



United States  
Department of  
Agriculture

Agricultural  
Marketing  
Service

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## **Sorghum Promotion, Research, and Information Program**

### **BACKGROUND**

- The Sorghum Promotion, Research, and Information Program, commonly known as the Sorghum Checkoff Program, was established under the Commodity Promotion, Research, and Information Act of 1996 (Act).
- The Act authorizes generic promotion, research, and information orders aimed at advancing the demand for agricultural commodities to benefit U.S. producers and consumers.
- On May 6, 2008, AMS published a final Sorghum Promotion, Research, and Information Order after public notice and comment. The Order became effective on May 7, 2008. The collection of assessments is scheduled to begin on July 1, 2008.

### **MAJOR PROVISIONS**

- The Program will be funded by an assessment of 0.6 percent of the net market value of grain sorghum and 0.35 percent of the net market value of sorghum forage, silage, hay, haylage, and billets. All producers marketing sorghum must pay the assessment. Imports of such products would also be assessed, although imports are very limited at this time. Since the Board will not be established when assessments begin, the Secretary of Agriculture is authorized, under the Act, to collect assessments in the absence of the Board through a collecting agent at a financial institution.
- The Program is designed to increase the profitability of U.S. sorghum producers, advance sorghum into the ethanol market, and develop foreign markets for sorghum.
- Based on current grain sorghum prices and production, the Department of Agriculture (USDA) anticipates that the program will generate approximately \$12-\$16 million annually.
- First purchasers of grain sorghum will collect and remit assessments.

### **ORGANIZATIONAL STRUCTURE**

- The National Sorghum Promotion, Research, and Information Board (Board) will be comprised of 13 sorghum producers. Membership will include five seats for the largest production State, three seats for the second largest production State, and one seat for the third largest production State. The Board will also consist of four at-large/National positions.
- Six State-level Checkoff programs currently exist for sorghum. The Order provides that between 15 and 25 percent of the total assessments collected annually be returned to qualified State programs for promotion and research activities. These qualified State programs will be certified by the Secretary of Agriculture. This has been a useful mechanism in other established programs to build support.

## REFERENDUM

- The Order provides for a delayed referendum consistent with the provisions of the Act. The Act requires that the referendum be conducted within 3 years after assessments begin which will be July 1, 2011.

## REFUNDS

- Producers may request a refund up to the date of the announcement of the results of the referendum. In the case that the referendum is unsuccessful, producers would be entitled to request and receive a full refund of or prorate share of assessments paid prior to the announcement of the results of the referendum. If the referendum is approved, producers would not be entitled to receive the requested refund. Procedures for obtaining a refund are included in the Order.

## PRODUCTION

- According to USDA data, the top five grain sorghum producing States account for 88 percent of total U.S. production.
- Total U.S. production of grain sorghum in 2007 was 504,993,000 bushels.

### **U.S. GRAIN SORGHUM PRODUCTION 2003-2007**

	2003	2004	2005	2006	2007	*Olympic Average
Kansas	130500	220400	195000	145000	212000	184000
Texas	153900	127100	111000	62400	161700	130667
Nebraska	31000	32370	21750	19200	23520	25423
Missouri	16170	15660	9880	8075	10080	11873
Oklahoma	9250	14400	11520	6800	12760	11177
						363140

\*High and low years removed

Data source: National Agricultural Statistics Services

## CURRENT TIMELINE

November 23, 2007	Proposed Order published in <i>Federal Register</i>
January 22, 2008	Proposed Order Comment Period Closed
March 1, 2008	Final Rule to OGC
April 10, 2008	Final Rule cleared by OGC
April 15, 2008	Began USDA Clearance of Final Rule
May 6, 2008	Publish Final Rule in <i>Federal Register</i>
May 12, 2008	1 <sup>st</sup> outreach letter to Grain Elevators
June 2, 2008	Publish Notice in <i>Federal Register</i> Seeking Certified Organizations
June 2, 2008	2 <sup>nd</sup> letter to Grain elevator first handlers
July 1, 2008	Assessments Begin
July 2, 2008	Applications for Certification of Organizations Due
July 9, 2008	Notify Organizations of Certification and Request Nominations
August 11, 2008	Nominations Due
August 21, 2008	Submit Nominations to Secretary
October 1, 2008	Secretary Appoints Board
November 2008	First Board Meeting, Washington, DC
July 1, 2011	Conduct referendum (3 years from start of assessments)

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