21,900 worth of compensation. When added to a yearly salary of \$35,000, this amount brings total compensation to \$56,900 or 42 percent higher than the 2016 U.S. median pre-tax individual income of \$40,078. For Strong Farms, reducing labor costs by the equivalent of one full-time worker means savings of \$40.64 per acre.

#3: Increased Management Proficiency

In a time when economic and technological complexity as well as the size and scope of farm businesses are increasing almost as rapidly as costs, more and more, farmers need specialized knowledge and focus. While this fact means eschewing the jack-of-all-trades moniker, farmers who focus on one aspect of their business and acquire the rest through M&A—just as seed companies have acquired coveted genetics—could see exponential productivity growth. For example, prior to the merger, Looking-to-Merge Farms managed all aspects of the enterprise internally, and this meant marketing often took a back seat to ensuring a successful year agronomically. Figure 2 quantifies the opportunity cost of not marketing. Over the past three decades, the average closing price of December corn futures in April, May and June has been \$0.21

Figure 1

Assets		Liabilities	
Cash	\$50,000	Accounts Payable	\$100,000
Tools	\$5,000	Land Debt	\$200,000
Grain Cart	\$25,000	Total	\$300,000
Planter	\$60,000		
Sprayer	\$75,000	Equity	
Tractor	\$120,000	Total	\$735,000
Combine	\$200,000		
Land	\$500,000	Liabilities and Equity	
Total	\$1,035,000	Total	\$1,035,000

Figure 2

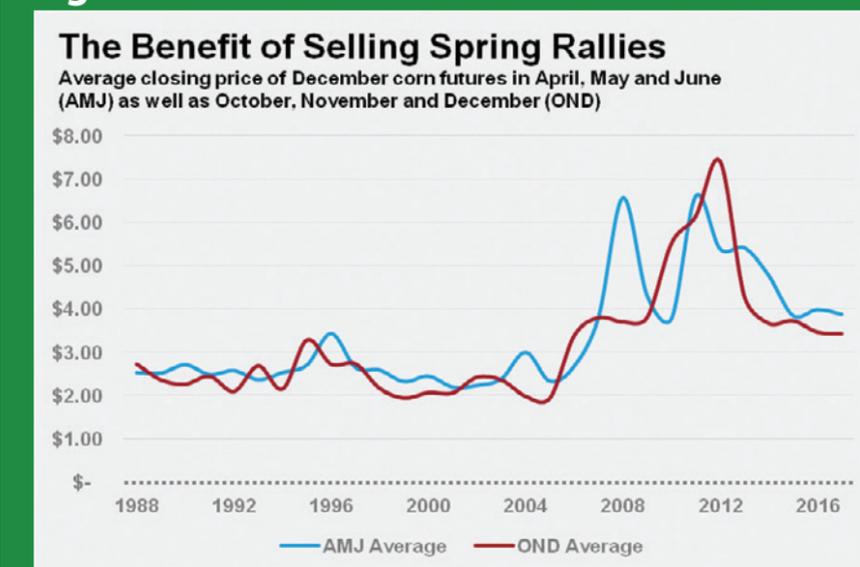


Figure 3

	Total Cost	Cost per Bushel
Combine Payment	\$79,476	\$0.17
Combine Operation Cost	\$57,120	\$0.12
Grain Cart Operation Cost	\$8,880	\$0.02
Transportation Cost	\$2,527	\$0.01
Total	\$148,003	\$0.31

higher than the average closing price of the same contract in October, November and December. With total production of 175,000 bushels, capturing this difference is worth \$36,750 to Strong Farms.

#4: Increased Equipment Efficiency

Looking-to-Merge Farms understood the problem with excess equipment capacity and remedied the situation by doubling the amount of acres covered by a single piece of equipment. Could this concept be expanded? Figure 3 details total costs for a new combine (traded annually) that approximately follows harvest northward, cutting sorghum for partnering businesses—each supplying a grain cart at their farm—in South Texas, then Oklahoma, then north central Kansas. Conservatively assuming the combine cuts 480,000 bushels (6,000 acres at 80 bushels per acre) throughout the summer and fall, the harvest cost for each partner is \$0.31 per bushel. Accordingly, this partnership offers significant savings compared to the average custom rate across much of the Sorghum Belt of \$0.43 per bushel and the pre-merger cost incurred by Looking-to-Merge Farms of \$0.37 per bushel.

#5: Increased Bargaining Power

Economies of scale is one of the most well-known and well-understood concepts in economics. After all, thousands of consumers take advantage of ‘buy one, get one free’ sales each year—even each day—and reap the benefits of increased bargaining power. Similarly, enterprises like Strong Farms that find themselves with increased bargaining power due to M&A or other partnerships possess the coveted ability to negotiate. Not only does this lead to potentially higher sorghum prices both in specialty and certain commodity markets, but it gives them the power to negotiate down their input prices, as well.

The Bottom Line

Mergers and acquisitions will not work for every farmer, and businesses exploring partnership options should perform analysis similar to that above and consult with their attorneys, accountants and lenders prior to taking any action. However, M&A have been used to lower costs and improve efficiency almost as long as businesses have been in existence, and farmers may soon look more often at strategic partnership’s as opportunities instead of threats.✂



LET'S MAKE WAVES

Tune into the Sorghum Smart Talk podcast on iTunes, Google Play, Spotify or sorghumsmarstalk.libsyn.com

Sorghum Recipe

SORGHUM CHOCOLATE CHIP COOKIES

Make this recipe

WHAT YOU'LL NEED:

- 2 & 1/4 cups all-purpose sorghum flour
- 1 teaspoon baking soda
- 1/2 teaspoon salt
- 1 cup butter or margarine
- 1/2 cup sugar
- 1/2 cup brown sugar, firmly packed
- 1 teaspoon vanilla
- 2 eggs
- 1 & 1/2 cups mini semisweet chocolate chips

DIRECTIONS:

- 1 Cream butter and sugars
- 2 Add egg and vanilla
- 3 Combine dry ingredients and stir into sugar/egg mixture, mix well
- 4 Add chocolate chips
- 5 Line cookie sheet with parchment paper
- 6 Drop in 1-inch balls; press down slightly
- 7 Bake at 375 degrees for 10-12 minutes

2018 NSP YIELD CONTEST

It was a year of ups and downs for the sorghum industry, both on the trade front and the production front. Yet, our producers—you—persevered and put another harvest in the books. From early season drought and late season rains in Kansas—the heart of sorghum country—to extreme drought conditions in South Texas, it was not an ideal year for sorghum production in many regions. Rain, and even snow in some parts of the Sorghum Belt, significantly extended harvest and yields suffered as a result. Even so, NSP is immensely proud of our producers for their perseverance throughout this difficult year. We congratulate all of the county, state and national winners in this year's yield contest, and especially our Bin Buster, Michael Ball of Canyon County, Idaho, for his yield of 219.10 bushels per acre. We will celebrate and honor the winners at our annual NSP Yield Contest dinner on Friday, March 1, 2019, in conjunction with Commodity Classic in Orlando, Florida.

NATIONAL WINNERS

Note: National winners are selected from state first place winners

DRYLAND-NO TILL EAST

1 198.39 bu/ac
Winter Johnston
Fulton County, PA
Pioneer 84G62

2 190.52 bu/ac
Chris Santini
Warren County, NJ
Pioneer 84G62

3 188.77 bu/ac
Billy H. Bowers Farm Trust
Davidson County, NC
Pioneer 84P80

DRYLAND-NO TILL WEST

1 178.60 bu/ac
David Knoll
Charles Mix County, SD
Pioneer 89Y79

2 163.95 bu/ac
Vulgamore Family Farms
Scott County, KS
Pioneer 87P06

3 151.54 bu/ac
Mark Bloss
Pawnee County, NE
Pioneer 84P72

DRYLAND-TILLAGE EAST

1 202.71 bu/ac
Harry Johnston
Fulton County, PA
Pioneer 84G62

2 191.21 bu/ac
Kathy Little
Lake County, IN
Pioneer 85G03

3 187.59 bu/ac
New Village Farms LLC
Hunterdon County, NJ
Pioneer 84G62

DRYLAND-TILLAGE WEST

1 170.63 bu/ac
Lee Pifer
Washington County, KS
Pioneer 84P72

2 157.86 bu/ac
Duane Pshigoda & Kevin Pshigoda
Ochiltree County, TX
Pioneer 86P20

3 117.06 bu/ac
Matthew Bloss
Pawnee County, NE
Pioneer 84P72

IRRIGATED-NO TILL EAST

1 183.89 bu/ac
Jeffrey Barlieb
Warren County, NJ
Pioneer 84G62

2 169.51 bu/ac
Hugh Scates
White County, IL
Pioneer 84G62

3 125.11 bu/ac
Mast Farms
Lancaster County, PA
Pioneer 84G62

IRRIGATED-NO TILL WEST

1 196.70 bu/ac
Beckman Farms
Sheridan County, KS
Golden Acres Genetics 3960B

2 121.39 bu/ac
Rieder Farms
San Patricio County, TX
DEKALB DKS53-53

IRRIGATED-TILLAGE EAST

1 192.70 bu/ac
Michelle Santini
Hunterdon County, NJ
Pioneer 84G62

2 183.95 bu/ac
Bob Little
Lake County, IN
Pioneer 86P20

3 170.69 bu/ac
Joe Scates
White County, IL
Pioneer 84G62

IRRIGATED-TILLAGE WEST

1 219.10 bu/ac
Michael Ball
Canyon County, ID
Pioneer 87P06

2 214.56 bu/ac
Kimberly Gamble
Kiowa County, KS
Pioneer 84G62

3 185.62 bu/ac
Kevin Pshigoda
Ochiltree County, TX
Pioneer 84G62

FOOD GRADE

1 172.52 bu/ac
Mike Baker
Hitchcock County, NE
Arrow AS292

STATE WINNERS

PLACE	STATE	COUNTY	NAME	YIELD (BU/AC)	SEED BRAND	VARIETY
Dryland-No Till East						
1st	Delaware	Kent	Frank G. Hrupsa	106.86	Pioneer	84G62
1st	Florida	Hamilton	Alex Murphy & Tommy Taylor	106.47	Pioneer	84P80
1st	Georgia	Lee	Rodney Harrell	90.24	DEKALB	DKS37-07
1st	Illinois	White	Jeff Scates	159.69	Pioneer	84G62

STATE WINNERS CONTINUED

PLACE	STATE	COUNTY	NAME	YIELD (BU/AC)	SEED BRAND	VARIETY
1st	Indiana	Clark	Terry Vissing	157.56	DEKALB	DKS53-67
1st	Iowa	Mahaska	S&A Farms Inc.	161.07	DEKALB	DKS53-53
1st	Kentucky	Union	Mark Scates	162.17	Pioneer	84G62
2nd	Kentucky	Daviess	Pat Thompson	140.28	Pioneer	84P80
3rd	Kentucky	McLean	Philip W. Logsdon	130.90	Pioneer	84P80
1st	Maryland	Montgomery	William F. Willard Farms LLC	122.47	Pioneer	84G62
1st	Michigan	Van Buren	Ryan Drozd	76.77	Pioneer	86G32
1st	Missouri	Livingston	HRB Farming Partnership	170.98	Pioneer	84G62
2nd	Missouri	Ralls	Brandon Holley	157.82	Pioneer	84G62
3rd	Missouri	Cooper	Brumback Farms Inc.	154.98	Pioneer	84P80
1st	New Jersey	Warren	Chris Santini	190.52	Pioneer	84G62
1st	New York	Oneida	Bob Pawlowski	126.10	Channel	6B13
1st	North Carolina	Davidson	Billy H. Bowers Farm Trust	188.77	Pioneer	84P80
2nd	North Carolina	Perquimans	Wallace N. Ownley	112.90	Sorghum Partners	SP7715
1st	Pennsylvania	Fulton	Winter Johnston	198.39	Pioneer	84G62
2nd	Pennsylvania	Lancaster	Robert Hoffines	135.84	Pioneer	85G85
1st	South Carolina	Clarendon	Gamble Family Farms	158.88	Pioneer	84P80
2nd	South Carolina	Clarendon	Steven Gamble Jr.	140.11	Pioneer	84P80
3rd	South Carolina	Clarendon	Jason Gamble	123.60	Pioneer	83P17

Dryland-No Till West

1st	Colorado	Kit Carson	Justin Livingston	144.38	Pioneer	87P06
2nd	Colorado	Kit Carson	Farms S Incorporated	123.20	DEKALB	DKS28-05
3rd	Colorado	Logan	Zach Wood	113.01	DEKALB	DKS28-05
1st	Kansas	Scott	Vulgamore Family Farms	163.95	Pioneer	87P06
2nd	Kansas	Ness	Rusty Klitzke	163.90	Golden Acres Genetics	2840B
3rd	Kansas	Gove	Kirk Zerr	147.93	Pioneer	86G32
1st	Nebraska	Pawnee	Mark Bloss	151.54	Pioneer	84P72
2nd	Nebraska	Hitchcock	Kevin Janicek	144.78	DEKALB	DKS28-05
1st	Oklahoma	Beaver	Kevin Pshigoda	154.24	Pioneer	86P20
2nd	Oklahoma	Texas	Roger & Marilyn Fischer	97.35	Pioneer	85Y34
3rd	Oklahoma	Texas	Flatland Farms LLC	82.16	Pioneer	85Y34
1st	South Dakota	Charles Mix	David Knoll	178.60	Pioneer	89Y79
2nd	South Dakota	Charles Mix	RC Farms	174.23	DEKALB	DKS28-05
3rd	South Dakota	Aurora	Ronald Glissendorf	162.19	DEKALB	DKS29-28
1st	Texas	Ochiltree	Tregellas Family Farms	144.47	Pioneer	86G32
2nd	Texas	Ochiltree	Little B Farms	140.50	Pioneer	86P20
3rd	Texas	Ochiltree	Sell Grain Inc.	125.97	DEKALB	DKS37-07

Dryland-Tillage East

1st	Florida	Hamilton	Alex Murphy & Mark Randell	98.13	Pioneer	84P80
1st	Illinois	Bond	James Alexander	165.75	Pioneer	84G62
2nd	Illinois	Gallatin	John Scates	146.00	Pioneer	84G62
1st	Indiana	Lake	Kathy Little	191.21	Pioneer	85G03
2nd	Indiana	Knox	Carter & Sons Farms LLC	144.27	DEKALB	DKS37-07
3rd	Indiana	Knox	Elizabeth Carter	134.75	DEKALB	DKS37-07

STATE WINNERS CONTINUED

PLACE	STATE	COUNTY	NAME	YIELD (BU/AC)	SEED BRAND	VARIETY
1st	Iowa	Van Buren	Courtney Merrill	108.87	Pioneer	84G62
1st	Michigan	Allegan	Jake Drozd	172.99	Pioneer	85Y40
1st	Minnesota	Wright	19th Hole Farms LLP	123.02	DEKALB	DKS28-05
1st	Missouri	Livingston	HRB Farming Partnership	151.17	DEKALB	DKS44-20
2nd	Missouri	Moniteau	Nicholas Schoenthal	137.57	Pioneer	84P68
1st	New Jersey	Hunterdon	New Village Farms LLC	187.59	Pioneer	84G62
1st	New York	Oneida	Bob Pawlowski	160.68	Channel	6B13
2nd	New York	Oneida	Brabant Farms	88.82	Pioneer	86G32
1st	North Carolina	Davidson	Billy H. Bowers Farm Trust	180.77	Pioneer	84P80
2nd	North Carolina	Perquimans	Laurence Chappell	131.52	Pioneer	84P80
3rd	North Carolina	Perquimans	Wallace N. Ownley	121.34	Pioneer	84P80
1st	Pennsylvania	Fulton	Harry Johnston	202.71	Pioneer	84G62
1st	South Carolina	Clarendon	Gamble Family Farms	153.94	Pioneer	83P17
2nd	South Carolina	Clarendon	Jason Gamble	150.92	Pioneer	83P17
3rd	South Carolina	Clarendon	Steven Gamble Jr.	136.47	Pioneer	84P80

Dryland-Tillage West

1st	Colorado	Logan	Danny Wood	94.67	DEKALB	DKS28-05
1st	Kansas	Washington	Lee Pifer	170.63	Pioneer	84P72
2nd	Kansas	Washington	Sue Pifer	154.15	Pioneer	84P72
3rd	Kansas	Morton	Smith Bros.	105.81	Pioneer	85Y34
1st	Nebraska	Pawnee	Matthew Bloss	117.06	Pioneer	84P72
1st	Oklahoma	Texas	Roger & Marilyn Fischer	93.68	Pioneer	85Y34
2nd	Oklahoma	Texas	Flatland Farms LLC	87.51	Pioneer	85Y34
1st	South Dakota	Charles Mix	David Knoll	165.87	Pioneer	88Y41
2nd	South Dakota	Charles Mix	RC Farms	154.46	DEKALB	DKS28-05
3rd	South Dakota	Charles Mix	Tom Biddle	136.72	Pioneer	8925
1st	Texas	Ochiltree	Duane Pshigoda & Kevin Pshigoda	157.86	Pioneer	86P20
2nd	Texas	Ochiltree	Little B Farms	117.29	Pioneer	85Y34

Irrigated-No Till East

1st	Florida	Hamilton	Rusty McLeod & Jimmy Murphy	121.63	Pioneer	84P80
1st	Illinois	White	Hugh Scates	169.51	Pioneer	84G62
1st	Kentucky	Union	Mike Scates	98.41	Pioneer	84G62
1st	New Jersey	Warren	Jeffrey Barlieb	183.89	Pioneer	84G62
1st	Pennsylvania	Lancaster	Mast Farms	125.11	Pioneer	84G62

Irrigated-No Till West

1st	Kansas	Sheridan	Beckman Farms	196.70	Golden Acres Genetics	3960B
2nd	Kansas	Sheridan	Mat Juenemann	161.17	Pioneer	85P05
1st	Texas	San Patricio	Rieder Farms	121.39	DEKALB	DKS53-53

Irrigated-Tillage East

1st	Florida	Hamilton	Jimmy & Alex Murphy	122.36	Pioneer	84P80
1st	Illinois	White	Joe Scates	170.69	Pioneer	84G62
1st	Indiana	Lake	Bob Little	183.95	Pioneer	86P20

STATE WINNERS CONTINUED

PLACE	STATE	COUNTY	NAME	YIELD (BU/AC)	SEED BRAND	VARIETY
1st	Iowa	Van Buren	Charles J. Livesay	82.61	Pioneer	84G62
1st	New Jersey	Hunterdon	Michelle Santini	192.70	Pioneer	84G62
1st	Pennsylvania	Adams	Howard Deshong	97.77	Pioneer	84G62

Irrigated-Tillage West

1st	Idaho	Canyon	Michael Ball	219.10	Pioneer	87P06
1st	Kansas	Kiowa	Kimberly Gamble	214.56	Pioneer	84G62
1st	Nebraska	Harlan	Scott Jewett	183.19	Pioneer	84G62
2nd	Nebraska	Clay	Chad Dane	180.53	Pioneer	86P90
3rd	Nebraska	Hitchcock	Mike Baker	178.80	Fontanelle	G6192
1st	Texas	Ochiltree	Kevin Pshigoda	185.62	Pioneer	84G62
2nd	Texas	Ochiltree	Little B Farms	175.40	Pioneer	84G62
3rd	Texas	Lynn	Alan & Amy West Farms	112.51	Pioneer	84P68



Sorghum Update

Brought to you by the Kansas Grain Sorghum Commission

What Can You do to Better Sorghum? Leadership proves valuable to sorghum producers

By Jesse McCurry, Executive Director

As I write this on the cusp of my five-year anniversary in this industry, I could not help but identify the many things we are involved in, the great farmers we get to work for and how we seek to drive change in sorghum. Before I get to that list, there's something you should consider: leading the sorghum industry—your industry—into the future.

Every year, Kansas Grain Sorghum Commission has the opportunity to influence many seats on boards at the state and national level. Unfortunately, some of these seats go unfilled due to a variety of issues, including lack of knowledge, which ultimately leads to reduced interest. Leadership Sorghum continues to provide many opportunities to learn and engage and do business in new and better ways. It is an extraordinary program that has already placed board and staff at state and national levels. But as we see the changes around us and the needs ever-present – the essential fuel is producer leadership. That means you.

Who else other than the readers of this magazine have the needed skin in the game? Who else can better defend research results and push for better markets? Who else can tell your story?

Your vision, your story and your leadership matter to this industry. If not for you, Team Sorghum would cease to exist, and we want you to help lead the industry to the future. We will find a home for you in Team Sorghum leadership. Let us know!

Sorghum Organization Services

- Troubleshoot planting, growing, harvesting and market issues
- Connect buyers and sellers
- Encourage students to study and intern in sorghum, while also connecting them to potential scholarships
- Assistance with media requests and farm showcases
- Connections to great consultants and expertise
- Speak to local co-ops
- Provide updates on the market and export situation
- Education on new market opportunities
- Combat myths and misconceptions
- Expert photography and content
- Displays, literature and volunteer time

CASINO
night
Friday, March 1
at Commodity Classic
in Orlando, Florida at 8:30 PM
Learn more at SorghumGrowers.com/CommodityClassic

SORGHUM PAC
nsp political action committee

NEWSLETTER

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SORGHUM REVS UP NEW PARTNERSHIP TO PROMOTE ETHANOL

With current international market realities, ethanol is critically important to the sorghum industry. With this in mind, the Sorghum Checkoff has revved up efforts to promote increased demand for E15 fuel, or 15 percent blends of ethanol.

The Sorghum Checkoff and Texas Grain Sorghum Board began their relationship with NASCAR driver Austin Wayne Self, his managing partner AM Racing and GO TEXAN in the fall of 2017, and the partnership has reached new heights this season. Self has become a devoted advocate for sorghum and has great passion for the brands and causes he represents on and off the track.

"I plan to educate as many fans as possible about the benefits of sorghum and why it is a smart choice for ethanol, a clean-burning, high octane fuel with a strong connection to NASCAR," Self said.

E15 fuel has been used in NASCAR since 2011, and increased demand for E15 and higher blends of ethanol is key for continued sorghum farmer profitability. Typically, 20-30 percent of the U.S. sorghum crop is used to produce ethanol, which demonstrates the value of this market for sorghum growers.

John Duff, Sorghum Checkoff renewables program director, said NASCAR serves as a massive platform to reach consumers and tie ethanol back to the farm.

"NASCAR provides sorghum an important venue to connect with consumers on a new level," he said. "Texas Motor Speedway has the potential to hold almost 200,000 fans at each race, not to mention the number of fans watching and following the races from

their own homes or elsewhere, and we've already seen the results of this effort through increased interest in the crop and renewable fuels."

"Fans have already reached out to both the Sorghum Checkoff and Austin Wayne Self's team with inquiries about sorghum. Ultimately, it's up to the consumer to choose E15 so that increased awareness among NASCAR fans is a great sign."

Sorghum Checkoff Vice Chairman Jim Massey was able to attend the JAG Metals 350 race at the Texas Motor Speedway Nov. 2, 2018, as well as a race in Kansas where the Sorghum Checkoff sponsored NASCAR driver Matt Tifft in partnership with American Ethanol and Growth Energy. Massey said experiencing ethanol in action gave him a new appreciation for NASCAR's direct link to consumers.

"I think today's consumers are looking for products they can get behind, and sorghum fits the bill," Massey said. "Austin does a tremendous job being an ambassador for his sponsors, including sorghum. He truly loves being sponsored by and speaking out for products and industries he can proudly hang his hat on."

Self made an appearance at the annual Sorghum Checkoff December board meeting in Lubbock, Texas, Dec. 10-12, 2018. Board members were able to ask questions and learn more about the sport's appeal to consumers.

"We want Austin to know the farmers he is representing out there on the track and have a personal connection with them," Duff said. "It was a great opportunity for the board to hear

directly from Austin about the tangible results of the work we are doing to educate everyone about the use of sorghum in ethanol."

The partnership will continue into the 2019 season, and with two more races scheduled for March 29 and June 7 at Texas Motor Speedway, the Sorghum Checkoff will carry forward targeted messaging with Austin Wayne Self, AM Racing and GO TEXAN through the "What Fuels You?" campaign.

Ethanol has fueled over 12-million NASCAR miles in vehicles reaching speeds of up-to-200 miles per hour, and as the largest market for sorghum in the U.S., ethanol use will remain a strategic focus of the Sorghum Checkoff. Nurturing domestic markets, like



ethanol, remains essential in times of trade uncertainty and variability of international marketplaces.

"Although not all ethanol is made from sorghum, a rising tide floats all ships, and anything that can increase demand and awareness for a product you grow, at the end of the day, is putting dollars in your pocket," Massey added. "Creating consumer demand through NASCAR is a piece of the puzzle in fulfilling the Sorghum Checkoff's mission to increase producer profitability and enhance the sorghum industry."

Self will drive his No. 22 Chevrolet fueled by E15 into next season with Sorghum: The Smart Choice® boldly displayed across the side of the truck. What fuels you? ✓



SCHINDLER JOINS BOARD OF DIRECTORS, REPLACING FREMARK IN AT-LARGE SEAT

Adam Schindler of Reliance, South Dakota, was appointed to the Sorghum Checkoff board of directors in July and was sworn in at the annual board meeting in Lubbock, Texas, Dec. 10-12, 2018. Schindler will fill the at-large seat previously held by David Fremark of St. Lawrence, South Dakota.

Schindler farms with his father and brother on their sixth generation family farm in South Dakota. Together they grow sorghum, soybeans, corn, sunflowers and spring and winter wheat and have a cow-calf and backgrounding operation. Schindler holds a bachelor's degree in business economics from South Dakota State University and uses his education to aid in decision-making and risk management on their operation.

Schindler has been involved with Team Sorghum in many ways previously, including being a graduate of the inaugural Leadership Sorghum class, and expressed his desire to take his involvement to a new level as a board director.

"I am excited to be a part of such a nimble and diverse group that is passionate about representing

the industry," Schindler said. "Of all the boards and groups I have been involved with, this is the most passionate group from top to bottom, intern to board director."

Schindler has interests in economics, trade and markets and feels he can use this in the future to contribute to the board. Schindler is also from the northern-most represented state on the board, and he hopes to communicate the issues farmers face from areas around him.

"I represent states who might have a different set of challenges than the larger [sorghum] producing states, and I feel I can communicate those for South Dakota and neighboring states," Schindler said.

As Schindler stepped on, Fremark completed his six years of service to the board of directors, two of which he served as chairman. Fremark comes from



Adam Schindler

a third-generation farm in South Dakota where he raises sorghum, corn, soybeans, spring and winter wheat and manages a feedyard and cow-calf operation with his wife and children.

Fremark reflected on the last six years by mentioning the impact his time on the board of directors has had on his perspective of the sorghum industry.

"I'm amazed at the quality of people we have working on behalf of sorghum, whether it be board members or staff people," Fremark said. "It amazes me how much this group of people cares."

"As a board member, you have to take time away from your operation, time to travel, and someone is doing the work at home while you're away," he said. "This team of board members is undoubtedly devoted and willing to go the extra mile with no concern as to who gets the credit."

In addition to Schindler, Boyd Funk of Garden City, Kansas; Craig Poore of Alton, Kansas; and Jim Massey of Robstown, Texas; were all reappointed to their respective seats.

"As a representative of the U.S. sorghum farmer, the board of directors leads efforts to improve the industry for sorghum producers," said Florentino Lopez, Sorghum Checkoff executive director. "The Sorghum Checkoff is blessed with a well-rounded, fervent group of individuals

on the board who never settle for mediocrity and serve with great determination."

Tim Lust, Sorghum Checkoff CEO, expressed his gratitude for the unwavering hard work and dedication of Fremark who has been on the board of directors since 2012.

"We extend our deepest appreciation to David who always brought a unique perspective and quick decision making to the table," Lust said. "We also welcome Adam and are excited to see a new face with fresh ideas from South Dakota join us in our efforts on behalf of U.S. sorghum farmers." ✓



Former board member David Fremark was honored for his service at a ceremony Dec. 11, 2018.

A ROADMAP FOR THE FUTURE OF U.S. SORGHUM

After 10 years working on behalf of U.S. sorghum farmers, the Sorghum Checkoff set out to adopt and implement a new strategic plan in hopes of leading the way to a better, more profitable industry. Since 2008, the Sorghum Checkoff has enhanced its efforts in research, promotion and information to help producers yield greater financial return. Agriculture, however, is changing rapidly and becoming bigger, faster and more technology-driven. In order to keep sorghum relevant, the board of directors decided to embark on a journey to answer the emerging question, "Where do we go from here?"

The original strategic plan involved methods to increase general awareness of sorghum, establish a foundation and create a pipeline of technology for crop improvement. Now that those goals are moving forward, the board saw a

need for greater focus on adding value through market development.

"For me, this strategic plan pulls together everything we've been trying to wrap our hands around for the last 10 years," said Verity Ulibarri, Sorghum Checkoff chairwoman. "It gives us a new found focus on breaking down market development barriers we have discovered and a better idea of how to open those doors to benefit sorghum farmers in the future."

After almost a year in the developmental process, the board of directors voted to accept the new strategic plan at the annual board meeting in Lubbock, Texas, Dec. 10-12, 2018. The new strategic plan will act as a roadmap for the future of U.S. sorghum by establishing a new mission, vision and purpose, as well as a new set of core values. The plan has six main goals, which the board analyzed and ranked according to priority level.

1. Increase value recognition of U.S. sorghum by all customers with preferred qualities and quantities.

2. Maximize producer potential for added profitability by developing U.S. sorghum producers who are informed about market opportunities and risk management tools.

3. Identify and champion technology improvements and shared expertise that improve productivity.

4. Develop a mechanism and knowledge for U.S. sorghum producers to capture potential value of marketing directly between buyers and sellers.

5. Create and lead an industry-wide structure to engage communication between value-chain segments to facilitate timely and credible information, building opportunities and trust.

6. Identify transportation and logistical challenges and apply innovative approaches to change the infrastructure dynamics of the sorghum market.

Chairwoman Ulibarri said she has a renewed optimism for the future of sorghum and looks forward to working with her fellow board members in creating a culture change.

"There has been a lot of back-and-forth for about a year on this new plan, and I am now confident it is something we can get behind," Ulibarri said. "It's something we are excited about because it gives us a strong direction for the next decade and encourages us to think outside the box."

With a new strategic focus, the Sorghum Checkoff board of directors and staff will seek to provide leadership and be a catalyst for positive change for sorghum producers going forward. Return on investment for farmers will continue to be a primary consideration, and the Sorghum Checkoff will implement transparency to foster integrity and trust throughout the entire value-chain.

As the purpose states, the Sorghum Checkoff exists to do as a group what producers and industry stakeholders cannot do individually. Today, the economic picture for sorghum is bright with increased opportunity in demand and value, both domestically and abroad. With a new strategic plan in place, the Sorghum Checkoff will charge forward to increase shared value of the crop and build opportunities while also addressing challenges. The plan was developed as a living document to remain flexible as the sorghum industry and agriculture evolve over time.

David Fremark of St. Lawrence, South Dakota, a former chairman who completed his six years of service to the board in December, is encouraged by the new strategic plan and echoed Ulibarri's sentiment.

"As I exit the board, I challenge the board members to make bold decisions, and I believe this new strategic plan will take us into the future," Fremark said. "This group is one of the most passionate groups I have ever worked with, and I have faith they will continue to work tirelessly for the sorghum industry." ✓

SORGHUM INDUSTRY EVENTS

Jan. 28-31 - Leadership Sorghum Session 3
Washington, D.C.

Feb. 5-6 - NSP Risk Management Workshops
Garden City, Kansas & Perryton, Texas

Feb. 5-7 Kansas Sorghum Schools

Feb. 26-March 2 - Commodity Classic 2019
Orlando, Florida

For more events, visit sorghumcheckoff.com/calendar

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SORGHUM CHECKOFF MISSION

To efficiently invest checkoff dollars to increase producer profitability and enhance the sorghum industry.



Sorghum Shortcuts



S&W Breeding Nursery, Toowoomba, Queensland, Australia

Commodity Classic Approaching

The 2018 annual Commodity Classic is open for event registration and housing reservations. Rooms in this year's venue city of Orlando, Florida, are expected to book quickly, so those interested in attending should register as soon as possible! The 24th annual farmer-focused, farmer-led convention and trade show is scheduled for Feb. 28-March 2, 2019. Register and book rooms at CommodityClassic.com.

National Sorghum Producers will be hosting its renowned Casino Night while in Orlando. Throughout the night there will be a variety of raffles, auctions and casino games for guests to enjoy with the purpose of raising money to further promote the legislative interests of sorghum producers.

The annual Sorghum PAC fundraiser is a must-attend event at Commodity Classic that raised more than \$70,000 through ticket sales, sponsorships, and auction items last year. Auction items will become available for bidding in early February through our online auction. If you wish to support NSP political endeavors through this event in 2019, please contact Jamaca Battin at jamaca@sorghumgrowers.com.

NSP will also award our 2018 yield contest winners and address issues important to sorghum producers at the trade show and convention. Watch for specific event details at SorghumGrowers.com/CommodityClassic.

**This is NOT
your typical
farm show.**



**time to
shine!
Orlando
2019
February 28-
March 2**

NSP & USCP Launch Joint Sorghum Smart Talk Podcast

The National Sorghum Producers and United Sorghum Checkoff Program launched a new joint podcast called "Sorghum Smart Talk" on Oct. 8.

The mission of "Sorghum Smart Talk" is to increase education on grain marketing in sorghum and to provide growers and industry stakeholders with applicable information from credible resources in a format accessible at home, on the road or in the tractor.

Guests who have already been featured in podcast episodes include John Miller, owner of Southwest Agribusiness Consulting Inc.; Chris Novak, CEO of CropLife America; and Tom Sell, co-founder and managing partner of Combest, Sell & Associates, LLC. Producers and members of NSP and USCP boards and staff have also been featured in several episodes.

Episodes of "Sorghum Smart Talk" have covered an assortment of topics including cash marketing, cost of production, making a difference in agricultural policy, food-grade sorghum and the need for certainty in crop production tools.

Download "Sorghum Smart Talk" from your favorite podcast app. You can also visit SorghumCheckoff.com and follow @SorghumGrowers and @SorghumCheckoff on Twitter and Instagram for updates.



S&W Seed Company expands their sorghum breeding, seed production and distribution, with the acquisition of Chromatin and the Sorghum Partners brand.

by William Gilbert, S&W Seed Company



S&W Seed Company, a global agricultural company with their headquarters in the United States, is making a significant move in the sorghum industry through its recent acquisition of Chromatin and the Sorghum Partners brand. This move is S&W's third significant investment in sorghum germplasm, as the seed company looks to further its mission of providing a wide range of forage, grain and specialty crop products to help support the growing global demand for animal proteins and healthier consumer diets. S&W's legacy sorghum breeding and distribution is primarily international, with sales distribution in Australia, Africa, and the Middle East. Chromatin and the Sorghum Partners brand is primarily in North America, making a very nice fit between these two companies.



S&W will continue to offer the entire Sorghum Partners portfolio of sorghum hybrids, including grain, forage, food grade, and sweet hybrids through its extensive global sales network, including over 500 farmer-dealer U.S. representatives. Sorghum Partners' product portfolio of unique hybrids addresses multiple maturities with localized and regional adaptations. Sorghum Partners brand hybrids contain key disease tolerance and insect resistance traits with industry-leading yield performance attributes.

S&W will build upon Chromatin's well-established history of developing premium sorghum hybrids that meet the unique needs of farmers across the United States. Together with S&W's world class R&D and testing program the company will be able to bring superior products to market faster than competitors through the use of approximately 300 molecular markers. This unique program allows the breeding team to identify and breed desirable traits,

especially recessive traits, into commercial hybrids with improved efficiencies. In particular, S&W and Sorghum Partners new products include expansion of its industry leading sugarcane aphid (SCA) resistance across the entire product portfolio.



A key advantage to farmers going forward will be their access to S&W's industry leading alfalfa seed varieties. Being a part of one of the largest alfalfa seed companies in the world, Sorghum Partners extensive global sales network will now have access to S&W's elite alfalfa genetics. S&W's alfalfa seed varieties include all dormancies, both classically bred and biotech enabled, that address key challenges faced by farmers every day, including drought and salt tolerance, plus increased digestibility, high yield and insect resistance.

Don Panter, Executive VP of the Americas for S&W Seed Company, commented, "S&W looks forward to building on Chromatin and Sorghum Partners' well-established history of developing premium sorghum hybrids. Using that strong foundation of science-based plant breeding and unique trait development, we are committed to helping farmers become more productive and profitable, and have plans for introduction of many new products into the North America market in the coming years."

For more information on S&W Seed and Sorghum Partners please contact 1-855-sorghum or info@swseedco.com. Visit swseedco.com and sorghumpartners.com.



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Eric Blakeslee
Pioneer Sales Associate

Lee Pifer
Grower

Ryan Harms
Pioneer Territory Manager

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