



Corn Planting Deadline Looms; Yield Losses Likely

Many central U.S. farmers are several weeks behind schedule on planting corn due to persistent wet weather. With the approach of the early June cut-off date for corn planting, farmers may have to switch to other crops or plant out of season despite risks of lower yields, said University of Missouri agriculture experts.



Either way, corn yields will probably be lower than last year and may fail to meet the nation's 13-billion-bushel demand. That could lead to higher food prices, reduced livestock production, and ripple effects across all farm sectors, said Scott Brown, agricultural economist with the MU Food and Agricultural Policy Research Institute.

"A number of factors make us worried about where yields are going to be at harvest time this year," Brown said. "We have a very strong demand for corn in this country, and now we're starting to talk about less production occurring."

According to U.S. Department of Agriculture statistics,

Missouri corn planting was only 83 percent complete as of June 1.

"Yield loss will increase at a faster rate as we move into June," said Bill Wiebold, MU Extension corn specialist. "If we planted today, the yield would be 25 percent less than what it would have been if we planted at the optimum day, around mid-April."

Shortfalls in the nation's corn yield would affect industries reliant on corn, such as ethanol, livestock production, and exporting, Brown said.

Consumers would feel the effects of lower yields through higher food prices, he said. "We are already showing corn prices that are at or near historical highs today."

Planting delays have been widespread across the Corn Belt. Many farmers planted outside the optimal window for corn or worked wet fields, risking soil compaction and other crop problems later in the growing season, Wiebold said.

Seth Brengarth, a corn farmer in New Franklin, Missouri, is three weeks behind planting some fields. He worries that weakened root systems from compaction, standing water and weeds will make his crop more vulnerable to yield loss.

"Corn isn't as photo-centric as beans, so you actually have a longer planting season," he said. "But corn is the most sensitive plant out there, I believe. A lot of the standing water affects your yield by drowning out a lot of your plants, and that way weeds will come on later in the year."

Brengarth said he and many other farmers will have to decide whether to finish planting corn or switch to another crop. "A lot of guys are still planting corn late, but you're going to see a lot more who are going to stop planting corn and switch over to beans, or sorghum, or something else."

Late planting pushes the critical silking stage, when pollination occurs, to a less optimal time in late July, Wiebold said. "We can lose a lot of yield if we have hot and dry weather during that phase. Normally, that would be early to mid-July. Now it's going to be maybe the third or fourth week of July, and so we need a wet and cooler-than-normal July."

Despite the bad weather, Wiebold tells farmers thinking of switching crops to stay with corn through the first week of June. Soybean seed, the next likely choice, is in short supply. Soybean acres have increased dramatically, due in part to some farmers abandoning corn for beans.

"We have almost no soybean seed left in this country," Wiebold said. "A farmer switching from corn to soybeans may not find the seed to plant. Or it may be seed that's not as good in quality."

Both Wiebold and Brown said that a favorable summer could still yield a decent crop. "I remind everyone that we're very early in the season yet," Brown said. "Yes, we're very delayed, but we don't know that this will turn into a severe situation at this point. We could still have very good yields."

For Brengarth, volatility is part of making a living close to the land. "Mother Nature is just one of those things," he said. "You never know what you're going to get. The last two years we've had a really good corn crop, so we've been lucky. This is just one of those years. If it comes to a late planting date, you've just got to grit your teeth and do it."

Illinois Farmers Feeling Most Planting Pressure

A costly deadline looms for many growers in the Midwest as of this writing. Every day of waiting for the weather to cooperate to plant corn and soybeans reduces potential yields. Research indicates that Illinois growers who plant corn or soybeans near the end of June can expect a 50 percent reduction in crop yield, according to a University of Illinois agriculture expert.

The U.S. Department of Agriculture reports that corn and soybean growers in several Midwestern states are behind schedule on their planting. A cooler and wetter-than-average spring has left Illinois and Indiana furthest behind on planted corn and soybeans. Several other states are lagging behind their normal planting schedules, but by a lesser margin.

In Illinois, as of early June 9, 95 percent of the corn is planted and 88 percent has emerged, but less than half of that is reported to be in good or excellent condition. Fully 14 percent of the acres planted are in poor or very poor condition, with another 38 percent reported as fair. Those acres in poor or very poor condition may have to be replanted.

In Illinois, the corn was 7 inches high as of June 9, compared to an average of 17 inches by this time in recent years.

“This has been a bad spring by most measures,” said Illinois crop sciences professor Emerson Nafziger. “We keep seeing forecasts that look favorable and then that doesn’t happen.



In Illinois, 95 percent of the corn is planted and 88 percent has emerged, but less than half of that is reported to be in good or excellent condition. Photo by L. Brian Stauffer.

The chance of having above-average yields has diminished greatly.”

Cool temperatures and the third wettest January-April since 1895 in Illinois have led to delays that are undercutting potential yields. Nafziger’s analysis of previous years’ corn planting data in Illinois determined that “we can expect 50 percent of the maximum yield when planting is done around June 15 to 20.”

Those growing soybeans in southern Illinois may get 50 percent of their maximum yield if they plant no later than June 25 to 30, he said.

Some growers—in southern Illinois especially—will have to replant as wet conditions have caused some seed to rot.

Despite the poor conditions, Nafziger finds it encouraging that 95 percent of Illinois corn acres have been planted. While some acres will have to be replanted, high temperatures should help boost the growth rate of what has survived, he said.

Soybeans are further behind. Only 66 percent of the soybean crop was in the ground as of June 9 in Illinois, compared to an average 92 percent planted by this time in recent years.

Most growers will not get the yields they expected, but high prices for their crops—and crop insurance—should see them through, Nafziger said.

“Even with high costs, the yield needed to cover costs is relatively low when corn is more than \$6 a bushel,” he said. “But we’re looking at some real disappointment at having so

much income potential not realized this year due to weather-related crop problems.”

How Are Trans Fats Driving Technology and Market Trends?

The Chemicals, Materials and Food practice at market research consultant Frost & Sullivan had its 2008 Quarterly Analyst Briefing Presentation on the North American oils and fats market recently.

Several events impact the edible oils and fats industry, including the issue of *trans* fats and the effect of *trans* fat consumption on human health and the role of genetically modified oilseed in battling this issue. Additionally, high growth is expected of edible oils in non-food applications, especially the emergence of oleochemicals as a substitute for petrochemicals, and the use of edible oils to produce biofuels.

“The biggest issue affecting the oils and fats industry today is the issue of *trans* fatty acids or *trans* fats, whereby the U.S. Food and Drug Administration (FDA) has issued a regulation on the labeling of *trans* fats in foods, which took effect on January 1, 2006,” states Frost & Sullivan Research

Analyst W.F. Kee. “The ruling has caused the majority of consumers to switch to food products offering low-*trans* and zero-*trans* fats.

Since partially hydrogenated food products are the main source of *trans* fats in the human diet, thus oils and fats producers are now contemplating the alternatives to partial hydrogenation, with the two leading replacement technologies appearing to be: (1) blending with tropical oils such as palm oil and coconut oil; and (2) interestification of a mixture of oils. Another means of affecting such a change is to modify the genetic sequence of the oilseeds itself so that a more desirable fatty acid profile is expressed.”

Bunge to Expand Decatur Plant

Bunge North America Inc. has announced plans to build a \$72 million expansion to its Decatur, Alabama, soybean crushing and oil refining facility, according to the *Decatur Daily* newspaper. The company recently reported a 70% increase in sales revenue for the first quarter of 2008 over the first quarter of 2007, owing to rising commodity prices and increased global demand. ■