



# Ag Decision Maker

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### 2014 Iowa crop production cost estimates

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Crop cost estimates for 2014 corn and soybean production in Iowa are not expected to change significantly from 2013. Profit margins will be tight and final yields and marketing strategies will be critical.

Iowa State University Extension and Outreach released its

annual publication, Estimated Costs of Crop Production in Iowa - 2014 (www.extension.iastate.edu/agdm/crops/pdf/a1-20.pdf), to help farmers figure their potential crop costs per acre and per bushel for various crops, rotations and tillage practices.

Fertilizer costs are expected to drop approximately 20 percent but will be offset by slightly higher seed, crop protection, energy and cash rental rates. Estimated costs to produce a bushel of corn are expected to be down about 1 percent, while cost to produce soybeans is up 2 percent. Thus, cost estimates for most inputs in 2014 should remain fairly flat, except for fertilizer. That's good news for farmers, as cash corn prices have dropped by 35 percent from the 2012 average cash price and soybeans are down by more than 10 percent.

Land costs for 2014 aren't expected to drop significantly; however, flexible cash leases (adjusted for yield, price and costs) are beginning to replace some of the high fixed cash rent leases statewide.

Net revenue — yield times price minus total costs — will determine if farmers make money on their 2014 crops. New crop futures show a potential for some very tight crop profit margins. When making crop estimates, assume average yield expectations.

Farmers can compare their potential costs by crop rotation, tillage practice and yield expectations. The 2014

*continued on page 2*

#### Handbook updates

For those of you subscribing to the handbook, the following new updates are included.

Estimated Costs of Crop Production in Iowa - 2014 – A1-20 (13 pages)

Farmland Value Survey (Iowa State University) – C2-70 (5 pages)

Livestock Planning Prices – B1-10 (1 page)

Livestock Enterprise Budgets for Iowa – B1-21 (22 pages)

Please add these files to your handbook and remove the out-of-date material.

*continued on page 6*

#### Inside . . .

What are the risks for farmland value?..... Page 3

2014 Iowa crop production cost estimates, continued from page 1

Iowa Crop Cost Estimates chart below shows current Iowa State University cost of production estimates for three different crop rotations, conventional tillage practices and medium yield expectations. ISU Extension and Outreach's release of 2014 crop cost estimates for producing corn and soybeans are made according to crop rotation and are displayed as three different yield categories: soybeans following corn with an average yield of 50 bushels per acre, corn following soybeans with an average yield of 180 bushels per acre and corn following corn with an average yield of 165 bushels per acre.

The publication, Estimated Costs of Crop Production in Iowa - 2014 (FM-1712 or AgDM File A1-20), can be found online at [www.extension.iastate.edu/agdm/crops/pdf/a1-20.pdf](http://www.extension.iastate.edu/agdm/crops/pdf/a1-20.pdf). The publication provides space for producers to insert their own cost estimates for various decisions reflecting different crop rotations, tillage practices, machinery costs, inputs planned and yield expectations. Decision tools are also available on the Ag Decision Maker website, which will allow farmers to enter their own estimates and save the file for later use.

## 2014 Iowa Crop Cost Estimates



	Total Cost	Expected Yield bu/A	Cost Per Bushel
Soybeans after Corn	\$557	50	\$11.13
Corn after Soybeans	\$772	180	\$4.29
Corn after Corn	\$819	165	\$4.97