The U.S. Department of Agriculture’s Economic Research Service has released a report on the projected effects of the drought on crops and retail prices for 2012 and 2013. Some highlights of the report:

- "Historically, if the farm price of corn increases 50 percent, then retail food prices as measured by the Consumer Price Index (CPI) increases by 0.5 to 1 percent. More generally, as an overall commodity price index increases, about 14 to 15 percent of that increase is passed on to retail prices for products that use that commodity as an ingredient."

- "Sweet corn, eaten by humans, is distinct from field corn (used for feed) and is not being heavily affected by adverse weather at this point."

- "A striking aspect of the 2012 drought is how the drought rapidly increased in severity in early July, during a critical time of crop development for corn and other commodities."

- "Soybean supplies are already tight ahead of the 2012 harvest. Ending stocks from last year’s harvest are currently estimated at 170 million bushels. For the previous 5 years, ending stocks averaged around 600 million bushels. The result is that prices could rise sharply if evidence suggests that the drought could severely reduce soybean production prospects this year."

The report will be updated periodically as new information arises.