Prices for Crop and Livestock Cost-Return Budgets

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K-STATE Research and Extension

Kansas State University Agricultural Experiment Station and Cooperative Extension Service

Kevin C. Dhuyvetter
Agricultural Economist
Farm Management

Daniel M. O'Brien
Agricultural Economist
Crop Marketing

Glynn Tonsor
Agricultural Economist
Livestock Marketing

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 3 includes long-run average planning prices for 2014-2018 (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 corn futures and feed grain basis projections, and include a buy/sell markup of $0.30 per bushel. Soybean meal (48 percent protein) price projections are based on Kansas City cash price, and include a markup of $25 per ton. Projected grain prices were based on relevant futures prices observed on the six Wednesdays in October through mid-November 2013 adjusted for recent historical average 2012-2013 basis levels. Mineral and salt prices were based on recent price quotes.

Oil sunflower crop price projections are equal to current prices, and are assumed to be a reasonable myopic forecast of prices at harvest (October) at Goodland in 2014. Table 2 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 2014, and based on October 1 though mid-November 2013 deferred futures prices as well as historical basis over the 2012-2013 period. Long-run price projections are for the average harvest time prices for the 2014-2018 period. The long-run crop prices are based on a weighted average of short-run 2014 price projections and historical (2010-2013) projected new crop cash prices.

Hay price projections in Table 1 are the annual average 2013 average Kansas Agricultural Statistics prices for good quality alfalfa. Brome hay is projected to be $5 per ton above

Table 1. *Prices for Short-Run Planning (2014)*

Crop or Feed			Livestock		
Crop or Feed	Crop Price	Feed Price	Species	Weight (lbs)	Price
Wheat (bu)	a	$7.31	Steer calf (fall)	450	$204.14
Grain sorghum (bu)	a	4.81	Steer calf (fall)	550	181.09
Grain sorghum (cwt)	a	8.59	Steer calf (fall)	650	169.22
Corn (bu)	a	4.95	Steer calf (spring)	550	195.09
Soybeans (bu)	a	-------	Feeder steer (spring)	650	178.66
Sunflowers-oil (cwt)	$ 19.35	-------	Feeder steer (spring)	750	167.51
Sunflowers-confection (cwt)	33.25	-------	Feeder steer (spring)	850	158.88
Canola ($/cwt)	17.50		Market steer (annual)	1,225	129.71
Dry edible beans ($/cwt)	35.00		Heifer calf (fall)	450	183.63
Cotton ($/lb)	0.80		Heifer calf (fall)	550	165.85
Alfalfa hay (ton)	221	221	Heifer calf (fall)	650	164.28
Brome hay (ton)	158	158	Feeder heifer (spring)	650	169.95
Prairie/fescue hay (ton)	148	148	Feeder heifer (spring)	750	154.20
Cane hay (ton)	b	79.36	Market heifer (annual)	1,175	129.72
Corn silage (ton)	b	37.20	Cull cow (annual)	1,050	81.24
Sorghum silage (ton)	b	27.96	Market hog (annual)	265	66.97
SBM, 48% (ton)	-------	466.18	Cull sow (annual)	480	52.31
Salt (cwt)	-------	4.00	Market lamb (annual)	110	114.51
Mineral-vitamins (cwt)	-------	35.00	Feeder lamb (annual)	60	128.78
			Cull ewe (annual)	100	40.42
			Dairy replacement heifer (annual)	1,250	1,320
			Milk (annual gross price)	100	19.07

[a] *See Table 2 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 2. $/T corn silage = 8 × $/bu corn price. $/T sorghum silage = 0.8 × $/T corn silage. $/T cane hay = (8/3) × $/T sorghum silage.*

"good quality" 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.

Most of the beef, hog, and milk price projections are based on futures prices observed on the four Wednesdays in November 2013 used two ways, a) adjusted to reflect historical (2011-2013) average basis and b) used in historical (2004-2013) regressions of cash price on futures price. Cash price projections are an average of the two methods.

Beef calf price projections are western Kansas auction prices for October (fall) 2014 while feeder cattle projections are for April (spring) 2014. Market cattle price projections are 2014 annual averages for western Kansas. Cull cow prices are 2014 annual averages based on data from Colorado, South Dakota, and Montana.

Market hog projections are 2014 annual averages for the Western Corn Belt carcass, multiplied by 0.74, plus a premium of $2.75 per hundredweight. Cull sow price is a national average for 2014.

Table 2. *Location-Specific Crop Prices for Short-Run and Long-Run Planning by Kansas Farm Management Association Region*

	2014 Harvest Price Projections, $/bu (short-run)				2014-2018 Avg Harvest Price Projections, $/bu (long-run)			
	Wheat	Corn	Milo	Soybeans	Wheat	Corn	Milo	Soybeans
Northwest								
Colby	$ 6.86	$ 4.70	$ 4.45	$ 10.63	$ 6.73	$ 5.11	$ 4.82	$ 10.60
Southwest								
Garden City	6.90	4.94	4.42	10.77	6.77	4.92	4.79	10.94
North Central								
Beloit	6.86	4.41	4.30	10.91	6.77	4.92	4.79	10.94
South Central								
Hutchinson	7.09	4.58	4.67	11.27	7.00	5.09	5.11	11.24
Northeast								
Topeka	7.11	4.75	4.50	11.23	7.03	5.22	4.99	11.26
Southeast								
Columbus	7.23	4.50	4.73	11.06	6.86	4.98	4.76	11.10

Milk price projections are for Kansas in 2014 and were based on average Class III and IV futures market prices. 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 based on monthly average prices in 2013 from Missouri and Texas adjusted to reflect Kansas prices. Long-run prices are monthly average prices from 2009 through 2013 from Missouri and Texas adjusted to reflect Kansas prices.

Short-run lamb and sheep price projections are monthly average prices from 2013 obtained from USDA and LMIC. Long-run sheep prices are monthly average prices from 2009-2013. In both cases, prices are adjusted based on historical relationships to reflect Kansas prices as there are no prices reported Kansas lambs or sheep at this time.

Table 3. *Prices for Long-Run Planning (2014-2018)*

Item		
Crop or Feed	**Crop Price**	**Feed Price**
Wheat (bu)	a	$ 7.16
Grain sorghum (bu)	a	5.17
Grain sorghum (cwt)	a	9.23
Corn (bu)	a	5.34
Soybeans (bu)	a	--------
Sunflowers, oil (cwt)	$22.45	--------
Alfalfa hay (ton)	221	221
Brome hay (ton)	148	148
Prairie/fescue hay (ton)	138	138
Cane hay (ton)	b	91.14
Corn silage (ton)	b	42.72
Sorghum silage (ton)	b	34.18
SBM, 48% (ton)	--------	399
Salt (cwt)	--------	4.00
Mineral (cwt)	--------	27.50
	Weight (lbs)	**Livestock Price**
Beef		
Steer calf (fall)	450	170.96
Steer calf (fall)	550	151.77
Steer calf (fall)	650	141.86
Steer calf (spring)	550	159.70
Feeder steer (spring)	650	146.33
Feeder steer (spring)	750	136.37
Feeder steer (spring)	850	129.20
Market steer (annual)	1,225	113.44
Heifer calf (fall)	450	152.93
Heifer calf (fall)	550	137.95
Heifer calf (fall)	650	135.06
Feeder heifer (spring)	650	134.64
Feeder heifer (spring)	750	124.76
Market heifer (annual)	1,175	113.45
Cull cow (annual)	1,050	70.34
Swine		
Market hog (annual)	265	61.70
Cull sow (annual)	480	42.58
Sheep		
Market lamb (annual)	110	117.86
Feeder lamb (annual)	60	136.13
Cull ewe (annual)	100	41.33
Dairy		
Milk (annual gross price)	100	18.23
Replacement heifer (per head)	1	1,240

[a] *See Table 2 for location-specific prices*

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

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MF1013 January 2014