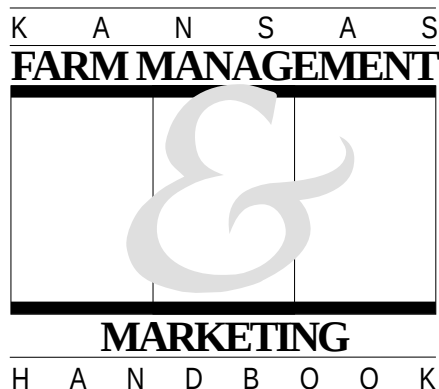




Prices for Crop and Livestock Cost-Return Budgets

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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 this handbook. Wheat, corn, grain sorghum, and soybean feed price projections were based on the Kansas Agricultural Statistics price series and include a buy/sell markup of \$0.15 per bushel. They are projections for 2001.

Oil sunflower crop price projections are for prices at harvest (October) at Goodland for 2001. Soybean meal price projections are for Kansas City 2001 prices and include a markup of \$20 per ton.

Calf price projections are Dodge City prices for October 2001, while feeder cattle projections are Dodge City prices for April 2001. Market cattle and cull cow price projections are for Dodge City in 2001. Market hog projections are for Iowa-Southern Minnesota in 2001 and cull sow price projections are for St. Joseph, Missouri in 2001 (non-Kansas locations are assumed to be the best proxies for Kansas prices). Each of these price projections, except for sunflowers, was based on the relevant futures closing prices on August 28, 2000, and then adjusted for historical basis over 1995-1999. Sunflower price projections were based on a regression model using soybean meal and soybean oil futures prices. Sheep price projections were taken to be the August 2000 prices obtained from USDA.

Hay price projections in Table 1 are the May through July, 2000 average Kansas Agricultural Statistics prices for alfalfa and other hay. Brome hay is \$3 per ton above other

hay and prairie hay is \$3 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. SEW feed mix prices were based on grain sorghum and soybean meal price projections and current prices for other ingredients. Mineral and salt prices were based on an August 2000 price survey.

Long-run planning prices are shown in Table 2. Commodities which have futures-based counterparts in Table 1 used a weighted average of short-run price projections and historical cash prices to determine their long-run (2001-2005) expected values. For other commodities, long-run price projections were taken to be the average of the 1995-1999 historical prices. Long-run livestock prices are based on short-run projections and historical prices (1990-1999).

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 2001, and based on August 28, 2000, deferred futures prices as well as historical bases over the 1995-1999 period. Long-run price projections are for the average harvest time prices for the 2001 to 2005 period. These long-run crop prices were based on a weighted average of short-run price projections and historical cash prices. For more information on how deferred futures prices, basis, and historical cash prices are used in projecting short and long-run prices, see MF-2226 *Prices for Crop Cost Return Budgets*. Table 4 outlines the input costs used for the crop cost-return budgets in this handbook. Input costs were based on a July 2000 survey.

Table 1. Prices for Short-Run Planning (2001)

Crop or Feed			Livestock		
Crop or Feed	Crop Price	Feed Price	Species	Weight (lbs)	Price
Wheat (bu)	\$ a	\$ 3.18	Steer calf (fall)	450	\$98.82
Grain sorghum (bu)	a	1.98	Steer calf (fall)	550	93.39
Grain sorghum (cwt)	a	3.53	Steer calf (spring)	550	98.22
Corn (bu)	a	2.31	Feeder steer (spring)	650	89.88
Soybeans (bu)	a	5.08	Feeder steer (spring)	750	85.95
Sunflowers-oil (cwt)	9.90 ^c		Feeder steer (spring)	850	83.10
Alfalfa hay (ton)	70.00	70.00	Market steer (annual)	1,225	70.98
Brome hay (ton)	56.33	56.33	Heifer calf (fall)	450	88.67
Prairie hay (ton)	50.33	50.33	Heifer calf (fall)	550	86.07
Cane hay (ton)	b	39.38	Feeder heifer (spring)	650	83.49
Corn silage (ton)	b	18.46	Feeder heifer (spring)	750	81.45
Sorghum silage (ton)	b	14.77	Market heifer (annual)	1,175	70.98
SBM (ton)		185.94	Cull cow (annual)	1,050	44.58
Salt (cwt)		4.50	Market hog (annual)	260	33.95
Mineral-vitamins (cwt)		24.00	Cull sow (annual)	425	23.04
			Market lamb (annual)	120	83.00
			Feeder lamb (annual)	60	88.00
			Cull ewe (annual)	100	40.00

^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 x \$/bu corn price. \$/T sorghum silage = 0.8 x \$/T corn silage. \$/T cane hay = (8/3) x \$/T sorghum silage.

^c 2000 government loan price in Sherman County (expected market price is \$7.73)

Table 2. Prices for Long-Run Planning (2001-2005)

Item		
Crop or Feed	Crop Price	Feed Price
Wheat (bu)	\$ a	\$ 3.61
Grain sorghum (bu)	a	2.35
Grain sorghum (cwt)	a	4.20
Corn (bu)	a	2.71
Soybeans (bu)	a	6.05
Sunflowers, oil (cwt)	9.90 ^c	
Alfalfa hay (ton)	79.35	79.35
Brome hay (ton)	65.22	65.22
Prairie hay (ton)	59.22	59.22
Cane hay (ton)	b	46.19
Corn silage (ton)	b	21.65
Sorghum silage (ton)	b	17.32
SBM (ton)		205.25
Salt (cwt)		4.50
Mineral (cwt)		24.00
Beef	Weight (lbs)	Price
Steer calf (fall)	450	88.03
Steer calf (fall)	550	82.59
Steer calf (spring)	550	90.76
Feeder steer (spring)	650	82.43
Feeder steer (spring)	750	78.50
Feeder steer (spring)	850	75.64
Market steer (annual)	1,225	69.73
Heifer calf (fall)	450	77.87
Heifer calf (fall)	550	75.28
Feeder heifer (spring)	650	76.03
Feeder heifer (spring)	750	74.00
Market heifer (annual)	1,175	69.73
Cull cow (annual)	1,050	43.33
Swine	Weight (lbs)	Price
Market hog (annual)	260	41.96
Cull sow (annual)	425	31.06
Sheep	Weight (lbs)	Price
Market lamb (annual)	120	84.15
Feeder lamb (annual)	60	88.37
Cull ewe (annual)	100	30.48

^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.

^c 2000 government loan price in Sherman County (long run expected market price is \$9.67).

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

	2001 Harvest Price Projections, \$/bu (short-run)				2001-2005 Avg Harvest Price Projections, \$/bu (long-run)			
	Wheat	Corn	Milo	Soybeans	Wheat	Corn	Milo	Soybeans
Northwest & Southwest								
Scott City	\$2.91	\$2.10	\$1.78	\$5.01 ^a	\$2.95	\$2.19	\$2.00	\$5.08
North Central								
Beloit	2.94	1.94	1.72	5.07 ^a	2.98	2.03	1.93	5.15
South Central								
Hutchinson	3.06	2.04	1.79	5.12 ^a	3.10	2.13	2.01	5.22
Northeast								
Topeka	3.12	2.11	1.88	5.33 ^a	3.17	2.20	2.11	5.37
Southeast								
Emporia	3.00	2.04	1.71	5.27 ^a	3.04	2.13	1.92	5.57

^a 2000 government loan prices in associated counties (expected market prices for soybeans are: Scott City: 4.61; Beloit: 4.69; Hutchinson: 4.75; Topeka: 4.91, and Emporia: 5.11)

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

Seed Item	Cost	Unit
Wheat (certified) ^b	\$0.13	Lb.
Grain Sorghum	1.05	Lb.
Grain Sorghum (Concep treated)	1.25	Lb.
Grain Sorghum (Gaucho treated)	2.36	Lb.
Grain Sorghum (Concep/Gaucho treated)	2.48	Lb.
Corn	1.19	1,000 Seeds
Bt Corn	1.51	1,000 Seeds
Soybeans	0.32	Lb.
Soybeans (Roundup Ready)	0.48	Lb.
Alfalfa	2.81	Lb.
Sunflowers-Confectionary	0.90	1,000 Seeds
Sunflowers-Oil	0.65	1,000 Seeds
Dry Edible Beans	0.55	Lb.
Input Item	Cost	Unit
N. (Anhydrous) – Actual Ingredient (based on 82-0-0)	\$0.15	Lb.
N. (Dry) – Actual Ingredient (based on 34-0-0 and 28-0-0)	0.24	Lb.
P. – Actual Ingredient (based on 0-45-0)	0.18	Lb.
K. – Actual Ingredient (based on 0-0-60)	0.14	Lb.
Lime	0.01	Lb.
Labor	\$10.80	Hour
Interest (operating)	10.0	%

^a As of July 2001.

^b *Wheat seed in budget = Certified price x 25% + (location-specific cash price + \$0.91) x 25% + (location-specific cash price + \$0.44) x 50%. The \$0.91 is the cost for cleaning and treating seed and the \$0.44 is the cost of cleaning only.*

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