

National Corn Growers Association

U.S. Corn – Supply & Demand in a Biofueled Economy

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A Brief History





- Founded in 1957 by farmer Walter Goeppinger
- First office was in Boone, Iowa
- Staff and office moved to St. Louis in 1984
- Grower-owned suburban office opened in 2002
- Washington, DC office for policy needs

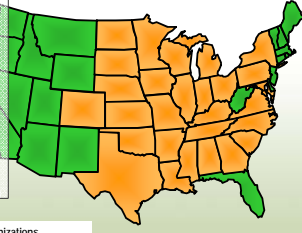
A National Presence

25 Grower-Affiliated State Associations

23 Checkoff Boards

300,000+ Checkoff Investors

35,000+ Members



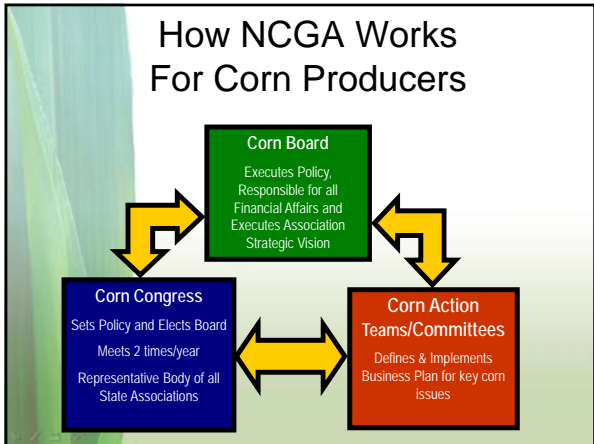
■ State Organizations and Grower Members

■ Grower Members

NCGA – What Sets Us Apart

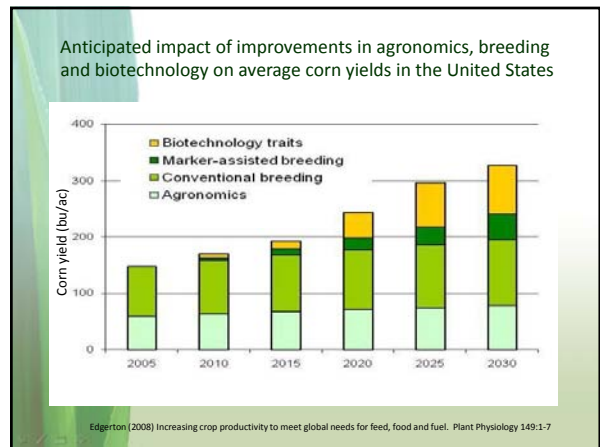
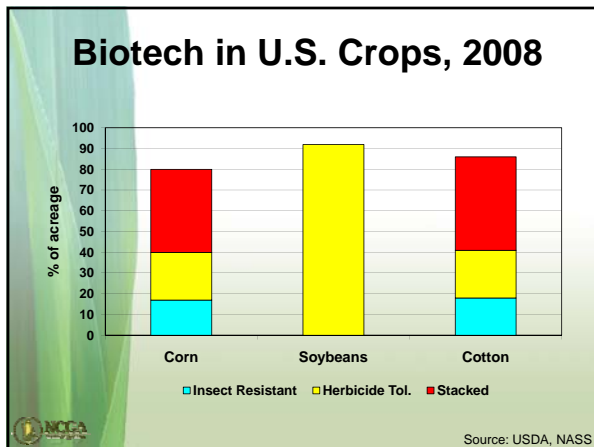
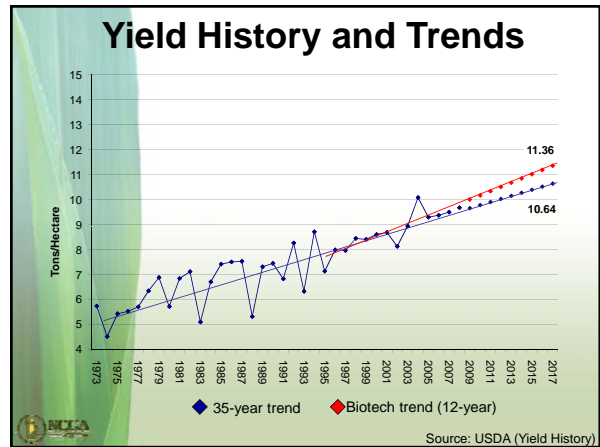
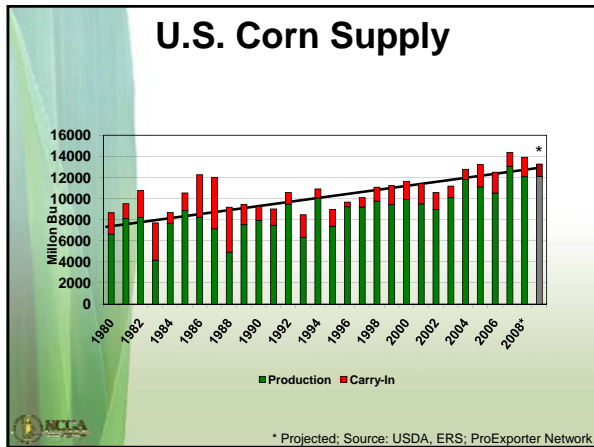
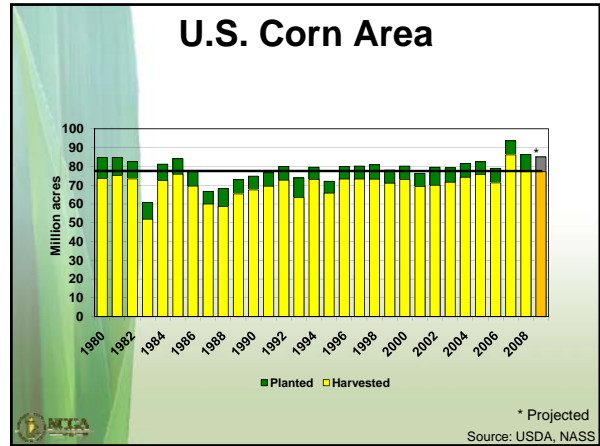
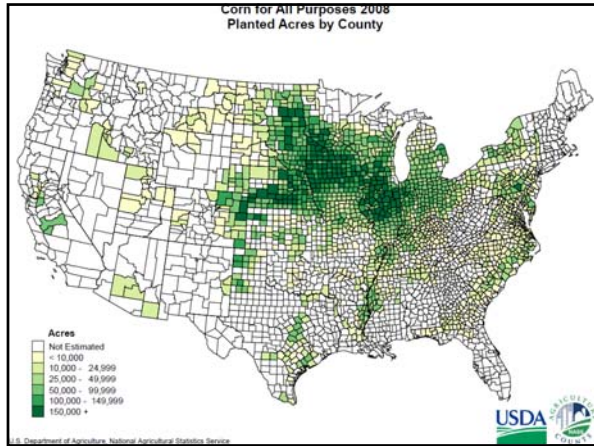


- Corn Focused
- Grassroots Organization
- Cover the Entire Spectrum of Corn Issues Every Day



NCGA Volunteer Teams and Committees

- Biotechnology Working Group (BWG)
- Ethanol Committee (EC)
- Grower Services Action Team (GSAT)
- Production and Stewardship Action Team (PSAT)
- Public Policy Action Team (PPAT)
- Research and Business Development Team (RBDAT)
- Joint Trade Policy A-Team (JTPAT)



U.S. Corn Supply and Demand

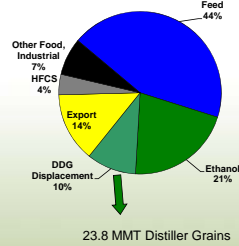
| M Bu | 2006-07 | 2007-08 | 2008-09* | 2009-10* |
|------------|---------|---------|----------|----------|
| Carry-in | 1970 | 1300.2 | 1654.8 | 1654.8 |
| Production | 10559.2 | 13080.8 | 12095.8 | 12095.8 |
| Supply | 12529.2 | 14381 | 13750.6 | 13711.2 |
| Feed | 5594.8 | 5949.4 | 5319 | 5240.2 |
| Other FSI | 1339.6 | 1339.6 | 1300.2 | 1300.2 |
| Ethanol | 2127.6 | 3033.8 | 3743 | 4097.6 |
| Exports | 2127.6 | 2403.4 | 1733.6 | 1891.2 |
| Carry-out | 1300.2 | 1654.8 | 1654.8 | 1142.6 |



* Projected; Source: USDA

U.S. Corn Markets

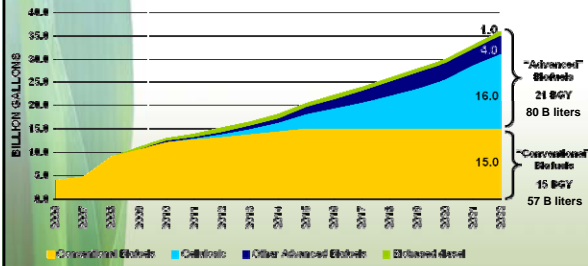
2008-09 crop 12.1 Billion Bushels



Source: USDA

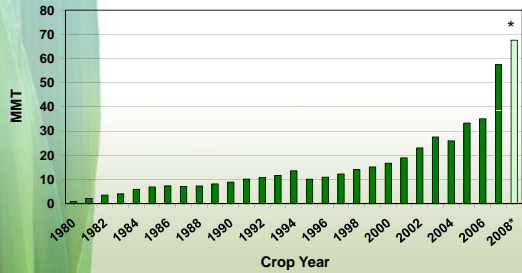
2007 Energy Act

RENEWABLE FUELS STANDARD



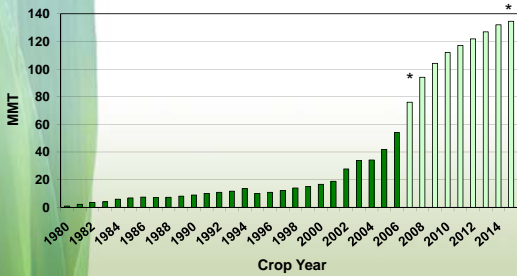
U.S. Corn Demand: Fuel Ethanol

Adjusted for DDG offsets



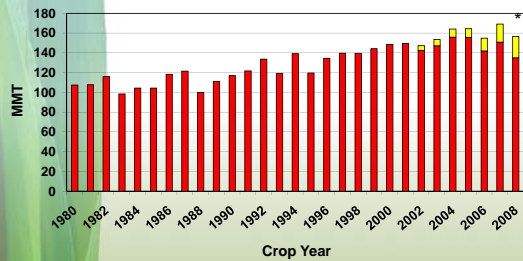
* Projected; Source: USDA, ERS, ProExporter Network

U.S. Corn Demand: Fuel Ethanol

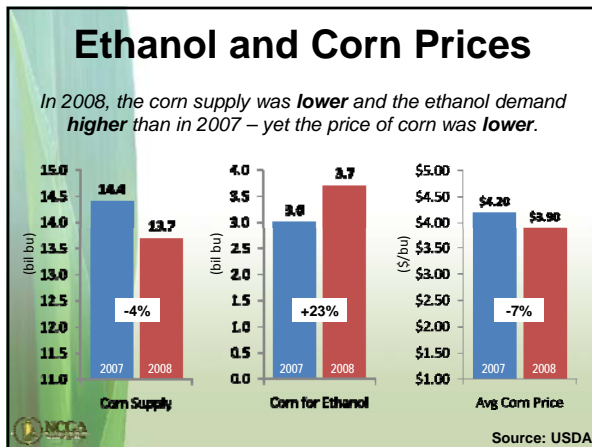
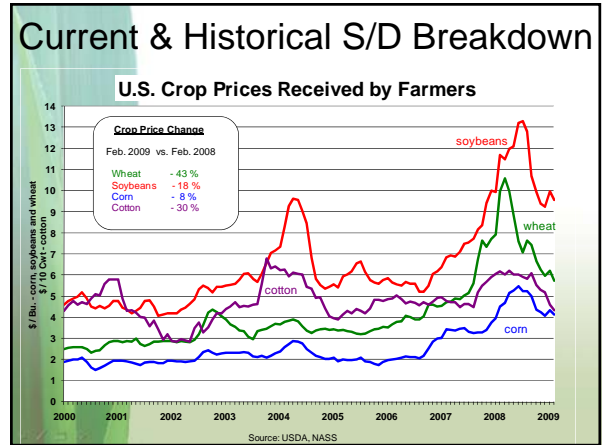
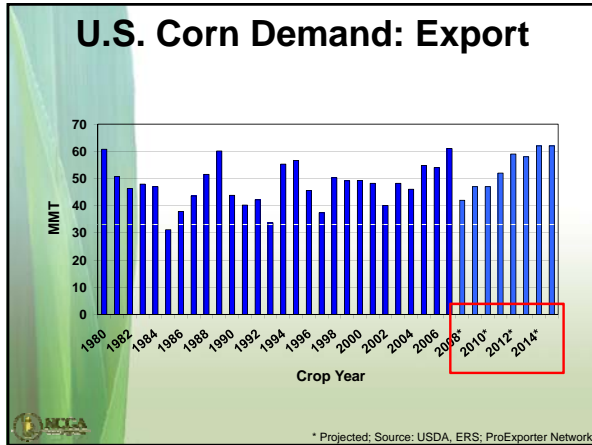
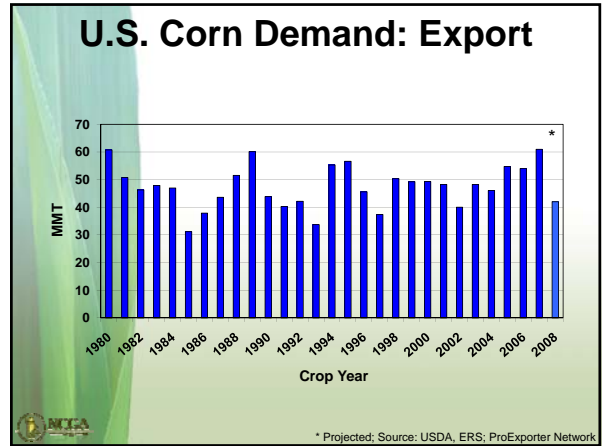
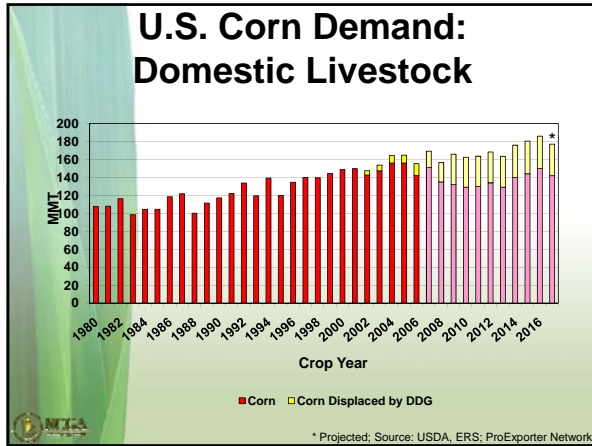


* Projected; Source: USDA, ERS, ProExporter Network

U.S. Corn Demand: Domestic Livestock



* Projected; Source: USDA, ERS, ProExporter Network



USDA: Don't Blame Corn

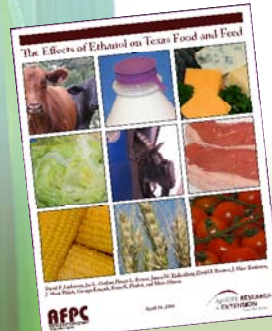
- Despite higher corn prices increase feed and costs for farmers and food manufacturers, pass through in retail prices at a rate less than 10 percent of the corn price change

The Fed: Don't Blame Corn



- Non-farm costs have added more costs to retail food dollar
- 59% in 1959 to 80% today, due primarily to rising **labor and energy** costs

Texas A&M: Don't Blame Corn



- Higher corn prices have had **very little effect** on consumer food prices
- **Higher energy prices** viewed as underlying force driving economic change

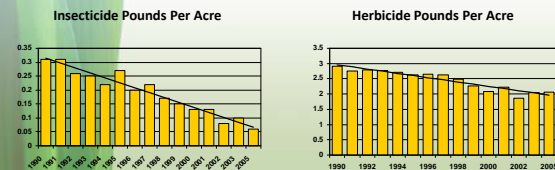
Energy's Bigger Impact



- A \$1 per gallon increase in the price of gas has **triple the impact on food prices** as does a \$1 per bushel increase in the price of corn

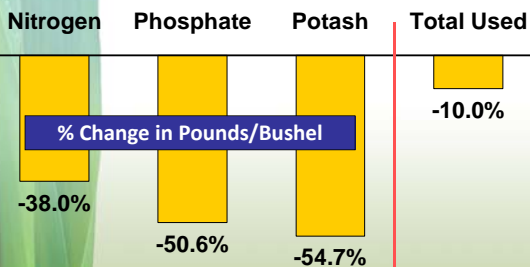
Pesticide Use Trends

Increasing adoption of hybrids with insect-resistant and herbicide-tolerant traits have greatly reduced the need for synthetic applications of herbicides and insecticides.



Source: USDA

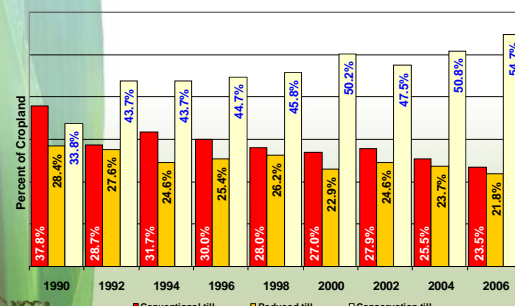
Nutrient Use, 1980-2005



Source: The Fertilizer Institute

2006 Tillage Survey

Percent Residue Cover Management
Conventional 0-15% Reduced 15-30% Conservation +30%



Source: CTIC

