

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 2004.

Oil sunflower crop price projections are for prices at harvest (October) at Goodland for 2004. Soybean meal (48% protein) 2004 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, 2004, while feeder cattle projections are Dodge City prices for April 2004. Market cattle and cull cow price projections are for Dodge City in 2004. Market hog projections are for Iowa-Southern Minnesota in 2004. Cull sow prices are for Kansas locations in 2004 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 27, 2003 and then adjusted for historical basis over 1998-2002. 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 2003 prices obtained from USDA.

Milk prices are for Kansas in 2004 and are based off of the Class III futures market prices on August 27, 2003 adjusted for historical basis over 2000-2002. The base cash price used is the Statistical Uniform Price as reported by the Central Federal Milk Order No. 32.

Hay price projections in Table 1 are the May through July, 2003 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 (2004)

Crop or Feed			Livestock		
Crop or Feed	Crop Price	Feed Price	Species	Weight (lbs)	Price
Wheat (bu)	\$ a	\$ 3.40	Steer calf (fall)	450	\$102.49
Grain sorghum (bu)	a	2.19	Steer calf (fall)	550	93.73
Grain sorghum (cwt)	a	3.91	Steer calf (spring)	550	103.89
Corn (bu)	a	2.52	Feeder steer (spring)	650	94.18
Soybeans (bu)	a	5.51	Feeder steer (spring)	750	87.81
Sunflowers-oil (cwt)	10.06 ^c	—	Feeder steer (spring)	850	82.60
Alfalfa hay (ton)	75.33	75.33	Market steer (annual)	1,225	74.59
Brome hay (ton)	64.00	64.00	Heifer calf (fall)	450	92.64
Prairie/fescue hay (ton)	58.00	58.00	Heifer calf (fall)	550	87.82
Cane hay (ton)	b	42.95	Feeder heifer (spring)	650	86.10
Corn silage (ton)	b	20.13	Feeder heifer (spring)	750	81.69
Sorghum silage (ton)	b	16.11	Market heifer (annual)	1,175	74.59
SBM, 48% (ton)	—	208.41	Cull cow (annual)	1,050	49.89
Salt (cwt)	—	5.00	Market hog (annual)	260	30.93
Mineral-vitamins (cwt)	—	24.60	Cull sow (annual)	425	29.65
			Market lamb (annual)	120	90.00
			Feeder lamb (annual)	60	95.00
			Cull ewe (annual)	100	32.50
			Milk (annual)	100	12.91

^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 2003 government loan price in Sherman County (expected market price is \$9.14)

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 (2004-2008) expected values. For other commodities, long-run price projections were taken to be the average of the 1998-2002 historical prices. Long-run livestock prices are based on short-run projections and historical prices (1993-2002).

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 2004, and based on August 27, 2003 deferred futures prices as well as historical bases over the 1998-2002 period. Long-run price projections are for the average harvest time prices for the 2004 to 2008 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 (2004-2008)*

Item		
Crop or Feed	Crop Price	Feed Price
Wheat (bu)	\$ a	\$ 3.00
Grain sorghum (bu)	a	1.98
Grain sorghum (cwt)	a	3.54
Corn (bu)	a	2.26
Soybeans (bu)	a	5.10
Sunflowers, oil (cwt)	10.06 ^c	—
Alfalfa hay (ton)	82.52	82.52
Brome hay (ton)	65.42	65.42
Prairie/fescue hay (ton)	59.42	59.42
Cane hay (ton)	b	38.64
Corn silage (ton)	b	18.11
Sorghum silage (ton)	b	14.49
SBM, 48% (ton)	—	189.34
Salt (cwt)	—	5.00
Mineral (cwt)	—	24.60
	Weight (lbs)	Price
Beef		
Steer calf (fall)	450	92.64
Steer calf (fall)	550	83.88
Steer calf (spring)	550	96.37
Feeder steer (spring)	650	86.66
Feeder steer (spring)	750	80.29
Feeder steer (spring)	850	75.08
Market steer (annual)	1,225	69.05
Heifer calf (fall)	450	82.78
Heifer calf (fall)	550	77.96
Feeder heifer (spring)	650	78.58
Feeder heifer (spring)	750	74.17
Market heifer (annual)	1,175	69.05
Cull cow (annual)	1,050	44.35
Swine		
Market hog (annual)	260	32.57
Cull sow (annual)	425	31.29
Sheep		
Market lamb (annual)	120	75.54
Feeder lamb (annual)	60	78.56
Cull ewe (annual)	100	28.52
Dairy		
Milk	100	12.91
Replacement heifer (per head)	1	1,600

^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 2003 government loan price in Sherman County (long run expected market price is \$8.48).

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

	2004 Harvest Price Projections, \$/bu (short-run)				2004-2008 Avg Harvest Price Projections, \$/bu (long-run)			
	Wheat	Corn	Milo	Soybeans	Wheat	Corn	Milo	Soybeans
Northwest & Southwest								
Scott City	\$3.01	\$2.27	\$2.01	\$4.86	\$2.72	\$2.12	\$1.92 ^b	\$4.79 ^b
North Central								
Beloit	3.04	2.08	1.99	4.92	2.83 ^b	1.97 ^b	1.90 ^b	4.85 ^b
South Central								
Hutchinson	3.09	2.16	1.99	4.94	2.94 ^b	2.03 ^b	1.97 ^b	4.90 ^b
Northeast								
Topeka	3.22	2.11	2.06 ^a	5.11 ^a	3.07 ^b	2.04 ^b	2.06 ^b	5.11 ^b
Southeast								
Emporia	3.05	2.08	1.91 ^a	5.30	2.88 ^b	2.05 ^b	1.91 ^b	5.14

^a 2003 government loan prices in associated counties — expected short-run market prices are: Topeka: 2.05 (milo) and 5.07 (soybeans); Emporia: 1.86 (milo)

^b 2003 government loan prices in associated counties — expected long-run market prices are: Scott City: 1.86 (milo) and 4.70 (soybeans); Beloit: 2.75 (wheat), 1.93 (corn), 1.84 (milo), and 4.76 (soybeans); Hutchinson: 2.80 (wheat), 2.01 (corn), 1.85 (milo), and 4.78 (soybeans); Topeka: 2.92 (wheat), 1.97 (corn), 1.90 (milo), and 4.91 (soybeans); Emporia: 2.96 (wheat), 1.93 (corn), and 1.72 (milo)

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

Seed Item	Cost	Unit
Alfalfa	\$3.32	Lb.
Brome hay	0.65	Lb.
Canola	0.90	Lb.
Corn	1.16	1,000 Seeds
Corn (Gaucho treated)	1.35	1,000 Seeds
Corn (Bt)	1.47	1,000 Seeds
Corn (Roundup Ready)	1.36	1,000 Seeds
Cotton (Roundup Ready)	0.35	1,000 Seeds
Dry Edible Beans	0.48	Lb.
Grain sorghum	1.12	Lb.
Grain sorghum (Concep treated)	1.33	Lb.
Grain sorghum (Gaucho treated)	2.48	Lb.
Grain sorghum (Concep/Gaucho treated)	2.69	Lb.
Fescue hay	1.15	Lb.
Forage sorghum	0.50	Lb.
Soybeans	0.32	Lb.
Soybeans (Roundup Ready)	0.49	Lb.
Soybeans (STS)	0.36	Lb.
Soybeans (Roundup Ready/STS)	0.49	Lb.
Sunflowers-Confectionary	1.05	1,000 Seeds
Sunflowers-Oil	0.80	1,000 Seeds
Wheat (certified) ^a	0.15	Lb.
Input Item	Cost	Unit
N (Anhydrous) – Actual Ingredient (based on 82-0-0)	\$0.20	Lb.
N (Dry) – Actual Ingredient (based on 46-0-0)	0.27	Lb.
N (Liquid) – Actual Ingredient (based on 28-0-0 and 32-0-0)	0.28	Lb.
P (Dry) – Actual Ingredient (based on 18-46-0 and 11-52-0)	0.18	Lb.
P (Liquid) – Actual Ingredient (based on 10-34-0)	0.27	Lb.
K – Actual Ingredient (based on 0-0-60)	0.15	Lb.
Lime (cost/lb includes application)	0.01	Lb.
Labor	\$10.00	Hour
Interest (operating)	7.0	%

^a $Wheat\ seed\ in\ budget = (Certified\ price \times 60 \times 25\% + (location\text{-}specific\ cash\ price + \$0.94) \times 25\% + (location\text{-}specific\ cash\ price + \$0.46) \times 50\%) \div 60$. The \$0.94 is the cost per bushel for cleaning and treating seed and the \$0.46 per bushel is the cost of cleaning only.

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