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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 (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 2008.

Oil sunflower crop price projections are for prices at harvest (October) at Goodland for 2008. Soybean meal (48 percent protein) 2008 price projections are for Kansas City and include a markup of $20.00 per ton.

Beef calf price projections are Dodge City prices for October, 2008, while feeder cattle projections are Dodge City prices for April 2008. Market cattle and cull cow price projections are for Dodge City in 2008. Market hog projections are for the U.S. average carcass, multiplied by 0.74, in 2008. Cull sow prices are for Kansas locations in 2008 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 29, 2007 and then adjusted for historical basis over 2002-2007. 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 2007 prices obtained from USDA.

Milk prices are for Kansas in 2008 and are based on the Class III futures market prices on August 29, 2007 adjusted for historical basis. The base cash price used is the Kansas mailbox price as reported by the Central Federal Milk Order No. 32.

Hay price projections in Table 1 are the May through July, 2007 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 (2008)*

Crop or Feed			Livestock		
Crop or Feed	Crop Price	Feed Price	**Species**	Weight (lbs)	Price
Wheat (bu)	$ a	$ 6.28	Steer calf (fall)	450	$152.86
Grain sorghum (bu)	a	3.55	Steer calf (fall)	550	140.01
Grain sorghum (cwt)	a	6.34	Steer calf (spring)	550	136.41
Corn (bu)	a	3.85	Feeder steer (spring)	650	125.26
Soybeans (bu)	a	8.90	Feeder steer (spring)	750	117.62
Sunflowers-oil (cwt)	18.31	--------	Feeder steer (spring)	850	109.10
Alfalfa hay (ton)	111.33	111.33	Market steer (annual)	1,225	101.02
Brome hay (ton)	86.33	86.33	Heifer calf (fall)	450	139.87
Prairie/fescue hay (ton)	80.33	80.33	Heifer calf (fall)	550	131.29
Cane hay (ton)	b	65.74	Feeder heifer (spring)	650	115.48
Corn silage (ton)	b	30.81	Feeder heifer (spring)	750	109.71
Sorghum silage (ton)	b	24.65	Market heifer (annual)	1,175	101.02
SBM, 48% (ton)	--------	281.42	Cull cow (annual)	1,050	69.10
Salt (cwt)	--------	6.00	Market hog (annual)	265	51.38
Mineral-vitamins (cwt)	--------	25.00	Cull sow (annual)	425	41.32
			Market lamb (annual)	120	90.00
			Feeder lamb (annual)	60	102.00
			Cull ewe (annual)	100	40.00
			Dairy replacement heifer (annual)	1,250	1,950
			Milk (annual)	100	14.73

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

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Long-run planning prices are shown in Table 2 and are for years 2008 to 2012. 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 expected values. Similarly, for other commodities, the expected price for 2008-2012 was comprised of the 2008 projection in Table 1 (weighted by 0.2), along with an historical average price (weighted by 0.8). Non-livestock historical averages were from the 2002-2006 period whereas the livestock historical price series were from 1997-2006.

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 2008, and based on August 29, 2007 deferred futures prices as well as historical bases over the 2002-2007 period. Long-run price projections are for the average harvest time prices for the 2008 to 2012 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 survey of several input suppliers across Kansas.

Table 2. *Prices for Long-Run Planning (2008-2012)*

Item		
Crop or Feed	**Crop Price**	**Feed Price**
Wheat (bu)	$ a	$ 4.21
Grain sorghum (bu)	a	2.49
Grain sorghum (cwt)	a	4.44
Corn (bu)	a	2.75
Soybeans (bu)	a	6.68
Sunflowers, oil (cwt)	12.51	--------
Alfalfa hay (ton)	90.11	90.11
Brome hay (ton)	68.38	68.38
Prairie/fescue hay (ton)	62.38	62.38
Cane hay (ton)	b	46.98
Corn silage (ton)	b	22.02
Sorghum silage (ton)	b	17.62
SBM, 48% (ton)	--------	229.02
Salt (cwt)	--------	6.00
Mineral (cwt)	--------	25.00
	Weight (lbs)	**Livestock Price**
Beef		
Steer calf (fall)	450	119.75
Steer calf (fall)	550	106.91
Steer calf (spring)	550	116.07
Feeder steer (spring)	650	104.92
Feeder steer (spring)	750	97.29
Feeder steer (spring)	850	88.77
Market steer (annual)	1,225	80.43
Heifer calf (fall)	450	106.77
Heifer calf (fall)	550	98.18
Feeder heifer (spring)	650	95.14
Feeder heifer (spring)	750	89.37
Market heifer (annual)	1,175	80.43
Cull cow (annual)	1,050	48.50
Swine		
Market hog (annual)	265	45.15
Cull sow (annual)	425	35.09
Sheep		
Market lamb (annual)	120	86.05
Feeder lamb (annual)	60	97.68
Cull ewe (annual)	100	37.28
Dairy		
Milk	100	13.77
Replacement heifer (per head)	1	1,760

[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.*

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

	2008 Harvest Price Projections, $/bu (short-run)				2008-2012 Avg Harvest Price Projections, $/bu (long-run)			
	Wheat	Corn	Milo	Soybeans	Wheat	Corn	Milo	Soybeans
Northwest & Southwest								
Scott City	$5.43	$3.97	$3.62	$8.31	$4.13	$2.95	$2.60	$6.50
North Central								
Beloit	5.55	3.68	3.63	8.34	4.25	2.66	2.61	6.53
South Central								
Hutchinson	5.59	3.78	3.66	8.40	4.29	2.76	2.64	6.60
Northeast								
Topeka	5.79	3.72	3.81	8.59	4.49	2.69	2.79	6.78
Southeast								
Emporia	5.53	3.69	3.84	8.74	4.23	2.67	2.82	6.93

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

Seed Item	Cost	Unit
Alfalfa	$3.33	Lb.
Brome hay	1.05	Lb.
Canola	1.50	Lb.
Corn	1.46	1,000 Seeds
Corn (Gaucho treated)	2.15	1,000 Seeds
Corn (Bt)	1.92	1,000 Seeds
Corn (Roundup Ready)	1.97	1,000 Seeds
Cotton (Roundup Ready)	0.58	1,000 Seeds
Dry Edible Beans	0.48	Lb.
Grain sorghum	1.29	Lb.
Grain sorghum (Concep treated)	1.56	Lb.
Grain sorghum (Gaucho treated)	2.76	Lb.
Grain sorghum (Concep/Gaucho treated)	2.98	Lb.
Fescue hay	1.00	Lb.
Forage sorghum	1.14	Lb.
Soybeans	0.42	Lb.
Soybeans (Roundup Ready)	0.65	Lb.
Soybeans (STS)	0.66	Lb.
Soybeans (Roundup Ready/STS)	0.67	Lb.
Sunflowers-Confectionary	1.34	1,000 Seeds
Sunflowers-Oil	0.87	1,000 Seeds
Wheat (certified)[a]	0.22	Lb.
Input Item	**Cost**	**Unit**
N (Anhydrous) – Actual Ingredient (based on 82-0-0)	$0.29	Lb.
N (Dry) – Actual Ingredient (based on 46-0-0)	0.47	Lb.
N (Liquid) – Actual Ingredient (based on 28-0-0 and 32-0-0)	0.53	Lb.
P (Dry) – Actual Ingredient (based on 18-46-0 and 11-52-0)	0.35	Lb.
P (Liquid) – Actual Ingredient (based on 10-34-0)	0.42	Lb.
K – Actual Ingredient (based on 0-0-60)	0.22	Lb.
Lime (cost/lb includes application)	0.01	Lb.
Labor	$10.80	Hour
Interest (operating)	8.5	%

[a] *Wheat seed in budget = (Certified price x 60 x 25% + (location-specific cash price + $1.14) x 25% + (location-specific cash price + $0.51) × 50%)/60. The $1.14 is the cost per bushel for cleaning and treating seed and the $0.51 is the cost per bushel of cleaning only.*

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