

# CROP PRODUCTION COSTS

## CORN AND SOYBEAN PRODUCTION COSTS AND RETURNS HEARTLAND REGION 1/, 2007-2008

Item	Corn		Soybeans	
	2007	<b>2008</b>	2007	<b>2008</b>
	<u>Dollars per Planted Acre</u>			
Total, Gross Value of Production (Excluding Direct Government Payments)	501.27	<b>651.74</b>	400.76	<b>502.58</b>
Operating Costs:				
Seed	49.40	<b>61.29</b>	38.54	<b>42.98</b>
Fertilizer	96.13	<b>158.22</b>	15.62	<b>27.99</b>
Soil Conditioners <u>2/</u>	0.00	<b>0.00</b>	0.00	<b>0.00</b>
Manure	0.00	<b>0.00</b>	0.00	<b>0.00</b>
Chemicals	26.55	<b>27.57</b>	14.49	<b>15.84</b>
Custom Operations <u>3/</u>	9.80	<b>9.80</b>	5.54	<b>5.54</b>
Fuel, Lube, and Electricity	25.00	<b>32.64</b>	12.14	<b>15.77</b>
Repairs	13.11	<b>13.46</b>	10.88	<b>11.25</b>
Interest on Operating Capital	4.85	<b>2.24</b>	2.18	<b>2.67</b>
Total, Operating Costs	224.84	<b>305.22</b>	99.39	<b>122.04</b>
Allocated Overhead:				
Hired Labor	1.51	<b>1.56</b>	1.38	<b>1.54</b>
Opportunity Cost of Unpaid Labor	21.24	<b>21.96</b>	17.26	<b>19.24</b>
Capital Recovery of Machinery and Equipment	66.73	<b>71.97</b>	70.42	<b>78.51</b>
Opportunity Cost of Land (rental rate)	110.48	<b>123.66</b>	122.02	<b>136.04</b>
Taxes and Insurance	6.88	<b>7.64</b>	9.56	<b>10.66</b>
General Farm Overhead	13.00	<b>13.35</b>	16.26	<b>18.12</b>
Total, Allocated Overhead	219.84	<b>240.14</b>	236.90	<b>264.11</b>
Total, Costs Listed	444.68	<b>545.36</b>	336.29	<b>386.15</b>
Value of Production Less Total Costs Listed	56.59	<b>106.38</b>	64.47	<b>116.42</b>
Value of Production Less Operating Costs	276.43	<b>346.52</b>	301.37	<b>380.53</b>
Supporting Information:				
Yield (bushels per planted acre)	155	<b>158</b>	49	<b>46</b>
Price (dollars per bushel at harvest)	3.23	<b>4.12</b>	8.22	<b>11.04</b>
Enterprise size (planted acres) <u>1/</u>	281	<b>281</b>	299	<b>299</b>
Production Practices <u>4/</u> <u>5/</u>				
Irrigated (percent)	5	<b>5</b>	4	<b>4</b>
Dryland (percent)	95	<b>95</b>	96	<b>96</b>

1/ Heartland Region includes: Illinois, Indiana, Iowa, Western Kentucky, Southern and Western Minnesota, North and Central Missouri, Northeastern Nebraska, Western Ohio, and Southeastern North Dakota.

2/ Cost of lime.

3/ Cost of custom operations, technical services and commercial drying.

4/ Corn: For survey base year 2001.

5/ Soybeans: For survey base year 2002.

Source: Economic Research Service