

The Third Southeast Asia – U.S. Agricultural Co-operators Conference drew approximately 150 attendees interested in the future supply of U.S. grain and oilseeds. Conference attendees represented a cross section of livestock producers, feed millers and importers. In line with the meeting's theme, "Profit, Growth and Diversification in Global Agribusiness," speakers covered a range of topics from crop reports and U.S. farm policy to freight analysis and biofuels. "There was one common question being asked by almost everyone – will the United States be able to maintain its current position in the world corn and soybean market given the latest trends in ethanol and biodiesel production?" said Adel Yusupov, USGC manager of international operations – Asia. "The 2006/07 U.S. Corn Crop Quality and Condition Report, presented by USGC delegate Lyle Pugh, helped reassure current and potential buyers that the United States will continue to be a reliable and dependable supplier." Buyers and end users were also interested in learning more about distiller's dried grains with solubles (DDGS). Kimberly Rameker, USGC regional director for Southeast Asia, explained how DDGS with higher protein rates can be successfully mixed with soybean meal in feed rations. Pugh, also a member of the Virginia Corn Board, spoke on Tuesday, August 1. Attendees included international grain buyers and end users, U.S. grain and storage suppliers and media. The U.S. Grains Council, American Soybean Association International Marketing and U.S. Wheat Associates jointly conducted the meeting.



Lyle Pugh (left) of the Virginia Corn Board and Kimberly Rameker, USGC regional director for Southeast Asia, reassured attendees of the Third Southeast Asia – U.S. Agricultural Co-operators Conference that the United States will continue to be a reliable supplier of corn. (Photo courtesy of Larry Prager of SCAFCO Grain Systems.)

Private corn importers from China expressed interest in purchasing more U.S. corn after attending a commodity training program and meeting with U.S. grain suppliers. The importers are visiting Kansas, Nebraska, Illinois, Ohio and Louisiana for a two-week tour of the U.S. grain industry, sponsored by the U.S. Grains Council. "This was the first time in the United States for most of the team," said Sam Niu, USGC assistant director in China. "They were impressed by the scale and modern technology of U.S. agriculture." The team attended a three-day commodity trading course presented by the International Grains Program in Kansas. The course covered topics including corn grading, the U.S. production and marketing system, the cash and futures markets for corn, grain contracting and negotiating, ocean freight management and case studies. They then met with U.S. Grains Council members The Scoular Company, Cargill, FCStone, Louis Dreyfus Corporation, Chicago Board of Trade and Seedburo Equipment Company while in Illinois. "The team discussed purchasing U.S. corn in containers," Niu reported. "They mentioned that they may need to import more U.S. corn in the near future as the corn price in China remains high and will go even higher due to the low level of stocks and strengthening demand in China." They also met with representatives of the Nebraska Corn Board and visited board member Stan Boehr's farm and a local cooperative. "The group was extremely interested in the cooperative system and were able to see grain being transferred to the elevator for shipment," says Alan Tiemann, USGC at-large director, who met with the team in Nebraska. "We enjoyed showcasing Nebraska corn and letting them know we have plenty of corn and that the United States will continue to be a dependable source of quality grain." The team also met with Ohio Corn Marketing Program representatives, toured Jim Berg's farms and a grain and rail car facility in Ohio. The tour concluded today with a tour of a Grain Inspection, Packers and Stockyards Administration and Federal Grain Inspection facility and a Bunge North America, Inc., export elevator in Louisiana.

Secretary of Agriculture Mike Johanns met with Iraqi officials, agricultural producers and traders in Baghdad this week and saw USGC programs in action. According to the USDA, the agriculture sector is the second largest contributor to the gross domestic product in Iraq and employs 25 percent of the workforce. The U.S. Grains Council is part of USDA's efforts to assist Iraq in the rebuilding its agricultural infrastructure. The Council is using nearly 30,000 tons of corn and soybean meal donated by USDA to establish a loan guarantee program for Iraqi poultry producers, which will help members of the Iraqi Poultry Producers Association (IPPA) buy U.S. feed grains. An IPPA team, accompanied by USGC staff, met with USDA officials in Washington in July to discuss avian influenza, world supply and demand of feed grains and the Federal Grain Inspection Service. Rebuilding the Iraq poultry industry could create additional export opportunities for U.S. grains and other poultry inputs as the sector grows. The Council estimates the average Iraqi consumes 6.5 pounds of poultry meat and 37 eggs a year, compared to pre-war levels of 31 pounds of poultry meat and 110 eggs. If poultry consumption in Iraq were to return to those levels, the country would need to import approximately 1.5 million tons (59 million bushels) of corn and 720,000 tons of soybean meal.



Tetsuya Matsuda from Zen-Noh (left) and Kyosuke Kawashima from Zenbakuren take a closer look at barley on Richard Groven's farm in Northwood, N.D.

Japanese barley importers visited U.S. barley producers to get a first-hand look at the new U.S. barley crop in North Dakota, Idaho, Montana and Washington this week. On Monday, July 31, the team, which included representatives from all the major Japanese barley importing companies, met with the North Dakota Barley Council. They also heard from barley researchers from North Dakota State University, who discussed new barley varieties in development and recent research on the use of barley and distiller's dried grains with solubles (DDGS) in cattle feed. Tim Potter of CHS Inc. also provided an update on U.S. and world barley supply and demand, as well as the market outlook for feed barley. While in North Dakota, the team visited the farm of Richard Groven, a North Dakota Barley Council board member and member of the USGC's Asia Advisory Team (A-Team). There, participants had hands-on experience harvesting barley and an opportunity to inspect the grain in the field. They

also discussed North Dakota barley production with Groven and Jim Broten, USGC treasurer and member of the North Dakota Barley Council. On Tuesday, the group met with the Montana Wheat & Barley Committee in Great Falls, Mont., to talk about production costs and the outlook for Montana barley production. They also visited a feed lot using barley in beef cattle rations and a cooperative-owned grain elevator. Montana State University researchers shared information on insect control in stored grain and the latest feed barley varieties being developed. Thursday, the team traveled to Idaho where they visited Primeland Cooperatives (part of CHS) and met with members of the Idaho Barley Commission and Washington Barley Commission. The tour wrapped up today with a briefing on barley crop management in the Pacific Northwest and tours of a Federal Grain Inspection Service grain grading facility, a terminal elevator and barge loading facility in Clarkston, Wash., and Idaho Barley Commission member Dan Mader's farm for a look at the barley crop in Idaho and Washington. The Council hosted the Japanese barley team as part of its efforts to boost the U.S. share of Japan's barley imports in this year's final two Simultaneous Buy Sell (SBS) feed barley tenders. During the first three SBS tenders of 2006, Japanese buyers purchased 55,000 metric tons (2.5 million bushels) of U.S. barley.

Meeting participants learned about the Council's market development efforts straight from our people on the ground last week as three USGC country directors spoke at the 46th Annual Board of Delegates' Meeting in Newport, R.I. Dr. Todd Meyer, senior director of USGC's Beijing office, discussed demand potential for U.S. corn in China, emphasizing the Council's work in the dairy sector. This work was highlighted with the opening of the U.S.-Sino Dairy Management Training Center this year as private tariff rate quota holders started importing U.S. corn for the first time. Dr. Hussein Soliman, director of USGC's Cairo office, stressed the importance of bringing distiller's dried grains with solubles (DDGS) to Egypt for the first time. Soliman explained how the Council worked over the course of two years to educate potential buyers about the benefits of DDGS in rations while also working with the Egyptian authorities to allow imports of the product. The first load of U.S. DDGS arrived in Egypt in April 2006. Soliman explained Egypt holds the potential to import 200,00 metric tons of DDGS annually. C.M. Lynn, director of USGC's Taipei office, wrapped up the session by explaining the Council's work to maintain the 90 percent market share enjoyed by the United States while also striving to increase new market growth through corn-based plastics and DDGS. And while some constraints, such as delays on a government ban of petroleum-based plastics, price disadvantages and functionality problems, do exist, Lynn feels Taiwan's bioplastic market holds the potential of utilizing 400,000 tons of bioplastic resins – or 40 million bushels of corn. Copies of the presentations given by Meyer, Soliman and Lynn can be found at www.grains.org.

People in Africa continue to hear good news from the Decision Makers Biotechnology Fact-Finding Mission in South Africa, sponsored by the U.S. Grains Council and Monsanto. Members of the parliaments of Kenya, Malawi and South Africa – along with several journalists and scientists – visited test plots in May as part of an effort to understand more about biotechnology as the governments of Kenya and Malawi debate commercial cultivation. The Council actively supports these test plots to counter misconceptions about biotechnology. After the mission, Kenyan parliamentary representatives pledged to fast track laws that would allow for the adoption of this technology. They are also beginning to understand the benefits of biotech corn, based on articles published by reporters in Malawi and Kenya following the trip. The articles explain how many farmers in South Africa are turning to insect-resistant biotech crops and vowing to never go back. Journalists stated that their countries are ready for biotechnology to aid in the alleviation of hunger in Africa. Articles noted the members of parliament need a continued flow of detailed, factual information on biotechnology and biosafety so they and the general public may have better awareness of the topics in order to continue the push for acceptance of biotechnology.

COUNCIL NEWS

U.S. Grains Council Chairman Vic Miller appointed two new Advisory Team (A-Team) leaders at the Council's 46th Annual Board of Delegates' Meeting last week in Newport, R.I. New A-Team leaders are: Julius Schaaf, Iowa Corn Promotion Board, for the Asia Programs A-Team and Ron Gray, Illinois Corn Marketing Board, for the Joint USGC/NCGA Trade Policy A-Team. In addition, those reappointed to A-Teams were Darrel McAlexander, Iowa Corn Promotion Board, as the Biotechnology Education A-Team lead; Tim Seifert, Illinois Corn Marketing Board, continues for the Membership and Communications A-Team; Reid Jensen, South Dakota Corn Utilization Council, for Rest of the World (ROW) Programs A-Team; and David Strawn, Wyffels Hybrids, Inc., for the Value-Added Programs A-Team. New representatives appointed to A-Teams include: Gary Duffy of the South Dakota Corn Growers Association and Dan Mader of Idaho Barley Commission to Asia; Gary Schmalshof of the Illinois Corn Marketing Board to Biotechnology; David Roehm of the Ohio Corn Marketing Program to ROW; Chris Egland of Bunge North America, Inc. and Pam Johnson of the Iowa Corn Promotion Board to Trade Policy; and Dan Hammes of Quality Technology International, Randy Ives of UBE Services, Larry Peelen of the Iowa Corn Promotion Board, James Rapp of the Illinois Corn Marketing Board, Steve Vanzant of the Ohio Corn Marketing Program and Jerry Weigel of BASF Plant Science to Value-Added. New appointments within the A-Teams include: Steve Daugherty of Pioneer, A DuPont Company, to Biotechnology; Ken Wadsworth of the Corn Marketing Program of Michigan to ROW; and Susan Lyons of Louis Dreyfus Corporation to Trade Policy.

The USGC Board of Directors approved three new members at the recent 46th Annual Board of Delegates' Meeting in Rhode Island. The **Minnesota Department of Agriculture** (MDA) provides a long list of service targeted directly to Minnesota farmers and they have been very active in China and South America promoting the exports of corn and distiller's grains. Their delegate is Gene Hugoson. **Lindsay Manufacturing Company** provides intelligent water and plant nutrient management systems that improve productivity and result in the efficient utilization of natural resources. Founded in 1955, Lindsay Manufacturing has become a major world-wide force in expanding the benefits of irrigation while making it more efficient. Their delegate is Rick Parod. **West Plains Company** is involved in grain merchandising including the export of wheat, distiller's grains and organic grains. One of their facilities is located near an Omaha, Nebraska container loading facility and they are becoming actively involved in the export of distiller's dried grains with solubles via container. Their delegate, Bryce Wells, has participated in past Council programs in Southeast Asia. For more information on membership, contact Sarah Novak, director of membership, at snovak@grains.org.

Please welcome new member Verasun Energy to the U.S. Grains Council, pending Board approval. Located in Aurora, S.D., Verasun Energy is the second largest ethanol producer in the United States, based on production capacity, and is focusing primarily on production and sale of ethanol and its co-products. With a combined ethanol production capacity of 230 million gallons per year, Verasun represents 5 percent of the total capacity in the United States. In addition to producing ethanol, they produce and sell wet and dried distiller's grains as ethanol co-products. Their delegate is Allan Assmann, distiller's dried grains with solubles sales manager. He may be contacted by phone at (605) 693-6821 or by email at aassmann@verasun.com. For more information, visit their website at www.verasun.com.

The Council will hold an orientation session for Advisory Team (A-Team) members September 11-12. A-Team members will receive an overview of the Council and the scope of USGC programs, what is expected from A-Team members and the benefits of being part of an A-Team. Vic Miller, USGC chairman, and USGC staff will also discuss the Unified Export Strategy, performance measures and Council funding. The group will also discuss the operations manual and use of the Council's members-only website, the GRAIN Center. Although the program is targeted to new members, all A-Team members are welcome to attend. For a registration form or more information, please contact Oxana Vanechkina, membership assistant, at ovanchkina@grains.org. The registration deadline is August 14.

COUNCIL CALENDAR

In an effort to keep our members informed about Council activities, we are including the Council Calendar as a regular feature of *Global Update*. To view the most up-to-date calendar of events, members may log on to The GRAIN Center through the Council's web site and then click on "Council Calendar."

- **August 9-12:** Ryan LeGrand, manager of international operations, and Dr. Ricardo Celma, USGC director in Mexico and Central America, will speak at a seminar on value enhanced grain and distillers' dried grains with solubles (DDGS) in Puerto Vallarta, Mexico. Three USGC consultants – Amy Batal, Bob Thaler and Alvaro Garcia – will also attend. Topics will include Mexico's imports of DDGS, logistics, use of DDGS in animal nutrition and future trends in the corn and DDGS markets. For more information, contact LeGrand at rlegrand@grains.org.

The U.S. Grains Council does not discriminate on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation or marital/family status. Persons with disabilities, who require alternative means for communication of program information, should contact the U.S. Grains Council.