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Manager of Trade Policy

# U.S. Grain Industry Perspective on MRLs



**U.S. GRAINS**  
COUNCIL

# Our Mission

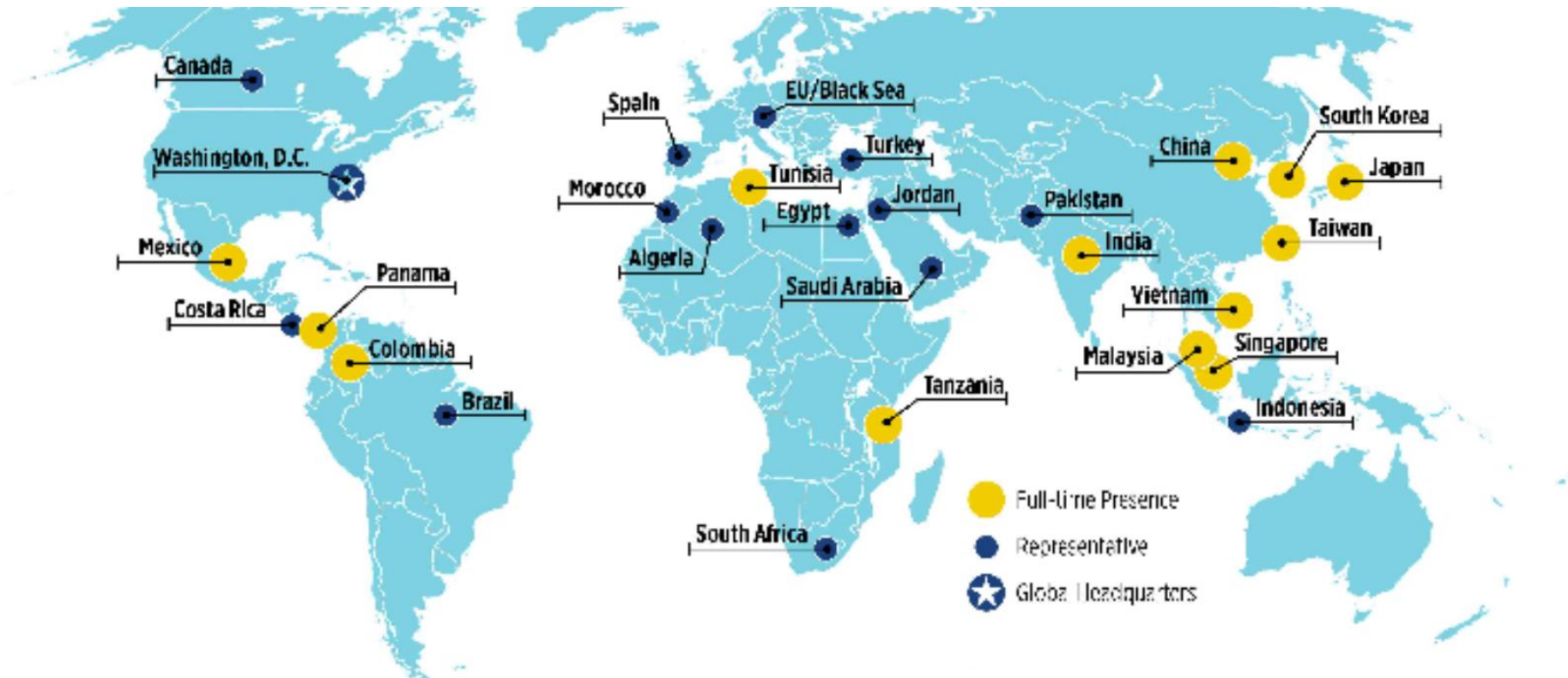


**Developing Markets**

**Enabling Trade**

**Improving Lives**

# Our Offices





**49%**



**1%**



**13%**



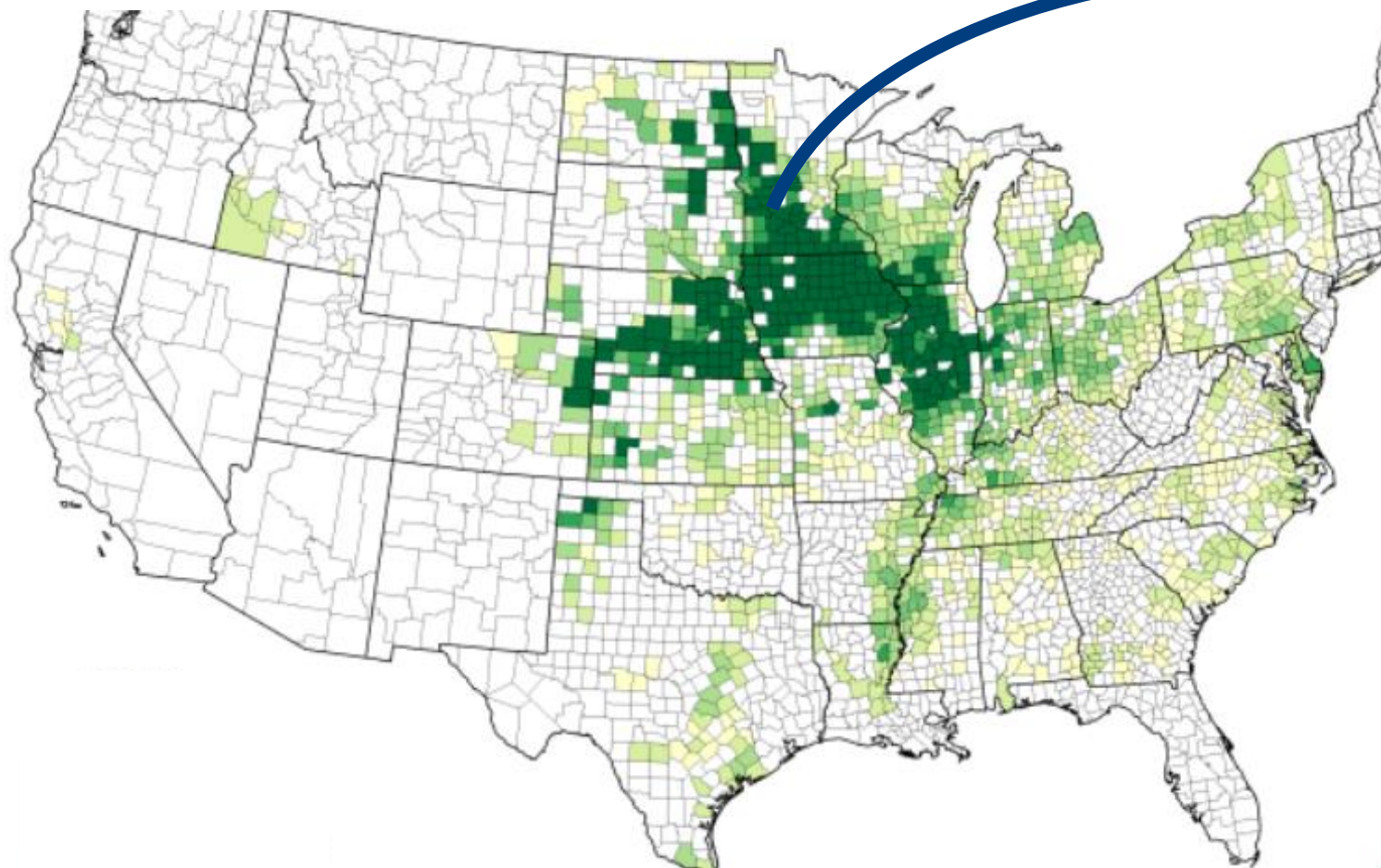
**11%**



**2%**

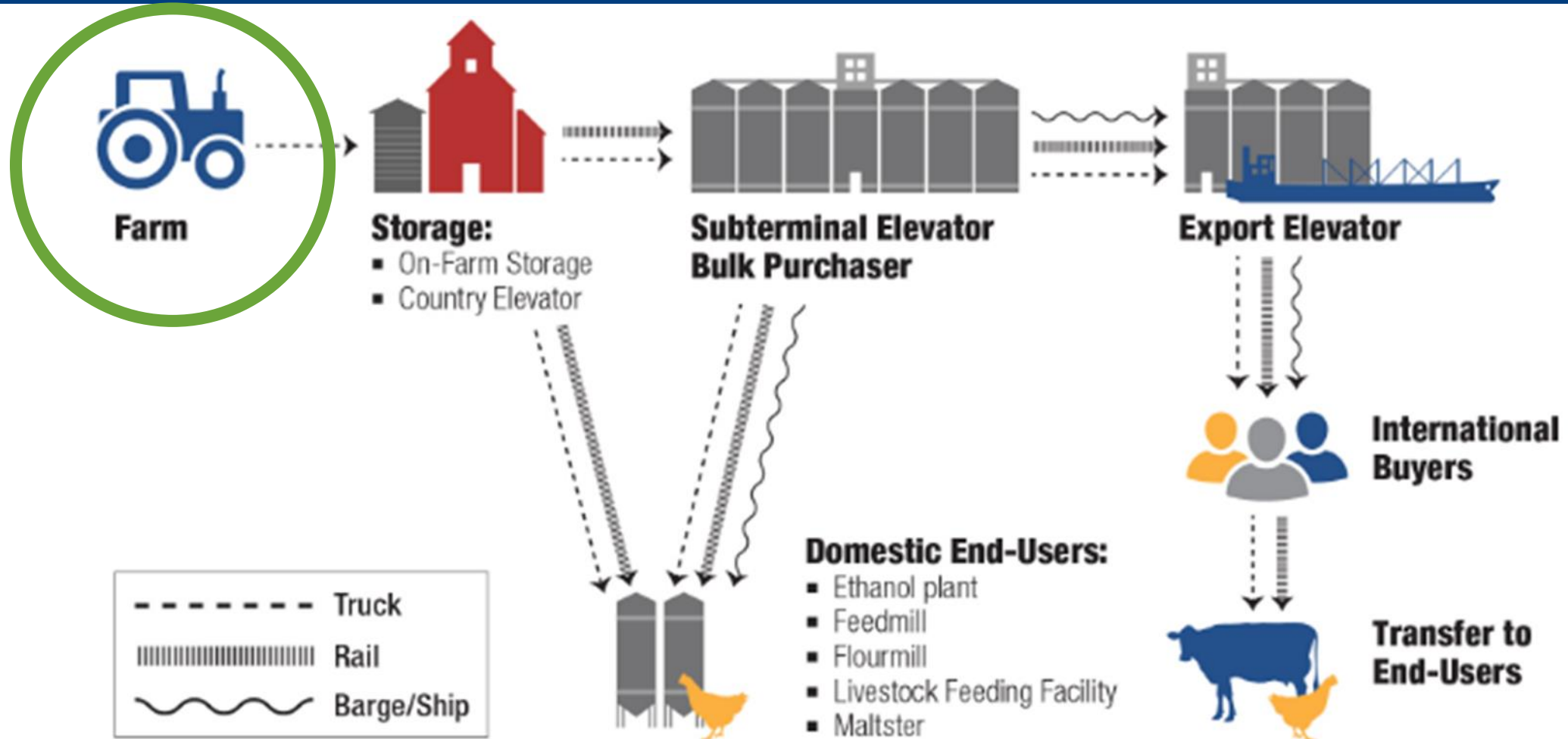
*Source: USDA Foreign Agricultural Service's Global Agriculture Trading System report for marketing year Sept. 1, 2018, to Aug. 31, 2019.*

**1 out of every 3 planted acres**





# How Grain Moves





# Planting





HOME / SUSTAINABILITY

# SUSTAINABILITY

## U.S. Grains Commitment to Sustainability

Virtually all farms in the United States are family operations, many of which have been passed down through multiple generations. U.S. farmers raise their families on the land they farm, making protecting soil health and water quality even more important. As a result, farmers continually seek out new processes and technologies to preserve these precious natural resources.

"Sustainable agriculture seeks to provide more profitable farm income, promote environmental stewardship, and enhance quality of life for farm families and communities."

USDA's National

According to the Fertilizer Institute, farmers grew 14.22 billion bushels of corn in 2014 using less than 1.6 pounds of nutrients (nitrogen, phosphorus and potassium) per bushel produced – a 114 percent increase in production since 1980 using only 4.5 percent more nutrients!

Increasing production while lowering inputs per production unit and preserving natural resources



# Farmers Need Access



- **Herbicides** – help stop more than 30,000 species of weeds
- **Insecticides** – help fight off more than 10,000 species of plant-eating insects and 3,000 species of rootworms
- **Fungicides** – help prevent the growth of more than 50,000 diseases that get inside of plants and kill or poison plant cells

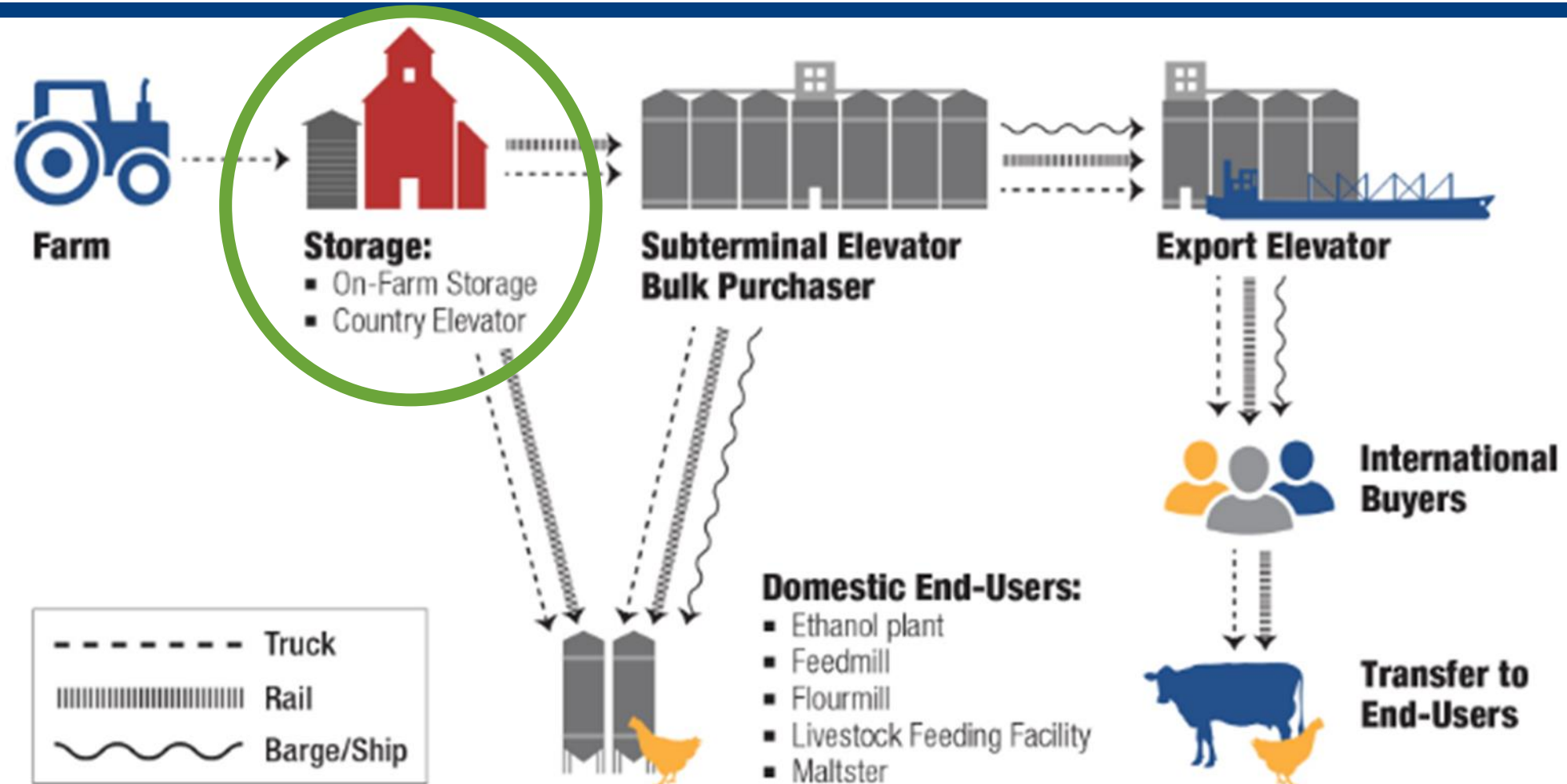
40%

Globally, farmers lose 30-40% of their crops to pests and diseases.

# Harvesting



# How Grain Moves





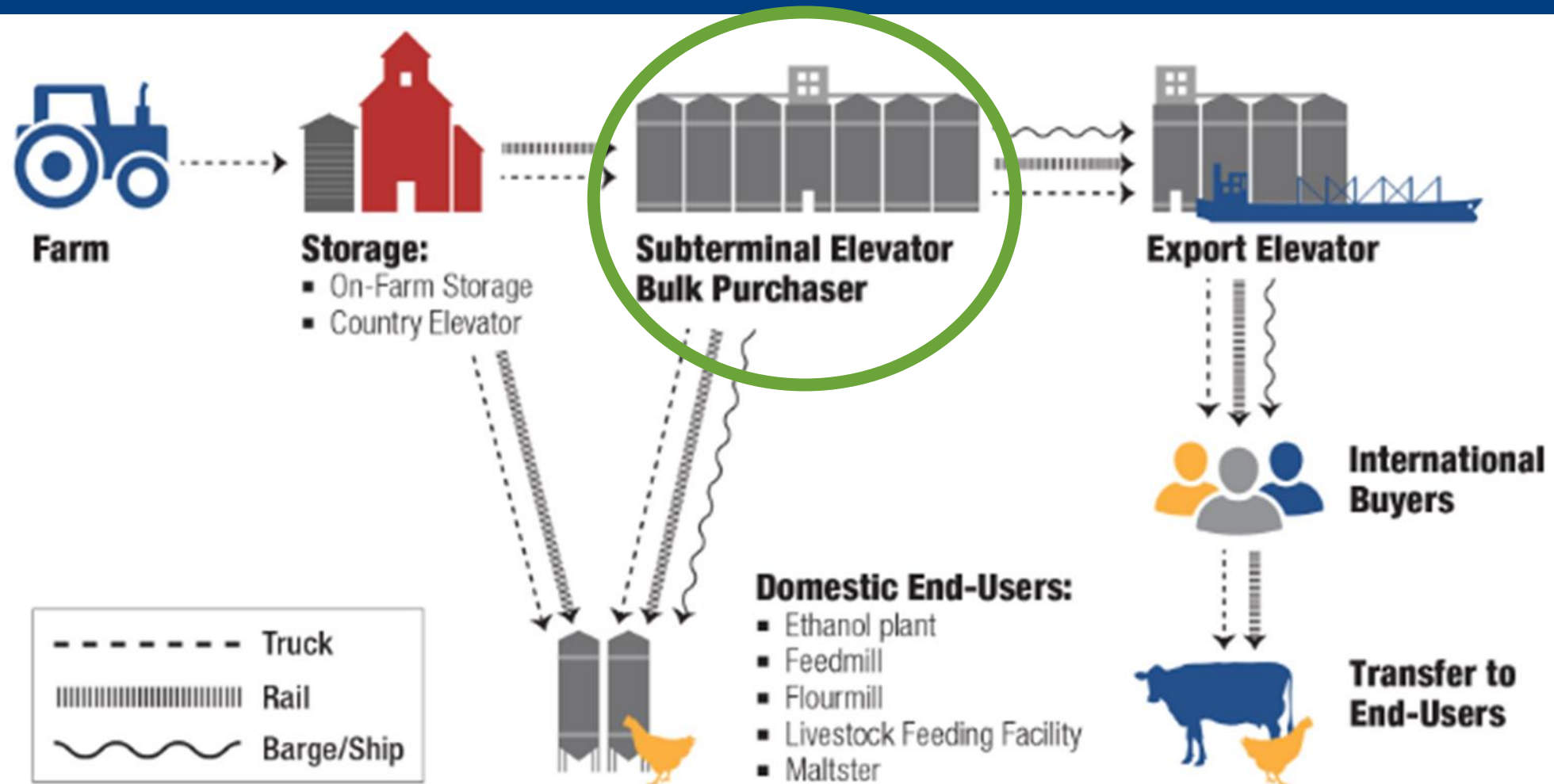
# On-Farm Storage



- On-Farm Storage: 200,000 bushels
  - 5,080.3 metric tons



# How Grain Moves







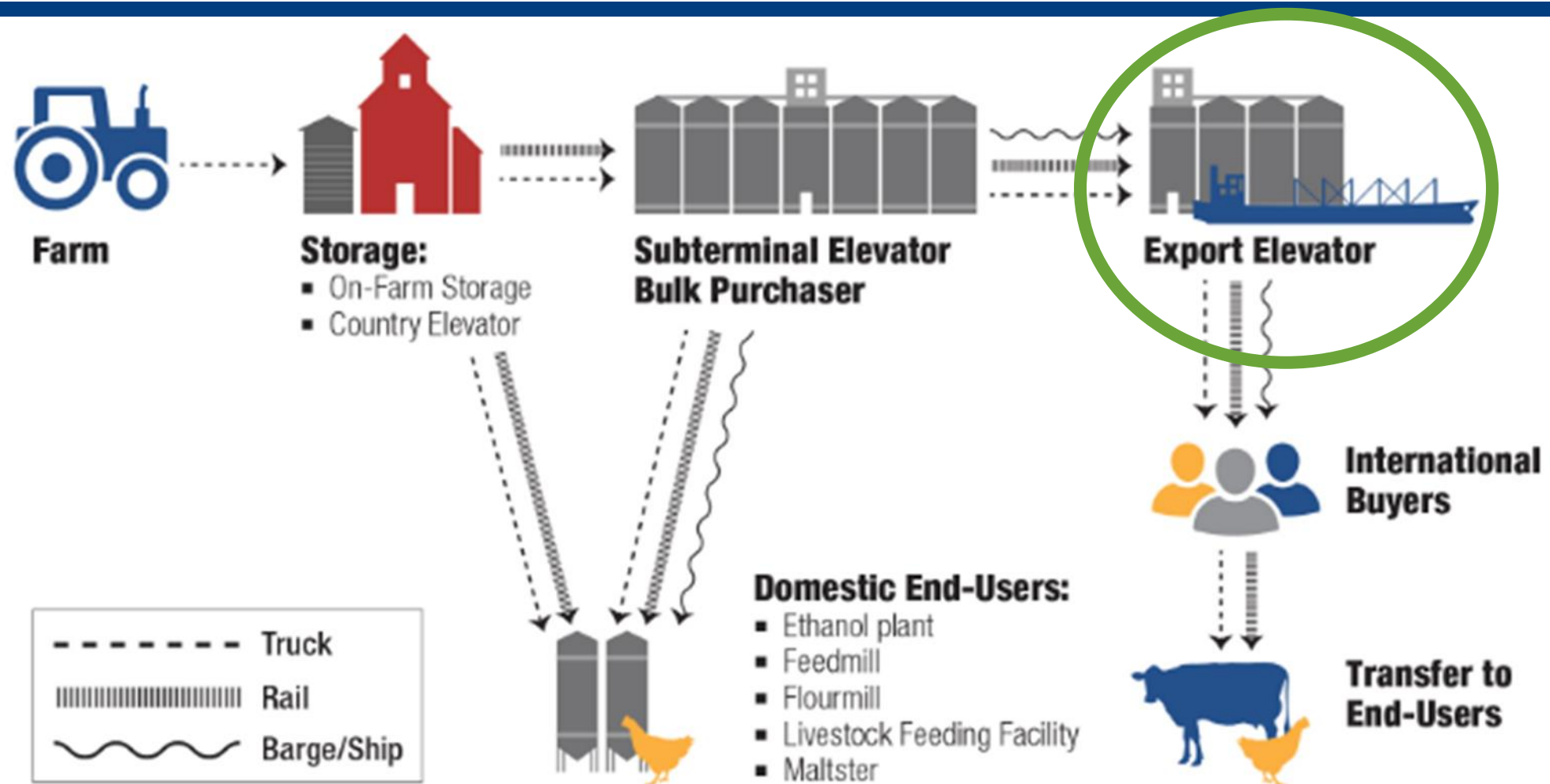
# Rail Car Loading





# River Barge Loading

# How Grain Moves







# Barge Unloading



# Loading at Export Facility



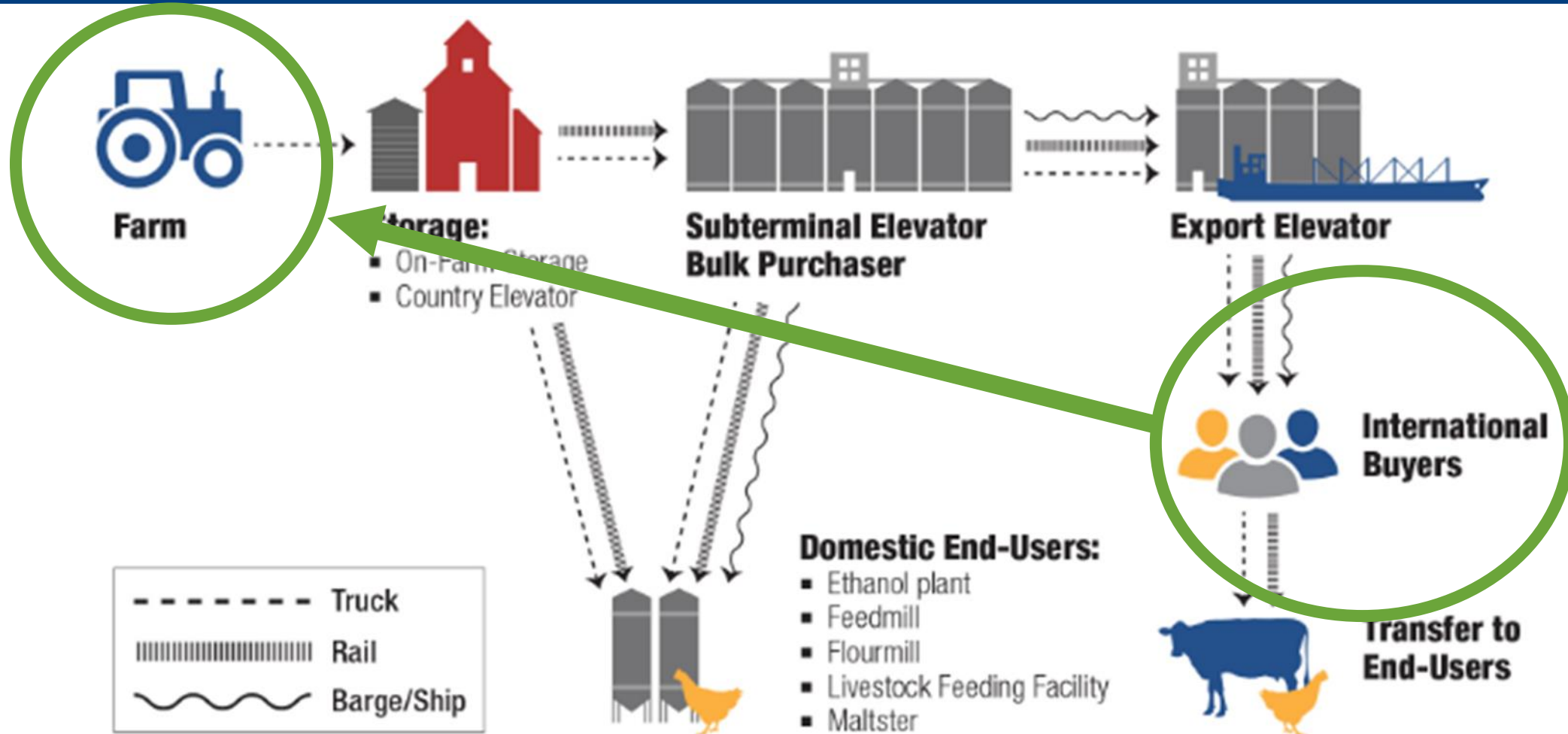


# Loading at Export Facility





# How Grain Moves



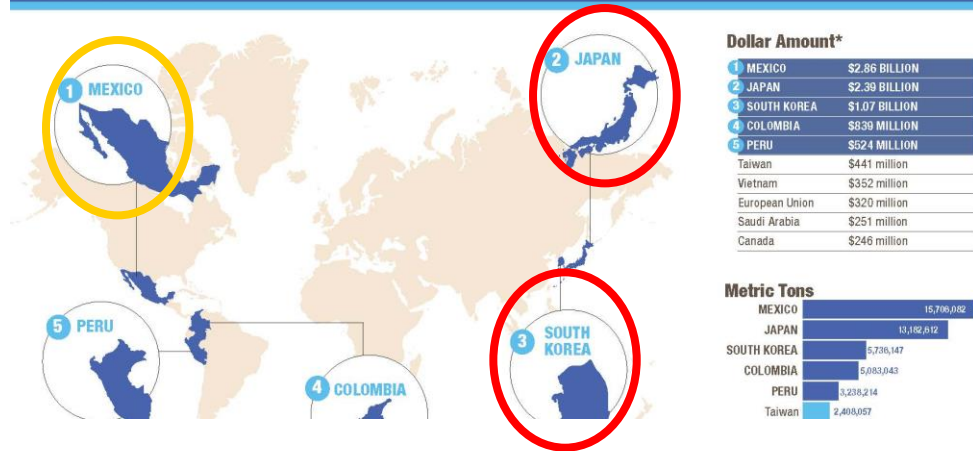
# How did we get here?





## WHERE IS U.S. CORN GOING?

Top U.S. Export Customers In Marketing Year 2017/2018



## WHERE IS U.S. BARLEY GOING?

Top U.S. Export Customers In Marketing Year 2017/2018



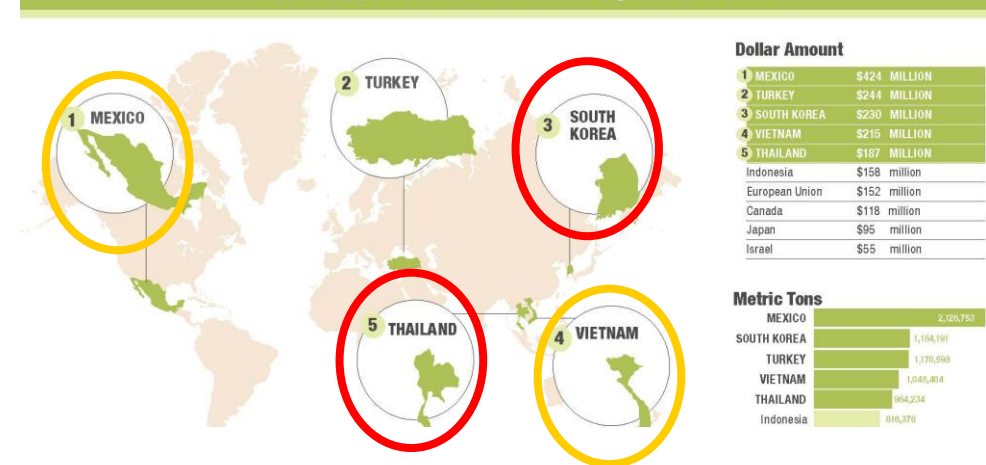
## WHERE IS U.S. SORGHUM GOING?

Top U.S. Export Customers In Marketing Year 2017/2018



## WHERE IS U.S. DDGS GOING?

Top U.S. Export Customers In Marketing Year 2017/2018



# Long-Term Demand Model

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- Non-parametric ranking model
  - Used in *Forbes*' best lists, e.g., Best Places to Retire, Best Places to Vacation, etc.
- Data from 2014-2018 for historical values and projections for 2027-2028
- Update includes risk-adjusted parameter for Total Import Growth to account for trade volatility
- Variables:
  - Total growth in meat consumption
  - Growth in the middle class
  - Growth in the urban population
  - U.S. market share
  - Grain self-sufficiency
  - Risk adjusted import growth
  - Recent U.S. exports
  - Policy and market access





# Top Ten Market Prospects

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- |              |                 |
|--------------|-----------------|
| 1. China     | 6. Colombia     |
| 2. Mexico    | 7. Turkey       |
| 3. Vietnam   | 8. Korea        |
| 4. CAFTA-DR  | 9. Peru         |
| 5. Indonesia | 10. Philippines |



**\$5,000 + \$5,000 + \$5,000**



**Export Elevator**





**= 2 YEARS**



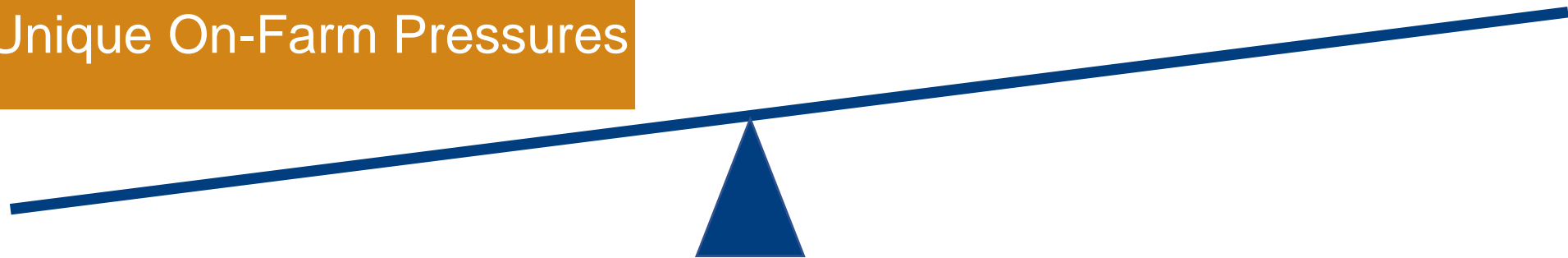


National Systems

Diverse Markets

Highly Complex System

Unique On-Farm Pressures





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