



Renewable Fuels Association

*“The Voice of the Ethanol Industry  
for More Than a Quarter Century”*

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## USDA’s March 2008 Planting Intentions Report

In USDA’s March 2008 Prospective Plantings report, it is estimating that farmers will plant slightly more than 86 million acres of corn this year, down from the all time high of 93 million acres one year ago. This number is lower than what many others were anticipating, but it is just an estimate. Several factors could lead to farmers changing their intentions. However, this still represents a historically high number of corn acres, up some 8 million acres from 2006’s planting intentions report and has the potential to become the second-largest corn crop in history.

In response to USDA’s report, the following are some key messages the RFA will be communicating to the media and others:

- This is a prospective report reflecting farmers’ intentions today. But many factors could drive farmers to alter their current planting intentions, most notably weather. Favorable planting conditions in the Corn Belt this spring could very well lead to more than 86 million planted acres of corn.
- Historically, USDA’s March prospective planting report has been lower than the actual number of corn acres planted. For the past four years in a row, USDA has underestimated corn plantings, missing last year’s record planting by some 3 million acres.
- This report is yet another example of how high energy costs are putting a squeeze on America’s economy. Record high fertilizer and fuel prices are driving farmers to plant other crops. Agriculture is not immune to the ill-effects the record high price of oil is wreaking on Americans of all walks of life.
- Nevertheless, 86 million acres of corn will yield a near record corn crop in excess of 12 billion bushels. Together with the projected carry-in of more than 1.4 billion bushels, U.S. supplies of corn will continue to remain sufficient in meeting the needs of food, fuel, fiber and fuel markets. (Note: This assumes 79 million acres of corn harvested with an average yield of 155 bushels per acre, the 2008 yield trend average.)
- What this report also suggests is additional arable acres, both in the U.S. and around the world, will be needed. Indeed, acres do exist that can responsibly and sustainably be brought back into production. We ought not to be plowing under environmentally-sensitive land, but the opportunity to bring acres into production in an environmentally-sound fashion should be explored.

In addition, the RFA will continue to point out the advancements being made in ethanol production technology that is allowing for more efficient use of the corn kernel, including:

- Today, ethanol plants are producing approximately 2.8 gallons of ethanol and 17 pounds of livestock feed from a bushel of corn. Technologies in use and in development today will improve yields with ethanol plants soon producing 3 gallons of ethanol or more from a single bushel of corn.
- America’s ethanol industry is also rapidly embracing new technologies that will expand the basket of feedstocks from which ethanol is made. In the near future, ethanol production from wood waste, corn cobs, native grasses and even garbage will increase the volume of ethanol we are able to produce while avoiding undo stress on supplies of corn and other grains.