We have
1001 reasons
to invest in sorghum

# A U.S. CASE STUDY OF THE UNITED SORGHUM CHECKOFF PROGRAM

## Its Creation and Push in Building Downstream Relationships, Domestically and Internationally

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# Today's Objectives

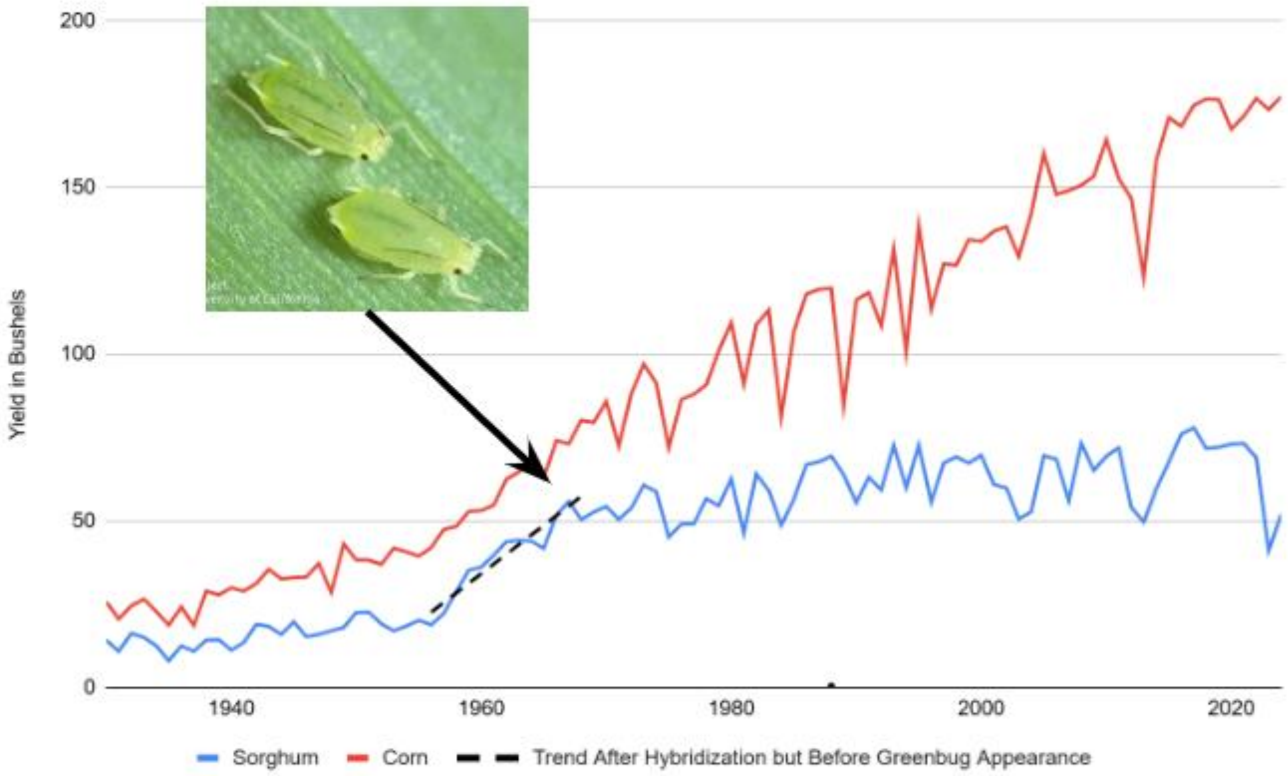
- Key issues and why the checkoff is needed
- Associations versus checkoffs

# Hybridization

- Occurred in the late 1950s
- Full adoption by the early 1960s
- Production more than doubled
- Excess supply brought the cattle feeding industry to Texas

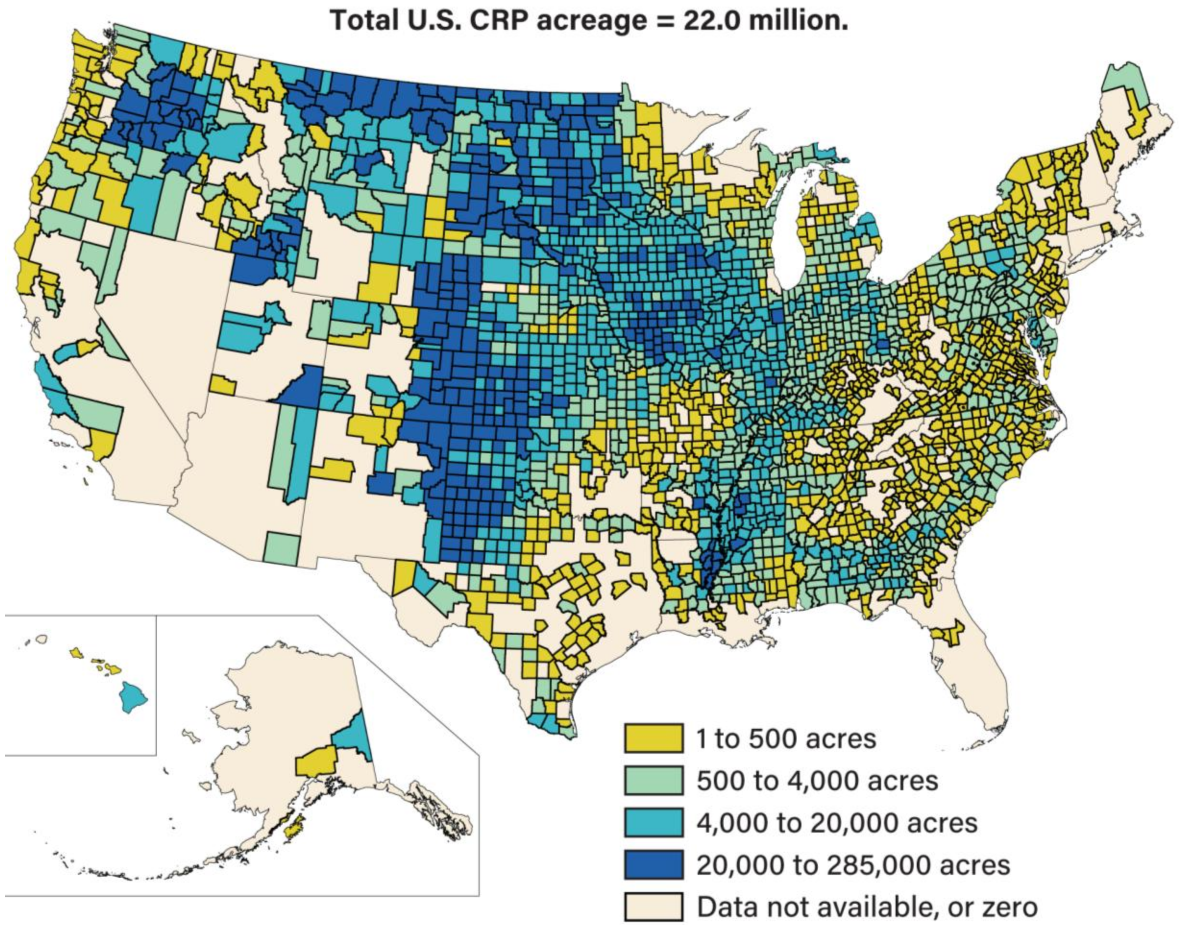
# Greenbug

- ➢Found in Texas in 1968
- ➢Breeding focus shifted to resistance
- ➢Thirteen years without yield focus still affects us

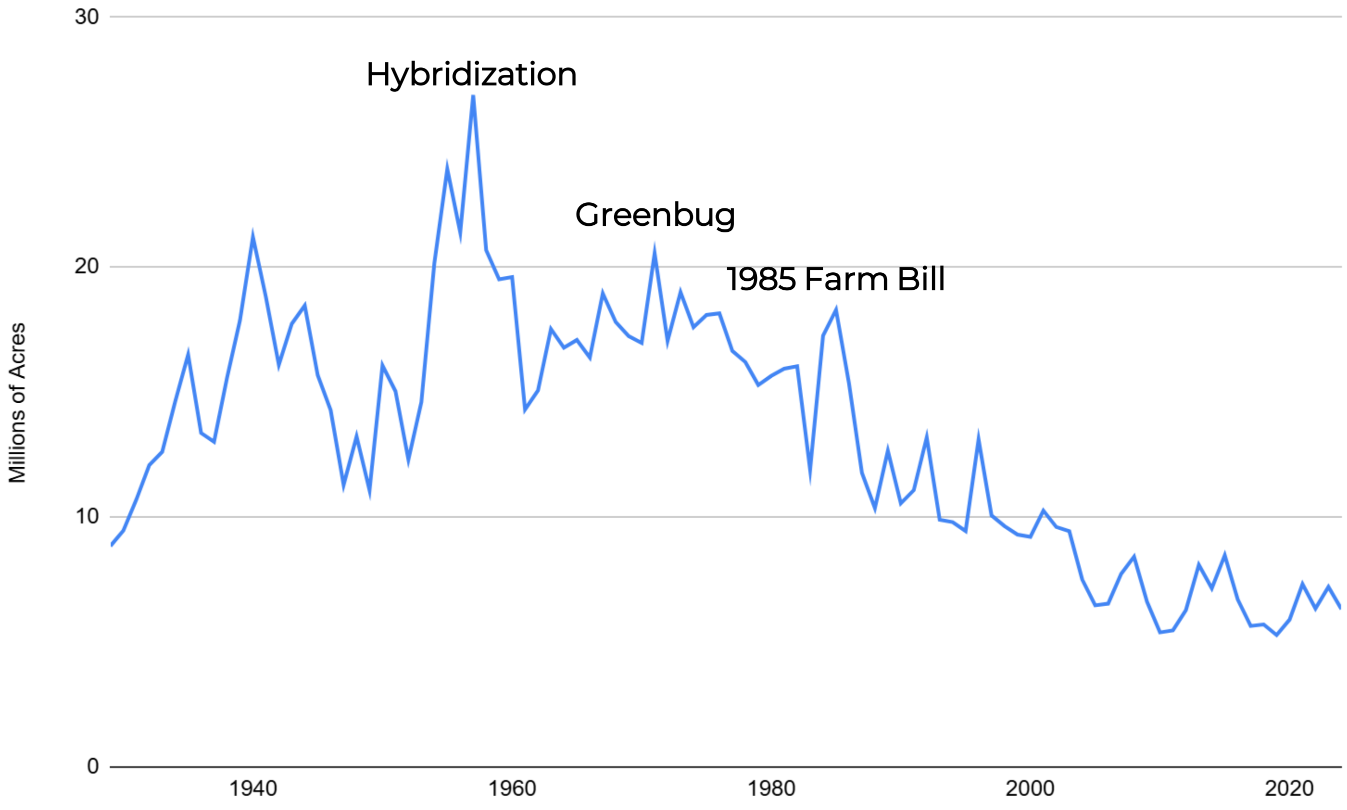


# 1985 U.S. Farm Bill

- ➢Strong policies for corn, soybeans and cotton
- ➢Conservation Reserve Program (CRP) paid for grass seeding
- ➢30% of sorghum acres went to CRP in two years

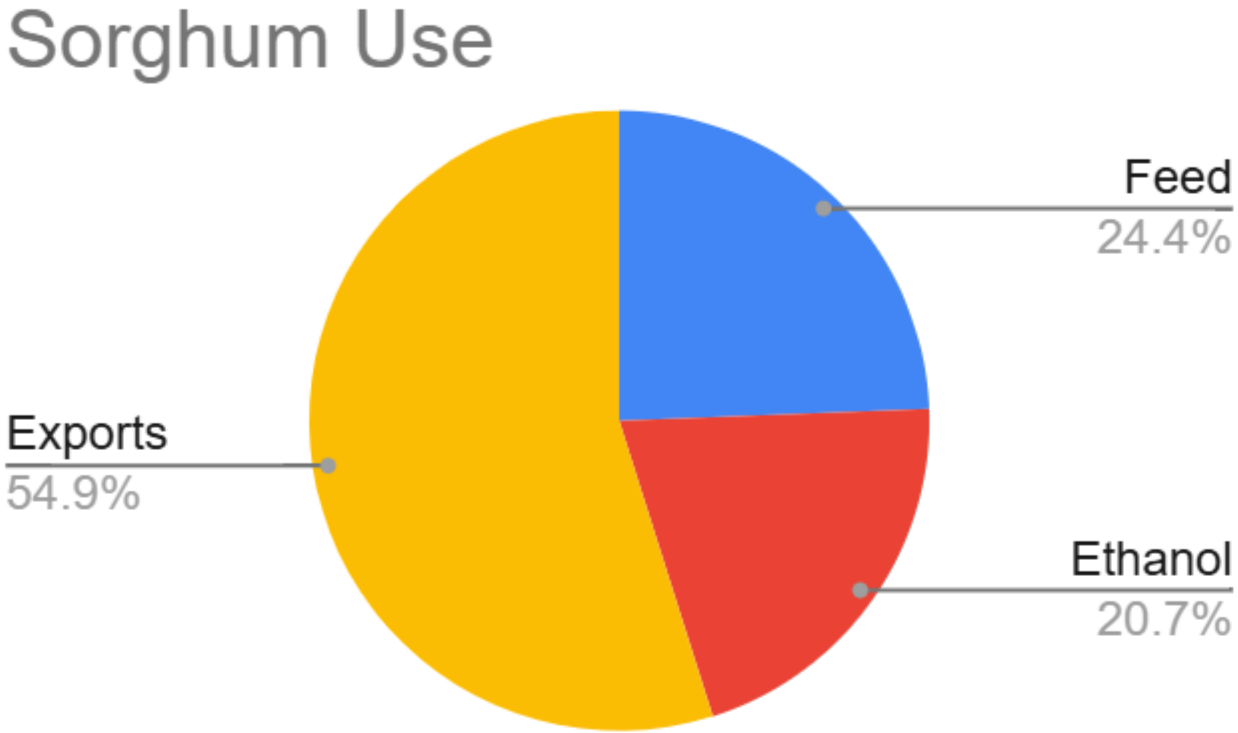


# Acreage Trends



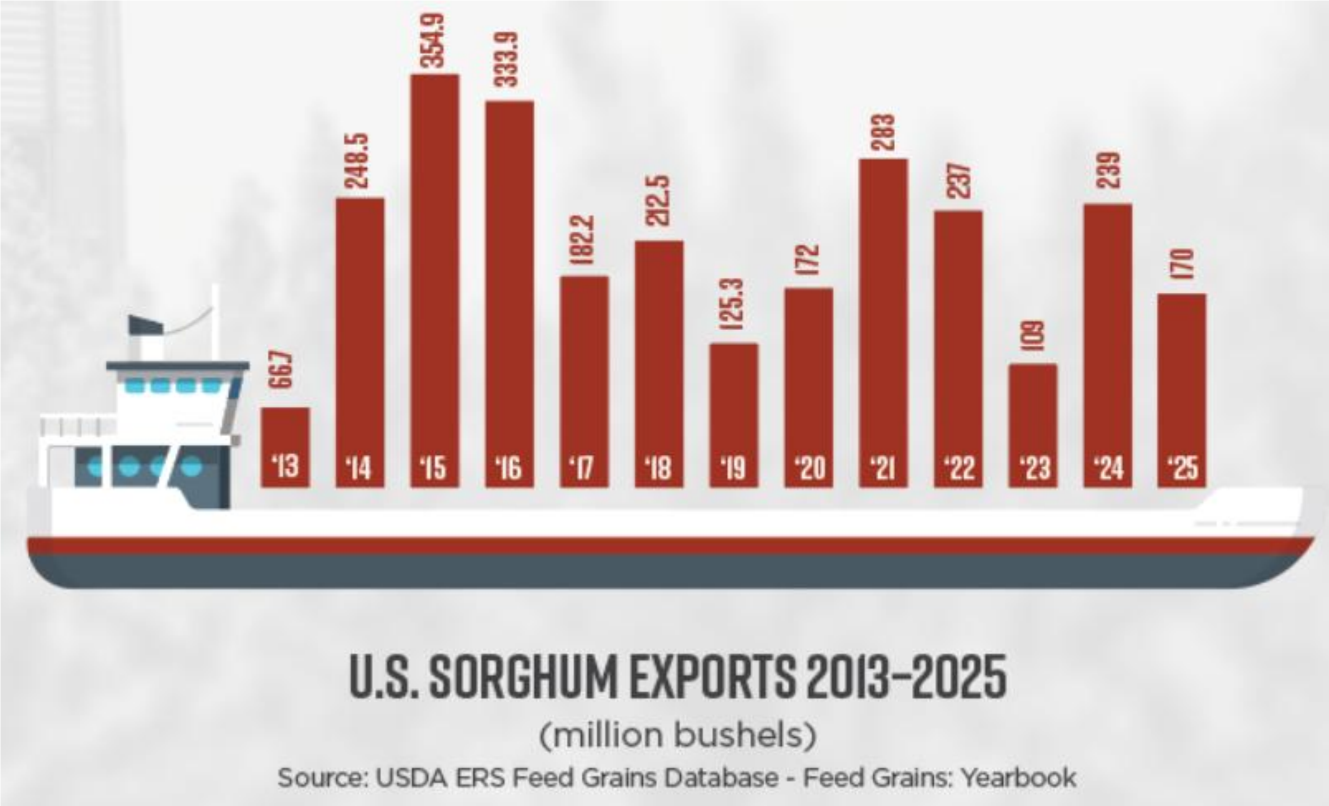
# U.S. Sorghum Demand Today

- Exports have been as high as 90% of demand
- More balanced today
- Ideal would be 33% exports, 33% feed and 33% ethanol



# Exports

- ➢Key focus for the industry since the 1950s
- ➢Obviously much lower today



# Ethanol

- Foundation of demand when exports are down
- Performs similar to corn
- Sorghum can be classified as an “intermediate” crop under ISCC and many European country fuel standards

# Associations versus Checkoffs

NATIONAL SORGHUM PRODUCERS
*the voice of the sorghum industry*

SORGHUM CHECKOFF

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# Florentino Lopez
# Creando Mañana, LLC
# Agricultural Consultant

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# Today's Objectives

- What is the United Sorghum Checkoff Program
- Why was the program created
- How is it helping
- Successes

# United Sorghum Checkoff Program

- Established in 2008
- Producer funded
  - 0.6% of net farm value for grain
  - 0.35% net farm value for forage
- Directly linked to producers
  - Board of Directors
  - State Organizations
  - Sister Organizations
  - NGO's and GO's

# United Sorghum Checkoff Program

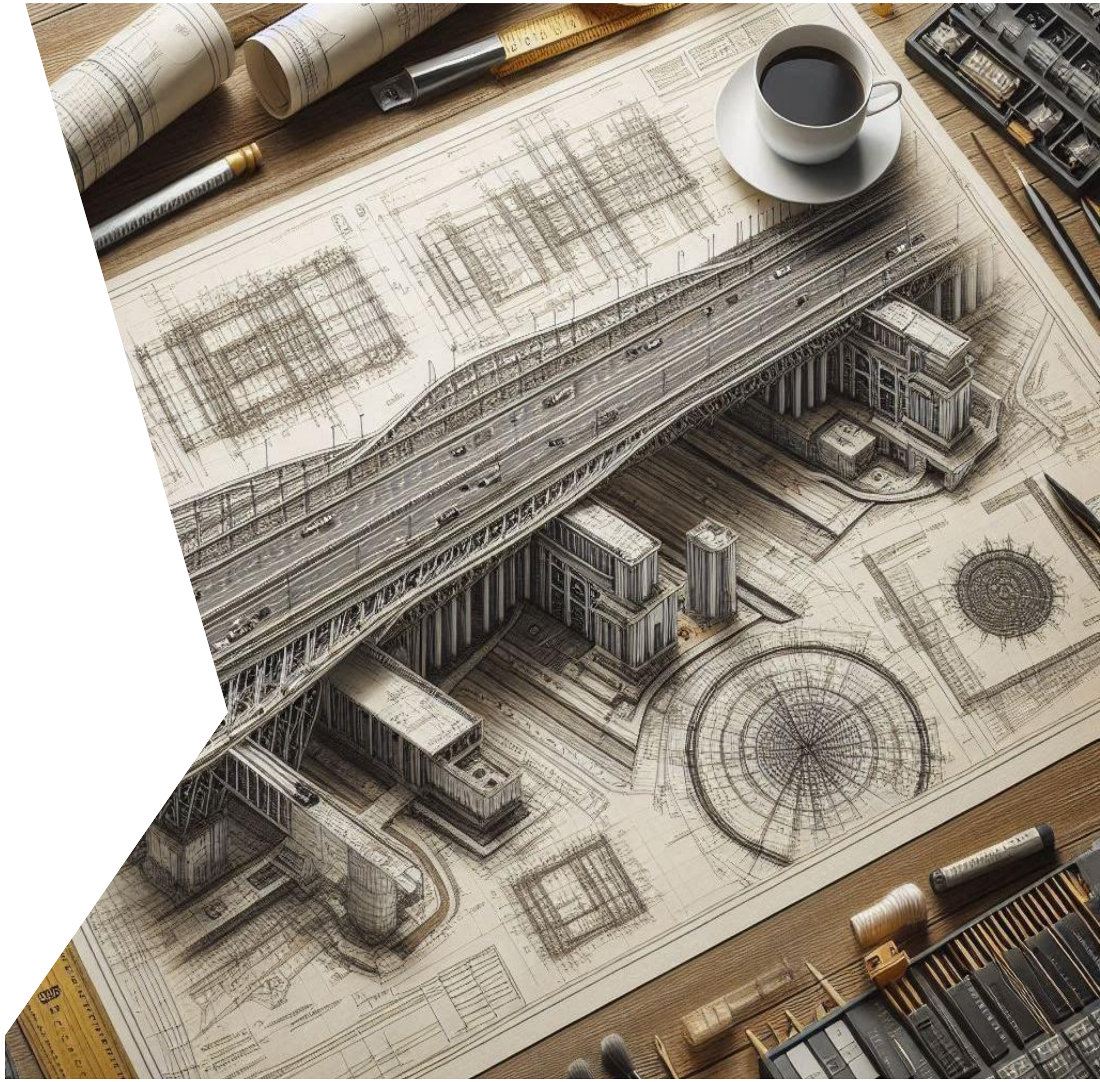
- Strategic drivers
  - Yield
  - Economic increase
  - Awareness
  - Return on investment
  - Catalyst for change
  - Industry growth

# Measuring Success

- ➢Market Access: New buyers, expanded territories
- ➢Volume Growth: Increased sales, diversified products
- ➢Adoption: Increased market segments using sorghum
- ➢Relationships: Repeat trade and ongoing engagement

# Challenges & Considerations

- ➢Trade barriers and tariffs
- ➢Typical knowledge-based barriers
- ➢Typical management-based barriers
- ➢Cultural and use differences
- ➢Quality control and consistency
- ➢Need for ongoing market education



# Challenges & Considerations


### Market Education

Worldwide Market Engagement

### Market Disruptions

Tariffs, CVD’s

### Market Access

Serving as an Information Source for PRA’s

# Market Development in Action

- Indirect assistance in non-tariff-based barriers
- Education seminars
- Expanding horizons
  - Internal trials to enhance knowledge in non-traditional markets
  - Samples programs to support in company trials
- Market awareness through educational literature
- Connecting demand and supply chains

# Market Development in Action

## Aquaculture Worldwide

Actual Farm Trials


## Clinical Food Trial

Sorghum Checkoff Announces First-Ever Human Clinical Trial on Whole Grain Sorghum's Health Benefits

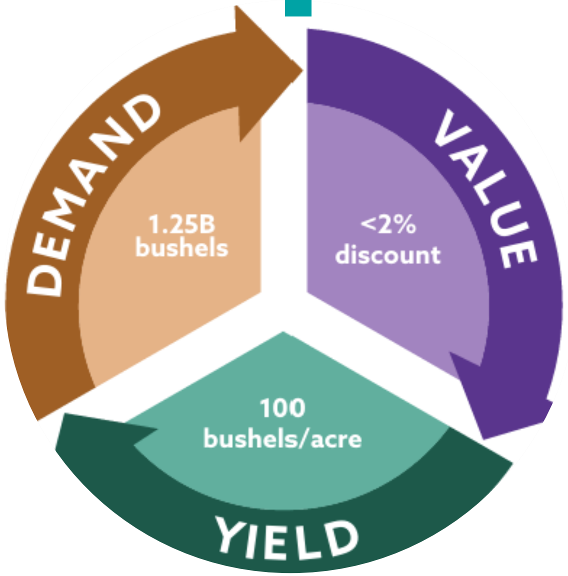

## Information

USCP The Source of Sorghum Information Worldwide

# Complementary Program Development

- Governmental programs
  - MAP, FMD and QSP governmental trade promotion programs
- Auxiliary groups - SUSTA, USGBC, State Organizations
- Joint funding initiatives –CSIP, CSMART, Industry, Universities
- Direct company initiatives

# Complementary Program Development





## Sorghum Improvement Program

Kansas State University

Farmer Investment - $5 Million

Leveraged Investment - $10 Million

## U.S. Grains and Bioproducts Council

Farmer Investment - $13 Million

Leveraged Investment - $49 Million

## State Board Groups

Farmer Investment - $2 Million

Leveraged Investment - ?

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# Creando Mañana’s Strategic Pillars

- Cultivate knowledge.
- Forge strong relationships.
- Enhance education across the supply chain.
- Encourage new usage opportunities.
- Actively share valuable information.
- Facilitate and build collaborative, strategic partnerships between buyers and sellers.
- Deliver value.
- Leverage Creando Mañana’s network
- Maintain an unobtrusive presence.

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# Successes

- Change in the perceived nutritional value
- Change in the ability to fit into expanded rations
- Improved value
- Gained market access
- Expanded, effective research
- Enhanced awareness
- In the end, farmers must gain value

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# Thank You,

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