

Rising corn prices might mean we pay more for everything else

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By **Shaina Cavazos, The Plain Dealer**

CLEVELAND, Ohio -- Corn is in almost everything you touch, from what you eat to what you wear.

And what we will be paying for some of those items might be going up as the **price of corn rises because of this year's severe drought.**

Last week, the Department of Agriculture reported that food prices are expected to rise 3 percent to 5 percent next year.

Consumers should expect to see prices increase for processed non-animal-based food products that include corn derivatives, such as corn syrup, corn starch and natural sweeteners found in corn, said Richard Volpe, an economist with the USDA's Economic Research Service. The increase likely won't be felt until 2013, he said, because the more "storable" a product is, the longer it takes for commodity prices to affect retail prices.

Corn derivatives are also used in personal care items to soften skin, thicken solutions and absorb moisture. There is even corn in medicine, such as in pressed-powder tablets or added flavors. Logically, it would follow that if corn prices rise, the prices of non-food items containing corn will rise, too. But Matt Roberts, a grain markets specialist at OSU, said it's not that simple.

Non-food items made with corn derivatives usually contain long lists of ingredients, Roberts said. If corn prices go up, some corn-heavy items, such as certain bioplastics, could see a bigger effect on prices. But prices of items with trace amounts of corn are much less likely to change enough for a consumer to notice.

A versatile grain

Corn: It's in your food, your fuel and your face cream, and you probably didn't even know it. Corn starch, syrup and glucose, a simple sugar found in carbohydrates, are probably hiding in the labels of some common items in your home.



SOURCES: Ingredient; USDA Economic Research Service

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Corn was at a record price of \$8.14 per bushel Monday afternoon, according to Bloomberg. It was trading at slightly more than \$8 on Wednesday.

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Drought-damaged corn is seen near Lawrence, Mich.