

Despite slow start, U.S. corn crop on track for big production year

While U.S. farmers saw last year's corn crop get off to a quick start thanks to a dry, warm spring, this year has seen the opposite, with wet weather and cooler temperatures slowing planting and crop progress. Some areas of the Corn Belt even saw flooding at times, and while the rain was useful in rebuilding the soil moisture profile it certainly may have dampened yield potential for the 2013-14 U.S. corn crop.

The U.S. Department of Agriculture acknowledged as such June 12 when it lowered its corn yield estimate 1.5 bushels from its May estimate to 156.5 bushels per acre (9.8 tons per hectare). That figure is about 5.6 bushels below what would be considered a trend yield for U.S. farmers. Yet even with average weather for the remainder of this growing season, that yield would produce a crop of

14.0 billion bushels (355.6 million tons), considerably larger than last year.

The average yield last year, when that warm, dry spring continued into a hot, dry summer, was 123.4 bushels per acre (7.8 tons per hectare), resulting in a 10.8 billion bushel (274 million ton) crop. The average yield in 2011-12 was 147.2 bushels per acre (9.2 tons per hectare).

An updated planting estimate is due from USDA June 28.

USDA's ending stocks estimate for the 2013-14 marketing year was 1.9 billion bushels (48 million tons), 2.5 times larger than the ending stocks estimate for 2012-13.

With expectations continuing for a larger crop, USDA projected annual average farm prices to be \$4.40-5.20 per bushel (\$173-204 per ton), compared to \$6.75-7.15 (\$265-281) in the 2012-13 marketing year.

INSIDE THIS EDITION:

- Page 2: Major corn exporting countries form alliance
- Page 4: Nebraska farmer gives insight into crop year

from the soil. That's off just marginally from the five-year average of 97 percent. As of the same date, corn rated in good to excellent condition stood at 64 percent, while 28 percent was rated average and only 8 percent poor to very poor.

While the crop got started late, warm weather over the recent week kicked corn into rapid growth. Good growing weather was expected through the end of June, with temperatures moderating and no pronounced dryness expected across the Corn Belt, meteorologist John Dee told Reuters June 17.

Jerry Gulke, a farmer from Illinois who also runs a farm management and market advisory business, told the Associated Press that "we have record or new record crops in some places" and that on a mid-June farm Illinois tour he saw "some of the best stands in years."

Chad Hart, an agriculture economist with Iowa State University, told the Associated Press that the eastern Corn Belt states of Illinois, Indiana and Ohio

*See **Corn Crop** on page 3*



Like many farmers across the Corn Belt, corn plants on Central Nebraska farmer Brandon Hunnicutt's land made significant progress recently as temperatures warmed and sunny skies prevailed. For more on Hunnicutt's crop, see page 4.

Crop conditions

As of June 16, 93 percent of the U.S. corn crop had emerged

Major corn exporting countries form alliance to address key global issues

Representatives of the three leading corn exporting countries, the United States, Argentina and Brazil, have signed a memorandum of understanding to form an alliance to be known as MAIZALL – The International Maize Alliance.

The purpose of MAIZALL is to allow corn farmers and organizations to collaborate on a global basis to address key issues concerning food security, stewardship, trade, biotechnology and producer image, according to the U.S. Grains Council, one of the signatories to the memorandum.

Other signatory organizations include the National Corn Growers Association (NCGA) in the United States, MAIZAR in Argentina and ABRAMILHO in Brazil. NCGA represents U.S. corn farmers, MAIZAR represents Argentinian farmers and the corn supply chain and ABRAMILHO is the Brazilian Association of Corn Producers.

Representing their organizations in signing the memorandum included Don Fast, the Council's Chairman; Pam Johnson, President of NCGA; Alberto Morelli, Chairman of MAIZAR; and Sergio Luiz Bortolozzo, Second Vice President of ABRAMILHO.

"As global populations and economies grow, the global middle class is rapidly expanding," said Fast. "The increase in population and buying power has led to an ever-growing demand for corn and other food and feed

ingredients as diets are improving globally."

The Council noted that the global population is expected to increase more than 30 percent in the next 40 years, from 7 billion last year to more than 9 billion in 2050.

"Food security is a priority for every country," said Johnson, noting that countries can be food



secure without being self-sufficient through trade by building trust with exporting countries who can be long-term, reliable suppliers of quality feed and food supplies.

"As the world's population increases, farmers in exporting countries are challenged to grow more with less while improving stewardship and sustainability," said Alberto Morelli, MAIZAR Chairman. He said biotechnology is one way to support sustainability and is embraced by MAIZALL's three founding countries.

He said biotechnology has boosted yields and grain quality, reduced the intensity of chemical and fertilizer application, conserved soil, organic content and moisture and enhanced returns to producers.

"Agricultural biotechnology is a critical component of the larger

bio-economy that is necessary to sustainably

Representatives of participating organizations applaud after officially signing a memorandum of understanding to create MAIZALL.

provide for the needs of the growing global population and mitigate the impacts of climate change," said Morelli.

Bortolozzo said growth of the global middle class is exerting sustained pressure on inputs and food prices.

"The lack of predictable, functional, practical and science-based regulatory and trade policies in reviewing and approving new crop technologies by governments worldwide are imposing a crippling burden on innovation," he said. "For growers, the delays in introducing new technologies mean lost opportunities for higher yields and lower input costs. For consumers facing ever-rising food prices, the consequences are more acute."

The Council said the primary focus of the MAIZALL alliance is to emphasize the need for better consumer understanding of production agriculture, including the benefits of biotechnology and advancing the global acceptance on the capacity to produce maize for feed, food and fuel.

MAIZALL will also conduct outreach to governments and stakeholders on the need for trade-enabling biotechnology policies and regulatory procedures.



Corn Crop: Big crop still expected *From page 1*

got off to a great start, while Iowa, Minnesota, Nebraska and the Dakotas were lagging.

Still many analysts believe this year will be better than last year but it still won't be normal. It's possible the very good areas could end up harvesting a good enough crop to help offset the land that didn't get planted or suffers from too much water, Hart told the news service.

Global run-down

According to USDA, global corn consumption is projected to be 935 million tons in 2013, compared to 863.7 million tons in 2012 and 879 million tons in 2011. Global corn production for the year was also projected up about 100 million tons over the previous two years, reaching 963 million tons.

When carry-in is included, ending stocks for the 2013-14 marketing year are projected to be 151.8 million tons, compared with 124.3 million in 2012 and 132.3 million in 2011. If that figure is realized this year, it would be the largest global ending stocks in 12 years.

For other major corn exporters, USDA estimated that Brazil would produce a 72 million-ton crop for 2013-14 and Argentina a 27 million ton crop. The Brazil figure is 5 million tons less than this year, although the USDA did increase stocks there by 1 million tons thanks to a larger than expected second crop. The Argentina figure is on par with the 2012-13 crop.

While no long-term trade issues were anticipated, Argentina farmers halted grain sales for five days in mid-June to protest government policies. The strike, which is not an unusual occurrence in the country, reduced grain trucks delivering into Rosario dropped considerably. Still, according to analysts, farmers have delivered 80 percent of their 2012-13 crop to port already.

In Mexico, demand for U.S. corn may falter as the country recovers from an outbreak of highly pathogenic Avian Influenza, which struck the country's poultry flocks in the second half of 2012 and into 2013. The outbreak has led to the elimination of millions of layers and broiler birds, even forcing the country to import additional poultry products to make up for the loss.

"There is no question the outbreak will have an effect on imported feed grain products from the United States," said Julio Hernandez, the U.S. Grains Council Director in Mexico. "What that number will be is purely speculative at this point. What we do know is that the situation is expected to become worse before it gets better."

Meanwhile, in Ukraine, foreign investment continues to support the country's agriculture sector. From January to March, capital investment in agriculture accounted for UAH 2.5 billion (U.S. \$306 million), 10 percent more than over the same period last year, according to an announcement from the Ukrainian government. Traditionally, the most attractive sectors for investors are the food industry, bioenergy and crop production, with major investors in agriculture coming from across Europe.

U.S. Barley, Sorghum

In its monthly report, USDA gave an updated forecast on U.S. barley and sorghum production for the 2013-14 marketing year.

For sorghum, USDA continued to predict a crop of 425 million bushels (10.8 million tons), a significant increase from last year's 247 million bushels (6.3 million tons) and 214 million (5.4 million tons) produced in 2011-12.

For barley, USDA forecasted 2013-14 production of 220 million bushels (4.8 million tons), the same as in 2012-13. ♦

Nebraska farmer sees corn crop recovering from slow start to year

Recent warm, sunny weather allowed corn plants in Nebraska to push roots down into the fertilizer zone and take off, growing rapidly and reaching knee-high – or close to that for early planted corn – by mid June. This rapid growth following a period of slow development due to cool, cloudy weather caused some plants to experience “twisted whorl syndrome,” which is sometimes called “rapid growth syndrome.”

According to agronomists, the syndrome is more common than normal this year all across the Corn Belt. Yet over the entire development of the corn plant, the twisted growth caused by weather has minimal, if any, impact on the plant overall, including yields.

Central Nebraska farmer Brandon Hunnicutt said he has seen some plants with twisted whorl syndrome but isn't concerned. “It's pretty normal with cool springs followed by a stretch of warm weather,” he said. “I'm just glad to see the plants greening up and growing. We needed some heat, and were fortunate enough to get it when we had plenty of moisture, too.”



Corn planting this year in Central Nebraska was a bit more challenging than last year, when the warm, dry spring allowed many farmers to have both corn and soybeans in the ground by May 1. “We may have finished a little later than last year but we're still in very good shape,” Hunnicutt said.

“We started planting about April 27 and were interrupted several times with rain. While corn planting generally wrapped up by the third week of May, there were still a few farmers finishing up soybeans into the second week of June,” he said.

He said regionally, warm days and sunshine are still needed because the crop is behind normal – but that's simply a function of weather.

Of course last year's early spring led to a hot, dry summer – and that, so far, does not appear to be happening this year. Hunnicutt said his family's operation is in good shape in terms of moisture, receiving close to 6 inches of rain since mid-April, with some places receiving more.

While a majority of U.S. corn is grown without irrigation, about 60% of corn acres in Nebraska receive supplemental water (irrigation) via the Ogallala Aquifer and several reservoirs. Farmers in the state used a lot of irrigation water last year but so far this year have mostly been holding off simply because the soil moisture profile is positive. “In mid-April, I thought we'd be irrigating by now, but timely rain will let us hold off until the crop is farther along,”

Wrinkled, twisted leaves are evidence of Rapid Growth Syndrome on Brandon Hunnicutt's farm in Central Nebraska. While it may not look good, the syndrome has little if any effect on overall growth and yield.

Hunnicutt said.

Irrigation last year let the family's operation reach yields of 240-250 bushels per acre (15.1-15.7 tons per hectare) on irrigated



Farmer Brandon Hunnicutt, who can be found on Twitter at @CornFedFarmer.

land. That was 10-30 bushels per acre (0.3-0.8 tons per hectare) better than average. Non-irrigated acres, however, saw significantly lower yields due to the hot, dry summer in 2012. Yields in these rain-fed areas were only 10-15 bushels per acre (0.6-0.9 tons per hectare), which was about 150 bushels per acre (9.4 tons per hectare) below average.

While planting was a bit later this year, the cool spring may also put a damper on yields. Hunnicutt said with good weather there's still a chance he'll see 230-240 bushels per acres (14.4-15.1 tons per hectare) on irrigated land. Non-irrigated land should be closer to normal – that 150-bushel (9.4-ton) range – but still a bit below average.

“Overall we're set up state-wide to have a pretty good corn crop, but there are still pockets of dry areas, particularly in western and southwestern Nebraska,” Hunnicutt said. “It would be nice to see some timely rains in those areas and continued good weather as corn plants develop ahead of the key pollination phase in early July.” ♦