

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 the Farm Management Guide notebook. 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 2003.

Oil sunflower crop price projections are for prices at harvest (October) at Goodland for 2003. Soybean meal (48 percent protein) price projections are for Kansas City 2003 prices and include a markup of \$20 per ton.

Calf price projections are Dodge City prices for October, 2003, while feeder cattle projections are Dodge City prices for April 2003. Market cattle and cull cow price projections are for Dodge City in 2003. Market hog projections are for Iowa-Southern Minnesota in 2003. Cull sow prices are for Kansas locations in 2003 and are based on projected market hog prices. Each of these price projections, except for

sunflowers, was based on the relevant futures closing prices on September 9, 2002 and then adjusted for historical basis over 1997-2001. 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 2002 prices obtained from USDA.

Hay price projections in Table 1 are the May through July, 2002 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 2002 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 (2003-2007) expected values. For other commodities, long-run

Table 1. Prices for Short-Run Planning (2003)

Crop or Feed			Livestock		
Crop or Feed	Crop Price	Feed Price	Species	Weight (lbs)	Price
Wheat (bu)	\$ a	\$ 3.97	Steer calf (fall)	450	\$90.76
Grain sorghum (bu)	a	2.47	Steer calf (fall)	550	82.98
Grain sorghum (cwt)	a	4.42	Steer calf (spring)	550	92.41
Corn (bu)	a	2.78	Feeder steer (spring)	650	83.23
Soybeans (bu)	a	5.53	Feeder steer (spring)	750	76.84
Sunflowers-oil (cwt)	9.62 ^c	—	Feeder steer (spring)	850	72.43
Alfalfa hay (ton)	91.67	91.67	Market steer (annual)	1,225	69.39
Brome hay (ton)	71.33	71.33	Heifer calf (fall)	450	80.94
Prairie/fescue hay (ton)	65.33	65.33	Heifer calf (fall)	550	76.16
Cane hay (ton)	b	47.52	Feeder heifer (spring)	650	75.44
Corn silage (ton)	b	22.28	Feeder heifer (spring)	750	71.37
Sorghum silage (ton)	b	17.82	Market heifer (annual)	1,175	69.39
SBM, 48% (ton)	—	202.06	Cull cow (annual)	1,050	44.51
Salt (cwt)	—	4.70	Market hog (annual)	260	33.93
Mineral-vitamins (cwt)	—	22.50	Cull sow (annual)	425	25.80
			Market lamb (annual)	120	72.00
			Feeder lamb (annual)	60	70.00
			Cull ewe (annual)	100	31.00

^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 2002 government loan price in Sherman County (expected market price is \$9.00)

price projections were taken to be the average of the 1997-2001 historical prices. Long-run livestock prices are based on short-run projections and historical prices (1992-2001).

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 2003, and based on September 9, 2002 deferred futures prices as well as historical bases over the 1997-2001 period. Long-run price projections are for the average har-

vest time prices for the 2003 to 2007 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 August 2002 survey of several input suppliers across Kansas.

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

Item		
Crop or Feed	Crop Price	Feed Price
Wheat (bu)	\$ a	\$ 3.16
Grain sorghum (bu)	a	2.07
Grain sorghum (cwt)	a	3.70
Corn (bu)	a	2.39
Soybeans (bu)	a	5.50
Sunflowers, oil (cwt)	9.62 ^c	—
Alfalfa hay (ton)	81.32	81.32
Brome hay (ton)	65.72	65.72
Prairie/fescue hay (ton)	59.72	59.72
Cane hay (ton)	b	40.72
Corn silage (ton)	b	19.09
Sorghum silage (ton)	b	15.27
SBM, 48% (ton)	—	203.29
Salt (cwt)	—	4.70
Mineral (cwt)	—	22.50
Beef	Weight (lbs)	Price
Steer calf (fall)	450	90.62
Steer calf (fall)	550	82.83
Steer calf (spring)	550	93.35
Feeder steer (spring)	650	84.16
Feeder steer (spring)	750	77.77
Feeder steer (spring)	850	73.36
Market steer (annual)	1,225	68.63
Heifer calf (fall)	450	80.80
Heifer calf (fall)	550	76.02
Feeder heifer (spring)	650	76.37
Feeder heifer (spring)	750	72.30
Market heifer (annual)	1,175	68.83
Cull cow (annual)	1,050	43.75
Swine	Weight (lbs)	Price
Market hog (annual)	260	39.17
Cull sow (annual)	425	31.03
Sheep	Weight (lbs)	Price
Market lamb (annual)	120	72.74
Feeder lamb (annual)	60	75.65
Cull ewe (annual)	100	29.02

^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 2002 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

	2003 Harvest Price Projections, \$/bu (short-run)				2003-2007 Avg Harvest Price Projections, \$/bu (long-run)			
	Wheat	Corn	Milo	Soybeans	Wheat	Corn	Milo	Soybeans
Northwest & Southwest								
Scott City	\$3.49	\$2.35	\$2.08	\$4.85	\$2.76	\$2.21	\$1.94	\$4.81
North Central								
Beloit	3.53	2.17	2.03	4.88	2.80	2.02	1.89	4.85
South Central								
Hutchinson	3.60	2.24	2.05	4.94	2.88	2.10	1.97 ^b	4.90
Northeast								
Topeka	3.68	2.24	2.07 ^a	5.09 ^a	3.05 ^b	2.09	2.07 ^b	5.09 ^b
Southeast								
Emporia	3.53	2.18	1.92 ^a	5.29	2.86 ^b	2.06 ^b	1.92 ^b	5.26

^a 2002 government loan prices in associated counties — expected short-run market prices are: Topeka: 2.04 (milo) and 5.05 (soybeans); Emporia: 1.87 (milo)

^b 2002 government loan prices in associated counties — expected long-run market prices are: Hutchinson: 1.90 (milo); Topeka: 2.96 (wheat), 1.89 (milo), and 5.01 (soybeans); Emporia: 2.81 (wheat), 2.04 (corn), and 1.73 (milo)

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

Seed Item	Cost	Unit
Alfalfa	\$3.16	Lb.
Brome hay	0.65	Lb.
Canola	2.00	Lb.
Corn	1.16	1000 Seeds
Corn (Gaucho treated)	1.47	1000 Seeds
Corn (Bt)	1.44	1000 Seeds
Corn (Roundup Ready)	1.38	1000 Seeds
Cotton (Roundup Ready)	0.30	1000 Seeds
Dry Edible Beans	0.44	Lb.
Grain sorghum	1.12	Lb.
Grain sorghum (Concep treated)	1.32	Lb.
Grain sorghum (Gaucho treated)	2.39	Lb.
Grain sorghum (Concep/Gaucho treated)	2.59	Lb.
Fescue hay	1.15	Lb.
Forage sorghum	0.72	Lb.
Soybeans	0.37	Lb.
Soybeans (Roundup Ready)	0.50	Lb.
Soybeans (STS)	0.35	Lb.
Soybeans (Roundup Ready/STS)	0.51	Lb.
Sunflowers-Confectionary	0.99	1000 Seeds
Sunflowers-Oil	0.81	1000 Seeds
Wheat (certified) ^a	0.14	Lb.
Input Item	Cost	Unit
N (Anhydrous) – Actual Ingredient (based on 82-0-0)	\$0.13	Lb.
N (Dry) – Actual Ingredient (based on 46-0-0)	0.21	Lb.
N (Liquid) – Actual Ingredient (based on 28-0-0 and 32-0-0)	0.22	Lb.
P (Dry) – Actual Ingredient (based on 18-46-0 and 11-52-0)	0.17	Lb.
P (Liquid) – Actual Ingredient (based on 10-34-0)	0.26	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 + \$1.03) x 25% + (location-specific cash price + \$0.46) x 50%. The \$1.03 is the cost for cleaning and treating seed and the \$0.46 is the cost of cleaning only.

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