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Roy Frederick
University of Nebraska-Lincoln

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July 12, 2000

Cornhusker Economics

Cooperative Extension

Institute of Agriculture & Natural Resources
Department of Agricultural Economics
University of Nebraska – Lincoln

Acreage Trends Mixed for GMOs

Market Report	Yr Ago	4 Wks Ago	7/7/00
Livestock and Products, Average Prices for Week Ending			
Slaughter Steers, Ch. 204, 1100-1300 lb Omaha, cwt.	$63.15	$70.14	$67.06
Feeder Steers, Med. Frame, 600-650 lb Dodge City, KS, cwt.	80.43	*	*
Feeder Steers, Med. Frame 600-650 lb, Nebraska Auction Wght. Avg.	92.88	103.00	*
Carcass Price, Ch. 1-3, 550-700 lb Cent. US, Equiv. Index Value, cwt.	100.47	113.74	107.20
Hogs, US 1-2, 220-230 lb Sioux Falls, SD, cwt.	28.50	49.00	49.75
Feeder Pigs, US 1-2, 40-45 lb Sioux Falls, SD, hd.	19.00	44.50	*
Vacuum Packed Pork Loins, Wholesale, 13-19 lb, 1/4" Trim, Cent. US, cwt.	97.56	124.70	134.50
Slaughter Lambs, Ch. & Pr., 115-125 lb Sioux Falls, SD, cwt.	79.75	89.75	82.87
Carcass Lambs, Ch. & Pr., 1-4, 55-65 lb FOB Midwest, cwt.	172.00	210.00	190.00
Crops, Cash Truck Prices for Date Shown			
Wheat, No. 1, H.W. Omaha, bu.	2.62	2.93	2.97
Corn, No. 2, Yellow Omaha, bu.	1.59	1.93	1.54
Soybeans, No. 1, Yellow Omaha, bu.	3.96	4.98	4.60
Grain Sorghum, No. 2, Yellow Kansas City, cwt.	2.73	3.38	2.66
Oats, No. 2, Heavy Sioux City, IA , bu.	1.15	1.20	1.20
Hay, First Day of Week Pile Prices			
Alfalfa, Sm. Square, RFV 150 or better Platte Valley, ton.	85.00	102.50	105.00
Alfalfa, Lg. Round, Good Northeast Nebraska, ton.	*	70.00	52.50
Prairie, Sm. Square, Good Northeast Nebraska, ton.	*	70.00	*

* No market.

USDA's June Crop Report made headlines mostly because the corn acreage planted for 2000 exceeded expectations. At 79.6 million acres, the total was at least 1 million acres higher than most pre-report guesses. Prices skidded, helped along by reports of timely rains throughout the Corn Belt.

Had the corn acreage estimate been closer to expectations, the big story in the June report could well have been acreage planted to genetically modified (enhanced) varieties. USDA is just beginning to provide full information on producers' planting preferences. It's appropriate that the department do so because of continuing controversy – mostly in international markets – regarding GMOs.

For the record, here are the estimated shares of total acreage planted to GMO varieties in 2000:

	United States	Nebraska
	-------- Percent --------	
Corn	25	34
Soybeans	54	72
Upland Cotton	61	

For corn, the Nebraska percentage represents 24 percent planted to insect resistant (Bt) varieties, 8 percent planted to herbicide resistant varieties and 2 percent with "stacked genes," meaning there is both insect and herbicide resistance.

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Nebraska soybean acreage planted to GMO (herbicide resistant) varieties is notable not only because it exceeds the U.S. average share, but, in fact, is the largest share in any single state. Producers in the Cornhusker state must have decided that the advantages of a weed-free crop exceed any concerns about export markets.

On the other hand, it appears that market concerns were a much bigger factor in Illinois, where much of the crop is shipped down the Mississippi River to Gulf ports. Only 44 percent of this year's Illinois crop was reported to be GMO varieties.

Comparisons to previous years are more difficult because data sets are less complete. In particular, state breakouts are not available. Nevertheless, in October 1999, USDA summarized 1998 and 1999 GMO plantings nationally as follows:

	Herbicide Resistant		Insect Resistance (Bt)	
	1998	**1999**	**1998**	**1999**
	---------- Percent----------			
Corn for Grain	9	8	26	30
Soybeans	42	57		
Upland Cotton	33	38	23	27

If one combines the data from the previous three years, it appears that GMO acreage nationally, at least for corn and soybeans, has dropped in 2000 after being higher in 1999 than in 1998. As expected, GMO corn acreage went down more this year than GMO soybean acreage. Still, a quarter of this year's corn crop and over half of the soybeans are GMO varieties.

Nebraska producers are particularly enthusiastic users of GMO soybean varieties. There's no reason to think that won't continue as long as they don't face a significant discount at selling time.

One last thought: Despite a barrage of negative publicity regarding GMOs from about September 1, 1999 through this past winter, the technology did not disappear. Far from it. With the acreages we're seeing in 2000, there's reason to believe this technology is "weathering the storm."

Roy Frederick, (402) 472-6225
Professor and Extension Economist