

2011 Crop Budgets

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Corn and Soybean Profitability 2011

Four Scenarios:

- 1) Baseline Commodity Prices.
- 2) High Fertilizer Prices.
- 3) High Commodity Prices (high fert).
- 4) Low Commodity Prices (high fert).

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Corn and Soybean Profitability 2011

	Price Scenario (\$/bu)		
	Low	Base	High
Corn	\$3.75	\$4.75	\$5.75
Soybeans	\$8.85	\$11.10	13.35

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Budget Assumptions

Fertilizer – Base Scenario:

- 1) N at \$.43/unit.
- 2) P₂O₅ at \$.55/unit.
- 3) K₂O at \$.46/unit.

\$700/ton Anhydrous
\$650/ton DAP
\$550/ton Potash

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Fertilizer – High Cost Scenario:

- 1) N at \$.50/lb elemental basis.
- 2) P₂O₅ at \$.60/lb.
- 3) K₂O at \$.50/lb.

\$820/ton Anhydrous
 \$732/ton DAP
 \$600/ton Potash



Other:

- Trucking 30 miles.
- \$2/gallon LP removed. 3 pts
- Direct Payment \$15/acre.



Corn Yield	Soybean Yield	Corn/Soybean Yield Ratio
125 bu	39.0 bu	3.2
150 bu	45.5 bu	3.3
175 bu	51.5 bu	3.4



Sample Budget Comparison 2011

<u>Yield and Price:</u>	<u>Corn</u>	<u>Soybeans</u>
Expected Yield (rotation)	150	45.5
Future's Price Fall 2011	\$5.00	\$11.60
Basis (-)	<u>\$0.25</u>	<u>\$.50</u>
Expected Cash Price	\$4.75	\$11.10
Direct Gov't Payment	\$15	\$15
Total Revenue	\$728	\$521



Costs Associated with Previous Example		
Inputs:	Corn (150 bu)	Soybeans (45.5 bu)
Seed	\$76	\$45
Nitrogen	\$65	\$0
P, K, and Lime	\$71	\$50
Pesticides	\$30	\$20
Total Inputs	\$231	\$115
Machinery and Labor	\$103	\$72
Other:		
Drying Grain	\$19	\$0
Crop Insurance	\$15	\$15
Misc.	\$15	\$15
Land Rent		
Operating Interest	\$6	\$3
Total Other	\$55	\$33
Total Costs	\$389	\$220

Baseline Scenario			
\$ 11.10 Soybeans (elevator)			
\$ 4.75 Corn (elevator)			
\$.43-N; \$.55-P; \$.46-K			
	Net Revenue Corn	Net Revenue Soybeans	Net Revenue Rotation
125 bu corn	\$217	\$228	\$223
150 bu corn	\$329	\$300	\$315
175 bu corn	\$442	\$365	\$404

Note: Does not include land rent.

High Fertilizer Scenario			
\$ 11.10 Soybeans (elevator)			
\$ 4.75 Corn (elevator)			
\$.50-N; \$.60-P; \$.50-K			
	Net Revenue Corn	Net Revenue Soybeans	Net Revenue Rotation
125 bu corn	\$201	\$225	\$213
150 bu corn	\$313	\$296	\$305
175 bu corn	\$426	\$362	\$394

Note: Does not include land rent.

High Commodity Price Scenario			
\$13.35 Soybeans (elevator)			
\$ 5.75 Corn (elevator)			
\$.50-N; \$.60-P; \$.50-K			
	Net Revenue Corn	Net Revenue Soybeans	Net Revenue Rotation
125 bu corn	\$326	\$312	\$319
150 bu corn	\$463	\$398	\$431
175 bu corn	\$601	\$478	\$540

Note: Does not include land rent.

Low Commodity Price Scenario

\$ 8.85 Soybeans (elevator)

\$ 3.75 Corn (elevator)

\$.50-N; \$.60-P; \$.50-K

	Net Revenue Corn	Net Revenue Soybeans	Net Revenue Rotation
125 bu corn	\$76	\$137	\$107
150 bu corn	\$163	\$194	\$179
175 bu corn	\$251	\$246	\$249

Note: Does not include land rent.

Recommendations

Grain Farmers:

- Current price levels extremely profitable.
- Double-crop even more profitable.
- *Remember what happened in 2008...*
- Good time to price portion of crop.

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