

American Corn Growers Foundation

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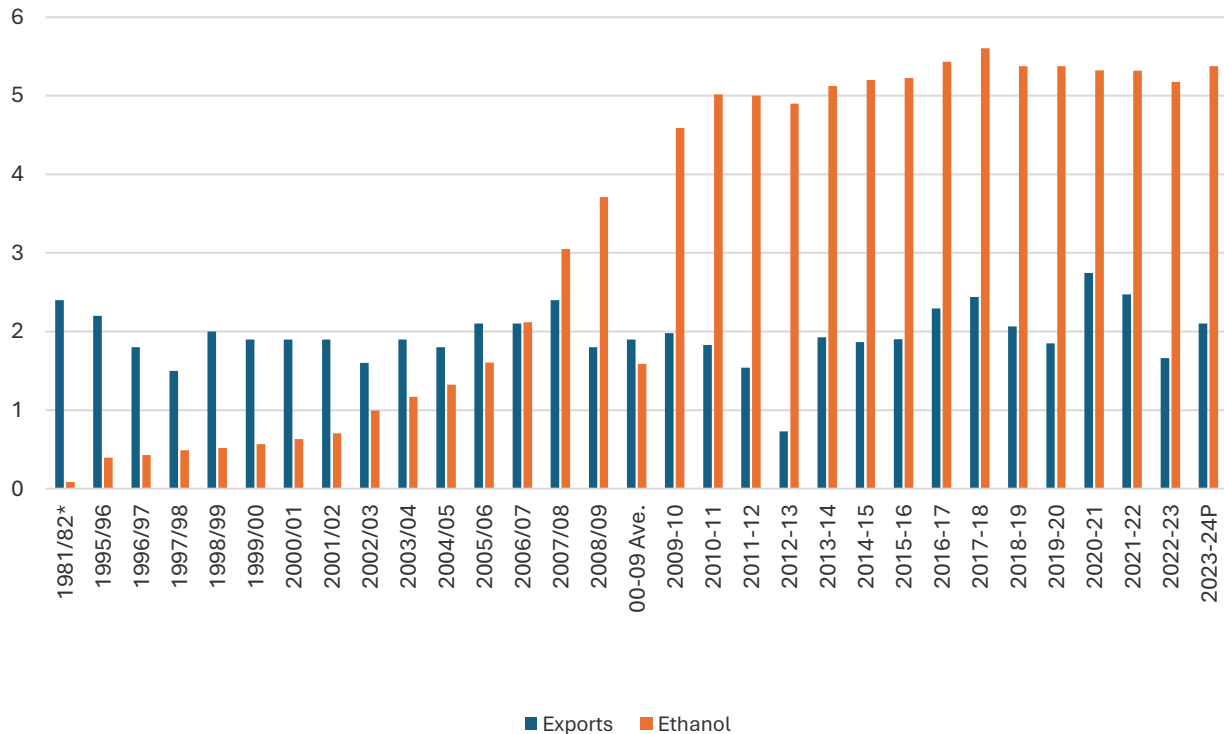
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What Would Corn Prices Be Without 5.5 Billion Bushels Used In Ethanol? Congress Needs to Get Its Act Together and Pass a 15% Ethanol Blend Nationwide, Now.

Wilcox, NE, January 8, 2025: “According to USDA’s 12/10/24 WASDE report the U.S. will have ending corn inventories of 1.738 billion bushels on 9/30/25 with an estimated average corn price of only \$4.10/bushel,” said Gale Lush of Wilcox, NE, a corn, soybean and wheat farmer and Chairman of the ACGF. “Just imagine how low corn prices would be without an estimated 5.5 billion bushels used for ethanol. Even though consumer retail meat prices are high in the supermarket due to corporate concentration and drought consumers need to remember that much of the corn used in ethanol goes back into the cattle feeding channel as distiller’s grains, a protein feed source which adds to feed supplies and helps keep consumer food prices lower than they otherwise would be. If corn prices go too low because of reduced ethanol demand caused by delayed passage of a nationwide 15% ethanol blend option, corn inventories would rise, and corn prices will go below production costs. Lower farm-level corn prices do not lower consumer retail food prices, because of corporate food sector concentration. The importance of ethanol for corn demand, rural prosperity and consumer satisfaction with lower food and gas prices cannot be overstated. Unlike other manufacturing and industrial production industries there is no U. S. supply management system for corn, so annual corn production will always go unrestrained without a drought.”

U.S. Corn Use for Ethanol vs U.S Corn Exports 1981 thru 2023-2024 Projectd In Billion Bushels (Source: USDA-WASDE: ACGF Graph)



“2024 ended with the U. S. having the best and strongest economy in the world, with inflation, gas and food prices going down, great trends for consumers,” said Dan McGuire, ACGF Policy Director. “2025 can be even better if Congress gets its act together and passes a year-round, nationwide 15% ethanol blend in gasoline. That will help hold gas prices down at the pump, while reducing pollution and cleaning the air. Corn exports will always be important, but they have been flat on average for 40 years. The real growth sector for corn use is ethanol and even with USDA’s estimated 5.5 billion bushel use of corn for ethanol in 2024/2025 corn prices remain low. A 15% ethanol blend nationwide would create new demand for another 2+ billion bushels of corn annually, which is needed for rural economic development. Consumers and the environment will benefit immensely from lower gas prices and cleaner air. Ethanol is a win, win, win for everyone.”