



Value Added Markets



By William Olson, PuraMaize™ Business Development Manager

To bring more income to their operation, producers are always looking for value in new crops or for new markets for crops they are already producing. For 69 years, Hoegemeyer has provided high quality hybrids with yields and agronomics to help producers be successful. As the company

looks to the future, quality and yield is still a priority for us, but we are also looking for ways to provide products that enable our customers to pursue value-added markets.

Value-added markets are defined as markets that pay a premium to producers for their crop over regular commodity prices. Examples include food-grade white and yellow corn, corn with high extractable starch for ethanol, corn with waxy and high amylose traits for starch production and other value-added markets.

Crops destined for these specialty markets may not always bring a premium because of supply and demand, quality factors and various other tests the crop may need to meet. As producers study the demands and pay-offs of value-added markets, they need to look at market availability, contract specifications and their ability to handle and protect the crop through harvest and storage. But for producers looking for new, niche markets, value-added crops should definitely be part of the equation.

Hoegemeyer has and continues to develop a number of products for value-added markets:

FOOD-GRADE CORN

The white and yellow food-grade market has been very dynamic the past few years. Domestic consumption has held steady to moving slightly higher while the export market has dropped off by as much as 50 percent, primarily because of concerns about genetically-modified crops in Europe and Japan. With Hoegemeyer breeding and research, a number of our hybrids have the potential to meet both the domestic and export food market requirements. In our lineup of whites, for example, we have 1080W and 1128W that have been excellent performers in agronomics and yield, and both have been approved for sale to Frito-Lay in Nebraska. Hoegemeyer will continue to look for unique genetics to strengthen and grow our line-up of hybrids to further benefit our customers' production of food-grade corn.

CORN FOR ETHANOL

Corn with high extractable starch (HES) ratings, produced specifically for ethanol, is another value-added market that is gathering more attention. In an accompanying article, Kelly Koch, District Sales Manager at Kearney, Nebraska, discusses three criteria for producing corn with HES ratings and some excellent preliminary test results. To succeed in this market, producers need to make their hybrid selection based first on agronomics and yield and then on a hybrid that has an above average rating for high extractable starch (HES).

PURAMAIZE™

Hoegemeyer continues to research and evaluate new value-added markets to determine which best fit our customers' needs and the resources the company has available. Hoegemeyer's PuraMaize™ system is the most recent innovation. It fits very well into the value-added markets and will be a key component in enabling producers to grow non-GMO crops for specialty domestic and export markets.

I have spent eight years working with processors and grain handlers developing the food-grade market for various companies. I look forward to heading up business development for the PuraMaize™ system and finding solutions for Hoegemeyer's customers who pursue value-added markets.

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