

## Farm Production Costs Decline 3 Percent

U.S. farmers paid 3 percent less for their production inputs this April compared to a year ago. Prices went down in 5 of the 12 cost of production categories. Fuels and Fertilizer led the way with decreases of 46 and 8 percent, respectively. Chemicals and Seeds saw the biggest price jump from a year ago, increasing 14 and 11 percent, respectively.

The largest decrease was seen in Fuels, where the U.S. prices paid index for fuels fell 46 percent from April 2008. The average U.S. prices for unleaded service station gasoline, unleaded bulk delivery, and L.P. bulk delivery were \$1.941, \$1.972, and \$1.737 per gallon, respectively. The largest decrease was for bulk delivery diesel, which was down 53 percent from April 2008 to \$1.688 per gallon. In the Lake States Region (MI, MN, and WI), the average gallon of unleaded service station gasoline was \$1.936. The Pacific Region tallied the highest average for unleaded service station gasoline with an average price per gallon of \$2.223.

The U.S. prices paid index for feed saw a slight decline of 2 percent from April 2008. Nationally, prices for feed grains, hay/forage, and concentrates were down, while those for complete feeds and supplements increased. Feed grains realized the largest decrease at 26 percent. In the Lake States Region, the average price in March for dairy feed with protein concentrate between 32 and 38% was \$475 per ton. Alfalfa meal averaged \$23.50 per hundredweight.

Compared to April 2008, the U.S. prices paid index for fertilizer was down 8 percent. The decrease can be attributed to a decline of 23 percent for mixed fertilizer and 3 percent for nitrogen. Potash and Phosphate saw an increase of 24 percent. In the North Central Region (IL, IN, IA, MI, MN, MO, OH, and WI), farmers paid on average \$787 per ton for Anhydrous Ammonia, \$848 per ton for Muriate of Potash and \$555 per ton for Superphosphate in March. The average price for the mixed fertilizer 9-23-30 was \$763 per ton.

U.S. farmers paid 14 percent more for chemicals compared to April 2008. All three sub-components of the U.S. prices paid index for chemicals rose from a year ago. Herbicides were up 18 percent, fungicides were up 17 percent, and insecticides were up 4 percent. Nationally, the average price in March for the herbicide 2,4-D, 3.8#/Gal EC was \$19.30 per gallon, an increase of \$2.10 from April 2008. The average price in March for the insecticide Carbofuran, 4F was \$88.10 per gallon, up \$6.30 from April 2008.

The U.S. prices paid index for machinery rose 9 percent from April 2008. The price index for tractors was up 7 percent, while self-propelled and other machinery were up 9 and 11 percent respectively.

\* Beginning in 2009, the reference period for the annual prices paid data was changed from April to March. Year-to-year comparisons in the article are made using the monthly Prices Paid Indexes, while regional prices are from the annual prices paid data collected.

**FEED: Prices Paid****Lake States Region 1/, April 2005-2008, March 2009**

Commodity	2005	2006	2007	2008	2009
	Dollars per 50 pounds				
Stock Salt	4.57	4.51	4.87	5.17	5.60
Trace Mineral Blocks	5.08	5.39	5.75	6.07	6.60
	Dollars per cwt.				
Alfalfa meal	13.80	14.70	16.70	18.90	23.50
Molasses, liquid	13.90	15.90	16.40	16.40	19.00
Soybean meal, 44% protein	11.90	13.10	14.40	22.10	20.10
	Dollars per ton				
Dairy feed 32-38% protein concentrate	381.00	328.00	394.00	488.00	475.00

1/Lake States: MI, MN, WI. Source: USDA, NASS, WI FO

**FERTILIZER: Prices Paid****North Central Region 1/, April 2005-2008, March 2009**

Commodity	2005	2006	2007	2008	2009
	Dollars per ton				
Anhydrous Ammonia	429	543	536	769	787
Nitrogen Solution 28%	215	241	270	372	376
Sulfate of Ammonia	253	263	269	390	357
Urea 44-46%	327	368	450	547	504
Superphosphate	295	315	409	779	555
Muriate of Potash	242	271	277	562	848

1/North Central States: IL, IN, IA, MI, MN, MO, OH, and WI.

Source: USDA, NASS, WI FO

**FUEL: Prices Paid****Lake States Region 1/, April 2005-2008, March 2009**

Commodity	2005	2006	2007	2008	2009
	Dollars per gallon				
Gasoline, unleaded Service station 2/	2.19	2.56	2.59	3.22	1.94
Bulk delivery 2/	2.21	2.59	2.62	3.27	1.99
Diesel fuel, bulk delivery 3/	1.97	2.29	2.47	3.61	1.69
L.P. gas, bulk delivery 3/	1.42	1.61	1.65	2.20	1.68

1/Lake States: MI, MN, WI. 2/Includes all taxes. 3/Excludes all taxes. Source: USDA, NASS, WI FO

**FARM MACHINERY: Prices Paid****United States, April 2005-2008, March 2009**

Commodity	2005	2006	2007	2008	2009
	Dollars				
Tractor, 2-wheel drive, P.T.O. horsepower 30-39	16,700	17,500	18,400	18,700	18,500
70-89	36,800	37,600	38,900	39,300	39,000
140-159	91,900	95,500	100,000	104,000	111,000
Manure spreader 225-300 bu. cap.	11,900	12,200	12,800	13,700	15,400
Mower conditioner, pull type 8-10 foot sickle	15,900	16,300	17,200	18,400	19,700
14-16 foot sickle	24,600	25,700	26,200	28,300	29,500
Round baler, 1200-1500 lb.	20,300	20,300	21,900	23,300	25,100

Source: USDA, NASS, WI FO

**SEED: Prices Paid****United States, April 2005-2008, March 2009**

Commodity	2005	2006	2007	2008	2009
	Dollars				
Alfalfa, per cwt. Proprietary	281	286	292	342	379
Corn, per 80,000 kernels Biotech	131	137	154	184	235
Non-Biotech	93.40	95.10	100	115	139
Soybean, per bu. Biotech	34.60	34.10	36.70	40.00	49.60

Source: USDA, NASS, WI FO

**AGRICULTURAL CHEMICALS: Prices Paid****United States, April 2005-2008, March 2009**

Commodity	2005	2006	2007	2008	2009
	Dollars per gallon				
2,4-D, 4#/gal.	15.90	16.20	15.90	17.20	19.30
Acetochlor, (Harness Surpass) 6.4-7#/gal.	67.60	68.90	69.20	71.70	75.50
Atrazine (AAtrex) 4#/gal.	12.40	12.10	12.20	15.30	20.80
Dicamba (Banvel) 4#/gal.	92.60	90.10	82.40	77.60	82.60
Glyphosate, (Roundup) 4#/gal.	33.80	29.30	28.90	40.50	42.80
Chlorothalonil (Bravo), 6#/gal.	45.20	46.70	47.00	48.20	59.80
Pendimethalin (Prowl) 3.3#/gal.	23.50	24.30	28.20	29.70	37.40

Source: USDA, NASS, WI FO