Prices for Crop and Livestock Cost-Return Budgets

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The following prices and input costs have been assembled to facilitate forward planning for the farm business. Table 1 outlines the short-run (one year) planning prices used for the cost-return budgets in the Kansas Farm Management Guide series. Table 2 includes long-run average planning prices for 2013-2017 (i.e., counterpart prices to those reported in Table 1). In most cases, long-run prices are calculated as a weighted average of short-run price projections and historical cash prices.

Corn and grain sorghum feed price projections are based on the Kansas Agricultural Statistics cash price series and include a buy/sell markup of $0.25 per bushel. Soybean meal (48 percent protein) price projections are based on Kansas City cash price and include a markup of $20 per ton. Projected prices were based on relevant futures prices observed on the six Wednesdays in October — mid November 2012 adjusted for historical average basis (2009–2012) basis Cash price projections are based on grain futures prices with adjustments for historic average basis levels for 2013. Mineral and salt prices were based on recent price quotes.

Crop price projections, except for sunflowers, were based on the relevant futures closing prices and then adjusted for historical basis over 2008–2012. Oil sunflower crop price projections are for prices at harvest (October) at Goodland for 2012. Table 3 outlines the location-specific projections of harvest time crop prices (wheat: July; corn, grain sorghum, and soybeans: October). Short-run price projections are for harvest 2013 and based on October 1 – mid-November 2012 deferred futures prices as well as historical basis over the 2008–2012 period. Long-run price projections are for the average harvest time prices for the 2013–2017 period. The long-run crop prices are based on a weighted average of short-run price projections and historical cash prices.

Hay price projections in Table 1 are the January through October 2012 average Kansas Agricultural Statistics prices for alfalfa and other hay. Brome hay is projected to be $5

Table 1. *Prices for Short-Run Planning (2013)*

Crop or Feed			Livestock		
Crop or Feed	Crop Price	Feed Price	Species	Weight (lbs)	Price
Wheat (bu)	a	$ 8.25	Steer calf (fall)	450	$ 183.52
Grain sorghum (bu)	a	6.58	Steer calf (fall)	550	168.86
Grain sorghum (cwt)	a	11.75	Steer calf (fall)	650	158.90
Corn (bu)	a	6.87	Steer calf (spring)	550	178.42
Soybeans (bu)	a	-------	Feeder steer (spring)	650	164.26
Sunflowers-oil (cwt)	$ 25.45	-------	Feeder steer (spring)	750	155.26
Sunflowers-confection (cwt)	33.25	-------	Feeder steer (spring)	850	148.34
Alfalfa hay (ton)	219.01	219.07	Market steer (annual)	1,225	132.25
Brome hay (ton)	137.78	137.78	Heifer calf (fall)	450	165.64
Prairie/fescue hay (ton)	127.78	127.78	Heifer calf (fall)	550	155.05
Cane hay (ton)	b	117.93	Heifer calf (fall)	650	150.84
Corn silage (ton)	b	55.28	Feeder heifer (spring)	650	151.93
Sorghum silage (ton)	b	44.22	Feeder heifer (spring)	750	142.23
SBM, 48% (ton)	-------	428.66	Market heifer (annual)	1,175	132.21
Salt (cwt)	-------	4.00	Cull cow (annual)	1,050	81.41
Mineral-vitamins (cwt)	-------	35.00	Market hog (annual)	265	67.16
			Cull sow (annual)	480	60.26
			Market lamb (annual)	120	109.11
			Feeder lamb (annual)	60	170.29
			Cull ewe (annual)	100	52.21
			Dairy replacement heifer (annual)	1,250	1,189
			Milk (annual gross price)	100	20.49

[a] *See Table 3 for location-specific prices.*

[b] *Crop prices for corn silage, sorghum (cane) silage, and cane hay are based on location-specific grain prices in Table 3. $/T corn silage = 8 × $/bu corn price. $/T sorghum silage = 0.8 × $/T corn silage. $/T cane hay = (8/3) × $/T sorghum silage.*

per ton above other hay and prairie hay is $5 per ton below. Cane hay prices were determined from sorghum (cane) silage prices, which were based on corn silage prices, which were based on corn grain prices.

Beef calf price projections are Dodge City prices for October 2013 while feeder cattle projections are Dodge City prices for April 2013. Market cattle price projections are 2013 annual averages for western Kansas. Cull cow prices are 2013 annual averages for Kansas locations. Market hog projections are for the Western Corn Belt average carcass, multiplied by 0.74, in 2013 plus a premium of $2.75 per hundredweight. Cull sow price is a national annual average for 2013 and is based off of market hog futures prices. Price projections are based on relevant futures prices observed on the five Wednesdays in October 2012 used two ways, a) added to historical average (2009-2012) basis and b) used in historical (2003-2012) regressions of cash price on futures price. Cash price projections are an average of the two methods. Short-run sheep price projections are monthly average U.S. prices from October 2011 through September

Table 2. *Prices for Long-Run Planning (2013-2017)*

Item		
Crop or Feed	**Crop Price**	**Feed Price**
Wheat (bu)	a	$ 6.67
Grain sorghum (bu)	a	5.45
Grain sorghum (cwt)	a	9.73
Corn (bu)	a	5.80
Soybeans (bu)	a	--------
Sunflowers, oil (cwt)	$ 22.60	--------
Alfalfa hay (ton)	150.12	150.12
Brome hay (ton)	102.97	102.97
Prairie/fescue hay (ton)	92.97	92.97
Cane hay (ton)	b	87.89
Corn silage (ton)	b	41.20
Sorghum silage (ton)	b	32.96
SBM, 48% (ton)	--------	387.15
Salt (cwt)	--------	4.00
Mineral (cwt)	--------	27.50
	Weight (lbs)	**Livestock Price**
Beef		
Steer calf (fall)	450	$151.38
Steer calf (fall)	550	136.46
Steer calf (fall)	650	127.66
Steer calf (spring)	550	151.89
Feeder steer (spring)	650	138.64
Feeder steer (spring)	750	129.45
Feeder steer (spring)	850	122.76
Market steer (annual)	1,225	108.91
Heifer calf (fall)	450	134.43
Heifer calf (fall)	550	124.13
Heifer calf (fall)	650	119.94
Feeder heifer (spring)	650	126.96
Feeder heifer (spring)	750	118.23
Market heifer (annual)	1,175	108.91
Cull cow (annual)	1,050	64.98
Swine		
Market hog (annual)	265	59.08
Cull sow (annual)	480	50.07
Sheep		
Market lamb (annual)	120	111.97
Feeder lamb (annual)	60	136.43
Cull ewe (annual)	100	52.21
Dairy		
Milk (annual gross price)	100	18.46
Replacement heifer (per head)	1	1,640

[a] *See Table 3 for location-specific prices*

[b] *See footnote in Table 1 for procedures for projecting corn silage, sorghum silage, and cane hay prices.*

2012 obtained from USDA and LMIC. Long-run sheep prices are monthly average U.S. prices from October 2007 through September 2012.

Milk price projections are for Kansas in 2013 and were based on average Class III and IV futures market prices observed on the five Wednesdays in October 2012 used two ways, a) added to historical average (2009–2012) milk basis and b) used in historical (2003–2012) regressions of cash price on a weighted-average futures price. Cash price projections are an average of the two methods. The base cash price used is the Kansas mailbox price as reported by the Central Federal Milk Order No. 32. Short-run milk cow replacement projections are monthly average prices from November 2011 through October 2012 obtained from USDA and long-run prices are monthly average prices from November 2007 through October 2012.

Table 4 outlines the input costs used for the crop cost-return budgets in this handbook. Input costs were based on a survey of several input suppliers across Kansas.

Table 3. *Location-Specific Crop Prices for Short-Run and Long-Run Planning by Kansas Farm Management Association Region*

	2013 Harvest Price Projections, $/bu (short-run)				2013-2017 Avg Harvest Price Projections, $/bu (long-run)			
	Wheat	**Corn**	**Milo**	**Soybeans**	**Wheat**	**Corn**	**Milo**	**Soybeans**
Northwest & Southwest								
Scott City	$ 8.34	$ 6.49	$ 5.87	$ 12.54	$ 6.36	$ 5.17	$ 4.62	$ 10.31
North Central								
Beloit	8.38	6.11	5.94	12.60	6.05	4.86	4.68	10.48
South Central								
Hutchinson	8.65	6.31	6.22	12.98	6.64	5.00	4.89	10.69
Northeast								
Topeka	8.66	6.27	6.02	13.04	6.35	5.03	4.82	10.83
Southeast								
Emporia	8.35	6.18	5.74	12.64	6.42	4.94	4.54	10.55

Table 4. *Input Costs for Forward Planning (MF Series)*

Seed Item	Cost	Unit
Alfalfa	$4. 05	lb
Brome hay	2.83	lb
Canola (Roundup Ready)	9.60	lb
Corn	2.76	1,000 Seeds
Corn (Gaucho treated)	3.68	1,000 Seeds
Corn (Bt)	3.49	1,000 Seeds
Corn (Roundup Ready)	3.30	1,000 Seeds
Cotton (Roundup Ready)	1.16	1,000 Seeds
Dry Edible Beans	0.70	lb
Grain sorghum	2.04	lb
Grain sorghum (Concep treated)	2.26	lb
Grain sorghum (Gaucho treated)	3.40	lb
Grain sorghum (Concep/Gaucho treated)	3.40	lb
Fescue hay	1.24	lb
Forage sorghum	1.55	lb
Soybeans	0.79	lb
Soybeans (Roundup Ready)	1.10	lb
Soybeans (STS)	1.14	lb
Soybeans (Roundup Ready/STS)	1.17	lb
Sunflowers-Confectionary	1.40	1,000 Seeds
Sunflowers-Oil	1.72	1,000 Seeds
Wheat (certified)[a]	0.29	lb

Input Item	Cost	Unit
N (Anhydrous) – Actual Ingredient (based on 82-0-0)	$0.47	lb
N (Dry) – Actual Ingredient (based on 46-0-0)	0.64	lb
N (Liquid) – Actual Ingredient (based on 28-0-0 and 32-0-0)	0.66	lb
P (Dry) – Actual Ingredient (based on 18-46-0 and 11-52-0)	0.48	lb
P (Liquid) – Actual Ingredient (based on 10-34-0)	0.71	lb
K – Actual Ingredient (based on 0-0-60)	0.50	lb
Lime (cost/lb includes application)	0.01	lb
Labor	$13.00	Hour
Interest (operating)	6.5	%

[a] *Wheat seed in budget = (Certified price × 60 × 25% + (location-specific cash price + $1.36) × 25% + (location-specific cash price + $0.58) × 50%)/60. The $1.36 is the cost per bushel for cleaning and treating seed and the $0.58 is the cost per bushel of cleaning only.*

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