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Experts say corn increase is likely, but could create challenges

By Elliott Minor

Associated Press

ALBANY, Ga. - Georgia farmers are expected to plant about 170,000 additional acres of corn this year to help supply the ethanol plants popping up around the country and to take advantage of the best corn prices in a decade, experts say.

With corn prices soaring to \$4.04 per bushel - the best since the \$3.58 they received in 1996 - Georgia's acreage should jump about 38 percent from 280,000 acres last year to 450,000 acres this year.

But along with the higher prices there will be challenges, according to economist John McKissick, director of the University of Georgia's Center for Agribusiness and Economic Development in Athens.

"This ... is the first time since 1996 that we have had this kind of alternative," he said. "We've also got to recognize that opportunity also is a challenge."

McKissick was among about a half dozen speakers Wednesday at a University of Georgia conference on the new farm bill that Congress will pass next year and on the outlook for peanuts, cotton and other Georgia crops.

Experts believe farmers will plant fewer peanuts and less cotton to accommodate the larger corn crop and they may produce more soybeans, a source of oil for another alternative fuel - biodiesel.

The Albany meeting is one of four around the state to help farmers with spring planting decisions. The final session will be in Gainesville next Wednesday.

Higher corn prices have already resulted in higher feed costs for poultry and beef producers, and farmers have responded by reducing production, McKissick said. That has resulted in higher prices for consumers, he said.

A major concern is whether Georgia has the infrastructure to handle a significantly larger corn crop, he said.

When the corn is harvested it has to be protected from the elements. Otherwise, there's a risk of it being contaminated by the aspergillus fungus, which can produce a carcinogenic poison harmful to humans and livestock.

The ethanol industry buys only top quality grain because residue from making alcohol is used to produce animal feed, McKissick said.

"We're going to have to have more infrastructure to move it out of the field into production," he said. "We need high quality grain elevators and trucks."

Colquitt farmer Louie Perry, chairman of the Georgia Cotton Commission, said he raises cattle and routinely grows cotton, corn and peanuts, but has no plans to increase his corn acreage.

Noting that some grain bins haven't been used in 20 years, Perry said he shares the concern that there may not be enough equipment to harvest the crop, trucks to transport it and places to store it.

Turning to the new farm bill, J. Scott Angle, dean of the university's college of Agricultural and Environmental Sciences, said U.S. agriculture is in the "most uncertain time" of the last 50 years and it's anyone's guess what policies and programs it will contain.

"None of us want our food production to go overseas like we've done with oil," he said. "The American supply of food is by far the safest in the world."

Some at the conference saw last week's peanut butter recall as an example of how well the U.S. food safety system works. Peanut butter from a plant in nearby Sylvester was recalled after nearly 300 people in 39 states were sickened by salmonella.

"We have good regulations and good enforcement," Angle said. "And we have farmers who understand that a safe supply of food is the best marketing tool."