

April 27, 2007

## **CORN GROWERS URGE CAREFUL MARKETING OF NEW BIOTECHNOLOGY TRAIT**

The Missouri Corn Growers Association (MCGA) mailed letters to its membership this week encouraging proper stewardship of new biotechnology as it enters the marketplace. In the correspondence, MCGA President Mike Geske advises growers planting Syngenta's Agrisure RW MIR 604 technology to develop alternative marketing plans for this grain as it has not yet received full regulatory approval in any export market. "Missouri Corn wants you to be informed of the necessary precautions and options available in order to protect corn markets this fall," said Geske. "At this time, corn produced from the newly-introduced hybrid is only approved for use in local markets. In order to ensure that this corn doesn't end up in unapproved markets, the recommended plan of action would be for growers to feed it to their livestock or sell it to a feed mill that services domestic markets."

Syngenta seed companies releasing hybrids with the Agrisure RW technology for planting this spring in the U.S. are NK Brands, Golden Harvest and Garst. Agrisure RW MIR 604 received approval from the U.S. Department of Agriculture's Animal and Plant Health Inspection Service on March 16, 2007. In his letter to growers, Geske stresses that Agrisure RW MIR 604 is not yet approved in any other country. He also cautions farmers to be aware of corn products that could be channeled into export markets.

"A good example would be marketing your corn to an ethanol plant," wrote Geske. "Distillers grains from these plants often go into export markets such as rail to Mexico or river to export ports going to Japan or Taiwan. Communicating with your grain buyer prior to planting and especially before delivery is important to ensure that no corn containing the unapproved trait ends up in another country." Several grain elevators are issuing letters stating their intent not to accept Agrisure RW MIR 604 corn. Producers who have questions or need to confirm a delivery point can call Syngenta toll free at 1-866-Syngent or 1-866-796-4368. Another good resource is National Corn Growers Association's Know Before You Grow database. This online resource contains more than 4,000 biotech corn hybrids. Each listing includes the regulatory status of the hybrid – whether it is approved for export to Japan and/or the European Union. To learn more, click on [http://www.ncga.com/biotechnology/Search\\_hybrids/know\\_where.asp](http://www.ncga.com/biotechnology/Search_hybrids/know_where.asp).

## **A VIEW FROM THE CAPITOLS**

Legislative activities are heating up on both the federal and state levels. On the national front, could this be the year for WRDA? Last week the House approved the Water Resources Development Act (WRDA) by a vote of 394-25. Language includes \$1.8 billion for construction of seven new locks on the upper Mississippi and Illinois rivers, and another \$1.6 billion for ecosystem restoration along the rivers. The Senate Environment and Public Works Committee considered and approved its version of WRDA, which also includes lock and dam modernization on the Upper Mississippi and Illinois Rivers. The full Senate could vote on the bill before the May recess. After pushing for upgrade to river transportation for nearly 10 years, we have reason to hope that its time has finally come. Both the House and Senate also narrowly approved the emergency supplemental spending bill. In the end, the plan included \$3.5 billion in ag disaster aid, down from levels in the House and Senate-approved bills. It now heads to the president's desk for an expected veto.

In the eight legislative days since our last *StalkTalk* update, much action has occurred behind the scenes in the Missouri Senate on the Missouri Farm and Food Preservation Act, also known as Senate Bill 364. At the end of the day the Senate decided to take a pass on this important measure. Instead of supporting the language agreed to by the state's major ag organizations that would create uniform regulations for production agriculture they decided to do further research. The measure sent to the House would create a Joint Interim Legislative Committee that would study the issue and report back to the legislature next year. We don't consider this a solution and neither should you. Focus now shifts to the House. Unless your voice is heard, emotion will win and agriculture will lose. On a more positive note, E85 infrastructure pump incentives continues to progress. These measures, contained in Senate Bill 40 and House Bill 327, would provide \$20,000 up to 20 percent of the cost of installing or retrofitting pumps for E85. With the end of this legislative session in sight, we are urging our representatives to pass these important incentives to continue driving ethanol forward.

## **SUNNY SKIES PROVIDE WELCOMED WINDOW**

Warmer, dryer weather reached much of the Midwest last week, while corn began to emerge in southern states, according to the latest statistics by the U.S. Department of Agriculture. The USDA's Weekly Weather and Crop Bulletin released on April 23 reported that overall corn planting had reached 11 percent, still behind the historical average for the third week of April. Planting had begun in all major corn producing states except for Minnesota and North Dakota. Four southern states reported corn emerging, with the percentage of the crop emerged running ahead of historical averages in North Carolina, Tennessee and Texas. Replanting has begun in some southern areas, including Missouri's Bootheel, where the crop had been injured by below-normal temperatures or heavy rains.

In Missouri, dry weather allowed planters to roll statewide later in the week. As of April 23, corn planting was reported to be 32 percent complete, 10 days behind last year and 9 days behind the normal pace of 70 percent. Significant acreage has been replanted in the west-central, the southwest, and especially the southeast. Three weeks of cold weather and the replanted acreage has not allowed for much emergence, which is estimated at 7 percent, 2 weeks behind last year and 8 days behind the 5-year average of 21 percent.

Nine percent of the winter wheat crop has headed, 4 days behind last year and about even with average. Wheat condition is rated 27 percent very poor, 37 percent poor, 30 percent fair, and 6 percent good, a slight deterioration from the previous report. Damage reports continue to vary from slight to severe, but more are falling toward the moderate to severe end of the spectrum as injury become evident. An Ag Stats reporter in the west-central district explained that even if new or existing tillers produce heads, rotted lower stems could cause severe lodging. Even so, few reporters have mentioned fields being destroyed or pastured.

## **GROCERY BILL REALITY CHECK**

During a 15-month period when corn prices nearly doubled, critics of the industry have inferred that food prices would follow. However, the National Corn Growers Association (NCGA) has learned that consumer food prices have actually increased by less than average. According to the U.S. Department of Commerce, at present rates, food prices will climb only 3.3 percent in 2007. NCGA's analysis of the monthly Consumer Price Index (CPI) reports shows almost no relationship between corn prices and food prices. "The food index rose 0.3 percent in March, following larger increases earlier this year. Grocery store foods also rose less in March, largely reflecting a downturn in the index for fruits and vegetables." What is causing the Consumer Price Index to increase? You guessed it. The Department of Commerce, which issues the reports, notes that higher energy prices, particularly for petroleum products, are responsible for much of the rise in the CPI. "The index for energy, which rose 2.9 percent in all of 2006, advanced at a 22.9 percent (seasonally adjusted annual rate) in the first quarter of 2007 and accounted for about 41 percent of the first quarter advance in the overall CPI for urban consumers. Petroleum-based energy costs and charges for natural gas and electricity contributed about 29 and 12 percent, respectively," the department notes.

## **DISTILLERS GRAINS: ADDING VALUE TO THE MIX**

The U.S. ethanol industry is likely to produce approximately 16 million metric tons of distillers grains in the 2007/08 marketing year, representing a three-fold increase over 2003/04. The demand for this value-added livestock feed is growing as quickly as the supply. To help facilitate more efficient marketing, NCGA and other groups recently released a report containing guidelines for the analysis of distillers grains. The report was the result of a year-long study funded jointly by NCGA, the Renewable Fuels Association and the American Feed Industry Association. Bruce Noel, chairman of NCGA's Ethanol Committee, says, "In many cases today, as soon as plans for an ethanol plant are announced, people start calling to ask about purchasing distillers grains. We're happy to see distillers grains strengthening the bond between the corn and the livestock industries." Also strengthening that connection is the ongoing and significant research by universities, meat producers, feed companies and trade groups. The Missouri Corn Merchandising Council has sponsored two research projects in the last two years with the University of Missouri to study the role of distillers grains in backgrounding cattle and feeding swine. This latest report, including final analytical method recommendations, is available at <http://www.ncga.com/ethanol/pdfs/2007/DDGSFINALReportRecommendations0207.pdf>.

## **ROSY PICTURE PROJECTED FOR PORK PROFITS**

According to a newsletter article published by the National Pork Board, the increase in corn acres projected by the annual prospective plantings report bodes well for pork producers. "The livestock industry, especially the pork sector, got some good news," says James Mintert, a Kansas State University Extension livestock marketing specialist who participated in a recent media teleconference. "The stage is set for continued profits this spring, and pork producers should stay in the black through at least the third quarter of this year." According to the latest Hogs and Pigs Report, the U.S. inventory of all hogs and pigs on March 1, 2007, was 61.1 million head. This was up 1 percent from March 1, 2006, but down 2 percent from Dec. 1, 2006. The breeding inventory, at 6.08 million head, was up 1 percent from last year, but down slightly from the previous quarter. According to the report, the pork industry shows no signs of substantial production cutbacks in the near future. That's good news for both pork producers and corn growers!

## **BRAGGING RIGHTS UP FOR GRABS**

Sign up for the 2007 National Corn Growers Association (NCGA) National Corn Yield Contest (NCYC) is now under way, with the initial deadline for entries set for July 2. The pre-registration entry fee is \$75 per hybrid. The registration fee is \$105 per hybrid with a deadline of Aug. 1. Entry forms are posted at [www.ncga.com](http://www.ncga.com). For more information on this year's NCYC, contact Judy Hall or Max Starbuck at 636-733-9004 or e-mail [hall@ncga.com](mailto:hall@ncga.com). Winners of this year's NCYC will be honored at the 2008 Commodity Classic scheduled for Feb. 28-March 1, in Nashville, Tenn. Top growers will also receive prizes from participating seed and crop protection companies.

## **MISSOURI CORN AND MISSOURI FFA RENEW PARTNERSHIP**

The Missouri Corn Growers Association (MCGA) and Missouri Corn Merchandising Council (MCMC) renewed a valuable partnership at the 79th Missouri FFA Convention held April 19-20 at the Hearnes Center on the University of Missouri campus in Columbia, Mo. Continuing a tradition established in 1999, MCGA and MCMC once again donated the use of a Flexible Fuel Vehicle to the Missouri FFA Association in support of their agricultural education mission. In front of a packed house, MCMC Chairwoman Jayne Glosemeyer presented the keys of the graphically-enhanced 2007 Chevy Uplander to Kabel Oaks of Galt, Mo., the organization's newly elected 2007-2008 State FFA President. Equipped with a 3.9-liter V6 engine, the Flexible Fuel Vehicle has the capability to run on E85, a combination of 85 percent ethanol and 15 percent gasoline, or regular unleaded gasoline. It will be used by state officers for travel to FFA chapters and events across Missouri while at the same time raising awareness of corn and ethanol.

In addition to turning over the keys, Glosemeyer also presented awards to the top grain proficiency award winners in the state. Dylan Rosier of the Mound City FFA chapter, Mound City, Mo., was named the state winner of the Grain Production Entrepreneurship Proficiency Award. Rosier, a graduate of Mound City High School, is the son of Kim and Kirby Rosier. Nathan Palmer, Bolckow, Mo., of the South Nodaway FFA Chapter was named the state winner of the Grain Production Placement Proficiency Award. Palmer, a high school senior, is the son David and Sally Palmer. These proficiency awards, sponsored by Missouri Corn, recognize the students who use the best management practices available to efficiently produce and market crops from grain production. Our congratulations go out to all who competed!