

**October 20, 2006**

**\*\*SAVE THE DATE\*\***

**TRAP SHOOT SET FOR NOV. 9**

Want to sharpen your shooting skills before deer season? Here's your chance. On Thursday, Nov. 9, members of the Missouri Corn Growers Association (MCGA) District 2 will be hosting a sporting clays shoot at Pin Oak Hill just north of Carrollton, Mo. Registration will begin at 11 a.m., with lunch at 11:30 a.m. and 100 rounds of sporting clays to follow. Refreshments will be provided, but shooters will need to supply their own shotgun and shells along with eye and ear protection. Call MCGA board member Rob Korff at 660-542-4595 or visit <http://www.pinoakhill.com> for more information.

**CORN YIELDS REMAIN STRONG DESPITE WEATHER**

Corn production in Missouri is forecast at 369 million bushels, down 2 percent from the September forecast but still 12 percent above last year's production, according to the most recent report from USDA. The production decline from September is the result of a revision in acreage to 2.7 million planted acres and 2.6 million acres for grain. The forecast yield of 142 bushels per acre is unchanged from the September forecast but 31 bushels above the 2005 yield. The best yields appear to be in the southeast district and across the northern third of the state, while expectations are the lowest in the west-central and south-central districts where corn suffered more from the drought. As of Oct. 15, Missouri's corn harvest was 88 percent complete. This is 8 days ahead of last year and 12 days ahead of the normal pace of 79 percent. Progress by area ranges from 64 percent harvested in the northwestern district to virtually complete in the southern two-thirds of the state.

Across the U.S., corn production is forecast at 10.9 billion bushels making it the third-largest crop on record according to the USDA National Agricultural Statistics Service's (NASS) monthly crop production report released on Oct. 12. Nationwide, yields are expected to average 153.5 bushels per acre, 5.6 bushels higher than in 2005. Feed and residual uses were reduced 25 million bushels to 6.1 billion bushels. Ending stocks are projected to be 996 million bushels, down 224 million bushels from September. Other key uses were held the same, with exports projected to amount to 2.25 billion and ethanol expected to consume 2.15 billion bushels. USDA revised estimated planted acreage, which is down 800,000 "based on administrative information," which also leads to a corresponding 800,000 reduction in harvested acres. Drought and adverse weather conditions reduced the yields across the Corn Belt. Northern and eastern Corn Belt producers are experiencing better-than-expected yields. Yields across the northern and southern Great Plains are unchanged from September's forecast. As of Oct. 1, only 20 percent of harvest was complete compared with 25 percent last year and 23 percent for the five-year average.

**NAVIGATION SHUTS DOWN ON MISSOURI RIVER**

Barge traffic closed early for the season on Oct. 17 — a peak time for grain transportation considering the progress and size of this year's harvest. The shortening of the navigation season by 44 days was the result of drought measures enacted by the U.S. Army Corps of Engineers (Corps). River stages in the Lower Basin of the Missouri River were expected to drop approximately 4 to 6 feet because of reduced Gavins Point Dam releases and extremely low tributary runoff. If drought conditions continue throughout the winter, the 2007 navigation season will likely receive only minimum service flows and a probable season shortening of between 29 to 61 days. To add insult to the injury of decreased grain transportation, earlier this year the Corps' 2006-2007 Missouri River Draft Annual Operating Plan called for two "manmade" spring rises which have the potential to induce flooding along the river system. In this attempt to meet the demands of the Endangered Species Act, it would seem the Corps is more focused on preserving a fish instead of a solid navigation system on the Missouri River. MCGA, alongside our partners, will work to let the Corps hear one more time, loud and clear, that our values haven't changed and livelihoods still depend on sound flood control and river transportation.

**INTEREST IN DDGS CONTINUES TO GROW**

Exports of U.S. distiller's dried grains with solubles (DDGS) to Japan hit an all-time high in August. According to recent trade statistics compiled by Japan's Ministry of Finance, the country imported 9,180 metric tons of DDGS (including brewing products) in August, with more than 77 percent coming from the United States. Imports of U.S. DDGS between January and August were 26,776 tons — 60 percent of total Japanese DDGS imports — due in part to efforts by the Missouri Corn Merchandising Council (MCMC) and the U.S. Grains Council to promote the use of U.S. DDGS in livestock rations. The Council, which is funded in part by Missouri Corn checkoff dollars, is currently sponsoring a swine feeding trial of U.S. DDGS in Japan that will evaluate animal performance on DDGS at different levels during the growing and finishing stages, as well as carcass quality. Japanese pork producers are concerned with pork fat color and hardness, making it important to measure the impact of DDGS on fat quality. The Council has used results from similar trials conducted with poultry in 2005 and dairy in 2004 to boost DDGS use in those sectors.

**MUSIC TO THE EARS OF ETHANOL SUPPORTERS**

Government and civic leaders in the arena of renewable fuels converged in St. Louis on Oct. 10 to share the latest public and private perspectives on furthering alternative energy sources in the United States. The Advancing Renewable Energy Conference: *An American Rural Renaissance*, a collaborative partnership between the U.S. Departments of Agriculture and Energy, was designed to create partnerships and strategies that will accelerate the commercialization of renewable energy industries and distribution systems. The commitment and fervor for ethanol and other homegrown fuels was evident throughout the three-day event. To borrow the words of Renewable Fuel Association CEO Bob Dineen, it is clear that "ethanol has arrived" and is stealing the scene on the national level. Orchestrating the final notes to the symphony of ethanol praises, President Bush, a Texas oil man turned enthusiastic ethanol advocate, once again reiterated his strong support for the growing ethanol industry as a practical way to reduce America's energy dependence. "I like the idea of promoting a fuel that relies on our farmers," Bush said. "A good farm economy is good for the national economy." This public display of unanimous national support was music to the ears of ethanol supporters.

## **OZARK ETHANOL TAKES CENTER STAGE**

On Oct. 11, an impressive list of local, state and national dignitaries gathered in Liberal, Mo., to congratulate Ozark Ethanol LLC on being awarded \$299,900 in federal grant dollars to build a 50-million gallon ethanol plant in southwest Missouri. Ozark Ethanol, also known as Barton County Ethanol Producers, is receiving one of the 41 energy related value-added grants distributed nationwide by USDA Rural Development at a combined funding level of \$4.7 million.

"Value-added agriculture is a key tool for the economic sustainability of rural communities and agricultural producers," said U.S. Senator Kit Bond. "I applaud Ozark Ethanol's efforts to take the initiative to start and grow this new business." In addition to Sen. Bond, dignitaries attending the lunch and check presentation included Terry Campbell representing U.S. Sen. Jim Talent, Don Lucietta for U.S. Congressman Roy Blunt, Sen. Delbert Scott, Rep. Ron Richard, Rep. Barney Fisher, Rep. Ed Emery, Nathan Chitwood with USDA Rural Development, Gene Wiseman for the Missouri Department of Agriculture, Jamey Cline with MCMC/MCGA, Liberal FFA and FBLA students, as well as nearly 100 plant board members, investors and supporters who joined in the festivities.

Missouri State Director of USDA Rural Development Greg Branum stated, "I am very pleased that Rural Development, Missouri Corn Growers Association and Ozark Ethanol are partnering to add value to the Missouri corn crop, provide jobs, help our environment, and reduce our reliance on foreign oil. In doing so we are able to help carry out President Bush's directives and our commitment to the future of rural communities." Branum, who also attended the check presentation, expressed appreciation to Senators Bond and Talent and Congressman Blunt for their support of USDA Rural Development's mission. A complete list of the grants and further information is available at your local USDA Rural Development office or online at <http://www.rurdev.usda.gov>.

## **USDA ANNOUNCES COUNTER-CYCLICAL PAYMENT FOR CORN**

USDA has announced that corn farmers will receive a final counter-cyclical payment of \$0.35 per bushel, while soybean growers will not receive a CCP payment based on season-average market prices for 2005. The \$0.35 per bushel will be part of a total of \$3 billion in final 2006-year direct payments to producers enrolled in the Direct and Counter-cyclical Payment Program and \$1.6 billion in 2005 corn counter-cyclical payments. The 2002 farm bill authorizes partial CCP allotments in October and February, with final payment made at the end of the marketing year. Producers with corn base who accepted partial payments in October 2005 and February 2006 received \$0.28 per bushel. They are due an additional \$0.07 per bushel. The final marketing year price for 2005-crop corn is \$2 per bushel. Since the effective price for soybeans exceeds its target price, CCC will not issue any 2005-crop soybean CCPs. To receive direct or counter-cyclical payments, producers with base acres must be enrolled in DCP for the respective program year for an eligible commodity. More information is available at local Farm Service Agency (FSA) offices and at: <http://www.fsa.usda.gov>.

## **WEATHER WREAKS HAVOC ON BOOTHEEL REGION**

Gov. Matt Blunt sent a letter to United States Department of Agriculture Secretary Mike Johanns requesting nine counties in southeast Missouri be declared natural disaster areas for agricultural loss due to storm and flood damage. In late September, farmers in the Bootheel were hit by severe thunderstorms, tornadoes and related flooding. Based upon findings by the Missouri FSA, the counties of Butler, Cape Girardeau, Dunklin, Mississippi, New Madrid, Pemiscot, Perry, Ripley and Stoddard met the established criteria of 30 percent or greater agricultural loss needed to be eligible for federal assistance. Blunt has requested that these counties be declared natural disaster areas in order to ensure that Missouri farm families impacted by the severe weather are eligible for emergency low interest loans. The letter is available at <http://www.gov.mo.gov/press/USDALetter101606.pdf>.

## **DEPARTMENT OF AGRICULTURE DISTRIBUTING DROUGHT ASSISTANCE**

On Oct. 16, the Missouri Department of Agriculture (MDA) began accepting applications for the Livestock Assistance Grant Program. This grant program is designed to help Missouri livestock producers partially recover forage production losses due to certain drought conditions in 2006. In late August, the USDA announced a \$50 million state block grant program to aid livestock producers suffering from the effects of this year's drought. Missouri was allocated \$2.7 million to distribute to producers. Eligible livestock owners must have had livestock in any of the 30 counties identified for the program. The counties are: Barry, Barton, Bates, Benton, Camden, Cass, Cedar, Christian, Cooper, Dade, Greene, Henry, Hickory, Jackson, Jasper, Johnson, Lafayette, Lawrence, McDonald, Miller, Moniteau, Morgan, Newton, Pettis, Polk, Ray, St. Clair, Saline, Stone and Vernon. The deadline for applications is Nov. 17, 2006. Producers will not receive any direct notification of this program from MDA; however, applications are available online at [www.mda.mo.gov](http://www.mda.mo.gov), under "Drought Information," or by visiting your local FSA or University Extension office. You can also call MDA at (573) 526-4727 or e-mail [lagp@mda.mo.gov](mailto:lagp@mda.mo.gov) with questions.

## **ETHANOL LEADS THE ALTERNATIVE FUEL ODYSSEY**

MCGA joined fellow renewable fuel advocates and enthusiasts on the front lawn of the state Capitol on Tuesday, Oct. 10 to help raise awareness of biofuels and recognize National Alternative Fuel Vehicle Day. Dubbed Odyssey Day, the main attraction of the day consisted of an impressive array of alternative fuel vehicles as well as booths filled with information. While the event featured a range of vehicles powered by alternative fuels such as biodiesel, CNG (compressed natural gas), electricity, propane and hydrogen, ethanol received a hardy share of the attention with five different Flex Fuel Vehicle (FFV) models on display. Students, state legislators and interested consumers enjoyed lunch while checking out the lineup of FFVs on display by MCGA, General Motors, Ford and DaimlerChrysler. Educational events like this move us further down the road to achieving independence from petroleum-based fuels!