

Missouri Corn Crop Goes From Bleak To Bumper

JEFFERSON CITY, MO.

Exceeding expectations, corn farmers in Missouri are working their way towards another abundant crop. According to the U.S. Department of Agriculture (USDA) crop production report released today, Missouri farmers are poised to harvest the fourth largest corn crop on record.

"These numbers again prove the unrelenting production capacity of Missouri growers to meet the needs of feed, food and fuel," said Mike Geske, Missouri Corn Growers Association president and farmer from Matthews, Mo. "Despite the wet spring, destructive floods and hostile critiques, corn growers have remained focused on doing what we do best."

Based on these updated figures, Missouri farmers planted an estimated 2.8 million acres. The yield was pegged at 146 bushels per acre as of Aug. 1, second only to the 162 bushels per acre harvested in 2004. This yield still delivers 14 bushels above the 5-year average. If weather cooperates, corn production is expected to reach 380 million bushels, making this one of the top five corn crops in Missouri's history.

"With production numbers on the rise, corn futures have dropped about \$2 per bushel, but yet the price at the grocery store remains the same," Geske points out. "If what the Grocery Manufacturers Association and its members have been saying is true, then why haven't food costs come down?"

According to the USDA, the farm value of

products account for only 19 cents of every dollar of processed food. The remaining 81 cents is wrapped up in processing, packaging, transportation, profit, marketing and other costs. For example, a standard box of corn flakes contains 14 ounces. Of that, about 10 ounces is actual flaked corn. So, at \$4 per bushel, the value of corn represented in this box of corn flakes is 5.6 cents.

"The reality is that in most food items, corn is present in quantities too small to have even a 1-cent impact on price," Geske states. "This blame game being driven by the grocery groups is really an attempt to hide the profit-taking tactics being played."

Kraft Foods, one of the key players in the Grocery Manufacturers Association efforts to hold corn farmers responsible for higher food prices, announced quarterly profits of \$879 million, up 10 percent from this time last year. Meanwhile, oil giant Exxon Mobile reported second-quarter earnings of \$11.68 billion, the largest quarterly profit ever by a U.S. corporation.

"Consumers know when they smell a rat," Geske said. "And right now the odor is pretty strong."

Corn farmers have a longstanding history of meeting the demands of the marketplace. Total U.S. corn production is estimated at 12.3 billion bushels. If realized, this yield would be the second highest on record, behind the bin-buster crop of 2004. Δ