

COST OF PRODUCTION - CORN AND SOYBEANS

PRODUCTION CASH COSTS AND RETURNS, 1998-99

Item	United States		Heartland 3/		Illinois	
	1998	1999	1998	1999	1998	1999
Dollars per planted acre						
CORN						
Gross value of production:						
Primary product: Corn grain	259.76	228.15	275.04	235.47	284.37	243.18
Secondary product: Corn silage	3.12	2.55	1.33	1.17	0.39	0.40
Total gross value of production	262.88	230.70	276.37	236.64	284.76	243.56
Operating costs:						
Seed	30.02	30.29	31.07	30.71	31.75	31.97
Fertilizer, lime, and gypsum	41.44	38.75	44.36	41.56	52.75	48.98
Soil conditioners	0.16	0.17	0.10	0.10	0.10	0.10
Manure	0.51	0.49	0.39	0.37	0.05	0.05
Chemicals	27.36	28.40	28.69	29.95	32.45	33.32
Custom operations 1/	11.29	11.37	10.70	10.73	14.43	14.38
Fuel, lube, and electricity	22.96	23.04	20.76	21.08	13.98	14.81
Repairs	16.65	17.17	15.14	15.62	12.72	13.34
Other variable cash expenses 2/	0.31	0.31	0.00	0.00	0.00	0.00
Interest on operating capital	3.61	3.50	3.62	3.50	3.79	3.69
Total operating costs	154.31	153.49	154.83	153.62	162.02	160.63
Allocated overhead:						
Hired labor	3.19	3.28	2.27	2.34	1.67	1.71
Opportunity cost of unpaid labor	30.63	31.43	30.14	30.92	32.78	33.52
Capital recovery of machinery and	66.46	68.49	63.67	65.70	54.34	56.97
Opportunity cost of land (rental rate)	86.35	86.77	97.17	97.32	110.10	110.10
Taxes and insurance	7.05	6.96	6.38	6.30	5.38	5.32
General farm overhead	11.47	10.88	11.49	10.86	8.06	7.64
Total allocated overhead	205.15	207.81	211.12	213.44	212.33	215.25
Total costs listed	359.46	361.30	365.95	367.06	374.35	375.88
Value of production less total costs listed	-96.58	-130.60	-89.58	-130.42	-89.59	-132.32
Value of production less operating costs	108.57	77.21	121.54	83.02	122.74	82.93
SOYBEANS						
Gross value of production:						
Primary product: Soybeans	223.17	178.00	237.36	186.06	246.31	205.66
Total gross value of production	223.17	178.00	237.36	186.06	246.31	205.66
Operating costs:						
Seed	20.46	19.25	19.77	18.41	20.29	18.51
Fertilizer	8.00	7.96	7.23	7.25	8.01	8.00
Soil conditioners	0.10	0.10	0.08	0.08	0.09	0.10
Manure	0.80	0.79	0.91	0.88	0.26	0.24
Chemicals	26.65	24.88	27.31	25.56	28.56	26.24
Custom operations	5.84	5.86	5.93	5.90	6.32	6.27
Fuel, lube, and electricity	5.97	5.90	5.35	5.32	5.42	5.55
Repairs	9.59	9.79	8.91	9.11	7.51	7.79
Purchased irrigation water	0.05	0.05	0.00	0.00	0.00	0.00
Interest on operating capital	1.86	1.75	1.81	1.71	1.83	1.71
Total operating costs	79.32	76.33	77.30	74.22	78.30	74.41
Allocated overhead:						
Hired labor	1.98	2.01	1.29	1.32	1.64	1.68
Opportunity cost of unpaid labor	18.11	18.46	17.73	17.97	15.48	15.83
Capital recovery of machinery and	50.66	51.58	47.99	49.01	42.73	44.34
Opportunity cost of land (rental rate)	77.66	79.74	87.96	88.38	105.72	105.72
Taxes and insurance	6.89	6.77	6.97	6.82	6.50	6.39
General farm overhead	12.94	14.13	13.40	14.55	13.58	14.76
Total allocated overhead	168.24	172.69	175.34	178.05	185.64	188.72
Total costs listed	247.56	249.02	252.64	252.27	263.94	263.13
Value of production less total costs listed	-24.39	-71.02	-15.28	-66.21	-17.63	-57.47
Value of production less operating costs	143.85	101.67	160.06	111.84	168.01	131.25

1/ Cost of custom operations, technical services and commercial drying. 2/ Cost of purchased irrigation water.

3/ Heartland includes primarily Illinois, Indiana, Iowa, Missouri and Ohio.

Source: Economic Research Service, USDA