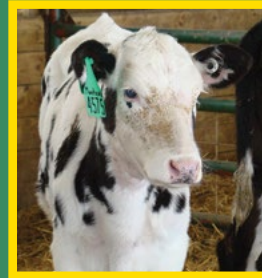


20 YEARS OF PROGRESS



CORN MARKETING PROGRAM OF MICHIGAN

ANNUAL REPORT

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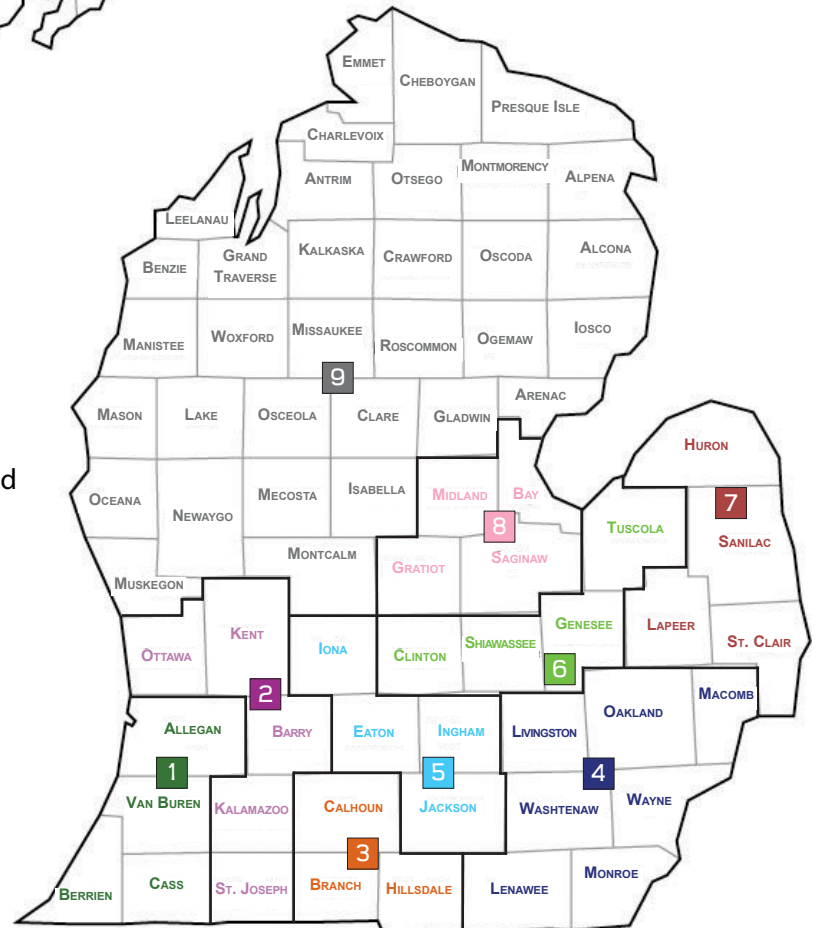
CMPM DISTRICTS AND BOARD OF DIRECTORS



- | | |
|--|--|
| 1 District 1
Randy Poll, Hamilton | 6 District 6
Pat Feldpausch, Fowler
President |
| 2 District 2
Carl Barth, Three Rivers
Treasurer | 7 District 7
Tom Durand, Croswell
Secretary |
| 3 District 3
Mark Kies, Allen
Vice President | 8 District 8
Clark Gerstacker, Midland |
| 4 District 4
Blaine Baker, Clayton | 9 District 9
Ed Breitmeyer, Buckley |
| 5 District 5
Richard Dobbins, Concord | |

Ex-Officio Board Members

Dr. Doug Buhler	MSU Representative
Gary Kaufman	MABA Representative
Isaiah Wunsch	MDARD Representative
Jeff Sandborn	MCGA President



WELCOME FROM THE PRESIDENT

As President of the Corn Marketing Program of Michigan (CMPM), I am excited to report to you the achievements of the CMPM and Michigan's corn industry over the past year.

The 2012 growing season proved to be a challenge as corn farmers in the Midwest dealt with crop uncertainties due to the extreme heat and lack of rainfall. While some of our neighboring corn states were hit hard, Michigan received some solid, late-season rain that helped keep our losses down and make our final average yield a decent 133 bushels per acre.

Over the past year, the CMPM spent a great deal of time focused on board governance and team development after Jim Zook was hired to be Michigan Corn's Executive Director. Jim has brought more than 30 years of well-rounded agriculture experience to Michigan Corn, including being a crop agent for MSU Extension and playing a pivotal role in helping facilitate the first ethanol facility in Michigan. His expertise and spirit have helped strengthen CMPM as we focus on the future.

Fueled by the need for markets to utilize the corn crop, the CMPM has remained heavily engaged in research, promotion and education. All of these focus areas help Michigan corn farmers be more efficient, productive, and always on the cutting edge of the latest technological and production advancements. With that in mind, in 2012 we reinforced our commitment to research by adding respected agriculture specialist Natalie Rector to our team as Research Coordinator to oversee CMPM's many research projects. The CMPM board and staff understand the importance of generating new ideas to keep the industry fresh and prosperous, while also educating consumers about the many new opportunities for corn.

My fellow CMPM board of directors and I are proud of the organization's accomplishments this past year. We look forward to another prosperous year in 2013. We hope you enjoy reading this annual report to learn more about CMPM's programs and our positive contributions to Michigan's corn growers. If you have any questions, comments or ideas, please contact us at 1-888-323-6601.

Sincerely,



Pat Feldpausch, CMPM President



EDUCATION

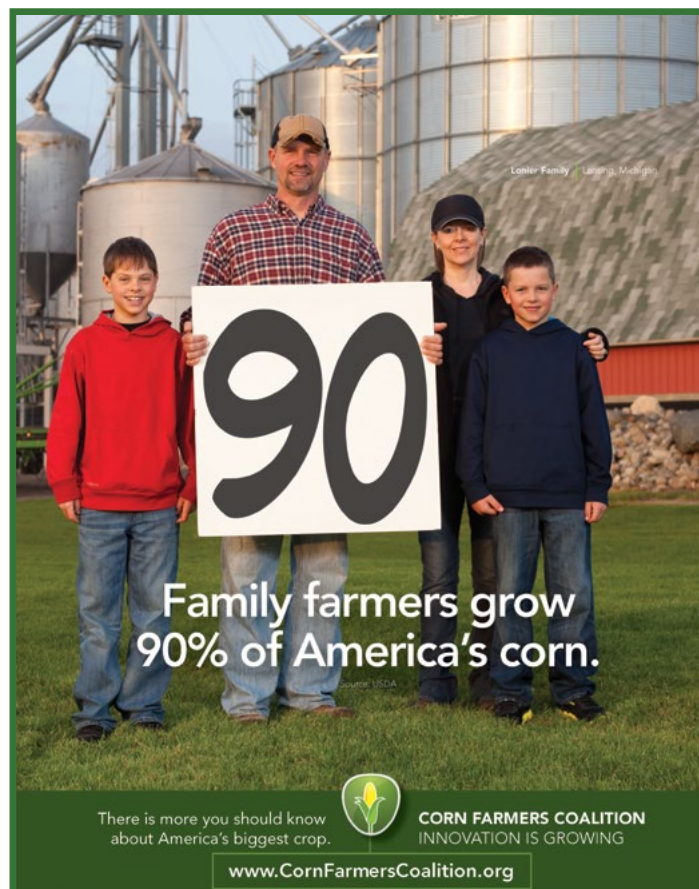
One of the key priorities of the CMPM is to increase the awareness of corn and corn-based products. The CMPM strives to inform not only corn growers, but also consumers about new products and uses for the crop in order to advance marketing strategies. The CMPM is committed to increasing consumer awareness in order to expand the markets for corn and improve the general image for the corn and ag industries.

CORN FARMERS COALITION

For the fourth consecutive year, the CMPM again partnered with 14 other state corn organizations and the NCGA to support the Corn Farmers Coalition. The CFC continues to bring messages to Capitol Hill and the Washington, D.C. area about family farmers who produce corn.

This major educational program is aimed at policymakers and opinion leaders who affect the fate of America's corn farmers. The campaign focuses on family farmers telling their story and put prominent facts about family corn farmers in Capitol Hill publications, on radio and frequently visited web sites, as well as at Metro subway stations and the Reagan National Airport.

In 2012, the Lonier family of Michigan was featured in the campaign. Jim Lonier represents the fifth generation and Scott and Steve Lonier the sixth generation of farmers who have worked their land in the Lansing area since the 1870s.



In 2012, Michigan played a big role in the national Corn Farmers Coalition campaign with Scott Lonier and his family (above) featured in numerous ads that ran throughout Capitol Hill and the Washington, D.C. area, including placement at various locations at Union Station subway platforms and passenger common areas.

PUBLICATIONS

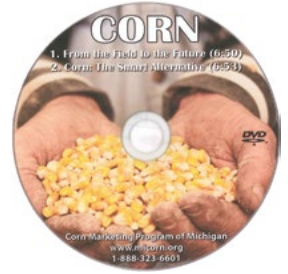
In an effort to aid in our educational efforts, the CMPM has created several topic-specific newsletters for distribution, including Corn 101 and the Corn-Based Products Guide.

Corn 101 covers the basics of the corn industry including the different types of corn; how corn is planted, grown and harvested; the equipment used; where Michigan's corn goes; and the sustainability of the corn industry. The Corn-Based Products Guide explains how corn-based products are made, the variety of products that can be made from corn, and where these corn-based products can be purchased. If you would like copies of these publications and others for distribution at your meetings and events, they are available online at www.micorn.org, or by calling the Corn Office.



DVDs

In addition to our publications, the CMPM also has an educational DVD available. The DVD features two seven-minute videos -- one for elementary age children and one for adults. The videos give a brief overview of the corn industry; from how much is produced to all the ways the diverse crop can be used.



These DVDs are a favorite among teachers and volunteers alike, as they provide a fun and entertaining illustration of the importance of corn. The videos can be seen on the “MichiganCorn” YouTube channel, and copies of the DVD can be obtained by contacting the Michigan Corn office.

TRADE SHOWS AND SPECIAL EVENTS

CMPMC staff and board members travel across the state to attend trade shows, expos and other events to reach out and interact with farmers, media and consumers.

Throughout the last year the CMPM participated in numerous events including: Ag Day at the Capitol; Ag Expo; Breakfast on the Farm events; Clinton County Progressive Farmers meeting; Coldwater Farmer's Day; Fall Farm Fair; Michigan Agribusiness Association Annual Conference; Michigan Farm Bureau Annual Meeting; Michigan State University College of Ag and Natural Resources Alumni Association's Autumnfest; Project REDs (Rural Education Day); Thumb Ag Day; and several others.

These events provide us the opportunity to educate consumers, farmers and media in an environment in which they feel safe asking questions and are able to absorb the information we provide.



Above, Captain Cornelius was once again a popular attraction with kids of all ages at the MSU Ag Expo. At left, record attendance numbers continue to be reached at Breakfast on the Farm events across the state where CMPM staff and board members are able to interact with area residents.

PLOT TOURS / SEED MEETINGS

A primary focus of the CMPM is to stay in close communication with the state's corn growers. Throughout the year board members and staff participated in several plot tours and seed meetings to represent the corn industry.

At these events, board members and staff talk to growers about new and expanding corn markets, agronomic research, industry happenings and CMPM-funded research projects. These events also give board members and staff a chance to discuss each grower's thoughts and ideas about the organization and what they would like the CMPM to focus on in the coming year.

MEDIA AND CONSUMER OUTREACH

The CMPM continues to expand its outreach to media sources throughout Michigan to provide information about corn to both consumers and farmers.

CMPM staff writes and distributes press releases to more than 230 media outlets across the state. Within the past year, the CMPM's articles have appeared in community, city, state and out-of-state newspapers, as well as state and national websites, and business and farm-related publications. The CMPM continues to educate consumers about the benefits of corn through news releases, radio and television interviews, media events, social media and the Michigan Corn web site, www.micorn.org.

SOCIAL MEDIA: The CMPM, in conjunction with the Michigan Corn Growers Association, continues to have a strong social media presence with pages on Facebook, Twitter and YouTube. With continually updated pages providing short bits of information to spread the word about upcoming events, programs and industry information, these sites have proven to be a great, cost-effective outreach tool.

The CMPM continues to utilize these sites to spread the positive message about corn farming to the younger generations who frequently visit these social media sites, as well as to keep in touch with some of our more tech-savvy growers. If you have not done so already, please be sure to “like” the Michigan Corn page on Facebook, follow us on Twitter and subscribe to the MichiganCorn channel on YouTube.

MICHIGAN CORN SOCIAL MEDIA

[www.facebook.com/
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[www.youtube.com/
Michigan Corn](http://www.youtube.com/MichiganCorn)



TECHNOLOGY: CMPM continues to embrace technology with expanded use of our Quick Response (QR) Codes into marketing materials and media outreach. The QR Code, similar to a barcode except it can store more information, was created to direct consumers to a specific location. When CMPM's QR Code is scanned by smart phones the user will go directly to the Michigan Corn website. The codes are becoming more popular and CMPM looks forward to adapting more of them into our communications as future technological advances are developed.

MEDIA COVERAGE: With the weather challenges faced by corn farmers with high temperatures and little rain early in the growing season in 2012, many media outlets produced and wrote stories about the drought conditions and how it might affect the corn crop and, in turn, food prices.

CMPM Executive Director Jim Zook and numerous board members were made available to provide corn's perspective on the situation. Zook participated in nearly two dozen interviews over the course of the summer helping quiet concerns about increases in food prices and other issues related to the conditions.

Television: CMPM continues to educate and inform through television, once again working with Detroit TV station WDIV to have a solid presence at the North American International Auto Show in Detroit, providing CMPM with a potential audience of more than two

million viewers. During the show's two-week run, CMPM ran more than 40 TV commercials in addition to receiving added coverage through interactive online ads that rotated throughout the auto show on their “Click On Detroit” site.

Zook also provided some great consumer-education segments when he was interviewed on WEYI-TV (Channel 25) three times during their live morning show that reached audiences in the Flint and Saginaw area.



The ad features a green background with a stylized corn stalk graphic on the left. The text reads: "Did You Know? 95% of all corn farms in America are family owned." Below this, in smaller text, it says: "Another Kernel of Truth from Michigan's corn farmers — learn more at www.micorn.org." On the right side of the ad is a photograph of a corn cob.

A typical interactive digital ad that ran online during the Detroit Auto Show on the “ClickOnDetroit” web site. Those who clicked on the ad were sent to the Michigan Corn web site.

Print Media: CMPM continues to educate and inform through other media outlets including press releases and monthly columns and advertisements in numerous agriculture newspapers including *Farm World*, *Farmer's Advance* and *Michigan Farmer*. CMPM also continues to run print advertisements in the *Michigan Farm News'* special publications, including their annual Weed Control and Identification Guide; the Corn Hybrids Compared supplement; and Ag Expo Guide.

Radio: Besides monthly Corn Reports and PSAs on the Michigan Farm Radio Network, CMPM once again had a large presence during Michigan State University football games on WJR's statewide network. In 2012, Michigan Corn's message to consumers focused on the benefits of using ethanol, where we had signage in the WJR Hospitality Tent and the Spartan Sports Network's pregame broadcast booth as well as numerous radio ads in and around the game. As part of the package, Michigan Corn was also given half-page ad space in the MSU game programs sold at each home game.



An example of an ad that ran in the game programs at all MSU football and basketball games.



With the successful outreach with MSU sports, Michigan Corn expanded its consumer reach by utilizing inexpensive radio opportunities through University of Michigan football broadcasts. Also, for the first time, we were able to secure a full season of ads on Detroit Tigers baseball broadcasts with 30-second ads as well as sponsoring the "Michigan Corn Defensive Play of Game." This allowed our messages to reach millions of consumers and expand our audience.

NEW CORN VAN UNVEILED



The CMPM now has a moving billboard to help with its education, promotion and outreach efforts in support of Michigan corn farmers and the state's corn industry with a new paint scheme on the corn van. The attention-grabbing design was completed in time to be used at numerous events throughout the summer and fall of 2012.



PROMOTION

Keeping up with current markets and finding new markets for corn are integral outcomes for the CMPM. Corn is no longer looked at as just a valuable livestock feed, but is now used for fuel, heat, corn-based plastics and fibers. The CMPM board of directors and staff work to generate awareness of traditional markets, as well as new, innovative markets by sharing information with farmers, media and consumers.

ETHANOL

The CMPM continues to educate consumers about ethanol as a fuel choice. Part of this outreach involves allocating funds to support numerous ethanol-related entities including supporting a national educational campaign, Blend Your Own (BYO) Ethanol. This campaign, geared towards fuel retailers, provides the business case for offering mid- and high-level blends of ethanol through blender pumps. Nationally, the BYO campaign hopes to install 5,000 blender pumps, with the contributions of the CMPM helping to achieve this goal by supplying funds for advertisements, a trade show presence, website and magazine development and other educational tools.

The CMPM has also facilitated increased market demand for ethanol in Michigan through partnerships with organizations like Growth Energy and the American Coalition for Ethanol.

NASCAR: As part of its partnership with American Ethanol, Michigan Corn was able to have a large presence at the June 2102 NASCAR race weekend at Michigan International Speedway. Michigan Corn staff and volunteers joined Garry Niemeyer, President of the National Corn Growers

Association, and NASCAR driver Austin Dillon in handing out more than 3,000 American Ethanol green flags to fans in the MIS campgrounds. We then returned later and provided giveaways and ethanol information to those who were flying the flags.

Also through the partnership, Michigan Corn helped sponsor two high-profile NASCAR drivers for the 2012 season -- veteran Kenny Wallace of RAB Racing and rookie Austin Dillon of Richard Childress Racing. At Michigan, Wallace drove the No. 99 Family Farmers car in the Nationwide Series race, while rising star Dillon piloted the No. 33 American Ethanol car in his Sprint Cup Series debut. Dillon, who won the NASCAR Truck Series in 2011, was named 2012 NASCAR Nationwide Series Rookie of the Year, so he garners a lot of media attention.

At the August race, CMPM sponsored a hospitality tent for our state elevator companies as a thank you for all they do in support of the corn check-off program. After two years of running on strictly E15 racing fuel, NASCAR has now driven more than three million miles on the fuel without incident.

With more than 30 percent of the U.S. adult population tuning in to watch NASCAR, we know the partnership has offered corn a tremendous opportunity to tell the story of American Ethanol to hundreds of thousands of people all across the country.



During the June race weekend at MIS, the Michigan Corn logo was prominently displayed on the paint scheme of Austin Dillon's No. 33 American Ethanol car in his Sprint Cup Series debut. In 2012, Dillon was named NASCAR Nationwide Series Rookie of the Year.



Michigan Corn evoked many smiling faces during the American Ethanol Green Flag campground giveaway during the June race weekend at Michigan International Speedway.





SAE Clean Snowmobile Challenge: CMPM once again partnered with Michigan Technological University in Houghton to sponsor the 2012 Society of Automotive Engineers Clean Snowmobile Challenge. Student teams compete against each other in an effort to find novel solutions to emissions and other challenges presented by snowmobiles. Teams are typically given an ethanol-blended fuel to utilizing in testing and running their sleds. Besides running a full-page ad in the event program, Michigan Corn also received good exposure by providing stickers with our logo (left) that were placed on each of the snowmobiles entered in the challenge.

EXPORTS

U.S. Grains Council (USGC) 2012 Corn Harvest Tour: Ed Breitmeyer was invited to take part in the 2012 U.S. Grains Council China Corn Harvest Tour. Ed, a member of the USGC Advisory Board and a corn farmer from Buckley, participated in the fact-finding trip to assess the size and quality of China's corn crop and how it might impact the U.S. export market. Ed said the U.S. corn industry is in a good position in the area of exports to Asia because China's feed demands and industrial demands are increasing. Ed produced a video of the trip, which is posted on Michigan Corn's YouTube channel.

U.S. Meat Export Federation (USMEF): The future for the U.S. meat market also looks bright as beef and pork exports set new value records in 2012, providing good news for corn farmers across the country. Last year, the U.S. exported more than \$5.5 billion worth of beef products and nearly \$6.4 billion worth of pork products. For corn producers the growth in those export markets means potential market opportunities for increased feed sales to livestock producers as we work to feed an expanding world population.

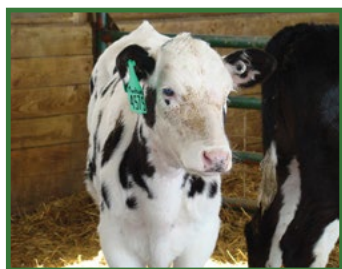
USA Poultry and Egg Export Council (USAPEEC): In a report from USAPEEC's annual winter meeting, experts estimate that by 2025 the total global trade in poultry should reach 15 million metric tons and per capita consumption of meat and poultry should reach 110 pounds. The annual amount of corn used by the U.S. poultry and egg industry is about 1.2 billion bushels and should only increase as the future of the poultry trade looks very promising.



Ed Breitmeyer examines China's corn crop during the 2012 USGC Corn Harvest Tour.

LIVESTOCK

Corn farmers and livestock producers continued to have a mutually beneficial relationship in 2012. Michigan corn farmers provided more than 22 percent of their annual production to our friends in the livestock industry. Michigan corn farmers understand that providing a high-quality, safe and nutritional source of protein to the livestock industry is a vital component in this important relationship as we work together to feed the world. In an effort to advance and protect the interests of the livestock industry, the CMPM has invested more than \$500,000 in funding for livestock-related research over the past seven years.



In addition to funding livestock-friendly research, the CMPM also sponsors many livestock-related events and organizations. Sponsorships include funding of the USA Poultry and Egg Export Council, U.S Meat Export Federation, Great Lakes Regional Dairy Conference and the Michigan Beef Expo.

CORN-BASED PLASTICS AND FIBERS

For many years, the CMPM has funded research for the development of new corn-based polymers. These polymers can be made into plastics and fibers. Some of the corn-based products made from polymers include plates, cutlery, coffee and travel mugs, bedding and clothing, carpeting and floor tile. In the past year, the CMPM has worked extremely hard to educate consumers about the benefits and availability of corn-based products. More information on corn-based products is available in the Corn-Based Products Guide, which is available online at www.micorn.org.

RESEARCH

Through the work of the check-off program, Michigan's corn growers are able to join together to fund research projects to enhance the economic viability of corn production in Michigan.

The CMPM looks for projects that can add value to Michigan corn through new markets and corn-based products or advancements in traditional markets, as well as new production techniques and practices that enhance productivity and conservation.

Research is an integral component to the check-off, comprising nearly one-third of the CMPM budget. Since its inception in 1992, the CMPM has funded more than 250 research projects. In 2012, the CMPM board invested in a large variety of research projects they anticipate will help improve Michigan's corn industry. Projects funded in the past year include:

- On Farm Biogas
- Foliar Fungicides in Corn
- Ethanol Platform Development Program
- Combining Strip Tillage and Dual Cover Crops to Increase Profitability
- Improving corn and soybean yields through aerial seeding of cover crops
- Addressing Concerns Related to the Use of Ethanol-Blended Fuels in Transportation
- Evaluation of Vertical Tillage Tools for Residue Management, Manure Incorporation, Cover Crops
- Thumb Ag Research and Education (TARE) Project
- Effects of micronutrient boron on high yielding Michigan corn and the effects of a refined borate fertilizer compared to a mineral fertilizer
- High Production Corn Systems Using the Latest Technology from an Agronomic, Economic and Environmental Viewpoint
- Assessing the functional ecology impacts of Cry proteins from *Bacillus thuringiensis* genetically modified corn in waterways: A critical experiment to measure the effects of Bt corn runoff.
- Fitting Annual Winter Cereals and Red Clover into the Corn Production System to Stimulate Biofuel Biomass Production



Dr. Greg Davis, an ethanol researcher at Kettering University, has performed numerous small-engine phase separation studies including this storage test.



Dr. Kurt Thelen, an MSU researcher, presented his findings to the CMPM Board of Directors during a January 2012 research meeting.

Research projects that are funded this year may be of use to growers and consumers next year or several years down the road, depending on the success of the research, acceptance by consumers and the difficulty of commercialization or implementation.

Research funding is distributed to universities, private organizations and other research programs for projects. Growers and the public are able to learn more about CMPM-funded research at numerous meetings held in January and February at locations throughout the state. Research is also shared through press releases, radio interviews and the CMPM Annual Research Report.

FINANCIALS

The power of your penny is utilized for numerous program areas to help make you more profitable. Examining and anticipating future industry

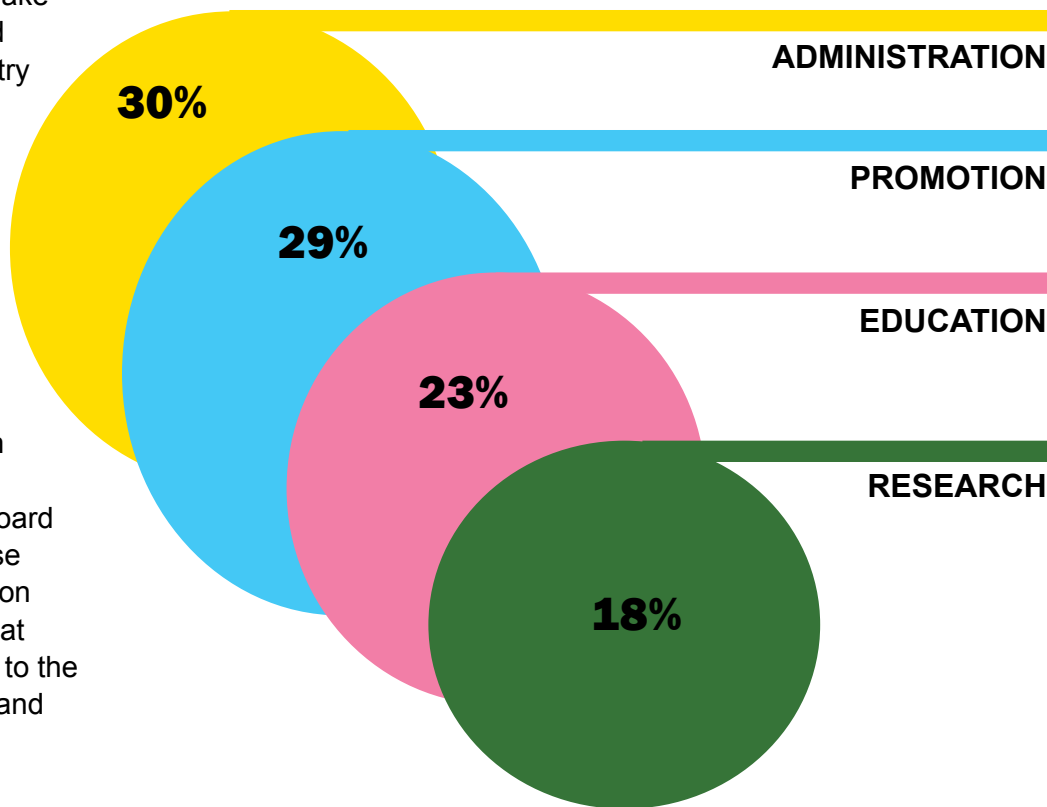


issues determines how much is spent in each program area to address research,

education and promotion. This graphic shows, in percentages, how your check-off funds were utilized in 2012.

The percentages look different than in years past. This year we did not break salaries, office supplies, or board expenses into program areas. Those outlays are all listed as administration expense. However, keep in mind that administrative expense is essential to the outcomes of research, promotions and education

POWER OF THE PENNY



MICHIGAN CORN AT A GLANCE

2012

Acres Planted	2.65 million acres
Acres Harvested	2.39 million acres
Production	317.9 million bushels
Average Yield	133 bushels per acre

Data provided by the USDA-NASS Michigan Ag Statistics

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www.youtube.com/MichiganCorn

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