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 2002.

Oil sunflower crop price projections are for prices at harvest (October) at Goodland for 2002. Soybean meal price projections are for Kansas City 2002 prices and include a markup of $20.00 per ton.

Calf price projections are Dodge City prices for October, 2002, while feeder cattle projections are Dodge City prices for April 2002. Market cattle and cull cow price projections are for Dodge City in 2002. Market hog projections are for Iowa-Southern Minnesota in 2002 and cull sow price projections are for St. Joseph, Missouri in 2002 (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 29, 2001 and then adjusted for historical basis over 1996-2000. 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 2001 prices obtained from USDA.

Hay price projections in Table 1 are the May through July, 2001 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 an August 2001 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 (2003-2006) expected values. For other commodities, long-run price projections were taken to be the average of the 1996-2000 historical prices. Long-run livestock prices are based on short-run projections and historical prices (1991-2000).

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 2002, and based on August 29, 2001 deferred futures prices as well as historical bases over the 1996-2000 period. Long-run price projections are for the average harvest time prices for the 2002 to 2006 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 September 2001 survey of several input suppliers across Kansas.

Table 1. *Prices for Short-Run Planning (2002)*

Crop or Feed			Livestock		
Crop or Feed	Crop Price	Feed Price	**Species**	Weight (lbs)	Price
Wheat (bu)	$ a	$ 3.20	Steer calf (fall)	450	$106.22
Grain sorghum (bu)	a	2.18	Steer calf (fall)	550	99.91
Grain sorghum (cwt)	a	3.90	Steer calf (spring)	550	102.33
Corn (bu)	a	2.54	Feeder steer (spring)	650	93.92
Soybeans (bu)	a	4.88	Feeder steer (spring)	750	89.45
Sunflowers-oil (cwt)	9.79[c]	—	Feeder steer (spring)	850	86.07
Alfalfa hay (ton)	90.67	90.67	Market steer (annual)	1,225	75.62
Brome hay (ton)	63.33	63.33	Heifer calf (fall)	450	96.30
Prairie/fescue hay (ton)	57.33	57.33	Heifer calf (fall)	550	92.84
Cane hay (ton)	b	43.35	Feeder heifer (spring)	650	87.24
Corn silage (ton)	b	20.32	Feeder heifer (spring)	750	84.61
Sorghum silage (ton)	b	16.26	Market heifer (annual)	1,175	75.62
SBM (ton)	—	178.48	Cull cow (annual)	1,050	49.58
Salt (cwt)	—	4.70	Market hog (annual)	260	39.87
Mineral-vitamins (cwt)	—	24.00	Cull sow (annual)	425	28.94
			Market lamb (annual)	120	61.30
			Feeder lamb (annual)	60	65.00
			Cull ewe (annual)	100	28.80

[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] *2001 government loan price in Sherman County (expected market price is $8.00)*

Table 2. *Prices for Long-Run Planning (2002-2006)*

Item		
Crop or Feed	**Crop Price**	**Feed Price**
Wheat (bu)	$ a	$ 3.36
Grain sorghum (bu)	a	2.26
Grain sorghum (cwt)	a	4.04
Corn (bu)	a	2.63
Soybeans (bu)	a	5.84
Sunflowers, oil (cwt)	9.79[c]	—
Alfalfa hay (ton)	78.53	78.53
Brome hay (ton)	65.12	65.12
Prairie/fescue hay (ton)	59.12	59.12
Cane hay (ton)	b	44.89
Corn silage (ton)	b	21.04
Sorghum silage (ton)	b	16.83
SBM (ton)	—	203.98
Salt (cwt)	—	4.70
Mineral (cwt)	—	24.00
Beef	**Weight (lbs)**	**Price**
Steer calf (fall)	450	90.97
Steer calf (fall)	550	84.66
Steer calf (spring)	550	92.50
Feeder steer (spring)	650	84.09
Feeder steer (spring)	750	79.62
Feeder steer (spring)	850	72.64
Market steer (annual)	1,225	70.06
Heifer calf (fall)	450	81.05
Heifer calf (fall)	550	77.59
Feeder heifer (spring)	650	77.41
Feeder heifer (spring)	750	74.79
Market heifer (annual)	1,175	70.06
Cull cow (annual)	1,050	44.02
Swine	**Weight (lbs)**	**Price**
Market hog (annual)	260	42.50
Cull sow (annual)	425	31.57
Sheep	**Weight (lbs)**	**Price**
Market lamb (annual)	120	75.20
Feeder lamb (annual)	60	79.00
Cull ewe (annual)	100	28.40

[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] *2001 government loan price in Sherman County (long run expected market price is $8.65).*

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

	2002 Harvest Price Projections, $/bu (short-run)				**2002-2006 Avg Harvest Price Projections, $/bu (long-run)**			
	Wheat	**Corn**	**Milo**	**Soybeans**	**Wheat**	**Corn**	**Milo**	**Soybeans**
Northwest & Southwest								
Scott City	$2.98	$2.28	$1.99	$5.03[a]	$2.62	$2.14	$1.85	$5.03[a]
North Central								
Beloit	3.01	2.14	1.95	5.09[a]	2.65	1.99	1.81	5.09[a]
South Central								
Hutchinson	3.10	2.21	1.98	5.14[a]	2.74	2.06	1.84	5.14[a]
Northeast								
Topeka	3.14	2.25	2.04	5.35[a]	2.78	2.11	1.90	5.35[a]
Southeast								
Emporia	3.04	2.20	1.87	5.29[a]	2.68	2.05	1.73	5.31

[a] *2001 government loan prices in associated counties (expected short and long run market prices for soybeans are: Scott City: 4.32, 4.83; Beloit: 4.40, 4.90; Hutchinson: 4.45, 4.96; Topeka: 4.58, 5.08, and Emporia: 4.81, 5.31)*

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

Seed Item	Cost	Unit
Alfalfa	$2.74	Lb.
Brome hay	0.75	Lb.
Canola	2.00	Lb.
Corn	1.16	1,000 Seeds
Corn (Gaucho treated)	1.36	1,000 Seeds
Corn (Bt)	1.45	1,000 Seeds
Corn (Roundup Ready)	1.41	1,000 Seeds
Cotton (Roundup Ready)	0.30	1,000 Seeds
Dry Edible Beans	0.44	Lb.
Grain sorghum	1.09	Lb.
Grain sorghum (Concep treated)	1.27	Lb.
Grain sorghum (Gaucho treated)	2.36	Lb.
Grain sorghum (Concep/Gaucho treated)	2.54	Lb.
Fescue hay	0.85	Lb.
Forage sorghum	0.61	Lb.
Soybeans	0.33	Lb.
Soybeans (Roundup Ready)	0.47	Lb.
Sunflowers-Confectionary	1.00	1,000 Seeds
Sunflowers-Oil	0.74	1,000 Seeds
Wheat (certified)[a]	0.14	Lb.

Input Item	Cost	Unit
N (Anhydrous) – Actual Ingredient (based on 82-0-0)	$0.15	Lb.
N (Dry) – Actual Ingredient (based on 46-0-0)	0.19	Lb.
N (Liquid) – Actual Ingredient (based on 28-0-0 and 32-0-0)	0.27	Lb.
P (Dry) – Actual Ingredient (based on 18-46-0 and 11-52-0))	0.15	Lb.
P (Liquid) – Actual Ingredient (based on 10-34-0)	0.27	Lb.
K – Actual Ingredient (based on 0-0-60)	0.14	Lb.
Lime (cost/lb includes application)	0.01	Lb.
Labor	$10.00	Hour
Interest (operating)	8.0	%

[a] *Wheat seed in budget = Certified price x 25% + (location-specific cash price + $0.94) x 25% + (location-specific cash price + $0.46) x 50%. The $0.94 is the cost for cleaning and treating seed and the $0.46 is the cost of cleaning only.*

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