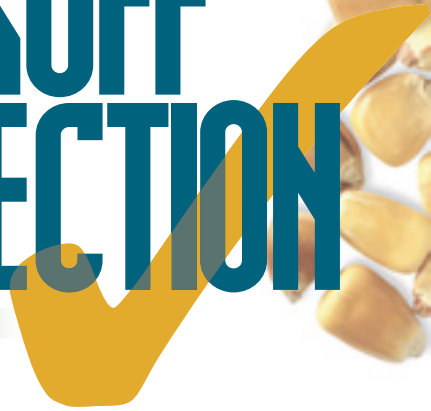




**IOWA
CORN
PROMOTION
B O A R D**

CHECKOFF CONNECTION



An open letter to Iowa corn growers



Fellow corn growers,

Iowa farmers this spring had more to battle than Mother Nature (a force in her own right), as they did what they do best – plant millions of acres of corn to feed and fuel the world.

Despite the record crop we delivered in 2007, U.S. food prices have risen and ethanol is being targeted. No matter where we turn, it seems like corn and ethanol are being blamed for everything from increased food prices at the grocery store to shortages at food banks and starvation in Africa.

The fact is ethanol is a very minor factor affecting food prices. The biggest factor is energy. The price of petroleum has doubled in only 14 months, drastically increasing the cost of transporting foods and other goods.¹ If we didn't have ethanol, gas prices here in Iowa would be an estimated 45 cents per gallon higher.

We will continue to produce more corn to meet food *and* fuel needs. We will also fight back against the accusations and false claims targeted at our industry.

I want you to know that the checkoff's major focus this year is to deliver facts and positive stories about the corn industry and corn's use in food and fuel. When one-sided articles or misinformation appear, we will continue to set the record straight.

This insert details some of our efforts, shares the message we are sending to media and consumers, and explains what you can do to help. We hope you will join us in spreading the **facts** about corn use for food and fuel.

Julius Schaaf
Iowa Corn Promotion Board Chair

Food and Fuel Special Report

What is the Iowa Corn Promotion Board doing?

The ICPB is working with other organizations, public officials and the media to get out the facts about corn for food and fuel. Here are some recent examples:

- The ICPB, Iowa Corn Growers Association and Iowa Renewable Fuels Association continue to answer questions, conduct interviews and organize press conferences to set the record straight.

In May, our staff and directors completed a dozen interviews in a matter of days and hosted both international and national TV crews. Since Sept. 1, we've handled more than 300 media calls and interviews.

- In January, we rolled out the "Kernels of Truth" campaign, which included a media day, press releases and promotional events at grocery stores. The goal is to educate consumers on the small impact of corn prices on the retail price of food.



- New radio advertising will air soon and set the story straight about corn and ethanol.
- We are coordinating with other state associations so that we deliver a consistent message that has more impact with consumers.
- We are conducting media outreach and supporting efforts by the National Corn Growers Association to reach national media like the *New York Times*, *Wall Street Journal*, *Washington Post* and *Los Angeles Times*. NCGA President Ron Litterer, from Greene, Iowa, is one of NCGA's key spokesmen on behalf of corn.
- We are working closely with Iowa Secretary of Agriculture Bill Northey and supplying key opinion leaders, such as Senator Grassley, Senator Harkin and Governor Culver, with accurate information they can use in their efforts.

"it's food and fuel"

Quotable Facts

"If you take away ethanol, you're going to drive up the cost of energy and food even more."

— U.S. Senator Grassley
May 9, 2008

"We need to stop scapegoating ethanol and be intellectually honest about the real causes behind the increased food prices."

"All of us are affected by high food prices, but it's important we understand the real causes – such as the run-up in energy and transportation costs in the past year."

— Governor Chet Culver
May 15, 2008

"Ethanol has come home a winner and is underpinning growth in Iowa's economy."

— ICPB Past Chair
Pam Johnson
Feb. 11 letter to the editor

"We're providing food and fuel and at the same time, we're reducing U.S. dependence on foreign oil ... Every Iowan has good reason to celebrate corn and all it's done for our state."

— ICPB Chair
Julius Schaaf
April 28 press statement

"We need to thank Iowa farmers for being true pioneers of energy independence and not blame them for problems that originate in other countries and other industries."

— Governor Chet Culver
May 15, 2008

1. *Des Moines Register*, Lou Honary, professor and director of the University of Northern Iowa's National Ag-Based Lubricants Center, May 12, 2008.

KERNELS OF TRUTH



Invite your friends to compare these numbers to the supermarket price hikes.

KERNEL OF TRUTH: There is only 13 cents of corn in a gallon of milk. World demand for milk has increased and has bumped up the price.



KERNEL OF TRUTH: There's 18 cents of corn in a 1/4-pound hamburger and 31 cents in an Iowa pork chop. Livestock in Iowa are still the No. 1 market for our corn.



KERNEL OF TRUTH: Soda contains just 3.5 cents of corn in a liter. High fructose corn syrup makes up only 7 percent of our total corn production, but it is used in small amounts in many cereals, snacks and drinks.



KERNEL OF TRUTH: 28 cents worth of corn can be found in each dozen eggs.



KERNEL OF TRUTH: 11 cents of corn can be found in your morning cereal. Most of our corn crop is used to feed livestock or ethanol plants. Only a small percent goes to the food sector for items like cereal.



KERNEL OF TRUTH: In 2007, ethanol production in Iowa reduced your pump prices by more than 45 cents per gallon. Not bad when you consider you are saving the environment, filling up the economy in Iowa and bringing our fuel dollars home.

In most food products, corn is present in quantities too small to have even a 1-cent effect on price.

We want you – and America's consumers – to know

- Corn is a food *and* fuel source.
- Iowa corn growers grew enough corn for food and fuel use in 2007 and plan to do so again this year. Adjusting for ethanol's feed coproducts, about 40 percent of Iowa's corn goes into livestock feed, 24 percent to ethanol, 12 percent to food uses and 24 percent leaves the state (most will be livestock feed).
- Less than 20 cents of every dollar Americans spend on food pays all the farm costs. There's less than a penny worth of corn in a serving of corn flakes, so it's not a big factor in the price of food you're putting on your plate.



Source: USDA's Economic Research Service.

- The most important factor contributing to higher food prices is the price of petroleum, which has more than doubled in 14 months – drastically increasing the cost of transporting and processing food and other goods. Other factors are labor costs, increased world demand for meat, poultry and dairy, and major crop failures such as Australia's drought.
- Corn's small effect on food prices is offset by ethanol's big effect on gas prices. When corn is \$4, the corn to produce a gallon of milk costs just 13 cents, while using ethanol in gasoline saves consumers about 45 cents per gallon.

What can you do?

Arm yourself with the facts. We encourage you to share the information on this sheet with:

- Friends and family in your community.
- Contacts that live out of state. Be sure they know the facts, too. Most people will believe someone who speaks with authority and who they know.
- Your local media. If you see or hear false information, set the record straight. You can send a letter to the editor or call in to radio talk shows. If you need help writing a letter or if a program is repeatedly sharing wrong information, e-mail us at corninfo@iowacorn.org or call 515-225-9242.

If you would like additional information, check out these studies:

- ISU CARD study: <http://www.card.iastate.edu/publications/synopsis.aspx?id=1076>
- Texas A&M study: www.afpc.tamu.edu/pubs/2/515/RR-08-01.pdf
- USDA Economic Research Service studies: <http://www.ers.usda.gov/AmberWaves/February08/Features/CornPrices.htm>
<http://www.ers.usda.gov/Publications/WRS0801/WRS0801.pdf>