

# Monthly News Report on Grains

*MNR Issue 75 - August 2011*

## About the MNR:

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The main purpose of the MNR is to establish a communication vehicle for closer dialogue between the FAO Secretariat and the Members of the Intergovernmental Group (IGG) on Grains as well as the general public.

The MNRs are dispatched electronically on the last working day of the month except in July and December.

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## Market News:

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### **Corn, Wheat Head for Second Monthly Advance as Dry Weather May Curb Crops**

31 August 2011

Bloomberg

Corn, wheat and soybeans headed for a second monthly gain in Chicago on speculation dry weather will damage crops in the U.S., the world's largest exporter of the commodities, threatening to curb global supply. December-delivery corn fell 0.3 percent to \$7.7275 a bushel on the Chicago Board of Trade at 10:42 a.m. Paris time, climbing 16 percent this month. Soybeans for November delivery fell 0.2 percent, while headed for a 7 percent gain this month. Dryness will continue to stress corn and soybean crops in the Midwest, the largest U.S. growing region, with near to below-normal rainfall in the next four days, Telvent DTN Inc. said in a forecast yesterday.

"Crop conditions in the corn belt have continued to deteriorate," Bourges, France-based farm adviser Offre et Demande Agricole said in an e-mailed report today. "Those are supporting elements in the context of a need to rebuild global stocks of quality wheat and balance the super-stretched U.S. corn situation." December-delivery wheat slipped 0.6 percent to \$7.8575 a bushel in Chicago, trimming the monthly advance to 10 percent. Milling wheat for November delivery traded on NYSE Liffe in Paris climbed 0.1 percent to 211 euros (\$304.68) a metric ton, adding 6.6 percent this month.

#### Corn Conditions

An estimated 54 percent of U.S. corn was in good or excellent condition last week, compared with 57 percent a week earlier as dry Midwest weather hurt the plants, and down from 70 percent a year earlier, the U.S. Department of Agriculture said Aug. 29. About 57 percent of the soybeans in the 18 largest growing states were in good or excellent condition as of Aug. 28, down from 59 percent a week earlier and 64 percent a year earlier, according to the USDA report. Chicago corn futures have advanced 23 percent this year, the fourth-best performance among the Standard & Poor's GSCI gauge for 24 commodities. Soybeans have climbed 3.6 percent and wheat futures are down 1.2 percent on CBOT. Paris wheat futures have slumped 17 percent since the start of the year. Rough rice for November delivery advanced 0.9 percent to \$17.84 for 100 pounds, the highest price for a most-active contract on the Chicago Board of Trade since Oct. 2008. Futures are up 11 percent this month, and 25 percent this year.

Thailand, the world's biggest rice exporter, will begin buying rice from farmers at above-market prices in mid-October, instead of November, the government said today. That plan, combined with a forecast 20 percent slump in harvest in the U.S., and rising import demand, may push the regional benchmark export price up 22 percent to \$750 a ton, according to a Bloomberg survey of exporters, traders and millers last week.

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### **Buffer stocks keep rice & wheat prices stable amid food inflation**

30 August 2011

The Financial Express

New Delhi: AMID surging prices of vegetables, fruit, milk and meat in the last one year, wheat and prices have remained largely stable, thanks mainly to the country's large grain stocks, which are now almost double the mandatory requirements.

While India's norms on buffer stocks and strategic reserves require stocking 32 million tonne of food grains, Food Corporation of India (FCI) and state government agencies have stockpiled 61 million tonne – 35.6 million tonne of wheat and 24.9 million tonne of rice. Bumper crop of wheat in the last two years and rice last year helped the agencies run up huge stocks. With the Food Security Bill coming up, the government is keen to stock excess grain.

According to a food ministry analysis, wholesale wheat and rice prices have been stable or declined in one year. This could help the government check food inflation which is now ruling around 10%.

Since last August, wheat wholesale prices have fallen from R1,230 a quintal to R1,185 – down over 3.5% in a year – while wheat prices fell to R2,000 a quintal from R2,100 in Chennai. In Mumbai and Hyderabad, prices rose to R1,563 and R1,750 a quintal respectively this month, from R1,483 and R1,713 a year back. Wholesale rice prices in Delhi rose to R1,900 per quintal from R1,850 in one year. In Hyderabad, prices rose to R1,800 per quintal from R1,700 in the same period. However, in Mumbai, prices fell to R1,775 per quintal from R1,802 a year back.

A food ministry official told FE that huge stocks held with FCI and state government agencies have led to price stabilisation. Rice and wheat “have not shown any substantial increase in the last year,” he said.

According to latest food inflation data released last week, wheat price fell 2.8% from the same period last year, while the rice prices rose 6.02%. Meanwhile, vegetables and fruits have turned significantly costlier. FE reported last week that prices of vegetables and milk have risen more than 25% in the last two months leading to rise in food inflation.

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## **Disruptions to Food Supply to ‘Ratchet Up Prices,’ Olam’s Verghese Says**

30 August 2011

Bloomberg

Global food costs will remain elevated because a potential slowdown in economic growth is unlikely to hurt demand and weather-related disruptions to supply could “ratchet up prices,” Olam International Ltd. (OLAM) said.

Combined global inventories of wheat, corn and rice will drop 2.5 percent to a four-year low as farmers fail to keep pace with demand, U.S. Department of Agriculture data shows. “The food complex is relatively recession-resistant,” said Sunny Verghese, chief executive officer of Olam, one of the world’s three biggest rice suppliers. “Because of the growing imbalance in the demand and supply of food, and because the stocks-to-consumption ratios are low, if there’s any weather-related disruption, it can ratchet up prices.” Rice, the staple for half the world, jumped 53 percent in the past year in Chicago, while corn surged 73 percent and wheat advanced 12 percent, as flooding, hot temperatures and dry weather in the U.S. and parts of Europe hurt crops. Rising grain prices helped send the United Nations Food Price Index up 10 times in the 12 months to June and reached a record in February.

Global corn stockpiles were forecast by the USDA to plunge in the 2011-2012 season to 114.5 million metric tons. That would be the lowest level in five years as hot weather in the U.S., the world’s largest grower and exporter, curbs yields and demand climbs for the grain used in livestock feeds and ethanol production.

### **Corn Deficit**

Supply may be even smaller than the USDA estimated as the harvest in the U.S. shrinks faster than forecast by the government, Rabobank International analysts led by Luke Chandler wrote in a report Aug. 26. The corn market may have an 18.7 million-ton deficit in the 2011-2012 season, more than three times the 6 million ton forecast by the USDA, according to the Rabobank analysts, who correctly predicted that yield concerns in the U.S. could push soybean prices above \$14 a bushel. “We are more friendly to corn than wheat because of weather-related issues in the U.S.,” Verghese said in an interview on Bloomberg Television with Susan Li today. “This could have a fairly significant impact and the continuing growth of demand from ethanol and the biofuel complex add” to supply pressures, he said.

The U.S. corn-crop condition deteriorated in the past week after hot weather hurt crops. About 54 percent of the crop was in good to excellent conditions as of Aug. 28, down from 57 percent a week earlier and 70 percent a year earlier, the USDA said in a report yesterday.

### **Iowa, Illinois**

Iowa and Illinois, the biggest U.S. corn- and soybean- growing states, had their hottest July since 1955, according to state climatology departments. Parts of Iowa, Illinois, Minnesota and Indiana received a quarter of normal rainfall this month, according to the National Weather Service. Rice prices will remain firm as the government of Thailand, the world’s largest shipper, buys the grain at above market prices, locking up some of the nation’s exportable surplus in state warehouses, Verghese said. “Thailand is an important exporter,”

Verghese said. "The Thai government policies will have some impact on prices. We don't expect it to explode." The export price of 100 percent grade-B Thai rice, the regional benchmark, may rally to \$750 per ton by Dec. 31, according to the median estimate in a Bloomberg News survey of seven exporters, traders and millers conducted last week. That forecast is \$50 higher than the median estimate in a separate Bloomberg survey undertaken in the first half of this month. The grain surged to a record \$1,038 a ton on May 21, 2008, a month after the Chicago rice futures advanced to an all-time high, as exporters including India restricted shipments. Thailand's buying policy will encourage farmers to boost rice planting, adding to global output and forcing Prime Minister Yingluck Shinawatra to sell the excess supply after six months, Verghese said.

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## **Drought, rain curb malting barley crop in west EU**

25 August 2011

Business Live

The amount of European barley fit for making malt, an ingredient in beer, will be curbed by weather-affected harvests in France and Germany this year, but a more promising spring crop in Britain may help limit losses. A spring drought and summer rain hurt French and German barley plants, notably spring-sown varieties that produce most of the crop used for malt, traders and analysts said.

"There is real tightness in the European malting barley market," said Cedric Weber of grain analysts Offre & Demande Agricole. "We find ourselves with relatively low stocks at the start of the campaign and now a mediocre harvest." Farmers had sown more spring barley in France, Germany and the UK this year, partly due to attractive premiums for malting crop, but lower French and German yields could now offset that increase. In France, the European Union's top producer of malting-grade barley, the farm office estimated spring barley output will fall 9 percent on last year to slightly over 2.3 million tonnes, noting that some of the crop was being downgraded to animal feed because of too-high protein levels.

The strong protein content in a smaller crop is leading malt companies to consider easing their requirements in order to obtain sufficient supply this season, operators said. "The protein levels are out of line, between 12 and 12.5 percent. Except in a few places where they're okay, they are mostly too high, especially in the north," a cash broker said. "The maltsters are going to be forced to change their policy."

ODA put the malting share of the new spring crop at 62 percent, while analysts Strategie Grains pegged it at 60 percent, well down on its estimate of 76 percent in 2010. Operators said there was some relief from the good quality of winter barley this year, although there is usually only around 20 percent of malting-grade barley in France's winter crop. The total French barley crop was put at 8.9 million tonnes by the farm office, down from 10.2 million in 2010.

### **Rain hampers German harvest**

In Germany, the frequent rain, which has disrupted Germany's wheat harvest this year, may also have damaged malting barley. "Quality will be very mixed, but there is a feeling the late rains have removed much of the gains from a larger planted area," one barley trader said.

German farmers had increased spring barley plantings by 21 percent on the year to 421,000 hectares. Farm cooperatives had forecast the spring barley crop would rise by 14.7 percent to 1.9 million tonnes. "There are no precise figures yet, but the early spring barley harvest indications are of both lower yields per hectare and a lower proportion of the crop reaching malting quality," another trader said. The winter barley crop, used for animal feed, is mostly completed and is estimated by Germany's farm ministry to be at 6.6 million tonnes, down 2 million tonnes on the year.

### **UK spring yields stable**

The spring barley harvest in the UK was 45 percent complete as of the end of the day on Tuesday, while winter barley was almost complete, according to a report issued by crop consultants ADAS on Thursday.

Higher plantings, combined with around average yields, are likely to lead to a slight increase in UK spring barley production, but a lower winter barley crop is anticipated. ADAS put average spring barley yields so far at 5.1-5.3 tonnes per hectare, little changed from last year's 5.2 tonnes. Winter barley yields, however, continue to run slightly below last year at around 6.0 to 6.2 tonnes, down from last year's average of 6.4 tonnes. "The quality of spring malting barley samples is tending to be better than the winter barley," ADAS said, noting slightly high nitrogen content for winter barley, which was planted in loose, sandy soil, leading to reduced yields in dry weather.

Spring barley plantings in Britain rose 10 percent this year, reflecting strong malting premiums in the run-up to last year's harvest, while winter barley area slipped 8 percent, according to a planting survey issued by the Home-Grown Cereals Authority last month.

In 2010, UK spring barley output was 2.81 million tonnes, slightly above the winter barley harvest of 2.44 million tonnes.

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## **Ukraine: Record harvest, with record high risks for farmers**

23 August 2011

The Day Weekly Digest

According to the Ukrainian Agrarian Confederation's data, Ukraine exported nearly 380,000 tons of grain this July, hitting the multi-year low. Less than 600,000 tons of grain were exported in the first half of August. Full month's export for August will not exceed 1.2 million tons, predicts Serhii Stoianov, general director of the Ukrainian Agrarian Confederation. Particularly, the export of wheat totalled 160,000 tons for the first month of the new marketing year (July 2011 to June 2012), while corn exports came to 40,000 tons and about 170,000 tons of barley were exported during this period. "This is just half of what is needed for efficient functioning of the market, or, to be more exact, for freeing storage space for the future harvest of the late crops," Stoianov says. The current market slowdown threatens, above all, the record corn harvest of 18 million tons. For, as the expert notes, grain of this rather capricious crop would just go bad without sufficient capacity for its processing and storage.

According to Stoianov, exports were slow due to the fact that farmers kept the harvest on farm as they did not want to sell it at the current prices. The expert says that grain farmers have sufficient number of facilities for primary storing of about 25-27 million tons. This figure matters a lot for the market signifying high risks. Firstly, as we have already noted, these 25-27 million tons occupy most of the country's storage space, preventing the late crops from being stored. Secondly, instead of the expected increase in grain prices before the New Year holidays, farmers may face the declining prices, Stoianov says, because saturated market will be expecting the new harvest already by that time. The domestic grain prices are additionally affected by export duties and the lack of VAT rebates. "They take away the profits that our producers could have realized at the international market," the director general of Ukrainian Agrarian Confederation says.

We would remind you that the Ukrainian government imposed tariffs on exports of wheat (9 percent of value but not less than 17 euros per ton), corn (12 percent of value but not less than 20 euros per ton) and barley (14 percent of value, but not less than 23 euros per ton), all to come into effect from July 1, 2011 to January 1, 2012. The agricultural market participants repeatedly protested the imposition of tariffs on grain exports saying it would lead to a significant fall in the domestic prices and entail losses for farmers. By the way, Russia and Kazakhstan are not Ukraine's partners but competitors. As Stoianov notes, Ukraine would benefit nothing from joining forces with these two countries on the international grain market, as Russian producers outcompete Ukrainian ones now, due to lower production costs at Russian farms.

It will be recalled that Ukraine's Prime Minister Mykola Azarov said last week that Ukraine, Russia and Kazakhstan would benefit from co-operating on the international market, as the combined grain export potential of Ukraine, Russia and Kazakhstan was almost 75 million tons. Azarov noted: "Having combined our potentials, we would win a great share of the international market. So the question arises – whether it would be easier to enter the market together or to do it separately?"

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## South Australia grain exports cruise to record top

23 August 2011

Agrimoney

Grain exports from South Australia have set a marketing year record with two months to spare, supporting upbeat ideas for estimates for Australian shipments. The state shipped 6.84m tonnes between the start of the 2010-11 marketing year, in October, and the end of last month, Viterra, which owns South Australia's ports, said.

The figure beat a previous record of 6.69m tonnes for a whole marketing year, set nine years ago, with August and September trade yet to factor in.

Volumes for these two months should prove "solid", Canada-based Viterra, which bought Australia's ABB Grain two years ago, said.

### Export hopes

The data come the day after Luke Mathews, at Commonwealth Bank of Australia, forecast Australian shipments of wheat, the country's main grain export, hitting 19m tonnes, supported by strong demand in South East Asia for feed wheat.

The US Department of Agriculture, whose estimates are viewed as setting world benchmarks, has pegged the figure at 17.5m tonnes. Many grain buyers have, in the face of corn prices which hit a record earlier this year, lifted orders for wheat where possible. With Black Sea exports curbed until the last couple of months, following a drought-devastated harvest last year, this opened up ready export potential for Australian wheat, even though its quality was curtailed by harvest rain.

### Slowdown ahead?

However, wheat shipments in 2011-12 look set to be curtailed by a weaker harvest than last year's record crop. National Australia Bank on Friday cut its estimate for the harvest by nearly 3m tonnes to 21.8m tonnes, citing dry weather in parts of New South Wales and Queensland.

NAB pegged the South Australia wheat harvest at 3.8m tonnes, compared with an official estimate of 2.16m tonnes, and a figure of 5.6m tonnes last year.

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## Russia adds to world fears over wheat quality

23 August 2011

Farming Online

SovEcon, the influential analysis group, warned that "market players in many producing regions" of Russia were reporting that this year's wheat harvest had, on quality, fallen short of expectations. "The supply of feed wheat is at a high level, while that of milling wheat is limited," the Moscow-based group said. Andrey Sizov, the SovEcon managing director, said that there was a "lack of high quality wheat in the market", which was being reflected in a lack of offers for milling wheat in Russia's southern and black earth regions.

### Higher premium

Prices of third-grade milling wheat had risen by 6.2% to 5,540 roubles a tonne over the past week in European Russia, with fourth-grade, the type exported, up 4.4% to 5,350 roubles a tonne, on SovEcon data. "Right now [the shortage of milling wheat] looks like it is a problem. It looks like the premium of high quality wheat may be higher than usual," Mr Sizov said. He added that milling wheat supplies could "improve" as the harvest hits Siberia, which normally produces high levels of milling wheat.

### 'Reined in by strong rains'

The comments come ahead of a conference on Monday from Russian officials monitoring grain quality, who had been expecting a high quality crop. "According to the government agency responsible for grain quality evaluation in Russia, this year the quality is expected to be better than average, with the share of food wheat at 75%," US Department of Agriculture officials noted last week. And it follows concerns in Ukraine, where as little as 40% of wheat may be of milling grade, according to private analysts, and Germany, the European Union's second-ranked producer of the grain, where wet weather has, for a second year, compromised quality. "In Germany, harvests were reined in by strong rains this weekend," Agritel, the Paris-based consultancy, said



on Monday. "Operators consider that 60% of area is yet to harvest in the key north region of Germany. As a matter of fact, quality should be downgraded again." In the US, reports have agreed on threats to spring wheat harvest delays, and potentially smaller area than had been thought, if conflicting on crop quality. The UK grain arm of a major global commodities house on Friday noted the US spring wheat crop was suffering "poor early yields, widespread disease and rain constantly battering what is left out in the fields".

Broiler booster

However, the Russian crop outcome appears a further fillip to the domestic poultry industry, also enjoying substantial government support as the country seeks to turn self-sufficient in chicken.

"Feed supply should be available at appropriate prices for the Russian poultry industry over the next year," USDA attaches in Moscow said, forecasting that the country's output of broiler meat will rise 9.1% to a record 2.75m tonnes in 2012. And further expansion is expected, with some 600,000-700,000 tonnes of broiler meat production expected to come online "within the next couple of years". Miratorg, Russia's leading pork producer, alone has plans to enter poultry and develop annual output of 105,000 tonnes. The extra domestic output, coupled with a cut in import quotas, will cut Russia's buy-ins of broiler meat to a 19-year low of 354,000 tonnes next year, the attaches said.

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## **India may double corn yields in next decade**

22 August 2011

Wattag Net

India, Asia's second-largest corn grower, could double its corn yields over the next decade, according to reports.

India's corn acreage currently ranks fifth highest in the world at more than 8 million hectares, though the country's yields are among the lowest, ranging from 1 to 4.5 metric tons per hectare. But according to the Associated Chamber of Commerce and Industry of India, the country could consume 30 million metric tons of corn by 2020, more than 50% claimed by the poultry industry. "There is tremendous room for improvement and given the focus on the crop, yields could go up 6 to 8 (metric tons per hectare) in the next 10 years," said Hardeep Grewal, Asia-Pacific head of corn marketing for agrochemicals firm Syngenta.

About half of India's corn area uses traditional cultivation methods, which produce only about 1 metric ton per hectare. The remaining area, which uses high-yield seeds, yields about 4.5 metric tons per hectare from winter-sown crop and between 2.5 and 3 metric tons per hectare from summer-sown crop, said Grewal. "So one-fourth of the corn area in India is supplying one-half of the total production...[that] shows you that Indian small farmers are adopting technologies very quickly when they are in the market economy, when they have the ability to access good quality seeds, when they have the ability to sell their grains and they have the ability to get access to agronomic information."

"As India looks into the next 15 years at its protein requirements, for animal protein, particularly for poultry and eggs, the demand for animal feed will go up, the demand for corn will go up," said Grewal. "It's vital that productivity is increased."

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## **USDA Increases Global Wheat Production, Export Projections**

18 August 2011

US Wheat Associates

By Casey Chumrau, USW Market Analyst

In its August World Agricultural Supply and Demand Estimates (WASDE), the U.S. Department of Agriculture (USDA) increased its 2011/12 global wheat production outlook by 9.7 million metric tons (MMT) from last month's projection. USDA now estimates this year's global wheat production at 672 MMT, which would be 23.9 MMT more than last year's output and the third largest global wheat crop on record if realized.

The bulk of the increased production forecast was due to greater estimates for the Russian and Ukrainian

wheat crops. USDA increased its outlook for both countries by 3.0 MMT from last month to 56.0 and 21.0 MMT respectively. World export forecasts also increased, jumping 1.29 MMT since July to 131.3 MMT. The production numbers for Russia and Ukraine, coupled with Russia's re-entry into the market after shutting out importers last year, were significant enough to offset reduced export projections for three major wheat producers. USDA lowered Argentinean, Canadian and U.S. export forecasts by more than 1.0 MMT each from July's report.

Projected 2011/12 U.S. production dropped 0.8 MMT from July to 56.6 MMT. USDA reduced estimated planted area by 960,000 acres for spring wheat and 249,000 acres for durum. Those estimates exceeded trade expectations — bullish news that helped move prices higher last week. Wheat futures gained 2.3 percent on the report's release date, August 11, with Chicago Board of Trade (CBOT) soft red winter (SRW) futures closing at \$7.01 per bushel to overcome early week losses following the Standard & Poor downgrade of the U.S. bond rating.

Probably more influential on wheat prices is the spillover from bullish corn markets. USDA reduced the U.S. corn production outlook by 14.1 MMT from last month and projected U.S. 2011/12 ending corn stocks at their lowest level in the past 15 years. Higher corn prices have boosted demand for feed wheat and, in turn, pulled up wheat prices. USDA projected 6.5 MMT of wheat will be used for feed in the United States for 2011/12, an 86 percent increase from last year's 3.5 MMT. Globally, projected use for feed wheat jumped from 123 MMT last month to a record 128 MMT this month.

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## **GM corn being developed for fuel instead of food**

15 August 2011

The Guardian

US farmers are growing the first corn plants genetically modified for the specific purpose of putting more ethanol in gas tanks rather than producing more food. Aid organisations warn the new GM corn could worsen a global food crisis exposed by the famine in Somalia by diverting more corn into energy production.

The food industry also opposes the new GM product because, although not inedible, it is unsuitable for use in the manufacture of food products that commonly use corn. Farmers growing corn for human consumption are also concerned about cross-contamination. The corn, developed by a branch of the Swiss pesticide firm Syngenta, contains an added gene for an enzyme (amylase) that speeds the breakdown of starches into ethanol. Ethanol plants normally have to add the enzyme to corn when making ethanol.

The Enogen-branded corn is being grown for the first time commercially on about 5,000 acres on the edge of America's corn belt in Kansas, following its approval by the US Department of Agriculture last February. In its promotional material Syngenta says it will allow farmers to produce more ethanol from the corn while using less energy and water. Meanwhile, campaigners say the corn will heap pressure on global food supplies and contribute to environmental degradation. They argue Enogen will lead to an increase in the amount of food crops going to fuel, leaving less for human consumption and leading to food price rises. That will lead to food price rises on the global market. "The temptation to look at food as another form of fuel to use for the energy crisis will exacerbate the food crisis," said Todd Post of Bread for the World, a Christian anti-hunger organisation.

Although individual events such as the Somalia famine are caused by a complex combination of factors, several studies have established that the expansion of biofuels has pushed up food prices worldwide, making it harder to afford for the poorest. A World Bank report released on Tuesday says food prices that are now close to their 2008 peak have contributed to the famine in Somalia. Marie Brill, a senior policy analyst at ActionAid warned: "It's going to put even more pressure on a really tight market. It will be really tempting to farmers to take on this new more efficient ethanol form of corn." The food industry is warning of the dangers of



contaminating existing corn crops with the new GM corn. The same traits that make the modified corn so attractive to the ethanol industry – the swift breakdown of starches – would be a disaster for the food industry, turning corn chips into shapeless lumps, and stripping the thickening properties from corn starch.

Even a small amount of the amylase corn – one kernel out of 10,000 – could damage food products, according to data supplied to the North American Millers' Association by Syngenta. The organisation, like most food industry groups, has opposed the corn, noting failures to prevent cross-contamination from earlier GM breeds. The European Union, South Korea, and South Africa have not approved its import. Enogen also has to catch on among farmers. "I'm sceptical as a farmer," said Allen Jasper, who runs a cattle-feed operation near Whitten, Iowa. "The first thing I'm going to ask is how does it yield. Any time you try and change a corn plant and get it to do something that is not native to the plant you have to be sceptical of the yield." Syngenta maintains the corn variety has a high yield, and that it has the appropriate safeguards to prevent cross-pollination. After Kansas, the company plans to expand its growing area to Nebraska, Iowa, South Dakota, and southwest Minnesota.

Farmers will grow the corn under contract to an ethanol production plant, getting a premium over regular corn. Buffer rows of corn will be planted. "This is a very slow ramp-up. This is not a broad acre crop at this point," said Paul Minehart, a Syngenta spokesman. Steve McNinch, of Western Plains Energy, in Kansas, the only ethanol plant to have processed the new corn, said adding a small amount of amylase corn to the mix – about 10% – would increase production by 10%.

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## **New Web Resources:**

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### **Excessive Food Price Variability Early Warning System**

July 2011

IFPRI

In an effort to forewarn policymakers and humanitarian agencies of potential food security problems, IFPRI has developed a new tool to identify time spans of excessive price variability. The first of its kind, this new tool is updated daily to reflect price variability ratings for four major crops—hard wheat, soft wheat, corn, and soybeans.

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## Global Food Price Monitor

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## Wheat and Corn Market Reports

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CME Group

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