New Iowa Law Allows for Votes to Increase Corn Checkoff

DAVID PITT, Associated Press

DES MOINES, Iowa (AP) — One of the dozens of new laws enacted this month would allow an increase in the amount of money collected from each bushel of Iowa corn sold to promote the grain.

To increase the Iowa corn checkoff under law, the Iowa Corn Promotion Board must request a vote of corn growers in a referendum run by the Iowa Department of Agriculture and Land Stewardship.

Currently, the checkoff generates around $15 million to $20 million annually, which goes toward researching additional uses for corn, market development, export expansion, education and promotion.

The checkoff was first approved in 1977 and initially collected one-tenth of a cent per bushel of corn sold. Farmers most recently voted in 2012 to authorize a rate of 1 cent per bushel — the maximum rate set in the original law. That led to the Iowa Legislature amending the law this session so the rate could be increased, though the CEO of the Iowa Corn Growers Association says there are no plans to ask for a referendum in the near future.

"It just enables us over time, should farmers want to, to go up again in whatever increments they choose," said Craig Floss, whose trade group has about 7,800 farmers.

The new law signed in March by Gov. Terry Branstad allows the checkoff to go up to 2 cents prior to Aug. 31, 2019, and up to 3 cents after that date.

The corn growers association lobbies on agricultural issues and works with the Iowa Corn Promotion Board to use the checkoff money for high-profile promotions, such as sponsoring an Indy Car race to promote ethanol.

The 2012 increase helped pay for additional advertising and educational outreach after a national debate developed over whether so much corn was being used for ethanol that it was causing food prices to climb. Many corn farmers thought information put out by ethanol opponents and others about corn was inaccurate and they wanted more promotion to defend the industry, Floss said.

The state's corn industry also has had to fight attempts to disparage high-fructose corn syrup, a sweetener made from corn that's used in soda and numerous food products, as a major contributor to obesity.

"We could have something else that hits us that we have not yet anticipated and

farmers might say we need to pool our resources together in a greater fashion," Floss said. "That's the primary purpose if having the authority to raise it."

Checkoff money also helps promote, among other things, meat products — including pork and beef —because the livestock industry is the largest customer of corn, purchasing corn and corn byproducts for feed.

The checkoff law also creates a task force, to be led by Iowa Secretary of Agriculture Bill Northey, to assess farmer involvement in checkoff elections and find ways to improve participation.

"It really is about making sure if there are checkoff votes in the future that those votes are representative of the viewpoints of growers that it's not just a small group that votes on it and instead it's a large group and certainly they are representative of what the growers want to happen," Northey said.

A farmer with 300 acres of corn who harvests an average of 170 bushels an acre would have 51,000 bushels of corn to sell. If he sold it all, he'd pay $510 toward the checkoff.

Corn producers have the option of seeking a refund within 60 days of a grain sale if they disagree with how dollars are spent, Floss said. Typically, around 7 percent is refunded each year.

"We have to be really listening to what farmers want because if our farmer-elected board is not doing what their fellow farmers want them to do, there could be significant refunds in which case then we'd not have dollars to work with," Floss said.

The Northey-led task force is to file a report on its findings by Sept. 1 and disband.

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