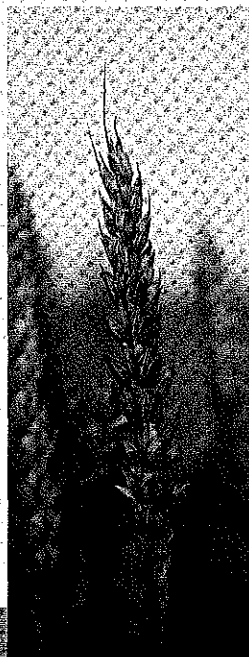
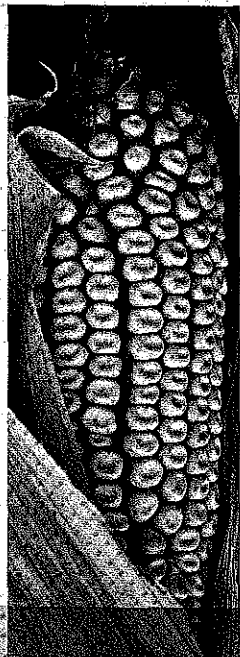


2008 Annual Report

NORTH AMERICAN MILLERS' ASSOCIATION



## MISSION STATEMENT

NAMA enables its members to grow and prosper by providing leadership through education, information and advocacy to members, policy makers, customers and suppliers in the areas of regulation and legislation, trade, supply and consumption.

## CHAIRMAN'S MESSAGE TO MEMBERS

This year marks the 10th anniversary of the North American Millers' Association. Ten years ago, in Santa Barbara, California, the members of the Millers' National Federation, American Corn Millers' Federation, and Protein Grain Products International came together to merge the three trade associations. A year later the American Oat Association merged with NAMA.

While ten years is a short time in the life of an organization, when you look at the years brought to the table by the merging associations, it's quite impressive. MNF brought 100 years of unity to the table. ACMF, 80 years. PGPI, 24 years and AOA 10 years. Adding the most recent 10 years as a combined organization, we continue to build on an impressive tradition of singleness of purpose.

This past year also has been marked by unprecedented high grain prices. Just as the Chinese symbol for crisis is often said to be a combination of the signs for danger and opportunity, our industry and your association have met the challenge of these high prices with courage and skill. While there are numerous and debatable causes for these prices, the industry has seen it as an opportunity to remind governments and others of the need for free and unrestricted markets. We also are united in the paramount importance of an optimum quality of the grains we process and continue to tirelessly promote the integrity of our products. These are just a few of the goals formulated ten years ago when NAMA was founded and they continue to be the focus of our efforts today.

Every year we take a look at our objectives and reflect on their relevance to today and the next few years. I'm gratified to note that the goals we laid out a decade ago have remained relevant and I expect they will continue to be for several years into the future. Your ongoing support and commitment to our organization is a vital component of our efforts.

Rick L. Schwein  
*NAMA Chairman*  
*Grain Millers, Inc.*

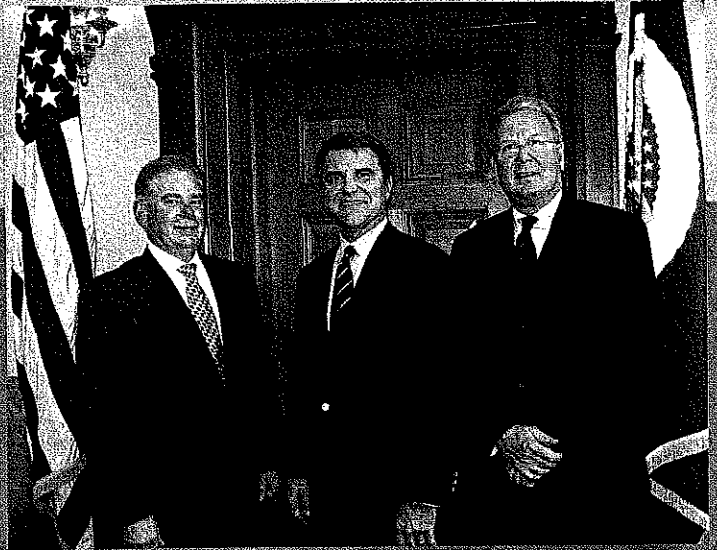


# WHO WE ARE

NAMA is the trade association representing 49 companies that operate 176 wheat, oat, corn, and rye mills in 38 states and Canada. Their collective production capacity exceeds 160 million pounds of product each day, more than 95 percent of the total industry production.

The Leadership Meeting is an opportunity for NAMA leadership to advocate on NAMA issues with administration officials, Congressional staff, and Washington contacts. Twenty members of NAMA's Board of Directors or their designee participated in this year's meeting.

**NAMA members mill in excess of one billion bushels of grain every year. 49% of the foods Americans eat every day contain a milled grain.**



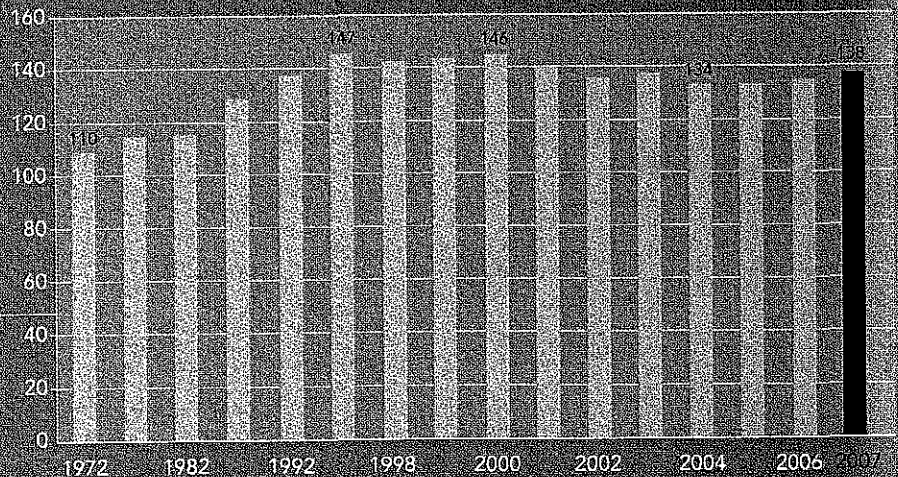
Pictured left to right: NAMA chairman Rick Schwein, Grain Millers, Inc.; Deputy Secretary of Agriculture Chuck Conner; and NAMA vice chairman John Miller, Miller Milling Company.



NAMA's elected leadership meets with Deputy Secretary of Agriculture Chuck Conner during the Leadership Meeting.

## U.S. Per Capita Wheat Flour Consumption

After eight years of declining consumption, wheat flour production showed its first increase in 2006 and continued in 2007. (The data generated is by the U.S. Census Bureau through funding from NAMA.)



## GOAL: Increase utilization & consumption of grain-based foods

*For the milling industry, sale of product is the business objective.*

To leverage the funding necessary for a successful promotional campaign; NAMA is a member of the Grain Foods Foundation, Home Baking Association and the Wheat Foods Council. These organizations educate the public, nutritional community, and educators on the beneficial role grain-based foods play in the human diet. Through financial support as well as participation on their Boards and committees, NAMA promotes wheat, corn and oat based products.

Over the past ten years, the campaigns created by these organizations have focused on print and broadcast media. Future campaigns will make even more use of cyberspace and the Internet to reach consumers and educators.

This past year NAMA also worked in coalition with baker and wheat grower organizations on the Farm Bill. The result of that work is a new pilot program providing \$4 million in fiscal year 2009 to purchase and promote whole grain products for school lunch and breakfast programs.



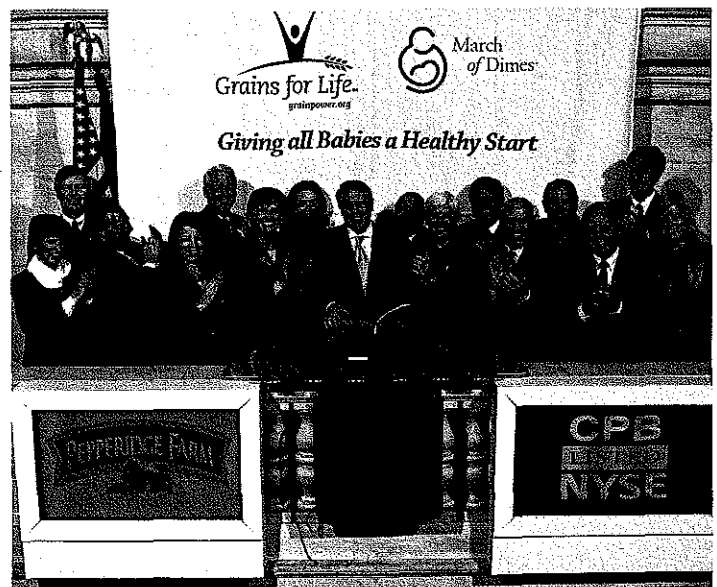
The collage consists of three distinct images. At the top right is the cover of the 'Food for Thought' cookbook, featuring a child and the text 'AN EDUCATIONAL COOKBOOK FROM PARENTS TO CHILDREN'. Below it on the left is a black and white photograph of a baby eating, with the March of Dimes logo and the text 'Folic Acid. It's essential for healthy babies.' and 'The folate in enriched whole breads may help prevent some birth defects even before you're pregnant. Learn more at grainpower.org or marchofdimes.com'. To the right of the baby is a poster titled 'A Kernel of Health' which discusses a study on the bioavailability of carotenoids in corn, mentioning researchers from Purdue University and the NCGA logo.

*Top:* The Wheat Foods Council celebrated its 35th anniversary with a cookbook, "Food for Thought from Parents to Children", containing 35 recipes. The recipes, created by celebrity Chef Gale Gand and 30 parents from across the country, illustrate the versatility of grain-based foods and provide nutritional tips along the way.

*Top left:* This Public Service Announcement was distributed by the Grain Foods Foundation. It appeared in the Fitness, Health and InStyle magazines.

*Right:* NAMA commissioned research at Purdue University on corn that identified the bioavailability of carotenoids in corn as a health benefit to consumers.

*Right:* Representatives from NAMA, American Bakers Association, the Grain Foods Foundation and the March of Dimes rang the closing bell on the New York Stock Exchange on January 10 to launch the "Ten Years of Saving Babies" campaign. The campaign celebrates and recognizes the ten-year anniversary of folic acid fortification of enriched grain foods. Participating from NAMA were NAMA president Betsy Faga; NAMA chairman Rick Schwein, Grain Millers, Inc.; NAMA director and co-chair of the Foundation Charlie Stout, Pendleton Flour Mills, LLC; and NAMA Executive Committee member, Paul Maass, ConAgra Mills.



## **GOAL: Support free trade & food aid**

*Throughout our history, NAMA has defended free trade and open markets. We believe international trade should be regulated on a limited basis and that foreign imports should not be restricted. We also advocate for international humanitarian feeding programs.*

- **ACCESS TO WORLD GRAIN SUPPLIES**—In recent years, we successfully defended millers' rights to access grain from all sources. For certain food grains such as durum wheat for pasta and oats, the U.S. crop is too small to meet consumer demands and must be supplemented with imports. While our preference is to buy U.S. grains, we support open borders to facilitate the movement of grain and milled grain products. As more and more U.S. farmland is used to meet government mandates for biofuels, the importance of open borders will grow.

NAMA is an active participant in the World Trade Organization, defending food aid in the form of food and fighting to eliminate export subsidies. Food aid is a humanitarian effort that has far reaching effects, including national security. But we need to do more.

- **ADEQUATE, CONSISTENT FUNDING OF DEVELOPMENTAL FOOD AID PROGRAMS**—In the 2008 Farm Bill debate, NAMA supported the funding of food aid programs with development objectives that would provide additional world food security and attempt to prevent future emergency food aid needs. The effort was successful and development food aid has a measure of protection from supply chain disruptions due to emergency needs.

- **IN-KIND FOOD AID (FOOD, NOT CASH)**—NAMA successfully opposed an effort to divert PL 480 Title II food aid resources to fund Local and Regional Purchases (LRP) of food in developing countries. The high profile campaign for LRP ended with a provision for a pilot/study of such purchases over the next several years. NAMA will actively encourage that study take into account all the costs and possible unintended consequences of such foreign funded food demand on fragile markets.

- **CHANGES IN FOOD AID PROCUREMENT**—One of NAMA's priorities over the 50+ year history of food aid has been to make the program more efficient and effective. This year, changes we proposed in bag markings for NAMA products were accepted by the USDA. The changes will contribute to cutting the lead time for shipments and allow us to respond more quickly to humanitarian need.

USDA proposed changes in payment terms for food aid that we believe will increase costs and decrease the amount of food purchased by the programs. NAMA opposes those changes.

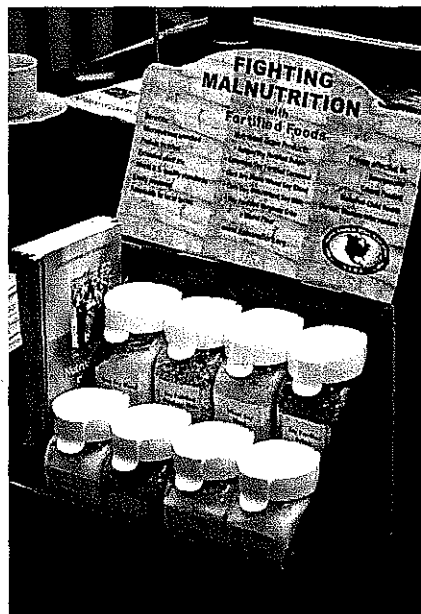
- **NUTRITION REVIEWS AND NEW PRODUCT DEVELOPMENT**—U.S. Government administrators of food aid programs are reevaluating nutritional goals and individual food aid product formulations to assure the best products are being purchased to meet program objectives. NAMA is working to assure that the outcomes of these evaluations are practical and cost effective.

We have also proposed a new high extraction "flat bread" flour that could provide a lower cost alternative to our food aid partners for distribution in countries where white flour is not culturally necessary or preferred.



Dr. Dehab Belay, HIV/AIDS program manager, Catholic Relief Services; Jane DeMarchi, NAMA director of government relations; Sister Benedicta, regional superior, Missions of Charity; and Rick Schwein, NAMA chairman during a visit to a Missions of Charity home for the sick, dying and destitute in Addis Ababa, Ethiopia. In this facility 700 in-patients and 1,700 outpatients are cared for monthly. Children orphaned by AIDS are cared for in an adjoining orphanage. Schwein said, "To view the work of Mother Teresa's order is a life changing experience."

In cooperation with the USDA Foreign Market Development Program, NAMA developed a display to highlight our food aid products. The display is being distributed to our charity partners with brochures that focus on the nutritional impact of our fortified grain foods.





## GOAL: Promote adequate supply of optimum quality grains

Millers want the best possible product for their customers. In their role in the middle of the food chain, millers need to ensure that their suppliers, the growers of grain, can provide them with quality grains in the quantity millers need to meet their customers' needs.

Demand for grain products is rising while wheat and oat production is declining. Sharp declines in the production of wheat and especially oats in the last few years have left millers concerned about their long-term ability to source adequate quantities of milling-quality grain.

NAMA has responded by advocating for:

- Farm programs that reduce government-caused distortions of production decisions
- The release of sustainable farm acres that are sitting idle in the Conservation Reserve Program
- Investment in research
- Advancements in biotechnology
- **FARM PROGRAMS**—The 2008 Farm Bill was a missed opportunity for Congress to reform market distorting farm programs that favor one crop over another. As long as the government provides market-distorting subsidies to those crops, farmers will not consider wheat and oats to be viable crop options.

- **CONSERVATION RESERVE PROGRAM**—Since 1986 the Conservation Reserve Program (CRP) has idled as much as 36.9 million acres that are concentrated in traditional wheat and oat growing regions. Much of the CRP land could be farmed without sacrificing environmental goals. While the program was not reformed in the new Farm Bill, a spike in food and fuel prices, combined with a public outcry, have given legislators new cause to consider the release of some of the CRP acres.

The U.S. desperately needs the acres to respond to multiple demands such as fighting hunger here and abroad, and responding to Congressional biofuels mandates. We believe landowners with CRP acres should be able to opt out of the program without penalty to pursue current market opportunities.

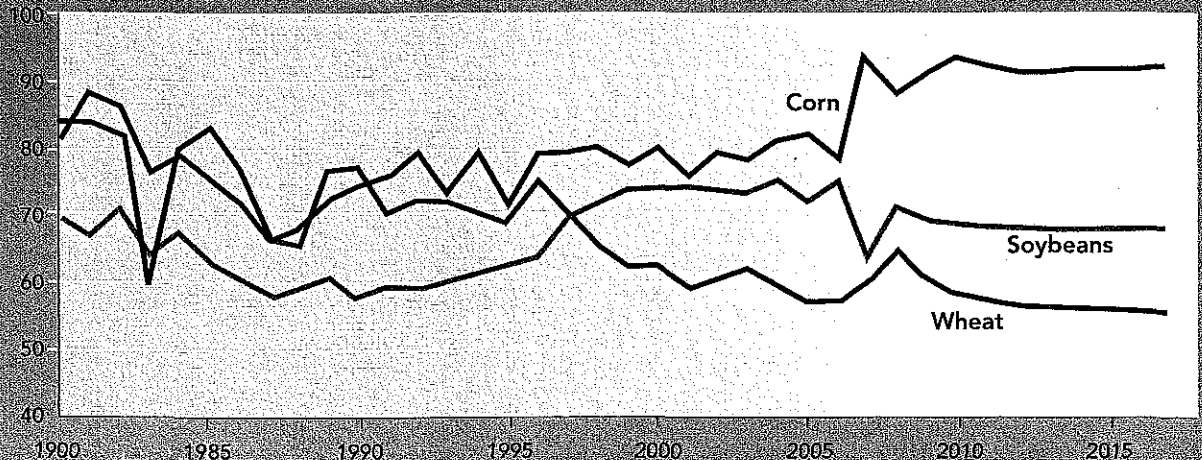
- **RESEARCH**—NAMA coordinates efforts to secure continued funding of oat research, directly funds wheat and oat disease research at multiple institutions, and sponsors graduate student scholarships.

Continued investment by the federal government and the milling industry in research programs is critical to keep the

### Wheat Losing Ground to Competing Crops

U.S. planted area: Corn, wheat, and soybeans

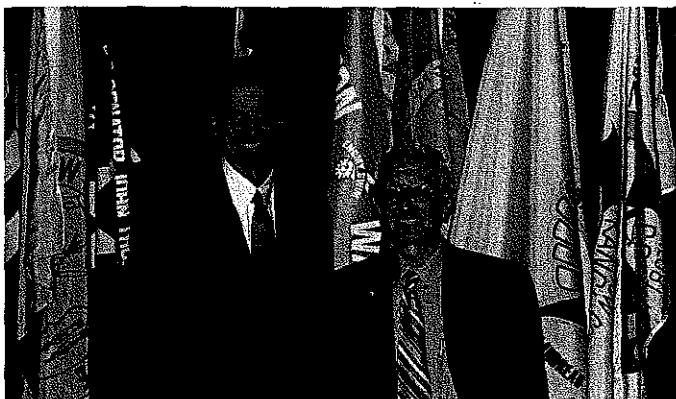
Million acres



Source: USDA Agricultural Projections to 2017, February 2008  
USDA, Economic Research Service

There has been rapid growth in adoption of genetically engineered soybean, corn, and cotton in the U.S.





U.S. at the forefront in the development and implementation of new technologies to improve grain productivity and quality.

- **BIOTECHNOLOGY**—Corn production is already benefiting from biotechnology. More needs to be done for wheat production. As a member of the Wheat Biotechnology Working Group NAMA is looking at the challenges of commercializing biotechnology traits in wheat. The group is considering such issues as achieving regulatory approvals in overseas markets, intellectual property protection, low level presence, consumer acceptance and preserving the consumers' ability to purchase non-biotech wheat.

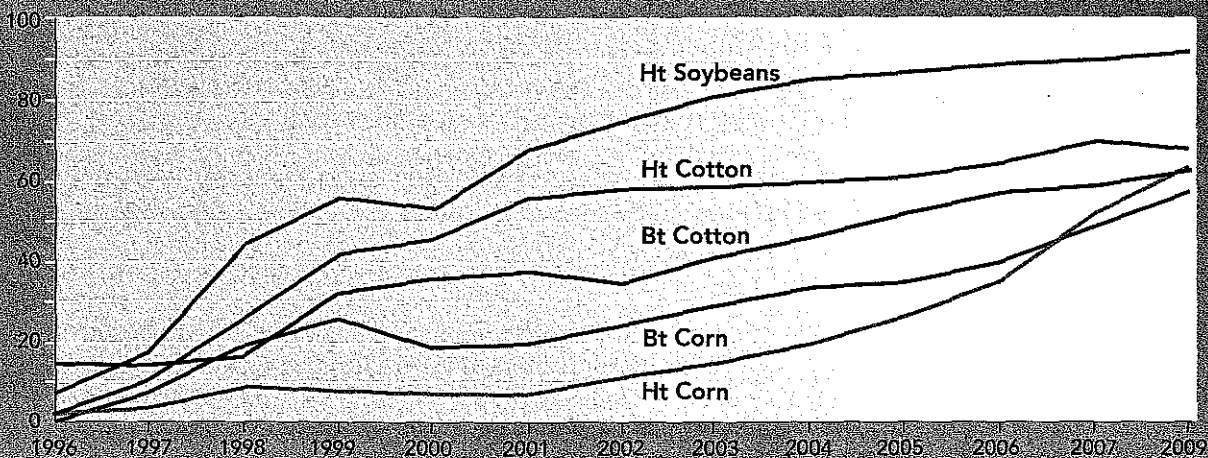


Top: Gordon Brockmueller, right, an oat grower near Freeman, South Dakota, pictured with Senator John Thune (R-SD). Brockmueller met with the Senator during NAMA's annual oat research lobbying effort.

Left: Millers, researchers and producers come to Washington every February to lobby for the federal funding of critical oat research projects. Pictured in front of the U.S. Capitol are Cullen Harder, Grain Millers, Inc.; Mac Ehrhardt, Albert Lea Seed House; Rick Schwein, Grain Millers, Inc.; and Steve Harrison, Louisiana State University.

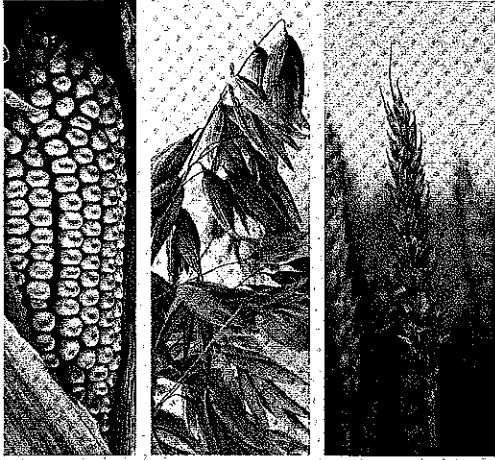
**Production of Biotech Crops Increased Rapidly in the U.S.**  
Rapid growth in adoption of genetically engineered crops continues in the U.S.

Percent of acres



Wheat is losing ground. Wheat plantings fell sharply in 2008 in response to high prices resulting from tight global supplies. Wheat acreage is back to about 56 million acres in the longer run due to competition from other crops.

Data for each crop category include varieties with both HT and Bt (stacked) traits.  
Source: 1996-1999 data are from Fernandez-Cornejo and McBride (2002). Data for 2000-08 are available in Tables 1-3.



**GOAL: Promote the integrity of industry products**

*NAMA members are proud of the professional standards followed by the industry to produce wholesome and nutritious milled grain products.*

- We recently conducted extensive studies to gather data on the microbiological profiles of milled grains and the stringent steps millers take to prevent them from entering the food supply.
- We led the industry coalition that pushed for the elimination of government-required testing for StarLink, a biotech corn variety. After 8 years and millions of analyses, we convinced the government that corn based foods are still as safe and wholesome as ever, and testing was no longer necessary.
- We have successfully defended the industry's access to safe, effective pesticides when necessary for sanitary mills and to keep insects out of stored grain.
- We have met with numerous Congressional offices urging them to use common sense approaches in food safety legislation.
- We have developed quality control tools for members to use with suppliers and customers.



Dr. David Acheson, Assistant Commissioner for Food Protection, U.S. Food and Drug Administration, addresses NAMA members during the Leadership Meeting. Acheson discussed food safety, the FDA food protection plan, and food safety legislation.

**GOAL: Represent members in the formation and implementation of public policy**

*Milling's unique role as the point where raw agricultural commodities become food or food ingredients means that NAMA has a distinct message to bring to policy makers.*

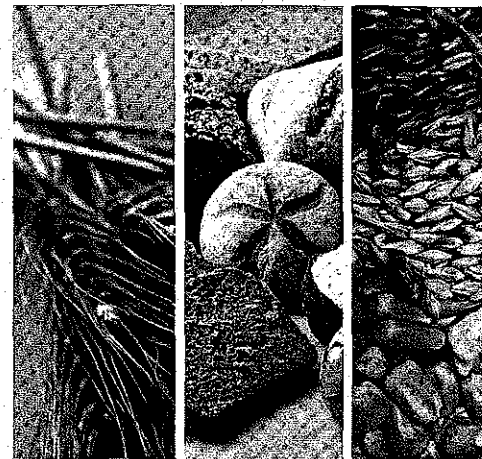
Since 9/11 the milling industry has taken numerous steps to enhance the security of their operations. The Chemical Facility Anti-Terrorism Standards being developed by the Department of Homeland Security (DHS) provide another tool for evaluating and securing milling facilities. It is important that recommendations by DHS are proportionate with the true risks at any individual plant.

**GOAL:** Provide timely, relevant information to its members and key constituents

*The association is the conduit for collecting and disseminating information about the milling industry.*

We keep our members informed of issues that impact their milling operations as the issues are unfolding. NAMA provides information to members at several meetings held throughout the year. Beyond our members, we are the key resource for legislators and regulators on issues relating to the milling industry. Through our web site, newsletter, and news releases; we provide information about our industry to the public, legislators, and regulators.

- Visit our web site at [www.namamillers.org](http://www.namamillers.org)
- Subscribe to our newsletter at <http://www.namamillers.org/nr.html>
- Sign up to receive news releases at <http://www.namamillers.org/nr.html>
- Contact us at 202.484.2200 or [generalinfo@namamillers.org](mailto:generalinfo@namamillers.org)

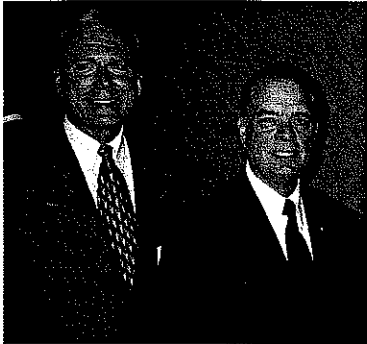


NAMA's Soft Wheat Crop Forecast panel projected the soft red winter wheat production for 2008 at 547,856,000 bushels, up 189,959,000 bushels, or 53%, from 357,897,000 bushels last year. A panel of millers has been projecting the coming year's crop at the annual Soft Wheat Crop Forecast and Meeting for 28 years. On the panel at the 2008 Soft Wheat Crop Forecast and Meeting and pictured above are panel chair Connie Barr, Siemer Milling Company; Grover Van Hoose, The Mennel Milling Company; Shawn Blume, Lansing Grain Company; Pat Rogers, Horizon Milling; and John Bartels, ConAgra Mills.



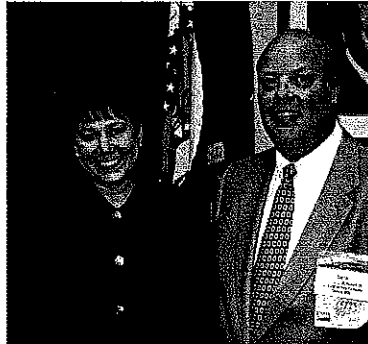
# LEADERSHIP

In recognition of our ten-year anniversary, we wish to acknowledge our past chairmen who have been an important part of the success of our merged organization.



**CRAIG L. HAMLIN,**  
*Chairman, 1998–2000*  
ADM Milling Company

NAMA chairman Craig L. Hamlin and John R. Block, president, Food Distributors International and former Secretary of Agriculture.



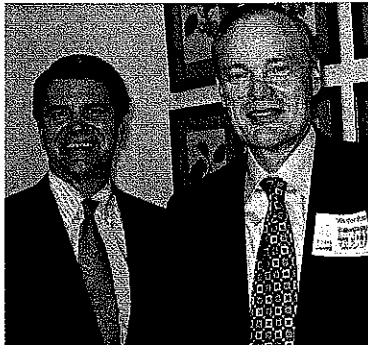
**BERNARD J. ROTHWELL,**  
*Chairman, 2000–2002*  
Bay State Milling Company

NAMA chairman Bernard J. Rothwell III pictured with Secretary of Agriculture Anne Veneman.



**JOHN GILLCRIST,**  
*Chairman, 2002–2004*  
Bartlett Milling Company

NAMA chairman John Gillcrist (left) and Allen F. Johnson, Ambassador and Chief Agriculture Negotiator for the Office of the U.S. Trade Representative.



**GUY R. SHOEMAKER,**  
*Chairman, 2004–2006*  
Horizon Milling LLC/Cargill

NAMA chairman Guy R. Shoemaker (right) and Chuck Conner, Deputy Secretary of Agriculture.

## 2008 Leadership

### *Chairman*

**Rick L. Schwein, Grain Millers, Inc.**

### *Vice Chairman*

**John C. Miller, Miller Milling Company**

### *Division Chairs*

#### *Corn Division Chair—*

**Mary Thompson, Cargill Dry Corn Milling**

#### *Oat Division Chair—*

**Dan Ward, La Crosse Milling Company**

#### *Soft Wheat Division Chair—*

**Greg Schlafer, General Mills, Inc.**



The outgoing chairmen of NAMA's three Divisions are recognized for their service and leadership at NAMA's 2008 Division Meetings. Pictured is former Soft Wheat Division chairman, Howdy S. Holmes, "JIFFY" Mixes; Oat Division chairman, Bruce Roskens, PepsiCo/Quaker Oats and Corn Division chairman Roger F. Mortenson, House-Autry Mills, Inc.



Members of the Board of Directors who attended the 2007 Annual Meeting pictured on the steps of the Mansion on Forsythe Park in Savannah, Georgia.

## Board of Directors

Todd Attkisson, Ashland Milling Company  
 Breck Barton, Cereal Food Processors, Inc.  
 Todd Bastean, Bunge Milling, Inc.  
 William H. Becker, LifeLine Foods, LLC  
 Frank Brown, Jr., F.M. Brown's Sons, Inc.  
 John Cory, Prairie Mills Products, LLC  
 Dennis L. Dahl, Southern Specialty Brands, Inc.  
 John A. Didion, Didion Milling, Inc.  
 Brian K. Doyle, King Milling Company  
 Robert Drum, Midstate Mills, Inc.  
 E. J. Edgerton, Jr., Allen Brothers Milling Company  
 William L. Ford, Shawnee Milling Company  
 Daniel E. Gerety II, Fairview Mills  
 Karl J. Gerrand, Can-Oat Milling  
 Robert J. Giguere, Iowa Corn Processors  
 John Gillcrist, Bartlett Milling Company  
 John Griffith, American Italian Pasta Company  
 Vernon D. Grizzard, Jr., Southeastern Mills, Inc.  
 Robert Y. Harper, Hopkinsville Milling Company  
 Howdy S. Holmes, "JIFFY" Mixes  
 Charles H. Keynes, Keynes Bros., Inc.  
 C. B. Knappen III, Knappen Milling Company  
 Mark Kolkhorst, ADM Milling Company  
 Arthur Loeffler, Star of the West Milling Company  
 Jon Luikart, J. R. Short Milling Company  
 Paul Maass, ConAgra Mills  
 Donald L. Mennel, The Mennel Milling Company  
 James M. Meyer, Italgrani U.S.A., Inc.  
 John C. Miller, Miller Milling Company  
 Roger F. Mortenson, House-Autry Mills, Inc.  
 Samuel H. Rogers III, Wilkins-Rogers, Inc.  
 A. Bruce Roskens, PepsiCo/Quaker Oats  
 Bernard J. Rothwell III, Bay State Milling Company  
 Lynn Rundle, 21st Century Grain Processing Company  
 Greg Schlafer, General Mills, Inc.  
 Rick L. Schwein, Grain Millers, Inc.  
 James Sharp, C.H. Guenther & Son, Inc.  
 Guy R. Shoemaker, Horizon Milling/Cargill  
 Richard C. Siemer, Siemer Milling Company  
 Robert Smallwood, SEMO Milling LLC  
 Douglas E. Snavelly, Snavelly's Mills, Inc.  
 Charles B. Stout, Pendleton Flour Mills, LLC  
 James Streetar, Minot Milling Company  
 J. Vance Taylor, North Dakota Mill & Elevator  
 Greg Viers, Barilla America, Inc.  
 Dan Ward, La Crosse Milling Company  
 Mac Weisenberger, Weisenberger Mills, Inc.  
 Stephen H. Wickes, Agrico, Inc.  
 Lakeside Mills, Rutherfordton, NC has chosen not to  
 name a Director to the Board.

## Executive Committee

Rick L. Schwein, Grain Millers, Inc., Chairman  
John C. Miller, Miller Milling Company, Vice Chairman  
J. Breck Barton, Cereal Food Processors, Inc.  
Mark Kolkhorst, ADM Milling Company  
Paul Maass, ConAgra Mills  
Donald L. Mennel, The Mennel Milling Company  
Lynn Rundle, 21st Century Grain Processing  
Guy R. Shoemaker, Horizon Milling LLC/Cargill  
Stephen H. Wickes, Agricom, Inc.

## Committee Chairmen

Biofuels Committee—Gary Duncan, Bunge Milling, Inc.  
Corn Dry Milling Conference Committee—Keith P. Smith, Cargill  
Corn Milling  
Finance/Budget Committee—Paul Maass, ConAgra Mills  
Food and Facility Security Committee—Arthur Loeffler, Star of the  
West Milling Company  
International Trade Committee—Stephen H. Wickes, Agricom, Inc.  
Kansas State Committee—J. Vance Taylor, North Dakota Mill &  
Elevator  
Meeting Committee—James M. Meyer, Italgrani U.S.A., Inc.  
Product Promotion Committee—Charles B. Stout, Pendleton  
Flour Mills, LLC  
Technical Committee—R. Don Sullins, ADM Milling Company  
Wheat Issue Committee—Richard C. Siemer, Siemer Milling  
Company  
Ad Hoc Committee on Farm Bill—Rick Cole, General Mills, Inc.  
Ad Hoc Committee on Methyl Bromide—Richard C. Siemer,  
Siemer Milling Company  
Ad Hoc Committee on Production Data—James Sharp,  
C.H. Guenther & Son, Inc.  
Ad Hoc Committee on Whole Grains—Craig Hagood,  
House-Autry Mills, Inc.

## Associate Members

ARAMARK Facility Services, Allentown, PA  
Automated Ingredient Systems, LLC, Grandview, MO  
Bayer CropScience, Research Triangle Park, NC  
Bemis Company, Inc., Imperial, MO  
Buhler Inc., Minneapolis, MN  
Caravan Ingredients, Lenexa, KS  
Central Bag Company, Kansas City, MO  
CETEC - Cereal Technologies Inc., Millersville, MD  
Chemtura Corporation, West Lafayette, IN  
CoBank, Greenwood Village, CO  
Degesch America, Inc., Weyers Cave, VA  
Dow AgroSciences LLC, Indianapolis, IN  
Drumheller Bag Corporation, Clarksdale, MS  
GBS Group SpA, Padova, Italy  
Hansen-Mueller Company, Omaha, NE  
Hood Packaging Corporation, Ontario, Canada  
Industrial Fumigant Company, Olathe, KS  
Jacintoport International LP, Houston, TX  
JohnPac, Inc., Crowley, LA  
Kice Industries, Inc., Wichita, KS  
Louis Dreyfus Corp., Kansas City, MO  
Michigan Ag Commodities, Lansing, MI  
Pioneer Hi-Bred International, Inc., Johnston, IA  
Premier Tech Systems, Quebec, Canada  
Rabobank International, Chicago, IL  
Research Products Company, Salina, KS  
SignalDemand, Inc., San Francisco, CA  
The Manchester Company, Hartland, MI  
The Robinette Company, Bristol, TN  
Trilogy Analytical Laboratory, Inc., Washington, MO  
Trilogy Flavors, Inc., Abingdon, MD  
Whitebox Commodities, Minneapolis, MN  
Wright Enrichment, Inc., Lenexa, KS



Outgoing Executive Committee members were recognized for their service and leadership during the 2007 Annual Meeting. Vance Taylor, North Dakota Mill & Elevator; Fred Luckey, Bunge Milling, Inc.; and Roger F. Mortenson, House-Autry Mills, Inc. Craig Fischer (far right), who retired from ADM Milling Company, was also recognized for his service and leadership on the Executive Committee.



## Staff

**Betsy Faga, President**

**Jim Bair, Vice President**

**Jane DeMarchi, Director of Government Relations**

**Paul Green, International Trade Consultant**

**Terri Long, Director of Communications and Meetings**

**Jenni Weems, Administrative Assistant**

