

COST OF PRODUCTION - CORN AND SOYBEANS

PRODUCTION COSTS AND RETURNS, 2008-2009 1/

Item	United States		Heartland 2/		Illinois	
	2008	2009	2008	2009	2008	2009
Dollars per planted acre						
<u>CORN</u>						
Gross value of production:						
Primary product: Corn grain	627.84	560.04	685.72	606.48	755.04	613.89
Secondary product: Corn silage	1.52	1.18	0.78	0.70	0.16	0.14
Total, gross value of production	629.36	561.22	686.50	607.18	755.20	614.03
Operating costs:						
Seed	60.02	78.92	61.29	80.61	59.42	78.15
Fertilizer 3/	139.18	132.53	146.62	139.37	163.37	155.30
Chemicals	25.19	28.23	27.68	30.96	34.76	38.88
Custom operations 4/	10.98	11.98	9.80	10.67	9.27	10.10
Fuel, lube, and electricity	42.64	29.08	32.73	22.10	31.09	20.67
Repairs	15.37	15.69	13.46	13.72	13.55	13.81
Purchased irrigation water	0.14	0.14	0.00	0.00	0.00	0.00
Interest on operating capital	2.17	0.43	2.16	0.43	2.30	0.46
Total, operating costs	295.69	297.00	293.74	297.86	313.76	317.37
Allocated overhead:						
Hired labor	2.37	2.41	1.56	1.59	1.63	1.67
Opportunity cost of unpaid labor	25.12	25.67	21.96	22.44	20.51	20.96
Capital recovery of machinery and equipment	76.36	81.48	73.02	77.91	68.14	72.70
Opportunity cost of land (rental rate)	107.37	116.10	123.66	133.40	142.04	142.04
Taxes and insurance	8.29	9.48	7.64	8.70	6.90	7.86
General farm overhead	14.18	14.49	13.35	13.61	11.26	11.48
Total, allocated overhead	233.69	249.63	241.19	257.65	250.48	256.71
Total, costs listed	529.38	546.63	534.93	555.51	564.24	574.08
Value of production less total costs listed	99.98	14.59	151.57	51.67	190.96	39.95
Value of production less operating costs	333.67	264.22	392.76	309.32	441.44	296.66
<u>SOYBEANS</u>						
Gross value of production:						
Primary product: Soybeans	446.45	438.96	502.58	498.74	548.84	483.78
Total, gross value of production	446.45	438.96	502.58	498.74	548.84	483.78
Operating costs:						
Seed	44.35	55.26	42.98	53.50	43.22	53.80
Fertilizer 3/	25.12	23.65	23.42	22.01	24.78	23.29
Chemicals	15.73	17.38	15.29	16.87	17.27	19.06
Custom operations 4/	6.56	7.17	5.54	6.03	6.63	7.22
Fuel, lube, and electricity	20.20	13.48	15.82	10.48	13.30	8.81
Repairs	12.91	13.22	11.25	11.47	10.13	10.33
Purchased irrigation water	0.12	0.14	0.00	0.00	0.00	0.00
Interest on operating capital	2.80	0.19	2.56	0.17	1.04	0.18
Total, operating costs	127.79	130.48	116.86	120.53	116.37	122.69
Allocated overhead:						
Hired labor	2.07	2.14	1.23	1.26	1.40	1.43
Opportunity cost of unpaid labor	16.77	17.19	15.34	15.67	13.62	13.92
Capital recovery of machinery and equipment	70.98	75.54	67.16	71.33	63.35	67.30
Opportunity cost of land (rental rate)	94.58	108.98	110.67	127.92	125.37	144.91
Taxes and insurance	9.64	10.84	9.51	10.68	9.81	11.01
General farm overhead	14.29	14.57	14.34	14.62	13.40	13.66
Total, allocated overhead	208.35	229.26	218.25	241.48	226.95	252.23
Total costs listed	336.13	359.74	335.11	362.01	343.32	374.92
Value of production less total costs listed	110.32	79.22	167.47	136.72	205.52	108.86
Value of production less operating costs	318.66	308.48	385.72	378.20	432.47	361.09

1/ Developed from survey base year 2005 for Corn and 2006 for Soybeans. 2/ Heartland includes primarily Illinois, Indiana, Iowa, Missouri, and Ohio. 3/ Cost of commercial fertilizers, soil conditioners, and manure. 4/ Cost of custom operations, technical services, and commercial drying.

Source: Economic Research Service, USDA.