Latest estimates show crop is $240 million less than 2011

NewsNetNebraska

This past summer, the heat arrived and the rain went away. All of Nebraska and about two-thirds of the United States was left in a crippling drought. The drought caused corn, Nebraska's biggest cash-crop, to take a serious hit. Despite higher prices, the Nebraska Corn Board's latest estimates are that Nebraska's corn crop will be worth about $240 million less this year than last year's.

"You look overall and where we should be on a trendline yield and we are down 18 to 22 percent," said Kelly Brunkhorst, Director of Research for the Nebraska Corn Board.

Over the last decade Nebraska has produced an average of 1.4 to 1.5 billion bushels of corn. That comes out to about 12 percent of the annual U.S corn crop. This year, Brunkhorst says, Nebraska is projected to produce about 1.3 billion bushels.

Hardest on dryland farmers

Sixty-five percent of Nebraska's corn crop is irrigated. But farmers who rely solely on rain to water their crops had a difficult time this year.

Don Hutchens is one of those farmers.

Hutchens owns farm ground in the southwest part of the state. His 1,600 acres of irrigated corn produced its normal amount of 200-220 bushels per acre. His 400 acres of dryland corn, however, was considered a total loss. It yielded just one bushel per acre.

“The loss on dry land was terrible but I had crop insurance that will cover my cost of production, but not make land payments or interest payments,” Hutchens said.

Hutchens said that the drought isn’t only hard on him, however.

“One of every 3 jobs depends on agriculture, and drought is hard on the land, the people and the economic strength of the state.”

Nebraska farmer Dave Nielsen owns ground in northeast Lancaster County. He said his dryland corn produced just over half of its normal yield at 90 bushels per acre.

Supply, demand, prices

Brunkhorst says Hutchens and Nielsen aren’t alone.

“Normally we harvest 97 percent of acres planted, this year it was 91 to 92 percent. Others will be abandoned or cut for silage.”

Economics 101 suggests when supply goes down and demand remains the same, prices go up. That’s been the story with corn prices this fall.

According to Brunkhorst, cash prices right now are between $7 and $7.50. Over the last several years, prices have been in the $4.50 to $5 range.

While corn farmers can ease the pressure on their bottom line by cashing in on crop insurance and selling corn at high prices, beef producers may expect to take a hit.

“Corn prices increase the price of food that goes into rations,” Brunkhorst said.

Your pocketbook

According to a Nov. 27 article in the Lincoln Journal Star, those extra costs are already being passed off to consumers, who can expect to see higher beef prices through 2013.

Consumers could see higher prices at the grocery store as well.

Take your breakfast, for example. According to Corns Talk magazine, assuming that corn is priced at $8 per bushel, a dairy cow eats 25 cents worth of corn to produce a gallon of milk. An 18-ounce box of corn flakes contains 11 cents worth of corn. And there’s roughly 37 cents worth of corn in every pound of hamburger.

When will it end?

Mark Svoboda, a climatologist at the National Drought Mitigation Center on East Campus at the University of Nebraska-Lincoln says the answer lies in the oceans.

Winters with warmer ocean temperatures are known as El Niño winters and generally mean more moisture makes its way into the jet stream. On the contrary, winters with colder ocean temps are known as La Niña winters, and don’t send as much moisture into the air.

According to Svoboda, the last two winters have been La Niña events. But as of now, water temperatures are stuck in neutral, leaving forecasters scratching their heads.

“There won’t be any major change that they could predict because they don’t have a strong oceanic signal to help drive the forecast,” Svoboda said. “It’s not likely you’ll see a major change in the extent of the drought, but you may see a little bit of a reduction in intensity.”

The odds

The odds simply don’t appear to be in the favor of farmers. Svoboda said that moisture levels are down anywhere from 25 to 50 percent or nine to 12 inches statewide. What’s worse is that it takes nearly a foot of snow to equal one inch of rain. And that is assuming the ground is thawed enough to absorb the moisture.

Svoboda said we are now in the middle of a critical period, between when crops are planted and harvested, when the moisture in the soil needs to be recharged.

“Keep it in mind that three month period between now and say the end of February before spring rolls around, you just don’t see a great percent of your annual (moisture) total, less than twenty percent,” he said.

While it may seem like only farmers and ranchers are the only ones who should be looking hopefully towards the skies, Hutchens says the drought is a more universal problem.

“In America we have the most abundant, safest and most economical, food supply. But a drought will mean higher food costs and less economic strength of our communities and our state.”