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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 (1 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 2005.

Oil sunflower crop price projections are for prices at harvest (October) at Goodland for 2005. Soybean meal (48% protein) 2005 price projections are for Kansas City and include a markup of $20 per ton.

Beef calf price projections are Dodge City prices for October 2005, while feeder cattle projections are Dodge City prices for April 2005. Market cattle and cull cow price projections are for Dodge City in 2005. Market hog projections are for Iowa-Southern Minnesota in 2005. Cull sow prices are for Kansas locations in 2005 and are based off of projected market hog prices. Each of these price projections, except for sunflowers, was based on the relevant futures closing prices on August 25, 2004 and then adjusted for historical basis over 1999-2003. 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 2004 prices obtained from USDA.

Milk prices are for Kansas in 2005 and are based on the Class III futures market prices on August 25, 2004 adjusted for historical basis over 2000-2003. The base cash price used is the Statistical Uniform Price as reported by the Central Federal Milk Order No. 32.

Hay price projections in Table 1 are the May through July 2004 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. Mineral and salt prices were based on recent price quotes.

Table 1. *Prices for Short-Run Planning (2005)*

Crop or Feed			Livestock		
Crop or Feed	Crop Price	Feed Price	**Species**	Weight (lbs)	Price
Wheat (bu)	$ [a]	$ 3.44	Steer calf (fall)	450	$123.02
Grain sorghum (bu)	[a]	2.30	Steer calf (fall)	550	113.84
Grain sorghum (cwt)	[a]	4.11	Steer calf (spring)	550	116.37
Corn (bu)	[a]	2.64	Feeder steer (spring)	650	106.88
Soybeans (bu)	[a]	6.06	Feeder steer (spring)	750	100.12
Sunflowers-oil (cwt)	10.12	---	Feeder steer (spring)	850	94.27
Alfalfa hay (ton)	78.33	78.33	Market steer (annual)	1,225	85.88
Brome hay (ton)	59.67	59.67	Heifer calf (fall)	450	112.89
Prairie/fescue hay (ton)	53.67	53.67	Heifer calf (fall)	550	107.59
Cane hay (ton)	[b]	45.06	Feeder heifer (spring)	650	98.53
Corn silage (ton)	[b]	21.12	Feeder heifer (spring)	750	93.75
Sorghum silage (ton)	[b]	16.90	Market heifer (annual)	1,175	85.88
SBM, 48% (ton)	---	221.80	Cull cow (annual)	1,050	58.41
Salt (cwt)	---	5.00	Market hog (annual)	265	41.40
Mineral-vitamins (cwt)	---	25.00	Cull sow (annual)	425	30.34
			Market lamb (annual)	120	97.00
			Feeder lamb (annual)	60	118.00
			Cull ewe (annual)	100	48.00
			Dairy replacement heifer (annual)		1,600.00
			Milk (annual)	100	13.23

[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.*

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Long-run planning prices are shown in Table 2. Commodities that 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 (2005-2009) expected values. For other commodities, long-run price projections were taken to be the average of the 1999-2003 historical prices. Long-run livestock prices are based on short-run projections and historical prices (1994-2003).

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 2005, and based on August 25, 2004 deferred futures prices as well as historical bases over the 1999-2003 period. Long-run price projections are for the average harvest time prices for the 2005 to 2009 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 *Prices for Crop Cost Return Budgets,* MF-2226. 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 2. *Prices for Long-Run Planning (2005-2009)*

Item		
Crop or Feed	**Crop Price**	**Feed Price**
Wheat (bu)	$ [a]	$ 3.09
Grain sorghum (bu)	[a]	2.05
Grain sorghum (cwt)	[a]	3.66
Corn (bu)	[a]	2.32
Soybeans (bu)	[a]	5.27
Sunflowers, oil (cwt)	9.53[c]	---
Alfalfa hay (ton)	83.20	83.20
Brome hay (ton)	64.85	64.85
Prairie/fescue hay (ton)	58.85	58.85
Cane hay (ton)	[b]	39.57
Corn silage (ton)	[b]	18.55
Sorghum silage (ton)	[b]	14.84
SBM, 48% (ton)	--------	197.92
Salt (cwt)	--------	5.00
Mineral (cwt)	--------	25.00
	Weight (lbs)	**Livestock Price**
Beef		
Steer calf (fall)	450	98.35
Steer calf (fall)	550	89.17
Steer calf (spring)	550	99.47
Feeder steer (spring)	650	89.98
Feeder steer (spring)	750	83.22
Feeder steer (spring)	850	77.37
Market steer (annual)	1,225	72.55
Heifer calf (fall)	450	88.22
Heifer calf (fall)	550	82.92
Feeder heifer (spring)	650	81.63
Feeder heifer (spring)	750	76.85
Market heifer (annual)	1,175	72.55
Cull cow (annual)	1,050	45.08
Swine		
Market hog (annual)	265	42.27
Cull sow (annual)	425	31.21
Sheep		
Market lamb (annual)	120	77.70
Feeder lamb (annual)	60	80.83
Cull ewe (annual)	100	32.97
Dairy		
Milk	100	12.78
Replacement heifer (per head)	1	1,525.00

[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] *2004 government loan price in Sherman County (long run expected market price is $8.77).*

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

	2005 Harvest Price Projections, $/bu (short-run)				2005-2009 Avg Harvest Price Projections, $/bu (long-run)			
	Wheat	**Corn**	**Milo**	**Soybeans**	**Wheat**	**Corn**	**Milo**	**Soybeans**
Northwest & Southwest								
Scott City	$3.24	$2.56	$2.29	$5.48	$2.95	$2.26	$1.99	$5.13
North Central								
Beloit	3.28	2.36	2.28	5.53	2.99	2.06	1.98	5.18
South Central								
Hutchinson	3.31	2.41	2.26	5.53	3.02	2.11	1.97	5.18
Northeast								
Topeka	3.45	2.37	2.40	5.68	3.16	2.07	2.10	5.33
Southeast								
Emporia	3.26	2.34	2.17	5.89	2.98	2.04	1.89[a]	5.54

[a] *2004 government loan prices in associated counties -- expected short-run market prices are: Emporia: 1.87 (milo)*

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

Seed Item	**Cost**	**Unit**
Alfalfa	$3.59	Lb.
Brome hay	0.65	Lb.
Canola	0.90	Lb.
Corn	1.22	1,000 Seeds
Corn (Gaucho treated)	1.48	1,000 Seeds
Corn (Bt)	1.55	1,000 Seeds
Corn (Roundup Ready)	1.54	1,000 Seeds
Cotton (Roundup Ready)	0.41	1,000 Seeds
Dry Edible Beans	0.48	Lb.
Grain sorghum	1.21	Lb.
Grain sorghum (Concep treated)	1.39	Lb.
Grain sorghum (Gaucho treated)	2.52	Lb.
Grain sorghum (Concep/Gaucho treated)	2.70	Lb.
Fescue hay	1.15	Lb.
Forage sorghum	1.05	Lb.
Soybeans	0.36	Lb.
Soybeans (Roundup Ready)	0.54	Lb.
Soybeans (STS)	0.39	Lb.
Soybeans (Roundup Ready/STS)	0.55	Lb.
Sunflowers-Confectionary	1.05	1,000 Seeds
Sunflowers-Oil	0.96	1,000 Seeds
Wheat (certified)[a]	0.16	Lb.

Input Item	**Cost**	**Unit**
N (Anhydrous) – Actual Ingredient (based on 82-0-0)	$0.21	Lb.
N (Dry) – Actual Ingredient (based on 46-0-0)	0.29	Lb.
N (Liquid) – Actual Ingredient (based on 28-0-0 and 32-0-0)	0.30	Lb.
P (Dry) – Actual Ingredient (based on 18-46-0 and 11-52-0)	0.19	Lb.
P (Liquid) – Actual Ingredient (based on 10-34-0)	0.28	Lb.
K – Actual Ingredient (based on 0-0-60)	0.16	Lb.
Lime (cost/lb includes application)	0.01	Lb.
Labor	$10.00	Hour
Interest (operating)	7.0	%

[a] *Wheat seed in budget = (Certified price x 60 x 25% + (location-specific cash price + $0.93) x 25% + (location-specific cash price + $0.46) x 50%)/60. The $0.93 is the cost per bushel for cleaning and treating seed and the $0.46 is the cost per bushel of cleaning only.*

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