

## CORN PRODUCTION COSTS AND RETURNS 1999 - 2000

ITEM	UNITED STATES		HEARTLAND		EASTERN UPLANDS	
	1999	2000	1999	2000	1999	2000
Gross value of production (excluding direct Government payments):	Dollars Per Planted Acre					
Primary product: Corn grain	228.15	244.26	235.47	258.13	194.00	239.51
Secondary product: Corn silage	2.55	2.41	1.17	1.23	0.00	0.00
Total, gross value of production	\$230.70	\$246.67	\$236.64	\$259.36	\$194.00	\$239.51
Operating costs:						
Seed	30.29	30.02	30.71	30.64	23.12	20.66
Fertilizer, lime, and gypsum	38.75	39.04	41.56	41.60	49.68	50.31
Soil conditioners	0.17	0.16	0.10	0.10	1.59	1.72
Manure	0.49	0.48	0.37	0.36	0.44	0.45
Chemicals	28.40	28.82	29.95	30.51	32.17	32.33
Custom operations <sup>1/</sup>	11.37	11.48	10.73	10.96	6.20	6.51
Fuel, lube, and electricity	23.04	29.12	21.08	26.41	16.32	23.60
Repairs	17.17	17.55	15.62	15.98	15.28	16.68
Other variable cash expenses <sup>2/</sup>	0.31	0.31	0.00	0.00	0.00	0.00
Interest on operating capital	3.50	4.53	3.50	4.51	3.37	4.39
Total, operating costs	\$153.49	\$161.51	\$153.62	\$161.07	\$148.17	\$156.65
Allocated overhead:						
Hired labor	3.28	3.36	2.34	2.35	2.92	3.00
Opportunity cost of unpaid labor	31.43	32.21	30.92	31.80	59.44	61.51
Capital recovery of machinery and equipment	68.49	70.16	65.70	67.32	69.82	76.08
Opportunity cost of land (rental rate)	86.77	89.36	97.32	100.73	46.49	48.39
Taxes and insurance	6.96	7.13	6.30	6.47	6.68	6.93
General farm overhead	10.88	11.11	10.86	11.11	10.70	10.96
Total, allocated overhead	\$207.81	\$213.33	\$213.44	\$219.78	\$196.05	\$206.87
Total, costs listed	\$361.30	\$374.84	\$367.06	\$380.85	\$344.22	\$363.52
Value of production less total costs listed	-130.60	-128.17	-130.42	-121.50	-150.22	-124.01
Value of production less operating costs	77.21	85.16	83.02	98.29	45.83	82.86
Supporting information:						
Yield (bushels per planted acre)	135	138	141	148	97	128
Price (dollars per bushel at harvest)	1.69	1.77	1.67	1.75	2.00	1.87
Enterprise size (planted acres) <sup>3/</sup>	189	189	223	223	42	42
Production practices: <sup>3/</sup>						
Irrigated (percent)	15	15	6	6	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.