



# 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 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 2000.

Oil sunflower price projections are for prices at harvest (October) at Goodland for 2000. Soybean meal price projections are for Kansas City 2000 prices and include a markup of \$20 per ton.

Calf price projections are Dodge City prices for October, 2000, while feeder cattle projections are Dodge City prices for April 2000. 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 25, 1999 and then adjusted for historical basis over 1994-1998. Sunflower price projections were based on a regression model using soybean meal and soybean oil futures prices. Cull cow prices were based on a 5-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 1999 prices obtained from USDA.

Hay price projections in Table 1 are the May through July, 1999 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. 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 May 1999 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 (2000-2004) values. For other commodities, long-run prices were based on 1994-1998 historical average of their underlying short-run price series. Long-run livestock prices are based on short-run projections and historical prices (1989-1998).

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 2000, and based on August 25, 1999 deferred futures prices as well as historical bases over the 1994-1998 period. Long-run price projections are the average harvest time prices for the 2000 to 2004 period. These long-run commodity prices were based on short-run projections and historical 1994-1998 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. Input costs were based on a May 1999 survey.

**Table 1. Prices for Short-Run Planning (2000)**

Crop or Feed			Livestock		
Crop or Feed	Crop Price	Feed Price	Species	Weight (lbs)	Price
Wheat (bu)	\$ a	\$ 3.25	Steer calf (fall)	450	\$88.93
Grain sorghum (bu)	a	2.18	Steer calf (fall)	550	83.56
Grain sorghum (cwt)	a	3.89	Steer calf (spring)	550	91.08
Corn (bu)	a	2.52	Feeder steer (spring)	650	83.43
Soybeans (bu)	a	4.98	Feeder steer (spring)	750	79.01
Sunflowers-oil (cwt)	9.93 <sup>c</sup>	—	Feeder steer (spring)	850	76.50
Alfalfa hay (ton)	71.00	71.00	Market steer (annual)	1,225	67.03
Brome hay (ton)	61.00	61.00	Heifer calf (fall)	450	78.74
Prairie hay (ton)	55.00	55.00	Heifer calf (fall)	550	75.94
Cane hay (ton)	b	43.01	Feeder heifer (spring)	650	76.33
Corn silage (ton)	b	20.16	Feeder heifer (spring)	750	74.79
Sorghum silage (ton)	b	16.13	Market heifer (annual)	1,175	67.03
SBM (ton)	—	171.62	Cull cow (annual)	1,050	40.87
Salt (cwt)	—	4.00	Market hog (annual)	250	33.04
Mineral (cwt)	—	22.00	Cull sow (annual)	425	22.75
SEW base mix (ton)	—	370.00	Market lamb (annual)	120	80.00
Sew starter (ton)	—	540.00	Feeder lamb (annual)	60	82.00
			Cull ewe (annual)	100	25.00

<sup>a</sup> See Table 3 for location-specific prices.

<sup>b</sup> 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.

<sup>c</sup> 1999 government loan price in Sherman county (expected market price is \$8.15)

**Table 2. Prices for Long-Run Planning (2000-2004)**

Item		
Crop or Feed	Crop Price	Feed Price
Wheat (bu)	\$ a	\$ 3.79
Grain sorghum (bu)	a	2.49
Grain sorghum (cwt)	a	4.45
Corn (bu)	a	2.85
Soybeans (bu)	a	6.29
Sunflowers, oil (cwt)	10.23	—
Alfalfa hay (ton)	80.25	80.25
Brome hay (ton)	64.65	64.65
Prairie hay (ton)	58.65	58.65
Cane hay (ton)	b	48.64
Corn silage (ton)	b	22.80
Sorghum silage (ton)	b	18.24
SBM (ton)	—	208.45
Salt (cwt)	—	4.00
Mineral (cwt)	—	22.00
Beef	Weight (lbs)	Price
Steer calf (fall)	450	\$86.20
Steer calf (fall)	550	80.82
Steer calf (spring)	550	89.68
Feeder steer (spring)	650	82.03
Feeder steer (spring)	750	77.61
Feeder steer (spring)	850	75.10
Market steer (annual)	1,225	69.41
Heifer calf (fall)	450	76.01
Heifer calf (fall)	550	73.21
Feeder heifer (spring)	650	74.93
Feeder heifer (spring)	750	73.39
Market heifer (annual)	1,175	69.41
Cull cow (annual)	1,050	43.26
Swine	Weight (lbs)	Price
Market hog (annual)	250	\$42.16
Cull sow (annual)	425	31.88
Sheep	Weight (lbs)	Price
Market lamb (annual)	120	\$84.60
Feeder lamb (annual)	60	88.85
Cull ewe (annual)	100	28.25

<sup>a</sup> See Table 3 for location-specific prices

<sup>b</sup> See footnote in Table 1 for procedures for projecting corn silage, sorghum silage, and cane hay prices.

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

	2000 Harvest Price Projections, \$/bu (short-run)				2000-2004 Avg Harvest Price Projections, \$/bu (long-run)			
	Wheat	Corn	Milo	Soybeans	Wheat	Corn	Milo	Soybeans
Northwest & Southwest								
Scott City	\$3.03	\$2.31	\$2.00	\$5.00 <sup>a</sup>	\$3.18	\$2.36	\$2.04	\$5.16
North Central								
Beloit	3.10	2.14	1.92	5.06 <sup>a</sup>	3.25	2.19	1.96	5.21
South Central								
Hutchinson	3.24	2.26	2.01	5.11 <sup>a</sup>	3.40	2.31	2.06	5.29
Northeast								
Topeka	3.32	2.33	2.08	5.32 <sup>a</sup>	3.47	2.38	2.13	5.43
Southeast								
Emporia	3.19	2.23	1.93	5.26 <sup>a</sup>	3.34	2.28	1.98	5.62

<sup>a</sup> 1999 government loan prices in associated counties (expected market prices are Scott City: 4.55; Beloit: 4.61; Hutchinson: 4.68; Topeka: 4.83, and Emporia: 5.02)

**Table 4. Input Costs for Forward Planning (MF Series)<sup>a</sup>**

<b>Seed Item</b>	<b>Cost</b>	<b>Unit</b>
Wheat (certified) <sup>b</sup>	\$0.13	Lb.
Grain Sorghum	0.93	Lb.
Grain Sorghum (Concep treated)	1.23	Lb.
Grain Sorghum (Gaucho treated)	2.16	Lb.
Grain Sorghum (Concep/Gaucho treated)	2.46	Lb.
Corn	1.21	1000 Seeds
Bt Corn	1.53	1000 Seeds
Popcorn	0.97	1000 Seeds
Soybeans	0.35	Lb.
Soybeans (Roundup Ready)	0.49	Lb.
Alfalfa	2.82	Lb.
Sunflowers-Confectionary	1.25	1000 Seeds
Sunflowers-Oil	0.78	1000 Seeds
Dry Edible Beans	0.55	Lb.
<b>Input Item</b>	<b>Cost</b>	<b>Unit</b>
N. (Anhydrous) – Actual Ingredient (based on 82-0-0)	\$0.11	Lb.
N. (Dry) – Actual Ingredient (based on 34-0-0 and 28-0-0)	0.20	Lb.
P. – Actual Ingredient (based on 0-45-0)	0.22	Lb.
K. – Actual Ingredient (based on 0-0-60)	0.14	Lb.
Lime	0.01	Lb.
Labor	\$10.80	Hour
Interest (operating)	9.0	%

<sup>a</sup> As of May 1999.

<sup>b</sup>  $Wheat\ seed\ in\ budget = Certified\ price \times 25\% + (location-specific\ cash\ price + \$0.87) \div 60 \times 25\% + (location-specific\ cash\ price + \$0.43) \div 60 \times 50\%$ . The \$0.87 is the cost for cleaning and treating seed and the \$0.43 is the cost of cleaning only.

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