

# Corn Harvest Expectations Downgraded

*For The First Time, More Corn Will Supply Ethanol Plants Than Feed Farm Animals.*

**COLUMBIA, MO.**

**M**ore corn will fuel U.S. gas tanks in the coming year than will feed U.S. livestock and poultry.

Amid cuts to yield estimates for corn and soybeans, the USDA's Crop Production and Supply/Demand Report projects that ethanol plants will use 200 million more bushels of corn than animals will eat.

"That's a first-time-ever type of change," said Ron Plain, an economist for University of Missouri Extension. "For forever, feed was the largest single use of corn."

Sustained high corn prices resulted in a lot of red ink for livestock producers, forcing many to shrink their livestock and poultry stocks to reduce costs and to get a better price.

"Critters have to eat, so many farms will have to downsize and that is reflected in the reduced forecast for meat production next year," Plain said. "You have to go back to 1995 to find a smaller amount of corn to be fed to livestock in the U.S. That is going to make things tough for the livestock and poultry industries."

Harvests will take a hit if USDA yield estimates hold true. Corn will make 4 percent less – 556 million bushels – than the 13.47 billion bushels anticipated nationwide in July. Soy-

bean yields will fall 5.24 percent – 169 million bushels – from July estimates of 3.225 billion bushels.

Missouri cornfields show the impact of June floods and July heat, with 32 percent of fields rated at poor or below, according to the Missouri Agricultural

Statistics Service. However, August might stem the damage if cooler weather holds.

"Corn doesn't like drought or hot, warm nights, so it wasn't a surprise that USDA cut the yield estimates," Plain said. "So far, August hasn't been that bad a month, with lower temperatures this week and some rain, so if we cross our fingers it may not get any worse than this."

Less corn to go around means fewer exports, less feed and less ethanol. Carryover stocks of corn dropped to 714 million bushels, a level last seen in 1996. That combined with a growing population will drive up prices.

"The very, very tight carryover is why corn prices are going to be record-high this year," Plain said.

"We really need to plant more acres to corn next year than this year, and this was the second most acres planted in 67 years." △



Link Directly To: **PIONEER**