



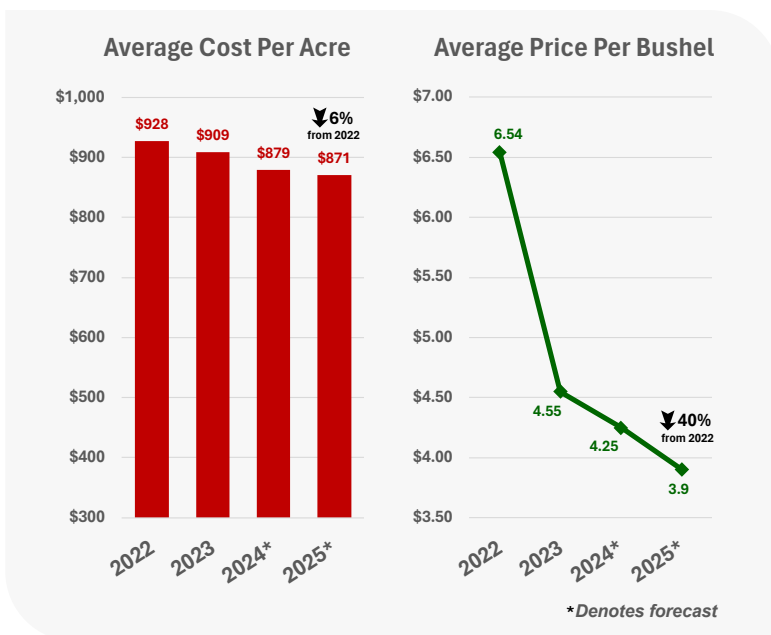
# Targets for Enhancing Competitiveness of U.S. Corn

## 2025 NCGA CORN COMPETITIVENESS REPORT

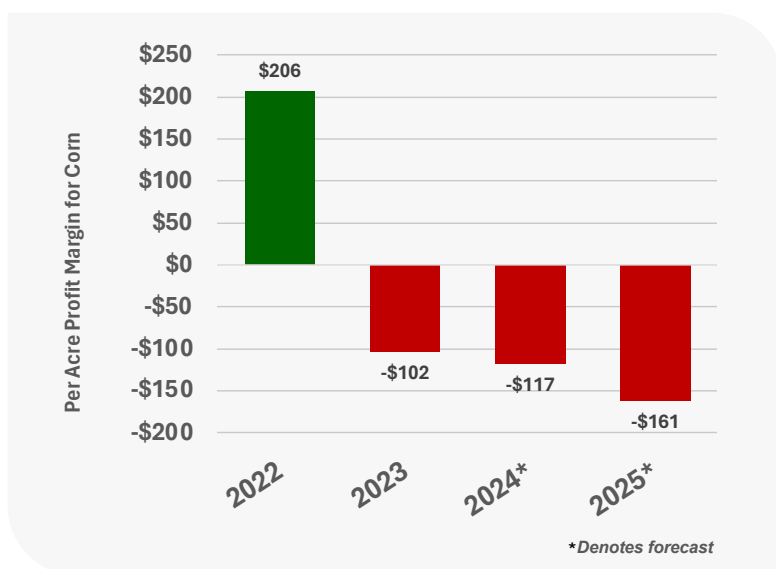
The United States is a corn-producing superpower, growing about one-third of the world's corn and doing so more sustainably than anywhere else on earth. With a centuries-rich history, 96% of U.S. corn is grown by American farm families. But the future of this American-grown powerhouse is in jeopardy as costly and burdensome regulations and outdated, unfavorable policies hinder American corn farmers' market access resulting in high costs and low market prices.

The average corn price American farmers receive declined 40% from 2022 to the average price expected for 2025. The average cost to produce corn has also declined, but only by 6%. Corn is a market commodity; the price farmers are paid for their corn is based on the board of trade price, adjusted for basis, at the time of the sale. Meanwhile, most farmers buy inputs at costs set by their retailer.

### Corn Price Has Dropped Substantially More Than Cost to Produce



### Three Years of Losses for Corn Farmers



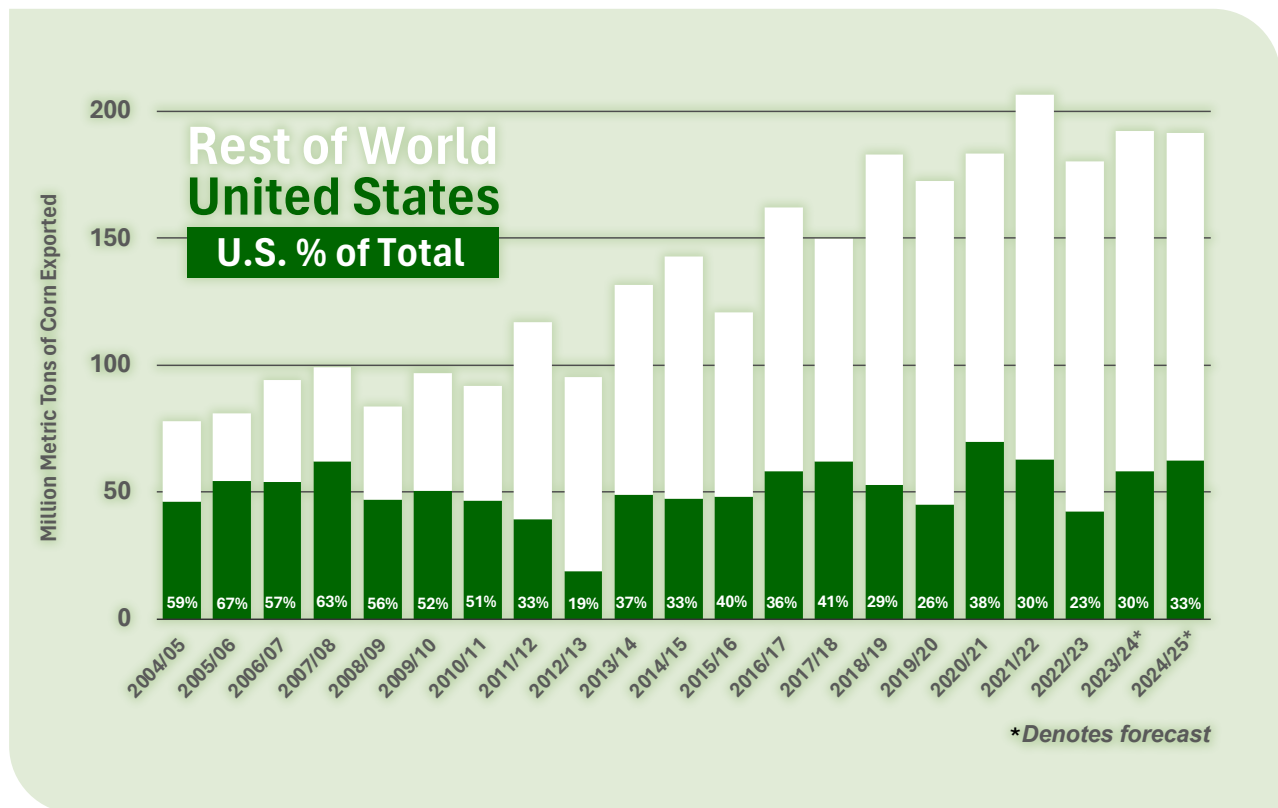
As former President John F. Kennedy famously stated, "The farmer is the only man in our economy who buys everything at retail, sells everything at wholesale, and pays the freight both ways."

Because of this unique situation, farmers have less control over their own profitability than producers in other sectors of the economy. For 2025, corn growers are preparing to take a net loss for the third year in a row. On average, American farmers are facing losses of over \$160 per acre of corn. Sustained high input costs and dropping prices leave American farmers in a vulnerable financial position.

In that position, American farmers don't have the financial resources to adopt new management practices or meet burdensome regulations that dictate how they operate their farms. Not only are regulations financially costly, but they also stifle the innovation that has propelled American farmers forward over the last century. In 2024, American corn farmers harvested 1.7% fewer acres than they did in 1924 but produced 729% more corn. Major growth in production, without using more land, is the result of freedom to operate and access to resources that champion innovation.

Despite this major growth in production, the U.S. global market share for corn has decreased in the past two decades as other nations support agricultural growth and expand global trade relationships. America's share of global corn exports dropped from 59% in 2004 to 33% in 2024. As global production continues to increase, corn prices depend on growing demand. The financial viability of U.S. corn farmers depends on robust demand for U.S. corn in all forms: grain and value-added products for both domestic and international markets. Expanding use of U.S. corn not only supports corn prices for U.S. farms but also boosts rural economies and brings jobs and manufacturing to the U.S.

### World Exports Grow While the U.S Share of Global Corn Exports Declines



If the U.S. is going to build the greatest economy in history, supporting American corn farmers is foundational. Corn growers need an environment where they can be innovative, productive and profitable, with unobstructed access to necessary inputs, management tools and markets. They also need an environment that preserves and protects the integrity of farming for future generations and allows hardworking American corn farmers to thrive and contribute to building the greatest economy in history.

American corn farmers are facing challenges that threaten competitiveness. But there are solutions. These six targets would support U.S. corn's competitiveness and ensure growing corn remains viable for America's farm families.

## COMPETITIVENESS TARGET: INCREASE GLOBAL MARKET ACCESS FOR U.S. CORN

### CHALLENGE: EXPORT MARKETS FOR U.S. CORN

#### **Solution #1: Trade Initiatives with Market Access**

The U.S. has not formed a new trade agreement in over a decade. If market access provisions are not included in ongoing trade negotiations, America cannot make good on meaningful export opportunities. Increasing trade initiatives around the globe that include real market access provisions, such as purchase commitments, will generate demand for American corn and support corn prices for U.S. farmers. By fortifying existing markets and discovering new potential markets, U.S. corn farmers can solidify a diverse set of customers, which helps mitigate supply chain uncertainty and displaced markets.

#### **Solution #2: Eliminate Trade Barriers**

When foreign countries enact regulations that disrupt trade, like bans or tariffs on U.S.-produced corn, farmers are left holding the bag. While these barriers to trade may be issued under the guise of something like protecting public health, they are often an ineffective attempt at propping up a domestic industry. For example, [Mexico's efforts to ban genetically modified corn](#), which were not based on science, would have been detrimental to American corn farmers if fully realized, especially as Mexico is the top export destination for U.S. corn. From [Brazil's tariff on ethanol imports](#) to a variety of countries erecting barriers to [importing of biotech products](#) and even delays in approvals from foreign regulatory bodies, agricultural products are often the target of unjust trade barriers that must be eliminated.

#### **Solution #3: Market Access for Animal Ag Exports**

Demand for animal protein around the world, especially in developing countries, continues to increase. American livestock producers are the most efficient and sustainable producers in the world, with easy access to abundant feed grains, including corn. Seeking increased market access for animal protein exports would provide a source of nutrition to the world while supporting farmers and rural America.

### CHALLENGE: CORN EXPORT INEFFICIENCY

#### **Solution: Work to Eliminate Transportation Barriers**

Barriers in the transportation of corn to market often cut into financial margins for corn farmers. Disruptions along the inland waterway and rail systems increase transportation costs, impacting corn prices. Locks and dams along the inland waterway system have been pushed far beyond their 50-year design life, which can cause closures or further delays, driving transportation costs higher still. In 2024, rail inefficiencies at the Mexican border caused stoppages for corn farmers and for businesses along the supply chain. This not only increased transportation costs but created a glut in domestic supply. Investing in critical transportation infrastructure and working with our adjacent trade partners to ensure fluidity of the export system will allow for efficient delivery of the superior product U.S. corn farmers provide to the world market.

**Why It Matters: U.S. corn growers need equitable and reciprocal trade deals that protect American farmers from unfair trade.**

## COMPETITIVENESS TARGET: EXPAND USE OF U.S. CORN IN ETHANOL

### CHALLENGE: THREATS TO BIOFUELS DEMAND FOR U.S. CORN

#### **Solution #1: Provide a Level Playing Field for Biofuels**

In 2024, final rulemakings were issued for the EPA Light Duty Vehicle Multi Pollutant Standard, and the National Highway Traffic Safety Administration's Corporate Average Fuel Economy standard. Both rules favor electric vehicles and rapidly force consumer choice away from internal combustion engine vehicles, which would cause significant injury to all liquid fuel demand, including ethanol. Using EPA's rule forecast, [NCGA projects](#) corn use for ethanol would decline more than 1 billion bushels annually beginning in 2041, representing about 20% of current corn use for ethanol. Litigation opposing these rulemakings for [light-](#) and [heavy-duty](#) vehicles is already underway. Favorable decisions reached in the courts this year would create lasting benchmarks for administrative action on these issues in the future.

#### **Solution #2: Legislation for Higher Blends of Ethanol & New Octane Standard**


During the 118th Congress, legislation that would facilitate an increase in corn demand failed to move forward. Both the Consumer and Fuel Retailer Choice Act and the Next Generation Fuels Act, which have been introduced several times over, would have solved decades-long issues for the fuel value chain, stimulated ethanol demand, lowered everyday costs of fuel for consumers and reduced emissions.

#### **Solution #3: Eliminate Trade Barriers**

Brazil's 18% tariff on ethanol imports has shut off access to a major market for U.S. ethanol producers. The U.S. government should strongly encourage Brazil to eliminate the tariff and return to market parity for ethanol.

#### **Solution #4: Certify Corn Ethanol for Expanded Markets**

The Fuels Parity Act which would have removed the dated prohibition of corn starch ethanol from qualifying as an "advanced biofuel" was also left on the table by the 118th Congress. In order for ethanol to remain competitive in the dynamic modern biofuels market, reasonable changes to the Renewable Fuels Standard such as this must be made.



**Why It Matters: U.S. corn growers are ready to have a vital role in making America a dominant energy producer with abundant, low cost, American-made corn-based ethanol.**

## **COMPETITIVENESS TARGET: STRENGTHEN FARM RISK MANAGEMENT**


### **CHALLENGE: OUTDATED FARM SAFETY NET PROGRAMS**

#### **Solution #1: Protect and Strengthen Federal Crop Insurance**

Federal crop insurance has a proven track record of helping producers quickly respond to natural disasters. The success of the public-private partnership in providing risk management tools has led to wide adoption rates among row crop producers. In 2023, corn farmers alone insured \$73.6 billion in liabilities through the purchase of over 407,000 policies nationwide. Increasing crop insurance access and affordability for producers, including beginning farmers, will further protect and strengthen the economies of rural America.

#### **Solution #2: Strengthen Commodity Revenue and Price Programs**

Key risk management tools and USDA programs continue to be stress tested by natural disasters, economic challenges and unpredictable events. Strengthening the Farm Bill commodity programs administered by the Farm Service Agency, including the Agriculture Risk Coverage and Price Loss Coverage commodity programs, will provide farmers with a better safety net when they face significant income losses due to fluctuations in crop prices or revenue. Targeted improvements, such as an update to base acres to reflect recent planting history, would ensure farmers have appropriate access to the programs. These programs have not been reauthorized or improved since the 2018 farm bill.



**Why It Matters: U.S. corn growers need strengthened farm risk management tools that support rural economies when American family farmers face risks that threaten their businesses.**

## **COMPETITIVENESS TARGET: PRESERVE THE AMERICAN FARM FAMILY LEGACY & FARMLAND ACCESS**

### **CHALLENGE: TAX INCREASES THREATEN FARM PROFITABILITY**

#### **Solution #1: Extend Key Federal Tax Provisions**

The Tax Cuts and Jobs Act of 2017 includes federal tax policy provisions used by corn farmers to support and grow their family businesses, including bonus depreciation, Section 179 expensing and the qualified business income deduction. These important provisions, set to expire after 2025, should be extended in the federal tax code. Otherwise, farms are set to see their taxes raised, threatening their farm profitability.

#### **Solution #2: Extend the Higher Estate and Gift Tax Exemptions**

To ensure long-term continuity and smooth transition between generations of family-owned, agriculturally based and other small businesses, the Tax Cuts and Jobs Act temporarily doubled the exemptions for federal estate tax and raised the exemption for gift taxes, both adjusted for inflation. The increased estate tax and gift exemptions are set to expire after 2025 and should be extended in the federal tax code. Reverting to the lower estate and gift tax exemptions would hinder family farm successions.

### **CHALLENGE: VERTICAL INTEGRATION IN CROP FARMING**

#### **Solution #1: Incentive for Farmer Investment, Operation and Capital**

As of 2022, [39%](#) of U.S. farmland is rented or leased. As of 2014 (most recent available), [80%](#) of rented farmland is owned by people not actively involved in farming. Non-operator buyers prop up land values despite factors otherwise expected to result in softening, such as low commodity prices, negative crop returns and high interest rates. Incentives support and encourage farmer investment in land, including solutions that allow capital to come in alongside farmers, rather than compete with them, would help preserve active family farms. Farmers in a third year of losses cannot generate a cash down payment for a land purchase or cash flow land payments. Incentives to stimulate purchases with direct operation of cropland would help farmers access farmland, protect against vertical integration evolution and support farming families.

#### **Solution #2: Resist Consolidation and Differentiation in the Corn Sector**

The market for standard yellow corn is as close to perfect competition as possible: an active market with many buyers and sellers selling the same undifferentiated product at the same price where market participants can easily access market information. These components uphold market structure and family farm participation in this market for corn. Consolidation of input suppliers and grain purchasers translates to fewer buyers and sellers in the market and should be resisted. Programs and incentives that link sustainability benefits to corn in the market differentiate the product and price and could be problematic to the market for standard corn if there is large scale participation. Alternatively, small scale differentiation offers niche market opportunities for family farms. In designing programs and incentives, it is critical that the chain of custody model used accounts for expected farmer participation to maintain commodity market integrity and pricing transparency.

**Why It Matters: U.S. corn growers need a supportive environment for reinvestment into farms and transfer of farmland within farm families.**

## COMPETITIVENESS TARGET: PROTECT ACCESS TO AGRICULTURAL INNOVATIONS

### CHALLENGE: HIGH INPUT COSTS

#### **Solution: Eliminate Tariffs on Fertilizers and Herbicides**

NCGA has been vocal about the negative impacts that duties on phosphate imports are causing farmers, and concurrently, how duties on 2,4-D imports would also negatively affect farmers. Duties on these two imports would place supply chains under stress, leading to shortages and higher prices, while preventing farmers from accessing tools that meet their individual needs.

### CHALLENGE: PESTS & DISEASE IN CROPS

#### **Solution #1: Protect Endangered Species with Workable Solutions for Farmers**

EPA's Endangered Species Act Framework is designed to provide species protection in advance of full consultation by the U.S. Fish and Wildlife Service and the National Marine Fisheries Service. However, the overly conservative approach underway may result in requirements for farmers to comply with burdensome mitigations, which are not only financially burdensome but also excessively time-constraining for farmers. Once requirements and mitigations are in place, there is little chance of reducing or eliminating them should a full consultation find they are not needed. It is important to ensure endangered species are afforded protection with strategies that are realistic and manageable for farmers to implement.

#### **Solution #2: Champion Innovation in Agronomic Research**

As pests, diseases and weather patterns evolve over time, research and development of new products is critical to combat existing and emerging threats. One example is the rising occurrence of mycotoxins like aflatoxin and vomitoxin, toxic substances produced by certain fungi found in corn that can be harmful to humans and animals. Increased appropriated funds for research related to these toxins would be directed to NCGA's Aflatoxin Mitigation Center of Excellence, a collaborative effort among state corn checkoff boards and university experts to efficiently identify tools for prevention, in-field measures and post-harvest strategies to combat aflatoxin and other mycotoxins.

### CHALLENGE: MAINTAIN STATUS AS PRODUCERS FOR THE WORLD'S MOST AFFORDABLE, ABUNDANT AND SUSTAINABLE CORN

#### **Solution #1: Regenerative Opportunities with Biotech Hybrids**


The [reduction of soil loss](#) over the last 35 years was enabled by biotech seeds offering additional weed management options. Farmers can produce more with less soil erosion and fewer pesticide applications because of biotechnology.

### **Solution #2: Biotech Modification Reduces Dangerous Food Contaminants**

An [analysis](#) of over 6,000 peer-reviewed studies covering 21 years of data found that biotech corn increased yields up to 25% and dramatically decreased dangerous food contaminants. The study, published in Scientific Reports, analyzed field data from 1996, when the first biotech corn was planted, through 2016 in the U.S., Europe, South America, Asia, Africa and Australia.

### **Solution #3: Preserve Access to Seed & Crop Protection Technology**

Safe, affordable, sustainable and abundant supplies of agricultural products are essential to the wellbeing of our country. For decades, millions of American farmers and ranchers have dutifully supplied these goods to U.S. consumers. Weeds, insects and disease outbreaks can inflict significant crop yield losses. They can also infest grazing lands, making them unusable for livestock and contributing to wildfire fuel loads. Without continued access to tools needed to protect against devastating pests, U.S. farms and ranches would quickly become economically unsustainable, jeopardizing U.S. farmers' ability to provide affordable food and other agricultural products to consumers. For decades, genetic improvement technologies have helped U.S. farmers improve crop yields and protect against pests. Novel applications of these tools may help safeguard crops from drought and enhance their nutritional qualities, among other improvements. Preserving access to these technologies and encouraging further advancement is essential to maintaining both a robust, quality supply of goods for U.S. consumers and competitiveness for U.S. agriculture globally.



**Why It Matters: U.S. corn growers need a suite of input and crop protection options without costly and burdensome regulations. This will lower costs on the farm and champion innovation in technological advances and farm management.**



## **COMPETITIVENESS TARGET: STRENGTHEN USE OF U.S. CORN IN AMERICAN PRODUCTS**

### **CHALLENGE: MARKET BARRIERS TO ENTRY FOR CORN-BASED PRODUCTS**

#### **Solution #1: Policy Supporting Commercialization of New Uses of Corn**

Congress should implement a tax incentive for new companies in the bioeconomy space using domestic feedstocks like corn to manufacture renewables. Many research initiatives in this area fail to overcome a “valley of death” moving from the lab to implementation of “steel in the ground” facilities. This tax incentive would help return manufacturing of these products to the U.S. and increase demand for U.S.-grown corn.

#### **Solution #2: Cross-Agency Collaboration on Funding New Uses of Corn**

U.S. agriculture would benefit if the USDA, National Institute of Food and Agriculture, Department of Energy, and others collaborated more closely on research, development and commercialization in the biotechnology and renewable chemicals space. Executive Order 14081 initiated steps, but bioeconomy support must continue through programs at national labs, BioPreferred and Rural Development.

#### **Solution #3: Increase Public-Private Partnerships to Improve Technology Transfer**

Government agencies and national labs have developed valuable technologies, but the technology transfer process must be simplified. An increase in public-private partnerships would facilitate investment in new technology commercialization and reduce technology transfer red tape. BioMade is a great start, but improved leverage of public-private partnerships and other efforts that help technologies overcome the “valley of death” and scale up is needed to support production of American-made products using American-grown feedstocks.

#### **Solution 4: Consistent Terminology and Biobased Product NAICS Codes**

Consistent terminology and definitions need to be established for differentiating biobased products from recyclable, biodegradable and others. The North American Industry Classification System (NAICS) codes should also be defined for biobased products so their economic contribution can be measured and businesses using renewable feedstocks like U.S.-grown corn can get more access to capital for scale up.

### **CHALLENGE: DISPARATE RULES FOR CARBON SCORING & COMPLIANCE**

#### **Solution: Define Carbon Programs and Requirements**

U.S. corn farmers are positioned to help companies solve challenges by sequestering carbon on their farms. Programs, rules and requirements that enable U.S.-grown products to qualify as feedstocks for sustainable aviation fuel and other new uses will put America first, support farmers and rural livelihoods and make a positive impact on the world. Defining programs for carbon intensity and utilizing American-grown crops will increase the demand for quality products that are produced more efficiently in the U.S. than anywhere else in the world.

**Why It Matters: U.S. corn growers need reduced market barriers and prioritized use of U.S. corn in American-made products. This supports domestic industry and jobs, propelling a Buy American Hire American economy.**