



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**

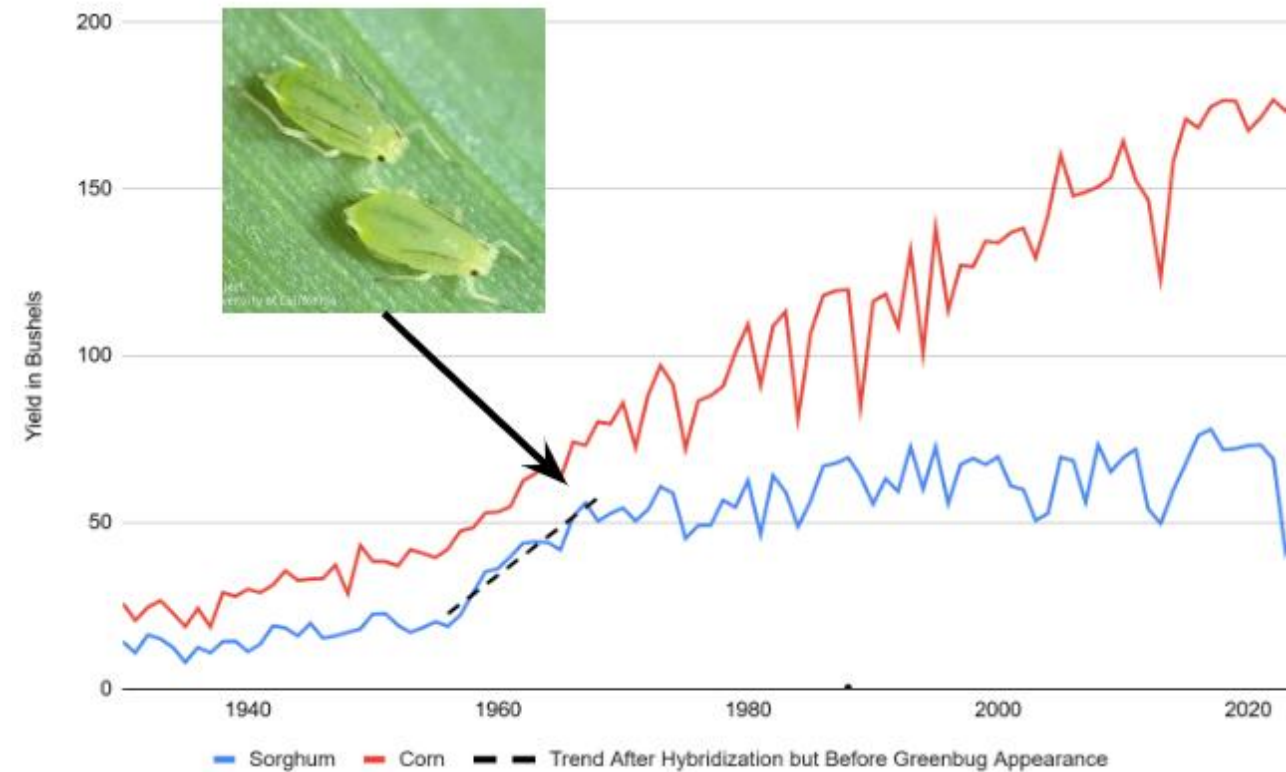
Hybridization

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



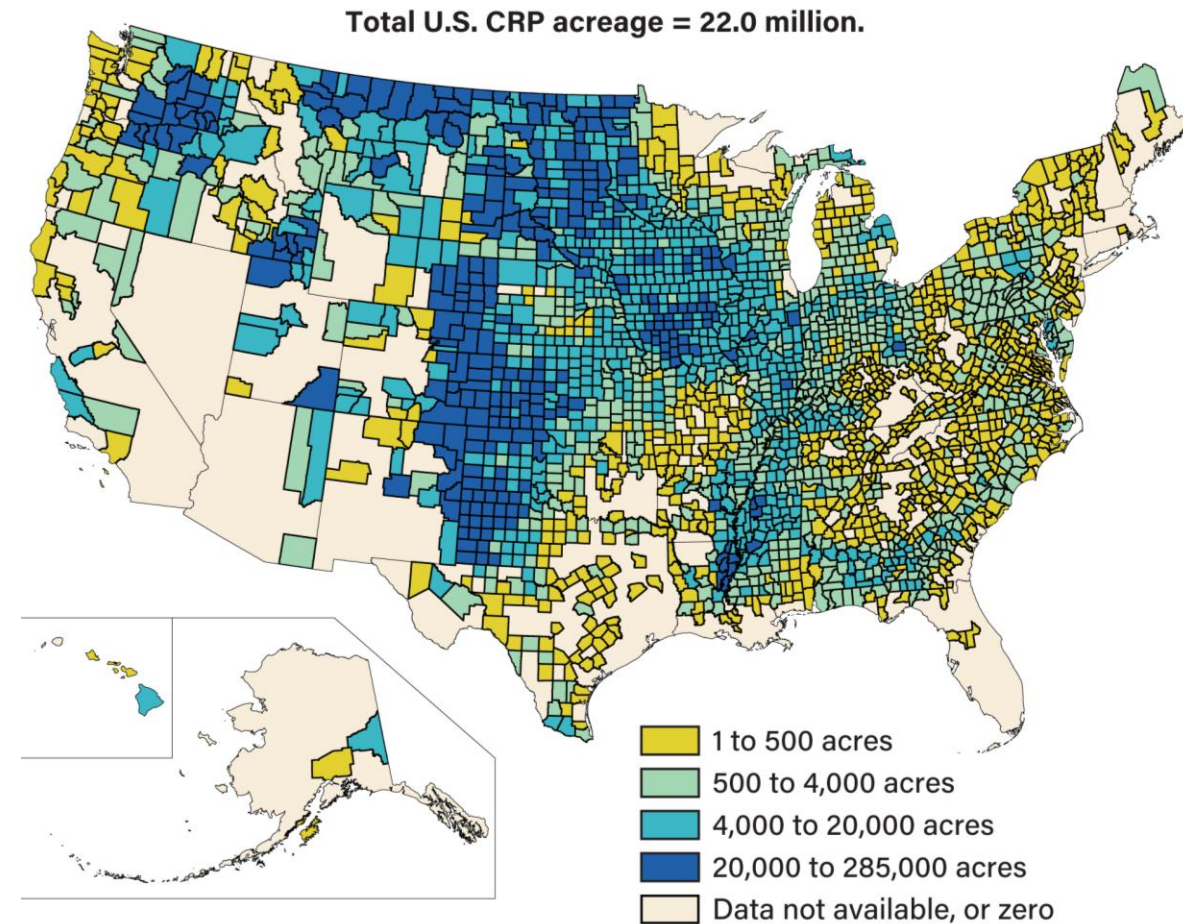
Greenbug

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

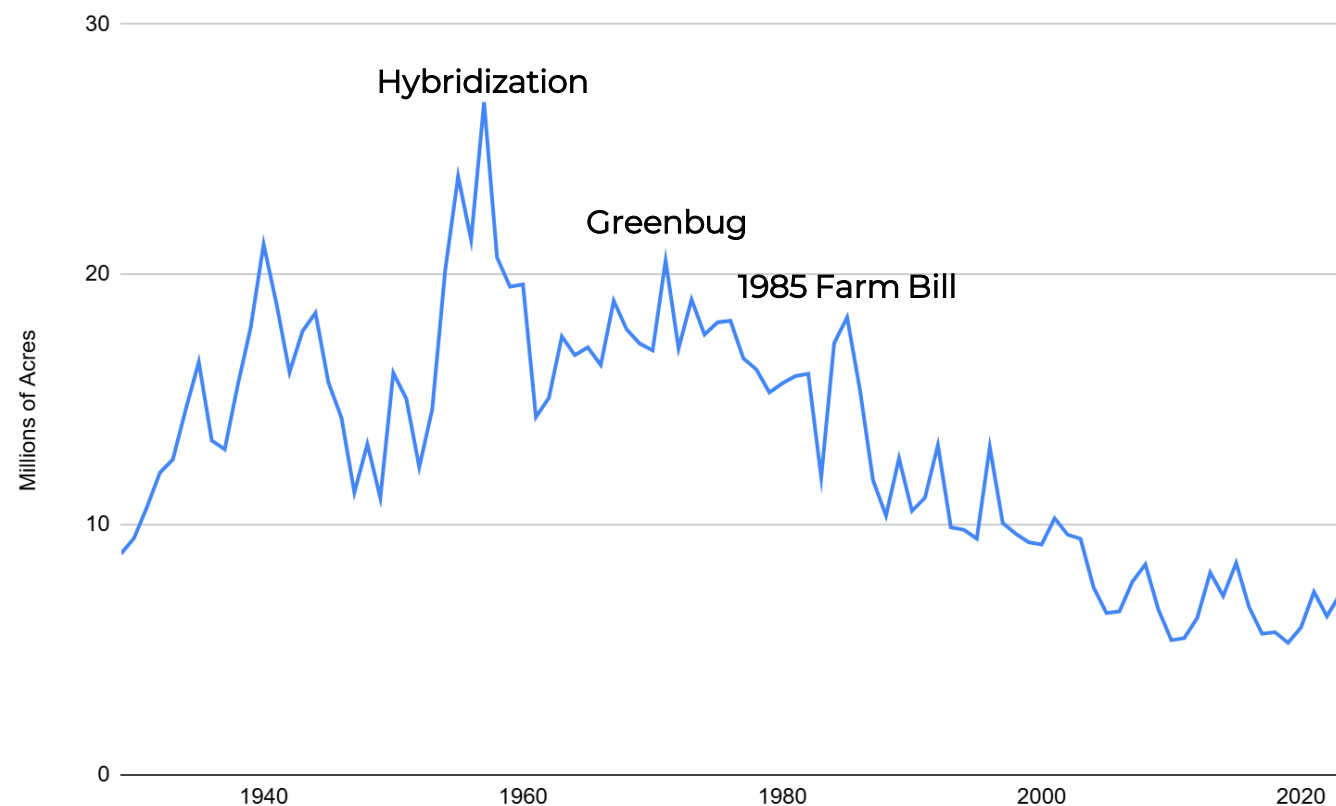


1985 U.S. Farm Bill

- 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



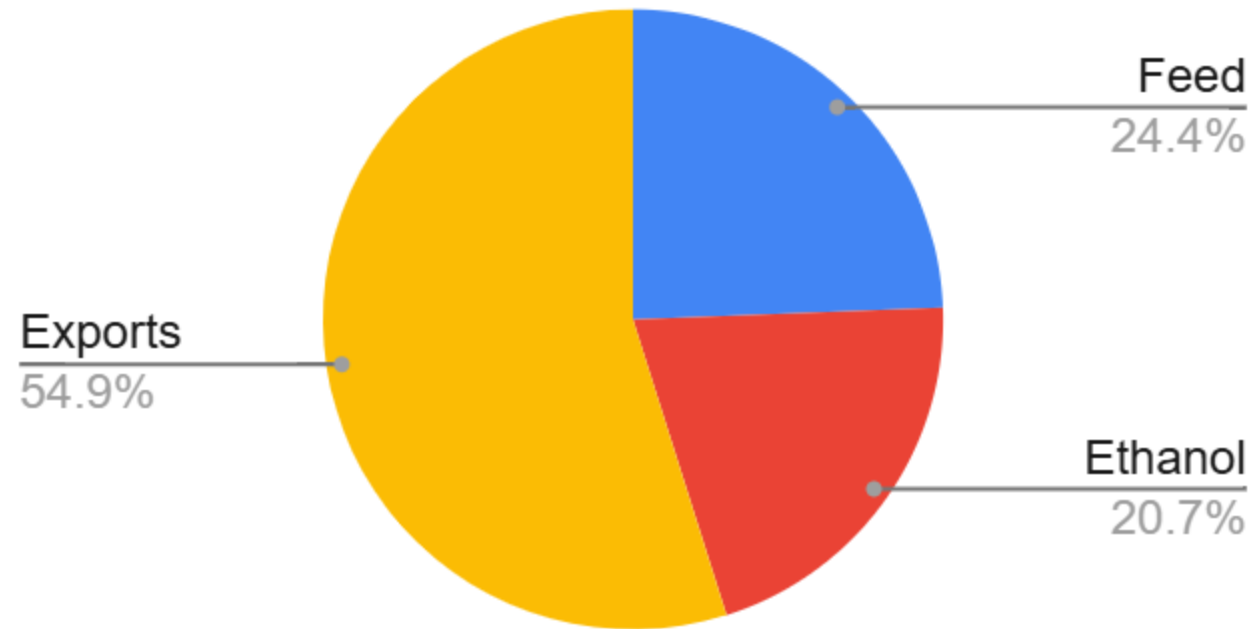
Acreage Trends



U.S. Sorghum Demand Today

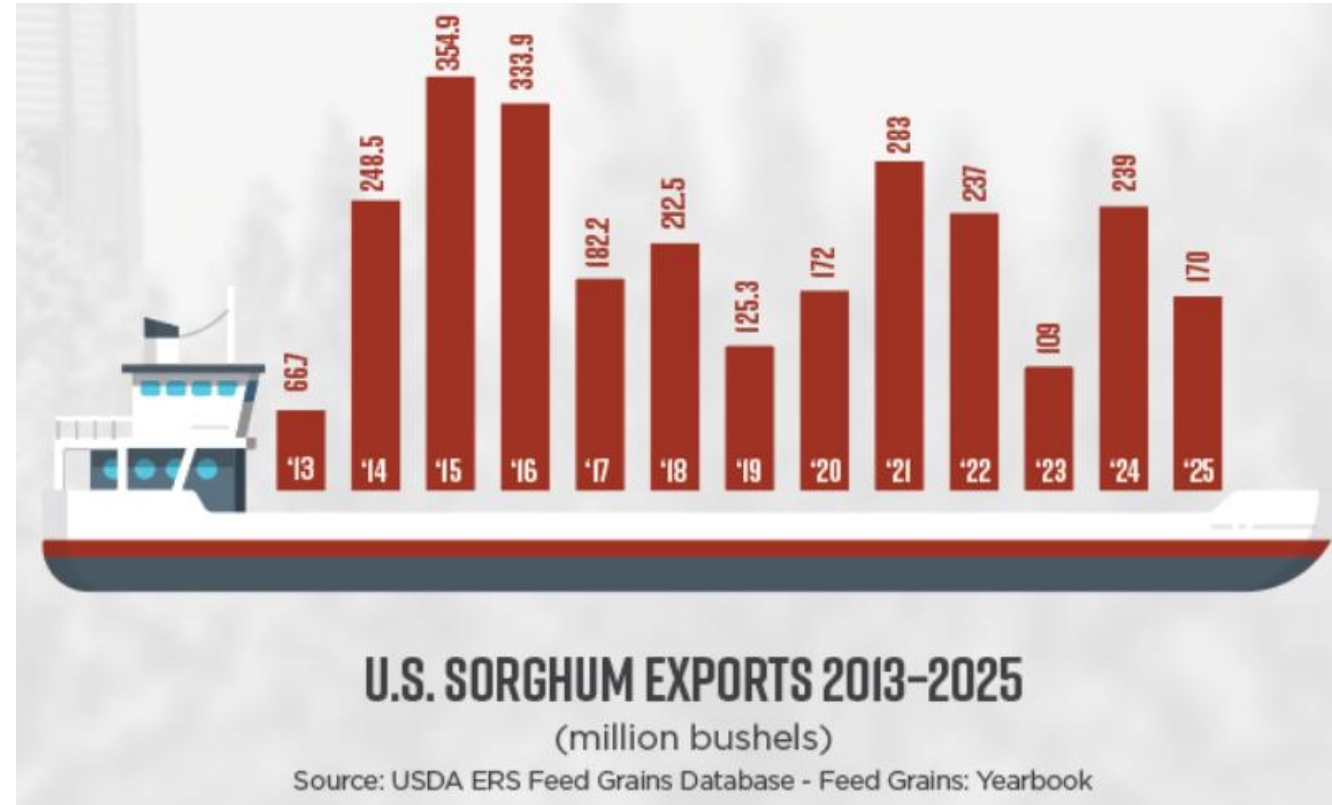
- Exports have been as high as 90% of demand
- More balanced today
- Ideal would be 33% exports, 33% feed and 33% ethanol

Sorghum Use



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





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Creando Mañana, LLC

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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

HISTORY

The United Sorghum Checkoff Program (USCP) was established under the Commodity Promotion, Research and Information Act of 1996 to promote and inform about sorghum, benefiting U.S. producers and consumers. The Agricultural Marketing Service published the final Sorghum Promotion, Research and Information Order on May 6, 2008, which became effective the following day. Assessments began on July 1, 2008.

Sorghum producers pay an assessment: 0.6% of the net value for grain sorghum and 0.35% for sorghum forage, haylage, and billets. First purchasers collect and remit these fees, and imports are also assessed.

The Sorghum Promotion, Research and Information Board, also known as the Sorghum Checkoff board, comprises 13 sorghum producers: five from the largest production state, three from the second largest, one from the third largest, and four at-large national positions.

USCP and state organizations use producer funds under USDA guidelines and oversight, undergoing audits to ensure compliance with the Act, Order, and USDA requirements. They partner with public, private, and governmental organizations to maximize effectiveness, aiming to support U.S. sorghum producers.

Since its inception, the board has developed strategic plans to address industry needs and drive change. The latest plan was adopted in December 2018, and the board continues to adjust it to enhance producer value.

OUR VALUES

Our values shape and energize the efforts of USCP. The Sorghum Checkoff commits to ensure that:

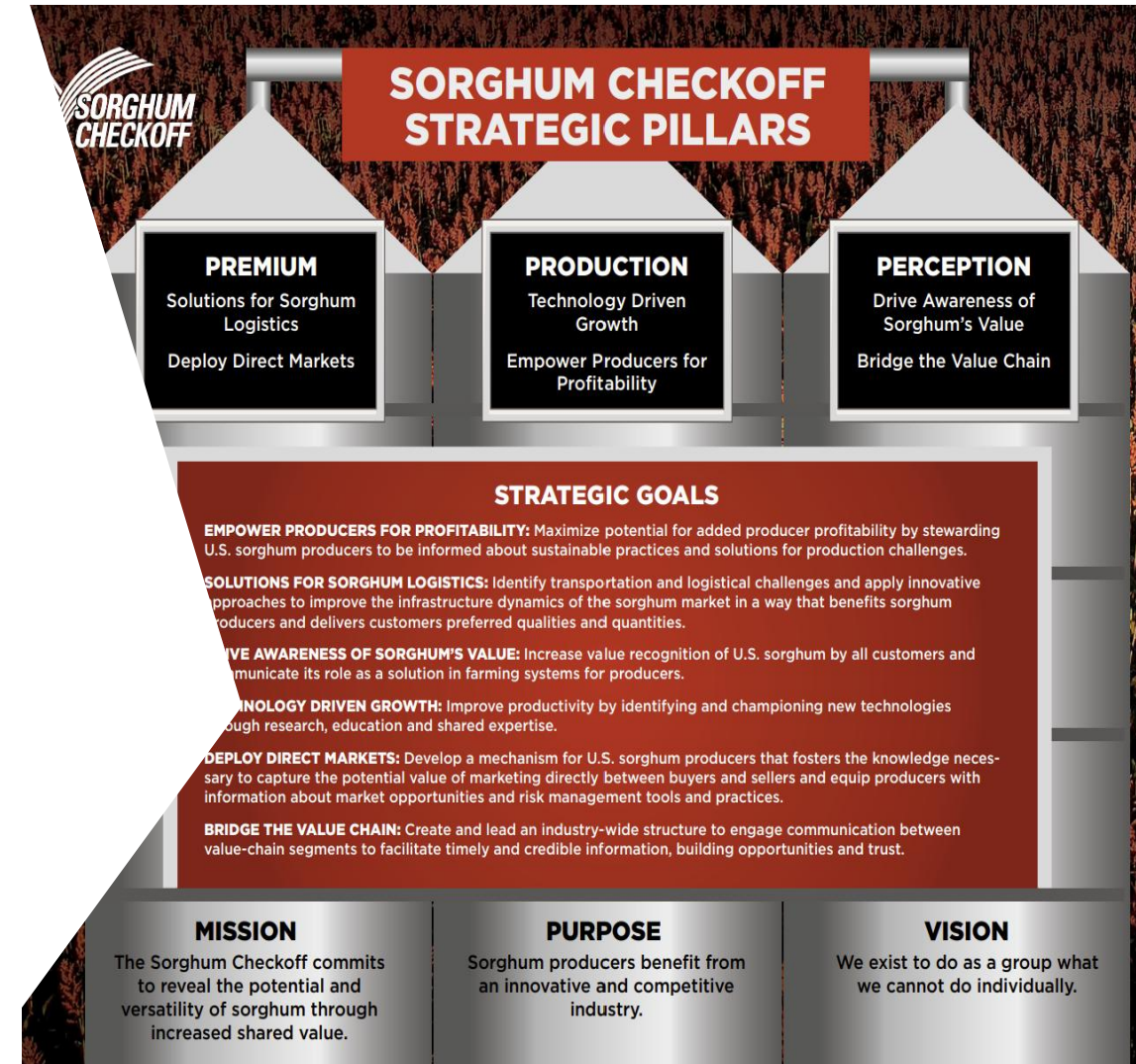
-  Return on investment for sorghum producers is our primary consideration.
-  We commit to effectively leverage producer dollars to enhance opportunity for producer profitability by advancing demand for sorghum through research, promotion and information.
-  We will provide leadership and vision for the sorghum industry.
-  We will be transparent so our integrity is clear and recognized.
-  We strive to be the foremost resource of relevant and meaningful information about sorghum.
-  We aspire to be a catalyst for positive change that develops a dynamic sorghum industry that benefits producers.



United Sorghum Checkoff Program

➤ Strategic drivers

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



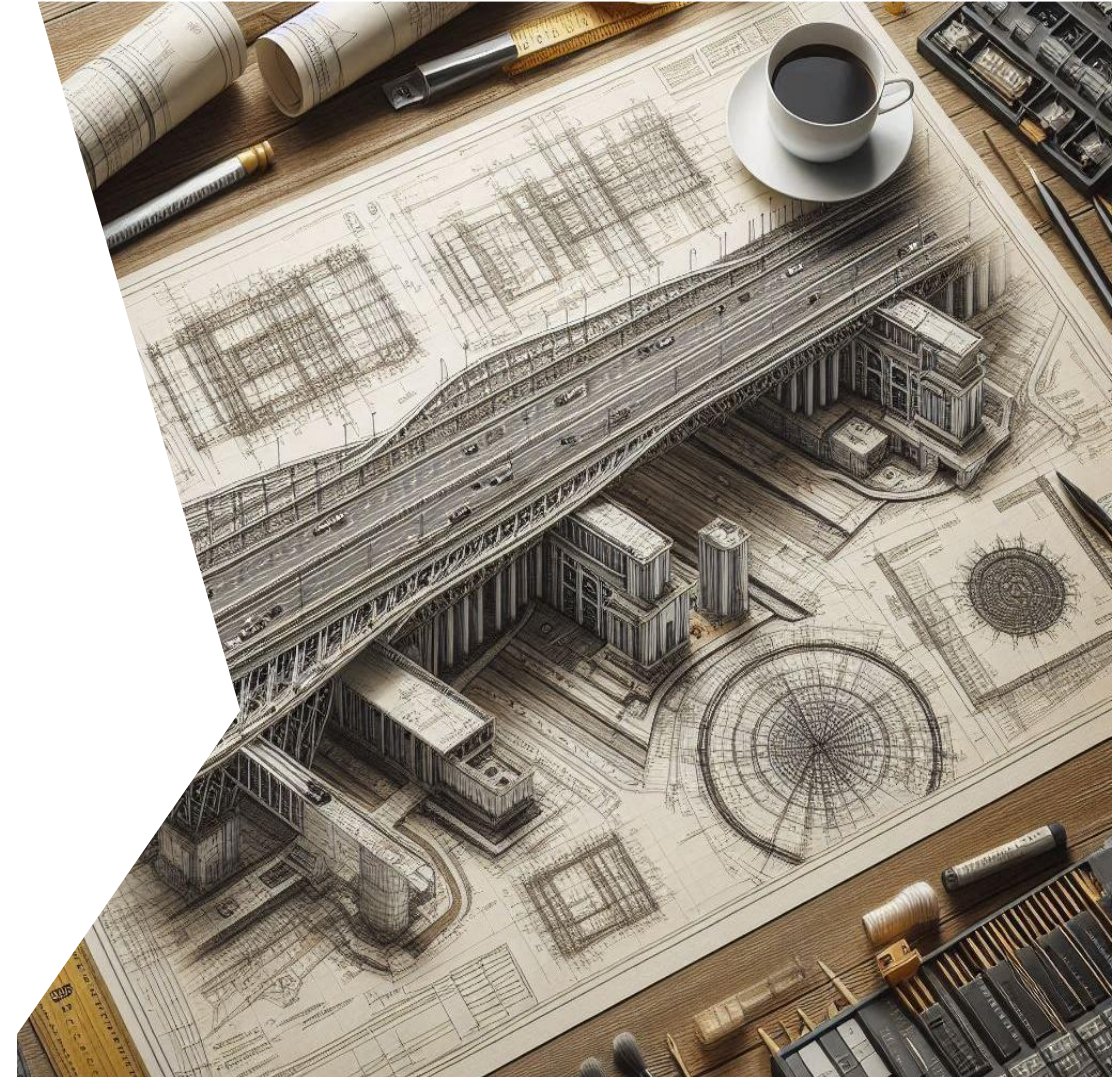
Measuring Success

- 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

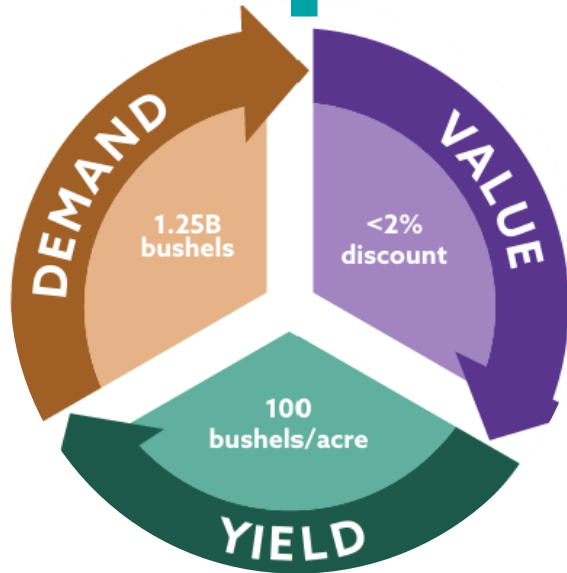
USCP The Source of Sorghum Information Worldwide

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

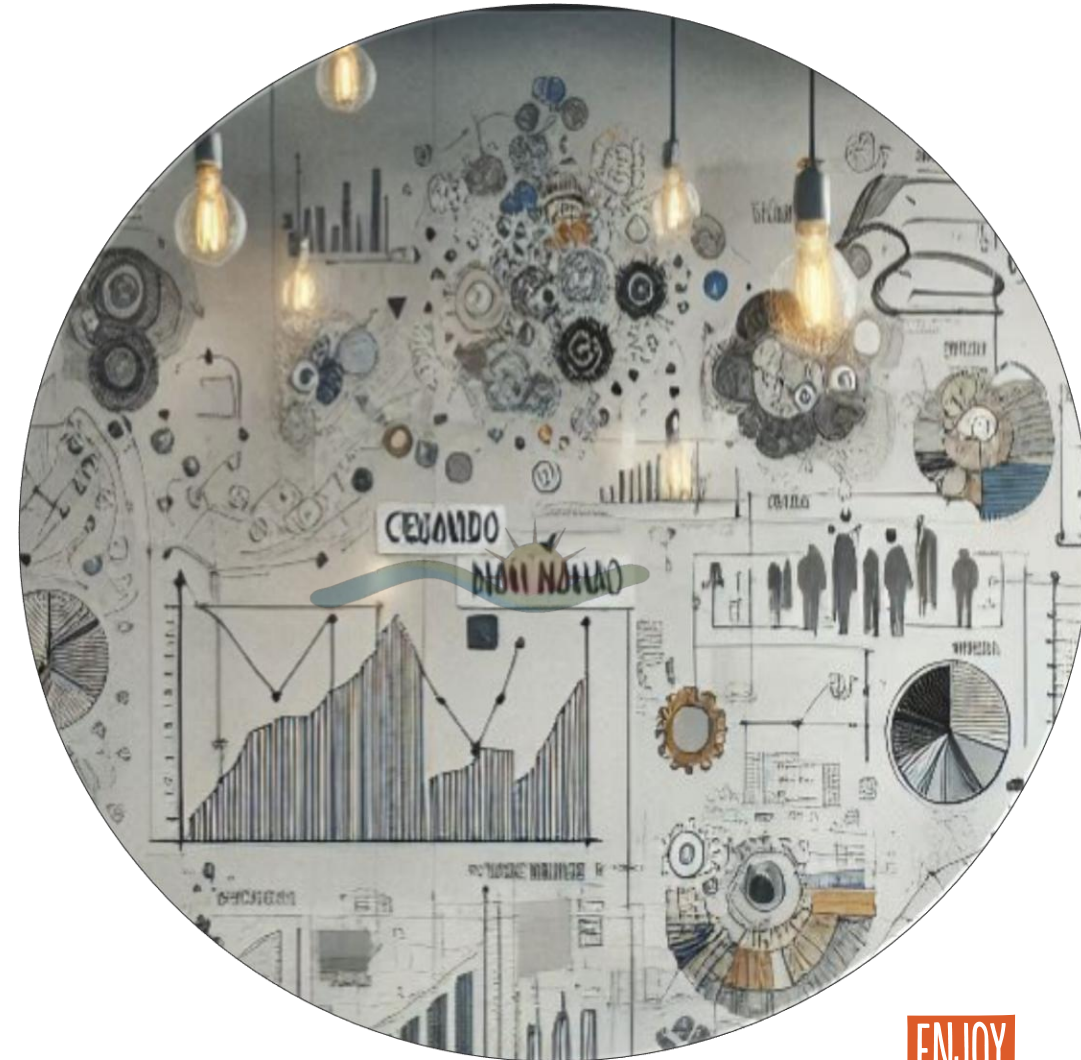


State Board Groups

Farmer Investment - \$2 Million
Leveraged Investment - ?

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.



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





Thank You,


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