

# CORN PRODUCTION

## COSTS AND RETURNS 1998 - 1999

ITEM	UNITED STATES		HEARTLAND		EASTERN UPLANDS	
	1998	1999	1998	1999	1998	1999
Gross value of production	Dollars Per Planted Acre					
(excluding direct Government payments):						
Primary product: Corn grain	259.76	228.15	275.04	235.47	241.68	194.00
Secondary product: Corn silage	3.12	2.55	1.33	1.17	0.00	0.00
Total, gross value of production	\$262.88	\$230.70	\$276.37	\$236.64	\$241.68	\$194.00
Operating costs:						
Seed	30.02	30.29	31.07	30.71	22.93	23.12
Fertilizer, lime, and gypsum	41.44	38.75	44.36	41.56	51.85	49.68
Soil conditioners	0.16	0.17	0.10	0.10	1.66	1.59
Manure	0.51	0.49	0.39	0.37	0.48	0.44
Chemicals	27.36	28.40	28.69	29.95	31.63	32.17
Custom operations <sup>1/</sup>	11.29	11.37	10.70	10.73	6.43	6.20
Fuel, lube, and electricity	22.96	23.04	20.76	21.08	16.27	16.32
Repairs	16.65	17.17	15.14	15.62	15.44	15.28
Other variable cash expenses <sup>2/</sup>	0.31	0.31	0.00	0.00	0.00	0.00
Interest on operating capital	3.61	3.50	3.62	3.50	3.52	3.37
Total, operating costs	\$154.31	\$153.49	\$154.83	\$153.62	\$150.21	\$148.17
Allocated overhead:						
Hired labor	3.19	3.28	2.27	2.34	2.75	2.92
Opportunity cost of unpaid labor	30.63	31.43	30.14	30.92	57.54	59.44
Capital recovery of machinery and	66.46	68.49	63.67	65.70	70.40	69.82
Opportunity cost of land (rental rate)	86.35	86.77	97.17	97.32	43.55	46.49
Taxes and insurance	7.05	6.96	6.38	6.30	6.79	6.68
General farm overhead	11.47	10.88	11.49	10.86	11.29	10.70
Total, allocated overhead	\$205.15	\$207.81	\$211.12	\$213.44	\$192.32	\$196.05
Total, costs listed	\$359.46	\$361.30	\$365.95	\$367.06	\$342.53	\$344.22
Value of production less total costs listed	-96.58	-130.60	-89.58	-130.42	-100.85	-150.22
Value of production less operating costs	108.57	77.21	121.54	83.02	91.47	45.83
Supporting information:						
Yield (bushels per planted acre)	136	135	144	141	114	97
Price (dollars per bushel at harvest)	1.91	1.69	1.91	1.67	2.12	2.00
Enterprise size (planted acres) <sup>3/</sup>	189	189	223	223	42	42
Production practices: <sup>3/</sup>						
Irrigated (percent)	15	15	9	9	0	0
Dryland (percent)	85	85	94	94	100	100

The Economic Research Service revised its accounting methodology for corn, soybeans, cotton, grain sorghum, peanuts, hogs and cow-calf enterprises to conform with the new stands recommended by the American Agricultural Economics Association (AAEA) Task Force on Commodity Costs and Returns. For these same commodities, ERS is publishing regional estimates using new resource regions. Western Kentucky is considered Heartland while eastern Kentucky is included in Eastern Uplands. <sup>1/</sup>Cost of custom operations, technical services and commercial drying. <sup>2/</sup>Cost of purchased irrigation water. <sup>3/</sup>Developed from survey base year, 1996.