

Dear U.S. Grains Council members:

For more than 55 years, the Council has worked to develop markets for U.S. corn, sorghum, barley and related products including ethanol and distiller's dried grains with solubles (DDGS). We operate programs in more than 50 countries with the support of farmer and agribusiness members as well as funds from the Market Access Program (MAP) and the Foreign Market Development (FMD) program in the 2014 Farm Bill.

A study released in November 2016 looked at the MAP and FMD programs' impact over the past four decades, showing they contributed an average annual increase of \$8.2 billion to farm export revenue – for a total of more than \$309 billion. This gain equates to an impressive return on investment of 28 to 1.

Despite these large returns on our efforts, our work is never done. Grain exports are a bright spot in the current farm economy and can grow even further through outreach to the 95 percent of the world's consumers who live outside U.S. borders. We serve as the bridge that allows our stakeholders to be effective global business leaders.

In the last year, we have focused on finding buyers for a very large corn crop through an intense marketing push while continuing our long-term demand building programs. As a result, we ramped up work in Mexico, Latin America and Southeast Asia while also pursuing new demand in up-and-coming markets like Tanzania, Cuba, Algeria and Malaysia and maintaining solid relationships in Canada, Japan, Taiwan and South Korea.

Importantly, we also expanded our ethanol export promotion program dramatically in cooperation with Growth Energy, the Renewable Fuels Association and USDA's Foreign Agricultural Service; worked hard to help our industry address investigations brought against U.S. DDGS by China; and pushed to open new markets like South Africa despite existing non-tariff barriers.

Meanwhile, we continued helping the U.S. sorghum industry diversify its slate of buyers, including into the European Union and Peru, and worked with the U.S. barley industry to find new opportunities in Latin American craft brewing and Asian food applications.

Finding new opportunities around the world for our grain is the passion of both our members and our staff, who helped pick this year's theme of *Expanding Trade, Expanding Opportunities*. We hope you enjoy this review of 2016 as we charge ahead in the new year. As always, we value your support in these endeavors.

Sincerely,



Chip Councell Jr.

Chip Councell
Chairman

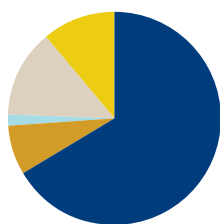


Tom Sleight

Tom Sleight
President and CEO

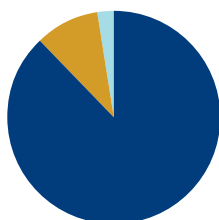
— 2015/2016 — FINANCIALS

Private-Industry Member (Domestic) Investment



Corn	\$6,283,419	66.5%
Sorghum	\$695,459	7.4%
Barley	\$170,000	1.8%
Agribusiness	\$1,264,834	13.4%
Other	\$1,028,890	10.9%
TOTAL	\$9,442,602	

USDA Resource Allocation



Corn	\$9,663,454	80.52%
Sorghum	\$1,817,348	15.14%
Barley	\$520,173	4.33%
TOTAL	\$12,000,974	

<i>Value of Worldwide Programs</i>	FY2015	FY2016
Agribusiness		
Membership Dues - Non-Checkoff	\$889,800	\$946,000
Grant Income - Non-Checkoff	\$176,443	\$318,834
Total Agribusiness	\$1,066,243	\$1,264,834
Producer Financial Support		
Producer Agreements - Checkoff	\$5,528,125	\$5,689,000
Grant Income - Non-Checkoff	\$1,055,000	\$1,459,878
Total Producer Financial Support	\$6,583,125	\$7,148,878
Total Member Financial Cash Support	\$7,649,368	\$8,413,712
Other Cash Support		
Meeting Revenue	\$527,353	\$405,916
Export Exchange	\$449,205	-
Foundation Administrative Fee	-	\$47,000
Income - USDA Projects NICRA	\$121,720	\$267,730
Sublease Income	\$304,421	\$305,130
Interest Income	\$56	\$119
Miscellaneous	\$1,748	\$2,995
Total Other Cash Support	\$1,404,503	\$1,028,890
Total Member & Other Revenue	\$9,053,871	\$9,442,602
USDA Foreign Agricultural Service Fund		
FMD	\$3,984,747	\$3,802,451
MAP and others	\$7,897,961	\$8,198,523
Total USDA/FAS Cash Funds	\$11,882,708	\$12,000,974
Total Cash Financial Support From All Sources	\$20,936,579	\$21,443,576
Non-Cash		
Member Goods and Services Contributors	\$3,949,632	\$4,351,942
Foreign Third Party Goods and Services Cont.	\$4,200,000	\$4,225,000
Total Non-Cash Support	\$8,149,632	\$8,576,942
TOTAL	\$29,086,211	\$30,020,518

2016/2017 Board of Directors



Front row, from left:

Dick Gallagher, *Corn Sector Director*; Darren Armstrong, *At-Large Director*; Jim Raben, *At-Large Director*; Wendie Cable, *Executive Assistant*; Charles Ray Huddleston, *Sorghum Sector Director*; Charles Ring, *At-Large Director*; Greg Hibner, *Agribusiness Sector Director*; Ray Defenbaugh, *Agribusiness/Ethanol and Co-products Sector Director*.

Back row, from left:

Mark Seastrand, *Barley Sector Director*; Tom Sleight, *President and CEO*; Alan Tiemann, *Past Chairman*; Chip Councell, *Chairman*; Debra Keller, *Vice Chairman*; Jim Stitzlein, *Secretary/Treasurer*; Jim Stuever, *At-Large Director*; Craig Floss, *State Checkoff Sector Director*.