

**2008 ARKANSAS CORN AND GRAIN SORGHUM  
PROMOTION BOARD QUARTERLY UPDATE**  
*Beginning September 1, 2008*

**Title:** Economic Analysis of Corn and Grain Sorghum Production Practices

**Investigator:** H. Scott Stiles  
Instructor and Extension Economist

**Objectives:**

**1. Conduct an economic analysis of production practices used in the Corn and Grain Sorghum Research Verification Program that impact profitability and verifies Extension recommendations.**

- a. 2008 data sheets were obtained from the RVP coordinator that included specific field operations, inputs, and irrigation events on each verification field through harvest.
- b. Enterprise budgets were developed from the available RVP data.
- c. Variable, fixed, and total costs for each field in addition to breakeven prices were calculated and summarized.

**2. Standardize the economic analysis by integrating the 2008 verification data with data from previous years. This will document the long-term benefits of the Verification program.**

- a. Actual RVP yields and average prices received (provided by USDA-AMS) were used to calculate sales, returns over variable and total costs in addition to returns over total costs and land rent for each field.
- b. 2008 RVP analysis was added and compared to a six year historical dataset.
- c. The 2008 CGSRVP economic report has been completed and submitted to the RVP coordinator and the extension feed grains agronomist.

**3. Establish and maintain a corn cash—futures price basis and seasonal index table on a University of Arkansas Internet website. This information would be available to Arkansas producers to help them make better decisions regarding future booking and hedging of their corn crops.**

- a. New crop (2009) corn basis data has been obtained from USDA AMS database bi-weekly during 2008. The last update was completed on November 12, 2008.
- b. This data is used to graphically illustrate and compare the new crop corn basis to historical basis levels at various delivery terminals..
- c. This information is available on the University of Arkansas Extension website at: [http://www.aragriculture.org/marketing/basis/11.12.08\\_corn.pdf](http://www.aragriculture.org/marketing/basis/11.12.08_corn.pdf)
- d. Availability of this information has been publicized in a number of outlets to promote to producers. Examples include the *Farm Management and Marketing Newsletter*, *Delta Farm Press*, local marketing clubs and individual producers.