KANSAS FARM MANAGEMENT & MARKETING HANDBOOK

KSU Farm Management Guide MF-1013

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 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 1999.

Oil sunflower price projections are for prices at harvest (October) at Goodland for 1999. Soybean meal price projections are for Kansas City 1999 prices and include a markup of $20.00 per ton.

Calf price projections are Dodge City prices for October, 1999, while feeder cattle projections are Dodge City prices for April 1999. Market cattle price projections are for the Western Kansas Direct series, and market hog projections are for St. Joseph, Missouri. Each of these price projections, except for sunflowers, was based on the relevant futures closing price on August 26, 1998 and then adjusted for historical basis over 1993-1997. Sunflower price projections were based on a regression model using soybean meal and soybean oil futures prices. Cull cow prices were based on a five-year historical relationship with fed cattle prices, while feeder pig and cull sow prices were based on the historical relationship with market hog prices. Sheep prices were the August 1998 prices obtained from USDA.

Hay price projections in Table 1 are the May through July, 1998 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. Silage prices were determined from grain prices. SEW feed mix prices were based on corn and soybean meal price projections and current prices for other ingredients. Mineral and salt prices were based on a July 1998 price survey.

Long-run planning prices are shown in Table 2. Commodities which have futures-based counterparts in Table 1 used short-run prices and historical cash prices to determine their long-run (1999-2003) values. For other commodities, long-run prices were based on 1993-1997 historical averages of their underlying short-run price series.

Table 3 outlines the location-specific projections of harvest time crop prices (wheat: July; corn, grain sorghum, and soybeans: October). Short-run price projections were for harvest 1998, and based on August 26, 1998 deferred futures prices as well as historical bases over the 1993-1997 period. Long-run price projections are the average harvest time prices for the 1999 to 2003 period. These long-run commodity prices were based on short-run projections and historical 1993-1997 location-specific crop 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.

Table 1. Prices for Short-Run Planning

Crop or Feed*			Livestock*		
Crop or Feed	Crop Price	Feed Price	Species	Weight (lbs)	Price
Wheat (bu)	$ a	$ 3.03	Steer calf (fall)	450	$81.85
Grain sorghum (bu)	a	2.14	Steer calf (fall)	550	76.20
(cwt)	a	(3.82)	Steer calf (spring)	550	82.70
Corn (bu)	a	2.48	Feeder Steer (spring)	650	75.60
Soybeans (bu)	a	5.57	Feeder steer (spring)	750	71.20
Sunflowers-oil (cwt)	10.14	_____	Feeder steer (spring)	850	68.60
Alfalfa hay (ton)	79.00	79.00	Market steer (annual)	1,225	63.20
Brome hay (ton)	73.00	73.00	Heifer calf (fall)	450	71.85
Prairie hay (ton)	67.00	67.00	Heifer calf (fall)	550	68.70
Cane hay (ton)	40.00	40.00	Feeder heifer (spring)	650	68.40
Corn silage (ton)	19.84	19.84	Feeder heifer (spring)	750	67.00
Sorghum silage (ton)	17.36	17.36	Market heifer (annual)	1,175	63.20
SBM (ton)	_____	170.41	Cull Cow (annual)	1,050	36.90
Salt (cwt)	_____	4.00	Market hog (annual)	240	36.40
Mineral (cwt)	_____	22.00	Cull sow (annual)	450	25.10
SEW Base Mix (ton)	_____	415.00	Market lamb (annual)	120	87.50
Sew Starter (ton)	_____	608.00	Feeder lamb (annual)	60	80.00
			Cull ewe (annual)	100	29.00

a See Table 3 for location-specific prices

Table 2. Prices for Long-run Planning

Item	Crop/Price	Feed Price
Crop or Feed		
Wheat (bu)	$ a	$ 3.79
Grain sorghum (bu)	a	2.50
Grain sorghum (cwt)	a	4.46
Corn (bu)	a	2.86
Soybeans (bu)	a	6.43
Sunflowers, oil (cwt)	10.81	____
Alfalfa hay (ton)	79.00	79.00
Brome hay (ton)	62.00	62.00
Prairie hay (ton)	56.00	56.00
Cane hay (ton)	39.00	39.00
Corn silage (ton)	22.88	22.88
Sorghum silage (ton)	20.02	20.02
SBM/ton	____	213.33
Salt (cwt)	____	4.00
Mineral	____	22.00
Beef	Weight (lbs)	Livestock Price
Steer calf (fall)	450	$82.35
Steer calf (fall)	550	76.70
Steer calf (spring)	550	82.90
Feeder steer (spring)	650	75.85
Feeder steer (spring)	750	71.45
Feeder steer (spring)	850	68.85
Market steer (annual)	1,225	67.60
Heifer calf (fall)	450	72.45
Heifer calf (fall)	550	69.20
Feeder heifer (spring)	650	68.65
Feeder heifer (spring)	750	67.25
Market heifer (annual)	1,175	67.60
Cull cow (annual)	1,050	41.95
Swine		
Market hog (annual)	240	42.85
Cull sow (annual)	450	34.90
Sheep		
Market lamb (annual)	120	$ 81.00
Feeder lamb (annual)	60	83.90
Cull ewe (annual)	100	29.90

a See Table 3 for location-specific prices

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

	1999 Harvest Price Projections, $/bu. (Short-run)				1999-2003 Avg Harvest Price Projections, $/bu (Long-run)			
	Wheat	**Corn**	**Milo**	**Soybeans**	**Wheat**	**Corn**	**Milo**	**Soybeans**
Northwest & Southwest								
Scott City	$ 2.80	$ 2.34	$ 2.02	$ 5.21	$ 3.22	$ 2.42	$ 2.10	$ 5.48
North Central								
Beloit	2.89	2.16	1.94	5.26	3.31	2.28	2.03	5.53
South Central								
Hutchinson	3.02	2.28	2.03	5.34	3.43	2.36	2.11	5.61
Northeast								
Topeka	3.11	2.37	2.09	5.49	3.53	2.45	2.18	5.76
Southeast								
Emporia	2.98	2.27	1.94	5.65	3.40	2.35	2.02	5.93

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

Seed Item	**Cost**	**Unit**
Wheat (certified)	$0.200	lb
Grain Sorghum	1.100	lb
Grain Sorghum (treated)	2.450	lb
Corn	1.200	1,000 seeds
Soybeans	0.350	lb
Soybeans (RR ready)	0.500	lb
Alfalfa	2.850	lb
Sunflowers-Confectionary	1.100	1,000 seeds
Sunflowers-Oil	0.650	1,000 seeds
Popcorn	0.920	1,000 seeds
Dry Edible Beans	0.500	lb
Input Item	**Cost**	**Unit**
N. (Anhydrous) - Actual Ingredient (based on 80-0-0)	$0.150	lb
N. (Dry) - Actual Ingredient (based on 34-0-0)	0.230	lb
P. - Actual Ingredient (based on 0-45-0)	0.270	lb
K. - Actual Ingredient (based on 0-0-60)	0.140	lb
Lime	0.0045	lb
Labor	$10.80	hour
Interest (Operating)	10.00	%

**As of August 1998.*

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