2012 IN REVIEW.

Throughout 2012 Food Export Association of the Midwest USA continued to make strides in supporting the National Export Initiative and wisely using resources of the Market Access Program (MAP). In conjunction with our 12 member State Agricultural Promotion Agencies, through various programs, services and activities, we engage companies throughout the region. Every day we link U.S. suppliers with international buyers. Our participants include suppliers of value-added food for retail, food service, natural, specialty and gourmet products, private label, pet food and feed and more.

Through our market-building activities, programs and services, Food Export-Northeast has focused on Outreach and Exporter Education, Market Entry Programs and Market Promotion. We’ve helped more small and medium-sized enterprises discover the value and benefits of exporting. As this happens production increases, sales grow, jobs are created, demand accelerates and more quality U.S. food and agricultural products get to more consumers worldwide. Agricultural exports continue to escalate which helps us continue this rewarding mission.

On behalf of our state members and staff we invite you to review our programs, services and successes we share with our participating companies.

Sincerely,

JOSEPH M. KELSAY
PRESIDENT,
FOOD EXPORT-MIDWEST

TIM HAMILTON
DIRECTOR,
INDIANA STATE DEPARTMENT OF AGRICULTURE

ABOUT US.

Food Export Association of the Midwest USA is a non-profit organization that promotes the export of food and agricultural products from the Midwest region of the United States. The organization has been helping U.S. suppliers of Midwestern food and agricultural products sell their products overseas since 1969, when it was first created as a cooperative effort between 12 Midwestern state agricultural promotion agencies and the United States Department of Agriculture’s Foreign Agricultural Service (FAS).

Food Export-Midwest in conjunction with its member states, provides a wide range of services to facilitate the trade between local food suppliers and importers around the world.

The Midwest is one of the world’s leading food-producing areas. Midwestern farmers harvest grain, as well as oil seeds, fruits and vegetables, beans, livestock, and dairy products. Consequently, the Midwest is home to hundreds of companies who provide consumers around the globe with high quality processed food and agricultural products.
**Do You Export? Are you Ready?** These are two questions commonly asked as we find small and medium-sized companies that can use our programs and services to find success. Education is where it all begins. Through research, appropriate outreach, educational services and a dedicated team of customer service staff, Food Export-Midwest strives to enable companies to become Export Ready!

**START HERE!**

Food Export Helpline™ is a complimentary service that provides customized, one-on-one assistance on many export-related topics.

Export Essentials Online provides fundamentals, logistics and detailed information to answer questions. It's a college-level exporting course featured on www.foodexport.org.

“*The Food Export Helpline™ has been a tremendous help to our company and always provides us with a world of knowledge.*

– PLOCKY’S FINE SNACKS, HINSDALE, IL

**GO FORWARD!**

Market Builder is our comprehensive market research tool that provides specific, in-depth intelligence for a specific product in a specific market.

Online Product Catalog provides U.S. suppliers with 24/7-365 exposure to international buyers and distributors via this powerful online product directory.

Buyers Missions bring qualified, pre-screened international buyers and distributors to the U.S. to meet with Midwest suppliers, providing an opportunity for these suppliers to promote their products without leaving the country.

Shearer’s Foods Inc. participated in a Buyer’s Mission and as a result shipped 4 orders to Thailand in 2012, totaling $60,000 in new export sales of salty snacks. They project sales to reach $100,000 in 2013.

**MAINTAIN AND GROW!**

The Branded Program is administered each year by Food Export-Midwest and provides U.S. suppliers the opportunity to stretch their international marketing dollars. The program offers 50% cost-share reimbursement for a wide variety of international marketing activities including: advertising, package and label modifications, in-store promotions, point of sale materials, PR, websites, related international trade show fees and more.

“The Branded Program made it possible for our company to become a global supplier quickly. With this support, we’ve built a team of 9 distributors covering more than 22 countries, and today export sales account for nearly 30% of our business.”

– RIBUS, ST. LOUIS, MO

Global Food Marketer™ is our print newsletter and e-Bulletin sent to participating and prospective suppliers containing new and useful information about upcoming activities, export basics, industry news, and exporting opportunities abroad.

Seminars and Webinars provide up to date exporter intelligence for companies regarding specific markets, logistics, trade financing, documentation, how to meet and follow-up with foreign buyers and much more.

Focused Trade Missions provide total market immersion by taking U.S. suppliers to a specific market to learn first-hand about the industry landscape, competition, product and consumer differences and how to best promote U.S. products.

Food Show PLUS!™ services provide international tradeshows assistance to U.S. suppliers, maximizing tradeshows success and creating more confident international exhibitors.

Support is also available for promotional displays, product demonstrations, sampling programs at international supermarkets, restaurants and hotels that feature U.S.-made processed foods and agriculture products.

The Branded Program is only open to eligible small companies, as defined by the U.S. Small Business Administration. Agricultural producer cooperatives are eligible to participate.
### 2012 Program Results

<table>
<thead>
<tr>
<th>Actual Export Sales from All Activities</th>
<th>Projected Export Sales from All Activities</th>
<th>PROGRAM PARTICIPANTS 2009-2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>US $413,975,715</td>
<td>US $537,767,305</td>
<td></td>
</tr>
<tr>
<td>Number of Participants Registered in Programs</td>
<td>Number of New Participants in Food Export Midwest Programs</td>
<td>2009</td>
</tr>
<tr>
<td>1,774</td>
<td>215</td>
<td>1,145</td>
</tr>
<tr>
<td>Number of Companies Who Increased Their Sales by 20% or More</td>
<td>Number of Companies with a First-time Sale in a Market</td>
<td>2009</td>
</tr>
<tr>
<td>198</td>
<td>366</td>
<td></td>
</tr>
<tr>
<td>Number of New Distributor Relationships Established</td>
<td>Number of Contacts with New Buyers</td>
<td></td>
</tr>
</tbody>
</table>

All of our programs and services, made possible by Market Access Program (MAP) funding through the Foreign Agricultural Service of the United States Department of Agriculture, are designed to promote Midwestern agriculture and value added food products. This snapshot of our 2012 achievements illustrates our continued dedication to driving export success.
Food Export Association of the Midwest USA

STATEMENT OF ACTIVITIES Period Ended December 31, 2012

REVENUE AND SUPPORT

<table>
<thead>
<tr>
<th></th>
<th>OPERATING FUND</th>
<th>PROGRAM FUND</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Program Reimbursements</td>
<td>$ 0</td>
<td>$10,318,251</td>
<td>$10,318,251</td>
</tr>
<tr>
<td>Industry Fees</td>
<td>$ 758,146</td>
<td>$ 800,000</td>
<td>$1,558,146</td>
</tr>
<tr>
<td>State Membership Dues</td>
<td>$ 120,000</td>
<td>$ 0</td>
<td>$120,000</td>
</tr>
<tr>
<td>Interest Income</td>
<td>$ 8,600</td>
<td>$ 0</td>
<td>$ 8,600</td>
</tr>
<tr>
<td>Other Income</td>
<td>$ 2,463</td>
<td>$ 0</td>
<td>$ 2,463</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>$ 889,209</td>
<td>$11,118,251</td>
<td>$12,007,460</td>
</tr>
</tbody>
</table>

EXPENSES

<table>
<thead>
<tr>
<th></th>
<th>OPERATING FUND</th>
<th>PROGRAM FUND</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reimbursable Program Expense</td>
<td>$ 0</td>
<td>$10,318,251</td>
<td>$10,318,251</td>
</tr>
<tr>
<td>Personnel</td>
<td>$ 421,291</td>
<td>$ 750,000</td>
<td>$1,171,291</td>
</tr>
<tr>
<td>Travel and Meetings</td>
<td>$ 104,764</td>
<td>$ 0</td>
<td>$104,764</td>
</tr>
<tr>
<td>Professional Fees</td>
<td>$ 62,013</td>
<td>$ 0</td>
<td>$ 62,013</td>
</tr>
<tr>
<td>Other General and Administrative</td>
<td>$ 263,608</td>
<td>$ 50,000</td>
<td>$313,608</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>$ 851,676</td>
<td>$11,118,251</td>
<td>$11,969,927</td>
</tr>
</tbody>
</table>

Increase in Net Assets  $ 37,533  $ 0  $ 37,533

Fund Balances, Beginning of Period  $1,874,867  $ 0  $1,874,867

Fund Balances, End of Period  $ 1,912,400  $ 0  $ 1,912,400

STATEMENT OF FINANCIAL POSITION Period Ended December 31, 2012

ASSETS

<table>
<thead>
<tr>
<th></th>
<th>OPERATING FUND</th>
<th>PROGRAM FUND</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$ 985,445</td>
<td>$1,070,925</td>
<td>$2,056,370</td>
</tr>
<tr>
<td>Investments, at Fair Value</td>
<td>$ 992,512</td>
<td>$ 0</td>
<td>$992,512</td>
</tr>
<tr>
<td>Interfund Accounts</td>
<td>$ 91,815</td>
<td>($91,815)</td>
<td>$ 0</td>
</tr>
<tr>
<td>Receivables</td>
<td>$ 72,801</td>
<td>$ 720,890</td>
<td>$793,691</td>
</tr>
<tr>
<td>Furniture and Equipment (Net of Depreciation)</td>
<td>$ 75,234</td>
<td>$ 0</td>
<td>$75,234</td>
</tr>
<tr>
<td>Other Assets</td>
<td>$ 38,870</td>
<td>$ 0</td>
<td>$ 38,870</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$ 2,256,677</td>
<td>$1,700,000</td>
<td>$3,956,677</td>
</tr>
</tbody>
</table>

LIABILITIES AND FUND BALANCES

<table>
<thead>
<tr>
<th></th>
<th>OPERATING FUND</th>
<th>PROGRAM FUND</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable and Accrued Expenses</td>
<td>$ 193,140</td>
<td>$ 0</td>
<td>$ 193,140</td>
</tr>
<tr>
<td>Program Advances</td>
<td>$ 0</td>
<td>$1,700,000</td>
<td>$1,700,000</td>
</tr>
<tr>
<td>Deferred Revenue</td>
<td>$ 123,117</td>
<td>$ 0</td>
<td>$ 123,117</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>$ 344,277</td>
<td>$1,700,000</td>
<td>$2,044,277</td>
</tr>
</tbody>
</table>

NET ASSETS

<table>
<thead>
<tr>
<th></th>
<th>OPERATING FUND</th>
<th>PROGRAM FUND</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted Net Assets</td>
<td>$ 1,912,400</td>
<td>$ 0</td>
<td>$ 1,912,400</td>
</tr>
</tbody>
</table>
FOOD EXPORT-MIDWEST STAFF

Tim Hamilton
Executive Director

Michelle Rogowski
Deputy Director

John Belmont
Communications Manager

Robert Lowe, CPA
Financial Manager

Teresa Miller
International Marketing Program Manager

Joe Yotti
Branded Program Manager

Molly Burns
Outreach and Customer Service Coordinator

Laura Buske
Administrative Assistant

Brian Fisher
Outreach and Customer Service Coordinator

Adolfo Montelongo
Communications Coordinator

Jasmine D. Scott
Recruitment Strategy Senior Coordinator

Vanessa Simsick
International Marketing Program Coordinator

Nina Smith
Accounting/Human Resources Coordinator

Veronica Wade
Branded Program Coordinator

Mike Weiand
IT Administrator

Paul Weiss
Outreach and Customer Service Coordinator

Brendan Wilson
International Marketing Program Assistant

FOOD EXPORT-MIDWEST

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Wisconsin Department of Agriculture

Christiane Schmenk, Director
Ohio Department of Agriculture

Jon Hagler, Director
Missouri Department of Agriculture

STATE REGIONAL TRADE GROUPS (SRTGs)

Food Export–Midwest is one of four non-profit State Regional Trade Groups (SRTGs) that promote the export of food and agricultural products from their respective regions of the United States. The SRTGs were first created as a cooperative effort between the State Agricultural Promotion Agencies and the United States Department of Agriculture’s Foreign Agricultural Service. The SRTGs work in conjunction with their member states to provide a wide range of services to facilitate trade between local food companies and importers around the world.

OTHER STATE REGIONAL TRADE GROUPS

Food Export USA®–Northeast®
One Penn Center
1617 JFK Boulevard, Suite 420
Philadelphia, PA 19103 USA
www.foodexport.org

The Southern U.S. Trade Association (SUSTA)
701 Poydras Street, Suite 3725
New Orleans, LA 70139 USA
T: 504.568.5986 F: 504.568.6010
www.susta.org

The Western U.S. Trade Association (WUSATA)
4601 NE 77th Avenue, Suite 240
Vancouver, WA 98662 USA
T: 360.693.3373 F: 360.693.3464
www.wusata.org

Food Export Association of the Midwest - USA®
309 West Washington Street
Suite 600
Chicago, IL 60606 USA
T: 312.334.9200 F: 312.334.9230
www.foodexport.org

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