

COST OF PRODUCTION - CORN AND SOYBEANS

PRODUCTION CASH COSTS AND RETURNS, 2002-2003 1/

Item	United States		Heartland 5/		Illinois	
	2002	2003	2002	2003	2002	2003
Dollars per planted acre						
CORN						
Gross value of production:						
Primary product: Corn grain	310.88	317.37	326.60	329.70	337.59	373.91
Secondary product: Corn silage	1.94	2.25	1.33	1.36	1.48	1.32
Total gross value of production	312.82	319.62	327.93	331.06	339.08	375.23
Operating costs:						
Seed	31.84	34.83	31.60	34.89	32.20	36.90
Fertilizer, lime, and gypsum	35.49	43.41	37.24	45.00	45.62	54.50
Soil conditioners 2/	0.12	0.13	0.09	0.09	0.08	0.08
Manure	2.13	2.47	1.37	1.60	0.82	0.98
Chemicals	26.11	26.20	26.22	26.50	31.01	30.81
Custom operations 3/	10.79	11.17	9.69	10.09	13.21	13.87
Fuel, lube, and electricity	18.93	23.06	15.28	18.81	9.74	12.73
Repairs	13.91	14.22	12.35	12.63	10.39	10.37
Other variable cash expenses 4/	0.22	0.22	0.00	0.00	0.00	0.00
Interest on operating capital	1.17	0.82	1.13	0.79	1.20	0.85
Total operating costs	140.71	156.53	134.97	150.40	144.28	161.07
Allocated overhead:						
Hired labor	3.06	3.14	2.19	2.30	1.45	1.49
Opportunity cost of unpaid labor	25.74	26.53	23.03	23.79	19.49	19.76
Capital recovery of machinery and equipment	55.26	56.67	51.87	53.06	45.42	45.31
Opportunity cost of land (rental rate)	87.44	89.20	98.83	100.28	112.03	111.12
Taxes and insurance	5.42	5.54	5.07	5.19	6.27	6.43
General farm overhead	11.91	12.17	10.69	10.93	11.19	11.44
Total allocated overhead	188.83	193.25	191.68	195.55	195.85	195.56
Total costs listed	329.54	349.78	326.65	345.95	340.12	356.63
Value of production less total costs listed	-16.72	-30.16	1.28	-14.89	-1.04	18.60
Value of production less operating costs	172.11	163.09	192.96	180.66	194.80	214.16
SOYBEANS						
Gross value of production:						
Primary product: Soybeans	210.64	233.61	225.59	237.02	228.18	239.40
Total gross value of production	210.64	233.61	225.59	237.02	228.18	239.40
Operating costs:						
Seed	25.45	27.42	25.72	27.78	25.84	28.84
Fertilizer	6.79	7.39	6.47	6.87	7.76	8.17
Soil conditioners	0.11	0.12	0.09	0.09	0.07	0.08
Manure	0.40	0.46	0.41	0.48	1.03	1.19
Chemicals	17.12	16.92	17.29	17.40	17.61	17.03
Custom operations	6.16	6.32	5.35	5.48	5.63	5.77
Fuel, lube, and electricity	6.98	8.73	5.72	7.16	4.06	4.89
Repairs	9.76	9.77	8.62	8.73	7.16	7.11
Purchased irrigation water	0.12	0.12	0.00	0.00	0.00	0.00
Interest on operating capital	0.61	0.41	0.59	1.39	0.58	0.39
Total operating costs	73.50	77.66	70.26	75.38	69.74	73.46
Allocated overhead:						
Hired labor	1.84	1.90	1.19	1.24	0.95	0.97
Opportunity cost of unpaid labor	15.59	16.11	14.57	15.09	11.67	11.83
Capital recovery of machinery and equipment	43.30	43.43	40.22	40.68	35.85	35.60
Opportunity cost of land (rental rate)	80.74	81.93	94.12	95.93	101.63	102.47
Taxes and insurance	5.66	5.80	5.75	5.89	5.61	5.75
General farm overhead	11.37	11.66	11.81	12.10	11.17	11.42
Total allocated overhead	158.50	160.83	167.66	170.93	166.88	168.04
Total costs listed	232.00	238.49	237.92	246.31	236.62	241.50
Value of production less total costs listed	-21.36	-4.88	-12.33	-9.29	-8.44	-2.03
Value of production less operating costs	137.14	155.95	155.33	161.64	158.44	165.97

1/ 2004 data not available. 2/ Cost of lime. 3/ Cost of custom operations, technical services and commercial drying. 4/ Cost of purchased irrigation water. 5/ Heartland includes primarily Illinois, Indiana, Iowa, Missouri and Ohio.

Source: Economic Research Service, USDA.